



# Chairman and CEO statements



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## Chairman and CEO statements

ANTÓN PRADERA  
Chairman

Dear friends,

We should be proud of 2019, the year that marked Dominion's twentieth anniversary and saw our business model in full swing; a technological project which is constantly being adapted and reinvented following steadfast discipline, flexibility and sustainability principles. The figures speak for themselves.

Our results in 2019 were nothing short of excellent. The data indicates that we largely meet the parameters set out in our 2019-2022 strategy plan. We experienced double-figure growth across the board in our income statement, resulting in a 20% increase in net profit, amounting to € 39 million. This was coupled with extremely high cash conversion rates, which resulted in a net cash position of € 113 million at the end of the financial year.

The adjusted turnover amounted to € 947 million, a 14% increase over the previous year, with strong organic growth of 8.5%, which far exceeded the growth commitment in our Plan. As for inorganic growth, this comprises the Bygging and Alterna acquisitions for 10 and 11 months respectively.

The EBITDA figure amounted to 103.7 million Euros, a 43% increase, something which benefited from the first time IFRS 16 accounting standards were applied this year. The EBITA, hereinafter our reference indicator, grew by 18%, totalling 63 million Euros.

These increases reflect the various degrees of operating leverage we are constantly working on: for the first time, the central structure now accounts for less than 3% of sales, in line with our goal to achieve an optimised structure; whilst fixed asset depreciation figures (excluding depreciation under IFRS16) also remain extremely low (2.3% of sales).

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### THE EVOLUTION OF THE BUSINESS MODEL

The significant aforementioned figures were accompanied by an extremely favourable evolution of our business model, by means of the development of our strategic proposals: our 360° Solutions, our Tier 1 model in B2B Services and our multi-service provider in the B2C sector.

Turnover increased in both Services (+13%) and Solutions (+16%) in 2019. Our geographical scope and fields of activity continue to grow, but some of them are growing at a faster rate and gaining significance in terms of total turnover. This is the case with Energy business, which has grown twofold over the last two years, now exceeding 10%, as we had anticipated.

As for B2C Services, our multi-service provider, which accounts for approximately 10% of our contribution margin, some figures are worth mentioning so as to understand their outlook for the future. Despite of being deployed for just 2 years the project has seen us develop a number of Service Verticals, already boasts over 400,000 service contracts, distributed as follows: 260,000 electronic device insurances, 145,000 power supplies (gas and electricity) and 26,000 telecommunication lines.



### A 2020 MARKED BY COVID-19

However this overview of 2019 obviously must make reference to our current situation with respect to the coronavirus pandemic. During the first quarter of 2020, virtually every country around the world has been affected and their governments have taken measures to curb the virus expansion, something which is taking its toll on our staff, our business and our customers' businesses.

We are currently facing an extremely unpredictable situation which makes it difficult to gauge the impact, but we would like to add a positive message. As you are aware, we are a company which strives to be different; a decentralised and highly diversified company, with a "lean" structure and a strong, solvent balance sheet, and with an important cash position and a financial policy which provides us with the assurance and guarantees to address and overcome critical situations such as these, turning them into a competitive opportunity for the future. Given the above there is not a doubt in our minds that Dominion will overcome these challenging times.

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### A COMMITTED TEAM

Dominion is, without a doubt, a people company, a family the keeps on growing and getting stronger, whilst also gaining in diversity and multidisciplinary, with the common denominator being a shared cultural DNA.

As happened when we survived the crisis of 2008, we are sure that this same culture will constitute the basis that will allow us, with the efforts made by everyone, to come out of this situation stronger.

Our concerns also apply to the rest of society and to the communities that we operate in. In 2019, not only did we reaffirm our commitment to the Principles of the Global Compact but also to the Sustainable Development Goals. However, we feel that right now we should highlight the altruistic actions many of our colleagues, and the organisation itself, have been taking to help wherever possible.

In closing, we would like to thank everyone who has placed their trust in Dominion - from our customers to our investors, our employees, our suppliers, our partners... Without you, we could not have written down these lines of Dominion's success over the last 20 years, which we expect to be able to continue writing with your help. We wish you all continued health and a speedy return to business as usual, when we can all be together again.



**MIKEL BARANDIARAN**  
CEO