



**Corporate Business Plan Targets for 2017-2019**  
Implementing a Professional Business & ICT Platform to  
support the «European Financial Service Industry»

*Dr. Stefano Achermann, CEO Be TSE*  
*Investor Presentation,*  
*Piazza Affari, Milan, 15.09.2016,*

## Agenda

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- I. «The State of the Nation». From 2008 to today: growth and affirmation of a truly European professional services platform
- II. Business prospects and guidelines for growth in the 2017-2019 period: the new objectives of the «Corporate Business Plan»

# Our mission is to contribute to the success of the industry in which we operate by facilitating transformation and creating tangible and lasting value

## OUR MISSION

- Be supports **major European banks and Insurance companies** - and some of the major players in the public and private sectors - **in managing the complexities arising from the evolution of their business.**

- We work alongside our customers to help them achieve the most ambitious targets:** redesigning business models, aligning them with regulatory and market requirements, entering the digital age, managing performance optimally and exporting successful models in highly profitable sectors .

**Be makes even the most complex changes natural.**

- Our teams ensure **high performance standards and expertise** in the world of **financial services and access to institutions**, which represent the present and the future of this industry.

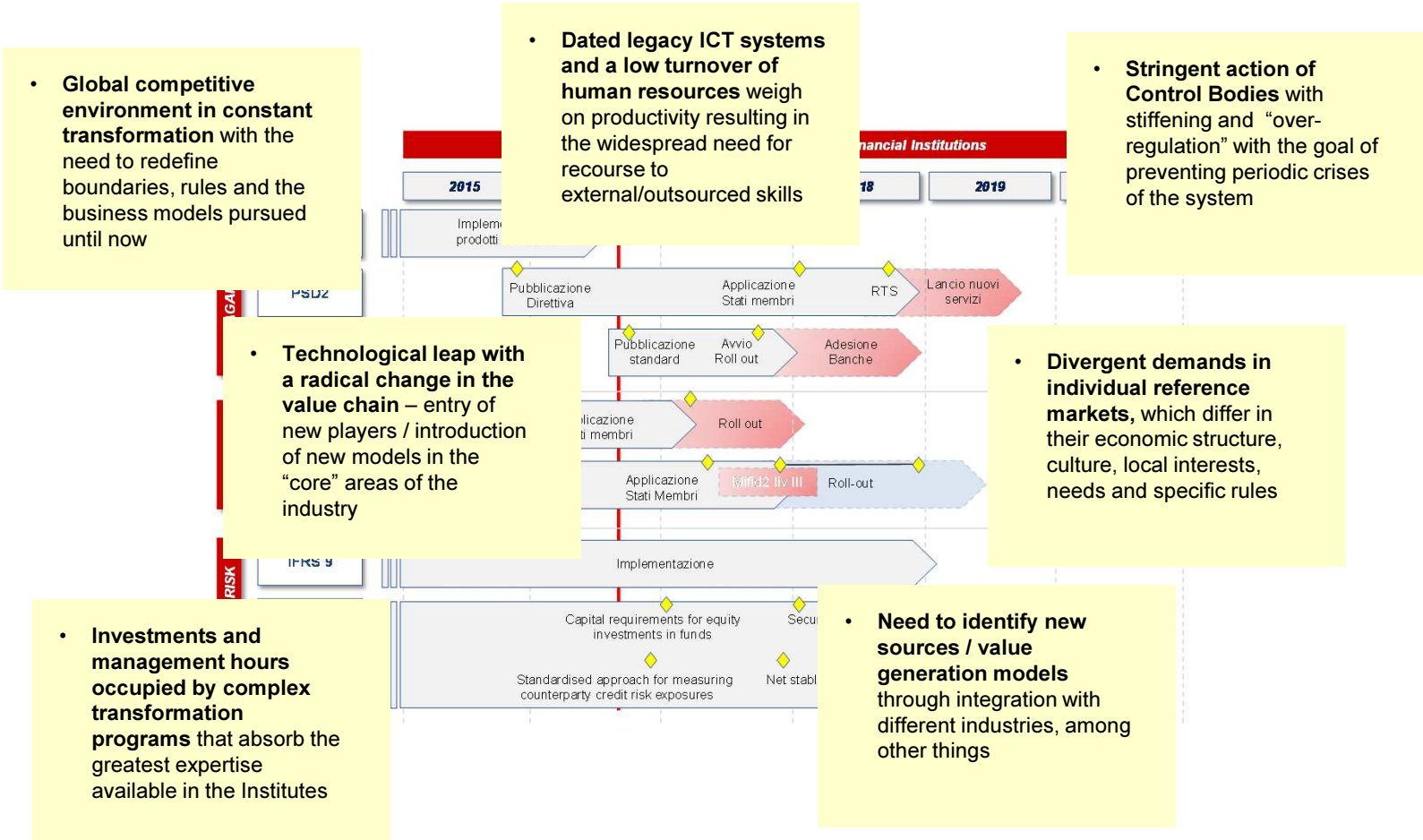
- Today we operate in **eight European countries**, offering services ranging from **business consulting to the development of operational and technological solutions**, with the goal of delivering innovation and excellence to our customers.

- Competence is our distinctive feature.** Our company is privileged to have the best professionals in the financial industry and we aim to continuously enrich our products and services with new expertise.

- We are looking for the **talent, passion, discipline and energy** necessary to meet the complexity of a rapidly changing world.

# To be a vital part of the financial industry of the future by supporting the development of business models, the digital revolution and the regulatory Roadmap

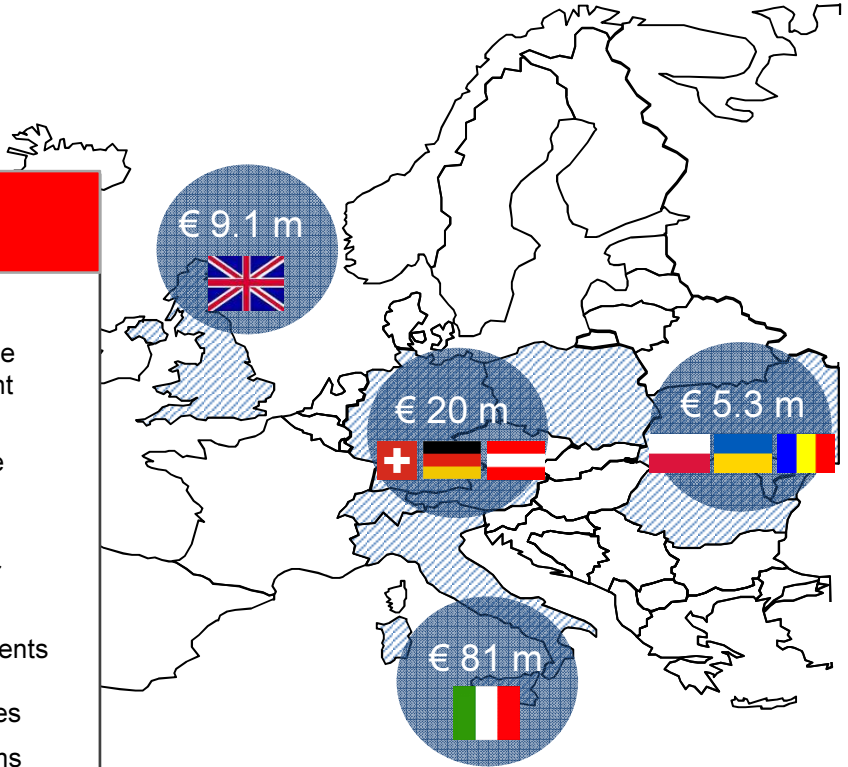
Illustrate



# A positive path of development with gradual growth in production volumes and the opening of new geographical market areas

**From 2008 until today  
"starting from scratch"**

- We currently participate in the transformation programs of 10 of the top 20 European banks in 7 different countries;
- «Be» is an active partner of 6 of the first 7 Italian banking groups
- A greater than 10% share of the Management Consulting market for Financial Institutions in Italy
- We are honoured to have as our clients several industry associations and Central Banks in 3 different countries
- We are part of government programs for the development of networks and financial services shared between various public entities



**Some of our customers**






- ABI
- AGID
- Barclays
- Banco Popolare
- Banca Popolare di Milano
- Banco Popular
- Bundesbank
- Commerzbank
- CNP
- First Data
- Gruppo BNP
- Gruppo Crédit Agricole
- Gruppo IntesaSanPaolo
- Gruppo Poste Italiane
- Gruppo UBI
- Gruppo Unicredit
- HSBC
- ICCREA
- Mastercard
- Mediobanca
- Postbank
- PZU
- Royal Mail
- Società Generale

# The size and quality of our project portfolio reflect the fine work done by our specialized teams in several different countries

*Exemplify*

- Business Project
- ICT Project

## Our projects

Marketing	<ul style="list-style-type: none"> <li>• Support in the implementation of «Champions League» sponsorship</li> </ul>		
Operations	<ul style="list-style-type: none"> <li>• Creation of a company dedicated to services and management in the private sector</li> </ul>		
Operations	<ul style="list-style-type: none"> <li>• Support in the design and launch of a corporate banking product</li> </ul>		
Operations	<ul style="list-style-type: none"> <li>• Support in the design and launch of a joint venture dedicated to management of the money services sector</li> </ul>		
ICT/Operations	<ul style="list-style-type: none"> <li>• Design of a solution needed to manage an international logistics project</li> </ul>		
Marketing	<ul style="list-style-type: none"> <li>• Using Big Data and Advanced Analytics to support business functions</li> </ul>		
Payments	<ul style="list-style-type: none"> <li>• Support in the development of a partnership in the advisory sector with one of the largest operators of global circuits</li> </ul>		
ICT	<ul style="list-style-type: none"> <li>• Systems management of the largest Italian Bank-Life Insurance companies</li> </ul>		
Digital strategy	<ul style="list-style-type: none"> <li>• Definition of the digital strategy of a leading international banking group</li> </ul>		
ICT	<ul style="list-style-type: none"> <li>• Competence Management of domestic centres and «near shoring» for major platforms in the Capital Markets industry</li> </ul>		
ICT	<ul style="list-style-type: none"> <li>• Support in the development of the digital platform for the largest Polish operator</li> </ul>		

# Transforming an emerging sector into a European platform through the growth of the main performance indicators and the involvement of more than 1,600 professionals

Performance of the main performance indicators of the Be Group in the period 2013-2015 (in millions of Euro)			
	2013	2014	2015
• Volume of production	82.5	98.5	115.4
• Operating costs	-71.3	-85.6	-100.4
• EBITDA	11.2	12.9	15.0
• EBIT	4.3	6.1	8.1
• Net profit	0.4	1.0	3.5
<hr/>			
• NFP	-19.5	-17.0	-7.1
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• Resources (N)	874	1,005	1,057
• Markets in which present (N)	4	8	8
• Foreign Production (%)	12%	23%	30%

Growth in Production (> € 30 m in 3 years)

Creation of an EU Network (8 countries)

2014 Return to Dividends (Div. Yield 2.15%)

Turnaround > 1,000 new resources

Production Abroad 30%

Entry into the STAR segment

# 6 ways to measure the passion of our commitment

<b>A</b>	<b>Management of the restructuring phase</b>	<ul style="list-style-type: none"> <li>The company has changed dramatically since 2008. A refocusing of the initial mission was necessary - from player in BPO business to Business Consulting specialist – due to changes in the market and the new needs of customers (- € 27 m in portfolio rotation and 70% in the workforce)</li> </ul>
<b>B</b>	<b>Ability to create an international platform</b>	<ul style="list-style-type: none"> <li>Launched in 2010 with the operation Bluerock, <b>internationalization is increasingly central to our business</b>: Targit, Be Poland, Be Romania, Be Ukraine, LOC, Be Switzerland, R&amp;L constitute important elements of our platform</li> </ul>
<b>C</b>	<b>Ability to generate new sources of revenue</b>	<ul style="list-style-type: none"> <li>In 8 years we have gone <b>from newcomer to one of the top management consulting firms in the Italian market</b> (among the top 5 companies serving the financial services industry) creating a sustainable platform over time thanks to the quality of our professional services and attention to customer value</li> </ul>
<b>D</b>	<b>Outstanding growth in a period of crisis</b>	<ul style="list-style-type: none"> <li>The «Be» Group is the <b>only Italian company that in the period from 2008 to 2016 has climbed the different rating segments created by the Italian Stock Exchange</b>, finally achieving the status of «<b>STAR Company</b>». This fact gives the measure of the strong growth achieved also in terms of Corporate Governance</li> </ul>
<b>E</b>	<b>Competent management team</b>	<ul style="list-style-type: none"> <li>Over the last 5 years we have <b>involved some of the best professionals in our market</b> in the various management bodies of the Group</li> <li>At the same time, a group of young professionals has gained the maturity and experience needed to ensure the future growth of the different professional segments</li> </ul>
<b>F</b>	<b>Focus on innovation</b>	<ul style="list-style-type: none"> <li>The entrance of IQUIL, the partnership with Talent Garden and the important skills developed in the world of Big Data position <b>«Be» at the leading edge of high-quality professional services in today's digital world</b></li> </ul>



## A commitment to the talent of young students and Italian researchers, promoting the Italian artistic and musical heritage

### Our social initiatives

#### Jesuit Education Foundation



- The **Jesuit Education Foundation** guides and directs the work of **6 Italian Schools** belonging to the Society of Jesus
- In 2014 we launched **the first Fundraising initiative for talented young people with insufficient finances to attend quality schools**
- To date **about € 5 m has been collected from donations for scholarships** and innovative **«honour loan» credit lines** to High Schools

- 07 June 2014 Elisa Live at the Foro Italico, Concert, 5,000 people
- 14 November 2015 The talent of Michelangelo and Raphael, Giancarlo Giannini and Guido Cornini, Vatican Museum Gala Dinner, Rome 250 guests
- 22 March 2016, Giorgia in Concert at the Unicredit Pavilion, Gala Dinner 200 guests
- Coming Next: March 2017 Reggia di Venaria 200 guests

#### Fondazione Bambino Gesù

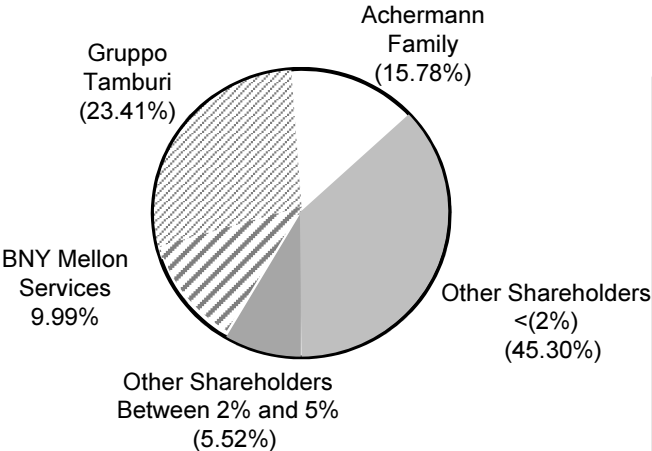


- **Research on the genetic diseases of the children at the Ospedale Bambino Gesù** requires funds, in addition to the effort, talent and passion of dedicated doctors: starting in 2016, supporting this effort is one of our goal

- Event being organized, Milan, November 2016, > 6,000 people

# Shareholding structure and our commitment to Investor Relations

## Be TSE Group (BET.MI) Shareholding Structure



Shareholding structure,  
Dividend distributed 05/16, Source Monte Titoli

- **3 major shareholders with a significant capital share** and approximately **50% of public float with over 3,000 private and institutional investors**
- Market capitalization of less than € 70 m as of 13 September 2016, equivalent to approximately 4.5 times 2015 EBITDA and 2.5 times EBITDA of the Plan

## Investor Relations: an increasingly important commitment

- Increased participation in **international investor conferences (London, Frankfurt)** with direct representation of the Group's management
- Institutionalization of an **Investor Meeting in the fourth quarter** to give visibility to the Group's outlook, update the Corporate Business Plans or launch new initiatives
- Our social initiatives will be open to the financial community
- **Starting in 2017 we will be present on social media** (Twitter, LinkedIn) in order to share news and hints on how the industries in which we operate are changing
- Intense work of the professional qualification of Investor Relators, through the **involvement of specialists and representative figures in the various markets**, among other things
- Increased **collaboration with research houses, analysts and corporate brokers** to ensure maximum readability of relevant phenomena and our business dimensions

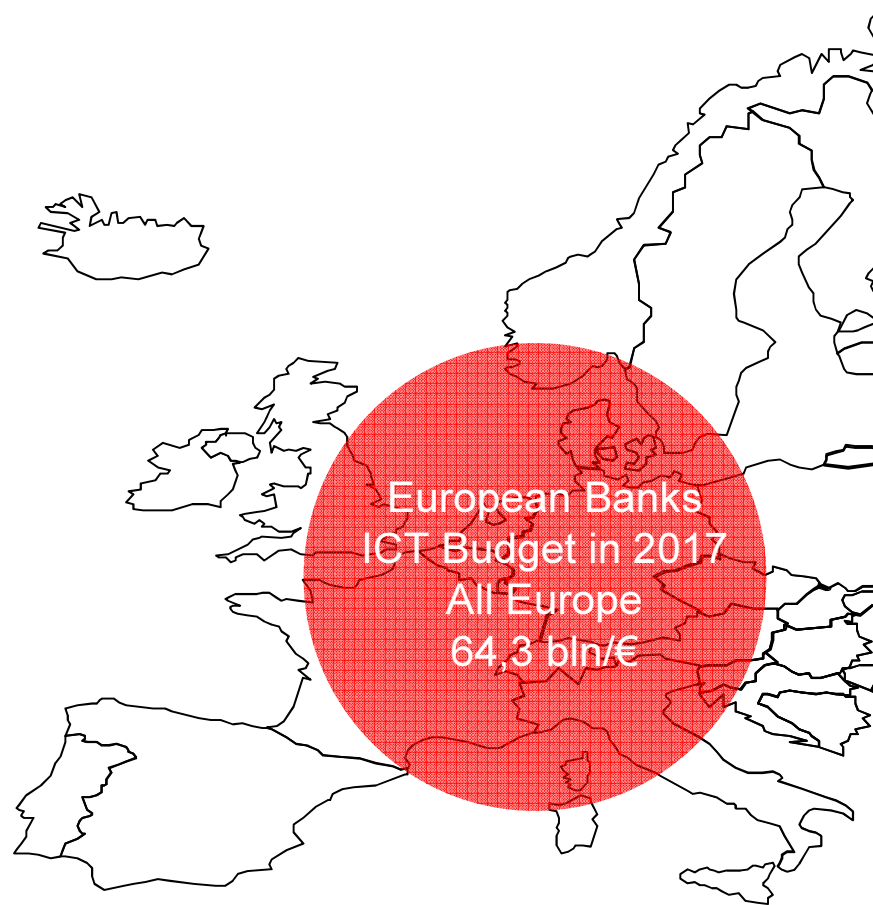
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The total expected spending in Financial Service Industry in Europa for 2017 is more than 64.3 bln/€



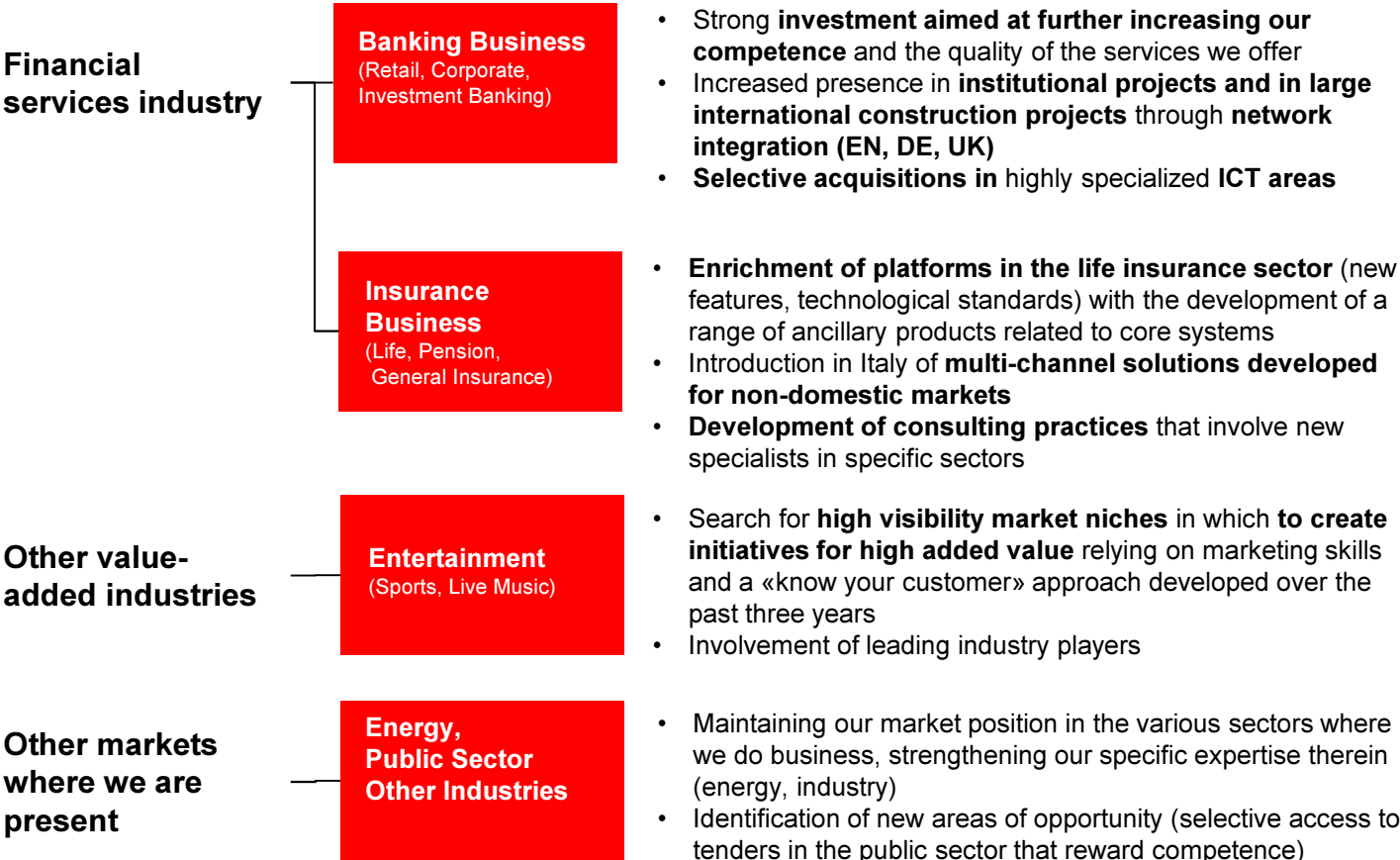
Source Jacob Jegher Celent, IT Spending in Banking, a Global Perspective

Cost of change is for the Financial institutions is a fundamental strategic investment

- Celent envisages for 2017 growing values for the ICT spending in the Financial Industry worldwide (175 bln/€). **More than 60 bln/€ are expected only for Europe.** A progressive increase is forecasted within the next years
- The **digital revolution generates great risks and opportunities for the financial services industry.** In fact:
  - it opens to a **new relationship system** – knowledge of the customer, of the relevant needs and expectations – giving space to **new great business opportunities,**
  - **it makes possible also to other industries' competitors to approach strategic segments** related to the customer relationship (Transaction Banking),
  - it generates **disruptive opportunities on the production chain of the IT systems** creating conditions for re-disegning the legacy systems and re-configuring ICT costs and the relevant management competences,
- **Demand of specialized services** in the transformation phases is **expected to grow**





# Choosing a growth strategy in our many market sectors: the decision to focus on professional services in the field of business consulting

## Reference markets



# The guidelines for internal growth in different markets: integration between geographical market areas and the growth of a professional network

Data in millions of Euro

Development of regional markets and targets		2015	2019
 <b>Domestic Market</b>	<ul style="list-style-type: none"> <li>• <b>Business Consulting remains the growth engine of the domestic market.</b> The goal is to consolidate our role as one of the top 3 companies servicing the Financial Services Industry</li> <li>• Involvement of new professionals with specific skills</li> <li>• <b>Launching initiatives in ancillary sectors</b> (e.g. entertainment, etc.) that are significant for new business models in the financial sector</li> </ul>	81	98+
 <b>DACH Region</b>	<ul style="list-style-type: none"> <li>• This is <b>the market in which our greatest efforts will be concentrated</b>, given its high potential (e.g. in regard to capital markets and payments, ...)</li> <li>• Among the initiatives of greatest impact in the next 12-18 months is <b>the opening of a business consulting line designed for the German market</b></li> </ul>	20	38+
 <b>United Kingdom</b>	<ul style="list-style-type: none"> <li>• Although Brexit raises uncertainty about the overall resilience of the UK economy, a <b>significant additional need for spending</b> is expected <b>for financial institutions in the United Kingdom</b></li> <li>• The limited size of our subsidiaries favours the growth process initiated in late 2015</li> </ul>	9.1	19+
 <b>EEC Region</b>	<ul style="list-style-type: none"> <li>• An increase of medium-sized projects that originate mainly in the Polish market is expected</li> <li>• Substantial stability for the Ukrainian and Romanian market, and the focus remains on seizing opportunities for «near shoring»</li> </ul>	5.3	7+
		115.4	162+

# The development of external lines through specialization and by relying on the existing professional network for leverage

**Which markets to invest in?**

- The priority is the **German market** and to a lesser extent the English and Spanish markets.
- Also of interest are **business operations targeting players in specific markets in Italy**

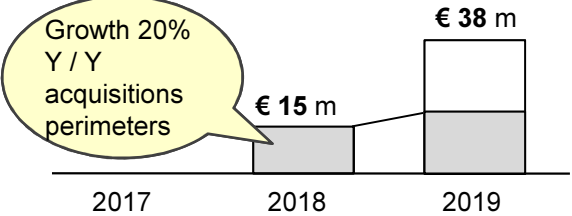
**What are the skills that we are looking for?**

- Priority will be given to **investments in the management consulting area** with a focus on skills in the area of **payments and capital market solutions**
- Attention will also be given to investments in **ancillary sectors with high added value**

**What are the dimensions of our targets?**

- Priority will be given to target companies with **revenues between € 8 m and € 20 m or solid start-ups with potential in the short term extending to € 30 m**

**What volumes have we assumed in the Plan?**



**What resources do we expect to employ?**

- Target hypothesis with EBITDA between 15 and 20%
- M&A for € 35 m of new production
- Acquisition min. 51% of capital
- Max multiple 5 times EBITDA
- «Earn Out» Plans for the remaining amount
- Investments expected for the plan period about € 20 m including new targets and the completion of «Earn Out» plans

## Medium term objectives

- Using a well established «acquisition model»:
- Immediate access to the majority of the capital (51-60%) of target companies
- subsequent «Earn-Out» plan with a focus on management and relying on the Group's network for leverage
- An estimated portfolio of an **additional € 15 m for 2018** with possible **growth of 20% in the following year** and an additional acquisition with an **impact of about € 20 m in 2019**

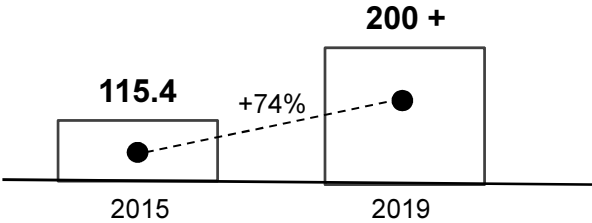
# The business targets for 2017-2019, a significant step in the growth of an increasingly international Group

## Rational Business Plan

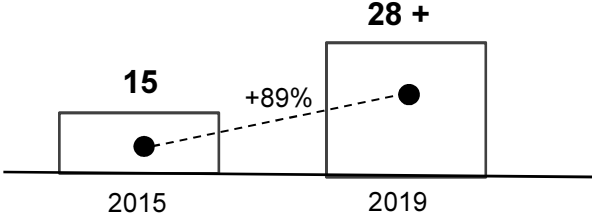
- Organic growth up to about € 162 m at the end of the period in addition to € 38 m of expansion arising from M&A
- 75% of expected EBITDA deriving from the consulting industry and 25% from ICT perimeters
- Germany is the foreign market of interest, on which a doubling of volumes in 2019 is expected, thanks to both M&A and organic growth
- Italy remains the Group's engine, but, at the end of the plan, about 50% of revenue will come from non-domestic perimeters
- Eastern European markets are being developed. Poland is the country with the highest growth potential
- New initiatives are being launched in areas ancillary to banking, and have good possibilities for creating synergies

## Variation of the main indicators in the period 2015-2019

**Production volume**



**EBITDA**



**NFP**

