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Your contacts at Econocom

JEAN-LOUIS BOUCHARD
Chairman & CEO

ANGEL BENGUIGUI
Group Finance Director

ARTHUR ROZEN
Company Secretary
01 Highlights
Econocom: a unique business model that benefits its clients
Econocom is the only player on the digital transformation market that combines technological expertise with financing capabilities.

Independent and agnostic

Actively supporting young digital entrepreneurs

Innovative, dynamic alliance programs

A strong commitment to employee well-being
Econocom, 360° expert in digital transformation

A leading player in digital services in Europe

High end consulting in digital transformation

Design of complex solutions

Implementation of projects of any size

Financing of technology (IT & non-IT)
Technology Management & Financing (TM&F): the driving force of Econocom growth

- Fast-track the completion of digital projects (connected devices, mobility, business hardware, IT & multimedia, industry hardware, energy, etc.),
- Offers a wide range of adapted financial solutions,
- Meet the financial and operational constraints of the players (CFOs, CIOs) and business lines involved.

An unique combination of expertise coupling financial innovation with technological know-how

45% of H1 Revenue

2020 Oddo BHF Forum
Digital Services and Solutions (DSS): the expertise of Econocom workforce

- User- and use-oriented approach
- Operational excellence for tomorrow’s growth
- Large scale and capacity to manage international projects

is the preferred partner for the digital transformation of companies throughout the entire value chain

55% of H1 Revenue
2019 gives a new impetus to Econocom...

**BUSINESS OBJECTIVES**

**Refocus activity on core business**

**Improve operating margin**

**Keep debt under control**

**2019 ACTION PLANS**

- Focus on TMF core historic business as well as DSS in synergy
- Prepare disposal of non-core businesses
- Turn around plans for loss making units
- Focus on most profitable deals
- Implement a cost reduction plan
- Closely monitor working capital
- Use wisely refinancing options
... while maintaining a strong commercial and entrepreneurial culture

Client Successes

Strong Partnerships
Digital transformation of point of sales of a leading car manufacturer

A capability to develop in the very large multi-site accounts

Transforming and digitalizing dealerships of a leading car manufacturer around Europe

3 years (plus 2 possible) project lifespan
12 countries and 10 different languages
1,200 dealerships
€40 M project over the next 3 years

To improve the user/customer experience by using audio visual and digital elements
Financing a leading international technology integrator equipment needs

**TARGET**
- Finance a huge value of equipment in numerous countries
- Finance 200,000 Assets, for 300+ end customers in Europe, Americas and APAC

**ACHIEVEMENT**
- Capacity of managing large deals in partnership within regions where Econocom has no physical presence
- Financial expertise in deal crafting and ability to deliver tailor-made structured deals
- Cross geographies
- €150 M over 12 months of revenue
- Total of 400,000 Assets managed through Econocom’s Asset Management lifecycle system

**KEY METRICS**
- Agility, responsiveness and compliance based on a global and structured governance through one single point of contact
 Equip colleges of the “Grand Est” French region with laptops
 Replace printed books by digital ones

 More than 300 colleges equipped
 Allow gratuity for end user by selecting an ad hoc vendor for a dedicated product configuration

 114,000 laptops for the 2019 season
 €40 M of revenue in september with the largest purchase order ever received

 Taylor-made project on a large scale
**Highest certification** at Lenovo

Only 4 Platinium partners in France

**Benefits**

- Enable deal winning
- Strengthen digital image
- Reward staff commitment
Latest financial results
Key figures H1 2019

Revenue<sup>(1)</sup>
€1.24 Bn

ROP<sup>(1)(3)</sup>
€40 M

Net financial debt<sup>(2)</sup>
€405 M

Net Cash flow from operating activities<sup>(1)</sup>
€61 M

+2.9% <sup>(2)</sup>

3.2% margin

2.5x EBITDA 12M

+€20 M <sup>(2)</sup>

+1.6% organic

0.9 GEARING

+€20 M <sup>(2)</sup>

vs. H1 2018

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<sup>(1)</sup> From ongoing operations after restatement according to IFRS 5 regarding assets held for sale and discontinued operations

<sup>(2)</sup> At constant standards

<sup>(3)</sup> Before amortization of intangible assets from acquisitions
Moderate growth in Group revenue
Improved profitability

Revenue from ongoing operations\(^{(1)(3)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€1,238 M</td>
<td>€1,203 M</td>
</tr>
</tbody>
</table>

Margin of 3.2% on revenue from ongoing operations. ROP up 17.2% vs. H1 2018

Recurring operating profit\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>€40.2 M</td>
<td>€34.3 M</td>
</tr>
</tbody>
</table>

Modest organic growth +1.6%

Company strategy refocused on historical business, Technology Management & Financing as well as on activities of Digital Services and Solutions in synergy with TMF

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\(^{(1)}\) From ongoing operations after restatement according to IFRS 5 regarding assets held for sale and discontinued operations
\(^{(2)}\) Before amortization of intangible assets from acquisitions
\(^{(3)}\) Including IFRS 16 impact on 2018 Revenue
Revenue bridge

According to IFRS 5, H1 2019 revenue generated by assets held for sale and discontinued operations were deconsolidated. H1 2018 numbers were restated.

On the contrary, H1 2018 numbers were not restated after the introduction of IFRS 16 as of 01/1/19.

For comparison purposes IFRS 16 impact on 2018 figures is isolated.

IFRS 5 restatements impact almost exclusively DSS and IFRS 16 impact on revenue exclusively concerns TMF.
Revenue by geographical area

H1 2019 revenue\(^{(1)}\) (%)

- North & East Europe: 8%
- South Europe: 24%
- North America: 3%
- Benelux: 14%
- France: 51%

Total: €1.2 Bn

**Stronghold and scale** in France (+8%) and Benelux (+7%)

**Solid performance in South Europe** (+4%) despite embezzlement discovered in Italy end of June

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\(^{(1)}\) From ongoing operations after restatement in line with IFRS 5 regarding assets held for sale and discontinued operations
Slight decrease in revenue
€561 M (-3.9%)

Refinanced business revenue suffered from lag primarily in Italy

EDFL contributes less to revenue in H1 2019 €47 M (vs. €59 M in H1 2018) to revenue

ROP at growth
- Better deals selection
- Less bad debt provisions

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**Revenue from ongoing operations**

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€561 M</td>
<td>€584 M</td>
</tr>
</tbody>
</table>

**Recurring operating profit**

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>€15.6 M</td>
<td>€14.2 M</td>
</tr>
</tbody>
</table>

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(1) From ongoing operations after restatement according to IFRS 5 regarding assets held for sale and discontinued operations
(2) Before amortization of intangible assets from acquisitions
(3) Including IFRS 16 impact on 2018 Revenue
Technology Management & Financing

Contract portfolio

Stability of portfolio at original purchasing price (flat)

Residual interest\(^{(i)}\)

2.7% of the Original Purchase Price

>2x covered by remarketing of assets and contract extensions

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\(^{(i)}\) Estimated value of assets at the expiry of the lease contract
Continuing sustained growth

Major regions contributed to the dynamism of the activity

ROP boosted by:
- Growth in revenue
- Dynamism in France

Digital Services & Solutions at a glance

Revenue from ongoing operations\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>€677 M</td>
<td>€620 M</td>
</tr>
</tbody>
</table>

Recurring operating profit\(^{(1)}\)(\(^{(2)}\))

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>€24.6 M</td>
<td>€20.1 M</td>
</tr>
</tbody>
</table>

\(^{(1)}\) From ongoing operations after restatement according to IFRS 5 regarding assets held for sale and discontinued operations
\(^{(2)}\) Before amortization of intangible assets from acquisitions
## Consolidated income statement

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>H1 2018(1)</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,232</td>
<td>1,238</td>
</tr>
<tr>
<td>Recurring operating profit before amortisation of intangible assets from acquisitions</td>
<td>34.4</td>
<td>40.2</td>
</tr>
<tr>
<td>Recurring operating profit</td>
<td>32.3</td>
<td>39.2</td>
</tr>
<tr>
<td>Non-recurring operating incomes and expenses</td>
<td>-14.2</td>
<td>-13.7</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>18.1</strong></td>
<td><strong>25.6</strong></td>
</tr>
<tr>
<td>Financial result</td>
<td>-7.0</td>
<td>-9.0</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td><strong>11.1</strong></td>
<td><strong>16.6</strong></td>
</tr>
<tr>
<td>Income tax</td>
<td>-6.8</td>
<td>-7.4</td>
</tr>
<tr>
<td>Result from assets held for sale and discontinued operations</td>
<td>-3.8</td>
<td>-3.8</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>0.4</strong></td>
<td><strong>5.4</strong></td>
</tr>
<tr>
<td>Recurring net profit attributable to the owners of parent</td>
<td><strong>7.9</strong></td>
<td><strong>13.6</strong></td>
</tr>
</tbody>
</table>

(1) In accordance with IFRS 5, income and expenses recorded in the first half of 2018 by activities considered as discontinued in the first half of 2019 are also reclassified to income from discontinued operations in the income statement for the first half of 2018. In contrast, in accordance with IFRS16, data for the first half of 2018 are not restated for the impact of this standard on leases, which came into effect on January 1, 2019. In addition, in accordance with the approach adopted at 31/12/2018, the tax savings related to the “super-amortamento” option in Italy (taken into account in the tax figures published on 30 June 2018) and its retrocession to customers (non-current operating expense in the figures published as of June 30, 2018) are now both accounted for in OCR: this change in presentation reduces each year the non-current operating expenses and the tax for the first half of 2018 by 1.8 million, compared to what they were in the figures published in the 2018 half-yearly report.

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**Net non-recurring expenses of €13.7 M notably as a result of restructuring costs (€9.9 M)**

**Limited and flat impact of result from assets held for sale and discontinued operations for €3.8M**
FCF generation

In €M  

**FCF = -€116 M**  
H1 2019

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Cash flow</td>
<td>-252</td>
</tr>
<tr>
<td>Financial expenses &amp; income tax</td>
<td>+61</td>
</tr>
<tr>
<td>WCR</td>
<td>-139</td>
</tr>
<tr>
<td>CAPEX</td>
<td>-28</td>
</tr>
<tr>
<td>M&amp;A (3)</td>
<td>-10</td>
</tr>
<tr>
<td>Minority interest buyouts</td>
<td>-25</td>
</tr>
<tr>
<td>Treasury share buybacks</td>
<td>-10</td>
</tr>
<tr>
<td>Others</td>
<td>-2</td>
</tr>
</tbody>
</table>

**NFD (1) 31/12/18**

**FCF = -€127 M**  
H1 2018

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount (€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Operating Cash flow</td>
<td>-279</td>
</tr>
<tr>
<td>Financial expenses &amp; income tax</td>
<td>+25</td>
</tr>
<tr>
<td>WCR</td>
<td>-105</td>
</tr>
<tr>
<td>CAPEX</td>
<td>-24</td>
</tr>
<tr>
<td>M&amp;A (3)</td>
<td>-23</td>
</tr>
<tr>
<td>Treasury share buybacks</td>
<td>-9</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
</tr>
</tbody>
</table>

**NFD 31/12/17**

**Negative cash flow generation due to...**

- **€139 M** WCR outflow due primarily to the seasonal nature of the business and to delay in refinancing deals in Italy and some delay in cash collection
- **€15 M** of nonrecurring costs
- **€25 M** of minority interest buyouts

... but Net Operating Cashflow improving (+€20 M at constant standards)

**Shareholder return**

- **€10 M** in treasury share acquisition

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(1) NFD: Net Financial Debt excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant
(2) Impact on cash of exceptional costs
(3) Buyout of minority interests in satellites
Structure of Net Financial Debt\(^{(1)}\)

In €M

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

NFD under control:
- **€405 M** (2.5x EBITDA)
- **€252 M** of which backed by lease contracts

Net cash impacted by minority stakes in satellites being bought back for **€25 M** and by treasury shares being purchased for **€10 M** and seasonal working capital
## Simplified consolidated balance sheet

<table>
<thead>
<tr>
<th>ASSETS (IN €M)</th>
<th>31/12/2018</th>
<th>30/06/2019(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>631</td>
<td>539</td>
</tr>
<tr>
<td>Residual interest in leased assets</td>
<td>122</td>
<td>124</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>209</td>
<td>256</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1,269</td>
<td>1,170</td>
</tr>
<tr>
<td>Other current assets</td>
<td>170</td>
<td>197</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>-</td>
<td>207</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,401</td>
<td>2,493</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY &amp; LIABILITIES (IN €M)</th>
<th>31/12/2018</th>
<th>30/06/2019(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>491</td>
<td>451</td>
</tr>
<tr>
<td>Commitments on residual value</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>124</td>
<td>175</td>
</tr>
<tr>
<td>Trade payables</td>
<td>1,104</td>
<td>998</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>357</td>
<td>305</td>
</tr>
<tr>
<td>Net Financial Debt</td>
<td>252</td>
<td>405</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>-</td>
<td>86</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,401</td>
<td>2,493</td>
</tr>
</tbody>
</table>

(1) After application of IFRS 5 and IFRS 16
Growth in revenue from continuing operations **up 2.6%**, including 1.6% organically

Without the negative impact of embezzlement in Italy for €70 M, TM&F would have achieved a circa 3% growth

**Q3 Revenue YTD**

Revenue from ongoing operations⁽¹⁾

<table>
<thead>
<tr>
<th></th>
<th>3Q 2019</th>
<th>3Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€1,826 M</td>
<td>€1,780 M</td>
</tr>
<tr>
<td>Growth</td>
<td>+2.6%</td>
<td></td>
</tr>
</tbody>
</table>

Of which TM&F

<table>
<thead>
<tr>
<th></th>
<th>3Q 2019 proforma⁽²⁾</th>
<th>3Q 2019</th>
<th>3Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€858 M</td>
<td>€788 M</td>
<td>€835 M</td>
</tr>
<tr>
<td>Growth</td>
<td>+3.0%</td>
<td>-5.7%</td>
<td></td>
</tr>
</tbody>
</table>

Of which DSS

<table>
<thead>
<tr>
<th></th>
<th>3Q 2019</th>
<th>3Q 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€1,038 M</td>
<td>€945 M</td>
</tr>
<tr>
<td>Growth</td>
<td>+9.9%</td>
<td></td>
</tr>
</tbody>
</table>

⁽¹⁾ From ongoing operations after restatement according to IFRS 5 regarding assets held for sale and discontinued operations

⁽²⁾ Excluding the indirect impact of embezzlement in Italy vs 2018: €70M
Transformation plan is under way

- **Specify** vision and strategy
- **Cut costs**
- **Upgrade** professional practices
- **Attract, develop and retain** talented people
Cost reduction program: Magnitude and Timeline

Cost Base 2018

- €96.5 M

Implementation periods 2019-2020

Cost Base 2021
Cost reduction plan

2019 on track

2019 announced €20 M
2019 already committed €24 M
2019 ambition >€24 M

September 2019: global cost freeze

2020 “Zero Based Budget” approach

Plan announced with top and mid-management onboarded

Ad hoc transformation office
Outlook

2019 ROP confirmed at €128 M

Ambitious cost reduction program

Continued discipline in cash generation

Disposal of non-core businesses

2020 Oddo BHF Forum
Equity table

- **Market Cap**: €596 M
- **Free float**: 54.1%
- **Treasury Stocks**: 9.5%
- **Holding companies held by Mr. Bouchard**: 36.4%

**Number of shares:**
- 245,380,430

**Share price**(1):
- 2.43€

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

**Stock Indexes:**
- Bel Mid and Family Business

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(1) as of December 31st, 2019