

# Q3 2018 results

Analyst presentation

12 November 2018



## 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).

**1**

**Key figures & facts**

# Key facts and figures Q3 2018



## Growth Q3 2018

€155.2m revenue

+30.3% total growth, of which +22.4% organically



## Scale! 2020 Deployment

Devoteam Red Hat Premier Business Partner in 8 countries in 2 years

Salesforces "Platinum Consulting Partner" in France

Reminder: Acquisition of Jayway in Scandinavia

- €19m revenue in 2017
- 240 employees
- Contributes to create a global creative technology community of 600 experts within the Group



## 2018 guidance

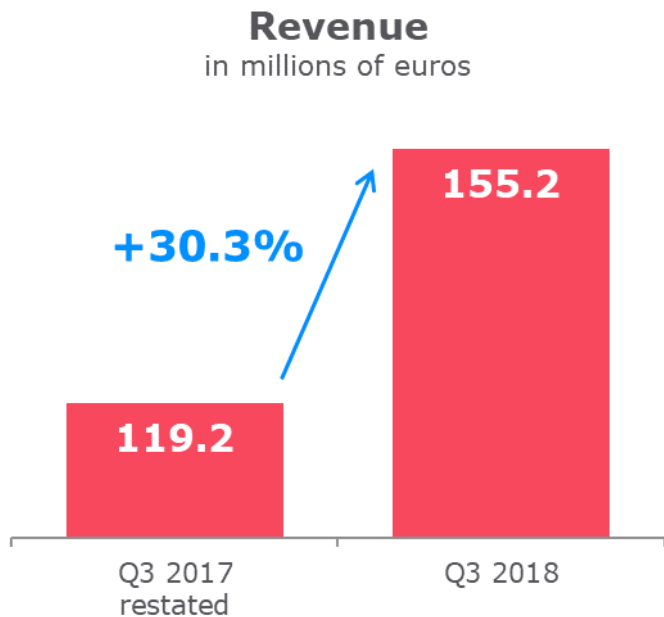
Increase of revenue from €645m to €650m and organic growth from ~15% to "between 17% and 18%"

**Alegri:** Consolidation starting September 1<sup>st</sup>, 2018 (vs July 1<sup>st</sup>, 2018 previously announced), contributing €10m to 2018 Group revenues (vs €20m previously announced)

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**Financial results**

## Q3 2018 revenue



**+30.3% YoY growth of revenue**

- M&A impact: +8.0%
- FX impact: -0.2%

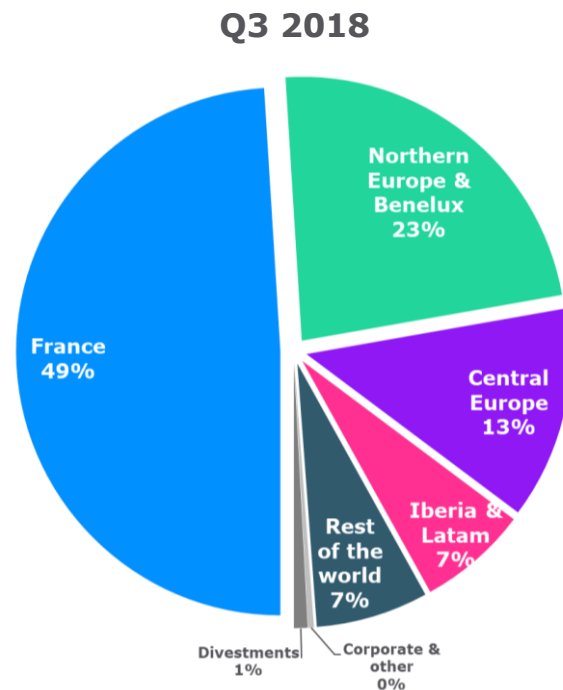
**+22.4% like-for-like variation**

# Revenue analysis by Region

In millions of euros	Q3 2018	Q3 2017 restated	9m 2018	9m 2017 restated
<b>France</b>	<b>76.6</b>	<b>54.9</b>	<b>232.3</b>	<b>174.5</b>
Variation	39.5%		33.1%	
L-f-I variation	32.0%		25.8%	
<b>Northern Europe &amp; Benelux</b>	<b>36.3</b>	<b>31.6</b>	<b>115.3</b>	<b>91.8</b>
Variation	14.8%		25.6%	
L-f-I variation	14.1%		13.2%	
<b>Central Europe</b>	<b>20.3</b>	<b>14.4</b>	<b>53.3</b>	<b>42.2</b>
Variation	40.9%		26.2%	
L-f-I variation	21.6%		19.3%	
<b>Iberia &amp; Latam</b>	<b>10.5</b>	<b>6.8</b>	<b>26.4</b>	<b>20.7</b>
Variation	54.3%		27.5%	
L-f-I variation	10.8%		14.1%	
<b>Rest of the world</b>	<b>10.7</b>	<b>9.3</b>	<b>30.9</b>	<b>28.1</b>
Variation	14.9%		10.3%	
L-f-I variation	15.8%		17.4%	
<b>Corporate &amp; other</b>	<b>(0.5)</b>	<b>0.2</b>	<b>(2.2)</b>	<b>0.1</b>
<b>Divestments</b>	<b>1.3</b>	<b>1.8</b>	<b>5.6</b>	<b>5.5</b>
<b>Total</b>	<b>155.2</b>	<b>119.2</b>	<b>461.7</b>	<b>363.0</b>
Variation	30.3%		27.2%	
L-f-I variation	22.4%		19.7%	
Currency impact	-0.2%		-0.8%	
Perimeter impact	8.0%		8.3%	

Of which impact of significant acquisitions:

In millions of euros	Q3 2018	Q3 2017	9m 2018	9m 2017
<b>France</b>	<b>4.1</b>		<b>12.7</b>	
D2SI, consolidated as of 1 October 2017	3.5		10.9	
Progis, fully consolidated as of 1 January 2018	0.4		1.2	
Altius Services, consolidated as of 1 February 2018	0.2		0.6	
<b>Northern Europe &amp; Benelux</b>	<b>0.3</b>		<b>12.3</b>	
TMNS, consolidated as of 1 July 2017 (estimate)			11.9	
Paradigmo, consolidated as of 1 July 2018	0.3		0.3	
<b>Central Europe</b>	<b>2.8</b>		<b>2.8</b>	
Alegri, consolidated as of 1 September 2018	2.8		2.8	
<b>Iberia &amp; Latam</b>	<b>3.0</b>		<b>3.0</b>	
New BIC, consolidated as of 1 July 2018	0.7		0.7	
Bold, consolidated as of 1 September 2018	2.3		2.3	



# Growth driven by SMACS

## Positioning and YoY Growth

Q3 2018

Legacy & Non allocated

-8.5% of which -13.5% I-f-I

€7.3m  
(5%)

Mature Business

+11.5% of which +6.1% I-f-I

€43.5m  
(28%)

€104.4m  
(67%)

+44.7%

+35.2%

SMACS  
YoY Growth

I-f-I Growth

9m 2018

Legacy & Non allocated

-8.5% of which -13.4% I-f-I

€22.9m  
(5%)

Mature Business

+9.1% of which +5.4% I-f-I

€137.1m  
(30%)

€301.7m  
(65%)

+42.1%

+32.1%

SMACS  
YoY Growth

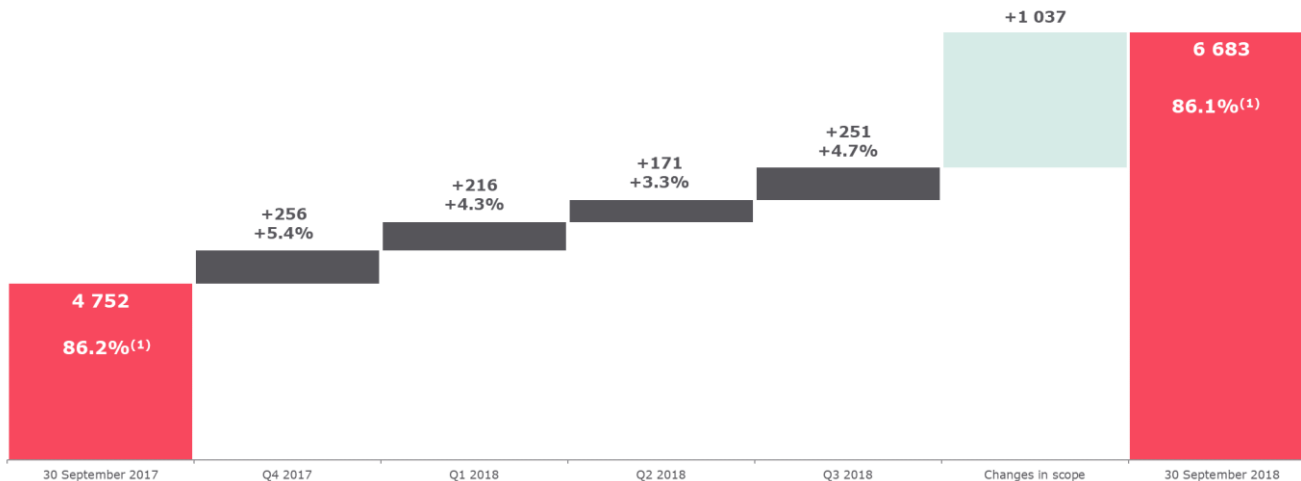
I-f-I Growth

■ SMACS ■ Mature ■ Legacy



# Talent acquisition

## Headcount and billable ratio<sup>(1)</sup>



### Acquisition Q4 2018

Jayway +240p  
(entering consolidation scope as of 1 October 2018)

### Acquisition Q3 2018

Bold +627p  
Alegri +224p  
New Bic +43p  
Paradigmo +13p

### Acquisition Q1 2018

Altius +14p

### Acquisition Q4 2017

D2SI +134p

### Insourcing & other 2017

+53p Middle East

### Divestments Q3 2018

Shift -71p

Attrition rate of billable employees

26.7% in Q3 2018  
vs. 28% in H1 2018

## Utilization rate of internal resources<sup>(2)</sup>

Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	Q1 2018	Q2 2018	Q3 2018
83.2%	84.3%	85.4%	85.3%	84.6%	85.6%	84.4%	84.1%

<sup>(1)</sup>Billable ratio = productive headcount / total headcount

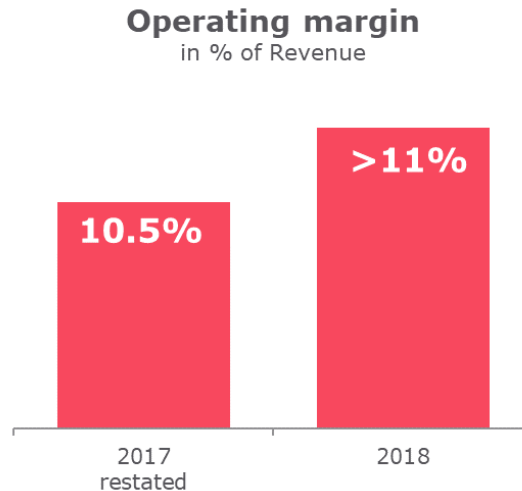
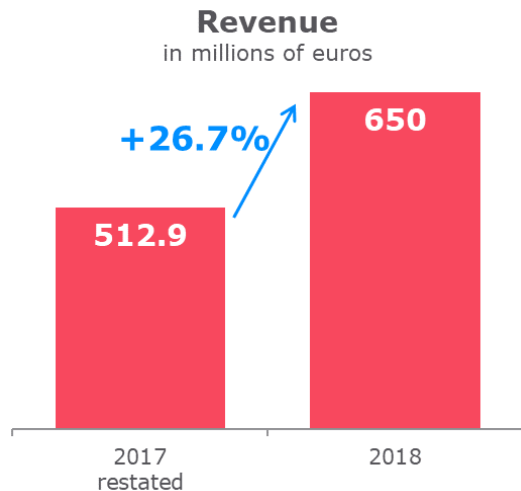
<sup>(2)</sup>Number of working days of billable employees that were billed to a client compared to the total number of available days excluding holidays

**3**

**Prospects**

# 2018 guidance increased

Considering stable economic environment



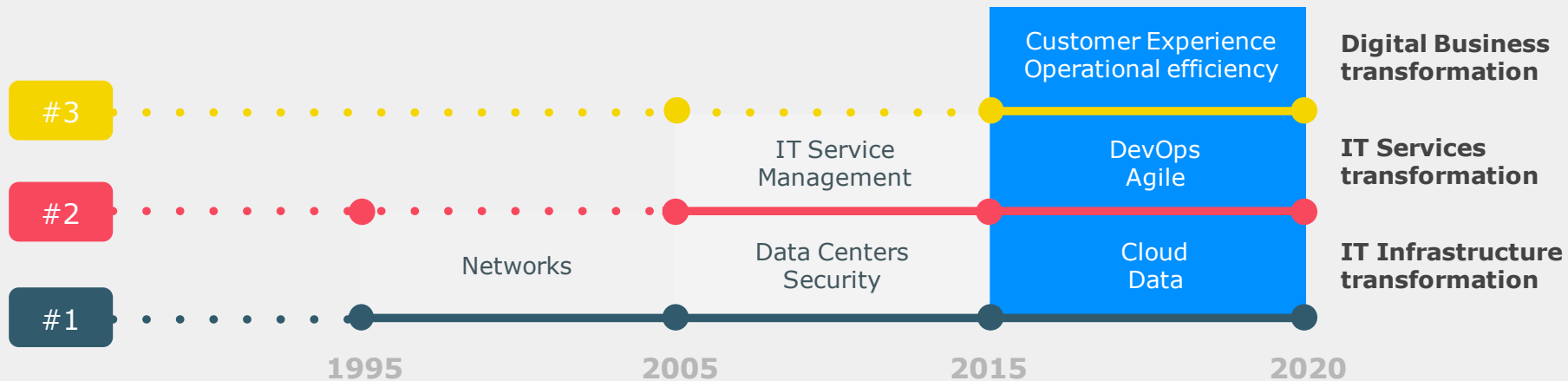
- **17% to 18% like-for-like** (~15% previously)
- FX impact: -0.6 pt (-0.7 pt previously)
- Net M&A impact: 9 pt to 10 pt (~10 pt previously)
  - Changes in perimeter H2 2018: Alegri €10m\*, Bold €8m, Paradigmo €0.9m, New Bic €1.8m, Shift -€2.8m, Jayway €6m
  - TMNS: €11.9m H1 2018
  - D2SI: €10.9m 9m 2018
  - Progis: €1.5m FY 2018 & Altius: €0.9m FY 2018

- **Operating margin >11%**
  - Helped by higher number of days and utilization H1
  - Mitigated by investments for growth and inflation on salaries
  - Slight dilutive effect of new changes in perimeter in H2
- Restructuring cost expected around 0.5% of the revenue

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**Appendix**

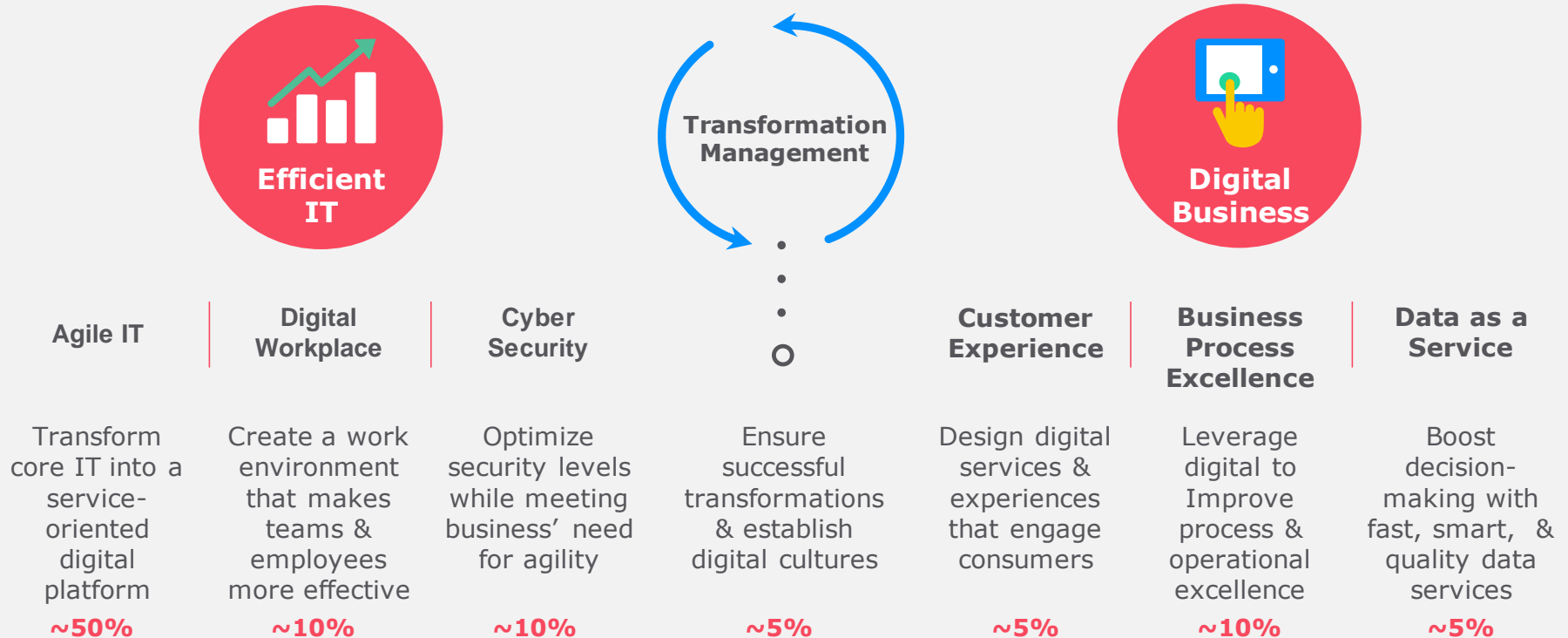
# Over the past 20 years we have chosen to be focused on **3 consecutive disruptive revolutions**



This has built our DNA as **Digital Transformakers** to help our customers win their digital battle



# We deliver Innovative Technology Consulting for Business, with a unique Transformation DNA



# We grow and innovate within a **vivid ecosystem of global and local partners**

Google

redhat.

servicenow



Strategic gold partners

Microsoft

salesforce

FORGEROCK

amazon  
web services

Qlik

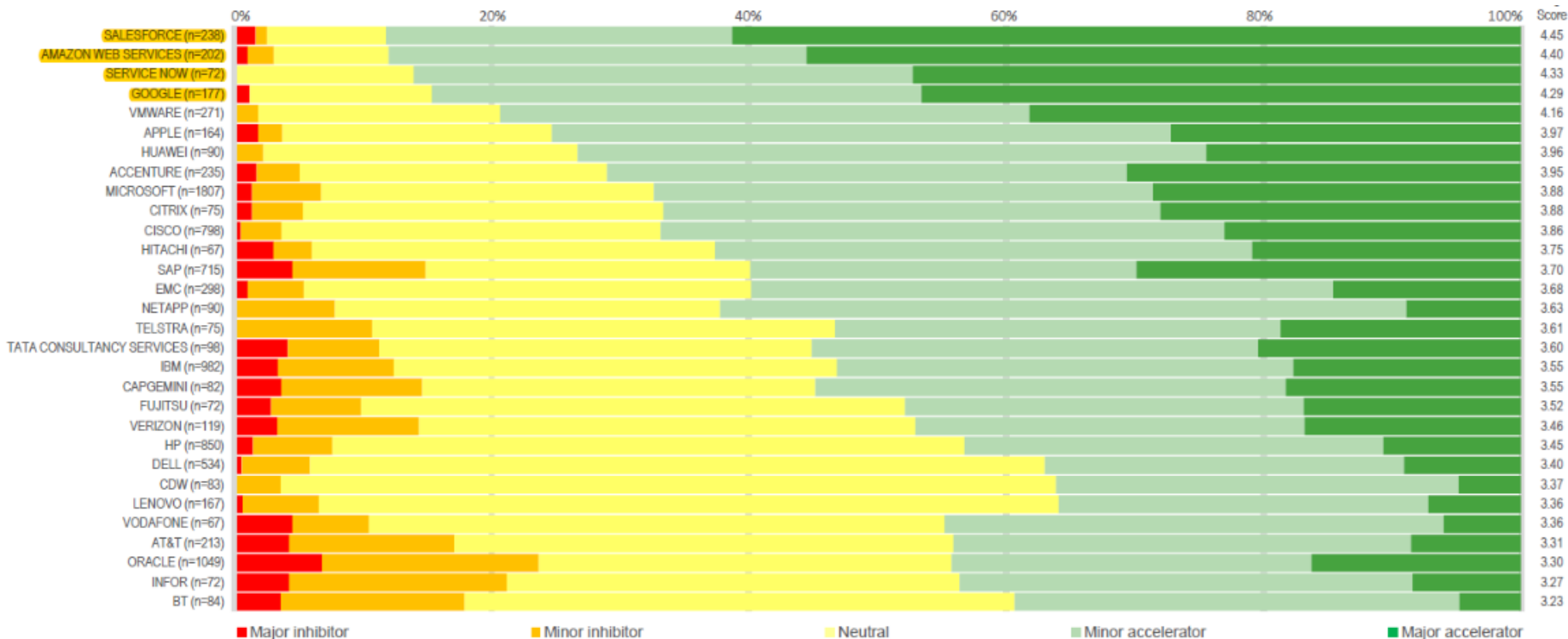
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Silver partners

# Focus on partners that are “Digital Accelerators”

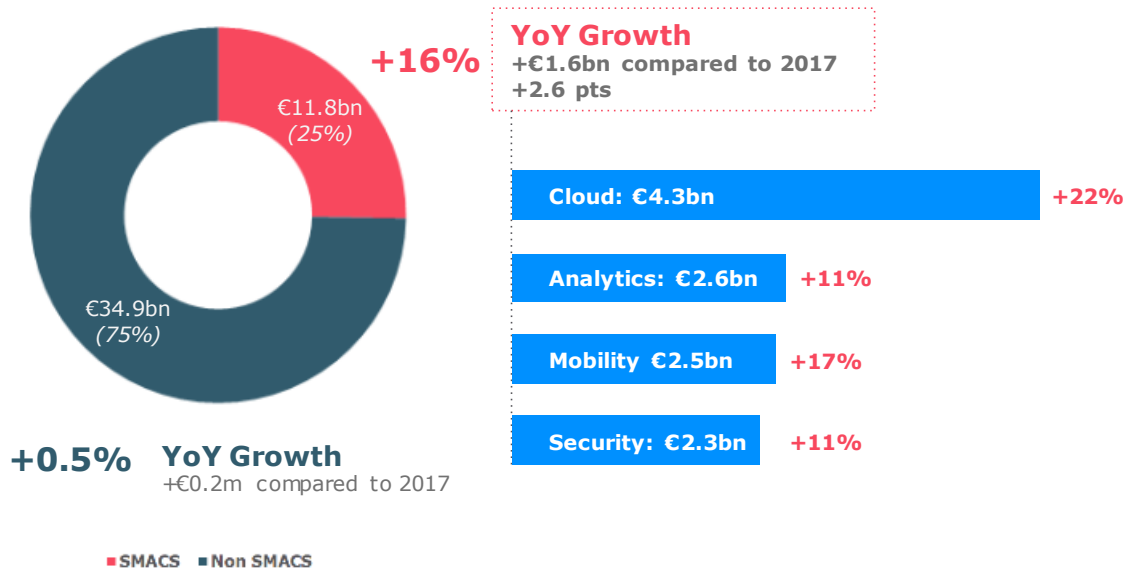
Our strategic partners are at the top of Gartner’s Digital Accelerators ranking



Source: Gartner (2016)



# SMACS activities should drive 90% of the IT market growth in 2018



Source: Syntec, 2018

# Clients and verticals Q3 2018

## Top 3

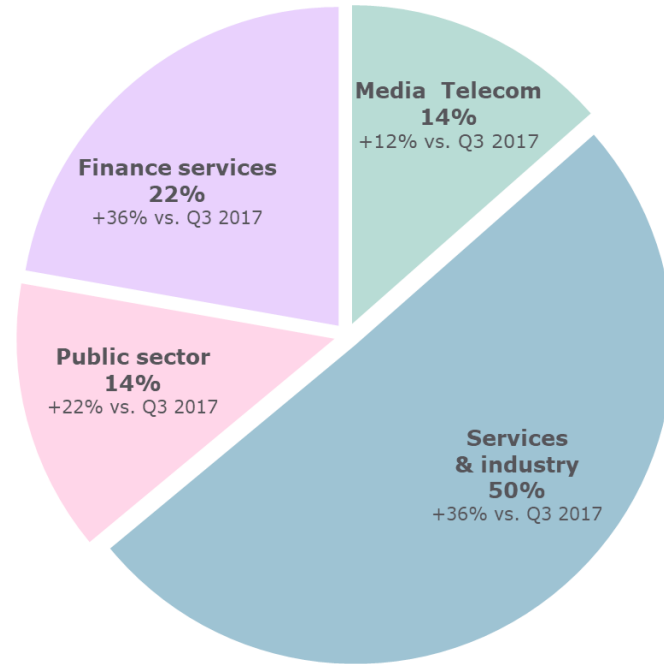
### 13% of the revenue

- BNP Paribas
- Deutsche Telekom
- Engie

## Next 7

### 20% of the revenue

- Major electricity provider
- Société Générale
- CA/CL
- SNCF
- Sanofi
- Carrefour
- AXA



# Shareholding structure

	05/30/2018			
	Nb of shares	% of capital	Nb of voting rights	% of voting rights
Executive Board <sup>(1)</sup>	1,842,569	22,1%	3,335,884	32.8%
Allianz	552,189	6,6%	552,189	5.4%
Tabag <sup>(2)</sup>	448,402	5,4%	896,804	8.8%
Sycomore	360,425	4,3%	360,425	3.5%
Owned Shares	325,759	3,9%	0	0,0%
Public	4,803,063	57,7%	5,035,370	49.5%
<b>Total</b>	<b>8,332,407</b>	<b>100,0%</b>	<b>10,180,672</b>	<b>100.0%</b>

(1) Stanislas and Godefroy de Bentzmann, together with their children

(2) Owned by Yves de Talhouët, linked with the Executive Board members by a tax treaty (so called "Loi Dutreil") since December 2008; according to this agreement, a global amount of 2,040,000 shares shall be kept during a minimum of 2 years."

# Glossary

**Restated:** restated in accordance with IFRS 15 related to revenue from contracts with customers. Impact currently being validated by Group Auditors

**France:** France

**Northern Europe & Benelux:** Belgium, Denmark, United Kingdom, Luxembourg, Netherlands including TMNS in Switzerland, Germany and Serbia, Norway and Sweden

**Central Europe:** Austria, Switzerland excluding TMNS, 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 regions, and discontinued operations

**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 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

# Contacts

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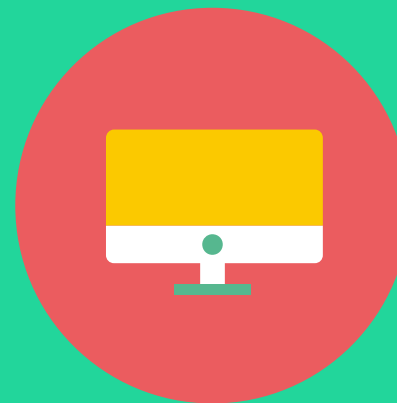
## Press contact

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