



# 2021 Q3 Financial Review

Nov 29<sup>th</sup> 2021

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# TeamSystem Q3 2021 performance summary

## Q3 2021

- In the third quarter, we registered a double-digit top line growth on a Statutory basis in lines with previous quarters. The key results YTD are:
  - **Revenues at €344M up 13.5% vs Q3 2020 YTD**
  - **YTD Adjusted EBITDA at €140.5M up 4.5% vs Q3 2020 YTD** as we continue to invest in growth (marketing and new hires)
- Bookings trend vs 2020 and 2019 confirm the recovery of new sales (despite Jan/Feb 2020 were pre-COVID months) registering a cumulated +35.3%.

## Sep 2021 LTM

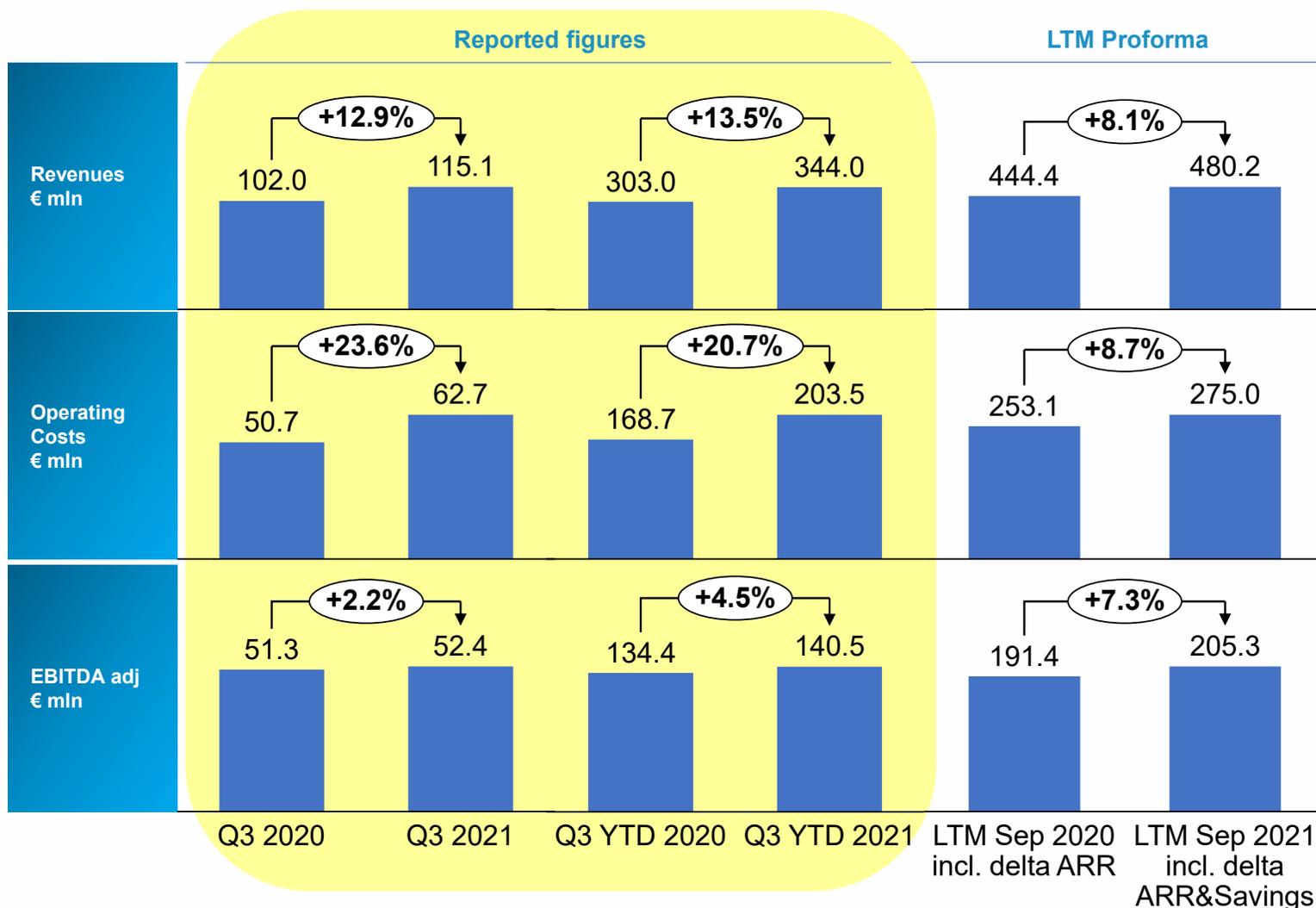
- **Proforma LTM Adjusted EBITDA** Sept 2021 at **€205.3M** (vs €191.4M in Q3 2020), up **+7.3%**
- **Proforma LTM Adjusted Revenues** Sept 2021 at **€480.2M** (vs €444.4M in Q3 2020), up **+8,1%**
- **Leverage ratio** (inclusive of Brunello BidCo level) **moves to 5.62x<sup>1</sup>** at the end of Q3 2021

## Covid-19

- **All industrial sectors are recovering** from pandemic situation. Biggest beneficiary are the constructions, manufacturing and services segment. **TeamSystem has limited exposure to the sectors most affected by COVID-19 such as hospitality and retail.**
- Cash collection from customer continue to show a positive trend with a significant improvement (+21%) vs 2020 across all receivables cohort including over 1 years

(1) Include IFRS 15 and 16 impact. At the end of Q3 2021 leverage ratio goes to 5.73x excluding those impacts.

# TeamSystem Q3 2021 results summary



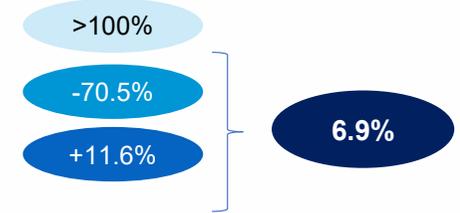
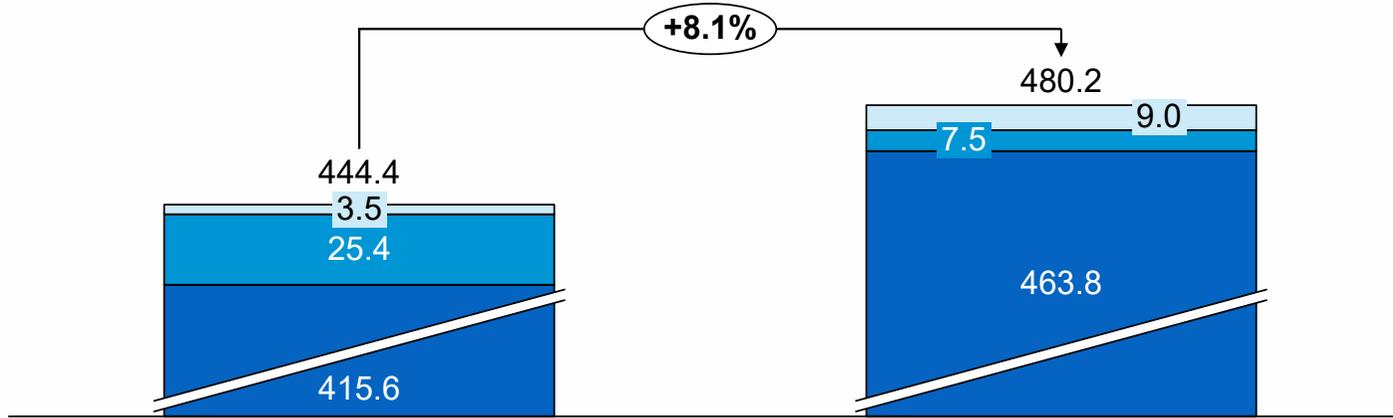
- **2021 Q3 revenues increased by 12.9% vs 2020 Q3 and 13.5% YTD** driven by e-invoicing, cloud solutions and micro/sme segments
- **New booking still recovering well** vs 2020 and 2019 (since Q3 is partially affected by holiday season)
- Operating costs growing significantly vs Q3 2020 due to:
  - Investments in new hiring to support business expansion and also in Marketing
  - COGS growing more than new sales due to different revenue mix on CAD/CAM and investment in cloud infrastructure (detailed next)
- Pro forma cost savings of €7M already realized
- **Q3 YTD delivered no operating leverage as a result of revenue mix and investment in operating cost**
- LTM PF EBITDA includes acquisitions, the annualized recurring revenues and cost savings (detailed next)

# LTM Revenues and ADJ EBITDA as of Q3

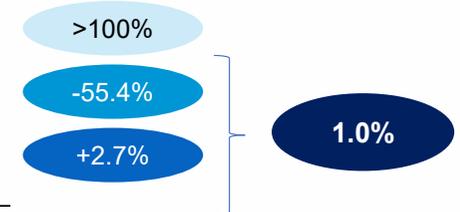
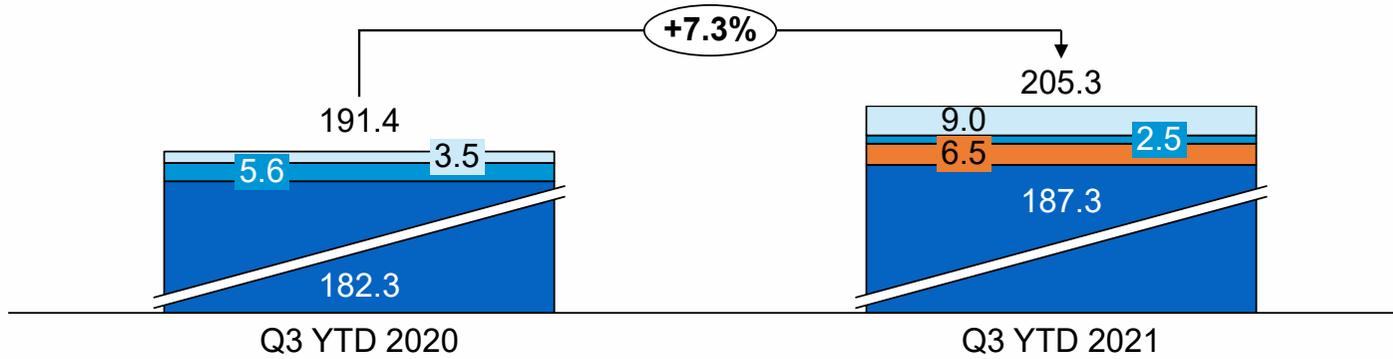
- Delta ARR
- M&A Proforma
- Cost Savings
- LTM statutory

## LTM Organic growth

Revenues  
€ mln

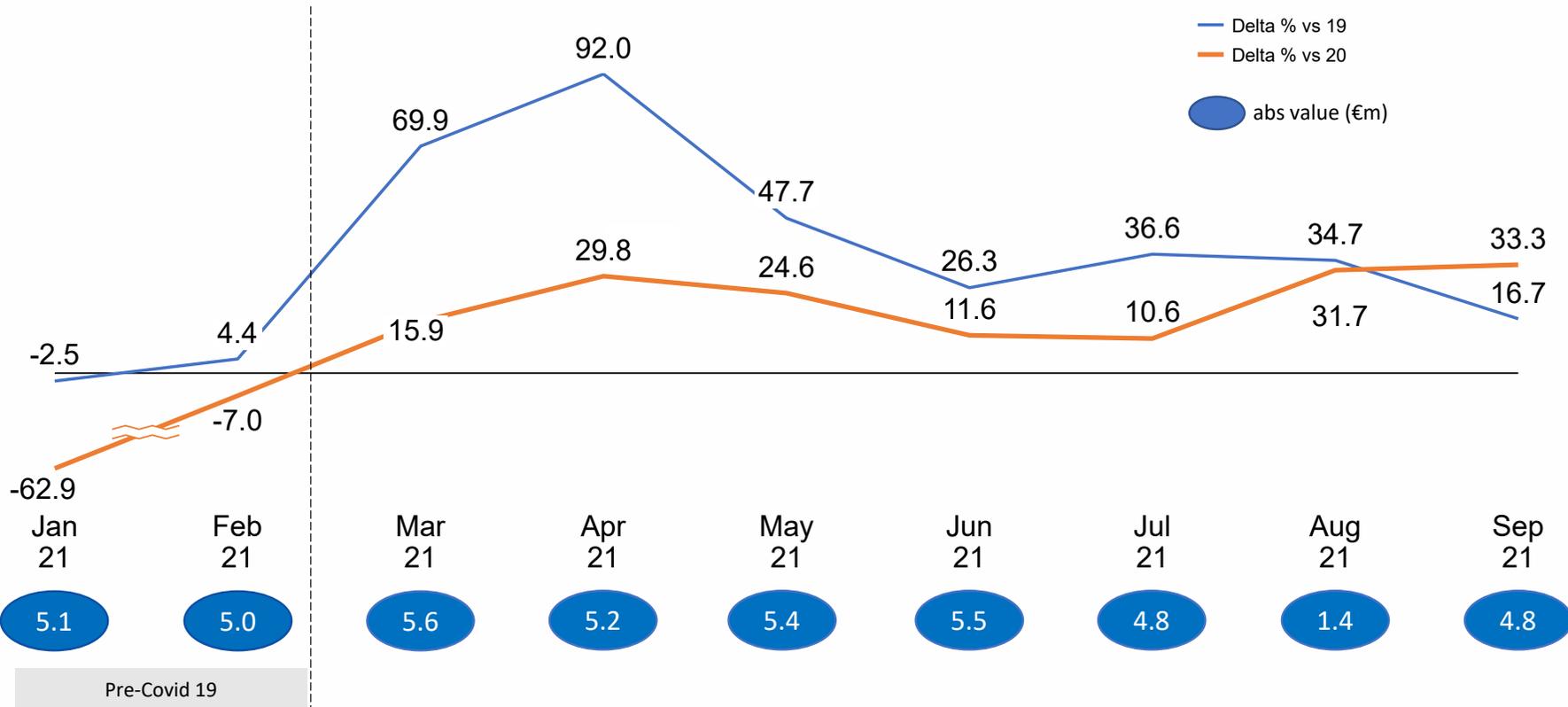


EBITDA  
adj  
€ mln

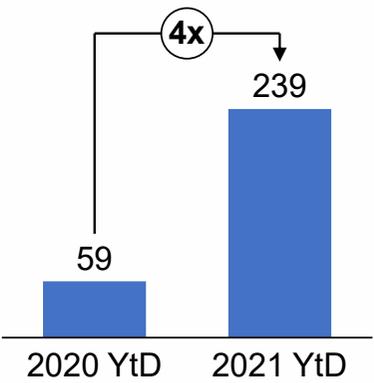


# New sales 2021 vs PY

Monthly SW booking 2021 vs PY (percent)



Transaction volumes from digital finance<sup>1</sup> (€ mln)



1 Include fiscal credit trading, invoice trading and payments

1

# Key drivers of TeamSystem Q3 2021 statutory Revenues

Euro mln

Euro Millions

	30 set 21	30 set 20	Change	% Change
<b>Direct Channel</b>	<b>116,8</b>	<b>104,5</b>	<b>12,3</b>	<b>11,8%</b>
Recurring	99,6	89,5	10,1	11,3%
Licenses/Prof. Services	17,2	15,1	2,2	14,3%
<b>Indirect Channel</b>	<b>70,2</b>	<b>69,5</b>	<b>0,7</b>	<b>1,0%</b>
Recurring	65,6	65,7	-0,1	-0,1%
Licenses/Prof. Services	4,6	3,8	0,8	20,8%
<b>Micro and new Business Solutions</b>	<b>73,6</b>	<b>48,6</b>	<b>25,1</b>	<b>51,6%</b>
Recurring	68,8	45,5	23,4	51,4%
Licenses/Prof. Services	4,8	3,1	1,7	54,9%
<b>Vertical Solutions</b>	<b>79,5</b>	<b>77,9</b>	<b>1,6</b>	<b>2,1%</b>
Recurring	50,8	49,9	0,9	1,9%
Licenses/Prof. Services	28,7	28,0	0,7	2,5%
<b>Hardware &amp; Other</b>	<b>3,8</b>	<b>2,6</b>	<b>1,3</b>	<b>49,8%</b>
<b>TOTAL REVENUE</b>	<b>344,0</b>	<b>303,0</b>	<b>41,0</b>	<b>13,5%</b>

## Direct Channel

- Significant increase on **Recurring Revenues** driven by progressive switch of new sales to **subscriptions** (cloud solutions) and **good resilience** of the customer base
- **Significant increase on Licenses and Prof. Services** of enterprise solutions

## Indirect Channel

- **Decrease on revenues due to M&A operations** targeted on VARs customers that moved to Direct channel

## Micro and New Biz software solutions

- **Strong growth (+51.9%)** driven by Fatture in Cloud and Danea revenues (e-invoicing) still growing and M&A operations.

## Software Solutions – Vertical solutions

- Vertical solutions growing well on **recurring revs** and **Licence/Prof. services new sales** in particular on CAD/CAM and Construction segment

## Hardware

- Residual business to us related to specific business only

Note: 2020 and 2021 Statutory

## Key drivers of TeamSystem Q3 2021 statutory Costs

Euro thousands				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	YTD 30 Sep 2021	YTD 30 Sep 2020	Change	% Change
<b>TOTAL REVENUE</b>	<b>343.983</b>	<b>303.015</b>	<b>40.968</b>	<b>13,5%</b>
<b>A</b> Cost of raw and other materials	(29.890)	(24.676)	(5.213)	21,1%
<b>B</b> Cost of services	(71.976)	(59.430)	(12.546)	21,1%
<b>C</b> Personnel costs	(99.234)	(81.642)	(17.592)	21,5%
<b>D</b> Other operating costs	(2.431)	(2.912)	481	-16,5%
<b>ADJUSTED EBITDA</b>	<b>140.451</b>	<b>134.355</b>	<b>6.097</b>	<b>4,5%</b>

### A Cost of raw and other materials

- **Cost of raw and other material increased by 21.1%** mainly driven by CAD/CAM different revenues mix

### B Cost of services

- **Cost of services increased by 21.1%**, mainly due to Cloud infrastructure (€3.1M increase), Marketing (€3.0M increase), CS outsourcing costs (€1.9M increase) and Delivery (€0.9M increase)

### C Personnel costs

- **Personnel costs increased by 21.5%** mainly due to 2020 M&A acquisitions (€8.8M increase) and leave accrual (€1.4M increase)

### D Other operating costs

- **Other operating costs decreased by 16.5%** driven by rents & maintenance, travel & employee expenses and also Education costs

## Net financial Position – Q3 2021

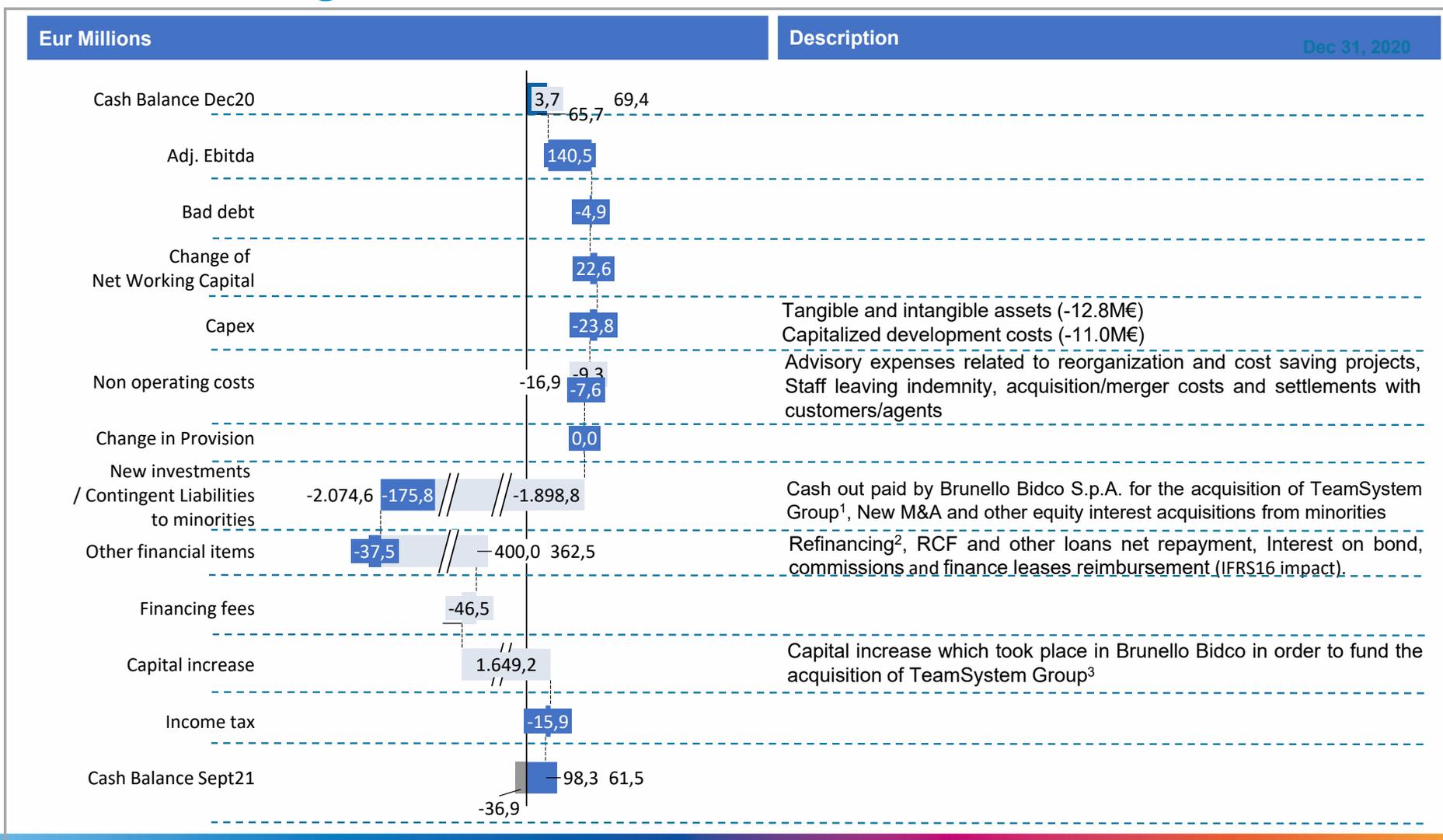
 Detailed next

Eur Millions	Sept 30 2021 Brunello BidCo	Dec 31, 2020 Brunello Bidco pro-forma <sup>(1)</sup>
Cash and Bank balances	61.5 M€	5.0 M€
Cash out net of Cash and Bank balances new Acquisitions (not consolidated)	-1.2 M€	0.0 M€
Guarantee ancillary facility	-2.7 M€	-2.9 M€
Notes	-1.150.0 M€	-1.150.0 M€
RCF	-10.0 M€	0.0 M€
<b>Consolidated Senior Secured Net Leverage</b>	<b>-1.1102.4M€</b>	<b>-1.147.9M€</b>
Other financial assets	4.8M€	0.0 M€
Accrued interests on Notes	-13.5M€	0.0 M€
Other financial liabilities	-18.2 M€	0.0 M€
Other financial liabilities new Acquisitions (not consolidated)	0.0 M€	0.0 M€
<b>Net Financial Position</b>	<b>-1.129.3M€</b>	<b>-1.147.9M€</b>
<b>Leverage ratio</b>	<b>5.73X</b>	<b>5.70X</b>
Finance Leases Liabilities (IFRS16 impact)	-23.9 M€	-26.0 M€
<b>Net Financial Position (Including IFRS16 impact)</b>	<b>-1.149.7M€</b>	<b>-1.173.9 M€</b>
<b>Leverage ratio (Including IFRS16 impact)</b>	<b>5.62X</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 – Q3 2021

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