

# Q1 2024 REVENUE

13 MAY 2024

Good evening to all of you and thank you for joining Solutions 30's Q1 2024 revenue conference call.

We will hold this conference in English; as usual, a transcript will be available on our website, in English and in French.



## TODAY'S PRESENTERS



**Gianbeppi Fortis**  
Chief Executive Officer



**Amaury Boilot**  
Group General Secretary



**Jonathan Crauwels**  
Chief Financial Officer

Amaury, our Group General Secretary and Jonathan, our CFO, are by my side to comment on the Q1 2024 revenue and, as usual, we will answer your questions from the chat at the end of this presentation.

## Q1 2024 HIGHLIGHTS



### Uninterrupted revenue growth driven by digital transformation and energy transition

+3.8%, to € 265m in Q1 2024



### Continued strong momentum in Benelux

+21.6% revenue growth in Q1, against a very high comparison basis



### Energy activities confirmed as a powerful growth driver for the Group

+35.9% revenue growth in Q1

+47.6% in France where the activity mix rebalancing is in progress



### Q1 revenue growth excluding Italy: +6.7%

Situation in Italy currently improving

Activity anticipated to come back to normal during H2



### Full-year outlook confirmed

Continued revenue growth, at a higher rate than in Q1, with visibility significantly

improved in Italy and Belgium, and ramp-up of German fiber activities

Further improvement in adjusted EBITDA margin

In the first quarter 2024 our group revenue were 265 million euros, up +3.8% compared to Q1 last year.

We continue to benefit from a strong momentum in Benelux, with a growth over 21%, against a very high comparison basis.

Q1 was another confirmation that Energy activities are a powerful growth driver for the Group. They grew by 36% in Q1, and by close to 48% in France, where the rebalancing of our business mix is progressing in favor of these activities.

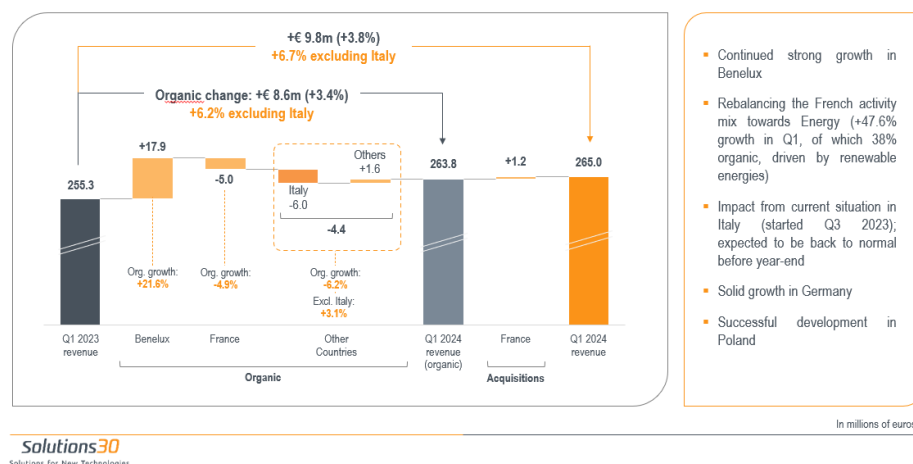
As you already know, in the second half of last year, we voluntarily slowed down our telecom activity in Italy due to a difficult situation with our main client. This has created a temporary decrease in our Italian revenue; excluding Italy, our growth in Q1 was 6.7%.

Concerning Italy, we have made good progress in the last month and we anticipate to resume a normal activity in Italy, with a better economic model in the second half of the year. We will come back to this later in the presentation.

Lastly, we confirm our outlook for the full year. As said, visibility has significantly improved in Italy. Also in Belgium the situation concerning the coming elections is getting better: recent planning sessions we have conducted with our clients give us confidence that we can minimize the impact of the upcoming elections by anticipating work in the city centers now. In Germany, growth will accelerate significantly through the year with the ramp up of fiber deployment. As a result, our revenue should grow over the full year, at a higher pace than in Q1. Our adjusted EBITDA margin, as previously announced, is expected to make further progress towards its double-digit normative level.

I will now pass it over to Amaury.

## +6.7% REVENUE GROWTH EXCLUDING ITALY



- Continued strong growth in Benelux
- Rebalancing the French activity mix towards Energy (+47.6% growth in Q1, of which 38% organic, driven by renewable energies)
- Impact from current situation in Italy (started Q3 2023); expected to be back to normal before year-end
- Solid growth in Germany
- Successful development in Poland

Thank you Gianbeppi, and good evening to everyone. Let's now take a look at how the growth was generated during Q1.

With an organic growth of 21.6%, Benelux remains the driving force. This growth was achieved on a very high comparison basis (we grew 77% in Benelux in Q1 last year). The fiber activities are still going strong, and Energy is growing double-digit.

In France, we are progressively rebalancing our activity mix towards Energy, which is a buoyant market at the moment, while managing our decrease in Connectivity with stringent contract selectivity and a strong focus on margins. Energy was strongly up in Q1, by 38% organic, while connectivity was down 10%. Given the relative size of these businesses the net was an organic decline of 4.9%.

In Italie, revenue was 6 million euros lower than in Q1 last year as, as you already know, we have voluntarily slowed down our fiber activity there since H2 last year, due to a difficult situation with our main client. As I said in introduction, negotiations with this client have moved in the right direction and we now anticipate a positive outcome for the situation with back to normal but with better conditions, at some point in H2.

Excluding Italy, other countries were up +3.1% organically, with solid growth in Germany, where fiber activities will start ramping up in H2. We do expect Germany to become our third pillar, alongside France and Benelux, and to drive a continued high level of organic growth for the Group.

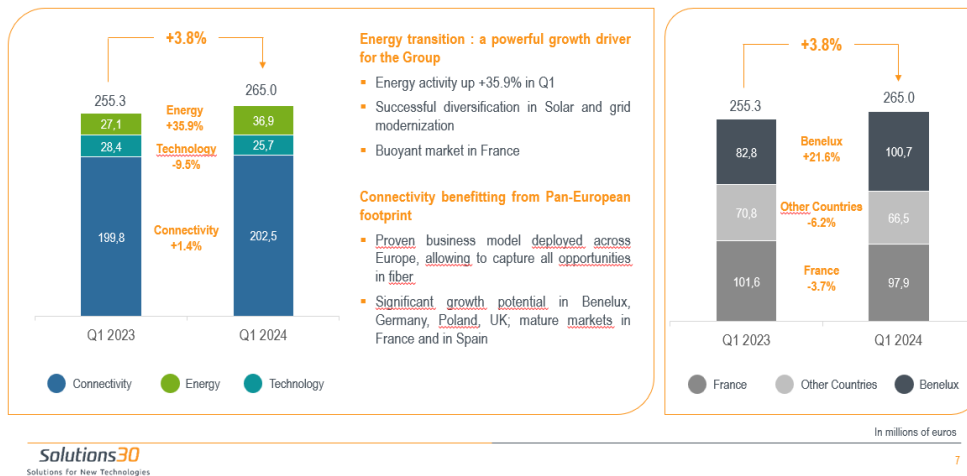
At Group level, organic growth was +6.2% excluding Italy, and +3.4% in total.

On top of that, we have a 1.2 million impact from the consolidation of Elec-ENR, a French specialist in Photovoltaic which we acquired in July last year, and which is being successfully integrated in the Group. I will share with you the details of another acquisition we just made in France, also in the solar sector, as we are actively building up capabilities in this promising market.

Going forward, we intend to continue seeking targeted acquisitions, in an opportunistic way, and play an active role in the sector's consolidation in Europe.

## ENERGY ACTIVITIES: A POWERFUL GROWTH DRIVER

**+36% GROWTH IN Q1**



Looking now at our Q1 revenue by activity.

Energy activity's revenue grew by 35.9%, to 36.9 million euros in Q1.

Quarter after quarter, the energy transition is proving to be a powerful growth driver for Solutions30, as we are successfully deploying our business model in activities directly related to renewable energies.

The Solar market is buoyant, particularly in France, where revenue doubled in Q1 and where the commercial activity is very dynamic.

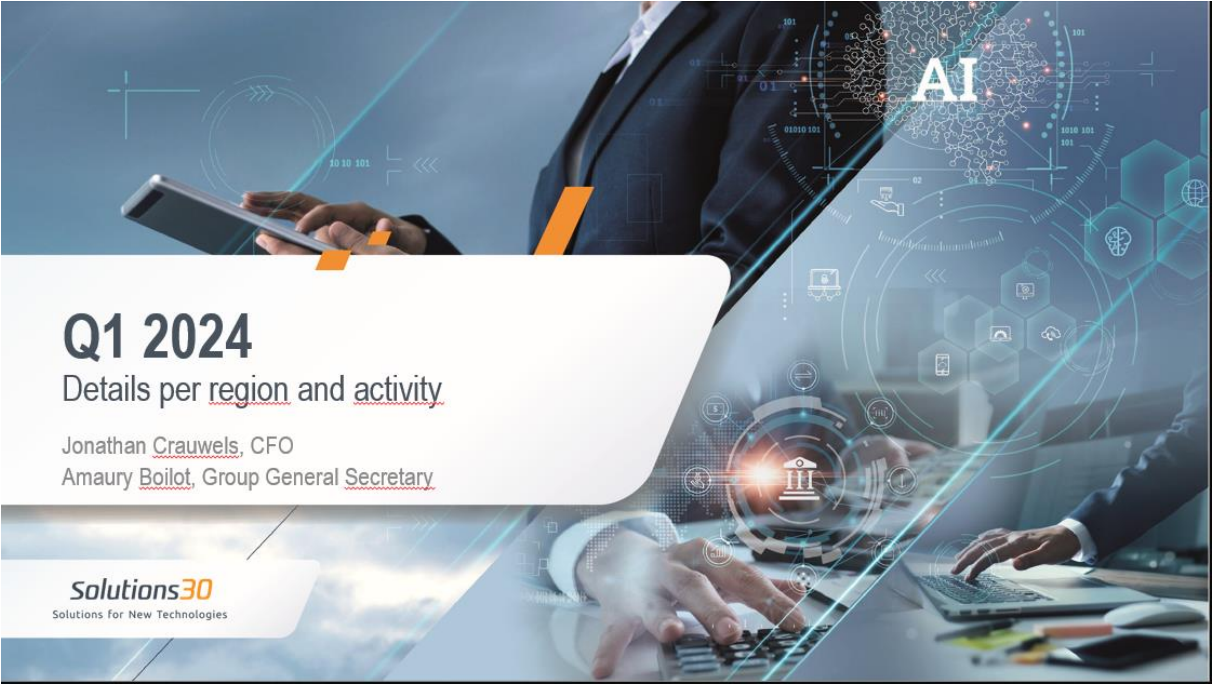
In Belgium, we have recently won a contract with Fluvius for low-voltage grid modernization, in order to adapt it to new electricity needs commended by the energy transition. This paves the way to a new diversification in a dynamic market, where our business model combining versatile technical skills and the ability to manage a large number of interventions on a large territory in a short period of time, is extremely relevant.

Connectivity revenue was up 1.4%. This moderate growth reflects the different stages of fiber deployment and connection in the various countries where we operate. France and Spain are mature markets, where we are managing a revenue decrease by being selective and focusing on profitability over volumes. On the other hand, the same activities are generating significant growth in less mature countries, like Poland and the UK, and will generate even more significant growth in Germany, starting in the second half of this year.

Technology posted revenue of 25.7 million euros revenue in Q1, down 9.5%.

And lastly, in terms of geographies, as you can see on the right Benelux is confirming its position as the number one geography in the Group in terms of revenue, as it just passed the 100 million euros mark for a quarter, following a strong growth of 21.6%. This shows that we have successfully deployed our model in this region where we have built a leadership position and captured strong market growth.

I will now hand over to Jonathan for further details on Benelux.



# Q1 2024

Details per region and activity

Jonathan Crauwels, CFO

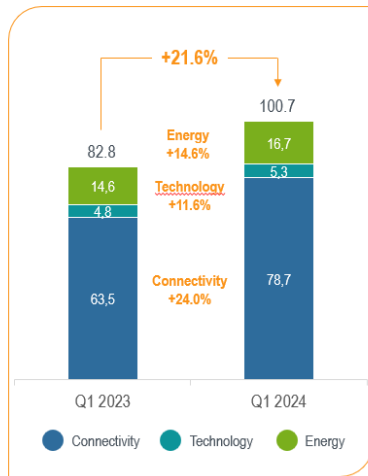
Amaury Boilot, Group General Secretary

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[Jonathan] Thank you Amaury, and good evening to all of you.

## BENELUX: STRONG MOMENTUM

### 38 % OF Q1 2024 REVENUE



#### Energy: +14.6%

##### Continued development, successful diversification

- Roll out of digital meters in Flanders
- Successful diversification in electrical grid modernization: contract with Fluvius to transform >1000 km of low-voltage network to adapt to new electricity needs

#### Connectivity: +24.0%

##### Continued ramp-up of fiber activities

- Strong growth on a high comparison basis (Q1 2023: +92%), despite unfavorable weather conditions
- Impact of forthcoming Belgian elections on fiber deployment activities expected to be minimized in light of recent planning with municipalities and customers

#### Technology: +11.6%

##### Robust momentum driven by digital transformation

- Good growth in IT services

Revenue figures are expressed in millions of euros; % represent year-on-year revenue growth, including organic and inorganic variations

I will start with Benelux which is now the largest contributor to Group revenue.

Revenue grew significantly, by 21.6% in the quarter.

Energy was up 14.6%, at 16.7 million euros, driven by the continued roll out of digital meters in Flanders. With the grid modernization contract we just won, that Gianbeppi mentioned, we will be in charge of upgrading more than 1000 kilometers of low-voltage network to adapt to new electricity usage. This is opening the path to a new diversification in Energy, and further growth opportunities.

Connectivity revenue was 78.7 million euros, growing 24% year-on-year, despite a very high comparison basis, as growth in Q1 2023 was +92%. The ramp up of fiber activities continued at a rapid pace, despite very harsh weather conditions in the winter months, which were detrimental to outdoors deployment activities.

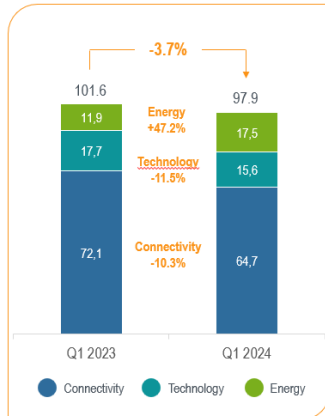
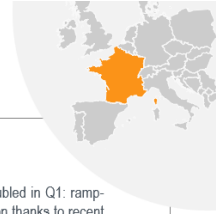
Regarding the upcoming elections in Belgium, our local teams are working closely with their clients in order to adapt and optimize planning and organization through the election period. As a result, we now believe that the impact of such elections on the pace of fiber deployment should be minimized.

Technology revenue was 5.3 million euros, up 11.6%, driven by good trends in IT support services.

I will now pass it back to Amaury, for an update on France.



**FRANCE: MIX REBALANCING TOWARDS ENERGY IN PROGRESS**  
**37 % OF Q1 2024 REVENUE**



**Energy: +47.2%**  
**Confirming potential as the #1 growth driver in France**

- Strong momentum in renewable energies, which revenue doubled in Q1: ramp-up of large PV infrastructure projects, good commercial traction thanks to recent ENR law
- Finalization of the acquisition of a minority stake in So-Tec, PV structure installer in the south of France. Stake to be progressively increased (c. € 20m revenue to be consolidated in 2025)

**Connectivity: -10.3%**  
**Continued managed decrease in revenue with strong focus on margins**

- Contract selectivity and focus on profitability in the mature fiber market
- Growing share of maintenance activities, where Solutions30 has a strong competitive advantage

**Technology: -11.5%**

- Lower volumes in IT, improvement expected thanks to 2024 Paris Olympics

Thank you Jonathan.

Revenue in France was 97.9 million euros in Q1, down 3.7% year-on-year. We are moving ahead with the rebalancing of our business mix in France, towards a higher share of energy activities. Energy delivered remarkable growth of +47.2%, to 17.5 million euros revenue in Q1. These activities are benefitting from strong tailwinds, fuelled by the energy transition and the ever increasing importance of renewables in the country’s energy mix. Revenue from renewable energies activities doubled in Q1 (+84% organically), driven by the ramp-up of large photovoltaic infrastructure projects, like the construction of the largest floating solar farm in Europe, in which we are involved alongside Q Energy.

Furthermore, the recent ENR law, mandating the installation of photovoltaic panels on outdoor car parks exceeding 1,500 square meters, is triggering a dynamic commercial activity in the renewable energy sector.

Our strategic expansion in the Energy sector is also bolstered by M&A. After the acquisition of Elec-ENR last year, we finalized in Q1 the acquisition of a minority stake in SO-TEC. SO-TEC is an installer of photovoltaic structures in the South of France. We plan to progressively increase our stake and anticipate consolidating approximately 20 million euros of revenue from this entity in 2025.

Connectivity posted revenue of 64.7 million euros, down 10.3%. The fiber connection market slowed down in Q1, while the maintenance market was broadly stable. In this context, we are managing our revenue decrease by maintaining stringent contract selectivity, always prioritizing margins over volumes. As maintenance constitutes an increasingly significant portion of the connectivity market, we are gaining competitive edge, as a leading player in such activities, that demand the capability to ensure swift interventions at the user’s residence, wherever it is located.

Revenue in Technology was 15.6 million euros, down 10.3%. This slight decline was attributed to lower volumes in IT support services. However we anticipate better trends through the rest of the year, particularly with the forthcoming Paris Olympics, which are expected to generate opportunities in payment and IT support activities.

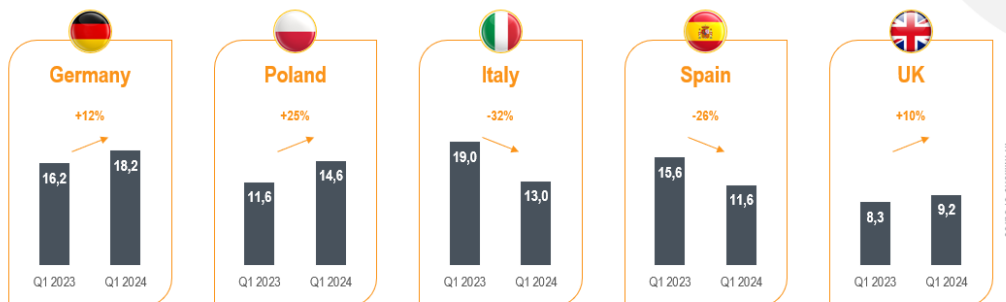
Back to you Jonathan.



## OTHER COUNTRIES 25 % OF Q1 2024 REVENUE



Total revenue: € 66.5m in Q1, down -6.2% but up +3.1% excl. Italy



- **Germany:** growth driven by maintenance activities; Starting in H2 2024, Group will benefit from fiber deployment ramp-up
- Continued successful development in **Poland**
- **Italy:** activity in Connectivity slowed down since Q3 2023; expected to resume at normal pace and with better economic model, at some point in H2
- **Spain:** selectivity in a mature fiber market, focus on margins over volumes
- **UK:** good momentum in Connectivity

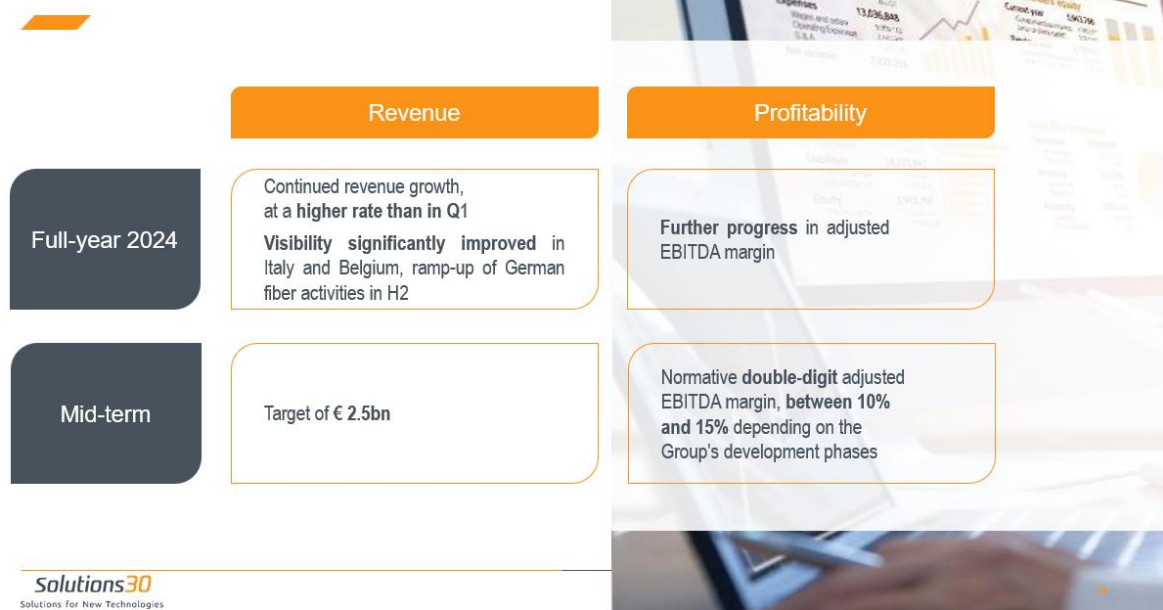
Turning now to other countries. Revenue was 66.5 million in Q1, down 6.2%, but up 3.1% excluding Italy. As mentioned before by Gianbeppi, we have voluntarily reduced our fiber activity in Italy since Q3 last year, due to poor organization and planning from our main client. We are currently negotiating with them, in the framework of legal protection, and these negotiations have clearly moved in the right direction, so that we expect the situation to be resolved, and to be able to resume normal operations, at better conditions, at some point in H2. So this is definitely good news.

Germany, which is now the biggest revenue contributor to the geography, with 18.2 million euros in Q1, delivered solid growth of 12%. This was driven by a high maintenance activity on coax networks. Regarding fiber, you remember that we were awarded major contracts last year. Based on plannings that have been established with our clients, deployment will start ramping-up in the second half of this year and fuelling the growth of the whole geography. The German fiber market has a huge potential and will allow the Group, in the medium term, to benefit from a third pillar, alongside Benelux and France, and to sustain high levels of organic growth.

In Poland, we continue to roll out our business successfully and revenue in the country was up 25% in Q1, at 14.6 million euros. In Spain, where the fiber market is more mature, we are applying the same management principles as in France, that is, managing the revenue decrease (-26% in Q1) by focusing on margins rather than volumes, and developing the more promising energy activities. Lastly in the UK, revenue was up 10% thanks to a good momentum in Connectivity.

With that, I will hand over to Gianbeppi for the outlook.

## OUTLOOK CONFIRMED



Thank you Jonathan and Amaury.

Based on this Q1, we are confirming today our outlook for the full year.

As you have understood from this presentation, visibility has significantly improved in different areas:

- In Italy, where the most favourable scenario is now very likely, meaning that we should be able to resume work in fiber, at much better conditions, at some point in H2;
- In Belgium, where we should be able to minimize the impact of upcoming elections on fiber activities, based on an optimized planning with our clients.
- Lastly in Germany, where fiber deployment will start ramping up and boosting our growth in that geography in H2.

Therefore we expect group revenue to grow over the full year, at a higher rate than in Q1.

Regarding margins, we expect our adjusted EBITDA margin to further improve in 2024, as previously announced.

In the mid-term, we target 2.5 billion euros revenue and a normative adjusted EBITDA margin between 10% and 15%. This is actually a good transition with the next topic: our capital market day.

## SAVE THE DATE



**Solutions30's 2024 Capital Markets Day**

**September 26 in Paris**

Management team will present on the Group's markets, growth opportunities, initiatives in terms of innovation and ESG.  
It will also detail its roadmap and precise its mid-term financial objectives

Venue and detailed agenda to be communicated nearer the date

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We warmly invite investors and analysts to our next Capital Markets Day, which will take place in Paris on September 26.

This event will be an opportunity for the whole Solutions30 management team, to present the Group's markets, our numerous business opportunities, our initiatives in terms of technological innovation and ESG.

We will also detail our roadmap and our mid-term financial guidelines.

Venue and detailed agenda will be communicated later on, but we look forward to seeing you and to discussing with you during this insightful event.

This concludes our presentation; thank you for your attention, and we can now take your questions.



## Solutions30

Solutions for New Technologies

21 rue du Puits Romain  
L-8070 Bertrange, Grand Duchy of  
Luxembourg

[Investor.relations@solutions30.com](mailto:Investor.relations@solutions30.com)

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