

econocom

Analysts and investors Presentation

2022 Annual results

16 February 2023

Introduction



Jean-Louis Bouchard

Chairman and CEO

Business

Team

Resilience

Strengthening of operational Management

New COMEX



**Jean-Louis
BOUCHARD**

Founder
Chairman
CEO



**Samira
DRAOUA**

Executive
Managing Director
in charge of France



**Angel
BENGUIGUI**

Executive
Managing Director
in charge of
International



**Patrick
VAN DEN
BERG**

Administrative
and Financial
Managing
Director

General Manager
The Netherlands



**Mathilde
SAINT-POL**

TMF Group
Transverse Director



**Philippe
GOULLIoud**

Managing
Director
Products &
Solutions France



**Long
LE XUAN**

Managing
Director
Services France

Strengthening of operational Management

Cross-business coordination



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GOULLIQUOD**

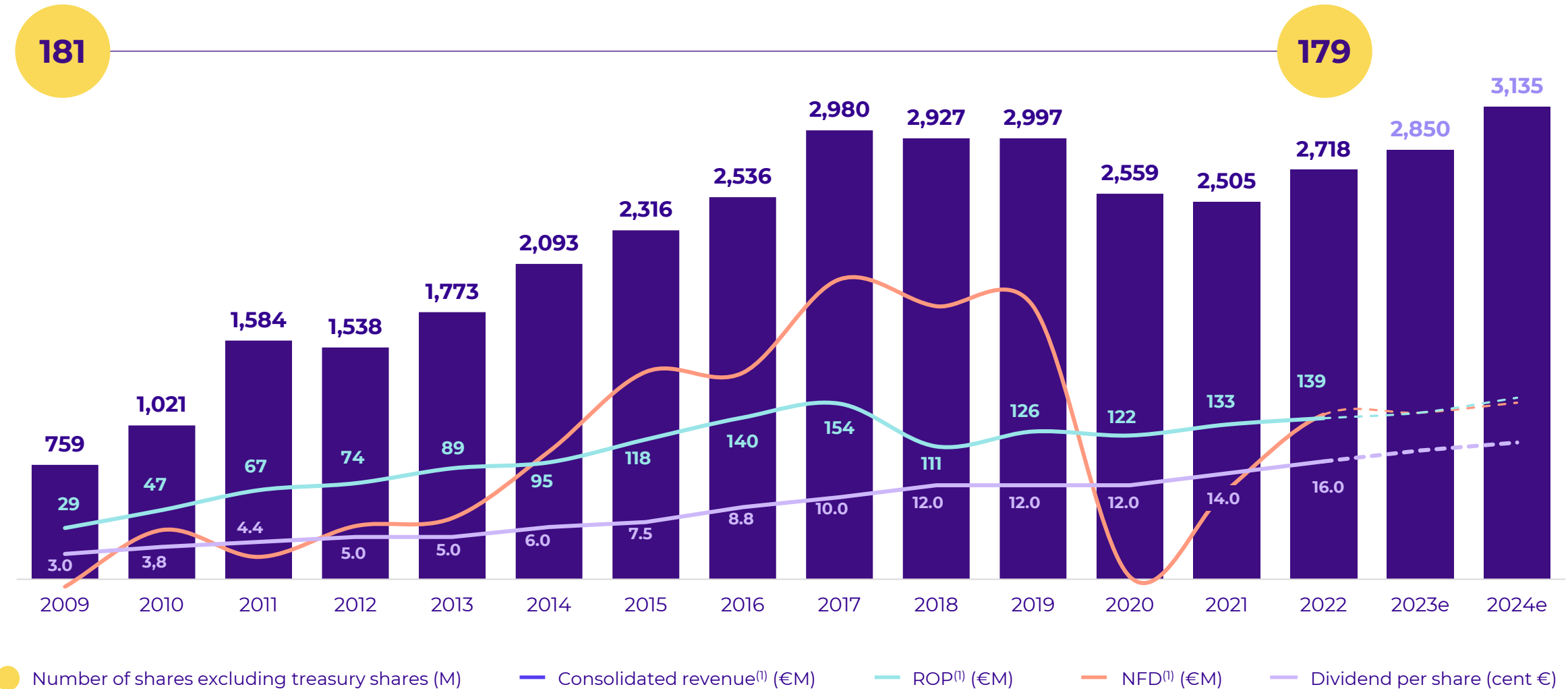
Managing
Director
Products &
Solutions France



**Long
LE XUAN**

Managing
Director
Services France

Recap of Group's key financials



(1) Published figures

2022 Financial and non-financial results



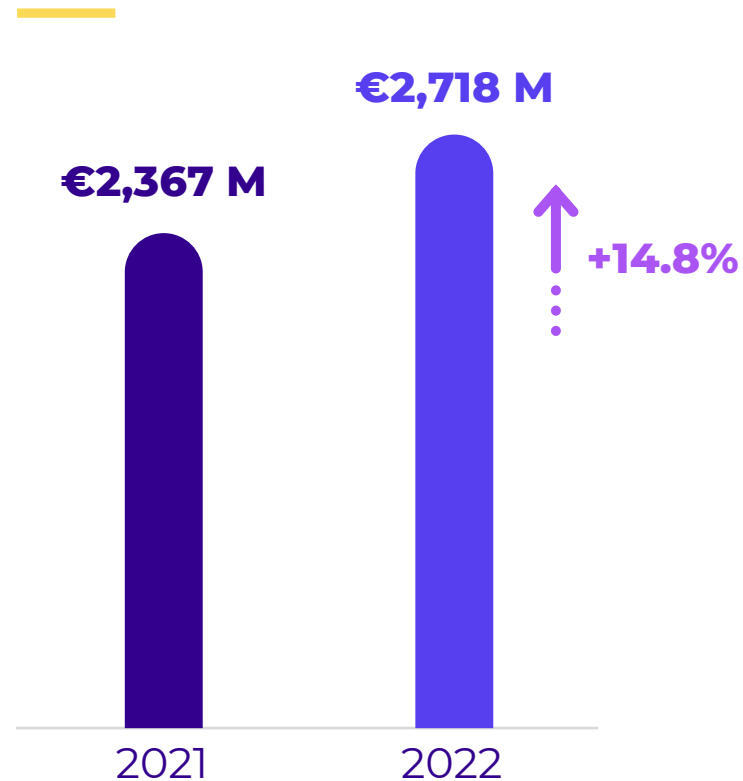
Patrick Van Den Berg

Administrative and Financial Managing Director

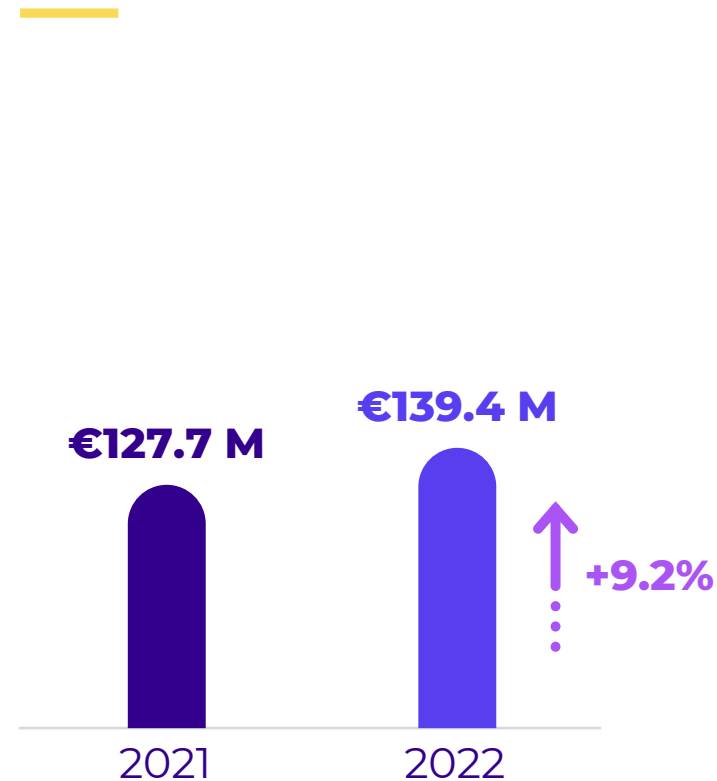
General Manager The Netherlands

Continued growth in revenue and operating profit

Revenue⁽¹⁾



ROP⁽¹⁾⁽²⁾



Organic growth⁽³⁾
at **10.0%** above
guidance set at **5%**



**Profitability rate
maintained**
above **5%**

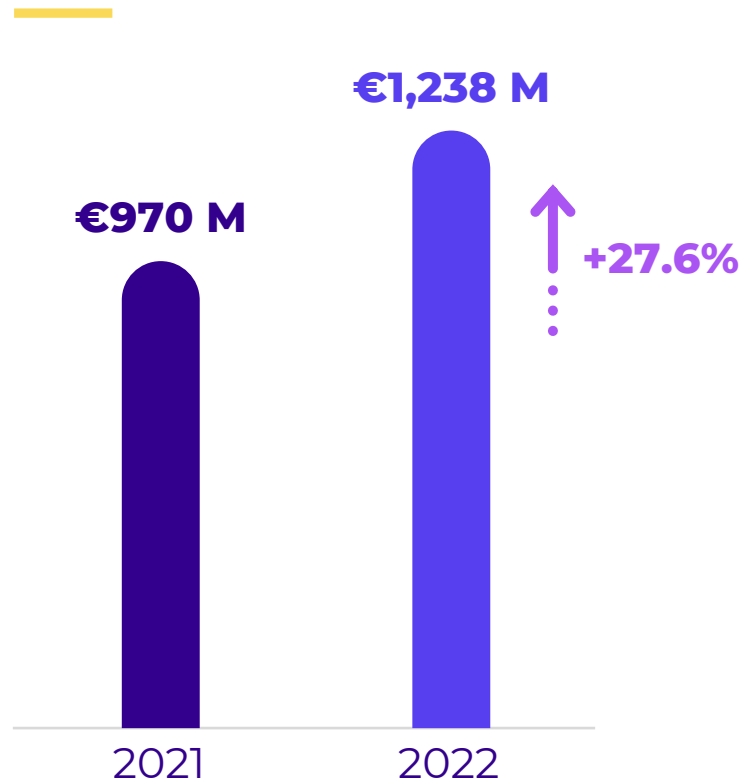
(1) For continuing operations on a constant basis

(2) The term operating margin will replace this term as of 2023.

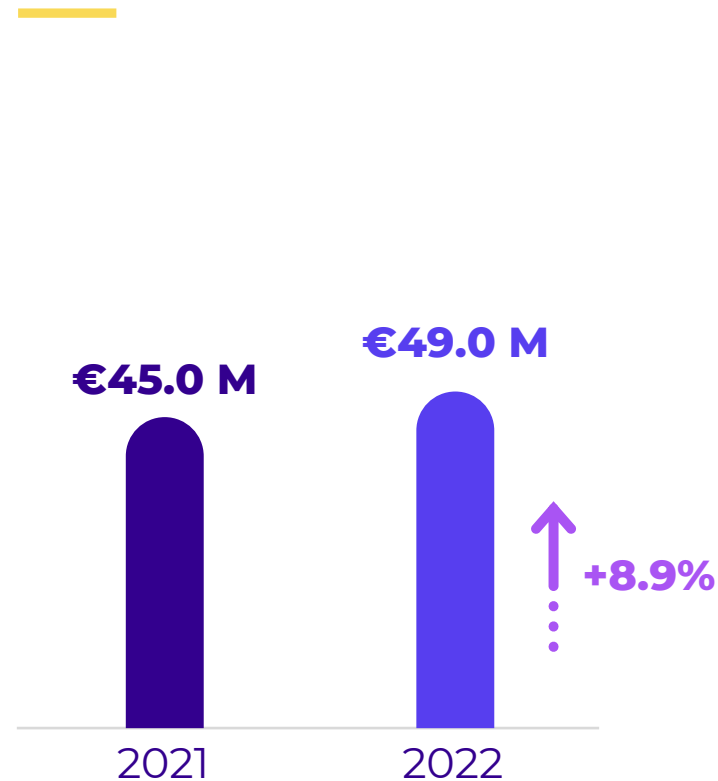
(3) For continuing operations on a like-for-like basis (calculated in relation to pro forma 2021)

Products & Solutions: Strong contribution to growth

Revenue⁽¹⁾



ROP⁽¹⁾⁽²⁾



Strong organic growth⁽³⁾

at **15.5%** driven by good performance in the digital asset distribution market



Profitability kept

at **4%** despite tensions on sourcing and increased transport costs

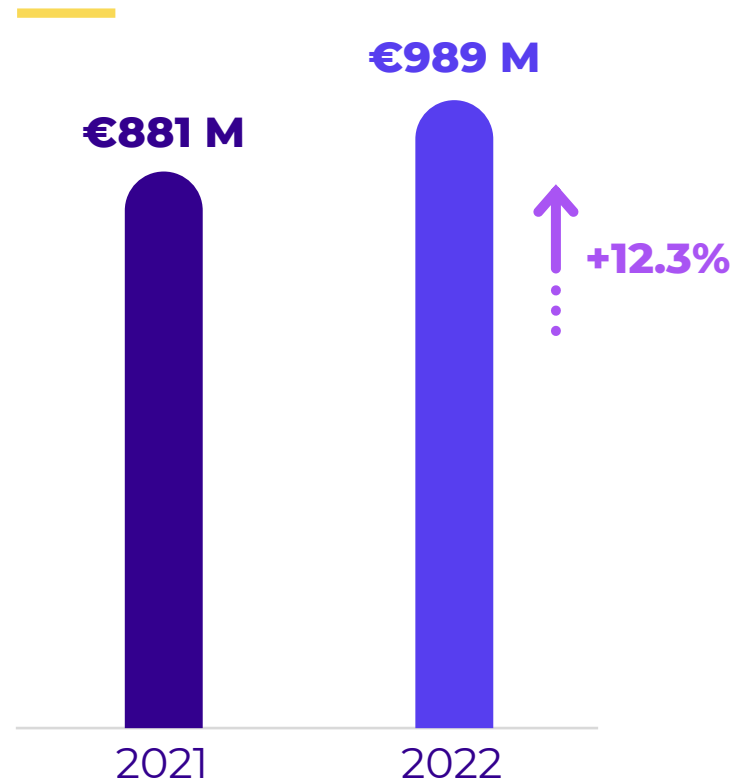
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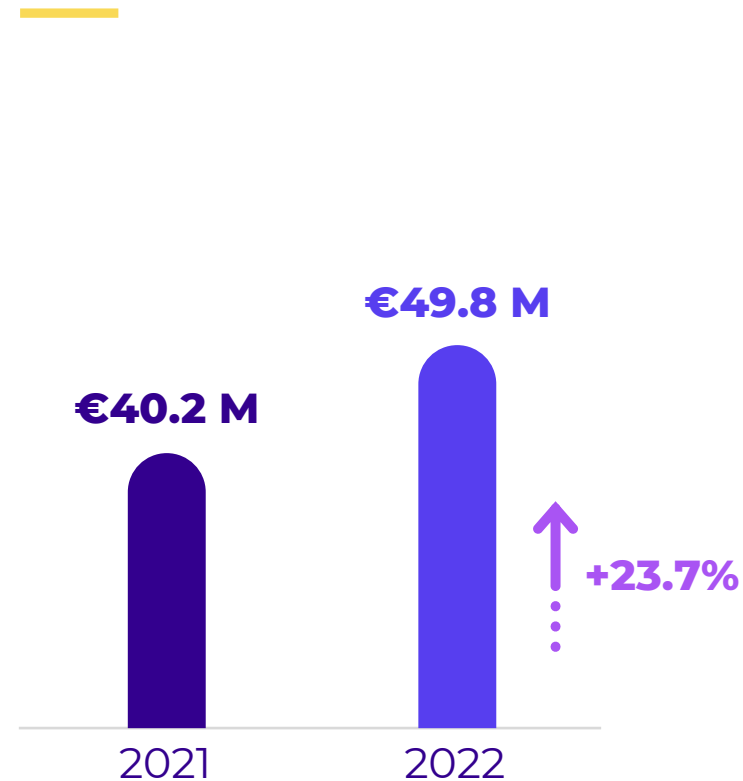
3) For continuing operations on a like-for-like basis (calculated in relation to pro forma 2021)

Technology Management & Financing: back to growth confirmed

Revenue⁽¹⁾



ROP⁽¹⁾⁽²⁾



Strong organic⁽³⁾ growth in revenue

(+10.2%) including a few major operations



Improvement

of **0.4pt** in the profitability rate to **5%** thanks to several accretive contracts

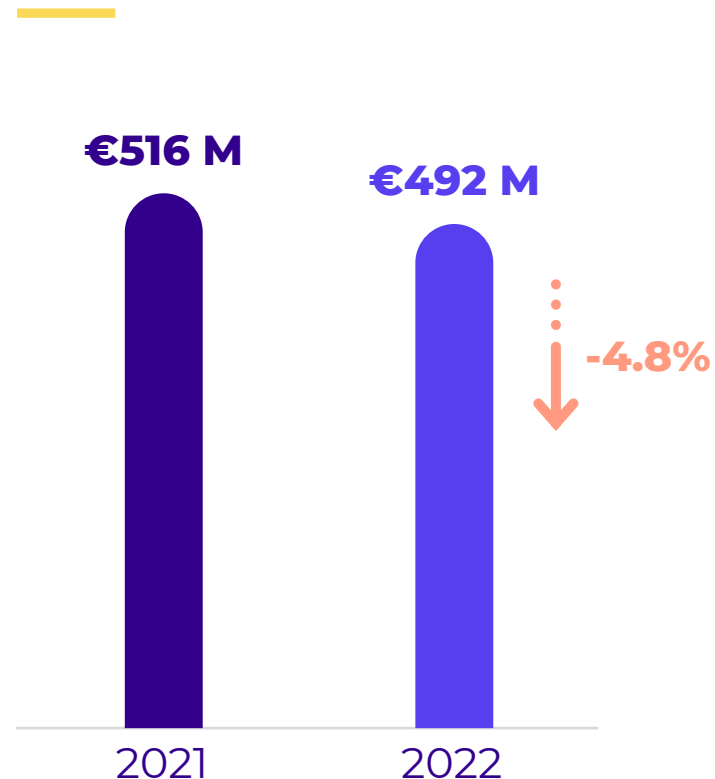
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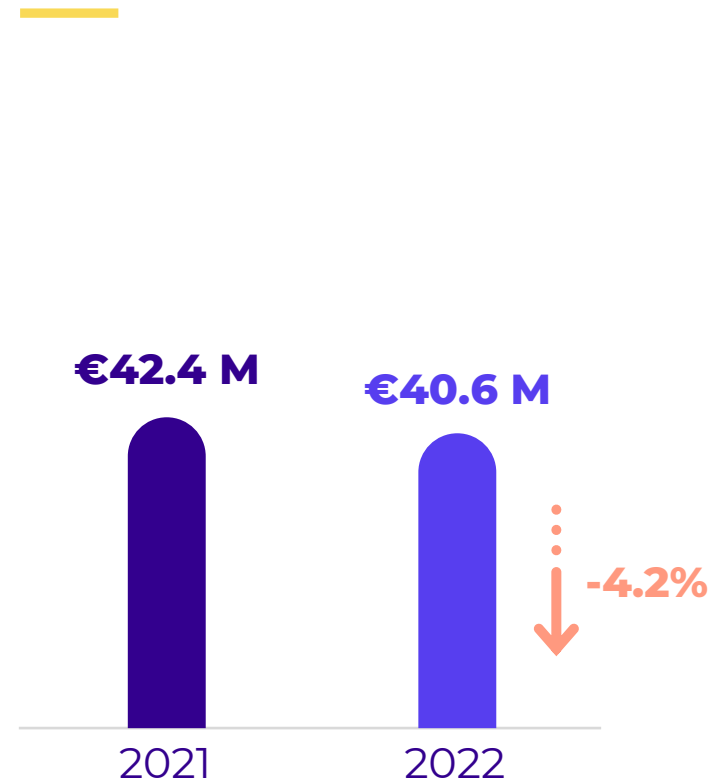
(3) For continuing operations on a like-for-like basis (calculated in relation to pro forma 2021)

Services: Maintaining robust profitability

Revenue⁽¹⁾



ROP⁽¹⁾⁽²⁾



Limited organic⁽³⁾ decline in Services revenues

(-1.9%) with a clear rebound in Q4 **(+6.1%)** as expected



High profitability rate

at **8.3% (+0.1pt)**

(1) For continuing operations on a constant basis

(2) The term operating margin will replace this term as of 2023.

(3) For continuing operations on a like-for-like basis (calculated in relation to pro forma 2021)

2022 simplified income statement

(In €M)	2021 ⁽¹⁾	2022		
Revenue	2,366.9	2,718.3	+14.8%	Strong organic and total growth
Recurring operating profit⁽²⁾	127.7	139.4	+9.2%	Continued growth in operating margin
Net profit from continued operations	69.5	72.6	+4.5%	Net income from continuing operations impacted by: <ul style="list-style-type: none"> - €10 M in capital gains in 2021 - a slight increase in other operating expenses related to severance costs and losses on old receivables in 2022
Recurring net profit⁽³⁾	79.1	95.5	+20.7%	Net recurring profit⁽³⁾ per share⁽⁴⁾ at €0.53 higher than the guidance of €0.50

(1) For continuing operations on a constant basis

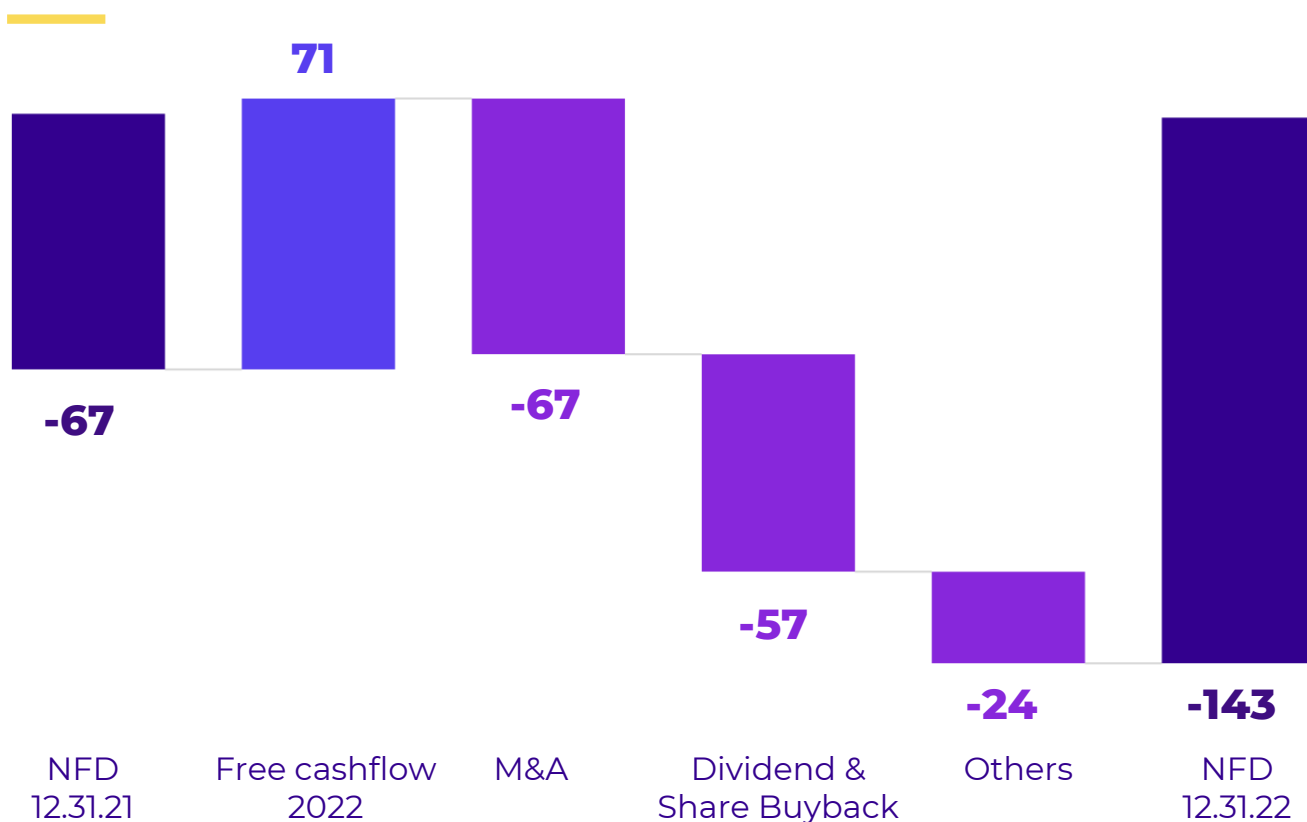
(2) The term operating margin will replace this term as of 2023.

(3) Recurring net profit is the performance indicator used by Econocom. It excludes amortization of acquisition intangibles, net of tax effects, other non-recurring operating income and expenses, net of tax effects, other non-recurring financial income and expenses, net of tax effects and net income from discontinued operations. The term adjusted net profit will replace this term from 2023 onwards.

(4) Based on the average number of shares in 2022

Net Financial Debt under control

NFD⁽¹⁾ variation (in €M)



Mastered NFD at €143 M

showing a leverage ratio under control at **0.9x** EBITDA 2022 and a gearing of **31%**.

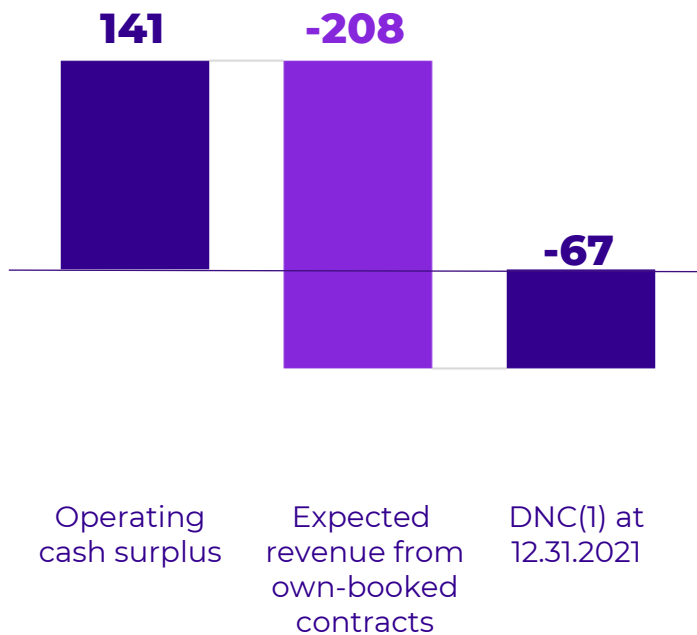
This DNC is to be compared with **expected future receipts** from **own-booked** TMF contracts for **€284 M** at the end of 2022 and the unrecorded value of **44 M** of **treasury shares** (**€124 M** based on the average share price over the last 20 days)

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

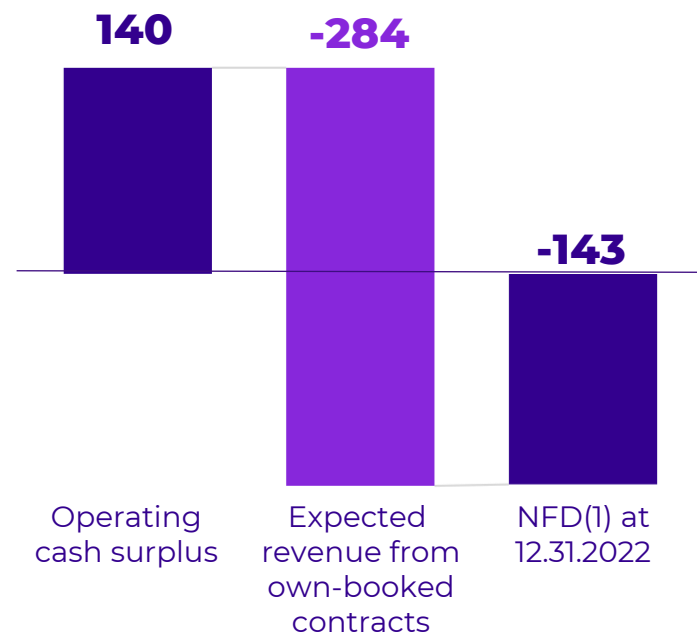
Maintaining a stable operating cash surplus

- The operating debt (or operating cash surplus) corresponds to the NFD(1) adjusted for expected future cash receipts from own-booked contracts
- Own-booked contracts are leases that are not refinanced or are refinanced with recourse

2021



2022

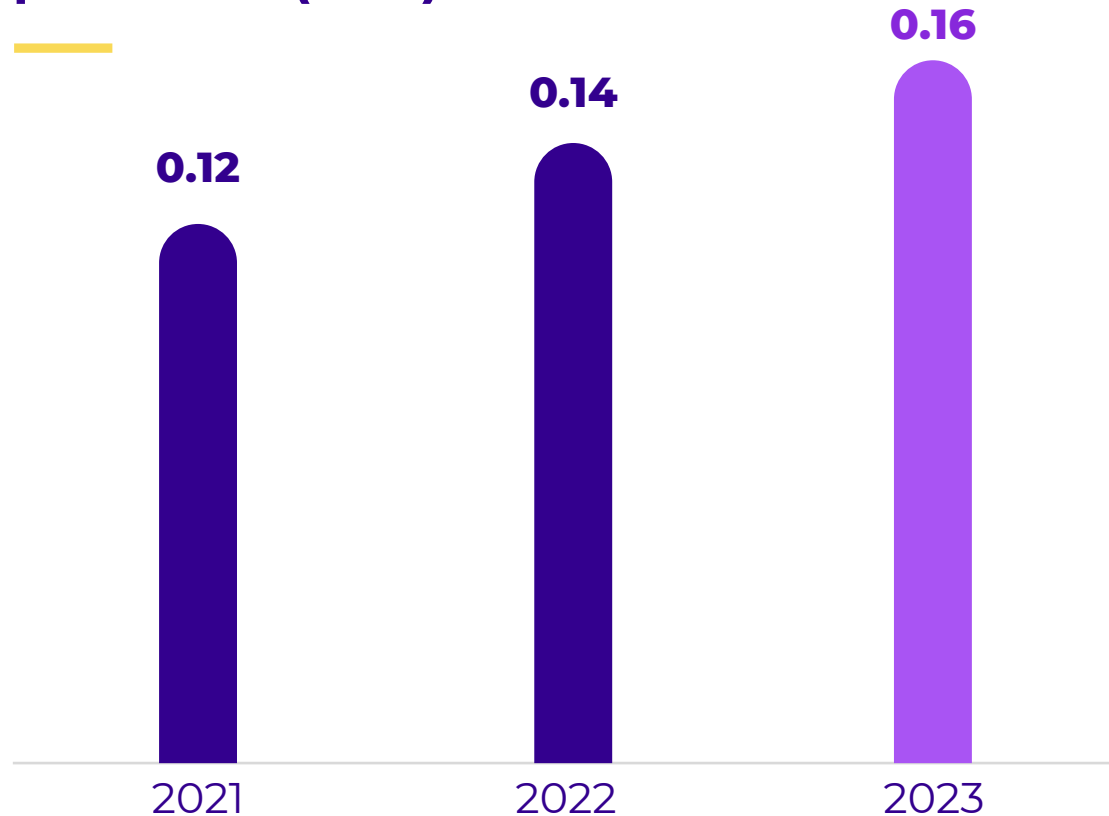


Stable Operating cash surplus at €140 M with an increase in NFD⁽¹⁾ offset by an identical increase in own-booked contracts

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

Return to shareholder

Repayment of share premium per share (in €)



Repayment of share premium

of **€0.16**/share proposed to the Shareholders' Meeting on 03.31.23



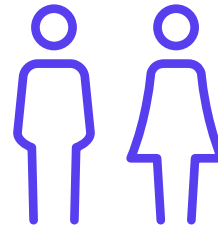
33% increase over 2 years

Yield of **5.7%** based on the average share price over the last 20 days

Continuous improvement in non-financial performances



+4 pts.
in 1 year on
Ecovadis rating
66/100



+5 pts.
in 1 year on the gender
equality index in France
83/100



-24%
since 2019⁽¹⁾
of greenhouse gas
emissions per FTE

(1) On the following scopes :
Scope 1 : direct emissions
Scope 2 indirect emissions related to energy consumption
Share of scope 3 : other indirect emissions

Focus on 2022 Acquisitions & Recruitments



Angel Benguigui

**Executive Managing Director
in charge of International**

Ongoing external growth

3 acquisitions in 2022

Contributing to circa
€100 M to 2022 revenue



**Multi-brands
Products & Solutions**



**Audio-visual solutions
specialist**

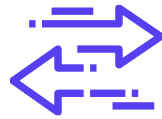


Refurbishment specialist

Strategic rationale of acquisitions



Strengthening of our core businesses in priority geographic areas



Development of new businesses with high potential identified



Leverage of our experience in companies integration

An active recruitment and retention policy



2,342
recruitments

done in 2022
in all Group's business lines
and geographies



A focus

on strengthening **the sales force**, in particular in TMF,
with first results already

Perspectives



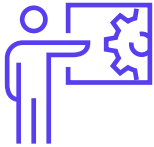
Samira Draoua

**Executive Managing Director
in charge of France**

Strengthening of our core businesses



Ongoing organic growth



Acceleration of external growth



Strong and continued commitment for being a responsible digital player

(1) Corporate Sustainability Reporting Directive

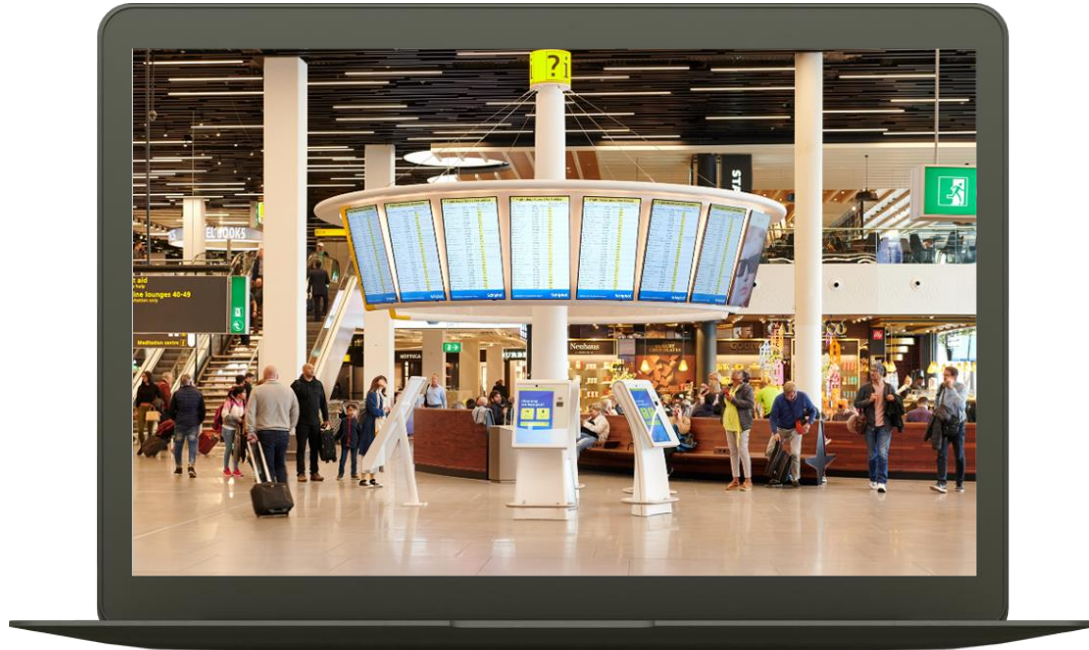
Acceleration



of 2 activities'
development

Development of the audiovisual business

A highly growing and fragmented global market (c.6%)



2022 revenue
€350 M

Belux, The Netherlands,
France, Spain

Development of the refurbishment business

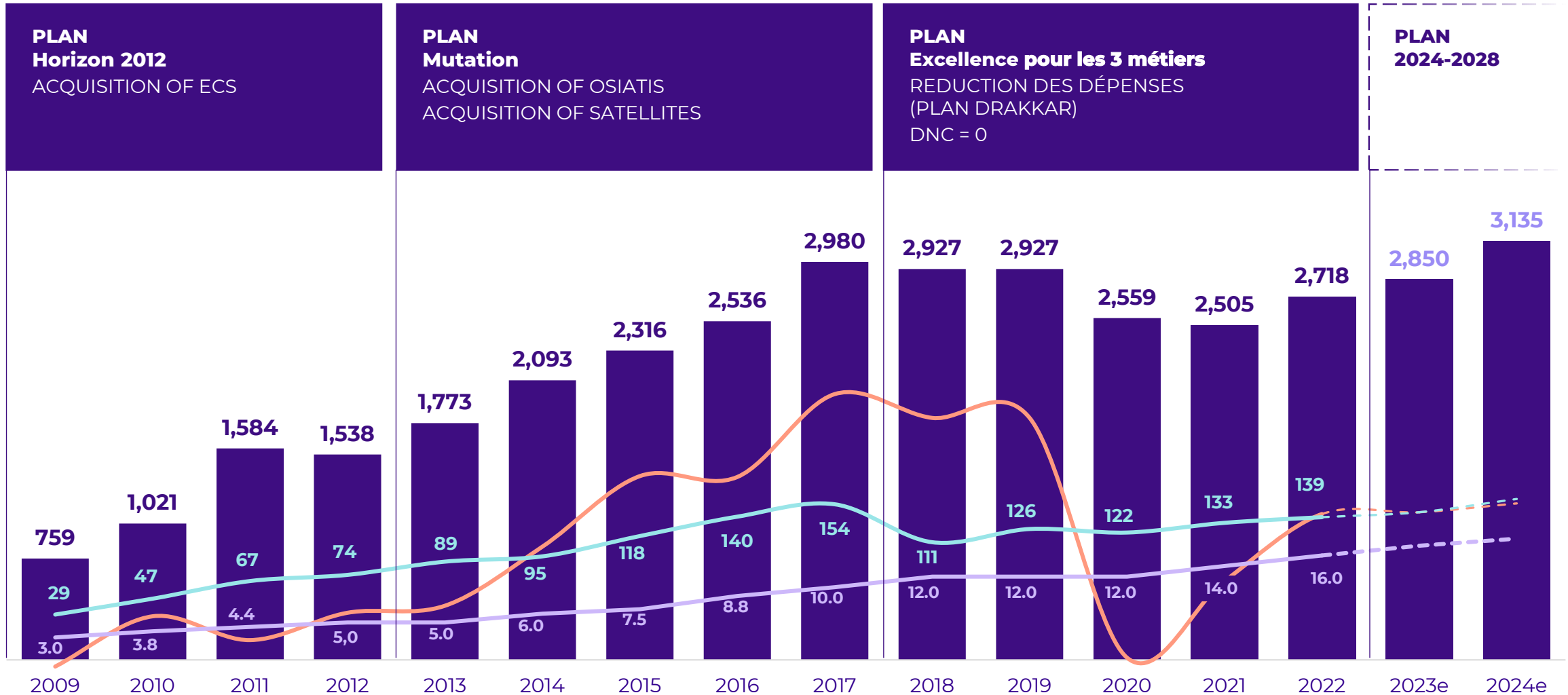
Continued growth of the European smartphone and IT equipment refurbishment market



Replication and
deployment of
the **Ecofactory**
model

Expansion of IT products
portfolio refurbished

A look back at the group's strategic plans



Launch of a strategic plan

5



Years

5



€B in Revenue

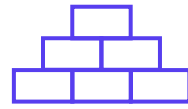
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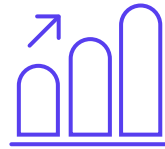
Businesses

With a first step in
3 years to €4 B in revenue

2023 Guidance



Presentation **of the strategic plan in Q3**



Revenue growth
of **5%**



Improvement in
net consolidated profit

Questions & Answers



Appendices



Simplified income statement 2022

(In €M)	2021 ⁽¹⁾	2022
Revenue	2,366.9	2,718.3
Recurring operating profit (Operating margin)⁽²⁾	127.7	139.4
Depreciation of acquisition-related intangible assets	-2.0	-2.2
Other operating income	7.2	0.1
Other operating expenses	-23.6	-27.5
Operating profit	109.2	109.8
Other financial income	3.5	0.5
Other financial expenses	-13.4	-15.0
Profit before tax	99.3	95.3
Income tax	-29.7	-22.7
Share of profit of associates and joint ventures	-0.1	-
Net profit from continuing operations	69.5	72.6
Profit (loss) from discontinued operations	0.7	-7.3
Net profit	70.2	65.3
Recurring net profit (Adjusted net profit)⁽³⁾	79.1	95.5

(1) For continuing operations on a constant basis

(2) The term operating margin will replace this term as of 2023.

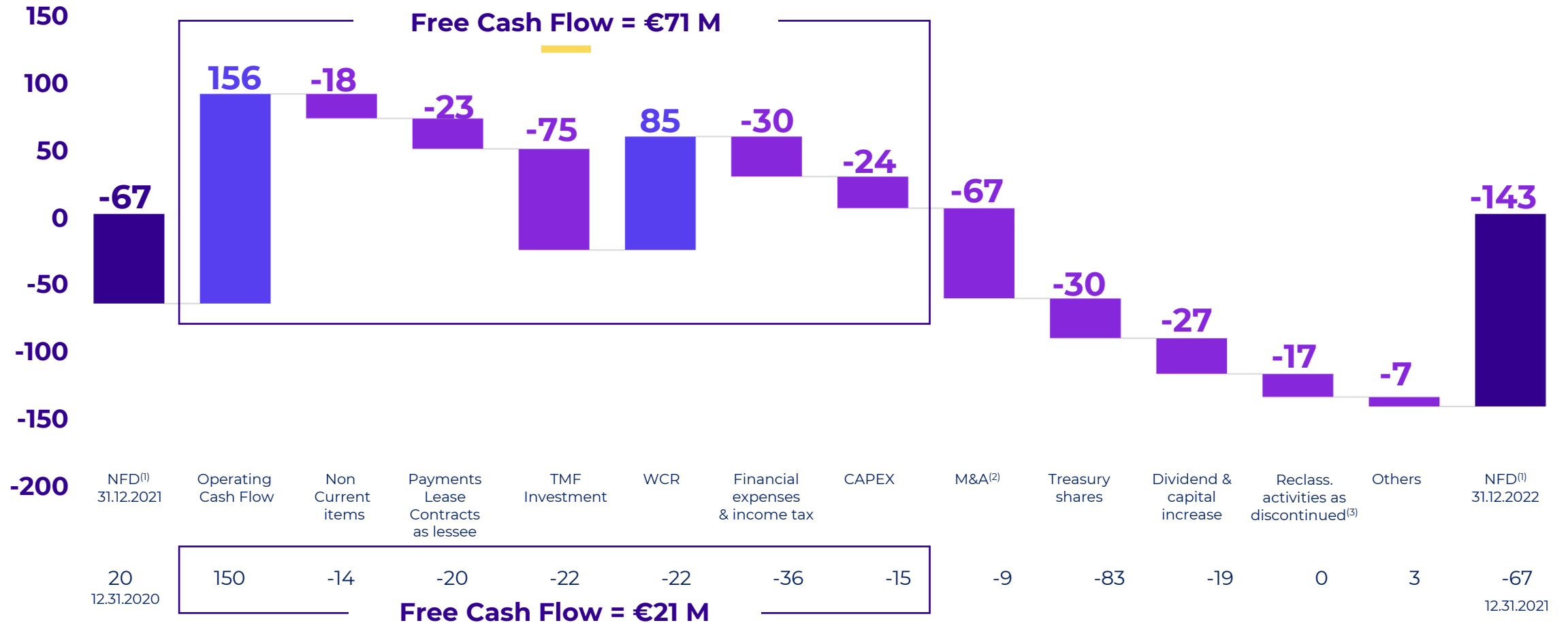
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Simplified balance sheet

ASSETS (€ M)	12.31.2021	12.31.2022
Goodwill	495	554
Other long term assets	153	163
Residual interest in leased assets	171	165
Other non-current assets	63	49
Trade receivables and other debtors	796	879
Other current assets	185	181
Cash in hand	406	405
Assets held for sale	69	106
TOTAL	2,338	2,502

EQUITY & LIABILITIES (€ M)	12.31.2021	12.31.2022
Equity	439	457
Bonds	252	360
Financial debt	221	188
Provisions	68	59
Commitments on residual value	98	103
Other financial debt (contingent liabilities)	57	61
Trade payables	882	932
Other current liabilities	291	285
Liabilities related to assets held for sale	31	56
TOTAL	2,338	2,502

NFD bridge

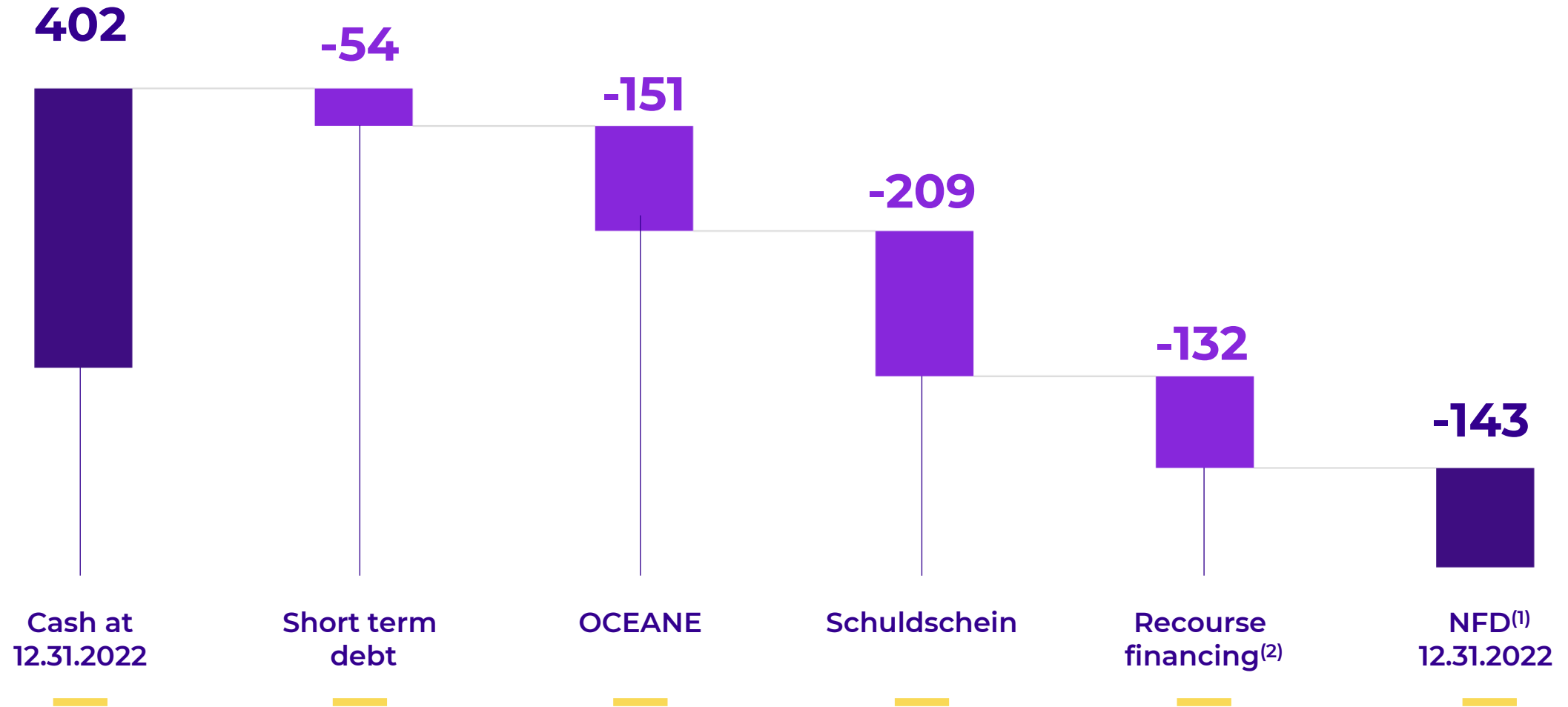


(1) NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant

(2) Includes cash proceeds from asset disposals, cash paid out for acquisitions and disbursements on minority stakes

(3) IFRS 5 impacts taken into account in heading "Reclassified activities as discontinued"

NFD breakdown (in €M)



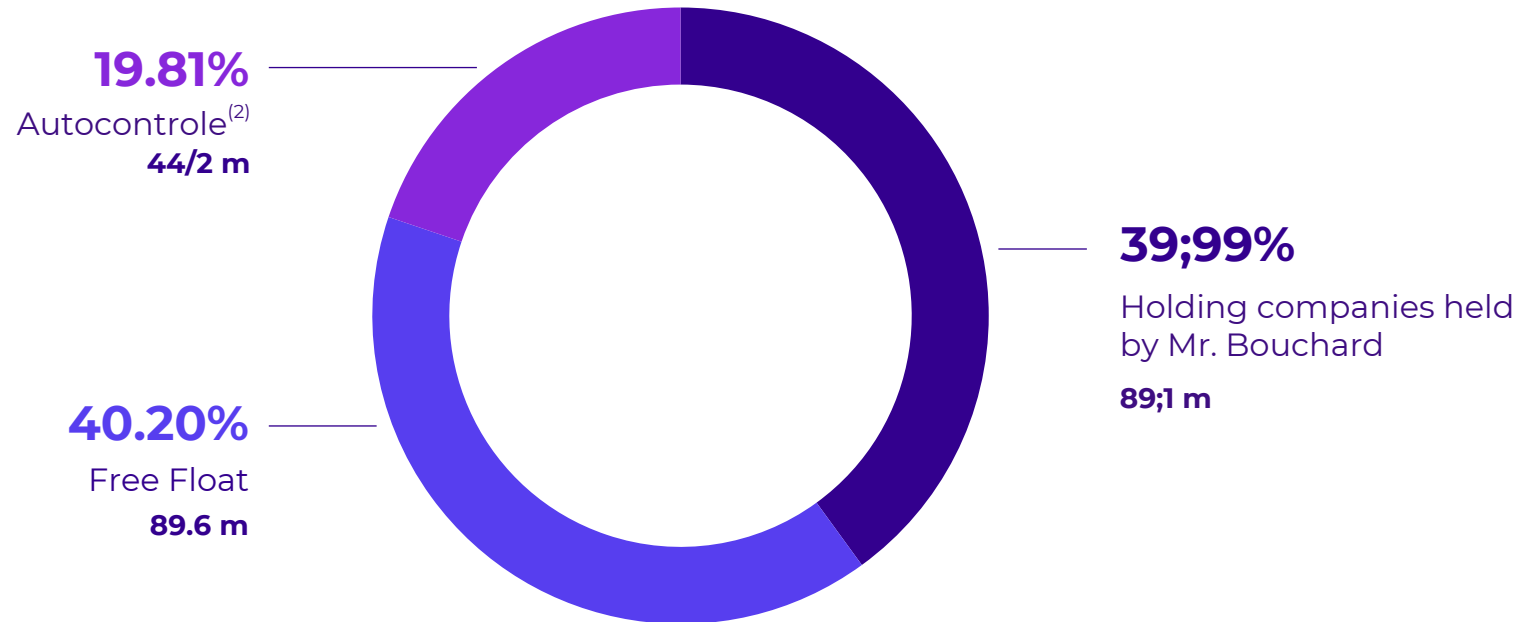
(1) NFD: Net Financial Debt for continued activities excluding impact of IFRS 16 on leases and rentals for which Econocom is a tenant

(2) Includes non-deconsolidating financing of TMF activities and the non-deconsolidating portion of factoring and reverse factoring

Stock Exchange

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

Market cap
€502 M



Number of shares

- Total shares: **222.9 M**
- Treasury shares: **44.2 M**
- Floating shares: **178.7 M**

Share price⁽¹⁾

- **€2.81**

Treasury shares value⁽¹⁾

- **€124 M**

Listing place

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

(1) Based on the average closing share price over the last 20 days

(2) Of which 16.8% held directly and 3.0% via Econocom Digital Finance Ltd, subsidiary of Econocom Group

Contacts

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