
Tinexta Group

9 Months 2018 Results

15 November 2018



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Premise

From 1st January 2018 the Group has adopted the IFRS 15 Accounting Principle “Revenue from Contracts with Customers” and the Accounting Principle IFRS 9 “Financial Instruments”, which required modifications of the accounting policies and adjustments of the amounts reported. The comparative 2017 data have not been restated while the data of the period being presented have been modified as a result of IFRS 15 and IFRS 9 (both IFRS 2018). In order to guarantee a valid comparability with the results of the first nine months of 2017, the effects of the application of the principles applied from 1 January 2018 have been evidenced.

9 Months 2018 Results Highlights

€ mn	9M 2018	9M 2017 ¹	Change	Δ%	o/w Δ% ² IFRS 2018
Revenues	169.7	127.1	42.6	33,6%	0,7%
EBITDA	44.1	29.5	14.6	49,5%	3,4%
Operating Profit	33.1	20.6	12.5	60,6%	4,8%
Net Profit	22.0	15.0	7.1	47,2%	3,9%
Adjusted Net Profit	24.6	12.6	12.0	94,9%	4,6%
Free Cash Flow	29.6	21.4	8.3	38,7%	n.a.

€ mn	9/30/2018	12/31/2017	Change	Δ%
Net Financial Indebtedness	104.1	104.6	-0.5	-0.4%

**Revenue, Profitability grow strongly, driven by organic & perimeter change.
Free Cash Flow totals €29.6 mn, +38.7%**

- 1 The comparative data for the first nine months of 2017 have been restated in relation to the completion in the fourth quarter of 2017 of the identification of the fair value of the assets and liabilities of Sixtema SpA, fully consolidated starting from 1 April 2017.
- 2 % Change for the first nine months of 2018 compared to the first nine months of 2017 for the component attributable to the adoption of the principles IFRS 15 and IFRS 9 (both IFRS 2018) starting from 1 January 2018.

Results by Business Segment: Focus on EBITDA

Net of Non-recurring items

Summary Income Statement by Business Segment (€ '000)	9 Months 2018	EBITDA % 30/9/18	9 Months 2017	EBITDA % 30/9/17	Change	Change %
Revenues						
Digital Trust	68,068		56,569		11,498	20.3%
Credit Information & Mgmt	53,501		51,613		1,888	3.7%
Innovation & Marketing Svcs	47,994		12,685		35,310	278.4%
Other (Holding Co. costs)	-		1		(1)	-60.1%
Total Revenues	169,563		120,868		48,695	40.3%
EBITDA						
Digital Trust	17,878	26.3%	13,290	23.5%	4,588	34.5%
Credit Information & Mgmt	11,138	20.8%	10,251	19.9%	887	8.7%
Innovation & Marketing Svcs	20,678	43.1%	4,742	37.4%	15,936	336.1%
Other (Holding Co. costs)	(4,949)	n.a.	(3,237)	n.a.	(1,712)	-52.9%
Total EBITDA	44,745	26.4%	25,046	20.7%	19,699	78.7%

EBITDA Margin rises to 26.4% driven by significant improvements in all BU

During the first nine months of 2018, non-recurring revenues equalled €179,000 from a capital gain realized on the sale of an instrumental property. Non-recurring operating costs of € 800,000 were also recognized, of which € 583,000 for expenses related to acquisitions of target companies, and € 216,000 for personnel reorganization costs. In the first nine months of 2017, non-recurring revenues of € 6,228,000 were recognized, and related charges of € 387,000, for a ruling in favour of Ribes S.p.A. (today Innolva S.p.A.) for damages from the Territory Agency (now the Revenue Agency). During the first nine months ended 30 Sept 2017, other non-recurring charges were incurred totalling € 1,376,000 and non-recurring financial income of € 747,000.

Results by Business Segment: Organic vs. Perimeter Change Net of Non-recurring items

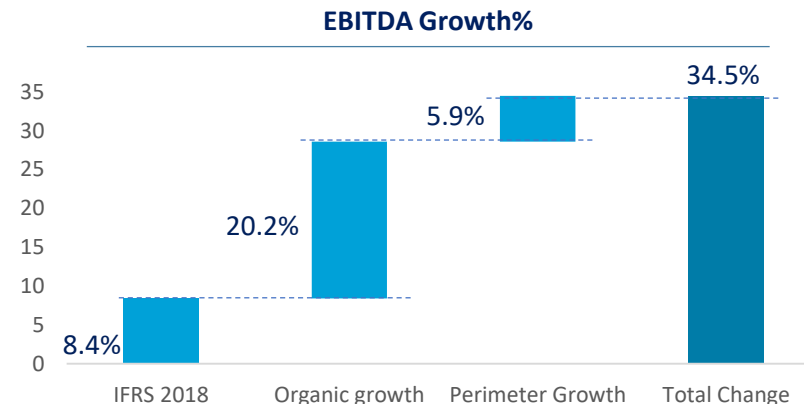
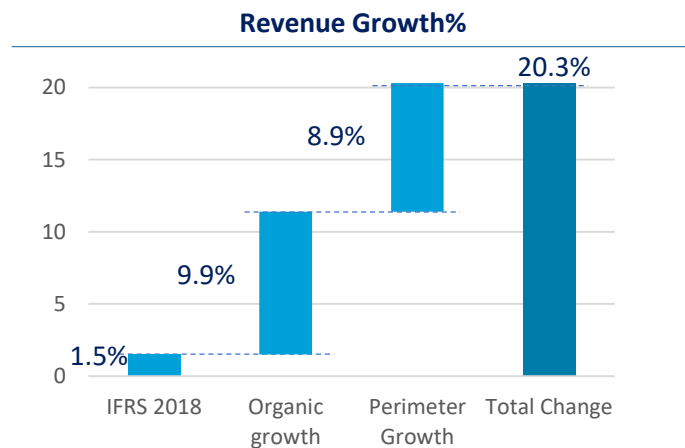
Summary Income Statement by Business Segment (€ '000)	9 Months 2018	9 Months 2017	Change	Change			
				Total	IFRS 2018	Organic	Perimeter
Revenues							
Digital Trust	68,068	56,569	11,498	20.3%	1.5%	9.9%	8.9%
Credit Information & Mgmt	53,501	51,613	1,888	3.7%	0.0%	2.5%	1.2%
Innovation & Marketing Svcs	47,994	12,685	35,310	278.4%	0.0%	5.9%	272.4%
Other (Holding Co. costs)	-	1	(1)	-60.1%	0.0%	-60.1%	0.0%
Total Revenues	169,563	120,868	48,695	40.3%	0.7%	6.3%	33.3%
EBITDA							
Digital Trust	17,878	13,290	4,588	34.5%	8.4%	20.2%	5.9%
Credit Information & Mgmt	11,138	10,251	887	8.7%	0.0%	5.5%	3.1%
Innovation & Marketing Svcs	20,678	4,742	15,936	336.1%	-2.5%	1.0%	337.6%
Other (Holding Co. costs)	(4,949)	(3,237)	(1,712)	-52.9%	0.0%	-52.9%	0.0%
Total EBITDA	44,745	25,046	19,699	78.7%	4.0%	6.3%	68.4%

Solid organic growth, especially in Digital Trust.
The perimeter change growth is primarily driven by Warrant Hub
(ex-Warrant Group)

Highlights – Digital Trust

Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
Revenues	68,068	56,569	11,498	20.3%
EBITDA	17,878	13,290	4,588	34.5%
EBITDA Margin	26.3%	23.5%		



The revenues of the *Digital Trust* BU totalled €68,1 mn. The increase vs. the 9 months of 2017 totalled €11.5 mn, +20.3%. The growth was composed of 1.5% from the changes in IFRS 2018, 9.9% from organic growth and 8.9% from perimeter change (Sixtema from 1 April 2017, Camerfirma & Camerfirma Perù from 1 May 2018).

EBITDA of the BU equalled €17.9 mn for the 9 months of 2018, an increase of 4.6 mn (+34.5%) over the 2017 figure. The introduction of IFRS 15 from 1 January 2018 caused an increase of 8.4%, organic growth generated 20.2%, while the change in Perimeter added a further 5.9%.

Highlights – Credit Information & Management

Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
Revenues	53,501	51,613	1,888	3.7%
EBITDA	11,138	10,251	887	8.7%
EBITDA Margin	20.8%	19.9%		

In the *Credit Information & Management* BU revenues rose 3.7% to €53.5 mn. The growth was composed of an organic growth equal to 2.5% and 1.2% growth from the changes in perimeter (consolidation of Comas & Webber from 1 July 2018 and the deconsolidation from the month of June of Creditreform Assicom Ticino).

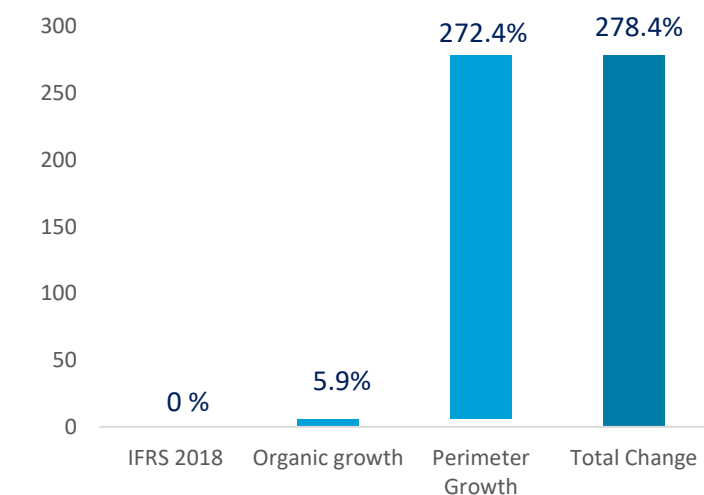
EBITDA grew 8.7% vs. 9 months 2017, reaching €11.1 mn; EBITDA growth was composed of 5.5% organic growth and 3.1% growth from the perimeter.

Highlights – Innovation & Marketing Services

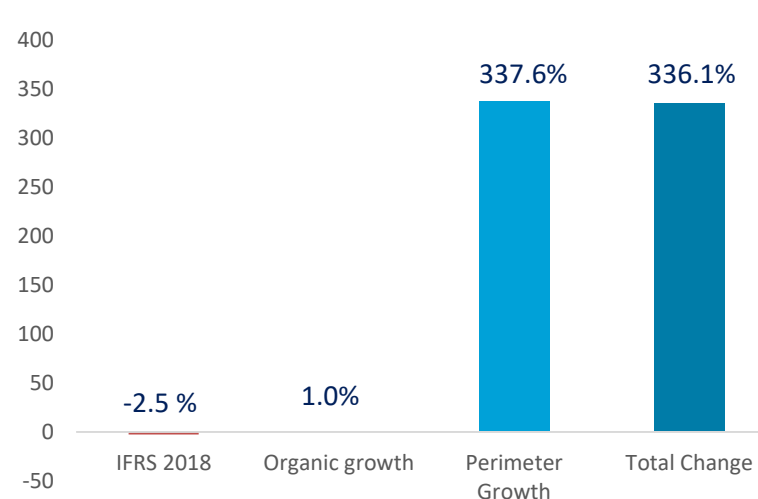
Net of Non-recurring items

€ mn	9 Months 2018	9 Months 2017	Change	Δ%
Revenues	47,994	12,685	35,310	278.4%
EBITDA	20,678	4,742	15,936	336.1%
EBITDA Margin	43.1%	37.4%		

Revenue Growth%



EBITDA Growth%

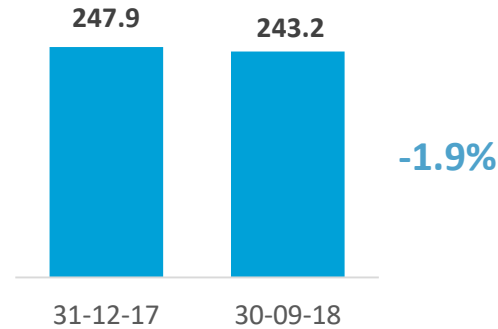


Revenues for the IMS BU for the first nine months of 2018 totalled €48.0 mn, an increase of 278.4% over 2017. The increase is composed of 5.9% from organic growth and 272.4% from perimeter change, as Warrant Hub (formerly Warrant Group), was consolidated starting 1 December 2017. EBITDA totalled €20.7 mn, an increase of 336.1%, with the change due to a 1% increase from organic growth while perimeter change accounted for 337.6%.

Balance sheet highlights

Net invested capital

**€243.2
mn**

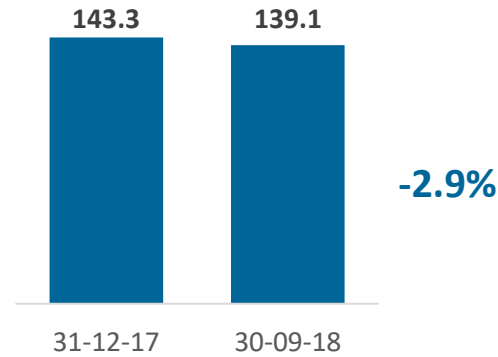


Major Variations (€ mn):

- From 1/1/18 total impact of FTA IFRS15 (including tax effect): -8.3
- Provisional Goodwill from Comas & Webber acquisition: +7.5

Total Shareholders' Equity

**€139.1
mn**

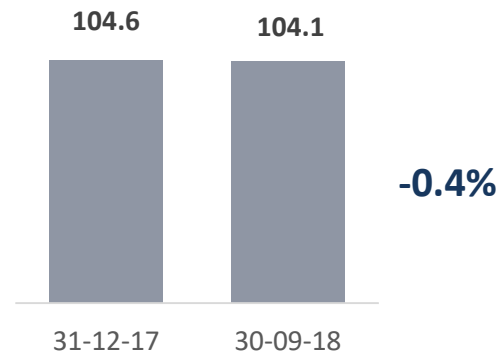


Δ Shareholders' Equity (€ mn)

- 9 M Net income: +22
- Divid. distributed -12.1
- Put adjustments -10.2
- IFRS 15: -8.3
- Camerfirma consolidation (impact of minorities): +3
- Aucap Warrant Cedacri +1.1

Net Financial Indebtedness

**€104.1
mn**



NFI is basically unchanged from year-end

Net financial indebtedness

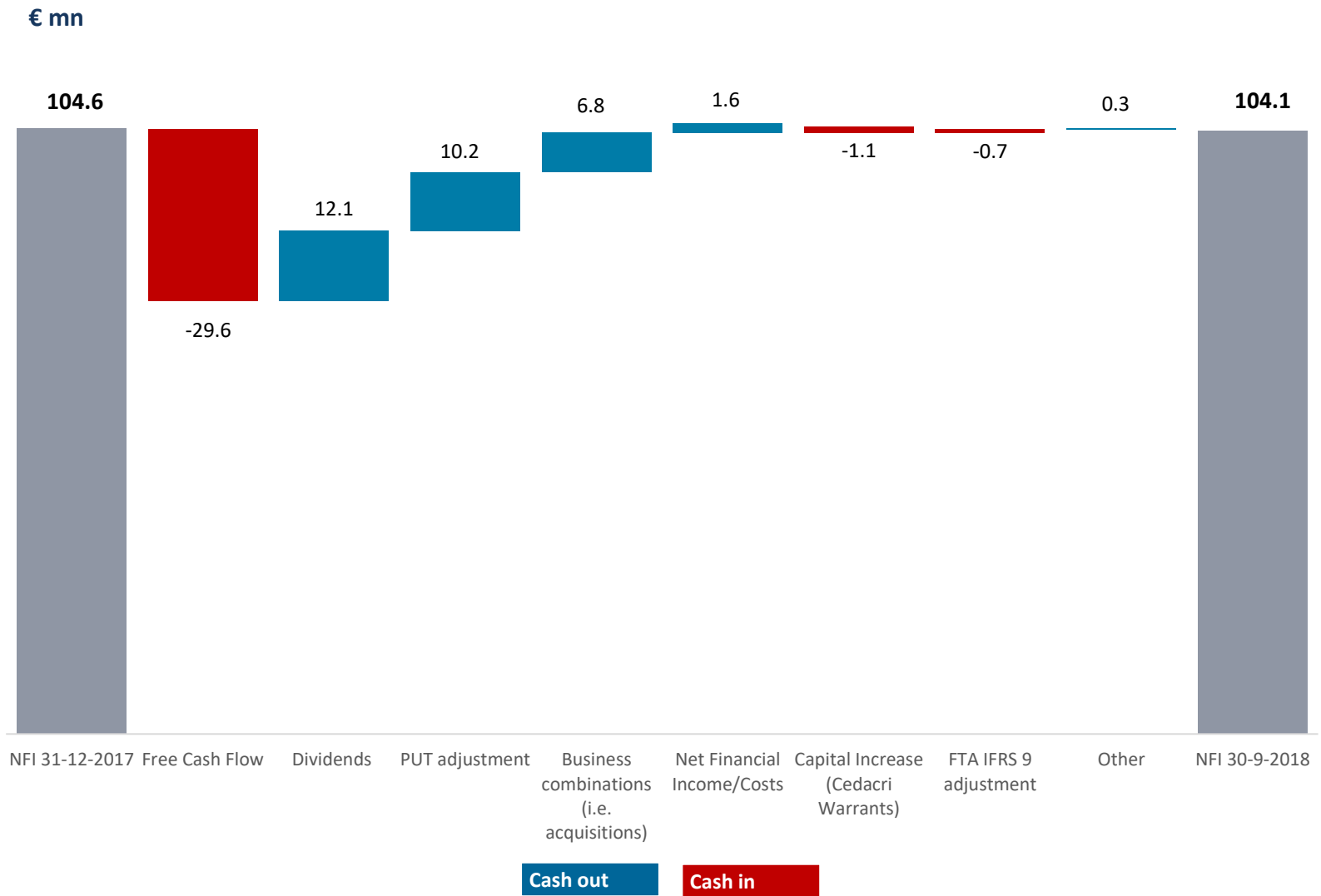
€ mn	31-12-17	30-09-2018
Net Financial Indebtedness	104.6	104.1
Gross Financial Indebtedness	145.9	141.3
Bank Debt	51.7	47.4
Loan from Tecno Holding S.p.A.	25.3	25.1
Debt associated w/acquisitions	65.7	65.4
PUT & CALL	50.6	54.5
Earn Out	4.0	0.9
Vendor loans	11.1	10.0
Other Debt	3.2	3.3
Cash & Other ST Assets	(41.3)	(37.2)
Cash	(37.0)	(33.3)
Other financial assets	(4.3)	(3.9)

Net financial debt of € 104.1 million is substantially unchanged compared to 31 December 2017.

Net financial indebtedness includes:

- € 54.5 mn in liabilities related to the purchase of minority shares tied to the exercise of Put options,
- € 0.9 mn of increased liabilities for contingent considerations
- €10 mn for Vendor loans (deferred payments) granted by sellers in connection w/ acquisitions.

Free Cash Flow Effect on Net Financial Indebtedness



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Looking forward

2018 Full Year Results

Tinexta will continue its strategy to integrate the Group companies to maximize internal growth opportunities and synergies, with the medium-term objective to maximize opportunities through synergistic development via all commercial channels available.

Tinexta confirms the importance of its own strategic approach to grow also externally, which remains a central column of strategic policy.

The solid results achieved in the first nine months, the positive trend of the business and the consolidation of the companies recently acquired permit the 2018 Guidance to be revised upward to:

- **Revenues:** **circa € 230 million**
- **EBITDA:** **over € 57 million**

Agenda

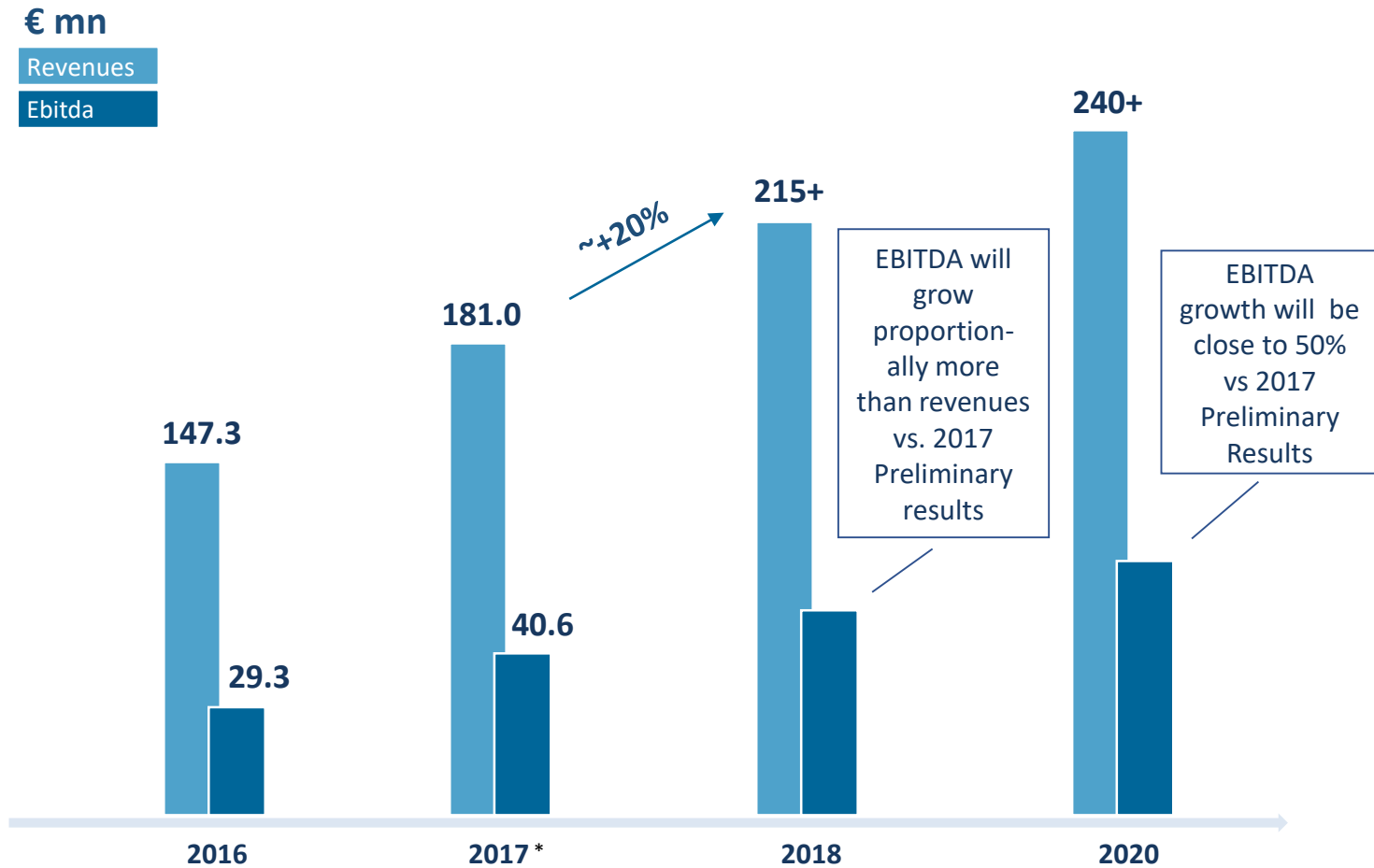
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Adjusted Net Profit

Summary Income Statement (€ '000)	9 Months 2018	9 Months 2017	Change <i>IFRS 2017</i>	O/w Δ IFRS 2018	% Δ	% Δ IFRS 2018
Net Profit	22,020	14,954	7,066	587	47.2%	3.9%
Non-recurring Revenues	(179)	(6,228)	6,049			
Non-recurring Service Costs	583	1,337	(754)			
Non-recurring Personnel Costs	216	380	(164)			
Other non-recurring operating costs		46	(46)			
Amortisation of Intangibles recognised upon cost allocation (PPA)	2,976	3,340	(363)			
Non-recurring Financial Income		(747)	747			
Tax Effect	(1,004)	(455)	(549)			
Adjusted Net Profit	24,613	12,627	11,986	587	94.9%	4.6%

Tinexta Group

Business Plan 2018-2020 approved by the BoD



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