



Think Next



# Mid & Small 2023 Conference Virgilio IR

## Company Presentation

Milan – November 2023

# 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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# Company Overview

# Management Team



**Oddone Pozzi**  
Chief Financial Officer

- Group CFO and Board Member Mondadori Group
- Co-CEO Giochi Preziosi
- CFO Ventaglio Group
- Chief of Administration, Control & Services Enel Business Area Gas
- Degree in Economics & Commerce from Bocconi University



**Pier Andrea Chevallard**  
**GM & Chief Executive Officer**

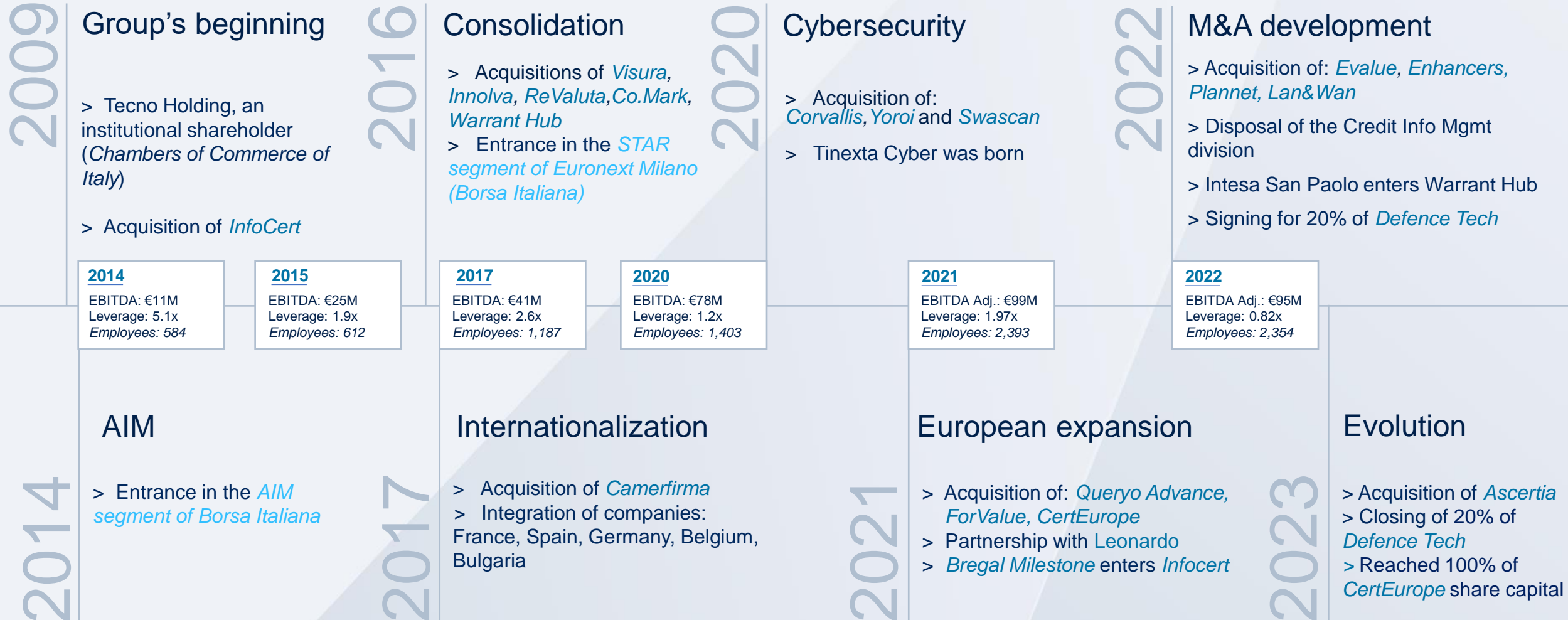
- Former CEO of Tecno Holding
- General Secretary of the Milan Chamber of Commerce
- Director of Promos (Specialized structure of the Milan Chamber of Commerce to promote international commerce)
- Managing Director of Parcam
- Member of the Board of Directors of Fiera Milano
- Degree in Political Science from the University of Turin



**Josef Mastragostino**  
Chief Investor Relations Officer

- Head of Investor Relations Gamenet & PMO
- IGT (Director Investor Relations)
- TREVI Group (Investor Relations Manager)
- Lottomatica (Investor Relations)
- BBA from City University of New York, MS from LUISS University, MBA from Cornell University, and Value Investing Columbia Business School, Columbia University in New York

# Tinexta's history – milestones



# Reached all planned targets

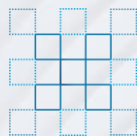
## LEGEND

- Results 2022
- Guidance 2023

## KEY NUMBERS

	REVENUES	EBITDA Adj.	NFP/EBITDA Adj.	Net Profit	Adj. FCF
Results 2022	€357M; +18% vs 2021	€95M; +24% vs 2021	0.8x	€78M	€49M
Guidance 2023	+11-15% vs PY	+8-12% vs PY	0.7-0.8x*		

## 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.

Revenues	Margin	EBITDA Adj.
€157M	30%	€47M
+20%	+200bps	+30%

(vs PY)

## Cybersecurity



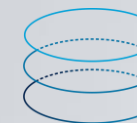
Strategic infrastructure and a key asset for the protection of citizens and their "social economy"

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.

Revenues	Margin	EBITDA Adj.
€78M	13%	€10M
+6%	=	+2%

(vs PY)

## Business Innovation



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

Revenues	Margin	EBITDA Adj.
€126M	41%	€52M
+28%	~	+23%

(vs PY)

BU Revenues and EBITDA Adjusted data do not include intra-sectoral intercompany.

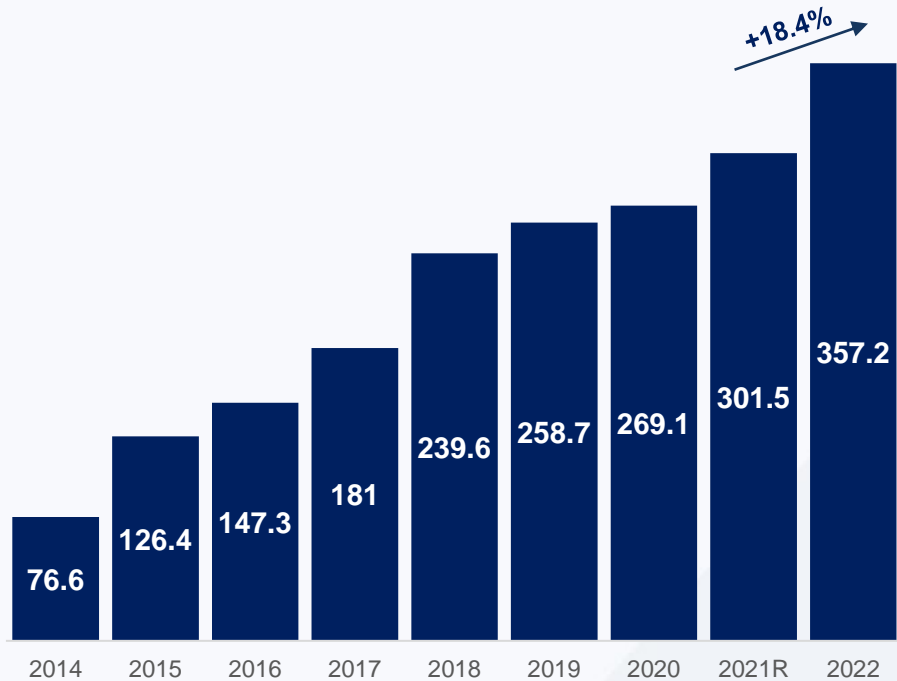
\*Following the acquisitions that took place in the first nine months, as well as the lower proceeds due to the postponement by management of the exercise of the matured Stock Options

# 2022 Consolidated Results

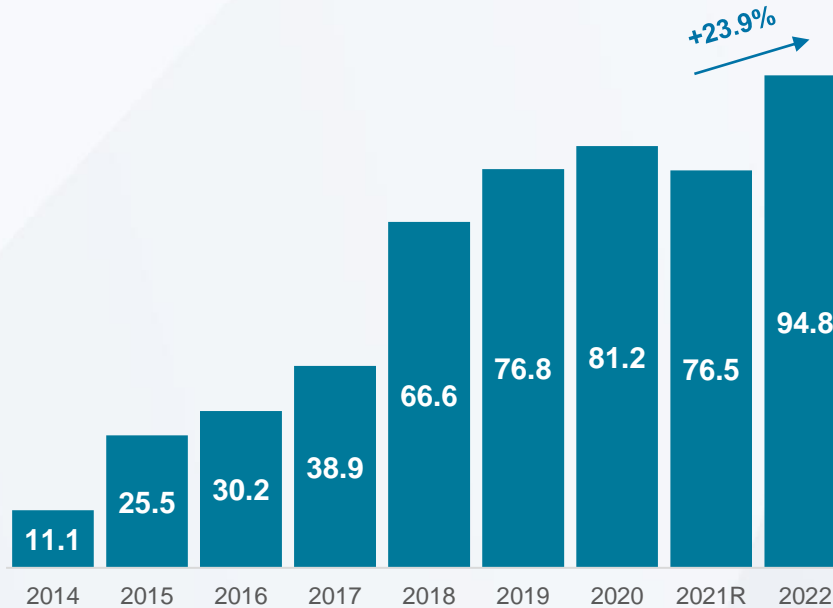
Tinexta Group's Revenues grew at a 21.2% CAGR from 2014 to 2022. EBITDA Adjusted grew at a 30.7% CAGR over the same period.

€ M

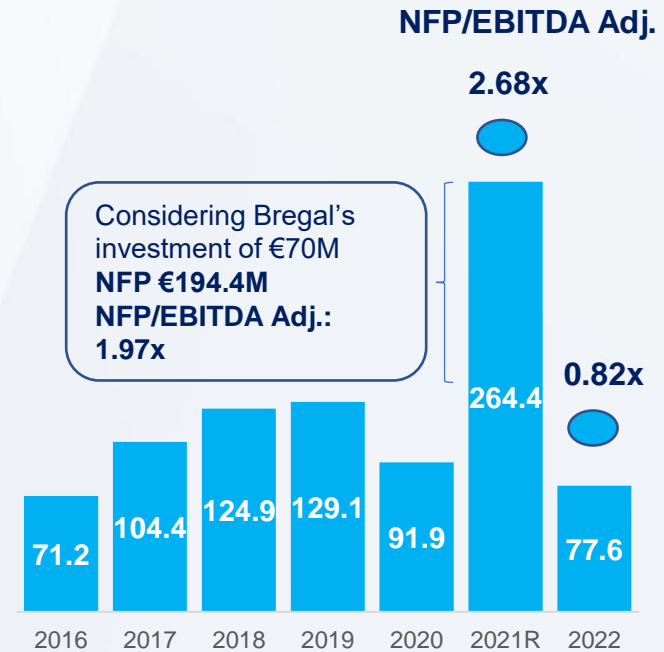
Revenues



EBITDA Adjusted

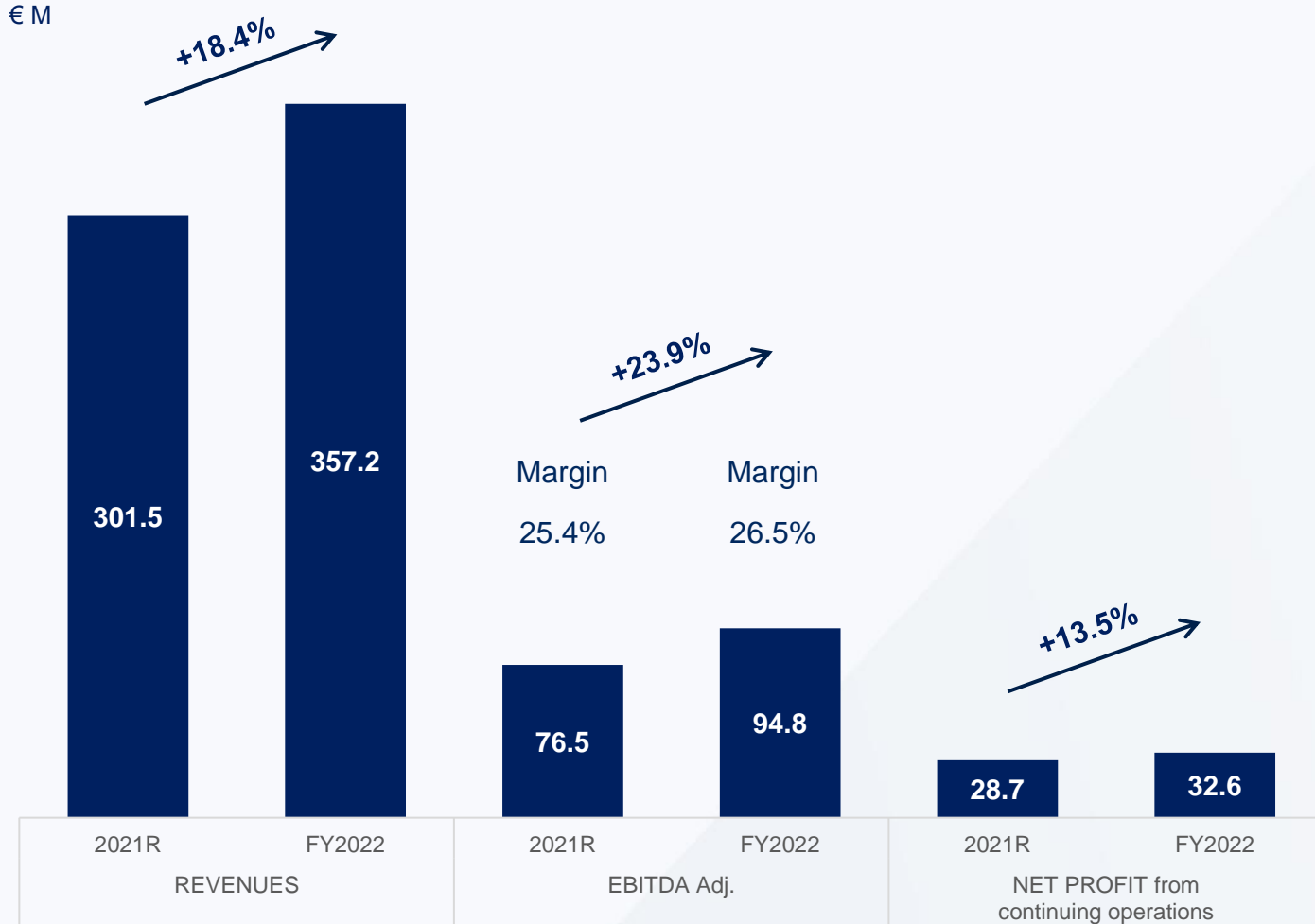


NFP



R = Restated after sale of CIM; NFP restated for the completion of the business combination relating to CertEurope

# 2022 Consolidated Results



FY 2022 results show Revenues of €357.2 million euros, EBITDA Adjusted of €94.8 million euros and Net Profit of €78.1 million euros.

Growth was registered both in Revenues (c. +18%) and EBITDA Adjusted (c. +24%)

EBITDA Adjusted amounted to 94.8 million euros up from 76.5 million in PY

EBITDA reported was 86.3 million euros

EBITDA Adjusted margin was 26.5% (vs 25.4% in PY)

Net Profit came in at €78.1 million euros growing 102% vs 2021 mostly on capital gains from the disposal of the CIM's BU

Net Profit from continuing operations was equal to 32.6 million euros, growing 13.5%

Adjusted Free Cash Flow from continuing operations was 49.5 million euros



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# 9M 2023 Results



# Key data



EBITDA Adjusted  
€ 56.9 M (+ 4% vs PY)

EBITDA  
€ 51.1 M (+ 5% vs PY)



REVENUES  
€ 269.5 M  
+ 9% vs PY

NET PROFIT  
€ 48.5 M

NFP  
€ 91.5 M  
vs € 77.6 M in FY2022

Results at 30/09/2023

# 9M 2023: focused on results

- **Results<sup>1</sup> for the 9M 2023 registered further signs of growth:**

- **Revenues at € 269.5M** in 9M'23 (+ 9.3% vs PY) confirming high single digit top line growth;
- **EBITDA Adjusted at € 56.9M** in 9M'23 (+ 3.9% vs PY) on very strong DT and CS, BI recorded seasonal performance;
- **EBITDA<sup>2</sup> at € 51.1M** in 9M'23 (+ 4.6% vs PY); **EBITDA Adjusted margin 21.1%** (22.2% vs PY); **EBITDA<sup>2</sup> margin 19.0%** (19.8% vs PY);
- **EBIT at € 21.7M** (- 8.4% vs PY); **EBIT Margin at 8.0%**;
- **Net Profit of *continuing operations* at € 12.3M** (- 16.3% vs PY); **Net Profit at € 48.5M**;
- **NFP of € 91.5M** (€ 77.6M in FY'22). The increase is attributable to the acquisitions of a minority stake in Defence Tech Holding and Ascertia, partially offset by the proceeds from the sale of ReValuta; **NFP/LTM EBITDA Adjusted of 0.94x**;
- **Adjusted Free Cash Flow of *continuing operations*: € 40.3M** (+ 11.3% vs PY); on a LTM base Adjusted FCF of *continuing ops* was: **€ 53.5M**.

- **The First Nine Months of the Year<sup>3</sup> in a nutshell:**

- **Digital Trust**, continued its solid growth trends. + 14.4% in Revenues, EBITDA + 14.8%. EBITDA margin stood high at 28.9%
- **Cybersecurity**, grew 14.7% in Revenues; EBITDA continued to overperform posting a + 66.8% vs PY, posting resilient growth for 4 consecutive quarters. EBITDA margin at 12.7%
- **Business Innovation**, grew fairly in Revenues with EBITDA at € 22.1M. EBITDA margin at 27.5%

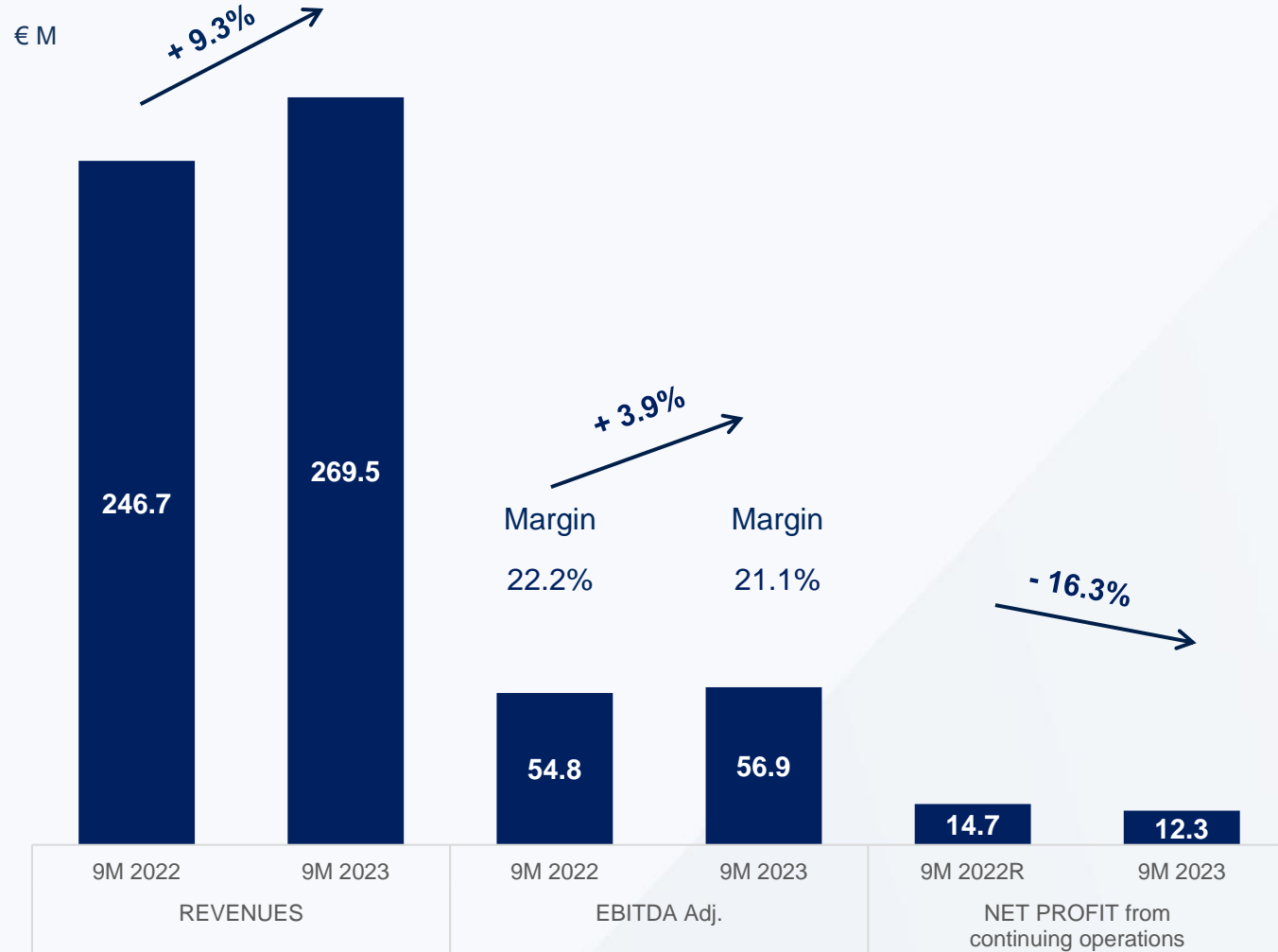


(1) The comparative data for the first nine months of 2022 have been restated in relation to the completion in the fourth quarter of 2022 of the activities to identify the fair values of the assets and liabilities of CertEurope S.A. fully consolidated from 1 November 2021, of Evalua Innovacion fully consolidated from 1 January 2022, of Enhancers S.p.A. consolidated from 1 April 2022, by Sferabit S.r.l. consolidated from 1 May 2022, of Plannet S.r.l. and LAN&WAN S.r.l. consolidated from 1 July 2022. Results in the first nine months of 2023 include the contribution of Ascertia Ltd (and its subsidiaries) as of August 1<sup>st</sup>, 2023, for further details please refer to the Interim Report

(2) EBITDA Reported

(3) BU data are provided as Adjusted

# 9M 2023 Results



9M 2023 results show Revenues of 269.5 million euros, EBITDA Adjusted of 56.9 million euros and Net Profit of 12.3 million euros.

Growth was registered both in Revenues (c. + 9%) and EBITDA Adjusted (c. + 4%)

EBITDA Adjusted amounted to 56.9 million euros up from 54.8 million euros in PY

EBITDA Adjusted margin was 21.1% (vs 22.2% in PY)

EBITDA reported was 51.1 million euros (+ 4.6% vs PY)

EBITDA reported margin at 19.0% (vs 19.8% in PY)

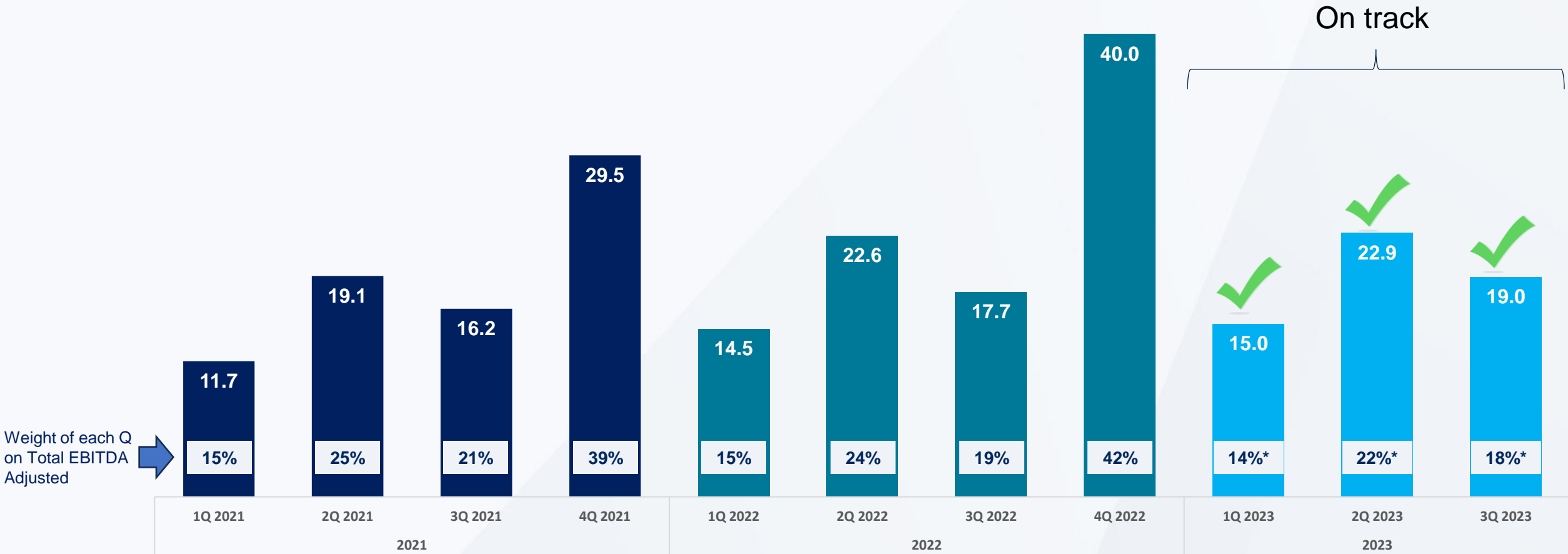
Net Profit came in at 48.5 million euros mostly on capital gains from the disposal of ReValuta

Net Profit from continuing operations was equal to 12.3 million euros

Adjusted Free Cash Flow from continuing operations was 40.3 million euros, + 11.3% vs PY

# EBITDA Adjusted Quarter by Quarter – back end weighted business

€ M



Weight of each Q on Total EBITDA Adjusted →

On track

\*Data considers mid-point of 2023 EBITDA Adjusted guidance

# 9M 2023 Results – Income Statement

€ M	9M'23	%	9M'22R	%	change	
					Δ	Δ%
<b>Revenues</b>	<b>269.5</b>	<b>100.0%</b>	<b>246.7</b>	<b>100.0%</b>	<b>22.9</b>	<b>9.3%</b>
<b>Total Operating Costs</b>	<b>212.6</b>	<b>78.9%</b>	<b>191.9</b>	<b>77.8%</b>	<b>20.8</b>	<b>10.8%</b>
Service & Other Costs	98.0	36.4%	90.6	36.7%	7.5	8.2%
Personnel Costs	114.6	42.5%	101.3	41.1%	13.3	13.1%
<b>EBITDA Adjusted</b>	<b>56.9</b>	<b>21.1%</b>	<b>54.8</b>	<b>22.2%</b>	<b>2.1</b>	<b>3.9%</b>
LTI incentives & Other non-recurring costs	5.8	2.1%	5.9	2.4%	-0.1	-2.2%
<b>EBITDA</b>	<b>51.1</b>	<b>19.0%</b>	<b>48.9</b>	<b>19.8%</b>	<b>2.2</b>	<b>4.6%</b>
Depreciation, amortisation, provisions and impairment	29.5	10.9%	25.2	10.2%	4.2	16.7%
<b>Operating Profit</b>	<b>21.7</b>	<b>8.0%</b>	<b>23.6</b>	<b>9.6%</b>	<b>-2.0</b>	<b>-8.4%</b>
Financial Income	4.7	1.8%	0.2	0.1%	4.6	2501.1%
Financial Charges	6.8	2.5%	4.3	1.8%	2.4	55.8%
<b>Net Financial Charges</b>	<b>-2.0</b>	<b>-0.8%</b>	<b>-4.2</b>	<b>-1.7%</b>	<b>2.1</b>	<b>-51.0%</b>
Profit of equity-accounted investments	-0.1	0.0%	-0.1	0.1%	0.0	-17.3%
<b>Profit Before Taxes</b>	<b>19.5</b>	<b>7.2%</b>	<b>19.3</b>	<b>7.8%</b>	<b>0.2</b>	<b>0.9%</b>
Income Taxes	7.2	2.7%	4.6	1.9%	2.6	56.4%
<b>Net Profit of Continuing Operations</b>	<b>12.3</b>	<b>4.6%</b>	<b>14.7</b>	<b>6.0%</b>	<b>-2.4</b>	<b>-16.3%</b>
Results of Discontinued Operations	36.1	N/A	45.5	N/A	-9.3	-20.5%
<b>Net Profit</b>	<b>48.5</b>	<b>N/A</b>	<b>60.2</b>	<b>N/A</b>	<b>-11.7</b>	<b>-19.5%</b>

In top 5 products/services, all Business Units are represented

Adjusted EBITDA's growth is supported by DT (+ 15%) and CS (+ 67%) notwithstanding BI's seasonality

EBITDA - including non-recurring costs, which dropped c. 40% - reached € 51.1M with a growth of 4.6%

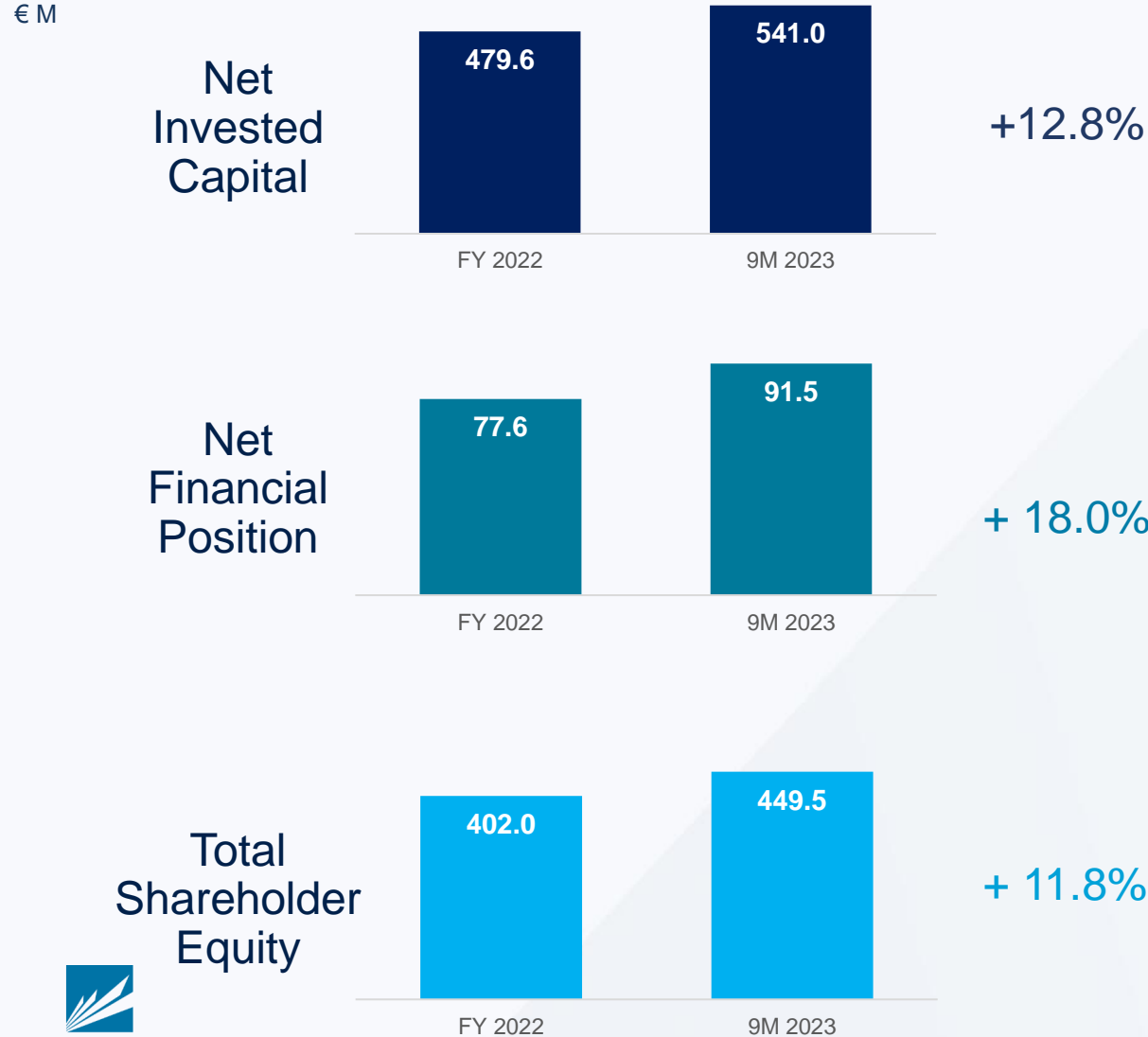
Operating Profit decreases on higher depreciations and amortization of intangible assets

Net Financial Charges decrease on higher Financial income which includes interest accrued on short-term cash investments (*time deposits*)

Net profit of continuing ops. decreases consequently to higher taxes (vs tax relief registered in 2022)

Net profit reflects the sale of ReValuta

# 9M 2023 Results – Balance Sheet



Net invested capital increased by **€ 61.5 million** compared to 31 December 2022 mainly due to the effect of the investment in Ascertia (€ 44.4 million at closing), Defence Tech (€ 25.6 million) and extraordinary investments for the acquisition of Phygital software license (€ 13.1 million), partially offset by the decrease in NWC and provisions (€ 7.9 million), the deconsolidation of ReValuta S.p.A. (€ 5.0 million at closing), and amortization of other intangible assets from consolidation (13.5 million euros).

Net Financial Position amounts to **€ 91.5 million** with an increase of **€ 13.9 million** compared to 31 December 2022. These changes reflect:

- Free Cash Flow + € 35.1M
- Capital Increase (Bregal) + € 30.0M
- Disposals + € 43.7M
- PUT Adjustment + € 3.8M
- Purchase of Treasury Shares - € 3.3M
- Dividends - € 33.3M
- Acquisitions - € 71.5M
- Adjustments to leasing contracts on NFP - € 3.2M
- OCI Derivatives - € 1.1M
- Extraordinary investments in intangible fixed assets - € 13.1M

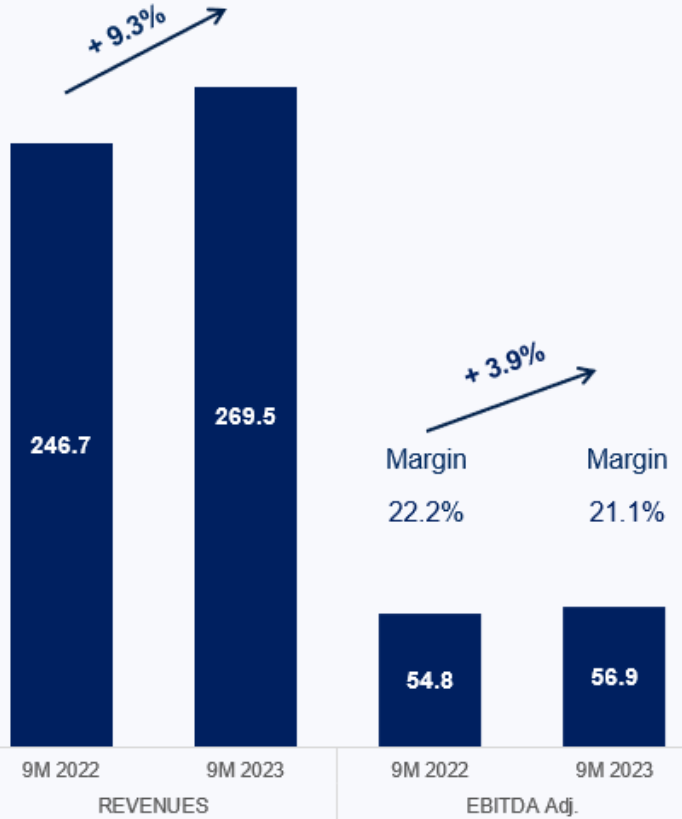
Main changes in Shareholders' Equity are:

- Capital Increase (Bregal) + € 30.0M
- Total comprehensive income for the period of + € 47.9M
- Dividends - € 33.3M
- PUT Adjustment of + € 3.8M
- Share based payment Reserve + € 2.7M
- Buy back of - € 3.3M
- Third party equity for the deconsolidation of Re Valuta - € 0.3M

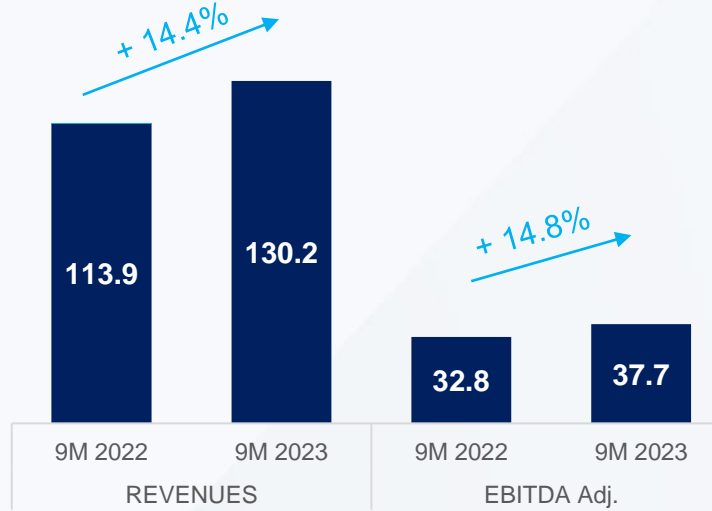
# Overview 9M 2023

€ M

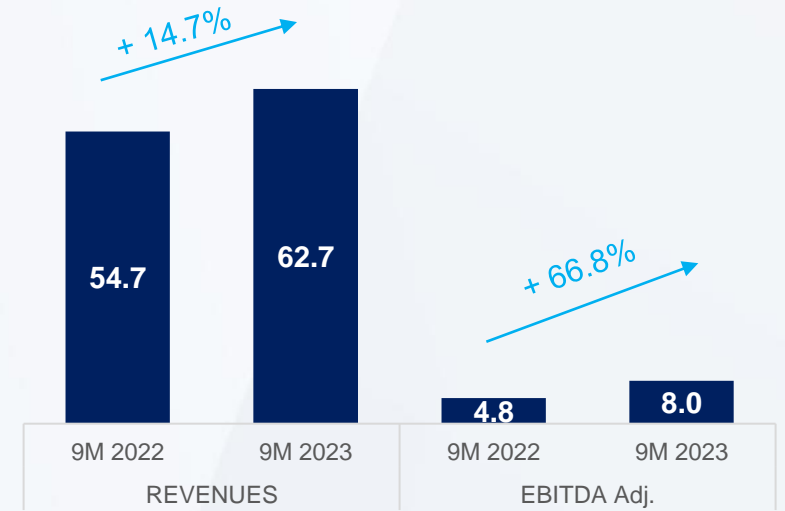
## Group



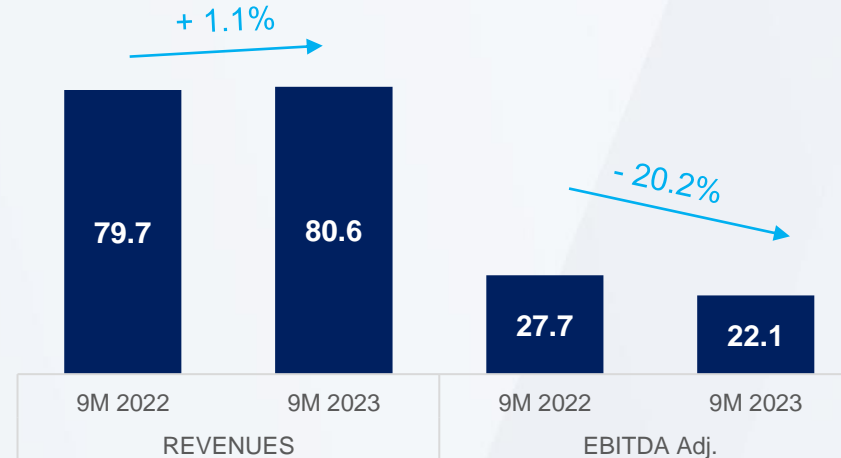
## Digital Trust



## Cybersecurity



## Business Innovation

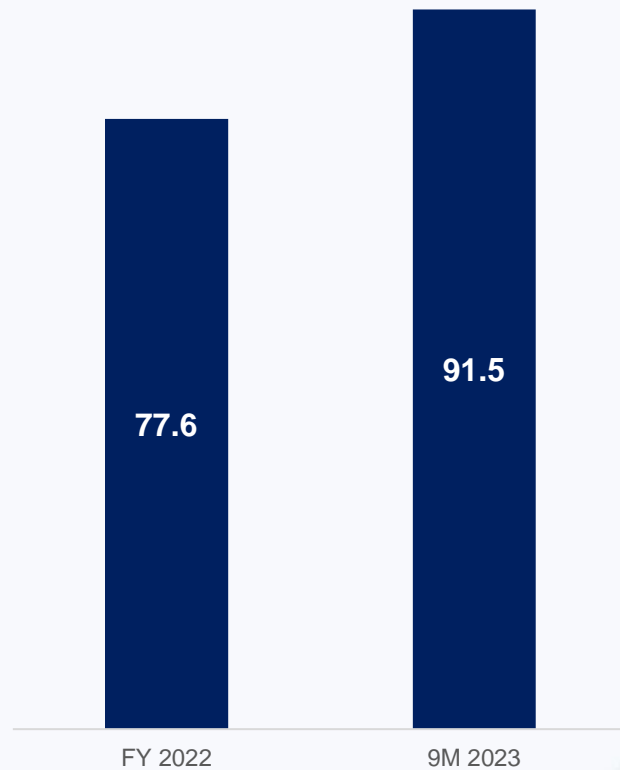




# 9M 2023 Results – NFP & FCF

€ M

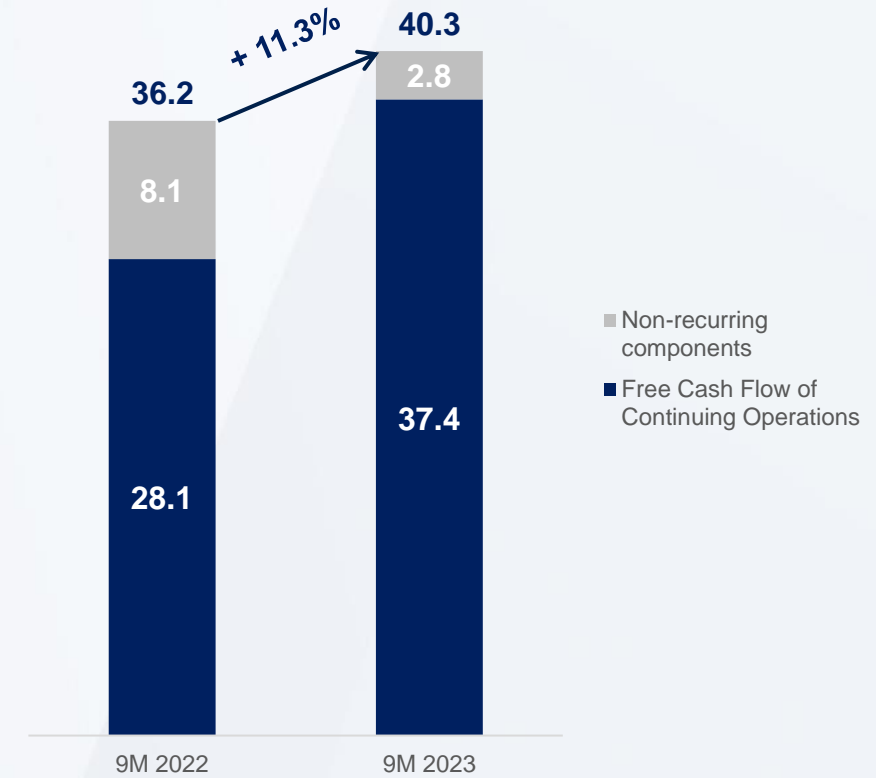
## NFP



### Main Changes in 9M 2023:

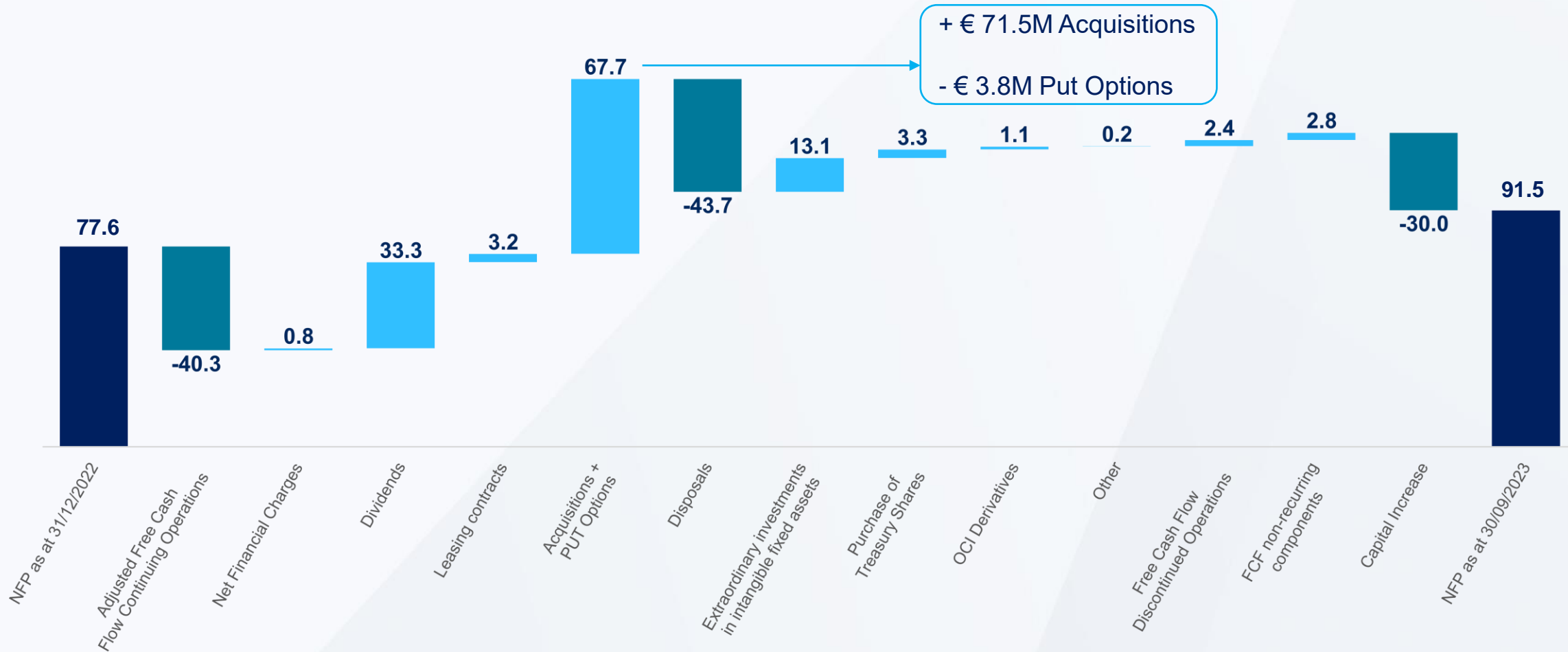
- + € 3.8M Put Options
- - € 3.3M Purchase of Treasury Shares
- + € 43.7M Disposals
- - € 33.3M Dividends
- - € 71.5M Acquisitions
- - € 3.2M Adjustments to leasing contracts
- - € 1.1M OCI hedging Derivatives
- + € 30.0M Capital Increase (Bregal)
- - € 13.1M Extraordinary investments in intangible fixed assets

## Adjusted FCF of continuing ops



# 9M 2023 Results – NFP Bridge

€ M

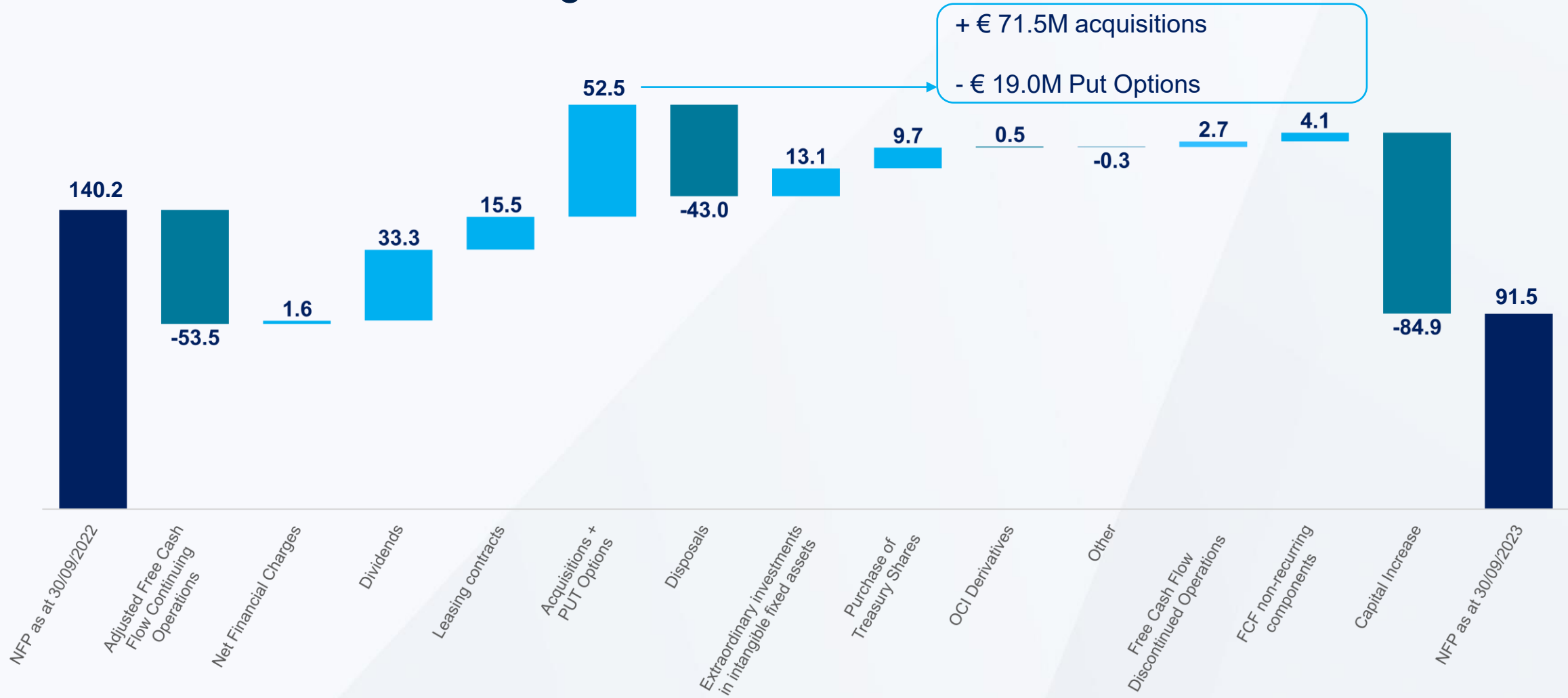


+ € 71.5M Acquisitions  
- € 3.8M Put Options

**0.82x** NFP/EBITDA<sup>1</sup> **0.94x**

# 9M 2023 Results – NFP LTM Bridge

€ M



+ € 71.5M acquisitions  
- € 19.0M Put Options

**1.65x** NFP/EBITDA<sup>1</sup> **0.94x**

# M&A: The Track Record

	2020	2021	2022	2023
	JAN FEB MAR APR MAY JUN JUL AUG SET OCT NOV DEC	JAN FEB MAR APR MAY JUN JUL AUG SET OCT NOV DEC	JAN FEB MAR APR MAY JUN JUL AUG SET OCT NOV DEC	JAN FEB MAR APR MAY JUN JUL AUG
DT	AUTHADA 16.6%	certeurope 60%	sf 100%	ascertia 65% certeurope 40%
CS	Swascan 51%	YOROI 60% corvallis 70% LEONARDO MoU MoU to support digitization of SME with cybersecurity and digital trust	LAN & WAN SOLUTIONS 100% Teknesi 100% DEFENCE TECH 20%	
CIM	FBS next 30%	INTESA SANPAOLO FORVALUE 100%	Sale of CIM Innolva TINEXTA GROUP REValuta TINEXTA GROUP	
BI	euroquality A Warrant Hub Company 100% ep EUROPROJECT BULGARIA 100%	Queryo 60% financialconsultinglab 100%	evaluate 70% plannet 100% Enhancers 100%	

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# Business Plan 2023-2025

# The growth strategy

Robust pillars of the strategy represent a clear and cohesive plan



## Strengthen our leadership

Develop the services and products offered by our companies to increase the Group's competitiveness in the digital solutions' market with strong emphasis on Digital marketing.



## Coordination & Integration

Strengthen the integrated offer of products and services, improving internal synergies and Group coordination of the Customer Relationship Management and Sales & Marketing functions.



## M&A + Internationalization

Confirm the growth path through targeted acquisitions, with a selection of assets guided by rigorous criteria of quality, solidity, innovation.



## People + ESG

Enhance corporate culture, investing in people to support their skills, enhance engagement and attract new talent, increasing evermore a companywide culture in ESG.



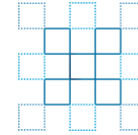
## Financial Policy

Maintain a close focus on the cost structure, the predictability of cash flows and the cost of debt, for a long-term sustainable growth strategy.



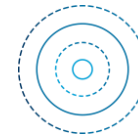
## Strengthen our leadership

### Digital Trust



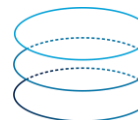
- Expand the offer integrating towards a Digital Wallet
- Continue to develop cybersecurity features/functionalities as a distinguishing factor
- Identity certification of IoT (Internet of Things)
- Grow more internationally, specifically in Europe

### Cybersecurity



- Focus on system integration service in the infrastructural areas (identity & access management, cloud security, application security, networking security, business continuity, IoT)
- Strengthen the offer in Advisory and Managed Security Services
- Increase presence in the Public Administration

### Business Innovation



- To be positioned as a key player in Digital Marketing
- Increase *end-to-end* online customer activities (content marketing + marketplace mgmt.)
- Extend Temporary Management in Sales & Marketing
- Strengthen subsidized finance on regional and national tenders
- Development ESG plans and awareness in SMEs
- Grow internationally, specifically in Europe

## ✓ Coordination & Integration

- Increase and improve post M&A integration
- Simplify the corporate structure (see *recent Warrant reorganization*)
- Centralized CRM
- Foster cross/up-selling operational synergies within the organization
- Central coordination for the development of an integrated offer of the Group and the related “go to market”
- Leverage the Forvalue channel to strengthen the Group’s commercial strategy for services to SMEs



## M&A + Internationalization

### Tinexta's approach to M&A:

#### ➤ Target check list/criteria

- Growing market segment
- Solid Business Fundamentals
- Strategic Fit & Finish
- Synergy analysis
- Disciplined Financial Policy
- Cash Flow generative

#### ➤ Carrying out the deal

- Purchase - at least - a majority stake in a company
- Agree on strategic business plan with the seller
- Maintain key strategic managers to grow the business
- Regulate purchase completion via Earn outs/Put/Calls to align interest and support growth

#### ➤ Key strategic markets: Spain, France, Germany and the Nordic countries



## People + ESG

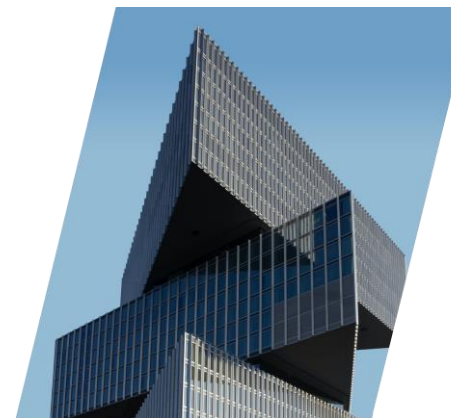


**393** new hires (40% women, 42% <30)  
**266** external workers  
**97%** full-time workers in Italy (94% abroad)  
**39%** are women  
**18%** are under 30  
**Abide** to the Code of Conduct and Human Rights Policy and a Diversity & Inclusion Policy

# 9 Countries, one Group

- **Skills** talent acquisition as a priority
- **Health & safety + welfare** all employees enjoy welfare coverage provided for either by the various collective contracts or by Company contracts
- **Responsible** supply chain
- **Tax transparency**
- **New offices** with a lighter footprint

# 2,213 Employees



# 3 Business Units

**Digital Trust** revolutionized entire sectors, contributing to facilitating the lives of users, who have reduced the time required to complete various transactions, gaining in quality of life

**Cybersecurity** thanks to constant innovation, helps customers maintain high levels of cybersecurity, which must constantly respond to increasingly refined threats

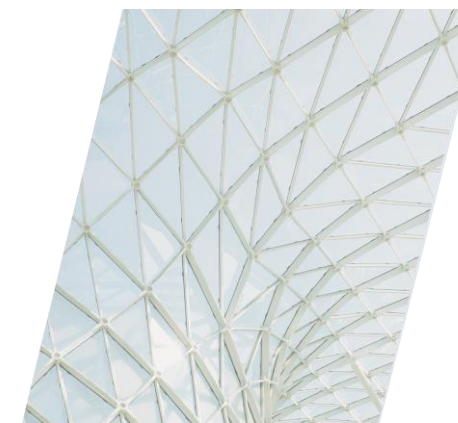
**Business Innovation** can offer complete support to companies in their digital transformation process, demonstrating that they make innovation a driving force of their business model

## Business Talks + Subject Matter Expert

To launch E-learning courses to focus employee population on ESG themes  
**29,508 hours** of companywide training

- Business continuity
- Sustainability
- Green Finance
- Effective communication
- English proficiency
- Cyber Hackathon
- Cyber security (Phishing courses)

# 1 Corporate Academy



People + ESG

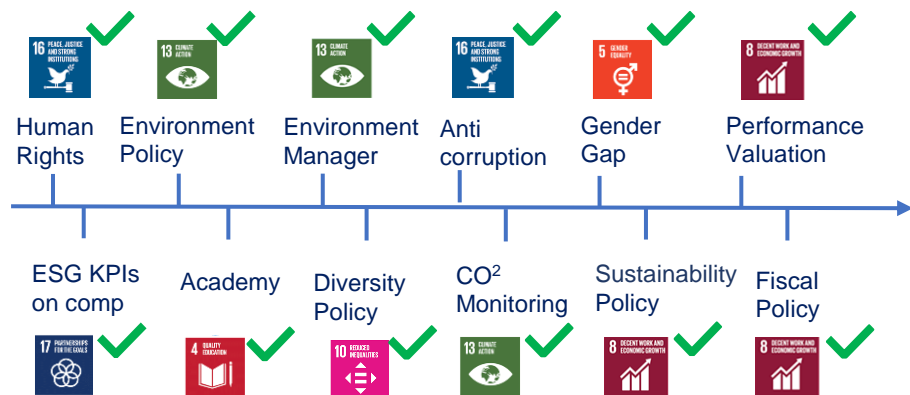
# ESG

Significant leap forward in addressing all major ESG topics at a Group level

Major steps taken:

- **Established Internal & Permanent ESG committee** (regularly reporting to the Risk and Sustainability Control Committee + Board of Directors)
- Approved **6 ESG policies** at Group level
- Published Sustainability Policy - to provide full market disclosure - on cutting edge website
- Involved Corporate Functions, Business Units and Internal & External Stakeholders

## 2022 SUCCESSFULLY COMPLETED ACTIONS



## ONGOING ACTIVITIES

- Data collection on the Non-Financial Reporting
- Definition of the Environment management process
- Measuring methods on energy consumption and CO<sub>2</sub> emissions

## 2023 OBJECTIVES

Reception and application within the Group of all Company Policies

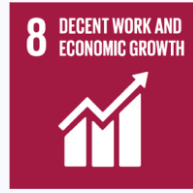
People + ESG

### Progress report:



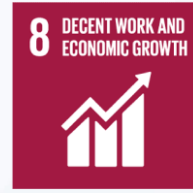
Adherence to the programmatic document

#### HUMAN RIGHTS



Defined a plan to measure Performance

#### PERFORMANCE VALUATION



Approved the Sustainability Policy

#### SUSTAINABILITY POLICY



Approved the Environment Policy

#### ENVIRONMENT POLICY



Carried out Gender pay gap analysis

#### GENDER GAP



Approved the Fiscal Policy

#### FISCAL POLICY



Introduced ESG KPIs in MBOs and LTI

#### ESG KPIS ON COMP



Established an internal Academy for both corporate and sustainability cultures

#### ACADEMY



Selected an Environment manager

#### ENVIRONMENT MANAGER



Approved the Diversity & Inclusion Policy

#### DIVERSITY POLICY



Approved the Anti corruption Policy

#### ANTI CORRUPTION



Identified a data collection and monitoring system

#### CO<sup>2</sup> MONITORING

# ESG

We have always looked towards **digitalization, technological innovation and the future**. For this reason, sustainability is integrated into all of the Group's activities and represents a founding element



## Environmental

Various actions have been implemented to reduce the environmental impact of our activities on the planet.

Our efforts focus on two action areas: **Material and energy resources** and **Greenhouse gas emissions**.

➤ Action tool: **Environmental Policy**

## Social

We are aware that responsible management also includes the social sphere. This is why we are working to ensure the creation of an inclusive environment that considers diversity as a value to be safeguarded.

Our efforts focus on two action areas: **Inclusiveness and equality** and **Working conditions and environment**.

➤ Action tool: **Diversity & Inclusion + Human Rights Policies**

## Governance

Sustainable approach means a strategy based on the principles of integrity, transparency, legality, impartiality and prudence, as well as compliance with laws and regulations, both mandatory and voluntary.

Our efforts focus on two action areas: **Regulatory compliance and Transparency and integrity**

➤ Action tool: **Anti-Corruption + Tax Policies**

## Financial Policy

### **Growth in quality revenues**

- Continue to expect sound organic growth in line with prior years
- Financial structure even more ready to capture future growth thanks to significant cash on hand from CIM disposal

### **Improve operational efficiency by increasing EBITDA**

- Operating leverage
- Cross-selling + synergies

### **EPS & DPS growth**

- D&A mostly in line with prior years
- Financial Expenses entirely covered by bank deposit given cash on hand
- EPS at historical high given capital gain from CIM's sale
- DPS increased, signaling very attractive shareholder return

### **Strong cash generation**

- Continuing strong cash conversion
- No substantial changes in Capex
- Closely monitoring of NWC management

## Financial Policy – Group’s Financial Targets/Assumptions – Organic

	<u>Revenues</u>	<u>EBITDA Adjusted</u>	<u>NFP / EBITDA Adj.*</u>	<u>Dividends</u>	<u>Inflation</u>
<b>2023</b> vs PY	<b>+11-15%</b>	<b>+8-12%</b>	<b>0.7-0.8x</b>	<b>30% of Net Profit</b>	<b>6%</b>

4

# Closing Remarks and Q&A



# Closing Remarks



Growth path is secure with robust fundamentals, a clear business plan and strong management commitment



M&A already in place, balance sheet ready and new targets identified to further support international expansion

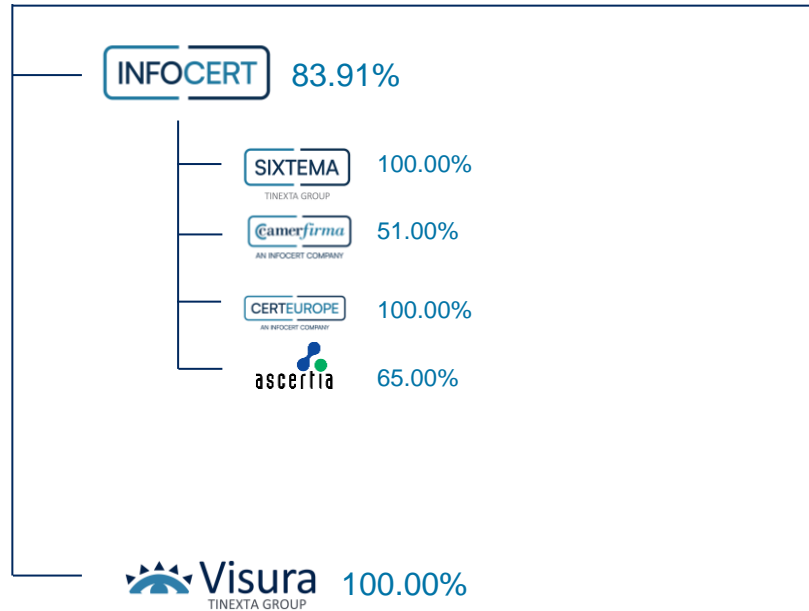


2023-2025 Outlook confirms sustained revenue growth rate, solid profitability and strong cash position

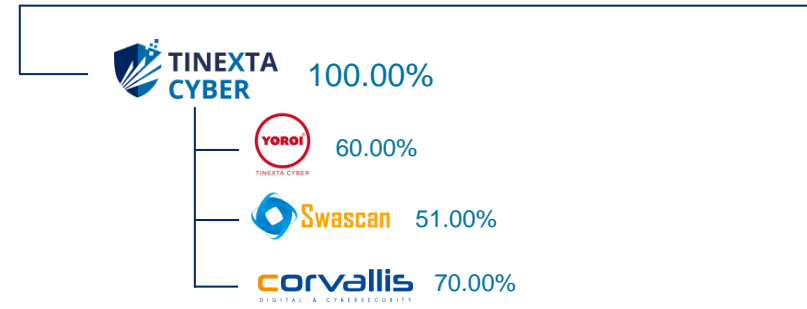


The Group is well positioned to continue to pursue its growth through external lines

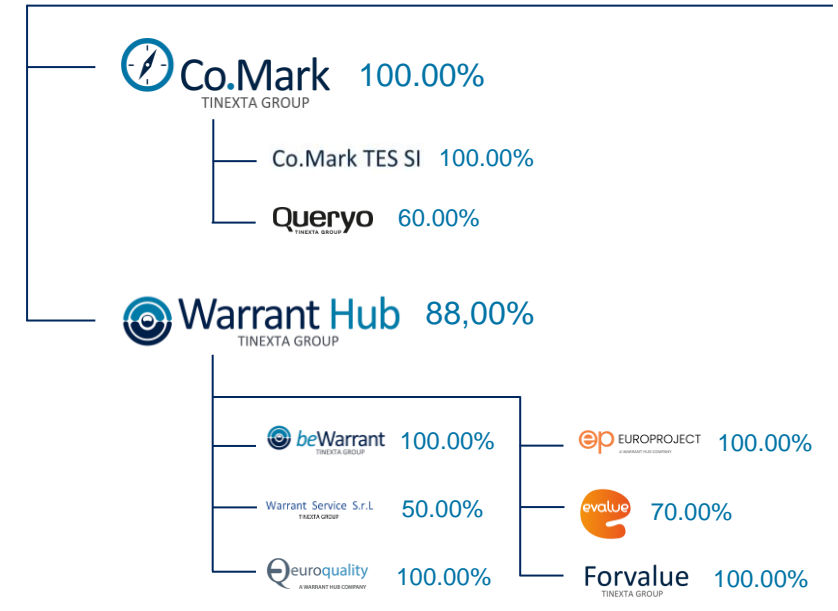
## Digital Trust



## Cyber Security



## Business Innovation



### OTHER HOLDINGS



### TINEXTA FUTURO DIGITALE S.C.A.R.L.





**TINEXTA**

Think Next

Thanks.

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