

17 June 2015

### **Econocom presents its external growth strategy and announces 5 new investments**

Econocom held an information meeting today to present the growth strategy based on its Mutation 2013-2017 plan.

**Econocom, a European company specialising in the digital transformation of businesses, implements an original approach designed to attract the best digital talents and speed up its expansion.**

The group plans to focus on acquiring Midcaps with a strong entrepreneurial culture. The companies the group chooses to invest in will maintain their independence, with managers holding a stake in the share capital.

This original approach which respects the unique characteristics of each entity will favour creativity, growth and fast adaptation. It will also make the group more attractive, speed up its organic growth and ultimately create value.

Econocom will primarily be focusing its investments on:

- 5 sectors: IT security, web and mobile apps, cloud platforms, infrastructure and network consulting, and eHealth;
- 4 strategic zones: Benelux, Spain, France and Italy.

Since rolling out its Mutation strategic plan at the beginning of 2013, Econocom has consolidated its leadership in B2B digital services by making several acquisitions representing combined revenue of €450 million and by setting up (jointly with Georges Croix) Digital Dimension, the “marketplace for digital solutions.” Digital Dimension has itself expanded via mixed growth in the fields of mobility, hosting and business applications.

In addition to this, Econocom announced today that it has:

- **Made four new investments** : Alter Way, Bizmatica, Nexica and Norcod
- **Founded** a new company: Digital Security.



These companies in high-potential markets will strengthen business synergies with the group's traditional businesses:

- **Alter Way**, the Internet and open source leader, posted €11 million in revenue in 2014. Econocom's investment accounts for 66% of the company's shares. With its expertise in web development and hosting, Alter Way oversees its clients' digital transformation by offering open source, DevOps and cloud solutions. Alter Way has developed strong technology and business partnerships with the leading industry experts, and recently won the Microsoft Partner of the Year award in the "Open Source on Azure" category (global business cloud platform).
- **Bizmatica**, an Italian company which reported revenue of €12 million in 2014, develops business and mobile applications services. The company, in which Econocom holds a 70% stake, offers its clients innovative technologies.
- **Nexica**, a Spanish critical applications hosting provider and cloud expert which achieved revenue of €8.6 million in 2014, is now wholly owned by Digital Dimension.
- **Norcod**, a French specialist in B2B mobile solutions which reported revenue of €12 million in 2014, is wholly owned by Digital Dimension.

Lastly, the creation of **Digital Security** will enhance Econocom's IT security offering. Digital Security, of which Econocom has acquired a 55% stake, has innovated by launching the first CERT™ for IoT security. The CERT™ is a team of recognised cyber-security experts who provide operational emergency prevention and response and advanced consulting services. Digital Security will have its own IoT security R&D laboratory.

This is the latest addition to the group's portfolio of offerings, after Helis (critical infrastructures and networks) and Clesys (digital and network infrastructure security), which Econocom acquired respectively in February and March 2015.

## **Mutation 2013-2017: guidance confirmed**

Econocom confirms the objectives of its Mutation plan, i.e. €3 billion in revenue and recurring operating profit of €150 million by 2017.

In order to achieve this:

- Organic growth will be boosted by the investments made since the beginning of the Mutation plan, in particular the current recruitment drive for its sales force, and the group's strong positions in digital transformation
- New investment of between €150 and 200 million will be made in external growth by 2017.



These investments will be financed by the group's strong cash flow generation (€106 million net cash at bank at the end of 2014) and the diversification of its financing sources: in May 2015, Econocom successfully issued bonds with maturity of 5 and 7 years as part of a €101 million private placement with eight institutional investors.

## **About Econocom**

Econocom designs, finances and oversees companies' digital transformation. With over 8,500 employees in 19 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 and Tech40 indices.

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