

econocom

# 2021 Full year results

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ANALYST PRESENTATION

February 17<sup>th</sup>, 2022

# Welcome



# AGENDA

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2021 results

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# 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



**International dynamics**, strengthened by the acquisition of Trams



**Increase in ROP** and in **Net Result**



**Debt under control**

**02**

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**2021  
results**

# 2021 key figures

Revenue

€2,505 M

ROP<sup>(2)</sup>

€135.7 M

Net result

€70.1 M

NFD<sup>(3)</sup>

€66.8 M

-1.0%<sup>(1)</sup>

+16.1%<sup>(1)</sup>

+39.6%

0.5x  
Ebitda

Renewed growth  
for TMF

Profitability rate  
at 5.4%

Decrease in  
non-recurring  
expenses

Strength of the  
balance sheet

(1) On a like-for-like basis

(2) Before amortization of intangible assets from acquisitions

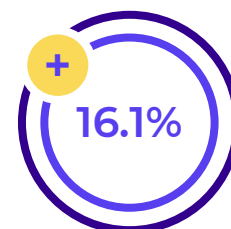
(3) NFD: Net Financial Debt (or Net Cash) including Current and Non-current financial debt as shown in the balance sheet and excluding Cash and cash equivalents



# Group ROP up by more than 16%

## Slight decrease in revenue

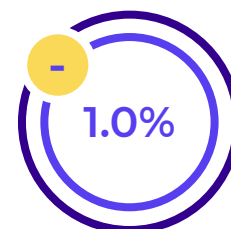
### ROP<sup>(1)(2)</sup>



### Profitability rate<sup>(1)(2)</sup>



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



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

(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)

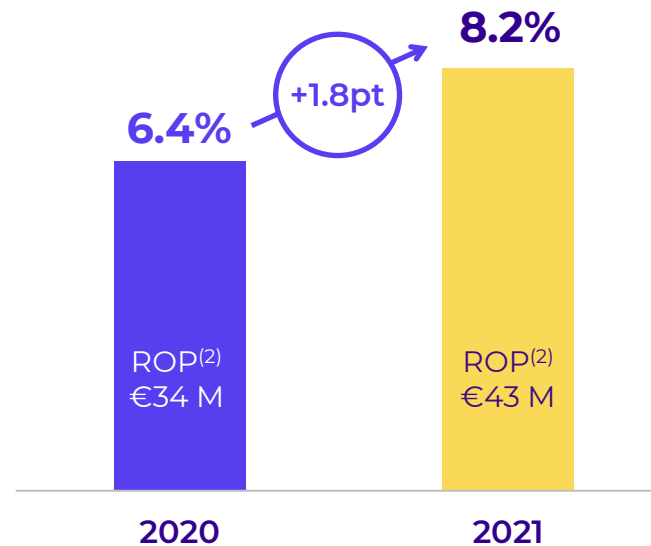


Distribution including services **with added value**



## Services

2021 Revenue: €516 M (-3.1%)(1)

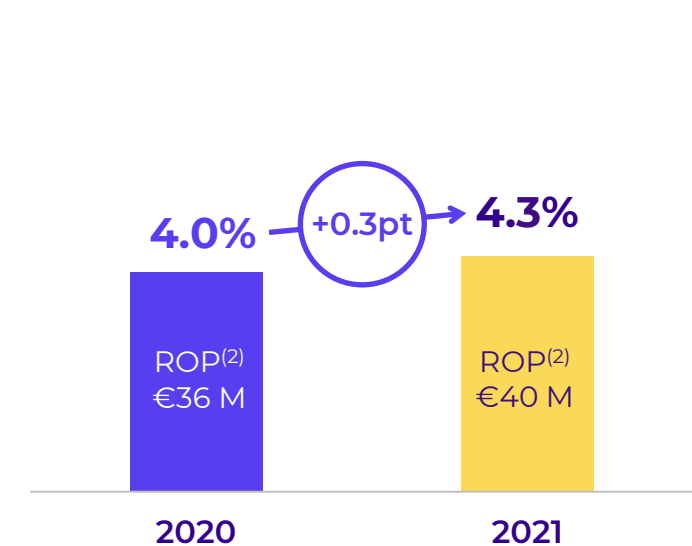


Reinforcement of **selection criteria**



## Technology Management & Financing

2021 Revenue: €921 M (+2.2%)(1)



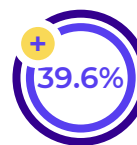
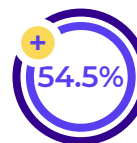
Activity at **growth**

(1) At constant standards and scope

(2) Before amortization of intangible assets from acquisitions

# Sound increase in Net profit

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



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

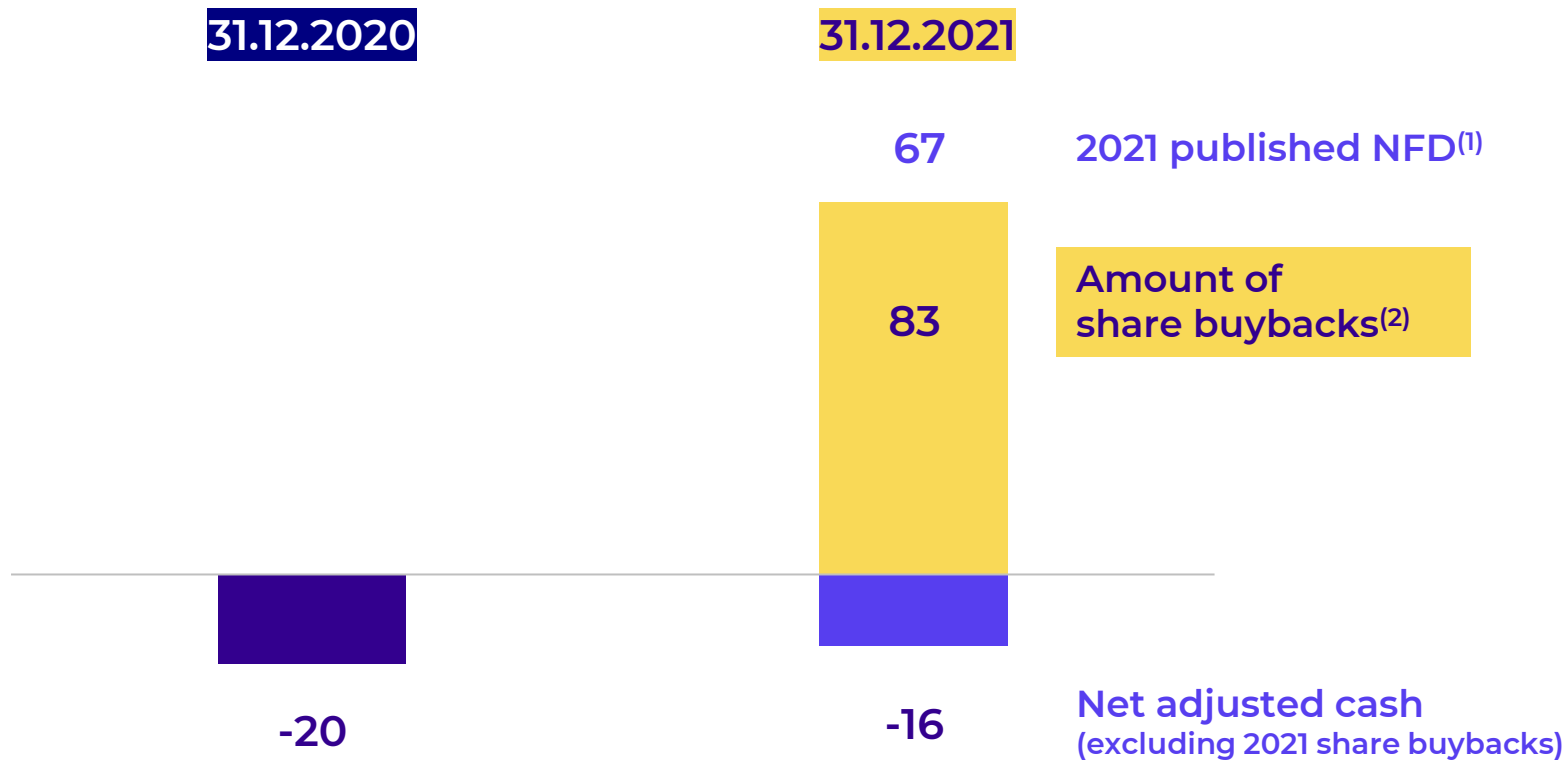
**Decrease in cost of debt financial** due to lower average indebtedness and financing costs

**Net Profit up 39.6%** despite the base effect of capital gains on the disposal of non-strategic assets in 2020

(1) Before amortization of intangible assets from acquisitions

# Net Financial Debt under control

NFD<sup>(1)</sup> change (in €M)



**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

# **03** Outlook

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# New offers to boost organic growth

## Responding to sustainable digital challenges...

### ecocarbon

MEASURE

REDUCE

OFFSET

### ecotwice

Employee resale  
platform

### ecolease

Financing of  
**refurbished  
equipment**

### productcare



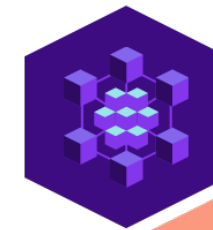
**Service center**  
for mobile  
terminals

## ... and digital transformation

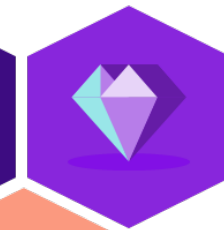
### Apps, cloud & data

3 **integrated** offers

Modern  
applications



Data  
valorisation



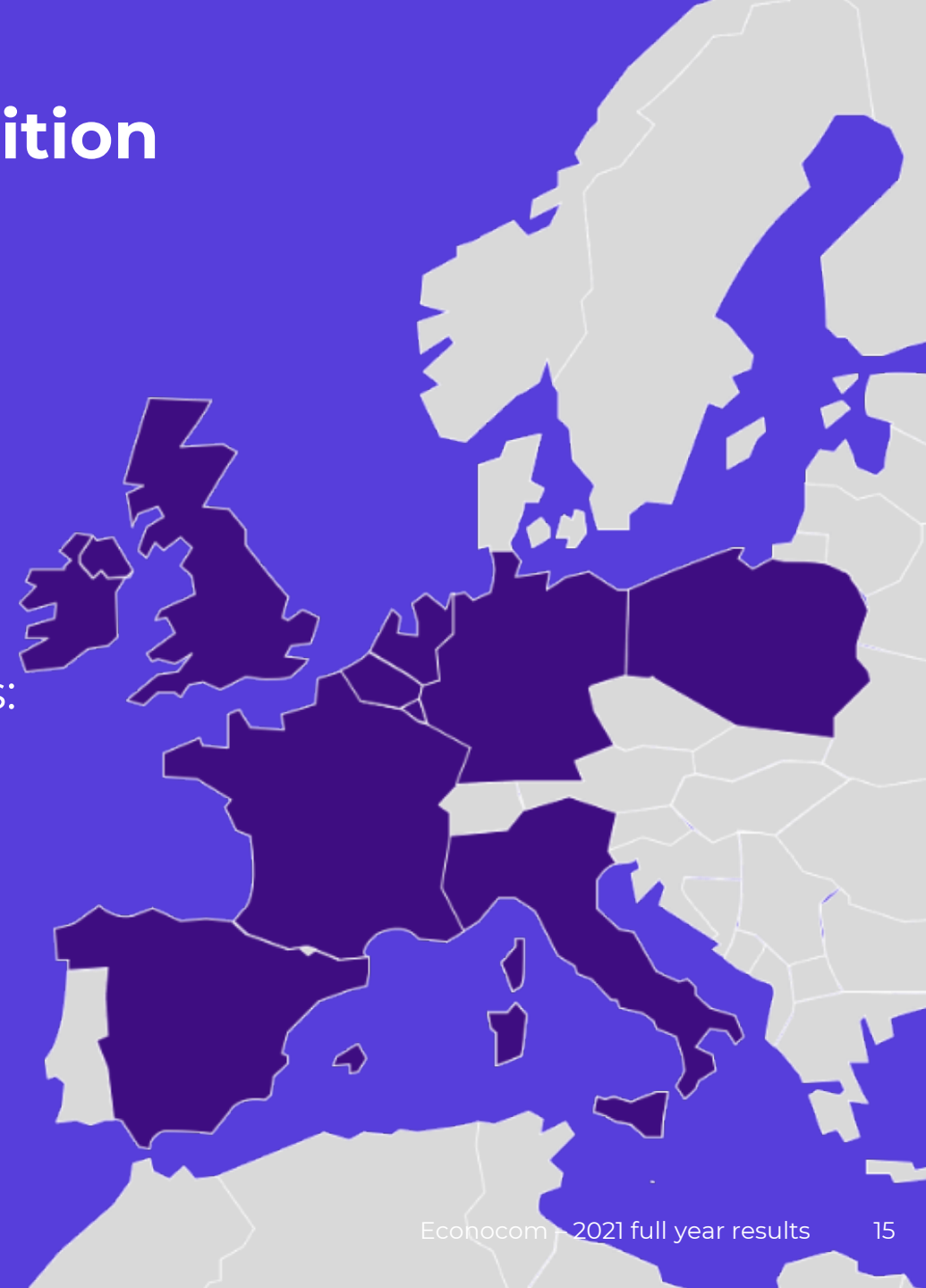
**Modern  
platforms**

# Econocom has experience in acquisition and integration of companies

**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



# 2022 ambition



Revenue growth  
between **4 and 5%**<sup>(1)</sup>



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

# 04 Q&A

# Appendices

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# Laurent Roudil : CEO, Econocom Group



**2015: Director of strategic accounts**

✓ *Cross-functional culture*

**2018: Managing director of Services France**

✓ *Increase in profitability*

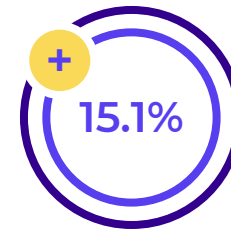
**2020: Managing director in charge of France**

✓ *Business transformation*

# Produits & Solutions: Revenue impacted by sourcing problems

## Increase in order book

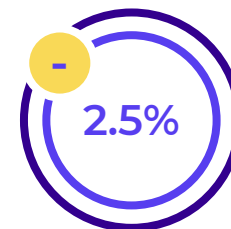
### ROP<sup>(1)(2)</sup>



### Profitability rate<sup>(1)(2)</sup>



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



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

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

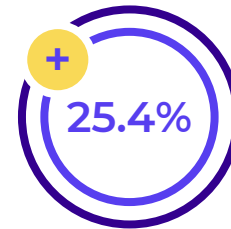
**High increase in backlog** as of the end of December 2021 (**+€60 M** vs. end of 2020)

(1) At constant standards and scope

(2) Before amortization of intangible assets from acquisitions

# Services: Continued improvement in profitability

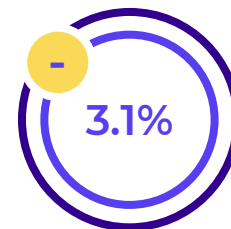
## ROP<sup>(1)(2)</sup>



## Profitability rate<sup>(1)(2)</sup>



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



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

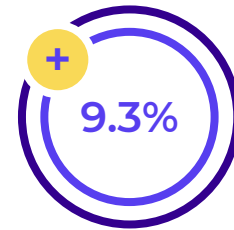
**Double the rate of profitability** in 3 years

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

(1) At constant standards and scope  
(2) Before amortization of intangible assets from acquisitions

# Technology Management & Financing: Back to growth

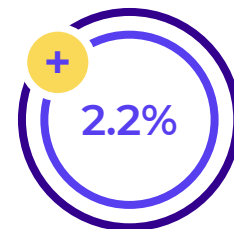
## ROP<sup>(1)(2)</sup>



## Profitability rate<sup>(1)(2)</sup>



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



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

**Correlative increase in profitability of TMF** by **0.3pt**

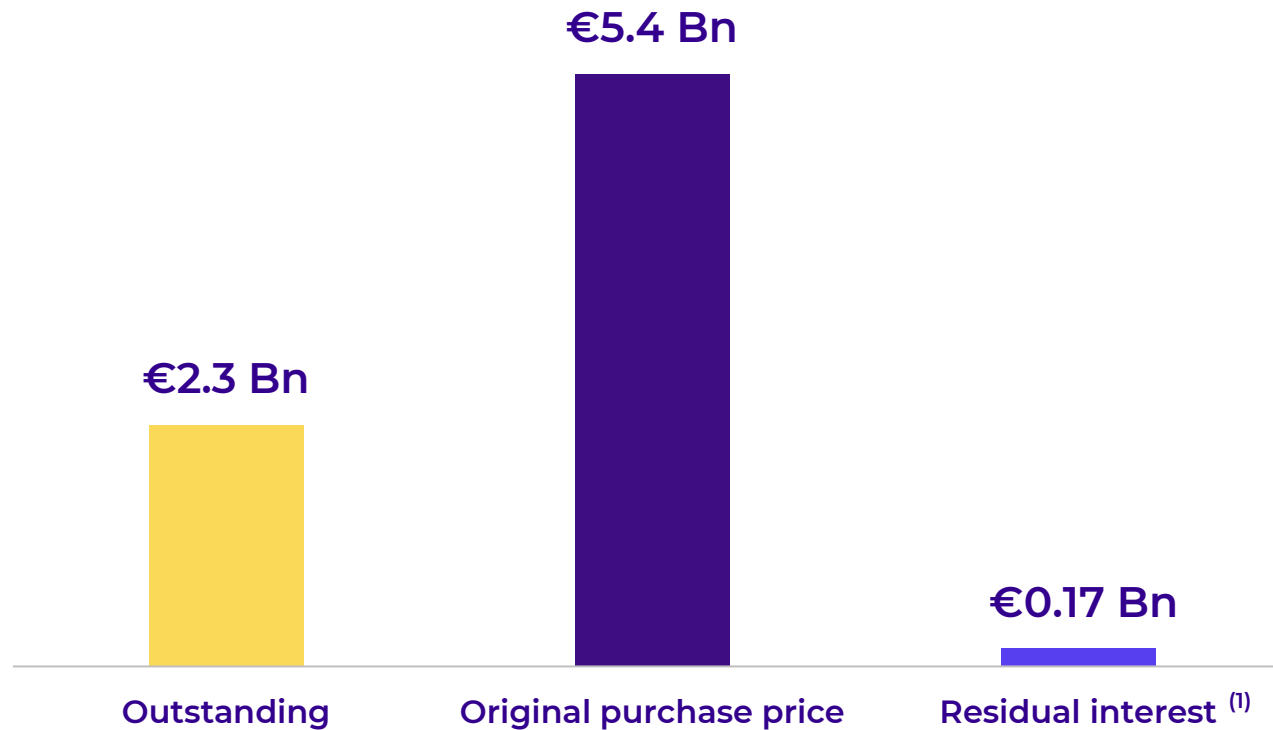
TMF revenue rebound achieved in H2 2021 with a **diversification of the portfolio** thanks to the **arrival of new customers** and **the success of eco-friendly offers**

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

(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



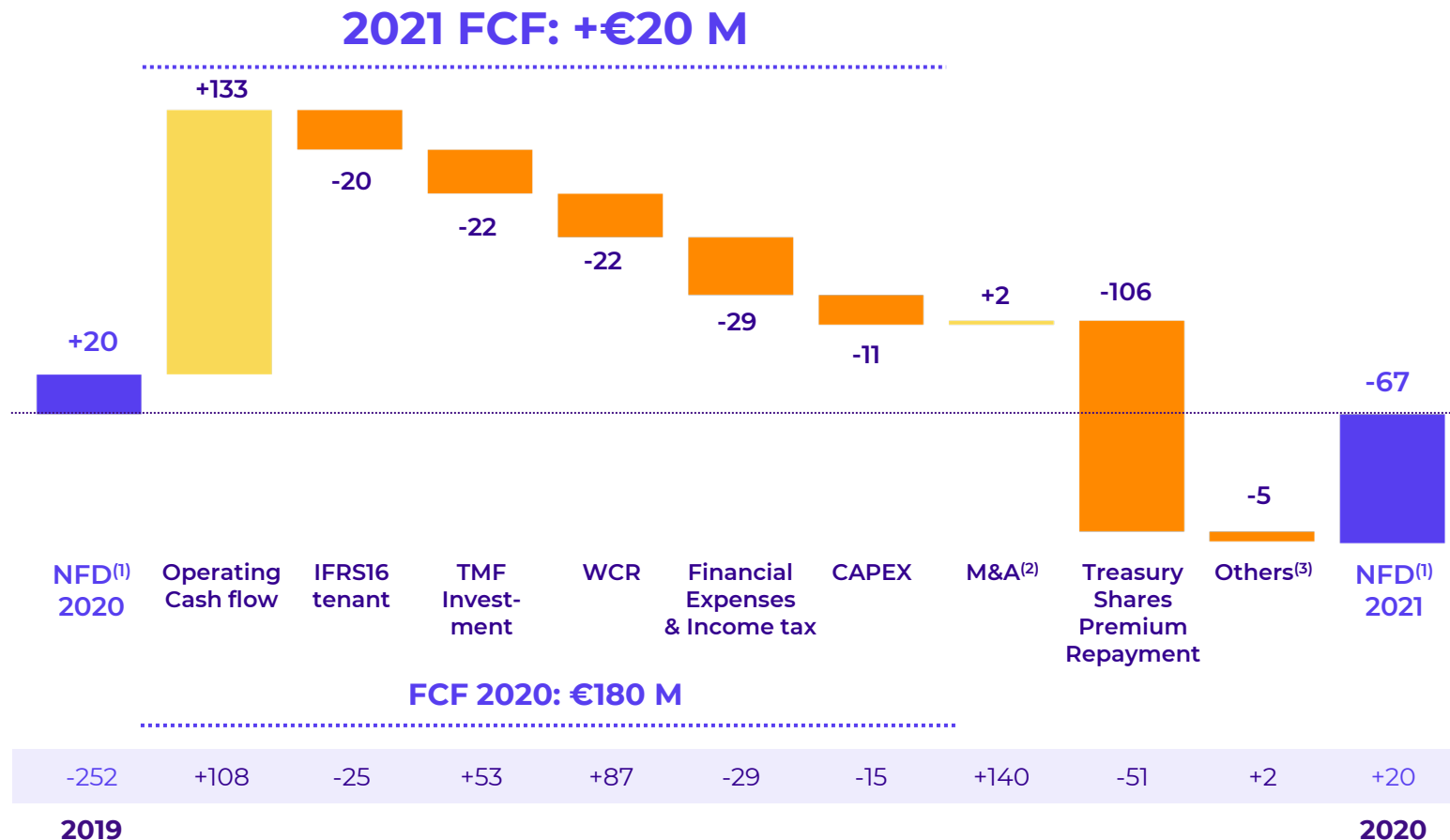
## Residual Interest<sup>(1)</sup>

- **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

# Simplified Balance Sheet

<b>ASSETS</b> (in €M)	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>EQUITY &amp; LIABILITIES</b> (in €M)	<b>31/12/2021</b>	<b>31/12/2020</b>
Goodwill	495	500	<b>Equity</b>	<b>444</b>	<b>473</b>
Other non-current assets	221	230	<b>Net Financial Debt</b>	<b>67</b>	<b>-20</b>
<b>Assets related to leasing activities</b>	<b>379</b>	<b>361</b>	<b>Commitments on residual value</b>	<b>98</b>	<b>104</b>
<i>Residual interest in leased assets</i>	<i>171</i>	<i>175</i>	Other financial liabilities	57	61
<i>Net receivables from own booked TMF contracts</i>	<i>208</i>	<i>186</i>	Other non-current liabilities	107	107
Other trade and other receivables	588	708	Trade payables	882	992
Other current assets	180	137	Other current liabilities	246	264
Assets held for sale	69	74	Liabilities related to assets held for sale	31	29
<b>TOTAL</b>	<b>1,933</b>	<b>2,010</b>	<b>TOTAL</b>	<b>1,933</b>	<b>2,010</b>

# Stock Exchange

Equity table <sup>(1)</sup> – % of ownership and number of shares



## Number of shares :

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

**Share price**  
as of February 15<sup>th</sup>, 2022 : **€3.585**

## Listing place :

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

(1) As of 15 February 2022

(2) Of which 8,7% in direct ownership and 8,2% via subsidiaries of Econocom Group

# Contacts

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## Investor and shareholder relations

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capvalue



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