



SPAFID CONNECT

Informazione Regolamentata n. 0482-4-2020	Data/Ora Ricezione 13 Marzo 2020 14:54:16	MTA - Star
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Societa' : REPLY

Identificativo : 128752

Informazione
Regolamentata

Nome utilizzatore : REPLYNSS01 - LODIGIANI

Tipologia : 1.1

Data/Ora Ricezione : 13 Marzo 2020 14:54:16

Data/Ora Inizio : 13 Marzo 2020 14:54:17

Diffusione presunta

Oggetto : The Board of Directors approved the draft
financial statements for the year 2019

Testo del comunicato

Vedi allegato.

PRESS RELEASE

REPLY: The Board of Directors approved the draft financial statements for the year 2019.

All economic indicators have improved.

- **Consolidated turnover of €1,182.5 million (€1,035.8 million in 2018);**
- **EBITDA at €191.3 million (€167,4 million excluding IRFS16; €144.8 million in 2018);**
- **EBIT at €155.3 million (€154,7 million excluding IRFS16; €132.4 million in 2018);**
- **Group net profit at €113.9 million (€115,4 million excluding IRFS16; €99.9 million in 2018)**
- **Net financial position positive at €105 million (€197.2 million excluding IRFS16; €66.6 million as at December 2018)**

Approval of the proposed dividend distribution of €0.52 per share.

Today the Board of Directors of Reply S.p.A. [MTA, STAR: REY] approved the draft financial statement for the year 2019, which will be submitted for approval to the Shareholders' Meeting to be held on first call in Turin on April 21, 2020.

The Reply Group closed 2019 with a consolidated turnover of €1,182.5 million, an increase of 14.2% compared to €1,035.8 million in 2018.

All indicators are positive for the period. Consolidated EBITDA was €191.3 million, which is an increase of 32.1% compared to the €144.8 million recorded at December 2018. Consolidated EBITDA - excluding the effects of the application of IFRS 16 - would have been €167.4 million.

EBIT, from January to December, was €155.3 million, which is an increase of 17.3% compared to €132.4 million at December 2018). EBIT, excluding the effects of the application of IFRS 16, would have been €154,7 million.

The Group net profit was at €113.9 million, an increase of 14,0% compared to the €99.9 million recorded in 2018. The value excluding the effects of the application of IFRS 16 would have been equal to €115,4 million.

Following the results achieved in 2019, the Reply Board of Directors decided to propose a dividend distribution of €0.52 per share to the next Shareholders' Meeting, which will be payable on May 6, 2020, with the dividend date set on May 4, 2020 (record date May 5, 2020).

As at 31 December 2019, the Group's net financial position has been positive at €105 million (€197.2 million excluding the effects of the application of IFRS 16). The net financial position as at 30 September 2019 was positive at €52.9 million.

Following the meeting of the Board of Directors, Reply Chairman Mario Rizzante commented "2019 was a



significant year for our Group, with a turnover that exceeded €1,180 million and a net profit that recorded an increase of 14% compared to 2018”.

"In recent months - continues Mario Rizzante - Reply has not only established itself in the technology environment, but also played a leading role in the major transformation processes implemented by all companies. Moreover, 2019 has seen important developments in all our main offering lines: Cloud, IoT and smart objects, data platforms and digital experience. Even in these months, we are witnessing an exponential growth in demand for new applications related to the use of artificial intelligence, an area where Reply has been committed for a long time, acquiring a leadership position.”

“Today - Mario Rizzante concludes - we are experiencing a situation heavily influenced by the spread of Coronavirus, causing slowdowns in the operating activities of companies in every industry, as well as sudden upheavals in people's everyday habits. Reply was already equipped to operate in Smart Working, having cloud-based systems and advanced tools for individual productivity. We quickly moved to remote activities, strengthening the network infrastructures in those areas most exposed such as Italy, and we are ready to set up similar actions in other countries if necessary. ”

The manager responsible for preparing the company's financial reports, Dr Giuseppe Veneziano, states in accordance with Paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the company's records, ledgers and accounting entries.

Reply

Reply [MTA, STAR: REY] specialises in the design and implementation of solutions based on new communication channels and digital media. Reply is a network of highly specialised companies supporting key European industrial groups operating in the telecom and media, industry and services, banking, insurance and public administration sectors in the definition and development of business models enabled for the new paradigms of AI, cloud computing, digital media and the Internet of Things. Reply services include: Consulting, System Integration and Digital Services. www.reply.com

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March 13, 2020

This press release is a translation, the Italian version will prevail.

CONSOLIDATED RECLASSIFIED STATEMENT OF INCOME

(thousand Euros)	2019 (*)	%	2018	%
Revenues	1,182,528	100.0	1,035,793	100.0
Purchases	(21,250)	(1.8)	(20,513)	(2.0)
Personnel	(578,263)	(48.9)	(508,652)	(49.1)
Services and other costs	(390,918)	(33.1)	(364,734)	(35.2)
Other operating (costs)/income	(790)	(0.1)	2,942	0.3
Operating costs	(991,221)	(83.8)	(890,957)	(86.0)
Gross operating income (EBITDA)	191,307	16.2	144,836	14.0
Amortization, depreciation and write-downs	(37,239)	(3.1)	(13,848)	(1.3)
Other non-recurring (costs)/income	1,256	0.1	1,422	0.1
Operating income (EBIT)	155,324	13.1	132,410	12.8
(Loss)/gain on investments	11,364	1.0	6,862	0.7
Financial income/(expenses)	(5,268)	(0.4)	(55)	-
Income before taxes	161,419	13.7	139,217	13.4
Income taxes	(44,829)	(3.8)	(38,230)	(3.7)
Net income	116,590	9.9	100,987	9.7
Non controlling interests	(2,732)	(0.2)	(1,075)	(0.1)
Group net income	113,858	9.6	99,913	9.6

(*) The year-end data of 2019 include the following impacts relating to the application of the new Accounting Standard IFRS 16:

- cancellation of rents and rental fees with a positive impact on EBITDA of 23,956 thousand Euros;
- depreciation and amortization increase for 23,292 thousand euro with a positive impact on EBIT of 664 thousand Euros;
- increase in financial charges for 2,231 thousand Euros with a negative impact on EBT of 1,567 thousand Euros.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousand Euros)	31/12/2019	31/12/2018
Tangible assets	48,298	44,452
Goodwill	267,541	243,236
Intangible assets	13,676	14,201
RoU Assets	90,569	-
Equity investments	56,991	47,512
Other financial assets	7,567	5,255
Deferred tax assets	33,527	27,299
Non current assets	518,170	381,955
Inventories	75,328	77,061
Trade receivables	432,240	434,389
Other receivables and current assets	39,566	53,642
Financial assets	1,666	997
Cash and cash equivalents	240,943	128,060
Current assets	789,743	694,149
TOTAL ASSETS	1,307,913	1,076,104
Share Capital	4,863	4,863
Other reserves	464,386	380,521
Net result of the period	113,858	99,913
Group shareholders' equity	583,108	485,297
Non controlling interest	3,339	1.315
NET EQUITY	586,447	486,612
Due to minority shareholders	51,468	45,295
Financial liabilities	26,857	24,247
Financial liabilities from RoU	71,710	-
Employee benefits	43,355	37,738
Deferred tax liabilities	19,810	17,128
Provisions	8,897	7,021
Non current liabilities	222,098	131,430
Financial liabilities	18,557	38,258
Financial liabilities from RoU	20,454	-
Trade payables	119,951	123,387
Other current liabilities	339,727	296,109
Provisions	680	308
Current liabilities	499,369	458,061
TOTAL LIABILITIES	721,466	589,492
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,307,913	1,076,104

CONSOLIDATED NET FINANCIAL POSITION

(thousand Euros)	31/12/2019 (*)	31/12/2018	Change
Cash and cash equivalents, net	239,571	122,481	117,090
Current financial assets	1,666	997	669
Due to banks	(16,648)	(31,990)	15,343
Due to other providers of finance	(537)	(689)	152
Financial liabilities IFRS 16	(20,454)	-	(20,454)
Short-term financial position	203,598	90,799	112,799
Due to banks	(25,846)	(23,366)	(2,480)
Due to other providers of finance	(1,011)	(881)	(130)
Financial liabilities IFRS 16	(71,710)	-	(71,710)
M/L term financial position	(98,567)	(24,247)	(74,320)
Total net financial position	105,031	66,552	38,479

(*) The year-end data of 2019 include financial debts for 92,164 thousand Euros following the application of the new accounting standard IFRS 16. Net of this effect, the group's net financial position at 31 December 2019 would have amounted to 197,195 thousand Euros.

Fine Comunicato n.0482-4

Numero di Pagine: 7