

# econocom

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**STRONG DYNAMIC ACROSS ALL BUSINESS LINES IN 2017 CONSOLIDATES ECONOCOM'S GROWTH PROFILE (REVENUE UP 17.5%, OF WHICH 11.2% ORGANICALLY)**

**THE GROUP CONFIRMS IT HAS ACHIEVED THE OBJECTIVES OF ITS MUTATION STRATEGIC PLAN: A TWOFOLD INCREASE IN BOTH REVENUE, STANDING AT €3.0 BILLION, AND RECURRING OPERATING PROFIT<sup>1</sup>, TO OVER €150 MILLION<sup>2</sup>**

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## **STRONG BUSINESS DYNAMIC IN 2017**

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Econocom, a European player specialising in the digital transformation of organisations, posted 2017 full-year revenue of €2,980 million, compared with €2,536 million in 2016, i.e. a 17.5% rise.

Organic growth was strong (11.2 %), accelerating during the second half and well over annual guidance ("in excess of 5%"). All the group's activities contributed to this trend:

- **Technology Management & Financing (TM&F)** reported revenue of €1,378 million, up 9.5% on 2016, an entirely organic growth. The fourth quarter enabled the group to consolidate the business opportunities identified throughout the year. The group continues to benefit from the fundamental market trend whereby use is overtaking ownership.
- Revenue for **Services** exceeded one billion euros for the first time (€1,007 million), rising by 25.5%, **12.7% of which was organic**. The Planet continued its growth, in line with the market, due in particular to the ramp-up of major managed services contracts. The Satellites acted as an accelerator, posting another year of double digital organic growth, driven mainly by some major deals in integration services as well as the healthy momentum in key digital segments (cybersecurity, mobility solutions, etc.).
- **Products & Solutions** was up 25.2%, **12.7% of which was organic**. The activity benefited considerably from IT and multimedia investments in Europe and market share gains, particularly in the public sector (education, hospitals, etc.).

## **OBJECTIVES OF THE MUTATION 2017 STRATEGIC PLAN ACHIEVED**

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After another year of profitable growth, Econocom Group confirms the success of the Mutation 2017 plan launched in 2013 and the achievement of its strategic targets, i.e., in five years:

- A further twofold increase in revenue, to €3.0 billion in 2017;
- Recurring Operating Profit<sup>1</sup> doubling to stand at over €150 million<sup>2</sup> in 2017, compared with €75 million in 2012.

Over the period, the group firmly established itself as a key partner for major corporate accounts in Europe for deploying their digital strategy. The Services business currently accounts for around 34% of the group's revenue compared with 17% in 2012. The original "Planet + Satellites" development model has enabled Econocom to establish itself in key digital transformation segments (cybersecurity, mobility solutions, cloud, SaaS, etc.) whilst continuing to strengthen the group's position in Europe.

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<sup>1</sup> Before amortisation of the ECS customer portfolio and the Osiatis brand

<sup>2</sup> Unaudited

## A YEAR OF SUBSTANTIAL INVESTMENTS

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2017 was a year of major investments in preparation for the new 5-year strategic plan, “e for excellence.”

The group carried out **seven external growth transactions** in order to expand its offer portfolio in its historic countries (BIS in multimedia in Benelux, Aciernet in integration services, LP Digital in DevOps and BiBoard in data analytics in France) and introduce certain activities in new countries (Energy Net for distributing Apple solutions in Germany, Jade and JTRS in the UK, in mobility solutions and Apple and Google education solutions respectively).

**Major investments were also made in 2017, and will continue to be made in 2018**, in order to consolidate and transform operations, with recruitments for key positions, improving offers and creating new ones and developing the group’s in-house refinancing company, EDFL.

In spite of these substantial investments, the **group’s financial position is solid with net book debt amounting to less than 1.6 x EBITDA 2017** (i.e. around €280 million<sup>2</sup>). This level of debt, with favourable rates, means the group can continue to make strategic investments in M&A and structured financing, in line with the “e for excellence” plan.

## EXPANDING THE MANAGEMENT TEAM

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As part of the new strategic plan, the group’s executive board has been further expanded with the appointment of **David Krieff as Executive Director and Managing Director of Finance for the group**. A graduate of the Ecole Centrale de Paris and ENA (Marie Curie class), David is an *Inspecteur des finances*. He has taken over the group’s whole Finance division and in particular will be in charge of ensuring financing for the group, running and developing the structured financing team, group control, the company secretary’s office and internal audit.

In addition, all the Planet’s Services divisions in France (Outsourcing, Infrastructures, Application Development and Telecoms) have been merged into a single Services France practice overseen by **Laurent Roudil, who was appointed Managing Director of Services France and Deputy Managing Director France**. Laurent previously held a series of Senior Management and branch development positions with Capgemini then BT France before joining Econocom Group in 2015 to set up and run the Strategic Accounts department.

Robert Bouchard, Chief Operating Officer of Econocom Group, said: *“Thanks to the efforts of all Econocom’s employees, 2017 allowed us to confirm the success of the Mutation plan. We can therefore begin the new “e for excellence” strategic plan announced in October 2017 with confidence and energy. It aims for revenue of €4 billion and an almost twofold increase in operating profit to reach €300 million euros by 2022, with a focus on quality of service, the synergies between our business lines and increasing value added. Achieving these targets will require continuing to invest in equipment, people and finance, so we can establish the group as one of the winners of the fantastic digital industrial revolution that is underway. It won’t be a linear progression: in 2018 we will lay the foundations of success for the next five years and beyond.”*

**Next publication: the audited 2017 full-year results will be published after the close of trading on 26 February 2018.**

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### ABOUT ECONOCOM

Econocom finances and accelerates companies’ digital transformation. With 10,500 employees in 19 countries and revenue in excess of €3 billion, Econocom has all the requisite abilities to ensure the successful implementation of large-scale digital projects: consulting, sourcing and technology management & financing of digital assets, infrastructure, application and business solution services, and project financing. Econocom has adopted European company status (*Societas Europaea*). The Econocom Group share has been listed on Euronext Brussels since 1986. It is part of the BEL Mid and Family Business indices.

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### FOR FURTHER INFORMATION

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