



# H1 2025 Financial Review

30<sup>th</sup> July 2025

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# TeamSystem H1 2025 performance summary

## Financial performance

- **Pro-forma LTM revenue at 1,054 €M (up from 900.2 € M of LTM revenue in Q2 2024) representing a 14.3% organic YoY growth.** On a Statutory basis, we exceeded for the first time **1.0 € BN of LTM revenue** at the end of Q2 2025 **(+21.7% vs LTM Q2 2024)**
- **Pro-forma LTM EBITDA Adj. was 467.8 €M (up from 413.1 €M of LTM EBITDA in Q2 2024), representing a 15.9% organic growth.** On a Statutory basis, we reached **436.8 € M of LTM EBITDA Adj.** Q2 Pro-forma LTM EBITDA Adj. is impacted by the seasonal spike in cancellation requests received at the end of June, primarily affecting the Enterprise and Professional business units, with recovery efforts extending over the following six months

## Business evolution and Macro

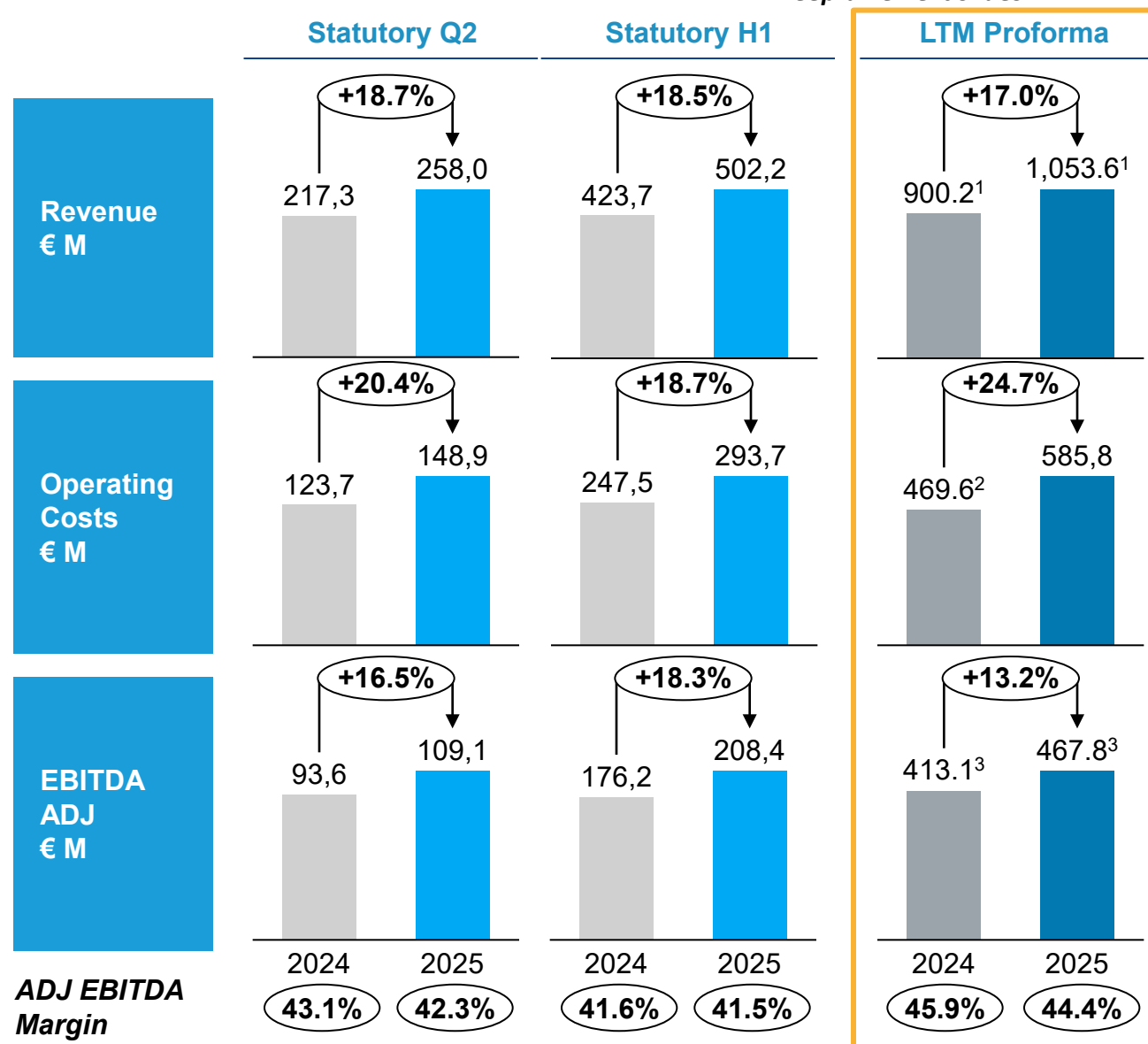
- **Solid organic revenue growth at group level in H1 (+13.7% on a YoY basis and +15.8% recurring revenue)** sustained by i) **new ARR Sales growth in the last 12 months** (YoY growth in the first 6 month of 2025 was >25%, acceleration sustained by cross-selling and SaaS migration); ii) price increase rolled-out in first few months of 2025
- **All business units growing organically** particularly Micro and Cross-segment. Recurring revenue expanding organically double digit or high single digit sustained by of switch of new sales from license to subs model in Enterprise
- **International business revenue growth organically at >40%** in the first semester driven by Turkey (e-ledger regulation, >50% YoY organic growth), and solid performance in Spain (+20% YoY organic growth)

## Financial position and leverage

- **Operating cash flow was 285.8 €M** in H1 2025 (+15% vs H1 2024). **Cash conversion stands at 137%** (in line with 2024 141%)
- **Total Net Leverage ratio stands at 4.34x** at the end of June 2025 (vs 4.05x end of year 2024). Dynamics driven by M&A activity closed in Q2 and earn-out payments
- **In June we issued new bonds for 1.75 €BN** (o/w 1.25 floating and 0.5 fixed) **and fully reimbursed '28 Floating Rate Bond** (850 €M). Execution was completed the 3<sup>rd</sup> of July, leverage pro-forma for the transaction stands at 5.14x

# H1 2025 Performance overview – TeamSystem Group

Deep-dive next slides



## Revenue

- **Good performance in Q2 (+18.7% vs Q2 '24) and H1 (+18.5% vs H1 '24).**
- **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 86.0% average in H2 2024)

## Operating costs and Margin

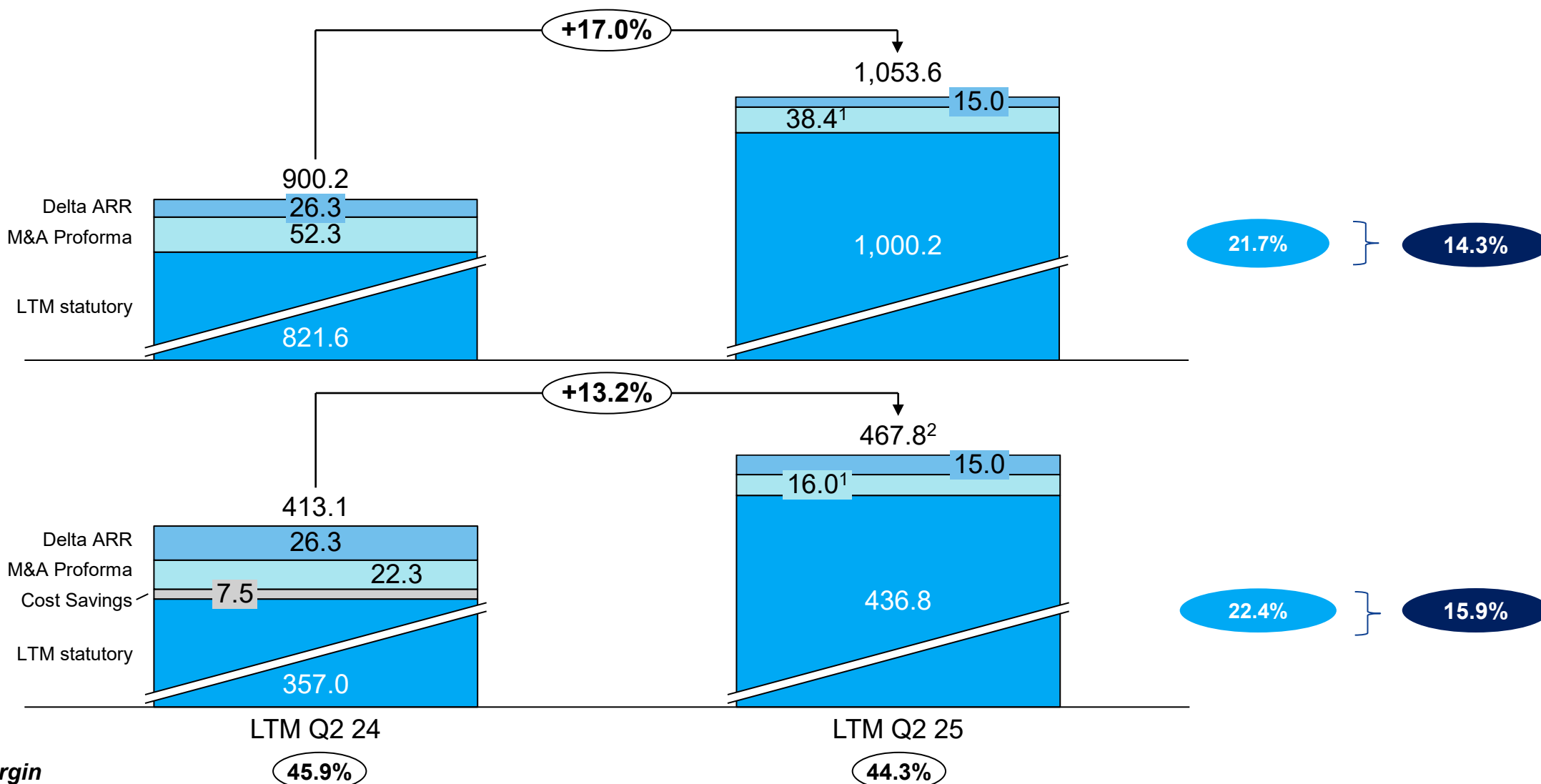
- Statutory Adj. EBITDA in Q2 +16.5% YoY at 109.1 € M (42.3% Margin). Slight contraction of adj. EBITDA Margin driven by investments on S&M and central function to reinforce organization (IT & R&D)
- On a Proforma basis EBITDA Adj Margin at 44.4%, due to consolidation of new M&A with lower margin than group average and full recognition of cancellation requests to be recovered in the coming months

# LTM Pro-Forma (2025 vs 2024)

€ M

LTM Pro-Forma H1 2025

25 vs 24 (%)

LTM PF  
organic growth

# Key drivers of TeamSystem H1 2025 statutory Results

## P&L and Operating Costs by Nature - TeamSystem group | H1 2025 vs H1 2024 Statutory, € M

	2024 Stat	2025 Stat	Δ 25 vs 24' (%)	% YoY Organic Growth
<b>REVENUES</b>	<b>423.7</b>	<b>502.2</b>	<b>18.5%</b>	<b>13.7%</b>
<b>Recurring Revenues</b>	<b>364.3</b>	<b>434.2</b>	<b>19.2%</b>	<b>15.8%</b>
Deep-dive next slide				
<b>Op.Cost</b>	<b>252.4</b>	<b>301.7</b>	<b>19.6%</b>	<b>12.6%</b>
<b>COGS<sup>1</sup></b>	<b>71.0</b>	<b>77.9</b>	<b>9.8%</b>	<b>11.5%</b>
<b>Personnel</b>	<b>134.7</b>	<b>161.8</b>	<b>20.1%</b>	<b>11.3%</b>
<b>Personnel Like</b>	<b>16.5</b>	<b>20.8</b>	<b>26.1%</b>	<b>26.9%</b>
<b>Non Personnel</b>	<b>47.3</b>	<b>58.6</b>	<b>23.8%</b>	<b>8.6%</b>
<b>Capitalized development Cost</b>	<b>-17.1</b>	<b>-17.4</b>	<b>1.5%</b>	<b>0.2%</b>
<b>Adjusted EBITDA</b>	<b>171.3</b>	<b>200.4</b>	<b>17.0%</b>	<b>15.2%</b>
<i>% of Revs</i>	<i>40.4%</i>	<i>39.9%</i>	<i>-0.5ppt</i>	
<b>Bad Debt</b>	<b>3.8</b>	<b>4.1</b>	<b>6.1%</b>	<b>0.0%</b>

### A COGS

- Organic growth of 11.5%. Dynamics explained by i) acceleration of migration of on-prem customers on cloud and AI consumption; ii) phasing of Hardware and Machinery sale in Q2 2025 (anticipation of sale compared to 2024). COGS organic Increase lower than top-line growth sustaining margin expansion

### B Personnel & Personnel like

- Personnel costs have increased organically by 11.5% driven by combination of increase in FTEs (mainly Sales & Marketing, R&D) 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

- Non-Personnel costs growing organically 8.6% (5.1 p.p. lower than revenue) lower than total operating costs as we continue to maintain strict control external costs growth

### D Capitalised development costs

- Stable capitalised development costs

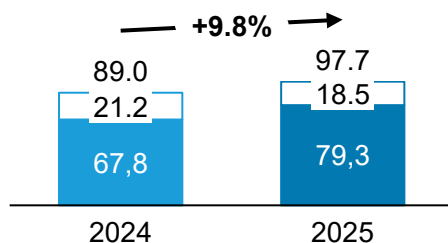
1. Includes COGS related to Application & Maintenance and Hardware, Delivery, Customer Support

# Statutory revenue mix by BU

Statutory revenue<sup>1</sup> by BU | 6M 2025 vs 6M 2024, € M

Other rev. Recurring

## Enterprise



### Organic growth

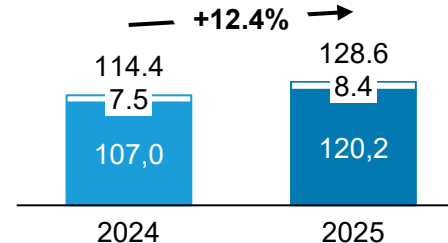
4.6%

-14.3%

9.9%

- Recurring revenue reached 81% of the total (up from 76% in H1 '24) growing organically double digit
- Growth sustained by switch of new sales from license to subs now representing the majority of the total

## Professional



### Organic growth

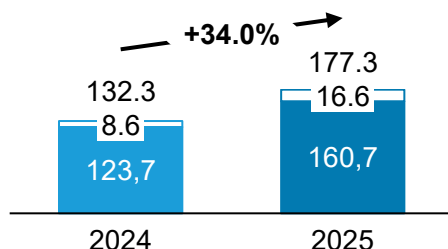
5.9%

-12.5%

7.1%

- Recurring revenue accounts for 93% of the total growing 7% YoY organically despite absence of any regulatory tailwinds

## Micro



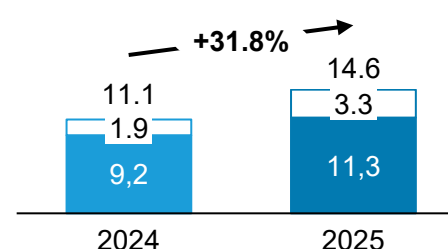
28.4%

15.4%

29.9%

- Strong momentum of international segment continuing also in H1 (+42%) supported by e-ledger regulation in Turkey and strong performance of Spain

## Digital Finance



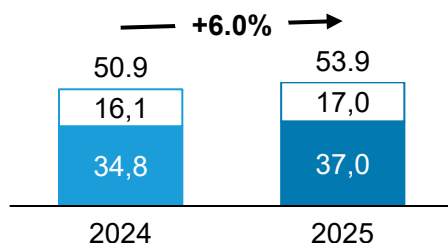
4.8%

-27.7%

20.6%

- Mixed performance across business lines: i) Pay and rating growing >15% YoY; ii) decrease of FVC, however a new fund was launched in July to sustain e-lending growth

## Market Specific Solutions



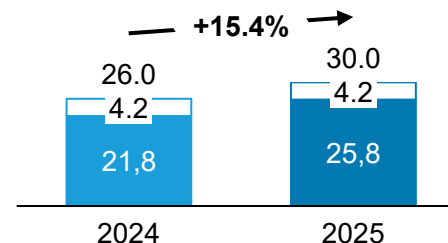
7.0%

6.4%

7.3%

- Recurring growing >7% across all the business lines
- Legal and Construction growing double-digit thanks to good performance of e-procurement and new AI edition version of Legal Software

## Cross-segment prod. BU



14.4%

3.4%

16.5%

- Both HR and Trust growing double digit
- Strong acceleration of new sales from cross-selling both on professional and enterprise segments as well as International (Spain)

# Statutory P&L by Business Unit

6M 2025, € M

	2025 Stat	Enterprise	Professional	Micro	Digital Finance	Market specific solution	Cross-BU Solutions
<b>Revenues</b>	<b>502.2</b>	<b>97.7</b>	<b>128.6</b>	<b>177.3</b>	<b>14.6</b>	<b>53.9</b>	<b>30.0</b>
Recurring	434.2	79.3	120.2	160.7	11.3	37.0	25.8
Other Revenues	67.9	18.5	8.4	16.6	3.3	17.0	4.2
<b>COGS + CS + Del</b>	<b>-117.9</b>	<b>-22.6</b>	<b>-26.5</b>	<b>-23.7</b>	<b>-4.4</b>	<b>-29.0</b>	<b>-11.6</b>
- COGS A&M, HW, Edu, Oth.	-54.2	-7.7	-8.5	-9.5	-2.1	-22.0	-4.5
- Delivery	-23.2	-7.7	-4.5	-2.6	-0.2	-5.1	-3.1
- CS/CSM/Fin Ops	-40.4	-7.3	-13.6	-11.6	-2.0	-1.9	-4.1
<b>Gross Margin</b>	<b>384.3</b>	<b>75.1</b>	<b>102.1</b>	<b>153.5</b>	<b>10.2</b>	<b>24.9</b>	<b>18.4</b>
Gross Margin % of Revs (2024)	76.5%	76.8%	79.4%	86.6%	70.1%	46.2%	61.3%
- Sales & Mktg	-74.0	-15.7	-17.4	-28.2	-3.1	-6.6	-3.1
- R&D	-34.1	-8.3	-6.0	-12.0	-1.3	-3.2	-3.2
- G&A	-19.8	-3.1	-4.1	-7.7	-1.5	-2.4	-1.0
<b>I Margin</b>	<b>256.4</b>	<b>47.9</b>	<b>74.6</b>	<b>105.6</b>	<b>4.3</b>	<b>12.7</b>	<b>11.2</b>
I Margin % of Revs (2025)	51.1%	49.0%	58.0%	59.6%	29.9%	23.6%	37.2%
I Margin % of Revs (2024)	50.6%	48.6%	58.5%	58.8%	37.7%	25.1%	37.1%
Delta I Margin (25 vs 24)	0.4ppt	0.4ppt	-0.5ppt	0.8ppt	-7.8ppt	-1.5ppt	0.1ppt
<b>Indirect Costs</b>	<b>-65.2</b>						
% of Revs	-13.0%						
Capitalized Development Costs	17.4						
<b>Adjusted EBITDA</b>	<b>208.5</b>						
% of Revs	41.5%						

## Key highlights

- **+1.3 p.p. improvement in Gross Margin vs 2024 explained by i) better business mix** (Micro growing faster than the group maintaining a Gross Margin 10 p.p. higher than group average); **ii) improvements in operations as we are rolling out AI productivity initiatives both in customer support and R&D**
- **I Margin increase in Q12025 (+0.4 p.p. vs 2024) driven by :**
  - Better business mix (see above)
  - Anticipation of Sales representative hiring in first months of the year to sustain sales growth
  - Decrease in Digital Finance as we are investing on evolving our cross-selling offering
- Stable indirect costs weight (+0.1 p.p vs '24) as we continue to invest across Cyber, IT and R&D

# Net financial Position – H1 2025

Eur Millions	Jun 30 2025 – pro-forma TeamSystem SpA	Jun 30 2025 TeamSystem SpA	Mar 31 2025 TeamSystem SpA	Dec 31 2024 TeamSystem SpA	Jun 30 2024 TeamSystem SpA
Cash and Bank balances	467.5M€	162.9M€	160.3M€	167.2M€	424.2 M€
Pro-forma cash out new signed Acquisitions (not consolidated) <sup>1</sup>	-43.0M€	-43.0M€	-96.3M€	-163.4M€	-125.3M€
Guarantee ancillary facility	-0.8 M€	-0.8 M€	-1.8 M€	-1.7 M€	-1.7 M€
Notes	-2.750.0M€	-1.850.0M€	-1.850.0M€	-1.850.0M€	-1.530.0 M€
RCF	0.0M€	-210.0M€	-45.0M€	0.0 M€	-0.0 M€
<b>Consolidated Senior Secured Net Leverage</b>	<b>-2.326.3M€</b>	<b>-1.940.9 M€</b>	<b>-1.832.8 M€</b>	<b>-1.847.9 M€</b>	<b>-1.522.8M€</b>
Other financial assets	19.4 M€	19.4 M€	10.1 M€	10.6 M€	9.3M€
Accrued interests on Notes/RCF (net of hedging accrued interests)	-9.8M€	-20.9M€	-24.0 M€	-22.5 M€	-20.4 M€
Other financial liabilities	-6.8M€	-6.8M€	-7.0M€	-6.5M€	-3.5 M€
Other financial liabilities/assets new Acquisitions (not consolidated)	-0.0M€	-0.0M€	-0.0M€	-0.0M€	-9.6 M€
Finance Leases Liabilities	-84.3M€	-84.3M€	-85.1 M€	-36.8 M€	-29.4 M€
<b>Total Net Financial Position</b>	<b>-2.407.8M€</b>	<b>-2.033.5 M€</b>	<b>-1.938.8 M€</b>	<b>-1.903.1 M€</b>	<b>-1.606.4 M€</b>
<b>Leverage ratio</b>	<b>5.14X</b>	<b>4.34X</b>	<b>3.96X</b>	<b>4.05X</b>	<b>3.88x</b>

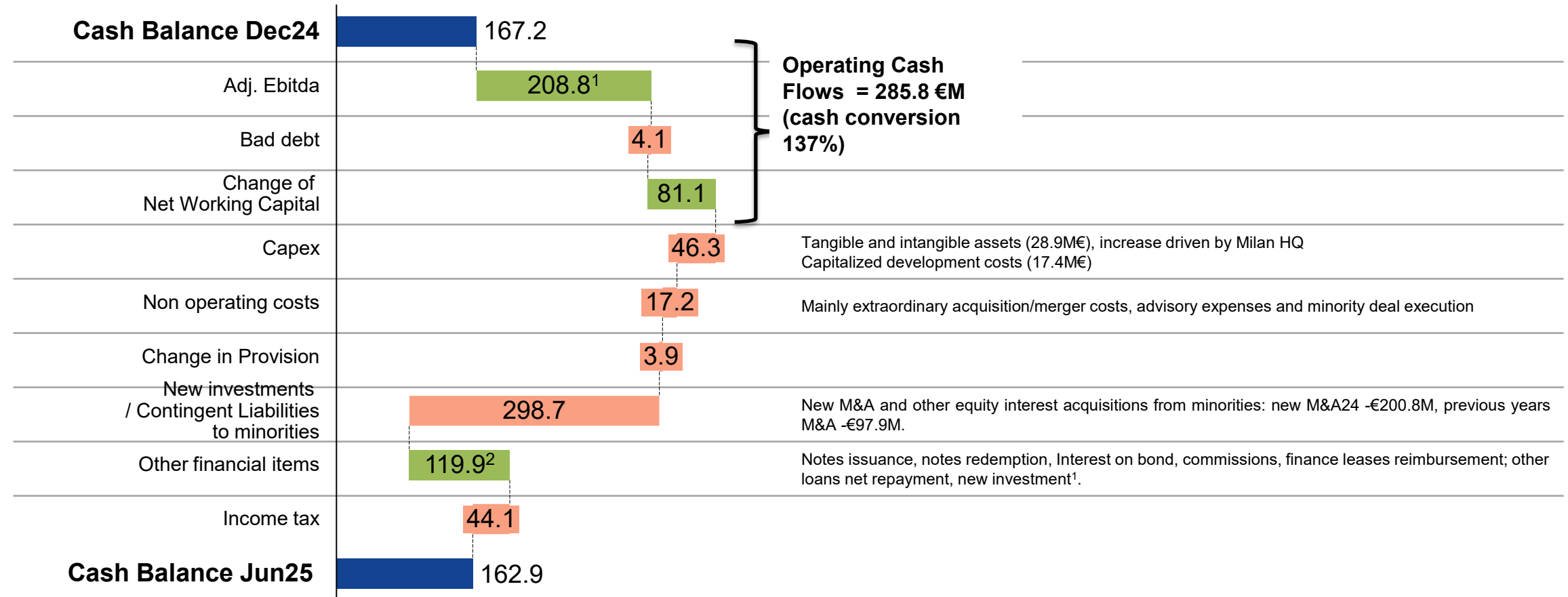


Detailed next

1. Expected Cash –out of acquisitions signed by 30.06.2025

# Cash flow Bridge

H1 2025, € M



1. Adj. EBITDA at TeamSystem Spa level: Consolidated Accounting minus Holdcos EBITDA contribution for -0.5 € Mln | 2. Other financial items are composed by RCF draw for 210 €M, interests on Notes for -67.1€M, and other items for -23.0€M

# Appendix

# Reconciliation of net financial indebtedness for H1 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 TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	TEAMSYSTEM HOLDCO 1 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM HOLDCO 2 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM HOLDCO 3 CONSOLIDATED	TEAMSYSTEM HOLDCO 3 STAND ALONE NET OF INTERCOMAPY	TEAMSYSTEM SPA CONSOLIDATED
Other financial assets	21.449	-	0	-	21.449	7	21.442
Cash and bank balances	162.928	22	26	17	162.864	24	162.840
Financial liabilities with banks and other institutions	(2.642.547)	-	-	-	(2.642.547)	(299.736)	(2.342.811)
<b>TOTAL</b>	<b>(2.458.170)</b>	<b>22</b>	<b>26</b>	<b>17</b>	<b>(2.458.234)</b>	<b>(299.705)</b>	<b>(2.158.529)</b>

# 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 27.07.25 (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.