

Results Presentation

Q3 2024 (September 30, 2024)

November 21, 2024



Disclaimer

Engineering Ingegneria Informatica S.p.A. (“**Engineering**” the “**Company**” and, together with its subsidiaries, the “**Group**”) is issuing the following results presentation (the “**Results Presentation**”) which provides a summary of certain financial information of Engineering and its consolidated subsidiaries as of and for the nine months ended September 30, 2024. Accordingly, all references to the “**Group**,” “**we**,” “**us**” and “**our**” in this Results Presentation are to Engineering and its subsidiaries on a consolidated basis. The financial information presented in this Results Presentation has been derived from Engineering’s financial statements as of and for the nine months ended September 30, 2024 (the “**Financial Statements**” or “**Q3 2024 Accounts**”).

In this Results Presentation we present Adjusted EBITDA data as of and for the nine months ended September 30, 2023 and 2024, the twelve months ended September 30, 2024 and year ended December 31, 2023, which is a measure that is not recognized by the International Financial Reporting Standards (“**IFRS**”) or any other generally accepted accounting principles. We define “**Adjusted EBITDA**” as the performance for the year, adjusted by the following items: Taxes, Income/(expenses) related to changes in liabilities on acquisition of non-controlling interests, net financial income/(expenses) (including, inter alia, exchange gains and losses), interest expense (including interest on financial leases), amortization/depreciation, provisions and write-downs (including, but not limited to, the allocation to doubtful debt provision and provisions for risks and charges, comprising provisions made for probable future losses on some orders), leaving incentives, audit firm costs, charges related to the corporate strategic review process, charges for extraordinary corporate transactions and one-off projects and EBITDA attributable to subsidiaries in liquidation. It is noted that Adjusted EBITDA is not identified as accounting measure within the IFRS standards adopted by the European Union. Therefore, the calculation criteria adopted by the Group might not be consistent with criteria adopted by other groups. We present Adjusted EBITDA as a supplemental measure of performance and liquidity. Our calculation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as analytical tools and should not be considered in isolation or as a substitute for the analysis of our operating results as reported under IFRS. In addition, in this Results Presentation we present PF RR Adjusted EBITDA data for the twelve months ended September 30, 2024. We define “**PF RR Adjusted EBITDA**” as Adjusted EBITDA before certain management adjustments, including: the estimated savings that we expected to generate from severances, as if such leaving incentives had been fully paid on October 1, 2023. This information is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial impact or results of our cost saving initiatives. There can be no assurance that we will realize anticipated cost savings in a timely manner or at all. The achievement of our cost savings initiatives and cost depends on factors that are outside of our control, including the renegotiation of certain contract terms with our employees, and we may therefore be unable to implement some or all of such initiatives and/or generate the expected benefits therefrom within the expected timeframe or at all. The costs we incur in trying to realize our cost savings initiatives may be substantially higher than our current estimates, including due to the current inflationary surge, and may outweigh any benefit.

In this Results Presentation we also show certain unaudited aggregated financial information and other data of the Group, for the year ended December 31, 2023 as if the acquisition by the Group of certain other companies completed in 2023 had occurred on January 1, 2023. This data has been calculated as the sum of the relevant corresponding metrics for each of the Group, and such companies acquired in 2023 (in each case, to the extent not already reflected in the Group’s results for the relevant period in such year) without making any eliminations and/or adjustments for the relevant periods. This unaudited aggregated financial information and other data have not been audited, are not required by or presented in accordance with IFRS or any other generally accepted accounting principles and have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities Act of 1933, as amended.

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We continually assess public and private market conditions for beneficial opportunities to raise capital to refinance our existing debt and finance our business activities. To that end, we may choose to raise additional financing, depending on market conditions and other circumstances, in the near future.

FORWARD LOOKING STATEMENTS

This Results Presentation contains “forward-looking statements” as that term is defined by the U.S. federal securities laws and within the meaning of the securities laws of certain other jurisdictions. These forward looking statements include, without limitation, those regarding our intentions, beliefs or current expectations concerning our future financial condition or performance, result of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; future developments in the markets in which we participate or are seeking to participate; and anticipated regulatory changes in the industry in which we operate.

These statements often include words such as “anticipate”, “believe”, “could”, “estimates”, “expect”, “forecast”, “intend”, “may”, “plan”, “projects”, “should”, “suggests”, “targets”, “would”, “will” and other similar expressions. These statements are not guarantees of performance or results. Many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. As a result, you should not place undue reliance on such forward-looking statements. We undertake no obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward looking statements to reflect events or circumstances after the date of this Results Presentation.

This Results Presentation includes certain information about our future performance. Such forward-looking information has been prepared by management based on preliminary internal management accounts and operational records and is based on, among other things, certain assumptions concerning future events that management expects to occur and the actions management intends to take. Such events and actions may not actually be realized, as they depend substantially on variables that management cannot control and may involve situations that management cannot predict, which could cause our actual results to differ materially from our expectation and from past results, performance or achievements. Therefore, the target and guidance information presented herein is subject to significant uncertainties, including, changes in the macroeconomic conditions, market conditions and regulatory framework, and the Group’s actual results or performance may differ materially from those projected or implied in the guidance. Accordingly, the guidance information presented herein should not be taken as an indication of future performance and should not be viewed as a substitute for the full results for the year ending December 31, 2024 and the year ending December 31, 2025, which will be prepared in accordance with IFRS and audited by our independent auditors. In addition, such information has not been audited, reviewed, verified or subject to any procedures by our independent auditors nor any other party for the purposes of its inclusion herein.



Today's Speakers



Maximo Ibarra

CEO OF ENGINEERING GROUP SINCE
OCTOBER 2021



Pasquale Iannone

CFO OF ENGINEERING GROUP SINCE
SEPTEMBER 2024

Opening Remarks

1

Transforming for Long-Term Success

- In the last two years, we embarked on a **bold transformation** to **elevate our competitiveness** and position for **sustainable growth**
- With a clear focus on **optimizing operations**, we navigated significant changes to become **leaner** and more **resilient**
- We **heavily invested** in **highest value-add products** which are best positioned for **most profitable growth avenues**
- Our **Q3 2024** results showcase the **outcomes** of this **transformation**:

2

Tangible Results of Our Transformation

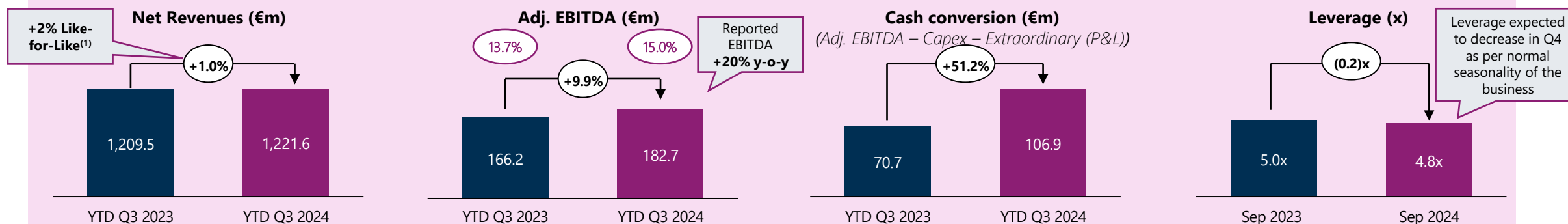
- YTD revenues c. **+2% on organic⁽¹⁾ basis**, continuing **positive mix shift** to **higher value add segments**
- Increase in **billability & utilization** ratios with backlog c. **+13% vs. FY2023**
- Strong **growth** in Cash Conversion⁽²⁾ y-o-y (c. **+51%**)
- Enhanced **profitability** with YTD Adj. EBITDA **+10%** vs. PY & margin **+1.3ppt**
- Reduction in **P&L extraordinary costs** (c. **€9m lower** vs. YTD Q3 2023)
- We are focused on **reducing overall leverage (4.8x** as of Sept 2024; improved vs. Sept 2023 **at 5.0x)**

3

Target 2024 and Guidance 2025

- As a result, we **reiterate FY 2024 guidance**:
 - Adj. EBITDA**: high-single digit / low double-digit organic growth
 - One-off P&L costs**: significant reduction (c. **€30m vs. €80m+** in FY23)
 - Cash generation / Leverage**: solid cash Q4 generation (with positive seasonality effect) resulting in expected 2024YE leverage **< FY2023**
- Now **best positioned to capture the most profitable growth in 2025** while reducing **capital expenditures** and **non-recurring costs**

Q3 2024 Performance Snapshot



Note: (1) Organic growth is defined as the percentage growth between two periods (the later of such periods, the "subsequent period"), excluding from the subsequent period the contribution to the Group by entities that were acquired by the Group during such period as well as legal entities or businesses closed or disposed of during the period. Organic performance for Q3 2024 and LTM Q3 2024 is calculated by excluding the contribution by Extra Red to Group Net Revenues and Adj. EBITDA; (2) Calculate as Adj. EBITDA - Capex - Extraordinary (P&L)



ENG: a sound investment proposition



1 Underpenetrated Italian IT market



- Italian economy **under-digitised compared to other mature geographies**
- Long-term **digitisation process** expected to continue **to enable productivity and efficiency**, enabled also by continued macro policy push (e.g. regulations incentivising digital adoption)



2 Leader in the Italian technology sector



- **Diversified** footprint with **#1-2 leading positions** and **long-term customer relationships** (13-year average tenure⁽¹⁾) in IT services **across market verticals** as key differentiating feature
- **Own vertical software products** with leading positions **in local and regulated** markets (e.g. bank regulatory reporting, insurance, healthcare, utilities), creating **customers' lock-in**



3 Attractive economic model with further value creation opportunities

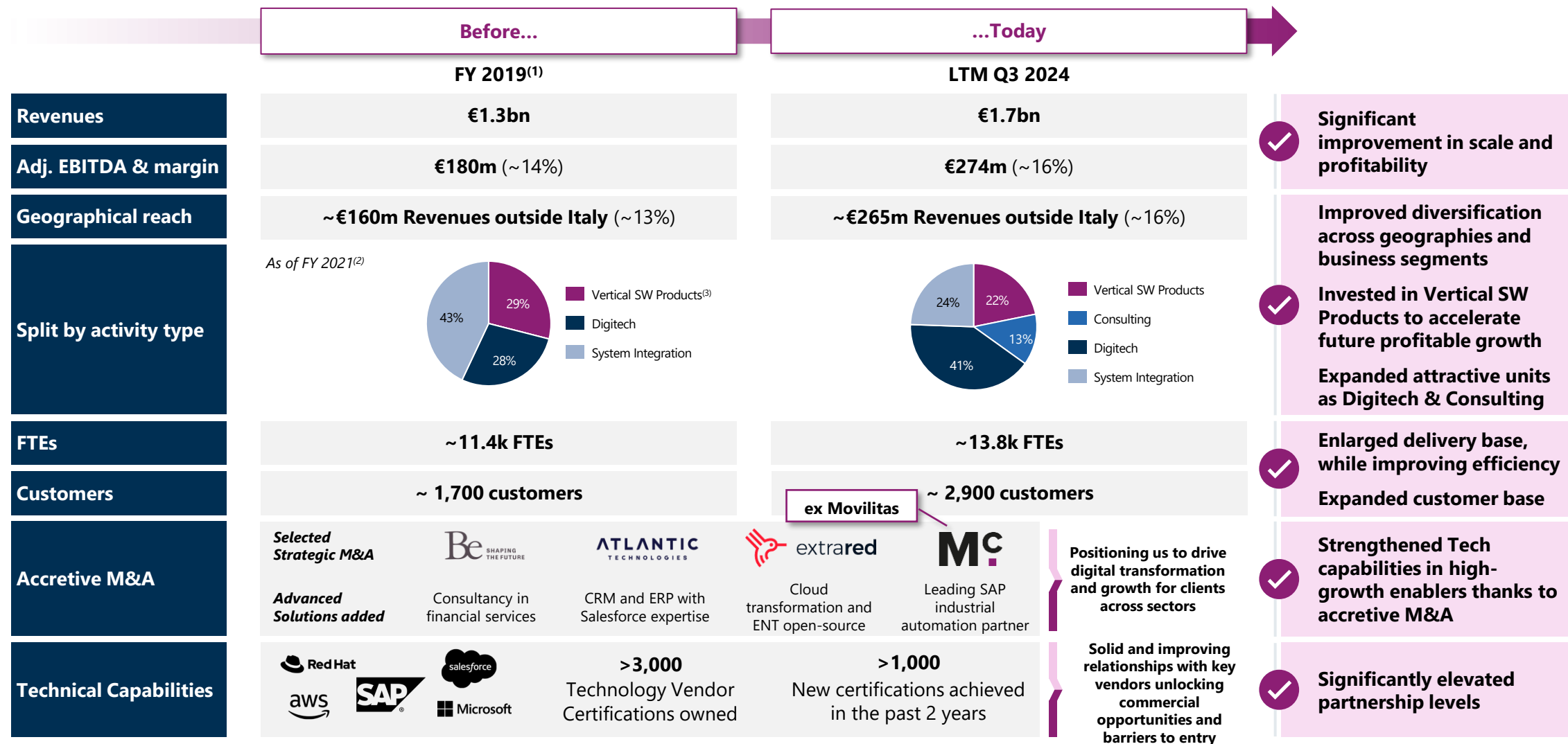


- Growth in line with Italian IT market, with **potential for overperformance**, supported by **ongoing shift to higher growth Digitech offering**
- **Strong margins** supported by technical capabilities – **further upside** from roll-out of productivity best practices and GenAI
- **Strong underlying cash conversion**, limited capex intensity in the medium-term after an investment phase to support growth and margins
- **Experienced team strengthened, already delivering performance improvements** from the transformation journey

Notes: (1) with top ten customers



Engineering successful transformation journey across the past 4 years...



Note: (1) As a result of the correction of the accounting errors described in our FY 2022 Accounts and the inability to allocate the effects of such errors to periods prior to the year ended December 31, 2022, the consolidated financial information for the nine months ended September 30, 2023 and 2024, the twelve months ended September 30, 2024 and year ended December 31, 2023 are not fully comparable with the ones related to the fiscal year ended December 31, 2019. As a result, the 2019 figures presented in this slide are impacted by the accounting errors and therefore you should not place undue reliance on such information; (2) First year after the strategic review and new classification of activity types; (3) Former "Proprietary Solutions" vertical; Excluding Over It that has been carved out in Dec21



... underpinned by a clear action plan, already delivering solid results

Key roadmap achievements since 2021

- 1 **Doubled down on Digitech**
- 2 **Further strengthened partnerships with key vendor parties**
- 3 **Selectively invested in Vertical SW Products**
- 4 **Optimized workforce and delivered operational efficiencies**

Future expectations

- Prompting **profitable growth**, thanks to (i) higher margin on Vertical SW Products, (ii) Digitech solutions expected to grow above industry average and, (iii) improved technical capabilities
- We **expect lower capex need** after the investment cycle in 2022-2024
- **Investments in Vertical SW Products** allows us to **win with our customers**
- Major extraordinary activities accomplished. Expecting strong **reduction in one-off costs for 2025** and onwards

Target 2024

- +3-4% **y-o-y** Revenues growth
- Q4 24e Adj. EBITDA +5% vs. PY
- + ~1ppt **above FY23** Adj. EBITDA margin
- ~€60m Capex (~€30m below FY23)
 - FY25 expected decrease towards ~€40-45m Capex
- ~ €30m Non-recurring P&L items (~€55m below FY23)
 - FY25 expected <€20m Non-recurring P&L items



Note: The guidance information presented should not be taken as an indication of future performance. Please see the disclaimer at the beginning of this Results Presentation

We doubled down on Digitech

We build **connections between data, technologies, people and enable companies** to put their values into action

4,000⁽¹⁾
EMPLOYEES

25
EXPERTISE AREAS

54
OFFERING LINES

~41% of Group Revenues
As of LTM 3Q 2024

Global
DELIVERY SERVICES

5
CENTERS OF EXCELLENCE

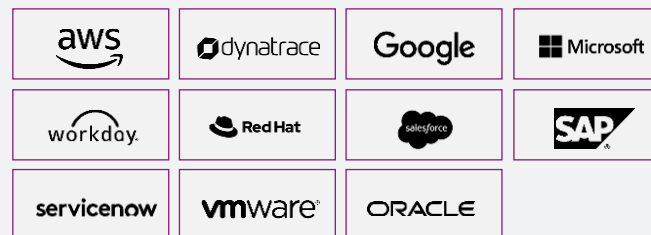
80
TECHNOLOGY PARTNERS

Accretive margin%
VS. SYSTEM INTEGRATION

3,000+
TECHNOLOGY VENDOR
CERTIFICATIONS

1,300+
PROFESSIONAL CERTIFICATIONS
ISSUED EVERY YEAR
By our IT & Management Academy
"Enrico Della Valle"

Strategic Partnerships



Alliances



Cloud & Infrastructure

Increase Cloud technologies adoption supporting businesses evolution path

Cloud strategy

App Modernization

Workplace management services

Data center hosting & operations

Data, Analytics & Digital Twins

AI-fueled business process automation and Data Management solutions

Data visualization

Data Management

AI Readiness Assessment

AI Data Insight

Virtual Assistant set-up

Digital Twins

Digital Experience

Go beyond processes digitization by creating powerful user experiences

UX & Accessibility Assessment

Service & Product Design

Mobile/Web App Development

XR Experience Development

Cybersecurity

Respond to Security needs as a business imperative, not an afterthought

Cyber Security Maturity Assessment

Security Advisory

Security Operations Center

Advanced Enterprise Platforms

Accelerate digital adoption integrating the right Enterprise Applications

Platforms implementation & customization (incl. SAP, SF, Oracle, Workday)

Platforms maintenance (AMS)

Certifications by key segments active since 2019

600+

320+

200+

300+


















1,500+





Notes: (1) As of December 31, 2023

We build the future with our Partners...

Thanks to the effort and the investments in the last two years, we have **significantly improved our level of partnership / certifications across our key vendors**, and we are **now ideally positioned to fully capture market opportunities**

	Trend	Comment		Trend	Comment
	 +230 certifications ¹	Rising Star Partner Italy (since 2022 our ranking improved by over 20 positions, and today we have over 400 AWS Certifications, with a strategic collaboration agreement in place)		 +170 certifications ¹	Partnership level boost executing a partnership level acceleration plan that will bring Engineering at the level of premier Global Partners
	+50 certifications ¹	Oracle Cloud Partner Italy (since 2022 our ranking improved by over 5 positions, and today we have over 350 certifications)		+50 certifications ¹	Premier designation with Google cloud, with over 120 certifications as of today
	 +450 certifications ¹	Maximum available level of partnership achieved		 +200 certifications ¹	<ul style="list-style-type: none"> • Since 2022, our ranking improved by over 8 positions, today achieving Solutions Partner designation • Dedicated Datacenter Optimization Agreement aimed to support customers in innovating legacy data center operations with Azure Cloud
	ENG cited on Gartner Global MES MOM Global Market Guide	<ul style="list-style-type: none"> • Engineering USA has been one of Siemens longest standing partner • A certified SW reseller, solution partner, global alliance member, smart expert and cloud partner of Siemens Digital Industries 		 +40 certifications ¹	Maximum available level of partnership achieved
		Renewing strong Partnership with company which was part of the ENG Group up to 2 years ago.		 +10 certifications ¹	Maximum available level of partnership achieved First Italian Partner to achieve this level of partnership

 Material improvement during last 2 years

 Maximum available level of partnership achieved



Notes: (1) In Q2 2024 vs. Q4 2022

... winning with customers

Distinctive capabilities, leading to tangible results...



1,700
new **Digitech** projects
launched in YTD Oct24

~3,300
Digitech projects
ongoing as of Oct24

Selected example



Complex project for a TelCo customer

- ✓ Managed critical carve-out process including ERP and Application Maintenance Services
- ✓ Transversal projects across cybersecurity, operations and identity access management

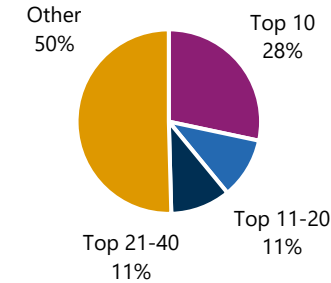
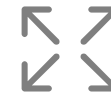
Selected example



PNT project

- ✓ Design, implementation, and management of the new National Platform for Telemedicine
- ✓ Strong tech advantage vs. competitors' solutions, developing an ad-hoc platform

... reconfirming Engineering's solid customer relationships

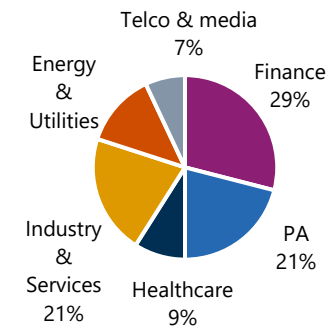


No single customer accounting for more than 6% of total revenues⁽¹⁾, with multiple contracts per client in place ...



> 13 years
Avg tenure on Top10 customers

... with top customers having very longstanding partnerships with the Group...



...and well diversified across markets with strong focus on large accounts and an emerging leadership in upper mid-market⁽²⁾



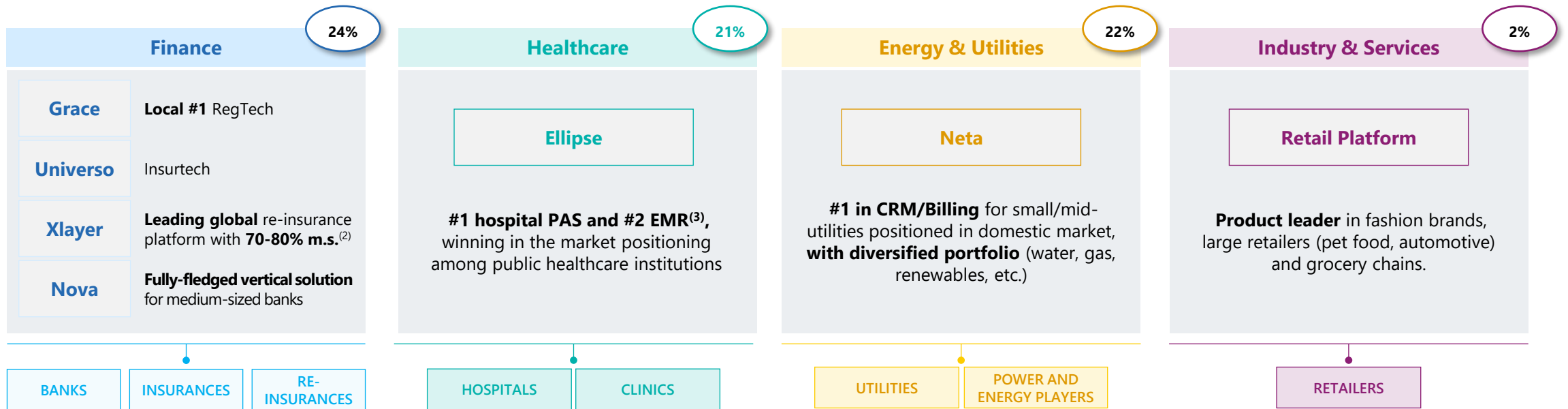
Notes: (1) Revenues split as of FY 2023 (2) Revenues split as of YTD Q3 2024 figures

Vertical SW Products

Continuous investments in our Vertical SW Products⁽¹⁾, to enhance performance and ensure they continue to drive significant margin improvements, underpinned by a **high level of contractual recurrence** through maintenance agreements (average **contract length of 3-4 years**)

Accretive margin %
VS. SYSTEM INTEGRATION

~22% of Group Revenues
As of LTM 3Q 2024



2022-2023A

Heavily invested in cloud capabilities for Healthcare, SaaS for Neta and other selected solutions to **renew and upgrade the offering**, supporting future growth

2024-2025E

Products are now well positioned to further increase market share. Capex needs already reducing in 2024, expected to further decrease in 2025

○ Revenue split per vertical within the Vertical SW portfolio



Notes: (1) Former "Proprietary Solutions" vertical; (2) Market share estimated by management; (3) Electronic Medical Records

Optimized workforce and delivered operational efficiencies...

Strategic Workforce Optimization for Future Growth

i Streamlined Operations: we have significantly improved our operational efficiency, and we are developing tangible use-cases of generative AI that are boosting productivity

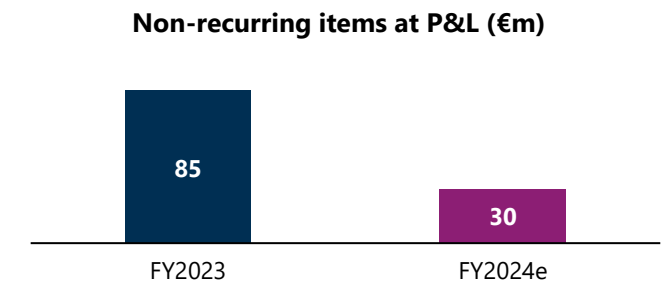
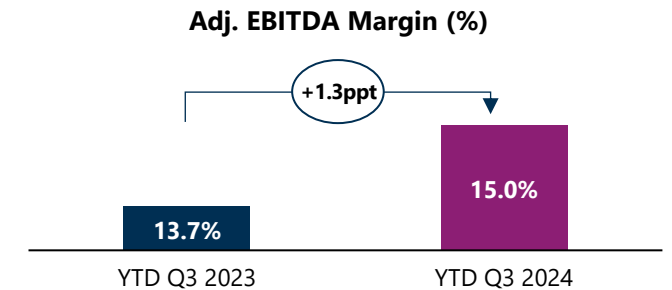
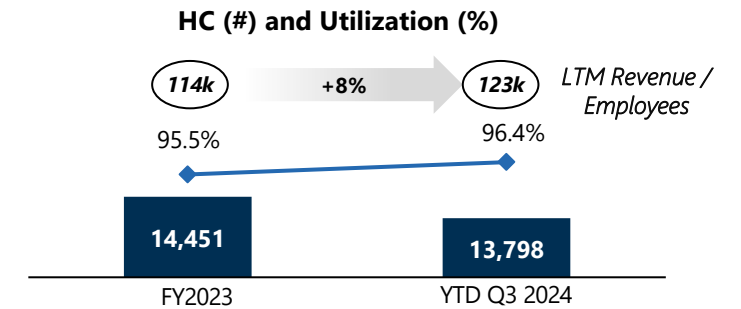
Lower headcount, higher efficiency and productivity

ii Enhanced Resource Allocation: we are now better equipped to prioritize resources, accelerate innovation, and drive efficiency to support our long-term vision

Profitability expansion and improvement (not yet at full run rate)

iii Investment in Future Growth: while initial restructuring required targeted cash-out, these one-time costs are now almost all complete, showing strong reduction in one-off costs already in 2024 and further reduction in 2025

Lower extraordinary costs, higher future cashflow, and improved quality of earnings



Our new service offering is expected to further optimize margins by type of activity



... supported by real-life Generative AI deployment

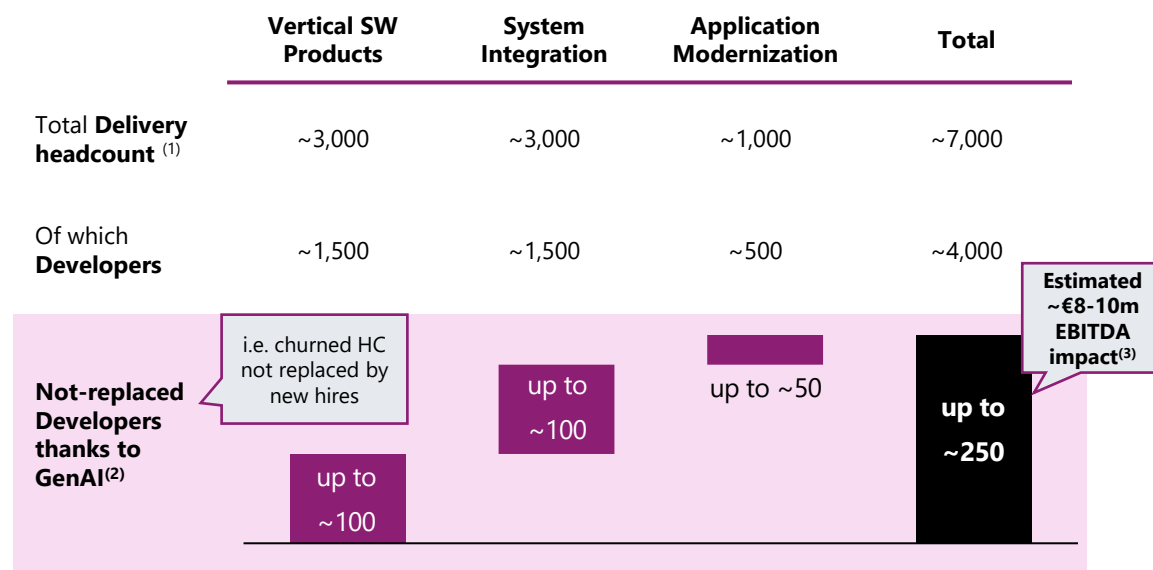
Productivity savings coming from effective GenAI rollout will **support future growth in a scalable way**, efficiently **reducing hiring needs**

What we already doing today

- In the first 9 months of 2024, we launched **pilot programs** where **70 developers adopted Microsoft Github CoPilot** to support **software production**
- The pilot showed an **increase on productivity of about +7 to +10%**

Coding activities breakdown	Efficiency type	Gain Range
Feature development	Productivity	12% - 15%
Refactoring	Productivity	15% - 18%
Test automation	Quality	30% - 35%
Comments	Quality	20% - 24%
Code analysis	Quality	8% - 11%
Logging	Productivity	12% - 15%
Technical docum.	Quality	20% - 27%
Hotfix	Productivity	7% - 10%
Code Design	Productivity	0% - 4%
Architecture	Productivity	0% - 4%
Troubleshooting	Productivity	3% - 3%
Average gain		7% - 10%

Target efficiencies and action plan



Action plan

- Following **pilot programs in 2024**, we are looking to **implement initiatives in 2025** with **tangible benefits** to be achieved **by 2026**
- We estimate a **conservative ~6% churn rate for headcount reduction** (compared 7-10% efficiency gains) which leaves **potential for upsides** over time
- AI to replace **natural churn**, i.e. **no need for "hiring to replace" actions** or **severance costs**

Note: (1) Excluding ~3k Digitech headcount except for Application Modernization; (2) Considering c. 6-7% yearly attrition (3) Giving first benefits already by 2026



Q3 2024 Results



Executive Summary

Q3 2024 & LTM Q3 2024

HIGHLIGHTS

- ✓ Q3 2024 YTD Net Revenues and Adjusted EBITDA of **€1,222m** (+1.0% y-o-y) and **€183m** (+9.9% y-o-y; 15.0% margin), respectively
 - On an **organic⁽¹⁾ basis**, Q3 2024 YTD Net Revenues growing at c. **+2%** with **continued positive mix shift to higher value add segments** in which we decided to focus our investments and commercial offering over the past 3 years
 - **End market diversification** improves **resilience of topline** due to limited dependence on a particular sector
- ✓ As of Q3 2024, backlog⁽²⁾ ahead vs. FY 2023 (ca. +13%) at ca. €1.8bn
- ✓ Q3 2024 YTD capex **reduced** by ca. €11m vs. Q3 2023 YTD (capex as % of net revenues decreased to ca. 3.9% vs. 4.8%)
- ✓ Q3 2024 YTD P&L extraordinary costs equal to ca. €28m vs. ca. €37m in Q3 2023 (FY 2024 P&L extraordinary costs expected to be **ca. €30m vs. ca. €85m in FY 2023**)
 - Virtually, all cash out costs associated with the leaving incentives program occurred within Q3 2024 in line with expectations
- ✓ As of September 30, 2024, **Total Net Debt / PF LTM Q3 2024 RR Adjusted EBITDA of 4.8x** (improved vs. September 2023 leverage of 5.0x)
- ✓ On September 16, 2024 Mr. Pasquale Iannone has succeeded Mr. Cunico and commenced his role as Group CFO

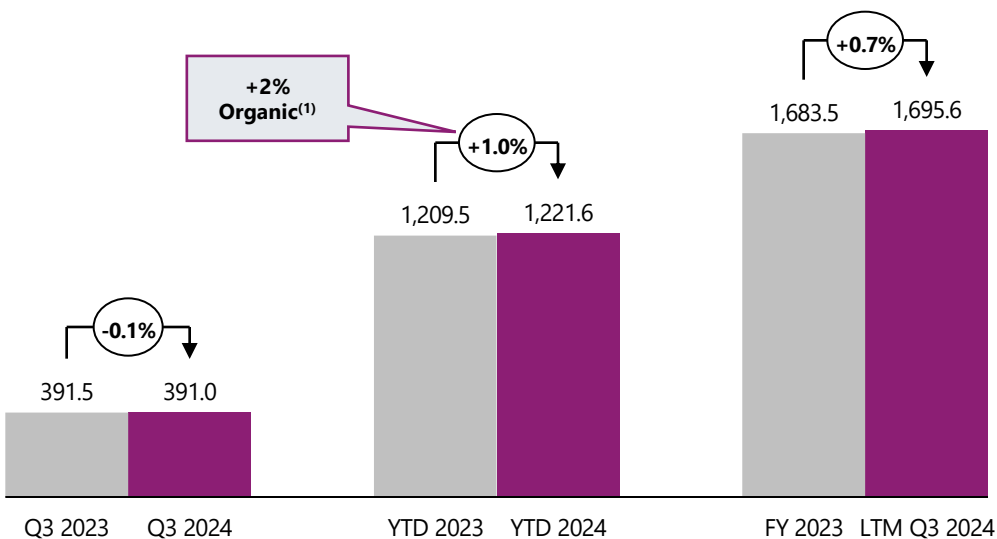
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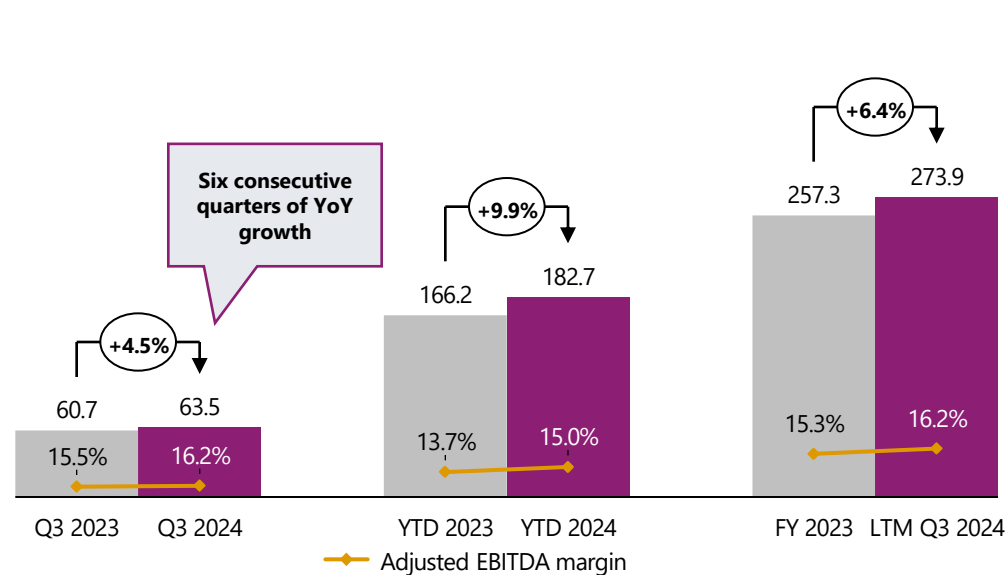
Q3 2024 Group Financial Highlights

- Q3 2024 YTD Net revenues and Adjusted EBITDA of **€1,221.6m** (+1.0% y-o-y) and **€182.7m** (+9.9% y-o-y; 15.0% margin), respectively
 - On an **organic⁽¹⁾** basis, Q3 2024 YTD Net Revenues growing at c. **+2%**, excluding the impact of M&A and closed legal entities / businesses
 - **End market diversification** improves **resilience of topline** due to limited dependence on a particular sector
 - Continued positive mix shift to higher value add segments, in which we decided to focus our investments and commercial offering over the past 3 years, accelerating mix shift towards higher growth segments

Net Revenues (€m)



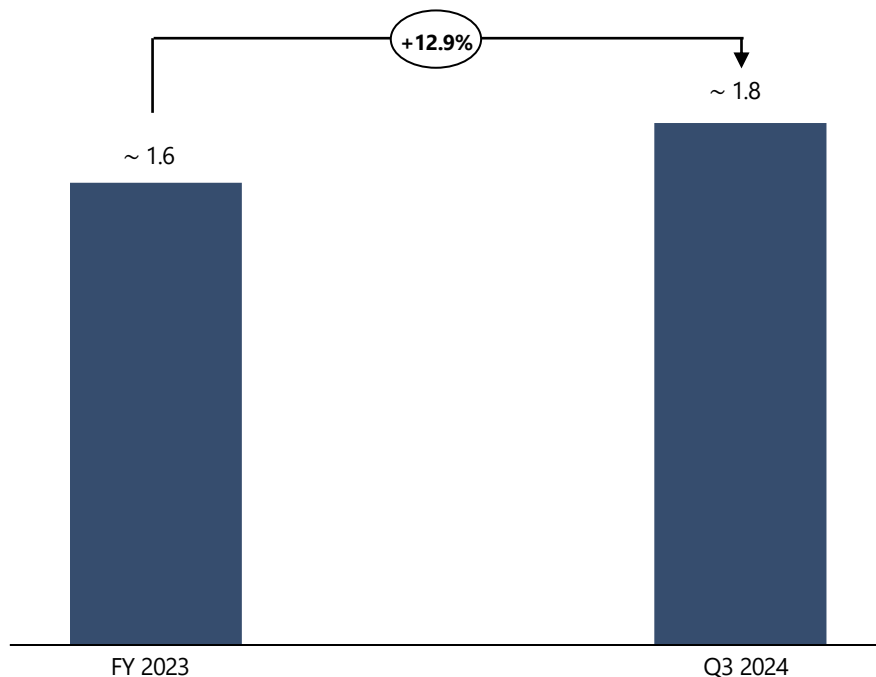
Adjusted EBITDA (€m)



Notes: (1) Organic growth is defined as the percentage growth between two periods (the later of such periods, the "subsequent period"), excluding from the subsequent period the contribution to the Group by entities that were acquired by the Group during such period as well as legal entities or businesses closed or disposed of during the period. Organic performance for Q3 2024, LTM Q3 2024, YTD 2023 and YTD 2024 is calculated by excluding the contribution by Extra Red to Group Net Revenues and Adj. EBITDA

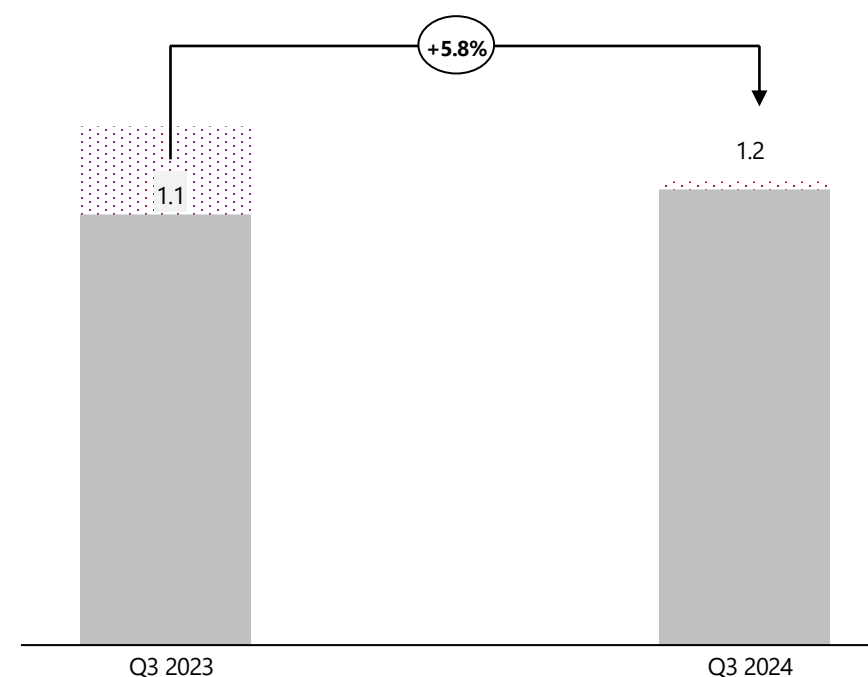
Business Momentum

Backlog (€ bn)⁽¹⁾



- **Continuously growing backlog as of Q3, covering c. 1.1x LTM revenues**

Bookings (€ bn)⁽¹⁾



- When excluding large long-term contracts won in 2023 (PNT and municipalities), **bookings increased by ca. +6% mainly thanks to strong recovery in the finance vertical**





























Notes: (1) Calculated on a Like for Like basis, excluding the contribution by Be, Atlantic and Extra Red. Bookings are defined as (i) revenues that we expect to generate from customer orders in the future periods, in respect to which we started providing services and which, therefore, generate backlog in such period, and (ii) the share of revenues that is contractually guaranteed under our multi-year framework agreements with customers with respect to a reference period, including in advance of receiving the underlying customer orders. Backlog is defined as the sum of expected value of revenues of contracts signed, orders and amendments in progress which remain to be recognized over their remaining durations, at a specific date. Backlog is reassessed on a day-to-day basis, at the present value and at the current exchange rate, taking into accounts order entries and adjustments on order entries.



Summary performance by vertical

End markets diversification improves **resilience of topline** due to limited dependence on a particular sector

YTD Q3 2024 vs. YTD Q3 2023

Vertical	Revenues		Adj. EBITDA		Margin	Drivers
 Finance	€353m	 +14%	€63m	 +16%		Positive momentum thanks to successful Be integration and proprietary software offerings
 Public Administration	€258m	 -4%	€31m	 +17%		Topline performance improving in Q4, strong margin increase thanks to efficiency and business mix
 Healthcare	€115m	 -10%	€19m	 -40%		Unfavorable comparison vs. PY due to PNT. Excluding PNT, vertical net revenues growing at +16%
 Industry & Services	€256m	 -7%	€39m	 +15%		Topline contraction due to slowdown in manufacturing automation. Strong margin increase thanks to efficiency and repricing actions
 Energy & Utilities	€156m	 -3%	€21m	 +24%		Margins increasing thanks to recent investments and efficiencies, offsetting reduction in topline due to some primary players cutting expenditures (excl. those, revenues up +3%)
 Telco & Media	€84m	 +24%	€10m	 ~+3x		New cybersecurity and ERP projects launched, coupled with better indirect cost structure and efficiencies
 Total Group	€1,222m	 +1%	€183m	 +10%		Continued positive mix shift to higher value add segments driving EBITDA growth and margin expansion



Summary Cash Flow

Cash Flow YTD (€m)

Cash Flow	Q3 2023	Q3 2024
<i>Currency: €m</i>		
Adjusted EBITDA	166.2	182.7
% Revenues	13.70%	15.00%
Capex	(58.6)	(48.0)
- o/w Extraordinary investments in Vertical SW Products	(26.5)	(22.0)
% Revenues	4.80%	3.90%
Adj. EBITDA – Capex	107.5	134.7
% cash conversion	64.70%	73.70%
Change in NWC (excluding change in factoring)	(69.4)	19.9
IFRS 16 impact	(21.3)	(20.5)
Free Operating Cash Flow	16.8	134.1
% cash conversion	10.10%	73.40%
Change in outstanding Factoring	29.0	(84.0)
Free Operating Cash Flow (after factoring)	45.8	50.1
M&A considerations	(19.6)	(14.6)
Cash Extraordinary costs	(29.0)	(51.9)
- o/w Severances	(9.4)	(45.1)
- o/w Strategic projects	(5.3)	(2.0)
- o/w Entities to be liquidated & Other	(14.3)	(4.8)
Memo: Factoring Outstanding	204.0	168.0

+25% YoY

In line with expectations and **to be completed by YE**
Includes €30m related to FY23 with cash impact in H1 2024

Q4 2023: €252m

Highlights

- Decrease in capex in line with anticipated phase out of extraordinary investments in our Vertical SW Products
- Positive change in NWC (before factoring) contributes to a positive improvement in cash generation. Driven by an improvement in underlying DSO thanks to supportive business mix (higher incidence of verticals with shorter payment terms)
- Reduction in factoring usage resulting from:
 - Improving underlying DSO and comfortable liquidity position allowed us to deploy factoring in a more tactical way to reduce finance costs
- M&A considerations include the earn-outs paid for Atlantic (€10m), C Consulting (ca. €3m) and Cybertech (ca. €1m)
- Q3 2024 cash extraordinary costs mainly related to severances (ca. €45.1m, of which €30.0m related to FY23 with cash impact in H1 2024)
 - For details of severances, please see table below:

<i>Currency: €m</i>	FY2023A	FY2024E	Tot
P&L Impact	~40	~16	~56
Cash Impact	~10	~46	~56

~ € 45m paid in Q3 24 in line with the expectations

Note: Capex is defined as purchase of property, plant and equipment plus purchase of intangible assets and excludes the consideration paid for the acquisition of other businesses (please note Q3 2023 capex have been updated as per indirect cash flow methodology). Net working capital is defined as current customer contract assets, inventories, deferred contract costs, trade receivables and other current assets less current trade payables, other current liabilities, current tax payables and current provisions for risks and charges. We define adjusted net working capital as net working capital, as adjusted for certain effects that management does not consider representative of the ongoing operations of the Group. Free Operating cash flow is defined as as Adjusted EBITDA less capex less change in adjusted net working capital less IFRS 16 impact. M&A considerations excludes ca. €2.2m in Q3 2023 and ca. €6.5m in Q3 2024 related to the capital increase in PNT Italia Srl, entity created for the delivery of the National Telemedicine Platform.



Capital Structure

Engineering Capital Structure – As of September 30, 2024 (€m)

Currency: €m	Amount	x EBITDA	Pricing	Maturity
Cash and cash equivalents ⁽¹⁾	(71.3)	(0.3x)		
SSRCF (drawn)	100.0	0.4x	275bps	
SSN - Oct 2020	605.0	2.2x	5.875%	Sep 2026
SSN - May 2023 and May 2024 (tap)	485.0	1.7x	11.125%	May 2028
TLB	38.4	0.1x	500bps	Sep 2026
Net Senior Secured Debt	1,157.1	4.2x		
Other financial liabilities	73.6	0.3x		
Net Senior Debt	1,230.8	4.4x		
IFRS 16 liabilities	105.2	0.4x		
Total Net Debt	1,336.0	4.8x		
LTM Q3 2024 Adjusted EBITDA	273.9			
Cost savings run rate - Severances	4.0			
LTM Q3 2024 PF RR Adjusted EBITDA	277.9			
SSRCF (undrawn)	95.0		275bps	

Highlights

- **Net leverage of 4.8x (including IFRS 16 liabilities) as of September 30, 2024**
 - Improvement vs. Q3 2023 net leverage of 5.0x
 - PF RR EBITDA leverage includes full year impact of cost savings to be achieved
 - Other financial liabilities include accrued interest expenses on the SSN and TLB; short term financing; Be gross debt
- Liquidity as of Q3 2024 remains solid, with c. €71m of available cash and cash equivalents, on top of €95m of SSRCF undrawn and a number of available local/working capital lines. We expect to generate solid cash flow in **Q4 2024**, that will lead to a reduction in leverage, and to a repayment of **the SSRCF drawn** as done historically

Notes: Cash and Cash equivalents are adjusted for cash in transit (e.g., cash collected on behalf of municipalities and factors, equal to €32.9m). Total Net Debt excludes the shareholders loan received from Centurion NewCo S.p.A. and related accrued interest expenses, Be put&call options liability and payables to municipalities in respect of cash collected on their behalf. LTM Q3 2024 PF RR Adjusted EBITDA includes the estimated savings that we expected to generate from severances, as if such leaving incentives had been fully paid on October 1, 2023



Closing Remarks

1

Positive performance continue in Q3 2024, underpinning the business momentum started in Q2 2023 (six consecutive quarters of growth in Adj. EBITDA)

2

Completed our internal transformational journey: we are now well positioned to capture commercial opportunities while being more efficient

3

Already delivering EBITDA expansion, thanks to optimization plans carried out, with full run-rate expected in FY25

4

FY 2024 guidance reiterated: top-line growth at +3-4%; high single-digit / low double-digit Adj. EBITDA organic growth, with expected decreasing one-off costs and capex



Q&A

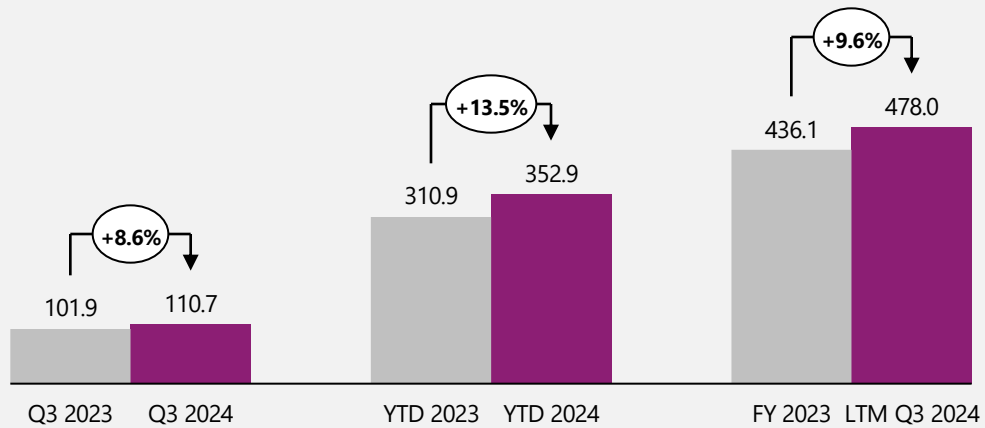


Appendix

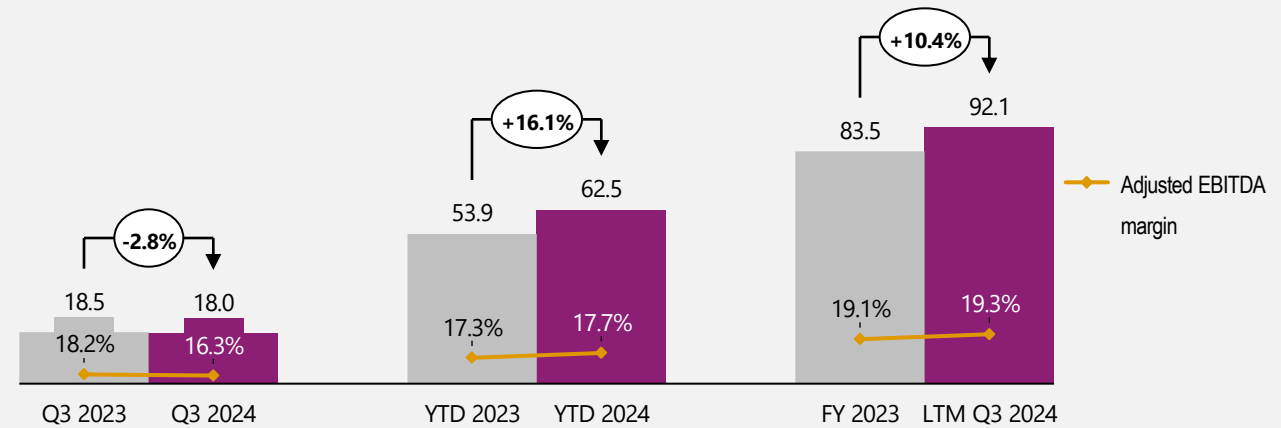


Finance / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

– **+13.5% y-o-y top-line growth**

- Increase driven by the good performance of Be and business acceleration in the rest of the vertical

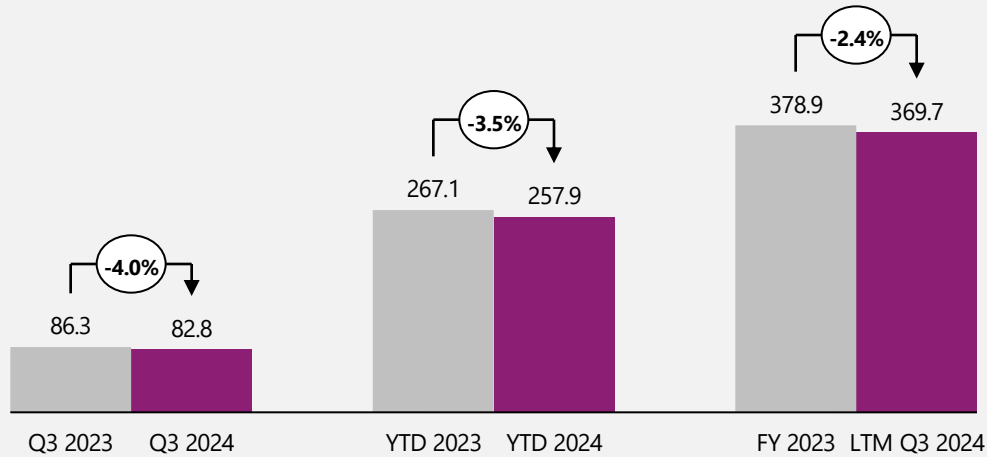
– **+16.1% y-o-y Adjusted EBITDA growth**

- Increase driven by the successful integration with Be and strong performance of NOVA platform (Vertical SW Products product with higher margin)

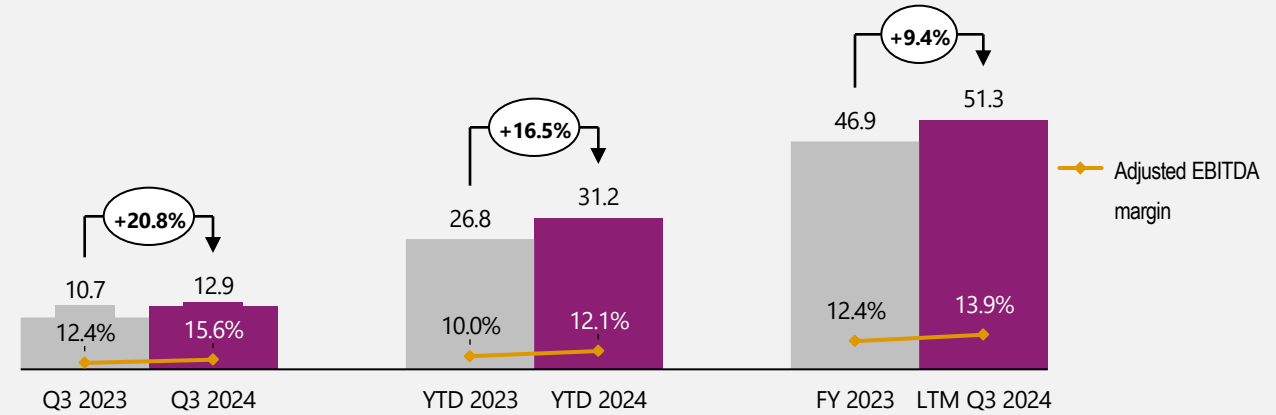


Public Administration / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

-3.5% y-o-y top-line decrease

- Comparison with previous year's results negatively impacted by one-off license sales in the first quarter of 2023 and some revenues postponed to the last part of the year, partially offset by good performance in the welfare area

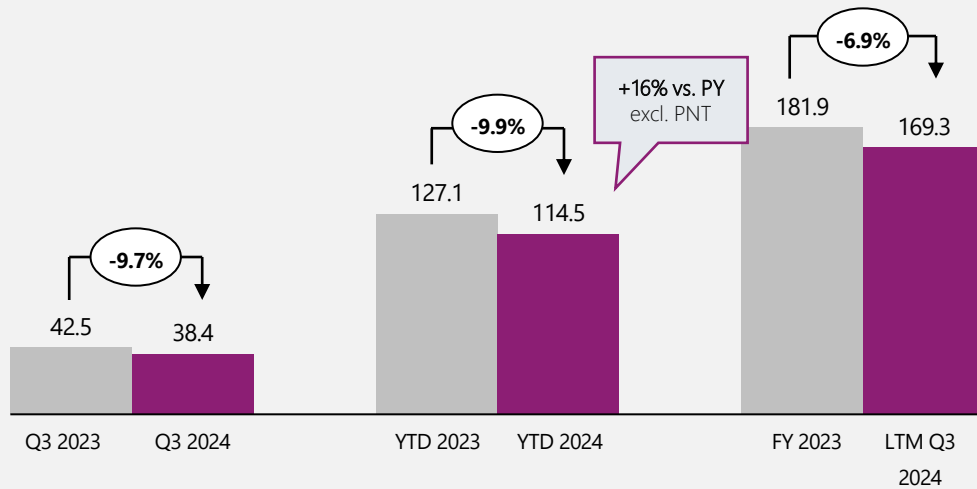
+16.5% y-o-y Adjusted EBITDA growth

- Increase in profitability thanks to the strong improvement in delivery efficiency and continuous shifting to better business mix

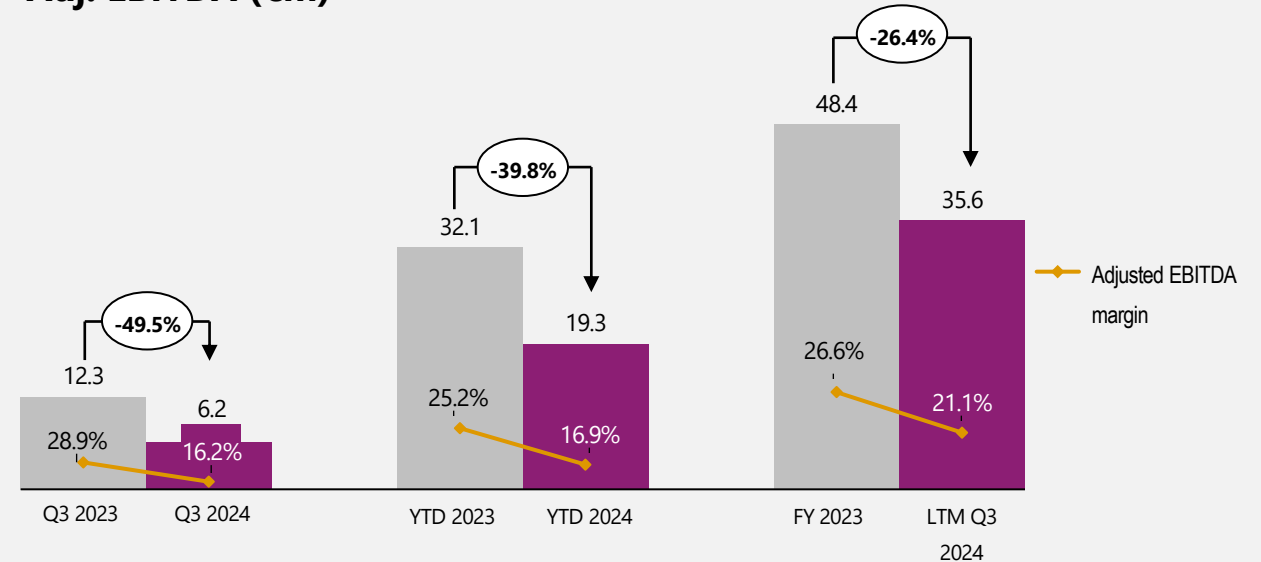


Health / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

– **-9.9% top-line vs. YTD Q3 2024 // ca. +46% vs. YTD Q3 2022**

- Comparison with 2023 results negatively impacted by National Telemedicine Platform (“PNT”), partially offset by the solid performance in the rest of the vertical (+16% excluding PNT)
- PNT is proving to be a great platform for future growth, contributing meaningfully to the pipeline

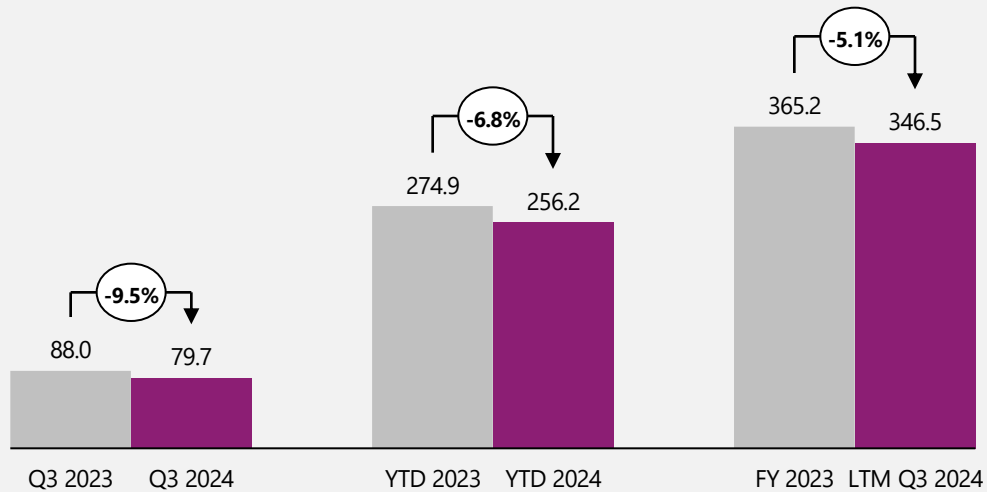
– **-39.8% Adj. EBITDA vs. YTD Q3 2024 // ca. +38% vs. YTD Q3 2022**

- Decrease mainly due to PNT’s lower profitability compared to previous year

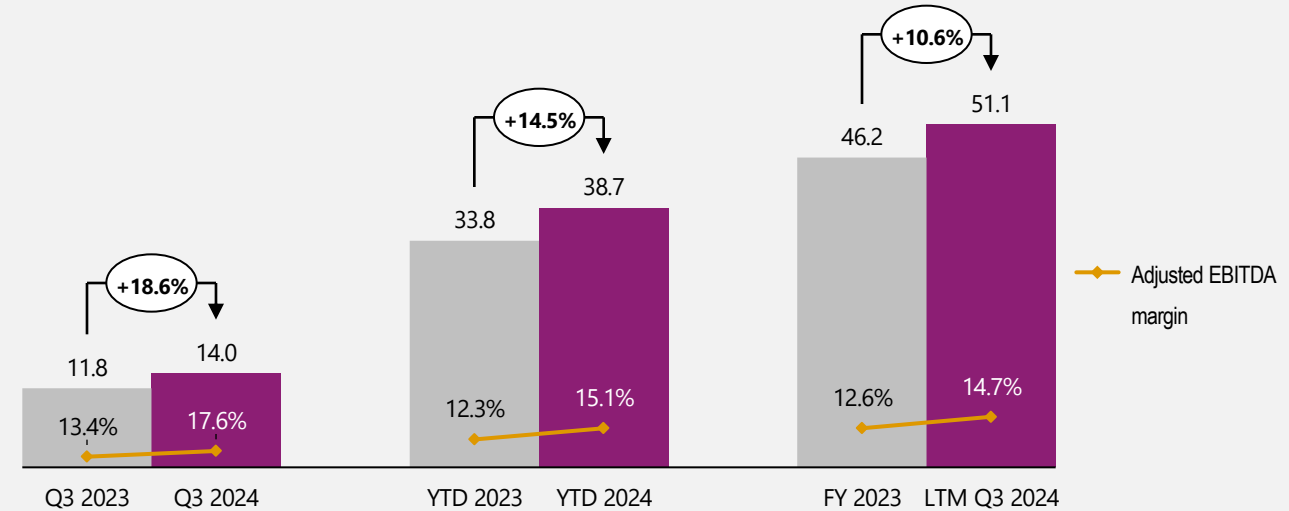


Industry & Services / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

-6.8% y-o-y top-line growth

- Decrease attributable mainly to the slowdown in the manufacturing automation sector
- Good performance in the retail and US operations sub-sectors

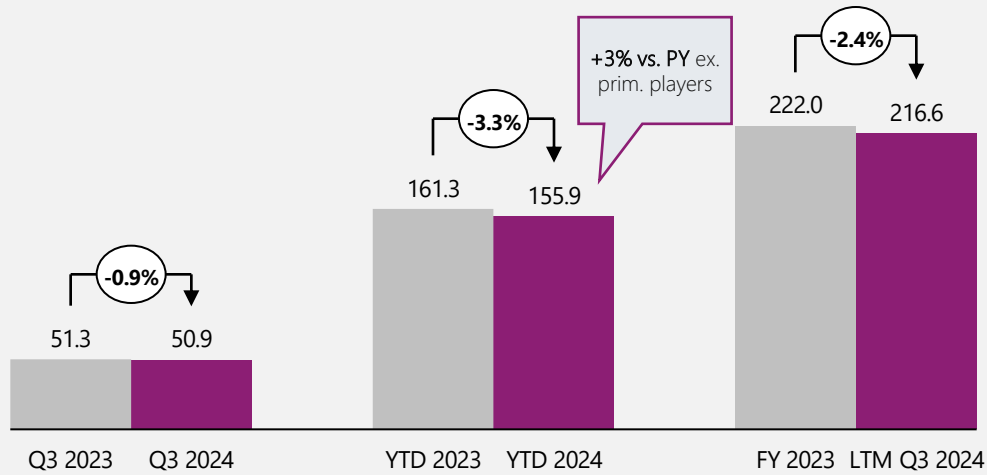
+14.5% y-o-y Adjusted EBITDA growth

- Decrease in volumes fully offset by increase in margins, thanks to the higher efficiency in project delivery and a repricing policy in the manufacturing sector

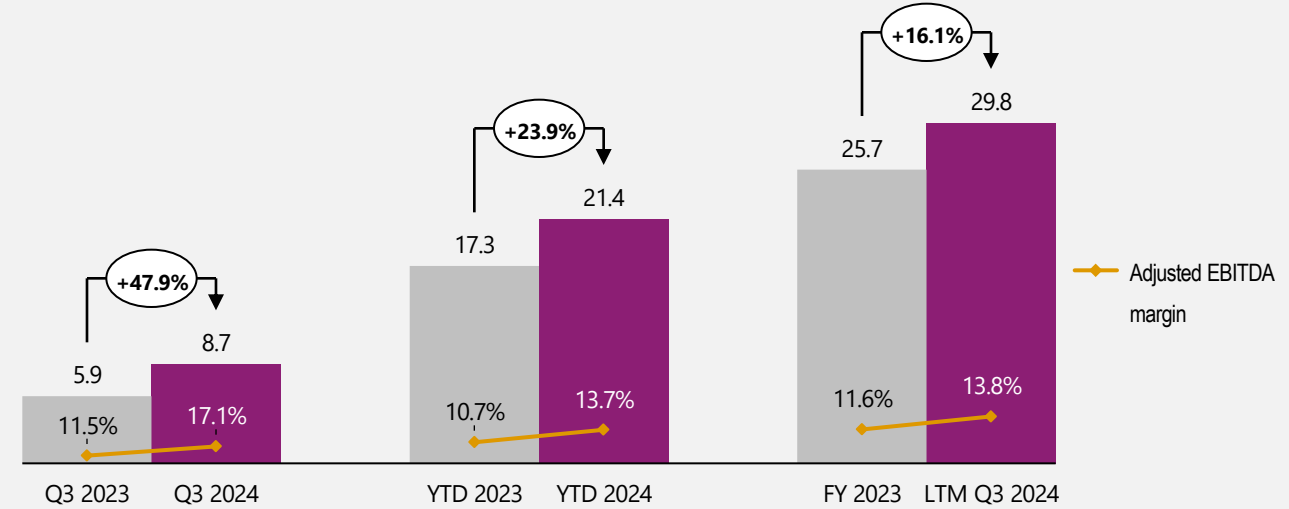


Energy & Utilities / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

-3.3% y-o-y top-line growth

- Decrease mainly due by lower sales towards primary players in the production and distribution of electricity and gas
- Excluding primary players, YTD Q3 2024 revenues are growing ca. +3% vs. PY

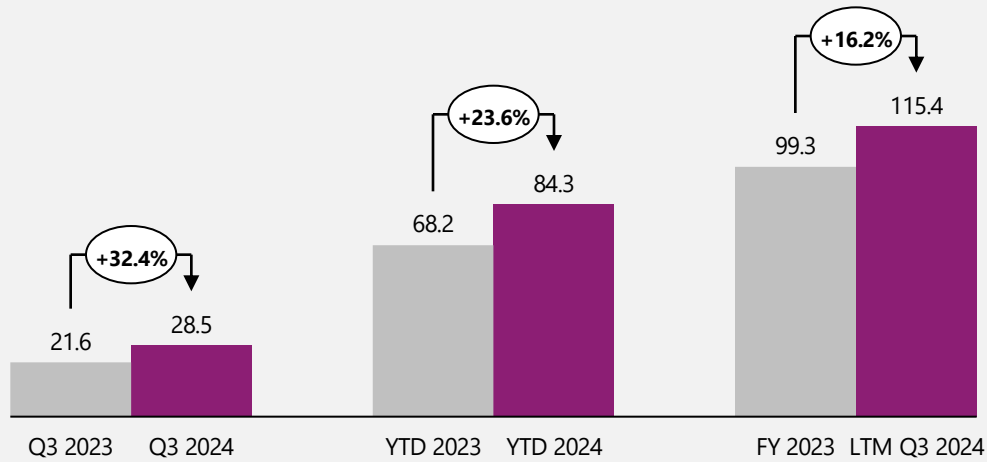
+23.9% Adjusted EBITDA growth

- Increase thanks to the recent investments to support margin stabilization and projects efficiencies driving improving EBITDA quarter over quarter

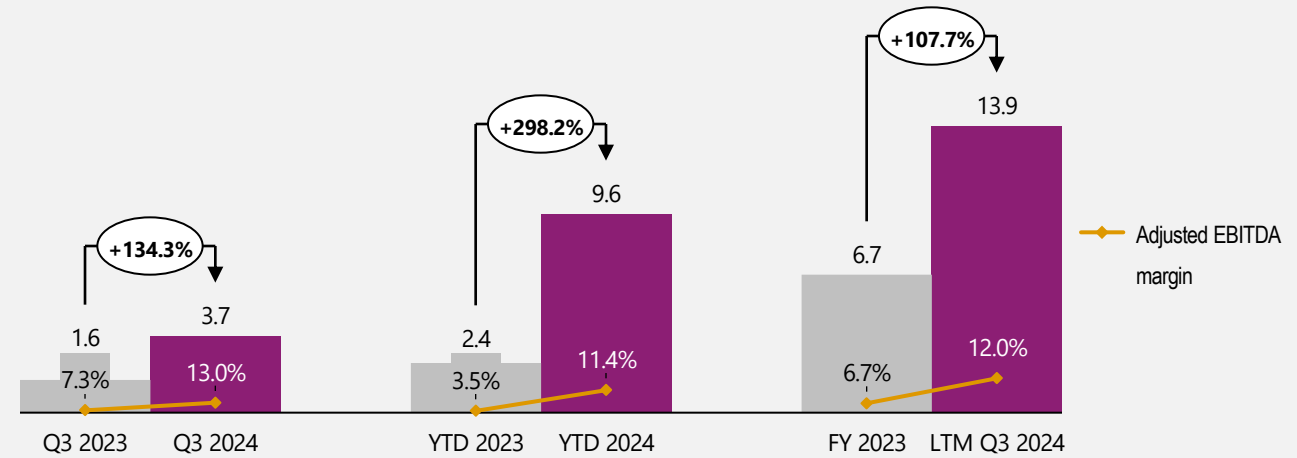


Telco & Media / Performance Highlights

Net Revenue (€m)



Adj. EBITDA (€m)



Highlights

– +23.6% y-o-y top-line growth

- Increase thanks to new cybersecurity and ERP projects launched with a primary Telco player

– Significant Adjusted EBITDA growth

- Strong increase thanks to improvement in efficiency project delivery and improved indirect cost structure management



Additional information

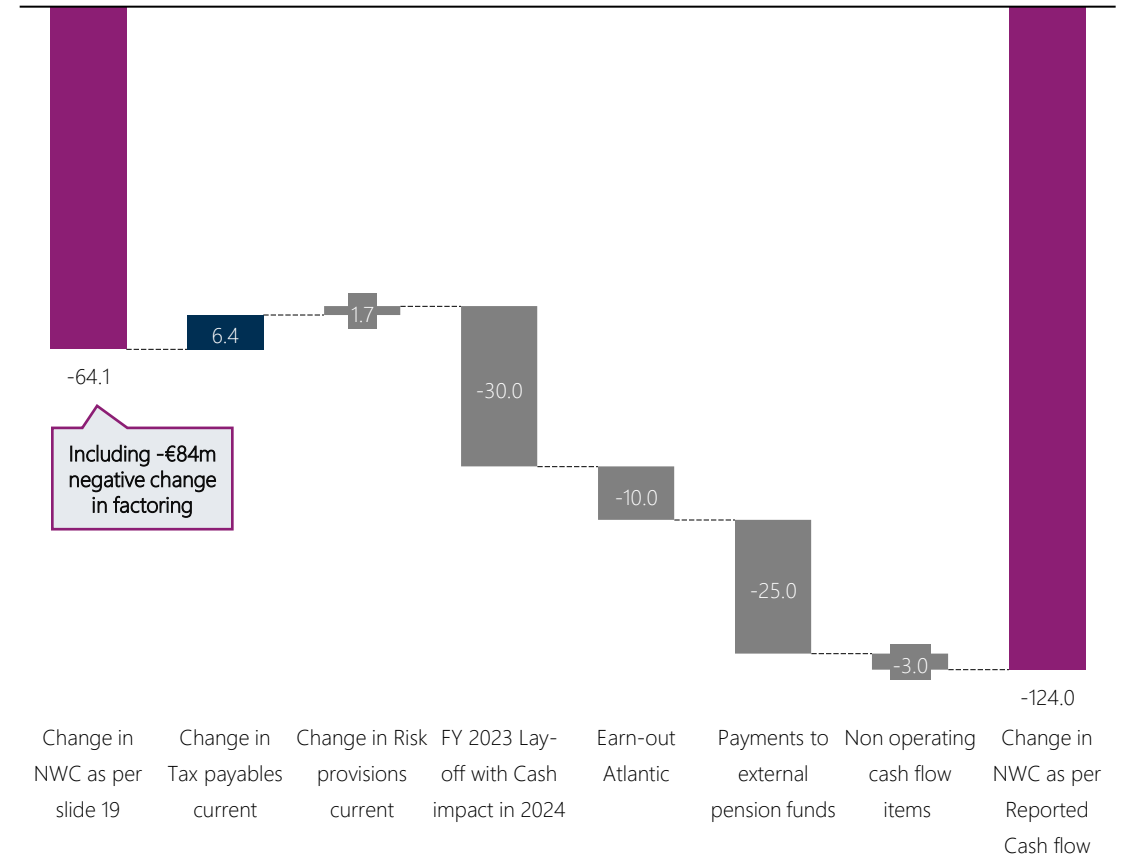
Adjusted EBITDA reconciliation

Currency: €'mln	3Q 2023	3Q 2024
EBIT Reported	43.1	60.4
D&A	75.1	77.4
Allocations	11.2	17.2
EBITDA Reported	129.4	155.0
Extraordinary costs/(income)	36.8	27.7
- o/w Severances	11.6	16.8
- o/w Strategic projects	14.7	6.8
- o/w Entity to be liquidated & Other	10.5	4.2
EBITDA Adjusted	166.2	182.7

Cash reconciliation






Currency: €'mln	3Q 2023	3Q 2024
Reported Cash and cash equivalents	180.3	104.2
Cash collected on behalf of municipalities, factors and R&D partners	(51.0)	(32.9)
Capital Structure Cash and cash equivalents	129.3	71.3

Change in NWC reconciliation



Note: Non-operating cash flow items included in NWC are related mainly to earn-out (C Consulting)

Thank you!

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