



2023 Q2
Results Presentation

August 2023

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Almaviva

Business Area	Core Business		
	IT Services	DRM International	New Technology
Brand			
LTM ⁽¹⁾ Revenue (% of Total)	€ 758 m 69% 	€ 291 m 26% 	€ 54 m 5%
Countries			
Products & Services Offering	<ul style="list-style-type: none"> Cloud Computing & Consulting Digital Change Knowledge of Everything System Integration Cyber Security PIS solutions & devices Virtual & Augmented Reality Real Time CGI 	<ul style="list-style-type: none"> In- and outbound services Multi-channel solutions Back-office document management Consulting and process reengineering Advanced analytics Process automation 	<ul style="list-style-type: none"> AI Core Technologies Cognitive Cloud PaaS and Vertical AI applications Speech and text (>35 languages) Conversational Platform Enterprise Knowledge Graphs and knowledge Management Open Data Analytics
Business Areas	<ul style="list-style-type: none"> Transportation Public administration Finance Utilities and Smart Water Management Industry Others 	<ul style="list-style-type: none"> Telco & Media Transportation Utilities Government Finance Others 	<ul style="list-style-type: none"> Telco & Media Automotive & Transportation Government Finance Utilities, Energy & Smart Water Management Healthcare & Tourism

Source: Company Information and financials.

⁽¹⁾ As of June 30th, 2023, excluding non-core business and €17.3m Intragroup eliminations.

Key Financial Highlights

6M 2023

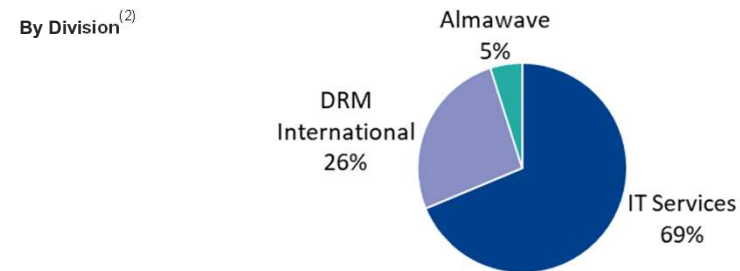
Key Highlights

- Around €1.1b LTM Jun-2023 Group Revenue
- Group Revenue at €552.5m, better than 6M 2022 (+€37.5m, +7.3%)
- Group Reported Ebitda at €93.4m (+€9.5m vs 6M 2022 Ebitda; +11.4%)
- Adjusted Ebitda at €100.8m (+13.2% vs 6M 2022 Adjusted Ebitda)
- 6M 2023 Ebitda margin at 16.9% (+62 bps vs 6M 2022); Ebitda margin at 18.2% on adjusted basis (+96 bps vs 6M 2022)
- Capex⁽¹⁾ at €25.3m increased vs 6M 2022
- Positive Net Result at €36.5m (+€3.9m vs 6M 2022, +12.1%)

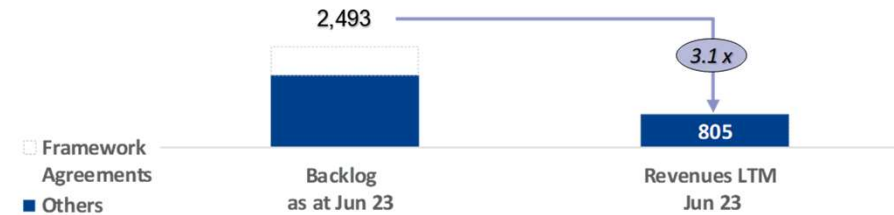
Key Stats

- IT backlog covers more than 3x the LTM Jun-23 IT Services and Almawave Revenue
- Continuous Revenue growth (CAGR 2020 - LTM Jun-23: 10.1%)
- Net Debt at €246.2m
- Leverage at 1.4x, 0.2x better than June 2022
- Outstanding cash position at €142.2m

LTM Jun-2023 Revenue Breakdown and Current Backlog

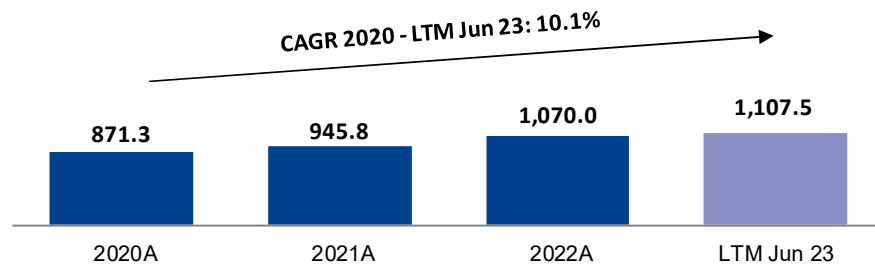


IT Services and Almawave Backlog as at Jun23 (€m)

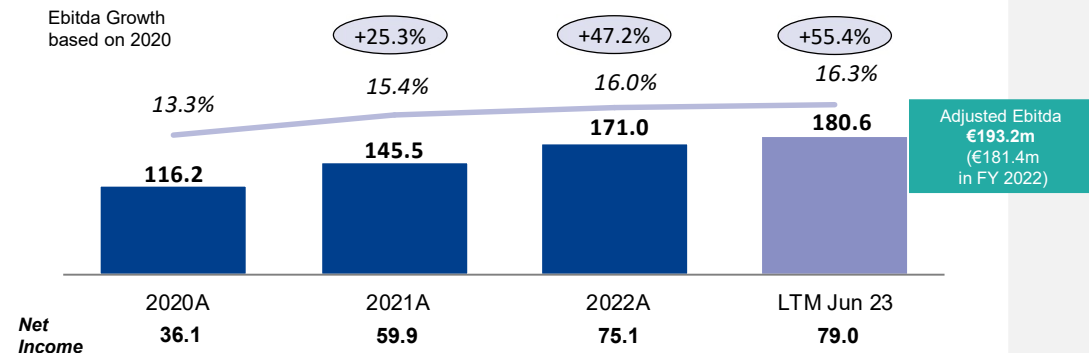


Key Financials (€m)

Revenue



EBITDA and EBITDA Margin



⁽¹⁾ Capex do not include goodwill.

⁽²⁾ Excluding non-core business.

Key Operating Performance Highlights



6M 2023

IT Services

- Around €115m new contracts signed in 6M 2023 in the IT division, of which 12% in Transportation, 19% in Finance, 68% in PA and 2% in other sectors
- Around €4.0b new tenders in public administration already issued or awaited in 2023. The EU Recovery Fund is positively impacting the market
- Start-up of the activities on the new National Telemedicine Platform, tender issued by AGENAS (National Agency for Regional Health Services), €99m Almaviva share, 10y contract, falling within PNRR Next Gen EU. The first phase of the project includes the design and implementation of the new platform
- In Transportation and Logistics, strong expansion in the use of our proprietary platform Moova in many contracts connected to PNRR: new contracts with ANAS related to infrastructure, roads and critical bridges monitoring and with SEA – Milan Airports – related to the deployment of the new security control room and biometrics access control
- Testing phase for the new MAAS system in Rome, first city in Italy to develop a new mobility-as-a-service multimodal integrated transportation system
- Expansion in Africa (Egypt – Cairo Metro – and Morocco) and in the Middle East (after Saudi Arabia, opening of new subsidiaries in the Arab Emirates, Dubai and Abu Dhabi)

- Increased activities in EU: UK, Finland, Spain, France and Switzerland
- On July 27th 2023 Almaviva completed the double acquisition of the 60% of two companies located in Padua: BM Tecnologie Industriali, an instrumental engineering company whose offering supports water utilities companies, and 2f Water Venture, a company that creates innovative solutions for the detection of leaks in water networks

This extraordinary operation combines the consolidation of our value proposition in the world of water utilities, with an offer of end-to-end solutions. The Almaviva Group is already a leader in Italy with the solutions of Almaviva, Almawave, SisTer and Tecna; now the control of the two new companies strengthens and completes the offering in this sector affirming Almaviva Group as market leader in the management of critical assets, enhancing the presence in a growing market, both in Italy and abroad. The transformation of the water networks, promoting the sustainable development of different ecosystems (climate, agriculture, environment, health, smart cities) is one of the most relevant subjects in the Next Gen. EU and SDG investments agenda

- Intense M&A activities in order to finalize acquisitions focused on enhancing the offering and presence in some specific verticals (transportation, finance, healthcare and cybersecurity)

Almawave

- In 6M 2023 significant growth in Revenue (+29.6% vs 6M 2022) with increased percentage of direct revenues (86%) and in Ebitda (+49.8% vs 6M 2022)
- Increased contribution at consolidated level in terms of Revenues and margins (Revenues at €27.7m, 4.9% on Group total Revenues vs 4.1% in 6M 2022)
- At the Dubai World AI Show (2023) Almawave presented its new generative “D/AI – Destination AI” platform for tourism destinations that integrates into the existing analytics platform of The Data Appeal Company new natural language features, analytics and proprietary KPIs
- Growth in Latin-American market and rapid start-up of The Data Appeal’s offering in Latam with the acquisition of several new clients across different market segments
- Wider positioning of Almawave's technologies and solutions in the Smart Water Management deriving from new business synergies with the parent company Almaviva that in this field has concluded the acquisition of BM Tec.Ind. and 2f WV
- Third ESG report released in July 2023
- +30 new clients (also thanks to the acquisition made and Almawave dimensional growth: Almawave Group workforce numbered 434 in June 2023, +15% YoY)

Key Operating Performance Highlights

6M 2023

DRM International

- Strategic shift from Customer to Digital Relationship Management
- Growth in Revenues (+€15.6€ or +12.0%) and Ebitda (+€2.8m or +12.0%) at current currency
- As part of the reorganization of the operations, in 6M 2023 the Company finalized the closure of the sites located in Itu and Limeira (ex CRC, the company acquired in 2022), incurring in around €1.3m extraordinary costs

With the closure of this site the Company completed the first leg of a cost optimization project, budgeted and meant to increase efficiency and margins in the coming years. Even considering all the costs and expenses linked to the closure of the site, the Company maintained marginality as profitable as in the second quarter of last year.

- Creation of a business development department focused on value-added projects
- In 6M 2023 the Company successfully implemented 4 new operations on clients gained in Q1 2023: 2 clients in the financial sector, 1 in multiservice sector, 1 in telco
- With the entry of these new clients, the Company client portfolio reached the mark of 56 (a growth of ~20% compared to 6M 2022)

- Continuing with the strategy for constant growth in the digital debt collection area, the Company made important investments in 6M 2023 in order to expand its operations in the site of Fortaleza
- Ongoing M&A activity on verticals focused on digital finance, collection, industry, retail, marketplace and other non-telco markets requesting an offer integrated with technology and higher marginality value-added services
- In June 2023, the inflation rate in Brazil reached 3.16% (accumulated in the last 12 months), the lowest since 2020. With this reduction, the Central Bank of Brazil has already pointed out that in the meeting to be held in August by COPOM (Committee of Monetary Policy) the basic interest rate "SELIC" will be reduced by 25 or 50 bps

Other - Non Core Business

- CRM Europe Revenues represents around 1% at consolidated level in 6M 2023
- Workforce in constant reduction in Italy: 855 employees in June 2023 vs 7,906 in December 2015 (-7,051 employees, -89.2%) and vs 1,513 in December 2022 (-658 employees, -43.5%)
- In July 2023 184 voluntary layoffs

Summary P&L

€m

€ million	YTD Dec 22	LTM Jun 22	LTM Jun 23	YTD Jun 22	YTD Jun 23
	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenues	1,070.0	1,009.4	1,107.5	515.0	552.5
<i>% Growth</i>			9.7%		7.3%
Total of Revenues and Other Income	1,095.0	1,041.3	1,130.7	528.5	564.2
<i>% Growth</i>			8.6%		6.8%
Operating Costs	(913.6)	(871.7)	(937.5)	(439.5)	(463.4)
<i>% Revenues</i>	85.4%	86.4%	84.7%	85.3%	83.9%
Adjusted EBITDA	181.4	169.5	193.2	89.0	100.8
<i>% Margin</i>	17.0%	16.8%	17.4%	17.3%	18.2%
Non-Recurring Items	(10.4)	(12.0)	(12.6)	(5.2)	(7.5)
<i>% Revenues</i>	1.0%	1.2%	1.1%	1.0%	1.4%
EBITDA	171.0	157.5	180.6	83.8	93.4
<i>% Margin</i>	16.0%	15.6%	16.3%	16.3%	16.9%
D&A	(44.7)	(40.9)	(48.2)	(21.6)	(25.1)
<i>% Revenues</i>	4.2%	4.1%	4.4%	4.2%	4.5%
EBIT	126.3	115.7	132.6	62.5	68.7
<i>% Margin</i>	11.8%	11.5%	12.0%	12.1%	12.4%
Interest Expense	(29.3)	(31.4)	(29.5)	(14.0)	(14.2)
<i>% Revenues</i>	2.7%	3.1%	2.7%	2.7%	2.6%
EBT	97.1	84.3	103.1	48.5	54.5
<i>% Margin</i>	9.1%	8.4%	9.3%	9.4%	9.9%
Taxes	(22.0)	(25.9)	(24.0)	(15.9)	(18.0)
Group Net Income	75.1	58.4	79.0	32.6	36.5

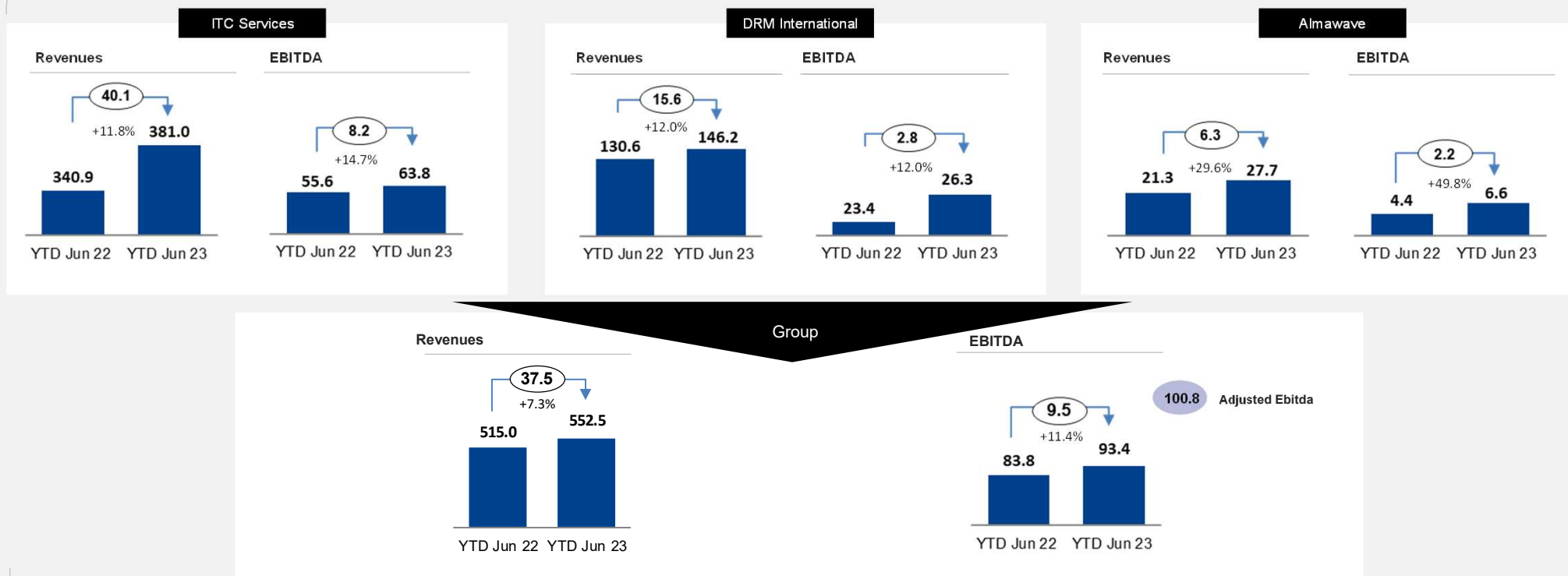
Key comments

- 6M 2023 Revenues better than 6M 2022 (+€37.5m, +7.3%)
- 6M 2023 Ebitda increased by €9.5m, +11.4% vs 6M 2022
- 6M 2023 Ebitda includes €7.5m extraordinary costs related to provisions for personnel early retirement (*Quota 100*) in IT Services (€1.9m), stock grant (€0.4m) in IT Services and Almaxwave, rightsizing costs (€3.6m) in DRM Europe, sites optimization in DRM International (€1.3m). Adjusted Ebitda at €100.8m (+€11.4m or 12.9% vs 6M 2022)
- 6M 2023 Adjusted Ebitda margin increased by 96 bps (18.2% vs 17.3%)
- 6M 2023 Operating costs (% on Revenues) better than 6M 2022, -140 bps
- 6M 2023 EBIT increased vs 6M 2022 (€68.7m vs €62.5m, +10.0%)
- D&A, mainly related to investments in product development in IT Division and investments in Brazilian sites
- 6M 2023 EBT at €54.5m (+€6.0m, +12.4% vs 6M 2022)
- Interest expense in line with 6M 2022
- Taxes increase due to the increase in EBT
- 6M 2023 Net Income at €36.5m (+12.1% vs 6M 2022)

Key Financials By Division

€m

Jun-2023 Year To Date Performance

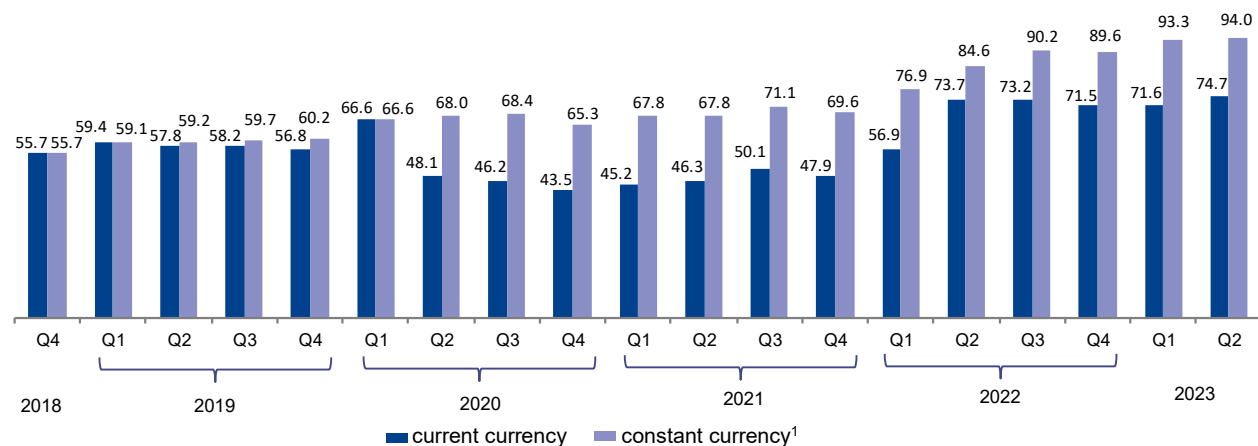


Key comments

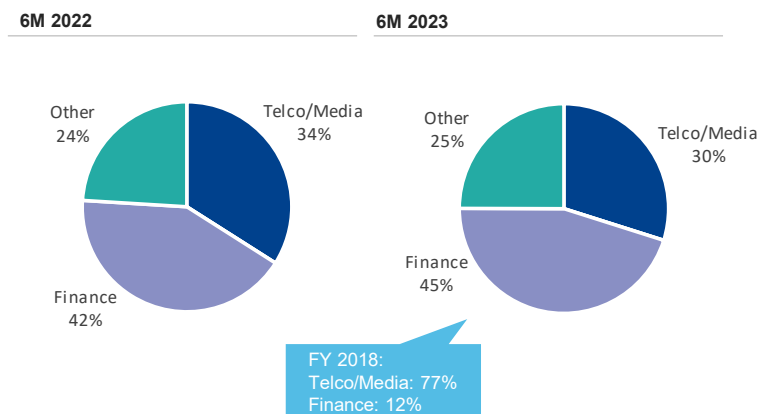
- In 6M 2023 growth in Group Revenues (+€37.5m, +7.3%) and Group Ebitda (+€9.5m, +11.4%) compared to 6M 2022, with higher marginality (16.9% vs 16.3%, +62 bps)
- IT Services keeps growing in 6M 2023 both in Revenues (+€40.1m, +11.8%) and Ebitda (+€8.2m, +14.7%) compared to 6M 2022
- DRM International increase in Revenues (+€15.6m, +12.0%) and Ebitda (+€2.8m, +12.0%) compared to 6M 2022
- Almawave growth in Revenues (+€6.3m, +29.6% vs 6M 2022) and Ebitda (+€2.2m, +49.8% vs 6M 2022)
- Adjusted Ebitda at €100.8m (+13.2% vs 6M 2022 Adjusted Ebitda)

Key Financials

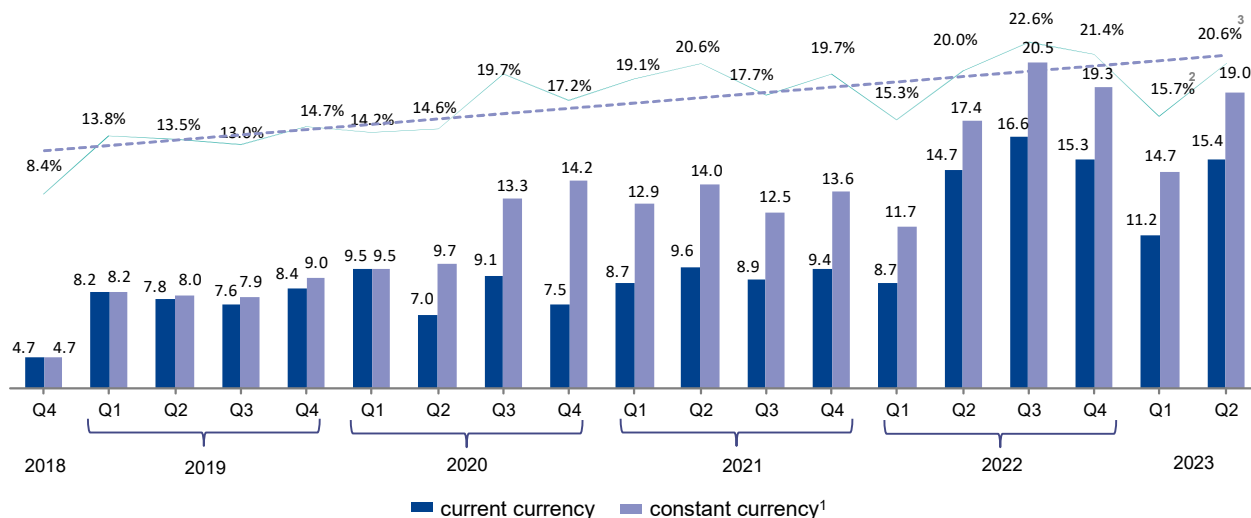
Revenue (€m)



Revenue Breakdown



EBITDA (€m)



Key comments

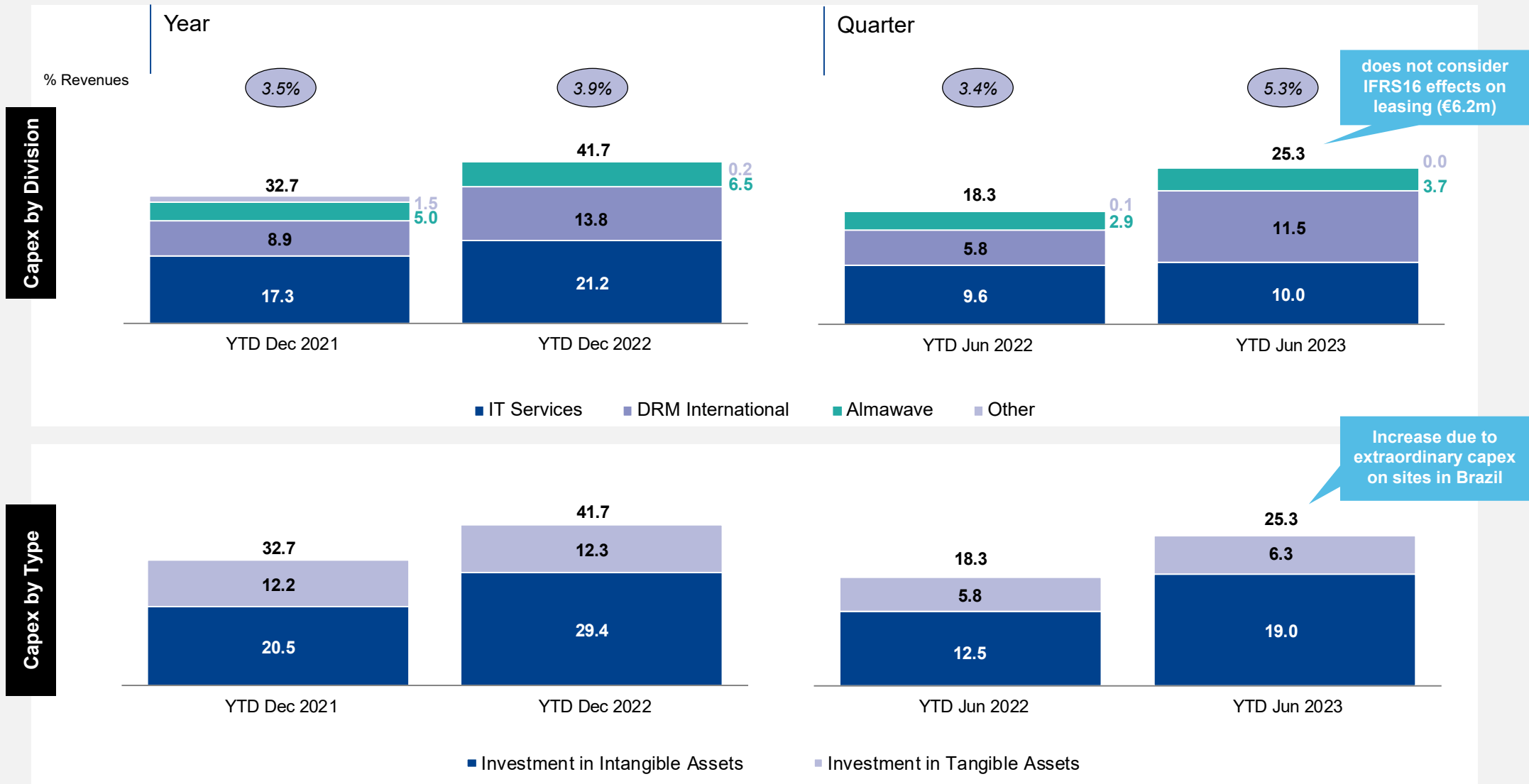
- 6M 2023 Ebitda better than 6M 2022 at current currency (+€2.8m, +12.0%), with optimization of revenue mix
- Since 2018, optimization on revenue allocation (telco/media from 77% to 30%; finance from 12% to 45%)
- Confirmed positive trend in Ebitda margin
- Rationalization costs due to the closing of two sites (Itu and Limeira)
- Customers and industries diversification: following the acquisition of Chain, in Q1 2021, completion of the acquisition of CRC, thus contributing to the Company's effort to further reduce the telco/media weight on the overall portfolio; telco-media 30% in 6M 2023 vs 34% in 6M 2022

⁽¹⁾ Constant currency Q4 2018.

⁽²⁾⁽³⁾ Adjusted margin, excluding the one-off costs related to the closing of the two sites as part of the optimization process of the operations.

Capex Overview

€m



Capex do not consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019. Total value including IFRS 16 effect is €31.9m.
 12M 2022 Capex do not include the goodwill of CRC, The Data Appeal Company, Tecnaui, and Sistemi Territoriali (~€38.5m). 6M 2023 Capex do not include the goodwill of Tecnaui (€0.4m).

Summary Cash Flows

€m

€ million	YTD Jun 22	YTD Jun 23	
Adjusted EBITDA	89.0	100.8	Include extraordinary Capex (5.1) in Brazil
Capex	(18.3)	(25.3)	
(Increase) / Decrease in Normalised Working Capital	(20.3)	(56.1)	(27.9) after VAT credits
Adjusted Operating Cash Flow	50.5	19.5	+52.8 after extraordinary Capex and VAT credits
% Adjusted EBITDA	56.7%	19.3%	
Non-Recurring Items	(5.2)	(7.5)	
Taxes	(4.8)	(4.7)	
Free Cash Flow for Debt Service ante Dividend Payments and Other Items	40.4	7.3	+40.6 after extraordinary Capex and VAT credits
Dividend Payments	(25.0)	(11.3)	
Other Items ⁽¹⁾	(13.6)	(1.1)	
Free Cash Flow for Debt Service	1.8	(5.1)	+28.2 after extraordinary Capex and VAT credits

Key comments

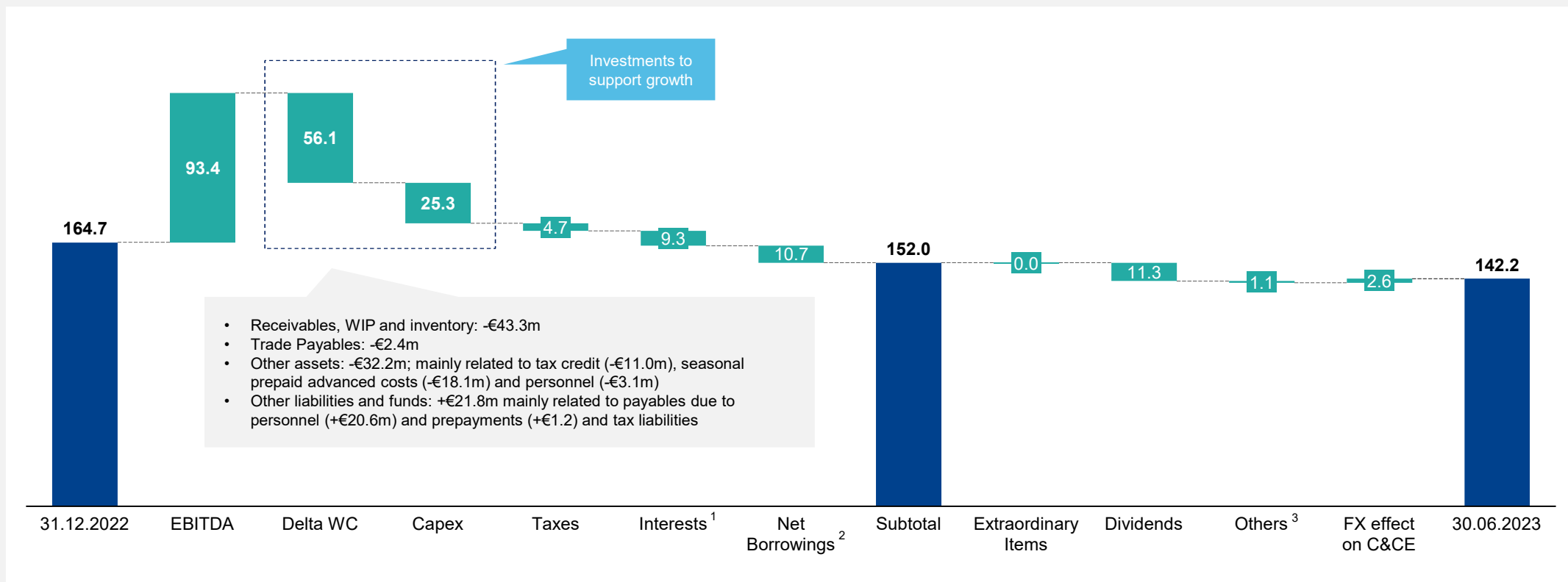
- 6M 2023 Capex at €25.3m increasing vs 6M 2022 Capex at €18.3m; 6M 2023 Capex are mainly related to specific projects in IT, activities to integrate the acquired companies in LATAM and extraordinary investments in Brazil to technologically update data centers
- Change in working capital is mainly driven by receivables, WIP, social security, prepaid expenses, payables, taxes and VAT credits. Total VAT credits €28.2m
- Positive Free Cash Flow for Debt Service ante extraordinary Items
- Other Items in 6M 2022 include the acquisition of CRC, The Data Appeal and Sister-Sistemi Territoriali. Other Items in 6M 2023 reflects the amount paid for the aucap in PNT Italia Srl and the last tranche of the acquisition of Tecnau

⁽¹⁾ Includes equity investments, proceeds from non-controlling interests, change in assets held for sale and disinvestments.

Cash Flow

Strong operative performance and outstanding cash position

Cash Balance (€m)



Key comments

- Strong operative performance with EBITDA increase (+9.5m, +11.4% at Group level vs 6M 2022)
- Impact on working capital due to overall growth (Receivables, VAT credits) and voluntary layoffs
- Cash & Cash Equivalents at €142.2m

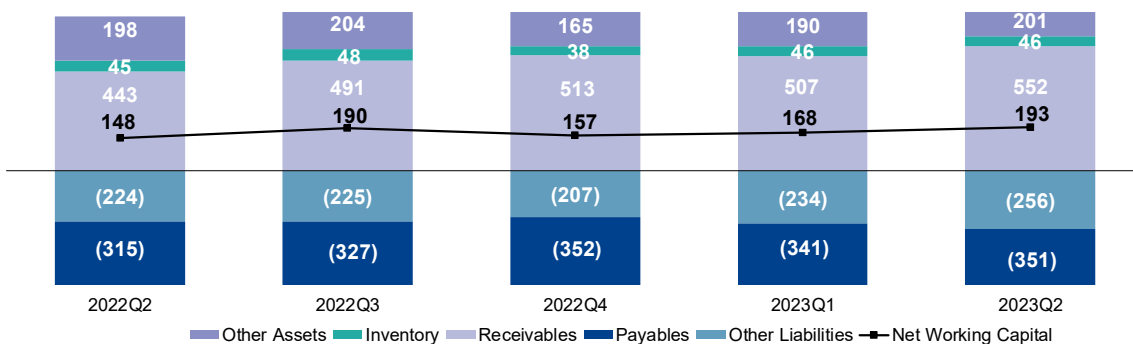
⁽¹⁾⁽²⁾ Include leases repayment.

⁽³⁾ Includes the amount paid for the aucap in PNT Italia and the last tranche for the acquisition of Tecna.

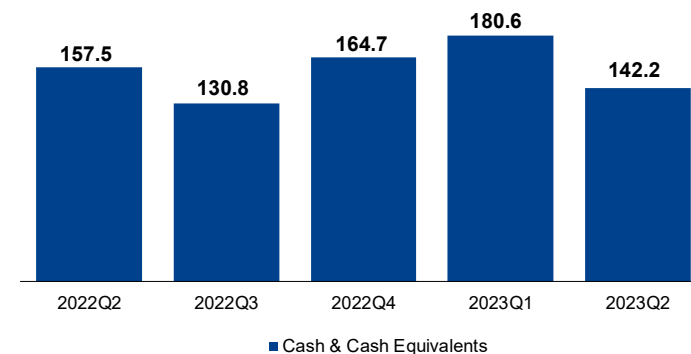
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)



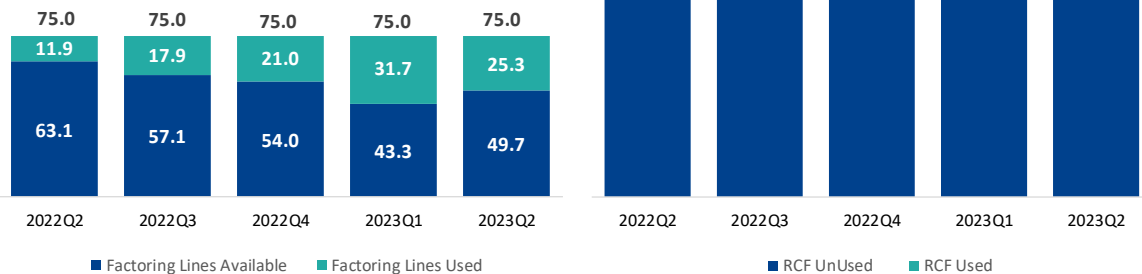
Cash & Cash Equivalents (€m, current currency)



Factoring without Recourse & RCF (€m)

Factoring WO Recourse

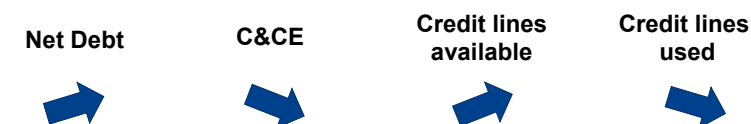
RCF



Net Debt (€m)

	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2
Net Debt	(258.4)	(291.2)	(233.6)	(231.6)	(246.2)
Delta vs Previous Q		(32.8)	57.5	2.0	(14.6)
Delta vs 2022Q2		(32.8)	24.7	26.8	12.2

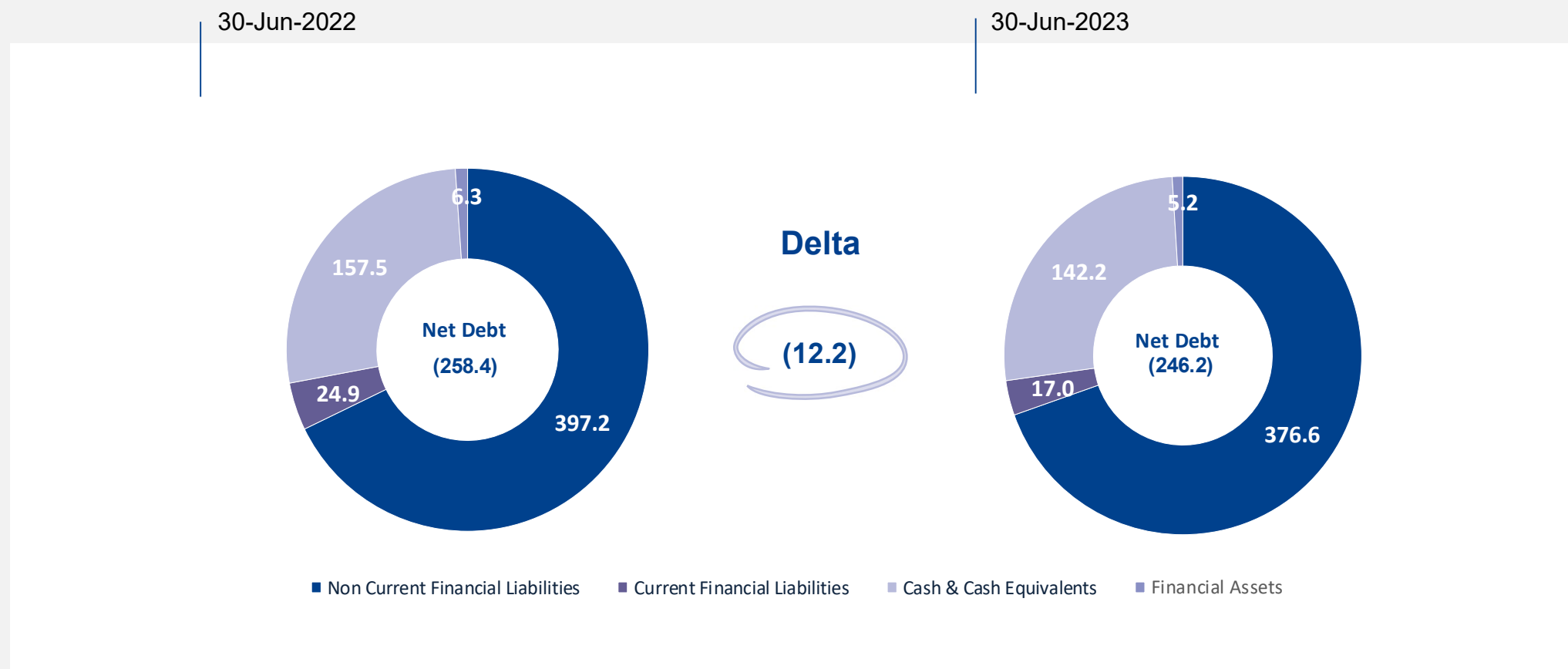
QoQ comparison



Financial Debt

Longstanding Improvement in Financial Metrics

(€m)



- Outstanding Cash Balance position
- Reported Leverage at 1.4x (0.2x better vs June 2022)
- Adjusted⁽¹⁾ Leverage at 1.3x

⁽¹⁾ Including Ebitda Adjustments and Adjusted Net Debt, considering the acquisition of The Data Appeal Company, Sistemi Territoriali, Tecnaeu and aucap in the new company PNT Italia.

Capitalisation Structure as at June 2023

Credit Stats: improvement QoQ

€m	Amount	LTM Jun 23 EBITDA	Pricing	Maturity
Cash and cash equivalents	(142.2)			
Total current and non-current financial assets ⁽¹⁾	(5.2)			
Senior Secured Notes	350.0		4.875%	Oct-2026
Super Senior RCF (Drawn)	-			
Other financial liabilities ⁽²⁾	43.6			
Total Gross Debt	393.6	2.2x		
Total Net Debt	246.2	1.4x		
LTM Jun 23 EBITDA		180.6		
Super Senior RCF (Undrawn)	70.0		E+250bps	May-2026

Key Credit Stats based on reported financials

- Net Total Leverage: 1.4x
- Interest Coverage Ratio: 6.1x vs 5.1x as at June 2022
- No RCF drawdown
- In April, margin on RCF decreased from 275 bps to 250 bps due to Net Total Leverage improvement

⁽¹⁾ Include financial credits.

⁽²⁾ Other financial liabilities include Government subsidized financings, accrued interests on coupon (€2.8m) to be paid in October 2023 and leasing.

6M 2023 Performance



Final remarks

Resilient market in all core business segments and significant add-on due to PNRR

Outstanding Backlog: €2.5b; 3.1x LTM Jun-2023 Revenues

Significant expansion outside Italy (in EU, USA, Africa and Middle East)

€100m Adjusted Ebitda achieved in only 6 months

Ongoing transformation in Latam from CRM to Digital Relationship Management

Continuous positive track record in M&A with new leadership in specific verticals (Smart Water Management)

Solid cash balance position

Positive trend improvement in Leverage (1.3x) and Interest Coverage (6.6x) on adjusted basis
