

Strong increase in 2021 half-year results Resumed acquisition drive

Robust half-year 2021 performance

- **Recurring Operating Profit (ROP)¹ increasing² to €62.3 million (up 40%) and operating profitability reaching 5.0% (up 140 bp)**
- **Net Profit from continued operations at €31.3 million versus €5.8 million in first half of 2020**
- **A 1.7%² increase in revenue driven by the good growth dynamics of the Digital Services and Solutions segment (up 7.7%²), accounting for two-thirds of the half-year revenue.**

Overall improvement of operating profitability across all Econocom Group business segments

The Econocom group's board of directors met on 21 July 2021 and validated the consolidated statements for 30 June 2021.

Over the period, business activities developed as follows:

- The revenue posted by **Digital Services and Solutions (DSS)** segment stood at €794 million, up sharply² by 7.7%, driven by the dynamics of its two business segments, **Products & Solutions** and **Services**, up 9.9% and 3.7% respectively. As far as Products & Solutions is concerned, Econocom continues to benefit from the economic recovery in Europe and the ever-increasing demand for digital assets. **Services** remains well positioned thanks to the ramp-up of higher value-added projects. DSS's ROP¹ came out at €44.8 million (vs. €34.1 million in the first half of 2020), i.e. profitability increased ² to 5.6% (up 100 bp).
- The **Technology Management & Financing (TMF)** segment is set to pursue its transformation thanks to the recruitment of new commercial talents while continuing to be more selective about picking its commercial contracts. In the first half-year, TMF's Recurring Operating Profit¹ reached €17.5 million (vs. €10.3 million in the first half of 2020), i.e. an increase² in profitability to 3.9% (up 180 bp). The business in the first half of 2021 generated a €446 million revenue, down 7.5%.

Globally, the group posted revenues of €1,239 million in the first half of 2021, up 1.7% on a like-for-like basis. This performance was achieved in spite of a backdrop of supply and procurement disruptions, which resulted in late deliveries that impacted some activities.

Group Recurring Operating Profit¹ (ROP) rose significantly to €62.3 million compared with €44.6 million over the same period in 2020 (up 40%³) and €41.1 million over the same period in 2019 (up 52%³). Profitability improved across all business segments, reaping the full benefit of rising business margins and of the cost-cutting programs launched as of 2019.

Non-recurring net expenses fell sharply to €7.6 million (vs. €23.6 million in H1 2020), owing to completion of the transformation plan.

¹ Before amortization of intangible assets from acquisitions and after restatement for assets held for sale and discontinued operations

² At constant perimeter and accounting standards.

³ Restated

As a result, in H1.21, Net Profit from continuing operations hit €31.3 million vs. €5.8 million in H1 2020. After factoring in the result of discontinued operations, Net consolidated profit for the period amounts to €30.1 million vs. €22.1 million in H1 2020. For the record, the €22.1 million included some €19 million of net capital gains on the disposal of discontinued operations.

Resumption of the external growth policy with the acquisition of Trams

Bolstered by a strengthened financial structure and sharply lower operating costs, the Econocom Group has, in 2021, resumed an ambitious segment- and country-based acquisition policy. Targeting companies selectively is part and parcel of the Group's development strategy in geographical areas where it already has a strong presence, with the goal of accelerating synergies between its various business segments.

Econocom is set to speed up acquisitions in its **Services** business in France, in its **Products & Solutions** business in the UK and Spain, and in its **Technology Management & Financing (TMF)** business in France and Germany.

In this context, Econocom announces that it has acquired a majority stake in Trams Ltd in the United Kingdom on 20 July 2021. Established in 1990, Trams is a recognized player in IT distribution in the UK thanks to its having entered into key partnerships with Apple, HP, Lenovo and Dell. This alliance with Trams, which will expand the group's footprint in a core target country, fits in perfectly with the group's strategy of building an attractive global offering around distribution. This will also foster strong complementarities with TMF's digital asset financing solutions. Trams employs 40 people based in London, and had a turnover of £42 million in 2020.

Outlook

The group has full confidence in its ability to deliver sustained and long-lasting growth going forward. In September, it will present to the financial community the specifics of its main areas of development for 2022.

Next publication: information meeting on H1 2021 results and business outlook on September 2, 2021.

ABOUT ECONOCOM

As a digital general contractor, Econocom conceives, finances, and facilitates the digital transformation of large firms and public organisations. With 48 years' experience, it is the only market player offering 360° expertise through a combination of project financing, equipment distribution and digital services. The group is present in 18 countries, with over 9,000 employees and €2,559 m in revenue in 2020. Econocom is listed on Euronext in Brussels, on the BEL Mid and Family Business indices.

FOR FURTHER INFORMATION

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INCOME STATEMENT

(€M)	30/06/21	30/06/20 Restated
Revenue	1,239.5	1,225.7
Recurring operating profit before amortisation of intangible assets from acquisitions	62.3	44.6
Recurring operating profit	61.1	43.6
Non-recurring operating income and expenses	-7.6	-23.6
Operating profit	53.5	20.0
Net financial expenses	-7.4	-8.5
Profit before tax	46.1	11.5
Income tax expense	-14.8	-5.7
Profit from continued operations	31.3	5.8
Share of profit (loss) of associates and joint ventures	-0.1	-0.0
Profit (loss) from discontinued operations	-1.1	16.3
Net Profit for the period	30.1	22.1

BALANCE SHEET

(€M) ASSETS	30/06/21	31/12/20
Goodwill	491	500
Residual interest in leased assets (non-current)	122	134
Other non-current assets	229	230
NON-CURRENT ASSETS	842	864
Residual interest in assets leased (current)	53	41
Trade and other receivables	839	894
Other current assets	168	137
Cash and cash equivalents	300	649
Assets held for sale	97	74
CURRENT ASSETS	1,457	1,796
TOTAL ASSETS	2,299	2,660
(€M) EQUITY & LIABILITIES	30/06/21	31/12/20
Equity attributable to owners of the parent	340	406
Non-controlling interests	70	67
EQUITY	410	473
Non-current financial liabilities	355	325
Gross commitments on residual financial assets (non-current)	73	76
Other non-current liabilities	168	155
NON-CURRENT LIABILITIES	596	556
Current financial liabilities	162	304
Gross commitments on residual financial assets (current)	27	28
Trade and other payables	838	992
Other current liabilities	218	277
Liabilities held for sale	47	30
CURRENT LIABILITIES	1,293	1,631
TOTAL EQUITY AND LIABILITIES	2,299	2,660