



**BOARD 2019**

**BELARUS**

# SHARED AND CORPORATE COSTS AT GROUP LEVEL

2019



# SHARED AND CORPORATE COSTS

Key points AT Group level :

- Ymagis is a group with > 65 entities in > 20 countries , listed in Paris Stock exchange which generate heavy obligations and needs of more process and rigour
- “Shared costs” : an aggregate which needs to be clarified :

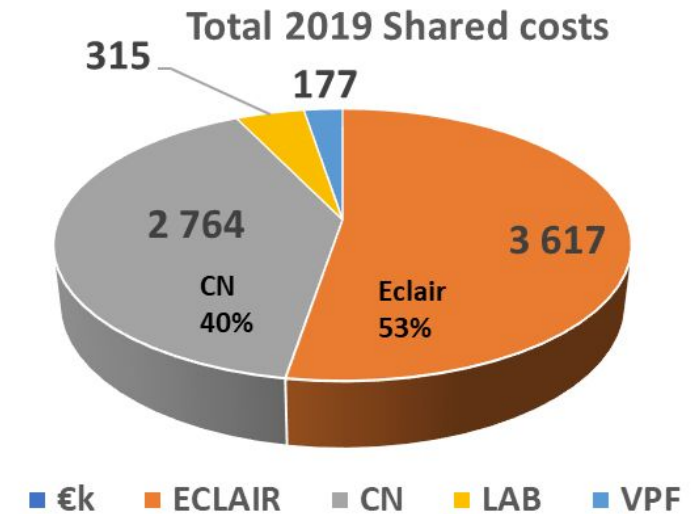
Include 3 different components :

1. Dedicate charges support by holding for one entity and re invoiced (some leasing..)
2. SHARED COSTS : real centralized and mutualized costs, to reduce the cost for each entity, reallocated according to objective keys (number of licenses, employees, m<sup>2</sup> etc...): these are operating or functional costs for the subsidiaries (and NOT group corporate costs)
3. And the CORPORATE COSTS linked to group management: executive, finance, treasury, IT departments et RH .. which should be invoiced like Management fees.

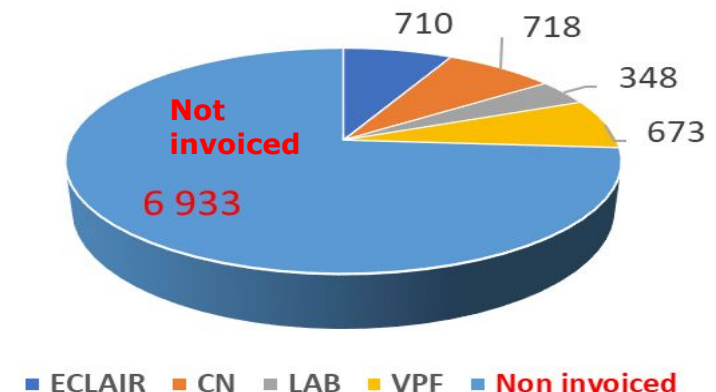
# KEYS NUMBERS FOR 2019

	%	K€
shared costs 2019	42%	6 873
invoiced Corporate costs	15%	2 449
Not invoiced Corporate costs	43%	6 933
	100%	16 256

- Global decrease of 11% of shared and corporate costs /18 & -6%/B, at 16M€
- Significant decrease of Shared costs / 18 at 6,9 M€
- A significant effort / subsidiaries : 6,9M€ of costs are **not invoiced** to subsidiaries (including exceptionnal charges) with represente **74%** of corporate costs or 42% of global costs
- Only 2,4 M€ of corporate cost are invoiced**

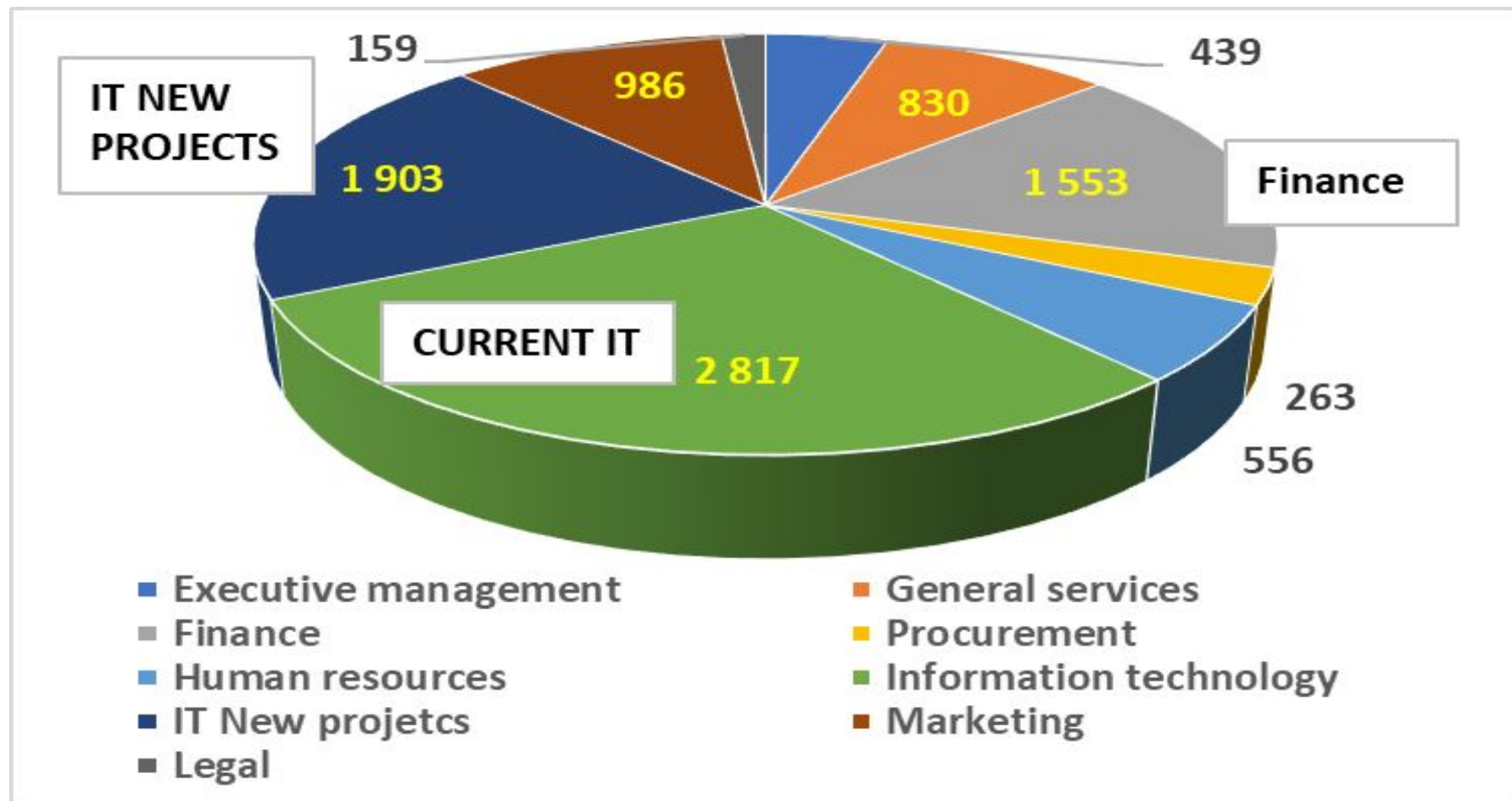


## 2019 Corporate Costs breakdown



# 2019 Shared and corporate costs : invoicing by function

Mark



- Mainly : IT 4,7 M€ with 1,9M€ for new projects ,
- Finance 1,5 M€ and Marketing 1 M€

**SHARED COST**

**BELARUS**



# SHARED COST 2019

- **Marketing:**

**Mission =** *Coordinate te CN marketing activities as events communication*

- **Procurement:**

**Mission=** *Managing the suppliers relations  
Improving the TCS per supplier, manage the new product introduction chase for the rebates*

- **IS:**

**Mission =** *Manage the IT tools as licences, Network, safety startegies,...*

- **RD:**

**Mission =** *Developp the new Software solutions needed for CN as TMS, Shop, Digital signage. Maintain the older tools*

# SHARED COST 2019

- **SAP:**

**Mission =** *Maintenance Master Data, CRM, Maintain tools, support in case of issues*

- **Central Warehouse:**

**Mission =** *Manage the whole flow between CN and the Suppliers, manage the inventories and optimize them across the whole CN, manage the transportation and the kitting in line with the Business needs*

- **CN Finance and controlling :**

**Mission=** *Make the CN consolidated reportings, implement the Group Tools, Participate and support the Business initiatives*



# SHARED COST 2019

- **SALES:**

**Mission =** *Coordinate the Sales organization across all the countries  
Put in the month reporting  
Implement a CN CRM across all the countries  
Help the countries to develop new opportunities*

- **Product Management:**

**Mission =** *Manage per category the Product evolutions, Support each country on the technical products aspects, organize the trainings needed to either manage the existing technologies or the new one*

# SHARED COST 2019 BELARUS



# BY10 – Shared cost 2019

SHARED SERVICES	MISSION	2019 Cost in K€
Marketing	Coordinate te CN marketing activities as events communication	42,6
Procurement	Managing the suppliers relations improving the TCS per supplier, manage the new product introduction chase for the rebates	22,0
IS&RD	Manage the IT tools as licences, Network, safety startegies,... Developp the new Software solutions needed for CN as TMS, Shop, Digital signage. Maintain the older tools	58,1
SAP	Maintenance Master Data, CRM, Operational Maitenance...	-
Central Warehouse	Manage the whole flow between CN and te Suppliers, manage the inventories and optimize them across the whole CN, manage the transportation and te kitting in line with the Business needs	36,7
CN Finance and controlling	Make the CN consolidated reportings, implement the Group Tools, Participate ans support the Business initiatives	9,8
SALES	Coordinate the Sales organisation across all the the countries Put in the the month reporting Implement a CN CRM across all the countries Help the countries to develop new opportunities	16,6
Product Management	Manage per category the Product evolutions, Support each country on the technical products aspects, organize the trainings needed to either manage the existing technologies or the new one	40,5
<b>TOTAL</b>		<b>226,2</b>
Reduction Intercompany pruchased		(13,2)
Reduction Rebates		(57,8)
<b>TOTAL SHARED COST</b>		<b>155,2</b>

- Overall a Decrease compared to the Initial Budget
- New Sales Organization in place
- Decrease of the Mktg Initial Budget
- Product Team again in place and a strong input on the Sound, Picture Strategies
- Involved in the updated Premium Offer

# CORPORATE COST 2019



# BY10 – Corporate cost 2019

CORPORATE COST	MISSION	2019 Cost in K€
Executive management	<i>To validate the CN Strategies, follow the progress during the period Help CN to reach the Goals agreed</i>	13,9
Finance	<i>Make the Group and BU reporting, Manage the Group Cash, put in place tools as Kyriba Tagetik</i>	12,9
Human ressources	<i>Manage the Payroll, Hiring , Social aspects and Internal Communication including YMCA. In addition for CN we have the CN Academy and the coordination is done by the RH and the Product Team</i>	7,1
Legal	<i>Support all the contrats need, manage the Group insurance, participate to the Group structures</i>	1,4
TOTAL		35,3

- **During 2019 a high focus on the CN strategy Result in the Perform 2022**
- **Deployment of the Group Tools for the Monthly Reporting's and the Cash Management**
- **Kick-off of the CN Academy**
- **Daily support from the Legal Team (Contracts)**

# **Shared & Corporate Costs 2020**

**At group level**



# KEYS NUMBERS FOR B 2020

B 2020				
	%	k€	2019	Var/19
Shared cost	53%	5 060	6873	-26%
Corporate cost	47%	4 561	9382	-51%
	<b>100%</b>	<b>9 622</b>	<b>16 255</b>	<b>-41%</b>

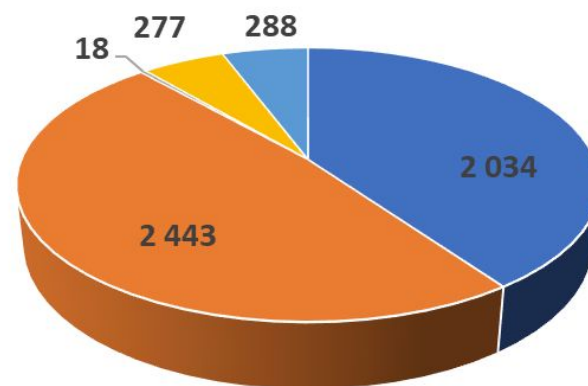
□ Signifiant decrease of global costs : **-41%/ 19** at 9,6 M€

□ **-26 %/19** of shared costs at 5,1 M€

□ **-51%/19** of corporate costs

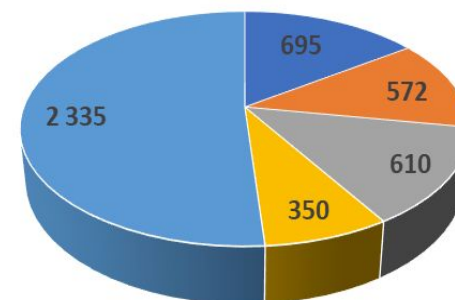
□ Corporate costs 2020 represente 3,1% of this B20 revenue (Verison 2,before Covid)

Shared cost breakdown 2020 (in k€)



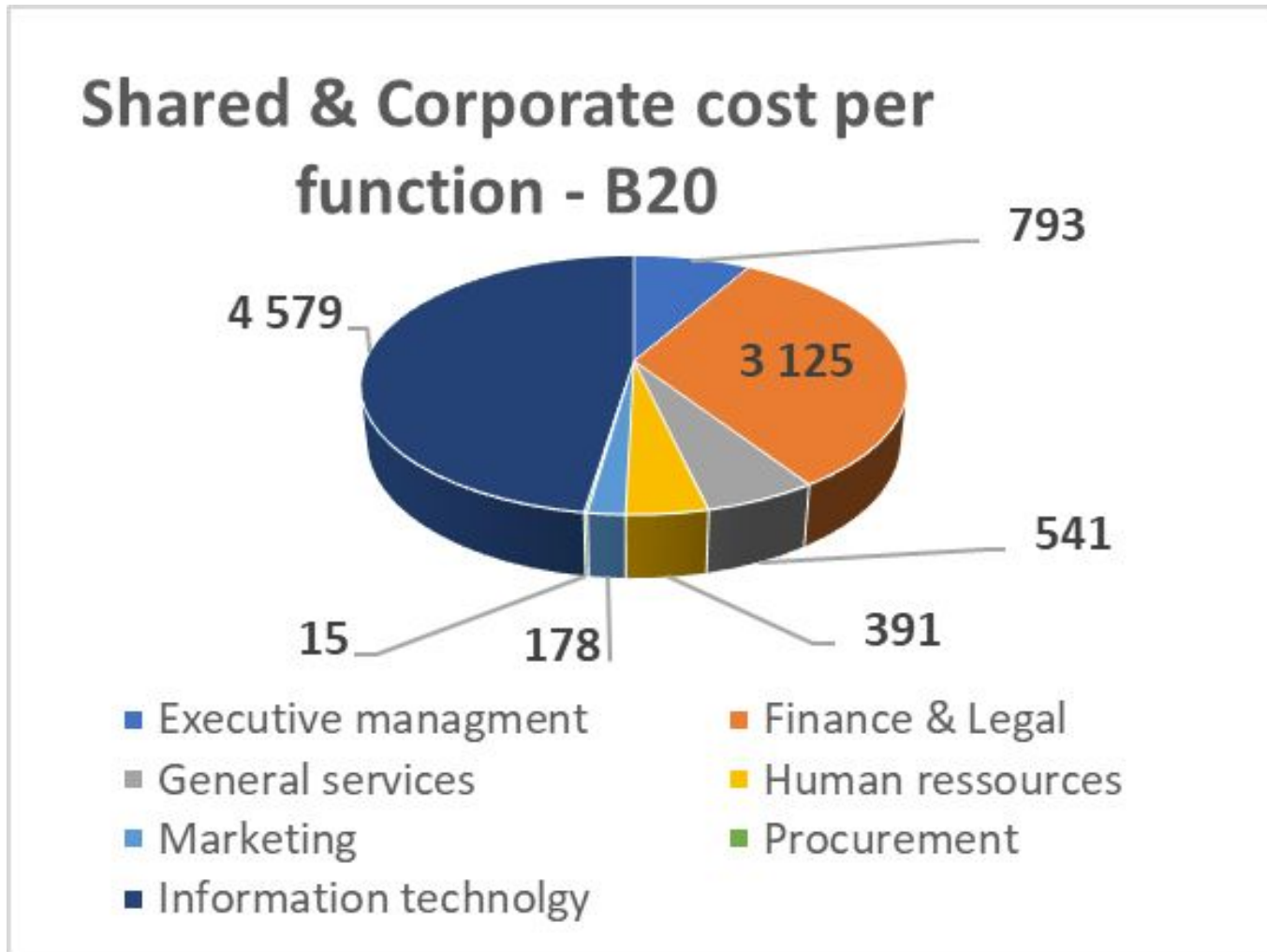
■ Exhibitor services ■ Content services  
■ VPF ■ Ymagine

Corporate cost breakdown 2020



■ Exhibitor services ■ Content services  
■ VPF ■ Ymagine  
■ Corporate

## SHARED AND CORPORATE COST S 2020 BY FUNCTION





# **BELARUS**

## **Corporate and Shared Costs 2019-2020**



# BY10 – Comparaison 2019-2020

SHARED SERVICES	2019 Cost in K€	2020 Cost in K€
Marketing	42,6	66,2
Procurement	22,0	18,6
IS&RD	58,1	108,8
SAP	-	-
Central Warehouse	36,7	40,8
CN Finance and controlling	9,8	11,6
SALES	16,6	23,5
Product Management	40,5	38,4
<b>TOTAL</b>	<b>226,2</b>	<b>308,0</b>
Reduction Intercompany pru	(13,2)	(65,2)
Reduction Rebates	(57,8)	(12,2)
<b>TOTAL SHARED COST</b>	<b>155,2</b>	<b>230,6</b>

**Mktg Only CN have planned events  
Reduction of Headcount in this  
department**

**Main Projects in 2019/2020 are**

- ERP21 600K
- SHOP
- TMS

**Goal: To optimize the Inventories  
across the Group Target 5MEuro of  
Cash**

**Coordinate the Global Strategy  
Validated in the Perform**

# BY10 – Comparaison 2019-2020

CORPORATE COST	2019 Cost in K€	2020 Cost in K€
Executive management	13,9	13,0
Finance	12,9	11,4
Human ressources	7,1	1,7
Legal	1,4	1,5
<b>TOTAL</b>	<b>35,3</b>	<b>27,6</b>

▣ **Significant Decrease of the Corporate Costs year over year**

# Relationship BY10 vs Group

- INTERCOMPANY AR & AP at 31.03.2020**  
(shared cost 2018 excluded -190K€)

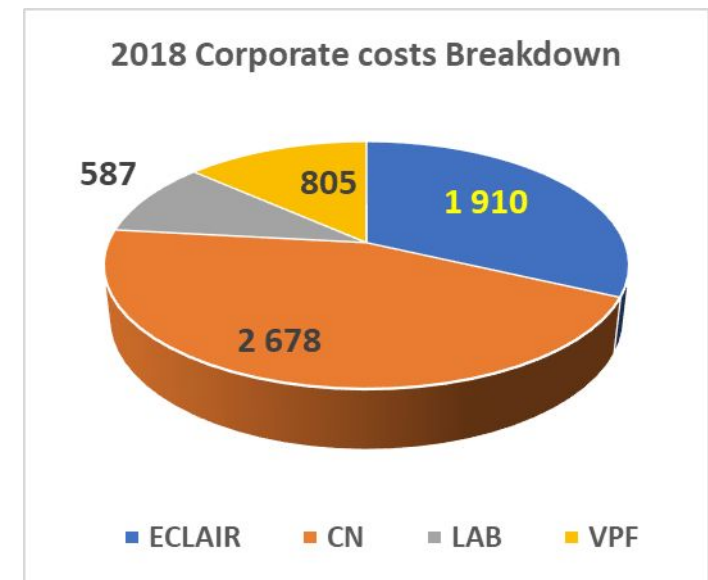
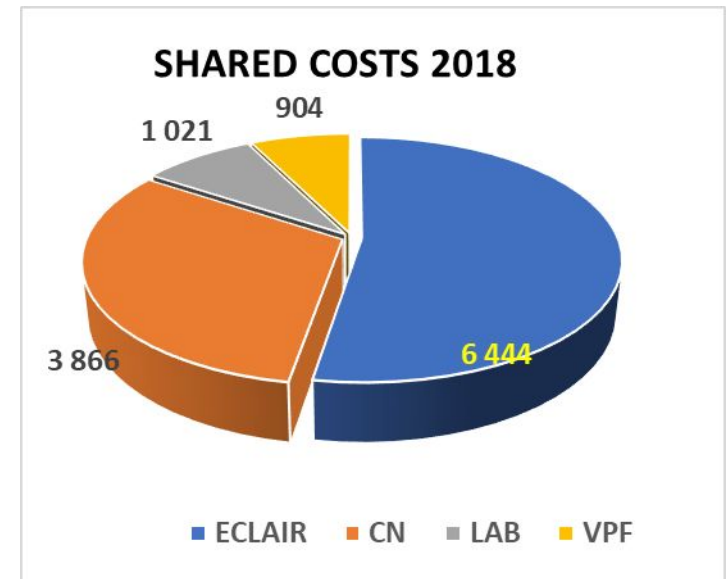
Customer n°	Customer Name	Country	Curr	Grand Total	Non-Due	Total Due	Grand Total
BE10	Cinemanext s.a.	BE	BYN	0	0	0	0
TOTAL AR				0	0	0	0

Vendor n°	Vendor Name	Country	Curr	Grand Total	Non-Due	Total Due	Grand Total
BE10	Cinemanext s.a.	BE	BYN	-567.046	-551.105	-15.942	-196.939
TOTAL AP				-567.046	-551.105	-15.942	-196.939

# KEYS NUMBERS FOR 2018

	%	K€
shared costs 2019	75%	13 920
Corporate costs	25%	4 588
	100%	18 508

- Shared costs represent 75% of the overall costs and should be considered as a charge to them.
- 2018 Corporate costs which represent only **25%** of invoicing



## BY10 : UNRECORDED SHARED COSTS 2018

SHARED SERVICES	CORPORATE COST	TOTAL 2018
155,0	35,3	190,3

- Corporate cost and Shared cost 2018 not recorded ??
  - 81% are your operational or fonctionnal shared costs !
  - Only 35 K€ of contribution on corporate costs

To regularize

- We will formalize a management fees agreement exclusively on the corporate costs part.
- We will re-tabulate the 2018 invoice with this breakdown, giving a minimum of detail, and forward it to your auditors.
- Our own auditors have audited the shared costs and corporate costs.