

CLOUD IS THE NEW DIGITAL

Company Overview

EVENT WINTER CONFERENCE

MILAN, 16 February 2022



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AGENDA

1. WHO WE ARE
2. BUSINESS MODEL AND MARKET OPPORTUNITIES
3. 1H 2021 FINANCIAL RESULTS
4. STRATEGIC ROADMAP 2021



CLOUD IS THE NEW DIGITAL



«Cloud Marketing is the growing trend – of middle and large corporations - to outsource marketing, technology and e-commerce processes or part of processes, in order to acquire scalability, speed, effectiveness and competitiveness.

OUR VISION

DIGITAL TRANSFORMATION AND INNOVATION ARE THE KEYS FOR GROWTH AND NEW BUSINESS -CLOUD MARKETING IS THE DIGITOUCH VALUE OFFERING TO ADDRESS COMPANIES NEEDS FOR A FULL INTEGRATED AND SCALABLE SERVICE

OUR MISSION

TO SUPPORT OUR CLIENTS AND PA IN THE DIGITAL TRANSFORMATION PATH, THROUGH AN INTEGRATED OFFER OF DIGITAL MARKETING, TECHNOLOGY AND E-COMMERCE SERVICES, WITH A MARKET CENTRIC APPROACH



GRUPPO DIGITOUCH

A FAST GROWING DIGITAL PLAYER

- ✓ **ESTABLISHED IN 2007**
- ✓ **LISTED on EURONEXT GROWTH MILAN since 2015**
- ✓ **300+ HIGHLY SKILLED PEOPLE**
- ✓ **OFFICES in ROME, MILAN, LISSONE, PORDENONE**
- ✓ **FULLY GDPR COMPLIANT**
- ✓ **300+ CLIENTS**

34 Million Euro
REVENUES 2020

5.7 Million Euro
EBITDA adj. 2020

1.7 Million Euro
Net Income adj. 2020

19% 2014-2020
TOP LINE CAGR

27 Million Euro
Cumulated
Investments
2014-2020

GUIDANCE 2021

38 - 40 Million Euro
REVENUES 2021

6.2 - 6.5 Million Euro
EBITDA 2021

*Note: Net Income as adj. for goodwill amortization
Data accounted in IT GAAP*



Gruppo DigiTouch is an ISO-9001 Certified Company for:

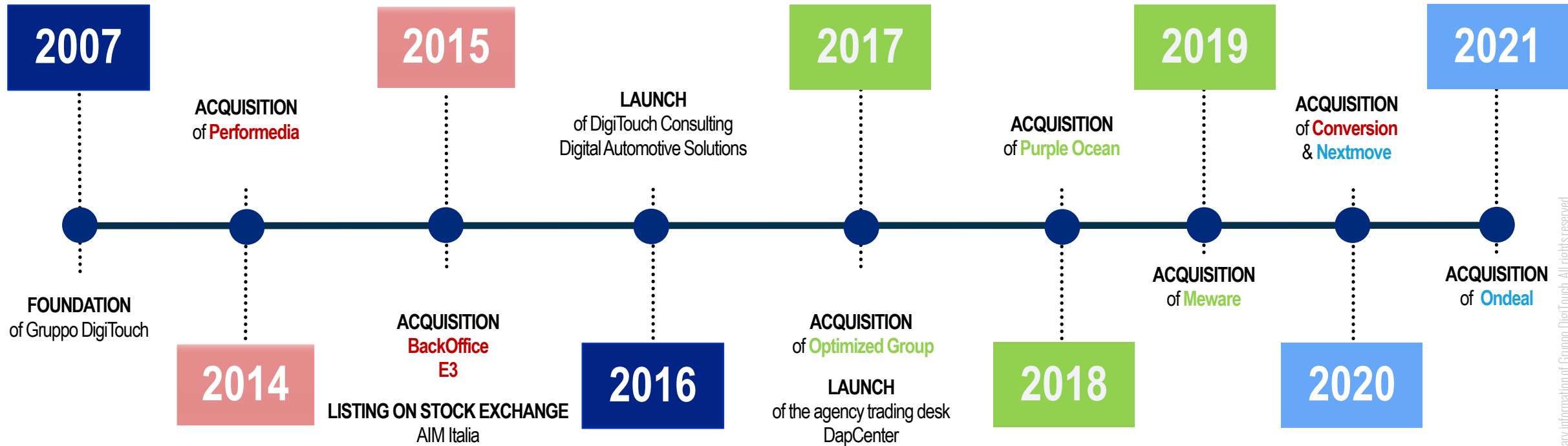
- business management systems
- design and delivery of training interventions in Digital Transformation area



OUR MILESTONES



- ✓ Experience in M&A
- ✓ Capability in People & Process integration
- ✓ Focus on mid-term Business Innovation



- **E-Commerce**
- **Technology**
- **Marketing Services**



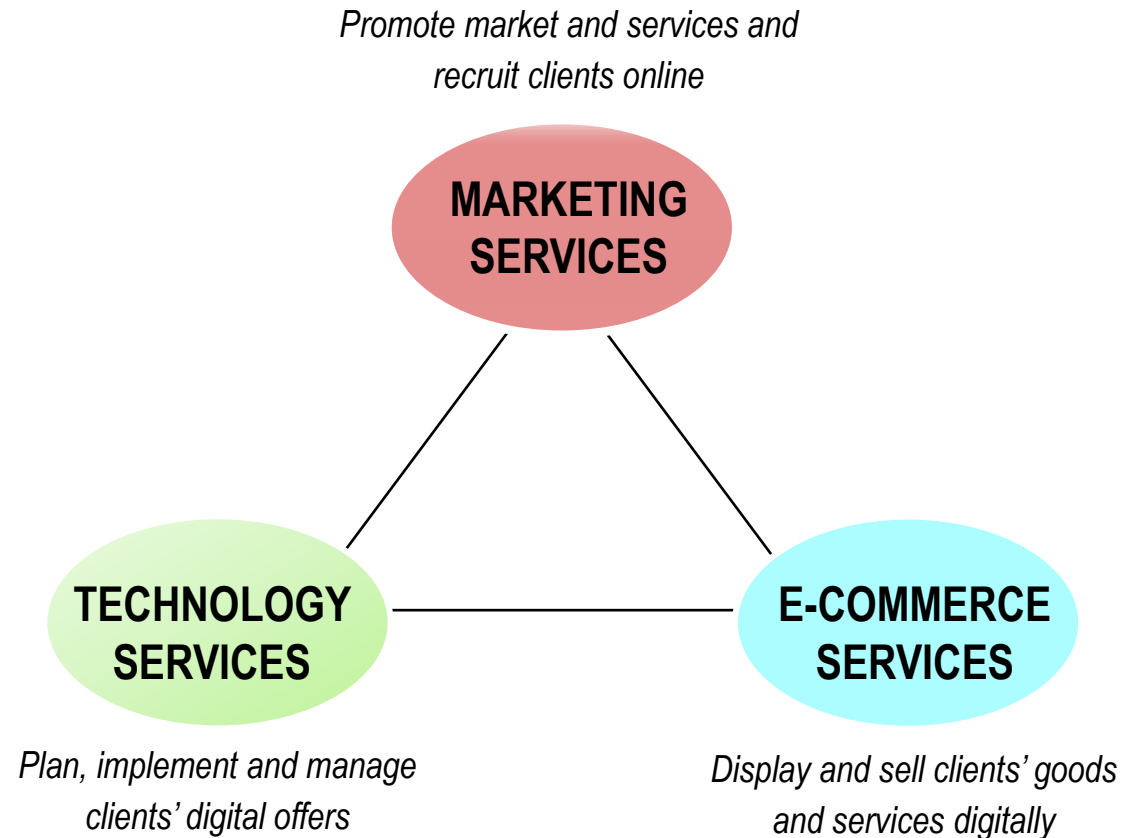
A FULLY INTEGRATED OFFER

CREATING VALUE BY LEVERAGING ON AN INTEGRATED APPROACH AND CROSS FERTILIZATION

- Omnichannel marketing
- Content & Creativity
- Tracking
- SEO & CRO
- Special projects
- Digital event platform

- Proprietary E-commerce solutions
- Interface development
- Experience Design
- Marketplace solutions

- Data analysis & insights
- Business analytics & predictive models
- Data science & machine learning
- Mar-Tech system integration
- Marketing Automation
- Business Process Automation
- Cloud Solutions



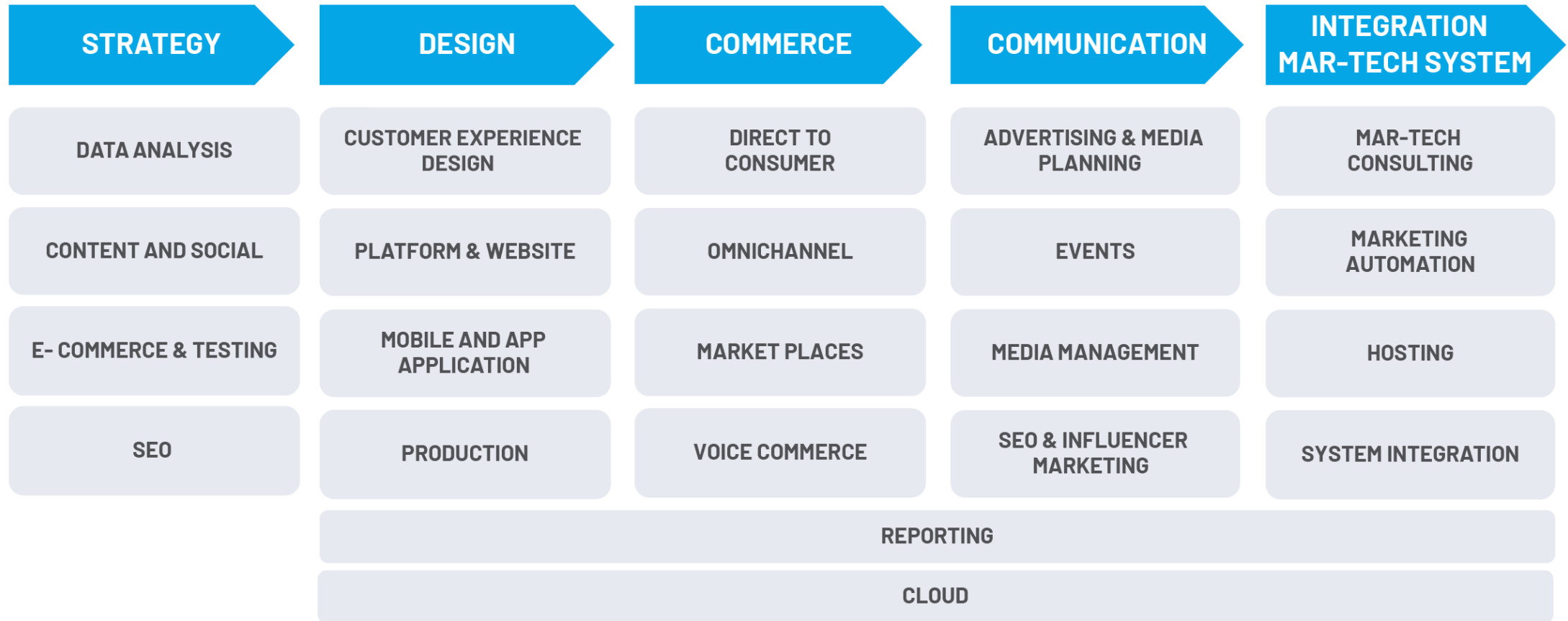
SCALABILITY & PERFORMANCES

We are a **Cloud Marketing Company** with focus on integrating **Technology, Marketing, Resources and Skills.** **Flexibility, market centricity, consultancy and assets integration are our keys**



FULL SERVICES VALUE CHAIN

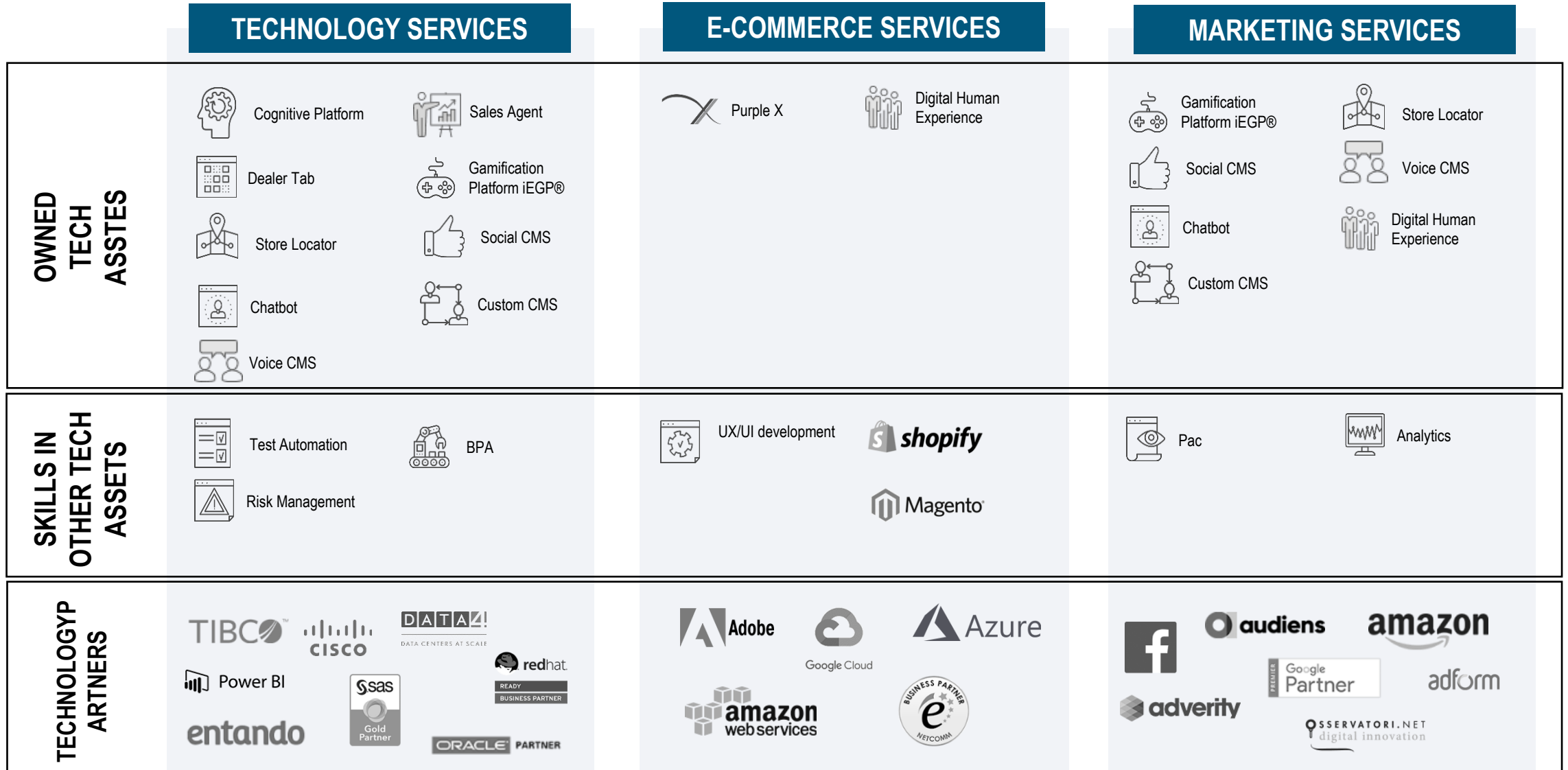
CREATING VALUE FOR OUR CLIENTS ALL OVER THE VALUE CHAIN





MULTIPLE PROPRIETARY TECHNOLOGIES

TECH SKILLS WITHIN THREE CORE DIVISIONS



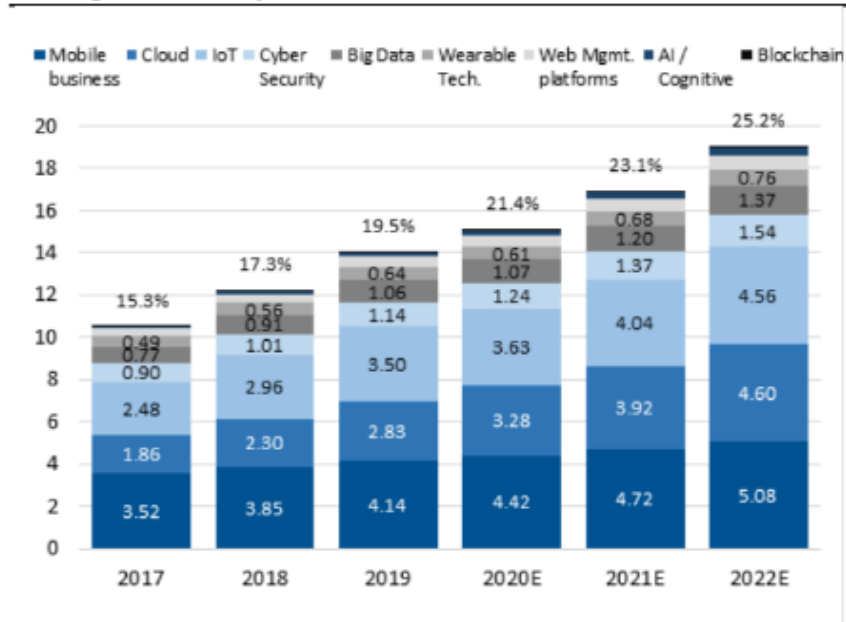


WELL POSITIONED TO CAPTURE OPPORTUNITIES COMING FROM ITALIAN DIGITAL GAP

Digital enablers: innovative technologies (cloud computing, cyber security, artificial intelligence, IoT and big data) among the main growth drivers of the digital sector

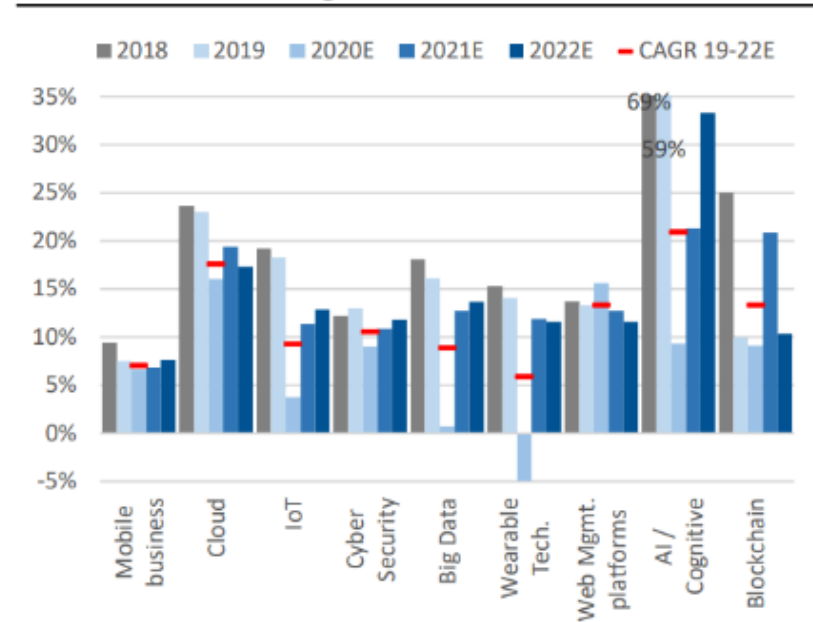
- **Organic trends:** i) “New digital habits of Italians” ii) “Growing digital adoption by Italian SMEs” iii) “Digital enablers”
- **Main goals for NRRP:** i) “Government service digitalisation” with investments to accelerate the digital transformation of PAs, also including (among others) the justice and healthcare systems; ii) “Transition 4.0 and direct investments”; and iii) “Infrastructure”, i.e. investments in the UBB and 5G networks as well as datacenters and cloud infrastructure.

Main digital enablers by market size



Source: ANITEC-ASSINFORM June 2020 report (NetConsulting cube, 2020) - % data shown above columns shows the % of total ICT sector

Growth forecasts for main digital enablers



Source: ANITEC-ASSINFORM June 2020 report (NetConsulting cube, 2020)



DIVERSIFIED PORTFOLIO

EXPERTISE IN DIFFERENT SEGMENTS – CORE CUSTOMERS



RETAIL & E-COMMERCE



FOOD & BEVERAGE, CONSUMER GOODS



PUBLIC ADMINISTRATION



FASHION & LUXURY



FINANCE & INSURANCE



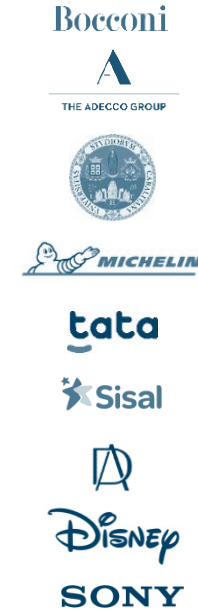
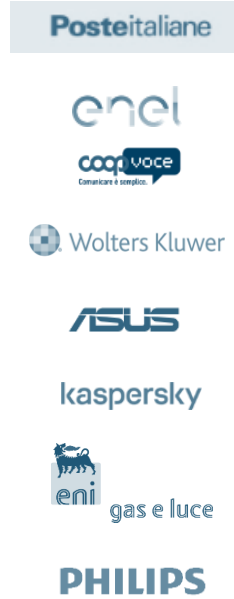
TELCO, UTILITIES, TECH & SERVICES



EDUCATION, ENTERTAINMENT, TRAVEL & AUTOMOTIVE



PHARMA & HEALTHCARE

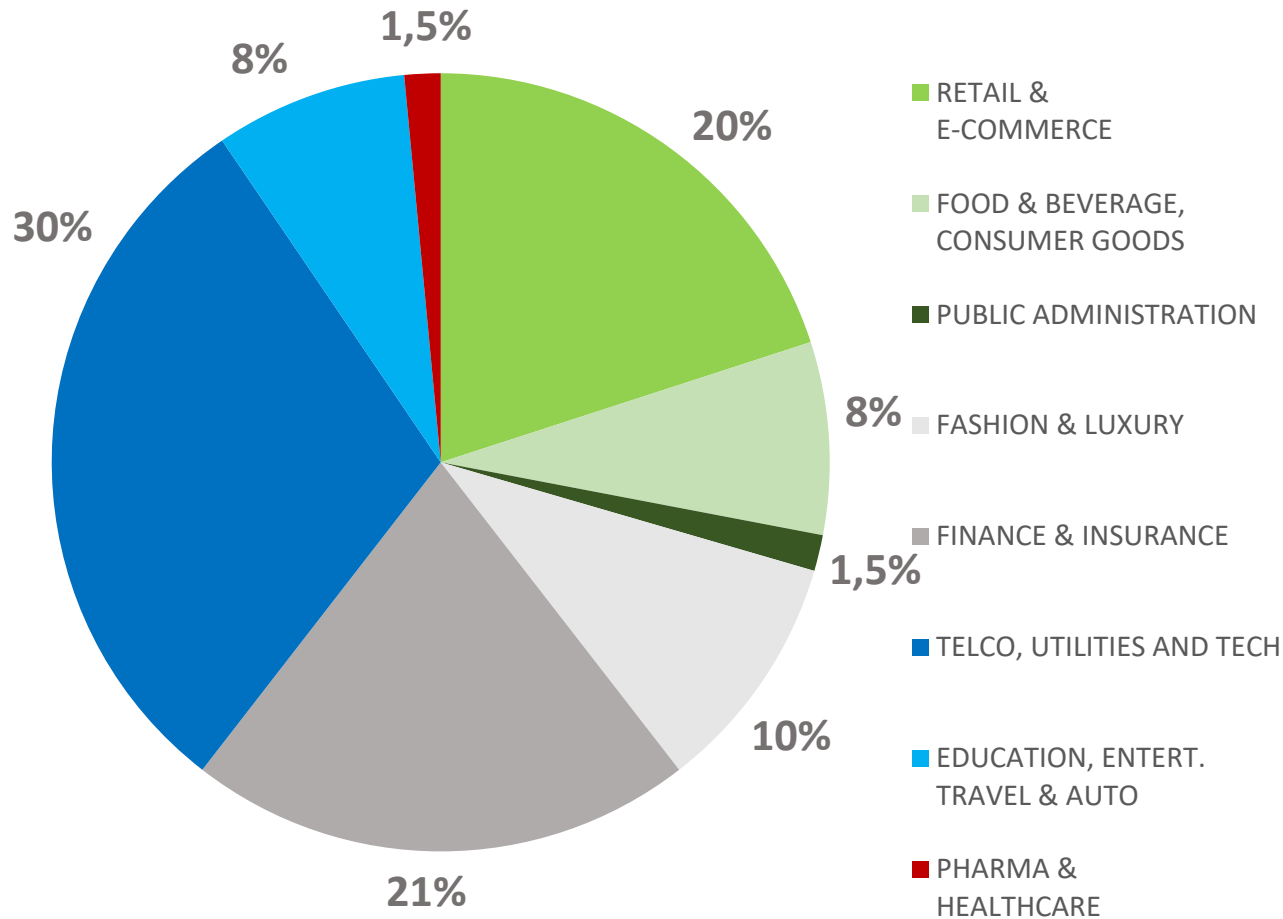


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WELL BALANCED CLIENTS' PORTFOLIO

STRONG EXPERTISE IN TELCO, UTILITIES, FINANCE AND INSURANCE



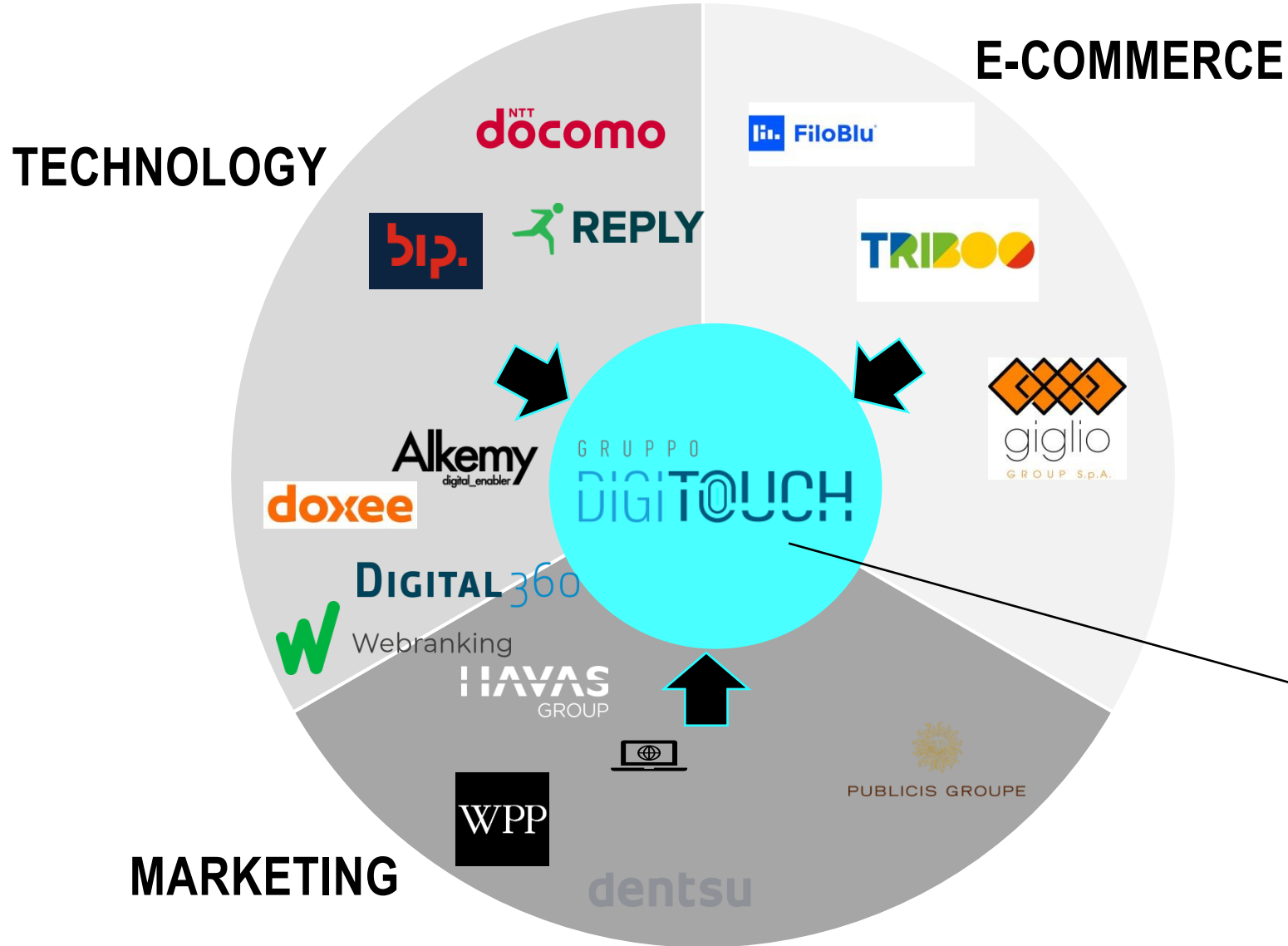
- **Strong presence in key areas (i.e. telco, utilities, finance and insurance)**
- Solid presence also in Retail & commerce and in Luxury
- **Increasing market shares in PA and Pharma**
- **Around #20 new clients** acquired in the last 6-8 months only – including top tier such as TIM, Bip, and Candy

NEW CUSTOMERS in 2021





COMPETITIVE ARENA



Overall market convergence in the area of “Integrated Offer”, generating additional market consolidation

- Gruppo DigiTouch competes with big consultancy groups through a mix of consulting, marketing and tech competences
- Compared to them, DigiTouch can be more flexible in delivering some customized projects at more scalable conditions

INTEGRATED OFFER



FOCUSING ON SHORT & MID TERMS TECHNOLOGY WAVES ABLE TO INCREASE DIGITOUCH POSITIONING & MARKET SHARE



INSURTECH

Digitalization of Insurance Industry is just started. DigiTouch has skills, case histories, technology and a primary role in the Italian Insurtech Association (IIA).

Ecommerce customer experience will evolve and the e-commerce streaming will be not only a main trend, but will aggregate media, marketing, transaction and social skills.

E-COMMERCE STREAMING

CLOUD COMPUTING

Cloud is not only the practice of using a network of remote servers hosted on the internet but also leverage on marketing, e-commerce & data services remotely.

Data management and Forecasting models are always more central to manage mid & large companies processes. DigiTouch is a pioneer in this domain since the first wave of the fraud management services.

MACHINE LEARNING

FRONT ENDS

Evolutions of customer journeys is moving fast and Voice, Mobile & web interfaces are always more integrated and performing. User experience is a key DigiTouch domain.



ROBUST SET OF RESULTS IN 1H 2021



ORGANIC GROWTH COMBINED WITH STRONG MARGINS

Recovery of major clients along with new customer acquisitions

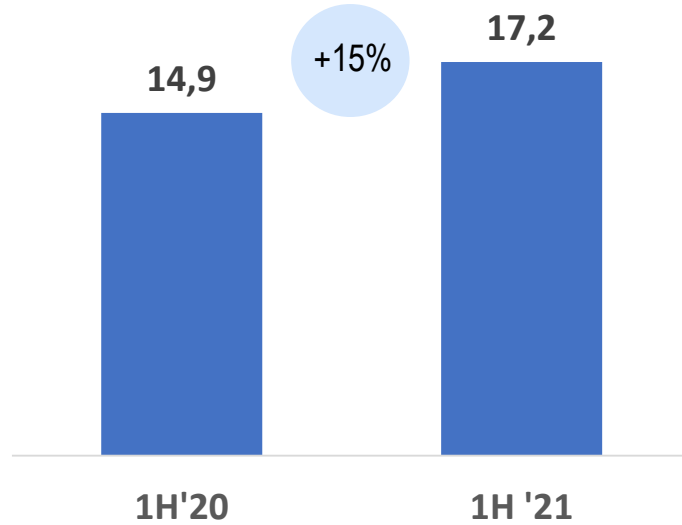
- **Strong organic growth by 15% compared to 1H 2020**
- **Solid contribution of the new segments:** Technology and E-commerce
- **Operating profitability improved** and overall profitability preserved
 - **EBITDA Adj. up 12%** with healthy margin on Revenues at 17%
 - **EBIT growing by 17%** with 5% of margin
- **Net income as adjusted for goodwill** amortization at €1,2m
- **Positive Cash flow generation** with FCF at €0,9m vs €0,6m at the end of FY 2020
- **Net financial debt at €2,1m**, in line with FY 2020 after paying dividends and purchase of own shares - **Significantly low Net Debt/EBITDA LTM** (0,3x in FY 2020), offering room **for additional leverage and investments**



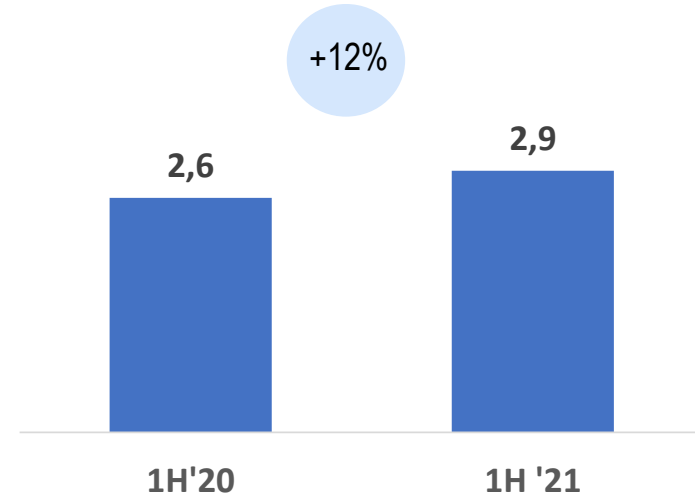


1H 2021 FINANCIAL HIGHLIGHTS

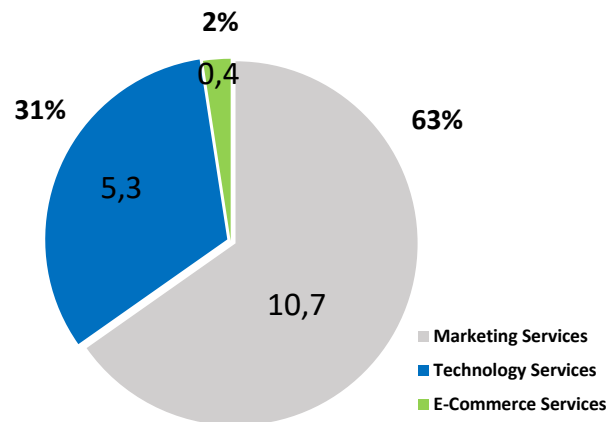
REVENUES (€M)



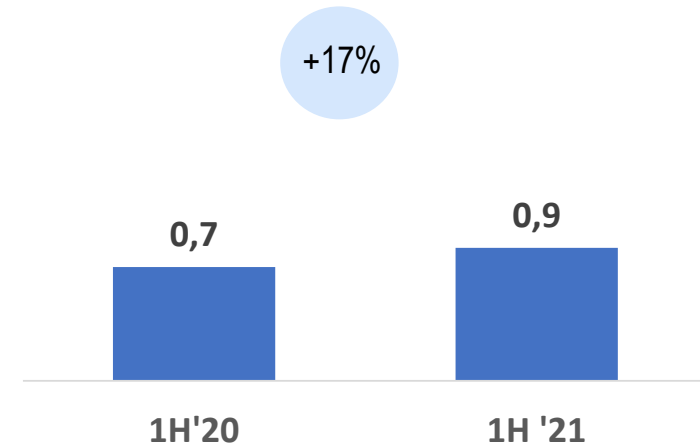
EBITDA (€M)



REVENUES BY SEGMENT (€M)



EBIT (€M)



Note: EBITDA as adj. for non recurring items of €36k - Net Income as adj. for goodwill amortization
Data in euro million; data accounted in IT GAAP



1H 2021 INCOME STATEMENT



INCOME STATEMENT (€M)

Income Statement (Euro M)	1H'20	1H '21	YoY %
Revenues	14,95	17,16	14,8%
EBITDA adj.	2,61	2,91	11,6%
<i>EBITDA margin</i>	17,5%	17,0%	
EBIT	0,74	0,87	16,9%
<i>EBIT margin</i>	5,0%	5,0%	
Earnings before tax	0,57	0,73	26,7%
Net Income	0,39	0,35	-11,7%
Net Income adj. for goodwill amortization	1,17	1,19	2,3%
<i>Net Income adj. margin</i>	7,8%	6,9%	

- **Top line** organic growth of 14,8% thanks to: favorable market conditions for existing clients (despite the ongoing pandemic and uncertainties); entrance of new customers
- **EBITDA adj.** at €2,9m, up 11,6% vs 1H 2020; lower operating costs incidence on Revenues, and the new go-to-market approach (with focus on more profitable projects) as the positive drivers. All in all, Margins were stable YoY.
- **Capitalized cost** of €0,3m, down by 12% vs 1H 2020. **Depreciations and amortizations** increased due to change in perimeter, nevertheless **EBIT** was up 16,9% vs 1H 2020
- Significant growth in **pre-tax earnings**, while Net income was slightly impacted by higher taxation
- **Adjusted Net Result:** heavily impacted by the effect of goodwill amortization accounted in accordance with OIC rules

Note: EBITDA as adj. for non recurring items of €36k - Net Income as adj. for goodwill amortization
Data in euro million; data accounted in IT GAAP



1H 2021 GROWTH AT BOTTOM LINE LEVEL

NET INCOME ADJ. (€M)

Analysis of Net Income adj.	FY'17	FY'18	FY'19	FY '20	1H '20	1H '21
Revenues	28,89	30,60	38,95	33,52	14,95	17,16
residual Goodwill	11,36	10,01	8,59	8,35	7,86	7,52
Net Equity	14,08	14,07	14,50	14,77	14,65	14,66
Net Equity after goodwill coverage	2,72	4,05	5,92	6,42	6,79	7,14
Goodwill amortization	1,25	1,35	1,49	1,60	0,78	0,85
Net Income	0,42	0,27	0,77	0,07	0,39	0,35
Net Income adj. for goodwill amort.	1,66	1,62	2,26	1,67	1,17	1,19
<i>Net Income adj. margin</i>	<i>5,7%</i>	<i>5,3%</i>	<i>5,8%</i>	<i>5,0%</i>	<i>7,8%</i>	<i>6,9%</i>

- **Starting from FY 2022, DigiTouch will report its financials in IFRS GAAP**
- DigiTouch still reports its Financials in IT GAAP
- **Adjusted Net income:** heavily impacted by the effect of goodwill amortization accounted in accordance with OIC rules. This metric better shows the profitability of the company
- **Net Equity after goodwill coverage:** highlights the ability to cover the residual value of goodwill

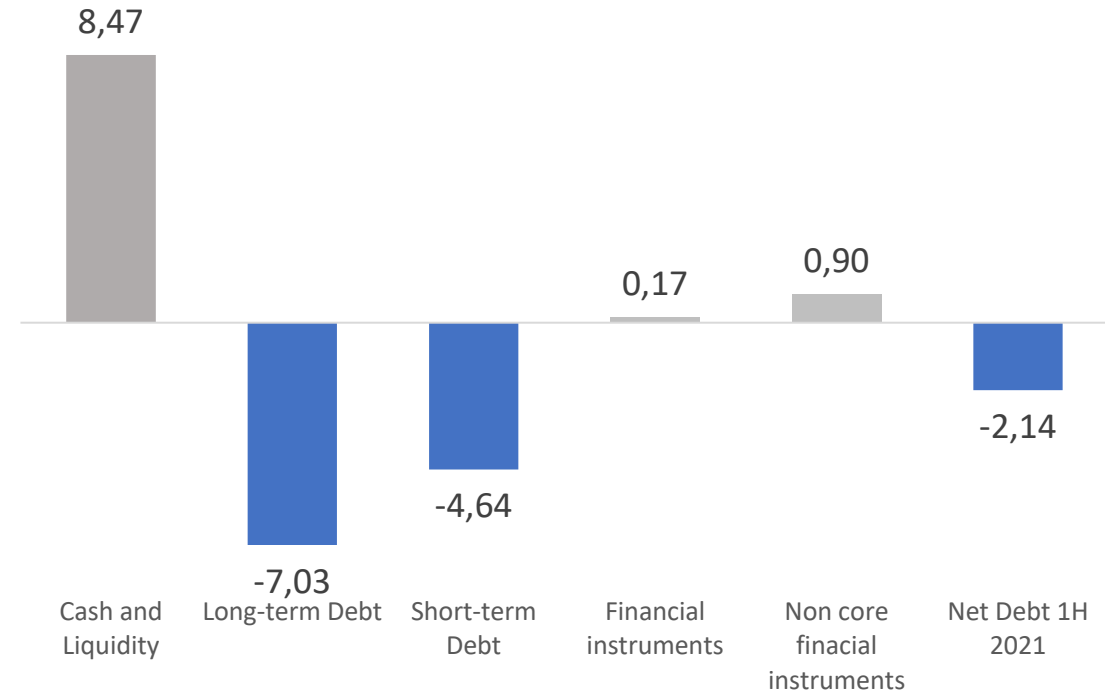


1H 2021 FCF GENERATION AND NFP DYNAMICS

CASH FLOW (€M)

Detailed FCF (Euro M)	FY'20	1H '21
EBITDA	2,61	2,91
Other	1,10	-1,33
Change in WC	-0,60	0,41
Operating Cash Flow	3,11	1,99
Capital expenditures	-3,19	-0,09
Other (investments)/divestments	0,68	-1,05
FCF	0,60	0,85

NFP (€M)



- **Positive cash generation with FCF up from €0,6 in FY 2020 to €0,9m at the end of semester.** Positive change in Operating cash flow level due to a lower absorption of Working capital. **NWC** negatively impacted by approx. €1,4m in payables not cashed in from a key customer
- **Other Investments** including shares in Ondeal that will be accounted for as intangible asset from 2H 2021 onwards. Significantly low Net Debt/EBITDA at 0,3x - still room for additional leverage and investments



1H 2021 BALANCE SHEET: STRONG REDUCTION IN GOODWILL

BALANCE SHEET (€M)

Balance Sheet (Euro M)	FY'20	1H '21
Goodwill	8,35	7,48
Other Assets	7,67	8,22
Net Working Capital	2,40	2,62
Long-term Liabilities	-1,14	-1,51
Net Capital Employed	16,78	16,81
Net Equity	14,77	14,67
Net Financial Debt	2,01	2,14
Net Equity and Funds	16,78	16,81

- **Stable Net capital employed**, influenced by €1,1m investments in the controlled company Digital Market Solutions, and by €0,6m used to buy 7,1% shares of the innovative start-up Insurance Arena, active in the insurance market place field.
- **NFP of €2,1m** vs €2,0 in FY 2020, impacted by dividends distribution and ongoing share buy-back program for €0,4m.
- Net debt including €8,5m in **cash and cash equivalents** vs €7,8m in FY 2020



GUIDANCE 2021



38-40

Million Euro

REVENUES

6.2/6.5

Million Euro

EBITDA



GUIDANCE 2022



48-50

Million Euro

REVENUES



SOLID LONG-TERM GROUP



Long-term relationships with its customers, as well as strong connections in the industry

.01

Significant commitment of Board Members Directors expressed through a share buy-back programme

.06.

Stable high margins over time and significant cash flow generation

.05.



.02

Focus on best of the shelf technology

.03

Sound Balance Sheet

.04

Solid top management with length experience in the industry and trustable credibility

THANKS FOR YOUR TIME

investor.relator@digitouch.it

Viale Vittorio Veneto 22, side Via Zarotto 2/A, 20124 Milan - ITALY

www.gruppodigitouch.it - P: +39 02 89295 100