

econocom

Analyst and Investor presentation

September 2nd, 2021



Welcome

econocom

The speakers



**JEAN-LOUIS
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AGENDA

01

H1 2021
highlights

02

H1 2021 results
and financial position

03

Business line
development strategy

04

Outlook

01

H1 2021 highlights

H1 2021 highlights

Changes in

ownership structure:

purchase of Econocom Group shares held by W. Butler

APRIL

Les Abeilles

awarded 10-year RIAS contract

Early repayment

of €115M Schuldschein bond loan

MAY

Resumption of external growth

via acquisition of majority stake in **TRAMS**, a well known IT distributor in the UK market

JULY

FEBRUARY

Econocom in motion

**Asserted CSR positioning:
responsible digital entrepreneur**
Econocom, pioneer of the digital circular
economy since 1973

New operational headquarters: The hub.paris
a better place for a workplace organisation

**New website
to be launched on 14 September**



02

H1 2021 results and financial position

H1 2021 highlights

Revenue⁽¹⁾

€1,239 M

+1.7%

**Activity
relaunched
despite health
crisis**

ROP⁽²⁾

€62 M

+40.6%⁽¹⁾

**Increase in profitability
in all business segments**

MARGIN

5.0%

+1.4 pts

**External
Growth**

**Acquisition
of Trams UK**

**Resumption
of acquisitions**

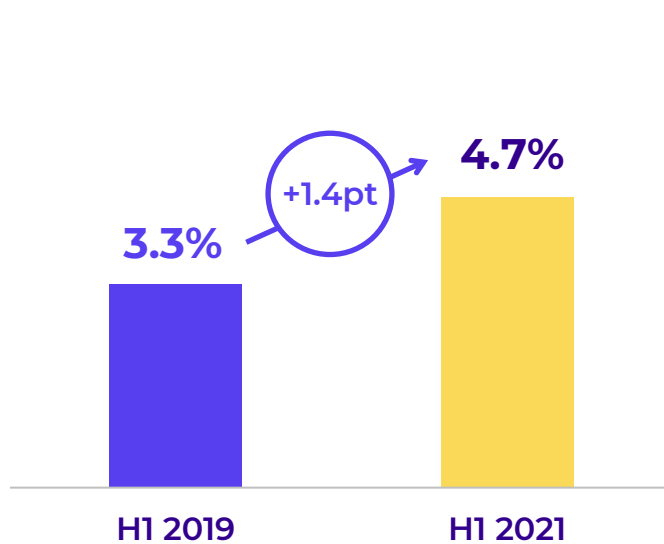
(1) At constant standards and scope

(2) Before amortization of intangible assets from acquisitions

Improved profitability in all business segments



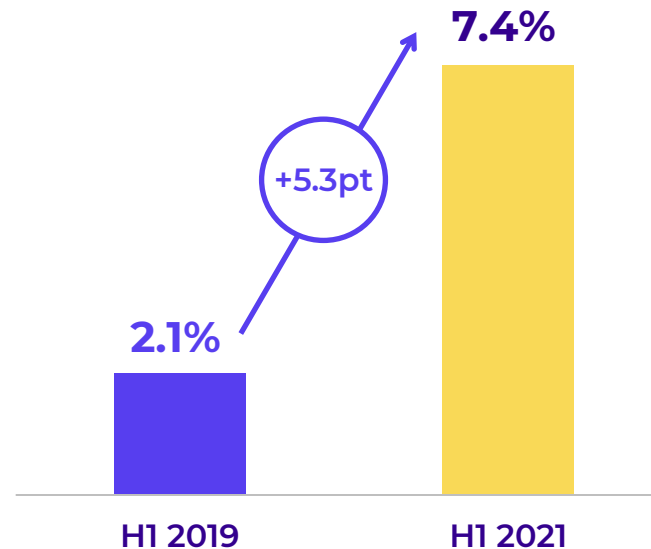
P&S margin
(42% of H1 2021 revenue)



Volume effect
on margin



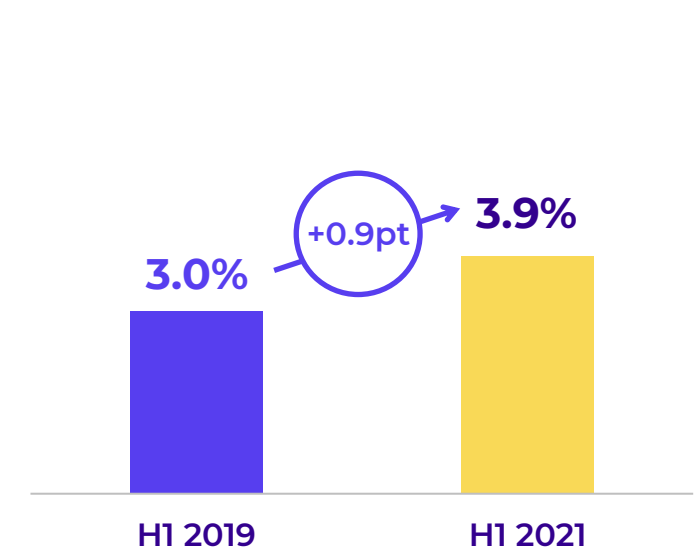
Services margin
(22% of H1 2021 revenue)



Higher
added-value deals



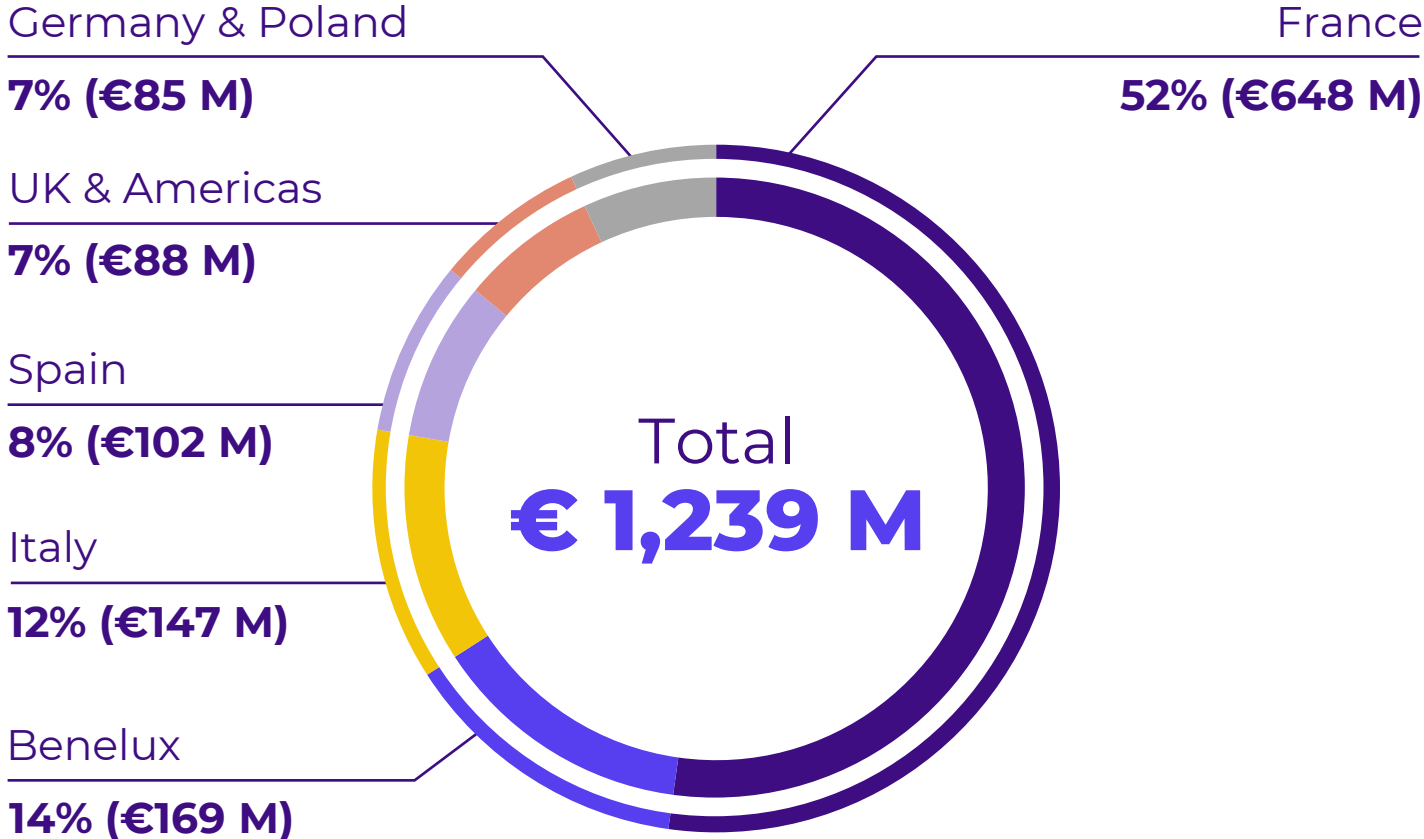
TMF margin
(36% of H1 2021 revenue)



Better deal
selectivity

A strong presence in all targeted geographies throughout Europe

Revenue H1 2021 (% and M€)



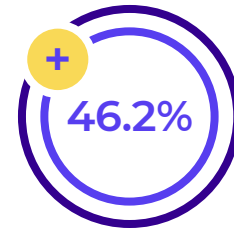
Econocom, the first General Digital Contractor in Europe

As per client request, presence in all major European markets with sufficient market share to create value

Capacity to address demand evolution for pan European bids

Products & Solutions: Revenue and profitability at strong growth

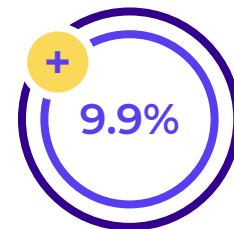
ROP⁽¹⁾⁽²⁾



Profitability rate⁽¹⁾⁽²⁾



Revenue⁽¹⁾



A strong volume effect together with added value of attached services

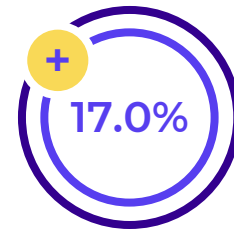
A market environment boosted by high demand for digital goods and despite sourcing issues

(1) At constant standards and scope

(2) Before amortization of intangible assets from acquisitions

Services: continued improvement of profitability

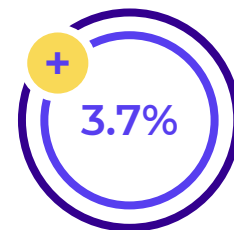
ROP⁽¹⁾⁽²⁾



Profitability rate⁽¹⁾⁽²⁾



Revenue⁽¹⁾



**Continued increase
in Services profitability
which started 3 years ago**

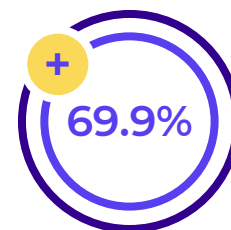
**Revenue growth acceleration
in particular with a marked
recovery in Q2 further to
launch of new offers**

(1) At constant standards and scope

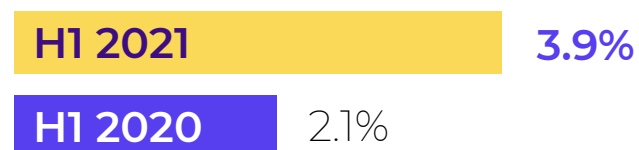
(2) Before amortization of intangible assets from acquisitions

Technology Management & Financing: Increase in ROP

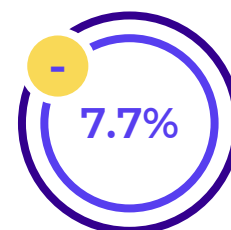
ROP⁽¹⁾⁽²⁾



Profitability rate⁽¹⁾⁽²⁾



Revenue⁽¹⁾



Lower break-even point

Improvement of client portfolio

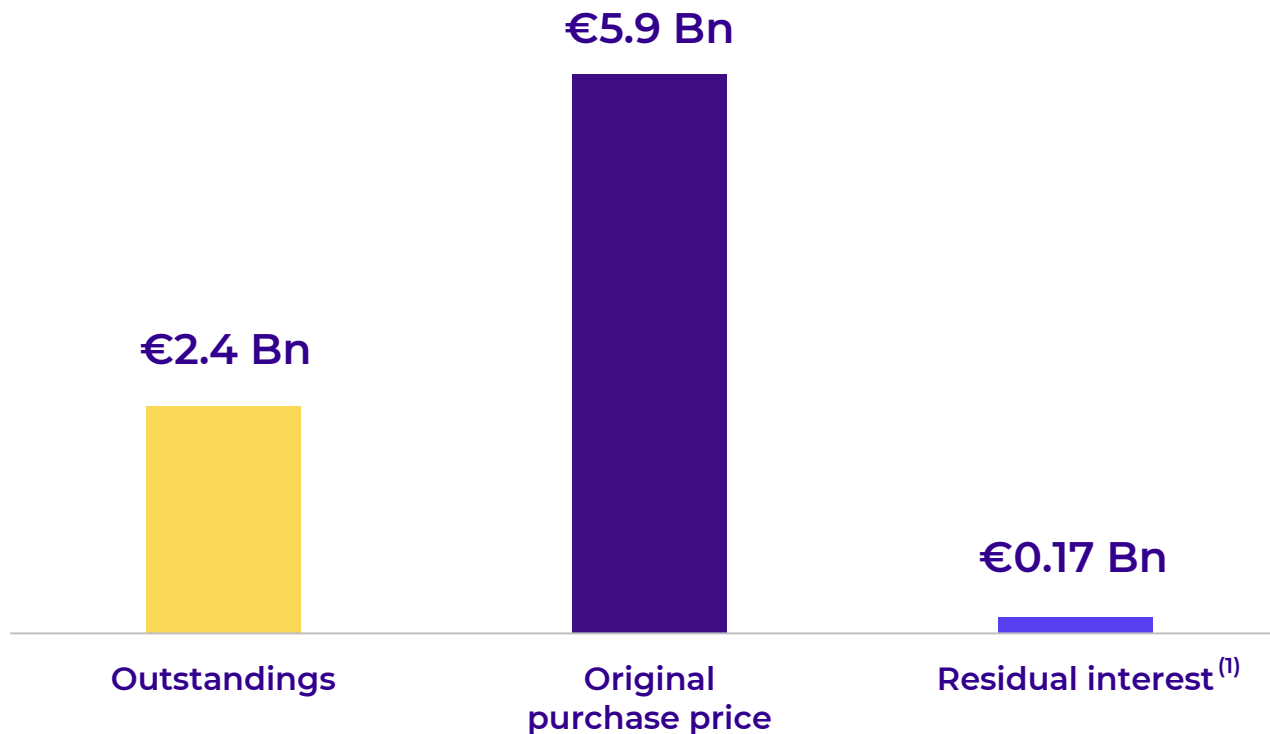
Increase in the portion of operating leases in H1 2021 (€39 M vs. €9 M)

(1) At constant standards and scope

(2) Before amortization of intangible assets from acquisitions

A risk-adverse TMF portfolio

Contract portfolio as of H1 2021



Overall stability of portfolio
at original purchasing price

Residual interest⁽¹⁾

- **3.0%** of the Original Purchase Price
- **>2x** covered by remarketing of assets and contract extensions
- **€0.17 Bn** of residual interest, (excluding the additional services)

(1) Estimated value of assets at the expiry of the lease contract

Strong increase in Net profit

(In €M)	H1 2021	H1 2020 ⁽¹⁾
Revenue	1,239.5	1,225.7
Recurring operating profit⁽²⁾	62.3	44.6
Recurring operating profit	61.1	43.6
Non-recurring operating incomes and expenses	(7.6)	(23.6)
Operating profit	53.5	20.0
Financial result	(7.4)	(8.5)
Profit before tax	46.1	11.5
Income tax	(14.8)	(5.7)
Net profit from continued operations	31.3	5.8
Net result from discontinued operations	(1.1)	16.3
Net consolidated profit	30.1	22.1

(1) Restated

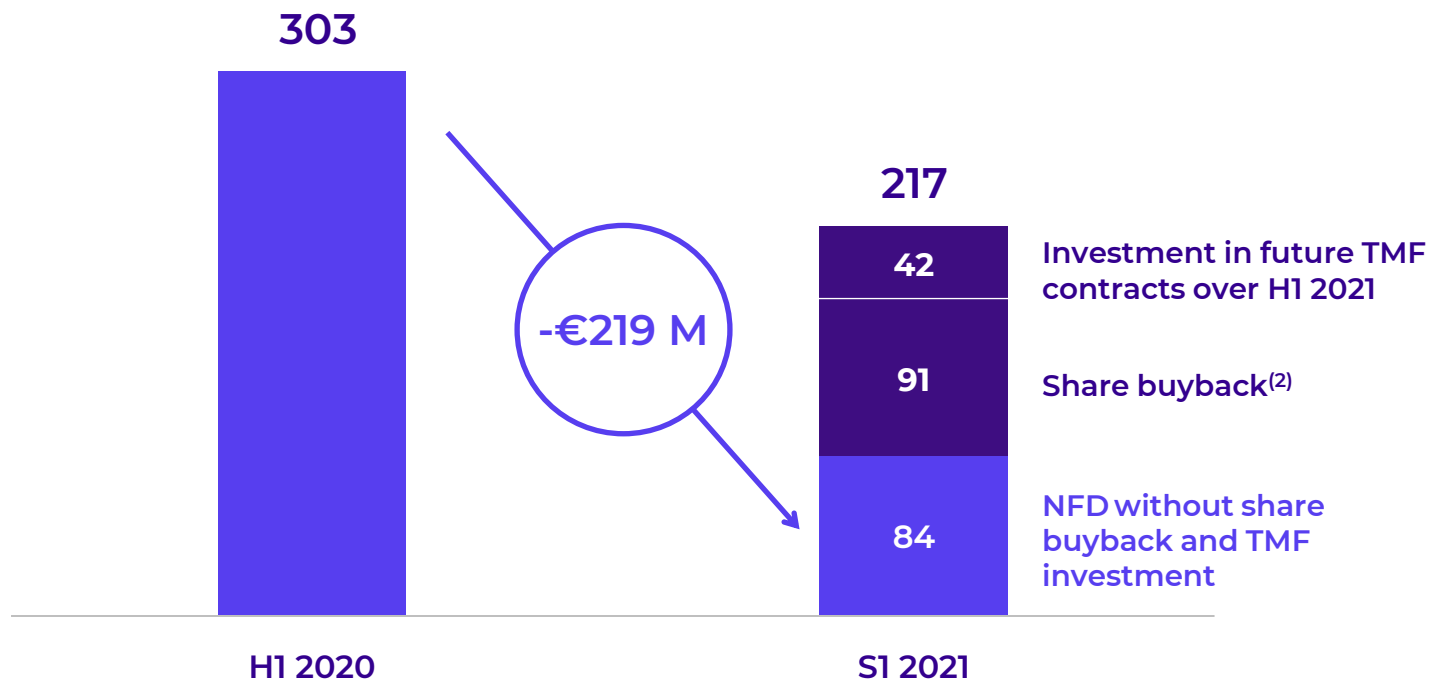
(2) Before amortization of intangible assets from acquisitions

Strong decrease in non-recurring operating expenses further to completion of Drakkar plan

Net consolidated profit up 36.2% despite effect of H1 2020 capital gain on asset disposed

Continued long term deleveraging and acceleration of share buyback program

Change in NFD⁽¹⁾ (in €M)



Acceleration of share buyback program which will help financing future acquisitions and/or recruiting a long term equity partner

Debt still under control considering the structural seasonality of the 1st half-year working capital

(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant

(2) Total of share buyback program since June 30th, 2020,

03

Business line development strategy

Products & Solutions

Flexible and forward-looking approach to changing demand

Carving out a major foothold in Europe



> €1 billion revenue



Nr. 1 in Belgium



Nr. 2 in France



Strong positions
in Italy, Spain, Germany,
Netherlands and UK

Solutions tailored to customer needs



One stop shop

multi-brand,
multi-vendor,
multi-product



Related services

customisation, logistics,
maintenance



Product Care

Extending product
lifetime

Growth drivers underpinned by core strengths



Widespread rollout of remote working



Developing integrated multi-country solutions



Equipment financing

Products & Solutions

Future strategic targets

**Become European leader
in distribution services**

Strategic M&A roadmap

Achievements: TRAMS (UK)

July 2021. €50M revenue. Peer company offering comprehensive multi-vendor solutions

Future targets:

multi-vendor, multi-sector players to develop **TMF synergies** in Germany, Spain and the Netherlands



trams | econocom



Services

Workstation services

Strong reputation in France, Belgium and Spain



Leading provider of workstation outsourcing services in France (Run)

> 1 million workstations under management



Single end-to-end “One Workplace” solution for modernising the workstation: **Design, Build & Run** and hardware **distribution**

infeeny | econocom



Strategic partnerships to improve user experience and workstation administration: Artefact (Artificial Intelligence), Citrix (Virtual Desktop)



Future strategic targets

Become Nr.1 provider of global workstation services in France

Design, Build & Run

Through acquisitions, join the European Top 3 providers of workstation services

Services

Other Services - strategic targets

Infrastructure services

Aggressive choice to move legacy services to the cloud



Two new solutions

- Design & Build
- Run & multi-platform cloud orchestration



Strategic partnerships

Microsoft Azure, Amazon Web Services, Google Cloud Platform, VMware



Targeting **middle market and public sector**

Application services

Launch of a new offering “Apps, Cloud & Data” in July 2021



Adaptation to new customer requirements

- DevOps
- Design cloud-native business applications
- Data enhancement



Higher value-added solutions

Technology Management & Financing

Current position and background

Covid and the transformation plan have impacted growth



Sales force attrition



Closure of unprofitable locations



Targets to reduce net book debt and consequently structured financing



Delivery **delays**



State-Guaranteed Loans (SGLs)

Nevertheless, profit margins have improved



Breakeven point lowered and efficiency improved



More selective approach to operations



Focus on major **high-potential markets**



Strengthened **management team**

Growth drivers



Step up digitisation and smart working



Public sector investment



Increased focus on the **circular economy**



Customer reversion from SGLs to rental solutions



Policy of **developing strong partnerships**



Major European tenders

TMF - 2021-2022 action plan geared towards growth

Sales force hiring programme underway:
over 30 new salespeople by 31/12/2021

External growth:
priority assigned to France, Germany and Benelux

Development of structured financing solutions

New solutions:

- Public sector
- Asset end-of-life (circular economy)
- Expanded range of assets (industrial, healthcare)

New partnerships: first partnership set up with Atos

We are targeting strong positions in TMF and P&S in all our existing European markets in order to respond to major tenders: dedicated team set up





04 Outlook



Econocom: key figures 2009 - 2024e

● Number of shares, excluding Treasury Shares (M)

Stable, value x4

181

187

— Consolidated Revenue⁽¹⁾ (€M)

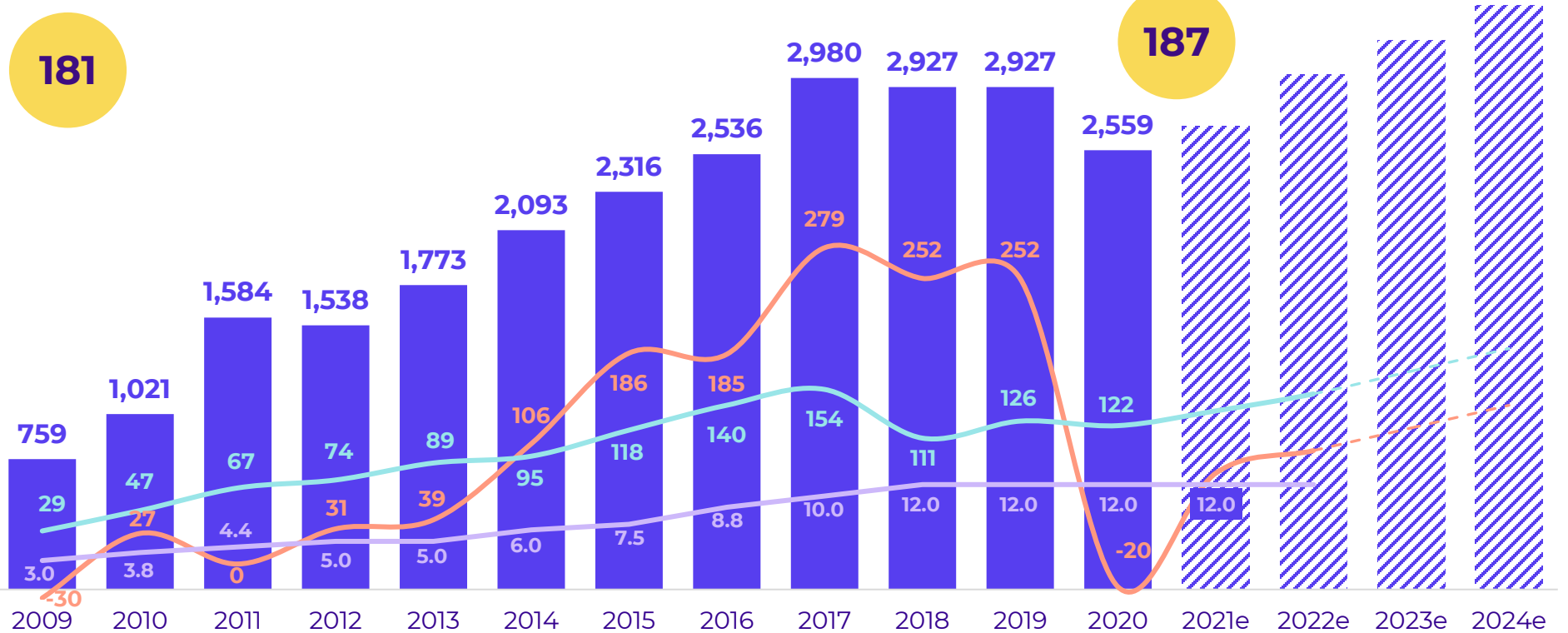
X3.5

— ROP⁽¹⁾ (€M)

X4.5

— Net Financial Debt (NFD)⁽¹⁾ (M€)

— Earnings per share (cts €)



2012 Horizon PLAN
ECS ACQUISITION

Mutation PLAN
OSIATIS ACQUISITION
SATELLITES BUSINESS MODEL

Executive Management CHANGES

Transformation PLAN
COST CONTAINMENT
SHARP DELEVERAGING

(1) Reported figures

Extensive track record in acquiring and integrating companies

In 2020,
satellites acquired
from 2014-2018 contributed
26% of total Group revenue
and 22% of ROP.

Successes

alter way | econocom infeeny | econocom helis | econocom

exaprobe | econocom BIS | econocom bdf | econocom

altabox | econocom nexica | econocom dms | econocom

bizmatica | econocom energy net | econocom

asystel italia | econocom

lessons learned

synertrade | econocom gigigo | econocom

aragon-erh | econocom

asp serveur | econocom

Q&A

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Appendices

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Econocom

Europe's leading global digital services company

ECONOCOM 2020 full-year results



€2.559 Bn

Limited decline in like-for-like revenue
Down 11.3% versus 2019



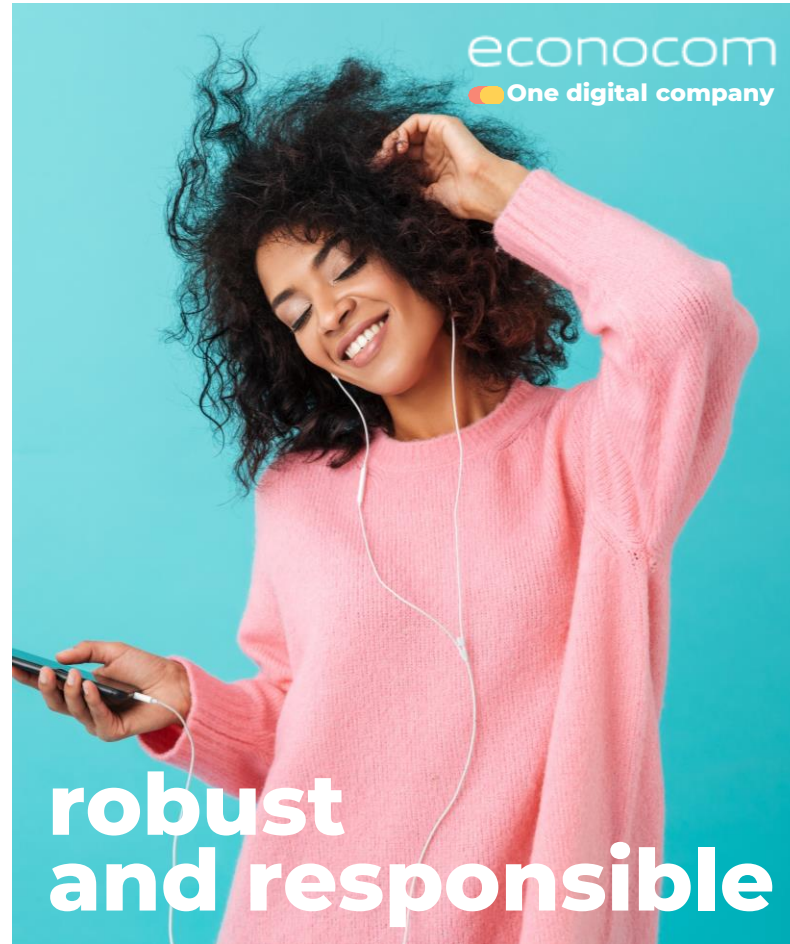
€122.5M

Increase in recurring operating profit (ROP)
Up 2.2% versus 2019



€20M

Net cash (versus **€252M**
net book debt at 31/12/2019)



95%

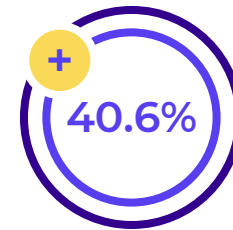
refurbished
equipment

50%

reduction in our
digital technology
energy footprint
from 2017-2020

Increased profitability by more than 40% Revenue up 1.7% boosted by P&S and Services

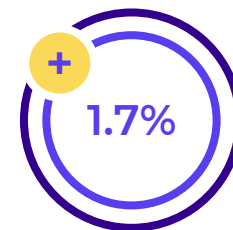
ROP⁽¹⁾⁽²⁾



Profitability rate⁽¹⁾⁽²⁾



Revenue⁽¹⁾



Positive impacts of business refocus

Long-lasting effects of Drakkar cost reduction plan initiated in 2019-20

But still impacted by overall delays in sourcing goods

(1) At constant standards and scope

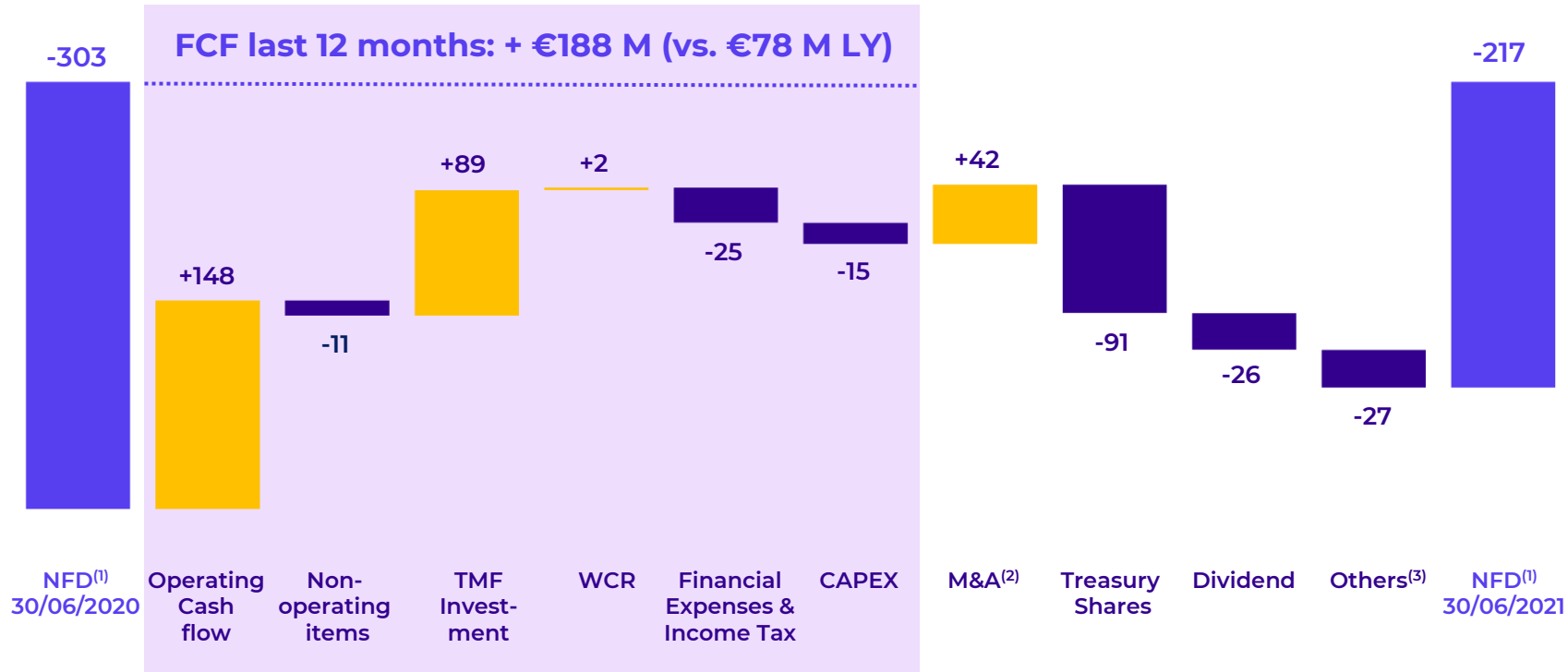
(2) Before amortization of intangible assets from acquisitions

Simplified balance sheet

ASSETS (IN €M)	30/06/2021	31/12/2020
Goodwill	491	500
Other non-current assets	229	230
Assets related to leasing activities	368	361
<i>Residual interest in leased assets</i>	<i>175</i>	<i>175</i>
<i>Net receivables from own booked TMF contracts</i>	<i>193</i>	<i>186</i>
Other trade and other receivables	646	708
Other current assets	168	137
Assets held for sale	97	74
TOTAL	1,999	2,010

EQUITY & LIABILITIES (IN €M)	30/06/2021	31/12/2020
Equity	410	473
Net Financial Debt	217	-20
Commitments on residual value	100	104
Other non-current liabilities	168	155
Trade payables	838	992
Other current liabilities	218	277
Liabilities related to assets held for sale	47	29
TOTAL	1,999	2,010

Free Cash Flow generation over LTM



Operating Cash-Flow improvement

Deconsolidating financings

Well-managed WCR

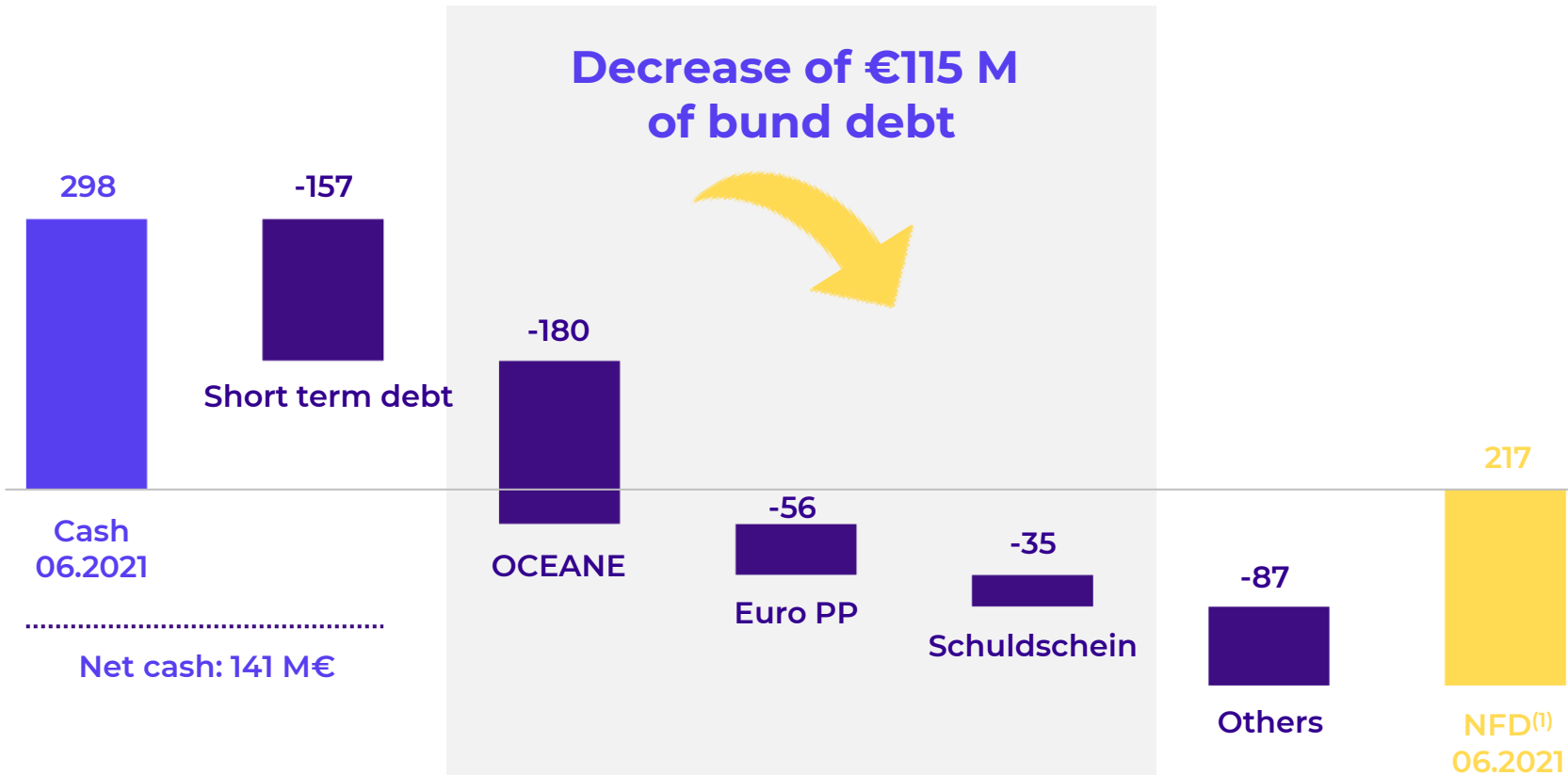
€42 M net proceeds from asset disposals

NFD as at 30/06/2021 of **€217 M** inclusive of **€117 M** of cash returned to shareholders

(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant
 (2) Includes cash proceeds from asset disposals and disbursements on minority stakes
 (3) "Others" includes cash impact of IFRS 5 and IFRS 16

Decrease in gross debt

In €M



Decrease in bond debt with **Schuldschein early repayment** of **€115 M** end of June 2021

Increase in bank lines to finance operating cycles and the effects of seasonality on working capital

(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant

Stock Exchange

Equity table ⁽¹⁾ – % of ownership and number of shares



Number of shares:

- Total shares: **221.3 M**
- Treasury shares: **33.7 M**
- Floating shares: **187.6 M**

Share price as of
August 31th, 2021: €3.59

Listing place:

- **Euronext Brussels**
- **EBR: ECONB**
- **ISIN: BE0974313455**

(1) As of 31 August 2021

(2) Of which 7.8% in direct ownership and 7.4% via BIS BV, subsidiary of Econocom Group

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Thank you

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