

H1 2016 results

Analyst presentation

September 8th, 2016



Innovative technology consulting for business

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 figures H1 2016

€275.4m Revenue, up 17.0% like-for-like

- Q2 Revenue up 20.2% like-for-like

Operating Margin at 8.2%, up 200 bp or +56% from H1 2015

Net income – Group share at €7.6m, +0.6% from €7.5m in H1 2014

Excluding the impact of disposals, net income – Group share at €10.1m, +34% vs. H1 2015

Net cash of €39.5m on June 30th 2016 vs. €20.4m on June 30th 2015

Excluding the impact of the factor: cash at €20.6m end of June 2016 vs. €9.5m end of June 2015

Key facts H1 2016



Disposal of DVT Genesis

Deconsolidated as of July 1st 2016

- Swiss IP Management niche player
- 20 employees

Reminder

- Disposal of Grimstad system integration activities in Norway

Deconsolidated as of May 1st 2016

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Acquisition of Q-Partners in Germany

Consolidated as of July 1st 2016

- SAP HANA Partner
- Business process consulting & implementation
- 25 employees



Acquisition of 2 Danish companies

Consolidated as of July 1st 2016

HNCO

- Independent consulting on business applications and processes
- 15 employees

Globicon

- ITSM Consulting (HP, ServiceNow, Cherwell)
- 15 employees



Acquisition of minority interests in SMACS French subsidiaries for 7.2M€

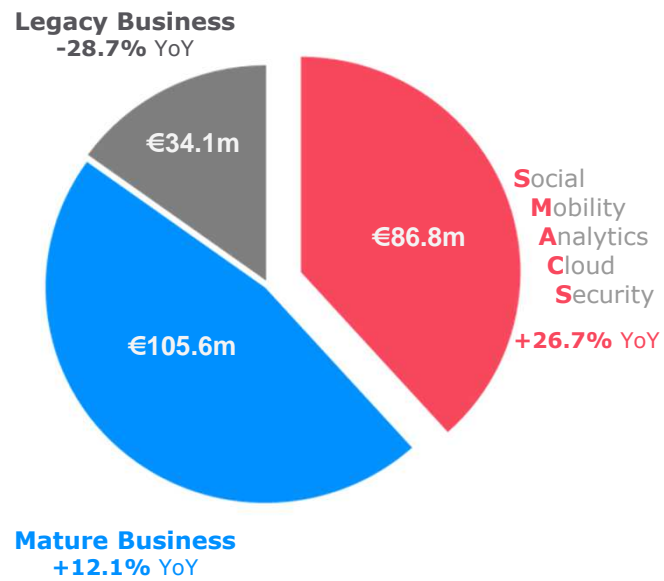
Investment in technological funds (max. €3m)

Development of management ownership in the Group start-ups

Evolution of our positioning – H1 2016 overview

Offers

(excl. Between, Be Team & acquisitions)



Clients & verticals

(organic scope excluding Between)

Top 3

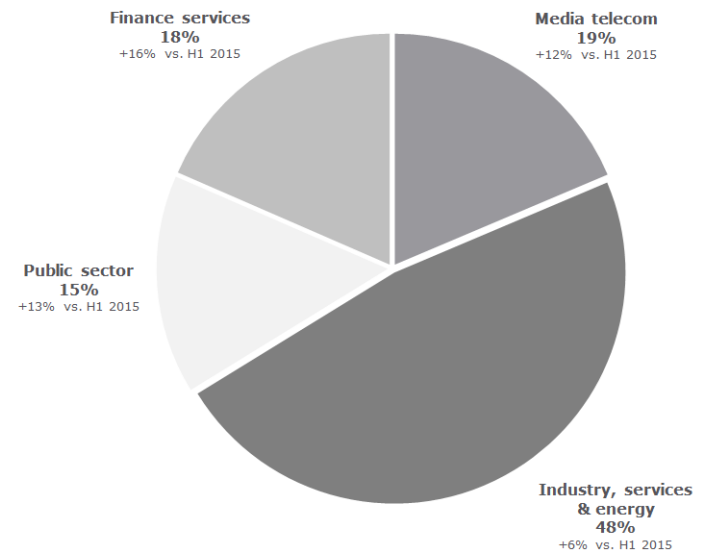
14% of the revenue

- ENGIE
- Sanofi
- BNP Paribas

Next 7

20% of the revenue

- Major electricity provider
- SNCF
- Vodafone
- CA/CL
- Deutsche Telekom
- Carrefour
- Airbus Group

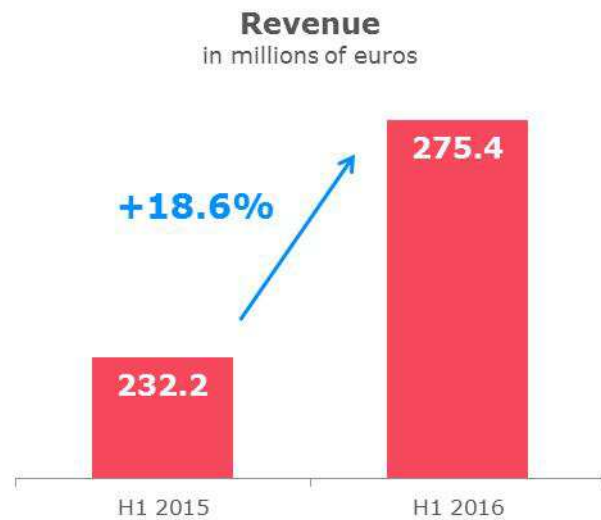




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H1 2016 Results

H1 2016 Revenue



+18.6% yoy growth of Revenue

- FX impact: -0.9%
- M&A impact: +2.6%

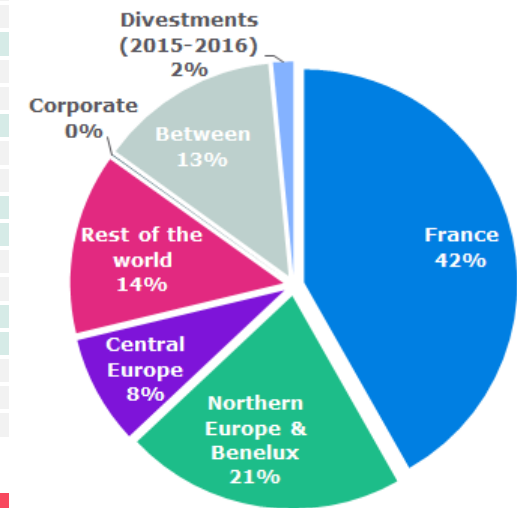
+17.0% like-for-like variation

- Between impact: -6.9%
- +2.2 working days vs. H1 2015

+10.1% like-for-like excluding Between

H1 2016 Revenue analysis by Region

In millions of euros	Q1 2016 ⁽¹⁾	Q1 2015 ⁽¹⁾	Q2 2016	Q2 2015	H1 2016	H1 2015
France	56.4	50.3	58.8	51.2	115.2	101.4
Variation	12.3%		14.9%		13.6%	
L-f-I variation	11.9%		14.6%		13.3%	
Northern Europe & Benelux	28.4	27.1	30.0	28.2	58.4	55.3
Variation	4.8%		6.4%		5.6%	
L-f-I variation	7.2%		9.6%		8.4%	
Central Europe	11.5	11.6	11.2	10.8	22.7	22.4
Variation	-0.6%		3.5%		1.4%	
L-f-I variation	-0.7%		3.5%		1.4%	
Rest of the world	16.2	13.2	21.4	13.2	37.7	26.4
Variation	23.2%		62.1%		42.7%	
L-f-I variation	-4.9%		34.3%		14.7%	
Corporate	(0.1)	0.0	(0.1)	(0.1)	(0.2)	(0.1)
Between	18.2	9.0	19.1	10.5	37.3	19.5
Variation	102.7%		81.4%		91.2%	
L-f-I variation	102.7%		81.4%		91.2%	
Divestments (2015-2016)	2.6	4.3	1.6	2.9	4.2	7.2
Total	133.4	115.5	142.0	116.7	275.4	232.2
Variation	15.5%		21.7%		18.6%	
L-f-I variation	13.7%		20.2%		17.0%	
L-f-I variation excluding Between	6.2%		14.1%		10.1%	

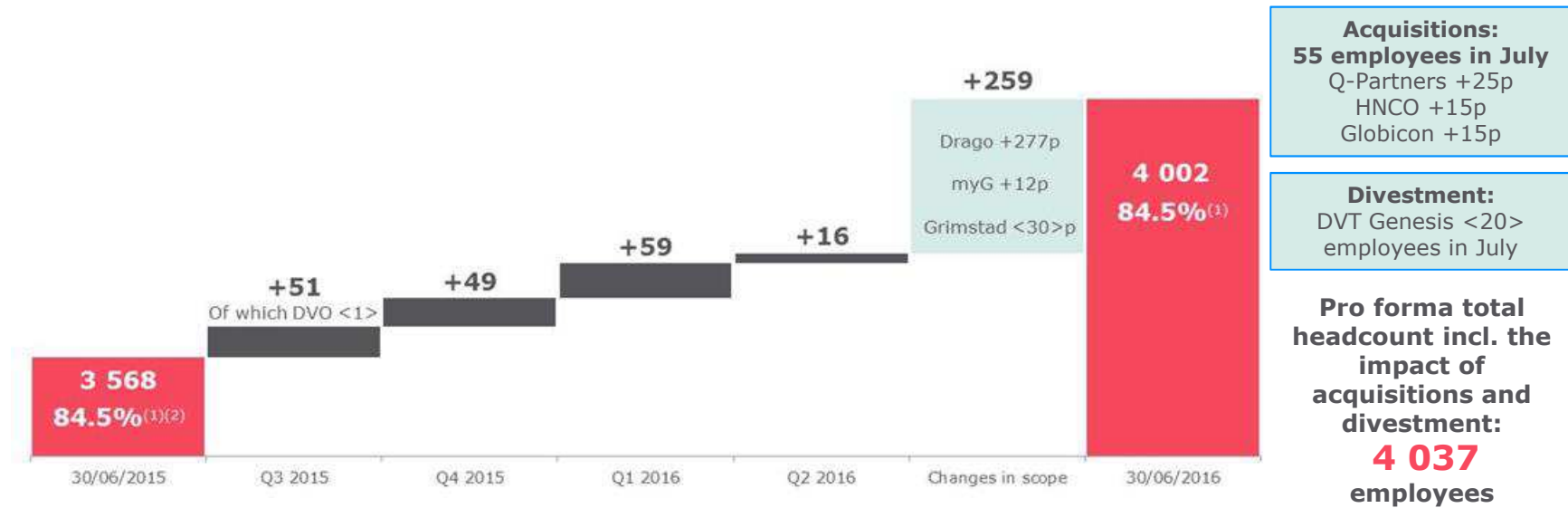


Of which contribution of the acquisitions:

In millions of euros	Q1 2016	Q1 2015	Q2 2016	Q2 2015	H1 2016	H1 2015
France	0.2	-	0.1	-	0.3	-
myG France, consolidated as of October 1 st 2015	0.2	-	0.1	-	0.3	-
Rest of the world	3.8	-	4.0	-	7.7	-
Drago, consolidated as of October 1 st 2015	3.7	-	4.0	-	7.7	-
myG Spain, consolidated as of October 1 st 2015	0.1	-	(0.0)	-	0.1	-

⁽¹⁾Q1 2016 and Q1 2015 are restated compared to Q1 2016 press release. Devoteam Genesis is reclassified from the segment "Central Europe" to the segment "Divestments (2015-2016)"

Resources analysis – Headcount, utilization rate and billable ratio⁽¹⁾



Utilization rate of internal resources, excluding divested entities						
Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016	Q2 2016
83.2%	84.7%	85.2%	84.9%	84.5%	82.9%	85.1%

⁽¹⁾Billable ratio = productive headcount / total headcount

⁽²⁾Restated vs. H1 2015 presentation at 84.7%: 5 people reclassified from productive headcount to non productive headcount in Denmark

H1 2016 Operating Margin



From 6.3% to 8.2% operating margin

- More working days
- Positive scissor effect
- Better utilization
- Lower SG&A rate

Between diluting Group operating margin by 1 pt in H1 2016 (vs. 0.4 pt in H1 2015)

H1 2016 Operating Margin analysis by Region

In millions of euros	H1 2016	H1 2015
France		
Group contribution	115.2	101.4
Operating margin	14.8	9.6
In % of Group contribution	12.8%	9.5%
Northern Europe & Benelux		
Group contribution	58.4	55.3
Operating margin	4.3	3.0
In % of Group contribution	7.4%	5.4%
Central Europe		
Group contribution	22.7	22.4
Operating margin	1.7	0.6
In % of Group contribution	7.5%	2.8%
Rest of the world		
Group contribution	37.7	26.4
Operating margin	2.3	1.5
In % of Group contribution	6.1%	5.6%

In millions of euros	H1 2016	H1 2015
Corporate		
Group contribution	(0.2)	(0.1)
Operating margin	(1.1)	(1.2)
Between		
Group contribution	37.3	19.5
Operating margin	0.7	0.4
In % of Group contribution	1.8%	2.2%
Divestments (2015-2016)		
Group contribution	4.2	7.2
Operating margin	(0.1)	0.6
In % of Group contribution	-1.9%	7.8%
Total		
Group contribution	275.4	232.2
Operating margin	22.7	14.6
In % of Group contribution	8.2%	6.3%

Profit & loss statement

	H1 2016	H1 2015	YoY var.
	M€	M€	%
Turnover	275.4	232.2	19%
Operating Margin	22.7	14.6	55.7%
Cost of share based payment & Impact of acquisitions (amortization of intangibles)	(0.8)	(0.3)	
Current Operating Profit	21.9	14.2	54.0%
Non current result excluding impairment & Badwill & M&A	(2.8)	(0.7)	
Operating Profit before M&A and assets disposal	19.1	13.5	41.1%
M&A and other assets disposal	(2.6)	(0.3)	
Impairment, Badwill	-	-	
Operating Profit	16.5	13.2	24.5%
Financial result	(1.1)	(0.6)	
Share of profit from associates	(0.1)	(0.2)	
Profit Before Tax	15.3	12.5	22.3%
Income tax	(6.1)	(4.0)	
Profit After Tax	9.2	8.5	8.4%
Profit attributable to the Owners of the company	7.6	7.5	
Basic earnings per share (euro)	0.98	1.00	
Diluted earnings per share (euro)	0.98	0.99	

Cost of share based payment +€0.5m

Cost of the new incentive plan (free shares)

Non current restructuring costs +€2.1m

Mainly linked with restructuring in Germany for €2.2m

Other non current costs +€2.3m

Cost of divestments in Norway Solutions for €1.3m and fair value of the non current assets held for sale Devoteam Genesis (CH) for €1.2m (sold in July)

Financial cost +€0.5m

Increase in financial expenses due to bond for €0.5m

Income tax +€2.1m

+8% in effective tax rate (ETR) from 32% in H1 2015 to 40% in H1 2016 due to the effect of disposals (Norway & Switzerland). Excluding this effect, ETR is approx. 34% vs. 32 % last year

Normalized profit attributable to the owners of the company

Restated from the loss due to exit of Norway Grimstad and Switzerland (Genesis)

In thousands of euros	H1 2016	H1 2015	Variation
Net income - Group share	7 585	7 539	0.6%
Loss on disposal Grimstad	1 333	-	-
Fair value Genesis	1 228	-	-
Tax effect	(35)	-	-
Net income - Group share restated	10 110	7 539	34.1%
Earnings per share restated (€)	1.31	1.00	30.6%
Diluted earnings per share restated (€)	1.30	0.99	31.7%

Cash flow statement – analytical view

In millions of euros	H1 2016	FY 2015	H1 2015*
Ebitda**	22.5	33.9	15.4
Change in Working Capital	(13.3)	(7.3)	(13.8)
Tax paid	(3.3)	(6.0)	(3.6)
Operating cash flow	5.8	20.5	(2.0)
Investment cash flow	(2.3)	(5.5)	(0.1)
Financing cash flow	(1.8)	(4.8)	(7.9)
Net change in cash	1.8	10.3	(10.0)
Opening Net cash position	40.0	29.5	29.5
FX	(0.1)	0.2	0.9
Non current assets held for sale	(2.1)	-	-
Net change in cash	1.8	10.3	(10.0)
End Net cash position	39.5	40.0	20.4

*Change in presentation: factoring position net of deposit and interests paid are presented with financing cash flow

**Operating result before depreciations and amortizations

Operating cash flow +€5.8m

- Ebitda +€7.1m vs. H1 2015 due to the improvement of profitability
- Increase in working capital €13.3m due to seasonality effect
- Stable DSO at 66 days

Investment cash flow -€2.3m

- Acquisition tangible/intangible assets for €1.4m
- Drago deferred payment purchase price for €0.3m
- Investment in Tech fund (DFSJ) for €0.5m

Financing cash flow: -1.8M€

- Acquisition additional 18% stake in French initiative for €3.6m
- Cash from exercise of stock options for €2.4m (2009 stock option plan ended in May 2016)
- Loan repayments (leasing) and interests paid for €0.9m

Factoring position not included in the net cash position above

In millions of euros	H1 2016	FY 2015	H1 2015
Off balance sheet factoring net position	18.9	18.5	10.9

Net cash detail

In millions of euros	June-16	Dec-15
Short-term investments	15.0	15.0
Cash at bank	57.0	57.5
Bank overdrafts (liability)	(1.5)	(1.5)
Cash and cash equivalents	70.6	71.0
Cash management assets	2.5	2.5
Bonds	(29.7)	(29.7)
Obligations under finance leases	(1.3)	(1.6)
Draw-downs on bank and similar facilities and other borrowings	(0.7)	(0.6)
Long-term borrowings	(31.7)	(32.0)
Bonds	(0.9)	(0.4)
Obligations under finance leases	(0.8)	(1.0)
Draw-downs on bank and similar facilities and other borrowings	(0.1)	(0.1)
Short-term borrowings	(1.9)	(1.5)
Total borrowings	(33.6)	(33.5)
Derivative instruments	-	-
Net cash	39.5	40.0
Total Equity	131.1	131.2
Debt to Equity Ratio (%)	30.1%	30.5%

In millions of euros	June-16	Dec-15
Off balance sheet factoring net position	18.9	18.5

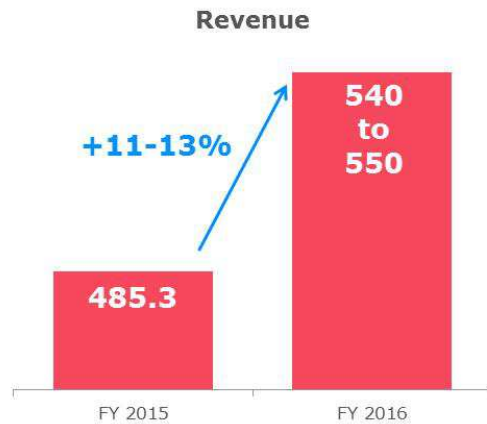


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Prospects Update

2016 guidance increased

Hypothesis: stable economic environment and exchange rates

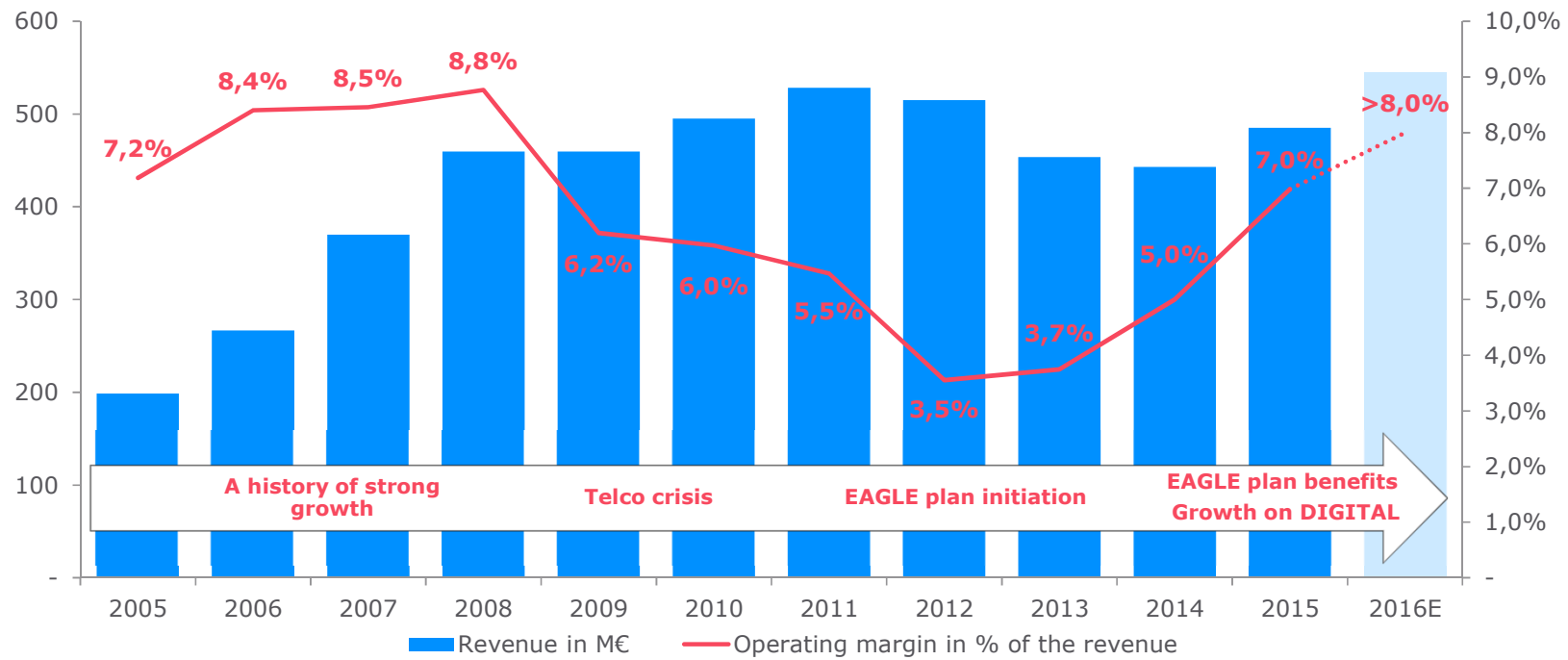


- **+10 to 12% like-for-like** vs. +7.4-9.4% previously
- **-0.7% FX impact** (negative: Norwegian krone, pound sterling, Swiss franc, Turkish lira, UAE dirham) vs. -0.6% previously
- **+1.8% M&A impact** vs. +1.4% previously
 - Drago & myG: €11m (€15m FY 16 – €4m in Q4 15)
 - Exa ECS: -€1.1m (Q1 2015)
 - Norway Grimstad: -€3.3m (May-Dec 2015)
 - Genesis: -€3.4m (H2 2015)
 - Q-Partners: €1.9m (H2 2016)
 - Denmark: HNCO €1.7m (H2 2016) & Globicon €0.9m (H2 2016)

- **>+100 bp vs. >+50 bp previously**
- Dilutive effect of Between of 100 bp in FY 2016 vs. 50 bp in FY 2015
- Slight positive effect of recent acquisitions

Net income – Group share expected to grow >10% in 2016, and 25% to 30% excluding the impact of the losses on disposals

2016 guidance in a 10-year view





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Appendix

Devoteam, entrepreneurs in disruptive technology



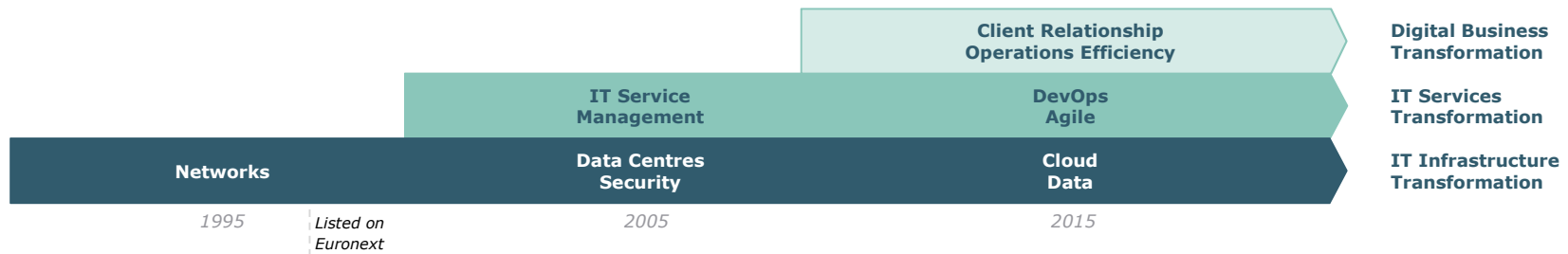
At Devoteam we deliver innovative technology consulting for business, to **make our clients win their digital battle**

4000
Professionals

20
Countries

€485m
Turnover in 2015

20 years of transformation experience



Shareholding structure

	31-12-15		
	Nb of shares	% of capital	% of voting rights
Executive Board ¹	2.165.274	26,42%	33,63%
Tabag ²	606.944	7,41%	12,70%
Lazard Frères Gestion	382.900	4,67%	4,01%
Financière Echiquier	542.177	6,62%	5,67%
Amiral Gestion	521.609	6,36%	5,46%
Nominative shares ³	286.765	3,50%	5,91%
Owned shares	571.827	6,98%	0,00%
Public	3.118.653	38,05%	32,63%
Total	8.196.149	100%	100%

(1) together part of a shareholders' agreement

(2) owned by Yves de Tailhouët, linked with the board of Directors by a tax treaty

(3) founders of subsidiaries, employees and former employees

Digital Battle



Customers buy differently
People work like they live
New services appear everyday

Banking & Insurance

Dematerialise the sales process to improve **customer purchasing-journey**

Automotive

Leverage the **power of data with connected cars and** transform the driver- experience

Retail

Provide consistent **customer experience** and build multi-channel strategy for a retailer

Utilities

Optimise the management of field operations using field force geo-localisation services

Industry

Empower collective intelligence thanks to cloud-based collaborative platform

Public sector

Create a **single digital platform** with self-service portal and establish paperless administration

Three Complementary Levers to Win The Digital Battle

Business – Make your business digitally enabled



Digital Business Transformation

Customer Experience
Operation Efficiency
Analytics & Smart Data
Business Operating Model



Disruptive Technology

User Experience
Agile Development & Testing
Internet of Things
Geo-Performance

IT – Make your IT your “Business Hero”



IT Transformation



Risk and Security



IT Service Excellence



Cloud and Network Infrastructure

People – Make your people “Digital Workers”



Digital Culture Adoption



Collaboration, Usage and Tools

FY 2015 Revenue and Operating Margin

Based on 2016 reporting structure

Restated vs. T1 2016 presentation: Devoteam Genesis reclassified from the segment "Central Europe" to the segment "Divestments (2015-2016)"

In millions of euros	FY 2015
France	
Group contribution	207.7
Operating margin	21.8
In % of Group contribution	10.5%
Northern Europe & Benelux	
Group contribution	110.1
Operating margin	6.9
In % of Group contribution	6.2%
Central Europe	
Group contribution	47.6
Operating margin	2.7
In % of Group contribution	5.8%
Rest of the world	
Group contribution	60.0
Operating margin	4.5
In % of Group contribution	7.5%

In millions of euros	FY 2015
Corporate	
Group contribution	0.1
Operating margin	(3.9)
Between	
Group contribution	46.8
Operating margin	0.9
In % of Group contribution	1.9%
Divestments (2015-2016)	
Group contribution	13.0
Operating margin	1.0
In % of Group contribution	7.4%
Total	
Group contribution	485.3
Operating margin	33.9
In % of Group contribution	7.0%

Balance sheet at the end of June 2016

In millions of euros

ASSETS	June-16	Dec-15
Goodwill	71.4	76.7
Non current assets	19.4	20.8
Current assets	202.6	188.0
Cash management assets	2.5	2.5
Cash and cash equivalents	72.1	72.5
Non current assets held for sale (*)	6.9	-
TOTAL ASSETS	374.9	360.6
LIABILITIES	June-16	Dec-15
Group shareholders equity	123.4	123.2
Minority shareholders equity	7.7	8.0
Long term liabilities	40.5	39.8
Current liabilities	198.3	188.1
Bank overdraft	1.5	1.5
Non current liabilities held for sale (*)	3.6	-
TOTAL EQUITY & LIABILITIES	374.9	360.6

Goodwill -€5.3m: mainly due to the disposal of Devoteam Norway Solution and the reclassification of Genesis into non current assets held for sale

Current assets +€14.6m: increase in customers receivables of €10.2m due to the strong organic growth. DSO remains stable at 66 days compared to December 2015

Group equity +€0.2m: small variation but several important effects :

- ✓ Net result of the period +€7.6m
- ✓ Dividends of 2015 -€3.9m (€0.50 per share vs. €0.30 for 2014)
- ✓ Exercise of stock options +€2.3m
- ✓ Call option -€2.5m and purchase -€3.6m of minority interests in French subsidiaries

Current liabilities +€10.1m: due to the debt for the purchase of minority interests in gPartner for €3.6m and dividend to be paid to Group shareholders for €3.9m (paid in July)

(*) In 2016.06 : refers to IFRS 5 reclassification due to Devoteam Genesis

Glossary 1/2

- **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:** "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 signed, the 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 in one specific segment (outside of Northern Europe & Benelux) and also when calculating the growth rate of the consolidated revenues
- **Divestments (2015-2016) or divested entities:** In 2016, Divestments include Grimstad activities in Norway, deconsolidated on May 1st 2016, and Devoteam Genesis, deconsolidated on July 1st 2016. In 2015, it also includes Exa ECS, deconsolidated on April 1st 2015

Glossary 2/2

- **Like-for-like or I-f-I 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
- **Operating margin:** current operating result before amortization of intangible assets related to acquisitions and excluding the impact of the share-based payment