



25th May 2020

VIRTUAL AIM ITALIA CONFERENCE



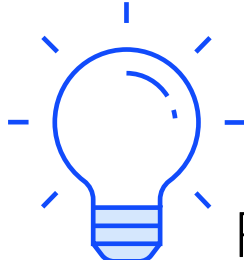
01 COMPANY PROFILE



WHO WE ARE

One of the main Independent Italian Player specialized in Omnichannel Marketing and Digital Transformation

FROM DIGITAL MARKETING COMPANY TO
CLOUD MARKETING COMPANY

BORN IN
2007  **280**
PROFESSIONALS



2015 LISTED ON

AIMItalia
Borsa Italiana

2 OFFICES Milan
& Rome



INTEGRATED OFFER



TECNOLOGY, CLOUD &
BUSINESS ANALYTICS



E-COMMERCE,
CONTENT, EVENTS &
SERVICE DESIGN



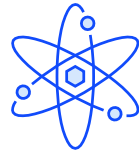
DIGITAL, OMNICHANNEL &
PERFORMANCE MARKETING

CLOUD MARKETING

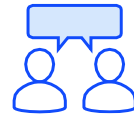
Digital is becoming core business all over different Industries



DIGITAL
MARKETING



TECHNOLOGY



AS A SERVICE
APPROACH



CLOUD
MARKETING

Cloud Marketing is an **integrated model of Technology, Marketing, Resources and Skills** that will become increasingly dominant among medium & large companies.

It has three assumptions:

1. **manage** your **operating model** in a cloud logic, in a flexible way, integrating the different back-end, front-end and communication assets
2. **being totally Market Centric** because it focuses on the digital market and its evolution
3. **being supported by a few suppliers** with a large digital and technological offer portfolio, capable of an integrated offer as a service



WE ARE THE FIRST

**CLOUD MARKETING COMPANY
IN ITALY**

Gruppo DigiTouch is a **market-centric** company, which **synthesizes MarTech, creative and technological skills** and activates them in an **integrated way in order to support companies** in their communication activities, to predict market trends and to match brands' demands, **today and tomorrow**. Gruppo DigiTouch is alongside customers **to generate long-lasting results**.

THE CLOUD MARKETING COMPANY

Focus on Data-Driven Customer Experience



OMNICHANNEL MARKETING

- Strategy
- Data Driven Media
- Performance
- Analysis Tracking
- SEO & CRO
- Omnichannel Communication
- Brand Activation
- Shopper Marketing
- Digital Events Platform

E-COMMERCE & CONTENT

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

TECHNOLOGY & DATA

- Business Analytics
- Artificial Intelligence
- Cyber Security
- Business Process Automation
- Gamification
- MarTech System Integration
- Sale Automation Organizer



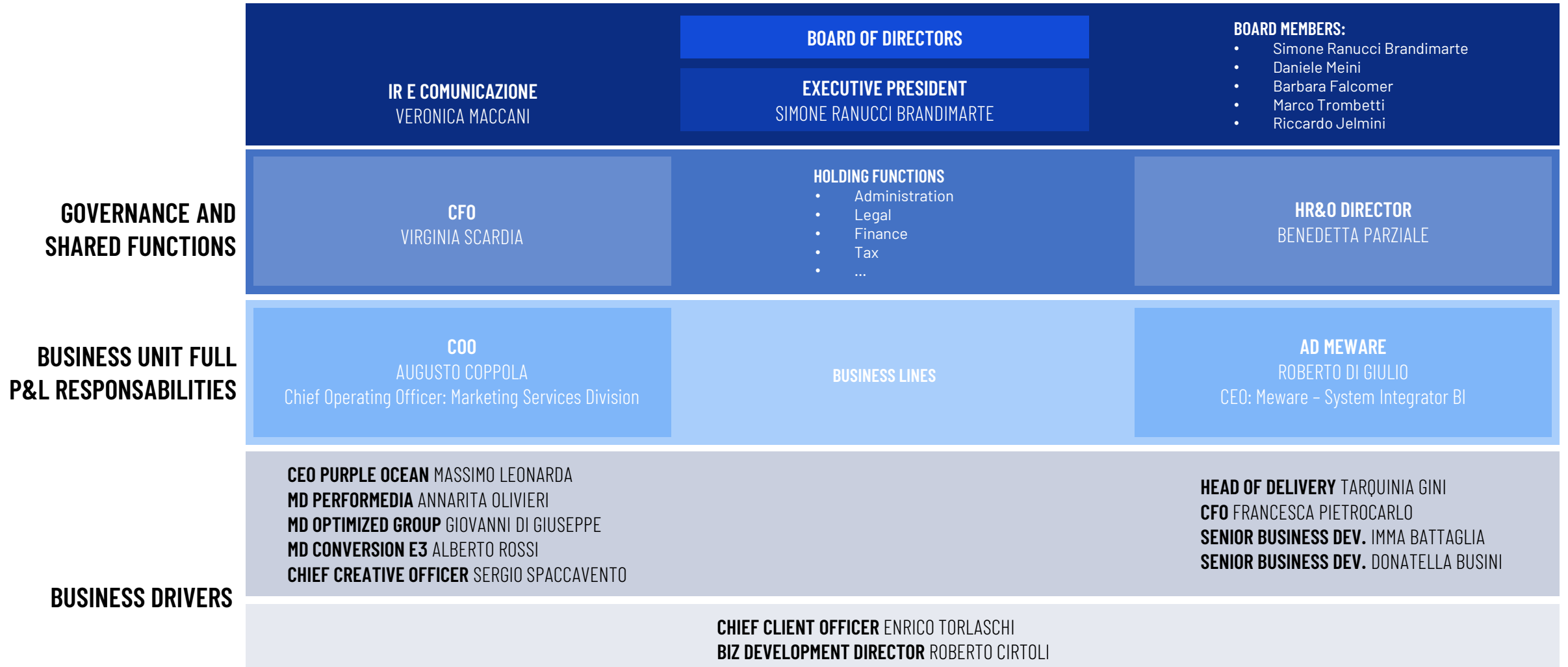
TARGET MARKET VALUE

About 6.5 Billion Euros

	ITALIAN MARKET (BILLIONS EURO)	2017	2018	2019	NOTE	IMMEDIATELY TARGET MARKET (BILLION EURO) FOR DIGITOUCH
OMNICHANNEL 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	0.33	0.34	0.36	In this market segment mainly medium-large companies operate for 50%	1.30
	CRM CONTENT APPL.	0.79	0.86	0.94		
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



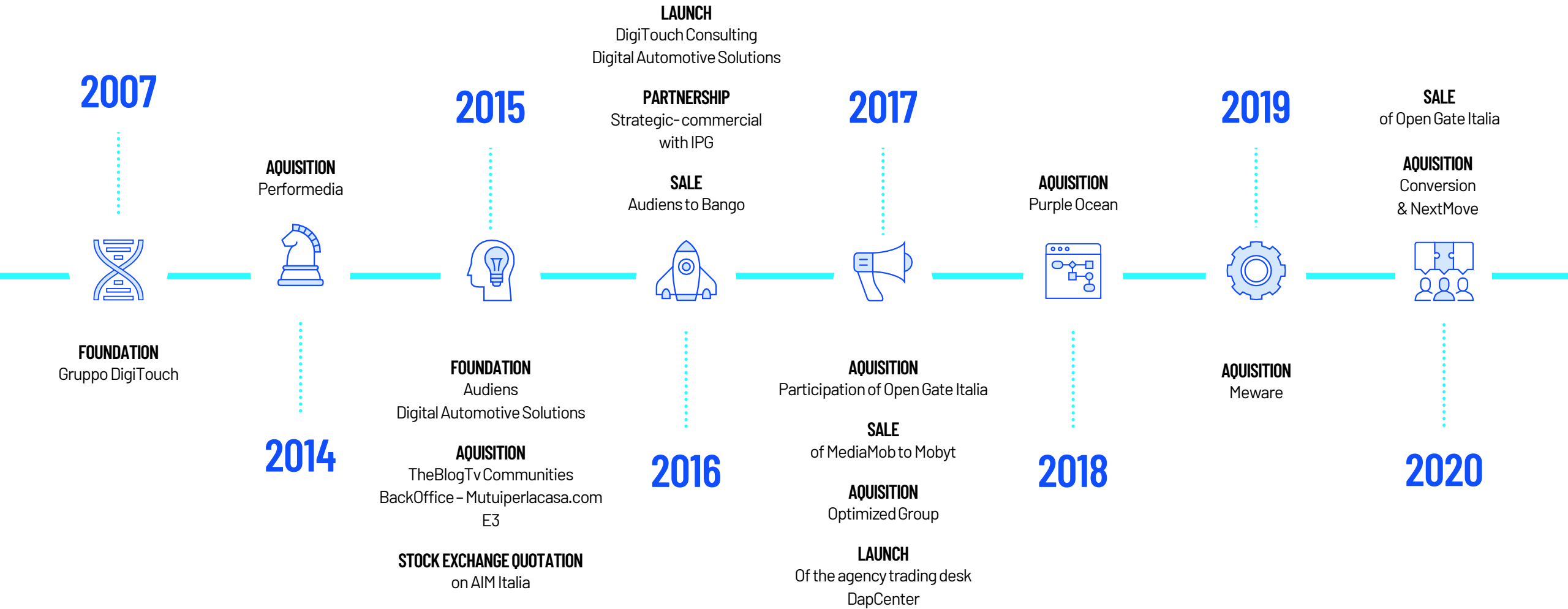
CLEAR ROLE AND RESPONSIBILITIES WITH THE AIM OF DRIVING GROWTH AND GAIN ECONOMIES OF SCALE





MILESTONES

From Digital Marketing Company to Cloud Marketing Company

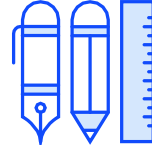


ACQUISITION OF CONVERSION GROUP

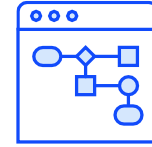
A new step to lead Cloud Marketing



PERFECT **STRATEGIC FIT** WITH DIGITOUCH GROUP IN LINE WITH THE **INDUSTRIAL PLAN 2018-2020**



PRIORITIES PORTFOLIO IN TERMS OF CLIENTS IN **NEW INDUSTRIES** SUCH AS SPIRITS, FASHION, CONSUMER GOODS, ENERGY



IT ENABLES THE GROUP TO:

- further develop **omnichannel proposition** in order to address clients' needs
- leverage conversion **shopper marketing** and **creative capabilities**
- exploit **economic synergies** in the digital industry consolidation phase

M&A

Acquisition of Conversion - Nextmove



Omnichannel Marketing Leader with strong Strategic & Creative Approach.



MAIN SKILLS

ADV&Content
Social Media Creativity
Shopper Marketing
Brand Activation
Events



PEOPLE

22 People Creative Team
10 People Omnichannel Delivery Team
10 People Omnichannel Client Service Team



Digital Transformation Agency.



MAIN SKILLS

App Development
Web Development: Website&E-commerce
Cloud System Integration
IoT e Industry 4.0
Cloud Infrastructure Management
(Amazon Web Services)



PEOPLE

8 People Development Team
5 People Design Team
3 People Client Service Team

STRONG CONSOLIDATION ON SERVICE DELIVERY AND WIDE PRODUCT RANGE

CONSULTING

TECHNOLOGY

PERFORMANCE

BUSINESS ANALYTICS

CREATIVITY

OMNICHANNEL STRATEGY



conversion
THE OMNICHANNEL AGENCY

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



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



Purple X
E-commerce
Managed Service
Applications
Web Services



Omnichannel Strategy
Media Advertising
Mobile Marketing
Addressable Media
Offline



Business Analytics
Machine Learning
Process Automation
Gamification Platform
Digital Analytics
Dashboard



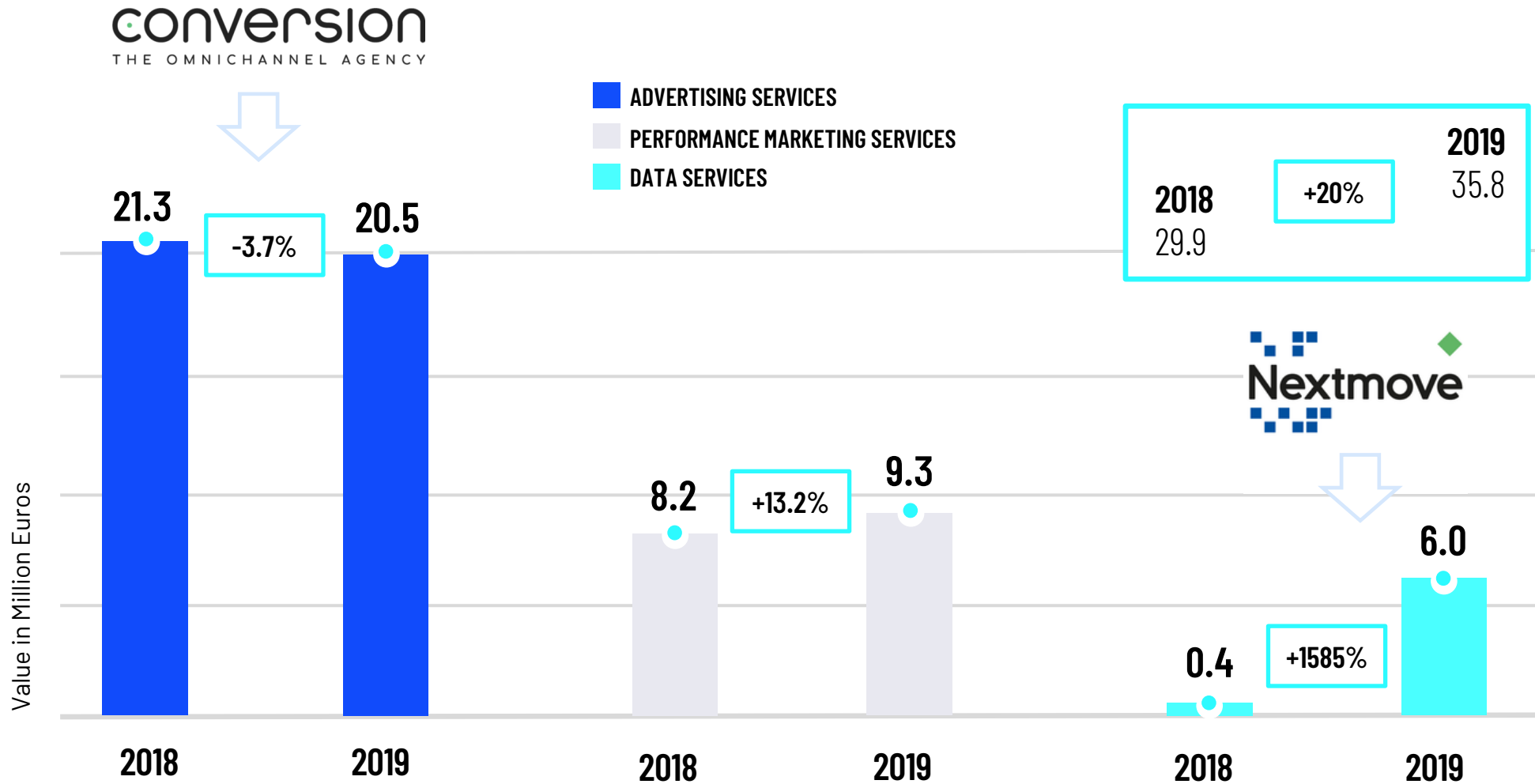
DEAL STRUCTURE

Conversion - Nextmove performance

(MIO EURO)	REVENUES 2019	REVENUES 2020	EBITDA '19	EBITDA '20	NFP '20 (30.04.2020)
CONVERSION ACQUISITION CONDITIONS	<i>5.5</i>	<i>4.6</i>	<i>(0.200)</i>	<i>0.35</i>	<i>(0.710)</i>
NEXTMOVE ACQUISITION CONDITIONS	<i>1.0</i>	<i>1.3</i>	<i>0,150</i>	<i>0.27</i>	<i>(20)</i>
	<i>6.5</i>	<i>5.9</i>	<i>(0,05)</i>	<i>0.620</i>	<i>(730)</i>
COST SAVINGS ALREADY IDENTIFIED				<i>-0.480</i>	
				1.100	



REVENUES FY 2019 PER BUSINESS LINE



ACQUISITION OF CONVERSION GROUP

Deal structure and timing

- **OPERATION STRUCTURE** acquisition of full control in Conversion Agency through the merger in E3 the social media company. A fully controlled entity by Gruppo DigiTouch in which it will keep a 78% controlling stake. And acquisition of 100% of Nextmove (at closing date 70% and then in 2022 the remaining 30%)
- **ACQUISITION VALUE**
 - Conversion shareholders have received a 22% stake in E3 (social and content marketing DigiTouch controlled company);
 - Nextmove: 185.000 Euro in cash and 250.000 Euro as long-term debt to buy 70% + 225 (floor)-450.000 (cap) Euro by June 2022 to complete the acquisition of the remaining 30% stake
- **NET FINANCIAL POSITION IMPACT ON GRUPPO DIGITOUCH** 1.16-1.39 million Euro (see next pages for detailed)



**ON MAY 18 2020
DIGITOUCH GROUP HAS
SIGNED A BINDING
AGREEMENT TO BUY A
MAJORITY STAKE OF
CONVERSION GROUP.**

18 MAY

**BINDING AGREEMENT
SIGNING**

20 MAY

**MERGE ACT
(ATTO DI FUSIONE)**

22 JUNE

**NEXTMOVE
CLOSING**

1 JULY

**MERGE
REGISTRATION**

CLIENT PORTFOLIO

Full diversification

RETAIL & E-COMMERCE



FINANCE & INSURANCE



TELCO, UTILITIES, SERVICES & TECH



FASHION



PHARMA & HEALTHCARE



TRAVEL, EDUCATION & ENTERTAINMENT



FOOD & BEVERAGE, CONSUMER GOODS


























AUTOMOTIVE



CONVERSION AND NEXTMOVE

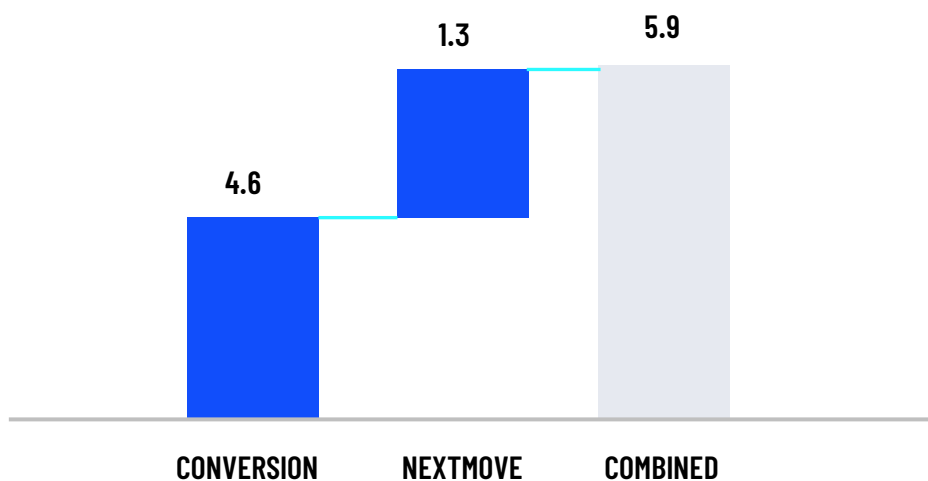
Client's portfolio opens new accounts to Gruppo DigiTouch

REVENUE IN DIFFERENT INDUSTRIES (2019)	(%)	MAIN CLIENTS
FOOD & BEVERAGE	30%	   
PHARMA & BEAUTY	22%	 
ENERGY	14%	
CONSUMER ELECTRONICS	6%	   
ENTERTAINMENT & GAMING	6%	  
RETAIL	3,5%	 
FASHION	3,5%	 
FINANCE	1,5%	 
OTHERS	13,5%	  

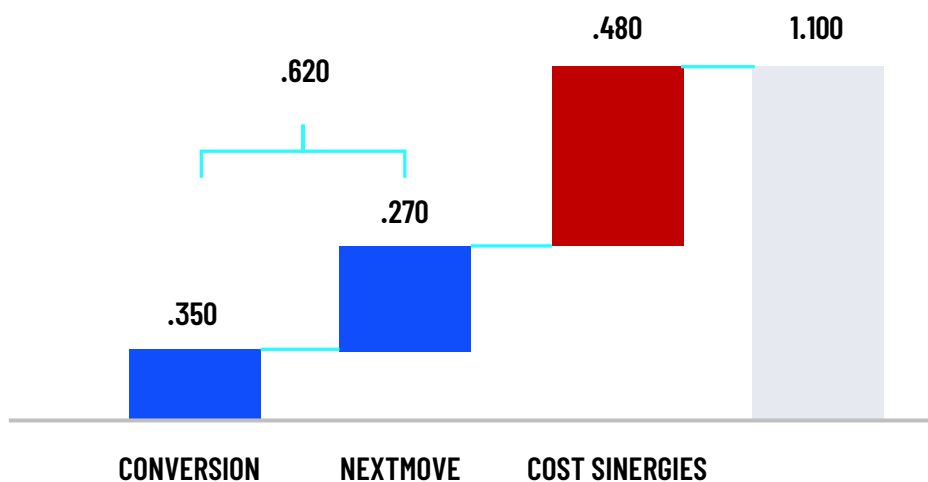
NO OVERLAPPING WITH DIGITOUCH CLIENT PORTFOLIO

TARGET PERFORMANCES AND FINANCIAL IMPACTS ON GRUPPO DIGITOUCH NFP

REVENUES 2020 (Mio Euro)



EBITDA 2020 (Mio Euro)



CONVERSION MERGE (APRIL 2020)

	CASH OUT DGT	DEBT/CASH
- Vendor Finance	80	800
- Bank Debts		300
- Cash/Cash Equivalent		(390)

NET FINANCIAL POSITION 30.04.2020

710

NEXT MOVE ACQUISITION

- Control stake (70%)	105*	250*
- Full control (30%) 2021 (earn out model)		225-450***
- Cash/Cash Equivalent		(20)

NET FINANCIAL POSITION 30.04.2020

185

495-720

DEAL IMPACT ON DGT GROUP NFP

1.165-1.390

	BEFORE SINERGIES	POST SINERGIES
EBITDA (Conversion/Nextmove)	620	1.100
NFP/EBITDA	1,87/2,24	1,0/1,26

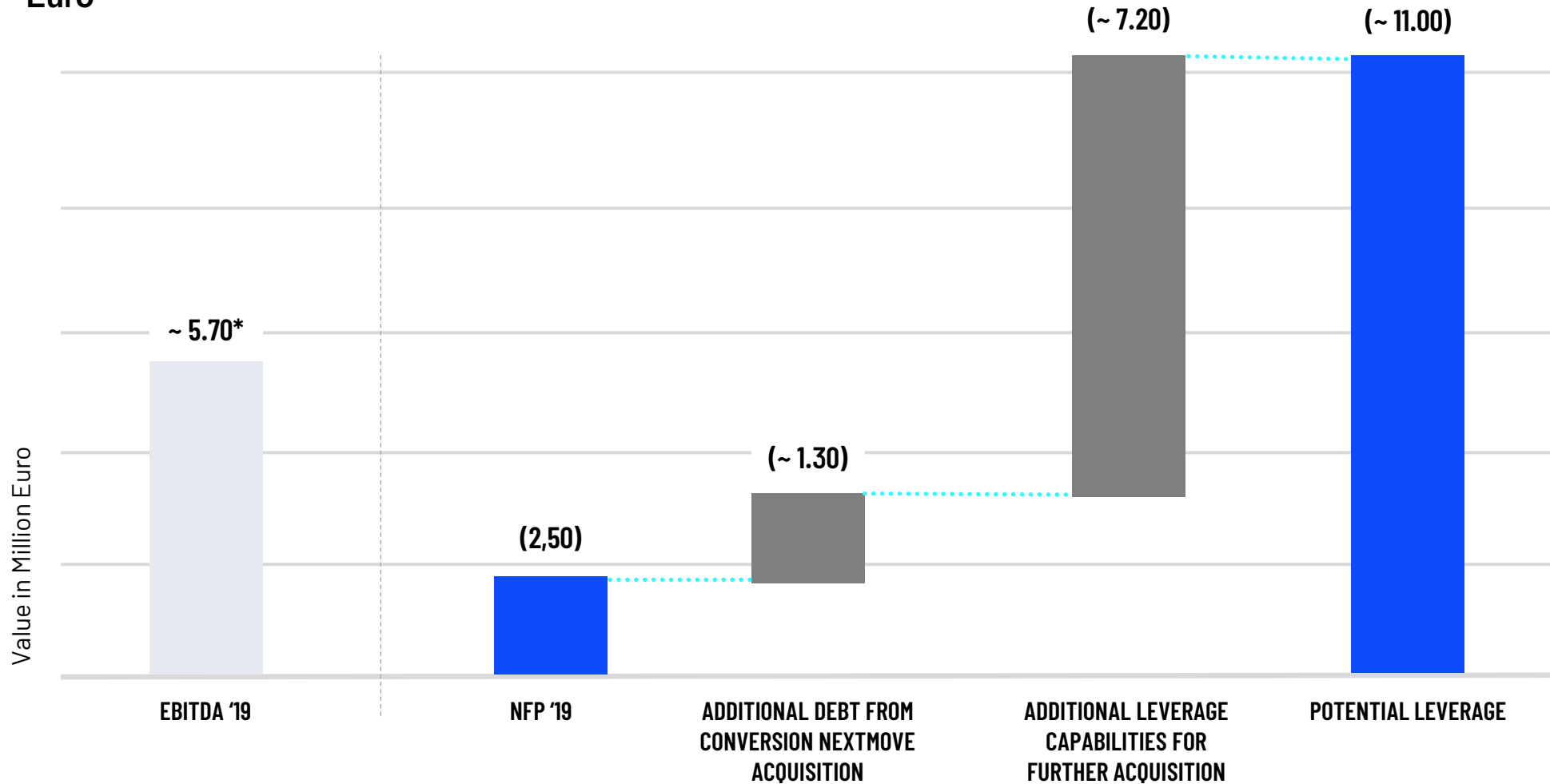
* Cash payment to Nextmove payment will be done at closing date ** Bank financing over 72 months *** 225.000 Euro earn out floor payment and 450.000 Euro cap payment



HIGH FINANCIAL POWER TO DRIVE FURTHER CONSOLIDATION

Keeping low leverage (2X) still to exploit

Million
Euro

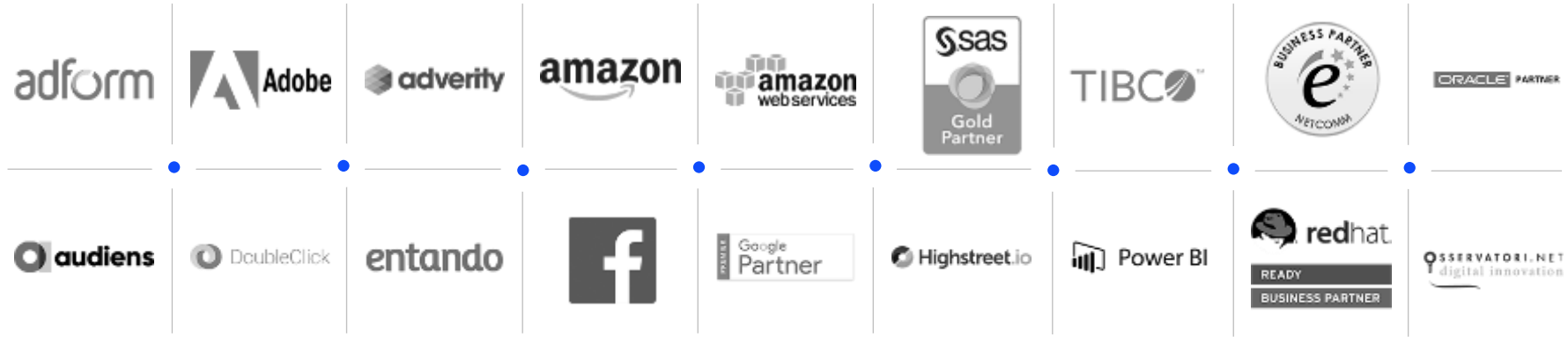




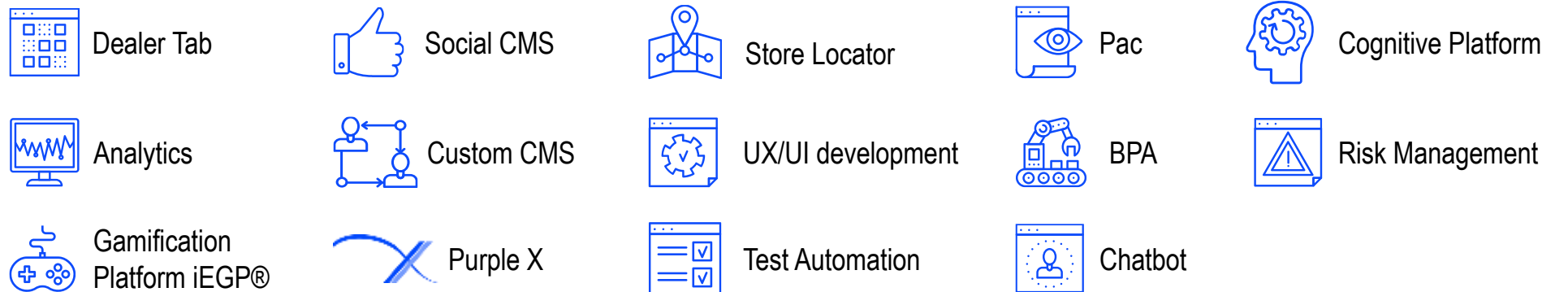
PARTNERSHIP & TECHNOLOGIES

Designed to Increase competitiveness on the market

STRATEGIC PARTNERSHIPS

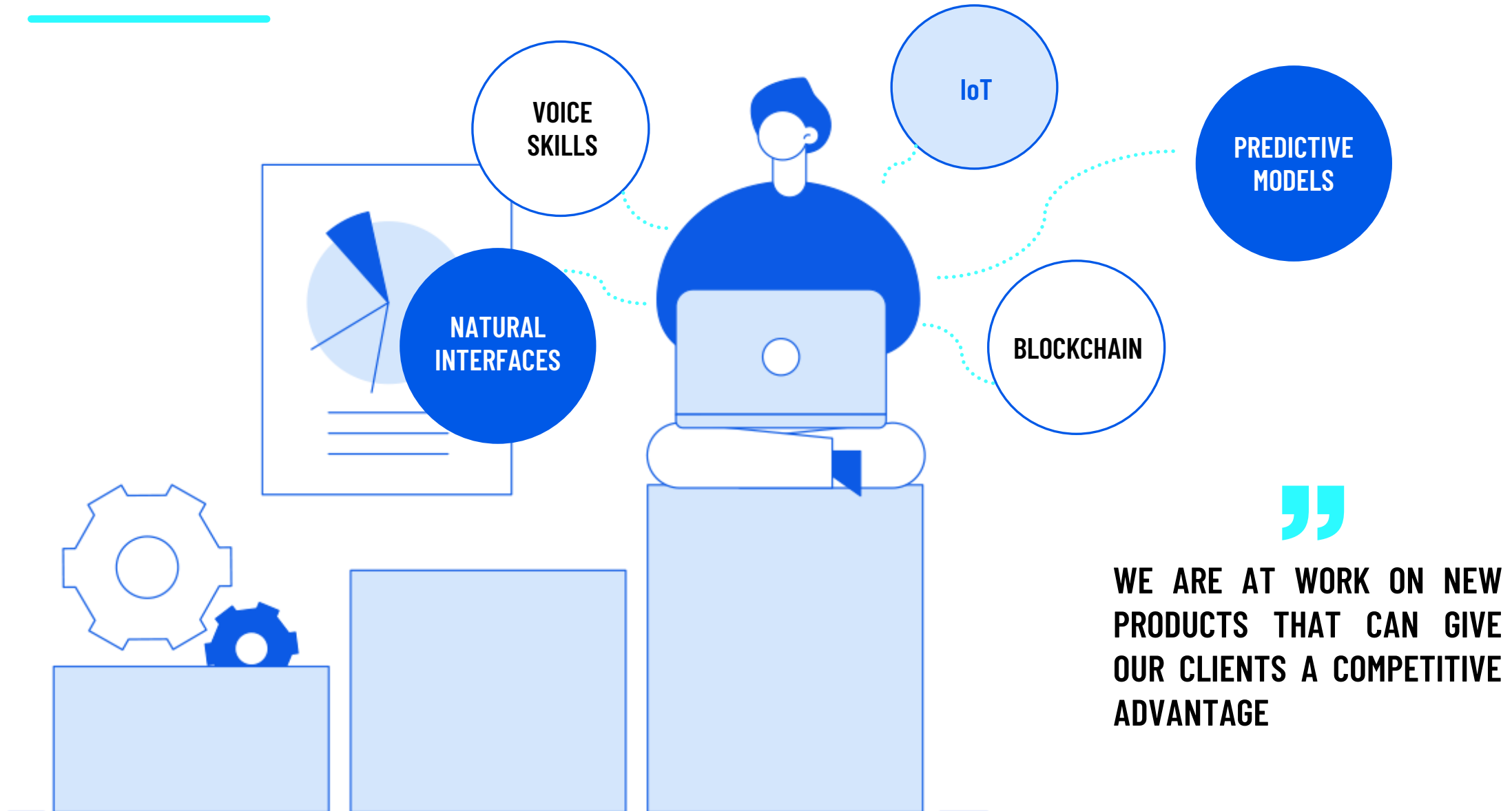


OWNED TECHNOLOGIES





NEW PRODUCT DEVELOPMENT



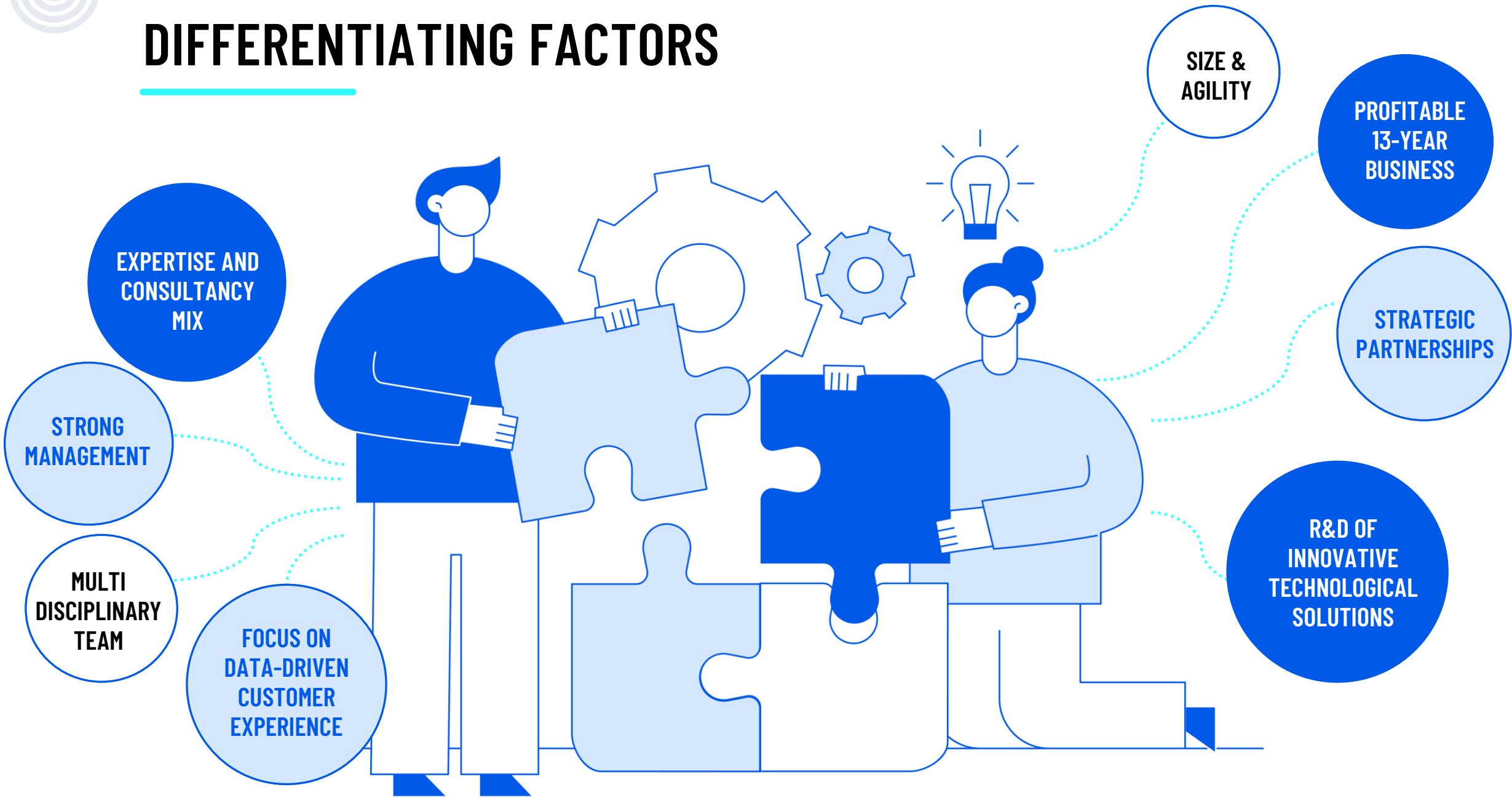
PARTNER OF AN INTERNATIONAL NETWORK OF PLAYERS

DigiTouch Group has tightened collaborations with independent international players 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



THE COMPETITIVE ARENA

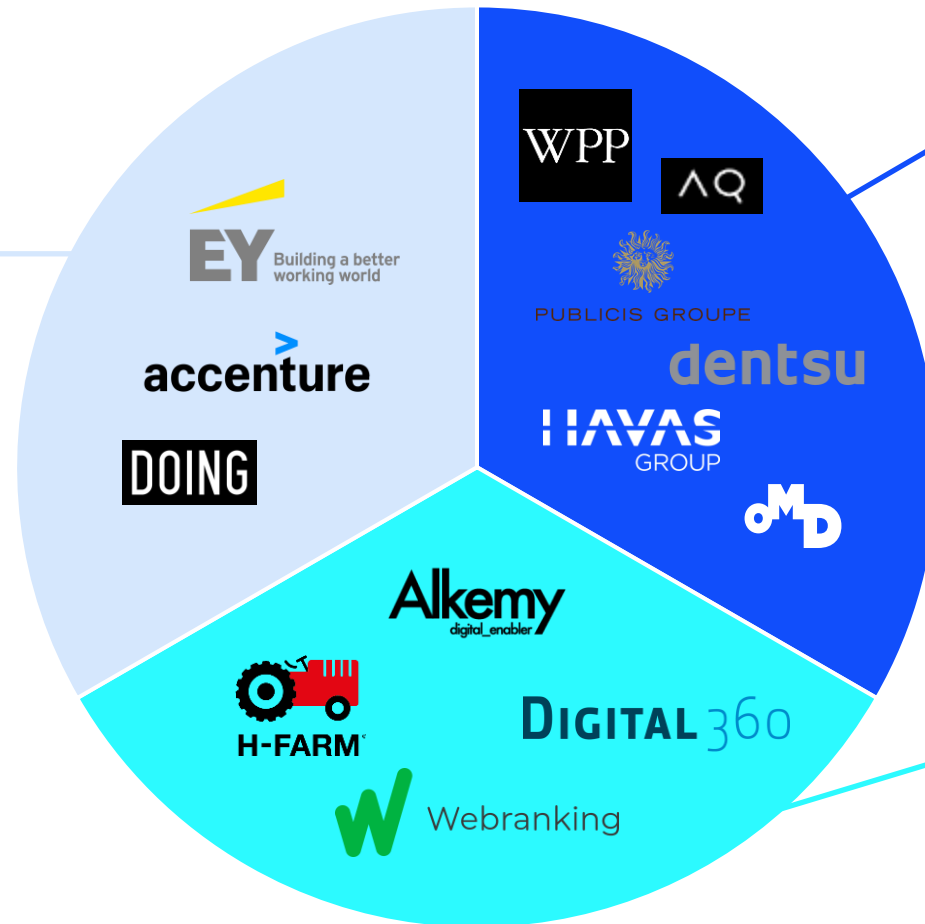
CONSULTING FIRMS

POINTS OF STRENGTH:

- Portfolio offer
- International footprint
- Scalability

POINTS OF WEAKNESS:

- Low marketing skills
- Expensive



MEDIA AGENCIES

POINTS OF STRENGTH:

- International customer base
- Recognized icons in global communications

POINTS OF WEAKNESS:

- poor communication technology

LOCAL PLAYERS

POINTS OF STRENGTH:

- flexibility
- territorial presence

POINTS OF WEAKNESS:

- Limited portfolio offer
- Limited international footprint



BUSINESS PRIORITIES

INNOVATE AND UPGRADE THE OFFER!



Omnichannel approach



Data-driven marketing & analytics



Technology services

AGGREGATE!



Increase customer base



Empower SW development capabilities



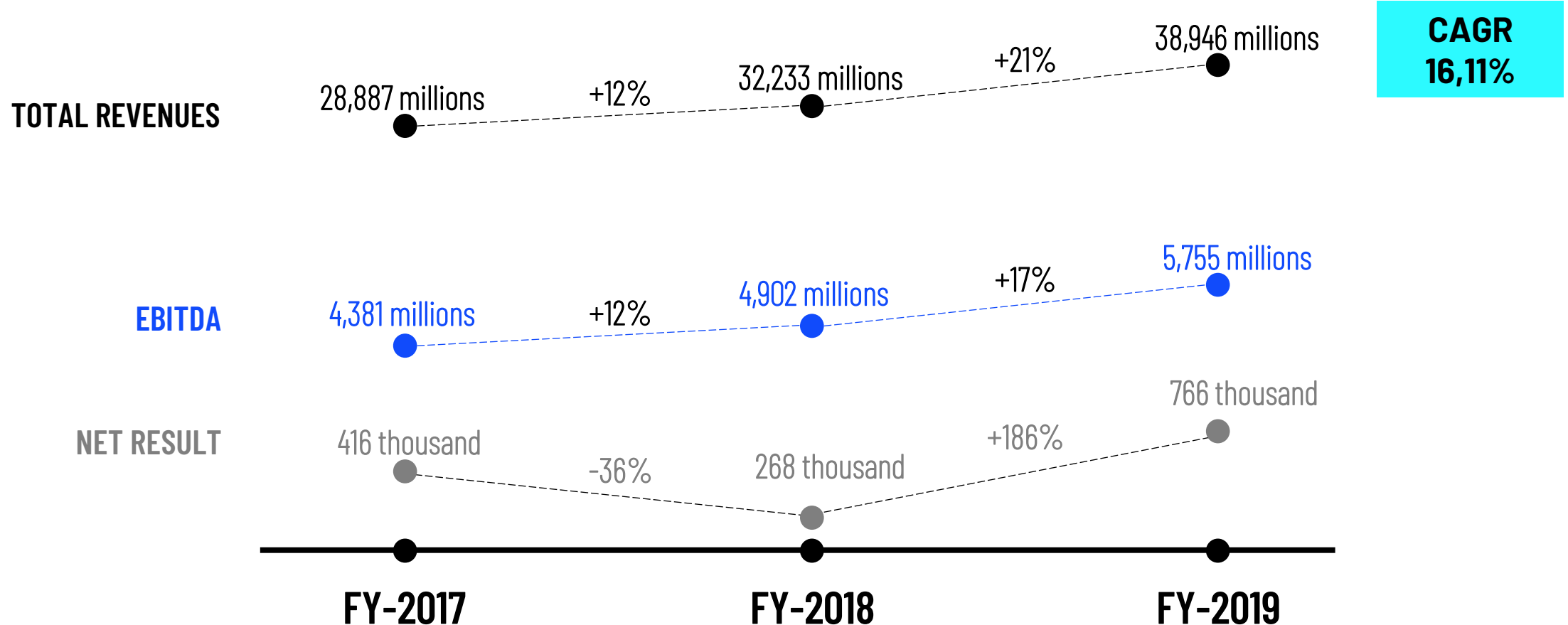
International expansion



02 DIGITOUCH FINANCIAL RESULTS 2019



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	-7	
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	15
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	-13	
Third-party equity interest	0,53	1,4	0,02	0,1	0,51			

n.a. not applicable



CLOSING FY-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)



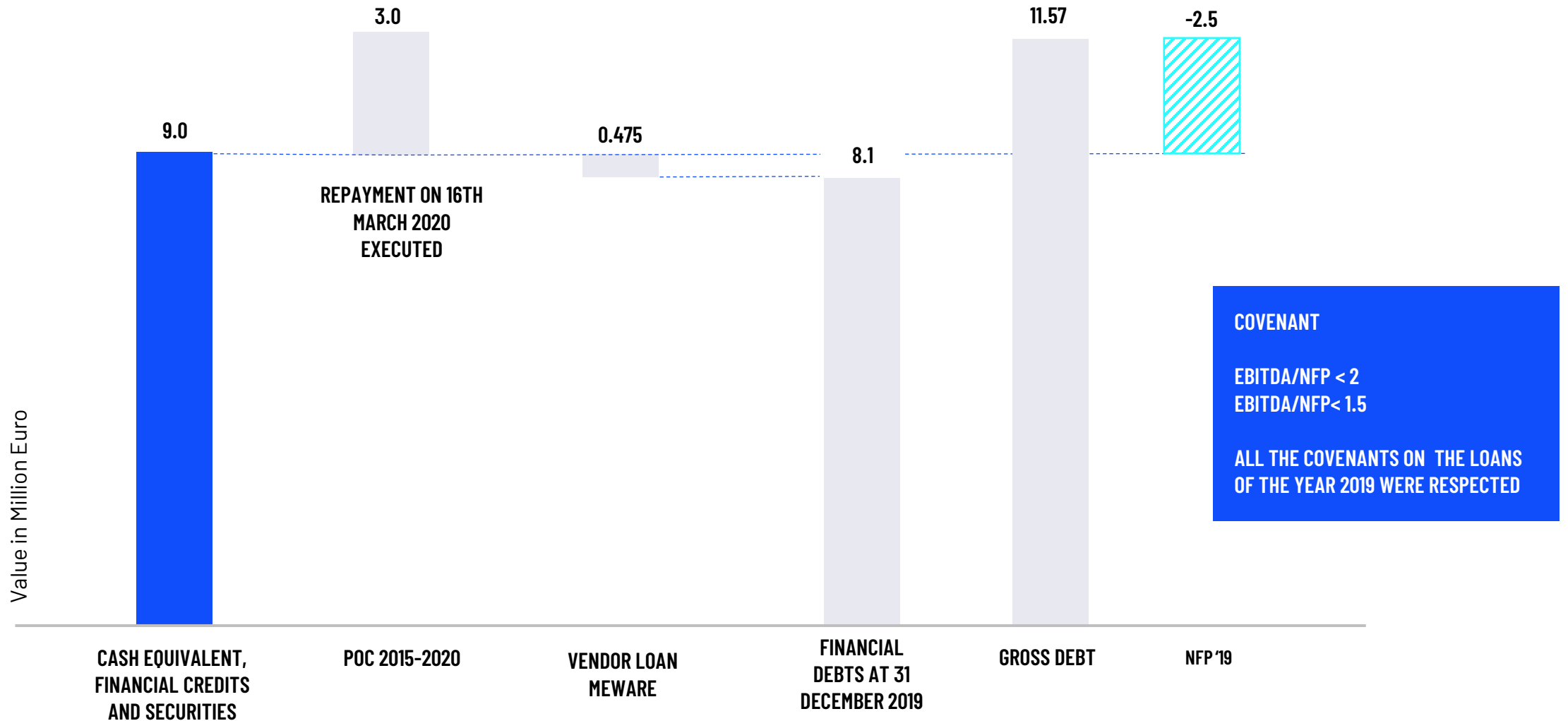
Net financial position of 2.5 million euros compared to 1.48 million euros in 2018

	(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 FY 2019

Gruppo DigiTouch net financial positions





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

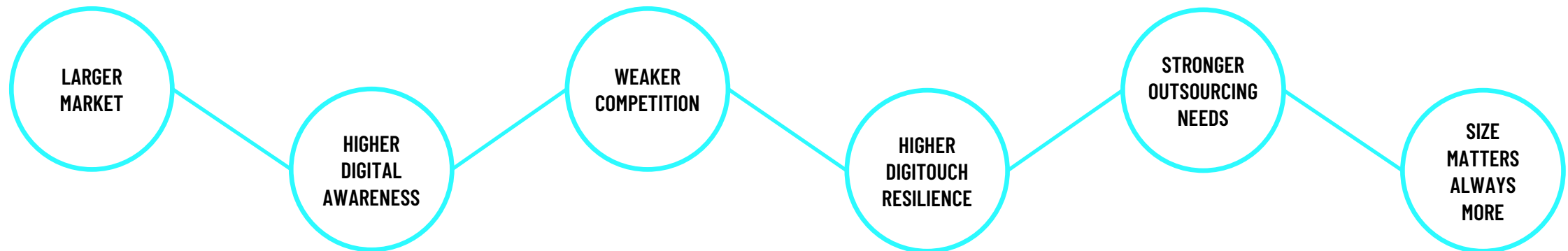
- Demand increase for digital communication
- Marketing investments acceleration for others
- Digital interfaces redesign
- Digital Strategy Assessment

SHORT-TERM NEGATIVE IMPACT

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

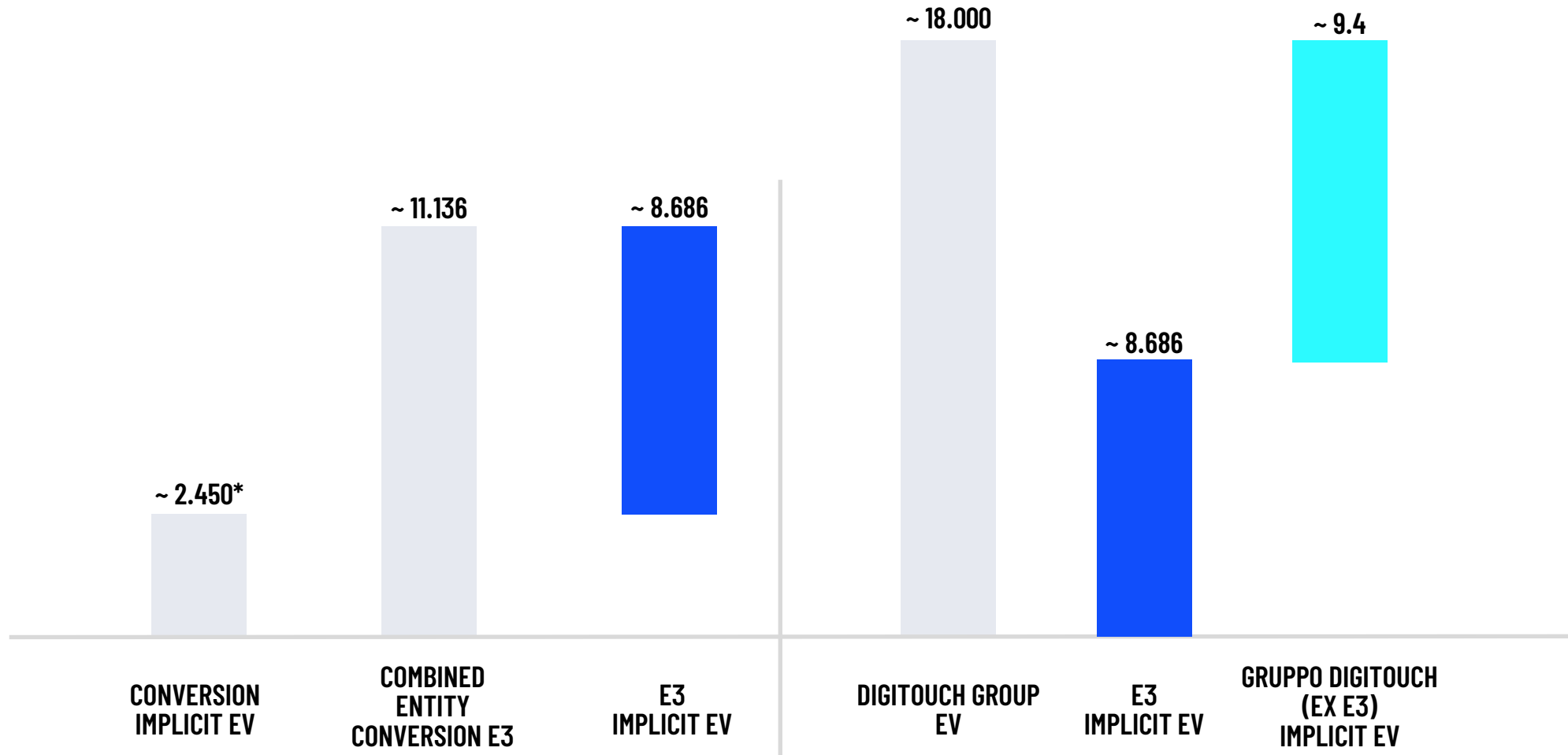
MEDIUM-TERM IMPACT

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





GRUPPO DIGITOUCH IS STILL UNDERVALUED AND CONVERSION DEAL PROVIDE A FUTURE EVIDENCE



*Note: EV calculated as: 350.000 ebitda x 5 + NFP. Corporate reworking.

APPEALING EVALUTATION RESPECT COMPARABLES

Company	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E			
	2018	2019	2020E	2021E	2018	2019	2020E	2021E	2018	2019	2020E	2021E	2018	2019	2020E	2021E
DigiTouch	0,6x	0,6x	0,4x	0,4x	3,3x	3,2x	3,6x	3,1x	18,5x	12,6x	9,2x	6,8x	72,5x	19,0x	16,9x	10,9x
AIM Italia Digital companies																
Alkemy	0,7x	0,7x	0,4x	0,4x	9,3x	9,4x	9,4x	7,1x	10,8x	18,8x	9,3x	6,4x	15,1x	neg	15,0x	8,7x
MailUp	0,7x	1,1x	1,0x	0,9x	n.m.	17,4x	13,5x	9,8x	13,9x	36,9x	32,6x	17,1x	21,1x	61,7x	52,5x	27,3x
Expert System	1,4x	3,4x	3,7x	3,0x	neg.	neg.	24,1x	14,6x	neg	neg	neg	57,3x	neg	neg	neg	144,4x
DHH	0,9x	1,5x	1,5x	n.a.	n.m.	37,2x	10,9x	n.a.	n.m.	68,6x	16,1x	n.a.	n.m.	135,9x	19,8x	n.a.
Vetrya	0,4x	0,5x	0,5x	0,4x	6,0x	3,4x	4,4x	3,4x	6,9x	10,3x	6,8x	n.a.	9,2x	13,3x	8,9x	n.a.
Digital360	1,0x	3,1x	0,9x	0,6x	9,4x	10,9x	7,6x	4,9x	n.m.	46,6x	24,9x	10,2x	neg	neg	44,3x	10,6x
Neosperience	0,3x	3,8x	2,6x	1,8x	1,1x	14,8x	13,0x	8,5x	n.m.	50,9x	29,8x	13,3x	n.m.	48,9x	44,1x	18,6x
Neurosoft	1,6x	n.a.	n.a.	n.a.	40,3x	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.
GO internet	2,7x	4,2x	2,3x	n.a.	10,8x	6,7x	7,5x	n.a.	neg	neg	neg	n.a.	neg	neg	neg	n.a.
Intred	2,5x	3,9x	3,1x	2,7x	6,3x	12,7x	9,0x	10,0x	10,2x	14,1x	17,9x	12,7x	13,3x	24,6x	20,3x	21,3x
Softec	0,9x	n.a.	n.a.	n.a.	n.m.	n.a.	n.a.	n.a.	n.m.	n.a.	n.a.	n.a.	n.m.	n.a.	n.a.	n.a.
Relatech	n.a.	1,0x	2,0x	1,7x	n.a.	11,2x	3,7x	3,1x	n.a.	5,5x	9,3x	7,8x	0,8x	17,8x	13,6x	11,5x
AMM	n.a.	1,5x	0,6x	0,6x	n.a.	4,1x	7,6x	6,0x	n.a.	13,2x	4,9x	3,5x	4,8x	15,8x	11,0x	7,6x
Maps	0,2x	2,1x	1,4x	1,2x	1,3x	10,7x	8,1x	6,4x	1,3x	17,4x	11,9x	8,8x	1,9x	11,5x	14,6x	10,6x
Mean	1,1x	2,2x	1,7x	1,3x	10,5x	12,6x	9,9x	7,4x	8,6x	28,2x	16,3x	15,2x	9,4x	41,2x	24,4x	29,0x
Median	0,9x	1,8x	1,4x	1,0x	7,8x	10,9x	8,6x	6,8x	10,2x	18,1x	14,0x	10,2x	9,2x	21,2x	17,4x	11,5x

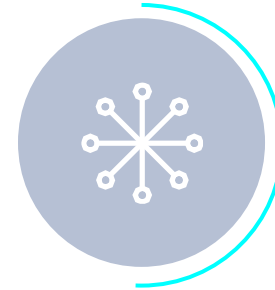


WINNING COMPETITIVE ADVANTAGES DEVELOPED ALL OVER THE YEARS

Investment Highlights



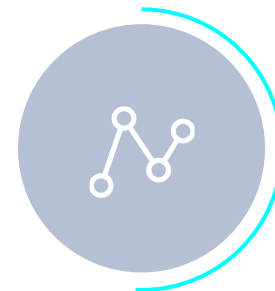
SIGNIFICANT INTERNAL INVESTMENT IN TECHNOLOGY AND BIG DATA



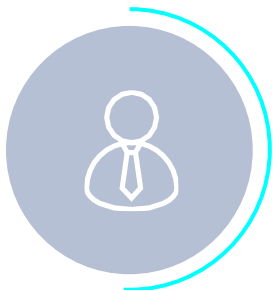
AGGREGATION ROLE



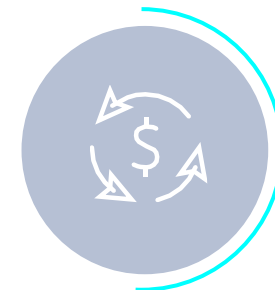
PROGRESSIVE BUSINESS GROWTH



MARKET GROWTH, RELEVANCE & POTENTIAL



PROFESSIONAL MANAGEMENT TEAM



MARKET UNDER FAST CONSOLIDATION



03 Q & A

THANK YOU



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