2021 Full year results

ANALYST PRESENTATION
February 17th, 2022
Welcome
AGENDA

01 Introduction
02 2021 results
03 Outlook
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01 Introduction
2022 Governance

Jean-Louis BOUCHARD
Chairman

Laurent ROUDIL
Group CEO

Angel BENGUIGUI
Executive Managing Director
2021 Highlights

Sustained commercial activity, slowed down by tensions on supplies

Increase in ROP and in Net Result

International dynamics, strengthened by the acquisition of Trams

Debt under control
02 2021 results
2021 key figures

Revenue
€2,505 M

ROP\(^{(2)}\)
€135.7 M

Net result
€70.1 M

NFD\(^{(3)}\)
€66.8 M

-1.0\(^{(1)}\)%

+16.1\(^{(1)}\)%

+39.6%

0.5x
Ebitda

Renewed growth for TMF

Profitability rate at 5.4%

Decrease in non-recurring expenses

Strength of the balance sheet

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(1) On a like-for-like basis
(2) Before amortization of intangible assets from acquisitions
(3) NFD: Net Financial Debt (or Net Cash) including Current and Non-current financial debt as shown in the balance sheet and excluding Cash and cash equivalents
Group ROP up by more than 16%
Slight decrease in revenue

Produits & Solutions: **strongest contributor to the group's ROC** with growing profitability

Services: **strong improvement in profitability** with a rate of **8.4**

TMF: **back to growth** favoured by the group's refocusing on buoyant regions and the launch of new offers

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**ROP(1)(2)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€135.7 M</td>
</tr>
<tr>
<td>2020</td>
<td>€116.9 M</td>
</tr>
</tbody>
</table>

**Profitability rate(1)(2)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5.4%</td>
</tr>
<tr>
<td>2020</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

**Revenue(1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€2,505 M</td>
</tr>
<tr>
<td>2020</td>
<td>€2,529 M</td>
</tr>
</tbody>
</table>

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(1) At constant standards and scope
(2) Before amortization of intangible assets from acquisitions
Improved profitability in all business segments

**Produits & Solutions**
- 2021 Revenue: €1,067 M (-2.5%)(1)

**Services**
- 2021 Revenue: €516 M (-3.1%)(1)

**Technology Management & Financing**
- 2021 Revenue: €921 M (+2.2%)(1)

Distribution including services **with added value**
- 2020: ROP(2) €47 M (4.2%)
- 2021: ROP(2) €54 M (5.0%)

Reinforcement of **selection criteria**
- 2020: ROP(2) €34 M (6.4%) +1.8pt
- 2021: ROP(2) €43 M (8.2%)

Activity at **growth**
- 2020: ROP(2) €36 M (4.0%) +0.3pt
- 2021: ROP(2) €40 M (4.3%)

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(1) At constant standards and scope
(2) Before amortization of intangible assets from acquisitions
## Sound increase in Net profit

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020 restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,522</td>
<td>2,521</td>
</tr>
<tr>
<td><strong>Recurring operating profit(1)</strong></td>
<td>135.7</td>
<td>119.6</td>
</tr>
<tr>
<td><strong>Recurring operating profit</strong></td>
<td>133.5</td>
<td>117.5</td>
</tr>
<tr>
<td><strong>Non-recurring operating incomes and expenses</strong></td>
<td>-14.3</td>
<td>-35.8</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>119.2</td>
<td>81.7</td>
</tr>
<tr>
<td><strong>Cost of financial debt</strong></td>
<td>-7.0</td>
<td>-8.9</td>
</tr>
<tr>
<td><strong>Other financial incomes and expenses</strong></td>
<td>-2.8</td>
<td>-4.3</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>109.4</td>
<td>68.5</td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td>-31.7</td>
<td>-18.2</td>
</tr>
<tr>
<td><strong>Net profit from continued operations</strong></td>
<td>77.7</td>
<td>50.3</td>
</tr>
<tr>
<td><strong>Result from discontinued operations</strong></td>
<td>-7.5</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>70.1</td>
<td>50.2</td>
</tr>
</tbody>
</table>

*(1) Before amortization of intangible assets from acquisitions*

### Strong decrease in non-current operating expenses
due to the completion of the cost reduction plan

### Decrease in cost of debt financial
due to lower average indebtedness and financing costs

### Net Profit up 39.6%
despite the base effect of capital gains on the disposal of non-strategic assets in 2020
Net Financial Debt under control

NFD(1) change (in €M)

31.12.2020
31.12.2021

-20

-16

67
83

2021 published NFD(1)
Amount of share buybacks(2)

Net adjusted cash (excluding 2021 share buybacks)

Stable NFD resulting in adjusted net cash of €16 m excluding 2021 share buybacks

Acceleration of the share buyback policy

Debt under control with a low leverage ratio at 0.5x EBITDA and 15% gearing ratio

(1) NFD: Net Financial Debt (or Net Cash) including Current and Non-current financial debt as shown in the balance sheet and excluding Cash and cash equivalents

(2) Share buybacks realized since January 1st, 2021

Econocom – 2021 full year results
Outlook
New offers to boost organic growth

Responding to sustainable digital challenges...

**ecocarbon**
- **Measure**

**ecotwice**
- **Reduce**
  - Employee resale platform

**ecolease**
- **Offset**
  - Financing of refurbished equipment

**productcare**
- **Service center**
  - for mobile terminals

... and digital transformation

**Apps, cloud & data**
- 3 integrated offers
  - Modern applications
  - Data valorisation
  - Modern platforms
An active pipeline of opportunities driven by a rigorous selective approach:

Focused on the group’s three business segments: P&S, Services and TMF

Located in Europe in countries where the group is already present
Econocom ready for a new growth trajectory

A major milestone successfully achieved

- Successful refocusing in all three businesses
- Improvement in margins in all segments
- Strengthened governance
- New growth cycle expected both organically and externally

Econocom – 2021 full year results
2022 ambition

Revenue growth between 4 and 5%\(^{(1)}\)

Continued increase in ROP

Acceleration of Talents recruitment

(1) In the context of a gradual easing of tensions on the supply of digital assets around the world.
Q&A
Laurent Roudil : CEO, Econocom Group

2015: Director of strategic accounts
✓ Cross-functional culture

2018: Managing director of Services France
✓ Increase in profitability

2020: Managing director in charge of France
✓ Business transformation
Produits & Solutions: Revenue impacted by sourcing problems
Increase in order book

ROP\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>53.5</td>
</tr>
<tr>
<td>2020</td>
<td>46.5</td>
</tr>
</tbody>
</table>

Profitability rate\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Profitability rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5.0%</td>
</tr>
<tr>
<td>2020</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Reversal of trend in H2 2021 with a decrease in distribution sales due to supply difficulties

Continued improvement in distribution margins (5.0% vs. 4.2%) thanks to the increase in associated services

High increase in backlog as of the end of December 2021 (+€60 M vs. end of 2020)

Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,067</td>
</tr>
<tr>
<td>2020</td>
<td>1,095</td>
</tr>
</tbody>
</table>

(1) At constant standards and scope
(2) Before amortization of intangible assets from acquisitions
Services: Continued improvement in profitability

ROP\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€42.5 M</td>
</tr>
<tr>
<td>2020</td>
<td>€33.9 M</td>
</tr>
</tbody>
</table>

Profitability rate\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>7.4%</td>
</tr>
<tr>
<td>2020</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€516 M</td>
</tr>
<tr>
<td>2020</td>
<td>€533 M</td>
</tr>
</tbody>
</table>

Profitability up sharply (+1.8pt) due to better selectivity of contracts

Double the rate of profitability in 3 years

Decrease in revenue (-3.1%) limited to a few satellites and following gradual closures of some application service centers in H2 2021

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(1) At constant standards and scope
(2) Before amortization of intangible assets from acquisitions
Technology Management & Financing: Back to growth

Increase in ROC (+9.3%) driven by business growth and improved client portfolio

Correlative increase in profitability of TMF by 0.3pt

TMF revenue rebound achieved in H2 2021 with a diversification of the portfolio thanks to the arrival of new customers and the success of eco-friendly offers

2.2% revenue growth in 2021 after 2 exercises devoted to refocusing the business

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ROP\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€39.8 M</td>
</tr>
<tr>
<td>2020</td>
<td>€36.4 M</td>
</tr>
</tbody>
</table>

Profitability rate\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>4.3%</td>
</tr>
<tr>
<td>2020</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>€921 M</td>
</tr>
<tr>
<td>2020</td>
<td>€901 M</td>
</tr>
</tbody>
</table>

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(1) At constant standards and scope
(2) Before amortization of intangible assets from acquisitions
A risk-adverse TMF portfolio

Contract portfolio as of the end of 2021

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>€2.3 Bn</td>
</tr>
<tr>
<td>Original purchase</td>
<td>€5.4 Bn</td>
</tr>
<tr>
<td>Residual interest</td>
<td>€0.17 Bn</td>
</tr>
</tbody>
</table>

Residual Interest\(^{(1)}\)

- **3.1%** of the Original Purchase Price
- **241%** rate of coverage by remarketing of assets and contract extensions
- **€0.17 Bn** of residual interest, (excluding additional services)

\(^{(1)}\) Estimated value of assets at the expiry of the lease contract
2021 Operating Cash Flow at growth Increase in shareholder return

Positive FCF of €20 M
- Operating Cash flow up €25 M
- Working Capital up €22 M
- Increase in TMF investment to refinance due to growth of this business segment

€106 M of return to stakeholders (€23 M in premium repayment and et €83 M trough share buybacks)

(1) NFD: Net Financial Debt (or Net Cash) including Current and Non-current financial debt as shown in the balance sheet and excluding Cash and cash equivalents
(2) Includes cash proceeds from asset disposals, cash from the Abeilles and disbursements on minority stakes
(3) "Others" includes cash impact of IFRS 5

Econocom – 2021 full year results 25
## Simplified Balance Sheet

<table>
<thead>
<tr>
<th>ASSETS (in €M)</th>
<th>31/12/2021</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>495</td>
<td>500</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>221</td>
<td>230</td>
</tr>
<tr>
<td><strong>Assets related to leasing activities</strong></td>
<td><strong>379</strong></td>
<td><strong>361</strong></td>
</tr>
<tr>
<td><em>Residual interest in leased assets</em></td>
<td><strong>171</strong></td>
<td><strong>175</strong></td>
</tr>
<tr>
<td><em>Net receivables from own booked TMF contracts</em></td>
<td><strong>208</strong></td>
<td><strong>186</strong></td>
</tr>
<tr>
<td>Other trade and other receivables</td>
<td>588</td>
<td>708</td>
</tr>
<tr>
<td>Other current assets</td>
<td>180</td>
<td>137</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>69</td>
<td>74</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,933</strong></td>
<td><strong>2,010</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY &amp; LIABILITIES (in €M)</th>
<th>31/12/2021</th>
<th>31/12/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>444</td>
<td>473</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>67</td>
<td>-20</td>
</tr>
<tr>
<td>Commitments on residual value</td>
<td>98</td>
<td>104</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>57</td>
<td>61</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>Trade payables</td>
<td>882</td>
<td>992</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>246</td>
<td>264</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,933</strong></td>
<td><strong>2,010</strong></td>
</tr>
</tbody>
</table>
Stock Exchange

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

- **Total shares**: 222,9 M
- **Treasury shares**: 37,6 M
- **Outstanding shares**: 185,2 M

**Share price** as of February 15th, 2022: €3.585

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

**econocom**

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**capvalue**

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