



TINEXTA

Think Next

1Q 2023 Results

Ended March 31, 2023

Milan – May 10, 2023

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1Q'23 Highlights and Updates

J. Mastragostino | Chief Investor Relations Officer



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Key data

EBITDA Adjusted
€ 15.0 M (+3% vs PY)

EBITDA
€ 13.5 M (+17% vs PY)

REVENUES

€ 86.1 M
+10% vs PY

NET PROFIT

€ 39.7 M

NFP

€ 3.8 M

vs € 77.6M in FY2022

Results at 31/03/2023

1Q 2023 Solid start of the year

• Results¹ showed continued growth:

- **Revenues** at **€ 86.1M** in 1Q'23 (+ 10.1% vs PY);
- **EBITDA Adjusted** at **€ 15.0M** in 1Q'23 (+ 3.1% vs PY) mainly driven by DT and CS, **EBITDA²** at **€ 13.5M** in 1Q'23 (+ 17.0% vs PY);
- **EBITDA Adjusted margin 17.4%** (18.6% vs PY); **EBITDA² margin 15.7%** (14.8% vs PY);
- **EBIT** at **€ 4.3M** (+ 25.5% vs PY); **EBIT Margin** at 5.0%;
- **Net Profit of continuing operations** at **€ 2.1M** (+ 57.2% vs PY); **Net Profit** at **€ 39.7M** (very strong growth vs PY) mainly driven by the capital gain from the sale of ReValuta;
- **NFP** of **€ 3.8M** (€ 77.6M in FY'22) strongly improved by over 95% vs FY'22 on the proceeds from the sale of ReValuta; **Enviabile NFP/LTM EBITDA Adjusted** of **0.04x** down from **2.27x** in 1Q'22;
- **Adjusted Free Cash Flow of continuing operations: € 22.8M** (substantially in line with PY € 22.3M); on a LTM base **Adjusted FCF of continuing ops** was: **€ 49.9M**.

• Start of the Year with top line growing in all business lines³:

- **Digital Trust**, continues to register strong quarterly growth. Revenues grew 11.6%, EBITDA +12.3%. Outstanding EBITDA margin of 27.4%
- **Cyber Security**, rebounds strongly growing 14.9% in Revenues, EBITDA registered exceptional growth of +79.2%. EBITDA margin at 10.2%
- **Business Innovation**, posted a + 6.4% growth in Revenues with EBITDA at 4.9M. EBITDA margin 20.4%

• Recent Events & Updates:

- Signing of 65% of Ascertia
- Finalized the transfer of 95% of ReValuta S.p.A. to CRIF
- Closing of the 20% stake in Defence Tech for approx. € 25M



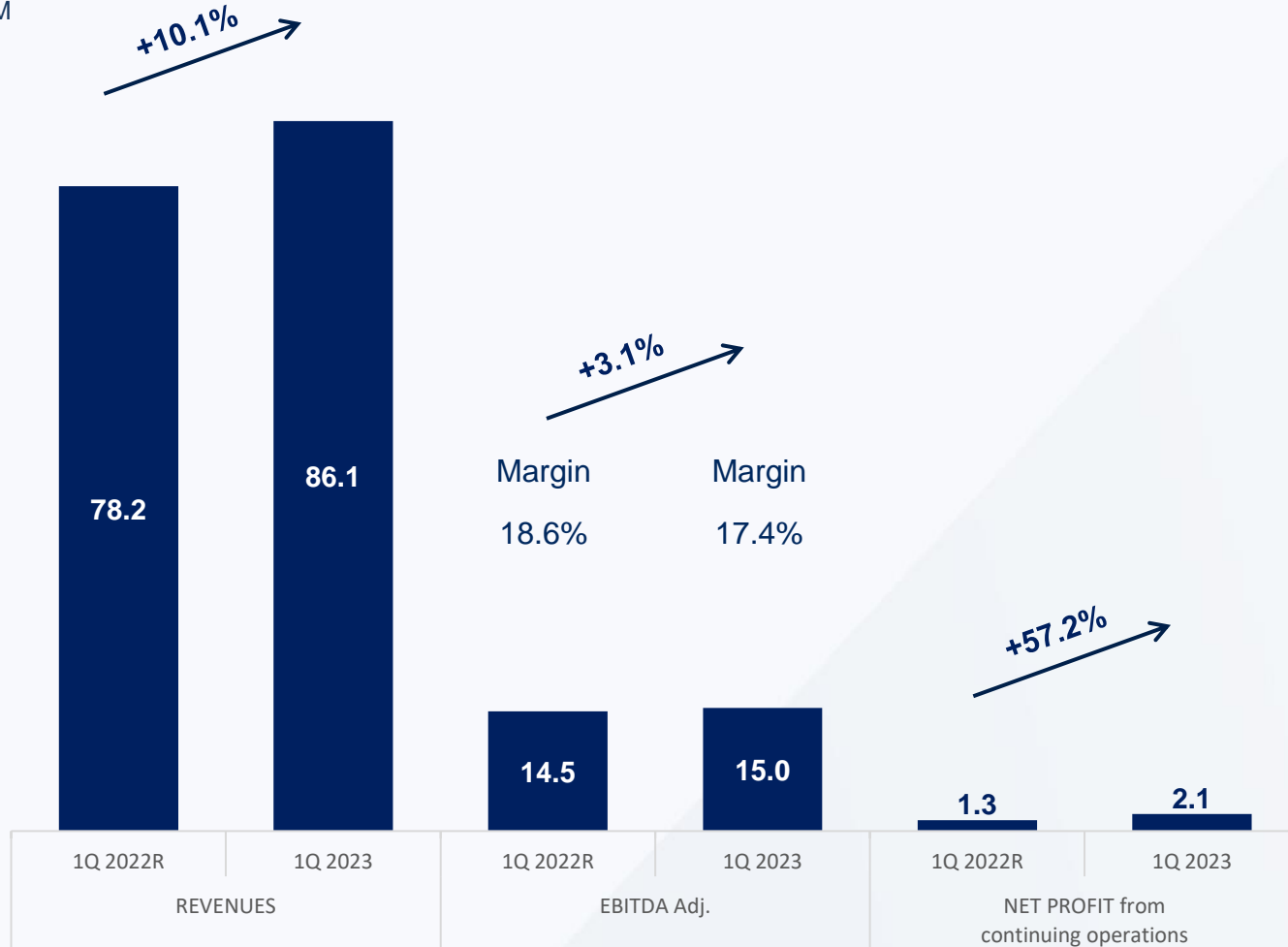
(1) The comparative data for the first quarter of 2022 have been restated in relation to the completion in the second quarter of 2022 of the identification of the fair values of the assets and liabilities of Forvalue S.p.A. fully consolidated from 1 July 2021, of Financial Consulting Lab S.r.l. consolidated line-by-line from 1 October 2021, in relation to the completion in the fourth quarter of 2022 of the identification of the fair values of the assets and liabilities of CertEurope S.A. fully consolidated from November 1, 2021 and Evalve Innovacion fully consolidated from January 1, 2022. The comparative data for the first quarter of 2022 have also been restated for the reclassification in the Result of discontinued operations of the Credit Information & Management division following binding agreements for the sale subsequently concluded between August 2022 (Innolva Group) and March 2023 (Re Valore S.p.A.), as indicated in Note 13 Discontinued Operations of the Consolidated Financial Statements as at 31 December 2022

(2) EBITDA Reported

(3) BU data are provided as Adjusted

1Q 2023 Results

€ M



1Q 2023 results show Revenues of €86.1 million euros, EBITDA Adjusted of €15.0 million euros and Net Profit of €39.7 million euros.

Growth was registered both in Revenues (c. +10%) and EBITDA Adjusted (c. +3%)

EBITDA Adjusted amounted to 15.0 million euros up from 14.5 million in PY

EBITDA Adjusted margin was 17.4% (vs 18.6% in PY)

EBITDA reported was 13.5 million euros (+17.0% vs PY)

EBITDA reported margin at 15.7% (vs 14.8% in PY)

Net Profit came in at €39.7 million euros mostly on capital gains from the disposal of ReValuta

Net Profit from continuing operations was equal to 2.1 million euros, growing 57.2%

Adjusted Free Cash Flow from continuing operations was 22.8 million euros



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1Q'23 Financial Results

O. Pozzi | Group Chief Financial Officer



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1Q 2023 Results – Income Statement

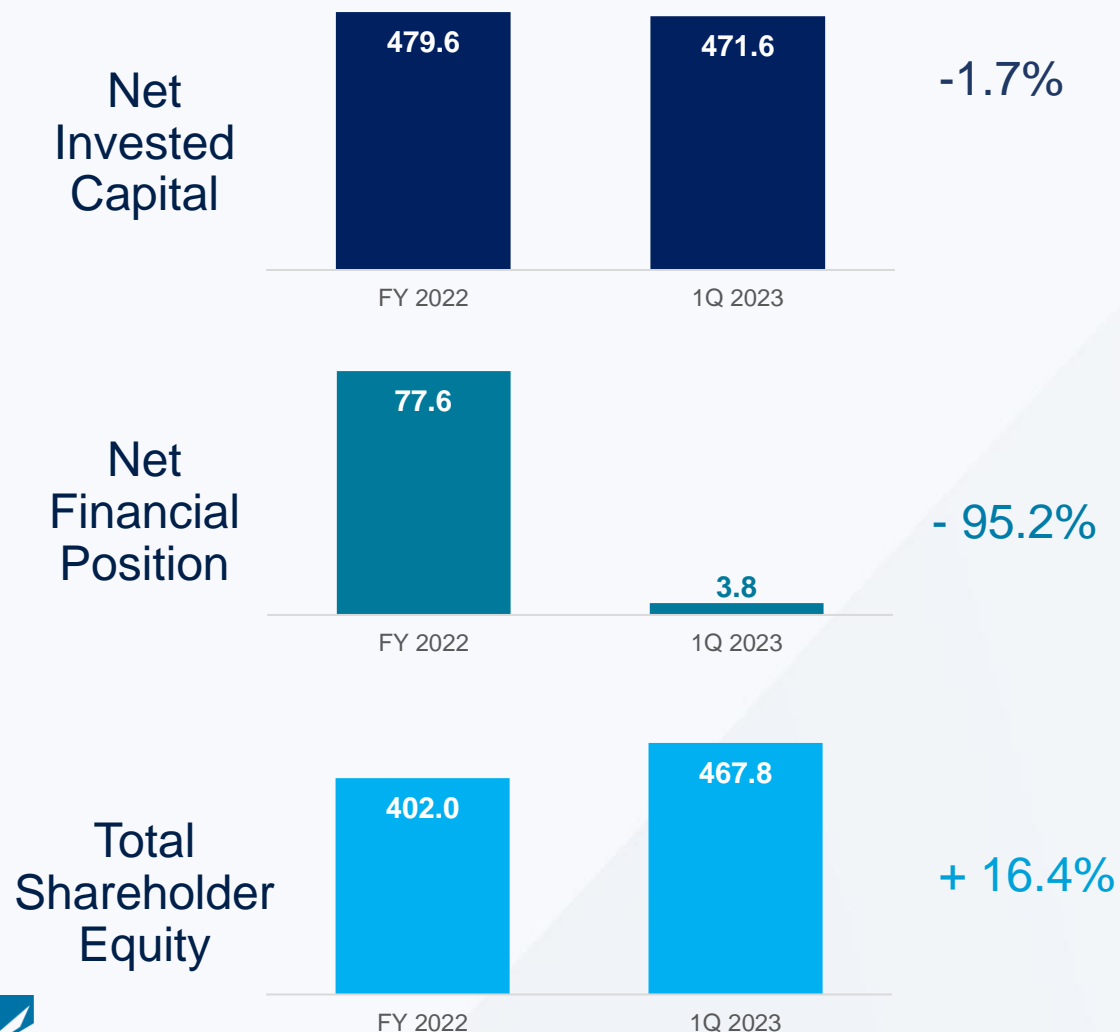
€ M

	1Q'23	%	1Q'22R	%	LFL 2022	
					Δ	Δ%
Revenues	86.1	100.0	78.2	100.0	7.9	10.1
Total Operating Costs	71.1	82.6	63.6	81.4	7.5	11.7
Service & Other Costs	32.6	37.9	29.1	37.2	3.6	12.3
Personnel Costs	38.5	44.7	34.6	44.3	3.9	11.2
EBITDA Adjusted	15.0	17.4	14.5	18.6	0.4	3.1
Stock Option & Other non-recurring costs	1.4	1.6	2.9	3.7	1.5	-51.8
EBITDA	13.5	15.7	11.6	14.8	2.0	17.0
Depreciation, amortisation, provisions and impairment	9.3	10.8	8.2	10.4	1.1	13.4
Operating Profit	4.3	5.0	3.4	4.4	0.9	25.5
Financial Income	0.8	0.9	0.0	0.0	0.8	4049.1
Financial Charges	1.7	1.9	0.9	1.2	0.7	80.1
Net Financial Charges	-0.9	-1.0	-0.9	-1.2	0.0	-5.3
Profit of equity-accounted investments	0.0	0.0	-0.1	-0.1	0.1	-93.1
Profit Before Taxes	3.4	4.0	2.4	3.1	1.0	41.4
Income Taxes	1.3	1.5	1.1	1.4	0.2	22.3
Net Profit of Continuing Operations	2.1	2.4	1.3	1.7	0.8	57.2
Results of Discontinued Operations	37.6	N/A	1.6	N/A	36.0	2276.0
Net Profit	39.7	N/A	2.9	N/A	36.8	1264.3



1Q 2023 Results – Balance Sheet

€ M



Net invested capital decreased by **€8.0 million** compared to 31 December 2022 as a result of the decrease in NWC and Provisions (€14.7 million), the deconsolidation of ReValuta (€5.0 million), amortization of Other Intangible Assets from Consolidation (PPA) (€4.5 million) partially offset by investments for the acquisition of the CRIF Phygital software platform (€13.0 million)

Net Financial Position amounts to **€3.8 million** with a decrease of **€73.8 million** compared to 31 December 2022. These changes reflect:

- Free Cash Flow + €20.9M
- Capital Increase (Bregal) + €30.0M
- Disposals + €42.1M
- PUT Adjustment - €2.0M
- Purchase of Treasury Shares - €1.6M
- Adjustments to leasing contracts on NFP - €1.1M
- OCI Derivatives - €1.0M
- Extraordinary investments in intangible fixed assets - €13.0M

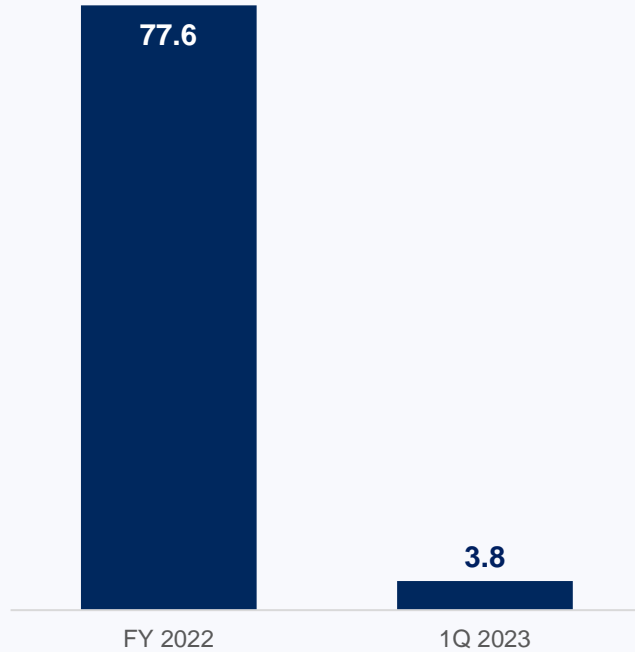
Main changes in Shareholders' Equity are:

- Capital Increase (Bregal) + €30.0M
- Total comprehensive income for the period of + €39.0M
- Deconsolidation of ReValuta - €0.3M
- PUT Adjustment of - €2.0M
- Stock Option Reserve of + €0.7M
- Buy back of - €1.6M

1Q 2023 Results – NFP & FCF

€ M

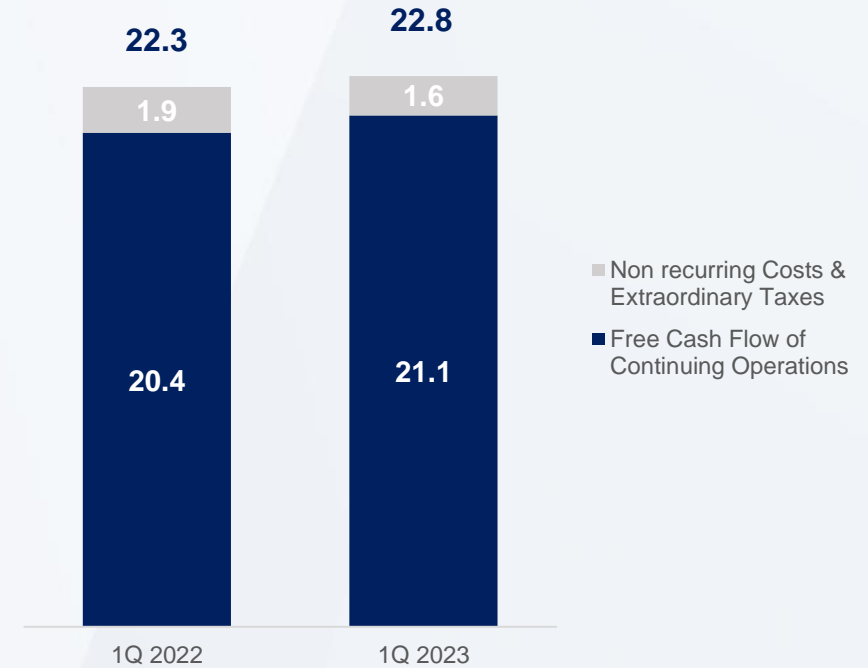
NFP



Main Changes in 1Q 2023:

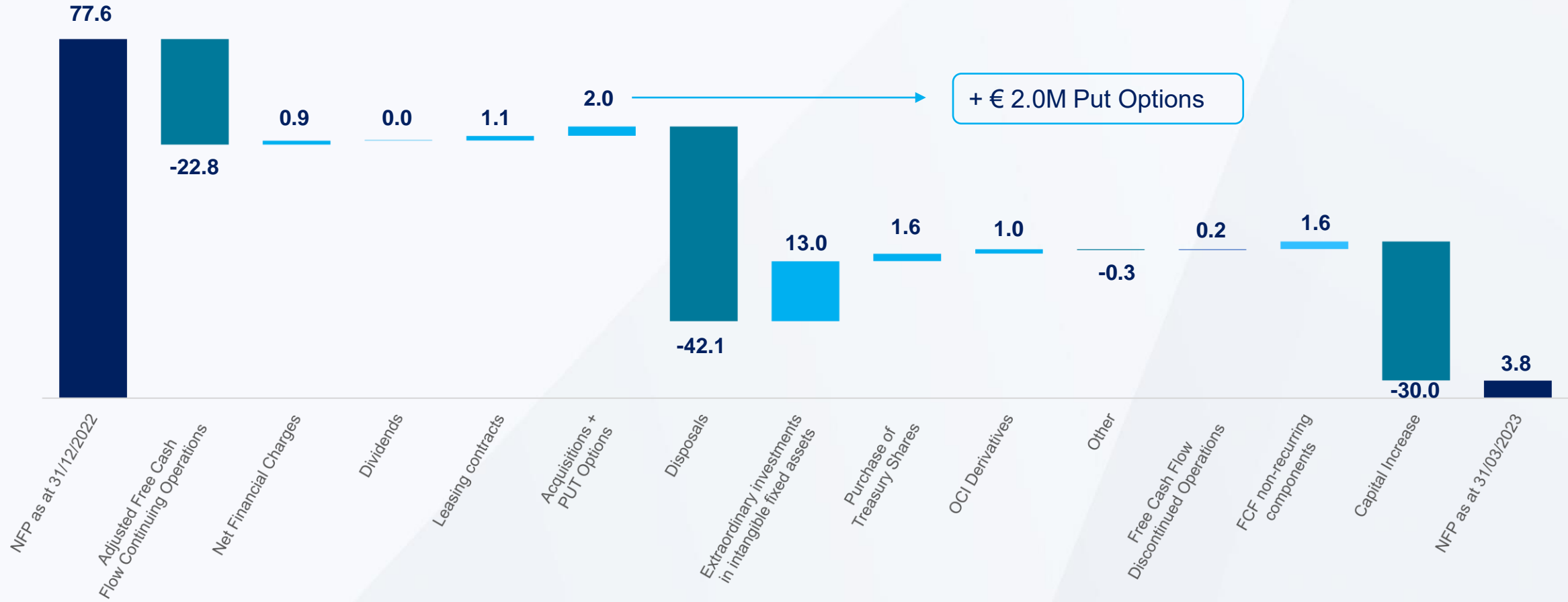
- - €2.0M Put Options
- - €1.6M Purchase of Treasury Shares
- + €42.1M Disposals
- - €1.1M Adjustments to leasing contracts
- - €1.0M OCI hedging Derivatives
- + €30.0M Capital Increase (Bregal)
- - €13.0M Extraordinary investments in intangible fixed assets

Adjusted FCF of continuing ops



1Q 2023 Results – NFP Bridge

€ M



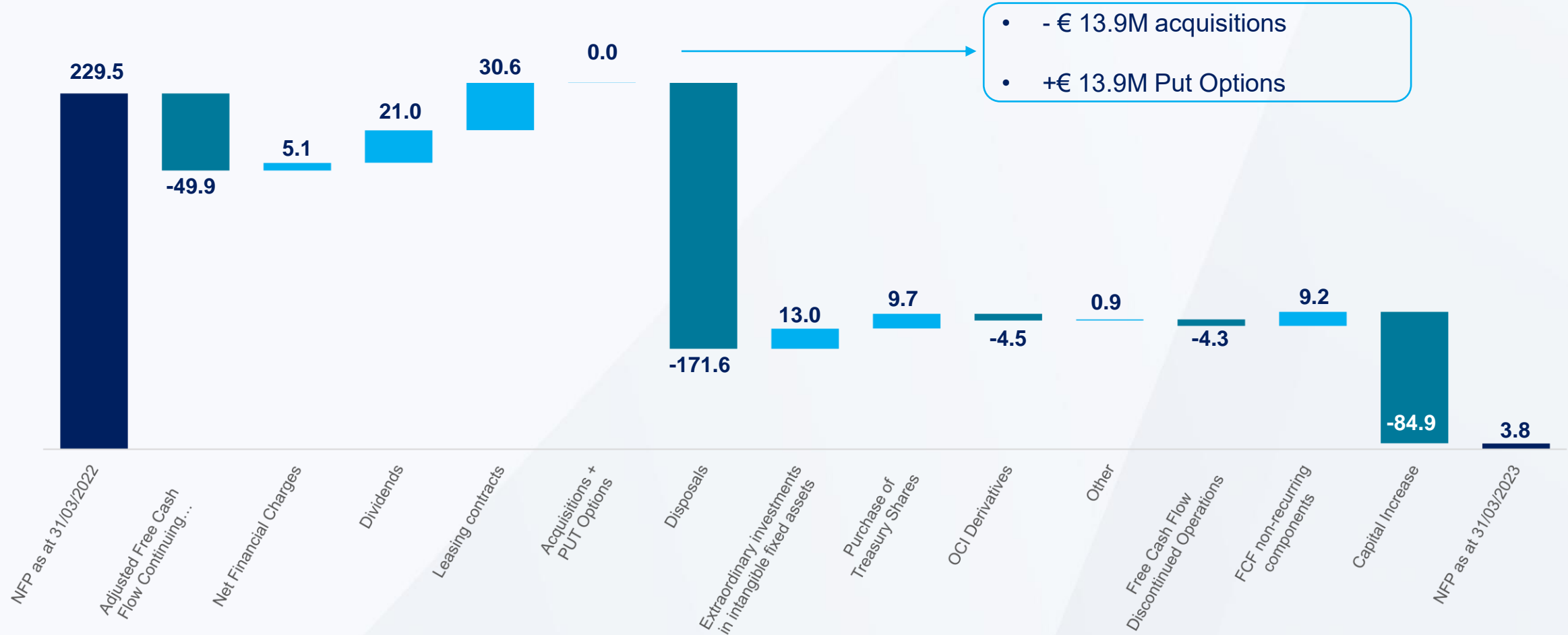
+ € 2.0M Put Options



(1) Calculated as NFP/LTM EBITDA Adjusted

1Q 2023 Results – NFP LTM Bridge

€ M



- - € 13.9M acquisitions
- +€ 13.9M Put Options

2.26x NFP/EBITDA¹ **0.04x**

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Business Units Deep Dive

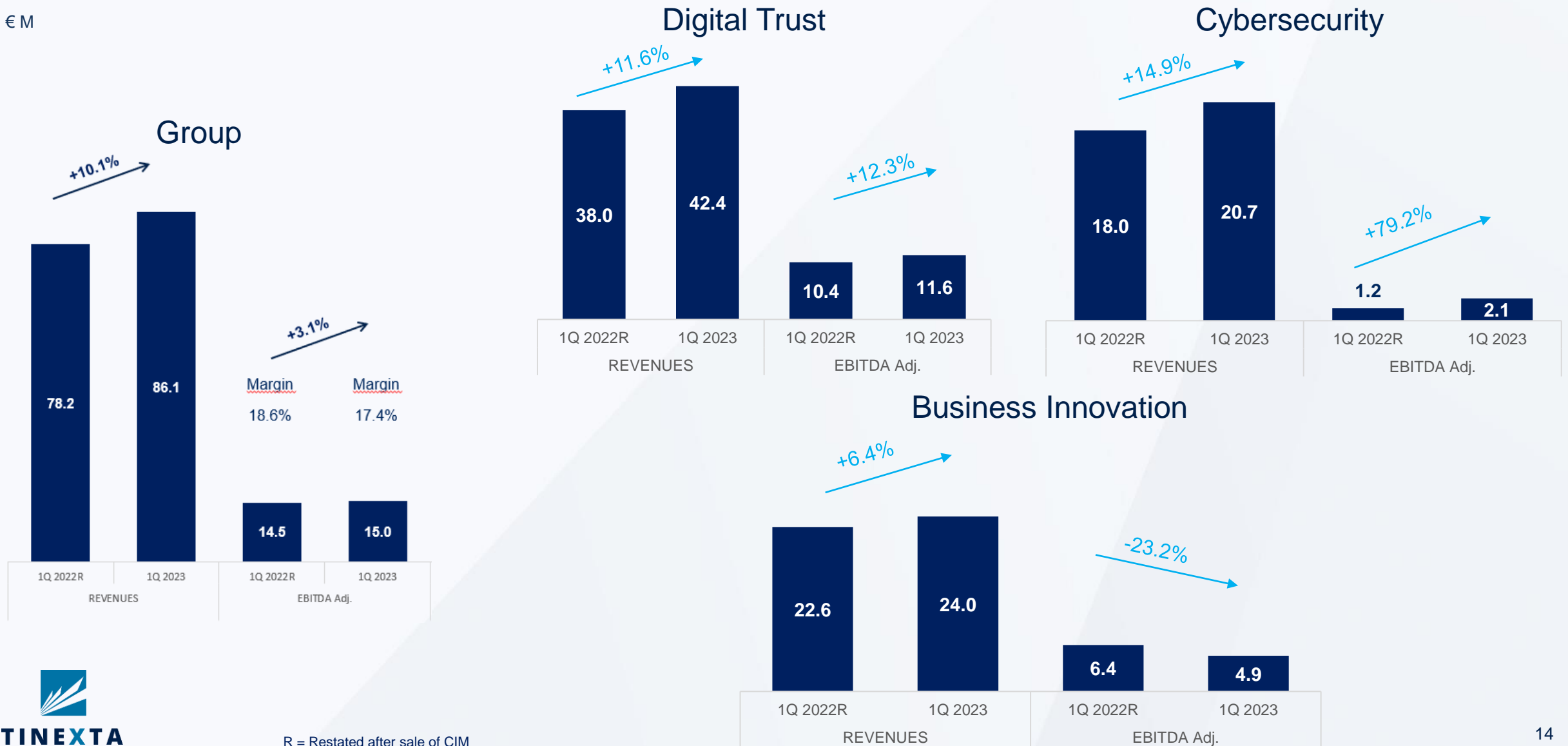
O. Pozzi | Group Chief Financial Officer



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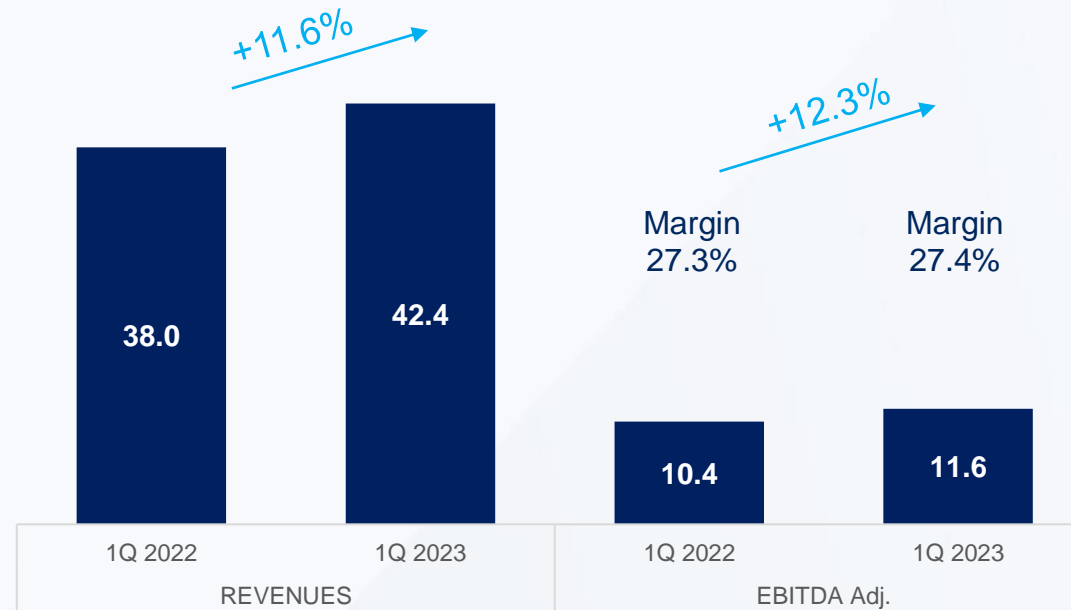
Overview 1Q'23

€ M



Digital Trust 1Q'23

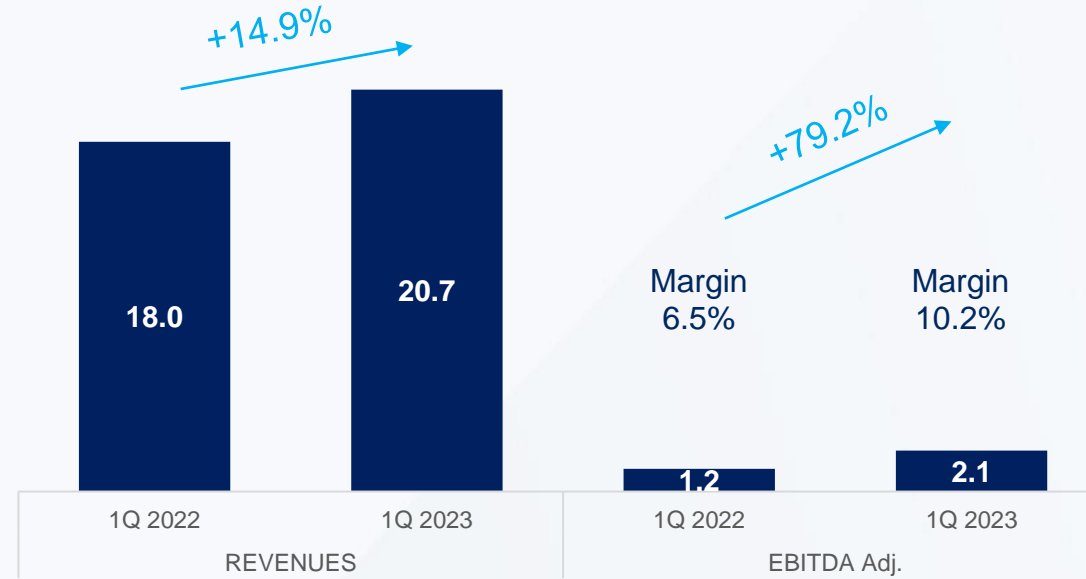
€ M



- Revenues amounted to 42.4 million euros, up by 11.6% with the contribution of Sferabit (Visura’s acquisition) and a new partnership with CRIF relating to onboarding and KYC services
- Performance was strong on all accounts both in terms of sectors and products, worthy of note are: (i) the growth in the Public Administration sector, (ii) the consolidation of the Finance and Utilities sectors which registered strong growth in the identity and onboarding services
- At an international level growth continued both through direct sales to European clients as well as external lines (CertEurope’s acquisition in France and Ascertia’s signing in the UK). The BU is continuing its increase in the product offering, utilizing eligible solutions for increased international expansion
- Adjusted EBITDA at 11.6 million euros. The increase, which is equal to 12.3%, confirms the ability to combine high standards of product innovation with constant improvements in marginal profitability

Cyber Security 1Q'23

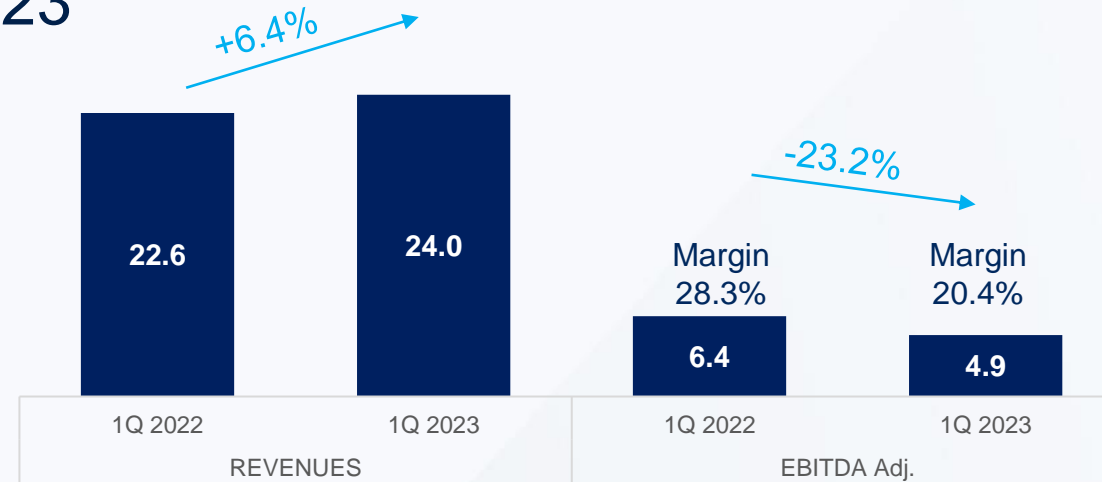
€ M



- Revenues amounted to 20.7 million euros, growing 14.9% vs PY and registered very positive performance across all lines (Digital Transformation, Advisory, Implementation Services, Product, and Managed Security Services)
- During the month of March, Tinexta Cyber signed an important partnership with Google Cloud which will make more effective defense systems available on the market to deal with cyber threats. Such partnership, will allow the BU to increasingly consolidate its position of reference for the cybersecurity market in Italy as well as bring its solutions to the Google Cloud marketplace
- The first quarter recorded important results in Advisory (E-Learning, "Incident Response" and "Digital Forensic") and Implementation Services. The convergence of "Digital Trust" and "Cybersecurity" services also continued successfully, representing an important competitive advantage of the Group
- Adjusted EBITDA at 2.1 million euros, recorded a very strong increase of 79.2% with margins at 10.2%. Growth was driven by the increase in sales as well improved efficiency in the provision of services, particularly in the Digital Transformation area

Business Innovation 1Q'23

€ M



- Revenues amounted to 24 million euros (+6.4% vs PY). In 1Q 2023, Warrant carried out a merger by incorporation of 5 companies (Warrant Innovation Lab, Trix, Enhancers, Plannet and Privacy Lab) to greater develop the Digital area of the business. The BU continues its internal reorganization process aimed at creating a pole of digital skills in the Manufacturing sector to support the growth of client companies through the digitization of processes
- In Europe, and in Spain, if the growth trends of subsidized instruments have eased - driven by the hurdle of the geopolitical situation in Eastern Europe and by the significant inflationary peak - the consultancy market on innovation, on the other hand, continued to register a favorable moment. The volumes of internationalization services recorded a contraction in the first three months of 2023 due to the lack of support for SMEs for export services. Digital Marketing services continue their growth path despite the reduced propensity of companies to invest in online and offline advertising
- Adjusted EBITDA at 4.9 million euros. The decrease is mainly attributable to a different revenue mix, a contraction of internationalization services and a different scheduling of the results of the foreign companies

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Closing Remarks + Q&A

J. Mastragostino | Chief Investor Relations Officer









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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%	Cash positive	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

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>

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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