Q3 2019 results

Analyst presentation

5 November 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 figures & facts Q3 2019

Growth Q3 2019
€182.1m
+17.3% total growth
Of which +11.3% organically

Partners
Devoteam ICE became ServiceNow EMEA Outsourced Strategic Partner
DevOps academy on RedHat technologies launched in July 2019

Business updates Q3 2019
Utilisation rate back at 84%
Recruitment of 170 people
2 Financial results
Q3 2019 revenue

In millions of euros

+17.3% YoY growth of revenue

- M&A impact: +5.8%
- FX impact: +0.2%

+11.3% like-for-like variation
### Revenue by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Q3 2019</th>
<th>Q3 2018</th>
<th>9m 2019</th>
<th>9m 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>France</strong></td>
<td>83.6</td>
<td>76.6</td>
<td>258.5</td>
<td>232.3</td>
</tr>
<tr>
<td>Variation</td>
<td>9.1%</td>
<td>11.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>9.1%</td>
<td>11.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Northern Europe &amp; Benelux</strong></td>
<td>47.6</td>
<td>35.7</td>
<td>147.3</td>
<td>113.7</td>
</tr>
<tr>
<td>Variation</td>
<td>33.3%</td>
<td>29.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>15.8%</td>
<td>11.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Central Europe</strong></td>
<td>20.5</td>
<td>14.8</td>
<td>60.8</td>
<td>39.8</td>
</tr>
<tr>
<td>Variation</td>
<td>38.3%</td>
<td>52.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>6.7%</td>
<td>3.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Iberia &amp; Latam</strong></td>
<td>16.9</td>
<td>10.5</td>
<td>50.2</td>
<td>26.4</td>
</tr>
<tr>
<td>Variation</td>
<td>61.3%</td>
<td>89.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>10.6%</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rest of the world</strong></td>
<td>14.3</td>
<td>10.7</td>
<td>40.4</td>
<td>30.9</td>
</tr>
<tr>
<td>Variation</td>
<td>33.2%</td>
<td>30.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>28.4%</td>
<td>26.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate &amp; other</strong></td>
<td>(0.8)</td>
<td>(0.5)</td>
<td>(2.7)</td>
<td>(2.2)</td>
</tr>
<tr>
<td><strong>Divestments</strong></td>
<td>-</td>
<td>7.4</td>
<td>0.7</td>
<td>20.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>182.1</td>
<td>155.2</td>
<td>555.4</td>
<td>461.7</td>
</tr>
<tr>
<td>Variation</td>
<td>17.3%</td>
<td>20.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L-f-l variation</td>
<td>11.3%</td>
<td>10.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency impact</td>
<td>0.2%</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perimeter impact</td>
<td>5.8%</td>
<td>9.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Growth driven by SMACS

Q3 2019*

Legacy & Non allocated
-21.9% of which -22.2% l-f-l

Mature Business
-12.3% of which +5.6% l-f-l

SMACS
+32.1% YoY growth of which +16.1% l-f-l

9m 2019*

Legacy & Non allocated
-26.2% of which -27.6% l-f-l

Mature Business
-8.4% of which +0.5% l-f-l

SMACS
+36.1% YoY growth of which +18.4% l-f-l

*Revenue excluding "Corporate & Other" region, based on the most required skill of each project declared by the sales team, not audited.
Talent acquisition

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

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>2018</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85.6%</td>
<td>84.4%</td>
<td>84.2%</td>
<td>82.7%</td>
<td>84.2%</td>
<td>82.3%</td>
<td>83.1%</td>
<td>84.0%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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
Prospects
2019 guidance
Considering stable economic environment, exchange rates and accounting method

- Organic growth close to 11% (above +12% previously)
- M&A impact: +6.2 pt (+6.4 pt previously)

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

IFRS 16 impact: not significant
With our learning and entrepreneurial culture, we are choosing our tech future. Maximising business value for customers.
A seamless combination of experts communities.

**technology.**
- 5,400 Tech Experts
- Cloud Solutions & Infrastructures
- Security
- Applications Development

**business.**
- 600 Smart-Business Consultants
- Business process optimisation
- Functional integration
- Business Solutions

**products.**
- 600 Creative Technologists
- Services & Product Vision
- Experience Design
- Design driven Software development

**transformation.**
- 600 Management Consultants
- Strategy
- Transformation
- Change Management

To deliver an end to end value across 7 digital offers.

Transformation Management

![Agile IT](image)
![Digital Workplace](image)
![Cyber Security](image)
![Business Process Excellence](image)
![Data as a Service](image)
![Customer Experience](image)
We deliver Innovative Technology Consulting for Business, with a unique Transformation DNA

- **Efficient 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%)

- **Transformation Management**

- **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%)

- Boost decision-making with fast, smart, & quality data services (~5%)

*Other & Non allocated: ~5%*
SMACS transformation will drive the IT market growth in 2019

Source: Syntec, 2019
Clients and verticals Q3 2019

Top 3: 11% of the revenue
- BNP Paribas
- ENGIE
- Major French electricity provider

Next 7: 16% of the revenue
- Société Générale
- Carrefour
- Crédit Agricole / Crédit Lyonnais
- SNCF
- Airbus Group
- AXA
- Daimler

*+15% excluding Sicitcom GmbH deconsolidated on 31 December 2018
## Capital structure

<table>
<thead>
<tr>
<th></th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
</tr>
<tr>
<td>Executive Board(1)</td>
<td>1,752,336</td>
</tr>
<tr>
<td>Allianz</td>
<td>552,189</td>
</tr>
<tr>
<td>Tabag(2)</td>
<td>413,748</td>
</tr>
<tr>
<td>Sycomore AM</td>
<td>231,130</td>
</tr>
<tr>
<td>Financière Arbevel</td>
<td>176,020</td>
</tr>
<tr>
<td>Owned shares</td>
<td>144,632</td>
</tr>
<tr>
<td>Other public</td>
<td>5,062,352</td>
</tr>
<tr>
<td>Total</td>
<td>8,332,407</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: 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 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 regions, and discontinued operations

Divestments: in 2018, the region 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, and Devoteam Poland deconsolidated from 1 July 2019

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 excluding the amortization of intangible assets resulting from acquisitions and the cost of share-based payments

Like-for-like or 1-f-1 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
contact us.

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
Célina Da Silva
cdasilva@lepublicsysteme.fr
+33 6 16 79 29 32