

expri<sup>vi</sup>ta

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## Company Presentation

Milan, 22 March, 2017

Borsa Italiana - STAR Conference

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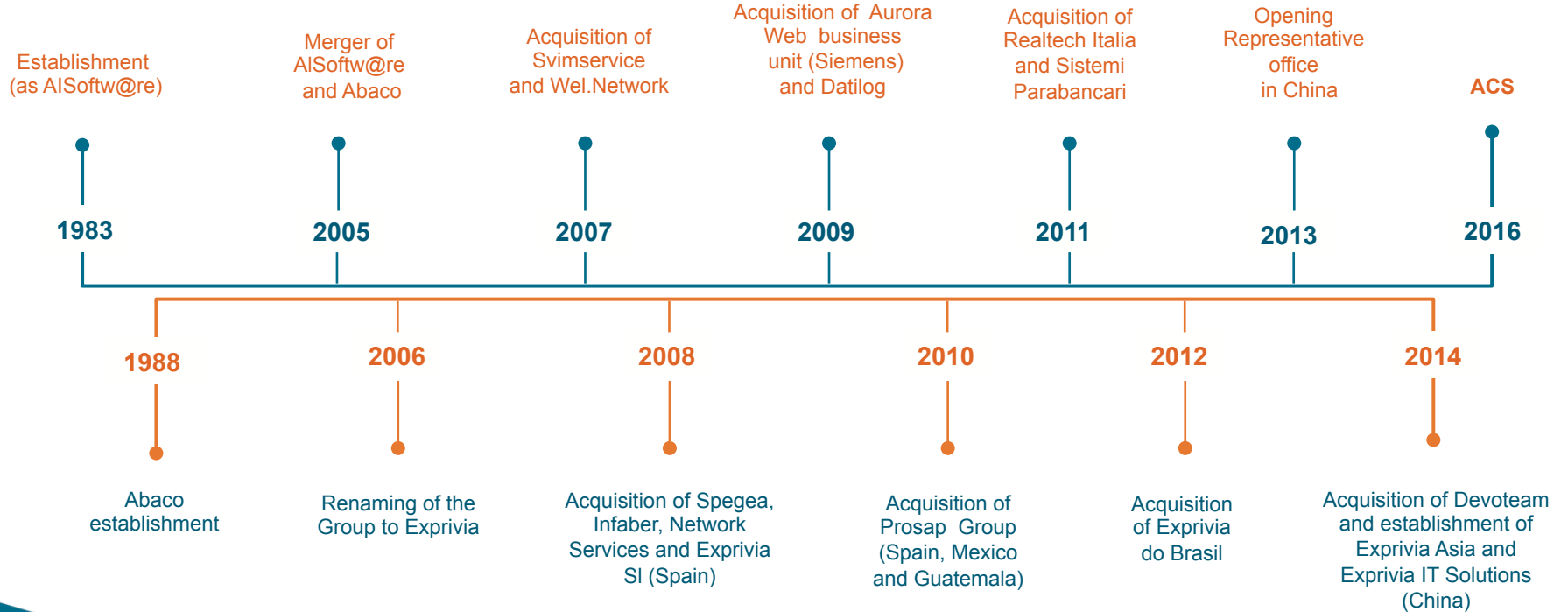
Exprivia Today

# Who we are

- Born in 2006 through the merge between Abaco Software (1987) and AISoftw@re (1983)
- Group revenue 2016 of € 141.8 mln
- More than 2000 professionals
- Listed on Italian Stock Exchange since 2000
- Presence in Europe, America and Asia

Exprivia is an international group which can enable the digital transformation processes by means of solutions that affect the entire customers value chain.

# Milestones



# Business Model: Industries

Banking & Finance  
Telco & Media  
Energy & Utilities  
Aerospace & Defence  
Manufacturing & Distribution  
Healthcare  
Public Sector

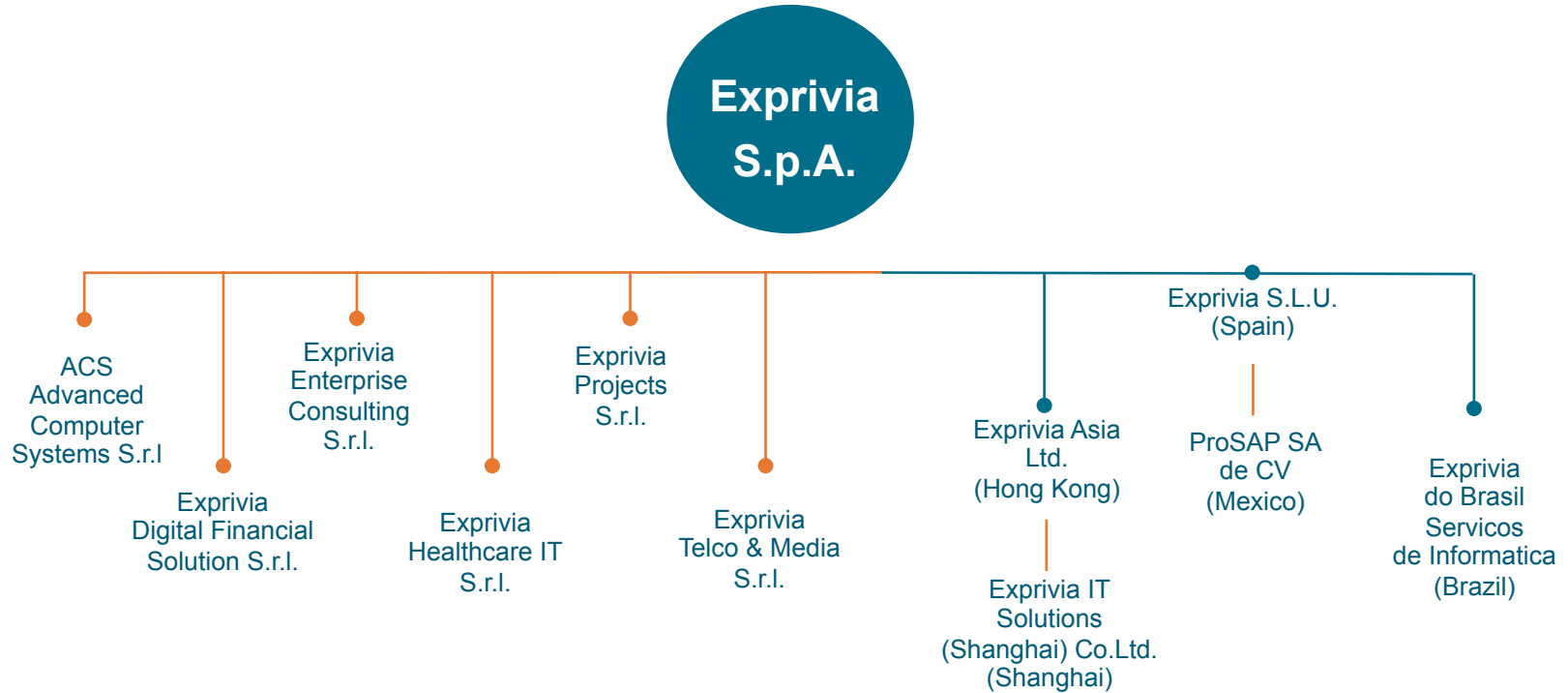


# Business Model: Competences

Capital Market  
Credit & Risk Management  
IT Governance & Infrastructure  
Big Data & Analytics  
BPO  
Cloud  
IoT  
IT Security  
Mobile  
SAP Suite



# The Group (\*)





# Exprivia worldwide

## Europa

Las Palmas de Gran Canaria  
Madrid  
Milano  
Molfetta, BA  
Palermo  
Roma  
Trento  
Vicenza

## America

Città del Guatemala  
Città del Messico  
Lima  
Monterrey  
Quito  
Rio de Janeiro  
São Bernardo do Campo  
San Paolo

## Asia

Hong Kong  
Pechino  
Shanghai  
Suzhou

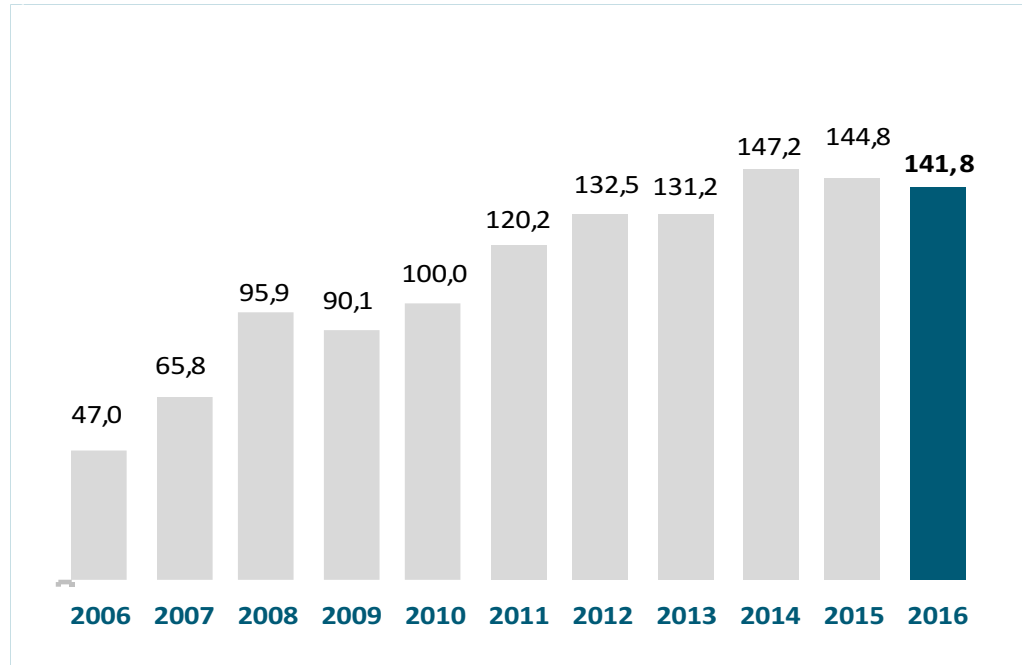


# A story of growth

## Revenues

**CAGR 2006-2016**  
**[11.7%]**

€mIn

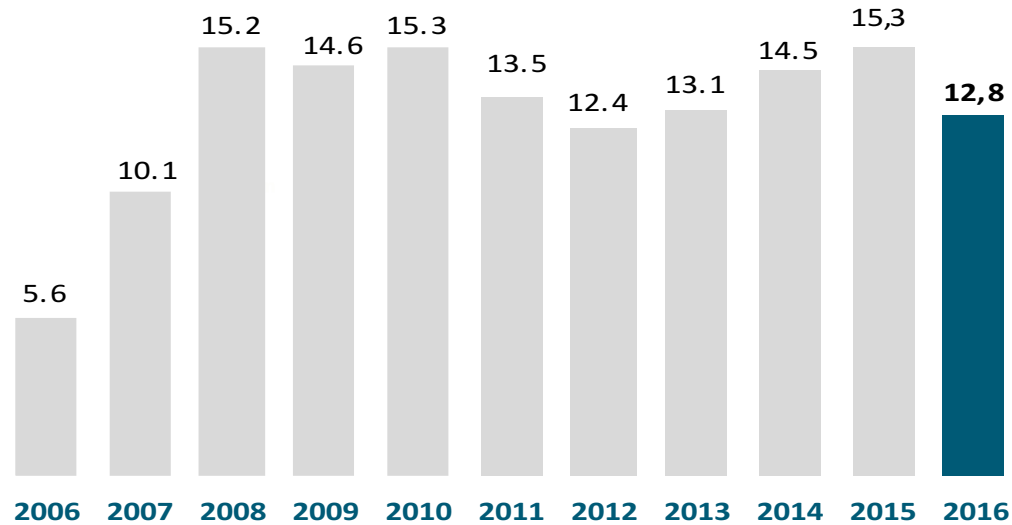


# A story of growth

Ebitda

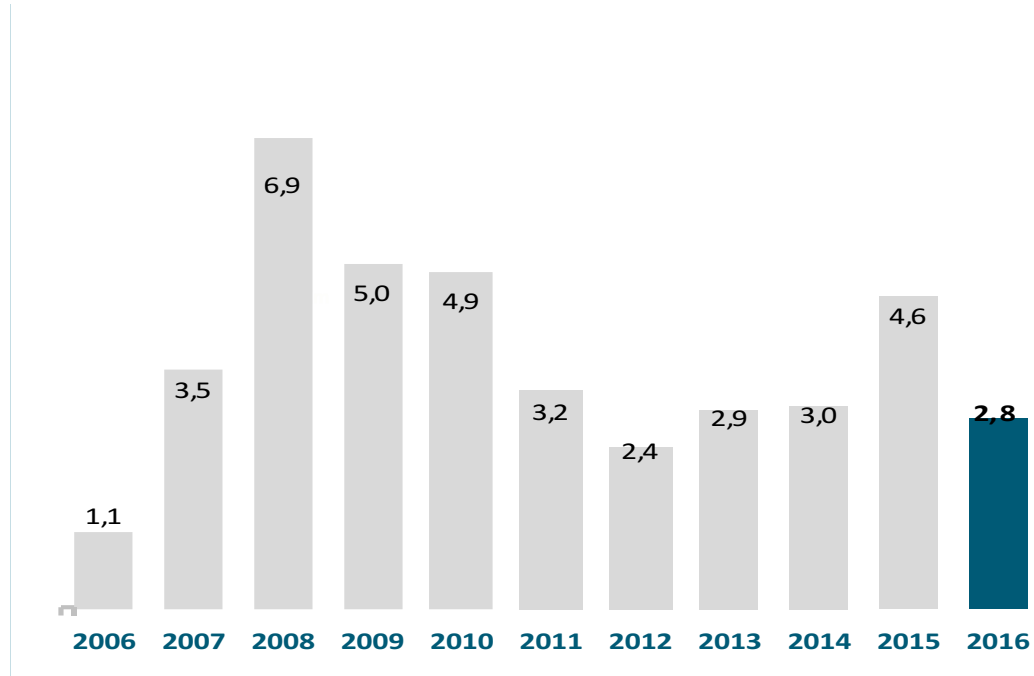
CAGR 2006-2016  
[8,6%]

€mln



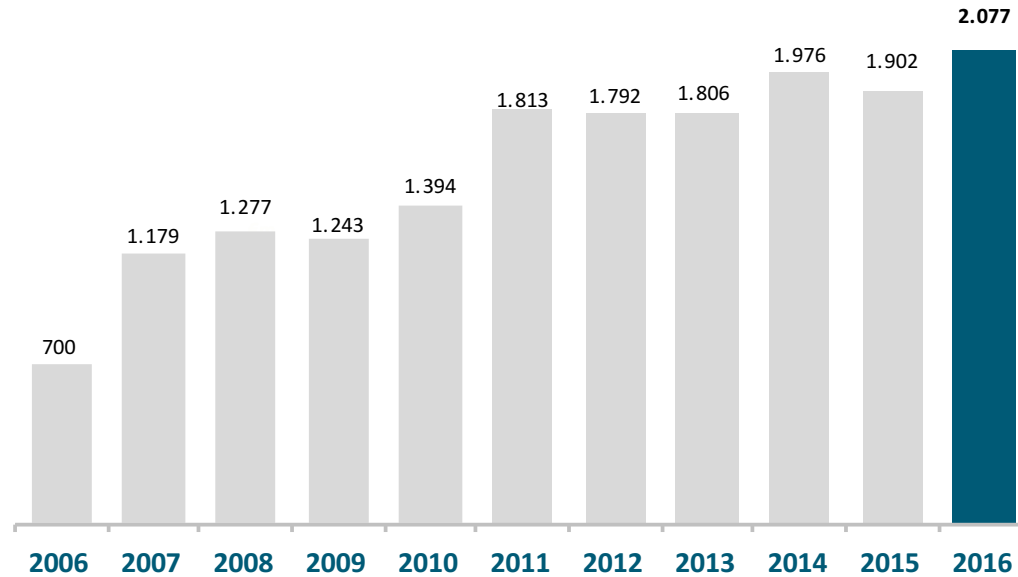
# A story of growth

Net  
Result  
CAGR 2006-2016  
[9.8%]  
€mln



# A story of growth

Employees (FTE)





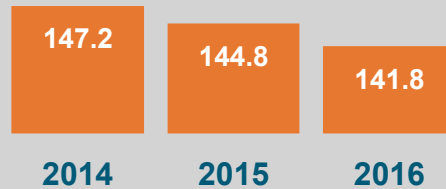
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**2016 Financial Data**

# 2016 - Revenues

## Revenues



The year (and also the end of 2015) has been affected by the consequences of the slowdown in activities in foreign markets and by the delay in starting of a major contract in the BPO services market.

Despite this, not only it has not been resulted in a retraction of the group's position in the relevant market, but the Group has reinforced its position in the Italian market.

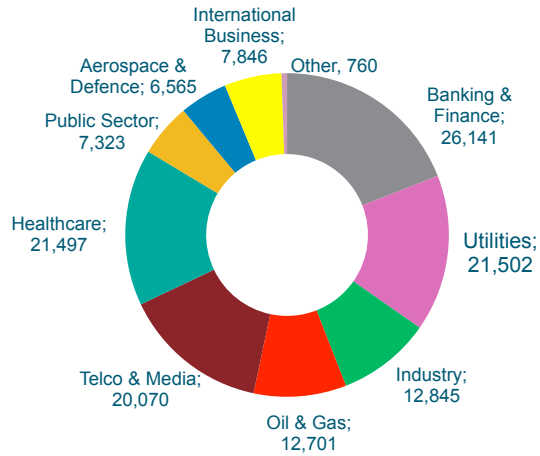
# 2016 - Revenues

Exprivia Group (value in K €)	31.12.2016	31.12.2015	Variation	Variation %
Banking & Finance	26,141	25,606	535	2%
Utilities	21,502	21,933	-431	-2%
Industry	12,845	11,689	1,156	10%
Oil e Gas	12,701	15,725	-3,024	-19%
Telco & Media	20,070	19,307	763	4%
Healthcare	21,497	22,018	-521	-2%
Public Sector	7,323	7,954	-631	-8%
Aerospace & Defence	6,565	3,266	3,299	101%
International Business	7,846	10,439	-2,593	-25%
Other	760	1,423	-663	-47%
<b>Total</b>	<b>137,250</b>	<b>139,361</b>	<b>-2,111</b>	<b>-1%</b>

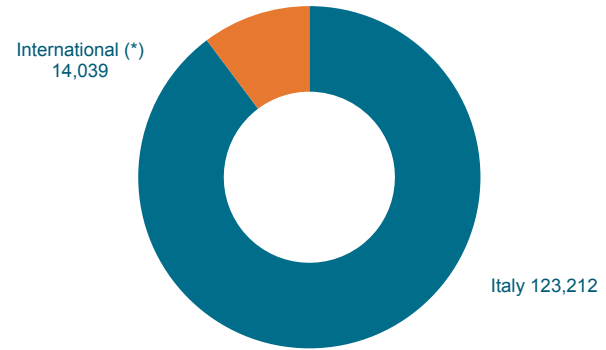


# Business area breakdown

Revenue by business area



Type of Customer



(\*) It includes revenues earned abroad by Italian companies

Values in K Euro at 31.12.2016



# 2016 EBITDA

## EBITDA

14.5	15.3	12.8
2014	2015	2016

Marginality affected not only by the decrease of revenues, but also by non-recurring costs, for the project of acquisition of Italtel SpA' control, for about 600k Euro, and the setting of a risk provision, for 700k Euro, linked to a tax dispute in charge of a subsidiary.

## Rectified EBITDA

(net of extraordinary costs)

EUR **14.1 ml**, **9.9%** of revenues,  
in line with last year (10,6%)

# 2016 Net Result

## Net Result



In contrast with the factors that have reduced the year' EBITDA and net to the absorption of ACS, the profit of the year has been positively affected by a lower incidence of the cost of debt and the tax benefit named Patent Box.

# 2016 – Net Debt

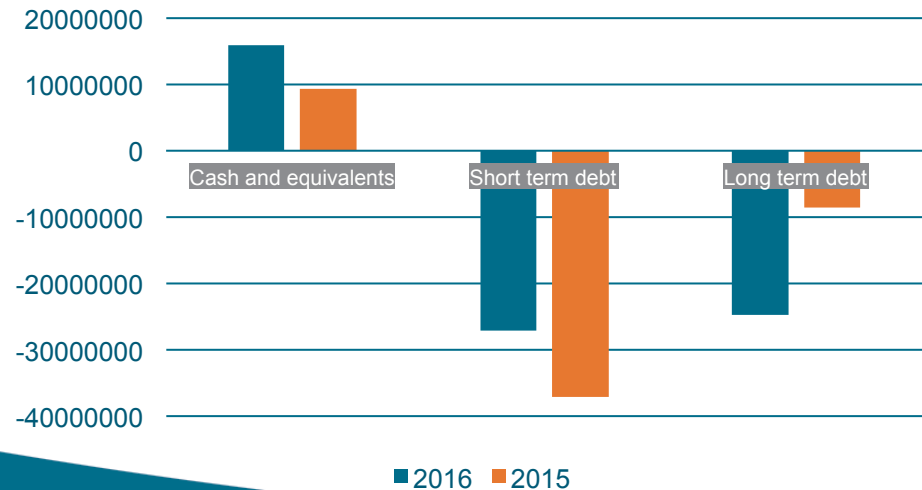
## Net Debt



Net Debt down of 500k euro after having absorbed the ACS net debt, at the 31<sup>st</sup> December equal to 2.6 ml

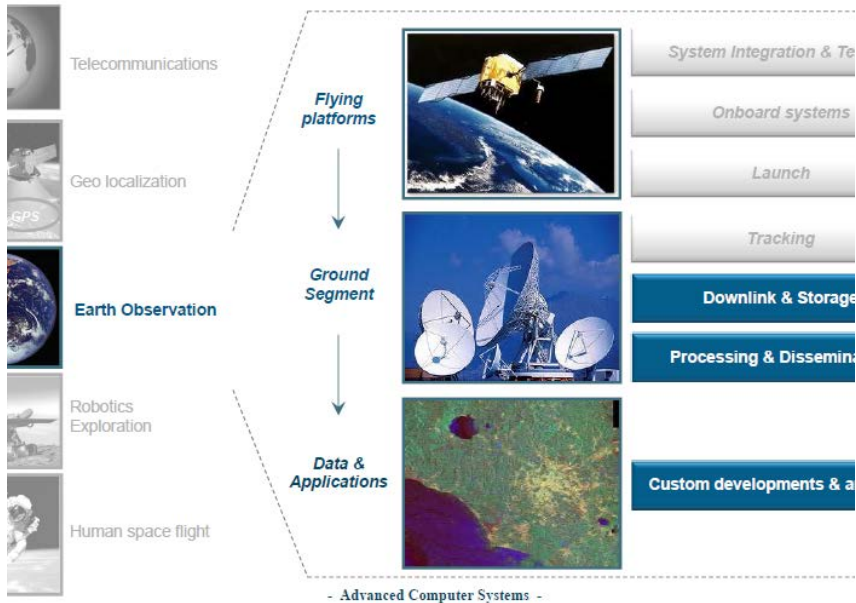
	2016	2015
Cash and equivalents	15,927,761	9,297,849
Short term debt	-27,052,653	-37,109,580
Long term debt	-24,662,956	-8,502,544
<b>Total Net Debt</b>	<b>-35,787,848</b>	<b>-36,314,275</b>

The seven-year loan agreement for a medium-term cash credit line worth € 25 ml with a syndicate of major banks, signed in April 2016, has been rebalancing the Company's sources of short and long-term debt, so as to reduce the liquidity risk and improve its bank rating.



# ACS Overview

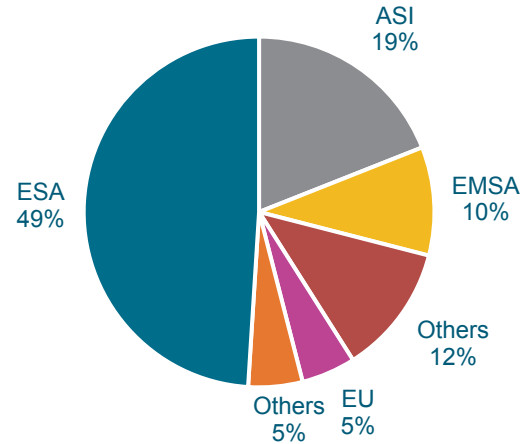
## business: Earth Observation Ground-Segment system



ACS operates in the market for over twenty years, developing ground stations for receiving and processing satellite data ("Ground Station"), a sector in which the company has achieved a worldwide leading position, and provides system engineering, design and integration services.

ACS is also active in the sector of geospatial data processing and GIS software for monitoring, planning and management of environmental risks and infrastructure, as well as in the support systems for the maritime traffic control, as well as in diagnostic medical imaging.

# ACS Facts & Figures



Euro	2011	2012	2013	2014	2015 (1)	2016 (2)
Revenues	9,978,001	12,433,634	11,217,730	10,336,766	7,753,138	8,813,685
EBITDA	1,639,041	1,960,153	2,062,081	937,427	-1,890,037	1,838,290
EBITDA margin %	16.4%	15.8%	18.4%	9.1%	-26.5%	20.9%

(1) In 2015 the company has cancelled revenues coming from risky projects.

(2) Annual figures: the company has been consolidated at 1° July 2016

# ACS Facts & Figures

## Agencies



## Institutions, R&D



## Private Industry





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**Business Plan 2015-2020 update**



# The 3 phases of the business plan



# Figures of the plan 2015-2020

## Revenues

- Target: 360 million for exogenous and endogenous growth
- Endogenous growth: for two-year periods: 2%, 5%, 10%
- Exogenous growth: 155 million in six years

## EBITDA

- Target: >12% in six years including the exogenous growth
- In absolute value : 44 Million in 2020

## PFN

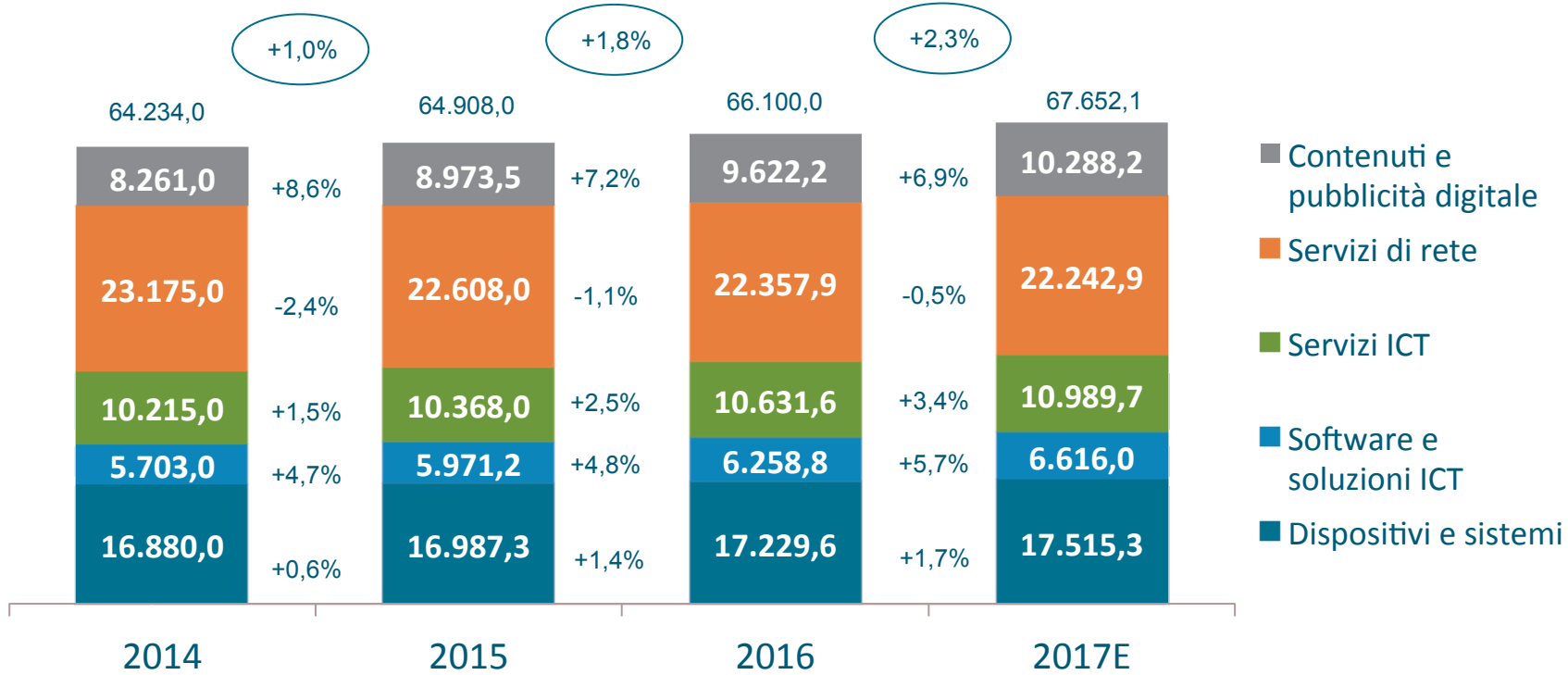
- $NFP/EBITDA = 2$  from 2015, < 2 and down from 2016
- DSO (customer + WIP) around 175 days for the whole period of the plan
- DPO aligned to DSO
- $NWC / Revenues$  less than 20% from 2017

# Business Plan Update

Figures of 2017-2020 confirmed, target of the business plan confirmed

- **Very difficult** first couple of years
- Nonetheless **positive outlook** of the IT market in Italy and abroad, supported by positive analysts view
- Significant **revenue recovery** in the fields for which 2015 and 2016 have been delayed
- Italtel control acquisition project will allow the group to exceed the original business plan goals

# Digital Market in Italy 2014-2017E



Source: Assinform / NetConsulting cube, March 2017

# Themes addressed



Is the universe of available elementary entities (sensors, machines, switches, ...)

**IoT**



Techniques with which the entities will be connected and monitored to provide summary and aggregate information

**Big Data, Analytics**



Place where the information resides and where the transformations take place

**Cloud**



Platform where the information will be organized for the distribution and use (Customer Experience)

**CRM**

# The future developing program

## Cloud Computing

- **Products on cloud platforms:** Edotto, SAP applications, the Home Factoring Solutions, Let's Care, ...
- **Hybrid Cloud:** cloud-on premise integration challenges

## Mobile e Bring Your Own Device

- **Enterprise Application Store:** relate the business park application with the paradigm Mobile, use of mobile devices in the workplace, privacy and security
- **Smart Cities**

## IoT

- **Wellness and personal care:** Assisted Living Environment, Telemedicine, medical records, wearable devices
- **Intelligent manufacturing**

## Big Data

- **Predictive and Advanced Analytics instruments:** Security, Marketing Support
- **Big Data in Cloud solutions**

## SAP

- **Predictive Analysis:** fault management on the production chain, sales forecasting, marketing campaign management
- **Internet of Things:** IT Manufacturing, smart factory

# Main challenges at the beginning of 2017

- **HRM processes digitalization and Health and Security web-based solutions** for workers protection in risk working areas for a major Italian energy company
- **Digital marketing and Digital Communication** solutions for a big Gas&Electricity provider
- **Big Data Ingestion** solutions for big Italian banks
- New generation network (**NGN**) evolution for the major Italian Telco operators
- **SAP Mobile, SAP PLM** projects for SMEs and Large Enterprises in several industrial sectors
- **Air Traffic** management solutions
- Ground Segments for Sentinel-3 Satellite Program
- On board instruments monitoring for European satellite Earthcare
- **RIS-PACS** systems for a major national public health-insurance company and several public and private hospitals and healthcare organizations
- **Public Health Management System** for big Italian Regions

# Deal Italtel

- Italtel designs and develops in Italy, and in many countries worldwide, products and solutions for **next-generation telecommunications networks and services**, based on IP protocol.
- Its offer is made of **proprietary products, engineering services and consulting on networks**, managed services and solutions such as VoIP, Unified Communication & Collaboration, Video communication in HD, Interconnection Solutions, Data Center and New Generation Solutions for Mobile Broadband. SDN, NFV and WebRTC, are some of the areas on which to focus the activities of R&D.
- Exprivia is a leading company in the field of Italian System Integration.
- The rapid development of **Cloud technology**, the diffusion of the use of **Apps**, the **broadband growth** expansion, are changing the way the IT vendors offer their services and solutions. The boundaries between the IT and TLC world are increasingly blurred.



# Deal Italtel

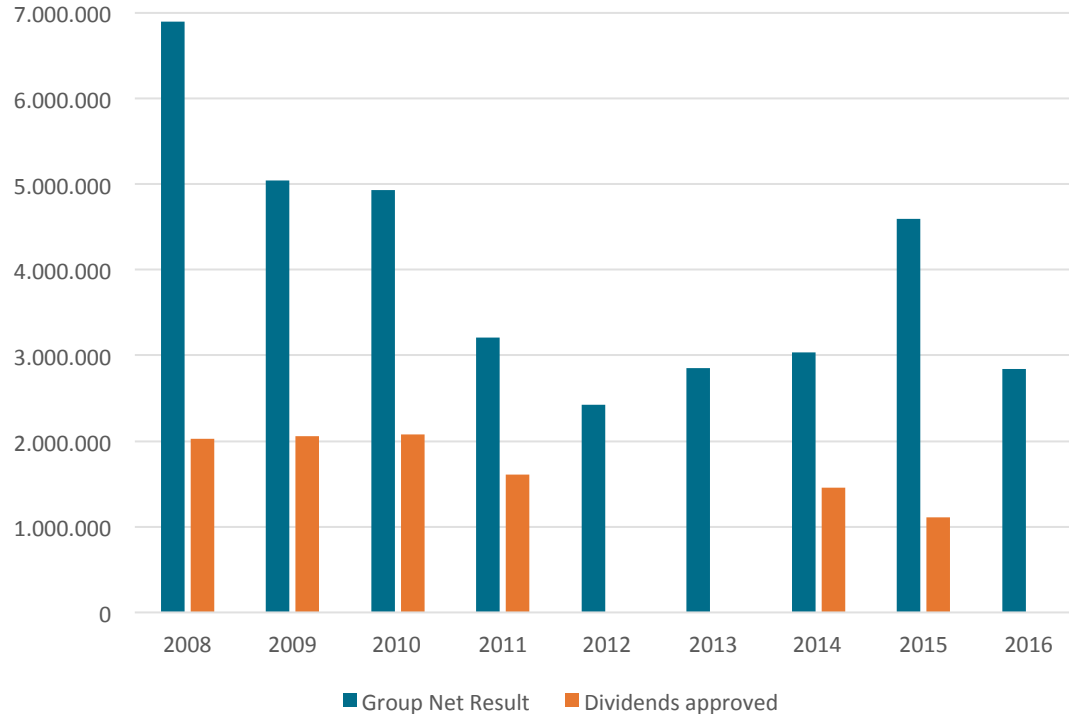
The combination between an historical industrial company, as Italtel is, and a young IT services provider, as Exprivia is...

- will result in a **original entity** ahead of the times,
- able to **merge IT and Telco** capabilities,
- in a **unique global operator**
- with a strong and **referenced international presence**
- with a **solid and diffused presence** in the economical and social Italian landscape

# Why invest in Exprivia

- Large loyal **customer base**
- A **wide presence** in Italy being close to the customer
- Solid presence in large and solid markets, such as **Banks&Finance, Healthcare, Energy and Telco, SAP**
- Promising presence in **emerging countries**
- **Hundreds of professionals** specialized in several different markets
- **R&D pole** in the South of Italy with a good capacity to attract neo-graduates in IT disciplines and management engineering
- **Proprietary product portfolio** in Healthcare and Banking markets
- Proved ability to growth by means M&A
- **Stable management team**: most of persons who are part of it are shareholders
- A careful **dividend policy** able to sustain the company development

# Dividends



Unsatisfactory market capitalization, not in line with the value spread to the market and through the customers value chain.

That's an issue which will be addressed among the priorities of 2017.



# Company profile

## Shareholding



- Free Float  
45,71%
- Treasury  
shares 5,09%
- Abaco  
Innovazione  
SpA 46,50%

## Share Informations

Italian Stock Exchange – STAR

N. of shares outstanding: 51.9 m

Price as of 20/3/2017: € 0.797

Capitalization: € 41.3 milion

Bloomberg: XPR IM

Reuters: XPR.MI

## Stock Chart



# Disclaimer

This presentation contains estimates including information relating to the financial performance of the Company and market trends. Estimates are based on assumptions that management believes are reasonable and credible to date.

Estimates may be subject to variations and changes in the macroeconomic scenario.

Actual results may also differ from the information set forth herein.

This document does not constitute a solicitation nor does it represent indications for purchase and a sale of the Group's shares and is addressed to the financial community.

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