



Company Presentation

Borsa Italiana – Star Conference

Milano, 27/28 Marzo 2018

**INCREASING
POTENTIAL
THROUGH
SYNERGIES**

Index


- **Exprivia today**
- **Italtel today**
- **2017 Exprivia Financial Data**
- **2017 Italtel Financial Data**
- **The New Group**
- **Business Plan 2015-2020 update**

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Exprivia Today

- Born in 2005 through the merge between Abaco Software (1987) and AISoftw@re (1983)
- Group revenue 2017 of € 161.2 mln
- About 2000 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

Exprivia Today



Exprivia is specialized in **Information and Communication Technology (ICT)** , able to direct drivers of change for the business of its customers, thanks to digital technologies.

Exprivia's offer covers the entire range of digital transformation processes thanks to the plurality of skills and the wealth of experience on the various reference markets: **Banking, Finance & Insurance , Telco & Media, Energy & Utilities, Aerospace & Defence, Manufacturing & Distribution, Healthcare and Public Sector.**

Exprivia supports its customers in defining **new business models** through the conception, development and integration of solutions based on consolidated and emerging technologies.

Exprivia Today

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



A story of growth

Revenues

CAGR 2007-2017
[9.37%]

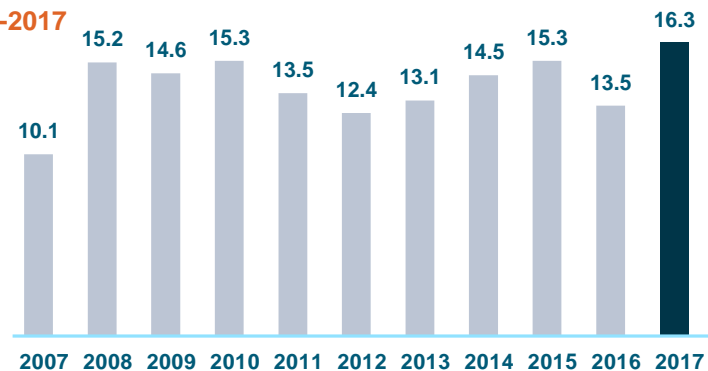
€ mln



EBITDA

CAGR 2007-2017
[4.90%]

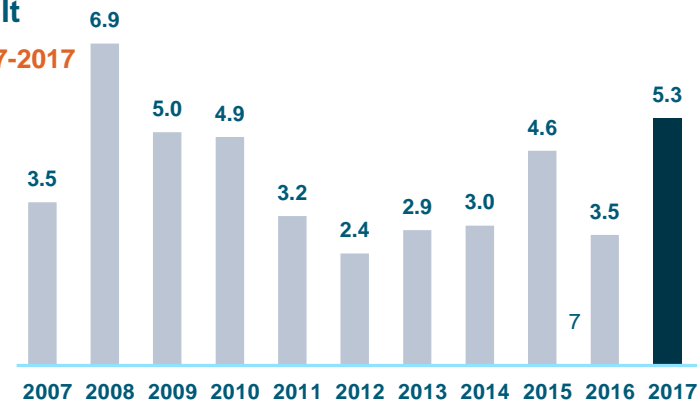
€ mln



Net Result

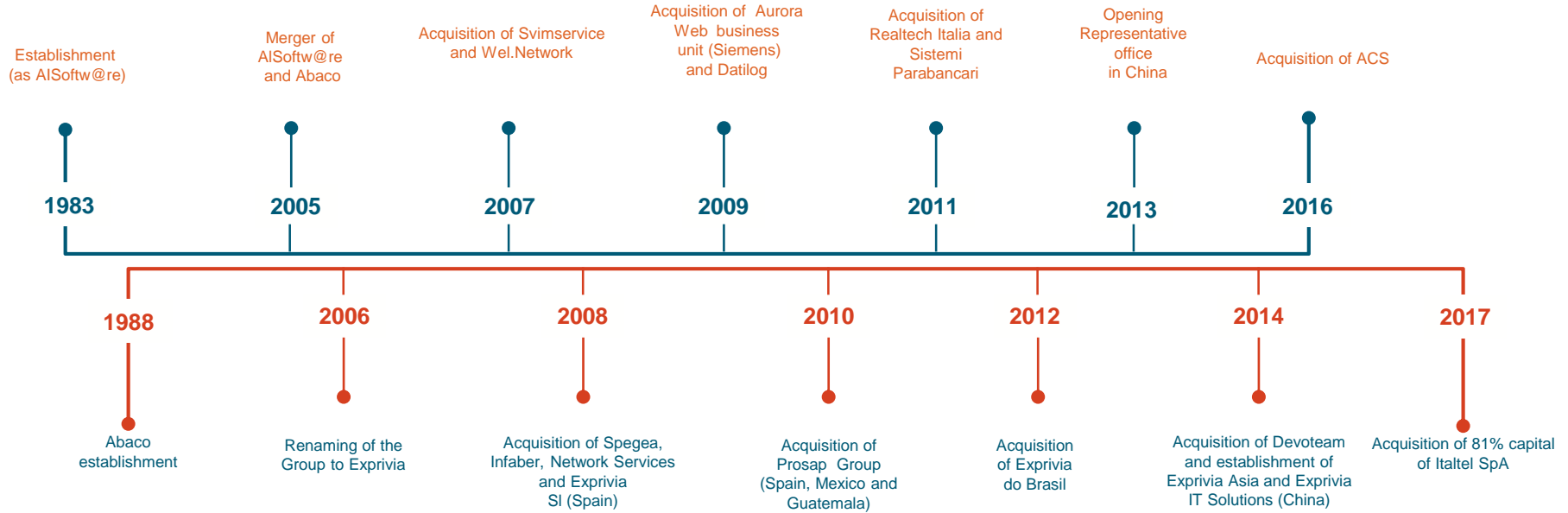
CAGR 2007-2017
[4.24%]

€ mln



*The tables present adjusted EBITDA and Net Result for 2016 and 2017

Milestones



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Italtel today

- Born in 1921: a primary actor in the domestic telecommunication market history
- Target market are Telco Providers, Enterprises and the Public Sector
- Italtel revenues 2017 as of 430,2 ML€:
 - Domestic Market : 270,2 ML€
 - International Market : 160 ML€
- About ~ 1400 professionals
- Presence in EU4 & Latin America
- Strongly related with Cisco Systems (Cisco holds 19% of shares 2018)



Italtel is a Multinational System Integrator operating in Information and technology sector, with a strong focus on innovation

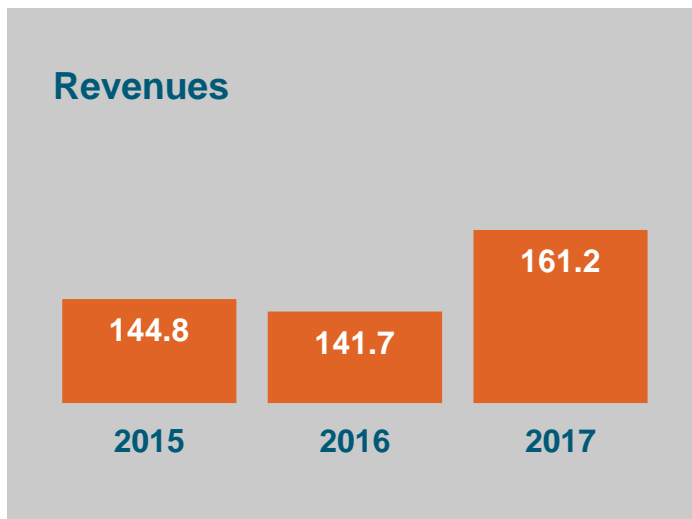
Italtel Evolution path



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Exprivia revenues 2017

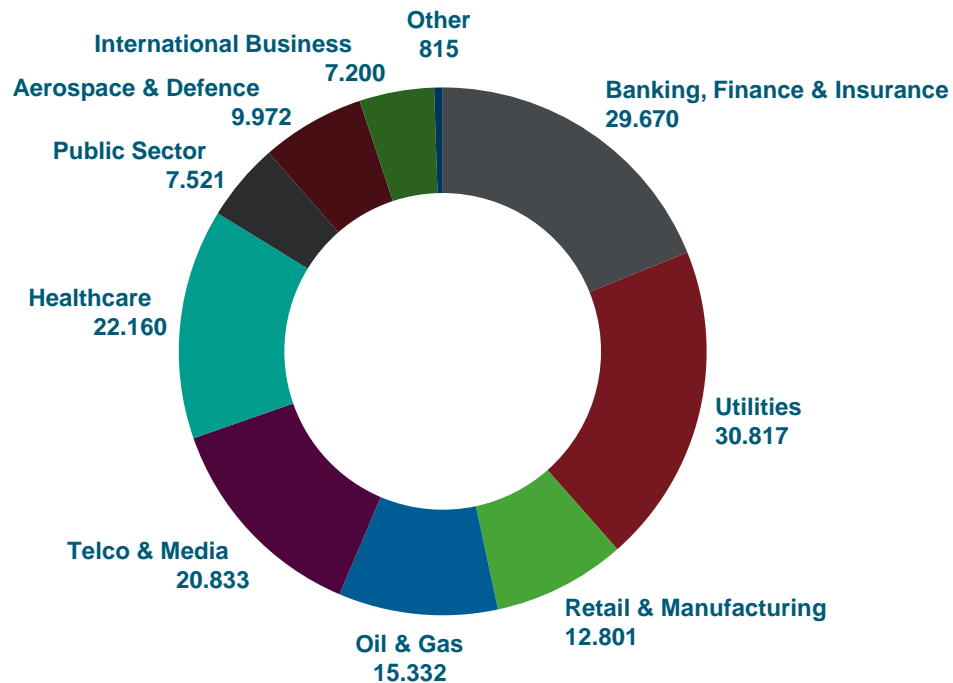


2017 proved to be a very important year for Exprivia, which recorded 14% increase in revenues and profitability up to 27%. The 2017 consolidated revenues amounted to 161.2 million euro

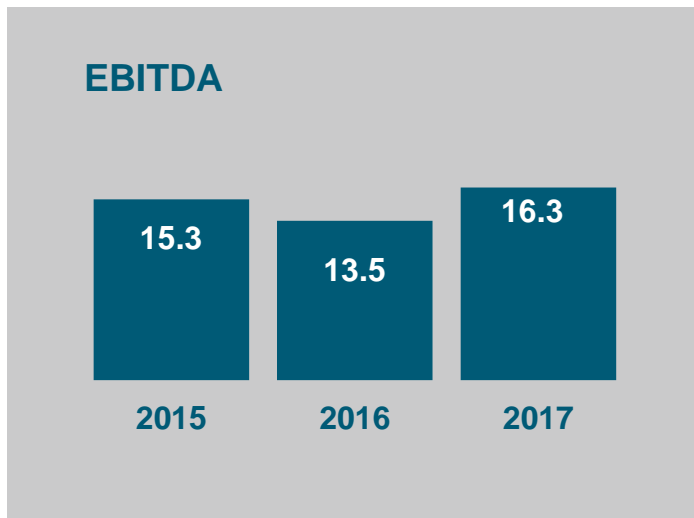
Exprivia revenues 2017 per market sector

Exprivia Group (value in K €)	31.12.2017	31.12.2016	Variation	Variation %
Banking, Finance & Insurance	29.670	26.141	3.529	14%
Utilities	30.817	21.502	9.315	43%
Retail & Manufacturing	12.801	12.845	-44	0%
Oil e Gas	15.332	12.701	2.631	21%
Telco & Media	20.833	20.070	764	4%
Healthcare	22.160	21.497	663	3%
Public Sector	7.521	7.323	198	3%
Aerospace & Defence	9.972	6.565	3.407	52%
International Business	7.200	7.846	-646	-8%
Other	815	808	55	7%
Total	157.121	137.298	19.872	14%

Revenue by business area



Exprivia EBITDA 2017



Marginality has been adjusted by neutralizing the effects of a non-recurring tax entry.

This led to charge on the subsidiary's profit&loss amounting to 4.2 million euro, over 700 thousand already accrued in 2016 and overdue interest expense for 1.0 mln euro.

Exprivia net result 2017

Net Result



Adjusted net result equal to 5.3 mln, 3.3% on revenues (3.5 mln adjusted in 2016).

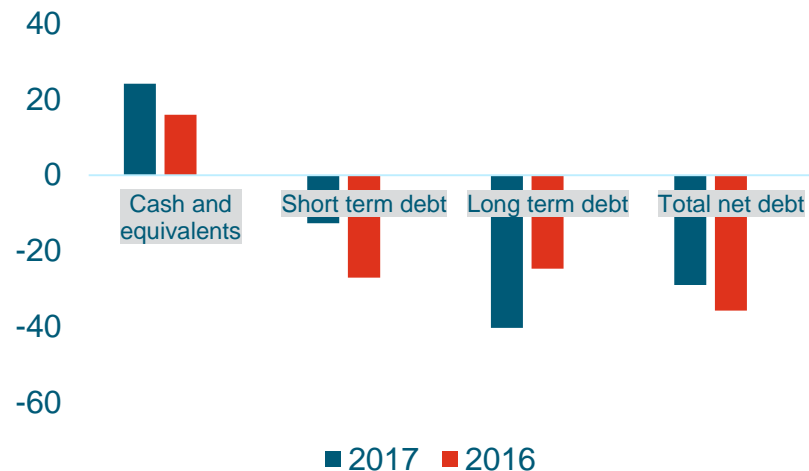
Exprivia net debt 2017

Net Debt



The net financial position is equal to -222.8 million euro and includes the position of Italtel which affects the indebtedness for -164 million. The net financial position of the group without the consolidation of Italtel, whose investment for the acquisition amounted to 25 million, and net of the resolution of the extraordinary tax burden for its subsidiary Exprivia Enterprise Consulting, which absorbed 4.8 million, stands at 58.3 million and would have been -29 million, with an improvement of 6.8 million, from ordinary cash management, compared to 2016.

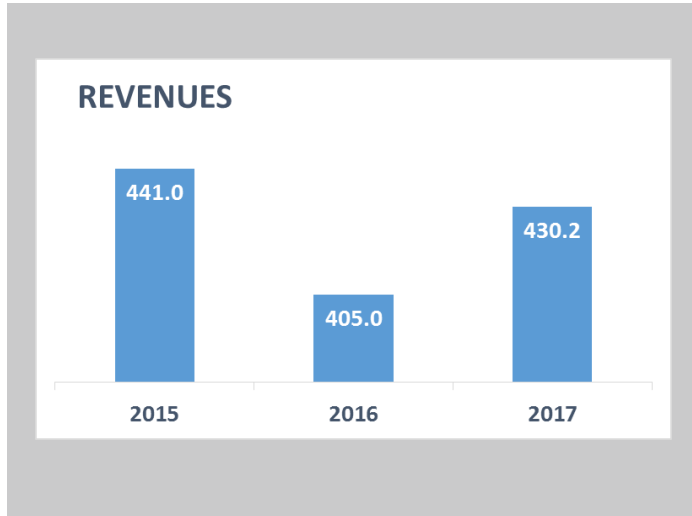
	2017	2016
Cash and equivalents	24.091.101	15.927.761
Short term debt	-12.724.269	-27.052.653
Long term debt	-40.338.384	-24.662.956
Total Net Debt	-28.971.552	-35.787.848



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Italtel Revenues 2017

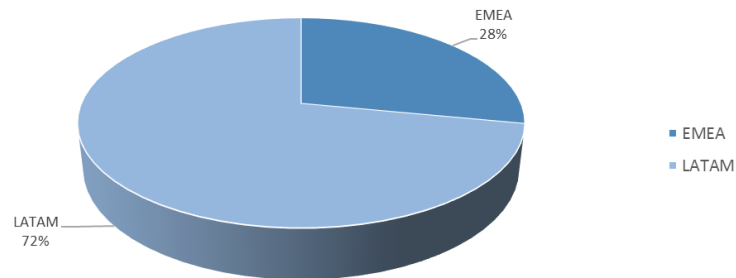


2017 is a very important year also for Italtel, with a 6% increase in revenues. The consolidated revenues amounted to 430.2 million euro.

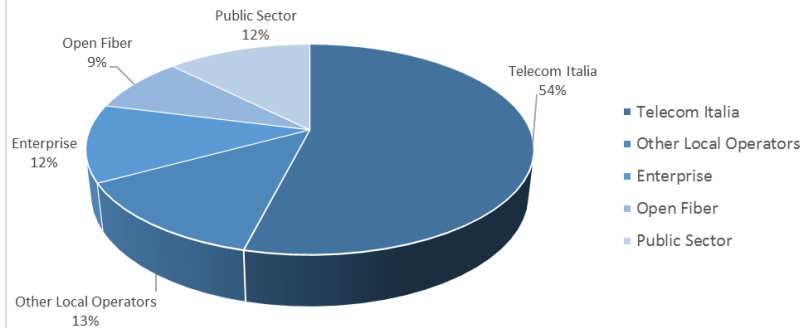
Italtel Revenues 2017

- Italtel revenues 2017 as of 430,2 ML€:
 - Domestic Market : 270,2 ML€
 - International Market : 160 ML€

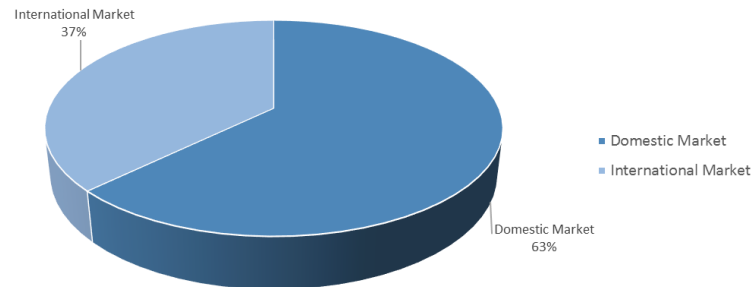
2017 INTERNATIONAL MARKET REVENUE SPLIT



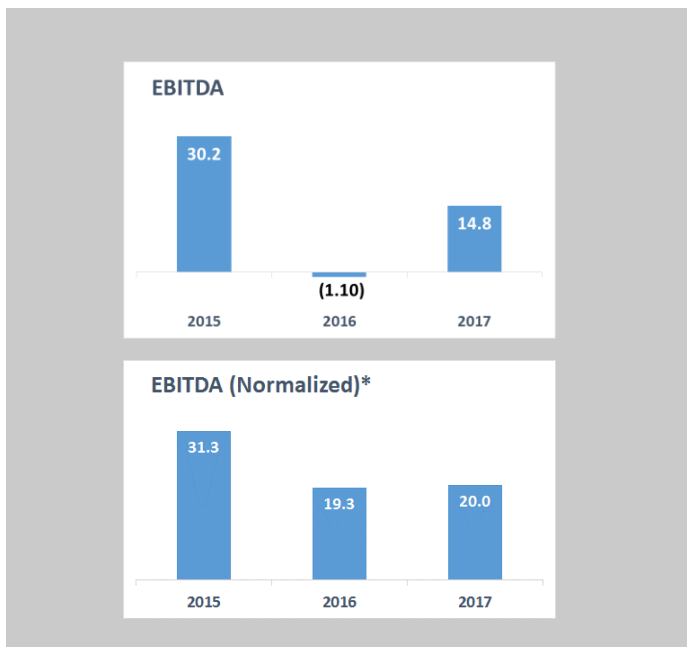
2017 DOMESTIC MARKET REVENUE SPLIT



2017 DOMESTIC vs INTERNATIONAL MARKET REVENUE



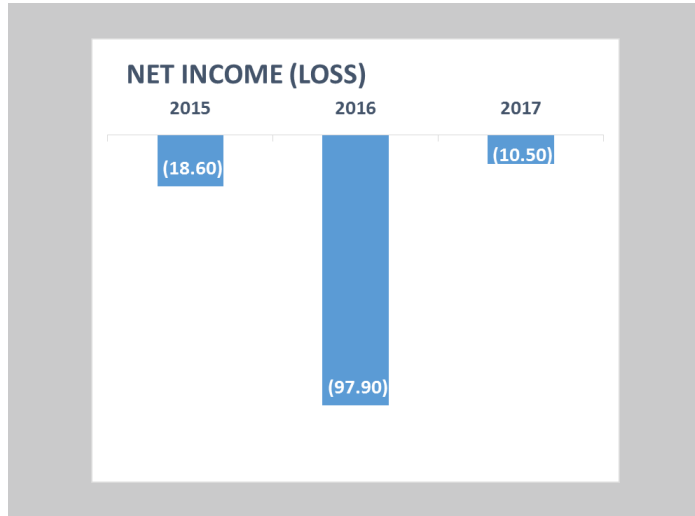
Italtel EBITDA 2017



EBITDA has been adjusted by neutralizing the effects of a non recurring costs (restructuring costs and transaction costs amounting to 20.4 million euro in 2016 and 5.2 million in 2017)

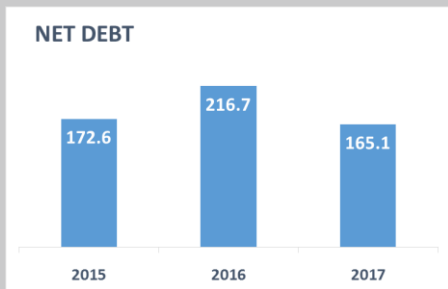
Normalized EBITDA 2017 (net of extraordinary costs) EUR 5.2 ml, 4,7% of revenues, in line with last year (4,8%)

Italtel Net Results 2017



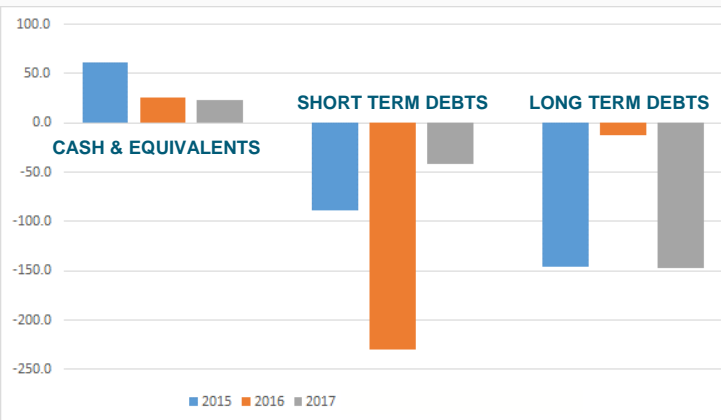
The 2016 net loss includes the goodwill write-down of Euro 45 million, the write-down of other assets, in particular development costs and deferred tax assets for Euro 18.3 million, and costs of approx. Euro 17 million regarding the personnel provision as part of the restructuring under the 2017-2023 Industrial Plan. The 2017 result is slightly better than the Industrial Plan (10.5 million vs 11.5 million of loss)

Italtel Net Debt 2017



Net debt 2017 includes the effect of the recapitalization operation closed in 2017 and which resulted in the conversion of bank debt by 67 million in SFP (Equity Financial Instruments)

	2015	2016	2017
Cash & Equivalents	61.666	25.998	23.215
Short Term Debt	-88.874	-230.384	-41.228
Long Term Debt	-145.377	-12.291	-147.120
Net Financial Position	-172.585	-216.677	-165.133

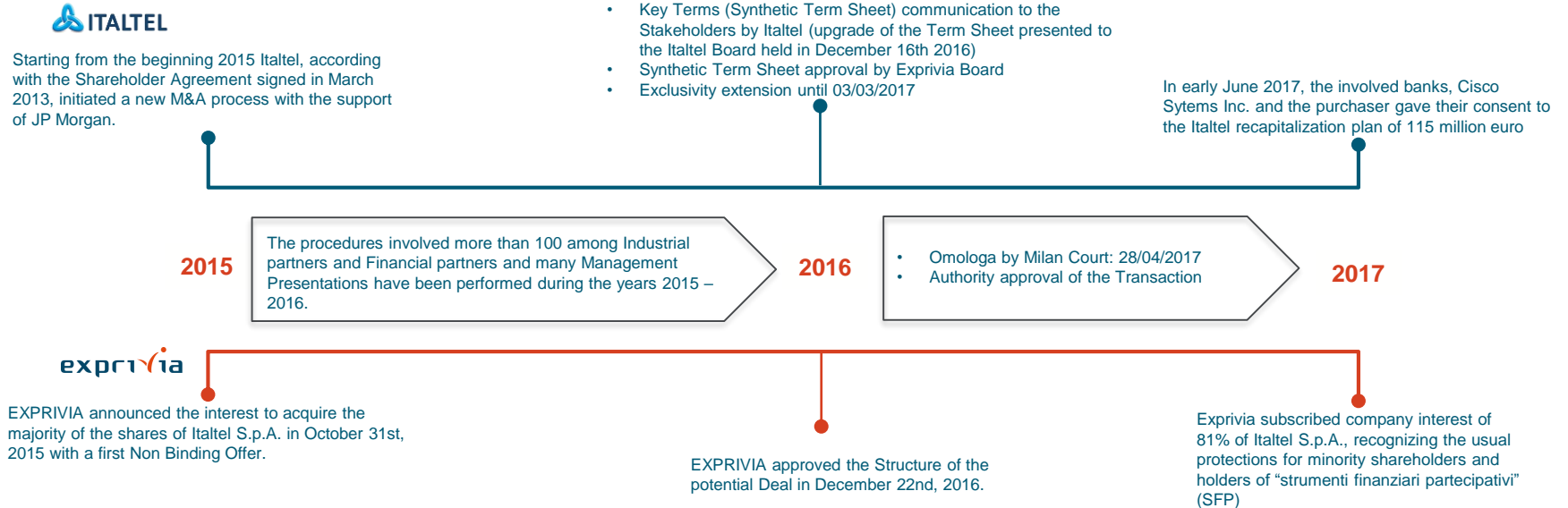


In 2016 all medium/long term liabilities currently subject to renegotiations had been reclassified as short-term in consideration of the ongoing process with the banks

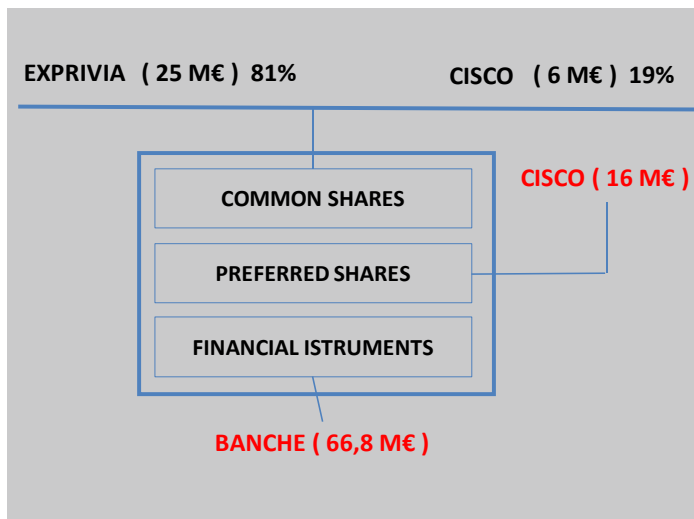
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The Journey towards the Acquisition



Recapitalization Structure



- EXPRIVIA Cash Investment: 25 M€
- CISCO Investment: 22 M€ (6M€ Common Equity, 16 M€ Preferred Equity)
- BANKS debt conversion in SFP: 66.8M€
- TOTAL transaction sources: 113,8 M€

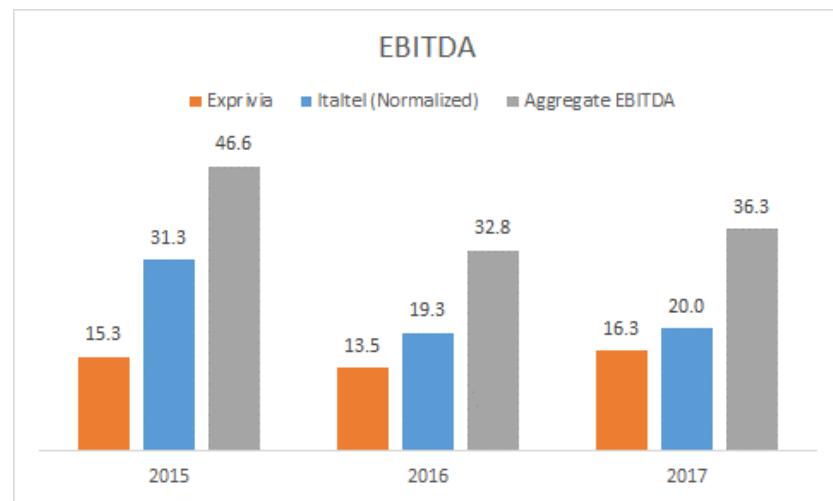
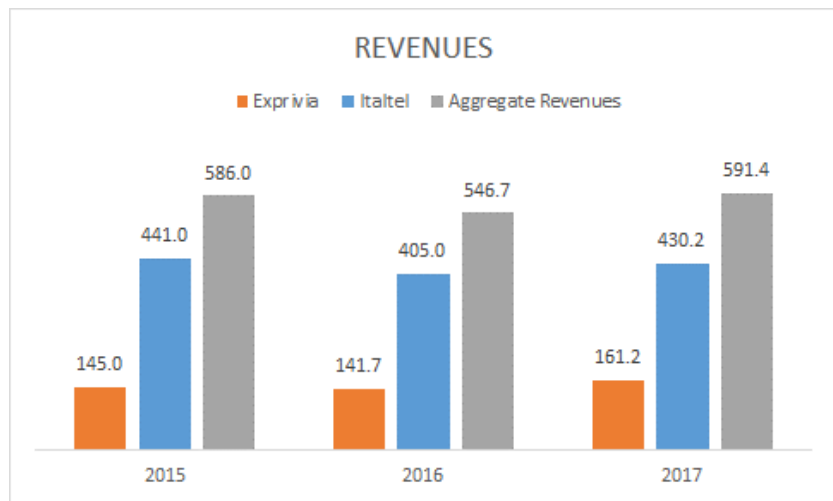
A New Player in the Market



- In early June 2017, the involved banks, Cisco Sytems Inc. and the purchaser gave their consent to the Italtel recapitalization plan of **113,8 million euro**;
- **Exprivia** takes part in the recapitalization and obtains 81% of the capital of Italtel;
- 19% remains in the Cisco portfolio; Cisco wants to continue playing a role in relaunching the company;
- At the **end of December**, the operation was officially closed giving birth to a new group.

The Group Exprivia-Italtel intends to be one of the most important Italian industrial entities in the digital technologies. The group will provide a complete offering to meet the growing demand coming from the digital transformation and will manage **the whole ICT value chain**, from infrastructure components to applications and services, significantly benefiting our customers and partners.

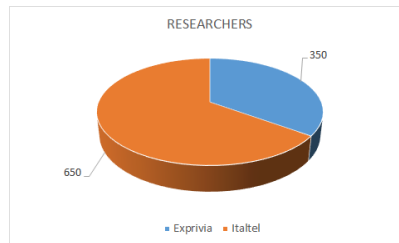
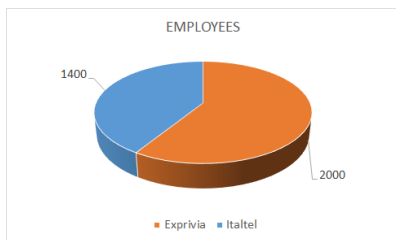
Facts & Figures



3.400 Employees

1.000 Researchers

Employees Distribution



Rest of the world: 400

Research Laboratories in Milan, Molfetta, Palermo

International Presence: Subsidiaries

- **International expansion** continues to be one of the keys of the Industrial Plan
- **Exprivia** and **Italtel** together can better leverage scale factors and joint portfolio effects



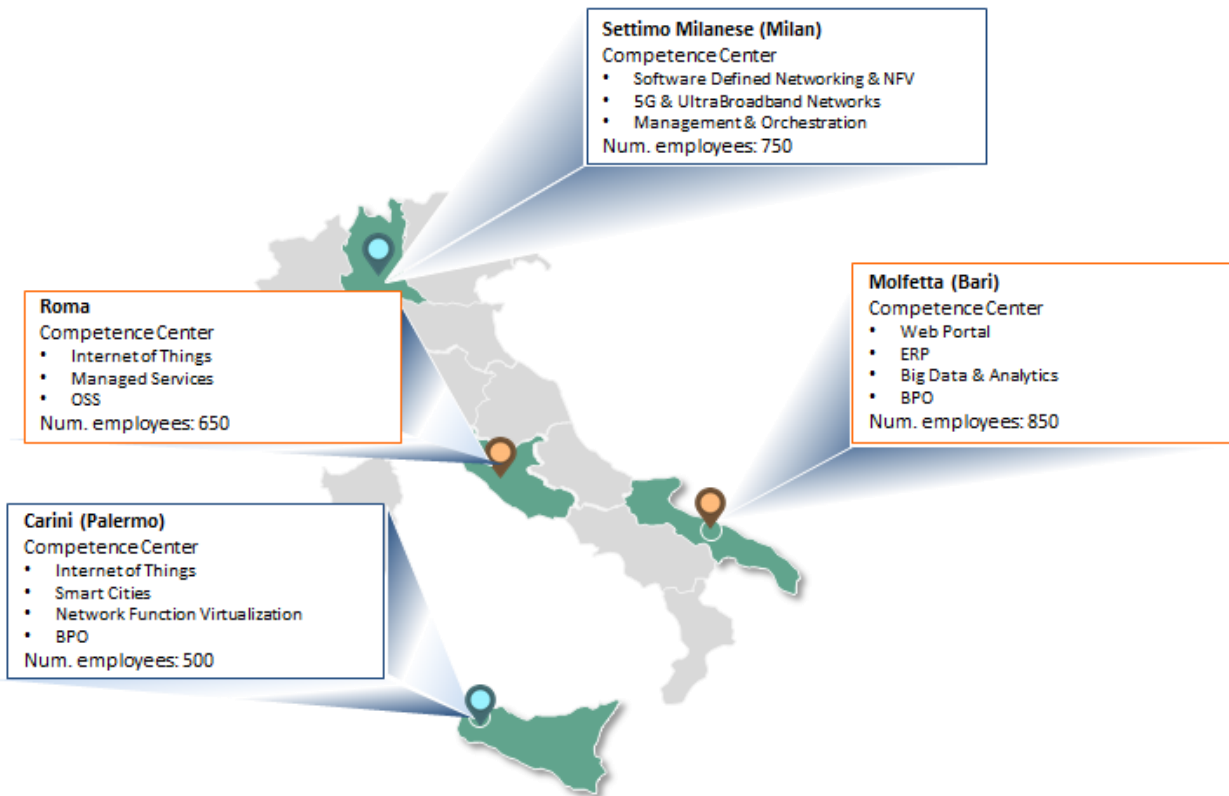
- **LATAM** and in general **AMERICAS** (including Central America and USA) will be the most important growth driver

- Presence of Exprivia
- Presence of Italtel
- Joint presence

Technological Hubs & Innovation Projects



- Regional, Italian & European Collaborative Research Projects
- Innovation Lab and Start-up Industrial Accelerator
- Joint developments with Strategic and key partners (e.g.: Cisco)



Group Major Italian Customers

Top

TIM



INTESA SANPAOLO

enel
open fiber

Rai

FASTWEB



UniCredit

Banking & Finance



Telco & Media



Energy & Utilities



Aerospace & Defence



Manufacturing & Distribution



Healthcare



Public Sector



Group Major International Customers

Top

Brasil



Spain



Guatemala



Mexico



China



Banking & Finance



Telco & Energies/Utilities



Aerospace & Defence



Manufacturing



Distribution & Construction & Transportation



Healthcare



IT



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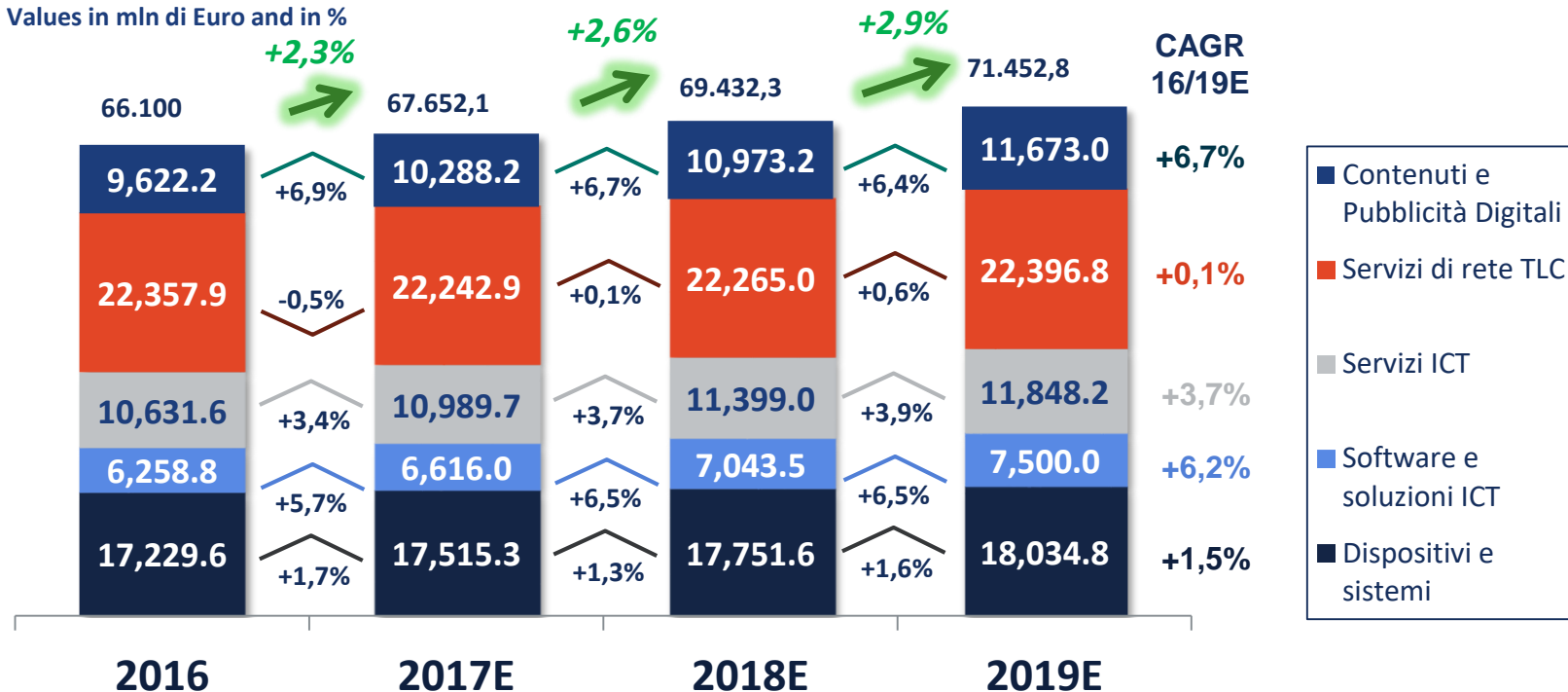
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The 3 phases of the business plan

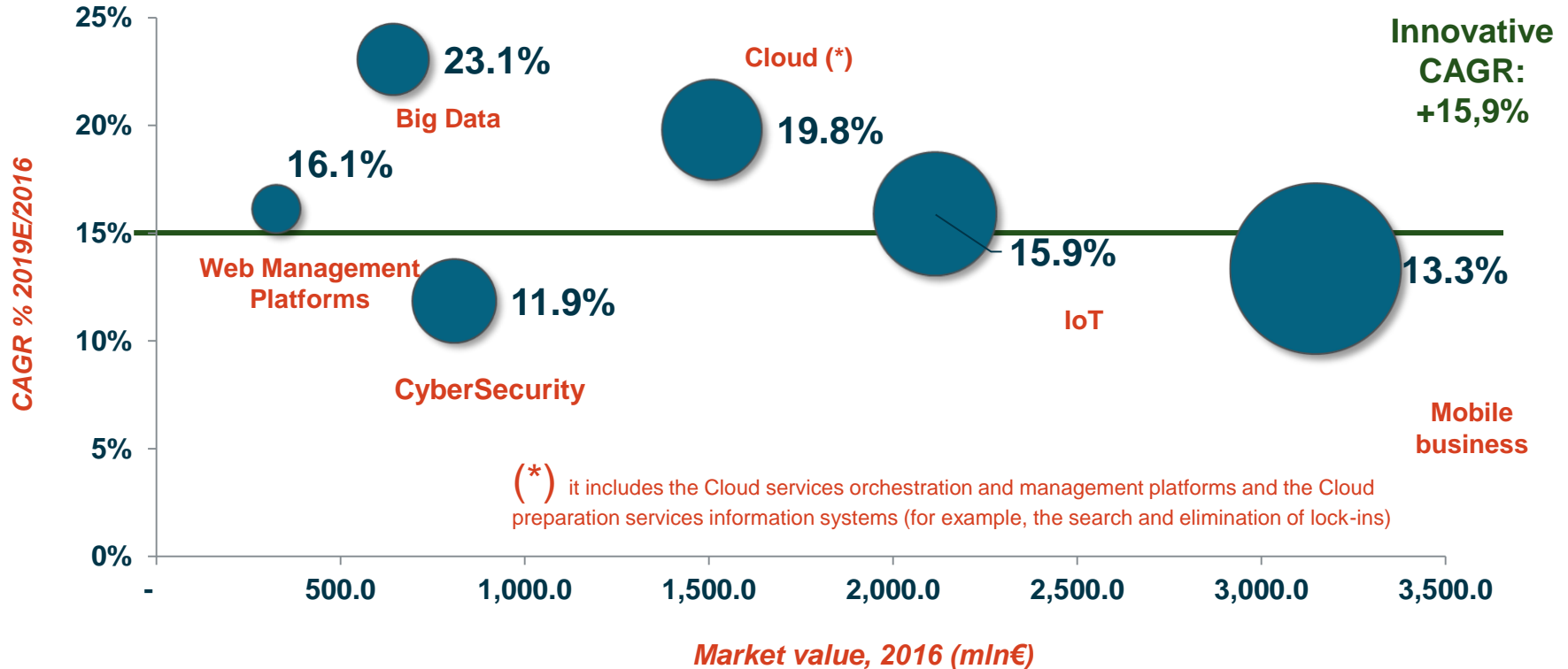


Digital Market is growing in Italy

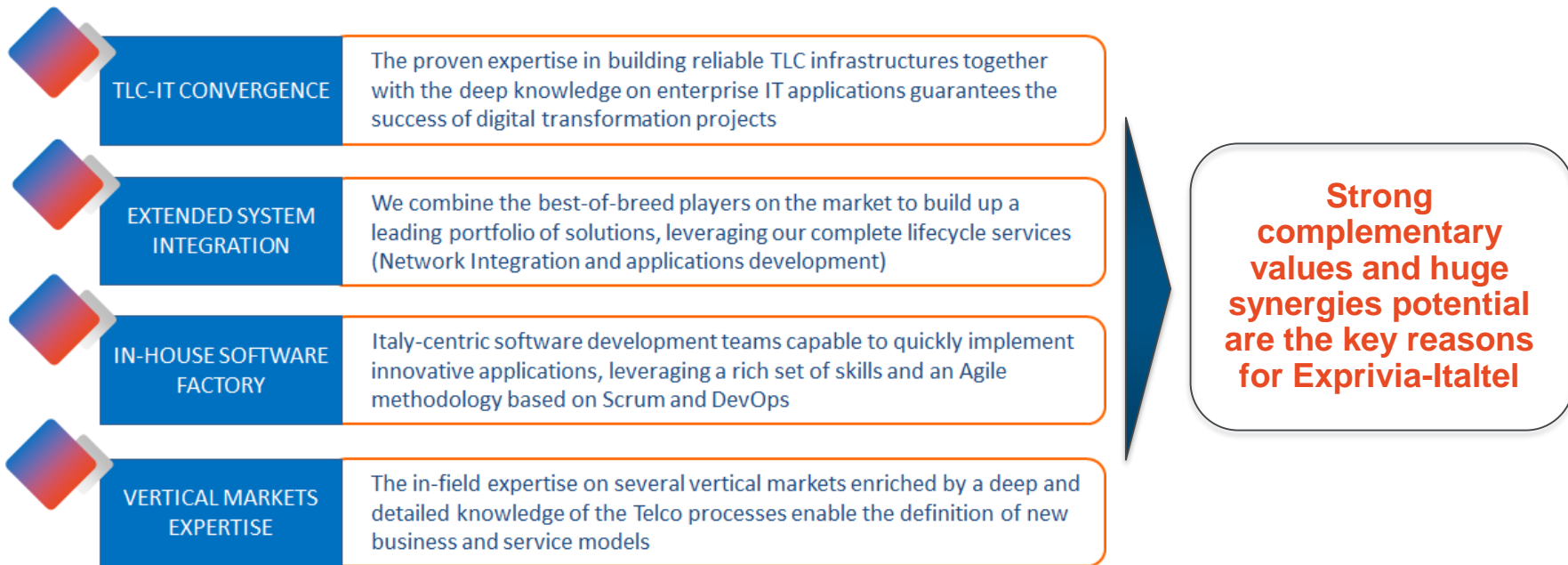
Values in mln di Euro and in %



Digital enablers are pulling market growth



Business Guidelines



Market Guidelines



**Traditional System integrator +
Software Development =
capability to address the new
market requirements**

- Networks are evolving to become software-driven → Flexible and agile
- Applications built on top are the distinctive competitive advantage → Use case driven
- Traditional network management → Evolved application network management
- Analytics and Security are foundational elements → Built-In

Group Strengths

Software Development + Traditional System integrator

exprivia

- Digital transformation processes enabler
- Presidium of various technological and fields domain: Capital Market, Credit & Risk Management, IT Governance, BPO, IT Security, Big Data, Cloud, IoT, Mobile, Customer Experience, Digital Channel, Social, e-Mobility
- Skills in the SAP area
- **Sectors:** focus on Banking & Finance, Telco & Media, Energy & Utilities, Aerospace & Defense, Manufacturing & Distribution, Healthcare and Public Sector
- **Markets:** Italy, Europe, America and Asia



ITALTEL

- Player strongly focused on Telecommunication Networks and their evolutionary process
- Design, development and installation of solutions for integrated network systems, service provider in the field of New Generation Technologies based on the IP protocol
- Products based on the logic Network Function Virtualization (NFV) and Cloud Computing, solutions in the areas of Unified Communication & Collaboration, Internet of Things, Quality of Experience and Analytics
- **Sectors:** Telecommunications, Public Administration, Health, Defense, Finance, Energy, Manufacturing
- **Markets:** Italy, South America, USA, Europe



SAP, ERP

TLC

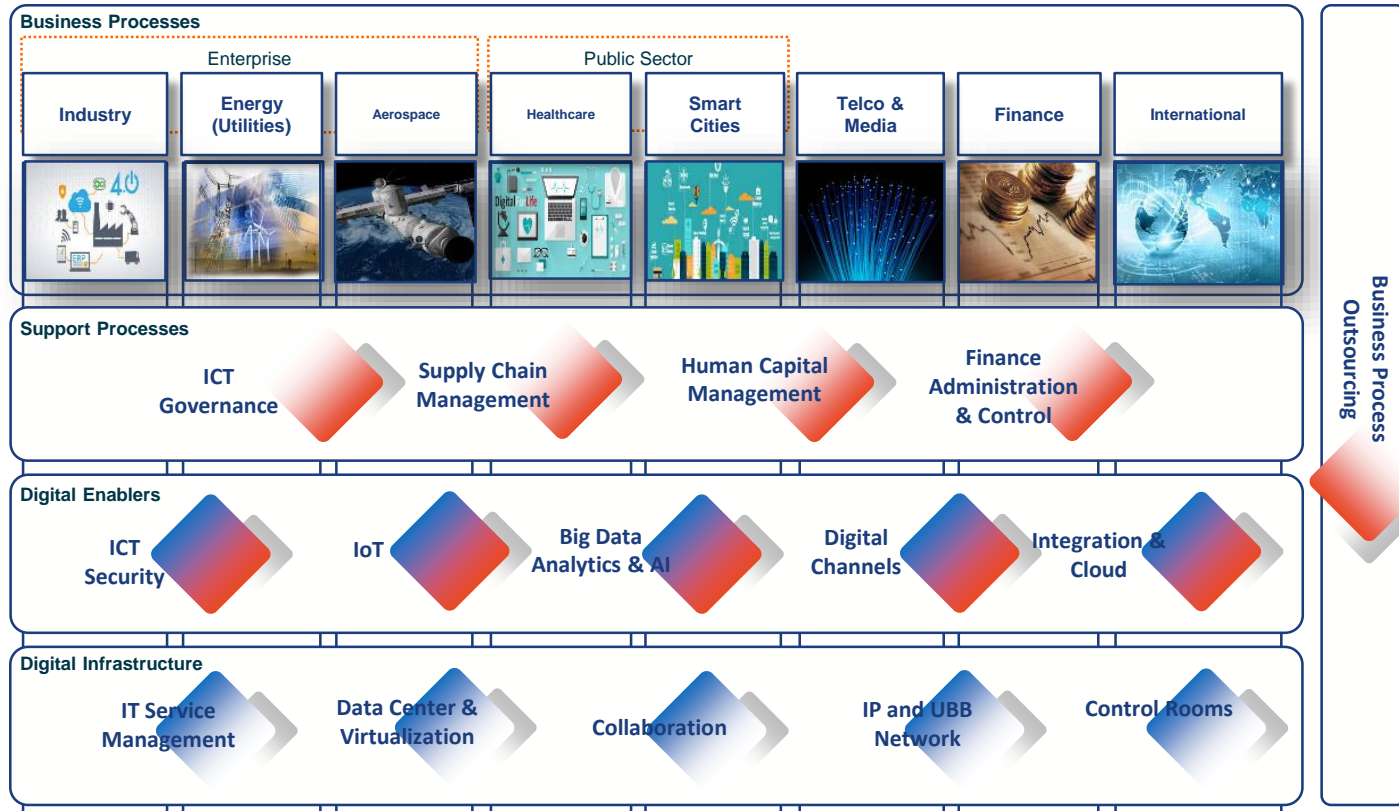


SDN/NFV

Cloud

Big Data & Analytics

Offer Lines Map



Exprivia – Italtel with Cisco



- Focus on infrastructural components of the ICT projects (networks, data centers, etc.)
- Specialization on Telecommunications market
- Development of a product catalogue, dealing with overall product lifecycle management
- Long lasting experience on large scale, carrier-grade projects



Italtel and Exprivia represent a NEW and innovative reliable player to support TELCO and LARGE ENTERPRISE in ALL IP Network Transformation and Digital Services development



- Focus on software applications (OSS/BSS, analytics, etc.)
- Wide experience on several different vertical markets (Finance, Healthcare, Aerospace, etc.)
- Tailoring ICT solutions on the needs of each customer
- Young and efficient workforce, providing outstanding managed services



- Cisco's hardware forms the backbone of most Service Providers and enterprise networks around the world.
- Similar to compute moving to cloud, networking is virtualizing and moving to cloud, enabled by SDN and NFV. Capturing this transition is a top priority for all service providers
- Best-in-class Cisco equipment provide significant OpEx savings thanks to easier maintenance and automation



Ready for a Compelling Market Context

The rapid development of **Cloud technology** and the **broadband growth** expansion, are changing the way the Service provider offer their services and solutions. The boundaries between the IT and TLC world are increasingly blurred.

EU FP7 & Horizon 2020

SOFTFIRE

Software Defined Networks and Network Function Virtualization Testbed within FIRE+

5G ESSENCE

Embedded Network Services for 5G Experiences

MATILDA

5G-ready applications and network services over sliced programmable infrastructure

5GCity

Enabling Smart Cities through 5G Clouds

SESAME

Small cEIS coordinAtion for Multi-tenancy and Edge services

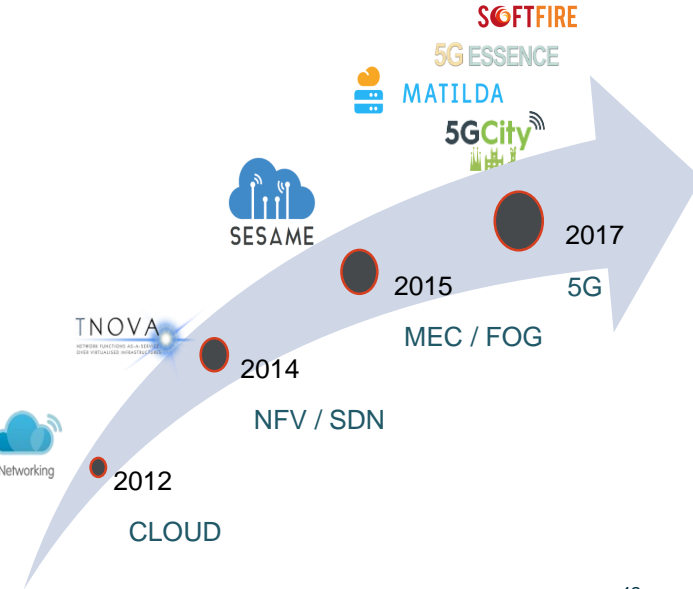
TNOVA
NETWORK FUNCTIONS AS-A-SERVICE
OVER VIRTUALISED INFRASTRUCTURES

NFV/SDN enabling framework

expri^{via} | **ITALTEL**

MCN
Mobile Cloud Networking

Exploiting Cloud Computing for Mobile Network Operations



Group Open Innovation

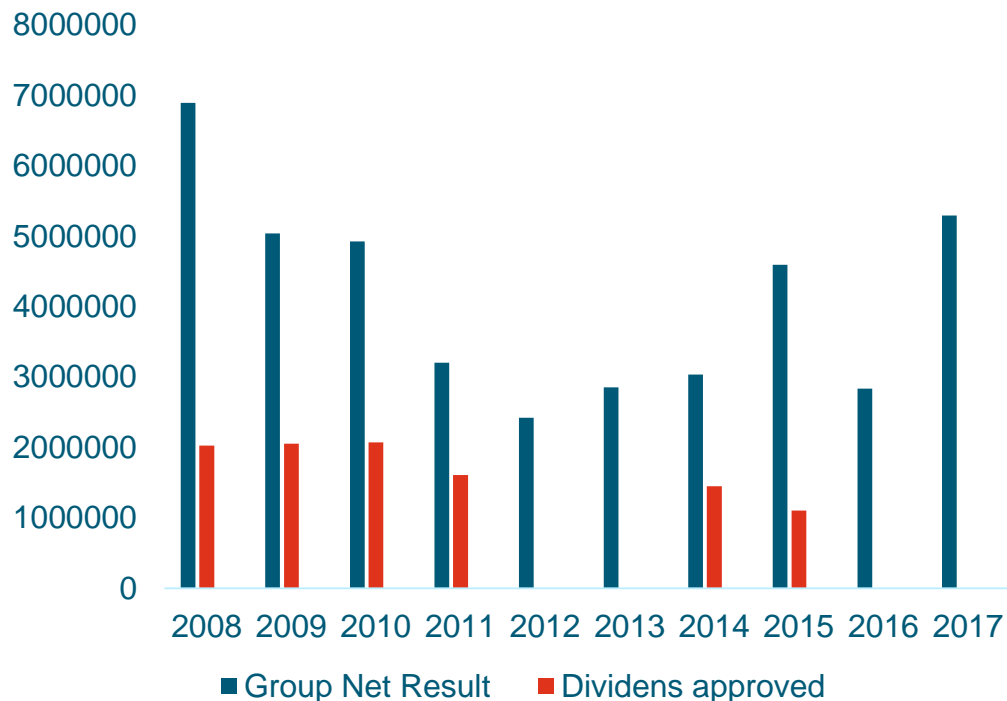


- **VISION:** Promote internal and external ideas, talent and passion with cooperative innovation processes and agile decision-making models
- **TOPICS:** Digital Transformation, Industry 4.0, Cyber Security, Blockchain, IoT, Smart City, Smart Health
- **FREE-OF-CHARGE ASSETS:** Workstation, Labs, Meeting Rooms, Shuttle Service Bus, Mail Management, Canteen

Why invests in Exprivia-Italtel

- Large loyal **customer base**
- An **extraordinary presence** in Italy being close to the customers
- Strong presence in large and solid markets, such as **Banks & Finance, Healthcare, Energy & Utilities, Telco, Manufacturing**
- **Leadership** in Telco market
- Wide international presence both in **mature and emerging countries**
- **Thousands of professionals** specialized in several different markets and technologies
- **Very strong R&D poles** in the South of Italy (Molfetta, Palermo) with an exceptional capacity to attract neo-graduates in IT disciplines and management engineering
- **Proprietary products portfolio** in Healthcare, Banking and Telco markets
- Proved ability to growth by means of M&A
- **Stable and very expert management team**: most of the persons who are part of it are shareholders
- A careful **dividend policy** able to sustain the company development and growth

Dividends



We have closed a year that confirmed our ability to remain focused on the objectives set at the beginning of the year, effectively completing a very important extraordinary operation, as it has been acquisition of Italtel. The year 2017 has rewarded the ability of our people to get the opportunities of the overall economic growth and the capability of the customers to invest, especially in innovation and technology, and we are ready to play the challenges of digital transformation, aware of the potentials we have together with the colleagues in Italtel. We know we can guarantee our customers all the support to the evolution of their business models and to be able to support with the right combination of ambition and realism, the change of Italy.

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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