

FY 2017 results

Analyst presentation

7 March 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).

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Key figures & facts

Key facts and figures 2017

1

Strong take off of SMACS and key partnerships

2

Sale of 40% of Between closed

Partial divestment of Telco business in Germany finalised (no change in consolidation method for 2017 and 2018)

Integration of TMNS and D2SI progressing very well

3

**2017 Revenue growing 9.6% organically at €540.4m
Q4 Revenue up 14.6% organically**

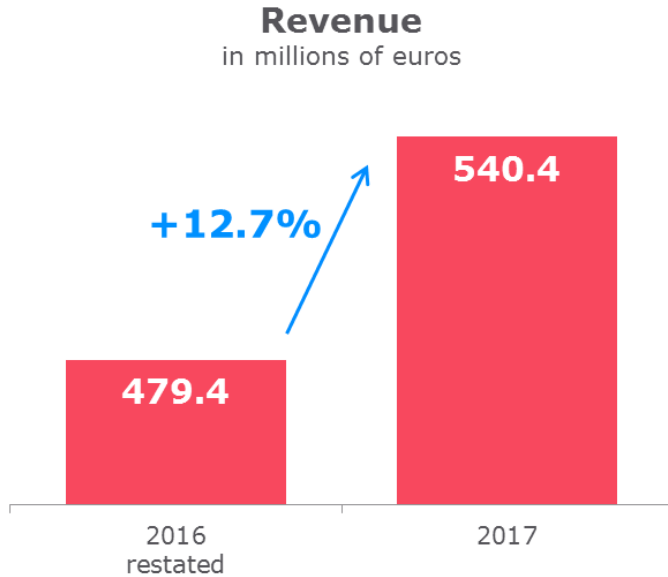
Operating Margin at 10.0%, up 50 bp or +19.0% from 2016

Net income at €25.0m, +26.4% from €19.8m in 2016

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Financial results

FY 2017 revenue



+12.7% yoy growth of revenue

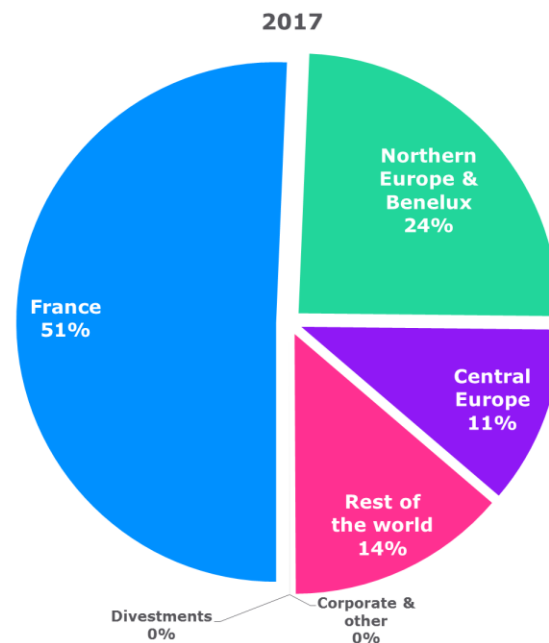
- M&A impact: +3.6%
- FX impact: -0.5%

+9.6% like-for-like variation

Q4 growing 14.6% like-for-like

Revenue analysis by Region

In millions of euros	Q4 2017	Q4 2016 restated	2017	2016 restated
France	80.1	63.0	273.8	232.3
Variation	27.1%		17.9%	
L-f-I variation	18.5%		15.6%	
Northern Europe & Benelux	38.6	31.8	132.4	116.5
Variation	21.4%		13.6%	
L-f-I variation	4.1%		2.4%	
Central Europe	17.6	14.2	59.9	49.0
Variation	23.7%		22.3%	
L-f-I variation	23.2%		18.1%	
Rest of the world	21.6	19.5	73.8	76.5
Variation	11.0%		-3.5%	
L-f-I variation	15.8%		-1.5%	
Corporate & other	0.7	1.1	0.4	0.8
Divestments	-	0.0	-	4.2
Total	158.7	129.7	540.4	479.4
Variation	22.4%		12.7%	
L-f-I variation	14.6%		9.6%	



Of which impact of significant acquisitions:

In millions of euros	Q4 2017	Q4 2016	2017	2016
France	5.4		5.4	
D2SI, consolidated as of 1 October 2017	5.4		5.4	
Northern Europe & Benelux	5.9		14.0	
HNCO, consolidated as of 1 July 2016 (estimate)			16	
Globicon, consolidated as of 1 July 2016 (estimate)			11	
TMNS, consolidated as of 1 July 2017	5.9		11.4	
Central Europe			1.9	
Q-Partners Consulting, consolidated as of 1 July 2016			1.9	

Discontinued operation:

In millions of euros	Q4 2017	Q4 2016	2017	2016
Between	-	19.8	-	76.3
Variation	-100.0%		-100.0%	
L-f-I variation	-100.0%		-100.0%	

FY 2017 - SMACS Positioning and estimated growth rates

Business data – not audited

FY 2017 - Group figures (Organic Scope)

Legacy & Non Allocated

-27% of YoY growth

37,8M€
(7%)

Mature Business

-1% of YoY growth

176,4M€
(34%)

302,9M€
(59%)

Social
Mobility
Analytics
Cloud
Security

+25%
of YoY growth

Key partners to our growth ambition:



Only European
company double
Gold



European Premier



Only European
company Premier
in 5 countries

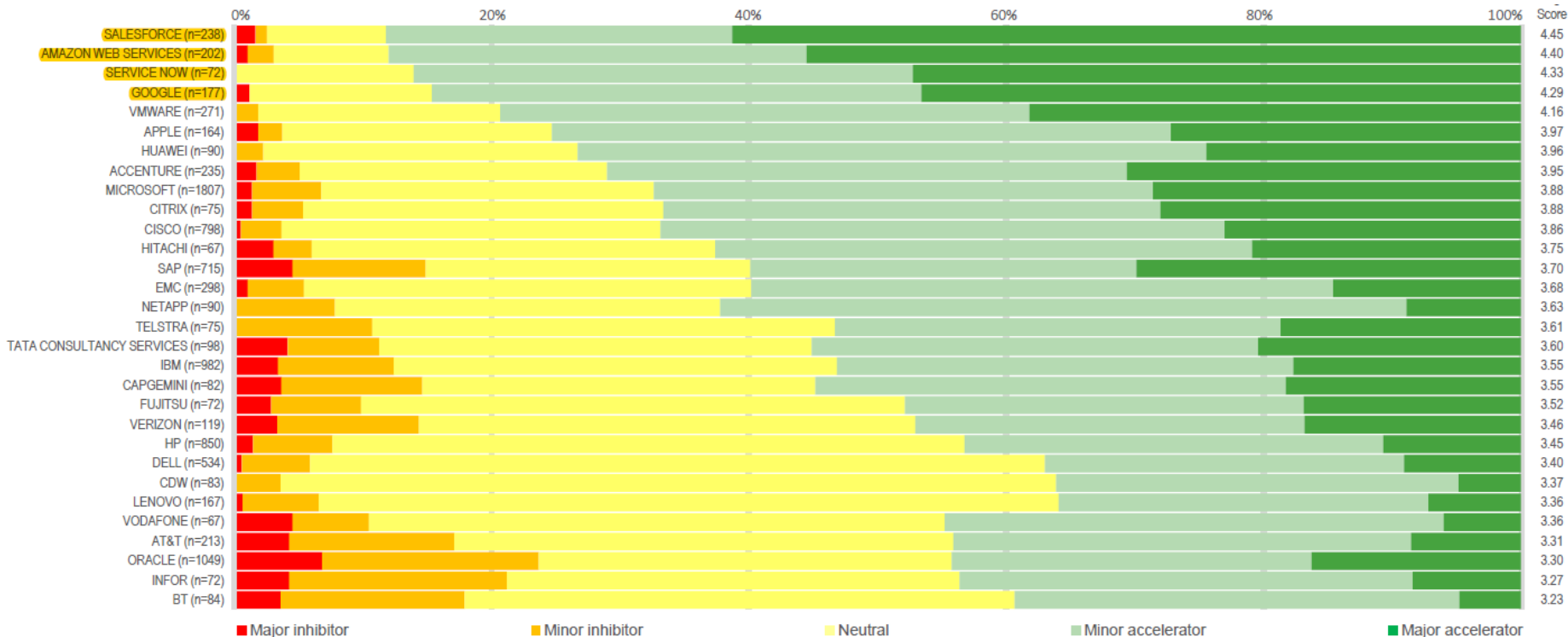
Should represent about **15%** of our business in 2018

These 3 partners are expected to bring about **25%** of the total organic growth between 2018 and 2020

Note: definitions partially adjusted – 2016 restated to take new definition into account

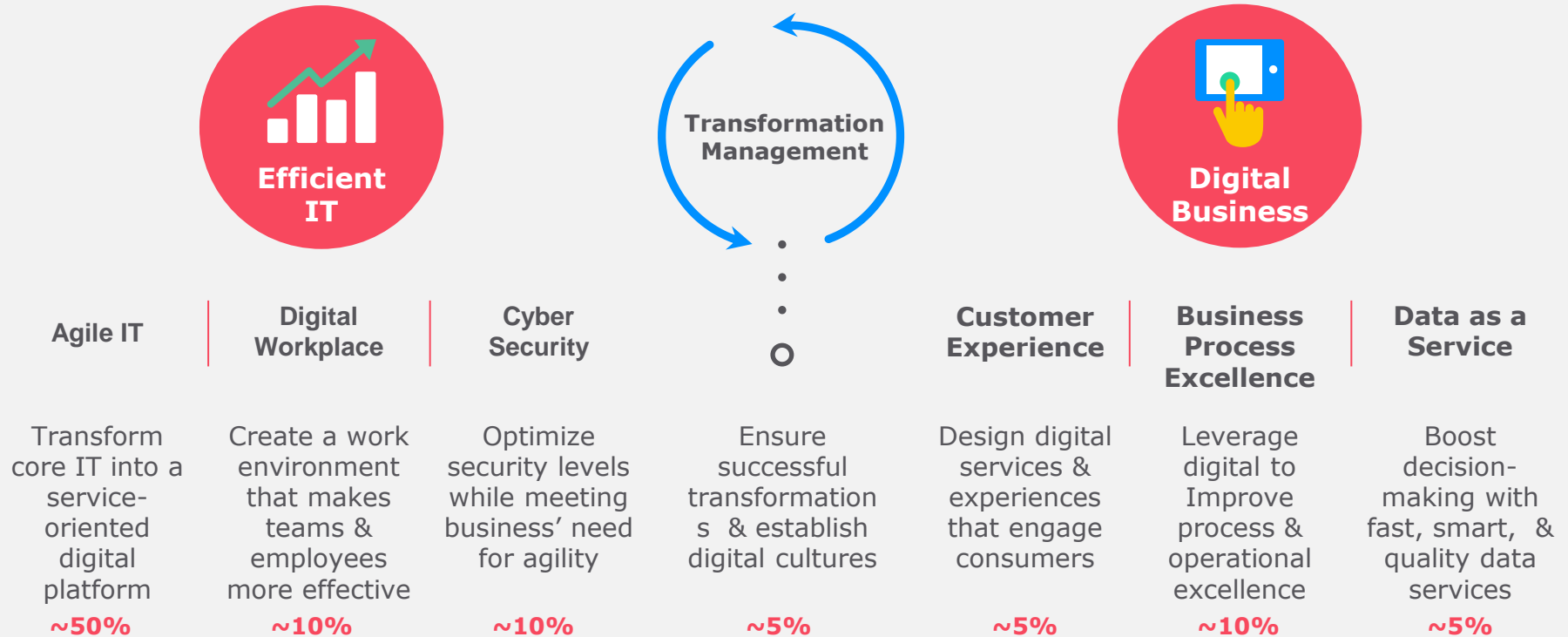
Focus on partners that are “Digital Accelerators”

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



Source: Gartner (2016)

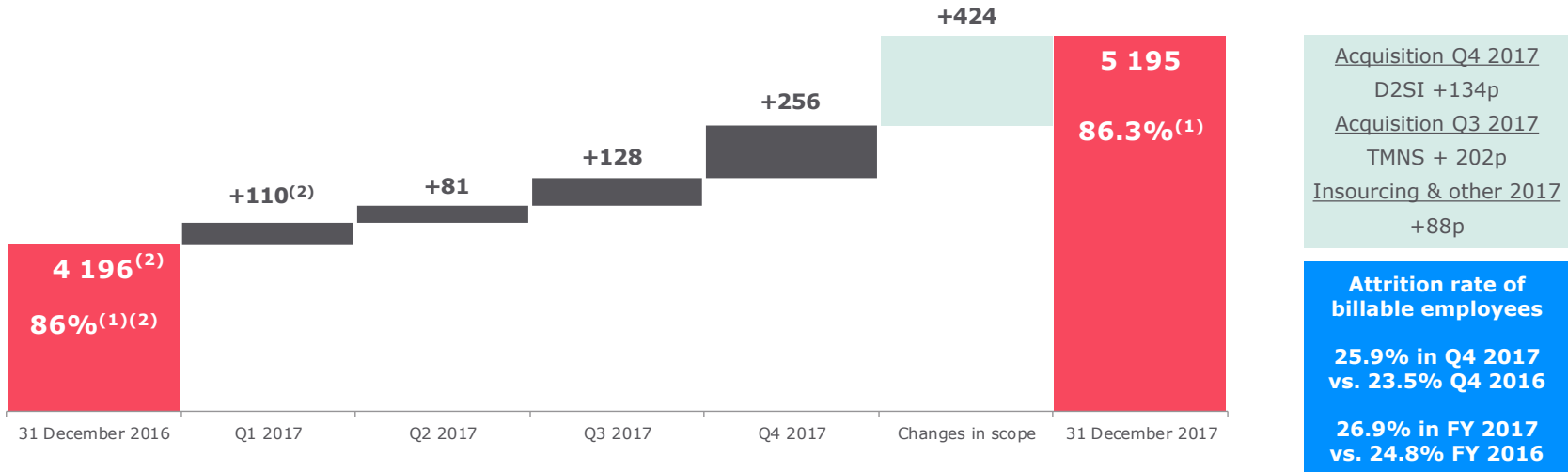
We deliver Innovative Technology Consulting for Business, with a unique Transformation DNA



Other & Non allocated: **~5%**

Resources analysis

Headcount and billable ratio



Utilization rate of internal resources⁽³⁾ excl. divested entities

Q1 2016	Q2 2016	Q3 2016	Q4 2016	2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017
82.9%	85.0%	85.5%	84.1%	84.3%	83.1%	84.4%	85.4%	85.5%	84.6%

⁽¹⁾Billable ratio = productive headcount / total headcount

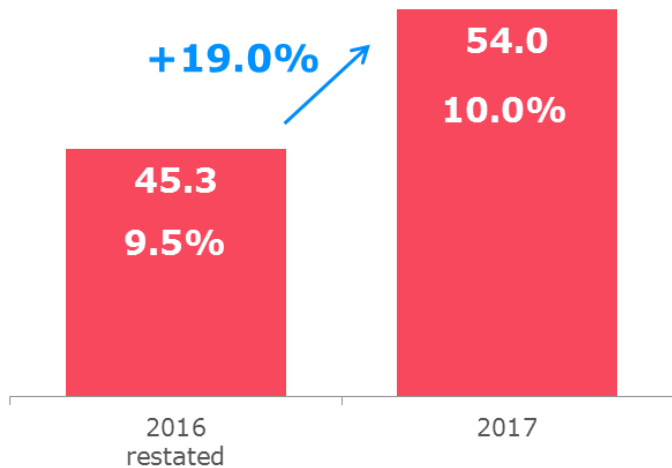
⁽²⁾2016 & 2017 restated from Between: 33 non productive people on 31 December 2016 and -1 people in Q1 2017

⁽³⁾Number of working days of billable employees that were billed to a client compared to the total number of available days excluding holidays

FY 2017 operating margin

Operating Margin

in millions of euros and % of Revenue



From 9.5% to 10% operating margin

Operating margin analysis by Region

In millions of euros	2017	2016 restated
France		
Group contribution	273.8	232.3
Operating margin	35.9	30.3
In % of Group contribution	13.1%	13.0%
Northern Europe & Benelux		
Group contribution	132.4	116.5
Operating margin	9.8	8.9
In % of Group contribution	7.4%	7.6%
Central Europe		
Group contribution	59.9	49.0
Operating margin	5.4	3.9
In % of Group contribution	9.1%	8.1%
Rest of the world		
Group contribution	73.8	76.5
Operating margin	5.3	5.9
In % of Group contribution	7.1%	7.6%

In millions of euros	2017	2016 restated
Corporate & other		
Group contribution	0.4	0.8
Operating margin	(2.4)	(3.6)
Divestments		
Group contribution	-	4.2
Operating margin	-	(0.1)
In % of Group contribution	-	-2.0%
Total		
Group contribution	540.4	479.4
Operating margin	54.0	45.3
In % of Group contribution	10.0%	9.5%

Discontinued operation:

In millions of euros	2017	2016
Between		
Group contribution	-	76.3
Operating margin	-	1.7
In % of Group contribution	-	2.3%

Profit and loss statement

	FY 2017	FY 2016 RESTATED	YoY var.
	M€	M€	%
Continuing operations			
Revenue	540,4	479,4	12,7%
Operating Margin	54,0	45,3	19,0%
Cost of share based payment & Impact of acquisitions (amortization of intangibles)	(2,5)	(1,7)	
Current Operating Profit	51,5	43,6	18,0%
Non current restructuring costs	(3,1)	(4,3)	
Operating Profit before M&A and other non current	48,4	39,4	23,0%
M&A and other non current costs Impairment, Badwill	(2,5) (2,0)	(2,0) (1,1)	
Operating Profit	43,9	36,3	21,1%
Financial result	(2,3)	(2,4)	
Share of profit from associates	0,1	0,1	
Profit Before Tax	41,7	34,0	22,7%
Income tax	(15,0)	(11,9)	
Discontinued operation			
Profit (loss) from discontinued operation, net of tax	2,5	1,3	
Profit After Tax	29,3	23,4	25,1%
Profit attributable to the Owners of the company	25,0	19,8	26,4%
Basic earnings per share (euro)	3,15	2,54	24,0%
Diluted earnings per share (euro)	3,15	2,54	24,1%

Cost of share based payment & impact of acquisitions: +€0.8m vs. 2016
Cost of the incentive plan (free shares) impacted by change on attrition rate & new allocations

Impact of intangible amortization for new acquisitions

Non current restructuring costs reduced by €1.2m vs. 2016
Germany, Spain, France

Other non current costs

Impairment of goodwill for €2m (Netherlands and Germany), loss on assets held for sale for €1.3m, and other costs for €1.3m (mainly advisor fees)

Income tax +€3.1m vs. 2016

Due to improvement in profits

Effective tax rate (ETR) at 36% vs. 35% in 2016

Discontinued operation

2017 includes the net profit on the sale of 40% of Between for €1.6m

Cash flow statement – analytical view

In millions of euros	2017	2016
Ebitda ⁽¹⁾	53.3	45.0
Change in working capital	(5.5)	9.2
Tax paid	(13.6)	(7.2)
Operating cash flow	34.2	47.0
Investment cash flow	(37.5)	(9.5)
Financing cash flow	(5.2)	(18.5)
Net change in cash	(8.5)	19.0
Opening net cash position	59.5	40.0
Exchange rate impact	(1.6)	0.5
Non current assets held for sale	(1.8)	-
Net change in cash	(8.5)	19.0
End net cash position	47.5	59.5

⁽¹⁾Operating result before depreciations and amortizations

In millions of euros	2017	2016
Off balance sheet factoring net position	13.8	10.3

Operating cash flow lower than in 2016

Higher working capital (higher DSO)
Higher tax paid (improved profitability and end of tax losses consumption in France)

Investment cash flow

Acquisition of tangible and intangible assets: -€3.1m
Acquisition of subsidiaries net of cash acquired: -€24.4m
Earn out & deferred payment on previous acquisitions: -€2.0m
Disposal of Between: -€8m

Financing cash flow

Acquisition of minority stakes in subsidiaries: -€11.1m
Disposal of shares in subsidiaries: +€4.6m
Cash from transaction on own shares: +€5.6m
Dividends paid: -€6.3m
Change in factoring position net of deposit: +€3.5m
Interest paid: -€1.6m

Cash in non current assets held for sale -€1.8m

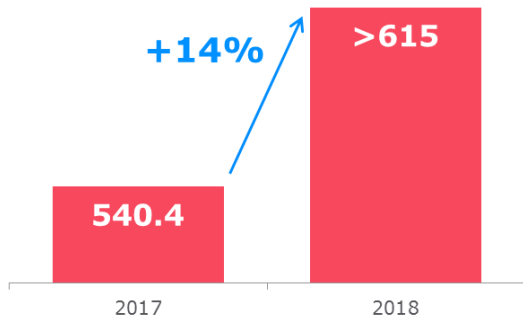
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Prospects

2018 guidance

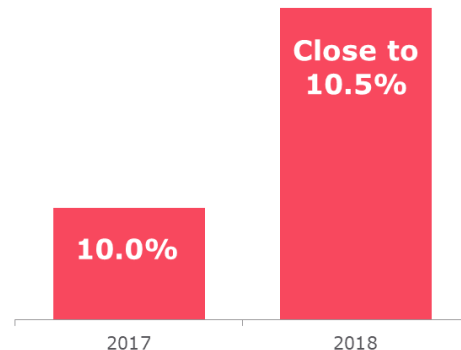
Considering stable economic environment and excl. IFRS 15 impact (being evaluated)

Revenue
in millions of euros



- **>+10% like-for-like**
- FX impact: -0.7 pt
- M&A impact: +4.4 pt
 - TMNS: €11.9m H1 2018
 - D2SI: €10.5m 9m 2018
 - Progis: €1.4m FY 2018 (previously consolidated under the equity method)

Operating margin
in millions of euros and % of Revenue

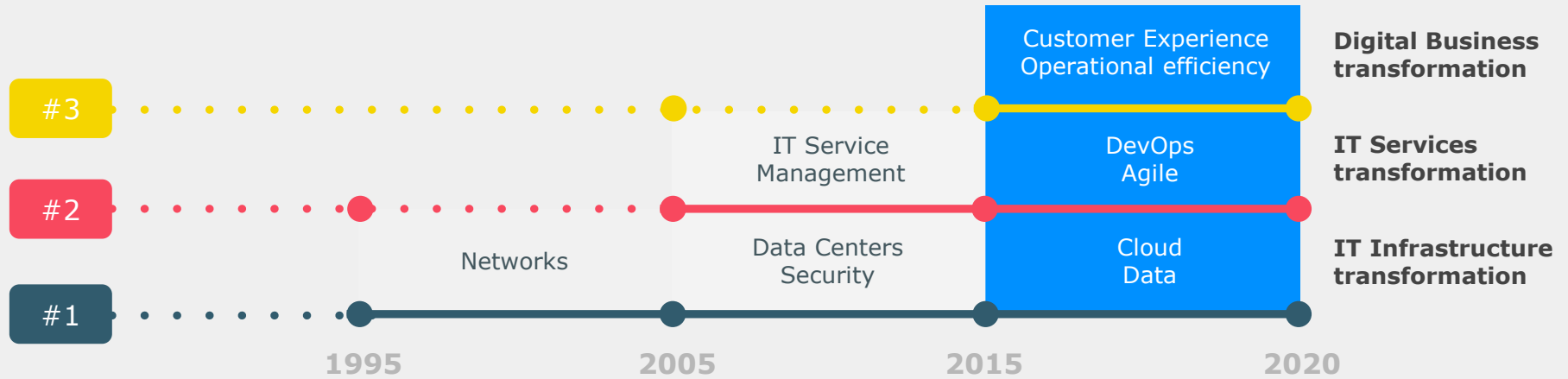


- Operating margin close to 10.5%
 - Helped by higher number of days and utilisation H1
 - Mitigated by investments for growth and inflation on salaries
- Restructuring cost expected around 0.5% of the revenue

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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



A unique way to power IT & Business transformation at scale



Digital
@scale



+50% of
our activity is
digital-centric,
from networks to
applications



Agility
& **proximity**



+90% of
our activity is
delivered next to
our customers'



Cloud
enablement



+25% of
our activity takes
our customers on
their cloud journey



CIO++
focused



Where IT matters,
next to those with
the ability &
ambition to drive
transformation at
scale

Digital Battle



We provide a global transformational approach to our customers' **key business challenges**



Agile IT Platform

Transform core IT into a Service oriented digital platform, to serve business need for speed & agility



Digital Workplace

Create a work environment that makes employees more effective, and organisations more agile.



Cyber Security

Answer business need for speed and agility through programs that optimize security levels, but also trust.



Data as a Service

Boost decision-making by leveraging data and providing businesses with fast, smart and high quality data services.



Business Process Excellence

Leverage the potential of digital to create processes that change business and improve enterprise services operational excellence (HR, Finance, Maintenance...)



Customer Experience

Design digital services & experiences that engage consumers and improve the business performance

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

Google

 redhat.

servicenow



Strategic EMEA partners

 Microsoft

 salesforce

 FORGEROCK



Strong local partners

 amazon
web services

Qlik  ...

Evolution of clients and verticals Q4 2017

Organic scope

Top 3

13% of the revenue

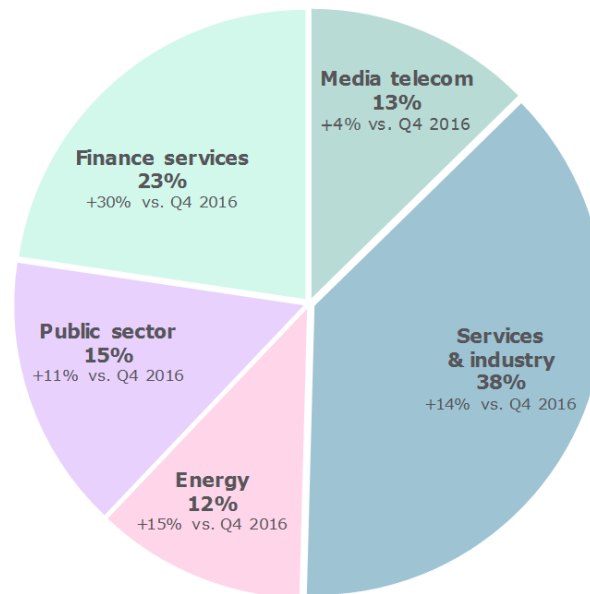
- ENGIE
- BNP Paribas
- Deutsche Telekom

Next 7

19% of the revenue

- Major electricity provider
- Société Générale
- Sanofi
- CA/CL
- SNCF
- Axa
- Santander

Verticals



DSO details

In thousands of euros	31.12.2017	31.12.2016
Accounts receivable excl. VAT	166,154	150,928
Accounts payable to clients and customers billed in advance	(58,661)	(53,705)
Net accounts receivable position excl. VAT	107,493	97,223
Net sales excl. VAT Q4	158,674	149,505
DSO in days*	61	59

*Restated from the impacts of factoring and IFRS 5.

Shareholding structure

31/12/2017	Number of shares	% of capital	Number of voting rights	% of voting rights
Executive Board ⁽¹⁾	1,938,848	23.3%	3,332,037	33.0%
Lazard Frères Gestion	579,312	6.9%	579,312	5.7%
Amiral Gestion	551,043	6.6%	551,043	5.5%
Allianz	532,673	6.4%	532,673	5.3%
Tabag ⁽²⁾	470,402	5.6%	940,804	9.3%
Owned shares	344,259	4.1%	-	-
Nominative shares ⁽³⁾	316,006	3.8%	542,036	5.4%
Public	3,604,364	43.2%	3,604,364	35.7%
Total	8,336,907	100.0%	10,082,269	100.0%

⁽¹⁾And their family, acting in concert

⁽²⁾Owned by Yves de Talhouët, linked with the Board of Directors by a tax treaty

⁽³⁾Founders of subsidiaries, employees and former employees

Glossary

Restated: restated from Between, in accordance with IFRS 5 "Non current assets held for sale and discontinued operations" which requires the net profits and losses of the activity to be presented as "Net result of discontinued operations, net of tax" in the consolidated income statement

Between is a Dutch subsidiary specializing in "sourcing of IT professionals"

France: French operations

Northern Europe & Benelux: Belgium, Denmark, United-Kingdom, Luxembourg, Netherlands including TMNS in Switzerland, Germany and Serbia, and Norway excluding divested activities

Central Europe: Austria, Czech Republic, Germany and Poland

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

Corporate & other: headquarter activities which cannot be allocated directly to the operational regions

Divestments or divested entities: in 2016, Divestments include Grimstad activities in Norway, deconsolidated on 1 May 2016, and Devoteam Genesis, deconsolidated on 1 July 2016

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 before amortization of intangible assets related to acquisitions and excluding the impact of the share-based payment

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

Utilization rate of internal resources: number of working days of billable employees that were billed to a client compared to the total number of available days excluding holidays

Contacts

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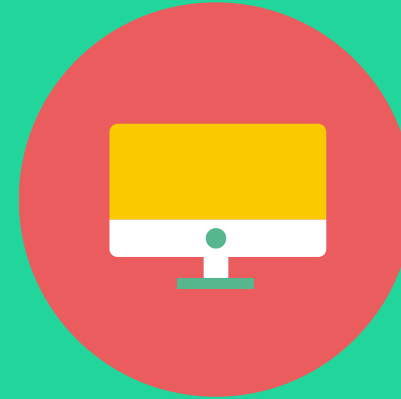
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