

## 2014 FIRST HALF RESULTS

Cloud Success: +8% SaaS revenues  
 Operating results in line with Target25 strategy  
 Operating Profit Margin strength maintained: +18%

### 2014 FIRST HALF CONSOLIDATED RESULTS

Sidetrade Group (in Million Euros)	H1 2014	H1 2013	Change (%)
Revenue	6.94	6.61	+5%
Operating Profit	1.24	1.42	-13%
Pre-tax Net Operating Income	1.25	1.52	-18%
Tax	-0.28	-0.37	-24%
Net Result	0.97	1.15	-16%
Operating Profit Margin	+18%	+22%	-

*Consolidated and unaudited Sidetrade Group 2014 First Half Results.*

Sidetrade achieved Turnover of €6.94m during the First Half of 2014, representing organic growth of 5%. This increase outperformed the wider Software and Information Services market, forecasted at 1.1% for 2014 (source: Syntec Numérique).

The First Half of 2014 saw performance held back by:

1. The continued migration of Sage FRP Collect accounts acquired at the start of 2013 (2014 H1: - €0.16M) to the SaaS model.
2. The exit from Treasury Consulting activities (2014 H1: - €0.13m).

Adjusting for these factors, overall growth of 9% was achieved, 11% for the Sidetrade Network business alone.

The base effect of the above items will have a continued impact throughout the 2014 trading period.

### CLOUD SUCCESS: +8% SAAS REVENUES

SaaS subscription revenues posted 8% growth (11% like-for-like) over the period (€5.36m versus €4.98m for H1 2013). The product-mix continues to develop towards Cloud-related revenue streams, with the Sidetrade Network business now representing more than 77% of Group Turnover.

Major commercial successes for the period include Loxam Morocco, Bonna Sabla, Emeraude, The Soufflet Group (France, Belgium), Primagaz, Capio, Cofely Italy (GDF-SUEZ), Norbert Dentressangle UK, Geodis Wilson (UAE, Hong Kong, Qatar).

### OPERATING RESULTS IN LINE WITH TARGET25 STRATEGY

Sidetrade continues to demonstrate the strengths of the SaaS model, whereby over a certain volume threshold, operating costs remain largely fixed as volume continues to grow. The benefits of this leverage effect have continued to deliver a positive impact throughout 2014 First Half.

Operating Profit Margin remains solid at 18%, a decrease compared to 2013 First Half (22%). This modest decline is due to on-going investments - in line with the Target25 plan, to bolster the Sales and Marketing teams, the pan-European platform in Ireland, as well as maintain our technological lead through innovation (Business Intelligence and Big Data). Ramping up through the First Half, these investment programmes will continue to have significant cost impacts in 2014 Second Half and throughout 2015.

Accordingly, Group operating profit posted €1.24m for the First Half, a year-on-year reduction of 13% from €1.42m.

Operating profit for 2014 includes an R&D Tax Credit of €0.40m (on par with H1 2013) and the capitalisation of €0.10m R&D activation fees (H1 2013: €0.15m).

Corporate Tax is estimated at €0.28m up to June 30<sup>th</sup> 2014, a decrease compared to June 30<sup>th</sup> 2013. Consequently, the Group achieved a Net Result of €0.97m (16% down) compared to €1.15m as at June 30<sup>th</sup> 2013.

## **BALANCE SHEET STRENGTH**

As of June 30<sup>th</sup> 2014, the balance sheet of the Group remains healthy with net liquidity of €8.1m (H1 2013: €7.2m). Furthermore, the group continues to operate free of debt.

## **2014 OUTLOOK**

The results of this half reflect the development of the group in step with the Target25 plan, combining the strengthening of our teams and continued improvements in innovation.

At the international level, Sidetrade has built the foundations to accelerate the deployment of its pan-European platform in Dublin by 1) establishing a team of twenty multilingual cross-disciplinary employees, and 2) relocating to new premises capable of supporting the expected growth of services and associated headcount. In terms of Sales and Marketing capability, seven business engineers have joined the group over the First Half, bolstering productive capacity in readiness for 2015.

Commenting on the 2014 First Half results, Olivier Novasque, CEO and Chairman of Sidetrade Group, states:

*“Sidetrade continues to pursue a dynamic investment plan, in line with our Target25 strategy. The immediate challenge is to develop the capabilities of our new resources, to make Sidetrade the SaaS world leader in our area, through our primary focus on growth.”*

## **NEXT ANNOUNCEMENT**

2014 Third Quarter Turnover: October 28<sup>th</sup> 2014 (after Stock Market Close)

## **ENQUIRIES**

Christelle Dhrif - +44 203 608 9850 - [finance@sidetrade.com](mailto:finance@sidetrade.com)

*In case of discrepancy between the French and English versions of this press release, only the French version should be deemed valid.*

## **ABOUT SIDETRADE ([www.sidetrade.co.uk](http://www.sidetrade.co.uk))**

Software provider listed (NYSE Euronext, FR0010202606, ALBFR.PA), Sidetrade offers companies the opportunity to digitise the management of their financial relationships with customers. Sidetrade's market-leading solutions, complementary to ERPs, meet the challenges of securing what is often a company's largest asset, its accounts receivable, by reducing late payments and controlling customer risk. With sales in 65 countries, the Group enables 69,000 users from companies of all sizes and all sectors to collaborate via its Cloud solution and accelerate cash-flow generation.