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Oggetto : The BoD approves the 2021 Preliminary
Results and the 2022-2024 Plan

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Tinexta: The BoD approves the 2021 Preliminary Results and the 2022-2024 Plan

2021 Consolidated Preliminary Results¹ meet the expectations:

- Revenues: €375² million, +39% vs. €269.1 million in 2020
- Adjusted EBITDA³: €99 million, +22% vs. €81.2 million in 2020
- Net profit: €40 million vs. € 37.9 million in 2020
- Net financial indebtedness: €263 million, NFP/Adjusted EBITDA 1.99x (on a like-for-like basis)⁴

2022-2024 Plan, steady growth in revenues and EBITDA:

Focus on the process of integration, organic and M&A growth and investment in people and organisation

- **2022**
 - Consolidated revenues: +18-20% vs. 2021; +10-12% on a like-for-like basis
 - Adjusted EBITDA: +20-22% vs. 2021; approximately +8-10% on a like-for-like basis
- **2022-2024**
 - Consolidated revenues: *low double digit CAGR'22-24*
 - Adjusted EBITDA: *mid double digit CAGR'22-24.*

The plan's objectives include the results expected from the acquisitions announced to date⁵.

* * * *

28 February 2022. The Board of Directors of Tinexta S.p.A., a leading provider of *Digital Trust, Cyber Security, Credit Information & Management, and Innovation & Marketing Services*, listed in the Euronext Star Milan segment, organised and managed by Borsa Italiana, met today under the chairmanship of Enrico Salza. The Board of Directors examined and approved the consolidated preliminary results as at 31 December 2021 as well as the strategic guidelines and objectives in the 2022-2024 Three-year Plan presented by CEO Pier Andrea Chevallard.

The Board of Directors will meet on 17 March to examine the Draft Annual Financial Statements, which will be submitted for approval to the Shareholders' Meeting next 28 April.

¹ The 2021 consolidated preliminary economic results are unaudited and may therefore be subject to significant changes.

² Includes CertEurope from November 2021, Forvalue from July 2021 and other minor acquisitions made in 2021. The value of revenues excluding CertEurope and Forvalue's contributions would be €369. M.

³ Adjusted EBITDA excludes the cost of Stock Option plans and other long-term incentive plans for the Group's strategic executives, as well as non-recurring items. It includes CertEurope from November 2021, Forvalue from July 2021 and other minor acquisitions made during 2021. The value of Adjusted EBITDA excluding the contribution of CertEurope and Forvalue would be €97 M. .

⁴ Not including the acquisition of CertEurope and Forvalue and considering the EBITDA value of €97M (see note 3)

⁵ Includes the acquisition of Evalue closed by Warrant on 18 January 2022.



TINEXTA

Chairman Enrico Salza commented: *“Our Group has proved to be solid and capable of pursuing a precise development strategy, the result of the commitment of our people, to whom I owe many thanks for the positive outcome achieved once again which demonstrates the value of knowing how to innovate to serve enterprises and to work more and more to serve the public administration.”*

Chief Executive Officer Pier Andrea Chevallard commented, *“In 2021, the Group reached very satisfying results, confirming the forecasts made at the beginning of the year. In the next three years we'll aim to further strengthen Tinexta's leadership even more in those markets strategic to its long-term growth. We will continue to make sustainable decisions both in fostering integration and striving for synergies in the Group, enhancing the human resources and innovations skills, and in selecting targets for M&A transactions, backed by the Group's solid financial structure and cash generation capacity. In this context, the objectives of increasing our presence in the public administration market and the promotion of new strategic initiatives across the Group's Business Units, such as the "Open Innovation & Academy" project, are part of the Group's strategy.”*

2021 PRELIMINARY RESULTS

During 2021 **TINEXTA** Group achieved **consolidated revenues** of approximately **€375 million**, up by **39.5%** over the previous year, in line with the expectations and **the objectives communicated at the beginning of 2021**.

The Adjusted EBITDA was approximately **€99 million, up by about 22%** compared to 2020, with a margin of about **26%**, lower than the 30% of last year due to the different revenues mix. In 2021, the *Cybersecurity business unit*, which has lower margins than the Group average, indeed generated higher revenues than in 2020.

The Net profit was around €40 million, up compared to the **€37.9 million** in 2020. Without the impact of the amortisations resulting from the allocations for business combinations completed in 2021⁶, Net profit 2021 would have been about **€45 million**.

The **Net Financial Position** at the end of December 2021 was around **€263 million** versus €91.9 million as at 31 December 2020. This increase reflects the price of the major acquisitions completed during 2021, aimed at the internationalisation of the Group. Indeed, **over €55 million** in operating cash flow was generated, more than the previous year, partly thanks to careful management of the working capital. **The NFP doesn't include the effects of the €70 million capital increase completed on 3 February 2022**, whereby Bregal Milestone bought a 11.83% stake in the capital of the subsidiary InfoCert.

Consolidated preliminary economic results by Business Unit⁷

Digital Trust

The **Digital Trust** BU, on a like-for-like basis, recorded approximately €129 million in revenues in 2021, up by about 11% over the previous year, and an Adjusted EBITDA amounting to approximately €35 million, up by about 13% YoY, with an Adjusted EBITDA *Margin* over 27%.

⁶ During 2021 allocation activities were completed on the Corvallis, Yoroi, Swascan, Queryo Advance and Euroquality business combinations.

⁷ Please remember that the business unit data are sectoral and include neither the elimination of interunit items nor the CertEurope and Forvalue acquisitions as stated in the above notes.



Cyber Security

In 2021 the **Cyber Security** BU recorded approximately €73 million in revenues and an Adjusted EBITDA of approximately €10 million, with an Adjusted EBITDA *Margin* of 14%.

Credit Information & Management

The **Credit Information & Management** BU's revenues amounted to about €75 million on a like-for-like basis - slightly down by about 2% compared to last year. Adjusted EBITDA was approximately €22 million with an Adjusted EBITDA *Margin* of around 29%. The BU's results were affected by the impact of lower revenues from advisory services related to Central Guarantee Fund loans due to a partial normalisation of the 2021 pandemic emergency, partially offset by the demand for real estate appraisal services by the major national banking groups.

Innovation & Marketing Services

The **Innovation & Marketing Services** BU's revenues amounted to about €95 million, up 24% over the previous year (+11% on a like-for-like basis); Adjusted EBITDA was approximately €41 million, up by about 14%, with an Adjusted EBITDA *Margin* of approximately 43% (47% in 2020).

STRATEGIC GUIDELINES OF THE 2022-2024 PLAN

Over the next three years Tinexta will keep pursuing its growth strategy aimed at consolidating its leadership. The plan's guidelines can be summarised as follows:

A growth strategy aimed at further strengthening the company's leadership in its markets

Thanks to considerable organic growth and targeted acquisitions, Tinexta aims to further strengthen its *leadership* in all key markets where it already holds this status. During the three-year period, particular attention will be paid to vertical integration of the *Digital Trust*, *Cybersecurity*, *Digital Innovation* and *Digital Marketing* segments.

The Company intends to accelerate its presence in the public administration market and to promote cross-sector strategic initiatives (*Open Innovation & Academy*).

Constant focus on organic growth

Tinexta's reference market is characterised by strong organic growth and the Group, well positioned to capture this opportunity to growth, plans to pursue the development of innovative digital solutions that more and more meet its clients' need.

Selective growth by external lines (M&A)

Growth by external lines continues to be one of the cornerstones of the Tinexta Group strategy. As shown by the recent acquisitions in France and Spain, the Company will continue its growth path through targeted M&A transactions, following strict and selective criteria in identifying new assets. Specifically - to become part of Tinexta Group - the potential acquisition targets must meet these criteria: *have solid business*



fundamentals, operate in growing market segments, have a strong strategic fit with the Group's activities, demonstrate financial solidity and discipline and generate cash flows.

Developing and increasing company integration

After an expansion policy by external lines, Tinexta set a goal to make its activities more integrated by leveraging five key drivers:

- *Focus on the Group CRM (Customer Relationship Management);*
- Centralised Sales & Marketing function for:
 - *development of an integrated Group offering and the "go-to market";*
 - *Use of the For Value channel to boost the sales offering to SMEs.*
- Upping the operating synergies within the organisation;
- Simplification of the corporate structure;
- Improvement of the post-acquisition integration process.

Investments in the Company's most important assets: people & organisation

Enhancing a highly distinctive corporate culture, Tinexta wishes to increase investments dedicated to its people in order to back their ability to deliver, the sharing of *best practices* within the Group and the *engagement* and enticement of the most talented resources.

Tinexta has outlined a sustainability roadmap that sets ambitious actions and specific ESG targets that will be ever more integrated into the Group's overall strategy.

Prudent financial policy

Tinexta's financial policy has always been characterised for the great emphasis on operating cash *flow generation*, so as to keep indebtedness within a prudent index. Its hawk-eyed scrutiny over costs, the predictability of the specific *business' cash flows* and a really good *all-in* cost of debt contribute to the sustainability of the long-term growth strategy, which allows for an adequate return to the Group's shareholders.

2022-2024 PLAN FINANCIAL OBJECTIVES

The assumptions underlying the Tinexta Group's 2022-2024 Business Plan are as follows::

- the gradual expansion of the offering of innovative products and services in all business areas;
- a "high single digit" revenue growth rate in the various *business* units and continue to improve the operational efficiency by increasing the Group's Adjusted EBITDA Margin;
- the development of the foreign businesses, both organically and through acquisitions, especially with regards to the *Digital Trust* BU and the *Innovation and Marketing Services* BU;
- a strong focus on operating cash flow generation aimed at continuous deleverage enabling further investments to enlarge the perimeter.

The M&A strategy will continue to have two objectives: internationalisation and enhancement of the offer with new services/products.



Economic Forecasts 2022-2024 ⁸

The Plan envisages 2022 consolidated revenues on a like-for-like basis - that is, including in the scope and in the comparison data the acquisitions completed in 2021/early 2022 - will grow by between 10 and 12% over 2021, with an Adjusted EBITDA on the rise between 8 and 10%.

In 2022, including in the scope the acquisitions already announced as at the date of this press release, the consolidated revenues are expected to increase by between 18 and 20%, with an Adjusted EBITDA on the rise between 20% and 22% versus 2021.

Tinexta envisages an increase in the 2022-2024 consolidated revenues at an average compound annual growth rate (CAGR'22-24) in the "*low double digit*" and Adjusted EBITDA (CAGR'22-24) in the "*mid double digit*".

It is estimated that the Adjusted NFP/EBITDA ratio, expected to be around 2x at yearend 2022, will decrease progressively to less than 1x at the end of the Plan period, including an annual distribution of dividends, thereby confirming the Group's solid generation of operating cash.

The *targets* set out do not contain the contribution of growth through external lines that the Group, in line with the outlined strategy, intends to continue to pursue, supported by the solid equity and financial position and by the significant generation of operating cash that is expected.

CONFERENCE CALL

The Company will submit the 2021 Preliminary Results and the 2022-2024 Plan in a Video Conference Call to be held on today's date, at 3:30 p.m. CET (2:30 p.m. GMT/ 9:30 EST).

You can watch the presentation by *webcast*. If you are interested please register at this link: https://us06web.zoom.us/webinar/register/WN_4DJaJVFbQ22olfiMQ_xZMw

For further information please contact the Investor Relations Office: investor@tinexta.com.

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TINEXTA S.p.A.

Tinexta, listed on the STAR segment of the Milan Stock Exchange, reported the following consolidated results at 31 December 2020: revenues of €269.1 million, EBITDA of €77.9 million and net profit of €37.9 million. Tinexta Group is one of Italy's leading operators in its four business areas: Digital Trust, Cyber Security, Credit Information & Management, Innovation & Marketing Services. The Digital Trust Business Unit provides, through the companies InfoCert S.p.A., Visura S.p.A., Sixtema S.p.A. and the Spanish company Camerfirma S.A., products and services for digitisation, digital signature, digital identity, customer onboarding, electronic invoicing and certified e-mail (PEC) for large companies, banks, insurance and financial companies, SMEs, associations and professionals. The

⁸ It is important to note that these forecasts are based on different assumptions, expectations, projections and provisional data relating to future events and are subject to a number of uncertainties and other factors that are out of the control of the Tinexta Group. There are numerous factors, which may generate results and performances that are notably different with respect to the implicit or explicit contents of the provisional information and, therefore, this information is not a reliable guarantee of future performances.



Cyber Security Business Unit operates through the companies Yoroi, Swascan and Corvallis and constitutes one of the national poles in the research and provision of the most advanced solutions for data protection and security. In the Credit Information & Management Business Unit, Innolva S.p.A. and its subsidiaries offer services to support decision-making processes (Chamber of Commerce and real estate information, aggregated reports, synthetic ratings, decision-making models, credit assessment and recovery) while RE Valuta offers real estate services (appraisals and evaluations). In the Innovation & Marketing Services Business Unit, Warrant Hub S.p.A. is a leader in consultancy in grants, loans and tax relief as well as industrial innovation, while Co.Mark S.p.A. provides Temporary Export Management consultancy to SMEs to support them in their commercial expansion. As of 31 December 2020, the Group had 1,403 employees.

Website: www.tinexta.com, Stock ticker: TNXT, ISIN Code IT0005037210

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