

## 2017 ANNUAL RESULTS

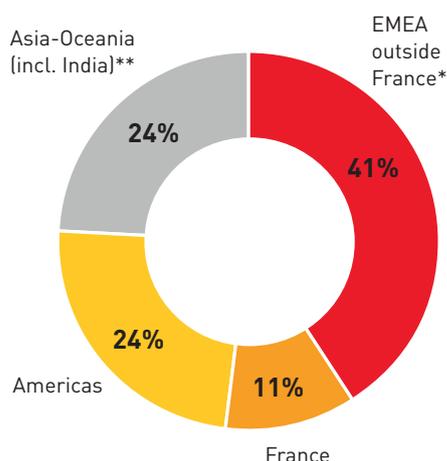
Revenue up 4%

Improved gross margin: 7.6%

Operating margin at 15.9% in a year of organisational restructuring

**Angers, 19 March 2018 – Evolis, world leader in plastic card customisation and printing solutions, today announced its results for the 2017 financial year, approved by the Board of Directors meeting on 16 March 2018. Evolis completed the restructuring of its organisation, while keeping a tight rein on the impact of investments on its bottom line.**

**89%**  
of revenue generated  
in the international  
market in 2017



\*Europe, Middle East, Africa

\*\*Asia-Pacific, China, India

In M€	2016	2017	Change 2016/2017
Revenue	76.9	80.0	4.0%
Operating profit	13.6	12.7	-6.6%
<i>Op. margin as a % of revenue</i>	17.7%	15.9%	-1.8 pt
Net financial income/(loss)	0.5	-0.7	ns
Income tax	-4.7	-3.3	-29.8%
Net income	9.4	8.8	-6.4%
<i>Net margin, as a % of revenue</i>	12.2%	11.0%	-1.2pt

### REVENUE UP, POWERED BY THE PROJECTS BUSINESS LINE

Evolis posted 4% growth in consolidated revenue for FY 2017 to M€ 80, and came very close to reaching the target announced in January. We achieved this performance in tandem with major structural reorganisation across all Evolis sites.

**The Channels business line** recorded M€ 53.8 in revenue, reporting growth in all geographies, except India, which was restructured in 2017. Revenue was stable overall for the Channels business line, edging down 0.7% year-on-year.

**The Projects business line** surged ahead with a 17.7% increase in revenue to M€ 21.7, despite decisions to defer projects in South America and in China. The main growth drivers for this business were the continued development of the banking market in the Middle East and Africa and the promising début for new Edikio solutions rolled out in large retailers in Europe.

Analysed by geography, Projects put in a contrasting performance. The EMEA region stood out with 10.6% growth, while the Americas were off -2.2% and Asia Pacific was down -2.5%, reflecting the impact of project postponements and organisational restructuring in 2017. In 2018, these two regions – both growth drivers for the group – will begin to reap the rewards of our strategic reorganisation completed in 2017.

## 2017 RESULTS: RESTRUCTURING COMPLETE; TIGHT FINANCIAL CONTROL

The gross margin rose 2.1 points to 61.8% in 2017 (vs. 59.7% in 2016), due in the main to a better product mix, combined with a cost pooling strategy for standard parts.

Operating profit was M€ 12.7 in 2017, giving an operating margin of 15.9%. The significant structural changes we made in 2017 had an impact on operating profit (-1.8 point), due to non-recurring expenses in the amount of M€ 1.2, which were made up mainly of payroll and hiring costs, the costs associated with the employee stock option plan and relocation expenses. Nonetheless, our vigilant financial control ensured we maintained our operating margin before non-recurring items at almost the same level as in 2016. Net income came out at M€ 8.8, down 6.4%.

## MAJOR STRUCTURAL INVESTMENTS DURING THE YEAR

2017 was a year of significant investment to complete the structural overhaul of the group. We committed M€ 8.4 in investments in 2017. M€ 4.8 of this total was for one-off projects, primarily for relocation expenses in several regions, and for the acquisition of minority interests in the Evolis India subsidiary. As the bulk of our investments were self-financed, net cash fell from M€ 24.9 at end-2016 to M€ 21.1 at end-2017.

## PROPOSED DIVIDEND OF €1 PER SHARE

With net cash flows from operating activities steady in 2017 and strong financials, the group will propose a dividend of €1 per share to the General Shareholders' Meeting on 17 May 2018.

## OUTLOOK FOR 2018: 8% REVENUE GROWTH

In 2018, Evolis will capitalise on its investment expenditure during the last two years to grow its business around the world, with a particular focus on the banking and government markets, and Edikio Price Tag solutions. We expect 2018 revenue to increase 8% and to hit the M€ 100 mark by 2020, on the back of our sales and marketing drive.

Emmanuel Picot, Chairman and Managing Director of Evolis, said:

"We overhauled our structure in all regions in 2017 and are now close to completing this extensive restructuring project. All our teams joined the effort, while also maintaining their focus on growing revenue and strengthening the bottom line. This hard work and dedication is evident in our results for the year. We will reap the benefits of the overhaul in 2018 and look forward with confidence to tackling the next steps in our strategic growth plan."

### Next key dates:

**Q1 2018 revenue 2018: 10 April 2018 after close of trading**

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#### **ABOUT EVOLIS** (Euronext Growth: ALTV0)

Evolis, a world leader, designs, manufactures, and markets a comprehensive range of plastic card personalization solutions. Evolis card printers come with all the options needed for graphic, magnetic and electric personalization (contact or contactless chip cards – RFID technology) of all types of cards (national ID cards, payment cards, employee badges, student cards, etc.). Evolis also markets a broad range of products and services for identifying people and goods: software for customizing cards (through the cardPresso subsidiary), a complete line of card accessories (through the Sogedex Accessories subsidiary), as well as signature pads and support services.

Based in Angers (France) with subsidiaries in Miami and Boston (United States), Mumbai (India), Singapore and Shanghai (China), Evolis is listed on the Paris Stock Exchange (Euronext Growth) and reported revenue of €80 million in 2017. The Company employs more than 375 people and markets its solutions in 140 countries around the world.