



DOMINION

Mid Term Financial Report 9 months 2020

29 OCTOBER 2020

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2020 9M results_

(€m)	9M 2019	%	9M 2020
Turnover	807.3		712.8
Adjusted Turnover ⁽¹⁾	654.6	-6%	613.8
EBITDA ⁽²⁾	71.7	-33%	48.2
% EBITDA on Turnover	11.0%		7.9%
EBITA ⁽²⁾	40.5	-59%	16.8
% EBITA on Turnover	6.2%		2.7%
EBIT ⁽²⁾	36.8		13.4
% EBIT on Turnover	5.6%		2.2%
Net Income	24,7	-84%	4,1
% Net Income on Turnover	3.8%		0.7%

*The 9M 2020 consolidated perimeter differs from 9M 2019 because: i) It includes 1 month of Bygging India and 2 months of Alterna that were not integrated in 9M 2019 ii) It does not include 9 months of non-strategic IT activities divested during 2019 ; III) It does not include 3 months of the Telco service contract divested during 2020

(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 9M results_



Covid-19 effect

The results of the first nine months of 2020 have been affected by the **exceptional situation** arising from the impact of **Covid-19** on economic activity.



The financial results of the **third quarter** continue to be affected, although **to a lesser extent than during the previous quarter**.

Sales



Major recovery of the level of activity and sales during the third quarter, despite the situation in Latin America and India, limiting **organic decline** to **-1.7%** in constant currency.

Over the nine months, the organic decline in sales stands at **-3%** at constant currency (FOREX effect **-2%**).

Margins



Progressive **recovery** of the level of operating margins.

It needs to be taken into account that the results include provisions and other **negative one-off effects**.

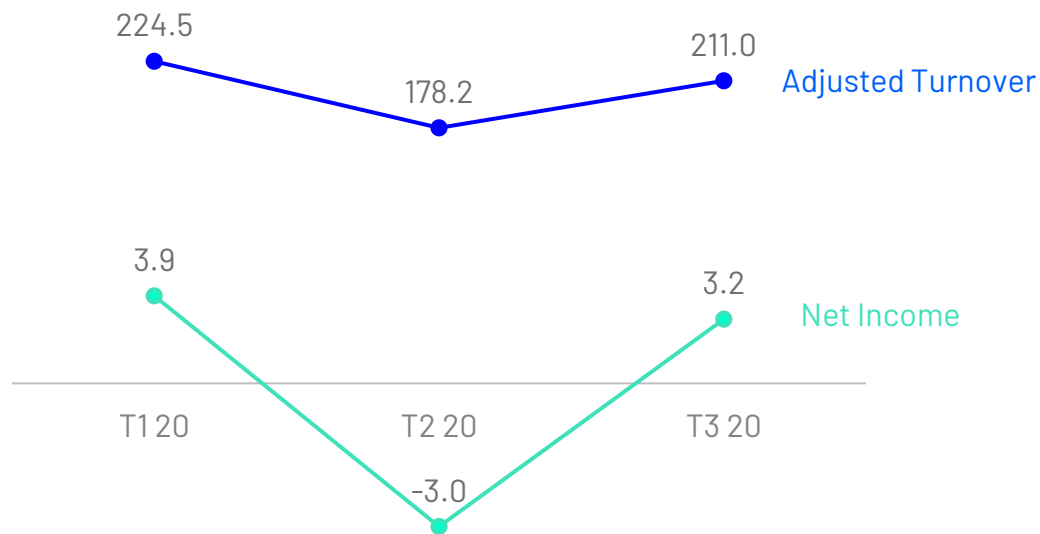
Net Income



The recovery trend is confirmed with a **positive Net Income of €3m** in the third quarter, leveraged by the recurrence of B2B Services and the strength of B2B 360 Projects.

Adjusted Turnover and Net Income performance in 2020_

Adjusted Turnover ⁽¹⁾ and Net Income quarterly performance (€m)

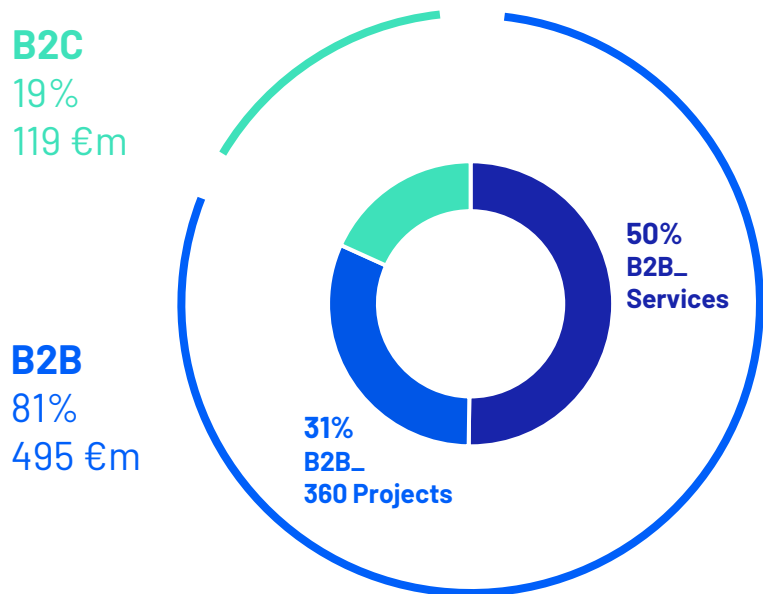


- First impacts of Covid-19 occurred during the last weeks of the **first quarter 2020**.
- The **second quarter** was globally impacted, especially during the severe lockdown periods in Europe.
- The financial results of the **third quarter** show a **recovery** both in terms of sales and net income, almost returning to Q1 levels.
- This recovery is expected to continue during the **fourth quarter**.

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divested during 2019 ; III) It does not include 3 months of the Telco service contract divested during 2020

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

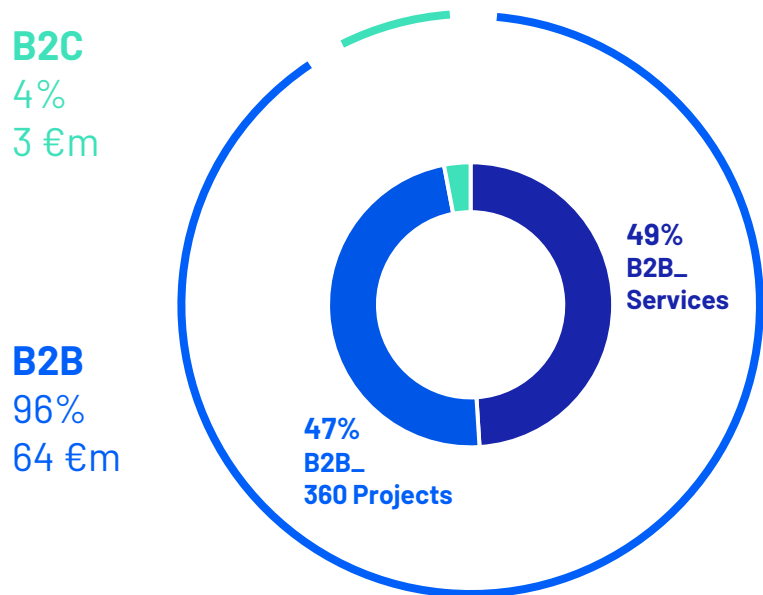
Adjusted Turnover ⁽¹⁾ distribution by segment_

	9M 2019	9M 2020
B2B_Services	386.8 €m	305.7 €m
B2B_360 Projects	188.3 €m	189.5 €m
B2C	79.5 €m	118.6 €m

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

Contribution Margin ⁽¹⁾ distribution by segment_



	9M 2019	9M 2020
B2B_ Services	45.7 €m	32.6 €m
B2B_ 360 Projects	31.4 €m	31.7 €m
B2C	14.3 €m	2.8 €m

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(1) Contribution Margin: EBITDA before corporate structure and central administration costs

B2B Segment in detail_

B2B_ Services

10.7%
Contribution
Margin/Turnover

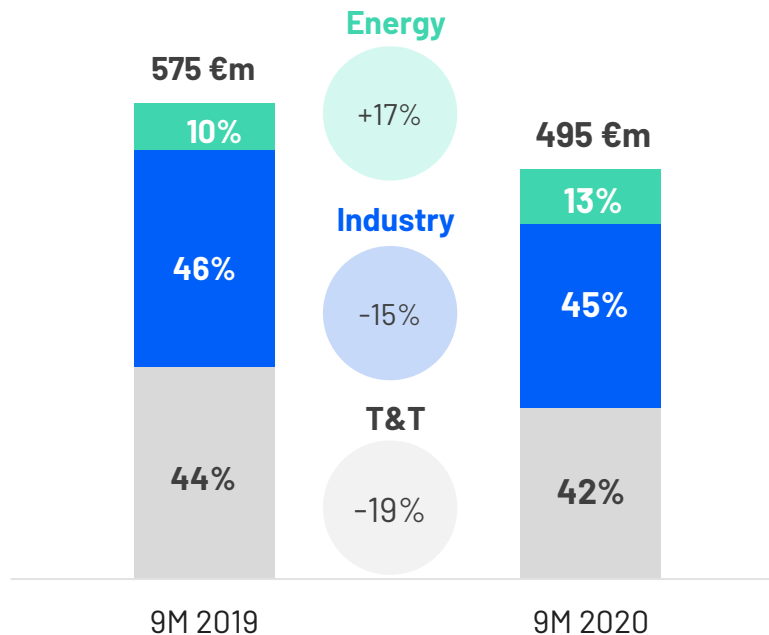
- **Recovery** of the **organic activity**, despite the situation in LATAM.
- An important **contract has been awarded** in Colombia with Enel.
- The decline in sales in T&T is partly explained by the effect of **divestments** (-8%) and **Forex** effect (-3%).
- **Double digit margins** that prove the flexibility of cost structure.

B2B_ 360 Projects

16.7%
Contribution
Margin/Turnover

- **Strength** of the activity.
- **No cancelations** of projects in execution nor in the backlog.
- Some projects execution plans have been rescheduled **without any penalty**.
- **Margins not impacted**: the high profitability level continues

Turnover ⁽¹⁾ by activity field



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B2B Segment in detail_

Renewable energy: a global opportunity over 1 GW

The entry of a minority partner, at market value, is envisaged in Dominion Green to develop its strategy.

The opportunity

- We have an end-to-end vision of the value chain of renewable energy projects:



- We have identified and we are developing a [1 GW pipeline of](#) renewables projects, mainly consisting of [photovoltaic plants](#) in different regions of [southern Europe](#).

The key factors for DOMINION

- ✓ **Visibility:** execution of 1 GW in the next [5 years](#), and its subsequent Operation and Maintenance.
- ✓ **This does not involve CAPEX** or debt for Dominion. [We maintain our strategy.](#)
- ✓ We will obtain profitability from the operation of renewable assets through our minority participation in our partner (IPP).

B2C Segment in detail

B2C

- Progressive opening of the physical distribution channel as of June.
- Larger base of energy and telco service supplies than the prior quarter.
- Slowdown in the pace of growth of net customer adds compared to our expectations.
- A restructuring processes is in place, which was planned before Covid-19, to adapt to the market situation and to our services Tier 1 approach.
- One-offs with a negative impact: clients' insolvency and stock provisions.

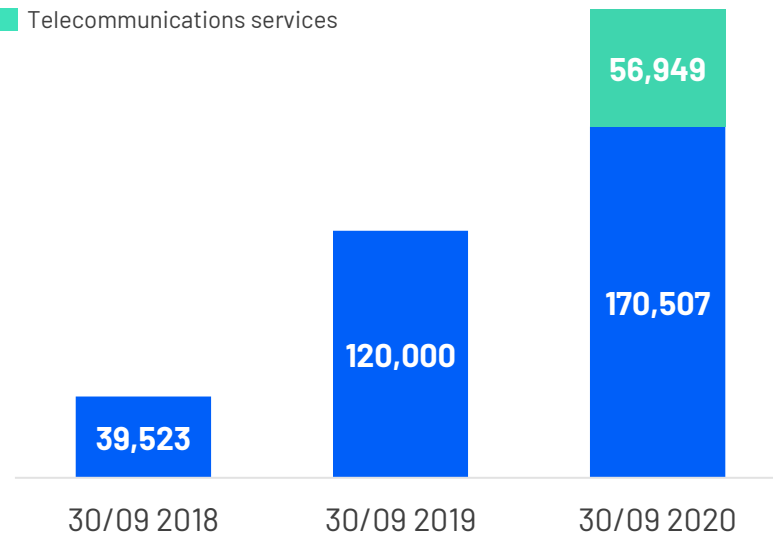
227.000
Supplies

Energy + Telco

No. of supplies by type of service

Energy Services

Telecommunications services



Prospects_

In the light of the results obtained in the first 9 months....

2020

.... we reaffirm that we will **continue to create value in 2020**, with **positive results** and **generation of operating cash flow***.

2021

... and in 2021 we will recover pre-Covid levels of activity and profitability, together with the road to growth defined in our **Strategic Plan**.

* Operating cash flow: operating profit - maintenance Capex - financial results - taxes

2020 Q3 results_

(€m)	3T 2019	%	3T 2020
Turnover	281.8		248.8
Adjusted Turnover ⁽¹⁾	229.6	-8%	211.0
EBITDA ⁽²⁾	26.1	-30%	18.2
% EBITDA on Turnover	11.4%		8.6%
EBITA ⁽²⁾	16.7	-60%	6.8
% EBITA on Turnover	7.3%		3.2%
EBIT ⁽²⁾	15.5	-64%	5.6
% EBIT on Turnover	6.7%		2.7%
Net Income	10.2	-69%	3.2
% Net Income on Turnover	4.4%		1.5%

*The Q3 2020 consolidated perimeter differs from Q3 2019 because: i) It does not include 3 months of non-strategic IT activities divested during 2019 ; iii) It does not include 3 months of the Telco service contract divested during 2020

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We help our clients transform to become more efficient.

We apply technology to make this happen.

We are Dominion.



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