



TINEXTA

Think Next

1H 2023 Results

Ended June 30, 2023

Milan – August 2, 2023



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J. Mastragostino | Chief Investor Relations Officer



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1H'23 Highlights and Updates

J. Mastragostino | Chief Investor Relations Officer



Key data



EBITDA Adjusted
€ 37.9 M (+ 2% vs PY)

EBITDA
€ 34.5 M (+ 6% vs PY)



REVENUES
€ 182.5 M
+ 9% vs PY

NET PROFIT
€ 45.4 M

NFP
€ 52.6 M
vs € 77.6 M in FY2022

Results at 30/06/2023

1H 2023: ahead for planned delivery

• Results¹ continue to grow also in 1H 2023:

- **Revenues** at € 182.5M in 1H'23 (+ 8.6% vs PY);
- **EBITDA Adjusted** at € 37.9M in 1H'23 (+ 2.3% vs PY) mainly driven by DT and CS, **EBITDA²** at € 34.5M in 1H'23 (+ 5.8% vs PY);
- **EBITDA Adjusted margin 20.8%** (22.1% vs PY); **EBITDA² margin 18.9%** (19.4% vs PY);
- **EBIT** at € 15.2M (- 3.7% vs PY); **EBIT Margin** at 8.3%;
- **Net Profit of *continuing operations*** at € 9.3M (- 14.5% vs PY); **Net Profit** at € 45.4M (very robust growth vs PY) mainly driven by the capital gain from the sale of ReValuta;
- **NFP** of € 52.6M (€ 77.6M in FY'22) strongly improved by over 32% vs FY'22 on the proceeds from the sale of ReValuta; Very attractive **NFP/LTM EBITDA Adjusted** of 0.55x;
- **Adjusted Free Cash Flow of *continuing operations***: € 29.3M (+ 27.4% vs PY); on a LTM base Adjusted FCF of *continuing ops* was: € 55.7M.

• In the First Half of the Year³:

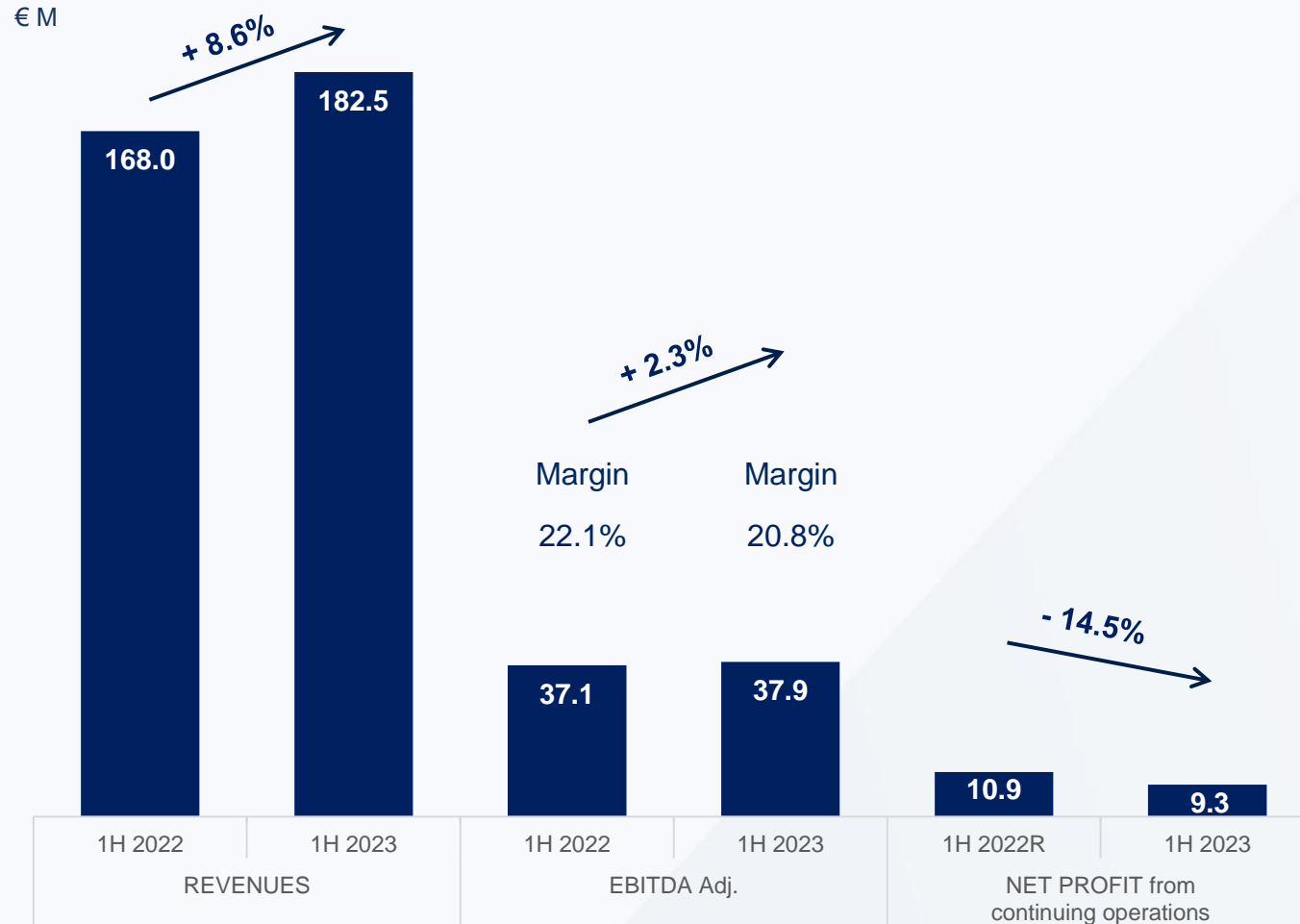
- **Digital Trust**, continued to register solid growth. + 12.4% in Revenues, EBITDA + 15.5%. Superb EBITDA margin of 28.2%
- **Cyber Security**, grew 15.8% in Revenues, EBITDA continued to register a strong rebound growing + 59.1%. EBITDA margin at 11.3%
- **Business Innovation**, posted a + 1.3% in Revenues with EBITDA at € 16.3M. EBITDA margin at 29.0%

• Recent Events & Updates:

- Finalized the acquisition of 65% of ASCERTIA LIMITED
- Signed a 50:50 joint venture agreement with Digital Magics for investments in innovative startups
- Acquisition of the 40% remaining stake of CertEurope reaching the 100% of its share capital



1H 2023 Results



1H 2023 results show Revenues of 182.5 million euros, EBITDA Adjusted of 37.9 million euros and Net Profit of 9.3 million euros.

Growth was registered both in Revenues (c. + 9%) and EBITDA Adjusted (c. + 2%)

EBITDA Adjusted amounted to 37.9 million euros up from 37.1 million euros in PY

EBITDA Adjusted margin was 20.8% (vs 22.1% in PY)

EBITDA reported was 34.5 million euros (+ 5.8% vs PY)

EBITDA reported margin at 18.9% (vs 19.4% in PY)

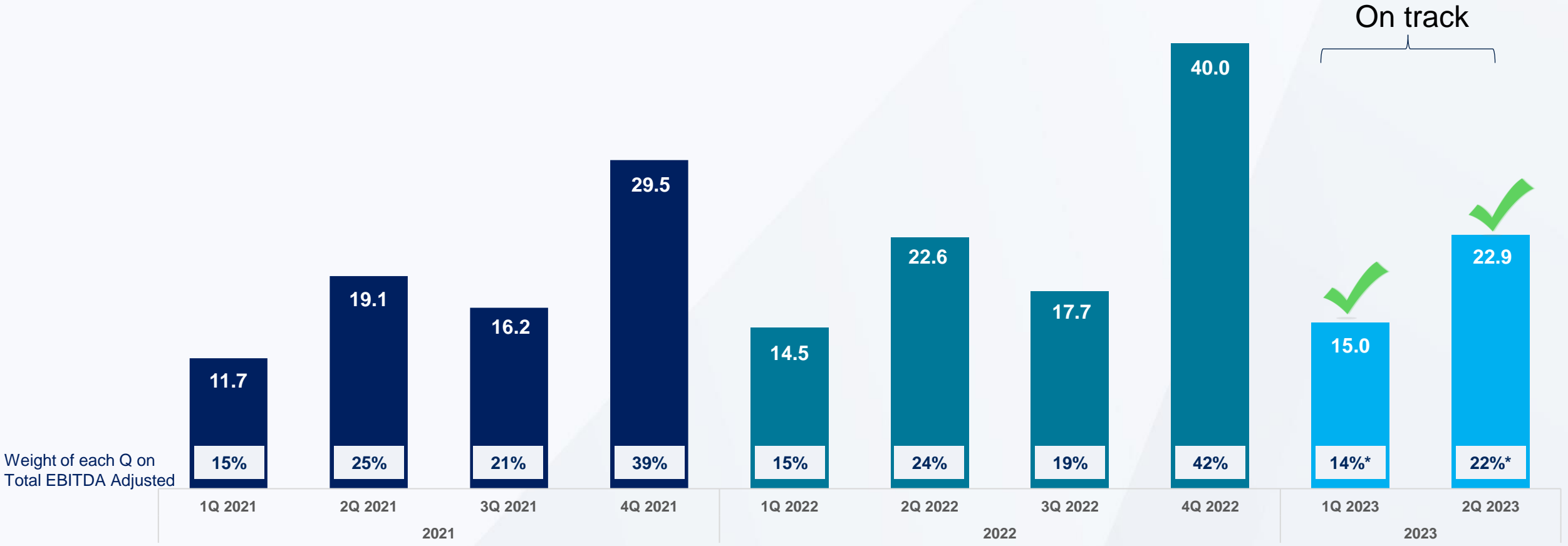
Net Profit came in at 45.4 million euros mostly on capital gains from the disposal of ReValuta

Net Profit from continuing operations was equal to 9.3 million euros

Adjusted Free Cash Flow from continuing operations was 29.3 million euros, + 27.4% vs PY

EBITDA Adjusted Quarter by Quarter – back end weighted business

€ M



On track

Weight of each Q on Total EBITDA Adjusted

* Data considers mid-point of 2023 EBITDA Adjusted guidance

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1H'23 Financial Results

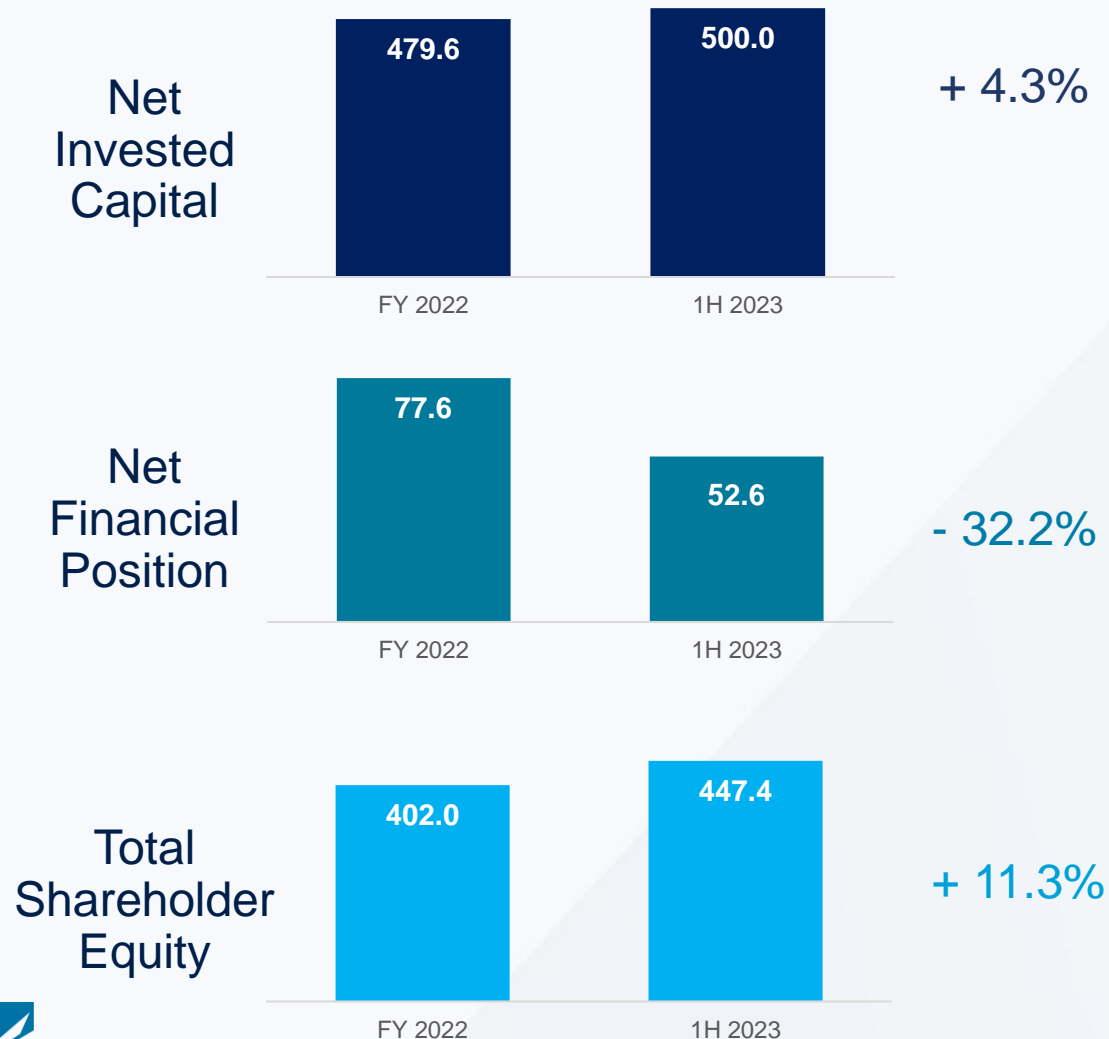
O. Pozzi | Group Chief Financial Officer

1H 2023 Results – Income Statement

€ M	1H'23	%	1H'22R	%	LFL 2022		
					Δ	Δ%	
Revenues	182.5	100.0%	168.0	100.0%	14.5	8.6%	In top 5 products/services, all Business Units are represented
Total Operating Costs	144.6	79.2%	130.9	77.9%	13.6	10.4%	
Service & Other Costs	65.9	36.1%	60.7	36.1%	5.1	8.5%	Adjusted EBITDA's growth is supported by DT (+ 16%) and CS (+ 59%) notwithstanding BI's reduction
Personnel Costs	78.7	43.1%	70.2	41.8%	8.5	12.1%	
EBITDA Adjusted	37.9	20.8%	37.1	22.1%	0.8	2.3%	EBITDA, included non-recurring costs, reached € 34.5M with a growth of 5.8%
LTI incentives & Other non-recurring costs	3.4	1.9%	4.4	2.6%	-1.1	-23.8%	
EBITDA	34.5	18.9%	32.6	19.4%	1.9	5.8%	Operating Profit decreases by 3.7% mostly on higher amortization of intangible assets
Depreciation, amortisation, provisions and impairment	19.3	10.6%	16.8	10.0%	2.5	14.8%	
Operating Profit	15.2	8.3%	15.8	9.4%	-0.6	-3.7%	Net Financial Charges decrease on higher Financial income which includes interest accrued on short-term cash investments (<i>time deposits</i>)
Financial Income	3.2	1.7%	0.1	0.0%	3.1	3934.2%	
Financial Charges	3.8	2.1%	2.6	1.6%	1.1	42.6%	Net profit of continuing ops. decreases consequently to higher taxes (vs tax relief registered in 2022)
Net Financial Charges	-0.6	-0.3%	-2.6	-1.5%	2.0	-77.0%	
Profit of equity-accounted investments	-0.1	-0.1%	0.0	0.0%	-0.1	273.2%	Net profit growth reflects the sale of ReValuta
Profit Before Taxes	14.5	8.0%	13.2	7.9%	1.3	9.8%	
Income Taxes	5.2	2.9%	2.3	1.4%	2.9	124.1%	
Net Profit of Continuing Operations	9.3	5.1%	10.9	6.5%	-1.6	-14.5%	
Results of Discontinued Operations	36.1	N/A	3.3	N/A	32.8	1002.9%	
Net Profit	45.4	N/A	14.2	N/A	31.2	220.1%	

1H 2023 Results – Balance Sheet

€ M



Net invested capital increased by **€ 20.4 million** compared to 31 December 2022 mainly due to the effect of Defense Tech's investment (€ 25.5 million) and extraordinary investments for the acquisition of Phygital software license (€ 13.1 million), partially offset by the decrease in NWC and Provisions (€ 9.7 million), the deconsolidation of ReValuta S.p.A. (€ 5.0 million at closing) and amortization of Other intangible assets from consolidation (€ 9.0 million)

Net Financial Position amounts to **€ 52.6 million** with a decrease of **€ 25.0 million** compared to 31 December 2022. These changes reflect:

- Free Cash Flow + € 27.7M
- Capital Increase (Bregal) + € 30.0M
- Disposals + € 41.9M
- PUT Adjustment + € 5.6M
- Purchase of Treasury Shares - € 3.0M
- Dividends - € 33.3M
- Acquisitions - € 26.6M
- Adjustments to leasing contracts on NFP - € 2.7M
- OCI Derivatives - € 0.9M
- Extraordinary investments in intangible fixed assets - € 13.1M

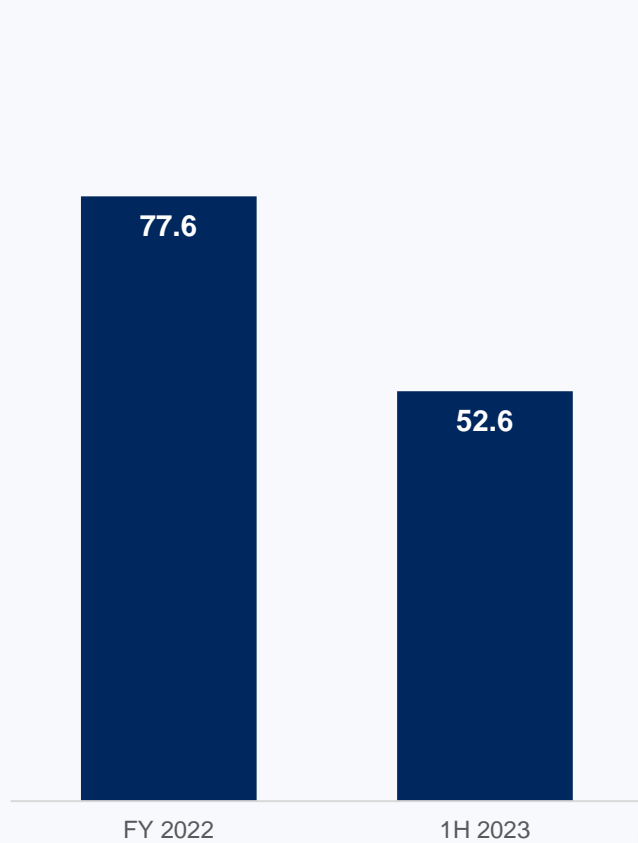
Main changes in Shareholders' Equity are:

- Capital Increase (Bregal) + € 30.0M
- Total comprehensive income for the period of + € 44.6M
- Dividends - € 33.3M
- PUT Adjustment of + € 5.6M
- Share based payment Reserve + € 1.7M
- Buy back of - € 3.0M

1H 2023 Results – NFP & FCF

€ M

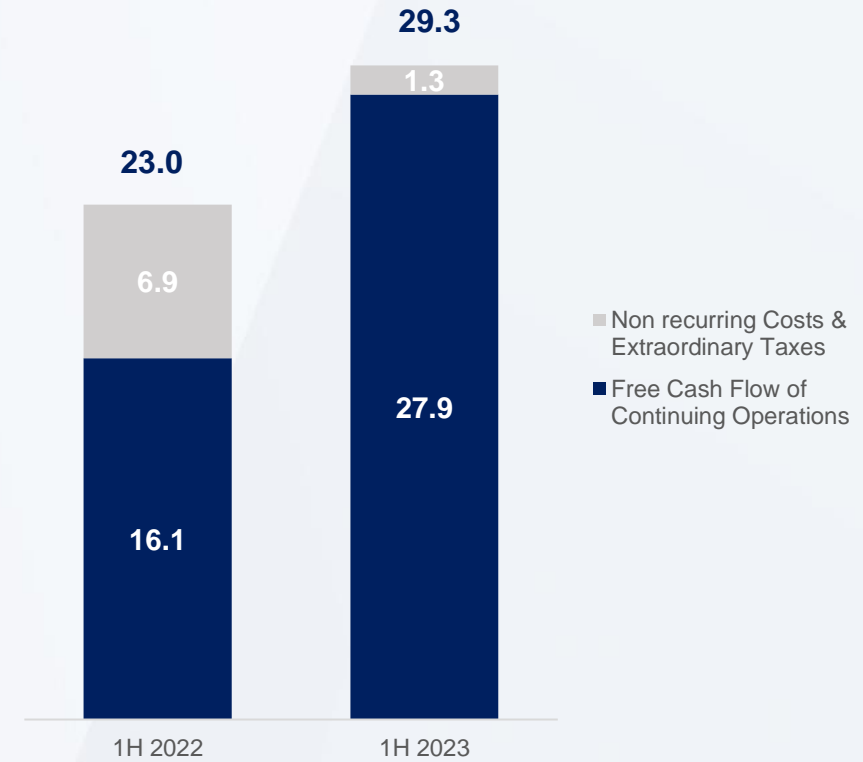
NFP



Main Changes in 1H 2023:

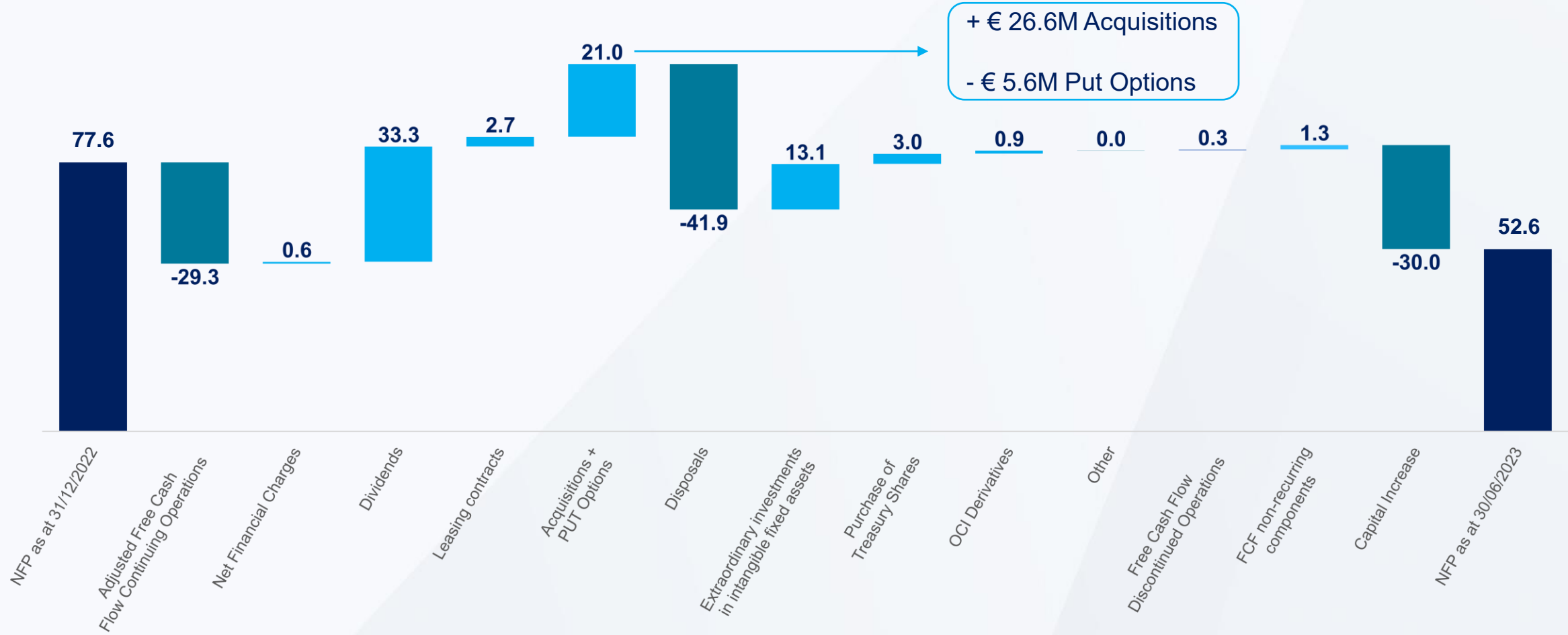
- + € 5.6M Put Options
- - € 3.0M Purchase of Treasury Shares
- + € 41.9M Disposals
- - € 33.3M Dividends
- - € 2.7M Adjustments to leasing contracts
- - € 0.9M OCI hedging Derivatives
- + € 30.0M Capital Increase (Bregal)
- - € 13.1M Extraordinary investments in intangible fixed assets

Adjusted FCF of continuing ops



1H 2023 Results – NFP Bridge

€ M

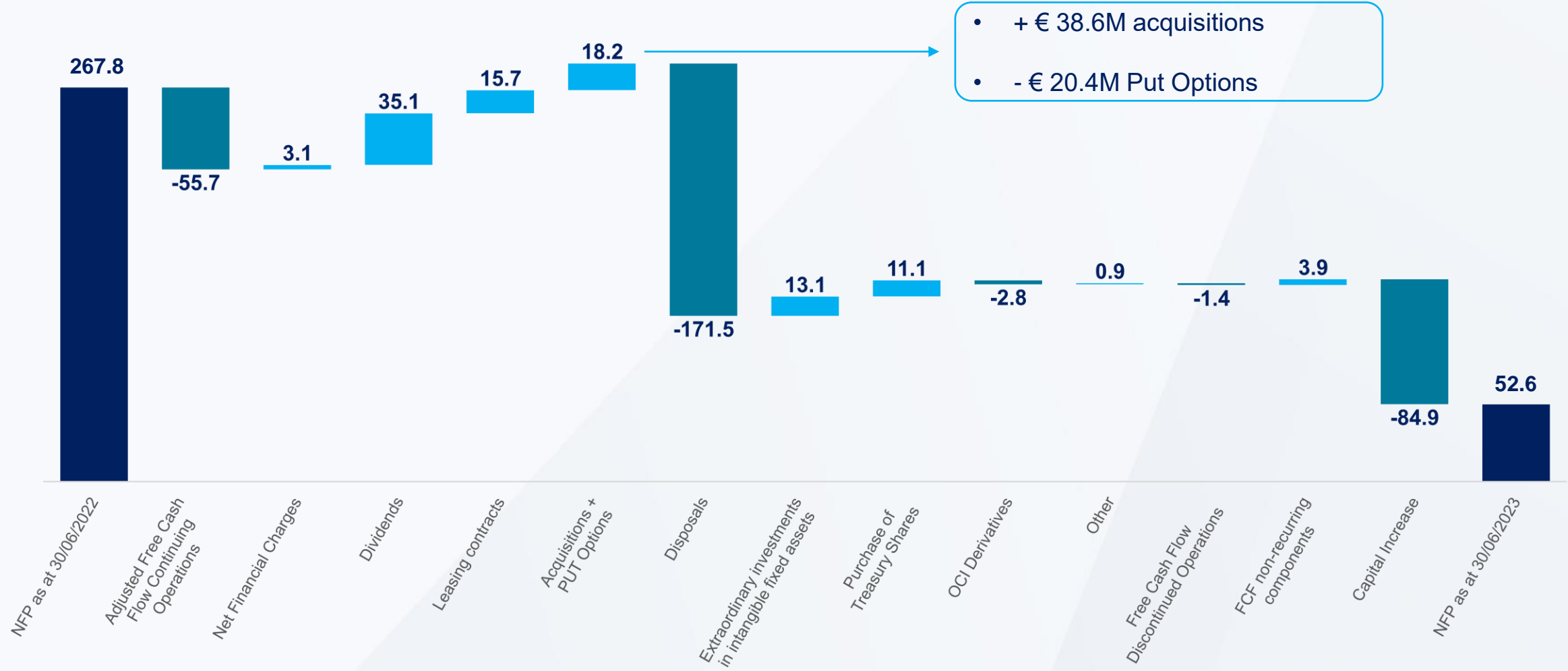


+ € 26.6M Acquisitions
- € 5.6M Put Options

0.82x NFP/EBITDA¹ **0.55x**

1H 2023 Results – NFP LTM Bridge

€ M



- + € 38.6M acquisitions
- - € 20.4M Put Options



(1) Calculated as NFP/LTM EBITDA Adjusted

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Business Units Deep Dive

O. Pozzi | Group Chief Financial Officer



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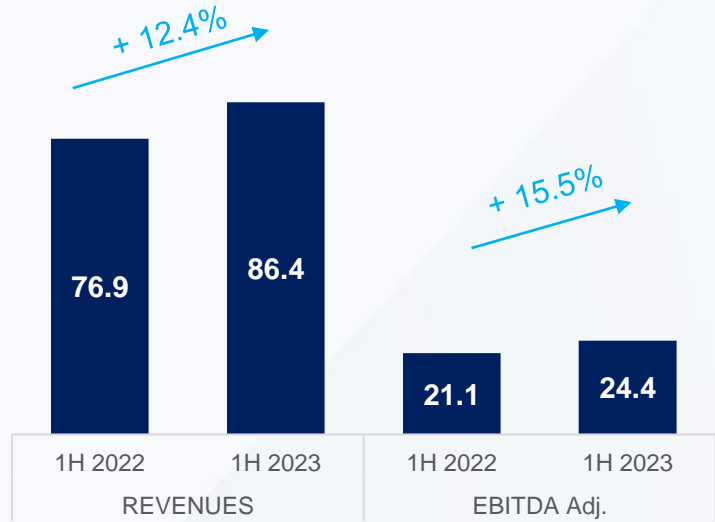
Overview 1H'23

€ M

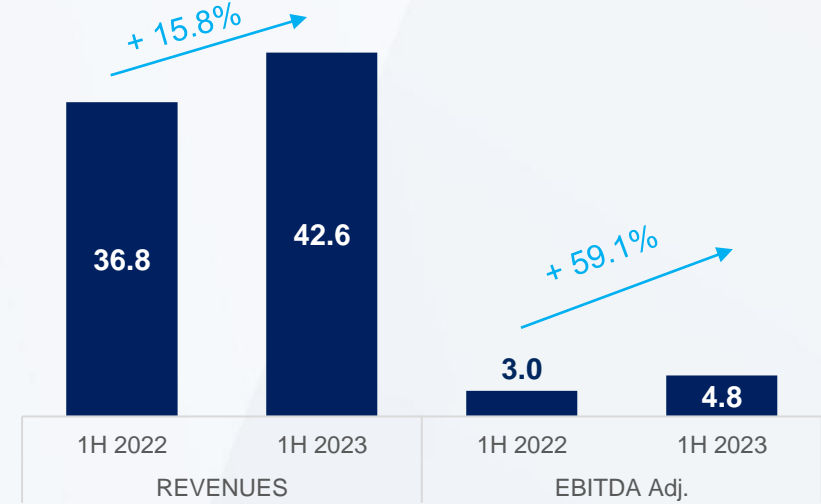
Group



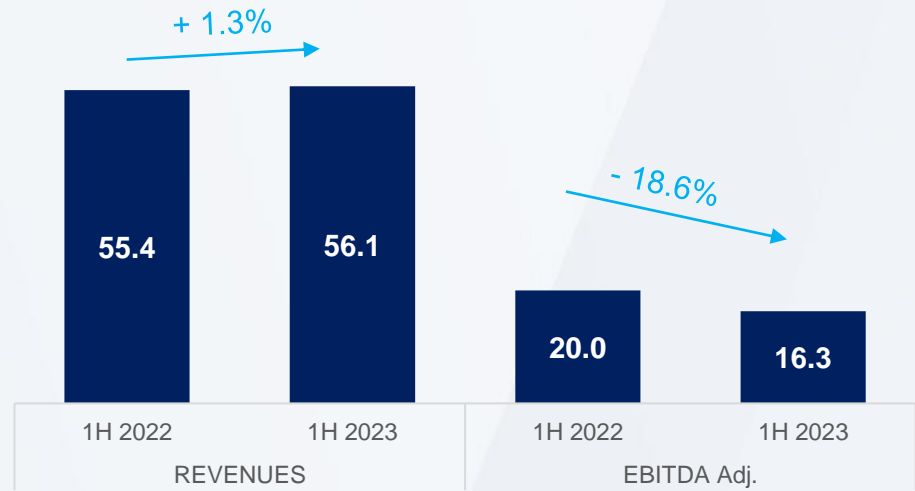
Digital Trust



Cybersecurity

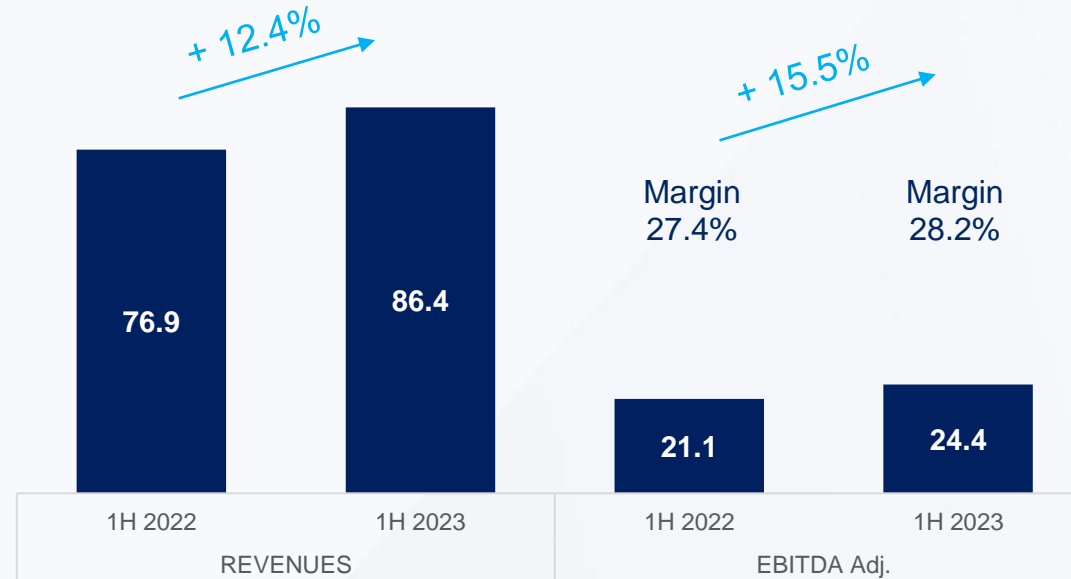


Business Innovation



Digital Trust 1H'23

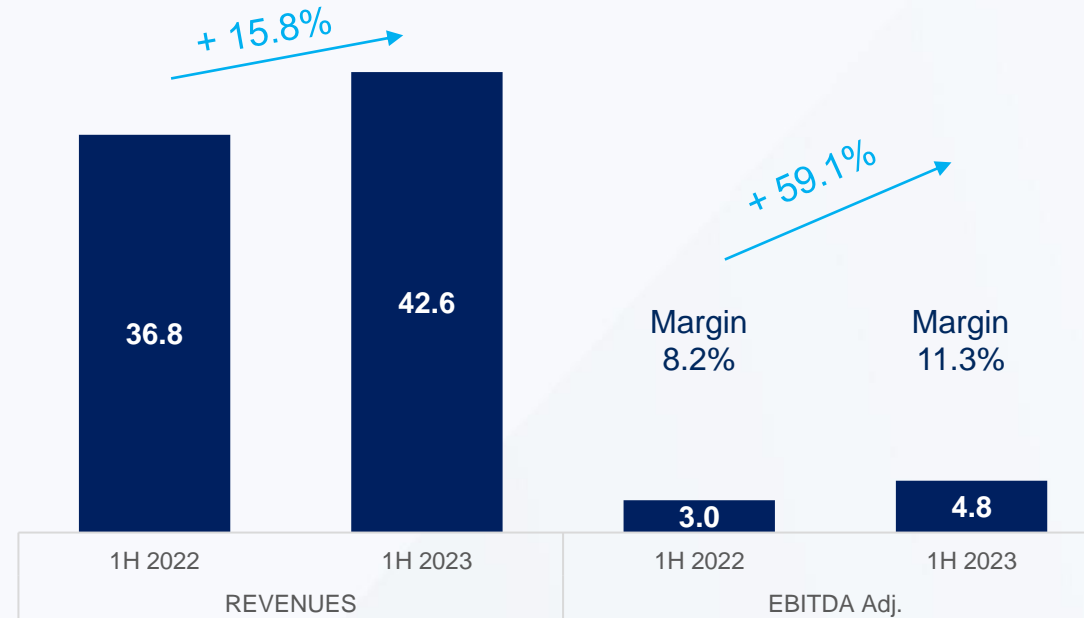
€ M



- Revenues amounted to 86.4 million euros, up by 12.4%. This growth includes the effects of the acquisition of SferaBit and the partnership with CRIF
- LegalMail, LegalCert and LegalInvoice were among the major contributors to growth in the first half; positive were also the performances of Camerfirma and CertEurope (mostly in the LegalCert category)
- During the first half of the year, the process of outsourcing Infocert's data center continued; the operation, yet to be completed, will allow greater scalability, an improved product offering for customers as well as cost optimizations over the years
- Adjusted EBITDA at 24.4 million euros, growing 15.5%, demonstrates the continued ability to combine high standards of product and solution innovation with constant growth in revenues and marginal profitability

Cyber Security 1H'23

€ M



- Revenues amounted to 42.6 million euros, growing 15.8% vs PY. The revenue growth compared to the previous year continues steadily in all business areas (*Digital Transformation, Advisory, Implementation Services, Product, Managed Security Services*)
- The agreement with Google Cloud is now fully operational and joint marketing activities for business development are underway. This strategic partnership will allow the BU Cyber to increasingly consolidate its reference position for cybersecurity in Italy, and - in the future - also bring its solutions to the Google Cloud marketplace
- During the second quarter, a new cyber defense product developed by Corvallis and Yoroi, called DefensYo, was launched on the market. This product aims to protect the corporate network, facilitating the adoption of advanced threat intelligence services also by small and medium-sized organizations, both public (Local Public Administrations) and private (SMEs)
- Adjusted EBITDA at 4.8 million euros, recorded a very strong increase of 59.1% with margins at 11.3%. This increase derives from the growth in revenues and the higher margins obtained from the sale of proprietary products and services



Business Innovation 1H'23

€ M



- Revenues amounted to 56.1 million euros with a 1.3% growth
- In 1H 2023 Warrant Hub continued its internal reorganization process aimed at creating a hub of digital skills in the Manufacturing sector to support the growth of client companies
- As expected, during 2023, subsidized finance services for innovation were characterized by a reduction in deductible rates. Potential benefits deriving from the establishment of a register of certifiers have not been accounted for. The overall market was – though – positively characterized by the: (i) extension of the extraordinary measures for Energy and Gas Credits to the second quarter of 2023 (ii) increase in National and Regional Tenders linked to the PNRR. The volumes of internationalization services recorded a reduction in the first six months of 2023 due to the lack of support for SMEs for export services. Digital Marketing services were affected by the reduced propensity of companies to invest in online and offline advertising, resulting in a decline in digital advertising revenues
- Adjusted EBITDA at 16.3 million euros. The decrease is attributable to a: (i) different revenue mix (ii) contraction of internationalization services

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Closing Remarks + Q&A

J. Mastragostino | Chief Investor Relations Officer



Financial Policy – Business Units’ Financial Targets – Organic

		<u>Revenues</u>	<u>EBITDA Adjusted</u>	<u>Key Highlights</u>
2023 vs PY	Digital Trust	+10%	+11%	<i>Continues to generate healthy double-digit growth</i>
	Cybersecurity	+30%	+43%	<i>Strong top line followed by even more solid EBITDA adjusted growth</i>
	Business Innovation	+15%	+5%	<i>Top line growth reflects increased diversification with defensive margins</i>

		<u>Revenues</u>	<u>EBITDA Adjusted</u>	<u>Key Highlights</u>
2025 2022-2025 CAGR	Digital Trust	+10%	+14%	<i>Operating leverage expected to grow margins faster than revenues</i>
	Cybersecurity	+17%	+27%	<i>Strong acceleration foreseen</i>
	Business Innovation	+13%	+11%	<i>Revenue diversification at play with healthy margin recovery</i>

Guidance is confirmed

	<u>Revenues</u>	<u>EBITDA Adjusted</u>	<u>NFP / EBITDA Adj.*</u>	<u>Dividends</u>	<u>Inflation</u>
2023 vs PY	+11-15%	+8-12%	0.2-0.3x	30% of Net Profit	6%
2025 2022-2025 CAGR	Low to mid-double digit	double digit	Cash positive	35% of Net Profit by end of the plan	Assumed at 3% by end of the plan

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

Disclaimer

This company presentation includes:

- forward-looking data based on internal management assumptions that are subject to material changes, including changes due to external factors beyond the Group's control
- management data, when presented, are identified as such

Business unit data are divisional and do not include the elimination of intra-BU items, which are instead eliminated at a Group level.

For detailed information on Tinexta S.p.A., it is recommended to refer to the company's documentation, including the latest interim reports and the Company's financial statements.



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Thanks.

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