

## 2023 revenue and operating margin up and in line with the assumptions of the new strategic plan: **One econocom**

### Strong resilience by Econocom's business model

- Revenue of €2,681 million, up<sup>1</sup> 3.5%, including 1.2% organic growth<sup>2</sup>
- Operating margin<sup>3</sup> of €116.2 million, up slightly on 2022
- Consolidated net profit of €62.6 million: earnings per share unchanged at €0.35 as in 2022
- 2023 performance in line with the initial key markers presented in November 2023 for the **One econocom** 2024-2028 strategic plan, targeting a revenue of 4 billion euros and a net result of 130 million euros in 2028.

### Increase in revenue and operating margin from continuing operations

The Econocom Group generated revenue of €2,681 million in 2023, an increase<sup>1</sup> of 3.5% compared with restated 2022 revenue. On a like-for-like basis, organic growth<sup>2</sup> was 1.2%, demonstrating the Group's ability to profit from its diversified and balanced positioning between its three activities in a mixed environment for the IT sector.

In accordance with the **One econocom** 2024-2028 strategic plan announced last November, the French "Apps, Cloud & Data" and "Les Abeilles" activities have been restated as "Assets held for sale" in accordance with IFRS 5. These companies are expected to be sold in the near future; talks are under way with potential buyers. The 2022 income statement has been adjusted accordingly as explained in the notes to this press release.

Over the period, trends in continuing operations were as follows:

- Products & Solutions (P&S) revenue totalled €1,207 million, down<sup>1</sup> by 2.5% in reported terms and by 6.1% organically<sup>2</sup>. The market<sup>4</sup> for distribution of digital workplace assets was in poor shape in 2023 (estimated to have decreased in Europe by between -11% and -15% for PCs, between -14% and -19% for smartphones and tablets). Even so the Group managed to limit the decline in its activity thanks largely to its combined offers with its other business lines. 2022 had benefited from a strong rebound effect (with organic growth of just over 15%), particularly in France, Germany and the United Kingdom, as the market recovered from post-Covid supply chain challenges. P&S operating margin<sup>3</sup> accordingly was €43.3 million, an operating margin of 3.6%.
- Technology Management & Financing (TMF) accelerated its growth with revenue of €998 million in 2023, an increase<sup>1</sup> of 11.2%, including 10% organic growth<sup>2</sup>. TMF's solutions, offering personalised independent advice as well as a flexible contractual model, are particularly appreciated by customers in a context of tougher borrowing terms and increased pricing by banks. On the back of this revenue growth, particularly in Germany and Italy, the TMF operating margin<sup>3</sup> rose<sup>1</sup> strongly to €47.6 million, *i.e.* 4.8% of revenue compared to 3.3% in 2022.

- In line with previous quarters, Services maintained momentum at the end of the year. With revenue of €476 million, growth<sup>1</sup> was an annualised 4.6% (4.5% in organic terms<sup>2</sup>). In a context marked of rising staff and energy costs, the Group was better at passing through these inflationary effects in the second half of the year. Margin increased from 4.3% in the first half of 2023 to 5.3% for the full-year with an operating margin<sup>3</sup> of €25.3 million.

Total Group operating margin<sup>3</sup>, driven by the improvement of 1.5 points<sup>1</sup> in margins at TMF, was €116.2 million compared to €114.2 million in 2022 restated.

Annual net income from continuing operations was €59.5 million compared to €49.3 million in 2022, after:

- other net operating expenses of €8.4 million, down significantly compared to 2022,
- financial income of -€19.8 million, compared to -€13.5 million in 2022, impacted by the significant increase in interest rates, and
- tax expense of €26.1 million, representing an effective tax rate<sup>5</sup> of 28.6%.

After deducting the €3.1 million loss from discontinued operations, consolidated profit amounts to €62.6 million.

Econocom's 2023 performance, in particular revenue, operating margin and net profit, are broadly in line with the starting key markers of the **One econocom** strategic plan, presented at the Capital Markets Day on 16 November 2023.

### Net financial debt<sup>6</sup> limited to 1.2x EBITDA and operating cash surplus of €28 million

Net financial debt<sup>6</sup> remains well controlled; it stands at €181 million at 31 December 2023, representing 38% of shareholders' equity and 1.2 times 2023 EBITDA.

Operating cash surplus (after taking into account €209 million of discounted future cash receipts from TMF own booked leases at the end of 2023), amounts to €28 million at 31 December 2023.

### Shareholder remuneration

The Board of Directors will propose at the next General Meeting to repay shareholders €0.16 per share from the share premium, unchanged vs. 2023. Based on the average closing share price over the last 20 days, this represents a yield of 6.8%.

Total planned pay-outs in July 2024 would accordingly amount to €27.6 million, or 44.1% of 2023 net profit.

### Outlook

In an expected more favourable context, particularly for the IT equipment distribution markets (P&S), the Group will continue in 2024 to roll out its **One econocom** plan, aimed at accelerating the organic growth of its business lines, strengthening synergies between the various business segments and developing its growth drivers in the audiovisual sector (launch of the Gather with Econocom brand). To achieve this, Econocom plans to significantly increase its sales force in the target regions and recruit new talent to strengthen the appeal and distribution of its offers.

Given a controlled level of net debt and cash flow strengthened by the disposals planned during the year, Econocom will also continue its search for external growth targets in 2024 looking to acquire specific expertises.

For 2024, the Group forecasts a total revenue growth between 3% and 5%.

Beyond 2024 and over the timeframe of its strategic plan to reach €4 billion in revenue and €130 million in net profit by 2028, Econocom will seek to capitalise on:

- strong growth expected in the workplace, audiovisual, infrastructure and network markets, growth partly driven by the investments made necessary by the rapid development of Artificial Intelligence;
- an acceleration of the deployment of Econocom's offers covering end-to-end customer needs in terms of digital assets;
- a clear roadmap with ambitious objectives that can get all teams onboard;
- a self-financing plan with a now well-advanced disposal programme that will enable the Group to execute its strategic plan, including external growth.

Econocom has also built its 2024-2028 strategic plan around strong ambitions in terms of extra-financial performance, with a particular focus on the reparability and extending the life of its customers' digital assets, carbon footprint and strengthening equal opportunities for all employees. Econocom thus confirms that it is aiming to achieve the Platinum level of the Ecovadis® Sustainability Rating by 2028.

## Information meeting on the full-year 2023 results in Brussels on 15 February 2024

<sup>1</sup> For continuing operations, at constant accounting standards.

<sup>2</sup> For continuing operations, at constant scope and accounting standards, including organic growth of acquired companies.

<sup>3</sup> Going forward, the term "operating margin" will replace the term "recurring operating profit".

<sup>4</sup> Context study for the period 2023/2022.

<sup>5</sup> Effective income tax rate (excluding CVAE and IRAP).

<sup>6</sup> Net financial debt including current and non-current financial debt excluding debt resulting from the application of IFRS 16 to leases (premises, vehicles, etc.) for which Econocom is lessee and all assets and liabilities held for sale.

### ABOUT ECONOCOM

The Econocom Group, created 50 years ago, is a pioneer in supporting the digital transformation of companies. Its solutions, focused on the development and transformation of the workplace, audiovisual & digital signage as well as infrastructure, cover the full range of responsibilities and expertise necessary for any digital venture: from the design phase and help in the choice of the solution to the deployment of the equipment and outsourcing. It includes the purchase or rental of equipment, customisation, associated and managed services, as well as the reconditioning of end-of-life equipment.

Present in 16 countries with more than 8,800 employees, Econocom is listed on Euronext in Brussels, Bel Mid and Family Business indices. It generated revenue of €2,681 million in 2023.

### FOR MORE INFORMATION

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## INCOME STATEMENT

(€M)	<b>2022</b> Restated	<b>2023</b>
<b>Revenue</b>	<b>2,590</b>	<b>2,681</b>
<b>Operating margin</b>	<b>114.2</b>	<b>116.2</b>
Depreciation of acquisition-related intangible assets	(2.2)	(2.3)
Other operating income	0.1	2.1
Other operating expenses	(27.0)	(10.5)
<b>Operating profit</b>	<b>85.2</b>	<b>105.5</b>
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)
<b>Net profit from continuing operations</b>	<b>49.3</b>	<b>59.5</b>
Profit (loss) from discontinued operations	16.0	3.1
<b>Net profit for the period</b>	<b>65.3</b>	<b>62.6</b>
<b>Adjusted net profit</b>	<b>71.7</b>	<b>67.6</b>

The Auditor, EY Réviseurs d'Entreprises SRL, has confirmed that its audit procedures, which have been substantially completed, have not revealed any significant adjustment to the financial information presented in this press release and prepared in accordance with IFRS standards.

## BALANCE SHEET

<b>(€m) ASSETS</b>	<b>31.12.2022</b>	<b>31.12.2023</b>
Goodwill	554	525
Other long-term assets	212	202
Residual interest in leased assets	165	164
Trade and other receivables	879	776
Other current assets	181	161
Cash and cash equivalents	405	227
Assets held for sale	106	225
<b>TOTAL ASSETS</b>	<b>2,502</b>	<b>2,280</b>
<b>(€m) EQUITY &amp; LIABILITIES</b>	<b>31.12.2022</b>	<b>31.12.2023</b>
Shareholders' equity – parent company shareholders' share	390	414
Non-controlling interests	67	61
<b>EQUITY</b>	<b>457</b>	<b>475</b>
Bonds	360	202
Financial liabilities	188	206
Gross liability for repurchases of leased assets	103	107
Provisions	59	53
Trade and other payables	932	827
Other liabilities	346	331
Liabilities held for sale	56	79
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,502</b>	<b>2,280</b>

Appendix: Reconciliation between financial data at the end of 2022 as reported in the 2022 annual report and data contained in the 2023 annual report.

“2022 reported” corresponds to revenue and operating margin as presented in the 2022 annual report.

“2022 restated” corresponds to revenue and operating margin at the end of 2022 as presented in the 2023 annual report, and takes into account changes in discontinued operations as per IFRS 5 and changes in accounting presentation and corrections for comparability purposes. It serves as the basis for calculating growth rates at constant standards.

“Pro forma 2022” corresponds to year-end restated revenue and operating margin, also adjusted for the effects of exchange rates and changes in the scope of consolidation (acquisitions and disposals). It serves as the basis for calculating growth rates at constant standards and scope.

<b>Revenue (€m)</b>	<b>Group total</b>	<b>TMF</b>	<b>P&amp;S</b>	<b>Services</b>
<b>2022 reported</b>	<b>2,718</b>	<b>989</b>	<b>1,238</b>	<b>492</b>
Discontinuation of activities and changes in accounting presentations	(128)	(91)	-	(37)
<b>2022 restated</b>	<b>2,590</b>	<b>898</b>	<b>1,238</b>	<b>455</b>
Exchange rate impact	(2)	(1)	(1)	-
Change in consolidation scope (acquisitions)	59	11	48	-
Change in consolidation scope (disposals)	-	-	-	-
<b>2022 pro forma</b>	<b>2,648</b>	<b>908</b>	<b>1,285</b>	<b>455</b>

<b>Operating margin in €m</b>	<b>Group total</b>	<b>TMF</b>	<b>P&amp;S</b>	<b>Services</b>
<b>2022 reported</b>	<b>139</b>	<b>50</b>	<b>49</b>	<b>40</b>
Discontinuation of activities and changes in accounting presentations	(25)	(20)	-	(5)
<b>2022 restated</b>	<b>114</b>	<b>29</b>	<b>49</b>	<b>36</b>
Exchange rate impact	-	-	-	-
Change in consolidation scope (acquisitions)	1	-	1	-
<b>2022 pro forma</b>	<b>115</b>	<b>29</b>	<b>50</b>	<b>36</b>