Analysts and investors Presentation

26 July 2023
Welcome
AGENDA

01 Introduction

02 H1 2023 results and financial situation as of 30 June 2023

03 ESG performance

04 Development of new activities

05 Outlook
The speakers

Jean-Louis BOUCHARD
Chairman and CEO

Patrick VAN DEN BERG
Managing Director

Angel BENGUIGUI
Managing Director
Introduction
H1 2023 results and financial situation as of 30 June 2023
Growth in consolidated revenue over all businesses
Operating Margin hit by various cyclical effects

Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2022</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€1,287 M</td>
<td>€1,337 M</td>
</tr>
</tbody>
</table>

+3.9%

Operating Margin\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2022</th>
<th>H2 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
<td>€60.0 M</td>
<td>€44.2 M</td>
</tr>
</tbody>
</table>

-26.3%

Total growth\(^{(1)}\) at 3.9%, driven by the 3 business lines and contribution of 2022 acquisitions

Profitability rate at 3.3% down 1.4 bps
Products & Solutions

Strong contribution of acquisitions to turnover growth

**Revenue**\(^{(1)}\)

\[ \text{H1 2022} \quad €554 \text{M} \quad \text{H1 2023} \quad €585 \text{M} \quad +5.5\% \]

**Total growth**\(^{(1)}\)

at 5.5%, integrating the *positive impact of the 2022 acquisitions* of SEMIC in Spain and LYDIS in the Netherlands

**Limited organic**\(^{(2)}\) decrease

(-2.8%) after a strong H1 2022 growth and a H1 2023 marked by the overall decline in the market (*by more than 10%*\(^{(3)}\))

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\(^{(1)}\) For continuing operations on a constant basis

\(^{(2)}\) For continuing operations on a like-for-like basis (calculated in relation to pro forma H1 2022)

\(^{(3)}\) Source: Canalys [https://canalys.com/](https://canalys.com/)
Operating Margin impacted by economic context

Operating Margin\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>€18.1 M</th>
<th>€15.9 M</th>
<th>-12.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2023</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating Margin down at €15.9 M:
- Increase in digital asset prices not yet fully reflected
- Wage increases needed in a tense environment
- Factoring costs up 0.9 M€ due to increase in interest rates

Profitability rate at 2.7% in limited decline of 0.6 bps
Continuing growth revenue

**Revenue**<sup>(1)</sup>

<table>
<thead>
<tr>
<th></th>
<th>H1 2022</th>
<th>H1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€485 M</td>
<td>€498 M</td>
</tr>
</tbody>
</table>

**Total growth**<sup>(1)</sup>

at 2.8%, benefiting from a **good dynamic in many countries**, such as Germany or Italy and the **contribution of Econocom Factory** (SOFI Group)

**Organic growth**<sup>(2)</sup>

showing a smaller increase (+0.9%) further to a strong seasonality effect: **fewer highly contributing sales** than in Q2 2022

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<sup>(1)</sup> For continuing operations on a constant basis
<sup>(2)</sup> For continuing operations on a like-for-like basis (calculated in relation to pro forma H1 2022)
H1 2022 base effect on Operating Margin

Operating Margin\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>€21.6 M</td>
<td>€17.3 M</td>
</tr>
<tr>
<td>Profitability rate</td>
<td>3.5%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

-19.9% decrease

Operating Margin down at €17.3 M
Unfavorable mix effect with less high contribution margin deals than in Q2 2022

Profitability rate at 3.5% down 1.0 bps
Services
Recovery in business growth

Revenue\(^{(1)}\)

\[\begin{align*}
\text{H1 2022} & : \text{€248 M} \\
\text{H1 2023} & : \text{€254 M} \\
\end{align*}\]

Total\(^{(1)}\) and organic\(^{(2)}\) growth at 2.6%, taking advantage of the good trajectory of the activity in particular in Belux and Spain after a decline in 2022

Continued sales momentum in S2 with the launch of new contracts

\(^{(1)}\) For continuing operations on a constant basis
\(^{(2)}\) For continuing operations on a like-for-like basis (calculated in relation to pro forma H1 2022)
Services
Profitability affected by non-recurring items

Operating Margin\(^{(1)}\)

\[\begin{array}{c}
\text{€20.3 M} \\
\text{€11.0 M}
\end{array}\]

\(\downarrow -45.8\%\)

H1 2022
H1 2023

Operating Margin down at €11.0 M:
- Impact of inflation on costs
- New contracts in ramp-up process

Profitability rate at 4.3% down 3.9 bps

Expected improvement of the Operating Margin in H2 thanks to a better pass-through of cost increases on customer contracts and an amplified focus on cost optimization

\(\text{(l) For continuing operations on a constant basis}\)
## H1 2023 simplified income statement

<table>
<thead>
<tr>
<th></th>
<th>06.22(1)</th>
<th>06.23</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,287</td>
<td>1,337</td>
<td>+3.9%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>60.0</td>
<td>44.2</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>48.8</td>
<td>38.3</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>33.8</td>
<td>24.7</td>
<td>-26.8%</td>
</tr>
</tbody>
</table>

- **Solid growth** driven by acquisitions and good performance in all three businesses
- **Cyclical effects on operating margin** due to inflation, wage pressures, TMF seasonality and factoring costs
- **Sharp decline in other operating expenses**
- **Negative impact of rising interest rates on net financial income**
- **Improved result from discontinued operations**

(1) For continuing operations on a constant basis
Slight increase in Net Financial Debt

in € M

-272

Free cash-flow: +11

+64

-53

-27

-3

-25

-5

-321

• NFD on 30 June 2023 up €49 M, mainly due to M&A disbursements and a return to shareholders for €55 M in total

• Normalized free cash flow at €64 M excluding non-recurrence at end H1 2023 of cyclical reductions in WCR at end H1 2022 (€53 M)

NFD(1) 30.06.2022
Normalized free cash flow
Extraordinary H1-2022
M&A
Share buybacks
Repayment of share premiums
Others

NFD(1) 30.06.2023

NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant.
Limited operating debt

- Operating debt corresponds to NFD\(^{(1)}\) adjusted for discounted lease payments on contracts carried on balance sheet as not refinanced or refinanced with recourse.

### Stability of discounted rental income

### Increase in operating debt

of €46 M due to M&A disbursements and return to shareholders, as in the case of NFD

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\(^{(1)}\) NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant.

<table>
<thead>
<tr>
<th>Date</th>
<th>Operating Cash Surplus</th>
<th>Discounted Rental Income</th>
<th>NFD(^{(1)}) on 30.06.22</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.06.2022</td>
<td>10</td>
<td>-282</td>
<td>-272</td>
</tr>
<tr>
<td>30.06.2023</td>
<td>-36</td>
<td>-285</td>
<td>-321</td>
</tr>
</tbody>
</table>

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Breakdown of Net Financial Debt

- **133**
  - Cash at 30.06.2023

- **-47**
  - Short term debt

- **-115**
  - TMF Recourse financing

- **-209**
  - Bonds

- **-83**
  - Other corporate financing

- **-321**
  - NFD\(^{(1)}\) 30.06.2023

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**Repayment of OCEANE** in March 2023 for **€150 M** refinanced with more flexible bank financing

**2022 Schuldscchein** of **€200 M** (maturity up to **7 years** and total interest rate of **2.1%**)

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NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant.

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Figures as of 30.06.22
Continuous improvement of cash management

Increase in cash generation
- Optimizing pricings and passing on cost increases
- Greater control over costs
- Targeted actions to reduce average WCR

Optimizing cash management
- Cash-pooling upgrade
- Improved cash forecasts
- More flexible financing

Rolling out best practices
- Integration of these cash projects into performance management tools
- Reinforcing the cash component in managers' variable compensation
ESG performance
Significant improvement in ESG indicators

- **+4 pts.**
  - 2022 Ecovadis rating at 70/100 vs. 66/100 in 2021

- **+3 pts.**
  - 2022 gender equality index in France is 86/100 vs 83/100 in 2021

- **+99 places**
  - in the ranking of companies committed to diversity
  - Econocom ranked 19 out of 248 companies in the HighTech sector

(1) The 2023 Champions of Diversity list published by Capital Magazine in partnership with the Statista research institute.
First bank credit lines indexed on social and environmental criteria

- €50 M credit lines signed with the bank LCL and Crédit Agricole Ile de France
- Interest rate indexed on environmental and social criteria with three aims for 2026

### Aims

1. **-4.2% per year**
   - Lower carbon footprint in France scopes 1 and 2 [1]

2. **SBTI**
   - Validation of our CO2 reduction targets for all business lines

3. **+2 pts per year**
   - Gender equality index in France - Target >90/100

[1] Scope 1 = direct emissions; scope 2 = indirect emissions related to energy consumption
Development of new activities
Econocom makes audiovisual its fourth independent business line

- Business activity driven by new uses, with an acceleration since the Covid-19 crisis
  - flex offices
  - videoconferencing
  - Digitalisation of information

- Econocom is well-positioned to take the leading position in this growing future-proof industry throughout Europe

- Official launch and external communication planned in H2 2023

- Active review of the European market
Refurbishment business: pursuing the integration and development plan of Econocom Factory

- **Defining processes** to develop synergies
  - A large proportion of **TMF fleets that reached the end of their contract** are channelled to Econocom Factory rather than third-party brokers
  - **Market-addressing plan** via the existing **sales network**

- **BtoB channel** development

- Continued work on **acquisition opportunities**
Outlook
Reminder of 2023 guidance

Revenue increase of 5%\(^{(1)}\)

Improvement of net consolidated result

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\(^{(1)}\) For continuing operations on a constant basis
Strategic plan

Years | € B in revenue | Businesses

Presentation on 16 November 2023 at the Investor Day
Appendices
# Simplified income statement

<table>
<thead>
<tr>
<th></th>
<th>06.2022⁽¹⁾</th>
<th>06.2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,286.7</td>
<td>1,337.2</td>
</tr>
<tr>
<td>Operating margin</td>
<td>60.0</td>
<td>44.2</td>
</tr>
<tr>
<td>Depreciation of acquisition-related intangible assets</td>
<td>-1.0</td>
<td>-1.2</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>-10.2</td>
<td>-4.7</td>
</tr>
<tr>
<td>Operating profit</td>
<td>48.8</td>
<td>38.3</td>
</tr>
<tr>
<td>Other financial income</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>-6.5</td>
<td>-10.5</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>42.6</td>
<td>28.6</td>
</tr>
<tr>
<td>Income tax</td>
<td>-6.6</td>
<td>-8.4</td>
</tr>
<tr>
<td><strong>Net profit from continuing operations</strong></td>
<td><strong>36.0</strong></td>
<td><strong>20.1</strong></td>
</tr>
<tr>
<td>Profit (loss) from discontinued operations</td>
<td>-2.2</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>33.8</strong></td>
<td><strong>24.7</strong></td>
</tr>
</tbody>
</table>

⁽¹⁾ For continuing operations on a constant basis
# Simplified balance sheet

<table>
<thead>
<tr>
<th>ASSETS (in € M)</th>
<th>31.12.2022</th>
<th>30.06.2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>554</td>
<td>556</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>212</td>
<td>210</td>
</tr>
<tr>
<td><strong>Assets related to leasing activities</strong></td>
<td><strong>448</strong></td>
<td><strong>453</strong></td>
</tr>
<tr>
<td>Residual interest in leased assets</td>
<td>165</td>
<td>168</td>
</tr>
<tr>
<td>Outstanding discounted rental income on contracts not refinanced or refinanced with recourse</td>
<td>284</td>
<td>285</td>
</tr>
<tr>
<td>Other trade and other receivables</td>
<td>595</td>
<td>569</td>
</tr>
<tr>
<td>Other current assets</td>
<td>181</td>
<td>179</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>106</td>
<td>53</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,097</strong></td>
<td><strong>2,021</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY &amp; LIABILITIES (in € M)</th>
<th>31.12.2022</th>
<th>30.06.2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>457</td>
<td>452</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>144</td>
<td>321</td>
</tr>
<tr>
<td>Commitments on residual value</td>
<td>103</td>
<td>107</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>170</td>
<td>168</td>
</tr>
<tr>
<td>Trade payables</td>
<td>932</td>
<td>753</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>235</td>
<td>208</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>57</td>
<td>12</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,097</strong></td>
<td><strong>2,021</strong></td>
</tr>
</tbody>
</table>
NFD bridge

Free Cash Flow = €11 M

Free Cash Flow = €67 M

1. NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant
2. Includes cash proceeds from asset disposals, cash paid out for acquisitions and disbursements on minority stakes

Econocom - 2023 half year results
2024-2028 strategic plan in progress

Ambition and challenges

- Reach **€5 B revenue**, with a first stage of **€4 B in 2026**
- Prepare the future of Econocom Group and its businesses
- Respond more effectively to changes in our markets, new customers expectations and future changes in the economic environment

Work in progress

work staggered until 2023 Q3

- Support from a **tier 1 strategic consultancy**
- Involvement of Econocom's **top 50 managers**
- Co-construction approach designed to ensure that the plan is as close as possible to the Group's operational reality
**Stock Exchange**

Equity tab - % of ownership and number of shares

- **Market cap**
  - €495 M

- **Treasury shares**
  - 0.9 M
  - 0.50%

- **Free float**
  - 89.0 M
  - 49.71%

- **Holding companies held by Mr. Bouchard**
  - 89.1 M
  - 49.79%

- **Number of shares**
  - Total shares: 179.0 M
  - Treasury shares: 0.9 M
  - Floating shares: 178.1 M

- **Share price as of 24 July 2023**
  - €2.78

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

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(1) As of 24 July 2023
Contacts

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