e for excellence

Jean-Louis Bouchard

AGENDA

WHERE TO

Bruno Grossi

HOW

Robert Bouchard
e for excellence
WHERE TO

Bruno Grossi
STRATEGY AND M&A
OUR TRACK-RECORD
**OUR TRACK RECORD** - 2007-2012 HORIZON PLAN

**ENVIRONMENT**

- Year zero of mobile web
  - (1st iPhone, Android)
- Increasing financing and technology needs driven by digital revolution
- Financial crisis looming

**ACTIONS**

- Bold move into mobility
- Develop IT financing as booster of IT transformation
- Resilient business model
  - Acquisition of ECS

**RESULTS**

- €1,575 m
- €701 m
- €25 m
- €75 m

(1) Before amortisation of intangible assets from acquisitions
OUR TRACK RECORD - 2012-2017 MUTATION PLAN

ENVIRONMENT

Major digital disruptions
facebook, UBER, Airbnb

Talents aspiration & entrepreneurial spirit

Massive growth of digital assets

ACTIONS

Become a major operator of digital transformation
Acquisition of Osiatis Services go from 2,300 to 8,500 FTEs

Build an original development model (One Galaxy)

Launch of internal refinancing (EDFL) and structured finance

TARGETS

c.€3,000 m

€1,575 m

€75 m

2012

€150 m

2017e

Consolidated revenue
Recurring operating profit
STOCK MARKET PERFORMANCE

Average market cap (million euros)

(1) proforma after stock splits
OUR GROUP TODAY: A RECOGNISED ENABLER OF DIGITAL TRANSFORMATION

c.€3 BN revenue

A EUROPEAN scale

c.11,000 employees
OUR GROUP TODAY: A RECOGNISED ENABLER OF DIGITAL TRANSFORMATION

FINANCING
Technology Management & Financing
50%

TECHNOLOGY
Digital Services
32%

A unique COMBINATION of EXPERTISES

Products & Solutions
18%
OUR GROUP TODAY: A RECOGNISED ENABLER OF DIGITAL TRANSFORMATION

A unique COMBINATION of EXPERTISES

FINANCING: 25%
Technology Management & Financing

TECHNOLOGY: 65%
Digital Services

VALUE ADDED: 10%
Products & Solutions
OUR GROUP TODAY: A RECOGNISED ENABLER OF DIGITAL TRANSFORMATION

>10%
Revenue CAGR 12-17e

A differentiating MIXED-GROWTH model
"ONE GALAXY" A DIFFERENTIATING MODEL
econocom

magic makers
kartable
asystel italia
digital dimension
exaprobe
bizmatica
econocom caverin
econocom brésil
digital security
helis
jade
infeeny
alter way
cineolia
jtrs
clever energies
histovery
FOUR MARKET TRENDS SUPPORT OUR STRATEGIC ORIENTATIONS

01 Pace of digital transformation accelerating

02 All sectors in the game

03 Users have taken control - B2C redefines standards

04 Usage overtaking ownership
DIGITAL TRANSFORMATION MARKET IS ACCELERATING

- IoT / connected objects: +17% CAGR
- Cyber-security: +12% CAGR
- Data analysis: +40% CAGR
- Digital transformation consulting & projects: +10% CAGR
- Cloud services (excl. Platforms): +21% CAGR

Note: Market figures for the western European market 2016-21e CAGR source: PAC, Gartner, Econocom
ALL SECTORS IN THE GAME

IMPACT OF DIGITAL

Early adopters
Already on the edge
Need to invest to stay ahead

Telco & Media
Retail

Education
Finance

Professional Services

Real Estate

Leisure

Consortion

Food services

DIGITAL MATURITY

Late comers
Low initial digital intensity
Need help to kickstart their digital transformation

Manufacturing
Healthcare

Transportation
Utilities

Agriculture

Government

Mining, Oil, Chemicals, Gas

Source: analysis Heads and Deloitte Digital
USERS HAVE TAKEN OVER
AND ARE REDEFINING THE STANDARDS

Digital users are
EMPOWERED
&
SPEAK UP

All organisations have to ADAPT
to the HIGHEST
B2C STANDARDS

MUST-HAVE FOR OUR CLIENTS

in-depth knowledge of uses
Redesigned processes from users’ perspective
End-to-end super quality
Usage is increasingly replacing ownership.

Paid “as a Service” vs. owned:

- IT Hardware: c.25% ✓
- Software: c.15% ✓
- Entertainment: c.30% ✓
- Planes: c.40% ✓
- Car: c.50% ✓
- Triple-play box: c.100% ✓
NEW POSITIONING
OUR PROMISE

MAGICAL CLICK

EMOTION AND IMPACT, RIGHT FROM THE FIRST CLICK, TIME AFTER TIME
OUR VISION

CLICK POWER

DIGITAL USERS HAVE TAKEN CONTROL: THEY’RE THE NEW MASTERS OF THE GAME
OUR MISSION

CLICK MATCH

BOOST COMPANIES’ AGILITY
OUR SPIRIT

CLICK SPIRIT

THE EXTRA-MILE ATTITUDE, COMPANIES NEED ADVICE AND SUPPORT FROM START TO FINISH – AND BEYOND
VISION
CLICK POWER

MISSION
CLICK MATCH

SPIRIT
CLICK SPIRIT

PROMISE
MAGICAL CLICK
NEW AMBITION
E FOR EXCELLENCE AMBITION FOR 2022

REVENUE

- 2017e: c.€3.0 bn
- 2022e: c.€4.0 bn

RECURRING OPERATING PROFIT

- 2017e: c.€150 m
- 2022e: c.€300 m

7.5%
BREAK
STRATEGIC PLAN BUILT ON 4 PILLARS

#1 EXCELLENCE IN DELIVERY & OFFERS

#2 GROWTH RELAYS
end-to-end digital solutions & extend financing beyond traditional IT

#3 SATELLITES

#4 M&A
E FOR EXCELLENCE  AMBITION FOR 2022

Revenue:
- 2017e: c.€3.0 bn
- 2022e: c.€4.0 bn

Recurring Operating Profit:
- 2017e: c.€150 m
- 2022e: c.€300 m (7.5%)
CREATE THE **MAGICAL CLICK**

| VALUE | • **Business-transformative** solutions  
       | • **Boost of organizations digital agility** |
|-------|-------------------------------------------|
| USER EXPERIENCE | • **Understanding of uses**  
                  | • **Passion for technology**  
                  | • **Measure of users’ and clients’ satisfaction** |
| OPERATIONAL EXCELLENCE | • **Highest B2C standards**  
                         | • **Processes and automation** |
REVENUE GROWTH DRIVERS (ESTIMATES)

- **2017e**: c. €3.0 bn
- **2022e**: c. €4.0 bn

**Drivers of Growth**

1. **Headwinds**: 0.4-0.6
2. **Excellence in delivery & offers**: 0.2-0.3
3. **Growth relays**: 0.3-0.4
4. **Satellites**:
5. **M&A**:

EXCELLENCE IN DELIVERY & OFFERS
LEVER 1 “EXCELLENCE IN DELIVERY & OFFERS”

> 25 tangible initiatives across 3 businesses

c. €30-40M additional ROP

Products & Solutions

Technology Management & Financing (TM&F)

Services
PRODUCTS & SOLUTIONS INITIATIVES

CREATE USE-BASED SERVICES

- New “B2B2C” web platform
- Services targeting the user

ENHANCE VALUE THROUGH EXPERTISE

- Advanced customization
- Enriched perceived quality

EXTEND BUSINESS SURFACE

- More Products
- More Partners
- Extend European foothold
TECHNOLOGY MANAGEMENT & FINANCING

CREATE USE-BASED SERVICES

Green solutions
Performance and “per-use” contracts

ENHANCE VALUE THROUGH EXPERTISE

Second hand reselling platform
Leverage lifecycle data to extend “pay per use” capabilities

EXTEND BUSINESS SURFACE

Extend asset spectrum (medical, IoT...)
Extend client base:
• New Partnerships
• Public sector

7 M leased devices of which 70% fleet-managed
6 M assets procured
150 K references in catalogue
SERVICES INIATIVES

CREATE USES BASED SERVICES

- OneDesk: "self-serve" digital workplace
- OneGate: hybrid infrastructure management “cockpit”
- Predictive maintenance

ENHANCE VALUE THROUGH EXPERTISE

- Organization by apps & infra expertise
  AI, data analytics, automation, chatbot, robotics, etc.
- Infrastructure advisory

EXTEND BUSINESS SURFACE

- Extend technology in workspace management
- Extend technology range in maintenance

1.5M users supervised
300,000 servers maintained
> 1,200 developers
650 solution & 350 security experts
7 M leased devices of which 70% fleet-managed
6 M assets procured
150 K references in catalogue
ONE DESK: RE-INVENTING THE WORKPLACE

Innovate differently: get the inspiration from best-of-breed B2C standards to transform the relationship with employees.
GOING BEYOND: **DATA ANALYTICS**

1.5M users supervised

300,000 servers maintained

> 1,200 developers

650 solution & 350 security experts

7 M leased devices

of which 70% fleet-managed

6 M assets

procured

150 K references

in catalogue

**DATA ANALYTICS** « MARS »

CREATE USE-BASED SERVICES

ENHANCE VALUE THROUGH EXPERTISE

EXTEND BUSINESS SURFACE
GROWTH RELAYS
LEVER 2 “GROWTH RELAYS”

Capitalising on our unique know-how

Delivering c. €40-50M additional ROP

Develop end-to-end digital solutions

Extend financing beyond traditional IT
END-TO-END DIGITAL SOLUTIONS
BUILD ON ECONOCOM’S KEY STRENGTH

CREATE USE-BASED SERVICES

ENHANCE VALUE THROUGH EXPERTISE

EXTEND BUSINESS SURFACE

DATA ANALYTICS
« MARS »

Decision makers

Users

END-TO-END SOLUTIONS
END-TO-END DIGITAL SOLUTIONS,
POWERED BY ECONOCOM

Simplicity

Customization

Flexibility

Unique Responsibility, from think to run

Access to “pay-per-use” financing

BOOSTS
DIGITAL AGILITY
DEVELOP END-TO-END DIGITAL SOLUTIONS

Integrated and pay-per-use digital solutions to represent c20% of sales in 2022

Margin of 7-10%

c50% of the additional revenue will be replacing existing business
“Digital” is moving way beyond traditional IT departments

Organisations face a financing challenge for their modernization

Econocom has the know-how to finance large & complex modernization projects
EXTEND FINANCING BEYOND TRADITIONAL IT

+ €150-200 M

EXTEND FINANCING TO NEW ASSETS & SOLUTIONS

Leverage our internal refinancing company (EDFL)
Develop structured finance

CREATE NEW BUSINESS MODELS

Finance innovative “pay-per-xx” business models

Additional revenue in structured finance in 2022
SATELLITES

for excellence
ONE GALAXY: CREATING VALUE

- Cyber-security
- Mobile apps
- Web apps/cloud
- IoT
- Digital Signage
- Consulting

**Organic growth of Satellites (%):**

- H1 2016: 8%
- 2016: 11%
- H1 2017: 15%
CARRY OUR SATELLITES TO FURTHER GROWTH

+€200-300 M
(double digit organic growth)

Access to econocom’s client portfolio - Attract talents

Cross-business line offers to address specific sectors or market segments

Lead generation and major deals supported by crossed incentives

Support in excellence of delivery: customer engagement process, lean management capabilities, ISO certification projects

European expansion spurred by Econocom network

Review satellites’ acquisitions opportunities

Revenue increase 17-22e
ROP increase 17-22e
MOBILITY FOR RETAIL

WAREHOUSE & LOGISTICS
- Inventory, shop restocking, intershop transfers
- E-commerce
- Industrial-grade private wifi

IN-STORE
- Labelling
  live pricing & promotions
- Service Process
  Repair & after-sales
- Order & Pay
  Assisted sales, product info & order, self-order kiosks, m-payment

Services to Customers
Guest wifi, charging stations

DRIVE-TO-STORE
- M-coupons
- Promotions
- Geofencing
GLOBAL RANSOMWARE ATTACK CAUSES TURMOIL

Oops, your important files are encrypted.

If you see this text, then your files are no longer accessible, because they have been encrypted. Perhaps you are busy looking for a way to recover your files, but don’t waste your time. Nobody can recover your files with decryption service.

We guarantee that you can recover all your files safely and easily. All you need to do is submit the payment and purchase the decryption key.

Please follow the instructions:

SECPURITY: A TOP PRIORITY OF 100% OF DIGITAL PROJECTS

300 experts dedicated to Information Systems and IoT

A holistic approach
- Audit and consulting
- Integration of security solutions
- Managed services
- Control and monitoring of incidents

The only CERT on IoT in Europe
Computer Emergency Response Team
M&A for excellence
M&A: AN INTEGRAL PART OF THE STRATEGY

#1
DEPLOY “ONE GALAXY” ACROSS EUROPE

- Roll out the model in Germany and the UK
- Complement foothold in the other European geographies

#2
INVEST IN HIGH VALUE SEGMENTS

- Create a European consulting brand
- Data analytics
- IoT / connected objects

€300-400 M revenue acquired over the Plan
€25-35 M additional ROP
CONCLUSION
THANK YOU