



Press release

## Emakina Group results 2016: continuing double-digit growth in activities

Revenues of € 77,339,000, up 10%;  
EBITDA of € 5,400,000, down 11%

BRUSSELS, 24 MARCH 2017 (EMBARGO until 5.30 pm CET) - Emakina Group (Alternext Brussels: ALEMK) announces its annual results for 2016 today.

### 1. Key figures

In thousands of EUR	2015	2016	Variation
Revenues	70,340	77,339	+ 10%
Earnings before interest, depreciation and amortisation (EBITDA)	6,070	5,400	- 11%
Operating margin %	8.6%	7.0%	
Profit before tax	1,952	2,012	+ 3%
Net result	1,147	1,150	+ 0%

**Karim Chouikri and Brice Le Blévenec**, joint CEOs of Emakina Group:

“Last year, Emakina group again recorded double-digit revenue growth and maintained its net result. Thanks to this, the group has been able to strengthen its equity base.

This performance is the result of a commercial and implementation strategy that is increasingly well integrated by all the teams in the group, while the Group continues to invest in the right technological choices and in recruiting the best talent. We would like to thank all our clients once again for their confidence in us, as well as our 765 strong staff and our sales partners for their excellent contribution.”

**Frédéric Desonnay**, CFO of Emakina Group:

“The international expansion of the group is continuing, with 59% of revenues in 2016 coming from outside Belgium. At the same time, revenues recorded with Belgian clients rose by 6% in 2016. Meanwhile the operating margin fell back somewhat in 2016 (-11%) having risen very sharply in 2015 (+50%). This is due mainly to the substantial investments made necessary by the sustained growth in our activities and the essential need to integrate the group’s entities.”

## 2. Key events in 2016

### a) New business

In 2016, new national and international clients partnered with some of Emakina Group's agencies. To name a few, these included: Agrifirm – Nuscience, Aquafin, Aspern Smart City, Assemblin, Balta Group, Bridon Bekaert Ropes, Carglass, Carrera, Citroën, Coolinvestments, De Persgroep, Diageo, Gaastra, Groupe Holder, Hélène Rubinstein, HEMA, Högl Shoe Group, Jacob Holm, Kodak Alaris, Konica Minolta, Ladurée, Legolas, Liérac, Louvre Hôtels, Marktplaats (Ebay), Maserati, Mondi, Mr. Green, Naspers, Ores, Parrot, Paula's Choice, Phyto, Puratos, REWE Group, Santander Bank, Sigfox, Stanley and Stella, Ter Beke and Wolford.

### b) Continued acquisitions

In January 2016, Emakina acquired a 100% stake in the Swedish digital agency **Dempsey**, based in Stockholm, with a staff of 15. Through this transaction, following on from the commercial partnership agreement signed in 2013, Emakina reinforces its presence in the Scandinavian countries.

In September 2016, Emakina acquired a 100% stake in **k.section**, a CRM expert agency, based in Vienna. k.section is a certified partner of the world's leading CRM solutions, including Siebel/Oracle, Microsoft Dynamics, and Salesforce. The k.section team comprises around twelve experts.

In January 2017, Emakina acquired all the capital in the Swedish company **Doe Blomberg Gottberg** (DBG), three times winner of the Swedish 'Communication Agency of the Year' award. By acquiring this second agency based in Stockholm, Emakina has reinforced its presence in Scandinavia, where it now has over 30 staff, as well as its position as European leader as an independent full-service agency.

### c) Internationalisation

In geographical terms, the share of the revenues recorded 'outside Belgium' accounted for 59% of the consolidated revenue in 2016, compared with 57% in 2015.

### d) Integration and synergies

The group's significant expansion over the past few months calls for a considerable effort as regards integration and synergies among the various entities in the group.

In practical terms, this is reflected in the deployment of joint management platforms and in better sharing of respective know-how, available resources and technologies. These efforts inevitably weigh on the group's operational profitability.

### e) Talent

Talent is both the main asset and the challenge facing Emakina Group, which does everything possible to attract and develop exceptional people. At Emakina Group, talent is given the opportunity to develop: through contact with colleagues and demanding clients; by receiving training; by participating in research and development programmes.

## f) Commercial and technological partnerships

Through its commercial partners, Emakina Group offers its clients a broad geographic scope combined with in-depth local knowledge: Asiance (Korea); Air (Belgium) since early 2017; Air Paris (Paris, Shanghai and New York) since 2016; Bubblegum (Spain); Domino (Italy); Metia (Great Britain, United States and Singapore); Witty (Turkey) since 2016 and SinnerSchrader (Germany).

In 2016, in order to strengthen its technological competence, Emakina concluded new technological partnerships with IBM, Progress Sitefinity CRM, Marketo Marketing automation software and Kentico, for which Emakina has become the first certified technological partner for Europe.

## g) Prizes and awards

In 2016, Emakina won 70 awards for various projects involving web-building, motion, design and creativity, emphasising the quality of the services we provide.

Several technological partners also honoured Emakina with major international prizes in 2016:

- **Demandware** (now known as Salesforce Commerce Cloud): ‘EMEA Sales Partner of the Year’ and ‘EMEA Runner-up Implementation Partner of the Year’.
- **Selligent**: ‘Campaign of the Year and Best Creative Awards’.
- **Sitecore**: ‘Best Digital Marketing and Best Business Awards’.

## 3. General comment

### Double-digit sales growth

Emakina Group’s consolidated revenues amounted to €77,339,180 in 2016, compared with €70,340,217 in 2015, an increase of 10% (+7% at constant scope).

As already mentioned above, international expansion continues, with over 59% of income generated from clients located outside Belgium. At the same time, revenues generated in Belgium continue to increase, recording a rise of 6% in the 2016 financial year compared with 2015.

The acquisition in January 2016 of the digital agency Dempsey and in January 2017 of the creative agency Doe Blomberg Gottberg (DBG), both based in Stockholm, as well as the acquisition in September 2016 of the Vienna-based agency k.section, which specialises in CRM, are the latest examples of Emakina’s strategy to expand internationally.

### EBITDA down by 11%

The operating profit before depreciation (EBITDA) amounted to €5,400,484 (€5,202,056 at constant scope) in 2016 compared with €6,069,790 in 2015. Expressed as a percentage of total sales, EBITDA fell from 8.6% to 7.0% (6.9% at constant scope) between 2015 and 2016.

### *Regulatory information – free translation*

As a reminder, this situation is due mainly to the substantial investments made necessary by the sustained growth in our activities and the need to integrate the group's entities.

Unlike EBITDA, current income (before amortisation of goodwill) rose by 9% from €3,571,773 in 2015 to €3,893,318 in 2016 owing to the lack of any major impairment in 2016 and a sharp rise in the financial results in 2016 (thanks to gains on exchange rates, capital gains and financial charges under control).

### **Positive net income stable at €1,150,420**

Net income remained stable in 2016 compared with 2015, strengthening the group's equity further to the fluctuation in the current income, the lack of any major non-recurrent charges in 2016 and a tax burden under control.

Amortisation of goodwill (imposed by Belgian accounting standards) negatively impacts the company's net income, which amounted to €1,944,636 in 2016 compared with €1,645,235 in 2015. This element of Belgian accounting standards, which imposes systematic amortisation, weighs significantly on the consolidated net income.

Before amortisation of goodwill, net income rose by 11% compared with 2015.

## **4. Financial health**

The group maintained its financial stability in 2016 thanks to a level of financial debt in line with its expansion, working capital needs under control and the availability of adequate credit lines.

## **5. Outlook for 2017**

Emakina Group management anticipates single-digit organic growth in revenues over 2017 as a whole, based of its business outlook.

## **6. Statement from the company directors**

The Board of Directors of the company declares that, to the best of its knowledge, the interim condensed and consolidated financial statements as at 31 June 2016, established in accordance with Belgian accounting standards, give a true and fair view of the assets, financial status and results of Emakina Group.

The annual financial report contains an accurate description of the information that must be included in it.

## 7. Other

### a) Auditor's report

The auditor has confirmed that the audit of the consolidated accounts is complete in terms of substance and has not revealed any significant adjustment to be made to the accounting data presented in the consolidated figures.

### b) Belgian accounting standards

All the consolidated figures set out in the appendices have been established in accordance with Belgian accounting standards (in particular as regards the mandatory amortisation of goodwill). These figures provide a summary of the financial results that will be presented in detail in the 2016 annual report.

### c) Shareholders' diary 2017

3 April 2017:	Annual report 2016 (brochure);
24 April 2017:	General meeting of shareholders;
15 September 2017:	Publication of first half-yearly results 2017

## ABOUT EMAKINA GROUP

**Emakina Group ranks among the top three independent full-service digital agency groups in Europe.**

Emakina Group agencies offer cutting-edge digital marketing services to leading domestic and multinational clients focusing on creating outstanding user experiences for their clients, employees and partners.

**Happy users make successful brands.**

Almost eight hundred experts working from 15 offices in nine European countries deliver delightful websites, e-commerce, applications and communication campaigns that build user equity, the key to a successful digital transformation.

Emakina Group reported revenues of € 77.3 million in 2016 and is listed on Alternext at Euronext Brussels ([ALEMK\\_BB](#) - ISIN: BE0003843605)  
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## CONTACTS

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**CONSOLIDATED FIGURES 2016 – EMAKINA GROUP SA**

<b>CONSOLIDATED INCOME STATEMENT (EUR) *</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>SALES AND SERVICES</b>	<b>77,339,180</b>	<b>70,340,217</b>	<b>56,135,588</b>
Turnover	73,987,356	67,561,421	53,444,947
Variations in projects in progress	656,683	-436,797	51,959
Capitalised production	149,075	102,199	129,698
Other operating income	2,546,066	3,113,394	2,508,984
<b>OPERATING CHARGES (BEFORE AMORTISATION)</b>	<b>-71,938,696</b>	<b>-64,270,428</b>	<b>-52,082,281</b>
Purchase of equipment and services linked to sales	-33,845,013	-33,621,620	-26,665,481
Staff costs	-37,913,614	-30,458,796	-25,272,915
Other operating charges	-180,069	-190,011	-143,885
<b>EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTISATION = EBITDA</b>	<b>5,400,484</b>	<b>6,069,790</b>	<b>4,053,307</b>
<b>AMORTISATION AND DEPRECIATION</b>	<b>-1,408,302</b>	<b>-1,898,211</b>	<b>-1,692,033</b>
Amortisation of intangible and tangible fixed assets	-1,400,682	-1,367,209	-1,560,223
Depreciation of trade receivables	-1,230	-503,482	-131,810
Provisions for liabilities and charges	-6,390	-27,520	0
<b>OPERATING PROFIT</b>	<b>3,992,182</b>	<b>4,171,579</b>	<b>2,361,274</b>
<b>FINANCIAL RESULTS</b>	<b>-98,864</b>	<b>-599,806</b>	<b>-460,281</b>
Financial income	633,775	238,706	261,454
Financial charges	-732,639	-838,513	-721,735
<b>CURRENT PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES</b>	<b>3,893,318</b>	<b>3,571,772</b>	<b>1,900,993</b>
<b>AMORTISATION OF GOODWILL**</b>	<b>-1,944,636</b>	<b>-1,645,235</b>	<b>-1,619,758</b>
<b>CURRENT PROFIT</b>	<b>1,948,683</b>	<b>1,926,537</b>	<b>281,235</b>
<b>EXTRAORDINARY RESULTS</b>	<b>63,351</b>	<b>25,576</b>	<b>-343,151</b>
<b>RESULTS BEFORE TAXES</b>	<b>2,012,033</b>	<b>1,952,113</b>	<b>-61,916</b>
<b>DEFERRED TAXES</b>	<b>5,465</b>	<b>-74,957</b>	<b>-61,467</b>
<b>INCOME TAXES</b>	<b>-867,078</b>	<b>-729,979</b>	<b>-730,101</b>
<b>SHARE IN THE RESULTS OF COMPANIES IN CONSOLIDATION USING THE EQUITY METHOD</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES.</b>	<b>3,095,055</b>	<b>2,792,412</b>	<b>766,274</b>
<b>NET RESULTS</b>	<b>1,150,420</b>	<b>1,147,177</b>	<b>-853,484</b>
A. Share of minority interests	431,757	590,055	278,666
B. Group share	718,663	557,122	-1,132,150

<b>DATA PER SHARE</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
NUMBER OF SHARES	3,893,353	3,893,353	3,844,061
NUMBER OF SHARES AND WARRANTS	3,893,353	3,931,293	3,941,781
CURRENT RESULTS / SHARE (in EUR)	0.5005	0.4948	0.0732
CURRENT RESULTS / SHARE AND WARRANT (in EUR)	0.5005	0.4899	0.0713
GROUP SHARE / SHARE (in EUR)	0.1846	0.1431	-0.2945
GROUP SHARE / SHARE AND WARRANT (in EUR)	0.1846	0.1417	-0.2872
NET RESULT / SHARE (in EUR)	0.2955	0.2947	-0.2220
NET RESULT / SHARE AND WARRANT (in EUR)	0.2955	0.2918	-0.2165

Regulatory information – free translation

<b>ASSETS (EUR) *</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>FIXED ASSETS</b>	<b>15,290,743</b>	<b>12,922,391</b>	<b>10,176,906</b>
Formation expenses	88,410	141,733	195,055
Intangible assets	1,697,932	1,829,716	2,063,497
Consolidation differences	11,917,967	9,621,685	6,582,723
Tangible assets	1,289,929	1,069,198	1,028,533
Financial assets	296,505	260,059	307,098
<b>CURRENT ASSETS</b>	<b>29,528,681</b>	<b>28,822,802</b>	<b>24,759,590</b>
Stocks and contracts in progress	3,479,708	2,818,607	3,255,404
Deferred taxes	0	0	79,136
Amounts receivable within one year	21,921,645	20,560,092	18,474,777
Current investments	339,422	65,395	314,201
Cash at bank and in hand	2,331,209	4,314,371	2,044,869
Deferred charges and accrued income	1,456,697	1,063,797	591,203
<b>TOTAL ASSETS</b>	<b>44,819,424</b>	<b>41,745,193</b>	<b>34,936,496</b>
<b>LIABILITIES (EUR) *</b>	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
<b>CAPITAL AND RESERVES</b>	<b>10,735,919</b>	<b>10,116,550</b>	<b>9,135,600</b>
<b>MINORITY INTERESTS</b>	<b>1,012,558</b>	<b>760,445</b>	<b>670,127</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>111,700</b>	<b>105,310</b>	<b>0</b>
<b>DEFERRED TAXES AND DEFERRED TAX LIABILITIES</b>	<b>2,425</b>	<b>7,889</b>	<b>12,068</b>
<b>DEBTS</b>	<b>32,956,822</b>	<b>30,754,999</b>	<b>25,118,701</b>
Debts payable after one year	3,822,243	2,515,600	1,470,618
Debts payable within one year	28,895,668	27,610,416	23,206,853
Debts of over one year maturing within the year	1,463,613	1,513,116	1,320,845
Financial debts	6,182,009	3,148,934	4,788,341
Trade debts	5,630,216	7,040,325	4,690,241
Advances received	5,623,111	6,245,727	5,400,122
Taxes, wages and social security	5,843,238	5,520,916	5,233,689
Other debts	4,153,481	4,141,398	1,773,615
Accrued charges and deferred income	238,911	628,983	441,230
<b>TOTAL LIABILITIES</b>	<b>44,819,424</b>	<b>41,745,193</b>	<b>34,936,496</b>

\* Drawn up in accordance with Belgian accounting standards.

\*\* In accordance with the Group's accounting policies, goodwill is amortised over eight years, irrespective of all consideration of any excess value in accordance with Belgian accounting standards.

In accordance with the Alternext Brussels regulations, this annual press release is optional. It will be followed by the publication of the Emakina Group annual financial report 2016, which contains all the regulatory information.

This report will be available on our website, [www.emakina.com](http://www.emakina.com) (section "Financial - Reports") as of 3 April 2017 in accordance with the legal requirements in this matter.