ECONOCOM ACHIEVES ITS TARGETS AND COMPLETES ITS MUTATION PLAN IN A SUCCESSFUL 2017. A FURTHER DOUBLE-DIGIT RISE IN RECURRING OPERATING PROFIT AND REVENUE CONFIRMS ITS PROFITABLE GROWTH PROFILE

2017 RESULTS CONFIRMED

- Sharp increase in revenue to €2,980 million (up 17.5%)
- Organic growth, which accelerated in the second half, stands at 11.2%, supported by all the group’s activities
  - Recurring operating profit\(^1\) rose 10.1% to €154.4 million
  - Recurring net profit\(^2\) attributable to owners of the parent increased 13.8% and recurring earnings\(^2\) per share\(^3\) attributable to owners of the parent stood at €0.41 (after the share-split), up 5.4%
  - Equity increased to €483 million, due notably to the ORNANE bond conversion
  - A year of investments: over €160 million invested in CAPEX, M&As (7 targeted transactions) and in the internal refinancing company (EDFL)
  - Net debt stands at €279 million, i.e. 1.5x EBITDA.

THE GROUP’S GROWTH PROSPECTS

Econocom confirms it achieved its annual guidance for 2017 and the targets of the “Mutation” 5-years strategic plan. In October 2017, the group presented its new plan, “e for excellence”, which aims to achieve revenue of €4 billion and double recurring operating profit\(^1\) to €300 million by 2022.

2018, the first year of the plan, will be devoted to implementing the new strategy, which will involve making substantial investments in order to develop the organisation and offering. The group expects sustained organic growth (above the market rate for digital service companies) and a further rise in recurring operating profit\(^1\).

Notes and definitions in the appendix
The Board of Directors of Econocom Group, a European company specialising in the digital transformation of organisations, met today with Jean-Louis Bouchard acting as chairman, to finalise the 2017 full-year results.

**2017 RESULTS: GROWTH PROFILE CONFIRMED**

Econocom Group enjoyed another year of double-digit growth in revenue and recurring operating profit\(^1\) and achieved its annual guidance and the targets of the Mutation 2013-2017 strategic plan.

Group consolidated revenue reached **€2,980 million** compared with **€2,536 million** in 2016, i.e. a **17.9% increase**. **Organic growth** accelerated considerably during the second half, reaching **11.2%** for the year, driven by the group’s three businesses. Once again, the group’s long-term growth trajectory is confirmed, driven by the digital wave and an original, unique model.

For the third year running, the **Satellites** posted a **double-digit rise in organic growth** thanks to their positioning in high-potential segments, their cutting-edge expertise and the increasing synergies with the group’s historic core businesses. Thanks to acquisitions made during the year, they currently account for **19% of the group’s pro-forma revenue**.

Recurring operating profit\(^1\) amounted to **€154.4 million** compared with **€140.3 million** in 2016, up 10.1%. The operating margin stood at 5.2%.

The group’s model, based on three complementary business lines, continues to prove successful:

- **Technology Management & Financing** posted revenue of **€1,379 million** (up 9.5%, which is entirely organic) and recurring operating profit\(^1\) of **€92.4 million** (up 15.2%), i.e. an operating margin rate of 6.7%. Growth was once again accelerated by the internal refinancing company (EDFL), which contributed **€192 million** to revenue (up 46%)

- **Services**, posted revenue of **€1,007 million** (up 25.5%, 12.7% of which was organic). Recurring operating profit\(^1\) stands at **€43.4 million**, i.e. an operating margin rate of 4.3%. The level of the margin is due to the strong business in datacenter integration which includes a higher proportion of hardware distribution, as well as the ramp-up of major managed services contracts. These contracts, by their very nature, have a lower initial margin but are an investment the group has made with a view to building strong ties with key accounts, which are a source of future profitability.

- **Products & Solutions** reported revenue of **€594 million** (up 25.2% of which 12.7% is organic) and recurring operating profit of **€18.6 million** (up 35.9%), i.e. an operating margin rate of 3.1%. Growth was driven in particular by market share gains in the public sector (hospitals and education).

2017 was notable for operational investments which focused mainly on expanding and bringing new blood to the teams, building new offers and updating production tools, to prepare for the “e for excellence” strategic plan which starts in 2018.

*Notes and definitions in the appendix*
RECURRING NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT UP 13.8%

Profit attributable to owners of the parent stood at €86.4 million, up 159% compared with 2016. It was affected by a non-cash financial expense of €37.9 million (change in fair value of the ORNANE derivative) as a result of the good performance of the Econocom Group share price in 2016.

Excluding non-recurring items and before amortisation of intangible assets from acquisitions, recurring net profit attributable to owners of the parent rose 13.8% to €94.5 million. This performance reflects the group’s operational efficiency and the fall in the effective tax rate.

Recurring earnings per share attributable to owners of the parent thus stood at €0.41, up 5.3%.

RISE IN SHAREHOLDER REMUNERATION

At the next General Shareholders Meeting the Board of Directors will recommend that the shareholders receive a refund of the issue premium of €0.12 per share, i.e. a 20% increase year-on-year and a 37% rise over two years.

In line with its shareholder return policy and in an effort to manage dilution, the group also continued its treasury share buyback programme. As of 31st December 2017, it held 9.5 million treasury shares (i.e. 3.9% of its share capital).

A SOLID BALANCE SHEET AND NET DEBT UNDER CONTROL

In 2017 the group generated cash flow from operating activities (excluding non-recurring items) of €154 million, rising by 19%. Gross cash at bank amounted to €238 million.

The group’s equity stood at €483 million, while net book debt amounted to €279 million, i.e. 1.5 times EBITDA. It remains under control in spite of significant investments (a total of €163 million in CAPEX, M&A and on the internal refinancing company, EDFL) and €51 million as part of the shareholder return policy (repayment of share premiums and treasury share buy-backs).

In April 2017, Econocom early converted ORNANE bonds. This transaction allowed the group, all else equal, to increase its equity by €182 million.

Following this conversion and after the two-for-one share split in June 2017, Econocom Group’s share capital is represented by 245.14 million shares.

NEW STRATEGIC PLAN, “E FOR EXCELLENCE”

On 3 October 2017 the group presented its new strategic plan, “e for excellence.” This plan aims by 2022 to:

• achieve revenue of €4 billion
• double recurring operating profit1 to €300 million

This plan consists of four strategic growth drivers:

• Excellence in delivery and offers, to align the quality of the customer experience with the best standards of the B2C market.
• Two organic growth drivers: 1) end-to-end digital solutions 2) financing companies’ technological modernisation, outside the traditional IT perimeter, for example certain industrial assets incorporating digital technologies.
• Continuing the growth dynamic of the Satellites.
• Targeted M&A, particularly in Consulting, Internet of Things (IoT) and Data Analytics, and in Germany and the UK to establish our 3 business lines.

The group’s Management predicts that the substantial improvement in recurring operating profit1 and margin rate will not be linear as investments will be required at the beginning of the plan.

Notes and definitions in the appendix
CHANGE IN ACCOUNTING STANDARDS (IFRS 15)

The application of IFRS 15 as of 1st January 2018 will mainly affect certain hardware, software or service reselling activities for Econocom Group. The examination of its relationship with the end client has led Econocom to consider that it acts as an agent, not a principal, for certain trading transactions in the Products & Solutions activity, and, to a lesser extent, Services.

The estimated impacts at end of 2017 are as follows:

• A decline in revenue from continuing operations of €330 million, i.e. 11.1% of the 2017 reported revenue;
• No change in the amount of net profit and earnings per share (basic, diluted or recurring);
• Operating margin rate (ROP\(^1\) on revenue) would increase from 5.2% to 5.8%.

OUTLOOK FOR 2018

For the first year of the plan, and in light of the sound business momentum, the group’s Management expects a year of:

• organic growth above the digital service market rate;
• a further rise in recurring operating profit\(^1\).

In addition, Econocom will be continuing its selective acquisition policy in strategic sectors.

Robert Bouchard, Econocom’s Chief Operating Officer, said:

“Achieving our 2017 guidance and the success of the Mutation plan have enabled us to get the “e for excellence” plan off to a promising start. These good results show once again how powerful the digital industrial revolution is and that the synergies between the group’s three business lines are solid foundations for addressing organisations’ transformation needs.”

Next press release: the 2018 first-quarter revenue release will be published after the close of trading on 19 April 2018.

ABOUT ECONOCOM

Econocom finances and accelerates companies’ digital transformation. With more than 10,700 employees in 19 countries and revenue of €3 billion, Econocom has all the requisite abilities to ensure the successful implementation of large-scale digital projects: consulting, sourcing and technology management & financing of digital assets, infrastructure, application and business solution services, and project financing. Econocom has adopted European company status (Societas Europaea). The Econocom Group share has been listed on Euronext Brussels since 1986. It is part of the BELMid and Family Business indices.

FOR FURTHER INFORMATION

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Notes and definitions in the appendix
The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement, which would require an adjustment to the figures included in the press release.

### INCOME STATEMENT

<table>
<thead>
<tr>
<th>(in € millions)</th>
<th>2016</th>
<th>2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,536.2</td>
<td>2,979.7</td>
<td>+17.5%</td>
</tr>
<tr>
<td>Recurring operating profit before amortisation of intangible assets from acquisitions</td>
<td>140.3</td>
<td>154.4</td>
<td>+10.1%</td>
</tr>
<tr>
<td>Recurring operating profit</td>
<td>136.1</td>
<td>150.2</td>
<td>+10.4%</td>
</tr>
<tr>
<td>Non-recurring operating expenses</td>
<td>(12.3)</td>
<td>(19.9)</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>123.8</td>
<td>130.2</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Financial result</td>
<td>(17.4)</td>
<td>(12.5)</td>
<td>-28.4%</td>
</tr>
<tr>
<td>Change in fair value of the ORNANE derivative</td>
<td>(37.9)</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>68.6</td>
<td>121.9</td>
<td>+77.7%</td>
</tr>
<tr>
<td>Income tax</td>
<td>(35.7)</td>
<td>(31.2)</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Share of profit/(loss) of associates</td>
<td>(0.2)</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>32.8</td>
<td>90.7</td>
<td>+177.5%</td>
</tr>
<tr>
<td>Net profit attributable to owners of the parent</td>
<td>33.4</td>
<td>86.4</td>
<td>+159.0%</td>
</tr>
<tr>
<td>Recurring net profit attributable to owners of the parent</td>
<td>83.0</td>
<td>94.5</td>
<td>+13.8%</td>
</tr>
</tbody>
</table>

| Earnings per share attributable to owners of the parent (euros) | 0.15 | 0.37 | 139.7% |
| Diluted net earnings per share attributable to owners of the parent (euros) | 0.15 | 0.36 | 139.9% |
| Recurring earnings per share attributable to owners of the parent (euros) | 0.39 | 0.41 | +5.4% |

### BALANCE SHEET

<table>
<thead>
<tr>
<th>ASSETS (in € millions)</th>
<th>31/12/2016</th>
<th>31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>539</td>
<td>599</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>237</td>
<td>297</td>
</tr>
<tr>
<td>Gross cash flow</td>
<td>349</td>
<td>238</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,010</td>
<td>1,294</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,135</td>
<td>2,428</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY &amp; LIABILITIES</th>
<th>31/12/2016</th>
<th>31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>279</td>
<td>483</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>195</td>
<td>215</td>
</tr>
<tr>
<td>Gross financial liabilities</td>
<td>534</td>
<td>517</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,127</td>
<td>1,213</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,135</td>
<td>2,428</td>
</tr>
</tbody>
</table>

*Notes and definitions in the appendix*
Notes and definitions

1) Recurring operating profit before amortisation of intangible assets from acquisitions. (at 31 December 2017, this was amortisations of the ECS customer portfolio and the Osiatis brand).

2) Since H1 2016, recurring net profit attributable to owners of the parent has been the performance indicator chosen by Econocom in order to gain a better understanding of its economic and financial performance. It corresponds to net profit attributable to owners of the parent, before the inclusion of the following items:
   a. Amortisation expenses of intangible assets from acquisitions, net of income tax,
   b. Adjustment to fair value of the ORNANE derivative component,
   c. Other non-recurring operating income and expenses, net of income tax,
   d. Non-recurring financial operating income and expenses, net of income tax,
   e. Profit (loss) from discontinued operations, net of income tax.

3) After the two-for-one share split of the Econocom Group share on 2 June 2017. At 31 December 2017 the share capital was represented by 245,140,430 shares compared with 122,570,215 shares after the ORNANE conversion.

4) The Group’s 2014 ORNANE bond had a derivative component whose value varied in line with changes in Econocom’s share price and other criteria (volatility, dividends, interest rates). Under IFRS, this component must be revalued at each balance sheet date, with any change recognised in profit or loss.

5) Changes in fair value of liabilities from put options are now recognised in equity; as this change in accounting method is applied retrospectively, the €5.5 M of reversal of debts which improved the non-recurring items in 2016 are restated here.

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Notes and definitions in the appendix