

2016 first half results

Turnover of €203.1 million

Current operating income of €26.6 million

The Tessi Group's Board of Directors met on 5 September 2016 and approved the first half 2016 financial statements. The Statutory Auditors have carried out a limited review of these consolidated financial statements.

> Consolidated income statement (1 January – 30 June)

€m	H1 2016	H1 2015
Turnover	203.1	142.6
Current operating income	26.6	22.8
Current operating margin	13.1%	16.0%
Operating profit	26.8	22.1
Consolidated net income (Group share)	16.3	12.9
Net margin	8.0%	9.1%

Tessi posted first half 2016 turnover of €203.1 million, up 42.4%, including 12.4% like-for-like growth (excluding the recent acquisitions of Diagonal Company, Tessi documents solutions Switzerland and Austria and BPO Solutions).

Turnover generated outside France amounted to €59.9 million, compared to €16.1 million in H1 2015.

Current operating income rose by €3.8 million to €26.6 million, up 16.6% compared with the previous year. Like for like, current operating income decreased by €1.1 million, or 5%.

The operating margin amounted to 13.1%, compared to 16.0% in H1 2015 and 14.4% for full year 2015. Three main factors explain this trend:

- the consolidation of the recently acquired companies;
- the continued decrease in cheque volumes;
- the currency exchange business adversely affected by a geopolitical environment unfavourable to tourism and the contraction of the gold business.

The contribution of each division to the Group's current operating income was as follows:

- Tessi document services posted turnover of €170.5 million, up 59.1%. Acquisitions accounted for additional turnover of €42.7 million over the period, resulting in like-for-like growth of 19.3%. Current operating income, which amounted to €21.9 million, was up

41.5% over the previous year. The most recent acquisitions accounted for €4.9 million of this increase, reducing it to 9.8% like-for-like.

- Tessi customer marketing generated turnover of €12.9 million, up 4%. Current operating income recovered and returned a positive contribution of €0.8 million, compared with a loss of €0.1 million in H1 2015.
- CpoR Devises posted turnover of €19.6 million, down €3.4 million compared with the previous year. Current operating income amounted to €3.9 million, compared with €7.4 million in H1 2015.

Net income Group share increased by 25.8% to €16.3 million, after a net financial expense of €0.8 million, corporation tax of €8.2 million and minority interests of €1.5 million.

Group net margin amounted to 8.0% of turnover, compared with 9.1% in H1 2015.

> Financial structure

€m	30/06/16	31/12/15
Net cash excluding net cash dedicated to CpoR Devises	-2.9	-0.2
Equity capital (Group share)	183.6	173.6

Operating cash flow amounted to €15.3 million compared with €21.4 million as at 30 June 2015. Capital expenditure amounted to €5.6 million, while investments in external growth amounted to €15.0 million. Free cash flow amounted to an outflow of €15.2 million, compared to a €9.3 million inflow last year.

> Expected trends for 2016

Tessi will prioritise the integration of the recently acquired companies in 2016, and will focus on ensuring that the newly expanded consolidation scope achieves the Group's customary profit levels. Tessi will also pursue its policy of innovation and acquiring new expertise, both in France and abroad.

Next release

Q3 2016 turnover,
7 November 2016 after market close.



About Tessi:

- Tessi is the No. 1 document processing specialist in France
- Listed on Euronext Paris Compartment B - ISIN code – FR0004529147 – Ticker: TES
- Head office in Grenoble, France (38)
- Founded in 1971 and acquired in 1979 by Marc Rebouah, the current CEO
- French No. 1 in cheque receipt and processing
- French No. 1 in foreign exchange and gold trading
- French No. 1 in managing deferred promotional operations

For further information visit: www.tessi.fr

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