



WORKING FOR THE
FUTURE

EZENTiS

First Quarter 2020
Results Presentation

May 2020



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01



COVID 19 MANAGEMENT

ESSENTIAL ACTIVITY IN ALL GEOGRAPHIES

EZENTIS OPERATES AND MAINTAINS TELECOMMUNICATIONS AND ENERGY INFRASTRUCTURES THAT SUPPORT THE PRODUCTIVE AND SOCIAL ACTIVITY



Health and Safety Protocol for employees



Continuity of essential services



Cost structure flexibility



Resilience of a sustainable business model

OVERALL STRATEGY AGAINST COVID 19

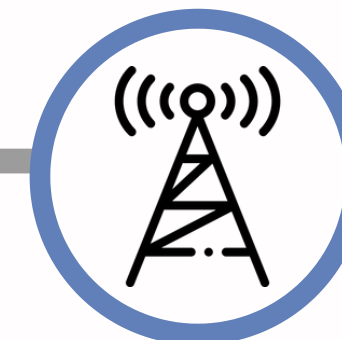
EMPLOYEES

- Health and safety protocols for field and office staff
- Little significant impact on the health and availability of work teams
- Reinforcement in systems support and cybersecurity



CONTINUITY OF SERVICE

- Service identified as essential
- Continuous communication and collaboration with clients
- Close coordination with suppliers and subcontractors to give continuity to the supply chain ensuring the required quality and efficiency



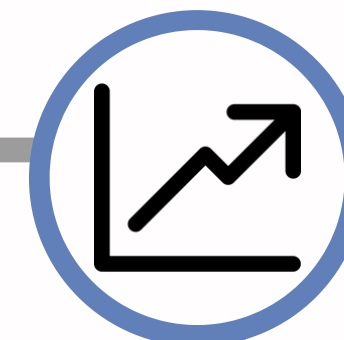
COST STRUCTURE FLEXIBILITY

- Temporary adaptation of costs to less activity in the home installation and maintenance (IM) segment due to sanitary limitations



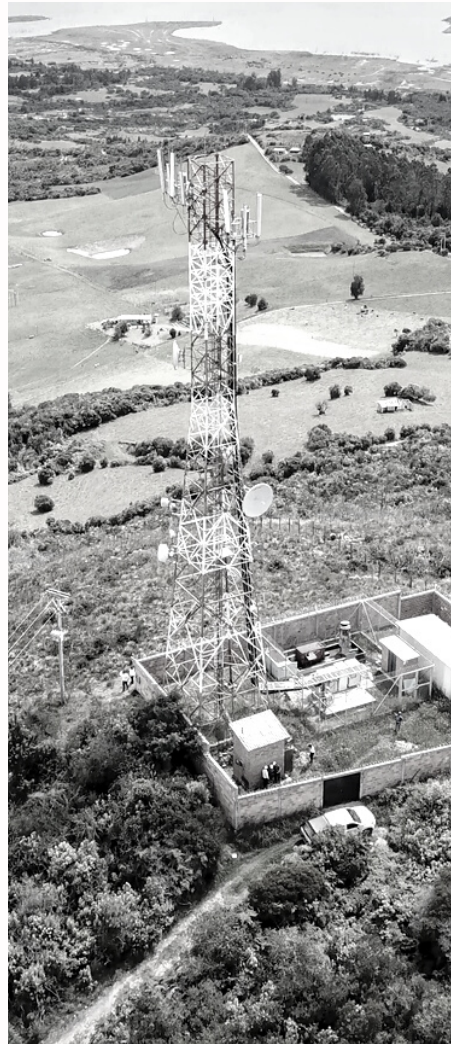
RESILIENCE

- Visibility in revenues and stability in margins
- Strong commercial portfolio
- Strengthening the company's liquidity



GROUP ACTIVITY

FIRST QUARTER 2020



TELECOMMUNICATION AND ENERGY ACTIVITIES

Normal development of the activity adapting to the needs of the demand



ACTIVITIES AFFECTED BY COVID 19

Government restrictions imposed on countries

Activity Indicators:

- Work Orders: **977,127** (telecommunications and energy)
- Towers installed: **5,920**
- Building Units covered by fiber optic network: **73,437**
- Fiber Optic deployment: **1,196km**
- Mobile Sites maintained: **>76,000**

Telecommunications:

- Home Installation and Maintenance
- Limitation to telephony portability

Energy:

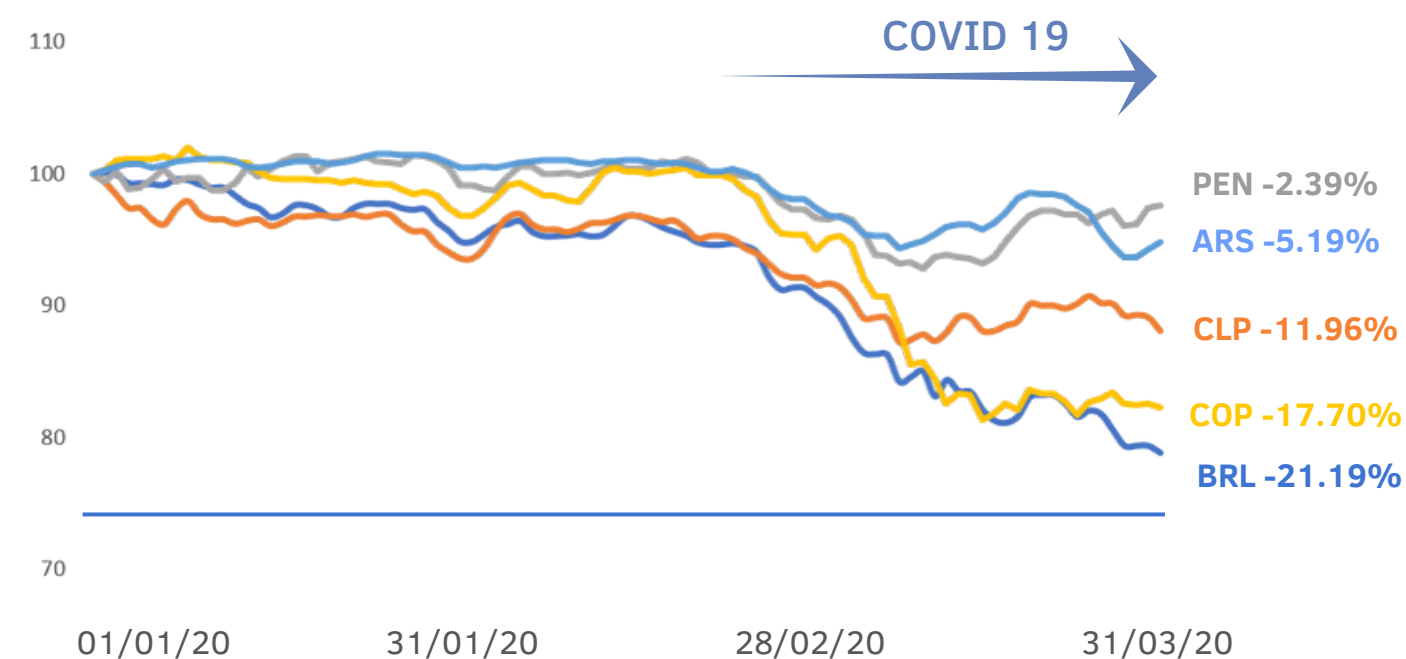
- Activity of "cutting and replacement" in energy

Economic Impact: **8.2%** decrease in revenues in constant currency, and **16.1%** in current currency

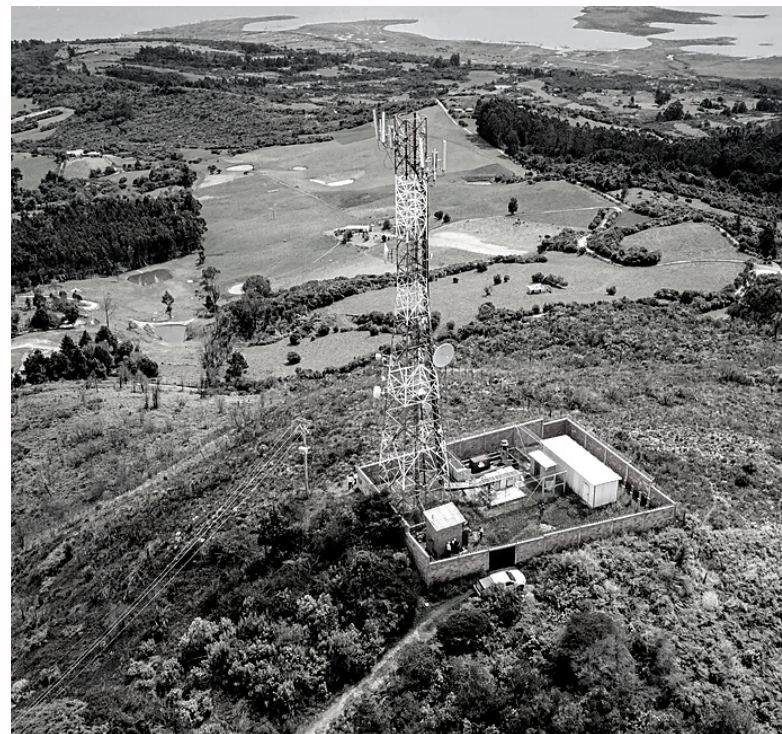
EVOLUTION OF LATIN AMERICAN CURRENCIES

- ✓ Depreciation of Latin American currencies against the euro since the start of the pandemic
- ✓ Greater effect on the income of Brazil and Chile. Other currencies have a lower weight in revenues (Peru 8.5%, Colombia 1.9% and Argentina 0.3%)
- ✓ Our management model:
 - Natural coverage of collections and payments in local currencies
 - Greater generation of revenues in euros (Spain + Portugal = 44% o/1Q20)
 - The evolution of inflation and interest rates in LATAM allows cost control
 - Most contracts are indexed to inflation

Exchange Rate Evolution 2020 - Base 100



06



SECTOR / MARKET

TRENDS AND KEYS OF THE TELECOMMUNICATION MARKET

The health crisis has contributed to value the use of communication and digitization infrastructures to satisfy the increase in the use of telework, electronic commerce, on line education and entertainment

- ✓ Modernization of **telecommunication networks** and deployment of new infrastructures extending them to rural areas. 4G and 5G mobile networks deployment
- ✓ **Digitization** of processes in companies and public administrations as a lever for competitiveness: telework, electronic commerce, healthcare and training
- ✓ Transaction **security** and data **privacy**
- ✓ Reduction of the **digital gap**

MARKET KEYS

- Fiber Optic Deployment and O&M
<15% FTTH penetration rate in Europe
- 4G and 5G Deployment and O&M (**1 x 60 antennas respectively**)
- Dismantling of obsolete infrastructure
- Digital services



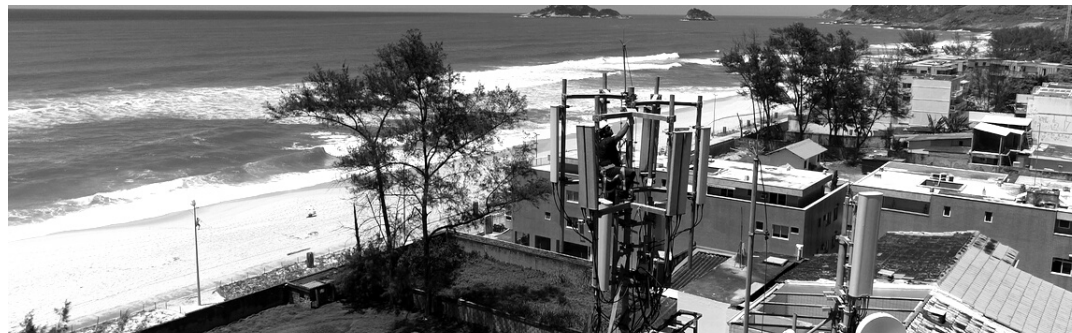
ENERGY MARKET TRENDS AND KEYS

Energy transition for the containment of climate change, reduction of energy poverty and as a lever for competitiveness in industrial and service activities

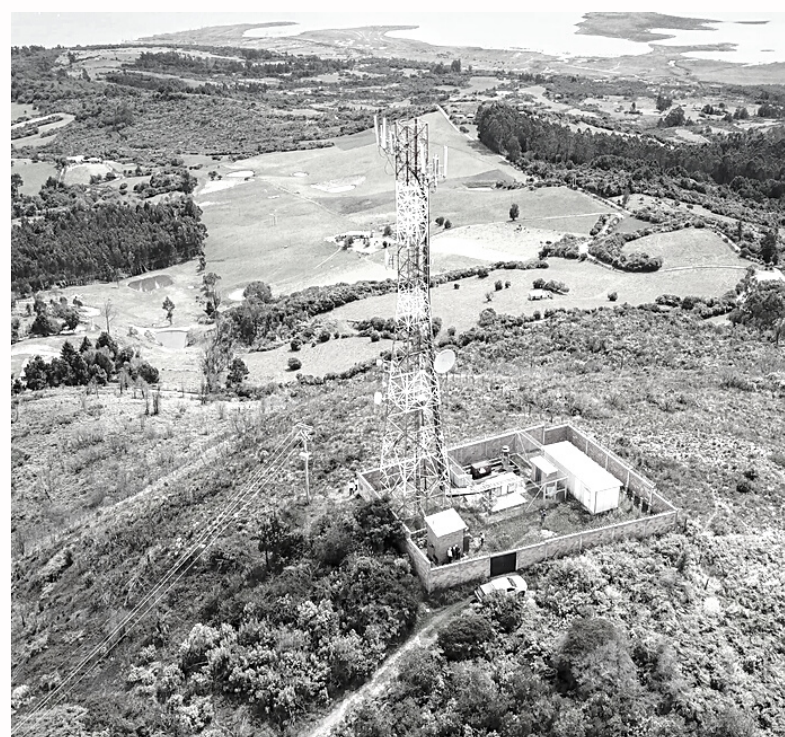
- ✓ Need to decarbonize to avoid the Planet's temperature rise
- ✓ Increase in the weight of electricity over total energy demand in Europe, to achieve the energy and climate targets set by the EU
- ✓ PNIEC (National Integrated Energy and Climate Plan) in Spain
- ✓ Reduction of the cost of energy in industrial processes to improve the competitiveness of companies

MARKET KEYS

- Goal: **32%** of electrical energy weight over energy demand in the EU in 2050
- PNIEC: increase by **42%** the consumption of renewable energy and reduce emissions by **23%**
- 10-year investment by the Spanish government in electricity networks, renewable generation and in energy saving and efficiency



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FINANCIAL RESULTS

MAIN MAGNITUDES 1Q 2020

REVENUES

€ 97.8 M

-16.1%
o/1Q 2019

BACKLOG

€ 796 M

multi-year
contracts

1.8x
o/revenues
last 12
months (LTM)

EBITDA

€ 10.7 M

-10.6%
o/1Q2019

EBITDA
MARGIN

11.0%

vs
10.3%
in 1Q2019

NET CASH
POSITION

€ 17 M

NET DEBT

2.6x

vs 2.4x
in 1Q2019

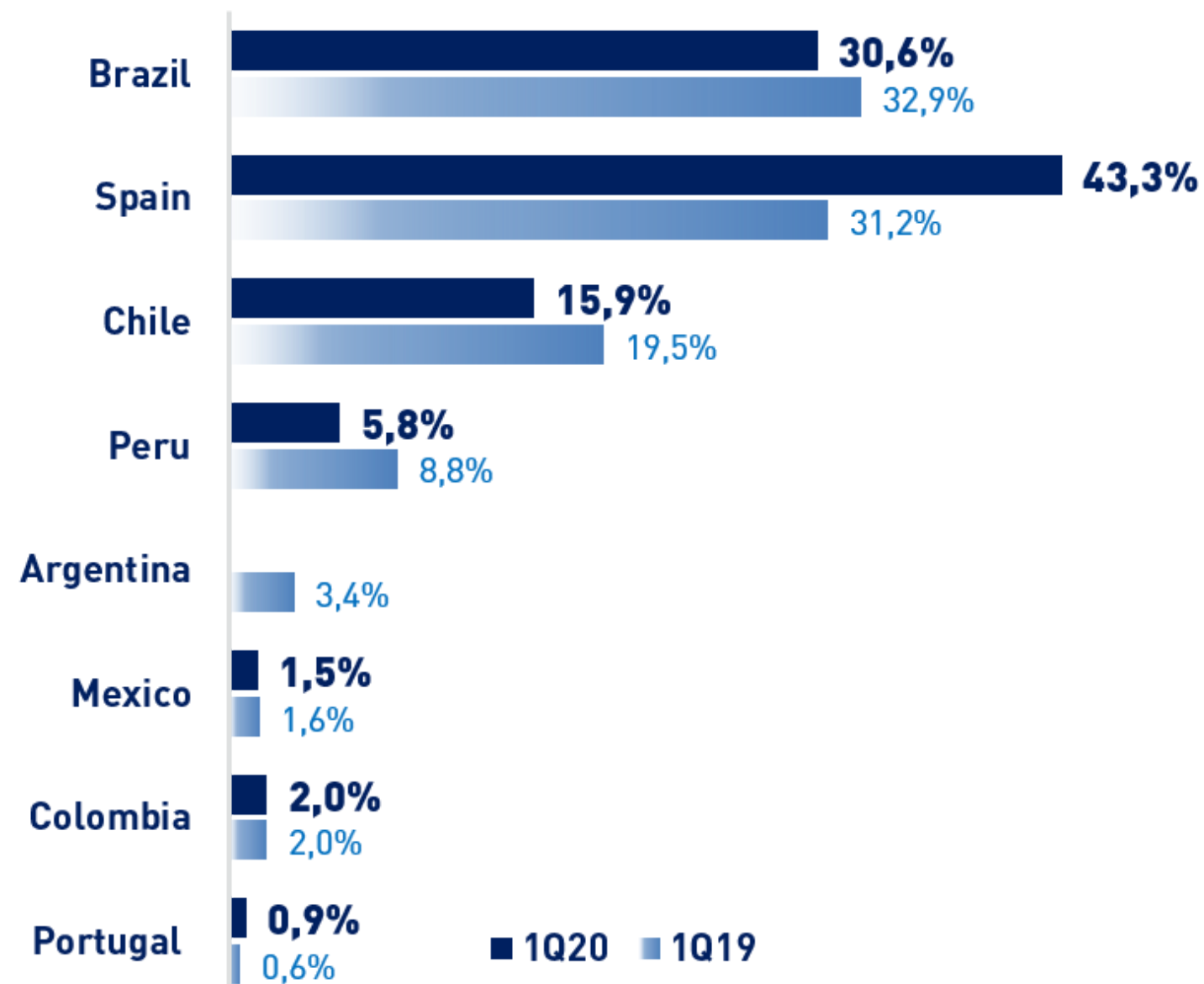
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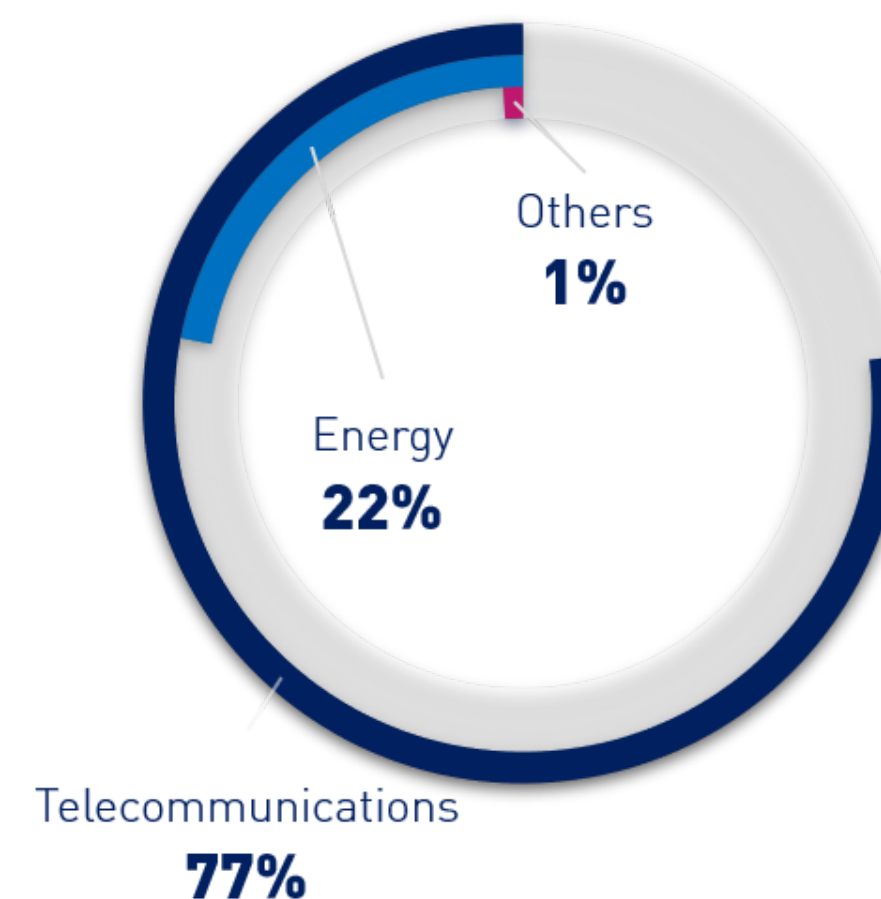
REVENUES BY COUNTRY AND SECTOR: GREATER PRESENCE IN EUROPE



Revenues Generation by Country

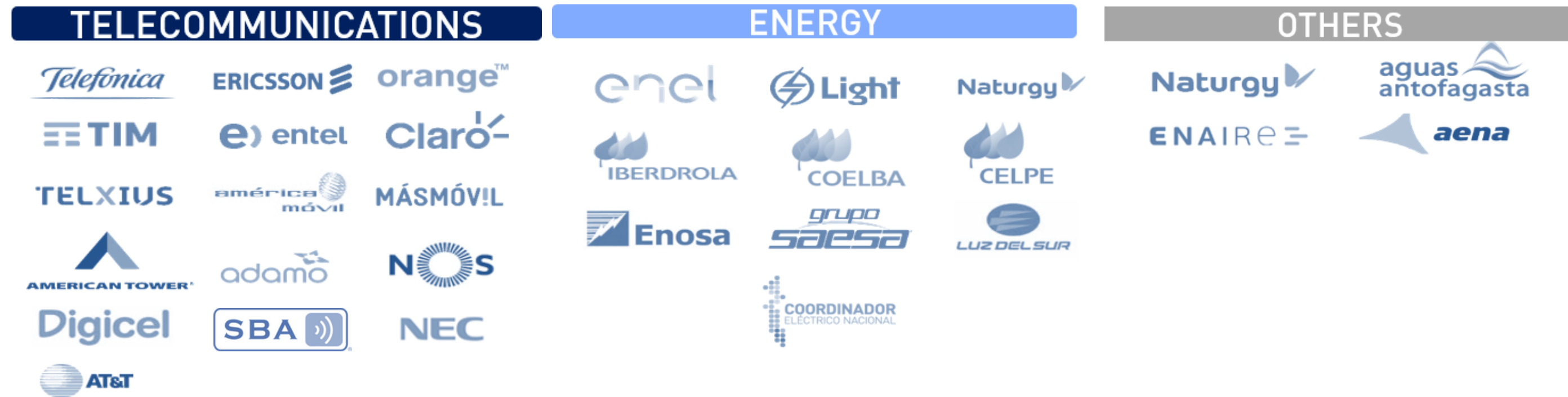


Revenues Generation by Sector 1Q



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DIVERSIFIED CUSTOMER BASE WITH THE MAIN OPERATORS AND UTILITIES OF THE SECTOR



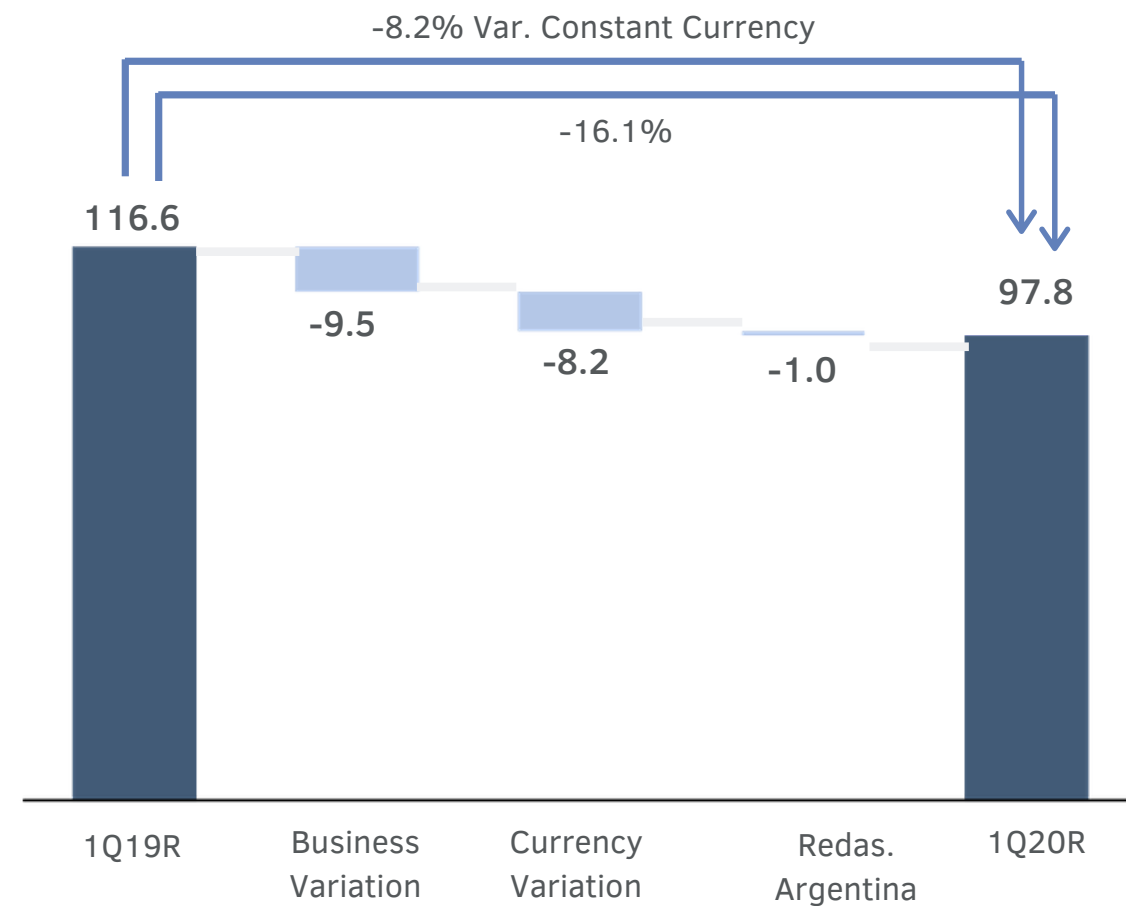
- ✓ Diversified client portfolio, with the main operators and utilities in the sector
- ✓ Coverage in its main markets

- ✓ Average 3-5 years multi-year contracts
- ✓ Renewal of >90% of strategic contracts

REVENUES AND EBITDA EVOLUTION

Revenues

€M



Less activity in installation and maintenance in homes, limitation to the portability of telephony and restrictions in "cut and replacement" in energy due to the health emergency situation



Reduction in revenues without considering the currency effect has been 8.2%



Progressive cost adjustment to the new situation



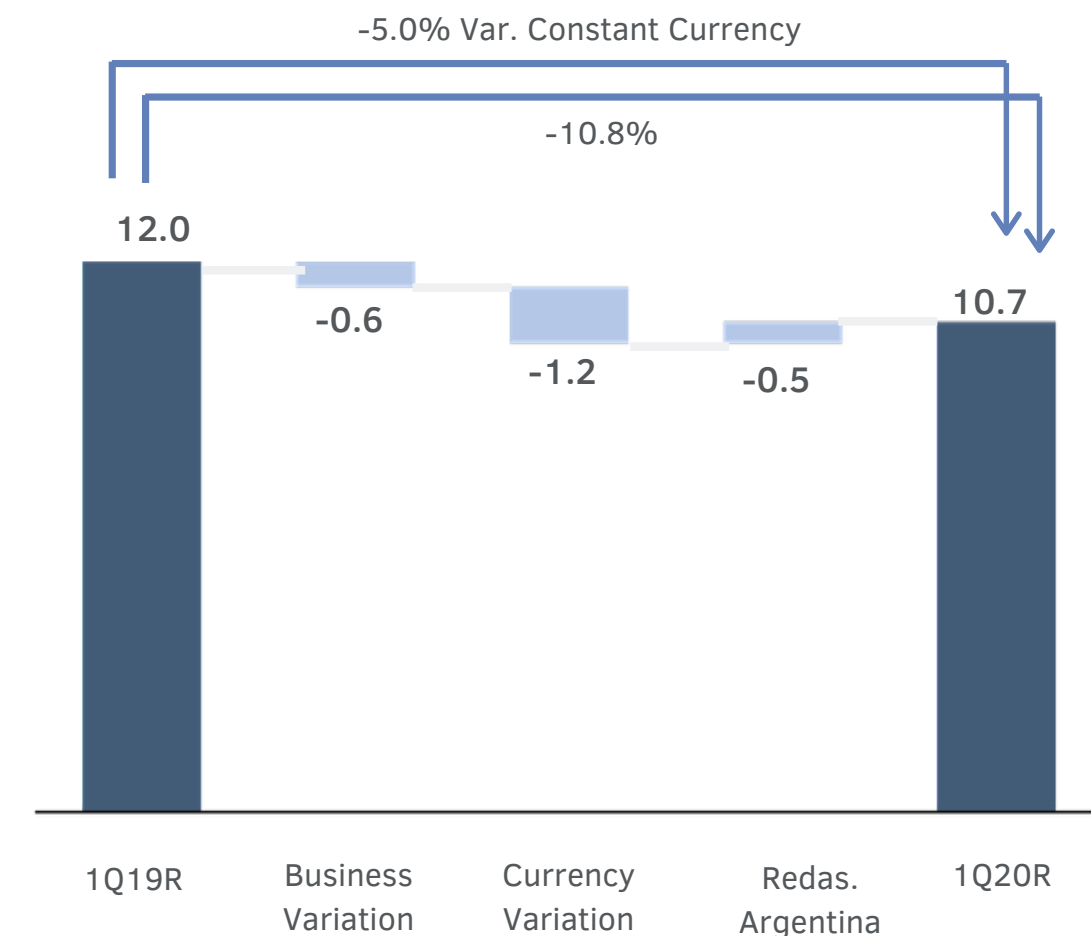
Reduction of EBITDA without considering the currency effect has been 5.0%



11.0% EBITDA Margin

EBITDA

€M



PROFIT AND LOSS ACCOUNT 1Q 2020



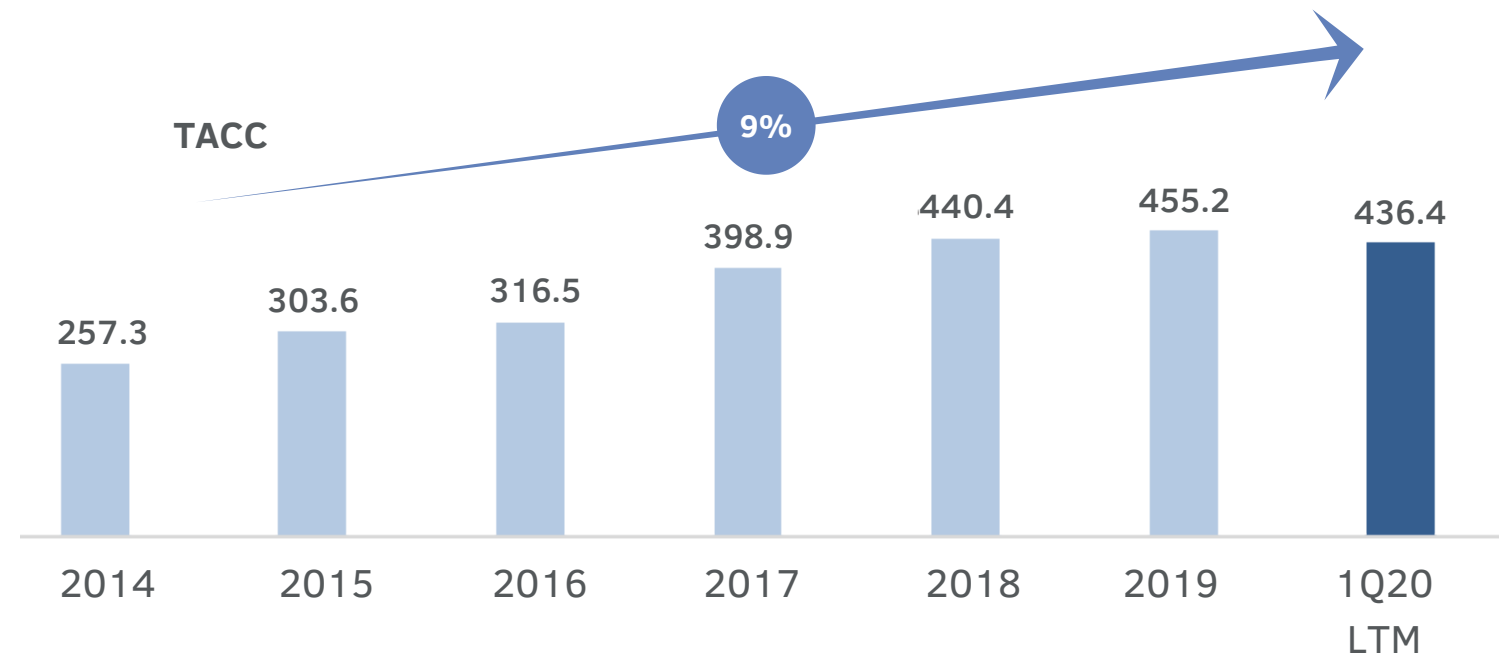
	1Q20	1Q19
Operating Revenues	97.8	116.6
EBITDA	10.7	12.0
EBITDA Margin	11.0%	10.3%
Amortization and provisions	(8.2)	(7.3)
EBIT	2.5	4.7
Revenues and financial expenses	(4.1)	(4.0)
Currency exchanges	0.2	0.5
Non-recurring results	(1.3)	-
Non-controlling interests, discontinued operations and non-strategic investments	0.3	(0.7)
Taxes	1.4	(0.3)
Net Result	(1.0)	0.2

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RESILIENT BUSINESS MODEL

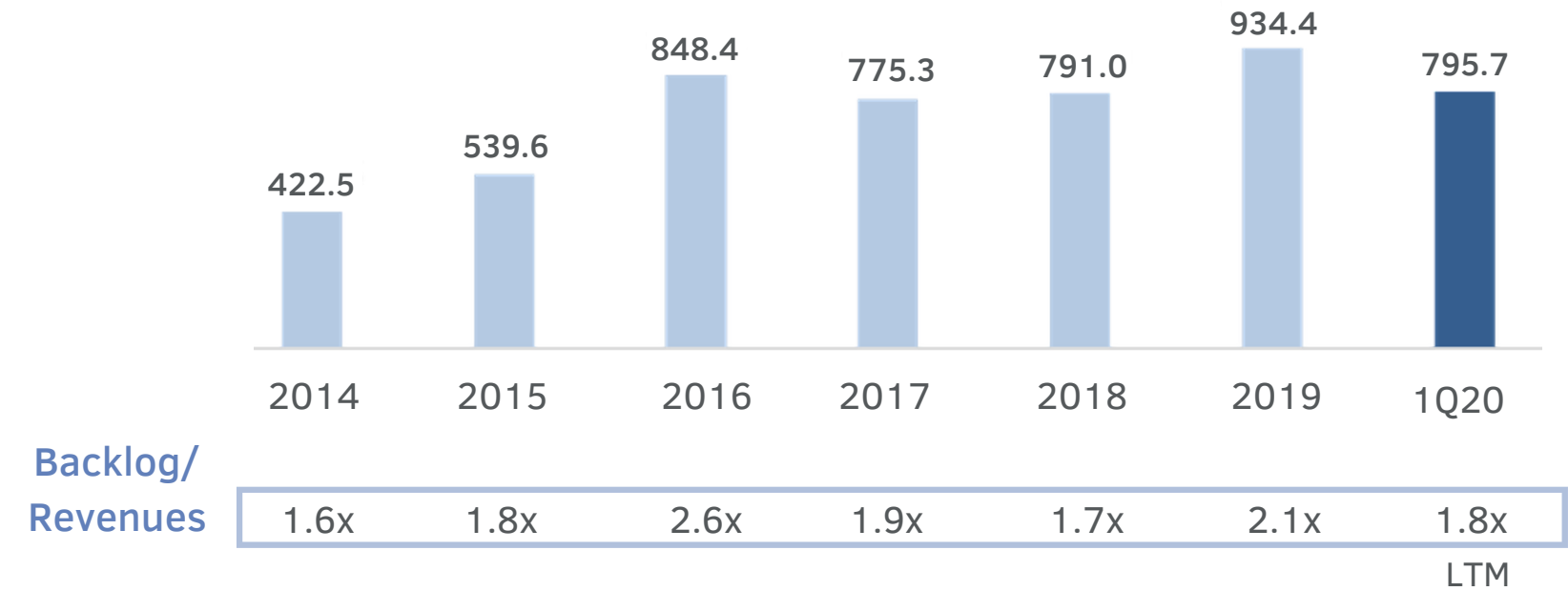
Revenues Evolution

€M



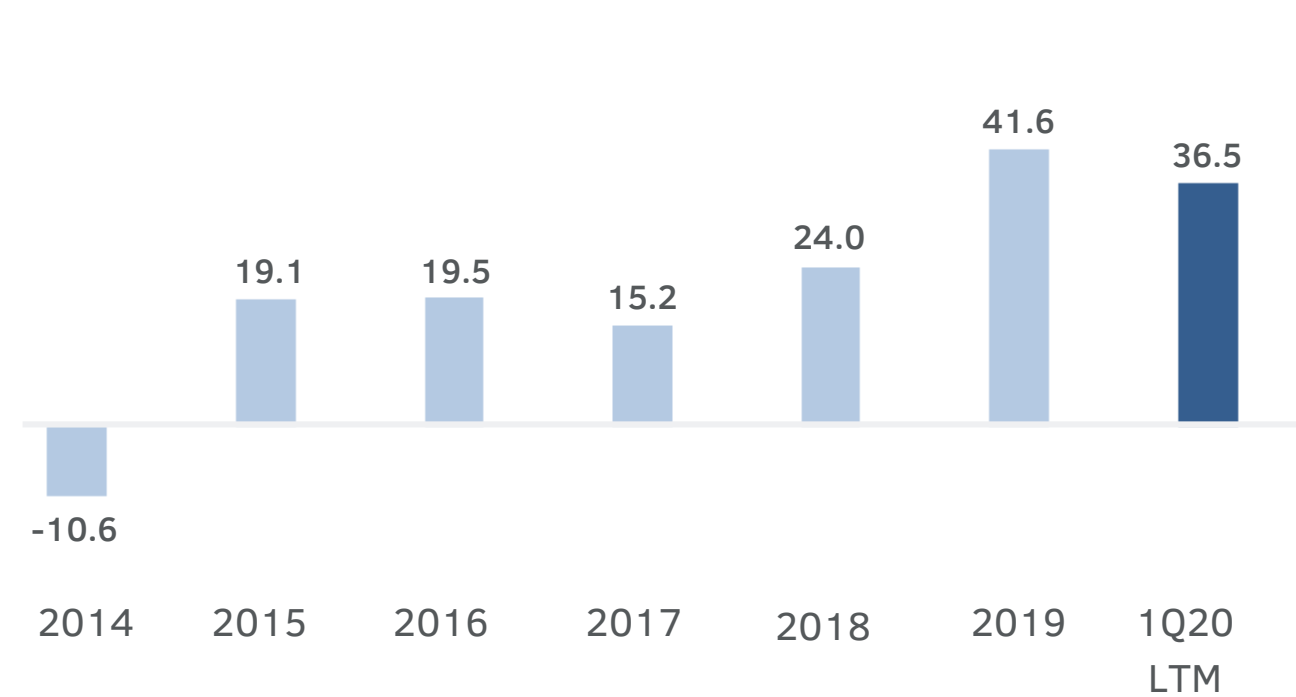
Backlog Evolution

€M



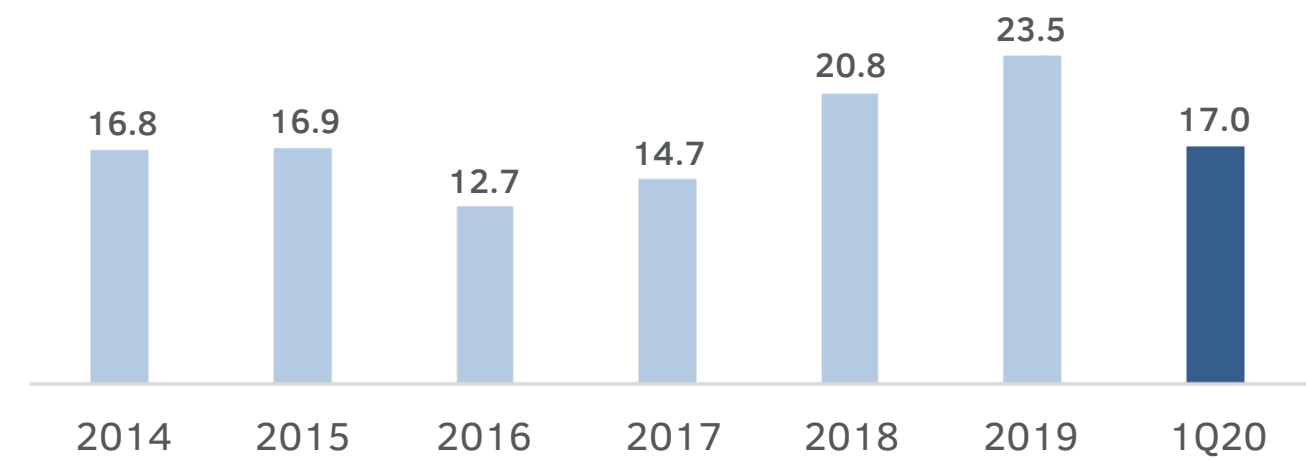
Operating Cash Flow

€M



Final Net Cash Position

€M



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NET FINANCIAL DEBT: MAIN MATURITY IN 2025

	1Q20 LTM	2019 FY
Net Financial Debt (NFD) IFRS16	156.6	147.4
Financial Debt	173.7	170.9
Cash and other equivalent assets	17.0	23.5
NFD Ratio/EBITDA ⁽¹⁾	2.6x	2.4x

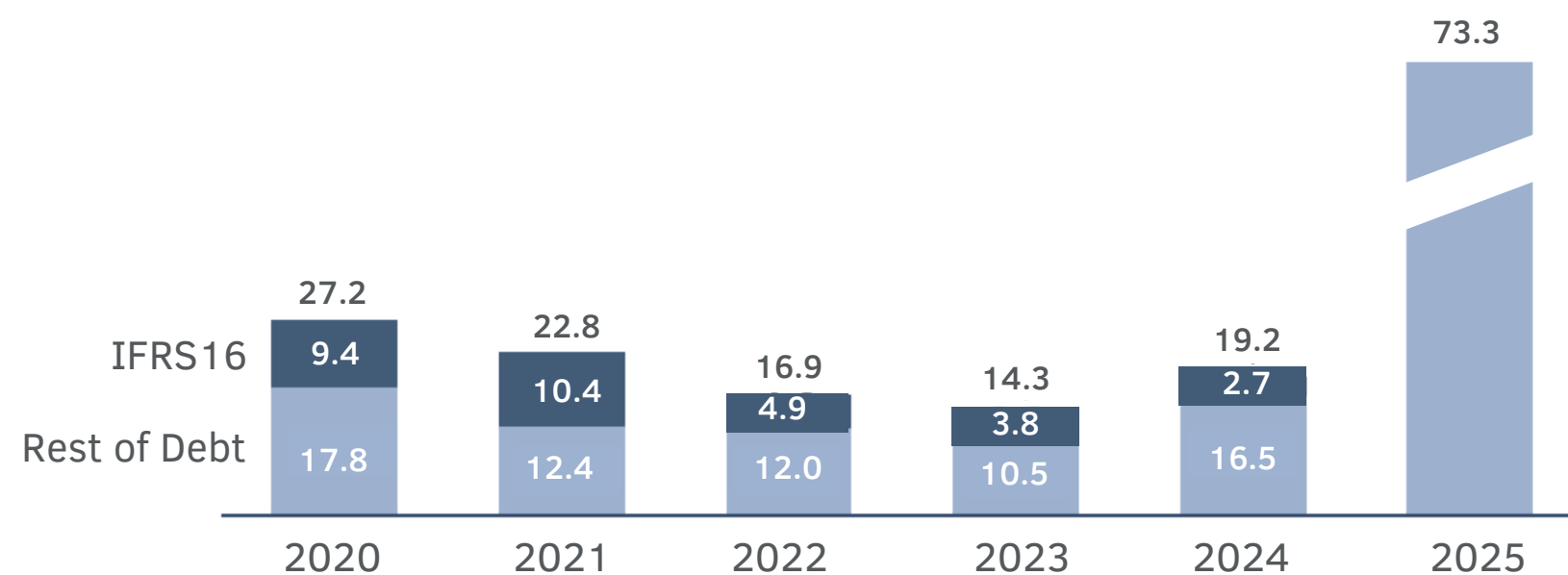


61% Debt maturing since 2023

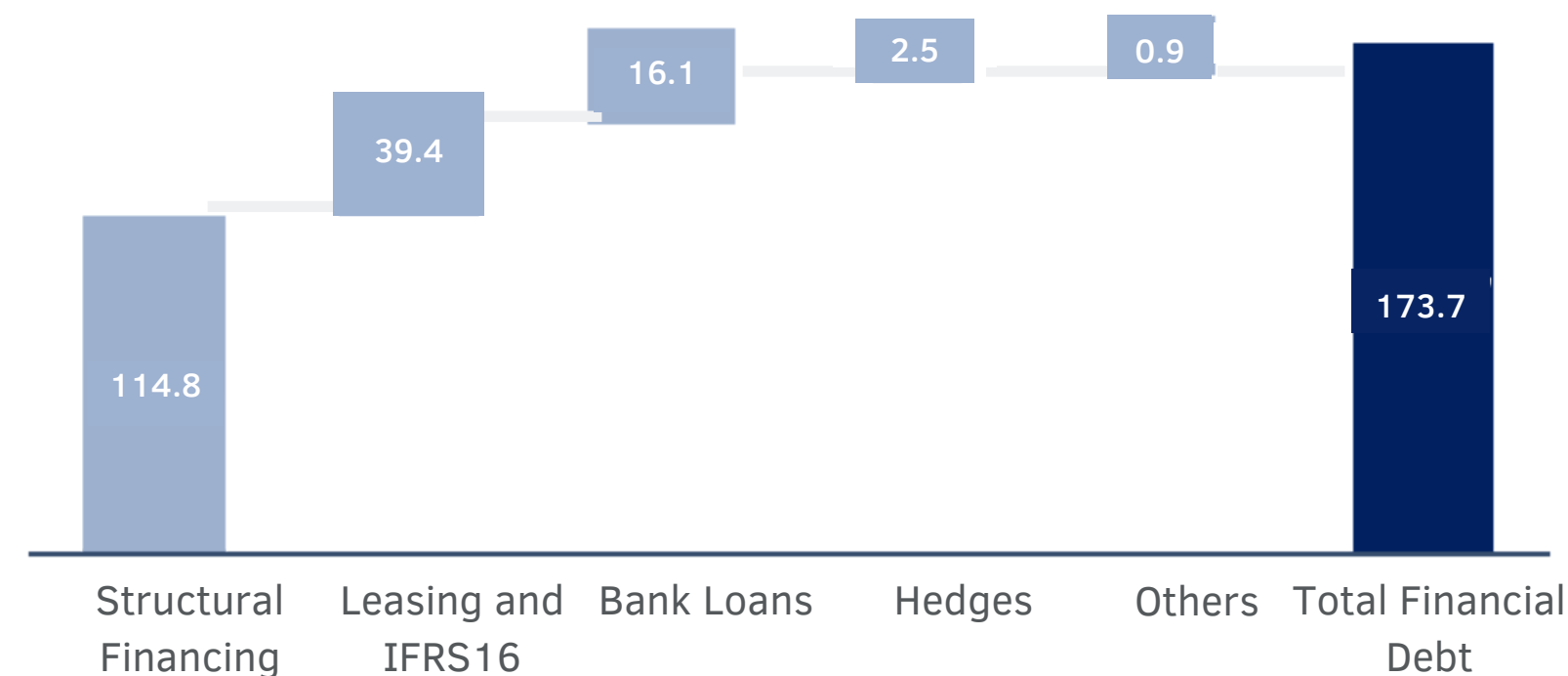


5.9% Average cost 1Q20 vs 6.5% 1Q19

Debt Maturity Schedule from 04-01-20



Composition of Debt



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(1) Proforma EBITDA of the last twelve months (LTM) including that corresponding to the new branch of activity acquired in September 2019

SOLID GENERATION OF OPERATING CASH

CASH FLOW LAST 12 MONTHS

	1Q20 LTM	1Q19 LTM
EBITDA pre IFRS16	42.5	32.0
Changes in working capital and other movements	(6.3)	(6.8)
Operating Cash Flow	36.2	25.2
Payments related to inorganic growth	(27.5)	(7.0)
Acquisition of property, plant and equipment, and intangible assets (CAPEX)	(4.6)	(5.2)
Changes in financial investments	0.8	0.9
Cash Flow from Investing	(31.3)	(11.3)
Funding related to inorganic growth	30.0	-
Changes in financial debt, net	(27.4)	23.3
Collection and payment of interests, net	(15.1)	(26.3)
Cash Flow from Financing	(12.5)	(3.0)
Total Net Cash Flow	(7.6)	10.9
Initial Net Financial Position	24.2	14.7
Net increase / (decrease) in cash and cash equivalents	(7.6)	10.9
Exchanges rates	0.4	(1.4)
Final Net Financial Position	17.0	24.2

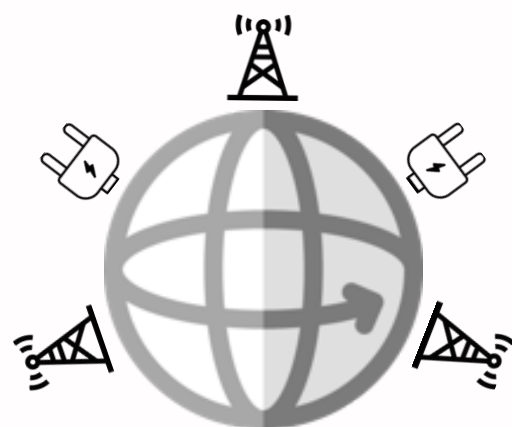
- ✓ Solid generation of **operating cash: +44%** LTM
- ✓ **CAPEX** 1.0%-1.5% o/sales
- ✓ Solid reduction in **financial cost: -43%** LTM
- ✓ Strong **debt reduction**: € -27.4 M LTM

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OUTLOOK 2022-2023

OUTLOOK FOR 2022-2023



DIVERSIFICATION

GEOGRAPHY

65% - 70%

EUROPE

SECTOR

60% - 65%

TELECOMMUNICATIONS



GROWTH

REVENUES

€ 1.000 M
(x2)

FINANCIAL ⁽¹⁾

EBITDA MARGIN

8% - 9%

DEBT RATIO

< 2x EBITDA

FINANCING COST

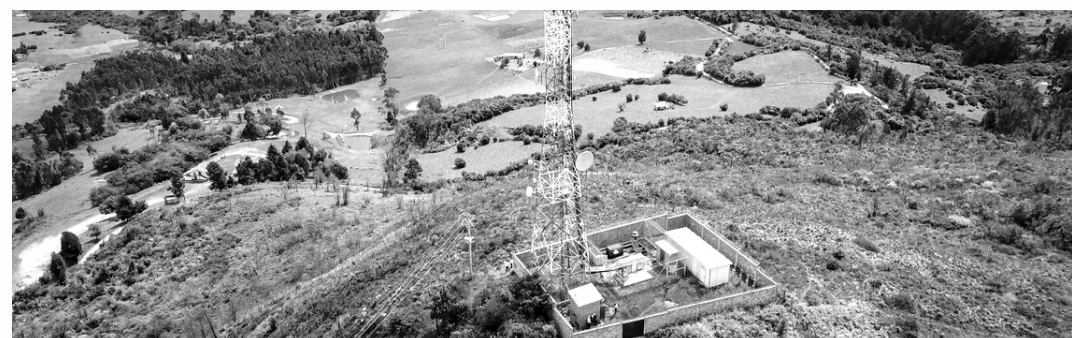
< 4.5%



The **strategic positioning** of Ezentis allows us to take advantage of the opportunities in the Telecommunications and Energy sectors

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(1) Without considering the effect of IFRS16



ATTRACTIVE STRATEGIC POSITIONING



- ✓ **60 years of experience** and reference in the market
- ✓ Profitable business management: **cash generation of € 120 M** since 2015 (see Annex III)
- ✓ **Maximization of volume and recurrence** through long-term contracts in diversified markets
- ✓ **Strong resilience** in the LATAM and European markets, and in the Telecommunications and Energy sectors
- ✓ **Optimization of the density in geographic areas** to reach the critical size to improve profitability and maximize economies of scale
- ✓ Prepared to lead the **consolidation** of the market due to its **history, experience** and proven **quality**

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SUSTAINABILITY

FOCUSED ON SUSTAINABILITY

PERFORMANCE IN 2019



ENVIRONMENTAL ASPECTS

EMISSIONS

**34,453 tCO₂e (-9%
o/2018)**

VEHICLE CONSUMPTION

**10% more efficient
o/2018**

CDP QUESTIONNAIRE

Score C



SOCIAL ASPECTS

INDEFINITE CONTRACTS

**78% (+1%
o/2018)**

ACCIDENT FREQUENCY

-15% o/2018

TRAINING

+400,000h



GOVERNANCE ASPECTS

CNMV GOOD GOVERNANCE CODE

100% compliance

AREA CREATION

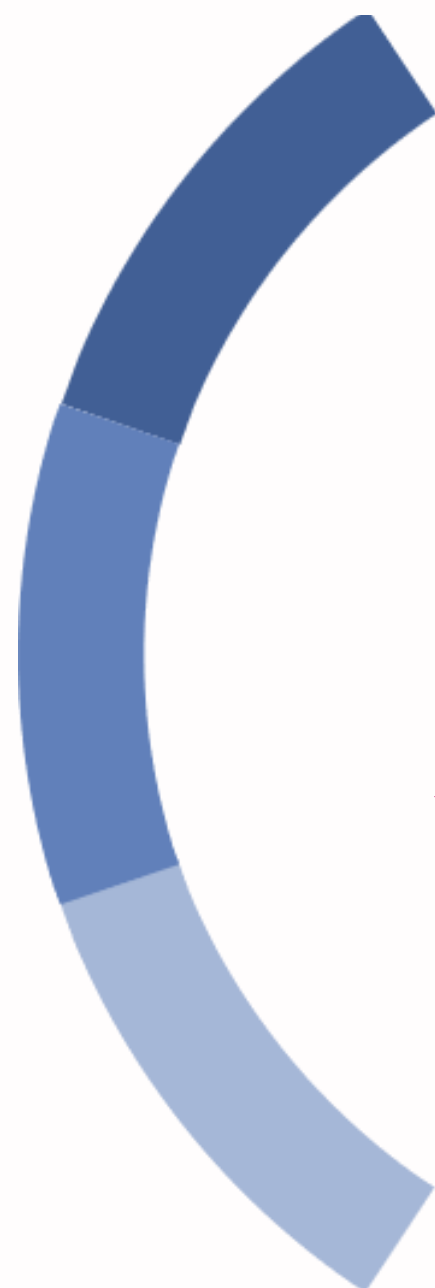
**Investor Relations
and Sustainability**

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COMMITTED TO SUSTAINABILITY

SUSTAINABILITY PLAN FOR 2022



- ✓ Inclusion in benchmark Sustainability Indexes (FTSE4GOOD, VIGEO...)
- ✓ Obtaining Score B in the CDP questionnaire
- ✓ Preparation of a non-financial ICFR (NFICFR)
- ✓ Integrated Annual Report
- ✓ Supplier approval with sustainability criteria
- ✓ Safety audits of contractors and subcontractors
- ✓ Zero Accident Commitment
- ✓ 60% of the fleet with alternative fuel in 2022

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CONCLUSIONS



Ezentis as an **Essential Service**

Moderate Impact by COVID19

Visibility in 2020 and following years

1Q20: Cash Position of **€17M**
11% EBITDA Margin

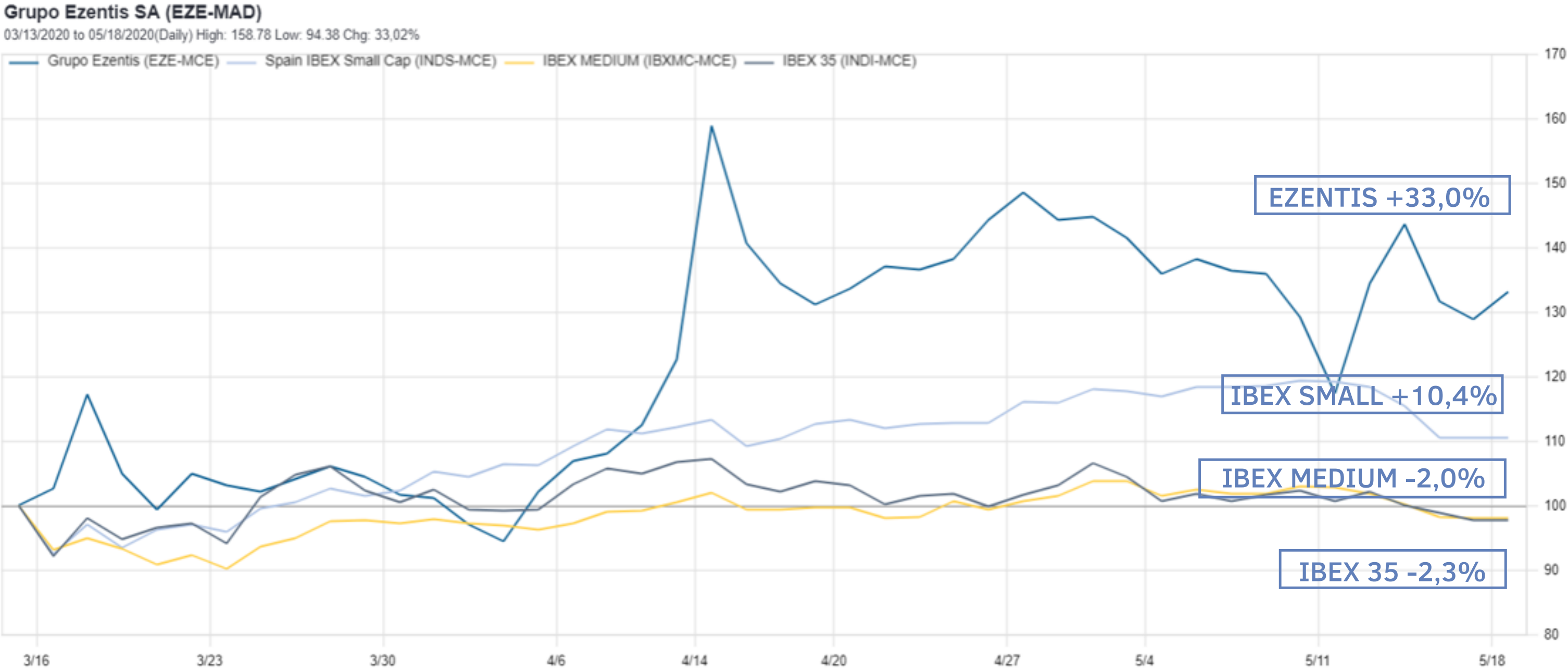
Outlook 2022-2023

APPRECIATE THE COMMITMENT OF ALL OUR EMPLOYEES IN THE CONTINUITY
OF ESSENTIAL TELECOMMUNICATIONS AND ENERGY SERVICES

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SHARE PERFORMANCE VS. INDICES DURING THE COVID19 CRISIS PERIOD



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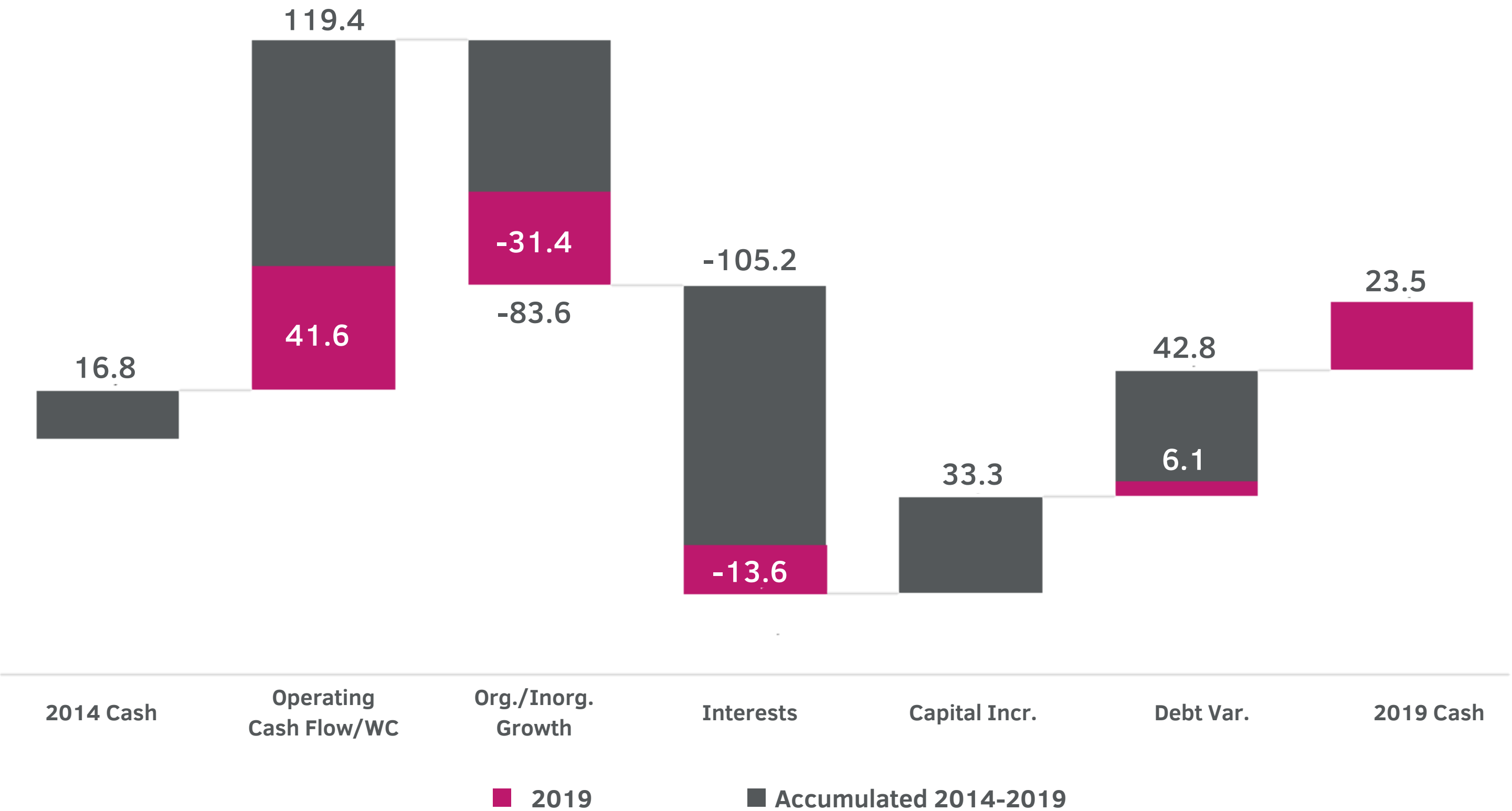
CONSOLIDATED BALANCE 1Q20

€M	1Q20	2019		1Q20	2019
			Equity	2,628	14,312
Non-current assets	190,136	195,377	Non-current liabilities	156,231	160,309
Tangible and intangible assets	127,564	131,270	Financial debt	116,319	120,093
Long-term financial investments	16,672	17,830	IFRS 16 lease liabilities	18,733	15,130
Deferred tax assets	45,900	46,277	Other non-current liabilities	21,179	25,086
Current assets	170,776	183,634	Current liabilities	202,053	204,390
Assets held for sale	7,106	7,037	Liabilities linked to assets held for sale	3,508	3,585
Inventories	22,610	23,929	Financial debt	26,167	23,714
Trades and other receivables	124,021	129,165	IFRS 16 lease liabilities	12,465	11,976
Cash and cash equivalents	17,039	23,503	Other current liabilities	159,913	165,115
TOTAL	360,912	379,011	TOTAL	360,912	379,011

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€ 120 M OF CASH GENERATION IN THE LAST 5 YEARS



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