

Analysts and investors presentation

February 15th 2024

econocom

Welcome



The speakers



**Jean-Louis
BOUCHARD**
Chairman and CEO



**Patrick
VAN DEN BERG**
Managing Director



**Angel
BENGUIGUI**
Managing Director

AGENDA

01

Introduction

02

2023 results and
financial situation

03

ESG performance

04

 **one** update
econocom

05

Outlook



In **2023**

Introduction

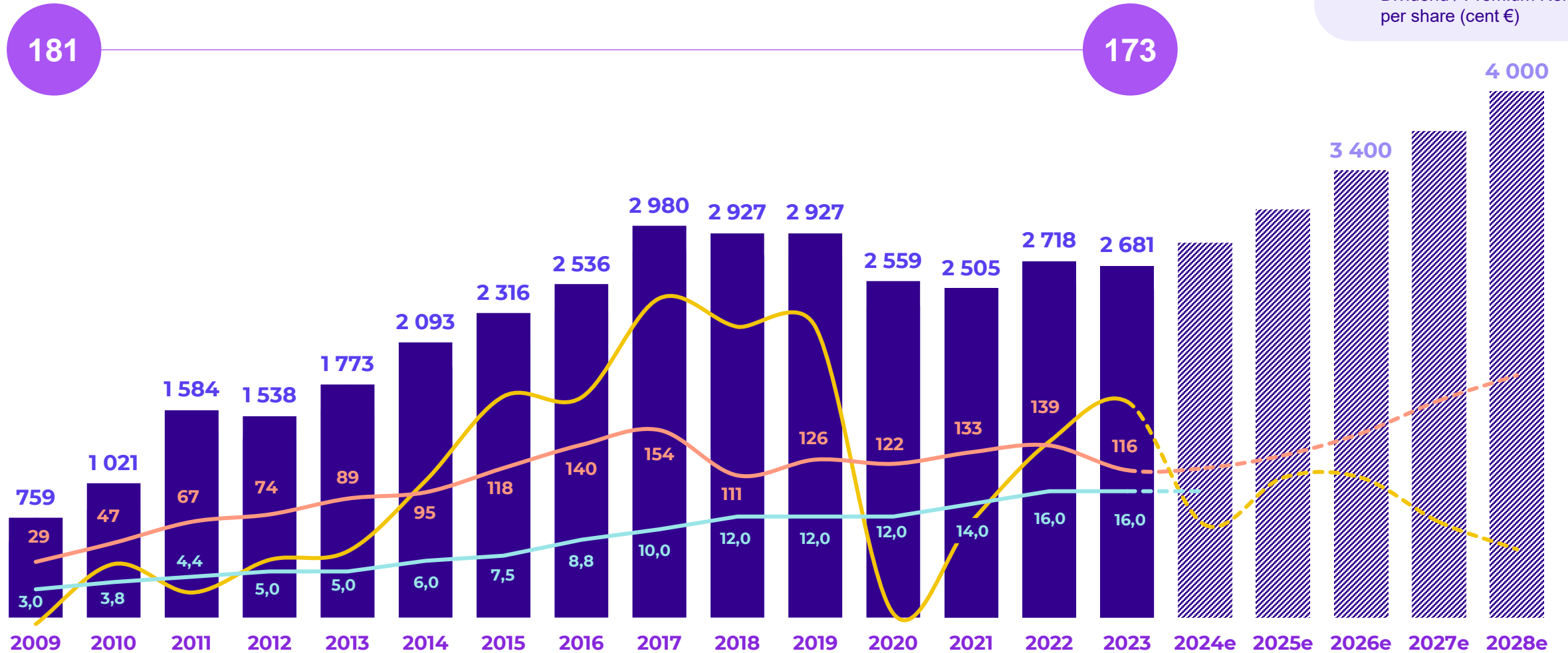


Jean-Louis Bouchard

Chairman and CEO

Summary of Group's key financials

- Number of shares excluding treasury shares (M)
- Consolidated revenue⁽¹⁾ (€M)
- Operating Margin⁽¹⁾ (€M)
- NFD⁽¹⁾ (€M)
- Dividend / Premium Refund per share (cent €)



(1) Figures published

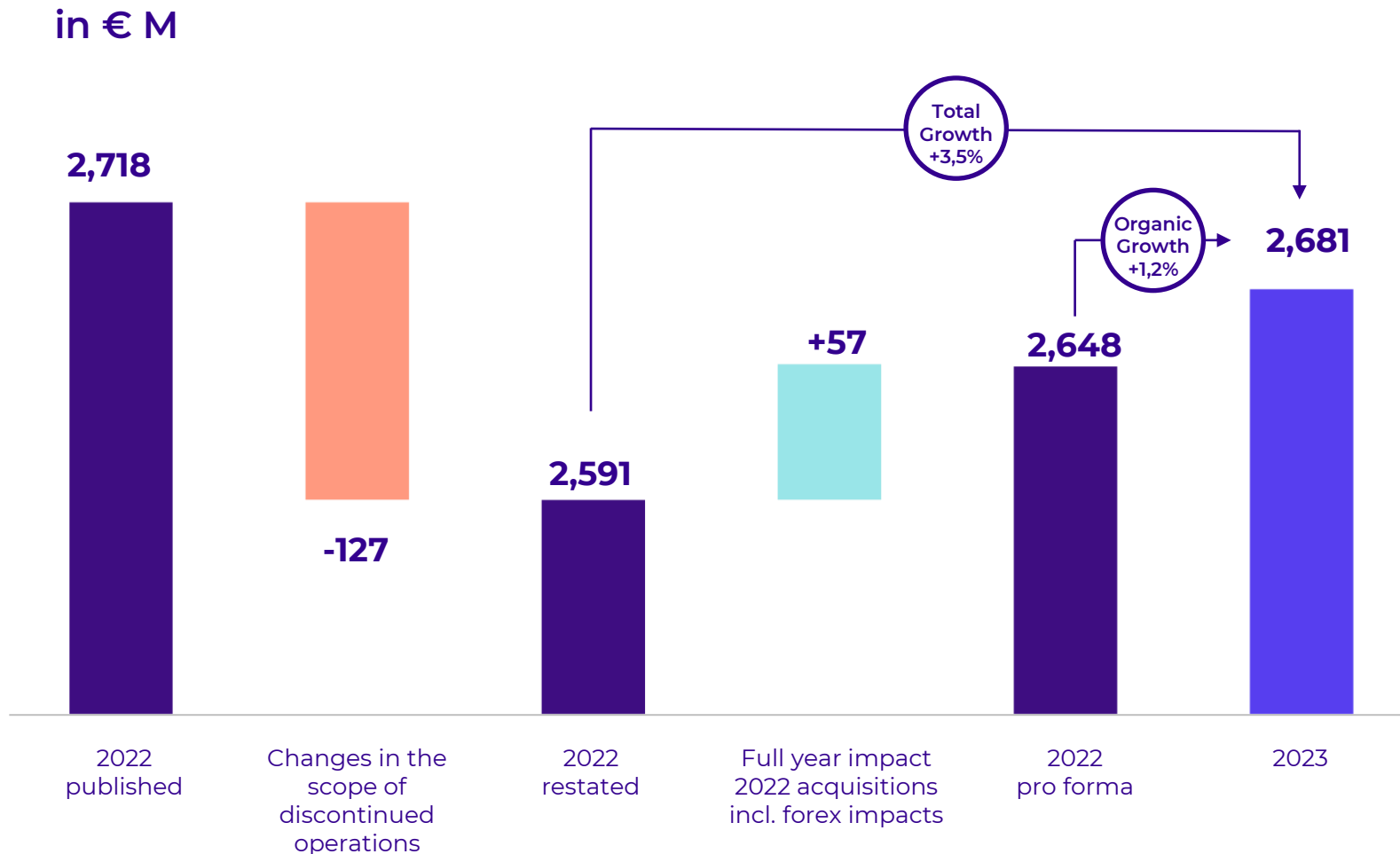
2023 results and financial situation



Patrick Van Den Berg

Managing Director

Revenue: bridge 2022 - 2023



Changes in discontinued operations

are related to Les Abeilles (TMF) and Apps, Cloud & Data (Services)

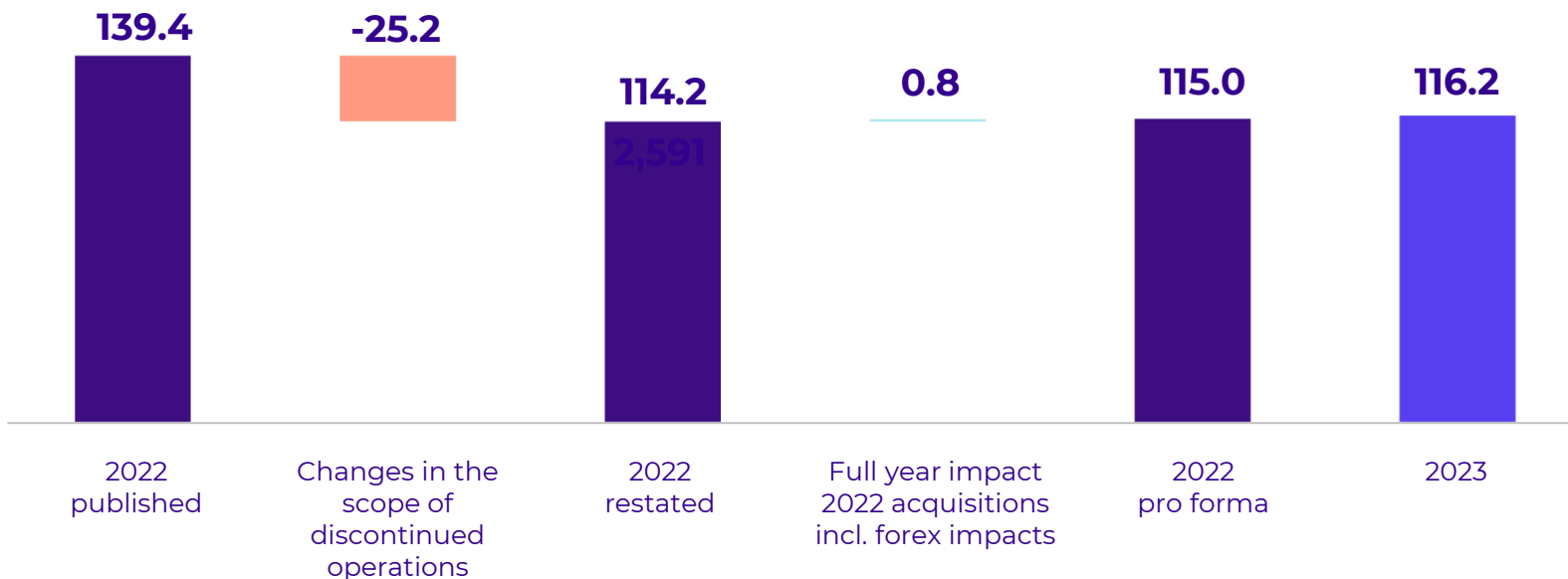


Revenue from acquisitions

accounts for SEMIC and LYDIS (P&S)

Operating margin: bridge 2022 - 2023

in € M



Changes in discontinued operations

are related to Les Abeilles (TMF) and Apps, Cloud & Data (Services)

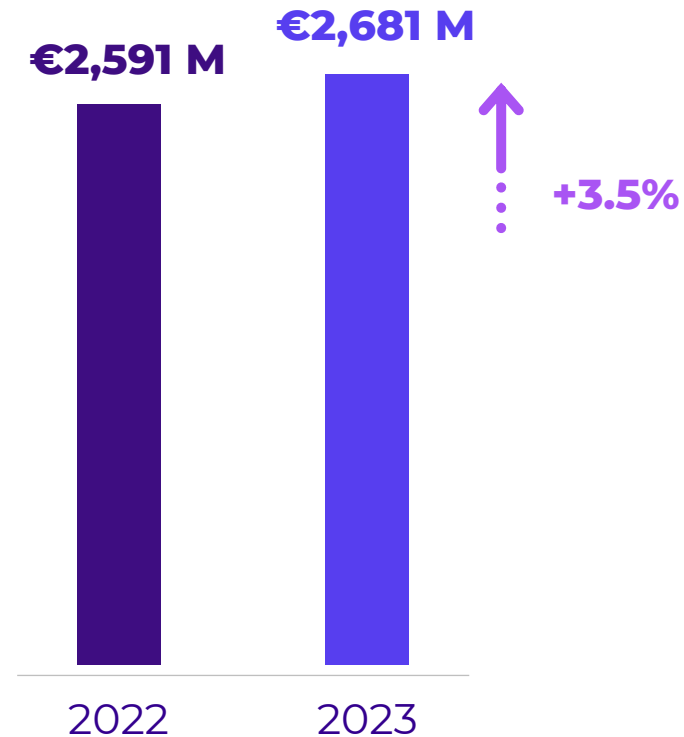


Slight positive impact of 2022 acquisitions on pro forma Operating margin

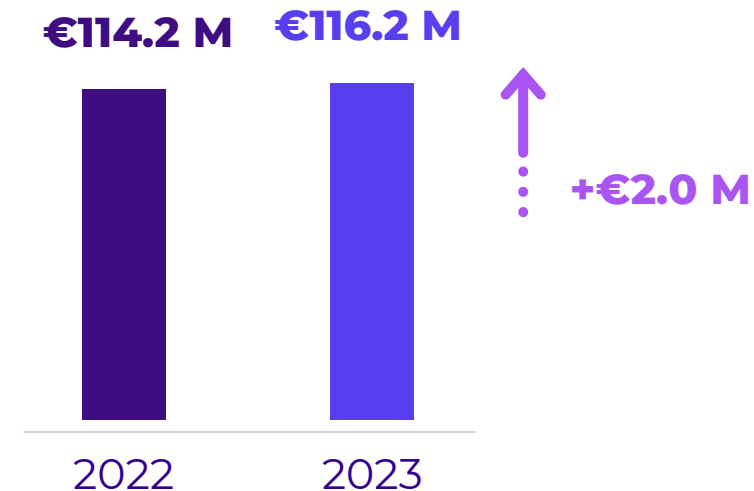
Growth in group revenue

Solid operating margin rate at 4.3%

Revenue



Operating margin



Total growth⁽¹⁾

at **3.5%**, driven by TMF and Services but slowed by an adverse distribution market



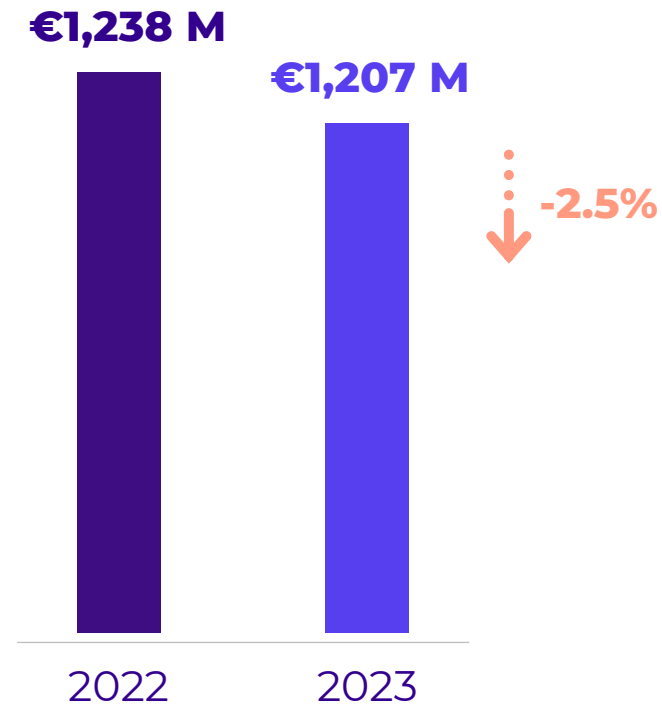
Profitability rate

stable⁽¹⁾ at **4.3%**

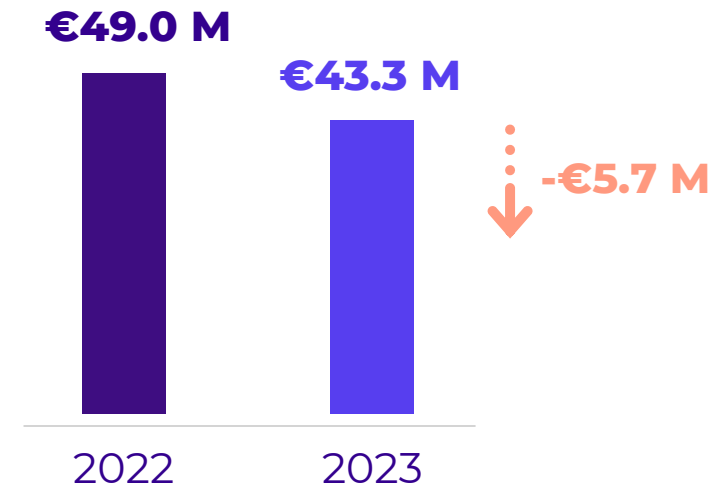
Products & Solutions

Challenging distribution market but resilient profitability rate

Revenue



Operating margin



Total growth⁽¹⁾

at **-2.5%**, impacted by negative market trends (**~-15%**)⁽²⁾



Profitability rate

resilient at **3.6%**

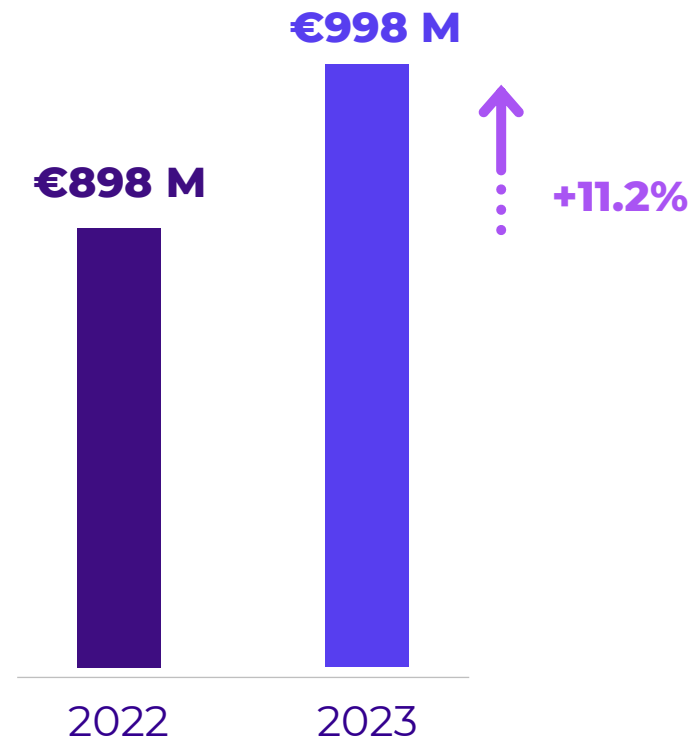
(1)

For continuing operations on a constant basis
Context study for the period 2022-2023

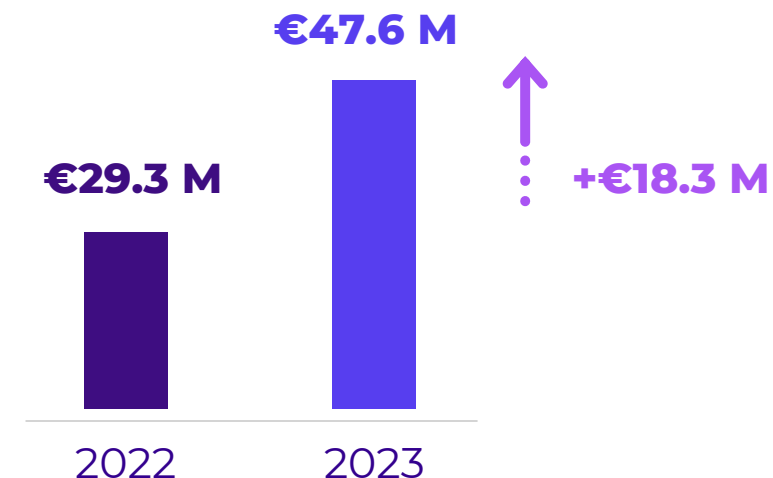
Technology Management & Financing

Strong revenue growth and Operating margin rebound

Revenue



Operating margin



Total growth⁽¹⁾

at **11.2%**, boosted by **attractive solution offerings** adapted to current market environment and customer search for alternative financing solutions



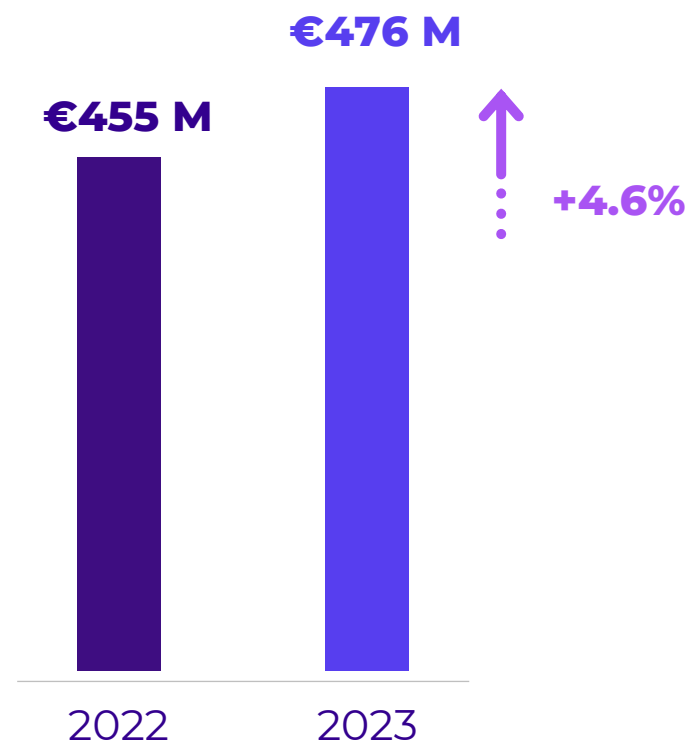
Profitability rate

up at **4.8%** vs. **3.3%** in 2022

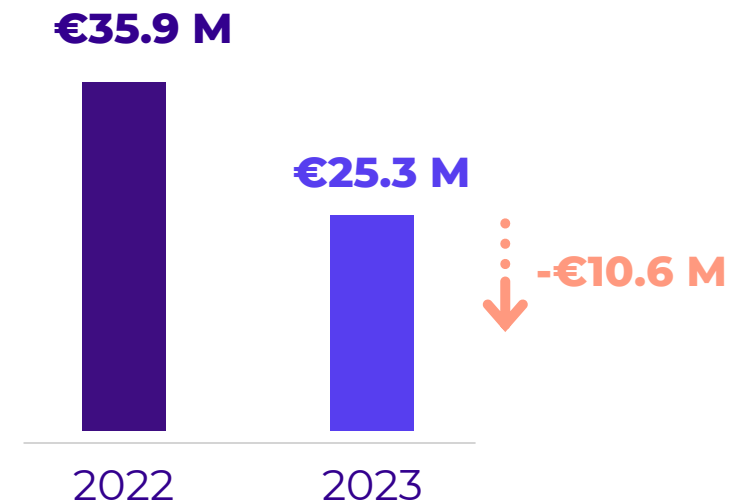
Services

Continued revenue growth but pressures on Operating margin

Revenue



Operating margin



Total growth⁽¹⁾

at **4.6%**, marked by a steady increase in revenue since Q2 2023



Profitability rate

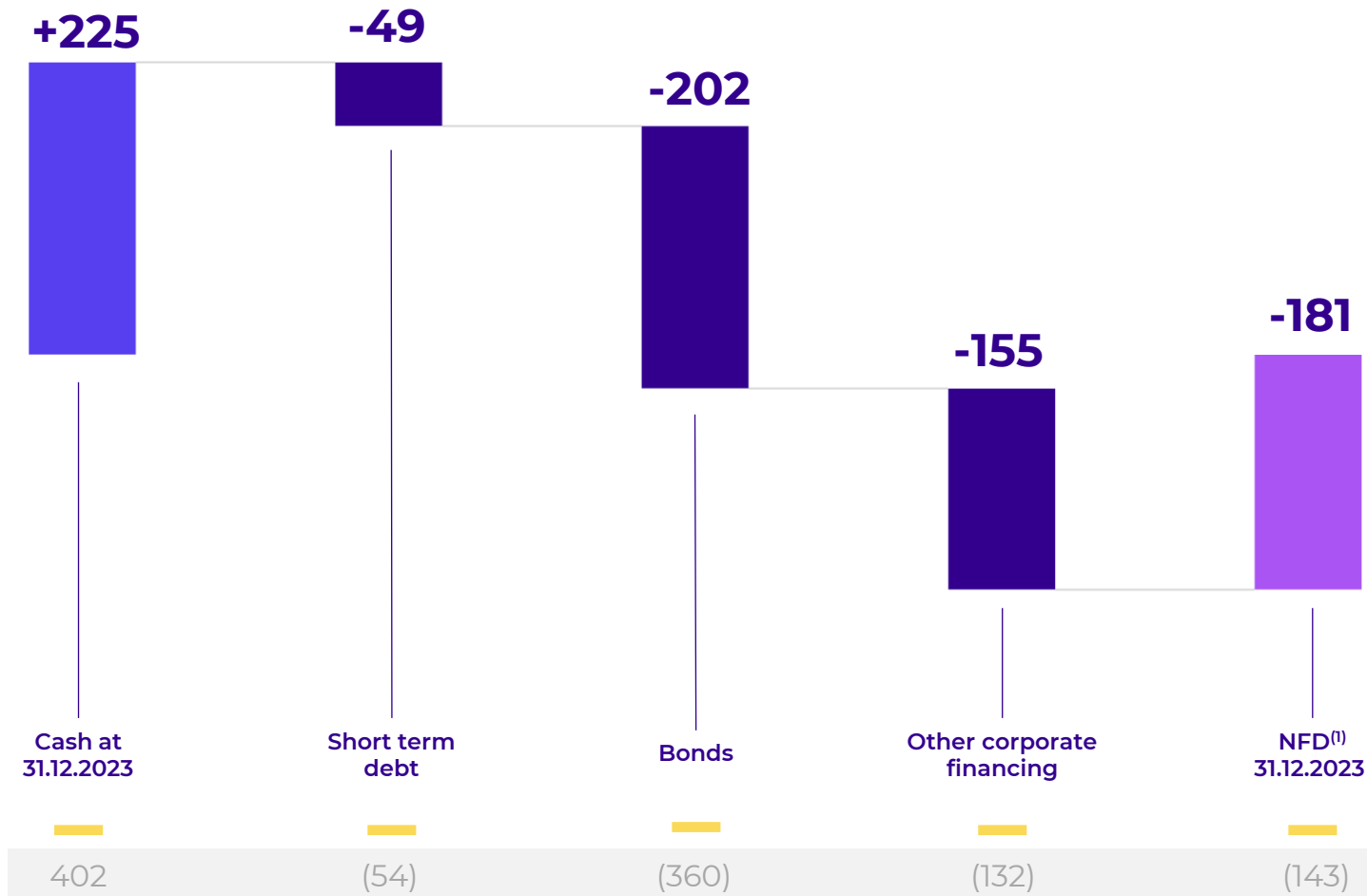
down at **5.3%** due to one-off impacts in 2022 and delay in passing through costs increases in 2023. **Confirmed recovery** in H2

2023 simplified income statement

(in € M)

	2022 ⁽¹⁾	2023		
Revenue	2,591	2,681	↑ +3.5%	Growth driven TFM & Services but hit by adverse distribution market
Operating margin	114.2	116.2	↑ +1.8%	Resilient operating margin benefiting from strong TFM performance but slowed by impacts of inflation
Operating profit	85.2	105.5	↑ +23.9%	Strong increase in operating profit due to sharp reduction in other operating expenses
Net profit from continuing operations	49.3	59.5	↑ +20.7%	Solid improvement in profit from continuing operation despite negative impact of rising interest rates
Net profit	65.3	62.6	↓ -4.2%	Stability of net profit considering an adverse base effect on result from discontinued operations

Breakdown of net financial debt

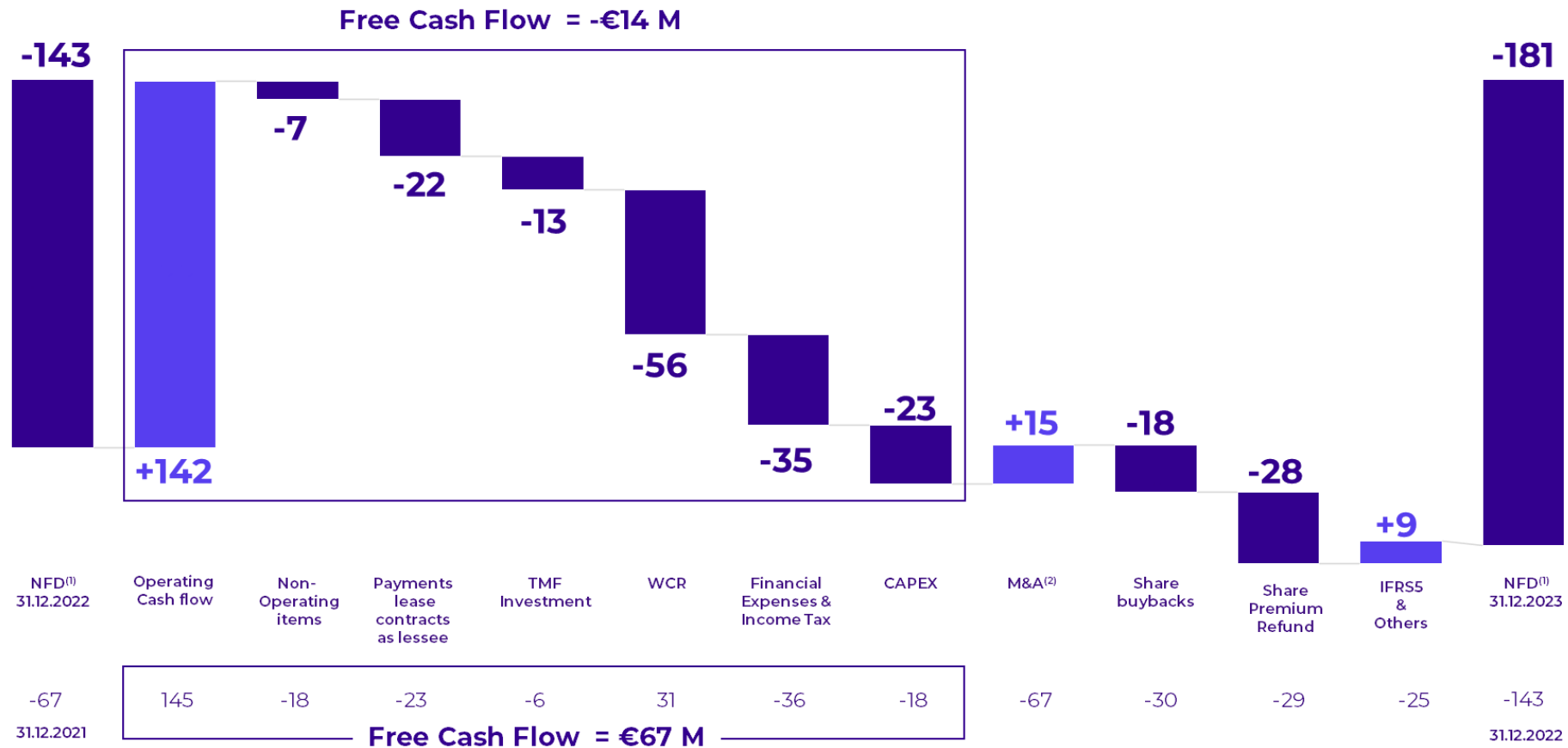


- **Repayment of OCEANE** in March 2023 for **€150 M** refinanced with more flexible bank financing
- **Increase in NFD by €38 M** vs. 31.12.2022 overcompensated by the **decrease in factoring & reverse factoring by €70 M**

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

Change in Net Financial Debt

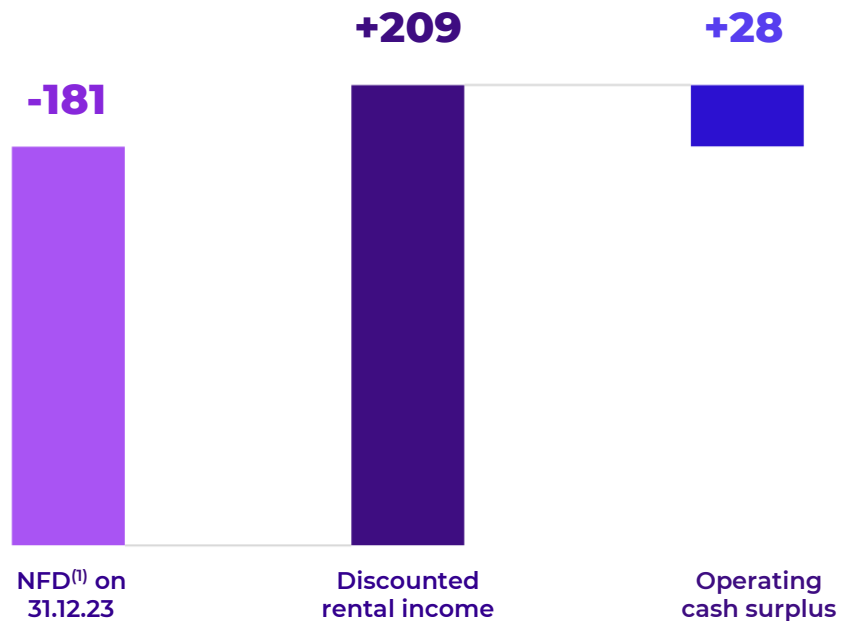
Free cash flow reduction mainly due to the decrease in factoring & reverse factoring



(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

Operating cash surplus

31.12.2023 in € M



Taking into consideration **€209 M** of **discounted rental income secured from leasing contracts** carried on balance sheet, **operating cash surplus** at year end of **€28 M**

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

ESG Performance



Patrick Van Den Berg

Managing Director

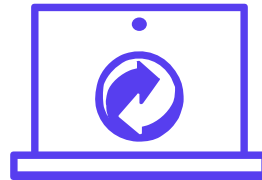
ESG Achievements in 2023

Carbon and energy footprint



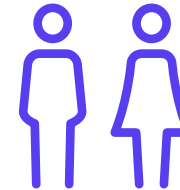
Over 95%
green electricity
in France and Spain
0% in 2022

Circular economy



493 000
refurbished IT equipment
(laptops, screens, servers,
tabs, smartphones...)
vs. 410 000 in 2021

Social



+ 3 pts vs. 2022
86/100
2023 **gender equality**
index in France

A ranking reflecting Group progress and achievements

**FIRST
ECOVADIS
EVALUATION**

TOP 50%



TOP 25%



TOP 25%



TOP 5%



Target TOP 1%



2010

2020

2021

2022

2023

2028

**FT FINANCIAL
TIMES**

**Ranking entry
Top 850
Diversity
Leaders ranking**



econocom
impact

E 15°



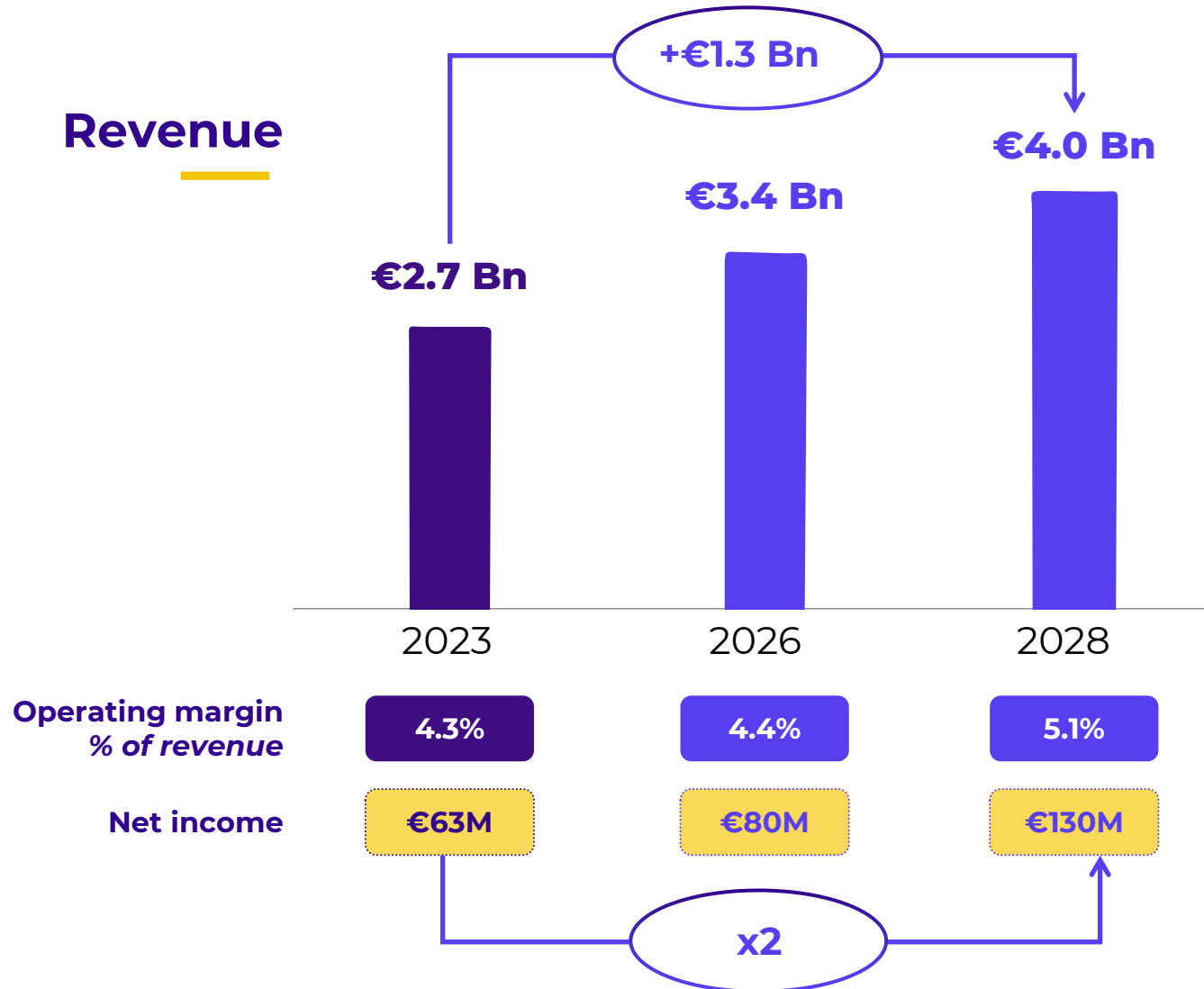
one
econocom **update**



Angel Benguigui

Managing Director

2028 ambition



Revenue growth



€0.9 Bn
in organic growth
70% of total increase



€0.4 Bn
in acquisitions
30% of total increase

Our growth will be based on 4 levers



Acquire selected capabilities



Develop new offerings
in particular end-to-end, as-a-service offerings



Increase cross-sell
between client solutions and geos



Disrupt salesforce
capacity & effectiveness

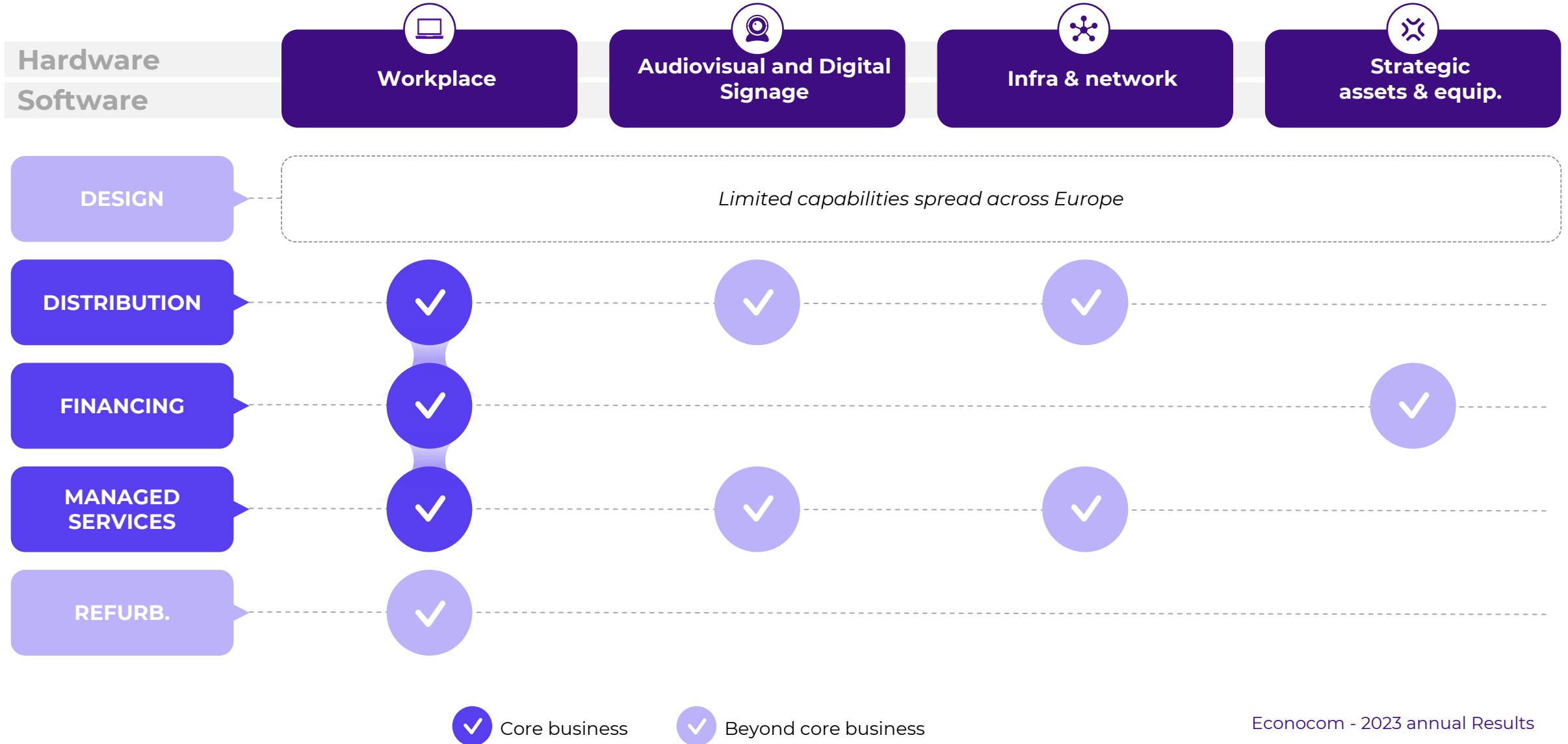
Growth contribution

~30%

~70%

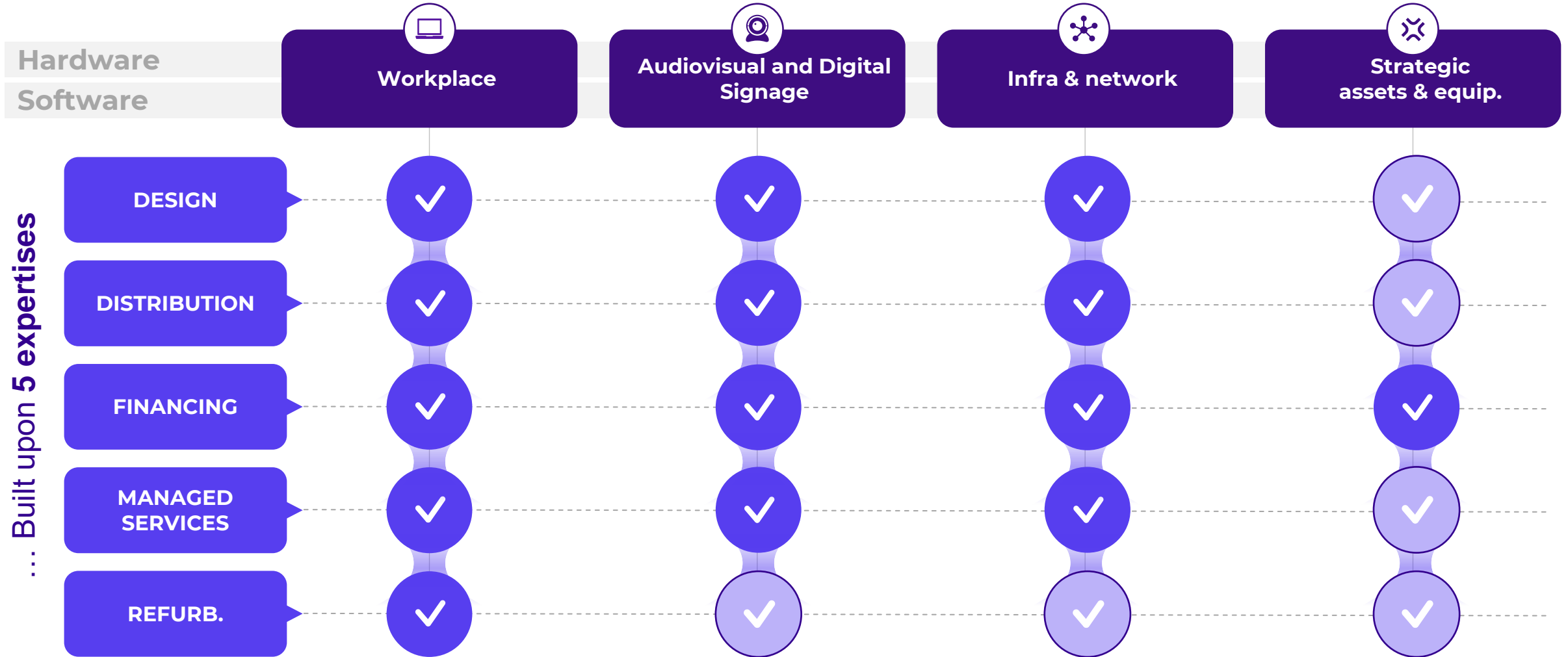
Our Group organization today

based on an expertise-driven approach ...



Our Group organization tomorrow

...will move towards unique, end-to-end solutions addressing 4 key client needs



... Built upon 5 expertises

✓ Core business

✓ To be developed, mostly via partners

Achievements 2023

Illustration of an emblematic contract



- **Workplace & meeting rooms pads** (laptops, smartphones, tap room controller)
- **End-to-end** solution incl. distribution, leasing, services, refurbishing, recycling
- **Financing solution** based on a **ESG** approach



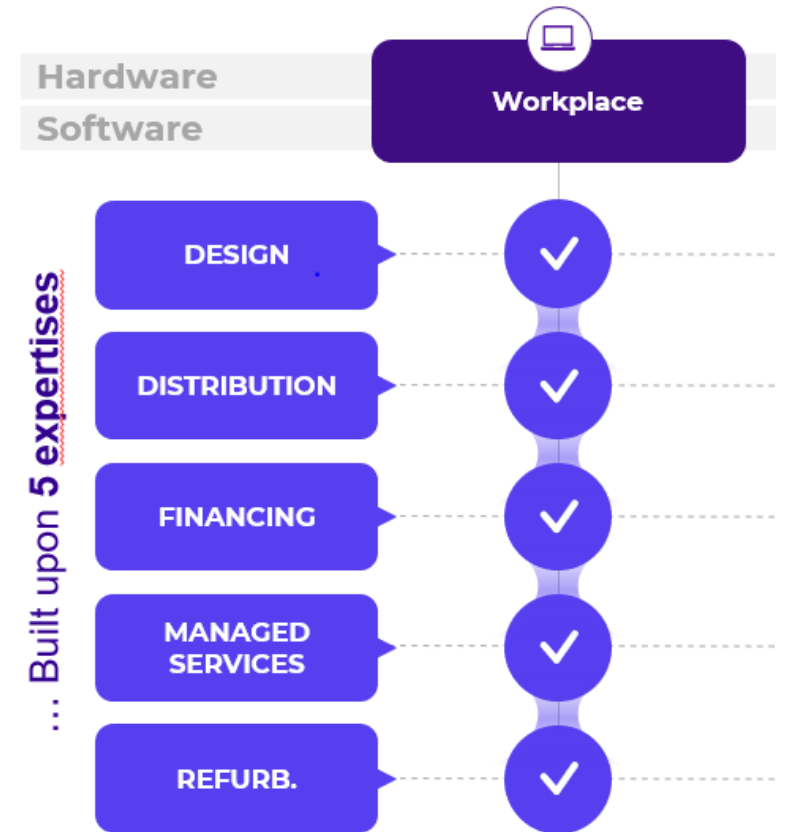
€ 5M
revenue



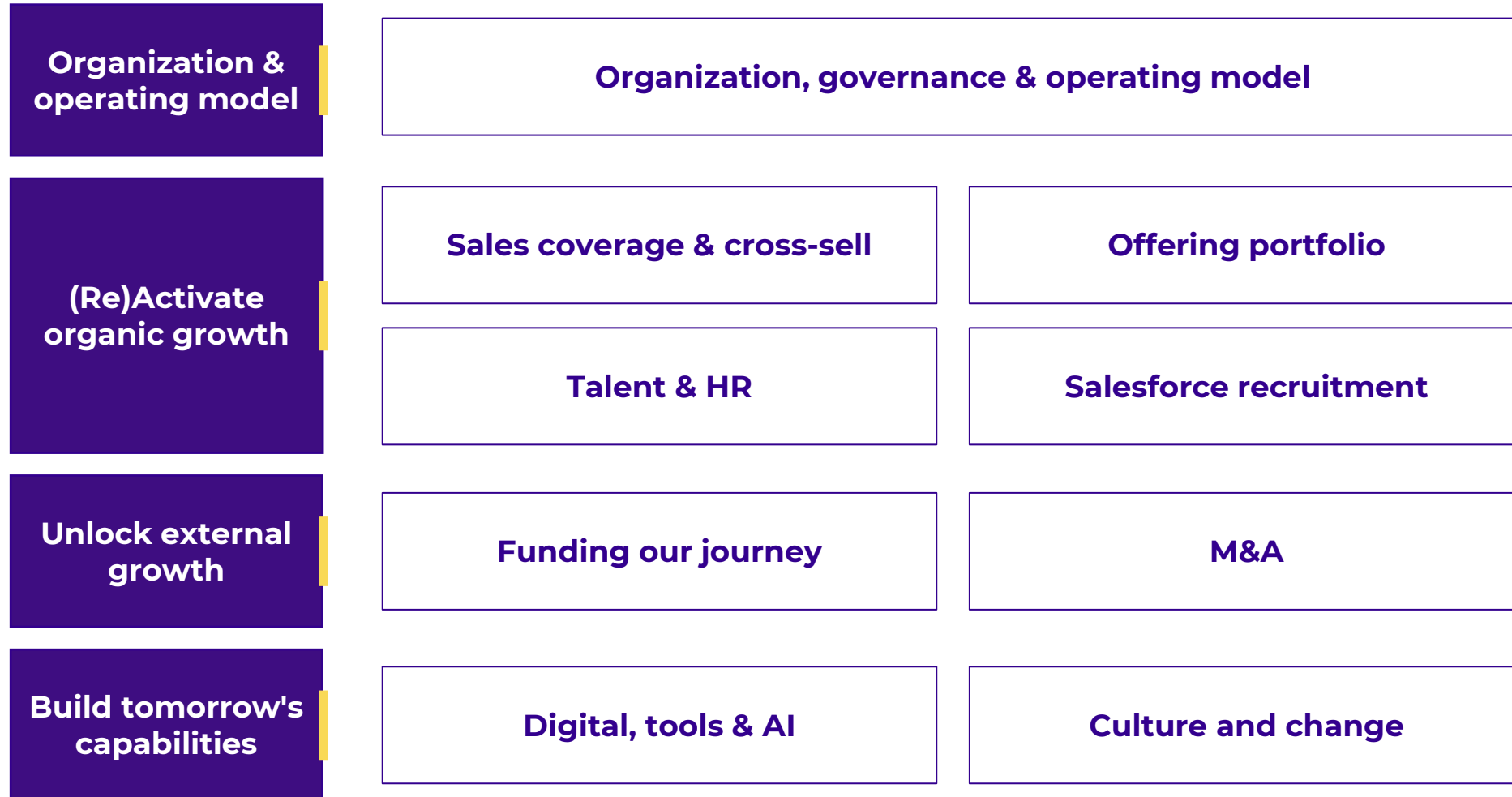
39
countries in scope



11,000
devices



We will focus on several topics in 2024 onwards to deliver our ambition



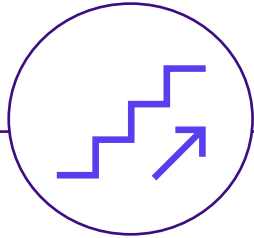
Outlook



Angel Benguigui

Managing Director

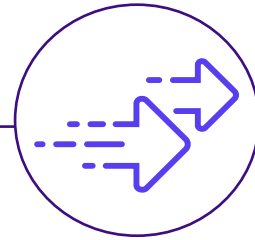
2024 outlook



First year of
 one plan
econocom

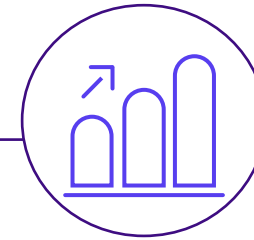
Divest non-core
activities as planned

Seize **acquisitions**
opportunities



Accelerate
recruitments in key
regions

Deploy **new** and
integrated offerings



Total **increase in**
revenue

3%-5%

Appendices



econocom

Simplified income statement

(In € M)	2022 ⁽¹⁾	2023
Revenue	2,590.5	2,681.2
Operating margin	114.2	116.2
Depreciation of acquisition-related intangible assets	-2.2	-2.3
Other operating income and expenses	-26.9	-8.4
Operating profit	85.2	105.5
Other financial income	0.4	1.1
Other financial expenses	-13.9	-20.9
Profit before tax	71.7	85.7
Income tax	-22.3	-26.1
Profit from continuing operations	49.3	59.5
Profit (loss) from discontinued operations	16.0	3.1
Net profit	65.3	62.6

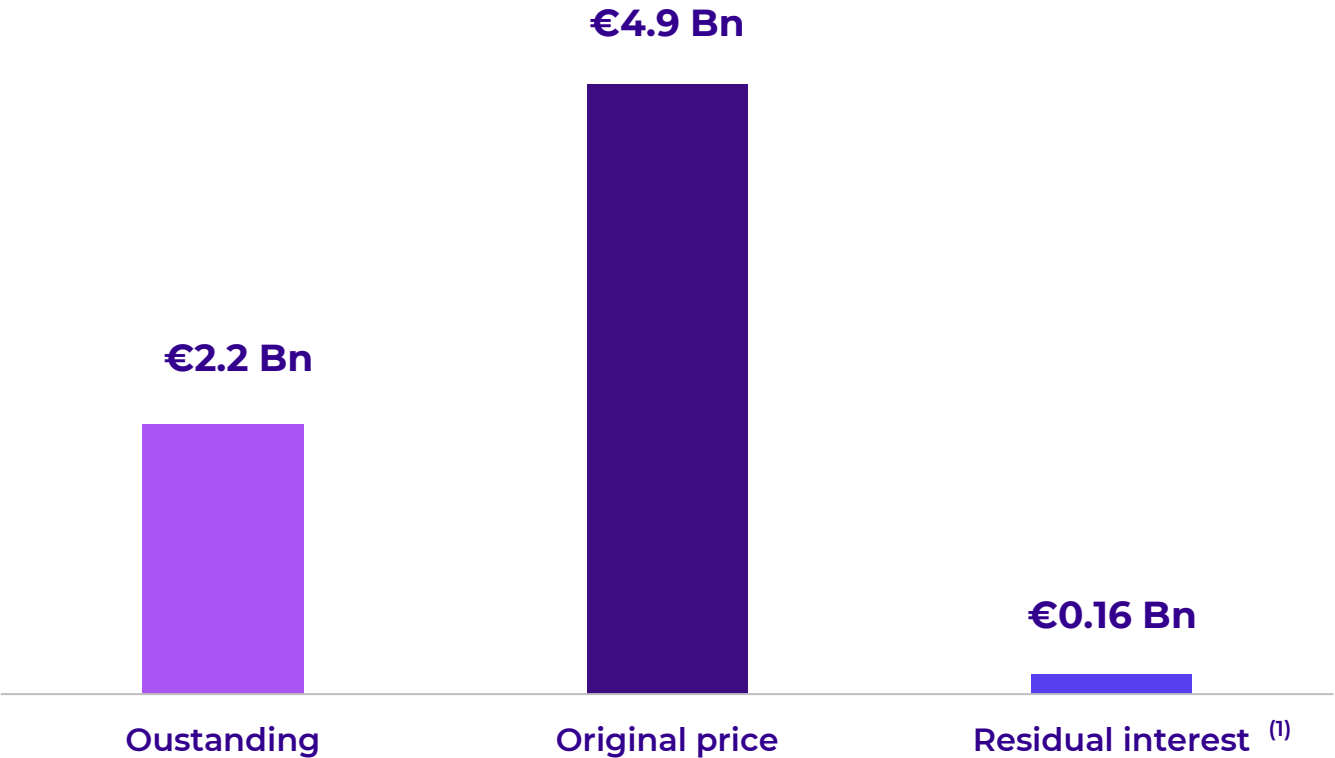
(1) For continuing operations on a constant basis (calculated with respect to restated H1 2022)

Simplified balance sheet

ASSETS (in € M)	31.12.2022	31.12.2023
Goodwill	554	525
Other long-term assets	212	202
Assets related to leasing activities	448	373
Residual interest in leased assets	165	164
Outstanding discounted rental income on contracts not refinanced or refinanced with recourse	284	209
Other trade and other receivables	595	567
Other current assets	181	161
Assets held for sale	106	225
TOTAL	2,097	2,053

EQUITY & LIABILITIES (in € M)	31.12.2022	31.12.2023
Equity	457	475
Net Financial Debt	144	181
Commitments on residual value	103	107
Other non-current liabilities	170	151
Trade payables	932	827
Other current liabilities	235	234
Liabilities related to assets held for sale	57	79
TOTAL	2,097	2,053

A de-risked leased portfolio



Outstanding funded without recourse at a **91%** level

Residual interest⁽¹⁾

- **3.4%** of original price
- **245%** covered by the market value of assets and contract extensions

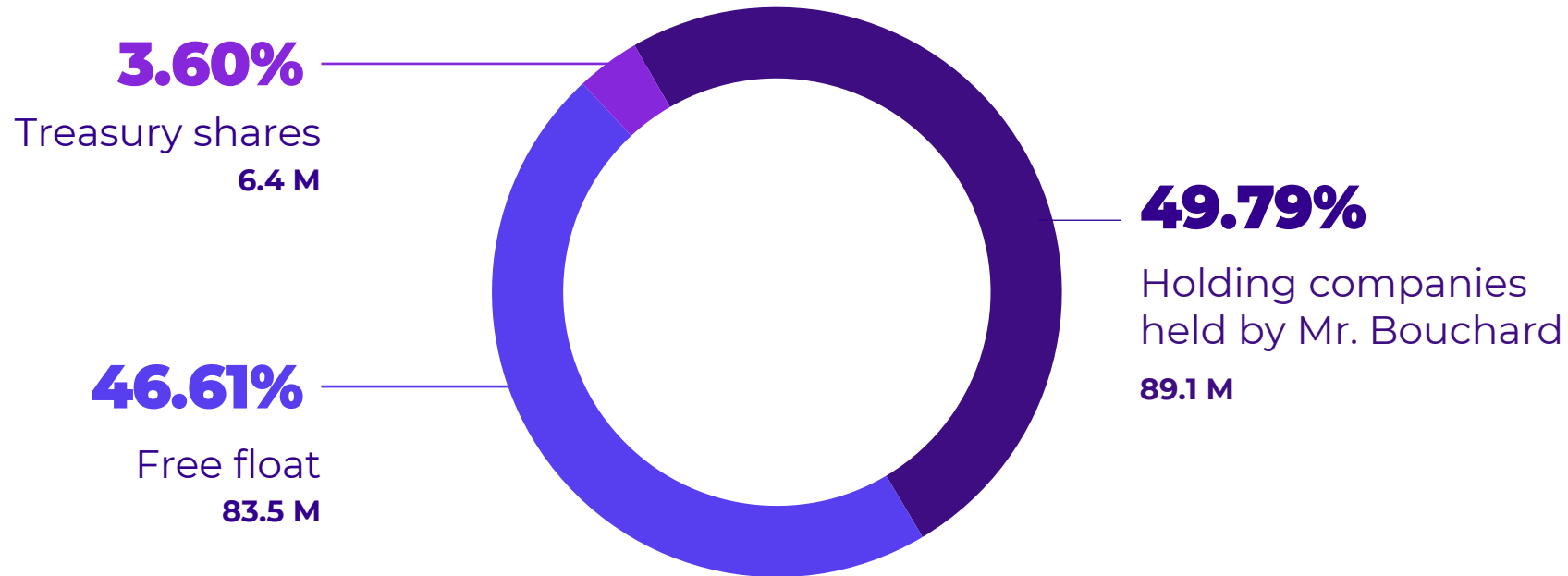
(1) Estimated value of assets at the end of the lease

Stock Exchange

Equity tab - % of ownership and number of shares ⁽¹⁾

Market cap

€405 M



Number of shares

- Total shares : **179.0 M**
- Treasury shares : **6.4 M**
- Floating shares: **83.5 M**

Average share price

over the last 20 days

€2.35

Listing place

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

Contacts

econocom

**Investor and shareholder
relations**

@ benjamin.pehau@econocom.com



capvalue

**Financial
communication**

@ info@capvalue.fr



nocom

**Press
relations**

@ lucie.paturel@nocom.com

