

# H1 2021 results



## Investors presentation

ESI Group  
September 9<sup>th</sup>, 2021

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# Speakers



**Cristel de Rouvray**

CEO



**Olfa Zorgati**

CFO & Head of Operations



**Mike Salari**

C-COO Revenue Generation

# ESI's Vision / Mission

We envision a world where Industry can commit to bold **OUTCOMES**, addressing high stakes concerns – environmental impact, safety & comfort for consumers and workers, adaptable and sustainable business models



Providing reliable and customized **SOLUTIONS** anchored on predictive physics to allow industries to make the right decisions at the right time.

# We deliver on our commitments

## OUR COMMITMENTS

- Focus our sales' effort on our New Business recovery
- Continue delivering on our Healthy run-rate initiative to improve our profitability
- Transform our company while preparing our first 3-year plan release

## IMPROVED HALF-YEAR RESULTS

(constant rate)

H1 revenues	Gross margin	EBIT adj	Net result
+4.3%	+9 bp	+50.8%	+34.1%

In the context of a global pandemic & the slowdown of economy at large, ESI Management and employees stayed focus to deliver on their commitments.

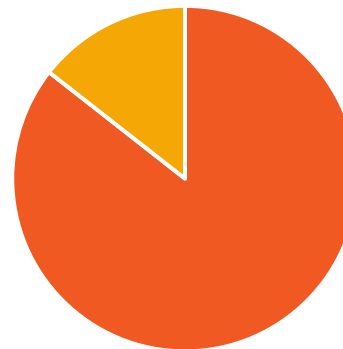
# Financial results

# H1 revenues: in line with guidance

Revenues (€m)	H1-2021	H1-2020	Change	Change Constant exchange rate (cer)
H1 - Licenses	70.0	69.2	+1.2%	+4,3%
H1 - Services	11.8	11.6	+1.8%	+4,3%
<b>H1 - Total</b>	<b>81.8</b>	<b>80.8</b>	<b>+1.3%</b>	<b>+4.3%</b>

## H1 REVENUES

14.4%  
(vs 14.4% in H1 20')



85.6%  
(vs 85.6% in H1 20')

■ Licenses ■ Services

# H1-FY21 revenue

Increase in all geographical areas

> AMERICAS

14.4%

€11.7M

+10.4% cer

> EUROPE, MIDDLE EAST & AFRICA

52.1%

€42.6M

+2% cer

> ASIA-PACIFIC

33.5%

€27.4M

+5.2% cer



# Industries

Sales in line with the key strengths of the Group

## 4 Focus industries



Automotive &  
Land  
transportation



Aerospace,  
Defense &  
Naval



Heavy  
industry



Energy

The Group's **four focus industries** accounted for around 88.6% of revenues before deferred. ESI Group's sales was driven by the **Automotive market**, first industry of the Group, with a 2.3% increase at current rate.

# Key figures

Improved performance with 22.0% adjusted EBIT (vs 15.5% in H1 2020)

(€m)	H1-FY21	H1-FY20	Change	Change cer
<b>Revenue</b>	81.8	80.8	+1.3%	+4.3%
<b>Gross margin</b>	64.0	62.4	+2.4%	+5.7%
%revenue	78.2%	77.3%		
<b>EBIT (adjusted*)</b>	18.0	12.5	<b>+43.9%</b>	+50.8%
%revenue	22.0%	15.5%		
<b>EBIT</b>	18.2	12.7	+43.2%	+50.0%
%revenue	22.2%	15.7%		
<b>Net result</b>	11.1	8.9	<b>+25.1%</b>	+34.1%
%revenue	13.5%	11.0%		
<b>Cash</b>	36.2	24.7	<b>+46.4%</b>	

\* Adjusted before IFRS 16

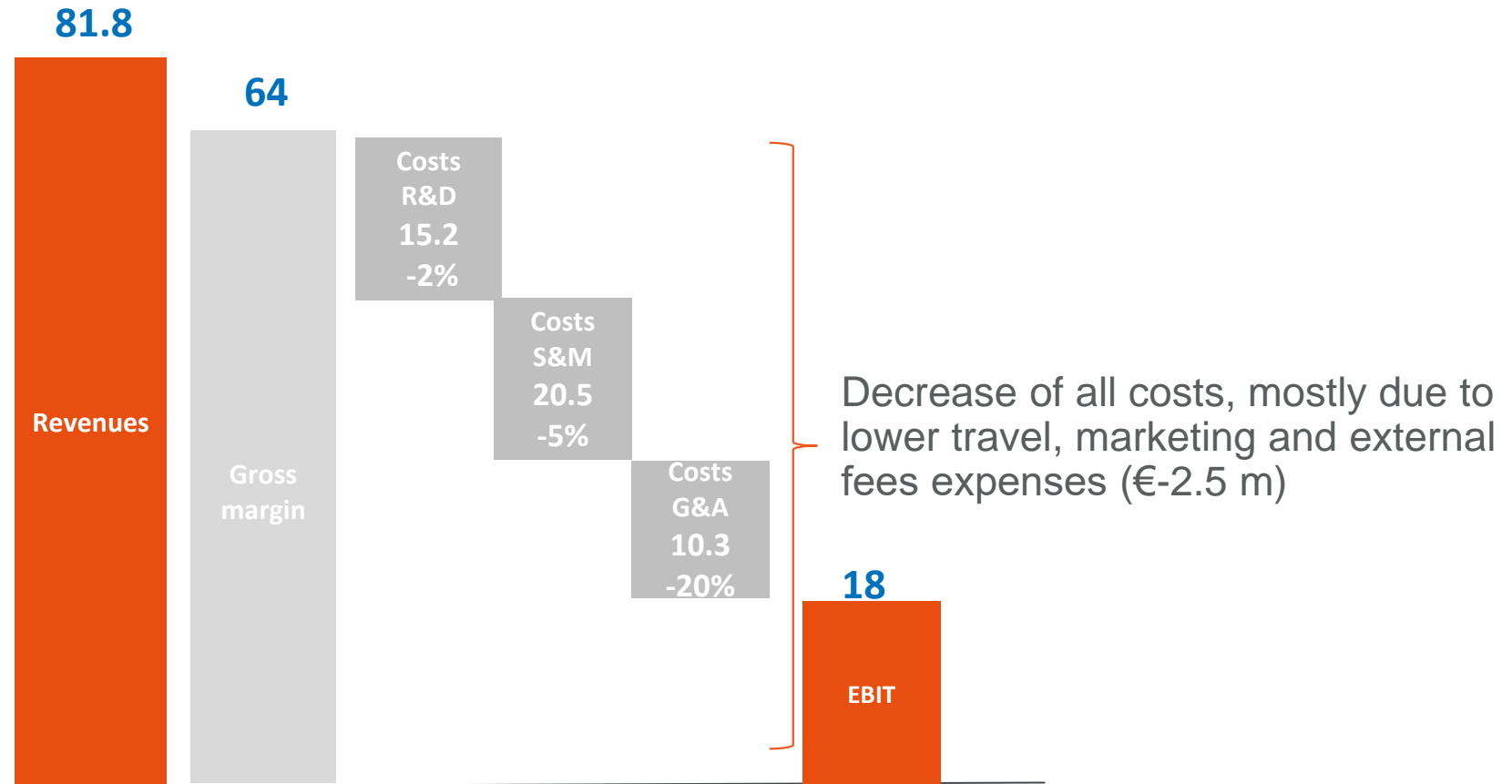
# EBIT (adj.) per nature - Overview

Decrease of Costs to EBIT by €4.5m due to decrease in Other costs & stable staff costs

€m	H1-FY21		H1-FY20		VARIATION	
	Amount	%revenue	Amount	%revenue	Amount	% Var
<b>Revenue</b>	<b>81.8</b>		<b>80.8</b>		<b>1.0</b>	<b>+1.3%</b>
Expenses linked to revenue	-5.2	-6.4%	-5.7	-7.1%	0.5	-9.3%
Staff costs	-47.5	-58.1%	-47.3	-58.5%	-0.2	+0.5%
Other costs	-11.1	-13.6%	-15.3	-18.9%	4.2	-27.2%
<b>Total costs to EBIT (adj.)</b>	<b>-63.9</b>	<b>-78.0%</b>	<b>-68.3</b>	<b>-84.5%</b>	<b>4.5</b>	<b>-6.5%</b>
EBIT (adjusted)	18.0	22.0%	12.5	15.5%	5.5	+43.9%

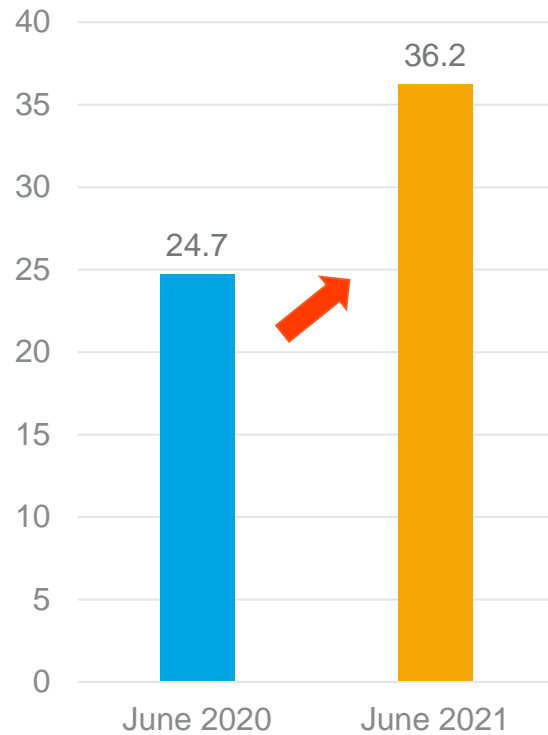
# EBIT per destination – Better gross margin and less costs

Healthy run rate initiative initiated 18 months ago is beginning to appear in the figures

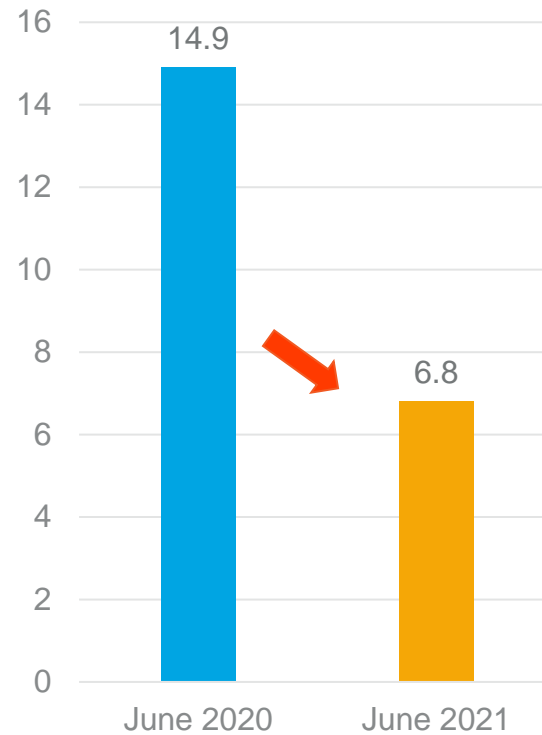


# Balance sheet strengthened: more cash, less debt

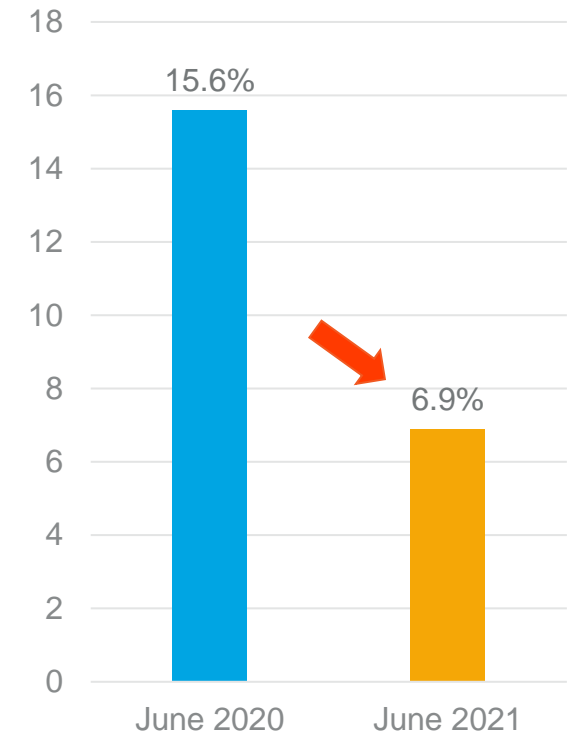
## Cash



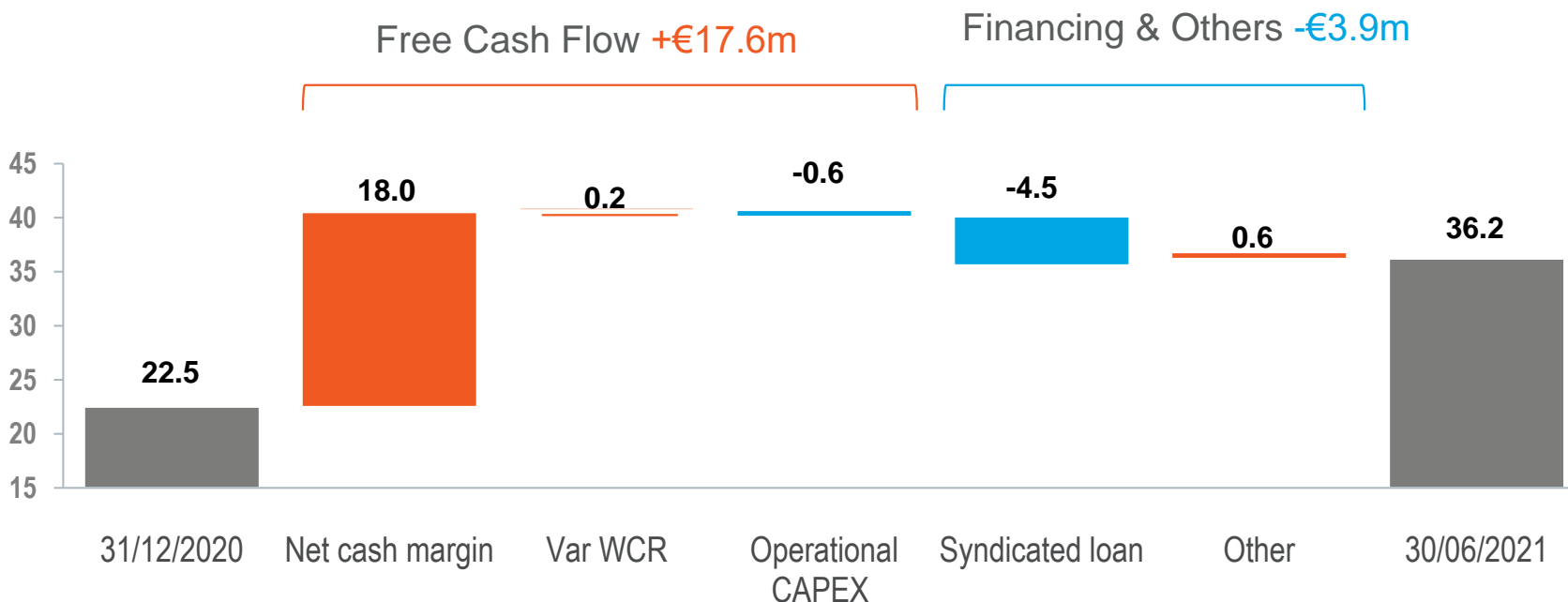
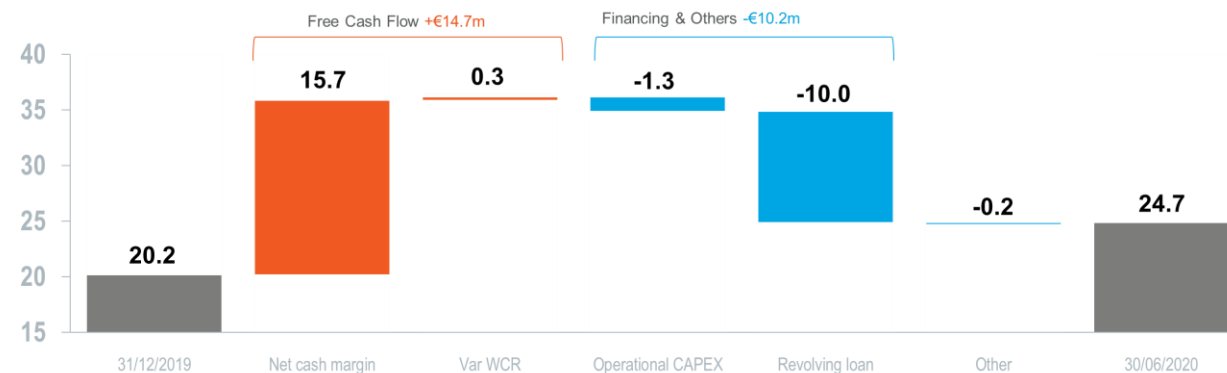
## Net debt



## Gearing Net debt/Equity



# Cash Flow Generation



Vs H1 20 increase of FCF by €2.9 m:

- €2.3 m higher net cash margin
- €0.7 m lower Capex

## H2 – FY21 forward-looking statement

### Revenues

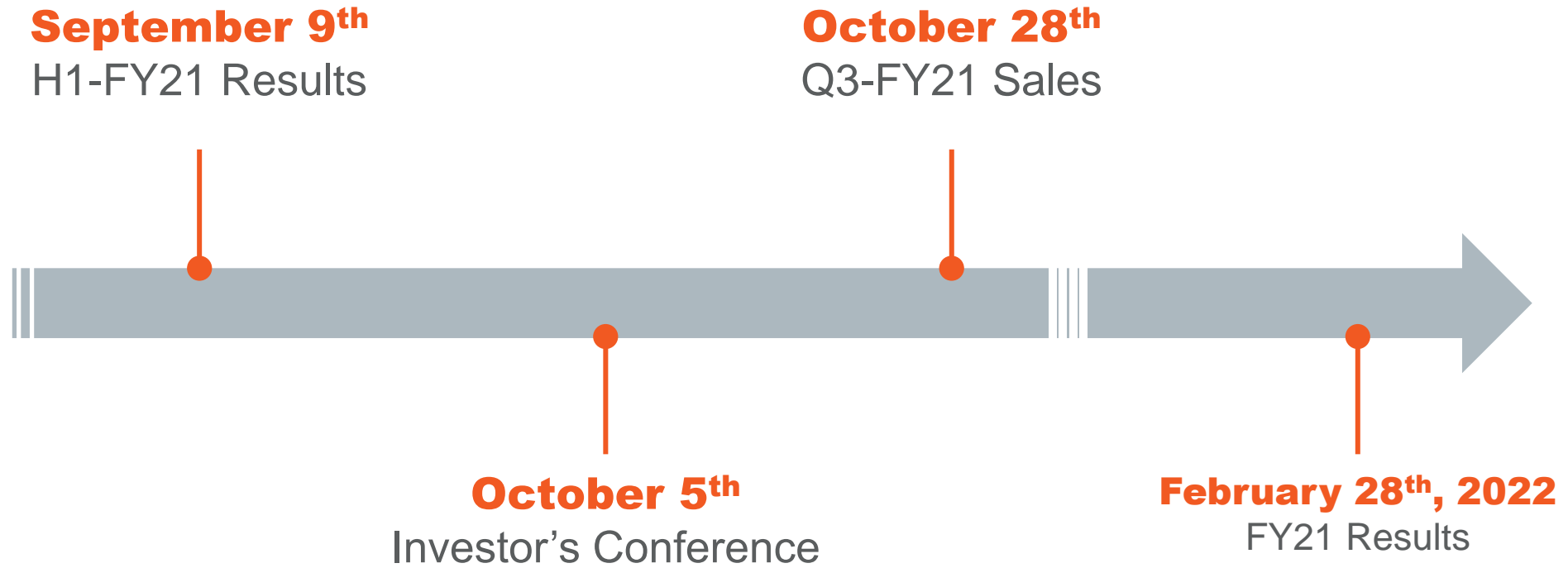
In millions, except percentages	FY21 Range		FY20
<b>H2</b>	<b>51.7</b>	<b>54.7</b>	<b>51.8</b>
Growth	0%	6%	
Growth excl. forex	2%	8%	
<b>FY</b>	<b>133.5</b>	<b>136.5</b>	<b>132.6</b>
Growth	1%	3%	
Growth excl. forex	4%	6%	

These statements are subject to a number of risks and uncertainties, including those related to the COVID-19 virus and associated further economic and market disruptions; further adverse changes or fluctuations in the global economy; further adverse fluctuations in our industry, foreign exchange fluctuations, changes in the current global trade regulatory environment; fluctuations in customer demands and markets; fluctuations in demand for our products including orders from our large customers; cyber-attacks; expense overruns; and adverse effects of price changes or effective tax rates.

# **Building the foundation for improved long-term growth and profitability**



# Upcoming



# **Our plan to reach better level of growth and profitability**

**Join us on October 5<sup>th</sup>, 2021  
From 3:30 to 5:30pm CET**

**Investor's conference**

# Thank you



## Any Questions?

Email: [investors@esi-group.com](mailto:investors@esi-group.com)