



DOMINION

Mid Term Financial Report 1st Semester 2020

23 JULY 2020

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2020 H1 results_

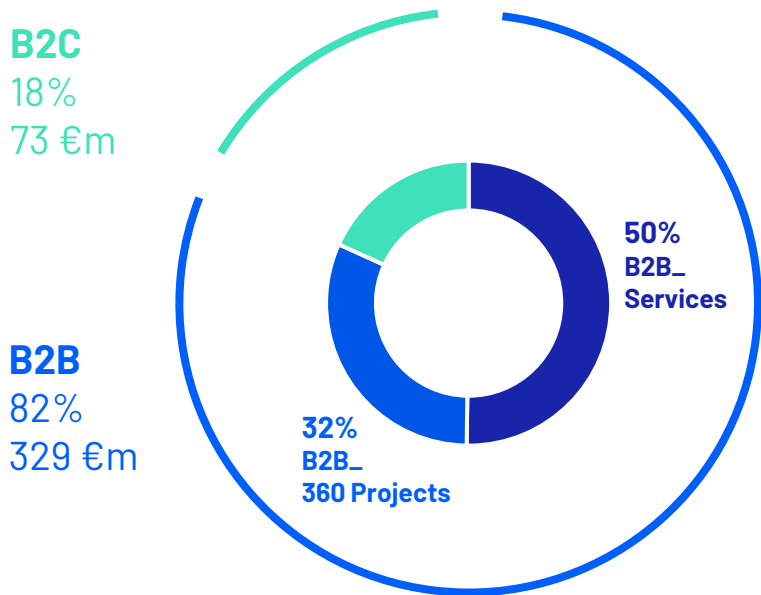
(€m)	H1 2019	%	H1 2020
Turnover	525.5	-12%	464.0
Adjusted Turnover ⁽¹⁾	425.0	-5%	402.8
EBITDA ⁽²⁾	45.7	-34%	30.0
% EBITDA on Turnover	10.7%		7.5%
EBITA ⁽²⁾	23.8	-58%	10.0
% EBITA on Turnover	5.6%		2.5%
EBIT ⁽²⁾	21.3	-64%	7.8
% EBIT on Turnover	5.0%		1.9%
Net Income	14.5	-94%	0.9
% Net Income on Turnover	3.4%		0.2%

*The H1 2020 consolidated perimeter differs from H1 2019 because: i) It includes 1 month of Bygging India and 2 months of Alterra that were not integrated in H1 2019 ii) It does not include 6 months of non-strategic IT activities divested during 2019

(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

Adjusted Turnover⁽¹⁾ distribution by segment_

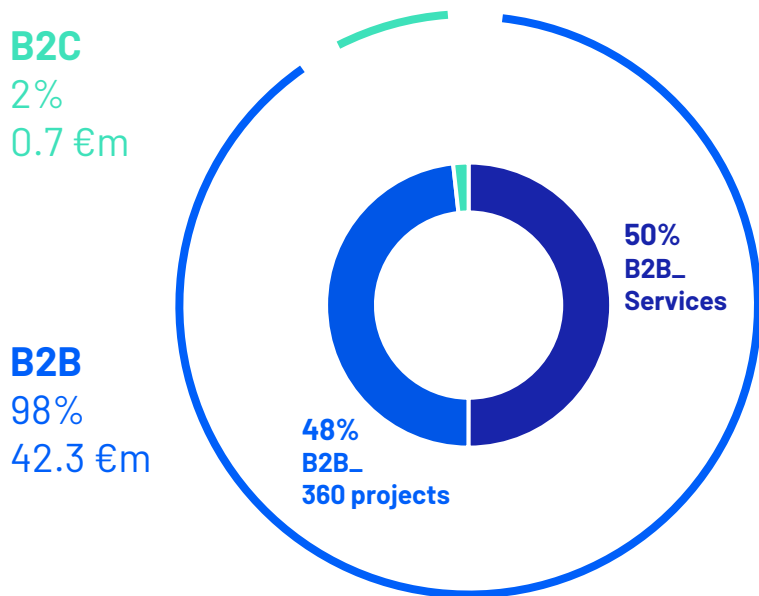


	H1 2019	%	H1 2020
B2B_Services	251.2 €m	-19%	202.3 €m
B2B_360 Projects	126.7 €m	+0%	127.1 €m
B2C	47.1 €m	+56%	73.5 €m

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

Contribution Margin⁽¹⁾ distribution by segment_



	H1 2019	%	H1 2020
B2B_Services	28.1 €m	-25%	21.6 €m
B2B_360 Projects	20.5 €m	+1%	20.8 €m
B2C	9.3 €m	-92%	0.7 €m

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

B2B Segment in detail

B2B Services

10.7%
CM/Turnover

Covid-19 effect:

- Gradual recovery in the business activity after maximum falls of 70%, heading for a **full recovery expected towards the end of the year**.
- Positive and negative **one-offs = 0 for the semester**.

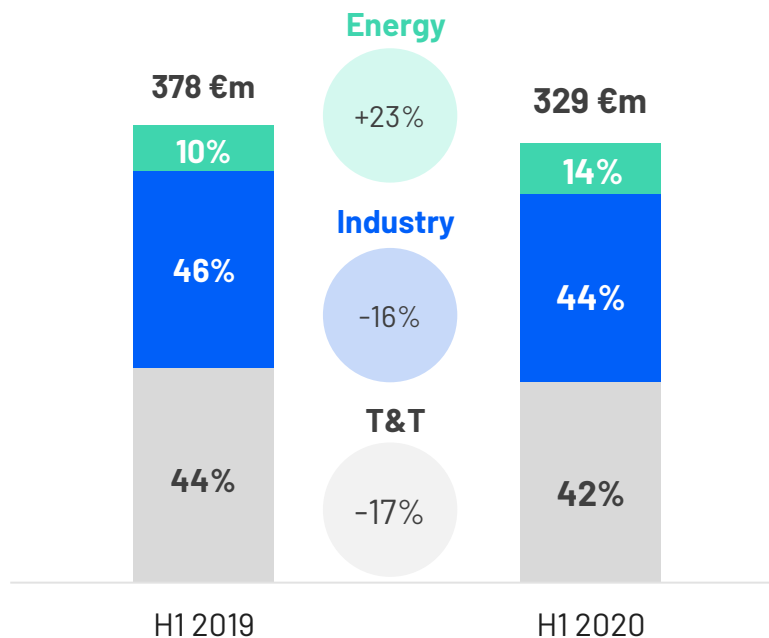
B2B 360 Projects

16.4%
CM/Turnover

Covid-19 effect:

- **Very low impact**.
- No cancelation of projects in execution nor in the backlog.
- Occasional invoicing delays with **no impact on margins**.

Turnover ⁽¹⁾ by activity field



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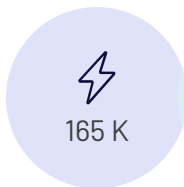
B2C Segment in detail

B2C

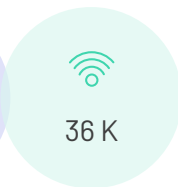
Covid-19 effect:

- **Physical distribution channel:** stores were closed on 14/03/20 and they have progressively reopened since the second week of June.
- **Slow down of new clients acquisition:** only through digital channels and affected by the temporary suspension of numbers portability between telco operators.
- **One-offs** with a negative impact: clients' insolvency and stock provisions.

Energy



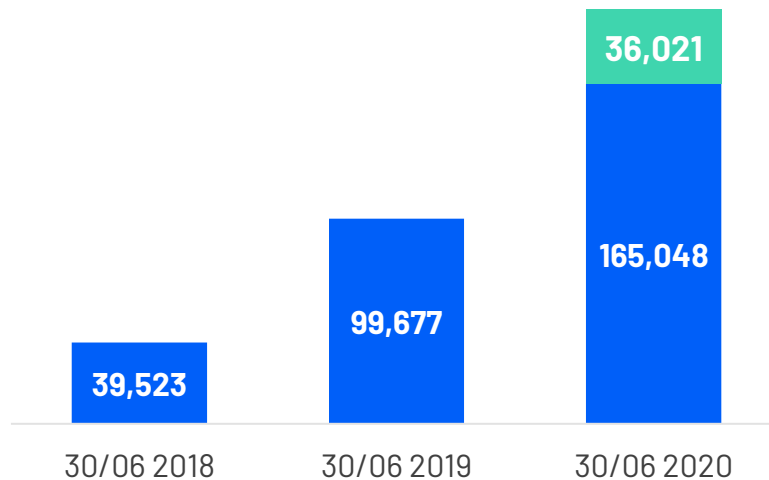
Telco



Nº of services by type of supply

Energy Services

Telecommunications services



Balance sheet_

(€m)	December 2019	June 2020
Fixed Assets	472.6	466.4
Net Working Capital	(170.3)	(172.8)
Total Net Assets	302.3	293.6
Net Equity	353.7	329.5
Net Financial Debt ⁽¹⁾	(113.4)	(102.0)
Other	62.1	66.1
Total Net Equity and Liabilities	302.3	293.6

- ✓ Optimization of [Working Capital](#), leading to a [slight variation in the period](#).
- ✓ [Reduction](#) of Capex.
- ✓ [Positive](#) generation of [operating cash flow](#).
- ✓ Variation of net cash position explained [by payments of compromised earn outs and transactions related to own company shares](#).
- ✓ The [dividend to be paid](#) on July is already deducted from Net Equity.

(1) Net financial debt = Debt with banks and other financial institutions minus cash and equivalents

Prospects for 2020_

After analysing H1 2020 results, we reaffirm that in 2020 we will **carry on creating value...**



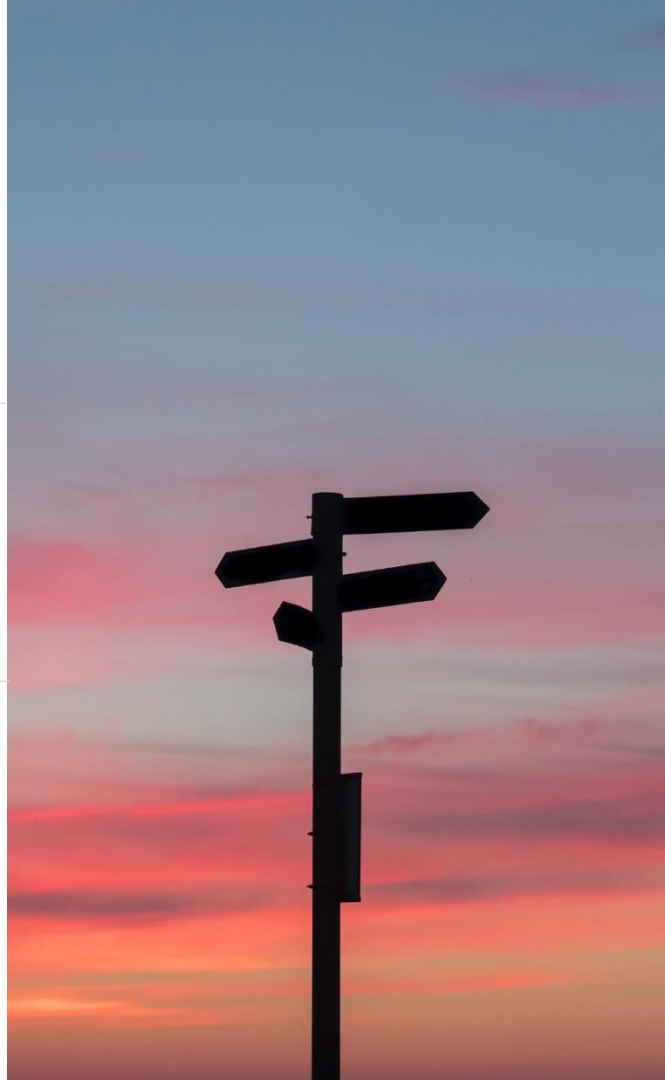
We expect **growth** in sales and **positive earnings**;



And a **positive generation of operating cash flow⁽¹⁾**;

... and in 2021 we will recover the level of activity and profitability we had before Covid-19, as well as the road to growth defined in our **Strategic Plan**.

(1) Operating cash flow: operating profit - Maintenance capex - financial result - taxes



2020 Q2 results_

(€m)	2T 2019	%	2T 2020
Turnover	240.1	-18%	196.2
Adjusted Turnover ⁽¹⁾	212.4	-16%	178.2
EBITDA ⁽²⁾	24.7	-51%	12.0
% EBITDA on Turnover	11.6%		6.8%
EBITA ⁽²⁾	12.1	-91%	1.1
% EBITA on Turnover	5.7%		0.6%
EBIT ⁽²⁾	10.9	-101%	0.0
% EBIT on Turnover	5.1%		0.0%
Net Income	7.8	-138%	-3.0
% Net Income on Turnover	3.7%		-1.7%

* The consolidation perimeter differs from the Q2 2019 because it does not include 3 months of non-strategic IT activities divested during 2019

(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

We help our clients transform to become more efficient.

We apply technology to make this happen.

We are Dominion.



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