Analyst and Investor presentation

September 2nd, 2021
Welcome
The speakers

JEAN-LOUIS BOUCHARD
Chairman & CEO

Angel BENGUIGUI
Managing Director

Laurent ROUDIL
Managing Director
AGENDA

01  H1 2021 highlights
02  H1 2021 results and financial position
03  Business line development strategy
04  Outlook
H1 2021 highlights
H1 2021 highlights

Changes in ownership structure:
- Purchase of Econocom Group shares held by W. Butler

Early repayment of €115M Schuldchein bond loan

Resumption of external growth:
- Via acquisition of majority stake in TRAMS, a well known IT distributor in the UK market

Les Abeilles awarded 10-year RIAS contract
Econocom in motion

**Asserted CSR positioning:**
responsible digital entrepreneur
Econocom, pioneer of the digital circular economy since 1973

**New operational headquarters:** The hub.paris
a better place for a workplace organisation

**New website**
to be launched on 14 September
H1 2021 results and financial position
H1 2021 highlights

**Revenue** *(1)*
€1,239 M

**ROP** *(2)*
€62 M

**MARGIN**
5.0%

**External Growth**
 Acquisition of Trams UK

**Activity relaunched despite health crisis**

**Increase in profitability in all business segments**

**Resumption of acquisitions**

---

*(1)* At constant standards and scope

*(2)* Before amortization of intangible assets from acquisitions
Improved profitability in all business segments

**P&S** margin (42% of H1 2021 revenue)

- H1 2019: 3.3%
- H1 2021: 4.7%
  - Volume effect on margin

**Services** margin (22% of H1 2021 revenue)

- H1 2019: 2.1%
- H1 2021: 7.4%
  - Higher added-value deals

**TMF** margin (36% of H1 2021 revenue)

- H1 2019: 3.0%
- H1 2021: 3.9%
  - Better deal selectivity
A strong presence in all targeted geographies throughout Europe

Revenue H1 2021 (% and M€)

- **Germany & Poland**: 7% ($85 M)
- **UK & Americas**: 7% ($88 M)
- **Spain**: 8% ($102 M)
- **Italy**: 12% ($147 M)
- **Benelux**: 14% ($169 M)

**Total**: €1,239 M

**France**: 52% ($648 M)

Econocom, the first General Digital Contractor in Europe

As per client request, presence in all major European markets with sufficient market share to create value

Capacity to address demand evolution for pan European bids
Products & Solutions: Revenue and profitability at strong growth

**ROP(1)(2)**

<table>
<thead>
<tr>
<th>H1 2021</th>
<th>€24.7 M</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2020</td>
<td>€16.9 M</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>H1 2021</th>
<th>4.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2020</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

**Revenue(1)**

<table>
<thead>
<tr>
<th>H1 2021</th>
<th>€524 M</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2020</td>
<td>€477 M</td>
</tr>
</tbody>
</table>

A strong volume effect together with added value of attached services

A market environment boosted by high demand for digital goods and despite sourcing issues

---

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

Continued increase in Services profitability which started 3 years ago

Revenue growth acceleration in particular with a marked recovery in Q2 further to launch of new offers

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

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>€20.0 M</td>
<td>€17.1 M</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.4%</td>
<td>6.6%</td>
<td></td>
</tr>
</tbody>
</table>

Revenue\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2021</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>€270 M</td>
<td>€260 M</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) At constant standards and scope
\(^{(2)}\) Before amortization of intangible assets from acquisitions
## Technology Management & Financing: Increase in ROP

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2021</td>
<td>€17.5 M</td>
<td></td>
</tr>
<tr>
<td>H1 2020</td>
<td>€10.3 M</td>
<td></td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2021</td>
<td>3.9%</td>
</tr>
<tr>
<td>H1 2020</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2021</td>
<td>€446 M</td>
</tr>
<tr>
<td>H1 2020</td>
<td>€482 M</td>
</tr>
</tbody>
</table>

---

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

---

- **Lower break-even point**
- **Improvement of client portfolio**
- **Increase in the portion of operating leases in H1 2021 (€39 M vs. €9 M)**
A risk-adverse TMF portfolio

Contract portfolio as of H1 2021

Overall stability of portfolio at original purchasing price

- **Residual interest**(1)
  - 3.0% of the Original Purchase Price
  - >2x covered by remarketing of assets and contract extensions
  - €0.17 Bn of residual interest, (excluding the additional services)

(1) Estimated value of assets at the expiry of the lease contract
**Strong increase in Net profit**

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>H1 2021</th>
<th>H1 2020(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,239.5</td>
<td>1,225.7</td>
</tr>
<tr>
<td><strong>Recurring operating profit</strong></td>
<td>62.3</td>
<td>44.6</td>
</tr>
<tr>
<td>Recurring operating profit</td>
<td>61.1</td>
<td>43.6</td>
</tr>
<tr>
<td>Non-recurring operating incomes and expenses</td>
<td>(7.6)</td>
<td>(23.6)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>53.5</td>
<td>20.0</td>
</tr>
<tr>
<td>Financial result</td>
<td>(7.4)</td>
<td>(8.5)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>46.1</td>
<td>11.5</td>
</tr>
<tr>
<td>Income tax</td>
<td>(14.8)</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Net profit from continued operations</td>
<td>31.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Ne result from discontinued operations</td>
<td>(1.1)</td>
<td>16.3</td>
</tr>
<tr>
<td><strong>Net consolidated profit</strong></td>
<td>30.1</td>
<td>22.1</td>
</tr>
</tbody>
</table>

(1) Restated  
(2) Before amortization of intangible assets from acquisitions

---

**Strong decrease in non-recurring operating expenses further to completion of Drakkar plan**

**Net consolidated profit up 36.2% despite effect of H1 2020 capital gain on asset disposed**
Continued long term deleveraging and acceleration of share buyback program

Change in NFD\(^{(1)}\) (in €M)

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>S1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFD</td>
<td>303</td>
<td>217</td>
</tr>
<tr>
<td>NFD without share buyback and TMF investment</td>
<td>91</td>
<td>84</td>
</tr>
<tr>
<td>Share buyback(^{(2)})</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Investment in future TMF contracts over H1 2021</td>
<td>-€219 M</td>
<td></td>
</tr>
</tbody>
</table>

---

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

\(^{(2)}\) Total of share buyback program since June 30th, 2020,

Acceleration of share buyback program which will help financing future acquisitions and/or recruiting a long term equity partner

Debt still under control considering the structural seasonality of the 1st half-year working capital
Business line development strategy
**Products & Solutions**
Flexible and forward-looking approach to changing demand

**Carving out a major foothold in Europe**
- > €1 billion revenue
- Nr. 1 in Belgium
- Nr. 2 in France
- Strong positions in Italy, Spain, Germany, Netherlands and UK

**Solutions tailored to customer needs**
- **One stop shop**
  - multi-brand, multi-vendor, multi-product
- **Related services**
  - customisation, logistics, maintenance
- **Product Care**
  - Extending product lifetime

**Growth drivers underpinned by core strengths**
- Widespread rollout of remote working
- Developing integrated multi-country solutions
- Equipment financing
Products & Solutions
Future strategic targets

Become European leader in distribution services

Strategic M&A roadmap
Achievements: TRAMS (UK)
July 2021. €50M revenue. Peer company offering comprehensive multi-vendor solutions

Future targets:
multi-vendor, multi-sector players to develop TMF synergies in Germany, Spain and the Netherlands
Services

Workstation services

Strong reputation in France, Belgium and Spain

Leading provider of workstation outsourcing services in France (Run)
>1 million workstations under management

Single end-to-end “One Workplace” solution for modernising the workstation: Design, Build & Run and hardware distribution

Strategic partnerships to improve user experience and workstation administration: Artefact (Artificial Intelligence), Citrix (Virtual Desktop)

Future strategic targets

Become Nr.1 provider of global workstation services in France
Design, Build & Run

Through acquisitions, join the European Top 3 providers of workstation services
Services
Other Services - strategic targets

**Infrastructure services**

**Aggressive choice to move legacy services to the cloud**

- Two new solutions
  - Design & Build
  - Run & multi-platform cloud orchestration

- Strategic partnerships
  Microsoft Azure, Amazon Web Services, Google Cloud Platform, VMware

- Targeting middle market and public sector

**Application services**

**Launch of a new offering “Apps, Cloud & Data” in July 2021**

- Adaptation to new customer requirements
  - DevOps
  - Design cloud-native business applications
  - Data enhancement

- Higher value-added solutions
Technology Management & Financing
Current position and background

Covid and the transformation plan have impacted growth

- **Sales force** attrition
- **Closure** of unprofitable locations
- **Targets to reduce** net book debt and consequently structured financing
- **Delivery delays**
- **State-Guaranteed Loans (SGLs)**

Nevertheless, profit margins have improved

- **Breakeven point** lowered and efficiency improved
- **More selective approach to** operations
- **Focus on major high-potential markets**
- **Strengthened management team**

Growth drivers

- **Step up** digitisation and smart working
- **Public sector investment**
- Increased focus on the **circular economy**
- **Customer reversion** from SGLs to rental solutions
- **Policy of developing strong partnerships**
- **Major European tenders**
TMF - 2021-2022 action plan geared towards growth

Sales force hiring programme underway:
over 30 new salespeople by 31/12/2021

External growth:
priority assigned to France, Germany and Benelux

Development of structured financing solutions

New solutions:
• Public sector
• Asset end-of-life (circular economy)
• Expanded range of assets (industrial, healthcare)

New partnerships: first partnership set up with Atos

We are targeting strong positions in TMF and P&S in all our existing European markets in order to respond to major tenders: dedicated team set up
04 Outlook
Econocom: key figures 2009 - 2024e

Number of shares, excluding Treasury Shares (M)

- **Stable, value x4**

- **Consolidated Revenue** (€M) X3.5

- **ROP** (€M) X4.5

- **Net Financial Debt (NFD)** (M€)

- **Earnings per share** (cts €)

2012 Horizon PLAN
- ECS ACQUISITION

Mutation PLAN
- OSIATIS ACQUISITION
- SATELLITES BUSINESS MODEL

Executive Management CHANGES

Transformation PLAN
- COST CONTAINMENT
- SHARP DELEVERAGING

(1) Reported figures

Econocom – H1 2021 results
Extensive track record in acquiring and integrating companies

**Successes**

**In 2020,**
satellites acquired from 2014-2018 contributed **26% of total Group revenue** and **22% of ROP.**

**Lessons learned**
Q&A
Appendices
Econocom
Europe’s leading global digital services company

ECONOCOM 2020 full-year results

€2,559 Bn
Limited decline in like-for-like revenue
Down 11.3% versus 2019

€122.5M
Increase in recurring operating profit (ROP)
Up 2.2% versus 2019

€20M
Net cash (versus €252M
net book debt at 31/12/2019)

95% refurbishment of equipment

50% reduction in our digital technology energy footprint from 2017-2020
Increased profitability by more than 40%
Revenue up 1.7% boosted by P&S and Services

ROP\(^{(1)(2)}\)
- H1 2021: €62.3 M
- H1 2020: €44.3 M

Profitability rate\(^{(1)(2)}\)
- H1 2021: 5.0%
- H1 2020: 3.6%

Revenue\(^{(1)}\)
- H1 2021: €1,239 M
- H1 2020: €1,219 M

Positive impacts of business refocus
Long-lasting effects of Drakkar cost reduction plan initiated in 2019-20
But still impacted by overall delays in sourcing goods

\(^{(1)}\) At constant standards and scope
\(^{(2)}\) Before amortization of intangible assets from acquisitions
<table>
<thead>
<tr>
<th><strong>ASSETS</strong> (IN €M)</th>
<th><strong>30/06/2021</strong></th>
<th><strong>31/12/2020</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>491</td>
<td>500</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>229</td>
<td>230</td>
</tr>
<tr>
<td><strong>Assets related to leasing activities</strong></td>
<td><strong>368</strong></td>
<td><strong>361</strong></td>
</tr>
<tr>
<td><em>Residual interest in leased assets</em></td>
<td>175</td>
<td>175</td>
</tr>
<tr>
<td><em>Net receivables from own booked TMF contracts</em></td>
<td>193</td>
<td>186</td>
</tr>
<tr>
<td>Other trade and other receivables</td>
<td>646</td>
<td>708</td>
</tr>
<tr>
<td>Other current assets</td>
<td>168</td>
<td>137</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>97</td>
<td>74</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,999</strong></td>
<td><strong>2,010</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EQUITY &amp; LIABILITIES</strong> (IN €M)</th>
<th><strong>30/06/2021</strong></th>
<th><strong>31/12/2020</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>410</td>
<td>473</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>217</td>
<td>-20</td>
</tr>
<tr>
<td><em>Commitments on residual value</em></td>
<td><strong>100</strong></td>
<td><strong>104</strong></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>168</td>
<td>155</td>
</tr>
<tr>
<td>Trade payables</td>
<td>838</td>
<td>992</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>218</td>
<td>277</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,999</strong></td>
<td><strong>2,010</strong></td>
</tr>
</tbody>
</table>
Free Cash Flow generation over LTM

Operating Cash-Flow improvement

Deconsolidating financings

Well-managed WCR

€42 M net proceeds from asset disposals

NFD as at 30/06/2021 of €217 M inclusive of €117 M of cash returned to shareholders

(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant
(2) Includes cash proceeds from asset disposals and disbursements on minority stakes
(3) “Others” includes cash impact of IFRS 5 and IFRS 16

FCF last 12 months: +€188 M (vs. €78 M LY)

NFD(1) 30/06/2020

-303

+148

+89

-11

+2

-25

-15

+42

-91

-26

-27

-217

NFD(1) 30/06/2021

Econocom – H1 2021 results
Decrease in gross debt

In €M

Decrease of €115 M of bond debt

-97
-157
-180
-56
-35
-87
217

Cash 06.2021
Net cash: 141 M€

Increase in bank lines to finance operating cycles and the effects of seasonality on working capital

Decrease in bond debt with Schuldschein early repayment of €115 M end of June 2021

(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant
Stock Exchange

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

- Total shares: 221.3 M
- Treasury shares: 33.7 M
- Floating shares: 187.6 M

Share price as of August 31th, 2021: €3.59

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

(1) As of 31 August 2021
(2) Of which 7.8% in direct ownership and 7.4% via BIS BV, subsidiary of Econocom Group
Contacts

Investor and shareholder relations
etienne.jacquet@econocom.com

Press relations
david.molins@econocom.com

Press agency
info@capvalue.fr
Thank you