

Press release
16th July 2014

Q2 2014 REVENUE GROWS BY 4.8%

Growth of 9.7% at constant scope and exchange rates

Paris (France), 16th July 2014 – Valtech S.A. [Euronext Paris: FR0011505163 - LTE], first independent European agency in digital and technology marketing, published its consolidated revenue for the 2nd quarter of FY 2014 (April 1st - June 30th).

Consolidated revenue (in M€ - unaudited figures)	2014	2013	Change	Change at constant exchange rate	Change at constant exchange rate and scope ⁽¹⁾
1 st quarter	36.7	35.3	+4.0%	+5.9%	+8.1%
2 nd quarter	38.2	36.5	+4.8%	+7.2%	+9.7%
Total 1st half	75.0	71.8	+4.4%	+6.7%	+9.1%

(1) Excluding the telecom services business in the United States disposed in Q4 2013 (1.5 M€ in turnover in H1 2013)

MAIN COMMENTS

In the second quarter of 2014, Valtech has recorded consolidated revenues of € 38.2 million, up by 4.8% compared to Q2 2013. At constant scope and exchange rates, the quarterly growth was 9.7%. At the end of the first half, consolidated revenues amounted to € 75.0 million, up by 4.4%, and 9.1% at constant scope and exchange rates.

Sebastian Lombardo, CEO of Valtech, said:

"The second quarter of 2014 shows that the Northern Europe region remains the main engine of growth for the group; driven by the dynamism of the UK and Germany. The United States is still penalized by the decline in non-strategic IT services business while the digital business remains well oriented, with sustained growth.

At the end of the first half of 2014, we confirm our annual financial targets: revenue between € 145 and € 150 million, excluding acquisitions, and an adjusted EBITDA margin of 5.5%."

BUSINESS BY REGIONS

Regions	Consolidated revenue (in M€ - Unaudited data)				
	Q2 2014	Q2 2013	Variation	Change at constant exchange rate	Change at constant exchange rate and scope ⁽¹⁾
Northern Europe	23.8	16.2	47.0%	49.0%	49.0%
United States	7.3	10.5	(30.2)%	(27.1)%	(20.4)%
Southern Europe	7.1	9.4	(24.4)%	(24.4)%	(24.4)%
Rest of the world	2.5	2.9	(13.4)%	(1.3)%	(1.3)%
Intragroup eliminations	(2.5)	(2.5)	ns	ns	ns
Valtech Total	38.2	36.5	4.8%	7.2%	9.7%

(2) Excluding the telecom services business in the United States disposed in Q4 2013 (0.8M€ turnover in Q2 2013)

Northern Europe

In Northern Europe, Valtech recorded sustained organic growth of 49.0% in Q2. All countries of the region grew during the period, in particular the UK and Germany which showed very dynamic growth.

Throughout the first half, Northern Europe grew by 38.8% at constant scope and exchange rates.

United States

In the United States, Valtech continues to experience steady growth in its digital business, despite lengthy business cycles. The decline in this area in the first half (-15.2% at constant scope and exchange rates) was exclusively due to the strong decline in the non-core legacy IT services business for the group. The shift towards digital business should contribute to improving the gross margin in the US for the year 2014.

Southern Europe

Southern Europe still showed a decline of 24.4% in Q2 2014, showing a decline of 19.5% throughout the first half. Valtech does not anticipate a return to growth in France until the end of 2014.

Rest of the world

In the rest of the world, revenue amounted to 2.5 M€ in the second quarter, down slightly by 1.3% at constant exchange rates. This development should be seen quite favourably with regard to the performance of Southern Europe, the first contributor to the Indian business. Throughout the first half of 2014, this area was down by -8.5%, adjusted for foreign exchange.

FINANCIAL CALENDAR

- The results of the first half of 2014 (January-June) will be published on Monday, 1 September 2014, after market close.
- Turnover of Q3 2014 (July-September) will be published on Wednesday, October 15, 2014, after market close.

ABOUT VALTECH

Valtech [Euronext Paris : FR0011505163 - LTE] is a digital marketing agency, pioneer in technologies with a presence in 7 countries (France, UK, Germany, Sweden, Denmark, USA, India) and approximately 1,500 employees. As a "digital full service" player, Valtech knows how to add value to its customers at all stages of a digital project: strategy consulting, design, graphic design, development and optimization of business-critical digital platforms. With its recognized commitment to innovation and agility, Valtech helps brands to develop and grow their revenue through web technologies while optimizing time to market and return on investment.

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