

Bit Market Services

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Oggetto : Approved the Group's preliminary and pro
forma results at 31 December 2016

Testo del comunicato

Vedi allegato.



PRESS RELEASE

Strategic objectives set for 2016 achieved

Newly acquired companies register positive performances

With successful realization of synergies total costs held stable

Net financial debt €71,2 million: the increase is due to the acquisitions of the Co.Mark & Visura Groups

Approval of the draft financial statements by the BoD scheduled for 21 March 2017

2016 Preliminary Consolidated Results (IAS/IFRS)

million €	2016	2015	Δ
-Revenue	€147.3	€126.4	€20.9
-EBITDA¹	€29.7	€25.5	€4.3
EBITDA margin	20.2%	20.1%	+0.1%
NFP (Net Financial Position)	€71.2	€47.1	€24.1

Rome, 28 February 2017. The Board of Directors of Tecnoinvestimenti S.p.A., meeting under the chairmanship of Enrico Salza, analyzed and approved the Group's preliminary and pro forma results at 31 December 2016 presented by the Chief Executive Officer Pier Andrea Chevallard.

"Thanks to its solid foundations, the Tecnoinvestimenti Group continues to grow at a strong pace. The positive results achieved validate our strategy of expanding, including through acquisitions, in sectors that we are thoroughly familiar with," noted Chairman Salza.

The Chief Executive Officer Pier Andrea Chevallard added: *"The year 2016 was an important year for the development of the Tecnoinvestimenti Group, as it achieved the strategic objectives set out for the year: two important acquisitions completed, a capital increase and the passage of the Group's shares to the STAR Segment of Borsa Italiana's main listings (Mercato Telematico Azionario, "MTA"). The performance of the*

¹ EBITDA are a benchmark used by management to monitor and assess the Group's operating performance, on its own and in comparison with its peers, even though the measurement criteria applied by the Group could differ from those adopted by other companies. EBITDA are computed as the profit (loss) for the period before income taxes, net financial charges, depreciation and amortization, accruals to provisions and Impairment losses.



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newly acquired companies was quite satisfactory. During the current year, we intend to build on the progress made and continue creating value for our shareholders.”

It is important to keep in mind that the data contained in this press release are preliminary and could be subject to change, considering also that the results have not yet been reviewed by the Independent Auditors. Nevertheless, the Company decided to release these preliminary data to underscore the importance that the Group attaches to transparency and its desire to provide the market with timely communication.

The Board of Directors will meet again on 21 March 2017 to approve the draft financial statements of Tecnoinvestimenti which will be submitted for approval to the Shareholders' Meeting called for 27 April 2017 in Milan.

2016 PRELIMINARY CONSOLIDATED RESULTS (IAS/IFRS)

The Group ended 2016 with **Total revenues of €147.3 million** and **EBITDA of €29.7 million**. Compared with the previous year, Total revenue grew by €20.9 million, or 16.5%, thanks largely to the contribution provided by two important companies acquired in 2016: the Co.Mark Group, consolidated as of 1 April 2016, and the Visura Group, consolidated as of 1 July 2016. Co.Mark's revenues totaled €13.1 million, while the Visura Group contributed €7.7 million to Group revenues. It is also worth mentioning that the 2015 amount included **nonrecurring revenue of €2.3 million**, while this item amounted to **€0.4 million** in 2016.

As stated above, EBITDA equaled €29.7 million in 2016, with a gain of €4.3 million, or +16.8%, relative to 2015.

Please note that nonrecurring components have an impact on the Group's performance; the **nonrecurring charges** incurred during the year just ended totaled **€1.4 million**, including costs for the listing on Borsa Italiana's STAR market (€0.9 million) and incidental charges for the acquisitions of the Co.Mark and Visura groups (€0.4 million). In addition, Ribes booked nonrecurring revenue totaling €0.4 million. The balance of nonrecurring components recognized in 2016 was negative by €1 million.

2016 PRO FORMA PRELIMINARY CONSOLIDATED RESULTS (NET OF NONRECURRING COMPONENTS)

In order to obtain a better understanding of the Group's performance and profitability at the operating level, it is essential to analyze the 2016 pro forma preliminary results, on the same perimeter and Pro Forma basis with the 2015 results. This comparison makes it possible to highlight the important growth achieved both operationally and in terms of the Group's profitability.

The 2016 pro forma data that follow include the results of the Co.Mark Group and the Visura Group as if they had been acquired on 1 January 2016 and exclude extraordinary revenues and any nonrecurring costs incurred to complete the acquisitions, increase the share capital and obtain listing on the MTA stock exchange.

This Pro Forma analysis evidences that the Tecnoinvestimenti Group registered:

- **€160.5 million of total revenues**, with an increase of €3.5 million, or **2.2%**;



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- **€35.1 million of EBITDA**, with a gain of €2.1 million, or **6.4%**;
- **An EBITDA margin of 21.9%** in 2016, or 0.9 basis points higher than 2015.

Pro forma preliminary consolidated results (net of nonrecurring components)²

(Million)	2016	2015	Δ
-Revenue	€ 160.5	€ 157.1	€ 3.5
-EBITDA	€ 35.1	33.0	€ 2.1
EBITDA margin	21.9%	21.0%	+0.9%

Nonrecurring components

(Million)	2016	2015
Revenue	€ -0.4	€ -2.5
Nonrecurring costs for STAR listing	€ 0.9	-
Nonrecurring costs for incidental charges	€ 0.4	€0.5
EBITDA margin	€ 1.0	€ -2.0

Preliminary Results by Business Segment

The table below shows a breakdown of the preliminary results by business segment. They are not pro forma.

2016 Revenue and EBITDA by Business Segment (IAS/IFRS)					
(€ Millions)	Digital Trust (DT)	Credit Information & Management (CI&M)	Sales & Marketing Solutions (S&MS)	Other segments (Holding company costs)	Total
Segment revenue	59.3	75.0	13.1	0.6	148.0
Inter-segment revenue	0.1	0.2	0	0.4	0.7
Revenue from external customers	59.2	74.9	13.1	0.2	147.3
EBITDA	14.9	14.2	5.2	-4.7	29.7
EBITDA %	25.2%	19.0%	40.2%		20.2%

The following table illustrates the preliminary Pro Forma results, excluding the non-recurring items, divided by Business Unit.

² The table shows the 2016 pro forma economic results compared with the same scope of consolidation in 2015 (the data are those shown in the Listing Prospectus) net of nonrecurring components (both revenue and costs). The data shown were not audited and it is important to keep in mind that the results were not restated to eliminate the intercompany transactions of Co.Mark in the first quarter of 2016 and of Visura in the first six month of 2016, which in any case were not material.



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Pro Forma 2016 Revenue and EBITDA by Business Segment, Net of Nonrecurring Components										
(€ Millions)	Digital Trust (DT)		Credit Information & Management (CI&M)		Sales & Marketing Solutions (SM&S)		Other (Holding co. costs)		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Segment revenue	68.3	62.3	74.5	79.2	17.6	15.3	0.2	0.3	160.5	157.1
EBITDA	17.8	16.1	13.8	14.7	6.8	4.6	-3.3	-2.4	35.1	33.0
EBITDA %	26.0%	25.8%	18.6%	18.6%	38.7%	30.2%	na	na	21.9%	21.0%

Digital Trust

On a pro forma basis and net of nonrecurring components, the Digital Trust segment reported revenue of €68.3 million at 31 December 2016, for an increase of about €6 million compared with the amount in 2015. This improvement is chiefly due to a strong performance driven by revenues from new services and products (GoSign, Trusted OnBoarding Platform and LegallInvoice) and by “Enterprise” (larger corporate) customers. With data on the same basis, the BU’s EBITDA would have amounted to €17.8 million (up from €16.1 million), with the EBITDA margin slightly increasing to 26.0% (25.8% in 2015).

Credit information & Management

On a pro forma basis and net of nonrecurring components, the total revenues of the Credit Information & Management segment amounted to €74.5 million at 31 December 2016, down about €4.7 million compared with the 2015 amount. Business Information services to corporations and credit recovery were adversely affected by challenging market conditions, a price pressure environment and strong competition by its main competitors resulting from the different breadth of the respective databases. Revenues connected with banking and finance customers and real estate services were in line with the previous year.

Through a highly focused cost control policy, the BU was able to lower virtually all operating cost (production, labor and marketing costs), except for commercial costs, which increased to support specific operational lines. The Group also undertook several interventions to support and relaunch various lines, including a new product, PrimoSguardo, designed to address a growing market demand from Corporate clients, and named a new General Manager in Ribes, who is implementing an internal reorganization to streamline and refocus its activities and products. Lastly, Re Valuta, a Ribes subsidiary, has been particularly successful in developing its real estate appraisal product offerings.

The BU’s EBITDA, also net of nonrecurring components, amounted to €13.8 million, compared with €14.7 million in 2015. The EBITDA Margin, thanks to an attentive cost control policy, even while revenues declined, remained unchanged at 18,6%.

Sales & Marketing Solutions

The Sales & Marketing Solutions segment was created with the acquisition, in March 2016, of the Co.Mark S.p.A. Group, which was consolidated as of 1 April 2016. The activities of the Co.Mark Group are continuing to grow at a brisk pace, validating the Temporary Export Specialist approach, which is the Group’s hallmark.



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Pro forma revenue net of nonrecurring components totaled €17.6 million in 2016, for an increase of €2.3 million, or +15.3%.

The segment's EBITDA grew to €6.8 million, up from €4.6 million in 2015. As a result, the EBITDA margin improved to 38.7% from 30.2%.

It is also worth mentioning that, through its Co.Mark TES S.I. subsidiary, the Co.Mark Group is continuing its commercials and production development activities in Spain.

NET FINANCIAL DEBT OF THE GROUP

The schedule that follows provides a breakdown of the Group's net financial debt at 31 December 2016 compared with the corresponding data at 31 December 2015:

Net Financial Debt of the Group				
(€ Million)	31/12/2016	31/12/2015	Δ	Δ%
A Cash	60.4	19.3	41.1	213%
B Cash equivalents	0.1	0.1	0	-
D Liquid assets (A+B)	60.4	19.3	41.1	213%
E Current financial receivables	6.4	3.4	3.0	89%
F Current bank debt	-2.8	-3.2	-0.4	-13%
G Current portion of non-current debt	-7.3	-6.3	-1.0	15%
H Other current financial debt	-26.8	-0.1	-26.7	n.m.
I Current financial debt (F+G+H)	-36.9	-9.7	-27.2	282%
J Net current financial debt (D+E+I)	29.9	13.0	16.9	130%
K Non-current bank debt	-22.9	-27.6	4.8	-17%
L Other non-current financial debt	-78.2	-32.5	-45.7	141%
M Non-current financial debt (K+L)	-101.1	-60.1	-41.0	68%
N Net financial debt (J+M) (*)	-71.2	-47.1	-24.1	51%
O Other non-current financial assets	2.9	0	2.9	N.A.
P Net financial debt (N+O)	-68.3	-47.1	-21.2	45%

(*) Net financial debt computed in accordance with Consob Communication No. 6064293 (28/7/06) and consistent with ESMA/2013/319.

The following transactions executed in 2016 produced a significant change in the Group's net financial debt:



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1. The acquisition of the Co.Mark Group;
2. The acquisition of the Visura Group;
3. A capital increase for almost €50 million including additional paid-in capital.

Consequently, at 31 December 2016, **Net financial debt** (also called Net Financial Position or NFP) increased by €24.1 million from €47.1 million to **€71.2 million**. The figure of €71.2 million incorporates **€69.7 million of liabilities relating to put options and earnouts** relative to the acquisition of the minorities of subsidiaries. The increase in the last quarter of 2016 was related principally to the €7.5 million increase in the value of the put options relating to the acquisition of Co.Mark.

CONFERENCE CALL WITH THE MARKET

Tecnoinvestimenti's management will hold a market conference call tomorrow, 1 March 2017, at 11 am. Please call +39 06 4201-2631 for additional information.

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THE TECNOINVESTIMENTI GROUP

The **Tecnoinvestimenti Group**, which reported pro forma revenue of €160.5 million and pro forma EBITDA of about €35.1 million in 2016, is listed on the STAR segment of the Milan Stock Exchange. The Group is one of Italy's top operators in its three areas of business: Digital Trust, Credit Information & Management and Sales & Marketing Solution. The Digital Trust Business Unit, through the companies InfoCert and Visura, provides products and services for document digitalization, electronic billing, certified email and digital signature. InfoCert is a European Certification Authority and one of four Identity Trust Providers accredited in Italy. The Credit Information & Management Business Unit, which includes the companies Ribes and Assicom and their subsidiaries, offers decision-making support services such as Chamber of Commerce and real estate information, aggregate reports, summary ratings, decision-making models, real estate appraisals and valuations, with special emphasis on the supply and assessment of credit and collection services. The Sales & Marketing Solutions Business Unit, through the company Co.Mark, offers solutions and tools to help small and medium-sized companies expand internationally.

Website: www.tecnoinvestimenti.it; Stock ticker: TECN; ISIN Code IT0005037210

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