



# Press Release

Boulogne Billancourt, March 20, 2019

## 2018 Financial Results

Revenue: up 14.9%

Recurring operating margin: 10.5%, an 80-point improvement

Attributable net income: up 14.2% to €27.3 million

In € thousands	2018	2017 (*)	Change
<b>Revenue</b>	<b>400,579</b>	<b>348,721</b>	<b>+14.9%</b>
<b>Recurring operating income</b>	<b>41,894</b>	<b>33,918</b>	<b>+23.5%</b>
<b>As a % of revenue</b>	<b>10.5%</b>	<b>9.7%</b>	
Cost of performance shares	(1,466)	(1,029)	
Other operating income and expenses	(907)	787	
<b>Operating income</b>	<b>39,521</b>	<b>33,676</b>	<b>+17.4%</b>
Financial income/(expense)	(273)	(94)	
Tax (expense)/income	(11,921)	(9,645)	
<b>Net income from consolidated companies</b>	<b>27,327</b>	<b>23,937</b>	<b>+14.2%</b>
<b>As a % of revenue</b>	<b>6.8%</b>	<b>6.9%</b>	
Net income attributable to owners of the parent	27,327	23,937	
Earnings per share	€2.08	€1.83	<b>+13.8%</b>
Payroll	6,166	5,848	<b>+5.4%</b>

(\*) restated to reflect the application of IFRS 15

**Aubay's Board of Directors, which met on Wednesday, March 20, 2019 under Chairman Christian Aubert, approved the statutory and consolidated financial statements for financial year 2018.**

### **Recurring operating margin at the upper limit of the target range**

At **10.5%**, recurring operating margin lies at the higher end of the initial target range of between 9.5% and 10.5%, an improvement of 80 basis points compared to the previous year. This marks Aubay's 20<sup>th</sup> consecutive year of solid results and strong growth.

All market segments helped drive growth, with the ramp-up of projects around the Cloud, the digital transformation and data proving to be particularly dynamic. Aubay now offers a balanced profile between new technology-focused projects (SMACS) and application portfolio management for its major corporate clients.

The consolidation of the business acquired in Italy in 2017 was successfully completed during the year. All the acquisitions made in Spain in recent years have now been legally consolidated. Today Aubay has a solid base in all the countries where it operates for entering a new growth phase.

The Group's recurring operating margin for the period came in at 11.8% for activities in France and 9.1% for activities overseas, compared with a respective 10.8% and 8.5% in 2017.

### **Operating income: up 17.4%**

Aubay's operating income amounted to €39.5 million, a 17.4% increase after taking into account the €1.4 million cost of performance shares and €0.9 million of "Other operating income and expenses" which mainly consisted of restructuring expenses.

### **Contacts**

Alexandra Prisa - Actus Finance - Tel.: +33 (0)1 53 67 35 79 - E-mail: [aprisa@actus.fr](mailto:aprisa@actus.fr)

David Fuks - Co-Chief Operating Officer - Finance Department +33 (0)1 46 10 67 67 - E-mail: [dfuks@aubay.com](mailto:dfuks@aubay.com)

### **Slightly positive net cash position of €0.2 million**

As expected, the Group's financial position improved sharply over the second half of the year. Aubay thus moved from a net debt position of €10.9 million to a net cash position of €0.2 million at the close of the financial year, compared to net debt of €5.5 million at 31 December 2017.

The consolidation of its acquisition in Italy and the work undertaken to align it with Aubay's high management standards should contribute to further improving cash flow generation in 2019.

### **Attributable net income up 14.2%**

Attributable net income increased 14.2% to €27.3 million, another historic high.

Earnings per share amounted to €2.08 versus €1.83 the previous year.

### **Application of IFRS 16 from January 1, 2019**

The Group will apply IFRS 16 to leases from January 1, 2019. For the lessee, the impact of the standard's application will be the recognition of an amortizable right of use in assets on the balance sheet and an equivalent lease obligation in liabilities. For Aubay, the main leases are for buildings and secondarily vehicles and IT equipment.

At this stage, lease obligations are estimated at approximately €25 million at January 1, 2019.

The impact on the other key financial indicators (recurring operating income, net income, cash flow) is considered marginal.

### **Proposed dividend payment of €0.60 per share**

Aubay's Board of Directors is to propose the payment of a dividend of €0.60 for financial year 2018 (versus €0.47 for 2017) at the General Meeting of Shareholders. An interim dividend of €0.27 was paid in November 2018. The General Meeting of Shareholders will be held on May 14, 2019 at 9 am (Paris time).

### **Outlook for 2019**

At this beginning of the financial year, Aubay's management has seen a continued appetite for investment on the part of its major corporate clients. The market therefore remains promising, continuing the positive trend of the previous quarters. This year is off to a good start in all countries where the Group operates. All business indicators are green.

Accordingly, the objectives set for 2019 are in line with the medium-term targets, as follows:

- Revenue of **€425 million**, corresponding to organic growth of 5%-7%;
- Recurring operating margin between **9.5% and 10.5%**.

**Aubay's 2019 first-quarter revenue will be published on Wednesday April 24, 2019 after the close of trading.**

### **Glossary**

**Organic revenue growth:** this refers to growth calculated for a constant scope of activity for a given period, excluding revenues from companies that were acquired or sold during the period. As Aubay conducts most of its business in the euro zone, any impact from changes in exchange rates is minimal.

**Recurring operating income:** this indicator corresponds to operating income before the cost of free shares and other income and expenses that are unusual, abnormal or infrequent and that are booked separately in order to facilitate the understanding of an entity's recurring operating performance.

**Recurring operating margin:** this indicator, which is expressed as a percentage, is the ratio of recurring operating income to revenue.

**Net debt or net cash:** this indicator represents the difference between an entity's cash and debt. If the result is negative, it is referred to as net debt. If it is positive, it is referred to as net cash.

### **Contacts**

---

Alexandra Prisa - Actus Finance - Tel.: +33 (0)1 53 67 35 79 - E-mail: [aprisa@actus.fr](mailto:aprisa@actus.fr)

David Fuks - Co-Chief Operating Officer - Finance Department +33 (0)1 46 10 67 67 - E-mail: [dfuks@aubay.com](mailto:dfuks@aubay.com)

## About Aubay

*Aubay is a digital services company working alongside some of the biggest names in the Banking, Finance, Insurance, Manufacturing, Energy, Transport and Telecoms sectors. With 6,166 employees across 7 countries (France, Belgium, Luxembourg, Italy, Spain, Portugal and the United Kingdom) at the end of the year, Aubay generated revenue of €400.6 million in 2018.*



NYSE Euronext,  
Compartment: B  
ISIN  
FR0000063737-AUB  
Reuters  
AUBT.PA  
Bloomberg  
AUB:FP

## Contacts

---

Alexandra Prisa - Actus Finance - Tel.: +33 (0)1 53 67 35 79 - E-mail: [aprisa@actus.fr](mailto:aprisa@actus.fr)

David Fuks – Co-Chief Operating Officer – Finance Department +33 (0)1 46 10 67 67 - E-mail: [dfuks@aubay.com](mailto:dfuks@aubay.com)