

econocom

REGULATED INFORMATION
28 January 2015

2014 preliminary full-year results

Full-year revenue rises 18.3% to €2,090 million

A dynamic fourth quarter across all business lines

Econocom, a European company specialising in digital transformation of businesses, has confirmed its ability to generate organic growth in a year that was devoted mainly to the decisive integration of Osiatis.

For 2014, Econocom's revenue reached €2,090 million, i.e. an 18.3% increase compared with the previous year, and 2.9% growth on a like-for-like basis. This performance is in line with the guidance announced in January 2014 of full-year revenue in excess of €2 billion.

This year the group focused on building and reinforcing to launch initiatives with the aim of preparing its next development phases. Econocom thus launched Digital Dimension, continued its targeted acquisition policy, optimised its organisation and stepped up its savings and synergy plans.

In the last quarter of 2014, Econocom achieved revenue of €670 million, an increase of 13.6%, essentially in organic growth, with all the group's activities reporting growth on a like-for-like basis

Econocom's growth was driven by the Group's positioning in the expanding digital transformation market and by business synergies between the three complementary business lines.

- **Technology Management & Financing** showed a strong sales momentum at the year end, posting fourth-quarter revenue of €355 million. This performance enabled the business to achieve full-year 2014 revenue of €1,045 million, a 1.7% rise in organic growth.

- **Services** posted revenue of €192 million in the fourth quarter and €663 million for the twelve-month period, a 61.8% rise compared with the previous year, as a result of the acquisition of Osiatis in September 2013. On a comparable basis, Services reported a decrease in full-year revenue of 1.7%. The process of integrating Osiatis is now complete and the business ended the year with positive organic growth of 3.7% for the fourth quarter. It also benefited from the development of Digital Dimension, which, just one year since its inception, has already reported revenue of over €30 million.

- **Products & Solutions** achieved revenue of €123 million for the fourth quarter (up 25.2%) and €382 million for the full year 2014, i.e. year-on-year growth of 18.2% on a like-for-like basis.

This growth reflects Econocom's leadership in the high-potential Internet of Things market and was due to some significant business synergies with the other group's activities, particularly Econocom-Osiatis' services.

Revenue (in € millions)



* Unaudited

To speed up the spread of digital progress within organisations, Econocom has launched the "Digital for All, Now!" movement.

Join us: www.digitalforallnow.com

#digitalforallnow



Recurring operating profit for the year

The strong business trend in the last quarter enabled Econocom to confirm the guidance announced on 21 October 2014. Recurring operating profit for 2014 should be slightly above the result reported for 2013.

A targeted acquisitions strategy to strengthen the offering and international foothold

Whilst integrating Osiatis, Econocom implemented an acquisition strategy with the aim of consolidating its positioning in high-potential markets:

- In January 2014, Econocom launched Digital Dimension in partnership with Georges Croix with the aim of creating a leading player in the cloud-hosted services market and achieving revenue of €120 million and operational profitability in excess of 10% by 2016. The company has since made three acquisitions: Rayonnance, a company specialising in business-to-business mobile solutions in May 2014, ASP Serveur, a provider of public and private cloud hosting solutions in July 2014, and finally, Aragon e-RH, a French software vendor specialising in cloud-based HRIS solutions.
- In July, Econocom also acquired Comiris, a French specialist in collaborative, multimedia and videoconferencing tools, with revenue of €13 million.
- Finally, Econocom announced it had acquired a 45% stake in Helis, a French company specialising in critical IT and network infrastructure consulting and engineering. Helis posted revenue of around €8 million.

Econocom also continued its international expansion strategy:

- Mexico: Econocom set up a Technology Management & Financing business in order to serve its European clients with operations in this country, as it did in Canada and the United States in 2013.
- Brazil: Econocom exercised its call option on Interadapt, which it now owns a controlling stake in (51.3%). In August 2014, Interadapt acquired, with Econocom's agreement, Syrix, a company specialising in application, infrastructure and cloud solutions performance management. In total, Interadapt posted full-year revenue of around €14 million and employs over 300 people serving its own and Econocom Group's clients in this area.
- Germany: Econocom decided to sign an exclusive agreement with local company TechnoGroup IT Services GmbH in Germany and Switzerland, after selling its Services business to it (revenue of €4 million). Consequently, the group can now rely on over 200 engineers and technicians (compared with around thirty previously) to serve its clients in these countries.

To speed up the spread of digital progress within organisations, Econocom has launched the "Digital for All, Now!" movement.

Join us: www.digitalforallnow.com

#digitalforallnow



Financial solidity confirmed

On 31 December 2014, Econocom posted positive net cash in bank of €122 million and net book debt of €106 million. The Group has thus achieved its target of maintaining gearing below 50%, in spite of the acquisitions made, a sustained treasury share buyback policy during the year (€43 million) and the partial buyback of its 2016 OCEANE convertible bonds (€47 million), with a view to limiting the dilutive effect before the early conversion of the bonds in June.

As of 31 December 2014, the Group owned 1,460,186 treasury shares, i.e. 1.30% of the share capital, after the cancellation of 3,053,303 million Econocom Group shares on 29 December 2014.

Outlook for 2015

The Group's Management expects another year of organic growth in revenue and a rise in recurring operating profit and net earnings per share.

Furthermore, Econocom plans to continue its acquisition and expansion strategy in the high-potential security, eHealth and mobile application sectors, ... and to continue to deploy its multi-activity model in its strategic countries.

Econocom's full-year results will be published after the close of trading on 5 March 2015.

About Econocom

Econocom designs, finances and oversees companies' digital transformation. With over 8,000 employees in 20 countries and revenue in excess of €2 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.

The Econocom Group share (BE0974266950 - ECONB) has been listed on the Euronext NYSE in Brussels since 1986 and is part of the BelMid index.

For further information: www.econocom.com

Follow us on Twitter: <https://twitter.com/econocom>

Investor and shareholder relations: galliane.touze@econocom.com

PR contact: marie.frocrain@havasww.com