

# Q1 2018 results

Analyst presentation

16 May 2018



# Disclaimer

This presentation contains forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and/or profitability in the future. Actual events or results may differ from those described in this document.

Consequently the company cannot guarantee the accuracy and the completeness of said forward-looking statements due to a number of uncertainties, many of which the company is not aware of.

For additional information concerning any important factor that may cause the company's actual results to materially differ from expectations and underlying assumptions, please refer to the reports filed by the company with the "Autorité des Marchés Financiers » (AMF).

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**Key figures & facts**

# Key facts and figures Q1 2018



## Growth Q1 2018

- €161.1m revenue
- +23.6% total growth, of which +17% organically



## Scale! Deployment progresses

- Investment on Google, Service Now & AWS partnerships
- Acquisition of Altius, a Salesforce partner (consolidated from Feb. 2018)
- Launch of Knowledge Up Program for graduates



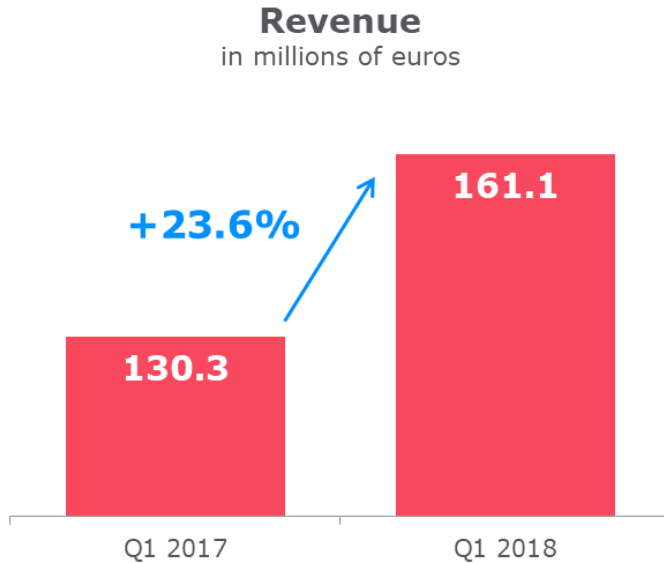
## 2018 guidance increased

From >10% to >12.5% organic growth

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**Financial results**

## Q1 2018 revenue



**+23.6% yoy growth of revenue**

- M&A impact: +8%
- FX impact: -1.4%

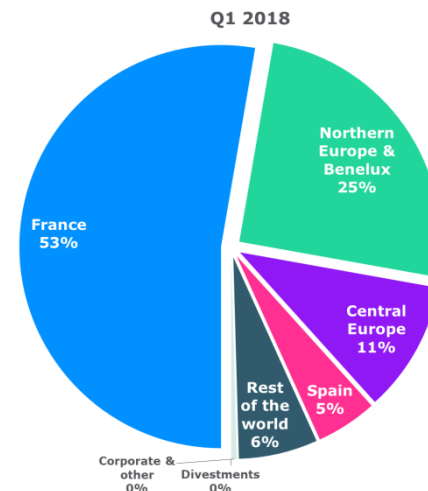
**+17% like-for-like variation**

despite lower number of working days (-1.8%)

*Note: Q1 2017 was €131.2m before IFRS 15 restatement*

# Revenue analysis by Region

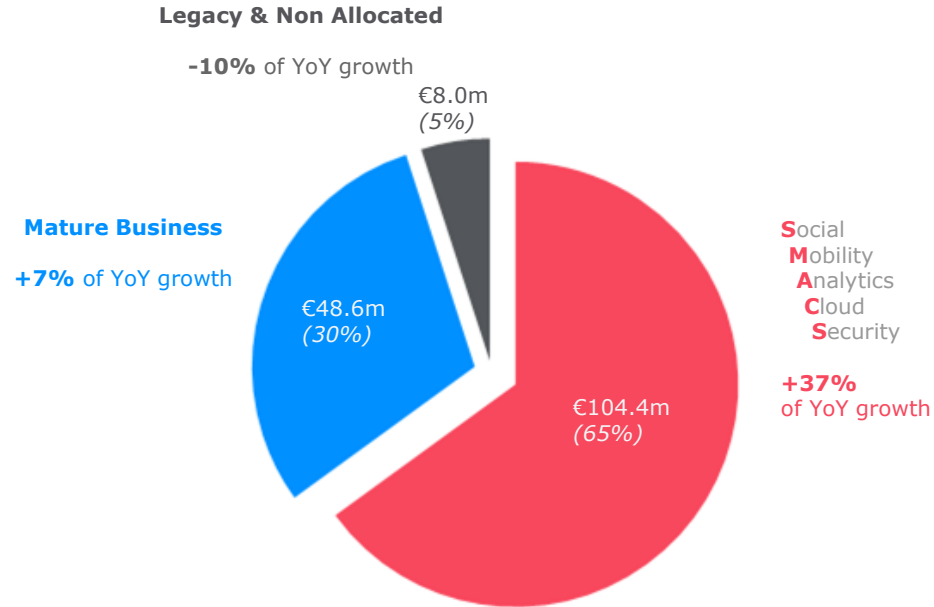
In millions of euros	Q1 2018	Q1 2017 restated	Q1 2017 presented
<b>France</b>	<b>85.7</b>	<b>67.7</b>	<b>67.7</b>
Variation	26.4%		
L-f-l variation	20.0%		
<b>Northern Europe &amp; Benelux</b>	<b>40.8</b>	<b>32.5</b>	<b>32.6</b>
Variation	25.5%		
L-f-l variation	9.1%		
<b>Central Europe</b>	<b>17.1</b>	<b>13.7</b>	<b>13.7</b>
Variation	24.7%		
L-f-l variation	24.0%		
<b>Spain</b>	<b>8.0</b>	<b>6.9</b>	<b>6.9</b>
Variation	15.5%		
L-f-l variation	16.4%		
<b>Rest of the world</b>	<b>10.3</b>	<b>9.4</b>	<b>10.2</b>
Variation	9.5%		
L-f-l variation	22.7%		
<b>Corporate &amp; other</b>	<b>(0.7)</b>	<b>0.1</b>	<b>0.1</b>
<b>Total</b>	<b>161.1</b>	<b>130.3</b>	<b>131.2</b>
Variation	23.6%		
L-f-l variation	17.0%		



Of which impact of significant acquisitions:

In millions of euros	Q1 2018	Q1 2017	Q1 2017
<b>France</b>	<b>4.4</b>		
D2SI, consolidated as of 1 October 2017	3.8		
Progis, fully consolidated as of 1 January 2018	0.4		
Altius Services, consolidated as of 1 February 2018	0.2		
<b>Northern Europe &amp; Benelux</b>	<b>6.0</b>		
TMNS, consolidated as of 1 July 2017 (estimate)	6.0		

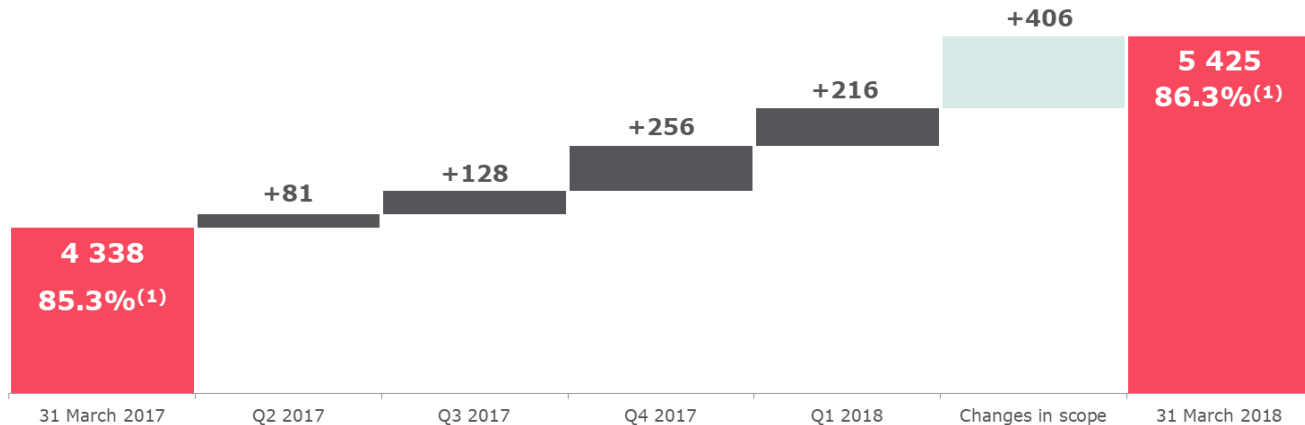
# Q1 2018 – SMACS positioning





# Resources analysis

## Headcount and billable ratio



Acquisition Q1 2018  
 Altius +14p  
Acquisition Q4 2017  
 D2SI +134p  
Acquisition Q3 2017  
 TMNS +202p  
Insourcing & other 2017  
 +56p

Attrition rate of billable employees  
 28.0% in Q1 2018 vs.  
 29.2% Q1 2017

## Utilization rate of internal resources<sup>(2)</sup> excl. divested entities

Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	Q1 2018
83.1%	84.4%	85.4%	85.5%	84.6%	85.6%

<sup>(1)</sup>Billable ratio = productive headcount / total headcount

<sup>(2)</sup>Number of working days of billable employees that were billed to a client compared to the total number of available days excluding holidays

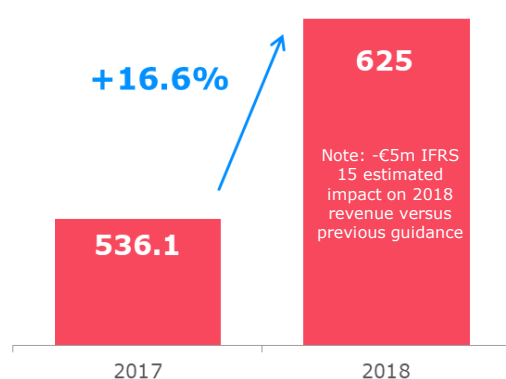
**3**

**Prospects**

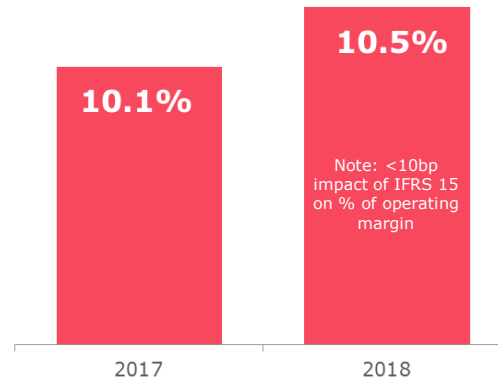
# 2018 guidance increase

Considering stable economic environment

**Revenue**  
in millions of euros



**Operating margin**  
in % of Revenue



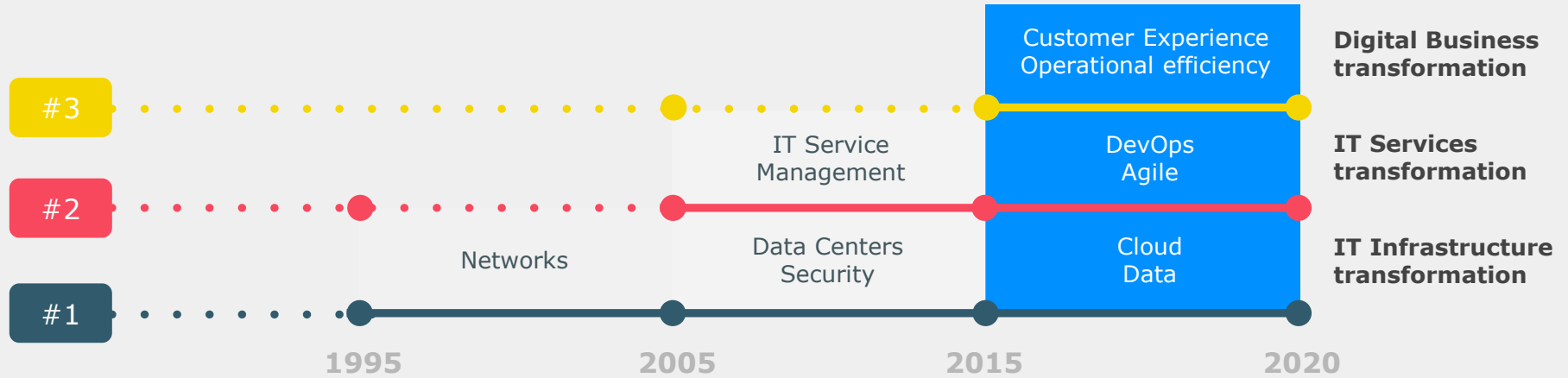
- **>12.5% like-for-like** (>10% previously)
- FX impact: -€4m (-0.8 pt)
- M&A impact: +€25m (+4.7 pt)
  - TMNS: €11.9m H1 2018
  - D2SI: €10.8m 9m 2018
  - Progis: €1.3m FY 2018 & Altius: €1m FY 2018

- **Operating margin of 10.5%** ("close to 10.5%" previously)
  - Helped by higher number of days and utilisation H1
  - Mitigated by investments for growth and inflation on salaries
- Restructuring cost expected around 0.5% of the revenue

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**Appendix**

# Over the past 20 years we have chosen to be focused on **3 consecutive disruptive revolutions**



This has built our DNA as **Digital Transformakers** to help our customers win their digital battle



# A unique way to power IT & Business transformation at scale



**Digital**  
@scale



**+50%** of  
our activity is  
digital-centric,  
from networks to  
applications



**Agility**  
& **proximity**



**+90%** of  
our activity is  
delivered next to  
our customers'



**Cloud**  
enablement



**+25%** of  
our activity takes  
our customers on  
their cloud journey



**CIO++**  
focused



Where IT matters,  
next to those with  
the ability &  
ambition to drive  
transformation at  
scale

# Digital Battle



We provide a global transformational approach to our customers' **key business challenges**



## Agile IT Platform

Transform core IT into a Service oriented digital platform, to serve business need for speed & agility



## Digital Workplace

Create a work environment that makes employees more effective, and organisations more agile.



## Cyber Security

Answer business need for speed and agility through programs that optimize security levels, but also trust.



## Data as a Service

Boost decision-making by leveraging data and providing businesses with fast, smart and high quality data services.



## Business Process Excellence

Leverage the potential of digital to create processes that change business and improve enterprise services operational excellence (HR, Finance, Maintenance...)



## Customer Experience

Design digital services & experiences that engage consumers and improve the business performance

# We grow and innovate within a **vivid ecosystem of global and local partners**



**Strategic EMEA partners**



**Strong local partners**



# Clients and verticals Q1 2018

## Top 3

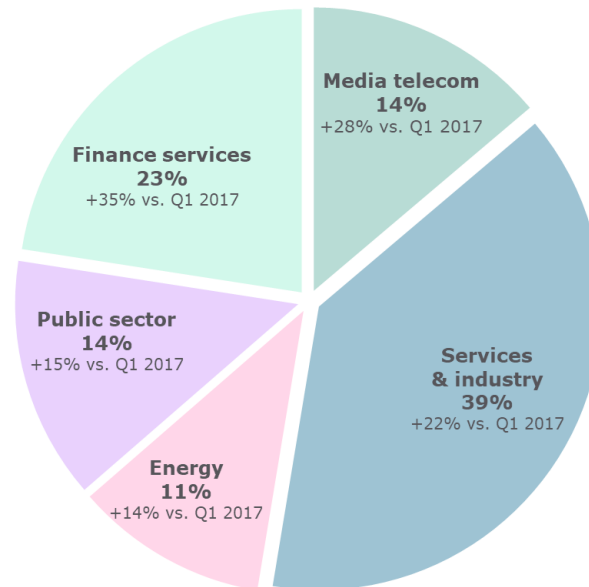
### 13% of the revenue

- BNP Paribas 4%
- Engie 4%
- Société Générale 4%

## Next 7

### 19% of the revenue

- Major electricity provider
- Deutsche Telekom
- CA/CL
- SNCF
- Sanofi
- Axa
- Airbus Group



# Shareholding structure

31/12/2017	Number of shares	% of capital	Number of voting rights	% of voting rights
Executive Board <sup>(1)</sup>	1,938,848	23.3%	3,332,037	33.0%
Lazard Frères Gestion	579,312	6.9%	579,312	5.7%
Amiral Gestion	551,043	6.6%	551,043	5.5%
Allianz	532,673	6.4%	532,673	5.3%
Tabag <sup>(2)</sup>	470,402	5.6%	940,804	9.3%
Owned shares	344,259	4.1%	542,036	5.4%
Nominative shares <sup>(3)</sup>	316,006	3.8%	-	-
Public	3,599,864	43.2%	3,599,864	35.7%
Total	8,332,407	100.0%	10,077,769	100.0%

<sup>(1)</sup>And their family, acting in concert

<sup>(2)</sup>Owned by Yves de Talhouët, linked with the Board of Directors by a tax treaty

<sup>(3)</sup>Founders of subsidiaries, employees and former employees

# Glossary

**France:** French operations

**Northern Europe & Benelux:** Belgium, Denmark, United-Kingdom, Luxembourg, Netherlands including TMNS in Switzerland, Germany and Serbia, and Norway

**Central Europe:** Austria, Czech Republic, Germany and Poland

**Spain:** Spain, Mexico and Panama

**Rest of the world:** Middle East, Italy, Morocco, Tunisia and Turkey

**Corporate & other:** headquarter activities which cannot be allocated directly to the operational regions, and discontinued operations

**Revenue and group contribution:** the revenue of a region is the contributive revenue and is defined as the total revenue (internal and external) of the region minus the costs of internal subcontracting. It reflects the contribution of the region to the revenue of the Group produced with own resources. The sum of the contributions of the regions corresponds to the consolidated revenue of the Group

**Operating margin:** current operating result before amortization of intangible assets related to acquisitions and excluding the impact of the share-based payment

**Like-for-like or I-f-I variation:** variation at comparable perimeter and exchange rates

**Utilization rate of internal resources:** number of working days of billable employees that were billed to a client compared to the total number of available days excluding holidays

# Contacts

## Executive Board

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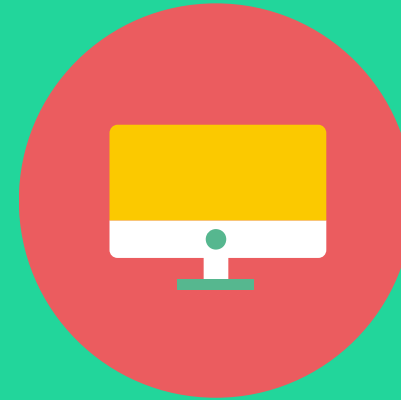
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