

econocom



H1 2017 **RESULTS**

A hand holding a pen over a document with a network overlay. The background is a dark blue gradient with a network of white lines and dots. The text is centered and reads:

Bruno Grossi

Executive Director

Galliane Touze

Company Secretary

A dark blue background with a faint silhouette of a person's hands holding a smartphone. The number '01' is prominently displayed in white, bold, sans-serif font. Below it is a thin white horizontal line.

01

Key facts
& Figures

A teal background with a low-angle shot of a large tree with many green leaves. The number '02' is prominently displayed in white, bold, sans-serif font. Below it is a thin white horizontal line.

02

Growth
Drivers

An orange background with a pattern of concentric circles and bokeh light effects. The number '03' is prominently displayed in white, bold, sans-serif font. Below it is a thin white horizontal line.

03

H1 2017
Financial results

A lime green background with a silhouette of a person's hands holding a smartphone, with a city skyline visible in the background. The number '04' is prominently displayed in white, bold, sans-serif font. Below it is a thin white horizontal line.

04

Outlook
for 2017



01

Key facts
& figures

KEY H1 2017 EVENTS

» **One-Galaxy model** confirmed, with acceleration of the growth of **Satellites**, and continued strength of **Strategic Accounts** and **cross-disciplinary offers**

» Continuation of the targeted acquisitions strategy with the **acquisition of BIS** (Netherlands / Belgium), **LP Digital** (France) and an investment in **JTRS** (UK)



» Strengthened executive committee with the appointment of **Robert Bouchard** as group **COO**, and **Sébastien Musset** and **Martine Bayens** as **Executive Directors**

» **Conversion** of the convertible bond (**ORNANE**) deleveraging the balance sheet and improving shareholder equity ahead of the new Strategic Plan

H1 2017: **KEY FIGURES**

REVENUE

€1,280 M

+5.7%

2.4%

of which is organic

ROP¹

€58 M

+9.2%

NET FINANCIAL DEBT

€204 M

H1 gearing down to

46%

(1) Recurring Operating Profit, before amortisation of intangible assets from acquisitions

The background of the slide is a photograph of a large tree with many branches and green leaves, viewed from a low angle looking up. The entire image is covered with a semi-transparent blue overlay. In the center, the number '02' is written in a large, white, sans-serif font. Below the number, there is a thin horizontal line that is white on the left and yellow on the right.

02

Growth
Drivers

"ONE GALAXY": A UNIQUE BUSINESS MODEL

a growing
" PLANET "



" SATELLITES "
acting as boosters

with cutting-edge
expertises

A STRONGER **COORDINATION** BETWEEN OUR BUSINESSES **SUSTAINS GROWTH**

+10%

Revenue from
multi-business
line solutions

+10%

organic growth
for our 25 largest
accounts with
cross-business line
management

+15%

organic growth
of Satellites
in H1 2017

CONTINUING THE **TARGETED ACQUISITIONS STRATEGY**

BIS
(100%)

- » A leading **multimedia solutions integrator** on the Benelux market (€50 M revenue in 2016)
- » Deploy **entire offering** and develop new cross-business line solutions in the key Benelux area
- » Synergies expected from **financing** on top of **end-to-end solutions**

LP DIGITAL
(100%)

- » Acquired by **Alter Way**, a satellite specialising in open source web solutions and DevOps services
- » Digital strategy consulting for large accounts
- » Alter Way now boast €15 M in revenue

JTRS (40%)

- » A supplier of **technology solutions** in the **education** sector in the **UK**, an Apple and Google education partner (£9 M sales in 2016)
- » Complete offering in addition to TM&F presence in the UK

SUCCESS STORIES



A **PARTNER OF CHOICE**
IN LARGE MODERNIZATION PROJECTS

**Several contracts
ranging from
€15 M to €100 M
signed in last 12 months**

**Econocom
seen a **prime
contractor**
by large clients**

TRANSFORMING BUSINESS OPERATIONS

**HOME
BUILDER**

03

H1 2017

Financial results

STEADY REVENUE GROWTH

+5.7%

ow +2.4%
organic



Technology Management & Financing



Services



Products & Solutions



RISE IN **RECURRING OPERATING PROFIT**⁽¹⁾



+9.2%

H1 2016	4.4%	€53.3 M
H1 2017	4.5%	€58.2 M

- » Slight **improvement in margin** at group level

- » **A semester of operational investments:**

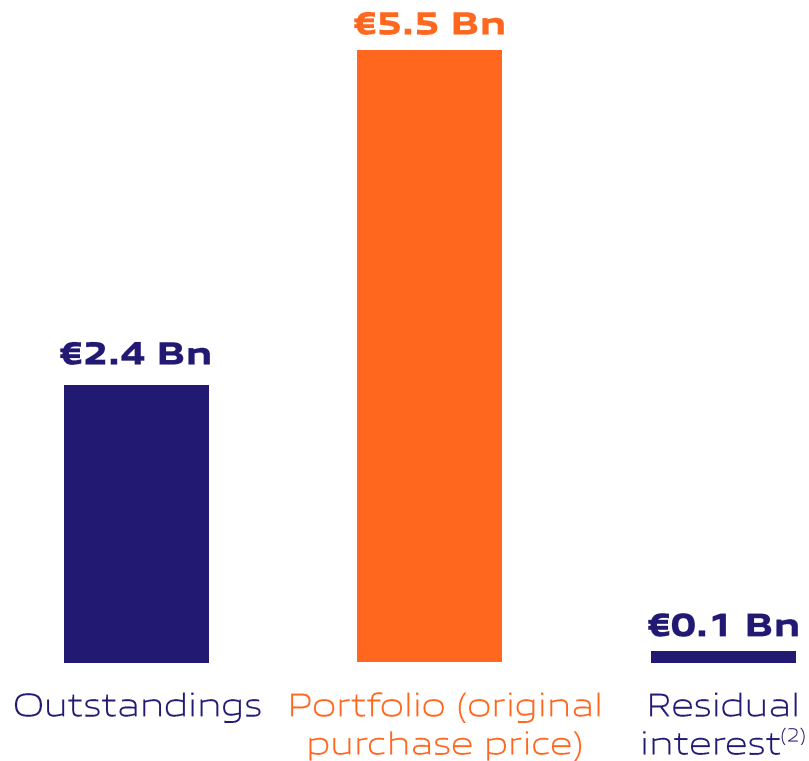
€6 M

additional opex engaged in H1
(recruitments, marketing, new offers)

(1) Before amortisation of intangible assets from acquisitions

TECHNOLOGY MANAGEMENT & FINANCING

Contract portfolio (as of 30 June 2017)



- » Revenue at **€604 M** (-1.5%) – good leads dynamics, but some projects delayed
- » ROP at **€38.1 M** and margin at **6.3%**
- » EDFL⁽¹⁾ contributes **€61 M** to activity with a net debt impact of **€12 M**
- » Increase in portfolio (+3.4%) and outstandings (+1.4%)
- » Residual interest⁽²⁾ at **2.3%** of the Original Purchase Price

(1) In-house refinancing company

(2) Estimated value of assets at the expiry of the lease contract

SERVICES

Revenue



Recurring operating profit⁽¹⁾



» Positive sales impact of the roll-out of **large multi-year contracts**

» Strong contribution of **Services satellites** at **+11%** organically

» **Short-term profitability impacted by:**

- €2 M operational investment in new offers and people
- Ramp-up phase of large contracts

(1) Before amortisation of intangible assets from acquisitions

PRODUCTS & SOLUTIONS

Revenue



Recurring operating profit⁽¹⁾



» Continued growth in **France** and **Spain**

» **Significant contracts won** notably in the public sector (education, healthcare)

» Integration of **BIS** in **Benelux**

(1) Before amortisation of intangible assets from acquisitions

CONSOLIDATED INCOME STATEMENT

(In €M)	H1 2016	H1 2017	CHANGE
REVENUE	1,211.6	1,280.2	5.7%
RECURRING OPERATING PROFIT before amortisation of intangible assets from acquisitions	53.3	58.2	9.2%
Recurring operating profit	51.2	56.1	9.5%
Non-recurring operating incomes and expenses	(1.5)	(8.9)	na
OPERATING PROFIT	49.7	47.1	-5.2%
Financial result	(7.4)	(6.8)	-8.1%
Change in fair value of ORNANE derivative	(10.7)	4.1	na
PROFIT BEFORE TAX	31.7	44.4	40.3%
Income tax	(14.0)	(11.3)	-19%
Discontinued operations and share of profit/(loss) of associates	(0.1)	(0.0)	na
NET PROFIT	17.6	33.1	88.2%
NET PROFIT attributable to owners of the parent	18.3	32.6	77.6%
RECURRING NET PROFIT⁽¹⁾ attributable to owners of the parent	31.7	33.0	4.1%

» **Non-recurring** items to prepare the next strategic plan

» **End of ORNANE** derivative impact after conversion

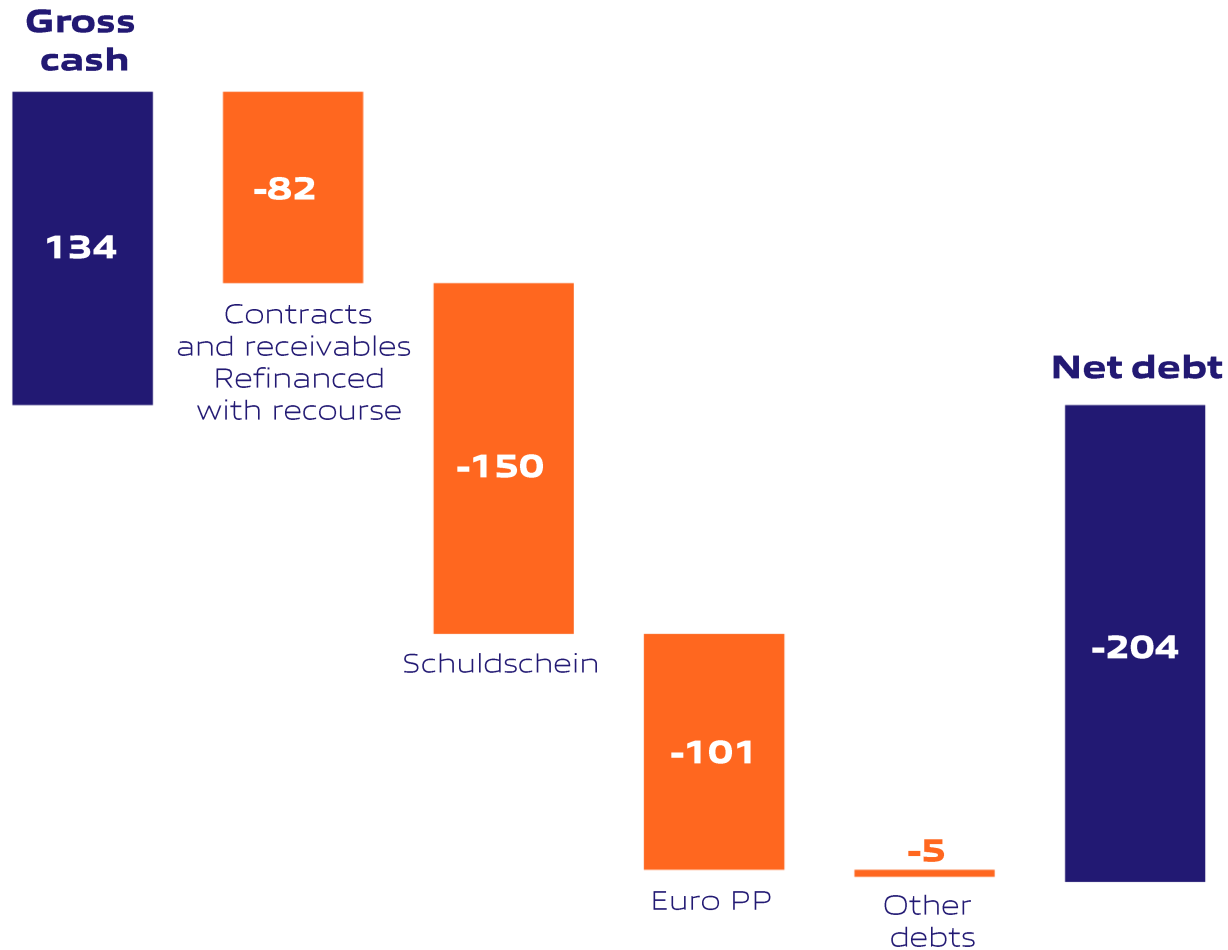
(1) excluding the following items, net of income tax: amortisation expenses of intangible assets from acquisitions, adjustment to fair value of the ORNANE derivative, other non-recurring operating income and expenses, non-recurring financial operating income and expenses.

CONSOLIDATED **BALANCE SHEET**

ACTIF (in €M)	31/12/2016	30/06/2017
Goodwill	539	557
Residual interest in leased assets	77	95
Other non-current assets	160	171
NON-CURRENT ASSETS	776	822
Residual interest in leased assets	30	30
Trade and other receivables	882	926
Other current assets	98	139
Cash	349	215
CURRENT ASSETS	1,359	1,310
TOTAL BALANCE SHEET	2,135	2,133

EQUITY & LIABILITIES (in €M)	31/12/2016	30/06/2017
Equity attributable to owners of the parent	201	373
Non-controlling interests	78	67
EQUITY	279	440
Financial liabilities	391	295
Commitments on residual value	52	54
Other non-current liabilities	143	141
NON-CURRENT LIABILITIES	586	490
Trade payables	908	851
Other current liabilities	203	210
Financial liabilities	143	125
Commitments on residual value	16	17
CURRENT LIABILITIES	1,270	1,203
TOTAL BALANCE SHEET	2,135	2,133

STRUCTURE OF NET FINANCIAL DEBT

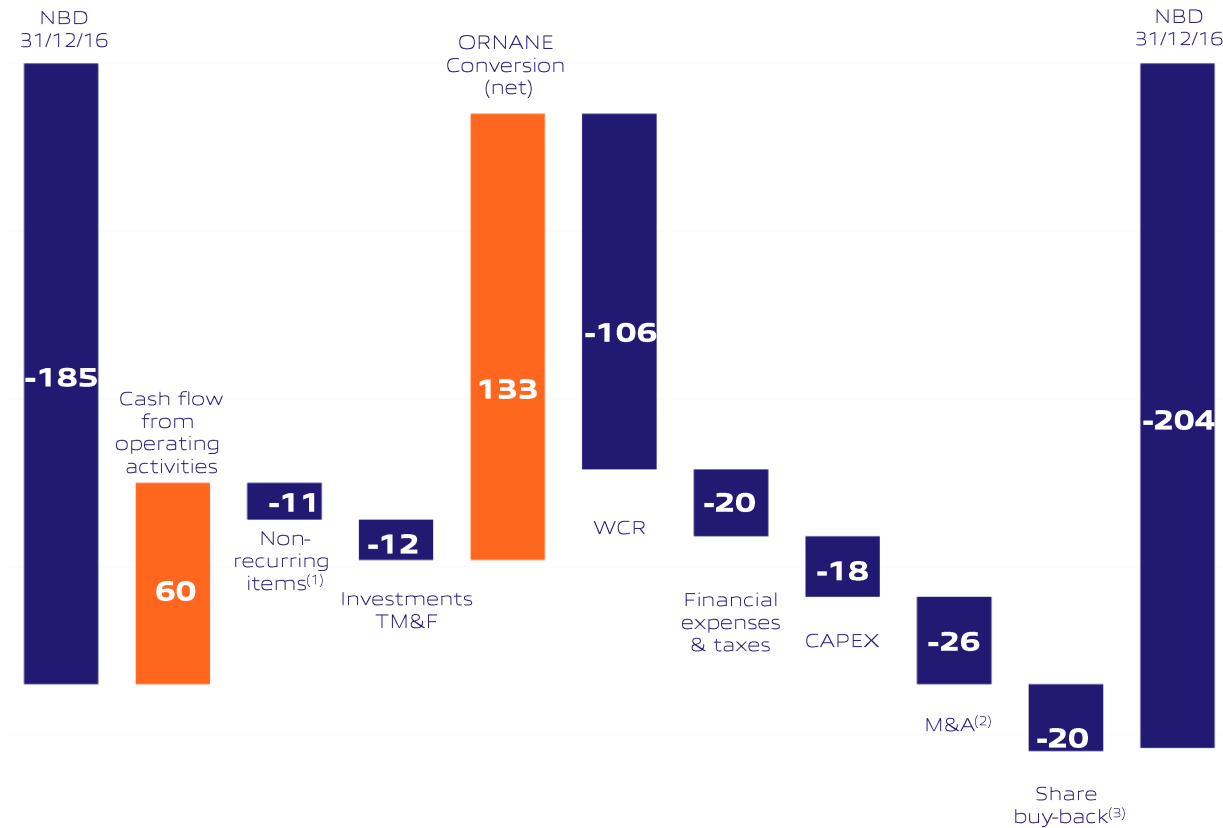


» **100% of ORNANE convertible bonds** converted in April 2017

» **NBD under control: €204 M**

» **€163 M** of which backed by lease contracts

NET OF THE **ORNANE CONVERSION**, FINANCIAL DEBT SHOWED THE USUAL **SEASONALITY**



(1) Impact on cash of exceptional costs

(2) Net of disposals and financial debt

(3) Net of sales made for the exercise of options

» Usual **seasonality** on WCR

» **6 months of investments**

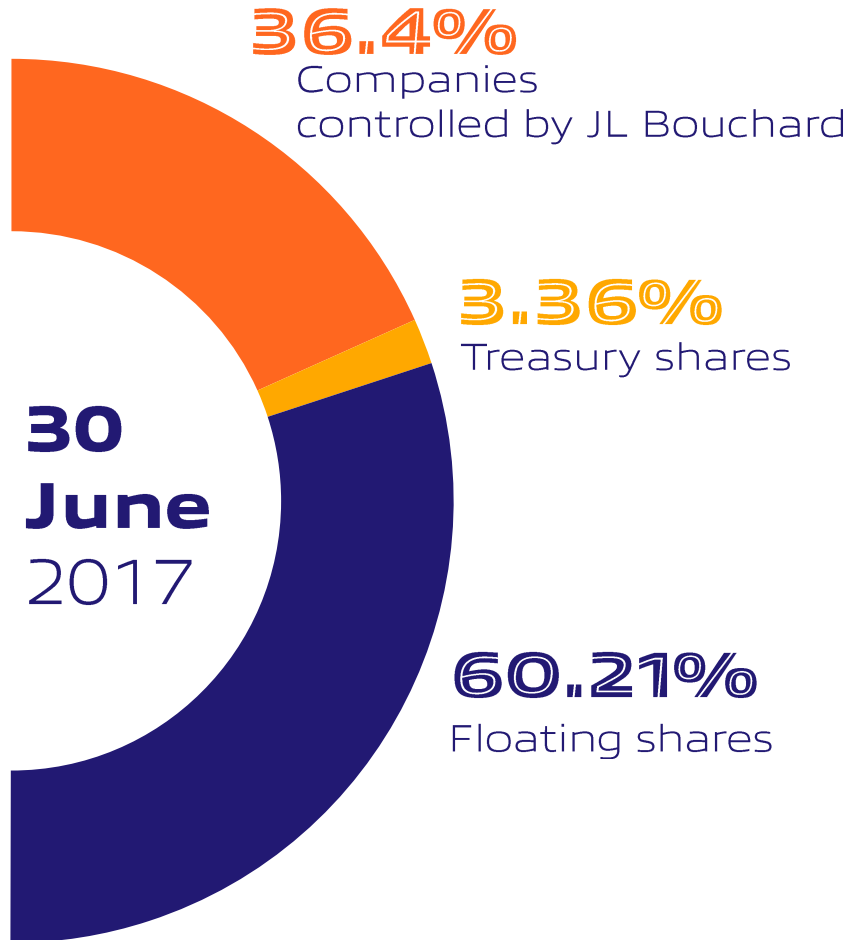
- €44 M in M&A and CAPEX
- €12 M in TMF

» Positive impact of **ORNANE** conversion

» Management of **dilution**

- €20 M in treasury share

A STABLE OWNERSHIP STRUCTURE TO ENSURE A **LONG-TERM VISION**



- » Appointment of **Robert Bouchard** as Group **COO**
- » **Two-for-one share split** on 02/06/17
 - 245.2 M outstanding shares
 - 8.2 M treasury shares
- » The board of directors decided to propose to the AGM a **6M shares cancellation** before the end of the year

04

Outlook
for 2017

2017: CONFIRMING OUR **GROWTH PROSPECTS**

**ORGANIC
GROWTH**

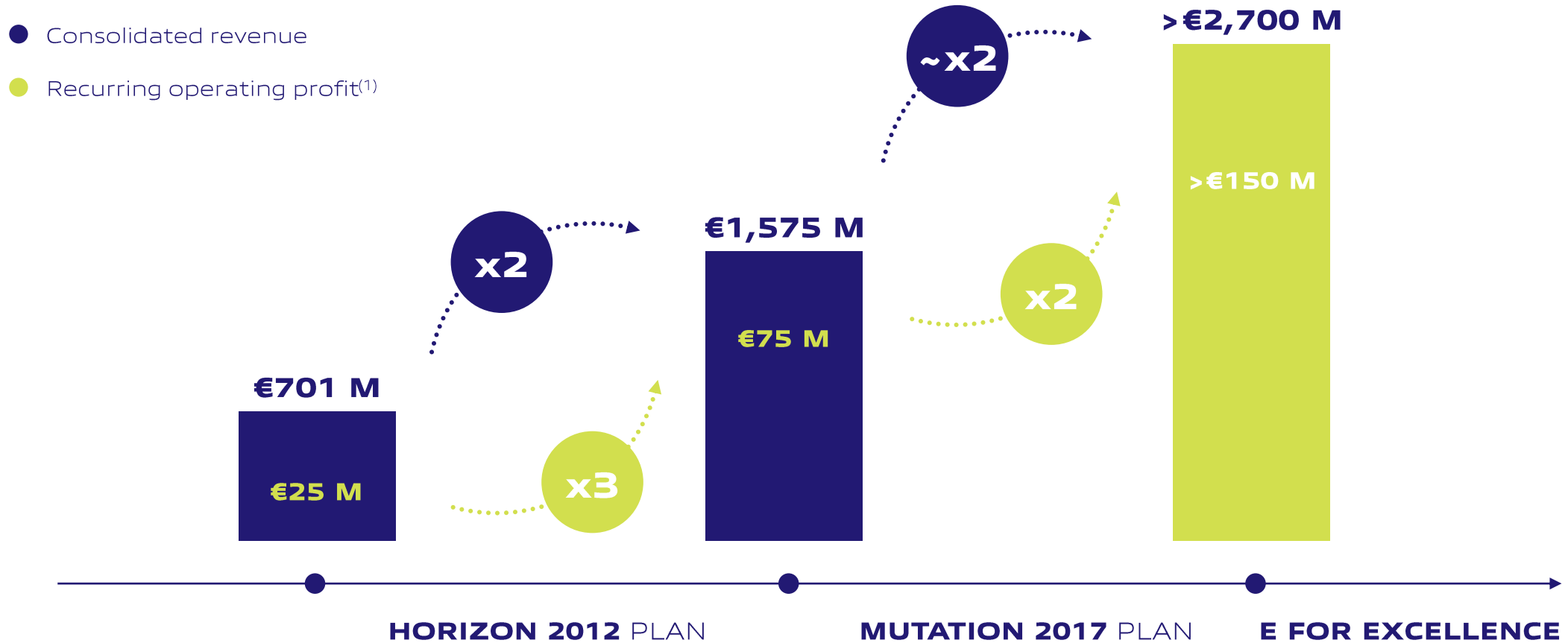
> 5%

**A FURTHER
DOUBLE-DIGIT RISE**

IN RECURRING OPERATING
PROFIT¹

(1) Before amortisation of intangible assets from acquisitions

AFTER THE **SUCCESS** OF THE LAST TWO **STRATEGIC PLANS...**



(1) Before amortisation of intangible assets from acquisitions



for excellence

Investor Day

3 OCTOBER 2017

econocom



H1 2017 RESULTS