

PRESS
RELEASE

Earnings for the 1st half of 2016

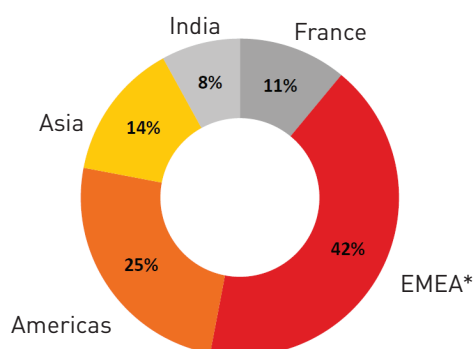
Earnings remained very solid, with highly encouraging mid-term prospects

Angers, 19 September 2016

Turnover	38.6	37.5	-2.9%
Operating income	7.1	6.8	-4%
Op. margin in % of sales	18.40%	18.10%	-0.3 pt
Financial income	-0.1	0	ns
Income tax	-2.3	-2.4	+4%
Net earnings	4.7	4.4	-6.4%
Net margin in % of sales	12.2%	11.7%	-0.5 pts

89%
international sales

Consolidated financial statements for the 1st half of 2016 approved by the Group's Board of Directors on 16/09/2016



*Europe, Middle-East, Africa

Evolis, world leader in plastic card customizing solutions, achieved sales totalling M€ 37.5 over the first half of 2016. This half was marked both by international dynamics, which remained lively, and by high profit levels. In addition, it was impacted by a significant base effect due to the Tanzania contract. Turnover excluding the Tanzania effect is up 8%.

SALES DYNAMICS DRIVEN BY THE CHANNEL BUSINESS, WITH A PROJECTS LINE ON A SLIGHT DOWNTREND

Sales activity during the half-year period was marked by strong growth in the Channels business (+15.1% to M€ 26.6), bolstered by particularly strong development in the "Zenius & Primacy" core range. On the international scene, the Asia-Pacific area and India benefited from brisk Channels dynamics with significant growth rates, respectively +22.8% and +31.6%.

The sound performance of the Badgy solutions aimed at small to medium-sized businesses is noteworthy with an increase of +34%.

The Projects business line, in the context of a transition year marked by the “Tanzania” base effect (4M€ over the 1st half of 2015), achieved a turnover of M€ 8.4. Restated without the Tanzania contract, this turnover declined by 9%. Postponed decision-making on major projects has been noteworthy, specifically in India and China, which will impact business volumes expected in these two areas by the end of the financial year.

Capitalising on the scale of the Evolis installed printer fleet, sales of accessories and services amounted to M€ 2.5, i.e. a growth of 13.6 % during the half-year period.

SOLID FINANCIAL INCOME, SHAREHOLDERS' EQUITY AT M€ 56.5

Benefiting from a better Channel/Projects product mix than in 2015, and the on-going effects of production cost pooling, Evolis has once again improved its gross margins from 61% over the half year vs. 59.4% a year ago. The operating margin also remains high after incorporating a slight increase in personnel costs linked to the Group's ongoing structuring process. Net income after tax stands at M€ 4.4, down slightly vs. the 1st half of 2015 (M€ 4.7).

The Group has succeeded in maintaining a high level of free cash flow. Cash flow generated over the period stands at M€ 4.7, for investments in check at M€ 2.4 including the acquisition of ACTS. After paying out an extraordinary dividend, the net cash position in late June stood at M€ 20.6 for shareholders' equity of M€ 56.5.

PROSPECTS AT THE END OF THE FINANCIAL YEAR AND GROWTH DRIVERS FOR 2017

Having observed that decisions on major projects have been postponed, specifically in India and China, Evolis remains confident about better project dynamics in the second half, which should allow the Group to partly catch up on its backlog. The Group points out that annual turnover is expected to be identical to that of FY 2015, i.e. in the region of M€ 77 (vs. the previously stated target of 5%).

ABOUT EVOLIS (Alternext: ALTVO)

A world leader in its segment, Evolis designs, manufactures and markets a comprehensive range of plastic card personalization solutions. Evolis printers feature all the options required for the graphic and electronical customisation (magnetic stripes, smart cards, with or without contact – RFID technology) of all card types (identity cards, bank cards, employee badges, student cards, etc.). Evolis also markets a wide range of personal and property identification products: software applications for customising cards via its subsidiary cardPresso, a full range of card accessories via its subsidiary Sogedex Accessories, plus signature and service tablets.

Based in Angers with subsidiaries in Miami (United States), Singapore, Bombay (India) and Shanghai (China), Evolis is listed on the Paris stock exchange (Alternext) and achieved a turnover of 76.7 million euros in 2015. The group employs over 300 people and markets its solutions in 140 countries across the globe.

PRESS CONTACT

Evolis - Ulrike Jeannin
T: +33 (0)2 41 36 79 24
ujeannin@evolis.com

CM-CIC Market Solutions

Stéphanie Stahr
T: +33 (0)1 53 48 80 57
stephanie.stahr@cmcic.fr

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11 October after Stock exchange closes**

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