

## Revenue<sup>1</sup> at end of September 2019: €1,826 M (+2.6%)

### Highlights

- Growth<sup>2</sup> in revenue from continuing operations<sup>1</sup> up 2.6%, including 1.6% organically
- Full-year Recurring Operating Profit<sup>3</sup> guidance confirmed at €128 million, on a like-for-like basis
- 2.3 million treasury shares bought back.

### Strong business momentum maintained in Q3 2019

Econocom Group posted revenue from continuing operations of €1,826 million for the first nine months of 2019, an increase<sup>2</sup> of 2.6%, including 1.6% organic growth, compared with the same period in 2018.

The results for the group's continued operations in the first nine months are as follows:

- The Technology Management & Financing (TMF) division reported a 5.7% decrease<sup>2</sup> standing at €788 million, due primarily to the negative fallout of the discovery at the end of June 2019 of malpractice in Italy over the past few years which affected the Italian subsidiary's business in the 3<sup>rd</sup> quarter. Consequently, TMF revenue for Italy at the end of September 2019 was down €76 million compared to the same period in 2018. Restated with this item, TMF would have posted growth in excess of 3% thanks to good performances in France, Spain and Belux.
- Digital Services and Solutions (DSS) continued its growth, driven mainly by the business trend in France and Belux. Revenue for the nine-month period increased<sup>2</sup> by 9.9%, with 8.3% organic growth, to reach €1,038 million. Among the major deals in the 3<sup>rd</sup> quarter, Econocom delivered part of a project to supply digital technology to secondary schools in the East of France, worth a total of €40 million. On the business front, also in France, two service and IT outsourcing contracts were signed with major new clients, whilst in August 2019 a substantial deal was signed with a European car manufacturer to digitalise over 800 dealerships across a dozen countries in Europe.

For the first nine months of 2019, revenue from discontinued operations stood at €130 million, remaining stable year-on-year.

### Buyback of treasury shares

As authorised at the General Shareholders Meeting on 21<sup>st</sup> May 2019, on 30<sup>th</sup> June 2019 Econocom bought back 2.3 million own shares. At 21<sup>st</sup> October 2019, Econocom held – excluding liquidity contracts – 19.0 million treasury shares, i.e. 7.7% of the company's share capital. These buybacks are a testament to Management's confidence in the future of the group and its wish to improve return on equity for all the shareholders.

## Outlook

In Q4, which traditionally benefits from a favourable seasonal trend, Econocom will step up its sales efforts to ensure an overall growth<sup>2</sup> in revenue from continuing operations in 2019.

During the 3<sup>rd</sup> quarter, the group increased its substantial productivity measures as part of a plan to cut costs in 2019/2020 and thus reduce its expenses in 2021 by €96.5 million compared to 2018. For the first nine months of the year, these measures have already generated a reduction of €17 million in indirect costs alone, thus enabling the group to confirm its annual target of bringing overall costs down by more than €25 million and offsetting the negative impact of the situation in Italy.

In view of the current business trend and these savings measures, the group has confirmed its 2019 full-year guidance, i.e. Recurring Operating Profit<sup>3</sup> of €128 million on a like-for-like basis.

**Next publication: the 2019 full-year revenue will be published after the close of trading on 23<sup>rd</sup> January 2020.**

Econocom will publish its 2020 shareholders' agenda on its website on 25<sup>th</sup> October 2019.

<sup>1</sup> After restatement, in accordance with IFRS 5, of assets held for sale and discontinued operations

<sup>2</sup> On a like-for-like basis

<sup>3</sup> Before amortisation of intangible assets from acquisitions

## ABOUT ECONOCOM

Econocom designs, finances and facilitates digital transformation for large companies and public organisations. With 40 years' experience and the only market player with 360° expertise covering project financing, equipment distribution and digital services, Econocom employs more than 10,000 people in 18 countries and reported revenue of €2,846 million. The Econocom Group share is listed on Euronext Brussels and is part of the Bel Mid and Family Business indices.

## FOR FURTHER INFORMATION

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

Follow us on [Twitter](#)

Investor and shareholder relations:

[arthur.rozen@econocom.com](mailto:arthur.rozen@econocom.com)

Financial press contact:

[info@capvalue.fr](mailto:info@capvalue.fr)

Tel. +33 1 80 81 50 04