



SPAFID CONNECT

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Oggetto : Results at 30 June Approved

Testo del comunicato

Vedi allegato.

Tinexta: business resilience and prompt responsiveness by management generated positive results in First Half 2020

Results at 30 June Approved

- **Revenues: €123.8 million, -2.2%**
- **EBITDA: €34.4 million, + 6.3%**
- **Operating result: €21.7 million, + 1.4%**
- **Net profit: €16.0 million, + 14.1%**
- **Free Cash Flow: €28.9 million**
- **Net financial Indebtedness: €114.6 million (€129.1 million at 31/12/19), which includes €9.0 million connected to the Buy-back Plan**

Guidance for 2020 confirmed

The Group proves solid and capable of reacting to the emergency. The Half-Year numbers show First Quarter was affected by the pandemic emergency, with limited negative effects, and Second Quarter growing and with increasing profitability.

Rome, 4 August 2020. The Board of Directors of **Tinexta SpA**, active in the *Digital Trust, Credit Information & Management and Innovation & Marketing Services*, has approved the Half-Year Financial Report at 30 June 2020, which highlights a positive overall performance in the First Half in line with forecasts, supported by the particularly significant performance in the Second Quarter.

The Group closed First Half 2020 with **Revenues of €123.8 million**. **EBITDA** equaled **€34.4 million**, or **27.8% of Revenues**. The **Operating Result** and **Net Profit** amounted, respectively, to **€21.7 million** and **€16.0 million**, equal to **17.5%** and **12.9%** of Revenues.

Chairman Enrico Salza commented: "*The six-month performance, in the current context of the crisis, demonstrates the strength of the Group and the validity of the underlying strategic project.*"

CEO Pier Andrea Chevallard expressed satisfaction with the results: "*In the first part of the year, the Group went through two different moments: a first phase that reflected the effects of the lockdown, which was followed by a second phase, starting in May, marked by a clear recovery in turnover and a significant improvement in profitability in all Business Units. Tinexta thus confirms itself as a credible player able to manage the transition to an economy increasingly based on digitalization and innovation.*"

GROUP CONSOLIDATED ECONOMIC RESULTS AS AT 30 JUNE 2020

Below, the Income Statement for First Half 2020 compared with the same period of the previous year.

Consolidated Income Statement (in millions of Euro)	1st Half 2020	%	1st Half 2019	%	Change	Change %
Revenues	123.8	100.0%	126.6	100.0%	-2.8	-2.2%
Total Operating Costs*	89.4	72.2%	90.9	71.8%	-1.6	-1.7%
Costs of raw materials	4.5	3.6%	3.4	2.7%	1.1	32.2%
Service costs	39.9	32.2%	40.7	32.2%	-0.8	-2.0%
Personnel costs*	40.2	32.5%	41.3	32.6%	-1.1	-2.7%
Contract costs	3.8	3.1%	4.2	3.3%	-0.4	-8.6%
Other operating costs	0.9	0.7%	1.3	1.0%	-0.4	-29.2%
EBITDA before Stock Options	34.5	27.8%	35.7	28.2%	-1.2	-3.4%
Stock Option Cost *	0.04	0.0%	3.29	2.6%	-3.26	-98.8%
EBITDA	34.4	27.8%	32.4	25.6%	2.0	6.3%
Depreciation, amortisation, provisions and impairment	12.8	10.3%	11.0	8.7%	1.7	15.8%
Operating Profit	21.7	17.5%	21.4	16.9%	0.3	1.4%
Financial income	1.0	0.8%	0.2	0.2%	0.7	321.5%
Financial charges	1.4	1.1%	1.5	1.2%	-0.1	-8.3%
Net Financial Charges	0.4	0.3%	1.3	1.0%	-0.8	-66.9%
Profit of equity-accounted investments	0.1	0.1%	0.0	0.0%	0.1	521.2%
Profit before tax	21.3	17.2%	20.1	15.9%	1.2	6.1%
Income taxes	5.3	4.3%	6.1	4.8%	-0.7	-12.3%
Net Profit	16.0	12.9%	14.0	11.1%	2.0	14.1%

* Personnel costs are stated net of the Stock Options Cost, reported hereunder, to better understand the construction of EBITDA before Stock Options.

Revenues, which equaled €126.6 million in the First Half of 2019, amounted to **€123.8 million** in the First Half of 2020, a **decrease of €2.8 million**, equal to 2.2%.

Operating costs declined from €90.9 million in the first six months of 2019 to **€89.4 million** in the first six months of 2020, with a decrease of €1.6 million, equal to 1.7%.

In First Half 2020, costs of €39 thousand were allocated for the 2020-2022 Stock Option Plan, versus the €3.3 million allocated in First Half 2019.

EBITDA in First Half 2020 totaled **€34.4 million**, an **increase of 6.3%** compared to the same period in 2019. The **EBITDA margin** is equal to **27.8%**, compared to 25.6% in First Half 2019.

The item Depreciation, amortisation, provisions and impairment increased by a total of €12.8 million, or 15.8% compared to First Half 2019 (€11.0 million), mainly due to the increase in amortization of intangible assets (€0.7 million), impairment of trade receivables (€0.7 million) and provisions for risks (€0.2 million).

Estimated Taxes equal €5.3 million (€6.1 million in First Half 2019). The tax rate equaled 25.0% (30.3% in 2019), due to the booking of a non-recurring contingency of €0.7 million in the period deriving from the elimination of the 2019 IRAP balance required by Legislative Decree 34/2020 a.k.a. "Relaunch Decree", in addition to the booking of Patent Box benefits for the year 2019 for €0.4 million (€0.2 million in 2019).

Net profit equaled €16.0 million, an increase of 14.1% compared to 2019.¹

The **Free Cash Flow** in First Half 2020 is equal to **€28.9 million** versus €23.8 million in First Half 2019.

The comparison between Second Quarter 2020 and Second Quarter 2019 is shown below.

Summary economic data (In millions of Euro)	2nd Quarter 2020	2nd Quarter 2019	Change	Change %
Revenues	68.9	66.9	2.0	3.1%
EBITDA before Stock Options	23.5	20.6	2.9	14.3%
EBITDA	23.5	17.9	5.6	31.1%
Operating Profit	17.0	12.2	4.8	39.3%
Net Profit	13.1	8.2	4.9	60.2%
Adjusted Net Profit	12.8	11.6	1.2	10.1%
Free Cash Flow	8.8	5.8	3.0	51.2%

Non-recurring components

During the first half of the year, *non-recurring Revenues* of €74 thousand were recorded, relating to insurance indemnities on *non-recurring costs* recognized in previous years, and *Non-recurring operating costs* of €0.5 million, mainly for charges related to acquisition targets. *Non-recurring Financial income* included €0.7 million following the renegotiation, concluded in the period, of two financings. *Non-recurring Taxes* include non-recurring income equal to a total of €1.0 million, which mainly refer to €0.7 million from the contingency deriving from the elimination of the 2019 IRAP balance envisaged by the so-called "Relaunch Decree" and for €0.4 million to the Patent Box benefit relating to the year 2019. In First Half 2019 *Non-recurring Operating Costs* were recorded for €1.0 million, *Non-recurring Financial Income* for €0.1 million and proceeds from *Non-recurring Taxes* for €0.5 million.

Costs for stock options, amortization, adjustments

Costs were recognized in First Half 2020, equal to €39 thousand, relating to the 2020-2022 Stock Option Plan. The costs in First Half 2019, equal to €3.3 million, related to the Virtual Stock Option Plan concluded in 2019.

Amortization of Other intangible assets that emerged when allocating the price paid in the Business Combinations amounted to €2.9 million (€3.0 million in 2019).

The adjustments of contingent considerations related to acquisitions led to the recognition of financial income of €0.2 million in First Half 2020 (€0.1 million of financial charges in 2019).

¹The associated company Lux Trust S.A. recorded a loss in the period based on Luxembourg GAAP local accounting standards. As of the date of preparation of the half-year report, there was no information on the period of the associated company drawn up in compliance with the IFRS principles adopted by the Group. Furthermore, this item has no material relevance.

Adjusted Economic Results by Business Segment

The results of the "business segments" are measured by analyzing the performance of Revenues and EBITDA. Below is the table of Adjusted Economic Results by Business Segment in the first halves and second quarters:

Abbreviated Adjusted Income Statement by business segment (in millions of Euro)	1st Half 2020	EBITDA % 1st Half 2020	1st Half 2019	EBITDA % 1st Half 2019	Change	Change %		
						Total	Organic	Perimeter
Revenues								
Digital Trust	55.0		51.7		3.3	6.3%	6.3%	0.0%
Credit Information & Management	35.0		37.9		-2.9	-7.6%	-7.6%	0.0%
Innovation & Marketing Services	33.7		36.9		-3.3	-8.8%	-10.5%	1.7%
Other Segments (Parent Company)	0.0		0.0		0.0	n.a.	n.a.	n.a.
Adjusted Total Revenues	123.7		126.6		-2.8	-2.2%	-2.7%	0.5%
EBITDA								
Digital Trust	14.0	25.4%	13.4	25.8%	0.6	4.5%	4.5%	0.0%
Credit Information & Management	10.2	29.0%	9.5	25.1%	0.6	6.6%	6.6%	0.0%
Innovation & Marketing Services	15.0	44.4%	17.4	47.1%	-2.4	-14.0%	-16.2%	2.2%
Other Segments (Parent Company)	-4.2	n.a.	-3.6	n.a.	-0.6	-15.5%	-15.5%	0.0%
Adjusted Total EBITDA	34.9	28.2%	36.7	29.0%	-1.8	-4.8%	-5.8%	1.0%

Abbreviated Adjusted Income Statement by business segment (in millions of Euro)	2nd quarter 2020	EBITDA % 2nd quarter 2020	2nd quarter 2019	EBITDA 2nd quarter % 2019	Change	Change %		
						Total	Organic	Perimeter
Revenues								
Digital Trust	29.1		26.6		2.5	9.6%	9.6%	0.0%
Credit Information & Management	18.1		18.5		-0.5	-2.7%	-2.7%	0.0%
Innovation & Marketing Services	21.7		21.8		-0.1	-0.3%	-2.2%	1.9%
Other Segments (Parent Company)	0.0		0.0		0.0	n.a.	n.a.	n.a.
Adjusted Total Revenues	68.8		66.9		2.0	3.0%	2.3%	0.6%
EBITDA								
Digital Trust	8.0	27.6%	7.4	27.8%	0.7	9.1%	9.1%	0.0%
Credit Information & Management	6.6	36.4%	4.2	22.9%	2.3	55.0%	55.0%	0.0%
Innovation & Marketing Services	11.6	53.3%	11.5	52.6%	0.1	0.9%	-1.8%	2.7%
Other Segments (Parent Company)	-2.3	n.a.	-1.9	n.a.	-0.3	-18.0%	-18.0%	0.0%
Adjusted Total EBITDA	23.9	34.7%	21.1	31.6%	2.8	13.0%	11.6%	1.4%

Digital Trust

In the first half of the year, Revenues from the Digital Trust segment amounted to €55.0 million. The increase compared to the first half of 2019 is 6.3%, an absolute value of €3.3 million. First Half 2020 witnessed an increase in demand from the market for digital services and dematerialization, such as certified e-mail (Legalmail), digital signature and Spid (the Italian public digital identity system). The satisfaction of this demand has generated an increase in Off the Shelf (Telematic Trust Solutions) revenues sold mainly through the Group's websites and digital platforms. There was also a more significant increase in revenues related to the Enterprise Solutions segment, despite the



reduction in the activities of its corporate customers. The Group has enabled its customers to increase their digital onboarding capacity, as well as to guarantee their organizational structures remote working continuity with high standards of safety and functionality.

The segment's EBITDA amounts to €14.0 million. The increase compared to First Half 2019 is 4.5%, in absolute value €0.6 million. The EBITDA margin is equal to 25.4% and shows a slight decrease compared to First Half 2019 (25.8%).

The Second Quarter data demonstrate growth in both Revenues and EBITDA of over 9%. This growth was driven by the excellent performance of Enterprise Solutions products, which in their initial phase have a lower margin compared to Off the shelf products.

Credit Information & Management

In the Credit Information & Management segment, Revenues amounted to €35.0 million. Compared to First Half 2019, there was a decrease of 7.6%, equal to €2.9 million in absolute value. These results were affected by lower operations in First Half 2020 by customers in both the Finance and Corporate markets, which led to a temporary reduction in the demand for business information and credit recovery services provided by the Group. With regard to the banking market, following the various Prime Ministerial Decrees issued, there has been a significant increase in the demand for corporate loans through access to new financial instruments such as the Guarantee Funds for Companies. A contraction linked to Phase 1 of the health emergency was registered in the demand for real estate information and real estate appraisal services, mainly due to the difficulty of movement on the Italian territory.

On the contrary, EBITDA shows an increase of 6.6% compared to the same period of the previous year, reaching €10.2 million. The EBITDA margin is equal to 29.0%, with a significant increase compared to First Half 2019 (25.1%).

The Second Quarter data show the significant recovery in operations of the BU CIM with Revenues almost in line with those of Second Quarter 2019 (-2.7%), which demonstrates the time to market capacity of the operating companies to accommodate and meet customer needs and in particular to access Guarantee Funds. This consultancy service has a higher margin than traditional Credit Information products and consequently contributed to the 55% growth of EBITDA of the BU.

Innovation & Marketing Services

Revenues of the *Innovation & Marketing Services* segment amounted to €33.7 million. Compared to First Half 2019, there was a decrease of 8.8%, an absolute value of €3.3 million. The aforementioned change is composed of the increase in the scope of consolidation (+ 1.7%), as a result of the consolidation from 1 January 2020 of PrivacyLab S.r.l. and by an organic reduction equal to -10.5%.

The restrictive measures put in place by the Italian Government in First Half 2020 led to difficulty in the provision of consultancy services to which the sector's operating structures reacted quickly by developing innovative services and products in response to customer needs.



The segment's EBITDA equaled €15.0 million. The decrease compared to First Half 2019 EBITDA was 14.0%. The growth due to the change in the perimeter was 2.2%, while the organic contraction amounted to 16.2%. The EBITDA margin equaled 44.4%, compared to 47.1% in the same period of the previous year.

Group Net Financial Indebtedness

Net Financial Indebtedness totaled **€114.6 million**, a significant reduction compared to 31 December 2019 (€-14.5 million) and 30 June 2019 (€-25.6 million). During the half year, the Parent Company purchased 775,014 Own Shares for a total value of €9.0 million; excluding such value Net Financial Indebtedness at 30 June 2020 would have been €105.6 million with a decrease compared to 31 December 2019 of €23.6 million.

Net Financial Indebtedness on 30 June 2020 includes:

- €16.9 million of liabilities related to the purchase of minority interests for Put options (€18.0 million on 31 December 2019);
- €13.2 million of liabilities for leasing;
- liabilities for payment extensions granted by sellers for €5.6 million euros (€8.2 million at 31 December 2019); and
- liabilities for contingent considerations related to the acquisitions for €0.3 million (€7.7 million on 31 December 2019).

The main factors that affected the Net Financial Indebtedness compared to 31 December 2019:

Detail of Variation in Net Financial Indebtedness	(in € millions)
Net Financial Indebtedness at 31/12/2019	129.1
<i>Free Cash Flow</i>	-28.9
Dividends approved and distributed	2.2
Net Financial (Income) Charges	0.4
Change in cash flow hedging derivatives recognised in Other comprehensive income	0.4
Business Combination – PrivacyLab	1.8
Purchase of treasury shares	9.0
Adjustment for Put options, new leases and adjustments to existing contracts, other residual	0.5
Net Financial Indebtedness at 30/06/2020	114.6

- **The Free Cash Flow** generated in the period amounted to **€28.9 million**, €34.4 million in *Net cash and cash equivalents generated by operating activities* net of €5.5 million absorbed by *investments in property, plants and equipment and intangible assets*. *Free Cash Flow* grew by 21.8% compared to the first half of 2019 (€23.8 million).
- *Dividends approved and distributed* by Group companies to minorities amount to €2.2 million. The Shareholders' Meeting of Tinexta S.p.A. approved the proposal of the Board of Directors not to distribute dividends and to reinvest the profit for the year 2019 in the Group's business.
- The first consolidation of PrivacyLab on 1 January 2020 resulted in an increase in Net Financial Indebtedness of €1.8 million.
- the Parent Company Tinexta S.p.A. purchased 775,014 Own Shares in the Half Year (equal to 1.642% of Share Capital) for a purchase value of €9.0 million.



IMPORTANT FACTS FOLLOWING THE END OF THE HALF-YEAR

The purchases of Own Shares continued after 30 June. At the date of this Board of Directors Meeting, the Parent Company holds 857,014 Treasury Shares, equal to 1.815% of Share Capital, for a purchase value of €10.0 million.

On **31 July 2020** Tinexta S.p.A. signed a loan agreement with the Intesa Sanpaolo Group for the renegotiation of a previous financing equal to a nominal outstanding amount of €46.6 million, which provided for the disbursement of €50 million with an extension of the maturity from 31 December 2025 to 30 June 2026. The contract provided for an additional credit line of €30 million usable in one or more solutions by 21 December 2020.

On **3 August 2020**, pursuant to the purchase contract signed on 30 November 2017, the option rights were exercised on the remaining 9.75% of the capital of Warrant Hub S.p.A. and Tinexta S.p.A. thereby holds 100% of the company. The consideration was set at €14.8 million.

BUSINESS OUTLOOK

During the lockdown period determined by the COVID 19 pandemic, the Group maintained its operations also through the use of remote working and implemented incisive measures to reduce costs and manage the emergency, such as incentives to use holidays and leave and the use of social safety nets (government furlough program) in the business segments most affected by the restrictions.

In a still difficult operating context, the Tinexta Board of Directors of 23 June 2020 analyzed the Group's performance in the first 5 months and the outlook for the rest of the year illustrated by the CEO, reviewing the annual 2020 objectives and estimating a turnover in excess of €250 million compared to the previous estimate of €270 million, and an EBITDA of €72 million, in line with 2019 compared to the previous estimated growth of 8%.

The trend in revenues and commercial development in Second Quarter make it possible to foresee a recovery in revenues in the coming months, also thanks to an offer particularly suitable for the new ways of digitally managing work and operations.

The positive performance of the Group highlighted the resilience of the business areas, as well as the ability of management to react promptly to the new scenario. This occurred both by speeding up the time to market of the offer of innovative products and services consistent with the needs of customers in the current context, and by acting promptly on costs and improving the generation of operating cash compared to First Half 2019.

The Board, consequently, with regard to the 2020 expected results, confirmed the forecast of:

- Revenues higher than €250 million;
- EBITDA equal to €72 million with a slight improvement in the EBITDA *margin* compared to 2019.



* * * * *

In relation to the assignment of the Options in execution to the incentive plan based on stock options called the "Stock Option Plan 2020-2022" (the "Stock Option Plan"), as approved by the Shareholders' Meeting on 28 April 2020, to partial correction of what has already been communicated on 23 June 2020, the Company informs that the Options assigned to the 29 beneficiaries identified among executive directors, managers with strategic responsibilities and / or other employees and other managerial figures of the Company and/or other subsidiaries, total 1,670,000 and not, as previously indicated - for mere material error - 1,650,000.

* * * * *

The Manager in charge of drafting the corporate accounting document, Nicola Di Liello, declares, according to the effects of Art. 154-bis, paragraph 2 of the Unified Financial Law, that the information contained in this statement corresponds to the documentary findings, books and accounting records

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The Half-Year Financial Report on Operations at 30 June 2020 will be made available to the public within the legal terms, at the company's registered office – Piazza Sallustio, 9, 00187 Rome, on the authorized storage mechanism and Market STORAGE (www.emarketstorage.com) and on the Company's website: http://www.tinexta.com/en_GB/bilanci-relazioni-presentazioni in the Financial Reports and Presentations section.

CONFERENCE CALL

The Company will present the Consolidated Results as of 5 August 2020 in a Conference Call set at 10.00 a.m. (CET). Investors and analysts interested in participating are invited to call the following numbers: Italy: +39 02 805 8811, + 44 121 281 8003 or +1 718 7058794. For playback (digital reproduction) you can access the number: +39 02 802 09 87 and digit the access codes (type in sequence): 700812 #; then 812 #. For further information, please contact the Investor Relations Office.

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Attached: *Tables at 30 June 2020 of the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Group's Net Financial Indebtedness.*

Tinexta Group

Tinexta, listed on the STAR segment of the Milan Stock Exchange, reported the following **Consolidated results as of 31 December 2019: Revenues of €258.7 million, EBITDA equal to €71.3 million and Net Profit of €28.8 million.** Tinexta Group is one of the leading operators in Italy in the three business areas: Digital Trust, Credit Information & Management and Innovation & Marketing Services. The Digital Trust Business Unit provides, through the companies InfoCert, Visura, Sixtema and the Spanish company Camerfirma, products and solutions for digitization: digital signature, digital identity, customer onboarding, e-mail invoicing and certified e-mail (PEC) for large companies, banks, insurance and finance companies, SMEs, associations and professionals. InfoCert is the largest Certification Authority in Europe and purchased in 2018 a 50% stake in LuxTrust, a strategic joint venture for the development of digital trust activities in Europe. In the Credit Information & Management Business Unit, Innolva and its subsidiaries offer services to support decision-making (Chamber of Commerce and real estate information. aggregated reports. synthetic ratings. decision models. credit assessment and credit recovery), while ReValuta offers real estate services (appraisals and valuations). In the Innovation & Marketing Services Business Unit, Warrant Hub is a leader in consulting in subsidized finance and industrial innovation and Co.Mark provides Temporary Export Management advice to SMEs to support them in commercial expansion. As of 31 December 2019, the Group's staff amounted to 1,293 employees.

Website: www.tinexta.com. Stock ticker: TNXT. ISIN Code IT0005037210



TINEXTA

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Consolidated Statement of Financial Position

<i>In thousands of Euro</i>	30/06/2020	31/12/2019
ASSETS		
Property, plant and equipment	18,544	21,215
Intangible assets and goodwill	269,918	269,935
Investment property	737	750
Equity-accounted investments	11,547	11,454
Other investments	22	22
Other financial assets, excluding derivative financial instruments	1,181	1,149
- of which vs. Related Parties	0	8
Derivative financial instruments	0	15
Deferred tax assets	5,311	5,635
Trade and other receivables	1,088	1,333
Contract cost assets	5,265	5,230
NON-CURRENT ASSETS	313,612	316,737
Inventories	1,197	1,145
Other financial assets, excluding derivative financial instruments	6,617	6,593
- of which vs. Related Parties	12	0
Derivative financial instruments	6	16
Current tax assets	251	756
- of which vs. Related Parties	6	322
Trade and other receivables	88,330	89,775
- of which vs. Related Parties	146	267
Contract assets	4,579	6,187
Contract cost assets	891	1,278
Cash and cash equivalents	36,161	33,600
CURRENT ASSETS	138,032	139,351
TOTAL ASSETS	451,644	456,087
EQUITY AND LIABILITIES		
Share capital	47,207	47,207
Treasury shares	-9,022	0
Reserves	111,780	98,360
<i>Shareholders' Equity attributable to the Group</i>	<i>149,965</i>	<i>145,567</i>
<i>Minority interests</i>	<i>3,566</i>	<i>3,859</i>
TOTAL SHAREHOLDERS' EQUITY	153,531	149,426
LIABILITIES		
Provisions	3,244	3,013
Employee benefits	12,221	11,878
Financial liabilities, excluding derivative financial instruments	113,601	107,039
- of which vs. Related Parties	1,167	1,458
Derivative financial instruments	672	262
Deferred tax liabilities	14,875	15,848
Contract liabilities	9,226	8,180
- of which vs. Related Parties	34	81
NON-CURRENT LIABILITIES	153,839	146,221
Provisions	554	420
Employee benefits	571	571
Financial liabilities, excluding derivative financial instruments	43,091	62,001
- of which vs. Related Parties	584	578
Derivative financial instruments	17	45
Trade and other payables	51,433	54,953
- of which vs. Related Parties	293	205
Contract liabilities	44,247	37,722
- of which vs. Related Parties	160	123
Deferred income	1,270	1,818
Current tax liabilities	3,089	2,911
CURRENT LIABILITIES	144,274	160,441
TOTAL LIABILITIES	298,113	306,661
TOTAL EQUITY AND LIABILITIES	451,644	456,087

Consolidated Statement of Profit or Loss and Other comprehensive income

<i>In thousands of Euro</i>	<i>six-month period closed at 30 June</i>	
	2020	2019
Revenues	123,817	126,592
- of which vs. Related Parties	78	20
- of which non-recurring	74	0
Costs of raw materials	4,515	3,415
Service costs	39,905	40,731
- of which vs. Related Parties	802	502
- of which non-recurring	526	755
Personnel costs	40,239	44,593
- of which non-recurring	0	239
Contract costs	3,831	4,191
Other operating costs	915	1,293
- of which vs. Related Parties	1	0
Amortisation and depreciation	10,521	9,730
Provisions	360	132
Impairment	1,878	1,158
Total Costs	102,164	105,242
OPERATING PROFIT	21,653	21,350
Financial income	951	226
- of which non-recurring	710	148
Financial charges	1,370	1,494
- of which vs. Related Parties	22	284
Net financial income (charges)	-419	-1,269
Share of profit of equity-accounted investments, net of tax	91	15
PROFIT BEFORE TAX	21,325	20,096
Income taxes	5,334	6,079
- of which non-recurring	-1,018	-483
NET PROFIT FROM CONTINUING OPERATIONS	15,991	14,016
Profit (loss) from discontinued operations	0	0
NET PROFIT	15,991	14,016
Other components of the comprehensive Income Statement		
<i>Components that will never be reclassified to profit or loss</i>		
Total components that will never be reclassified to profit or loss	0	0
<i>Components that are or may be later reclassified to profit or loss:</i>		
Exchange rate differences from the translation of foreign Financial Statements	-21	7
Profits (losses) from measurement at fair value of derivative financial instruments	-392	-2
Equity-accounted investments - share of OCI	-5	3
Tax effect	94	1
Total components that are or may be later reclassified to profit (loss)	-324	8
Total other components of comprehensive income, net of tax	-324	8
Total comprehensive income for the period	15,668	14,025
Net Profit attributable to:		
Group	15,785	13,758
Minority interests	206	258
Total comprehensive income for the period attributable to:		
Group	15,477	13,763
Minority interests	191	261
Earnings per Share		
Basic earnings per Share (Euro)	0.33	0.29
Diluted earnings per Share (Euro)	0.33	0.29

Consolidated Statement of Changes in Equity

<i>six-month period closed at 30 June</i>											
In thousands of Euro	Share capital	Treasury Shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Consolidated Shareholders' Equity
Balance at 1 January 2020	47,207	0	3,112	55,439	-241	-846	0	40,896	145,567	3,859	149,426
<i>Comprehensive income for the period</i>											
Profit for the period								15,785	15,785	206	15,991
Other components of the comprehensive Income Statement					-298			-11	-309	-15	-324
<i>Total comprehensive income for the period</i>	0	0	0	0	-298	0	0	15,774	15,477	191	15,668
<i>Transactions with Shareholders</i>											
Dividends								-1,682	-1,682	-513	-2,195
Allocation to legal reserve			1,202					-1,202	0		0
Purchase of treasury shares		-9,022						0	-9,022		-9,022
Adjustment of put option on Minority interests								-406	-406	0	-406
Acquisitions								0	0	28	28
Stock Option							39	0	39		39
Other changes								-7	-7	0	-7
<i>Total transactions with Shareholders</i>	0	-9,022	1,202	0	0	0	39	-3,297	-11,078	-485	-11,563
Balance at 30 June 2020	47,207	-9,022	4,315	55,439	-539	-846	39	53,373	149,965	3,566	153,531

<i>six-month period closed at 30 June 2019</i>											
In thousands of Euro	Share capital	Treasury Shares	Legal reserve	Share premium reserve	Hedging derivatives reserve	Defined benefits reserve	Stock Option reserve	Other reserves	Shareholders' Equity attributable to the Group	Minority interests	Minority interests
Balance at 1 January 2019	46,890	0	2,031	54,678	-181	-361	0	38,561	141,619	3,757	145,376
<i>Comprehensive income for the period</i>											
Profit for the period								13,758	13,758	258	14,016
Other components of the comprehensive Income Statement					-1			6	5	3	8
<i>Total comprehensive income for the period</i>	0	0	0	0	-1	0	0	13,764	13,763	261	14,025
<i>Transactions with Shareholders</i>											
Dividends								-15,900	-15,900	-496	-16,396
Allocation to legal reserve			1,081					-1,081	0		0
Adjustment of put option on Minority interests								-5,274	-5,274		-5,274
Other changes								-55	-55		-55
<i>Total transactions with Shareholder</i>	0		1,081	0	0	0	0	-22,310	-21,229	-496	-21,725
Balance at 30 June 2019	46,890	0	3,112	54,678	-182	-361	0	30,016	134,154	3,522	137,676

Consolidated Statement of Cash Flows

<i>In thousands of Euro</i>	<i>six-month period closed at 30 June</i>	
	2020	2019
<i>Cash flows from operations</i>		
Net Profit	15,991	14,016
Adjustments for:		
- Depreciation of property, plant and equipment	3,372	3,329
- Amortisation of intangible assets	7,136	6,392
- Depreciation of investment property	13	9
- Impairment (Revaluations)	1,878	1,158
- Provisions	360	132
- Stock option provisions	39	0
- Contract costs	3,831	4,191
- Net financial charges (income)	419	1,269
- <i>of which vs. Related Parties</i>	22	284
- Share of profit of equity-accounted investments	-91	-15
- Income taxes	5,334	6,079
Changes in:		
- Inventories	-53	0
- Contract cost assets	-3,480	-4,297
- Trade receivables and other receivables and Contract assets	1,843	-4,486
- <i>of which vs. Related Parties</i>	121	-110
- Trade and other payables	-3,778	-1,754
- <i>of which vs. Related Parties</i>	88	-106
- Provisions and employee benefits	345	2,748
- Contract liabilities and deferred income, including public contributions	6,435	830
- <i>of which vs. Related Parties</i>	-9	0
Cash and cash equivalents generated by operations	39,594	29,600
Income taxes collected/(paid)	-5,223	-134
Net cash and cash equivalents generated by operations	34,371	29,466
<i>Cash flows from investments</i>		
Interest collected	22	8
Collections from sale or repayment of financial assets	210	185
Investments in shareholdings consolidated using the equity method	0	-27
Investments in property, plant and equipment	-563	-1,212
Investments in other financial assets	-233	0
Investments in intangible assets	-4,889	-4,504
Increases in the scope of consolidation, net of liquidity acquired	-452	0
Net cash and cash equivalents generated/(absorbed) by investing activities	-5,905	-5,550
<i>Cash flows from financing</i>		
Purchase of Minority interests in subsidiaries	-2,400	-22,895
Repayment of loans extended by Controlling Shareholder	0	-25,000
- <i>of which vs. Related Parties</i>	0	-25,000
Interest paid	-1,082	-1,080
- <i>of which vs. Related Parties</i>	-22	-270
MLT bank loans taken out	10,035	51,886
Repayment of MLT bank loans	-6,718	-5,607
Repayment of price deferment liabilities on acquisitions of equity investments	-2,548	-2,383
Repayment of contingent consideration liabilities	-7,581	-1,347
Change in other current bank payables	-2,673	-6,345
Change in other financial payables	169	-1,691
Repayment of lease liabilities	-1,891	-1,542
- <i>of which vs. Related Parties</i>	-286	-291
Purchase of treasury shares	-9,022	0
Dividends paid	-2,195	-16,389
Net cash and cash equivalents generated/(absorbed) by financing	-25,905	-32,392
Net increase (decrease) in cash and cash equivalents	2,561	-8,476
Cash and cash equivalents at 1 January	33,600	35,136
Cash and cash equivalents at 30 June	36,161	26,660

Group's Net Financial Indebtedness

€ '000s	30/06 2020	31/12 2019	Change	%	30/06 2019	Change	%
A Cash	36,151	33,586	2,564	7.6%	26,647	9,504	35.7%
B Cash equivalents	11	14	-3	-22.9%	14	-3	-22.4%
D Liquid Assets (A+B)	36,161	33,600	2,561	7.6%	26,660	9,501	35.6%
E Current Financial Receivables	6,622	6,609	13	0.2%	8,246	-1,624	-19.7%
F Current Bank Debt	-284	-2,952	2,668	-90.4%	-1,174	890	-75.8%
G Current Portion of non-current debt	-17,835	-23,752	5,917	-24.9%	-18,342	508	-2.8%
H Other current financial debt	-24,989	-35,342	10,353	-29.3%	-51,445	26,455	-51.4%
I Current financial debt (F+G+H)	-43,108	-62,046	18,938	-30.5%	-70,961	27,853	-39.3%
J Net current financial position (Indebtedness) (D+E+I)	-324	-21,837	21,513	-98.5%	-36,055	35,731	-99.1%
K Non-current bank debt	-99,428	-90,552	-8,876	9.8%	-86,548	-12,879	14.9%
L Other non-current financial debt	-14,846	-16,749	1,903	-11.4%	-17,642	2,796	-15.8%
M non-current financial debt (K+L)	-114,273	-107,301	-6,972	6.5%	-104,190	-10,083	9.7%
N Net Financial Position (Indebtedness) (J+M) (*)	-114,597	-129,138	14,540	-11.3%	-140,245	25,647	-18.3%
O Other non-current financial assets	1,181	1,163	18	1.5%	1,171	10	0.8%
P Total net financial position (Indebtedness) (N+O)	-113,416	-127,974	14,558	-11.4%	-139,073	25,657	-18.4%

(*) Net Financial Indebtedness computed in accordance with the provisions of Consob Communication no. 6064293 of 28 July 2006 and consistent with the ESMA/2013/319 Recommendation

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