

Preliminary results – Non-audited financial information

Strong increase in the group Recurring Operating Profit² and Net Result in 2021

2021 highlights the resilience of Econocom Business Model

- Revenues of €2,522 million, stable¹ versus 2020
- Increase¹ of 16% in the Recurring Operating Profit (ROP)² at €135 million (+16%), the operating profitability rate reaching 5.4% up 0.8 pt
- Sharp increase of the Net Result at €70 million (+40%)
- Net financial debt³ under control at €67 million as at December 31, 2021

Stability of revenues despite the impact of the difficulties in the global procurement market of digital assets in 2021

Econocom group posted revenues of €2,522 million, a slight decrease¹ of 0.5% compared to 2020. After a first half of growth¹ of 1.7%, the business activity was impacted in the second half of the year by recurring delays in the sourcing of products from suppliers. Those delays also contributed to increase the backlog by more than €100 million at the end of December 2021.

Over the period, business activities have developed as follows :

- Revenues posted by the Products and Solutions (P&S) business activity stood at €1,067 million, a decrease¹ of 2.5% compared to 2020. In line with the trend which started in the third quarter of 2021, revenues of the distribution business were more impacted by tensions on supply. Nevertheless, demand for digital assets required for the digital transformation of companies and public administrations in a context of growing teleworking, continues to develop with a positive impact on Econocom's order book.
- Revenues of the Services business activity amounted to €516 million, down¹ 3.1% compared to 2020 mainly due to the group's strategy to focus on higher value-added contracts. More selective assessment criteria for new contracts generated a significant increase in the operating margin of Services in 2021.
- The Technology Management & Financing business activity accelerated its rebound in the fourth quarter of 2021. Revenues reached €938 million, an increase¹ of 3.4% compared to 2020, which confirms the redevelopment of this business activity thanks to the measures implemented over the past two years. The group enlarged its customer base, enabling it to generate its growth on a larger number of transactions with less exposure to the structurally more volatile large contracts.

Sustained growth of the ROP² and of the Net Result

The 2021 financial year fully benefitted from the transformation plan which was carried out over the years 2019 and 2020. The refocus on the group's businesses delivering higher margins, the targeted development of the geographic areas in Europe and the long-term reduction in structural charges enabled the group to continue to boost its Recurring Operating Profit². It² stood at €135 million, an increase¹ of 16% compared to 2020, resulting in an operating margin of 5.4%.

All the group's business activities improved their Recurring Operating Profit², with a sharper growth for the Services segment. The Products & Solutions ROP² increased from €46 million to €53 million (+15%), reaching an operating margin rate of 5.0% vs. 4.2% in 2020. The Services ROP² grew from €33 million to €42 million (+25%), reaching an operating margin rate of 8.2% vs. 6.4% in 2020. The Technology Management & Financing ROP² increased from €36 million to €39 million (+9%) with an operating margin rate of 4.2% vs. 4.0% in 2020.

In 2021, the group recorded net non-recurring operating charges of €14.3 million, a sharp decrease compared to 2020 (€35.8 million) due to the finalization of the transformation plan.

The Financial result amounted to -€9.8 million, an improvement of €3.4 million compared to last year, partly due to the reduction in the group's average indebtedness in 2021.

After tax and a net loss on discontinued activities, the group's Net Result increased by 40% at €70 million.

Contained net financial debt

As at December 31, 2021, the group's net financial debt³ amounted to €67 million compared to a net cash position of €20 million at the end of 2020. This change is due to the share buybacks carried out in 2021 for an amount of €83 million as well as to an increase in the volumes of transactions being refinanced and self-carrying financing contracts within the TMF activity.

Outlook

Econocom confirms that it will continue to actively pursue external growth opportunities in order to reinforce its positioning in its three core businesses in the targeted geographic areas. The high level of backlog recorded at the end of the year 2021 will also allow the group to secure part of the revenues of the two first quarters of 2022. Nevertheless, due to the strong tensions in the procurements and of the continuing impacts of the Covid pandemic on the beginning of the year 2022, the group will not communicate any guidance at this stage.

Next release : 2021 annual results on February 14, 2022 after closing of the Stock Exchange

¹ On a like-for-like basis (at constant perimeter and accounting standards)

² Before amortization of intangible assets from acquisitions and after restatement in line with IFRS 5 for assets held for sale and excluding discontinued operations

³ Before factoring in debt resulting from application of IFRS 16 to lease contracts (real estate, vehicles, etc.) in which Econocom is a lessee

ABOUT ECONOCOM

As a digital general contractor, Econocom conceives, finances and facilitates the digital transformation of large firms and public organizations. With 49 years' experience, it is the only market player offering versatile expertise through a combination of project financing, equipment distribution and digital services. The group operates in 16 countries, with over 8,200 employees, and generated €2,522m in revenues in 2021. Econocom is listed on Euronext in Brussels, on the BEL Mid and Family Business indexes.

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Investor and shareholder relations contact:

nathalie.ezenbach-huguenin@econocom.com

Press relations contact: david.molins@econocom.com

Agency contact:

info@capvalue.fr +33 1 80 81 50 01