

2019 Annual Results

Excellent business momentum: €248.4m

EBITDA* of 11.5% of revenue

Dividend to be proposed at the General Meeting: €1.60 per share

At its meeting of 4 March 2020, the Board of Directors approved the annual financial statements for fiscal year 2019.

International accounting standard IFRS 16, concerning the treatment of leases in the consolidated financial statements, came into force on 1 January 2019. Infotel group chose to apply this standard using the simplified retroactive approach, in which there are no adjustments for the previous year. Note that the implementation of IFRS 16 requires a change in the presentation of the consolidated financial statements as approved at 31 December 2019, with the balance sheet showing a liability in respect of future lease payments and an asset in respect of rights of use. On the income statement, the lease expense previously recognised under operating costs is now to be recognised partly as a depreciation charge and partly as a financial cost.

In € million at 31 December (audited accounts)	2019	2018	Change	Impact IFRS 16
Consolidated revenue	248.4	231.7	+7.2%	
<i>o/w Services</i>	239.9	223.3	+7.4%	
<i>o/w Software</i>	8.5	8.4	+1.4%	
Personnel expenses	(105.3)	(101.2)	+4.0%	
External charges	(110.3)	(99.8)	+10.5%	
EBITDA*	28.5	25.6	+11.3%	2.6
Depreciation, amortisation and provisions	(6.3)	(3.3)	+91.0%	(2.6)
Current operating income excluding free shares	25.9	22.7	+14.1%	
<i>as a % of revenue</i>	10.4%	9.8%	NA	
Current operating income	22.4	22.7	-1.3%	
<i>as a % of revenue</i>	9.0%	9.8%	NA	
Income tax	(8.9)	(7.9)	12.6%	
Net income, Group share	13.0	15.1	-14.1%	
<i>as a % of revenue</i>	5.2%	6.5%	n/s	

These financial statements were audited and the associated certification reports are currently being prepared.

**EBITDA is calculated as follows: Current operating income + depreciation, amortisation and provisions – provisions for current assets + provisions for disputes + amortisation of research tax credit + retirement provisions.*

Strong growth in Services throughout the year

Infotel chalked up revenue growth of **7.2%** to **€248.4m** for its 2019 fiscal year. This performance testifies to the excellent business momentum generated by the roll-out of projects relating to the digital transformation of companies across all sectors.

The **Services** arm thus recorded revenue growth of 7.4% to €239.9m in 2019. The Banking sector is the biggest contributor to revenue, accounting for 36.1%, followed by Manufacturing (28.2%), Services (21.2%) and Insurance & Retirement (12.5%). The Group is enjoying solid momentum internationally, with growth of 47% for Infotel UK (€3.6m) and 65% for Infotel Monaco (€4.8m).

The **Software** division posted revenue growth of 1.4 % to €8.5 million in 2019.

High operating profitability

Excluding the IFRS 2 standard, staff expenses would be down by 3.5 million euros (excluding the amount of free shares distributed to the Group's key managers), the current operating income would be €25.9m and **the current operating margin would be 10.4%**.

Current operating income came to €22.4m in 2019, implying a current operating margin of 9%.

The inter-contract rate remained very low at 1.9%.

This result also includes an increase in external expenses stemming from the greater use of outsourcing services, to keep step with extremely buoyant business momentum.

Meanwhile, the application of IFRS 16 increased the amount of interest due as a result of the rise in debt. Consequently, Group net income came out at €13.0 million, giving a **net margin of 5.2%** of revenue for the full year.

A solid financial structure

The balance sheet shows a total of €202.3 million at 31 December 2019, compared with €176.5 million at 31 December 2018.

Shareholders' equity increased to €92.7m, from €87.4m a year earlier.

As a result of the application of IFRS 16, the Group recorded an increase in non-current assets including rights of use in a net amount of €16.2 million. The Group did not have any financial liabilities at 31 December 2019. Net cash at the end of the year stood at €74.6 million.

Proposed dividend of €1.60 per share

Infotel's Board of Directors will propose the payment of a dividend of €1.60 per share for 2019 to the General Meeting of 20 May 2020. The decision to continue distributing a high dividend testifies to management's confidence in the Group's prospects.

Outlook

Infotel's strong business momentum and the renewed trust shown by clients in extending its role in new digital transformation projects lend weight to the Group's target for revenue growth to outpace the market and operating profitability to remain high in 2020.

Upcoming events

General Meeting: 20 May 2020 - afternoon
Publication of Q1 2020 revenue: 20 May 2020



About Infotel

Listed on Compartment B of Euronext Paris since January 1999 (ISIN code FR0000071797), **Infotel** specialises in information management systems for major accounts, from mobile to very high-volume databases (Big Data). Operating at the forefront of technological innovation, **Infotel** develops its expertise across two complementary divisions: IT services and software publishing. **Infotel** posted revenue of €248.4m in 2019 and employs over 2,500 people.

Contacts

Infotel

Michel Koutchouk

Chief Executive Officer

Tel.: +33 (0)1 48 97 38 38

michel.koutchouk@infotel.com

Actifin

Financial Communication

Ghislaine Gasparetto

Tel.: +33 (0)1 56 88 11 11

ggasparetto@actifin.fr