Thursday, 29 April 2021

2020 results:

AURES demonstrates great resilience despite the severe impact of the Covid crisis on the Group's customers
First operating profit for RTG (US)

Revenue: €87,243K

Operating profit: €4,947K

Net attributable profit: €3,026K

€K	***2020***	*2019*	***Change***
Consolidated revenue	**87,243**	115,873	-24.7%
Consolidated operating profit	**4,947**	5,389	-8.2%
Operating margin (%)	*5.67%*	4.65%	
Net attributable profit	**3,026**	2,993	+1.10%
Net margin	*3.47%*	*2.58%*	
Net cash/(debt)	**2,217**	(10,175)	

Revenue

In a year severely impacted by the Covid-19 health crisis, the Group's revenue totalled €87.2 million, a decline of 24.7% at constant exchange rates.

The various restrictions imposed by the governments of the Group's host countries (total or partial lockdown, closure of "non-essential" businesses, etc.) impacted the business of its customers (points of sale, hotels, restaurants, airports, cinemas, stadiums, etc.) and, in turn, that of the Group.
At constant exchange rates, revenue was down 23.8%.

Operating profit

Consolidated operating profit totalled €4,947K, or 5.67% of revenue.

This satisfactory outcome against the backdrop of the Covid period is testament to the Group's effective management of this unprecedented crisis, based partly on:

- staff cuts, mainly implemented at RTG at the beginning of the crisis;
- short-time working arrangements put in place in Europe and Australia;
- Paycheck Protection Program (PPP) loans obtained in the United States.

Factors impacting trends in operating margin (down 8.2% over the year) include:

- the decline in revenue, which reduced gross margin by around €13.6 million;
- the near stability of percent gross margin (47.57% in 2019 and 47.59% in 2020);
- a €6.4 million (24.5%) reduction in personnel costs due to the application of short-time working measures and staff cuts;
- a €3.1 million (17%) reduction in external expenses, of which €1 million in advertising and travel expenses.
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Aid recorded in 2020 (short-time working and PPP loan) totalled €3,449K. Of this, €2,644K is the Group's best estimate of the amount due following the filing of the application for recognition of the PPP loan as a grant under the US Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The second significant factor in the composition of operating profit is the fact that, less than two years after joining the Group, RTG generated an operating profit of €2,364K, compared with an operating loss of €1,525K in 2019.

RTG's operating profit includes €804K in amortisation charged against intangible assets (compared with €819K in 2019), as well as the recognition of income related to the PPP forgiveness application filed by the entity in the amount of €2,475K.

This spectacular turnaround stems from the decision taken by the Group during the first wave of the Covid-19 health crisis to significantly reduce its workforce, and subsequently to restructure its organisation.

Net profit

The income tax expense was €208K, and the effective tax rate was down sharply at 7.91% from 37.65% in 2019, mainly due to the non-taxable nature of the income of €2,475K recorded in respect of PPP forgiveness.
Consolidated net profit for the year came out at €3,108K (€3,026K attributable to owners of the parent), compared with €3,053K in 2019 (€2,993K attributable to owners of the parent), or a net profit margin of 3.5%.

Net profit including non-controlling interests was €3,108K.

Net cash position

The Group's net cash position amounts to €2,217K.
As a reminder, the Group received a €10.5 million government-backed loan (PGE) in France and decided to transform it into a loan repayable over five years with a one-year grace period.

Gross debt at 31 December 2019	**(10,175)**
Repayments during the period	2,787
New borrowings	(13,843)
Gross debt at 31 December 2020	**(21,231)**
Bank overdrafts	(20)
Cash and cash equivalents	23,468
Net cash/(debt) (in €K)	**2,217**

At its meeting held on 29 April 2021, the Board of Directors reviewed and approved the 2020 financial statements.
The audit procedures carried out on these financial statements by the Statutory Auditors are currently being finalised.

Outlook

2021 has begun with the same disruptions as in 2020, reflecting the lack of visibility as to the end of the Covid-19 crisis. Any forecast would therefore still be subject to a high degree of uncertainty.
In terms of business, following the acquisition carried out in February 2021, the Group's primary goal is to complete its own middleware as quickly as possible, with the help of its development teams in Tunisia, in order to provide a comprehensive solution for the kiosk market (combining hardware, middleware and applications) covering all types of sectors, with a view to significantly boosting kiosk sales.
Lastly, 2021 will be a complex year due to the global shortage of electronic components and the pressure on sea and air freight, in terms of both capacity and prices, the impacts of which cannot be assessed with certainty.

Upcoming events

Q1 2021 revenue: Tuesday 11 May 2021 before the start of trading on the Paris stock market.

About the AURES Group

Founded in 1989 and listed on Euronext since 1999, AURES is an IT manufacturer providing a complete range of hardware solutions for the POS market.
The AURES Group has a global presence with its headquarters in France, subsidiaries in the UK, Germany, Australia, the US (AURES Technologies Inc. and Retail Technology Group – RTG*) and Tunisia (LST**), and a network of partners, distributors and resellers in over 60 other countries.

*Retail Technology Group Inc. (RTG) is a major North American player in IT services and POS maintenance (hardware and software).
**Tunisian company LST (Leader Solution Tactile) is the Group's development unit for middleware and digital applications.

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