

2019 results and 2020 outlook

In M€	2019	2018	Variation	%
Revenue	39.7	37.6	+2.2	+5.8%
Operating income	(3.7)	(4.7)	+0.9	-19.6%
Financial income	(0.3)	0.3	-0.6	na
Net income	(4.2)	(5.4)	+1.2	-21.8%

The consolidated accounts were closed by the Board of Directors on April 3, 2020. The audit procedures have been completed. The statutory auditors' report concerning certification is being prepared.

Paris, April 13, 2020

The losses fell 21.8% thanks to the growth in activity (+5.8% at current exchange rate) and the containment of operating expenses (+3%). It should be noted that income collected in advance recorded as at December 31 exceeded by €1.8M the balance recorded in the 2018 balance sheet and reflects the increase in billables at the end of the year (SaaS subscriptions and maintenance) not yet taken into account as revenue. Financial income is mainly from exchange margins, with the cost of debt remaining low and a drop in tax expenses (€0.1M). Available cash amounted to €2.2M as at December 31, 2019, and net debt was limited (€1.8M). Accounts receivable, much higher at the end of the year (€25.4M, i.e., +€8.5M compared with December 2018), were partially collected during the first quarter, which increased the cash position to €6.2M at the end of March (a better cash position than at the end of Q1 2019).

Prospects for 2020 and impact of the health crisis

CAST initially prepared a 2020 budget with net profitable growth exceeding 20% based on observed market forces and the fruit of its 2015-2019 investments. The health crisis and the economic consequences thereof will affect CAST's clients' decision-making processes and therefore have an impact on activity for the coming months.

In this time of uncertainty, the company has considered other scenarios in order to face this crisis and its possible worsening. All potential solutions have been studied and are being implemented (operational efficiency, savings, financing, etc.). Even with growth cut in half, expected savings should still allow us to have a profitable financial year.

The nature of company's activity made it possible to have employees start working from home very quickly and all teams are operational and productive. CAST's software products meet the needs of large groups wishing to digitize rapidly (modernization and adaptation of applications in a world where business is increasingly online, migrating to the cloud, strengthening security and building resilience) and improve their operating efficiency (improved IT governance, decreased costs and eradicate waste), needs that are more relevant than ever.

The pillars of CAST's value-added offer (Objectivity, Modernization and Security/Quality) should become even more important in response to the underlying issues of this crisis. It would be reasonable to think that delayed transactions will quickly start up again as soon as the end of the health crisis is in sight and economic actors have a little more visibility.

Upcoming:

Revenue for the first quarter on May 4, 2020, after market closes

CAST is the pioneer and category leader in Software Intelligence, providing insight into the structural condition of software assets. CAST technology is renowned as the most accurate "MRI for Software", which delivers actionable insights into software composition, architectures, database structures, critical flaws, quality grades, cloud readiness levels and work effort metrics. It is used globally by thousands of forward-looking digital leaders to make objective decisions, accelerate modernization and raise the security and resiliency of mission critical software.
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