



GRUPPO
DIGIT@UCH

“FULL YEAR 2020 RESULTS”

31st March 2021



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GRUPPO DIGITOUCH

2020 IN A SNAPSHOT



COVID-19 RECOVERY WILL BE DIGITAL – READY FOR THE «NEXT NORMAL»

- 1. Strong free cash flow in tough circumstances and after M&A activities (in the booming E-commerce field); +€3,1m in Op. Cash Flow**
- 2. Exceptionally low Net Debt/EBITDA at 0,3x, offering room for additional leverage and further investments**
- 3. Pandemic impact on ADV Marketing Revenue level almost entirely compensated by the growth in Technology and E-commerce segments**
- 4. Operating profitability improved and overall profitability preserved**
- 5. Net income as adjusted for goodwill amortization at €1,7m**
- 6. Share buy-back programme in execution for €700K**
- 7. Dividend distribution of €0,01 in payment end of June 2021**

Note: Net Income as adj. for goodwill amortization

Data accounted in IT GAAP



GRUPPO DIGITOUCH

A FAST GROWING DIGITAL PLAYER

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

34 Million Euro
REVENUES 2020

5.7 Million Euro
EBITDA adj. 2020

1.7 Million Euro
Net Income adj. 2020

19% 2014-2020
TOP LINE CAGR

27 Million Euro
Cumulated Investments 2014-2020



MISSION

We support our clients in the Digital Transformation path through an integrated offer comprising 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

Note: Net Income as adj. for goodwill amortization
Data accounted in IT GAAP



A FULLY INTEGRATED OFFER

CREATING VALUE BY LEVERAGING ON AN 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
- Interface development
- Experience Design
- Cloud Solutions
- Cyber Security

MARKETING SERVICES

- 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** with focus on integrating Technology, Marketing, Resources and Skills.

Flexibility, market centricity, consultancy and assets integration are our keys



MULTIPLE PROPRIETARIES TECHNOLOGIES

TECH SKILLS WITHIN THREE CORE DIVISIONS

TECHNOLOGY SERVICES

E-COMMERCE SERVICES

MARKETING SERVICES

OWNED TECH ASSETS

Cognitive Platform	Sales Agent	Purple X	Digital Human Experience	Gamification Platform iEGP®	Store Locator
Dealer Tab	Gamification Platform iEGP®			Social CMS	Voice CMS
Store Locator	Social CMS			Chatbot	Digital Human Experience
Chatbot	Custom CMS			Custom CMS	
Voice CMS					

SKILLS IN OTHER TECH ASSETS

Test Automation	BPA	UX/UI development	shopify	Pac	Analytics
Risk Management			Magento		

TECHNOLOGY PARTNERS

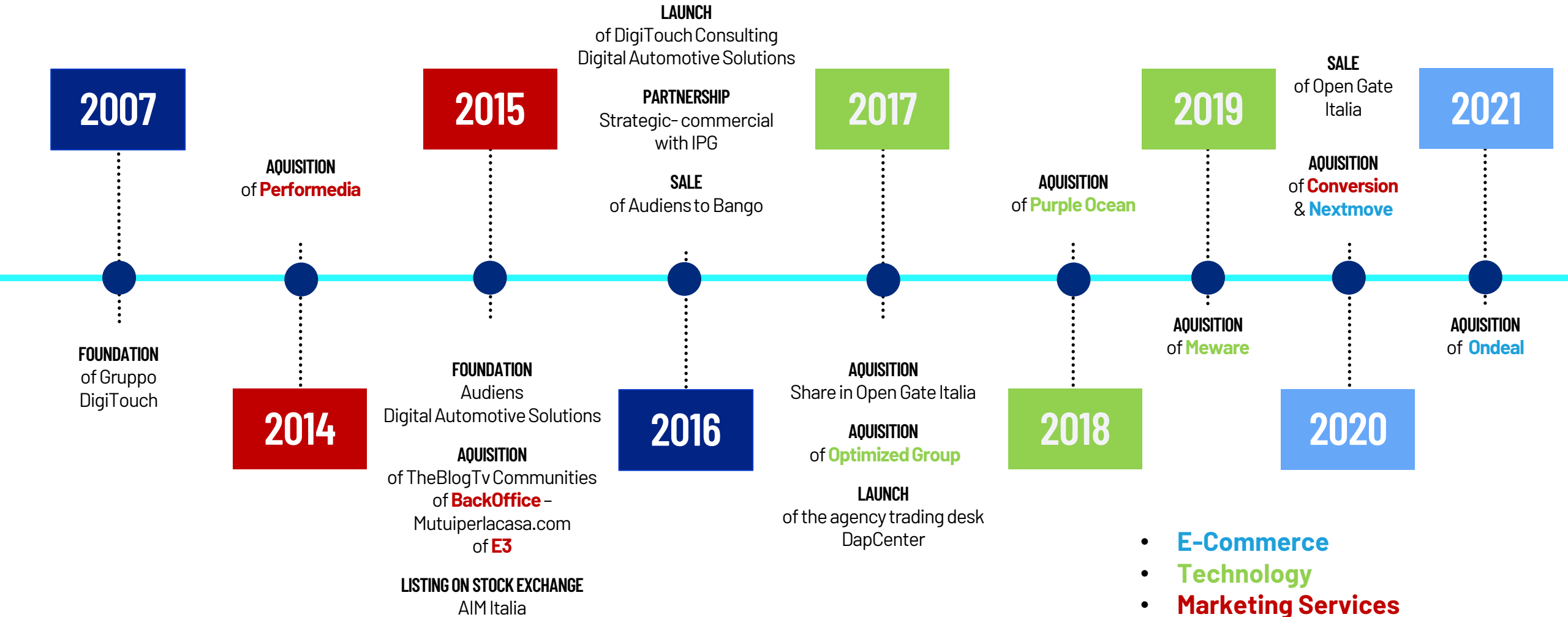
TIBCO	CISCO	DATA4! DATA CENTERS AT SCALE	Adobe	Google Cloud	Azure	facebook	audiens	amazon
Power BI	sas Gold Partner	redhat READY BUSINESS PARTNER	amazon web services	BUSINESS PARTNER	adverity	Google Partner	adform	OSSERVATORI.NET digital innovation
entando	ORACLE PARTNER							



OUR MILESTONES



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

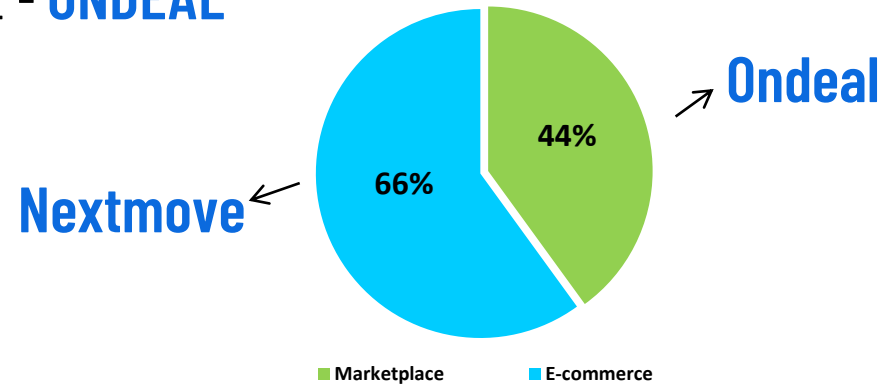


- **E-Commerce**
- **Technology**
- **Marketing Services**



LAST M&A TRANSACTIONS

ACQUISITION OF CONVERSION - NEXTMOVE - ONDEAL



Strengthening the position in the booming e-commerce field with a preliminary agreement to acquire Gruppo Ondeal, leader in the segment through the full service provider in the marketplace 4Deal

In 2020 in Italy sales through marketplace were almost 44% on total €24bn transactions through Ecommerce (source: Politecnico di Milano)



COVID-19 changed consumers behavior and accelerated e-commerce adoption, with many consumers experimenting with, and even becoming reliant on the digital channel while in isolation



E-commerce market is expected to grow significantly during next years - top three regions (North America, Europe and APAC) are expected to increase e-commerce market size by 60%-70% in next 5 years. Global ecommerce reached \$2.501bn in 2020 (+25% YoY) and it is projecting 4.283bn in 2025 (CAGR% of 11.4%)





DIVERSIFIED PORTFOLIO AND PARTNERSHIPS

EXPERTISE IN DIFFERENT SEGMENTS - CORE CUSTOMERS



RETAIL & E-COMMERCE



FOOD & BEVERAGE, CONSUMER GOODS



PUBLIC ADMINISTRATION



FASHION & LUXURY



FINANCE & INSURANCE



TELCO, UTILITIES, TECH & SERVICES



EDUCATION, ENTERTAINMENT, TRAVEL & AUTOMOTIVE



PHARMA & HEALTHCARE

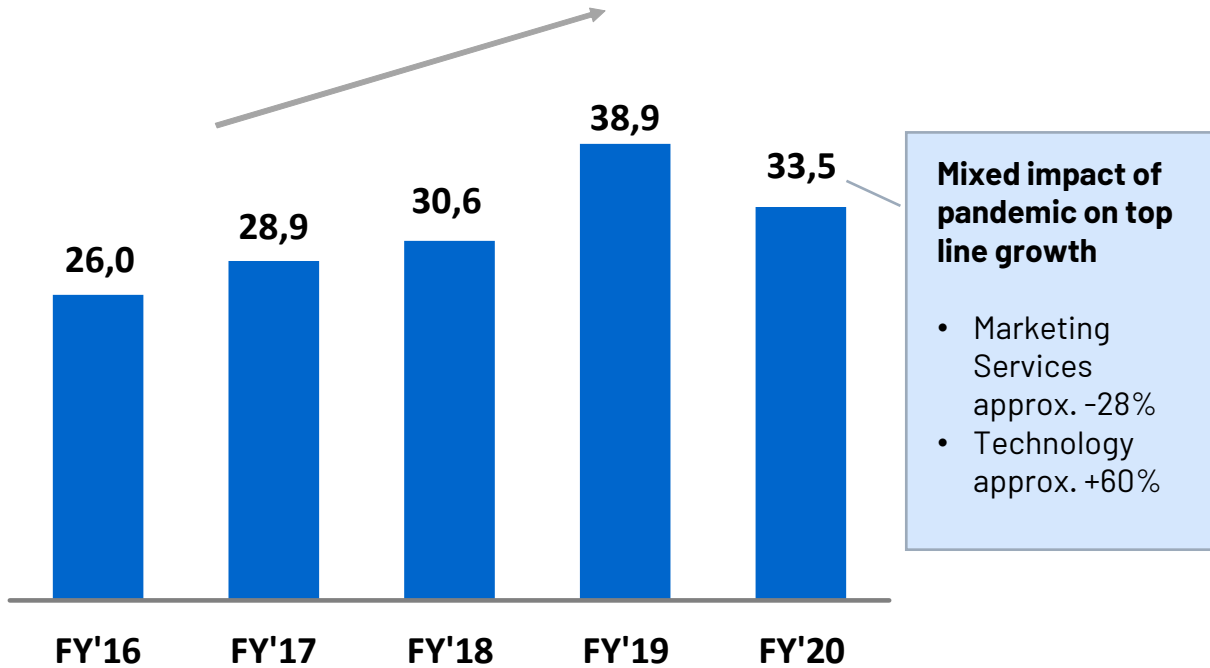




GROWING AND RESILIENT BUSINESS MODEL

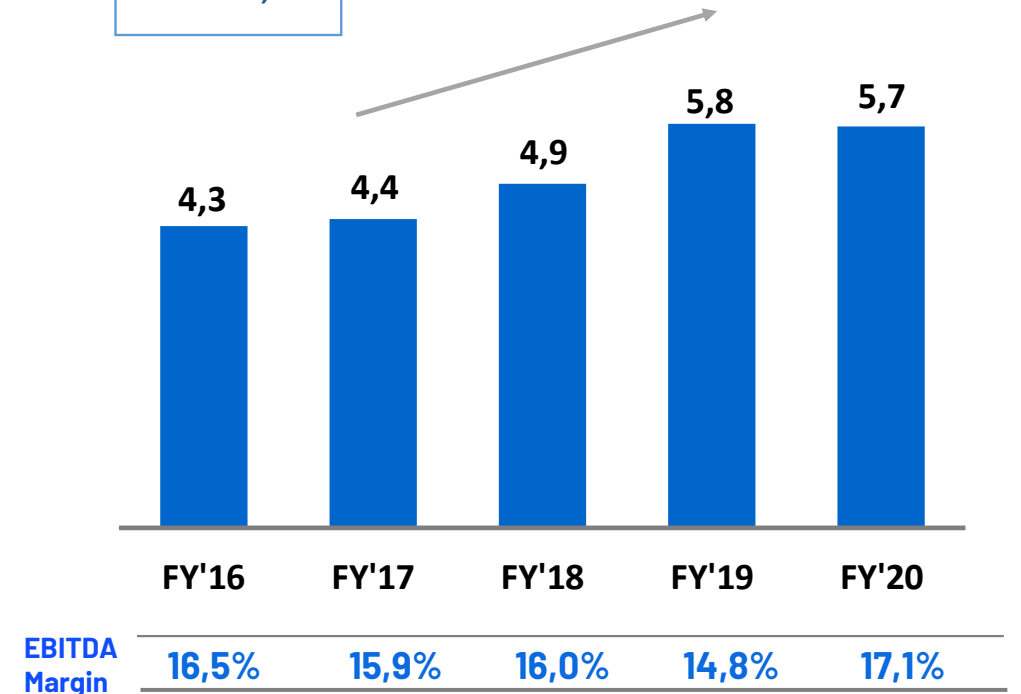
REVENUES

CAGR +6,7%



EBITDA

CAGR +7,3%



Note: EBITDA as adj. for non recurring items
Data in euro million - Data accounted in IT GAAP



FY 2020 KEY OPERATIONAL HIGHLIGHTS



RESILIENT BUSINESS MODEL COMBINED WITH CASH FLOW GENERATION AND SOUND BALANCE SHEET

Tough pandemic impact on the Media ADV business, while operating profitability improved and overall profitability was preserved

- **DigiTouch expanded its offer and reshaped its services to face the changing needs in E-commerce, Digital Marketing, Cloud Management**
 - ✓ Moving to a digital platform offering a wide range of integrated services
 - ✓ Strong increase in the number of public and private tenders participation in 2020
 - ✓ Acquisitions in the booming segments of Digital transformation, Omnichannel marketing and E-commerce
- **Results reflect impact of ADV budgets cuts**
 - ✓ Better than expected results at Gross Operating Income and NFP level
 - ✓ Benefit of cost-savings actions
 - ✓ Delivered positive free cash flow in tough circumstances



FY 2020 KEY FINANCIAL HIGHLIGHTS



- **Strong cash generation over the period**
 - ✓ €3,1 m in Operating Cash Flow vs €1,5m as of 31st December 2019 thanks to better NWC management
 - ✓ €0,6 m in Free Cash Flow vs -€0,7m last year despite new equity investments – Converse
- **NFP improved from -2,5m in FY 2019 to -€2,0m in FY 2020**
- **Revenues at €33,5 million – down 14% vs €38,9m in FY 2019 – (vs. sector decrease of nearly 30%) as a consequence of COVID 19 impact on ADV budgets cuts, mitigated by the good performance in Technology Services business**
- **Improvement in marginality compared to FY 2019**
 - Adj. EBITDA at €5,7 m in line with FY 2019 and EBITDA margin improved to 17,1% vs 14,8% in FY 2019
- **Pre-tax result at €0,7m and Net income as adjusted for goodwill amortization at €1,7m**
 - ✓ Net income as reported is impacted by the amortization of goodwill as for ITA GAAP



FY 2020 INCOME STATEMENT AND BALANCE SHEET

INCOME STATEMENT

Income Statement (Euro M)	FY'19	FY '20
Revenues	38,94	33,52
EBITDA adj.	5,76	5,72
<i>EBITDA margin</i>	14,8%	17,1%
EBIT	1,69	1,02
<i>EBIT margin</i>	4,3%	3,0%
Net Income adj. for goodwill amortization	2,30	1,70
Earnings before tax	1,31	0,68
Net Income	0,77	0,07
<i>Net Income margin</i>	2,0%	0,2%

BALANCE SHEET

Balance Sheet (Euro M)	FY'19	FY '20
Goodwill	8,60	8,35
Other Assets	6,39	7,67
Net Working Capital	3,22	2,40
Long-term Liabilities	-1,16	-1,64
Net Capital Employed	17,05	16,77
Net Equity	14,54	14,77
Net Financial Debt	2,55	2,01
Net Equity and Funds	17,09	16,78

- Adj. EBITDA Margin increased thanks a better mix, and the new go-to-market approach with focus on more profitable projects
- Amortization, depreciation and write-downs up compared to last year due to some investments entered into the production cycle that were completed in the previous year and certain write-downs



FY 2020 – NET RESULT AS ADJ FOR GOODWILL

NET INCOME ADJ.

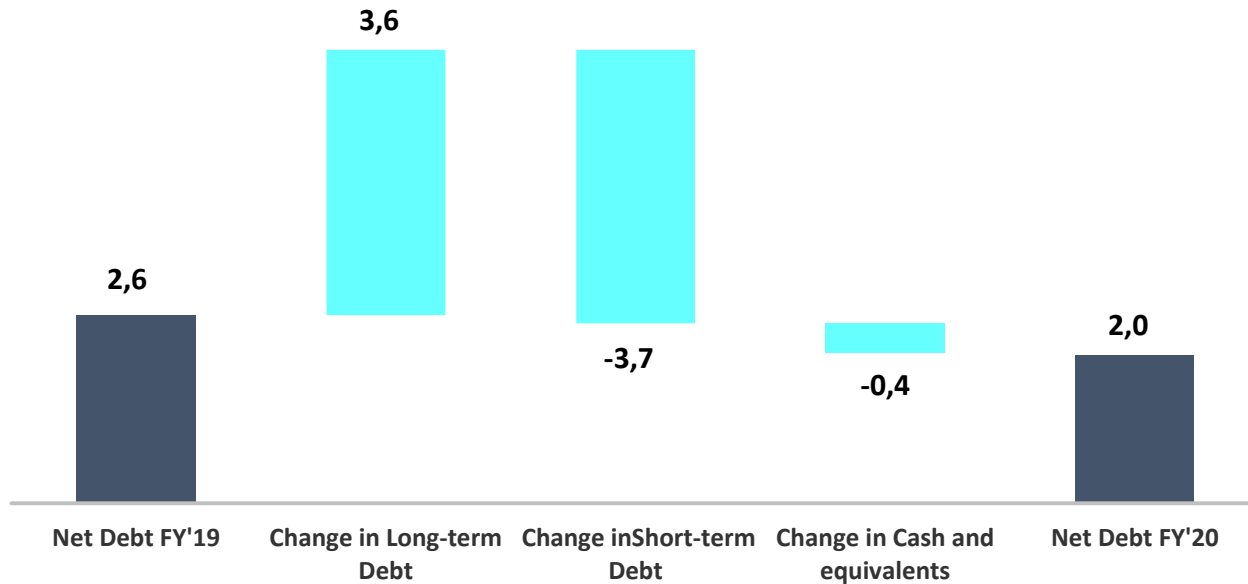
Analysis of Net Income adj. (Euro M)	FY'17	FY'18	FY'19	FY '20
Revenues	28,9	30,6	38,9	33,5
residual Goodwill	11,4	10,0	8,6	8,3
Net Equity	14,1	14,1	14,5	14,8
Net Equity after goodwill coverage	2,7	4,1	5,9	6,4
Goodwill amortization	1,2	1,3	1,5	1,6
Net Income	0,4	0,3	0,8	0,1
Net Income adj. for goodwill amortization	1,7	1,6	2,3	1,7
<i>Net Income adj. margin</i>	<i>5,7%</i>	<i>5,3%</i>	<i>5,8%</i>	<i>5,0%</i>

- **DigiTouch reports its Financials in IT GAAP**
- Adjusted Net Result: heavily impacted by the effect of goodwill amortization accounted in accordance with OIC rules
- Net Equity after goodwill coverage: highlights the ability to cover the residual value of goodwill



FY 2020 – NFP AND FCF DYNAMICS

NET DEBT



Detailed FCF (Euro M)	FY'19	FY '20
EBITDA	5,76	5,72
Other	-1,81	-2,01
Change in WC	-2,50	-0,60
Operating Cash Flow	1,45	3,11
Capital expenditures	-0,85	-2,80
Other (investments)/divestments	-1,29	0,30
FCF	-0,69	0,60
Net Debt/EBITDA	0,44	0,35

- €3m bond repaid in March 2020; issuance of a new loan
- Significantly low Net Debt/EBITDA at 0,3x - still room for additional leverage and investments
- Positive change in at Operating cash flow level due a lower absorption of Working capital
- Positive change in Net Debt mostly due to the increase in cash liquidity (€7,8m as of December 31st 2020)



GUIDANCE 2021



-
- **Revenues \geq €40m**
 - **EBITDA adj. €6,2-6,5m**
-



STRATEGIC ROADMAP 2021

DigiTouch will continue to focus on the new integrated offer through the go-to-market approach while maintaining attention on both top line growth – also through M&As – and profitability progress

The Group has already reinforced priorities and enhanced continuity plans to navigate the “next normal”. In the current difficult market context, the Group was favored by its versatile business model and the sound balance sheet

The digital shift is one of the most profound changes brought about by the pandemic, and DigiTouch is taking all the available opportunities with a clear strategy aimed at:

1. Focus on the sector of public tenders
 2. Accelerate e-commerce / development of digital enabler e-commerce positioning
 3. Speed up innovation in the fast growing areas of cloud marketing, machine learning, cyber security
 4. Offer integrated projects combining its platforms with customers’ technologies
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SOLID LONG-TERM GROUP



Long-term relationships with its customers, as well as strong connections in the industry

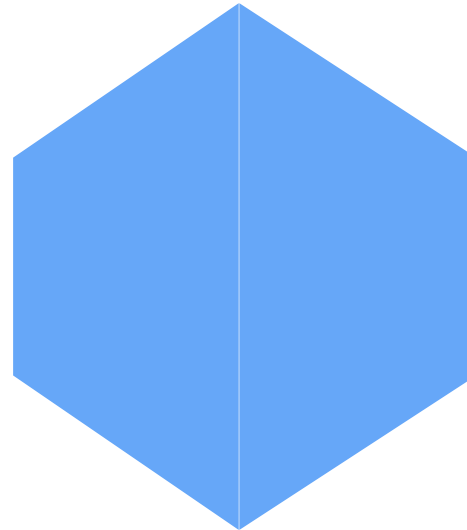
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Significant commitment of Board members expressed through a share buy back programme

06.

Stable high margins over time and significant cash flow generation

05.



.02

Focus on best of the shelf technology

.03

Sound Balance Sheet

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Solid top management with length experience in the industry and trustable credibility

GRUPPO

DIGIT@UCH

investor.relator@digitouch.it

T | +39 02 89295 100

W | GRUPPODIGITOUCH.IT

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