

H1 2019 results

Analyst presentation

3 September 2019



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 H1 2019



H1 2019 Results

- €373.3m of revenue
- +21.8% total growth, of which 10.6% organically
- Operating margin at 9%
- Operating result up 10.7% at €31.9m



SMACS and Partnerships

75% of SMACS revenue in H1 2019

Acquisition of PowerData, Smart Data specialist in Spain (32 employees)

Devoteam continues to accelerate its certification plan with key partners
1500 certification to date

Devoteam Luxembourg awarded **2019 Microsoft Country Partner of the Year**



Eagle for value

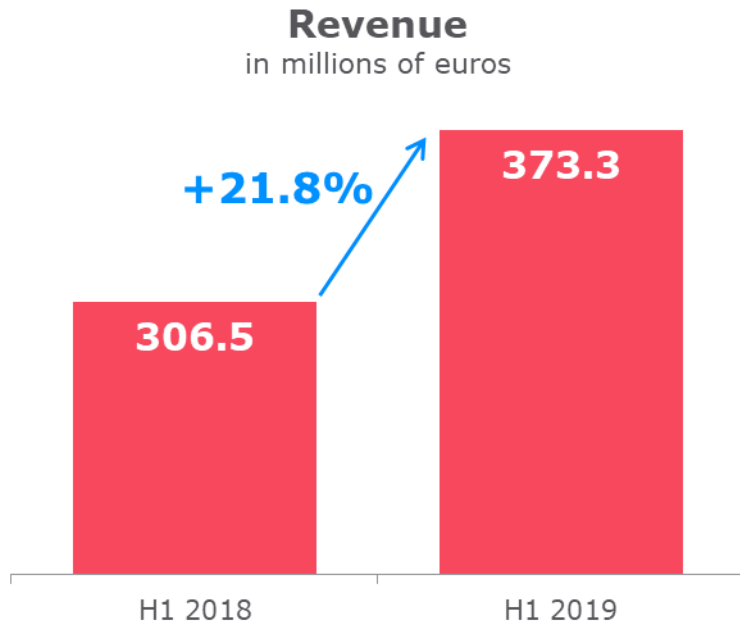
Strengthening our Eagle operational model

- HR model and talent acquisition
- Pricing and sales force effectiveness
- Performance monitoring

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Financial results

H1 2019 revenue



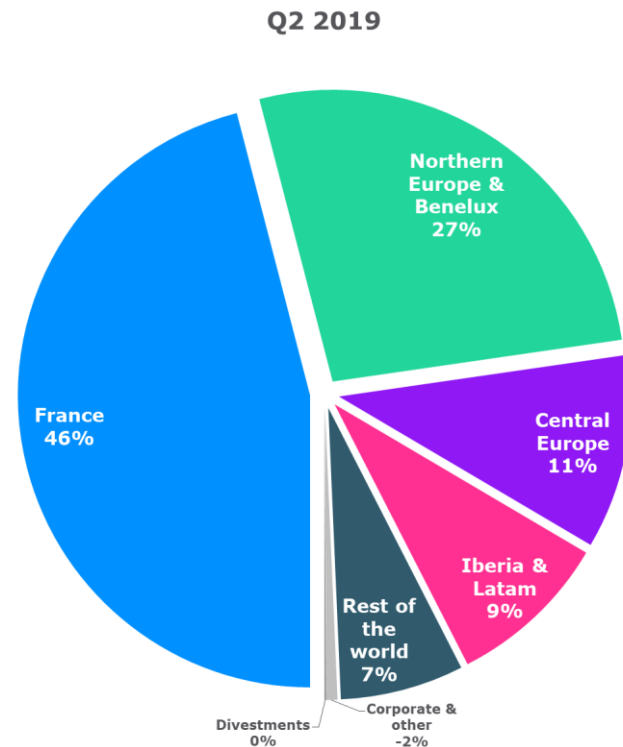
+21.8% YoY growth of revenue

- M&A impact: +10.9%
- FX impact: +0.2%

+10.6% like-for-like variation

Revenue by Segment

| In millions of euros | Q1 2019 | Q1 2018 | Q2 2019 | Q2 2018 | H1 2019 | H1 2018 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| France | 89.0 | 78.2 | 85.9 | 77.6 | 174.9 | 155.7 |
| Variation | 13.9% | | 10.8% | | 12.3% | |
| L-f-I variation | 13.9% | | 10.8% | | 12.3% | |
| Northern Europe & Benelux | 49.8 | 39.3 | 50.0 | 38.7 | 99.8 | 78.0 |
| Variation | 26.7% | | 29.1% | | 27.9% | |
| L-f-I variation | 10.4% | | 10.0% | | 10.2% | |
| Central Europe | 20.7 | 13.2 | 20.2 | 12.4 | 40.9 | 25.6 |
| Variation | 56.7% | | 63.0% | | 59.7% | |
| L-f-I variation | -0.8% | | 5.0% | | 2.0% | |
| Iberia & Latam | 16.4 | 7.8 | 16.8 | 8.2 | 33.3 | 15.9 |
| Variation | 112.0% | | 105.8% | | 108.8% | |
| L-f-I variation | 2.0% | | -1.6% | | 0.1% | |
| Rest of the world | 13.3 | 9.8 | 12.8 | 10.4 | 26.1 | 20.2 |
| Variation | 35.7% | | 23.4% | | 29.4% | |
| L-f-I variation | 30.8% | | 20.3% | | 25.4% | |
| Corporate & other | (0.7) | (0.7) | (1.1) | (0.9) | (1.9) | (1.7) |
| Divestments | 0.1 | 6.1 | 0.1 | 6.6 | 0.2 | 12.7 |
| Total | 188.6 | 153.7 | 184.7 | 152.8 | 373.3 | 306.5 |
| Variation | 22.8% | | 20.9% | | 21.8% | |
| L-f-I variation | 11.7% | | 9.6% | | 10.6% | |
| Currency impact | 0.3% | | 0.2% | | 0.2% | |
| Perimeter impact | 10.8% | | 11.1% | | 10.9% | |



Growth driven by SMACS

Q2 2019*

Legacy & Non allocated
-34.5% of which -31.5% I-f-I

€5.6m
(3%)

Mature Business

-6.7% of which -2.3% I-f-I

€40.3m
(22%)

€139.9m
(75%)

+37.1%

**SMACS
YoY Growth**

+18.1% I-f-I Growth

H1 2019*

Legacy & Non allocated
-28.1% of which -29.9% I-f-I

€12.5m
(3%)

Mature Business

-6.5% of which -2.0% I-f-I

€82.0m
(22%)

€280.7m
(75%)

+38.2%

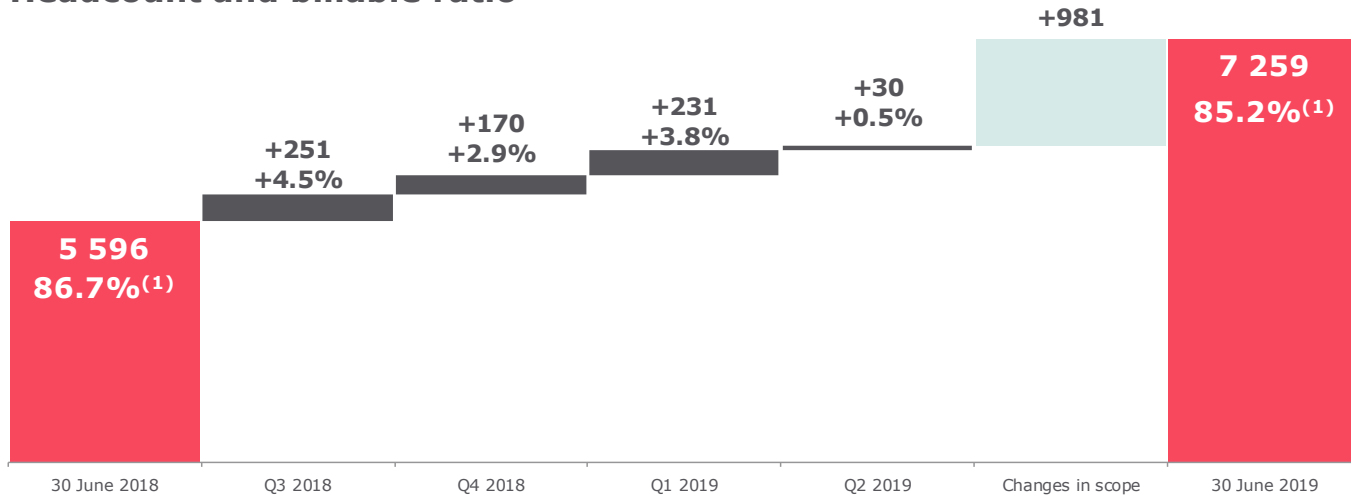
**SMACS
YoY Growth**

+19.6% I-f-I Growth

■ SMACS ■ Mature ■ Legacy

Talent acquisition

Headcount and billable ratio⁽¹⁾



Acquisition Q2 2019
 Avalon +33p
Acquisition Q4 2018
 Jayway +226p
Acquisitions Q3 2018
 Bold +627p
 Alegri +224p
 New BIC +43p
 Paradigmo +13p
Divestment Q3 2018
 Shift -71p
Divestment 31/12/2018
 Siticom GmbH -104p
Divestment 30/06/2019
 NauOn -10p

Attrition rate of billable employees from 31.5% in Q1 2019 to 34.2% in Q2 2019

Utilization rate of internal resources⁽²⁾

| Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019* | Q2 2019 |
|---------|---------|---------|---------|-------|----------|---------|
| 85.6% | 84.4% | 84.2% | 82.7% | 84.2% | 82.3% | 83.1% |

*82.4% in the Q1 2019 press release, 82.3% following the requalification of a subsidiary's activity.

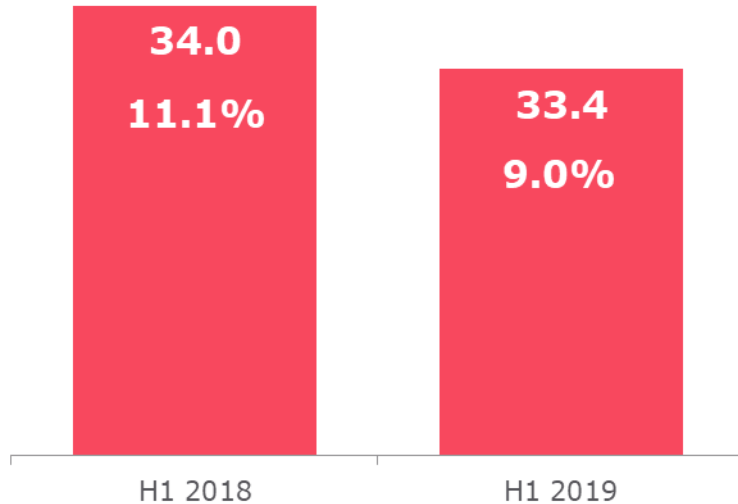
⁽¹⁾Billable ratio = productive headcount / total headcount

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

H1 2019 operating margin

Operating Margin

in millions of euros and % of Revenue



From 11.1% to 9.0% operating margin

- Negative working days impact
- Lower utilization rate
- Positive scissor effect

Operating margin by Segment

| In millions of euros | H1 2019 | H1 2018 |
|--------------------------------------|---------|---------|
| France | | |
| Group contribution | 174.9 | 155.7 |
| Operating margin | 20.9 | 23.1 |
| In % of Group contribution | 11.9% | 14.8% |
| Northern Europe & Benelux | | |
| Group contribution | 99.8 | 78.0 |
| Operating margin | 6.7 | 6.7 |
| In % of Group contribution | 6.7% | 8.6% |
| Central Europe | | |
| Group contribution | 40.9 | 25.6 |
| Operating margin | 1.3 | 2.8 |
| In % of Group contribution | 3.1% | 10.8% |
| Iberia & Latam | | |
| Group contribution | 33.3 | 15.9 |
| Operating margin | 3.0 | 1.3 |
| In % of Group contribution | 9.0% | 8.1% |
| Rest of the world | | |
| Group contribution | 26.1 | 20.2 |
| Operating margin | 3.2 | 1.9 |
| In % of Group contribution | 12.3% | 9.4% |

| In millions of euros | H1 2019 | H1 2018 |
|------------------------------|---------|---------|
| Corporate & other | | |
| Group contribution | (1.9) | (1.7) |
| Operating margin | (1.3) | (2.9) |
| Divestments | | |
| Group contribution | 0.2 | 12.7 |
| Operating margin | (0.3) | 1.1 |
| In % of Group contribution | -120.9% | 9.0% |
| Total | | |
| Group contribution | 373.3 | 306.5 |
| Operating margin | 33.4 | 34.0 |
| In % of Group contribution | 9.0% | 11.1% |

Profit & loss statement

| In million of euros | H1 2019 | H1 2018 | YoY var. |
|--|--------------|--------------|--------------|
| Revenue | 373.3 | 306.5 | 21.8% |
| Operating Margin | 33.4 | 34.0 | -1.6% |
| Cost of share based payment & Impact of acquisitions (amortization of intangibles) | (0.9) | (1.7) | |
| Current Operating Profit | 32.5 | 32.3 | 0.9% |
| Non current restructuring costs | (0.9) | (0.6) | |
| Operating Profit before M&A and other non current | 31.6 | 31.7 | -0.2% |
| M&A and other non current costs Impairment, Badwill | (0.3) 0.6 | (2.9) - | |
| Operating Profit | 31.9 | 28.8 | 10.7% |
| Financial result | (2.1) | (1.3) | |
| Share of profit from associates | 0.3 | 0.4 | |
| Profit Before Tax | 30.1 | 27.9 | 8.0% |
| Income tax | (10.0) | (8.4) | |
| Profit After Tax | 20.1 | 19.4 | 3.6% |
| Profit attributable to the Owners of the company | 17.6 | 16.8 | 4.8% |
| Basic earnings per share (euro) | 2.16 | 2.10 | |
| Diluted earnings per share (euro) | 2.15 | 2.04 | |

Non current restructuring costs increase of €0.3m

Mainly linked with restructuring in Germany and Denmark

Other non current costs down €0.3m

Primarily from the disposal of non strategic assets for +€0.5m

Financial result

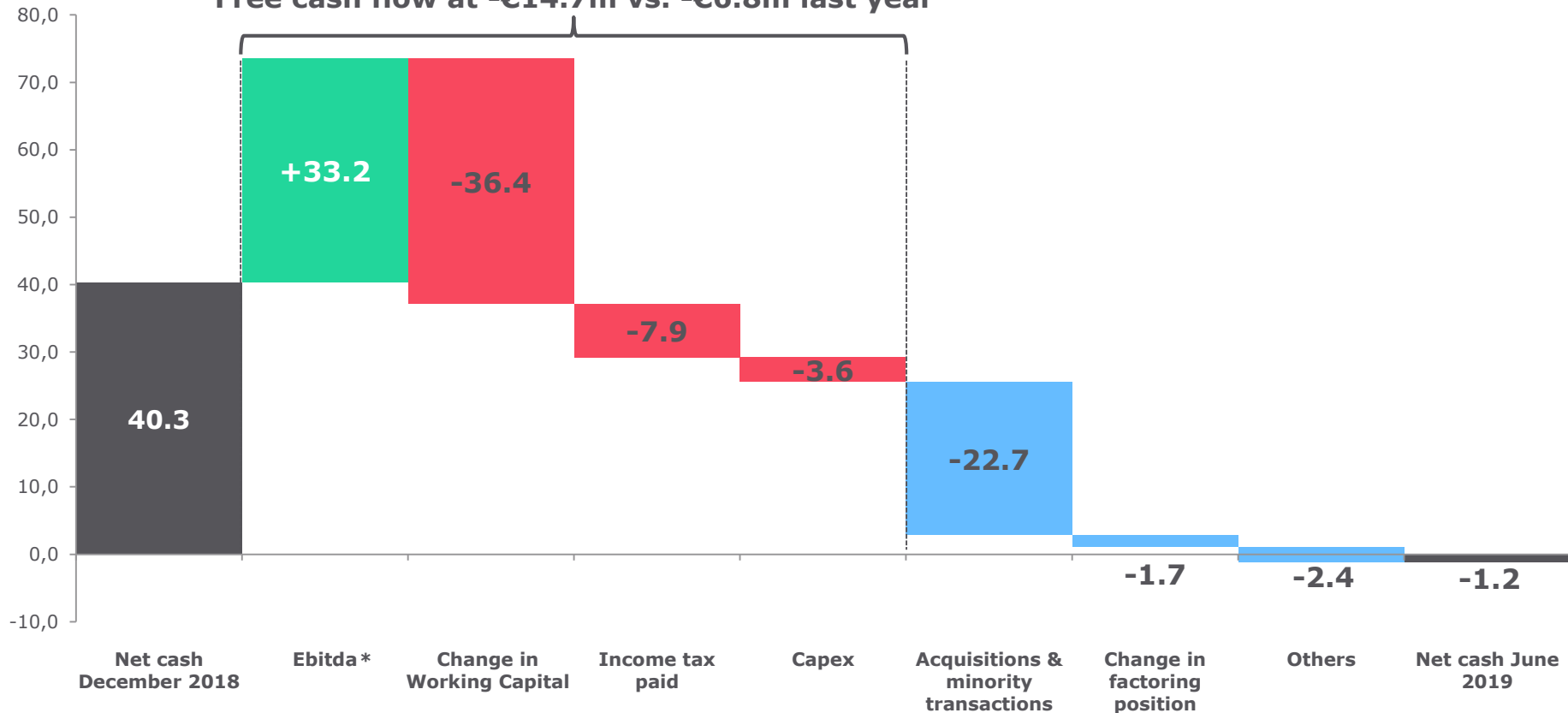
Financial costs increase of €0.8m mostly driven by the IFRS 16 effect (€0.3m) and the cost of the Group credit lines renewal (€0.2m)

Income tax

Effective tax rate (ETR) at 33.2% vs. 30.1% last year, principally resulting from the CICE reform in France. Excluding this change, the ETR would be at 31.3%

Net cash/debt: 6 months evolution

Free cash flow at -€14.7m vs. -€6.8m last year



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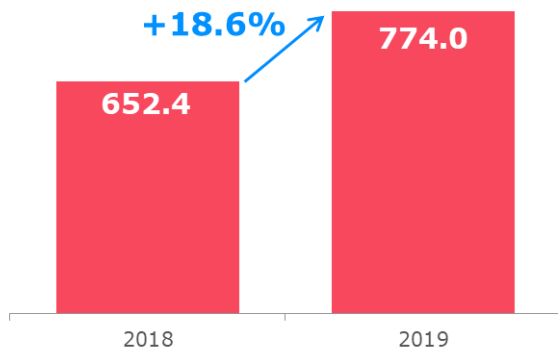
Prospects

2019 guidance

Considering stable economic environment, exchange rates and accounting method

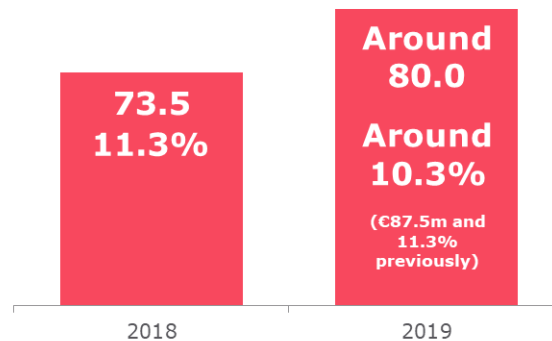
Revenue

in millions of euros



Operating margin

in millions of euros and in % of Revenue



- **Organic growth above +12%**
- M&A impact: +6.4 pt

- **Operating margin around 10.3%**
- Restructuring costs expected around 0.5% of the revenue

IFRS 16 impact: not significant

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Appendix

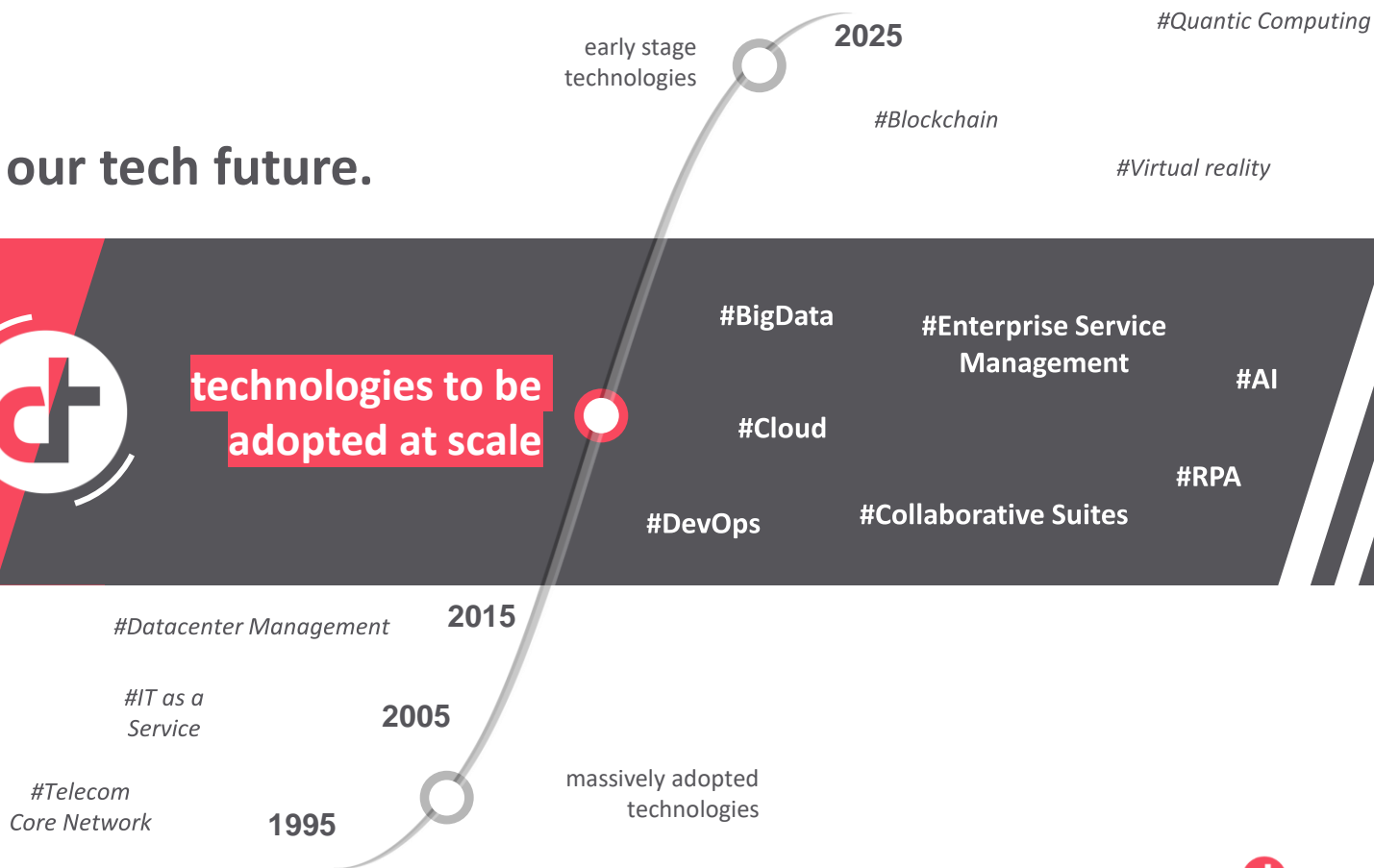
with our learning and entrepreneurial culture

we have chosen our tech future.

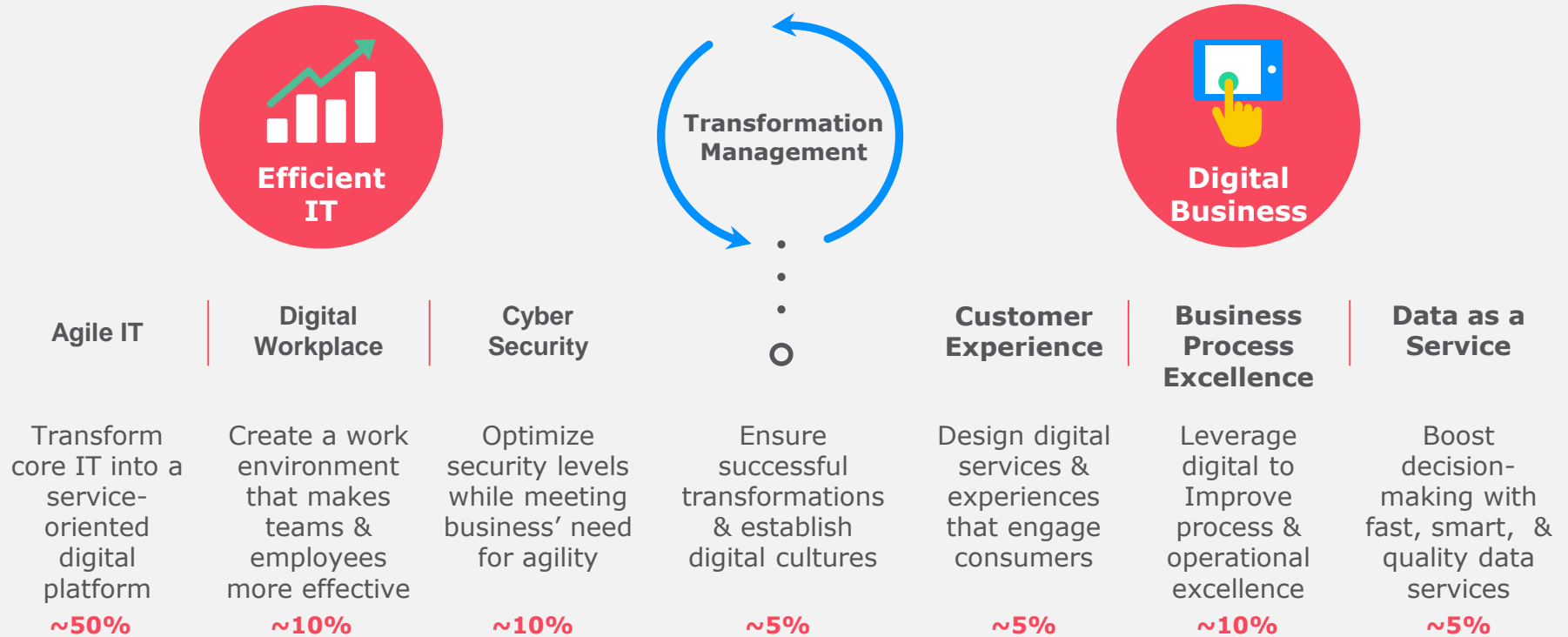
maximising
business
value for
customers.



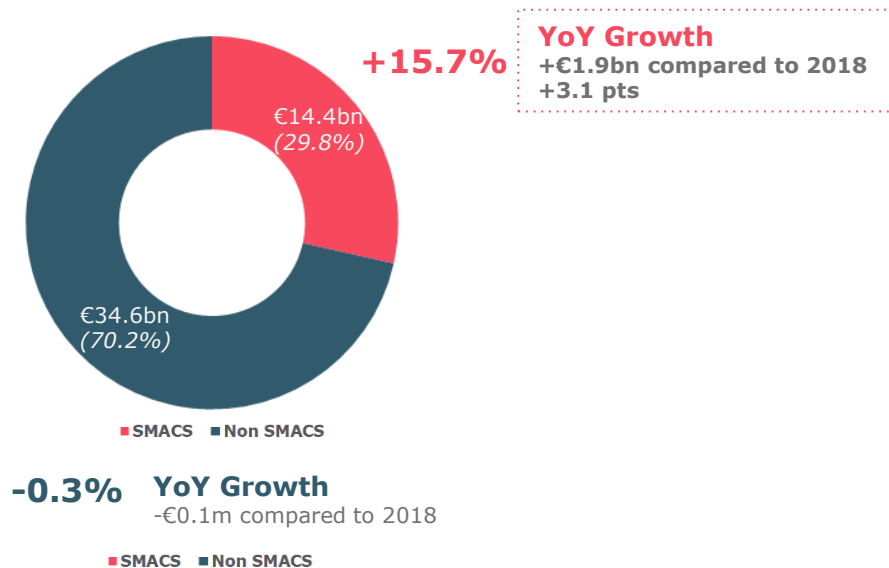
technologies to be
adopted at scale



We deliver Innovative Technology Consulting for Business, with a unique Transformation DNA



SMACS transformation will drive the IT Market growth in 2019



Source: Syntec, 2019

Clients and verticals Q2 2019

Top 3

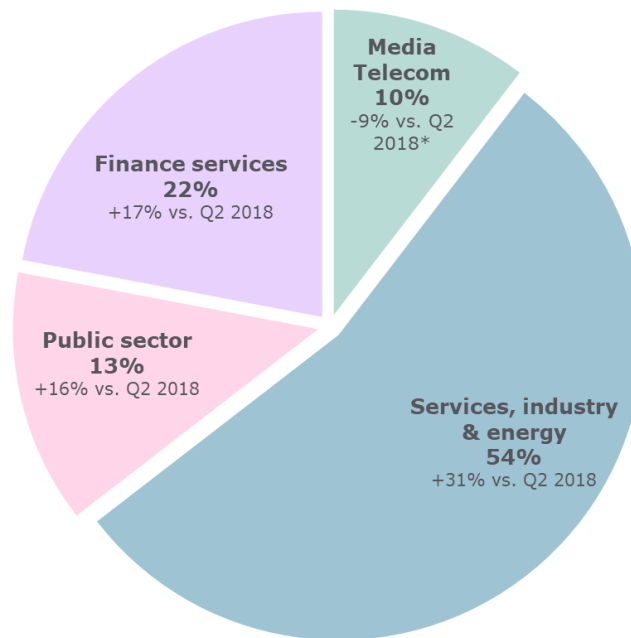
11% of the revenue

- BNP Paribas
- ENGIE
- Major electricity provider

Next 7

16% of the revenue

- Société Générale
- CA/CL
- Carrefour
- SNCF
- Airbus
- AXA
- Daimler AG



*+11% excluding Siticom GmbH deconsolidated on 31/12/2018

Balance sheet

| In millions of euros | 30.06.2019 | 01.01.2019 ⁽¹⁾ | 31.12.2018 |
|---------------------------------------|--------------|---------------------------|--------------|
| Assets | | | |
| Goodwill | 135.8 | 129.9 | 129.9 |
| Non-current assets | 78.8 | 71.7 | 30.1 |
| Current assets | 298.6 | 264.2 | 264.2 |
| Net cash (debt) ⁽²⁾ | (1.2) | 40.3 | 40.3 |
| Total assets | 512.1 | 506.0 | 464.4 |
| Liabilities | | | |
| Group shareholders' equity | 174.2 | 175.6 | 175.6 |
| Minority shareholders' equity | 11.6 | 12.0 | 12.0 |
| Long term liabilities | 56.4 | 49.2 | 23.4 |
| Current liabilities | 269.9 | 269.2 | 253.4 |
| Total equity & liabilities | 512.1 | 506.0 | 464.4 |

⁽¹⁾ Restated of IFRS 16.

⁽²⁾ Cash position net of all financial debts, excluding debts related to operating leases under IFRS 16 "leases".

Cash flow statement⁽¹⁾ – Analytical view

| In millions of euros | H1 2019 | H1 2018 | FY 2018 |
|--|---------------|--------------|---------------|
| Ebitda ⁽²⁾ | 33,2 | 33.0 | 69.9 |
| Change in Working Capital | (36.4) | (30.5) | (9.6) |
| Tax paid | (7.9) | (7.0) | (13.0) |
| Operating cash flow | (11.1) | (4.4) | 47.3 |
| Investment cash flow | (18.7) | (1.2) | (45.6) |
| Financing cash flow | (11.8) | (5.7) | (9.2) |
| Net change in cash | (41.6) | (11.3) | (7.5) |
| Opening <u>Net</u> cash/debt position | 40.3 | 47.5 | 47.5 |
| FX | 0.2 | 0.2 | 0.2 |
| Non current assets held for sale | - | 0.3 | 0.1 |
| Net change in cash | (41.6) | (11.3) | (7.5) |
| End <u>Net</u> cash/debt position | (1.2) | 36.7 | 40.3 |

Operating cash flow

Change in working capital -€36.4m mainly due to seasonality and growth effect

Tax paid stable at -€7.9m vs. -€7m

Investment cash flow

Acquisition tangible/intangible assets for -€3.6m

Acquisition of subsidiaries net of cash acquired and payment for deferred price on previous acquisitions for -€15.3m

Financing cash flow

Acquisition/disposal of minority stakes for -€7.9m

Change in factoring position (net of deposit) for -€1.8m

Dividend paid for -€1.9m

| In millions of euros | 30/06/19 | 30/06/18 | 31/12/18 |
|---|-------------|-------------|-------------|
| Off balance sheet factoring net position | 15.4 | 17.1 | 16.9 |

⁽¹⁾Presents the variation of the cash (debt) position net of all financial debts, except IFRS 16

⁽²⁾Operating result before depreciations and amortizations, excluding IFRS 16 impact

Shareholding structure

| 31/03/2019 | | | | |
|--------------------------------|------------------|--------------|-------------------------|--------------------|
| | Number of shares | % of capital | Number of voting rights | % of voting rights |
| Executive Board ⁽¹⁾ | 1,752,336 | 21.0% | 3,415,803 | 32.5% |
| Allianz | 552,189 | 6.6% | 552,189 | 5.3% |
| Tabag ⁽²⁾ | 413,748 | 5.0% | 827,496 | 7.9% |
| Sycomore AM | 231,130 | 2.8% | 231,130 | 2.2% |
| Financière Arbevel | 176,020 | 2.1% | 176,020 | 1.7% |
| Owned shares | 144,632 | 1.7% | - | - |
| Other public | 5,062,352 | 60.8% | 5,307,886 | 50.5% |
| Total | 8,332,407 | 100.0% | 10,510,524 | 100.0% |

⁽¹⁾And their family, acting in concert.

⁽²⁾Owned by Yves de Talhouët, linked with the Board of Directors by a tax treaty (so called "Loi Dutreil") since December 2008; according to this agreement, a global amount of 2,040 shall be kept during a minimum of 2 years.

Glossary

France: France

Northern Europe & Benelux: Denmark, United Kingdom, Luxembourg, Netherlands, Norway and Sweden. It also includes TMNS in Germany and in Serbia, Jayway in the United States, Avalon Solutions in Poland, in Singapore and in the USA

Central Europe: Austria, Switzerland, Czech Republic, Germany, Poland and Slovakia

Iberia & Latam: Spain, Mexico, Panama and Portugal

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

Corporate: headquarter activities which cannot be allocated directly to the operational segments, and discontinued operations

Divestments: in 2018, the segment includes Shift deconsolidated from 1 September 2018 and Siticom GmbH deconsolidated from 31 December 2018. In 2019, it includes NauOn (Bold) deconsolidated from 30 June 2019

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

Operating margin: current operating result excluding the amortization of intangible assets resulting from acquisitions and the cost of share-based payments

Like-for-like or I-f-I variation: variation at comparable perimeter and exchange rates. The currency impact is calculated by translating the accounts for year N of subsidiaries having a functional currency different than euro with N-1 exchange rates.

The impact of changes in the scope of consolidation is determined:

- for the year N acquisitions, by deducting from total revenue N, the amount of revenue generated during year N by the acquired entities;
- for the year N-1 acquisitions, by deducting from total revenue N, the amount of revenue generated during year N over the months during which the acquired entities were not consolidated in N-1;
- for the year N disposals, by deducting from total revenue N-1, the amount of revenue generated during year N-1 over the months during which the divested entities were no longer consolidated in N;
- for the year N-1 disposals, by deducting from total revenue N-1, the amount of revenue generated during year N-1 by the divested entities

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

SMACS: Social Mobile Analytics Cloud Security

Attrition rate: number of billable employees leaving the Group during the period compared to the average billable headcount over the same period

Free cash flow: operating cash flow reduced by the acquisition of tangible and intangible assets. For comparability purposes, from 1 January 2019, the operating cash flow is restated of IFRS 16 "leases", to maintain the lease payments in operating cash flow.

Contacts

Executive Board

Stanislas de Bentzmann,
Co-CEO

stanislas.de.bentzmann@devoteam.com

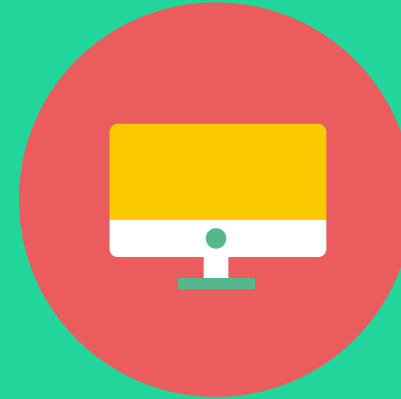
Financial communication

Vivien Ravy,
Group controlling & investor relations director
vivien.ravy@devoteam.com

Perrine Angibault,
Group reporting & investor relations manager
perrine.angibault@devoteam.com

Press contact

Le Public Système
Céline Da Silva,
cdasilva@lepublicsysteme.fr
+33 6 16 79 29 32



www.devoteam.com