

## ANNUAL RESULTS 2015 Targets and forecasts exceeded

*594,000 customer sites acquired in France  
+25.5% revenue growth to €1,016.5 M  
+40% growth in Current Operating Income at €34 M  
Proposed dividend per share of €0.20*

<i>in millions of euros</i>	31/12/15	31/12/14 (restated*)	Change
<b>12 Month Revenue from Ordinary Business</b>	<b>1,016.5</b>	<b>809.9</b>	<b>+25.5%</b>
<i>Of which Revenue excluding Energy Management</i>	1,016.9	809.6	-
<i>Of which Margin on Energy Management business</i>	(0.3)	0.4	-
<b>Gross margin</b>	<b>148.5</b>	<b>120.3</b>	<b>+23.4%</b>
<b>Current operating income</b>	<b>34.0</b>	24.2	+40.4%
<b>Net income, Group share</b>	<b>27.2</b>	15.2	+78.7%
<i>Earnings per share</i>	<b>€0.67</b>	€0.38	-

(\*)Retrospective application of IFRIC 21

Today's Board of Directors has approved the 2015 annual consolidated accounts. The audit procedures on the consolidated accounts have been completed and the audit report for the certification of the financial statements is being issued.

### Growing commercial success

Direct Energie, the 3<sup>rd</sup> French electricity and gas player, recorded revenue slightly over €1 billion, with strong growth of 25.5% compared to 2014. Over the entire 2015 financial year, the Group acquired 594,000 customer sites in France, including 179,000 just in the last quarter. This commercial performance, exceeding the initial objective then the revised objective, was supported by innovative commercial offers, tailored to customers' needs and by the Group's top-rate customer relations.

At 31 December 2015, the Group's portfolio in France was 1,591,000 customer sites, including 1,248,000 electricity customers and 343,000 gas customers. Professional customers represented 16% of the portfolio.

## **Strong improvement to net profitability**

Despite a regulatory framework that still does not offer a level playing field for historical suppliers and new entrants, profitability is still improving thanks to:

- The +23.4% increase in the gross margin, to €148.5 M under the effect of a sourcing strategy adapted to take advantage of falling wholesale prices
- The solid performance of the sale of value added services
- The further growth in the customer portfolio which continued to generate significant economies of scale, thus improving management costs
- Rigorous management of acquisition costs and marketing expenses.

Current operating income shows an increase of +40.4%, at €34.0 M compared to €24.2 M for the previous year.

After integrating the impact of changes in the fair value of energy derivatives, and the increase in the cost of net debt following the setting up of additional financing for €120 M, net income was €27.2 M compared to €15.2 M at year-end 2014.

## **Financial and cash position**

As a consequence of the decline of the wholesale market prices, especially since November 2015, the impact of the change in the fair value of hedging instruments, directly recognized in equity, sharply increased to reach (€110 M) by end of December 2015. They amount to (€29.3) M compared to €36 M on 31 December 2014. Restated from this temporary impact that will progressively extinguish as the energy is physically delivered, the Group's equity reached €80.6 M compared to €57.6 M at year-end 2014.

In a context of strong growth marked by strategic investments, notably in power production, Direct Energie has been able to secure the resources required for its growth. The acquisition of the Bayet plant for a total of €44.4 M and the increase in cash deposits (margin calls) as part of energy purchases (€55.5 M) have been financed by new bond debt for €60 M and the setting up of a syndicated loan for €60 M.

At 31 December 2015, the Group's cash amounted to €32 M (net cash and cash equivalents), compared to €31.3 M the previous year.

The ongoing decline in the market price of energy over the first quarter 2016, which will translate into future margins, had the consequence of significantly increasing the cash collateral deposited with counterparties (margin calls). To meet these requirements, Direct Energie has set up additional financing to consolidate its financial flexibility.

## 2016 Targets: further growth in revenue and current operating profit

With the effective end of regulated tariffs for companies and local authorities on 1<sup>st</sup> January 2016, the company has been able to capture significant market share in this new segment of large consumption customers (former yellow and green tariffs). Up until now, this segment had only limited competition. These customers, along with the Bayet plant, will significantly contribute to revenue growth. In parallel, the Group will continue its commercial and marketing investments to further accelerate its expansion with residential and professional customers.

For 2016, the Group has set the following targets:

- growth in excess of 20% of its customer portfolio in terms of number of sites ;
- revenue growth over 35% at seasonal average temperatures ;
- current operating income over 30% at seasonal average temperatures.

## Proposed dividend raised to €0.20 per share

Confident in its growth outlook, the Board of Directors has decided to propose to the next General Shareholders' Meeting a dividend per share raised to €0.20 with respect to the fiscal year 2015. The payment should take place on 15 June 2016.

For Xavier Caitucoli, CEO of the Group: “the 2015 results confirm the Group’s ability to continue its development in a context of energy transition that provides attractive growth opportunities”.

### Next publication:

*Revenue for 1<sup>st</sup> quarter 2016 on 10 May 2016 after the markets close*

**Publications:** The Group's annual activity report, along with the presentation used for the analyst meeting, are available on its internet site ([www.direct-energie.com](http://www.direct-energie.com)).

### About Direct Energie

Third-largest French electricity and gas provider, the Direct Energie Group has already acquired and earned the trust of more than 1.6 million residential and professional customer sites in France and Belgium (under the Poweo brand). An integrated energy provider, Direct Energie is involved in the production and supply of electricity and the supply of gas and energy services to its customers. Direct Energie has based its success of over thirteen years on its technical expertise, its outstanding customer relations and its capacity for innovation.

In 2015, the Group generated consolidated revenue of just over €1 Bn and supplied 11.4 TWh of energy.

For more information: [www.direct-energie.com](http://www.direct-energie.com)

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## Profit & Loss Account

*In thousands of euros*

	2015	2014 Restated*
Revenues excluding Energy Management	1 016 870	809 554
Energy Management Margin	(335)	363
<b>Revenue from ordinary activities</b>	<b>1 016 535</b>	<b>809 917</b>
Cost of sales	(868 083)	(689 653)
<b>Gross margin</b>	<b>148 452</b>	<b>120 263</b>
Personnel expenses	(26 391)	(23 873)
Other operational income and expenses	(65 588)	(51 197)
Depreciation and amortization	(22 507)	(20 999)
<b>Current operating income</b>	<b>33 965</b>	<b>24 195</b>
Changes in fair value of Energy financial derivative instruments operational in nature	(11 636)	(5 163)
Disposals of non-current assets	(5 929)	(3 696)
Impairment of non-current assets	(550)	-
Income and expenses related to changes in scope of consolidation	(120)	-
<b>Operating income</b>	<b>15 731</b>	<b>15 336</b>
Cost of net debt	(3 743)	(1 541)
Other financial income and expenses	65	40
<b>Financial income / (loss)</b>	<b>(3 678)</b>	<b>(1 501)</b>
Corporate income tax	17 010	1 509
Share of net income from companies accounted for by the equity method	(62)	(99)
<b>Net income from continuing operations</b>	<b>29 001</b>	<b>15 245</b>
Net income from discontinued operations	(1 754)	-
<b>Net income</b>	<b>27 247</b>	<b>15 245</b>
of which Net income, Group share	27 247	15 245
of which Net income, minority interests	-	-
<b>Earnings per share (in €)</b>	<b>0,67</b>	<b>0,38</b>
<b>Diluted earnings per share (in €)</b>	<b>0,64</b>	<b>0,36</b>
Earnings per share from continuing operations	0,71	0,38
Diluted earnings per share from continuing operations	0,68	0,36
Earnings per share from discontinued operations	(0,04)	-
Diluted earnings per share from discontinued operations	(0,04)	-

\* IFRIC 21 provides for retrospective application. Accordingly, 2014 data has been restated, as explained in note 1.2 "Change in accounting standards" in the notes to the consolidated financial statement of 31 December 2015

## Balance Sheet Assets

<i>In thousands of euros</i>	<b>2015</b>	<b>2014 Restated*</b>
Intangible assets	40 949	40 728
Property, plant and equipment	47 661	4 943
Investments in associates	902	5 741
Non-current derivative financial instruments	8 494	8 768
Other non-current financial assets	1 458	1 994
Other non-current assets	5 279	1 542
Deferred tax assets	40 780	10 662
<b>Non-current assets</b>	<b>145 522</b>	<b>74 378</b>
Inventory	36 245	26 894
Trade receivables	220 596	130 673
Current derivative financial instruments	35 843	30 486
Other current financial assets	70 688	48 799
Other current assets	69 500	23 701
Cash and cash equivalents	35 230	31 629
<b>Current assets</b>	<b>468 102</b>	<b>292 182</b>
<b>TOTAL ASSETS</b>	<b>613 624</b>	<b>366 559</b>

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## Balance Sheet Liabilities

<i>In thousands of euros</i>	<b>2015</b>	<b>2014 Restated*</b>
Share Capital and share premiums	9 003	9 003
Retained earnings and net income /(loss)	71 717	49 238
Treasury shares	(88)	(101)
Others comprehensive income / (loss)	(109 981)	(22 117)
<b>Shareholders' equity, Group share</b>	<b>(29 350)</b>	<b>36 022</b>
Non-controlling interests	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>(29 350)</b>	<b>36 022</b>
Non-current provisions	5 051	1 865
Non-current derivative financial instruments	81 354	19 311
Other non-current financial liabilities	114 829	55 679
Other non-current liabilities	2 164	837
Deferred tax liabilities	21 130	8 071
<b>Non-current liabilities</b>	<b>224 528</b>	<b>85 763</b>
Current provisions	6 776	3 341
Trade payables	187 818	115 755
Current derivative financial instruments	83 851	43 761
Other current financial liabilities	69 113	8 163
Other current liabilities	70 887	73 753
<b>Current liabilities</b>	<b>418 446</b>	<b>244 774</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>613 624</b>	<b>366 559</b>

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## Statement of changes in equity

	Share Capital	Share premiums	Retained earnings and profit or loss	Treasury shares	Other comprehensive income		Total Shareholders' equity
					Changes in fair value	Other	
<i>In thousands of euros</i>							
<b>Restated Shareholders' equity at 31 December 2014</b>	<b>4 079</b>	<b>4 923</b>	<b>49 238</b>	<b>(101)</b>	<b>(21 590)</b>	<b>(527)</b>	<b>36 022</b>
<b>IFRIC 21 Impact</b>	-	-	<b>704</b>	<b>(0)</b>	-	-	<b>704</b>
<b>Historical Shareholders' equity at 31 December 2014</b>	<b>4 079</b>	<b>4 923</b>	<b>48 534</b>	<b>(101)</b>	<b>(21 590)</b>	<b>(527)</b>	<b>35 319</b>
Net income	-	-	27 247	-	-	-	27 247
Other comprehensive income	-	-	-	-	(88 392)	527	(87 864)
<b>Comprehensive income</b>	-	-	<b>27 247</b>	-	<b>(88 392)</b>	<b>527</b>	<b>(60 617)</b>
Capital increase	-	-	-	-	-	-	-
Options	-	-	1 351	-	-	-	1 351
Treasury shares purchases / sales	-	-	-	13	-	-	13
Dividends paid	-	-	(6 119)	-	-	-	(6 119)
<b>Shareholders' equity at 31 December 2015</b>	<b>4 079</b>	<b>4 923</b>	<b>71 717</b>	<b>(88)</b>	<b>(109 981)</b>	<b>0</b>	<b>(29 350)</b>

## Cashflow table

<i>In thousands of euros</i>	2015	2014 Restated*
Consolidated net income	27 247	15 245
Tax expenses/income	(17 010)	(1 509)
Financial income / (loss)	3 678	1 501
<b>Income before taxes and financial expenses</b>	<b>13 915</b>	<b>15 237</b>
Depreciation and amortization	22 507	20 999
Impairment	550	-
Provisions	6 212	(341)
Effect of changes in consolidation scope and other gains and losses on disposals	234	-
Expenses related to share-based payments	1 351	1 593
Change in fair value of financial instruments	8 658	284
Other financial items with no cash impact	7 465	5 220
Share of income from affiliates	62	99
<b>Items with no cash impact</b>	<b>47 040</b>	<b>27 853</b>
Change in working capital requirement	(79 755)	(44 136)
<b>Net cash flow from operating activities</b>	<b>(18 800)</b>	<b>(1 046)</b>
Acquisition of fixed assets	(25 749)	(21 627)
Disposals of fixed assets	3	12
Change in deposits and guarantees	(55 511)	28
Acquisition of shares in companies not fully consolidated	-	(760)
Acquisition of available-for-sale securities	(26)	-
Acquisition of subsidiary and merger, net of cash acquired	(43 934)	-
Loss of control of subsidiaries net of cash and cash equivalents sold	3 672	-
Change in financial assets	27 871	(27 871)
Net change in loans originated by the company	3 803	(1 157)
<b>Net cash flows used in investment activities</b>	<b>(89 872)</b>	<b>(51 374)</b>
Treasury shares	13	(11)
Proceeds from borrowings	120 876	56 849
Repayment of borrowings	(840)	(1 344)
Interest paid	(5 220)	(1 804)
Interest received	647	698
Dividends paid	(6 119)	-
<b>Net cash flows used in financing activities</b>	<b>109 357</b>	<b>54 388</b>
<b>Net change in cash and cash equivalents</b>	<b>685</b>	<b>1 968</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>31 308</b>	<b>29 340</b>
<b>Cash and cash equivalents at end of year</b>	<b>31 993</b>	<b>31 308</b>

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"Change in accounting standards » in the notes to the consolidated financial statement of 31 December 2015