PRESS RELEASE

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May 14, 2019

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Gfi: 2018 Annual Results

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PRO FORMA REVENUE OF €1.5 BILLION, OF WHICH 40% INTERNATIONAL

GFI ACCELERATES ITS INTERNATIONAL EXPANSION WITH FIVE ACQUISITIONS, INCLUDING REALDOLMEN IN BELUX

ORGANIC GROWTH WELL ABOVE MARKET GROWTH: + 7.4%

REVENUE: €1,394.5 m (+23%, of which +7.4% organic)
OPERATING INCOME: €67.7 m (+21%)
ADJUSTED[1] NET INCOME: €43.3 m (+16%)

Saint-Ouen (France), 14 May 2019 - The Board of Directors of Gfi, chaired by Vincent Rouaix, met on 29 March 2019 to review the consolidated financial statements for the year ended 31 December 2018.

Main items of profit & loss account (in millions of euros)	**2018 (1)**	**2017 (1)**	**Δ**	**Δ%**
Revenue	1,394.5	1,131.9	262.7	23%
Operating margin	82.9	69.0	13.9	20%
Operating margin in %	5,9%	6,1%	-0.2 point	
Operating income	67.7	55.8	11.9	21%
Net income	39.8	37.3	2.5	7%
Earnings per share, Group share	0.60	0.56	0.04	7%
Net cash flow from operating activities	65.1	23.7	41.4	175%
Main balance sheet items (in millions of euros)	**2018 (1)**	**2017 (1)**	**Δ**	**Δ%**
Shareholders' equity – Net equity	332.5	321.9	10.6	3%
Net debt	324.5	138.2	186.4	135%
Gearing	98%	43%	+55 points	

(1) The 2018 annual financial statements are prepared in accordance with IFRS 15 and those prepared at 31 December 2017 are prepared in accordance with IAS 18.

"The *year 2018 is exceptional in more than one respect. First of all, by the success of the external growth operations carried out internationally, in particular the Takeover Bid on Realdolmen. 2018 then confirmed the Group's ability to achieve organic growth above market levels, thanks to the strength and quality of its offer. Finally, Gfi is improving its results and is experiencing very significant growth in its operating cash flow. In 2019, the Group will continue its international expansion,"* said **Vincent Rouaix, Chairman and CEO**.

[1] Income before acquisition costs of companies acquired in 2018 (Realdolmen, Gesfor, Cynapsys, ValuePass, Vauban)

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STRONG ACTIVITY OF THE GROUP - TRANSFORMATION PLAN

Business in 2018 was very strong with organic growth of +7.4%. In concrete terms, all regions are growing organically, confirming the quality of the development and acquisition strategy implemented in recent years. Organic growth in France (€903.9m) at +6.9% is well above market growth, while internationally (€490.7m) the Group's growth is even stronger at +8.9%.
The Group's transformation necessarily involves growth and acquisitions, but also an in-depth evolution of its offer. This is why the Group has launched various projects as part of its Boost 2020 plan and has mobilized its teams around its unifying themes in order to meet digital challenges, increase the internationalization of its software offer, establish operational and industrial excellence, and develop the Mid-Market offer, among others. 2018 is in this respect a year of transition in which the Group has invested considerably without affecting its EBITDA, which increased by +22.5% to €107.8 million or +7.7%.

ACCELERATED INTERNATIONALIZATION THROUGH FIVE ACQUISITIONS DURING THE YEAR

While it considers that it has reached critical mass in France, since 2016 the Group has announced its intention to continue to strengthen its international presence. Taking into account the acquisitions made, the international share is 35% in the published financial statements and 40% on a pro forma basis. Facial revenue growth was +69.8%.
With approximately €600 million in international sales, five times more than in 2015, the Group now has a very strong presence in Iberia (€218.1 million), Belux and Eastern Europe (€350 million pro forma) and is developing very rapidly in Africa (€25 million pro forma).

Northern and Eastern Europe

Realdolmen: Realdolmen is recognized in Belgium and Luxembourg for its IT application services, IT infrastructure services, digital transformation and CRM offerings, as well as outsourcing services for medium-sized companies. Realdolmen also offers specific solutions in the health and financial sectors. In 2018, it generated a turnover of €284 million with a workforce of 1,224 people. Realdomen has been fully consolidated since June 1st, 2018, following the success of the takeover bid and the company's delisting.

Vauban: based in Romania, Vauban is an IT development service provider on behalf of third parties for major accounts, mainly in the banking, insurance, utilities and telecom sectors. With a workforce of around 380 people, the company has a turnover of around €10 million. Vauban has been consolidated since December 21, 2018.

Africa

Cynapsys: established in Tunisia and France, Cynapsys is a multi-specialist with a turnover of approximately €5 million and a workforce of 230 people. The company serves local and international clients in nearshore. Cynapsys has been consolidated in the Group's financial statements since March 1, 2018.

ValuePass: the first SAP-certified partner in French-speaking African countries, ValuePass has a turnover of around €5 million and a workforce of around 70 people. Value Pass has been consolidated since June 1st, 2018.

Iberia-Latam

Gesfor: based in Mexico City and Panama, the company has a turnover of around €12 million in the banking sector with 450 consultants and also serves the Group's major international clients in Iberia. Gesfor has been consolidated since March 1st, 2018.

GROWTH IN OPERATING INCOME OF +21% AND ADJUSTED NET INCOME OF +16%

Operating income amounted to €67.7 million, up 21% compared to last year. This €11.9 million increase is due exclusively to the increase in the operating margin. Other operating income and expenses include, in addition to depreciation of affected assets and restructuring charges at the same level as last year, acquisition costs. The latter are very significant due to the Realdolmen operation. Overall, acquisition costs amounted to €5.1 million compared to €2 million last year.

Acquisitions also had a negative impact on financial income, which amounted to €10.3m, compared with €5.2m in 2017.

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Net income at €39.8 million increased by +7%, resulting in diluted earnings per share of €0.60, compared with €0.56 in 2017. The Group incurred transaction costs for the 5 acquisitions made and particularly for the largest Realdolmen. These non-recurring costs represented a total amount of €5.1 million before tax and €3.4 million after corporate income tax. Excluding these items, operating income and net income would have amounted to €71m and €43.3m, representing growth of 28% and 16% respectively.

A HEALTHY FINANCIAL SITUATION AND A VERY STRONG INCREASE IN NET CASH FLOW TO €65M, OR +175%

Despite the acquisitions and efforts made to transform itself, the Group ended the year with a very reasonable level of financial debt and in particular a financial debt to EBITDA ratio of 2.95. The growth in profitability and the control of working capital requirements have made it possible to considerably increase operating cash flow, which at €65.1 million is up by +175% compared to last year. In 2018, the Gfi Group refinanced its €410 million syndicated loan and issued EuroPP for €90 million to finance its acquisitions. Its rapid reduction in debt over the year should facilitate its access to additional financing to carry out other operations, if necessary.

A CONTINUOUS INCREASE IN EMPLOYMENT

As of December 31, 2018, the Group had approximately 19,000 employees (14,800 in 2017), including 10,500 in France. The number of employees in Service Centres stood at 1,553, compared with 1,449 at the end of 2017.
This year, the Group aims to recruit more than 3,000 people.

Gfi DELISTING: A LONG-TERM SHAREHOLDER TO SUPPORT THE GROUP'S DEVELOPMENT

2018 was also marked by the completion of the takeover of the Group by our shareholder Mannai Corporation. With a participation increased as planned to more than 96% in June 2018, and given the low level of the public shares, the delisting was carried out on 13 December 2018.

VERY AMBITIOUS TARGETS FOR 2019 AND 2020

The Group considerably strengthened its positions in 2018, both geographically and in terms of its offerings. Its unique shareholding structure and balance sheet are assets for the Group, which intends to pursue its development at a rapid pace. It also sets itself the target of achieving a turnover of at least €2 billion by 2020, with an operating margin of around 8%.

Warning:
The elements of this press release other than the historical facts are objectives. The objectives are not guarantees due to the difficulties inherent in anticipating results. Actual results may differ materially from explicit or implicit objectives.

About Gfi
A leading European player in value-added IT services and software, Gfi Informatique is strategically positioned to differentiate between global operators and niche players. With its multi-specialist profile, the Group offers its customers a unique combination of proximity, sectoral organisation and industrial quality solutions. The Group, which has nearly 19,000 employees, generated sales of €1,395 million in 2018.
For more information www.gfi.world

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APPENDICES

Revenues (in millions of euros)	12 months 31/12/2018	12 months 31/12/2017	Variation	Organic growth
France	**903.9**	**842.9**	**7,2%**	**6,9%**
International	**490.7**	**289.0**	**69,8%**	**8,9%**
Iberia-LatAm	**248.4**	**219.4**	**13,2%**	**8,8%**
Spain	135.6	127.0	*6,8%*	*6,8%*
Portugal	82.5	76.7	*7,5%*	*7,5%*
LatAm	30.3	15.7	*93,4%*	*33,7%*
Northern and Eastern Europe	**219.1**	**53.1**	**312,5%**	**10,6%**
Benelux	191.1	27.5	*595,9%*	*10,4%*
Switzerland	10.8	9.7	*11,3%*	*15,7%*
Poland	17.2	15.9	*7,8%*	*7,9%*
Africa and the rest of the world	**23.1**	**16.5**	**39,9%**	**5,0%**
Total	**1,394.5**	**1,131.9**	**23,2%**	**7,4%**

Summary income statement **(in millions of euros)**	**2018 (1)**	**2017 (1)**	**Δ**
Revenues	**1,394.5**	**1,131.9**	**262.7**
EBITDA (2)	107.8 7,7%	88.0 7,8%	19.8 0,0%
Net Depreciation and amortization net	24.9	19.0	5.9
Operating margin	**82.9**	**69.0**	**13.9**
Amortization of assigned intangible assets	(2,4)	(2,4)	0.0
Goodwill impairment losses	-	-	-
Other operating income and expenses	(12,8)	(10,8)	(2,0)
Operating income	**67.7**	**55.8**	**11.9**
Financial result	(10,3)	(5,2)	(5,1)
Income tax expense	(17,6)	(13,3)	(4,3)
Net profit	39.8	37.3	2.5
Diluted Earnings per share (in euros)	*0.60*	*0.56*	*0.04*

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(2) EBITDA = Operating margin adjusted for non-cash items

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Consolidated cash flow statement (in millions of euros)	2018 (1)	2017 (1)	Δ
Cash flow from operating activities	91.5	73.3	18.2
Tax paid	(18,0)	(14,1)	(3,9)
Changes in working capital requirements	(8,4)	(35,5)	27.1
Net cash flow from operating activities	65.1	23.7	41.4
Net cash flow from investing activities outside the scope of consolidation	(38,6)	(31,3)	(7,4)
Net cash flow related to changes in the scope of consolidation	(191,1)	(15,2)	(175,9)
Net cash flow from investing activities	(229,7)	(46,4)	(183,3)
Treasury shares held by the Company	0.2	(0,1)	0.3
Dividends paid out	(10,0)	(10,0)	(0,1)
New borrowings	378.8	10.3	368.5
Repayment of borrowings	(180,2)	(15,4)	(164,7)
Interest paid	(7,6)	(3,6)	(4,0)
Change in factoring drawdowns and other	(7,1)	21.3	(28,4)
Net cash flows from financing activities	174.0	2.5	171.6
Impact of the foreign exchange rate	(1,5)	(0,4)	(1,1)
Change in cash and cash equivalents	**7.9**	**(20,7)**	28.6

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Consolidated statement of financial position (in millions of euros)	2018 (1)	2017 (1)	Δ
Goodwill on acquisitions	455.9	283.1	172.7
Capital assets	123.3	102.6	20.7
Other non-current and current assets	643.5	533.5	110.1
Cash position	35.3	29.7	5.6
Total assets	1,258.0	948.9	309.1
Group shareholders' equity- Net equity	331.8	321.1	10.8
Shareholders' equity Minority interests	0.7	0.9	(0,2)
Borrowings	359.8	167.8	192.0
Non-current and current liabilities	547.8	451.9	95.9
Financial liabilities and current provisions	17.8	7.2	10.6
Total liabilities	1,258.0	948.9	309.1

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