

## First half 2018 results

### Turnover of €205.5 million

### Current operating income of €21.7 million

The Management Board met on 31 August 2018 and approved the first half 2018 financial statements which were presented to the Supervisory Board on 11 September 2018. The Statutory Auditors have conducted a limited review of these financial statements.

#### > Consolidated income statement (1 January – 30 June)

Foreward: on 4 June 2018, Tessi announced the signing of an agreement to transfer its 80% equity stake in CPoR Devises to Loomis, the remaining 20% being held by Credit Agricole SA. This agreement is subject to a non-opposition decision by the European Central Bank, on the recommendation of the French Prudential Supervision Authority. Accordingly, CPoR Devises is henceforth consolidated as an asset held for sale.

| €m  | 30/06/2018 | 30/06/2017 | Change (%) |
|---|------------|------------|------------|
| <b>Turnover</b>                                     | 205.5      | 198.5      | +3.5%      |
| <b>Current operating income</b>                     | 21.7       | 25.4       | -14.6%     |
| <b>Current operating margin</b>                     | 10.6%      | 12.8%      |            |
| <b>Net income from continuing operations</b>        | 11.7       | 12.5       | -6.4%      |
| <b>Net income/loss from discontinued operations</b> | 2.1        | 3.6        |            |
| <b>Net income (Group share)</b>                     | 13.4       | 15.1       | -11.3%     |

First half 2017 figures have been adjusted for the application of IFRS 5.

Over the first half, Tessi posted 2017 turnover of €205.5 million, excluding CPoR Devises, up 3.5% like-for-like from 2017.

The current operating margin, excluding CPoR Devises amounted to 10.6% of turnover versus 12.8% in first half 2017, in line with:

- Exceptional business volumes in France in first half 2017, particularly driven by one-off campaigns. In 2018, changes to tax and employment-related items had an unfavourable impact on results (decrease in CICE tax credit, termination of hiring assistance scheme, increase in CVAE, etc.).
- International business volumes increased but were impacted by a decrease in price and volume of a long-standing and significant client, and the acquisition of Diagonal, whose transformation plan (rolled out in 2017) will begin to bear fruit.
- Costs related to setting up Tessi's Center for Excellence in Intelligent Automation (CETIA), impacting ROI.

#### Tessi

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- Strengthening the managerial team and systems to support the Group's transformation and growth.
- Integration of Dhimyotis in July 2017 (operational loss of €0.6 over first half 2017).

Performance by division breaks down as follows:

- Tessi documents services posted turnover of €192.1 million and current operating income of €20.6 million.
- Tessi customer marketing posted turnover of €13.4 million and current operating income of €1.1 million.

Over the first half, the Group recorded non-recurring operating expenses totalling €1.0, mainly related to the CPoR Devises transfer agreement and the Owliance acquisition. Operating income excluding CPoR Devises thus came to €20.7 million compared to €23.9 for first half 2017.

Net income Group share includes a net financial expense of €3.1 million, corporate income tax of €5.7 million and €0.5 million in minority interests.

## > Financial structure

| €m   | 30/06/2018 | 30/06/2017 |
|--|------------|------------|
| <b>Pro forma results excluding CPoR Devises.</b> |            |            |
| Net borrowings                                   | 126.4      | 63.4       |
| Equity capital (Group share)                     | 174.5      | 161.1      |

\*restated in accordance with IFRIC 9

Operating cash flow amounted to €17.7 million.

Capital expenditure amounted to €4.6 million, while investments in acquisitions (including the acquisition of the Owliance Group) amounted to €66.7 million.

As a result, free cash flow amounted to a €30.2 million outflow.

## > 2018 Outlook

Tessi is committed to continuing its strategy to grow its core business, the management of information flows and outsourcing strong value-added services while maintaining its margins. In addition, Tessi will continue to implement its innovation policy, an essential prerequisite for its development, whilst remaining on the lookout for potential acquisitions.

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### **Next release**

Q3 turnover,  
6 November 2018 after market close

### **Next information meeting:**

on 12 September 2018 at 10am



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### **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)
- Created in 1971 and acquired by Pixel Holding on January 12, 2017
- European leader in information flow management and cheque receipt and processing
- French No. 1 in foreign exchange and gold trading
- French No. 1 in managing deferred promotional operations

For more information please visit our website: [www.tessi.fr](http://www.tessi.fr)

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