

econocom

Strategic plan Capital Markets Day

November 16th 2023

Welcome



The speakers



**Jean-Louis
BOUCHARD**
Chairman and CEO



**Patrick
VAN DEN BERG**
Managing Director



**Angel
BENGUIGUI**
Managing Director

AGENDA

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Introduction

02

Where do we stand?

03

A new market paradigm

04

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01. Introduction



Jean-Louis Bouchard

Chairman and CEO

**Why a
strategic
plan?**

**Why a
strategic
plan now?**

Econocom has 25-year history of strategic planning

ECO 2000

1997 - 1999



Ambition

1,000 employees
by 2000

Share price target
2000 BEF (vs. 600)

Econocom has 25-year history of strategic planning

ECO 2000

Horizon 2002

2000 - 2002



Ambition

**2,000 employees
by 2002**

€1.2 Bn revenue

2% net profitability

Econocom has 25-year history of strategic planning



2003 - 2007

A presentation slide titled 'Share 5 Goal'. It features a portrait of Jean Louis Bouchard on the left and a quote on the right: "Our Share 5 Goal is to regain leadership in each of the group's main activities in the next 5 years". The slide also includes the Econocom logo and tagline 'MASTERING IT RESOURCES' at the bottom.

Ambition

5% profitability

Econocom share at €12

Econocom has 25-year history of strategic planning



| | |
|--|--|
| <h2>2008 - 2012</h2> <p>A new five-year strategic plan</p> <p> Reinforce our leadership by uniting our talents in the scope of bundled offerings</p> <p>The "anytime, anywhere" revolution is in full swing</p> <p>People are the driving force behind every business or organization, and today they need IT and telecom hardware simply to do their job. Working outside the office, working at home, changing team profiles, cross-department jobs: the challenge facing IT departments is no longer merely to manage IT hardware and fixed installations. Today, the role of IT departments has been redefined: inject flexibility and pro-activity into the way users work.</p> <p> Our mission statement</p> <p>The key challenge facing each and every company today is to ensure that all employees can work productively anytime, anywhere. Econocom's mission over the next five years is to meet the mobility needs of our clients.</p> | <h2>Ambition</h2> <p>€1.0 Bn revenue</p> <hr/> <p>6% profitability</p> <hr/> <p>Bundled offers</p> |
|--|--|

Econocom has 25-year history of strategic planning



2013 - 2017



Ambition

€3.0 Bn revenue

5% profitability

New competencies

Digital solutions

Econocom has 25-year history of strategic planning



2018 - 2022

econocom

E for excellence

Ambition

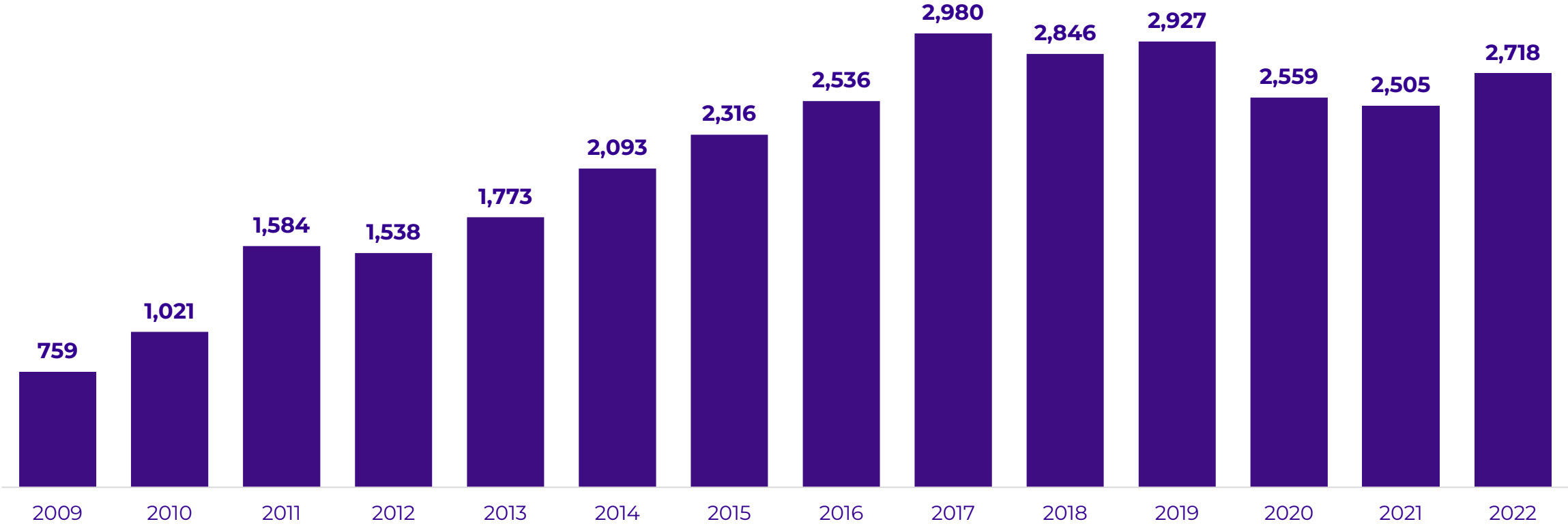
€4.0 Bn revenue

€300m
current result

€0 net debt

Delivery and offer
improvement

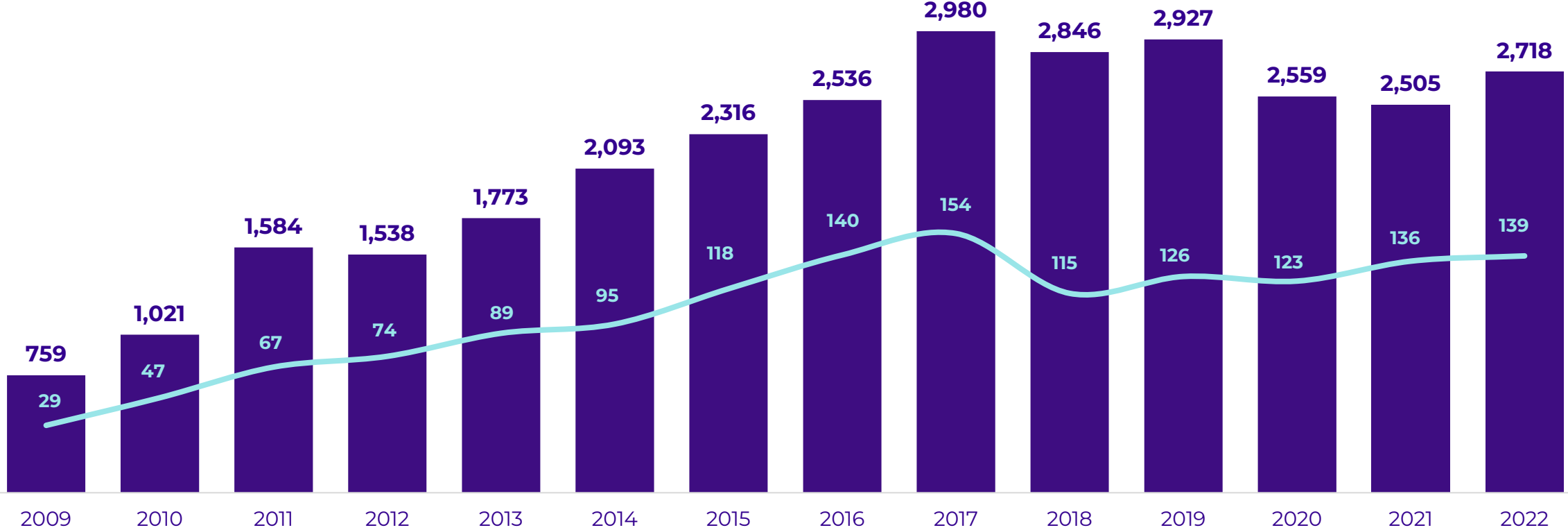
After a strong period of growth until 2017, Econocom has plateaued in revenue while maintaining healthy financials



— Consolidated revenue⁽¹⁾ (€M)

(1) Published figures

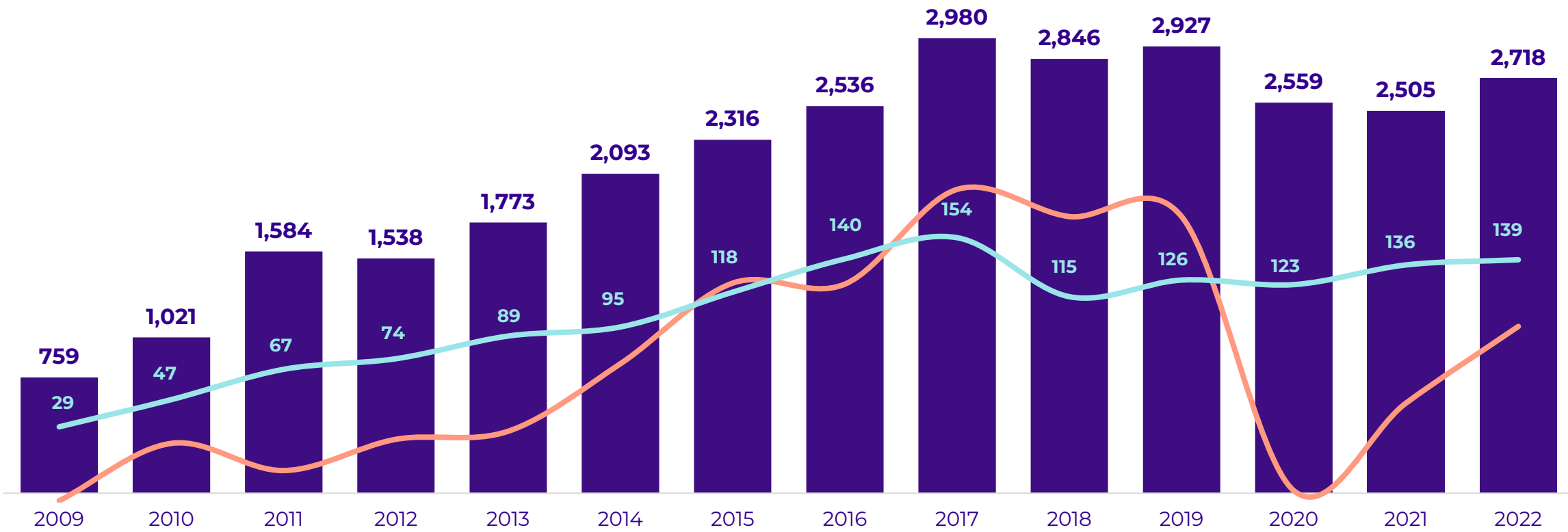
After a strong period of growth until 2017, Econocom has plateaued in revenue while maintaining healthy financials



— Consolidated revenue⁽¹⁾ (€M) — OM⁽¹⁾ operating margin(€M)

(1) Published figures

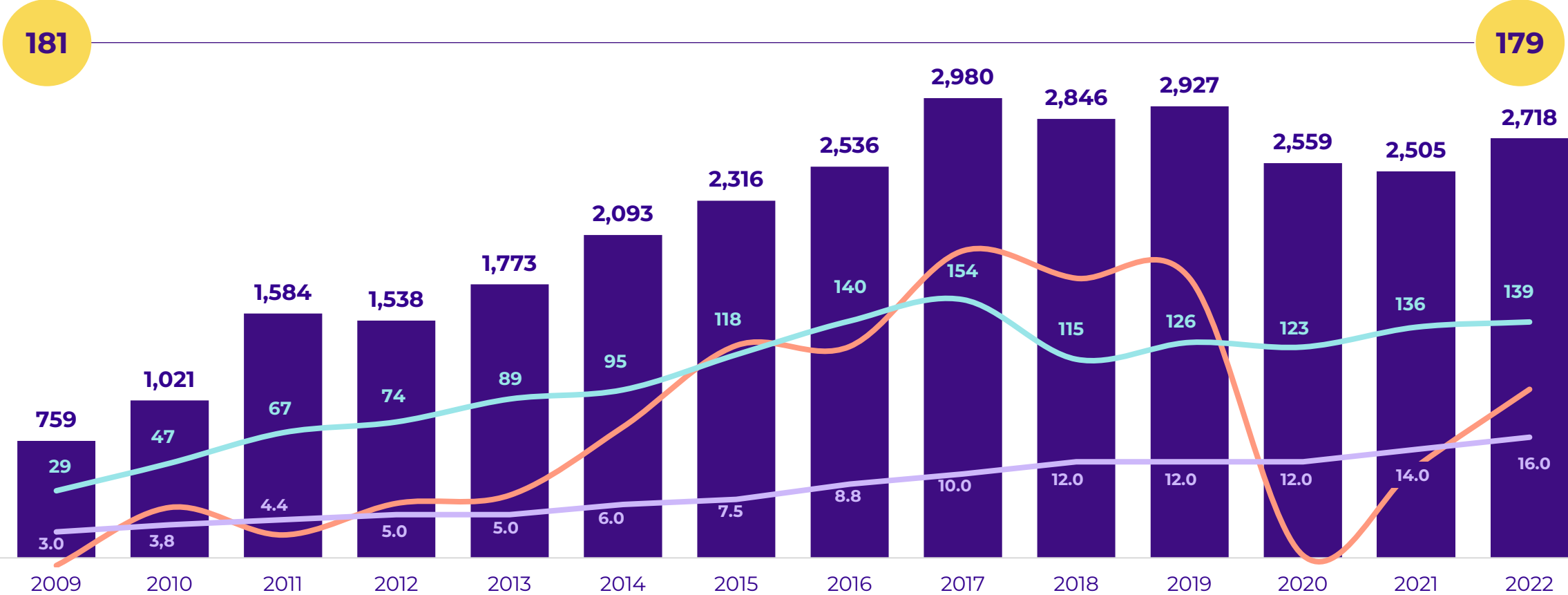
After a strong period of growth until 2017, Econocom has plateaued in revenue while maintaining healthy financials



● Number of shares excluding treasury shares (M)
■ Consolidated revenue⁽¹⁾ (€M) — OM⁽¹⁾ operating margin(€M) — NFD⁽¹⁾ net financial debt(€M)

(1) Published figures

After a strong period of growth until 2017, Econocom has plateaued in revenue while maintaining healthy financials



● Number of shares excluding treasury shares (M)
 ■ Consolidated revenue⁽¹⁾ (€M)
 — OM⁽¹⁾ operating margin (€M)
 — NFD⁽¹⁾ net financial debt (€M)
 — Dividend per share (cent €)

(1) Published figures

**Why a
strategic
plan?**

**Why a
strategic
plan now?**

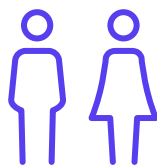
We are now
ready to open a
**new cycle of
development**
for the Group



Confidence in our **market sector**

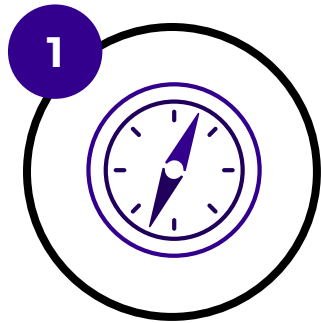


Confidence in our **activity mix**



Confidence in our **team**

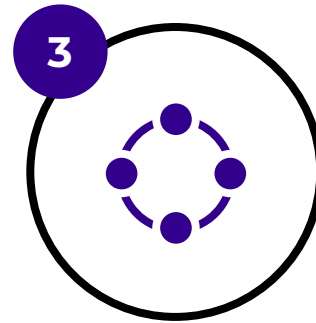
Why a strategic plan now?



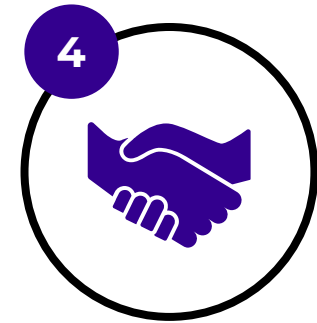
To answer to
clients' demand



as we are surfing
on **growing
markets**



can **finance it in
standalone**



and have the
**right team on
board**

02. Where do we stand?



Angel Benguigui

Managing Director

Econocom is a leading player of workplace distribution, financing and services in Europe

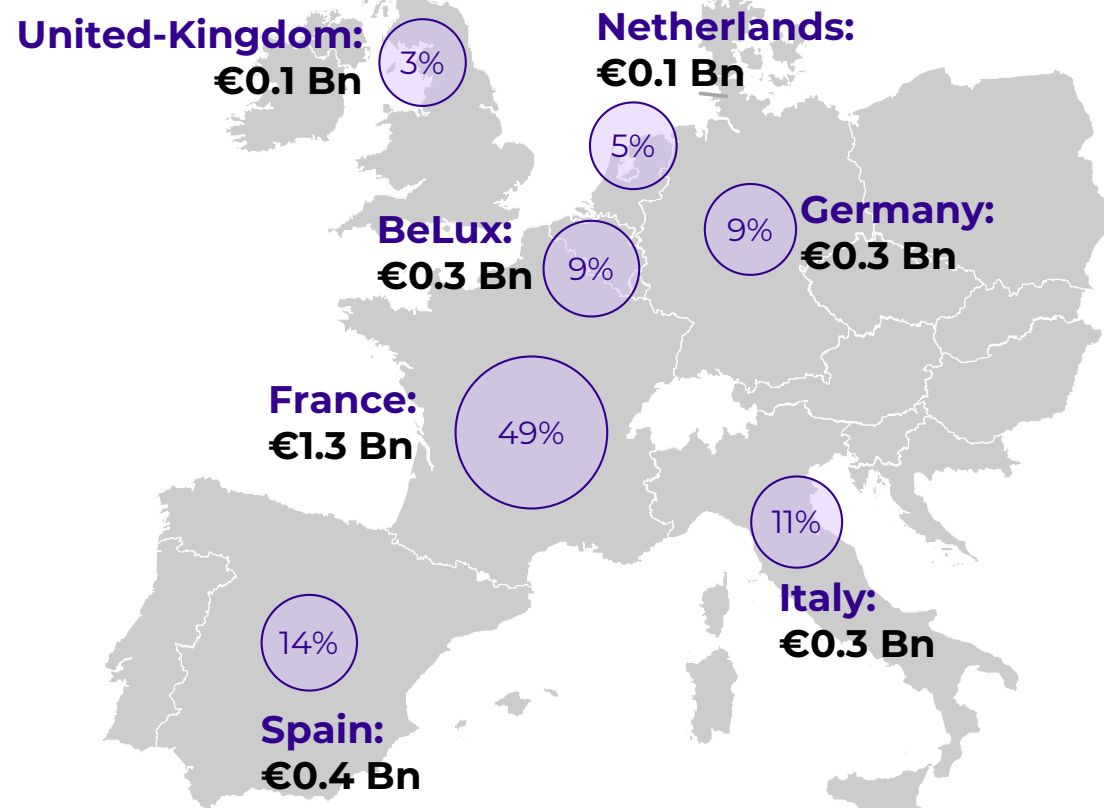
€2.7 Bn estimated revenue in 2023¹

~65% Workplace

~35% Beyond workplace

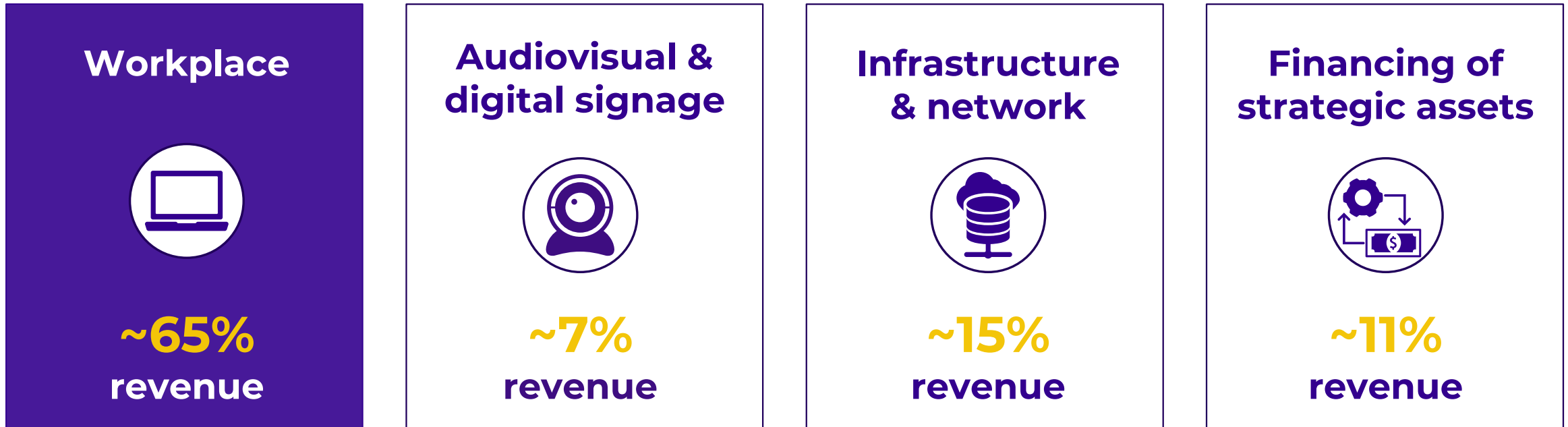
16
Countries of operations

8,750+
Employees worldwide



1. Restated from divestments planned in the future. Source: management accounts

Econocom has built a unique set of capabilities



03. A new market paradigm



Angel Benguigui

Managing Director

**Econocom operates
in growing markets...**

~5%

expected
2023-2028 CAGR



Workplace



Audiovisual



Infrastructure & network

But our markets are evolving



Device as a Service is becoming the "new normal"



Environmental & societal considerations are becoming key purchasing criteria



Generalization of hybrid work increasing need for modernization



Rise of complex IT architectures (public and private cloud, on-premise)

04. Strategic orientations



Angel Benguigui

Managing Director

Our clients needs

Design

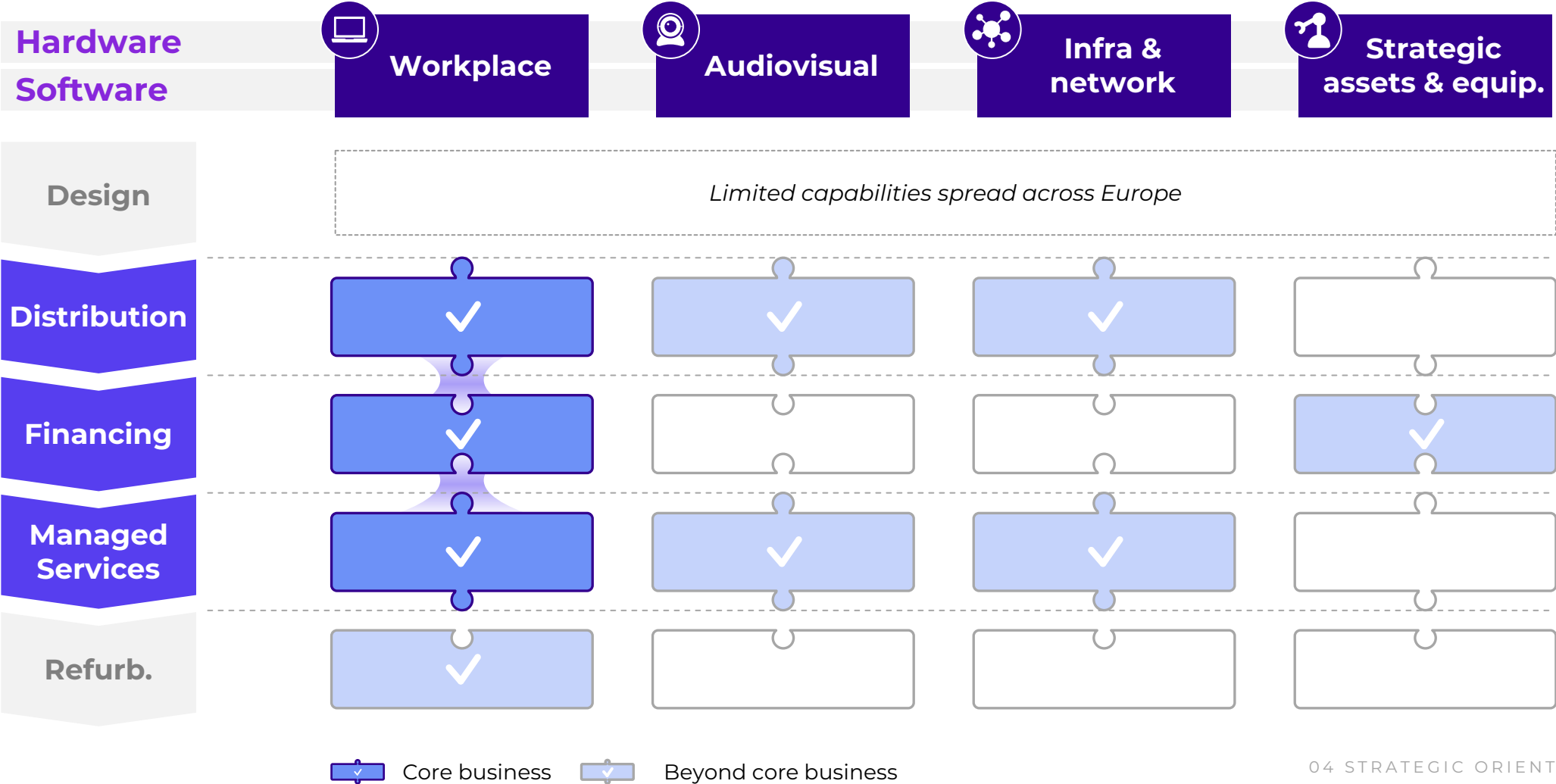
Distribution

Financing

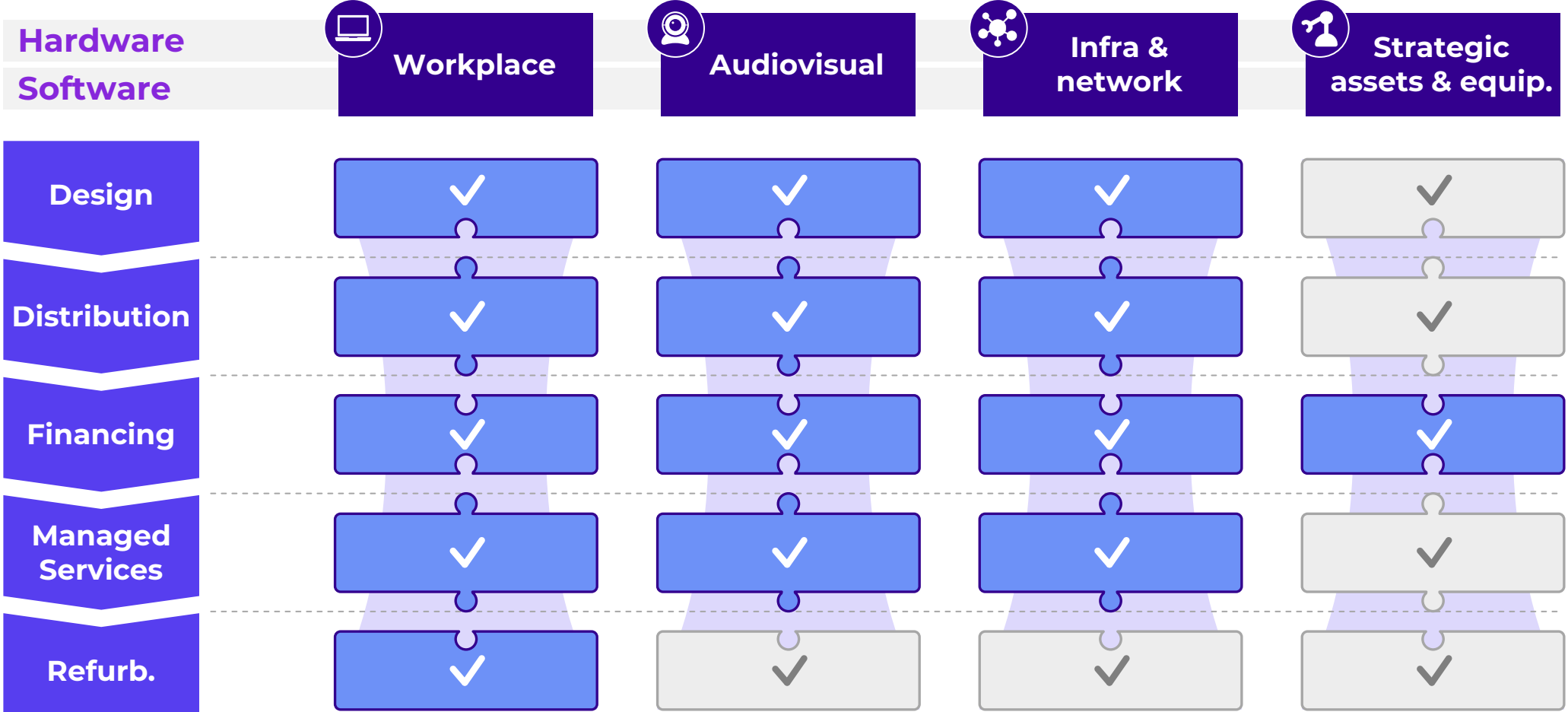
Managed Services

Refurb.

Today our Group organization is based on an expertise-driven approach ...



... and will move towards unique, end-to-end solutions addressing 4 key client needs



... Built upon 5 expertises

✓ Core business
 ✓ To be developed, mostly via partners

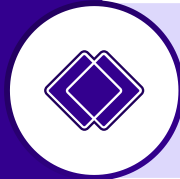
Our growth will be based on 4 levers



Acquire selected capabilities



Develop new offerings
in particular end-to-end, as-a-service offerings



Increase cross-sell
between client solutions and geos



Disrupt salesforce
capacity & effectiveness

Growth contribution

~30%

~70%



Gather

WITH **ECONOCOM**

05. Trajectory



Patrick Van Den Berg

Managing Director

We revised our 2028 ambition due to several factors



Shift in growth levers contribution from external growth towards organic growth



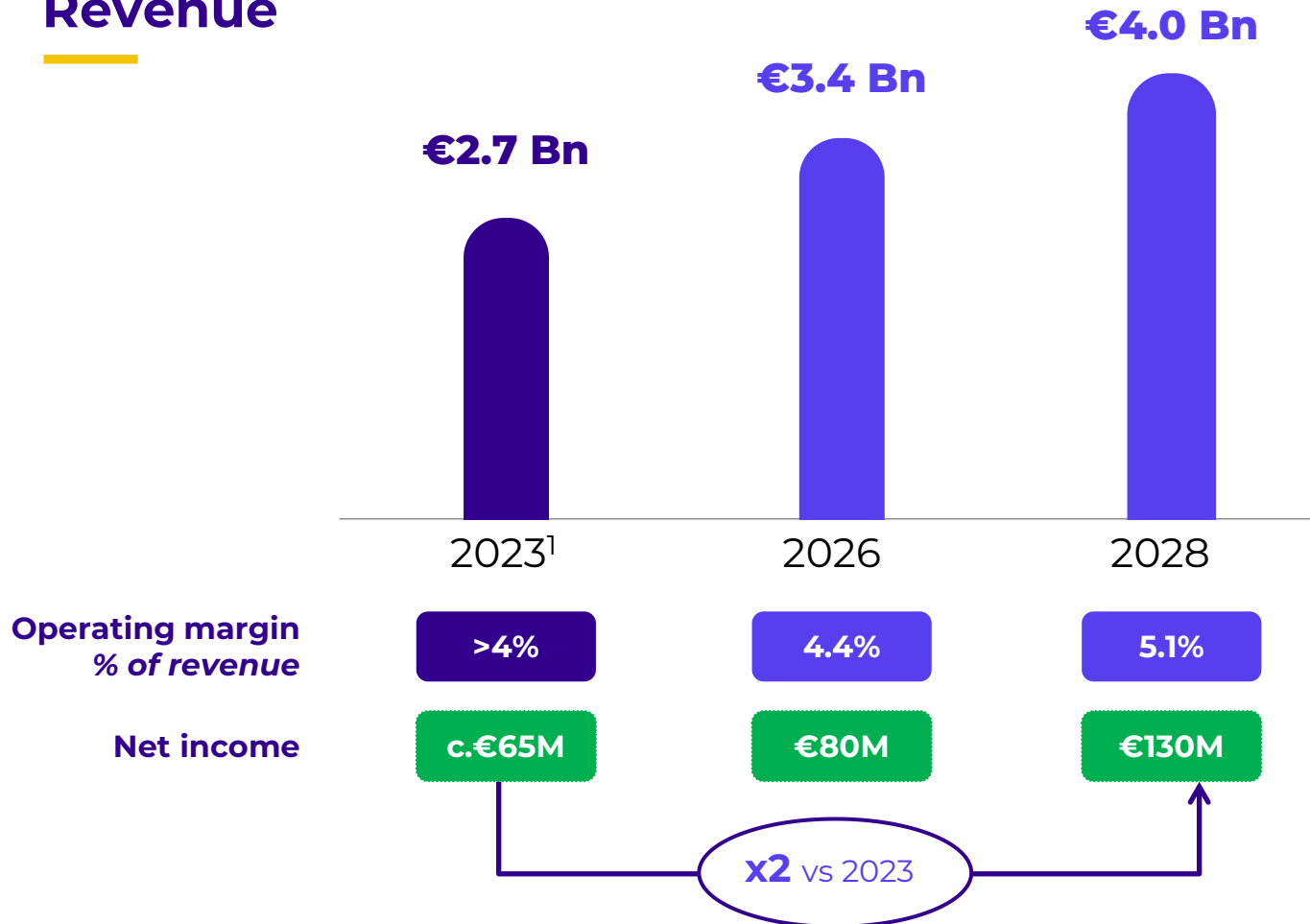
A plan fully funded by Econocom in standalone, preserving healthy balance sheet



Increased focus on value creation versus topline growth (e.g., cash flow generation)

Our ambition by 2028 is to increase revenue by +€1.3 Bn and to double net income

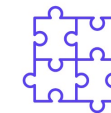
Revenue



Revenue growth



€0.9 Bn
in organic growth
70% of total increase

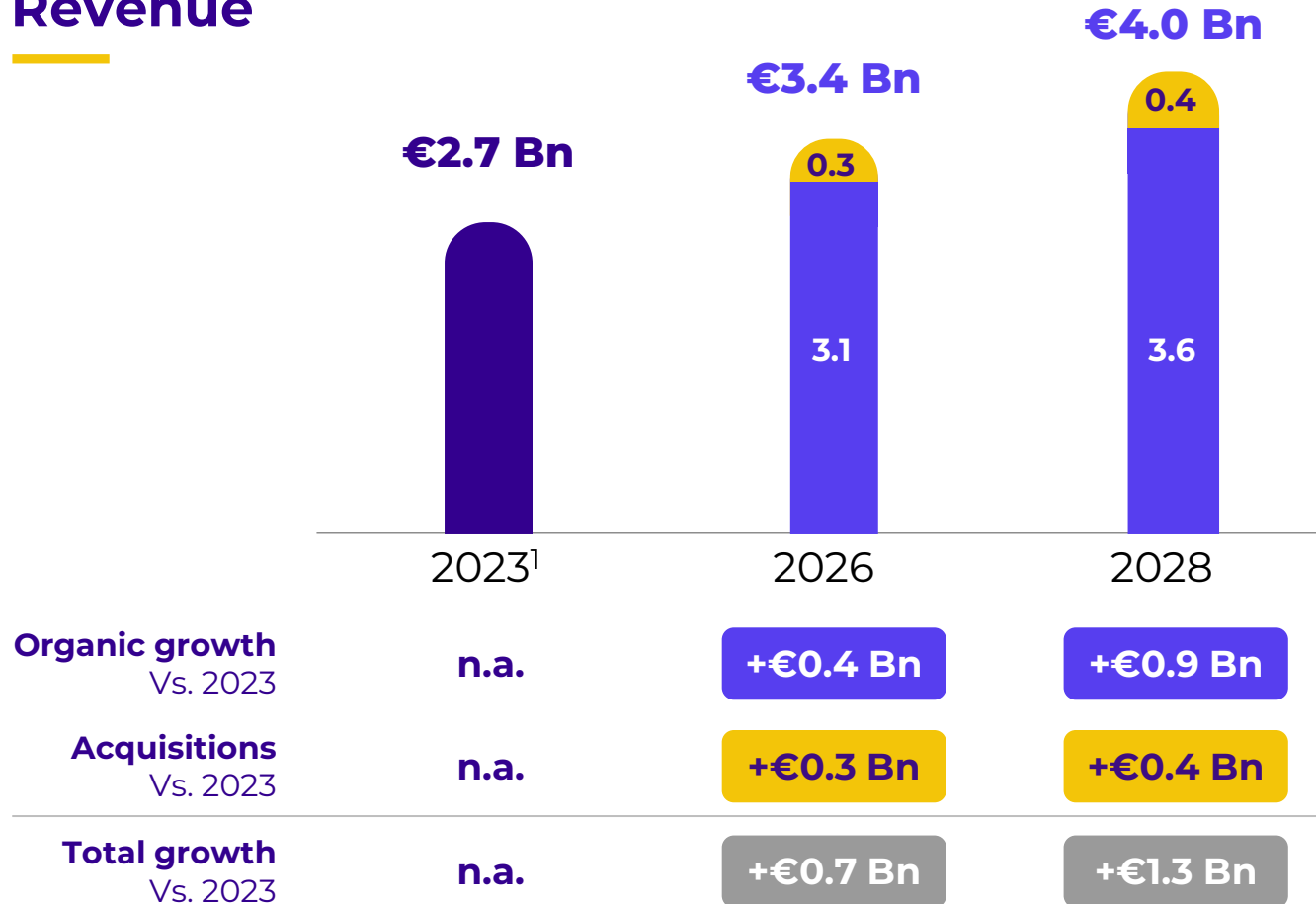


€0.4 Bn
in acquisitions
30% of total increase

1. Estimated 2023 restated from divestments planned in the future

First step at €3.4 Bn in 2026 to reach €4.0 Bn in 2028

Revenue



Expected CAGR



**Total growth
+8% p.a.**

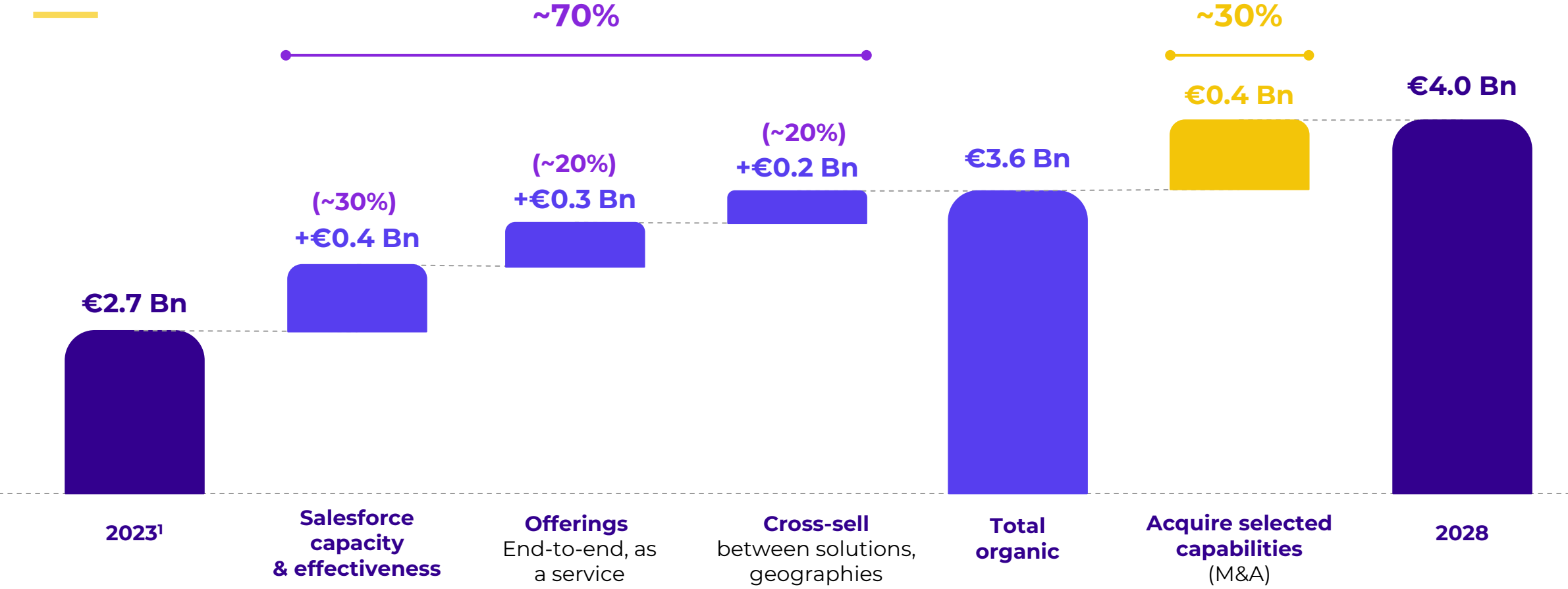


**Organic growth
+6% p.a.**

1. Estimated 2023 restated from divestments planned in the future

Organic growth will be driven by sales force reinforcement, new offerings and improved cross-sell

Revenue



1. Estimated 2023 restated from divestments planned in the future

M&A will help accelerate organic growth by completing our offers

| | |
|------------------|--|
| Workplace | <ul style="list-style-type: none">▪ Distribution▪ Refurbishment |
|------------------|--|

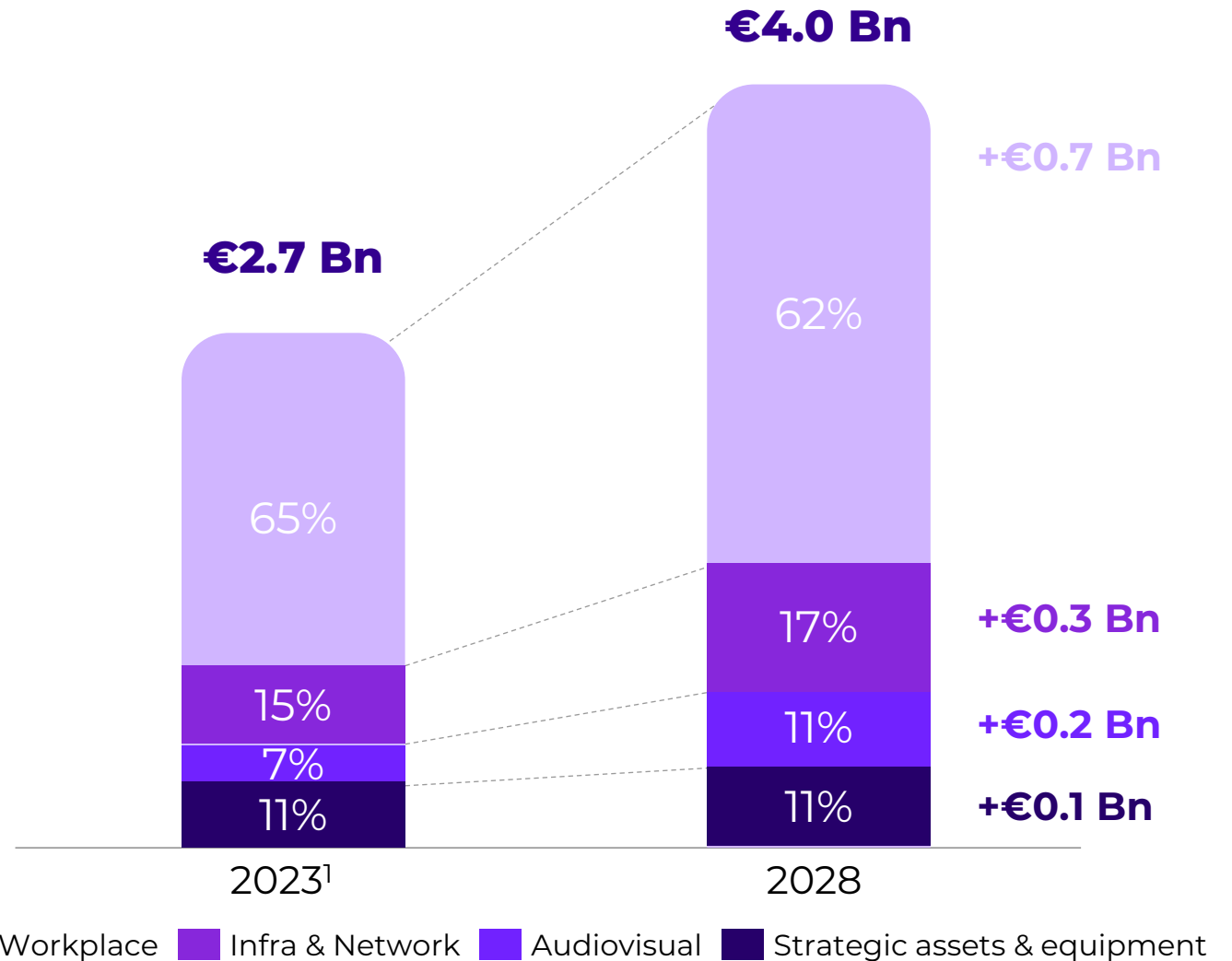
| | |
|-------------------------|--|
| Beyond workplace | <ul style="list-style-type: none">▪ Infrastructure▪ Audiovisual |
|-------------------------|--|

| |
|--|
| Expected output of acquisitions |
| 10% |
| Targeted 3-year ROI |
| <hr/> |
| €220M |
| Total investment |

Econocom revenue evolution by client solution

Workplace will remain a core activity

Ambition to grow in Audiovisual and Infrastructure

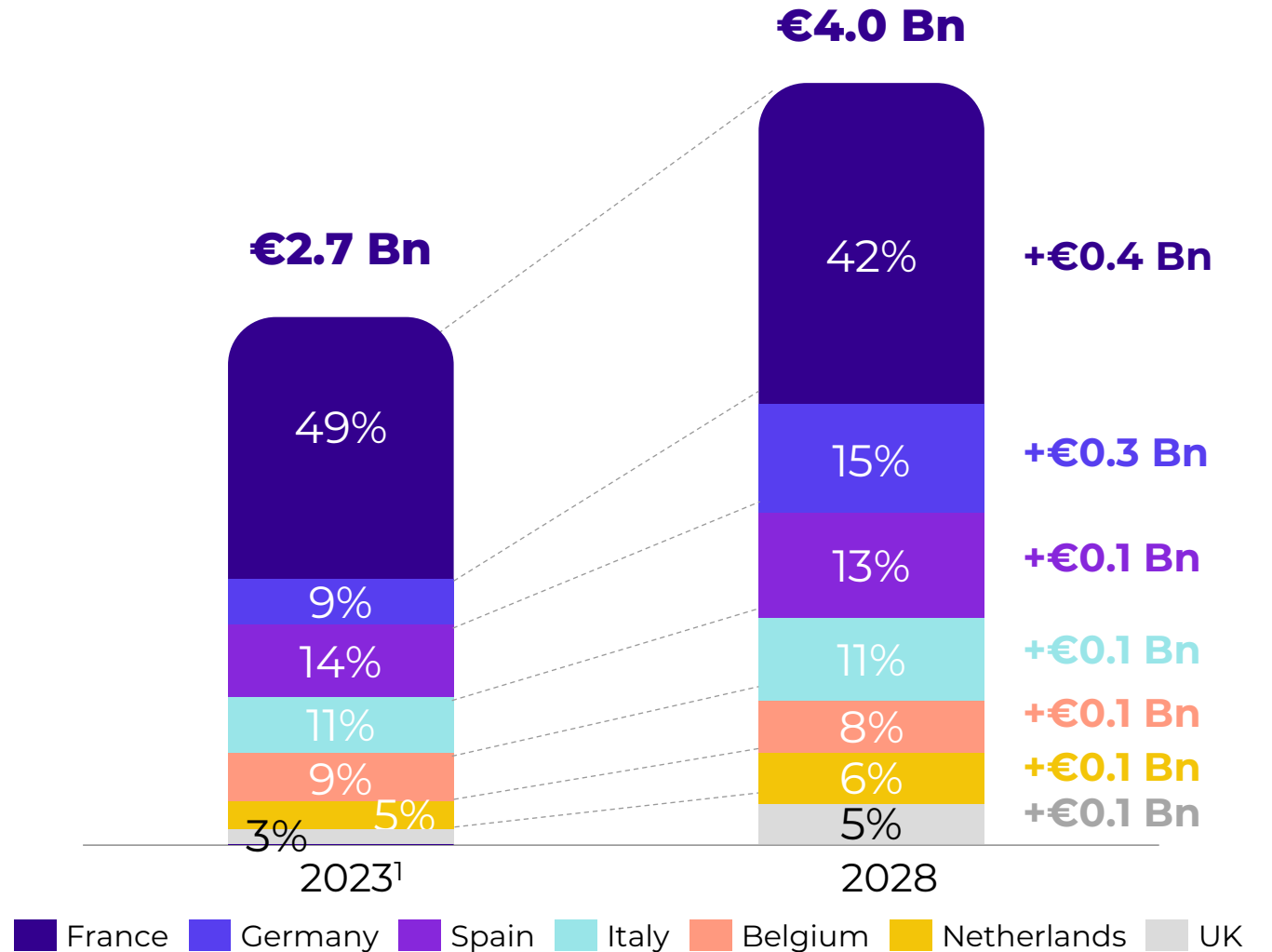


1. Estimated 2023 restated from divestments planned in the future

Econocom revenue evolution by geography

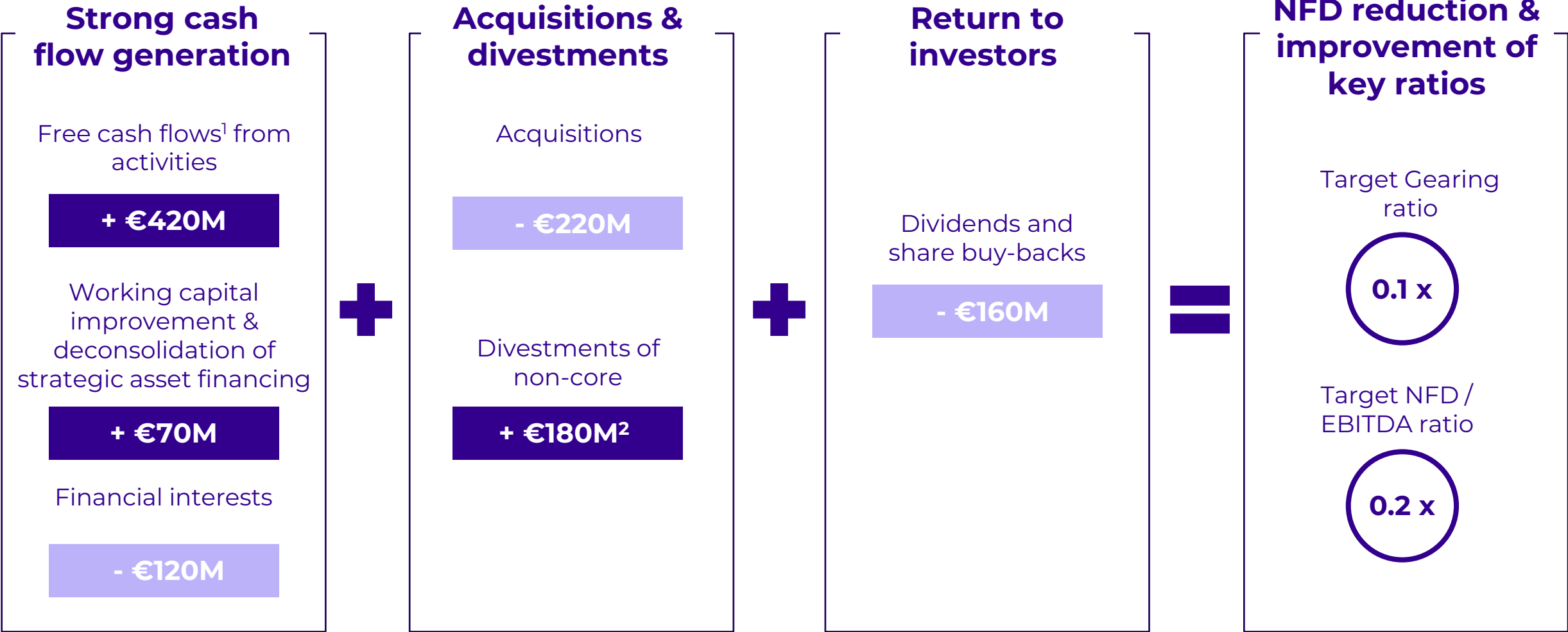
Revenues will be more balanced across core geographies

All markets growing, with acceleration in Germany



1. Estimated 2023 restated from divestments planned in the future

The plan will be fully funded by Econocom with no additional capital raising



1. Excluding working capital improvement 2. Net Financial Debt impact

This plan is focused on value creation





Today


Current Market Cap
~€400M

EBIT multiple range
6x-7x

Value creation focus

- 

Focus on profitable and cash generating growth
- 

Plan funded in standalone with no major equity change
- 

Decrease in net financial debt



WE BELIEVE

Non-financial | As a responsible digital company, Econocom also commits to improve its social and environmental impact



Clients

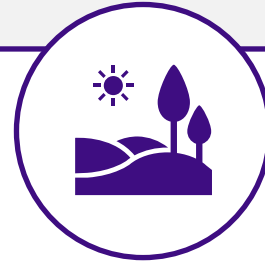
Empower sustainable digital transformation

x3 refurbished or recycled assets vs. 2023

1.5M refurbished or recycled assets

x2 assets repaired

1.5M assets maintained in our repair centers



Environment

Contribute to positive impact

SBTI validation

Top 1% Ecovadis rating



People

Commit to be an employer of choice

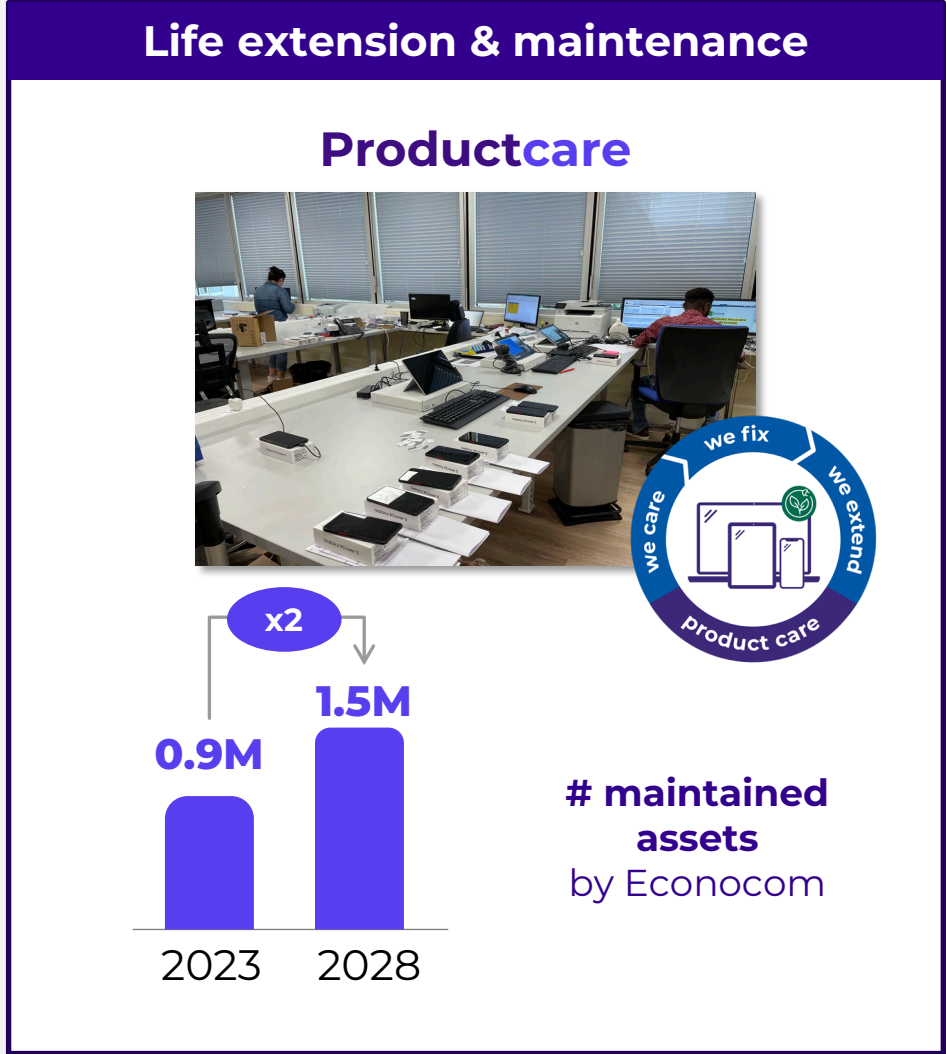
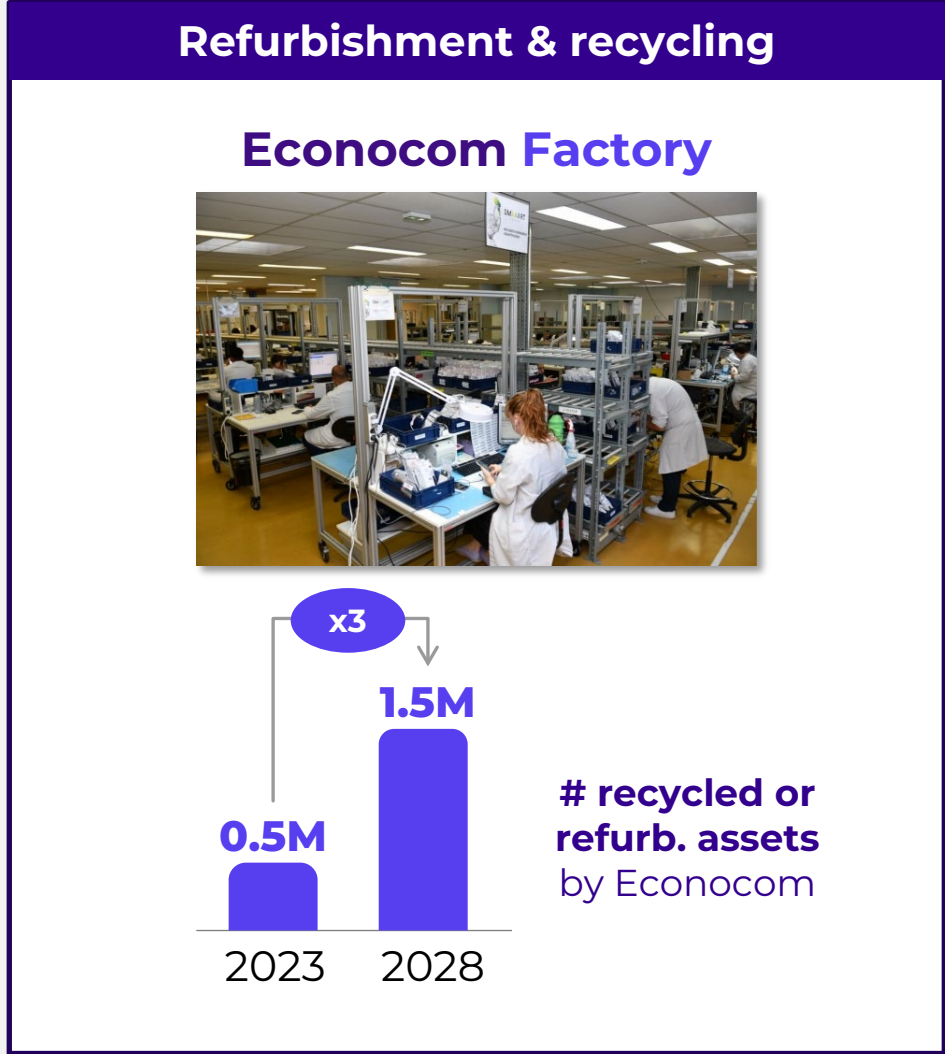
International HR certification

>90/100 rating gender equality

x2 the share of people with disabilities

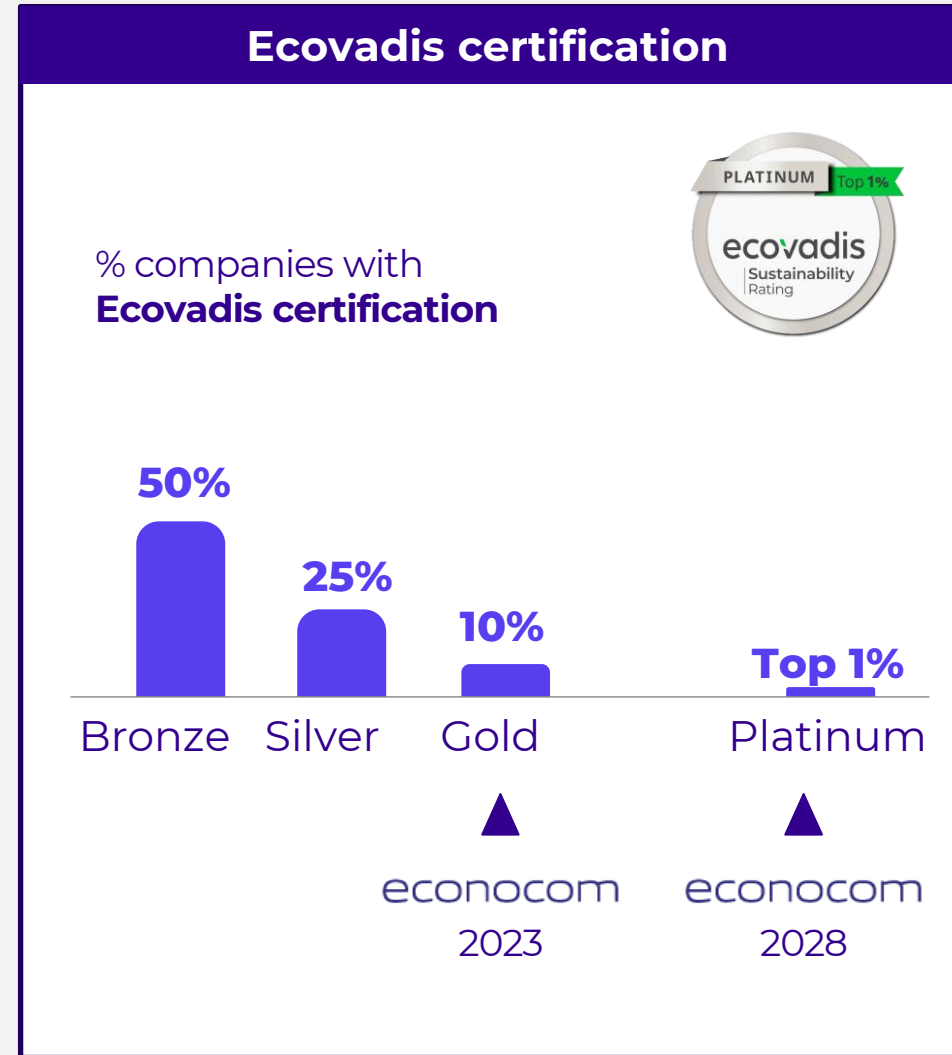
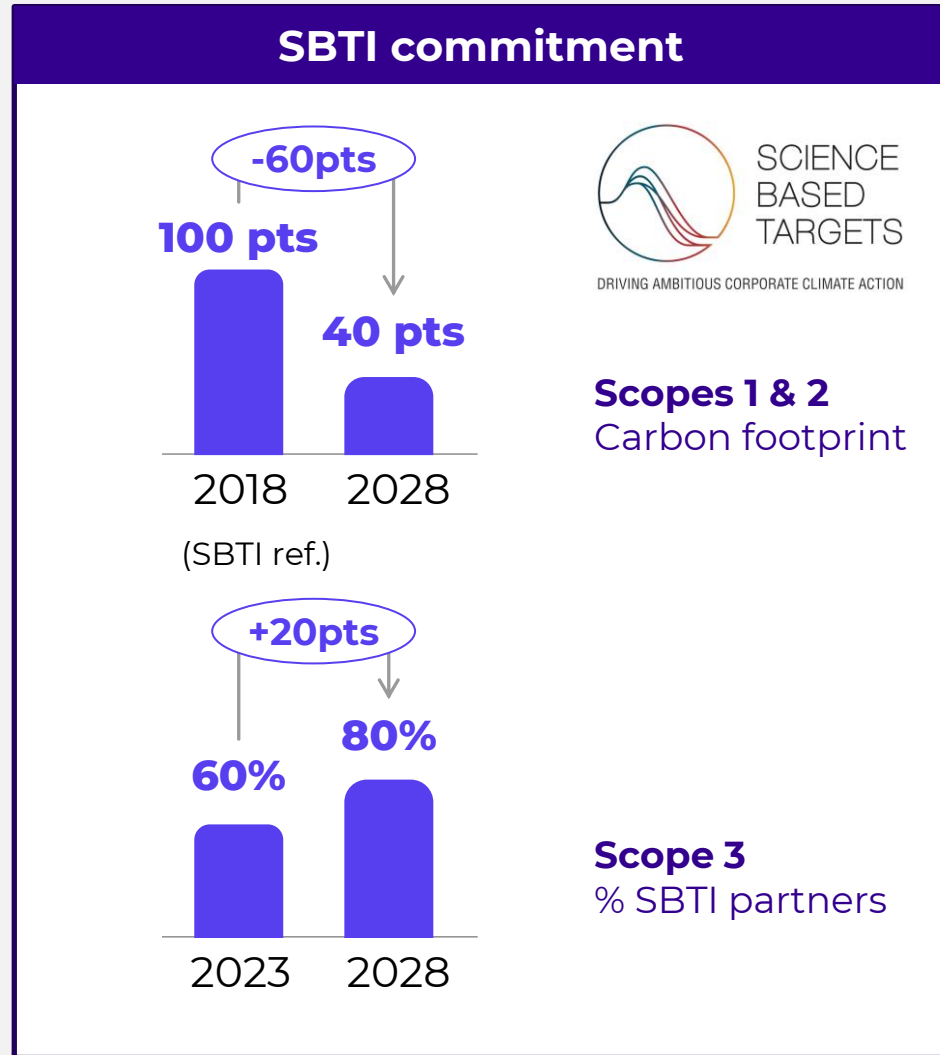


Non-financial – Clients | We will empower sustainable digital models





Non-financial – Environment | We will contribute to a positive global impact





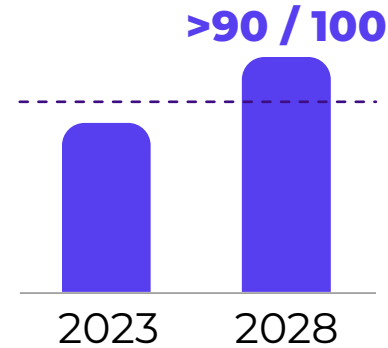
Non-financial – People | We commit to be an employer of choice

HR employer certification



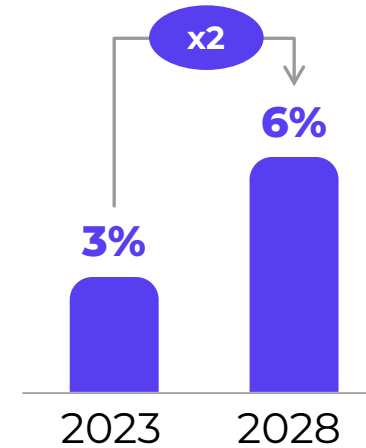
HR label examples

Gender equality



Econocom rate on gender equality

Inclusive social model



% Econocom employees with disabilities

06. Conclusion



Jean-Louis Bouchard

Chairman and CEO

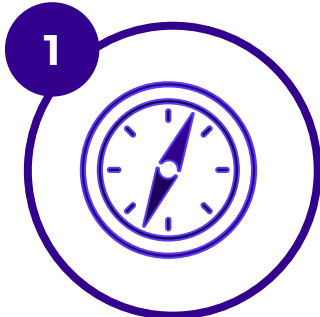
**one**
econocom

Econocom

Executive Team



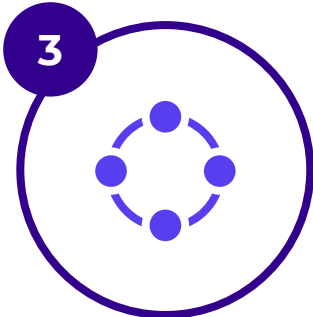
One econocom plan in few key messages



A plan to answer to **clients' demand ...**



as we are surfing on **growing markets**



can **finance it in standalone**



and have the **right team on board**

| | | |
|----------------|-------------------|----------------------|
| | 2028 | |
| €4 Bn | x 2 | 0.1 x |
| Revenue | Net result | Gearing ratio |

07. Q&A

APPENDIX

01

Where do we stand?

02

A new market paradigm

03

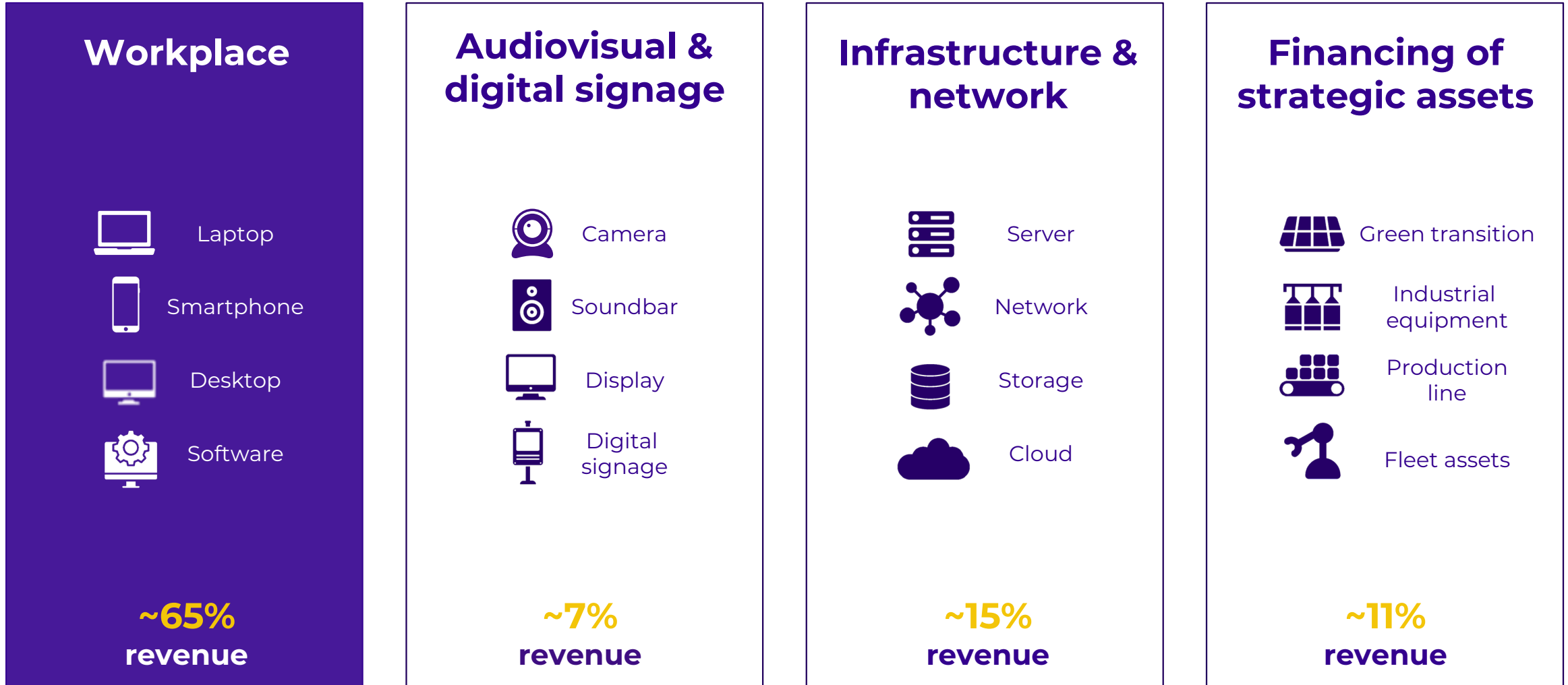
Strategic orientations

04

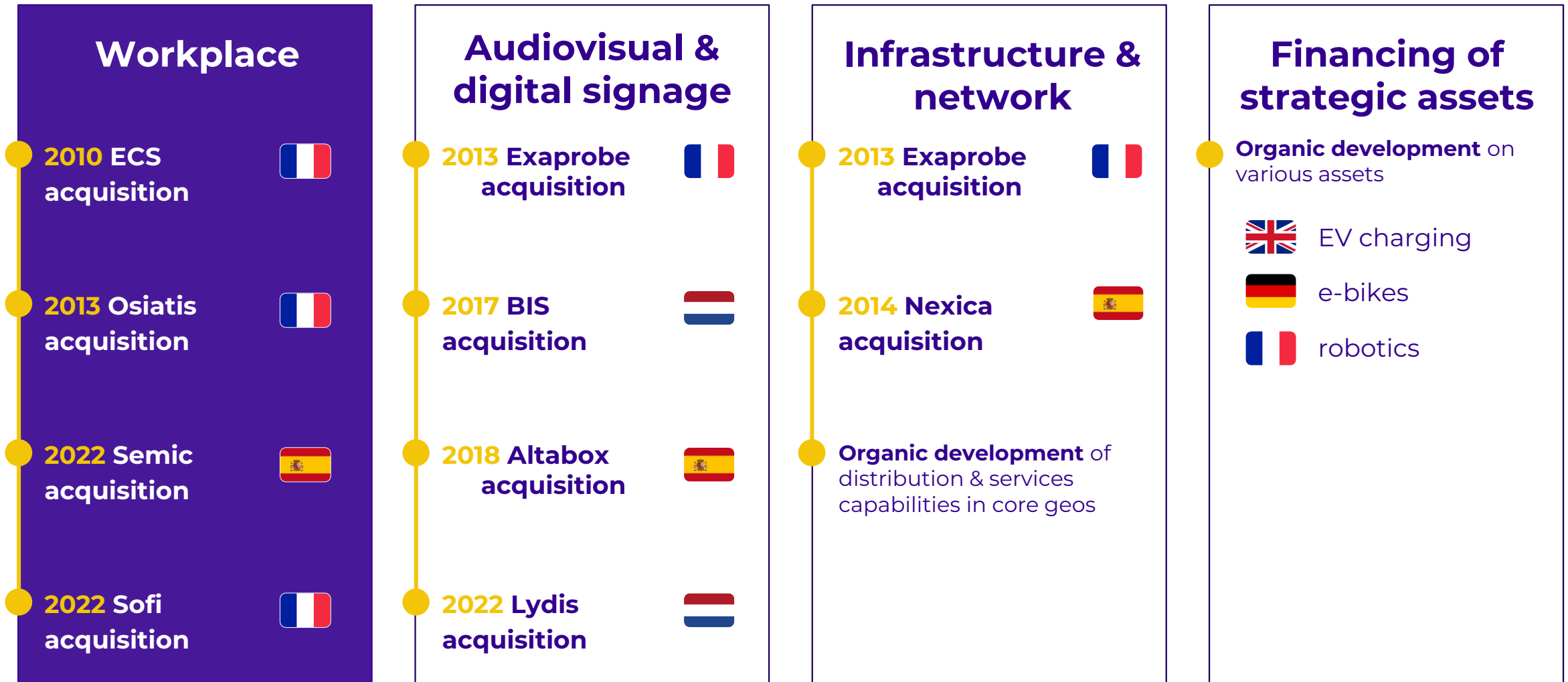
Trajectory

Appendix 01. Where do we stand?

Econocom has built a unique set of capabilities



Econocom expanded on workplace to cover the full value chain and diversified beyond workplace



Appendix 02. A new market paradigm

Solid market underlying drivers



Companies expected to continue to invest in IT



Increasing number of devices per employee to adapt to hybrid ways of working



Leasing penetration rate expected to continue to rise



Customers are looking for more services, especially adding-value services

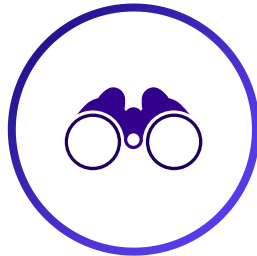
Market drivers |
Device as a Service
is becoming the
"new normal"



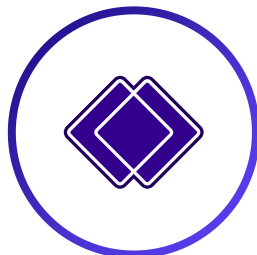
As a service requested by all customers interviewed



As a service expected to represent 50% of total workplace spending by 2027



All direct competitors developing and promoting As a Service offerings






Major vendors have entered the DaaS market targeting largest accounts

Market drivers | Environmental & societal considerations are becoming key purchasing criteria





ESG is becoming a priority in companies IT purchasing criteria ...

-  Visibility on life cycle management
-  Extending asset life
-  Purchase of refurbished products/secondhand leasing

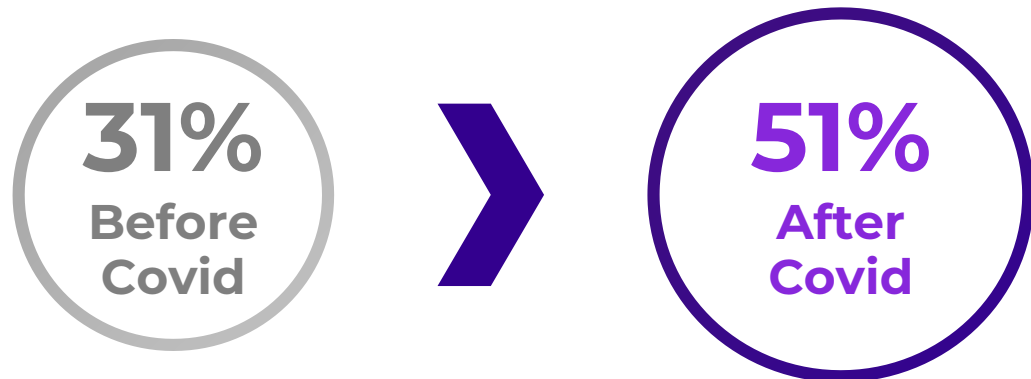


... as regulations evolves and IT represents a significant share of companies' carbon emissions

-  Regulatory push from European governments
-  Significant weight of IT in companies' greenhouse gas (GHG) emissions : up to 40% (scope 2 et scope 3)

Market drivers | Generalization of hybrid work increasing need for modernization ...

Share of workers working fully or partially remote



... and has several implications on provider's offering and delivery model



Reduction of onsite services



Increase productivity of Service Desk agents



Increased security requirements



Continued development of cloudification & DaaS



Automation development



Growing importance of user experience

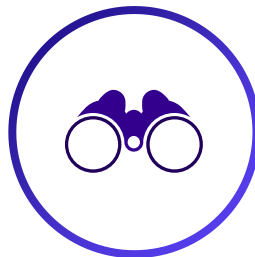
Market drivers |
Rise of complex IT architectures
(public and private cloud, on-premise)



The use of cloud infrastructure is growing, and organizations are increasingly using multiple cloud providers simultaneously.



Transition to multi and hybrid cloud driven by agility, scalability, and performance needs.



This results in increased complexity and demands for external service providers for cloud connection and orchestration.

Appendix 03. Strategic orientations



In workplace, Econocom has a unique competitive edge



Unique combination of expertise

allowing to build modular offers



Intimacy with clients and users needs

with capacity to tailor-made solutions



Presence in main markets

with diversified exposure by activity and geography



Long term relationship with vendors

With established partnerships



We believe we can outperform the audiovisual market



Unique combination of capabilities

for an end-to-end offer



Experienced leadership position

in Europe in a fragmented landscape



Strong cross-sell capabilities

with existing workplace client base



Strong brands at local level...

...to be accelerated at European level





We see potential to expand our position in infrastructure



Existing building blocks of capabilities

For an end-to-end offer with Product & Solutions, Services & Exaprobe



Strong workplace client base

Existing access to decision makers



Long term relationship with vendors

With HW/SW vendors and public cloud providers



Asset-light model vs. incumbents

easing shift towards move-to-cloud activities

Econocom's unique value proposition has already been proven

Client case illustration : global industrial manufacturer

| | Workplace | Audiovisual | Infra |
|------------------|-----------|-------------|-------|
| Design | ✓ | ✓ | ✓ |
| Distribution | ✓ | ✓ | ✓ |
| Financing | ✓ | CAPEX | CAPEX |
| Managed Services | ✓ | ✓ | ✓ |
| Refurb. | ✓ | | |

Key figures

30
countries

10,000
users

€50M
over several years

Workplace
as a service

>500
meeting rooms

Roadmap
of innovation

Appendix 04. Trajectory

Financial main hypothesis

Inflation

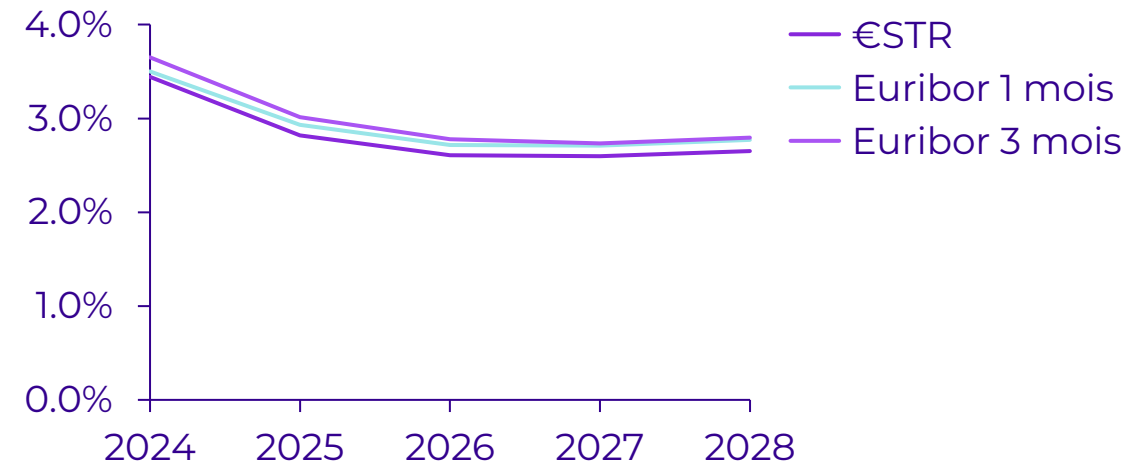
Return to normalized inflation environment

~2-3 %

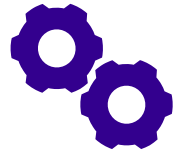
inflation environment considered over the period '24-'28

Interest rates

Peak over '24-'25 and slight decrease over '26-'28 – integrated in financing modeling



Other financial hypothesis supporting the financial trajectory



Working capital

- Improvement by 1% of revenue by the end of the plan
- Increased deconsolidation of strategic assets leasing, from 50% to 75% over the plan



CAPEX

- Stable CAPEX target below 1% in revenue over the plan



Debt

- New financing: €350M raised over the period replacing existing financial debt

Simplified P&L – 2026, 2028

| in Bn€ | FY26 | FY28 |
|-----------------------------|-------------|-------------|
| Revenue | 3,40 | 4,00 |
| Operating margin | 0,15 | 0,21 |
| <i>Operating margin (%)</i> | 4.4% | 5.1% |
| Operating result | 0,14 | 0,19 |
| Financial result | (0,02) | (0,02) |
| Profit before tax | 0,12 | 0,17 |
| Income tax | (0,03) | (0,04) |
| Net income | 0,08 | 0,13 |

Simplified Balance sheet - 12/31/26 and 12/31/28

| in Bn€ | Dec 26 | Dec 28 |
|--|-------------|-------------|
| Net financial debt | (0,14) | (0,05) |
| Equity | 0,61 | 0,77 |
| Gearing Net financial debt | 0.2 x | 0.1 x |
| [Gearing Net financial debt] / [EBITDA] | 0.6 x | 0.2 x |

Contacts

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