Regulatory information (press release)
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Emakina Group: 3% growth in turnover in the first half of 2013

BRUSSELS, 13 SEPTEMBER 2013 (EMBARGO → 17:30) – Emakina Group (Alternext Brussels: ALEMK) published its results today for the first half of 2013. Consolidated sales have increased by 3% and 5% respectively compared with the first and second half of 2012. At the same time, the operating profit before depreciation and amortisation (EBITDA) fell by 47% compared with the first half of 2012 but increased by 13% compared with the last half of 2012. These elements reflect growth in business and profitability compared with the end of 2012, which is expected to continue in the second half of 2013.

Increase in sales outside Belgium of 39%

During the first half of 2013, total sales amounted to EUR 25,330,565 compared with EUR 24,700,275 in the first half of 2012 and EUR 24,082,789 in the second half of 2012, representing an increase of +2.6% and +5.2% (-3.8% at constant scope). The growth rate in sales among the entities "outside Belgium" in the first half of 2013 stood at 39%, which confirms the group's European expansion strategy and the gain in market share abroad. The acquisition in July 2012 of the Geneva-based communications agency LABEL.ch, now Emakina.CH, contributed to this growth on an international level. The takeover in July 2013 of the Dutch communications agency Merge Media, located in The Hague, is part of the same objective. Now more than ever, European expansion remains a strategic priority for the group. At the same time, the group's activity on the Belgian market has reached a stage of maturity given the significant level of its market share.

In 2013, new national and international key accounts such as DG ECFIN (European Commission), i24News.tv, L'Oréal, AB InBev (Leffe), Lhoist, Longines, MedBank, the Flemish Ministry of Health, Oris, and Samsung Europe chose an Emakina Group agency as their communication partner.

Fall in operating profit (before amortisation)

Earnings before interest, taxes, depreciation and amortisation (EBITDA) stood at EUR 1,361,564 compared with EUR 2,546,231 in the first half and EUR 1,209,281 in the last half of 2012, corresponding to 5.4%, 10.3% and 5.0% respectively of the consolidated sales. At constant scope, the EBITDA for the first half of 2013 amounted to EUR 1,295,937, i.e. 5.5% of the consolidated sales.

The level of the operating margin in the first half of 2013 may be explained by a number of factors including but not limited to the following:

1. The acquisition of multiannual contracts on key accounts requires a great deal of effort from sales and marketing.
2. The deferral of major projects impacted on resources scheduling.
3. The cost of adapting the production team to clients' demands remains an element to be taken into account.
4. The need to continue to invest in new, innovative skills.

The current result (before amortisation of consolidated differences) fell by EUR 1,053,613 in the first half of 2013 following a decline of almost half the EBITDA combined with an increase in amortisation charges further to the development of the consolidation scope, partly offset by a capital gain on the disposal of a minority stake in the capital of the subsidiary Emakina NL.

Net profit of EUR 695,683 before amortisement on goodwill

The net result for the first half of 2013 (before amortisation of consolidation differences) fell by EUR 440,581. This can be explained by the significant development of the current result, partly limited by lower tax charges and the absence of any major extraordinary elements.

The amortisation of consolidated differences (imposed by Belgian accounting standards) had a negative impact of EUR 757,279 on the company's net result in the first half of 2013. This element of Belgian accounting law, which imposes systematic amortisation, weighs significantly on the consolidated net result.

In an economic context that remains difficult, Emakina is continuing to invest in innovation in order to strengthen its service range and thus maintain its competitive advantage:

1. The substantial investments made since 2011 in the social, mobile and integrated communication fields have helped maintain growth in an economic context that continues to be difficult. The development in 2013 of expertise in commitment techniques related to “gamification” as well as a skills centre focusing on the Adobe “CQ5” technological solution is part of this process.
2. Supporting “CRM” solutions for “B2C” brands is another major area of development that enables them to create a direct marketing relationship through digital media.

Compared with the end of 2012, the group’s financial situation remained stable during the first half of 2013 thanks to a controlled level of financial debt, a moderate increase in the working capital requirement and the availability of relevant and renewed credit lines.

Outlook for the end of the year

Emakina Group’s management team is aiming for an increase in sales over the whole of 2013 similar to the rise in the first half of the year, on the basis of the commercial debt. Furthermore, the management is confident that the margins will start to recover in the second half of 2013 thanks to the effects of the adjustment measures taken over the past few months.

Auditor’s report

The auditor confirmed that the limited review of the consolidated accounts as at 30 June 2013 is complete as regards content and has not revealed any significant corrections to be made to the accounting data in the half-year report.

Belgian accounting standards

All the consolidated figures were established in accordance with Belgian accounting standards (especially with regard to the compulsory amortisation of goodwill). These figures provide a synopsis of the financial results that are set out in detail in the 2013 half-year report.

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In accordance with the new legal Alternext requirements, all regulatory information can be found in the Emakina Group half-year financial report 2013, available on our website www.emakina.com ("Financial information" section).

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About Emakina Group SA

Emakina is a European group of digital agencies supporting their clients in maximising the opportunities of the new digital era. These agencies are Emakina (Brussels, Paris, Limoges, Rotterdam and Geneva), Emakina.EU and Your Agency (Waterloo), The Reference (Ghent), Design is Dead (Antwerp), Robert & Marien (Brussels) and Merge Media (The Hague). Emakina Group has a portfolio of services centred on four core activities: Integrated Communication, Web Building, Interactive Communication, and Applications. Its clients include many leading international companies, such as Audi, Baume & Mercier, Belgacom, BNP Paribas Fortis, Brussels Airlines, Caran d'Ache, Deutsche Bank, GDF Suez, Girard-Perregaux, ING, Keytrade, KPN, Longines, Microsoft, Orange, Panasonic, Samsung, Schweppes, Seat, Thomas Cook and Volkswagen, as well as international institutions such as the European Commission. In 2012, the Emakina Group employed a staff of over 450 people and a reported a turnover of EUR 48.8 million. Emakina Group is listed on Alternext of Euronext Brussels (mnemo: ALEMK - ISIN: BE0003843605). For more information visit: www.emakina.com

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