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Press release
19 March 2015

STRONG ANNUAL RESULTS OF 2014

Revenue growth of 13.9%
38.7% growth of adjusted EBITDA, or 6.3% of margin

OBJECTIVES FOR 2015

Revenue growth of over 9% (excluding acquisitions)
Margin of adjusted EBITDA between 7% and 7,5% (excluding acquisitions)

Paris (France) 19th March 2015 – Valtech SE [Euronext Paris: FR0011505163 - LTE], first independent European agency in digital and technology marketing, published its audited annual results for the year 2014, ending December 31, 2014. The Board of Directors met on 18 March 2015 under the chairmanship of Sebastian Lombardo to approve the annual statements. The audit procedures on the consolidated financial statements have been completed. The certification report is being issued.

Key figures of the group (M€)	**2014**	**2013**	**Change**	**Change at constant scope[1] and exchange rates**
Turnover	**154.4**	137.5	+12.3%	+13.9%
Cost of sales	**(102.6)**	(93.5)	+9.7%	+12.1%
Gross margin	**51.9**	44.0	+18.0%	+17.7%
Commercial and marketing costs	**(9.0)**	(8.9)	+1.1%	(0.8%)
Administrative costs [2]	**(35.6)**	(31.5)	+13.0%	+12.6%
Adjusted EBITDA [3]	**9.8**	7.0	+38.7%	+42.7%
Adjusted EBITDA margin	***6.3%***	*5.1%*		
EBITDA	**8.5**	4.7	+82.0%	+89.7%
Amortizations and provisions	**(4.7)**	(2.8)		
EBIT	**3.8**	2.0	+92.7%	+106.1%
Net earnings	**1.9**	1.0	+84.5%	+93.0%
Net earnings per share	**0.08**	0.05	+65.1%	+72.7%
Employees (mean)	**1,472**	1,515		

(1) Including Neon Stingray, company acquired since 1 August 2014, and excluding the telecom services business in the United States sold in Q4 2013 (€ 2.3 million in revenue in 2013).

(2) Administrative costs in 2014 include 858 K€ (556 K€ in H1 2014) of expenses hitherto included in the cost of sales and in the commercial and marketing costs.

(3) The adjusted EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) excludes exceptional items and expenses of the redeemable share subscription warrants plan.

KEY FIGURES

- A consolidated annual revenue of € 154.4 million, exceeding the target of € 145 to € 150 million and representing a growth of +13.9% at constant scope and exchange rates, led by the continued dynamic development of the Northern European subsidiaries (+ 44% at constant scope and exchange rates), and the acceleration of digital businesses in the United States (+ 73% at constant exchange rates).

- A gross margin of € 51.9 million, which is a more sustained increase of 18.0% (+ 17.7% at constant scope and exchange rates), representing a gross margin rate of 33.6%, versus 32.0% in 2013 and 30.7% in 2012. This reflects both the growing importance of the digital marketing business, which accounted for 80% of the total business of the group in 2014, and the progression of the Northern European subsidiaries, where the transformation of the business model has been accomplished today.

- An adjusted EBITDA of € 9.8 million, up by +38.7% (+ 42.7% at constant scope and exchange rates), representing a margin of 6.3% against 5.1% in 2013, substantially exceeding the target set at the beginning of the year (above 5.5%) and revised in October (above 6%). The increase in gross margin combined with control of commercial and marketing costs and overheads explains this development.
  In the distribution of these costs, the increase in administrative costs was primarily due to a reclassification of certain sales and marketing costs, to the extent of 0.9 M€, and to the reinforcement of management teams to deal with the group's growth, especially in Northern Europe.
- An almost doubling (+ 92.7%) of the EBIT to € 3.8 million, with a decrease in exceptional and restructuring expenses in 2014 (€ 0.6 million) versus 2013 (€ 1.9 million) due to the completion of Valtech's transformation.
- A net income-group share of € 1.9 million, up by + 84.5%, which includes a positive financial result of € 1.1 million and (3.0) M€ of corporate tax.
- On December 31, 2014 Valtech enjoyed an extremely strong balance sheet position, following the capital increase of € 27 million achieved in Q4 2014: € 57.4 million in equity, cash reserves of € 26.2 million and financial debt limited to € 0.9 million. In addition, Valtech has additional financial resources with unused credit lines of an amount of € 7.1 million.

MAIN COMMENTS

Sebastian Lombardo, CEO of Valtech, declared:

"*Valtech had a very strong year in 2014 and laid the foundation of its 'Rocket' strategic plan for 2015-2017.*

Operationally, after a mixed first half, we have significantly accelerated our growth in H2 (+20.5% half-yearly growth in turnover), notably due to Northern Europe's solid performance. The pursuit for improvement in gross margin has allowed us to increase our adjusted EBITDA to 6.3% of the turnover, higher than the fixed target, and to double our EBIT to € 3.8 million.

The end of the year was marked by the capital increase of € 27 million which endows Valtech with the financial means to carry out its development plan to allow it to join the TOP 5 Global digital and technology marketing agencies by 2017. For year one of this plan, in 2015, we set our financial targets to achieve a turnover growth greater than 9% (excluding acquisitions) and an adjusted EBITDA margin between 7% and 7,5% (excluding acquisitions). In addition, we also aim to complete a number of acquisitions during the year to accelerate our growth and to expand our offerings based on sector and technology."

ANALYSIS OF THE OPERATIONAL PERFORMANCE BY REGION

Northern Europe

The subsidiaries of Northern Europe achieved a quality fiscal year 2014, with organic growth of 44% and a 2.5 fold increase in adjusted EBITDA of € 12.1 million. The adjusted EBITDA margin increases from 7.5% in 2013 to 12.9% over the full year 2014.

Northern Europe - (M€)	2014	2013	Change
Turnover	93.9	65.1	+44.3%
Adjusted EBITDA	12.1	4.9	+146.3%
Adjusted EBITDA margin	*12.9%*	*7.5%*	
EBITDA	12.1	4.5	+163.5%
Employees (annual mean)	509	422	

This zone includes Germany, Denmark, UK, Sweden and Switzerland.

United States

The decrease in business in the United States reflects the completion of Valtech's transformation in the country, with a decline of the traditional IT services business, offset by strong growth in digital marketing, up by 73 % and now accounting for 51% of the agency's business. Adjusted EBITDA of (0.7) M € remained impacted by the shutdown of historical businesses.

2015 should truly be the year of the United States for Valtech, with a return to overall growth of the agency's business supported by the acceleration of digital marketing projects.

United States - (M€)	2014	2013	Change
Turnover	29.6	36.0	-17.8%
Adjusted EBITDA	(0.7)	(0.8)	
Adjusted EBITDA margin	*-2.4%*	*-2.2%*	
EBITDA	(0.8)	(0.9)	
Employees (annual mean)	213	277	

Southern Europe

Despite a further decline in business in 2014, due to a reduction in the number of billable staff on the historical IT services business, Valtech has benefitted in the H2 from remedial actions in recent quarters, with a slightly positive adjusted EBITDA on the second half of the year, at € 0.1 million.

Despite the limited visibility and an unfavorable environment, Valtech confirms that 2015 is expected to see an improvement in business in France.

Southern Europe - (M€)	2014	2013	Change
Turnover	30.1	36.3	-16.9%
Adjusted EBITDA	(1.4)	0.9	
Adjusted EBITDA margin	*-4.8%*	*2.4%*	
EBITDA	(1.6)	0.3	
Employees (annual mean)	213	285	

Rest of the world

The adjusted EBITDA margin in the 'Rest of the World' remained strong at 15.2% in 2014, against an exceptionally high level of 19.5% in 2013. In addition, it incorporates the Australian business of Neon Stingray since August 1.

Valtech expects accelerated growth in this area in 2015, driven by the group's desire to expand its operations in Asia, with the opening of an office in Singapore in late 2014.

Rest of the world - (M€)	2014	2013	Change
Turnover	10.8	10.2	+5.8%
Adjusted EBITDA	1.6	2.0	-17.5%
Adjusted EBITDA margin	*15.2%*	*19.5%*	
EBITDA	1.6	2.0	
Employees (annual mean)	473	531	

Intragroup eliminations

The intragroup turnover consists of the elimination of intragroup revenue. This turnover is eliminated in the consolidated financial statements.

Intragroup eliminations - (M€)	2014	2013
Turnover	(10.0)	(10.1)
Adjusted EBITDA	(1.9)	(0.3)
EBITDA	(2.8)	(1.6)

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RECONCILIATION BETWEEN OPERATING INCOME AND ADJUSTED EBITDA

Key figures of the group - (M€)	2014	2013
Operating income	3.8	2.0
Amortization and provisions	(4.7)	(2.7)
EBITDA	8.5	4.7
Restructuring and exceptional	(0.6)	(1.5)
'Redeemable share subscription warrant' plan expenses	(0.7)	(0.4)
Impact of disposal of assets	(0.0)	(0.4)
Adjusted EBITDA	9.8	7.0

ELIGIBILITY OF VALTECH SECURITIES FOR PEA-PME (EQUITY SAVINGS PLAN INTENDED FOR PROVIDING FINANCE TO SMALL AND MEDIUM ENTERPRISES)

At the end of fiscal year 2014, Valtech confirms that it complies with the eligibility criteria for PEA-PME specified by article D.221-113-5 of the decree No. 2014-283 of 4 March 2014, namely:

- a total workforce of less than 5,000 employees ;
- a turnover of less than € 1.5 billion or total assets of less than € 2 billion.

Consequently, Valtech shares can be fully integrated within the PEA-PME accounts.

FINANCIAL CALENDAR

- Turnover of Q1 2015 **Wednesday 22 April 2015**
- Annual general meeting **Tuesday 30 June 2015**
- Turnover of Q2 2015 **Thursday 16 July 2015**
- Half-yearly results 2015 **Monday 31 August 2015**
- Turnover of Q3 2015 **Wednesday 21 October 2015**

All publications will happen after the close of the Euronext markets.

ABOUT VALTECH

Valtech [Euronext Paris: FR0011505163 - LTE] is a pioneering digital marketing agency in technologies with a presence in 9 countries (France, UK, Germany, Sweden, Denmark, USA, India, Australia and Singapore) and about 1,500 employees. As a 'digital full service' player, Valtech knows how to bring value to its customers at all stages of a digital project: strategy consulting, design, graphic design, development and optimization of critical digital platforms for the company. With its proven commitment to innovation and agility, Valtech helps brands to develop and grow their business through web technologies while optimizing time to market (Time-to-Market) and the return on investment (ROI).

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