ITESOFT plans to sell its Yooz business unit

(ISIN: FR0004026151, Mnemo: ITE), a European software vendor specializing in solutions for automating and processing information flows, announces its plans to sell its Yooz business activity, an SaaS-based document automation solution designed for SMBs, mid-tier companies, and accounting firms.

Currently, ITESOFT manages two distinct business activities organized into separate business units: its FreeMind activity and its Yooz activity. Each business unit publishes its own distinct financial information.

Over the past several years, profitability for FreeMind activity has risen considerably, returning to sustained growth and generating strong positive cash flows.

On the other hand, Yooz has required significant cash-flow injections over the same period to enable growth.

As a reminder: FreeMind generated revenue of €20.4 million in 2013, with an operating income of €2.46 million, whereas Yooz generated €1.22 million (representing 5.5% of overall revenue), achieving negative operating income of -€1.44 million.

ITESOFT has concluded that the coexistence of FreeMind and Yooz generates very little synergy for the Group overall. Coexistence does not promote either activity's market image or highlight their respective potential to the fullest, as the solutions are marked by inherent incompatibilities, notably:

- Business model: license sales vs. SaaS subscriptions
- Sales approach: large clients vs. SMEs and mid-tier companies
- Level of maturity: growth phase vs launch phase
- Need for funding: self-funding vs. need for substantial investment

Based on this analysis, the company wishes to create an environment that is conducive to its future development by transferring ownership of the Yooz activity to a new company, a subsidiary of CDML (holding company for the ITESOFT group), whose majority shareholder is Didier Charpentier, founder and CEO of ITESOFT.

This transfer will enable ITESOFT to focus its financial and human resources on deploying its new FreeMind commercial strategy, which is largely based on the rising popularity of its new ICPA (Intelligent Capture & Process Automation) software suite. This strategy has already begun to show results, for example, with ITESOFT signing a major contract with one of the leading mutual insurance companies in France.

ITESOFT is confident in its decision to pursue this momentum.

Personnel representatives are currently involved in discussions concerning the business transfer, in parallel with the publication of this press release. A new press release will be published after the personnel representatives have rendered their opinion.

About ITESOFT – www.itesoft.fr

ITESOFT is an international software vendor of multichannel document capture and process automation solutions aimed at accelerating, streamlining, and securing document-centric business processes. Leveraging its specialized R&D labs and research programs, the performance and innovation of ITESOFT's solutions have helped the company gain the status of an internationally recognized leader beyond its number 1 market position in France.

ITESOFT deploys its solutions to automate critical business processes for over 1,000 clients in large- to mid-sized organizations and SMEs in 29 countries, handling more than a billion documents every year across business sectors.

Founded in 1984, ITESOFT has offices in Germany, the United Kingdom, and France, serving western European markets (Germany, Belgium, Luxembourg, Switzerland, the United Kingdom, and France), as well northern Africa and the United States. With a staff of 196 people, the company generated consolidated revenue of €21.6 million in 2013. ITESOFT has been listed on the Euronext Paris stock exchange since February 2001.

Compartment C - ISIN Code FR0004026151 – Mnemonic ITE - Reuters: ITFT.LN - Bloomberg: ITES FP

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