

€182.1 million of revenue, growing 17.3% over the third quarter

- **Organic growth of 11.3% for Q3 2019**
- **ServiceNow rewards Devoteam: its "International Centre of Excellence" (ICE) in the Czech Republic named "EMEA Outsourced Strategic Partner"**

Paris, 5 November 2019

In millions of euros	Q3 2019	Q3 2018	9m 2019	9m 2018
Revenue	182.1	155.2	555.4	461.7
Variation	17.3%		20.3%	
L-f-l variation	11.3%		10.8%	

L-f-l: at comparable perimeter and exchange rates.

Devoteam (Euronext Paris: DVT) reported revenue of €182.1 million in the third quarter of 2019, with an organic growth of 11.3% compared to last year. The positive change in working days of 1.1 day compared to the third quarter of 2018 represented 1.6 point in growth.

At current exchange rates and scope, consolidated revenues for the first nine months of the year increased by 20.3%, including 0.2 point favorable currency impact (United Arab Emirates dirham). The changes in perimeter also had a positive impact of 9.2 points on the growth, with a net contribution to Group revenue of €42.5 million.

Devoteam ICE (“International Centre of Excellence”) recognized as ServiceNow “EMEA Outsourced Strategic Partner”

Since its launch in 2018, Devoteam’s ICE has been providing functional ServiceNow consulting and integration services in SaaS mode across EMEA. This recognition emphasizes the excellence of this team.

Launch of the Kubernetes DevOps academy in EMEA

Devoteam launched a Kubernetes DevOps academy across EMEA focused on training our consultants on a large panel of Red Hat open source technologies, ranging from Cloud, DevOps and Middleware. Over 150 consultants will be certified across the Group by the end of the year. This academy allows Devoteam to increase its expertise in the field of open source Kubernetes technologies, the foundation of new generation cloud applications.

Analysis of Q3 2019 revenue by region

France revenue was up 9.1% organically in the third quarter and continued to improve its utilization rate.

The **Northern Europe** region delivered strong results over the quarter, with organic growth of 15.8% driven by the activities in the United Kingdom, the Netherlands and Norway. Belgium continued its solid performance started in the first half of 2019.

The **Central Europe** region grew by 6.7% impacted by the entry of Alegri in the organic scope which has offset partially the resurgence of the growth of Devoteam Germany.

The **Iberia & Latam** region increased organically by 10.6%, driven by Devoteam Spain and the Bold business in Portugal.

Excellent performance of the **Rest of the World** region, which rose by 28.4% organically, due to the strong growth of activities in the Middle East and Maghreb.

Headcount and utilization rate

At 30 September 2019, the Group employed 7 458 professionals. Excluding the changes in scope, the headcount increased by 170 professionals during the third quarter of 2019.

The ratio of billable headcount to total headcount stood at 85.4% at the end of the period, increasing slightly compared to the end of June 2019.

In the third quarter of 2019, the Group utilization of internal resources stood at 84.0%, an improvement of 0.9 point compared to the second quarter of 2019 with good progress of the management's action plans.

2019 outlook

Considering the pace of the utilization rate improvement and the current visibility, the Group now expects revenue of circa €765 million and organic growth close to 11%. It maintains its objective of operating margin around 10.3% of revenue for 2019.

Next press release

2019 full year results: March 10th 2020, after market close.

Appendix

Pro forma information of revenue and operating margin

Devoteam Poland has been sold and deconsolidated from 1 July 2019. The entity has been reclassified from the Central Europe region to the Divestments region.

In millions of euros	Q1 2018 restated	Q1 2018 presented*	Q2 2018 restated	Q2 2018 presented*	Q3 2019 restated	Q3 2019 presented*	Q4 2019 restated	Q4 2019 presented*
Central Europe								
Group contribution	12.9	13.2	12.1	12.4	14.8	15.2	22.0	22.3
Divestments								
Group contribution	6.4	6.1	6.8	6.6	7.4	7.1	4.3	4.1

In millions of euros	H1 2018 restated	H1 2018 presented*	9m 2018 restated	9m 2018 presented*	2018 restated	2018 presented*
Central Europe						
Group contribution	25.0	25.6	39.8	40.8	61.9	63.1
Operating margin	2.8	2.8			6.8	6.8
In % of Group contribution	11.1%	3.1%			11.0%	10.7%
Divestments						
Group contribution	13.3	12.7	20.7	19.8	25.0	23.8
Operating margin	1.1	1.1			1.6	1.7
In % of Group contribution	8.5%	-120.9%			6.6%	7.0%

In millions of euros	Q1 2019 restated	Q1 2019 presented*	Q2 2019 restated	Q2 2019 presented*
Central Europe				
Group contribution	20.4	20.7	19.9	20.2
Divestments				
Group contribution	0.4	0.1	0.4	0.1

In millions of euros	H1 2019 restated	H1 2019 presented*
Central Europe		
Group contribution	40.4	40.9
Operating margin	1.3	1.3
In % of Group contribution	3.2%	3.1%
Divestments		
Group contribution	0.7	0.2
Operating margin	(0.3)	(0.3)
In % of Group contribution	-39.5%	-120.9%

*Central Europe region presented in September 2019 for Q1 2018 and 2019, Q2 2018 and 2019, H1 2018 and 2019; in May 2019 for Q3 2018, Q4 2018, 9m 2018 and full year 2018.
Divestments region presented in September 2019.

Quarterly revenue by region

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

Of which impact of significant acquisitions:

In millions of euros	Q3 2019	Q3 2018	9m 2019	9m 2018
Northern Europe & Benelux	6.5		20.5	
Paradigmo, consolidated as of 1 July 2018			0.8	
Jayway, consolidated as of 1 October 2018	5.0		17.2	
Avalon Solutions, consolidated as of 1 April 2019	1.4		2.5	
Central Europe	4.6		19.4	
Alegri, consolidated as of 1 September 2018	4.6		19.4	
Iberia & Latam	5.2		22.4	
New BIC, consolidated as of 1 July 2018			1.9	
Bold, consolidated as of 1 September 2018	5.2		20.4	

Utilization rate of internal resources

Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019	Q2 2019	Q3 2019
85.6%	84.4%	84.2%	82.7%	84.2%	82.3%	83.1%	84.0%

Changes in exchange rates

For €1	Average rate 9m 2019	Average rate 9m 2018	Variation
UAE dirham	4.127	4.386	6.3%
Swiss franc	1.118	1.161	3.9%
Czech koruna	25.702	25.574	-0.5%
Danish krone	7.464	7.450	-0.2%
Pound sterling	0.884	0.884	0.1%
Moroccan dirham	10.792	11.161	3.4%
Mexican peso	21.634	22.738	5.1%
Norwegian krone	9.771	9.588	-1.9%
Zloty	4.301	4.249	-1.2%
Serbian dinar	117.928	118.227	0.3%
Swedish kronor	10.568	10.237	-3.1%
Singapore dollar	1.533	1.600	4.4%
Tunisian dinar	3.317	3.040	-8.3%
Turkish lira	6.339	5.510	-13.1%
US dollar	1.124	1.194	6.3%

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 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 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.

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

SMACS: Social Mobile Analytics Cloud Security.

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.

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.

ABOUT DEVOTEAM

At Devoteam, we deliver innovative technology consulting for business.

As a pure player for Digital Transformation of leading organisations across EMEA, our 7,200 professionals are dedicated to ensuring our clients win their digital battles. With a unique transformation DNA, we connect business and technology.

Present in 18 countries in Europe and the Middle East, and drawing on more than 20 years of experience, we shape Technology for People, so it creates value for our clients, for our partners and for our employees.

Devoteam achieved revenues of €652.4 million in 2018.

At Devoteam, we are Digital Transformakers.

ISIN: FR 0000073793, Reuters: DVTM.PA,
Bloomberg: DEVO FP

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 contacts

Le Public Système
Séverine Picault,
s.picault@lepublicsysteme.fr
+33 6 19 45 68 29

www.devoteam.com