



DOMINION

# Mid Term Financial Report 1st Quarter 2020

6 MAY 2020

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## 2020 Q1 results\_

(€m)	Q1 2019	%	Q1 2020
Turnover	285.4	-6%	267.8
Adjusted Turnover <sup>(1)</sup>	212.6	+6%	224.5
EBITDA <sup>(2)</sup>	20.9	-14%	18.0
% EBITDA on Turnover	9.8%		8.0%
EBITA <sup>(2)</sup>	11.7	-23%	9.0
% EBITA on Turnover	5.5%		4.0%
EBIT <sup>(2)</sup>	10.5	-25%	7.8
% EBIT on Turnover	4.9%		3.5%
Net Income	6.7	-43%	3.9
% Net Income on Turnover	3.2%		1.7%

\*The 1Q 2020 consolidated perimeter differs from the Q1 2019 for the following reasons: i) Q1 2019 included 2 months of Bygging India and 1 month of Alterna ii) Q1 2020 does not include 3 months of non-strategic IT activities (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 Q1 results\_



## Covid-19 Effect

1Q 2020 results are affected by the exceptional circumstances arising from the restrictive measures taken in most countries in the world as a consequence of SARS-CoV-2.

In the case of Dominion, the **most widespread effects** cover **18 days** of 1Q 2020.



### Sales



Adjusted Turnover growth of **+ 6.3%** in constant currency (FOREX effect -0.7%).

Taking into account comparable perimeters\*, **organic growth** is **≈+4%** despite the effects of **SARS-CoV-2**.

### Margins






Deterioration in EBITDA, EBITA and Net Earnings **limited to ≈ -3 €m**, thanks to a **rapid reaction** in terms of adjustment measures.

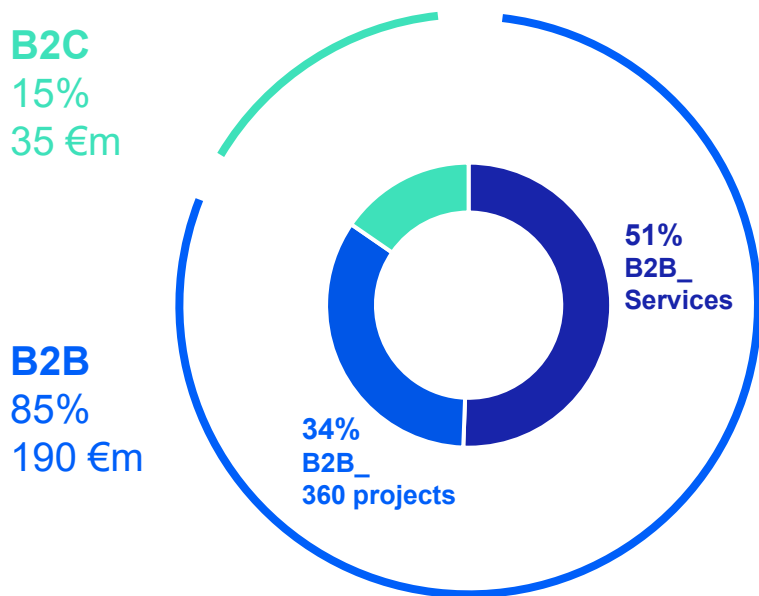
The fall in **operating margins on turnover** is a direct **consequence of the covid-19**: i) a temporary mismatch between the fall in sales and cost optimization and ii) first provisions for the forecasted **restructuring** costs

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# A new breakdown to enhance the visibility of our business segments\_

	B2B_		B2C_
	B2B Services_	B2B 360 Projects_	B2C_
 <p>Activities</p>	<ul style="list-style-type: none"> <li>• Operations and maintenance outsourcing contracts</li> <li>• Process improvement resulting from service contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Major projects to create new infrastructures</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of personal and household services for end consumers (energy, telecommunications, insurance, etc.)</li> </ul>
 <p>Value proposition</p>	<p>"Tier 1 supplier and digital expert capable of <b>end-to-end</b> execution of projects: from project design and management to subsequent O&amp;M"</p>		<p>"Multi-service supplier bringing <b>together</b> a full range of personal and household services in a single omnichannel platform"</p>
 <p>Keys of the business</p>	<ul style="list-style-type: none"> <li>• Recurrent contracts</li> <li>• MC ≈ 10%</li> </ul>	<ul style="list-style-type: none"> <li>• Project backlog</li> <li>• MC ≈ 15%</li> </ul>	<ul style="list-style-type: none"> <li>• Recurrent revenue</li> <li>• Number of clients and their average Lifetime Value</li> </ul>

## Adjusted Turnover distribution by segment\_

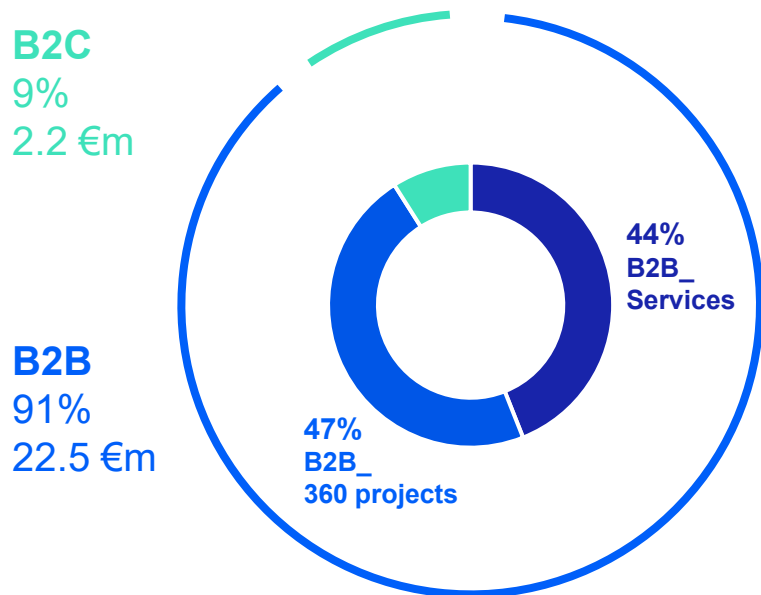


	Q1 2019	%	Q1 2020
<b>B2B_Services</b>	122.7 €m	-7%	113.7 €m
<b>B2B_360 Projects</b>	75.1 €m	+2%	76.3 €m
<b>B2C</b>	14.8 €m	+133%	34.5 €m

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

# Contribution Margin distribution by segment



	Q1 2019	%	Q1 2020
<b>B2B_Services</b>	12.1 €m	-10%	10.8 €m
<b>B2B_360 Projects</b>	11.6 €m	+1%	11.7 €m
<b>B2C</b>	3.3 €m	-32%	2.2 €m

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

## B2B Segment in detail\_

### B2B\_ Services

9,5%  
CM/Turnover

Covid-19 effect:

- Temporary cessation of installations and maintenance activities due to the shutdown of some **industrial** plants.
- Generalized decrease of activity in **networks** and last mile in **Telco**.

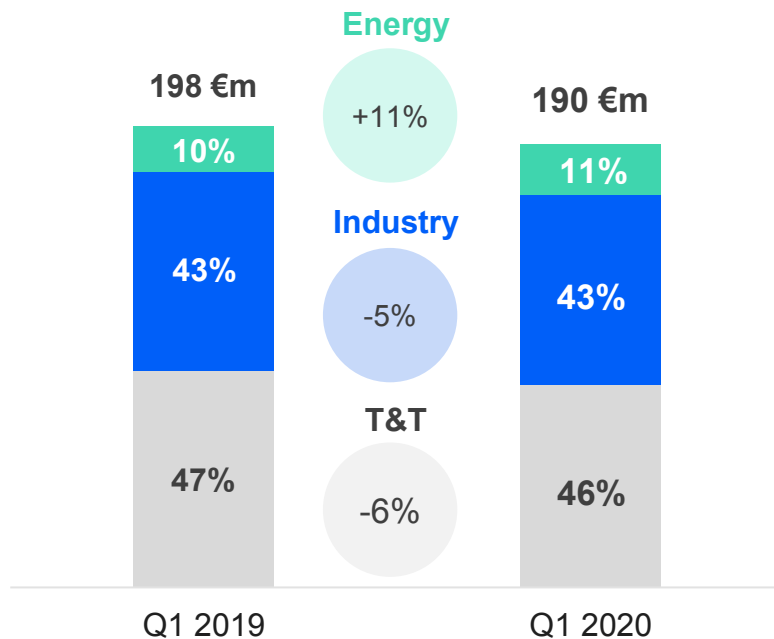
### B2B\_ 360 projects

15,4%  
CM/ Turnover

Covid-19 effect:

- **Very low** impact.
- Limited to some mid size projects, mostly in Asia.
- No backlog cancelations.
- Hospital tendering processes in Chile go ahead normally.

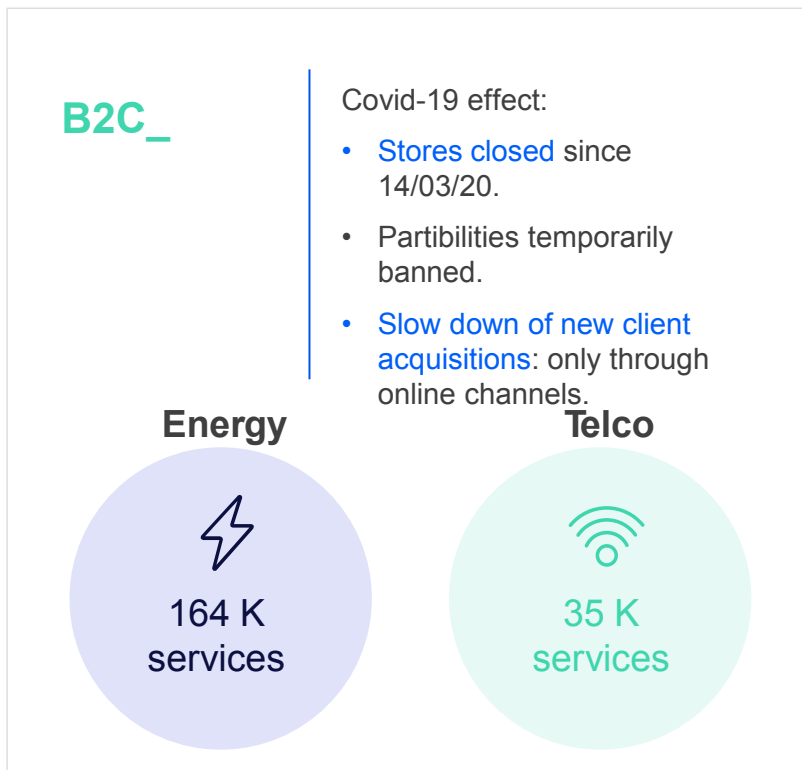
## Turnover <sup>(1)</sup> by activity field



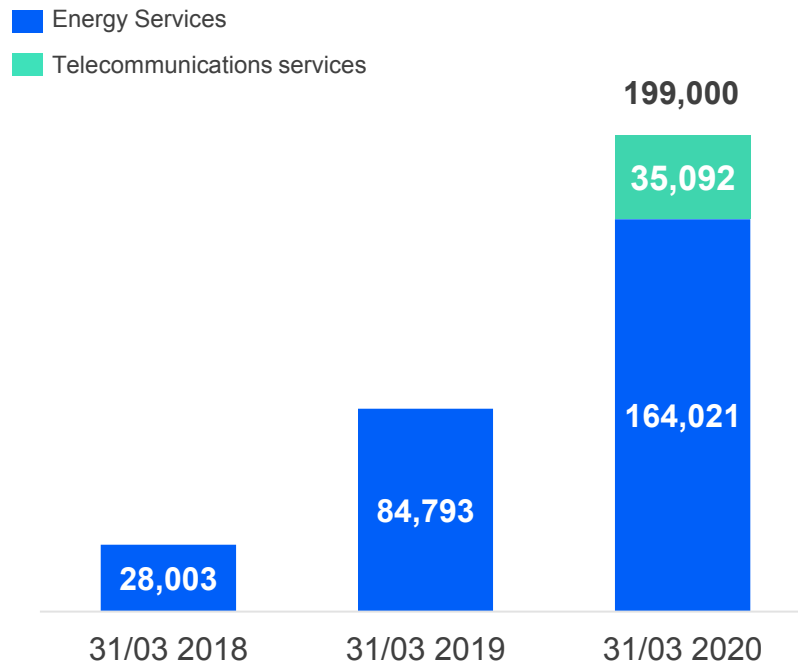
(1) Adjusted turnover = Annual Accounts Turnover without revenues from sold devices



## B2C Segment in detail\_



## N° of services by type of supply



# Prospects for 2020\_

Faced with the effects of Covid-19, we have reacted **fast and firmly**

1

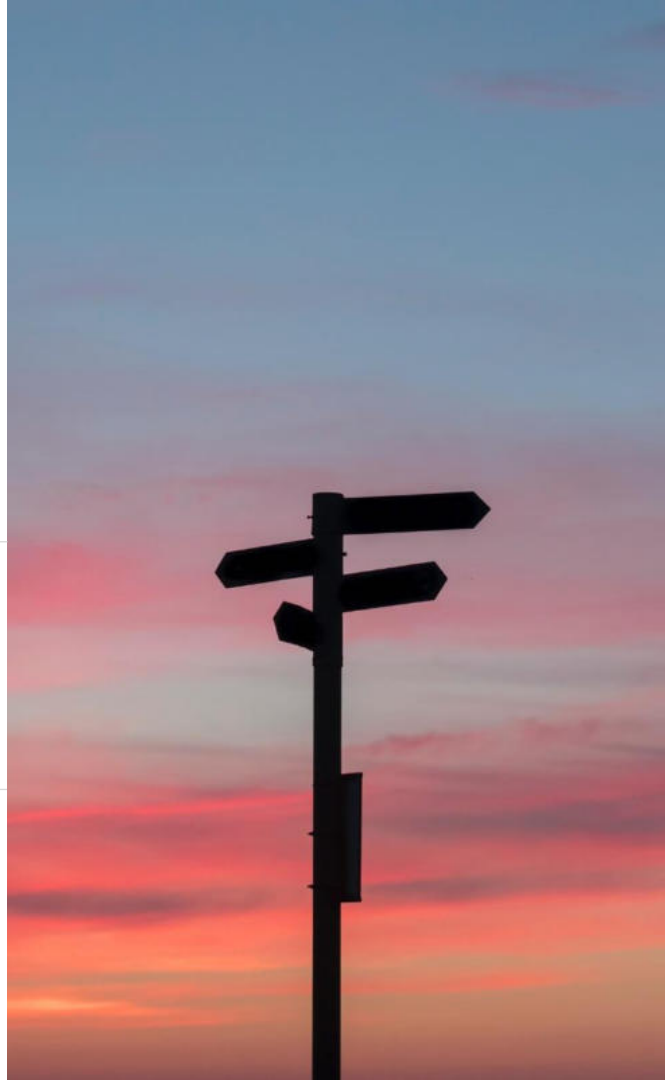
We have a **team experienced** in coping with crisis scenarios

2

Rapid reaction in **B2C and B2B Services**  
Very limited impact on **B2B 360 Projects**

3

Measures to contain **Capex and Structural Costs**  
**Maximising** possibilities of **liquidity**



# Prospects for 2020\_

Our **distinctive model** is our best guarantee of **emerging** from this extraordinary situation **stronger**.



## DIVERSIFICATION

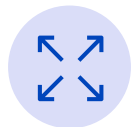
Our earnings **do not depend** on the decisions of any single country, client or sector.



## FINANCIAL DISCIPLINE

**High** levels of generation of **operating cash flow** and **low payment commitments** in 2020.

Maximising possibilities of **liquidity**.



## DECENTRALISATION

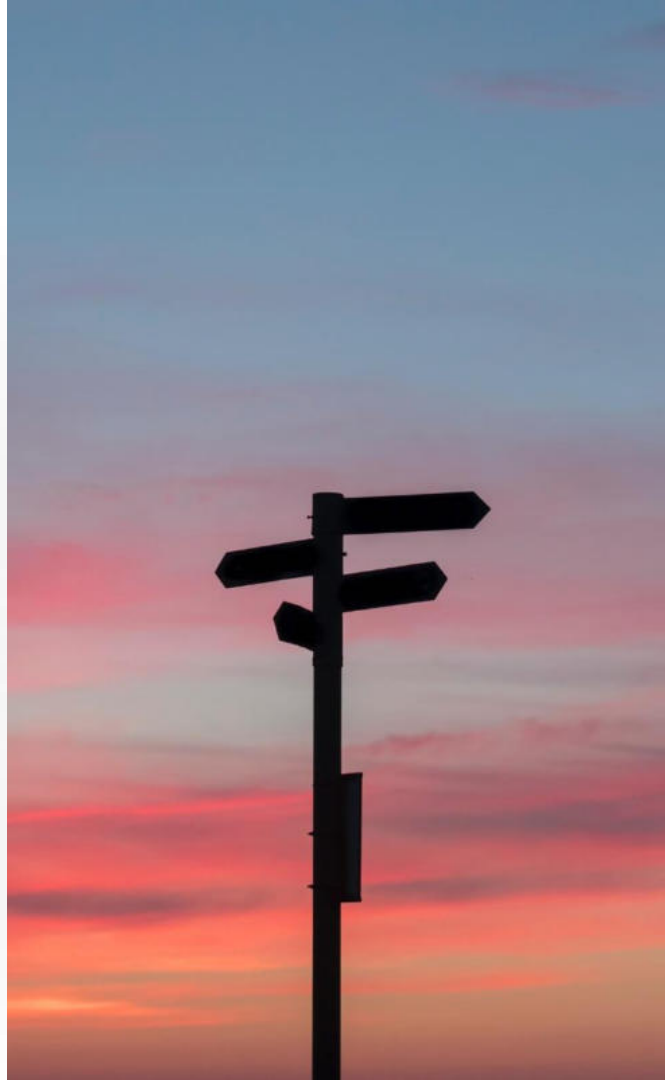
**Lean structure** and **flexibility** to adapt our cost structure.

**Local** management to **adapt** to our different realities.



## DIGITALISATION

Accustomed to **using online platforms** that avoid the impacts of restrictions on mobility.



## Prospects for 2020\_

With current visibility, in 2020 we will carry on creating value...



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



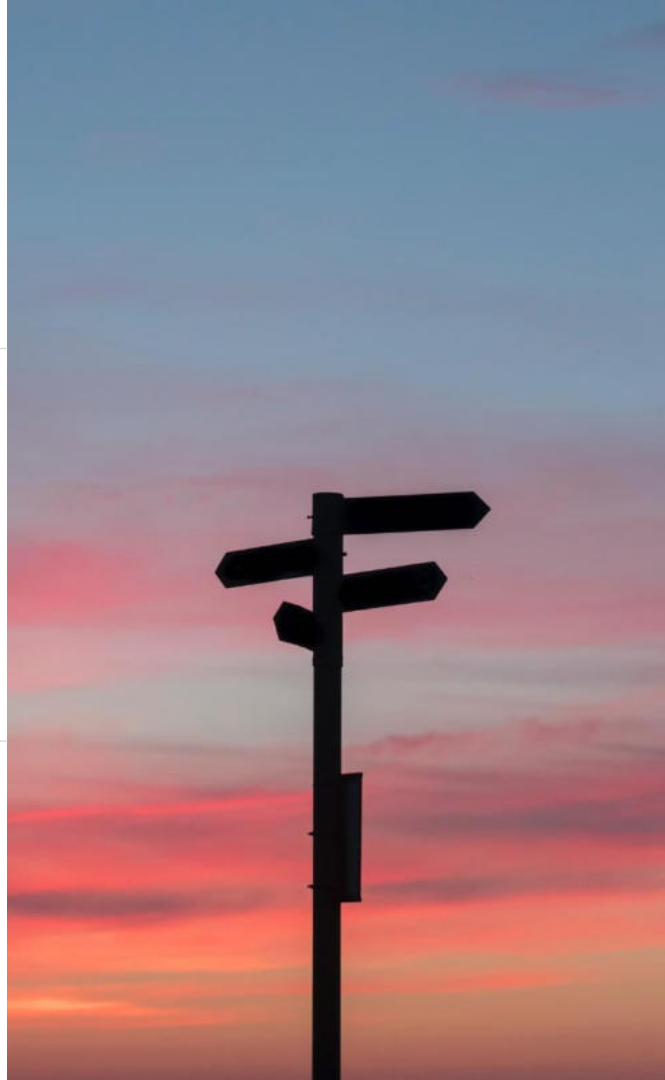
with a **positive generation of operating cash flow\***;



maintaining our **5 strategic vectors**.

... and it will be a **pause** on our road to growth, **putting achievement of our Plan back by a year**.

\* Operating cash flow: operating profit - Maintenance capex - financial result - taxes



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

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

**We are Dominion.**



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