



# EZENTIS

Q1 2019 RESULTS REPORT 30-Apr-19

> **Q1 2019 HIGHLIGHTS**

**REVENUE**

**€ 116.6 M**

**+28.6%**  
Increase vs Q1 2018

**Operating Cash Flow**

**77%**  
of EBITDA<sup>1</sup>

Positive Net Cash Flow for € 4.6 M

**EBITDA<sup>1</sup>**

**€ 12.0 M**

**10.3%** o/Revenue<sup>1</sup>

**NET RESULT**

**€ 0.2 M**

**Key effects:**

- Increase in the volume of operations
- Margins improvement
- Financial expenses decrease

**CONTRACTS**

**€ 242 M**

of renewals and new contracts

**+202%**  
Contract value vs Q1 2018 (€ 80 M)

**BACKLOG**

**€ 918 M**

of multi-year contracts

**1.9x** revenue  
of last 12 months ("LTM")

**NET DEBT<sup>2</sup>**

**€ 106.9 M**

**-€ 1.1 M**  
Decrease<sup>2</sup> vs Dec '18

**FINANCIAL EXPENSES<sup>2</sup>**

**-€ 2.1 M**

vs Q1 2019

Significant savings in net financial expenses<sup>2</sup>

<sup>1</sup> EBITDA comparable with 2018 (without IFRS 16 impact ) of € 7.5 M (6.5% o/Revenue)

<sup>2</sup> Net Debt and financial expenses without IFRS 16 impact.

## > KEY FACTORS



### BUSINESS

- **Revenue'** growth in (+28.6% Vs Q1 2018)
- Consolidation of **activity in the Spanish market** (+ 17.4% sales Vs Q1 2018)<sup>1</sup>
- **Increase in activity in Brazil** due to new deployments (sales + 22.6%)
- Decrease of exposure to Argentina
- Start of operations in **Portugal** from January 1, 2019



### CONTRACTS

- **Strong commercial activity in Q1 2019: € 242 M** of new contracts (Brazil, Peru, Chile and Spain) + 202% vs Q1 2018
- **Backlog's significant growth** which stands at **€ 918 M (1.9x /LTM Revenue)**



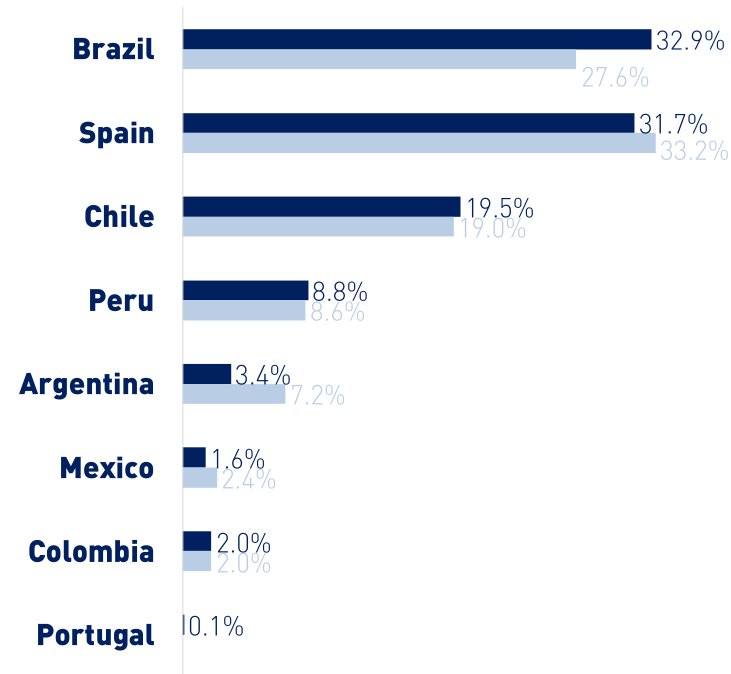
### NET DEBT

- **Control and balance of the Net Debt**
- Reduction of financial expenses due to the new structural debt (- € 0.8 M) and remaining debts (- € 1.3 M)

<sup>1</sup> Increase regarding Q1 2018 comparable income including EFF

## > DIVERSIFIED BY COUNTRIES, INDUSTRIES AND CLIENTS

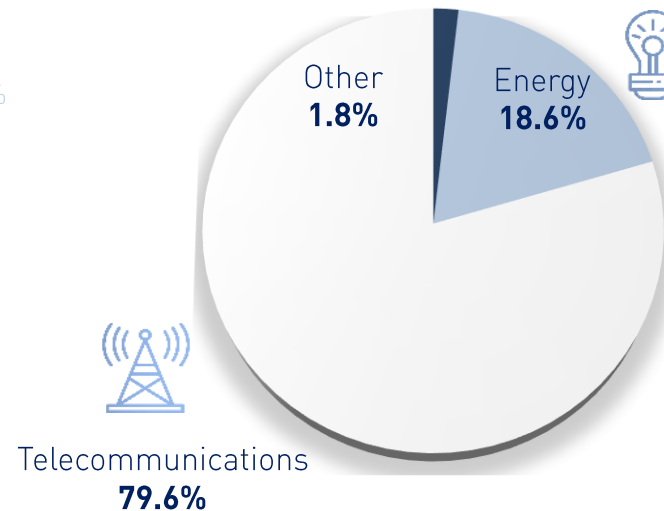
### REVENUE BREAKDOWN BY COUNTRY



■ 2019 ■ 2018

% Income Q1 2019. Data for 2018 corresponds to the proforma considering the incorporation of EFF from January 1, 2018

### INDUSTRIES



### TELECOMMUNICATIONS



### ENERGY



### OTHER

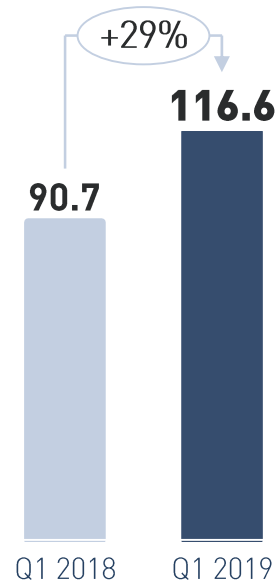




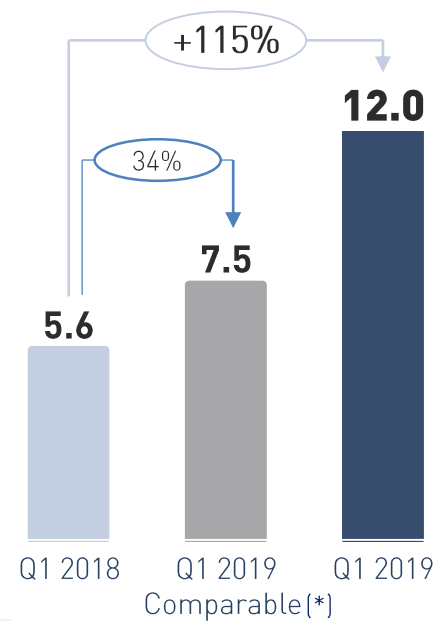
## > MAIN FIGURES EVOLUTION

Millions of Euros

### REVENUE



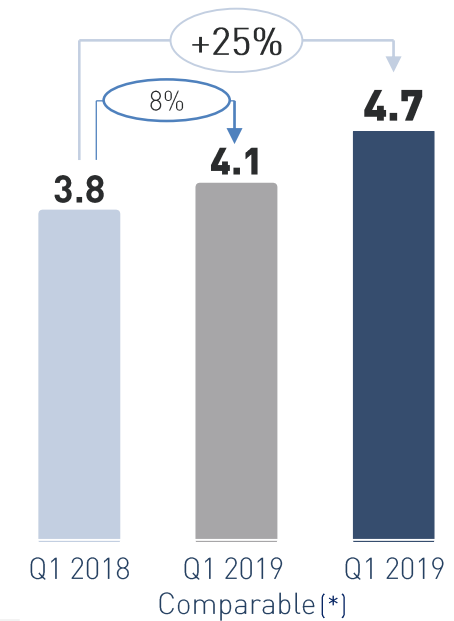
### EBITDA



EBITDA Margin

6.1%    6.5%    10.3%

### EBIT



EBIT Margin

4.2%    3.5%    4.0%

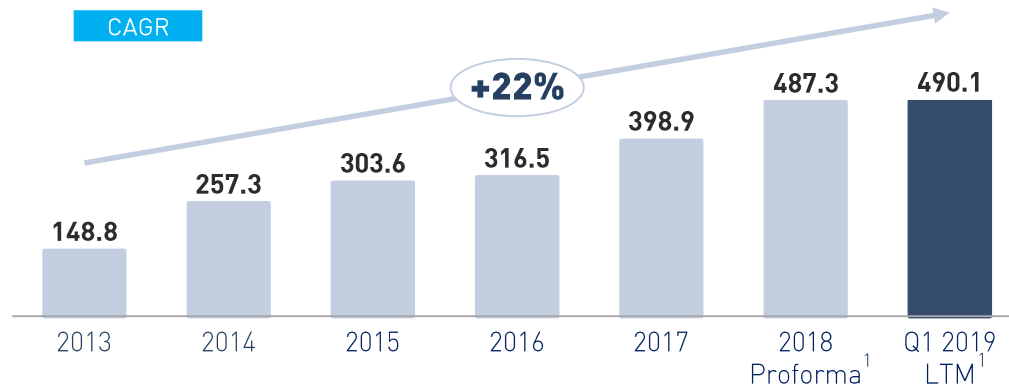
(\*) Without considering the effect of IFRS 16 in order to facilitate the comparison with 2018

## > WE CONTINUE WITH A STEADY GROWTH TREND

Millions of Euros

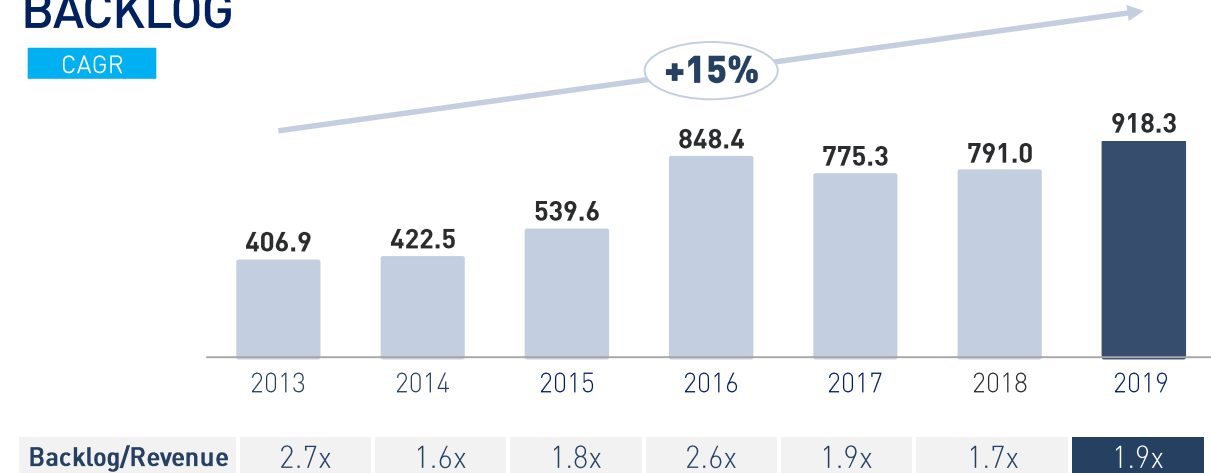
### REVENUE

CAGR



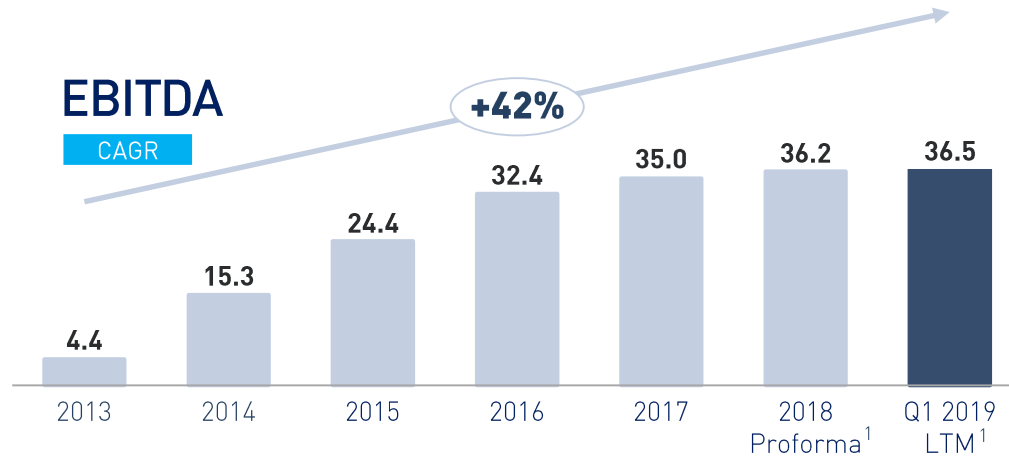
### BACKLOG

CAGR



### EBITDA

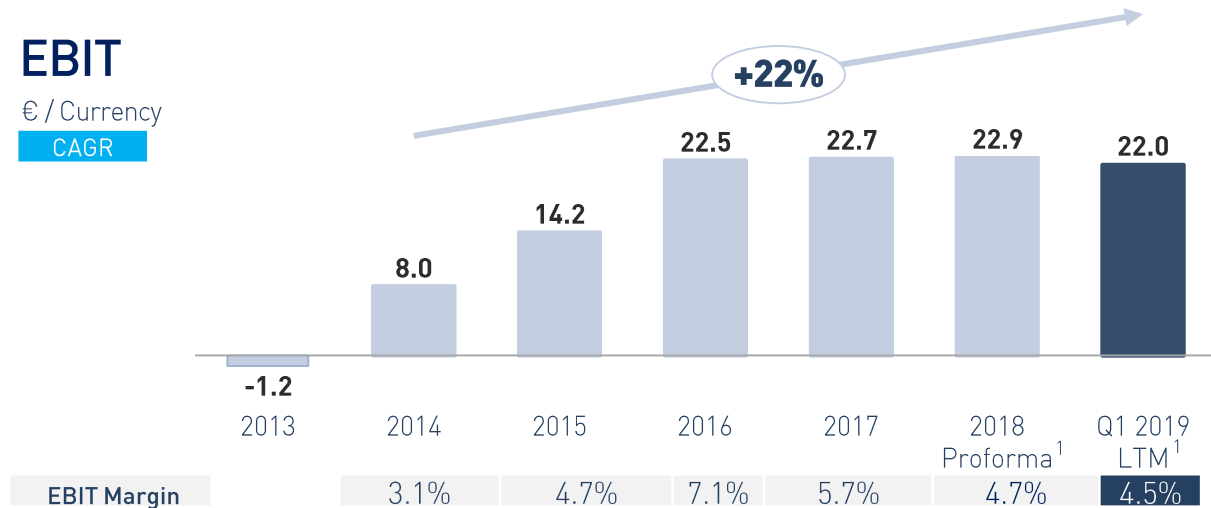
CAGR



### EBIT

€ / Currency

CAGR



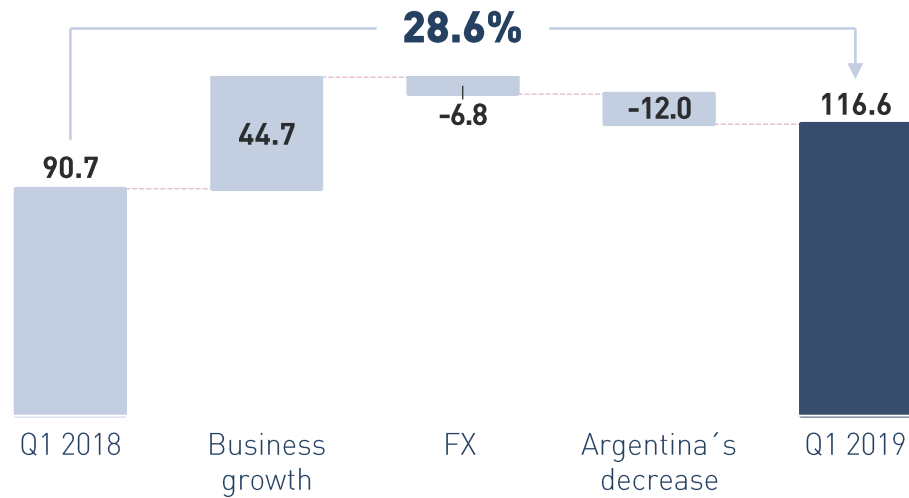
EBITDA Margin 3.0% 5.9% 8.0% 10.2% 8.8% 7.4% 7.4%

<sup>1</sup> Includes last twelve months ("Last Twelve Months" or "LTM") and considering the incorporation of EFF from January 1, 2018

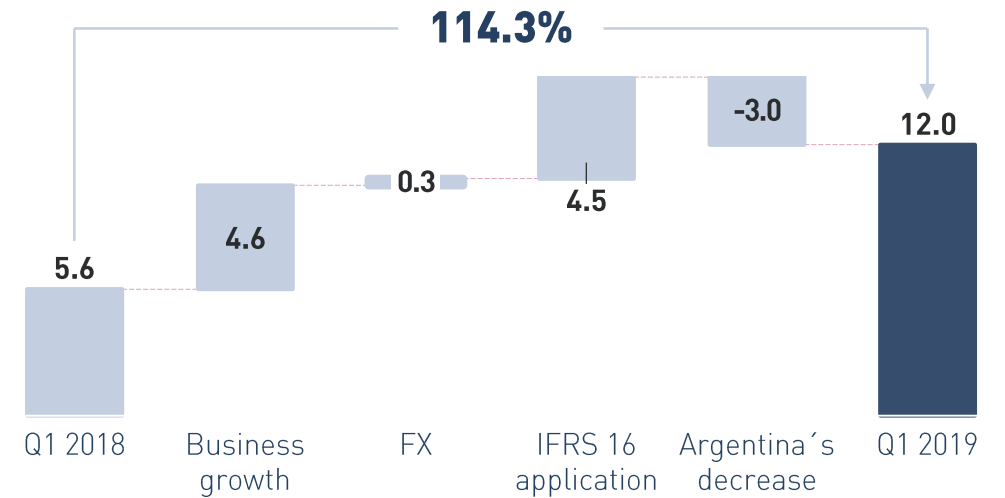
## > REVENUE AND EBITDA ANALYSIS

Millions of Euros

### REVENUE



### EBITDA



## > KEY INDICATORS OF THE INCOME STATEMENT

<i>Millions of Euros</i>	<b>Q1 2019</b>	<b>Q1 2019 Comparable<sup>1</sup></b>	<b>Q1 2018</b>	<b>%</b>
<b>REVENUE</b>	<b>116.6</b>	<b>116.6</b>	<b>90.7</b>	+28.6%
<b>EBITDA</b>	<b>12.0</b>	<b>7.5</b>	<b>5.6</b>	+33.9%
<b>EBITDA Margin</b>	<b>10.3%</b>	<b>6.5%</b>	<b>6.1%</b>	+6.6%
Operating amortization and provisions <sup>2</sup>	(2.7)	(2.7)	(1.3)	
Amortization IFRS 16	(3.9)	-	-	
Amortization PPA	(0.7)	(0.7)	(0.5)	
<b>EBIT</b>	<b>4.7</b>	<b>4.1</b>	<b>3.8</b>	+7.9%
Financial result	(3.5)	(2.9)	(5.0)	
Non-recurring results	-	-	(0.2)	
Non-controlling interest and discontinued operations	(0.7)	(0.7)	(0.1)	
Taxes	(0.3)	(0.3)	0.7	
<b>Net result</b>	<b>0.2</b>	<b>0.2</b>	<b>(0.8)</b>	

<sup>1</sup> Without considering the effect of IFRS 16 in order to facilitate the comparison with 2018

<sup>2</sup> Increase due to leasing of fleet in Chile (€ 0.5 M) and impact due to adjustment of hyperinflation on the amortization of Argentina's assets (€0.2 M)



## > KEY BALANCE SHEET

<i>Millions of Euros</i>	<b>MAR 2019</b>	<b>MAR 2019 <sup>1</sup></b>	<b>DEC 2018</b>
<b>Total assets</b>	<b>350.2</b>	<b>330.6</b>	<b>322.5</b>
<b>Net financial debt</b>	<b>128.6</b>	<b>106.9</b>	<b>108.0</b>
<b>Net Equity</b>	<b>32.2</b>	<b>32.2</b>	<b>32.0</b>
<b>Working Capital</b>	<b>(5.9)</b>	<b>8.6</b>	<b>14.4</b>

<sup>1</sup> Without considering the effect of IFRS 16 to facilitate the comparison with 2018. The recognition of short-term debt by the application of this standard has an impact of € -14.6 M on net financial debt and working capital

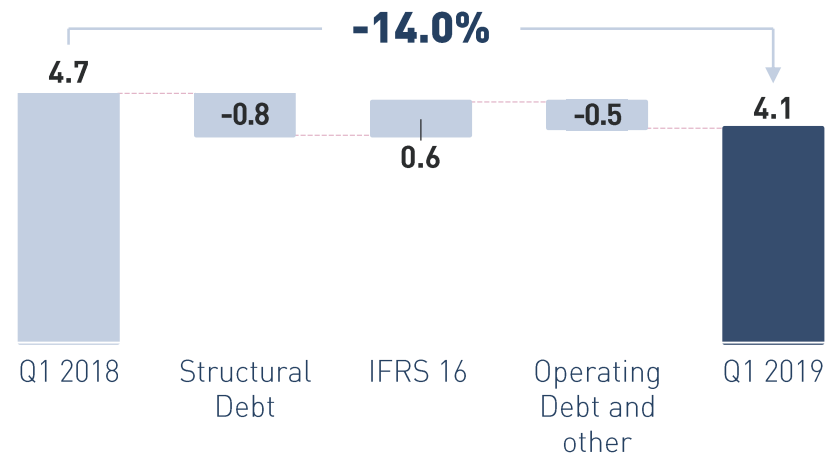
## > FINANCIAL DEBT

Millions of Euros

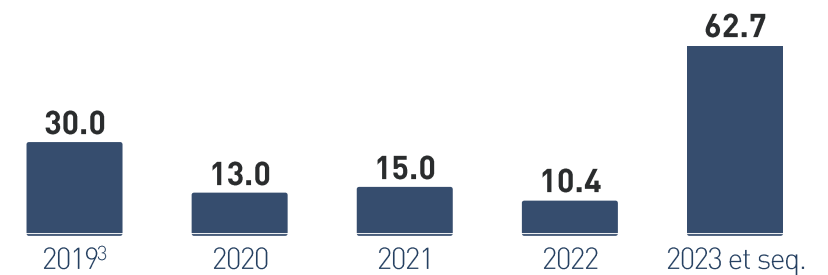
	31-Mar-19 <sup>3</sup>	31-Dec-2018
<b>Net Financial Debt (NFD)</b>	<b>106.9</b>	<b>108.0</b>
Gross financial debt	131.1	128.8
Other cash equivalent assets <sup>1</sup>	24.2	20.8
<b>EBITDA LTM Proforma<sup>2</sup></b>	<b>36.5</b>	<b>36.2</b>
<b>FND/ EBITDA Ratio</b>	<b>2.9x</b>	<b>3.0x</b>

- Balance and control of the Net Financial Debt
- 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 long-term deposits in guarantee of financial debts

<sup>2</sup> It includes the EBITDA of the last twelve months ("LTM") and considering the incorporation of EFF from January 1, 2018

<sup>3</sup> Without considering the effect of IFRS 16 in order to facilitate the comparison with 2018

## > CONSOLIDATED CASH FLOW STATEMENT

Millions of Euros

**Q1 2019**

<b>COMPARABLE EBITDA <sup>1</sup></b>	<b>7.5</b>	
Changes in working capital	(1.2)	
Other movements in operating activities, net	(0.5)	
<b>Operating Cash Flow</b>	<b>5.8</b>	→ Operating Cash Flow Q1 2019: 77.3% o/Comparable EBITDA
Acquisition of Property, plant & equipment (CAPEX)	(0.3)	→ Capex 0.3% o/Revenue
<b>Cash flow from investing</b>	<b>(0.3)</b>	
Variation in debts <sup>2</sup>	2.6	
Interests payments and collection	(3.5)	
<b>Cash flow from financing</b>	<b>(0.9)</b>	→ Control and balance of expenses and financial debt
<b>Total net cash flow</b>	<b>4.6</b>	
<b>Initial net financial position <sup>3</sup></b>	<b>20.8</b>	
Net increase in cash and cash equivalents	4.6	
Exchange differences	(1.2)	
<b>Final net financial position <sup>3</sup></b>	<b>24.2</b>	→ Cash position improvement

<sup>1</sup> Without considering the effect of IFRS 16 in order to facilitate the comparison with 2018

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

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

## > CONSOLIDATED BALANCE SHEET

Thousand of Euros	31/Mar/2019	31/Mar/19 (*)	31/Dec/2018		31/Mar/2019	31/Mar/19 (*)	31/Dec/2018
<b>Assets</b>				<i>Equity and liabilities</i>			
				<b>Equity</b>	<b>32,155</b>	<b>32,190</b>	<b>32,038</b>
<b>Non-current assets</b>	<b>156,065</b>	<b>136,486</b>	<b>133,053</b>	<b>Non-current liabilities</b>	<b>117,989</b>	<b>112,930</b>	<b>115,405</b>
Tangible and intangible assets	102,014	82,435	82,039	Financial debt	106,502	101,443	100,695
Long-term financial investments	17,725	17,725	17,207	Other non-current liabilities	11,487	11,487	14,710
Deferred tax assets	36,326	36,326	33,807	<b>Current liabilities</b>	<b>200,012</b>	<b>185,457</b>	<b>175,021</b>
<b>Current assets</b>	<b>194,091</b>	<b>194,091</b>	<b>189,411</b>				
Inventories	24,013	24,013	20,425	Financial debt	44,392	29,837	28,118
Trades and other receivables	150,311	150,311	148,230	Other current liabilities	155,620	155,620	146,903
Cash and cash equivalents	19,767	19,767	20,756	<b>TOTAL</b>	<b>350,156</b>	<b>330,577</b>	<b>322,464</b>
<b>TOTAL</b>	<b>350,156</b>	<b>330,577</b>	<b>322,464</b>				
<b>Working Capital</b>	<b>(5,921)</b>	<b>8,634</b>	<b>14,390</b>				

(\*) Without considering the effect of IFRS16 to facilitate the comparison with 2018. The application of this standard has an impact of € 19,579 thousand in tangible and intangible assets, € -14,555 thousand in current financial debt and working capital and € -5,059 thousand in non-current financial debt.

## > OUTLOOK

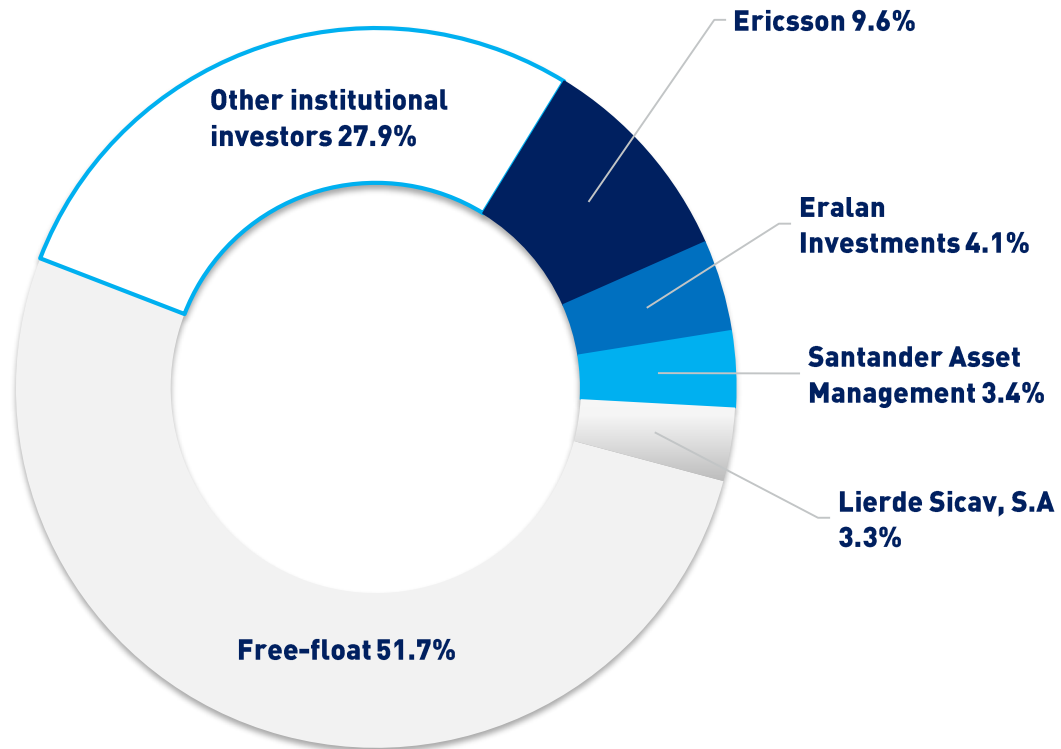
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### Mid-term: focus on results and cash generation

- ✓ **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



## > OWNERSHIP STRUCTURE



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









## > CONSOLIDATED INCOME STATEMENT

Thousands of Euros	Q1 2019	Q1 2019 <sup>(*)</sup>	Q1 2018
<b>Revenue</b>	<b>116,570</b>	<b>116,570</b>	<b>90,669</b>
<b>EBITDA</b>	<b>12,039</b>	<b>7,531</b>	<b>5,568</b>
<i>% EBITDA/Revenue</i>	<i>10.30%</i>	<i>6.50%</i>	<i>6.10%</i>
Amortization, depreciation	(2,715)	(2,715)	(1,306)
Amortization IFRS 16	(3,872)	-	-
PPA Amortization	(729)	(729)	(487)
<b>EBIT</b>	<b>4,723</b>	<b>4,087</b>	<b>3,775</b>
<i>% EBIT/Revenue</i>	<i>4.1%</i>	<i>3.50%</i>	<i>4.20%</i>
Net financial expenses	(3,486)	(3,486)	(4,749)
Financial Expenses IFRS 16	(636)	-	-
Variation in hedging instruments	-	-	(217)
Foreign Exchange differences	561	561	-
Non-recurring results	(22)	(22)	(220)
Non-controlling interest and discontinued operations	(693)	(693)	(97)
<b>Result before taxes</b>	<b>447</b>	<b>447</b>	<b>(1,508)</b>
Taxes	(288)	(288)	671
<b>Net Result</b>	<b>159</b>	<b>159</b>	<b>(837)</b>

<sup>(\*)</sup> Without considering the impact of IFRS 16 to facilitate the comparison with 2018

## > 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	Q1 2019 Effect
<b>Asset</b>		Increase, because of recognition of "right-of-use asset".	<b>19.6 M</b>
<b>Financial net debt</b>		Increase, by recognition of a "lease liability IFRS 16" derived from the recognition of "rights-of-use related to leases"	<b>19.6 M</b>
<b>Working Capital</b>		Decrease, due to the recognition of the short-term portion of the "lease liability IFRS 16"	<b>-14.7 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>4.5 M</b>
<b>Operating result</b>		Increase, because the cost of the rent is recognized as amortization charge and part as interest expense	<b>0.6 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>-0.6 M</b>
<b>Tax effect</b>		Not significant	<b>—</b>
<b>Net result</b>		Not significant	<b>—</b>

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# eZENTiS

Avenue Hytasa, 12, 2<sup>nd</sup> floor, door 20  
ZP 41006 Sevilla, Spain  
T +34 902 40 60 82 E [Investor.relations@dezentis.com](mailto:Investor.relations@dezentis.com)