



Paris, June 5, 2018

Annual financial statements for fiscal 2017-2018

Income from operating activities up 14 percent

Net income up 15.2 percent

The SII engineering consulting group has released its financial results for the 2017-2018 fiscal year. They were approved by its Management Board on June 4, 2018 and are currently being audited.

Management board chairman Eric Matteucci commented that *“Fiscal 2017-2018 was highlighted by a sharp acceleration of growth in France and in international operations. In addition to strong organic growth, the Group benefited from the addition of Feel Europe, which bolsters SII’s position in the banking and insurance sector. Helped by sound fundamentals, SII expects organic growth of between 11.5 and 14 percent next year, and anticipates that its operating margin will continue to rise thanks to efforts aimed at improving profit margins at Feel Europe, and in international operations.”*

In €m Period ended March 31 (audit in progress)	2016-2017	2017-2018	Change
Revenue	438.85	560.90	+ 27.8%
Gross income from operations	34.98	39.88	+ 14.0%
<i>Gross operating margin (% of revenue)</i>	7.97%	7.11%	- 0.86 pt.
Operating income	33.46	37.99	+ 13.5%
<i>Operating margin (% of revenue)</i>	7.62%	6.77%	- 0.85 pt.
Consolidated net income	22.35	25.82	+ 15.5%
Net income after minority interests	22.40	25.81	+ 15.2%
Average headcount	5,949	7,150	+ 1,201
Headcount at the end of the period	6,775	7,552	+ 777



Annual revenue for fiscal 2017-2018 surpasses target

Revenue for the year ended March 31, 2018 totaled €560.90m, well above the announced estimate of €545m. The 15.6-percent organic growth was remarkable considering that the period had fewer working days (five less than in fiscal 2016-2017). With the additional impact of the acquisition of Feel Europe (which generated revenue of €53.9m), the Group posted growth of 27.8 percent for the year.

Added staff and effectiveness of local offices

The expansion of the SII Group's business has caused it to increase its hiring. At the end of the year, it employed a total workforce of 7,552 persons, up from 6,775 at the end of the previous year. The increase in the average headcount in France accelerated during the period to 8.3 percent, from 7 percent the previous year. With 22 local offices, the SII Group is well represented throughout France, where 70.1 percent of its staff is based outside the Paris area.

Also in France, the average billable hours ratio (excluding paid vacations) improved by 0.7 points over the period, ending at 91.3 percent, compared with 90.6 percent the previous year.

Improved profits

Gross income from operations for fiscal 2017-2018 was €39.9m, representing an operating margin of 7.1 percent. As anticipated, profitability was affected by the higher number of holidays during the period, which were only partially offset by the improvement in billable hours. Operating income was also temporarily affected by the dilutive impact of Feel Europe. The Group has taken the needed steps to achieve its aim of improving margins at that subsidiary by 2019.

Thanks to the year's strong performance, SII's net income improved by 15.2 percent to €25.8m for the period ended March 31, 2018.

With a higher cash flow in fiscal 2017-2018 (up 9.6 percent to €25.3m) boosted by growth in the business, the Group had net cash of €20.1m at the end of the year, while its equity increased to €142m.

Proposed dividend of €0.15 per share

In keeping with its dividend distribution policy, SII will propose to the annual shareholders' meeting on September 20, 2018 that it approve a payout of €0.15 per share, higher than last year.

Outlook

With the market for its services still expanding, the SII Group expects to continue its development and anticipates organic growth of between 11.5 and 14 percent in fiscal 2018-2019, which would generate revenue in the range of €625m to €640m. A more auspicious calendar (one additional working day) and the



expected gradual improvements in profitability at Feel Europe and international operations cause SII to project an increase in its operating margin for fiscal 2018-2019.

Next financial announcement:

Fiscal 2018-2019 first quarter revenue, Friday, August 14, 2018, after the close of trading

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About SII

As a trusted technology partner, SII provides high value-added solutions for the IT projects of many large corporations. It relies on a staff of expert engineers and on methods at the cutting edge of quality standards to carry out its activities in:

- Technology Consulting (IT, electronics and telecommunications)
- Digital Services (IT technology and networks)

SII has opted for a corporate structure that offers the responsiveness and flexibility associated with local-level services, with nine regional offices in France and eighteen more in other countries on four continents, all of which have access to all of the Group's operational resources and can provide effective services to major corporations' international operations.

The SII Group posted revenue of €560.9m in fiscal 2017-2018, which ended March 31, an increase of 27.8 % percent, and has been expanding its operations and its growth has outpaced that of other firms in its sector.