

## 2013 half-year results

### Profitability on the rise

ITESOFT (ISIN Code: FR0004026151, Mnemo code: ITE), a European software vendor specializing in solutions for automating and processing information flows, announces the publication of its financial statements for the first half of 2013, approved by the company's Board of Directors on September 23<sup>rd</sup> and subject to limited review by its auditors.

On June 30 (in millions of euros)	Freemind		Yooz		Group	
	2012	2013	2012	2013	2012	2013
Sales revenue	10.40	10.15	0.21	0.57	<b>10.56</b>	<b>10.72</b>
Operating expenses	9.55	9.30	1.01	1.26	<b>10.56</b>	<b>10.56</b>
Operating income	0.80	0.85	(0.80)	(0.69)	<b>0.00</b>	<b>0.16</b>
% of revenue	7.8%	8.4%	ns	ns	ns	ns
Net income					<b>0.13</b>	<b>0.11</b>

### BUSINESS ACTIVITY

In a generally challenging business environment during the first half of the year, Group revenue rose by +1.5% to reach €10.7 million. The half-year period was marked by strong commercial momentum in France, where overall sales were up by +5.6%. Revenue for Yooz, the company's SaaS-based document capture and process automation solution for accounting firms and very small and intermediate-sized companies, showed nearly a three-fold increase (+172.6%). This excellent performance reflects strong growth in the Yooz subscriber base, which has doubled during the past year. It had also doubled over the previous period, reaching 600 clients by June 30, 2013.

### ANALYSIS OF FIRST-HALF 2013 RESULTS

In mid-2013, ITESOFT achieved positive operating income of 163 K€. Implementing strict cost control measures, the company was able to keep expenses stable over the half-year period. ITESOFT nonetheless continued to invest significantly to support the Group's future

growth vectors, both for its FreeMind business and for Yooz. The overall share of R&D investment (FreeMind and Yooz) reached €2.9 million over the period, representing 27% of sales revenue.

At constant exchange rates, net income rises to reach 260 K€. Taking the negative impact of exchange rates into account, net income is 110 K€.

As of June 30, 2013, the Group's financial situation remains healthy and strong, with balance sheet equity of €6.0 million, long-term financial debt of €2.1 million, and a net cash position of €10.3 million.

## **TWO NEW PRODUCT LAUNCHES: ITESOFT.Streamline and ITESOFT.ProductionManager**

Ever since the company was founded, ITESOFT has focused its efforts on innovating and expanding its product line upwards in the value chain by helping clients evolve with their professional activities.

Continuing this approach, ITESOFT announced the launch of ITESOFT.Streamline and ITESOFT.ProductionManager, effectively moving beyond ITESOFT's traditional offering of document automation solutions.

ITESOFT now provides a complete range of solutions to optimize business processes, from multi-channel capture (paper, e-mail, mobile) to business process automation and end-to-end monitoring.

These two product launches enable the Group to expand the scope of its offering and increase the level of business with its clients.

## **OUTLOOK FOR 2013**

ITESOFT expects revenue in the second half of the year to be at least equal to that of the first half. Ongoing control over structural expenses, combined with forecast sales revenue, should enable ITESOFT to improve its financial results for 2013.

## **Upcoming communications**

- October 15, 4:00 PM: SFAF (French Financial Analyst Society) mid-caps
- October 23, 2013: Q3 2013 sales revenue

## **About ITESOFT - [www.itesoft.com](http://www.itesoft.com)**

Founded in 1984, ITESOFT is the leading software developer in France and one of the leaders worldwide for the process automation market with its electronic capture and automatic document processing solutions.

Group turnover in 2012: 21.7 M€ - Group staff in 2012: 191 people

ITESOFT's mission is to make processes that rely on business document exchange smoother, simpler and faster.

ITESOFT offers an innovative range of solutions for capturing, automatically processing, and handling all documents flowing into companies. The company's offer is based on two product lines:

- **FreeMind**, a licensable solution for capturing and automatically processing documents for large organizations. This includes handwritten correspondence, forms (such as order forms and slips), invoices, payments (cheques and drafts).
- **Yooz**, an SaaS solution for capturing and automatically processing supplier invoices, designed for small, very small, and medium-sized companies, associations, certified accountants, and local government.

ITESOFT solutions significantly and measurably increase the efficiency of business processes that depend on flows of paper and electronic documents (purchase to pay, order to cash, mail and client file processing...). These solutions enable clients to increase productivity, reduce document processing costs, and ensure end-to-end processing reliability and tracking.

ITESOFT has been listed on the EURONEXT stock exchange since February 2001.

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Bloomberg: ITES FP

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