

Solucom reports a strong performance in 2014/15 and launches its new "Up 2020" strategic plan

On 1 June 2015, Solucom's Supervisory Board met to approve the Group's consolidated 2014/15 financial statements for the twelve-month period ended 31 March 2015, the details of which are summarised below. The consolidated financial statements have been audited and the certification report published by the Company's statutory auditors.

Consolidated full-year figures at 31/03 (€m)	2014/15	2013/14	% change
Revenues	163.1	141.6	+15%
Operating income on ordinary activities	21.1	18.2	+16%
<i>Ebit margin</i>	13.0%	12.9%	-
Operating income	20.4	17.7	+15%
Group share of net income	12.6	10.9	+15%
<i>Net margin</i>	7.7%	7.7%	-

Including: Lumens Consultants (consolidated since 1/12/13)

Trend Consultants (consolidated since 1/01/14)

The industrial activities of PEA Consulting (consolidated since 1/10/14)

Audisoft Oxéa (consolidated since 1/11/14)

Hudson & Yorke (consolidated since 1/03/15)

Strong 15% growth

At end-March 2015, Solucom reported growth of 15% in consolidated 2014/15 revenues to €163.1m, in line with management guidance, increased at end-November 2014 from full-year growth in excess of 12%.

Organic growth, which remained sustained at 11%, was augmented by the consolidation of Lumens Consultants and Trend Consultants, together with the acquisitions of the industrial activities of PEA Consulting, and the companies Audisoft Oxéa and Hudson & Yorke during the fiscal year.

Staff levels rose sharply over the period with the Group fulfilling its recruitment-plan objectives; the churn rate was maintained at a low level of 10%. At end-March 2015 the headcount totalled 1,514 employees versus the previous year level of 1,327, reflecting an increase of 14% over the period, of which +9% was on a like-for-like basis.

Solid operating indicators

Solucom's operating indicators were solid over the period, with an end-of-year period much smoother than expected.

In 2014/15, the activity ratio remained stable on 2013/14 levels at 83%.

The average daily rate came out at €718, up 0.7% on year-earlier levels, in line with guidance given at the beginning of the fiscal period targeting growth in the range of 0% to 1%.

Nevertheless, visibility remains limited with the 31 March 2015 order book standing at 3.3 months.

Operating margin on ordinary activities of 13% at the top end of Group guidance

At end-2014/15, operating income on ordinary activities rose 16% year-on-year to €21.1m making for an EBIT margin of 13% (vs. 12.9% at end-2013/14), at the top end of the Group's 11-13% forecast range given at the beginning of the fiscal period.

Factoring in other operating income and expenses amounting to -€0.7m (for the most part made up of costs attached to acquisitions carried out during the fiscal period), operating income increased 15% year-on-year to €20.4m.

Group share of net income also rose 15% on previous year levels to €12.6m, and the net margin remained stable at 7.7%.

Net cash boosted by strong cash flow generation

Thanks to the Group's strong cash flow generation capacity, achieved on the back of tight trade-receivables management, Solucom generated cash flow of €14.6m in 2014/15, up 37%, year-on-year.

Despite cash outlays attached to acquisitions and dividends paid out over the twelve-month period, the Group's net cash position stood at €22.6m at 31 March 2015, versus €16.6m at end-2013/14. Acquisition earn-outs remained limited at €2.1m over the period.

Shareholders' equity stood at €72.9m at end 2014/15.

At the 22 July 2015 Annual General Meeting, management will submit the proposal of a €0.39 per share dividend payout for shareholder approval, up 18% year-on-year.

Success of the Solucom 2015 strategic plan

By end-2014/15, Solucom had achieved all the objectives laid out in its 2015 strategic plan, launched in 2011.

More than 35% of consolidated turnover is now generated in the management consulting segment. This demonstrates that the firm has secured solid positions within its clients business units and illustrated its ability to execute its skills in the field of *Business* and *Technology*.

Solucom launched its dynamic international strategy in 2014/15 with 2 offices, giving the Group footholds in the UK and Morocco, and a strategic partnership concluded in Singapore.

Within the context of this plan, Solucom also delivered sustained organic growth and carried out 8 acquisitions. These external growth activities have had a dramatic impact on the size of the company boosting consolidated sales by more than 60% from €108m when the plan was launched to the current level of €175m.

"Up 2020": Solucom's new strategic plan

The market has now entered a new era, underpinned by the digital revolution; an industrial and economic revolution of such a scale that it is causing a tremendous upheaval for Solucom's clients. These organisations will have to carry out vital and significant transformation programmes within the space of a few years.

This new situation is clearly a tremendous opportunity for Solucom, given the company's ability to extract value by combining its knowledge in the *Business* and *Technology* environment, coupled with the track record it has obtained from the disruptive innovations which have paved the way for digitisation.

Within the context of its new strategic plan, "Up 2020", Solucom is looking to strengthen its geographic presence and step up international development, so that it will be fully operational and ready to take on future large-scale transformation projects.

Above all, the Group is also seeking to enhance the value of its offering by combining vision, a quality focus and a culture of innovation. Solucom's goal is to provide its clients with the best solution to meet their strategic challenges.

For 2020, Solucom has fixed several objectives, notably to:

- achieve the next stage of its development in terms of size, with targeted revenue of €300m
- acquire a more global profile, with 20% of sales generated internationally
- develop the value-added content of its offering, and generate an EBIT margin of 15%.

2015/16 outlook

For 2015/2016, the first year of the Group's new strategic plan, Solucom is targeting revenue growth (excluding acquisitions) in excess of 12%, and an EBIT margin of between 11% and 13%.

Next publication: publication of Q1 2015/16 revenues - 21 July 2015 (after market close); and the Shareholders' General Meeting - 22 July 2015, at 8.30 am: the Pavillon Ledoyen, Paris.

About Solucom

Solucom is a management and IT system consulting firm.

Solucom's clients rank among the top 200 major companies and local authorities. To serve its clients' needs, Solucom has access to a network and the collective skills of more than 1,500 employees.

The Group's mission is to place innovation at the heart of business, target and steer value-creating transformations and turn IT systems into real assets designed to serve corporate strategy.



Solucom is listed on Euronext Paris and integrated in the Tech40 index. In addition, the company is eligible to benefit from the PEA-PME share-savings plan and was awarded the "Innovative Company" label by the French public investment bank, BPIFrance.

Solucom

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