



Press Release

Boulogne Billancourt, March 25, 2020

2019 Financial Results– Covid-19 Information

Revenue: +4.3%

Operating margin: 10.2%

Net income attributable to owners of the parent: €26.4 million

In € thousands	2019 (IFRS 16)	2018	Change
Revenue	417,757	400,579	+4.3%
Operating profit from ordinary activities	42,801	41,894	+2.2%
<i>As a % of revenue</i>	10.2%	10.5%	
Cost of performance shares	(1,484)	(1,466)	
Other operating income and expenses	(1,464)	(907)	
Operating profit	39,853	39,521	+0.8%
Net financial income/(expense)	(309)	(273)	
Tax (expense)/income	(13,135)	(11,921)	
Net income from consolidated companies	26,409	27,327	-3.4%
<i>As a % of revenue</i>	6.3%	6.8%	
Net income attributable to owners of the parent	26,409	27,327	
Earnings per share	€2	€2.08	
Payroll	6,503	6,166	

Aubay's Board of Directors, which met on March 25 under Chairman Christian Aubert, approved the statutory and consolidated statements for 2019. The statutory audit has been carried out. The Statutory Auditors will issue their report on the financial statements after completion of the procedures required for the publication of the Universal Registration Document.

Operating margin from ordinary activities at higher end of forecast range

At **10.2%**, the Group's operating margin on ordinary activity lies at the higher end of the initial target range and exceeds indications provided in Aubay's annual revenue press release in January.

The year would have been exceptional were it not for the end-of-year disruptions in France due to transportation problems.

The Group's operating margin from ordinary activities for the period came in at **11.3%** for France and **9.1%** for international business, compared with 11.8% and 9.1%, respectively, in 2018.

Operating profit: +0.8%

Aubay's operating profit amounted to **€39.8 million** for 2019, an increase of 0.8% after taking into account the €1.5 million cost of performance shares and the "other operating income and expenses" item, which mainly consisted of restructuring expenses.

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A sharp increase in net cash (excluding rental liabilities) to €11.6 million

The financial situation improved markedly over the year. Aubay's net cash grew from €0.2 million at December 31, 2018 to €11.6 million at the close of 2019.

Cash flow amounted to **€48.3 million**, which represented 11.6% of revenue. Cash flow from operations rose to **€35.6 million**, a sharp improvement compared to 2018's €17.4 million and related to the improvement in working capital.

Net income attributable to owners of the parent down by 3.4%

Net income attributable to owners of the parent maintained a high level of **€26.4 million**, down 3.4% due to an increase in the effective tax rate from 30% in 2018 to 33%, a consequence of the reform of the CICE competitiveness and employment tax credit in France.

Proposed dividend payment unchanged at €0.60 per share

In the current environment, despite these excellent results and distributable reserves of more than €130 million, the Board of Directors has decided to leave the 2019 proposed dividend unchanged at €0.60 per share, representing a distribution ratio of around 30% of net income. The Annual General Meeting will have the opportunity to approve or amend this amount depending on how the current situation is assessed on May 12, 2020.

Outlook for 2020 - Covid-19 information

2020 began at a faster than expected pace. The Group is therefore ready to deal with the current situation in optimal operational health.

The Covid-19 crisis has emerged with varying time lags in the countries where we operate. Our presence in Italy has enabled us to be more alert in the other regions upstream of developments. The Banking, Insurance, Energy and Telecom sectors are relatively resilient, whereas the Industry and Retail sectors tend to rapidly discontinue or defer contracts. Aubay's favorable sector exposure is bolstered by its large number of multi-year contracts.

With respect to work organization, teleworking is widely practiced by 90% of the staff. Sales have slowed down but the Group has observed that clients are tending to place more of their orders with trusted historical suppliers, which include Aubay. Moreover, the Group is continuing to win new markets, but with starting dates that will surely be pushed back. However, a decision has been taken to temporarily freeze new hiring, except in Italy, given the major new accounts won there in late 2019.

Aubay is anticipating and negotiating, particularly with labor organizations in France, the use of specific measures for placing staff on leave if they temporarily have no assignments. In France and abroad, Aubay is also reviewing and preparing a way to temporarily gain access to the various one-time public assistance mechanisms that will be implemented.

A preliminary estimate reveals that daily revenue is 10% below the level budgeted since mid-March. However, the impact varies from one country to the next, with a decrease of about 15% in Spain and in France, 10% in Belgium and Luxembourg and 5% in Italy. Portugal has not yet been impacted. The situation will surely evolve and these figures only provide a snapshot view; they are subject to the usual cautionary statements given the very rapid changes in the situation.

The first quarter will therefore be much less impacted than the second quarter.

Profitability projections are of course impossible to make at the present time. They will depend on the duration of the lockdown measures, additional decisions that clients could take, the strength of the recovery at the close of this period and the recovery support measures accepted by the various governments.

The revenue target of €450 million announced in January has therefore been suspended. The Group will announce its targets once the situation has stabilized with a minimal degree of visibility. At the financial level, the Group's gross cash position currently stands at €25 million, which can be increased, if necessary, by the addition of authorized and not yet used bank overdraft facilities of more than €40 million. Trade receivables are not assigned.

Aubay's management is strongly committed to overcoming this crisis, during which the Group will once again demonstrate its resilience and solidity in difficult environments.

Aubay will publish its revenue for the first quarter of the year on April 22, 2020 after the close of trading.

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Glossary

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.

	2019
Organic growth	+4.3%
Impact of changes in scope	0
Growth as reported	+4.3%

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, abnormal or infrequent and that are booked separately in order to facilitate the understanding of an entity's recurring 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, excluding rental liabilities: 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

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 6,503 employees in 7 countries (France, Belgium, Luxembourg, Italy, Spain, Portugal and the United Kingdom) at December 31, 2019. Aubay generated revenue of €417.8 million in 2019.



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

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APPENDICES

Statement of financial position at December 31, 2019

ASSETS (€ '000s)	12/31/2019	12/31/2018
Goodwill	131,412	124,101
Intangible assets	828	678
Property, plant & equipment	5,575	5,284
Use rights relating to leases	22,996	
Equity-accounted investees	-	-
Other financial assets	2,661	2,309
Deferred tax assets	2,796	2,126
Other non-current assets	277	
NON-CURRENT ASSETS	166,545	134,498
Inventories and work in progress	411	378
Assets on contracts	29,216	20,649
Trade receivables	115,097	115,760
Other receivables and accruals	37,209	35,892
Marketable securities	1,056	0
Cash at bank and in hand	23,411	19,519
CURRENT ASSETS	206,400	192,198
TOTAL ASSETS	372,945	326,696

EQUITY AND LIABILITIES (€ '000s)	12/31/2019	12/31/2018
Capital	6,597	6,568
Additional paid-in capital and consolidated reserves	151,164	131,515
Net income attributable to the Group	26,409	27,327
Shareholders' equity attributable to the Group	184,170	165,410
Attributable to non-controlling interests	91	0
SHAREHOLDERS' EQUITY	184,261	165,410
Borrowings and financial liabilities: non-current portion	5,697	10,493
Rental debts: non-current portion	17,823	
Deferred tax liabilities	5	6
Provisions for contingencies and expenses	6,129	5,328
Other non-current liabilities	489	2
NON-CURRENT LIABILITIES	30,143	15,829
Borrowings and financial liabilities: current portion	7,124	8,819
Rental debts: current portion	5,435	
Trade payables and related accounts	30,576	26,530
Contract liabilities	13,365	17,528
Other current financial liabilities	102,041	92,580
CURRENT LIABILITIES	158,541	145,457
TOTAL EQUITY AND LIABILITIES	372,945	326,696

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Income statement at December 31, 2019

€ '000s	12/31/2019	%	12/31/2018	%
Revenue	417,757	100%	400,579	100%
Other operating income	242		245	
Purchases used in production and external charges	(76,535)		(81,052)	
Staff costs	(288,213)		(272,848)	
Taxes other than on income	(3,056)		(3,178)	
Amortization, depreciation and provisions	(7,412)		(2,014)	
Change in inventories of work in progress and finished goods				
Other operating income and expenses	18		162	
Operating profit from ordinary activities	42,801	10.2%	41,894	10.5%
Expenses linked to restricted share units and similar awards	(1,484)		(1,466)	
Current operating profit	41,317	9.9%	40,428	10.1%
Other operating income and expenses	(1,464)		(907)	
Operating profit	39,853	9.5%	39,521	9.9%
Income from cash and cash equivalents				
Net borrowing costs	(725)		(456)	
Other financial income and expenses	416		183	
Net financial income/(expense)	(309)		(273)	
Income tax expense	(13,135)		(11,921)	
Income from equity-accounted investees				
Net income before results of discontinued operations or assets held for sale	26,409		27,327	
Net income after tax of discontinued operations or assets held for sale				
Net income	26,409	6.3%	27,327	6.8%
Attributable to owners of the parent	26,409		27,327	
Attributable to non-controlling interests	0		0	
Basic weighted average number of shares	13,180,931		13,114,172	
Earnings per share	2.00		2.08	
Diluted weighted average number of shares	13,279,431		13,212,672	
Diluted earnings per share	1.99		2.07	

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Statement of cash flows at December 31, 2019

(€ '000s)	12/31/2019	12/31/2018
Consolidated net income (including non-controlling interests)	26,409	27,327
Income from equity-accounted investees		
Net exceptional depreciation, amortization and provisions relating to leases	6,580	1,442
None-cash expenses and income relating to share-based payments	1,484	1,466
Other non-cash items		60
Dividend income	(89)	(6)
Gains and losses on disposals of fixed assets	24	48
Cash flow after net interest expense and tax	34,408	30,337
Net borrowing costs	730	461
Tax expense (including deferred taxes)	13,135	11,921
Cash flow before net interest expense and tax (A)	48,273	42,719
Income tax payments (B)	(15,382)	(10,416)
Change in trade and other receivables (C)	(2,487)	(19,551)
Change in trade and other payables (C)	5,197	4,635
Change in operating working capital (including liabilities relating to employee benefits)	2,710	(14,916)
Net cash provided by (used in) operating activities (D) = (A+B+C)	35,601	17,387
Outflows for the acquisition of tangible and intangible fixed assets	(4,023)	(2,085)
Inflows from the disposal of tangible and intangible fixed assets	0	97
Outflows for the acquisition of financial assets	32	
Inflows from the disposal of financial assets		
Change in loans and advances granted	(70)	(382)
Outflows (inflows) linked to business combinations net of cash acquired	(7,518)	
Dividends received	89	6
Other financial flows		
Net cash provided by (used in) investing activities (E)	(11,490)	(2,364)
Proceeds from capital increases		
Amounts received upon the exercise of stock options		31
Purchases of treasury shares for cancellation		
Purchase of and proceeds from the sale of treasury shares		
Dividends paid in the period		
Net dividends paid to parent company shareholders	(8,703)	(6,695)
Dividends paid to the non-controlling shareholders of consolidated companies		
Inflows from new borrowings		9,281
Issue of lease liabilities	1,363	
Repayment of debt	(6,722)	(12,075)
Repayment of loan debt	(4,584)	
Net interest payments	(731)	(478)
Purchase of non-controlling interests (put options)		(2,203)
Other financial flows		
Net cash provided by (used in) financial activities (F)	(19,377)	(12,139)
Effects of changes in foreign exchange rates (G)	25	(4)
Change in net cash (D+E+F+G)	4,759	2,880
Opening cash and cash equivalents	19,372	16,492
Closing cash and cash equivalents	24,131	19,372

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