



# H1 2020 RESULTS

Webcast - 24 September 2020

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# HIGHLY RESILIENT FINANCIAL RESULTS

STRENGTHENING OUR BUSINESS MODEL  
WHILE THE DIGITAL TRANSFORMATION IS  
ACCELERATING

**Solutions30**

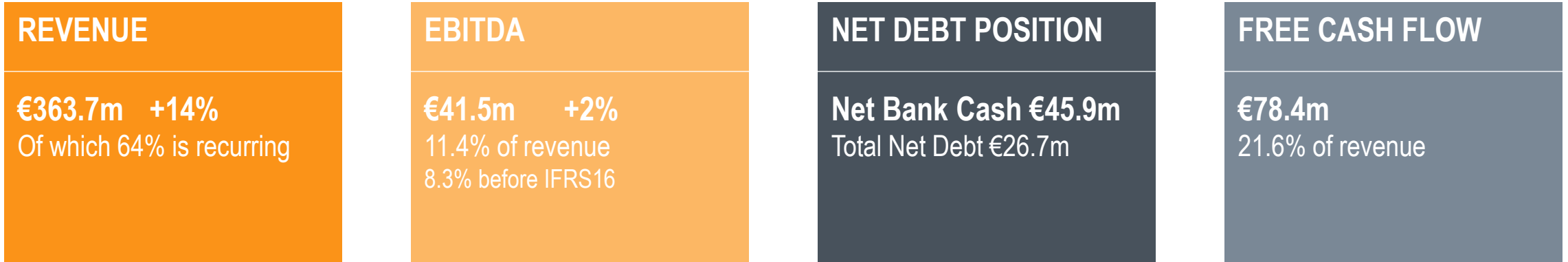
Solutions for New Technologies

# STRONG RESILIENCE OF OUR BUSINESS MODEL AND MARKETS

- **Continued implementation of the company's improvement processes**
  - Reporting under IFRS and improved financial communication
  - Transfer to Euronext Paris and integration of SBF120
  - Renewed ESG strategy under implementation
- **Double-digit growth balanced between organic and external**
  - Recurring maintenance activities supported our resilience
  - Volumes dropped by 35% in April but started to gradually go back to normal in May
  - New customers won in all business segments and 5G Key successes
- **Pre-covid trends emerge stronger**
  - June sets new highs and Q3 remains strong
  - FTTH and smart-meters deployments should accelerate in most European countries
  - EV sales are accelerating
  - Strong sales and M&A pipe



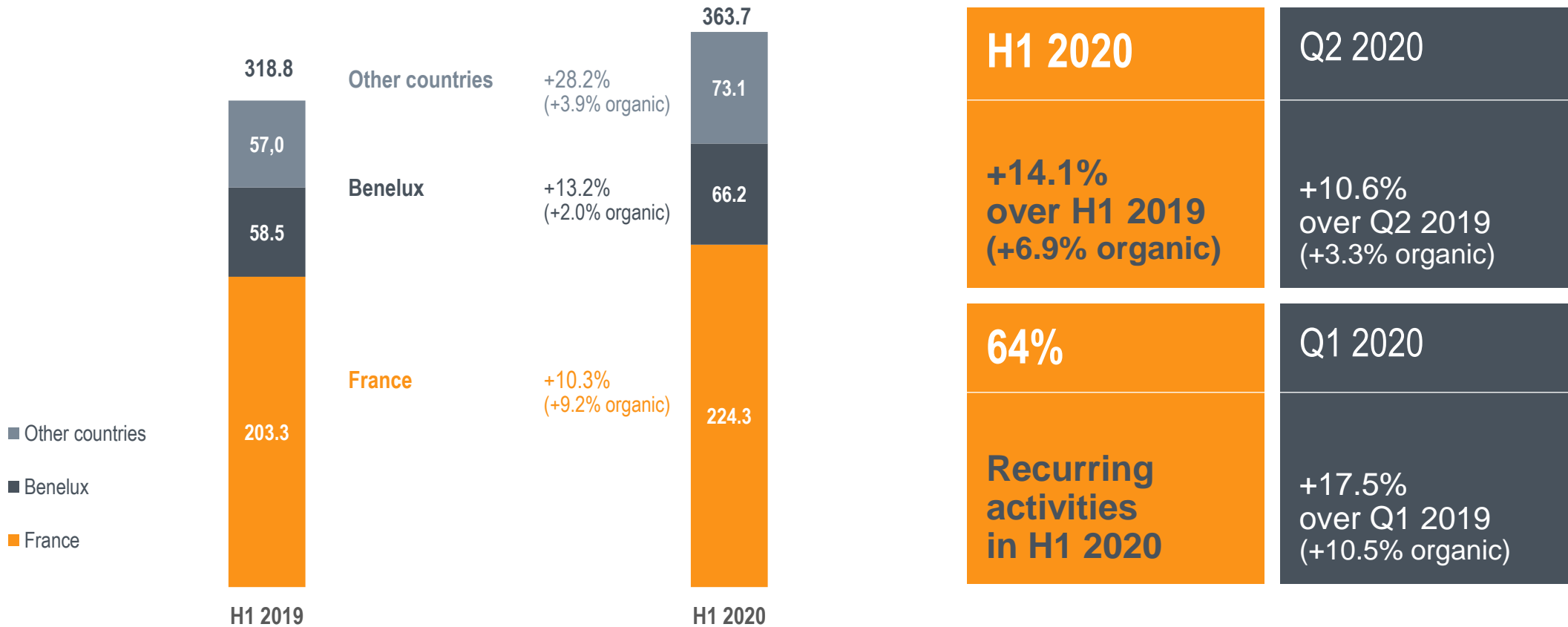
# CONFIRMATION OF OUR BUSINESS MODEL AGILITY



- Highly resilient operational performance despite an unprecedented crisis
  - Service continuity in critical activities during the lockdown with fast recovery as early as mid-May, resulting in double-digit growth for H1 2020
  - Our flexible cost base enabled us to react quickly and to restart faster than competition
- Rigorous cash management, consolidation of our financial position
  - Instructions given to protect our cash and stop all expenses implemented immediately throughout all countries
  - Cost savings and temporary unemployment measures
  - Support from our customers with accelerated payments

➔ **Strengthening of our fundamentals and competitive position**

# THE RECURRING BASIS OF OUR REVENUE HAS BEEN A SHOCK ABSORBER DURING LOCK-DOWN



In millions of euros

# ADJUSTED EBITDA MARGIN OF 11.4%

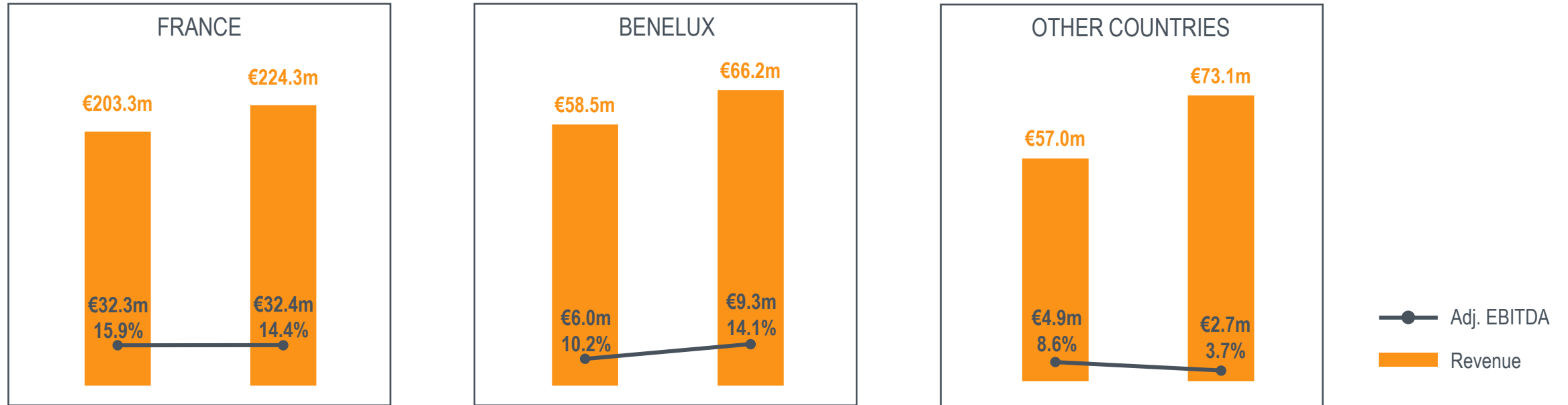
€ millions	HY 2020	HY 2019	Change
Revenue	363.7	318.8	+14%
Operational costs	284.2	249.3	+14%
<i>As % of turnover</i>	78.2%	78.2%	
Central org. costs	37.9	28.9	+31%
<i>As % of turnover</i>	10.4%	9,1%	
Adjusted EBITDA <sup>(1)</sup>	41.5	40.6	+2%
<i>As % of revenue</i>	11.4%	12.7%	
Operational depreciation	-19.7	-16.1	+23%
<i>As % of revenue</i>	-5.4%	-5.0%	
Adjusted EBIT <sup>(1)</sup>	21.8	24.5	-11%
<i>As % of revenue</i>	6.0%	7.7%	

- **Continued cost control**
  - Favourable impact of temporary unemployment measures
  - Adjustment of outsourcing resources, with optimised balance between direct personnel and subcontractors
- **Limited impact of the Covid situation on profitability**
  - 1.3 pp vs. HY2019

(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, including customer relationships, and non-recurring income and expenses.

In millions of euros

# ADJUSTED EBITDA PER GEOGRAPHY



- Overall impact of lockdowns limited to 1.3 pp on EBITDA margins but margins below normative levels in all countries
- Impact in France limited to 1.5 pp despite sudden drop in activity during the 2-month lockdown
- Favourable base effect in Benelux due to the learning curve of Unit-T (major contract won in July 2018)
- Conjunction of negative effects in other countries
  - Italy and Spain severely hit by the lockdown
  - Germany margins sub optimal because critical size is not reached yet
  - Start-up effect in Poland



# NET INCOME (GROUP SHARE) OF 2.9%

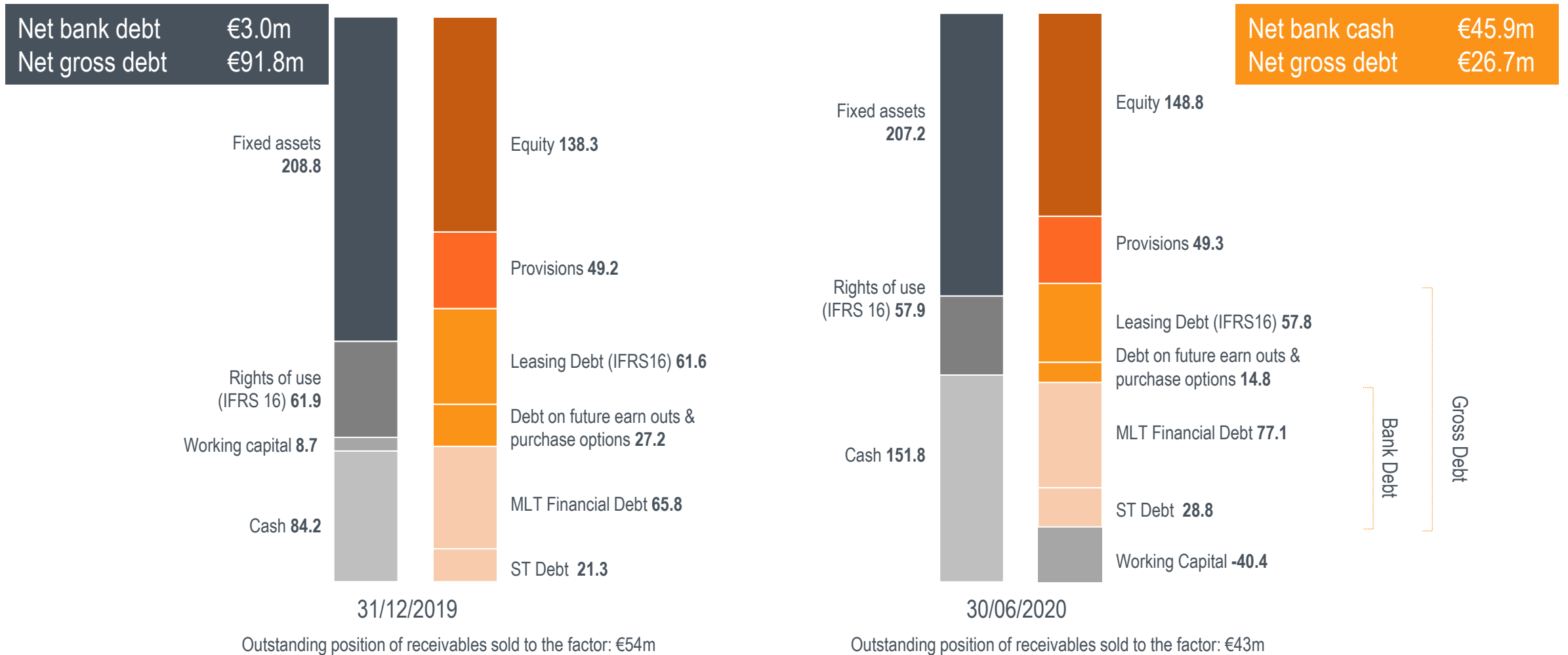
€ millions	HY 2020	HY 2019	Change
Adjusted EBIT	21.8	24.5	-11%
Amortisation of intangibles <sup>(1)</sup>	-5.7	-4.7	+21%
Financial result	-2.0	-1.0	+100%
Non-recurring items	0.3	0.0	
Corporate taxes	-3.8	-3.5	+11%
Consolidated net income	10.5	15.3	-31%
<i>As % of revenue</i>	2.9%	4.8%	
Net income (group share)	10.5	15.5	-32%
<i>As % of revenue</i>	2.9%	4.9%	

(1) Amortisation of client relationships

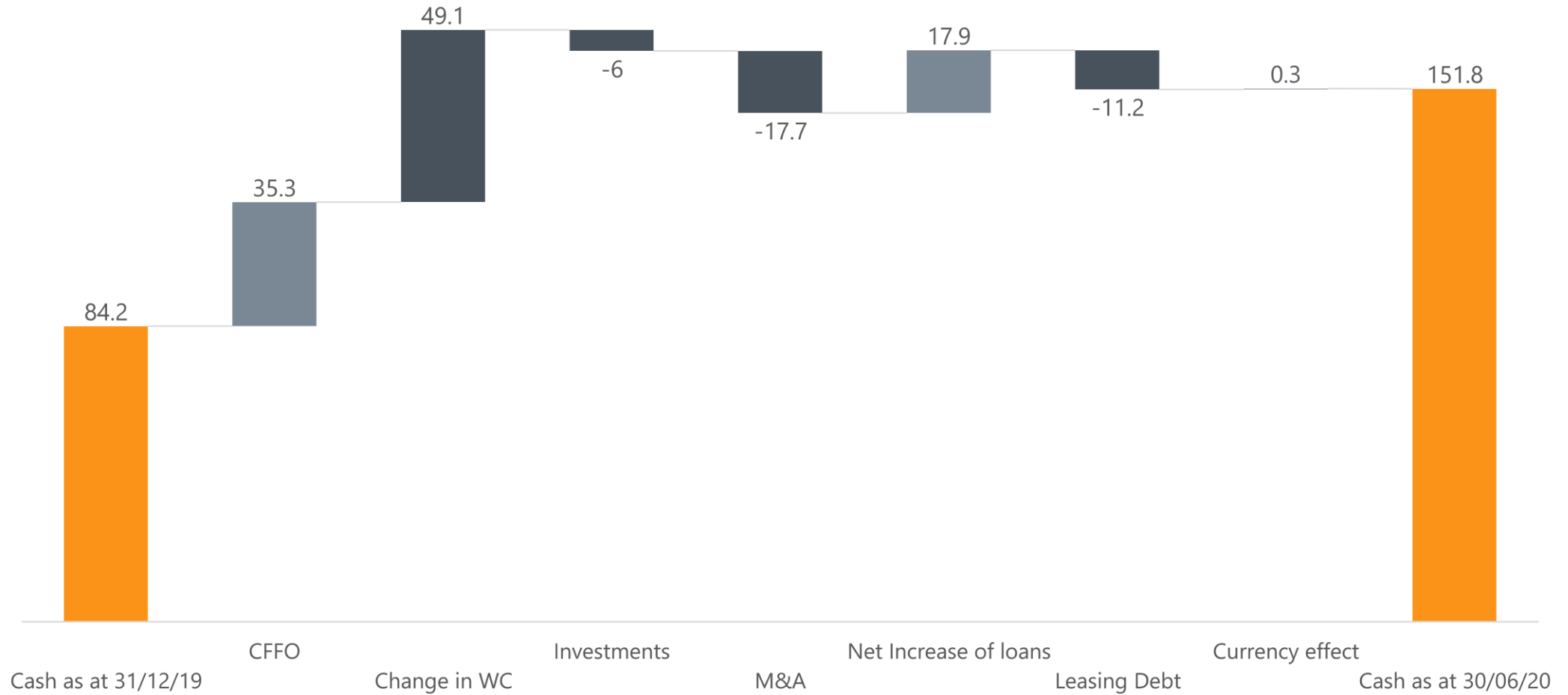
- **Increase in amortisation of intangibles**
  - Increase in Client relationships reflecting the M&A activity performed during H2 2019
- **Increase in financial expenses**
  - Unfavourable currency effect in Poland and in Tunisia

In millions of euros

# STRONG DECREASE IN WORKING CAPITAL REFLECTING ATTENTION PAID TO CASH



# HY2020: CASH GENERATION





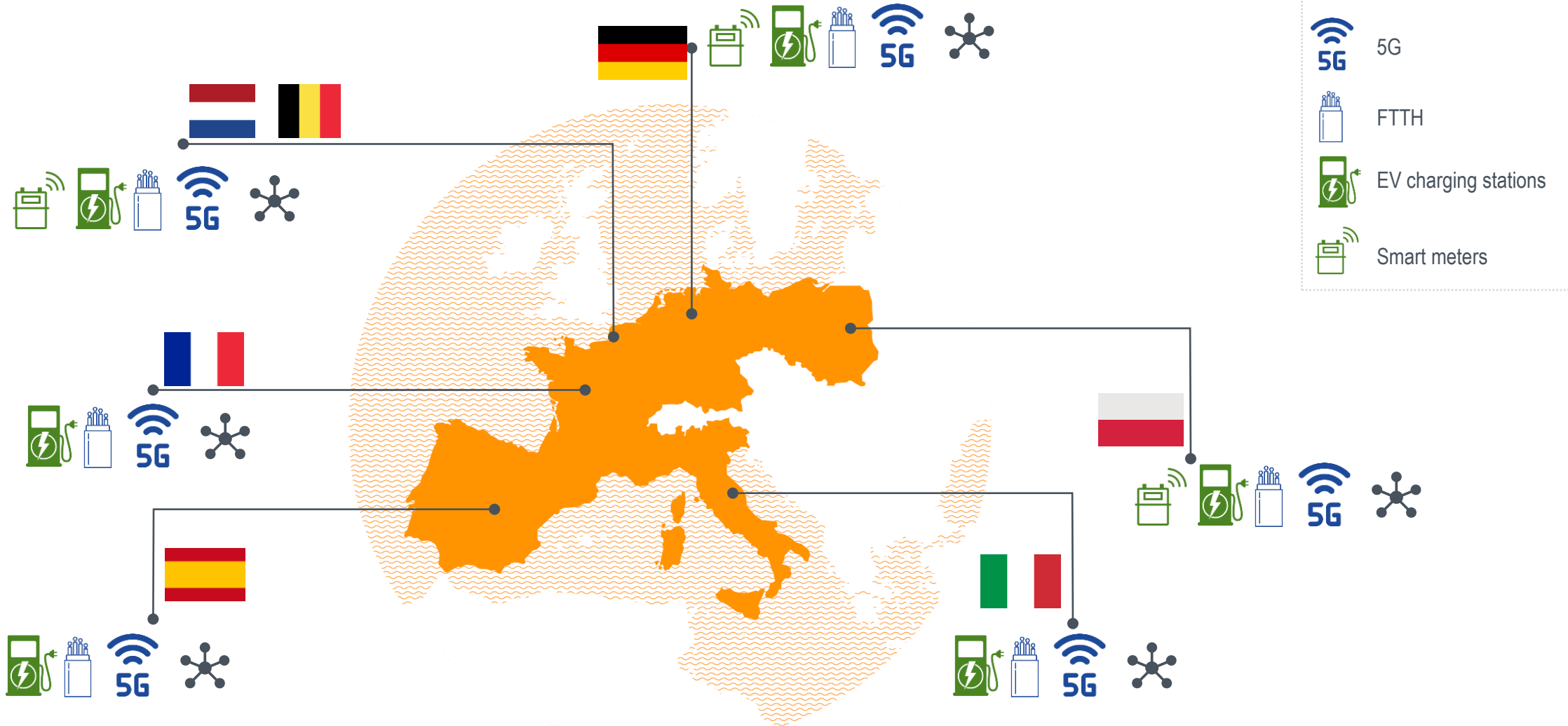
# OUTLOOK

DOUBLE-DIGIT AND PROFITABLE GROWTH  
CONFIRMED

*Solutions***30**

Solutions for New Technologies

# MAIN 3-5 YRS GROWTH DRIVERS BY GEOGRAPHIES



# COVID HAS PROVEN THE ROBUSTNESS OF OUR MODEL AND INCREASED THE POTENTIAL OF OUR MAIN MARKETS

## FLEXIBILITY

- Ability to scale up had been proven over the past ten years
- Ability to scale down has been proven over the past two months
- Variable cost structure was key to preserve a strong cash position

## RESILIENCE

- Our activities were considered essential for countries' economy
- Our markets picked up very fast after lockdown
- Even under such exceptional circumstances, we have remained profitable

## STRONG OUTLOOK

Our major growth drivers are reinforced and should benefit from upcoming stimulus plans:

- Digitization of the economy and faster Internet
- Transition to green energy, smart meters and electric vehicles
- Search for productivity gains : increased outsourcing of non-core activities in order to lower cost base and rationalisation in the number of suppliers
- New M&A opportunities have appeared

**STRUCTURAL TRENDS FOR SUSTAINABLE GROWTH**  
**CONTINUED BALANCE BETWEEN EXTERNAL AND ORGANIC GROWTH**  
MID-TERM TARGET: €1BN TURNOVER

# QUESTIONS & ANSWERS



## BY PHONE

PLEASE PRESS



## BY WEBCAST

PLEASE TYPE IN YOUR QUESTION BELOW THE SLIDE-SHOW AREA

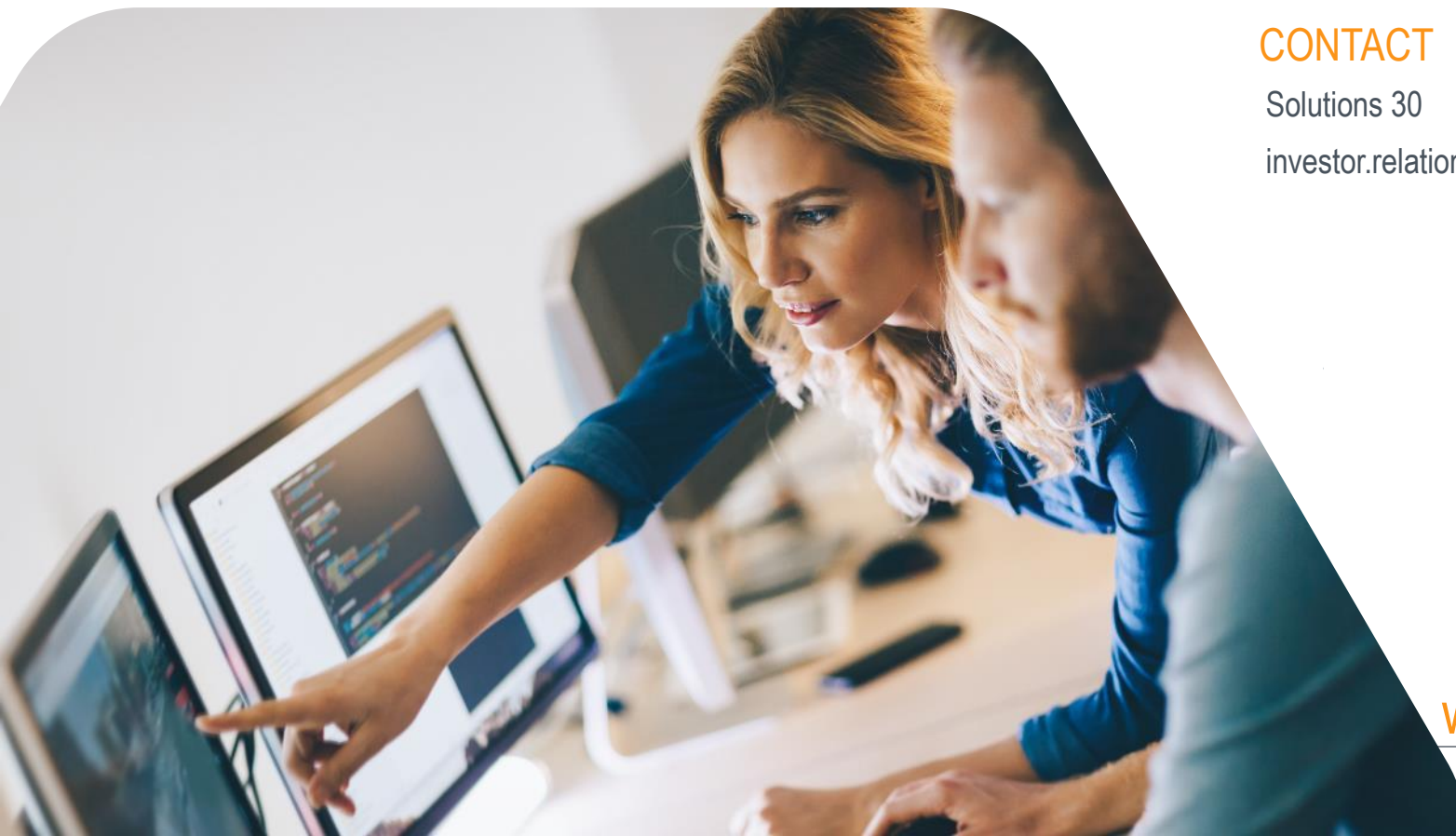


## AGENDA

Q3 revenue, 2020 | 4 November 2020 at 6:00 pm (CET)  
Full-year revenue, 2020 | 26 January 2021 at 6:00 pm (CET)

## CONTACT

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# APPENDIX



# INVESTMENT THESIS

## THE EUROPEAN LEADER IN LAST DIGITAL MILE & RAPID-RESPONSE FIELD SERVICES

- First mover advantage with strong barriers to entry and long-term client relationships with major telecommunications and utility companies in Europe
- A recurring revenue base as maintenance activities historically account for 60 to 80% of the group's revenue

## A FAST-GROWING COMPANY ACTIVE IN 6 EUROPEAN REGIONS

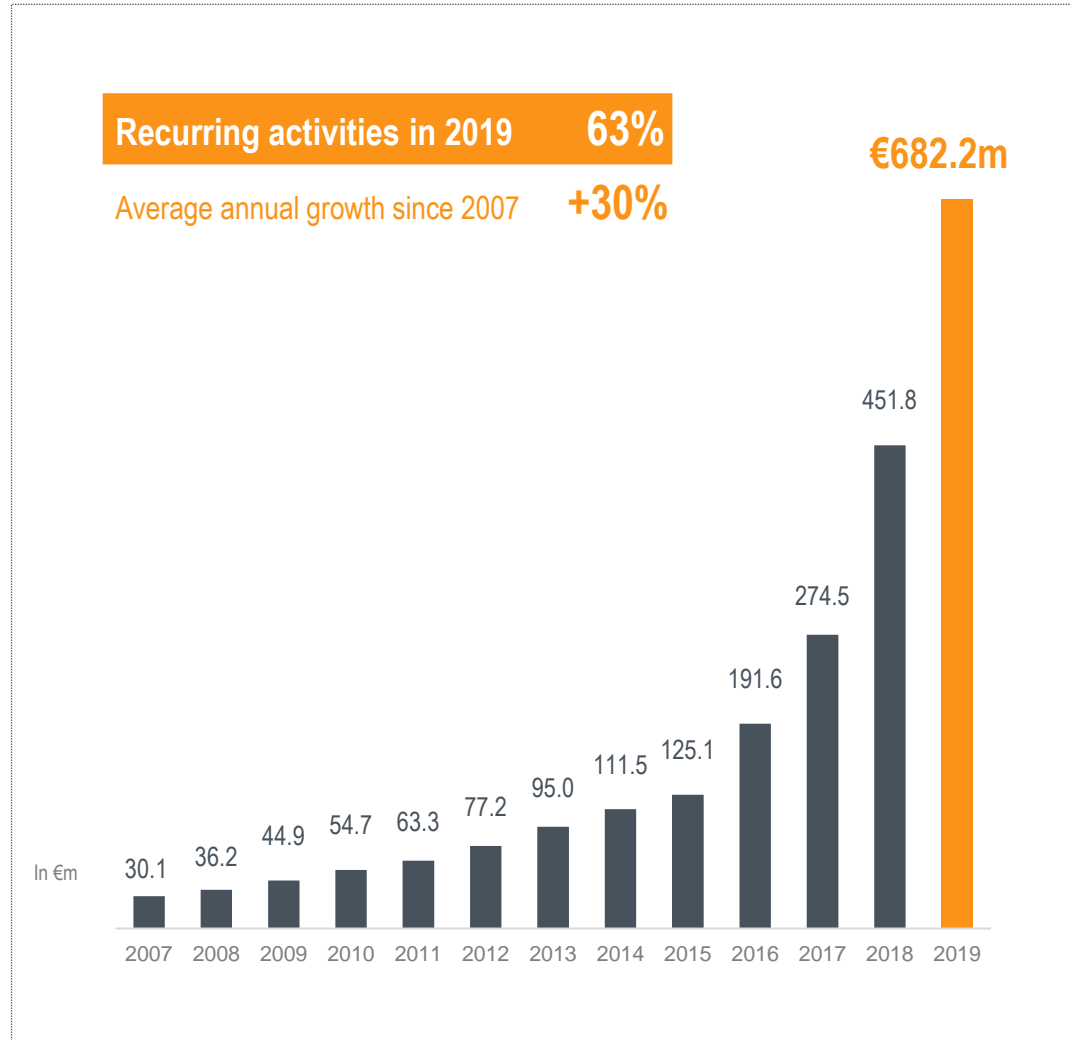
- Markets driven by favourable structural trends, including digital transformation and decarbonization of the economy
- Highly fragmented market of which Solutions 30 is the major consolidation driver, with significant value creation

## A PROFITABLE AND SCALABLE BUSINESS MODEL

- Asset light business with high returns on capital
- Flexible cost base: a decentralised structure supported by an efficient central organization and a powerful IT platform

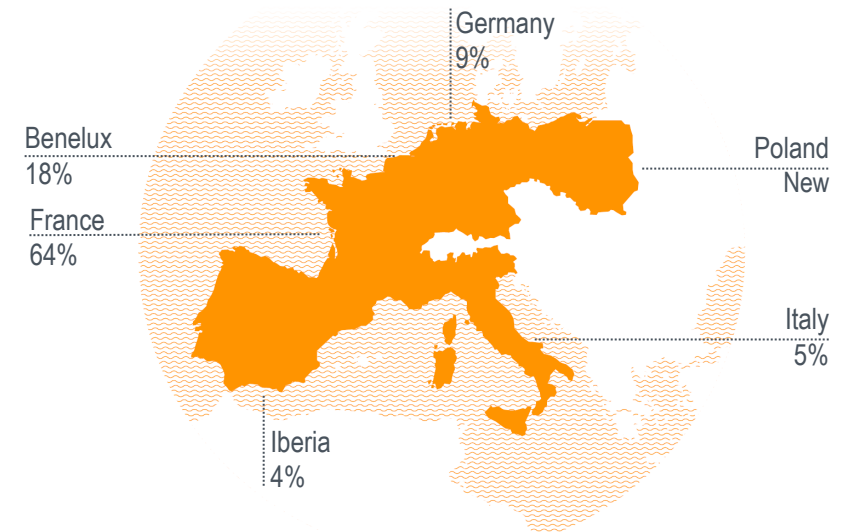


# A RECURRING REVENUE BASE TO SECURE OUR GROWTH STRATEGY



<b>13.5%</b> 2019 EBITDA margin	<b>€1.2m</b> raised at IPO	<b>+50%</b> CAGR since 2015
<b>2003</b> Creation Date	<b>11,000 personnel</b> 6,800 direct employees	<b>60,000</b> call-outs per day

## EUROPEAN FOOTPRINT



# THREE LONG-TERM TRENDS FOR SUSTAINABLE GROWTH

## ENERGY TRANSITION

- Deployment of smart meters to better predict and control energy consumption
- Installation of EV charging stations to support the development of e-Mobility
- Adaptation of electrical grids to multiple sources of energy, including renewable energy

## DIGITAL ECONOMY

- Increasing demand for high speed Internet due to the digital transformation of our working and everyday lives
  - Multiplication of screens and simultaneous connections, enriched contents, multiplication of data, social media, remote working...
  - Smart city, Industry 4.0, Smart building, autonomous vehicles, IoT...

## SEARCH FOR PRODUCTIVITY GAINS

- Increased outsourcing of non-core activities in order to lower cost base
- Consolidation in a fragmented market due to the rationalisation in the number of suppliers (economy of scale / easier to manage) and economic fragility of some players

INCREASING NEED FOR SERVICES

# 1 CORE BUSINESS, 6 GROWING VERTICALS

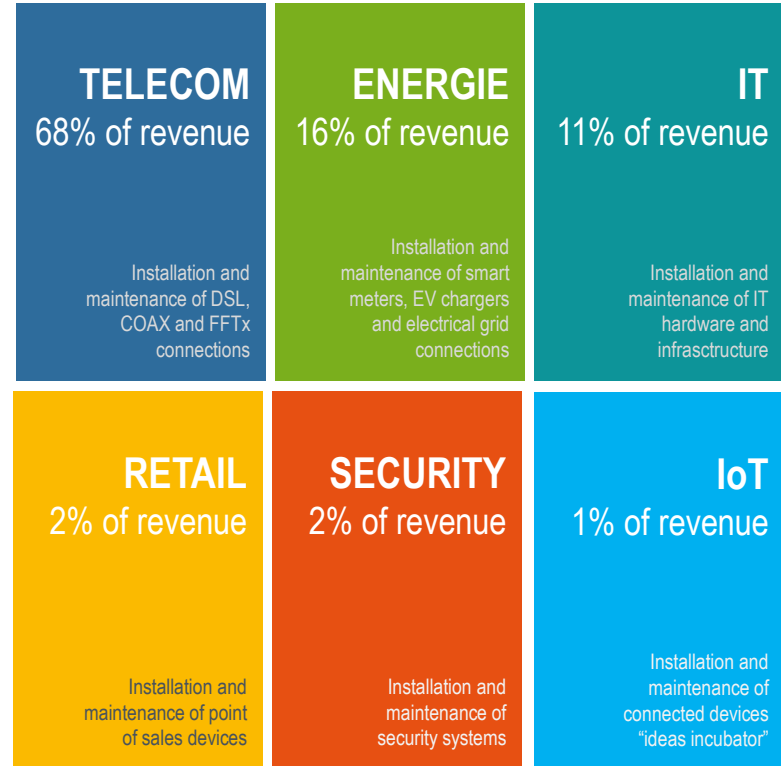
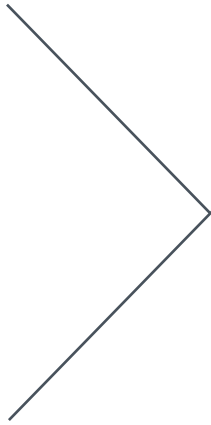


We provide one-stop-shop solutions to end-clients, both individuals and enterprises, on behalf of large technology companies.



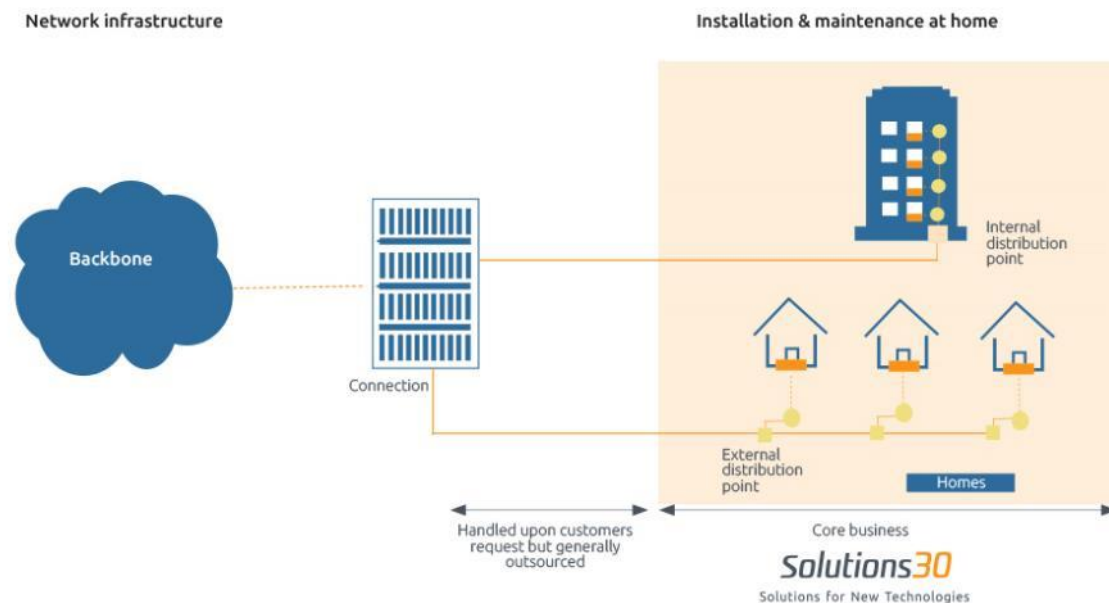
We accelerate the transition to digital by delivering “last mile” solutions, including connected equipment deployment and assistance.

## 6 VERTICALS

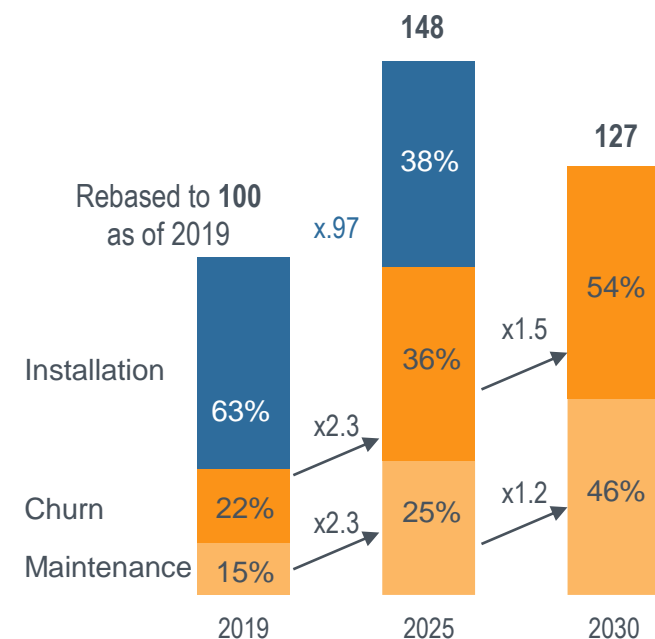


% of 2019 revenue

# FTTH FIELD SERVICES



## FTTH ACTIVITY SEGMENTATION IN FRANCE



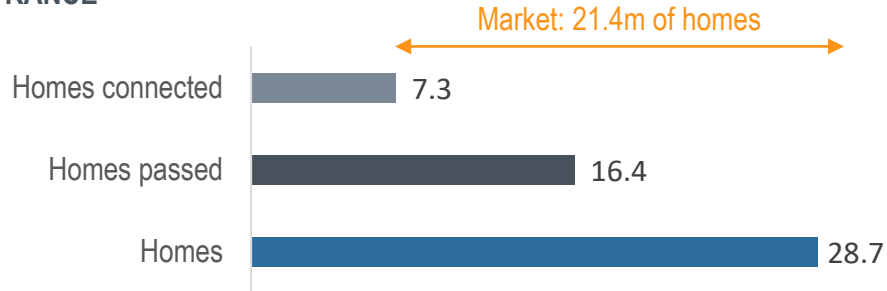
<b>Recurring revenue (Churn + Maintenance)</b>	<b>37%</b>	<b>65%</b>	<b>100%</b>
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- Maintenance Price: 100  
10% of installed base
- Churn Price: 70  
15% of installed base, of which 5% of new houses and relocations
- Installation Price: 150

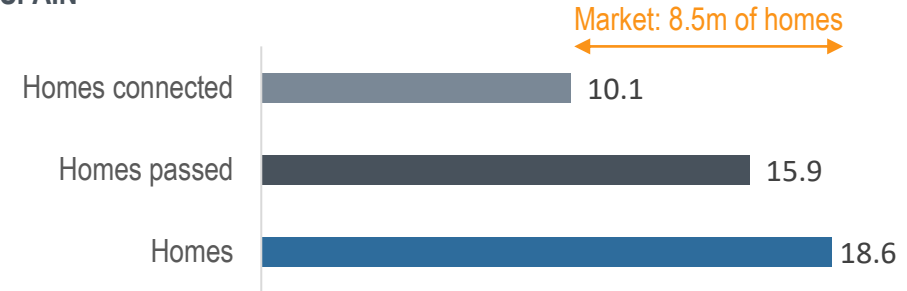
# ESTIMATED FTTH INSTALLATIONS ADDRESSABLE MARKET

145.8m HOMES

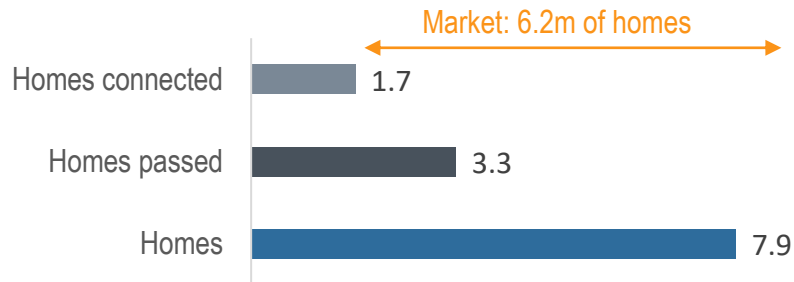
## FRANCE



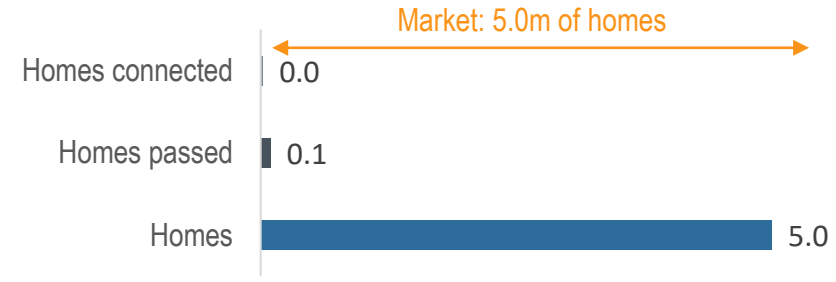
## SPAIN



## NETHERLANDS



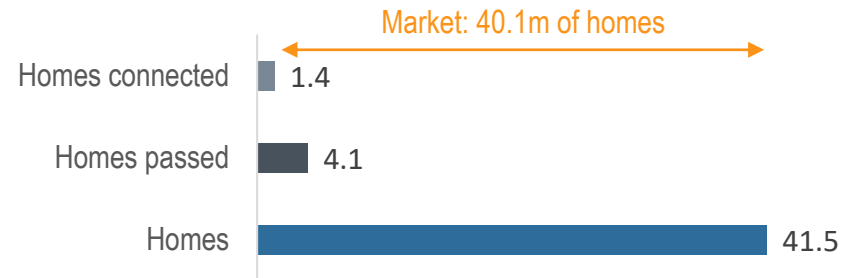
## BELGIUM



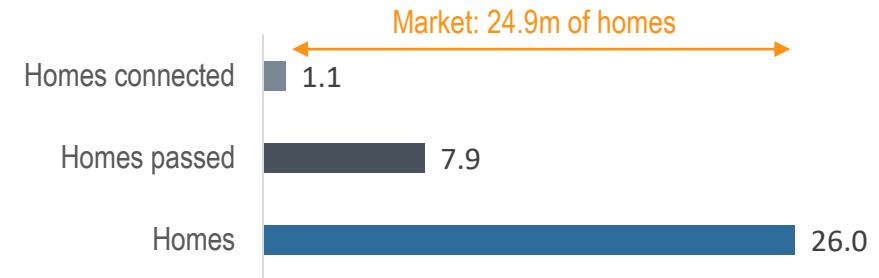
# ESTIMATED FTTH INSTALLATIONS ADDRESSABLE MARKET

## 145.8m HOMES

### GERMANY

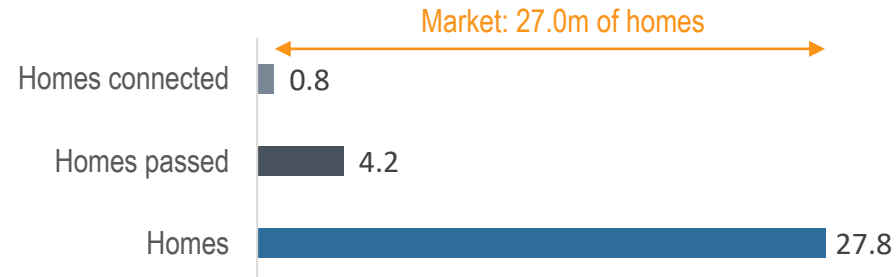


### ITALY

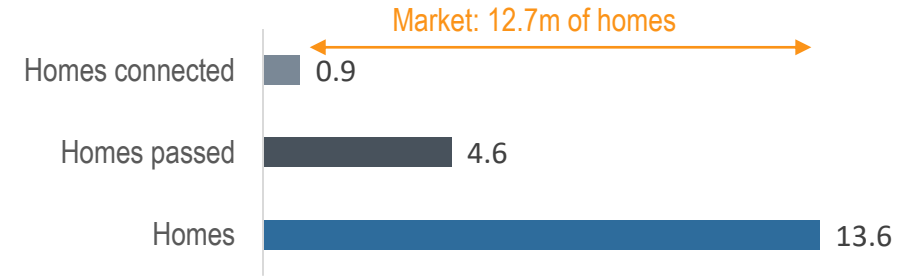


Creation of a single FTTH network combining TIM and OpenFiber networks was approved on Sept.1, 2020.

### UK



### POLAND

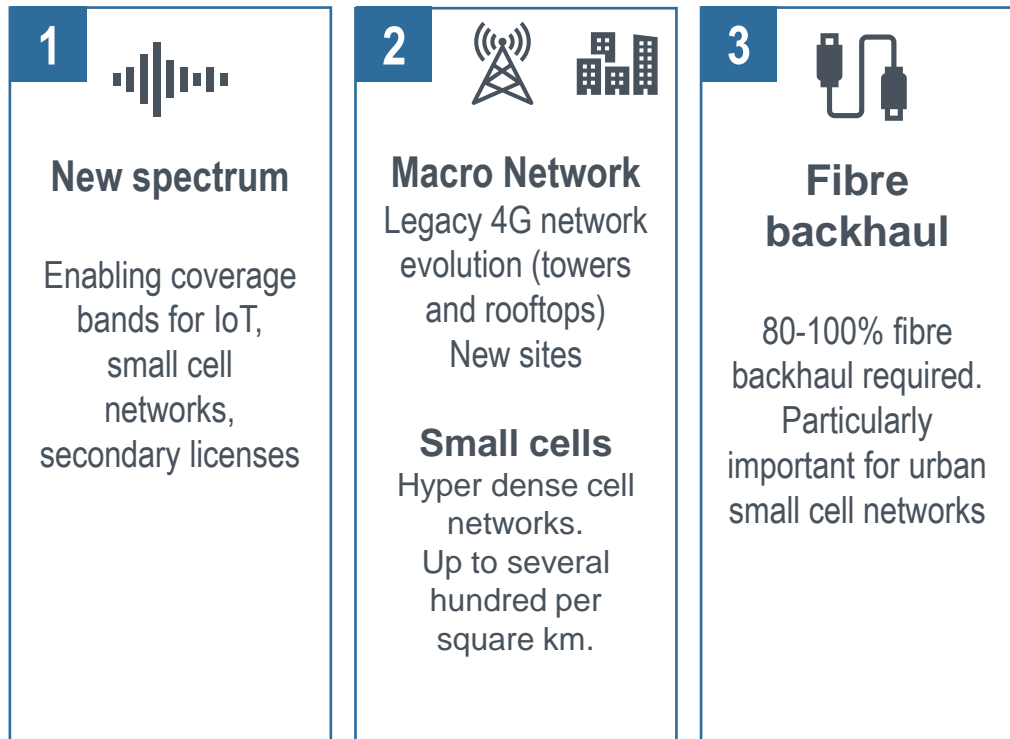




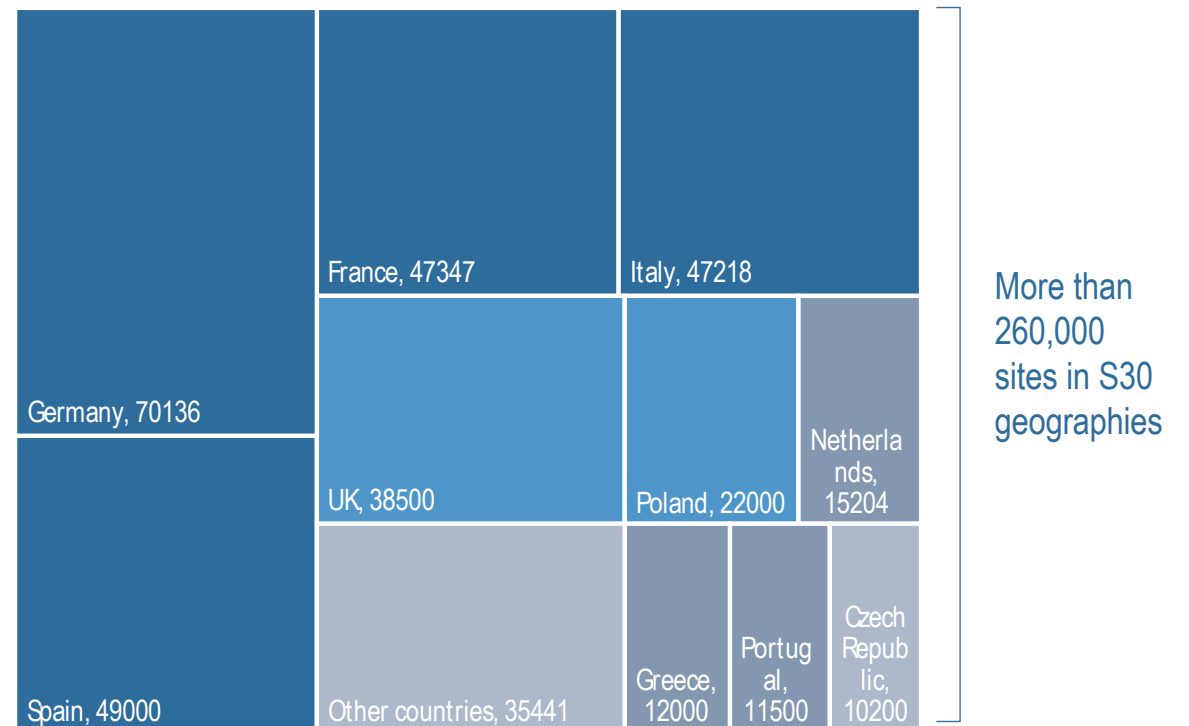
# MOBILE NETWORK - 5G

- 5G global infrastructure spending is set to grow from \$528 million in 2018 to \$26 billion in 2022 – a CAGR of 118%<sup>(1)</sup>.
- To improve transmission, mobile operators must undertake large-scale fiberization efforts. In addition to helping networks meet capacity and latency requirements for 5G, fibre connections are essential to support small-cell deployment in urban areas.

## Investment need across network domains

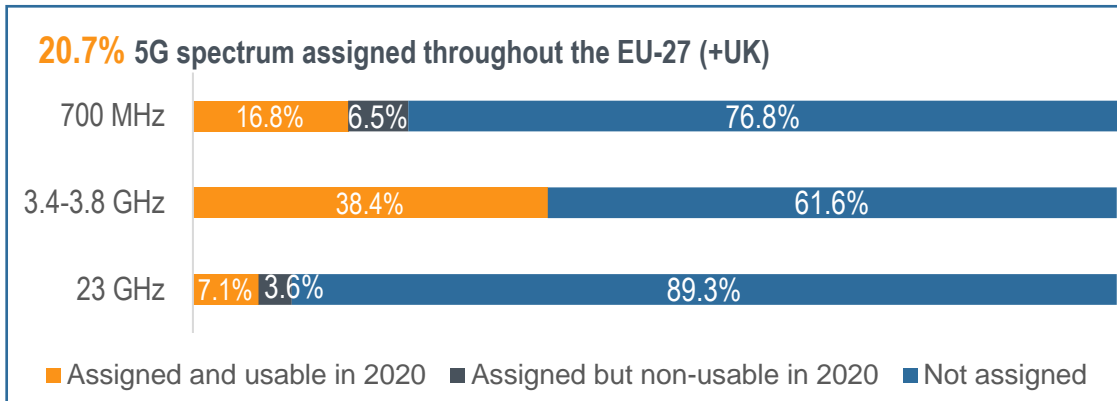


## Existing tower and rooftop sites in Europe 2018



Source: Tower Xchange Europe 2018.

# STATUS OF THE EUROPEAN 5G MARKET

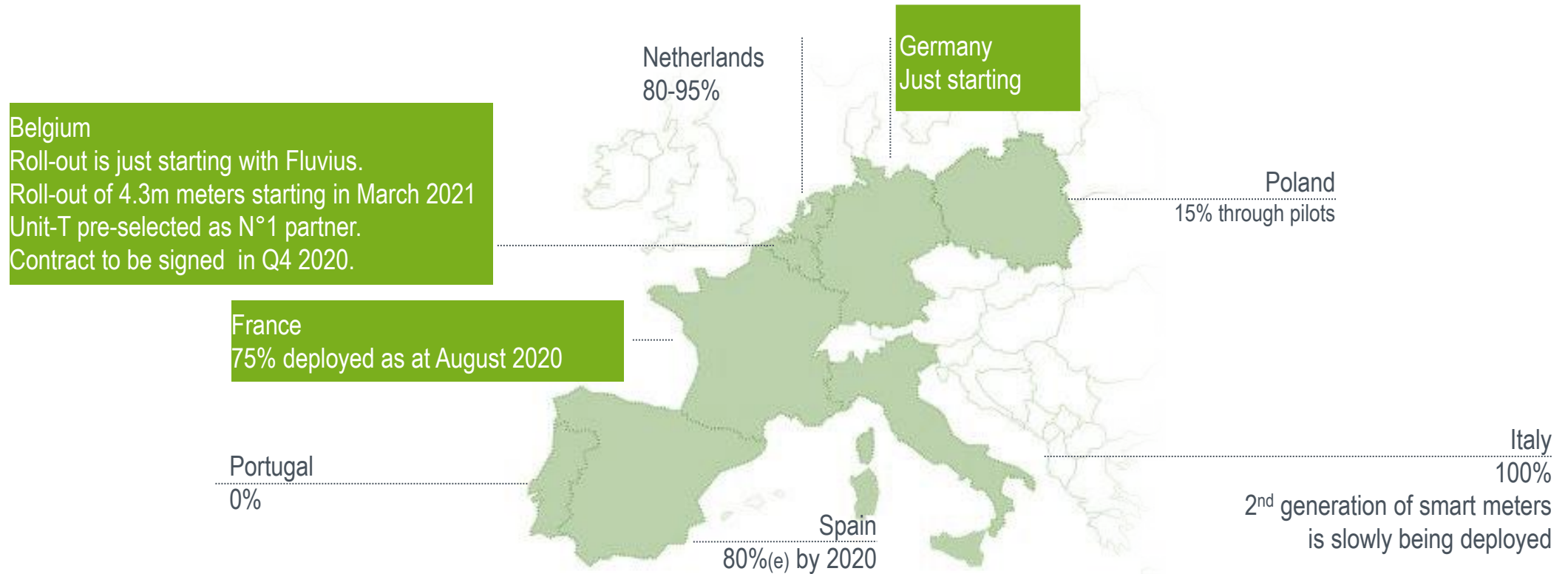


## 5G Spectrum auctions

- France 700MHz assigned in 2015, 3.4-3.8 GHz, postponed to September 2020 / 26 GHz, 2020
- Belgium 700 MHz/3.6-3.8 GHz/1.5 GHz in 2020 / 26 GHz: no award planned / Temporary 5G licences granted to Proximus, Cegeka, Entropia, Telenet and Orange Belgium.
- Netherlands 700/1500/2100 MHz, auction currently ongoing / 26 GHz in 2021, 3.5 GHz, expected end of 2021/beginning of 2022
- Luxembourg award for 700 MHz, 3.4-3.8 GHz to be completed in 2020 / 26 GHz award expected by year-end 2020
- Poland 3.6-3.8 GHz, before year-end 2020, 26 GHz in 2022
- Germany 700MHz assigned in 2015, 3.4-3.7 GHz assigned in June 2019, assignment of 3.7-3.8 GHz for verticals started in December 2019
- Italy All spectrum assigned
- Spain 3.4-3.6 GHz (160 MHz), 2016 & 3.6-3.8 GHz (200 MHz), July 2018, 700Mhz expected by Q1 2021  
*Telefonica 5G should be available for 75% of the Spanish population in 2020.*
- UK 700 MHz, 3.4-3.6 GHz to be completed by year end 2020 / 26 GHz: local licences available on demand subject to coordination.

# SMART METERS IN EUROPE

- 3<sup>rd</sup> “Energy Package” introduced in 2009: 80% of consumers equipped by 2020
- In 2020: results are contrasted with major countries far behind objectives



# EV CHARGERS

- New market driven by the increase in sales of electrical vehicle and stimulus plans encouraging conversion to EV
  - In H1 2020, EV sales grew by 57 % growth in a vehicle market which declined by 37 %.
  - EV market share is 6.7%, compared to 2.9% in 2019<sup>(3)</sup>
  - Up to 6,000 € subsidy for EV in Germany and up to 5,000 € in France
- 6+ million charging stations installed by 2025 and 15 million by 2030<sup>(1)</sup>
  - US\$15 billion of investment will be required in Europe for the period 2020-2030<sup>(2)</sup>

**Solutions 30 has signed a number of contracts and is actively bidding for further contracts in multiple countries**

## PLACE OF INSTALLATION

@Home  
70%\*

@Work  
20%\*

@Gas Station  
1%\*

@Public  
9%\*

## CLIENTS

HARDWARE MANUFACTURERS

CHARGE POINT OPERATORS

INSTALLATION AND MAINTENANCE

ENERGY PROVIDERS

CAR BRANDS AND LESSORS

FIELD  
SERVICES

*Solutions30*  
Solutions For New Technologies

CIVIL ENGINEERING

# ACCELERATING GROWTH AND VALUE CREATION THROUGH CONSOLIDATION

- Solutions 30 is a consolidator in a fragmented European market, with hundreds of small, independent companies. The group's size allows for significant value-accretion through bolt-on-acquisitions.

- Acquisitions follow a strict set of criteria:



ACCESS TO NEW COUNTRIES OR REGIONS



HIGH-POTENTIAL MARKETS



MARKET SHARE AND ACCESS TO NEW CLIENTS



ABILITY TO REACH GROUP LEVEL PROFITABILITY

# 2020 CHANGES IN SCOPE OF CONSOLIDATION

COUNTRY	COMPANY	DATE OF CONSOLIDATION	REVENUE AT TIME OF ACQUISITION	COMMENT
France	Byon (51%)	1 Dec 2019	€2m	A portfolio of contracts of €40m (3 years)
Spain	Provisiona	1 July 2019	€2m	5G market penetration
Benelux	i-Projects	1 July 2019	€13m	Enter the energy market in the Netherlands
Italy	CFC	1 Oct 2019	€5m	Broadening of IT offer in Italy
Poland	Sprint (Telekom Usługi)	31 Oct 2019	€6m	New geography
Poland	Elmo <i>(acquisition of assets)</i>	1 Jan 2020	€15m	New geography