



Press release

Emakina Group Half-year results 2018: Sustained growth in sales and profitability

*Income of EUR 46,763,000, up 18.4%;
EBIDTA of EUR 3,767,000, growth of 52.2%*

BRUSSELS, 14 September 2018 (Embargo: 5.40 PM CET) –
Emakina Group (Euronext Growth Brussels: ALEMK) announces its half-year results for 2018 today.

1. Key figures half-year 2018

In thousands of EUR	H1 2018	H1 2017	Variation
Income	46,763	39,508	+18.4%
Earnings before interest, depreciation and amortisation (EBITDA)	3,767	2,474	+52.2%
Operating margin %	8.1%	6.3%	
Profit before tax	1,168	752	+ 416
Net result	607	143	+ 464

2. Key events in the first half of 2018

a) New business

In 2018, new national and international clients chose an Emakina agency as their partner. These include, among others: ATPS, Bardahl, Comdata Group, Fermacell, Frankstahl, Groupe Descamps, Hutchison 3G, Kastner & Öhler, KitchenAid, LuLu Hypermarkets, Micromania-Zing, Omron, REWE/Öcard.

b) Acquisitions

In February 2018, Emakina Group acquired 100% of the shares in the New York agency **Karbyn**, with a workforce of around ten, through its subsidiary The Reference, based in Gand.

This transaction bears witness to Emakina's development ambitions in America and opens up new opportunities for the acquisition of international clients.

The initial purchase price amounts to USD 500,000 in cash. The final price of the transaction will be based on the operating results recorded until 2022.

In March 2018, Emakina Group took control of 100% of the capital of **WittyCommerce**, through its Turkish subsidiary Emakina.TR, established in Izmir.

This acquisition confirms Emakina Group's ambitions in the region. As a reminder, the 30 experts at WittyCommerce have been sharing their experience in the strategy and development of e-commerce websites with Emakina through a commercial partnership since 2016. The initial purchase price amounts to EUR 1,000,000 in cash. The final price of the transaction will be based on the operating results recorded until 2022.

c) Internationalisation

Sales outside Belgium increased by almost 24% over the first half of 2018 and now account for 62.5% of the consolidated income for the first half of 2018, compared with 61% in the first half of 2017.

d) Integration and process

In 2018, Emakina Group has continued to invest in integration and synergies within its network, particularly in the Netherlands, where the new centralised management platform for projects combined with the new version of the ERP is to be deployed at the end of the year and then extended to the group as a whole.

In this context, Emakina Group continues to strengthen its teams and organise regular coordination meetings and training sessions so as to share 'best practices' more effectively.

Finally, the Emakina teams worked hard to ensure that its processes comply with the new European regulation on the protection of personal data (GDPR).

e) Talents

The management of human capital remains the crucial issue for the success of any leading player in the digital sector. As Emakina approaches 900 talented individuals in its organisation, the capacity to attract the best and accompany them in their career is the priority for the management, whilst taking care to maintain a subtle balance between the skills required by clients and technological progress and the need to keep costs under control.

f) Partnerships

Through its commercial partners, Emakina Group continues to offer its clients a wide geographic scope combined with in-depth local knowledge: Asiance (South-Korea, Japan); Bubblegum (Spain); Domino (Italy); Metia (Great Britain, United States and Singapore); Portalgrup (Turkey), SinnerSchrader (Germany), and Air (Belgium).

3. General comment

Growth in activities

During the first half of 2018, Emakina Group's consolidated sales amounted to EUR 46,763,193 compared with EUR 39,507,898 over the same period in 2017, representing an increase of +18.4% (+16.7% at constant scope).

As stressed above, the international expansion continues, with over 62.5% of income recorded with clients located outside Belgium, compared with 61% during the same period last year.

Development of EBITDA

Earnings before interest, depreciation and amortisation (EBITDA) amounted to EUR 3,767,360 (EUR 3,718,000 at constant scope) in the first half of 2018, compared with EUR 2,474,788 during the same period in 2017, representing growth in absolute terms of 52.2%. Expressed as a percentage of total sales, EBITDA rose from 6.3% to 8.1% (8.1% at constant scope, as well) in the first half of the year between 2017 and 2018.

Cost control combined with a better level of resource use is a major element explaining the good performance in the first half of 2018, following on from the second half of 2017.

Current profit under control and positive net result

The current profit before taxes (EUR 1,201,767) over the first half of 2018 rose by 56% compared with the same period in 2017 (EUR 772,732) owing to the development of operating profitability, partially offset by a lower financial result, mainly due to the increase in the amortisation of goodwill linked to the development of the group's scope.

The sharp rise in the net profit (EUR 607,445) in the first half of 2018 compared with the first half of 2017 (EUR 143,106) may be attributed to the development of the current profit, the lack of non-recurrent elements and the tax burden under control.

This sharp rise in net profitability helps strengthen the group's equity base.

As a reminder, the amortisation of goodwill (compulsory under Belgian accounting standards) had a negative impact of EUR 1,330,499 on the company's net result in the first half of 2018, compared with EUR 1,095,861 in the same period last year.

This element of Belgian accounting law, which imposes systematic amortisation (booked under financial charges), weighs significantly on the group's consolidated net result.

4. Financial health

As at 30 June 2018, the group's financial health was strengthened thanks to an increase in net profit and the resultant improvement in the equity base, a level of financial indebtedness in line with the growth in activities and the availability of proportionate credit lines. It is important to keep an eye on the impact of the growth on working capital requirements and the cash position.

5. Outlook for 2018

The Emakina Group management is slightly raising its forecasts made at the start of the year and expects an organic increase in its income close to double figures for 2018 as a whole, based on the current order book.

6. Directors' statement

The Board of Directors of the company declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at 30 June 2018, established in accordance with Belgian accounting standards, give a true and fair view of the assets, financial status and results of the Emakina Group. The annual financial report contains an accurate description of the information that must be included in it.

7. Miscellaneous

a) Auditor's report

The auditor has confirmed that his limited review 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 half-year report.

b) Belgian accounting standards

All the consolidated figures given in the appendices have been established in accordance with Belgian accounting standards (in particular as regards the compulsory amortisation of goodwill). These figures provide a summary of the financial results presented in detail in the 2018 half-year report.

c) Shareholders' diary

15 March 2019: Publication of annual results 2018

29 March 2019: Annual report 2018 (brochure)

22 April 2019: General meeting of shareholders

About Emakina Group

Emakina Group (ALEMK) is a leading independent European digital agency group with global reach.

Its 900 technology and marketing experts in 12 countries work in concert with their clients to grow their business and brand value. Together, they gain the necessary user insights to develop highly effective strategies and creations. These include cutting-edge applications, websites, e-commerce projects, impactful content and campaigns.

Emakina Group is listed on Euronext Growth Brussels (ISIN BE0003843605) and reported sales of EUR 80,3 million in 2017 and EUR 46,8 million for H1 2018.

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

www.emakina.com

In accordance with the Euronext Growth Brussels regulations, all the regulated information is included in the Emakina Group half-year financial report 2018. It contains all the regulatory information and is available on the website www.emakina.com ('Financial - Reports' section).