

- Bank debt fully refinanced
- Exceptional dividend
- Proposed simplified tender offer by Pixel Holding
- Slight dip in 2018 current operating income at constant consolidation scope

Tessi this day announces the following transactions:

- The refinancing of its bank debt;
- The payment of an exceptional dividend and an interim dividend, subject to approval by Tessi's general meeting of shareholders, notice of which will be posted on 9 January 2019, representing a total amount of €120 million or €42.70 per share (including €54.10 million, or €19.25 per share, as an exceptional dividend and €65.91 million, or €23.45 per share, as an interim dividend).

In addition, Pixel Holding has informed the Company that tomorrow it will file with the French financial markets authority (Autorité des marchés financiers or AMF) a proposed simplified tender offer (the "Offer") for all Tessi shares at a price of EUR 160 per share (including the amount of the proposed distributions). In connection with this offer, Tessi has asked Euronext to suspend the listing of its shares during the 7 January 2019 trading session. This suspension will continue through the 8 January 2019 session.

The Tessi Supervisory Board has given its approval to these proposals for the following reasons:

- Tessi has obtained the agreement of its banking partners to refinance its entire debt with new senior debt amounting to €165 million, resulting in 2018 net leverage of approximately 0.5x EBITDA before dividend and 2.5x EBITDA after dividend. This agreement requires the signing of bank documentation, the main terms of which have already been agreed between the parties. The debt conditions thus obtained by the Company are both more favorable, with a 10bps reduction in financing costs, and more flexible, with a 2-year extension of its debt maturity and a relaxation of covenants. These resources will enable Tessi to repay the shareholder loan granted to it by Pixel Holding in 2017 as well as contribute to finance the aforementioned distributions;
- The distributions offered by Tessi will enable the Company to distribute the proceeds from the 31 December 2018 sale of its stake in CPoR Devises and to accommodate the refocusing of its operations on Business Process Outsourcing (BPO);
- The Supervisory Board considered that this refinancing and the proposed dividend distributions are in line with Tessi's interests. This assessment was notably made in light of the findings of an independent appraisal carried out by Sorgem Evaluation.

With regard to Pixel Holding's Offer and in accordance with Article 261-1 I of the AMF General Regulation, NG Finance has been appointed independent appraiser with the task of drawing up a report on the financial terms of the Offer for Tessi's Supervisory Board.

In its report, NG Finance concludes as follows: "*We consider that the offer price of €160 is reasonable and fair for the Company's shareholders in view of the risks borne by the holders of these instruments. Under such conditions, we believe that, at the date of this Report, the conditions of the proposed Transaction are fair, from a financial point of view, to the Company's shareholders.*"

#### Tessi

Head office: 177 cours de la Libération - 38029 Grenoble Cedex 2

Tel. +33 (0)4 76 70 59 10 - Fax +33 (0)4 56 38 27 00

[www.tessi.fr](http://www.tessi.fr)



The Supervisory Board, by unanimous vote of its members, has decided to approve the proposed Offer:

- The Offer is in the interests of the Company and its shareholders, to which it will provide immediate liquidity for their entire equity stake under financial terms deemed fair by the independent appraiser, at the high end of the various valuation ranges resulting from the multi-criteria analysis implemented in his report, in the context of changes in Tessi's balance sheet structure accompanied by an increase in debt leverage, a refocusing of Tessi's operations on its BPO business and the very low market liquidity of the Tessi share;
- As for Tessi's employees, the Supervisory Board deemed that the Offer was in their interests, since it is consistent with the Company's business continuity and growth policy and should not have an impact on its policies on employment and the management of staff relations and human resources.

Tomorrow, Tessi will file its draft response document with the AMF, which will include the fairness opinion issued by the independent appraiser on the financial terms and conditions of the Offer.

During these various reviews, Tessi's Management Board also confirmed that, according to its best estimate, Tessi's current operating income for 2018 is expected to be marginally lower than in 2017 at constant consolidation scope (excluding Owlance), i.e. around €42 million. At constant consolidation scope, the slight dip in expected operating income for 2018 reflects several factors:

- Tessi's international business has fallen short of expectations. The transformation plan launched in Q3 2017 in Spain is still underway and has not yet achieved its full potential; the 22% increase in Spain's minimum wage announced in December 2018 is also delaying its implementation;
- It became necessary to strengthen the management and support teams, both at Group level and for the management of the French businesses;
- Despite its strong positioning, Tessi operates on competitive markets. In France, business was outstanding in 2017 (significant one-off contracts) and remains healthy in 2018, despite adverse social and tax circumstances.

Through its Offer, Pixel Holding seeks to express its confidence in Tessi's prospects in the years ahead. Pixel Holding has no plans to implement a squeeze-out after this offer.

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#### **About Tessi:**

A services company, Tessi supports businesses in the digitisation of the customer experience.

Tessi is an international Business Process Services provider operating in over 13 European countries.

Listed on Euronext Paris Compartment B (TES), Tessi posted turnover of €426.6 million in 2017 and currently employs 8,500 people.

Read more at: [www.tessi.fr](http://www.tessi.fr)

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#### **Contacts**

##### **Tessi**

Communication department  
Phone: + 33 (0)4 76 70 59 10  
[communication@tessi.fr](mailto:communication@tessi.fr)

##### **Actus**

Amalia Naveira / Investor Relations  
Marie Claude Triquet / Media Relations  
Phone: + 33 (0)4 72 18 04 90  
[anaveira@actus.fr](mailto:anaveira@actus.fr) / [mctriquet@actus.fr](mailto:mctriquet@actus.fr)