

Press release

Strong increase of full-year net income (+116%)

Revenue at €485.3 million, up 12.2% organically excluding the discontinued activity*

Operating margin increasing by 200 basis points, above guidance

Paris, March 10th 2016

In millions of euros ⁽¹⁾	31.12.2015	31.12.2014	Growth	Organic growth ⁽²⁾	Organic growth ⁽²⁾ excluding Between ⁽³⁾
Revenue	485.3	442.8	+9.6%	+7.5%	+4.9%
Of which France	207.7	193.5	+7.3%	+3.0%	+3.0%
Of which rest of the world	277.6	249.3	+11.4%	+11.0%	+6.6%
Operating margin⁽⁴⁾	33.9	22.1	+53.0%		
In % of the revenue	7.0%	5.0%	+2.0 pt		
Operating income	28.4	15.0	+88.7%		
In % of the revenue	5.8%	3.4%	+2.4 pt		
Net income - Group share	16.2	7.5	+115.9%		
Diluted earnings per share ⁽⁵⁾	€2.12	€1.00	+112.4%		
Net cash at closing⁽⁶⁾	40.0	29.5	+10.4 M€		

⁽¹⁾The financial statements presented in this press release have been approved by the Supervisory Board on March 7th 2016 and audits have been performed on the condensed consolidated financial statements. The certification report will be issued after finalization of audits on the consolidated financial statements, as well as those required for the publication of the annual financial report

⁽²⁾At comparable perimeter and exchange rates

⁽³⁾"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 when calculating the growth rate of the consolidated revenues

⁽⁴⁾Defined as the current operating result before amortization of intangible assets related to acquisitions and excluding the impact of stock options

⁽⁵⁾Based on the weighted average number of shares for the year

⁽⁶⁾Cash position net of all financial debts

FY 2015 consolidated financial statements are available on our website: <http://www.devoteam.com>

Devoteam (Euronext Paris: DVT) announced full-year revenues for the year ended December 31st 2015 of €485.3 million, which was above previous guidance. This represented growth of 12.2% organically, excluding the discontinued activity of outsourcing business in France, using constant assumptions about perimeter and exchange rates.

Operating margin stood at €33.9 million, representing 7.0% of the revenue in 2015. This compared to €22.1 million, representing 5.0% of the revenue in the prior year. This represented volume growth of 53.0% representing an increase equivalent to 2% of the revenue.

Net income attributable to the shareholders of Devoteam S.A. amounted to €16.2 million, versus €7.5 million last year, a 115.9% increase.

Stanislas de Bentzmann, co-CEO of Devoteam, commented on these results:

"For the second year in a row, our annual results are significantly above target and show a strong acceleration in margins and organic growth. This great financial performance substantiates our strategy based on three pillars:

- *Operational excellence*
- *Acceleration in innovative and Digital offers*
- *Proactive M&A policy to accelerate our gain of market share in the Digital and Cloud and exit non-core assets"*

Results for the year 2015

The 2015 consolidated **revenue** amounted to €485.3 million, exceeding Group objectives. This represented growth of 12.2% organically, excluding the discontinued activity of the outsourcing business in France, using constant assumptions about perimeter and exchange rates.

In respect of the fourth quarter, the Group generated revenue growth of 16.1% on a like-for-like comparison with the prior year, excluding the discontinued activity*. In France, the organic revenue growth for the last quarter stood at 4.8% and 16.0% when excluding the impact of the outsourcing business in France, on a like-for-like comparison with the prior year. This resulted from the strong development of the digital activities such as the integration of the Google solutions, the transformation projects, the consulting for user

* Discontinued activities are DVO, the outsourcing business in France, which contributed for €20 million to the Group revenue in 2014

interfaces or project management activities. In the Rest of the World, positive growth in Belgium, Germany, Denmark and Spain contributed significantly to a 7.2% organic growth for the last quarter when excluding Between, on a like-for-like comparison with the prior year.

The **operating margin**, defined as the current operating result before amortization of intangible assets related to acquisitions and excluding the impact of stock options, is €33.9 million in 2015, representing 7.0% of the revenue, compared with €22.1 million and 5.0% of the revenue in 2014. The improved performance, equivalent to 2% of the revenue, is principally due to a visible improvement of the project margins and a higher utilization of the resources.

The **operating result** was €28.4 million and included non-recurring expenses up to €5.5 million. It consisted of €3.8 million of restructuring costs, mainly in France, Belgium and Poland, of M&A impacts for €0.9 million (loss on disposal and amortization of intangible assets from acquisitions) and of €0.8 million of impairment in respect to Devoteam Morocco.

The **financial result** showed a €1.3 million expense (versus -€0.2 million in 2014) due to the interest expenses on the bond issue completed in July 2015 and the depreciation of the financial assets of divested entities and associates.

Tax expenses amounted to €8.6 million. It represented 32% of the profit before tax versus 42% the year before, due to the additional recognition of tax assets in France and in Germany.

The **net income** was €18.6 million, against €8.6 million last year, of which €16.2 million attributable to the shareholders of Devoteam S.A. The diluted earnings per share grew 112.4% to €2.12.

On December 31st 2015, the **net cash** of the Group amounted to €40 million, increasing by more than €10 million compared to December 31st 2014. The variation included a €20.5 million operating cash flow, a -€5.5 million investment cash flow and a -€4.8 million financing cash flow.

The detail of the net cash is presented in the appendix of this press release.

Headcount and utilization rate

On December 31st 2015, the Group employed 3 957 people compared to 3 619 people on September 30th 2015. The fourth quarter benefited from 49 net incomers and the entry into the perimeter of Drago and myG, consolidated as of October 1st 2015. Over the year 2015, the Group showed an increase in headcount of 304 people.

The ratio of billable headcount to total headcount improved at 85.0%, excluding the outsourcing activity, compared to 84.2% the year before.

The Group showed an improvement of the utilization rate of internal resources* excluding divestments. It stood at 84.4% for 2015 compared to 83.6% in 2014.

Utilization rate of internal resources, excluding divested entities*									
Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
82.2%	83.6%	84.5%	84.2%	83.6%	83.2%	84.6%	85.0%	84.8%	84.4%

*In 2015, the divested entities include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

Note - Compared to the previous releases, some changes have been done to the calculation of the rate: Devoteam Italy (owned at 20%) is now excluded from the analysis and a reclassification of consultants has been done for Devoteam Netherlands. The rates in the chart are presented with the same methodology of calculation

2016 outlook

When taking into account stable economic environment and exchange rates, the Group aims at achieving revenues between €525 and €535 million.

The operating margin should keep on improving and should stand above 7.5% of the revenue, despite the dilutive effect on the rate of the operating margin resulting from the extensive growth of the broker activity.

Dividend and 2016 financial calendar

A dividend of 0.50 euro per share related to the year 2015 will be proposed to next Shareholders' meeting on June 17th 2016.

Press release after market closed			Shareholders' meeting	Dividend payment
Q1 2016	H1 2016	Q3 2016		
May 18 th 2016	September 7 th 2016	November 15 th 2016	June 17 th 2016	July 1 st 2016

* Utilization rate measures the percentage of working hours (excluding paid holidays) of billable employees that were billed to a client

Appendix

Activity evolution – quarterly revenue

In millions of euros	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	FY 2015	FY 2014
France	51.1	45.4	50.8	45.1	48.6	47.4	57.3	55.6	207.7	193.5
Variation	12.6%		12.5%		2.6%		3.0%		7.3%	
L-f-I variation ⁽¹⁾	-0.4%		1.7%		5.3%		4.8%		3.0%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	10.2%		13.0%		15.9%		16.0%		13.9%	
Rest of the world	64.4	63.6	66.0	62.0	66.3	57.7	80.9	66.0	277.6	249.3
Variation	1.2%		6.3%		15.0%		22.7%		11.4%	
L-f-I variation ⁽¹⁾	7.0%		7.2%		13.9%		16.1%		11.0%	
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	4.2%		4.6%		11.0%		7.2%		6.6%	
Total	115.5	109.0	116.7	107.2	114.9	105.0	138.2	121.6	485.3	442.8
Variation	5.9%		8.9%		9.4%		13.7%		9.6%	
L-f-I variation ⁽¹⁾	3.9%		4.9%		10.0%		11.0%		7.5%	
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	2.1%		3.2%		8.2%		6.0%		4.9%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	8.2%		9.5%		14.8%		16.1%		12.2%	

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾"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 when calculating the growth rate of the consolidated revenues

⁽³⁾Outsourcing business

In millions of euros	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	FY 2015	FY 2014
New Meditteranea (Solutions France, Consulting France, Tunisia)	37.6	36.2	37.6	35.7	35.1	32.8	40.0	38.3	150.4	142.9
Variation	3.8%		5.5%		7.1%		4.6%		5.2%	
L-f-I variation ⁽¹⁾	3.8%		5.4%		7.0%		4.5%		5.1%	
Northern Europe & Belux (United-Kingdom, Norway, Denmark, Belgium, Luxembourg)	26.2	25.7	27.0	25.2	23.6	22.9	28.2	25.7	105.1	99.5
Variation	1.9%		7.4%		3.0%		9.9%		5.6%	
L-f-I variation ⁽¹⁾	1.7%		6.6%		4.0%		11.0%		5.8%	
Central Europe (Germany, Switzerland, Czech Rep., Poland, Austria)	13.0	11.4	12.3	11.6	13.7	11.7	15.0	13.3	53.9	48.0
Variation	14.6%		6.0%		16.9%		12.2%		12.4%	
L-f-I variation ⁽¹⁾	13.0%		4.0%		15.0%		10.9%		10.7%	
Single entities (S'team, Middle East, Netherlands excl. Between, Spain)	16.6	13.1	16.8	13.3	18.6	13.1	19.7	16.8	71.7	56.3
Variation	26.9%		26.2%		42.1%		17.0%		27.3%	
L-f-I variation ⁽¹⁾	19.4%		18.2%		33.1%		11.8%		20.0%	
Others⁽²⁾	21.0	15.8	23.0	17.9	23.8	22.7	35.3	26.3	103.2	82.6
Variation	32.9%		28.7%		5.2%		34.3%		24.8%	
L-f-I variation ⁽¹⁾	-5.6%		-7.1%		5.3%		20.3%		5.3%	
L-f-I variation ⁽¹⁾ excl. Between ⁽³⁾	-		-		-		-7.3%		-	
L-f-I variation ⁽¹⁾ excl. DVO ⁽⁴⁾	33.3%		34.9%		10.0%				18.0%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽⁴⁾	30.8%		24.5%		30.6%		51.4%		36.2%	
Divestments⁽⁵⁾	1.1	6.8	-	3.6	-	1.8	-	1.2	1.1	13.4
Total	115.5	109.0	116.7	107.2	114.9	105.0	138.2	121.6	485.3	442.8
Variation	5.9%		8.9%		9.4%		13.7%		9.6%	
L-f-I variation ⁽¹⁾	3.9%		4.9%		10.0%		11.0%		7.5%	
L-f-I variation ⁽¹⁾ excl. Between ⁽³⁾	2.1%		3.2%		8.2%		6.0%		4.9%	
L-f-I variation ⁽¹⁾ excl. DVO ⁽⁴⁾	8.2%		9.5%		14.8%		16.1%		12.2%	

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾Of which contribution of the acquisitions:

In millions of euros	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	FY 2015	FY 2014
Acquisitions	5.9	-	6.3	-	6.1	4.4	12.0	5.3	30.3	9.7
Axance and gPartner, consolidated as of July 1 st 2014	5.9	-	6.3	-	6.1	4.4	8.2	5.3	26.5	9.7
Drago and myG, consolidated as of October 1 st 2015	-	-	-	-	-	-	3.8	-	3.8	-

⁽³⁾"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 when calculating the growth rate of the consolidated revenues

⁽⁴⁾Outsourcing business in France

⁽⁵⁾In 2015, Divestments include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

Activity evolution – Full-year revenue and operating margin

In millions of euros	Group contribution	Operating margin	In % of Group contribution	Group contribution	Operating margin	In % of Group contribution
	2015	2015	2015	2014	2014	2014
France	207.7	17.6	8.5%	193.5	12.1	6.2%
Variation	7.3%	45.8%				
L-f-I variation ⁽¹⁾	3.0%					
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	13.9%					
Rest of the world	277.6	16.3	5.9%	249.3	10.1	4.0%
Variation	11.4%	61.5%				
L-f-I variation ⁽¹⁾	11.0%					
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	6.6%					
Total	485.3	33.9	7.0%	442.8	22.1	5.0%
Variation	9.6%	53.0%				
L-f-I variation ⁽¹⁾	7.5%					
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	4.9%					
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	12.2%					

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾"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 when calculating the growth rate of the consolidated revenues

⁽³⁾Outsourcing business

In millions of euros	Group contribution	Operating margin	In % of Group contribution	Group contribution	Operating margin	In % of Group contribution
	2015	2015	2015	2014	2014	2014
New Mediterranea (Solutions France, Consulting France, Tunisia)	150.4	14.6	9.7%	142.9	11.4	7.9%
Variation	5.2%	28.4%				
L-f-I variation ⁽¹⁾	5.1%					
Northern Europe & Belux (United-Kingdom, Norway, Denmark, Belgium, Luxembourg)	105.1	6.8	6.5%	99.5	4.1	4.2%
Variation	5.6%	64.0%				
L-f-I variation ⁽¹⁾	5.8%					
Central Europe (Germany, Switzerland, Czech Rep., Poland, Austria)	53.9	3.2	5.8%	48.0	1.7	3.6%
Variation	12.4%	80.9%				
L-f-I variation ⁽¹⁾	10.7%					
Single entities (S'team, Middle East, Netherlands excl. Between, Spain)	71.7	8.8	12.3%	56.3	5.3	9.3%
Variation	27.3%	67.4%				
L-f-I variation ⁽¹⁾	20.0%					
Others	103.2	0.4	0.3%	82.6	1.2	1.5%
Variation	24.8%	-70.6%				
L-f-I variation ⁽¹⁾	5.3%					
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	-18.0%					
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	36.2%					
Divestments⁽⁴⁾	1.1	0.2	18.6%	13.4	(1.6)	-11.7%
Total	485.3	33.9	7.0%	442.8	22.1	5.0%
Variation	9.6%	53.0%				
L-f-I variation ⁽¹⁾	7.5%					
L-f-I variation ⁽¹⁾ excl. Between ⁽²⁾	4.9%					
L-f-I variation ⁽¹⁾ excl. DVO ⁽³⁾	12.2%					

⁽¹⁾At comparable perimeter and exchange rates

⁽²⁾"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 when calculating the growth rate of the consolidated revenues

⁽³⁾Outsourcing business

⁽⁴⁾In 2015, Divestments include Exa ECS. In 2014, it also includes AuSystems Italy, CRM Poland and Devoteam Sweden

Net debt

In millions of euros	31.12.2015	31.12.2014
Short-term investments	15.0	0.0
Cash at bank*	57.5	40.4
Bank overdrafts (liability)	(1.5)	(5.8)
Cash and cash equivalents	71.0	34.7
Cash management assets	2.5	2.2
Bonds	(29.7)	-
Obligations under finance leases	(1.6)	(2.7)
Draw-downs on bank and similar facilities and other borrowings	(0.6)	(0.1)
Long-term borrowings	(32.0)	(2.8)
Bonds	(0.4)	-
Obligations under finance leases	(1.0)	(1.7)
Draw-downs on bank and similar facilities and other borrowings	(0.1)	(2.9)
Short-term borrowings	(1.5)	(4.6)
Total borrowings	(33.5)	(7.4)
Derivative instruments	-	-
Net cash	40.0	29.5
Total Equity	131.2	115.6
Debt to Equity Ratio	30.5%	25.5%

*Including factoring position (net of deposit) for €18.5 million on December 31st 2015 and €17.9 million on December 31st 2014

Pro forma information on revenue

In millions of euros	FY 2014 restated ⁽¹⁾	FY 2014 presented ⁽²⁾
New Mediterraneana	142.9	149.6
Northern Europe & Belux⁽³⁾	99.5	51.1
Central Europe	48.0	48.0
Middle East & Turkey	-	21.8
Single entities	56.3	57.0
Others	82.6	107.6
Divestments	13.4	7.7

⁽¹⁾Reclassification of Devoteam Morocco from the segment "New Mediterraneana" to the segment "Others"
 Reclassification of Devoteam Belgium and Devoteam Luxembourg from the segment "Single entities" to the segment "Northern Europe & Belux"
 Reclassification of Fornebu from the segment "Others" to the segment "Northern Europe & Belux"
 Reclassification of Devoteam Middle East from the segment "Middle East & Turkey" to the segment "Single entities"
 Reclassification of Devoteam Turkey from the segment "Middle East & Turkey" to the segment "Others"
 Reclassification of S'team from the segment "Others" to the segment "Single entities"
 Reclassification of Exa ECS from the segment "Others" to the segment "Divestments"

⁽²⁾In the FY 2014 press release

⁽³⁾"Northern Europe" in the FY 2014 press release

Pro forma information on operating margin

In millions of euros	FY 2014 restated ⁽¹⁾	FY 2014 presented ⁽²⁾
New Mediterraneana	11.4	11.4
Northern Europe & Belux⁽³⁾	4.1	1.8
Central Europe	1.7	1.7
Middle East & Turkey	-	1.6
Single entities	5.3	1.8
Others	1.2	4.1
Divestments	(1.6)	(0.4)

⁽¹⁾Reclassification of Devoteam Morocco from the segment "New Mediterraneana" to the segment "Others"
 Reclassification of Devoteam Belgium and Devoteam Luxembourg from the segment "Single entities" to the segment "Northern Europe & Belux"
 Reclassification of Fornebu from the segment "Others" to the segment "Northern Europe & Belux"
 Reclassification of Devoteam Middle East from the segment "Middle East & Turkey" to the segment "Single entities"
 Reclassification of Devoteam Turkey from the segment "Middle East & Turkey" to the segment "Others"
 Reclassification of S'team from the segment "Others" to the segment "Single entities"
 Reclassification of Exa ECS from the segment "Others" to the segment "Divestments"

⁽²⁾In the FY 2014 press release

⁽³⁾"Northern Europe" in the FY 2014 press release

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

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