



TINEXTA

Think Next

1H 2024 Results

Ended June 30, 2024

Milan – August 2, 2024



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J. Mastragostino | Chief Investor Relations Officer



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1H'24 Highlights and Updates

J. Mastragostino | Chief Investor Relations Officer



Key data

EBITDA Adjusted
€ 34.4 M (- 9% vs PY)

EBITDA € 25.5 M EBIT Adjusted € 19.5 M

REVENUES

€ 203.0 M
+ 11% vs PY

NET PROFIT Adjusted
€ 11.9 M

FCF Adjusted of cont. ops.
€ 25.8 M

NFP
€ 276.9 M
vs € 102 M in FY2023

Results at 30/06/2024

1H 2024: Updating, after the first six months

• Results:

- **Revenues** at € 203.0M in 1H'24 (+ 11.3% vs PY);
- **EBITDA Adjusted** at € 34.4M in 1H'24 (- 9.1% vs PY) mainly impacted by ABF's contribution combined with CS's less favorable revenue mix and BI's known seasonality, partially offset by DT's strong performance; **EBITDA¹** at € 25.5M in 1H'24 (- 26.2% vs PY) includes € 6.5M of non-recurring items;
- **EBITDA Adjusted margin 17.0%** (20.8% vs PY); **EBITDA¹ margin 12.6%** (18.9% vs PY);
- **EBIT Adjusted** at € 19.5M (- 30.4% vs PY); **EBIT Adj. Margin** at 9.6%;
- **Adjusted Net Profit of *continuing operations*** at € 11.9M (- 37.1% vs PY); **Net Profit** at € 2.3M;
- **NFP** of € 276.9M (€ 102.0M in FY'23) reflects mainly ABF's and Lenovys' acquisitions; **NFP/LTM EBITDA Adjusted** of **2.78x** up from **0.55x** in 1H'23;
- **Adjusted Free Cash Flow of *continuing operations***: € 25.8M vs € 29.3M in 1H'23; on a LTM base Adjusted FCF of *continuing ops* was: € 53.4M.

• Top line still growing in all business lines²:

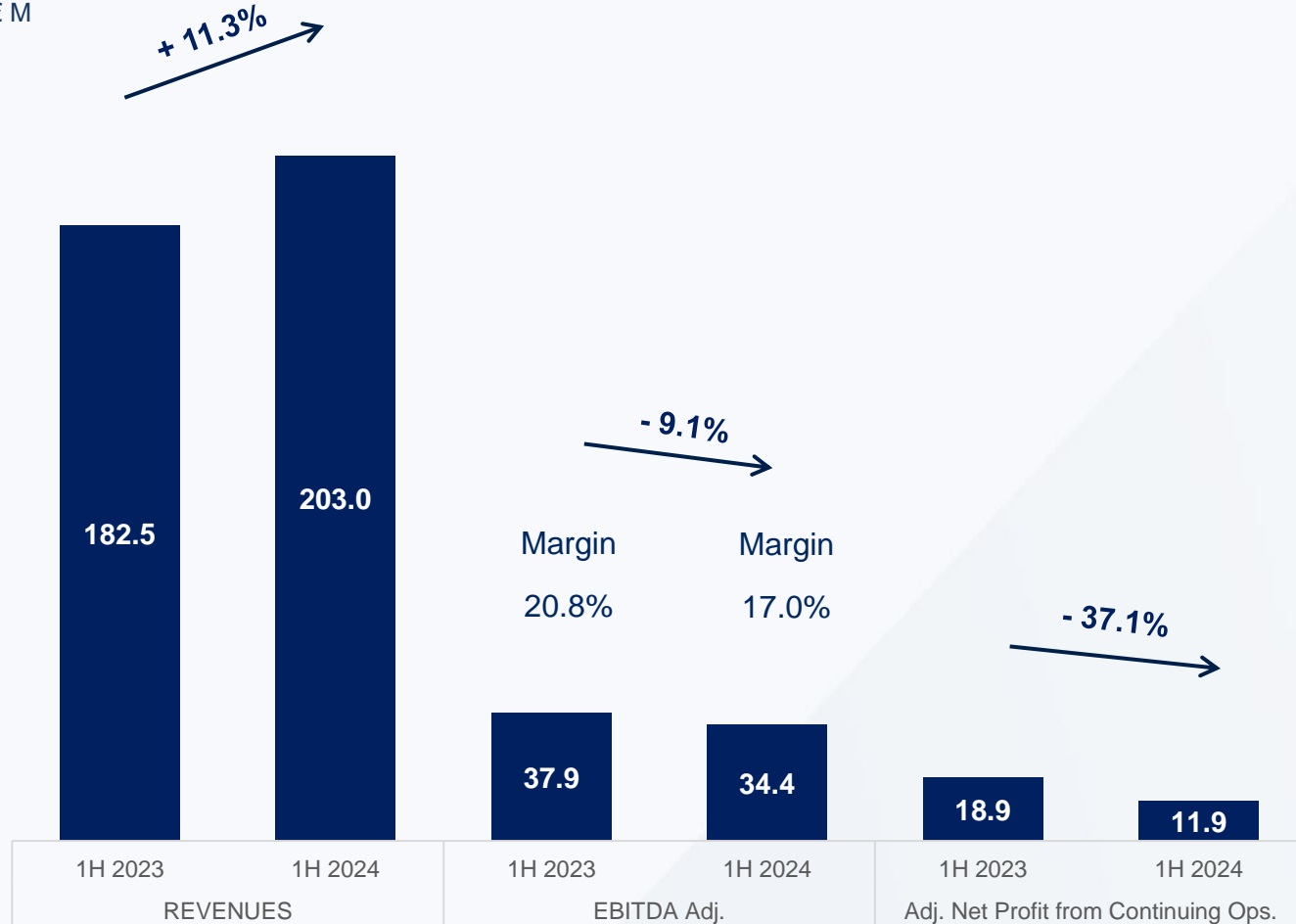
- **Digital Trust**, Revenues + 18.4% and EBITDA + 20.8%. Excellent EBITDA margin of 28.8%
- **Cybersecurity**, grew 6.5% in Revenues, EBITDA at € 4.1M. EBITDA margin at 9.0%
- **Business Innovation**, posted a + 6.7% growth in Revenues with EBITDA at € 10.3M. EBITDA margin 17.1%

• Recent Events & Updates:

- Finalized – in January – the acquisition of 73.9% of ABF Group
- Launched – in February – of a new strategic and operational advisory business line for SMEs'
- Reached – in April – the 100% of Yoroi, Swascan & Corvallis, impact already included in NFP as of acquisition date. The BOD authorized the purchase and disposal of treasury shares

1H 2024 Results

€ M



1H 2024 results show Revenues of € 203.0 million, EBITDA Adjusted of € 34.4 million and Net Profit of € 2.3 million.

Growth was registered in Revenues (c. + 11%) with a light contraction in EBITDA Adjusted (c. - 9%)

EBITDA Adjusted amounted to 34.4 million euros

EBITDA Adjusted margin was 17.0% (vs 20.8% in PY)

EBITDA reported was 25.5 million euros (- 26.2% vs PY)

EBITDA reported margin at 12.6%

Net Profit came in at 2.3 million euros

Adjusted Net Profit from continuing operations was equal to 11.9 million euros

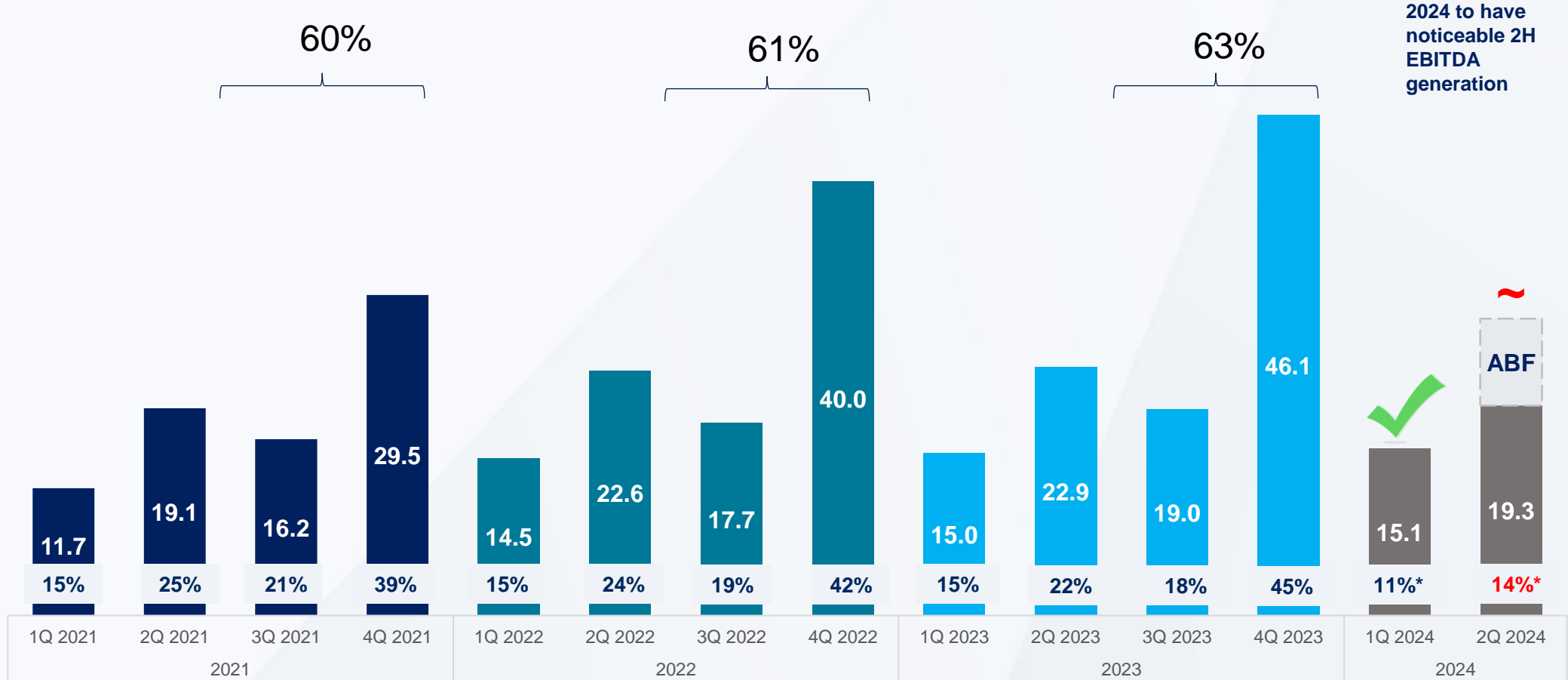
Adjusted Free Cash Flow from continuing operations was 25.8 million euros

EBITDA Adjusted Quarter by Quarter – back end weighted business

€ M

Significant 2H historical weight driven by business model →

Weight of each Q on Total EBITDA Adjusted →



2024 to have noticeable 2H EBITDA generation

*Data considered mid-point of 2024 EBITDA Adjusted guidance

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1H'24 Financial Results

O. Pozzi | Group Chief Financial Officer



1H 2024 Results – Income Statement

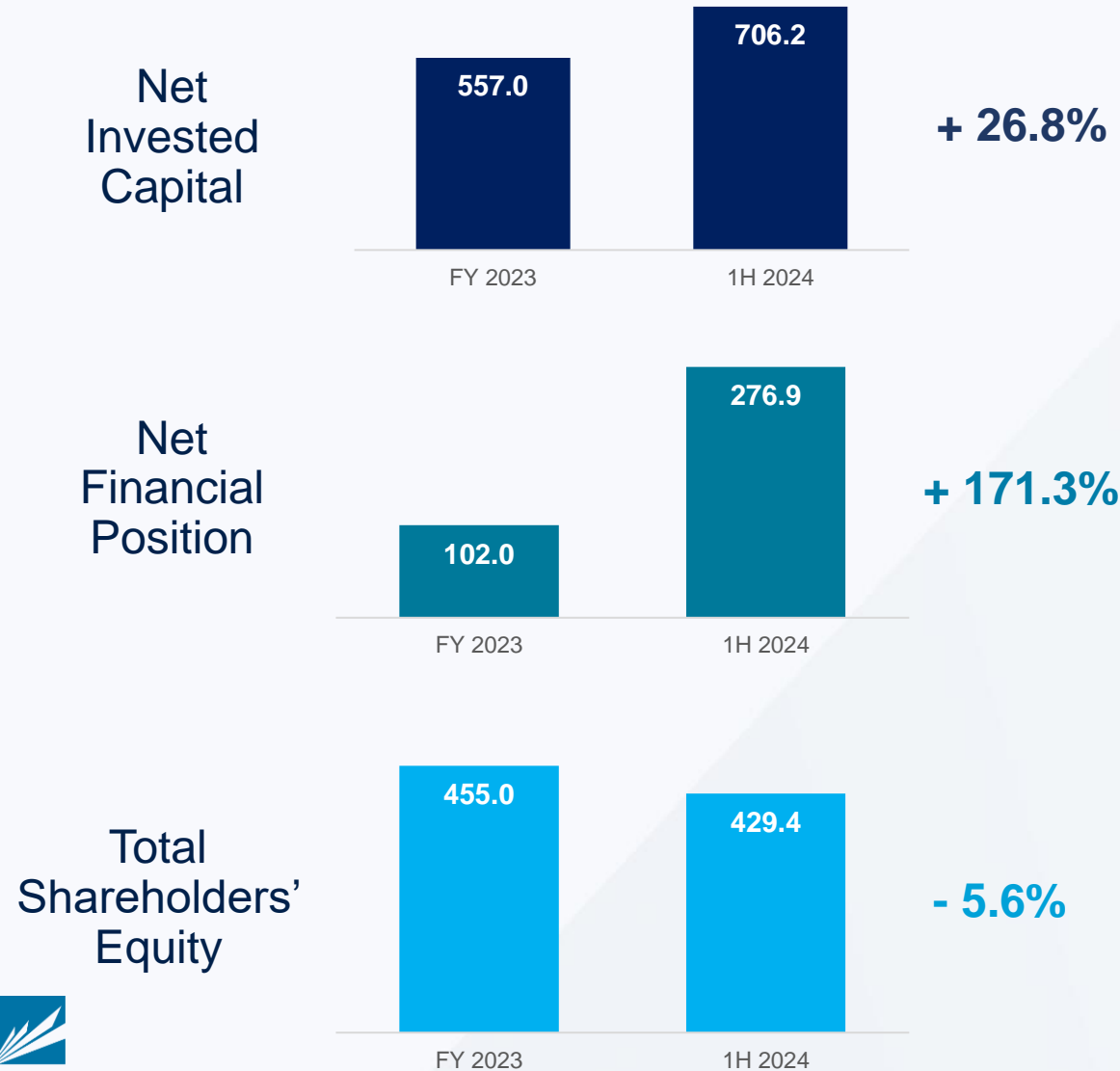
€ M	1H'24	%	1H'23	%	1H 2024 on 2023	%	with Acquisitions		LFL2023	
							Δ	Δ%	Δ	Δ%
Revenues	203.0	100.0%	182.5	100.0%	186.4	100.0%	20.5	11.3%	3.9	2.1%
Total Operating Costs	-168.6	-83.0%	-144.6	-79.2%	-153.9	-82.6%	-24.0	16.6%	-9.3	6.4%
Service & Other Costs	-79.5	-39.2%	-65.9	-36.1%	-74.2	-39.8%	-13.6	20.6%	-8.3	12.5%
Personnel Costs	-89.1	-43.9%	-78.7	-43.1%	-79.7	-42.8%	-10.4	13.2%	-1.0	1.3%
EBITDA Adjusted	34.4	17.0%	37.9	20.8%	32.5	17.4%	-3.5	-9.1%	-5.4	-14.3%
Share Based Payments & Other non-recurring costs	-8.9	-4.4%	-3.4	-1.9%	-8.9	-4.8%	-5.6	165.1%	-5.6	164.8%
EBITDA	25.5	12.6%	34.5	18.9%	23.5	12.6%	-9.0	-26.2%	-11.0	-31.8%
Depreciation, amortisation, provisions and impairment	-24.6	-12.1%	-19.3	-10.6%	-22.6	-12.1%	-5.3	27.6%	-3.3	17.2%
Operating Profit	0.9	0.4%	15.2	8.3%	0.9	0.5%	-14.4	-94.2%	-14.3	-94.0%
Financial Income	6.7	3.3%	3.2	1.7%	5.0	2.7%	3.5	111.6%	1.9	59.1%
Financial Charges	-8.0	-3.9%	-3.8	-2.1%	-7.0	-3.8%	-4.3	113.6%	-3.2	86.5%
Net financial Charges	-1.3	-0.6%	-0.6	-0.3%	-2.0	-1.1%	-0.7	124.7%	-1.4	234.7%
Profit of equity-accounted investments	0.3	0.1%	-0.1	-0.1%	0.3	0.2%	0.4	-370.3%	0.4	-370.3%
Profit Before Taxes	-0.1	-0.1%	14.5	8.0%	-0.7	-0.4%	-14.7	-100.9%	-15.3	-105.1%
Income Taxes	2.4	1.2%	-5.2	-2.9%	1.8	1.0%	7.6	-146.8%	7.0	-134.5%
Net Profit of Continuing Operations	2.3	1.1%	9.3	5.1%	1.1	0.6%	-7.0	-75.3%	-8.3	-88.7%
Results of Discontinued Operations	0.0	N/A	36.1	N/A	0.0	N/A	-36.1	-100.0%	-36.1	-100.0%
Net Profit	2.3	1.1%	45.4	N/A	1.1	0.6%	-43.1	-94.9%	-44.4	-97.7%

1H 2024 Results – Having a clear view on P&L Adjustments

€ M	EBITDA		Operating profit (loss)		Net profit from continuing operations	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
Reported income statement results	25.5	34.5	0.9	15.2	2.3	9.3
Non-recurring service costs	3.8	1.4	3.8	1.4	3.8	1.4
LTI incentive plans	2.4	1.8	2.4	1.8	2.4	1.8
Non-recurring personnel costs	2.7	0.3	2.7	0.3	2.7	0.3
Other non-recurring operating costs	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of other intangible assets from consolidation			9.7	9.0	9.7	9.0
Non-recurring provisions			0.0	0.2	0.0	0.2
Non-recurring depreciation			0.0	0.2	0.0	0.2
Non-recurring financial incomes					(0.2)	0.0
Contingent Consideration					(3.9)	(0.3)
Non-recurring financial charges					2.8	0.3
Tax effect on adjustments					(4.2)	(3.3)
Non recurring taxes					(3.5)	0.0
Adjusted income statement results	34.4	37.9	19.5	28.0	11.9	18.9
<i>Change from previous year</i>		<i>-9.1%</i>		<i>-30.4%</i>		<i>-37.1%</i>

1H 2024 Results – Balance Sheet

€ M



Net invested capital increased by **€ 149.2 million** compared to 31 December 2023 mainly due to the investment in ABF for a total of **€ 134.0 million** at the acquisition date, in Lenovys for a total of **€ 17.4 million** and in Warrant Funding Project and Camerfirma Colombia for **€ 2.0 million**, partially offset by the decrease in net working capital and provisions for **€ 2.3 million** and by the change in net fixed assets for **€ 2.0 million**

Net Financial Position amounts to **€ 276.9 million** with an increase of **€ 174.8 million** compared to 31 December 2023. These changes reflect:

- Adjusted Free Cash Flow + € 25.8M
- Non-recurring components - € 11.5M
- Dividends - € 29.1M
- Acquisitions - € 153.4M
- PUT Adjustment - € 4.6M
- Treasury Shares + € 4.1M
- Contingent Consideration (Earn-out) + € 3.5M
- Adjustments to leasing contracts on NFP - € 5.7M
- OCI Derivatives - € 1.0M

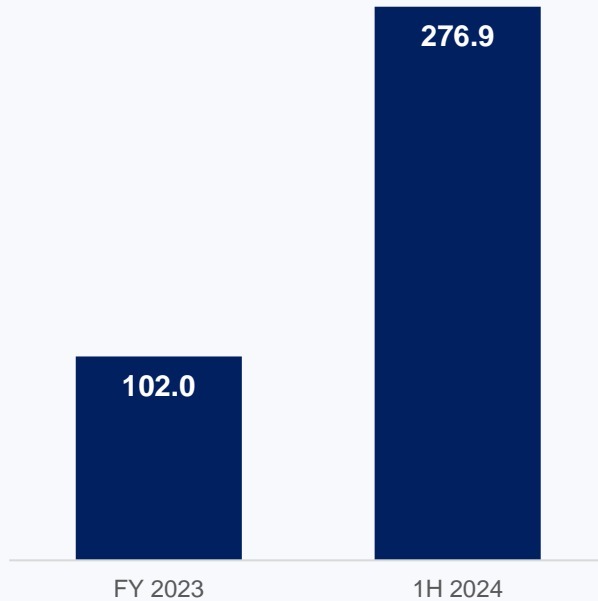
Main changes in Shareholders' Equity are:

- Total comprehensive income for the period of + € 1.9M
- Dividends of - € 29.1M
- PUT Adjustment of - € 4.6M
- Share Based Payment Reserve of + € 2.1M
- Treasury Shares + € 4.1M

1H 2024 Results – NFP & FCF

€ M

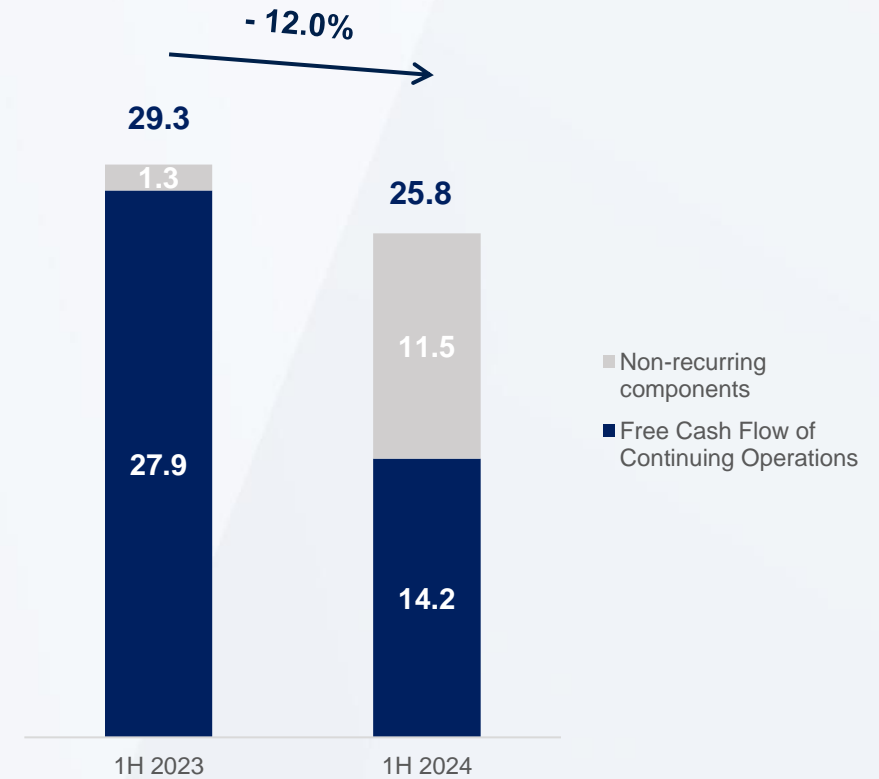
NFP



Main Changes in 1H 2024:

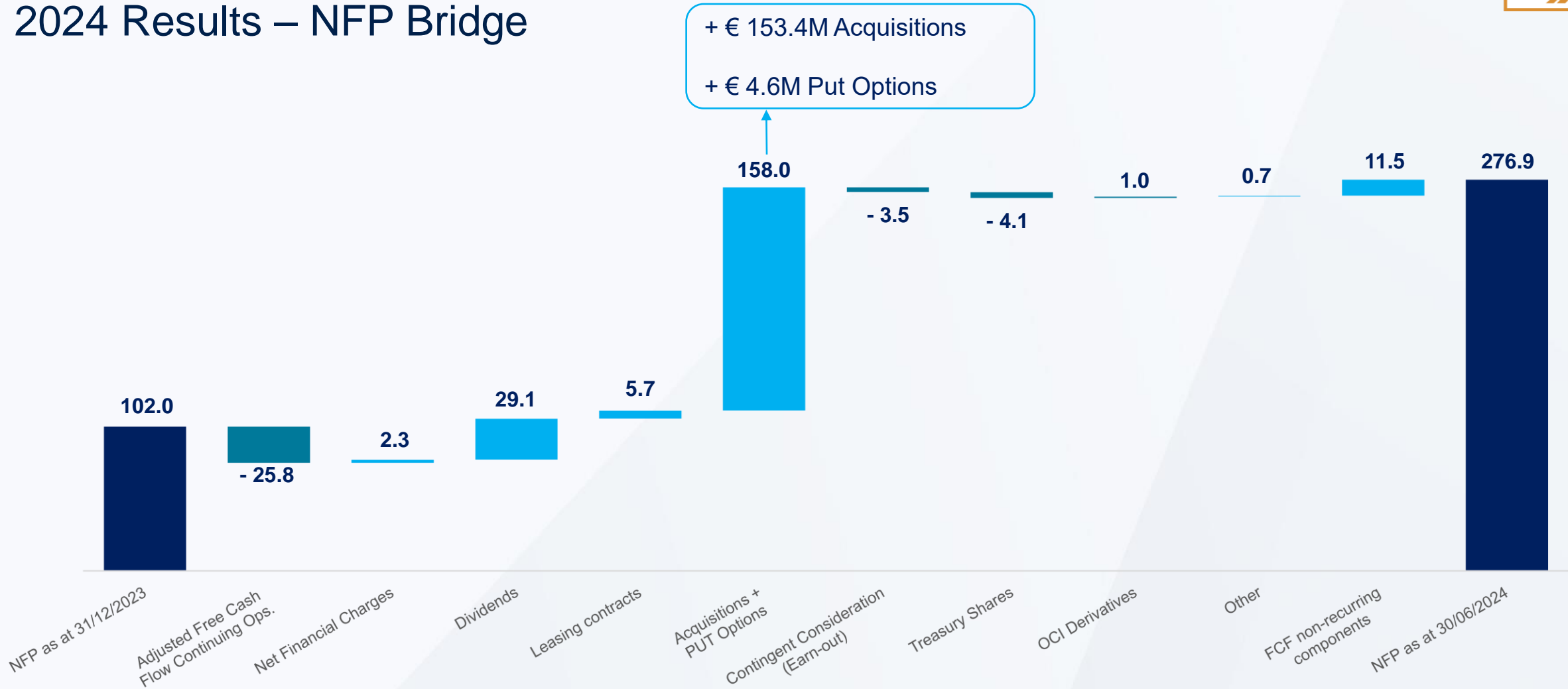
- - € 4.6M Put Options
- + € 4.1M Treasury Shares
- - € 153.4M Acquisitions
- - € 5.7M Adjustments to leasing contracts
- - € 1.0M OCI hedging Derivatives

Adjusted FCF of continuing ops



1H 2024 Results – NFP Bridge

€ M

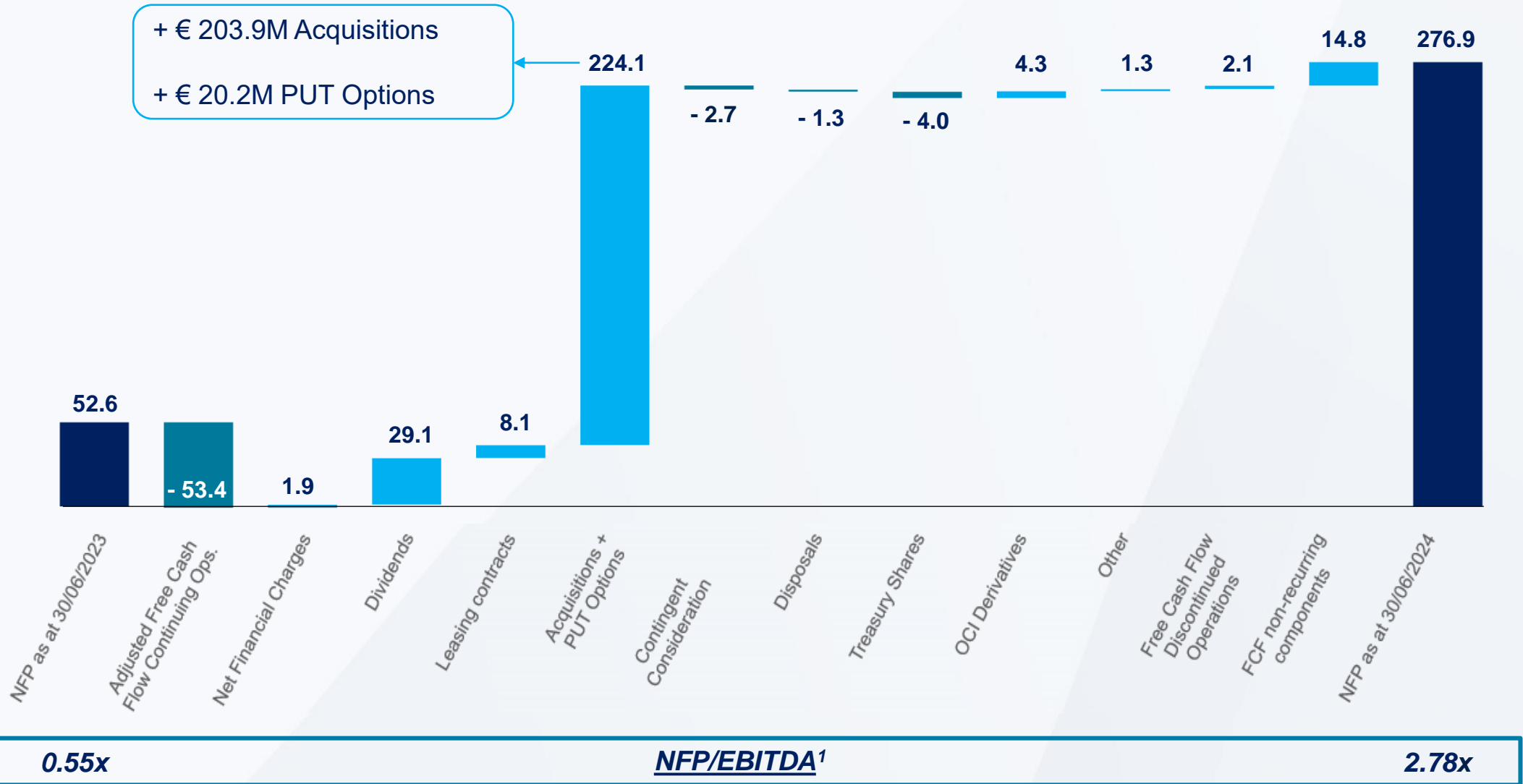


+ € 153.4M Acquisitions
+ € 4.6M Put Options

0.99x NFP/EBITDA¹ **2.78x**

1H 2024 Results – NFP LTM Bridge

€ M



(1) Calculated as NFP/LTM EBITDA Adjusted

3

Business Units Deep Dive

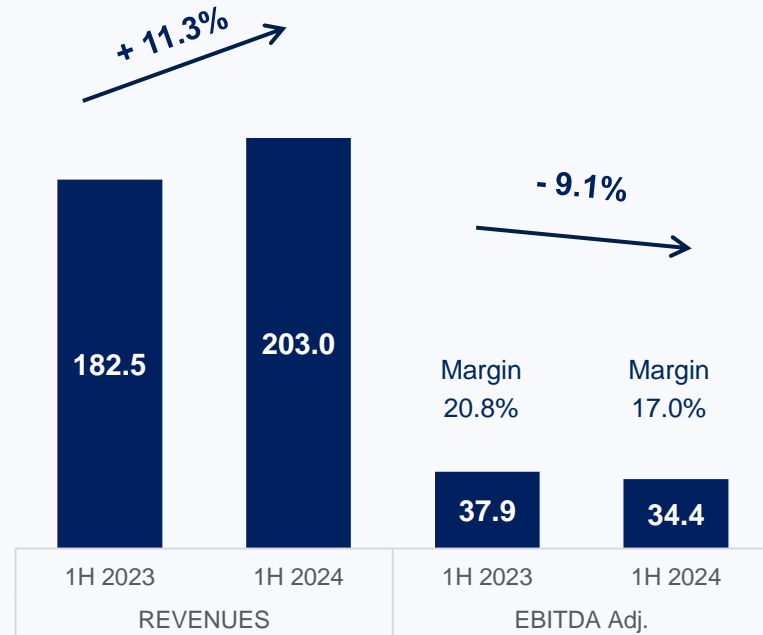
O. Pozzi | Group Chief Financial Officer



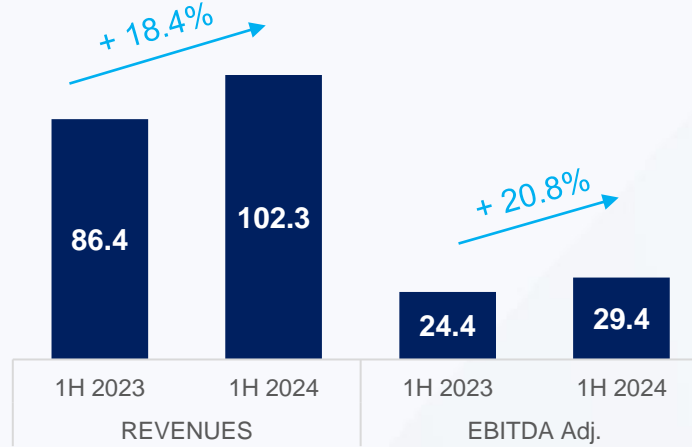
Overview 1H'24

€ M

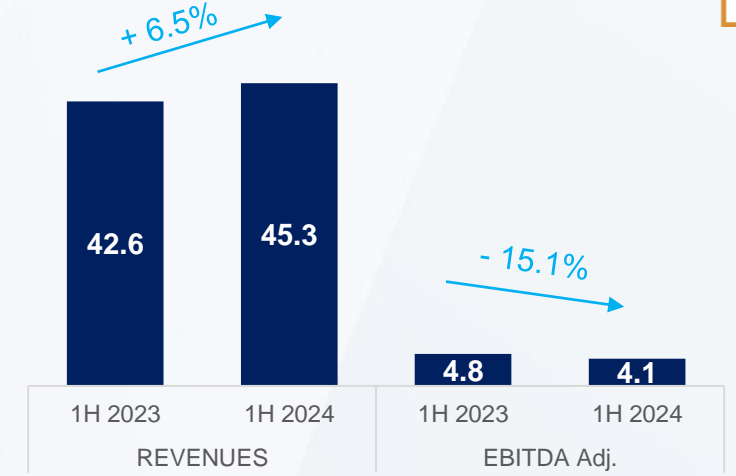
Group



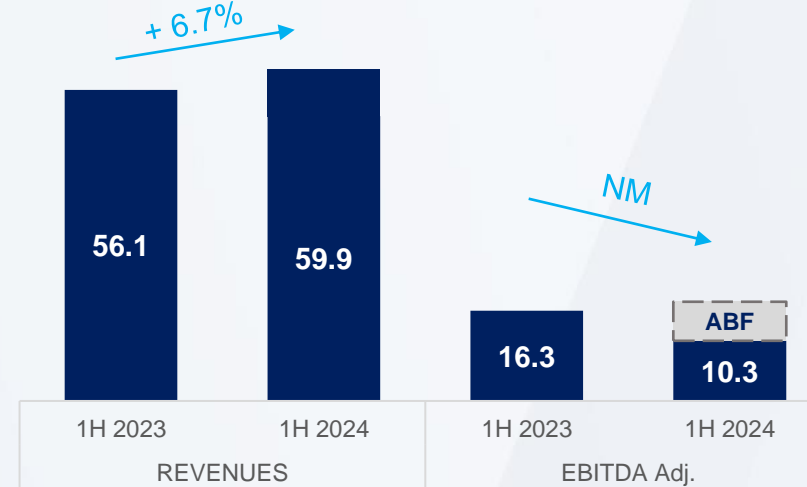
Digital Trust



Cybersecurity



Business Innovation



■ LFL 2023 ■ Δ Acquisitions

Digital Trust 1H'24

€ M

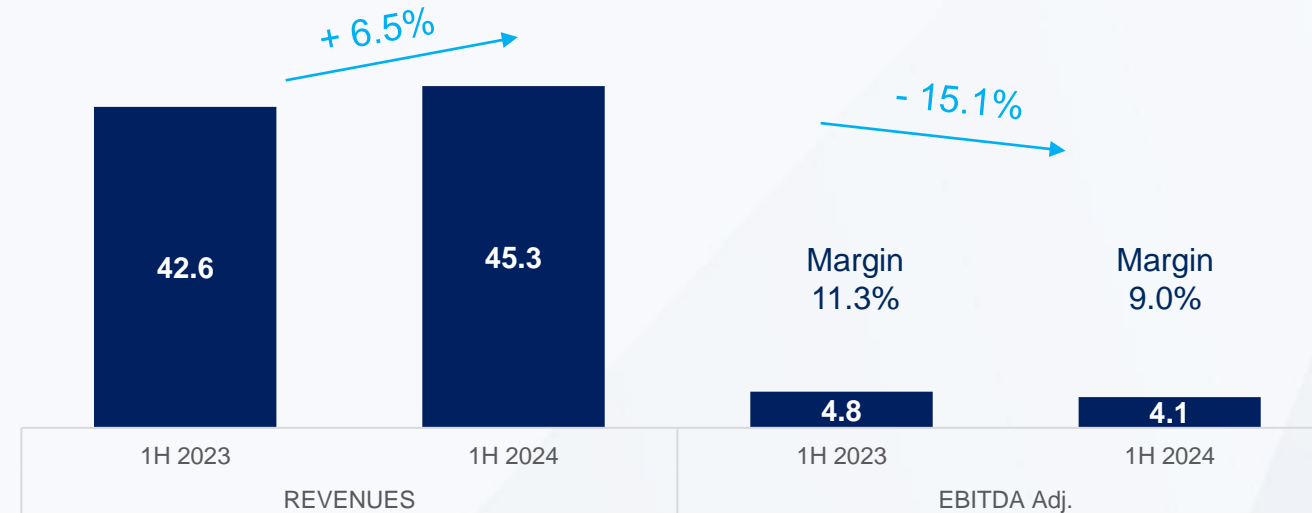


- Revenues amounted to 102.3 million euros, up by 18.4% (+ 8.9% on a 2023 basis) of which 9.5% attributable to the acquisitions of Ascertia and Camerfirma Colombia; consolidated as of August 1st 2023 and April 1st 2024 respectively
- Growth was mainly driven by solutions relating to both LegalMail and LegalCert, as well GoSign & Trusted Onboarding Platform solutions specifically geared to the Enterprise market. International revenues continue to grow as we reach a larger number of customers throughout Europe, topping over 18% of the BU's total revenues vs 12% in PY
- To continue to be at the leading edge, the BU continues to invest to improve its products in terms of usability and integration, AI applications are expected to contribute significantly to enhancing efficiency and offering to professional associations
- Adjusted EBITDA of 29.4 million euros. The increase, equal to 20.8% (of which 10.3% on a 2023 basis), confirms the ability to improve operating leverage, maintaining constant attention to operating costs



Cybersecurity 1H'24

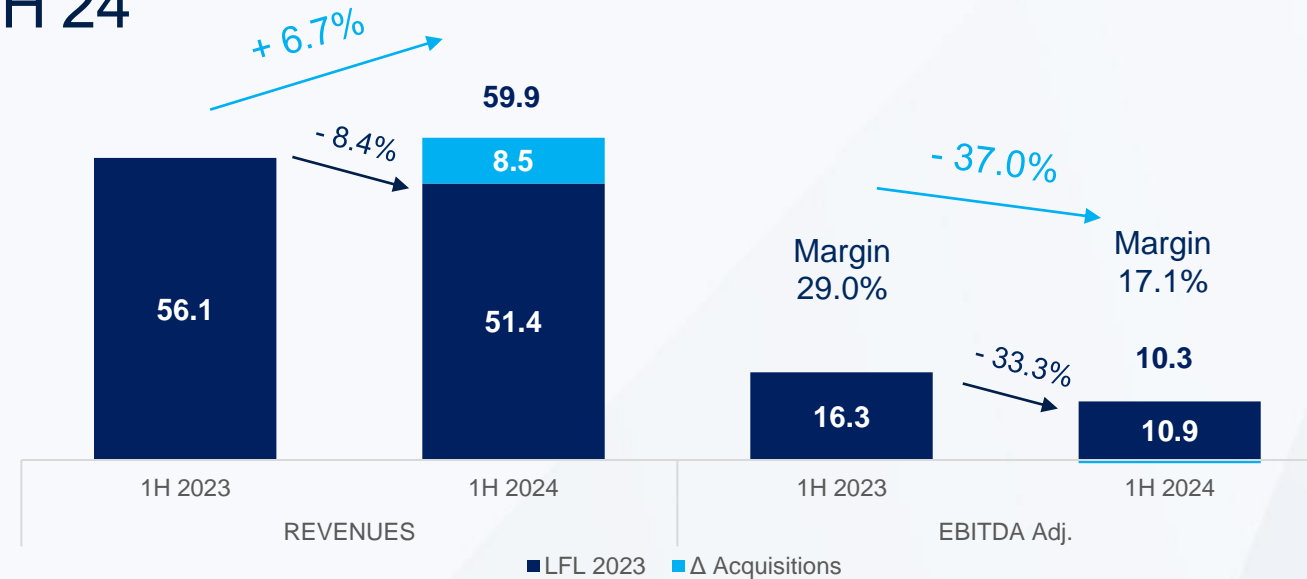
€ M



- Revenues amounted to 45.3 million euros, up 6.5%. The growth was mainly supported by the resale component of third-party products in the Implementation Services area (approximately + 25%) and in Cyber & Digital Resilience services through customization, configuration, installation, maintenance, and security monitoring of products, including third-party ones
- In the Finance sector, the BU recorded growth of approximately 15% mainly determined by the Product component. The results obtained in the Managed Security Services area were in line with 2023; the integration of the offer of Cybersecurity services with those of Digital Trust continued, thanks to the sale of LegalMail which recorded over 50,000 new activations in the first half of 2024. In the Advisory area, the BU provided services through the new Cyber Threat Intelligence (CTI) platform and the Ryoken platform, both developed internally, capturing new regulatory needs in the Finance and Infrastructure fields. The first half of 2024 was also characterized by the completion of the corporate integration following the acquisition of full control of all the companies acquired in 2021
- Adjusted EBITDA at 4.1 million euros, down 15.1%. The reduction in marginality was determined by a greater component of revenues from the resale of low-margin products, stable revenues from services, the “temporary” greater use of third parties, and less favorable revenue mix

Business Innovation 1H'24

€ M



- Revenues amounted to 59.9 million euros growing 6.7% vs PY thanks to the announced acquisitions of Studio Fieschi, ABF Group, and Lenovys
- The decrease in organic revenues is mainly attributable to the well-known decline in volumes and deductible rates relating to automatic subsidized finance services as well as lower sales in Training, Energy, Gas Credit, and Green. The subsidized finance market was also affected by the well-known reduction in rates relating to R&D Credit 4.0. "Transizione 5.0" – which will allow for deductible rates of up to 45% - represents a strong growth opportunity for the latter part of the year and its contribution is expected by the second half of August. ABF Group's revenue contribution for the first half was equal to 5.6 million euros (less than expectations) and EBITDA came in negative at 1.3 million euros
- Adjusted EBITDA at 10.3 million euros. The reduction is attributable to the combined effect of the decrease in profitability (due to lower rates) and different product mix of revenues – resulting from the growth in the weight of other service lines compared to automatic subsidized finance services. On top of this, operating costs came in higher vs PY, and the consolidating effects of ABF hindered EBITDA given their negative contribution

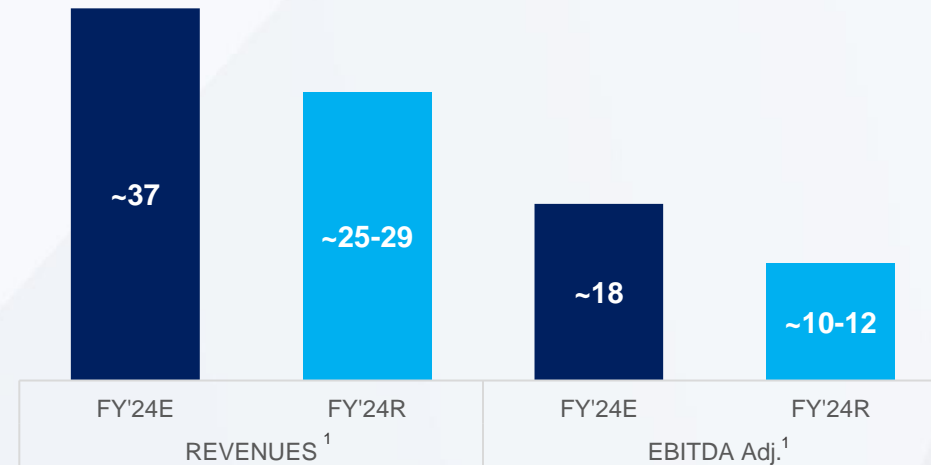
Explaining ABF

€ M

The 1H'24 exceptional events in France have noticeably increased the effect of seasonality, determining a 6 months delay

- *Government change in January*
- *Significant budget revisions at the end of February*
- *Dissolution of the National Assembly at the end of June*

...which brought to a postponement of national public financing decisions (France 2030) and therefore a delay in the launch of new project tenders (decarbonization, etc.), and uncertainty over the maintenance of budgets for ongoing project tenders (resulting in greater selectivity of applications and consequent increased in failure rates)



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Closing Remarks + Q&A

J. Mastragostino | Chief Investor Relations Officer



Group's Financial Targets – Explained

- Guidance has been updated, excluding ABF, and shows continuous progress in underlying business trends
- ABF's contribution for FY'24 has been moderately revised due to the political events in France
- “Transizione 5.0” to show its benefits in latter part of the year, but no earlier than end of Q3 and Q4

2024
vs PY

<u>Revenues</u>	<u>EBITDA Adjusted</u>		<u>NFP / EBITDA Adj.</u>
+ 11-15%	+ 10-14%	Without ABF	
			1.9x
<u>Revenues</u>	<u>EBITDA Adjusted</u>		
+ 20%	+ 22%	With ABF	

Benefits from any additional M&A are not included in guidance

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.



TINEXTA

Think Next

Thanks.

[Tinexta.com](https://www.tinexta.com)

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