Euronext B – ISIN: FR0000071797
Reuters: ETOF.PA – Bloomberg: INF FP

**Press release**

Bagnolet, 6 March 2019

# 2018 annual results
***Continuing strong growth and high operating profitability***

**Revenue: €231.7m**
**Current operating income: €22.7m**
**Dividend proposed at the General Meeting: €1.60 per share**

## Growth in the second half of the year

Revenue in the second half of 2018 increased to €116.5 million compared with €115.2 million in the first half of 2018. Current operating income increased to €12.0 million in the second half of 2018 compared with €10.7 million in the first half, giving a current operating margin of 10.3% in the second half of 2018 versus 9.2% in the first half of the year.
Group net income in the second half of 2018 also grew to €8.0 million versus €7.1 million in the first half of 2018, giving an improvement in the net margin to 6.9% in the second half of 2018 compared with 6.1% in the first half of the year.

## Annual results: Growth and profitability

The Board of Directors, at its meeting of 6 March 2019, approved the annual financial statements for fiscal year 2018.

| In € million at 31 December (audited accounts) | 2018 | 2017 | Change |
|---|---|---|---|
| **Consolidated revenue** | **231.7** | **209.3** | **+10.7%** |
| *o/w Services* | *223.3* | *201.2* | *+11%* |
| *o/w Software* | *8.4* | *8.1* | *+2.8%* |
| Personnel expenses | (101.2) | (96.5) | +4.9% |
| External expenses | (99.8) | (81.6) | +22.4% |
| **EBITDA*** | **25.6** | **26.7** | **-4.1%** |
| Depreciation, amortisation and provisions | (3.3) | (3.6) | |
| **Current operating income** | **22.7** | **23.4** | **-2.8%** |
| *as a % of revenue* | *9.8%* | *11.2%* | *ns* |
| **Operating income** | **23.0** | **23.3** | **-1.1%** |
| Income tax | (7.9) | (7.3) | +6.8% |
| **Group net income** | **15.1** | **15.8** | **-4.5%** |
| *as a % of revenue* | *6.5%* | *7.5%* | *ns* |

The financial statements have been audited and the reports certifying them are currently being prepared.

*[*]EBITDA is calculated as follows: Current operating income + depreciation, amortisation and provisions – provisions for current assets + provisions for disputes + amortisation of research tax credit + retirement provisions.*

## A very dynamic year for the Services division

In 2018, Infotel posted revenue of €231.7 million and generated **organic growth of 10.7%** versus 2017.

The Services division saw its revenue increase by 11% to €223.3 million thanks to continued strong activity levels linked to the mass rollout of digitisation projects by Tier-one clients. The banking sector accounted for the highest level of activity among Infotel's teams, representing more than 38% of the Service division's activity at the year-end, followed by manufacturing at 26%.

The Software division saw an increase in 2018 revenue of 2.8% to €8.4 million, of which €4.3 million related to royalties from IBM.

## Continued high operating profitability

Current operating income came out at €22.7 million in 2018 versus €23.4 million the previous year, giving a **current operating margin of 9.8%** (an improvement on 9.2% in the first half of the year). It incorporates a slight increase in expenses to 81.9% of revenue compared with 79.5% in 2017, linked to a very competitive recruitment environment. That said, training costs related to the integration of new employees show a significant decrease in the second half of 2018.
The inter-contract rate remained very low for the full year at 1.8%.

Consequently, Group net income came out at €15.1 million versus €15.8 million, giving a **net margin for the year of 6.5%** compared with 6.1% in the first half.

## A solid financial structure

With shareholders' equity increasing to €87.4 million and still no financial debt, the Group's financial structure remains very solid. Net cash at the end of the year stood at €72.8 million.

## Proposed dividend of €1.60 per share

The Infotel Board of Directors will propose the payment of a dividend of €1.60 per share for 2018 to the General Meeting of 29 May 2019, representing an increase of 40%. The aim is to reward our shareholders and demonstrate the management's confidence in the outlook for the year ahead.

## Outlook

On 11 February, the Group acquired the Lyon-based services company Coach'is, which will help to strengthen its foothold in the Rhône-Alpes region and add on the expertise of more than 30 employees specialising in applications development, advisory and support in project ownership, and collaborative services.

Infotel has rolled out a set of measures to boost the integration and management of human resources and strengthen staff retention. The Group has set a gross recruitment target of more than 500 in the current year.

Given the strong levels of commercial activity observed since the start of the year, Infotel confirmed that it expects its revenue growth for 2019 to remain above the market level and continued excellent operating profitability.

***Upcoming events:***

**General Meeting: 29 May 2019 - pm**

**Publication of 2019 Q1 revenue: 29 May 2019**

***About Infotel***

Listed on Compartment B of Euronext Paris since January 1999 (ISIN code FR0000071797), **Infotel** specialises in information management systems 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 €231.7 million in 2018 and employs over 2,400 people.

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