

H1 2015/16 results

SFAF - 25 November 2015

Governance

▶ **Pascal IMBERT**

Chairman of the Management Board



▶ **Patrick HIRIGOYEN**

COO and Member of the Management Board



▶ **Tiphanie BORDIER**

Chief Financial Officer



Solucom, a key player in the consulting sector

- Independent consulting firm
- More than 25 years experience working with top players in all sectors of activity...
- ... to guide and champion the most structural transformation projects in the digital era

▶▶ 1,600 employees



* Strategic partnership

Agenda

- ▶ 1. H1 2015/16 key events
- 2. H1 2015/16 results
- 3. Outlook
- 4. Merger project with Kurt Salmon's European business

Robust growth in first half

Revenues ⁽¹⁾ (€m) - (consolidated data)	2015/16	2014/15	Like-for-like change ⁽¹⁾	Total reported change
Q1	46.5	37.4	+16%	+25%
Q2	44.9	36.3	+14%	+24%
H1	91.4	73.7	+15%	+24%

- Interim revenues growth of 24%...
 - ▶ of which +15% like-for-like
 - ▶ including Hapsis since 01/04/15
 - ▶ consolidation of Arthus Tech since 01/07/2015

- ... reflecting the gradual recovery in demand
 - ▶ driven by new projects and initiatives related to the digital revolution

(1) Financial data submitted for a limited review conducted by the Group's Statutory Auditors

(2) Like-for-like growth: exc. Audisoft Oxéa (consolidated since 01/11/14) exc. Hudson & Yorke (since 01/03/15)
 exc. Hapsis (since 01/04/15) exc. Arthus Tech (since 01/07/15)
 inc. the industrial assets of PEA Consulting (consolidated since 1/10/14) - with 2014/15 revenues of €0.8m

Solid operating indicators

At 30/09/2015

- Utilisation rate
- Average daily rate
- Order book



stable on 2014/15 levels



up 3% on 2014/15

- growth on a like-for-like basis
- including consolidated acquisition impact



stable, reflecting limited visibility

Sustained increase in staff numbers

- 1,618 employees at 30 September 2015
 - ▶ vs 1,514 at end-March 2015
 - ▶ including Hapsis and Arthus Tech
- Active recruitment plan
 - ▶ more than 250 in-takes targeted in 2015/16
 - ▶ market context gradually becoming more competitive, but tension still contained
- Staff turnover still low at 10% over the twelve-month period
 - ▶ stable on full-year 2014/15
 - ▶ below the Group's normal range of 12% - 15%

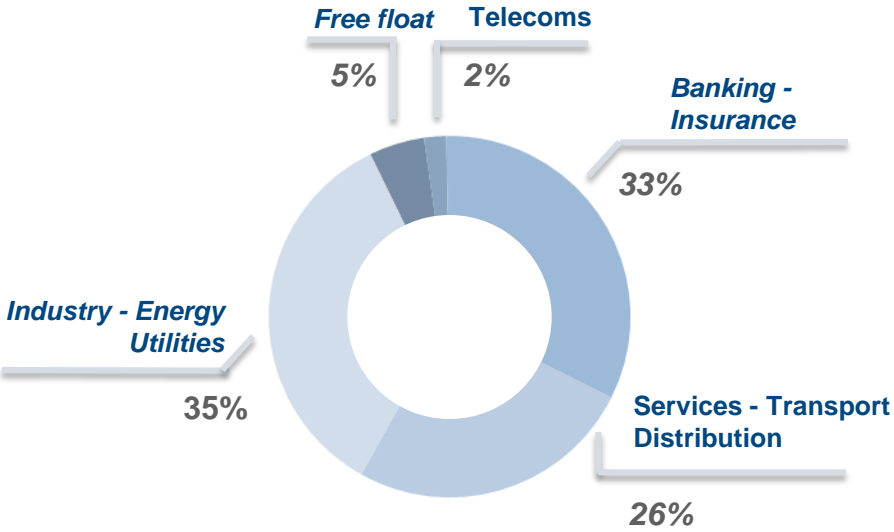


*Solucom awarded
Happy Trainees label
for 2nd running*

Continued growth in revenues contribution from Banking - Insurance sector

H1 2015/16 TOP 20 clients

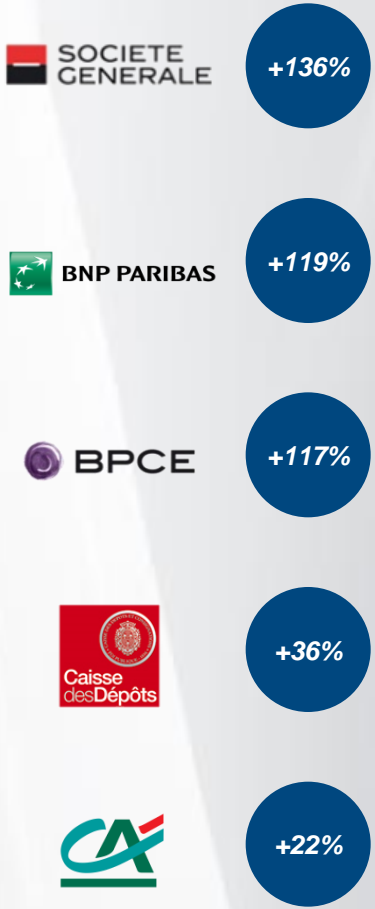
EDF	10%
ENGIE	8%
LA POSTE	8%
CREDIT AGRICOLE	6%
SNCF	6%
BNP PARIBAS	4%
SOCIETE GENERALE	4%
TOTAL	4%
BANQUE DE FRANCE	4%
THALES	3%
ALSTOM	2%
AIR LIQUIDE	2%
BPCE	2%
AXA	2%
ALLIANZ	2%
CARREFOUR	1%
AMF	1%
SAINT GOBAIN	1%
CAISSE DES DEPOTS	1%
MALAKOFF MEDERIC	1%



H1 2015/16 industry revenues breakdown

Revenues trends in several key accounts in banking sector

H1 2015/16 vs H1 2014/15



Footholds secured abroad in line with Up 2020 plan

An acquisition in Switzerland...



**Information and Communication
Technologies (ICT) Consulting**
Revenues: CHF4.8m (€4.6m)



Acquisition features

- 100%-capital acquisition
- financed exclusively in cash
- consolidated since 1 July 2015

... and a partnership in the Gulf region



Strategy and Innovation Consulting
Based in Abu Dhabi, Dubai, Riyadh - Founded in 2011



- geographic fit
- similar client approach

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Operating income on ordinary activities up 19%

<i>Consolidated figures at 30/09 (€m)</i>	H1 2015/16	H1 2014/15 restated*	% change	H1 2014/15 published	2014/15 restated*
Revenues	91.4	73.7	+24%	73.7	163.1
Operating income on ordinary activities	9.4	7.9	+19%	7.6	21.1
Ebit margin	10.3%	10.7%		10.3%	13.0%
Operating income	9.1	7.9	+16%	7.6	20.4
Group share of net income	5.2	4.5	+17%	4.3	12.6
Net margin	5.7%	6.1%		5.8%	7.7%

Financial data submitted for a limited review conducted by the Group's Statutory Auditors

** Figures restated to factor in the application of IFRIC 21 relative to the accounting of levies*

Gross cash flow margin up 41%

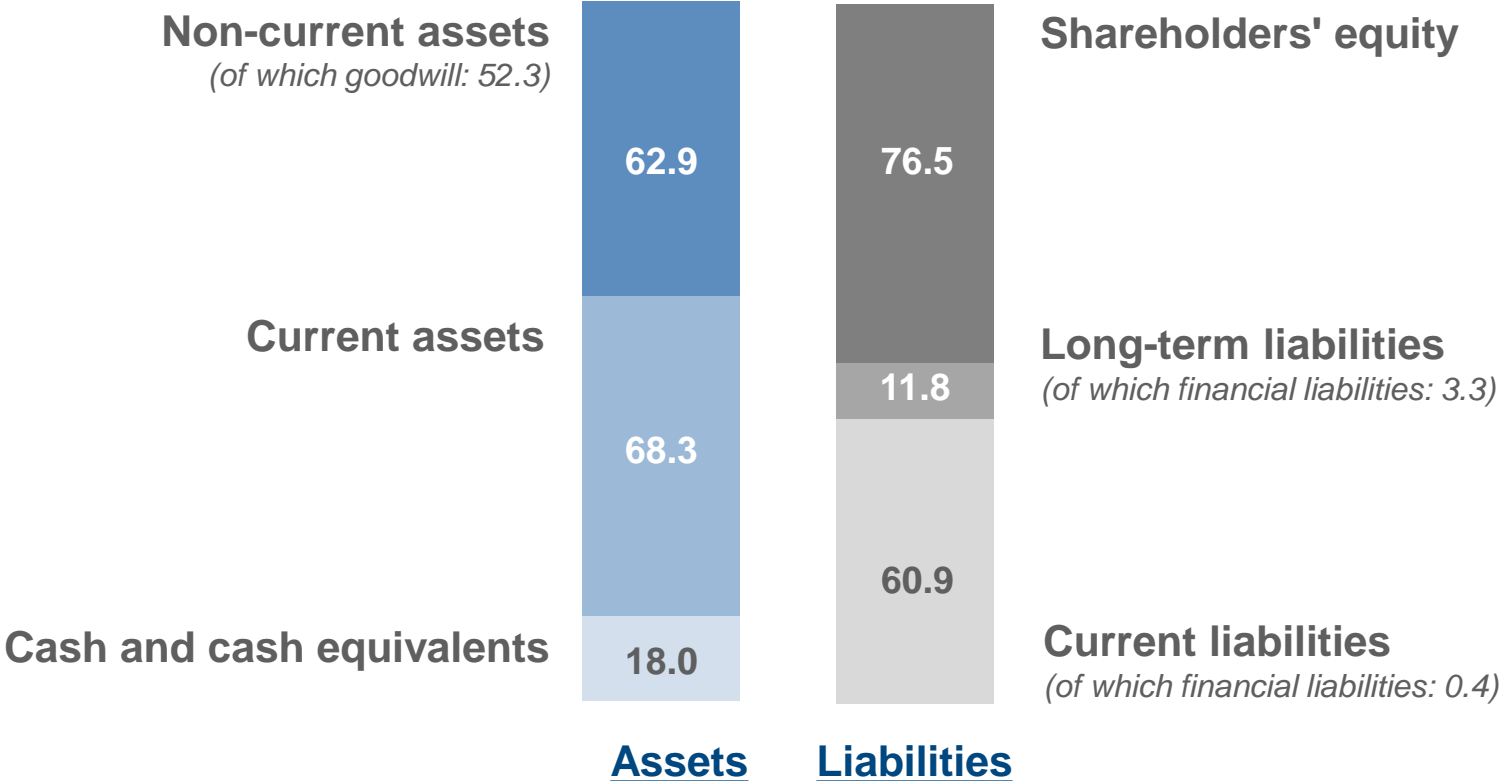
<i>Consolidated figures at 30/09 (€m)</i>	H1 2015/16	H1 2014/15 restated*	2014/15 restated*
Gross cash flow margin	7.4	5.2	14.5
Change in WCR	(7.5)	(3.1)	0.0
Cash flow from operations	(0.1)	2.1	14.6
Net cash flow from investments	(6.2)	(1.4)	(6.9)
Net cash flow from financing activities	(1.8)	(1.7)	(1.5)
<i>- of which dividends</i>	<i>(1.9)</i>	<i>(1.6)</i>	<i>(1.6)</i>
Change in cash and cash equivalent	(8.1)	(1.0)	6.1

Financial data submitted for a limited review conducted by the Group's Statutory Auditors

** Figures restated to factor in the application of IFRIC 21 relative to the accounting of levies*

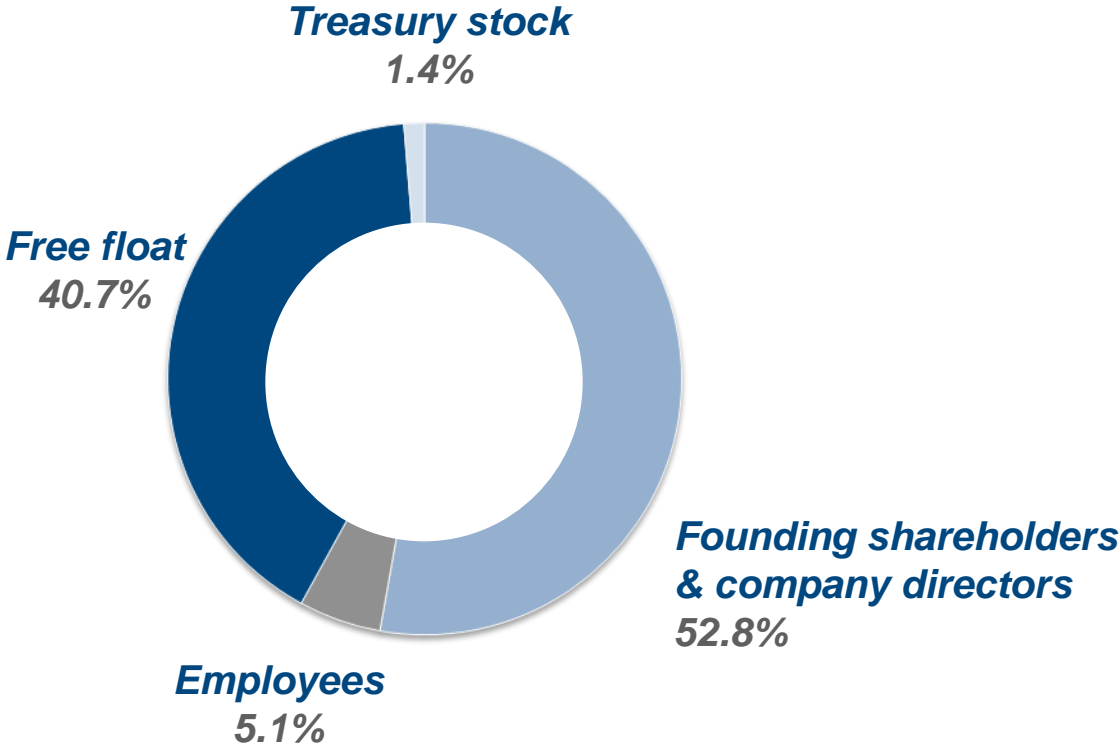
Surplus cash position

Consolidated figures at 30/09/2105 (€m)
 Statutory Auditors limited review



▶▶ **Net cash: €14.3m**
 vs €22.6 at end-March 2015

Allocation of share capital at 30/09/15



- Number of shares
4,966,882 (no potential dilution)

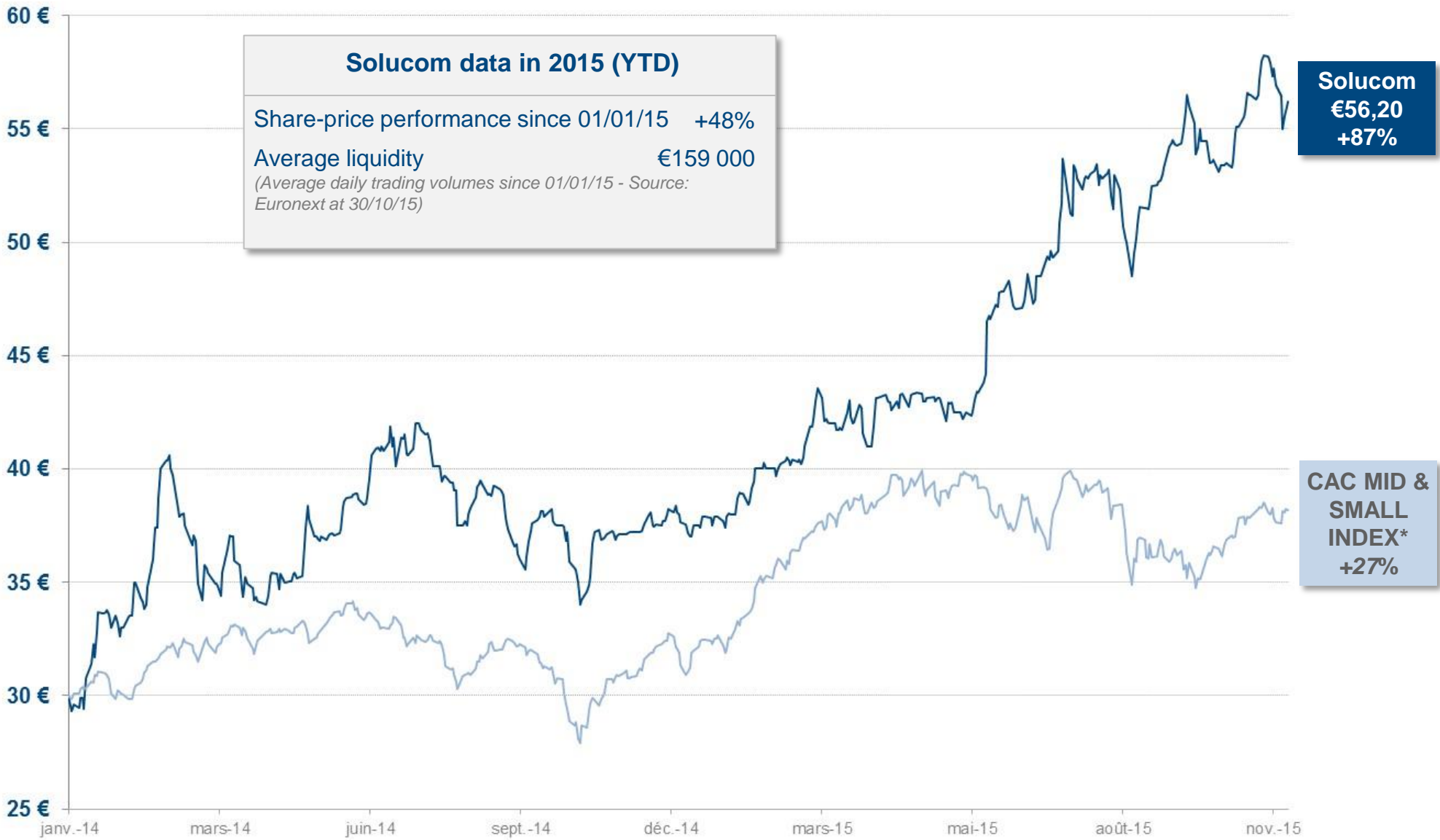
- Dividend payout voted at 22 July 2015 AGM
€0.39 per share (+18%)



Tech 40



Solucom's share-price performance (from 1 January 2014 to 20 November 2015)



* CAC MID & SMALL adjusted to the Solucom 31 December 2013 share price.

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▶ **3. Outlook**

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Up 2020: our new strategic plan

Growth

€300m revenues

International presence

20% of sales generated internationally

Value creation

15% EBIT margin

2015/16: laying the foundations for the new strategic plan

- Growth momentum engaged
- Stepping up international operations
 - ▶ acquisition of Arthus Tech in Switzerland
 - ▶ partnership with ShiftIN in the Gulf region
 - ▶ prospection in others geographic areas
- In terms of value enhancement...
 - ▶ ... first operations carried out in field of innovation
 - ▶ ... strategic actions taken regarding our selling prices

AIR

CreaDesk



A positive outlook for H2 2015/16

→ Gradual recovery in market

- ▶ sharp improvement in trading conditions on 2014
- ▶ new projects, driven by growth in enterprise digitisation

→ Trading environment still positive since September

- ▶ no impact of this summer's global economic downturn
- ▶ visibility, however, remains limited

→ Gradual easing in pricing pressure

Our priorities for the second half

- Consolidate last wave of acquisitions
- Strengthen our international presence
- Identify and seize relevant expansion opportunities

Full-year growth objectives raised

New full-year 2015/16 objectives, excluding merger with Kurt Salmon's European business*

Revenues growth

of which +8% like-for-like

▶ **> 16%**

Ebit margin

▶ **11% - 13%**

* excluding retail & consumer goods consulting

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Merger project with Kurt Salmon's European business*

■ A key consulting firm in Europe

- ▶ advises its clients on major transformation issues, ranging from their strategic scoping to the delivery of results
- ▶ strong sector-specific skills in numerous business areas
- ▶ a *Management Consulting Group PLC* 's subsidiary

■ Target scope

- ▶ Kurt Salmon France - Switzerland - Belgium - Luxembourg - Maroc - United-States for *Financial Services et CIO Advisory*
- ▶ 2014 revenues of around €120m
- ▶ pro-forma operational margin of approximately 8%

Kurt Salmon 

Finance

Industry

Transport

Public

...

CIO Adv.

CFO Adv.

HR Mgt



750 employees

* excluding retail & consumer goods consulting

Create a new leading consultancy, with cutting-edge expertise in digital transformation

- An operation in line with the strategic guidelines set out in Solucom's Up 2020 strategic plan
- A range of expertise perfectly in tune with client expectations in the digital era
 - sector-specific, functional and technological expertise
- A new consultancy among european consulting leaders in Europe
 - €300m revenues
 - among the top 3 in France, according to PAC / CXP Group

Planned terms of the acquisition and next steps

- Purchase of a 100% capital stake in all of the companies included in the target business
 - ▶ enterprise value equivalent to 0.8 times revenues
 - ▶ to be paid exclusively in cash on completion of the sale
 - ▶ financed, for the most part, through a banking facility
- Negotiations could rapidly lead to an agreement after the consultation of the works councils
- The agreement would remain conditional upon 3 suspensive conditions
 - ▶ clearance from the French anti-trust authority
 - ▶ absence of any material adverse change
 - ▶ approval of *Management Consulting Group* shareholders given at a General Meeting

Financial calendar: upcoming events

- **Q3 2015/16 revenues**
(followed by conference call) **26 January 2016**
(after market close)
- **2015/16 full-year revenues**
(followed by conference call) **28 April 2016**
(after market close)
- **2015/16 full-year results**
(with investors' meeting scheduled the following day) **31 May 2016**
(after market close)

The power of simplicity
«Ce qui est simple est fort»



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Chairman of the Management
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