



## 2021 FY Financial Review

April 12<sup>th</sup> 2022

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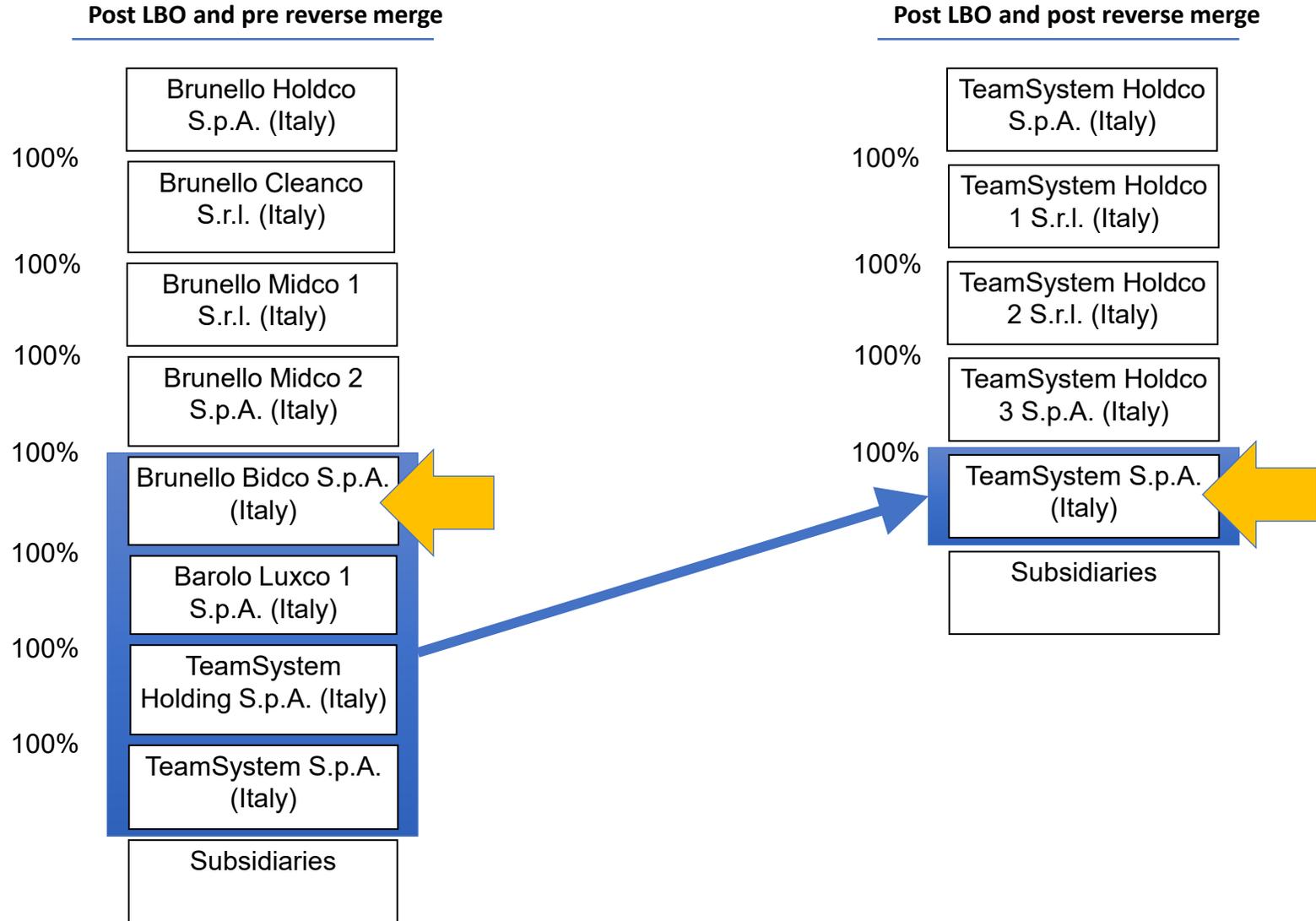
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# TeamSystem FY 2021 performance summary

- In 2021 **Actual Pro Forma Revenues**<sup>1</sup> reached **€545.2M** (+18,7% vs PY) and **Adjusted EBITDA €235,9.0M** (+12,9% vs PY)
- **Q4 growth acceleration** on a Statutory basis (up **21.1%** vs Q4 2020 at **€145.1M** on revenues and up **26.4%** vs Q4 2020 at **€59,2M** on Adjusted EBITDA)
- New sales growth **increased significantly vs PY (+30,1% YoY)** and consistently during all quarters
- **2021 growth is driven by Microbusiness, Digital Finance and HR solutions which experienced double digits organic growth.** All the other segments experienced consistent single digit growth
- On the costs side we have increased again the investments after a more moderate year in 2020 due to pandemic situation. We have maintained **EBITDA margin over 40%** (40,8% FY 2021). **Investment is focused on cloud** (cybersecurity and infrastructure), **people** (talent) and **customer acquisition** (sales and marketing)
- **2021** (based on Statutory figures) **confirmed the positive impact of the strategy aimed at improving the quality of the revenues of the business** started in 2015, in particular:
  - **Cloud Software solutions** represent now **42.8%** of total revenues (vs **3.8% in 2015**).
  - **Recurring revenues** reached **82.1%** (vs **69%** in 2015). This result is mainly driven by the strong growth of Cloud solutions and by decision to **outsource the majority of the hardware and delivery professional services business** in 2018.
  - **Ebitda margin** reached **40.8%** (vs **30.7%** in 2015, +10.1 ppt) showing good capabilities of the business to deliver economies of scale.
  - **Productivity improved by 26.5%** vs 2015 reaching **190K revenues/Avg FTE** in 2021.
- The cash profile remains excellent with operative **cash conversion over 90%**. **Net leverage improved to 5.19x** Proforma EBITDA.
- Last relevant elements related to governance:
  - we have completed the **simplification of the control chain through the reverse merger into TeamSystem SpA of some entities of the acquisition chain including Brunello BidCo.** As a result, the bond issuer is now TeamSystem SpA
  - we have **re-arranged the operations of the business along 6 business units** (Enterprise, Professional, Micro Business, Digital Finance, Market Specific Solution and HR) in order to increase our customer centricity and to align reporting lines accordingly

<sup>1</sup> These figures include new M&A deals signed (€48.6M Revenues and €25.4M Adjusted EBITDA), additional annualized recurring revenues of cloud products (€ 24.3M) already sold and cost savings pro forma (€ 2.7M).

# Teamsystem Corporate structure pre and post merge



# TeamSystem is organized around 6 BUs

## BU Enterprise Solutions

- TeamSystem® Enterprise
- TeamSystem® Enterprise Cloud
- TeamSystem® Industry 4.0
- TeamSystem® Enterprise Power-I
- TeamSystem® Active
- TeamSystem® Enterprise CRM

## BU Professional Solutions

- TeamSystem® ViaLibera Cloud
- TeamSystem® Azienda Cloud
- TeamSystem® Euroconference
- TeamSystem® Studio Cloud
- TeamSystem® Paghe

## BU Micro and international

**Micro**

- Contabilità in Cloud
- Fatture in Cloud
- Cassa in Cloud
- Hotel in Cloud
- Terzo settore in Cloud

**International**

- software **DELSOL** **Bill7in**
- Reviso** a TeamSystem company

## BU Digital Finance

- TeamSystem Digital Finance
- CAPITAL@WORK SGR
- Pay
- modefinance
- White

## BU Market Specific Solution

- Nuovamacut
- TeamSystem Construction
- TeamSystem Legal
- AliasLab a TeamSystem® company
- TeamSystem® PA

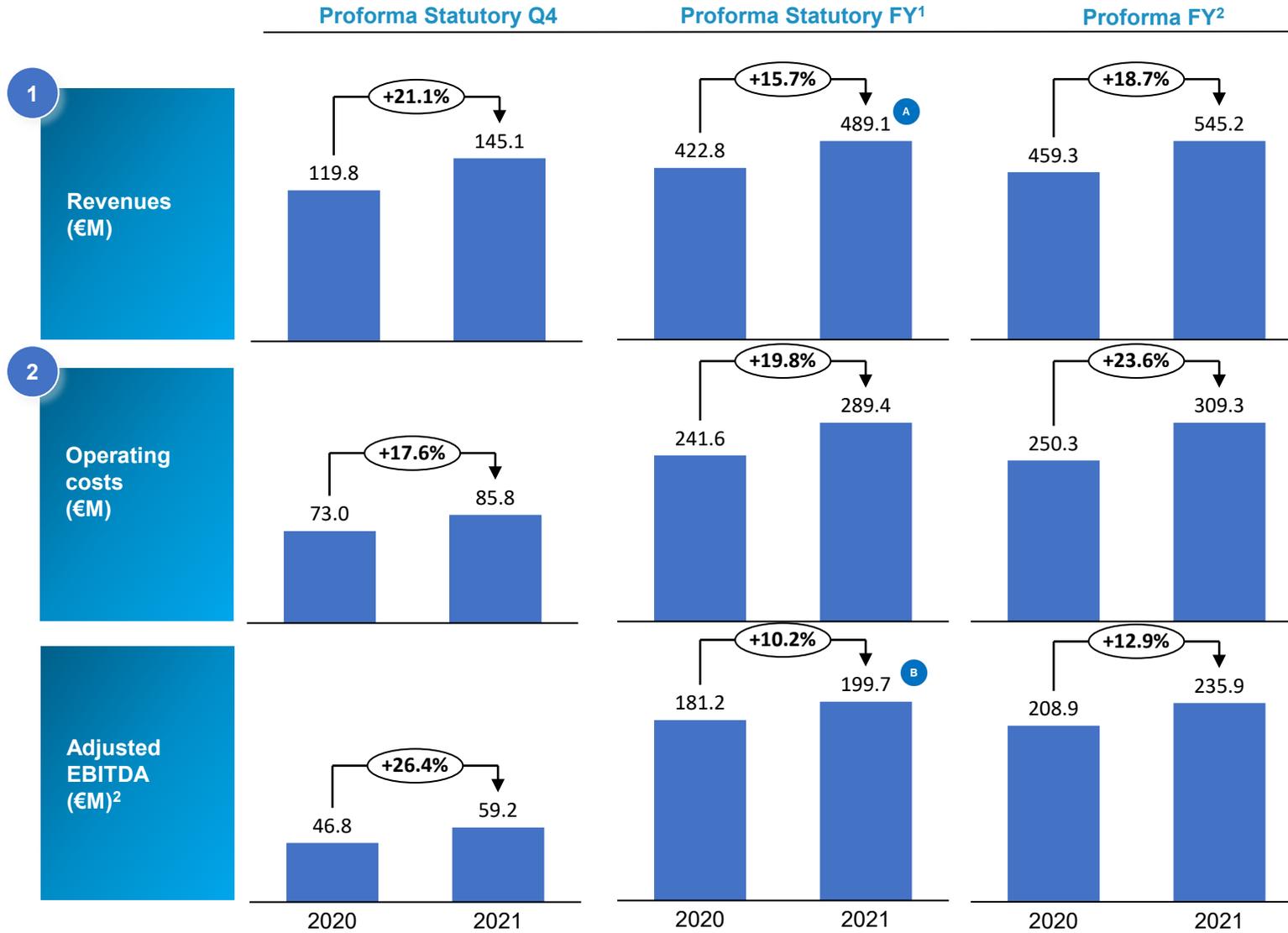
## BU HR Solutions

- TeamSystem HR
- beneficy
- BPAAS

## Cross-BU products

- TeamSystem® Digital Invoice
- TeamSystem® Digital Sign
- TeamSystem® Digital Archive
- TeamSystem® SPID pro
- TeamSystem® Digital Box
- TeamSystem® Digital Cyber Security
- TeamSystem® Digital Infrastructure Monitor
- TeamSystem® Digital Foreign Exchange

# TeamSystem FY 2021 result summary



## Comments

- **Strong FY 2021** on Statutory basis (higher than 2020 by €66.3M) driven by the performance of **Cloud products across all channels and business units (Over 415 mln e-Invoice managed and 851 € bln transacted through our platform, over 60% of new sales on SaaS)**. Cloud Software solution represents now **42.8%** of the total revenues (vs **38.4%** in 2020).
- **Significant 2021 Q4 growth** (higher than 2020 Q4 by €25.M) due to the performance of **Cloud products across all channels (+34% vs 2020, Mainly for BU Enterprise and BU Micro** increased by 56% and 41% vs Q4 2020, respectively)
- On the costs side we have accelerated again the investments after a more moderate year in 2020 due to pandemic situation, maintaining **EBITDA margin over 40%** (40,8% FY 2021). We **focalize investment on cloud** (cybersecurity and infrastructure), **people** (talent) and **customer acquisition** (sales and marketing)

<sup>A</sup> Proforma Stat FY 2021 Organic growth on Revenues<sup>3</sup>: +6,7%

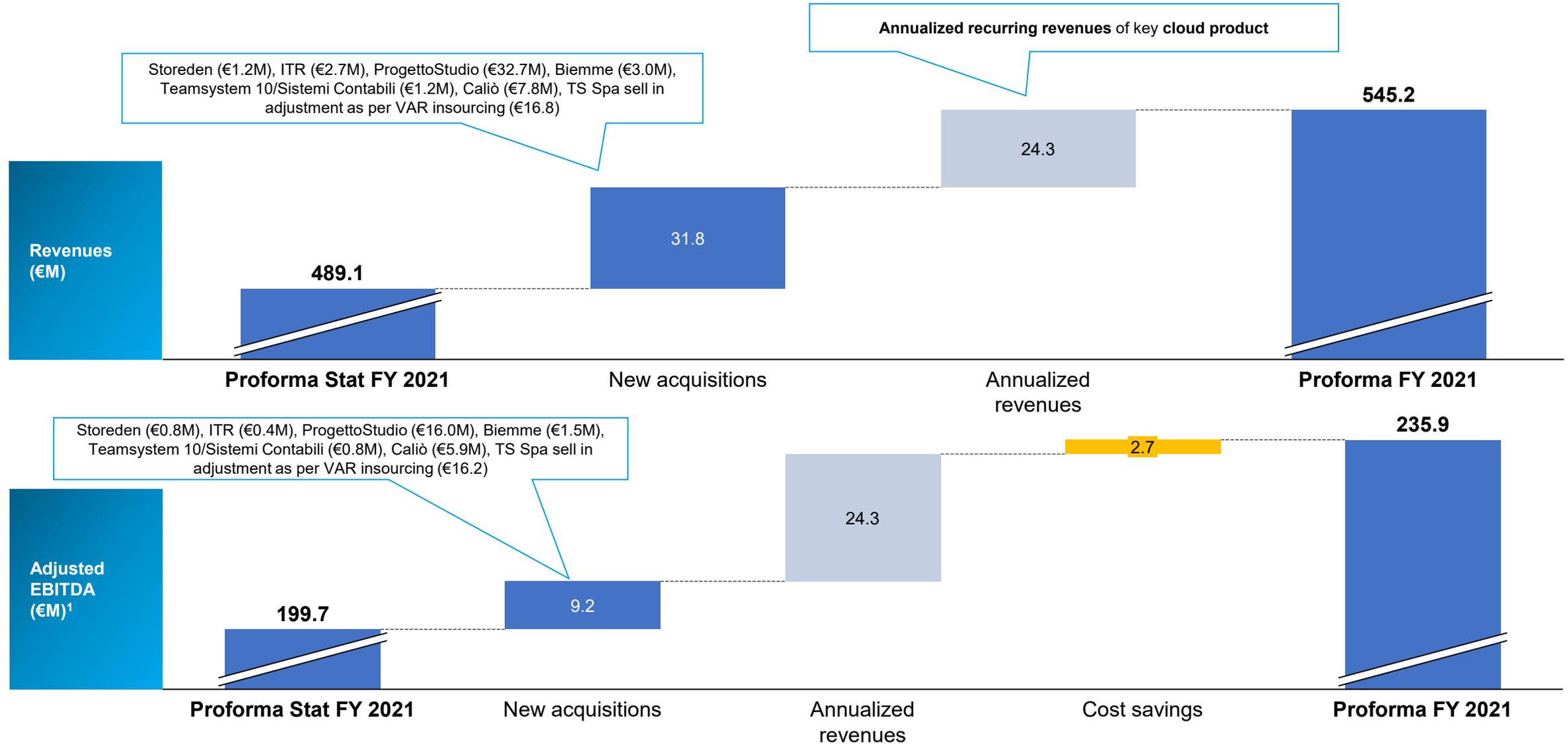
<sup>B</sup> Proforma Stat FY 2021 Organic growth on EBITDA<sup>3</sup>: +2,5%

(1) Group's operating results for the entire 2021 financial year, as though the Acquisition by the Hellman & Friedman private equity fund had occurred on 1 January 2021.

(2) Pro-forma adjustments include new M&A signed, annualized recurring revenues of key cloud products and pro-forma cost savings (detailed next)

(3) Excluding MBM, AFSoluzioni, Area 32, Beneficy, Sogesi, Habble, Mode Finance, TeamForYou, Software del Sol, Calìo, Computer House, Alterna, SGS, Billin, Mode Finance International, ITACME, Logical Software, Teamsystem 11 and My Expenses

# Bridge between 2021 Actual Revenues and Adj. EBITDA vs. Pro Forma



# P&L by BU

Euro mln

## TeamSystem group

€mln

P&L by Business Unit	Enterprise	Professional	Micro	Digital Finance	Market Specific Solutions	HR	2021 Proforma Stat
<b>Revenues</b>	<b>113,3</b>	<b>143,1</b>	<b>100,8</b>	<b>13,3</b>	<b>101,5</b>	<b>17,3</b>	<b>489,1</b>
<b>I margin</b>	<b>54,1</b>	<b>79,0</b>	<b>60,6</b>	<b>4,7</b>	<b>30,6</b>	<b>4,1</b>	<b>233,2</b>
<i>% of Revs</i>	<i>47,8%</i>	<i>55,3%</i>	<i>60,1%</i>	<i>35,5%</i>	<i>30,2%</i>	<i>24,0%</i>	<i>47,7%</i>
<b>Indirect Costs</b>							<b>49,6</b>
Bad Debt							5,0
Capitalized Development Costs							16,0
<b>Adjusted EBITDA</b>							<b>199,7</b>
<i>% of Revs</i>							<i>40,8%</i>

# Key drivers of TeamSystem FY 2021 statutory Revenues

Euro mln

TeamSystem group

€mln

Revenues by BU & Family	2021 Proforma Stat	2020 Stat	Var. 2021 Proforma Stat vs 2020 Stat	%	% YoY Organic Growth
<b>Enterprise</b>	<b>113,3</b>	<b>101,0</b>	<b>12,3</b>	<b>12,2%</b>	<b>5,7%</b>
Recurring	82,8	75,9	6,9	9,2%	3,5%
Other Revenues	30,5	25,1	5,3	21,2%	13,0%
<b>Professional</b>	<b>143,1</b>	<b>136,2</b>	<b>6,8</b>	<b>5,0%</b>	<b>2,4%</b>
Recurring	134,4	124,9	9,5	7,6%	4,9%
Other Revenues	8,6	11,3	-2,7	-23,7%	-25,7%
<b>Micro</b>	<b>100,8</b>	<b>74,3</b>	<b>26,4</b>	<b>35,6%</b>	<b>13,2%</b>
Recurring	95,6	68,2	27,4	40,2%	16,2%
Other Revenues	5,1	6,1	-1,0	-15,7%	-20,7%
<b>Digital Finance</b>	<b>13,3</b>	<b>3,2</b>	<b>10,0</b>	<b>310,0%</b>	<b>161,3%</b>
Recurring	11,7	2,7	9,1	341,5%	187,2%
Other Revenues	1,5	0,6	1,0	165,6%	42,6%
<b>Market Specific Solution</b>	<b>101,5</b>	<b>92,9</b>	<b>8,5</b>	<b>9,2%</b>	<b>2,7%</b>
Recurring	62,5	54,0	8,5	15,8%	8,6%
Other Revenues	39,0	39,0	0,0	-0,1%	-5,4%
<b>HR</b>	<b>17,3</b>	<b>14,9</b>	<b>2,4</b>	<b>16,0%</b>	<b>12,2%</b>
Recurring	14,4	11,5	2,9	25,2%	20,5%
Other Revenues	2,8	3,4	-0,5	-16,0%	-16,1%
<b>Total</b>	<b>489,1</b>	<b>422,8</b>	<b>66,3</b>	<b>15,7%</b>	<b>6,7%</b>
Recurring	401,5	337,1	64,4	19,1%	9,4%
Other Revenues	87,6	85,7	1,9	2,2%	-4,2%

## Enterprise

- **Significant increase on Recurring Revenues** driven by **Industry 4.0** (+21% vs FY 2020) and **TS Enterprise** (+21% vs FY 2020).

## Professional

- **Increase on Recurring Revenues** (+7,6% vs FY 2020) related both to **SW and Education** for **Professional**.

## Micro

- **Strong growth** (+35.6% vs 2020) mainly on **Recurring Revenues** (+40.2% vs FY 2020) and driven by Micro/Small Business (+13% vs FY 2020), Micro Vertical (+15% vs FY 2020) and International business acquired in 2021.

## Digital Finance

- **Strong growth** (310.0% vs FY 2020) along all business lines (pay, invoice trading, fiscal credit trading and rating)

## Market Specific Solution

- **Significant growth** (+9.2% vs 2020) mainly driven by CAD/CAM (+€11.6% vs FY 2020) and Construction business (+€ 49.2% vs FY 2020), partially offset by Digital Signature solutions (-21.1% vs FY 2020).

## HR

- **Significant growth** (16.0% vs FY 2020). Rump up in recurring revenues continues even in FY 2021.

# TeamSystem FY 2021: relevant metrics



# Key drivers of TeamSystem FY 2021 statutory Costs

TeamSystem group  
€mln

P&L and Operating Costs by Nature	2021 Proforma Stat	2020 Stat	Var. 2021 Stat Proforma vs 2020 Stat	%	% YoY Organic Growth
REVENUES	489,1	422,8	66,3	15,7%	6,7%
COGS	91,2	73,9	17,3	23,4%	18,5%
Personnel	152,4	129,1	23,4	18,1%	5,5%
Personnel Like	17,4	17,2	0,3	1,6%	-3,1%
Non Personnel	44,3	36,7	7,6	20,6%	7,5%
NP - Marketing	15,8	11,5	4,4	38,0%	29,9%
NP - Other NP costs	28,4	25,2	3,2	12,7%	-2,8%
<b>Total Op. Costs excl. Bad debt</b>	<b>305,4</b>	<b>256,9</b>	<b>48,5</b>	<b>18,9%</b>	<b>9,0%</b>
Bad debt accrual	5,0	9,3	-4,2	-45,7%	-49,1%
Capitalised development costs	16,0	15,2	0,8	5,1%	-4,0%
<b>Adjusted EBITDA</b>	<b>199,7</b>	<b>181,1</b>	<b>18,6</b>	<b>10,3%</b>	<b>2,5%</b>
% of Revs	40,8%	42,8%	28,0%		

## A COGS

- **Cogs - Licenses & A&M HW/SW SP** increased by **38.2%** vs FY 2020 driven by revenue and growth of cloud infrastructure due to faster growth of cloud solutions.
- **Cogs - CAD/CAM** increased by **9.5%** vs FY 2020 driven by revenue growth.
- **Cogs - Delivery** increased by **25.7%** mainly related to Digital Signature solutions due to expiring contracts with former suppliers

## B Personnel & Personnel like

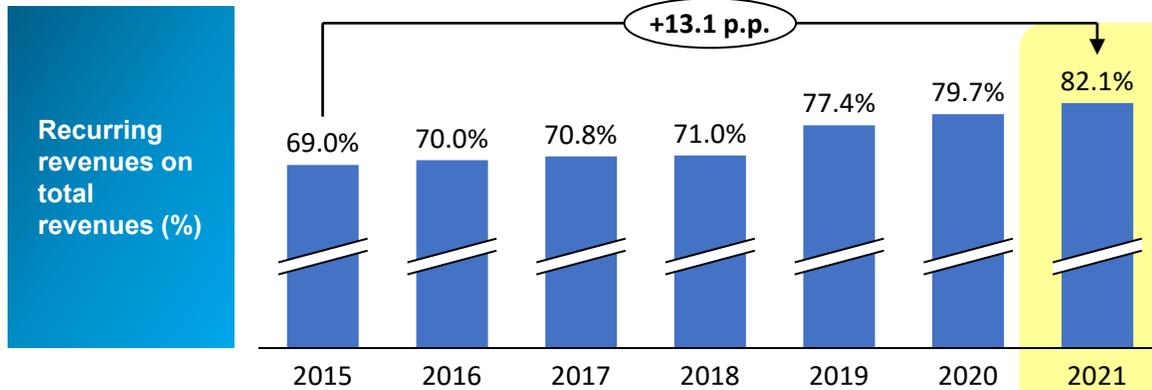
- **Personnel costs** increased by **18.1%** vs FY 2020 mainly due to investment on new resources and set of cost saving initiatives (vacation and contingency plan) to mitigate COVID 19 effect on FY 2020.

## C Non Personnel

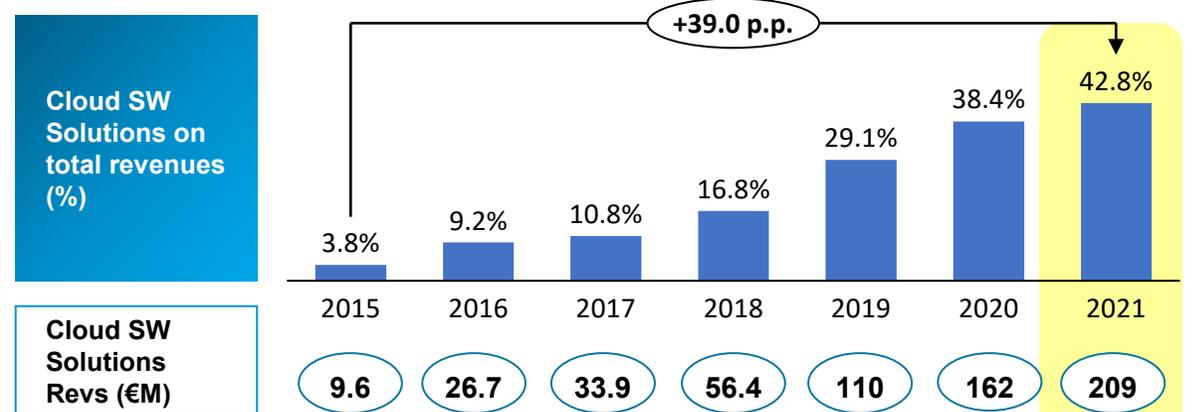
- **Marketing and R&D Consulting** costs increased by 38.0% and 136.9% respectively vs FY 2020 to support business growth.
- **T&E and Building costs** (mainly rents, maintenance and utilities) remained flat due to switch of the entire employee base to smart working since February 2020

# TeamSystem FY 2021 key metrics

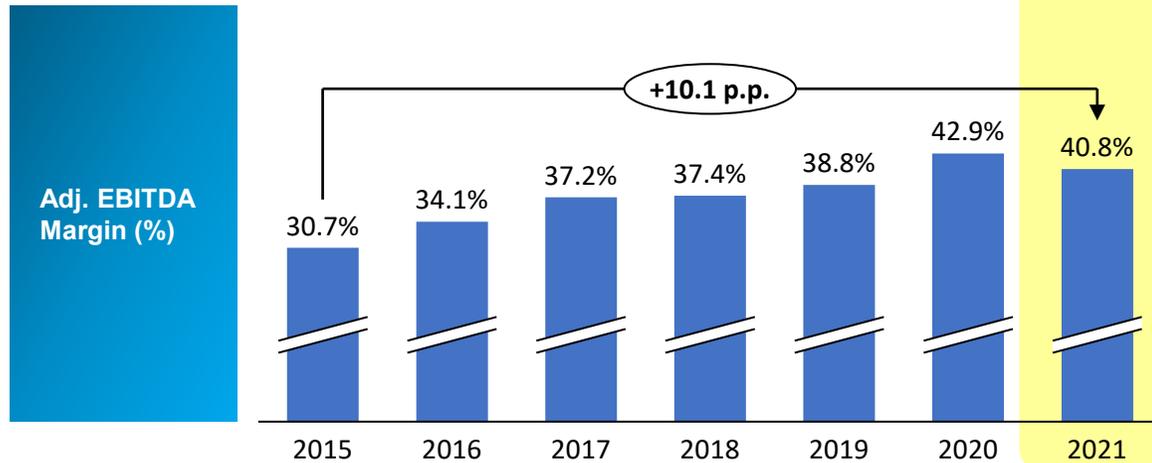
## Recurring Revenues



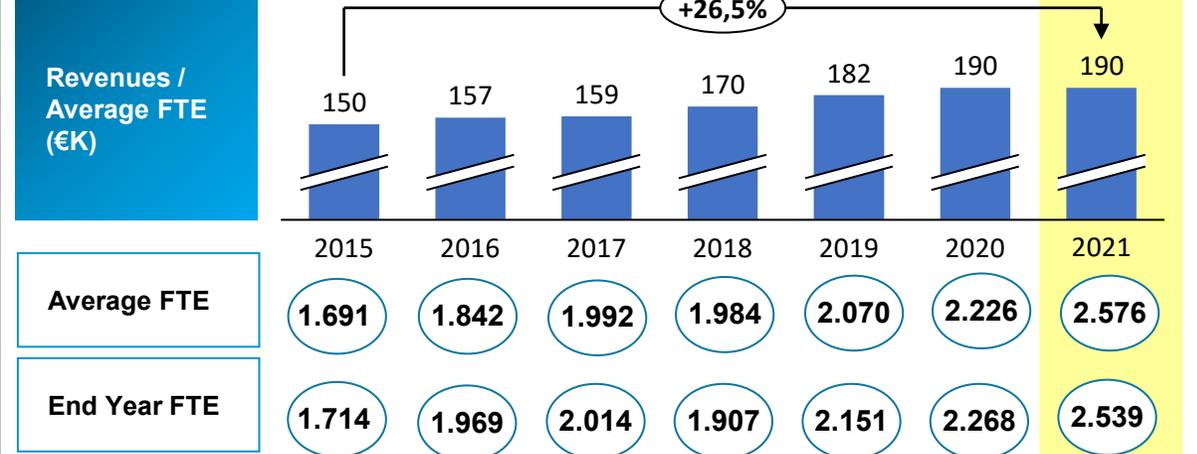
## Cloud Software Solutions Revenues



## EBITDA Margin



## Productivity



Note: 2018, 2019, 2020 Statutory and 2021 Proforma Statutory FY

# Net financial Position – FY 2021

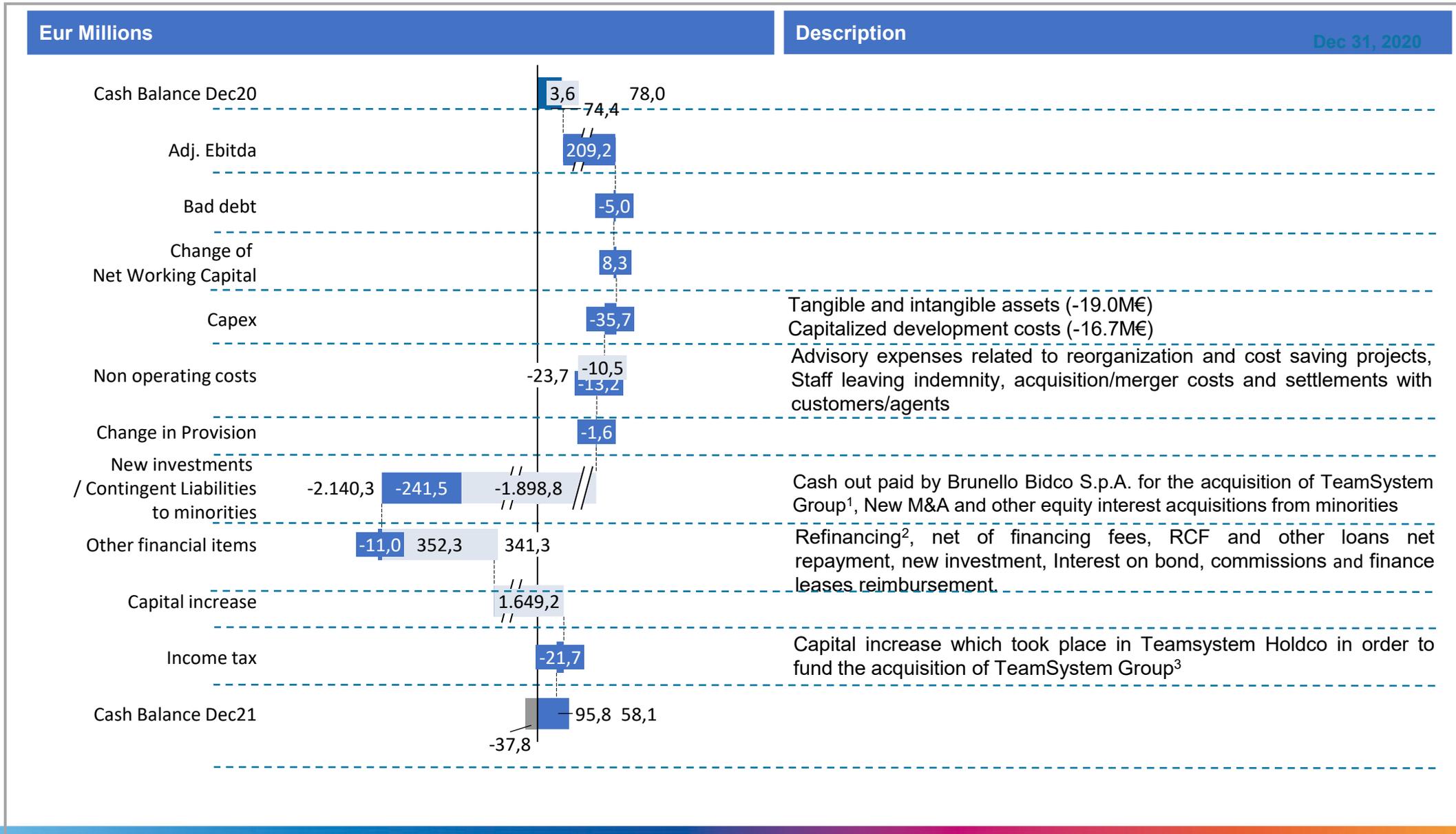


Eur Millions	Dec 31 2021 TeamSystem SpA	Dec 31, 2020 Brunello Bidco pro-forma <sup>(1)</sup>
Cash and Bank balances	58.1 M€	5.0 M€
Cash out net of Cash and Bank balances new Acquisitions (not consolidated)	-28.7 M€	0.0 M€
Guarantee ancillary facility	-2.5 M€	-2.9 M€
Notes	-1.150.0 M€	-1.150.0 M€
RCF	-75.0 M€	0.0 M€
<b>Consolidated Senior Secured Net Leverage</b>	<b>-1.198.1M€</b>	<b>-1.147.9M€</b>
Other financial assets	8.5M€	0.0 M€
Accrued interests on Notes/RCF	-9.2M€	0.0 M€
Other financial liabilities	-3.6 M€	0.0 M€
Other financial liabilities new Acquisitions (not consolidated)	0.0 M€	0.0 M€
Finance Leases Liabilities	-23.2 M€	-26.0 M€
<b>Net Financial Position</b>	<b>-1.225.6M€</b>	<b>-1.173.9 M€</b>
<b>Leverage ratio</b>	<b>5.19X</b>	<b>5.62X</b>

(1) Pro forma for the acquisition by Brunello Bidco S.p.A. of Barolo Lux 1 S.a.r.l. (TeamSystem Holding S.p.A.'s direct parent company) and the transactions related thereto in February 2021, including the issuance by Brunello Bidco S.p.A. of its €1,150 million Senior Secured Notes due 2028

# Cash flow Bridge – FY 2021 PRO-FORMA

Deal related



1 not included non cash items for approx. 96 € mln

2 New financing for 1,150 € mln net of previous financing repayment for 750 € mln

3 not included non cash items for approx. 96 € mln

# Appendix

# RECONCILIATION OF NET FINANCIAL INDEBTEDNESS

## FOR THE YEAR ENDED 31 DECEMBER 2021

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.

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMAPY	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
Bank accounts and post office	59,038	509	17	17	58,496	489	58,007
Cash and bank balances	46				46		46
<b>Total Cash and bank balances</b>	<b>59,084</b>	<b>509</b>	<b>17</b>	<b>17</b>	<b>58,541</b>	<b>489</b>	<b>58,053</b>
Loans	79				79		79
Accruals and prepaid commissions	43				43		43
Other financial assets	8,389				8,389		8,389
<b>Total Other financial assets</b>	<b>8,512</b>				<b>8,512</b>		<b>8,512</b>
Loans with banks	(76,513)				(76,513)		(76,513)
Overdrafts with banks	(722)				(722)		(722)
Finance leases liabilities	(23,222)				(23,222)		(23,222)
Notes	(1,464,118)				(1,464,118)	(305,063)	(1,159,055)
Financial liabilities with other institutions	(1,226)				(1,226)		(1,226)
Dividends to be paid	(45)				(45)		(45)
<b>Total Financial liabilities</b>	<b>(1,565,846)</b>				<b>(1,565,846)</b>	<b>(305,063)</b>	<b>(1,260,783)</b>
Financing Fees - notes	45,489				45,489	8,971	36,519
Financing Fees - banks	3,648				3,648		3,648
<b>Total Financing Fees</b>	<b>49,137</b>				<b>49,137</b>	<b>8,971</b>	<b>40,167</b>
Liabilities to non controlling shareholders of subsidiaries	(81,352)				(81,352)		(81,352)
Commissions financial liabilities	(173)				(173)		(173)
<b>Total Other financial liabilities</b>	<b>(81,525)</b>				<b>(81,525)</b>		<b>(81,525)</b>
<b>Total</b>	<b>(1,530,638)</b>	<b>509</b>	<b>17</b>	<b>17</b>	<b>(1,531,180)</b>	<b>(295,604)</b>	<b>(1,235,577)</b>