



DOMINION

2019 Year-End Report

02.25.2020

DISCLAIMER

- This document has been prepared by Global Dominion Access, S.A. ("Dominion"), and is for information purposes only. No reliance may or should be placed for any purposes whatsoever on the information contained in this document or on its completeness, accuracy or fairness. This document and the information contained herein are strictly confidential and are being shown to you solely for your information. The information may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person's organization or firm) or published in whole or in part, for any purpose or under any circumstances.
- This document is an advertisement and not a prospectus for the purposes of applicable measures implementing EU Directive 2003/71/EC (such Directive, together with any applicable implementing measures in the relevant home Member State under such Directive, the "Prospectus Directive") and as such does not constitute or form part of any offer to sell or issue or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities of Dominion or any of its affiliates or subsidiaries, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. Investors should not subscribe for or purchase any securities referred to in this advertisement except on the basis of the information contained in any prospectus eventually published in accordance with the Prospectus Directive. The information and opinions contained in this document are provided as at the date of the document and are subject to change.
- This document is not an offer of securities for sale in the United States, Australia, Canada or Japan. The information contained herein does not constitute an offer of securities for sale in the United States, Australia, Canada or Japan. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration. No money, securities or other consideration is being solicited and, if sent in response to the information contained herein, will not be accepted. Copies of this document are not being, and should not be, distributed or sent into the United States. This document does not constitute an offer of securities to the public in the United Kingdom or in any other jurisdiction. The distribution of this document in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions.
- This communication may contain forward-looking information and statements on Dominion, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Although Dominion believes that the expectations included in those forward-looking statements are reasonable, investors and shareholders are cautioned that forward-looking statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Dominion, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking statements,
- Forward-looking statements are not guarantees of future performance. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. Except as required by applicable law, Dominion does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- The information and opinions contained in this document are provided as at the date of the document and are subject to verification, completion and change without notice. Neither Dominion nor any of its parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, undertakes any obligation to amend, correct or update this document or to provide the recipient with access to any additional information that may arise in connection with it.

2019 highlights



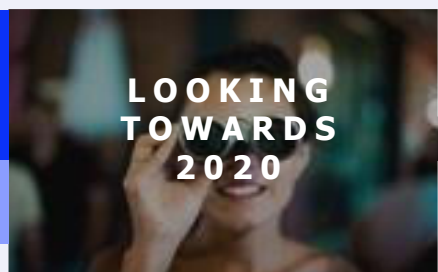
Flawless track record, reinforced by 2019 results

- **All the objectives for 2019** set in the 2019-2022 Strategic Plan **have been achieved.**
- High levels of **growth and profitability.**
- Maintaining our financial discipline with a **high level of cash flow generation.**



Important achievements in the implementation of our strategic value proposals

- 360° Solutions: Growth in **Asia - Energy x2** since 2017 - Positioned as a **Digital Transformation partner.**
- B2B Services: Positioned as a **Tier 1** supplier + Effective transition into power distribution lines (**Energy**).
- B2C Services: Strong and profitable growth of the **Smart House project** – **~150K supplies** achieved.
- **M&A:** Acquisition of **Bygging** (Industrial Services and Solutions, India) **and Flip** (electricity and gas supplier).



2020 financial objectives reconfirmed

- High visibility to meet our financial targets again in 2020.
- **First dividend distribution in 2020.**

Index

1. Strategy and Execution

2. Businesses

- 360 Solutions
- B2B Services
- B2C Services

3. Looking towards 2020

Key financial figures

Adjusted Turnover ⁽¹⁾



€947m
(+14%)

EBIT before PPAs amortization (EBITA) ⁽²⁾



€63m
(+18%)

Net Income ⁽³⁾



€39m
(+20%)

Free Operating Cash Flow⁽⁴⁾



75% o/EBITA

Net Cash Position



€113m

RONA



25%

All the financial objectives for 2019 have been achieved



Other relevant figures



Workforce ⁽¹⁾



9,630
(35 countries)



Corporate Structure



€27m
(2,9% on Adjusted
Turnover ⁽³⁾)



Backlog ⁽²⁾



€609m



TOP 1 client



<6% on Adjusted
Turnover ⁽³⁾



EPS



0.194 €

(1) End of the year data.

(2) Includes only contracts from the "Solutions" segment

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



Income Statement 2019

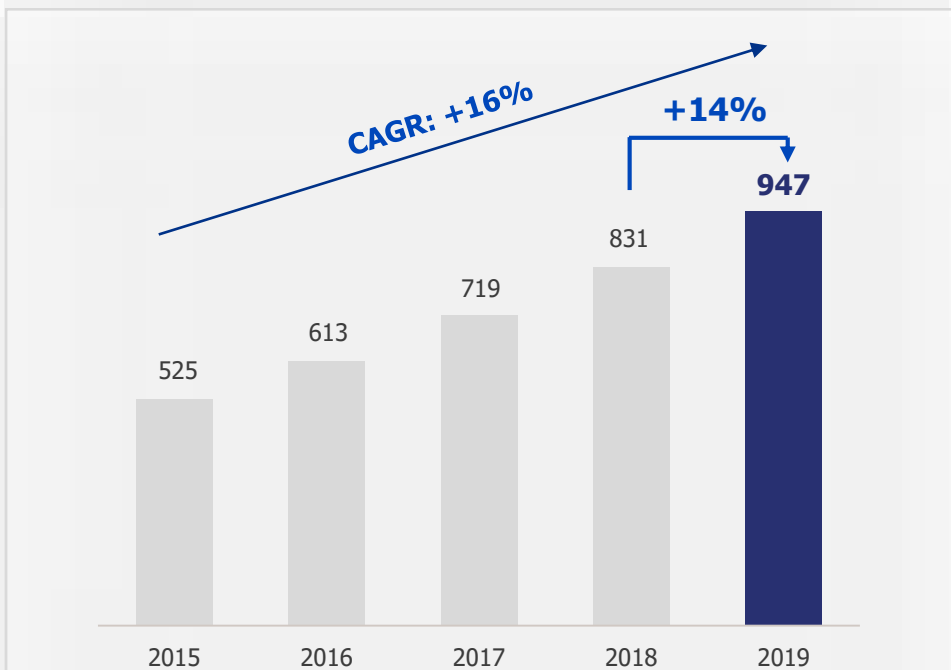
Income Statement ⁽¹⁾ (€m)	2018	%	2019
Turnover	1,084.1	+6%	1,149.3
Adjusted Turnover ⁽²⁾	831.0	+14%	947.3
EBITDA ⁽³⁾	72.4	+43%	103.7
% EBITDA on adjusted turnover	8.7%		11.0%
EBITA ⁽³⁾	53.4	+18%	63.1
% EBITA on adjusted turnover	6.4%		6.7%
EBIT ⁽³⁾	48.4	+17%	56.7
% EBIT on adjusted turnover	5.8%		6.0%
Net Income from Continuing Operations	32.6	+20%	39.2
% NI from Continuing Operations on adj, turnover	3.9%		4.1%
Net Income	27.2	+21%	32.9
% Net Income on adjusted turnover	3.3%		3.5%

- **Recurrent Income Statement:** positive and negative non-recurrent impacts there are balanced
- As an exception, affecting the Net Income, “Discontinued Operations” include a negative non-recurrent impact due to the **monetary exchange differences of Brazil**, which were already included in the Net equity and **have no impact on FCF**.



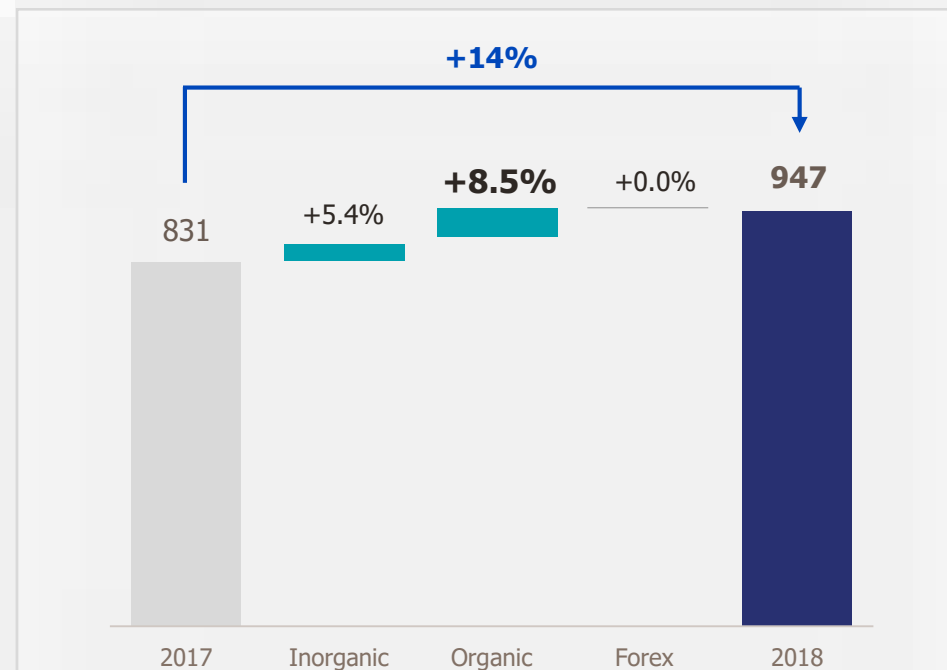
Turnover evolution

Adjusted Turnover evolution 2015-2019 ⁽¹⁾
(€m)



- The high level of growth goes on: **14% total growth** in 2019.

Adjusted Turnover Evolution breakdown 2018-2019 ⁽¹⁾
(€m)



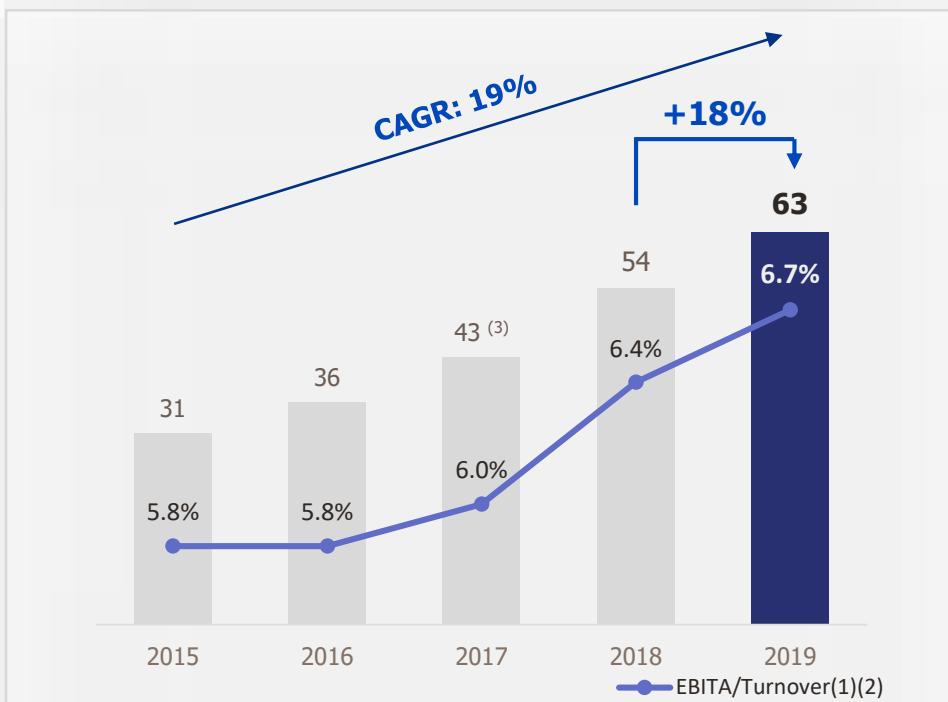
- **8.5% organic growth**, exceeding the 5% growth target.

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



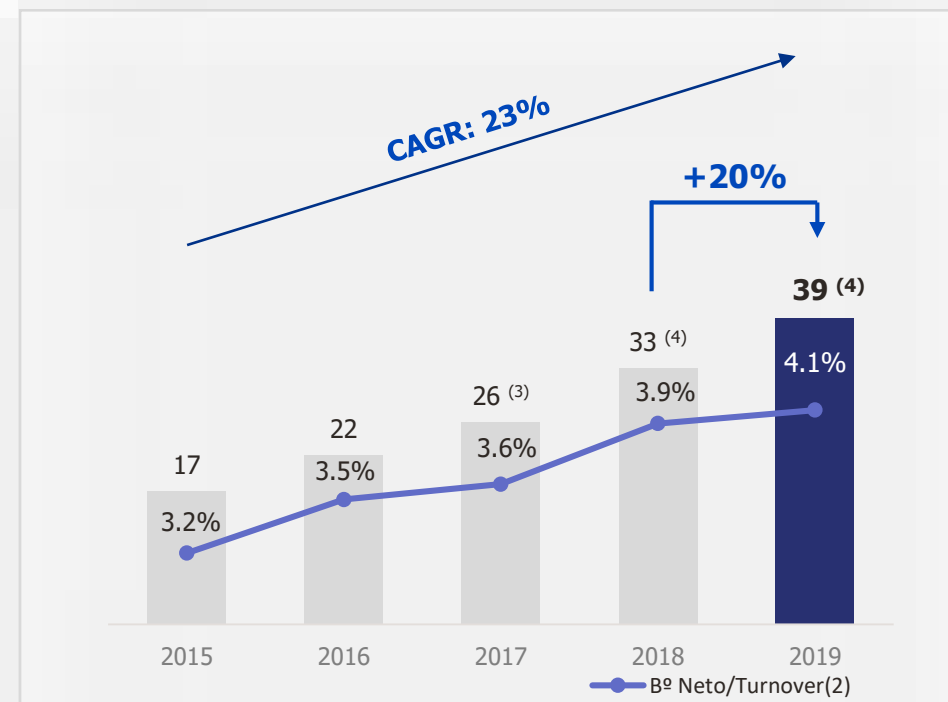
EBITA and Net Income Evolution

EBITA evolution 2015-2019 (1)
(€m)



- **Total growth of 18%.**
- **EBITA/Turnover margin improvement:** 30 basis points improvement compared to 2018.

Net Income evolution 2015-2019 (4)
(€m)



- 20% growth, **consistent with the guidance objectives** for 2022.
- Continuous **operating leverage** since 2015.

(1) EBITA: EBITA: Net Operating Income + PPA's
(2) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices

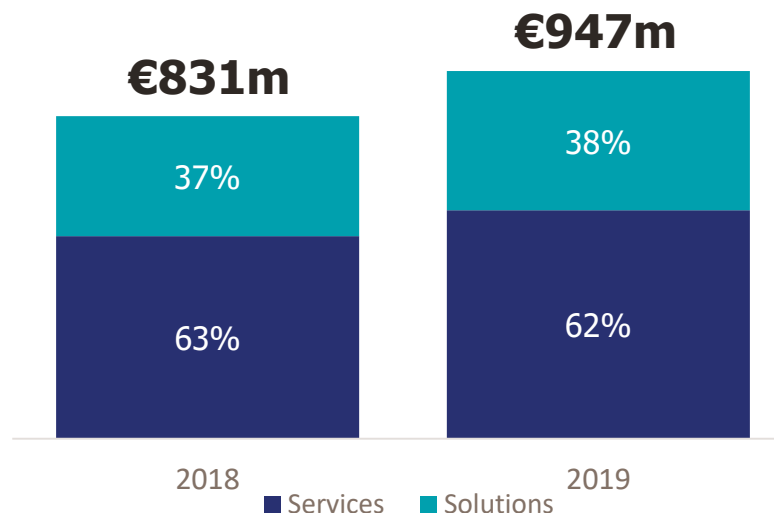
(3) Pro-Forma earnings to comply with IFRS 15 (according to CCAACC 2017)
(4) Net Income from Continuing Operations (recurrent), excluded discontinued operations



Sales distribution by segment

Services in 2019 (62%)

Contribution Margin ⁽¹⁾:
12.6%



Solutions in 2019 (38%)

Contribution Margin ⁽¹⁾:
15.9%

	SERVICES		TOTAL		SOLUTIONS		
	2018	2019	2018	2019	2018	2019	
Turnover (€m) ⁽²⁾	522.2	588.5	831.0	947.3	308.8	358.8	Turnover (€m) ⁽²⁾
%	62.8%	62.1%			37.2%	37.9%	%
Contribution Margin (€m) ⁽¹⁾	47.0	74.1	99.5	131.1	52.5	57.0	Contribution Margin (€m) ⁽¹⁾
%	9.0%	12.6%	12.0%	13.8%	17.0%	15.9%	%

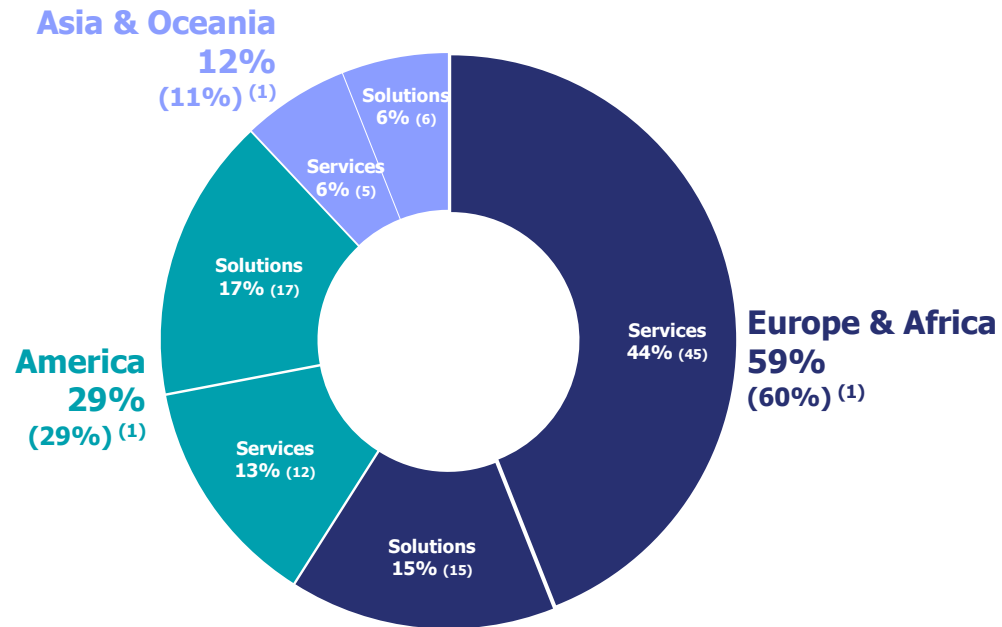
(1) Contribution Margin: EBITDA before corporate structure and central administration costs

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

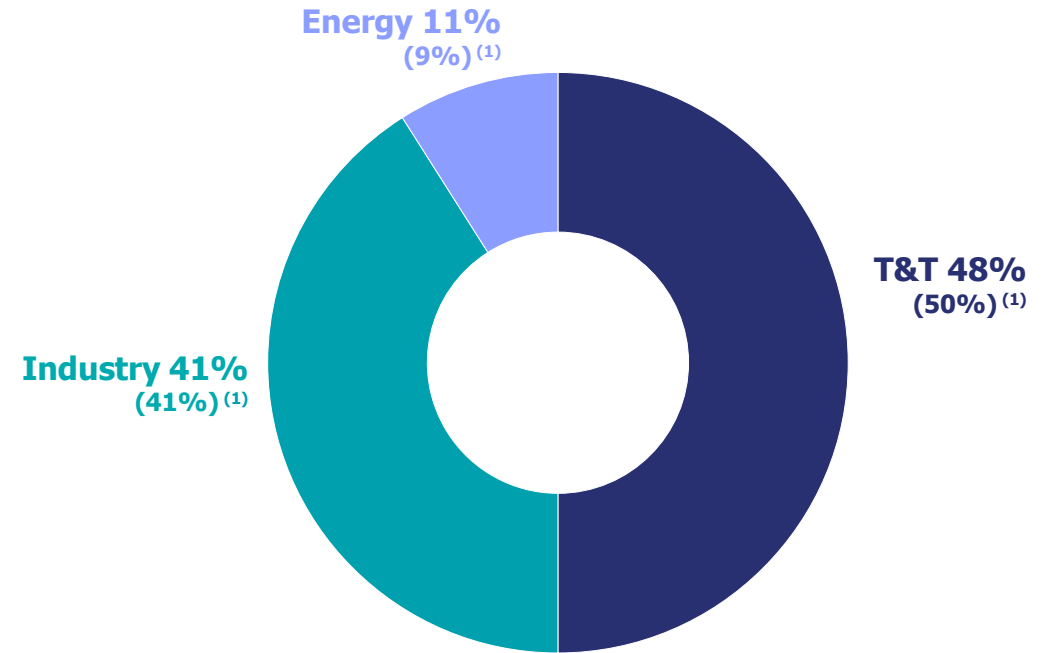


Sales distribution by geography and activity field

Adjusted Turnover distribution by geography



Adjusted Turnover distribution by activity field



Balance sheet and Net Financial Debt

Balance sheet (€m)	2018	2019
Fixed assets	407.9	472.6
Net Working Capital	(179.1)	(170.3)
Total Net Assets	228.8	302.3
Net Equity	317.8	353.7
Net Financial Debt ⁽¹⁾	(105.7)	(113.4)
Others	16.7	62.1
Total Net Equity and Liabilities	228.8	302.3

Debt (€m)	2018	2019
Gross debt	131	88
Liquid assets and equivalents	(237)	(201)
Net Financial Debt⁽¹⁾	(106)	(113)
NFD / EBITDA	<0	<0

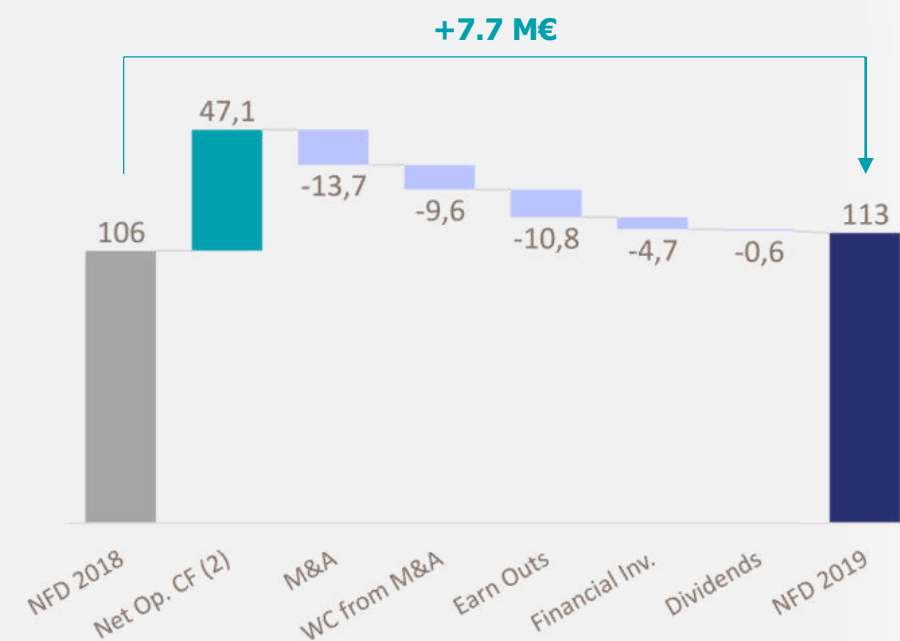
€30m of earn outs, payable from 2020 to 2024.

Net Cash position since 2016

Cash Flow conversion

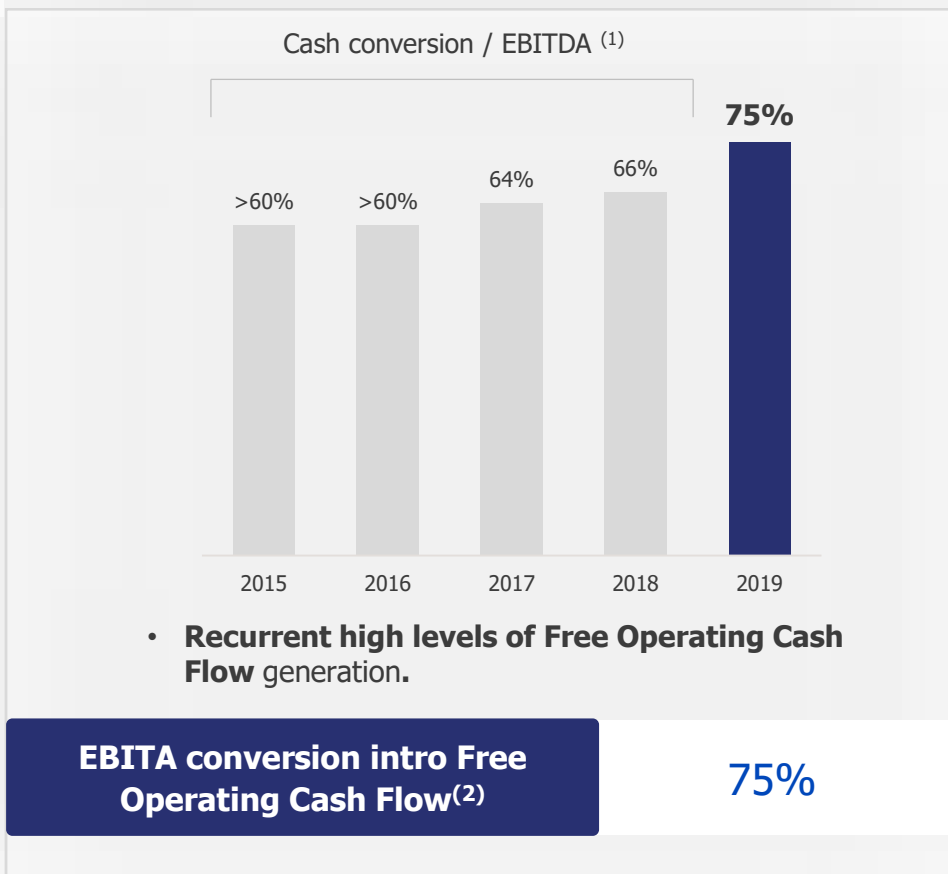
Cash Flow conversion analysis (€m)	2019
EBITA ⁽¹⁾	63.1
Organic CAPEX - Amortization	(3.6)
WC organic variation	0.8
Net Financial Result	(7.6)
Taxes	(6.5)
Other variations	0.8
Net Operating Cash Flow ⁽²⁾	47.1
Operating Net Cash Flow Conversion Rate ⁽²⁾	75%
Acquisitions 2019 (including acquired net debt)	(13.7)
Net WC from acquisitions	(9.6)
Payments related to past years acquisitions (earn outs)	(10.8)
Financial Investments	(4.7)
Dividends paid to minority interests	(0.6)
Free Cash Flow	7.7
Net Financial Debt 2018	(105.7)
Net Financial Debt 2019	(113.4)

Net Cash evolution breakdown (€m)

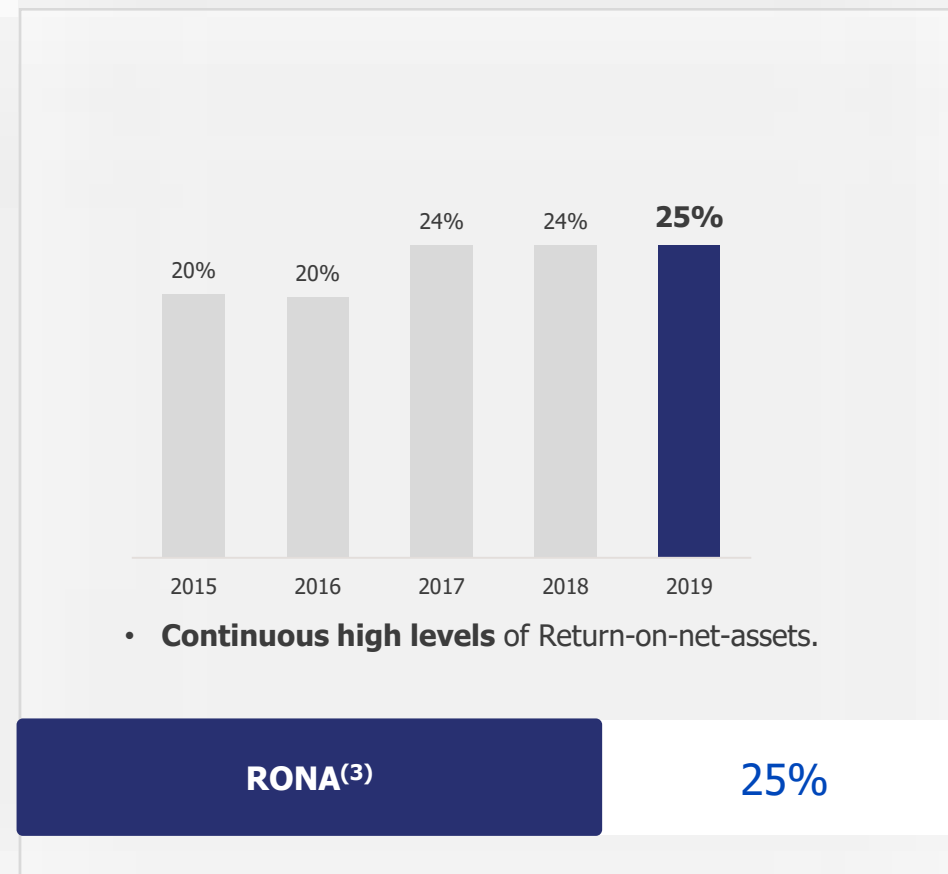


Financial Discipline fulfilment

Cash conversion / EBITA 2015-2019 (%)



RONA 2015-2019 (€m)



4Q results 2019

4Q Results ⁽¹⁾
(€m)

	4Q 2018	%	4Q 2019
Turnover	301.2	+14%	342.0
Adjusted Turnover ⁽²⁾	251.3	+16%	292.7
EBITDA ⁽³⁾	25.5	+26%	32.0
% EBITDA on adjusted turnover	10.1%		10.9%
EBITA ⁽³⁾	20.3	+11%	22.6
% EBITA on adjusted turnover	8.1%		7.7%
EBIT ⁽³⁾	19.1	+4%	19.8
% EBIT on adjusted turnover	7.6%		6.8%
Net Income from Continuing Operations	11.3	+22%	13.8
% NI from Continuing Operations on adj, turnover	4.5%		4.7%
Net Income	10.9	-25%	8.2
% Net Income on adjusted turnover	4.3%		2.8%



1. Strategy and Execution

2. **Businesses**

- 360 Solutions
- B2B Services
- B2C Services

3. Looking towards 2020

360 Solutions: global approach and further diversification

GEOGRAPHICAL EXPANSION

Expanding into **Asia**, within the Industrial activity field



- **Acquisition of Bygging India** in February 2019. Industrial activity field. **Strong add-ons to the backlog.**
- **Projects in Asia-Oceania.**
- Good performance in **Australia** and **Middle East.**

DIVERSIFICATION

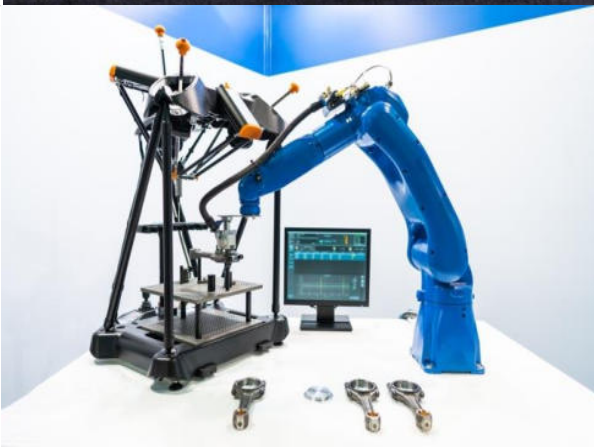
Growth in **Energy** activity field (x2 since 2017)



- The weight of **Energy has doubled** in the last 2 years.
- **Renewable projects in LATAM**
 - A 67 MW solar plant in Dominican Rep. completed and O&M contract started.
 - **Started a 65 MW wind farm** in México. First project on this technology.
- **Power transmission line in Angola:** execution on track.

DIGITAL TRANSFORMATION

Digital partner of industrial companies



- **Industry 4.0 projects** –multiple projects in a wide range of technologies
 - Maximization of maintenance efficiency by implementing **Smart Data.**
 - Production process improvement based on **Machine Learning** in the steel sector.
 - International **real time assets monitoring** for an equipment manufacturer.

B2B Services: positioned as a Tier 1 supplier

POSITIONING

Strengthening our positions as a **Tier 1** supplier



- **One Stop Shop contracts** that integrate different types of services
 - Mechanical and electrical maintenance, boiler and cooling systems maintenance, logistic services and industrial cleaning for a tyre manufacturer in Spain.
- **Contracts** under “**Managed services**” scheme
 - Multi-service frame contract for a chemical company in Spain.

DIVERSIFICATION

Effective transition into **power distribution lines**



- **First 2 power distribution lines O&M contracts in LATAM** (approx. €20m/year):
 - 3-year contract in Chile
 - 3-year contract in Peru
- **New opportunities in LATAM and other regions with current clients.**

B2C Services: from a retailer to an integrator of personal and household services

Retailer (Pre-2017)

BUSINESS MODEL

- Activity: 3rd parties' products sale.
- Clients ownership: 3rd parties.
- Income: from customer acquisition (one-off).

ACTIONS IN 2019

- Product diversification to increase customer traffic in every distribution channel.



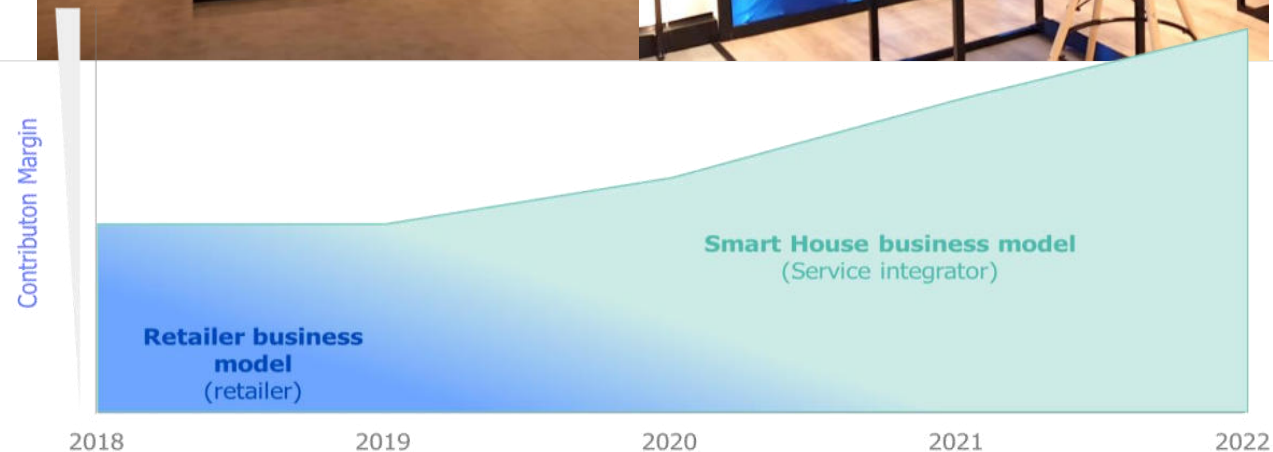
Smart House (Post 2018)

BUSINESS MODEL

- Activity: integrated services provision.
- Client ownership: Dominion.
- Income: from operations (recurrent).

ACTIONS IN 2019












- Acquisition of an electricity and gas supplier.
- Acquisition of a cash-back company.
- Launch of our own telco services.



B2C Services: key KPIs of Smart House


< 10%
of total
Contribution Margin


Net new service-
contracts acquisitions
in 2019
+100,000

Smart House		State of development	Total No. of services
 TELCO <ul style="list-style-type: none"> Fibre Mobile TV 	alt_telecom alt_móvil alt_fibra	<ul style="list-style-type: none"> Fibre  Mobile  	26,000 lines ⁽¹⁾
 ENERGY <ul style="list-style-type: none"> Electricity Gas Self-supply Energy efficiency 	alt_energía alt_luz alt_gas	<ul style="list-style-type: none"> Electricity  Gas  Self-supply Test 	145,000 supplies ⁽²⁾
 INSURANCES <ul style="list-style-type: none"> Electronic devices Home Vehicle Health 	alt_Seguros (*)	<ul style="list-style-type: none"> Electronic devices  Home Test 	259,000 Insurance contracts ⁽³⁾
 FINTECH <ul style="list-style-type: none"> Consumer credits Payments methods. Cash-Back 	alt_Cash back (*)	<ul style="list-style-type: none"> Cash-back Test 	N/A
 OTHERS <ul style="list-style-type: none"> Alarms Household Services Remote assistance ... 	alt_seguridad (*)	<ul style="list-style-type: none"> Alarms Test Household services Test 	N/A

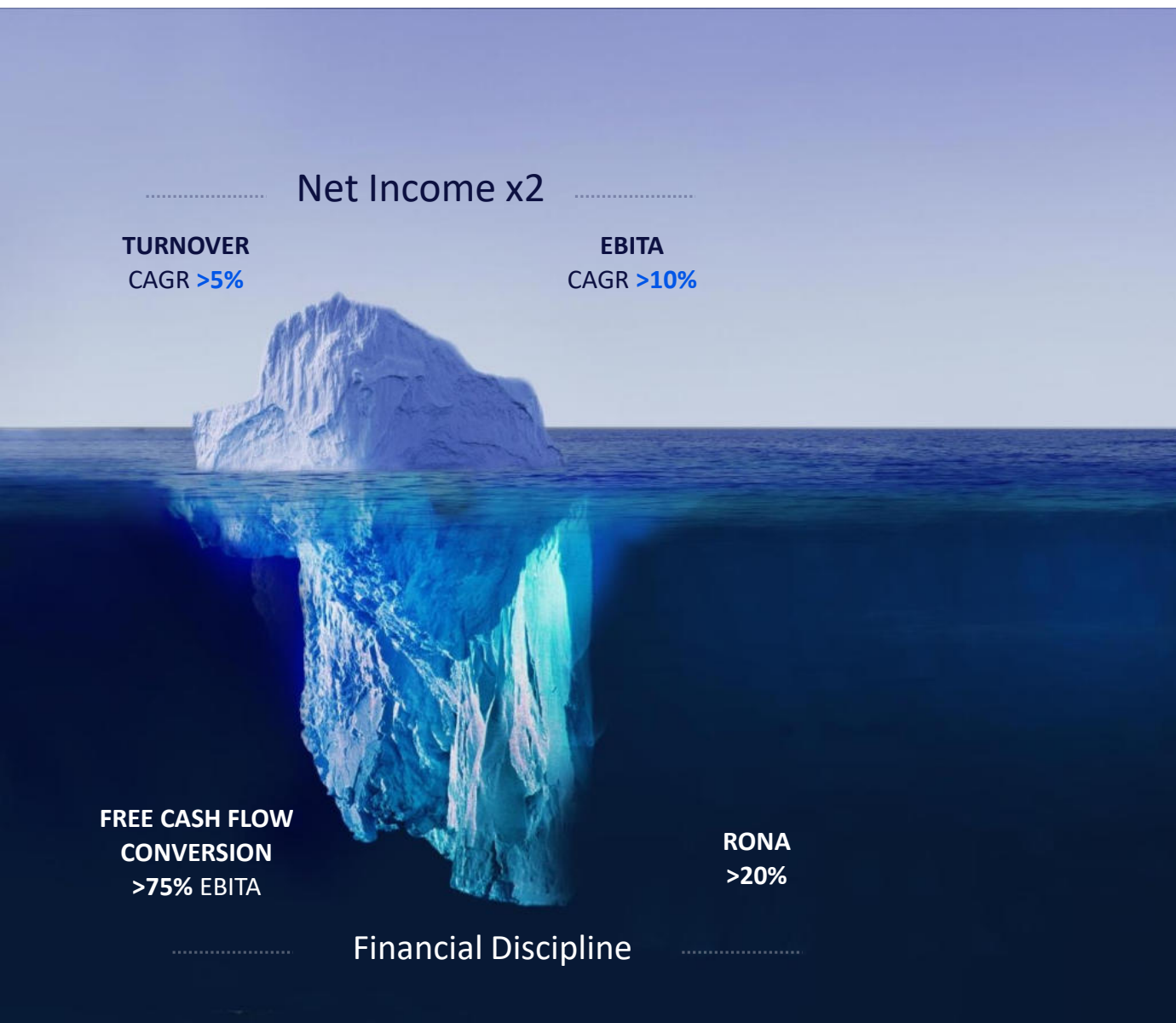
1. Strategy and Execution

2. Businesses

- 360 Solutions
- B2B Services
- B2C Services

3. Looking towards 2020

“Our commitment for 2019-2022 reminds in force”



3 strategic value proposals that will drive the growth:

- 360° Solutions
- Tier 1 of B2B Services
- Smart House

Dividend distribution to our shareholders:

- First dividend distribution in 2020: 1/3 of 2019 Net Income.

For **20 years** we have helped clients transform to become more efficient.

We apply **technology and innovation** to make this happen.

We are Dominion.



Global headquarters

Ibáñez de Bilbao, 28 8º A y B

48009 BILBAO (ESPAÑA)

Phone: (+34) 944 793 787

[dominion-global.com](https://www.dominion-global.com)

© Dominion 2020