

# econocom

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## **ECONOCOM GROUP'S REVENUE IS UP +11.8% IN THE FIRST QUARTER OF 2018, INCLUDING 3.2% ORGANIC GROWTH, CONFIRMING THE RELEVANCE OF ITS POSITIONING AND DEVELOPMENT MODEL**

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### **KEY ELEMENTS OF THE GROUP'S GOOD START TO THE YEAR**

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- A further rise in revenue to € 616.6 million (+11.8%)
- A continued positive organic growth momentum at +3.2% under the IFRS 15 standard
- Before application of the IFRS 15 standard, growth of 15.4% of which 7.3% in organic growth
- Targeted acquisitions in Spain and Italy to continue its value added strategy
- 2018 guidance confirmed

### **STRONG BUSINESS TREND IN 1ST QUARTER OF 2018**

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Econocom, a committed European player in the digital transformation of businesses, posted a revenue<sup>1</sup> of €616.6 million in the first quarter of 2018, compared to €551.7 million in 2017, an increase of 11.8%. Organic growth momentum is good at + 3.2% for the quarter.

- After a very strong Q4 2017 activity (up 28%), **Technology Management & Financing** posted a revenue of €261.7 million for the quarter, down by 6.3%. The business is gradually rebuilding its pipeline, whether in traditional digital activities or in innovative financing solutions such as "as a service" models, energy saving, industry or education. The group confirms the growth prospects for this activity for the year.
- **Services** saw its revenue increase by 19.7% to €258.1 million over the quarter. Satellites and Planet contributed to the strong organic growth of the quarter, which rose to 9.6%. The combination of the group's competencies is proving a growing commercial success with customers who wish to work with reliable partners that are able to deliver integrated solutions.
- **Products & Solutions** continues to gain market share, particularly in the public sector. Revenue for the quarter amounted to €96.8 million, compared with €56.7 million in Q1 2017, representing an organic growth of 16.4%. The business now includes BIS in the Netherlands and Belgium and Energy Net in Germany.

*Since 1 January 2018, the Econocom group applies the new IFRS 15 standard that reduces revenue recognition in the P & S and Services businesses. This change, that has no impact on the margin, leads to the neutralisation of most of the income from the business for which Econocom acts as an agent.*

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<sup>1</sup> after applying the IFRS 15 standard

## TARGETED ACQUISITIONS IN SPAIN AND ITALY

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During the quarter, the group acquired two companies to reinforce its know-how in digital transformation and continue its strategy to develop in value added services.

The group thus acquired 60% of Altabox, a specialist in digital marketing services, in order to enhance the customer experience at points of sale. The company's innovative offering includes the design and deployment of digital signage, sensory and auditory marketing, and traffic and data analytics. This acquisition offers numerous opportunities for synergies with the group's other skills in the Retail sector, particularly those of the Caverin, Gigigo, Rayonnance, or Jade Solutions Satellites. With a strong portfolio of Spanish customers, the company achieved a turnover of €9 million in 2017.

Furthermore, Econocom signed agreements to acquire 100% of BDF, a specialist in managed services for the Banks & Insurance sector. The company achieved a turnover of €44 million in Italy during its last financial year.

## 2018 ANNUAL GUIDANCE CONFIRMED

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The quarterly performance and growth prospects allow the group's Management to confirm its 2018 objectives, i.e. a year of:

- organic growth above the market rate;
- growth in current recurring operating profit<sup>2</sup>.

**Next press release: the 2018 half-year revenue release will be published after the close of trading on 19 July 2018.**

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### 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 BEL Mid and Family Business indices.

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### FOR FURTHER INFORMATION

[www.econocom.com](http://www.econocom.com)

Follow us on Twitter :  
[https://twitter.com/econocom\\_fr](https://twitter.com/econocom_fr)

Investor and shareholder relations :  
[pierre.berardin@econocom.com](mailto:pierre.berardin@econocom.com)

Press contact :  
[julie.fernandez@econocom.com](mailto:julie.fernandez@econocom.com)

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<sup>2</sup> before amortisation of intangible assets from acquisitions