

# econocom

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## PRELIMINARY H1 RESULTS AND ADJUSTMENT OF FORECASTS FOR 2018

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Econocom, a company specialising in the digital transformation of organisations, has announced its preliminary first-half results and adjusted its forecasts for 2018.

- Based on initial estimations, Econocom Group's Recurring Operating Profit<sup>1</sup> for the first half of 2018 should stand at around €33 million, compared with €58 million in H1 2017:
  - Profits for the leasing business (TM&F) are down for the period, despite a return to organic growth in the second quarter. After a particularly successful fourth quarter 2017, the pipeline did not lead to the volume of business initially expected, mainly due to the postponing of some substantial deals, which should increase business in the second half.
  - The new management team for Services in France stepped up its efforts for transforming and improving profitability throughout the first half. The initial positive effects are expected in the second half, while H1 profitability should be at a low point.
  - Profitability for Products & Solutions, meanwhile, continues to perform well, thus confirming the resilience of this business line and the validity of its positioning within the group's portfolio.
  - Results for the first half include almost €10 million of provisions for a number of dispute or risk contracts.
- The decision to accelerate the group's transformation in general and that of the Services business in particular resulted in the recording of non-recurring expenses to the amount of some twenty million euros for the first half.

In light of these first-half results, the company now expects Recurring Operating Profit<sup>1</sup> of €120 million for 2018, compared with €154 million for 2017.

**Robert Bouchard, CEO of Econocom, said:** *"Our first-half performance has fallen short of initial expectations, which has led us to lower our profit forecasts for this financial year. The group operates in a growth market and has a solid financial position. I have therefore decided, for the first year of our e for excellence strategic plan, to speed up the Group's transformation and invest in new end-to-end offers. We have already implemented an action plan designed to reduce costs across the group and in all our business lines. These decisions will affect short-term profitability but will enable us to achieve the ambitions of our strategic plan, which are to generate strong growth and a significant improvement in our profitability."*

Upcoming key dates:

- The half-year revenue release will be published after the close of trading on 19<sup>th</sup> July 2018
- Econocom will present its complete half-year results on 6<sup>th</sup> September 2018 in Paris
- The Q3 2018 revenue statement will be published after the close of trading on 19<sup>th</sup> October 2018.

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<sup>1</sup> Before amortisation of intangible assets from acquisitions  
Unaudited consolidated data

## ABOUT ECONOCOM

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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 BEL Mid and Family Business indices.

## FOR FURTHER INFORMATION

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