



Press release

Regulatory information – free translation

Results 2017: continued international growth and positive operating margin trend

Income of EUR 80,305,000, up 3.8%; EBITDA of EUR 5,727,000, up 6.1%

BRUSSELS, 16 MARCH 2018 (EMBARGO → 6.00) – Emakina Group (Euronext GROWTH Brussels: ALEMK) announces its annual results for 2017 today.

1. Key figures year 2017

In thousands of EUR	2016	2017	Variation
Income	77,339	80,305	+3.8%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5,400	5,727	+6.1%
Operating margin %	7.0%	7.1%	
Result before tax	2,012	1,239	-773
Net result	1,150	32	-1,118

2. Key events in 2017

a) New business

In 2017, new national and international clients partnered with one of Emakina Group's agencies. These included, among others: BCGE Bank, Boucheron, Carrera, Courir, ECCO, First Stop, International Ice Hockey Federation, Intersport, Konica Minolta Europe, Le Pain Quotidien, Maxeda, Mondì, Öcard, Renault Nissan Consulting, Transdev, Vienna Tourism Board.

b) Continued acquisitions

In January 2017, Emakina acquired all the capital in the Swedish agency Doe Blomberg Gottberg (DBG), which has 15 staff and has won the Swedish 'Communication Agency of the Year' award three times. This transaction strengthens Emakina's presence in Scandinavia, where it now has over 30 colleagues.

c) Internationalisation

In geographic terms, sales 'outside Belgium' increased by over 9% during 2017 as a whole and now account for 61% of the consolidated income, compared with 59% in 2016. Emakina Group, one of the leading independent agencies in Europe, is also investing in the growth of its American and Asian activities.

d) Talents

Attracting and retaining talented individuals remain the main challenges facing the Emakina Group owing to the keen competition on the employment market and the scarcity of resources, particularly in Europe. Furthermore, maintaining a relevant portfolio of expertise in line with the needs of clients remains a subtle art in a technological context marked by accelerated obsolescence.

e) Technological partnerships

In 2017, Emakina Group heightened its mastery of strategic partner technologies and continued its commercial development around them. The Group agencies offer a full range of technical platforms with integrated digital experience platforms on the one hand (Adobe, Salesforce, Kentico, Sitecore, Sitefinity) and specialised solutions on the other (Drupal, Magento, Umbraco, Selligent Marketing Cloud, Marketo, etc.).

f) Prizes and awards

In 2017, Emakina won over 40 awards for various projects involving web-building, e-commerce, user experiences, video, design, writing and creativity, emphasising the quality of the services we provide.

Several technological partners also honoured Emakina with major international prizes in 2017: Kentico 'Consumer Goods Site of the Year', Progress Sitefinity 'Best Website Q1', 'Sitecore Agility Award' and three Sitecore 'Most Valuable Professional Awards'.

3. General comment

Growth in activities, especially at international level

Over 2017 as a whole, Emakina Group's consolidated sales amounted to EUR 80,304,612 compared with EUR 77,339,180 the year before, representing an increase of 4% (stable at constant scope), boosted in particular by 9% growth in activities 'outside Belgium'.

6% rise in EBITDA

The consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 5,726,817 (EUR 5,180,967 at constant scope) in 2017, compared with EUR 5,400,484 in 2016, an increase in absolute terms of 6.0%. Expressed as a percentage of total sales, EBITDA rose from 7.0% to 7.1% between 2016 and 2017.

This development in the operating profitability can be attributed in particular to a better occupancy rate, improved production efficiency and a cost structure under control.

Current profit under control and positive net result

The current profit before tax amounted to EUR 1,375,730 in 2017, mainly owing to (i) the increase in the amortisation of goodwill linked to the group's external growth strategy and to (ii) the fall in the financial result in 2017 which, it should be remembered, benefited greatly in 2016 from the favourable trend in the Turkish lira and the Swiss franc against the euro.

The net profit in 2017 (EUR 32,206) may be attributed to the development of the current profit and non-recurrent charges linked in particular to moves to other premises. This net profit helps maintain the group's equity base.

As a reminder, the amortisation of goodwill (which is compulsory under Belgian accounting standards) had a negative impact of EUR 2,390,944 on the company's net result in 2017, compared with EUR 1,944,636 in 2016 further to the development of the group's scope. This element of Belgian accounting law, which imposes systematic amortisation (booked under financial charges), weighs significantly on the consolidated net result.

4. Financial health

The group maintained its financial stability in 2017 thanks to a net positive result, a level of financial indebtedness in line with its internationalisation strategy, working capital requirements under control and the availability of adequate credit lines.

5. Event after closure

In February 2018, Emakina announced the acquisition of all the shares in Karbyn, a New York agency with a workforce of around ten, through its subsidiary, The Reference. Karbyn recorded an annual turnover in 2017 of over USD 2 million, while its EBITDA stands at around USD 0.3 million.

This is the most recent example of Emakina's determination to operate beyond the borders of Europe in order to better serve its international clients, including in particular Le Pain Quotidien.

The Emakina Group Board of Directors endorsed this transaction in March 2018.

6. Outlook for 2018

Based on current commercial indicators and the existing scope, Emakina Group is expecting one-digit growth of its consolidated income in 2018.

7. Statement from the company directors

The Board of Directors of the company declares that, to the best of its knowledge, the condensed and consolidated financial statements as at 31 December 2017, 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.

8. Miscellaneous

a) Auditor's report

The auditor has confirmed that his 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 annual report.

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 are presented in detail in the 2017 annual report.

c) Shareholders' diary 2018

30 March 2018:	Annual report 2017 (brochure);
23 April 2018:	General meeting of shareholders;
14 September 2018:	Publication of first half-yearly results 2018.

ABOUT EMAKINA GROUP

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

With over 800 experts working from 15 offices in nine countries, Emakina Group agencies are at the cutting edge of digital marketing. They offer their services to leading domestic and international companies that focus on developing innovative user experiences for their target groups, employees and partners.

Happy users make successful brands.

By supplying carefully designed websites, applications, e-commerce and communication campaigns, Emakina helps its clients to carry out a successful digital transformation. Emakina Group recorded sales of EUR 80.3 million in 2017 and is listed on the Euronext GROWTH Brussels market (ALEMK_BB - ISIN: BE0003843605)

CONTACTS

Karim Chouikri	Chief Executive Officer	+32(0)2 400 40 75	kch@emakina.com
Frédéric Desonnay	Chief Financial Officer	+32(0)2 788 79 26	fds@emakina.com
Luc Malcorps	Director of Media Relations	+32(0)2 788 79 73	lma@emakina.com

Emakina Group S.A.

Rue Middelbourg 64A
1170 Brussels
Belgium
VAT 0464.812.221
ISIN BE 0003843605

In accordance with the Euronext GROWTH Brussels regulations, all the regulated information is included in the Emakina Group annual financial report 2017, which contains all the regulatory information, available on the website www.emakina.com (section "Financial - Reports").

CONSOLIDATED FIGURES 2017 – EMAKINA GROUP SA

CONSOLIDATED INCOME STATEMENT (EUR) *	31/12/2017	31/12/2016	31/12/2015
SALES AND SERVICES	80,304,612	77,339,180	70,340,217
Turnover	75,916,133	73,987,356	67,561,421
Variations in projects in progress	1,210,431	656,683	-436,797
Capitalised production	999,717	149,075	102,199
Other operating income	2,178,331	2,546,066	3,113,394
OPERATING CHARGES (BEFORE AMORTISATION)	-74,577,795	-71,938,696	-64,270,428
Purchase of equipment and services linked to sales	-34,115,576	-33,845,013	-33,621,620
Staff costs	-40,302,954	-37,913,614	-30,458,796
Other operating charges	-159,265	-180,069	-190,011
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION = EBITDA	5,726,817	5,400,484	6,069,790
AMORTISATION AND DEPRECIATION	-1,581,827	-1,408,302	-1,898,211
Amortisation of intangible and tangible fixed assets	-1,438,455	-1,400,682	-1,367,209
Depreciation of trade receivables	-58,166	-1,230	-503,482
Provisions for liabilities and charges	-85,206	-6,390	-27,520
OPERATING PROFIT	4,144,990	3,992,182	4,171,579
FINANCIAL RESULTS	-378,316	-98,864	-599,806
Financial income	778,476	633,775	238,706
Financial charges	-1,156,792	-732,639	-838,513
CURRENT PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES	3,766,674	3,893,318	3,571,772
AMORTISATION OF GOODWILL**	-2,390,944	-1,944,636	-1,645,235
CURRENT PROFIT	1,375,730	1,948,683	1,926,537
EXTRAORDINARY RESULTS	-136,583	63,351	25,576
RESULTS BEFORE TAXES	1,239,147	2,012,033	1,952,113
DEFERRED TAXES	970	5,465	-74,957
INCOME TAXES	-1,207,911	-867,078	-729,979
SHARE IN THE RESULTS OF COMPANIES IN CONSOLIDATION USING THE EQUITY METHOD	0	0	0
NET PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES	2,423,150	3,095,055	2,792,412
NET RESULTS	32,206	1,150,420	1,147,177
A. Share of minority interests	143,388	431,757	590,055
B. Group share	-111,182	718,663	557,122

DATA PER SHARE	31/12/2017	31/12/2016	31/12/2015
NUMBER OF SHARES	3,893,353	3,893,353	3,893,353
NUMBER OF SHARES AND WARRANTS	3,893,353	3,893,353	3,931,293
CURRENT RESULTS / SHARE (in EUR)	0.3534	0.5005	0.4948
CURRENT RESULTS / SHARE AND WARRANT (in EUR)	0.3534	0.5005	0.4899
GROUP SHARE / SHARE (in EUR)	-0.0286	0.1846	0.1431
GROUP SHARE / SHARE AND WARRANT (in EUR)	-0.0286	0.1846	0.1417
NET RESULT / SHARE (in EUR)	0.0083	0.2955	0.2947
NET RESULT / SHARE AND WARRANT (in EUR)	0.0083	0.2955	0.2918

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ASSETS (EUR) *	31/12/2017	31/12/2016	31/12/2015
FIXED ASSETS	17,471,191	15,290,743	12,922,391
Formation expenses	175,937	88,410	141,733
Intangible assets	2,344,601	1,697,932	1,829,716
Consolidation differences	12,578,751	11,917,967	9,621,685
Tangible assets	1,828,617	1,289,929	1,069,198
Financial assets	543,285	296,505	260,059
CURRENT ASSETS	30,541,335	29,528,681	28,822,802
Stocks and contracts in progress	4,835,151	3,479,708	2,818,607
Deferred taxes	0	0	0
Amounts receivable within one year	21,131,512	21,921,645	20,560,092
Current investments	238,980	339,422	65,395
Cash and cash equivalents	3,003,982	2,331,209	4,314,371
Accruals and deferrals	1,331,710	1,456,697	1,063,797
TOTAL ASSETS	48,012,526	44,819,424	41,745,193
LIABILITIES (EUR) *	31/12/2017	31/12/2016	31/12/2015
CAPITAL AND RESERVES	10,729,513	10,735,919	10,116,550
MINORITY INTERESTS	287,513	1,012,558	760,445
PROVISIONS FOR LIABILITIES AND CHARGES	196,906	111,700	105,310
DEFERRED TAXES AND DEFERRED TAX LIABILITIES	1,455	2,425	7,889
DEBTS	36,797,139	32,956,822	30,754,999
Amounts payable after one year	3,766,343	3,822,243	2,515,600
Amounts payable within one year	32,509,046	28,895,668	27,610,416
Current portion of amounts payable after one year	1,715,265	1,463,613	1,513,116
Financial debts	7,462,653	6,182,009	3,148,934
Trade debts	7,698,382	5,630,216	7,040,325
Advances received	5,135,502	5,623,111	6,245,727
Taxes, wages and social security	6,837,322	5,843,238	5,520,916
Other debts	3,659,922	4,153,481	4,141,398
Accruals and deferrals	521,750	238,911	628,983
TOTAL LIABILITIES	48,012,526	44,819,424	41,745,193

* Drawn up in accordance with Belgian accounting standards.

** In accordance with the valuation rules, the consolidation differences (or goodwill) are amortised over eight years, irrespective of all consideration of any excess value in accordance with Belgian accounting standards.

In accordance with the Euronext GROWTH Brussels regulations, this annual press release is optional. It will be followed by the publication of the Emakina Group annual financial report 2017, which contains all the regulatory information. This report will be available on the website, www.emakina.com, section “Financial - Reports”) as of 30 March 2018 in accordance with the legal provisions on this matter.