



2021 Q2
Results Presentation

August 2021

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Overview of Almoviva

Almoviva

Business Area	IT Services	CRM	New Technology
		CRM Europe	CRM International
Brand	Almoviva	Almoviva CONTACT	ALMAWAVE
LTM ⁽¹⁾ Revenue (% of Total)	€ 606 m 67%	€ 89 m 10%	€ 181 m 20%
			€ 29 m 3%
Countries			
Products & Services Offering	<ul style="list-style-type: none"> Cloud Computing & Consulting Digital Change Knowledge of Everything System Integration Cyber Security Passenger Information Systems 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 and NLU AI Core Technologies Speech and text (>30 languages) Knowledge Management and Link Analysis Customer Experience Platforms (front end) Conversational Platforms (voice and text)
Business Areas	<ul style="list-style-type: none"> Transportation Public administration Finance Utilities Industry Other 	<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.

2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ As of June 30th, 2021, excluding €14.4m of intragroup eliminations.

Key Financial Highlights

H1 2021

Key Highlights

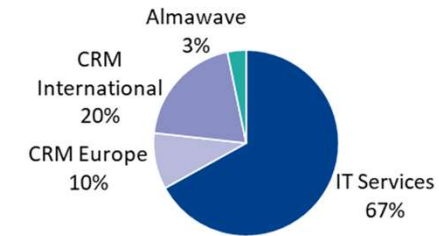
- Group Revenue at €451.4m, better than H1 2020 both at current currency (+€19.7m, +4.6%) and constant currency (+€37.0m, +8.6%)
- Group Reported Ebitda at €71.8m, increased by €15.3m (+27.2%) compared to H1 2020, +€18.8m at constant currency (€75.3m, +33.4%)
- H1 2021 Ebitda margin at 15.9% (+280 bps vs H1 2020)
- Capex at €14.0m, slightly increasing vs H1 2020 (€11.1m); if considering IFRS16 effect, Capex at €31.0m
- Positive Net Result at €34.0m (+€14.2m, +71.2% vs H1 2020)

Key Statistics

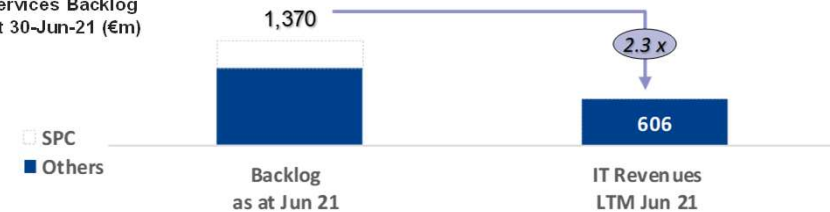
- IT backlog covers 2.3 times the LTM Jun-2021 IT Services Revenues (with Revenues grown by €74.0m or 13.9% vs LTM Jun-2020)
- Continuous LTM Revenue growth (CAGR 4.4%)
- Net Debt at €244.7m (+€5.7m vs H1 2020)
- Leverage at 1.9x, 0.3x better than 2.2x as at June 30th 2020
- Cash position at €88.0m, notwithstanding the negative FX exchange effect (€90.9m at constant currency)

LTM Jun-2021 Revenue Breakdown and Current Backlog

By Division

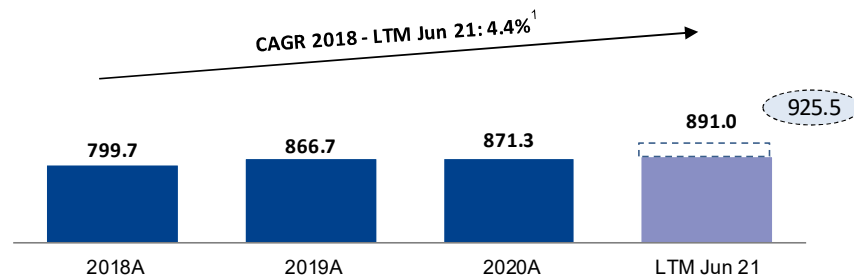


IT Services Backlog as at 30-Jun-21 (€m)



Key Financials (€m)

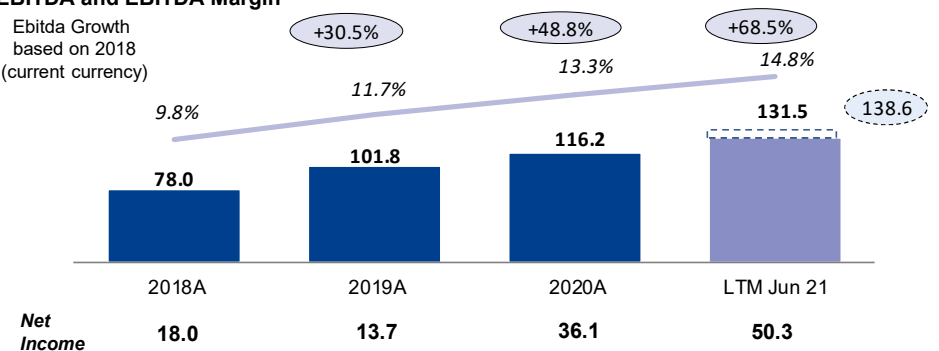
Revenue



constant currency 2020

EBITDA and EBITDA Margin

Ebitda Growth based on 2018 (current currency)



2019 and 2020 figures consider the effects of the adoption of the new accounting principles IFRS 16 that came into effect on 1st January 2019.

(¹) At current currency.

Key Operating Performance Highlights

H1 2021

ITC Services

- Extension in March 2021 of SPC L3 and L4 framework agreement (€425m, 75.1% Almaviva Group share)
- Around €1,258m new contracts signed in 6M 2021 in the IT division, of which around 41% under the SPC framework agreements, 11% Transportation, 9% Finance, 37% PA and 2% other sectors
- Increased penetration in public central and local administration; as of June 2021, contracts for a total amount of €715m already signed with PA on the back of the SPC L3 and L4 framework agreements (€57m in Q2 2021). New clients acquired both in central (26) and local PA (121, mainly Regions), 3 in Q2 2021
- With reference to Gruppo Ferrovie dello Stato delayed tender process, as of today:
 - the first tender issued by RFI has been awarded to Almaviva (regarding “Traffic planning and management”, €90m, 52.6% share, 5y)
 - all tenders issued so far have been cancelled and shall be re-issued in the next periods
 - albeit a comprehensive plan of the tenders is not yet available, we expect that a first set of the new tenders will be assigned within 2021

- Although the effects of the covid-19 emergency on transport manufacturing enterprises, Sadel experienced a significant growth of production (+36.0% vs H1 2020), which indicates the resilience to the current situation, as well demonstrated by the entire Transportation Division
- Around €2.3b new tenders in public administration already issued or awaited in 2021
- Expected increase of investments in PA deriving from the recourse to EU Recovery Fund (PNRR)
- Successful awarding of two tenders in cloud services for public administration (€140m Almaviva share, 2-3y)
- In August 2021 acquisition of Kline – the operation, signed in July 2021, birthed a new entity focused on Wealth Management (investment firms, asset management companies and private banking) combining products efficiency and multiple skills in TechFin
- International expansion: tenders awarded in Russia and Egypt concerning visa outsourced services (€25.0m, 5y)
- Intense M&A activities in order to finalize acquisitions focused on enhancing the offering and presence in some specific verticals

Almawave

- In March 2021 Almawave made its debut on the Italian stock exchange (AIM Italia), completing the most important IPO in the AIM market in terms of proceeds and Ebitda multiple valuation
- Growth in Revenue (+19.8% vs H1 2020) and Ebitda (+36.7% vs H1 2020)
- As of today, more than 100 clients, 61 served in finance, utilities and large distribution; within the scope of the SPC framework agreements, 49 clients acquired both in central and local PA (+6 vs H1 2020)
- New projects (18 in Italy, 7 in Brazil) and new commercial partnerships (SAS and Phonexia)
- New release of Iride® Text Analytics and Iride® KM based on microservices architecture
- Launch of the RicovAL project: AI supports diagnosis and prognosis to tackle Covid-19
- Almawave included in Forrester’s “Now Tech: Conversational Intelligence, Q2 2021” and Gartner’s “Delivering Relevant Content and Knowledge to Customers Is Key to Great Customer Service” reports
- The percentage of direct / third party revenues keeps growing vis a vis intercompany revenues (83% vs 80% in H1 2020)

Key Operating Performance Highlights

H1 2021

CRM

CRM EUROPE

- The client portfolio optimization, together with the efficiency of logistic structure and the completion of smart-working operational and technological model, resulted in a H1 2021 basically at break-even that confirmed the positive trend registered in Q1
- Ongoing partnership with the Italian Government providing the service connected to the covid-19 emergency number 1500, as well as the information related to the Green Pass
- Government support guaranteed throughout the year: social buffers connected to covid-19 until October 2021, as well as Fondo integrazione salariale (FIS) and CIGS until year-end 2021
- Rightsizing actions focused on healthful and positive margin services/products and clients, as well as selectively pursuing only profitable contracts
- Workforce in constant reduction in Italy: 3,637 employees in June 2021 vs 7,906 in December 2015 (-4,249 employees, -53.7%) and vs 3,690 in December 2020 (-33 employees in Q1 2020). Since March 2020 - 941 employees (-20.1%)

CRM INTERNATIONAL

- Expected GDP increase mainly driven by the growth in the sector of services
- Following the decision of increasing the SELIC rate to 2.75% in the first quarter of 2021, the Brazilian Central Bank (BACEN) opted for an additional increase of 150 bps, up to 4.25%
- Investments to update the infrastructure in order to better implement the smart-working models, as well as to comply with the new general data protection law
- Acceleration of the digitalization process through the creation of a dedicated area
- Acquisition of new non-telco clients and successful negotiation with a new client in health sector with activities deployment in the next quarters
- EBITDA margin at 19.9% (+550 bps vs 14.4% in H1 2020)

Summary P&L

€m

€ million	2019A	2020A	YTD Jun 20	YTD Jun 21	LTM Jun 21
	IFRS 16	IFRS 16	IFRS16	IFRS16	IFRS16
Revenues	866.7	871.3	431.8	451.4	891.0
% Growth	8.4%	0.5%		4.6%	2.3%
Total of Revenues and Other Income	886.8	890.7	439.9	461.1	911.9
% Growth	7.8%	0.4%		4.8%	2.4%
Operating Costs	(785.0)	(774.5)	(383.4)	(389.3)	(780.4)
% Revenues	90.6%	88.9%	88.8%	86.2%	87.6%
Adjusted EBITDA	101.8	116.2	56.5	71.8	131.5
% Margin	11.7%	13.3%	13.1%	15.9%	14.8%
Non-Recurring Items	-	-	-	-	-
% Revenues	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	101.8	116.2	56.5	71.8	131.5
% Margin	11.7%	13.3%	13.1%	15.9%	14.8%
D&A	(41.6)	(39.2)	(19.7)	(17.7)	(37.2)
% Revenues	4.8%	4.5%	4.6%	3.9%	4.2%
EBIT	60.3	77.7	36.9	54.2	95.0
% Margin	7.0%	8.9%	8.5%	12.0%	10.7%
Interest Expense	(37.9)	(32.5)	(16.0)	(16.1)	(32.6)
% Revenues	4.4%	3.7%	3.7%	3.6%	3.7%
EBT	22.3	45.1	20.8	38.1	62.4
% Margin	2.6%	5.2%	4.8%	8.4%	7.0%
Taxes	(8.7)	(9.0)	(0.9)	(4.0)	(12.1)
Group Net Income	13.7	36.1	19.9	34.0	50.3

Key comments

- H1 2021 Revenues better than H1 2020 (+€19.7m, +4.6%)
- H1 2021 Ebitda increased by €15.3m, +27.2% vs H1 2020
- H1 2021 Ebitda margin increased by 280 bps (15.9% vs 13.1% in H1 2020)
- Operating costs as a percentage of Revenues better than H1 2020 (86.2% vs 88.8%)
- H1 2021 EBIT increased vs H1 2020 (€54.2m vs €36.9m, +€17.3m or +47.0%)
- D&A, mainly related to fixed assets in IT Division and Brazil, better than H1 2020
- H1 2021 EBT at €38.1m (+82.9% vs H1 2020)
- Interest expense in line with H1 2020
- Taxes increase due to positive results in every division (in H1 2020 tax benefit from the recovery of fiscal losses carried forward at consolidated level)
- H1 2021 Net Income at €34.0 (+€14.2m vs H1 2020, +71.2%)

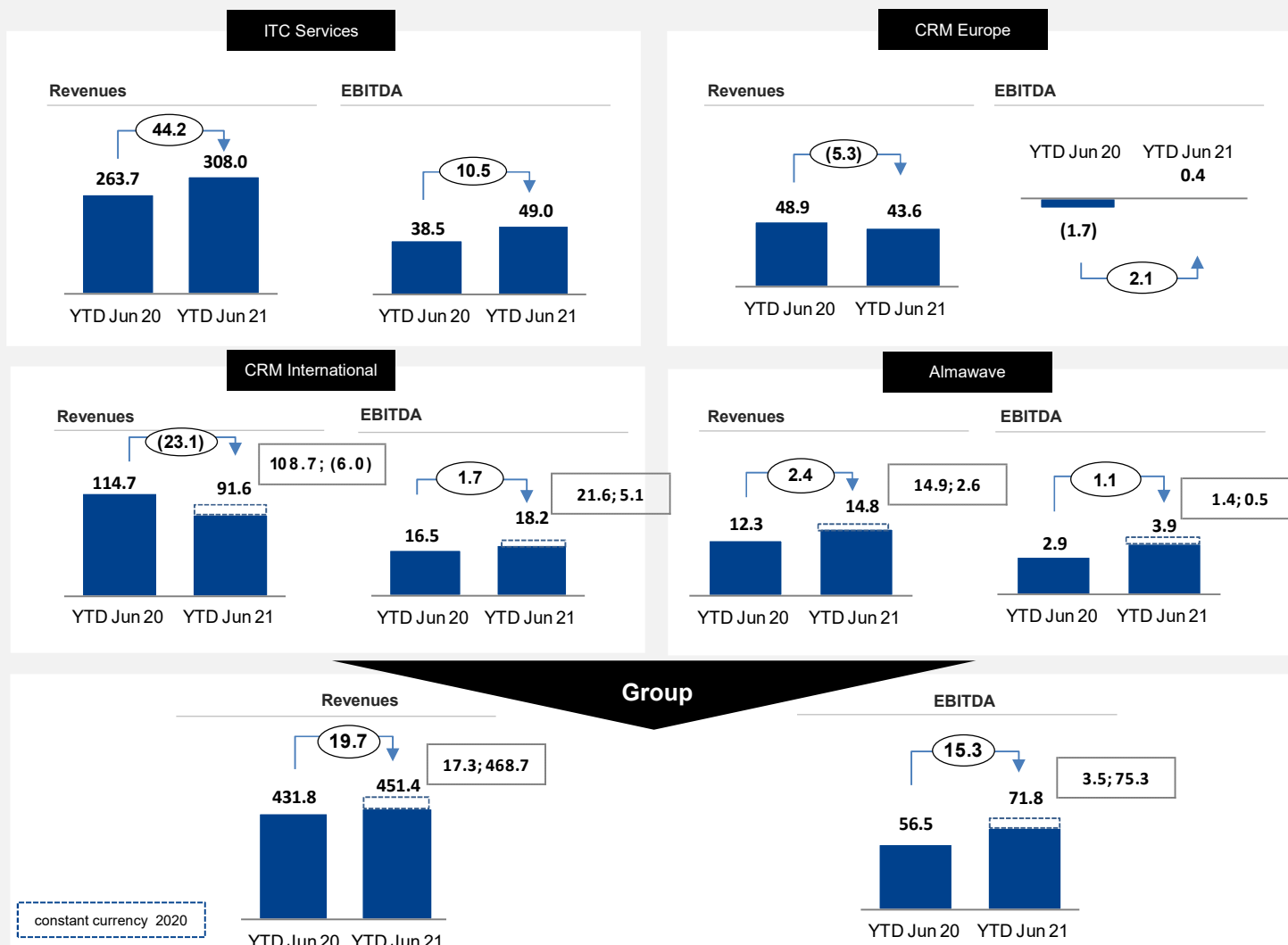
2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Interest Expense includes FX change effect of €0.2m in H1 2021.

Key Financials By Division

€m

Jun-2021 Year To Date Performance

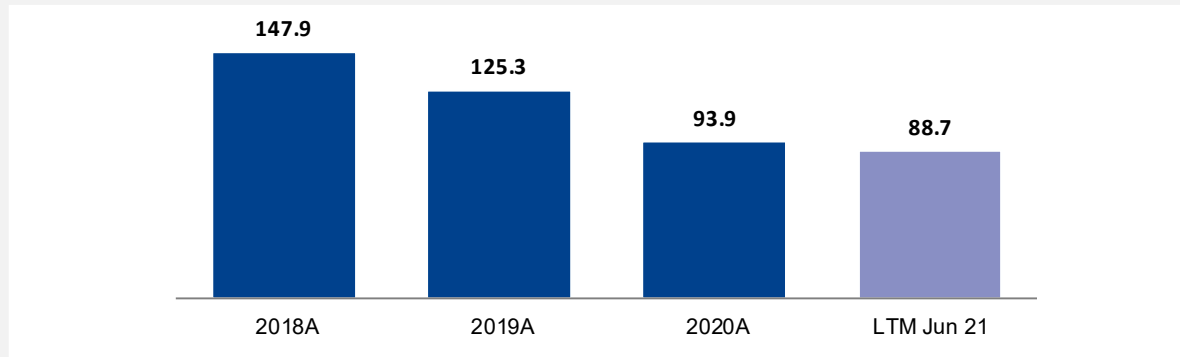


Key comments

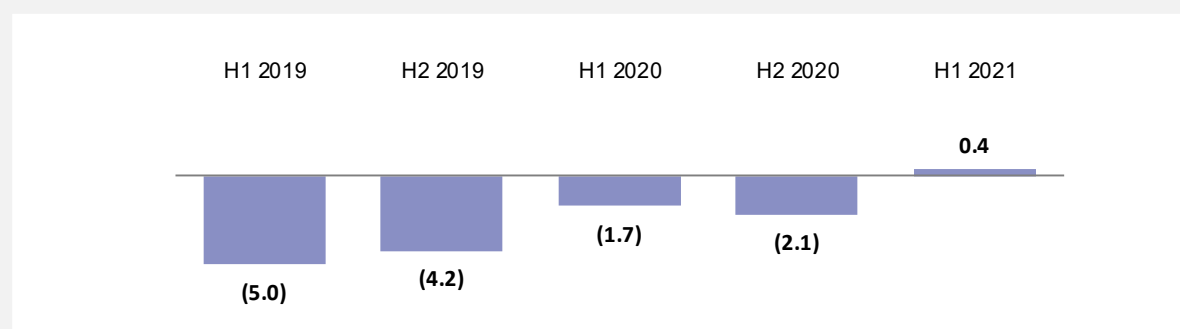
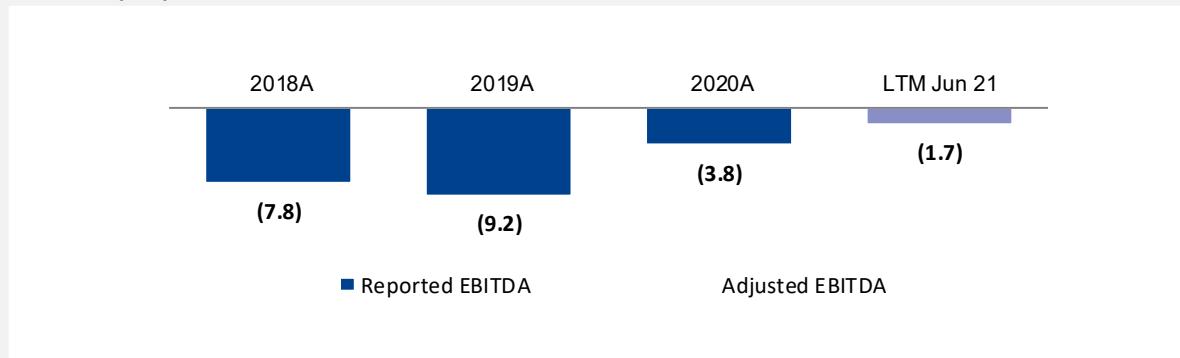
- In H1 2021 growth in Group Revenues (+€19.7m, +4.6%) and Group Ebitda (+€15.3m, +27.0%) compared to H1 2020, with higher marginality
- Group performance impacted by FX effect. At constant currency H1 2020, +€37.0m in Revenues (€468.7m vs €431.8m in H1 2020, +8.6%), +18.8m in Ebitda (€75.3m vs €56.5m in H1 2020, +33.4%)
- Group Ebitda margin increased by 280 bps (15.9% vs 13.1% in H1 2020)
- IT Services keeps growing in H1 2021 both in Revenues (+€44.2m, +16.8%) and Ebitda (+€10.5m, +27.3%) compared to H1 2020
- CRM Europe Revenues impacted by right-sizing, while Ebitda highly improved vs H1 2020 (+€2.1m, from -€1.7m in H1 2020 to €0.4m in H1 2021)
- CRM International significant increase in marginality (19.9% vs 14.4% vs H1 2020); growth in Ebitda (€18.2m vs €16.5m, +1.7%) at constant currency CRM International growth in Ebitda (+€5.1m, +31.2% vs H1 2020)
- Almawave growth in Revenues (+19.8% vs H1 2020) and Ebitda (+36.7%); at constant currency, +21.3% in Revenues and +38.6% in Ebitda

Key Financials

Revenue (€m)



EBITDA (€m)

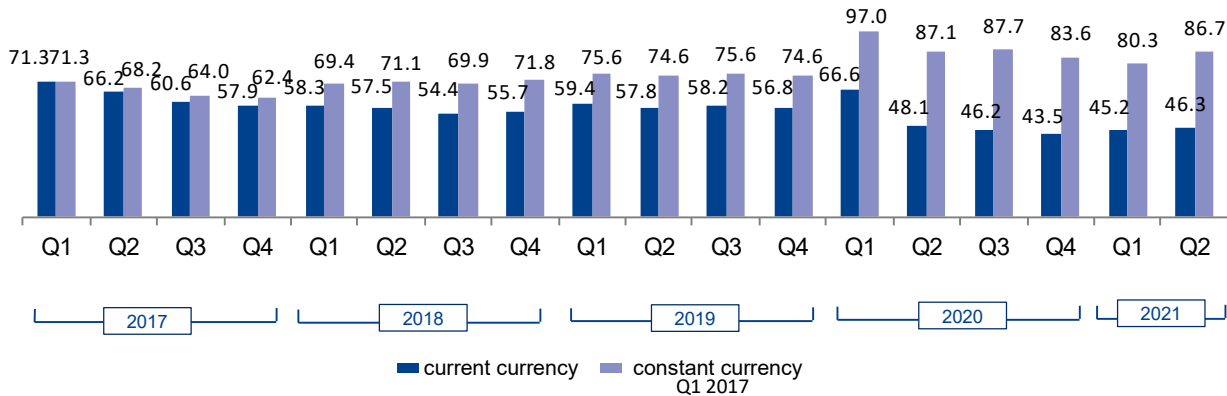


Key comments

- LTM-Jun 2021 Ebitda better than LTM-Jun 2020 (+€4.2) and FY 2020 (+€2.1m)
- H1 2021 positive Ebitda at €0.4m, thanks to efficiency, rightsizing operations and client portfolio optimization
- Actions launched in previous quarters meant 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)
- 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 June 2021, workforce reduction of 941 (-20.6%) vs June 2020 and of 4,269 vs December 2015 (-54.0%)

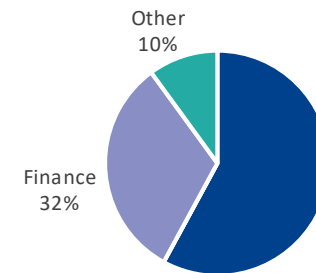
Key Financials

Revenue (€m)



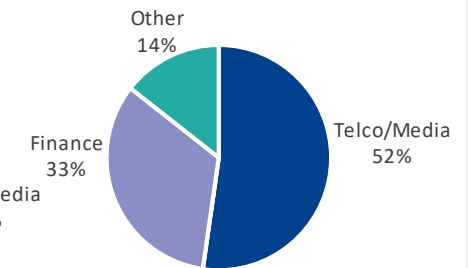
Revenue Breakdown

H1 2020

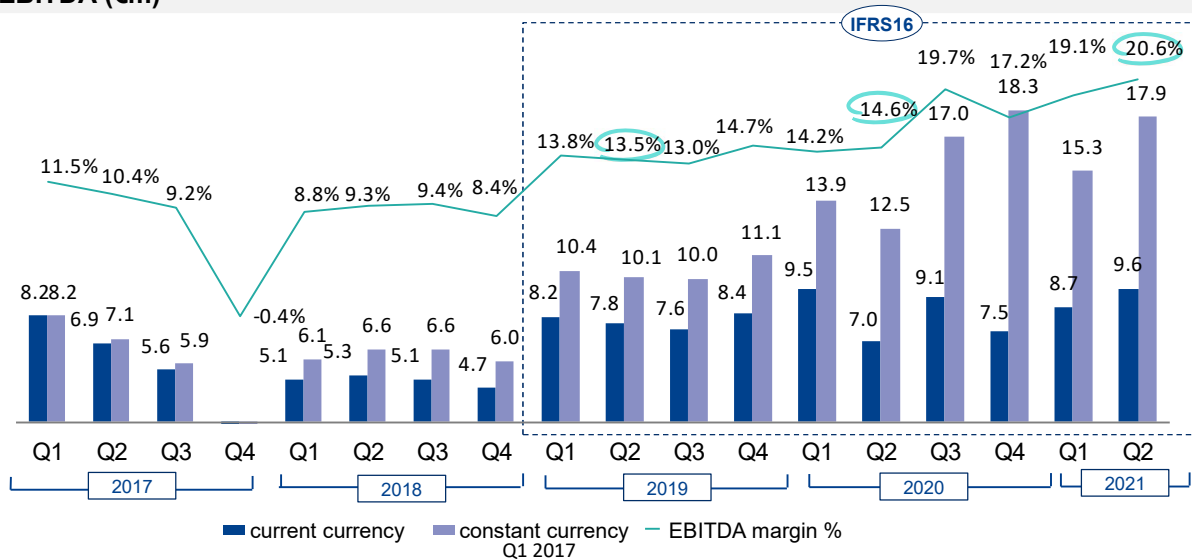


Key comments

H1 2021



EBITDA (€m)

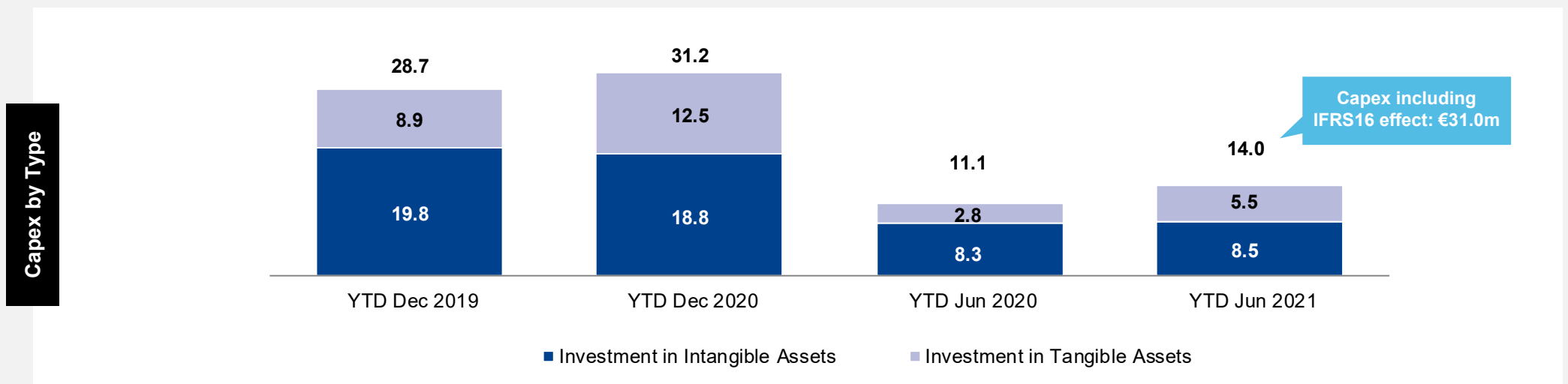
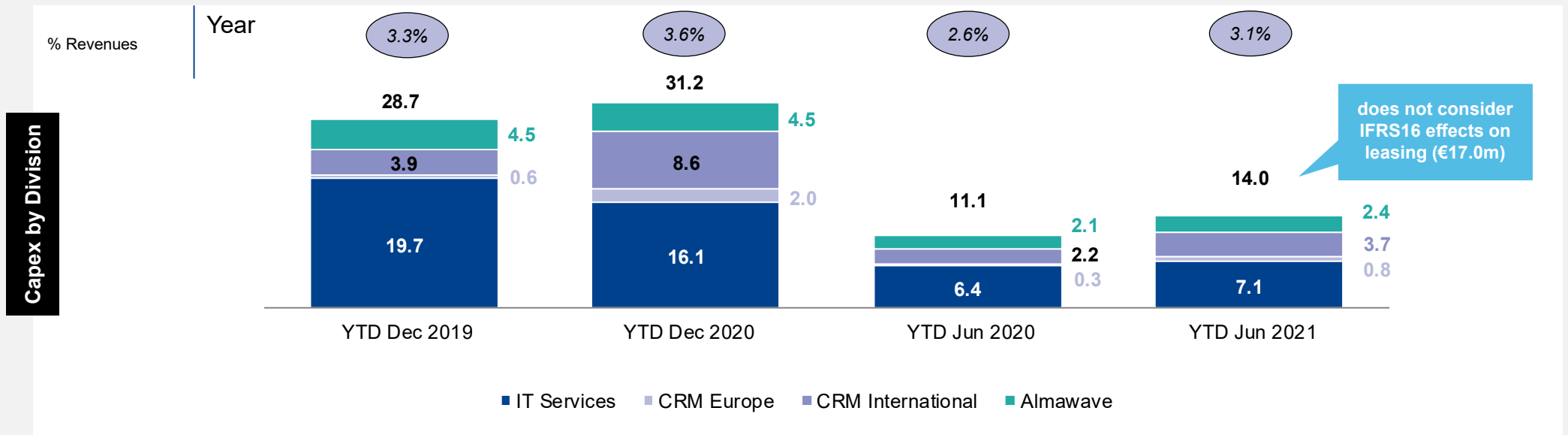


- H1 2021 Ebitda better than H1 2020 at current currency (+€1.7m, +10.5%) and at constant currency (+€5.1m, +31.2%)
- Revenue reduction vs marginality optimization; set-up and launch of operations on 6 new non-telco clients that will lead to an increase in volumes in the next quarters
- Ebitda margin higher than 14% in the last 7 quarters and extraordinary performance in LTM Jun-2021
- Customers and industries diversification thanks to the completion of the acquisition of Chain with a strong reduction of telco/media weight on the overall portfolio; telco-media 53% vs 59% in H1 2020
- Increased Revenue diversification, with a reduction of non-telco clients on the overall portfolio (600 bps vs H1 2020)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

Capex Overview

€m



Capex do not consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.
FY2019 Capex do not include the goodwill of Wedoo (~€0.6m).

Summary Cash Flows

€m

€ million	YTD Jun 20	YTD Jun 21
Adjusted EBITDA	56.5	71.8
Capex	(11.1)	(14.0)
(Increase) / Decrease in Normalised Working Capital	2.8	(61.2)
Adjusted Operating Cash Flow	48.2	(3.4)
% Adjusted EBITDA	85.4%	(4.7)%
Non-Recurring Items	-	-
Taxes	(2.0)	(4.0)
Adjusted Free Cash Flow for Debt Service ante Dividend Payments and Other Items	46.3	(7.4)
Dividend Payments	-	(10.1)
Other Items⁽¹⁾	(10.2)	28.0
Adjusted Free Cash Flow for Debt Service	36.1	10.5

Key comments

- Positive Free Cash Flow for Debt Service
- H1 2021 Capex at €14.0m increasing vs H1 2020 Capex at €11.1m. H1 2021 Capex are mainly related to specific projects in IT, 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, taxes and VAT credits. Total VAT credits €35.4m
- Other Items include the net amount deriving from the listing of Almax for ~ €28m

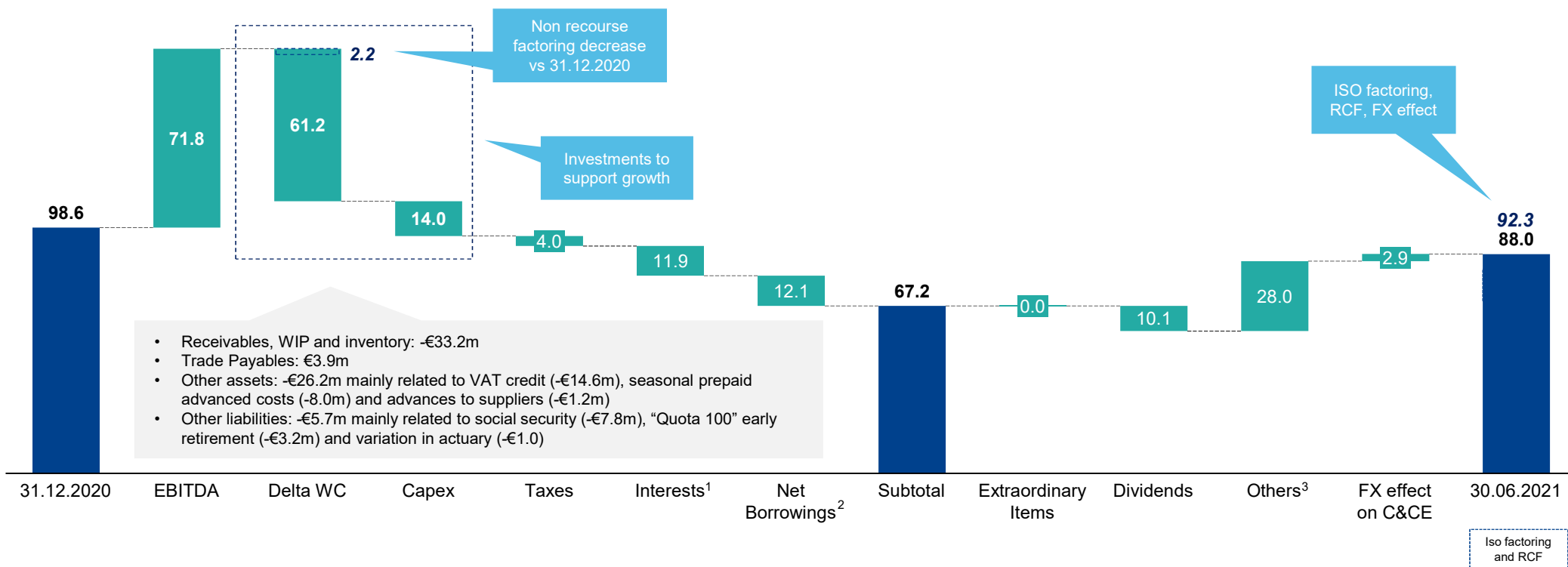
2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽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 (+€15.3m, +27.2% at Group level vs H1 2020)
- Seasonal impact on working capital due to VAT, social security payments and receivables
- RCF decrease vs December 2020 (€15.0m vs €20.0m)
- Cash & Cash Equivalents adjusted by factoring, RCF use and FX effect at €92.3m

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

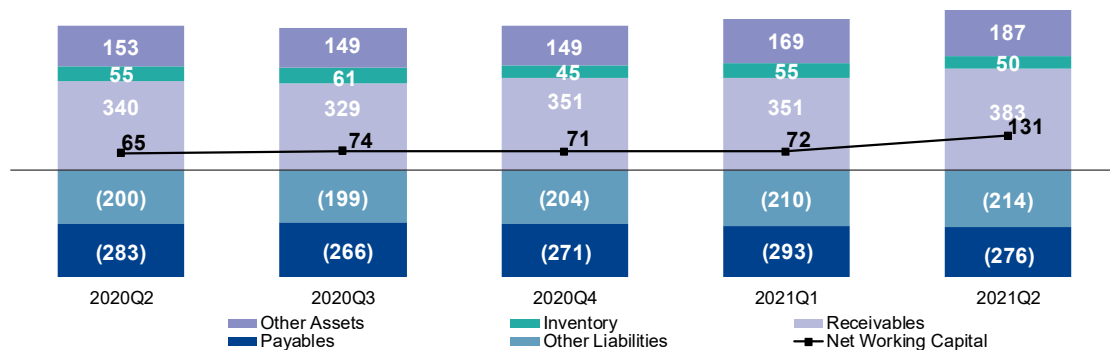
(1)(2) Include leases repayments.

(3) Includes the proceeds from Almawave IPO (~€28m before Greenshoe option).

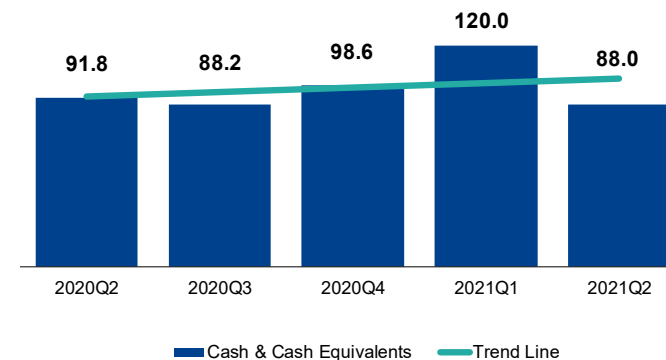
Financial Highlights

Solid liquidity position with several undrawn resources available

Working Capital (€m)



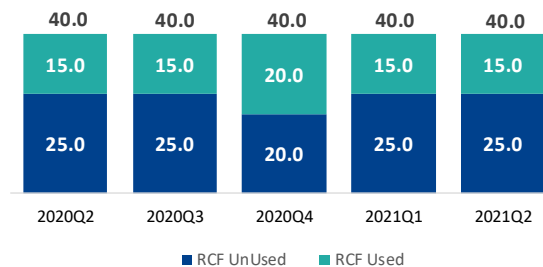
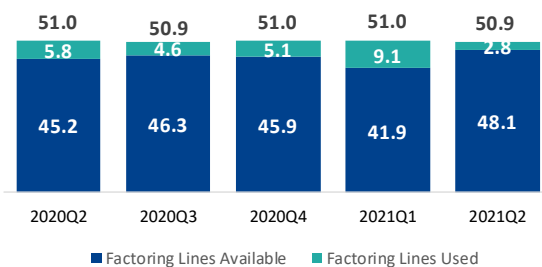
Cash & Cash Equivalents (€m, current currency)



Factoring without Recourse & RCF (€m)

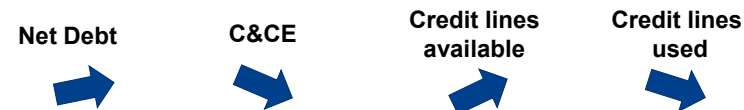
Factoring WO Recourse

RCF



Net Debt (€m)

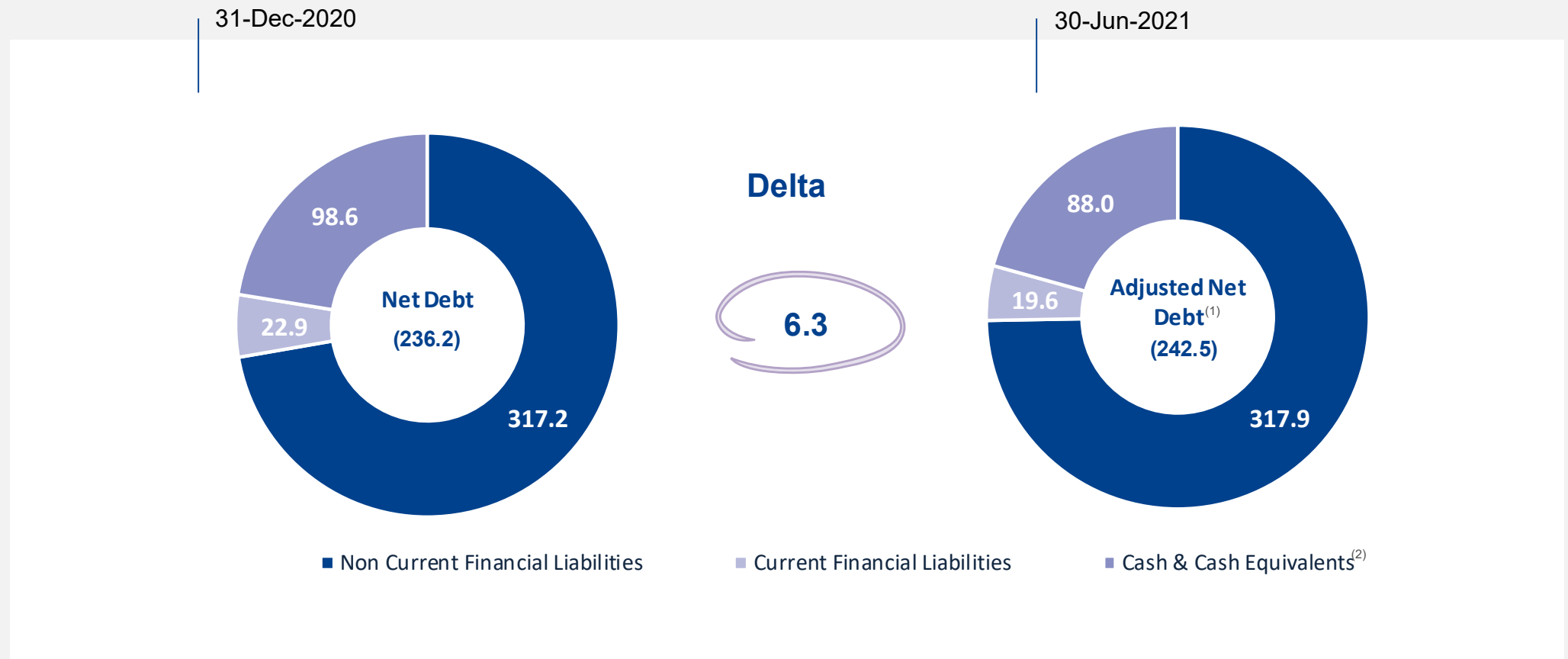
	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2
Net Debt	(239.0)	(242.9)	(236.2)	(216.2)	(244.7)
Delta vs Previous Q		(3.9)	6.7	20.0	(28.5)
Delta vs 2020Q2		(3.9)	2.8	22.8	(5.7)



H1 2021 characterized by extraordinary liquidity position and high credit lines availability with utilization slow down vs H1 2020

Financial Debt

Stable Adjusted Net Debt⁽¹⁾, Considering Non-recourse Factoring Reduction
(€m)



- Outstanding Cash Balance position
- Extraordinary Leverage reduction (1.9x vs 2.2x in June 2020)

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019

⁽¹⁾ Net Debt adjusted considering the decrease of non-recourse factoring vs 31.12.2020 (€2.2m)

⁽²⁾ C&CE as at 30-June-2021 at constant currency 2020 at €95.2m if considering non-recourse factoring decrease vs 31.12.2020 (€2.2m) and decrease in RCF utilization (€5.0m)

Capitalisation Structure as at 30-Jun-21

€m	Amount	LTM Jun 21	
		EBITDA	Pricing
Cash and cash equivalents	(88.0)		
Total current and non-current financial assets ⁽¹⁾	(4.8)		
Senior Secured Notes	250.0		7.25%
Super Senior RCF (Drawn)	15		
Other financial liabilities ⁽²⁾	73		
Total Gross Debt	337.6	2.6x	
Total Net Debt	244.7	1.9x	
LTM Jun 21 EBITDA		131.5	
Super Senior RCF (Undrawn)	25.0		E+450bps
			feb-22

Key Credit Stats (YTD Jun-21)

- Net Total Leverage: 1.9x vs 2.2x in Q2 2020
- Interest Coverage Ratio: 4.1x vs 3.3x in Q2 2020
- €15.0m RCF drawdown driven by working capital cycle

2019 and 2020 figures consider the adoption of the new accounting principle IFRS 16 that came into effect on 1st January 2019.

⁽¹⁾ Include financial credits.

⁽²⁾ Other financial liabilities include SIMEST participation, Government subsidized financings, accrued interests on coupon to be paid in October 2021 (€3.8m) and leasing.

Almaviva business model continues to be resilient and will be supported by the new PNRR

Almawave is well performing above the IPO price

Backlog continues to be strong

Solid operative performance in all sectors, especially in IT, CRM International and AI

CRM Europe EBITDA positive in H1

Outstanding Leverage reduction trend

Continuous robust cash balance position
