



# Analyst Presentation

*Half-year 2014 results*

September 1<sup>st</sup> , 2014

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# Key facts and figures

# Key figures

## 216.2 M€ Revenue, up 0.3% like-for-like\* in H1

- France: -1.0% like-for-like\* in H1 (-0.9% in Q2)
- Rest of the world: +1.4% like-for-like\* in H1 (+0.6% in Q2 despite a negative impact of billable days)
- Same trend in Q2 than in Q1 when excluding impact of billable days
- -1.5% like-for-like\* excluding Between\*\* in H1

## Operating Margin at 3.3%, up from 2.7% in H1 2013

## Net income at 2.6M€ from 7.3M€ in H1 2013

- 0.4M€ of profits from disposal of subsidiaries in H1 2014 vs. 12M€ in H1 2013
- Strong decrease of non recurring costs to 1.3M€ vs. 6.2M€ in H1 2013

## Net Cash of 2.9M€ as of 30<sup>h</sup> of June 2014 vs. 36.4M€ as of 31<sup>st</sup> of Dec. 2013

- OPRA (20 M€ of cash-out )
- Seasonal effect of working capital

*\*at constant exchange rates and perimeter*

*\*\*“Between”, a subsidiary operating in the Netherlands on the market of sourcing of IT professionals, has a very volatile contribution to revenue since, depending on the terms and conditions of the contracts they sign with their subcontractors and their client, revenue consolidated at group level may be based on the contract’s gross margin or on the full amount invoiced to the final customer. As a consequence, the group decided to isolate this subsidiary when calculating the growth rate of consolidated revenues.*

# Key business developments 2014



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## Disposals in Telco R&D

- *AuSystems in Italy - deconsolidated as of May 1<sup>st</sup> 2014*

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## Acquisitions on Google Cloud and Mobility offers

- **Gpartner**  
70% stake, consolidated as of July 1st, 2014
- **Progis**  
Minority stake (33%)
- **Axance**  
Ownership increased to 54%, fully consolidated as of July 1st

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## ServiceNow take-off

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## Launch of Devoteam Cloud Services to enhance positioning on Cloud

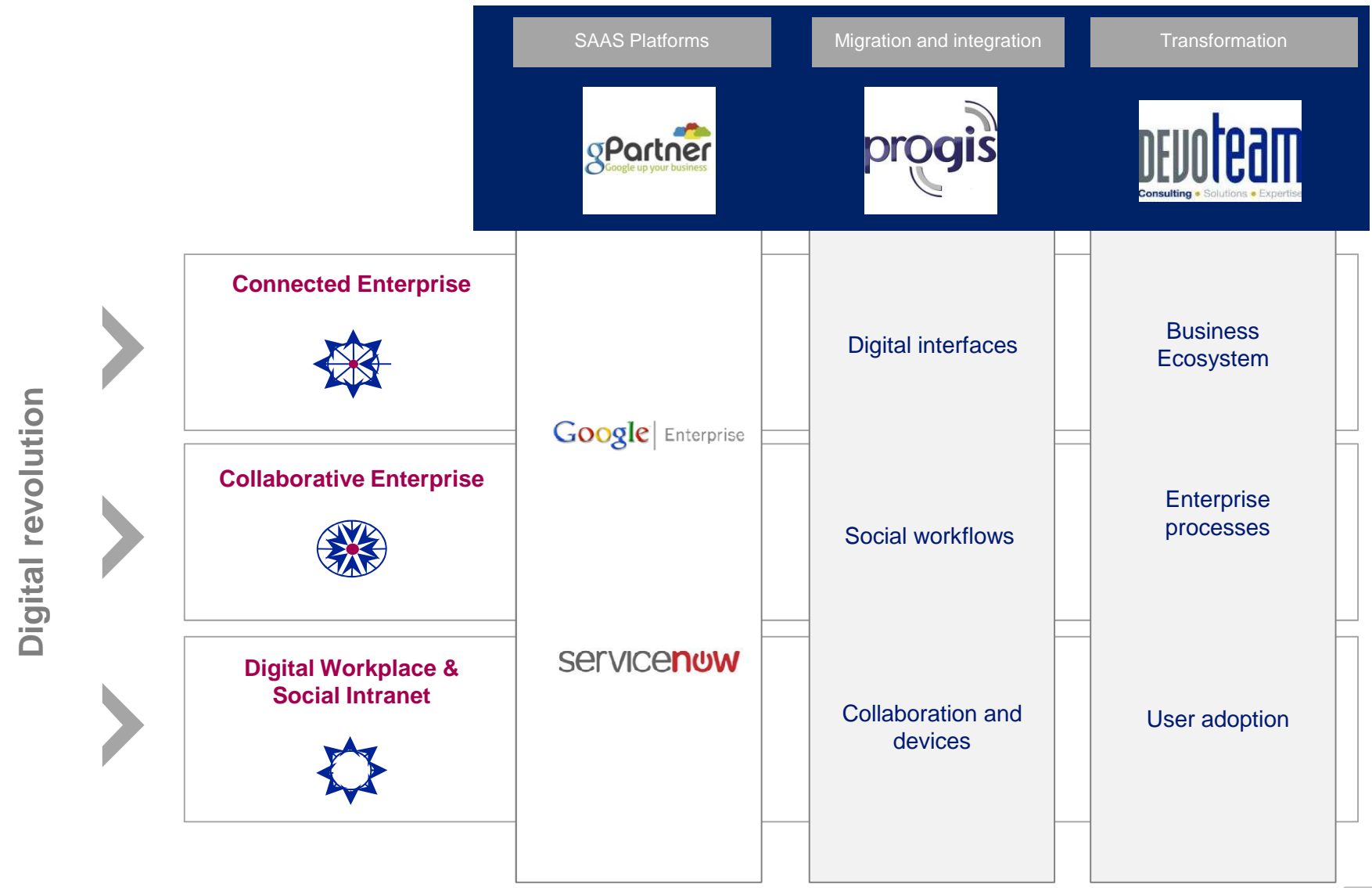


*We welcome the merger of our best European partners. We see a great opportunity for our customers who will benefit from Devoteam Cloud Services' expertise in the transformation of their IT. The creation of such an actor confirms the importance of Google Enterprise products on the European market.*

**Sébastien Marotte, Vice-President of Google Enterprise International (EMEA & Asia Pacific)**

# “Devoteam Cloud services”, a full package of SaaS services

Our value proposition



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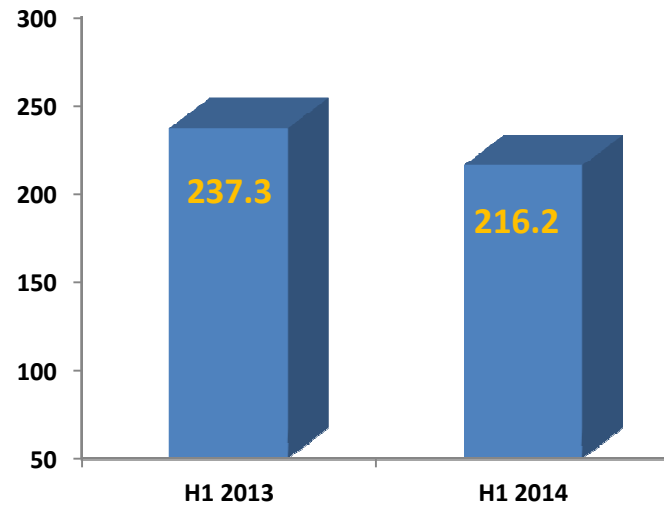
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## H1 2014 results

# H1 2014 Revenue & Operating Margin

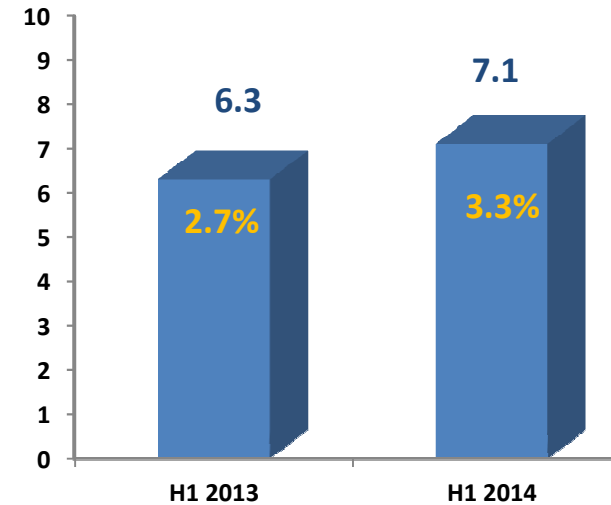
60 basis point increase in operating margin

## Revenue (in m€)



- **+0.3% like-for-like variation**
- FX impact : -1.0%
- M&A impact : -8.2%
- -1.5% Like-for-like variation excluding Between

## Operating margin (in m€ and % of revenue)



- **Increase in utilization rate**
- **Pressure on daily margin**

## H1 2014 Performance by Region

In million of euros	Group contribution H1 2014	Operating margin H1 2014	In % of Group contribution H1 2014	Group contribution H1 2013	Operating margin H1 2013	In % of Group contribution H1 2013
<b>New Mediterranean</b>	<b>74.9</b>	<b>4.1</b>	<b>5.5%</b>	<b>76.4</b>	<b>2.9</b>	<b>3.8%</b>
Growth rate	-2.0%	41.6%				
L-f-I growth <sup>(1)</sup>	-1.9%					
<b>Northern Europe</b>	<b>28.4</b>	<b>0.7</b>	<b>2.6%</b>	<b>31.2</b>	<b>0.1</b>	<b>0.4%</b>
Growth rate	-9.2%	445.6%				
L-f-I growth <sup>(1)</sup>	-6.9%					
<b>Central Europe</b>	<b>23.5</b>	<b>(0.0)</b>	<b>-0.1%</b>	<b>23.5</b>	<b>(1.3)</b>	<b>-5.7%</b>
Growth rate	0.0%	-97.6%				
L-f-I growth <sup>(1)</sup>	0.1%					
<b>Middle East &amp; Turkey</b>	<b>9.8</b>	<b>0.7</b>	<b>6.9%</b>	<b>9.4</b>	<b>0.4</b>	<b>4.3%</b>
Growth rate	5.2%	68.4%				
L-f-I growth <sup>(1)</sup>	14.0%					
<b>Single entities</b>	<b>28.7</b>	<b>0.5</b>	<b>1.6%</b>	<b>31.1</b>	<b>0.8</b>	<b>2.7%</b>
Growth rate	-7.8%	-46.3%				
L-f-I growth <sup>(1)</sup>	-7.8%					
<b>Others</b>	<b>45.6</b>	<b>1.2</b>	<b>2.6%</b>	<b>40.7</b>	<b>2.7</b>	<b>6.6%</b>
Growth rate	12.2%	-55.9%				
L-f-I growth <sup>(1)</sup>	14.0%					
L-f-I growth excluding Between	5.0%					
<b>Divestments<sup>(2)</sup></b>	<b>5.2</b>	<b>(0.0)</b>	<b>-0.6%</b>	<b>25.0</b>	<b>0.7</b>	<b>2.8%</b>
Growth rate	-79.1%	-104.4%				
L-f-I growth <sup>(1)</sup>	-1.1%					
<b>Total</b>	<b>216.2</b>	<b>7.1</b>	<b>3.3%</b>	<b>237.3</b>	<b>6.3</b>	<b>2.7%</b>
Growth rate	-8.9%	12.3%				
L-f-I growth <sup>(1)</sup>	0.3%					
L-f-I growth excluding Between	-1.5%					

(1) At constant perimeter and exchange rates.

(2) For H1 2014, the region Divestments included the subsidiary AuSystems Italy. For H1 2013, it also included T&M and Teligent Russia.



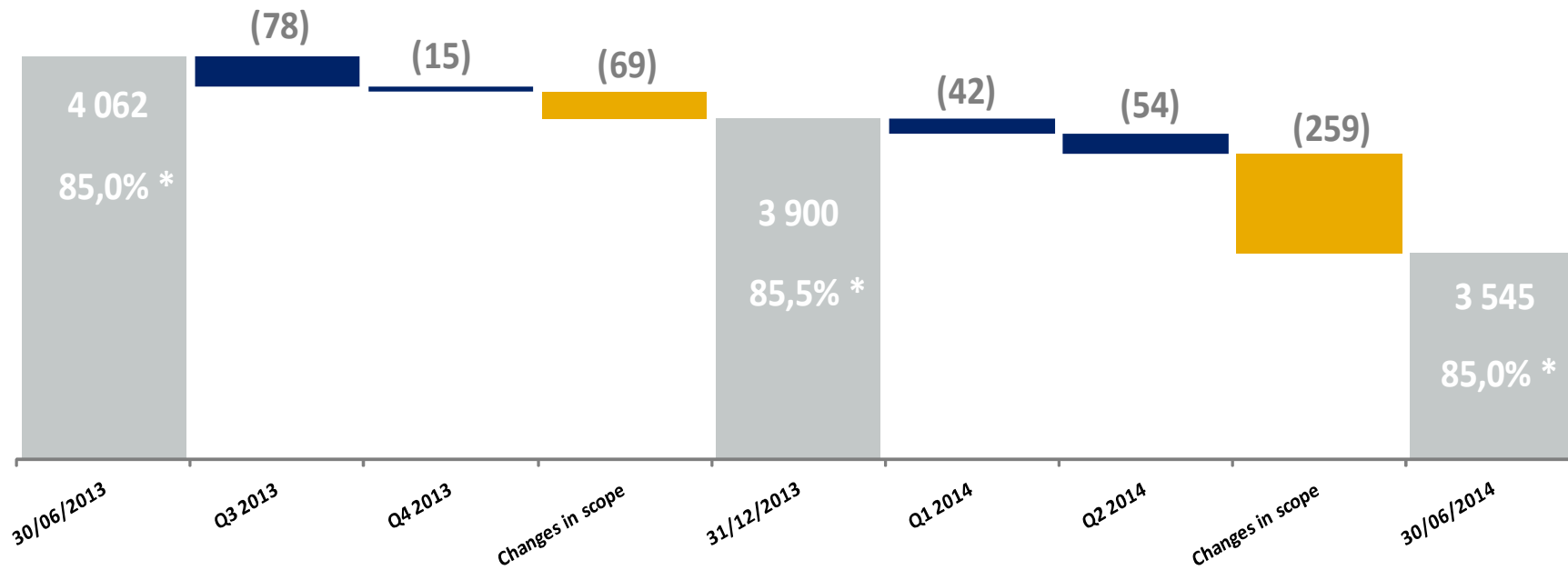
## Quarterly growth by Region

In million of euros	Q1 2014	Q1 2013	Q2 2014	Q2 2013	H1 2014	H1 2013
<b>New Mediterranean</b>	37.6	38.0	37.3	38.3	74.9	76.4
Growth rate	-1.0%		-2.8%		-2.0%	
L-f-l growth <sup>(1)</sup>	-1.0%		-2.8%		-1.9%	
<b>Northern Europe</b>	14.6	15.6	13.8	15.7	28.4	31.2
Growth rate	-6.3%		-12.1%		-9.2%	
L-f-l growth <sup>(1)</sup>	-3.0%		-10.8%		-6.9%	
<b>Central Europe</b>	11.7	11.6	11.8	11.9	23.5	23.5
Growth rate	0.9%		-0.9%		-0.0%	
L-f-l growth <sup>(1)</sup>	1.1%		-0.9%		0.1%	
<b>Middle East &amp; Turkey</b>	4.9	4.5	4.9	4.9	9.8	9.4
Growth rate	9.4%		1.4%		5.2%	
L-f-l growth <sup>(1)</sup>	18.3%		9.9%		14.0%	
<b>Single entities</b>	14.2	15.5	14.5	15.6	28.7	31.1
Growth rate	-8.5%		-7.1%		-7.8%	
L-f-l growth <sup>(1)</sup>	-8.5%		-7.1%		-7.8%	
<b>Others</b>	21.9	20.1	23.7	20.6	45.6	40.7
Growth rate	9.2%		15.2%		12.2%	
L-f-l growth <sup>(1)</sup>	11.3%		16.7%		14.0%	
L-f-l growth excluding Between	4.4%		5.6%		5.0%	
<b>Divestments<sup>(2)</sup></b>	4.0	20.0	1.2	5.0	5.2	25.0
Growth rate	-79.8%		-76.3%		-79.1%	
L-f-l growth <sup>(1)</sup>	-1.5%		0.6%		-1.1%	
<b>Total</b>	109.0	125.3	107.2	112.0	216.2	237.3
Growth rate	-13.0%		-4.3%		-8.9%	
L-f-l growth <sup>(1)</sup>	0.6%		-0.0%		0.3%	
L-f-l growth excluding Between	-0.7%		-2.5%		-1.5%	

(1) At constant perimeter and exchange rates.

(2) For H1 2014, the region Divestments includes the subsidiary AuSystems Italy. For H1 2013, it also included T&M and Teligent Russia.

## Headcount and billable ratio\* evolution



**Note - Including gPartner and Axance, proforma headcount as of June 30<sup>th</sup>, 2014 reaches 3 600+ employees**

\* Billable ratio = billable headcount / total headcount

## Utilization rate

Utilization rate of internal resources, w/o divestments*						
Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013	Q1 2014	Q2 2014
79.6%	81.8%	82.3%	84.2%	81.9%	82.7%	83.9%

### Improvement of utilization rate versus Q1 and Q2 2013

**H1 2014 utilization (w/o divestments\*) stands at 83.3% versus 80.6% in H1 2013**

\* Telecom & Media, AuSystems Italy, Teligent Russia

## Profit & Loss statement H1 2014

	H1 2014		H1 2013		YoY var. %
	M€	%	M€	%	
<b>Turnover</b>	<b>216.2</b>	100%	<b>237,3</b>	100%	<b>-9%</b>
<b><u>Operating Margin</u></b>	<b>7.1</b>	3.3%	<b>6.3</b>	2.7%	<b>12%</b>
Cost of stock options & Impact of acquisitions (amortization of intangibles)	(0.1)		(0.2)		
<b><u>Current Operating Profit</u></b>	<b>6.9</b>	3.2%	<b>6.1</b>	2.6%	<b>13%</b>
Non current result excluding impairment & Badwill & M&A	(1.3)		(6.2)		
<b><u>Operating Profit before M&amp;A and assets disposal</u></b>	<b>5.6</b>	2.6%	<b>-0.1</b>	0.0%	<b>5.7M€</b>
M&A and other assets disposal	0.4		12.0		
Impairment, Badwill	-		(1.4)		
<b><u>Operating Profit</u></b>	<b>6.0</b>	2.8%	<b>10.5</b>	4.4%	<b>-4.5M€</b>
Financial result	(0.6)		(1.1)		
Share of profit from associates	(0.0)		0.1		
<b><u>Profit Before Tax</u></b>	<b>5.4</b>	2.5%	<b>9.5</b>	4.0%	<b>-4.1M€</b>
Income tax	(2.5)		(2.4)		
<b>Profit After Tax</b>	<b>2.9</b>	1.3%	<b>7.1</b>	3.0%	<b>-4.2M€</b>
<b>Profit attributable to the Owners of the company</b>	<b>2.6</b>		<b>7.3</b>		

## Non current operating result H1 2014

	H1 2014	H1 2013	FY 2013
	<i>In million of €</i>		
<b>Current operating result</b>	<b>6.9</b>	<b>6.1</b>	<b>16.7</b>
Restructuring costs	(1.3)	(4.4)	(7.5)
Eagle	0.0	(1.8)	(2.1)
Others	(0.0)	(0.0)	(0.2)
<b>Non current result before IFRS &amp; M&amp;A adjustments</b>	<b>(1.3)</b>	<b>(6.2)</b>	<b>(9.8)</b>
Net value of asset disposal	0.4	12.0	12.5
Fair value of the non current assets held for sale	-	-	(0.3)
Impairment	-	(1.4)	(5.9)
<b>Non current operating result</b>	<b>(1.0)</b>	<b>4.4</b>	<b>(3.5)</b>
<b>in % of revenues</b>	<b>-0.4%</b>	<b>1.8%</b>	<b>-0.8%</b>
<b>Operating result</b>	<b>6.0</b>	<b>10.5</b>	<b>13.1</b>
<b>in % of revenues</b>	<b>2.8%</b>	<b>4.4%</b>	<b>2.9%</b>

# H1 2014 Cash Flow statement

*In million of euros*

	H1 2014	FY 2013	H1 2013
<b>Cash Flow from Operations</b>	<b>(11.3)</b>	<b>21.6</b>	<b>(6.2)</b>
<i>of which Change in working capital</i>	<i>(14.9)</i>	<i>16.6</i>	<i>(6.3)</i>
<i>of which Net Profit and Others</i>	<i>3.6</i>	<i>5.0</i>	<i>(0.1)</i>
<b>Cash Flow from Investing/Divesting activities</b>	<b>2.4</b>	<b>14.8</b>	<b>11.9</b>
<b>Cash Flow from Financing activities</b>	<b>(20.7)</b>	<b>(7.3)</b>	<b>(2.4)</b>
Net Change in Cash	(29.7)	29.1	3.3
Non current assets held for sale	(3.7)	4.8	1.1
Exchange Rate Effect	0.2	(0.6)	(0.2)
Beginning Cash Balance	42.9	9.7	9.7
<b>Ending Cash Balance</b>	<b>9.7</b>	<b>42.9</b>	<b>13.8</b>

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# Prospects

## Guidance update

# Update of guidance following H1 2014 results and M&A impact

Revenue: > 425 M€

Operating margin rate close to 4.5%



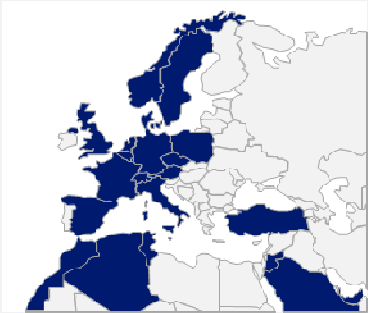
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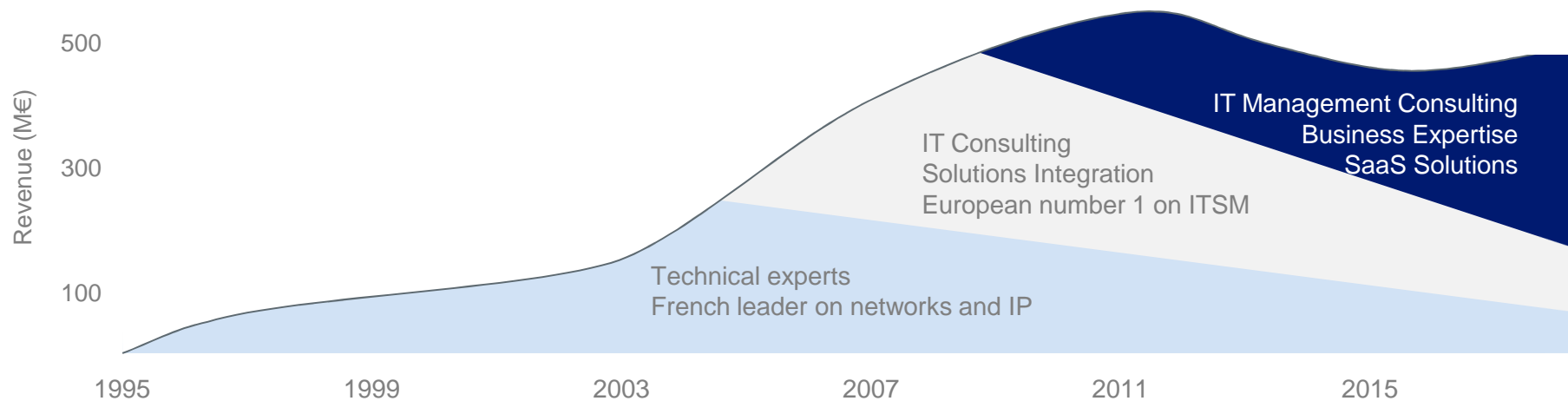
## Appendix

# Presentation of Devoteam

## Historical background



- Founded by Godefroy and Stanislas de Bentzmann
- Devoteam has a history of **20 years** of quick expansion, delivering on latest market trends with **3,600 professionals in 21 countries**
- **Among the 10 largest** ICT Consulting companies in France with **€453 Million turnover in 2013**



# Presentation of Devoteam Portfolio

## Targeted offers

- Cloud transformation
- IT Service Excellence
- Network transformation
- Risk and security
- Mobility
- Data & Information Management
- IT Transformation

## and strong partnerships

**Microsoft Partner**  
Gold Server Platform  
Gold Devices and Deployment  
Gold Management and Virtualization  
Silver OEM  
Silver Mobility



## H1 2014 Performance France vs. International

In million of euros	Group contribution H1 2014	Operating margin H1 2014	In % of Group contribution H1 2014	Group contribution H1 2013	Operating margin H1 2013	In % of Group contribution H1 2013
<b>France</b>	<b>90.5</b>	<b>3.9</b>	<b>4.3%</b>	<b>106.6</b>	<b>5.3</b>	<b>5.0%</b>
Growth rate	-15.1%	-25.6%				
L-f-I growth <sup>(1)</sup>	-1.0%					
<b>International</b>	<b>125.7</b>	<b>3.1</b>	<b>2.5%</b>	<b>130.7</b>	<b>1.0</b>	<b>0.8%</b>
Growth rate	-3.8%	210.3%				
L-f-I growth <sup>(1)</sup>	1.4%					
L-f-I growth excluding Between	-2.0%					
<b>Total</b>	<b>216.2</b>	<b>7.1</b>	<b>3.3%</b>	<b>237.3</b>	<b>6.3</b>	<b>2.7%</b>
Growth rate	-8.9%	12.3%				
L-f-I growth <sup>(1)</sup>	0.3%					
L-f-I growth excluding Between	-1.5%					

In million of euros	Q1 2014	Q1 2013	Q2 2014	Q2 2013	H1 2014	H1 2013
<b>France</b>	<b>45.4</b>	<b>60.7</b>	<b>45.1</b>	<b>45.9</b>	<b>90.5</b>	<b>106.6</b>
Growth rate	-25.2%		-1.7%		-15.1%	
L-f-I growth <sup>(1)</sup>	-1.1%		-0.9%		-1.0%	
<b>International</b>	<b>63.6</b>	<b>64.6</b>	<b>62.0</b>	<b>66.1</b>	<b>125.7</b>	<b>130.7</b>
Growth rate	-1.5%		-6.1%		-3.8%	
L-f-I growth <sup>(1)</sup>	2.2%		0.6%		1.4%	
L-f-I growth excluding Between	-0.4%		-3.7%		-2.0%	
<b>Total</b>	<b>109.0</b>	<b>125.3</b>	<b>107.2</b>	<b>112.0</b>	<b>216.2</b>	<b>237.3</b>
Growth rate	-13.0%		-4.3%		-8.9%	
L-f-I growth <sup>(1)</sup>	0.6%		-0.0%		0.3%	
L-f-I growth excluding Between	-0.7%		-2.5%		-1.5%	

(1) At constant perimeter and exchange rates.

# Main customers & split by segment Q2 2014

Excluding Divestments & Between

## Top 3

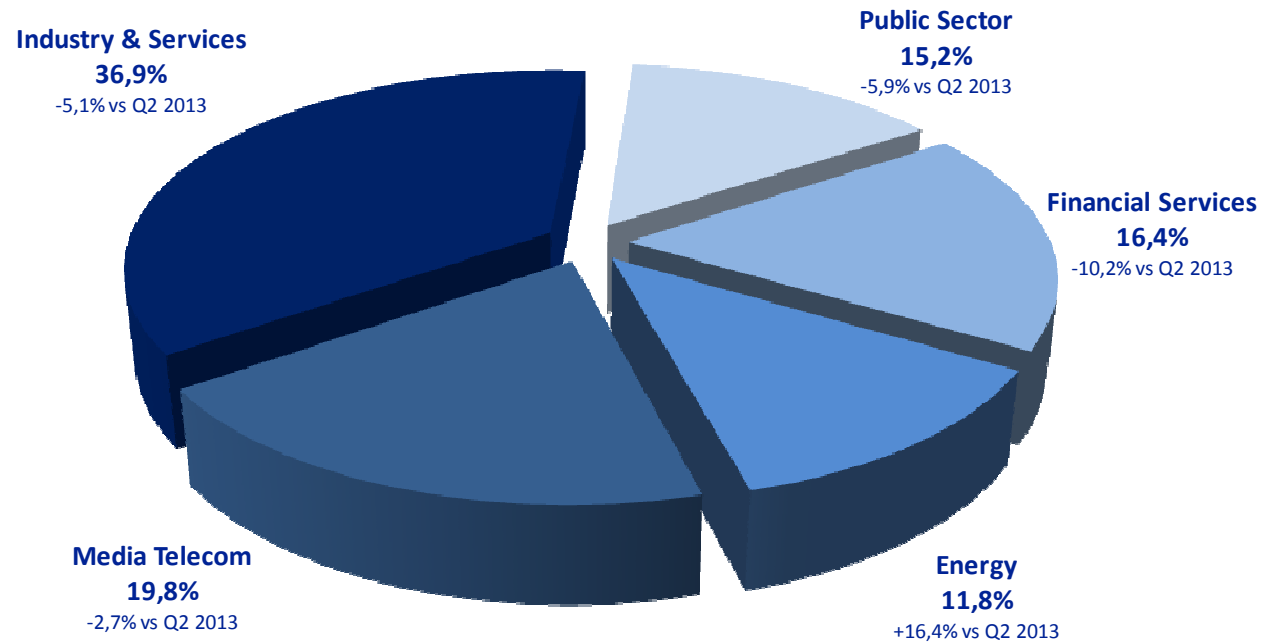
### 13.0% of revenue

- GDF Suez
- Pierre Fabre
- Major Electricity provider

## Next 7

### 21.0% of revenue

- BNP Paribas
- Vodafone
- SANOFI
- SNCF
- Crédit Agricole
- Nokia Networks (ex NSN)
- Deutsche Telekom



## Balance sheet presentation June 30th, 2014

In Million of €

<b>ASSETS</b>	<b>30.06.2014</b>	<b>31.12.2013</b>	<b>LIABILITIES</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
<b>Goodwill</b>	<b>72.8</b>	<b>72.8</b>	<b>Shareholders' equity</b>	<b>105.1</b>	<b>121.0</b>
<b>Non current assets</b>	<b>23.6</b>	<b>24.9</b>	<b>YTD net result</b>	<b>2.9</b>	<b>5.5</b>
<b>Current assets</b>	<b>153.3</b>	<b>136.9</b>	<b>Long term liabilities</b>	<b>8.1</b>	<b>9.2</b>
<b>Non current assets held for sale (*)</b>	<b>-</b>	<b>10.5</b>	<b>Current liabilities</b>	<b>143.3</b>	<b>142.6</b>
<b>Cash</b>	<b>22.6</b>	<b>77.6</b>	<b>Non current liabilities held for sale (*)</b>	<b>-</b>	<b>9.7</b>
<b>TOTAL</b>	<b>272.3</b>	<b>322.7</b>	<b>Cash (overdraft &amp; Credit revolving)</b>	<b>12.9</b>	<b>34.7</b>
			<b>TOTAL</b>	<b>272.3</b>	<b>322.7</b>

(\*) IFRS 5 reclassification due to Devoteam AU Systems Italy

## Net Debt as of June 30th, 2014

<i>In Million of €</i>	June, 30th 2014	December, 31st 2013
Cash management tools included in other current financial assets	0.3	0.3
Cash and cash equivalents */**	22.3	77.2
Bank overdrafts and Credit Revolving	(12.9)	(34.7)
<b>Cash position, net of bank overdrafts</b>	<b>9.7</b>	<b>42.9</b>
Financial debts, due within one year (excluding overdrafts, already included in net cash position)	(2.8)	(2.2)
Financial debt, due after one year	(4.1)	(4.3)
<b>Cash position, net of financial debts</b>	<b>2.9</b>	<b>36.4</b>
<b>Total Equity</b>	<b>108.0</b>	<b>126.5</b>
<b>Debt to Equity Ratio (%)</b>	<b>-2.7%</b>	<b>-28.8%</b>

\* Including Factoring position (Net of deposit) for 12.1 M€ in HY 2014, for 13.5 M€ in FY 2013

\*\* FY 2013 : Including 26.1M€ for pledging of OPRA; 20.2M€ finally cash out in January 2014

## Pro forma information on revenue figures

In million of euros	H1 2013 pro-forma*	H1 2013 published**
New Mediterranean	76.4	91.2
Single entities	31.1	15.3
Others	40.7	41.7

•Reclassification of Devoteam Belgium and Devoteam Luxembourg from "New Mediterranean" region to " Single Entities " region & of Devoteam Morocco from "Others" region to "New Mediterranean" region

\*\* In the FY 2013 results press release

In million of euros	Q1 2014 pro-forma*	Q1 2014 published**
<b>Consolidated revenues</b>	<b>109.0</b>	<b>104.1</b>
Of which France	45.4	45.4
<b>Of which International</b>	<b>63.6</b>	<b>58.7</b>

In million of euros	Q1 2014 pro-forma*	Q1 2014 published**
New Mediterranean	37.6	37.6
Northern Europe	14.6	14.6
Central Europe	11.7	11.7
Middle East & Turkey	4.9	4.9
Single entities	14.2	14.2
<b>Others</b>	<b>21.9</b>	<b>17.0</b>
Divestments	4.1	4.1
<b>Consolidated revenues</b>	<b>109,0</b>	<b>104.1</b>

•Following a extensive analysis, during the second quarter of 2014, of the new terms and conditions applied by Between in the Netherlands, the group reached the conclusion that the revenue recognition method for this subsidiary was not to be modified in comparison to last year. Therefore, consolidated revenue for Q1 2014 increased € 4.9 million compared to the figure initially published in the Q1 2014 revenue press release.

\*\* In the Q1 2014 results press release



## Pro forma information on operating margin

In million of euros	H1 2013 pro-forma*	H1 2013 published**
New Mediterranean	2.9	3.1
Single entities	0.8	0.6
Others	2.7	2.7

•Reclassification of Devoteam Belgium and Devoteam Luxembourg from "New Mediterranean" region to " Single Entities " region & of Devoteam Morocco from "Others" region to "New Mediterranean" region

\*\* In the FY 2013 results press release