



2 October 2020

# CORPORATE PRESENTATION

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IRTOP Aim Investor Day



# GRUPPO DIGITOUCH

A FAST GROWING INDEPENDENT DIGITAL SERVICES PLAYER

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- ✓ 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**

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

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

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## 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



# 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*

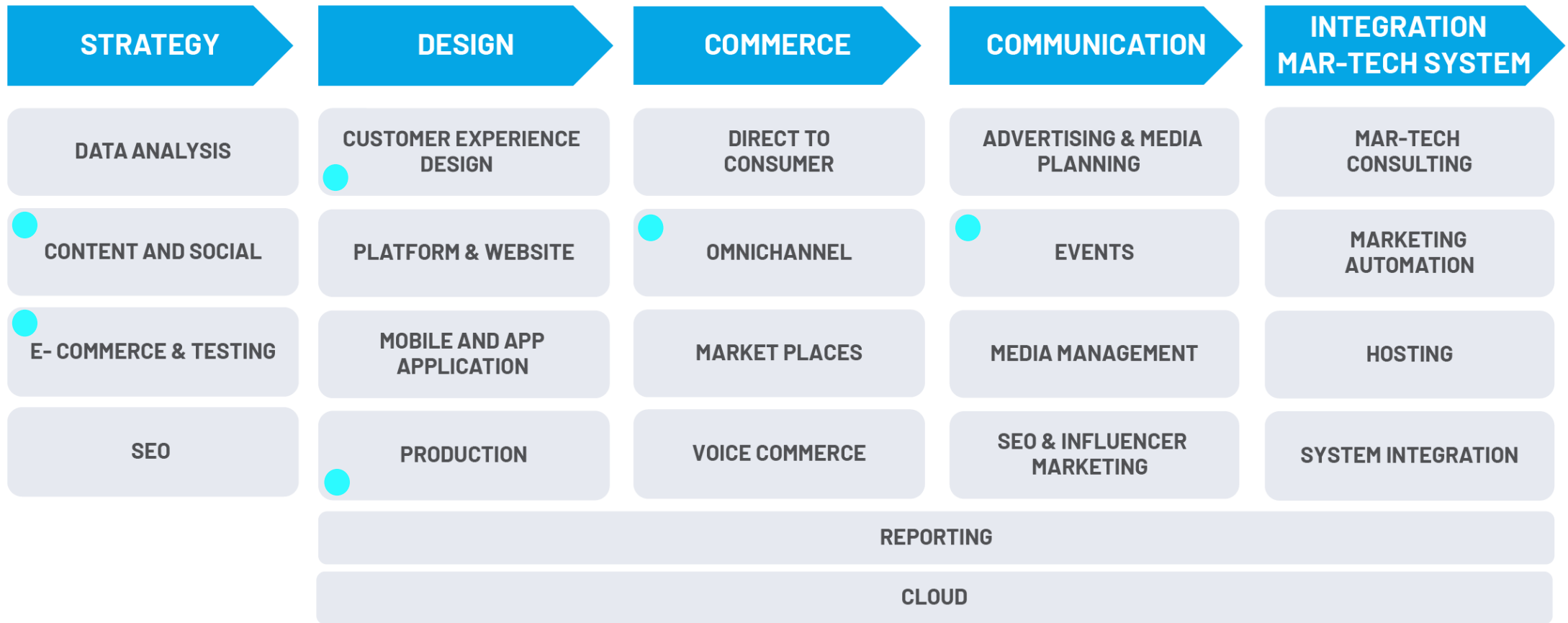
*Display and sell clients' goods and services digitally*

*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.



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



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



# TARGET MARKET VALUE

ABOUT 4.86 BILLION EUROS

	ITALIAN MARKET (BILLION EURO)	2017	2018	2019	ESTIMATE DEVELOPMENT H1-2020	NOTE	IMMEDIATELY TARGET MARKET (BILLION EURO) FOR DIGITOUCH
<b>OMNICHANNEL MARKETING SERVICES</b>	ADVERTISING ONLINE	2.68	2.98	3.27	- 17%	About 70% of the online market is concentrated on Google, Facebook, Amazon	1.00
	EVENTS & SPONSORSHIP SERVICES	1.2	1.2	1.2	- 71%	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	- 10%	The market includes 16% 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	- 10%	In this market segment mainly medium-large companies operate for 50%	0.65
<b>SYSTEM INTEGRATION &amp; HOSTING</b>	SYSTEM INTEGRATION	2.29	2.34	2.39	- 10%	Estimate of system integration activities functional to marketing / CRM / content ~ 40%	0.95
	HOSTING INFRASTRUCTURE	0.79	0.85	0.914	- 3%		0.91
<b>CAGR 2020-2023: 10-15%</b> <b>IMPACT OF CAGR 2020-2023: neutral/acceleration</b>							<b>4.86</b>



# 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



Schroders

Posteitaliane



kaspersky



PHILIPS

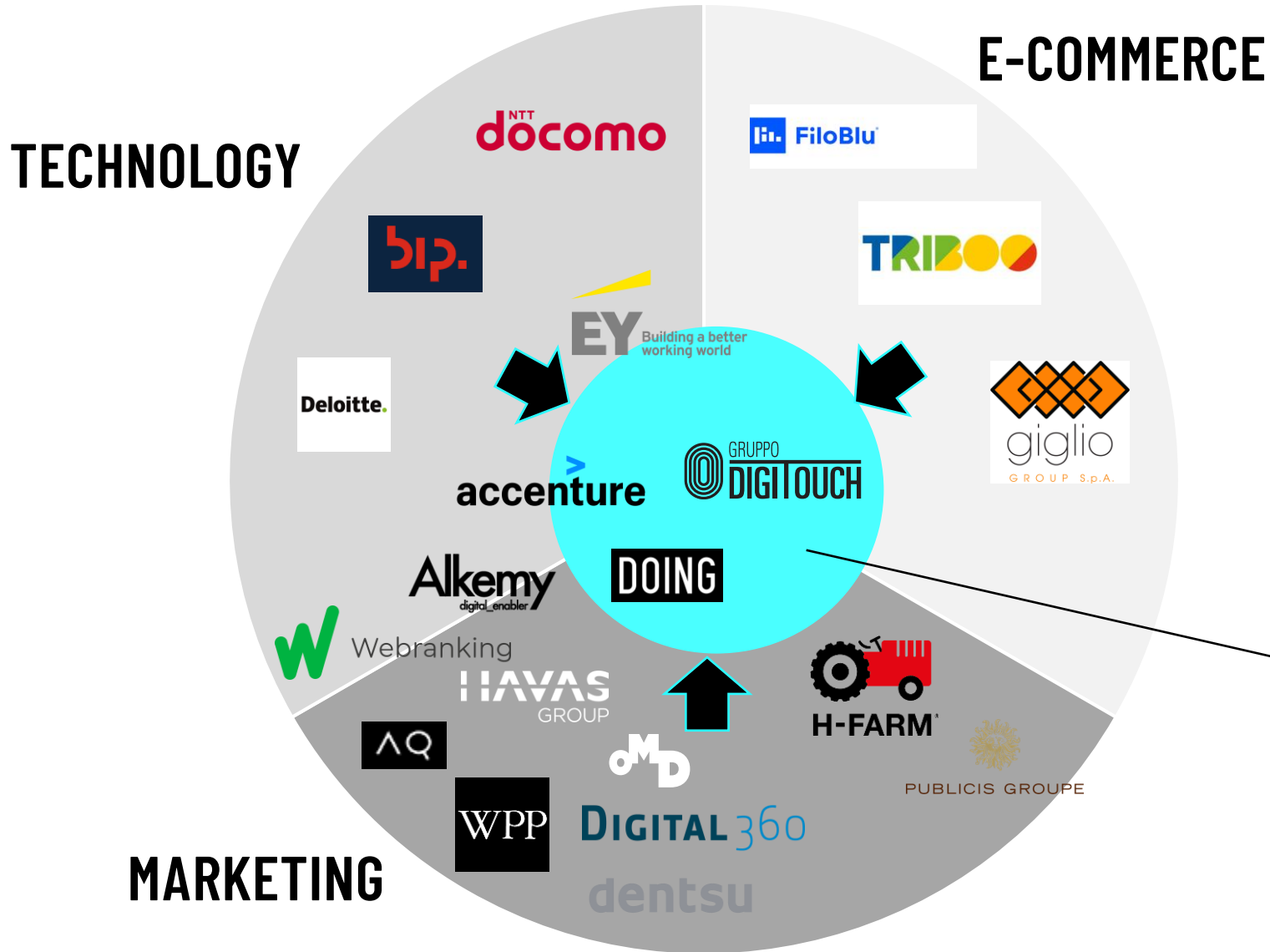
Bocconi



BAUSCH + LOMB



# 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

- 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.







# 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  
e  
WEICOMM

facebook

audiens

amazon

adverity

Google Partner

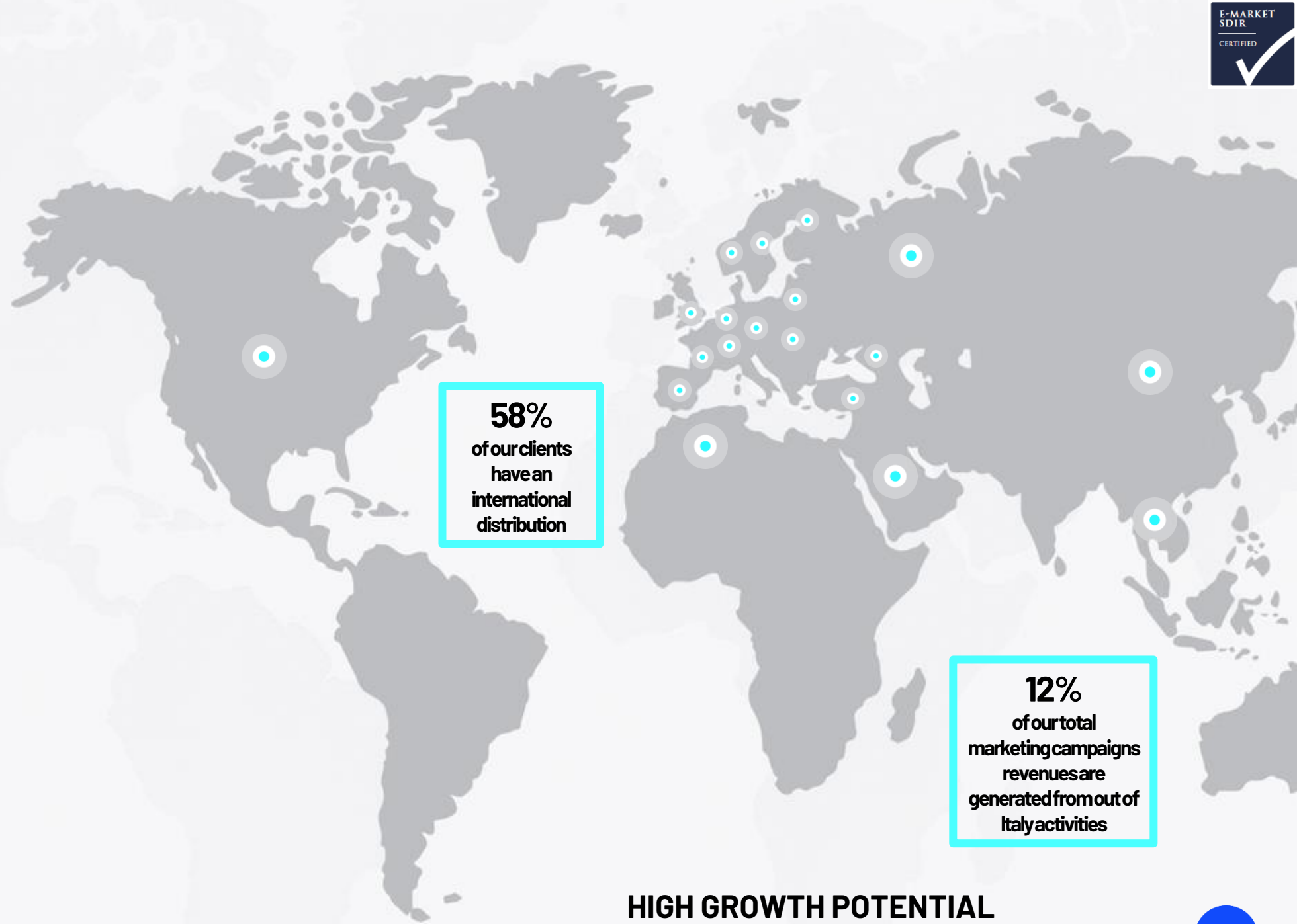
adform

OSSERVATORI.NET  
digital innovation

# 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.

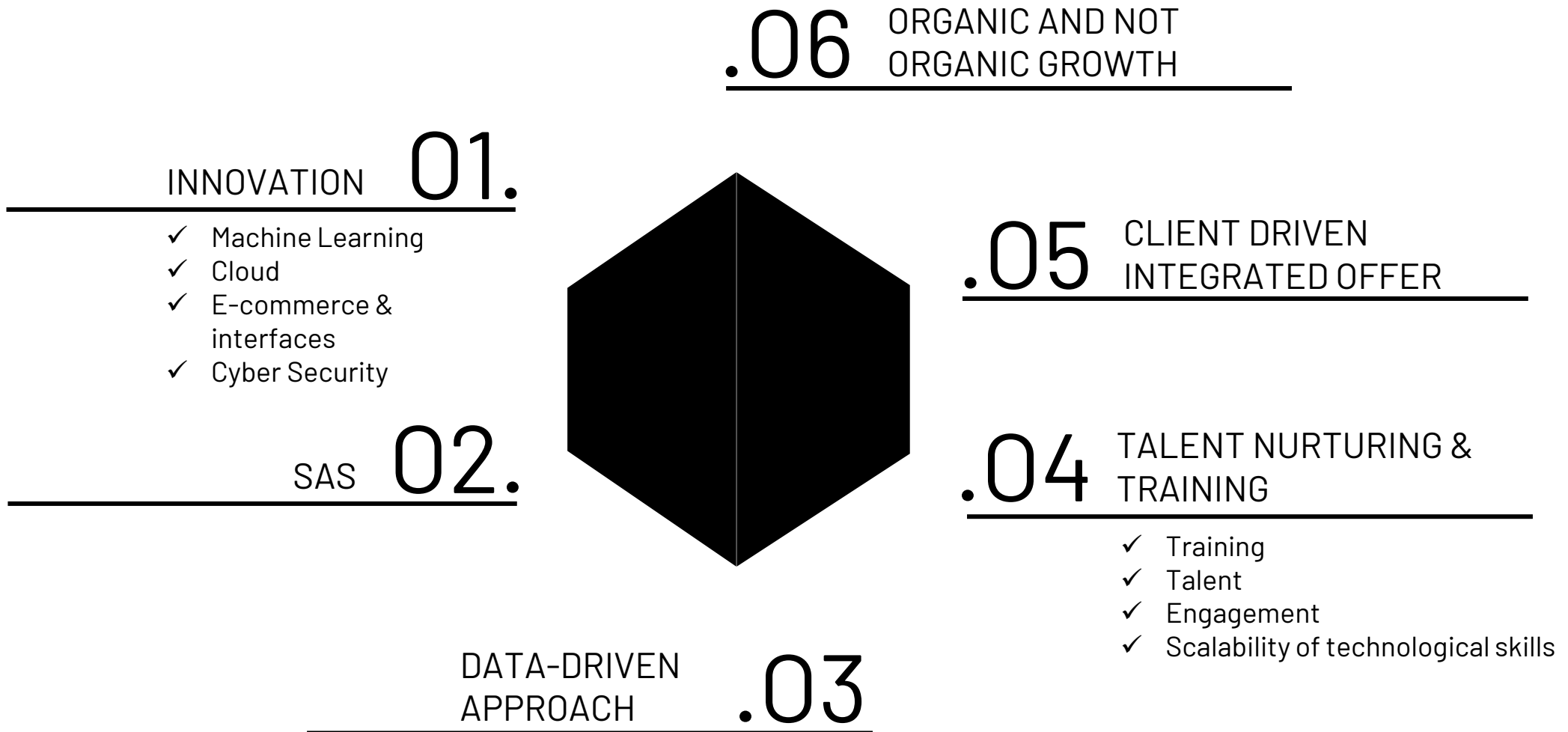
The Group is able to assist national and international clients in strategies of digitalisation and marketing at a global level.



**HIGH GROWTH POTENTIAL**



# MANAGEMENT FOCUS



# 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
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# 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>0,05</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.



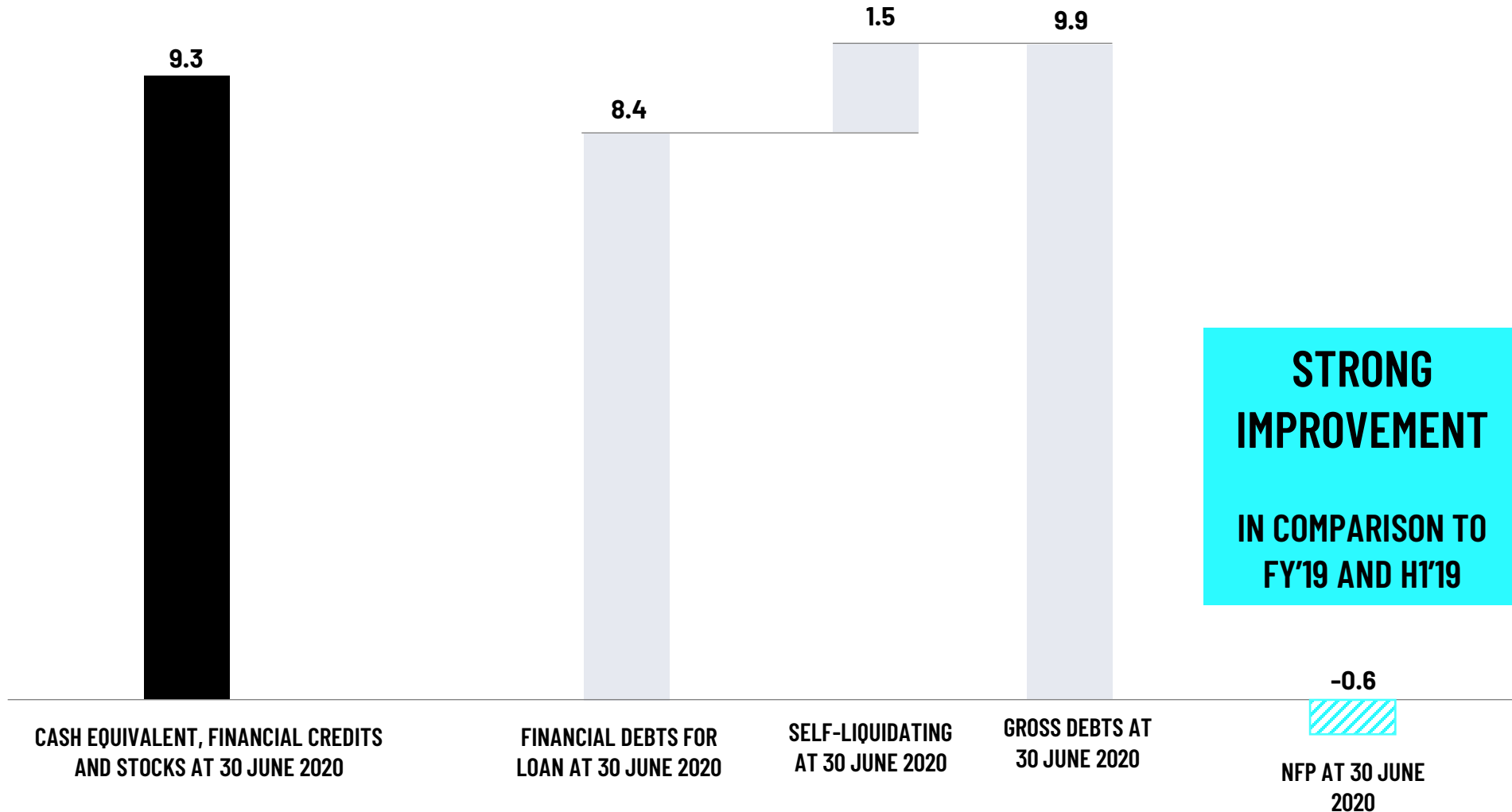
**Net financial position amounts to Euro 0.7 million** in comparison with Euro 2,6 million at 31 December 2019.



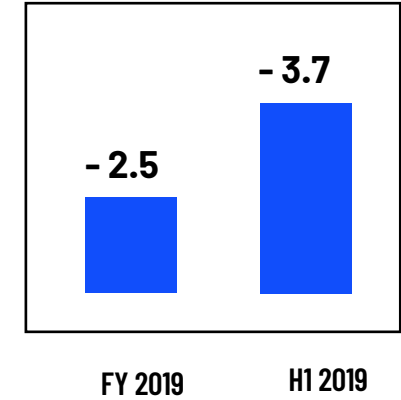




# CLOSING H1 2020 - NET FINANCIAL POSITIONS



Data are expressed in million Euro



**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**

# THANK YOU



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