



Paris, December 11, 2018

## Fiscal 2018-2019 first-half financial results

Revenue up 14.1 percent  
 Operating income up 19.7 percent  
 Confirmation of guidance

The SII engineering consulting group has released its financial results for the first half of fiscal 2018-2019, as approved by its Management Board on December 5 and currently being audited.

Management board chairman Eric Matteucci commented that: *“The SII Group posted very strong business and financial results for the half year. The staff’s energy and commitment helped generate growth in all sectors and most regions. Operating profit also increased sharply by 19.7 percent. Based on these developments, we can confirm our earlier objectives for the year, namely revenue of between 625 and 640 million euros and a higher gross margin.”*

In €m Period ended September 30	H1 2017-2018	H1 2018-2019	Change
<b>Revenue</b>	259.20	<b>295.64</b>	+14.1%
<b>Gross income from operations</b>	17.44	<b>21.05</b>	+20.7%
<i>Gross operating margin (% of revenue)</i>	6.7%	<b>7.1%</b>	+0.4pt
<b>Operating income</b>	17.00	<b>20.35</b>	+19.7%
<i>Operating margin (% of revenue)</i>	6.6%	<b>6.9%</b>	+0.3pt
<b>Consolidated net income</b>	10.87	<b>13.65</b>	+25.6%
<b>Net income after minority interests</b>	10.89	<b>13.62</b>	+25.1%
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Average headcount	6,918	<b>7,662</b>	+744
Headcount at the end of the period	7,127	<b>7,802</b>	+675



## **First half of fiscal 2018-2019: Strong growth in both historical sectors and where the Group has been diversifying**

The SII Group posted another half year of growth, with revenue rising by 14.1 percent over the same period a year ago. Total sales for the period amounted to €295.65m.

In France, revenue for the first six months increased by 9.1 percent to €157.98m. Almost all sectors contributed to this result, as did the impact of an additional workday. The SII Group maintains its active hiring policy, under which 606 new employees were added during the period. This caused the Group's total headcount to increase by 7.5 percent from the first half of 2017-2018. Staff turnover in France remained at 21.8 percent, unchanged from earlier periods.

Revenue from international operations shot up 20.3 percent to €137.67m for the half year. Business outside France accounted for 47 percent of SII's total sales, up from 44 percent the first half of 2017-2018. Poland again posted growth in excess of 30 percent. Demand there is strong for both engineering and offshore services, a segment that has experienced further growth. Business continued to expand in Germany and Spain, with revenue rising by 7 percent.

All sectors reported strong growth during the period. Business was up 13.7 percent in aerospace and defense, which account for 22.3 percent of revenue. The banking and insurance sector was boosted by new developments in the industry and grew more than 28 percent; it now accounts for 20.3 percent of the Group's revenue. Energy and telecommunications posted growth of 12.6 and 8.3 percent, respectively. Revenue also increased significantly (by 10 percent) in the other sectors (services, manufacturing, automobile, transportation, retail and healthcare).

## **Improved profitability**

The SII Group generated higher profits, with operating income up 19.7 percent to €20.35m for the period. This was attributable in part to a marked improvement in income from international operations. The operating margin rose by 2.0 points to 8.6 percent, in spite of additional provisions for doubtful receivables being set aside in Spain. In France, the operating margin fell slightly (by 0.9 points) under the impact of an increase in overhead to prepare for and facilitate future growth. The billable hours ratio (net of paid leaves) averaged 91.6 percent in France, an improvement of 0.3 points in the period. For the Group as a whole, the ratio was 92.0 percent.

After allowing for interest and taxes, net income improved by 25.6 percent to €13.65 million.

As of September 30, 2018, the Group had net cash of €8.85m (up from €7.32m on March 31, 2018). The period saw an increase in cash flow from operations (to €23.6m for the half year, versus €17.9m for the first half of the previous year), consistent with the growth in business. The Group's net worth was €152.7m (€142.0m on March 31, 2018).



## Outlook for fiscal 2018-2019

As part of the continued development of its international operations, the SII Group has announced that a new subsidiary would shortly become operative in Europe, to complement the services already offered in the 18 countries where SII is present worldwide. SII Sweden will give the Group access to the Scandinavian market, while relying on the skills and expertise of SII Poland, which will be in charge of the project.

In view of the first half's performance, SII confirms its objectives for the full fiscal 2018-2019:

- Revenue of between 625 and 640 million euros, representing organic growth of between 11.5 and 14.0 percent,
- A higher operating margin.

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### Next financial announcement:

Fiscal 2017-2018 third quarter revenue, Tuesday, February 12, 2019, 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 (of which 15.6% in organic growth), and has been expanding its operations and its growth has outpaced that of other firms in its sector.