

Micropole Income 2014: a transformation year

- Focus on Digital and Data-based offers
- Consolidated turnover stands at €92 m
- Doubling of current operational margin between 1st and 2nd half-year

2014 was a transformation year for Micropole: deployment of its strategy of focusing on high value-added consulting and integration offers, arbitration and sale of other businesses, most notably ERP. These actions mechanically impacted the group turnover and income. Micropole positioning is today totally in line with market issues and customer expectations. The significant improvement in operational indicators at the end of FY2014 and the start of FY2015 has enhanced our convictions of the relevance and consistency of the strategy deployed.

IN MILLION EUROS <i>(CURRENTLY UNDER AUDIT)</i>	2014	2013*
Turnover	91.8	98.6
Current operating income	2.0	3.8
<i>In % of turnover</i>	2.2%	3.9%
Other products and operational expenses	(0.1)	0.5
Operating income	1.9	4.3
Net income from ongoing businesses	0.4	2.9
Net income from divested businesses	(9.8)	(1.7)
Financial Year income	(9.4)	1.2

* All comparative data have been restated from the ERP business divestment effects, as announced in September 2014, as well as of those businesses being divested, in compliance with IFRS 5 norms.

Income 2014

Micropole, an international consulting and digital technology group, achieved a turnover of 91.8 million euros like-on-like in FY2014, as against 98.6 million euros attained over the previous FY.

Current operating income stands at 2 million euros compared to 3.8 million euros in 2013. The gradual improvement in the main operational indicators over the second half-year 2014 enabled doubling the current operating income in relation to the first half-year (€1.3 m over H-Y2 as opposed to €0.7 m over H-Y1). This was based on our taking new offers to market, and on various enterprise profitability improvement measures taken from the start of the second half-year 2014.

The operating income stands at 1.9 million euros, as against 4.3 million euros in 2013. The net income of ongoing businesses is 0.4 million euros compared to 2.9 million euros in 2013.

The net income integrating the divested businesses shows a loss 9.4 million euros. This includes a one-off amortization of the goodwill accounting value in relation to the estimated value of the divestment of 4.3 million euros, this adjustment having no effect on the group's cash flow.

On December 31st 2014, the cash flow stood at 8.3 million euros with net financial debt of 13.7 million euros for equity of 50.4 million euros.

Acceleration in Digital and Data –related offer performance

Faced with significant changes in the market, Micropole decided to enhance its strategy in-depth at the end of FY 2013. The fundamental orientations include focusing on high value-added service



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provision on innovative Digital and Data –related offers, as well as on international development. This re-positioning, rolled out in 2014, was accompanied by an acceleration of investment on some offers (notably on the integrated Wide Digital Agency), operational reorganization, arbitration on other businesses, as well as the divestment of the ERP business. At present, this work is almost achieved in all of the groups' locations world-wide.

In a context of considerable in-house change, and an overall economic environment in Europe which has been deteriorating for 2 years, group business development on the different markets has been as follows:

- In France, Consulting, Financial Performance Management and Big Data have shown good progress. Digital Transformation, in full boom, powered up during the year, with a clear acceleration over the second semester (strategic consulting, customer relationships and customer knowledge). The regional agencies, still dynamic, pursued significant growth throughout 2014. Strategic choices resulted in a clear decrease in the license sales and sub-contracting.
- Business in Switzerland, impacted by the divestment of the ERP business as well as by the transformation of offers and teams, nonetheless recorded improvement in its service offer on Digital Transformation and Performance Management
- The Benelux area, whose business was re-centered around Performance Management, showed very high growth throughout 2014 (turnover up 30% on 2013). In synergy with the French teams, new offers were implemented (Customer Knowledge), as well as packaged solutions (Big Data).
- Lastly, our agencies in China (Beijing, Shanghai and Hong-Kong) pursued their progress and confirmed their good growth prospects. However, business has not yet reached a level significant enough to significantly impact group indicators.

ERP business divestment

In the context of its transformation plan, Micropole has chosen to pull out of non-strategic businesses having weak growth/margin potential. Thus, in September 2014, Micropole sold its ERP business in France, Switzerland and Belgium. These decisions mechanically impacted the group headcount, which stood at 1.1000 employees at the end of 2014, as against 1 300 at the start of that year.

Prospects 2015

The year has begun with positive prospects, bolstered by the Syntec Numérique indicators which announce expected growth of 1.7% over 2015 for the Consulting and Services sector. The re-positioning of the group on complementary offers in line with business management's expectations has enabled Micropole to gain in relevance and performance. At the forefront of market trends, this new expertise today covers all customer needs related to Digital and Data: marketing, customer knowledge and experience, mobility, corporate strategic and operational management.

«The quality of Micropole positioning is clearly bringing benefits with regard to our customers and partners, and all group operational indicators are improving. Today, the Micropole group is on the right track towards a return to growth in 2015 », comments Christian Poyau, Micropole CEO.

About Micropole –

Micropole (www.micropole.com) is a Digital Services Company with bases in Europe and Asia, specializing in Digital Transformation, Performance Management and Data Governance. The group partners its customers throughout the entire project life-cycle, from consulting to full implementation of solutions, including training. A leader in its field in France, Switzerland and Belgium, the group also has bases in China (Beijing, Shanghai and Hong Kong) A partner of the leading software vendors, Micropole has a headcount of over 1,100, achieves 30% of its turnover internationally and serves over 800 customers (of which 80% are CAC 40 listed). Micropole has received the 'innovating enterprise' label awarded by Bpifrance. The group is listed on the Eurolist Paris – Compartment C and registered in the Next Economy Segment Code ISIN: FR0000077570 – Code mnémo: MUN).

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