

2022 first-half results up sharply

Revenue: €149.3m, +15.6%
Current operating income: €14.1m, +38.1%
Current operating margin: 9.5% of revenue
Net income Group share: €9.8m, +54.7%

First-half results ahead of the 2026 strategic plan

Infotel, (ISIN: FR0000071797 - ticker: INF), the leading digital transformation partner for key accounts in Europe, today announced the publication of its financial statements for the first half of 2022, as approved by the Board of Directors at its meeting on September 21, 2022 following a limited review by the Company's statutory auditors.

In €m, at June 30 (Limited review)	H1 2022	H1 2021	% change 2022 / 2021
Consolidated revenue	149.3	129.1	+15.6%
o/w Services	144.6	125.3	+15.4%
o/w Software	4.7	3.8	+24.0%
Personnel expenses	(57.1)	(53.8) ⁽¹⁾	+6.2%
External expenses	(71.4)	(56.9)	+25.5%
EBITDA⁽²⁾	18.2	14.0	+29.9%
% of revenue	12.2%	10.9%	
Depreciation, amortization and provisions	(4.2)	(4.1)	+4.3%
Current operating income excluding free shares	14.1	11.9⁽¹⁾	+18.4%
% of revenue	9.5%	9.2% ⁽¹⁾	
Current operating income	14.1	10.2	+38.1%
% of revenue	9.5%	7.9%	
Operating income	14.1	10.2	+38.1%
Net financial income	(0.1)	(0.1)	NA
Income tax	(3.8)	(3.4)	+9.4%
Net income Group share	9.8	6.3	+54.7%
% of revenue	6.6%	4.9%	

⁽¹⁾ Excluding free shares.

⁽²⁾ EBITDA: Current operating income + depreciation, amortization and provisions – provisions for current assets + provisions for disputes + amortization of research tax credit + retirement provisions.

Excellent performances in H1 2022

Infotel experienced excellent sales momentum from the start of the year and posted remarkable, fully organic revenue growth of 15.6%, to €149.3m, in the first half of 2022.

The **Services** business generated revenue of €144.6m, up +15.4% compared to H1 2021, driven by strong demand from key clients in all sectors in support of their digital transformation.

Banking/Finance continued to be the most dynamic sector, accounting for 41.2% of Services revenue, with boosting investment activity by some of our key accounts. Industry contributed 26.0% with renewed positions at Airbus, while the Services/Transport sector's contribution rose to 17.7%. Insurance/Pensions accounted for 11.9% of revenue and Administrations were stable at 3.2%.

With 268 gross new hires over the period, the total headcount at end-June 2022 was 3,000. The inter-contract rate was extremely low at 0.9% on average over the half-year, and the turnover rate was just 13.7%, compared with 20%-30%, which was common in the digital services sector¹. **This remarkable performance, in a tight recruitment market, reflects the Group's efforts to increase the attractiveness of its employer brand with a capacity to attract new talent and retain its employees thanks to its dynamic HR policy.**

Revenue from the **Software** business amounted to €4.7m, up sharply by +24%, including €2.3m in IBM royalties.

Orlando, the technical documentation software suite for the aviation sector, confirmed its position as a source of growth with the signing of new contracts with Hop!, Wizz, Azul and Canadian North.

Sharp increase in profitability

The solid business momentum is immediately apparent in **Infotel's** results, which were up sharply. Current operating income amounted to €14.1m in H1 2022, up +38.1%, benefiting from good cost control. The current operating margin came out at 9.5% of revenue.

Operating income, at €14.1 million, also increased by 38.1%. This increase included a €1.7 million cost of free share allocation for 2021, which will no longer appear in 2022.

After accounting for income tax, net income came to €9.8m, up 54.7%, for a net margin of 6.6% over the period.

Robust financial structure

Total assets amounted to €233.6m at June 30, 2022, compared with €227.2m at 30 June 2021. Shareholders' equity also increased to €104.1m compared with €96.1m one year earlier.

The Group had no financial liabilities at June 30, 2022. The cash position stood at €94.8m at the end of H1 2022.

First-half results ahead of the 2026 strategic plan

In March, **Infotel** announced the implementation of its new strategic plan through 2026. It is intended to take advantage of new opportunities in a buoyant market and accelerate the Group's growth. In the first six months of the year, **Infotel** made key progress on the plan's four priorities:

- **Outperform the market:** with organic revenue growth of 15.6%, **Infotel's** growth was more than double that expected for the sector in 2022, estimated at +7.4%²;
- **Increase the contribution of the Software business:** over the first six months of the year, the Software business grew by 24%, benefiting in particular from the ramp-up of Orlando;

¹ In digital services companies, consultants are jumping ship for new horizons: <https://www.zdnet.fr/actualites/dans-les-esn-les-consultants-quittent-le-navire-pour-de-nouveaux-horizons-39937909.htm>

² Numeum, July 2022: <https://numeum.fr/actu-informatique/croissance-attendue-du-secteur-numerique-74-en-2022>

- Roll out a dynamic and attractive HR policy: the reinforcement of the recruitment and employee retention plan began to pay off with a decline in the turnover rate to 13.7% and 268 new hires over the period;
- Accelerate international development: this was reflected in the ramp-up of offshore platforms in India and Morocco, and opportunities under consideration for international expansion in Spain and Benelux.

In a very buoyant business environment and with an offering aligned with market needs, **Infotel** is confident that it will continue to record sustained growth in the second half of 2022 and achieve a current operating margin at least equal to that of the first half, in line with its 2026 strategic plan.

Upcoming event

Publication of Q3 2022 revenue: October 26, 2022 after market close

About Infotel

Listed on Compartment B of Euronext Paris since January 1999 (ISIN FR0000071797), **Infotel** specializes in digital transformation of information 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 €263.4m in 2021 and employs about 3,000 people.

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