



Q1 2025 Financial Review

29th May 2025

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TeamSystem Q1 2025 performance summary

Financial performance

- **Pro-forma LTM revenue consistently above 1 €BN threshold (up from 863.1 € M of LTM revenue in Q1 2024) representing a 12.9% organic YoY growth.** On a Statutory basis, we reached **959.5 € M of LTM revenue** at the end of Q1 2025 (+23.2% vs Q1 2024)
- **Pro-forma LTM EBITDA Adj. has increased to 489.2 €M on, representing a 17.6% organic growth YoY. Pro-forma LTM EBITDA Adj. Marginality is up 30 bps vs Q1 2024** reaching 46.7% at the end of Q1 2025
- ARR has exceeded 870 €M growing +14.3% organically YoY (in acceleration vs end of 2024)

Business evolution and Macro

- **Solid organic revenue growth at group level in Q1 (+12.8% YoY basis and +15.1% recurring revenue)** sustained by i) **new ARR Sales growth in the last 12 months** (new ARR sales from cross-Selling accelerating by >50% on a YoY basis); ii) stable churn; iii) price increase rolled-out in first few months of 2025 in line with 2024 in terms of absolute value but on a broader base
- **International business revenue growing organically at >40%** in the first quarter driven by Turkey growing organically >50% thanks also to kick-in of e-ledger regulation and solid performance in Spain (+20% YoY organic growth)
- In a context of softening market volatility, **we confirm our current limited exposure towards tariff scenario**

Financial position and leverage

- **Operating cash flow was 122.1 €M** in Q1 2025 (+63.7% vs Q1 2024 or + 28.9% taking into account working capital effect in Q1 2024). **Cash conversion reached 122%** (up from 113.8% in 2024 normalized for working capital effect)
- **Total Net Leverage ratio stands at 3.96x** at the end of March 2025 (vs 4.05x end of year 2024). Leverage decrease sustained by cash conversion improvement and includes M&A activity signed to be closed shortly

Q1 2025 Performance overview – TeamSystem Group

Deep-dive next slides

Statutory Q1

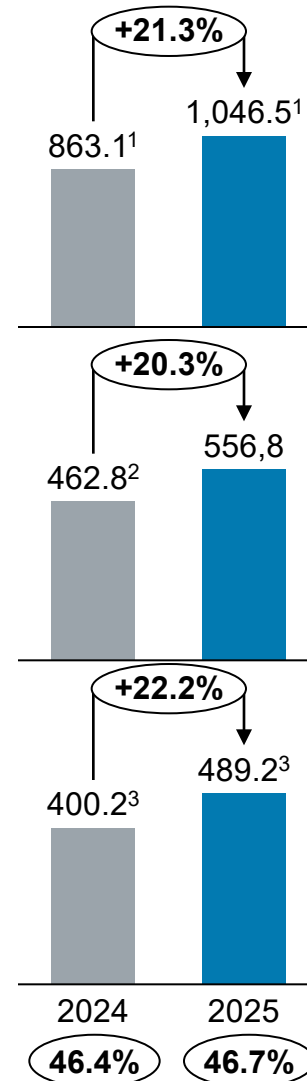
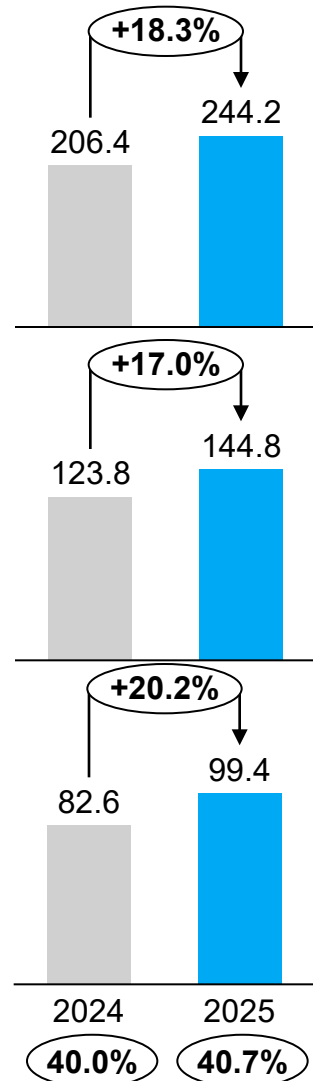
LTM Proforma

Revenue
€ M

Operating
Costs
€ M

EBITDA
ADJ
€ M

ADJ EBITDA Margin



Revenue

- Good performance in Q1 (+18.3% vs Q1 2024) thanks to consolidation of Recurring revenue growth (+15.1% organic).
- Dynamics at BU level – see page 7 for more details
 - Micro continues to sustain the group top-line growing organically >25% YoY supported by both international business (>40% YoY driven by Spain and Turkey) and Italian Micro Business
 - Recurring revenue consolidating the positive trends of the past quarters levelling up to 86.4% (vs 84.7% average in FY 2024)

Operating costs and Margin

- Statutory Adj. EBITDA in Q1 +20.2% YoY at 99.4 € M (40.7% Margin). Margin expansion was 70 Bps compared to 2024 driven by higher margin businesses growth (International and Micro Italy)
- On a Proforma basis EBITDA Adj Margin remained stable at 46.7%

LTM Pro-Forma (2025 vs 2024)

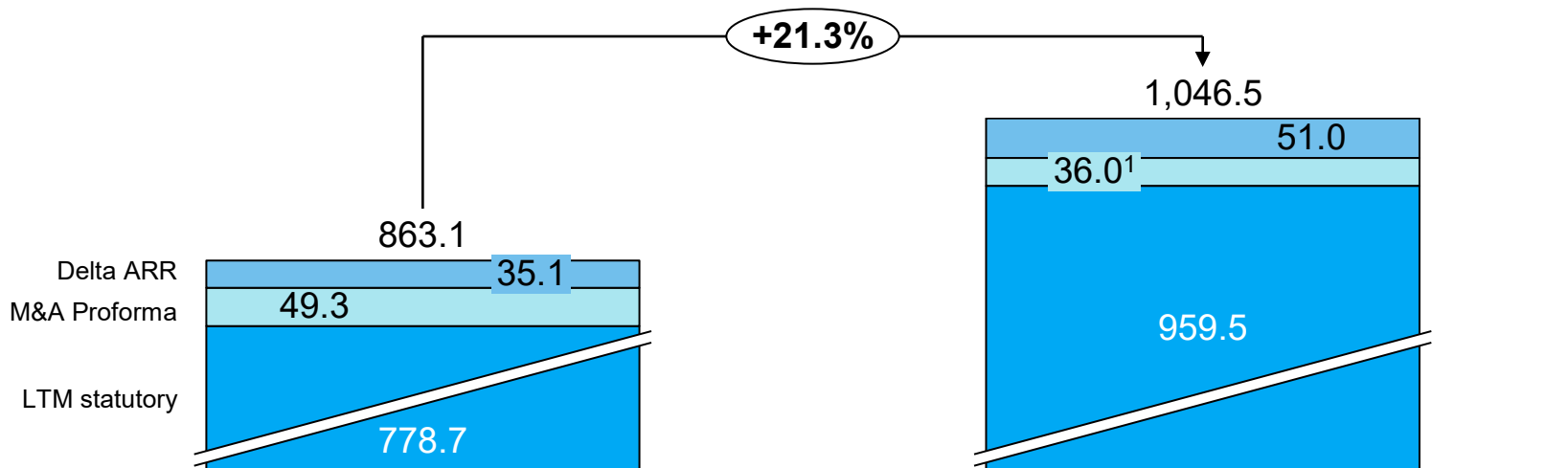
€ M

LTM Pro-Forma Q1 2025

25 vs 24 (%)

LTM PF
organic growth

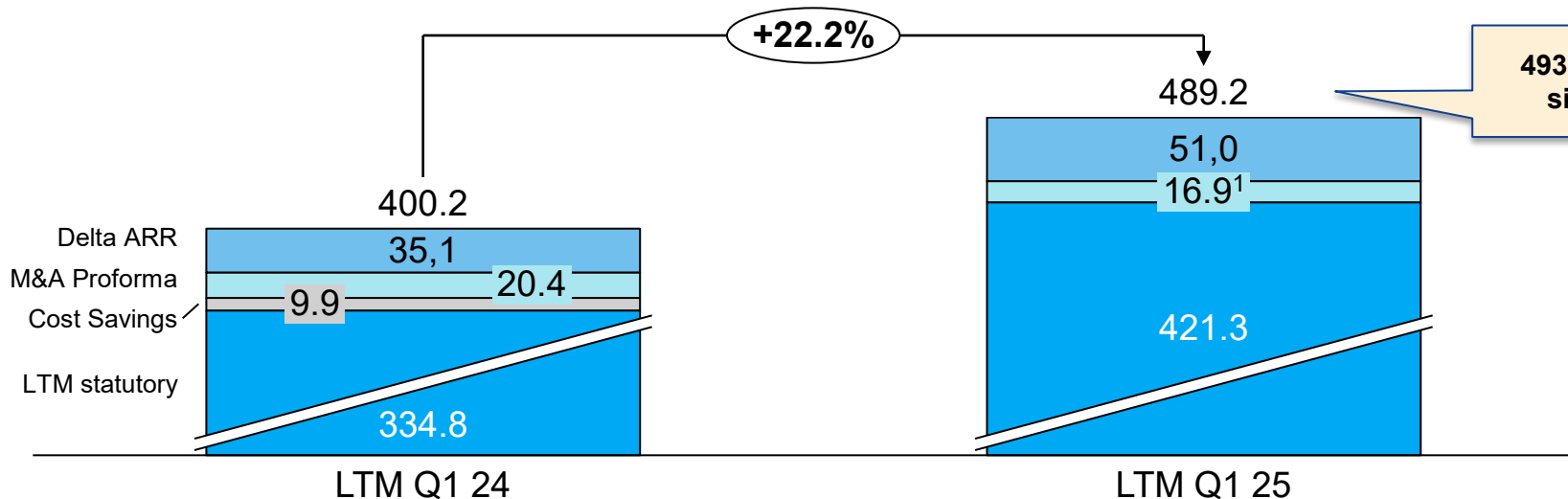
Revenue
€ M



23.2%

12.9%

EBITDA
ADJ
€ M

493.2 €M² Including M&A
signed from 31.03.25

25.8%

17.6%

ADJ EBITDA Margin

46.4%

46.7%

1. Include IFRS29 for MikroGroup (17.7 €Mln revenue 12.6 € Mln EBITDA) and new M&A signed by 31.03.2025 | 2. 493.8 at TeamSystem Spa Level

Key drivers of TeamSystem Q1 2025 statutory Results

P&L and Operating Costs by Nature - TeamSystem group | Q1 2025 vs Q1 2024 Statutory, € M

	2024 Stat	2025 Stat	Δ 25 vs 24' (%)	% YoY Organic Growth
REVENUES	206.4	244.2	18.3%	12.8%
Recurring Revenues	177.9	211.0	18.6%	15.1%
Deep-dive next slide				
Op.Cost	123.8	144.8	17.0%	10.4%
COGS¹	34.3	36.7	7.0%	5.9%
Personnel	69.6	82.4	18.4%	11.5%
Personnel Like	8.9	10.8	21.5%	16.4%
Non Personnel	20.8	24.7	18.8%	7.2%
Capitalized development Cost	-9.9	-9.9	0.1%	-1.2%
Adjusted EBITDA	82.6	99.4	20.2%	16.7%
<i>% of Revs</i>	<i>40.0%</i>	<i>40.7%</i>	<i>0.7ppt</i>	
Bad Debt	1.9	2.0	6.6%	0.0%

A COGS

- Organic increase of 5.9% further sustaining the Gross Margin. Dynamics explained by i) stable COGS Hardware and Machinery (in line with top-line dynamics); ii) lower weight of 3rd party-SW sales as we continue to improve revenue quality. The decrease more than compensated higher infra-cloud cost driven by cloud revenue increase

B Personnel & Personnel like

- Personnel costs have increased organically by 11.5% driven by combination of increase in FTEs and average cost increase
- Growth on personnel like costs driven by increase in new sales channelled from agents mainly in Turkey for e-ledger push

C Non-Personnel

- Increase in Non-Personnel costs lower compared to total operating costs as we continue effort to control external costs growth

D Capitalised development costs

- Stable capitalised development costs

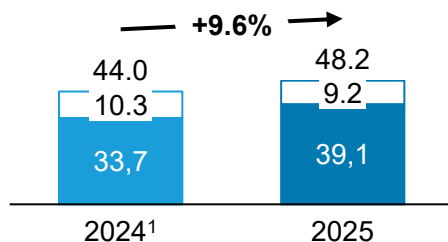
1. Includes COGS related to Application & Maintenance and Hardware, Delivery, Customer Support

Statutory revenue mix by BU

Statutory revenue¹ by BU | 3M 2025 vs 3M 2024, € M

Other rev. Recurring

Enterprise

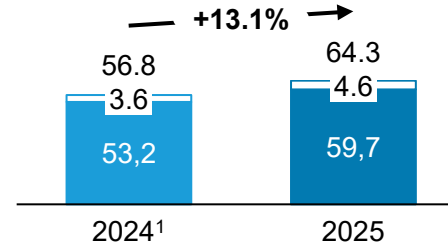


Organic growth

4.6%
-11.6%
8.9%

- Recurring revenue up from 75% to 81% thanks to **switch of new sales from license to subs**
- SaaS migration plan in ramp-up

Professional

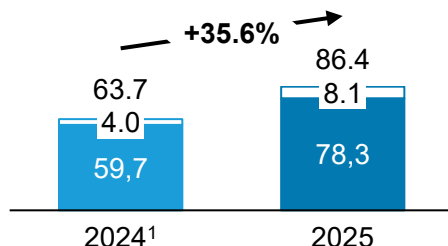


Organic growth

6.9%
-8.7%
8.0%

- Strong top line organic growth (7% YoY)** confirming solid progression of past years
- Positive momentum on **new sales growth has continued also in 2025** supported also by SaaS migration initiatives

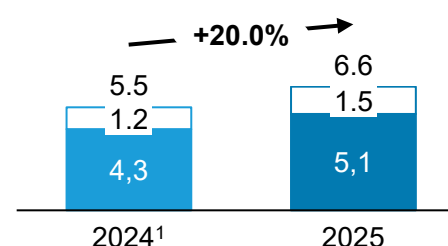
Micro



26.4%
-0.8%
29.9%

- Strong acceleration driven by **international segment (+46%)** also supported by e-ledger regulation in Turkey
- Micro-Small growing +20% YoY** thanks to shrinkflation and initiatives aimed at containing churn

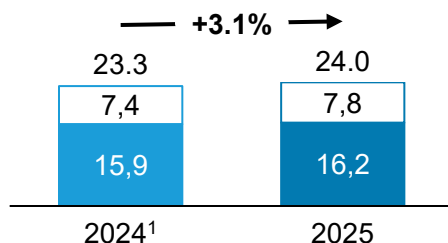
Digital Finance



-3.2%
-21.9%
3.9%

- Mixed performance across business lines:** i) Pay growing >15% YoY; ii) rating progressing well thanks to **positive momentum in new ratings demand**; iii) **Slowdown of FVC business due to stop of Ecobonus** and slow demand in Q1 for lending

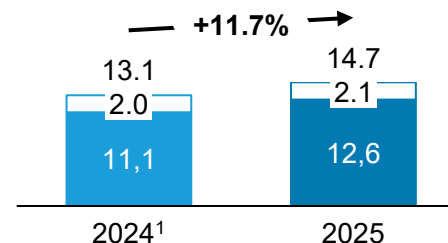
Market Specific Solutions



4.5%
7.1%
3.2%

- Legal growing double-digit** thanks also to launch of new AI-based solution
- Recurring growing >6%** for Construction and CAD/CAM, CAF stable

Cross-segment prod. BU



11.1%
4.7%
12.2%

- Both HR and Trust** growing double digit
- Strong acceleration of new sales from cross-selling** both on professional and enterprise segments

1. 2023 Restated due to re-allocation of Trust Solutions within Cross-segment prod. BU (previously included under Market Specific Solutions)

Statutory P&L by Business Unit

3M 2025, € M

	2025 Stat	Enterprise	Professional	Micro	Digital Finance	Market specific solution	Cross-BU Solutions
Revenues	244.2	48.2	64.3	86.4	6.6	24.0	14.7
Recurring	211.0	39.1	59.7	78.3	5.1	16.2	12.6
Other Revenues	33.1	9.2	4.6	8.1	1.5	7.8	2.1
COGS + CS + Del	-57.0	-11.9	-14.6	-11.3	-2.0	-12.8	-4.4
- COGS A&M, HW, Edu, Oth.	-25.6	-4.3	-4.5	-4.3	-1.0	-9.2	-2.3
- Delivery	-11.6	-3.9	-2.6	-1.1	-0.1	-2.7	-1.1
- CS/CSM/Fin Ops	-19.8	-3.7	-7.4	-5.9	-0.9	-0.9	-1.0
Gross Margin	187.2	36.3	49.7	75.1	4.6	11.2	10.3
Gross Margin % of Revs (2024)	76.7%	75.3%	77.3%	87.0%	69.5%	46.7%	70.1%
- Sales & Mktg	-36.1	-7.9	-8.1	-13.5	-1.2	-3.3	-2.0
- R&D	-17.4	-3.5	-3.5	-6.8	-0.6	-1.5	-1.4
- G&A	-10.9	-1.4	-2.0	-5.0	-0.5	-1.2	-0.8
I Margin	122.8	23.5	36.1	49.7	2.4	5.1	6.1
I Margin % of Revs (2025)	50.3%	48.6%	56.2%	57.6%	35.8%	21.2%	41.3%
I Margin % of Revs (2024)	48.5%	46.4%	56.6%	54.7%	39.4%	23.0%	39.4%
Delta I Margin (25 vs 24)	1.8ppt	2.2ppt	-0.4ppt	2.9ppt	-3.6ppt	-1.8ppt	2.0ppt
Indirect Costs	-33.3						
% of Revs	-13.6%						
Capitalized Development Costs	9.9						
Adjusted EBITDA	99.4						
% of Revs	40.7%						

74.1% in 2024

13.3% in 2024

Key highlights

- **+2.6 p.p. improvement in Gross Margin vs 2024 explained by i) better business mix** (strong growth of Micro Business showing 10 p.p. higher Gross Margin compared to other BUs); **ii) improvements in customer operations**
- **I Margin increase in Q12025 (+1.8 p.p. vs 2024) driven by combination of positive and negative trends:**
 - Better business mix thanks to higher weight of Micro (35% of total group revenue vs 30% in '24)
 - Decrease in Digital Finance driven by customer base pruning
- Slight increase in indirect costs weight (+0.3 p.p vs '24) as we continue to invest across Cyber, IT and R&D

Net financial Position – Q1 2025

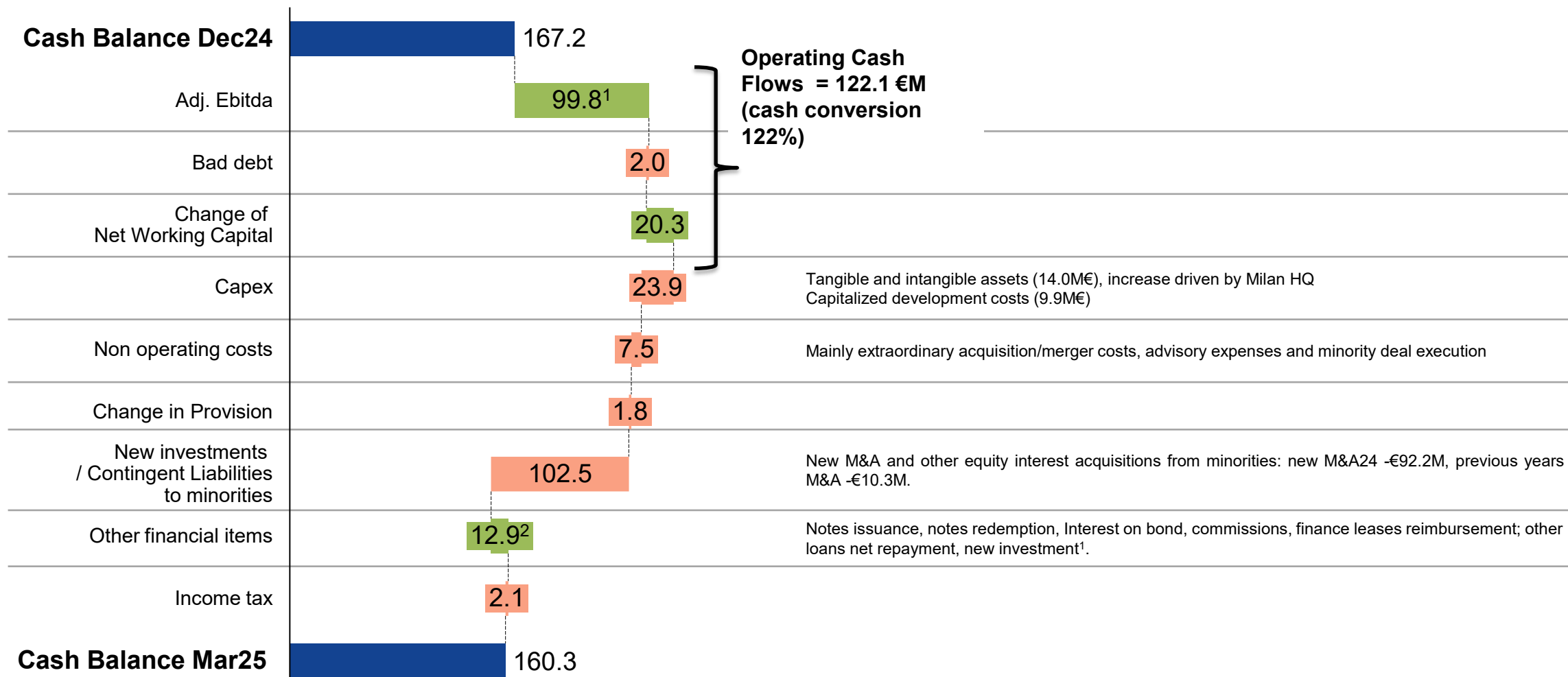
Eur Millions	Mar 31 2025 TeamSystem SpA	Dec 31 2024 TeamSystem SpA	Mar 31 2024 TeamSystem SpA
Cash and Bank balances	160.3M€	167.2M€	62.0 M€
Pro-forma cash out new signed Acquisitions (not consolidated) ¹	-96.3M€	-163.4M€	-4.4M€
Guarantee ancillary facility	-1.8 M€	-1.7 M€	-1.7 M€
Notes	-1.850.0M€	-1.850.0M€	-1.530.0 M€
RCF	-45.0M€	0.0 M€	-15.0 M€
Consolidated Senior Secured Net Leverage	-1.832.8 M€	-1.847.9 M€	-1.489.1M€
Other financial assets	10.1 M€	10.6 M€	9.4 M€
Accrued interests on Notes/RCF (net of hedging accrued interests)	-24.0 M€	-22.5 M€	-23.1 M€
Other financial liabilities	-7.0M€	-6.5M€	-3.4 M€
Other financial liabilities/assets new Acquisitions (not consolidated)	-0.0M€	-0.0M€	+0.0 M€
Finance Leases Liabilities	-85.1 M€	-36.8 M€	-29.7 M€
Total Net Financial Position	-1.938.8 M€	-1.903.1 M€	-1.535.9 M€
Leverage ratio	3.96X²	4.05X	3.83x

 Detailed next

1. Expected Cash –out of acquisitions signed by 31.03.2025 | 2. 3.9x according to bond indenture definition

Cash flow Bridge

Q1 2025, € M



1. Adj. EBITDA at TeamSystem Spa level: Consolidated Accounting minus Holdcos EBITDA contribution for -0.4 € Mln | 2. Other financial items are composed by RCF draw for 45 €M, interests on Notes for -26.6€M, and other items for -5.5€M

Appendix

Reconciliation of net financial indebtedness for Q1 2025

In the table below, we provide a reconciliation of the net financial indebtedness between the consolidated accounts of:

- TeamSystem Holdco S.p.A.;
 - TeamSystem Holdco 3 S.p.A (previously named Brunello Midco2);
 - TeamSystem S.p.A (which incorporated Brunello Bidco S.p.A. as a consequence of the reverse merger occurred in October 2021);
- being the net financial indebtedness the only material difference between these three consolidated accounts.

Euro thousands

RECONCILIATION OF NET FINANCIAL POSITION TEAMSISTEM HOLDCO GROUP vs TEAMSISTEM SPA GROUP	TEAMSISTEM HOLDCO CONSOLIDATED	TEAMSISTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSISTEM HOLDCO 1 STAND ALONE NET OF INTERCOMAPY	TEAMSISTEM HOLDCO 2 STAND ALONE NET OF INTERCOMAPY	TEAMSISTEM HOLDCO 3 CONSOLIDATED	TEAMSISTEM HOLDCO 3 STAND ALONE NET OF INTERCOMAPY	TEAMSISTEM SPA CONSOLIDATED
Other financial assets	14.785	998	-	-	13.787	12	13.775
Cash and bank balances	160.472	33	69	23	160.347	38	160.310
Financial liabilities with banks and other institutions	(2.520.192)	(998)	-	-	(2.519.193)	(304.115)	(2.215.078)
TOTAL	(2.344.935)	33	69	23	(2.345.059)	(304.066)	(2.040.994)

Definitions

Metrics calculation

- **I Margin** is calculated as:
 - (+) **total revenue** and
 - (-) **direct costs**
- **Adjusted EBITDA** is calculated as:
 - **I Margin**
 - (-) **indirect cost**
 - (+) **Capitalizations costs**
- **Pro-Forma revenue** is calculated as:
 - **Statutory revenue**
 - (+) **Delta ARR**
 - (+) **Pro-Forma revenue of M&A deals signed or closed by 31.03.25** (difference between last 12 months actual and statutory revenue of acquired companies)
- **Pro-Forma Adjusted EBITDA**
 - **Statutory revenue**
 - (+) **Delta ARR**
 - (+) **Pro-Forma Adj. EBITDA of M&A deals closed** (difference between last 12 months actual and statutory revenue of acquired companies)
 - (+) **Run rate of cost-savings initiatives not yet materialized in the P&L** (if applicable)

Definition

- **Delta ARR:** Difference between (i) revenue expected to be recognized in the next year on the basis of the subscription agreements with customers for main Cloud products, net of churn, and (ii) the actual LTM revenue
- **Direct costs include** direct personnel, SW/HW resale costs, external delivery, customer service, sales rebates, commissions and other sales incentives, direct R&D consultants costs; direct product marketing, direct R&D consultancy, T&E of Business Unit personnel
- **Indirect costs include** costs that are not uniquely attributable to one or more business units and consist mainly of:
 - Personnel costs of the Group's support functions, events, recruiting and training activities;
 - Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
 - Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;. Administrative, legal, tax, labor law and audit consultancy costs;
 - Costs for insurance, association memberships and board of statutory auditors' fees;
 - Research and development costs that cannot be allocated to an individual Business Unit.