



DOMINION

2020 Year-End report

24th FEBRUARY 2021

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2020 highlights_



2020: a great challenge for our business model, successfully overcome

Proven resilience, improving the projected results under the pandemic scenario

- The evolution shows **excellence in business execution** (decentralization).
- The digitalization, diversification and financial discipline have **mitigated the economic impact** (positive results) and have allowed us to generate cash.
- The **4rd quarter**, in which we have grown compared to Q419, **confirms the recovery of the activity**.

We have developed the strategic objectives of the plan

- Actions taken to **unlock the value of the renewable business**, with a 1GW pipeline and advanced conversations to include a minoritarian partner.
- Evolution towards a **higher value added positioning** in B2B Services with the **divestment of mature operations and the organic and inorganic acquisition of new contracts** with higher potential.
- **Transition of the B2C business** in order to become an integrator of personal and household services.



Back to the road to growth in 2021, to achieve our Strategic Plan in 2023

- We forecast that **2021** will be a **year of growth compared to 2019**, in which we will resume the upward trend we were having since 2016.

Index_

- 1. 2020 execution: generating value despite covid-19**

2. Main milestones and strategic development of the business
 - B2B 360 Projects
 - B2B Services
 - B2C

3. Looking towards 2021

Income statement 2020_

(€m)	2019	%	2020
Turnover	1,149.3	-10%	1,029.6
Adjusted Turnover ⁽¹⁾	947.3	-4%	911.0
EBITDA ⁽²⁾	103.7	-23%	80.0
% EBITDA on adjusted turnover	11.4%		8.8%
EBITA ⁽²⁾	63.1	-43%	36.1
% EBITA on adjusted turnover	6.7%		4.0%
EBIT ⁽²⁾	56.7	-44%	31.6
% EBIT on adjusted turnover	6.0%		3.5%
Net Income from continuing operations	39.2	-68%	12.6
% NI from continuing operations on adjusted turnover	4.1%		1.4%
Net Income	32.9	-62%	12.5
% Net Income on adjusted turnover	3.5%		1.4%

- **The consolidation perimeter is reduced** compared to 2019 **because of the divestments** carried out during the year*.
- The operating margin includes a **negative net impact of one-offs (€10m approximately)**.

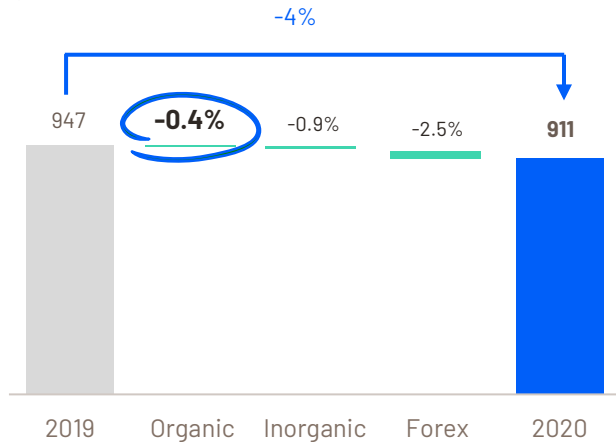
*FY 2020 consolidated perimeter differs from 2019 because : i) It includes 1 month of Bygging India and 2 months of Alterna; ii) It does not include 9 months of non-strategic IT activities divested during 2019 ;

iii) It does not include 6 months of the Telco service contract in Spain divested during 2020.

Adjusted Turnover ⁽¹⁾ evolution_

“A minor decline in the organic sales (-0.4%)”

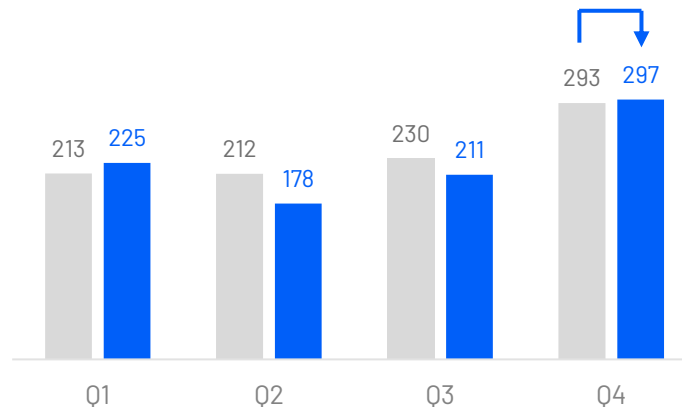
ADJUSTED TURNOVER EVOLUTION BREAKDOWN ⁽¹⁾
(€m)



- Main variations in the turnover are due to **divestments** (-0.9%) and the **negative impact of Forex** (-2.5%).

“The Q4 shows a recovery in the activity”

QUARTERLY EVOLUTION OF THE ADJUSTED TURNOVER ⁽¹⁾
(m€)



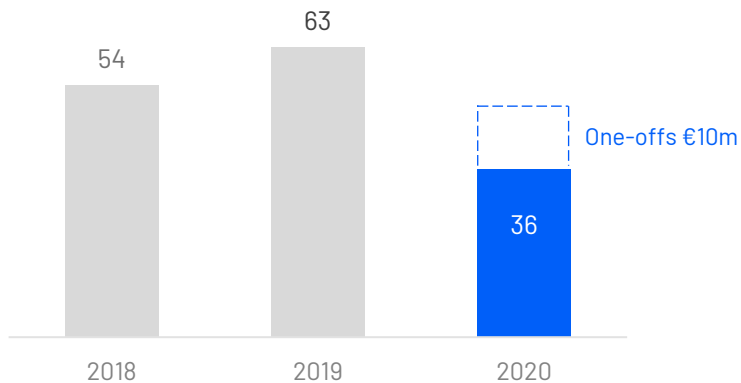
- In the **Q4 we have grown again** (+5% organically), after several quarters affected by Covid-19.

Margins evolution_

“The margins have exceeded our forecast under the pandemic scenario, even being penalized by a negative-€10 million net impact of one-offs”

EBITA⁽²⁾ EVOLUTION 2018-2020

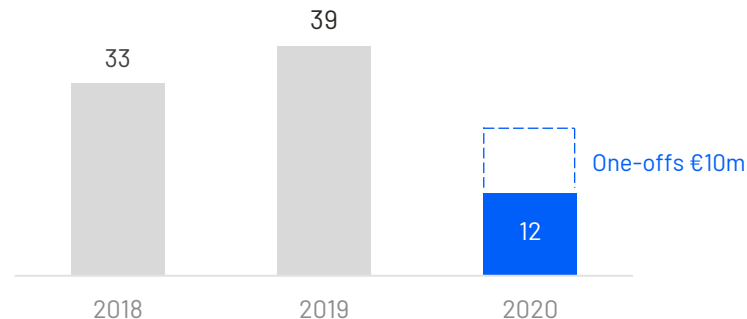
€m



- The **reduction in the consolidation perimeter** and the **one-offs** of the year explain a large portion of the reduction in the contribution margin.

NET INCOME⁽³⁾ EVOLUTION 2018-2020

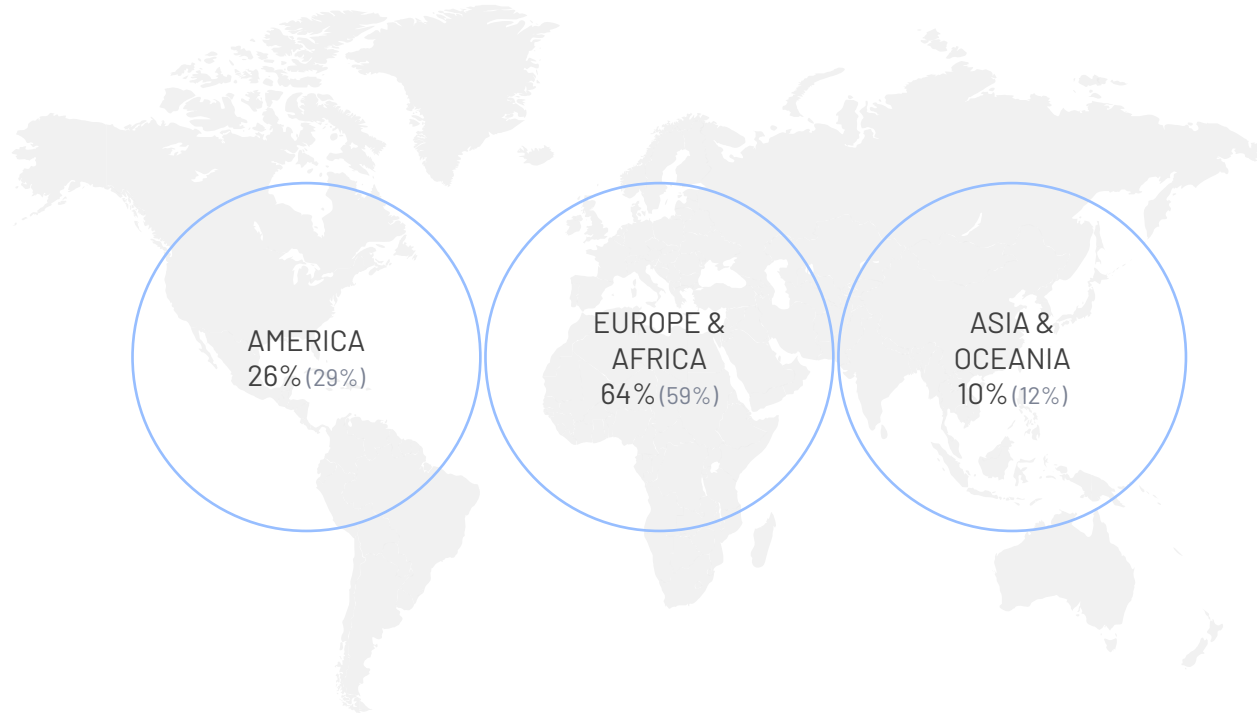
€m



- **Double digit net income**, exceeding the objectives established under the Covid-19 scenario.

Adjuster Turnover ⁽¹⁾ distribution by geography_

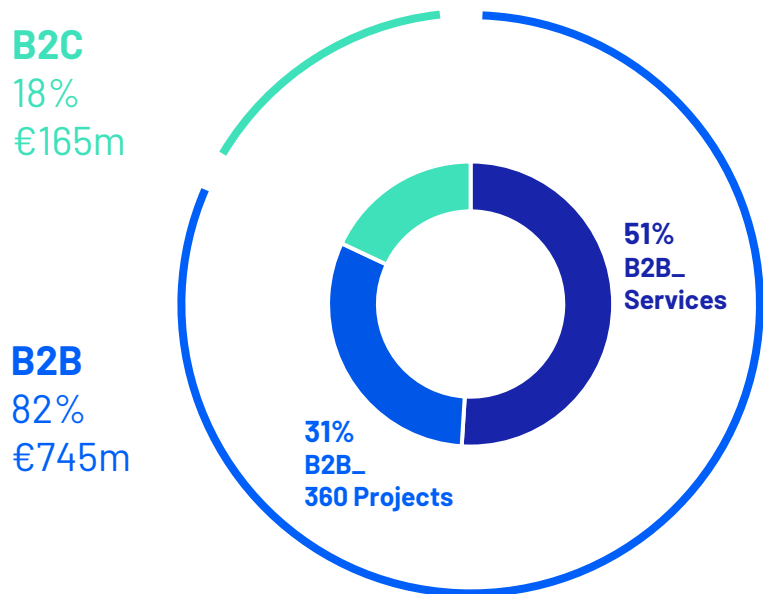
“We maintain a diversified global presence, where Europe and Africa have gained weight over the year”



* 2019 numbers in parentheses

Adjusted Turnover ⁽¹⁾ distribution by segment

“A year marked by the impeccable execution of B2B 360 Projects, the resilience of B2B Services and the transformation of B2C”

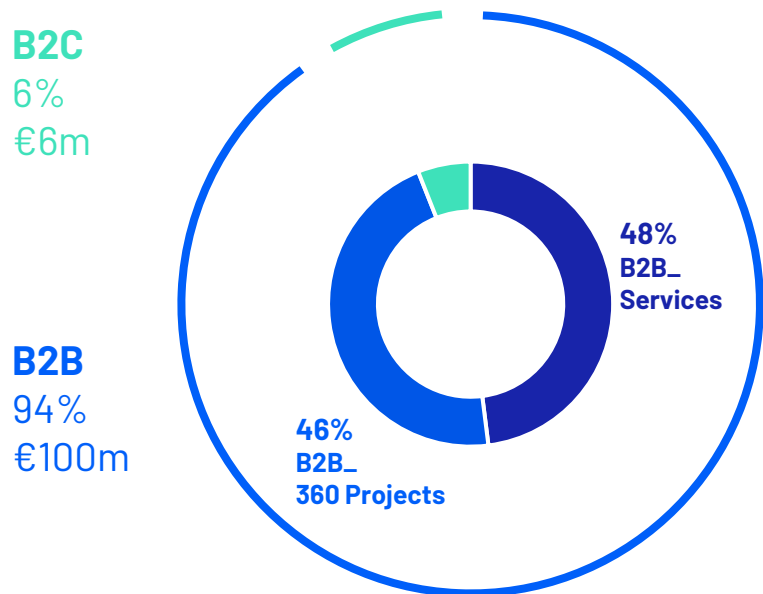


	FY 2019	FY 2020
B2B_Services	€543.2m	€465.1m*
B2B_360 Projects	€288.0m	€280.9m
B2C	€116.1m	€165.0m

* The reduction of the consolidation perimeter compared to 2019 affects the B2B Services segment due to the divestments made in 2020.

Contribution Margin ⁽⁴⁾ distribution by segment_

"Impeccable margins of B2B 360 Projects and resilience of B2B Services and B2C"



	FY 2019	FY 2020
B2B_ Services	€63.1m	€51.1m*
B2B_ 360 Projects	€48.8m	€48.7m
B2C	€19.1m	€6.2m*

*Net negative One-offs (€10m) need to be added on top of the reduction of the consolidation perimeter.

Balance sheet_

“A strong balance sheet, with a steady positive net cash position”

Balance sheet (€m)	DECEMBER 2019	DECEMBER 2020
Fixed Assets	472.6	479.5
Net Working Capital	(170.3)	(191.6)
Total Net Assets	302.3	287.9
Net Equity	353.7	319.7
Net Financial Debt ⁽⁵⁾	(113.4)	(87.4)
Others	62.1	55.5
Total Net Equity and Liabilities	302.3	287.9

Debt (€m)	DECEMBER 2019	DECEMBER 2020
Gross Debt	88	191
Liquid Assets and Equivalents	(201)	(279)
Net Financial Debt ⁽⁵⁾	(113)	(87)
NFD / EBITDA	<0	<0

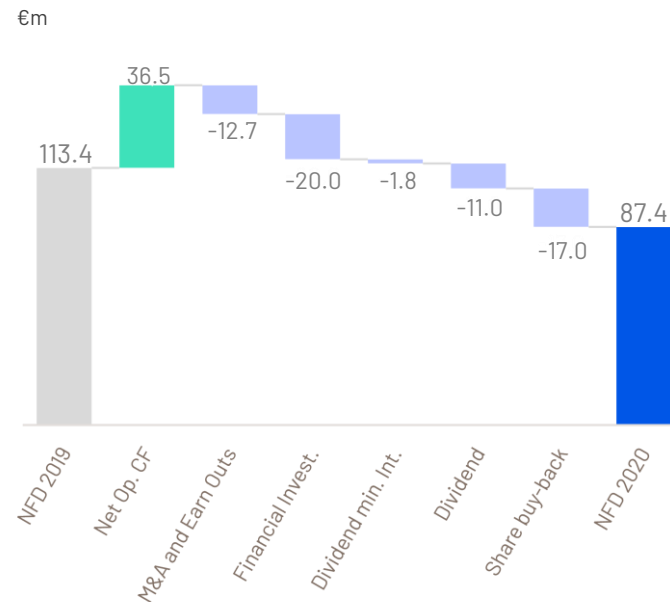
€17m of earn outs, payable from 2021 to 2027

Cash Flow conversion ⁽⁶⁾

“Strong operating FCF generation, encouraged by the excellent performance of the B2B 360 Projects segment”

(€m)	2020
EBITA ⁽²⁾	36.1
Organic CAPEX - Amortization	(0.8)
WC ⁽⁸⁾ organic variation	11.6
Net Financial Result	(6.9)
Taxes	(5.1)
Other variations	1.6
Net Operating Cash Flow ⁽⁶⁾	36.5
Operating Net Cash Flow Conversion Rate ⁽⁶⁾	101%
Acquisitions 2020 (including acquired net debt) and Earn outs	(12.7)
Financial investments	(20.0)
Dividends paid to minority interests	(1.8)
Dividends distributed to shareholders	(11.0)
Share buy-back programme	(17.0)
Free Cash Flow	(26.0)
Net Financial Debt 2019	(113.4)
Net Financial Debt 2020	(87.4)

NET CASH ⁽⁶⁾ EVOLUTION BREAKDOWN

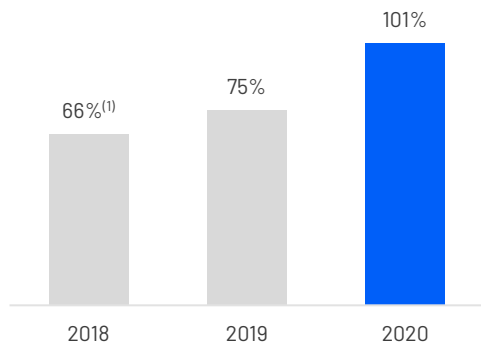


Financial discipline fulfilment

EBITA conversion into Operating FCF ⁽⁶⁾



101%

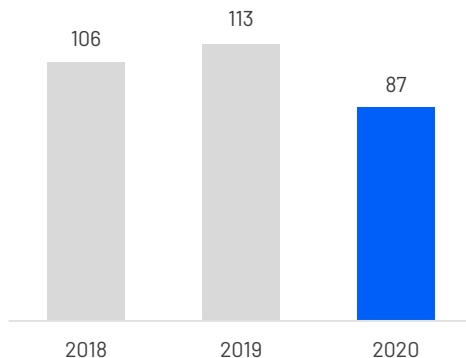


Strong operating FCF conversion, backed by the good performance of the B2B 360 Projects segment

Net Cash Position ⁽⁵⁾



€87m

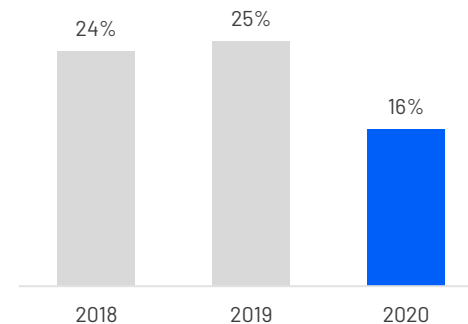


We maintain a **steady net cash position**.

RONA level ⁽⁷⁾



16%



High level of return on net assets, even under exceptional profitability circumstances.

Other relevant figures_



WORKFORCE ⁽¹⁾

9,532
(35 countries)



CORPORATE STRUCTURE

€26m
(2.8% on adjusted
turnover)⁽¹⁾



BACKLOG ⁽²⁾

€617m



TOP 1 CLIENT ⁽³⁾

<4% on adjusted
turnover



EPS

€0.075

(1) En of the year data

(2) Includes only B2B 360 Projects segment

(3) Devices distribution business excluded

Q4 results 2020_

(€m)	Q4 2019	%	Q4 2020
Turnover	342.0		316.8
Adjusted Turnover ⁽¹⁾	292.7	+2%	297.2
EBITDA ⁽²⁾	32.0	-1%	31.8
% EBITDA on adjusted turnover	10.9%		10.7%
EBITA ⁽²⁾	22.6	-14%	19.4
% EBITA on adjusted turnover	7.7%		6.5%
EBIT ⁽²⁾	19.8		18.2
% EBIT on adjusted turnover	6.8%		6.1%
Net Income	8.2	3%	8.5
% Net Income on adjusted turnover	2.8%		2.9%

- **The consolidation perimeter is reduced** compared to Q4 2019 **because of the divestments** carried out during the year *.
- The operating margin includes a **negative net impact of €4m one-offs**.

*The consolidated perimeter differs from Q4 2019 because it does not include 3 months of the Telco service contract in Spain divested during 2020.

1. 2020 execution: generating value despite covid-19

2. Main milestones and strategic development of the business

- **B2B 360 Projects**
- **B2B Services**
- **B2C**

3. Looking towards 2021

Highlights of the B2B segment

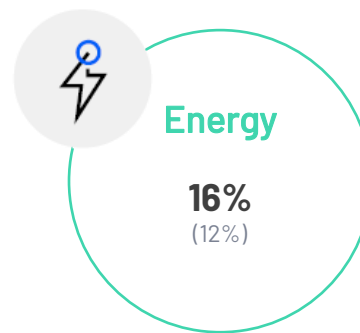
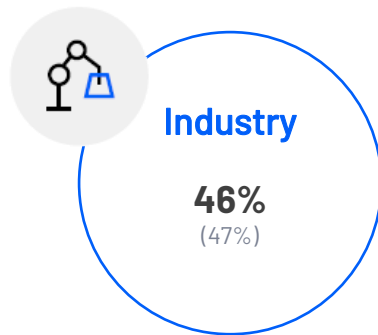
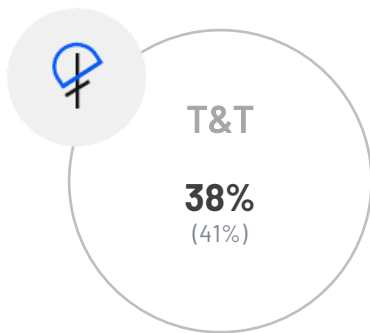
“An end-to-end proposal, from the development and the execution to the operation and maintenance”

B2B 360 Projects

31% of the Turnover ⁽¹⁾ 17,3% CM ⁽⁴⁾ on Turnover ⁽¹⁾ 617 M€ Backlog

B2B Services

51% of the Turnover ⁽¹⁾ 11,0% CM ⁽⁴⁾ on Turnover ⁽¹⁾



* 2019 numbers in parenthesis

Highlights of the B2B segment: 360 Projects_



Resilience of the business & new projects

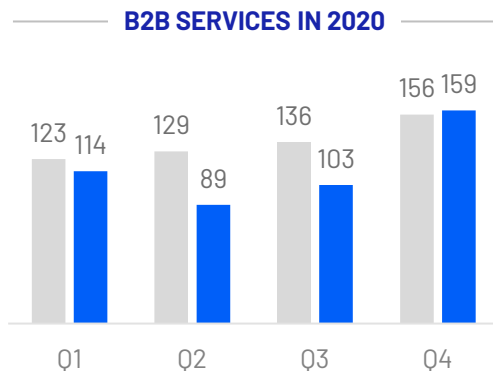
- The segment [has shown a high resilience](#) thanks to its excellent execution during 2020, and has [maintained both revenue and profitability levels](#) compared to 2019.
- During 2020 we have been [awarded with several projects](#) that [assure a profitable growth of the activity](#) in the mid-term. A relevant one has been the [Buin-Paine hospital in Chile](#), which is due to start in 2022.



Renewables business: towards becoming a relevant global player

- During 2020 we have completed a [18 MW biomass plant](#) in Argentina, and we have carried out the construction of a [66 MW wind farm](#) in Mexico, which is expected to go into operation in 2021.
- Along with BAS, our financial partner, we have [disclosed a 1GW pipeline](#) of renewable projects for 2021-2025. In the process of unlocking the value of Dominion Green, we are incorporating [a minority partner](#) to strengthen the activity further.

Highlights of the B2B segment: [Services](#)



Recovery and growth in the Q4 2020

- The segment has [achieved a 2% growth in the Q420](#), after being impacted since the beginning of the health crisis (-7% Q120, -31% Q220, -24% Q320) due to global lockdowns and restrictions (production slowdown and clients' plants closure).

Focused on higher value added contracts

- We have won new [contracts with high potential in the energy and industry](#) sectors (e.g. the 3rd contract with ENEL in Latam)
- At the same time, we have undertaken the [divestment of non-strategic contracts](#): Telefonica's last mile services and IT outsourcing services in Spain

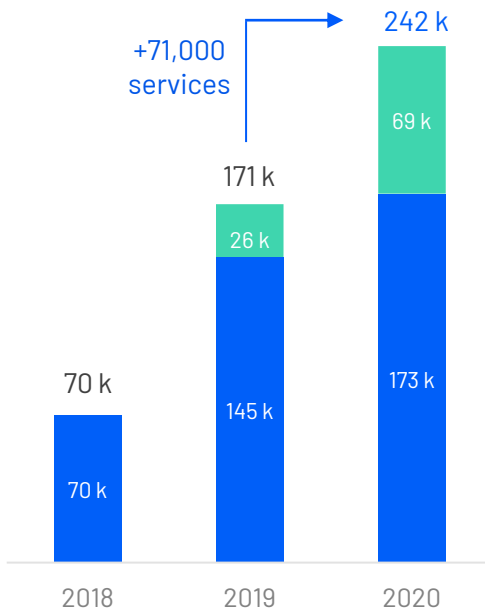
M&A: active and capturing opportunities

- [Famaex](#) (a B2B2C services digital platform), [Dimoin and Hivisan](#) (industrial services companies) were [acquired during 2020](#).
- We expect to [continue very active](#) and that new M&A opportunities will unveil [in 2021](#).

Highlights of the B2C segment

Number of services

- Electricity & Gas supply
- Telecommunications



Growth continues, despite mobility restrictions

- We closed 2020 with **over 240,000 active services**, which means we have acquired **70,000 net new customers during the year**, including Electricity, Gas and Telecommunication contracts, thanks to Phone House's omnichannel platform.

Positive Contribution Margin, thanks to quick decision making

- Quick decision making** allowed us to mitigate the impacts during severe lockdown periods (when the physical distribution channel was forced to close).
- We have **recurrent revenues** coming from our **growing base of service clients**.

Transformation of the business model

- The transformation of the B2C business** (from a retailer to a personal and household services integrator) **required operational and structure adjustments** that have been carried out during 2020.

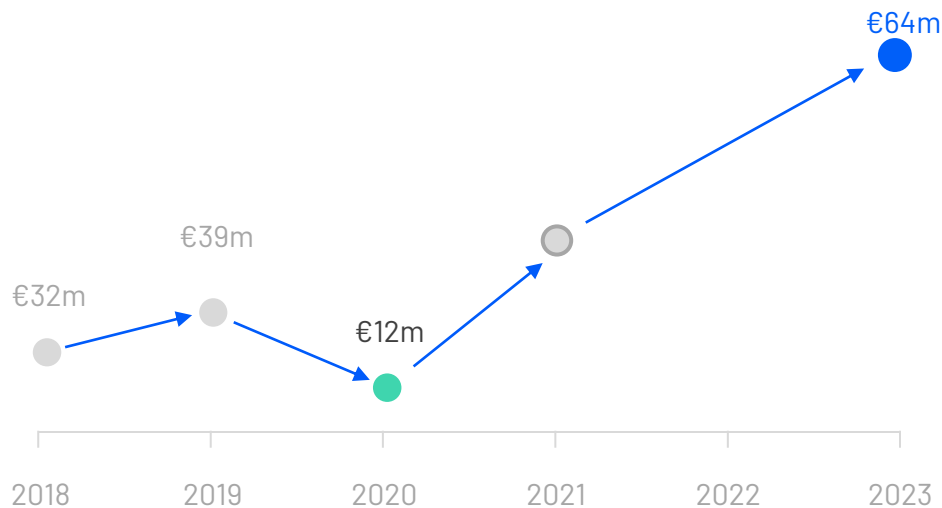
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Prospects for 2021: back to the road to growth_

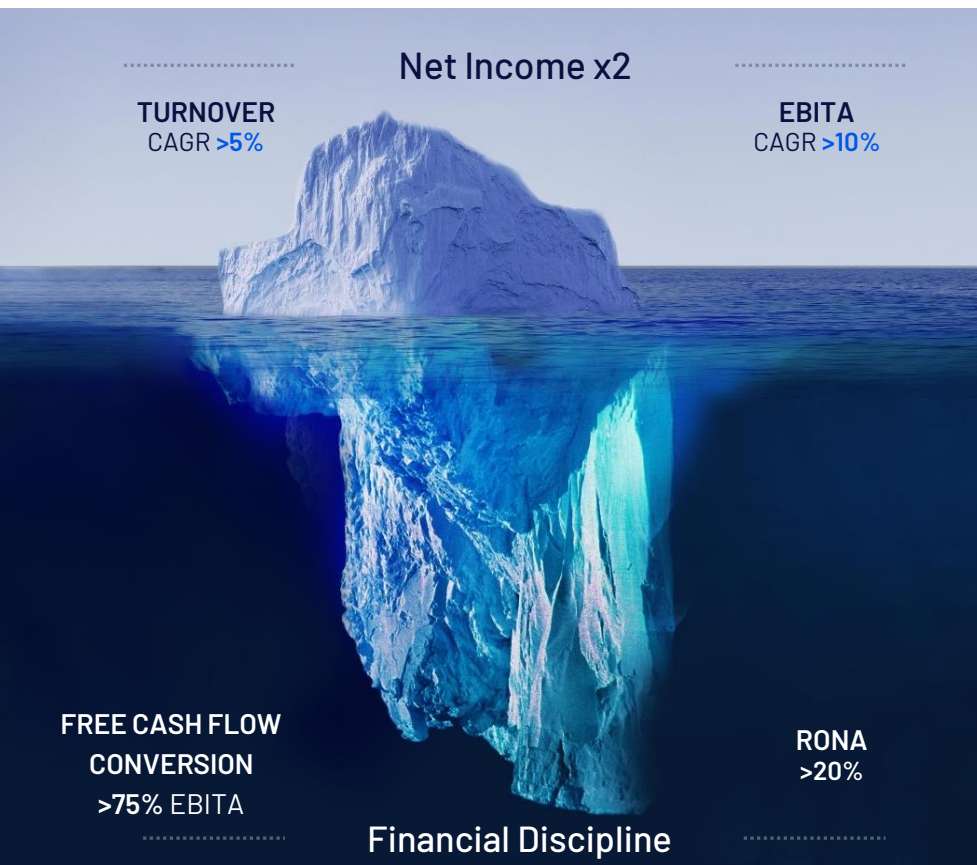
PROJECTED EVOLUTION OF NET INCOME⁽³⁾

€m



- In 2021 we will grow compared to 2019, even taking into account the divestments carried out during 2020.
- We will resume the positive trend that will make us complete our Strategic Plan and reach €64m net income in 2023.
- Far from being a lost year, 2020 will increase (+€12m) the accumulated net income at the end of the Strategic Plan.

Detail of the Strategic Plan and guidance for 2019-2023_



Growth objectives (organic):

- **Net Income x2** to reach €64m in 2023
- Turnover >5% CAGR
- EBITA >10% CAGR
- M&A as an accelerator

Dividend distribution:

- 1/3 of the net income

Commitments within our Financial Discipline:

- **Free Cash Flow Conversion >75% EBITA**
- **RONA >20%**
- DFN/EBITDA < x2
- Capex ≈ Amortization and steady WC
- Overhead cost ≈3% on Revenue

* Includes Covid-19 impacts

Appendix_

- (1) Adjusted turnover:** Annual Accounts Turnover without revenues from sold devices
- (2) EBITDA:** Net Operating Income + Depreciation
 - EBITA:** Net Operating Income + PPA's
 - EBIT:** Net Operating Income
- (3) Net Income:** if not indicated otherwise, it refers to the Net Income from continuing operations
- (4) Contribution Margin:** EBITDA before corporate structure and central administration costs
- (5) Net Financial Debt:** Financial Debt (Long and short Term) +/- Derivative financial instruments – Cash and Short-Term Investments
- (6) Free Operating Cash Flow:** EBITDA – difference between CAPEX and Amortization – NWC variation – Net Financial Income – Tax payment; (acquisitions excluded)
- (7) RONA:** EBITA / (Total non-current assets – Deferred assets – Goodwill not associated to cash + PPAs amortization current year + Net WC ; excluded acquisitions of the year).
- (8) WC:** Working capital

We help our clients transform to become more efficient.

We apply technology to make this happen.

We are Dominion.



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