

econocom

Analysts and investors Presentation

25 July 2024

Welcome

AGENDA

01

Introduction &
governance changes

02

H1 2024 results

03

H1 achievements
and 2024 outlook

04

Questions & answers

The speakers



**Jean-Louis
BOUCHARD**
Operational Chairman



**Angel
BENGUIGUI**
Chief Executive Officer

Introduction & governance changes



Jean-Louis Bouchard

Operational Chairman



one
econocom

H1 2024 results



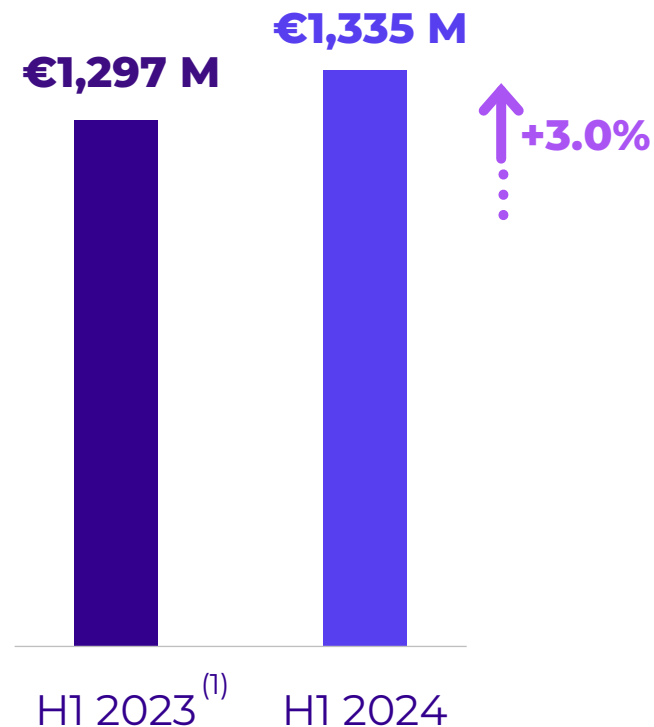
Angel Benguigui

Chief Executive Officer

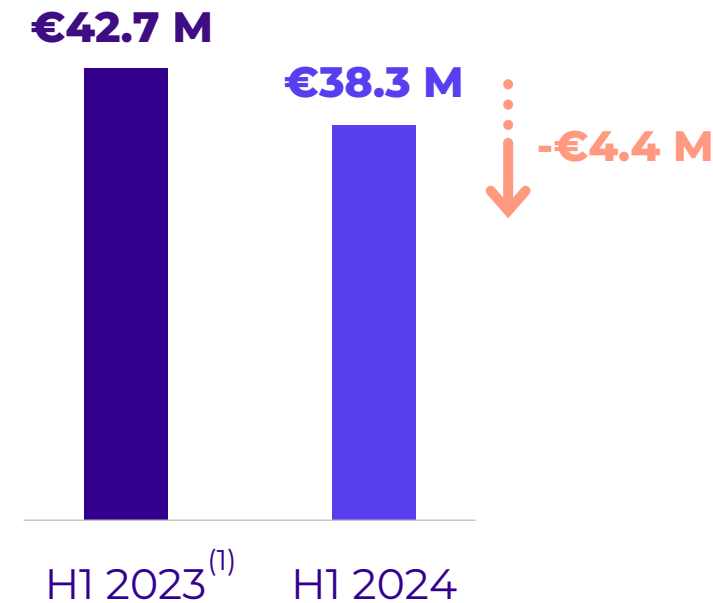
Growth in consolidated revenue over all businesses

Operating Margin driven by investments for the future

Revenue



Operating Margin



Total growth⁽¹⁾
at **3.0%** :

- Driven by the **3 business lines**
- In **acceleration** in Q2 vs. Q1.24



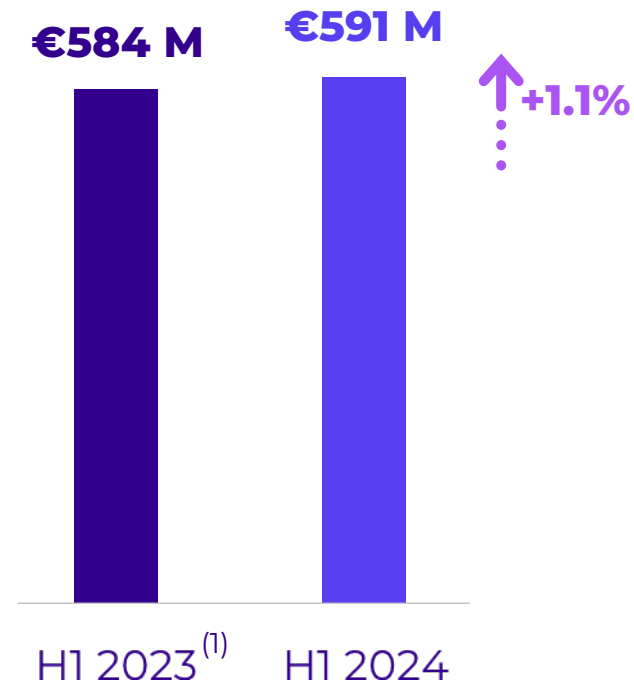
Profitability rate
at **2.9%** slightly
down 0.4 bp, mainly
due to **€6 M**
investments in
Sales, IT & Security

1. For continuing operations on a constant basis

Products & Solutions

Back to growth

Revenue



Operating Margin



Rebound⁽¹⁾ in revenue at **+1.1%**, after four quarters of declining revenue



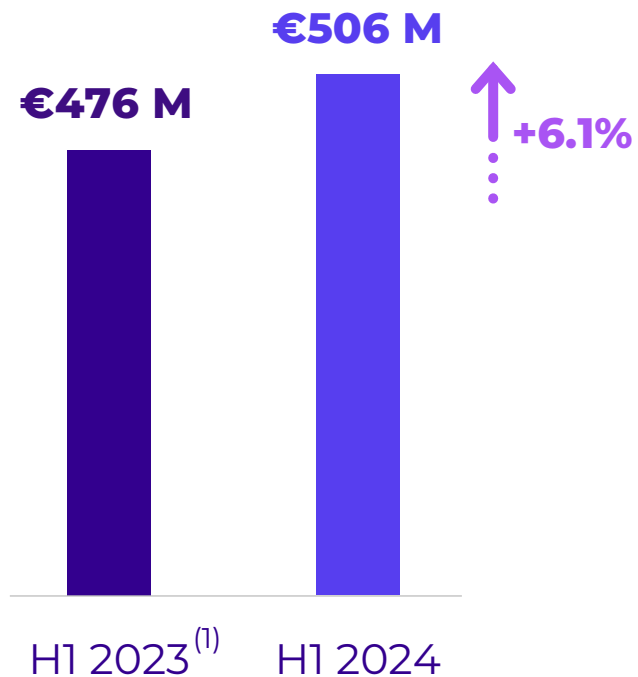
Profitability rate at **2.4%**

1. For continuing operations on a constant basis

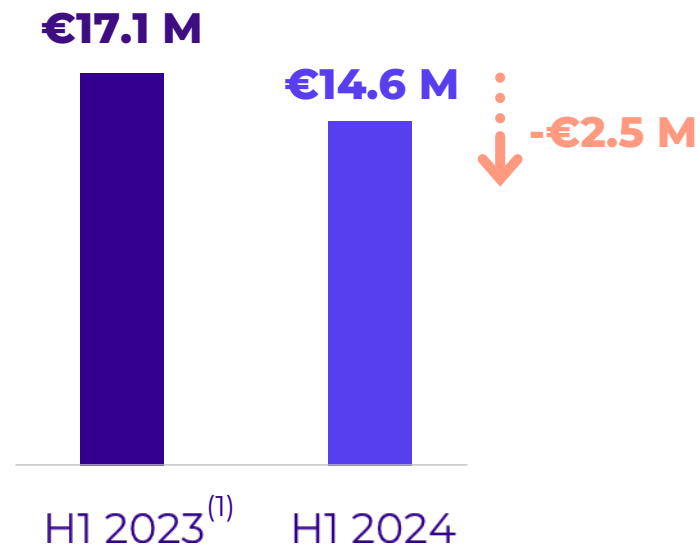
TMF

Continued strong organic growth

Revenue



Operating Margin



Continued success of Econocom tailored-made offerings with **revenue up⁽¹⁾ 6.1%**,



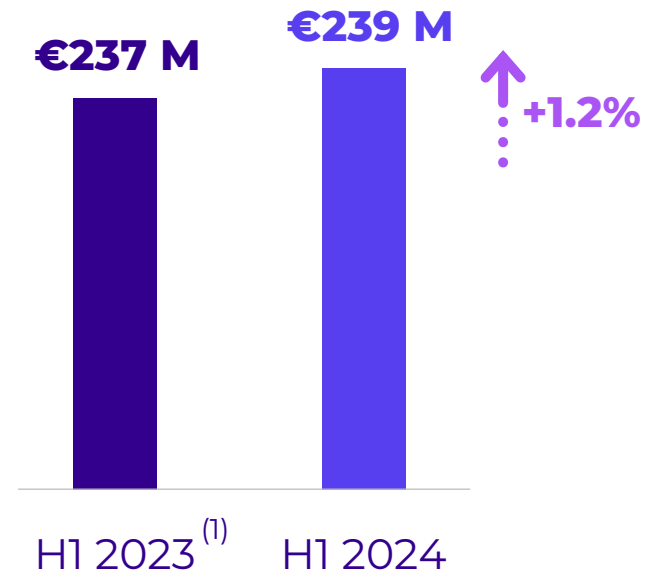
Profitability rate at **2.9%** including effects of **investments**

1. For continuing operations on a constant basis

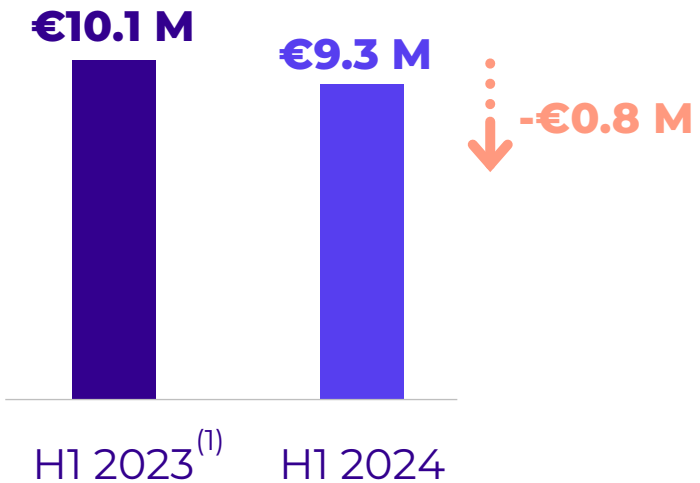
Services

Moderate but steady growth

Revenue



Operating Margin



Revenue growth⁽¹⁾
of **1.2%** over H1 2024
despite flat market



Stable profitability rate
around **4%**

1. For continuing operations on a constant basis

H1 2024 simplified income statement

(in € M)

06.23⁽¹⁾ **06.24**

Revenue

1,297

1,335

Continued growth driven by all three businesses

Operating margin

42.7

38.3

Ad hoc effects on operating margin due to costs for sales & agents recruitments, IT & security investments and factoring costs

Operating profit

37.1

32.6

Other operating expenses under control

Net profit

24.7

23.1

Capital gains from discontinued activities of €7.5 M in H1 2024 (vs. €4.5 M in H1 2023)

1. For continuing operations on a constant basis

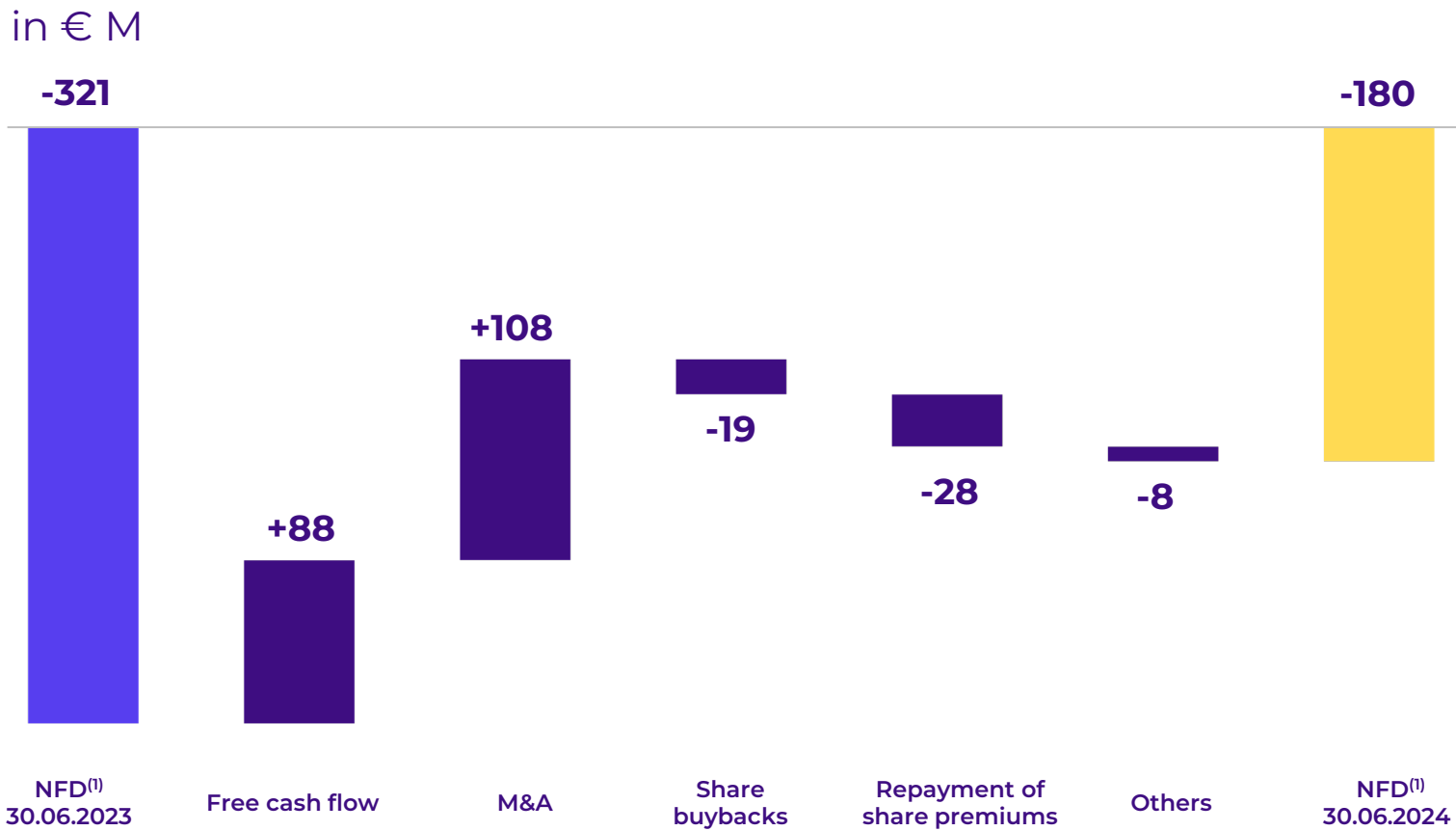
H1 2024 simplified income statement

Focus on EBITDA⁽¹⁾ and EBIT⁽²⁾

(in € M)	06.23 ⁽³⁾	06.24
Revenue	1,297	1,335
EBITDA⁽¹⁾	57.8	58.3
EBIT⁽²⁾	40.2	37.0
Net profit	24.7	23.1

1. Operating margin adjusted for depreciation and amortization, additions to and reversals of provisions for asset impairment and provisions for contingencies and expenses, and net impairment losses on current and non-current assets
2. Operating result excluding factoring costs
3. For continuing operations on a constant basis

Strong decrease in Net Financial Debt⁽¹⁾



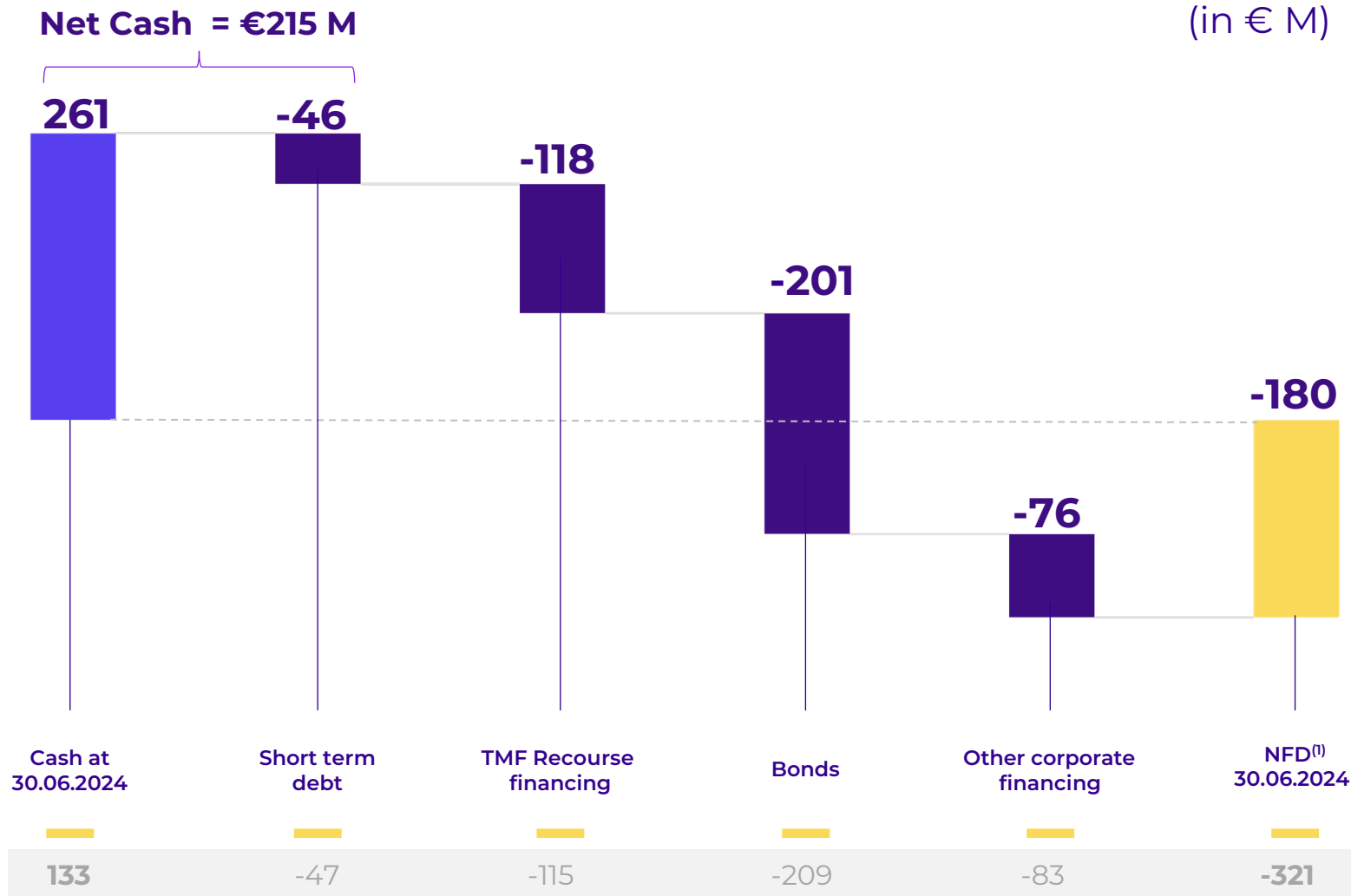
NFD⁽¹⁾ on 30 June 2024
down **€141 M**, thanks to :

- **Les Abeilles sale** and
- a **strong Free Cash-Flow** at **€88 M** over the last 12 months

-272	11	-27	-3	-29	-1	-321	Figures as of 30.06.23
------	----	-----	----	-----	----	------	------------------------

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

Breakdown of Net Financial Debt⁽¹⁾



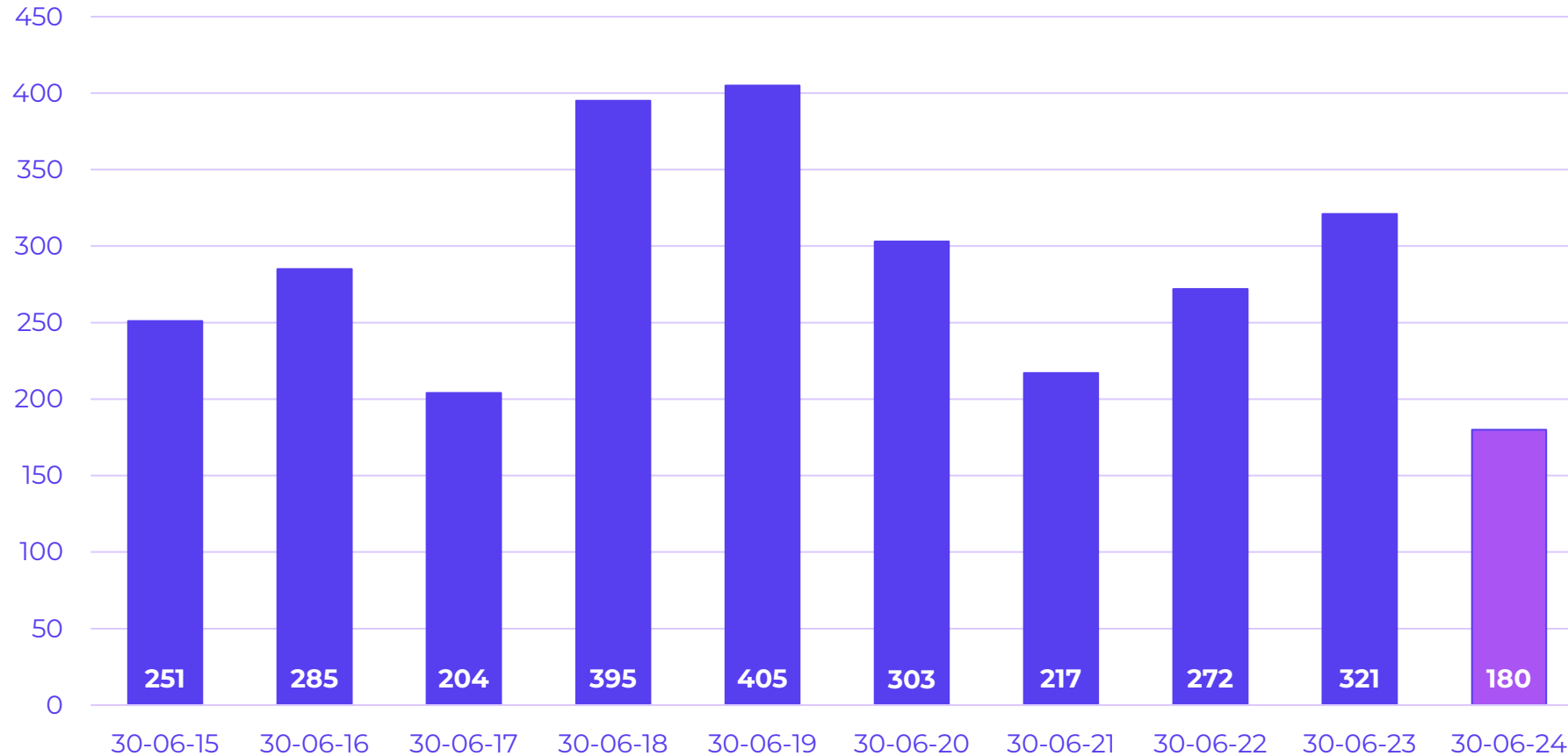
Off balance sheet factoring and reverse factoring of €210 M as of 30 June 2024 (vs. €192 M as of 30 June 2023)

Figures as of 30.06.23

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

Best H1 Net Financial Debt⁽¹⁾ over the last ten years

Net Financial Debt⁽¹⁾ (in € M)



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

Significant improvement in ESG indicators

On track with **One econocom** plan trajectory



ecovadis

+2 pts.

2024 Ecovadis rating
at **72/100** vs. 70/100 in
2023

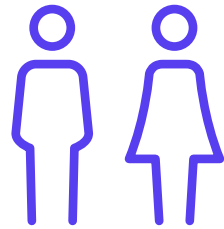


SCIENCE
BASED
TARGETS

SBTi

validation in June 2024
of carbon footprint
reduction targets

Significant improvement in ESG indicators



+8 pts.

gender equality index in France is **94/100** vs 86/100 in previous year



+4 pts.

Since 2017, progression from **2%** to **6% 2023 rate of disabilities** in France (+1pt. vs last year)

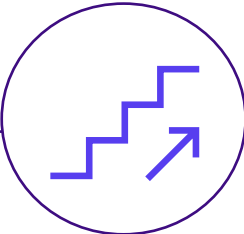
H1 achievements and 2024 outlooks



Angel Benguigui

Chief Executive Officer

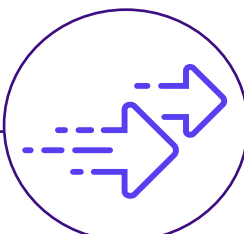
2024 targets - reminder



First year of
one plan
econocom

Divest non-core
activities as planned

Seize **acquisitions**
opportunities



Accelerate
recruitments in key
regions

Deploy **new** and
integrated offerings



Total **increase in**
revenue

3%-5%

Divest non-core activities

Sale of Les Abeilles

- Sale finalized **early June** as expected
- **Net impact on NFD** of **€108 M** (vs. 30/06/23)
- **Financing already half of the external growth ambition** of the 2024-2028 One econocom strategic plan



Accelerate recruitments in key regions

Sales force strengthening in progress

A multiple sourcing plan...

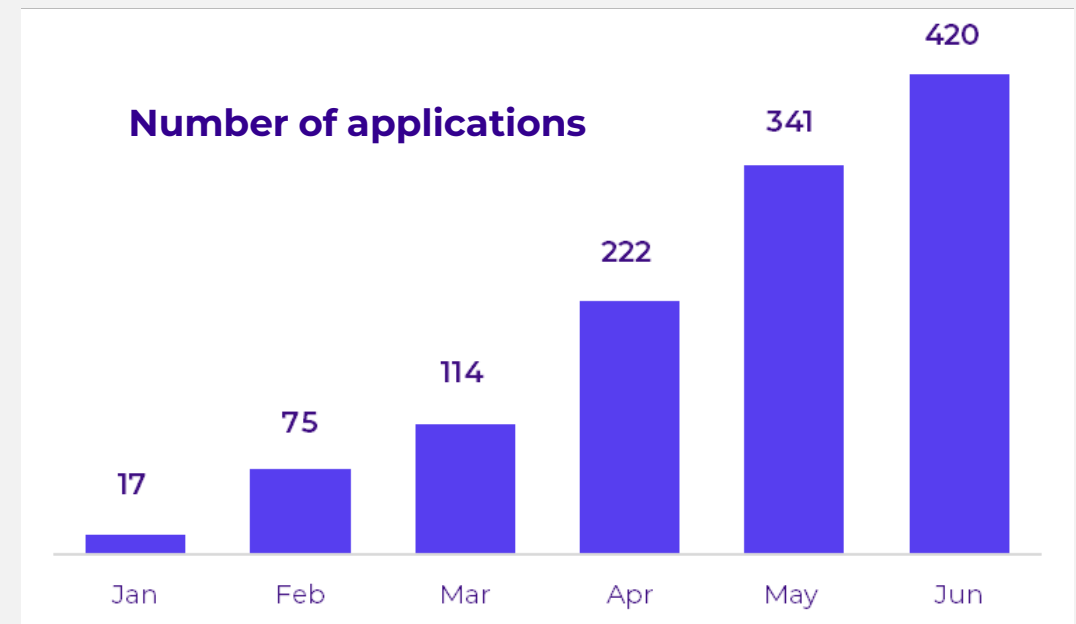


- **Communication campaign "JUMP"** launched in April
- **+10 recruitment** firms selected
- A **referral challenge**
- **LinkedIn job Slots**

...with concrete results at the end of June

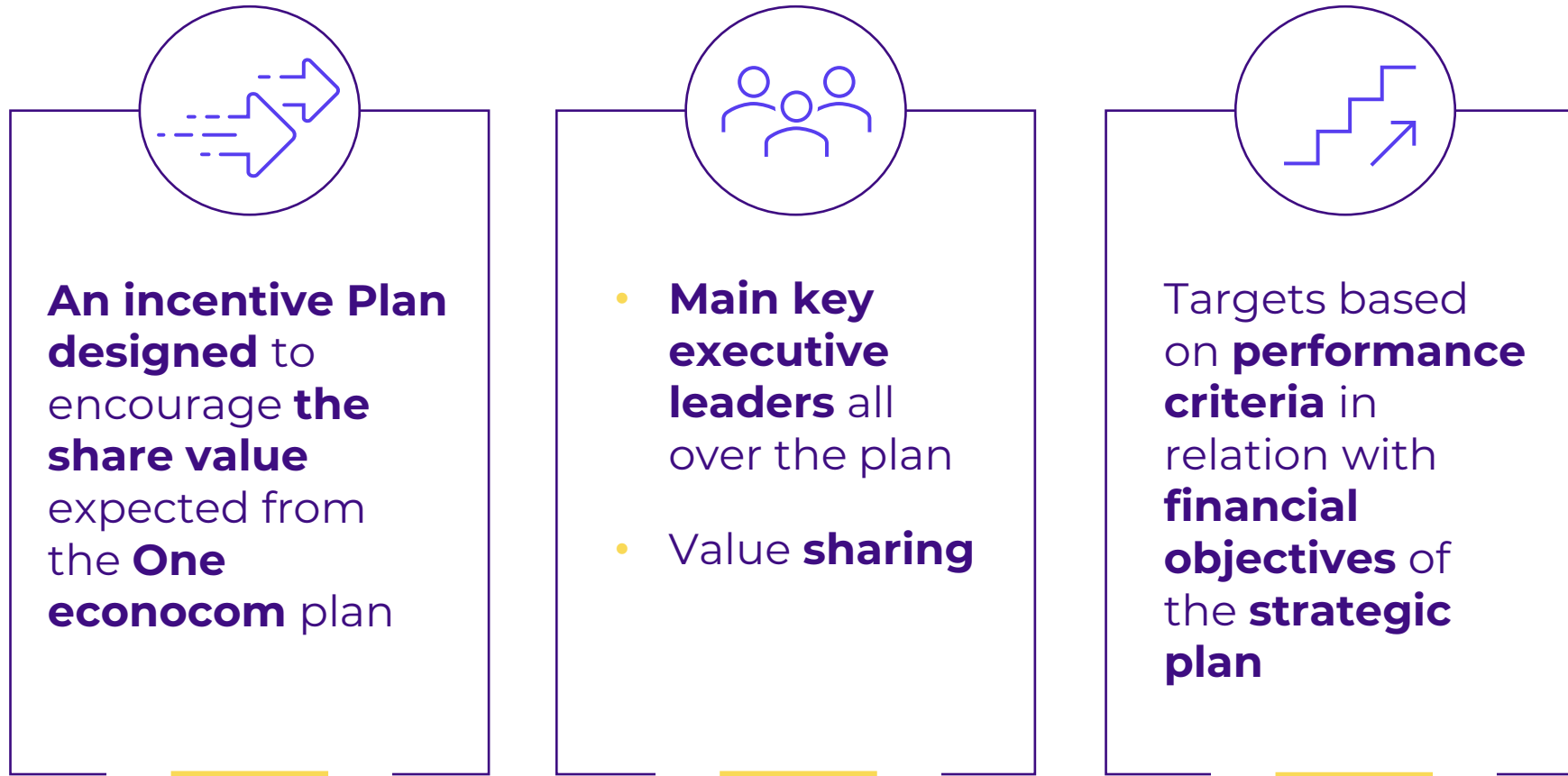
Effective recruitments as of the end of June 2024

- 28 new sales
- 16 new agents



Strategic plan execution

Long Term Incentive project



2024 guidance confirmed



Revenue⁽¹⁾ increase
of **3-5%**



New guidance on Net Financial Debt



NFD⁽²⁾ close to 0

within the next 12 months
not including investments
in new acquisitions

(1)
(2)

For continuing operations on a constant basis
NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant

Appendices



econocom

Simplified income statement

(In € M)	06.2024	06.2023 ⁽¹⁾
Revenue	1,335.4	1,296.7
Operating margin	38.3	42.7
Depreciation of acquisition-related intangible assets	-1.5	-1.3
Other operating income and expenses	-4.1	-4.4
Operating profit	32.6	37.0
Other financial income and expenses	-5.9	-8.6
Profit before tax	26.7	28.5
Income tax	-9.3	-8.3
Net profit from continuing operations	17.4	20.1
Profit (loss) from discontinued operations	5.7	4.6
Net profit	23.1	24.7

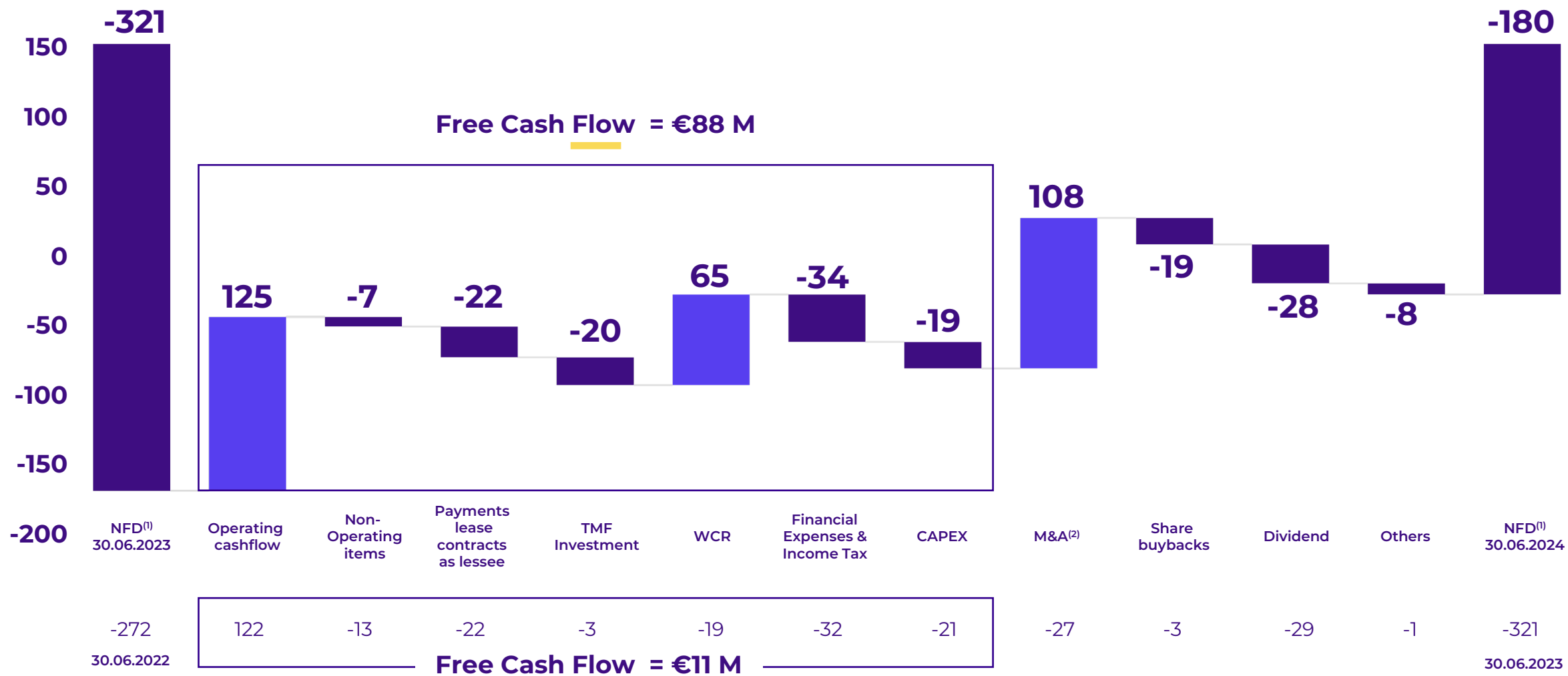
(1) For continuing operations on a constant basis

Simplified balance sheet

ASSETS (in € M)	30.06.2024	31.12.2023
Goodwill	525	525
Other long-term assets	204	202
Assets related to leasing activities	382	373
Residual interest in leased assets	170	164
Outstanding discounted rental income on contracts not refinanced or refinanced with recourse	212	209
Other trade and other receivables	626	567
Other current assets	171	161
Assets held for sale	100	225
TOTAL	2,008	2,053

EQUITY & LIABILITIES (in € M)	30.06.2024	31.12.2023
Equity	466	475
Net Financial Debt	180	181
Commitments on residual value	113	107
Other non-current liabilities	151	151
Trade payables	848	827
Other current liabilities	219	234
Liabilities related to assets held for sale	31	79
TOTAL	2,008	2,053

NFD bridge



(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

Contacts

econocom

**Investor and shareholder
relations**

@ eric.bazile@econocom.com



capvalue

**Financial
communication**

@ info@capvalue.fr



HAVAS Paris

**Group
communication**

@ groupeeconocom@havas.com

