

H1 2024 RESULTS:
**Sustained strong operating
profitability¹ at 7.8% of revenue**

H2 2024 OUTLOOK:
**Business recovery and improvement
in current operating profitability**

Infotel, (ISIN: FR0000071797 - ticker: INF), the leading digital transformation partner for key accounts in Europe, today announced the publication of its results for the first half of 2024, as approved by the Board of Directors at its meeting on September 24, 2024 following a limited review by the Company's statutory auditors.

In €m, at June 30 (Limited review)	H1 2024	H1 2023	Change
Consolidated revenue	149.2	158.5	-5.9%
<i>o/w Services</i>	143.4	152.7	-6.0%
<i>o/w Software</i>	5.8	5.8	+0.1%
Personnel expenses	(66.2)	(62.9)	+5.3%
External costs	(65.1)	(74.6)	-12.8%
EBITDA²	15.3	18.3	-16.6%
<i>% of revenue</i>	10.2%	11.6%	
Depreciation, amortization and provisions	(5.0)	(5.0)	1.3 %
Current operating profit excluding free shares	11.7	14.6	-20.1%
<i>% of revenue</i>	7.8%	9.2%	
Current operating income (expense)	10.3	13.4	-22.9%
<i>% of revenue</i>	6.9%	8.5%	
Operating income (expense)	10.3	13.4	-22.9%
Net financial income	0.9	0.5	na
Taxes	(3.0)	(4.0)	-23.5%
Net income Group share	8.0	9.5	-15.7%
<i>% of revenue</i>	5.3%	6.0%	

¹ Excl. free shares

² EBITDA = Current operating income + depreciation, amortization and provisions – provisions on current assets + provisions for litigation + amortization of CIR research tax credit + provisions for retirement benefits.

Resilience in a wait-and-see market environment

Infotel posted revenue of €149.2m for the entire first half of 2024, down 5.9%, reflecting the resilience of its model in a wait-and-see market environment.

The **Services business** posted revenue of €143.4m (96% of revenue). The slowdown observed in the Banking/Finance sector resulted in a change in its contribution to 37.4% in H1 2024, down 10.5%. However, since June we have seen a significant recovery in the sector in our activity, with the consolidation of our listing at BPCE and the ramp-up of a two-year project at Banque de France.

The Industry sector is consolidating, maintaining a stable share of 27.8% of Services revenue in H1 2024, compared with 27.3% in H1 2023. The Services/Transport sector is gaining in importance, its contribution having increased from 18.0% to 19.5% in H1 2024.

A recovery is expected in H2 2024 in the Insurance/Retirement sector (11.1% of Services revenue in H1 2024), driven by recent contracts signed with mutual insurance companies.

The structuring of our offering around Artificial Intelligence led to the signing of initial contracts, particularly in the field of language migration. Use cases have been developed and finalized by POCs (proof of concept), which are currently being discussed with various customers.

With 171 gross new hires over the period, the total headcount at end-June 2024 was 3,288. The inter-contract rate increased to 3.7% on average over the first half of the year, reflecting the discontinuation of certain projects in the banking sector.

The **Software business** posted revenue of €5.8m for H1 2024, including €2.8m in IBM royalties, up 19.8%, and €1.5m for Orlando, up 23.9%.

Orlando, the software suite for aircraft technical documentation, achieved several commercial successes over the period, including the signing of a contract with Corsair. More recently, **new prestigious clients** such as Singapore Airlines, Japan Airlines, Indigo and SAS have joined its portfolio. The first revenues from the framework contract with Airbus will be recorded from H2 2024.

At 30 June 2024, the annualized value (ARR – Annual Recurring Revenue) of contracts signed for Orlando amounted to €4.5m, representing a secure revenue stock of €16m, considering the duration of multi-year contracts.

Sustained strong operating profitability³

Despite a less favorable sector environment temporarily altering the activity rate, coupled with an unfavorable calendar effect, Infotel managed to maintain solid **current operating income** (excluding free shares) of €11.7m, reflecting a current operating margin of 7.8% of revenue, down slightly by 1.4 points.

After taking into account financial income and tax expense, **net income** came to €8.0m, representing a net margin rate of 5.3% over the period.

Sound balance sheet structure

The balance sheet shows a total of €236.7m at June 30, 2024, of which €112.8m in equity.

The Group had no financial liabilities at June 30, 2024.

Cash at the end of H1 2024 stood at €85.8m compared with €88.2m at 30 June 2023, excluding financial investments of €15m, and including the payment of dividends for 2023 totaling €14.1m, plus the payment of the stake in Altanna of €0.8m.

³ Excl. free shares

H2 2024 outlook: resumption in business activity and improvement in current operating profitability

In a sector context that remains cautious, the outlook for the second half of the year seems more favorable.

Infotel thus anticipates, in the second half of 2024, a resumption in business activity combined with an improvement in current operating profitability. To achieve this, Infotel will be able to draw on a combination of several favorable factors:

- an increase in the activity rate, observed since July, with the signing of new projects in Services (Enedis, Banque de France, BNP Paribas and MMA);
- new commercial successes for Orlando and the first revenues from the framework contract with Airbus;
- the growing contribution from activities in the United States and Canada;
- the ramp-up of its sales strategy in Artificial Intelligence;
- synergies and cross-selling in IT infrastructure with Altanna.

Upcoming events

Publication of Q3 2024 revenue: October 23, 2024 after market close

About Infotel



Listed on Compartment B of Euronext Paris since January 1999 (ISIN FR0000071797), **Infotel** specializes in digital transformation 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 €307.5m in 2023 and employs more than 3,200 people.

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