

## **Emakina Group: 3% growth in turnover in the year 2013**

**BRUSSELS, 14 MARCH 2014 (EMBARGO → 17.30 CET) – Emakina Group (Alternext Brussels: ALEMK) published its annual results for 2013 today. Consolidated sales rose by 2.7% compared with 2012. At the same time, earnings before interest, taxes, depreciation and amortisation (EBITDA) fell from 7.7% of total sales in 2012 to 6.1% in 2013. Finally, the consolidated net profit (excluding amortisation of goodwill) rose by 12% from EUR 1,052,780 in 2012 to EUR 1,176,999 in 2013. As in previous years, the Board of Directors is to put a proposal to the general meeting to be held on 22 April 2014 not to distribute a dividend so as to further support the development of the group.**

### **Increase in sales outside Belgium of 22%**

In 2013, [Emakina Group](#) sales amounted to EUR 50,117,336, compared with EUR 48,783,064 in 2012, up 3%. At constant scope, the level of sales was maintained in 2013.

The growth rate of activities in entities “outside Belgium” amounted to 22%. Meanwhile, the group’s activity on the Belgian market has reached a stage of maturity given the significant level of its market share. Consequently, now more than ever European expansion remains a strategic priority for the group.

It should be remembered that in October 2013, Emakina Group announced the takeover of 54.5% of the capital of the Dutch digital communication agency Relephant (through the holding company Den Gulden Winckel B.V). With a total staff of about 80 people at its Dutch branch, Emakina is becoming a leading agency in the Netherlands. After the takeover of the Merge Media agency earlier this year, Emakina is now present in Rotterdam, Amsterdam and The Hague. The subsidiary Relephant Turkey, with around 20 members of staff, has also become fully integrated into the scope of the Emakina group further to this transaction.

In 2013, new national and international key accounts such as Air Canada, DG ECFIN (European Commission), i24News.tv, Lindemans, L’Oréal, Longines, Ogone, Oris, Rituals, Samsung Europe, Starwood Hotels & Resorts chose an Emakina Group agency as their communication partner.

### **Reduced operating profit (before amortisation) of 19%**

Earnings before interest, taxes, depreciation and amortisation (EBITDA) contracted by 19% in absolute terms and as a percentage of total sales, falling from 7.7% in 2012 to 6.1% in 2013. At constant scope, the EBITDA fell from 7.7% of sales in 2012 to 5.6% of sales in 2013. This scope effect is reflected in the integration of the Dutch activities of Merge Media and the Relephant group, the positive effects of which can already be seen in the consolidated results of the last quarter of 2013.

The level of the EBITDA margin during the year 2013 may be explained by a number of factors:

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 resource scheduling in the first half of the year.
3. The need to continue to invest in new, innovative skills.

### **Current earnings before amortisation of goodwill contracted by 12%**

The current result (before amortisation of consolidation differences) fell by EUR 247,210 following the decline in the EBITDA, partially offset by the strong progress in the financial result due to the capital gain of EUR 700,000 on the disposal 45.5% of the capital of the Rotterdam subsidiary Emakina.NL.

### **Net profit of EUR 1,176,999 before amortisation of goodwill up 12%**

The net result in 2013 (before amortisation of consolidation differences) rose by EUR 124,219 owing to lower tax charges and a relatively insignificant exceptional result in 2013. The amortisation of consolidation differences (imposed by Belgian accounting standards) had a negative impact on the net result of the company of EUR 1,028,432 for 2013. This element of Belgian accounting law, which imposes systematic amortisation, weighs significantly on the consolidated net result.

Compared with the end of 2012 and excluding the changes in the scope, the group's financial situation remained stable during 2013 thanks to a controlled level of financial debt, a stable working capital requirement and the availability of relevant and renewed credit lines.

## **Investments in innovation**

In a competitive economic context, 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 over the past few years in the social, mobile and integrated communication fields have made it possible to maintain growth in an economic context that continues to be difficult. The development in 2013 of expertise in commitment techniques related to “gamification” (with the support of Innoviris, the Brussels institute for research and innovation) as well as a skills centre focusing on the Adobe “AEM” technological solution are part of this process.
2. The acquisition of the Dutch group Relephant in October 2013 is also part of this desire to expand the range of services by offering strong expertise in the field of E-commerce.
3. Supporting “CRM” solutions for “B2C” brands such as Samsung and Audi is another major area of development that enables them to create a direct marketing relationship through digital media.

## **Outlook for 2014**

Emakina Group’s management team expects growth to continue at a slightly higher rate to that of last year in 2014 on the basis of the commercial debt and the European 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 2014.

### **Financial diary**

Annual general meeting 2014: 22 April 2014 at 4.00 pm.

Annual report 2013: 1 April 2014

Publication of 2014 half-yearly results: 12 September 2014

# CONSOLIDATED FIGURES 2013 – EMAKINA GROUP SA

CONSOLIDATED INCOME STATEMENT (EUR) *	31/12/2013	31/12/2012	31/12/2011
<b>SALES AND SERVICES</b>	<b>50,117,336</b>	<b>48,783,064</b>	<b>41,337,106</b>
Turnover	48,680,249	47,799,533	40,265,704
Variations in contracts in progress	298,779	612,880	452,051
Capitalised production	110,489	204,530	241,097
Other operating income	1,027,819	166,121	378,254
<b>OPERATING CHARGES (BEFORE AMORTISATION)</b>	<b>-47,060,983</b>	<b>-45,027,552</b>	<b>-38,587,823</b>
Purchase of equipment and services linked to sales	-24,146,466	-24,411,435	-21,129,943
Remuneration, social security charges and pensions	-23,048,167	-20,416,416	-17,339,864
Other operating costs	133,650	-199,701	-118,016
<b>EARNINGS BEFORE INTEREST, DEPRECIATION AND AMORTISATION = EBITDA</b>	<b>3,056,353</b>	<b>3,755,512</b>	<b>2,749,283</b>
<b>DEPRECIATION AND AMORTISATION</b>	<b>-1,340,574</b>	<b>-1,361,478</b>	<b>-843,072</b>
Amortisation of intangible and tangible fixed assets	-1,370,127	-1,114,995	-861,492
Depreciation of trade receivables	24,553	-258,414	-13,746
Provisions for liabilities and charges	5,000	11,931	32,166
<b>OPERATING PROFIT</b>	<b>1,715,779</b>	<b>2,394,034</b>	<b>1,906,211</b>
<b>FINANCIAL RESULTS</b>	<b>81,283</b>	<b>-349,762</b>	<b>-324,140</b>
Financial income	754,798	77,064	74,884
Financial charges	-673,515	-426,826	-399,024
<b>CURRENT PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES</b>	<b>1,797,062</b>	<b>2,044,272</b>	<b>1,582,071</b>
<b>AMORTISATION OF GOODWILL**</b>	<b>-1,028,432</b>	<b>-1,507,875</b>	<b>-1,561,061</b>
<b>CURRENT PROFIT</b>	<b>768,630</b>	<b>536,397</b>	<b>21,010</b>
<b>EXTRAORDINARY RESULTS</b>	<b>-43,782</b>	<b>42,971</b>	<b>-368,363</b>
<b>RESULT BEFORE TAXES</b>	<b>724,848</b>	<b>579,368</b>	<b>-347,353</b>
<b>DEFERRED TAXES</b>	<b>-11,193</b>	<b>-217,783</b>	<b>-260,837</b>
<b>INCOME TAX</b>	<b>-550,762</b>	<b>-822,927</b>	<b>-228,112</b>
<b>SHARE IN THE RESULTS OF COMPANIES IN CONSOLIDATION USING THE EQUITY METHOD</b>	<b>-14,326</b>	<b>6,247</b>	<b>0</b>
<b>NET PROFIT BEFORE AMORTISATION OF CONSOLIDATED DIFFERENCES.</b>	<b>1,176,999</b>	<b>1,052,780</b>	<b>724,759</b>
<b>NET RESULTS</b>	<b>148,567</b>	<b>-455,095</b>	<b>-836,302</b>
A. Share of minority interests	193,264	-31,762	32,041
B. Group share	-44,697	-423,333	-868,343

<b>DATA PER SHARE</b>	31/12/2013	31/12/2012	31/12/2011
NUMBER OF SHARES	3,844,061	3,833,739	3,833,739
NUMBER OF SHARES AND WARRANTS	3,995,211	4,041,959	4,097,089
CURRENT RESULTS / SHARE (in EUR)	0.1999	0.1399	0.0055
CURRENT RESULTS/ SHARE AND WARRANT (in EUR)	0.1924	0.1327	0.0051
GROUP SHARE / SHARE (in EUR)	-0.0116	-0.1104	-0.2265
GROUP SHARE / SHARE AND WARRANT (in EUR)	-0.0112	-0.1047	-0.2119
NET RESULT / SHARE (in EUR)	0.0386	-0.1187	-0.2181
NET RESULT / SHARE AND WARRANT (in EUR)	0.0372	-0.1126	-0.2119

\* 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.

The 2013 consolidated income statement covers 12 months of all the entities in the group except for Den Gulden Winckel BV, consolidated since 1 October 2013, or the income statement for three months and Merge Media BV, consolidated since 1 July or the income statement for six months.

<b>ASSETS (EUR) *</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
<b>FIXED ASSETS</b>	<b>11,171,038</b>	<b>9,518,823</b>	<b>8,873,387</b>
Formation expenses	297,600	177,960	269,914
Intangible assets	2,038,425	2,001,937	836,213
Consolidation differences	7,084,341	5,880,872	6,438,421
Tangible assets	1,484,521	1,244,679	1,088,537
Fixed financial assets	266,151	213,375	240,302
<b>CURRENT ASSETS</b>	<b>22,450,532</b>	<b>20,878,538</b>	<b>20,442,876</b>
Stocks and contracts in progress	4,486,882	4,413,093	3,616,979
Deferred taxes	93,041	136,983	387,874
Amounts receivable within one year	13,845,816	14,221,489	13,826,031
Current investments	305,890	395,890	0
Cash at bank and in hand	2,863,659	1,151,398	2,203,255
Deferred charges and accrued income	855,244	559,685	408,737
<b>TOTAL ASSETS</b>	<b>33,621,570</b>	<b>30,397,361</b>	<b>29,316,263</b>
<b>LIABILITIES (EUR) *</b>	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2011</b>
<b>CAPITAL AND RESERVES</b>	<b>10,266,607</b>	<b>9,665,965</b>	<b>10,097,133</b>
<b>MINORITY INTERESTS</b>	<b>338,629</b>	<b>8,634</b>	<b>7,460</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>0</b>	<b>5,000</b>	<b>16,932</b>
<b>DEFERRED TAXES AND DEFERRED TAX LIABILITIES</b>	<b>44,645</b>	<b>77,394</b>	<b>110,502</b>
<b>DEBTS</b>	<b>22,971,689</b>	<b>20,640,368</b>	<b>19,084,236</b>
Amounts payable after one year	2,186,146	1,508,623	443,356
Amounts payable within one year	20,243,085	18,510,802	18,412,781
<i>Current portion of amounts payable after one year</i>	<i>889,396</i>	<i>604,125</i>	<i>1,215,005</i>
<i>Financial debts</i>	<i>6,148,109</i>	<i>4,385,622</i>	<i>2,064,400</i>
<i>Trade debts</i>	<i>3,964,507</i>	<i>3,555,991</i>	<i>4,723,962</i>
<i>Advances received</i>	<i>3,420,199</i>	<i>3,573,594</i>	<i>4,953,413</i>
<i>Taxes, wages and social security</i>	<i>4,443,701</i>	<i>4,825,306</i>	<i>3,638,534</i>
<i>Other debts</i>	<i>1,377,173</i>	<i>1,566,164</i>	<i>1,817,467</i>
Accrued charges and deferred income	542,458	620,943	228,099
<b>TOTAL LIABILITIES</b>	<b>33,621,570</b>	<b>30,397,361</b>	<b>29,316,263</b>

\* Drawn up 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 2013 which contains all the regulatory information. This report will be available on our website, [www.emakina.com](http://www.emakina.com) (section "Financial - Reports") as of 1 April 2014 in accordance with the legal provisions on this matter.*

*This regulatory information press release is a translation of the official French version.*

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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 five core activities: Integrated Communication, Web Building, Interactive Communication, Applications and Commerce. The group's agencies are Emakina (Brussels, Paris, Limoges, Amsterdam, Rotterdam, The Hague, Geneva and Izmir), Your Agency (Waterloo), Robert & Marien (Brussels), The Reference (Ghent) and Design is Dead (Antwerp).

Emakina's clients include many leading businesses, such as Audi, Baume & Mercier, Bavaria, BNP Paribas Fortis, Brussels Airlines, Caran d'Ache, Deutsche Bank, GDF Suez, Girard-Perregaux, i24News.tv, ING, Karl Lagerfeld, KPN, L'Oréal, Longines, Microsoft, Orange, Peugeot, Samsung Europe, Seat, SNCF, Thomas Cook, Volkswagen, and international institutions, such as the European Commission. The Emakina Group employs a staff of over 500 people, reported annual sales of €50.1 m in 2013 and is listed on Alternext of Euronext Brussels (mnemo: [ALEMK](#) - ISIN: BE0003843605). For more information visit: [www.emakina.com](http://www.emakina.com)