

Emakina Group: 12 % growth in activities and operating profitability up 33% in 2014

BRUSSELS, 20 MARCH 2015 (EMBARGO → 5.30 PM) – Emakina Group (Alternext Brussels ALEMK) publishes its annual results for 2014 today. Consolidated sales increased by 12% compared with 2013, while operating profit before amortisation (EBITDA) improved by 33%. The consolidated net profit (excluding amortisation of goodwill) amounted to EUR 766,274 in 2014. The Board of Directors is to put a proposal to the general meeting to be held on 22 April 2015 not to distribute a dividend so as to support the group’s international development strategy.

Sales outside Belgium almost doubled in 2014

In 2014, Emakina Group sales amounted to EUR 56,135,588, compared with EUR 50,117,336, in 2013, up 12.0% (+10.7% at constant scope).

The growth rate of activities in entities “outside Belgium” amounted to 93% in 2014, reflecting the acquisition of market shares abroad in line with the internationalisation strategy. In terms of clients, half the consolidated income in 2014 was generated with clients outside Belgium.

With the acquisition in October 2013 of Dutch digital communication agency Relephant (through the holding company Den Gulden Winckel B.V), Emakina became a leading agency in the Netherlands present in Rotterdam and Amsterdam, while the acquisition in July 2014 of Toy Agency in Paris strengthened Emakina’s position on the French market, broadening its strategic and creative advertising capabilities.

In 2014, new national and international key accounts such as Attractive World, Auping, Brantano, Campina, Education Above All, FIVB (International Volleyball Federation), Gonewest.be (Province of West Flanders), IWC, Ladbrokes, Lola & Liza, Mons 2015, Palm, SD WORX, Shurgard, Solaris, Unilever Food Solutions and Yves Rocher chose an Emakina Group agency as their communication partner.

Operating profit (before amortisation) up by 33%

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 4,053,307 in 2014, as against EUR 3,056,353 the previous year, accounting respectively for 7.2% and 6.1% of total consolidated sales. At constant scope, the EBITDA amounted to EUR 3,833,472 EUR, or 6.9% of the total consolidated sales. This scope effect is due to the integration of the activities of the Toy Agency in Paris, the positive effects of which can already be seen in the consolidated results of the last six months of 2014.

The improvement in the level of the EBITDA margin during the year 2014 may be attributed to a number of factors, including:

1. An improved resource use level
2. Control of average staff costs and overheads
3. The positive trend in our average selling price.

Current earnings before amortisation of goodwill increased by 6%

The rise in the current result (before amortisation of consolidation differences), up by EUR 103,931, was limited by (i) the increase in amortisation costs linked to the development of the scope and (ii) a lower financial result in 2014 due to the lack of any significant capital gain on the sales of financial investments.

The amortisation of consolidation differences (imposed by Belgian accounting standards) had a negative impact on the net result of the company amounting to EUR 1,692.033 in 2014, compared with EUR 1,028,432 in 2013, owing the development of the scope in 2013 and 2014. This element of Belgian accounting law, which imposes systematic amortisation, weighs significantly on the consolidated net result.

Investments in innovation and strategy

Emakina continues to invest in innovation and strategy in order to maintain its competitive advantage and its service range:

1. In June 2014, the group finalised a major theoretical and empirical study project on the possibilities of applying 'gamification' with a view to promoting commitment within the business world through digital technologies. This project is supported by the Brussels Region (Innoviris).
2. Support for direct marketing solutions for B2C brands such as Audi and Dela is continuing, enabling the creation of a direct marketing relationship through digital media.
3. Emakina invests in experienced consultants and in a tried-and-tested methodological approach to strengthen its position as a reference partner in 'digital transformation'.

Compared with the end of 2013, the stability of the group's financial situation remained satisfactory during 2014 thanks to a controlled level of financial debt, a stable working capital requirement and the availability of relevant and renewed credit lines. Moreover, during the first half of 2014, the group structure was simplified, with the number of legal entities falling from 18 to 11.

Outlook for 2015

Emakina Group's management team expects single-digit organic growth in sales for 2015 on the basis of the commercial debt and the international expansion of the group.

Auditor's report

The auditor has confirmed that his audit of the consolidated account is complete in terms of substance and has not revealed any significant adjustment, which should be made to the accounting data given in the press release.

Belgian accounting standards

All the consolidated figures have been established in accordance with Belgian accounting standards (in particular as regards the mandatory amortisation of goodwill). These figures provide a summary of the financial results that will be presented in detail in the annual report available as of 1 April 2015.

Financial diary

Annual general meeting: 22 April 2015 at 4.00 pm.

Annual report: 1 April 2015

Publication of half-yearly results: 18 September 2015

CONSOLIDATED FIGURES 2014 – EMAKINA GROUP SA

CONSOLIDATED INCOME STATEMENT (EUR) *	31/12/2014	31/12/2013	31/12/2012
SALES AND SERVICES	56,135,588	50,117,336	48,783,064
Turnover	53,444,947	48,680,249	47,799,533
Variations in contracts in progress	51,959	298,779	612,880
Capitalised production	129,698	110,489	204,530
Other operating income	2,508,984	1,027,819	166,121
OPERATING CHARGES (BEFORE AMORTISATION)	-52,082,281	-47,060,983	-45,027,552
Purchase of equipment and services linked to sales	-26,665,481	-24,146,466	-24,411,435
Remuneration, social security charges and pensions	-25,272,915	-23,048,167	-20,416,416
Other operating costs	-143,885	133,650	-199,701
EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTISATION = EBITDA	4,053,307	3,056,353	3,755,512
DEPRECIATION AND AMORTISATION	-1,692,033	-1,340,574	-1,361,478
Amortisation of intangible and tangible fixed assets	-1,560,223	-1,370,127	-1,114,995
Depreciation of trade receivables	-131,810	24,553	-258,414
Provisions for liabilities and charges	0	5,000	11,931
OPERATING PROFIT	2,361,274	1,715,779	2,394,034
FINANCIAL RESULTS	-460,281	81,283	-349,762
Financial income	261,454	754,798	77,064
Financial charges	-721,735	-673,515	-426,826
CURRENT PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES	1,900,993	1,797,062	2,044,272
AMORTISATION OF GOODWILL**	-1,619,758	-1,028,432	-1,507,875
CURRENT PROFIT	281,235	768,630	536,397
EXTRAORDINARY RESULTS	-343,151	-43,782	42,971
RESULT BEFORE TAXES	-61,916	724,848	579,368
DEFERRED TAXES	-61,467	-11,193	-217,783
INCOME TAX	-730,101	-550,762	-822,927
SHARE IN THE RESULTS OF COMPANIES IN CONSOLIDATION USING THE EQUITY METHOD	0	-14,326	6,247
NET PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES.	766,274	1,176,999	1,052,780
NET RESULTS	-853,484	148,567	-455,095
A. Share of minority interests	278,666	193,264	-31,762
B. Group share	-1,132,150	-44,697	-423,333

DATA PER SHARE	31/12/2014	31/12/2013	31/12/2012
NUMBER OF SHARES	3,844,061	3,844,061	3,833,739
NUMBER OF SHARES AND WARRANTS	3,941,781	3,995,211	4,041,959
CURRENT RESULTS / SHARE (in EUR)	0.0732	0.1999	0.1399
CURRENT RESULTS/ SHARE AND WARRANT (in EUR)	0.0713	0.1924	0.1327
GROUP SHARE / SHARE (in EUR)	-0.2945	-0.0116	-0.1104
GROUP SHARE / SHARE AND WARRANT (in EUR)	-0.2872	-0.0112	-0.1047
NET RESULT / SHARE (in EUR)	-0.2220	0.0386	-0.1187
NET RESULT / SHARE AND WARRANT (in EUR)	-0.2165	0.0372	-0.1126

ASSETS (EUR) *	31/12/2014	31/12/2013	31/12/2012
FIXED ASSETS	10,176,906	11,171,038	9,518,823
Formation expenses	195,055	297,600	177,960
Intangible assets	2,063,497	2,038,425	2,001,937
Consolidation differences	6,582,723	7,084,341	5,880,872
Tangible assets	1,028,533	1,484,521	1,244,679
Fixed financial assets	307,098	266,151	213,375
CURRENT ASSETS	24,759,590	22,450,532	20,878,538
Stocks and contracts in progress	3,255,404	4,486,882	4,413,093
Deferred taxes	79,136	93,041	136,983
Amounts receivable within one year	18,474,777	13,845,816	14,221,489
Current investments	314,201	305,890	395,890
Cash at bank and in hand	2,044,869	2,863,659	1,151,398
Deferred charges and accrued income	591,203	855,244	559,685
TOTAL ASSETS	34,936,496	33,621,570	30,397,361
LIABILITIES (EUR) *	31/12/2014	31/12/2013	31/12/2012
CAPITAL AND RESERVES	9,135,600	10,266,607	9,665,965
MINORITY INTERESTS	670,127	338,629	8,634
PROVISIONS FOR LIABILITIES AND CHARGES	0	0	5,000
DEFERRED TAXES AND DEFERRED TAX LIABILITIES	12,068	44,645	77,394
DEBTS	25,118,701	22,971,689	20,640,368
Amounts payable after one year	1,470,618	2,186,146	1,508,623
Amounts payable within one year	23,206,853	20,243,085	18,510,802
<i>Current portion of amounts payable after one year</i>	<i>1,320,845</i>	<i>889,396</i>	<i>604,125</i>
<i>Financial debts</i>	<i>4,788,341</i>	<i>6,148,109</i>	<i>4,385,622</i>
<i>Trade debts</i>	<i>4,690,241</i>	<i>3,964,507</i>	<i>3,555,991</i>
<i>Advances received</i>	<i>5,400,122</i>	<i>3,420,199</i>	<i>3,573,594</i>
<i>Taxes, wages and social security</i>	<i>5,233,689</i>	<i>4,443,701</i>	<i>4,825,306</i>
<i>Other debts</i>	<i>1,773,615</i>	<i>1,377,173</i>	<i>1,566,164</i>
Accrued charges and deferred income	441,230	542,458	620,943
TOTAL LIABILITIES	34,936,496	33,621,570	30,397,361

* Drawn up in accordance with Belgian accounting standards.

** In accordance with the valuation rules, the consolidation differences (or goodwill) are amortised over eight years, irrespective of all consideration of any excess value in accordance with Belgian accounting standards.

In accordance with the Alternext Brussels regulations, this annual press release is optional. This will be followed by the publication of the Emakina Group annual financial report 2014, which contains all the regulatory information. This report will be available on our website, www.emakina.com (section "Financial - Reports") as of 1 April 2015 in accordance with the legal provisions on this matter.

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About the Emakina Group

Emakina is a European group of digital agencies that support their clients in maximising the opportunities of the new digital era. Its service portfolio is centred on four core activities: Communication, Web Building, Applications Development and Commerce. The group's agencies are Emakina (Brussels, Waterloo, Paris, Limoges, Amsterdam, Rotterdam, Geneva and Lausanne), The Reference (Ghent), Design is Dead (Antwerp), Your Agency (Waterloo) and Robert & Marien (Brussels).

Emakina's clients include many major international businesses, such as Audi, Attractive World, Auping, Axa, Bavaria, Barilla, BIC, BNP Paribas Fortis, Brussels Airlines, Caran d'Ache, Danone, Deutsche Bank, Ergo, Estée Lauder, GDF Suez, Girard-Perregaux, i24News, ING, IWC, Karl Lagerfeld, KPN, L'Oréal, Longines, Microsoft, Nike, Orange, Peugeot, Starwood, SNCF, Total, Thomas Cook and Volkswagen, as well as international institutions, such as the European Commission.

The Emakina Group employs a staff of over 500 people, reported annual sales of EUR 56.1 million in 2014 and is listed on Alternext, Euronext Brussels (mnemo: [ALEMK](http://www.emakina.com) - ISIN: BE0003843605). For more information visit: www.emakina.com