2014
half-year results

Financial meeting
2 September 2014
econocom speakers

Bruno Grossi
Strategy, Acquisitions, Communication
Galliane Touze
Company Secretary

Bruno Lemaîstre
Managing Director
Jean-Philippe Roesch
Managing Director
Chantal De Vrieze
Country Manager BeNeLux
agenda

01
digital for all, now

02
keys figures and highlights

03
growth drivers implemented

04
financial results

05
outlook
01
DIGITAL
FOR ALL, NOW
Our campaign: to express our conviction!

Although we benefit more and more from them every day in terms of our private use, it is vital to give organisations broader access to the progress offered by the digital revolution.

This is possible now!
Our ambition

to fulfil the promises of digital technologies, now
Econocom is speeding up the spread of digital progress

**OUR UNIQUE COMBINATION OF 3 AREAS OF EXPERTISE**

A STRONG ENTREPRENEURIAL CULTURE
NEW COLLABORATIVE APPROACHES
UNIFYING PROJECTS FOR OUR CLIENTS
A shift in the digital market structure

Source: BI Intelligence – Novembre 2013
A shift in the digital market structure

Already 10% of Econocom’s revenue comes From Smart Solutions

Tablet sales > PC sales in 2013: 55,000 vs. 51,000.

> 1 million mobile and smart assets managed

+ 12% increase in Smart Solutions revenue in H1 2014

Source: BI Intelligence, November 2013
www.digitalforallnow.com
02
KEYS FIGURES
AND HIGHLIGHTS
Revenue: €972 M, up 23% in reported data

Recurring operating profit: €30.6 M, up 31% in reported data

*Impact of the acquisition of Osiatis and a positive business trend in the second quarter with 3% organic growth in revenue*

A year of consolidation focusing mainly on the integration of Osiatis

Promising initiatives: Creation of Digital Dimension, 4 targeted acquisitions, investments in Smart Solutions

Healthy financial structure and improved investment capacities

Net profit up 34% to €16.3 M. Net earnings per share up 15%, confirming the accretive nature of the acquisition of Osiatis as of H1 2014
GROWTH DRIVERS IMPLEMENTED
Main growth drivers implemented in the first half of 2014:

**Smart Solutions**

+ 12%

Major contribution to organic growth in Q2

**Acquisitions**

Strengthening our position in growth markets:

- Osiatis: accretive as of H1 and synergies implemented
- Creation of Digital Dimension to step up growth in cloud computing.
- Four targeted acquisitions

**International expansion**

31% (+€72 M)
outside France & Benelux

Growth of all activities and in the Americas
Major contribution to organic growth

A unique offering combining financial innovation and technological expertise that addresses the growing demand for integrated solutions.

Positive effect of investments in the sales force and offerings in 4 key sectors:

- Education
- Industries
- Healthcare
- Retail

Revenue (in €M)

- H1 2014: 106
- H1 2013: 96
- H1 2012: 55
- 2013: 185
- 2012: 122

+12%
Smart Solutions

Electronic signature solution rolled out at the bank’s branches

39 regional branches
13,000 tablets.

Potentially a further 30,000 tablets to be rolled out across 7,000 branches.

24-month lease.

Designing the digital bank of tomorrow.

Mobile stock and order management solution.
1,000 iPad mini tablets

Integration of digital tools for the school’s education project

6,000 machines deployed over 3 years (desktops, laptops, interactive whiteboards and projectors).

Digital operating theatre (*)
11 pluridisciplinary operating rooms (**) featuring real-time video feeds and patient data-sharing on digital equipment.

Econocom, in conjunction with Brainlab, will be the first in the world to provide 3 operating rooms with a interactive equipment with digital interfaces.

(*) eOR by Econocom
(**) Neurosurgery, ENT, Cardiology, Orthopaedics, etc.
Acquisitions

OSIATIS – A shift in our business mix

Considerable contribution from Osiatis, acquired in 2013, to H1 2014 key figures.

Better balance between financing (Technology Management & Financing) and technological expertise (Distribution and Services)

Strengthening our positions in digital and cloud

Financial balance maintained

Acquisition accretive as of H1
Acquisitions

OSIATIS – Implementation of synergies

€2 M in H1 and €6 M expected for 2014

- New organisation set up
- Financial control tools harmonised
- Premises merged
- Overheads streamlined

Target of €20 M worth of synergies by 2016 confirmed

Breakdown of annual synergies

- Operational efficiency: €12 M
- Costs: €5 M
- Business: €3 M
- Total: €20 M
Acquisitions

DIGITAL DIMENSION - Speeding up growth in the cloud market

JV Econocom 50.1% and Georges Croix 49.9%

• Target: annual revenue of €120M by 2016 and double-digit profitability
• Investment: up to €100M over 3 years

First two acquisitions:

- Mobile business solutions leader: €14M revenue in 2013 and operating margin in excess of 20%.
- €3.5M revenue, hosting specialists with a state-of-the-art, eco-efficient data centre to deploy all Econocom’s digital solutions in cloud mode. Strategic partnerships with market leaders such as Microsoft, Cisco, Dell, APC and VMware

Other acquisitions planned for the second half
Acquisitions

Consolidating our positions in high-potential markets

Econocom-Osiatis acquires the business assets of Comiris, a French collaborative tools and videoconferencing specialist (revenue of €13M, 56 employees).

Comiris joins Exaprobe (acquired in 2013) and Cap Synergy (acquired in 2012) in the fast-growing collaborative tools, unified communications network and security division.

July 2014
New growth drivers

Expanding outside our historic markets - France & Benelux

Expanding our business in new markets to serve our European clients (Atos, El Corte Inglés, etc.)

Expanding our Service business in Brazil

$72 million: up 31%

United States / Canada
Expanding our leasing business

Mexique
Launching leasing in addition to our service activities

Brésil
Interadapt (Econocom –Osiatis subsidiary) acquires 100% of Syrix (€53 M revenue in 2013).
Option exercisable in 2014, to acquire the remaining stake in Interadapt
04
FINANCIAL RESULTS
Revenue up 23%

Revenue
*(reported data, €M)*

H1 2014: 972
H1 2013: 792

+23%

Strong growth thanks to Osiiatis

Revenue remains stable on a like-for-like basis

Good business trend in Q2 2014 (+396)

A number of successes in the high-growth connected objects market
Shift in the business mix: better balance between technological expertise and financial innovation

**Services**
- Revenue doubled
- New dimension thanks to Osiatis

**Technology Management & Financing**
- Stable revenue
- Good business trend, despite a negative base effect

**Products & Solutions**
- Growth up 7%
  - Strengthening our position in the connected objects market, particularly in Education and Retail
Breakdown by geographical area

**France**
- 38% growth
- Integration of Osiatis

**Benelux**
- Down 18%
- Negative base effect

**Southern Europe**
- 12% growth
- Good business trend in Italy, launch of Smart offerings

**Rest of the world (Northern Europe & Americas)**
- 76% growth
- Strong growth in Germany & the UK driven by new management and a positive base effect

Successful launch of North American and Mexican subsidiaries: contributed €13M
Sharp rise in recurring operating profit

Recurring operating profit (in €M)

H1 2014: 30.6
H1 2013: 23.4

Strong growth: 31%
thanks to the acquisition of Osiatis

Organic growth down 19%, due to:

- Implementation of Osiatis synergies behind schedule
- A more selective approach to tenders

Investments in Mutation plan: €3M

- Building cross-disciplinary offerings
- Developing expertise (Healthcare, Retail, etc.)
## Consolidated income statement

<table>
<thead>
<tr>
<th>In €M (unaudited)</th>
<th>H1 2013</th>
<th>H1 2013 Restated (**)</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>792.3</td>
<td>792.3</td>
<td>972.2</td>
</tr>
<tr>
<td>Recurring operating profit (*)</td>
<td>23.4</td>
<td>25.1</td>
<td>30.6</td>
</tr>
<tr>
<td>Recurring operating profit</td>
<td>22.4</td>
<td>24.1</td>
<td>29.1</td>
</tr>
<tr>
<td>Non-recurring operating expenses</td>
<td>(2.2)</td>
<td>(2.2)</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>20.1</td>
<td>21.9</td>
<td>23.4</td>
</tr>
<tr>
<td>Financial result</td>
<td>(2.3)</td>
<td>(2.5)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>17.8</td>
<td>19.4</td>
<td>22.4</td>
</tr>
<tr>
<td>Income tax</td>
<td>(5.7)</td>
<td>(7.2)</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Profit for the year attributable to owners of the parent</td>
<td>12.2</td>
<td>12.2</td>
<td>16.2</td>
</tr>
</tbody>
</table>

Half-year net earnings per share: **+ 15 %**

Half-year recurring net earnings per share: **+ 5.5 %**

*Before amortisation of the ECS customer portfolio and the Osiatis brand*

**CVAE (business tax) classified as income tax**
## Consolidated balance sheet as of 30 June
in €M (unaudited)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31/12/13</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>332</td>
<td>352</td>
</tr>
<tr>
<td>Residual interests in leased assets</td>
<td>63</td>
<td>58</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>125</td>
<td>127</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>520</td>
<td>537</td>
</tr>
<tr>
<td>Residual interests in leased assets</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>713</td>
<td>736</td>
</tr>
<tr>
<td>Other current assets</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>Cash</td>
<td>150</td>
<td>135</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>951</td>
<td>978</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1 471</td>
<td>1 515</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>31/12/13</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>260</td>
<td>275</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>91</td>
<td>174</td>
</tr>
<tr>
<td>Commitment for residual value</td>
<td>33</td>
<td>38</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>59</td>
<td>68</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>183</td>
<td>280</td>
</tr>
<tr>
<td>Trade payables</td>
<td>689</td>
<td>641</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>226</td>
<td>172</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>98</td>
<td>137</td>
</tr>
<tr>
<td>Commitment for residual value</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>1 028</td>
<td>961</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>1 471</td>
<td>1 515</td>
</tr>
</tbody>
</table>
Financial results

Cash flow

-€39 M

Net debt
Dec. 2013

Highly seasonal nature of WCR
(Technology Management & Financing business)

Investment flows: €80 M
(external growth, Capex, Captive & self-funded contracts)

€-176 M

Net debt
June 2014

Change in working capital requirements - 78
+ Captive and self-funded contracts 33

- 6
Income tax, interest paid and other

-111
-10 CAPEX

-37 External growth

-14 Treasury shares

-13 Dividends

+76

OCEANE convertible bonds
31 cancelled
45 converted

-48 Buyback of OCEANE convertible bonds

*Excluding financial residual value of €49 M at 30 June 2014 (€8 M at end of 2013)
A healthy, solid financial structure to continue growth and mutation

Positive net banking treasury: €45M

Available credit lines strengthened: €320M, (€245M of which weren’t used by end of June) combined with improved financial conditions

Successful issue of convertible bonds (ORNANE): €175M by 2019 (nominal rate: 1.5%)

Partial buyback of OCEANE bonds by 2016: €47M and early conversion of the remaining bonds in June 2014 (nominal rate: 4%)

Gearing limited to 64%, despite substantial investments made and the seasonal nature of working capital requirements
Dilution controlled

Number of shares (in millions)

- 2005: 116.0
- 2006: 116.0
- 2007: 103.2
- 2008: 99.2
- 2009: 99.2
- 2010: 104.7
- 2011: 104.7
- 2012: 96.7

- €19 M

100 M Recurring operating profit (2014 guidance)

X 5 since 2005

Number of outstanding shares controlled

- 01/01 2014: 106.5
- 30/06 2014: 115.6
Change in ownership structure

31 Dec. 2013
- Treasury shares: 0.72%
- Companies controlled by Jean-Louis Bouchard: 44.12%
- Public shareholders: 48.44%
- Butler Management: 6.72%

30 June 2014
- Treasury shares: 0.16%
- Companies controlled by Jean-Louis Bouchard: 40.46%
- Public shareholders: 53.19%
- Butler Management: 6.19%

The first two shareholders’ stake diluted following the conversion of OCEANE bonds.

Increase in Management’s share of the capital (except the founder) to 3.4% (doubled vs. end of 2013)

Greater share liquidity:
- Increase in floating shares
- 115,572,590 shares, +9% vs. end 2013
Annual guidance

> €2 billion
Revenue

€100 million
Recurring operating profit*

(*) before amortization of customer portfolio ECS and Osiatis brand
On track for our 5-year ambition

**Revenue**
- 2012: 1,538
- 2013: 1,773
- 2014: ...
- 2017: > 2,000

**x2**

**Recurring operating profit**
- 2012: 74
- 2013: 89
- 2014: 100
- 2017: 150

**x2**