

FY 2022 Results



Keep going

Information
Technology Market
22/21
(by Sirmi)

- IT Market at 23,3B€ (+1,3B€, +5,9% YoY), slightly losing momentum vs 21/20 of -2,3p.p mainly in Hardware & Dev Services not compensated by speed up in Managed Services (i.e. Cloud, IaaS, PaaS, SaaS)
- DV addressable Mkt at 12,2B€ (+0,9B€, +7,6% YoY), 52,2% on Total (+0,8p.p)
- Smart Workplace Transf at 2,0B€ (-1,1% YoY), Next Generation Data Center at 5,3B€ (+ 11,2% YoY) and Digital Business Transformation at 4,9B€ (+7,7%)

Revenues* Growth



- 18,6% YoY, better than Consensus, with a Cagr '19 – '22 of 20,2% on yearly basis
- 8° semester in a row with revenue growth
- PNRR still in warm up phase (Foster Public Admin digitalization)
- Digital Business Transformation driving the growth, supported by solid Next Gen Data Center and resilient Smart Workplace Transformation.
- Growth underpinned by a more diversified Customer Base (i.e. Finance & Utilities)

Ebitda Margin



- improved at 10,4% (+10bps* YoY) due to:
 - Higher volume not dilutive & change in revenues mix;
 - cost control discipline: on time purchasing & inventory management, strict control SG&A;
 - Inflationary effect on costs co-shared with Vendors and Customers, with a modest margin erosion;
 - Personnel: increase of salaries under control / leverage on outsourcing with strong internal governance

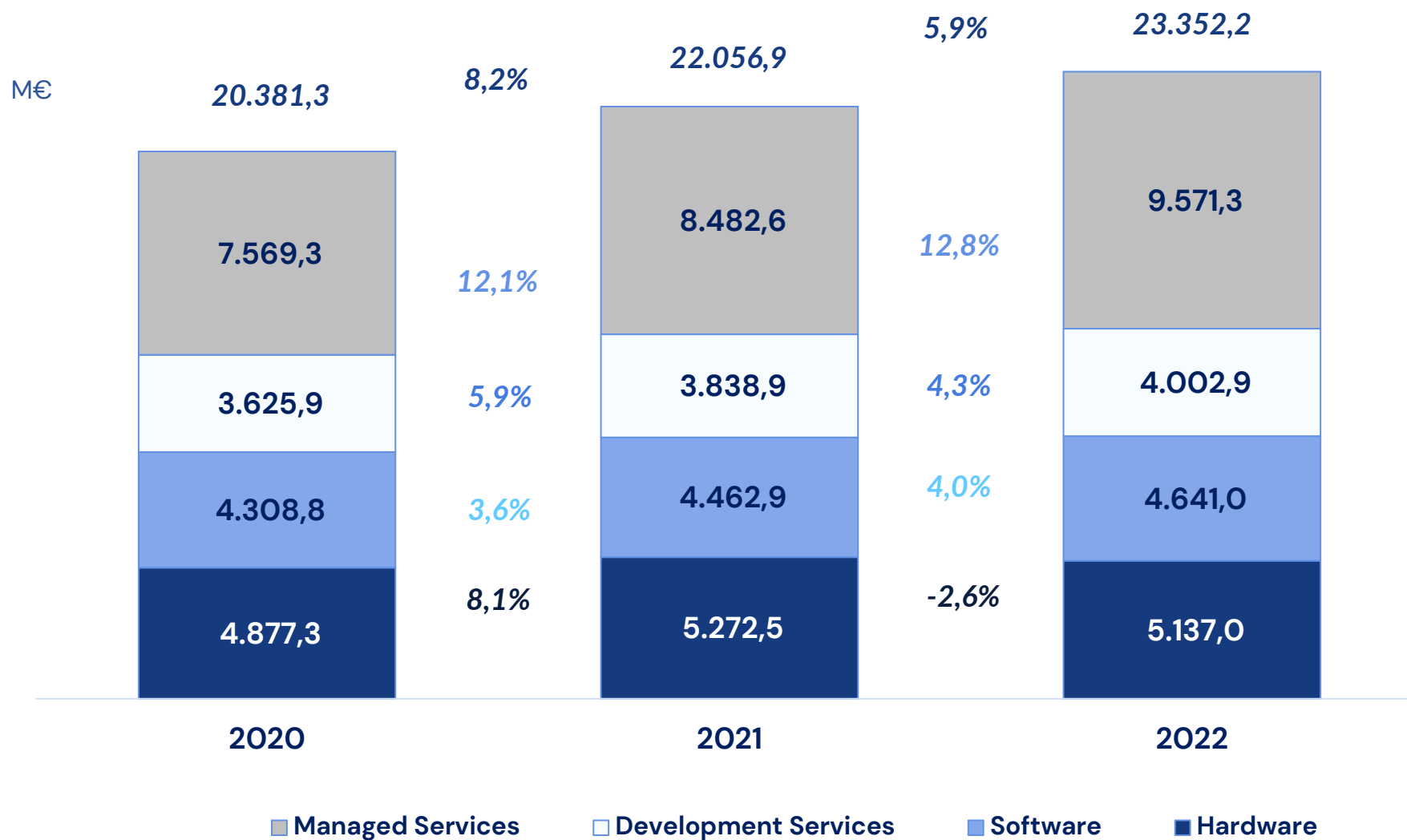
Financial Discipline
M&A



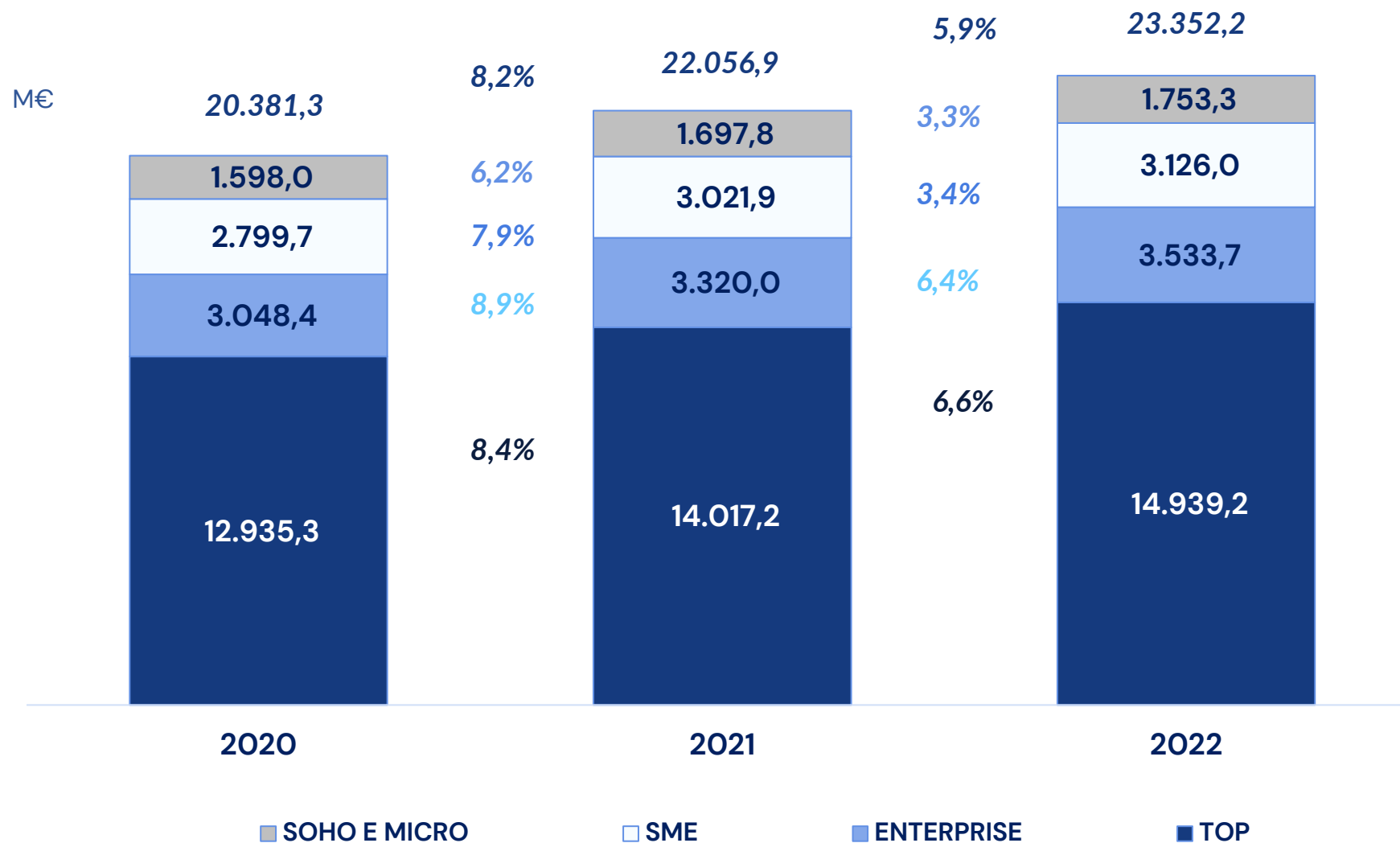
- NFP improvement mainly due to Ebitda conversion to OFCF (59% on Revs, vs 21% YoY) thanks to financial discipline & control in working capital (+25,3M€ YoY) further to lower time to delivery and on time purchasing;
- Capex increase on IaaS (+10,1M€ YoY)
- TTT stake up to 70% (+19% as per Call option agr.). Strike price 30% residual call option fixed

**Information Technology
Market in Italy
by Sirmi (March 2023)**

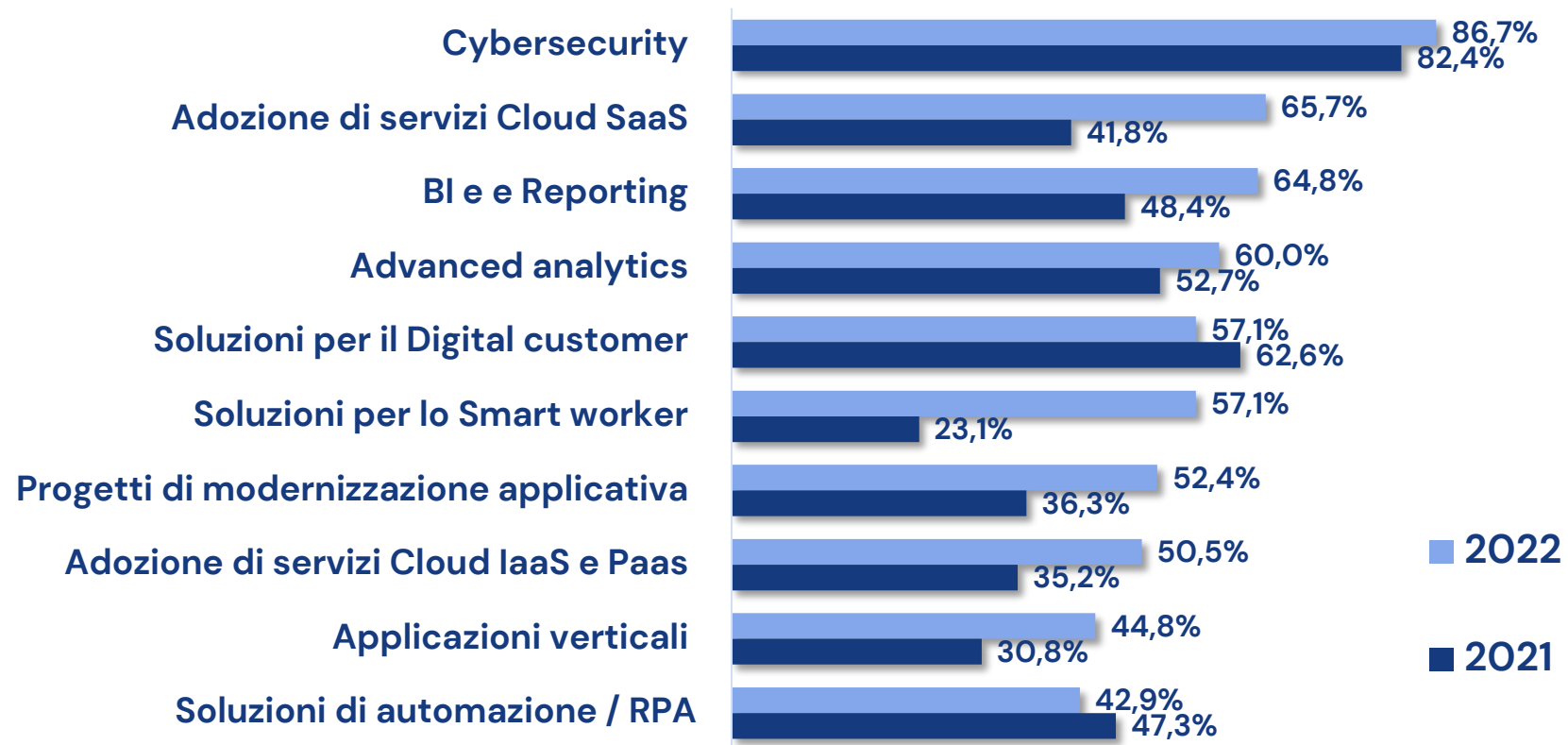
Information Technology Market in Italy 2020 - 2022



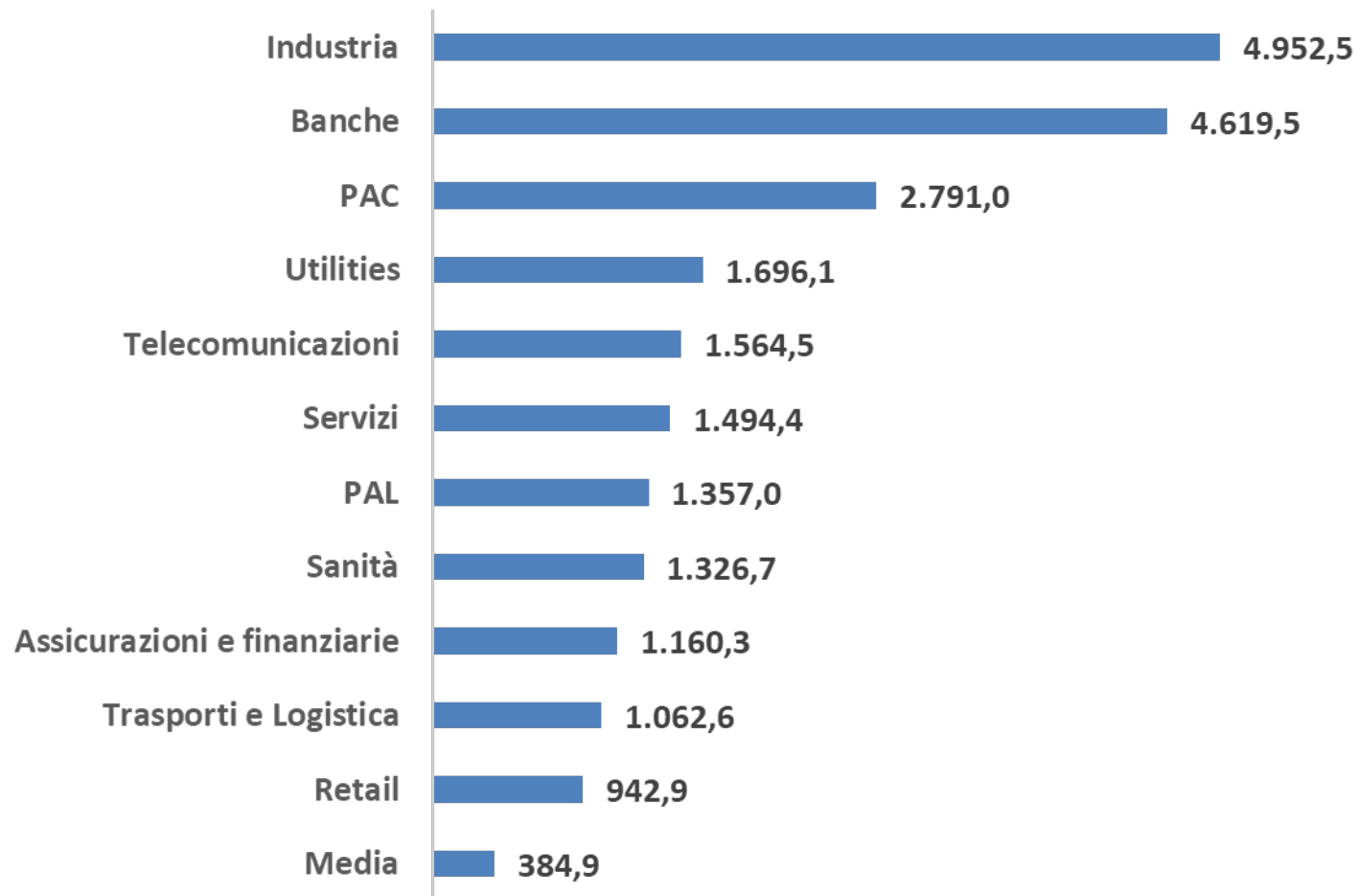
Information Technology Market in Italy 2020 - 2022



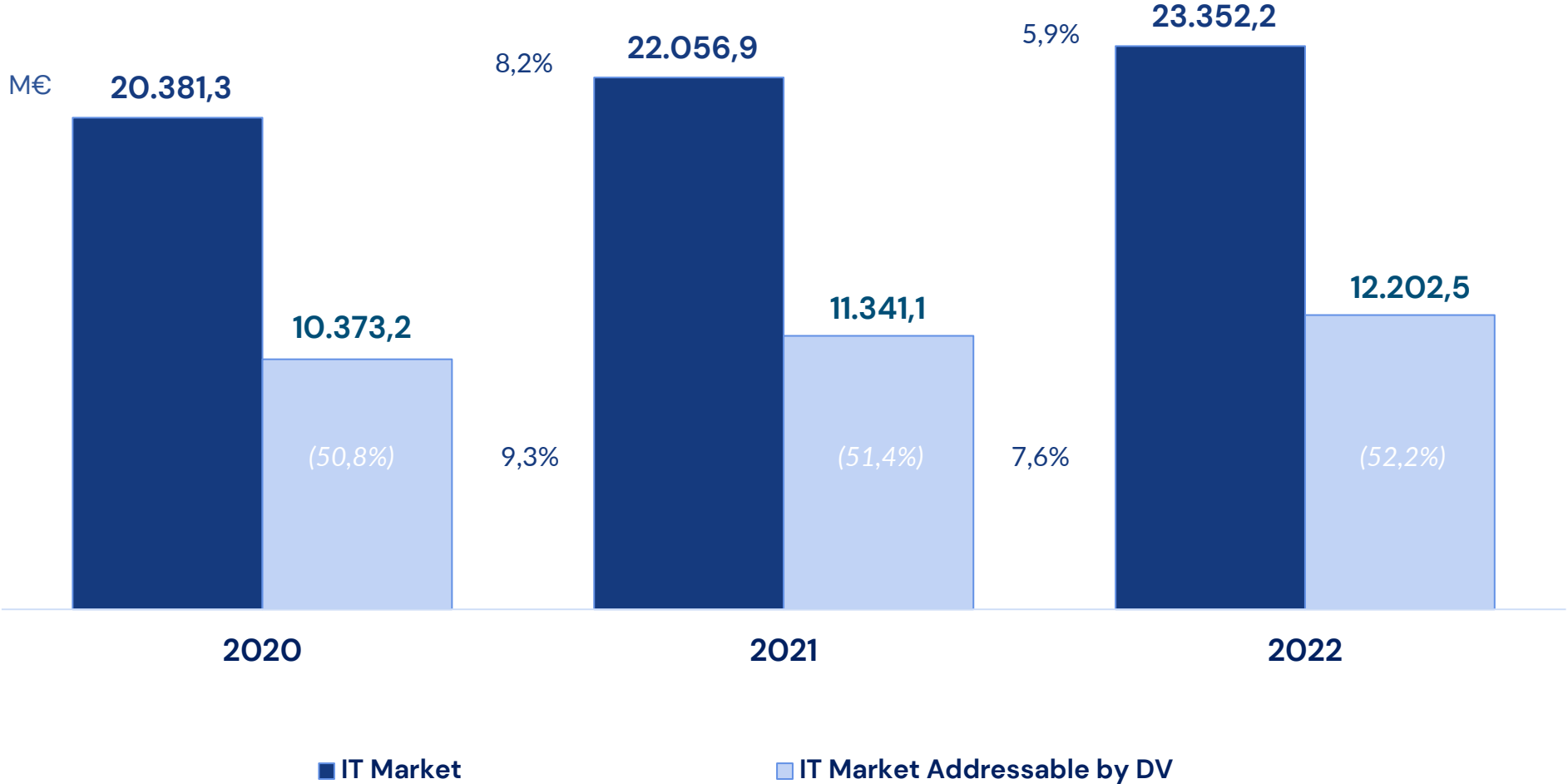
IT Spending by Tech. Areas 2020 - 2022



IT Spending by Vertical 2020 - 2022

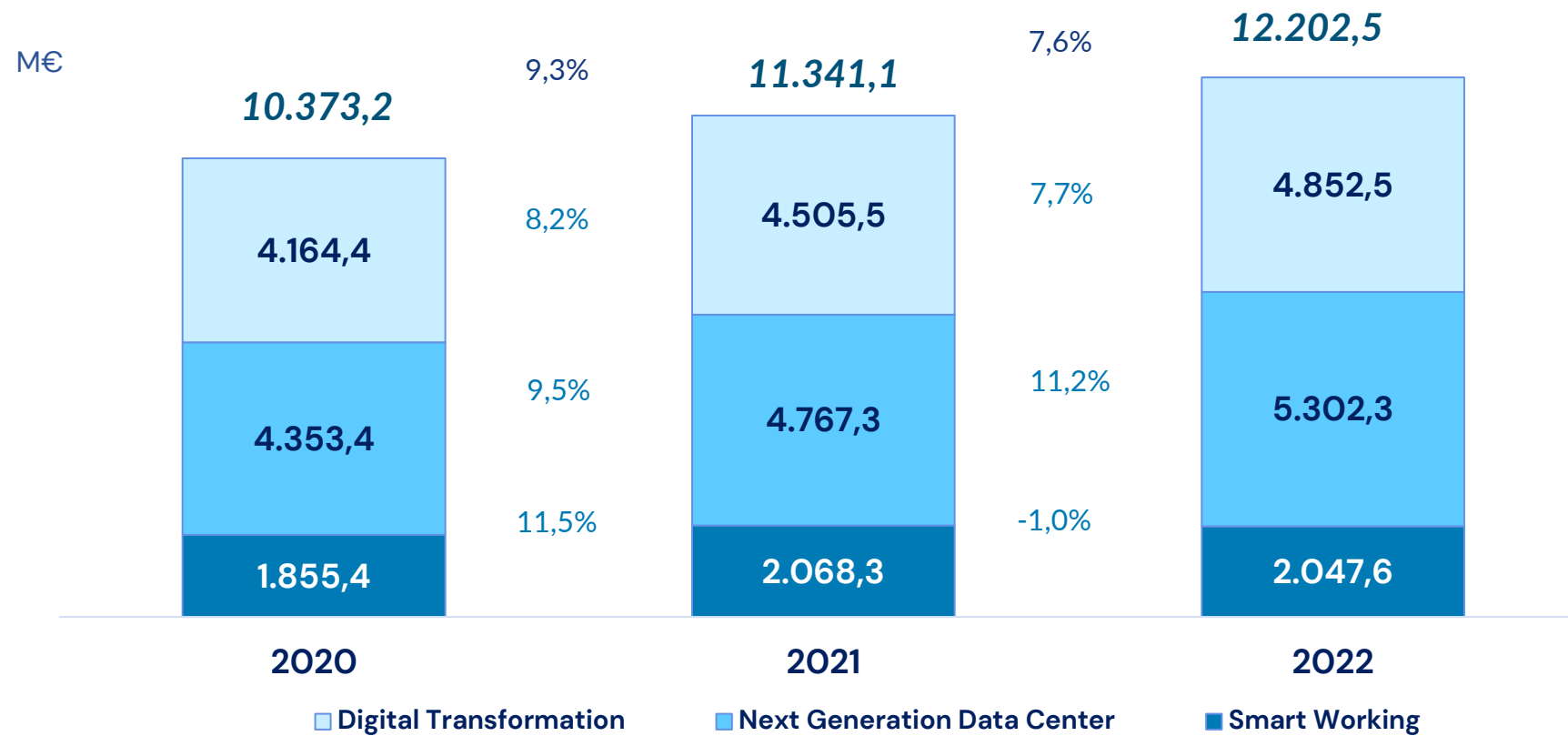


Information Technology Market «addressable» by Digital Value in Italy 2020 - 2022



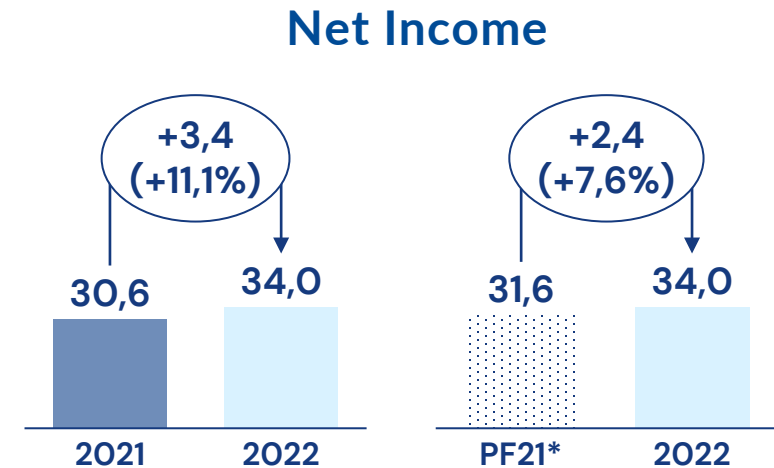
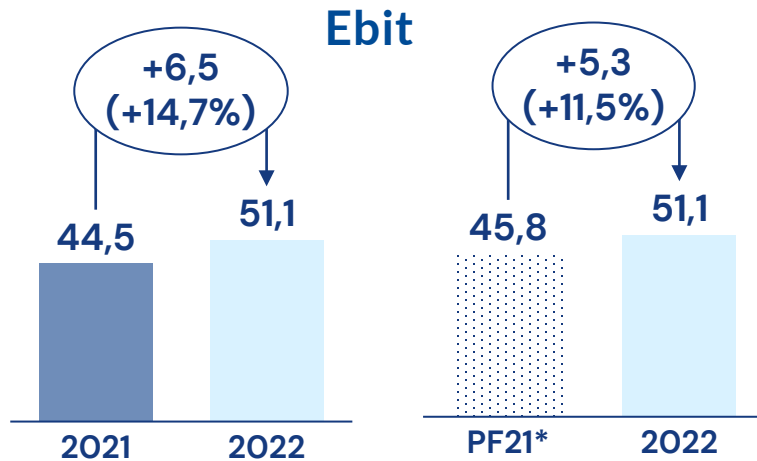
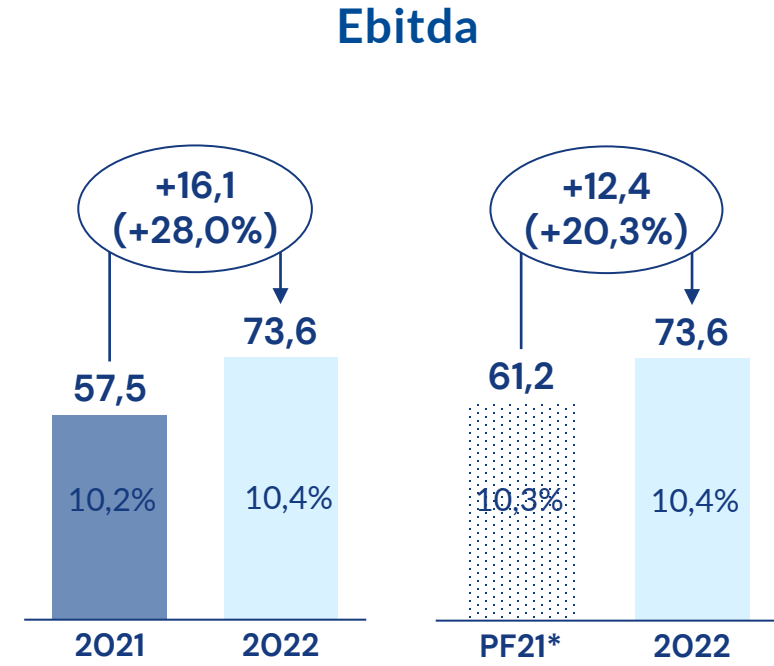
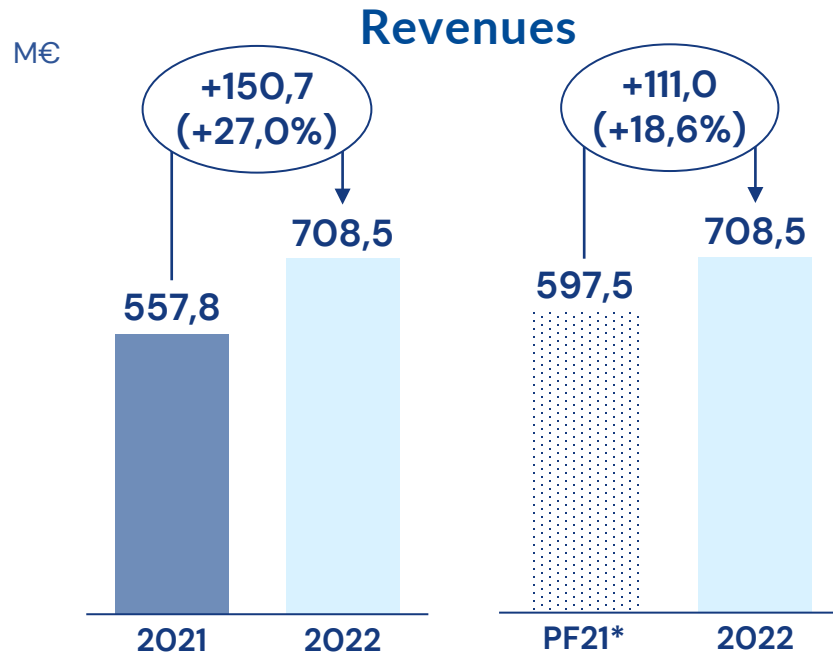
Source: SIRMI, March 2023

Information Technology Market «addressable» by Digital Value in Italy 2020 - 2022



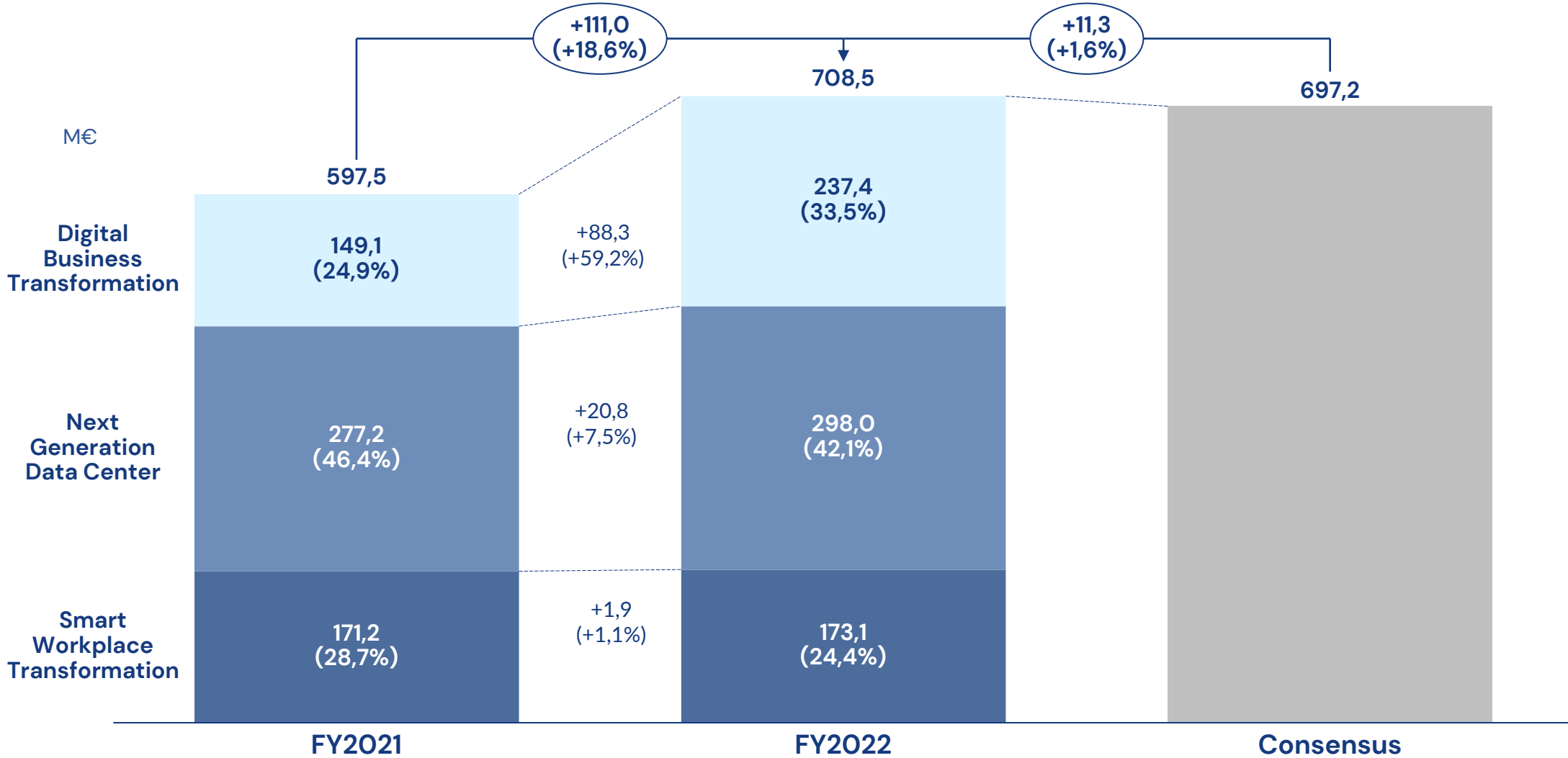
FY 22 Consolidated Financial Statements

Key Highlights FY2022 – Reported & ProForma* Figures



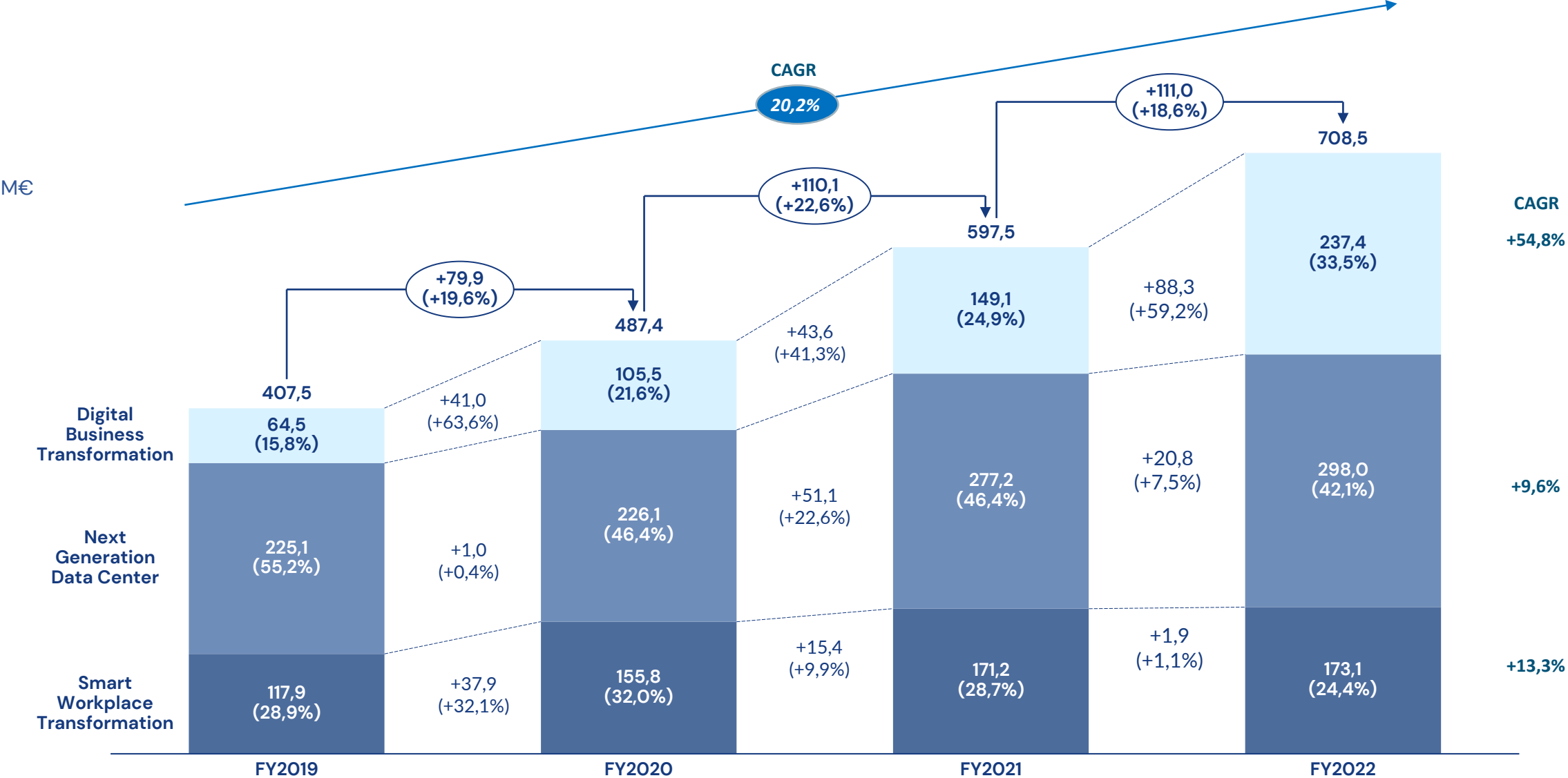
* Pro forma to include TT Tecnosistemi

Revenues* FY22 by Line of Business – 708,5M€, +111,0M€ +18,6% YoY; better than Consensus (+11,3M€, +1,6%)



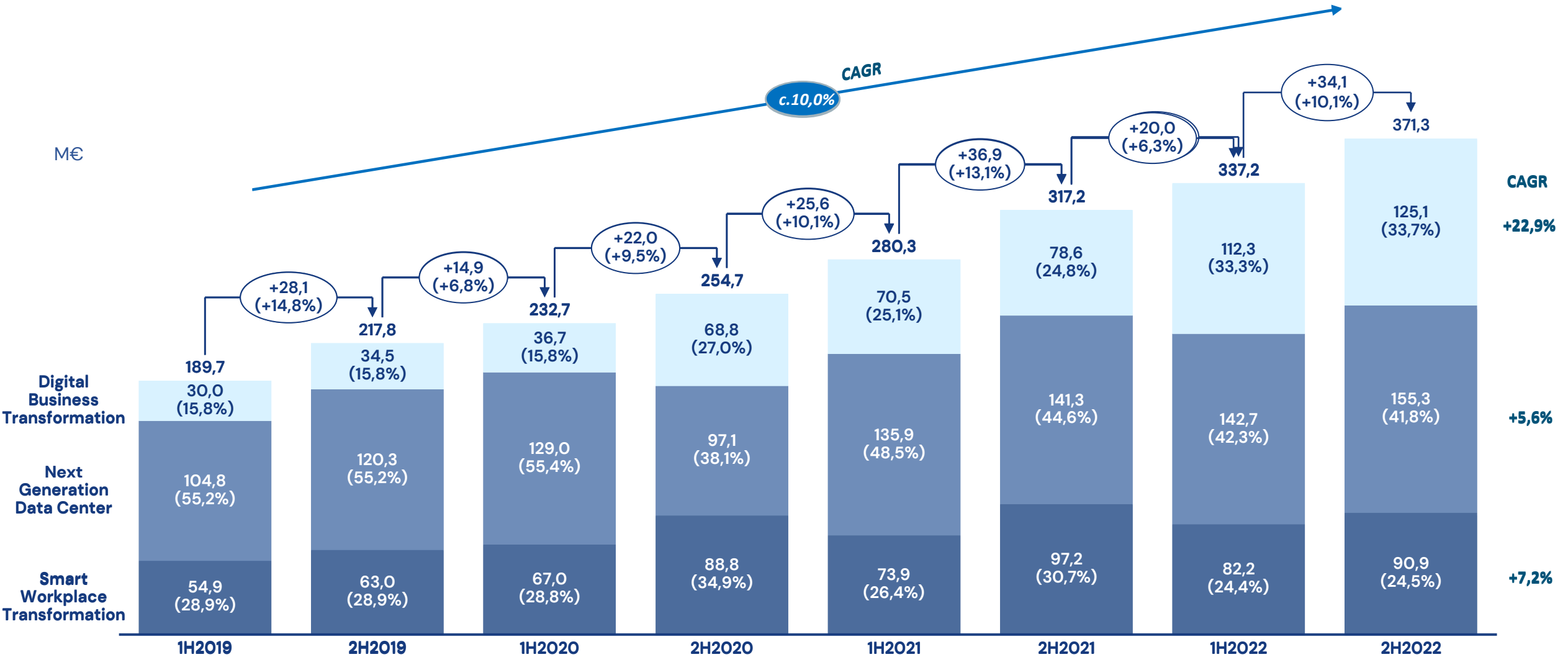
* Pro forma to include TT Tecnosistemi

DV registered a 20,2% 4Yrs CAGR Revenues* growth by Line of Business, strongly driven by DBT, underpinned by overperformance versus Market of both NGDC and SWT



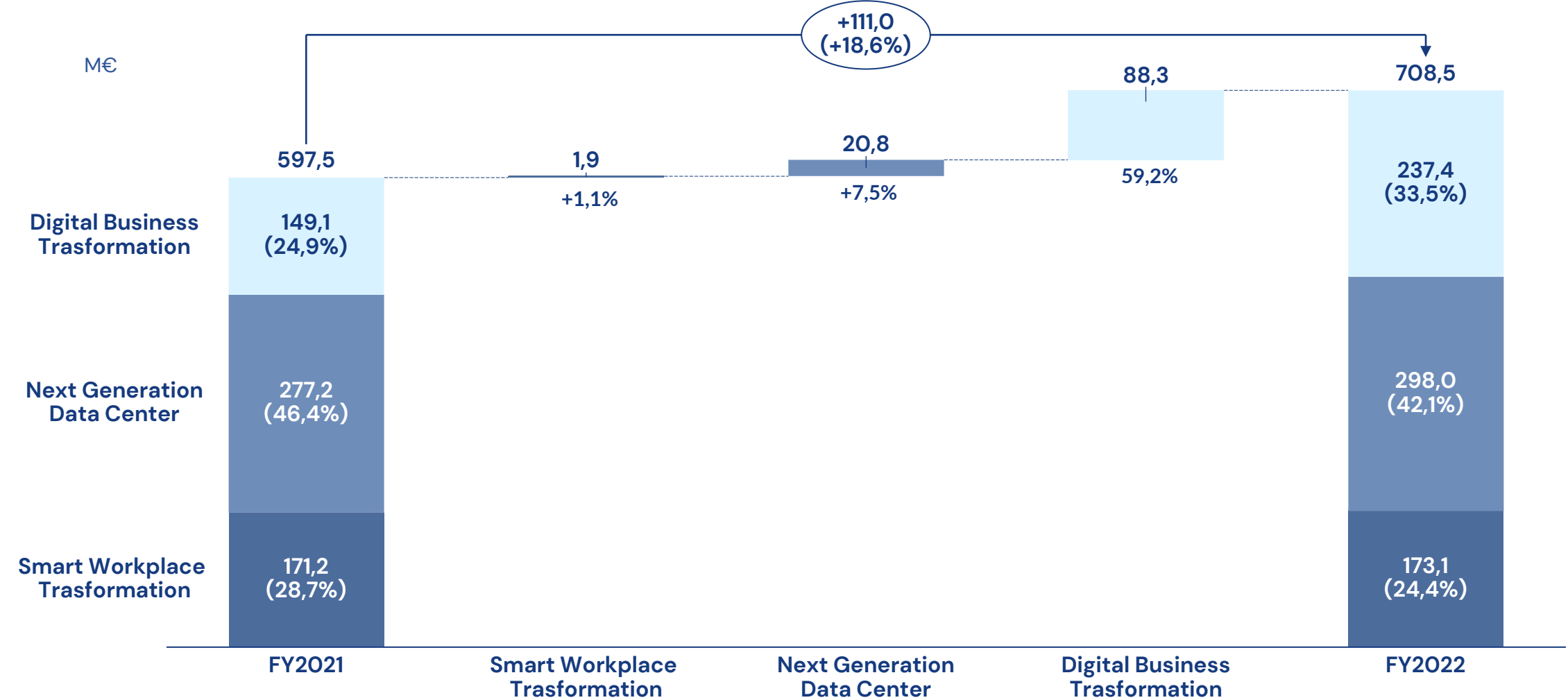
* Pro forma to include TT Tecnosistemi

Revenues* by Line of Business – 8° semester in a row with revenue growth



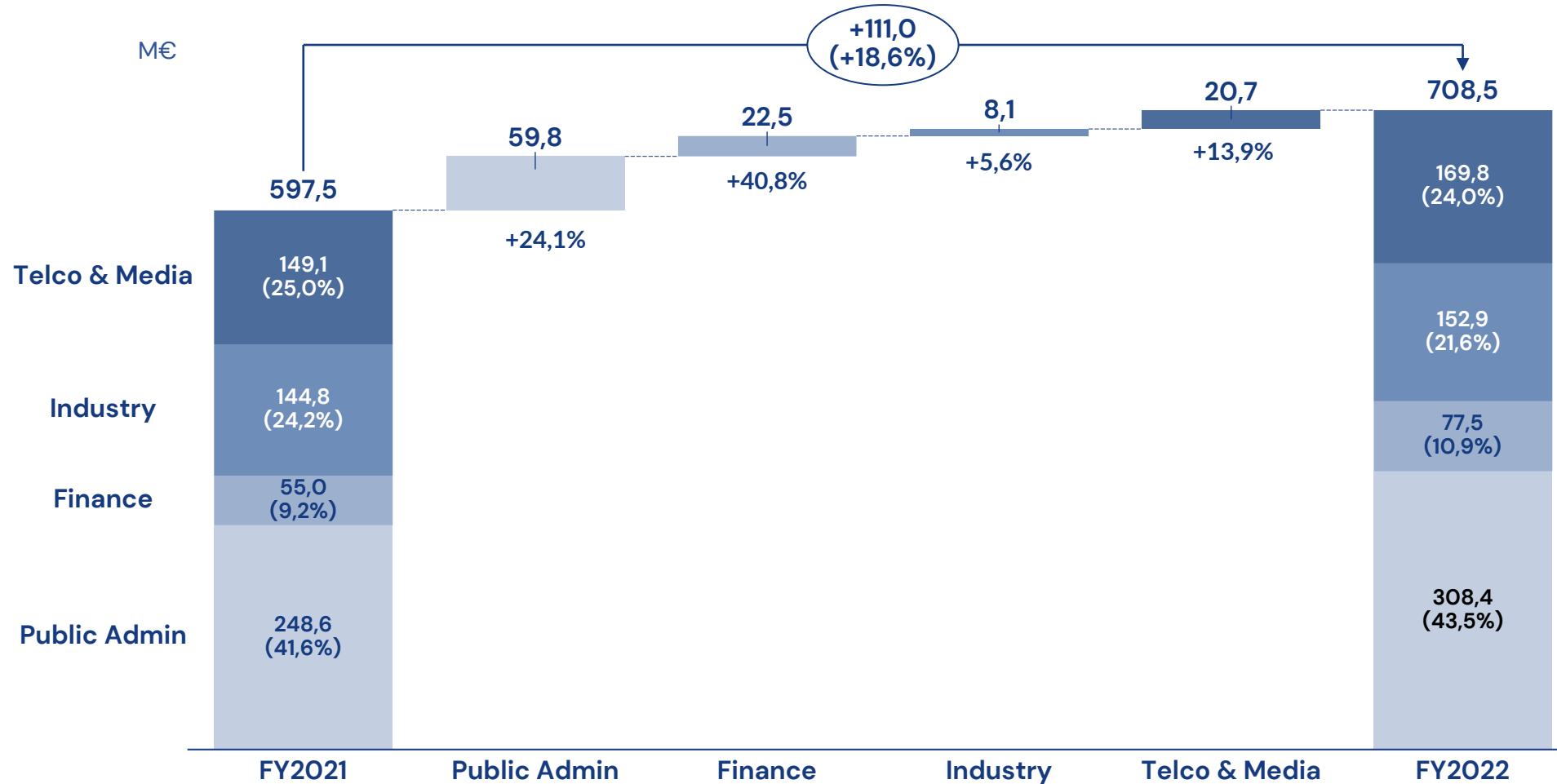
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Revenues Bridge by LoB – Digital Business Transformation driving the growth; Next Generation Data Center in line with market trend; Smart Workplace Transformation stable



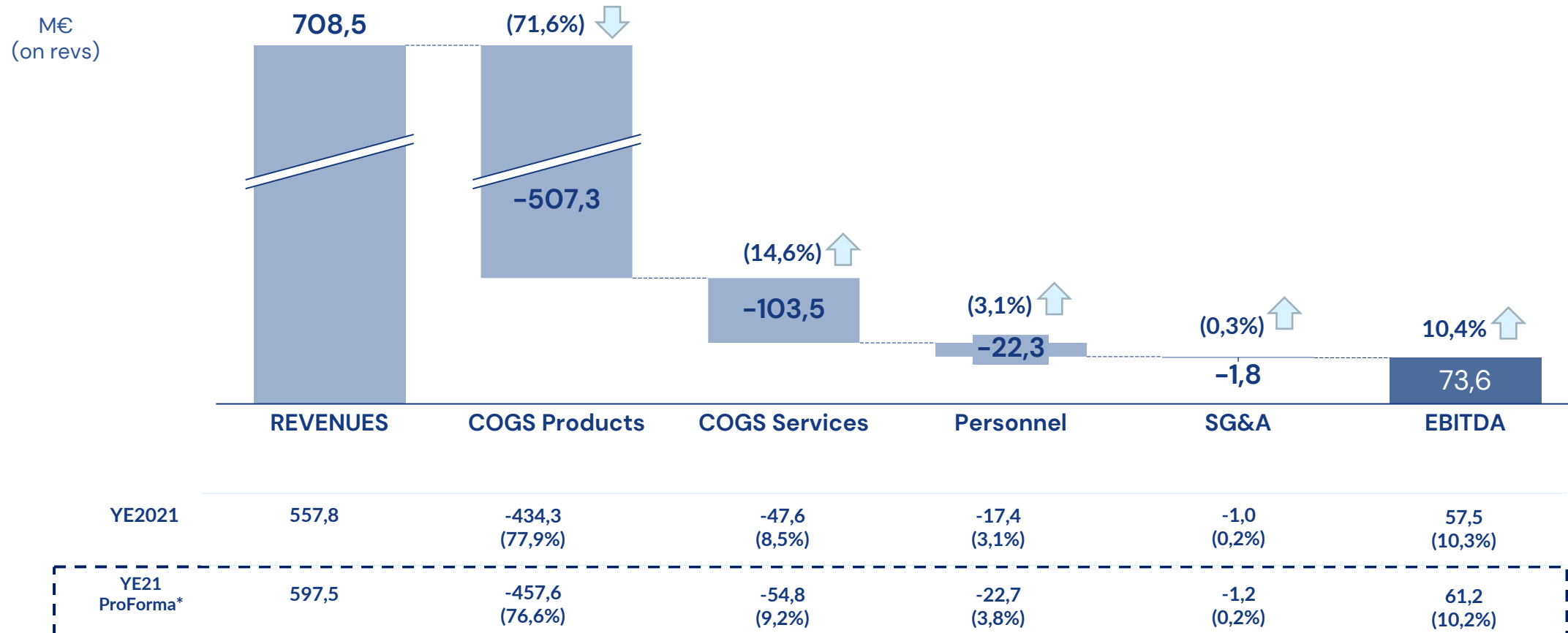
* Pro forma to include TT Tecnosistemi

Revenues Bridge by Vertical – Public Admin confirm big ICT spenders supported by initial PNRR funds; strong growth in Finance due to enhanced DV’s focus in commercial strategy & portfolio and resilience in Telco market.



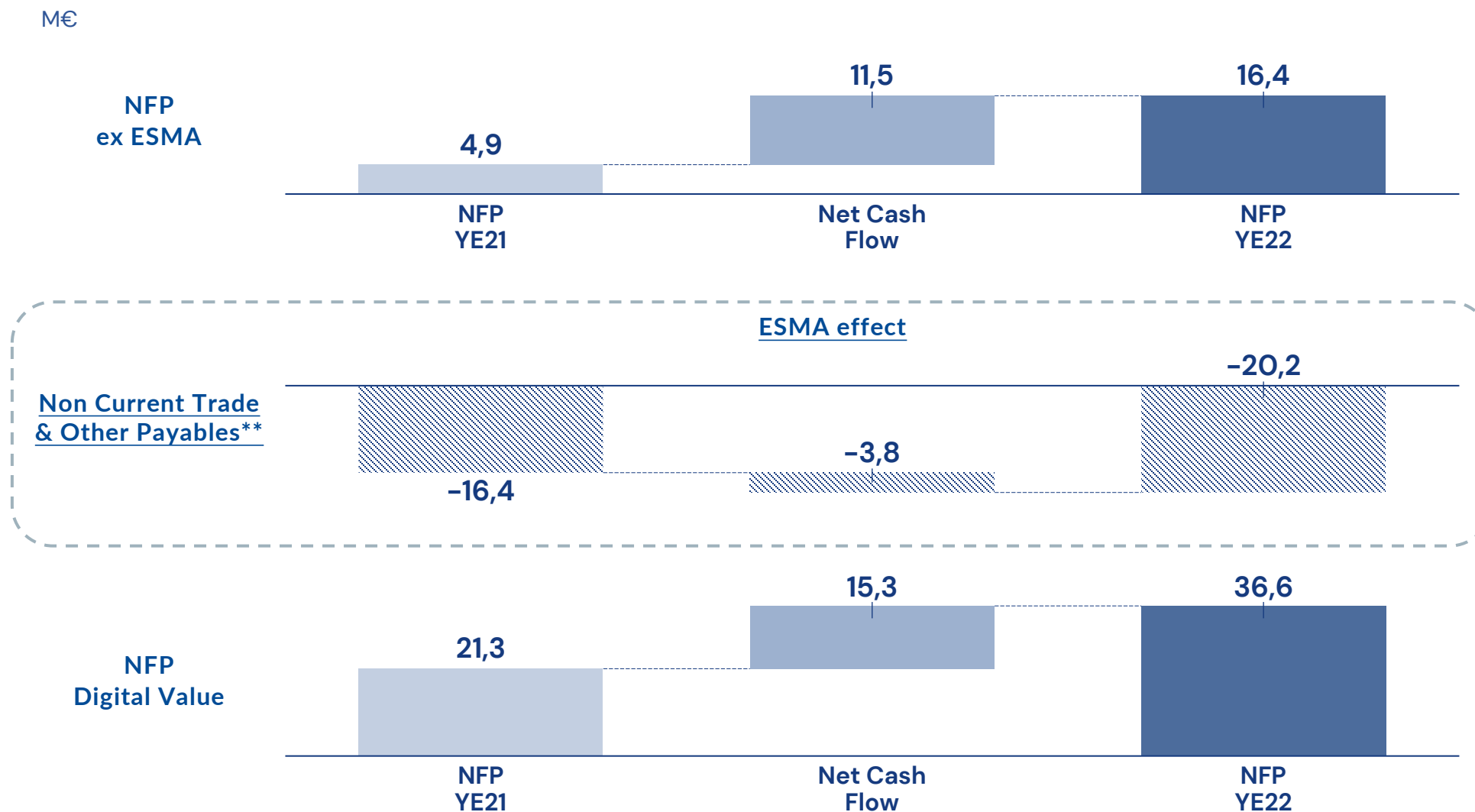
* Pro forma to include TT Tecnosistemi

Ebitda Bridge - improved at 10,4% thanks to a) higher volume & change in revenues mix; b) cost control discipline: on time purchasing, inventory management and strict control on SG&A; c) Inflationary effect on costs co-shared with Vendors and Customers, with a modest net erosion on margins; d) Personnel: increase of salaries under control / leverage on outsourcing with strong internal governance



* Pro forma to include TT Tecnosistemi

Net Financial Position according to new Reporting Standard ex ESMA*

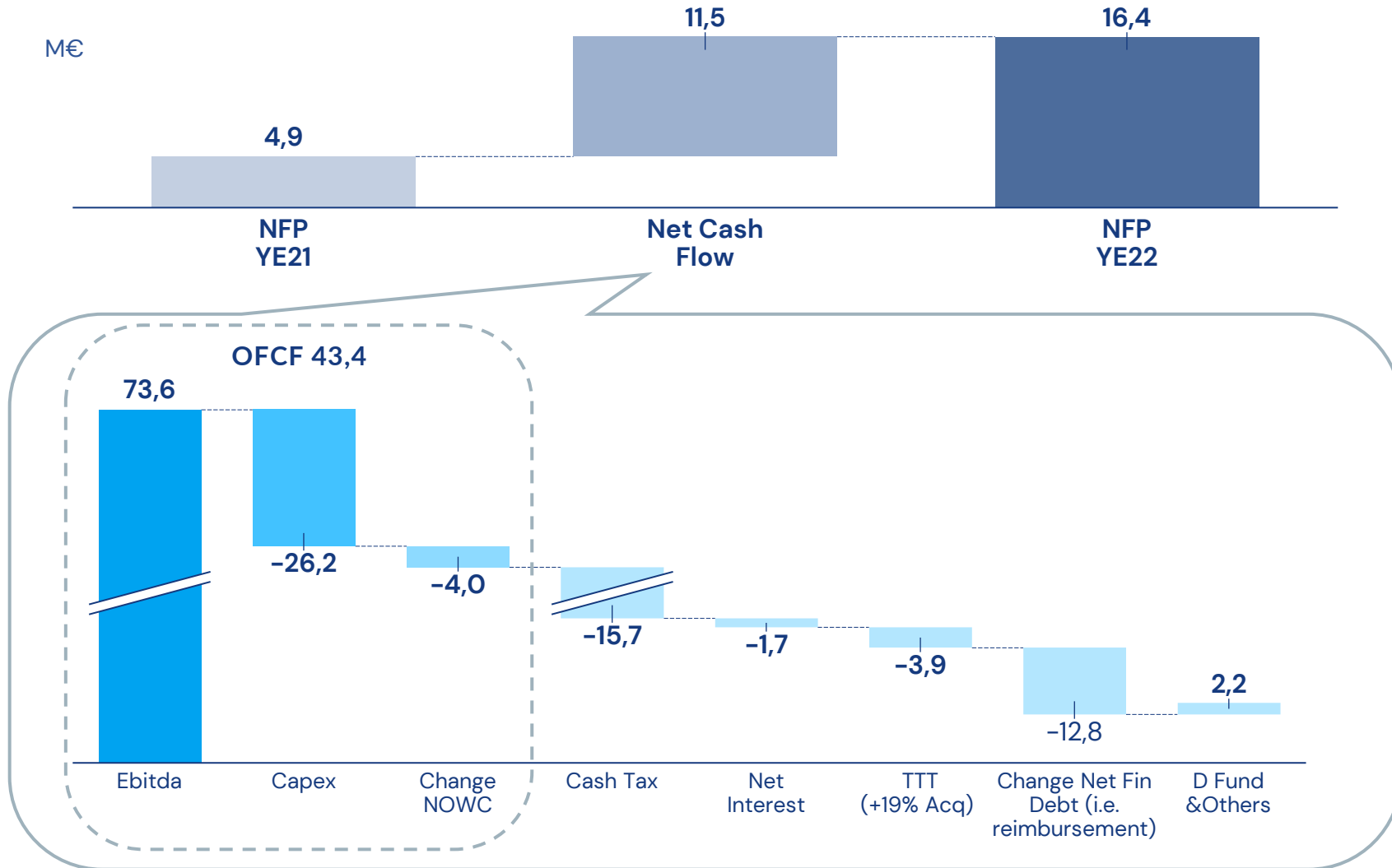


Note: + «Cash positive»; - «Cash absorption»

* Adoption of ESMA32-382-1138 - On disclosure requirements under the Prospectus Regulation requested by Euronext Milan (ex MTA)

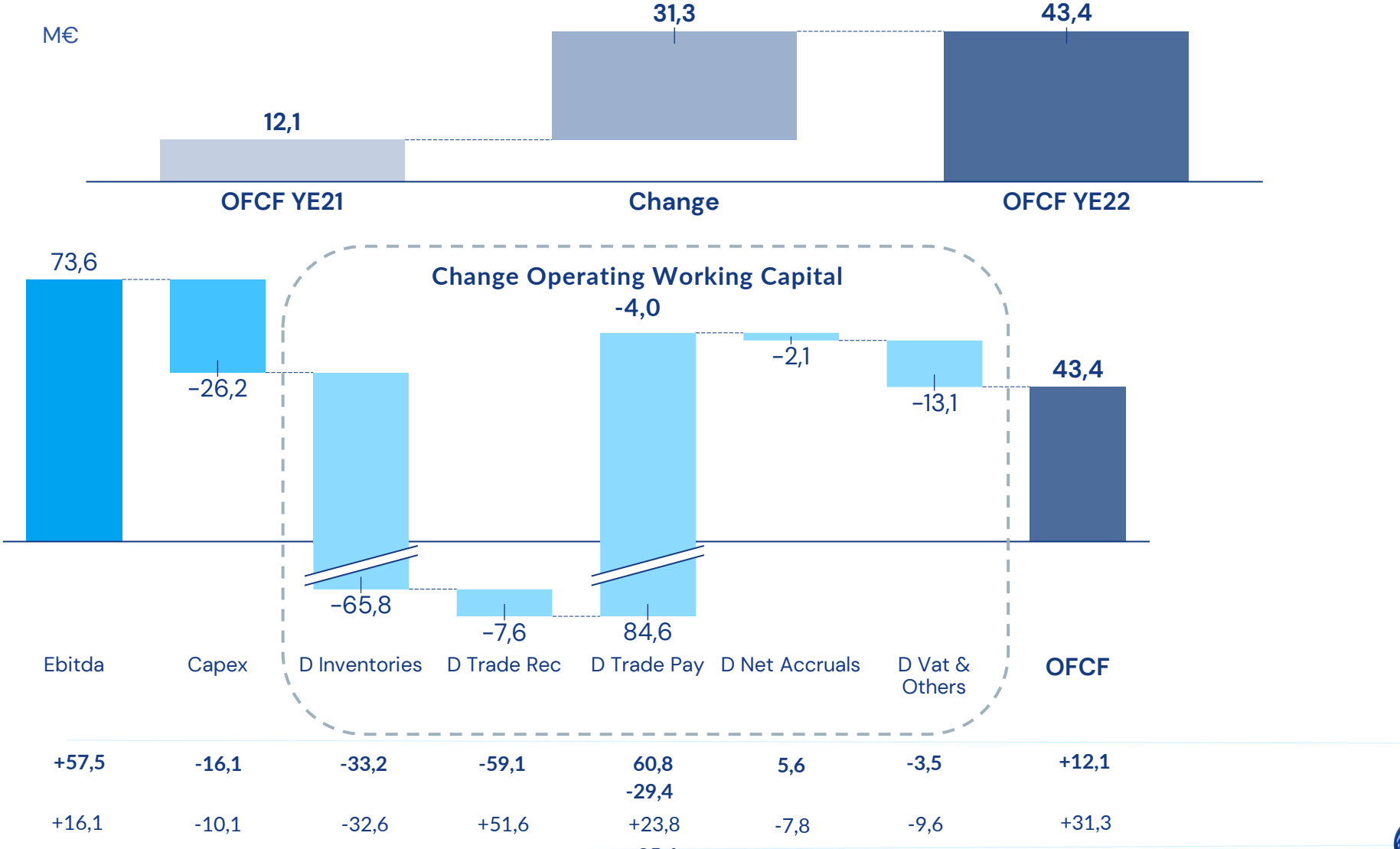
** Non Current Trade & Other Payables include non-remunerated debt, i.e. debt to suppliers / vendors beyond a period of 12 months.

Net Financial Position & Net Cash Flow - NFP improvement mainly due to Ebitda conversion to OFCF (43,4M€, 59% conversion) thanks to control in change operating working capital (-4,0M€), more than offsetting Capex increase on IaaS (-26,2M€)



Note + «Cash positive»; - «Cash absorption»

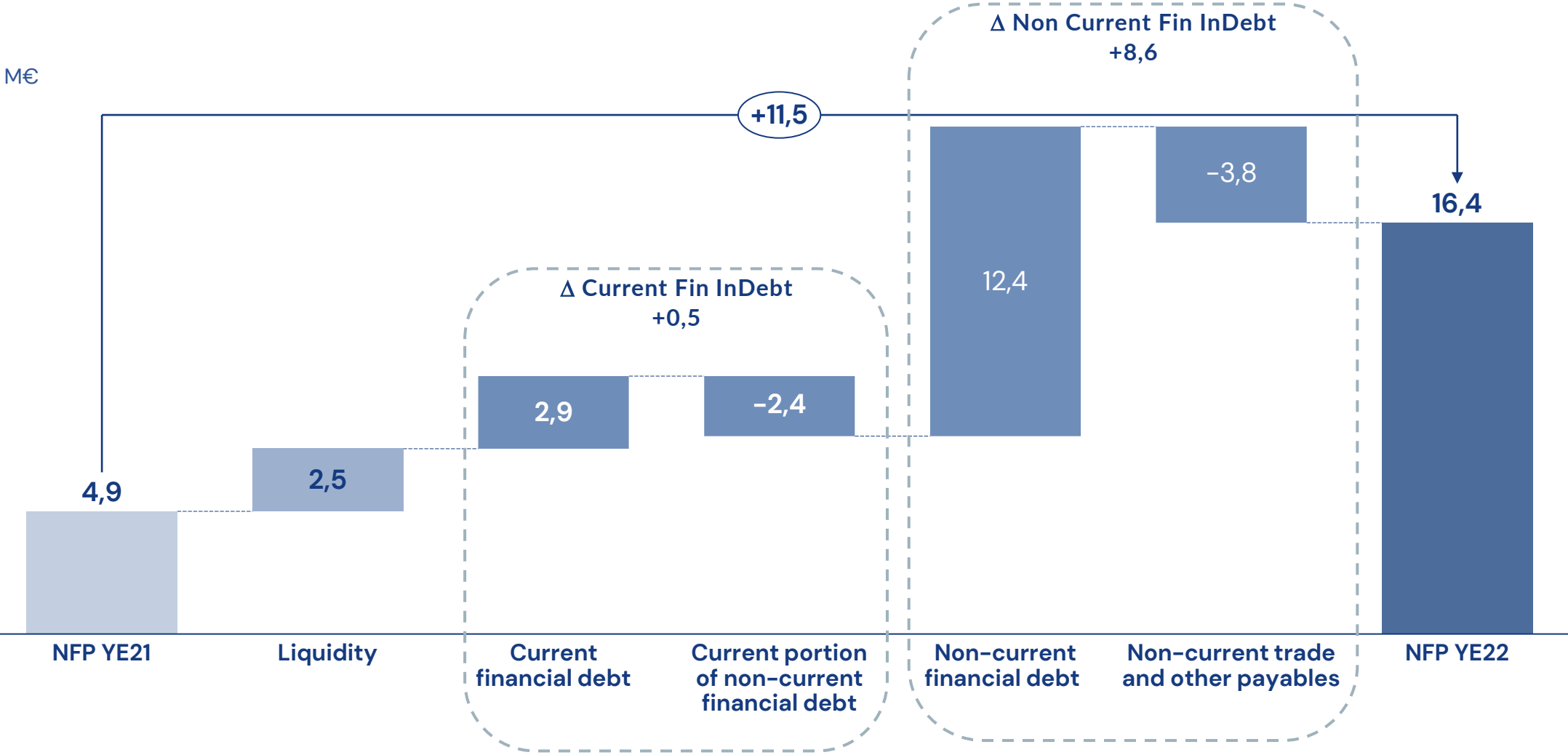
Operating Free Cash Flow: 43,4M€, +31,3M€ YoY due financial discipline & control in change operating working capital (-4,0M€, +25,4M€ YoY) further to reduced time to delivery and on time purchasing, more than offsetting Capex increase on IaaS (26,2M€, +10,1M€ YoY)



+25,4 20

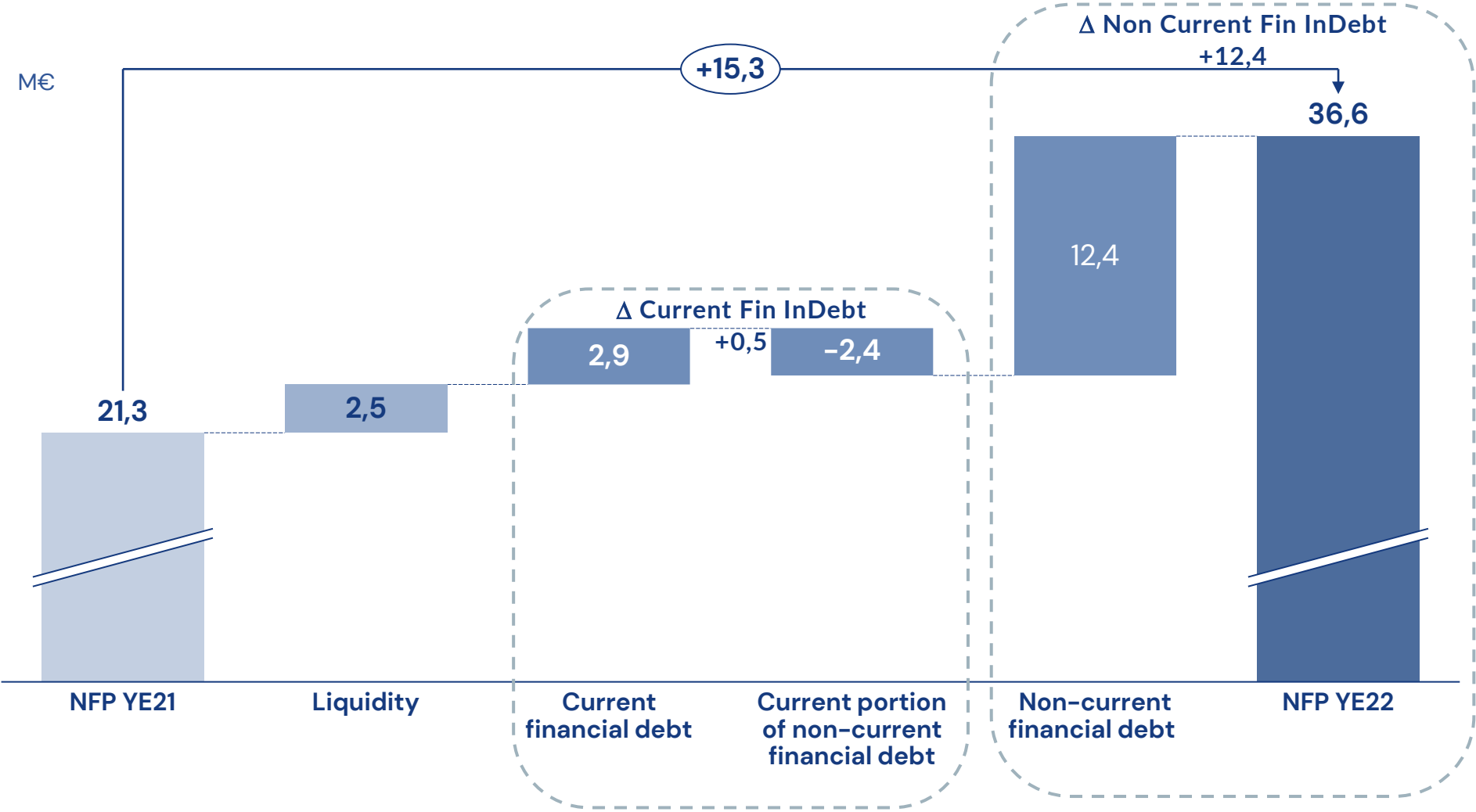
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Net Financial Position evolution



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Net Financial Position evolution



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* Current Financial Indebtness include:

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