

Sharp improvement in 2021 half-year results

Revenue: €129.1m, +9%, above the targets set

Current operating margin (excluding allocation of free shares) at 9.2% of revenue

Net income Group share: €6.3m (up 32.8%)

Infotel, (ISIN code: FR0000071797 – memo: INF), a leading partner in the digital transformation of major accounts in Europe, today announced the publication of its financial statements for H1 2021, approved at a Board of Directors' meeting held on September 22, 2021, which was subject to a limited review by the Statutory Auditors.

In €m, as of June 30th (Limited review)	H1 2021	H1 2020	H1 2019	% Chg. 2021 / 2020
Consolidated revenue	129.1	118.4	122.3	9.0%
<i>o/w revenue from Services</i>	<i>125.3</i>	<i>114.2</i>	<i>118.2</i>	<i>9.7%</i>
<i>o/w revenue from Software</i>	<i>3.8</i>	<i>4.2</i>	<i>4.1</i>	<i>-9.5%</i>
Staff costs	(55.5)	(51.5)	(54.0)	7.7%
External costs	(56.9)	(53.0)	(53.7)	7.4%
EBITDA⁽¹⁾	14.0	11.9	12.3	17.3%
<i>% of revenue</i>	<i>10.9%</i>	<i>10.1%</i>	<i>10.1%</i>	
Depreciation, amortization, and provisions	(4.1)	(3.9)	(2.9)	5.2%
Recurring operating income excluding free shares⁽²⁾	11.9	9.9	11.1	20.5%
<i>% of revenue</i>	<i>9.2%</i>	<i>8.4%</i>	<i>9.1%</i>	
Recurring operating income	10.2	8.0	9.5	28.3%
<i>% of revenue</i>	<i>7.9%</i>	<i>6.7%</i>	<i>7.8%</i>	
Operating profit	10.2	9.0	9.5	13.4%
Net financial expense	(0.1)	(0.2)	(0.1)	<i>na</i>
Taxes	(3.4)	(3.9)	(4.3)	-12.3%
Net income Group share	6.3	4.8	4.9	32.8%
<i>% of revenue</i>	<i>4.9%</i>	<i>4.1%</i>	<i>4.0%</i>	

⁽¹⁾ EBITDA is calculated as follows: Current operating income + depreciation, amortization and provisions - provisions on current assets + provisions for litigation + amortization of CIR + provisions for retirement benefits.

⁽²⁾ Free shares: Free shares for 7 people in management (233,603 new shares created).

Activity that exceeds targets set

Against a backdrop of solid business recovery, **Infotel** posted revenue of €129.1m for the first half of 2021, up 9.0%. This performance represents growth of 5.5% compared to 2019, above the target of reporting business comparable to that of 2019.

The **Services** business generated revenue of €125.3m, up 9.7% compared to H1 2020, and posted very strong sales dynamics.

In particular, the Banking/Finance sector reported new contracts and accounted for a 40.8% contribution to Services revenue at the end of June 2021. Industry accounts for 22.7% of the Services business, with stable activity at Airbus.

With a slightly higher contribution this year, at 19.2%, Services/Transport also reflected the strong recovery of Air France over the period. Insurance/Retirement increased to 14.1%, compared to 13.6% in 2020. The Administration sector stabilized at 3.1%.

With 202 gross new hires over the period (vs. 143 last year), the total headcount was 2,669 at the end of June 2021. The still low inter-contract rate was 2.5% on average over the half-year.

Revenue from the **Software** business amounted to €3.8m, including €1.9m in IBM royalties.

As the airline sector began to recover, the Orlando software suite for aircraft technical documentation won new signatures with Republic Airways, Air France, FlyaDeal, Emerald, Fiji Airways and Binter. It has excellent potential for growth in the future.

Strong improvement in profitability

This solid business recovery is directly reflected in the results, which are showing strong improvement. Thus, recurring operating income, excluding the allocation of free shares, stood at €11.9 million in H1 2021, up 20.5%, benefiting from cost control measures, notably related to the decrease in travel and travel expenses. The current operating margin was 9.2% of revenue.

After taking into account the allocation of free shares, whose cost, at €1.7m, is lower than last year (€2.0m in H1 2020), operating income was €10.2m in H1 2021, up 13.4%.

After accounting for tax expenses, net income came to €6.3 million, up 32.8%, representing a net margin rate over the period of 4.9%.

Robust financial structure

The balance sheet totaled €227.2m at June 30, 2021, versus €205.0m at June 30, 2020, and equity was up at €96.1m versus €92.2m one year ago.

Customer receivables increased to €72.1m vs. €59.3m, reflecting the increase in business volume recorded over the first half of the year.

As of June 30, 2021, the Group did not have any financial debt. Cash at the end of H1 2021 stood at €86.6m.

Favorable outlook for the end of the fiscal year

Infotel expects continued growth at the end of the year. 2021 business is expected to increase compared to 2019, and current operating profitability should be at least equal to that of 2019.

Upcoming events:

Publication of Q3 2021 revenue: October 27, 2021, after market close

About Infotel

Listed on compartment B of Euronext Paris since January 1999 (Isin code FR0000071797), **Infotel** is a specialist in large account management systems, from mobile to very large databases (*Big Data*). At the cutting edge of technological innovations, **Infotel** is developing its expertise around two complementary areas of activity: IT services and software publishing. With €235.2m in revenue in 2020, **Infotel** employs more than 2,600 people.

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