



DOMINION

# Mid Term Financial Report 9 months 2020

29 OCTOBER 2020

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## 2020 9M results\_

(€m)	9M 2019	%	9M 2020
Turnover	807.3		712.8
Adjusted Turnover <sup>(1)</sup>	<b>654.6</b>	<b>-6%</b>	<b>613.8</b>
EBITDA <sup>(2)</sup>	71.7	<b>-33%</b>	48.2
% EBITDA on Turnover	<b>11.0%</b>		<b>7.9%</b>
EBITA <sup>(2)</sup>	<b>40.5</b>	<b>-59%</b>	<b>16.8</b>
% EBITA on Turnover	<b>6.2%</b>		<b>2.7%</b>
EBIT <sup>(2)</sup>	36.8		13.4
% EBIT on Turnover	<b>5.6%</b>		<b>2.2%</b>
Net Income	<b>24,7</b>	<b>-84%</b>	<b>4,1</b>
% Net Income on Turnover	<b>3.8%</b>		<b>0.7%</b>

\*The 9M 2020 consolidated perimeter differs from 9M 2019 because: i) It includes 1 month of Bygging India and 2 months of Alterna that were not integrated in 9M 2019 ii) It does not include 9 months of non-strategic IT activities divested during 2019 ; III) It does not include 3 months of the Telco service contract divested during 2020

(1) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices

(2) EBITDA: Net Operating Income + Depreciation; EBITA: Net Operating Income + PPA's amortization; EBIT: Net Operating Income

## 2020 9M results\_



## Covid-19 effect

The results of the first nine months of 2020 have been affected by the **exceptional situation** arising from the impact of **Covid-19** on economic activity.



The financial results of the **third quarter** continue to be affected, although **to a lesser extent than during the previous quarter**.

## Sales



Major recovery of the level of activity and sales during the third quarter, despite the situation in Latin America and India, limiting **organic decline** to **-1.7%** in constant currency.

Over the nine months, the organic decline in sales stands at **-3%** at constant currency (FOREX effect **-2%**).

## Margins



Progressive **recovery** of the level of operating margins.

It needs to be taken into account that the results include provisions and other **negative one-off effects**.

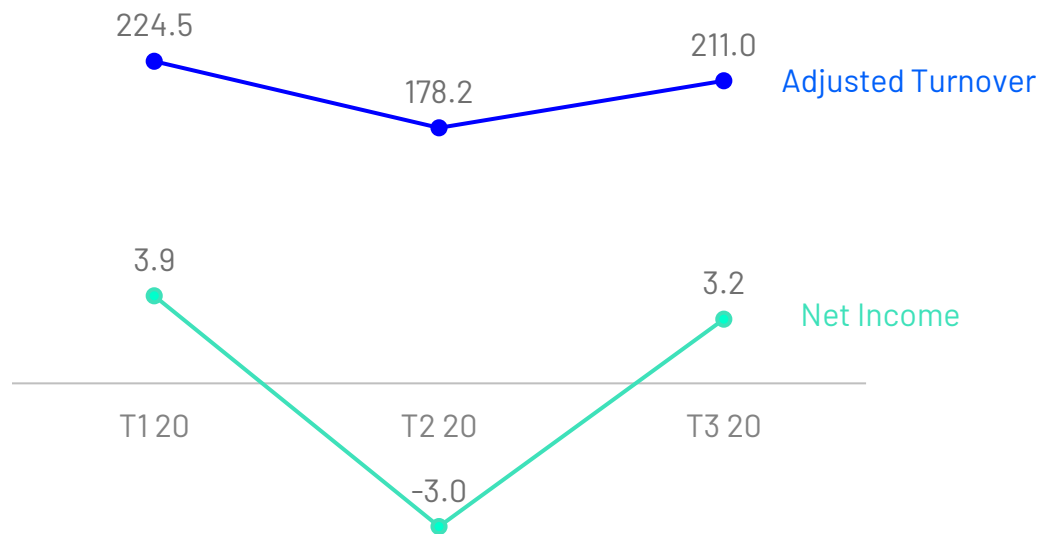
## Net Income



The recovery trend is confirmed with a **positive Net Income of €3m** in the third quarter, leveraged by the recurrence of B2B Services and the strength of B2B 360 Projects.

# Adjusted Turnover and Net Income performance in 2020\_

## Adjusted Turnover <sup>(1)</sup> and Net Income quarterly performance (€m)

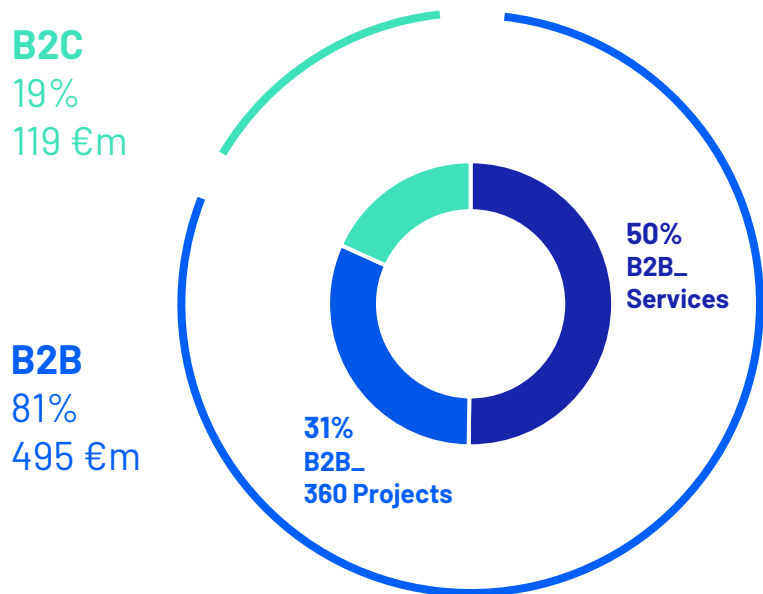


- First impacts of Covid-19 occurred during the last weeks of the **first quarter 2020**.
- The **second quarter** was globally impacted, especially during the severe lockdown periods in Europe.
- The financial results of the **third quarter** show a **recovery** both in terms of sales and net income, almost returning to Q1 levels.
- This recovery is expected to continue during the **fourth quarter**.

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divested during 2019 ; III) It does not include 3 months of the Telco service contract divested during 2020

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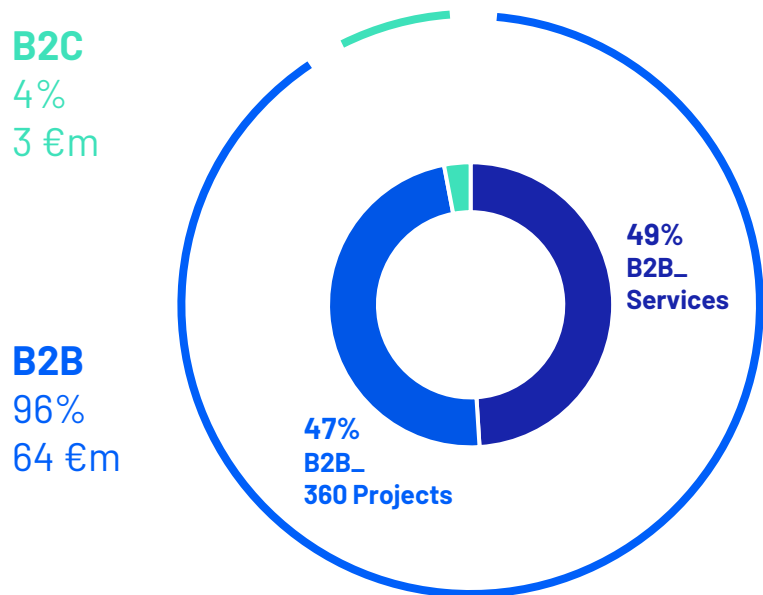
Adjusted Turnover <sup>(1)</sup> distribution by segment\_

	9M 2019	9M 2020
<b>B2B_Services</b>	386.8 €m	305.7 €m
<b>B2B_360 Projects</b>	188.3 €m	189.5 €m
<b>B2C</b>	79.5 €m	118.6 €m

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(1) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices

# Contribution Margin <sup>(1)</sup> distribution by segment\_



	9M 2019	9M 2020
<b>B2B_ Services</b>	45.7 €m	32.6 €m
<b>B2B_ 360 Projects</b>	31.4 €m	31.7 €m
<b>B2C</b>	14.3 €m	2.8 €m

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(1) Contribution Margin: EBITDA before corporate structure and central administration costs

## B2B Segment in detail\_

### B2B\_ Services

10.7%  
Contribution  
Margin/Turnover

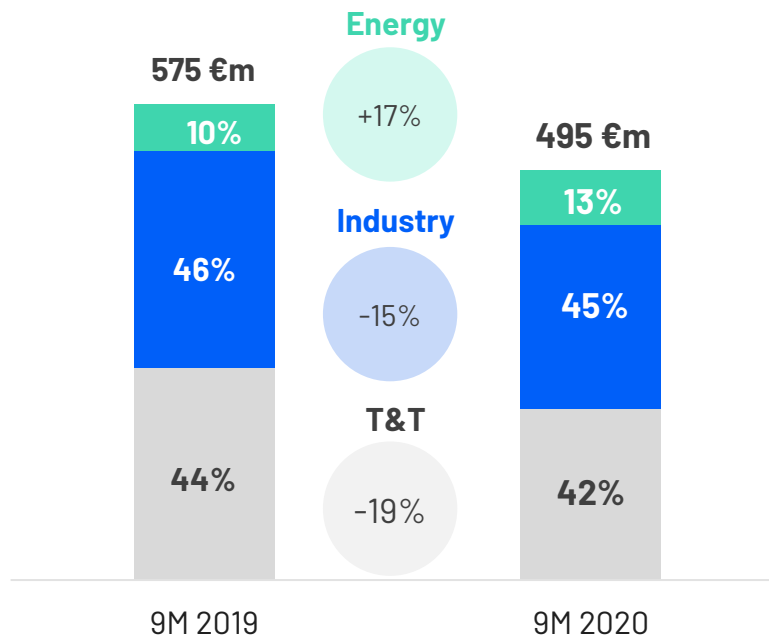
- **Recovery** of the organic activity, despite the situation in LATAM.
- An important **contract has been awarded** in Colombia with Enel.
- The decline in sales in T&T is partly explained by the effect of **divestments** (-8%) and **Forex** effect (-3%).
- **Double digit margins** that prove the flexibility of cost structure.

### B2B\_ 360 Projects

16.7%  
Contribution  
Margin/Turnover

- **Strength** of the activity.
- **No cancelations** of projects in execution nor in the backlog.
- Some projects execution plans have been rescheduled **without any penalty**.
- **Margins not impacted**: the high profitability level continues

### Turnover <sup>(1)</sup> by activity field



(1) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices



## B2B Segment in detail\_

### Renewable energy: a global opportunity over 1 GW

The entry of a minority partner, at market value, is envisaged in Dominion Green to develop its strategy.

#### The opportunity

- We have an end-to-end vision of the value chain of renewable energy projects:



- We have identified and we are developing a 1 GW pipeline of renewables projects, mainly consisting of photovoltaic plants in different regions of southern Europe.

#### The key factors for DOMINION

- ✓ **Visibility:** execution of 1 GW in the next 5 years, and its subsequent Operation and Maintenance.
- ✓ This does not involve CAPEX or debt for Dominion. We maintain our strategy.
- ✓ We will obtain profitability from the operation of renewable assets through our minority participation in our partner (IPP).

## B2C Segment in detail

### B2C

- Progressive opening of the physical distribution channel as of June.
- Larger base of energy and telco service supplies than the prior quarter.
- Slowdown in the pace of growth of net customer adds compared to our expectations.
- A restructuring processes is in place, which was planned before Covid-19, to adapt to the market situation and to our services Tier 1 approach.
- One-offs with a negative impact: clients' insolvency and stock provisions.

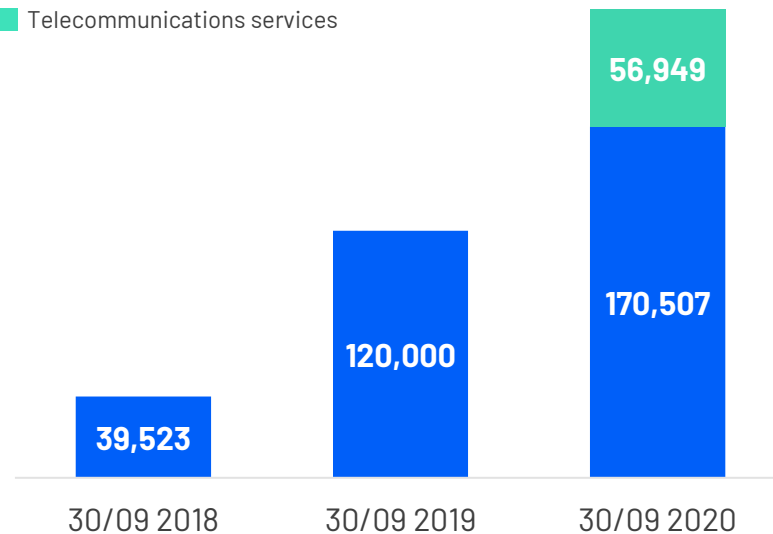
227.000  
Supplies

Energy + Telco

### No. of supplies by type of service

Energy Services

Telecommunications services



# Prospects\_

In the light of the results obtained in the first 9 months....

2020

.... we reaffirm that we will **continue to create value in 2020**, with **positive results** and **generation of operating cash flow\***.

2021

... and in 2021 we will recover pre-Covid levels of activity and profitability, together with the road to growth defined in our **Strategic Plan**.

\* Operating cash flow: operating profit - maintenance Capex - financial results - taxes

## 2020 Q3 results\_

(€m)	3T 2019	%	3T 2020
Turnover	281.8		248.8
Adjusted Turnover <sup>(1)</sup>	229.6	-8%	211.0
EBITDA <sup>(2)</sup>	26.1	-30%	18.2
% EBITDA on Turnover	11.4%		8.6%
EBITA <sup>(2)</sup>	16.7	-60%	6.8
% EBITA on Turnover	7.3%		3.2%
EBIT <sup>(2)</sup>	15.5	-64%	5.6
% EBIT on Turnover	6.7%		2.7%
Net Income	10.2	-69%	3.2
% Net Income on Turnover	4.4%		1.5%

\*The Q3 2020 consolidated perimeter differs from Q3 2019 because: i) It does not include 3 months of non-strategic IT activities divested during 2019 ; iii) It does not include 3 months of the Telco service contract divested during 2020

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We help our clients transform to become more efficient.

We apply technology to make this happen.

We are Dominion.



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