



PRESS RELEASE

Boulogne Billancourt – September 18, 2019

2019 Half-Yearly Results

Further improvement in recurring operating margin: 9.2%

Interim dividend: €0.33

In € thousands	H1 2019	H1 2018	Change
Revenue	208,115	197,346	+5.5%
Operating profit from ordinary activities	19,069	17,457	+9.2%
As a % of revenue	9.2%	8.8%	
Other operating income and expenses	(1,433)	(1,428)	
Operating profit	17,636	16,029	+10.0%
Net financial income/(expense)	(306)	(155)	
Tax (expense)/income	(5,838)	(4,847)	
Net income from consolidated companies	11,492	11,027	+4.2%
As a % of revenue	5.5%	5.6%	
Net income attributable to owners of the parent	11,492	11,027	

Aubay's Board of Directors, which met on September 18, 2019 under Chairman Christian Aubert, approved the consolidated financial statements for the first six months of 2019. The financial statements have been reviewed by the company's Statutory Auditors who will shortly issue their reports.

Aubay posted another solid performance, with improved results for the first half of 2019.

Revenue for the first six months of the year increased 5.5% in organic terms to €208.1 million.

Operating margin from ordinary activities up by 40 basis points over the period, at 9.2%.

The Group's operating margin from ordinary activities came in at 9.2%, versus 8.8% for first-half 2018, up 40 basis points despite one less billable day. Business in France accounted for 9.7% of the figure and international business 8.6%.

Operating profit from ordinary activities was up 9.2% at €19.1 million, versus €17.5 million in first-half 2018. The increase, which is higher than the increase in revenue, is directly linked to the improvement in the gross margin. The first-time application of IFRS 16 did not have a material impact on recurring operating income (positive €60 thousand).

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The Group reported a **financial expense** of €306 thousand for the period, compared to €155 thousand in first-half 2018. This figure includes a €150 thousand expense related to the first-time application of IFRS 16.

The **tax expense** amounted to €5.8 million, representing an effective tax rate of 34%, versus 31% one year earlier. This increase is due to the competitiveness and employment tax reform in France, which saw the former tax credit system replaced by lower contributions.

Half-yearly net income of €11.5 million

After non-ordinary expenses, which primarily included the cost of free shares and other one-off expenses that remained stable year on year, attributable net income was up 4.2% over the period at €11.5 million.

Net cash position (excluding rental liabilities) of €4.6 million

Cash from operations amounted to €12.1 million, compared to €1.5 million in first-half 2018. The sharp rise was due to positive cash flows for €4.2 million and the optimization of working capital for a positive €6.3 million, despite the seasonal effect generally being unfavorable in the first half of the year.

Dividends paid to shareholders amounted to €4.3 million during the period.

Overall, net cash (excluding lease liabilities resulting from the application of IFRS 16) amounted to €4.6 million at June 30, 2019.

Outlook

In a constant drive towards greater expertise, our clients' expectations in terms of innovation remain high.

In view of these market conditions, Aubay is ideally positioned, leveraging a consistently demanding and selective recruitment policy, to develop and gain market share in the months and years to come.

The targets published in our 2019 second-quarter revenue press release remain unchanged, namely:

- Revenue of €425 million, corresponding to organic growth of 5% to 7%
- Operating margin from ordinary activities between 9.5% and 10.5%.

Interim dividend of €0.33

In light of this excellent performance, the Board of Directors has decided to pay an interim dividend of €0.33 per share for the current fiscal year on November 12, 2019. As a reminder, the interim dividend paid in November 2018 was €0.27 per share.

Next publication

2019 third-quarter revenue: Wednesday, October 23 after the close of trading.

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Glossary/Alternative performance indicators

Organic revenue growth: this refers to growth calculated for a constant scope of activity for a given period, excluding revenue 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.

Operating profit from ordinary activities: this indicator corresponds to operating profit before the cost of free shares and other income and expenses that are unusual, significant or infrequent and that are booked separately in order to facilitate the understanding of an entity's operating performance.

Operating margin from ordinary activities: this indicator, which is expressed as a percentage, is the ratio of operating profit from ordinary activities 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.

About AUBAY Group

Aubay is a digital services company working alongside some of the biggest names in the Banking, Finance, Insurance, Manufacturing, Energy, Transport and Telecoms sectors. It had 6,236 employees in 7 countries (France, Belgium, Luxembourg, Italy, Spain, Portugal and the United Kingdom) at June 30, 2019. Aubay generated revenue of €400.6 million in 2018.



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



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APPENDICES

Consolidated statement at June 30, 2019

ASSETS (€ 000s)	30/06/2019	31/12/2018
Goodwill	124,101	124,101
Intangible assets	665	678
Property, plant and equipment	5,242	5,284
Use rights relating to leases	24,063	
Equity-accounted investees	-	-
Other financial assets	2,319	2,309
Deferred tax assets	2,173	2,126
Other non-current assets	141	
NON-CURRENT ASSETS	158,704	134,498
Inventories and work in progress	436	378
Assets on contracts	36,868	20,649
Trade receivables and related accounts	101,462	115,760
Other receivables and accruals	35,856	35,892
Marketable securities	977	0
Cash at bank and in hand	20,393	19,519
CURRENT ASSETS	195,992	192,198
TOTAL ASSETS	354,696	326,696

EQUITY AND LIABILITIES (€ '000s)	30/06/2019	31/12/2018
Capital	6,597	6,568
Additional paid-in capital and consolidated reserves	154,863	131,515
Net income attributable to the Group	11,492	27,327
Shareholders' equity attributable to the Group	172,952	165,410
Attributable to non-controlling interests	0	0
SHAREHOLDERS' EQUITY	172,952	165,410
Borrowings and financial liabilities: non-current portion	8,392	10,493
Rental debts: non-current portion	21,453	
Deferred tax liabilities	5	6
Provisions for contingencies and expenses	5,567	5,328
Other non-current liabilities	3	2
NON-CURRENT LIABILITIES	35,420	15,829
Borrowings and financial liabilities: current portion	8,334	8,819
Rental debts: current portion	2,696	
Trade payables and related accounts	26,915	26,530
Liabilities on contracts	12,513	17,528
Other payables and accruals	95,866	92,580
CURRENT LIABILITIES	146,324	145,457
TOTAL EQUITY AND LIABILITIES	354,696	326,696

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Consolidated statement of income as of June 30, 2019

(€ 000s)	30/06/2019	%	30/06/2018	%
Revenue	208 115	100%	197 346	100%
Other operating income	72		89	
Purchases used in production and external charges	(37,711)		(39,724)	
Staff costs	(146,237)		(137,684)	
Taxes other than on income	(1,713)		(1,692)	
Amortisation, depreciation and provisions	(3, 546)		(835)	
Change in inventories of work in progress and finished goods				
Other current operating income and expenses	89		(43)	
Operating profit from ordinary activities	19,069	9.2%	17,457	8.8%
Expenses linked to restricted share units and similar awards	(743)		(733)	
Current operating income	18,326	8.8%	16,724	8.5%
Other operating income and expenses	(690)		(695)	
Operating profit	17,636	8.5%	16,029	8.1%
Income from cash and cash equivalents				
Net borrowing costs	(177)		(249)	
Other financial income and expenses	(129)		94	
Net financial income (expense)	(306)		(155)	
Income tax expense	(5,838)		(4,847)	
Income from equity-accounted investees				
Net income before results of discontinued operations or assets held for sale	11,492		11,027	
Net income after tax of discontinued operations or assets held for sale				
Net income	11,492	5.5%	11,027	5.6%
Attributable to shareholders	11,492		11,027	
Attributable to non-controlling interests	0		0	
Basic weighted average number of shares	13,180,931		13,113,301	
Earnings per share	0.87		0.84	
Diluted weighted average number of shares	13,279,431		13,214,801	
Diluted earnings per share	0.87		0.83	

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Consolidated statement of cash flow at June 30, 2019

(€ '000s)	30/06/2019	30/06/2018
Consolidated net income (including non-controlling interest)	11,492	11,027
Income from equity-accounted investees		
Net exceptional depreciation, amortisation and provisions relating to leases	3,661	813
Non-cash expenses and income relating to share-based payments	743	733
Other non-cash items		(31)
Dividend income	(88)	(7)
Gains and losses on disposals of fixed assets	6	(17)
Cash flow after net interest expense and tax	15,814	12,518
Net borrowing costs	177	249
Tax expense (including deferred taxes)	5,838	4,847
Cash flow before net interest expense and tax (A)	21,829	17,614
Income tax payments (B)	(5,403)	(5,484)
Change in trade and other receivables (C)	(5,753)	(13,673)
Change in trade and other payables (C)	1,457	3,039
Net cash provided by (used in) operating activities (D) = (A+B+C)	12,130	1,496
Outflows for the acquisition of tangible and intangible fixed assets	(1,871)	(1,308)
Inflows from the disposal of tangible and intangible fixed assets		
Outflows for the acquisition of financial assets	(4)	
Inflows from the disposal of financial assets	32	
Change in loans and advances granted	(6)	30
Outflows (inflows) linked to business combinations net of cash acquired		
Dividends and grants received	88	7
Net cash provided by (used in) investing activities	(1,761)	(1,271)
Proceeds from capital increases		
Amounts received upon the exercise of stock options		31
Purchases of treasury shares for cancellation		
Purchases of and proceeds from the sale of treasury shares		31
Dividends paid in the period		
-Net dividends paid to parent company shareholders	(4,354)	(3,151)
-Dividends paid to the non-controlling shareholders of consolidated companies		(18)
Inflows from new borrowings	1,235	8,155
Repayment of financial debt	(4,176)	(6,025)
Repayment of loan debt	(2,607)	
Net interest payments	(173)	(283)
The purchase of non-controlling interests (put options)		(2,196)
Other financial flows		
Net cash provided by (used in) financing activities (F)	(10,075)	(3,456)
Effects of changes in foreign exchange rates (G)	(1)	(2)
Change in net cash (D+E+F+G)	293	(3,233)
Opening cash and cash equivalents	19,372	16,492
Closing cash and cash equivalents	19,665	13,259

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