

## Press release

### Q3 2016 revenue at €130.8 million, growing 13.8% and 12% organically

#### Full-year guidance increased for revenue and operating margin

Paris, November 15<sup>th</sup> 2016

In millions of euros	Q3 2016	Q3 2015	9m 2016	9m 2015
<b>Revenue</b>	<b>130.8</b>	<b>114.9</b>	<b>406.2</b>	<b>347.1</b>
Variation	13.8%		17.0%	
L-f-I variation*	12.0%		15.3%	
L-f-I variation* excluding Between	5.6%		8.6%	

\*At comparable perimeter and exchange rates

Devoteam (Euronext Paris: DVT) reported revenues of €130.8 million for the third quarter of 2016, a 12.0% increase compared to the third quarter of 2015, excluding changes in currency and scope.

Consolidated revenues have increased by 13.8% compared to the third quarter of 2015. This increase includes the effects of negative currency fluctuations in certain countries amounting to 0.8%, principally in respect of the Pound Sterling. The acquisitions of Drago and myG generated revenues of €3.7 million in the third quarter of 2016. The acquisitions of Q-Partners, HNCO and Globicon, the subsidiaries consolidated with effect from July 1<sup>st</sup> 2016 into the Group, generated revenues of €2.2 million in the third quarter of 2016. In

respect to the divested operations, Grimstad in Norway and Genesis in Switzerland contributed €2.8 million of consolidated revenues in the third quarter of 2015.

The SMACS offers are still driving the growth of the Group. It represented 38% of revenue at the end of September 2016 (excluding Between, Be Team and changes in scope) and grew 25% compared to the same period in 2015.

## Analysis of Q3 2016 revenue by region

**France** generated revenues of €54.6 million in the third quarter of 2016, representing a growth of 11.2% organically, driven by the Cloud offers and the growth initiatives.

**Northern Europe and Benelux** (excluding Between) achieved revenues of €26.3 million at constant exchange rates and perimeter, representing a growth of 2.2%, driven primarily in Denmark and Belgium.

The **Central Europe** region achieved revenues of €12.0 million, representing an organic decrease of 6.6%. This is primarily due to the seasonality of license sales in the region and the slowdown in subcontracted Telecoms work within our operations in Germany experienced in the third quarter. Conversely, the country has improved its long-term growth drivers. In the second half of 2016, both the number of billable employees and the utilization rate are increasing.

**Rest of the world** reported revenues of €18.8 million, growing 4.7% organically compared to the third quarter of 2015.

**Between**, the broker activity in the Netherlands, pursued the rapid growth and generated revenues of €19.2 million during the third quarter of 2016.

## Headcount and utilization rate

As of September 30<sup>th</sup> 2016, the Group employed 4 119 people compared to 4 002 people as of June 30<sup>th</sup> 2016. The acquisitions of Q-Partners, HNCO and Globicon resulted in the integration of 55 people and the disposal of the Swiss entity reduced the headcount by 20 people on July 1<sup>st</sup> 2016. When excluding the changes in scope, the headcount rose by 82 people catching up, as previously announced, the slight slowdown experienced in the second quarter of 2016.

The ratio of billable headcount to total headcount improved to 85.0% compared to June 30<sup>th</sup> 2016.

On the third quarter, the Group showed a utilization rate of internal resources excluding divestments at 85.5%, against 85.1% in the second quarter of 2016.

## 2016 outlook

Based on the performance of the third quarter of 2016, the revenue for the year 2016 should grow 13% compared to 2015 and should be in the high range of the guidance released previously. The operating margin should be close to 8.5% of the revenue.

## Financial calendar

Press release after market closed		2020 strategic plan
Q4 2016	Q1 2017	
March 1 <sup>st</sup> 2017	May 16 <sup>th</sup> 2017	January 19 <sup>th</sup> 2017

## Appendix

### Revenue by region

In millions of euros	Q3 2016	Q3 2015	9m 2016	9m 2015
<b>France</b>	<b>54.6</b>	<b>49.0</b>	<b>169.9</b>	<b>150.4</b>
Variation	11.5%		12.9%	
L-f-I variation	11.2%		12.6%	
<b>Northern Europe &amp; Benelux</b>	<b>26.3</b>	<b>25.2</b>	<b>84.7</b>	<b>80.5</b>
Variation	4.5%		5.3%	
L-f-I variation	2.2%		6.5%	
<b>Central Europe</b>	<b>12.0</b>	<b>11.9</b>	<b>34.7</b>	<b>34.3</b>
Variation	0.9%		1.2%	
L-f-I variation	-6.6%		-1.4%	
<b>Rest of the world</b>	<b>18.8</b>	<b>14.9</b>	<b>56.4</b>	<b>41.2</b>
Variation	26.5%		36.8%	
L-f-I variation	4.7%		11.1%	
<b>Corporate</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>(0.1)</b>
<b>Between</b>	<b>19.2</b>	<b>11.2</b>	<b>56.5</b>	<b>30.7</b>
Variation	71.8%		84.2%	
L-f-I variation	71.8%		84.2%	
<b>Divestments (2015-2016)</b>	<b>0.0</b>	<b>2.8</b>	<b>4.2</b>	<b>10.0</b>
<b>Total</b>	<b>130.8</b>	<b>114.9</b>	<b>406.2</b>	<b>347.1</b>
Variation	13.8%		17.0%	
L-f-I variation	12.0%		15.3%	
L-f-I variation excluding Between	5.6%		8.6%	

Of which contribution of the acquisitions:

In millions of euros	Q3 2016	Q3 2015	9m 2016	9m 2015
<b>France</b>	<b>0.1</b>	<b>-</b>	<b>0.5</b>	<b>-</b>
myG France, consolidated as of October 1 <sup>st</sup> 2015	0.1	-	0.5	-
<b>Northern Europe &amp; Benelux</b>	<b>1.4</b>	<b>-</b>	<b>1.4</b>	<b>-</b>
HNCO, consolidated as of July 1 <sup>st</sup> 2016	0.7	-	0.7	-
Globicon, consolidated as of July 1 <sup>st</sup> 2016	0.5	-	0.5	-
<b>Central Europe</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>	<b>-</b>
Q-Partners Consulting, consolidated as of July 1 <sup>st</sup> 2016	0.9	-	0.9	-
<b>Rest of the world</b>	<b>3.5</b>	<b>-</b>	<b>11.3</b>	<b>-</b>
Drago, consolidated as of October 1 <sup>st</sup> 2015	3.5	-	11.2	-
myG Spain, consolidated as of October 1 <sup>st</sup> 2015	0.0	-	0.1	-

### Utilization rate of internal resources excluding divested entities

Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016	Q3 2016
83.2%	84.7%	85.2%	84.9%	84.5%	82.9%	85.1%	85.5%

## Changes in exchange rates

For €1	Average rate 9m 2016	Average rate 9m 2015	Variation
UAE dirham	4.099	4.096	-0.1%
Swiss franc	1.094	1.062	-2.8%
Czech koruna	27.035	27.337	1.1%
Danish krone	7.447	7.457	0.1%
Algerian dinar	121.737	108.826	-10.6%
Pound sterling	0.803	0.728	-9.3%
Moroccan dirham	10.883	10.749	-1.2%
Mexican peso	20.414	17.349	-15.0%
Norwegian krone	9.380	8.807	-6.1%
Zloty	4.358	4.152	-4.7%
Tunisian dinar	2.348	2.164	-7.8%
Turkish lira	3.276	2.963	-9.6%

## Glossary

Like-for-like or l-f-l variation: variation at comparable perimeter and exchange rates

France: French operations including the two nearshore centers in Morocco and Spain

Northern Europe & Benelux: Belgium, Denmark, United-Kingdom, Luxembourg, Netherlands excluding Between, and Norway excluding divested activities

Central Europe: Austria, Czech Republic, Germany and Poland

Rest of the world: Middle East, Algeria, Spain excluding nearshore, Italy, Morocco excluding nearshore, Mexico, Tunisia and Turkey

Corporate & other: headquarter activities which cannot be allocated directly to the operational regions. It also includes some non-significant remaining activities of the discontinued businesses in France (mainly outsourcing)

Between: the " Between" subsidiary in the Netherlands, specializing in " sourcing" of IT professionals, has a relatively volatile revenue to the extent that , according to the contracts concluded and the type of missions carried out, turnover recognized in the consolidated accounts is either gross margin contracts or the entire client billing. Consequently, the Group separates this activity to calculate its growth aggregates

Divestments (2015-2016) or discontinued activities: in 2016, discontinued activities include Grimstad activities in Norway, deconsolidated as of May, 1<sup>st</sup> 2016, and Devoteam Genesis, deconsolidated as of July, 1<sup>st</sup> 2016. In 2015, they also include Exa ECS, deconsolidated as of April 1<sup>st</sup>, 2015

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

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

## ABOUT DEVOTEAM

At Devoteam, we deliver **innovative technology consulting** for business. We are 4,000 professionals dedicated to ensuring our clients win their digital battles.

Present in 20 countries and drawing on 20 years of experience, we improve **business performance** making their companies truly digital. We build IT infrastructure for digital, and make sure people are along for the ride.

In 2015, Devoteam achieved revenues of €485m.

At Devoteam, we are **Digital Transformakers**.

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

### Executive Board

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