

### H1 2020 RESULTS

**Turnover: €230m**

**Current operating income: €17m**

*The Group's Management Board met on 11 September 2020 and approved the first half financial statements, which were presented to the Supervisory Board on 15 September 2020. The Statutory Auditors have conducted a limited review of these consolidated financial statements.*

#### Consolidated first half income statement (1 January – 30 December)

€m	H1 2020	H1 2019	Change	Like-for-like change <sup>1</sup>
<b>Turnover</b>	<b>230.4</b>	<b>228.9</b>	<b>+0.6%</b>	<b>-9.6%</b>
<b>Current operating income</b>	<b>17.1</b>	<b>22.7</b>	<b>-24.4%</b>	<b>-34.4%</b>
Current operating margin	7.4%	9.9%		
Operating income	16.1	21.6	-25.3%	
<b>Net income from consolidated operations</b>	<b>4.6</b>	<b>10.3</b>	<b>-55.0%</b>	
Net income/loss from discontinued operations*	-	-		
Net income (Group share)	4.3	10.2	-57.8%	

<sup>1</sup> calculated including in H1 2019 Orone and ADM Value acquired in H2 2019.

Tessi, a global provider of Business Process Services, posted first half 2020 turnover of €230.4 million, up 0.6% from H1 2019. Recent acquisitions (ADM Value and Orone) contributed €32.9 million to H1 turnover.

On a proforma like-for-like basis<sup>1</sup>, turnover was down 9.6% (down 18.0% in the second quarter) due to the impact of the COVID-19 health crisis on the Group's business from mid-March onwards. The downturn reached a low point in April.

Under these exceptional circumstances, current operating income came to €17.1 million, down only €5.5 million due to the resilience of the business model, measures implemented by the Group and the contribution from new acquisitions (current operating income of €7.9 million for the first half). On a proforma like-for-like basis, turnover was down 34.4%. Business was most severely impacted by the health crisis in Spain, where the situation was exacerbated by a less favourable commercial environment. Current operating income also includes a €1.1 million amortisation charge related to intangible assets derived from the ADM Value acquisition and amortisable over 15 years.

Operating income amounted to €16.1 million, including €1.0 million in non-recurring expenses mainly related to restructuring.

After a net financial expense of €5.7 million (vs €4.5 million in H1 2019), net income came to €4.6 million implying a net margin of 2% for the period.

## Financial structure

€m	30/06/2020	31/12/2019
Net debt (excluding advances)	200.5	235.6
Equity capital	187.2	186.7

The first half saw a sharp increase in operating cash flow to €51.8 million, including gross operating cash flow of €24.0 million and a €28.7 million reduction in working capital mainly due to the impact of the business slowdown on trade receivables and the deferral of payment deadlines, mainly involving social security charges.

This cash inflow largely covered Group capital expenditure for the period, which was limited to €8.2 million. Accordingly, free cash flow amounted to €43.6 million, which allowed the Group to reduce net debt to €200.5 million at 30 June 2020. This amount includes €51.1 million of lease liabilities under IFRS 16.

## Guidance

The summer months confirmed the gradual recovery in business since the end of lockdown. Nevertheless, in light of ongoing uncertainties surrounding the pandemic over the coming months, Tessi remains cautious in terms of outlook and is keeping a close watch over expenditure. The Group will continue to benefit from the additional business and like-for-like growth contributed by ADM Value in the second half.

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## Next release

Q3 2020 turnover, 5 November 2020 after market close

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## ABOUT TESSI

Tessi is an international provider of Business Process Services that helps businesses to digitise the customer experience. Tessi operates in over 14 countries worldwide, has around 9,400 employees and posted turnover of €452.0 million in 2019 (excluding ADM Value). Tessi is listed on Euronext Paris - compartment B (TES).

Read more at [tessi.eu](https://tessi.eu)

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