



# EZENTIS

H1 RESULTS REPORT 2019 31-Jul -19

> **H1 HIGHLIGHTS**

<b>REVENUE</b> <b>€ 238.0 M</b>	<b>+17.8%</b> Growth vs H1 2018	<b>NET CASH FLOW</b> <b>€14.0 M</b>	Focus on cash generation
<b>EBITDA<sup>1</sup></b> <b>€ 29.4 M</b>	<b>12.4%</b> o/revenue <sup>1</sup>	<b>NET RESULT</b> <b>€ 1.5 M</b>	<b>Key effects</b> <ul style="list-style-type: none"> <li>- Increase in the volume of operations</li> <li>- Margins improvement</li> <li>- Financial expenses decrease</li> </ul>
<b>CONTRACTS</b> <b>€ 322.6 M</b> Of renewals and new contracts	<b>1.4X</b> o/revenue of H1 2019 (1.6x o/revenue H1 2018 proforma)	<b>BACKLOG</b> <b>€ 879.3 M</b> of long-term contracts	<b>1.8X</b> o/revenue of last twelve months ("LTM")
<b>NET DEBT <sup>2</sup></b> <b>€ 82.1 M</b>	<b>-€ 25.9 M</b> Decrease <sup>2</sup> vs Dec '19	<b>FINANCIAL EXPENSES<sup>2</sup></b> <b>-€ 4.0 M</b> vs H1 2018	Significant savings in net financial expenses <sup>2</sup>

<sup>1</sup> EBITDA comparable with 2018 (without IFRS 16) of **€ 19.3 M (8.1% o/Revenue)**.

<sup>2</sup> Net Debt and Financial Expenses without IFRS 16 impact.

## > KEY FACTORS



### BUSINESS

- Growth in **Revenue** (+17.8% vs. H1 2018)
- Consolidation of activity in the **Spanish and Brazilian markets** (63% o/total Group's Revenue)



### CONTRACTS

- **Strong comercial activity in H1 2019: €322.6 M** of renewals new contracts (Brazil, Peru, Chile and Spain).
- **Backlog's** growth which stands at **€879.3 M** (1.8x o/LTM Revenue; an **11.1%** increase vs. 31-Dec-18)

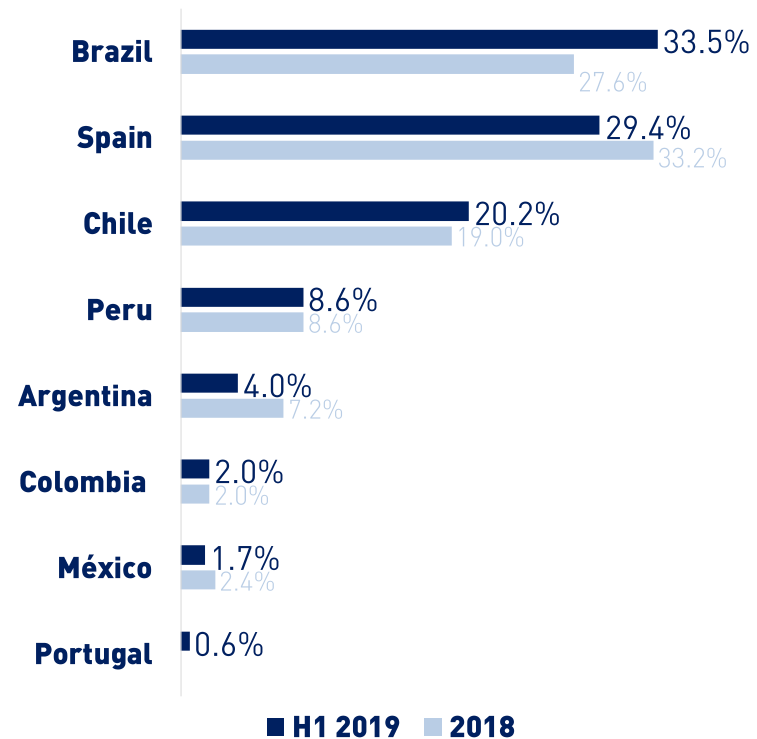


### NET DEBT

- **NFD's** improvement by **€ 25.9 M** due to the combined effect of debt reduction (**€ 11.6 M**) and cash generation of (**€14.3 M**)
- Reduction of net financial expenses due to the new structural debt (**-€1.5 M**) and remaining debt (**-€ 2.5 M**)

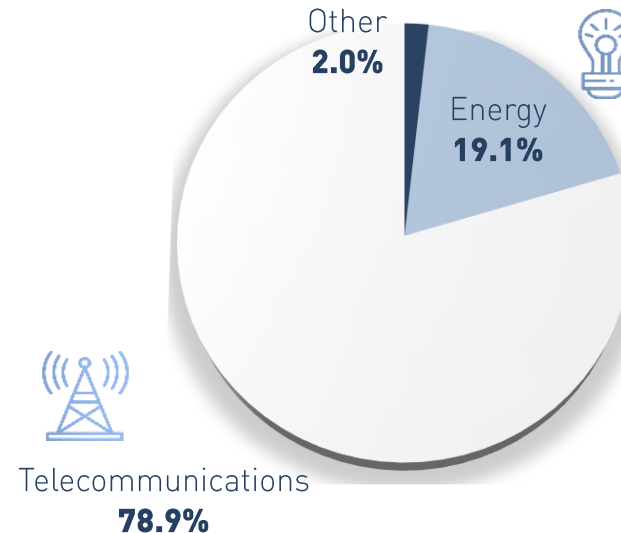
## > DIVERSIFIED BY COUNTRIES, INDUSTRIES AND CLIENTS

### REVENUE BREAKDOWN BY COUNTRY



% Revenue H1 2019. Data for 2018 in a proforma basis, considering the incorporation of EFF from January 1<sup>st</sup>, 2018

### INDUSTRIES



### TELECOMMUNICATIONS



### ENERGY



### OTHER

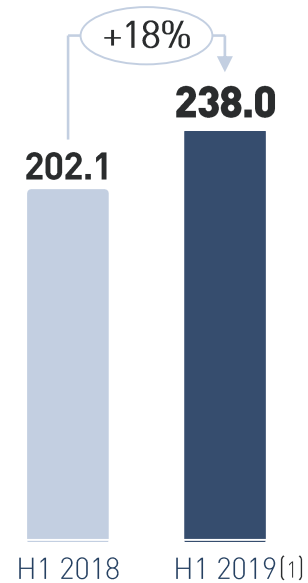




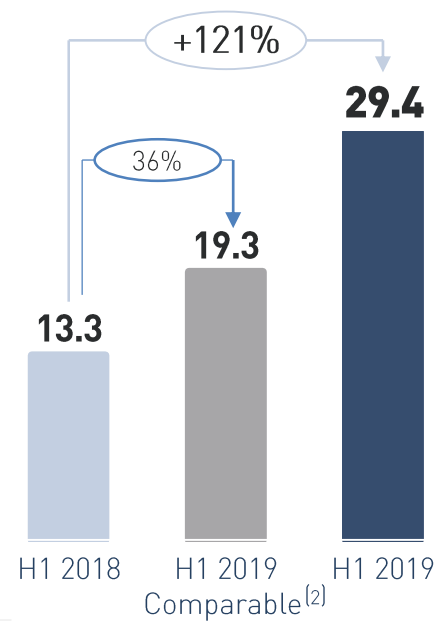
## > MAIN FIGURES EVOLUTION

Millions of Euros

### REVENUE



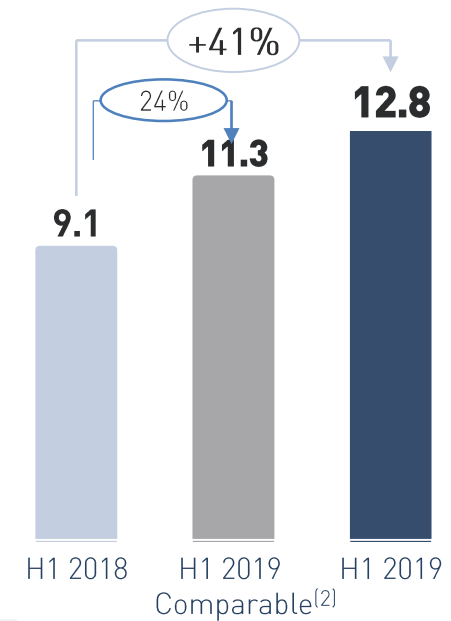
### EBITDA



EBITDA Margin

6.6%    8.1%    **12.4%**

### EBIT



EBIT Margin

4.5%    4.7%    **5.4%**

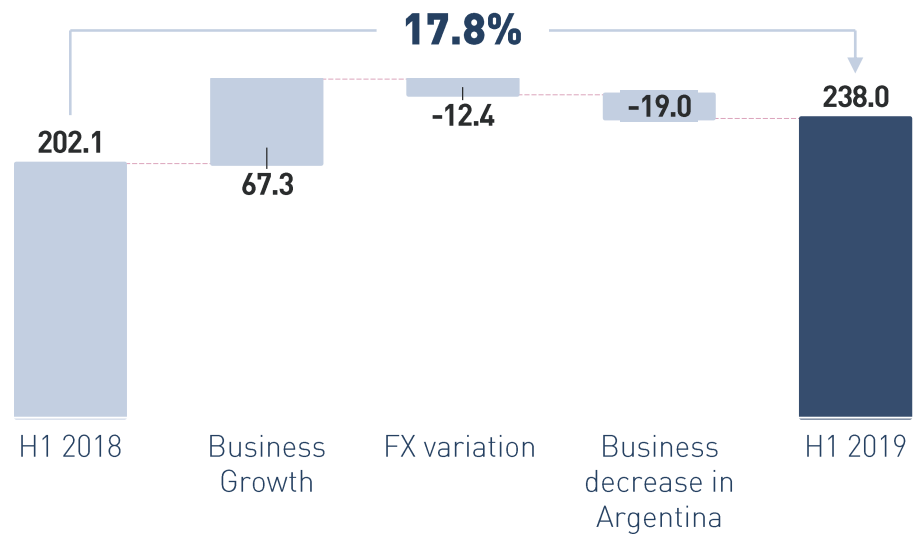
(1) Data for 2018 in a proforma basis, considering the incorporation of EFF from January 1<sup>st</sup>, 2018

(2) Without considering IFRS 16 impact to allow comparison with 2018

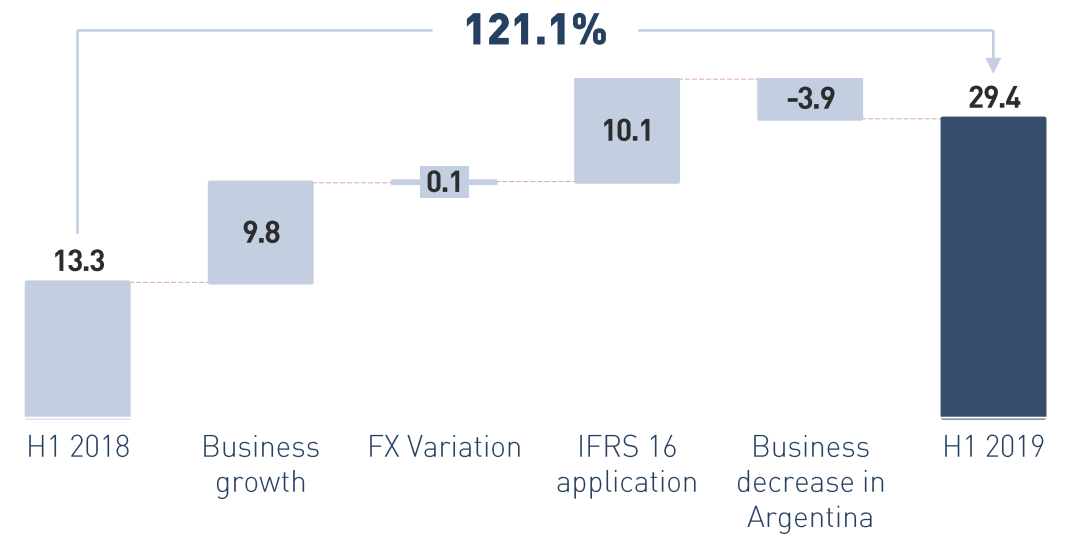
## > REVENUE AND EBITDA ANALYSIS

Millions of Euros

### REVENUE



### EBITDA



## > KEY INCOME STATEMENT INDICATORS

Millions of €

	<b>H1 2019</b>	<b>H1 2019</b> <sup>1</sup>	<b>H1 2018</b>	<b>%</b>
<b>REVENUE</b>	<b>238.0</b>	<b>238.0</b>	<b>202.1</b>	+17.8%
<b>EBITDA</b>	<b>29.4</b>	<b>19.3</b>	<b>13.3</b>	+45.1%
<b>EBITDA Margin</b>	<b>12.4%</b>	<b>8.1%</b>	<b>6.6%</b>	+23.2%
Amortization and provisions	(6.5)	(6.5)	(3.2)	
Amortization IFRS 16	(8.6)	-	-	
Amortization PPA	(1.5)	(1.5)	(1.0)	
<b>EBIT</b>	<b>12.8</b>	<b>11.3</b>	<b>9.1</b>	+24.2%
Revenue and financial expenses	(8.5)	(7.0)	(11.0)	
Variation in financial instruments	-	-	0.6	
Currency exchanges	0.3	0.3	(0.1)	
Non-recurring results	(2.0)	(2.0)	(2.4)	
Minority shareholders, discontinued operations and non strategic investees	(1.2)	(1.2)	(0.1)	
Taxes	0.1	0.1	4.6	
<b>Net Result</b>	<b>1.5</b>	<b>1.5</b>	<b>0.7</b>	+114.3%

<sup>1</sup> Does not consider IFRS 16 impact to allow comparison with 2018

## > KEY BALANCE SHEET INDICATORS

<i>Millions of €</i>	<b>30-Jun-19</b>	<b>30-Jun-19<sup>1</sup></b>	<b>31-Dec-18</b>
<b>Total assets</b>	<b>358.6</b>	<b>340.0</b>	<b>322.5</b>
<b>Net financial debt</b>	<b>102.4</b>	<b>82.1</b>	<b>108.0</b>
<b>Net equity</b>	<b>26.4</b>	<b>28.1</b>	<b>32.0</b>
<b>Working Capital <sup>1</sup></b>	<b>(8.7)</b>	<b>3.1</b>	<b>14.4</b>

<sup>1</sup> Does not consider the effect of IFRS 16 to allow comparison with 2018. The recognition of short-term debt for the application of this standard has an impact of € -11.8 M on the net financial debt and the working capital.



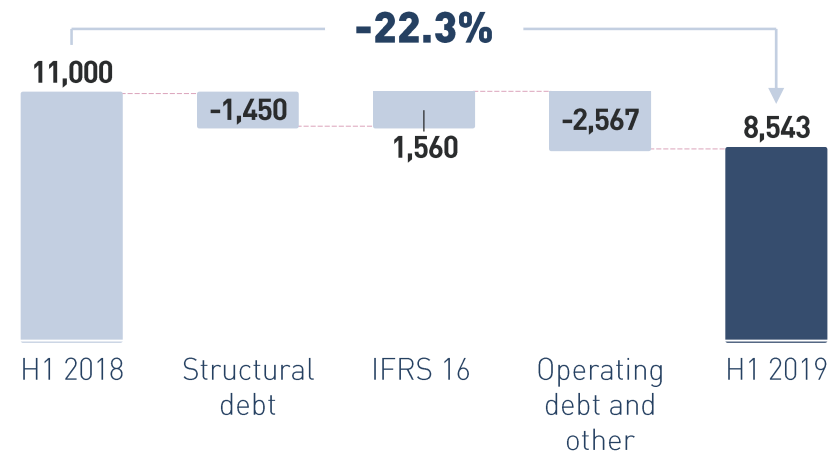
## > FINANCIAL DEBT

Millions of Euros

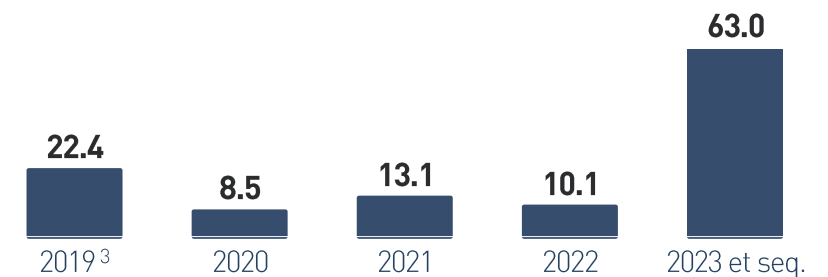
	31/06/19	31/12/18
<b>Financial Net Debt (FND)</b>	<b>82.1</b>	<b>108.0</b>
Gross financial debt	117.2	128.8
Cash and other equivalent assets <sup>1</sup>	35.1	20.8
<b>EBITDA LTM Proforma<sup>2</sup></b>	<b>37.3</b>	<b>36.2</b>
<b>FND/ EBITDA Ratio</b>	<b>2.2x</b>	<b>3.0x</b>

- Financial Net Debt decrease
- Structural debt maturity: **2024**
- Average cost of structural debt: **4.75%**
- Cash generation

## FINANCIAL COSTS EVOLUTION



## MATURITIES SCHEDULE<sup>3</sup>



<sup>1</sup> Includes cash, other equivalent liquid assets and short-term deposits in guarantee of financial debts collected within long-term financial investments.

<sup>2</sup> Includes LTM EBITDA and considers the incorporation of EFF from January, 2018

<sup>3</sup> Does not consider the effect of IFRS 16 to allow for comparison with 2018.

## > CONSOLIDATED CASH FLOW STATEMENT

Millions of Euros	H1 2019	
<b>COMPARABLE EBITDA <sup>1</sup></b>	<b>19,3</b>	
Changes in working capital	29,1	
Other movements in operating activities, net	(9,0)	
<b>Operating Cash Flow</b>	<b>39,4</b>	→ Operating Cash Flow H1 2019: 2.1x o/ EBITDA
Acquisition of property, plant & equipment, and intangible assets (CAPEX)	(2,1)	→ Capex 0.9% o/ revenues
Payments related to financial investments	(1,7)	
<b>Cash flow from investing</b>	<b>(3,8)</b>	
Collection and payment of debts <sup>2</sup>	(13,4)	
Collection and payment of interests	(8,2)	
<b>Cash flow from financing</b>	<b>(21,6)</b>	→ Financial expenses and debt decrease
<b>Total net cash flow</b>	<b>14,0</b>	
<b>Initial net financial position <sup>3</sup></b>	<b>20,8</b>	
Net increase in cash and cash equivalents	14,0	
Exchange differences	0,3	
<b>Final net financial position <sup>3</sup></b>	<b>35,1</b>	

<sup>1</sup> Does not consider the effect of IFRS 16 to allow the comparison with 2018

<sup>2</sup> Variation of gross debt adjusted by the amortized cost variation

<sup>3</sup> Includes cash, other equivalent liquid assets and short-term deposits in guarantee of financial debts collected within long-term financial investments

## > CONSOLIDATED BALANCE SHEET

Thousand of Euros	30-Jun-19	30-Jun-19 <sup>1</sup>	31-Dec-18		30-Jun-19	30-Jun-19 <sup>1</sup>	31-Dec-18
<i>Assets</i>				<i>Equity and liabilities</i>			
				<b>Equity</b>	<b>26,365</b>	<b>28,067</b>	<b>32,038</b>
<b>Non-current assets</b>	<b>154,517</b>	<b>135,921</b>	<b>133,053</b>	<b>Non-current liabilities</b>	<b>119,508</b>	<b>110,992</b>	<b>115,405</b>
Tangible and intangible assets	98,926	80,330	82,039	Financial debt	103,284	94,768	100,695
Long-term financial investments	19,222	19,222	17,207	Other non-current liabilities	16,224	16,224	14,710
Deferred tax assets	36,369	36,369	33,807	<b>Current liabilities</b>	<b>212,731</b>	<b>200,949</b>	<b>175,021</b>
<b>Current assets</b>	<b>204,087</b>	<b>204,087</b>	<b>189,411</b>				
Inventories	26,890	26,890	20,425	Financial debt	34,262	22,480	28,118
Trades and other receivables <sup>2</sup>	142,074	142,074	148,230	Other current liabilities <sup>4</sup>	178,469	178,469	146,903
Cash and cash equivalents <sup>3</sup>	35,123	35,123	20,756	<b>TOTAL</b>	<b>358,604</b>	<b>340,008</b>	<b>322,464</b>
<b>TOTAL</b>	<b>358,604</b>	<b>340,008</b>	<b>322,464</b>				
<b>Working Capital</b>	<b>(8,644)</b>	<b>3,138</b>	<b>14,390</b>				

<sup>1</sup> Does not consider the effect of IFRS 16 to allow the comparison with 2018. The application of this standard has an impact of € 18,596 thousand in tangible and intangible assets, € -11,782 thousand in current financial debt and working capital and € -8,516 thousand in non-current financial debt.

<sup>2</sup> Includes the amount of the heading "Non-current assets held for sale" for an amount of 6,076 and 6,750 thousand euros, as of 30-Jun-19 and 31-Dec-18, respectively.

<sup>3</sup> Includes cash, other equivalent liquid assets and "Current financial assets" that mainly correspond to short-term deposits in guarantee of financial debts in the amount of 2,039 and 1,679 thousand euros, as of 30-Jun-19 and 31-Dec-18.

<sup>4</sup> Includes the amount of the "Liabilities linked to non-current assets held for sale" amount of 4,793 and 3,346 thousand euros, as of 30-Jun-19 and 31-Dec-18, respectively.

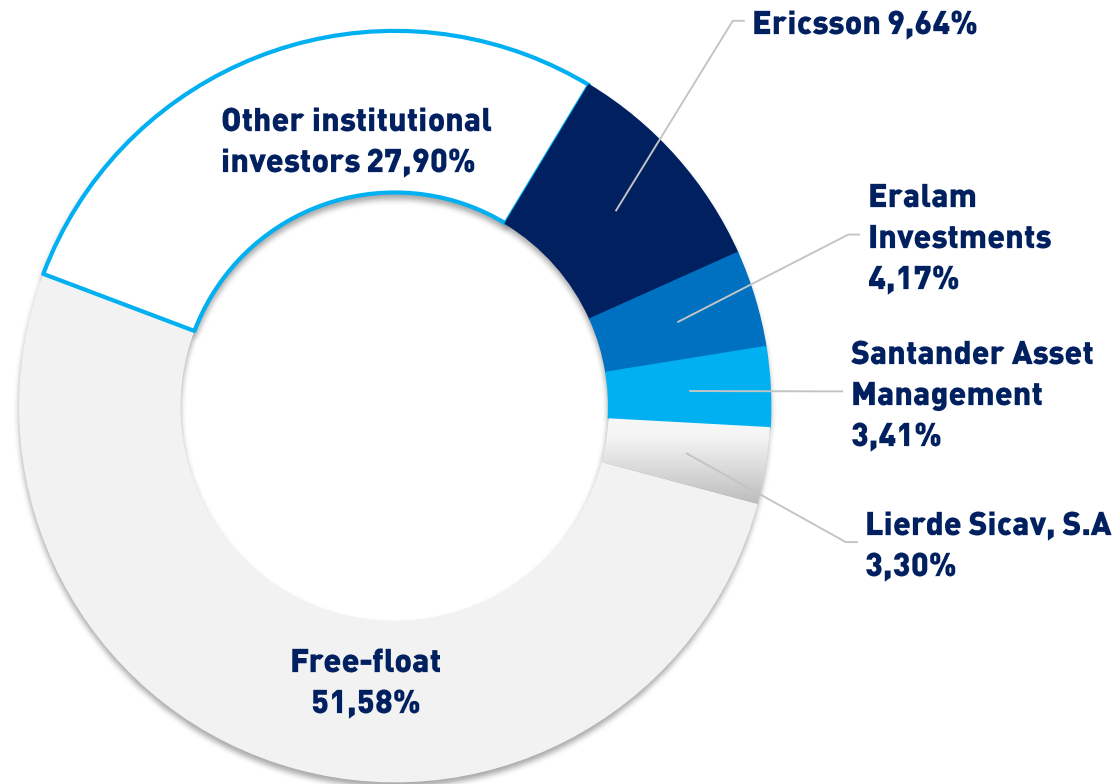
## > **OUTLOOK**

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### **Mid-term: focus on results and cash generation**

- ✓ **Revenue:** estimated annual organic growth rate of 4%-4.5%
- ✓ **Euro-denominated business** representing 35%-40% o/Group's EBITDA
- ✓ **EBITDA Margin** 8.5%-9.5% o/revenue
- ✓ **Net result** o/Revenue 4%-5%
- ✓ **CAPEX** 1.5%-2% o/revenue
- ✓ **Target Net Financial Debt/ EBITDA** <2x
- ✓ **Market consolidation** enables growth opportunities

## > OWNERSHIP STRUCTURE









Number of shares: **331,172,000**



## > IMPACT OF IFRS 16 LEASES

1. General criteria: only applies to assets with expected duration > 1 year, previously classified as operating leases
2. The affected lease contracts correspond to the fleet of vehicles and to office buildings, warehouses and computer equipment

Indicator	Impact	Impact description	H1 2019 Effect
<b>Asset</b>		Increase, because of recognition of "right-of-use asset".	<b>+18.6 M</b>
<b>Financial liability</b>		Increase, by recognition of a "lease liability IFRS 16" derived from the recognition of "rights-of- use related to leases"	<b>+20.3 M</b>
<b>Working Capital</b>		Decrease, due to the recognition of the short-term portion of the "lease liability IFRS 16"	<b>-11.8 M</b>
<b>EBITDA</b>		Increase, because the cost of the rent is recognized as amortization charge and interest expense instead of "Other operating expenses"	<b>+10.1 M</b>
<b>Operating result</b>		Increase, because the cost of the rent is recognized as amortization charge and part as interest expense	<b>+1.6 M</b>
<b>Financial result</b>		Decrease, because the cost of the rent is recognized as amortization and interest expense instead of "Other operating expenses"	<b>-1.6 M</b>
<b>Tax effect</b>	—	Not relevant, as it refers, in all significant aspects, to deductible expenses within the calculation of the Corporate Tax provision	—
<b>Net result</b>	—	Not significant, as the effect on the operating result is offset by the effect on financial result, without a significant impact on the Corporate Tax provision	—

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