

# Tinexta Group

9 Months 2018 Results

15 November 2018



# Disclaimer

- This document was prepared by Tinexta Spa (the “Company”) for the sole purpose of presenting the performance and the activities of the Company. The information provided with this document does not contain nor constitute an offer of securities for sale, or the solicitation of an offer to purchase securities, in the United States, in Australia, in Canada or in Japan or in any other jurisdictions where this offer or solicitation would require the approval of local authorities or be otherwise unlawful (the Other countries). This document or any parts thereof, or its distribution, may not constitute the basis for, or be invoked in association with, any agreements or decisions about investments related thereto.
- The shares of Tinexta Spa (the “shares”), as referred to in this document, have not been registered and will not be registered pursuant to the USA Securities Act of 1933, as amended (the Securities Act) or pursuant to the corresponding regulations in force in the other countries, and they may not be offered or sold in the United States or to US citizens unless these securities are registered in compliance with the Securities Act, or if an exemption from the requirements of Registration by the Securities Act is set forth.
- The content of this document is of an informative nature and must not be interpreted as investment advice. This document does not constitute a prospectus, an offering circular, an offering memorandum or an offering for the purchase of shares and must not be considered as a recommendation to underwrite or purchase Tinexta shares. This presentation or any other documentation or information (or part of it) provided, shall not be considered as an offer or an invitation by or on behalf of the Company.
- The information herein does not intend to be comprehensive or to include all the information that a potential or existing investor may wish to have. In all cases, the interested parties must carry out their own investigations and analyses of the Company which may include an analysis of the data of this document, but they must also include an analysis of other documents, including the financial statements for the period.
- The statements herein have not been verified by any entity or independent auditor. No statement or guarantee, expressed or implicit, is made with respect to, and one must not rely on, the accuracy, completeness, correctness or reliability of the information contained in this document. Neither the Company nor any of its representatives shall bear any responsibility (for negligence or other reasons) that may arise in any way in relation with such information or in relation with any loss resulting from its use or deriving in any way in connection with this presentation.
- The information contained in this document, unless otherwise specified, is updated as at the date of this document only. Unless otherwise specified in this document, this information is based on the Company's financial reports, management reports and estimates. Please refer to the year-end financial statements or to the half-year reports, which are audited by an external auditor and published by the Company, prepared in Italian, and for transparency, translated also into English. The Italian version of these materials is considered, according to Italian Law, as the official and legal version of said reports.
- The information contained in this presentation is subject to changes without obligation of a prior notice, and past performance is not indicative of future results. The Company may modify, edit or in other ways amend the content of this document, without any obligation to render notification about any revisions or changes. This document may not be copied or disseminated in any way.
- The distribution of this document and any related presentation in jurisdictions other than Italy, may be limited by the Law and any person in possession of this document or any other related presentation must be properly informed and comply with the set forth restrictions. Any non-compliance with such restrictions may constitute a breach of Law in effect in these other jurisdictions.
- By accepting this presentation or accessing these materials, the reader accepts to be bound by the above mentioned limitations.
- This presentation includes some forecast statements, projections, objectives and estimates that reflect the current opinions of the Company's Management in relation to the changes occurring in the markets where the Company operates, as well as to future developments. Forecast statements, projections, objectives, estimates and outlooks are generally identifiable through the use of verbs/nouns such as "could", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", and "project", "objective" or "purpose" or the opposite of all these verbs/nouns or variations thereof or any comparable terminology. These statements include, but are not limited to, all statements other than those regarding historical events, including, inter alia, those concerning transaction results, financial position, strategy, plans, objectives, purposes and objectives of the Company and future developments in the markets in which the Company operates or it is trying to operate.
- Because of these uncertainties and risks, the readers are advised not to rely excessively on these statements as a prediction of the actual results. The ability of the Group to achieve its objectives or expected results depends on many factors outside of Management's control. The actual results may differ materially from (or be more negative than) those projected or implicit in the declarations contained herein. Therefore, any prospective information contained in this document involves risks and uncertainties, which may significantly affect the expected results, and is based on some key assumptions. All statements included in this document are based on information available to the Company as at the date of this document. The Company does not incur an obligation to provide a public update or revision of any statements, both as a result of new information, future events or other circumstances, unless required by the applicable laws. All the following statements, written, verbal or oral made by the Company or by parties acting on its behalf are expressly qualified in their entirety by these cautionary statements. Neither Tinexta S.p.A. nor any Tinexta Group company nor its respective representatives, directors or employees accept any responsibility in relation to this presentation or its contents in relation to any loss deriving from its use or from the reliance made on it.

# Agenda

I.	9 Months 2018 Results	3
II.	Looking Forward	14
III.	Appendix	16

# Premise

From 1st January 2018 the Group has adopted the IFRS 15 Accounting Principle “Revenue from Contracts with Customers” and the Accounting Principle IFRS 9 “Financial Instruments”, which required modifications of the accounting policies and adjustments of the amounts reported. The comparative 2017 data have not been restated while the data of the period being presented have been modified as a result of IFRS 15 and IFRS 9 (both IFRS 2018). In order to guarantee a valid comparability with the results of the first nine months of 2017, the effects of the application of the principles applied from 1 January 2018 have been evidenced.

# 9 Months 2018 Results Highlights

€ mn	9M 2018	9M 2017 <sup>1</sup>	Change	Δ%	o/w Δ% <sup>2</sup> IFRS 2018
Revenues	169.7	127.1	42.6	33,6%	0,7%
EBITDA	44.1	29.5	14.6	49,5%	3,4%
Operating Profit	33.1	20.6	12.5	60,6%	4,8%
Net Profit	22.0	15.0	7.1	47,2%	3,9%
Adjusted Net Profit	24.6	12.6	12.0	94,9%	4,6%
Free Cash Flow	29.6	21.4	8.3	38,7%	n.a.

€ mn	9/30/2018	12/31/2017	Change	Δ%
Net Financial Indebtedness	104.1	104.6	-0.5	-0.4%

Revenue, Profitability grow strongly, driven by organic & perimeter change.  
Free Cash Flow totals €29.6 mn, +38.7%

- 1 The comparative data for the first nine months of 2017 have been restated in relation to the completion in the fourth quarter of 2017 of the identification of the fair value of the assets and liabilities of Sixtema SpA, fully consolidated starting from 1 April 2017.
- 2 % Change for the first nine months of 2018 compared to the first nine months of 2017 for the component attributable to the adoption of the principles IFRS 15 and IFRS 9 (both IFRS 2018) starting from 1 January 2018.

# Results by Business Segment: Focus on EBITDA

## Net of Non-recurring items

Summary Income Statement by Business Segment (€ '000)	9 Months 2018	EBITDA % 30/9/18	9 Months 2017	EBITDA % 30/9/17	Change	Change %
<b>Revenues</b>						
Digital Trust	68,068		56,569		11,498	20.3%
Credit Information & Mgmt	53,501		51,613		1,888	3.7%
Innovation & Marketing Svcs	47,994		12,685		35,310	278.4%
Other (Holding Co. costs)	-		1		(1)	-60.1%
<b>Total Revenues</b>	<b>169,563</b>		<b>120,868</b>		<b>48,695</b>	<b>40.3%</b>
<b>EBITDA</b>						
Digital Trust	17,878	26.3%	13,290	23.5%	4,588	34.5%
Credit Information & Mgmt	11,138	20.8%	10,251	19.9%	887	8.7%
Innovation & Marketing Svcs	20,678	43.1%	4,742	37.4%	15,936	336.1%
Other (Holding Co. costs)	(4,949)	n.a.	(3,237)	n.a.	(1,712)	-52.9%
<b>Total EBITDA</b>	<b>44,745</b>	<b>26.4%</b>	<b>25,046</b>	<b>20.7%</b>	<b>19,699</b>	<b>78.7%</b>

**EBITDA Margin rises to 26.4% driven by significant improvements in all BU**

During the first nine months of 2018, non-recurring revenues equalled €179,000 from a capital gain realized on the sale of an instrumental property. Non-recurring operating costs of € 800,000 were also recognized, of which € 583,000 for expenses related to acquisitions of target companies, and € 216,000 for personnel reorganization costs. In the first nine months of 2017, non-recurring revenues of € 6,228,000 were recognized, and related charges of € 387,000, for a ruling in favour of Ribes S.p.A. (today Innolva S.p.A.) for damages from the Territory Agency (now the Revenue Agency). During the first nine months ended 30 Sept 2017, other non-recurring charges were incurred totalling € 1,376,000 and non-recurring financial income of € 747,000.

# Results by Business Segment: Organic vs. Perimeter Change Net of Non-recurring items

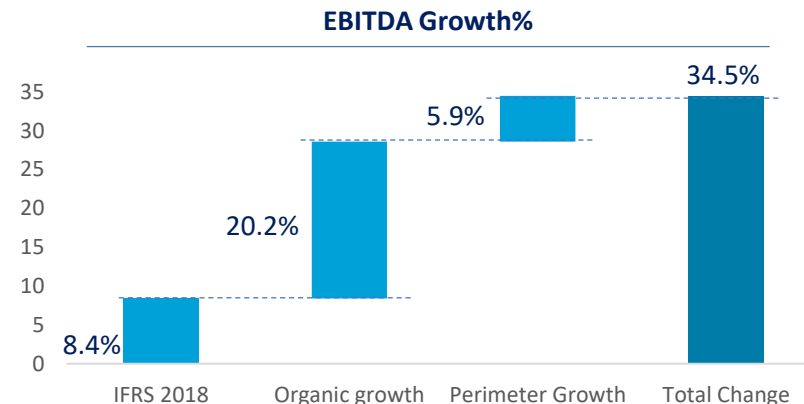
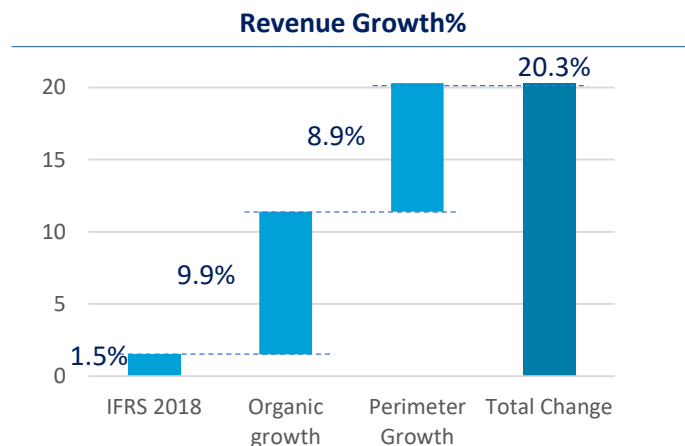
Summary Income Statement by Business Segment (€ '000)	9 Months 2018	9 Months 2017	Change	Change			
				Total	IFRS 2018	Organic	Perimeter
<b>Revenues</b>							
Digital Trust	-	56,569	11,498	20.3%	1.5%	9.9%	8.9%
Credit Information & Mgmt	-	51,613	1,888	3.7%	0.0%	2.5%	1.2%
Innovation & Marketing Svcs	-	12,685	35,310	278.4%	0.0%	5.9%	272.4%
Other (Holding Co. costs)	-	1	(1)	-60.1%	0.0%	-60.1%	0.0%
<b>Total Revenues</b>	<b>169,563</b>	<b>120,868</b>	<b>48,695</b>	<b>40.3%</b>	<b>0.7%</b>	<b>6.3%</b>	<b>33.3%</b>
<b>EBITDA</b>							
Digital Trust	-	13,290	4,588	34.5%	8.4%	20.2%	5.9%
Credit Information & Mgmt	-	10,251	887	8.7%	0.0%	5.5%	3.1%
Innovation & Marketing Svcs	-	4,742	15,936	336.1%	-2.5%	1.0%	337.6%
Other (Holding Co. costs)	-	(3,237)	(1,712)	-52.9%	0.0%	-52.9%	0.0%
<b>Total EBITDA</b>	<b>-</b>	<b>25,046</b>	<b>19,699</b>	<b>78.7%</b>	<b>4.0%</b>	<b>6.3%</b>	<b>68.4%</b>

Solid organic growth, especially in Digital Trust.  
The perimeter change growth is primarily driven by Warrant Hub  
(ex-Warrant Group)

# Highlights – Digital Trust

## Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
Revenues	68,068	56,569	11,498	20.3%
EBITDA	17,878	13,290	4,588	34.5%
EBITDA Margin	26.3%	23.5%		



The revenues of the *Digital Trust* BU totalled €68,1 mn. The increase vs. the 9 months of 2017 totalled €11.5 mn, +20.3%. The growth was composed of 1.5% from the changes in IFRS 2018, 9.9% from organic growth and 8.9% from perimeter change (Sixtema from 1 April 2017, Camerfirma & Camerfirma Perù from 1 May 2018).

EBITDA of the BU equalled €17.9 mn for the 9 months of 2018, an increase of 4.6 mn (+34.5%) over the 2017 figure. The introduction of IFRS 15 from 1 January 2018 caused an increase of 8.4%, organic growth generated 20.2%, while the change in Perimeter added a further 5.9%.



# Highlights – Credit Information & Management

## Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
<b>Revenues</b>	<b>53,501</b>	<b>51,613</b>	<b>1,888</b>	<b>3.7%</b>
<b>EBITDA</b>	<b>11,138</b>	<b>10,251</b>	<b>887</b>	<b>8.7%</b>
<b>EBITDA Margin</b>	<b>20.8%</b>	<b>19.9%</b>		

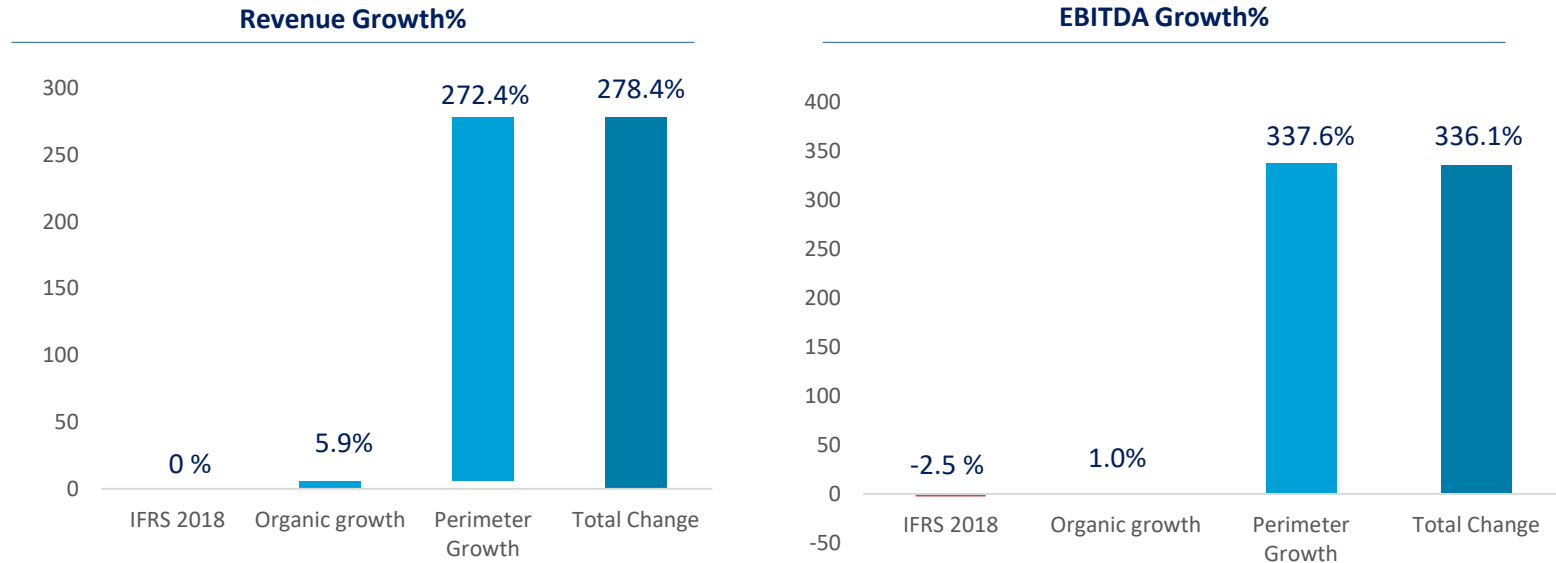
In the *Credit Information & Management* BU revenues rose 3.7% to €53.5 mn. The growth was composed of an organic growth equal to 2.5% and 1.2% growth from the changes in perimeter (consolidation of Comas & Webber from 1 July 2018 and the deconsolidation from the month of June of Creditreform Assicom Ticino).

EBITDA grew 8.7% vs. 9 months 2017, reaching €11.1 mn; EBITDA growth was composed of 5.5% organic growth and 3.1% growth from the perimeter.

# Highlights – Innovation & Marketing Services

## Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
Revenues	47,994	12,685	35,310	278.4%
EBITDA	20,678	4,742	15,936	336.1%
EBITDA Margin	43.1%	37.4%		

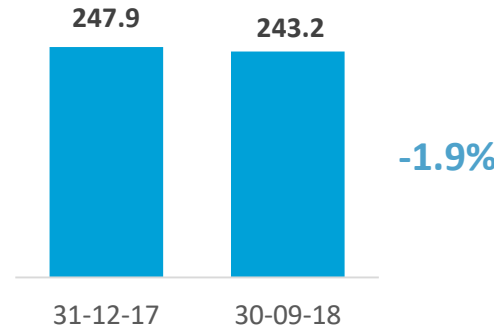


Revenues for the IMS BU for the first nine months of 2018 totalled €48.0 mn, an increase of 278.4% over 2017. The increase is composed of 5.9% from organic growth and 272.4% from perimeter change, as Warrant Hub (formerly Warrant Group), was consolidated starting 1 December 2017. EBITDA totalled €20.7 mn, an increase of 336.1%, with the change due to a 1% increase from organic growth while perimeter change accounted for 337.6%.

# Balance sheet highlights

**Net invested capital**

**€243.2  
mn**

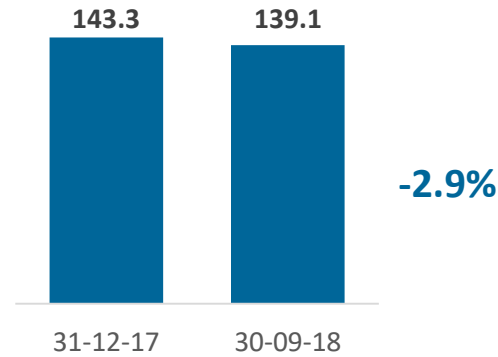


Major Variations (€ mn):

- From 1/1/18 total impact of FTA IFRS15 (including tax effect): -8.3
- Provisional Goodwill from Comas & Webber acquisition: +7.5

**Total Shareholders' Equity**

**€139.1  
mn**

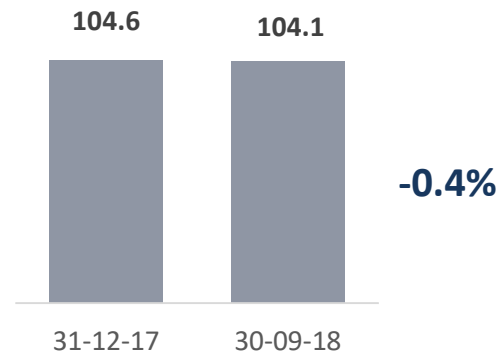


Δ Shareholders' Equity (€ mn)

- 9 M Net income: +22
- Divid. distributed -12.1
- Put adjustments -10.2
- IFRS 15: -8.3
- Camerfirma consolidation (impact of minorities): +3
- Aucap Warrant Cedacri +1.1

**Net Financial Indebtedness**

**€104.1  
mn**



NFI is basically unchanged from year-end

# Net financial indebtedness

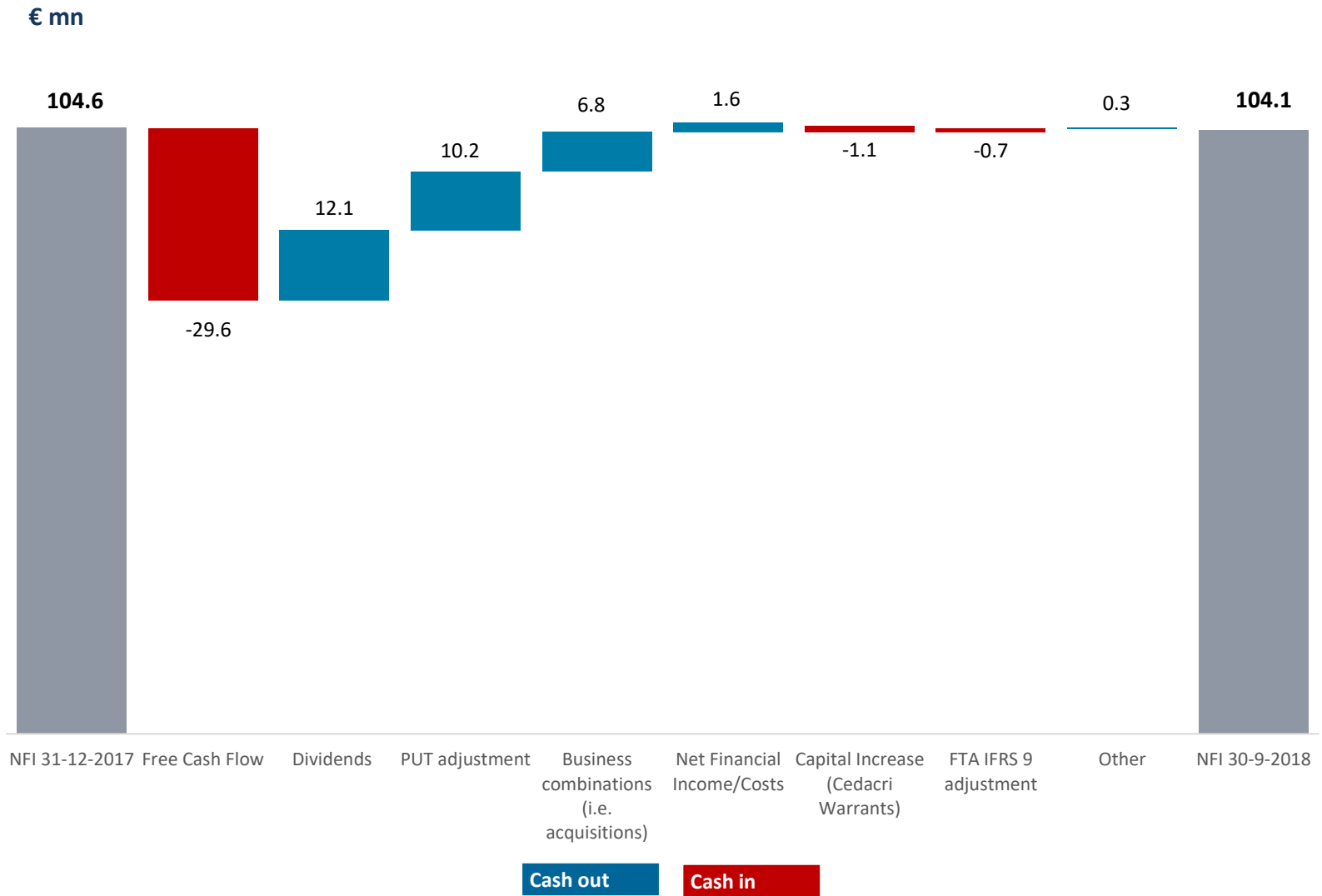
€ mn	31-12-17	30-09-2018
<b>Net Financial Indebtedness</b>	<b>104.6</b>	<b>104.1</b>
<b>Gross Financial Indebtedness</b>	<b>145.9</b>	<b>141.3</b>
Bank Debt	51.7	47.4
Loan from Tecno Holding S.p.A.	25.3	25.1
Debt associated w/acquisitions	65.7	65.4
PUT & CALL	50.6	54.5
Earn Out	4.0	0.9
Vendor loans	11.1	10.0
Other Debt	3.2	3.3
<b>Cash &amp; Other ST Assets</b>	<b>(41.3)</b>	<b>(37.2)</b>
Cash	(37.0)	(33.3)
Other financial assets	(4.3)	(3.9)

Net financial debt of € 104.1 million is substantially unchanged compared to 31 December 2017.

Net financial indebtedness includes:

- € 54.5 mn in liabilities related to the purchase of minority shares tied to the exercise of Put options,
- € 0.9 mn of increased liabilities for contingent considerations
- €10 mn for Vendor loans (deferred payments) granted by sellers in connection w/ acquisitions.

# Free Cash Flow Effect on Net Financial Indebtedness



# Agenda

I.	9 Months 2018 Results	3
II.	Looking Forward	14
III.	Appendix	16

# Looking forward

## 2018 Full Year Results

Tinexta will continue its strategy to integrate the Group companies to maximize internal growth opportunities and synergies, with the medium-term objective to maximize opportunities through synergistic development via all commercial channels available.

Tinexta confirms the importance of its own strategic approach to grow also externally, which remains a central column of strategic policy.

The solid results achieved in the first nine months, the positive trend of the business and the consolidation of the companies recently acquired permit the 2018 Guidance to be revised upward to:

- **Revenues:**        **circa € 230 million**
- **EBITDA:**         **over € 57 million**

# Agenda

I.	9 Months 2018 Results	3
II.	Looking Forward	14
III.	Appendix	16

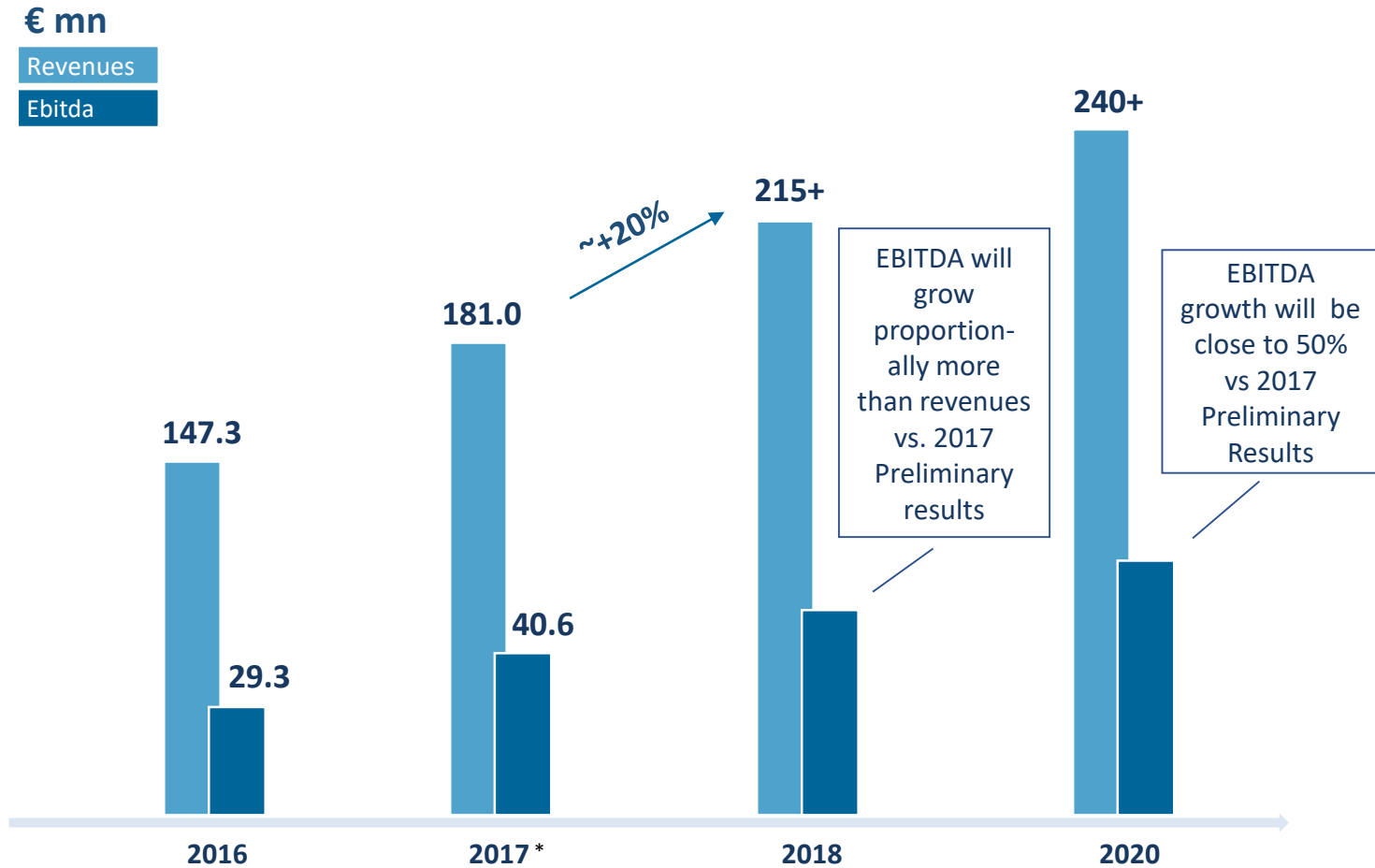


# Adjusted Net Profit

Summary Income Statement (€ '000)	9 Months 2018	9 Months 2017	Change <i>IFRS 2017</i>	O/w Δ IFRS 2018	% Δ	% Δ IFRS 2018
<b>Net Profit</b>	<b>22,020</b>	14,954	7,066	587	<b>47.2%</b>	3.9%
Non-recurring Revenues	(179)	(6,228)	6,049			
Non-recurring Service Costs	583	1,337	(754)			
Non-recurring Personnel Costs	216	380	(164)			
Other non-recurring operating costs		46	(46)			
Amortisation of Intangibles recognised upon cost allocation (PPA)	2,976	3,340	(363)			
Non-recurring Financial Income		(747)	747			
Tax Effect	(1,004)	(455)	(549)			
<b>Adjusted Net Profit</b>	<b>24,613</b>	12,627	11,986	587	<b>94.9%</b>	4.6%

# Tinexta Group

## Business Plan 2018-2020 approved by the BoD



Corporate website: [www.tinexta.com](http://www.tinexta.com)

Email: [investor@tinexta.com](mailto:investor@tinexta.com)

