Q1 2019 results
Analyst presentation

21 May 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).
Key figures & facts
Key facts and figures Q1 2019

1. Growth Q1 2019
   €188.6m revenue
   +22.8% total growth, of which +11.7% organically

2. European positioning in Google Cloud technologies reinforced
   - Acquisition of Avalon Solutions in the Nordics
     - €5m revenue in 2018
     - 45 people
     - Consolidated from 1 April 2019
   - Ongoing negotiation with g-company in Benelux
     - €5.8m revenue in 2018 (estimate)
     - 60 people

3. Investment on AI
   - Appointment of Aymen Chakhari as Group AI Director
   - Creation of Catalix by Devoteam, the AI school for business
   - Tech for People foundation: shape technology for people
2

Financial results
Q1 2019 revenue

Revenue in millions of euros

+22.8% YoY growth of revenue

• M&A impact: +10.8%
• FX impact: +0.3%

+11.7% like-for-like variation
Revenue by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td>89.0</td>
<td>78.2</td>
</tr>
<tr>
<td>Variation</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Northern Europe &amp; Benelux</strong></td>
<td>49.8</td>
<td>39.3</td>
</tr>
<tr>
<td>Variation</td>
<td>26.7%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Central Europe</strong></td>
<td>20.7</td>
<td>13.2</td>
</tr>
<tr>
<td>Variation</td>
<td>56.7%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Iberia &amp; Latam</strong></td>
<td>16.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Variation</td>
<td>113.1%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Rest of the world</strong></td>
<td>13.3</td>
<td>9.8</td>
</tr>
<tr>
<td>Variation</td>
<td>35.7%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>30.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate &amp; other</strong></td>
<td>(0.7)</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Divestments</strong></td>
<td>-</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>188.6</td>
<td>153.7</td>
</tr>
<tr>
<td>Variation</td>
<td>22.8%</td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>11.7%</td>
<td></td>
</tr>
<tr>
<td>Currency impact</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>Perimeter impact</td>
<td>10.8%</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** In the 2019 organization, TMNS Switzerland is reclassified from the segment Northern Europe & Benelux into the segment Central Europe. Q1 2018 is pro forma 2019.
Growth driven by SMACS

Q1 2018*

Legacy & Non allocated
-22.6% of which -29.0% I-f-I

Mature Business
-6.3% of which -1.7% I-f-I

- €6.9m (4%)
- €41.7m (22%)
- €140.8m (74%)

+39.4% SMACS YoY Growth
+21.2% I-f-I Growth

*: Revenue excluding 'Corporate & Other' segment, based on the most required skill of each project declared by the sales team, not audited. Past revenue restated from previous months due to skill reclassification.
SMACS transformation will drive the IT Market growth in 2019

- **€34.6bn** (71.5%) Non SMACS
- **€13.8bn** (28.5%) SMACS

**YoY Growth**
- +€1.8bn compared to 2018
- +2.7 pts

**Source:** Syntec, 2019

- **Cloud:** €5.2bn +19%
- **Analytics:** €3.0bn +11%
- **Mobility:** €2.8bn +16%
- **Security:** €2.7bn +10%
Focus on partners that are “Digital Accelerators”

Our strategic partners are at the top of Gartner’s Digital Accelerators ranking

Source: Gartner (2016)
We grow and innovate within a **vivid ecosystem of global and local partners**

**Strategic gold partners**

Google, redhat, servicenow

**Silver partners**

Microsoft, salesforce, FORGEROCK, amazon web services, Qlik, ...
Talent acquisition

Headcount and billable ratio\(^{(1)}\)

<table>
<thead>
<tr>
<th>Period</th>
<th>Billable Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2018</td>
<td>86.3%(^{(1)})</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>+171 / +3.2%</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>+251 / +4.5%</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>+170 / +2.9%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>+231 +3.8%</td>
</tr>
<tr>
<td>Changes in scope</td>
<td>+958</td>
</tr>
<tr>
<td>31 March 2019</td>
<td>85.2%(^{(1)})</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Billable ratio = productive headcount / total headcount

Utilization rate of internal resources\(^{(2)}\)

<table>
<thead>
<tr>
<th>Period</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2018</td>
<td>85.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82.4%</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>84.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 2018</td>
<td>84.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 2018</td>
<td>82.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>84.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82.4%</td>
</tr>
</tbody>
</table>

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

Acquisitions
- Q4 2018: Jayway +226p
- Q3 2018: Bold +627p, Alegri +224p, New Bic +43p, Paradigma +13p
- Divestment Q3 2018: Shift -71p, Divestment 31/12/18, Siticom GmbH -104p

Attrition rate of billable employees
- 31.5% in Q1 2019 vs. 30.9% in Q4 2018
3

Prospects
2019 guidance
Considering stable economic environment, exchange rates and accounting method

- **Revenue**
in millions of euros

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+18.6%</strong> (+18% previously)</td>
<td>652.4</td>
<td>774.0</td>
</tr>
</tbody>
</table>

- **Operating margin**
in millions of euros and in % of Revenue

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>87.5</strong> (€87m and 11.3% previously)</td>
<td>73.5</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

- **Organic growth above +12%**
- **M&A impact**: +6.4 pt (+5.8 pt previously)
  - Alegri: €18.9m in 8m 2019 (€22.2m previously)
  - Bold: €21.1m in 8m 2019 (€19.0m previously)
  - Jayway: €18.9m €17.9m in 9m 2019 (€17.9m previously)
  - Paradigma & New BIC: €2.8m H2 2019 (€2.7m previously)
  - Avalon: €4.1m Apr-Dec 2019
  - Divestments: -€23.8m (Shift & Siticom GmbH)

- **Operating margin steady at 11.3%**
- Restructuring costs expected around 0.5% of the revenue

IFRS 16 impact: not significant
Appendix
with our learning and entrepreneurial culture

we have chosen our tech future.

maximising business value for customers.

massively adopted technologies

technologies to be adopted at scale

datacenter management

1995

2005

2015

2025

#Quantic Computing

#Blockchain

#Virtual reality

#BigData

#Cloud

#Enterprise Service Management

#AI

#DevOps

#Collaborative Suites

#RPA

#Telecom Core Network

#IT as a Service

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

**Efficient IT**
- Agile IT: Transform core IT into a service-oriented digital platform (~50%)
- Digital Workplace: Create a work environment that makes teams & employees more effective (~10%)
- Cyber Security: Optimize security levels while meeting business’ need for agility (~10%)

**Digital Business**
- Customer Experience: Ensure successful transformations & establish digital cultures (~5%)
- Business Process Excellence: Design digital services & experiences that engage consumers (~5%)
- Data as a Service: Leverage digital to improve process & operational excellence (~10%)
- Other & Non allocated: ~5%

Boost decision-making with fast, smart, & quality data services (~5%)
### Pro forma information following the reclassification of TMNS Switzerland from the segment Northern Europe & Benelux into the segment Central Europe

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>Q1 2018 restated</th>
<th>Q1 2018 presented*</th>
<th>Q2 2018 restated</th>
<th>Q2 2018 presented*</th>
<th>Q3 2018 restated</th>
<th>Q3 2018 presented*</th>
<th>Q4 2018 restated</th>
<th>Q4 2018 presented*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northern Europe &amp; Benelux</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group contribution</td>
<td>39.3</td>
<td>39.8</td>
<td>38.7</td>
<td>39.3</td>
<td>35.7</td>
<td>36.3</td>
<td>49.5</td>
<td>50.1</td>
</tr>
<tr>
<td><strong>Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group contribution</td>
<td>13.2</td>
<td>12.7</td>
<td>12.4</td>
<td>11.8</td>
<td>15.2</td>
<td>14.6</td>
<td>22.3</td>
<td>21.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>H1 2018 restated</th>
<th>H1 2018 presented*</th>
<th>9m 2018 restated</th>
<th>9m 2018 presented*</th>
<th>2018 restated</th>
<th>2018 presented*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northern Europe &amp; Benelux</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group contribution</td>
<td>78.0</td>
<td>79.0</td>
<td>113.7</td>
<td>115.3</td>
<td>163.2</td>
<td>165.4</td>
</tr>
<tr>
<td>Operating margin</td>
<td>6.7</td>
<td>6.7</td>
<td></td>
<td></td>
<td>13.9</td>
<td>13.8</td>
</tr>
<tr>
<td>In % of Group contribution</td>
<td>8.6%</td>
<td>8.5%</td>
<td></td>
<td></td>
<td>8.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Central Europe</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group contribution</td>
<td>25.6</td>
<td>24.6</td>
<td>40.8</td>
<td>39.1</td>
<td>63.1</td>
<td>60.8</td>
</tr>
<tr>
<td>Operating margin</td>
<td>2.8</td>
<td>2.7</td>
<td></td>
<td></td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>In % of Group contribution</td>
<td>10.8%</td>
<td>11.1%</td>
<td></td>
<td></td>
<td>10.7%</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

*Segment Northern Europe & Benelux presented in September 2018 for Q1, Q2 and H1 2018, presented in November 2018 for Q3 and 9m 2018, and presented in March 2019 for Q4 and full year 2018. Segment Central Europe presented in March 2019.
Clients and verticals Q1 2019

Top 3
11% of the revenue
• BNP Paribas
• ENGIE
• Société Générale

Next 7
16% of the revenue
• Major electricity provider
• SNCF
• CA/CL
• Carrefour
• Airbus Group
• AXA
• Sanofi
## Shareholding structure

<table>
<thead>
<tr>
<th></th>
<th>Number of shares</th>
<th>% of capital</th>
<th>Number of voting rights</th>
<th>% of voting rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Board(^{(1)})</td>
<td>1,792,607</td>
<td>21.5%</td>
<td>3,296,853</td>
<td>32.3%</td>
</tr>
<tr>
<td>Allianz</td>
<td>552,189</td>
<td>6.6%</td>
<td>552,189</td>
<td>5.4%</td>
</tr>
<tr>
<td>Tabag(^{(2)})</td>
<td>418,402</td>
<td>5.0%</td>
<td>836,804</td>
<td>8.2%</td>
</tr>
<tr>
<td>Sycomore AM</td>
<td>231,130</td>
<td>2.8%</td>
<td>231,130</td>
<td>2.3%</td>
</tr>
<tr>
<td>Financière Arbevel</td>
<td>176,020</td>
<td>2.1%</td>
<td>176,020</td>
<td>1.7%</td>
</tr>
<tr>
<td>Owned shares</td>
<td>274,259</td>
<td>3.3%</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Public</td>
<td>4,887,800</td>
<td>58.7%</td>
<td>5,117,502</td>
<td>50.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,332,407</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>10,210,498</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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**: Belgium, Denmark, United Kingdom, Luxembourg, Netherlands, Norway and Sweden. It also includes TMNS in Germany and in Serbia, Jayway in the USA

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

**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

**Speedboat**: new entity that offers a promising or potentially promising product or service, outside of the Group’s current range of activities in a given country, which receives accelerated development assistance from one or more associate managers with a view to reaching a critical size within three to five years

**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 l-f-l 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.
Contacts

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