



RESULTS PRESENTATION THIRD QUARTER 2020

November 2020





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01

KEYS OF THE PERIOD



KEYS OF THE PERIOD

| | | | |
|---|---|---|--|
| Increased activity. Progressive improvement in revenues | — | 281M€ in 9M20 | +7% Q3/Q2 |
| Transformation Plan: efficiency and productivity | — | 12,4% Q3 (8,9% Q2) EBITDA margin | Reduction of 3.908 people (1) |
| Solid commercial portfolio (backlog) | — | 647 M€ | 1.6 x s/revenue (last 12 months) |
| Strategy for growth in Europe | — | 46% of 9M20 (30% in 9M19, 8% in 2014) | Tendency 2022-23 65-70% |
| Entering the Security Engineering business | — | Enesys acquisition/ Pentagon Security System | Customers - Iberdrola Movistar/Prosegur |
| Effective measures against COVID-19 | — | Health and Safety Protocols | No impact on business |

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(1) Net reduction in the workforce of more than 20% in 9M20 compared to the end of 2019



MAIN FIGURES 9M 2020

REVENUES ⁽¹⁾ 281,3 M€

PORTFOLIO 647,5 M€

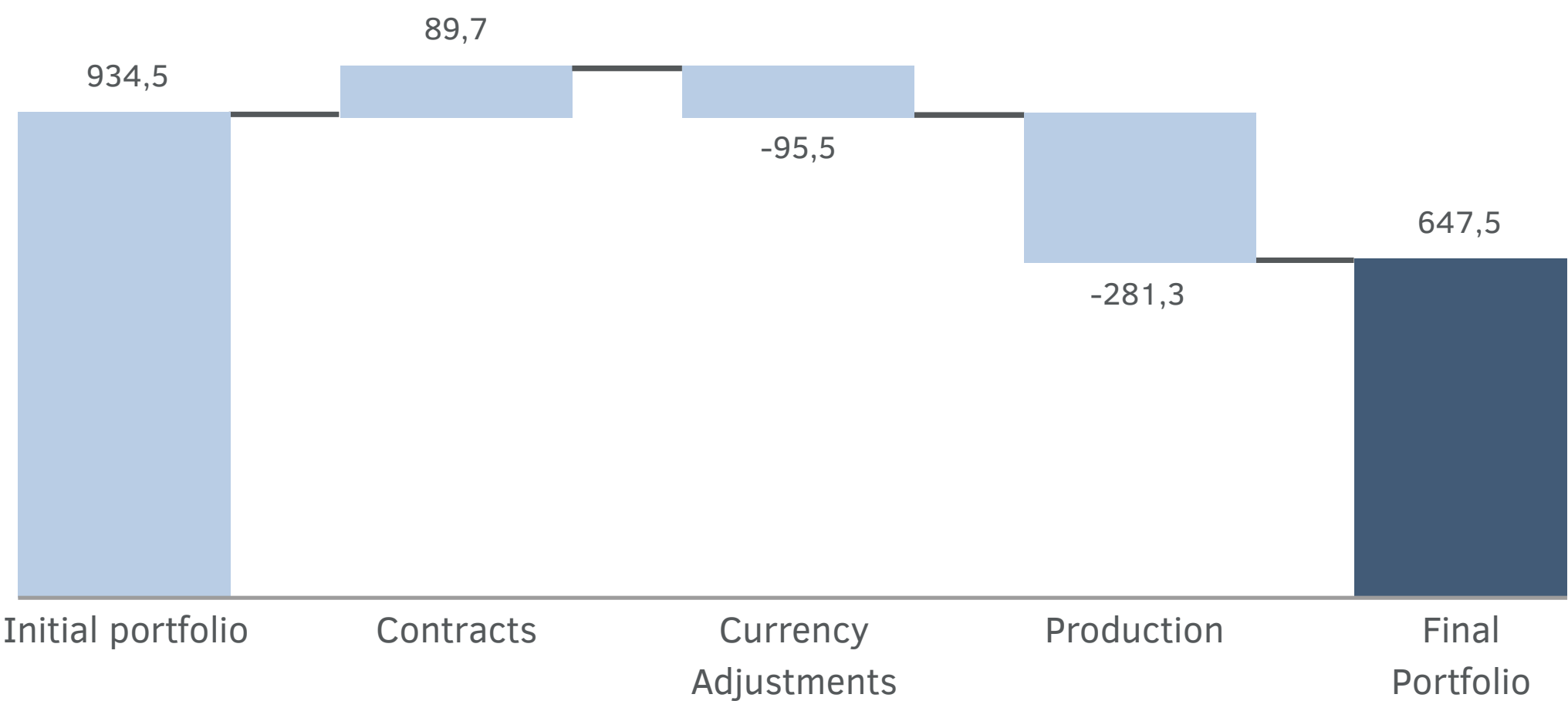
EBITDA ⁽¹⁾ 30,2 M€EBITDA
MARGIN 10,7%CASH
POSITION 18,7M€NET FINANCIAL
DEBT 3,6xCURRENCY EFFECT
IN REVENUES -36M€
IN EBITDA -6M€NET RESULT -23,9M€
NON-RECURRING
RESULT -14,8M€

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(1) Considers Argentina as a continuous activity for comparative purposes

EVOLUTION OF THE COMMERCIAL PORTFOLIO

PORTFOLIO DEC/19 TO SEP/20 (M€)



Accumulated contracts as of September: 90M€

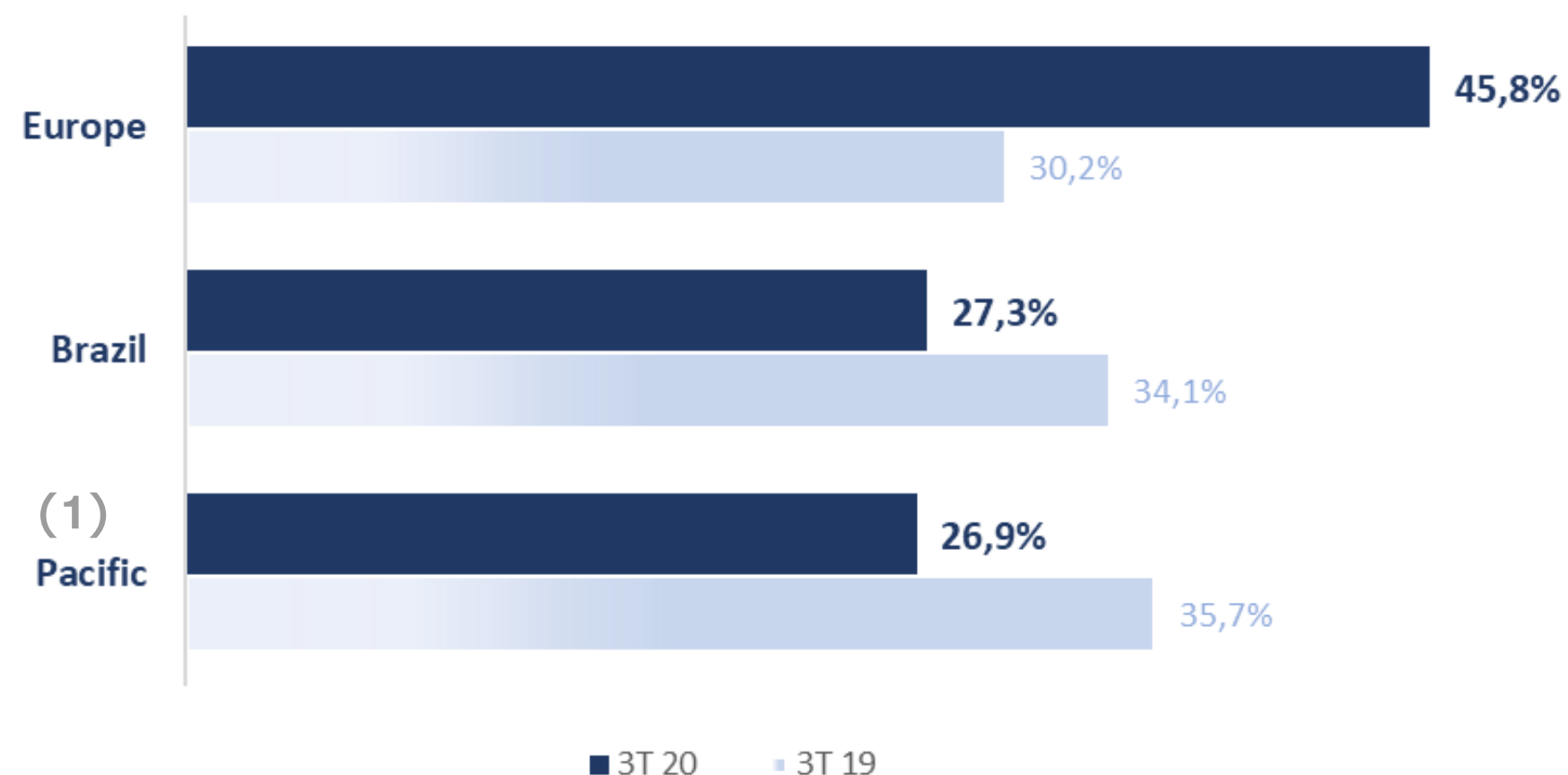
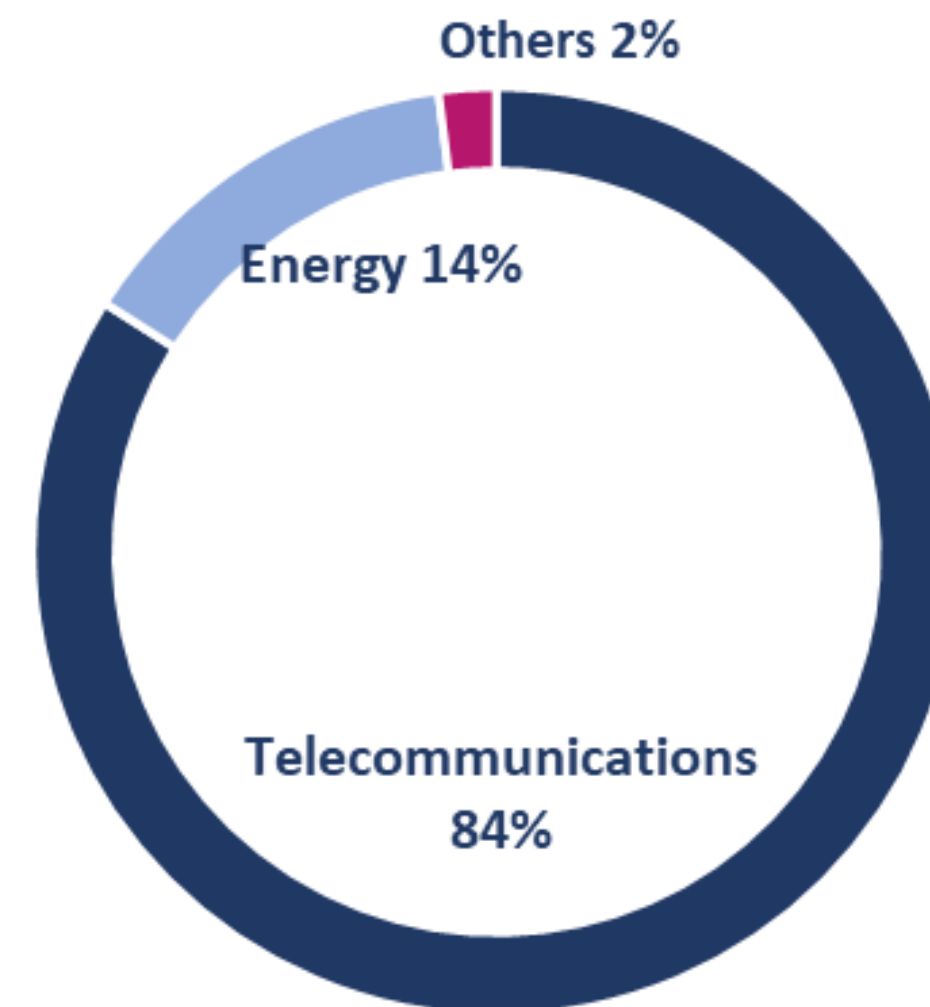
Additional contracts in the month of October: 134M€

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DIVERSIFIED GEOGRAPHICAL FOOTPRINT



REVENUE BY GEOGRAPHY AND SECTOR: GREATER PRESENCE IN EUROPE

Revenue Generation
by Geographical AreaRevenue Generation by
Sector 3Q20

(1) Percentage of Pacific countries: Chile: 15,6% 3Q20/20,2% 3Q19; Peru: 5,3% 3Q20/8,5% 3Q19; Argentina 3,0% 3Q20/3,2% 3Q19; Mexico: 1,4% 3Q20/1,7% 3Q19; Colombia: 1,6% 3Q20/2,0% 3Q19

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GROWTH OF OUR ACTIVITY

Variation in Revenues
Q3/Q2:
(in constant currency)

Commercial portfolio:
(as of September)

Reduction in the
number of employees:
(cumulative to September)



EUROPE

+27,5%

269M€
weight on
total portfolio
(42%)

227



BRAZIL

+2,9%

160M€
weight on
total portfolio
(25%)

1.598



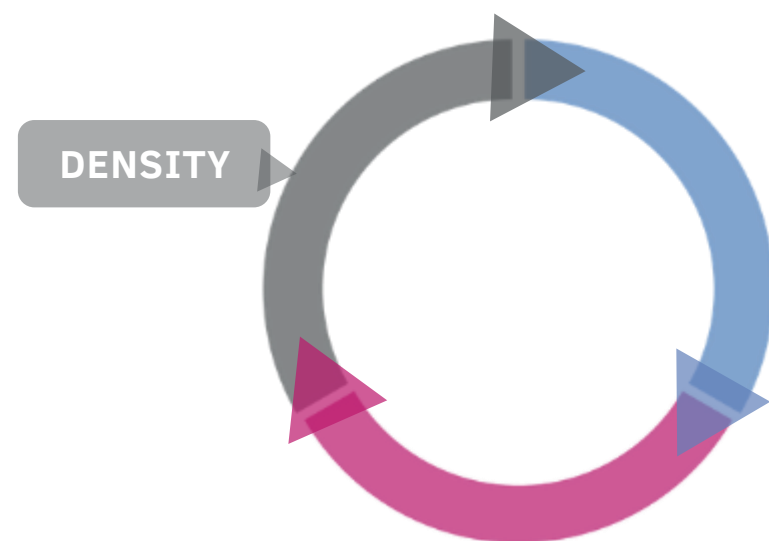
PACIFIC

-6,9%

218M€
weight on
total portfolio
(33%)

2.083

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✓ Scope of the most cost-effective **critical** size.

✓ **Consolidation of** the market.

✓ Focus on large **business volumes**.

(1) Contracts from 1 Oct to 30 Oct: 134M€

KEYS OF THE BUSINESS MODEL

DENSITY

CUSTOMERS

- Large contract **renewal rate** in 2020 of >90% (Confidence and Quality indicator. Medium-term business guarantee). Highest quality of customers
- **Contract portfolio** 1,6 times over revenues last 12 months. Contracts at 30 Sep 90 M€ (1)



Telecommunications

TIM

– Brazil. renewal 36 months

vivo

– Brazil. renewal 24 months

MÁSMÓVIL

– Spain. extension 24 months



– Spain. award 24 months

Telefonica

– Spain. award. IT Fusion 36 months
– Spain. extension c. bucle 12 months
– Peru. renewal c. FLM 36 months



Energy

enel

– Brazil. +2,3 times



– Chile. award



Security engineering

IBERDROLA

– Spain
(Inst. and Maint. contract)



– Spain
(award 24 months)

PROCUREMENT

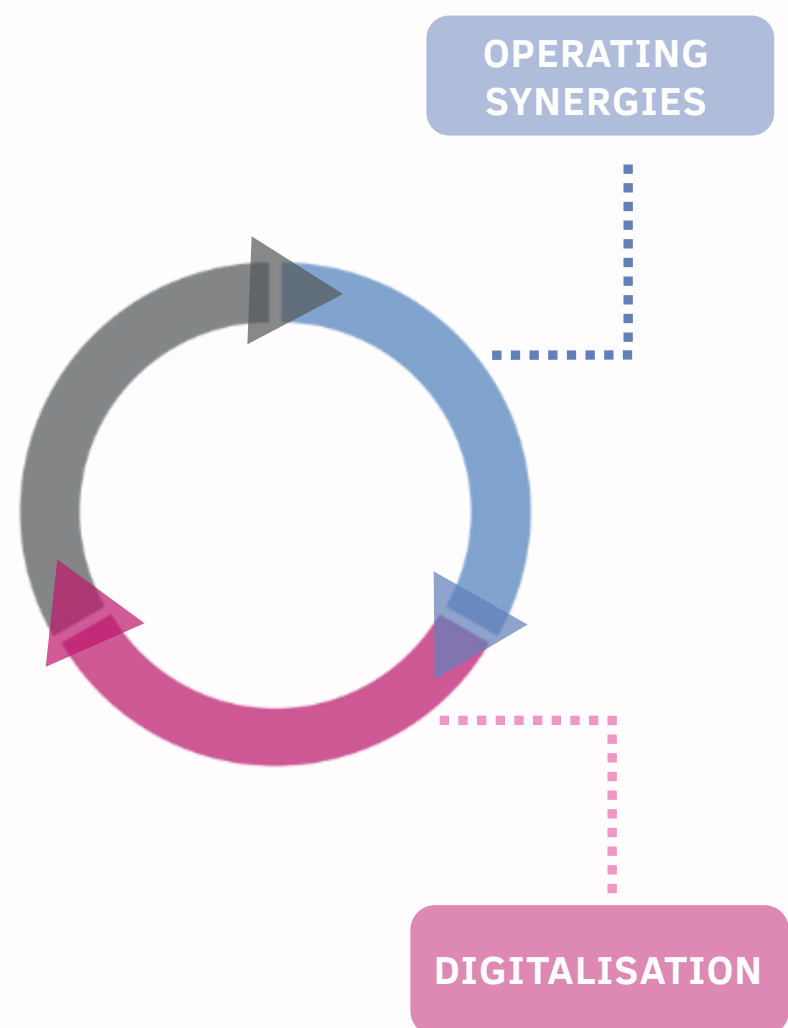


Security engineering

- **Enesys Engineering and Security** in H120 (installation and maintenance of security systems)
- **Pentagon High Security Electronic Systems** in Q320 (installation and maintenance of security systems in energy and industrial branches)

KEYS OF THE BUSINESS MODEL

OPERATING SYNERGIES AND DIGITALISATION



✓ Efficiency in management of resources

- **Transformation plan:** Efficiency and productivity
- **Reduction of employees**

(1) Net reduction in the workforce of more than 20% in 9M20 compared to the end of 2019

12,4% Q3 (8,9% Q2)
EBITDA margin

3.908 people (1)

✓ Digitisation: main projects

• **PRAXIS Project**

Resources control, quality and safety audits and real-time incidents

• **FLEET Project**

Fuel control, positioning and route verification

• **FINANCIAL Project**

Digital tools for budgeting, treasury, assets, purchasing, logistics, invoicing and reporting

ORACLE Tool

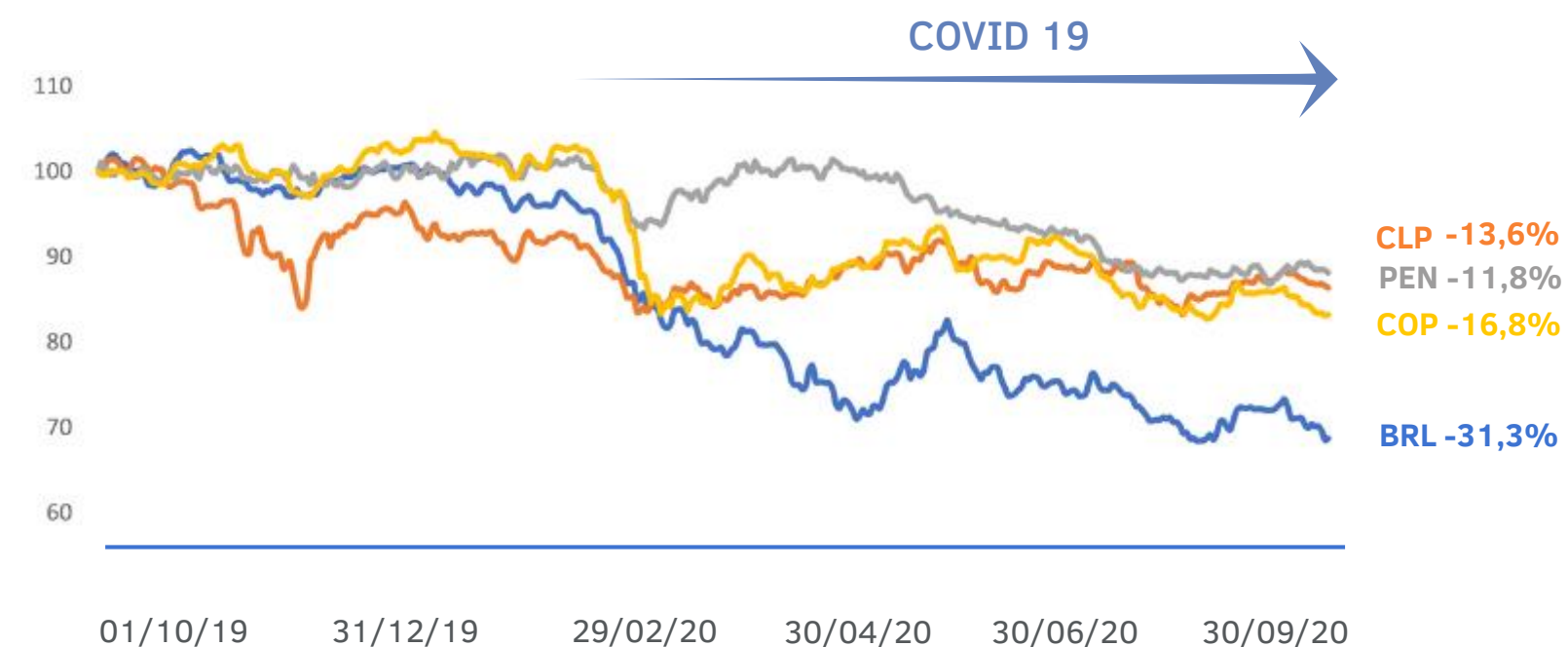
PULPOMATIC Tool

SAP Tool

EVOLUTION OF LATIN AMERICAN CURRENCIES

- ✓ **Depreciation of Latin American currencies** against the euro during the period
- ✓ **Impact on revenue** of -36M€ and **on Ebitda** of -6M€
- ✓ **Greater effect** on income in **Brazil** and **Chile**. Other currencies have a lower weight in revenues (Peru 5.3%, Colombia 1.6%)
- ✓ Our management model:
 - **Natural coverage** of collections and payments in local currencies
 - Increased **income** generation **in euro** (Europe = 46% s/H120)
 - **Inflation and interest rate** developments in Brazil and the Pacific allow for cost control
 - Most **contracts** are **indexed to inflation**

LTM Exchange Rate Developments - Base 100



RESILIENT BUSINESS MODEL

INCREASED PRESENCE IN THE VALUE CHAIN

✓ Growing Market

✓ Concentrating Market

✓ Operator outsourcing

Planning

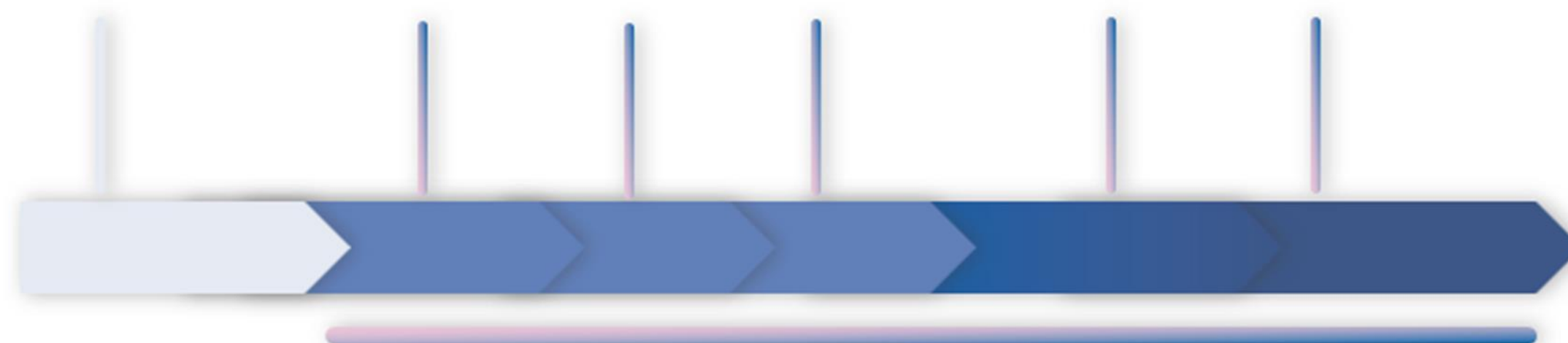
Design

Logistics

Deployment

Operation

Maintenance



Presence of Ezentis in the value chain

Design, Logistics
and Deployment

- Customer focus on their "**Core Business**" implies further outsourcing of the design, logistics and deployment phases
- Logistics as **added value** to Deployment and O&M

Operation and
Maintenance

- Market: **infrastructure stock**
- O&M linked to operational expenses (OPEX)
- Medium-term contracts: **3-5 years**
- **Stable margins** with incentives for quality and adjustment for inflation



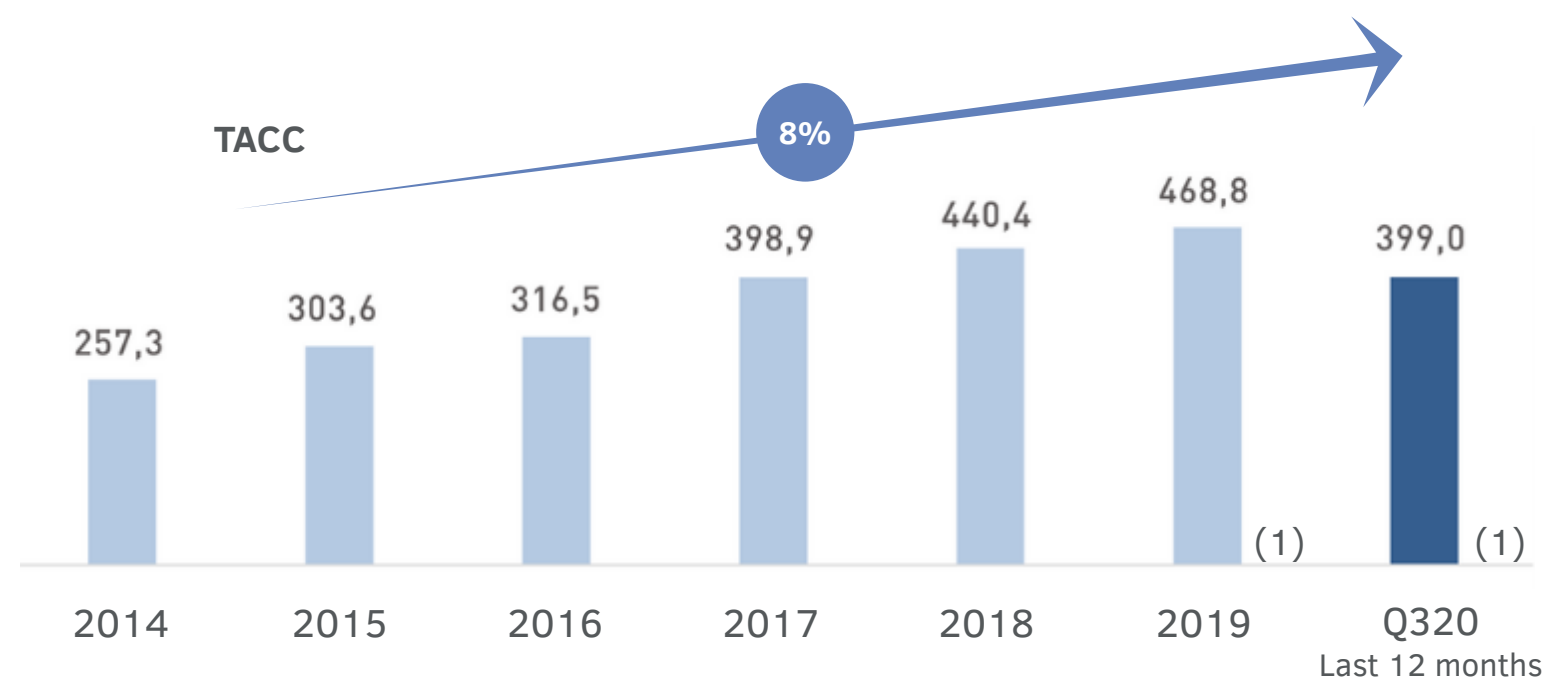
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RESULTS



RESILIENT BUSINESS MODEL**Revenue Evolution**

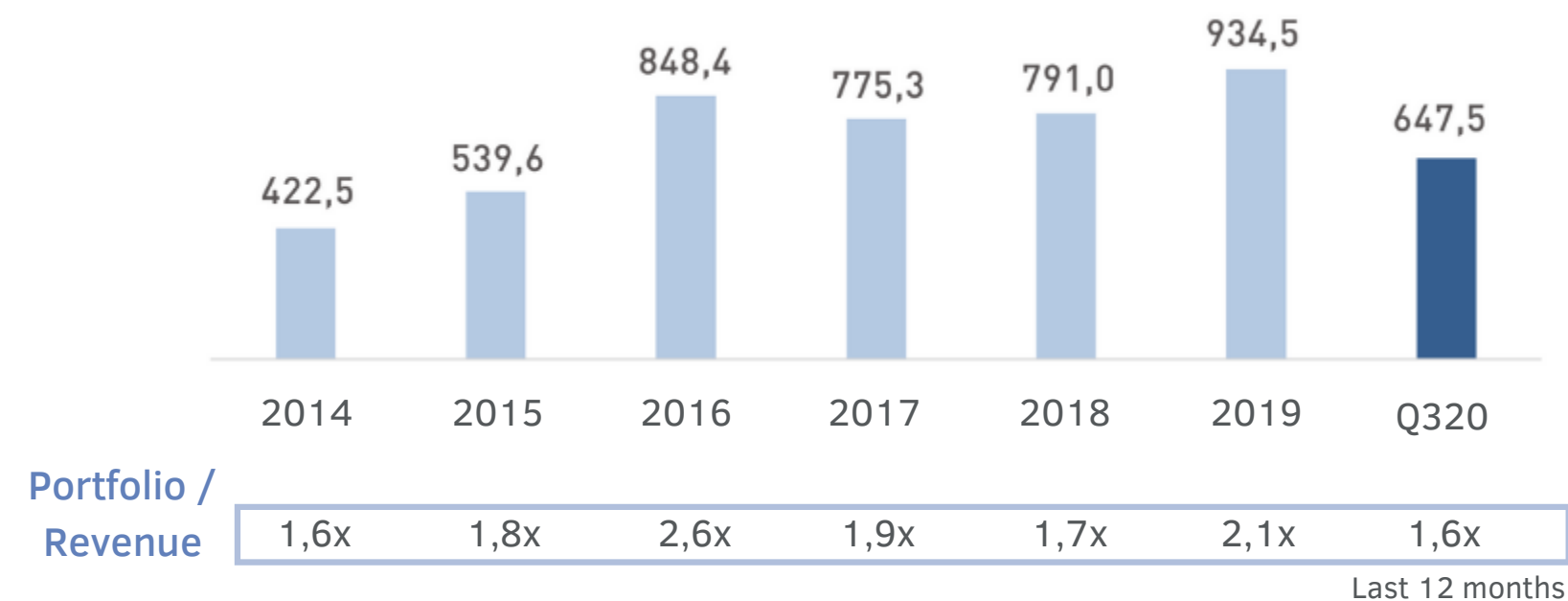
M€



(1) Considers Argentina as a continuous activity for comparative purposes

Portfolio Evolution

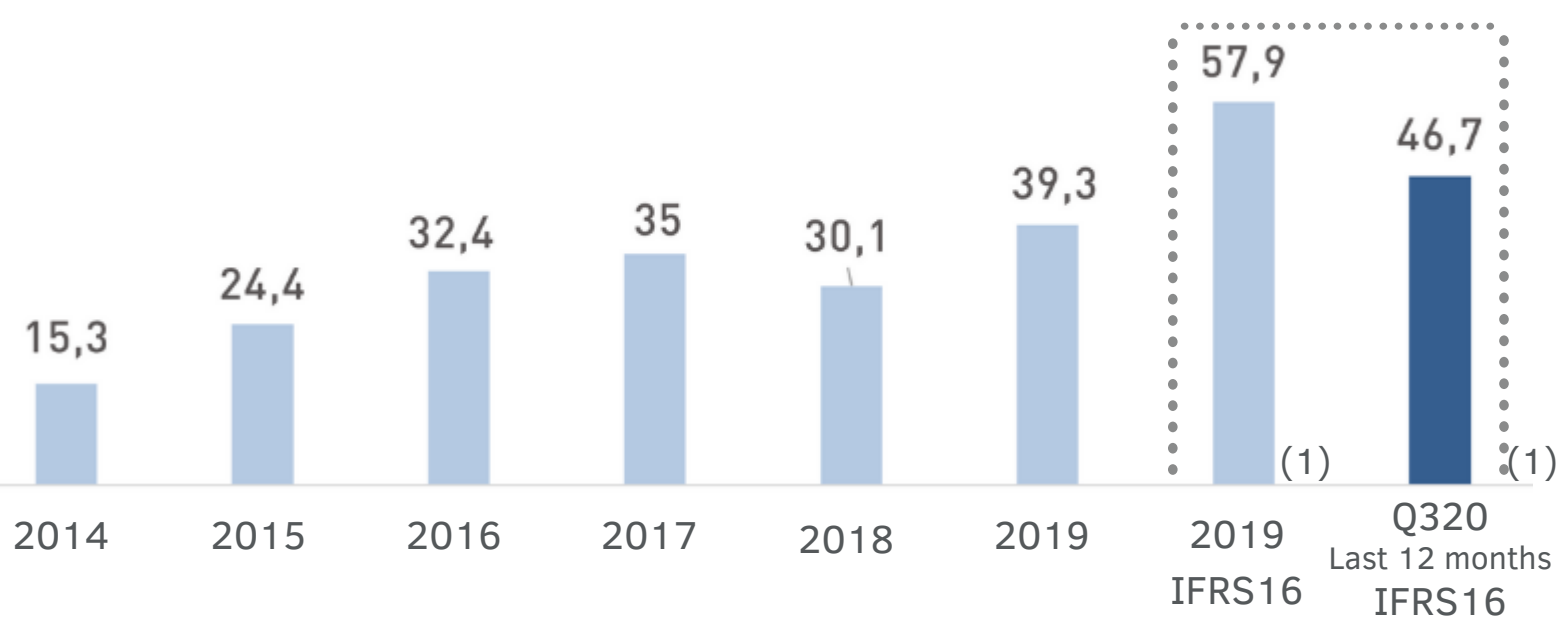
M€



Last 12 months

EBITDA Evolution

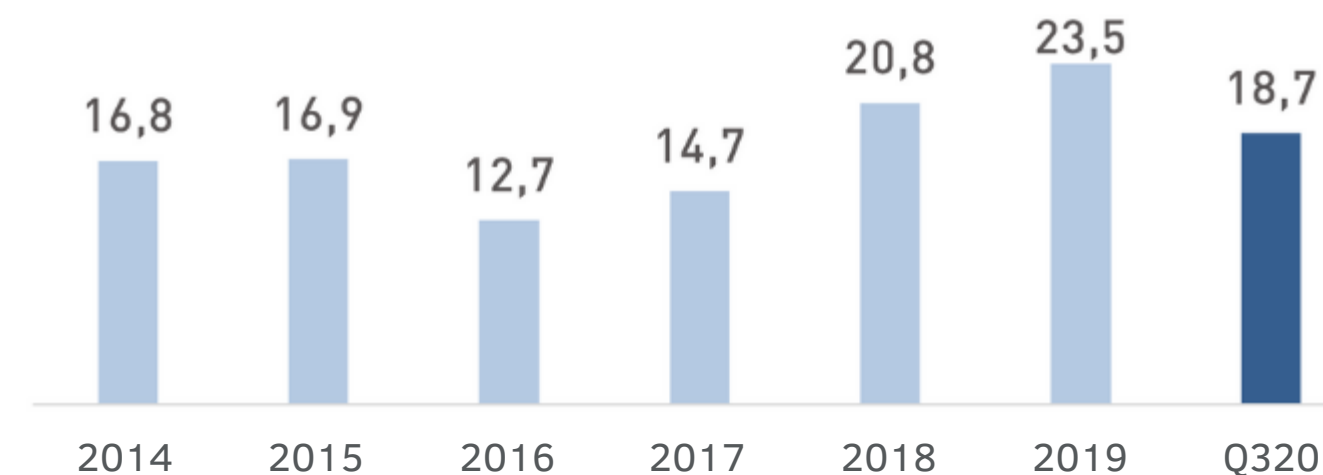
M€



(1) Considers Argentina as a continuous activity for comparative purposes

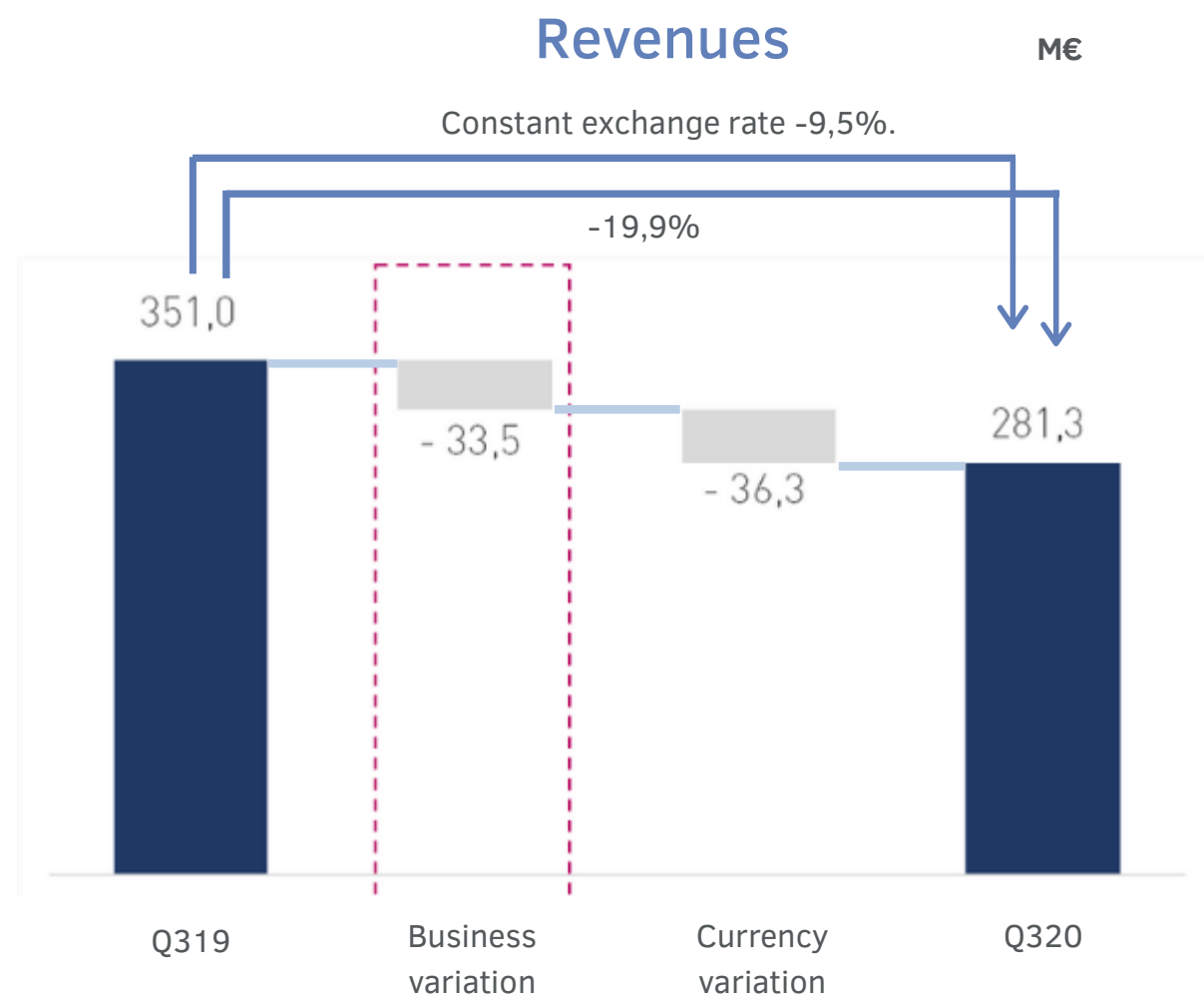
Cash position

M€



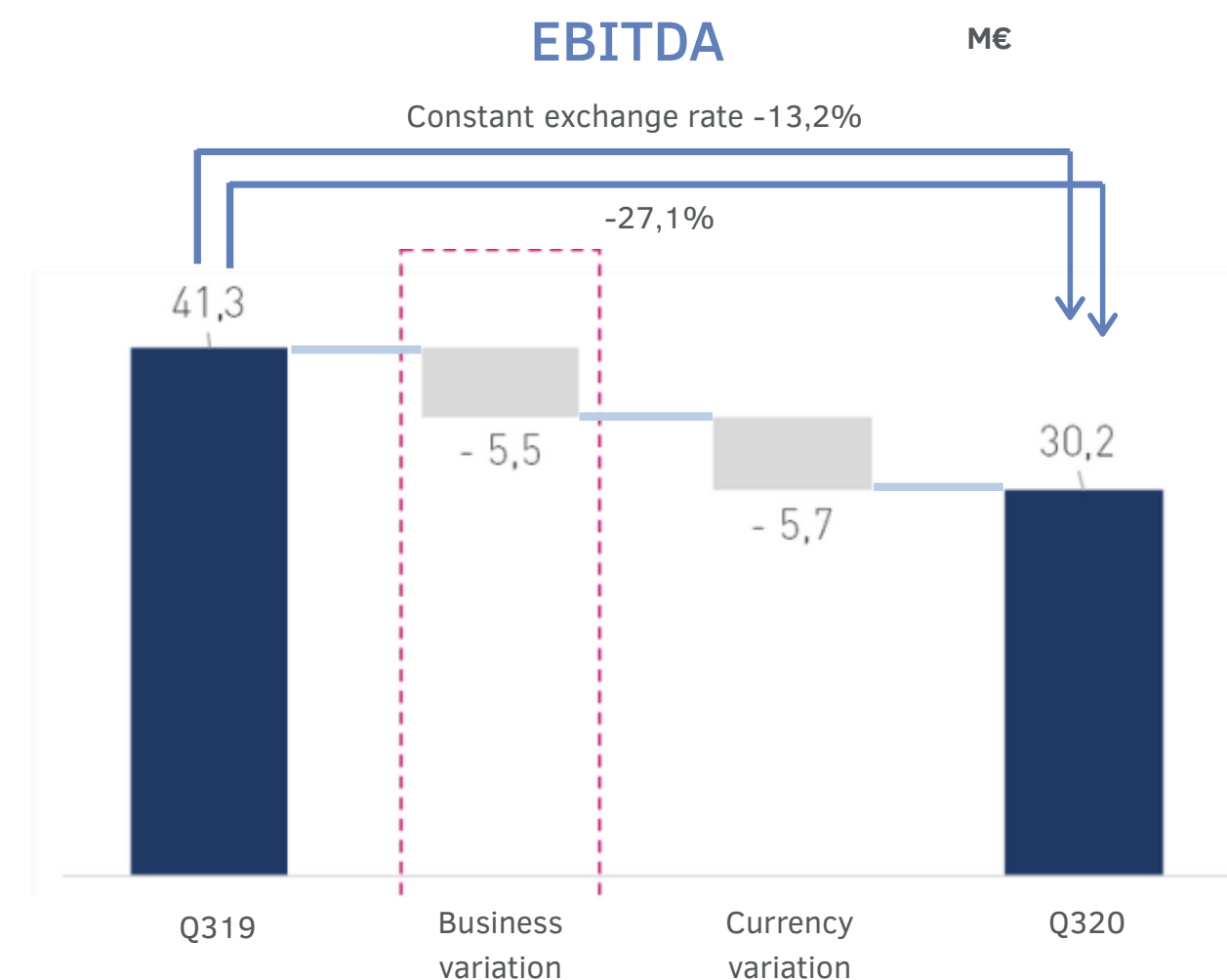
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EVOLUTION OF REVENUES AND EBITDA



- ✓ Less activity in installation and maintenance in households, limitation of telephone portability and restrictions on "cutting and replacement" power due to the health emergency
- ✓ The reduction in income without considering the currency effect was 9,5% (vs. 11,1% in 1H20)

- ✓ Progressive adaptation of costs
- ✓ The reduction in EBITDA, excluding the currency effect, was 13,2% (compared to 27,7% in H120)
- ✓ The decline in EBITDA was 10 percentage points lower than in H120



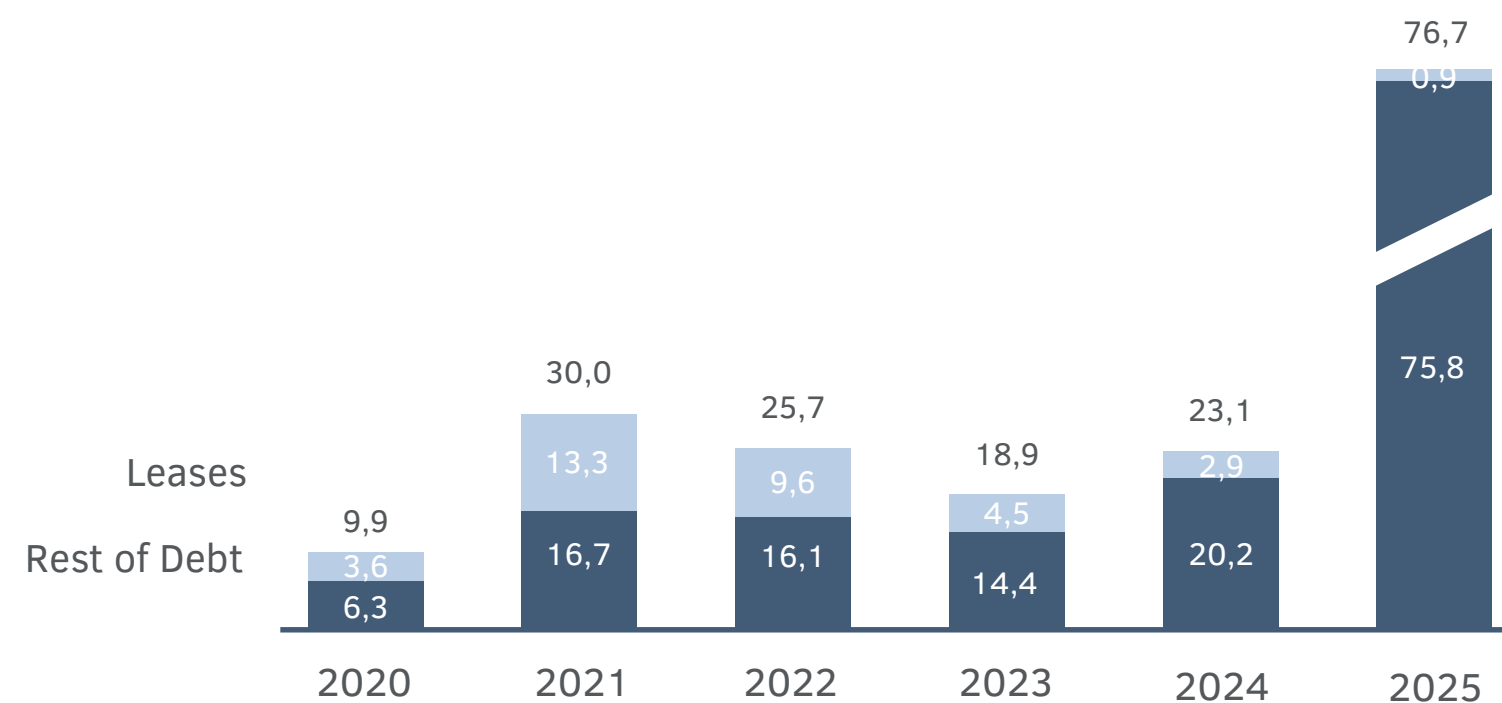
NET FINANCIAL DEBT: MATURITY OF PRINCIPAL IN 2025

| | Q320 | 2019 FY |
|---------------------------------|--------------|--------------|
| Net Financial Debt (NFD) | 165,5 | 147,4 |
| Financial Debt | 184,3 | 170,9 |
| Cash and cash equivalents | 18,7 | 23,5 |
| DFN/EBITDA ratio (1) | 3,6x | 2,4x |

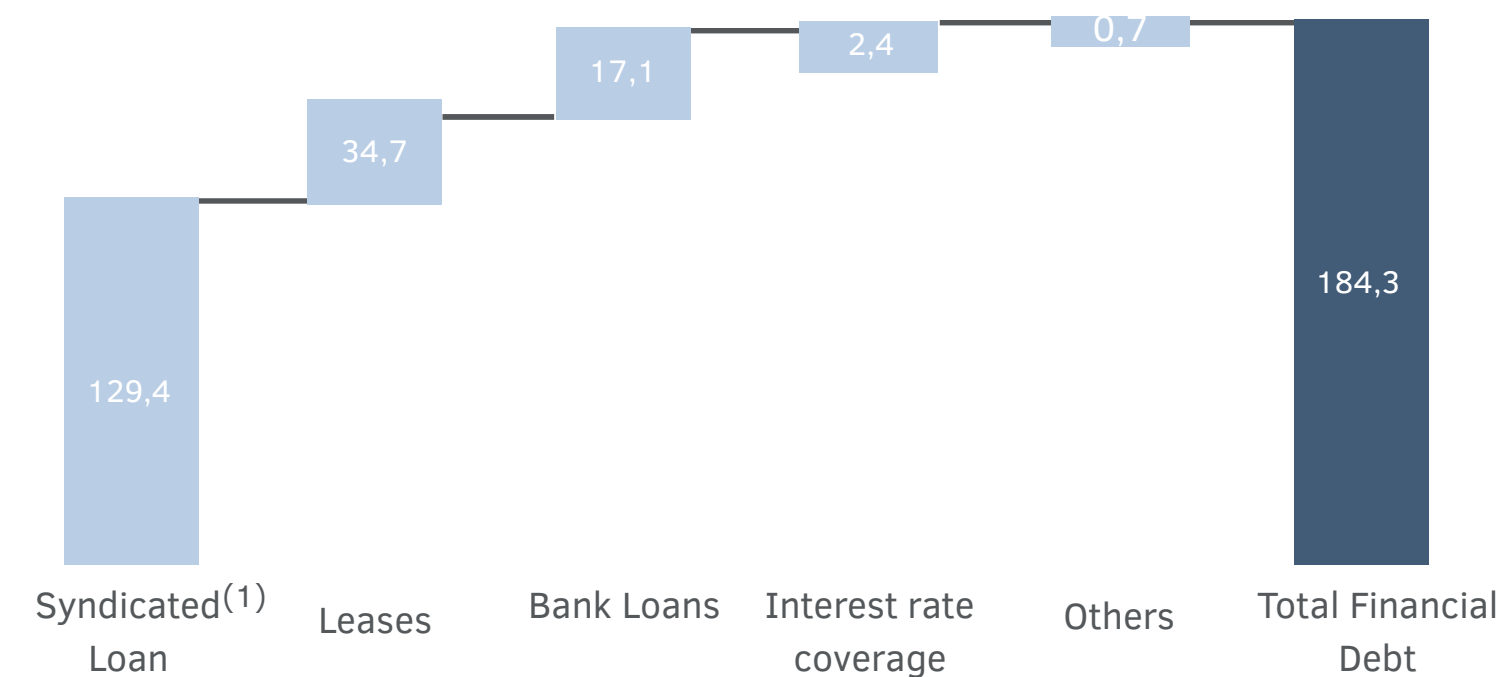
(1) Pro-forma EBITDA last 12 months

- ✓ 64% debt maturing since 2023
- ✓ Average cost of debt 5,4% vs 5,9% in 2019
- ✓ Additional financing of 18M€ guaranteed by the ICO (Official Credit Institute) lines

Debt Maturity Calendar from Q320



Debt Composition Q320



(1) Syndicated loan with Banco Santander, BBVA, Bankia, Banco Pichincha, EBN, and the Muzinich and Arcano funds. Includes 18M€ of financing with the guarantee of the ICO lines

PROFIT AND LOSS ACCOUNT 9M 2020

| M€ | <u>9M20</u> ⁽¹⁾ | <u>9M19</u> ⁽²⁾ |
|--|----------------------------|----------------------------|
| Income | 281,3 | 351,0 |
| EBITDA | 30,2 | 41,3 |
| EBITDA margin | 10,7% | 11,8% |
| EBIT | (1,8) | 16,2 |
| Net financial result | (11,0) | (12,8) |
| Taxes and Minorities | 3,7 | 2,6 |
| Net Result before Non-Recurrent | (9,2) | 6,0 |
| Non-recurring results | (14,8) | (3,0) |
| Net result | (23,9) | 3,0 |

(1) Considers Argentina as a continuous activity for comparative purposes. Includes Raco in discontinued operations

(2) Includes Raco, Thaummat and S&S in discontinued operations

PROFIT AND LOSS ACCOUNT Q3 2020

QUARTERLY DEVELOPMENT ⁽¹⁾

| M€ | Q120 | Q220 | Q320 | Evolution | |
|----------------------------------|--------------|---------------|---------------|-----------|--|
| Revenues | 101,9 | 86,5 | 92,8 | | Progressive recovery of activity |
| EBITDA | 10,9 | 7,7 | 11,5 | | Significant increase in margins: Efficiency and productivity |
| EBITDA margin | 10,7% | 8,9% | 12,4% | | |
| EBIT | 2,6 | (3,3) | (1,1) | | |
| Net financial result | (3,8) | (4,3) | (3,0) | | Reduction of Financial Costs |
| Taxes and Minorities | 1,6 | 0,8 | 1,3 | | |
| Net Result before Non-Rec | 0,4 | (6,8) | (2,7) | | Covid-19 (-1,9M€) Transformation Plan (-12,9M€) |
| Non-recurring results | (1,3) | (6,2) | (7,3) | | |
| Net result | (1,0) | (13,0) | (10,0) | | |
| Portfolio M€ | 805,9 | 719,6 | 647,5 | | 1.6x Revenues in last 12 months |
| Contracting Cum M€ | 20,2 | 50,3 | 89,7 | | Progressive increase in activity |
| Number of employees | 11.747 | 10.217 | 9.776 | | Net reduction of more than 20% compared to 2019 |

(1) Considers Argentina as a continuous activity for comparative purposes. Includes Raco in discontinued operations

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CASH FLOW GENERATION

CASH FLOW LAST 12 MONTHS / 9M20

| M€ | Cash flow Last 12 months | Cash flow 9M20 |
|--|-----------------------------|-------------------|
| EBITDA | 46,7 | 30,2 |
| Changes in operating working capital and other movements | (31,0) | (16,4) |
| Recurring cash flow from operating activities | 15,6 | 13,7 |
| Movements by non-recurring results | (15,5) | (14,8) |
| Cash flow from operating activities | 0,1 | (1,1) |
| Payments for inorganic growth (1) | (0,9) | (0,9) |
| Payments for the acquisition of tangible and intangible assets (CAPEX) | (6,1) | (3,8) |
| Flow of investment activities | (7,0) | (4,7) |
| Financing inorganic growth | 30,0 | - |
| Change in financial debt, net | (10,8) | 19,1 |
| Interest payments, net | (19,4) | (13,7) |
| Flow of financing activities | (0,1) | 5,5 |
| Total net cash flow | (7,0) | (0,3) |
| Treasury and Equivalents Balance at the beginning of the Period | 31,1 | 23,5 |
| Increase/(decrease), net of cash and cash equivalents | (7,0) | (0,3) |
| Effect Exchange rate | (5,4) | (4,6) |
| Treasury and Equivalents Balance at the End of the Period | 18,7 | 18,7 |

FLOW OF OPERATING ACTIVITIES

- ✓ **Deterioration of the operating cash flow** generated by:
 - COVID-19 effect. Slow business recovery in LATAM
 - Transformation Plan
- ✓ **Improvement in the conversion rate** of EBITDA into recurrent operating cash flow: 33% in LTM and 45% in Q320
- ✓ Reduction of the **average period of transformation into cash** of 8,4% vs December19

FLOW OF INVESTMENT ACTIVITIES

- ✓ **CAPEX** 1,0%-1,5% of sales

FLOW OF FINANCING ACTIVITIES

- ✓ **Additional financing** of 18M€ with ICO lines guarantee
- ✓ Significant reduction of the **financial cost**
- ✓ **Compliance** with the obligations arising from the financing

- ✓ **LATAM currency depreciation effect** of -5M€

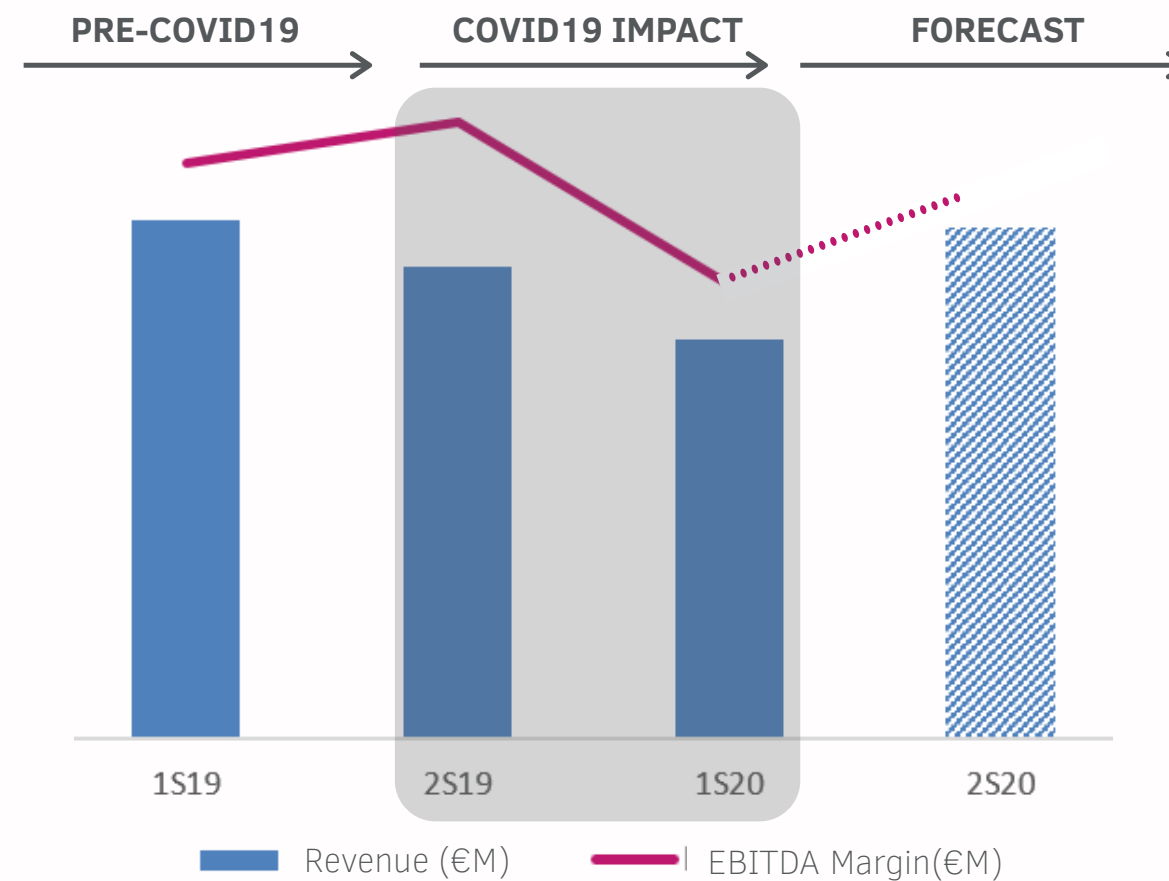
(1) Payment for acquisition of Pentagon Security Systems



PERSPECTIVES AND TRENDS



VISIBILITY IN 2020



PROGRESSIVE RECOVERY OF THE MARGIN IN H2 20

First semester:

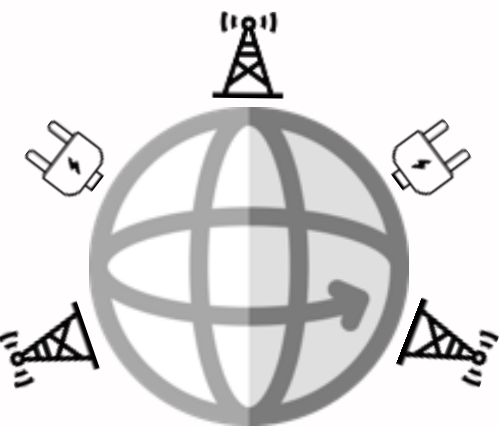
- ✓ **Moderate impact** of the emergency situation in Q120 accentuated in Q2 20. Greater effect in April and May (Household installation and Energy segments). Beginning of **recovery in June in Spain**

Second semester:

- ✓ Progressive **recovery of activity**. Geographically **Europe** reflects an increase in revenues and activity indicators since June. Brazil and the Pacific evolve with a shift towards Q4 20 and Q1 21

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PERSPECTIVES TO 2022-2023



DIVERSIFICATION

GEOGRAPHY

65% - 70%

EUROPE

SECTOR

60% - 65%

TELECOMMUNICATIONS



GROWTH

REVENUE

1.000M €
(x2)



FINANCIAL (1)

EBITDA MARGIN

8% - 9%

DEBT RATIO

< 2x EBITDA

COST OF FINANCING

< 4,5%

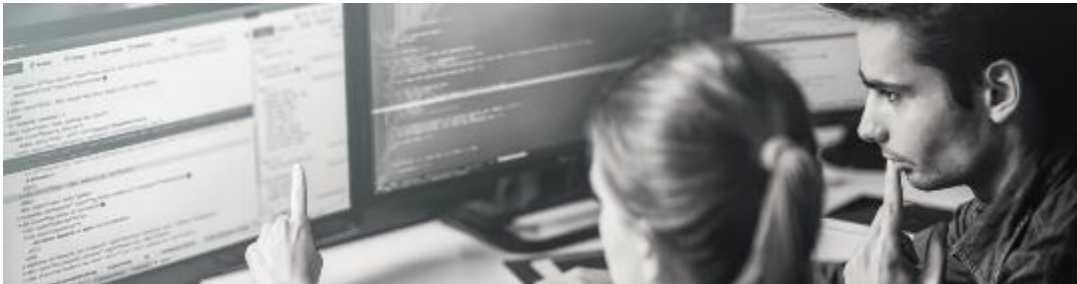


The **strategic positioning** of Ezentis allows to take advantage of the opportunities that are appearing in the sectors of Telecommunications and Energy

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(1) Without considering the effect of IFRS 16

The information on this slide is not a forecast or estimate of Ezentis' profits, but rather its expectations about future trends, of a merely aspirational and programmatic nature, which meet current expectations, current and past trends and the expected evolution of the business in the market in which the Company operates and which, in any case, may not be realised or may suffer variations and/or alterations as a result of events that may take place in the future



EZENTIS: LEVERS OF GROWTH IN MARKETS

GERMANY



Context

- ✓ National infrastructure development with gigabit networks to cover **100% of households by 2025**
- ✓ FTTH potential market: overall plan for optical fibre deployment to connect an **additional 24 million households** in the period (5 million households are currently connected)
- ✓ The government promotes a regulatory framework favourable to investment. Public and private **funding**

Opportunity for Ezentis

- ✓ Competitive advantage: **experience** in the development of **FTTH infrastructures** in Spain, one of the main world markets for their development, as well as in Brazil and the Pacific



MARKET TRENDS AND KEYS



TELECOMMUNICATIONS

TRENDS

Modernization of networks.
Deployment of new infrastructure and 4G and 5G mobile networks.

Digitalisation of processes in companies and public administrations.

Security in transactions and data **privacy**.

Reducing the **digital gap**.

KEYS TO THE MARKET

- Fiber optic deployment and O&M. **<15%** FTTH penetration rate in Europe
- Deployment and O&M of **4G** and **5G**
- **Dismantling** of obsolete infrastructures.
- **Digital** services.

GROWTH LEVERS

FTTH

- Fiber optic **deployment, operation and maintenance**.
- **Dismantling** of obsolete infrastructures.
- **Roll-out** of 4th generation technology **equipment**
- **Alarms:** deployment and maintenance.



FTTT

- Network **deployment**.
- **Roll-out** of 5th generation technology equipment
- **Operation and maintenance** of the 5G network.



MARKET TRENDS AND KEYS



ENERGY

TRENDS

Need to decarbonize to avoid the increase of the planet's temperature.

Increase in the weight of electricity in total energy demand in Europe.

PNIEC (**National Integrated Energy and Climate Plan**) in Spain.

Reduction of energy costs to improve competitiveness.

KEYS TO THE MARKET

- Objective: **59%** electrification.
- PNIEC: increase in renewable energy consumption by **42%** and reduction of emissions by **23%**.
- A source of **10-year** public-private investment in Spain in electricity networks, renewable generation and energy saving and efficiency.

GROWTH LEVERS

- Implementation of **investments in energy networks**: assembly, operation and maintenance of installations.
- Deployment of **bi-directional photovoltaic systems for self-consumption**: supply, installation and maintenance
- Deployment of **electric vehicle recharging points**





SUSTAINABILITY

FOCUSED ON SUSTAINABILITY
PLAN 2020**GOVERNANCE**

- ✓ Publication of a new **Sustainability Policy**
- ✓ Launch of the **Sustainability Committee**
- ✓ Publication of a Progress Report in response to the commitment made to the **Global Compact**
- ✓ Update of **Materiality Analysis**

**ENVIRONMENT**

- ✓ Publication of a new **Climate Change** Policy
- ✓ Integration of climate change risk into the company's **Risk Map**
- ✓ Revision of the **Carbon Footprint** calculation procedure

**INTEREST GROUPS**

- ✓ Reinforcing the relationship with **customers** from a sustainable point of view
- ✓ Search for alignment of criteria with ESG **Investors**
- ✓ Increased environmental awareness initiatives for **employees**

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CONTRIBUTION TO THE GLOBAL HEALTH CRISIS

We work to improve connectivity in homes and businesses, an essential element for economic sustainability and for society as a whole

COMMITTED TO SUSTAINABILITY

SUSTAINABILITY PLAN TO 2022



- ✓ Inclusion in reference **sustainability indexes** (FTSE4GOOD, VIGEO...)
- ✓ Obtaining a B-score in the **PDC** questionnaire
- ✓ Development of a **Non-Financial Internal Information Control System** (SCIINF)
- ✓ **Integrated** Annual Report
- ✓ **Approval of suppliers** with sustainability criteria
- ✓ **Safety Audits** to contractors and subcontractors
- ✓ **Zero Accident** Commitment
- ✓ 60% of the fleet with **Alternative Fuel** in 2022

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CONCLUSIONS



CONCLUSIONS

COVID19 **impact** maintaining **operational profitability** and positive recurrent **cash flow generation**

Progressive improvement in activity in Q3 20: +7% revenue vs. Q2 20

19 M€ cash position in Q3 20

Portfolio with **visibility at 1,6 years**

Increased competitiveness through our **Transformation Plan**

Consolidating market with solid **growth levers**

We maintain Medium-term Trend **Perspectives**

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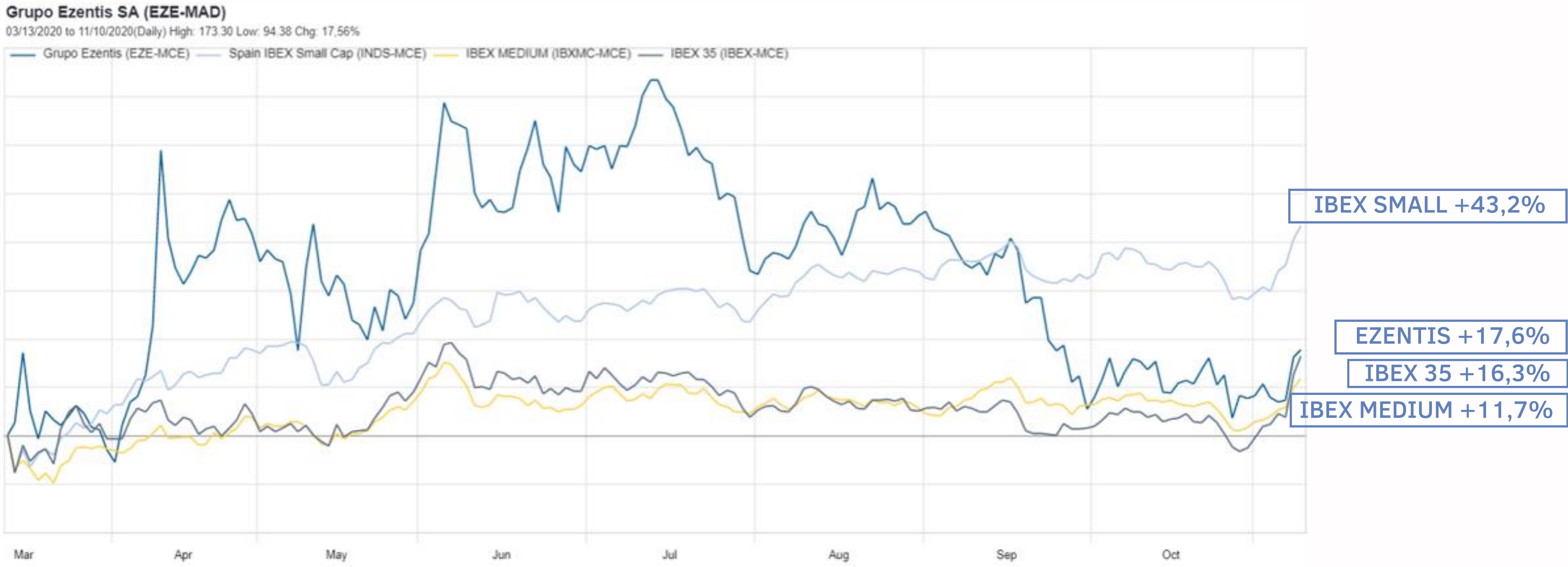




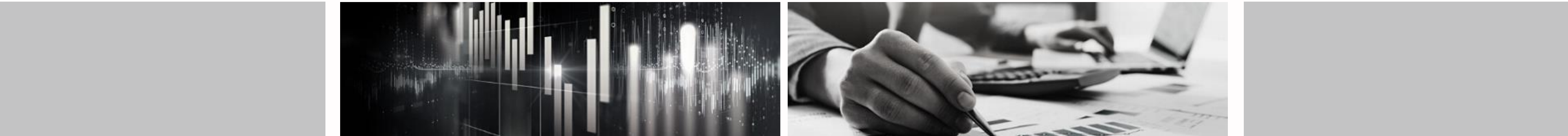
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ANNEXES

SHARE PERFORMANCE VS. INDICES DURING THE COVID 19 CRISIS PERIOD



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PROFIT AND LOSS ACCOUNT 9M 2020

| M€ | 9M20 ⁽¹⁾ | 9M19 |
|---|---------------------|--------|
| Revenues | 273,6 | 351,0 |
| EBITDA | 29,1 | 41,3 |
| EBITDA margin | 10,6% | 11,8% |
| Depreciation and provisions | (32,0) | (25,1) |
| EBIT | (2,8) | 16,2 |
| Financial results | (11,0) | (13,1) |
| Exchange rate differences | 0,0 | 0,3 |
| Non-recurring results | (14,8) | (3,0) |
| Minority, discontinued and non-strategic holdings | 1,6 | (1,7) |
| Taxes | 3,2 | 4,3 |
| Net result | (23,9) | 3,0 |

(1) Considers Argentina as a discontinued activity

CONSOLIDATED BALANCE SHEET 9M20

| Thousands € | 9M20 | 2019 | | 9M20 | 2019 |
|--|---------|---------|--|----------|---------|
| | | | Equity | (27.945) | 14.312 |
| Non-current assets | 181.936 | 195.377 | Non-current liabilities | 175.784 | 160.309 |
| Tangible and intangible fixed assets | 116.303 | 131.270 | Financial debt | 131.491 | 120.093 |
| Long-term financial investments | 16.839 | 17.830 | Lease liabilities IFRS 16 | 18.790 | 15.130 |
| Deferred tax assets | 48.794 | 46.277 | Other non-current liabilities | 25.503 | 25.086 |
| Current assets | 142.424 | 183.634 | Current liabilities | 176.521 | 204.390 |
| Assets held for sale | 784 | 7.037 | Liabilities linked to assets held for sale | 1.577 | 3.585 |
| Stocks | 22.322 | 23.929 | Financial debt | 24.700 | 23.714 |
| Trade debtors and other current assets | 100.646 | 129.165 | Lease liabilities IFRS 16 | 9.283 | 11.976 |
| Cash and cash equivalents | 18.672 | 23.503 | Other current liabilities | 140.961 | 165.115 |
| TOTAL | 324.360 | 379.011 | TOTAL | 324.360 | 379.011 |

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