Solutions30

Solutions for New Technologies

FINANCE

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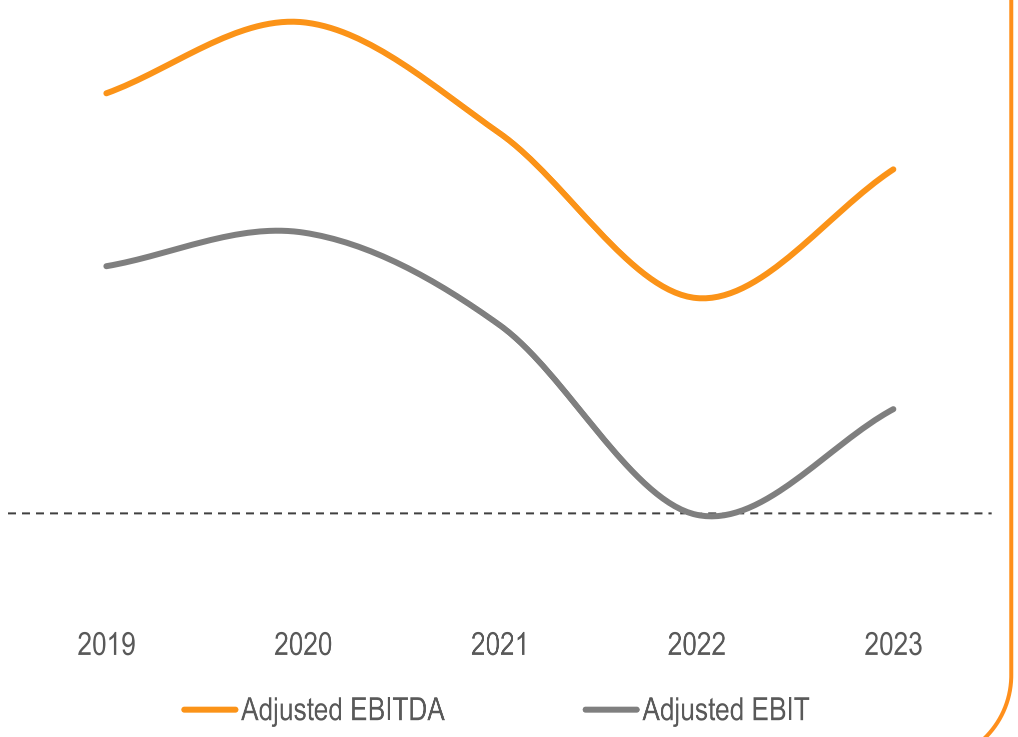
ADJUSTED EBITDA IS OUR KEY INTERNAL METRIC FOR FINANCIAL PERFORMANCE…

Adjusted EBITDA is:

- The most accurate reflection of business performance at contract & activity level
- Used to steer internally and drive turnarounds or performance improvement of acquired companies
- Used for internal reporting and external communication

Strong correlation with Adjusted EBIT



…BUT WE ARE FOCUSED ON IMPROVING ALL PROFITABILITY INDICATORS

€ millions	H1 2024	
Adjusted EBITDA	**37.7**	
IFRS16 lease depreciation	-16.4	Fleet of vehicles, buildings
Other operational depreciation	-10.2	Primarily depreciation of fixed assets (investments in IT platform)
Adjusted EBIT	**11.1**	
Amortisation of intangibles	-7.2	Amortisation of customer relationships of acquired companies No cash impact, no operational reality
Non-recurring items	-2.5	
Financial result	-6.1	Rising interest rates / decreasing gross debt
Corporate taxes	-2.1	
Net income	**-6.5**	
Restated Net income	**-1.0**	Adjusted from Amortisation of intangibles (post tax impact)

THREE CORE PRINCIPLES OF OUR FINANCING POLICY

REINVEST EARNINGS

Reinvesting profits instead of paying dividends, allowing the company to fund its growth efficiently

DEBT FINANCING

Using bank debt to finance external growth

NO DILUTION

Our solid financial position allows us to grow without capital increase

FINANCING OUR OPERATIONS
SEVERAL TOOLS TO FUND RAMP UP EXPENSES DURING LAUNCH PHASE

Financing needs in launch phase:

- ✓ Hiring and training of technicians
- ✓ Buying equipment sets for the technicians
- ✓ Upstaffing support functions (dispatch, call center, logistics, project management,…)
- ✓ WIP (Works performed but not yet invoiced)

Financing toolbox:

Advance payments
from customers, to cover ramp-up expenses

Own cash
to invest in new projects

External financing for CAPEX and M&A

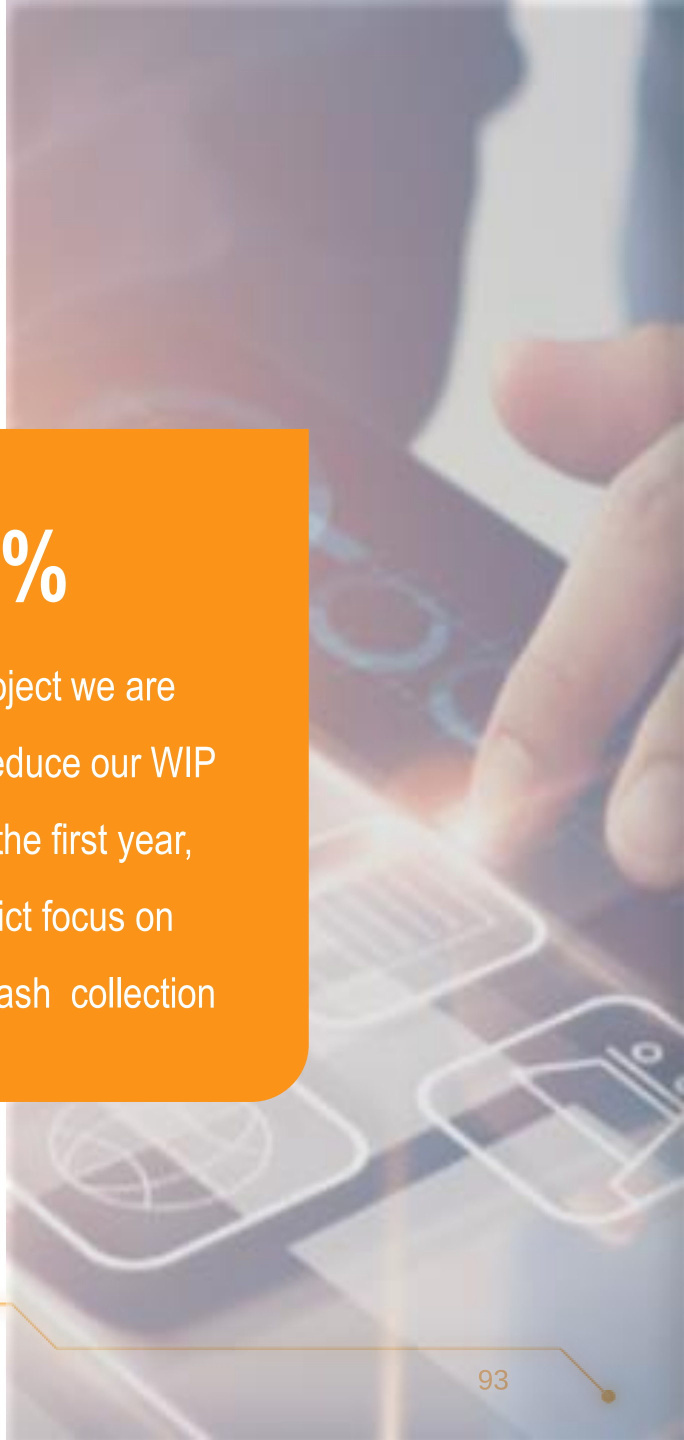
Factoring program
Group deconsolidating scheme, to minimize WC increases

STRICT CONTROL OF WORKING CAPITAL REQUIREMENT
MANAGING OUR WIP

- ✓ Average time between the start of a project and the first invoice send is around **130 days**
- ✓ During this period, **Work In Progress** (WIP) accounts for the following expenses:
  - ✓ Technicians (hiring, training, toolkits,…)
  - ✓ Backoffice
  - ✓ Works performed (design, first digging,…)
- ✓ Actions to **reduce WIP** after the first year:
  - ✓ Put processes in place together with the clients to drive down the time of approval.
  - ✓ Setting up and automation of invoice exchange flows (Going from Mail-Excel exchange to automated interfacing)

70%

On every project we are committed to reduce our WIP by 70% after the first year, thanks to strict focus on invoicing and cash collection



STRICT CONTROL OF WORKING CAPITAL REQUIREMENT
IMPROVING CASH COLLECTION

Working to optimize all key drivers

Customer & contract
- ✓ Payment terms
- ✓ Work approval process
- ✓ Customer credit history

Subcontrators
- ✓ Payment terms
- ✓ Work approval
- ✓ Back-to-Back model

Contract realisation
- ✓ Shorten time of delivery
- ✓ Limit external payments
- ✓ Fast invoicing

Work In Progress
- ✓ Proper WIP calculation
- ✓ Control WIP volume
- ✓ WIP decrease

Materials / stock management
- ✓ Limit inventory
- ✓ Manage purchase prices
- ✓ Control consumption

All employee's awareness
- ✓ Focus on cash
- ✓ Bonus scheme

Identification of key driver → Training of all key employees in a given country → Training in all countries → Detailed cash monitoring per country → Implementation of cash flow monitoring per key contract / customer

LIMITED CASH REQUIREMENT TO FINANCE GROWTH

A business with very low capital-intensity

Strict control of WC requirements

1.5% to 2% of yearly revenue growth

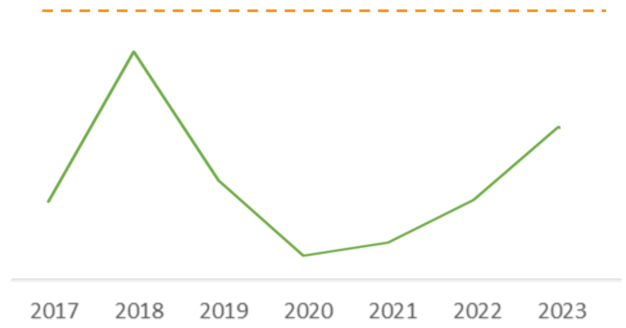
Low CAPEX requirements

c. 1-2% of yearly revenue

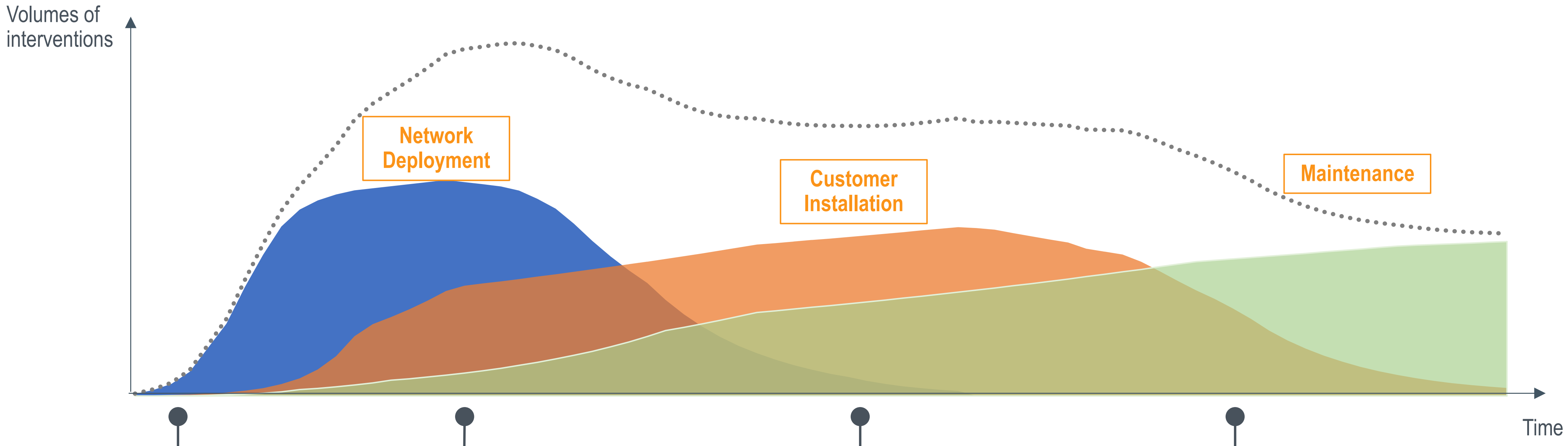
Accretive, disciplined bolt-on acquisitions

Maintaining a robust financial structure

Net Debt/ Adj. EBITDA historically below **2.0x**



FIBER PROJECT



Launch

First 6-12 months: low sales volumes and high start-up costs

Growth

Next 3-5 years: rising volumes and margins

Maturity

For 5-10 years: optimal production and sales

Decline

Next 5-10 years: declining volumes of customers installation but increasing maintenance activities

BOLT-ON ACQUISITIONS

Amaury Boilot

Group Secretary General

M&A TRACK RECORD

>30

Bolt-on acquisitions made across Europe

3-6x EBITDA

Range of multiples paid

~ €350m

Cumulative revenue acquired*

ACCESS TO CLIENTS / MARKET SHARE

SIRTEL gærtner BRABAMIJ

GEOGRAPHICAL EXPANSION

mono ELEC ENR

INCREASE DENSITY

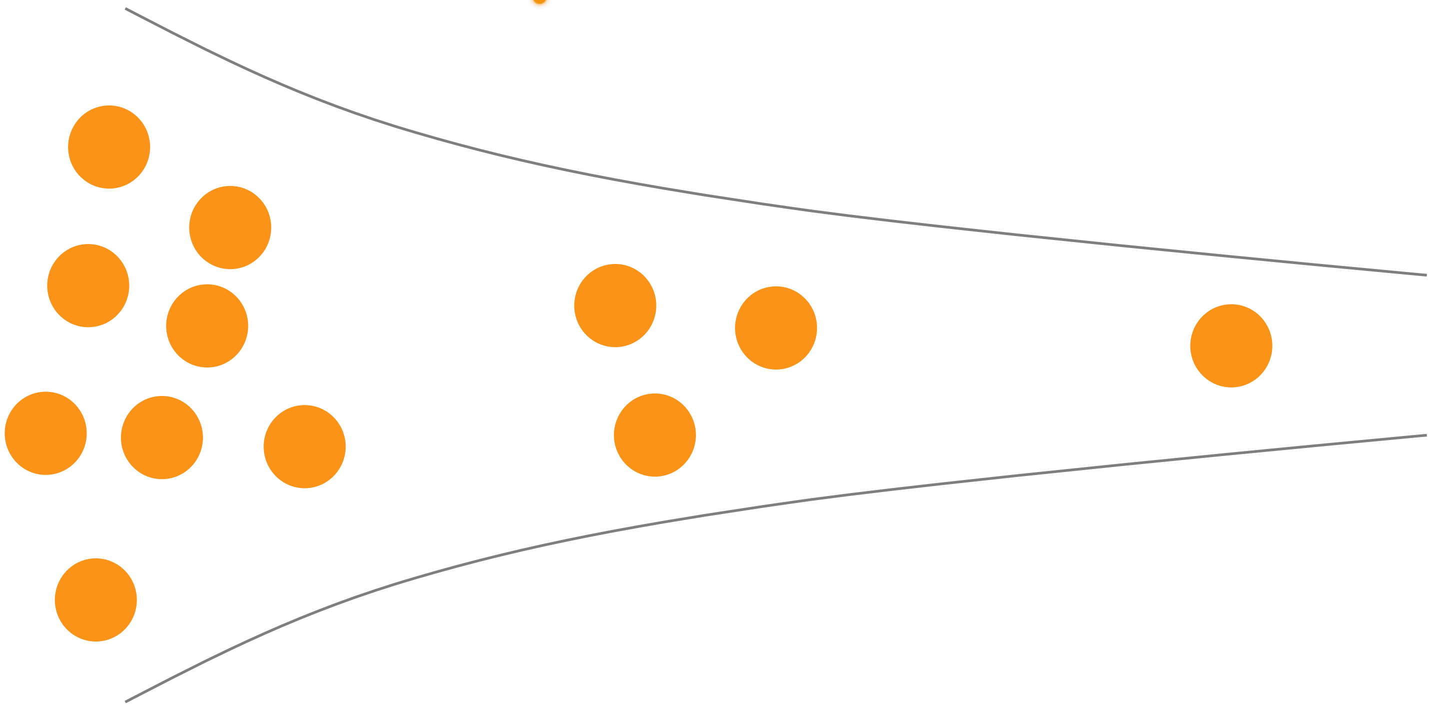
ELEC ENR gærtner mono

ABILITY TO IMPROVE PROFITABILITY

All targets

*at time of acquisition. After acquisition, S30 is regularly able to extend/expand key contracts leading to additional revenue.

PROVEN METHODOLOGY FOR STRATEGIC TARGET SELECTION



OUR M&A TARGET EVALUATION CRITERIA

Interest in the customer portfolio	Management
Quality of operations	Differentiating technology
Scope of the service offer	Growth potential
Strategic interest of the sector	Ease of integration
Interest of geography	Price / Value for money

Permanent screening of potential targets in our strategic markets

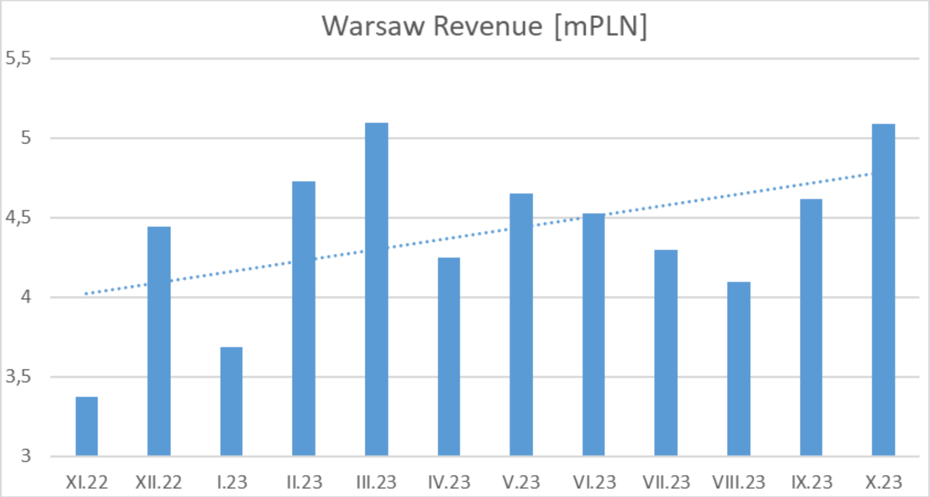
Selective due diligence process

Acquisition and seamless integration

Solutions 30 operates in a highly fragmented market and implements a low-risk, low-cost bolt-on acquisition strategy

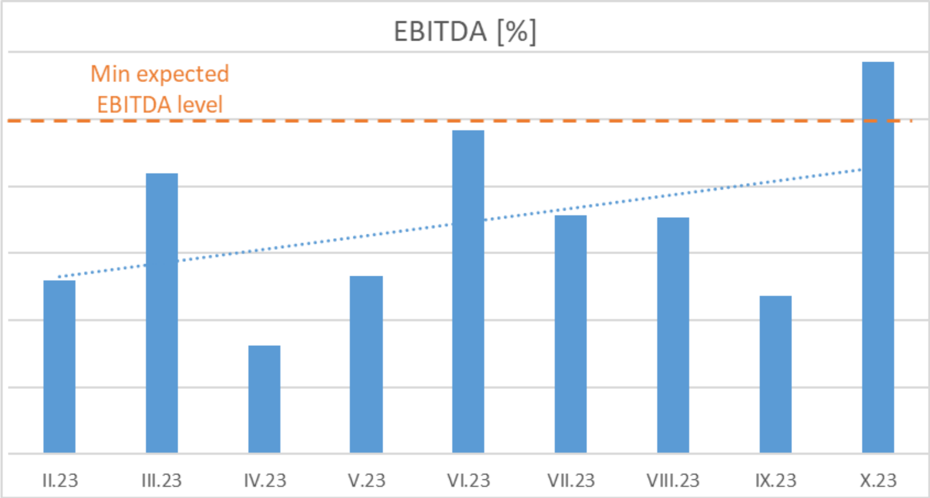
CASE STUDY #1
OUTSOURCING OF ORANGE POLAND'S ACTIVITIES IN THE WARSAW REGION (PL)

End of 2022, Orange Poland decided to outsource part of its operations to S30



Strengthening customer relations

- ✓ New contracts for 5 years
- ✓ Copper decommissioning extension



A successful turnaround

- ✓ 340 temporary employees insourced
- ✓ Significant increase of FTTH installations volume
- ✓ Maintenance productivity increase

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CASE STUDY #2
ACQUISITION OF ELEC ENR (FR)

From an organization with recognized expertise and under-tapped potential to a strategic asset for the development of our ENR business

STRENGTHS

- ✓ A well-established reputation in eastern France
- ✓ Strong technical skills
- ✓ Complementarity with existing S30 activities
- ✓ Good employee involvement
- ✓ Quick-win solutions identified

WEAKNESSES

- ✓ A company with regional dimension
- ✓ High cost of support functions
- ✓ Poor financial management
- ✓ Inconsistent remuneration model with no incentive mechanism
- ✓ Utilization of too many temporary (expensive) workers

RESULTS

- **Several reference contracts won** (ex: largest floating solar farm in Europe…)
- **Revenues more than doubled in 1 year**
- **EBITDA margin in line with Group level**
- **Successful establishment in northern France, which now accounts for over 50% of the national sales pipeline in solar**

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STRATEGIC M&A PRIORITIES
CHARTING OUR PATH FOR FUTURE GROWTH

FOCUS ON STRATEGIC MARKETS

- ✓ Energy in France and Benelux
- ✓ Connectivity in Germany and UK

CONTINUATION OF BOLT-ON ACQUISITION STRATEGY

- ✓ Low-risk integration
- ✓ Quick ROI

VALUE CREATION & SUSTAINABLE GROWTH

FOCUS ON ACTIVITIES WITH LONG-TERM POTENTIAL

- ✓ Maintenance
- ✓ Consolidation of market share with strategic customers

MAINTAINING A LOW DEBT-TO-EBITDA RATIO

- ✓ Historically below 2x