



2022 Q3
Results Presentation

November 2022

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Overview of Almaviva



	Almaviva			
Business Area	IT Services	CRM		New Technology
		CRM Europe	CRM International	
Brand				
LTM ⁽¹⁾ Revenue (% of Total)	<p>€ 701 m 66%</p>	<p>€ 58 m 6%</p>	<p>€ 252 m 24%</p>	<p>€ 43 m 4%</p>
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 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 	

Source: Company Information and financials.

⁽¹⁾ As of September 30th, 2022, excluding €17.8m of intragroup eliminations.

Key Financial Highlights

9M 2022

Key Highlights

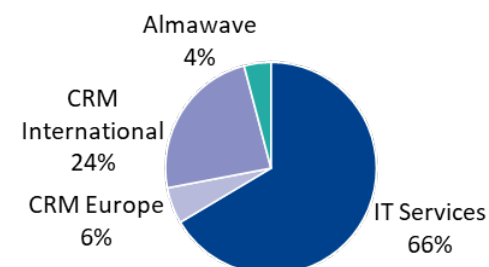
- Above €1.0b LTM Group Revenues
- Group Revenue at €764.0m, better than 9M 2021 (+€90.7m, +13.4%)
- Group Adjusted Ebitda at €122.4m (+€24.6m vs 9M 2021 Ebitda)
- Group Reported Ebitda at €115.2m, increased by €17.4m (+17.8%) vs 9M 2021
- 9M 2022 Ebitda margin at 15.1% (+60 bps vs 9M 2021)
- Capex at €26.3m, increased vs 9M 2021 (€22.8m)
- Positive Net Result at €40.8m (+3.0%) vs 9M 2021

Key Stats

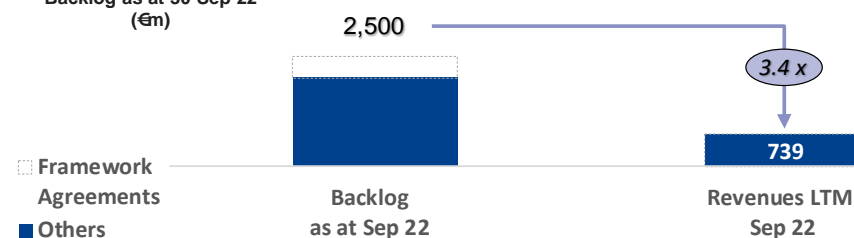
- IT backlog covers 3.4 times the LTM Sep-22 IT Services and Almawave Revenue
- Continuous Revenue growth (CAGR 2019 - LTM Sep-22: 6.7%)
- Net Debt at €291.2m; €273.5m not considering the acquisition of CRC, The Data Appeal Company, Tecna and Sistemi Territoriali
- Leverage at 1.8x, in line with September 30th 2021
- Adjusted Leverage at 1.5x
- Outstanding cash position at €130.1m; €147.8m not considering acquisitions

Q3 2022 Revenue Breakdown and Current Backlog

By Division

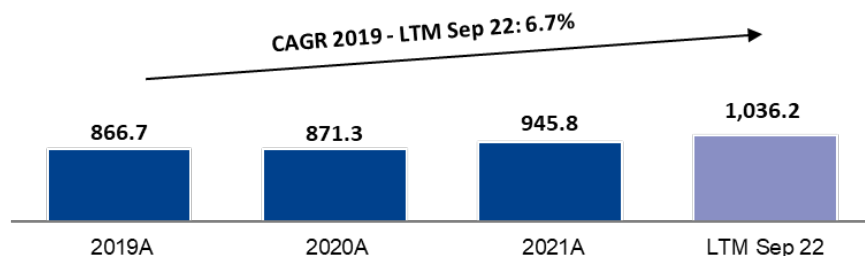


IT Services and Almawave Backlog as at 30-Sep-22 (€m)

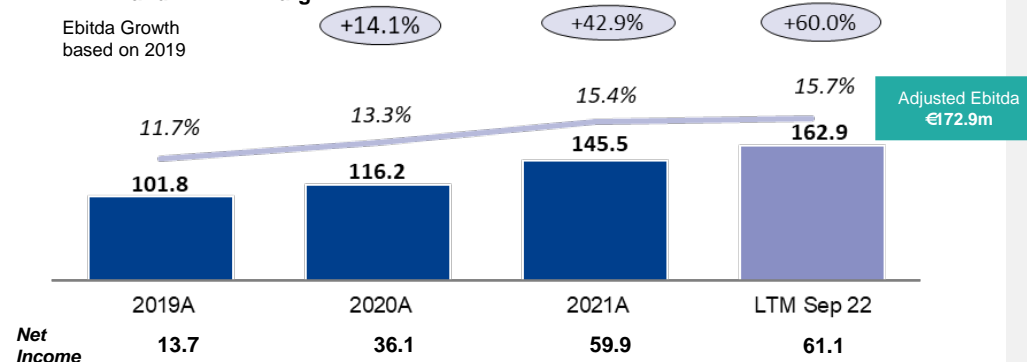


Key Financials (€m)

Revenue



EBITDA and EBITDA Margin



Since 2019, figures consider the adoption of the new accounting principles IFRS 16 that came into effect on January 1st 2019.

Key Operating Performance Highlights



9M 2022

ITC Services

- Extension in May 2022 of SPC L3 and L4 framework agreements (€425m, 75.1% Almaviva share)
- Around €150m new contracts signed in Q3 2022 in the IT division, of which around 10% under the SPC framework agreements, 13% Transportation, 9% Finance, 67% PA and 2% other sectors
- Around €5.2b new tenders in public administration already issued or awaited in 2022. The EU Recovery Fund is starting to positively impacting the market
- Expected strong and progressive increase of investments in PA deriving from the recourse to EU Recovery Fund (PNRR), that allocates €50b in digitalization, innovation and competitiveness, €20b on Healthcare with a focus on technology, €31b on infrastructures and transportation, all sectors that represent Almaviva's core business
- Successful awarding of tenders in cloud application services for PA (€225m Almaviva share, 5y), digital health (€32m Almaviva share, 4y), system management for PAC (€53m Almaviva share, 3y)
- New contracts awarded for the application management for the National Cancer Institute and for the Smart Water Management (municipality of Naples), confirming Almaviva's leading positioning as partner of the Italian State in healthcare and environment control activities

- Release of the new platforms in financial sector dedicated to the NFTs (marketing and trading), to the NPL management and to the virtual property brokering companies
- New Metaverse creation content platform, integrating real time rendering and AR/VR solutions. New business opportunities connected to the Metaverse concept in markets such as Automotive, Real Estate, Fashion, Design
- International expansion: start up of the new contract USA (Metro of Washington, \$70m value, 7y); new tenders awarded with two main railway operators in France and in the United Arab Emirates
- In September, acquisition of Tecna s.r.l., a tech company specialized in CTC-Centralized Traffic Control and SCADA-Supervisory Control And Data Acquisition systems and cyber security in transportation and utilities. The acquisition enables the company to acquire know-how and products to be integrated into its offering portfolio and Moova platform
- 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

- Significant growth in Revenue (+46.4% vs 9M 2021) with increased percentage of direct revenues (83%)
- Strong Growth in Ebitda (+23.2% vs 9M 2021), Adjusted Ebitda +42.7% vs 9M 2021
- Increased contribution at consolidated level in terms of revenues and margins
- Progress on Latin-American markets and positive business outlook on the African continent following the recent deal closed in Tanzania
- Quantitative and qualitative development of the two companies recently come on board, The Data Appeal (vertical AI analytics solutions company, active in tourism, fintech and location intelligence) and Sistemi Territoriali (Data Science, Spatial intelligence and decision support platforms company, active in multi-services and PA sectors) highlighting the commercial and operating synergies
- Launch of the Healthcare offering

Key Operating Performance Highlights

9M 2022

CRM

CRM EUROPE

- In 9M 2022 break-even Ebitda on adjusted base, thanks to the continuous rightsizing actions focused on pursuing only healthful and positive margin services/products. If not considering the impact of the dismissal of non profitable activities and site reorganization, Adjusted Ebitda at €1.0m
- Ongoing partnership with the Italian Government in the management of Green Pass as well as the service connected to the covid-19 emergency number 1500
- Extension of government support: social buffers connected to covid-19, such as Fondo Integrazione Salariale (FIS) and CIGS, guaranteed until February 2023
- Workforce in constant reduction in Italy: 1,637 employees in September 2022 vs 7,906 in December 2015 (-6,269 employees, -79.3%) and vs 3,312 in December 2021 (-1.675 employees, -50.6%, of which 536 in 3Q 2022)
- Following the optimization process meant to avoid unprofitable contracts, and according to social clauses, more than 300 employees on TIM activities have been transferred to the new provider in July and additional 170 employee previously on Alitalia activities will be transferred
- Voluntary layoffs of 88 employees within year-end

CRM INTERNATIONAL

- In Q2 and Q3 Almaviva do Brasil carried on the operational integration of CRC, the group of two companies (CRC Cobrança and its subsidiary CRC Digital) acquired in March 2022, specialized in the extrajudicial collection sector. With this acquisition Almaviva do Brasil becomes one of the largest companies in Brazil in the extrajudicial collection sector. With the new acquisition, the company further expands its presence in the financial sector, implementing a strategy that began in 2020 with the acquisition of Chain
- In Q3 2022, 4 new clients were implemented, of which 1 operating in the financial sector and 1 operating in the multiservice sector and 2 operating in the telecom sector
- A contract with a client in the financial sector was renewed on the order of more than R\$300m/year for an additional 2-year period, from Aug-2023 until Aug-2025
- 9M 2022 Ebitda better than 9M 2021 at current currency (+€12.9m, +47.6%)
- Following the ongoing process of production optimization, in Q3 2022, the company completed the process of closing the "Brasilia" website with about 450 positions that exclusively served 1 client and moved the operation to the Maceio website. This followed the reorganization of the sites in Aracaju and Nossa Senhora do Socorro completed in Q1
- Because of the reorganization activities mentioned above, in 9M 2022 extraordinary costs (€1.2m)
- To contain the inflation raise, the Central Bank of Brazil (BACEN) increased its base interest rate (SELIC) to 13.75% (in August), an increase of 450bps vs December 2021

Summary P&L

€m



€ million	YTD Dec 21	LTM Sep 21	LTM Sep 22	YTD Sep 21	YTD Sep 22
	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenues	945.8	913.1	1036.2	673.6	764.0
<i>% Growth</i>			13.5%		13.4%
Total of Revenues and Other Income	973.9	933.5	1069.4	685.4	781.0
<i>% Growth</i>	9.3%		14.6%		13.9%
Operating Costs	(821.6)	(790.0)	(896.5)	(583.7)	(658.6)
<i>% Revenues</i>	86.9%	86.5%	86.5%	86.7%	86.2%
Adjusted EBITDA	152.3	143.4	172.9	101.8	122.4
<i>% Margin</i>	16.1%	15.7%	16.7%	15.1%	16.0%
Non-Recurring Items	(6.8)	(9.8)	(10.0)	(3.9)	(7.1)
<i>% Revenues</i>	0.7%	1.1%	1.0%	0.6%	0.9%
EBITDA	145.5	133.7	162.9	97.9	115.2
<i>% Margin</i>	15.4%	14.6%	15.7%	14.5%	15.1%
D&A	(37.1)	(36.6)	(43.3)	(26.9)	(33.2)
<i>% Revenues</i>	3.9%	4.0%	4.2%	4.0%	4.3%
EBIT	107.5	97.7	118.8	71.0	82.4
<i>% Margin</i>	11.4%	10.7%	11.5%	10.5%	10.8%
Interest Expense ⁽¹⁾	(33.6)	(32.8)	(30.5)	(23.7)	(20.6)
<i>% Revenues</i>	3.5%	3.6%	2.9%	3.5%	2.7%
EBT	73.9	64.9	88.3	47.4	61.8
<i>% Margin</i>	7.8%	7.1%	8.5%	7.0%	8.1%
Taxes	(14.0)	(14.6)	(27.2)	(7.7)	(20.9)
Group Net Income	59.9	50.3	61.1	39.6	40.8

Key comments

- 9M 2022 Revenues better than 9M 2021 (+€90.4m, +13.4%)
- 9M 2022 Ebitda increased by €17.4m, +17.8% vs 9M 2021
- 9M 2022 Ebitda includes €7.1m extraordinary costs related to provisions for personnel early retirement (*Quota 100*) in IT Services (€0.6m), stock grant (€2.2m) in IT Services and Almawave, M&A extraordinary costs in Almawave (€0.2m), rightsizing one-off costs (€2.9m) in CRM Europe, sites reorganization in CRM International (€1.2m). Adjusted Ebitda at €122.4m (+20.2% vs 9M 2021)
- 9M 2022 Ebitda margin increased by 90 bps (16.0% vs 15.1% in 9M 2021) on adjusted base
- 9M 2022 Operating costs in line vs 9M 2021
- 9M 2022 EBIT increased vs 9M 2021 (€82.4m vs €71.0m, +16.0%)
- D&A, mainly related to investments in product development in IT Division and investments in sites in Brazil. Increase related to new products and investments in 2021 in CRM International to better integrate the operations of the acquired companies
- 9M 2022 EBT at €61.8m (+30.3% vs 9M 2021)
- Interest expense better than 9M 2021 (-3,0m)
- Taxes increase due to the increase in EBT and to the positive results in 2021 (€8.5m) related to the tax realignment of the goodwill in Almaviva SpA
- 9M 2022 Net Income at €40.8m better vs 9M 2021

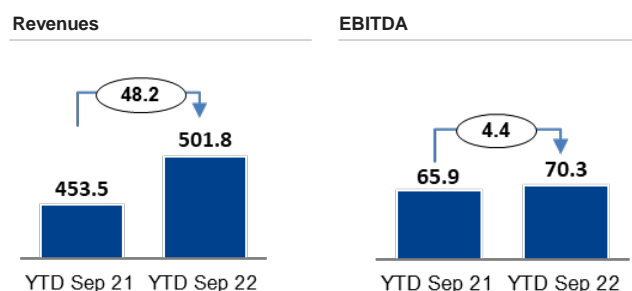
⁽¹⁾ Interest Expense includes FX change effect of €0.5m in 9M 2022.

Key Financials By Division

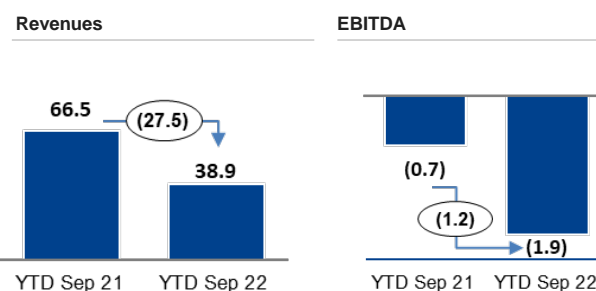
€m

Sep-2022 Year To Date Performance

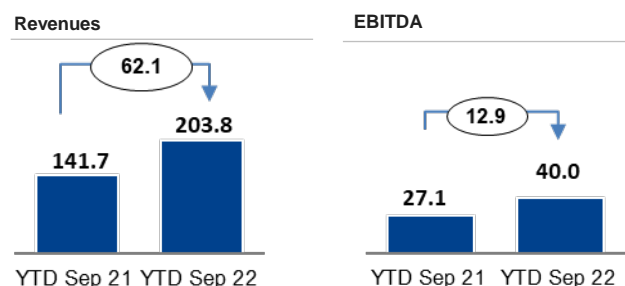
ITC Services



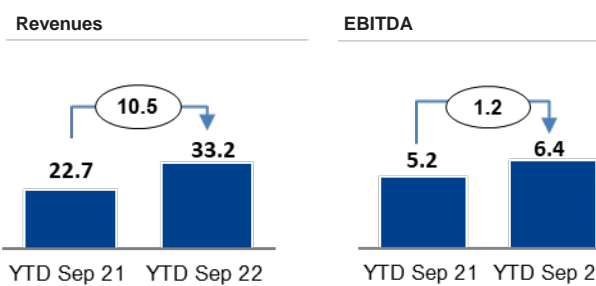
CRM Europe



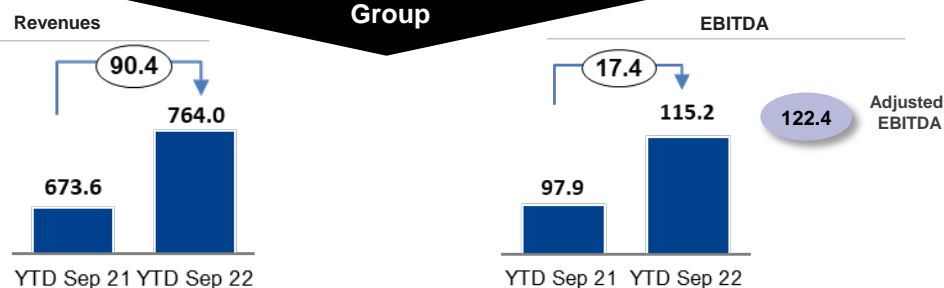
CRM International



Almawave



Group

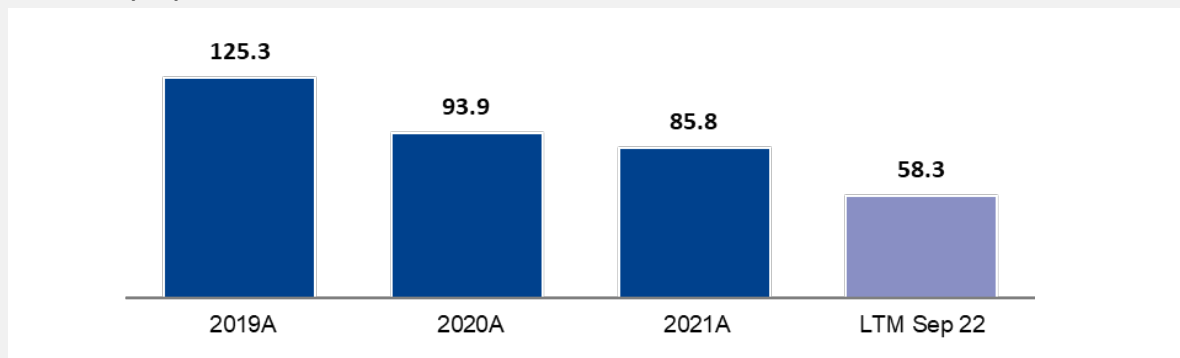


Key comments

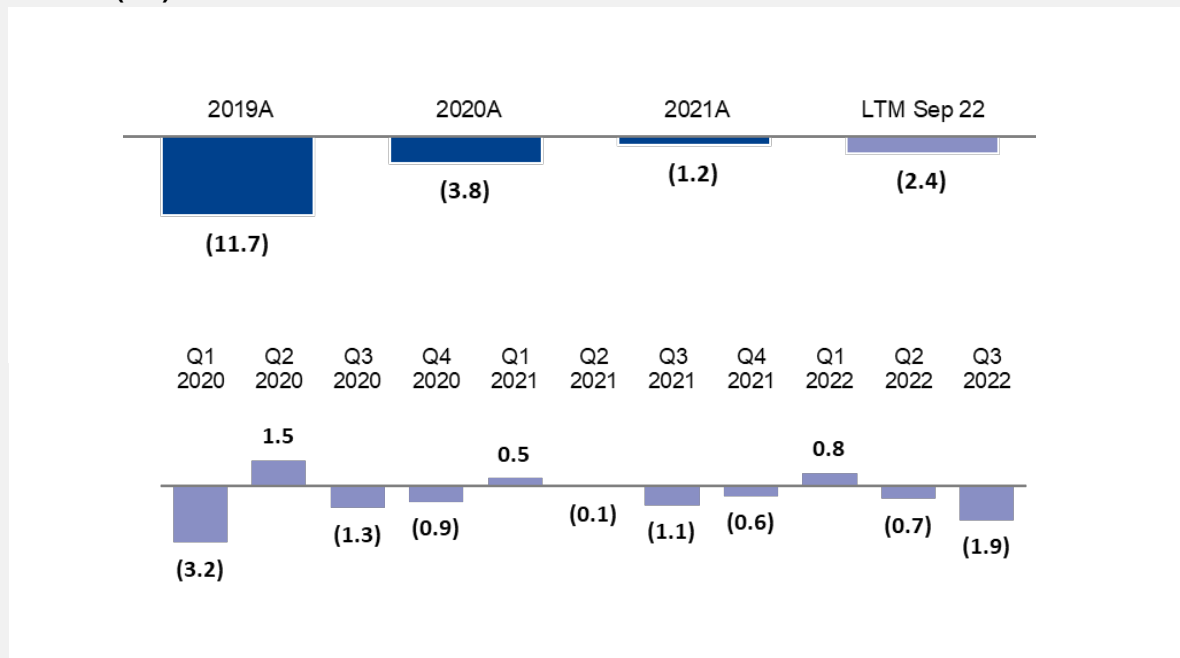
- In 9M 2022 growth in Group Revenues (+€90.4m, +13.4%) and Group Ebitda (+€17.4m, +17.8%) compared to 9M 2021, with higher marginality
- Group Adjusted Ebitda margin increased by 90 bps (16.0% vs 15.1% in 9M 2021)
- IT Services keeps growing in 9M 2022 both in Revenues (+€48.2m, +10.6%) and Ebitda (+€4.4m, +6.7%) compared to 9M 2021
- CRM Europe shows Revenues and Ebitda impacted by right-sizing (one shot phase-out) decreased vs 9M 2021 (-€1.2m, from -€0.7m to -€1.9m). Adjusted Ebitda at €1.0m.
- CRM International significant increase in Revenues (+€62.1m, +43.9%) and Ebitda (+€12.9m, +47.6%) The launch of the activities on 4 new clients are leading to a consistent revenue and margin increase also in the next quarters
- Almawave growth in Revenues (+€10.5m, +46.4% vs 9M 2021) and Ebitda (+€1.2m, +23.2% vs 9M 2021)
- 9M 2022 Ebitda includes €7.1m extraordinary costs related to provisions for personnel early retirement (*Quota 100*) in IT Services (€0.6m), stock grant (€2.2m) in IT Services and Almawave, M&A extraordinary costs in Almawave (€0.2m), rightsizing one-off costs (€2.9m) in CRM Europe, sites reorganization in CRM International (€1.2m). Adjusted Ebitda at €122.4m (+20.2% vs 9M 2021)

Key Financials

Revenue (€m)



EBITDA (€m)

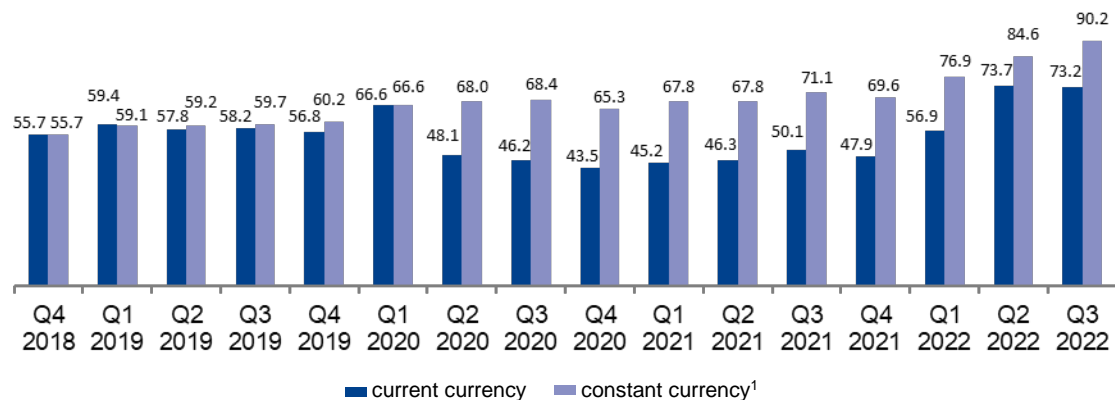


Key comments

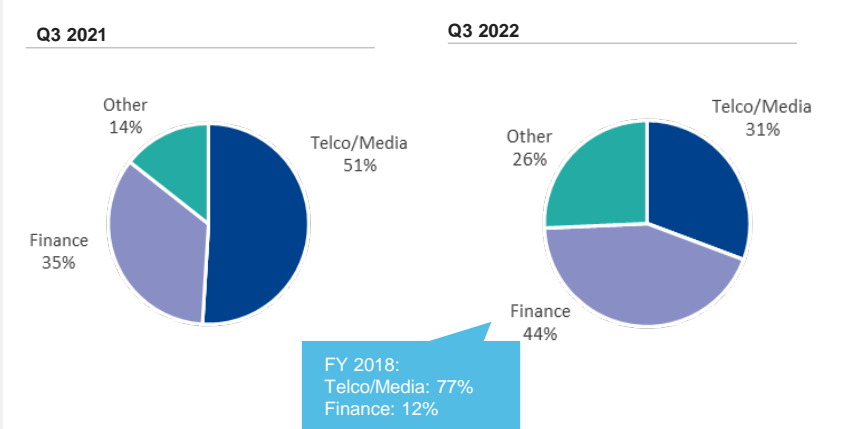
- 9M 2022 negative Ebitda at €1.9m, affected by the operation costs shifting due to rightsizing and seasonality. Costs include around €2.9m related to phase-off activities on unprofitable contracts and sites reorganization
- Positive LTM September 2022 Ebitda on adjusted base: +€1.1m
- Continuous efficiency actions to improve the sites overall operational structure efficiency and to promote costs containment
- >90% of the workforce delivering services in smart-working (including the dedicated information service number 1500 and the management of Green Pass)
- Since 2015, CRM Europe's workforce has been consistently reduced in line with "rightsizing" of business operations and selectively focus only on profitable relations and products. As of September 2022, workforce reduction of 1,675 (-50.6%) vs December 2021 and of 6,269 vs December 2015 (-79.3%)

Key Financials

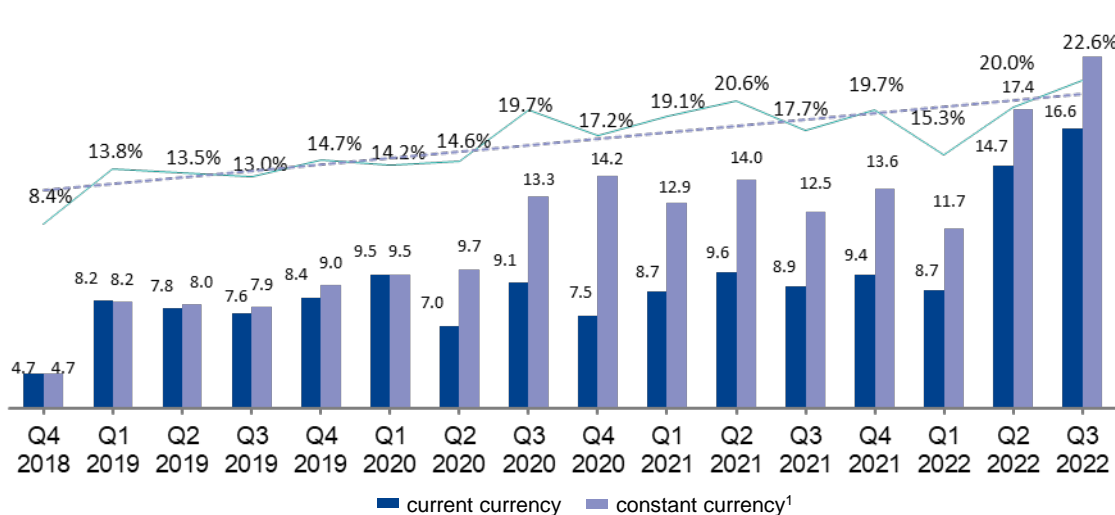
Revenue (€m)



Revenue Breakdown



EBITDA (€m)



Key comments

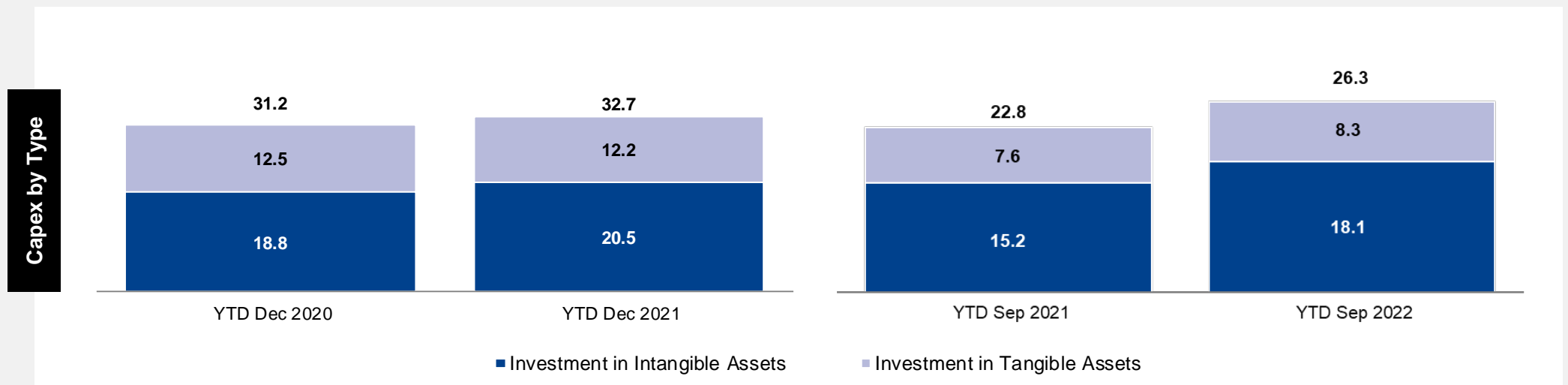
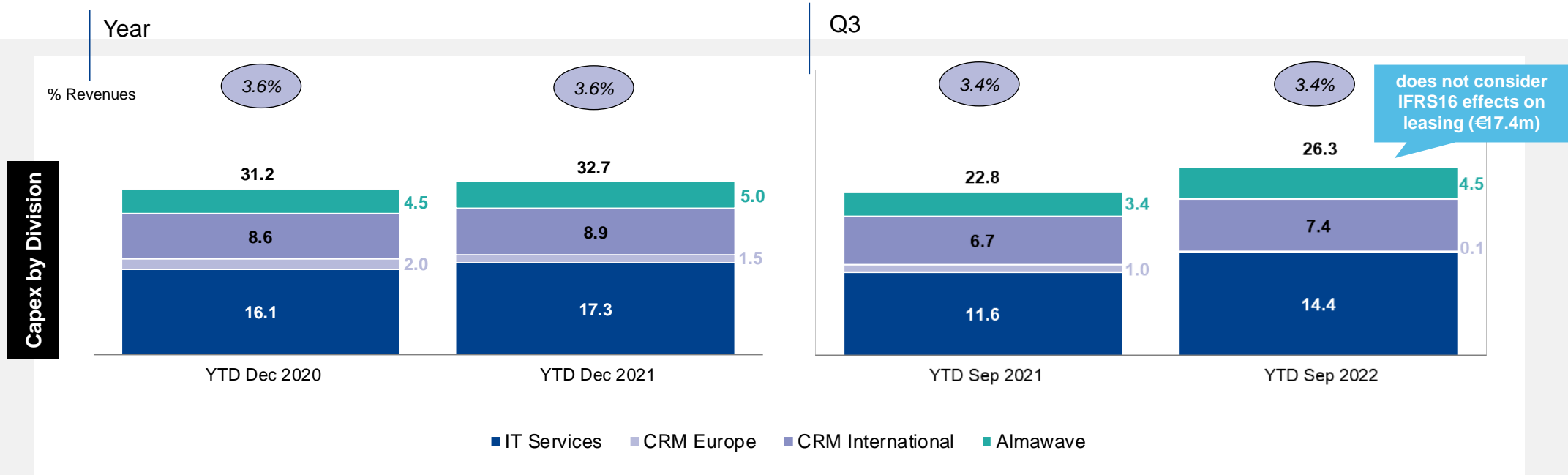
- 9M 2022 Ebitda better than 9M 2021 at current currency (+€12.9m, +47.6%), of which €5.7m related to the acquisition of CRC and €7.2m (+26%) due to organic growth, with optimization of revenue mix
- Investments on new clients: conclusion of the implementation of 3 non-telco clients that were contractualized in Q1 2022 and implementation of 4 new clients acquired in Q3 2022, generating a consistent revenue impact in the coming quarters with a sound revenue allocation
- Since 2018, optimization on revenue allocation (telco/media from 77% to 31%)
- Strong double digit Ebitda margin starting from Q1 2019
- 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 31% in 9M 2022 vs 51% in 9M 2021

Since 2019, figures consider the adoption of the new accounting principles IFRS 16 that came into effect on January 1st 2019.

¹ Constant currency Q4 2018.

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 €43.7m.

9M 2022 Capex do not include the goodwill of CRC, The Data Appeal Company, Tecna, and Sistemi Territoriali (~€38.5m).

Summary Cash Flows

€m

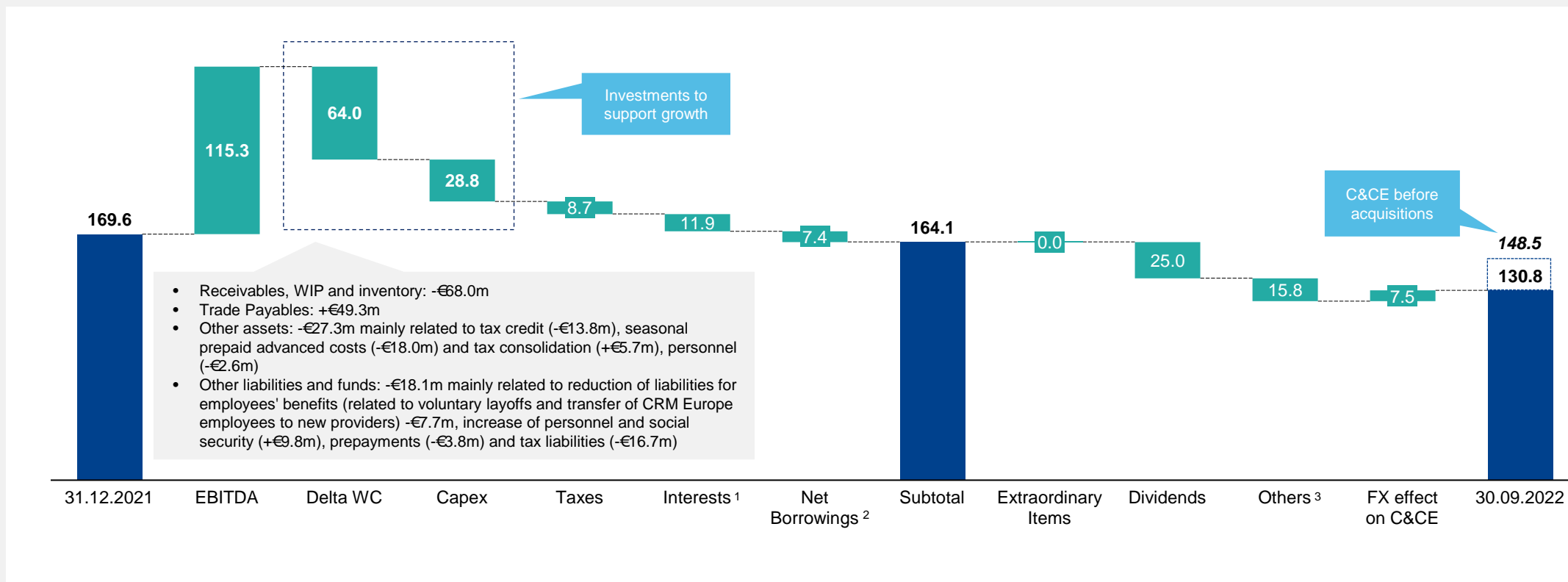
€million	YTD Sep 21	YTD Sep 22		Key comments
Adjusted EBITDA	101.8	122.4		<ul style="list-style-type: none"> ■ Positive Free Cash Flow for Debt Service ante extraordinary items ■ 9M 2022 Capex at €28.8m increasing vs 9M 2021 Capex at €21.1m; 9M 2022 Capex are mainly related to specific projects in IT, activities to integrate the acquired companies CRC and Chain in CRM International and space rationalization connected to smart-working in every site in Italy and abroad ■ Change in working capital is mainly driven by receivables, WIP, social security, prepaid expenses, payables, taxes and VAT credits. Total VAT credits €35.2m; €26m will be collected by year-end 2022 ■ Consistent Free Cash Flow for Debt Service ante extraordinary Items vs 9M 2021 ■ Other Items in 9M 2022 include the acquisition of CRC LTDA and CRC Digital LTDA; Data Appeal, Tecnaù, and Sistemi Territoriali. 9M 2021 values include Almawave IPO
Capex	(21.1)	(28.8)	-€28.8m after VAT credits	
(Increase) / Decrease in Normalised Working Capital	(67.8)	(64.0)	€64.8m after VAT credits	
Adjusted Operating Cash Flow	12.8	29.6		
% Adjusted EBITDA	12.6%	24.2%		
Non-Recurring Items	(3.9)	(7.1)		
Taxes	(7.2)	(8.7)		
Free Cash Flow for Debt Service ante Dividend Payments and Other Items	1.7	13.8	€49.0m after VAT credits	
Dividend Payments	(10.2)	(25.0)		
Other Items ⁽¹⁾	29.1	(15.8)		
Free Cash Flow for Debt Service	20.6	(27.0)	€41.8m after VAT credits, iso dividend payments and excluding acquisitions	

⁽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 (+17.4m, +17.8% at Group level vs 9M 2021)
- Impact on working capital due to overall growth (Receivables, VAT credits) and voluntary layoffs
- Cash & Cash Equivalents at €148.5m, excluding cash out for acquisitions

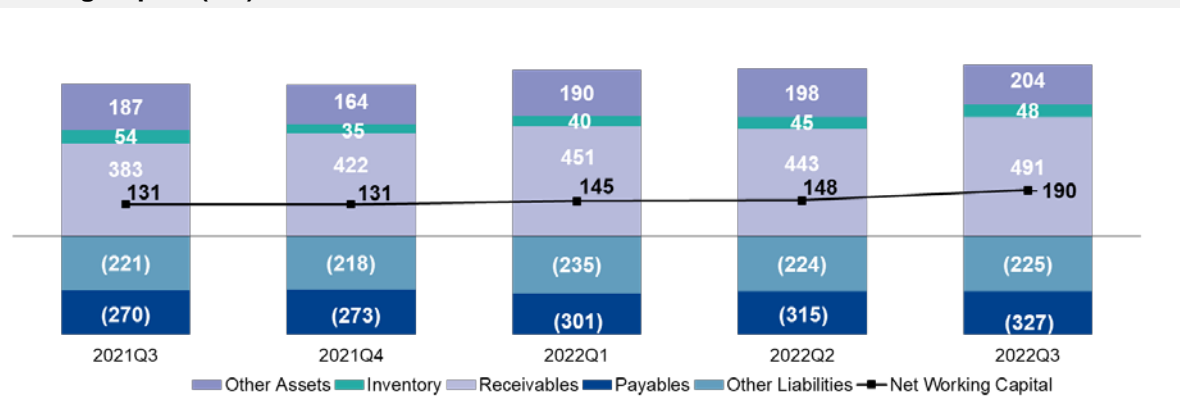
⁽¹⁾⁽²⁾ Include leases repayment.

⁽³⁾ Includes consideration for the acquisition of CRC LTDA and CRC Digital LTDA (€10.1m), The Data Appeal Company (€3.3m), Sistemi Territoriali (€1.8m) and Tecnaú (€2.6m).

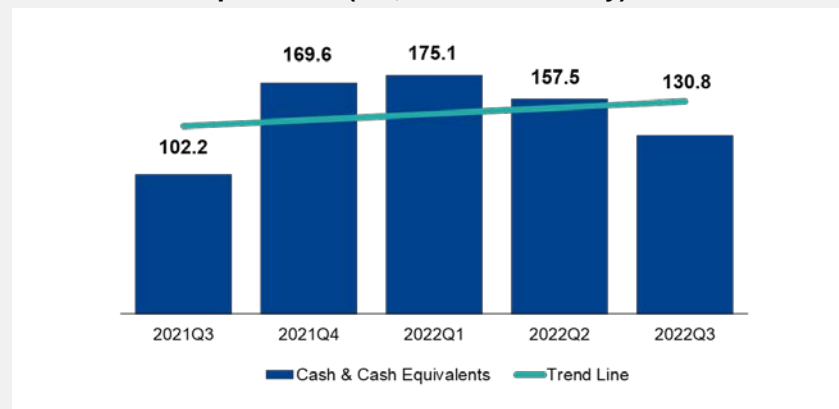
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)

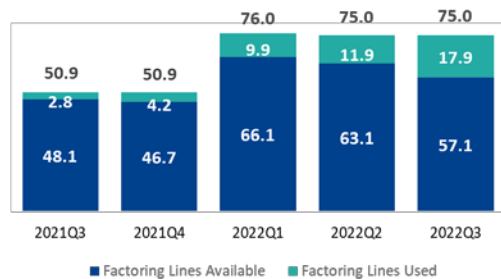


Cash & Cash Equivalents (€m, current currency)

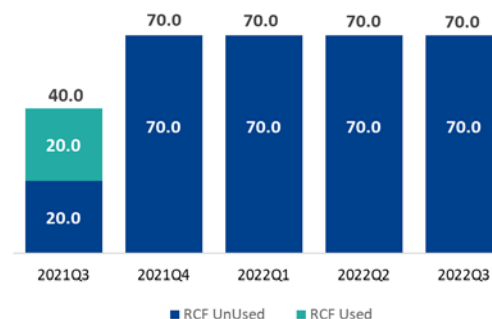


Factoring without Recourse & RCF (€m)

Factoring WO Recourse



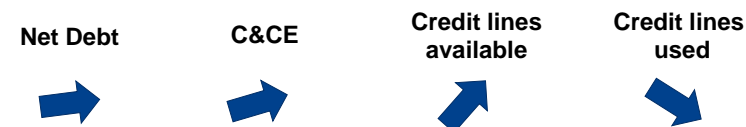
RCF



Net Debt (€m)

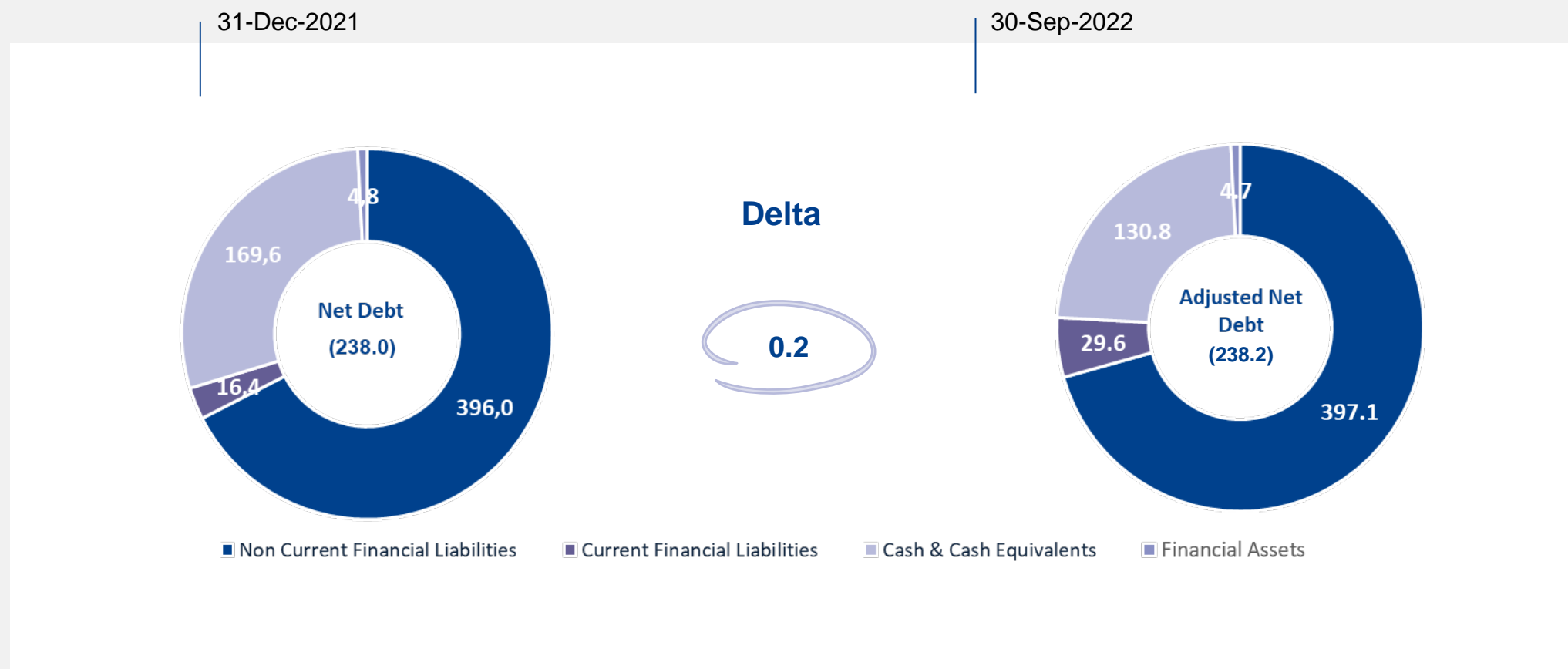
	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3
Net Debt	(243.8)	(238.0)	(246.4)	(258.4)	(291.2)
Delta vs Previous Q		5.9	(8.5)	(11.9)	(32.8)
Delta vs 2021Q3		5.9	(2.6)	(14.5)	(47.3)

QoQ comparison



Financial Debt

Stable Adjusted Net Debt ⁽¹⁾, considering the acquisitions and VAT credits
(€m)



- Outstanding Cash Balance position
- Adjusted Leverage at 1.5x considering also the overall VAT credit (€35.2m)

⁽¹⁾ Net Debt adjusted considering acquisition of CRC (€10.1m), The Data Appeal Company (€3.3m), Sistemi Territoriali (€1.8m) and Tecnav (€2.6m).

Capitalisation Structure as at 30-Sep-22

€m	Amount	LTM Sep 22 EBITDA	Pricing	Maturity
Cash and cash equivalents	(130.8)			
Total current and non-current financial assets ⁽¹⁾	(4.7)			
Senior Secured Notes	350.0		4.875%	Oct-2026
Super Senior RCF (Drawn)	-			
Other financial liabilities ⁽²⁾	76.6			
Total Gross Debt	426.6	2.6x		
Total Net Debt	291.2	1.8x		
LTM Sep 22 EBITDA		162.9		
Super Senior RCF (Undrawn)	70.0		E+275bps	May-2026

Key Credit Stats based on reported financials

- Net Total Leverage: 1.8x
- Interest Coverage Ratio: 5.4x vs 4.3x as at Sep 2021
- No RCF drawdown

⁽¹⁾ Include financial credits.

⁽²⁾ Other financial liabilities include SIMEST participation, Government subsidized financings, accrued interests on coupon (€7.1m) to be paid in October 2022 and leasing.

Final remarks

Outstanding Backlog: €2.0b ; 3.4x LTM Sep 2022 revenues

Continuous awarding of main IT tenders in Italy, due to a unique technical know-how

Solid performance in all sectors, showing strong business resilience

Selected acquisitions to expand products and service lines

Continuous decrease in Leverage: 1.5x in Sep-22 (adjusted)

Outstanding cash balance position

ESG Report on Almaviva Group will be published before year-end
