



2022 Q4
Results Presentation

March 2023

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Overview of Almaviva

Almaviva

Business Area	Core Business			Non Core Business
	IT Services	CRM International	New Technology	Other
Brand				
LTM ⁽¹⁾ Revenue (% of Total)	€ 718 m 66%	€ 275 m 25%	€ 48 m 4%	€ 47 m 4%
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 	<ul style="list-style-type: none"> In- and outbound services Multi-channel market research Back-office document management
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 Healthcare & Tourism 	<ul style="list-style-type: none"> Telco & Media Transportation Utilities Government

Source: Company Information and financials.

⁽¹⁾ As of December 31st, 2022, excluding €18.5m of intragroup eliminations.

Key Financial Highlights

12M 2022

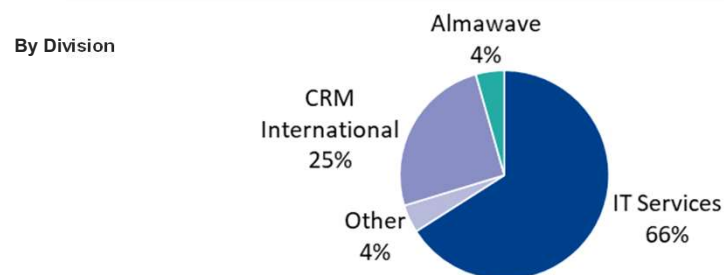
Key Highlights

- Above €1.0b 12M Group Revenues
- Group Revenue at €1.1b, better than 12M 2021 (+€124.2m, +13.1%)
- Group Reported Ebitda at €171.0m (+€25.5m vs 12M 2021 Ebitda; +17.5%)
- Adjusted Ebitda at €181.4m (+21.4% vs 12M 2021)
- 12M 2022 Ebitda margin at 16.0% (+59 bps vs 12M 2021)
- Capex⁽¹⁾ at €41.7m, increased vs 12M 2021 (€32.7m)
- Positive Net Result at €75.1m (+€15.2m vs 12M 2021, +25.4%)

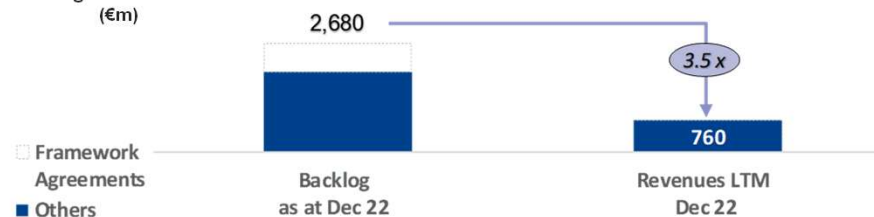
Key Stats

- IT backlog covers 3.5 times the LTM Dec-22 IT Services and Almawave Revenue
- Continuous Revenue growth (CAGR 2019 - Dec-22: 7.3%)
- Net Debt at €233.6m; €215.9m not considering the acquisition of CRC, The Data Appeal Company, Tecna and Sistemi Territoriali
- Leverage at 1.4x, 0.2x better than December 2021
- Outstanding cash position at €164.7m; €182.4m not considering acquisitions

12M 2022 Revenue Breakdown and Current Backlog

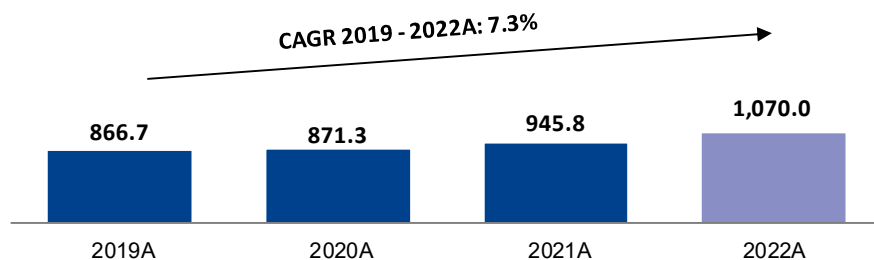


IT Services and Almawave Backlog as at 31-Dec-22 (€m)

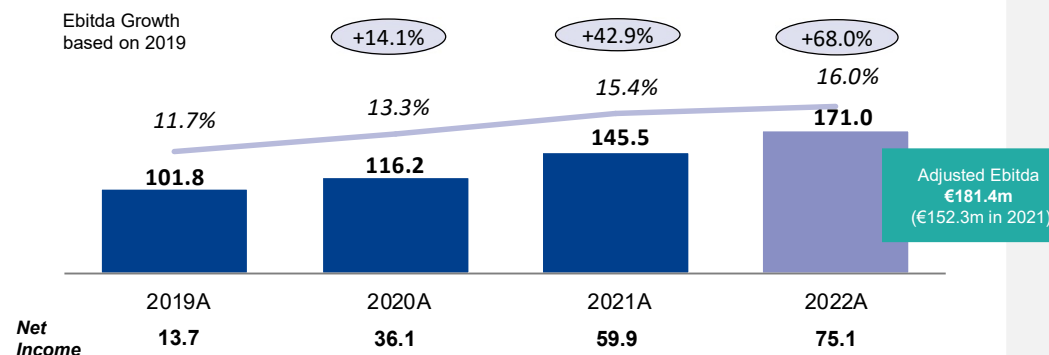


Key Financials (€m)

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.

⁽¹⁾ Capex do not include goodwill.

Key Operating Performance Highlights



12M 2022

IT Services

- Around €316m new contracts signed in Q4 2022 in the IT division, of which around 5% under the SPC framework agreements, 17% Transportation, 7% Finance, 68% PA and 2% other sectors
- Around €5.0b new tenders in public administration already issued or awaited in 2023. The EU Recovery Fund is starting to positively impact the market
- Awarding, by AGENAS (National Agency for for Regional Health Services), of the National Telemedicine Platform tender (€100m Almaviva share, 10y). This tender, falling within PNRR, will be carried out in three main phases: a design and implementation phase; a launch and consolidation phase; a management phase, in which the Platform shall keep expanding its services in line with Digital Health developments.
- In Defense, adjudication of VTS (Vessel Traffic System) and signing of Framework Agreement for Digitalization with Ministry of Interior and new opportunities deriving from Ready-to-use System in Tunisia and Greece
- New tenders won with ANAS (€36m, 4y) related to the implementation of dynamic monitoring systems for the remote control of bridges, viaducts and tunnels on the main road network in Italy. This activities, financed by the PNRR/Next Gen EU program (mobility and infrastructure chapter), could be the first step towards a massive digitalization of the road national network

- International expansion: following the awarding of Metro of Washington contract, start up of the new company Almaviva USA Corp. in order to expand the offering (infrastructure digitalization, Maas and ticketing, smart energy management, on board and on field information and automation systems), given the opportunities arising from government large investments expected in the local market
- Increasing activities in Utility and Environment, on the back of PNRR/Next Generation EU program (€68.6b allocated on green revolution and ecological transition), focused on smart water management and water network monitoring
- Integration in the offering portfolio of Tecnav S.r.l., the tech company recently acquired, 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 (+45.9% vs 12M 2021) with increased percentage of direct revenues (85%)
- Strong Growth in Ebitda (+31.7% vs 12M 2021), Adjusted Ebitda +36.2% vs 12M 2021
- Increased contribution at consolidated level in terms of revenues and margins (Revenues at €48m, 4% on Group total Revenues vs 3% in 12M 2021)
- Progress on Latin-American markets and growth in the African continent due to the recent deal closed in Tanzania (Judiciary on real time translation)
- Quantitative and qualitative development of the recently acquired 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 PaaS AI platform, AIWave
- Launch of new verticals: Healthcare and Tourism
- New ESG report and AssoNEXT Best ESG Identity Award

Key Operating Performance Highlights

12M 2022

CRM International

- Extraordinary growth in Revenues (€85.7€ or +45.2% at current currency) and margins (Ebitda +€18.8m or +51.4%) with marginality increasing from 19.3% to 20.1%, +82bps
- In Q4 2022, Almaviva do Brasil completed the operational and administrative integration of CRC, thus aligning the new acquired company processes to the Group's practices. CRC, acquired in March 2022, is a company specialized in the extrajudicial collection sector.
- With the acquisition of CRC Almaviva do Brasil has become one of the largest companies in Brazil operating in the extrajudicial collection sector and has furthermore expanded its presence in the financial sector, implementing a strategy started in 2020 with the acquisition of Chain
- Throughout 2022 the Company acquired and implemented operations on 13 new clients, 9 in finance and 4 in other sectors, thus reinforcing its portfolio diversification strategy

- In Q4 2022 the Company won and implemented 3 new operations with new customers in the financial sector
- Investments in information security, infrastructure and operational technology to support growth in the coming months

Other - Non Core Business

- CRM Europe with around 4% at consolidated revenues, represents a non core business for the Group, with a progressive reduction trend
- Throughout 12M 2022 continuous actions focused on customer pool rightsizing, facilitating personnel exit and rationalizing costs. If not considering the impact of the dismissal of non profitable activities and site reorganization, Adjusted Ebitda at €0.7m
- Extension of government support: social buffers connected to covid-19, such as Fondo Integrazione Salariale (FIS) and CIGS, guaranteed until July 2023
- Workforce in constant reduction in Italy: 1,513 employees in December 2022 vs 7,906 in December 2015 (-6,393 employees, -80.9%) and vs 3,312 in December 2021 (-1,799 employees, -54.3%, of which 124 in Q4 2022)
- In Q4 2022 voluntary layoffs of 88 employees; in addition, exit of other 36 employees
- Continuous costs reduction

Summary P&L

€m

€ million	YTD Dec 20	YTD Dec 21	YTD Dec 22
	IFRS16	IFRS16	IFRS16
Revenues	871.3	945.8	1070.0
% Growth		8.6%	13.1%
Total of Revenues and Other Income	890.7	973.9	1095.0
% Growth		9.3%	12.4%
Operating Costs	(768.6)	(821.6)	(913.6)
% Revenues	88.2%	86.9%	85.4%
Adjusted EBITDA	122.0	152.3	181.4
% Margin	14.0%	16.1%	17.0%
Non-Recurring Items	(5.9)	(6.8)	(10.4)
% Revenues	0.7%	0.7%	1.0%
EBITDA	116.2	145.5	171.0
% Margin	13.3%	15.4%	16.0%
D&A	(39.2)	(37.1)	(44.7)
% Revenues	4.5%	3.9%	4.2%
EBIT	77.7	107.5	126.3
% Margin	8.9%	11.4%	11.8%
Interest Expense ⁽¹⁾	(32.5)	(33.6)	(29.3)
% Revenues	3.7%	3.5%	2.7%
EBT	45.1	73.9	97.1
% Margin	5.2%	7.8%	9.1%
Taxes	(9.0)	(14.0)	(22.0)
Group Net Income	36.1	59.9	75.1

Key comments

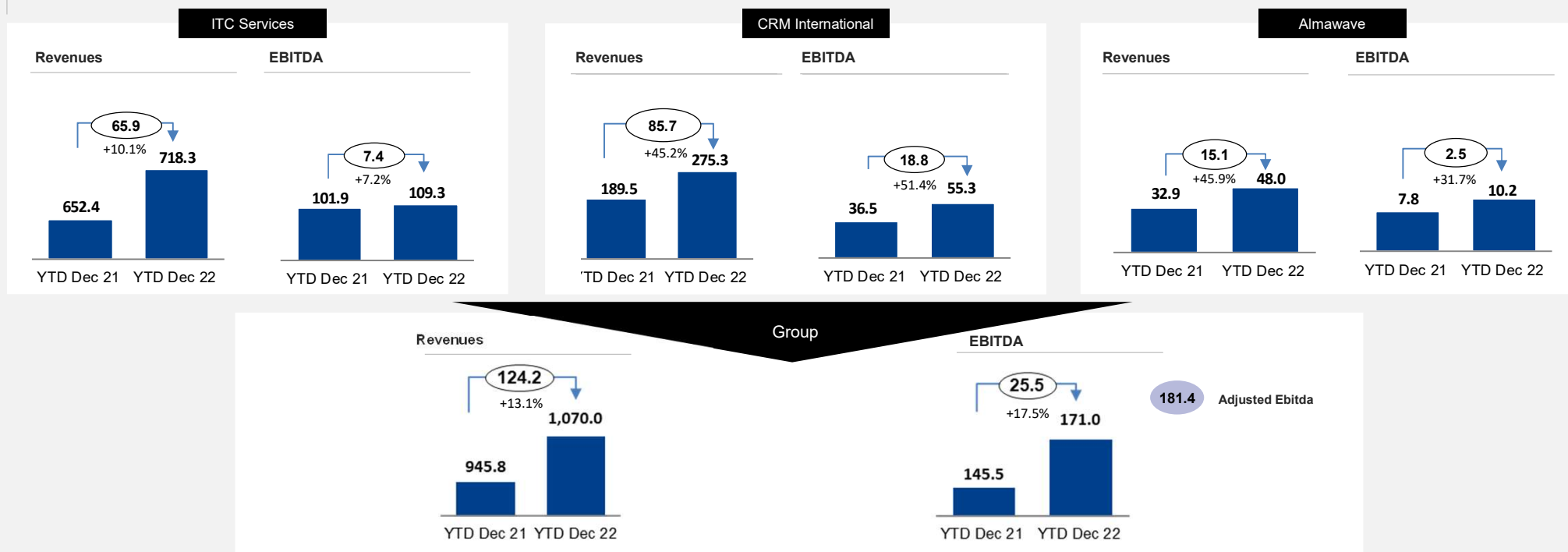
- 12M 2022 Revenues better than 12M 2021 (+€124.2m, +13.1%)
- 12M 2022 Ebitda increased by €25.5m, +17.5% vs 12M 2021
- 12M 2022 Ebitda includes €10.4m extraordinary costs related to provisions for personnel early retirement (*Quota 100*) in IT Services (€0.6m), stock grant (€3.0m) in IT Services and Almawave, M&A extraordinary costs in Almawave (€0.5m), rightsizing one-off costs (€5.1m) in CRM Europe, sites reorganization in CRM International (€1.2m). Adjusted Ebitda at €181.4m (+19,1% vs 12M 2021)
- 12M 2022 Ebitda margin increased by 90 bps (17,0% vs 16,1% in 12M 2021) on adjusted base
- 12M 2022 Operating costs (% on Revenues) better than 12M 2021
- 12M 2022 EBIT increased vs 12M 2021 (€126.3m vs €107.5m, +17.6%)
- 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
- 12M 2022 EBT at €97.1m (+€23.1m, +31.3% vs 12M 2021)
- Interest expense better than 12M 2021 (-€4.3m)
- Taxes increase due to the increase in EBT; tax relief in 2021 from the positive results (€8.5m) related to the realignment of the goodwill in Almaviva SpA and in 2022 from the effect of "Patent Box" for innovative activities
- 12M 2022 Net Income at €75.1m better than 12M 2021

⁽¹⁾ Interest Expense includes FX change effect of €0.5m in 12M 2022.

Key Financials By Division

€m

Dec-2022 Year To Date Performance

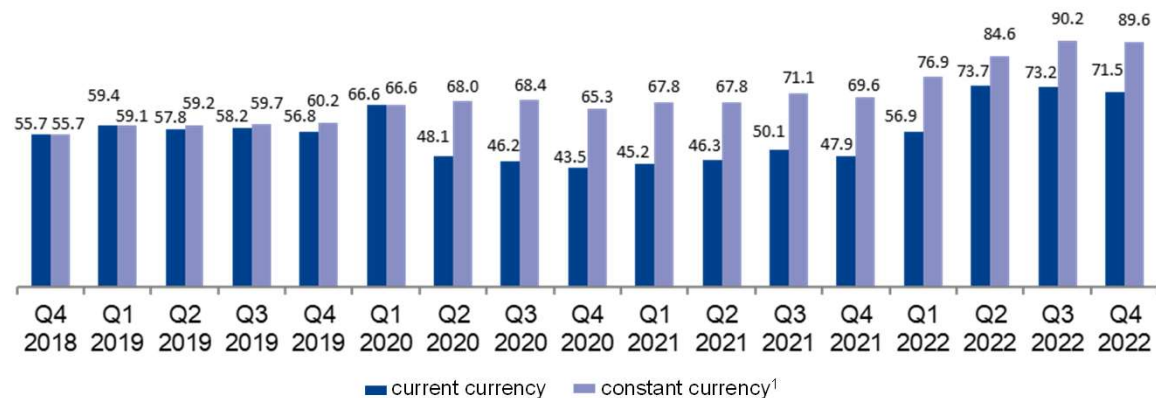


Key comments

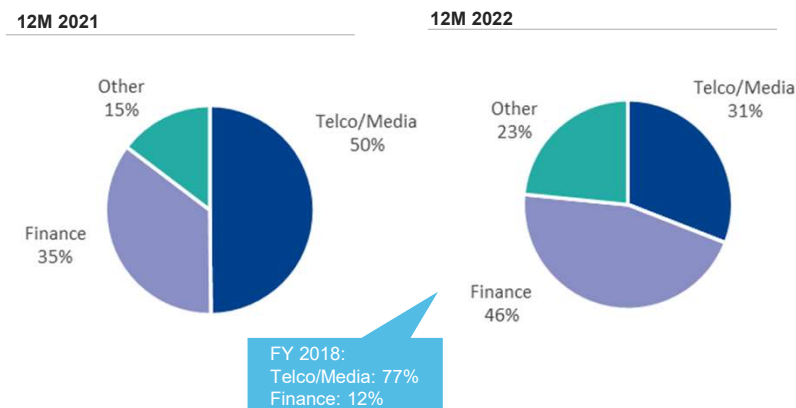
- In 12M 2022 growth in Group Revenues (+€124.2m, +13.1%) and Group Ebitda (+€25.5m, +17.5%) compared to 12M 2021, with higher marginality (16.0% vs 15.4%, + 60 bps)
- IT Services keeps growing in 12M 2022 both in Revenues (+€65.9m, +10.1%) and Ebitda (+€7.4m, +7.2%) compared to 12M 2021
- CRM International significant increase in Revenues (+€85.7m, +45.2%) and Ebitda (+€18.8m, +51.4%) The acquisitions done and the launch of the activities on new clients are leading to a consistent revenue and margin increase
- Almawave growth in Revenues (+€15.1m, +45.9% vs 12M 2021) and Ebitda (+€2.5m, +31.7% vs 12M 2021)
- 12M 2022 Ebitda includes €10.4m extraordinary costs related to provisions for personnel early retirement (*Quota 100*) in IT Services, stock grant in IT Services and Almawave, M&A extraordinary costs in Almawave, rightsizing one-off costs in CRM Europe, sites reorganization in CRM International. Adjusted Ebitda at around €181.4m (+21.4% vs 12M 2021 Adjusted Ebitda)

Key Financials

Revenue (€m)



Revenue Breakdown



EBITDA (€m)



Key comments

- 12M 2022 Ebitda better than 12M 2021 at current currency (+€18.8m, +51.4%), with optimization of revenue mix
- 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 12M 2022 vs 50% in 12M 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 €59.4m.

12M 2022 Capex do not include the goodwill of CRC, The Data Appeal Company, Tecna, and Sistemi Territoriali (~€38.5m).

Summary Cash Flows

€m

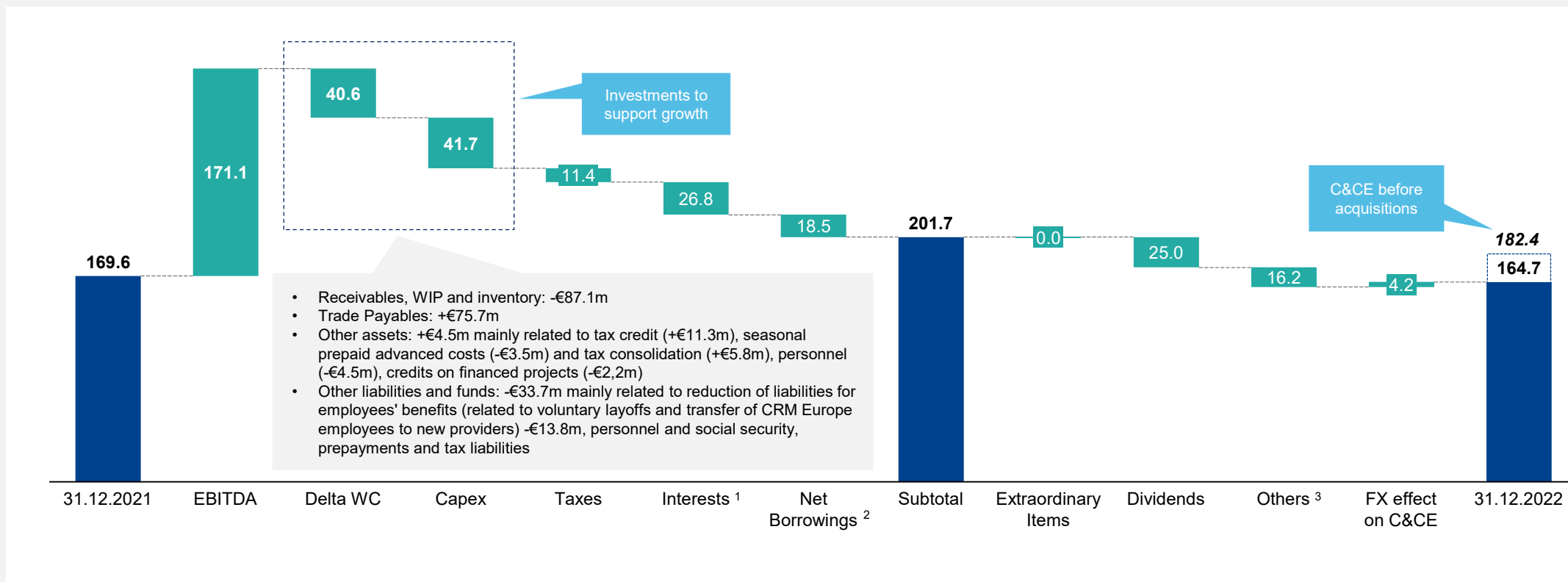
€ million	YTD Dec 21	YTD Dec 22		Key comments
Adjusted EBITDA	152.3	181.4		<ul style="list-style-type: none"> ■ Positive Free Cash Flow for Debt Service ante extraordinary items ■ 12M 2022 Capex at €41.7m increasing vs 12M 2021 Capex at €32.7m; 12M 2022 Capex are mainly related to specific projects in 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 €21.4m ■ Free Cash Flow for Debt Service ante extraordinary Items increased more than two times and more than three times after VAT credits ■ Other Items in 12M 2022 include the acquisition of CRC LTDA and CRC Digital LTDA; Data Appeal, Tecnaul, and Sistemi Territoriali. 12M 2021 values include Almaywave IPO
Capex	(32.7)	(41.7)	(19.2) after VAT credits	
(Increase) / Decrease in Normalised Working Capital	(70.0)	(40.6)	120.5 after VAT credits	
Adjusted Operating Cash Flow	49.6	99.1		
% <i>Adjusted EBITDA</i>	32.6%	54.6%		
Non-Recurring Items	(6.8)	(10.4)		
Taxes	(12.0)	(11.4)		
Free Cash Flow for Debt Service ante Dividend Payments and Other Items	30.8	77.3	98.7 after VAT credits	
Dividend Payments	(20.1)	(25.0)		
Other Items ⁽¹⁾	28.9	(16.2)		
Free Cash Flow for Debt Service	39.6	36.1	57.5 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 (+25.5m, +17.5% at Group level vs 12M 2021)
- Impact on working capital due to overall growth (Receivables, VAT credits) and voluntary layoffs
- Cash & Cash Equivalents at €182.4m, excluding cash out for acquisitions

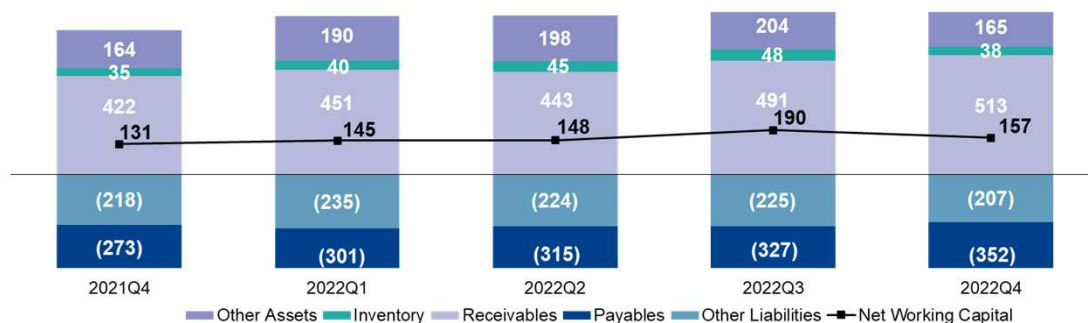
⁽¹⁾⁽²⁾ Include leases repayment.

⁽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 Tecnaeu (€ 2.6m).

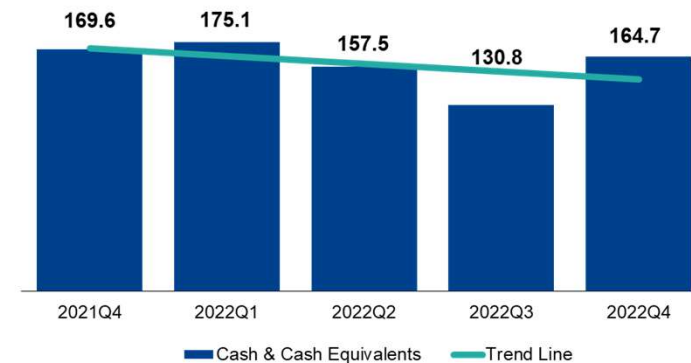
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)

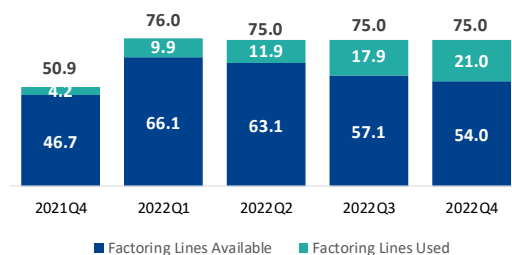


Cash & Cash Equivalents (€m, current currency)

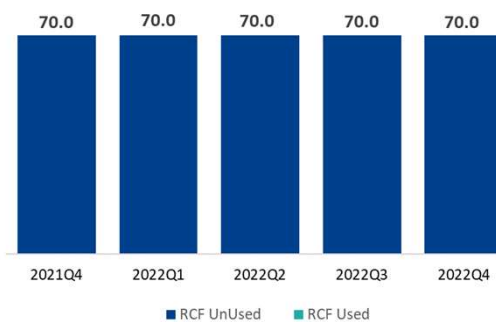


Factoring without Recourse & RCF (€m)

Factoring WO Recourse



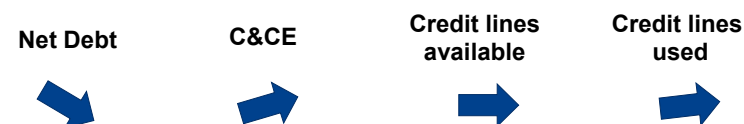
RCF



Net Debt (€m)

	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4
Net Debt	(238.0)	(246.4)	(258.4)	(291.2)	(233.6)
Delta vs Previous Q		(8.5)	(11.9)	(32.8)	57.5
Delta vs 2021Q4		(8.5)	(20.4)	(53.2)	4.3

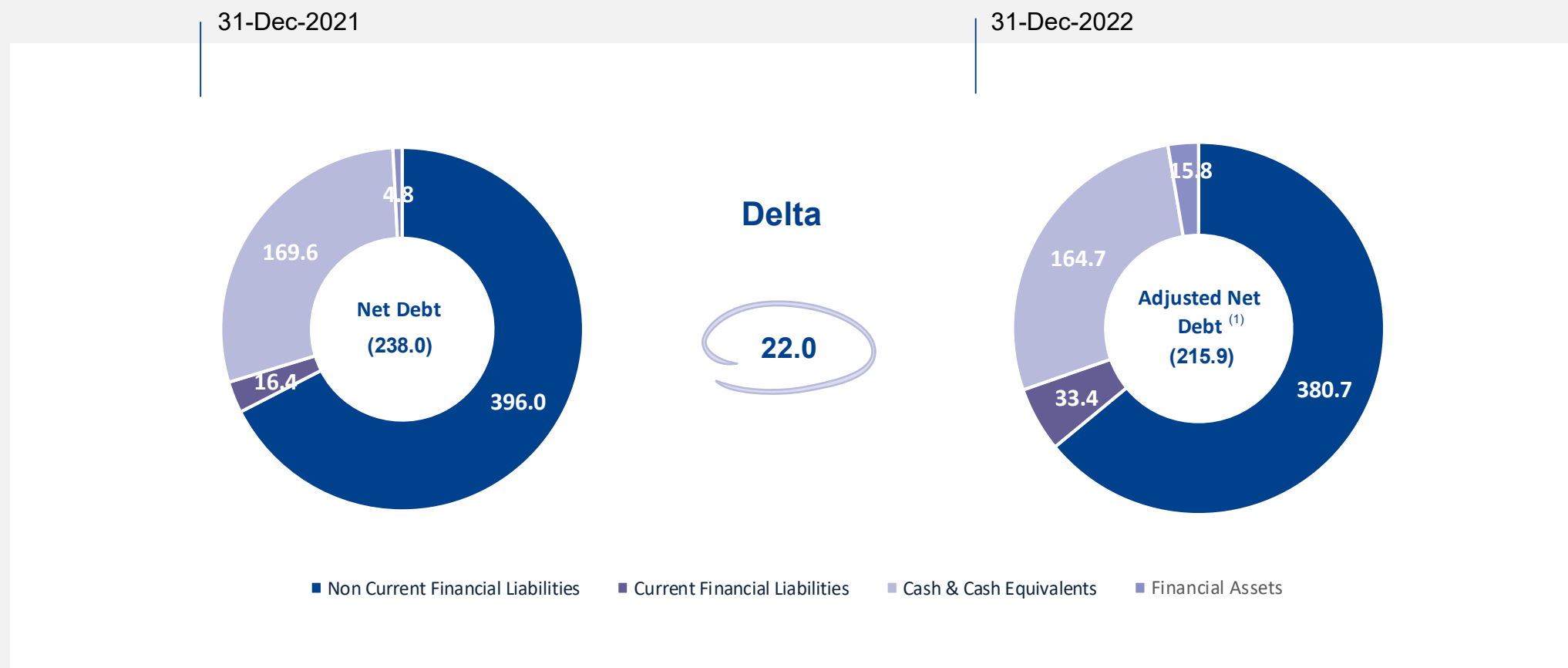
QoQ comparison



Financial Debt

Stable Adjusted Net Debt, considering the acquisitions and VAT credits

(€m)



■ Non Current Financial Liabilities ■ Current Financial Liabilities ■ Cash & Cash Equivalents ■ Financial Assets

- Outstanding Cash Balance position
- Adjusted Leverage at 1.2x considering EBITDA adjusted and the overall VAT credit (€21.4m)

⁽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 31-Dec-22

Credit Stats: improvement QoQ

€m	Amount	LTM Dec 22 EBITDA	Pricing	Maturity
Cash and cash equivalents	(164.7)			
Total current and non-current financial assets ⁽¹⁾	(15.8)			
Senior Secured Notes	350.0		4.875%	Oct-2026
Super Senior RCF (Drawn)	-			
Other financial liabilities ⁽²⁾	64.1			
Total Gross Debt	414.1	2.4x		
Total Net Debt	233.6	1.4x		
LTM Dec 22 EBITDA		171.0		
Super Senior RCF (Undrawn)	70.0		E+275bps	May-2026

Key Credit Stats based on reported financials

- Net Total Leverage: 1.4x
- Interest Coverage Ratio: 5.9x vs 4.5x as at Dec 2021
- No RCF drawdown

⁽¹⁾ Include financial credits.

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

Final remarks

Outstanding Backlog: €2.7b; 3.5x FY2022 revenues

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

Outstanding performance in all sectors, confirming a strong market presence

Increased presence in some IT fundamental verticals (healthcare and utilities) financed by PNRR

Acquisitions completed in various sectors have demonstrated positive impacts on business

Continuous decrease in Leverage: 1.2x in Dec-22 (adjusted)

Solid cash balance position

ESG Report on Almaviva Group published in 2022, in line with best practices
