

sescom

Sescom
Strategy 2030
Wise Futurist



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1.

Sescom
today



1.1. Sescom – who are we?

Sescom is a technological company that offers technical Facility Management services and strongly focuses on the use of new technologies to optimise its own activities, improve customer operations, and meet the environmental requirements of sustainable development.

In an unusual way for companies from the FM sector, it combines the advantages of a large, international enterprise with the creativity and flexibility of a start-up. It constantly updates its management model and the value it offers its customers **in more than 40,000 locations in Europe.**

In 2020, the duration of Sescom's existing strategy ends. As last year has brought an unprecedented market change dynamics, the strategy for the following years is aligned with the environment in which the company operates.

In order to determine the directions for further strategic growth of Sescom, the organisation, its environment and the local and global prospects for Facility Management should be looked at.



1.2. Sescom 2016–2030. Experience, consistency, updates, development

Many assumptions of Sescom's current strategy – are still valid. They will not be changed, but only updated due to the fact that they:

- allow the company to **leverage its strong sides and natural aptitude** – including **expert knowledge, competence and years of experience** with technical services in the Facility Management industry
- have so far guaranteed the **achievement of success** and development **in international markets**
- are an **ambitious goal** on the horizon that the **company wants to achieve**, not change

Foreign Sales Growth in thou. of EUR 2016–2019



2018/2019 vs 2015/2016



Consistent development of the offer and technology indicates the natural directions of development for 2021–2030:

2008–2015

2016–2020

2021–2030

| | 2008–2015 | 2016–2020 | 2021–2030 |
|-----------------------------------|--|--|---|
| IT systems | Platforms: SES Support, SES Control | Platforms: SES Support, SES Control + ERP/IFS | Platforms: SES Support, SES Control ERP/IFS + BI, AI data science |
| R&D | Hydrogen – test and experiments; patents; SES Control –Microserver – prototype, test implementation | Hydrogen – test and experiments; development – patents; + Sescom’s own Business Intelligence system; + Sescom Innovation Lab – incubation and acceleration; + Market analysis for FM markets in Poland, Germany and Great Britain | Hydrogen – development of market-ready solutions – the HGaaS programme + Continued development of Sescom’s own BI system; + Intensive development of R&D activities in the area of predictive maintenance and effectiveness of FM services; + Spin-off projects from Sescom Innovation Lab |
| Design and construction of | shops and technical infrastructure | shops, technical infrastructure and IT + infrastructure for data collection | shops, technical infrastructure and IT + infrastructure for data collection + support processes |
| Technical maintenance | equipment and installation | equipment, installation, IT infrastructure + forklifts – logistics, warehouses | equipment, installation, IT infrastructure forklifts – logistics, warehouses + vending machines and autonomous shops |
| Management | technical maintenance | technical maintenance + technical budgets + data collection + optimisation | technical maintenance technical budgets data collection optimisation + business intelligence + agile management |
| Forecasting of | maintenance costs | maintenance costs + possible savings | maintenance costs possible savings + potential failures – predictive maintenance |

Mission

Our reason for existence and manifesto of the most important goals

To ensure the attractiveness and functionality of real and virtual space in which people work, buy and rest

Many assumptions of Sescom's current strategy, including its mission – the reason for existence and the manifesto of the most important goals of the company – are still valid will not be changed.

The target image of the company and its model of action put man and his individual needs in the centre.

Vision

Image of the organisation we want to strive for

A global technical-technological ecosystem delivering continuously updated value in the Facility Management market

The company's vision – that is, a target picture of all of its activities – and its business model and organisational structure, which are designed to effectively support the achievement of the objectives, have been updated.

The vision of the company in the future is that of a global ecosystem – understood as a network of connections and relationships between people.

1.3. What is VUCA and what effect does it have on us?

Adapting to market expectations and being shock-resistant is not enough to feel confident. Today, an organisation must use stress to its advantage and turn it into a growth factor. That's how Sescom works and will continue to work in subsequent years.

Further growth of the company will be based on the active use of expert knowledge and years of experience, as well as on a constant willingness to respond boldly to both market opportunities and emerging threats.

Sescom's answer to the challenges the company faces and a way to continue the rapid growth is Strategy 2030: Wise Futurist.

The basic premise of the new strategy is the balance between business security and knowledge derived from experience and insightful analysis on the one hand, and vision, innovation and bold development on the other.

The dynamics of change has acquired a new meaning. We live in a VUCA world:

V – volatility

U – uncertainty

C – complexity

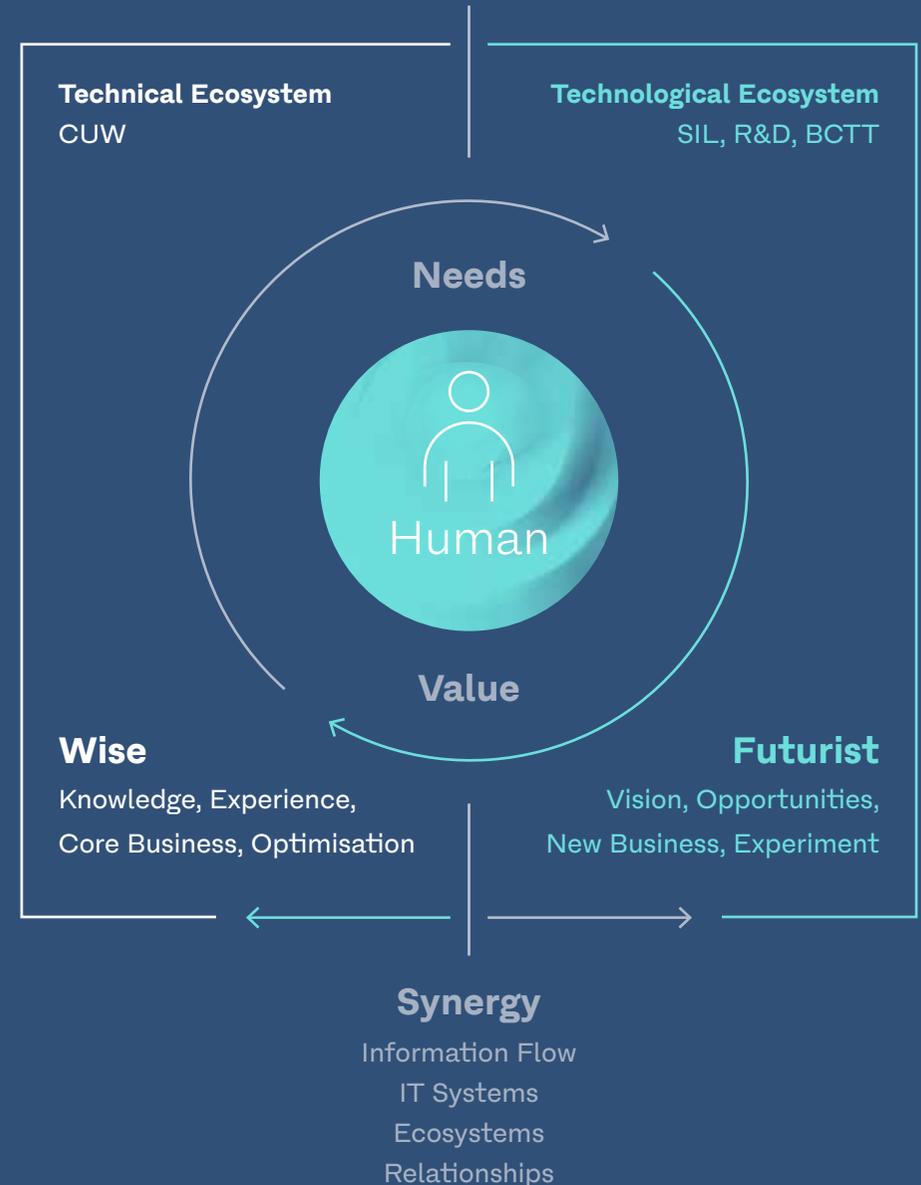
A – ambiguity

Constant update

By translating the principles of circular economy into how the company works, Sescom, in thinking about further development, moves away from linear action, in favour of a regular, annual update and improvement of the strategy – so as to maximise opportunities and support the fulfilment of the objectives of the company through the use of the best, up-to-date solutions.

Verification of the value offered will be carried out through a constant analysis of the environment – including trends and signals from the organisation – from key business, development projects and the ecosystem of technical and technological partners.

Man and his individual needs are the very focus of Sescom's attention.



2.

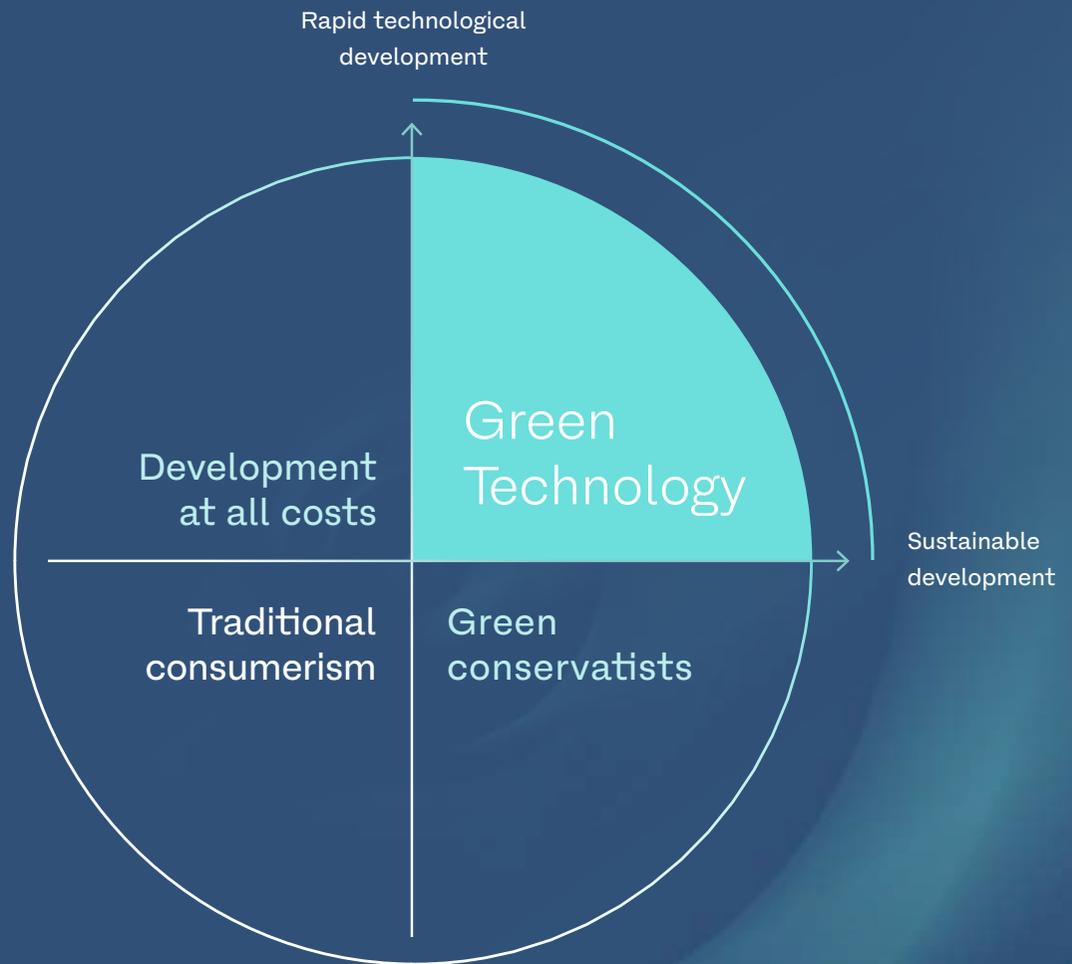
Good prospects for
further development

2.1. Trends and their impact on Sescom's continued development

In order to fully exploit the potential of the company and of all market opportunities, while at the same time ensuring the safety of the company and its customers, change trends in the environment and their impact on further development should be analysed.

Trend analysis and future scenarios

- When planning further development in such a dynamic environment, it is necessary to constantly monitor trends, verify the future scenarios for which we are building our strategy, and regularly update the strategy itself.
- For today, the most likely scenario of the future according to Sescom is that of **Green Technology – a future determined by a strong emphasis on sustainability and rapid development of technology.**



2 megatrends have been chosen as crucial for Sescom's development:

1. Megatrend – Sustainability

- increasing need and pressure for sustainability
- development that takes account of environmental protection and the slowing down of climate change
- development by exploiting natural aptitudes and minimising vulnerabilities

Sustainability at Sescom

- **strategic objective – to reduce Sescom's carbon footprint by 20%** by 2023, also through further digitisation
- **the Energy offer** – to support customers wishing to reduce their carbon footprint and implement **electricity savings, photovoltaics or hydrogen technologies**
- development of Sescom with the use of its strengths **and natural aptitude**
- moving away from linear to **circular** thinking – e.g. device repairs instead of replacements
- offering measurable **value over the long term**, instead of individual actions and man-hours
- achieving global effects by solving local problems

2. Megatrend – Rapid technological development

- large dynamics of change
- everything connected, the interpenetration of the virtual and traditional world
- increasing digitisation, automation and autonomy
- prediction instead of reaction

Rapid technological development at Sescom

- expansion of the **technological ecosystem** cooperating with Sescom in the field of solutions supporting the optimisation of business and operational processes within the organisation, and at customers' facilities.
- **investment in new technologies** and R&D – **7 mln EUR over 5 years**
- broader **digitisation** of the company
- **program of innovation**, and use of new technologies
- individual offers for customers, with services delivered by **expert teams supported by new technologies**

Selected trends affecting further development

How do trends affect Sescom's offer?

- **change in the definition and functioning of the shop**
– a “store” will no longer be a place to shop, but more about a “somewhere” or “something” through which one can acquire goods anywhere and at any time* – without making a difference between online and offline.



- offer to **support business in omnichannel** - by optimising auxiliary processes

- **change of business models** – ours and our customers'
- increased importance of **service design**



- business needs considered individually, **service design, agile services, digitised project-based organisation,**

- **changes in consumer behaviour and values**



- support business in **delivering value** relevant to their consumers – e.g. the reduction of carbon-footprint

- **ubiquitous transparency of business**



- **digitisation, data-driven organisation, data availability and transparency, reporting**

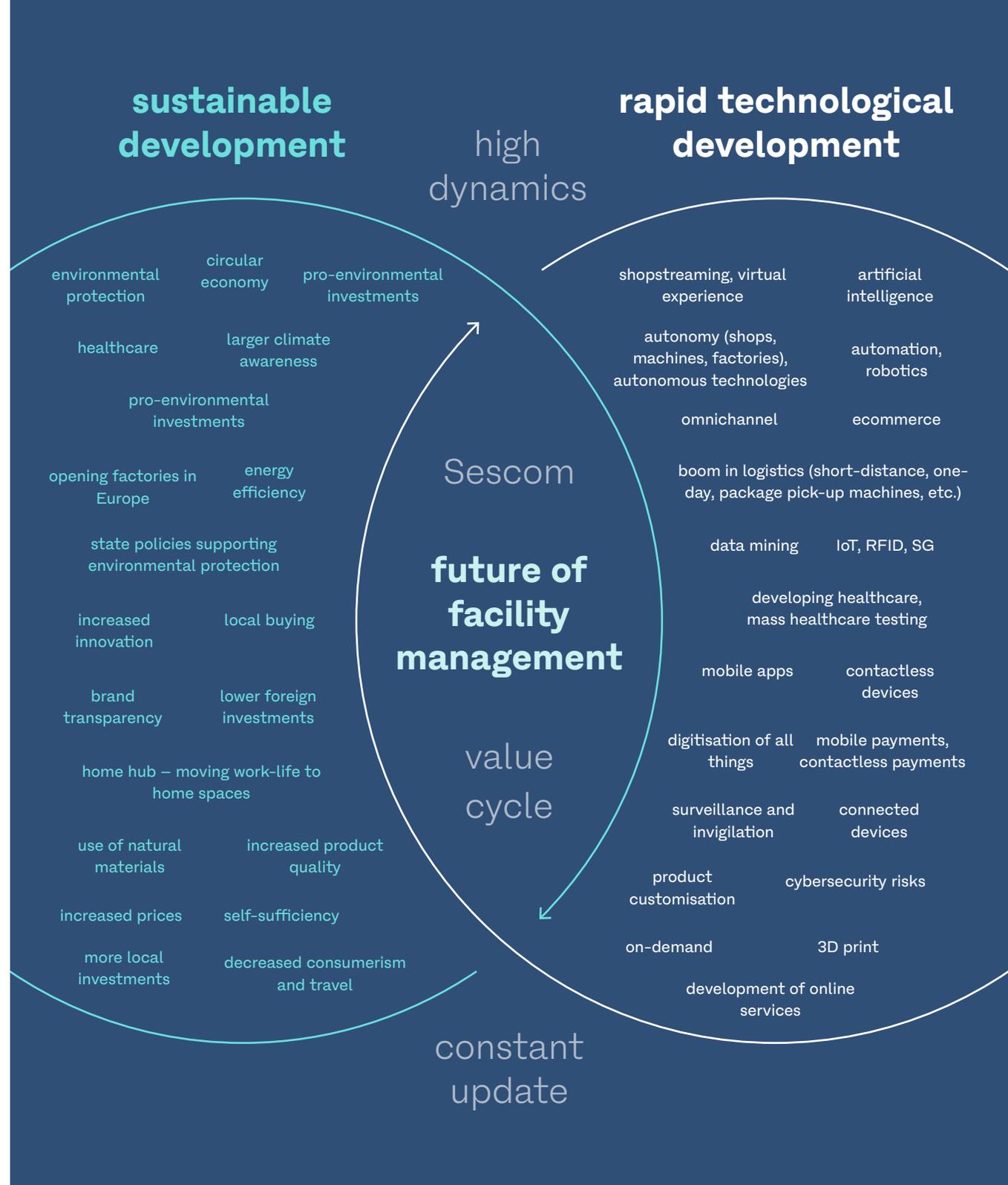
* source: Forbes – The Domino Effect: 5 Ways Coronavirus Will Forever Change Retail

2.2. Future of Facility Management

Sescom perceives **Facility Management** as a **constantly evolving solution to ensure the operational efficiency of retail facilities, the efficiency and competitiveness of business and a support for its development.**

According to Sescom, the Future of Facility Management is:

- predictive maintenance, that is, **prediction instead of reaction**
- individual, comprehensive, **flexible solutions**
- implementation of the idea of **“everything works”**
- **circular economy and support for sustainable development**



2.3. 2030 – A Large Space for Further Development in the FM Market

FM Market in Europe

It is characterised by great competitiveness. In addition to providing technical maintenance services, FM companies build their competitive position by:

- **service comprehensiveness** – cleaning, protection, IT tools for FM (platforms, applications), AI in FM, Energy Management, consulting
- **modern solutions** – process optimisation, digitisation, remote monitoring, preventive and predictive activities, mobile maintenance
- **specialisation and close cooperation with retail in the implementation phase** – modern IT solutions for FM, autonomous shops
- **flexibility** – responding to the needs of the moment, e.g. disinfection, health protection, disinfection, digitalised inspections

Currently, Sescom competes in the areas of:

- Sescom Store – finishing, modernisation, fit-outs
- Sescom Facility Management – comprehensive technical FM
- Sescom IT Infrastructure – support in the integration and maintenance of IT and multimedia infrastructure,
- Sescom Energy – energy efficiency, lowering electricity consumption and costs,
- Sescom Digital – RFID/Inventory Support,
- Sescom Logistics – sale, rental and repair services for forklifts,
- IT Tools for FM – SES Support and SES Control

FM Market and Competitive Position in Poland

- good position,
- stable revenue growth, achieving goals despite the crisis,
- good partnership relations with customers, trust, willingness to seek solutions together,
- possibility of experimentation – of change – the possibility of carrying out pilot projects

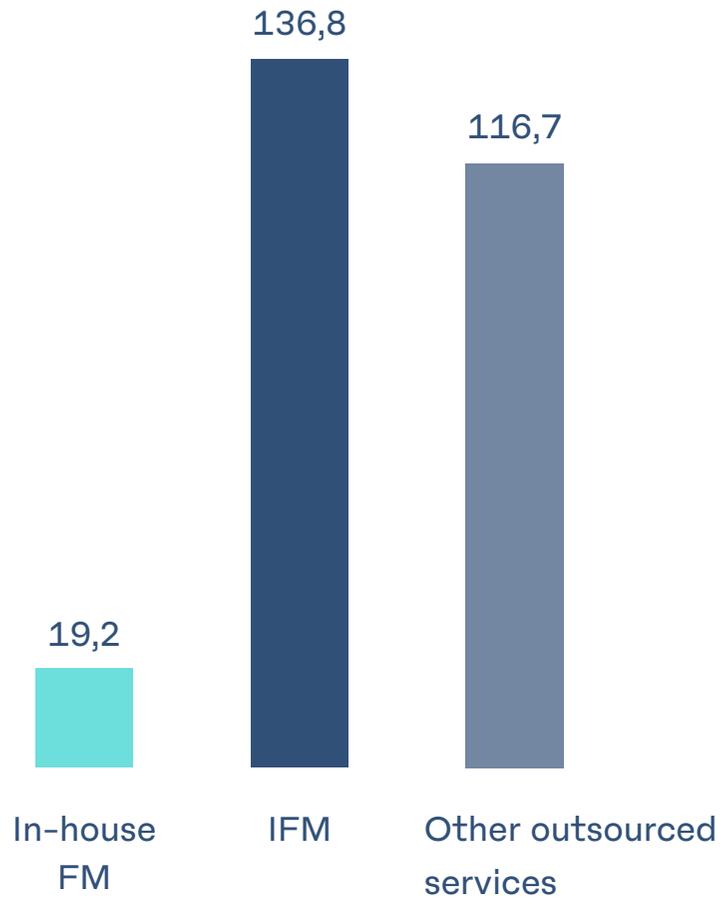
FM Market and Competitive Position in Europe

- **position with high-growth potential,**
- two-tier development – by providing basic technical services and comprehensive, international FM services.

2.3.

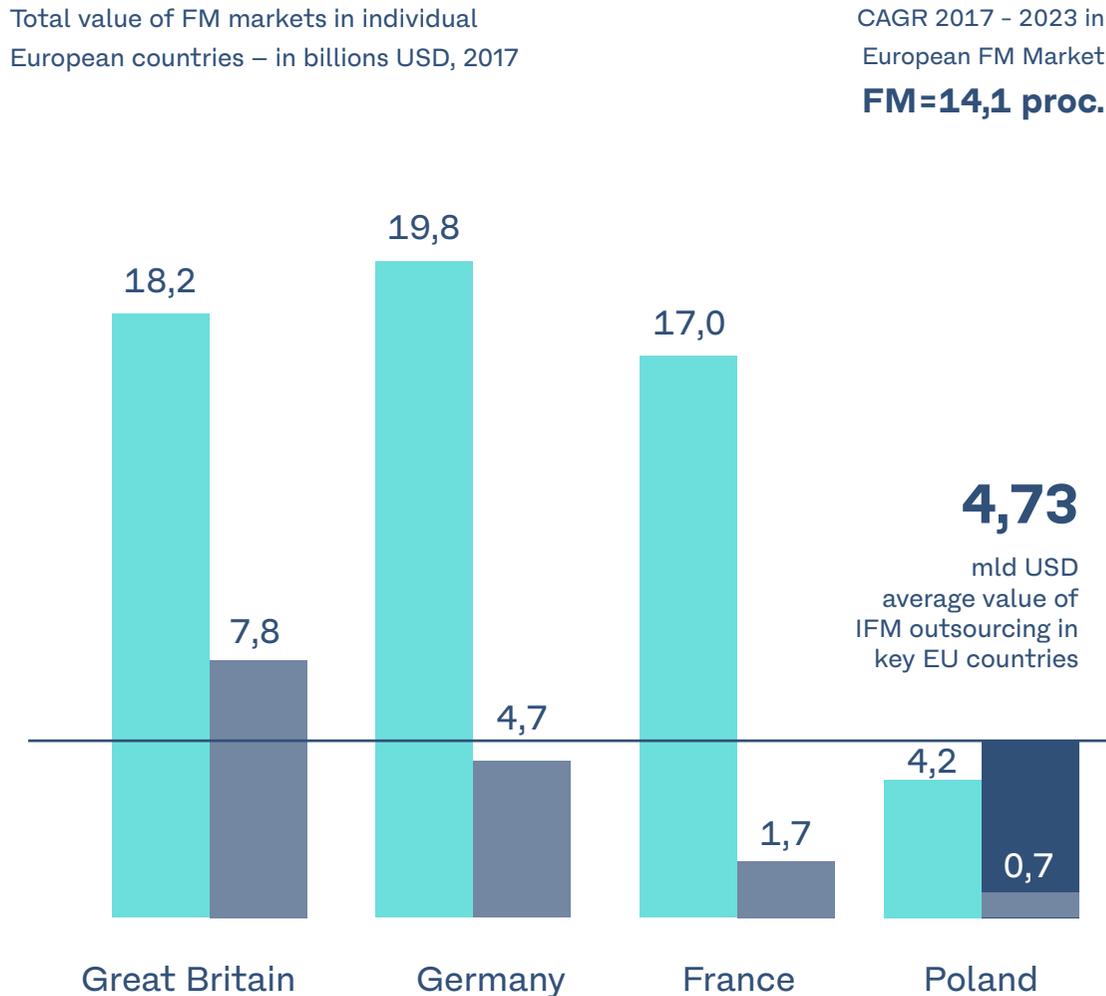
Good prospects for further development

Total value of European FM market – in billions USD, 2017



The estimated value of the FM market does not take into account new technologies that make up an increasing pro-portion of this market.

Total value of FM markets in individual European countries – in billions USD, 2017



- Value of FM for commercial real estate in billions USD.
- Value of FM outsourcing in billions USD
- Potential to increase the value of FM outsourcing in Poland.

3.

Sescom's Future and Strategic Goals

3.1. Sescom's Future and Strategic Goals

Strategy 2030: Wise Futurist

Given Sescom's current position and strengths, the prospects for market development in Poland and abroad, as well as the challenges and opportunities arising from the new reality, compounded by the pandemic – Sescom responds with a strategy tailored to the dynamics of change in the world of VUCA.

Wise

Solid foundations:

- Knowledge and experience
- Reach and security
- Quality
- Stable business model

Futurist

Development:

- Large business scalability
- New technologies
- Customized, comprehensive solutions
- Dynamic growth through market opportunities



The broad picture

We are aware of changes and that our decisions and actions affect the environment and the future – we track trends and translate them into our actions; we know that the work of each of us translates into people’s feelings where they work, buy, and rest.



Vision

We have a clear vision for the company and the world we want to build together – we are building an innovative, flexible, international company for which man, relationships and local challenges are important.



Knowledge

For development we use our natural predispositions - knowledge, experience and competences – we consciously use the accumulated expert knowledge.



Technologies

We test new ideas and technologies – we are fascinated with new concepts and solutions, we look for improvements with the use of new tools, we test and implement new technologies.



Scale, Agility

We react quickly to changes in the environment and the needs of our customers – we respond to VUCA with a flexible organization capable of rapid change of scale.



Values

Sescom’s value is more than services. We focus on the value delivered, not individual actions – we focus on joint development, exchange of knowledge and long-term relationships.



Man

Focusing attention on man, we have confidence that we deliver the right value for each recipient – we perceive the provision of services as the cooperation between humans.



Relations

We achieve the most valuable and lasting results thanks to trust, understanding and synergy of action – we focus on joint development, exchange of knowledge and long-term relationships.



Change from within

We live what we offer. We are committed, creative, open and transparent – we translate trends in the environment into concrete organisational changes, we talk about effects and our experiences.



Balance

We combine elements of security and experience with a bold vision and development – we are looking for the golden mean between global reach and flexibility and sensitivity to local problems, between dynamic development and focus on people and the environment, between technical knowledge and technological development.

3.2. Sescom's customer – relationships and a thorough understanding of the various needs

| | | | | | |
|---|---|--|--|--|---|
| We serve different market segments, go outside the network | networks – including retail, HoReCa and others that have distributed infrastructure (e.g. telecoms) | single facilities with small/medium area | large-area facilities | individual customer | new opportunities – we are constantly considering opportunities to expand our market |
| Offer tailored to the recipient – we care about satisfaction at all levels of contact | Boards, Managing Directors, Controlling | Country Managers, Directors for Development, Heads of Expansion Departments | Facility Managers, Purchase Employees, Energy Managers, Maintenance Directors, IT Directors | Specialists, Store Managers | store employees and customers of our customers – affect the needs of the businesses we serve |
| Example problems | The world of VUCA requires strong action – for this you need good management information. Building business value and achieving real results requires cooperation with flexible experts. | Diversity of markets, changing local regulations, increasing competition, problems in finding reliable partners offering a broad range of delivery, quality and flexibility | Business maintenance costs are spent inefficiently, budgets are reduced. Own organisational structures must be multifunctional, multi-tasking and flexible – they do not focus on quality and detail. | We need good communication, quick reactions and a job well done. If it is possible to avoid breakdowns and long-term strategies to optimise the operation of shops and devices – we are satisfied. | We need to combine a good experience with a sense of security and the belief that we know what the brand stands for – is it for us? |
| Problem solving at different levels of the organisation | <ul style="list-style-type: none"> • strategic consultancy, • providing results rather than services, • support in achieving strategic goals, • agile services – the ability to quickly respond to individual needs, • improving competitive position, • one partner for all topics, • focus on core business. | <ul style="list-style-type: none"> • international experience and reach, • support in achieving strategic goals, • solving local problems, • access to management information, • delivery of results, • one partner for all topics in all markets. | <ul style="list-style-type: none"> • greater efficiency of operations, • support in achieving strategic goals, • access to management information and control of all activities in one place, • stable quality of services regardless of location, • one partner for all topics | <ul style="list-style-type: none"> • support for shop management and achievement of objectives, • solving all problems in one place, • one contact. | <ul style="list-style-type: none"> • greater comfort and safety, • satisfaction, • brand understanding |

3.3. Sescom's offer – towards comprehensiveness, flexibility and individual approach

Market challenges

When the market becomes highly competitive, additionally burdened with the crisis – **we check the situation of the market, we examine its needs, build new value and update the business model in order to deliver it effectively.**

Solutions

- modern, **intelligent outsourcing** using data-driven,
- **individual** solutions and **service design**,
- **complex services** on demand,
- focus on **achieving the desired result**, rather than selling working hours,
- **going beyond traditional shops** – support omnichannel by optimising logistics and support processes,
- broad **access to technical and technological suppliers**,
- **global effects** by solving **local problems**.

New Value of Sescom 2025

Stronger presence in existing markets

New value for current customers. New customers in existing markets.

Multi-level expansion

Exit outside retail and networks (large-scale facilities), service of new sectors and industries (vending machines and robots), territorial expansion.

Growth through acquisitions

18 mln EUR acquisitions by 2025 – acquisitions in Poland and abroad. First foreign acquisition in the first half of 2021. Guarantee of greater access to the market and knowledge to be used within the organisation and in the market offer.

Investments

7 mln EUR over 5 years for new technologies and R&D
3 mln EUR over 5 years for human capital development, including the expansion of the technical and technological ecosystem.

Sescom offers customized solutions for business, supported by new technologies and responding to the challenges of the VUCA world.

Sescom FM

- Complex technical Facility Management,
- investment projects, fit-outs and renovation,
- deployments implementations, installations, and maintenance services – from HVAC, warehouse equipment, IT and digital signage to predictive maintenance, automation, robots, autonomous shops
- cooperation with the technical ecosystem

Sescom Energy

- energy efficiency, reducing electricity consumption and costs
- alternative zero emission sources of electricity and thermal energy – photovoltaics and hydrogen technologies
- energy quality: the reduction of carbon foot-print,
- dispersed energy sources – photovoltaics and hydrogen installations

Sescom Digital

- technologies for optimizing operational and auxiliary processes – IoT, RFID
- cooperation with the technological ecosystem

Sescom On Demand

- individually designed solutions in the field of comprehensive FM, FM outsourcing
- may include all or selected elements of the Sescom offer
- may include technologies not included in the standard offer
- designed using high-quality data on processes and correctness of operation of systems and technical equipment at the customer's,
- the use of service design and agile management methods

3.4.

Sescom's future – strategic goals

In the following years, the company will focus on enhancing the efficiency of core business, including digitisation and the use of new technologies on the one hand, and, on the other, will significantly expand the global ecosystem of companies affiliated around Sescom.

Combining a modern, agile organisation with a network of technical-technological relationships will provide the company with a strong market position, the ability to respond quickly to opportunities and changes in the environment, and dynamic growth.

Strategic Objective:

- By 2025, Sescom will have yielded a “adjusted” EBITDA of EUR 8 million.
- By 2030, Sescom will combine 10,000 companies in a global technical-technology ecosystem delivering continuously updated value in the Facility Management market.

Goals

Development – market

- to 2025 increase sales by 20% compared to 2020–2021 by updating value for existing customers,
- by 2025, 30% of revenue will be generated from performance-based services, not man-hours,
- transition from providing simple, single services to the sale of comprehensive, individual FM projects – 50/50 in 2025 and 20/80 in 2030 on the B2B market,
- acquisitions – up to 2025 the total revenue received by entities from acquisitions over a period of 5 years amounting to PLN 74 mln EUR.

Market objectives will be achieved through:

- intensification of activities in existing markets,
- going beyond the cooperation with chain networks – new market segments, sectors and supported industries,
- foreign expansion, including **foreign acquisitions – 18 mln EUR for acquisitions up to 2025,**
- strengthening positions in selected European markets through efficient use and development of operational structures,
- change of sales structure,
- offering comprehensive, flexible and modern outsourcing services,
- sales of value and performance,
- focus on individual needs of individual customers.

Developmental – organisation

- optimisation of operation and greater efficiency of organisation by 2023,
- human-centred organisation by 2025,
- data-driven organisation by 2025,
- matrix organisation working in project model by 2023,
- innovation and new technologies that increase efficiency of activities by an average of 20% per year by 2023.

Market objectives will be achieved through:

- regular update of the strategy – once a year,
- internal transformation of the company,
- **strengthening human capital, including the expansion of the technical and technological ecosystem – investment of 3 mln EUR** over 5 years **strengthening IT capacity – investment of 7 mln EUR in 5 years in the development of IT and R&D,**
- wider digitisation and automation of processes,
- combination of optimisation activities using innovation, experiments and new technologies,
- constant development of knowledge and competence,
- development of relationships and ecosystems around the company,

Development – selected foreign markets

- DACH, Benelux, UK, France – intensifying all activities to strengthen market position
- Southern and Central Europe, Balkans, Probalтика and Scandinavia – strengthening flexibility to deliver more individualised offers

Market objectives will be achieved through:

- continuous development of the organisation,
- expansion of the ecosystem of technical and technological partners,
- increase of operational efficiency through optimisation and use of new technologies,
- solving local customer problems combined with the support of native entrepreneurs,
- building brand awareness and education regarding changes on the FM market.

Financial

- **obtaining “adjusted” EBITDA profitability of 8 mln EUR in 2025**

Market objectives will be achieved through:

- dynamic and safe market development – stronger on the existing market, new geographical markets, segments, sectors and industries served
- moving from sales of man-hours to offers settled for the result
- moving from selling simple technical services to comprehensive FM services
- improving profitability of operations

Sustainability

- reduce Sescom’s carbon footprint by 20% by 2023

Market objectives will be achieved through:

- using expert knowledge and experience from Sescom Energy area to implement sustainability strategy by the end of 2021.

3.5.

Strengths and market opportunities. Potential to achieve objectives



Strengths

- The agility of the organisation, the ability to adapt to changes and to use them for further development, efficient management
- Large, secure international company, stable partner
- Resources, expertise, FM market experience
- Comprehensive offer, ability to successfully implement complex projects
- Specialist strategic consulting, ability to implement individual projects, result orientation, flexibility, creativity and openness to innovation
- Experience, effective implementations, possibility of further development in the area of Sescom Energy – **carbon footprint, energy efficiency**
- Technological ecosystem and **experience with new technologies** in Sescom Energy and Digital **offers, digitisation and optimisation of the organisation – 7 mln EUR in 5 years, ability to process and use data for management decisions**
- Logistics support structures, new technologies for optimising auxiliary processes, the ability to go beyond the service of traditional stores, experience in the operation of large-area facilities (distribution centres, industrial facilities)



Opportunities

- Changeable environment
- VUCA-related customer needs
- Changes in the way stores operate, technical and legal rigours, the growing need for optimisation and outsourcing
- A broader, comprehensive, flexible service is needed
- Fight for a competitive position, brand transparency and changes in consumer behaviour, need to react quickly to changes, search for new solutions
- Changing the value system and eco trends, growing environmental awareness
- Technology development and widespread digitisation, need to analyse data, predictive maintenance.
- Moving from automation to autonomy - robots, vending machines, autonomous shops, AI.
- The interconnectedness of online and offline, development of distribution centres.
- Need to maintain quality with ambient variability and rigorous budgets.
- FM market potential in Europe.



Effects

- efficient organization thanks to optimization, digitization and automation of repetitive processes
- dynamic development of our own organization and of the customers' operations through extensive use of innovations and new technologies
- security, diversification, flexibility
- resilience and the ability to use changes as a stimulus for development
- large business scalability
- wide reach through technical and technological ecosystems
- strong team, unique technologies and know-how
- predicting instead of responding; innovative solutions
- strong competitive position and increase in value

3.6. Execution and update

The effectiveness of the strategy is measured by its effective implementation. Sescom's strategy has been designed so that all actions taken lead to the implementation of strategic objectives:

- measurable objectives to be accomplished within a specified time frame,
- measured activities planned in two time perspectives – 5 years and 1 year,
- first year of implementation with a budget to enter the 5-year objectives path and a new organisational structure to support project management and further development,
- **investments to enable intensive internal transformation,**
- **annual progress review and strategy update.**

