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Press Release 23 November 2017, Huizingen, Belgium
REGULATED INFORMATION

HY 2017-2018 press release

(Results for the half-year ended 30 September 2017)

- **Overall REBIT growth from €3,8M to € 5,2M reaching 4,6% margin**
    - **IT & Business Consulting margins more than double from 1,4% to 3,6%**
    - **IT & Business Support margins grow from 7,3% to 8,5%**
- **Turnover is in line with expectations when excluding a €1m Easter vacation timing impact**
- **Strong balance sheet with a net cash position of €28,2M**

Marc De Keersmaecker, General Manager of Realdolmen, commented:
"Our strategy continues to bear its fruit as reflected by our improved margins. Most indicators are heading the right way: our number of associates is growing thanks to improved recruitment and lowered attrition, efficiency continues to improve, rates are increasing and costs are under control. Growth in turnover of our IT & Business Consulting business is limited due to Easter holiday falling in the first quarter. Products turnover in IT & Business Support is slightly under pressure while margins are better than last year. Turnover of our outsourcing business in application and infrastructure management is growing and margins are also improving. Our market share is growing in IT outsourcing, digital transformation and cloud activities. The rising number of Realdolmen associates is proud to assist our many loyal customers with their IT challenges."

Half year results September 2017 vs September 2016

In M€	30/09/2017	30/09/2016	VAR %
Turnover	113,4	113,6	-0,2%
Operating result before non-recurring (REBIT)	5,2	3,8	38,4%
Margin	*4,6%*	*3,3%*	
Operating result after non-recurring (EBIT)	5,8	3,8	51,8%
Profit (Loss) for the period	5,5	3,7	47,7%
REBITDA (1)	6,4	4,9	29,8%
REBITDA Margin	*5,6%*	*4,3%*	

(1) REBITDA = REBIT increased with depreciations & amortization

Balance sheet September 2017 vs March 2017

In M€	30/09/2017	31/03/2017	VAR %
Equity	156,2	154,4	1,2%
Net Debt (2)	-28,2	-27,8	1,5%
Cash	28,6	28,3	1,0%

(2) Net debt = financial debt and bank overdrafts minus cash

1. Financial Review

1.1 Turnover

The turnover for the first half year was stable compared to last year.

Turnover per segment in K€	September'17	September'16	% Variance
Total	**113 398**	**113 583**	**-0,2%**
IT & Business Consulting	51 122	50 565	1,1%
IT & Business Support	62 275	63 017	-1,2%

IT & Business Consulting:
The project and consulting activities have grown with 1,1% compared to the same period last year. As a consequence of timing in Easter holidays, on average, more holidays have been taken compared to the same period last year with a revenue impact of around one million Euros.

The increased customer demand has been fulfilled by a growing workforce resulting from successful hiring and decreased attrition as initiatives around work satisfaction continue to sort effect. Business fulfillment through off-shore labor is also increasing.

Sourcing of high level technology consultants continued to be well received in the market. Our development factory platform (DevOps Factory) supported by the offshore support center performed strongly. Projects and consulting specifically around digital transformation also demonstrated a considerable growth. Customer Centricity, Workplace and Hybrid Cloud business focused on improved efficiency, but turnover in these activities remained below expectations. Own IP sales performed slightly lower than the first half last year, mainly in legacy software.

IT & Business Support: Turnover in this segment of business decreased by 1,2% compared to the same period last year. A reduced turnover in mobile and workplace products was only partially compensated by stronger sales in datacenter and storage. On the other hand, turnover of the outsourcing activity around infrastructure and applications management had an above market average growth. This confirms our reputation as one of the largest and best quality IT outsourcers on the mid-market within our region.

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1.2 Operating result before non-recurring (REBIT)

Notwithstanding the vacation impact, REBIT increased with 38% or € 1,4M compared to the first half of last year up to € 5,2M. REBIT margin improves to 4,6%.

REBIT per segment in K€	**September'17**	**September'16**	**% Variance**
Total	**5 248**	**3 793**	**38,3%**
IT & Business Consulting	1 848	709	160,8%
IT & Business Support	5 305	4 569	16,1%
Corporate	- 1 905	- 1 485	-28,3%
Total margin %	**4,6%**	**3,3%**	**1,3%**
IT & Business Consulting	3,6%	1,4%	2,2%
IT & Business Support	8,5%	7,3%	1,3%
Corporate	-1,7%	-1,3%	-0,4%

IT & Business Consulting: Margins in IT & Business Consulting more than doubled compared to the same period last year up to 3,6% or €1,8M. Such efficiency increase noticed across all divisions was the consequence of strongly enhanced occupation, better day rates, improvement within our DevOps factory and an overall reduced divisional cost base only offset by a slight decrease in own IP sales.

IT & Business Support: REBIT margin in this segment increased with 16% or €735K compared to the first half of last year up to €5,3M. The improvement of the margins up to 8,5% is the result of improved efficiency and effects of scale in our IT outsourcing activity. Margins in our Products and License business improved in the first half of the year.

Corporate Overhead: Corporate overhead increased with €420K as a consequence of less one-off provision reversals and the impact of some lay off costs.

1.3 Operating result after non-recurring (EBIT)

A non-recurring income of €511K was booked due to the reversal of an old provision dating from 2007.

Operating result after non-recurring is therefore € 5,759M, an improvement of €1,966M compared to the same period last year.

1.4 Total Group Net Profit

The Group reported a net profit of € 5,4M for the first half of the year compared to € 3,6M last year.

Net financial charges amounted to € 38K.

Income taxes were € -256K.

1.5 Equity/Net Debt

Equity increased with € 1,8M compared to March 31, 2017. This is primarily the impact of this half year's net profit of € 5,4M and the dividend payment of € 3,6M.

The total negative net debt position amounts to € 28,2M (net cash).

The cash balance stands at € 28,6M.

1.6 Prospects for FY 2017/2018

For the full year 2017/2018, we expect turnover to grow. IT & Business Consulting turnover should grow above mid-single digit levels while IT & Business Support should slightly decrease.

We expect full year REBIT to grow and margins to be around mid-single digit levels.

For further information on this press release contact:
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About Realdolmen

Realdolmen is an independent ICT expert with about 1,400 highly skilled ICT professionals, serving more than 1,000 customers in the Benelux with their strategical, tactical and operational ICT demands. In every cooperation Realdolmen endeavors to realize the potential of people and organizations and wishes to make ICT human again. All of this guided by the company motto "To get there, together".

Condensed consolidated statement of comprehensive income for the period ended September 30, 2017

	30/09/2017	30/09/2016
	EUR '000	**EUR '000**
CONTINUING OPERATIONS		
Operating Revenue	**114 214**	**114 407**
Turnover	113 398	113 582
Other operating income	816	825
Operating Charges	**-108 966**	**-110 614**
Purchases of goods for resale, new materials and consumables	-38 526	-40 288
Services and other goods	-25 413	-25 911
Employee benefits expense	-43 557	-43 380
Depreciation and amortization expense	-1 127	-1 114
Impairment of inventory and receivables	-151	264
Provisions	86	126
Other operating expenses	-278	-311
OPERATING RESULT before NON-RECURRING	**5 248**	**3 793**
Other non-recurring income	511	0
OPERATING RESULT (EBIT) (1)	**5 759**	**3 793**
Financial income	0	0
Financial charges	-38	-54
Profit (Loss) before income taxes	**5 721**	**3 739**
Income taxes	-256	-40
Profit (Loss) for the year from continuing operations	**5 465**	**3 699**
Discontinued Operations		
Profit (Loss) for the year from discontinued operations	0	0
Profit (Loss) for the year	**5 465**	**3 699**
Total profit (Loss) for the year	**5 465**	**3 699**
Total comprehensive income for the period	**5 465**	**3 699**
Attributable to:		
Equity holders of the parent	5 465	3 699
Non-controlling interest	0	0
EPS (in EURO)		
Basic earnings per share (EUR)	1,0495	0,7104
Diluted earnings per share (EUR)	1,0495	0,7104

(1) EBIT is earnings before interest and taxes

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Condensed consolidated statement of financial position for the period ended September 30, 2017

	30/09/2017	31/03/2017
	EUR '000	EUR '000
ASSETS		
Non Current Assets	**120 280**	**120 862**
Goodwill	89 214	89 214
Intangible assets	1 052	1 126
Property, plant and equipment	10 782	11 108
Deferred tax assets	19 002	19 158
Finance lease receivables	116	142
Long term receivables	114	114
Current Assets	**85 933**	**90 529**
Inventories	905	471
Trade and other receivables	56 457	61 765
Cash and cash equivalents	28 571	28 293
Total Current Assets	**85 933**	**90 529**
TOTAL ASSETS	**206 213**	**211 391**
EQUITY AND LIABILITIES		
Shareholder's Equity	**156 233**	**154 366**
Share capital	30 683	30 683
Treasury shares (-)	-55	-55
Share premium	32 196	32 196
Retained earnings	93 409	91 542
Equity attributable to equity holders of the parent	**156 233**	**154 366**
TOTAL EQUITY	**156 233**	**154 366**
Non-Current Liabilities	**2 097**	**2 817**
Obligations under finance lease	116	246
Retirement benefit obligations	1 287	1 306
Provisions	667	1 218
Deferred tax liabilities	27	47
Current Liabilities	**47 883**	**54 208**
Obligations under finance lease	227	245
Trade and other payables	47 179	53 321
Current income tax liabilities	427	546
Provisions	50	96
Total Current Liabilities	**47 883**	**54 208**
TOTAL LIABILITIES	**49 980**	**57 025**
TOTAL EQUITY and LIABILITIES	**206 213**	**211 391**

Condensed consolidated statement of cash flows for the period ended September 30, 2017

	30/09/2017	30/09/2016
	EUR '000	EUR '000
OPERATING RESULT (EBIT) (1)	**5 759**	**3 793**
Depreciation and amortization	1 127	1 114
Provisions and allowances	-466	-455
Other adjustments	0	-17
Gross Operating Cash Flow	**6 420**	**4 435**
Changes in working capital	-2 463	-3 016
Net Operating Cash Flow	**3 957**	**1 419**
Income taxes paid	-329	-409
Net Cash Flow from Operating Activities	**3 628**	**1 010**
Investments in intangible assets	-225	-43
Investments in property, plant and equipment	-502	-919
Disposals of intangible assets and property, plant and equipment	12	0
Net Cash Flow from Investment Activities	**-715**	**-962**
Interest paid	-3	-11
Dividend paid	-2 510	-3 539
Increase / Decrease financial liabilities cash outflow	-122	-2 120
Cash Flow from Financing Activities	**-2 635**	**-5 670**
Changes in Cash and Cash Equivalents	**278**	**-5 622**
Net cash position opening balance	28 293	26 865
Net cash position closing balance	28 571	21 243
Total Cash movement	**278**	**-5 622**

(1) EBIT is earnings before interest and taxes

Condensed consolidated statement of changes in equity for the period ended September 30, 2017

	Share Capital	Treasury shares	Defined Benefit Obligations	Share Premium	Convertible bond	Retained earnings	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Balance at April 1, 2016	**30 683**	**-274**	**-353**	**19 509**	**12 687**	**84 862**	**147 114**
Net profit/(loss)						3 699	3 699
Deferred consideration ex-Traviata shareholders (1)		219				-26	193
Dividend (2)						-3 539	-3 539
Balance at September 30, 2016	**30 683**	**-55**	**-353**	**19 509**	**12 687**	**84 996**	**147 467**
Balance at April 1, 2017	**30 683**	**-55**	**-726**	**19 509**	**12 687**	**92 268**	**154 366**
Net profit/(loss)						5 465	5 465
Dividend (3)						-3 598	-3 598
Balance at September 30, 2017	**30 683**	**-55**	**-726**	**19 509**	**12 687**	**94 135**	**156 233**

(1) Relates to the payment on the deferred consideration in shares to the former Traviata shareholders for 193 KEUR. The difference of 26 KEUR relates to the realized losses on this payment since the fair value of the shares at the moment of payment was lower than the initial purchase price of the treasury shares.
(2) Dividend payment as approved by the shareholders' meeting of September 14, 2016.
(3) Dividend payment as approved by the shareholders' meeting of September 13, 2017.

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