



Conference Call: FY 2019 consolidated financial

31st March 2020



01 COMPANY PROFILE



WHO WE ARE

One of the main independent Italian player specialized in Omnichannel Marketing and Digital Transformation

FROM DIGITAL MARKETING COMPANY TO
FULL DIGITAL PLATFORM COMPANY

BORN IN
2007



220
professionals



2015

LISTED ON



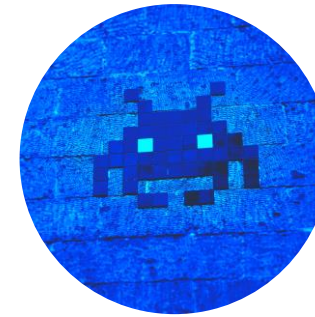
2 OFFICES Milan
& Rome



INTEGRATED OFFER



TECNOLOGY AND
BUSINESS
ANALYTICS



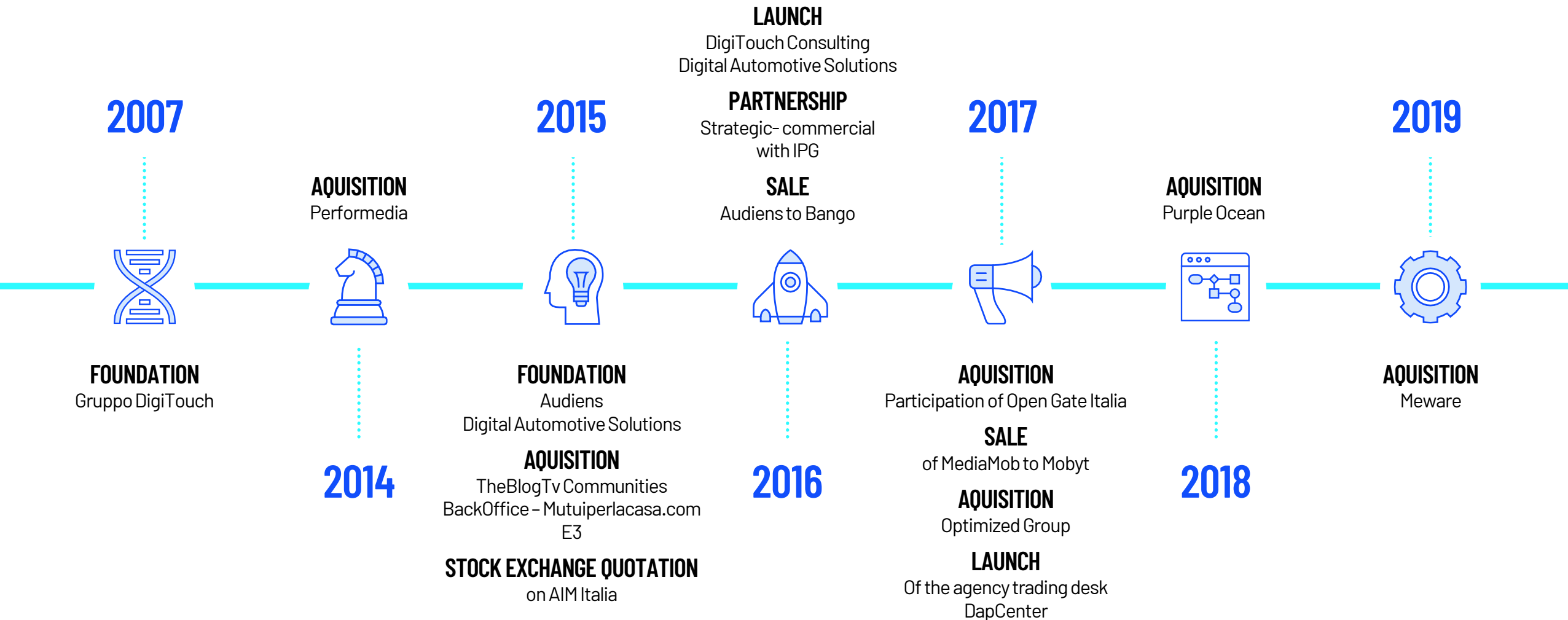
E-COMMERCE,
CONTENT AND
SERVICE DESIGN



DIGITAL AND
PERFORMANCE
MARKETING

MILESTONES

From Digital Marketing Company to Full Digital Platform Company



TARGET MARKET VALUE: ABOUT 6.5 BILLION EUROS

	ITALIAN MARKET (BILLIONS EURO)	2017	2018	2019	NOTE	IMMEDIATELY TARGET MARKET (BILLION EURO) FOR DIGITOUCH
DIGITAL MARKETING SERVICES	Advertising online	2.68	2.98	3.27	▪ About 70% of the online market is concentrated on Google, Facebook e Amazon	2.10
	Event & Sponsorship services	1.2	1.2	1.2	▪ The B2C component represents approximately 60% of the total value (the remaining part is represented by corporate events)	0.72
SOFTWARE MARKET	Big data and data analytics	1.1	1.3	1.7	▪ The market includes 20% of infrastructure resources, 47% software and 37% of services	0.63
	Application Software	CRM Content Appl.	0.33 0.79	0.34 0.86	0.36 0.94	▪ In this market segment mainly medium-large companies operate for 50%
SYSTEM INTEGRATION & HOSTING	System Integration	2.29	2.34	2.39	▪ Estimate of system integration activities functional to marketing / CRM / content ~ 40%	0.95
	Hosting infrastructure	0.79	0.85	0.914	▪ -	0.91

CAGR 2020-2023: 10-15%

IMPACT OF CAGR 2020-2023: neutral/acceleration

6.61



COVID-19 IMPACT

The impact of Covid-19 crisis will accelerate digitalization process, not only in terms of distributions but also in terms of operative models. This will be mostly visible to some sectors (retail/financial services) but is applicable to all industries.

EXPECTATIONS FOR GRUPPO DIGITOUCH

SHORT-TERM POSITIVE IMPACT

- Demand increase for digital communication
- Marketing investments acceleration for others
- Digital interfaces redesign
- Digital Strategy Assessment

SHORT-TERM NEGATIVE IMPACT

- Marketing investments delay for some sectors
- Cash-in delay for some sectors
- Delay in few negotiations/new projects

MEDIUM-TERM IMPACT

- Increase for digitalization investments
- Increase for digital marketing budgets
- Increase for e-commerce and content efforts
- Outsourcing focus

FULL DIGITAL PLATFORM COMPANY

The pillars of our approach

CONSULTING

TECHNOLOGY

PERFORMANCE

BUSINESS
ANALYTICS

CREATIVITY

OMNICHANNEL
STRATEGY



Digital PR
Social Media
Video and Content
Marketing
Special Projects
Chatbot
Experience Design
UX/UI

Omnichannel Strategy
Media Advertising
Mobile Marketing
Addressable Media
Offline



Onsite/Offsite SEO
International SEO
Local SEO
Voice Search SEO
CRO

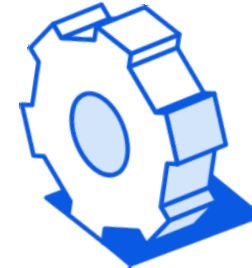
Purple X
E-commerce
Managed Service
Mobile Applications
Web Services

Business Analytics
Machine Learning
Process Automation
Gamification Platform
Digital Analytics
Dashboard



OUR OFFER IN EVOLUTION

Focus on Data-Driven Customer Experience



DIGITAL MARKETING

- Strategy
- Data Driven Media
- Performance
- Analysis Tracking
- SEO & CRO
- Omnichannel Communication

E-COMMERCE & CONTENT

- E-commerce Solution
- Experience Design
- Social Content
- Data-Driven Creativity
- Brand Experience
- Cloud Solutions

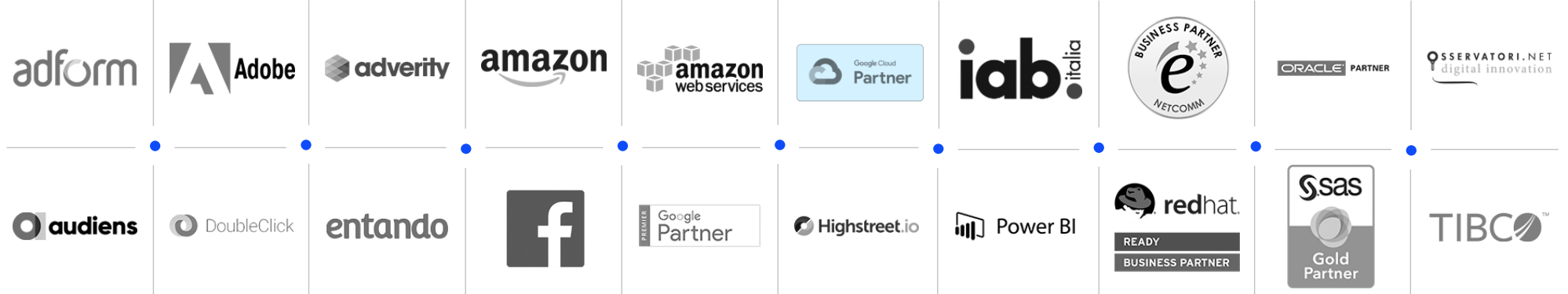
TECHNOLOGY & DATA

- Business Analytics
- Artificial Intelligence
- Cyber Security
- Business Process Automation
- Gamification
- System & Solution Integration

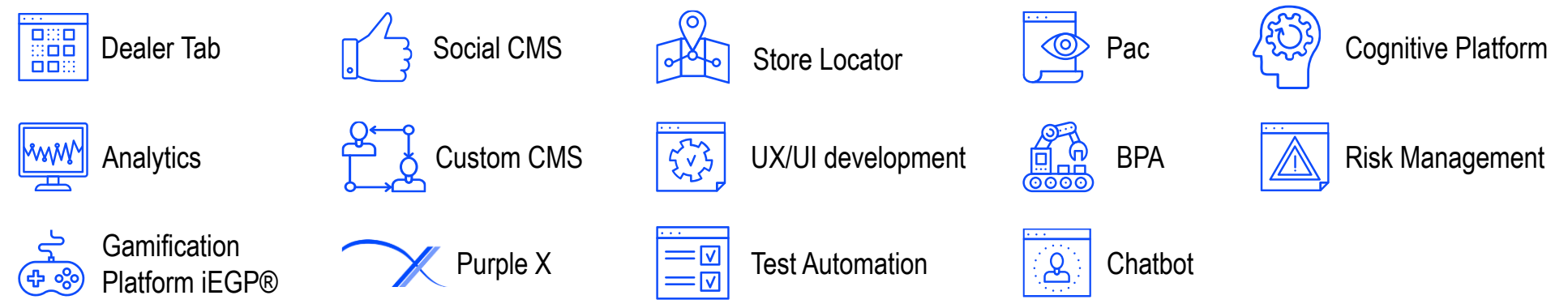
PARTNERSHIP & TECHNOLOGIES

Designed to Increase competitiveness on the market

STRATEGIC PARTNERSHIPS



OWNED TECHNOLOGIES



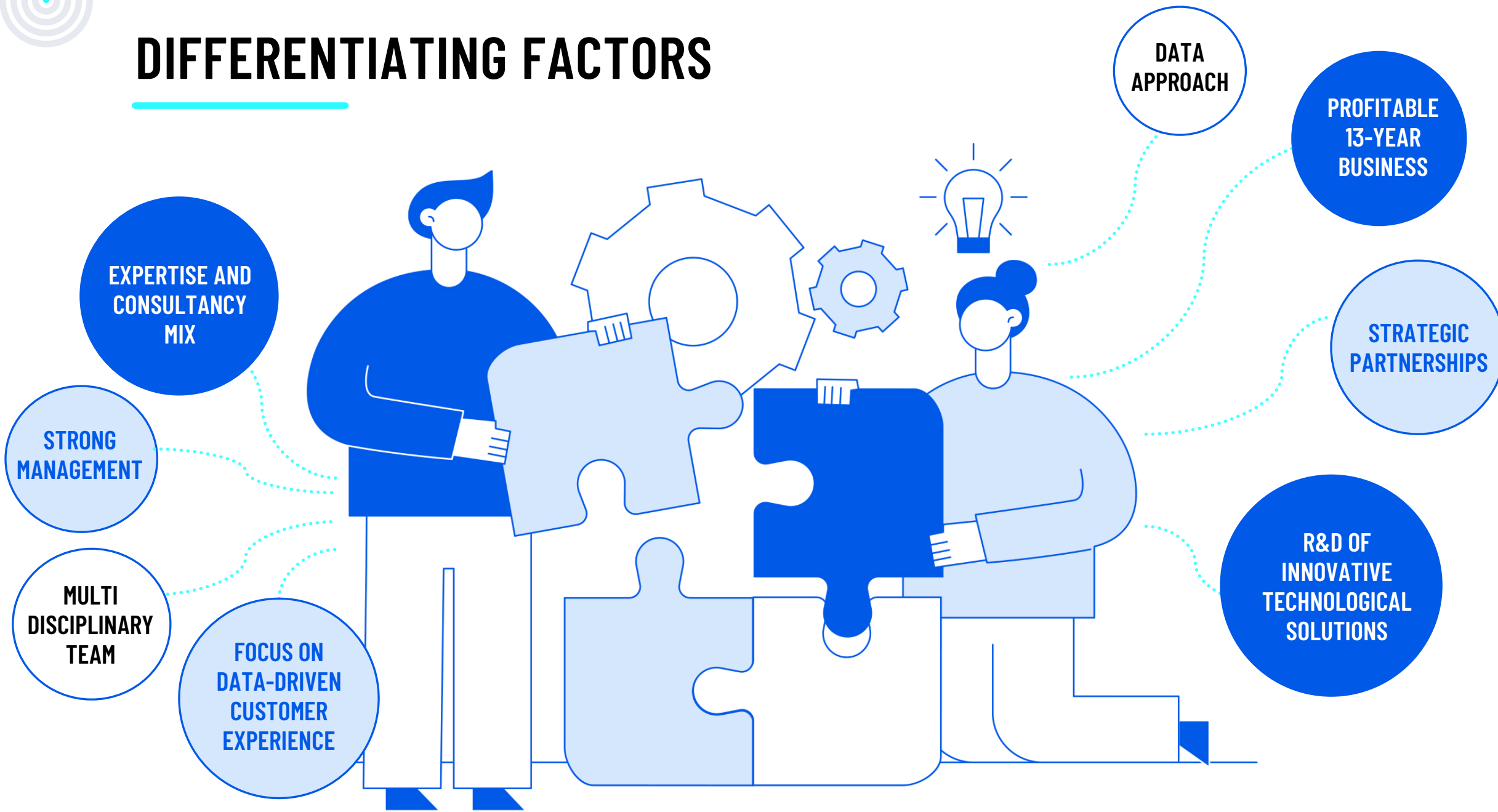
PARTNER OF AN INTERNATIONAL NETWORK OF AGENCIES

DigiTouch Group has tightened collaborations with independent international agencies to help the brands expand and advertise their activity abroad.

The Group is able to assist national and international clients in strategies of digitalisation and marketing at a global level.



DIFFERENTIATING FACTORS



EXPERTISE AND CONSULTANCY MIX

STRONG MANAGEMENT

MULTI DISCIPLINARY TEAM

FOCUS ON DATA-DRIVEN CUSTOMER EXPERIENCE

DATA APPROACH

PROFITABLE 13-YEAR BUSINESS

STRATEGIC PARTNERSHIPS

R&D OF INNOVATIVE TECHNOLOGICAL SOLUTIONS

CLIENT PORTFOLIO

Full diversification

RETAIL & E-COMMERCE



FINANCE & INSURANCE



TELCO, UTILITIES, SERVICES & TECH



FASHION



PHARMA & HEALTHCARE



TRAVEL, EDUCATION & ENTERTAINMENT



FOOD & BEVERAGE, CONSUMER GOODS



AUTOMOTIVE

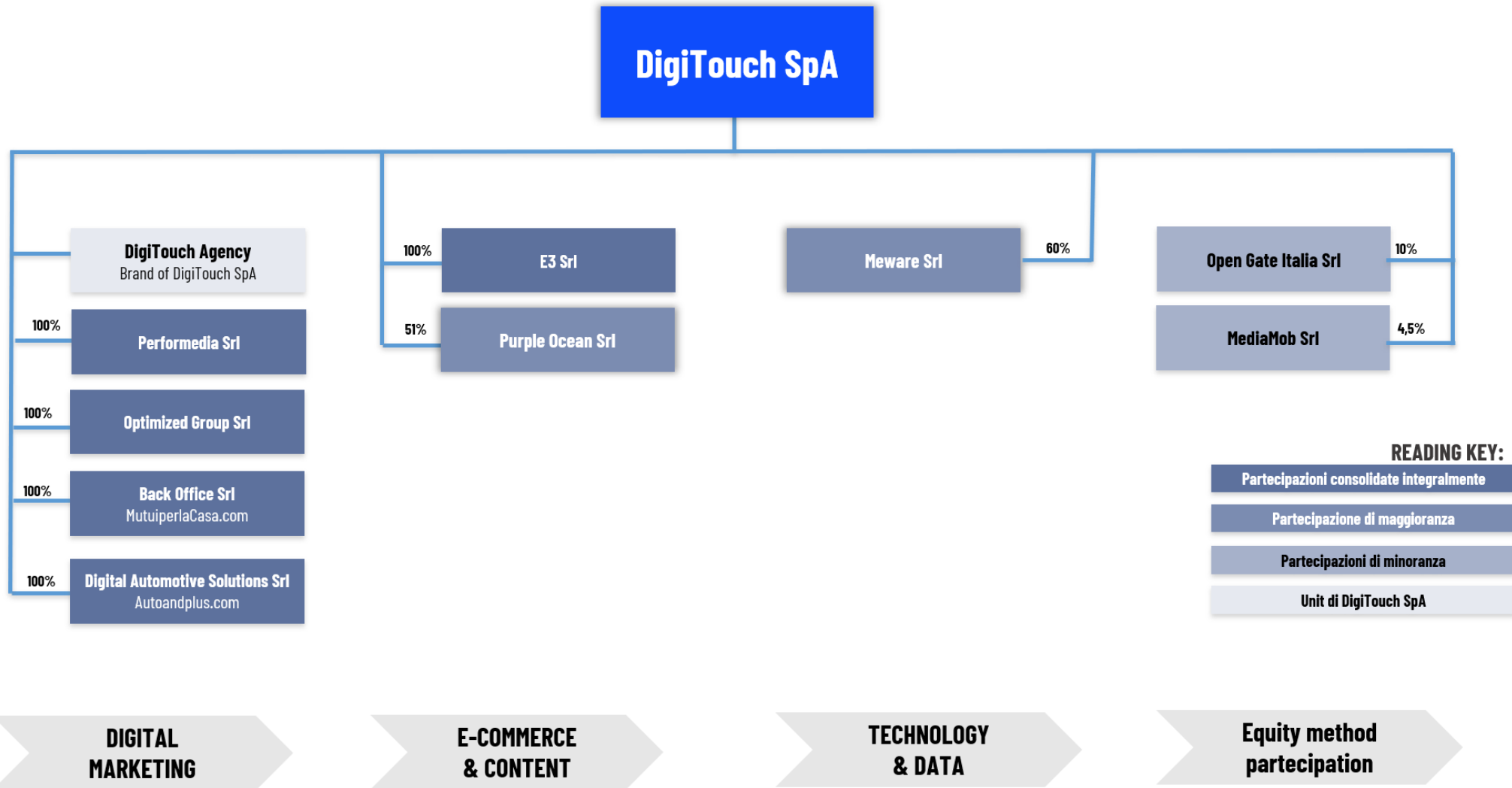




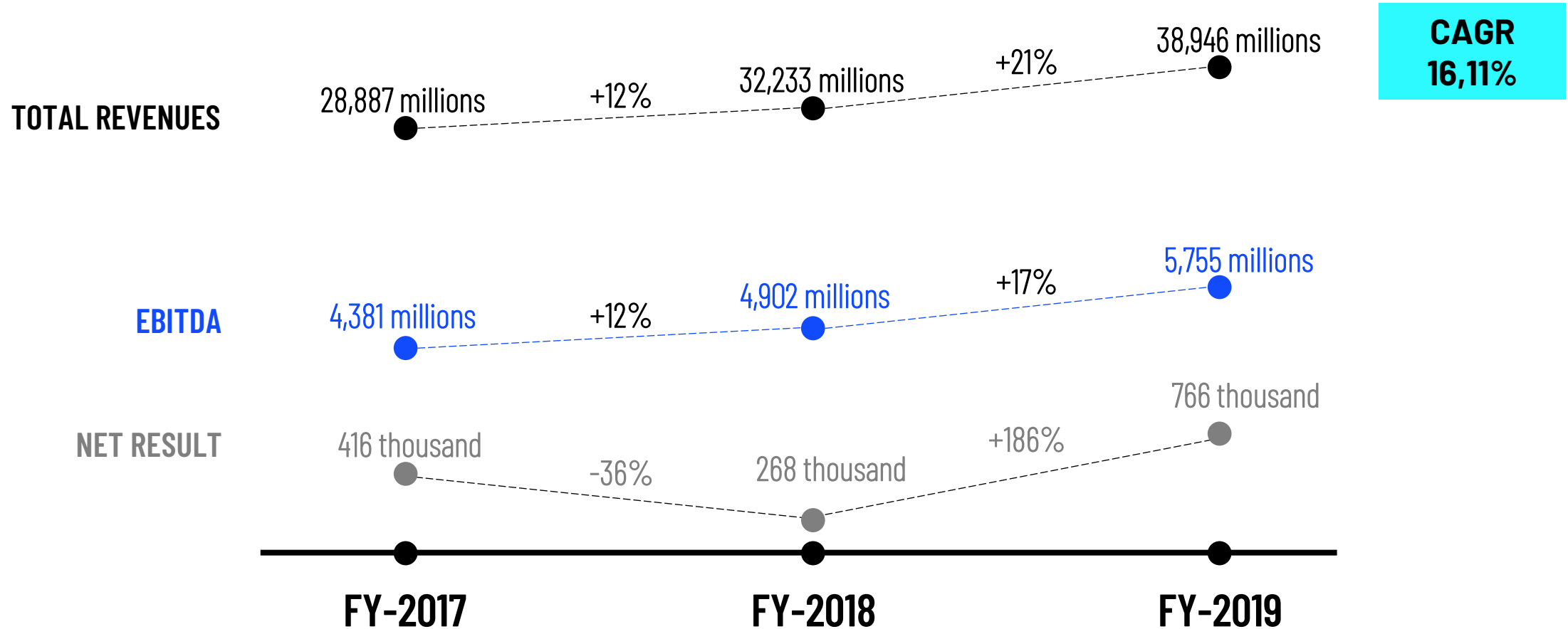
02 DIGITOUCH FINANCIAL RESULTS 2019



THE GROUP PERIMETER



Revenues, EBITDA and Net Result TRENDS



NET FINANCIAL DEBT (31/12/2019) -2,5 millions

Debt decreased, with the Net Financial Position standing at -2.5 million euros at December 31, 2019 compared to -3.7 million euros at June 30, 2019.

CLOSING FY-2019

GRUPPO DIGITOUCH PROFIT & LOSS



Total revenues for '19 amount to about **39.0 million Euros**, an **increase of 21%** compared to the same period of '18



In terms of cost structure: operating costs show a limited change of 13% but **personnel costs increase by 66%** (mainly due to the Meware aggregation). During 2020



further optimizations and efficiencies on the cost structure are expected in an industry which, by consolidation, requires greater economies of scale / scope

In terms of margins, there is an increase of 17% equal to an **adjusted EBITDA of 5.75 million Euros**



The depreciation and write-downs components decreased compared to last year (incidence on revenues fell from 10.7% to 9.5%). In particular, it should be noted that the main component is represented by the goodwill amortization.



Strong increase in pre-tax profit + 82% and consolidated profit + 186% equal to 765 thousand euros compared to 267 thousand euros in 2018



GRUPPO DIGITOUCH - RECLASSIFIED CONSOLIDATED INCOME STATEMENT							
	(million euros) FY 2019		FY 2018		Change		
	[A]	%	[B]	%	[A]-[B]	%	
Operating revenues	35,79	91,9	29,88	92,7	5,91	20	
Other revenues	1,41	3,6	0,75	2,3	0,66	89	
Capitalized Costs	1,75	4,5	1,60	5	0,14	9	
Total revenues	38,95	100	32,23	100	6,71	21	
Operating costs	25,94	66,6	22,97	71,3	2,97	13	
Labour costs	7,25	18,6	4,36	13,5	2,89	66	
EBITDA Adjusted	5,76	14,8	4,90	15,2	0,85	17	
Non-recurring costs	0,37	0,9	0,40	1,3	-	0,03	
EBITDA	5,38	13,8	4,50	14	0,88	20	
Depreciation, write-downs,	-		-		-		
Other provisions and charges	3,69	9,5	3,45	10,7	0,24	7	
EBIT	1,69	4,3	1,05	3,3	0,64	61	
Financial income/(expense)	-	0,38	-1	0,33	-1	0,05	
Adjustments on financial assets	-	0	-	0	-	100	
Profit before tax	1,31	3,4	0,72	2,2	0,59	82	
Taxes of the year	0,54	1,4	0,45	1,4	0,09	20	
Consolidated Net Profit	0,77	2	0,27	0,8	0,50	186	
<i>Of competence:</i>							
Group	0,23	0,6	0,27	0,8	-	0,03	
Third-party equity interest	0,53	1,4	0,02	0,1	0,51		
n.a. not applicable							

CLOSING H1-2019

GRUPPO DIGITOUCH

BALANCE SHEET



On a balance sheet level, the **Fixed Assets** of '19 grew by 5% from 14.2 million euros to 14.9 million euros. Against a continuous reduction in goodwill deriving from equity investments, an increase in intangible assets of 30% was recorded from 4.28 million euros to 5.56 million euros, largely attributable to the R&D policy and development of proprietary technological assets



Operating capital shows an increase in **Net Working Capital** which at 31.12.2019 amounted to almost 4 million Euros largely due to the strong growth in turnover in the last quarter of the year



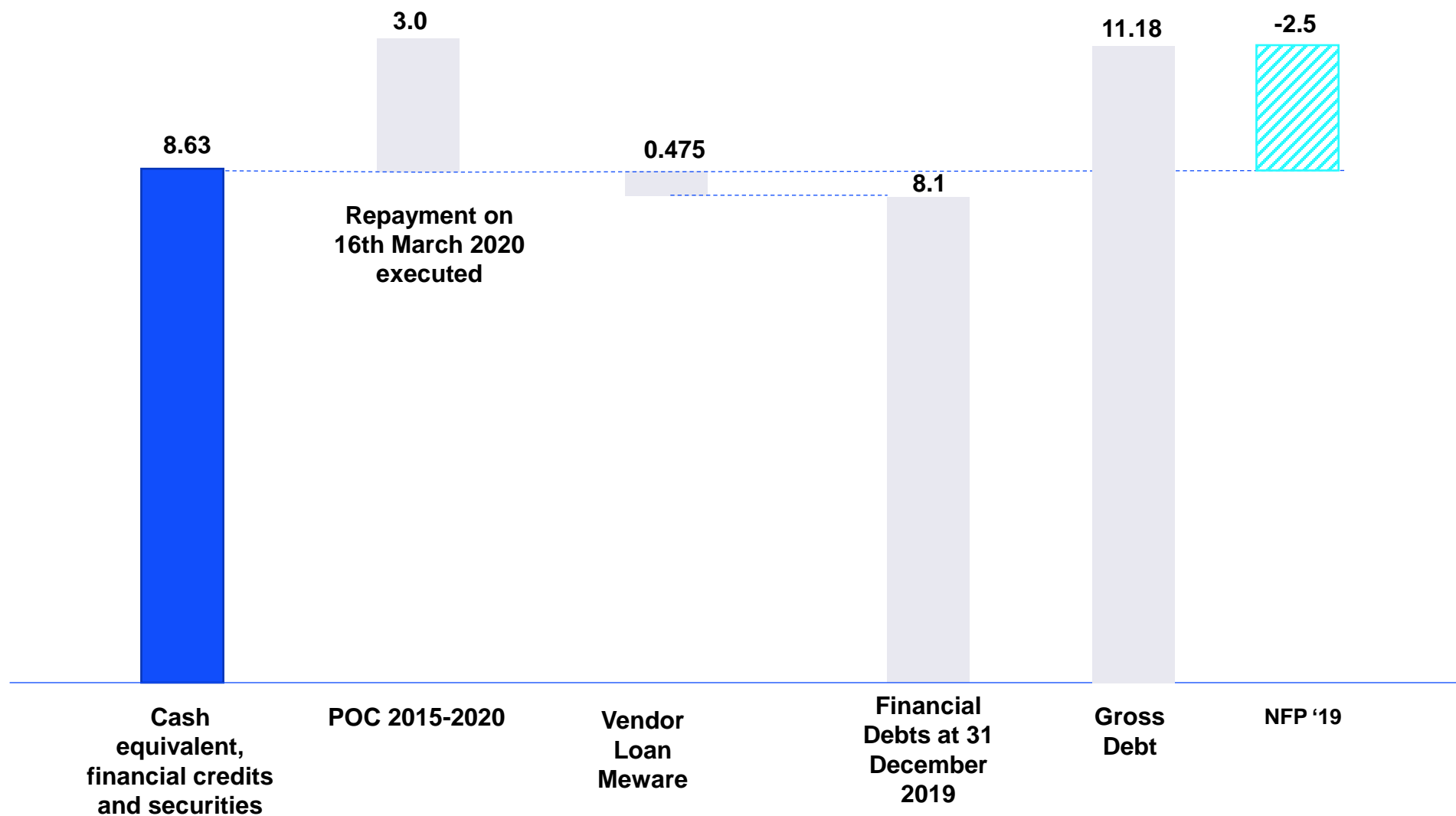
Strong reduction in **Other Liabilities** which decreased from 0.76 Million Euros to 0.22 (in 2017 they amounted to 2.2 Million Euros)



Net financial position of 2.5 million euros compared to 1.48 million euros in 2018

GRUPPO DIGITOUCH – RECLASSIFIED CONSOLIDATED BALANCE SHEET					
	(million euros)	31 Dec-2019	31 Dec-2018	Change	
		[A]	[B]	[A]-[B]	%
Fixed Assets		14,99	14,27	0,73	5,1
Goodwill		8,58	9,15	-0,56	-6,2
Development Costs		0,34	0,27	0,08	29,1
Other intangible assets		5,57	4,28	1,29	30
Tangible Fixed assets		0,30	0,37	-0,07	-19,1
Financial fixed asstes		0,20	0,20	0,00	-1,9
Working capital		3,22	1,88	1,34	71,5
Commercial credits		14,39	12,39	2,00	16,1
Commercial debts		-10,72	-9,17	-1,55	16,9
Accrued and deferred income and charges		-0,23	-0,59	0,36	61,4
Other assets and liabilities		-0,23	-0,76	0,53	69,9
Severance pay		-1,16	-0,59	-0,57	95,3
Net Invested Capital		17,05	15,55	1,50	9,6
Group Equity		13,73	13,79	-0,06	-0,4
Third-party Equity		0,77	0,27	0,49	100
Net Assets		14,50	14,07	0,43	3,1
Financial and bond debts					
- short term		7,24	2,56	4,68	183
- long term		4,31	4,90	-0,58	-11,9
Cash and cash equivalents		-7,21	-4,07	-3,14	77,1
Security non instrumental to the operational activity		-1,49	-1,41	-0,08	5,9
Financial receivables		-0,30	-0,49	0,19	38
Net financial position		2,55	1,49	1,07	71,8
COVERS		17,05	15,55	1,50	9,6
LEVERAGE		0,18	0,11		

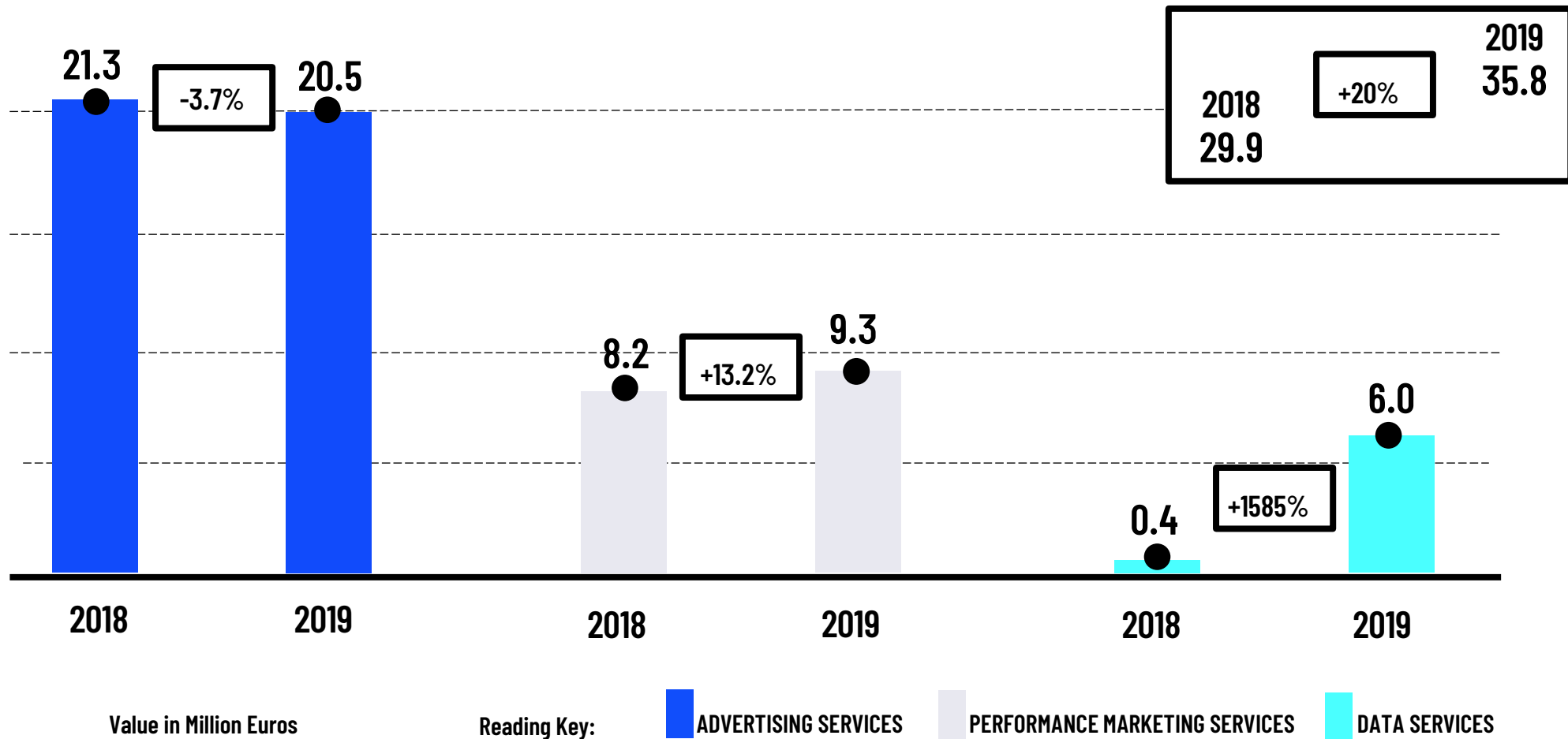
CLOSING H1 2019 – GRUPPO DIGITOUCH NET FINANCIAL POSITIONS



Covenant
 EBITDA/NFP < 2
 EBITDA/NFP < 1.5
 All the covenants on the loans of the year 2019 were respected

REVENUES FY 2019 PER BUSINESS LINE

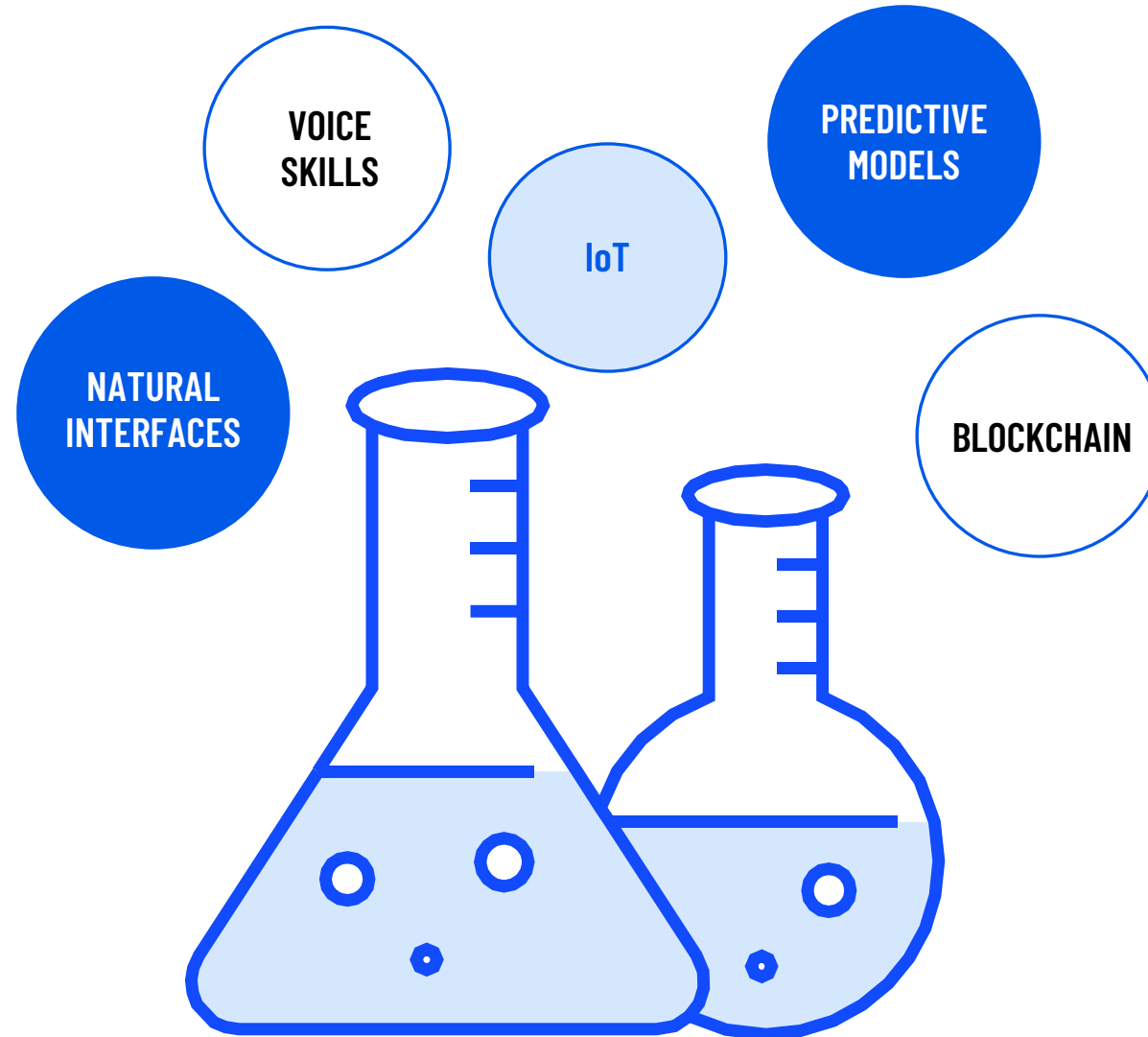
In terms of revenue mix, the "**Data Services**" business line recorded more than double growth compared to the Business Plan for 2019 (which included 2-2.5 million euros), exceeding 5 million euros. The "**Performance Services**" revenue line was in line with the Business Plan, while the "**Digital Advertising**" services division reported a decrease in revenues compared to the Business Plan objectives due to a more careful commercial policy, based on the selectivity of customers in support of industrial margins and greater competitiveness of the market.



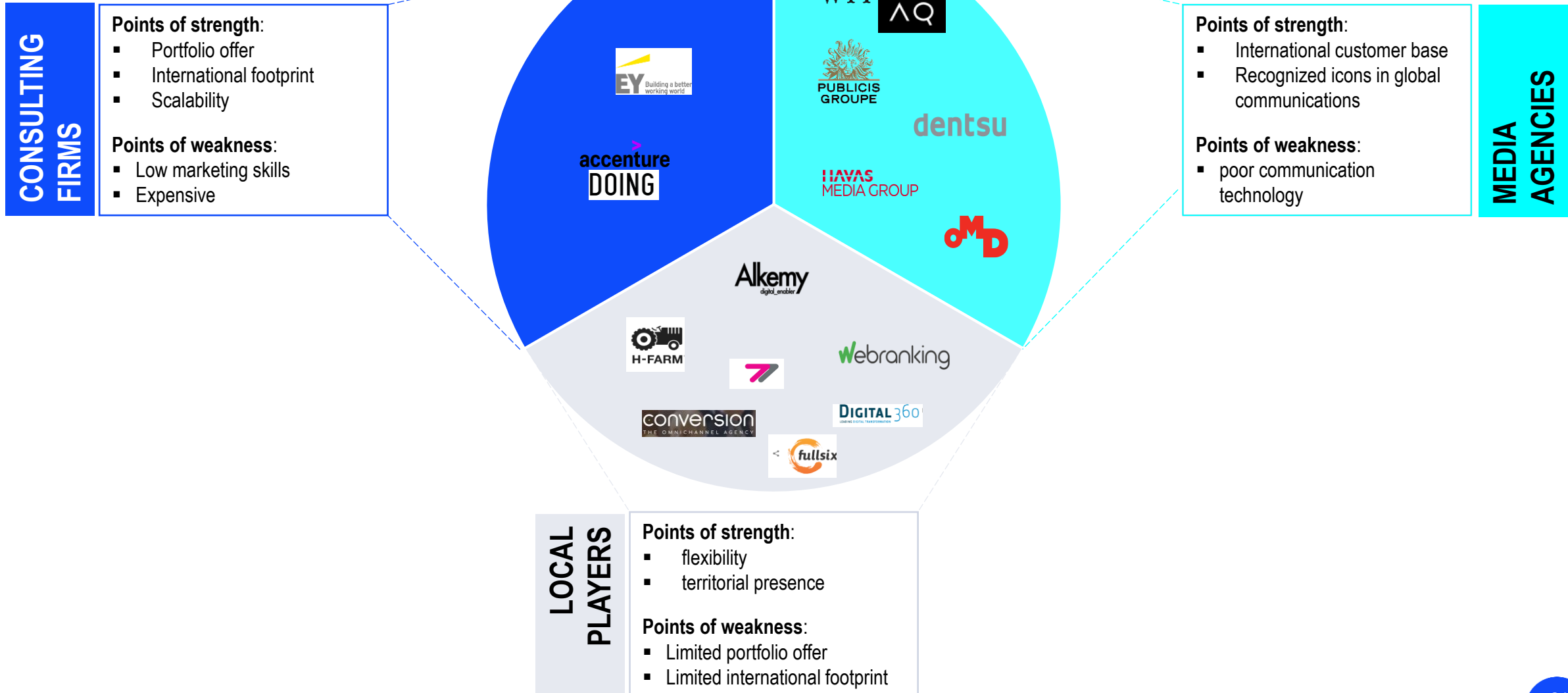


NEW PRODUCT DEVELOPMENT

We are at work on new products that can give our clients a competitive advantage



THE COMPETITIVE ARENA





BUSINESS PRIORITIES

INNOVATE AND UPGRADE THE OFFER!



Omnichannel approach



Data-driven marketing & analytics



Technology services

AGGREGATE!



Increase customer base



Empower SW development capabilities



International expansion



2020 OUTLOOK, CONSIDERING COVID-19

APPEALING EVALUTATION RESPECT COMPARABLES

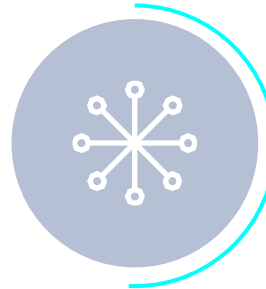
Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2018	2019E	2020E	2018	2019E	2020E	2018	2019E	2020E	2018	2019E	2020E
DigiTouch	0,6x	0,5x	0,5x	3,4x	3,2x	2,4x	18,5x	8,2x	5,2x	72,6x	12,9x	7,3x
AIM Italia Digital companies												
Alkemy	1,0x	0,3x	0,3x	13,2x	5,9x	3,3x	15,6x	10,5x	4,4x	20,6x	16,0x	7,8x
MailUp	0,7x	0,9x	0,7x	n.m.	12,8x	10,3x	13,9x	26,8x	19,8x	21,1x	38,6x	32,2x
Expert System	1,4x	2,3x	2,1x	neg.	14,3x	11,2x	neg	neg	neg	neg	neg	neg
DHH	1,0x	0,7x	0,6x	n.m.	9,1x	5,3x	n.m.	15,6x	6,9x	n.m.	15,3x	10,8x
Vetrya	0,4x	0,4x	0,3x	6,0x	3,0x	2,3x	6,9x	5,1x	3,4x	9,2x	5,8x	3,9x
Digital360	1,1x	0,6x	0,6x	14,2x	6,4x	4,8x	n.m.	19,3x	11,0x	neg	88,3x	16,5x
Neosperience	0,3x	2,1x	1,6x	1,1x	8,2x	6,3x	n.m.	21,3x	8,7x	n.m.	33,5x	12,9x
Neurosoft	1,6x	n.a.	n.a.	40,3x	n.a.	n.a.	neg	n.a.	n.a.	neg	n.a.	n.a.
GO internet	2,7x	2,5x	2,3x	10,8x	6,5x	5,4x	neg	neg	neg	neg	neg	neg
Intred	2,5x	4,4x	2,7x	6,3x	10,6x	9,0x	10,2x	16,0x	12,2x	13,3x	24,6x	20,3x
Softec	0,9x	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.	n.a.	n.a.
Relatech	n.a.	1,8x	1,6x	n.a.	13,5x	11,4x	n.a.	14,7x	12,7x	0,2x	19,3x	18,0x
AMM	n.a.	0,4x	0,3x	n.a.	2,4x	1,5x	n.a.	3,2x	1,8x	2,4x	7,4x	3,9x
Maps	0,2x	1,1x	1,0x	1,3x	5,6x	4,4x	1,3x	8,0x	6,4x	1,9x	10,2x	7,4x
Mean	1,1x	1,5x	1,2x	11,6x	8,2x	6,3x	9,6x	14,0x	8,7x	9,8x	25,9x	13,4x
Median	1,0x	1,0x	0,8x	8,5x	7,3x	5,3x	10,2x	15,1x	7,8x	9,2x	17,6x	11,9x

Source: EnVent

WINNING COMPETITIVE ADVANTAGES DEVELOPED ALL OVER THE YEARS - INVESTMENT HIGHLIGHTS



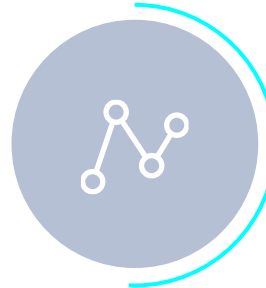
SIGNIFICANT INTERNAL INVESTMENT IN TECHNOLOGY AND BIG DATA



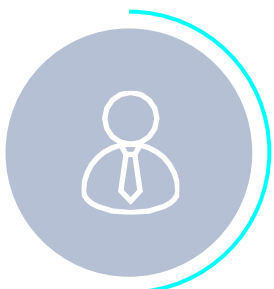
AGGREGATION ROLE



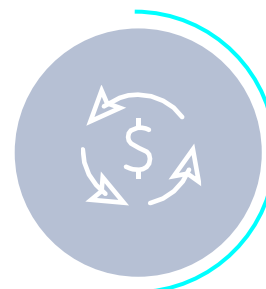
PROGRESSIVE BUSINESS GROWTH



MARKET GROWTH, RELEVANCE & POTENTIAL



PROFESSIONAL MANAGEMENT TEAM



MARKET UNDER FAST CONSOLIDATION



Questions & Answers

THANK YOU



Via Zarotto 2A - 20124 Milan - Italy

T | +39 02 89295 100

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