

Press release**Devoteam announces its strategic plan 2020: Scale!**

**A target of €1 billion of revenue in 2020
2016 revenue expected at €555 million with
8.5% operating margin**

Paris, January 19, 2017

Devoteam presents Scale!, its strategic plan for 2020. In keeping with the EAGLE plan, launched in 2012, Devoteam affirms its capacity to combine growth, profitability and innovation.

Since its creation, Stanislas and Godefroy de Bentzmann, co-founders of Devoteam, have made strong strategic choices. As Stanislas de Bentzmann states:

"Proximity and agility have enabled us to become a major player in management and innovative technology consulting, in Europe and in the Middle East.

The Group is in a favorable position to carry out its ambitious development, focusing our energy and investments on targeted offers, in the countries where we are already present, closest to major Cloud publishers.

The strong entrepreneurial spirit that drives our teams must remain a fundamental pillar of Devoteam, and we reinforce it with more synergies at the Group level."

Strong financial foundations

The EAGLE strategic plan launched in 2012 enabled Devoteam to regain one of the best profit and growth levels in the market thanks to the structuring of its operating model and the rationalization of its activities.

Scale! capitalizes on this solid position to secure the Group's growth and accelerate innovation.

Offers supported by the dynamic growth of SMACS

Social Mobile Analytics Cloud Security (SMACS) is experiencing strong momentum and is expected to almost double to 30% of the IT services market in 2020 (Source: Gartner). Taking advantage of this dynamic market, Devoteam is making SMACS its major activity by focusing its portfolio on 6 offers, deployed on 2 waves:

- First wave: Digital Workplace, Agile IT Platform and CyberSecurity;
- Second wave: Business Process Excellence, Data as a Service and Digital Experience.

Key strategic partnerships

Web giants and global publishers compete in the Cloud market and invest massively in new technologies, stimulating the pace of adoption by customers. In this context, Devoteam wishes to strengthen its strategic partnerships with five worldwide players: 3 global (Google, Red Hat, ServiceNow) and 2 multi-local partnerships (Salesforce and Microsoft).

A targeted geographic footprint

As companies seek more proximity and agility, the Group retains its multi-local positioning supported by strong management. Devoteam concentrates its investments on four priority geographic hubs - France, Germany, Spain and Belgium - which will foster the Group's growth and margins.

The CIO at the center of the strategy

Although there is an increasing role for business lines in technological decisions, CIOs take center stage in organizations to ensure the convergence of legacy IT and digital. Devoteam concentrates its portfolio of offers to support CIOs in their new roles and in their enhanced collaboration with the business lines.

Financial targets 2020

In the context of Scale!, Devoteam aims to deliver an ambitious level of revenue growth and operational performance by 2020, reflecting the potential of the Group's targeted markets and the efficiency of its business model.

The Group plans to achieve:

- 7 to 10% average annual organic growth (excluding Between) between 2016 and 2020;
- Continuous improvement of the operating margin (in percentage of revenue) to reach at least 10% in 2020;
- Double digit average annual growth over the period of fully diluted earnings per share;
- Normative level of free cash flow around 5% of revenues.

In addition to these organic objectives, the Group is committed to growing by acquisition which should contribute at least €200 million to 2020 consolidated revenues, without impacting the Group's ambitions of operating margin rate.

As a result of the strategic initiatives, the Group plans to be in a position to achieve revenues of €1 billion by 2020.

Landing for 2016 and guidance for 2017

While the full-year closing is still under progress and may affect these figures, the Group currently expects 2016 consolidated revenue to be in the region of €555 million, which represents 13% organic growth on 2016, or 8% when excluding the activities of Between. Operating margin should be in the region of €47 million and should represent 8.5% of the revenue.

In 2017, the Group is planning for consolidated revenues to grow by 7% organically when excluding Between, despite the lower number of working days (1.5 day less compared to 2016). Including the contribution of Between, the changes of perimeter and the impact of the exchange rates, the Group is targeting to achieve consolidated revenues in the region of €580 million.

The Group expects the operating margin to continue to improve in 2017 compared to 2016 and to stand close to 9% of the revenue, despite the unfavorable working days effect. The restructuring costs should not be higher than 0.5% of the revenue.

Glossary

Between: the "Between" subsidiary in the Netherlands, specializing in "sourcing" of IT professionals, has a relatively volatile revenue to the extent that, according to the contracts concluded and the type of missions carried out, revenue recognized in the consolidated accounts is either gross margin contracts or the entire client billing. Consequently, the Group separates this activity to calculate its growth aggregates

Operating margin: current operating result excluding the cost of share-based payments and the amortization of intangible assets resulting from acquisitions

Free cash flow: net cash from operating activities minus acquisition of fixed assets

ABOUT DEVOTEAM

At Devoteam, we deliver **innovative technology consulting for business**.

We are 4,100 professionals dedicated to ensuring our clients win their **digital battles**.

Present in Europe and in the Middle East, drawing on 20 years of experience, we improve **business performance** making their companies truly digital. We build IT infrastructure for digital, and make sure people are along for the ride.

In 2015, Devoteam achieved revenues of 485M€.

At Devoteam, **we are Digital Transformakers**.

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