

# The Syllis Group – 2002 Financial Results

EBITA: 11.9 M€ (excluding non-recurring items)

Operating profit: 7.1%



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Financial information:  
**www.syllis.com**



In millions of €	2002	2001
Sales	167.5	181.3
EBITA (excluding non-recurring items)	11.9	20.2
Profit margin	7.1%	11.1%
Reorganisation	3.3	-
EBITA (including non-recurring items)	8.3	19.8
Profit margin	5.0%	10.9%
Net profit (before goodwill)	2.5	10.9
Profit margin	1.5%	6.0%

Adjustment measures starting at the end of S1 allowed Syllis to report a 9% operating profit for the area excluding the Netherlands. A sharp increase in the non-assigned headcount rate in Q2 and Q3 2002 explains much of why the operating profit is lower than in 2001. The Netherlands' contribution was negative to the tune of €1.1m. The Group's contribution to the net result (after goodwill) was a loss of €1.7m. Evaluation tests on goodwill avoided the Group reporting non-recurring depreciation.

Restated for capital losses and provisions for depreciation on its own shares (€1.5m) and the costs of restructuring (€3.3m), net profit before goodwill would have been €7.3m, and the Group's contribution to the net result (after goodwill) €3.1m.

## Syllis adjusts effectively to its environment

Compounded by nose-diving demand, the computer services market is now shifting towards global facilities-management services, as clients seek to use existing capabilities more efficiently rather than invest in new technology.

These recent developments will have a long-lasting effect on the industry. Syllis' efforts to adjust to them have already borne fruit.

### Adjusting to the current environment

Efforts to rightsize productive and structure staff (by about 300 people) pushed the activity ratio up 2 points compared to S1 in the area spanning France, Belgium and Luxembourg. That also alleviated the global unproductive-staff/total-staff ratio to 10% by end 2002, against 11.4% in 2001.

### The evolving Market/Trade approach

Evolving customer expectations corroborate Syllis' decision to segment its offering into:

- Project services (operation consulting, TPM, facilities management and outsourcing),
- Supervisory services (High-Technology Engineering) plus, starting in early 2003, outsourced R&D which we will develop by organic growth.
- Syllis has also finalised measures to boost its TPM offer's competitive advantage, by setting up a "near-shore" offer comprised of regional platforms.

This strategic move should allow Syllis to concurrently build its trade synergies, cut production costs, and shorten sales cycles.

## Economic fundamentals under control

During the year, the Group's cash flow stood at €5.3m, in line with objectives. The Group's net debt, for its part, shrank to only 49% of equity.

Working capital requirements remains under control in 2002 after the decrease in 2001.

Considering the medium-term debt repayment schedule, Group gearing is expected to be under 30% of its own funds in 2003.

## The outlook – focusing on profits

The unsettled environment and uncertain outlook will keep Syllis steering its business towards profit margins and focusing on the least-hurt sectors throughout 2003. The completion of the Group's reorganisation (the Netherlands' reorganisation is well underway in Q1 2003) and, more globally, Syllis' cost competitiveness, explain the Group's confidence it will be able to enhance its economic profitability in current market conditions.

**Information meeting on 8 April 2003 at 10:00 a.m.**

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