

H1 2019 RESULTS

Revenue: €228.9m

Current operating income: €22.7m

The Group's Management Board met on 5 September 2019 and approved the first half financial statements, which were presented to the Supervisory Board on 12 September 2019. These consolidated financial statements were the subject of a limited review by the Statutory Auditors.

Consolidated first half income statement (1 January – 30 June)

€m	H1 2019	H1 2018	Change	Like-for-like change
Revenue	228.9	205.5	+11.4%	+2.7%
Current operating income	22.7	21.7	+4.2%	-8.2%
Current operating margin	9.9%	10.6%		
Operating income	21.6	20.7	+4.2%	
Net income of consolidated operations	10.3	11.7	-12.1%	
Net income/loss from discontinued operations*	-	2.1*		
Net income (Group share)	10.2	13.4	-24.2%	

* CPoR Devises earnings, sold at the end of 2018.

Tessi, a global provider of Business Process Services, posted first half 2019 turnover of €228.9 million, up 11.4% like-for-like from first half 2018. At constant consolidation scope (excluding Owlance and Tessi Austria in 2018), turnover rose 2.7%.

Current operating income was up 4.2%, to €22.7m, primarily benefiting from the positive €700,000 contribution of Owlance and the €1.8m reclassification of CVAE as a tax. A constant consolidation scope, current operating income was down €1.8m, mainly impacted by a less favourable environment in Iberia.

After net non-recurring operating expenses of €1.1 million, net operating income amounted to €21.6 million, up 4.2%.

Net financial loss amounted to €4.5m (versus a loss of €3.2m in H1 2018), impacted by the increase in bank debt and an interest expense calculated at €400,000 on leases (IFRS 16). The reclassification of CVAE as a tax resulted in a €6.8m tax charge (up from €5.7m in H1 2018). In light of these two impacts, net income of consolidated operations amounted to €10.3m, down €1.4m compared to H1 2018.

Net income (Group share) amounted to €10.2m, after deduction of minority interests of €200,000.

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Financial structure

€m	30/06/2019	31/12/2018
Net debt (excluding advances)	190.0	34.2
Equity capital (Group share)	99.7	209.6

The change in net debt primarily results from cash flow from operations of €8.4 (€12.3m for consolidated operations), €5m of which was restated due to the application of IFRS 16, a €120.0m dividend distribution, €6.2m in investments, the sale of properties in France for €20m and the €47.9m increase in debt following the application of IFRS 16.

At the end of February, the Group finalised the refinancing arrangements for its entire debt involving new senior debt worth €165 million.

Guidance

Tessi plans to pursue its development in France and overseas by continuing to combine organic growth and acquisitions.

Tessi therefore announced in early September the acquisition of Orone France, document process (cheques) software publisher and scanner distributor (2018 revenues of €4.8m) in order to strengthen its leading position in this area (see press release dated 5 September).

At the end of July, the Group also announced the signing of an agreement for the acquisition of customer relations specialist ADM Value (estimated 2019 revenues of €44m). This acquisition is subject to a number of conditions precedent, including the completion of a €39 million capital increase open to all shareholders in Q4 2019, subject to AMF approval of the prospectus (see press release dated 31 July).

Next release

Q3 2019 turnover, 6 November 2019 after market close

About TESSI

Tessi is an international provider of Business Process Services that helps businesses to digitise the customer experience. Tessi operates in over 11 countries worldwide, has around 9,500 employees and posted turnover of €427.8 millions in 2018. Tessi is listed on Euronext Paris - compartment B (TES).

Read more at tessi.eu

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