



Think Next

# 9M 2023 Results

Ended September 30, 2023

Milan – November 10, 2023

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# 9M'23 Highlights and Updates

J. Mastragostino | Chief Investor Relations Officer



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# 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%

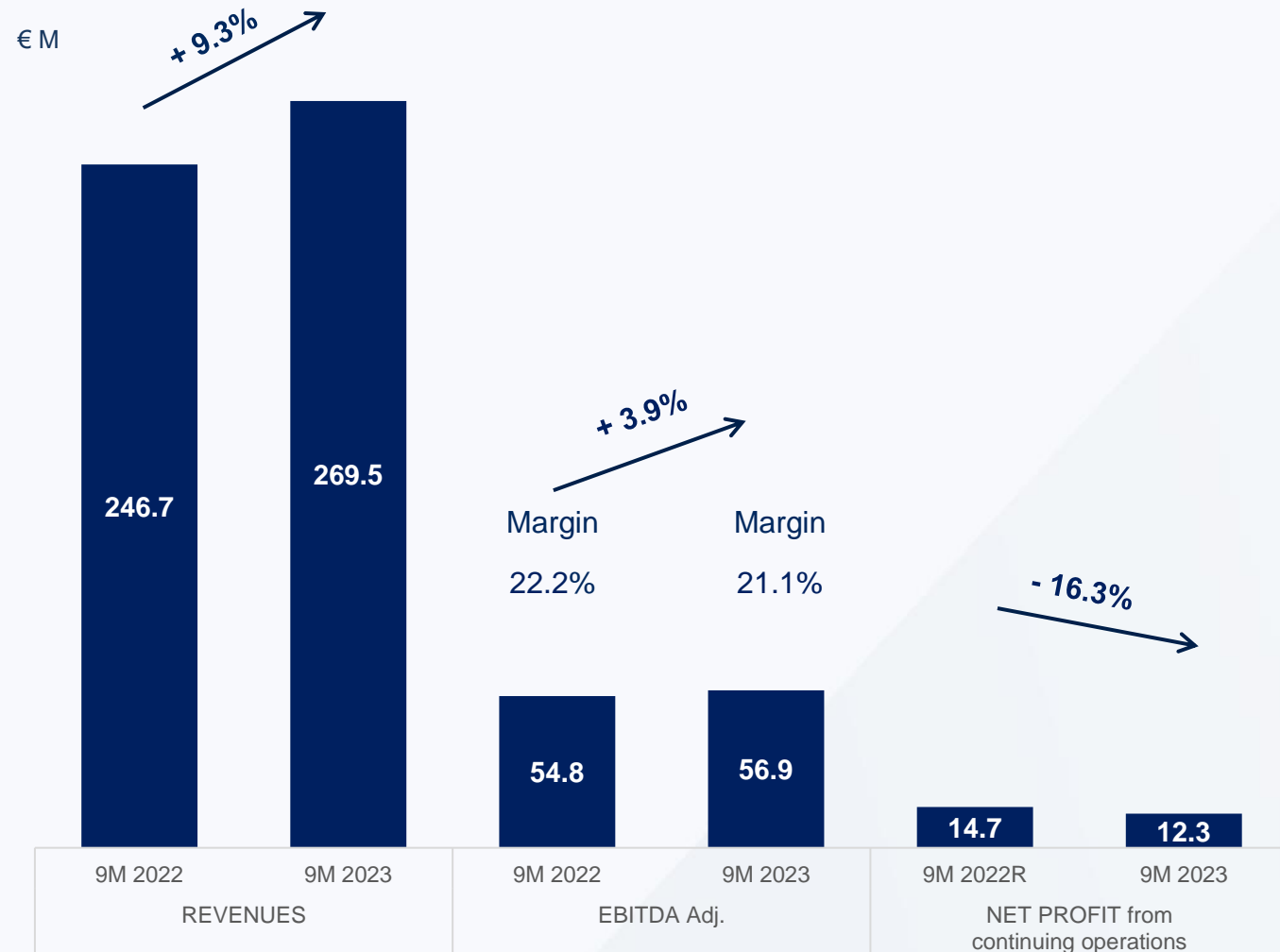


(1) The comparative data for the first nine months of 2022 have been restated in relation to the completion in the fourth quarter of 2022 of the activities to identify the fair values of the assets and liabilities of CertEurope S.A. fully consolidated from 1 November 2021, of Evalua Innovacion fully 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

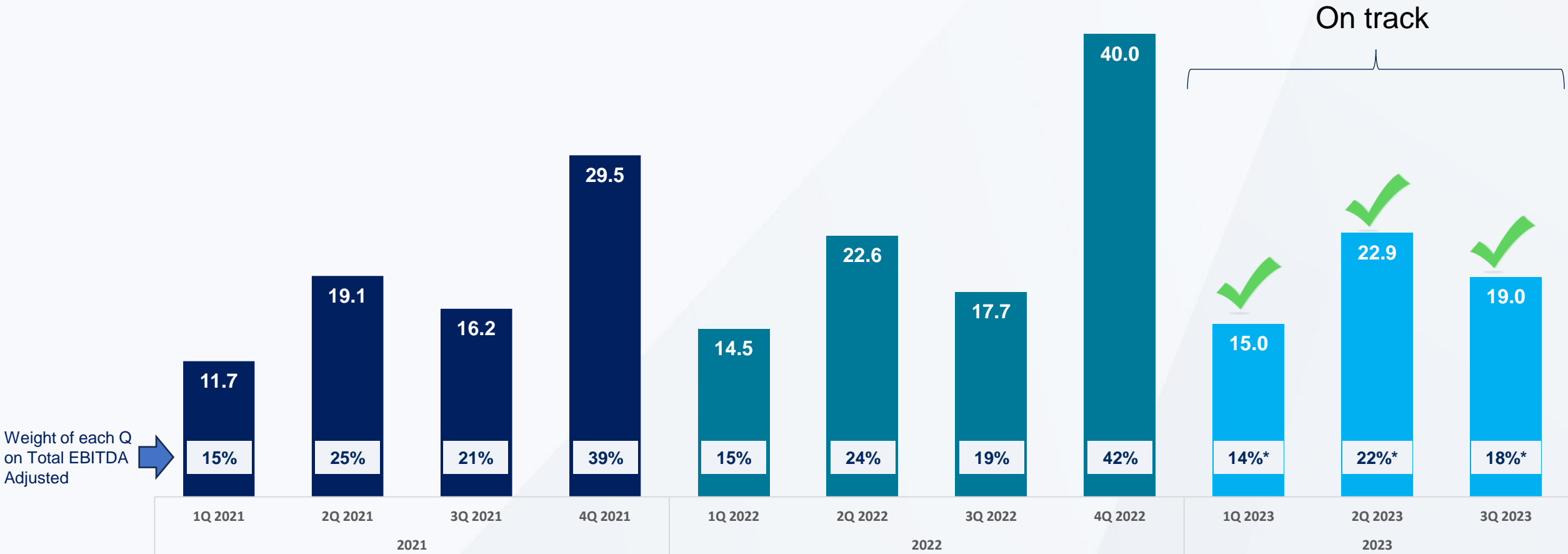
Adjusted Free Cash Flow from continuing operations was 40.3 million euros, + 11.3% vs PY



R = 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 Evalue 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

# 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

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# 9M'23 Financial Results

O. Pozzi | Group Chief Financial Officer



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# 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%

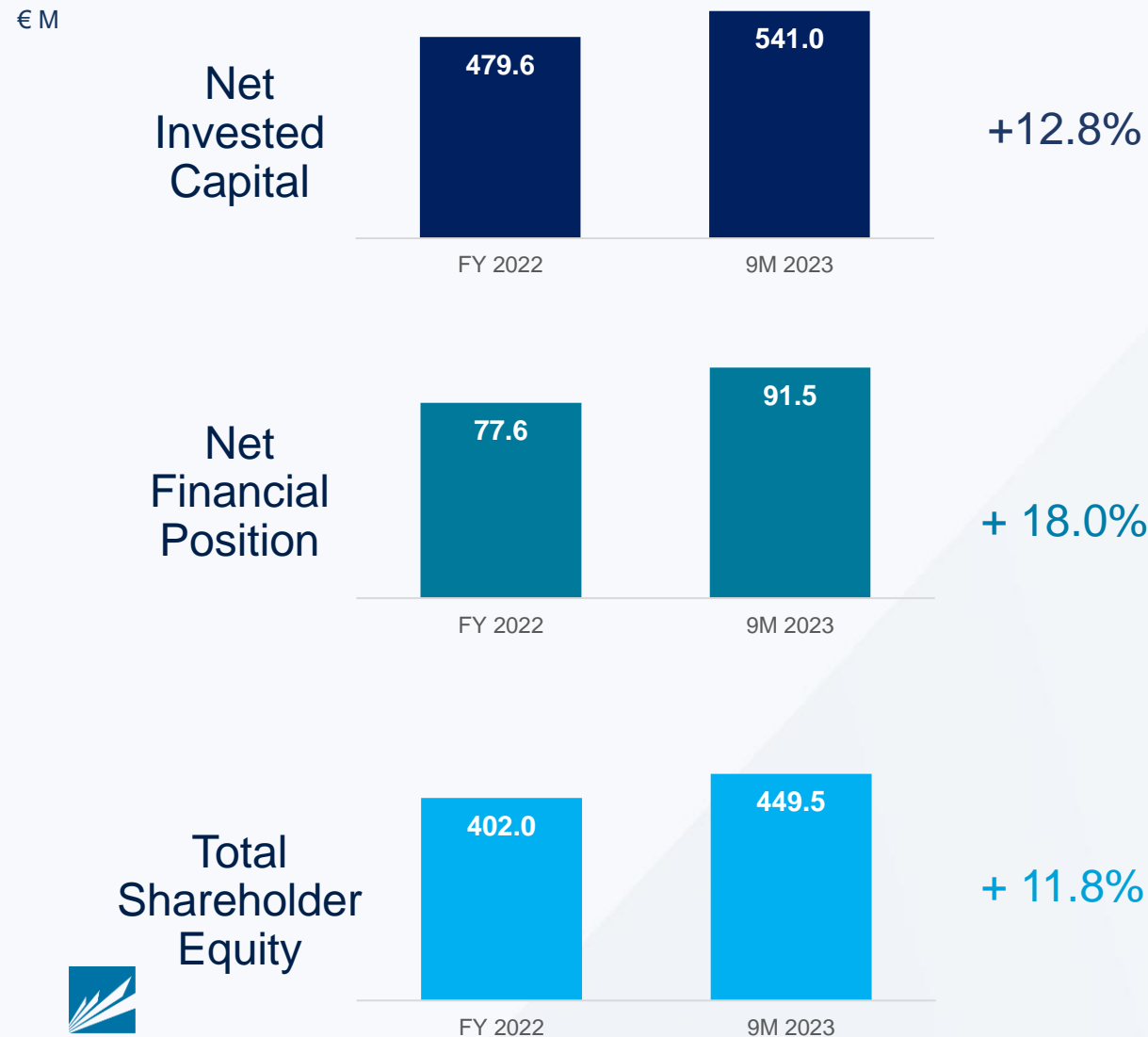
Operating Profit decreases on higher depreciations and amortization of intangible assets

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

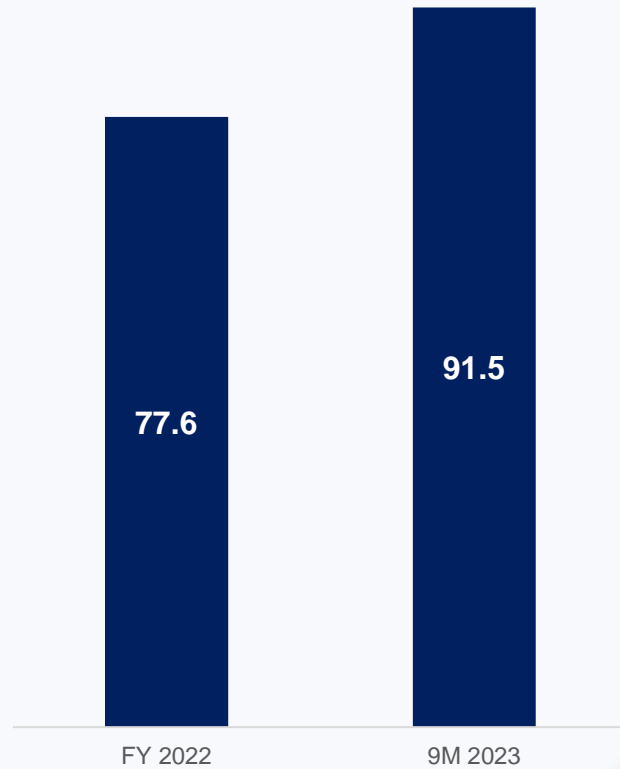
Main changes in Shareholders' Equity are:

- 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

# 9M 2023 Results – NFP & FCF

€ M

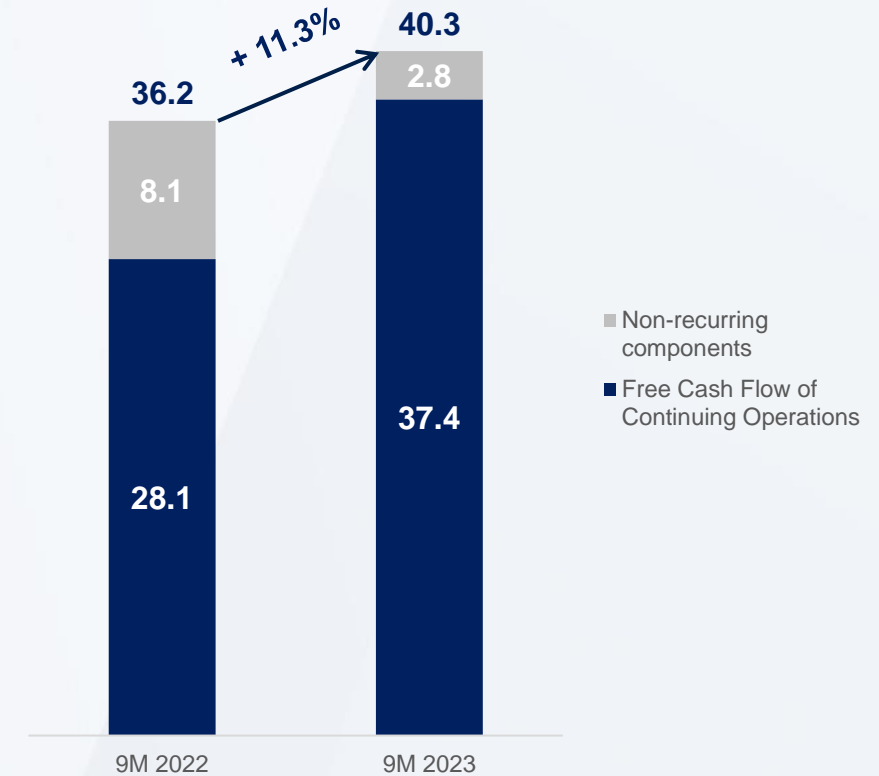
## NFP



### Main Changes in 9M 2023:

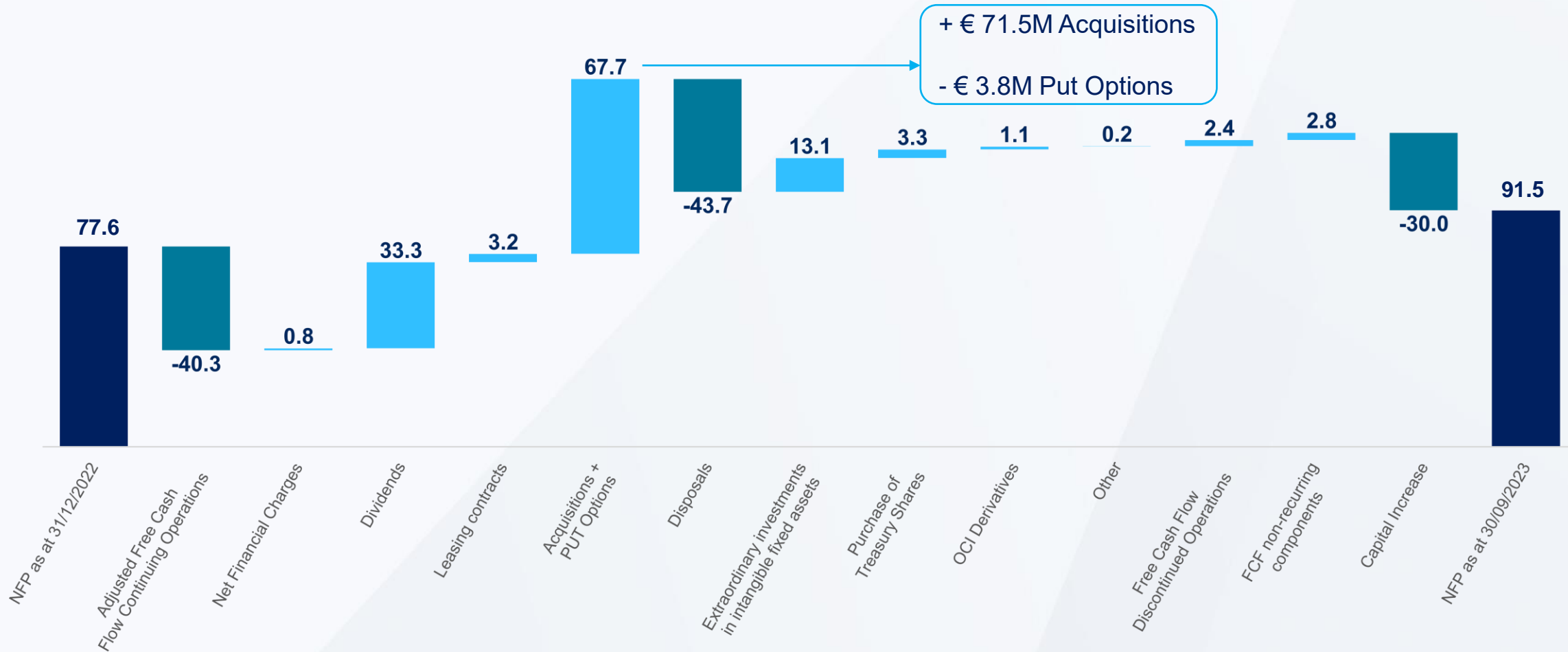
- + € 3.8M Put Options
- - € 3.3M Purchase of Treasury Shares
- + € 43.7M Disposals
- - € 33.3M Dividends
- - € 71.5M Acquisitions
- - € 3.2M Adjustments to leasing contracts
- - € 1.1M OCI hedging Derivatives
- + € 30.0M Capital Increase (Bregal)
- - € 13.1M Extraordinary investments in intangible fixed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

## Adjusted FCF of continuing ops



# 9M 2023 Results – NFP Bridge

€ M

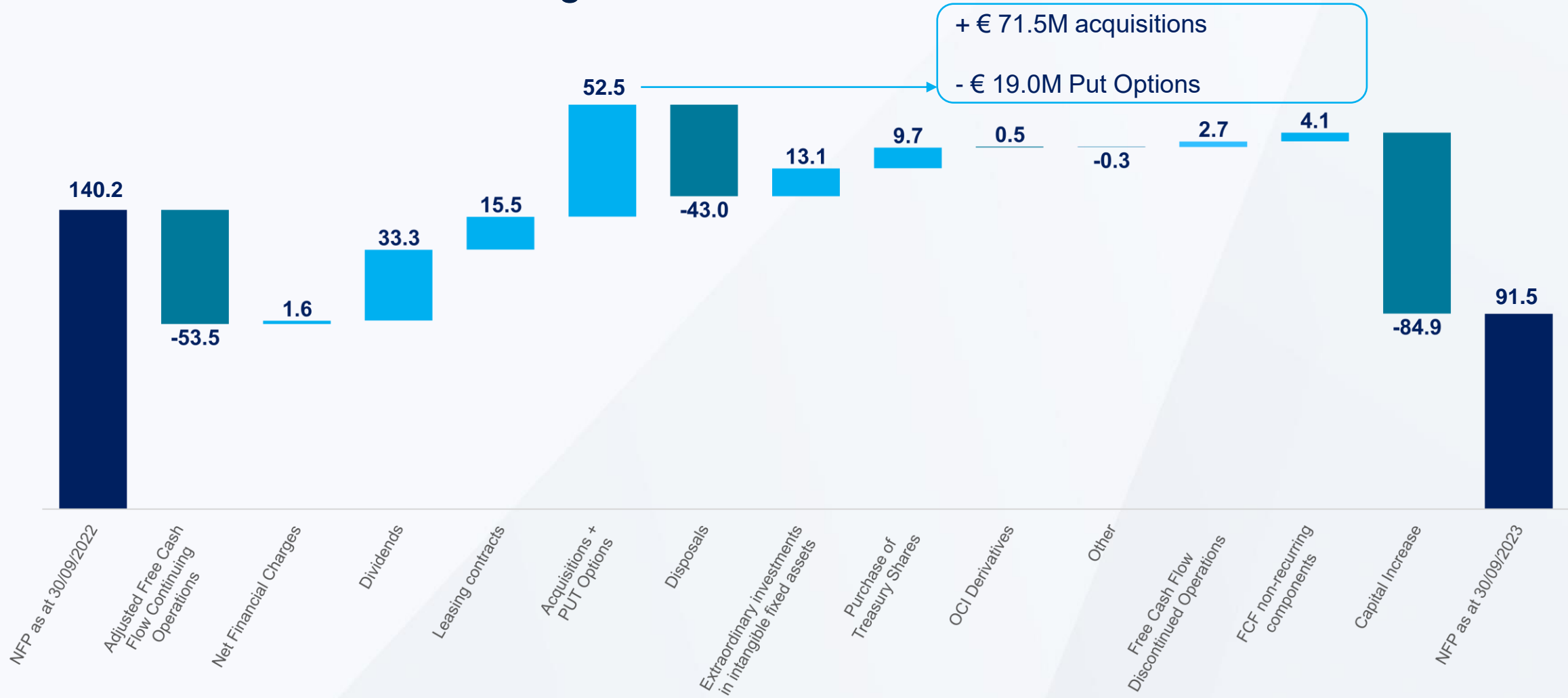


+ € 71.5M Acquisitions  
- € 3.8M Put Options

**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**

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# Business Units Deep Dive

O. Pozzi | Group Chief Financial Officer

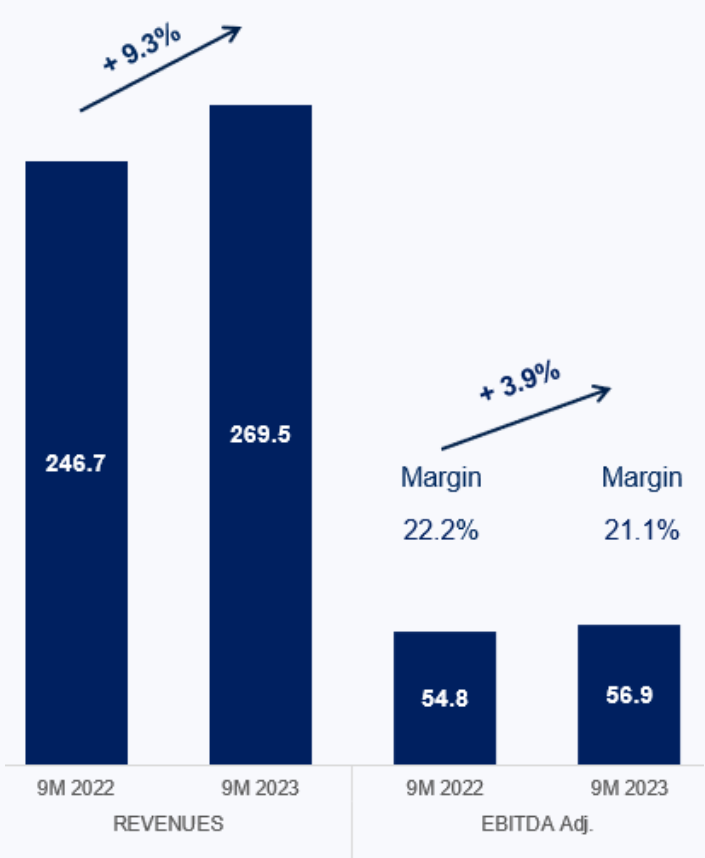


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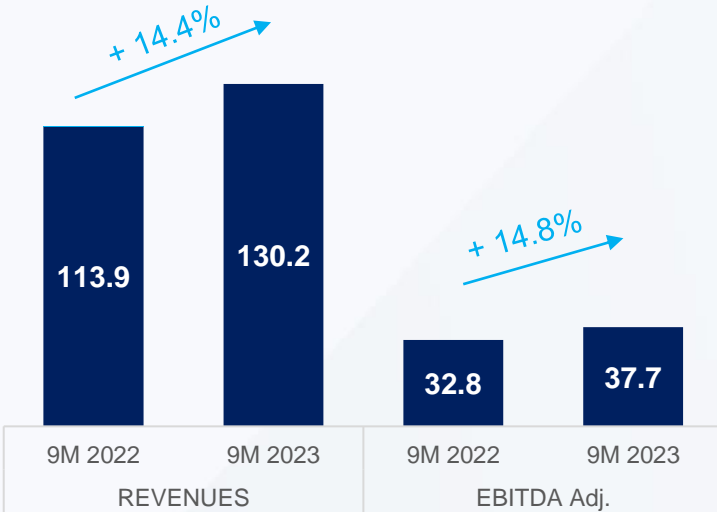
# Overview 9M'23

€ M

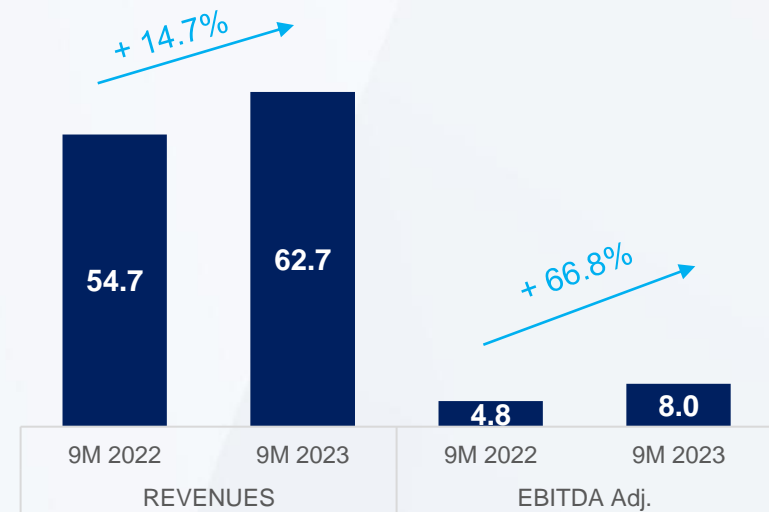
## Group



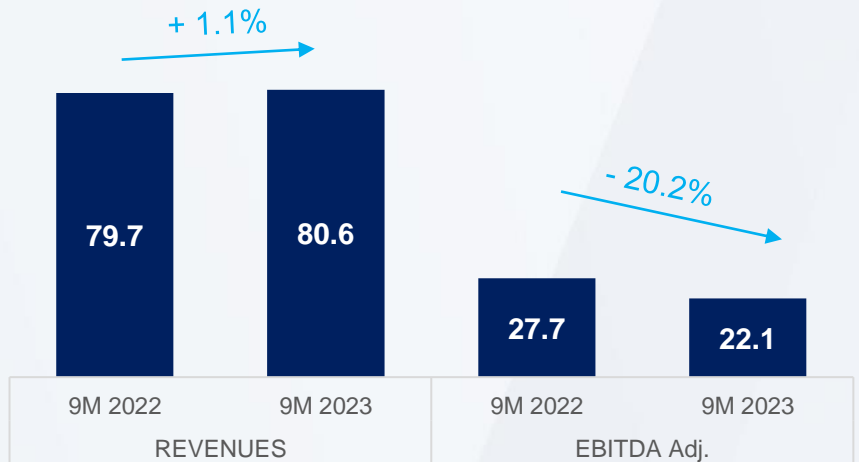
## Digital Trust



## Cybersecurity



## Business Innovation



# Digital Trust 9M'23

€ M



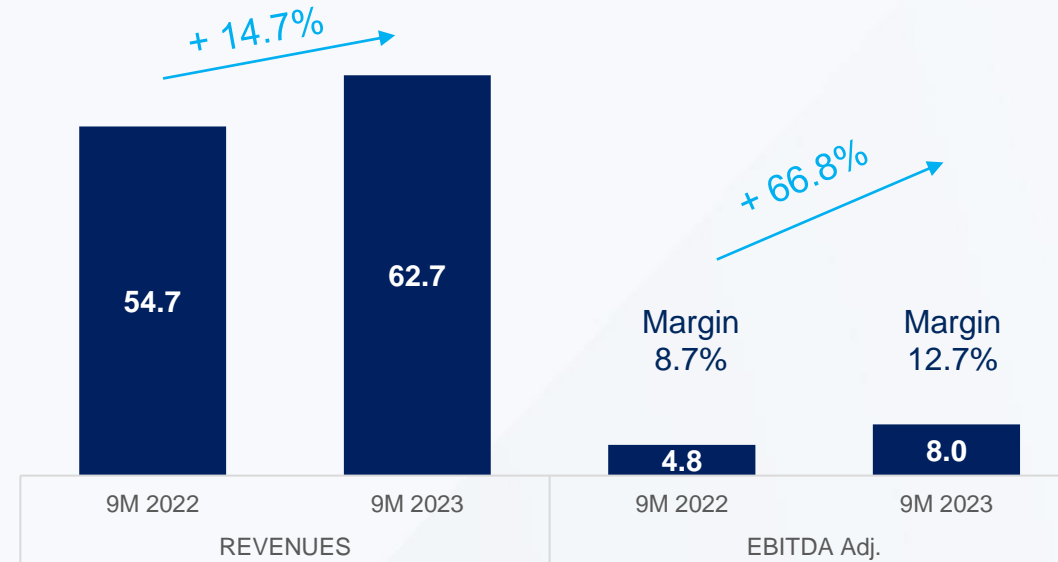
- Revenues amounted to 130.2 million euros, up by 14.4% and growing mostly organically (+12.9%) with Ascertia contributing only from August 1<sup>st</sup>
- On the OTS solutions, demand for LegalMail, LegalCert and LegalInvoice remained strong with continued positive contribution from Camerfirma and CertEurope (mostly linked to LegalCert products). Internationally, growth continued thanks to direct sales initiatives to European clients and the E-Commerce sales market surged on increased pricing driven by inflationary dynamics. During the third quarter, the process of outsourcing Infocert's data center was successfully concluded leaving space for better scalability, an improved product offering and cost optimizations over the years to come. Investments for the development of products intended for national and international markets continued, adapting to relevant legislation, as well as integrating with Cybersecurity functions
- Adjusted EBITDA at 37.7 million euros, growing 14.8% with 28.9% margin. The continuous improvement in terms of marginality is determined by the increase in revenues and the growth of products and solutions characterized by a high standard of innovation





# Cybersecurity 9M'23

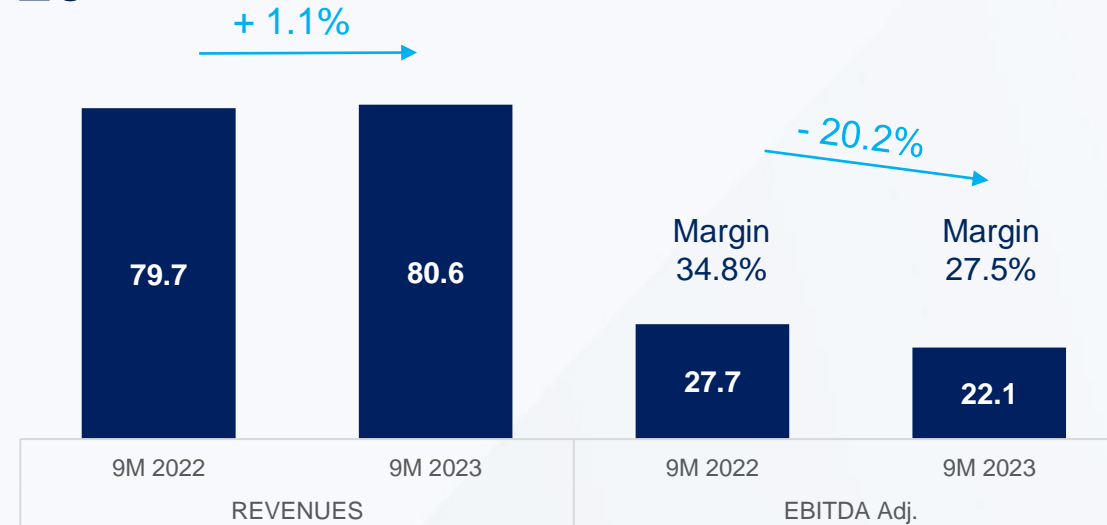
€ M



- Revenues amounted to 62.7 million euros, growing 14.7% vs PY. The growth in revenues continued in all three subsidiaries and predominantly in the Cybersecurity areas of Advisory, Implementation Services and Managed Security Services
- The partnership with Google Cloud is fully operational and marketing initiatives are ongoing to develop the business. The contribution from this strategic partnership is progressing extremely well with great upside on SOCH24 and CSDC services. Results were excellent in the Advisory market segment (“Cyber Threat Intelligence (CTI)”, “Compliance”, “Incident Response”, “Digital Forensic”) and positive feedback came from the convergence of "Digital Trust" and "Cybersecurity" services (Legalmail Security Premium, Mail Defender launched on Infocert’s online store). Multiple contracts and project activities with leading banking and insurance institutions were renewed for multi-year duration
- Adjusted EBITDA at 8.0 million euros, recorded a very strong increase of 66.8% with margins at 12.7%. Such increase is driven essentially by revenue growth, reflecting improved margins from the sale of proprietary products and services

# Business Innovation 9M'23

€ M



- Revenues amounted to 80.6 million euros with a 1.1% growth
- During the first nine months of 2023, Warrant Hub completed the corporate rationalization by incorporating 5 companies. The integration, which led to the creation of a “digital skills hub” in the Manufacturing sector, is receiving a positive response from the market. As expected, during 2023, subsidized finance services were characterized by a reduction in deductible rates and the potential benefits deriving from the establishment of a register of certifiers have not been accounted for. The volumes of internationalization services recorded a reduction due to the lack of support to SMEs for export services
- Adjusted EBITDA at 22.1 million euros. Such performance is attributable to a different revenue mix as well as to the increase in labor costs which, at the end of the third quarter, has not yet been matched by an increase in revenues, expected – instead – in the fourth quarter

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# Closing Remarks + Q&A

J. Mastragostino | Chief Investor Relations Officer



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## Guidance is confirmed

**2023**  
vs PY

**Revenues**

**+11-15%**

**EBITDA Adjusted**

**+8-12%**

**NFP / EBITDA Adj.\***

**0.7-0.8x**

**Dividends**

**30% of Net Profit**

**Inflation**

**6%**

# 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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