

# 9M 2022 Results

## Ended September 30, 2022



**TINEXTA**

10 November 2022

# Agenda

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**9M'22 Highlights and Updates**

**Josef Mastragostino, Chief IRO**

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Oddone Pozzi, CFO

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# 9M'22 working on delivery

Data, and PY comparisons, are provided excluding CIM activities. Forvalue is included in IMS

- **9M'22 results showed continuing double-digit growth:**
  - Revenues at € 246.7M in 9M'22 (+ 19.1% vs PY);
  - EBITDA Adjusted at € 54.8M in 9M'22 (+ 16.6% vs PY) mainly driven by DT and IMS, EBITDA<sup>1</sup> at € 48.9M in 9M'22 (+ 11.6% vs PY);
  - EBITDA Adjusted margin 22.2% (22.7% vs PY); EBITDA<sup>1</sup> margin 19.8% (21.2% vs PY);
  - EBIT at € 28.7M (+ 14.9% vs PY); EBIT Margin: 11.6%;
  - Net Profit of *continuing operations* at € 18.5M (+ 21.1% vs PY); Net Profit at € 64.0M (+ 167.8% vs PY) mainly driven by the net capital gain deriving from the sale of Innolva;
  - NFP of € 139.1M (€ 263.3M in FY'21), which includes all recent M&A operations, strongly improved by over 47% vs FY'21 on the proceeds from the sale of Innolva as part of the sale of CIM; Enviabile NFP/LTM EBITDA Adjusted of 1.65x down from 2.67x in FY'21;
  - Adjusted Free Cash Flow of *continuing operations*: € 36.2M (substantially in line with PY € 38.7M); on a LTM base Adjusted FCF of *continuing ops* was: € 49.7M.
- **Most of the business lines<sup>2</sup> continue to grow also in 9M'22:**
  - Digital Trust, grows 22.2% in Revenues with EBITDA growing 35.4%. EBITDA margin 28.8%
  - Cyber Security, + 6.3% in Revenues, EBITDA at € 4.8M. EBITDA margin at 8.7%
  - Innovation and Marketing Services, posted a + 27.1% in Revenues with EBITDA rising 10.2%. EBITDA margin 34.8%

## Recent Events & Updates:

- Intesa San Paolo to subscribe the share capital increase in Warrant Hub following the sale of Innolva. Intesa to hold 12% of Warrant, which owns 100% of Forvalue.

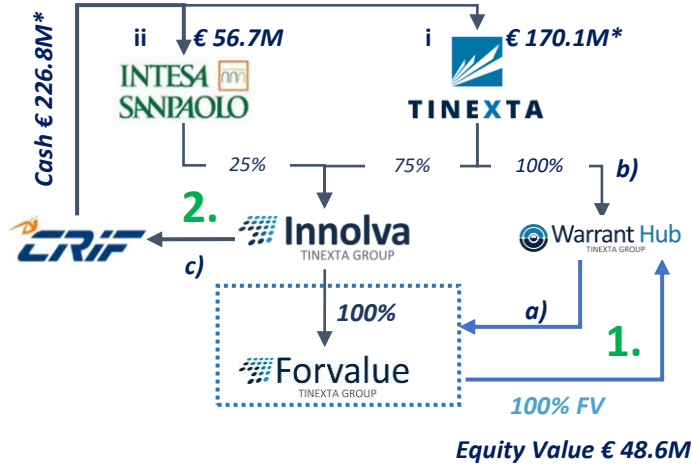
- **Human Resources:** as of September 30, 2022 the group employed 2,143 employees (excluding CIM)

Memo: In order to allow as complete an analysis as possible in this document, 9M'22 results are compared both on a 2021 Like For Like (LFL) base, as well as on a 2022 base (which includes all of TINEXTA's companies with the addition of the newly acquired ones). 9M figures have been restated and for further details please refer to the 9M'22 interim financial reports.

- (1) EBITDA Reported
- (2) BU data are provided as Adjusted

# 1 Innolva's closing – Transaction details

## Old shareholder structure:



1. Innolva sold 100% of Forvalue to Warrant Hub for an Equity Value of €48.6M (@Fair Market Value July 2022)

- a) Warrant Hub owes Innolva the exact amount (€48.6M)
- b) The credit from Innolva (debt from Warrant) is honored by Tinexta
- c) Innolva transfers the credit (net of intercompany) to CRIF (€36.0M = € 48.6M - € 12.6M)

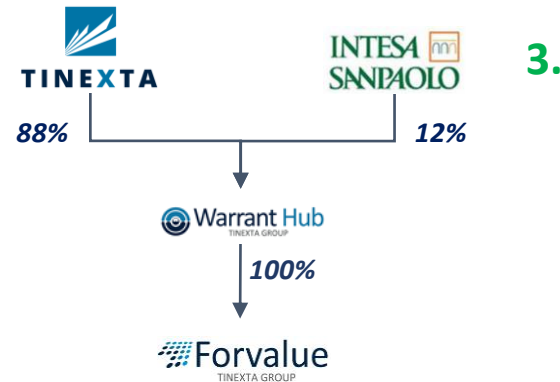
2. Tinexta and Intesa San Paolo sold 100% of Innolva for € 226.8M

- i. Tinexta cashes: 75% of the Equity Value of Innolva net of the debt towards CRIF or € 134.1M (€ 170.1M-€ 36.0M)
- ii. Intesa San Paolo cashes: 25% Equity Value of Innolva

3. Intesa San Paolo to subscribe a share capital increase (€ 55M) in Warrant Hub (which now holds Forvalue)

Completed on August 3<sup>rd</sup>

## New structure:

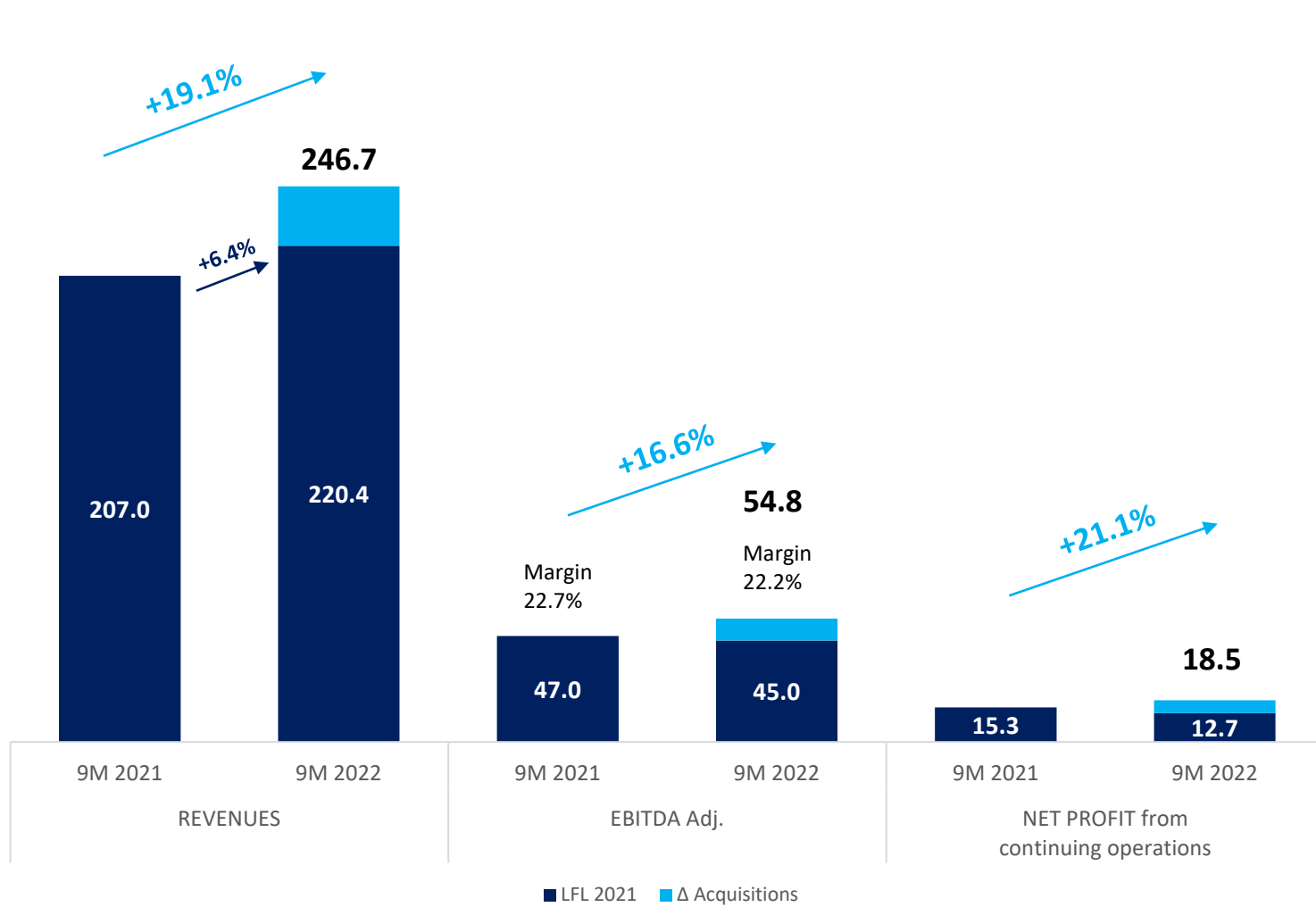


**Total benefit on NFP of about €230M**

\*Includes €36.0M of debt owed to CRIF deriving from the transaction.

# 1 9M'22 Results

9M 2022 show Revenues of **246.7 million** euros, EBITDA adjusted of **54.8 million** euros and Net Profit *from continuing operations* of **18.5 million** euros. EBITDA Reported is **48.9 million** euros.



- 9M'22 results show a growth both in Revenues (c. +19%) and in EBITDA Adjusted (c. +17%);
- EBITDA Adjusted amounted to **54.8 million** euros, up from **47.0 million** in PY; EBITDA Adjusted on a 2021 base was **45.0 million** euros;
- EBITDA Reported is equal to **48.9 million** euros;
- EBITDA Adjusted Margin is equal to 22.2% (22.7% in PY);
- Net Profit *from continuing operations* is equal to 18.5 million euros;
- Adjusted Free Cash Flow *from continuing operations* at **36.2 million** euros.

€ M

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# 9M'22 Financial Results – Income Statement

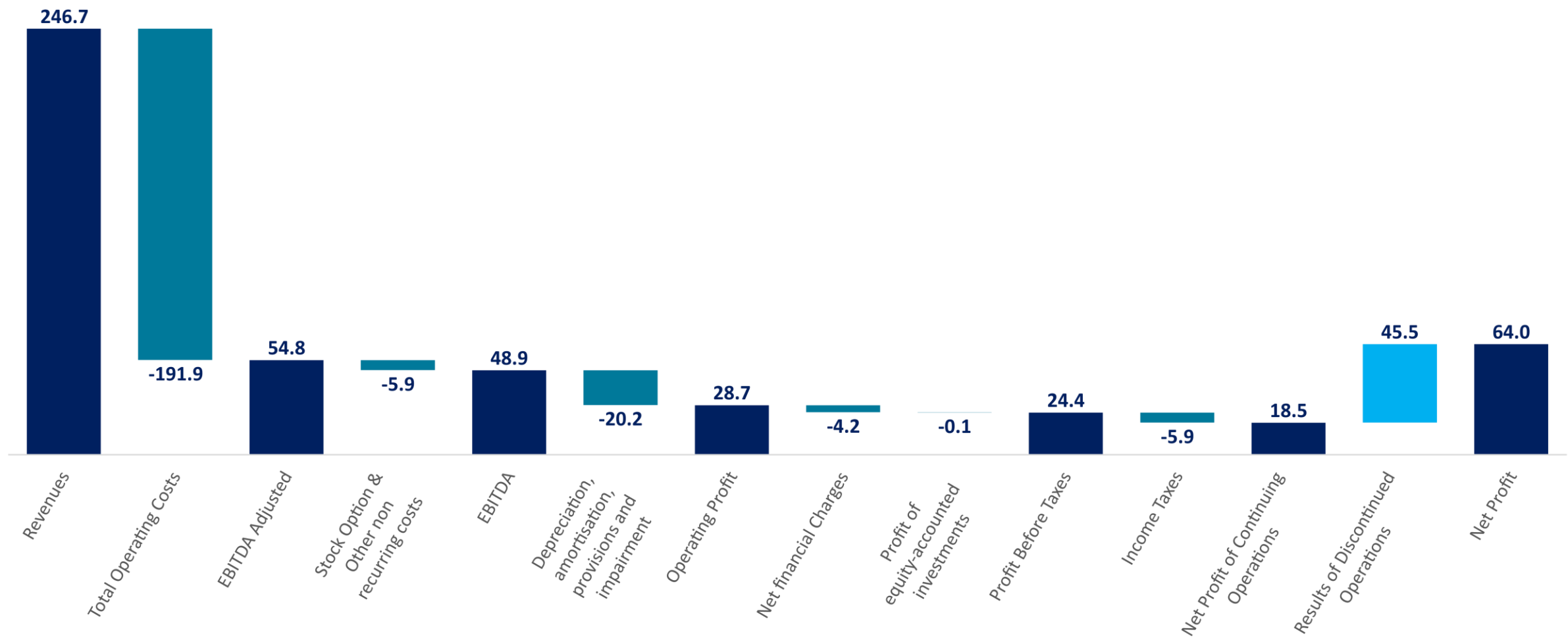
Data, and PY comparisons, are provided excluding CIM activities. Forvalue is included in IMS



	9M 2022		9M 2021		9M 2022 on 2021		w/acquisitions 2022		LFL 2021	
		%		%		%	Δ	Δ%	Δ	Δ%
<b>Revenues</b>	246.7	100.0%	207.0	100.0%	220.4	100.0%	39.6	19.1%	13.3	6.4%
<b>Total Operating Costs</b>	191.9	77.8%	160.1	77.3%	175.4	79.6%	31.8	19.9%	15.3	9.6%
Service & Other Costs	90.6	36.7%	73.9	35.7%	82.3	37.3%	16.7	22.6%	8.4	11.3%
Personnel Costs	101.3	41.1%	86.2	41.6%	93.1	42.3%	15.2	17.6%	7.0	8.1%
<b>EBITDA Adjusted</b>	54.8	22.2%	47.0	22.7%	45.0	20.4%	7.8	16.6%	-2.0	-4.3%
Stock Option & other non-recurring costs	5.9	2.4%	3.2	1.5%	5.5	2.5%	2.7	85.8%	2.3	73.1%
<b>EBITDA</b>	48.9	19.8%	43.8	21.2%	39.5	17.9%	5.1	11.6%	-4.3	-9.9%
Depreciation, amortisation, provisions and impairment	20.2	8.2%	18.8	9.1%	19.4	8.8%	1.4	7.2%	0.6	3.0%
<b>Operating Profit</b>	28.7	11.6%	25.0	12.1%	20.1	9.1%	3.7	14.9%	-4.9	-19.6%
Financial Income	0.1	0.1%	0.1	0.0%	0.2	0.1%	0.0	87.8%	0.1	87.8%
Financial Charges	4.3	1.8%	2.8	1.4%	3.6	1.6%	1.5	53.3%	0.8	27.5%
<b>Net financial Charges</b>	4.2	1.7%	2.7	1.3%	3.4	1.6%	1.4	52.1%	0.7	25.4%
Profit of equity-accounted investments	-0.1	-0.1%	-0.2	-0.1%	-0.1	-0.1%	0.1	-41.1%	0.1	-41.1%
<b>Profit Before Taxes</b>	24.4	9.9%	22.0	10.6%	16.5	7.5%	2.4	10.9%	-5.5	-25.0%
Income Taxes	5.9	2.4%	6.7	3.2%	3.8	1.7%	-0.8	-12.5%	-2.9	-43.9%
<b>Net Profit of Continuing Operations</b>	18.5	7.5%	15.3	7.4%	12.7	5.8%	3.2	21.1%	-2.6	-16.7%
Results of Discontinued Operations	45.5		8.6		45.5		36.9	429.0%	36.9	429.0%
<b>Net Profit</b>	64.0		23.9		58.2		40.1	167.8%	34.3	143.6%

# 2 9M'22 Financial Results – Income Statement Bridge

Data, and PY comparisons, are provided excluding CIM activities. Forvalue is included in IMS

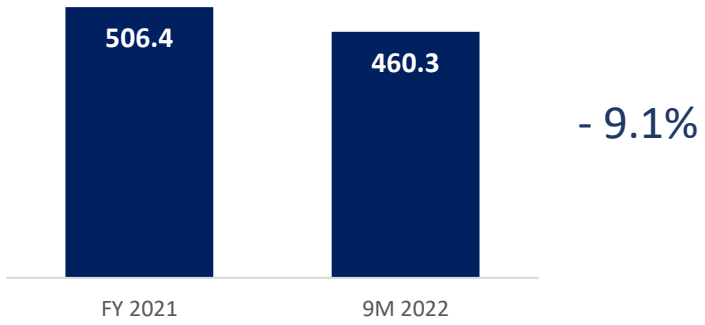


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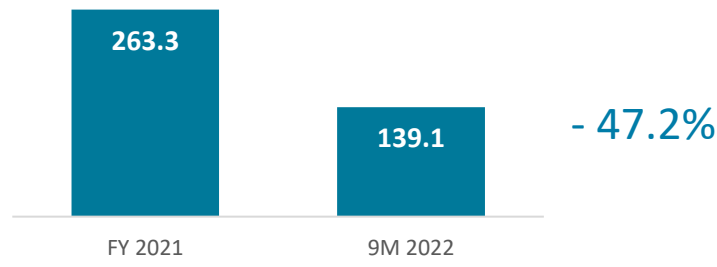
# 2 9M'22 Financial Results – Balance Sheet

## Net Invested Capital



Net Invested Capital decreased by **€ 46.1 million** compared to 31 December 2021 as a result of the sale of Innolva (€126.6M), partially offset by the goodwill recognized on acquisitions (€69.3M) and the new leasing contract (€16.1M) that resulted in an increase in net non-current assets of **€ 85.4 million**.

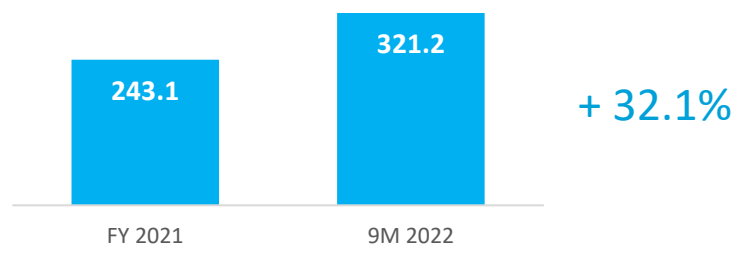
## Net Financial Position



Net Financial Position amounts to **€ 139.1 million** with a decrease of **€ 124.2 million** compared to 31 December 2021. These changes reflect:

- Free Cash Flow + €37.1M
- Bregal's Investment in InfoCert + €70M
- Disposals + €130.3M
- Acquisitions of New Companies - €72.7M
- Dividends - €21.2M
- PUT Adjustment - €1.0M
- Adjustments to leasing contracts on NFP - €18.1M
- OCI Derivatives + €8.0M

## Total Shareholders Equity



Main changes in Shareholders' Equity are:

- Bregal's Investment in InfoCert + €70M
- Total comprehensive income for the period of + €70.1M
- Sale of Innolva - €39.7M
- Dividends of - €21.2M
- PUT Adjustment of - €1.0M
- Stock Option Reserve of + €2.1M
- Buy back of - €1.7M

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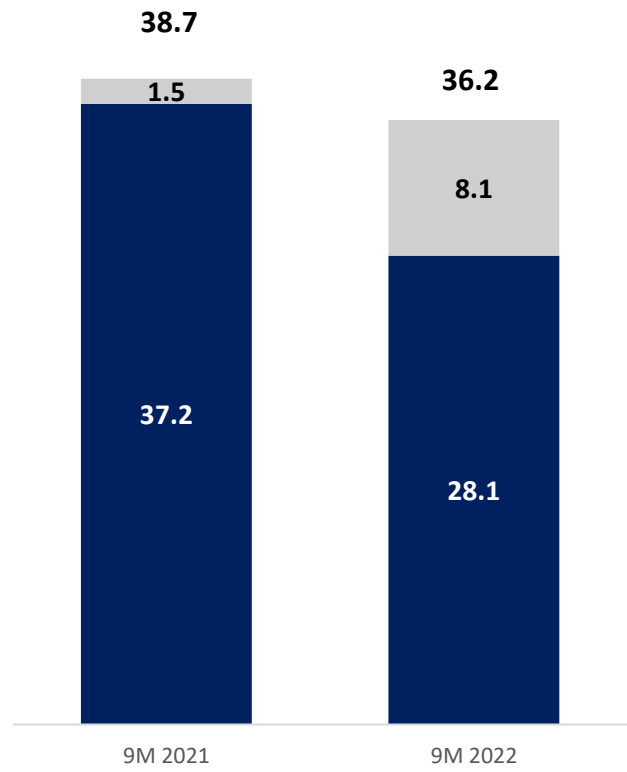
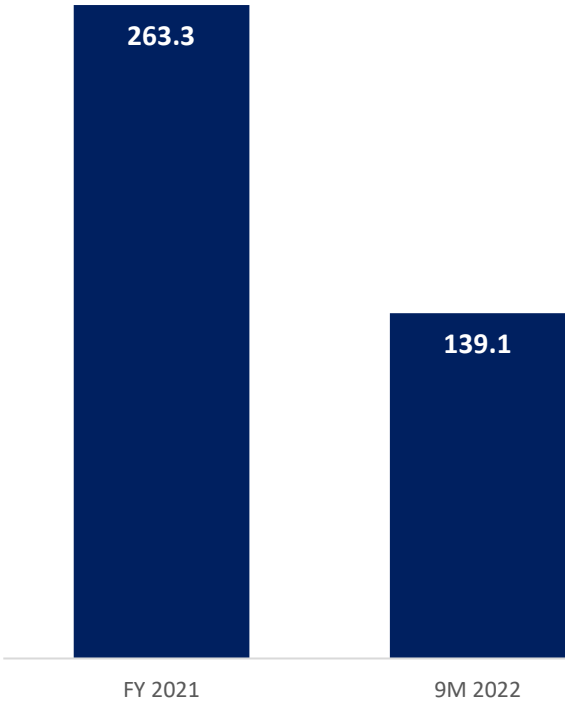
# 9M'22 Financial Results – NFP & FCF

## NFP

## Adj. FREE CASH FLOW from continuing operations

Main Changes in 9M'22:

- - € 72.7M acquisitions
  - *Evalue*: - € 33.9M
  - *Enhancers*: - € 21.3M
  - *Sferabit*: - € 3.1M
  - *Plannet*: - € 8.5M
  - *Nomesia*: - € 0.9M
  - *Teknesi & LAN&WAN*: - € 3.4M
  - *Others*: - € 1.6M
- - € 21.2M Dividends
- + € 130.3M Disposals
- - € 18.1M Adjustments to leasing contracts
- + € 8.0M OCI hedging Derivatives (on interest rates future expected increases)
- + € 70M Bregal's investment in Infocert

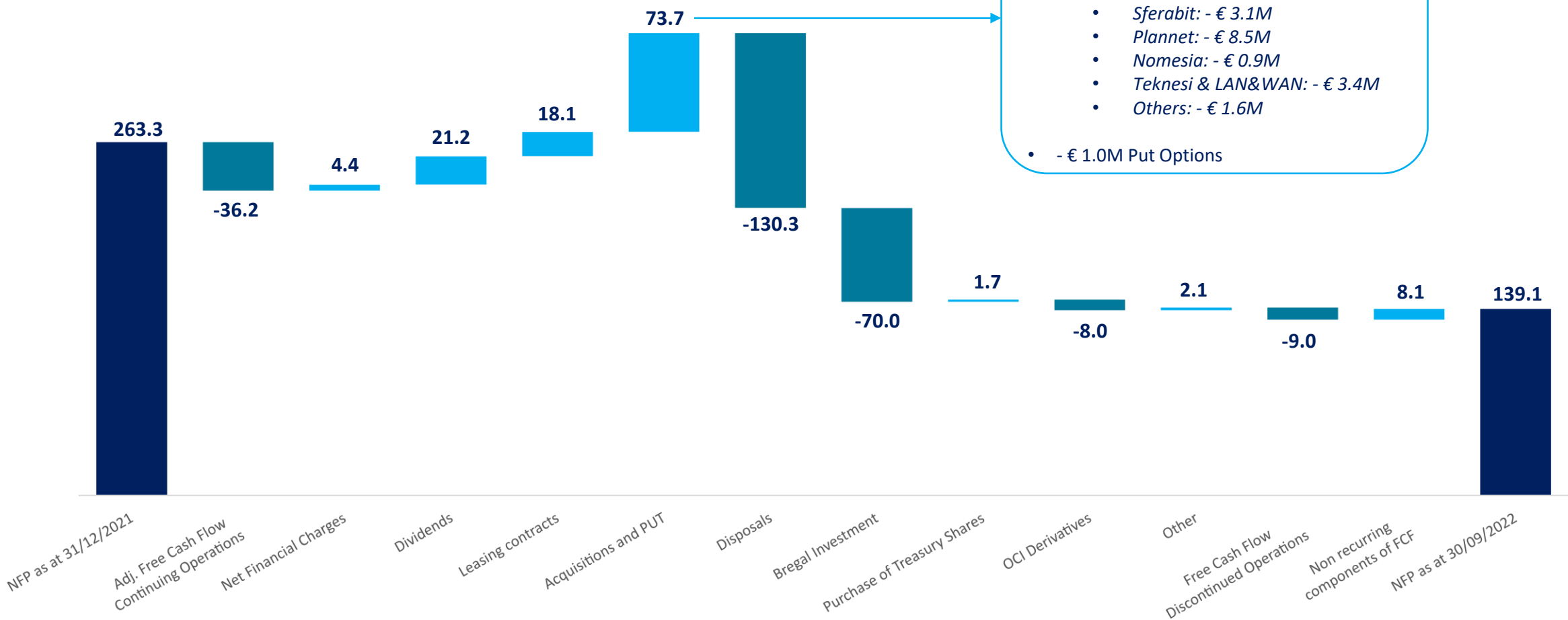


€ M

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# 9M'22 Financial Results – NFP Bridge

€ M



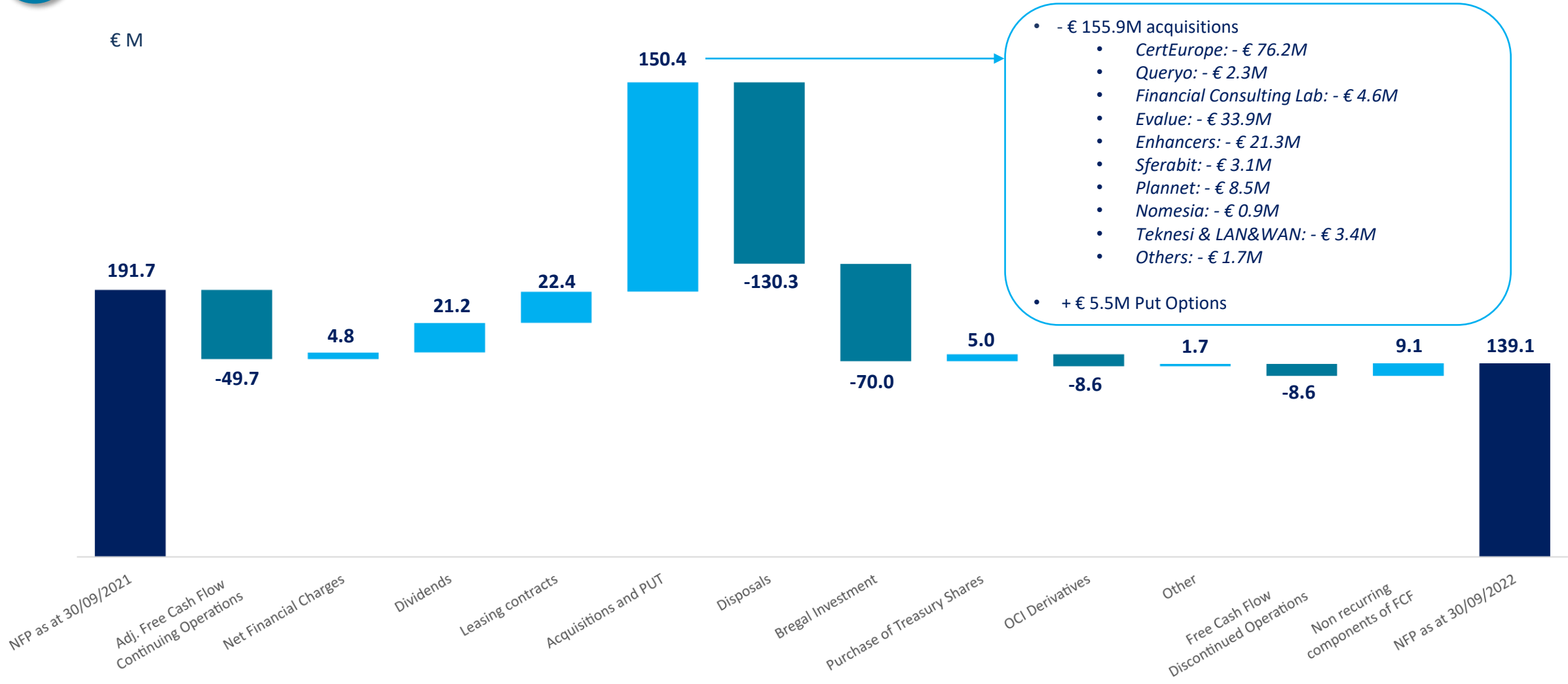
- € 72.7M acquisitions
  - Evalue: - € 33.9M
  - Enhancers: - € 21.3M
  - Sferabit: - € 3.1M
  - Plannet: - € 8.5M
  - Nomesia: - € 0.9M
  - Teknesi & LAN&WAN: - € 3.4M
  - Others: - € 1.6M
- € 1.0M Put Options

**2.67x** **NFP/EBITDA<sup>1</sup>** **1.65x**

(1) Calculated as NFP/EBITDA Adjusted LTM

# 2 9M'22 Financial Results – NFP Bridge on a LTM base

€ M



**NFP/EBITDA<sup>1</sup> 1.65x**

(1) Calculated as NFP/EBITDA Adjusted LTM

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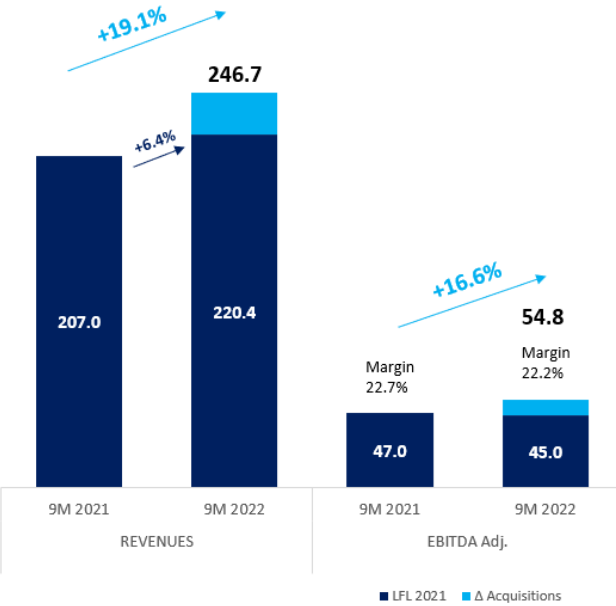
3

# Business Units Deep Dive – Overview 9M'22

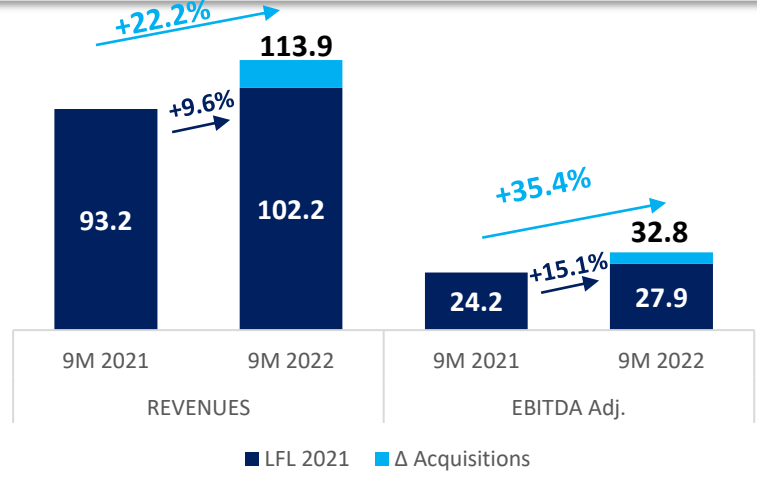
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€ M

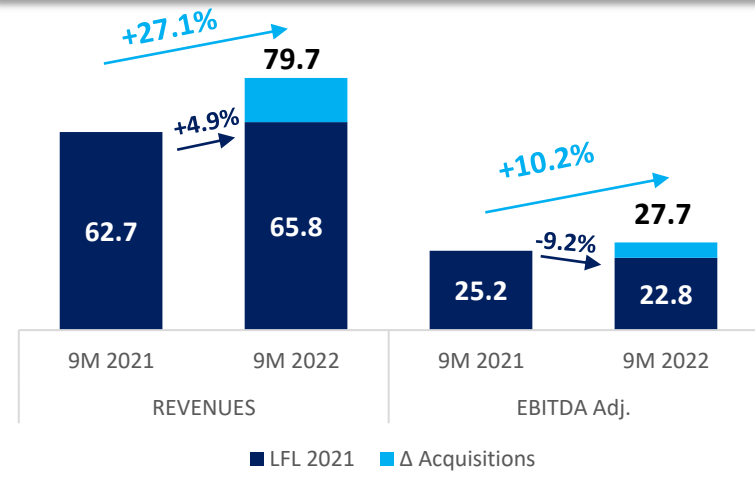
## GROUP



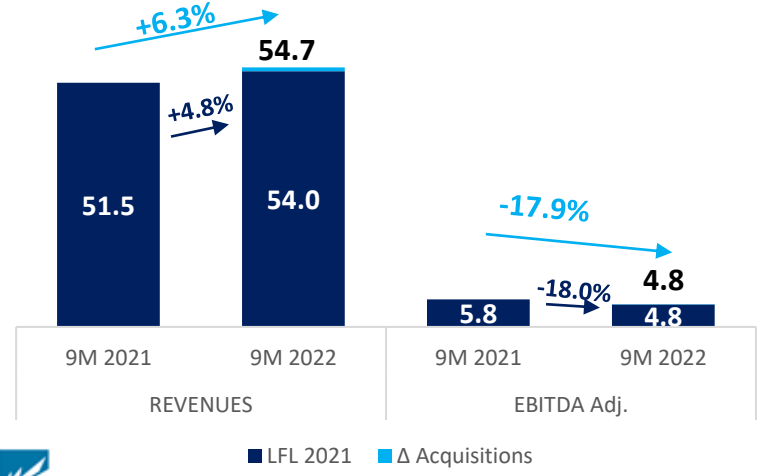
## DIGITAL TRUST



## INNOVATION & MKT SERVICES



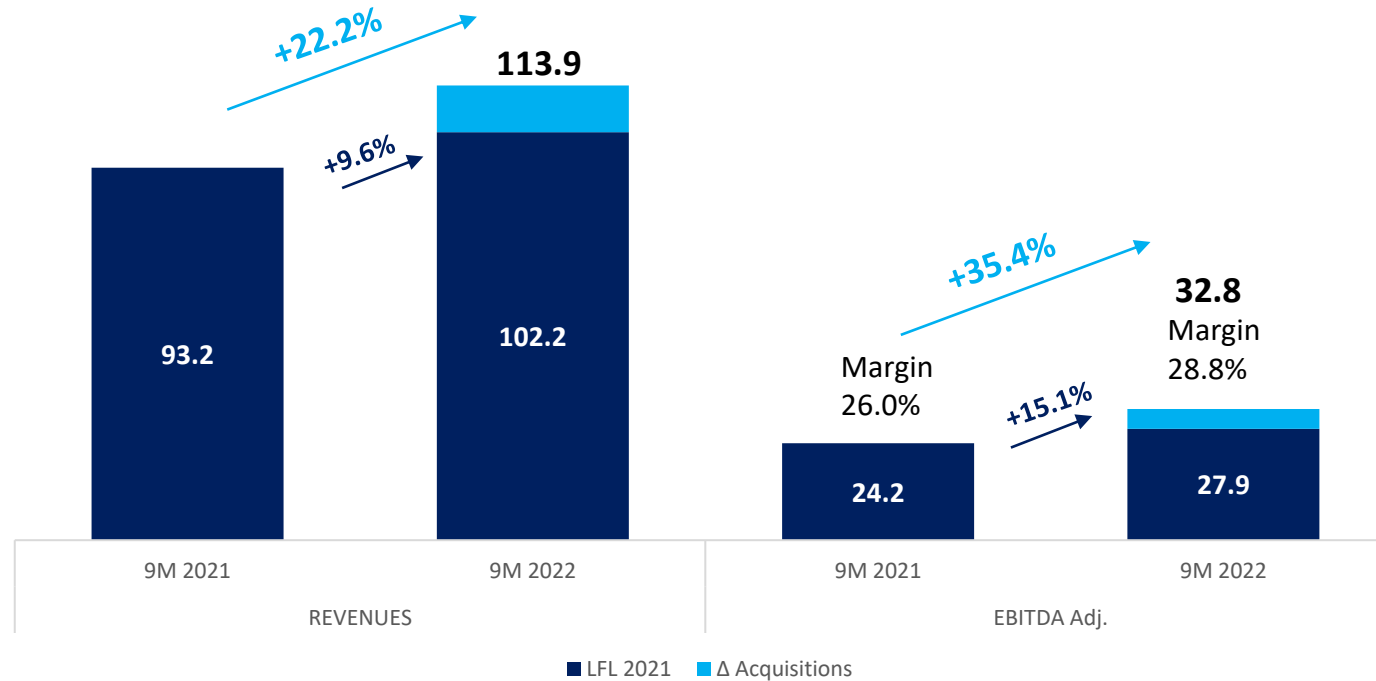
## CYBER SECURITY



3

# Business Units Deep Dive – Digital Trust

€ M

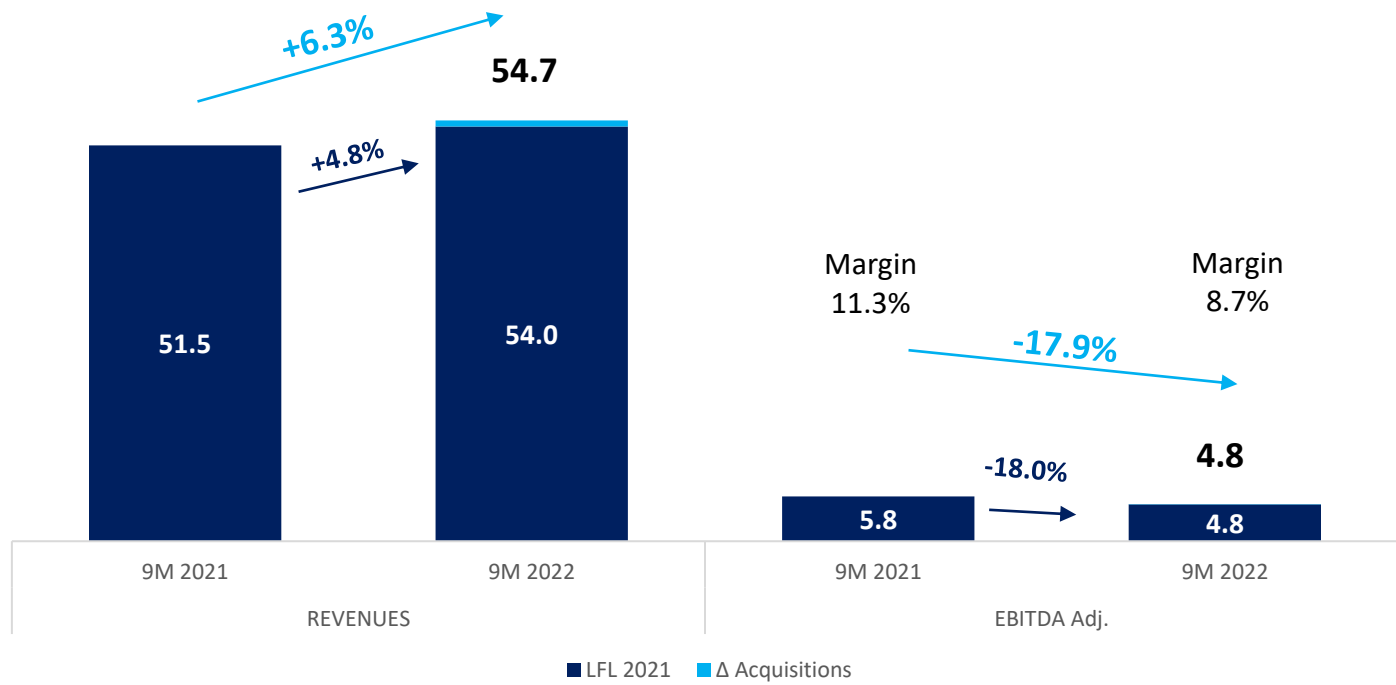


- Revenues amounted to 113.9 million euros (102.2 million euros on a 2021 base) increasing 22.2% vs 9M 2021. (+9.6% on a 2021 base)
- Positive results have been driven by the continuous demand for digital and dematerialization processes, increasingly relevant for both companies and individuals. Legalmail (with cyber security features), Digital signatures, Onboarding and Identity services all performed very well. TOP and GoSign have now been enabled for the international markets and are registering strong interest. CertEurope shows signs of constant and steady growth.
- EBITDA Adjusted was equal to 32.8 million euros (27.9 million euros on a 2021 base). The increase is equal to 35.4% (+15.1% on a 2021 base) showing the strong operational leverage of this business. EBITDA Adjusted margin at 28.8%, up from 26.0% of 9M 2021.

3

# Business Units Deep Dive – Cyber Security

€ M



- Revenues amounted to 54.7 million euros increasing 6.3% vs 9M 2021.
- The BU registered growth in Cyber Security Managed and Advisory Services as well as in Implementation Services. The company successfully completed the acquisition of LAN & WAN Solutions and the business branch of Teknesi s.r.l. to strengthen the ability of the BU to provide cyber implementation services with an end-to-end approach. Notably, the demand for Legalmail Security Premium services - in collaboration with Infocert - continues to provide positive feedback for our Product Offering. Strategic partnership with a leading software company + the rebranding of a new suite of products for AML processes have both been completed.
- EBITDA Adjusted was 4.8 million euros, decreasing vs 9M 2021. The performance was affected by planned investments incurred in the organizational and commercial structures of the BU.

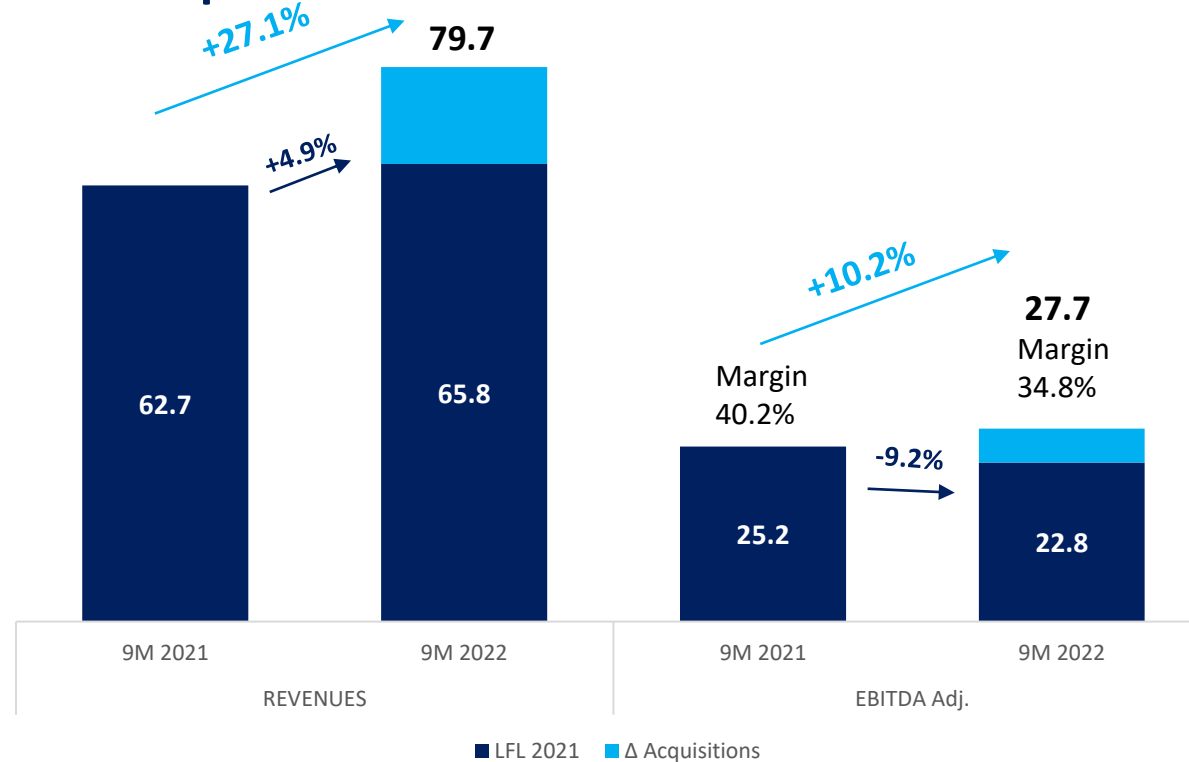


3

# Business Units Deep Dive – Innovation & Marketing Services

€ M

Data, and PY comparisons, are provided excluding CIM activities. Forvalue is included in IMS



- Revenues amounted to 79.7 million euros (65.8 million euros on a 2021 base), increasing 27.1% vs 9M 2021. (+4.9% on a 2021 base)
- The BU registered lower revenues from Finanza Agevolata Automatica – as a function of lower volumes on R&D credit – as well as from the Finanza d’Impresa. Revenues were though more than supported by increased volumes relating to *European Funding and Training*, a positive contribution from Euroquality as well as increased activities from internationalization and Digital Marketing services.
- EBITDA Adjusted was equal to 27.7 million euros (22.8 million euros on a 2021 base) while the margin is 34.8%. The increase compared to 9M 2021 is equal to 10.2%.

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# 4 Closing remarks

✓ Guidance confirmed

Guidance*	2022 (with acquisitions)
Revenues	~ 21-23% growth vs PY
EBITDA Adjusted	~ 25-27% growth vs PY
NFP/EBITDA Adjusted	~ 0.6x

\* Guidance is calculated on a restated base. 2021 Restated Revenues were 301.5 million euros, Restated EBITDA Adjusted was 76.5 million euros.

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

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