

expri<sup>vi</sup>ta

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## Company Presentation

London, 9 October 2017

Borsa Italiana – London Stock Exchange  
Star Conference

# Contents

- Exprivia Today
- 2016 Financial Data
- H1 2017 Financial Data
- Business Plan 2015-2020 update

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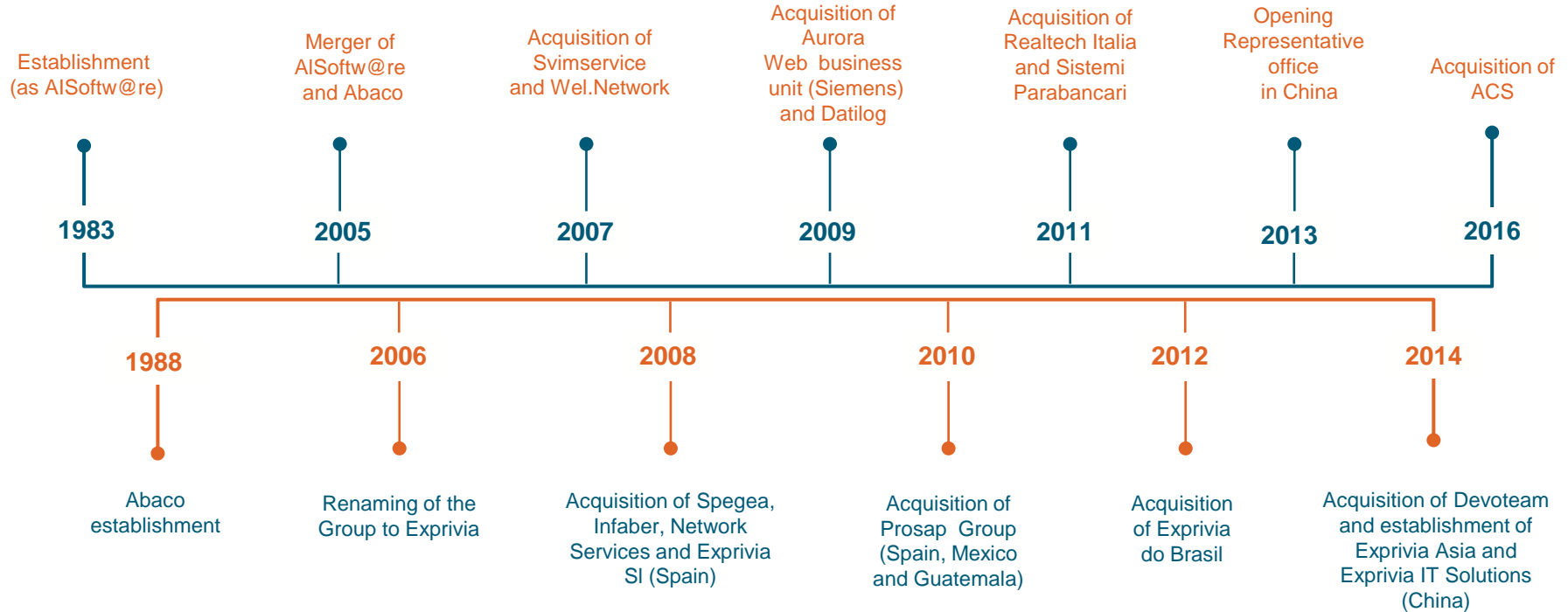
Exprivia Today

# Who we are

- Born in 2005 through the merge between Abaco Software (1987) and AISoftw@re (1983)
- Group revenue 2016 of € 141.8 mln
- About 1800 professionals
- Listed on Italian Stock Exchange since 2000
- Presence in Europe, America and Asia

**An international ICT specialist, the Exprivia group leverages digital technologies to steer the business drivers of change for its customers.**

# Milestones



# Business Model: Industries

Banking, Finance & Insurance  
Telco & Media  
Energy & Utilities  
Aerospace & Defence  
Manufacturing & Distribution  
Healthcare  
Public Sector



# Business Model: Expertise

Capital Market  
Credit & Risk Management  
IT Governance & Infrastructure  
Big Data & Analytics  
Cloud  
IoT  
IT Security  
Mobile  
SAP  
BPO



# Exprivia worldwide

## Europe

Molfetta (Bari)  
Milan  
Rome  
Palermo  
Trento  
Vicenza  
Matera  
Madrid  
Las Palmas de Gran Canaria

## America

Mexico City  
Monterrey  
Guatemala City  
San Paolo  
São Bernardo do Campo

## Asia

Shanghai  
Suzhou





# Major Customers

Top

Banking & Finance



Telco & Media



Energy & Utilities



Aerospace & Defence



Manufacturing & Distribution



Healthcare



Public Sector



INTESA SANPAOLO



# Major International Customers

Top

Mexico



Spain



Guatemala



Brasil



China



Banking & Finance



Energy & Utilities & Telco



Aerospace & Defence



Manufacturing



Distribution & Constructio & Transportation



Healthcare



IT

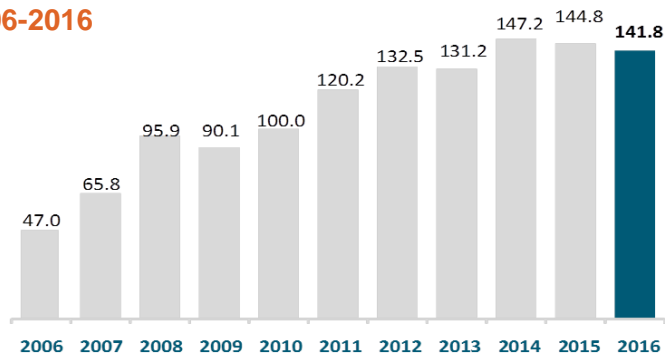


## Revenues

CAGR 2006-2016

[11.7%]

€mIn



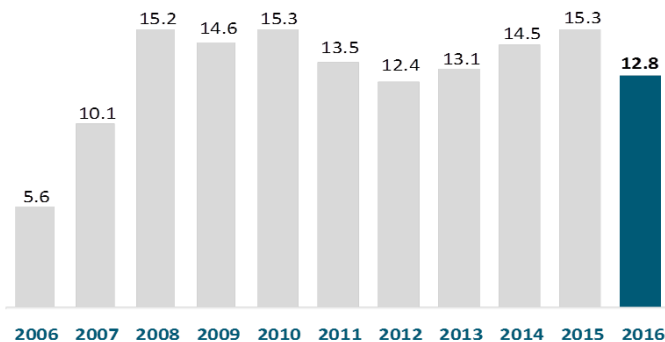
# A story of growth

## EBITDA

CAGR 2006-2016

[8.6%]

€mIn

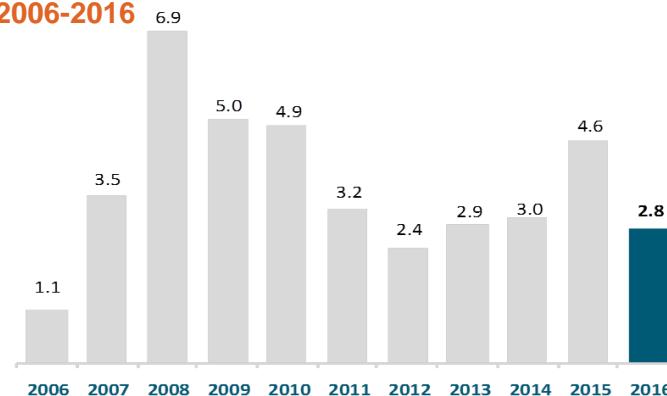


## Net Result

CAGR 2006-2016

[9.8%]

€mIn





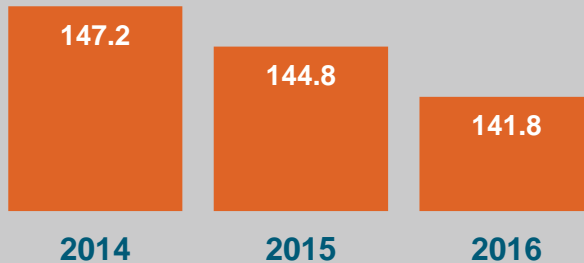
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**2016 Financial Data**

# 2016 - Revenues

## Revenues



The year (and also the end of 2015) has been affected by the consequences of the slowdown in activities in foreign markets and by the delay in starting of a major contract in the BPO services market.

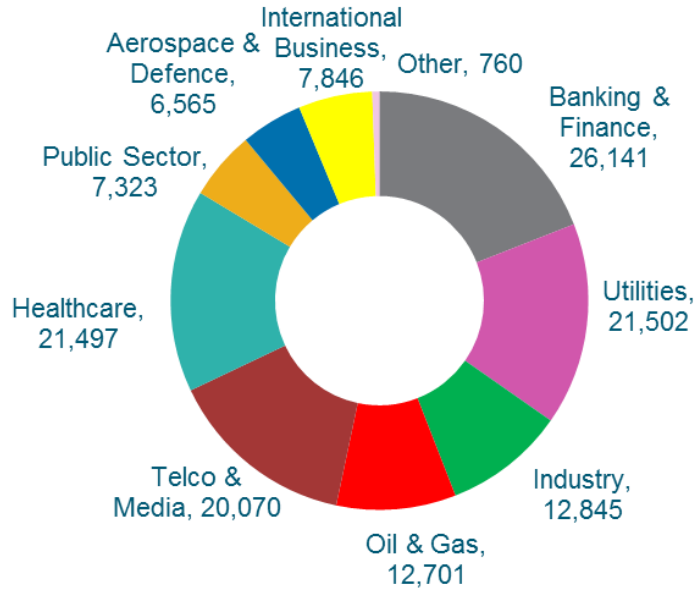
Despite this, not only it has not been resulted in a retraction of the group's position in the relevant market, but the Group has reinforced its position in the Italian market.

# 2016 - Revenues

Exprivia Group (value in K €)	31.12.2016	31.12.2015	Variation	Variation %
Banking & Finance	26,141	25,606	535	2%
Utilities	21,502	21,933	-431	-2%
Industry	12,845	11,689	1,156	10%
Oil e Gas	12,701	15,725	-3,024	-19%
Telco & Media	20,070	19,307	763	4%
Healthcare	21,497	22,018	-521	-2%
Public Sector	7,323	7,954	-631	-8%
Aerospace & Defence	6,565	3,266	3,299	101%
International Business	7,846	10,439	-2,593	-25%
Other	760	1,423	-663	-47%
<b>Total</b>	<b>137,250</b>	<b>139,361</b>	<b>-2,111</b>	<b>-1%</b>

# Business area breakdown

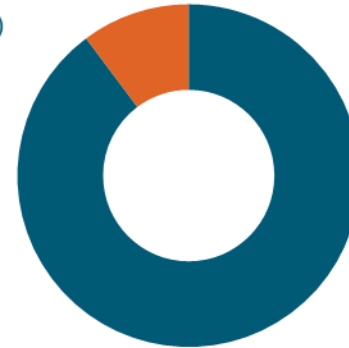
## Revenue by business area



Values in K Euro at 31.12.2016

## Type of Customer

International (\*)  
14,039



Italy 123,212

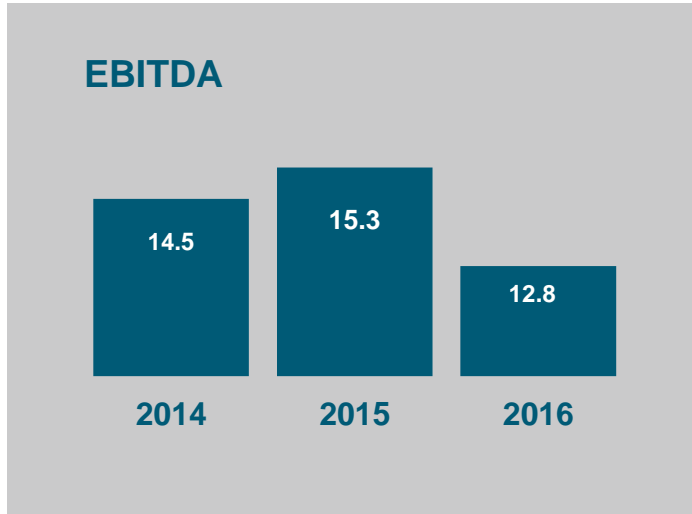
(\*) It includes revenues earned abroad by Italian companies

Remaining customers 62%



First 10 customers  
38%

# 2016 EBITDA



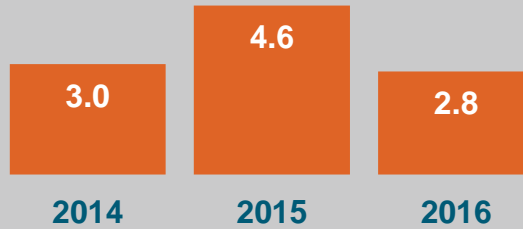
Marginality affected not only by the decrease of revenues, but also by non-recurring costs, for the project of acquisition of Italtel SpA' control, for about 600k Euro, and the setting of a risk provision, for 700k Euro, linked to a tax dispute in charge of a subsidiary.

**Rectified EBITDA** (net of extraordinary costs) EUR **14.1 ml**, **9.9%** of revenues, in line with last year (10,6%)



# 2016 Net Result

## Net Result



In contrast with the factors that have reduced the year' EBITDA and net to the absorption of ACS, the profit of the year has been positively affected by a lower incidence of the cost of debt and the tax benefit named Patent Box.

# 2016 – Net Debt

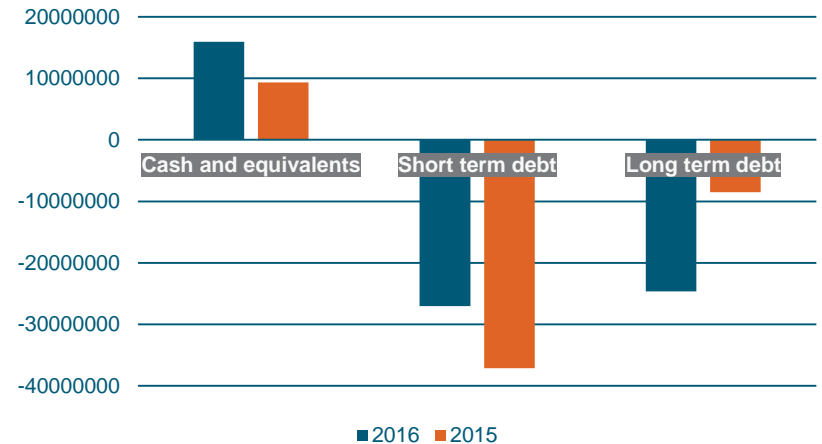
## Net Debt



Net Debt down of 500k euro after having absorbed the ACS net debt, at the 31<sup>st</sup> December equal to 2.6 ml.

	2016	2015
Cash and equivalents	15,927,761	9,297,849
Short term debt	-27,052,653	-37,109,580
Long term debt	-24,662,956	-8,502,544
Total Net Debt	-35,787,848	-36,314,275

The seven-year loan agreement for a medium-term cash credit line worth € 25 ml with a syndicate of major banks, signed in April 2016, has been rebalancing the Company's sources of short and long-term debt, so as to reduce the liquidity risk and improve its bank rating.



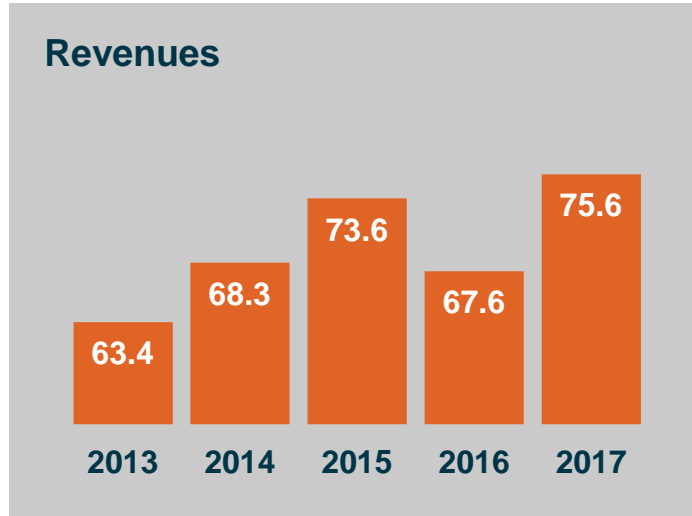


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**H1 2017 Financial Data**

# H1 2017 - Revenues

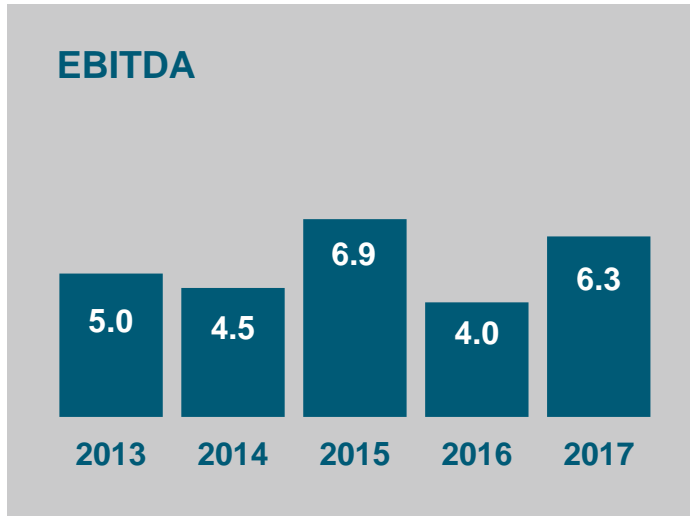


The increase in revenues for the first half was mainly due to the strengthened presence of space technology in ACS, and the launch of important commissions in the BPO market. The parent company's performance in the Energy & Utilities and Public Sector markets is also positive.

# H1 2017 - Revenues

Exprivia Group (value in k €)	30.06.2017	30.06.2016	Variation %
Banking & Finance	12,162	12,453	-2.3%
Utilities	15,279	9,916	54.1%
Industry	6,766	6,382	6.0%
Oil & Gas	7,218	6,267	15.2%
Telco & Media	9,984	10,055	-0.7%
Healthcare	10,202	11,214	-9.0%
Public Sector	3,549	3,475	2.1%
Aerospace & Defence	4,970	1,499	231.6%
International Business	3,205	4,089	-21.6%
Other	419	318	31.9%
<b>Total</b>	<b>73,755</b>	<b>65,668</b>	<b>12.31%</b>

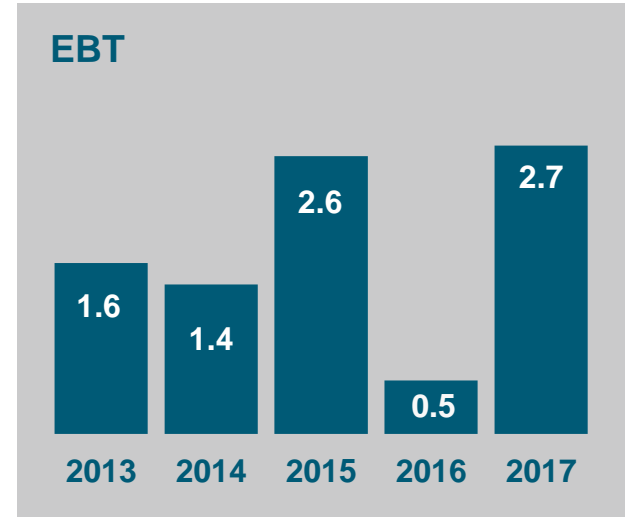
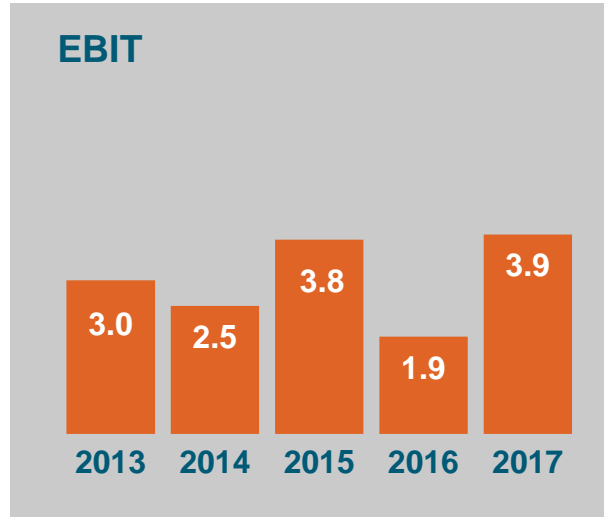
# H1 2017 - EBITDA



The increase in margins in the first half of the year was good as a result of good recovery of orders profitability compared to last year both of the **parent company** and of **foreign companies**.

EBITDA 2017 has been adjusted by neutralizing the effects of a non-recurring tax entry ( Statutory EBITDA amounts to Euro 4.9 mln).

# H1 2017 - EBIT e EBT



EBIT and EBT 2017 have been adjusted by neutralizing the effects of a non-recurring tax entry (Statutory EBIT amounts to Euro 2.6 mln, Statutory EBT amounts to Euro 0.8 mln).



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**Business Plan 2015-2020 update**



# The 3 phases of the business plan



# Figures of the plan 2015-2020

## Revenues

- **Target:** 360 million for exogenous and endogenous growth
- **Endogenous growth:** for two-year periods: 2%, 5%, 10%
- **Exogenous growth:** 155 million in six years

## EBITDA

- **Target:** >12% in six years including the exogenous growth
- In absolute value: 44 Million in 2020

## PFN

- **NFP/EBITDA** = 2 from 2015, < 2 and down from 2016
- **DSO** (customer + WIP) around 175 days for the whole period of the plan
- **DPO** aligned to DSO
- **NWC/Revenues** less than 20% from 2017

# Business Plan Update

Figures of 2017-2020 confirmed, target of the business plan confirmed

- **Very difficult** first couple of years
- Nonetheless **positive outlook** of the IT market in Italy and abroad, supported by positive analysts view
- Significant **revenue recovery** in the fields for which 2015 and 2016 have been delayed
- Italtel control acquisition project will allow the group to exceed the original business plan goals

# Themes addressed



Is the universe of available elementary entities (sensors, machines, switches, ...)

**IoT**



Techniques with which the entities will be connected and monitored to provide summary and aggregate information

**Big Data, Analytics**



Place where the information resides and where the transformations take place

**Cloud**



Platform where the information will be organized for the distribution and use (Customer Experience)

**CRM**

# The developing program

## Cloud Computing



- **Products on cloud platforms:** Edotto, SAP applications, the Home Factoring Solutions, Let's Care, ...
- **Hybrid Cloud:** cloud-on premise integration challenges

## IoT



- **Wellness and personal care:** Assisted Living Environment, Telemedicine, medical records, wearable devices
- **Intelligent manufacturing**

## Mobile e Bring Your Own Device



- **Enterprise Application Store:** relate the business park application with the paradigm Mobile, use of mobile devices in the workplace, privacy and security
- **Smart Cities**

## Big Data



- **Predictive and Advanced Analytics instruments:** Security, Marketing Support
- **Big Data in Cloud solutions**

## SAP

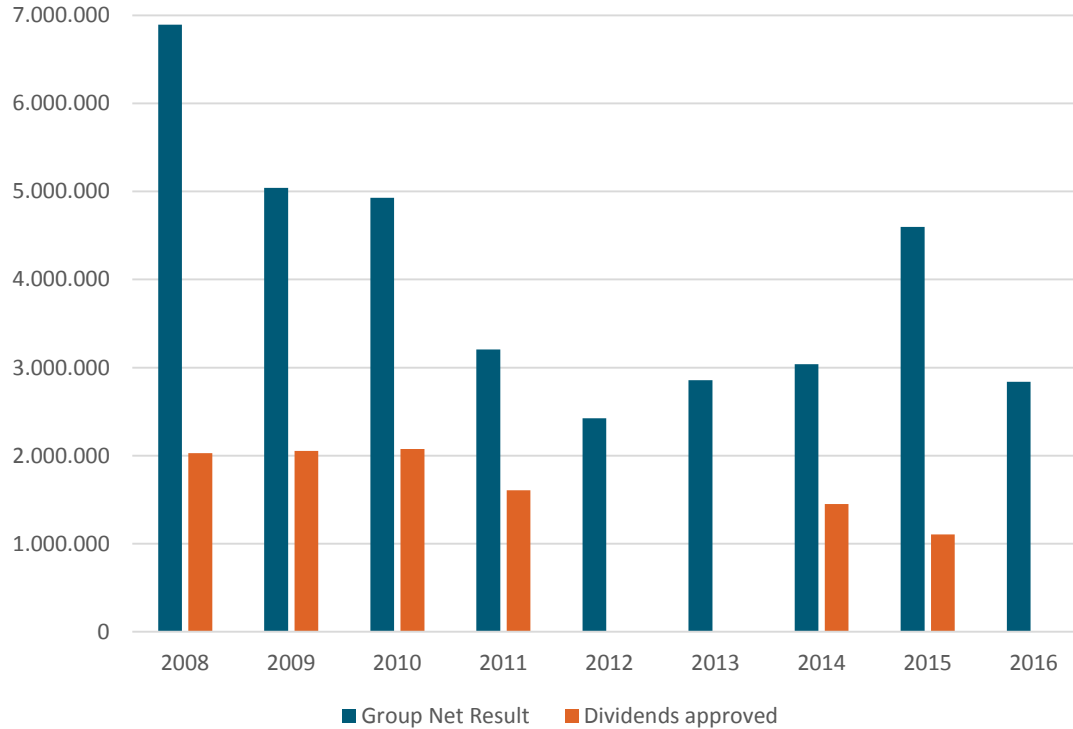


- **Predictive Analysis:** fault management on the production chain, sales forecasting, marketing campaign management
- **Internet of Things:** IT Manufacturing, smart factory

# Why invest in Exprivia

- Large loyal **customer base**
- A **wide presence** in Italy being close to the customer
- Solid presence in large and solid markets, such as **Banks&Finance, Healthcare, Energy and Telco, SAP**
- Promising presence in **emerging countries**
- **Hundreds of professionals** specialized in several different markets
- **R&D pole** in the South of Italy with a good capacity to attract neo-graduates in IT disciplines and management engineering
- **Proprietary product portfolio** in Healthcare and Banking markets
- Proved ability to growth by means M&A
- **Stable management team**: most of persons who are part of it are shareholders
- A careful **dividend policy** able to sustain the company development

# Dividends



Unsatisfactory market capitalization, not in line with the value spread to the market and through the customers value chain. That's an issue which will be addressed among the priorities of 2017.



# Disclaimer

This presentation contains estimates including information relating to the financial performance of the Company and market trends. Estimates are based on assumptions that management believes are reasonable and credible to date.

Estimates may be subject to variations and changes in the macroeconomic scenario.

Actual results may also differ from the information set forth herein.

This document does not constitute a solicitation nor does it represent indications for purchase and a sale of the Group's shares and is addressed to the financial community.

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