

Agreement to sell the Credit Information & Management Division



TINEXTA

31 May 2022

Agenda

1

Executive Summary

2

Transaction details

3

Pro forma Financials

4

Closing remarks

5

Q&A

Josef Mastragostino, Chief IRO

Oddone Pozzi, CFO

Oddone Pozzi, CFO

Josef Mastragostino, Chief IRO

M&A: creating increased value for shareholders

Tinexta Group sells - Credit Information & Management - to CRIF S.p.A. for a total Enterprise Value of € 237.5M

- **Deal and Structure considerations:**

- Tinexta **sells to CRIF S.p.A. the Credit Information & Management business Unit** (excluding Forvalue) for a total of **€ 237.5M**
 - Perimeter comprised of: Innolva Group companies + REValuta
- A **compelling valuation c. 11x EV/Adjusted EBITDA** (on 2021A results)
- **Equity Value of € 227.7M** (March 31, 2022)
- **100% Cash payment at closing**

- **Strategic Rationale & Value creation:**

- **CI&M not a core asset** for Tinexta Group given the increased **focus on digitalization**
- Momentum is at historical highs given the recent **consolidation in the space** in the Italian market
- **Enables increased collaboration with CRIF** for Tinexta's other business units
- The **highest valuation ever offered** for the Credit Information & Management Business Unit
- **Adjusted EBITDA margin** of the business division is **at historical highs**, CI&M at 29% margin as of FY'21
- **Favourable time to sell** given the overall macroeconomic uncertainty impacting the markets
- **Creating value for our shareholders** having extracted high value since the initial investment in CI&M
- **Increases noticeably the firepower for future M&A**

- **Solid Financial Fundamentals:**

- The transaction allows for a rationalization of the Group's **Invested Capital going from c.€ 500M to c.€ 370M**
- **2022 Pro forma leverage ratio down to c.0.4x from 2.7x (as of FY'21)**
- 2022 Revenue and adjusted EBITDA pro forma guidance substantially unchanged vs PY actuals

- **Approvals & Timing:**

- Closing, expected in the second half of 2022, is subject to the usual conditions for this type of transactions, including the Golden Power Rule + Conditions precedent


1 The Group's perimeter – *CI&M to be sold in cash*


- Enterprise Value: €237.5M
- Valuation: 10.8x (EV/Adj. EBITDA 2021A)
- Equity Value: €227.7M
- In Cash at closing to  *Together to the next level*


✓ Core


Digital Trust


- Refers to IT solutions for **digital identity and the dematerialization of processes** according to the applicable legislation.
- Products and services such as **certified electronic mail, electronic archiving, digital signature, electronic invoicing**, and solutions for the secure and simplified transmission of legal and financial documents.


 TINEXTA GROUP
88.2%


 TINEXTA GROUP
100%


 TINEXTA GROUP




 AN INFOCERT COMPANY

€131M
Revenues

28%
EBITDA
Margin

€36M
EBITDA
Adj.

✓ Core

Cyber Security

- **Strategic infrastructure** and a **key asset for the protection of citizens and their "social economy"**.
- To **create the national cybersecurity hub**, with custom and proprietary solutions for the mitigation and governance of risks related to the digital sector, pursuing the evolution of platforms and offer controls, as well as innovation profiles.


100%


51%


70%


60%


€73M
Revenues


14%
EBITDA
Margin


€10M
EBITDA
Adj.


Credit Information & Management


- Provides **services and products** to assess the **credit of businesses and individuals**, analyze and package information on creditworthiness and collection management, offer tools for data collection, analysis and evaluation, as well as **undertake real estate valuation**.


 TINEXTA GROUP
75%


 TINEXTA GROUP
95%


 powered by Innolva


 TINEXTA GROUP


 TINEXTA GROUP *

€79M
Revenues

29%
EBITDA
Margin

€23M
EBITDA
Adj.

✓ Core

Innovation & Marketing Services

- Through Co.Mark and Warrant Group, offers a **consultancy platform to SMEs to support them in phases of manufacturing growth and expansion of commercial activities, including abroad**.


 TINEXTA GROUP
100%


 TINEXTA GROUP
100%

€95M
Revenues

43%
EBITDA
Margin

€41M
EBITDA
Adj.

2021 Results

BU Revenues and EBITDA data do not include intra-sectoral intercompany and Tinxeta S.p.A. costs.

* Forvalue will not be included in the sale

Agenda

1

Executive Summary

Josef Mastragostino, Chief IRO

2

Transaction details

Oddone Pozzi, CFO

3

Pro forma Financials

Oddone Pozzi, CFO

4







Closing remarks

Josef Mastragostino, Chief IRO

5

Q&A

2 The offer – *Binding agreement to purchase C&IM*

	Innolva Group	REValuta	Total
Perimeter	Majority stakes:   Minority stakes:   		Credit Information & Management Division (excl. ForValue)
EV 100%	€187.5M	€50.0M	€237.5M
EV/EBITDA Adj. (2021A)	10.4x	12.5x	10.8x
NFP (@March 31, 2022)	€14.4M	€(4.6)M	€9.8M*
Equity Value 100%¹	€173.1M	€54.6M	€227.7M
Payment	100% cash	100% cash	100% cash

(1) Calculated on the basis of the CI&M effective NFP as at 31 March 2022 according to the contractual definition (€ 9.8m). The final calculation resulting from the contractual agreements will take into account the timely verification of the NFP in place at the time of the closing of the transaction.

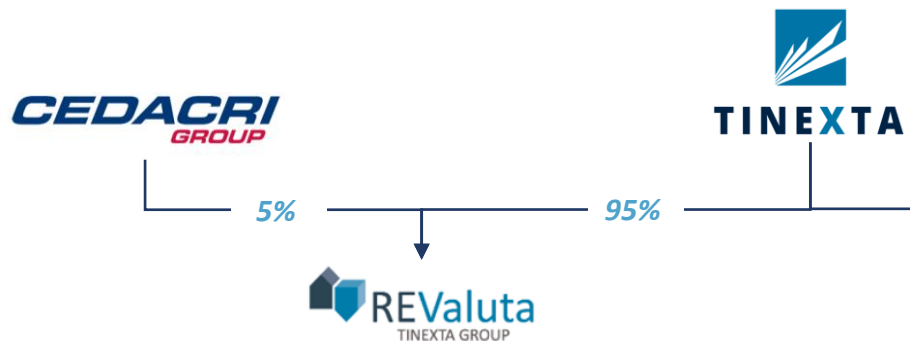
*Includes dividends distributed in 2022.

2 The BU's Perimeter – C&IM's corporate structure

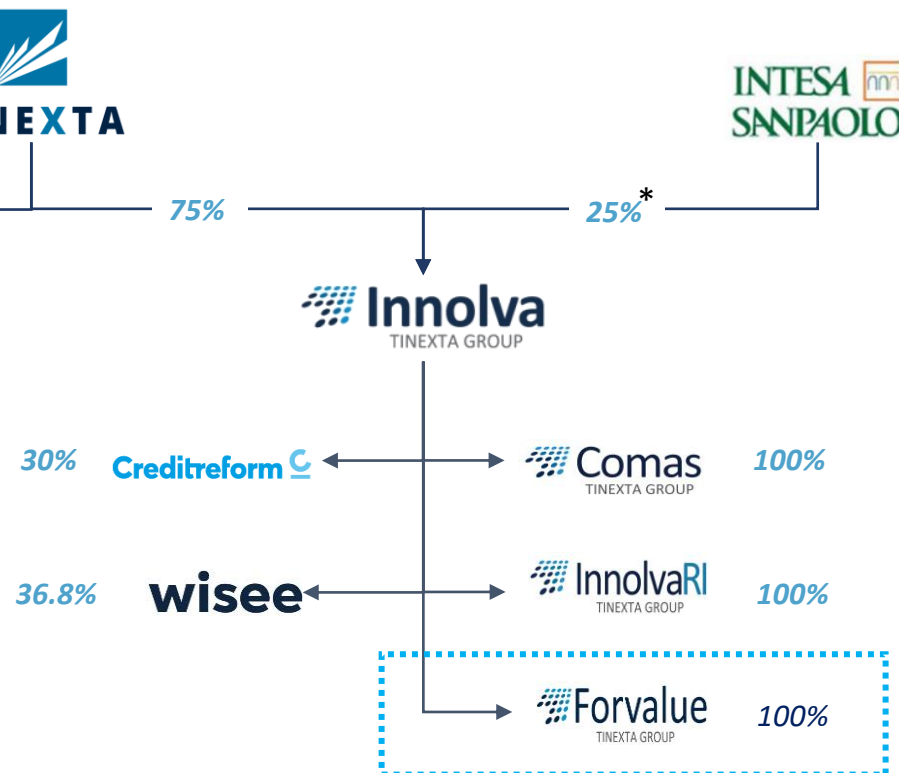
Conditions precedent:

- Cedacri not to exercise the right of pre-emption on REValuta
- Golden Power

REValuta



Innolva Group



Conditions precedent:

- Intesa to allow the sale of its 25% stake to CRIF following the transfer of Forvalue to Tinexta or another Tinexta Group company. Intesa and Tinexta Group will continue their partnership.
- Golden Power

Perimeter of the transaction: KPIs 2021A ¹	
Revenues	EBITDA Adj.
€ 75.4M	€ 22.0M
Net Debt	Headcount
€ 4.0M**	372

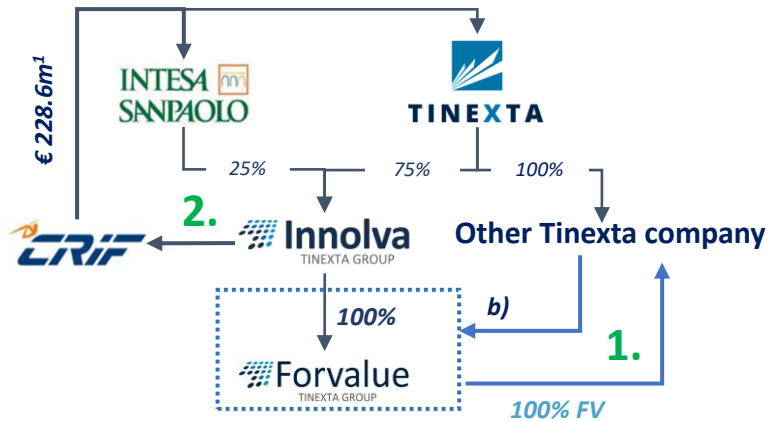
(1) Excludes Forvalue (Revenues: € 3.8M, Adjusted EBITDA: € 0.7M, NFP (cash): € (3.1M))

• As per Press Release dated June 21, 2021, related to Intesa Sanpaolo's transfer of Intesa Sanpaolo Forvalue to Innolva in exchange for a 25% equity stake.

** Excludes dividends distributed in 2022.

2 The transaction – *A three steps process* (as per current assumption)

Current shareholder structure:

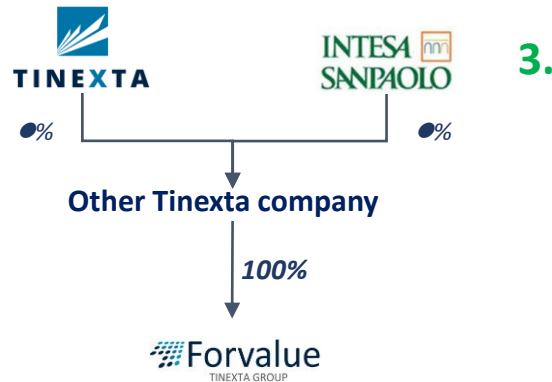


1. Innolva sells 100% of Forvalue (following the conditions precedent) to another Tinexta Group company

2. Tinexta and Intesa San Paolo sell 100% of Innolva for ~ € 229M

3. With the cash-in, Intesa San Paolo subscribes a share capital increase in the Tinexta Group company (holding Forvalue)

Target structure:



VALUATION:

- a) **Innolva:** ~ € 173M (Equity Value), as per CRIF's¹ offer
- b) **Forvalue:** assessed at fair market value (~ € 57M Book Value 31 Mar 22)
- c) **Other Tinexta Group company:** TBD

- **COMMERCIAL AGREEMENTS:** replication of the agreements in place relating to Innolva

(1) Calculated on the basis of Innolva's actual NFP as at 31 March 2022 according to the contractual definition (€ 14.4m), including the consideration deriving from the intragroup sale of Forvalue. The final calculation resulting from the contractual agreements will take into account the timely verification of the NFP in place at the time of the closing of the transaction.

Agenda

1

Executive Summary

Josef Mastragostino, Chief IRO

2

Transaction details

Oddone Pozzi, CFO

3

Pro forma Financials

Oddone Pozzi, CFO

4

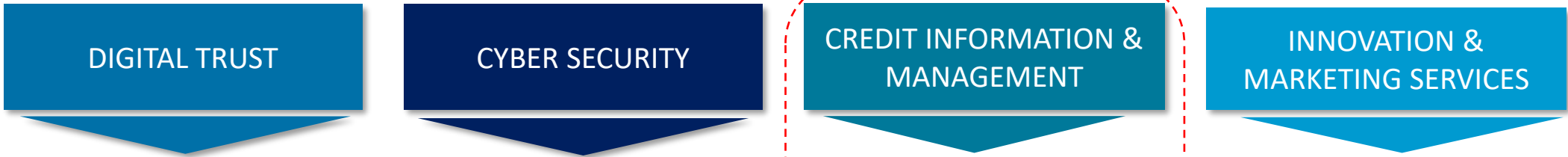
Closing remarks

Josef Mastragostino, Chief IRO

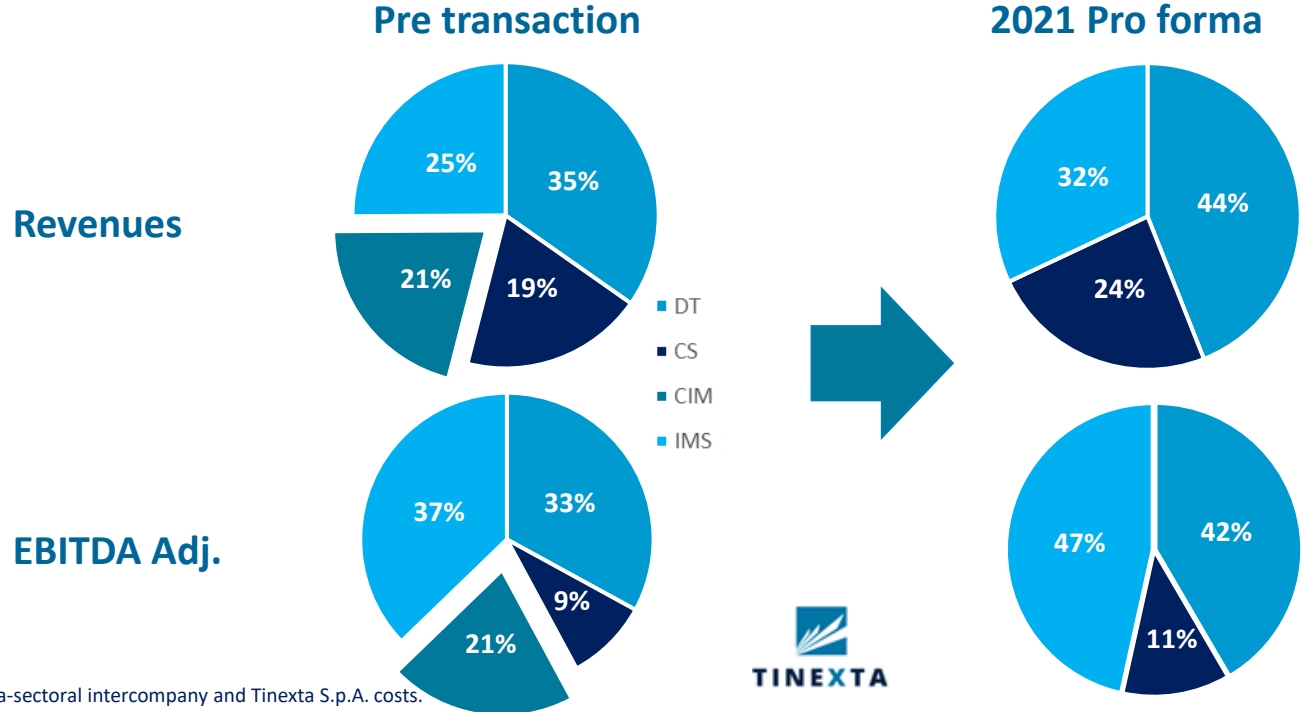
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Q&A

3 Pro forma Financials on 2021 Results by Business Unit



	DIGITAL TRUST	CYBER SECURITY	CREDIT INFORMATION & MANAGEMENT	INNOVATION & MARKETING SERVICES
Revenues	€131M	€73M	€79M	€95M
EBITDA Adj.	€36M	€10M	€23M	€41M
EBITDA Adj. Margin	28%	14%	29%	43%

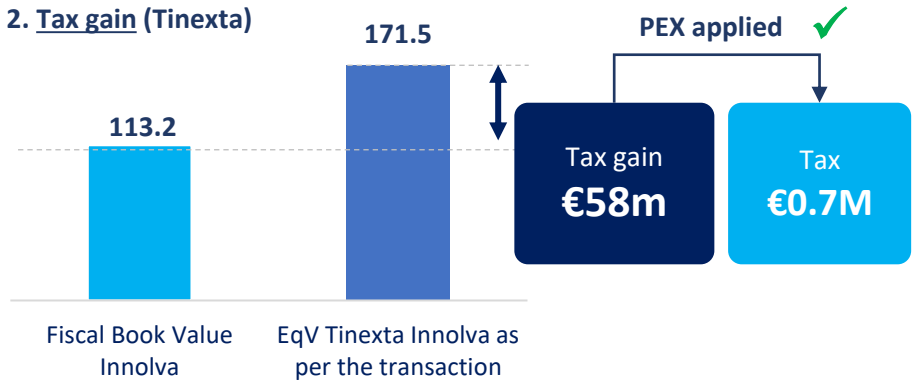
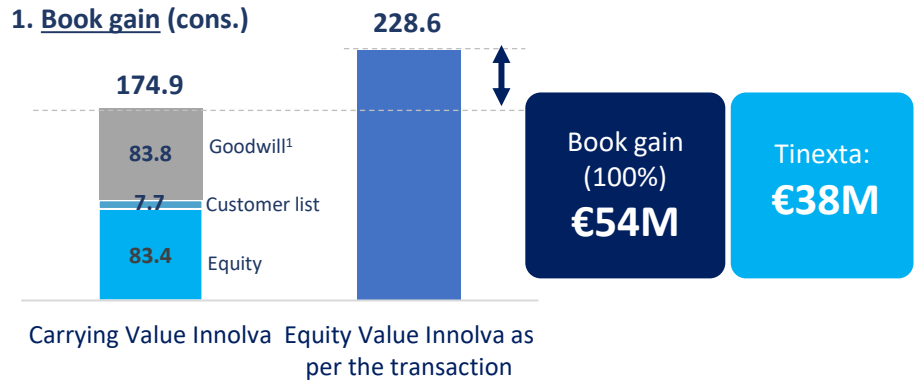


- ✓ Favorable rebalancing on the digital side of the business
- ✓ Increased business rationalization provides for more attractive Group mix

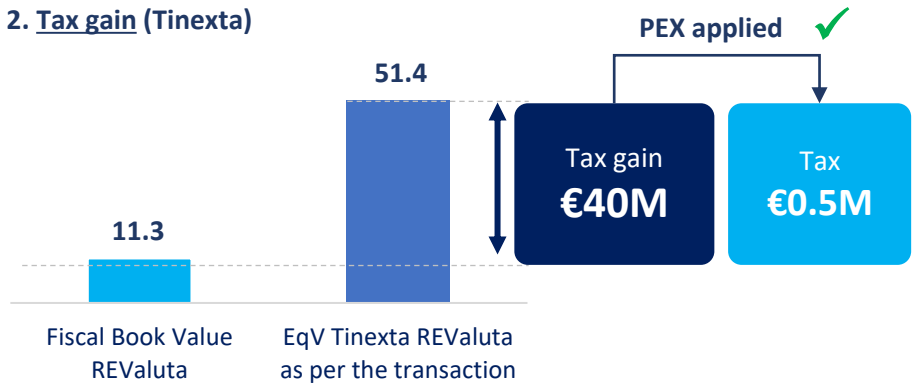
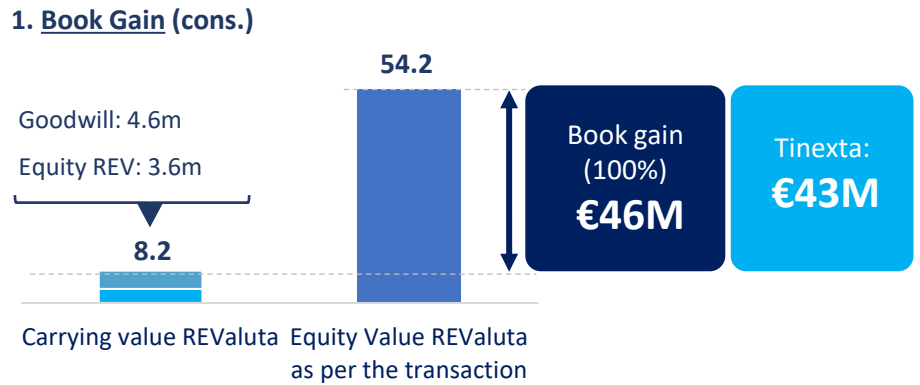
BU Revenues and EBITDA data do not include intra-sectoral intercompany and Tinexta S.p.A. costs.

3 Equity – Determining capital gains

Capital gains Innolva



Capital gains REValuta

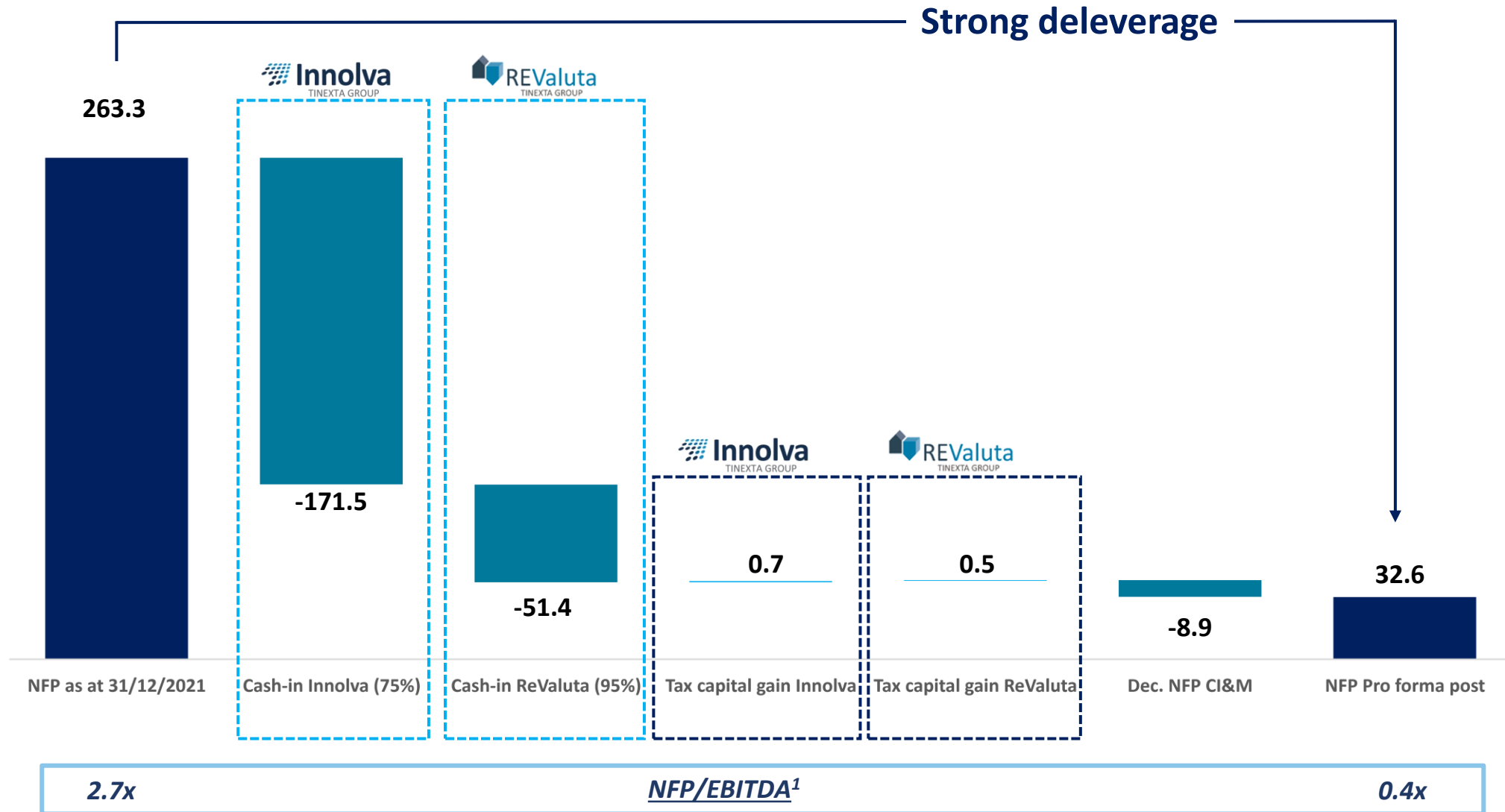


(1) Subject to PPA prior to closing.
 PEX (Participation Exemption)
 When figures don't have a currency, € M applies.
 The calculation of the capital gains is provisional on the basis of the Carrying Value and the NFP as at 31/3/2022 (including dividends distributed in 2022). The final calculation will take into consideration the Carrying Value and NFP at the Closing date.

3

NFP Bridge – Pro forma

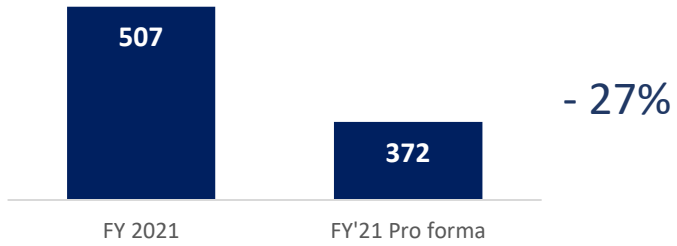
€ M



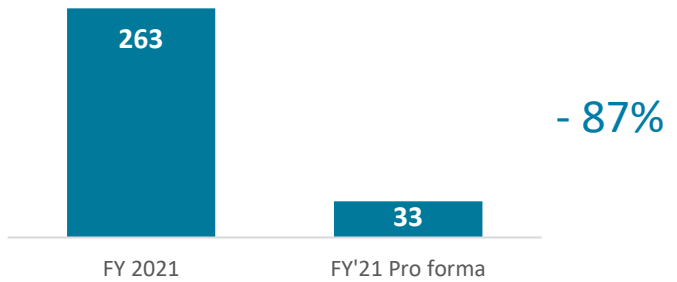
(1) Calculated NFP/Adjusted EBITDA FY'21 (for FY'21); Pro forma NFP/2021 Pro forma Adjusted EBITDA.

3 Balance Sheet – *The pro forma*

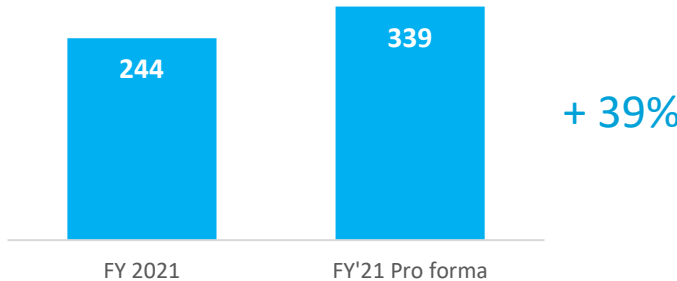
Net
Invested
Capital



Net
Financial
Position



Total
Shareholders
Equity



- Considerably lower Net Invested Capital provides increased flexibility on the Balance Sheet
- Significant improvement in Net Financial Position allows increased M&A firepower
- Total Shareholders Equity increased mostly on transaction's net capital gains both from Innolva and REValuta

3 2022 – Key Financial Targets Pro forma

Guidance	2022 Old	2022 Pro forma
Revenues	~ 18-20% growth vs PY	~ in line vs PY
Adjusted EBITDA	~ 20-22% growth vs PY	~ in line vs PY
NFP/Adjusted EBITDA	~ 2.0x	~ 0.4x

➤ **PNRR’s potential positive benefits not included in guidance nor any additional M&A**

PY refers to the data as per the 2021 Annual Report approved by the AGM on April 28, 2022. Please note that, following accounting standards, the 2021 data will be presented on a pro forma base (excluding CI&M) as per the 2022 Annual Report.

Agenda

1

Executive Summary

Josef Mastragostino, Chief IRO

2

Transaction details

Oddone Pozzi, CFO

3

Pro forma Financials

Oddone Pozzi, CFO

4

Closing remarks

Josef Mastragostino, Chief IRO

5

Q&A

Closing remarks

- ✓ Valuation at an attractive multiple, premium band vs other comparable deals
 - ✓ Strong shareholder returns on pro forma figures
 - ✓ Deal to foster further collaboration with CRIF for Tinexta's other business segments
 - ✓ Enables noticeable Equity and Tax gains
 - ✓ Rationalization and rebalancing of the business model with strong concentration on the digital innovation, marketing consultancy and cyber security side of the business
 - ✓ Deal proceeds increase cash firepower geared towards accelerated M&A as well as internationalization
 - ✓ Envable pro forma 2022 NFP/adjusted EBITDA at 0.4x
- Tinexta updates its 2022 pro forma full year guidance of:
- Revenues: in line with PY
 - Adjusted EBITDA: in line with PY
 - NFP/adjusted EBITDA at c.0.4x

Agenda

1

Executive Summary

Josef Mastragostino, Chief IRO

2

Transaction details

Oddone Pozzi, CFO

3

Pro forma Financials

Oddone Pozzi, CFO

4

Closing remarks

Josef Mastragostino, Chief IRO

5

Q&A

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