



Press release

Issy-les-Moulineaux, 22 July 2016

## Training & development

# The Cegos Group holds its ground and strengthens its position as a European and international leader despite a challenging environment

**The Cegos Group, a worldwide leader in training and development, posts €191m in revenue in 2015, down 3.4% on 2014, in a fast-changing market and an international context characterised by a still timid economic recovery. Its EBITDA is €12.7m.**

## €191m in consolidated revenue in 2015

The Cegos Group reported revenue of €191m in 2015 (compared with €197m in 2014)<sup>1</sup>.

The Group has posted a profit for the 14<sup>th</sup> consecutive year. Its EBITDA has fallen back (to €12.7m from €14.6m<sup>1</sup>).

While certain sections of the French market have witnessed a slowdown in response to the professional training reform, the economic recovery observed internationally in 2014 was confirmed in 2015:

- In France, in a market where the reform of professional training initially led many businesses to adopt a “wait-and-see” attitude in the first half of the year, Cegos posted a decline in revenue of 9%. The situation altered later in the year, with a more pronounced recovery in the second half.
- In Northern Europe (Germany, UK and Switzerland), Group revenue increased by 7% in 2015, following a 9% gain in 2014.
- In Southern Europe (Spain, Italy and Portugal), revenue was also higher by 6% (following a 1% increase in 2014).
- Cegos Asia-Pacific continues to show strong growth, with revenue up by 13% (compared with a 9% rise in 2014).

International contracts – training programmes that Cegos delivers in several countries for its key accounts – posted a 10% increase in revenue, after similar growth in 2014.

The [Group's Distributors](#) – its international network of partners distributing Cegos digital solutions – continue to deliver growth, with revenue up by 27% in 2015 (following an increase of 48% in 2014 and 60% in 2013).

**José Montes, Cegos Group Chairman**, commented on the results as follows:

*“In 2015, Cegos managed to play its cards right in a difficult market situation. The agility of our business model, anticipating the changes in the training market and our resolutely international profile have again been undeniable advantages this year.*

*The very positive performance we achieved internationally was an effective counterbalance to the decline in business in the French market, which was confronted with the uncertainties associated with the training reform that came into effect in early 2015.*

*Business was particularly strong in the European and global markets, especially in Italy, Spain, Switzerland and the United Kingdom.*

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<sup>1</sup> On a like-for-like basis

*In Germany, Cegos' acquisition in late 2014 of the German market leader, Integrata, bore fruit: exploiting synergies and pooling talents drove a 4% increase in business. We continue to achieve steady growth in the Asia-Pacific zone.*

*Overall, the Cegos Group has strengthened its position as a leader and key international player in professional and continuing training."*

## **Three strong strategic priorities for 2016**

In 2016, the Cegos Group will continue to focus its efforts on the three strategic priorities set at the end of 2014 and which are now more important than ever:

### ***Consolidate our positions on the international training market***

**José Montes, Cegos Group Chairman**, explains:

*"The changes we saw on the training market in 2015 are gaining momentum: customers are streamlining their training spend, 'corporate' training is gaining ground, training providers are consolidating and there is an increasing emphasis on innovation and continuous improvement.*

*Organisations are keen to rely on the very few partners who are capable of providing in-depth support for the changes they are making and training their teams in optimal economic conditions. Cegos is driving market consolidation in response to both these imperatives."*

Cegos' global presence illustrates this dynamic in two ways:

- **Client consolidation**, by continuing to support their strategic transformation projects through training and deploying "corporate" training programmes on an international scale.
- **Market consolidation**, by building on its international dimension (including an acceleration of its distributor partner activities and development of *Managed Training Services* for outsourced training) and strengthening its expertise as a key actor in numerous areas: Cegos is included in the "Top 20 Content Development" (for the 6<sup>th</sup> consecutive year), "Top 20 Training outsourcing" and "Top 20 Leadership" rankings from Training Industry, which identifies the best service and technology providers in the training market.

### ***Support business transformation, in particular through digital learning***

Today all business lines and all markets are going digital. Businesses face a twofold challenge in this respect: anticipate and implement their transformation projects successfully, and continually adjust how they work collaboratively.

**José Montes, Cegos Group Chairman**, continues:

*"Whether the business is undergoing a fundamental transformation or needs to ensure continuous development of specific skills, it's the staff who determine how successfully challenges are tackled. Staff need to monitor, take action and ask questions all the time: that's what drives a learning organisation, and today that means using digital technology and working collaboratively.*

*It now seems obvious, but out in the field we see that many businesses still view digital transformation as just a fad, with a focus on the tool, rather than a fundamental upheaval that transforms an organisation's entire business model.*

*Yet by integrating digital learning intelligently into its training ecosystem, a business increases the key success factors for its learning policy and activities."*

Digital learning – a comprehensive approach to learning that relies on digital technology in a variety of ways, for on-the-job, classroom-based or distance learning, in synchronous or asynchronous mode – increases learners' commitment and stimulation. Implementing an ecosystem that includes digital technologies increases the impact of training in terms of effectiveness.

The Cegos Group innovates continuously, further strengthening its attractiveness in the *digital learning* sector:

- 50% of Cegos' solutions are now *blended*, with combined training solutions that Cegos has decided to update, based on the 70 / 20 / 10 learning model: 70% experiential learning, 20% informal learning with others and 10% formal learning.
- The Group is updating the training experience it offers its clients with the creation of the "Cegos Learning Hub", a single digital platform accessible to trainers, training commissioners and learners taking Cegos courses. The Learning Hub is a comprehensive learning ecosystem, which facilitates access to all training-related information and resources in real time.

## ***In France: take advantage of the opportunities arising from the professional training reform***

The professional training reform has transformed the French market. For Cegos, its impact goes beyond the training context itself. Previously viewed as an expense, training is now firmly positioned as an investment.

Cegos is well placed to support organisations as they work through the transition:

- On the one hand, thanks to its proven international experience in markets where training is traditionally unregulated, France having been the exception until now.
- On the other hand, thanks to the innovative streak that is part of Cegos's DNA and has once again this year given rise to numerous new ideas.

In tangible terms, the solutions deployed by the Group are based on three resolutely complementary fundamentals:

- Provide an offering that responds directly to the professionalisation issues faced by individual organisations;
- Design and implement tailor-made solutions to support businesses through major transformations;
- Continue to provide insights into the ever-more central question of effectiveness and Return on Expectations in training, as a key competitiveness factor.

### **As José Montes concludes:**

*“The results we have seen since the start of 2016 suggest a real recovery and our forecasts for the first half of the year confirm this positive trend, particularly in France.*

*We are continuing to focus on the strategy we implemented in 2015, which is based on three clear priorities (consolidation, digitalisation and deregulation in the French market).*

*The role of professional training in a fast-changing job market is to guarantee employees' individual professionalization and drive business transformation.*

*2016 will therefore be a year of acceleration for the Cegos Group and we will be capitalising on three major competitive advantages: our presence in over 50 countries, our ability to offer innovative digital learning solutions and the ability of our teams to respond to both individual needs and businesses' strategic requirements.”*

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### **About the Cegos Group**

Created in 1926, the Cegos Group is a worldwide leader in training and development. The Group now runs its own operations in 11 European, Asian and Latin American countries. It is also active in over 50 countries through its network of partners and distributors, which are all leading training providers and top-tier technology experts.

With 1,000 employees and more than 3,000 partner consultants, the Group trains 250,000 people around the globe every year and generates revenue of €191 million.

Cegos deploys a global offer, including turnkey and tailored training and development, operational consultancy, *Managed Training Services* and international training projects. Its *'blended learning'* approach aims to provide the most suitable and competitive learner experience by combining multiple learning formats (classroom training, *e-learning* modules, videoconferences, webcasts, e-training programmes and more).

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