

FINANCIAL RELEASE



Paris, June 6, 2023 – 6 p.m.

Annual financial statements 2022-2023

The improvement in results continues

Organic growth expected between 8 to 12 percent in S1 2023-2024

SII Group, a specialist in engineering business lines, is announcing its 2022-2023 annual results, which were approved by the Management Board on June 6, 2023 and not yet audited.

Eric Matteucci, Chairman of the Management Board, commented: *“The 2022-2023 fiscal year is a symbolic milestone for our growth, with sales in excess of one billion euros, and confirms the SII Group’s return to high performance. We thank our teams for their commitment and our customers for their trust. We now need to build on this foundation to shape our future with desire and conviction, and deliver on our promise to develop a digital, sustainable world together.”*

In €m Ended March 21, 2023 (non yet audited)	2021-2022	2022-2023	Change
Revenue	828.88	1,022.55	+23.4%
Operating profit on activity	80.25	102.51	+27.7%
Operating margin on activity (as a % of revenue)	9.68%	10.03%	+0.35 pt.
Net operating income	79.07	100.66	+27.3%
Net operating margin (as a % of revenue)	9.54%	9.84%	+0.30 pt.
Consolidated net income	59.41	80.47	+35.4%
Consolidated net income, Group share	59.37	80.47	+35.4%
Average headcount	9,434	10,835	+1,401
Headcount at the end of the period	10,311	10,970	+659



Strong business growth

The SII Group has achieved a revenue for the financial year 2022-2023 at €1,022.5m, up 23.4% compared to 2021-2022. This performance was driven by a strong dynamic of activity in all sectors. Aerospace-Space-Defence posted further growth of almost 20% over the year as a whole, and now accounts for 21.1% of the SII Group's total sales. The Banking sector grew by 17.1%. All the other sectors, with the exception of telecoms, are also posting double-digit growth rates.

In France, the revenue reached € 434.1m in rise of 13.2%. Aeronautics-Space-Defence, Banking-Insurance and Telecommunications remain the top 3 contributors to the revenue in this zone.

On the international front, the 2022-2023 financial year closed with a 31.5% increase in revenue to €588.4m. Poland, which contributed more than half of the revenue, posted growth of almost 34%. In Germany, the second-largest contributor to turnover, business has clearly picked up again with a 36.9% increase in turnover for the fiscal year. In Spain, sales fell by 8.1% due to discontinuation of several public sector activities. All other countries contributed €93.6 million to total sales, a cumulative growth of 48.3% compared to the previous fiscal year.

This performance was accompanied by a strong recruitment drive, with almost 4,200 new hires over the year. At 31 March 2023, the group had 10,970 employees, compared with 10,311 at the end of March 2022. In France, the SII Group now has nearly 5,000 employees. In France and throughout the world, the group remains focused on pursuing its ambitious employer brand strategy to promote the well-being and performance of its employees. The group has continued and extended its Great Place To Work labelling programme.

Further improved profitability

At the end of March 2023, the group's profitability improved in France and internationally.

Operating profit from ordinary activities exceeded €100m for the first time, at €102.8m. This performance is explained by the continuing positive effects of the SII Group's reorganisation, a further improvement in the AREH¹ which reached its optimum at 89.9% across all activities, and the efforts of each subsidiary to contribute to this improvement. Overall, the operating margin reached an all-time high of 9.8%. In France, the operating margin improved slightly to 7.17% (7.03% in the previous fiscal year). The international operating margin was 11.82%, compared to 11.69% at the end of March 2022.

After taking into account the financial result and taxes, the net result amounts to €80.5m, which represents a net margin of 7.87%.

¹ Activity Rate Excluding Holidays (Billed / billable, excluding holidays)



At March 31, 2023, the balance sheet showed a net cash position (excluding IFRS16) of €163.9m, compared with €128.6m at the end of March 2022. Shareholders' equity stood at €266.5m compared with €219.1m at the end of March 2022.

External growth in the Netherlands

The SII Group has been present in the Netherlands since 2014 and had 40 employees at 31 March 2023, in engineering activities. On 25 May, the SII Group finalised the acquisition of RISA-IT, which employs just over 50 people. Thanks to this acquisition, the SII Group's Dutch subsidiary has extended its expertise to the fields of IT and is expanding its offerings in a growing market. The combined entity is expected to generate sales exceeding €10 million in the 2023-2024 fiscal year. The activities of RISA-IT will be consolidated in the books of Group SII as of June 1, 2023.

Proposed dividend of €0.50 per share

In keeping with its dividend distribution policy, the SII Group will propose, at the General Meeting of Shareholders to be held on September 21, 2023, the payment of a dividend of €0.50 per share.

Outlook 2023-2024

The SII Group is growing in the digital sector, which still seems promising. The SII Group can also count on its solid advantages, especially its organisation, its sectoral and geographical diversity and its quality HR policy.

However, in addition to the initial uncertainties associated with labour shortages, inflationary pressures and geopolitical questions, there are now issues related to monetary policies and their macroeconomic impacts, whose effects on the future level of activity are difficult to predict.

In this unpredictable context, the SII Group anticipates organic sales growth of between 8% and 12% for the first half of its 2023-2024 fiscal year. The SII Group also aims to maintain its operating margin between 9% and 10% during this first half-year. The SII Group will specify its objectives for the financial year at the time its half-yearly results are published, depending on economic developments.

Next financial announcement:

Fiscal 2023-2024 first quarter revenue, Wednesday, August 10, 2023 after closing market

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About SII

Founded in 1979 by qualified engineer Bernard Huvé, the SII Group's activity is balanced between engineering and technology consulting (ETC) and digital services (DSC).

The SII Group provides employment for more than 16,000 people, structured in a way that offers all the responsiveness and flexibility of a local service. It operates in 18 different countries across four continents throughout 80 locations with full operational capabilities. Each year, the SII Group recruits over 4,000 consultants and engineers on average. On a daily basis, these committed individuals strive to develop and integrate new technologies within future products and services, and to continuously enhance our clients' information systems.

Always looking to provide innovative, value-added solutions, the SII Group works with major international groups in a variety of sectors, including Aeronautics, Defence, Space, Banking, Insurance, Telecommunications, Energy, Retail, Automotive, Transport and Industry. Certified EcoVadis Platinum and a Great Place to Work, the SII Group stands out for its social policy focused on creating a digital, sustainable world and its corporate culture firmly rooted in quality of work life and inclusion.

In the 2022-2023 financial year, which ended on March 31, 2023, SII Group recorded revenues of €1,022.5 million.