

Annual results for 2012/13 up sharply Growth: +21% - Current operating margin: 11.9%

At its meeting on 27 May 2013, Solucom's Supervisory Board approved the consolidated annual financial statements at 31 March 2013, summarised below. The audit procedures have been carried out and the audit report relating to their certification is in the process of being issued by the independent auditors.

Consolidated data at 31st March (In € million)	2012/13	2011/12	Change
Turnover	130.5	108.1	+21%
EBIT	15.5	11.6	+33%
<i>Current operating margin</i>	11.9%	10.8%	-
Operating income	15.4	11.6	+33%
Group's share of net profit	10.3	7.0	+48%
<i>Net margin</i>	7.9%	6.5%	-

Dynamic growth

During its 2012/13 financial year, Solucom achieved consolidated turnover of €130.5m, up by 21% in comparison with the previous year including an increase of 9% on a like-for-like basis.

This growth was driven by the increase in headcount and by significant commercial investment in the sectors with the best (growth) potential.

The growth in the firm's activity has been accelerated by the acquisition during the year of three management consulting firms, Alturia Consulting, Eveho and Stance, which allowed for reinforcement of Solucom's positions with the business lines.

This growth in the turnover validates the offensive approach adopted by the firm, despite a difficult market.

Solid operational indicators

Solucom's operational indicators demonstrated excellent resistance during the 2012/13 financial year.

The activity rate was thereby established at 82% over the whole of the year. It improved by 1 point in comparison with the first half-year and fell within the firm's standard range (82% to 84%).

Sales prices were down slightly by 1% in comparison with the previous year, with an average daily rate of €713 over the year, compared with €720 in 2011/12. This fall, which remains under control, reflects the intense competition which reigns in the market, against a background of heavy pressure on prices.

EBIT up 33%

The growth in the business, combined with the solidity of the operational indicators and excellent control of costs, allowed the current operating net income to grow by 33%, to €15.5m. The current operating margin amounted to 11.9%, compared with 10.8% in 2011/12. This figure is better than the target announced at the start of the year of a current operating margin greater than 10%.

The current operating net income benefited from a research tax credit recognised in respect of 2012. Excluding this effect, the current operating margin would amount to 11.2%.

The other operating income and expenses offset each other over the year and the operating net income amounted to €15.4m.

The Group's share of net income came to €10.3M, up 48% on the 2011/2012 financial year. Solucom's net margin therefore amounted to 7.9%, compared with 6.5% during the previous year.

A comfortable financial situation: €14.5m of net cash

At 31 March 2013, Solucom's consolidated shareholders' equity was reinforced at €54.4m. Net cash and cash equivalents grew by €14.5m, compared with €12.0m, even though Solucom made three acquisitions during the financial year.

This change results from an excellent free cash flow and from the optimisation of the working capital requirement.

The firm's gross cash balances at the end of March amounted to €18.1m. In addition, Solucom retains a confirmed credit line of €16.0m.

Solucom will propose to the General Meeting of shareholders on 25 September 2013 the payment of a dividend of €0.32 per share, up by 45%.

Solucom 2015, a plan which is well underway at the halfway mark

The two years which have passed since the launch of the Solucom 2015 strategic plan allow us to produce a positive report on the progress made at the halfway stage:

- a value proposition which is firming up, with the build-up amongst business line order givers and the taking of "business + technology" positions on key market themes such as the smart energy, digital customer relations and the transformation of insurance business activities;
- first steps overseas, with the opening of an office in Morocco and an active partnership in the United Kingdom;
- a growth dynamic initiated, with an increase of 21% in business in 2012/13 and the demonstration of Solucom's capacity to successfully integrate management consulting firms.

Solucom is on track to meet its objective of achieving more than €170m of turnover by 2015.

In addition, with a growing financial capacity and a significant reserve of available cash, Solucom now has the resources to finance the next stage of its strategic plan.

Continuation of an offensive approach

Bolstered by the results for the 2012/13 financial year, Solucom intends to continue with an offensive approach, both in terms of recruitment and external growth.

Indeed, the firm possesses levers allowing it to pursue its development despite a market which, for the time being, is not showing any signs of improvement. Levers such as Solucom's know-how in terms of transformation, its capacity for commercial investment and its dynamic positioning on sectors and clients which present the best opportunities for growth.

Since the market context remains however marked by great uncertainty, the firm is maintaining great vigilance and is holding itself ready to modulate its growth rate depending on changes in its advanced indicators.

For its 2013/14 financial year, Solucom is setting itself the objective of achieving annual growth of more than 5%, excluding new acquisitions.

In terms of profitability, and still excluding new acquisitions, the firm is setting itself a target of a current operating margin of between 10% and 12%.

Upcoming date: Q1 2013/14 turnover, on 18 July 2013 (after closing).

About Solucom

Solucom is a management and IT consulting firm.

Solucom's customers are among the top 200 large companies and public bodies. For them, Solucom is capable of mobilizing and combining the skills of more than 1,000 staff members.

Our mission statement? To place innovation at the heart of business lines, target and steer transformations that are sources of added value, and turn the information system into an actual asset designed to serve corporate strategies.

Solucom is listed on NYSE Euronext Paris and has been granted the innovative company award from OSEO Innovation.



All our news on: www.solucom.fr



Solucom

Pascal IMBERT

CEO

Phone: +33 1 49 03 20 00

Sarah LAMIGEON

Communication Director

Phone: +33 1 49 03 20 00

Actus Finance

Mathieu OMNES

Analysts & investor relations

Phone: +33 1 72 74 81 87

Nicolas Bouchez

Press office

Phone: +33 1 77 35 04 37

Annex 1: consolidated income statement at 31/03/2013

(In € '000) – Data audited

	31/03/2013	31/03/2012
TURNOVER	130 545	108 058
Other operating income	0	0
Purchased consumables	4 449	3 624
Personnel costs (including profit share)	94 011	76 733
External costs	13 318	13 556
Taxes and duties	2 409	1 824
Net depreciation and provision charges	896	669
Other income and expenses on ordinary activities	(18)	5
OPERATING INCOME BEFORE TAX AND EXCEPTIONAL ITEMS	15 480	11 647
Other operating revenues and charges	(46)	(47)
OPERATING PROFIT	15 434	11 600
Interest Income	11	60
Financial expenses	154	107
NET BORROWING COSTS	143	47
Other financial income and expenses	43	3
PROFIT BEFORE TAX	15 334	11 556
Tax burden	4 998	4 557
NET PROFIT FOR PERIOD	10 336	6 999
Minority interests	0	0
NET PROFIT (Group's share)	10 336	6 999
Net earnings (Group's share) per share (€) (1) (2)	2.13	1.44
Diluted earnings (Group's share) per share (€) (2)	2.08	1.41

(1) Average weighted number of shares over the period excluding treasury shares

(2) In accordance with IAS 33, a retrospective restatement has been made to calculate the net earnings per share as at 31/03/12 and as at 31/03/13, on the basis of the number of shares as at 31/03/13.

Annex 2: Consolidated balance sheet as at 31/03/2013

(In € '000) – Data audited

	31/03/2013	31/03/2012
NON CURRENT ASSETS	42 663	29 657
Goodwill	36 603	24 137
Intangible fixed assets	634	162
Tangible fixed assets	2 083	2 463
Investments	834	700
Other non-current assets	2 509	2 195
CURRENT ASSETS	69 307	57 600
Clients and apportioned accounts	43 610	35 844
Other debtors	7 551	7 177
Investments		
Cash and cash equivalents	18 146	14 579
TOTAL ASSETS	111 970	87 257

SHARE CAPITAL (GROUP'S SHARE)	54 411	45 159
Equity	497	497
Issue, merger, and contribution premiums	11 218	11 219
Consolidated reserves and earnings	42 696	33 443
Minority interests	0	0
TOTAL SHAREHOLDERS' EQUITY	54 411	45 159
NON-CURRENT LIABILITIES	6 916	2 706
Long-term provisions	3 362	2 197
Borrowings (due in more than one year)	3 258	288
Other long term liabilities	296	221
CURRENT LIABILITIES	50 643	39 392
Short-term provisions	1 101	856
Borrowings (due in less than one year)	361	2 263
Suppliers and apportioned accounts	6 160	5 544
Income tax and social security liabilities	34 800	26 843
Other current liabilities	8 221	3 886
TOTAL LIABILITIES	111 970	87 257

Annex 3: change in consolidated cash position as at 31/03/2013

(In € '000) - Data audited

	31/03/2013	31/03/2012
Total net consolidated profit	10 336	6 999
<i>Elimination of non-cash items:</i>		
Depreciation and provisions charges	1 727	1 107
Expenses / (Income) from stock options and similar items		
Capital losses / (Gains) from disposals net of tax	(10)	38
Other non-cash income and expenditure	139	1 350
Free cash flow after net borrowing costs and after tax	12 193	9 494
Exchange differences on free cash flow		
Change in working capital requirements	2 359	(3 698)
Net cash flow from operating activities	14 552	5 796
Acquisition of intangible and tangible assets	(927)	(1 032)
Disposal of fixed assets	1	0
Change in long-term investments	222	(1 213)
Effect of changes in scope of consolidation	(10 150)	0
Other cash flow from investments		
Net cash flow from investment operations	(10 854)	(2 245)
Capital increase - Proceeds from the exercise of stock options		
Purchase and sale of treasury shares		
Dividends paid to shareholders in the parent company	(1 066)	(1 026)
Dividends paid to minority interests of consolidated companies		
Other cash flows from financial operations	890	(1 966)
Net cash flow from financing operations	(176)	(2 992)
Net change in cash and cash equivalents	3 521	559