



28<sup>th</sup> September 2020

# CORPORATE PRESENTATION

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# AGENDA

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1. WHO WE ARE
2. WHAT WE DO
3. MARKET SCENARIO and OPPORTUNITIES
4. GROWTH STRATEGY
5. FINANCIALS & RESULTS
6. CREDENTIALS



# GRUPPO DIGITOUCH

A FAST GROWING INDEPENDENT DIGITAL SERVICES PLAYER

- ✓ ESTABLISHED IN 2007
- ✓ PUBLIC COMPANY, LISTED on AIM ITALIA since 2015
- ✓ 300+ HIGHLY SKILLED PEOPLE
- ✓ OFFICES in ROME and MILAN
- ✓ FULLY GDPR COMPLIANT
- ✓ 300+ CLIENTS

**39** Million  
**REVENUES 2019**

**5.8** Million  
**EBITDA adj. 2019**

**7.8%** 2015-2019  
**CAGR**

## MISSION

Supporting our clients on their Digital Transformation efforts through an integrated offer of Digital Marketing, Technology and E-commerce services with a market centric approach.



Gruppo DigiTouch is an ISO-9001 Certified Company for:

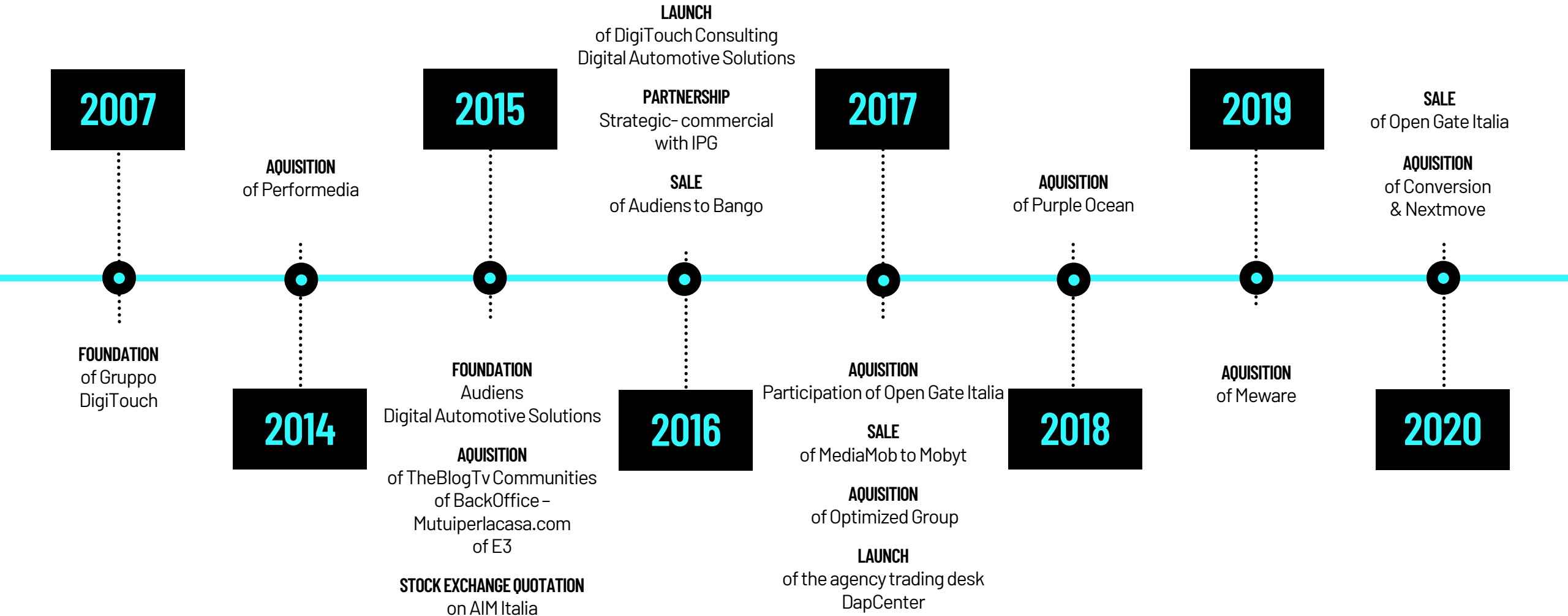
- business management systems
- design and delivery of training interventions in Digital Transformation area\*

\* Going to be released



# OUR EQUITY STORY

- ✓ Experience in M&A
- ✓ Capability in People & Process integration
- ✓ Focus on mid-term Business Innovation





# TARGET MARKET VALUE

## ABOUT 4.86 BILLION EUROS

	ITALIAN MARKET (BILLION EURO)	2017	2018	2019	NOTE	IMMEDIATELY TARGET MARKET (BILLION EURO) FOR DIGITOUCH
<b>OMNICHANNEL MARKETING SERVICES</b>	ADVERTISING ONLINE	2.68	2.98	3.27	About 70% of the online market is concentrated on Google, Facebook e Amazon	1.00
	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
<b>SOFTWARE MARKET</b>	BIG DATA AND DATA ANALYTICS	1.1	1.3	1.7	The market includes 16% 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%	0.65
	CRM CONTENT APPL.	0.79	0.86	0.94		
<b>SYSTEM INTEGRATION &amp; HOSTING</b>	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
<b>CAGR 2020-2023: 10-15%</b> <b>IMPACT OF CAGR 2020-2023: neutral/acceleration</b>						<b>4.86</b>



# A FULLY INTEGRATED OFFER

CREATE VALUE FOR CLIENTS BY LEVERAGING ON INTEGRATED APPROACH AND CROSS FERTILIZATION

CORE OFFER

## TECHNOLOGY SERVICES

Data analysis & insights  
Business analytics & predictive models  
Data science & machine learning  
Mar-Tech system integration  
Marketing Automation  
Business Process Automation

## E-COMMERCE SERVICES

E-commerce solutions  
Interfaces development  
Experience Design  
Cloud Solutions  
Cyber Security

## MARKETING SERVICES

Strategy  
Omnichannel marketing  
Content & Creativity  
Tracking  
SEO & CRO  
Special projects  
Digital event platform

VALUE FOR CLIENTS

*Plan, implement and manage clients' digital offers*

*Display and sell clients' goods and services digitally*

*Promote market and services and recruit clients online*

We are a **Cloud Marketing Company** focusing our methodology on integrating Technology, Marketing, Resources and Skills. Flexibility, market centricity, consultancy and assets integration are the keys. This is a winning approach that allows the achievements of our clients' challenging goals.



# MULTIPLE OWNED TECHNOLOGIES, PARTNERS AND TECH SKILLS WITHIN THREE CORE DIVISIONS

## TECHNOLOGY SERVICES

## E-COMMERCE SERVICES

## MARKETING SERVICES

### OWNED TECH ASSETS

Cognitive Platform

Sales Agent

Dealer Tab

Gamification Platform iEGP®

Store Locator

Social CMS

Chatbot

Custom CMS

Voice CMS

Purple X

Digital Human Experience

Gamification Platform iEGP®

Store Locator

Social CMS

Voice CMS

Chatbot

Digital Human Experience

Custom CMS

### SKILLS IN OTHER TECH ASSETS

Test Automation

BPA

Risk Management

UX/UI development

shopify

Magento®

Pac

Analytics

### TECHNOLOGY PARTNERS

TIBCO

CISCO

DATA4! DATA CENTERS AT SCALE

Power BI

sas Gold Partner

redhat READY BUSINESS PARTNER

entando

ORACLE PARTNER

Adobe

Google Cloud

Azure

amazon web services

BUSINESS PARTNER WEICOMM

facebook

audiens

amazon

adverity

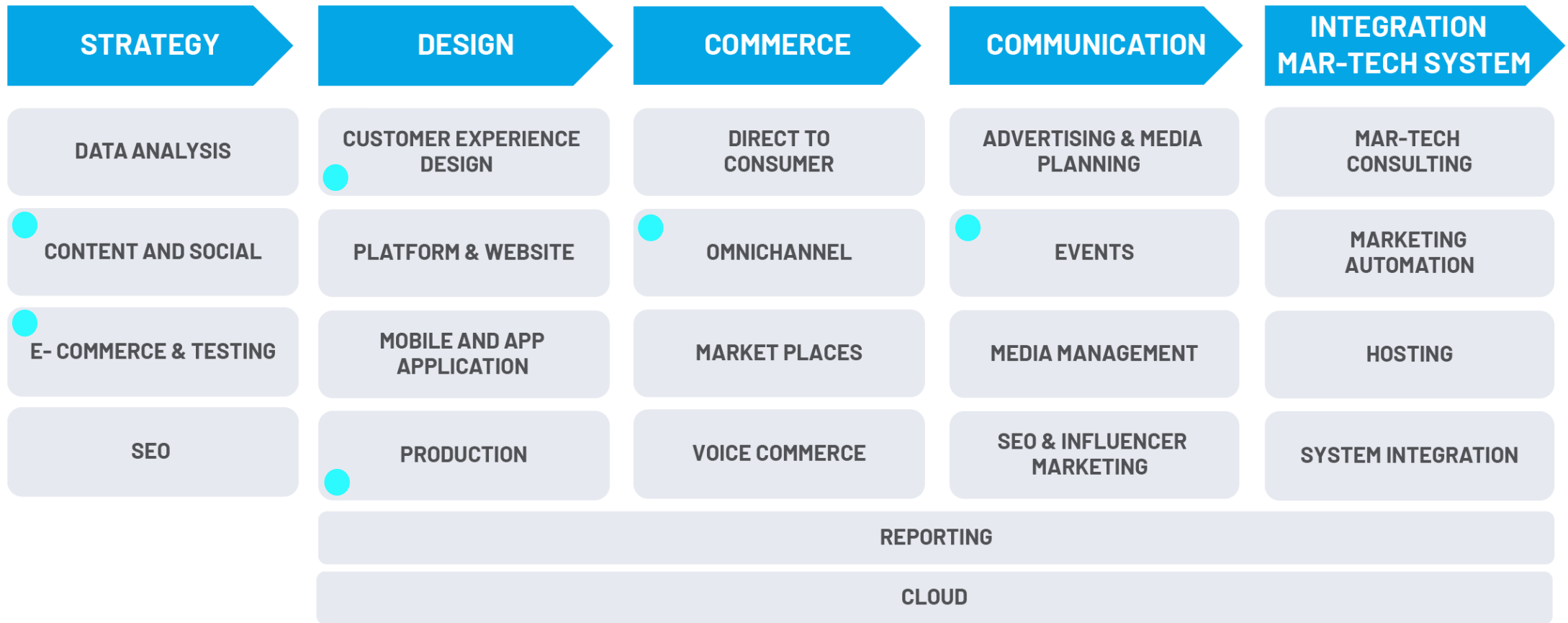
Google Partner

adform

OSSERVATORI.NET digital innovation



# SERVICES STRUCTURE: WE CREATE VALUE FOR CLIENTS ALL OVER THEIR VALUE CHAIN



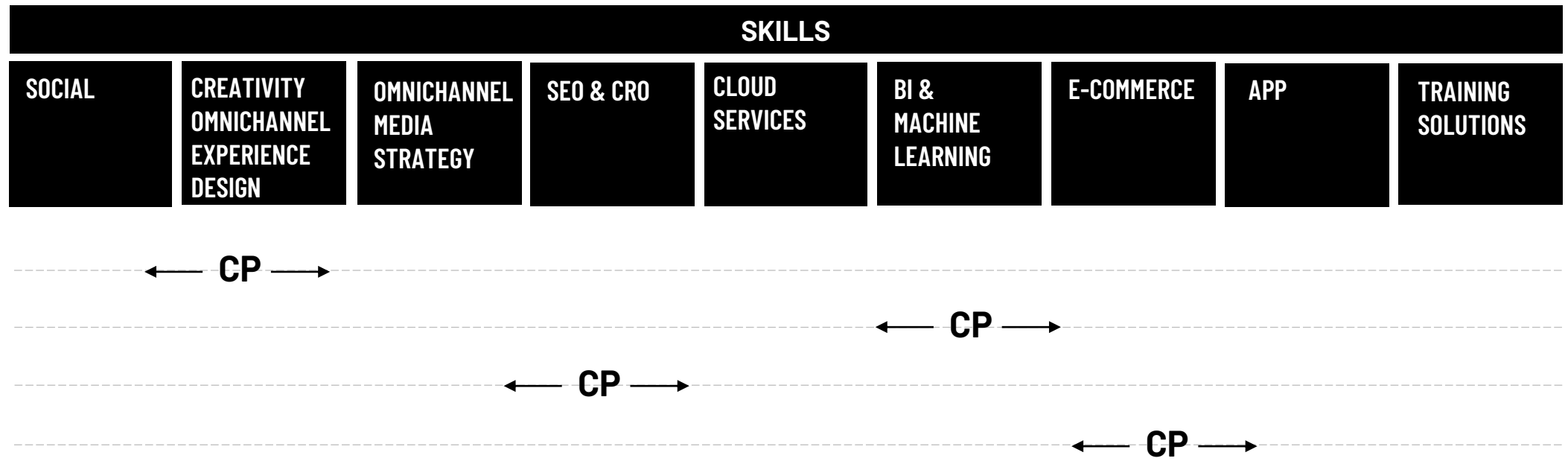
● = Services supplied by the recently acquired companies Conversion - Nextmove



# A MARKET CENTRIC ORGANIZATION

## MATRIX STRUCTURE WITH KEY ROLE PLAYED BY CLIENT PARTNERS

- The Group has adopted an organizational model with a **matrix structure** based on two dimensions: **skills** and **market** and in which the figures of the Client Partner (CP) play a key role. The matrix model will further evolve with the introduction of "Industries" skills.
- This model encourages the **development of revenues**, a **collaborative attitude** and a **deeper awareness of customer needs**.
- Full market centric approach





# ORGANIZATIONAL MODEL DEVELOPMENT

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01. DigiTouch assumes the role of **industrial holding** controlling the operating subsidiaries by defining the strategic guidelines and the coordination of the central functions (HR, finance, management control).

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02. Development of **industrial synergies** for integrated service platforms.

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03. Organizational functions focused on **Go to Market strategies**.

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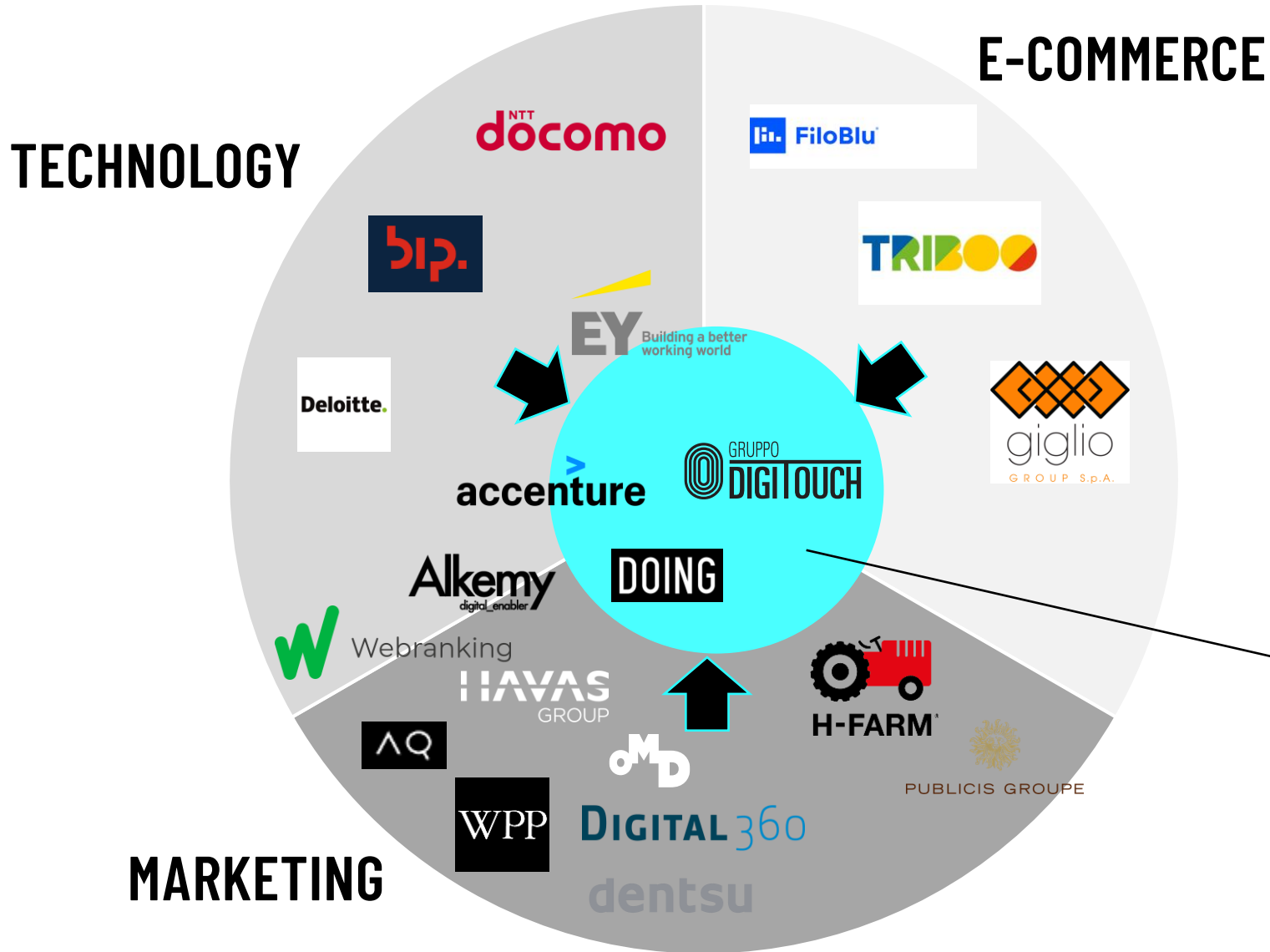
04. **Technological coordination** and partnership development.

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05. **Efficiency and centralization** of supplier management.

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# COMPETITIVE ARENA



Gruppo DigiTouch competes with big consultancy groups that have consolidated their market offer with a mix of consulting, marketing and tech competences.

Gruppo DigiTouch's advantage in comparison with this big players stands on the superior agility and ability in delivering customized projects.

There is an overall market convergency in the area of "Integrated Offer": this will generate additional market consolidation.

**INTEGRATED  
OFFER**



# KEY DIFFERENTIATING POINTS

As a **Cloud Marketing Company**, we can support our clients not only in a logic as a service but with a full outsourcing approach, sharing results & objectives.





# GRUPPO DIGITOUCH SOCIAL RESPONSIBILITY

Gruppo DigiTouch has launched a **Social Responsibility strategy**, focused on three ambits:

01. SUPPORT ENTREPRENEURIAL ACTIVITIES
02. DIVERSITY INCLUSION
03. ITALIAN CULTURAL HERITAGE ENHANCEMENT

Actually Gruppo DigiTouch is engaged in **two pro-bono projects**:



It is a small Italian company that, in order to hinder to the relocation in Armenia, a small number of workers proceeded with the purchase of the company. To contribute to this effort and to maintain Italian excellence in Italy and fight the unemployment, DigiTouch is offering skills and services to promote the launch of Ceramiche Noi digital communication, with the creation of the website and with the activation of the social channels.



Differenza Donna is a non-profit organization active in hindering violence against women. DigiTouch is activating a project that will consist of a Social Campaign, crucial for this association which aims to increase its visibility and promote fundraising.



# HIGHLY DIVERSIFIED PORTFOLIO

HANDS ON EXPERIENCE IN SEVERAL VERTICALS. HERE FOLLOWING THE MAIN CLIENTS

RETAIL &  
E-COMMERCE



FOOD & BEVERAGE,  
CONSUMER GOODS



PUBLIC  
ADMINISTRATION



FASHION &  
LUXURY



FINANCE &  
INSURANCE

TELCO, UTILITIES,  
TECH & SERVICES

EDUCATION,  
ENTERTAINMENT,  
TRAVEL &  
AUTOMOTIVE

PHARMA &  
HEALTHCARE



LUISAVIAROMA

sergio rossi



MOLESKINE



SECTOR NO LIMITS



Schroders



kaspersky



Bocconi



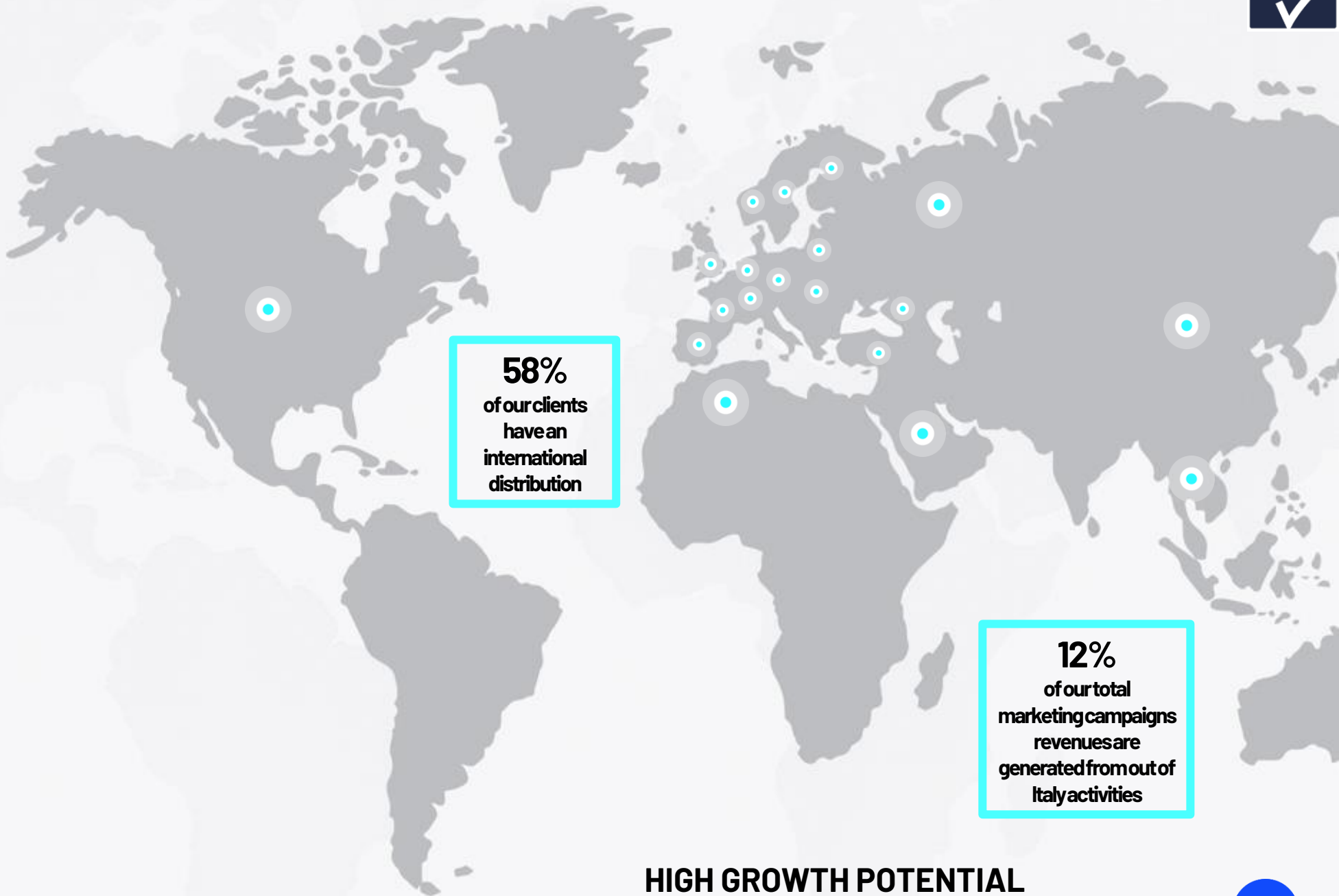
BAUSCH + LOMB



# PARTNER OF AN INTERNATIONAL NETWORK OF PLAYERS

Gruppo DigiTouch 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.



**HIGH GROWTH POTENTIAL**



# MANAGEMENT FOCUS

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.06 ORGANIC AND NOT  
ORGANIC GROWTH

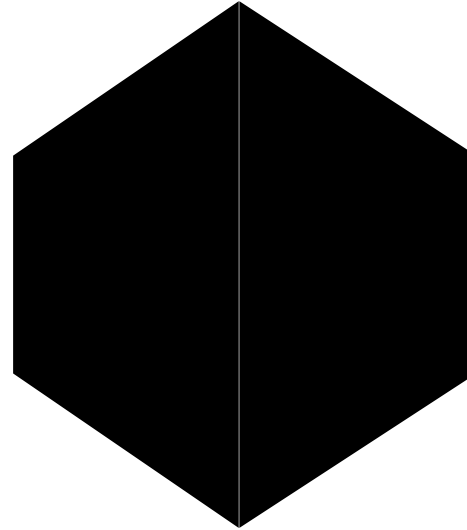
INNOVATION 01.

.05 CLIENT DRIVEN  
INTEGRATED OFFER

SAS 02.

.04 TALENT NURTURING &  
TRAINING

.03 DATA-DRIVEN  
APPROACH





# MANAGEMENT FOCUS: INNOVATION

## MACHINE LEARNING

The Group provides of an owned platform, the Meware Cognitive Platform (MCP), which offers an evolved **system of business analysis**, based on a modular architecture and that allows to **analyse complex data**, also using algorithms from **machine learning** and **deep machine learning**.

## CLOUD

The Group manage complex and heterogenous infrastructures and is able to **project, implement and manage cloud environments** (private and public). It employs **elastic infrastructures** and the strenght is the ability to erogate a tailor-made managed service business.

## E-COMMERCE & INTERFACES

The Group has strong competences in **infrastructure services**, development of **e-commerce** and **apps** and designing winning **user infaces**.

## CYBER SECURITY

The Group has a team of professionals in the **security of computerised systems**, employed in supporting companies in **protecting** their **data from viruses and hackers' attacks**. **The Group works on** Risk Evaluation and on the implementation of **proactive security system**.



# MANAGEMENT FOCUS: TALENT NURTURING AND TRAINING

DigiTouch Talent Management strategy has the following **objectives: attract, hold and grow talents.**  
Four areas of intervention:

## TRAINING

From January 2020 DigiTouch has activated a **Cross Training course** with focus on relevant and strategic skills. In October, DigiTouch will activate the new **Moodle platform** that will allow to create customized training courses for individuals, based on the role, seniority and professional path of each.

## TALENT

DigiTouch has introduced a **Performance Management Process** and a **clear evaluation process** in order to create "Career Path" and a shared "Total rewards" system.

## ENGAGEMENT

DigiTouch is committed to creating a **culture based on collaboration, adherence to corporate values,** collecting feedback through periodic surveys that stimulate discussion and address areas of intervention.

## SCALABILITY OF TECHNOLOGICAL SKILLS

Ongoing assessments on the feasibility of **creating a "multi-technology" hub,** which makes the most of the University and "Academy" skills pools specialized in technological training and re-skilling on the most requested technologies and platforms.



# M&A: FOCUS ON BECOMING AN AGGREGATING DIGITAL HUB

## IN SHORT-TERMS NEW ACQUISITIONS

The screenshot shows an article from ENGAGE magazine. The article title is "GRUPPO DIGITOUCH PUNTA A DIVENTARE UN 'POLO DIGITALE AGGREGANTE': IN VISTA NUOVE ACQUISIZIONI". The author is Lorenzo Mosciatti, dated 10/09/2020. The article text states: "Dopo aver comprato Conversion e NextMove, l'azienda presieduta da Simone Ranucci Brandimarte si appresta a proseguire ancora la crescita anche per vie non organiche". The ENGAGE logo is in the top left, and a navigation menu on the left lists: CAMPAGNE, WEB MARKETING, AGENZIE, and BRAND E AZIENDE. The article category is AGENZIE.

In a market that pushes companies to increase their critical mass, to forge strategic synergies and partnerships and to consolidate, **we are a candidate to be an "AGGREGATING DIGITAL HUB"**, able to support end-to-end customers and offer a panel complete with technological services. With already 9 acquisitions on our portfolio and more than 300 professionals, we are preparing to continue our growth also in non-organic ways.

# LAST M&A OPERATION

## ACQUISITION OF CONVERSION - NEXTMOVE

**conversion**  
THE OMNICHANNEL AGENCY

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

**Nextmove**

Digital Transformation Agency.



### MAIN SKILLS

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



### PEOPLE

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



# GROWTH STRATEGY

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## 01. INCREASE THE NUMBER OF CUSTOMERS

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- ✓ Attendance at public and private tenders
  - ✓ Attendance at marketing, tech and digital transformation events
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## 02. INCREASE THE RELEVANCE ON THE CUSTOMER

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- ✓ Offer integrated projects with strong integration of technology between our systems and the client's ones
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## 03. INTERNATIONALIZE THE BUSINESS

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- ✓ Moving on with international M&A
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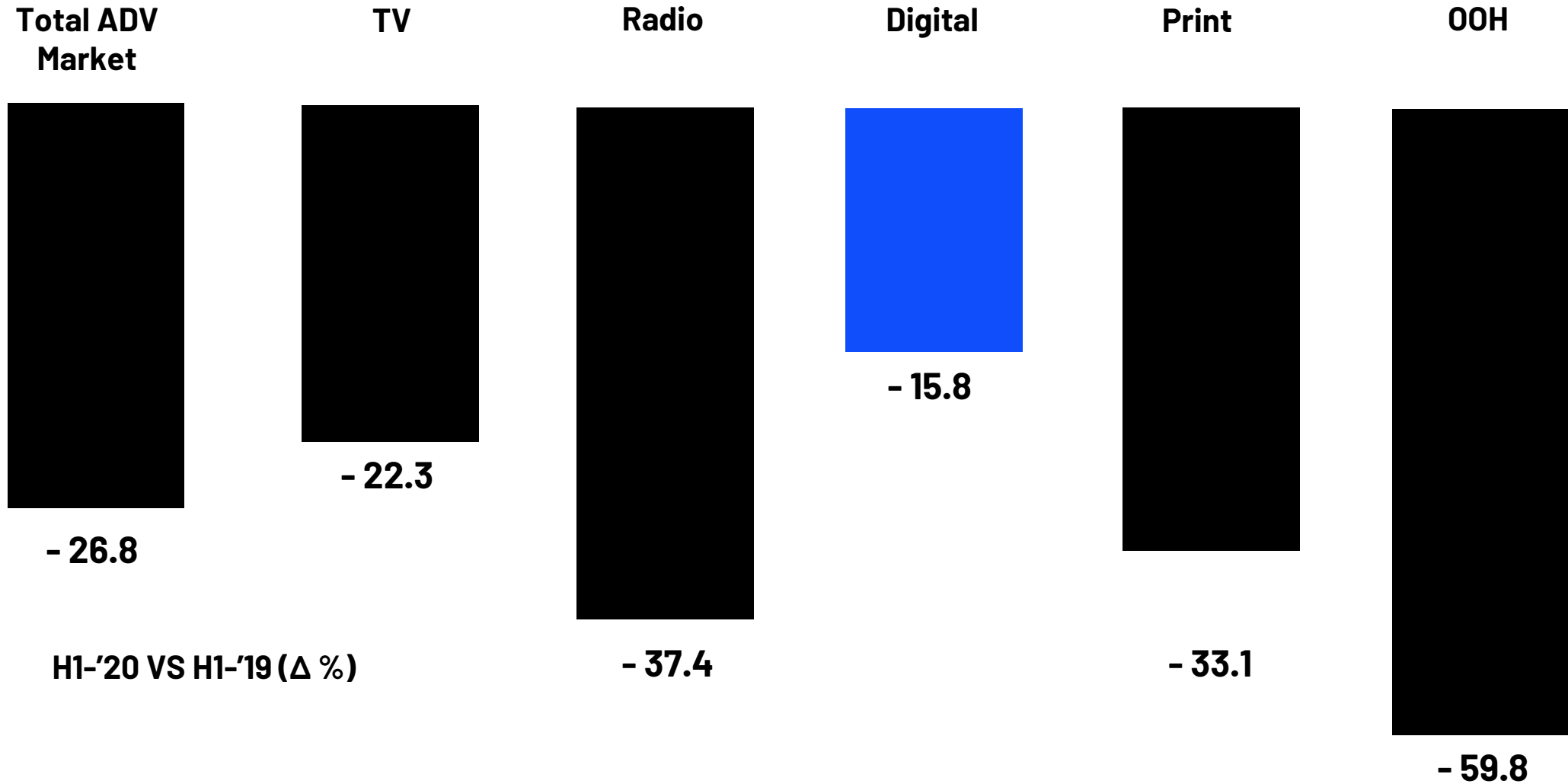
## 04. INCREASE VISIBILITY AND APPEAL OF OUR BRAND

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- ✓ Speech opportunities at marketing, tech and digital transformation events
  - ✓ Press opportunities
-







# ITALIAN ADVERTISING MARKET



# REFERENCE MARKET STATUS QUO: PUBLISHERS



	REVENUES			EBITDA		
	H1'2019	H1'2020	Δ% '20-'19	H1'2019	H1'2020	Δ% '20-'19
 <b>RCS</b> MEDIAGROUP	475.5	319.5	(33%)	84.1	7.1	(92%)
 <b>GEDI</b> GRUPPO EDITORIALE	302.9	248,9	(54%)	23.5	-4.2	n.m.
<b>MEDIASET</b>	1002.3	791.2	(21%)	39.3	-57.9	n.m.
 <b>ed</b> CALTAGIRONE EDITORE	66.8	54.6	(18%)	- 0.9	-1.8	n.m.
 <b>monrif</b> group	86.9	70.5	(19%)	5.4	4.0	(26%)

n.m. = not meaningful

# CLOSING H1 2020 – PROFIT & LOSS

GRUPPO DIGITOUCH – RECLASSIFIED CONSOLIDATED INCOME STATEMENT						
(million euros)	H1 2020		H1 2019		Change	
	[A]	%	[B]	%	[A]-[B]	%
Operating revenues	13,78	92	15,36	92	-1,59	-10
Other revenues	0,83	5,5	0,83	5	0,00	0
Capitalized Costs	0,34	2,3	0,43	2,6	-0,09	-21
<b>Total revenues</b>	<b>14,95</b>	<b>100</b>	<b>16,62</b>	<b>100</b>	<b>-1,67</b>	<b>-10</b>
Operating costs	7,98	53	10,95	66	-2,97	-27
Labour costs	4,36	29	3,11	19	1,25	40
<b>EBITDA Adjusted</b>	<b>2,61</b>	<b>18</b>	<b>2,56</b>	<b>15</b>	<b>0,05</b>	<b>2</b>
Non-recurring costs	0,14	1	0,17	1	-0,02	-14
<b>EBITDA</b>	<b>2,47</b>	<b>17</b>	<b>2,40</b>	<b>14</b>	<b>0,07</b>	<b>3</b>
Depreciation, write-downs, Other provisions and charges	1,73	12	1,58	9,5	0,15	10
<b>EBIT</b>	<b>0,74</b>	<b>5</b>	<b>0,82</b>	<b>4,9</b>	<b>-0,08</b>	<b>-10</b>
Financial income/(expense)	-0,16	-1	-0,21	-1	0,05	24
Adjustments on financial assets	-0,01	0	0,00	0	-0,01	-3.976
<b>Profit before tax</b>	<b>0,57</b>	<b>3,8</b>	<b>0,61</b>	<b>3,7</b>	<b>-0,04</b>	<b>-6</b>
Taxes of the year	-0,18	-1	-0,21	-1	0,03	13
<b>Consolidated Net Profit</b>	<b>0,39</b>	<b>2,6</b>	<b>0,40</b>	<b>2,4</b>	<b>-0,01</b>	<b>-3</b>
<i>Of competence:</i>						
<b>Group</b>	<b>0,39</b>	<b>2,6</b>	<b>0,40</b>	<b>2,4</b>	<b>-0,01</b>	<b>-3</b>
Third-party equity interest	0,31	2	0,24	1,4	0,07	29
n.a. not applicable						

Total revenues in the first half of 2020 amounted to approximately **15.0 million euros, down by 10%** compared to the same period of 1919. 😞

At the cost structure level: operating costs recorded a positive change of 27% but personnel costs (mainly due to the Meware aggregation) increased by 40%. 😊

In terms of margins, **EBITDA adjusted of 2.6 million euros** is in line with the figure for the first half of 2019. 😊

The amortization, depreciation and write-downs component is up compared to last year. **In particular, investments entered into the production cycle that were completed in the previous year and in compliance with ITA GAAP, the goodwill from equity investments is amortized.** 😊

**Pre-tax profit and net profit are in line with the 2019 figure.** 😊





# CLOSING H1 2020 - GOODWILL COVERAGE INDEX

	FY-2017	FY-2018	FY-2019	H1-2020
(million euros)				
Revenues	28,887	32,233	38,947	14,948
Residual Goodwill	11,363	10,014	8,585	7,856
Net Assets	14,083	14,066	14,500	14,650
<b>Residual Net Assets after startup coverage</b>	<b>2,720</b>	<b>4,052</b>	<b>5,915</b>	<b>6,794</b>
Goodwill depreciation	1,245	1,348	1,489	729
Net Results	0,416	0,268	0,233	390
<b>Adjusted Net Results</b>	<b>1,661</b>	<b>1,616</b>	<b>1,722</b>	<b>1,119</b>
<b>% Net results on revenues</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>7%</b>

**Adjusted Net Result:** heavily impacted by the effects of the amortization of goodwill accounted for in accordance with the application of the OIC.

**Residual Net Equity:** highlights the ability to cover the residual value of goodwill.

# CLOSING H1 2020 – BALANCE SHEET

GRUPPO DIGITOUCH – RECLASSIFIED CONSOLIDATED BALANCE SHEET				
(million euros)	30-June-2020	31-Dec-2019	Change	
	[A]	[B]	[A]-[B]	%
<b>Fixed Assets</b>	<b>14,87</b>	<b>14,99</b>	<b>-0,12</b>	<b>-0,8</b>
Goodwill	7,86	8,58	-0,73	-8,5
Development Costs	0,34	0,34	0,00	0,1
Other intangible assets	5,56	5,57	-0,01	-0,1
Tangible Fixed assets	1,10	0,30	0,80	266,3
Financial fixed asstes	0,01	0,20	-0,19	-93,7
<b>Working capital</b>	<b>1,65</b>	<b>3,22</b>	<b>-1,56</b>	<b>-48,6</b>
Commercial credits	10,53	14,39	-3,87	-26,9
Commercial debts	-8,09	-10,72	2,63	24,6
Accrued and deferred income and charges	-0,22	-0,23	0,01	2,9
Other assets and liabilities	-0,57	-0,23	-0,34	146,8
<b>Severance pay</b>	<b>-1,21</b>	<b>-1,16</b>	<b>-0,05</b>	<b>4</b>
<b>Net Invested Capital</b>	<b>15,32</b>	<b>17,05</b>	<b>-1,73</b>	<b>-10,2</b>
Group Equity	13,63	13,73	-0,10	-0,7
Third-party Equity	1,02	0,77	0,25	32,8
<b>Net Assets</b>	<b>14,65</b>	<b>14,50</b>	<b>0,15</b>	<b>1</b>
Financial and bond debts				
- short term	2,85	7,24	-4,39	-60,6
- long term	7,14	4,31	2,82	65,4
Cash and cash equivalents	-7,77	-7,21	-0,56	7,8
Security non instrumental to the operational activity	-1,25	-1,49	0,24	16,2
Financial receivables	-0,30	-0,30	0,00	0
<b>Net financial position</b>	<b>0,67</b>	<b>2,55</b>	<b>-1,89</b>	<b>-73,9</b>
<b>COVERS</b>	<b>15,32</b>	<b>17,05</b>	<b>-1,73</b>	<b>-10,2</b>
<b>LEVERAGE</b>		<b>0,18</b>		

**Fixed capital:** the change that takes place in the reference half year is attributable to: (i) amortization of goodwill for Euro 729 thousand; (ii) accounting for the property redeemed in May where the Rome office is located for Euro 759 thousand; (iii) disposal of the investment held in Open Gate Italia for Euro 186 thousand.

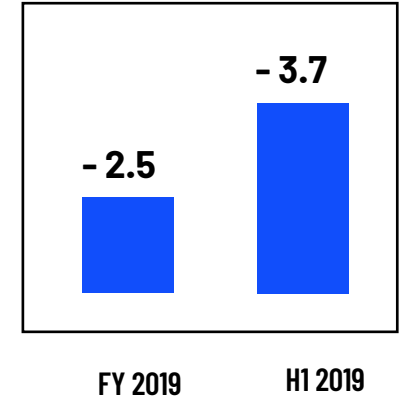
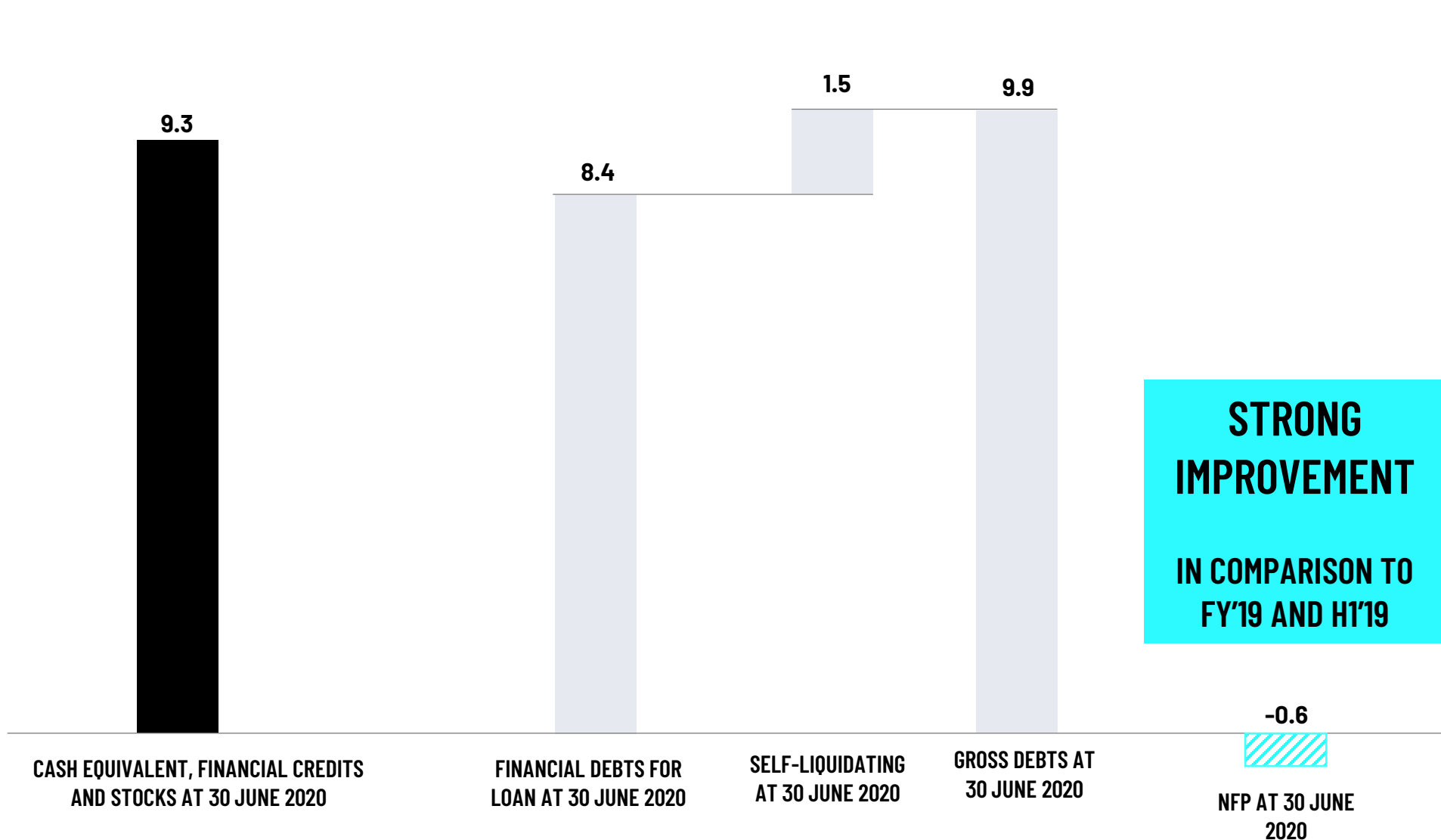
The **working capital** is reduced from Euro 3.2 million in 2019 to Euro 1.7 million due to the reduction in receivables more than proportional to that of payables.

**Net financial position amounts to Euro 0.7 million** in comparison with Euro 2,6 million at 31 December 2019.





# CLOSING H1 2020 - NET FINANCIAL POSITIONS



**STRONG  
IMPROVEMENT  
IN COMPARISON TO  
FY'19 AND H1'19**

In March 2020, DigiTouch repaid Euro 3 million for the maturity of the 2015-2020 Convertible Bond. The bonds earned interests at a rate of 6%.



# SECOND SEMESTER 2020 MAIN FOCUS AREA

## STRATEGIC PRIORITIES

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- ✓ **Focus on the sector of public tenders and tenders**
- ✓ **Acceleration of ecommerce / Development of digital enabler e-commerce positioning**
- ✓ **Growing volume of competitions with on / off-line media planning**
- ✓ **Strategic partnerships development**

# SOME OF THE LAST TENDERS/AWARDS WON

FOCUS ON THE SKILL FOR WHICH WE HAVE BEEN CHOSEN

TECH & DESIGN



«AURICCHIO SI RIPOSIZIONE CON UN PROGETTO DI EXPERIENCE DESIGN DI E3 (GRUPPO DIGITOUCH). OBIETTIVO AMPLIARE L'AWARENESS SU UN'AUDIENS PIÙ GIOVANE»

DIGITAL MARKETING



«CISALFA SPORT SCEGLIE GRUPPO DIGITOUCH COME PARTNER PER LE ATTIVITÀ DI DIGITAL ADVERTISING. FOCUS SULL'E-COMMERCE»

CONTENT



«UNILEVER PUNTA SU CONVERSION E3 PER DIGITAL E SOCIAL DI CIF, KNORR E CALVÈ»

SEO & DATI



«ENTIRE DIGITAL AFFIDA A OPTIMIZED GROUP (GRUPPO DIGITOUCH) LA SEO DI NOTIZIE.IT»

CONSULENZA



«LUISAVIAROMA SCEGLIE DIGITOUCH»

TECH



«BENNET SCEGLIE PURPLE OCEAN COME PARTNER TECNOLOGICO»

DIGITAL MARKETING



«SELEX SCEGLIE GRUPPO DIGITOUCH IN QUALITÀ DI DIGITAL COMMUNICATION PARTNER»

CREATIVITA'



«CONVERSION E3 (GRUPPO DIGITOUCH) CONQUISTA LA GIURIA DEGLI AD STARS CON 2 CRYSTAL E 5 SHORTLIST»

# THANK YOU



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