

econocom

2017 FULL-YEAR

RESULTS

Robert Bouchard
Chief Operating Officer

Bruno Grossi
Executive Director

Galliane Touze
Company Secretary

01

**Key facts
& figures**

02

**Road to
excellence**

03

**FY 2017
financial
results**

04

Outlook

01

**Key facts
& figures**



THREE MAIN BUSINESS LINES, ONE ORIGINAL DEVELOPMENT MODEL, ONE MISSION

**Products
& solutions**

+

Services

+

**Technology
Management
& Financing**

MAIN EVENTS OF 2017

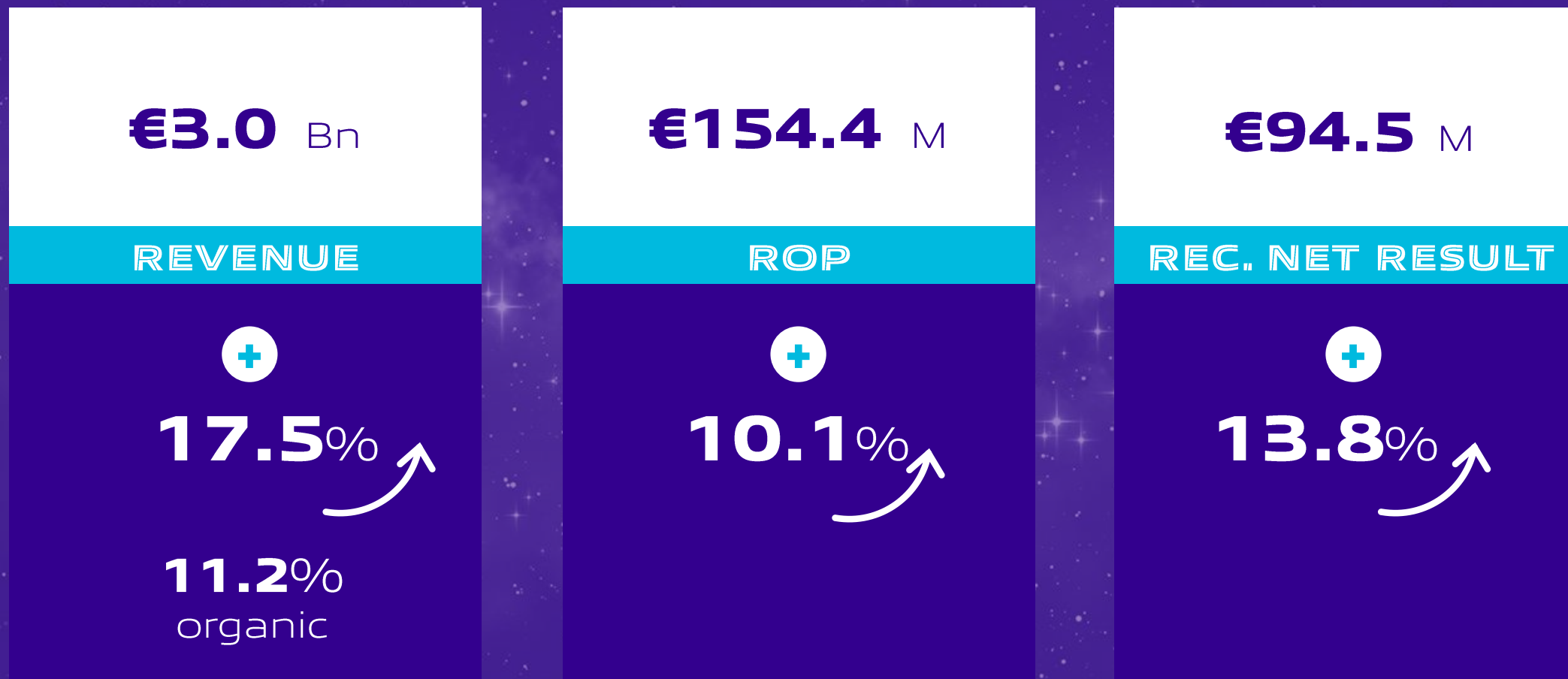
Successful completion
of **MUTATION PLAN**

ORNANE
Bond converted, strengthening
the balance sheet

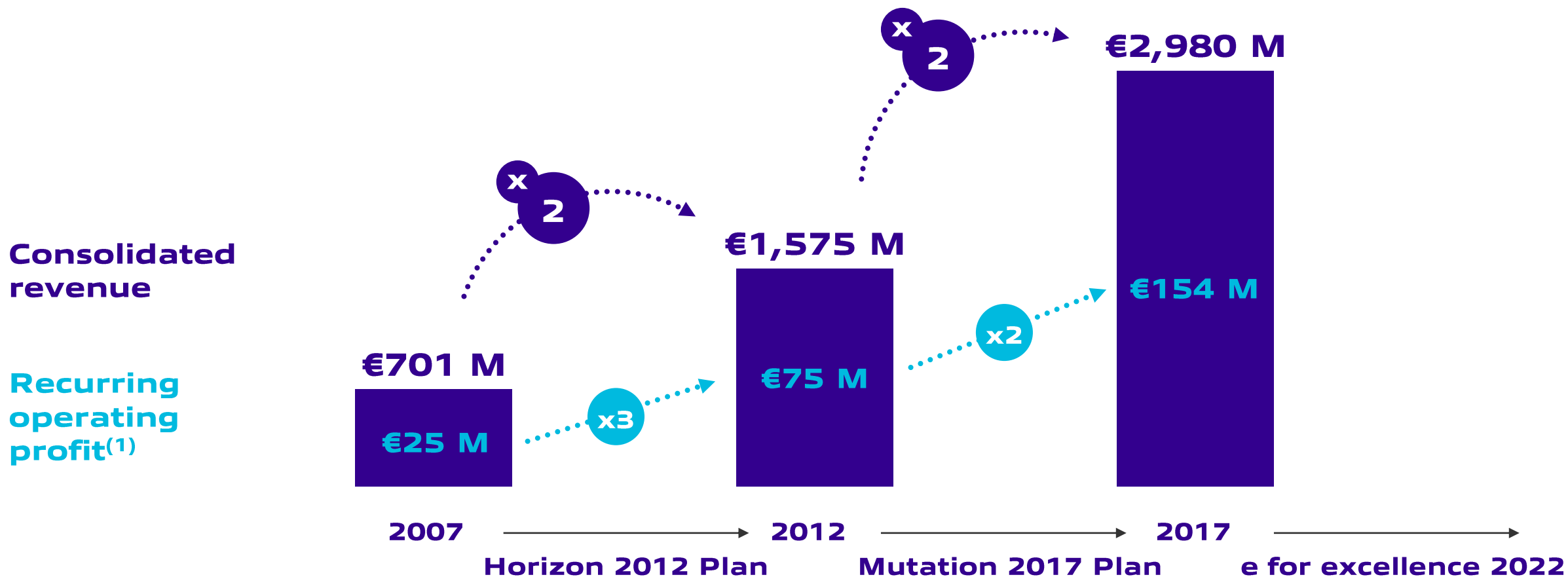
**7 M&A OPERATIONS
CARRIED-OUT**

E-FOR-EXCELLENCE
plan announced

CONSOLIDATING THE GROWTH PROFILE



ECONOCOM EXECUTED ONCE AGAIN ITS STRATEGIC PLAN



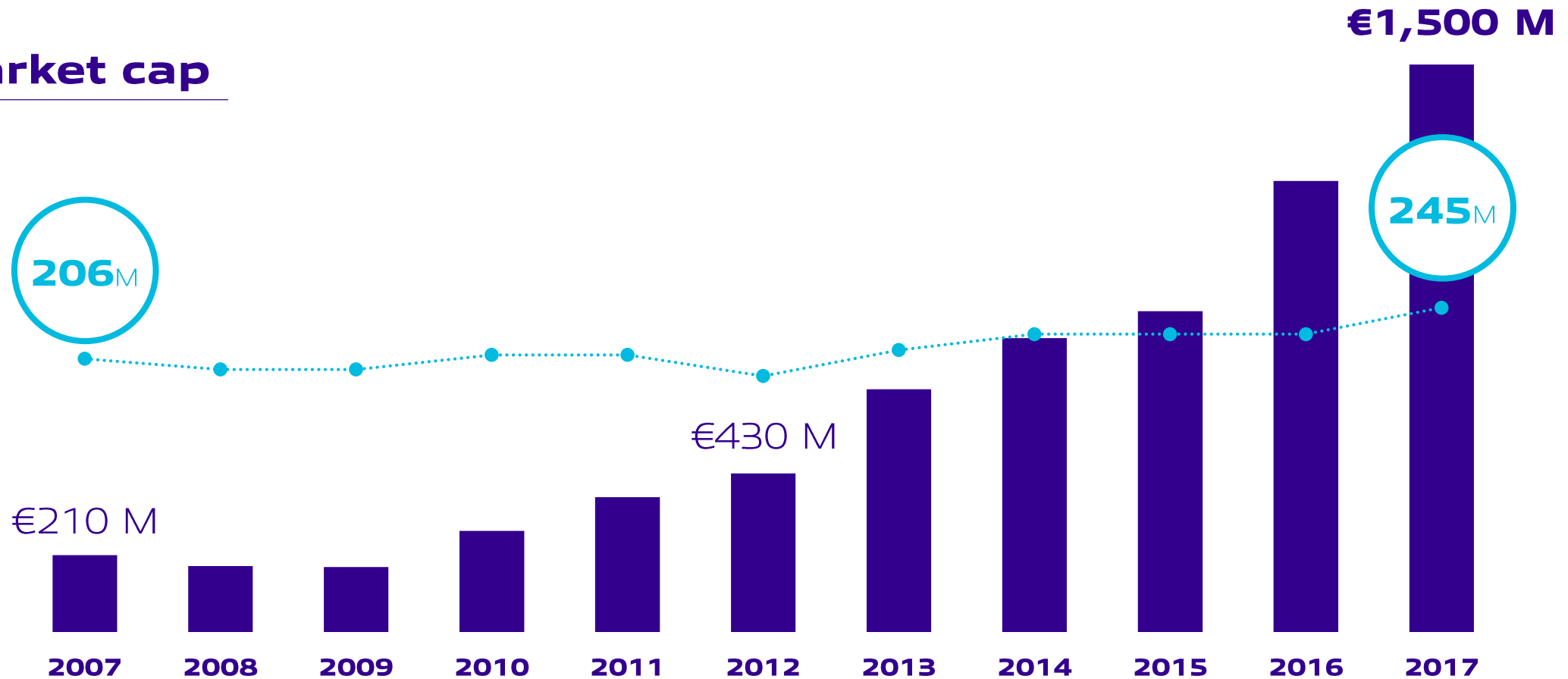
(1) Before amortisation of intangible assets from acquisitions

STRONG VALUE CREATION OF THE GROUP OVER TIME

Average market cap

In million euros

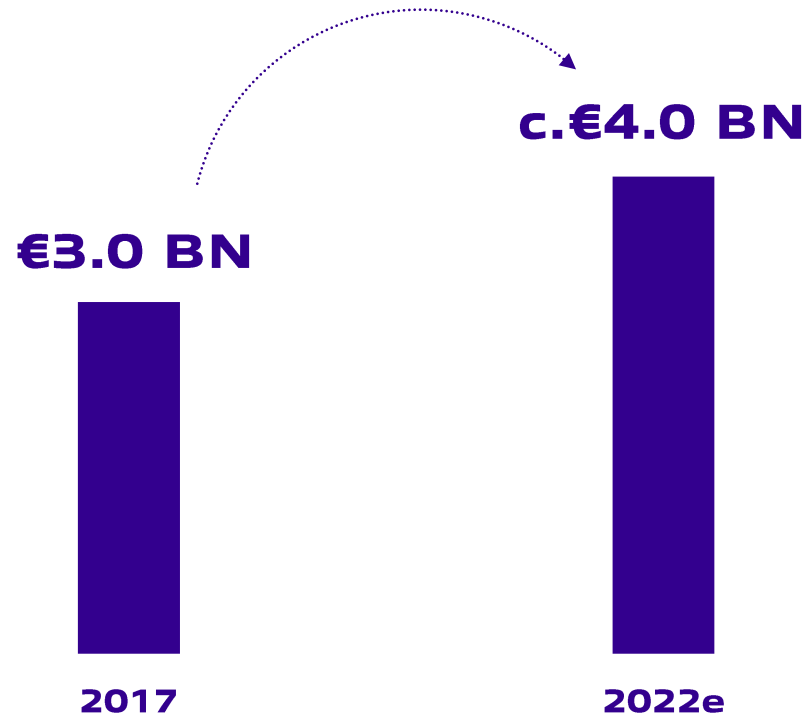
Number of Shares⁽¹⁾



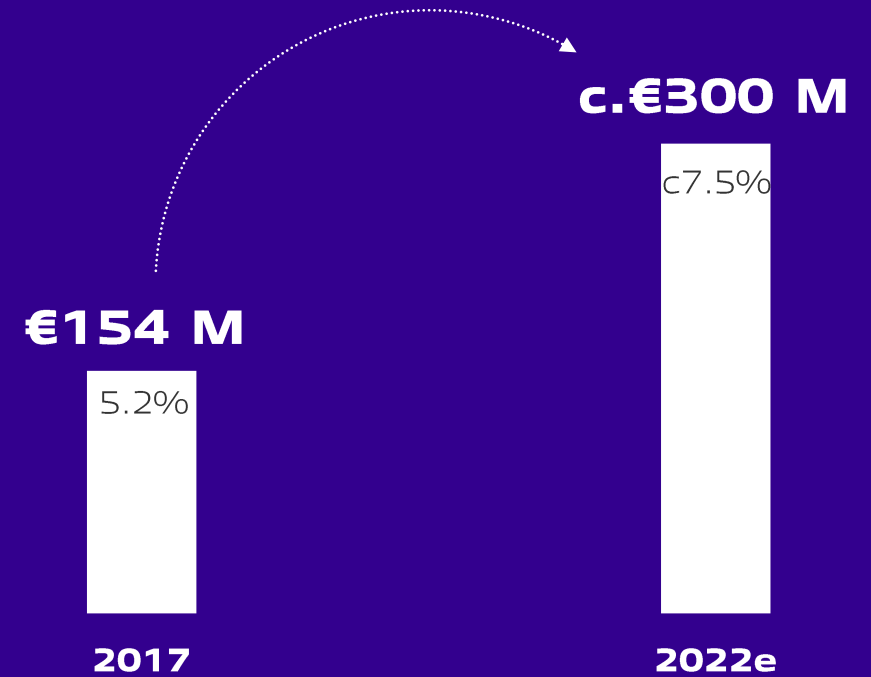
(1) end of year – proforma after stock splits

E FOR EXCELLENCE AMBITION FOR 2022

Revenue



Recurring operating profit



STRATEGIC PLAN BUILT ON 4 PILLARS

1

**EXCELLENCE
IN DELIVERY
& OFFERS**

2

**GROWTH
RELAYS**

End-to-end digital
solutions

Extend financing
beyond traditional IT

3

SATELLITES

Accelerating
profitable growth

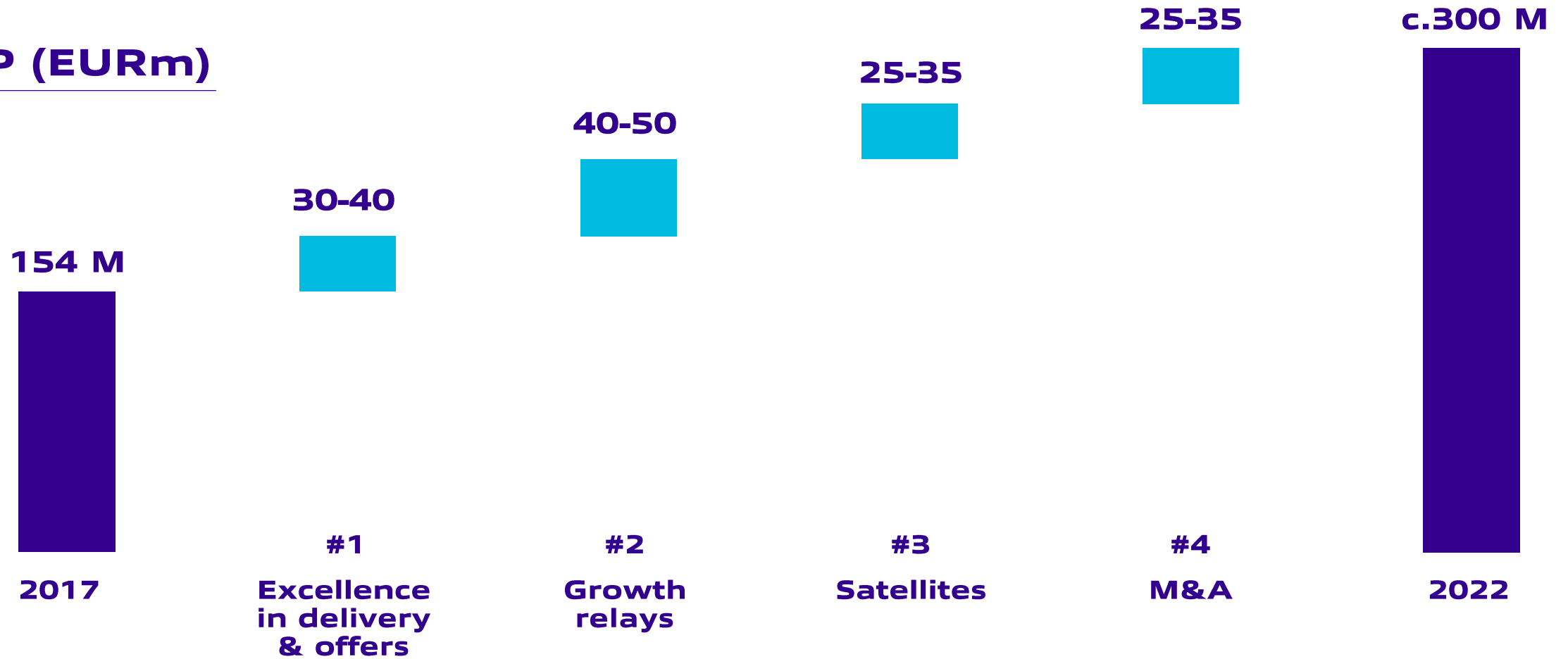
4

M&A

Invest in high value
segments

FOUR BALANCED GROWTH PILLARS

ROP (EURm)



02

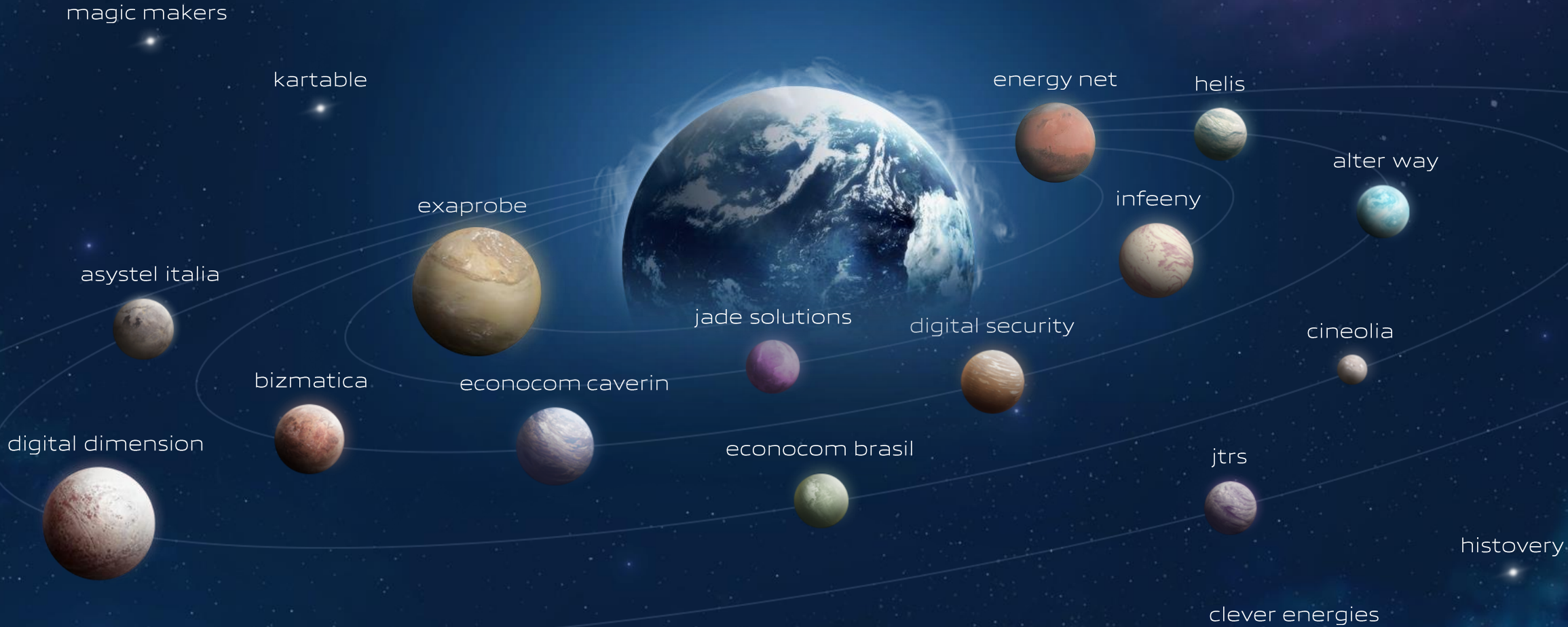
2017

On the road
to excellence



ECONOCOM GALAXY

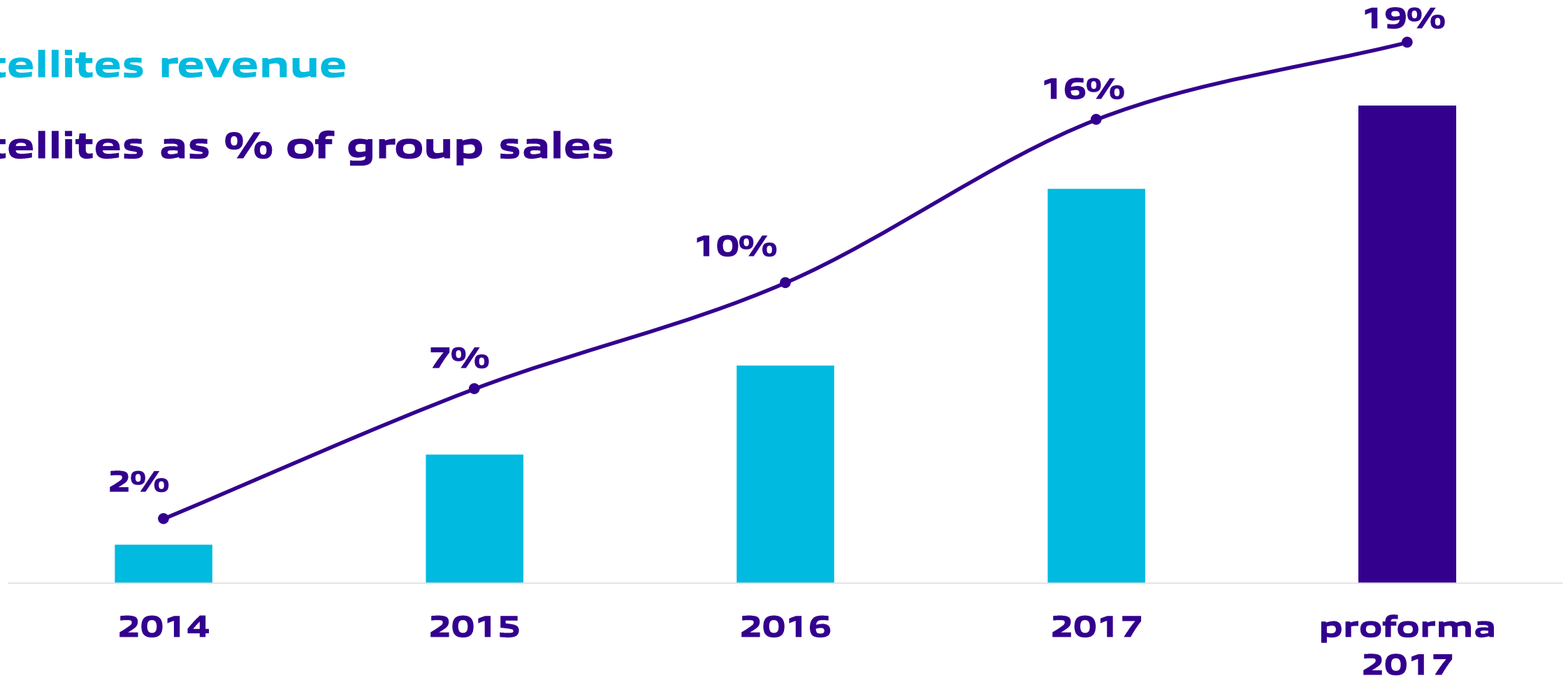
A successful model



SATELLITES' CONTRIBUTION TO GROUP REVENUE

Satellites revenue

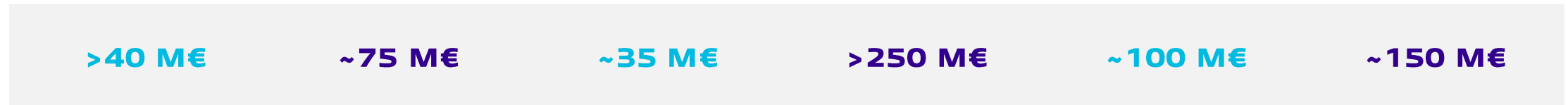
Satellites as % of group sales



SATELLITES ENHANCE GROUP COMPETENCIES ON KEY SEGMENTS



2017 revenue (proforma – non consolidated)



Digital security
Exaprobe

Infeeny/
MC Next

Alterway
LP Digital
Nexica
ASP serveurur

Exaprobe
Aciernet
Nexica
ASP serveurur
Asystel italia

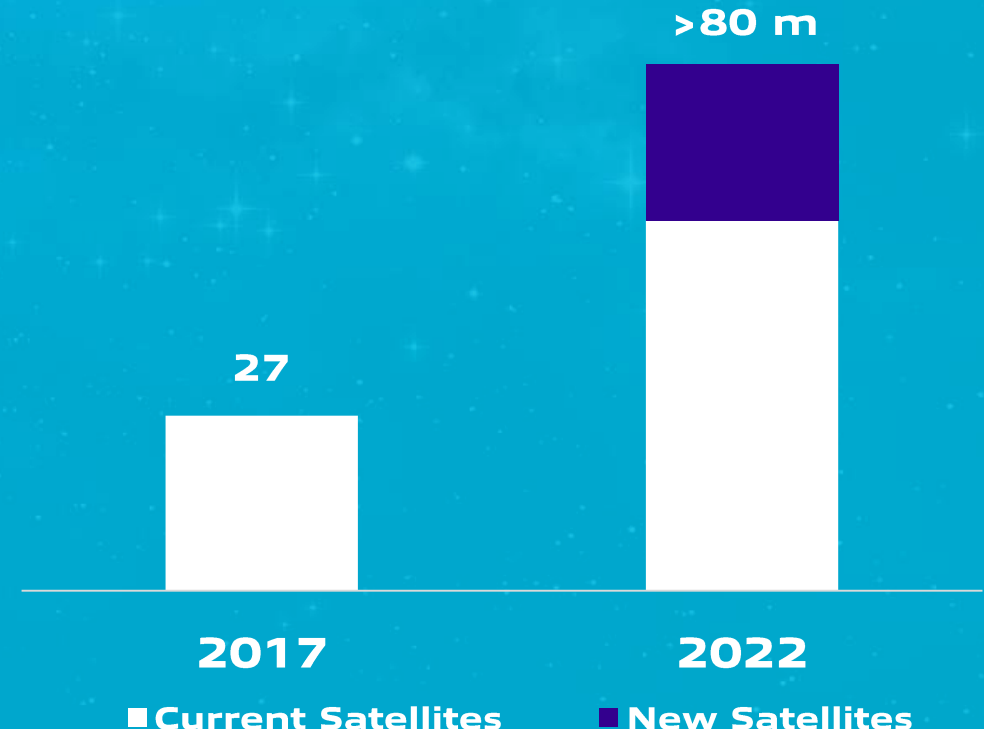
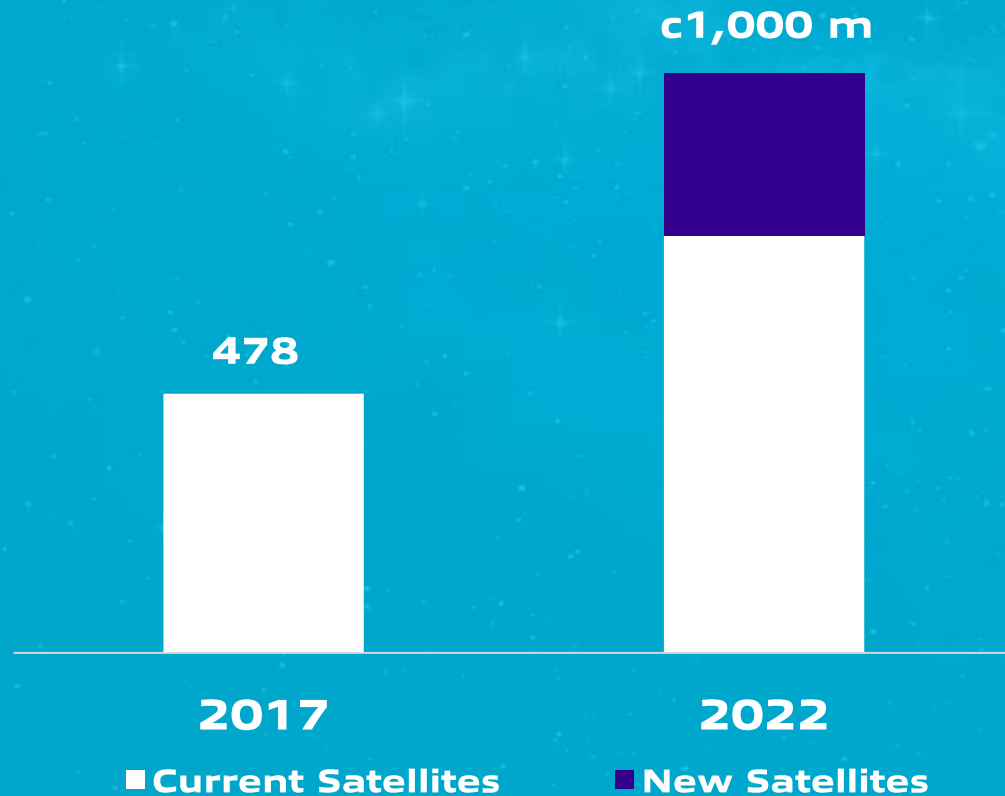
Rayonnance
DMS-Norcod
Jade
Gigigo
Bizmatica

Bis
Caverin
Energy Net
JTRS

SATELLITES TO CONTRIBUTE SIGNIFICANTLY TO THE GROUP'S FUTURE GROWTH

Revenue
of satellites

ROP
of satellites



BUILDING THE CUSTOMER JOURNEY FOR A FAST GROWING AIRPORT

**3rd LARGEST
REGIONAL
AIRPORT
IN FRANCE**

ONE-STOP-SHOP
(CUSTOMER
JOURNEY, WIFI,
CYBERSECURITY...)

**PLANET
& SATELLITES
WORKING
CLOSELY
TOGETHER**

TURNKEY TRACKING SOLUTION FOR A MAJOR NON-FOOD DISCOUNTER

**MAJOR
FRENCH
NON-FOOD
DISCOUNTER
(>400 PoS)**

**TURNKEY
INVENTORY
TRACKING
SOLUTION**

**FLEXIBLE
FINANCING**

HOLOLENS PARTNERSHIP

**EMEA partnership with
Microsoft** for Hololens

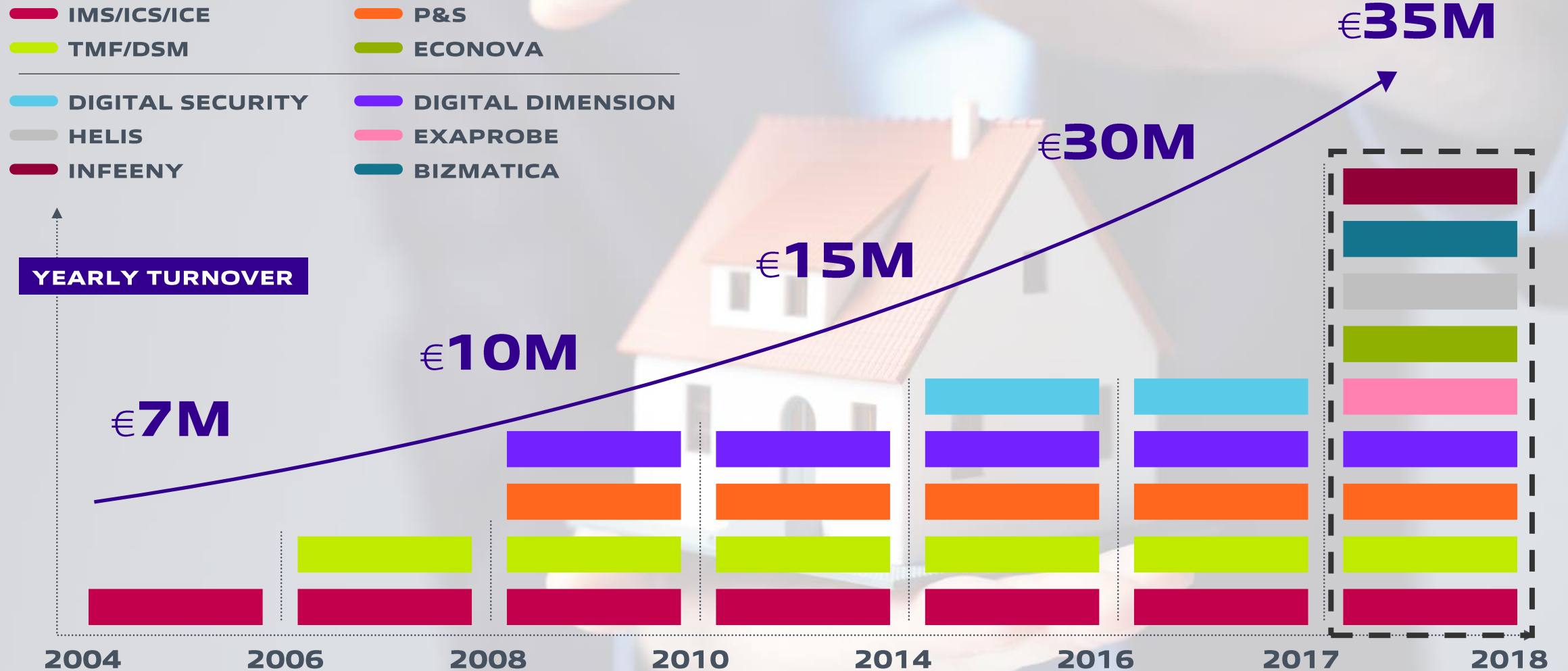
**“Mixed reality as a service”
“ Try and Buy”**

4 key verticals:

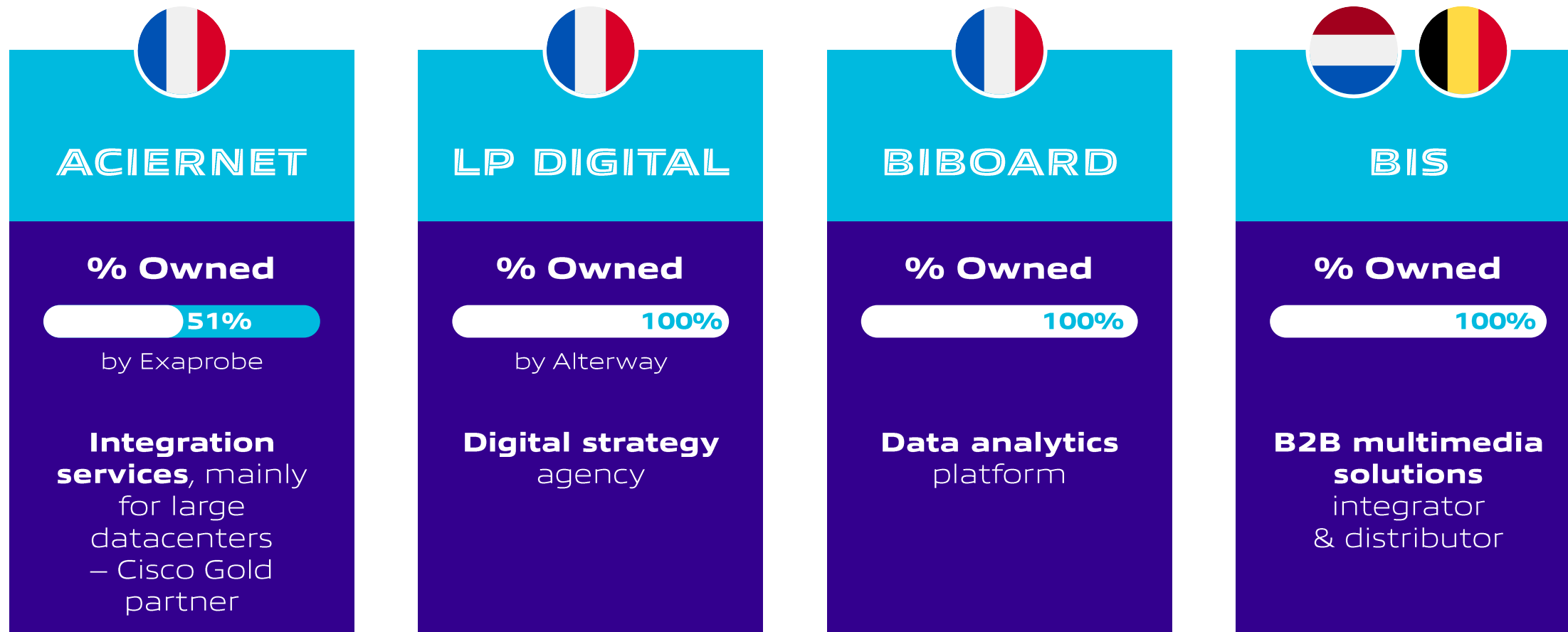
Industry, Healthcare, Retail,
education / collaboration



PAY-PER-USE ALL-IN-ONE SOLUTION FOR A BLUE CHIP INSURANCE COMPANY



CONTINUING OUR M&A STRATEGY IN 2017 (1/2)



CONTINUING OUR M&A STRATEGY IN 2017 (2/2)



JADE

% Owned

85%

Professional mobility solutions and crowd wifi, notably in retail and logistics



JTRS

% Owned

40%

Distribution of digital solutions for the education sector – Apple and Google partner



ENERGYNET

% Owned

80%

B2B distribution of Apple solutions

and more to come ...

03

FY 2017
financial
results



STRONG GROWTH IN REVENUE

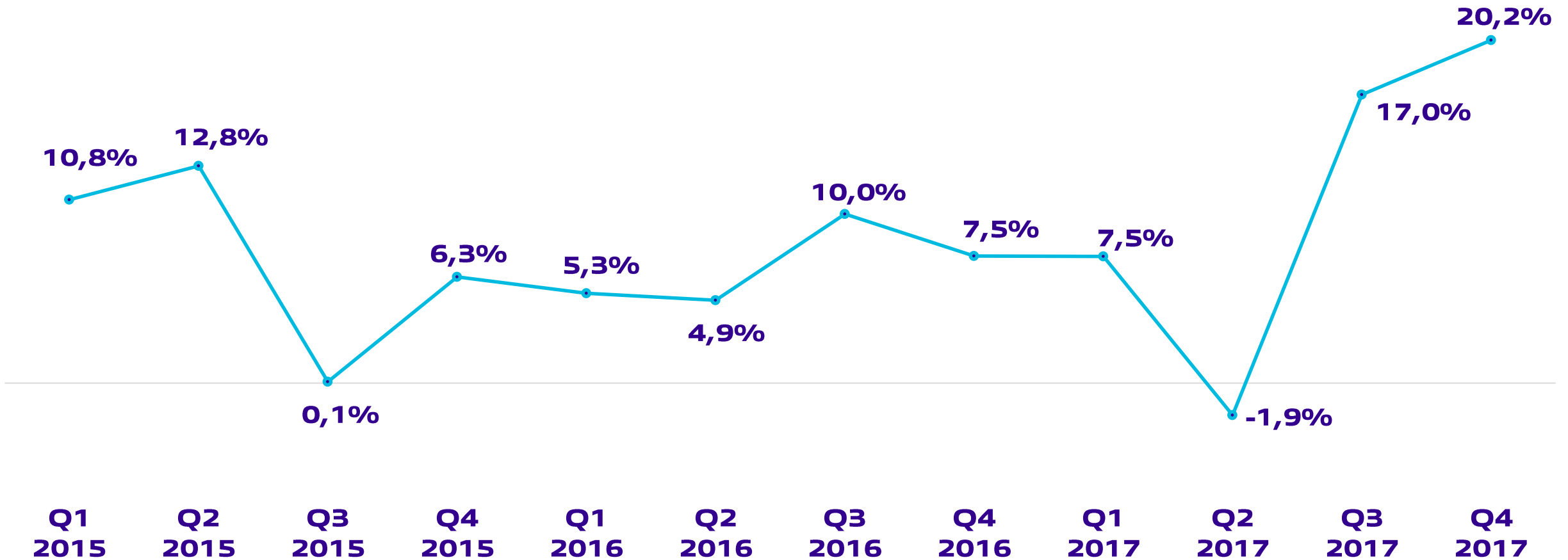


Continuing **strong organic growth**
+11.2%

Acceleration in **H2**
in all business lines

QUARTERLY ORGANIC GROWTH ...

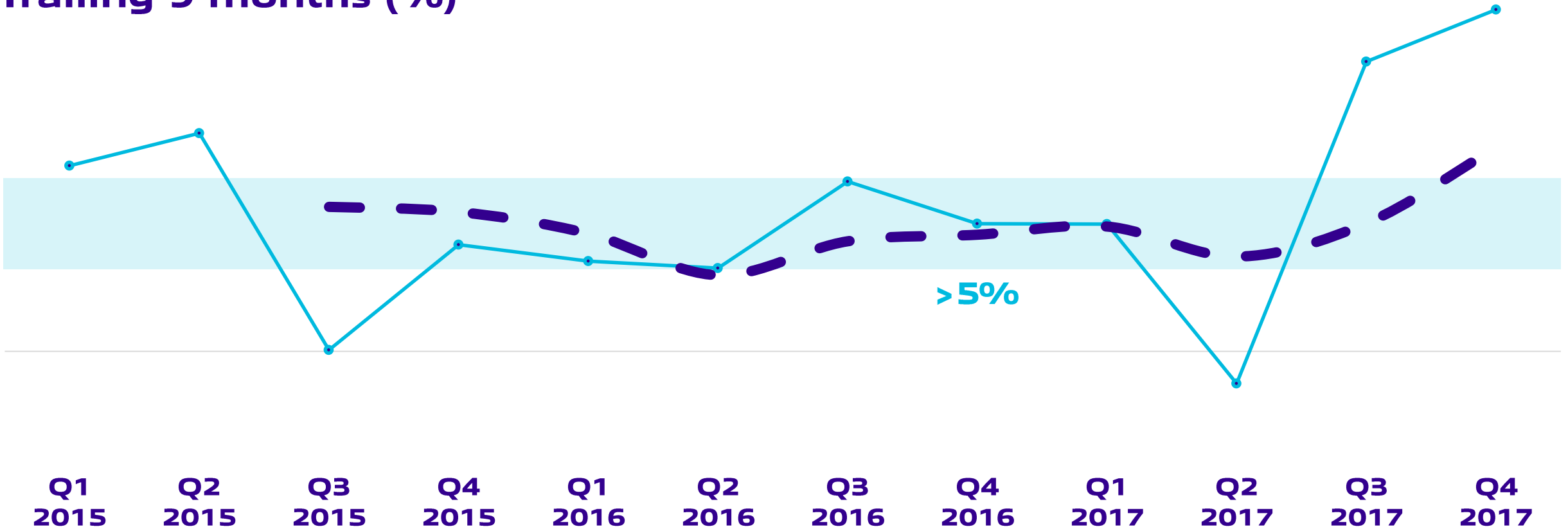
Quarterly organic growth (%)



... SHOWS LONG TERM TREND

Quarterly organic growth (%)

Trailing 9 months (%)



RISE IN RECURRING OPERATING PROFIT⁽¹⁾



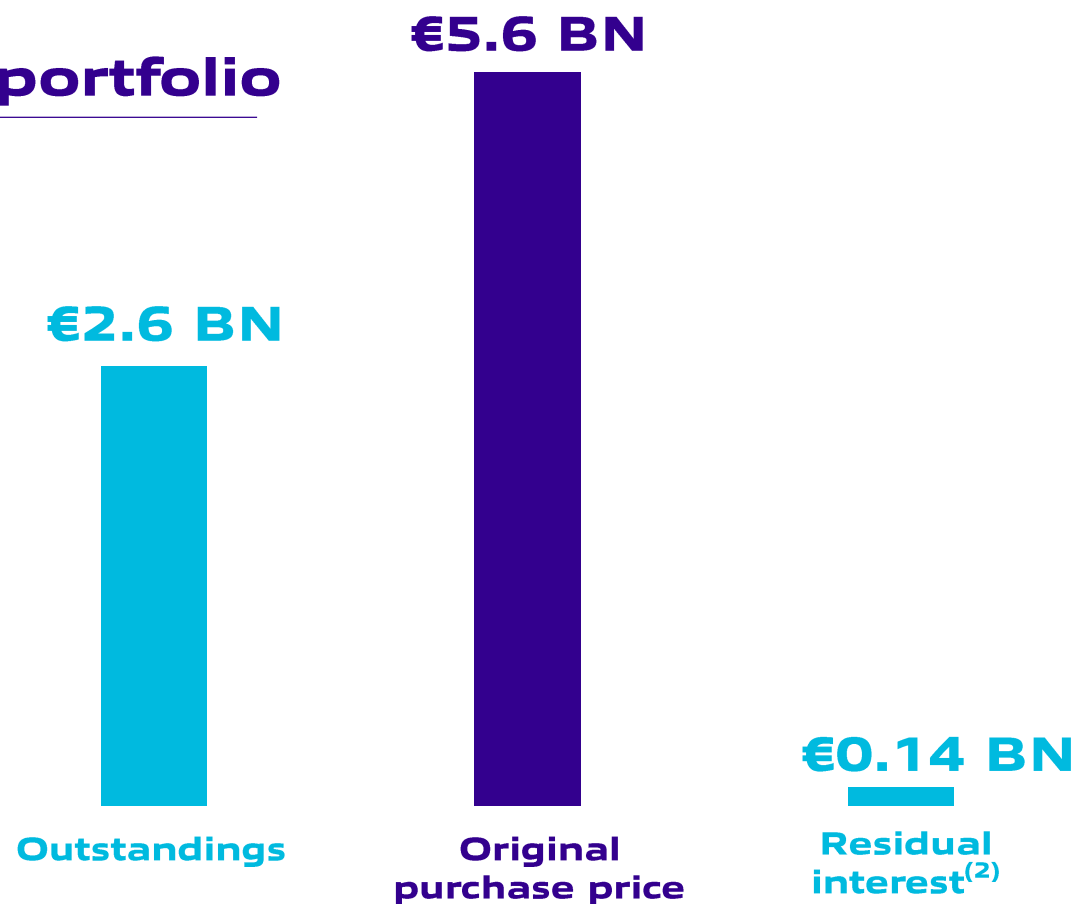
Margin
of **5.2%**
on revenue

**A year
of investments**
in people, offers,
tools

(1) Before amortisation of intangible assets from acquisitions

TECHNOLOGY MANAGEMENT & FINANCING

Contract portfolio



Robust revenue dynamic

€1,379 M (+9.5%)

strong **ROP** growth (+15.2%)
and margin up at **6.7%** (+30 bps)

EDFL⁽¹⁾ contributes €192 M
to turnover (vs €132 m in 2016)

Increase in portfolio (+6%)
and **outstandings** (+8.7%)

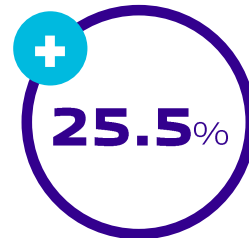
Residual interest⁽²⁾ at 2.5%
of the Original Purchase Price

(1) In-house refinancing company

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

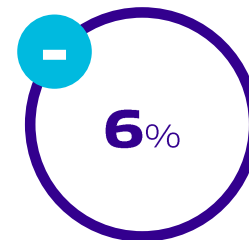
SERVICES

Revenue



12.7% organic

Recurring operating profit⁽¹⁾



Very robust organic growth thanks to **large outsourcing** and **integration** contracts

Expansion in the UK through acquisitions

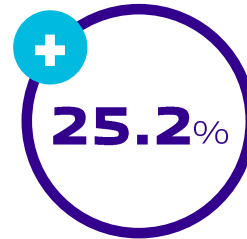
Profitability impacted by:

- Large contracts ramp-up
- Integration projects
- Investments in business transformation

(1) Before amortisation of intangible assets from acquisitions

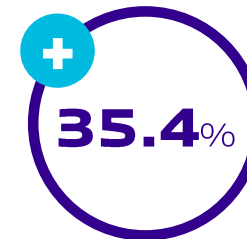
PRODUCTS & SOLUTIONS

Revenue



12.7% organic

Recurring operating profit⁽¹⁾



**A very dynamic
ICT market**

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

Roll-out of B2B multimedia
in the Netherlands through
acquisition (BIS) after successful
entry in Spain (Caverin)

(1) Before amortisation of intangible assets from acquisitions

CONSOLIDATED INCOME STATEMENT

(In €M)	2016 ⁽¹⁾	2017	Change
Revenue	2,536.2	2,979.7	17.5%
Recurring operating profit before amortisation of intangible assets from acquisitions	140.3	154.4	10.1%
Recurring operating profit	136.1	150.2	10.4%
Non-recurring operating incomes and expenses ⁽¹⁾	(12.3)	(19.9)	
OPERATING PROFIT	123.8	130.3	5.2%
Financial result	(17.4)	(12.5)	-28.4%
Change in fair value of ORNANE derivative	(37.9)	4.1	
PROFIT BEFORE TAX	68.6	121.9	77.7%
Income tax	(35.7)	(31.2)	-12.7%
Share of profit/(loss) of associates	(0.2)	0.0	
NET PROFIT	32.7	90.7	177.6%
NET PROFIT attributable to the owners of parent	33.4	86.4	159.0%
RECURRING NET PROFIT⁽³⁾ attributable to the owners of parent	83.0	94.5	13.8%

Recurring EPS⁽³⁾
€0.41 (+5.4%)

**Non-recurring items
of €19.9 M**
linked to model transition
in Services notably

(1) 2016 figures are restated for the change in put options over minority interests fair value, now directly impacting equity

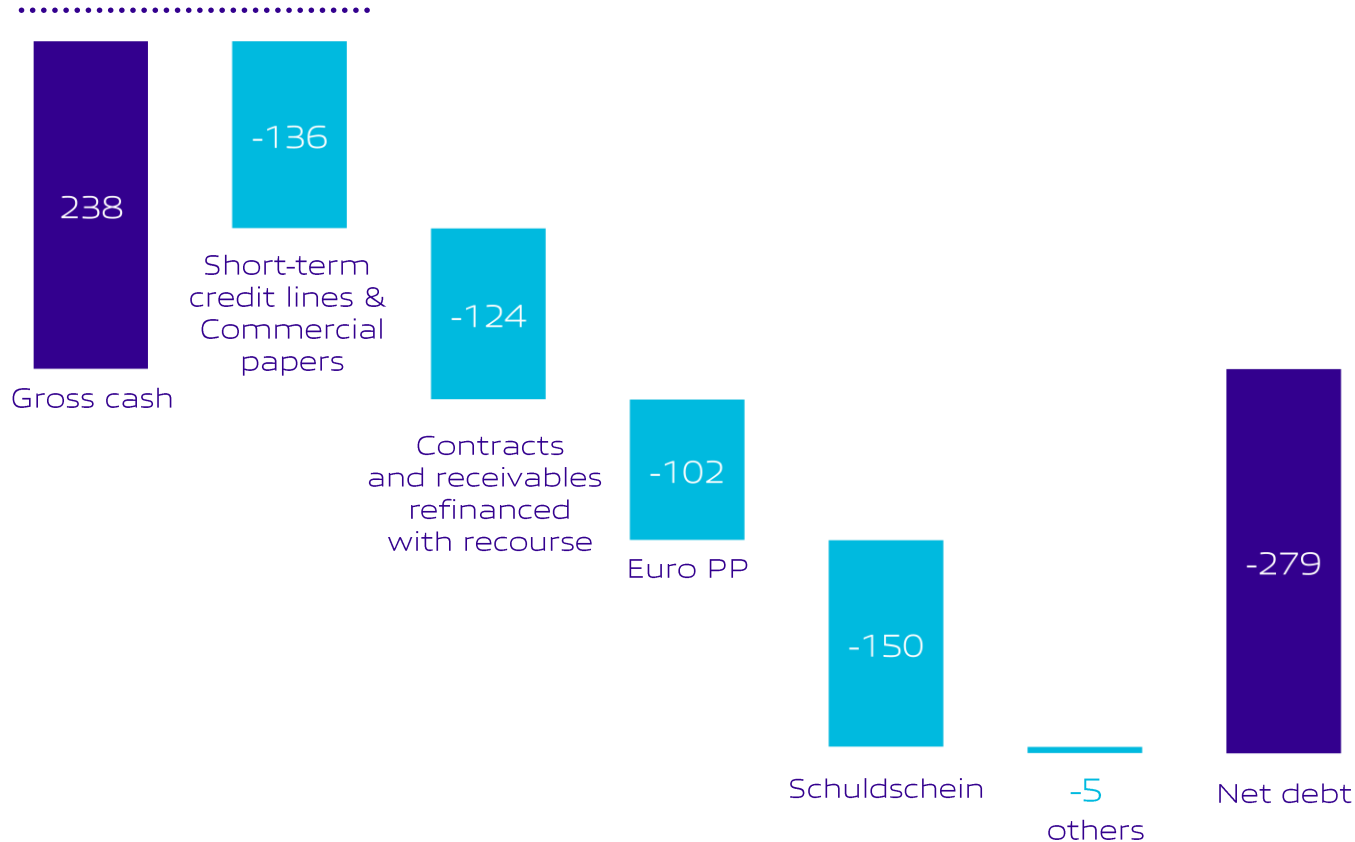
(2) excluding amortisation of intangible assets from acquisitions, non-recurring operating incomes and expenses and change in fair value of ORNANE derivative

(3) after 2 for 1 stock split

STRUCTURE OF NET FINANCIAL DEBT

Gross cash

€102 M



NBD under control

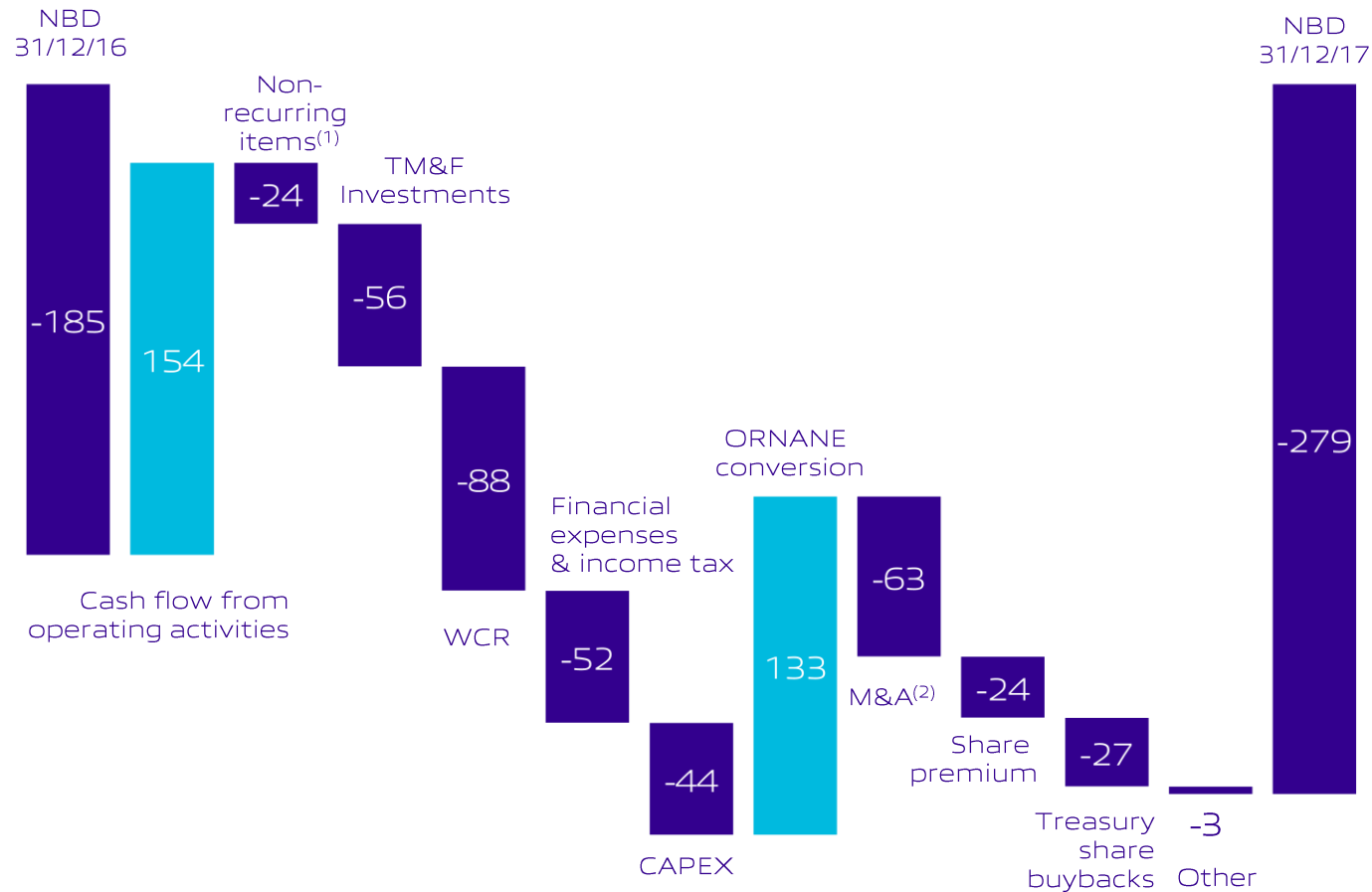
€279 M

(1.5 x EBITDA)

€207 M of which backed by lease contracts

ORNANE convertible bonds converted with a net cash impact of **€133 M**

NET BOOK FINANCIAL DEBT REMAINS UNDER CONTROL



Another 12 months of investments

€107 M in M&A and CAPEX

€56 M in TMF

Shareholder return

€51 M in treasury share and share premium reimbursement

CONSOLIDATED BALANCE SHEET

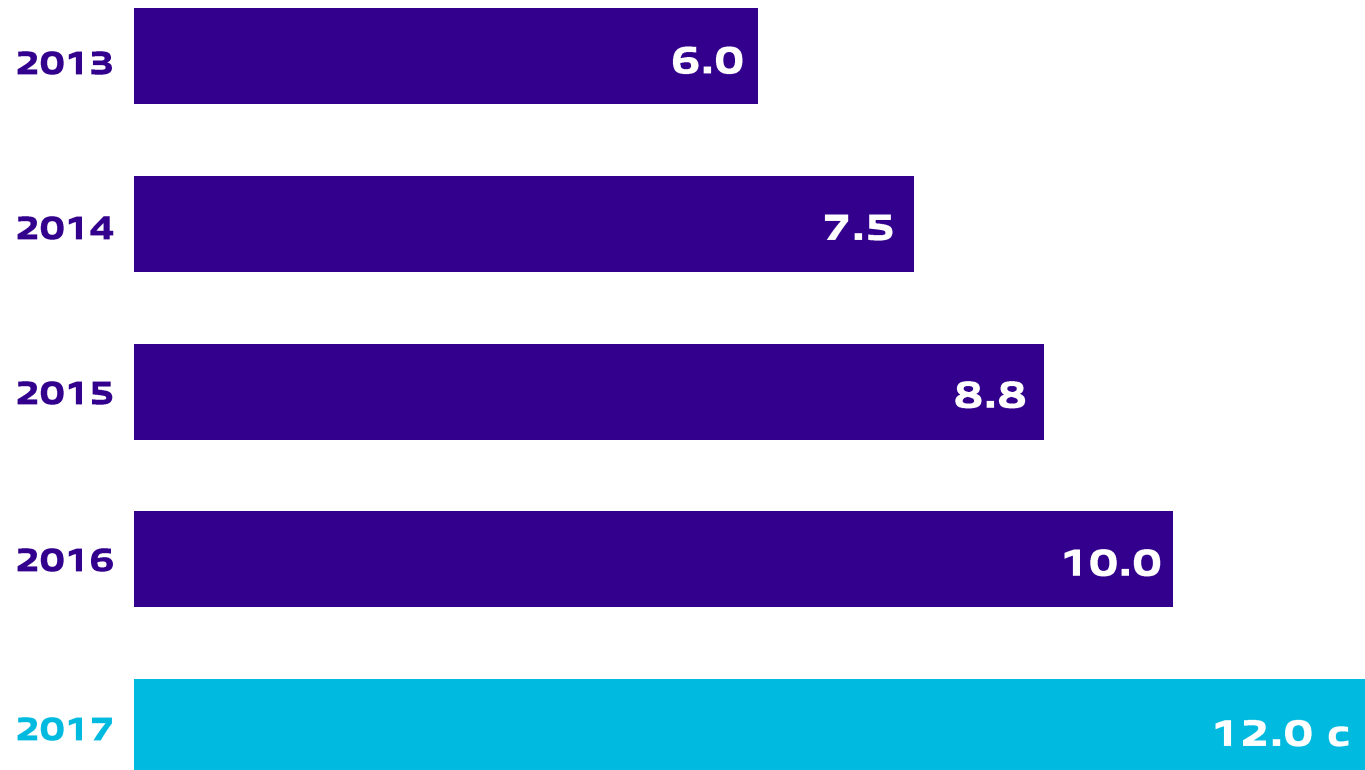
ASSETS (in €M)	31/12/2016	31/12/2017
GOODWILL	539	599
NON-CURRENT ASSETS	237	297
GROSS CASH	349	238
CURRENT ASSETS	1,010	1,294
TOTAL ASSETS	2,135	2,428
EQUITY & LIABILITIES	31/12/2016	31/12/2017
EQUITY	279	483
NON-CURRENT LIABILITIES	195	215
GROSS FINANCIAL LIABILITIES	534	517
CURRENT LIABILITIES	1,127	1,213
TOTAL LIABILITIES	2,135	2,428

Equity reinforced through ORNANE conversion **58% gearing (2016: 66%)** (NBD/equity)

9.5 M treasury shares at 31/12/2017, represented an unrecognized value of **€57 M**

CONTINUING INCREASE IN COMPENSATION PER SHARE

In euro cents

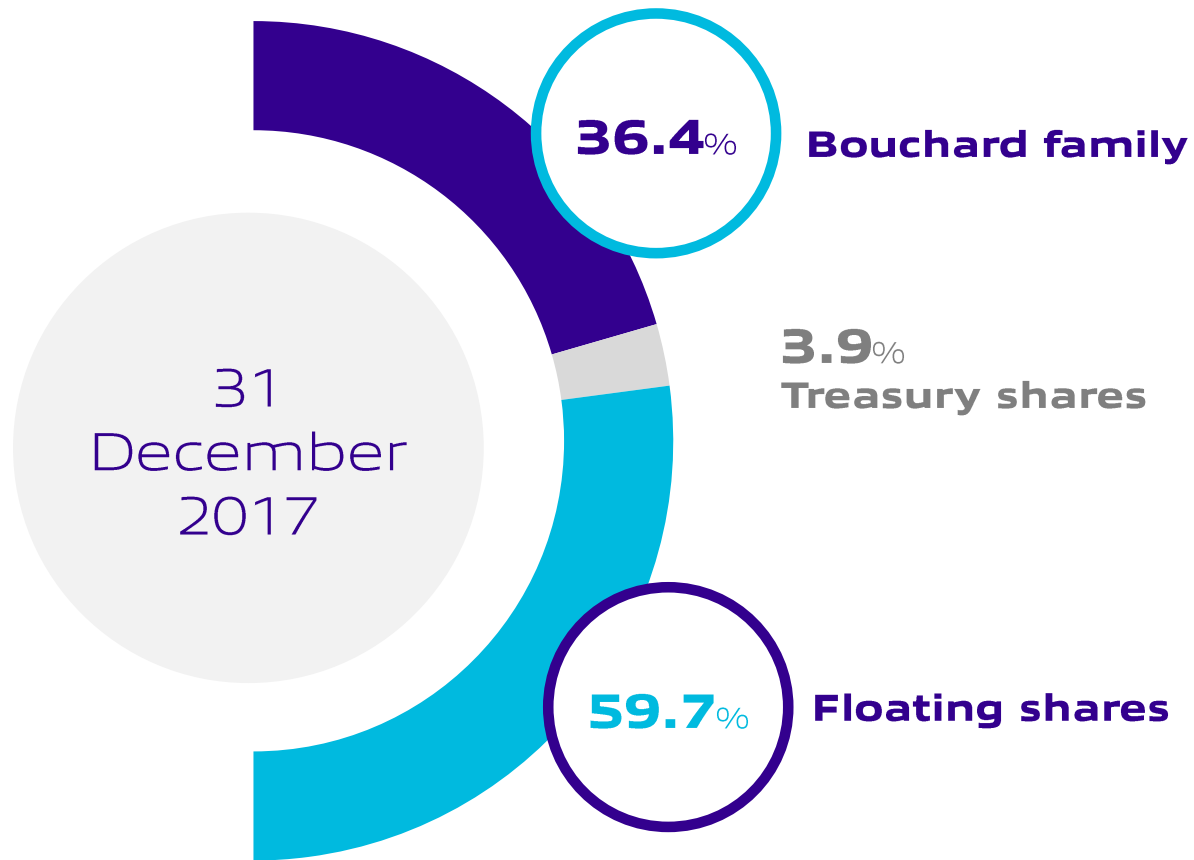


Increase in shareholder compensation

+20% compared with 2016

+37% over 2 years

A STABLE OWNERSHIP STRUCTURE TO ENSURE A LONG-TERM VISION



Appointment
of **Robert Bouchard**
as **COO** in July 2017

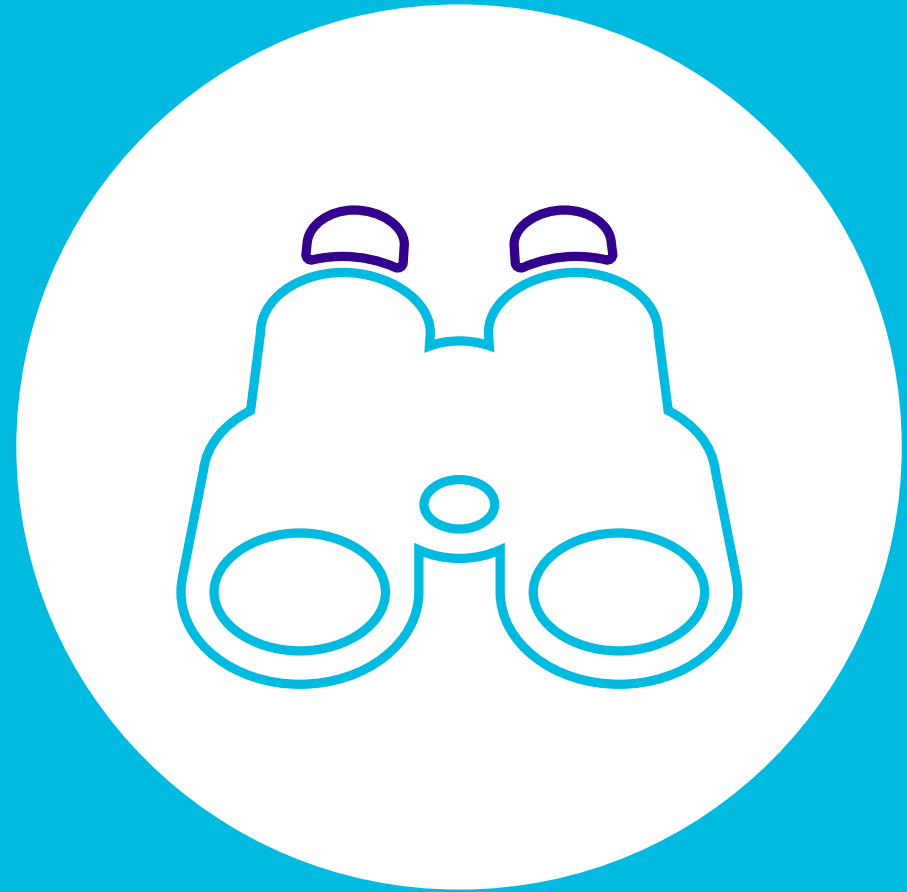
ORNANE conversion
strengthening balance sheet
dilution managed through ORNANE
and share buy-backs

9.5 M treasury shares
end 2017

Two-for-one share split
on 02/06/17
245.1 M outstanding shares

04

Outlook



2018: ANOTHER YEAR OF INVESTMENT

Organic Revenue
growth
ABOVE
MARKET RATE



GROWTH
in Recurring Operating
Profit



econocom

2017 FULL-YEAR

RESULTS