PRESS RELEASE

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26 July 2018

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NEW CHALLENGES, NEW IDEAS

Gfi Informatique: VERY SOLID 2018 FIRST-HALF RESULTS

STRONG ORGANIC REVENUE GROWTH: +5.2%

OPERATING MARGIN: +17%

CASH FROM OPERATING ACTIVITIES: +14.6%

NET DEBT UNDER CONTROL

SUCCESS OF THE TAKE-OVER BID ON REALDOLMEN

Saint-Ouen (France), 26 July 2018 – The Board of Directors of Gfi Informatique held a meeting, on 26 July 2018, chaired by Vincent Rouaix, to examine the Group's condensed consolidated financial statements[1] for the first-half of the 2018 financial year.

Main items of the profit & loss statement (in millions of euros)	**06.30.18**	**06.30.17**	**∆**	**∆%**
Revenue	625.5	562.1	63.4	11%
Operating margin	29.6	25.3	4.3	17%
Operating margin %	4.7%	4.5%		0.2 point
Net operating income	19.5	19.1	0.4	2%
Net profit/(loss)	7.3	8.4	-1.0	-12%
Net profit (loss) per share, Group share	0.11	0.13	-0.01	-11%
Operating cash flow	30.9	27.0	3.9	15%
Main elements of the Balance sheet (in millions of euros)	**06.30.18**	**06.30.17**	**∆**	**∆%**
Shareholders' equity	307.8	297.8	9.9	3%
Net debt	318.7	153.5	165.1	108%
Debt to equity ratio	104%	52%		+52 points

Gfi Informatique opted for the modified retrospective method. The application of the standard led the Group to recognize a revenue of € 1.9 million. The accounts as of June 30, 2017 have not been restated.

Commenting on these results, **Vincent Rouaix, Chairman and Chief Executive Officer of Gfi Informatique,** said: *"The first half of 2018 reinforces our leadership position. In terms of our economic and financial performance, the Group reported strong growth in business activities both in France and abroad, as well as an improvement in its operating margin and cash flows. In addition, we were very active on the acquisition front. I am particularly proud of the success of our friendly take-over bid on Realdolmen, making Gfi Informatique a major player in Europe."*

1 The limited review procedures for the half-yearly financial statements have been performed. The limited review report is currently being prepared.

STRONG GROWTH AND OPERATING MARGIN IMPROVEMENT

Group revenue in the first half of the 2018 financial year came out at 625.5 million euros, up significantly by +11.3% year-on-year. Organic growth was 5.2%.

Group organic revenue growth remained strong at +4.2% in the second quarter compared to +6.2% in the first quarter.

The Group's operating margin increased to 29.6 million euros, implying growth of 17% in absolute value, and up 0.2 basis points to 4.7%.

- ### IN FRANCE: growth in revenue and strong operating margin in the 1st half

In France, revenue came out at 439.3 million euros, compared with 418.5 million euros at 30 June 2017, representing reported and like-for-like growth of 5.0% and 4.1%, respectively. Growth in the second quarter reached 4.4%, of which 2.9% on a like-for-like basis. The operating margin amounted € 16.5 million compared with € 15.6 million in H1 2017, increasing by 5.8% despite an unfavorable calendar in the first half (-1 business day).
The Services activity turned in a strong performance in the first half, benefiting from a growth in the activity rate and stable average daily rate (ADR). France benefitted from the closing of major contracts with its big customers and also from new contracts in the mid-market. The first half was also marked by the consolidation of the Solutions Business activity thanks to high order intake over the period and sustained business level. The Software activity declines on the first half of 2018 due to a high basis of comparison, but the second half should be more dynamic.

Sales activity was very intense over the period, and at 30 June, the rolling book-to-bill was 1.23.

On the half-year, the Group pursued and stepped up its investments in France, notably in the Solutions, Digital and Outsourcing segments. In addition, to support its new offers for its clients, the France increased the number of "Fablabs" in regions. "Fablabs" enable the Group's customers to submit business transformation issues in order to provide innovative solutions.

Finally, the Company demonstrated its dynamism and strong appeal in recruiting with 1,144 new employees for a net increase of 171 people.

- ### INTERNATIONAL ACTIVITY: very strong growth and improved profitability

International business grows strongly

At 186.3 million euros, international business accounted for 29.8% of sales in the first half of 2018, compared with 25.5% a year earlier. Underpinned by the acquisitions carried out in 2018, growth on a reported basis reached +29.8% and +8.4%, on a like-for-like basis, over the half-year. The operating margin also progressed strongly by 7.0% to 13.1 million euros compared with year-earlier levels of +6.8% and 9.7 million euros, respectively.

- **Iberia-LatAm**

H1 2018 revenue rose from 109.8 million euros to 120.6 million euros, implying growth of 9.8% at the reported level and of 7.1% on a like-for-like basis. The operating margin was 6.1%, compared with 6.7% last year, due to a very strong basis of comparison.
Spain reported sustained organic growth over the period (2.8%) and, in particular, a sharp improvement in operating margin which came out at 4.1 million euros versus the year-earlier level of 2.8 million euros representing respectively 6.1% and 4.3% of the revenue.
The operating margin in Portugal rose from 11.4% for the period ended 30 June 2017 to 6.6%. The margin in Portugal benefited from the enhanced profitability of core activities as well as the development of the Roff SAP business. The decline on year-earlier level was expected, given the high basis of comparison.
At the reported level, strong revenue growth in the LatAm area was underpinned by the acquisition of Gesfor in Mexico (consolidated since 1st March 2018). Core activities in the area also enjoyed strong growth of 51.4% over the period.

- **Northern and Eastern Europe** (Benelux, Poland and Switzerland)

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Regional revenue soared to 55.0 million euros in H1 2018 from the year-earlier level of 26.1 million euros at 30 June. Activity in the area was notably driven by the consolidation of Realdolmen's activities on the 1st of June. However, like-for-like regional growth of 9.7% also demonstrated the dynamism in Belgium, Poland and Switzerland.
The surge in operating margin from 2.2 million euros to 5.0 million euros was also underpinned by the contribution of Realdolmen. As a percentage of sales, the operating margin came out at 9%, compared with 8.3% in H1 2017.

- **Africa and the Rest of the World**
  The contribution from the rest of the world activities rose from 7.6 million euros in H1 2017 to 10.7 million euros at end-June 2018 primarily (8.8 million euros) generated by activities in Africa. They marked up strong growth of 53.1%, of which 29.9% on a like-for-like basis. Revenue in Africa benefited from the acquisitions of Cynapsys in Tunisia (consolidated since 1st March) and Value Pass (since 1st June). Organic growth was sustained by Morocco and Angola.

NET OPERATING INCOME - NET PROFIT

Operating income came out at 19.5 million euros, up 2% on the year-earlier level of 19.1 million euros.
This result benefited from operating margin improvement but also takes into account all costs related to acquisitions carried out in the first half of the year (3.8 million euros) and notably those attached to the take-over bid on Realdolmen.
Restructuring costs in the amount of 4.7 million euros, incurred for the most part in the first half, were contained and down slightly compared to 5.1 million euros the previous year.
The cost of debt increased by 1.7 million euros mainly due to financing costs related to the Realdolmen transaction.
As a result, net profit after tax came out at 7.3 million euros, compared with 8.4 million euros last year.

GEARING UNDER CONTROL – SUCCESSFUL GROUP REFINANCING

In the first half, operating cash flows before cost of net debt and income tax expense stood at 30.9 million euros, up 14.6% compared to the end-June 2017 level of 27.0 million euros. Given the growth in business, WCR consumption was controlled at -15.7 million euros, compared with -28.7 million euros at end-June 2017. Investments in fixed assets increased from 16.6 million euros to 17.7 million euros. The major element of the half-year remained the acquisitions, which amounted to € 154.8 million, mainly comprising 171 million euros (before cash), disbursed for the acquisition of 88.92% of the Realdolmen shares.

At 30 June 2018, net debt totalled 319 million euros, implying gearing of 104%, in line with Group expectations.
To finance its acquisitions, the Group undertook a total refinancing of its debt. At 30 June 2018, the Group had contracted a syndicated loan in the amount of 200 million euros and a 85 million euro bridge loan to cover the existing pre-acquisition debt and its 2018 first-half acquisitions, including Realdolmen. In addition this loan includes an acquisition and a revolving loan, totalling 100 million euros. The Group complied with the terms of the covenants as of 30th June 2018.

HEADCOUNT

The Group's workforce (excluding subcontractors) totalled 17,000 employees at 30th June 2018, compared to 14,800 at 31st December 2017. On the basis of the actions undertaken, particularly in France, the number of hirings net of terminations in the second half is positive despite the fact that the attrition rate remains high.

SUCCESS OF THE REALDOLMEN TAKE-OVER BID

On 26th April 2018, Gfi Informatique launched a friendly take-over bid on Realdolmen at a unit price of 37 euros per share and 11.03 euros per warrant, representing a premium of 11% on the share closing price of past 22th of February and of 22% and 28%, respectively, compared to the weighted average prices by volume of the last three and six months. Following the initial acceptance period and the voluntary and compulsory re-opening periods of the offer, nearly 96% of Realdolmen shares were contributed. As a result, Gfi Informatique initiated a squeeze out on 23th July 2018 which will end next 10th of August.
The Group is delighted with the success of this operation which will ensure the integration and optimal development of Realdolmen within Gfi Informatique.

Specialised in IT applications services, IT infrastructure services, digital transformation and CRM solutions, as well as in outsourcing services for medium-sized companies, Realdolmen also provides specific solutions for the healthcare and finance sectors.
Realdolmen published its results last 25th of May (financial year from 1st April 2017 to 31st March 2018) and reported revenue of 258.1 million euros up 5.9% and an operating profit of 14 million euros compared to 12 million euros last year. Net income was (1.1) million euros compared to 10.6 million euros the previous year. This was an exceptionally low result due to the recognition of 9.1 million euros non-current costs related to the transaction and an exceptional deferred tax expense.
As a result of this transaction, Gfi Informatique is now one of the leading players in the Benelux and is pursuing its strategy of wining significant market share where the Group is present.

ACQUISITION OF VALUE PASS

Gfi Maroc acquired Value Pass. This company is the first partner to receive SAP certification in the French-speaking African countries. The company generates full-year revenue of 5 million euros and has a staff of around 70 people. Value Pass was consolidated on 1st June 2018.

MANNAI CORPORATION RAISES ITS CAPITAL STAKE IN GFI INFORMATIQUE

On 14 June 2018, Mannai Corporation acquired 10,206,695 Gfi Informatique shares from Apax Partners, Altamir and Boussard & Gavaudan, raising, as per the previous agreements, its stake in the Group to 96.6%. In addition, the concerted action and the shareholder's agreement set up by Mannai Corporation and Apax Partners (jointly with Altamir) and Boussard & Gavaudan were terminated. Following this operation, the Company sets up a new governance structure within the Board of Directors and the different Committees. Out of the eight members serving on the Board of Directors, which is chaired by Vincent Rouaix, two represent the Mannai Corporation, four are independent Directors and the eighth member is the Director representing employees.

By reinforcing its capital stake in Gfi Informatique, Mannai Corporation confirmed its engagement to be a long-term shareholder which will enable it, as an IT services expert, to help steer the Group's development.

OUTLOOK

For the 2018 financial year, while remaining attentive to the economic environment and on the back of acquisitions, the Group is maintaining its full-year objectives to pursue its transformation, continue to build up its international presence and improve its operating margin.

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Next meeting: Q3 2018 Revenue – 6 November 2018

Note:
The items in this press release other than historical facts are estimates. They do not constitute guarantees because of the inherent difficulties in forecasting results. Actual results may differ considerably from explicit or implicit forecasts.

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About Gfi Informatique
Gfi Informatique is a major player in value-added IT services and software in Europe, and occupies a strategic position in its differentiated approach to global firms and niche entities. With its multi-specialist profile, the Group serves its customers with a unique combination of proximity, sector organisation and industrial-quality solutions. The Group has around 15,000 employees and generated revenue of €1,132 million in 2017.
Gfi Informatique is listed on Euronext Paris, NYSE Euronext (Compartment B) – ISIN: FR0004038099.

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APPENDICES

Revenue by quarter

Revenue (in millions of euros)	1st quarter 2018	1st quarter 2017	Variation	Organic growth
France	**221.8**	**210.3**	**5.5%**	**5.4%**
International	**77.0**	**70.3**	**9.5%**	**8.7%**
Iberian Peninsula-LatAm	**58.4**	**54.1**	**7.9%**	**6.9%**
Spain	*33.3*	*32.5*	*2.7%*	*2.7%*
Portugal	*19.6*	*18.3*	*6.7%*	*6.7%*
LatAm	*5.5*	*3.3*	*66.2%*	*56.5%*
Northern and Eastern Europe	**13.9**	**12.5**	**11.1%**	**11.4%**
Benelux	*7.1*	*7.0*	*2.1%*	*2.1%*
Switzerland	*2.5*	*1.9*	*34.3%*	*46.3%*
Poland	*4.2*	*3.6*	*16.6%*	*12.8%*
Africa	**3.7**	**2.8**	**32.3%**	**28.3%**
Rest of the World	**1.0**	**0.9**	**16.9%**	**25.2%**
Total	**298.8**	**280.5**	**6.5%**	**6.2%**

Revenue (in millions of euros)	2nd quarter 2018	2nd quarter 2017	Variation	Organic growth
France	**217.5**	**208.3**	**4.4%**	**2.9%**
International	**109.2**	**73.2**	**49.1%**	**8.0%**
Iberian Peninsula-LatAm	**62.2**	**55.7**	**11.7%**	**7.3%**
Spain	*33.7*	*32.8*	*2.9%*	*2.9%*
Portugal	*20.6*	*19.1*	*7.9%*	*7.9%*
LatAm	*7.8*	*3.8*	*107.4%*	*47.1%*
Northern and Eastern Europe	**41.1**	**13.6**	**201.7%**	**8.2%**
Benelux	*34.2*	*7.0*	*388.2%*	*8.4%*
Switzerland	*2.7*	*2.7*	*1.1%*	*9.7%*
Poland	*4.1*	*3.9*	*5.8%*	*6.8%*
Africa	**5.1**	**3.0**	**72.7%**	**31.3%**
Rest of the World	**0.8**	**0.9**	**-15.6%**	**-26.5%**
Total	**326.7**	**281.4**	**16.0%**	**4.2%**

Revenue (in millions of euros)	6 months 06.30.2018	6 months 06.30.2017	Variation	Organic growth
France	**439.3**	**418.5**	**5.0%**	**4.1%**
International	**186.3**	**143.6**	**29.8%**	**8.4%**
Iberian Peninsula-LatAm	**120.6**	**109.8**	**9.8%**	**7.1%**
Spain	*67.1*	*65.3*	*2.8%*	*2.8%*
Portugal	*40.2*	*37.5*	*7.3%*	*7.3%*
LatAm	*13.3*	*7.1*	*88.2%*	*51.4%*
Northern and Eastern Europe	**55.0**	**26.1**	**110.6%**	**9.7%**
Benelux	*41.4*	*14.0*	*195.4%*	*5.3%*
Switzerland	*5.2*	*4.6*	*14.7%*	*24.6%*
Poland	*8.4*	*7.5*	*11.0%*	*9.8%*
Africa	**8.8**	**5.8**	**53.1%**	**29.9%**
Rest of the World	**1.9**	**1.9**	**-0.2%**	**-2.3%**
Total	**625.5**	**562.1**	**11.3%**	**5.2%**

Summary profit & loss statement, cash flow statement and balance sheet

Summary profit & loss statement (in millions of euros)	06.30.18	06.30.17
Revenue	**625.5**	**562.1**
EBITDA	41.2 6.6%	35.4 6.3%
Net amortization and depreciation	11.5	10.0
Operating margin	**29.6**	**25.3**
Amortisation of assigned intangible assets	(1.2)	(1.3)
Goodwill impairment	-	-
Other operating income and expenses	(8.9)	(4.9)
Net operating income	**19.5**	**19.1**
Financial result	(3.0)	(2.4)
Taxes	(9.2)	(8.4)
Net profit/(loss)	7.3	8.4
Net profit (loss) per share, Group share	*0.11*	*0.13*

Consolidated cash flows (in millions of euros)	06.30.18	06.30.17
Operating cash flow	30.9	27.0
Tax paid	(7.9)	(6.6)
Change in WC requirement	(15.7)	(28.7)
Net cash from operating activities	7.2	(8.3)
Net cash from investing activities excl. business combinations	(18.4)	(18.0)
Net cash linked to business combinations investments	(154.8)	(14.0)
Net cash from investing activities	(173.2)	(32.1)
Capital increase	-	0.0
Repurchases and sales of treasury shares	0.1	(0.0)
Dividends paid	(10.0)	(10.0)
New borrowings	252.5	-
Repayment of borrowings	(80.9)	(9.6)
Interests paid	(1.1)	(1.1)
Factor drawing	22.6	40.8
Net cash from financing activities	183.1	20.1
Effect of changes in foreign exchange rate	(0.9)	(0.2)
Change in cash and cash equivalents	**16.2**	**(20.5)**

Summary balance sheet (in millions of euros)	06.30.18	12.31.17
Goodwill	425.1	283.1
Fixed assets	119.7	102.6
Current and non-current assets	655.7	533.5
Cash	74.7	29.7
Total assets	1 275.2	948.9
Net equity - attributable to owners of the Group	306.8	321.1
Non-controlling interests	1.0	0.9
Borrowings (current and non-current)	393.4	167.8
Current and non-current liabilities	543.8	451.9
Financial liabilities and current provisions	30.2	7.2
Total equity and liabilities	1 275.2	948.9

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