



# HY 2015-2016 press release

(Results for the half year ended 30 September 2015)

- Half year turnover growth of 0,9%, with strong products turnover but slightly decreasing service turnover
- 4,1% EBIT margin from continuing operations compared to 0,8% last year
- Solid financial structure reflected by a sound net cash situation

Marc De Keersmaecker, General Manager of RealDolmen, commented:

*“Infrastructure Products turnover is resilient with increased workplace and volume sales while margins are under pressure. Application Services Business, part of Professional Services, continues to grow steadily while Infrastructure Services is expected to improve in the coming months. Overall margins of our Professional Services are sound even if partially impacted by one time impacts. In Business Solutions we continue to show margin improvement as a consequence of our more selective approach to business and the positive impact of last year’s optimization. We see good traction in our Application Services and Business Solutions business. We have therefor decided to hire over thirty additional graduates in the last quarter of this book year, on top of the forty-three young graduates that started in September.”*

Enquiries:

**RealDolmen**  
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Half year results September 2015 vs September 2014

In m€	IFRS 30/09/2015	IFRS 30/09/2014	% Variation
<b>Turnover from continuing operations</b>	<b>103,7</b>	<b>102,8</b>	0,9%
<b>Operating results before non-recurring (REBIT)</b>	<b>4,2</b>	<b>1,4</b>	194,7%
<i>Margin</i>	4,1%	1,4%	192,2%
Operating results from continuing operations (EBIT)	4,2	0,8	400,7%
<b>Net profit (loss) from continuing operations</b>	<b>4,2</b>	<b>0,7</b>	519,4%
Profit (loss) from discontinued operations	0,0	-3,3	-100,0%
Total profit (loss) for the period	4,2	-2,6	-259,4%
EBITDA (1)	5,4	2,1	153,2%
<i>EBITDA Margin</i>	5,2%	2,1%	151,0%

(1) EBITDA = EBIT increased with depreciations, amortizations

Balance sheet September 2015 vs March 2015

In m€	IFRS 30/09/2015	IFRS 30/03/2015	% Variation
Equity	140,4	137,7	2,0%
Net Debt (2)	-11,6	-11,7	-1,0%
Cash	18,8	29,1	-35,0%

(2) Net Debt = Financial debts and bank overdrafts minus cash



# Financial Review

## Turnover

Half year turnover grew by 0,9% compared to the first semester last year.

Turnover per segment in m€	HY 2015/2016	HY 2014/2015	HY %Variance
Infrastructure products	37,3	34,0	9,5%
Professional Services	48,7	49,0	-0,6%
Business Solutions	17,7	19,8	-10,4%
Subtotal Services & Solutions	66,4	68,8	-3,4%
Total Group	103,7	102,8	0,9%

- **Infrastructure Products:** Product turnover in the first half year increased with 9,5% compared to last year. We gain market share both in Belgium and Luxemburg in a market that is generally shrinking. Such growth is mainly achieved in workplace and volume products.
- **Professional Services:** half year 2015 Professional Services turnover decreased by 0,6%. This slight decrease is the reflection of a sustained positive Application Services business evolution. The Application Services are successfully positioned on a growing sourcing, project and managed services market. This business grew as a consequence of improved headcount numbers and rates compared to the same period last year. The growth in application services was offset by a negative growth of our infrastructure services business. The infrastructure services business decreased following reduced project business and following the impact of last year's loss of a large outsourcing deal that still has to be compensated.
- **Business Solutions:** Business Solutions revenue decreased with 10,4% compared to the first half last year. This is the consequence of less MS Dynamics business compared to a high activity peak last year and timing of some large deals in our Luxemburg business. Additionally, a more selective approach to higher margin business has adversely impacted turnover evolution in this segment. The resulting decrease in turnover has partially been compensated by a strong growth of our Customer Centricity activity.

## Operating result before non-recurring items (REBIT)

Over this first semester, REBIT margin increased from 1,4% in the first half last year to 4,1%.

Segment information before non-recurring in m€	HY September 2015					HY September 2014				
	Infra Products	Professional Services	Business Solutions	Corporate	Group	Infra Products	Professional Services	Business Solutions	Corporate	Group
Turnover	37,3	48,7	17,7	0,0	103,7	34,0	49,0	19,8	0,0	102,8
Operating result before non-recurring	0,9	4,7	-0,2	-1,1	4,2	1,6	3,0	-1,5	-1,7	1,4
REBIT Margin	2,4%	9,7%	-1,3%	-1,1%	4,1%	4,6%	6,2%	-7,6%	-1,6%	1,4%

**Infrastructure Products'** half year REBIT margin decreased with 2,2% notwithstanding the stronger turnover. Half of such decrease is due to lower margins as a consequence of decreasing prices mitigated by effects of scale. The other half of such decrease is due to a higher impact of allocated overhead costs related to infrastructure offerings as a consequence of decreasing infrastructure services turnover.

**Professional Services'** half year REBIT margin are at 9,7%, significantly higher than last year's 6,2%. Such increase is a direct consequence of a strong performance of our application services, the positive impact of a reduction in overhead costs following last year's cost optimization program and the positive impact of a one off gain.



**Business Solutions'** half year REBIT margin ended at -1,3%, better than last year's -7,6%. This positive trend confirms the announced strengthening of margins in this segment. Except for our MS Dynamics division which is also still impacted by roadmap investments fully taken into costs, such improvement are visible throughout all other offerings in this segment.

**Corporate Overhead** is reduced to 1,1% of revenue coming from 1,6% last year.

## Operating result (EBIT)

This half year no exceptional non-recurring charges or benefits were taken. REBIT equals EBIT.

## Total Group Net Profit

The Group reported a net profit of €4,187m for the half year compared to €0,676m last year.

**Financial income** was €80K, this is €58K higher compared to last year and as a consequence of discount rate impacts on constructive pension obligations.

**Financial charges** decreased with €201K to €129K, due to a lower debt level following the €9,718m debt repayment in July 2015.

The impact of **income taxes** was €10K.

## Equity/Net Debt

Equity increased with €2,677m compared to March 30, 2015. This is the consequence of the generated net profit during the first half of this year corrected with the amount of the share capital reduction of €1,510m by 30 September 2015.7.2

The total financial debt position amounts to €7,213m.

Cash balances are at €18,793m, reflecting a negative cash movement of €10,259m including the €9,718m debt repayment in July 2015.

## Prospects for FY 2014/2015

For the year 2015/2016, we expect our Products Business turnover to be around last year's while margins should decrease due to competitive market pressure. Full year turnover of our Services Business will slightly decrease.

Margins in Professional Services are expected to be in line with the previous year while Business Solutions margins should show improvement.

We expect overall REBIT margins for the full year to be around last year's level.

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For further information on this press release:

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### About RealDolmen

RealDolmen is an independent single source ICT solutions provider and knowledge company with almost 1,250 highly skilled IT professionals and more than 1,000 customers in the Benelux. The company offers innovative, effective and reliable ICT solutions and professional services designed to help its clients achieve their objectives by optimizing their business processes.



## Condensed consolidated statement of comprehensive income for the period ended September 30, 2015

	<u>30/09/2015</u>	<u>30/09/2014</u>
	EUR '000	EUR '000
<b>CONTINUING OPERATIONS</b>		
<b>Operating Revenue</b>	<b>104.340</b>	<b>103.293</b>
Turnover	103.715	102.840
Other operating income	625	453
<b>Operating Charges</b>	<b>-100.094</b>	<b>-101.852</b>
Purchases of goods for resale, new materials and consumables	-34.427	-31.108
Services and other goods	-22.386	-23.458
Employee benefits expense	-41.230	-45.889
Depreciation and amortization expense	-1.192	-1.300
Provisions and allowances	-509	172
Other operating expenses	-350	-269
<b>OPERATING RESULT before NON-RECURRING</b>	<b>4.246</b>	<b>1.441</b>
Restructuring charges	0	-593
<b>OPERATING RESULT (EBIT)</b>	<b>4.246</b>	<b>848</b>
Financial income	80	22
Financial charges	-129	-330
<b>Profit (Loss) before income taxes</b>	<b>4.197</b>	<b>540</b>
Income taxes	-10	136
<b>Profit (Loss) for the year from continuing operations</b>	<b>4.187</b>	<b>676</b>
<b>Discontinued Operations</b>		
Profit (Loss) for the year from discontinued operations	0	-3.302
<b>Profit (Loss) for the year</b>	<b>4.187</b>	<b>-2.626</b>
<b>Total profit (Loss) for the year</b>	<b>4.187</b>	<b>-2.626</b>
<b>Total comprehensive income for the period</b>	<b>4.187</b>	<b>-2.626</b>
Attributable to:		
Equity holders of the parent	4.187	-2.626
Non-controlling interest	0	0
EPS (in EURO)		
Basic earnings per share (EUR)	0,7878	0,1271
Diluted earnings per share (EUR)	0,7878	0,1271



# Condensed consolidated statement of financial position for the period ended September 30, 2015

	<u>30/09/2015</u>	<u>31/03/2015</u>
	EUR '000	EUR '000
<b>ASSETS</b>		
<b>Non-Current Assets</b>	<b>123.757</b>	<b>124.326</b>
Goodwill	89.214	89.214
Intangible assets	1.331	1.374
Property, plant and equipment	11.663	12.049
Deferred tax assets	19.699	19.657
Finance lease receivables	321	353
Long term receivables	1.529	1.679
<b>Current Assets</b>	<b>76.552</b>	<b>91.995</b>
Inventories	1.634	980
Trade and other receivables	56.125	61.963
Cash and cash equivalents	18.793	29.052
<b>Total Current Assets</b>	<b>76.552</b>	<b>91.995</b>
<b>TOTAL ASSETS</b>	<b>200.309</b>	<b>216.321</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's Equity</b>	<b>140.388</b>	<b>137.711</b>
Share capital	30.683	32.193
Treasury shares (-)	-494	-499
Share premium	32.196	38.553
Retained earnings	78.004	67.464
<b>Equity attributable to equity holders of the parent</b>	<b>140.388</b>	<b>137.711</b>
<b>TOTAL EQUITY</b>	<b>140.388</b>	<b>137.711</b>
<b>Non-Current Liabilities</b>	<b>4.587</b>	<b>5.249</b>
Obligations under finance lease	790	941
Bank loans and Other Borrowings	0	0
Other non-current liabilities	514	1.022
Retirement benefit obligations	1.926	1.995
Provisions	1.179	1.079
Deferred tax liabilities	178	212
<b>Current Liabilities</b>	<b>55.334</b>	<b>73.360</b>
Obligations under finance lease	237	233
Bank overdrafts and loans	5.673	15.118
Trade and other payables	48.899	57.164
Current income tax liabilities	116	266
Provisions	409	579
<b>Total Current Liabilities</b>	<b>55.334</b>	<b>73.360</b>
<b>TOTAL LIABILITIES</b>	<b>59.920</b>	<b>78.609</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>200.309</b>	<b>216.321</b>



## Condensed consolidated statement of cash flows for the period ended September 30, 2015

	<u>30/09/2015</u>	<u>30/09/2014</u>
	EUR '000	EUR '000
<b>EBIT</b>	<b>4.246</b>	<b>848</b>
Depreciation and amortisation	1.192	1.300
Provisions and allowances	276	7
Other adjustments	43	-344
<b>Gross Operating Cash Flow</b>	<b>5.757</b>	<b>1.811</b>
Changes in working capital	-5.064	2.640
<b>Net Operating Cash Flow</b>	<b>693</b>	<b>4.451</b>
Income taxes paid	-299	-288
<b>Net Cash Flow from Operating Activities</b>	<b>394</b>	<b>4.163</b>
Interest received	1	22
Investments in intangible assets	-261	0
Investments in property, plant and equipment	-503	-803
Disposals of intangible assets and property, plant and equipment	3	11
Disinvesting of Aerial cash inflow	0	2.455
Disinvesting of Aerial cash outflow	0	-3.687
<b>Net Cash Flow from Investment Activities</b>	<b>-760</b>	<b>-2.002</b>
Interest paid	-175	-221
Increase / Decrease financial liabilities cash inflow	5.000	0
Increase / Decrease financial liabilities cash outflow	-14.718	-158
<b>Cash Flow from Financing Activities</b>	<b>-9.893</b>	<b>-379</b>
<b>Changes in Cash and Cash Equivalents</b>	<b>-10.259</b>	<b>1.782</b>
Net cash position opening balance	29.052	23.370
Net cash position closing balance	18.793	25.152
<b>Total Cash movement</b>	<b>-10.259</b>	<b>1.782</b>



## Condensed consolidated statement of changes in equity for the period ended September 30, 2015

	<u>Share Capital</u>	<u>Treasury shares</u>	<u>Defined Benefit Obligations</u>	<u>Share Premium</u>	<u>Convertible bond</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balance at April 1, 2014</b>	<b>32.193</b>	<b>-715</b>	<b>-368</b>	<b>25.866</b>	<b>12.687</b>	<b>67.321</b>	<b>136.985</b>
Net profit/(loss)						-2.626	-2.626
<b>Balance at September 30, 2014</b>	<b>32.193</b>	<b>-715</b>	<b>-368</b>	<b>25.866</b>	<b>12.687</b>	<b>64.695</b>	<b>134.358</b>
<b>Balance at April 1, 2015</b>	<b>32.193</b>	<b>-499</b>	<b>-366</b>	<b>25.866</b>	<b>12.687</b>	<b>67.830</b>	<b>137.711</b>
Net profit/(loss)						4.187	4.187
Capital increase (1)				-6.357		6.357	0
Capital decrease (2)	-1.510						-1.510
Depreciation treasury shares		5				-5	0
<b>Balance at September 30, 2015</b>	<b>30.683</b>	<b>-494</b>	<b>-366</b>	<b>19.509</b>	<b>12.687</b>	<b>78.370</b>	<b>140.388</b>

(1) Capital decrease through absorption of losses in accordance with article 614 of the Belgian Company Code, followed by a capital increase for the same amount through absorption of the share premium in order to bring the capital to 32.193 KEUR, approved by the extraordinary shareholders' meeting of September 30, 2015.

(2) Capital decrease as approved by the extraordinary shareholders' meeting of September 30, 2015. The debt payable recorded under "trade and other payables" will be paid out on 1 December 2015 crf article 613 companies code.



## Auditor Statement

The Statutory auditor confirms that the limited review, which is finished in substance, did not reveal any significant adjustments to the consolidated half-year financial information