

# 2020 Q1 revenue Business update

INVESTOR PRESENTATION

May 2020

econocom

## Agenda

**01** Econocom  
at a glance

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**02** Q1 2020  
Revenue

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**03** Covid-19  
update

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**04** Outlook

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# Speakers



**ANGEL BENGUIGUI**

Managing Director



**ETIENNE JACQUET**

Investors Relations



**VALERIE CLAR**

Head of Group Financing

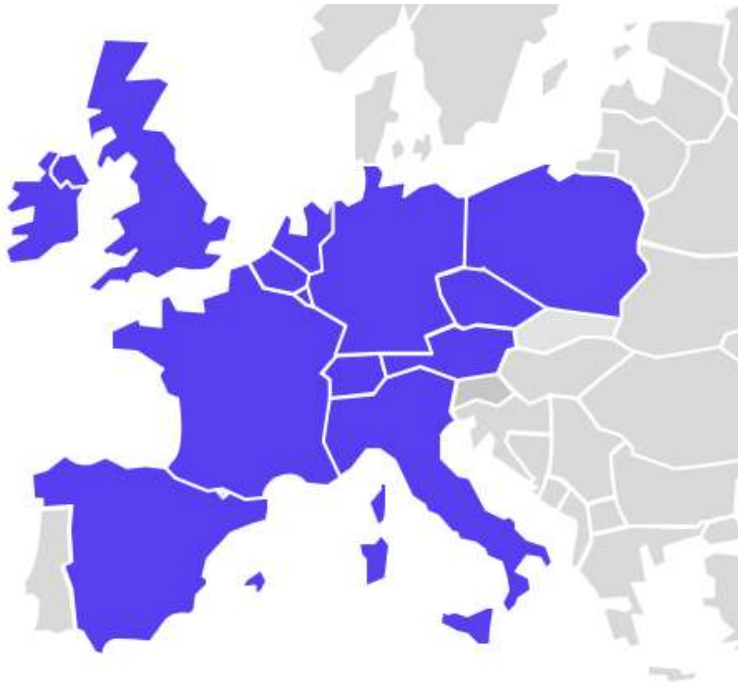
**01**

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# Econocom at a glance

# Fact sheet

**Econocom is a European group that makes digital transformation happen for companies and public organizations.**



## **FY 2019 key numbers**

- **18 countries**
- **10,300 Employees**
- **€2,9 Bn revenue**
- **€126 M ROP**
- **45 years' experience**

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# Econocom: the digital solutions builder

**Technology Management Financing,  
an effective entry point to take full  
responsibility of digital projects**

**Digital Services & Solutions,  
the preferred partner for the digital  
transformation of companies throughout the  
entire value chain**

## Key differentiators



**Provide** a strong value proposition to customers with end-to-end responsibility

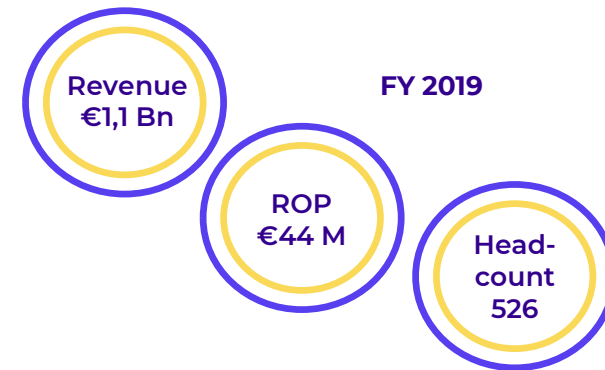


**Benefit** from positive market dynamics: a plural demand from customers-partners-integrators



**Strengthen** positions in new market segments

# Technology Management Financing (TMF)



**TMF, an effective entry point to take full responsibility of digital projects**

**Fast-track the completion of digital projects**

**Reconcile financial and operational constraints of all players involved**

## Key drivers



**Develop** expertise beyond IT.



**Strengthen** asset-light model.



**Refocus** on core countries to take advantage from economies of scale.

# Digital Services and Solutions (DSS)

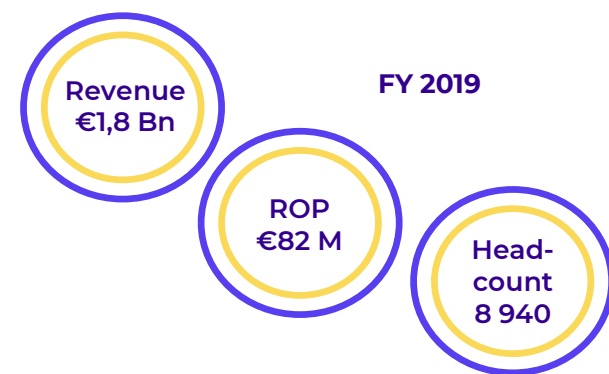
**Econocom: the preferred partner for the digital transformation of companies throughout the entire value chain**

**New digital equipment and associated services to modernize IT**

**Products & Solutions**

**Reconcile financial and operational constraints of all players involved**

**Services**



## Key drivers

-  **Offer** user- and use-oriented approach.
-  **Manage** large international projects.
-  **Supply** operational excellence for sustainable growth.



# 2019-2020 key achievements

## BUSINESS OBJECTIVES



Refocus activity on core business

Strong discipline on costs

Keep debt under control

## ACTION PLANS



Focus on TMF core historic business as well as DSS in synergy

Prepare disposal of non-core businesses

**In progress**  
2 closed  
1 pending  
2/3 more to go

Turn around plans for loss making units

Focus on most profitable deals

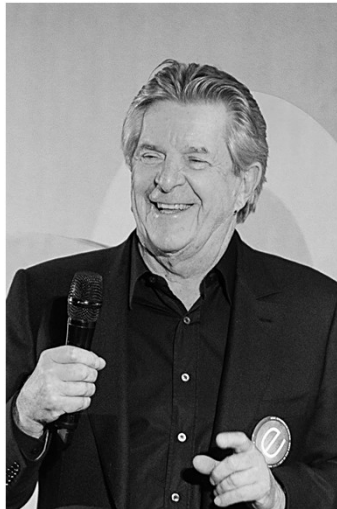
Implement a cost reduction plan

**In progress**  
€30 M done in '19  
€30 M exp'd in '20

Closely monitor working capital

Use wisely refinancing options

# A new governance with a very experienced and focused coordination committee



**JEAN-LOUIS BOUCHARD**

Chairman & CEO

Founder of Econocom in 1973



**ANGEL BENGUIGUI**

Managing Director  
International / Finance

Joined Econocom in 2006

Investment banking  
background



**LAURENT ROUDIL**

Managing Director  
France/Procurement & IT

Joined Econocom in 2015

25 years of experience in digital  
transformation

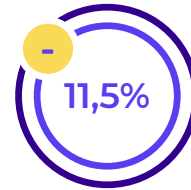
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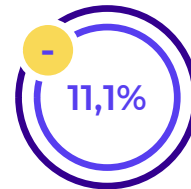
# Q1 2020 Revenue

# Q1 2020 Revenue

## Revenue from ongoing operations



## Of which organically



**Q1 2020 revenue** hit by Covid-19 health crisis

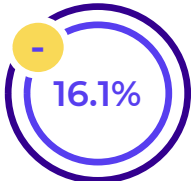
**Main geographic areas impacted** (in particular France, Italy and Spain)

**Organic growth: -11.1%** after restatement of Rayonnance disposal in Q4 2019

Excluding revenue from discontinued activities (**€32 M** for Q1 2020 vs. **€48 M** equivalent Q1 2019)

# Q1 2020 revenue by segment

## Technology Management & Financing



## Digital Services and Solutions



**TMF business revenue suffered from lag primarily due to :**

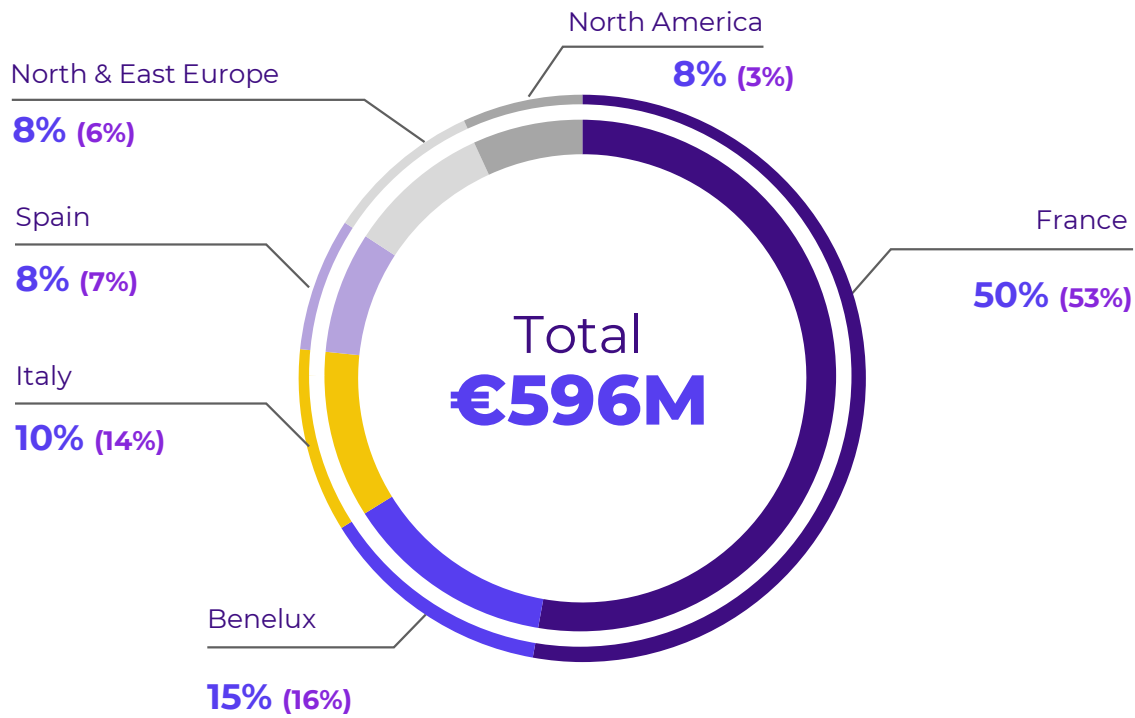
- Delays in signing contracts for new deals
- Postponed deliveries due to clients' reception being closed

**P&S revenue decline linked to procurement issues with Asian suppliers**

**Consultants from Services BUs had to reschedule clients' assignments due to confinement of their employees**

# Revenue by geographical area

Q1 2020 revenue (%)  
Q1 2019 revenue (%)



**Major impacts of Covid-19  
in France and Italy**

**Spain and other regions better  
oriented**

**03**

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# Covid-19 update

# Business Continuity Plan

**All employees who can do so work from home**

**P&S and TMF processes  
enhanced by electronic  
procedures and  
signatures**

**Services BUs continue to  
render services and  
adapt to each client's  
situation**



## Preserve cash and margin...



Careful management of **debt** and **liquidities** with ad hoc measures :  
Share buyback on hold  
Cancellation of the issue premium refund in 2020



**Cost reduction** program amplified including partial unemployment when needed



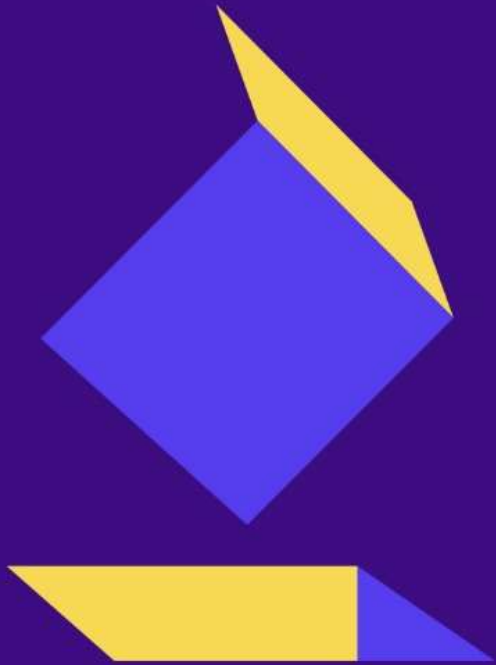
Disposal of **non-core businesses** well under way

**... to maintain the group's financial solidity**

# 04 Outlook

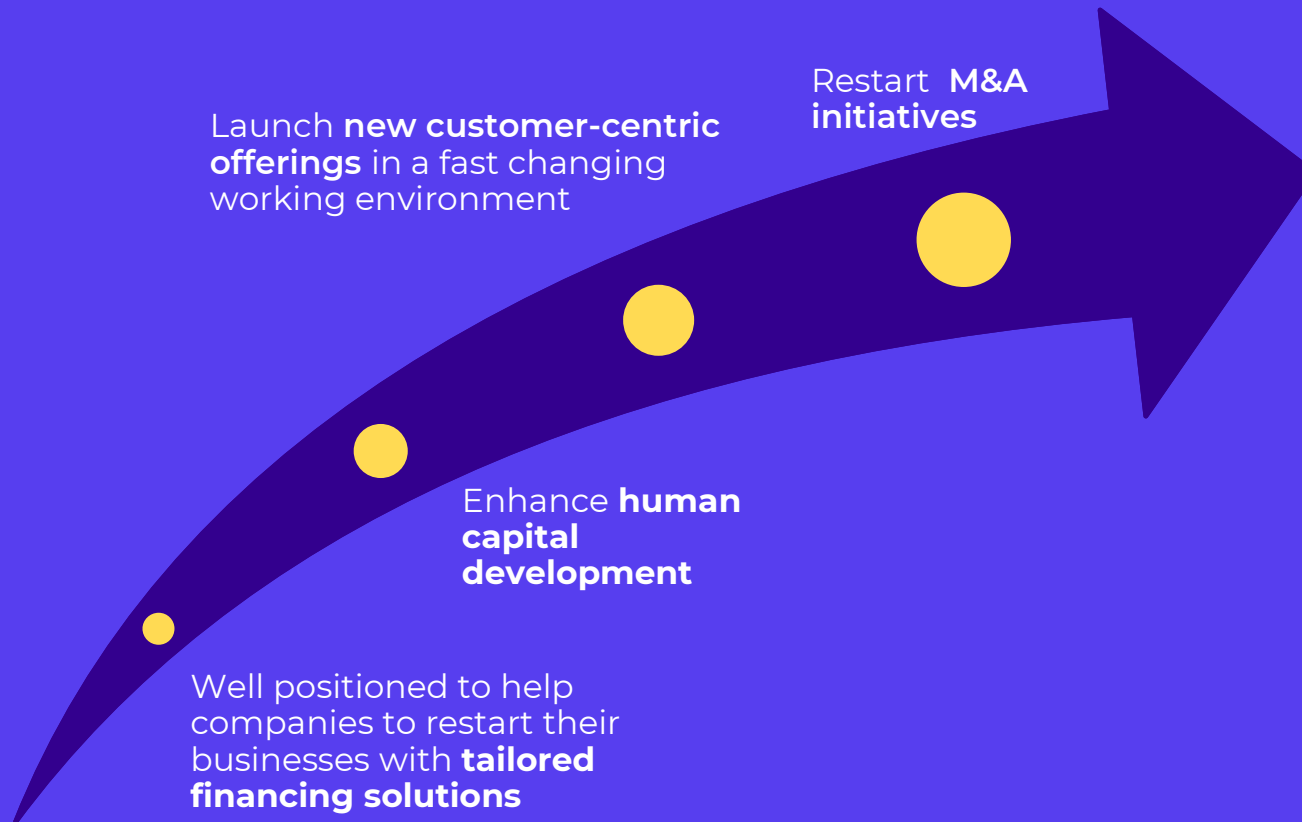


**A unique business model ready to seize the already emerging opportunities**



**Econocom is the only player  
on the enterprise  
transformation market  
that leverages digital solutions  
delivery through financing capabilities**

# Econocom on track to generate a new growth cycle



# Q&A



# Thank you



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