

Half-year 2021 results

Paris, 7 September 2021

Devoteam achieved revenue of €430.1 million and operating margin of €49.6 million

- Revenue increased 7.5% organically
- Operating margin rate reached 11.5%
- Free cash flow of €27.9 million compared to €47.1 million last year

In millions of euros ⁽¹⁾	30.06.2021	30.06.2020	Variation	Organic variation ⁽²⁾
Revenue	430.1	387.2	+11.1%	+7.5%
Operating margin	49.6	35.8	+38.3%	
In % of the revenue	11.5%	9.3%	+2.3 pt	
Operating income	45.3	31.4	+43.9%	
In % of the revenue	10.5%	8.1%	+2.4 pt	
Net income - Group share	26.0	16.4	+58.8%	
Diluted earnings per share ⁽³⁾	€3.16	€1.99	+59.0%	
Net cash (debt) at closing⁽⁴⁾	95.2	92.4	+€2.8m	

⁽¹⁾The financial statements presented in this press release have been approved by the Supervisory Board on 6 September 2021 and are currently being certified by the Group Auditors.

⁽²⁾At comparable perimeter and exchange rates.

⁽³⁾Based on the weighted average number of shares for the year.

⁽⁴⁾Cash position net of all financial debts, excluding debts related to operating leases under IFRS 16 "leases".

H1 2021 consolidated financial statements are available on our website:
<https://www.devoteam.com/investors/financial-information/>

Results for the first half of 2021

Revenue reached €430.1 million for the first half of 2021, growing 11.1% compared to the same period last year and 7.5% at constant scope and exchange rates. Changes in scope had a positive impact of 3.8 points of growth while variations in exchange rates had a negative impact of -0.2 point of growth.

The **operating margin** stood at €49.6 million and 11.5% of the revenue in the first half of 2021, including €4.4 million from short-time work subsidies. The activity also benefited from less vacation leaves due to repeated lockdowns across Europe which the Group expects to be caught-up during the following semester.

The **operating income** amounted to €45.3 million.

Non recurring expenses mainly incurred in Germany with continuing restructuring costs for €2.1 million and a further goodwill impairment for €2.9 million, partly balanced by a gain on disposal of the minority shareholding in Siticom GmbH.

The **financial result** at -€2.7 million primarily included a €1.3 million charge related to a new revolving credit facility and a €0.5 million interest expense on the bond issue.

Tax expenses totaled €12.5 million, representing 29.5% of profit before tax, compared to 36.4% in the first half of 2020.

The **Group share of net income** increased by 58.8% from €16.4 million in the first half of 2020 to €26 million in the first half of 2021.

On 30 June 2021, the **net cash** was €95.2 million compared to €119.8 million on 31 December 2020. The free cash flow in the first half of 2021 was €27.9 million compared to €47.1 million for the same period last year.

Headcount and utilization rate

At 30 June 2021, the Group employed 8238 people.

The headcount increased 560 during the semester plus an additional 55 employees coming from acquisition. The attrition rate stood at 29% in the same period.

In the first half of 2021, the Group recorded a utilization rate of internal resources of 82.3%.

Changes in scope

The Group completed two new acquisitions :

- Integrity in Portugal in July (85 employees)
- Cloudeon in Denmark and Lithuania in early September (100 employees)

In addition, the Group sold a controlling stake in Studio Vues in Norway and finalised the disposal of its minority shares in Siticom GmbH in Germany.

Financial calendar

Next event:

- Full-year 2021 results: 8 March 2022.

Appendix

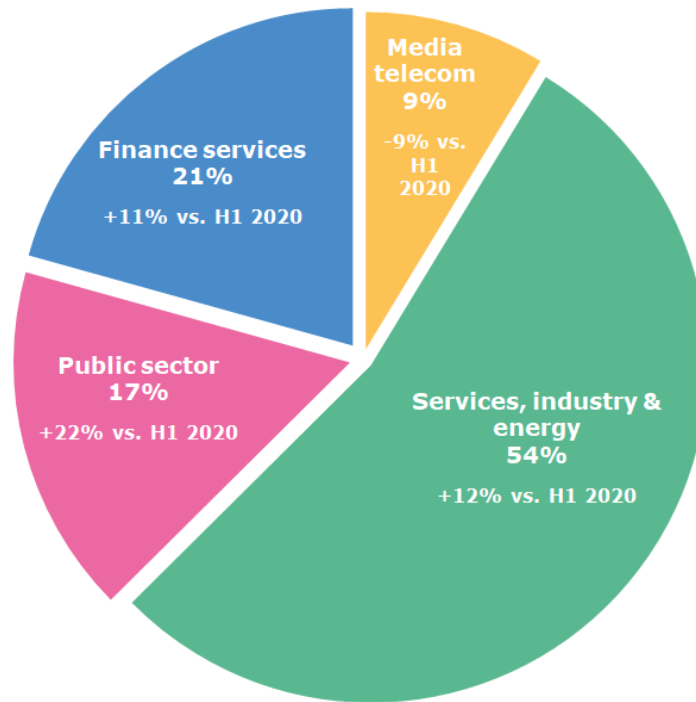
Revenue and operating margin by operating segment, and pro forma information for 2020

In millions of euros	H1 2021	H1 2020	H2 2020	2020
France				
Group contribution	193.0	173.6	167.9	341.5
Variation	11.2%			
L-f-I variation	9.0%			
Operating margin	23.6	19.0	22.8	41.8
In % of Group contribution	12.2%	10.9%	13.6%	12.2%
International				
Group contribution	240.2	216.4	207.9	424.3
Variation	11.0%			
L-f-I variation	6.4%			
Operating margin	31.3	20.2	23.0	43.2
In % of Group contribution	13.0%	9.3%	11.1%	10.2%
HQ & divestments				
Group contribution	(3.1)	(2.7)	(2.7)	(5.4)
Operating margin	(5.2)	(3.3)	(8.0)	(11.3)
Total				
Group contribution	430.1	387.2	373.1	760.4
Variation	11.1%			
L-f-I variation	7.5%			
Currency impact	-0.2%			
Perimeter impact	3.8%			
Operating margin	49.6	35.8	37.8	73.7
In % of Group contribution	11.5%	9.3%	10.1%	9.7%

Of which impact of the significant acquisitions on the Group contribution:

In millions of euros	H1 2021	H1 2020	H2 2020	2020
France	3.8			
Ysance, consolidated as of 31 December 2020	3.8			
International	10.9			
Inviso, consolidated as of 1 July 2020	4.9			
Fourcast, consolidated as of 1 August 2020	4.2			
Nubalia, consolidated as of 1 March 2021	1.8			

Customer segmentation in the first half of 2021



Top 10 customers in the first half of 2021

Top 3 (12%)

BNP Paribas
Société Générale
Major electricity provider

Next 7 (14%)

ENGIE
CA/CL
Liberty Global
Carrefour
IKEA
SNCF
AXA

Utilization rate of internal resources

H1 2020	H2 2020	2020	H1 2021
80.4%	80.8%	80.6%	82.3%

Balance sheet

In millions of euros	30.06.2021	31.12.2020	30.06.2020
Assets			
Goodwill	157.3	146.7	132.4
Non-current assets	95.5	75.0	78.7
Current assets	350.7	304.6	293.9
Net cash (debt) ⁽¹⁾	95.2	119.8	92.4
Total assets	698.7	646.1	597.4
Liabilities			
Group shareholders' equity	209.6	214.7	209.7
Minority shareholders' equity	14.5	16.5	16.1
Long term liabilities	82.6	70.3	55.9
Current liabilities	392.0	344.6	315.7
Total equity & liabilities	698.7	646.1	597.4

⁽¹⁾Cash position net of all financial debts, excluding debts related to operating leases under IFRS 16 "leases".

Net cash

In millions of euros	30.06.2021	31.12.2020	30.06.2020
Short-term investments	10.2	10.1	0.1
Cash at bank ⁽²⁾	123.8	144.5	127.9
Bank overdrafts (liability)	(2.9)	(1.5)	(2.2)
Cash and cash equivalents	131.1	153.1	125.9
Cash management assets	-	-	-
Bonds	-	-	(29.9)
Obligations under finance leases	-	-	-
Draw-downs on bank and similar facilities and other borrowings	(3.5)	(1.7)	(1.6)
Long-term borrowings	(3.5)	(1.7)	(31.5)
Bonds	(30.0)	(30.4)	(0.9)
Obligations under finance leases	-	-	(0.0)
Draw-downs on bank and similar facilities and other borrowings	(2.5)	(1.2)	(1.1)
Short-term borrowings	(32.5)	(31.6)	(2.0)
Total borrowings	(36.0)	(33.3)	(33.5)
Derivative instruments	-	-	-
Net cash (debt)⁽¹⁾	95.2	119.8	92.4
Of which cash from discontinued operations	-	-	-
Total Equity	231.1	231.2	225.8
Debt to Equity Ratio	-41.2%	-51.8%	-40.9%

⁽¹⁾Excluding debts related to operating leases under IFRS 16 "leases".

⁽²⁾Including factoring position (net of deposit) for €15.5 million on 30 June 2021, €11.4 million on 31 December 2020 and €14.2 million on 30 June 2020.

Changes in exchange rates

For €1	Average rate H1 2021	Average rate H1 2020	Variation
UAE dirham	4.427	4.047	-8.6%
Swiss franc	1.095	1.064	-2.8%
Czech koruna	25.854	26.333	1.9%
Danish krone	7.437	7.465	0.4%
Pound sterling	0.868	0.875	0.8%
Indonesian rupiah	17225.800	16078.000	-6.7%
Moroccan dirham	10.757	10.759	0.0%
Mexican peso	24.327	23.843	-2.0%
Norwegian krone	10.176	10.732	5.5%
Zloty	4.537	4.412	-2.8%
Serbian dinar	117.619	117.565	-0.0%
Swedish kronor	10.131	10.660	5.2%
Singapore dollar	1.606	1.541	-4.0%
Tunisian dinar	3.291	3.150	-4.3%
Turkish lira	9.523	7.149	-24.9%
US dollar	1.205	1.102	-8.6%
South African rand	17.524	18.311	4.5%

Glossary

France: France.

International: operating activities outside of France.

HQ & divestments: headquarter activities which cannot be allocated directly to the operating segments, and discontinued operations.

It also includes divested activities:

- In 2020: Catalix, deconsolidated from 1 April 2020, and minority interests in Energy Dynamic (deconsolidated from 1 January 2020) and Between Staffing (deconsolidated from 1 October 2020);
- In 2021: minority stake in Siticom GmbH, deconsolidated from 1 June 2021.

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

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. From 1 January 2019, the operating cash flow is restated from IFRS 16 "leases" to maintain the lease payments in operating cash flow.

Net cash (debt): cash position net of all financial debts, excluding debts related to operating leases under IFRS 16 "leases".

About Devoteam

Devoteam is a leading consulting firm focused on digital strategy, tech platforms and cybersecurity.

By combining creativity, tech and data insights, we empower our customers to transform their business and unlock the future.

With 25 years' experience and more than 8000 employees across Europe, Middle East and Africa, Devoteam promotes responsible tech for people and works to create better change.

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