



# SPAFID CONNECT

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Oggetto : WIIT S.p.A. BoD approves 9M 2019 Group results

*Testo del comunicato*

Vedi allegato.



## PRESS RELEASE

**WIIT S.p.A. BoD approves 9M 2019 Group results (1)**  
**Persisting Sales (+37.7%) and EBITDA (+26.2%) growth**  
**EBITDA Margin Adjusted of 40.3%**  
**Revenues and margins up, also after M&A effect**  
**Adjusted Net profit +87.7%**  
**Positive cash generation also in Q3 2019**

### WIIT Group reports for 9M 2019:

- Consolidated revenues of Euro 23.7 million (Euro 17.2 million in 9M 2018), +37.7% on the same period of the previous year - driven by cloud market growth and WIIT's increasing visibility.. Organic revenues up +9.5%, net of the M&A effect;
- Consolidated Adjusted EBITDA of Euro 9.5 million (Euro 7.6 million in 9M 2018), +26.2% on the same period of the previous year; EBITDA margin of 40.3% highlights significant operating process and services optimisation;
- Net of the M&A effect, Adjusted EBITDA grew 10%, in line with organic revenues, with a 44.2% of margin, highlighting WIIT's central position on the Italian market;
- Consolidated Adjusted EBIT of Euro 5 million (Euro 3.9 million in 9M 2018), +28.0% on the same period of the previous year (margin of 21.0%);
- Adjusted Net profit of Euro 5.3 million (Euro 2.8 million in 9M 2018), +87.7% on 9M 2018, thanks also to the Patent Box effect;
- Net Financial Position (excluding impact from application of IFRS 16): debt of Euro 13.6 million (debt of Euro 3.3 million at December 31, 2018). The increase on December 31, 2018 is mainly due to the acquisition of Matika S.p.A. in July 2019 for Euro 8.5 million ;
- Tax benefit continues following "Patent Box" agreement signed for the 2015-2019 tax years, renewable for additional 5 years. The tax benefit for WIIT over the period will be fully reflected in the 2019 results;

**Milan, November 12, 2019** – The Board of Directors of WIIT S.p.A. ("WIIT" or the "company"; ISIN IT0004922826; WIIT.MI), a leading Italian player in the Cloud Computing market for enterprises demanding uninterrupted Hybrid Cloud and Hosted Private Cloud services for critical applications, in a meeting presided over by the Chairman of the Board of Directors Riccardo Mazzanti has approved the 9M 2019 results, prepared in accordance with IFRS accounting standards.

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(1) For the definitions of Adjusted EBITDA, Reported EBITDA, Adjusted EBIT, Net Financial Position, Adjusted net profit, reference should be made to the "Alternative performance measures" paragraph of this Press Release.



**The Chief Executive Officer Alessandro Cozzi** observed:

*“We are greatly satisfied with the 9M results which reflect the acquisition of new customers and stem from the Group’s improved visibility and growing market penetration, in addition to the value of upselling to existing customers. The contributions of Adelante and Matika exceeded our expectations, as did the margin of the latter. The EBITDA Margin increased to 40.3%, with investments in line with our expectations. The company’s commitment to acquisition-led growth has continued and we are assessing consolidation opportunities both in Italy and overseas which may materialise over the coming months. Finally, for 2020 we forecast ongoing growth, with orders to September 30 significantly up on the same period of the previous year”.*

\* \* \*

### **9M 2019 Consolidated results**

WIIT Group **consolidated revenues** for 9M 2019 totalled Euro 23.7 million, rising considerably (+37.7%) on Euro 17.2 million for 9M 2018. This increase is due to improved Italian market visibility and the consequent achievement of new contracts, thanks in part to the strong references provided by existing customers and the value of renewals. The contributions of Adelante and Matika (acquired in July 2019) were also strong and further boosted revenue growth.

Consolidated **Adjusted EBITDA** in 9M 2019 was Euro 9.5 million, +26.2% on Euro 7.6 million in 9M 2018, with a margin of 40.3%, thanks also to the contribution of Matika. Organic growth, net of the M&A effect, was in line with that of revenues, with a margin of 44.2%.

The 9M 2019 **EBITDA** adjustment of approx. Euro 1 million concerns the non-recurring costs incurred for the STAR segment listing and to M&A operations

**Adjusted EBIT** was Euro 5.0 million in 9M 2019 (Euro 3.9 million in 9M 2018), with a 21.0% margin. Amortisation and depreciation amounted to Euro 4.6 million, increasing over Euro 3.7 million for the same period of 2018, due to investments made by WIIT during the period to support business development. Profitability also benefited from the acquisition synergies following the convergence of data centers on WIIT’s ones.

**Adjusted Net Profit** in 9M 2019 of Euro 5.3 million, compared to Euro 2.8 million in 9M 2018, growth of 87.7% - mainly owing to the operating results and also the “Patent Box” tax benefit, following the agreement signed by the company with the Tax Agency, which generated a positive net income tax balance in 9M 2019 of Euro 0.6 million.

The **Net Financial Position (debt)**, considering the IFRS 16 impact of approx. Euro -5.7 million in the period, increased from a debt of Euro 4.4 million at December 31, 2018 to Euro 19.3 million at September 30, 2019. This mainly follows:

- the net cash flow generated in the period from Operating Activities of Euro 6.8 million;
- the IFRS 16 impact for approx. Euro -5.7 million in the period;
- CAPEX of approx. Euro 3.2 million, partly in IT infrastructure related to new orders signed in the first half of 2019, and in part related to improvements at the new Headquarters;
- the acquisition of Matika in July 2019 for Euro 8.5 million;
- the acquisition of treasury shares for the Buy back plan launched on May 29, 2019; to September 30, 2019 amounting to approx. Euro 2.1 million, corresponding to 1.42% of the share capital. At September 30, 2019, the company holds in portfolio treasury shares corresponding to 3.86% of the share capital.
- dividends paid during the period for Euro 2.3 million



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**Significant events subsequent to 30 september 2019**

**On October 15, 2019**, the deed for the merger by incorporation into WIIT S.p.A. of the company Foster S.r.l. (entirely held by WIIT) was signed. The merger will optimise resource management and cut overheads with the elimination of duplications and corporate, accounting, tax and administrative overlaps.

\* \* \*

Statement pursuant to Article 154-bis, paragraph 2 of Legislative Decree No. 58/98.

The Corporate Financial Reporting Manager, Mr. Stefano Pasotto, declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

\* \* \*

**WIIT S.p.A.**

*WIIT S.p.A., listed on the STAR segment of the Italian Stock Exchange organised and managed by Borsa Italiana S.p.A (WIIT.MI), is a leading Italian Cloud Computing market player, focused particularly on the Hybrid Cloud and Hosted Private Cloud for enterprises market. The company focuses and specialises in Hosted Private and Hybrid Cloud services for enterprises requiring critical application management and business continuity and manages all the main international platforms (SAP, Oracle and Microsoft), providing an end-to-end approach. WIIT manages its own data centers, with the main center "Tier IV" certified by the Uptime Institute LLC of Seattle (United States) - the highest level of reliability possible - and is among the SAP's best certified partners. For further details, reference should be made to the company website ([wiit.cloud](http://wiit.cloud)).*

**For further information:**

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The following tables have been prepared in accordance with IAS/IFRS.

## CONSOLIDATED BALANCE SHEET

	30.09.19	31.12.18
<b>ASSETS</b>		
Other intangible assets	4,143,472	2,723,216
Goodwill	16,377,058	9,736,046
Rights-of-use	5,924,261	1,326,694
Property, plant and equipment	3,436,663	3,955,437
Other tangible assets	10,158,194	9,867,552
Equity investments and other non-current financial assets	68,062	68,062
Other non-current assets deriving from contracts	507,830	709,823
Other non-current assets	346,133	333,666
<b>NON-CURRENT ASSETS</b>	<b>40,961,674</b>	<b>28,720,495</b>
Inventories	19,110	0
Trade receivables	7,021,560	4,699,371
Trade receivables from group companies	399,900	460,965
Current financial assets	0	0
Deferred tax assets	724,310	685,410
Current assets deriving from contracts	384,470	329,905
Other receivables and other current assets	2,690,345	1,404,458
Cash and cash equivalents	12,976,203	17,930,107
<b>CURRENT ASSETS</b>	<b>24,215,898</b>	<b>25,510,216</b>
<b>TOTAL ASSETS</b>	<b>65,177,572</b>	<b>54,230,711</b>



30.09.19

31.12.18

**SHAREHOLDERS' EQUITY AND LIABILITIES**

Share Capital	2,652,066	2,652,066
Share premium reserve	19,248,704	19,248,704
Legal reserve	530,413	513,214
Other reserves	(7,083,455)	(4,921,971)
Reserves and retained earnings (accumulated losses)	2,379,276	1,241,408
Translation reserve	58,684	13,698
Net profit for the period	4,431,785	3,496,340
<i>Minority interest net profit</i>	141,496	0

**SHAREHOLDERS' EQUITY**

**22,217,473**

**22,243,459**

Payables to other lenders	7,464,068	4,801,538
Bank payables	8,642,871	6,144,430
Other non-current financial liabilities	4,918,844	2,550,000
Employee benefits	1,973,510	1,259,295
Deferred tax liabilities	221,055	214,022
Non-current liabilities deriving from contracts	973,226	1,339,529
Other payables and non-current liabilities	0	0

**NON-CURRENT LIABILITIES**

**24,193,574**

**16,308,814**

Payables to other lenders	4,668,250	3,922,970
Current bank payables	5,282,191	3,817,932
Current income tax liabilities	820,190	669,451
Other current financial liabilities	1,650,000	1,410,000
Trade payables	3,329,948	3,802,103
Payables to group companies	489,836	0
Current liabilities deriving from contracts	557,704	765,604
Other payables and current liabilities	1,968,407	1,290,378

**CURRENT LIABILITIES**

**18,766,525**

**15,678,438**

**LIABILITIES HELD-FOR-SALE**

**0**

**0**

**TOTAL LIABILITIES**

**65,177,572**

**54,230,711**

## CONSOLIDATED INCOME STATEMENT

	Adjusted 9M 2019	Adjusted 9M 2018	Cge Adj.%
<b>REVENUES AND OPERATING INCOME</b>			
Revenues from sales and services	23,591,100	16,529,642	
Other revenues and income	65,872	654,985	
<b>Total revenues and operating income</b>	<b>23,656,972</b>	<b>17,184,626</b>	<b>37.7%</b>
<b>OPERATING COSTS</b>			
Purchases and services	(9,518,288)	(6,298,004)	
Labour costs	(4,354,359)	(3,106,850)	
Amortisation, depreciation, and write-downs	(4,570,634)	(3,675,699)	
Provisions	0	0	
Other costs and operating charges	(243,277)	(220,203)	
Change Inventories of raw mat., consumables and goods	2,396	0	
<b>Total operating costs</b>	<b>(18,684,162)</b>	<b>(13,300,756)</b>	
<b>EBIT</b>	<b>4,972,810</b>	<b>3,883,870</b>	<b>28.0%</b>
Write-down of equity investments	0	0	
Financial income	167,548	6,304	
Financial expenses	(219,313)	(401,364)	
Exchange gains/(losses)	(39,725)	10,945	
<b>PROFIT BEFORE TAXES</b>	<b>4,881,321</b>	<b>3,499,756</b>	
Income taxes	404,213	(684,552)	
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>5,285,533</b>	<b>2,815,203</b>	<b>87.7%</b>
<b>NET PROFIT</b>	<b>5,285,533</b>	<b>2,815,203</b>	<b>87.7%</b>
<b>EBITDA</b>	<b>9,543,444</b>	<b>7,559,569</b>	<b>26.2%</b>
	<b>40.3%</b>	<b>44.0%</b>	
<b>EBIT</b>	<b>4,972,810</b>	<b>3,883,870</b>	<b>28.0%</b>
	<b>21.0%</b>	<b>22.6%</b>	



## CONSOLIDATED INCOME STATEMENT

	Reported 9M 2019	Reported 9M 2018
<b>REVENUES AND OPERATING INCOME</b>		
Revenues from sales and services	23,591,100	16,529,642
Other revenues and income	65,872	654,985
<b>Total revenues and operating income</b>	<b>23,656,972</b>	<b>17,184,626</b>
<b>OPERATING COSTS</b>		
Purchases and services	(10,559,444)	(6,298,004)
Labour costs	(4,354,359)	(3,318,798)
Amortisation, depreciation, and write-downs	(4,570,634)	(3,715,699)
Provisions	0	0
Other costs and operating charges	(243,277)	(220,203)
Change Inventories of raw mat., consumables and goods	2,396	0
<b>Total operating costs</b>	<b>(19,725,318)</b>	<b>(13,552,704)</b>
<b>EBIT</b>	<b>3,931,654</b>	<b>3,631,922</b>
Write-down of equity investments	0	0
Financial income	167,548	6,304
Financial expenses	(219,313)	(401,364)
Exchange gains/(losses)	(39,725)	10,945
<b>PROFIT BEFORE TAXES</b>	<b>3,840,164</b>	<b>3,247,808</b>
Income taxes	591,621	(590,640)
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>4,431,785</b>	<b>2,657,168</b>
<b>NET PROFIT</b>	<b>4,431,785</b>	<b>2,657,168</b>
<b>EBITDA</b>	<b>8,502,288</b>	<b>7,347,622</b>
	<b>35.9%</b>	<b>42.8%</b>
<b>EBIT</b>	<b>3,931,654</b>	<b>3,631,922</b>
	<b>16.6%</b>	<b>21.1%</b>





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	9M 2019 Consolidated	9M 2018 Consolidated	9M 2019 Adjusted Consolidated	9M 2018 Adjusted Consolidated	% Adj.Cge.
Value of production	23,656,972	17,184,626	23,656,972	17,184,626	<b>37,7%</b>
EBITDA	8,502,288	7,347,622	9,543,444	7,559,569	<b>26,2%</b>
Profit before taxes	3,840,164	3,247,808	4,881,321	3,499,756	<b>39,5%</b>
Net Profit	4,431,785	2,657,168	5,285,533	2,815,203	<b>87,7%</b>

	30/09/19 Consolidated	31/12/18 Consolidated
Current financial assets	0	0
Cash and cash equivalents	12,976,203	17,930,107
<b>Cash and cash equivalents and treasury shares</b>	<b>12,976,203</b>	<b>17,930,107</b>
Payables to other lenders	(4,668,250)	(3,922,970)
Current bank payables	(5,282,191)	(3,817,932)
Other current financial liabilities	(1,650,000)	(1,410,000)
<b>Current financial payables</b>	<b>(11,600,441)</b>	<b>(9,150,902)</b>
<b>Net financial position - Short-term</b>	<b>1,375,762</b>	<b>8,779,205</b>
Other non-current financial assets	346,133	333,666
Payables to other lenders	(7,464,068)	(4,801,538)
Bank payables	(8,642,871)	(6,144,430)
Other non-current financial liabilities	(4,918,844)	(2,550,000)
<b>Net financial position - Medium/long-term</b>	<b>(20,679,650)</b>	<b>(13,162,303)</b>
<b>Net financial position - Short/long-term</b>	<b>(19,303,888)</b>	<b>(4,383,098)</b>
Lease payables IFRS 16 (current)	1,210,458	614,104
Lease payables IFRS 16 (non-current)	4,463,019	470,127
<b>Net financial position - Short/long-term (excluding IFRS 16 impact)</b>	<b>(13,630,411)</b>	<b>(3,298,867)</b>



## **Alternative performance indicators**

**Adjusted EBITDA** - A non-GAAP measure used by the Group to measure performance. It equates to EBITDA gross of the following accounts: "IPO process costs", merger & acquisition costs and labour costs as per IFRS 2 regarding performance shares. Adjusted EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the Company may not be uniform with the criteria adopted by other groups and, therefore, its value for the Company may not be comparable with that calculated by such groups.

**EBITDA** - A non-GAAP measure used by the Group to measure performance. EBITDA is calculated as the sum of the net profit for the period gross of taxes, income (including exchange gains and losses), financial expenses and amortisation, depreciation and write-downs. EBITDA is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the Company may not be uniform with the criteria adopted by other groups and, therefore, its value for the Company may not be comparable with that calculated by such groups.

**EBITDA margin** - Ratio in percentage terms between EBITDA and total revenues and income.

**EBIT Adjusted margin** - Ratio in percentage terms between EBITDA and total revenues and income.

**EBIT** - A non-GAAP measure used by the Group to measure performance. EBIT is the sum of the net profit for the period, gross of taxes, income (including exchange gains) and losses and financial expenses. EBIT is not recognised as an accounting measure within IAS/IFRS adopted by the European Union. Consequently, the criteria applied by the Company may not be uniform with the criteria adopted by other groups and, therefore, its value for the Company may not be comparable with that calculated by such groups.

**Adjusted EBIT** - Adjusted EBIT is Adjusted EBITDA, net of amortisation, depreciation and write-downs.

**EBIT margin** - Ratio in percentage terms between EBIT and total revenues and income.

**The adjusted profit attributable to the owners of the Parent** - is the result for the period attributable to the owners of the Parent, as published in the Consolidated Income Statement, net of the relative adjustment items. Adjustment items: earnings items are considered for adjustment where they: (i) derive from non-recurring events and operations or from operations or events which do not occur frequently; (ii) derive from events and operations not considered as in the normal course of business operations.

**Net Financial Position (debt)**- this is a valid measure of the Group's financial structure. It is calculated as the aggregate of the current and non-current financial debt, net of cash and cash equivalents and current financial assets regarding derivative instruments, excluding financial liabilities (current and non-current) relating to operating leases recognised to the financial statements as per IFRS 16.

**Total Net Financial Position (debt)**- includes also financial liabilities for leases recognised to the financial statements as per IFRS 16, previously classified as operating leases.

Fine Comunicato n.20101-117

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