

Micropole Group 1st half-year income: current operating income shows growth of +10%

- Operating income up 50%
- Promising sales and recruitment dynamic for the second half year

<i>In million euros - IFRS Norms</i> (under audit)	<i>H1 2019</i>	<i>H1 2018*</i>
Turnover	57.3	54.5
Current operating income	2.2	2.0
<i>% of turnover</i>	3.8%	3.6 %
Expenses and non-operational products	(0.7)	(0.9)
Operating income	1.5	1.0
<i>% of turnover</i>	2.6%	1.8%
Financial performance	(0.4)	(0.3)
Taxes	(0.6)	(0.4)
Net Earnings	0.5	0.3
<i>% of turnover</i>	0.9%	0.6%

(*) The financial indicators to June 2018 have not been restated from the IFRS 16 norms application to rental contracts

Micropole, an international consulting and innovative technology group specialising in Digital Experience, Data Intelligence & Performance and Data Governance & Architecture, posted revenues of €57.3 million in the first half of 2019, up 5.1% from €54.5 million over the same period in 2018. Like-for-like, turnover increased by 4.6%. At a constant number of working days (1 fewer working days between H1 2019 and H1 2018), the increase over the first half year was 6%.

Current operating income grew by +10% to €2.2 million. On the basis of constant working days, the improvement in current operating income would have been 1 point (4.6% vs. 3.6%).

- In Europe (Group excluding China and Micropole Learning Solutions), current operating income was 4.3%.
- In other areas: the training activity is in operational balance, while activities in China have been impacted by a sharp slowdown in the local market.

Operating income reached €1.5 million (+50%). Net income attributable to the Group amounted to €0.5 million, compared with €0.3 million in H1 2018. Excluding the IFRS 16 impact, net income would have been €0.6 million, representing a 20% variation.

At 30 June 2019, the Group maintained a solid financial structure, with cash and cash equivalents of €9.7 million and net financial debt of €19.3 million (excluding IFRS 16 rental debt), while shareholders' equity increased to €49.9 million.

Several development axes

The Group's development, linked to the pursuit of a differentiation strategy based on Added Value and Innovation, is based in particular on:

- Strong recognition on its markets, provided by the Data-centric offers (+3.1% increase in the ADR in France)
- Constant innovation work on technologies and usage enabling us to anticipate future customer challenges and position ourselves at the level of our customers' general management.
- The ramp-up of Cloud offerings in partnership with Amazon AWS, Microsoft Azure, SalesForce and Alibaba Cloud as well as the recent launch of the GoCloud&Security offer.

HR strategy

Despite the constant pressure on resources, HY1 2019 saw a 10% increase in recruitment in France and Switzerland, and with the intensification of its HR policy and Employer Brand, focused on recruiting and retaining talent, the Group was once again awarded the Happy at Work and Happy Trainees labels and obtained its first Agile at Work label over the period

Prospects / Target 21 plan

The outlook for the second half of the year remains positive. Supported by a good business momentum linked to its positioning and the recent strengthening of the sales teams, Micropole is maintaining its revenue growth forecasts and expects its operating income to continue to improve in HY2 2019.

Micropole therefore reaffirms its ambitions within the framework of the TARGET 21 plan, and more specifically with regard to profitability gains, which is the main objective.

*Next financial date on Thursday, November 14th, 2019
for the publication of third quarter 2019 revenue.*

About the MICROPOLE GROUP | www.micropole.com

An international consulting and innovative technologies group, MICROPOLE is specialized in the fields of Digital Experience, Data Intelligence & Performance and Data Governance & Architecture. From its 16 agencies in Europe and China, the Groups' 1130 #INNOVATIVE PEOPLE (consultants, business experts, engineers, UX designers...) support their customers world-wide over all project phases, from consulting through to achievement, as well as on training. 30% of MICROPOLE turnover is achieved internationally, and Micropole is listed on the Eurolist market compartment C of Euronext Paris segment Next Economy.

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