

econocom



2016 FULL-YEAR  
**RESULTS**



An aerial view of a city with a large, semi-transparent handshake graphic overlaid on the right side. The handshake is in a light blue color, matching the overall theme of the image. The city below is also in shades of blue, with roads and buildings visible.

**Jean-Louis Bouchard**

Chairman and CEO

.....

**Bruno Grossi**

Executive Director

.....

**Galliane Touze**

Company Secretary

# 01

.....  
**Review** of 2016



# 03

.....  
**2016**  
**Financial results**



# 02

.....  
**One**  
**Galaxy**



# 04

.....  
**Outlook** for 2017  
**& new dynamic!**



# 01

**Review** of 2016

**A  
SUCCESSFUL  
1<sup>st</sup>  
MUTATION**

**2013-2017  
STRATEGIC  
PLAN**



# A MILESTONE REACHED

## A LEADING NAME IN DIGITAL SERVICES

**10,000**  
**employees**

**19**  
**countries**

**Services revenue**  
**X3 in 5 years**

# A MILESTONE REACHED

RECOGNISED  
EXPERTISE  
IN THE MOST  
**CUTTING-EDGE**  
**AREAS OF DIGITAL**



Cyber-security



Mobile apps



Web apps/cloud



IoT



Digital Signage



Consulting

# A NEW DIMENSION

## Revenue



x1.8

## Recurring operating profit



x2.1

» **Revenue almost doubled** in 5 years (excluding new acquisitions) and strong organic growth

» 2017 **recurring operating profit** target **>€150 M** (excluding new acquisitions)

» **Operating profitability rate** target **of 5% exceeded**



# 2016: CONTINUING THE **STRONG GROWTH TREND**

## Revenue

€2.5 Bn

+9.5%

6.7%  
of which is organic

## ROP

€140.3 M

+19%



## RECURRING EPS

€0.77

+19%



# 2016: **THE TRANSFORMATION** OF THE HISTORIC BUSINESS LINES IS UNDERWAY

## Technology Management & Financing



» **All business lines** contribute to this profitable growth dynamic

## Services



» Rise in **subscriptions** and **pay per use**

## Products & Solutions



» Proliferation of **digital assets** (**digital signage, etc.**)

# 2016: CONTINUING ACQUISITIONS & GROWTH OF THE SATELLITES

Proportion of satellites' revenue in group revenue



**ORGANIC GROWTH  
OF SATELLITES IN 2016  
+11%**



# 2016: **FINANCIAL SOLIDITY** CONFIRMED

Net financial debt  
under control

**€185.2 M**  
(€186.4 M in 2015)

Ratio  
NFD/EBITDA

**<1.3 x EBITDA**

Ratio NFD/Equity

**GEARING**  
**66%**



02

One Galaxy



# "ONE GALAXY": A UNIQUE BUSINESS MODEL

A  
"PLANET"

Technology Management  
& Financing

Services

Products & Solutions



"SATELLITES"

with cutting-edge  
expertise

# "ONE GALAXY": GENERATING SYNERGIES AND SPEEDING UP GROWTH

Revenue from multi-business line solutions



**MULTI-BUSINESS LINE SOLUTIONS**

x3.4 since 2012

**+12%**

growth for strategic accounts with cross-business line management

# ACQUISITIONS IN THE MOST BUOYANT MARKET SEGMENTS

## CYBER SECURITY



DIGITAL SECURITY  
EXAPROBE

## WEB APPS & CLOUD



ALTER WAY  
INFEENY (MCNEXT<sup>(1)</sup>)  
ASYSTEL ITALIA<sup>(1)</sup>  
NEXICA  
ASPServeur

## DIGITAL SOLUTIONS & MOBILITY



NORCOD  
RAYONNANCE  
SYNERTRADE  
ARAGON-eRH  
DMS  
GIGIGO<sup>(1)</sup>  
BIZMATICA

## DIGITAL TRANSFORMATION CONSULTING



HELIS  
ECONOCOM  
BRAZIL

## DIGITAL SIGNAGE



CAVERIN<sup>(1)</sup>  
CINEOLIA

(1) Acquired in 2016





# 4 SUCCESS STORIES IN 2016



DELIVERING **PERFORMANCE**



**GUARANTEERING FRANCE TÉLÉVISIONS  
THE OPERATIONAL EXCELLENCE  
ITS PROFESSION DEMANDS**

**BOOSTING SALES**



**DIGITAL SIGNAGE  
FOR A LEADER IN OPTICS**

**USERS TAKE CONTROL**



**CHOOSE YOUR OWN DEVICE  
FOR BNP PARIBAS FORTIS**

**ENSURING** SAFER PATIENT CARE



**EFFICIENCY  
AND ATTRACTIVENESS  
FOR THE DELTA DU CHIREC  
HOSPITAL COMPLEX**



O3

2016

**financial results**

# STRONG GROWTH IN REVENUE



- » Continuing **strong organic growth** +6.7%
- » **Acceleration** in **H2**
- » Contribution **of acquisitions in 2016: €48 M**

# SHARP RISE IN RECURRING OPERATING PROFIT<sup>(1)</sup>



» **Increase** in margin to **5.5%** of revenue (+40bps)

» **A year of investments** in business: **€10 M**

(1) Before amortisation of intangible assets from acquisitions



# SHARP RISE IN RECURRING OPERATING PROFIT<sup>(1)</sup> PARTICULARLY IN SERVICES

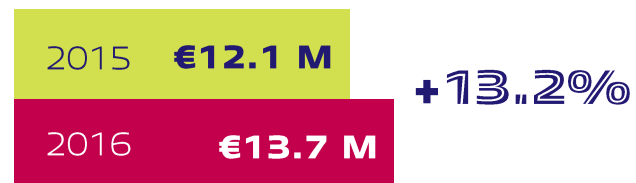
## Technology Management & Financing



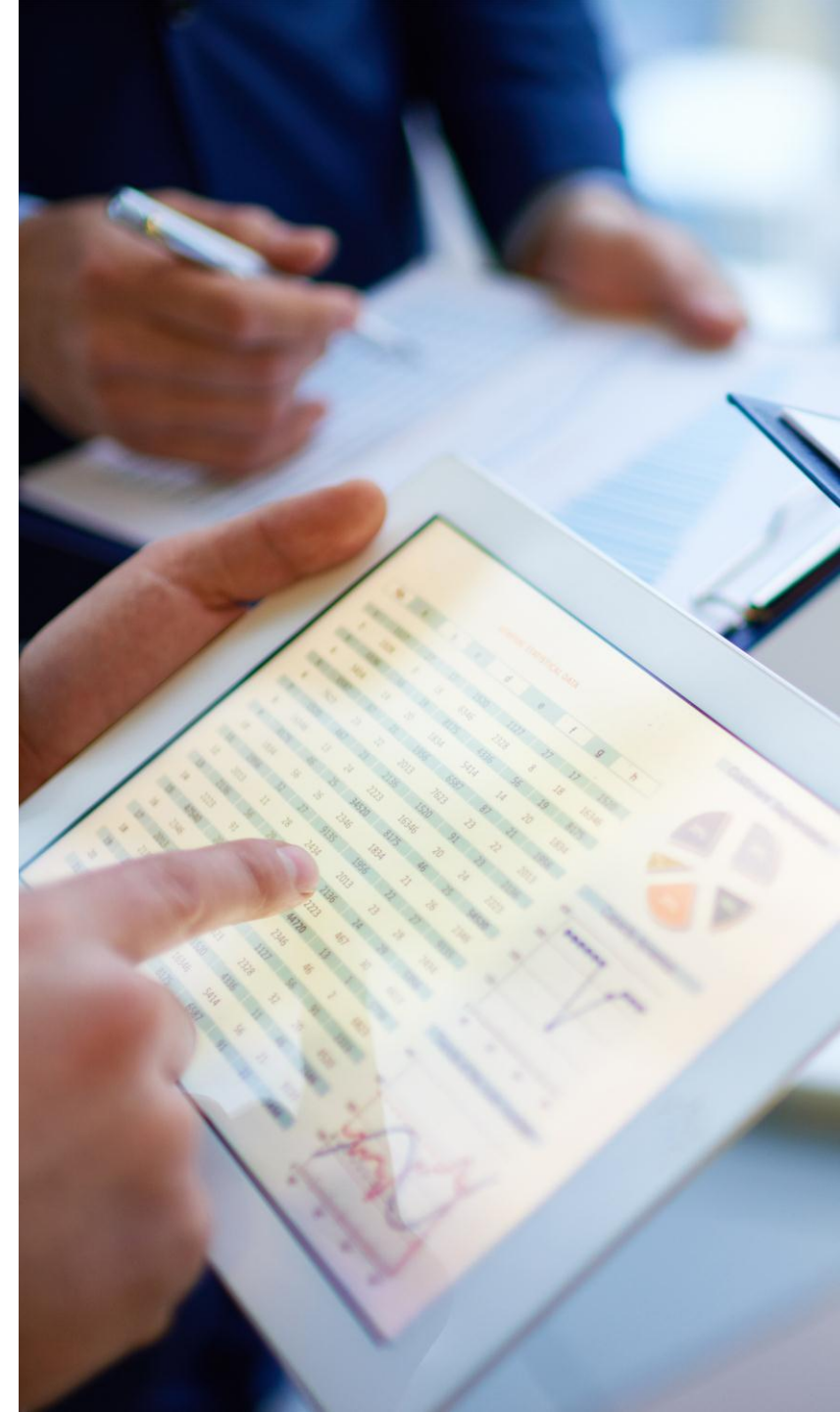
## Services



## Products & Solutions

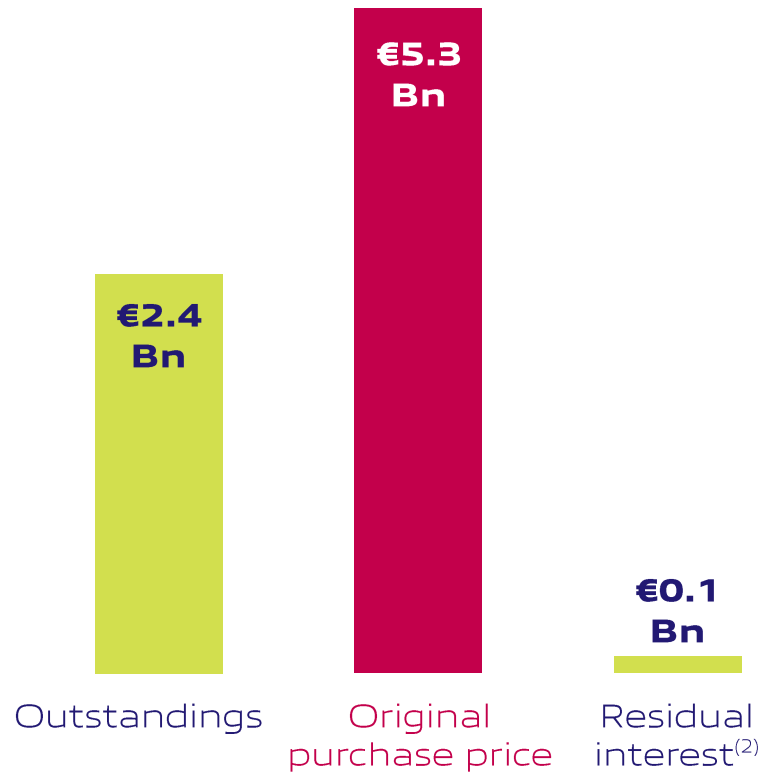


(1) Before amortisation of intangible assets from acquisitions



# TECHNOLOGY MANAGEMENT & FINANCING

Contract portfolio



- » **Strong revenue dynamic:**  
€1,259 M (+10%)
- » **ROP** at €80.2 M (+14%)  
and margin up at 6.4% (+30 bps)
- » **EDFL<sup>(1)</sup> contributes €132 M**  
with a debt impact limited to €27 M
- » **Increase in portfolio** (+2%)  
and **outstandings** (+3%)
- » **Residual interest<sup>(2)</sup>** at just 2%  
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<sup>(1)</sup>



» **Significant contribution** of the satellites to the trend : **€227 M**

» **Successful international deployment:** Italy (x3 in 2 years)

» **Substantial rise in profitability: 5.8% (+90bps)**

» More than **8,400 employees**

(1) Before amortisation of intangible assets from acquisitions

# PRODUCTS & SOLUTIONS

## Revenue



## Recurring operating profit<sup>(1)</sup>



» **A new international dimension**  
(Italy, Spain)

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

» **New uses: multimedia +30%**

(1) Before amortisation of intangible assets from acquisitions

# CONSOLIDATED INCOME STATEMENT

(In €M)	2015	2016	Change
<b>Revenue</b>	<b>2,316.1</b>	<b>2,536.2</b>	<b>9.5%</b>
<b>Recurring operating profit</b> before amortisation of intangible assets from acquisitions	<b>117.7</b>	<b>140.3</b>	<b>19.2%</b>
Recurring operating profit	113.5	136.1	
Non-recurring operating incomes and expenses	(5.2)	(6.8)	
<b>OPERATING PROFIT</b>	<b>108.3</b>	<b>129.3</b>	<b>19.5%</b>
Financial result	(12.4)	(17.4)	
Change in fair value of ORNANE derivative	(6.3)	(37.9)	
<b>PROFIT BEFORE TAX</b>	<b>89.6</b>	<b>74.1</b>	<b>-17.3%</b>
Income tax	(30.7)	(35.7)	
Discontinued operations and share of profit/(loss) of associates	(0.2)	(0.2)	
<b>NET PROFIT</b>	<b>58.7</b>	<b>32.8</b>	
<b>NET PROFIT</b> attributable to the owners of parent	<b>57.8</b>	<b>39.6</b>	<b>-31.4%</b>
<b>RECURRING NET PROFIT <sup>(1)</sup></b> attributable to the owners of parent	<b>70.1</b>	<b>83.0</b>	<b>18.4%</b>

» **Recurring EPS<sup>(1)</sup>:**  
**€0.77** (+19%)

» Non-cash expense of €37.9 M  
as a result of the mark-to-market  
adjustment of the ORNANE

(1) Excluding non-recurring items and before amortisation of intangible assets from acquisitions. Details in appendix

# CONSOLIDATED BALANCE SHEET

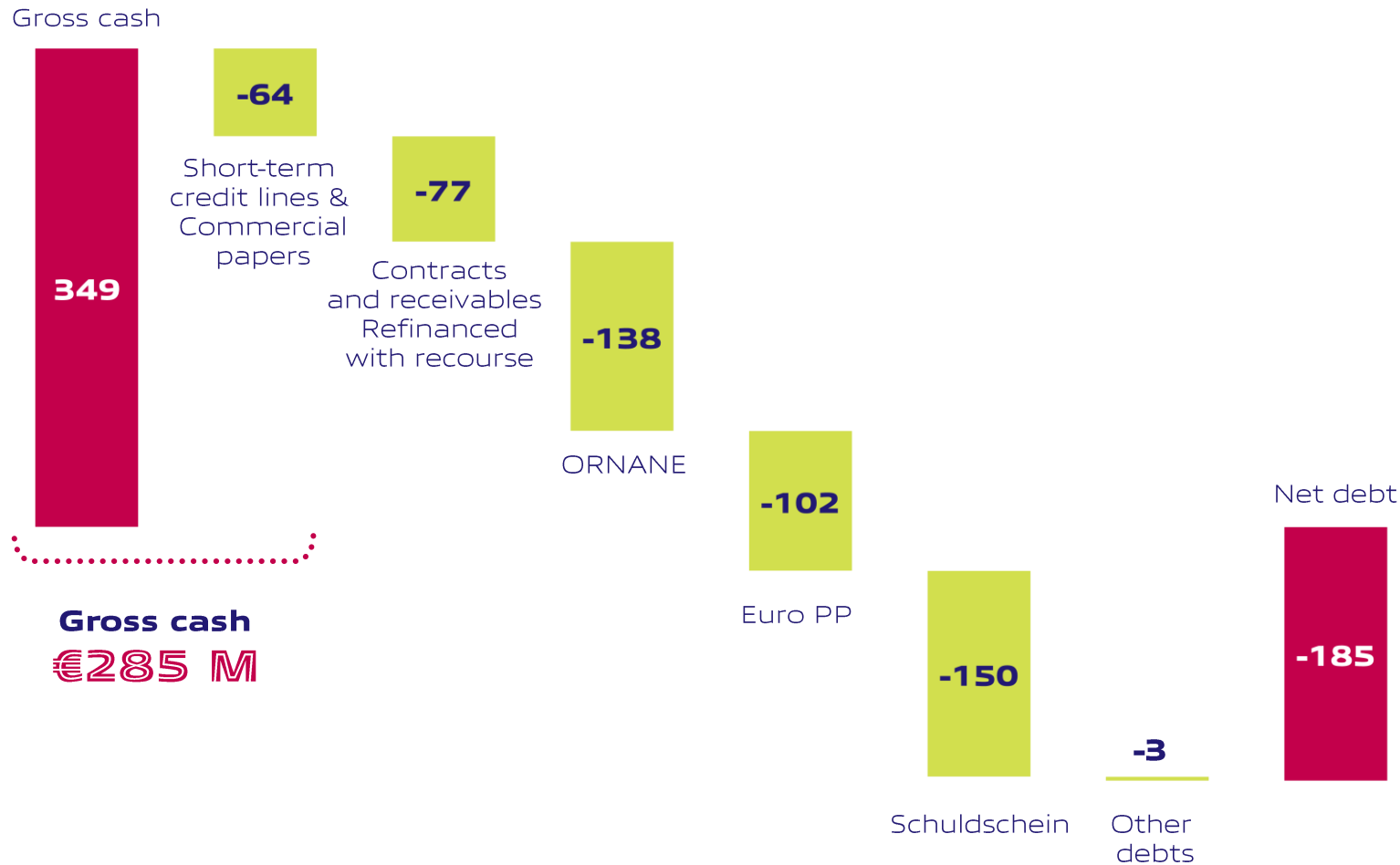
ASSETS (in €M)	31/12/2015	31/12/2016
GOODWILL	484	539
NON-CURRENT ASSETS	207	237
GROSS CASH	210	349
CURRENT ASSETS	917	1,010
<b>TOTAL ASSETS</b>	<b>1,818</b>	<b>2,135</b>

EQUITY & LIABILITIES	31/12/2015	31/12/2016
EQUITY	281	279
NON-CURRENT LIABILITIES	166	195
GROSS FINANCIAL LIABILITIES	396	534
CURRENT LIABILITIES	975	1,127
<b>TOTAL LIABILITIES</b>	<b>1,818</b>	<b>2,135</b>

» **Net debt** under control at **€185 M** (stable vs 2015) < **1.3 x EBITDA** - **66% gearing** (NBD/equity)

» **5.4 M treasury shares** at 31/12/2016, represented an unrecognized value of **€75M**

# STRUCTURE OF NET FINANCIAL DEBT



- » **NBD under control:**  
€185 M (<1.3 x EBITDA)
- » €151 M of which backed by lease contracts
- » **22.7% of ORNANE convertible bonds** bought back at 31/12/2016

# CONVERSING ORNANE CONVERTIBLE BONDS WOULD REINFORCE THE STRUCTURE OF THE BALANCE SHEET

## Equity



## Net financial book debt



- » Conversion **of all ORNANEs** would bring
  - gearing down to **11%**
  - Net debt/EBITDA down to **0.3X**

(1) After the theoretical impact of the conversion of outstanding ORNANEs at 31/12/2016



# ACTIVE BALANCE SHEET MANAGEMENT

» Since 1<sup>st</sup> January 2017, the group has been **buying ORNANE** backed by **sales of treasury shares**

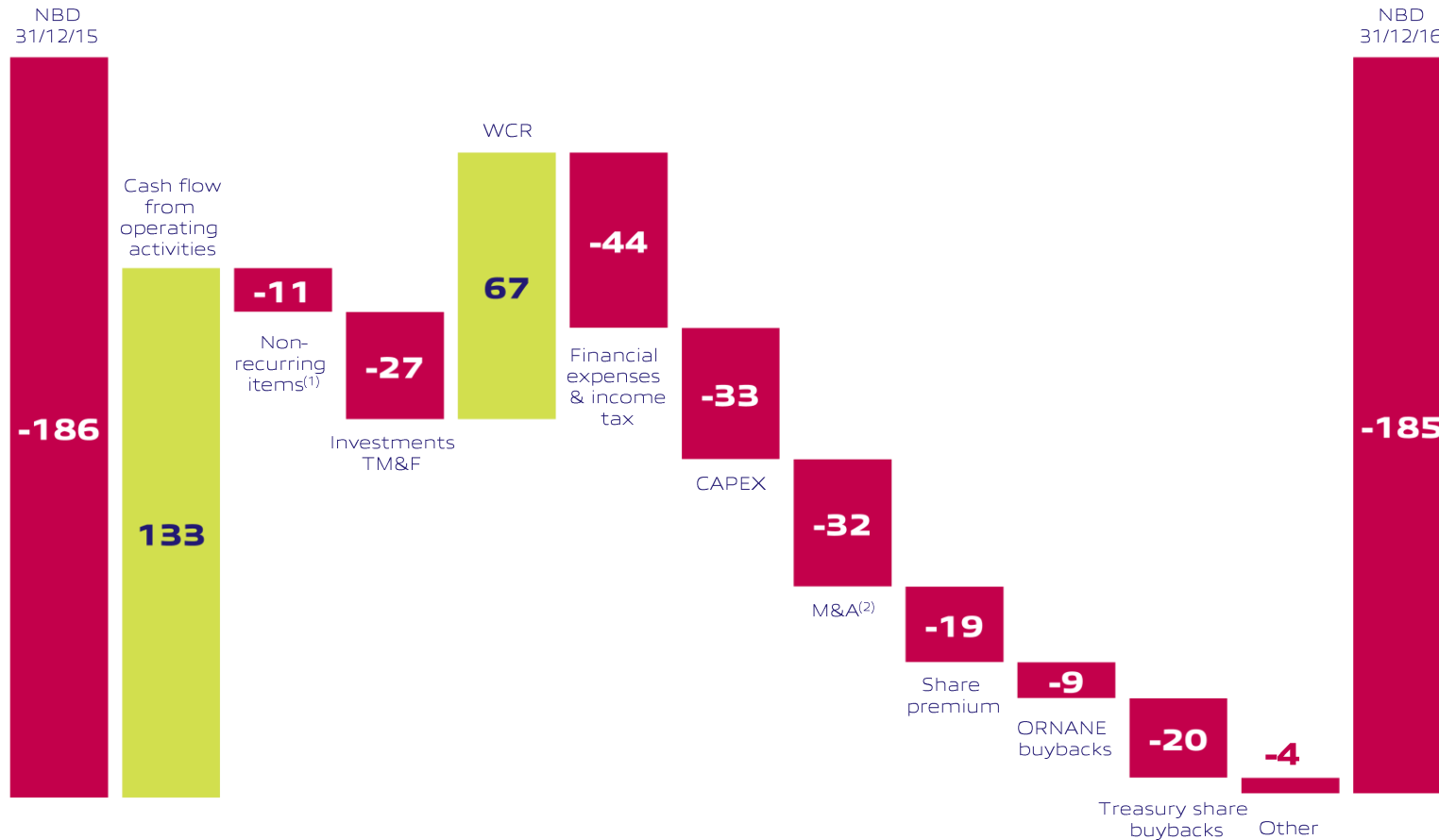
» Equity has thus been **increased by €45 M** and **debt reduced by €31 M** for a dilution limited to **0.35%**



» Some ORNANE bondholders have requested **conversions**

» ORNANE convertible bonds still outstanding: **60%** of the total bonds i.e. a maximum potential dilution of 5.4%

# NET BOOK FINANCIAL DEBT REMAINED **STABLE** OVER 1 YEAR



(1) Impact on cash of exceptional costs

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

» Strong generation  
**of cash flow** (+20%)

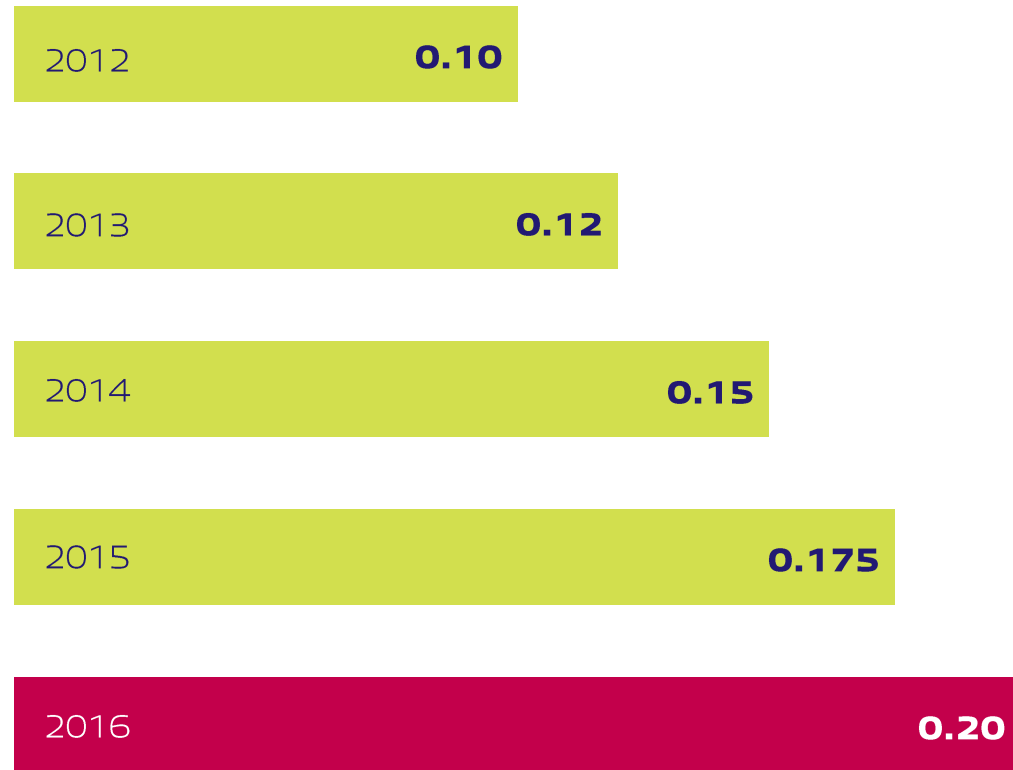
» **12 months  
of investments**

- **€65 M** in M&A and CAPEX
- **€27 M** in TMF

» **Shareholder return**

- **€29 M** in treasury share and ORNANE buyback
- **€19 M** in repayment of share premiums

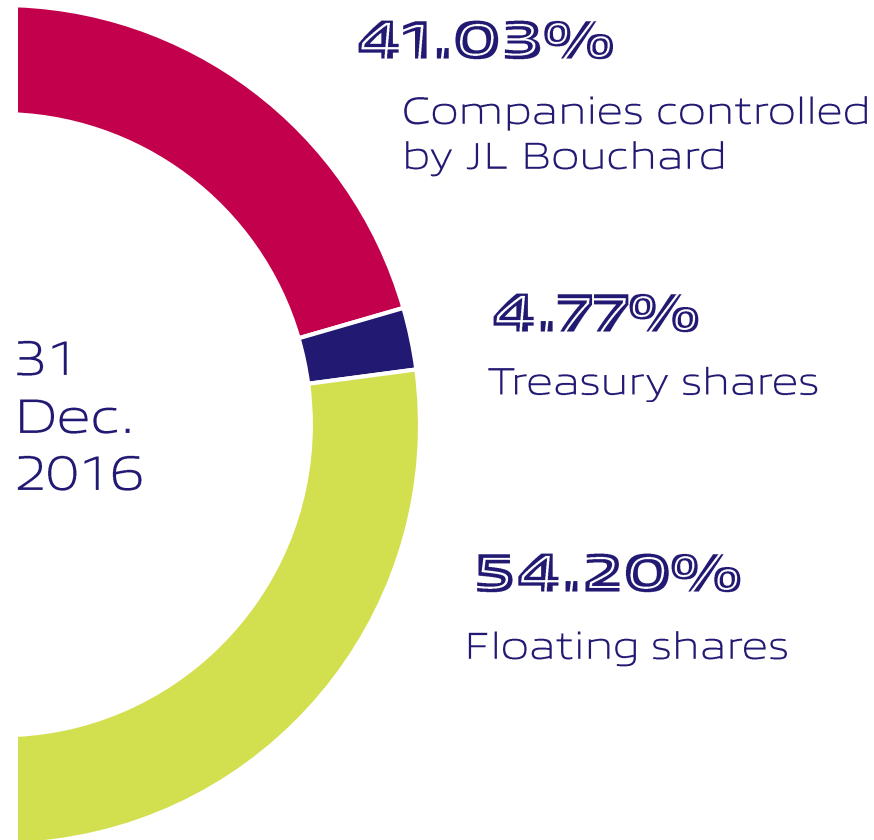
# CONTINUING INCREASE IN COMPENSATION PER SHARE



» **Increase in shareholder compensation**

- **+14%** compared with 2015
- **+33%** over 2 years

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



» Has continued the **treasury share buyback policy** for over 10 years

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» Apart from the companies controlled by Jean-Louis Bouchard, **2 shareholders had exceeded the 5% share ownership threshold** at 31 December 2016:

- Butler Industries Benelux
- Kabouter Management



04

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**Outlook**  
for 2017  
& **new dynamic!**

# 2017: GOOD **GROWTH PROSPECTS**



**Organic growth  
IN EXCESS  
OF 5%**



**A FURTHER  
DOUBLE-DIGIT RISE  
in recurring operating profit**

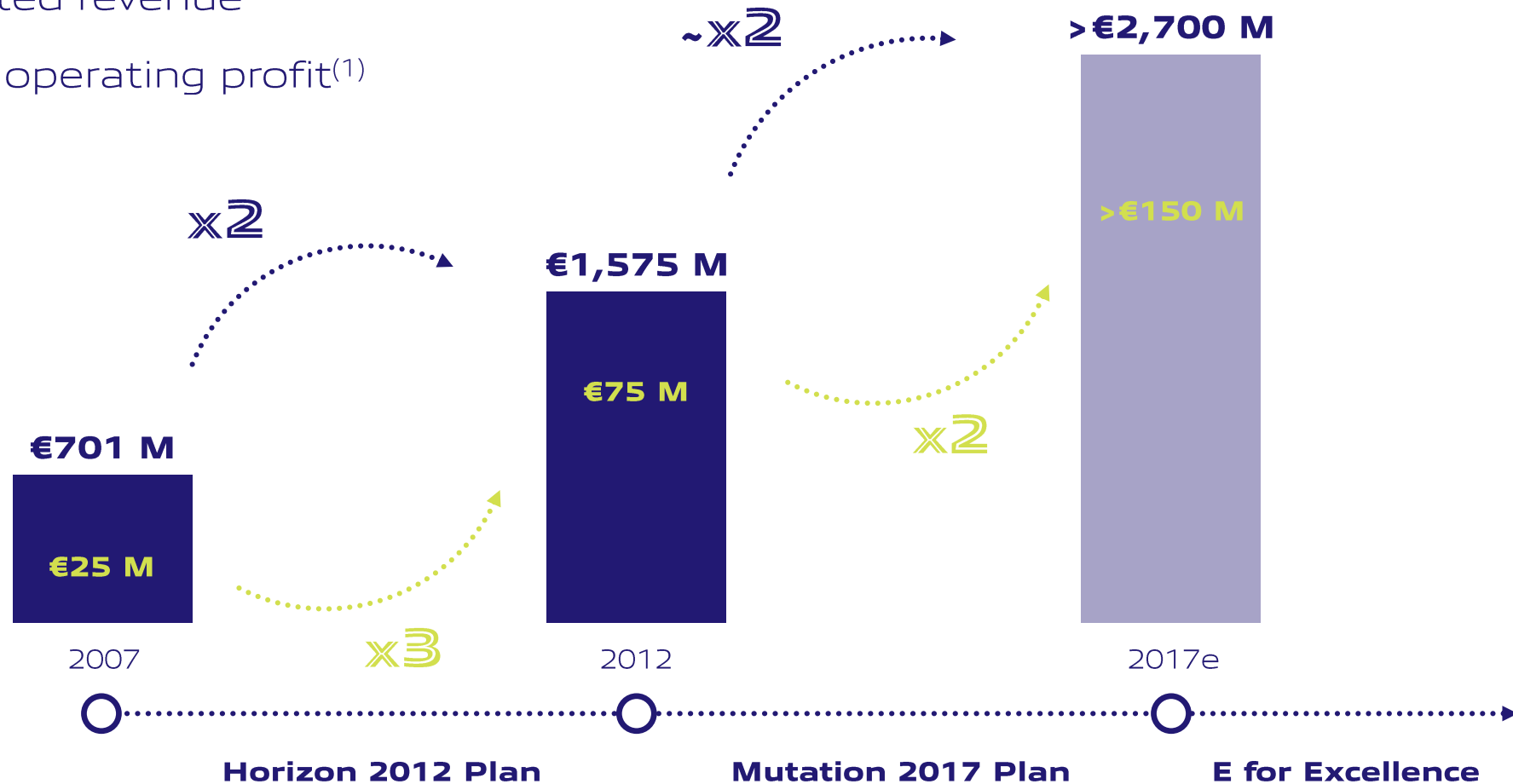
# 2017: **A PIVOTAL YEAR**

€18 M investments

- » **Bringing new blood** to the sales and management teams
- » Recruiting **talents** in the new professions
- » **Investing in brand image**
- » **Enhance** the offering

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

- Consolidated revenue
- Recurring operating profit<sup>(1)</sup>



(1) Before amortisation of intangible assets from acquisitions



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A FLYING START  
**FOR OUR 2<sup>nd</sup>**  
**MUTATION**

.....



excellence



e

excellence



OF OUR OFFERS



excellence

.....  
**OF OUR DELIVERY**  
.....





excellence

.....

**HUMAN  
RELATIONSHIPS  
IN THE GROUP**

.....





excellence

**TOWARDS A 10%  
PROFITABILITY,  
THE SIGN  
OF OUR EXCELLENCE**



excellence

.....

SEE YOU AGAIN  
**IN SEPTEMBER**  
2017

.....

econocom



2016 FULL-YEAR  
**RESULTS**

