

Strong growth¹ in revenue and ROP² in H1 2022 Confirmation of the organic growth¹ target of annual revenue in 2022 of 5%

Significant growth in the first half of 2022

- Revenue up¹ 9.0% at €1,240 million
- Recurring operating profit (ROP)² up¹ 12.6% at €58.8 million
- Consolidated net profit up³ 10.8% at €33.6 million

Business recovery confirmed and high operating margin maintained

The Econocom Group generated a revenue of €1,240 million in the first half of 2022, a sustained increase¹ of 9.0% compared to H1 2021. As a result of the reclassification of certain entities into discontinued activities as of 1 January 2022, these activities, which generated €125 million in revenue in the first half of 2022, are not included in the revenue of the continued activities.

Over the period, trends in continued activities were as follows:

- Products & Solutions (P&S) revenue amounted to €493 million, up¹ 12.0%. Econocom enjoyed positive trends in the digital asset distribution market and benefited from its strong order backlog at the end of 2021, despite the persistence of supply chain issues. P&S ROP² increased¹ by 6.3% to €16.9 million.
- Technology Management & Financing (TMF) confirmed the recovery of its business, with revenue up¹ 14.0% at €499 million. TMF ROP² was €21.6 million, representing a margin of 4.3%.
- Services generated €248 million in revenue, down¹ 4.4%. By contrast, the margin increased by 1.1 percentage points to 8.2%.

Group recurring operating profit² (ROP) increased¹ by 12.6% to €58.8 million, compared to €52.3 million for the same period in 2021. The first half operating margin was 4.7%, stable compared to H1 2021.

After non-recurring operating expenses of €10.2 million, a net financial expense of €5.8 million and an income tax expense of €6.4 million, first half net profit from continued activities was €35.5 million, versus €24.8 million in the first half of 2021, entailing strong growth³ of 42.7%.

After deducting earnings from discontinued activities, consolidated net profit was €33.6 million, up³ 10.8%.

Net financial debt (NFD)⁴ remains under control

NFD⁴ was €272 million at 30 June 2022, compared to €217 million a year earlier. The increase is attributable notably to the decline of approximately €60 million in factoring and treasury share purchases totalling €40 million over the last 12 months.

Outlook

Econocom maintains its forecast of 5% organic growth in revenue for the full year 2022.

Next publication: information meeting on H1 2022 results, 28 July 2022

¹ For continued activities, at constant scope and accounting standards, including organic growth of acquired companies

² Before amortisation of intangible assets from acquisitions

³ At constant accounting standards

⁴ NFD: Net Financial Debt including current and non-current financial debt and excluding liabilities arising from the application of IFRS 16 to leases (offices, vehicles, etc.) for which Econocom is the lessee

ABOUT ECONOCOM

Econocom is a digital general contractor (DGC)). The group conceives, finances and facilitates the digital transformation of large firms and public organisations. It has 49 years' experience and is the only market player offering versatile expertise through a combination of project financing, equipment distribution and digital services. The group operates in 16 countries, with over 8,200 employees. It made €2,505m in revenue in 2021. Econocom is listed on Euronext in Brussels, on the BEL Mid and Family Business indexes.

FOR MORE D'INFORMATION

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INCOME STATEMENT

(€M)	H1 2021 Restated	H1 2022
Revenue	1,092.6	1,239.5
Recurring operating profit before amortisation of intangible assets from acquisitions	52.3	58.8
Recurring operating profit	51.3	57.8
Other non-recurring income and expenses	-7.5	-10.2
Operating profit	43.7	47.7
Cost of financial debt	-3.7	-3.0
Other financial income and expenses	-2.0	-2.8
Profit before tax	38.0	41.9
Income tax expense	-13.2	-6.4
Net profit from continued activities	24.8	35.5
Net profit from discontinued activities, associates and joint ventures	5.5	-1.9
Net profit for the period	30.3	33.6
Recurring net profit	31.1	44.0

BALANCE SHEET

(€m) ASSETS	31.12.2021 Restated	30.06.2022
Goodwill	495	506
Other non-current assets	216	202
Residual interest in leased assets	171	172
Trade and other receivables	796	859
Other current assets	185	171
Cash and cash equivalents	406	309
Assets held for sale	69	167
TOTAL ASSETS	2,339	2,386
(€m) EQUITY & LIABILITIES	31.12.2021 Restated	30.06.2022
Equity attributable to owners of the parent	381	343
Non-controlling interests	58	77
EQUITY	439	420
Bonds	252	358
Financial liabilities	221	223
Liabilities for repurchases of leased assets	98	99
Provisions	68	81
Trade and other payables	882	819
Other liabilities	348	322
Liabilities held for sale	31	64
TOTAL EQUITY AND LIABILITIES	2,339	2,386

Appendix: Reconciliation between financial data at the end of H1 2021 as reported in the 2021 half-yearly report and data contained in the 2022 half-yearly report.

“H1 2021 reported” corresponds to revenue and ROP² as presented in the 2021 half-year report.

“H1 2021 restated” corresponds to H1 2021 revenue and ROP² as presented in the 2022 half-yearly report released today and takes into account changes in discontinued activities as defined by IFRS 5 and changes in accounting presentations. It serves as the basis for calculating growth rates at constant standards.

“H1 2021 pro forma” corresponds to H1 2021 restated revenue and ROP² also adjusted for changes in exchange rates and consolidation scope (acquisitions and disposals). It serves as the basis for calculating growth rates at constant standards and scope.

Revenue (€m)	Group total	TMF	P&S	Services
H1 2021 reported	1,240	446	524	270
Deconsolidation of discontinued activities and changes in accounting presentations	-147	-13	-134	-
H1 2021 adjusted	1,093	433	390	270
Forex impact	2	2		
Change in consolidation scope (acquisitions)	52	3	49	
Change in consolidation scope (disposals)	-11			-11
H1 2021 pro forma	1,137	438	440	259
ROP² (€m)	Group total	TMF	P&S	Services
H1 2021 reported	62.3	17.5	24.7	20
Deconsolidation of discontinued operations and activities and changes in accounting presentations	-10.0	0.2	-9.8	-0.3
H1 2021 adjusted	52.3	17.7	14.9	19.7
Forex impact	0.3	0.1	0.2	
Change in consolidation scope (acquisitions)	0.9	0.1	0.8	
Change in consolidation scope (disposals)	-1.3			-1.3
H1 2021 pro forma	52.3	17.9	15.9	18.4