

Solutions30

Solutions for New Technologies

HY RESULTS 2024

18 SEPTEMBER 2024



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TODAY'S PRESENTERS



Gianbeppi Fortis
Chief Executive Officer



Amaury Boilot
Group General Secretary



Jonathan Crauwels
Chief Financial Officer



H1 2024 KEY HIGHLIGHTS

Gianbeppi Fortis, CEO

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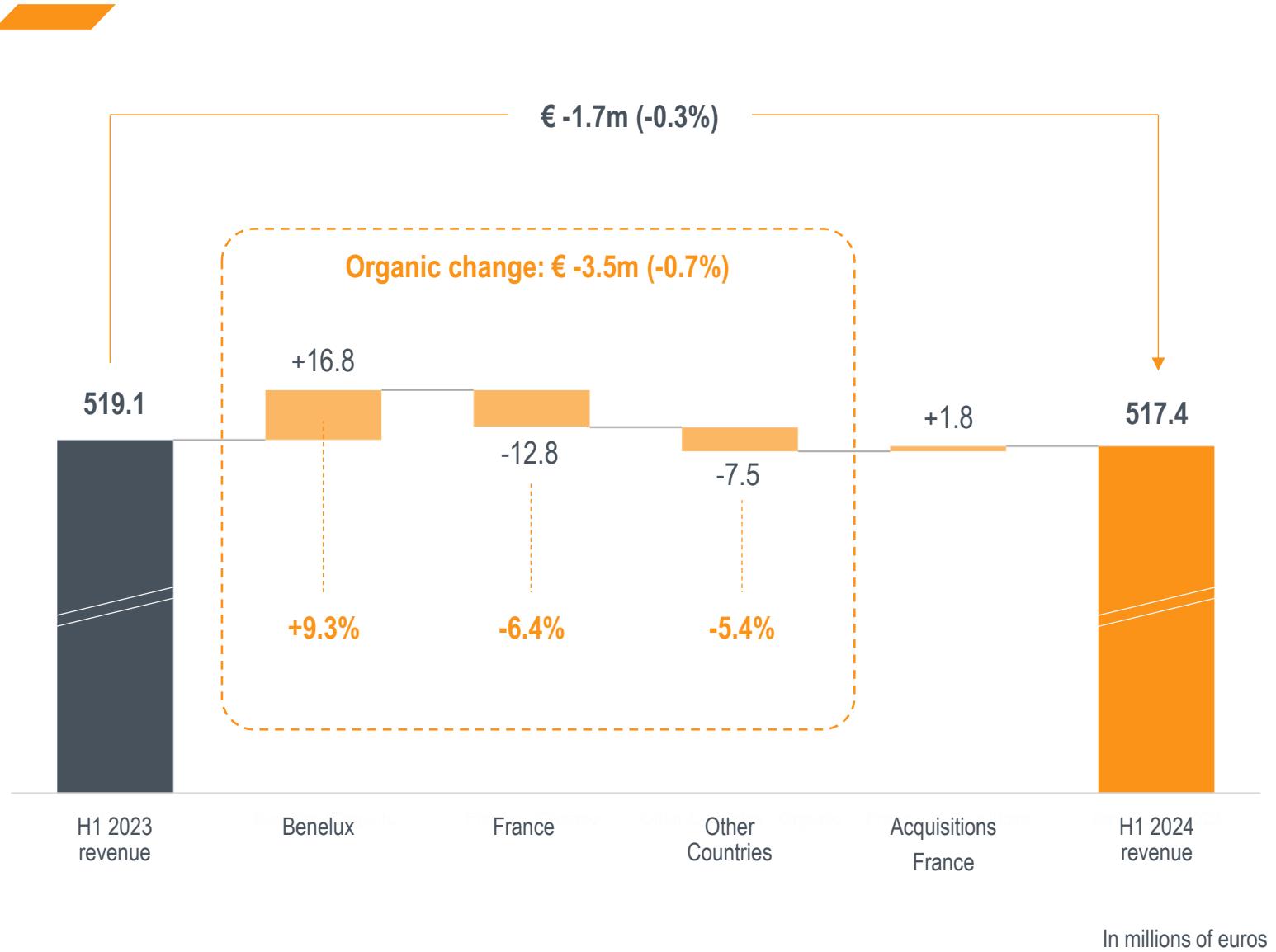
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H1 2024 HIGHLIGHTS

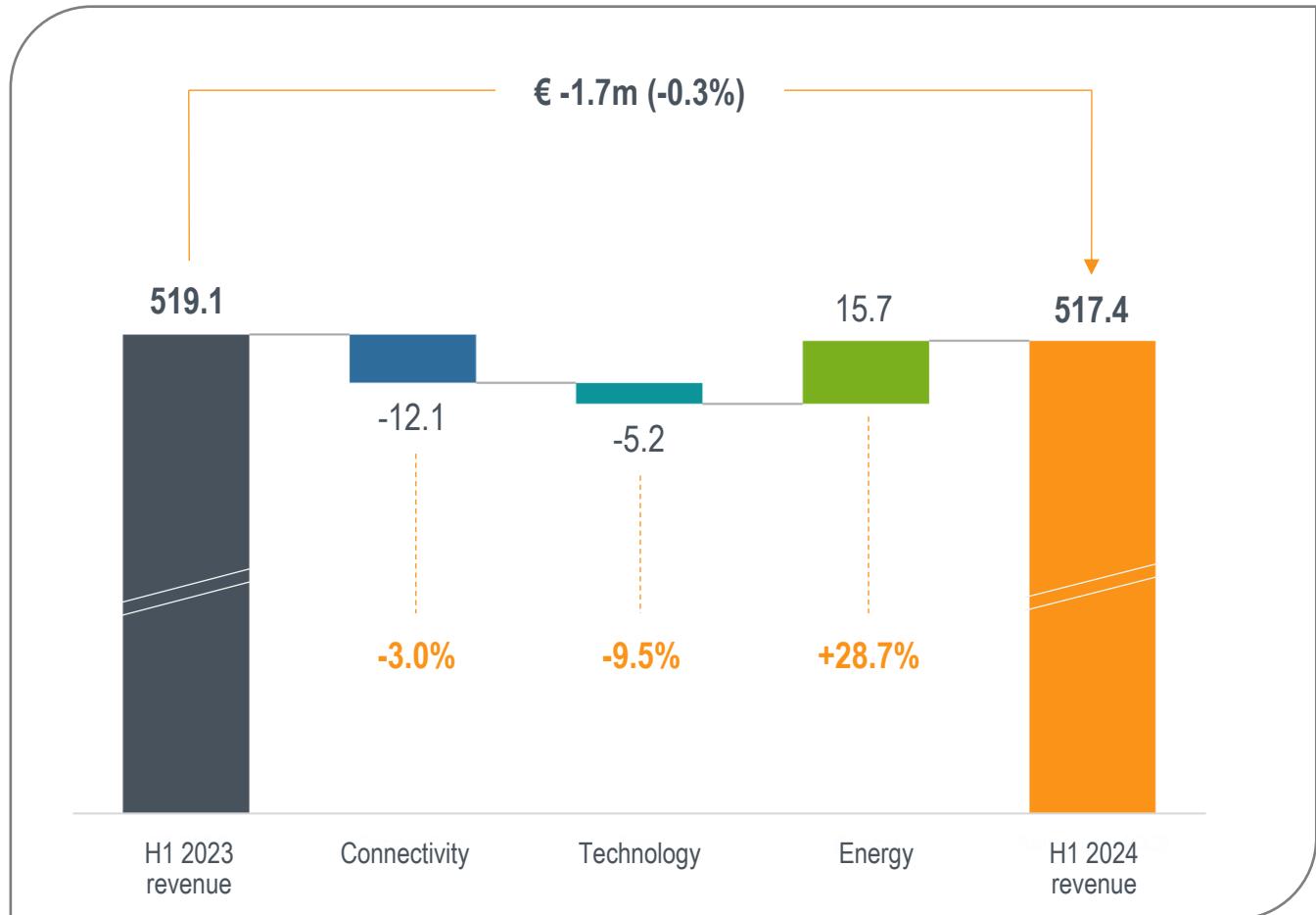


- **Marked improvement in all profitability KPIs with broadly stable revenue in H1**
 - Revenue at €517.4m in H1 2024 (-0.3%)
 - Adjusted EBITDA at €37.7 m up +37.4% year-on-year, with progress in all 3 geographies
 - Adjusted EBITDA margin: 7.3%, up +200 bps
 - €8.5 m improvement in Net Income Group Share, to €-5.9 m
- **Positive evolution in operational cash generation**
 - Good cash conversion of Adjusted EBITDA and well-controlled WC
 - Free Cash Flow at € -6.3m, improved by €26.1 m compared to H1 2023 (€-32.4 m)
 - Sound financial structure to support growth: 1.3x Net debt / adjusted EBITDA at end June 2024
- **Full-year outlook confirmed**
 - Prioritizing margins in currently contrasted market dynamics

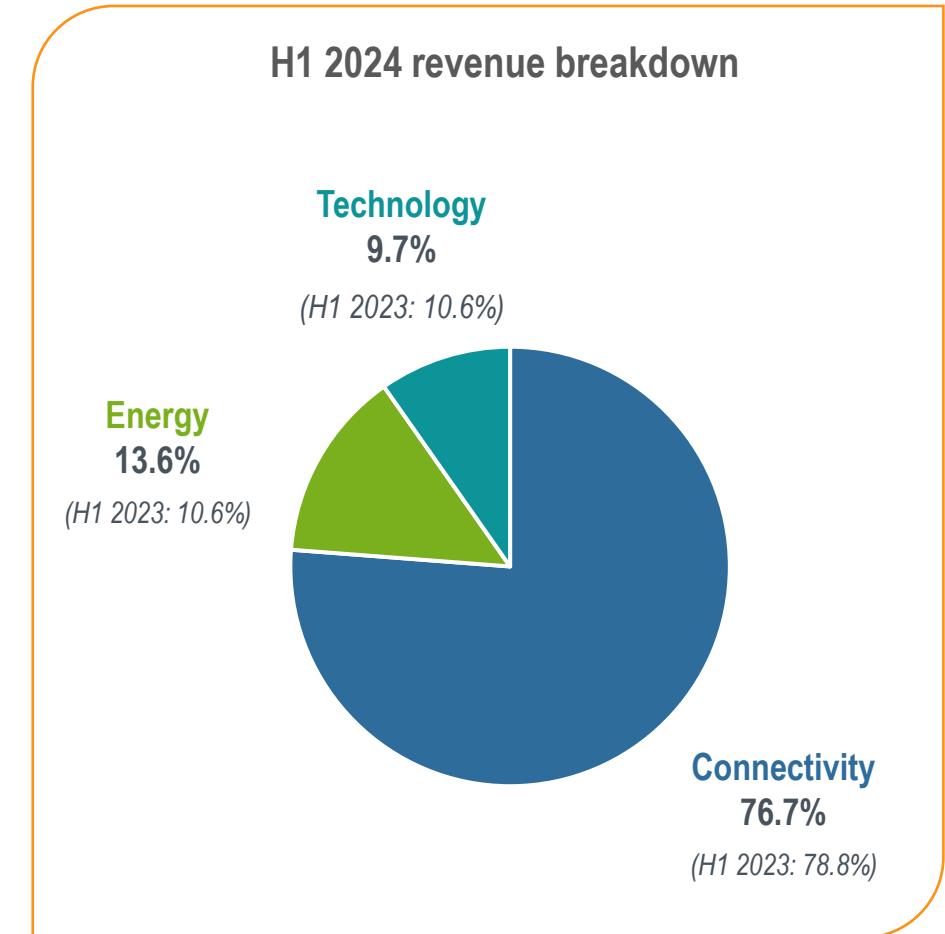
REVENUE BROADLY STABLE IN H1 2024



CONTINUED DIVERSIFICATION IN ENERGY ACTIVITIES



In millions of euros



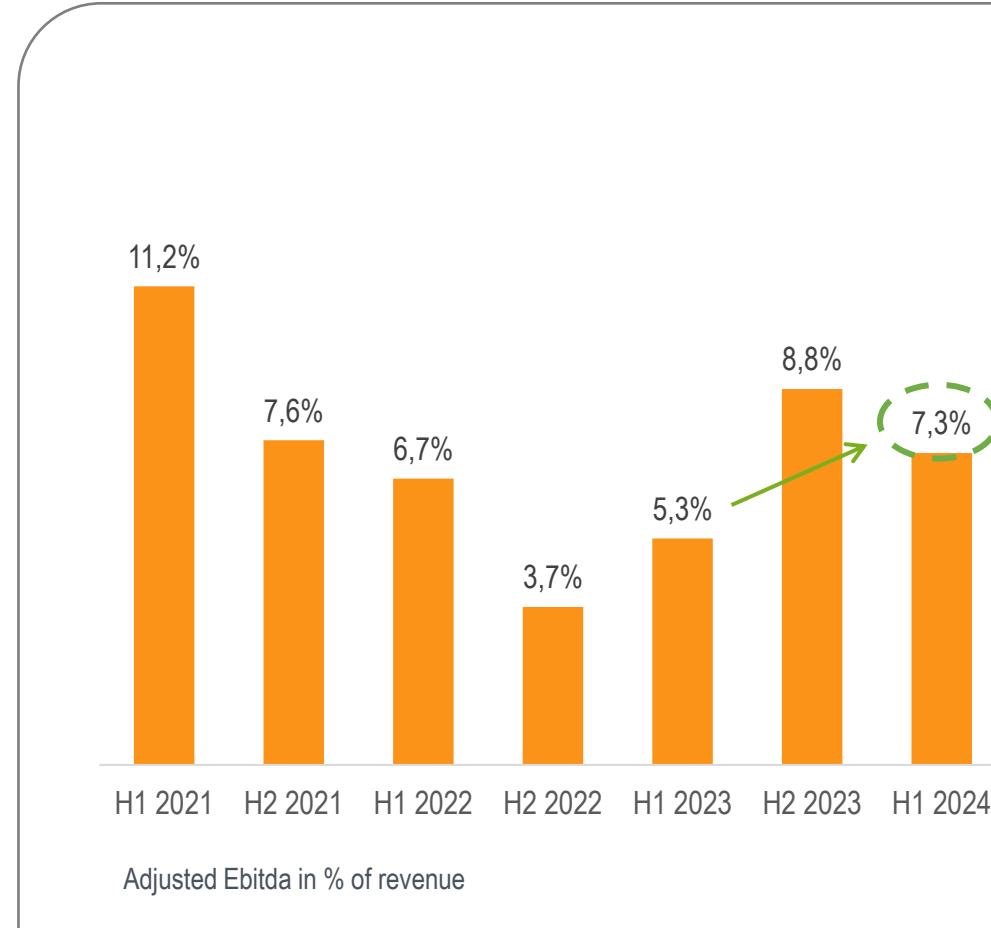
MARKED IMPROVEMENT IN ADJUSTED EBITDA MARGIN COMPARED TO H1 2023

€ 37.7m
H1 2024 Adjusted EBITDA

+37.4%
vs. H1 2023

7.3%
H1 2024 Adjusted EBITDA margin

+200 bps
vs. H1 2023



- **France:** transformation plan bearing fruit, selectivity, growth in Energy
- **Benelux:** impacted by delays in fiber activities
- **Other countries:** Germany margin-relative for the Group; significant improvement in Italy

H1 2024 FINANCIAL RESULTS

Jonathan Crauwels, CFO

Amaury Boilot, Group General Secretary

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INCOME STATEMENT HIGHLIGHTS

MARKED IMPROVEMENT IN ALL PROFITABILITY KPIs

€ millions	H1 2024	H1 2023	Change 24/23
Revenue	517.4	519.1	-0.3%
Operational costs	431.4	444.4	-2.9%
As % of turnover	83.4%	85.6%	
Central org. costs	48.4	47.2	2.5%
As % of turnover	9.4%	9.1%	
Adjusted EBITDA ⁽¹⁾	37.7	27.5	37.4%
As % of revenue	7.3%	5.3%	
Operational depreciation	-26.6	-22.5	18.2%
As % of revenue	-5.1%	-4.3%	
Adjusted EBIT ⁽¹⁾	11.1	5.0	124.4%
As % of revenue	2.1%	1.0%	

(1) Correction of elements considered by the company as being exceptional or non-recurring to provide a better reading of operational performance

Adjusted EBITDA: Earnings before interest, taxes, depreciation, and amortization, as well as non-recurring income and expenses

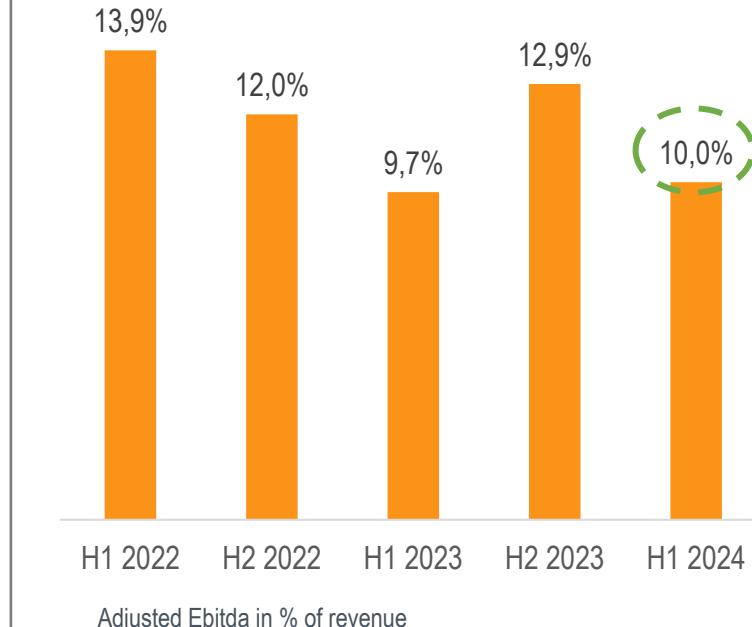
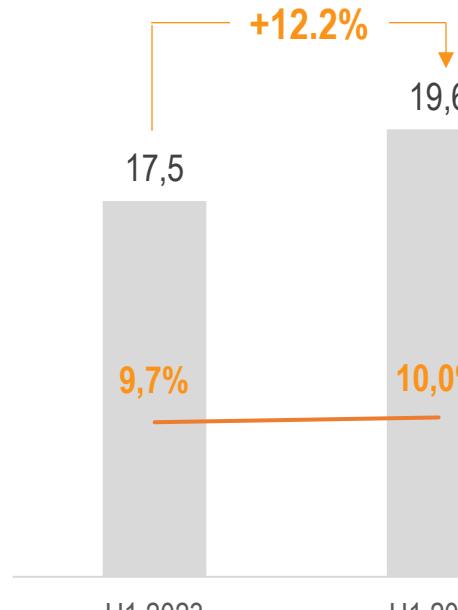
Adjusted EBIT: Operating income before amortization of customer relationships, and non-recurring income and expenses.



ADJUSTED EBITDA – BENELUX IMPACTED BY DELAYS IN FIBER RAMP-UP



Adjusted EBITDA



- Margin remained double-digit in H1 despite impacts from delays in fiber, starting in Q2
- Temporary situation due to ongoing negotiations between Belgian fiber clients on possible streamlining of deployment operations
- Expected to weigh on margins in H2 and over the full year, while market fundamentals remain very good.

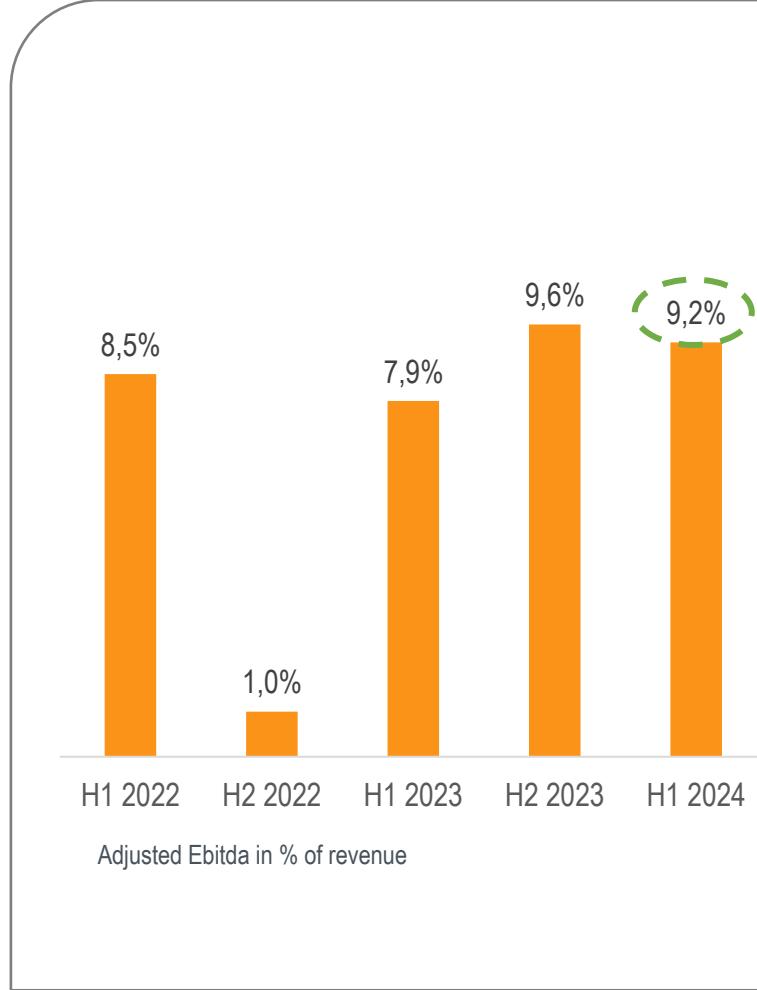
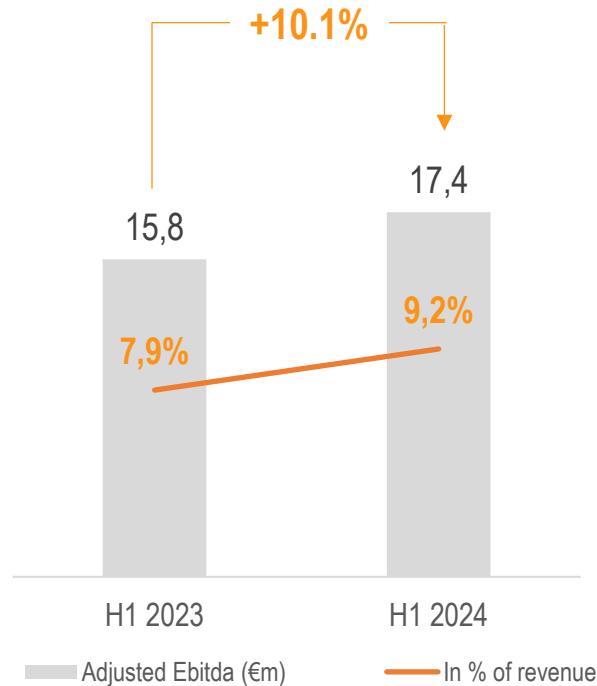
In millions of euros

ADJUSTED EBITDA – FRANCE

CONFIRMED RETURN TO HIGH PROFITABILITY LEVEL



Adjusted EBITDA

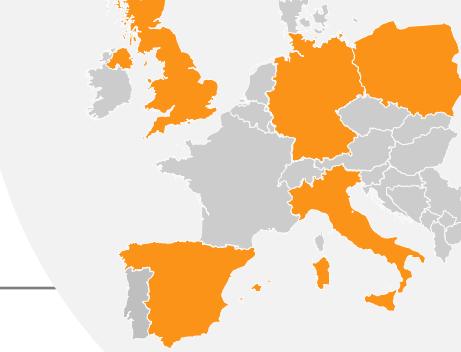


- Transformation plan launched in 2022 bearing fruit
- Integration of Scopelec's activities finalized (initiated in Q1 2023, with costs associated)
- Positive margin impact from continued expansion in Energy activities
- Selectivity measures implemented in Connectivity

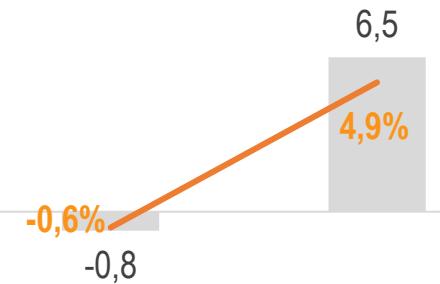
In millions of euros

ADJUSTED EBITDA – OTHER COUNTRIES

POSITIVE TREND DRIVEN BY GERMANY



Adjusted EBITDA

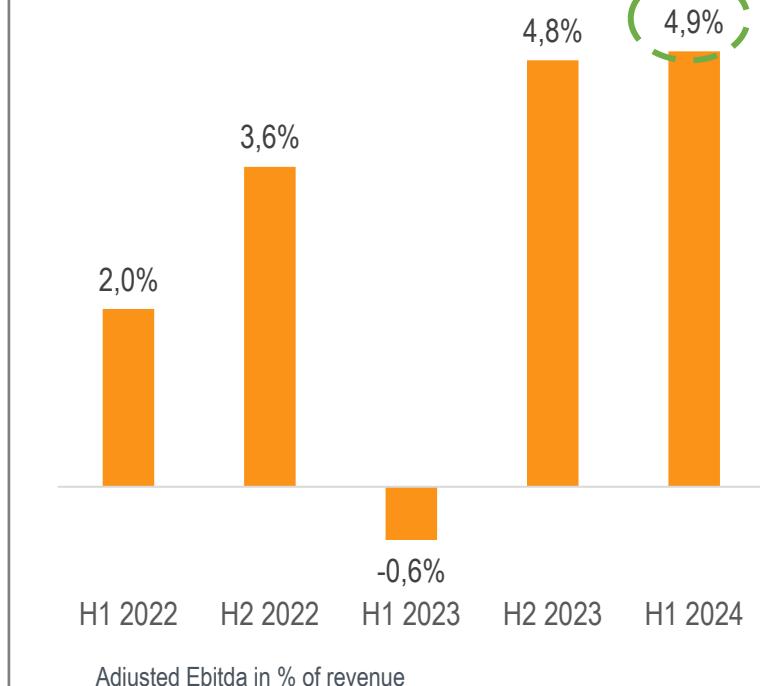


H1 2023

H1 2024

Adjusted Ebitda (€m)

In % of revenue



Adjusted Ebitda in % of revenue

- Germany already margin-enhancing for the Group, reflecting excellent market fundamentals and Solutions30's good positioning
- Margin in Italy significantly improved. Normal activity resuming in Q3 at better conditions
- Satisfactory profitability level in Poland
- Selectivity measures in Spain and UK where margins remain below Group's normative levels

In millions of euros

NET INCOME GROUP SHARE

SIGNIFICANT IMPROVEMENT COMPARED TO H1 2023

€ millions	H1 2024	H1 2023	Change 24/23
Adjusted EBIT	11.1	5.0	124.4%
Amortisation of intangibles	-7.2	-7.1	1.7%
Non-recurring items	-2.5	-4.3	-40.4%
Financial result	-6.1	-2.9	108.8%
Corporate taxes	-2.1	-1.3	61.1%
Consolidated net income	-6.5	-10.6	n.a.
As % of revenue	-1.3%	-2.0%	
Net income (group share)	-5.9	-14.4	n.a.

Amortisation of intangibles

- Accounting charge linked to past acquisitions, with no cash impact and not related to tangible assets

Financial result:

- Interest expense (excluding IFRS 16 leases): €7.7m, up compared to €4.7m in H1 2023 due to higher interest rates

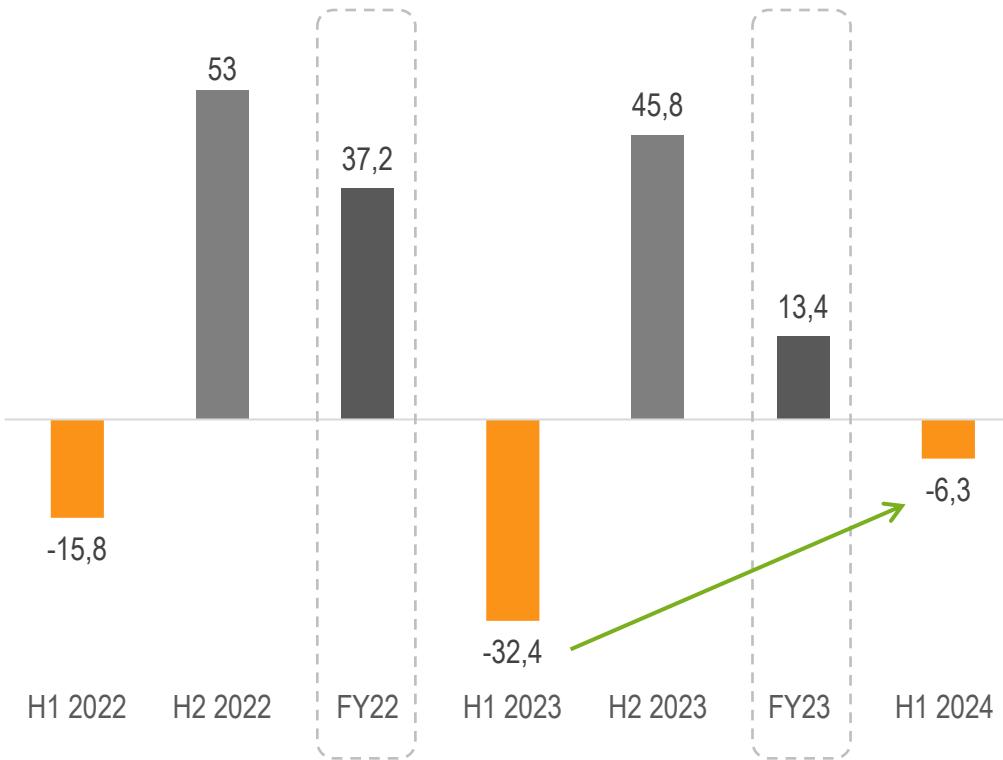
Non-recurring items:

- Non-recurring expense includes €4.3m restructuring charges mainly pertaining to France and UK

In millions of euros

STRONG IMPROVEMENT IN FREE CASH FLOW COMPARED TO H1 2023

Group Free Cash Flow in €m:

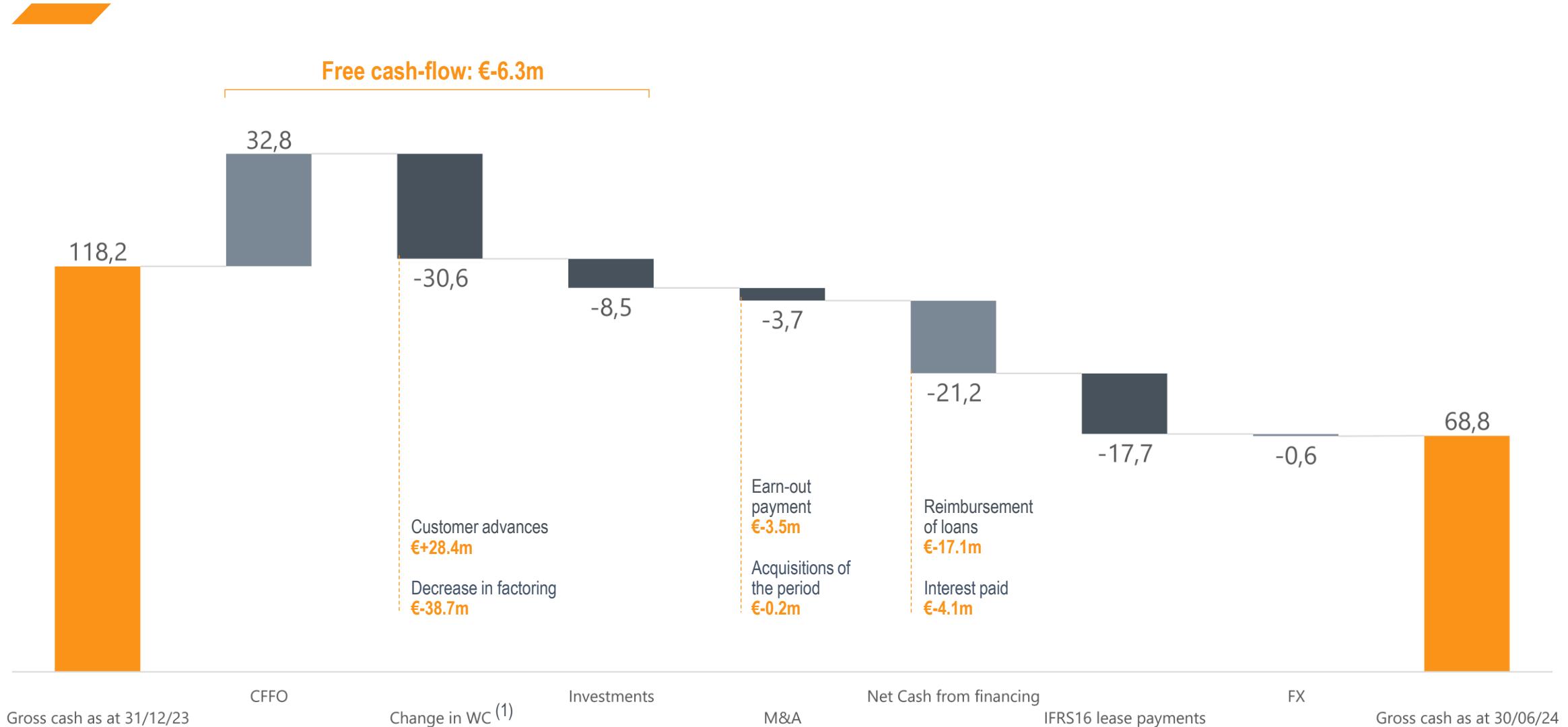


€ millions	H1 2024	H1 2023
Cash Flow From Operations	32.8	22.8
Change in WC	-30.6	-44.8
Capex	-8.5	-10.5
Free Cash Flow¹	-6.3	-32.4

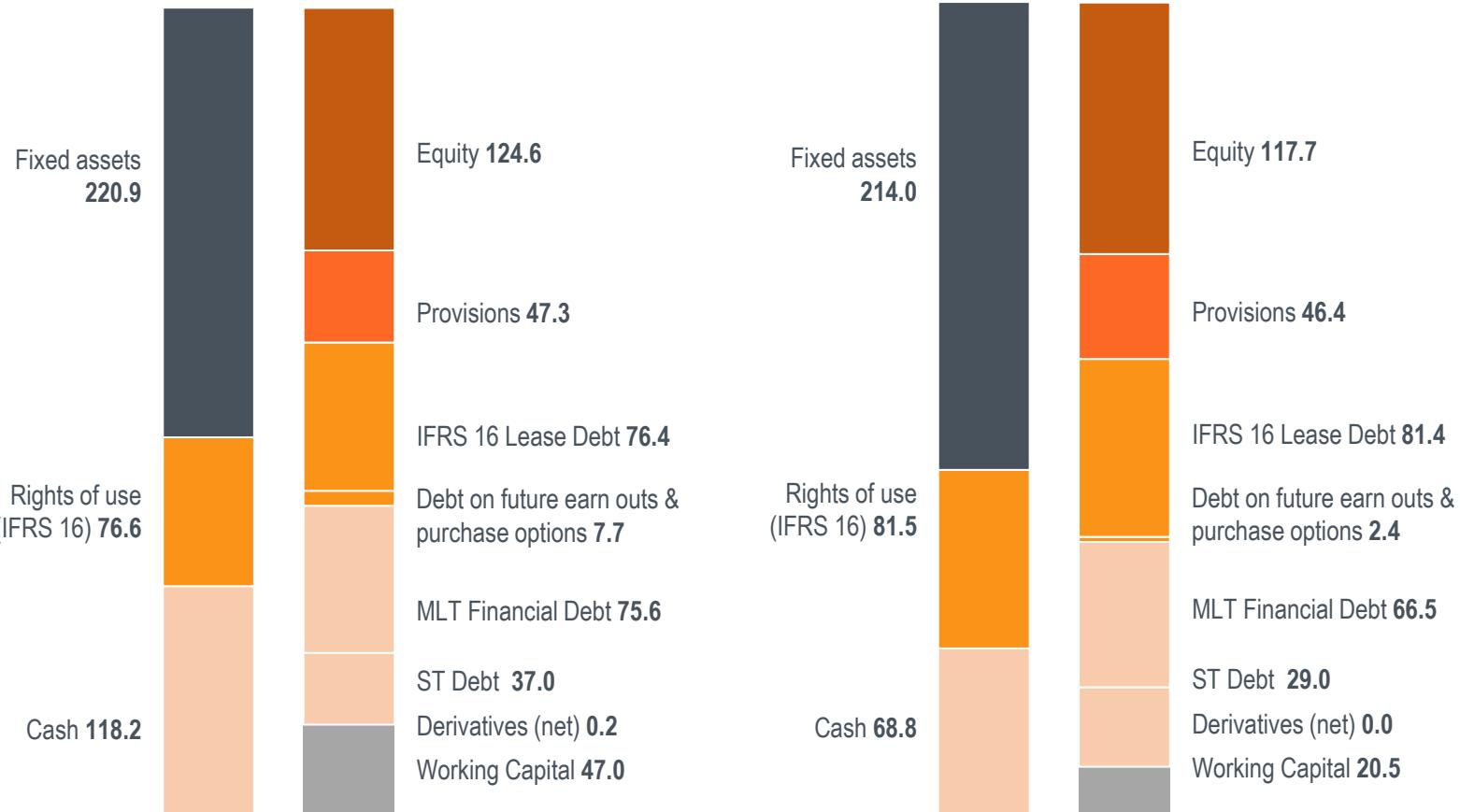
- CFFO strongly up by **+44%** yoy reflecting increase in adjusted EBITDA and good cash conversion
- Seasonal increase in WC more limited than in H1 2023 despite lower factoring, thanks to customer advance payments and positive impact from Germany
- Capex at **1.6%** of revenue in line with normative level

1. Excluding IFRS16 lease payments

H1 2024 CASH GENERATION



A SOLID FINANCIAL STRUCTURE TO SUPPORT GROWTH



Balance Sheet as of Dec. 2023

Outstanding position of receivables sold to the factor: €109.2m

Balance Sheet as of Jun. 2024

Outstanding position of receivables sold to the factor: €70.5m

€26.7m

Net bank debt at end June 2024
(excluding IFRS 16 lease debt)

vs.

€(5.7)m at end Dec. 2023
€10.3m at end June 2023

1.3x

IFRS net debt/
LTM Adjusted EBITDA

vs.

1.1x at end Dec. 2023
1.7x at end June 2023

OUTLOOK

Gianbeppi Fortis, CEO

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FULL-YEAR OUTLOOK CONFIRMED

BENELUX

- Ramp-up of fiber activities to remain slowed down in H2 by current wait-and-see attitude from operators, weighting on margins in H2 and over the full year
- Temporary impacts in this geography where fundamentals remain very good

FRANCE

- Selectivity measures taken in Q2 to translate into further revenue decline in Connectivity in H2, but will benefit margins
- Continued diversification through sustained growth in Energy

OTHER COUNTRIES

- Continued strong growth in Germany, with positive impact on margins
- Normal activity resuming in Italy at better economic conditions
- Spain to decline further due to selectivity measures taken in Q2



Solutions30 expects, for the whole of 2024:

- A **slight decrease** in revenue
- An **improvement** in Group adjusted EBITDA margin
- An **increase** in Group adjusted EBITDA



NEXT EVENT



2024 Capital Markets Day

Solutions30's 2026 Roadmap

September 26 in Paris

If you wish to participate, please contact investor.relations@solutions30.com



- 26 September 2024: Capital Markets Day in Paris
- 4 November 2024: Q3 Revenue

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Q&A



PLEASE TYPE IN YOUR QUESTION
BY USING THE BUTTON ON THE READER



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Solutions for New Technologies

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

Investor.relations@solutions30.com

Solutions 30 is listed on Euronext
Paris
Mnemo: S30

www.solutions30.com

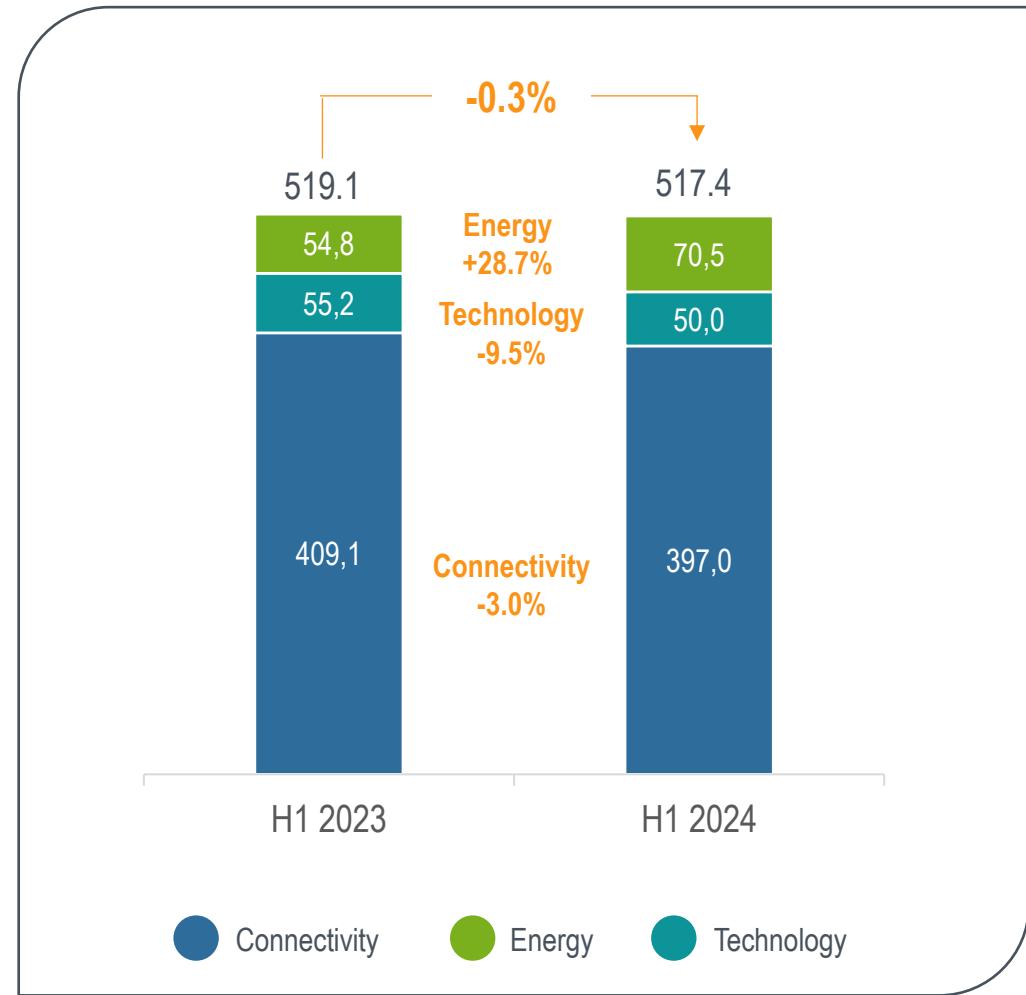
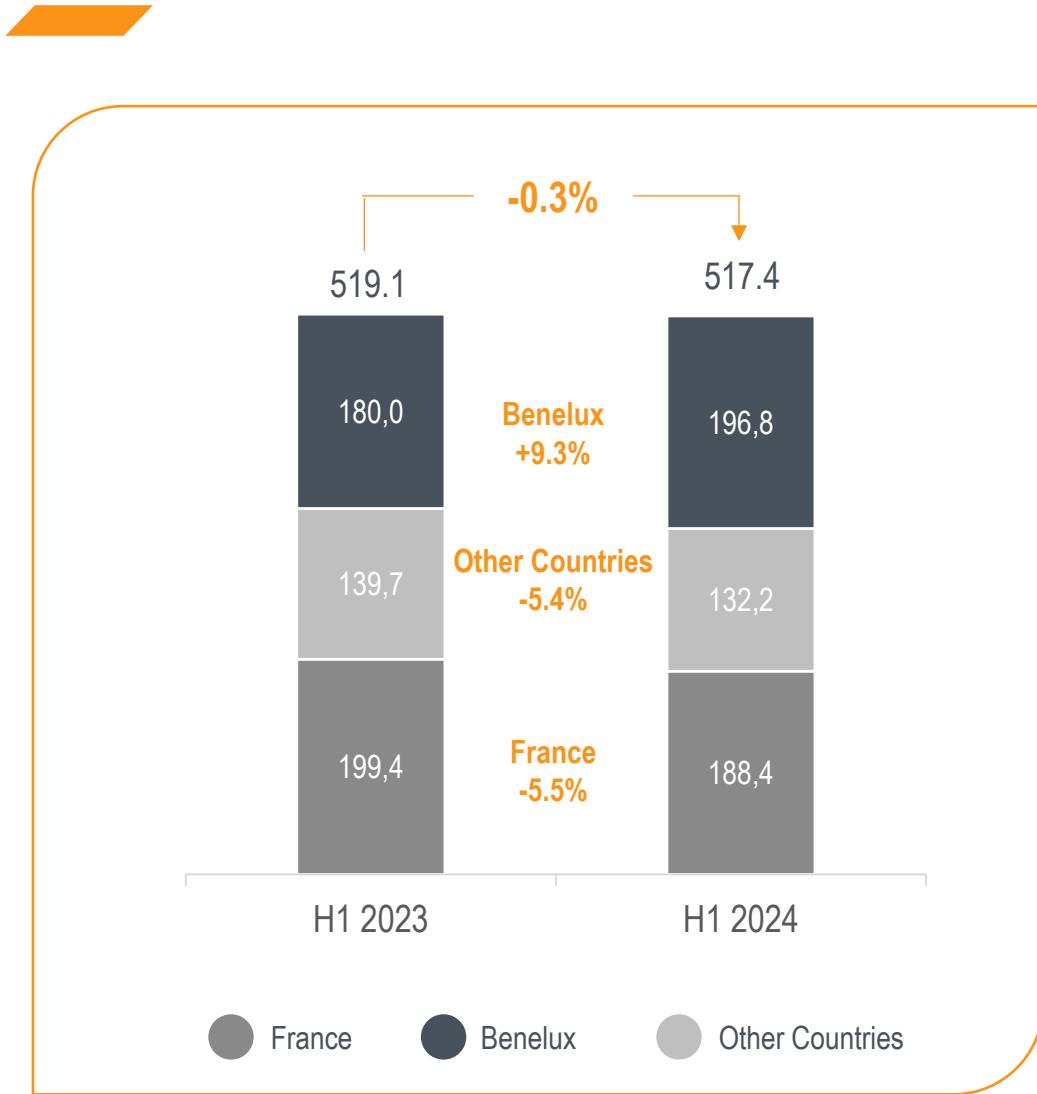
Appendix

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H1 REVENUE BY GEOGRAPHY AND BY ACTIVITY



In millions of euros