



# 2021 H1 Financial Review

Jul 29<sup>th</sup> 2021

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# TeamSystem H1 2021 performance summary

## H1 2021

- Despite the severity of the pandemic, we continue to experience **significant growth in H1 2021** on a Statutory basis, with a good recovery on new sales and thanks to the resilience of the recurring sales model. The key results are:
  - **Adjusted EBITDA up 6.0% vs H1 2020** reached **€88.0M**
  - **Revenues up 13.9% vs H1 2020** reached **€228.9M**
- New bookings in H1 2021 are significantly better than 2020 (despite Jan/Feb 2020 were pre-COVID months) registering a +34.0% increase

## June 2021 LTM

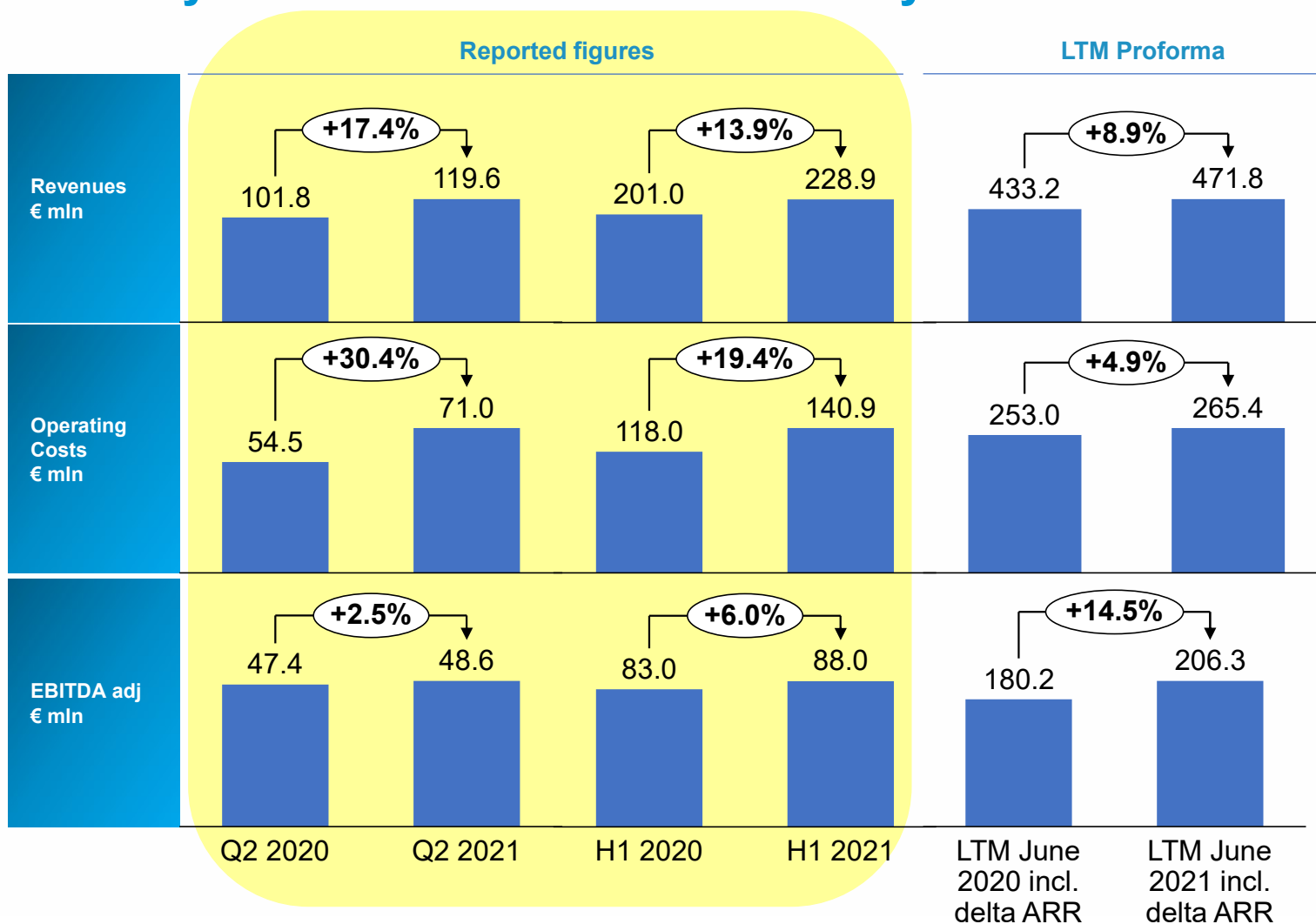
- **Adjusted EBITDA** and **revenues** LTM June 2021 vs LTM June 2020 perform, respectively, **+14.5%** and **+8.9%** on a pro-forma basis. More in details:
  - **Pro-forma Adjusted EBITDA in June 2021 LTM** reached **€206.3M** (vs €180.2M in Q2 2020)
  - **Pro-forma Revenues in June 2021 LTM** reached **€471.8M** (vs €433.2M in Q2 2020)
- **Leverage ratio** (calculated at Brunello BidCo level) is equal to **5.57x<sup>1</sup>** at the end of H1 2021 driven by strong business performance.

## Covid-19

- Progressively **all industrial sectors are recovering** from the pandemic situation, starting from the construction sector, manufacturing and services. We confirm that **TeamSystem is underexposed to areas of business highly impacted by COVID 19** like retail, hospitality, etc.
- The **performance** on cash in and, consequently, **on overdue receivables is very positive** with a significant improvement (approx. 27%) vs 2020 along all cohorts including the over 1 years

(1) Include IFRS 15 and 16 impact. At the end of H1 2021 leverage ratio goes to 5.65x excluding those impacts.

# TeamSystem H1 2021 results summary



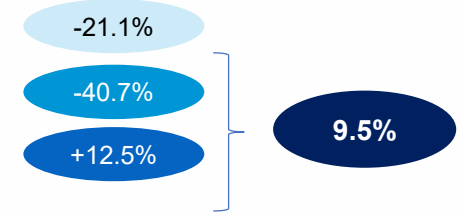
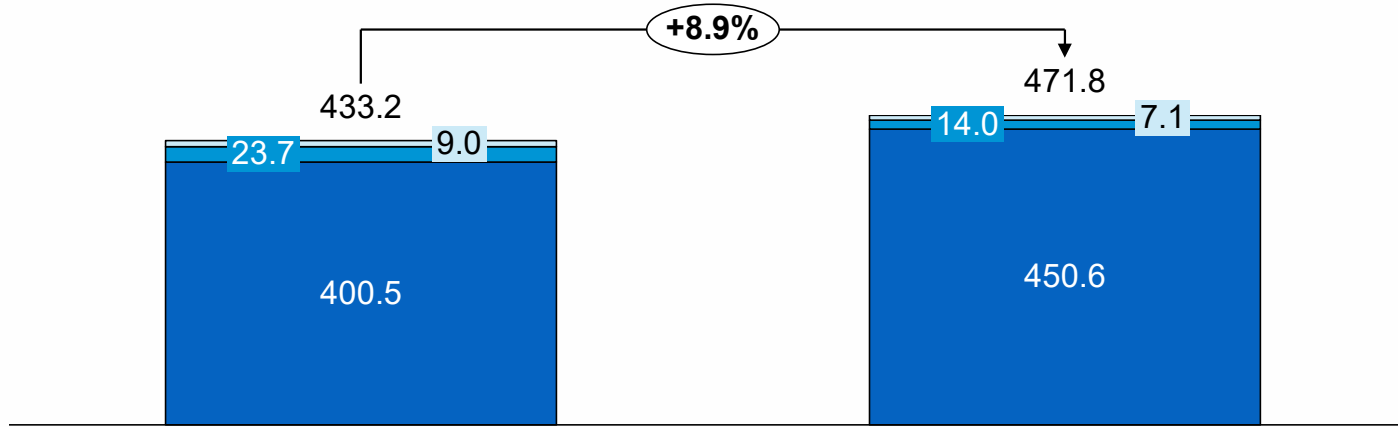
- **Q2 revenues growth higher than Q1** (respectively +17.4% vs +10.2%) **thanks to market recovery and new sales growth across the segments with a significant H1 growth** (higher than 2020 by €27.9M).
- **New booking recovering well** in particular in April and May (detailed next)
- Operating costs growing significantly vs H1 2020 due to:
  - Investments in new hiring to support business expansion and normalization in leaves cost accrual
  - COGS growing more than new sales due to different revenues mix on CAD/CAM and investment in cloud infrastructure (detailed next)
- On LTM pro forma we start to see the pro forma cost savings flow into the P&L for approx. €4.6M
- **H1 delivered no scale at EBITDA level** due to different revenues mix and costs growth
- LTM PF EBITDA includes acquisitions, the annualized recurring revenues of key cloud products and costs saving (detailed next)

# LTM Revenues and ADJ EBITDA as of H1

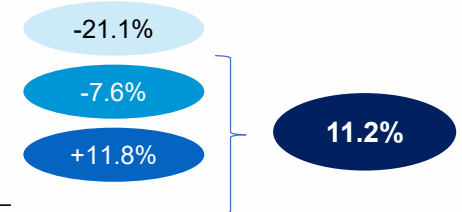
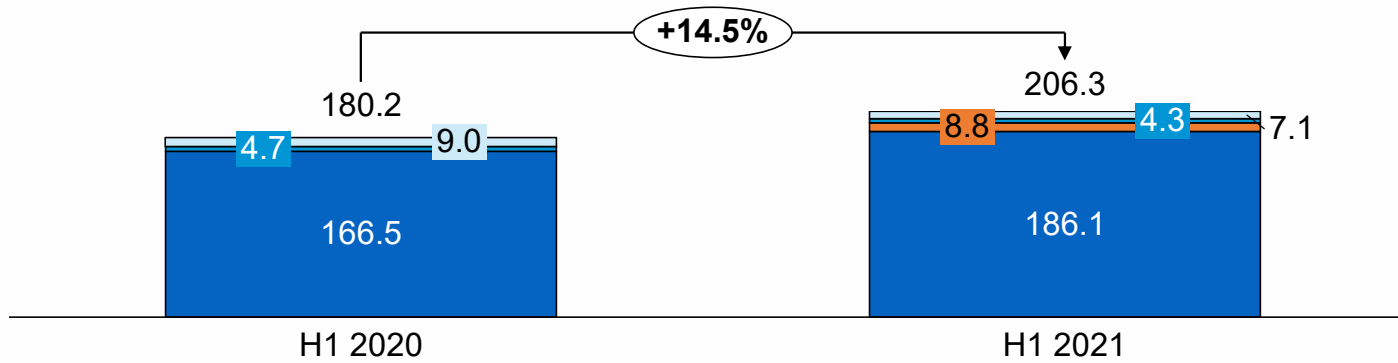
- Delta ARR
- M&A Proforma
- Cost Savings
- LTM statutory

**LTM Organic growth**

Revenues  
€ mln



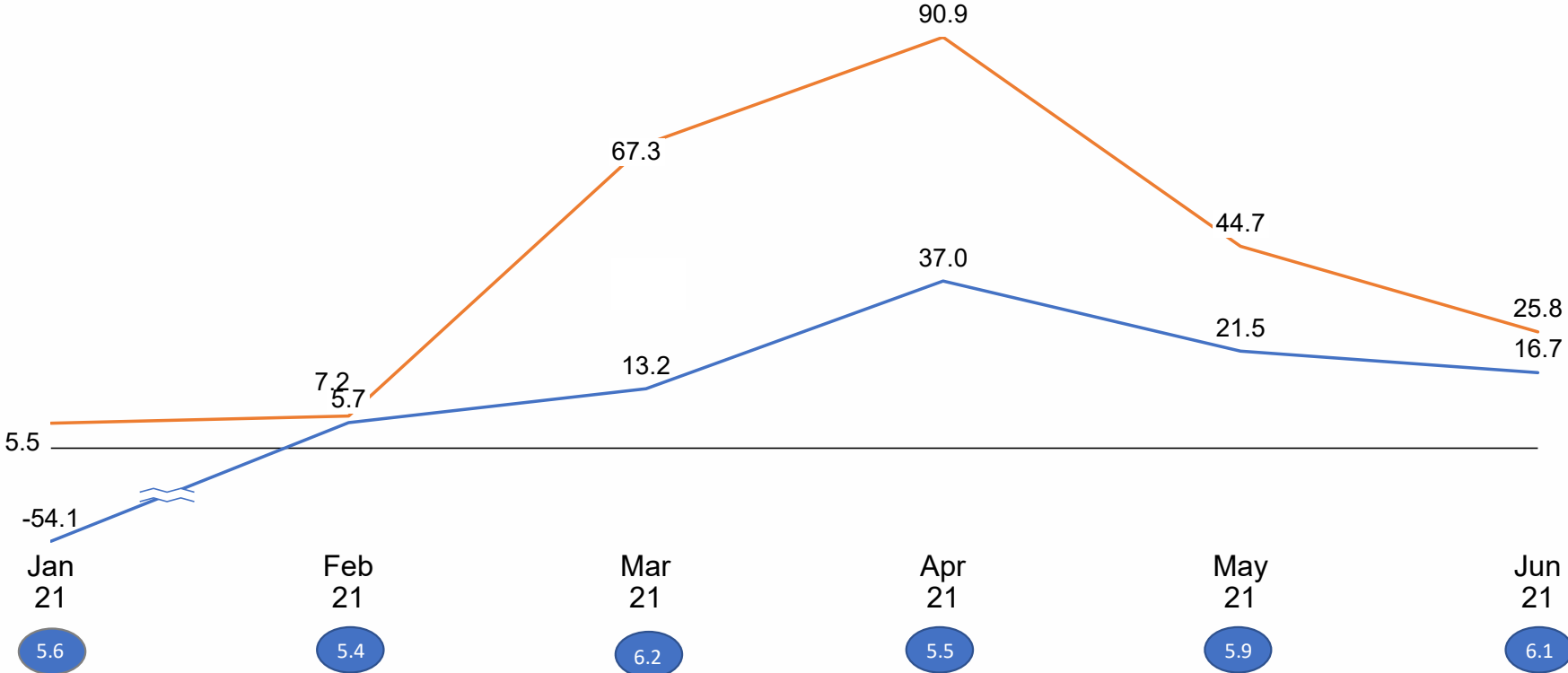
EBITDA  
adj  
€ mln



# Monthly booking 2021 vs PY

Percent %

- Delta % vs 19
- Delta % vs 20
- abs value (€m)



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# Key drivers of TeamSystem H1 2021 statutory Revenues

Euro mln

Euro Millions

|   | 30 giu 21    | 30 giu 20    | Change      | % Change     |
|---|--------------|--------------|-------------|--------------|
| <b>Direct Channel</b>                   | <b>77,3</b>  | <b>69,1</b>  | <b>8,2</b>  | <b>11,9%</b> |
| Recurring                               | 65,2         | 59,2         | 6,0         | 10,2%        |
| Licenses/Prof. Services                 | 12,1         | 9,9          | 2,2         | 22,0%        |
| <b>Indirect Channel</b>                 | <b>46,3</b>  | <b>47,0</b>  | <b>-0,6</b> | <b>-1,4%</b> |
| Recurring                               | 43,1         | 44,2         | -1,1        | -2,6%        |
| Licenses/Prof. Services                 | 3,3          | 2,8          | 0,5         | 18,0%        |
| <b>Micro and new Business Solutions</b> | <b>46,7</b>  | <b>31,4</b>  | <b>15,2</b> | <b>48,4%</b> |
| Recurring                               | 43,5         | 29,1         | 14,5        | 49,8%        |
| Licenses/Prof. Services                 | 3,1          | 2,4          | 0,8         | 31,7%        |
| <b>Vertical Solutions</b>               | <b>55,9</b>  | <b>52,0</b>  | <b>3,9</b>  | <b>7,6%</b>  |
| Recurring                               | 35,1         | 31,9         | 3,2         | 10,1%        |
| Licenses/Prof. Services                 | 20,8         | 20,1         | 0,7         | 3,5%         |
| <b>Hardware &amp; Other</b>             | <b>2,6</b>   | <b>1,5</b>   | <b>1,1</b>  | <b>75,9%</b> |
| <b>TOTAL REVENUE</b>                    | <b>228,9</b> | <b>201,0</b> | <b>27,9</b> | <b>13,9%</b> |

## Direct Channel

- Significant increase on **Recurring Revenues** driven by more and more new sales on **subscriptions** and **good resilience** of the customer base
- **Licence and Prof. services revenues with strong increase** across all the quarters with further acceleration in June

## Indirect Channel

- **Decrease on revenues due to M&A operations** targeted on VARs that switched revenues on direct channel

## Micro and New Biz software solutions

- **Strong growth (+48.4%)** 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 is starting **recovery on Licence/Prof. services new sales** despite sectors exposure that takes longer to recover from Covid-19

## Hardware

- Residual business to us related to specific business only

Note: 2020 and 2021 Statutory

## Key drivers of TeamSystem H1 2021 statutory Costs

| Euro thousands   |                    |                    |             |              |
|--|--------------------|--------------------|-------------|--------------|
| RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT | YTD<br>30 Jun 2021 | YTD<br>30 Jun 2020 | Change      | % Change     |
| <b>TOTAL REVENUE</b>   | <b>228,9</b>       | <b>201,0</b>       | <b>27,9</b> | <b>13,9%</b> |
| <b>A</b> Cost of raw and other materials                       | (20,3)             | (16,4)             | (3,9)       | 23,4%        |
| <b>B</b> Cost of services                                      | (49,3)             | (42,1)             | (7,2)       | 17,0%        |
| <b>C</b> Personnel costs                                       | (69,6)             | (57,0)             | (12,6)      | 22,1%        |
| Other operating costs  | (1,7)              | (2,4)              | 0,8         | -31,3%       |
| <b>ADJUSTED EBITDA</b>   | <b>88,0</b>        | <b>83,0</b>        | <b>5,0</b>  | <b>6,0%</b>  |

### **A** Cost of raw and other materials

- **Cost of raw and other material increased by 23.4%** mainly driven by CAD/CAM different revenues mix

### **B** Cost of services

- **Cost of services increased by 17.0%**, mainly due to Cloud infrastructure (€2.3M increase), Marketing (€2.0M increase), CS outsourcing costs (€1.3M increase) and Delivery (€0.7M increase)

### **C** Personnel costs

- **Personnel costs increased by 22.1%** mainly due to 2020 M&A acquisitions (€8.0M increase) and leave accrual (€3.2M increase)



## Net financial Position – H1 2021

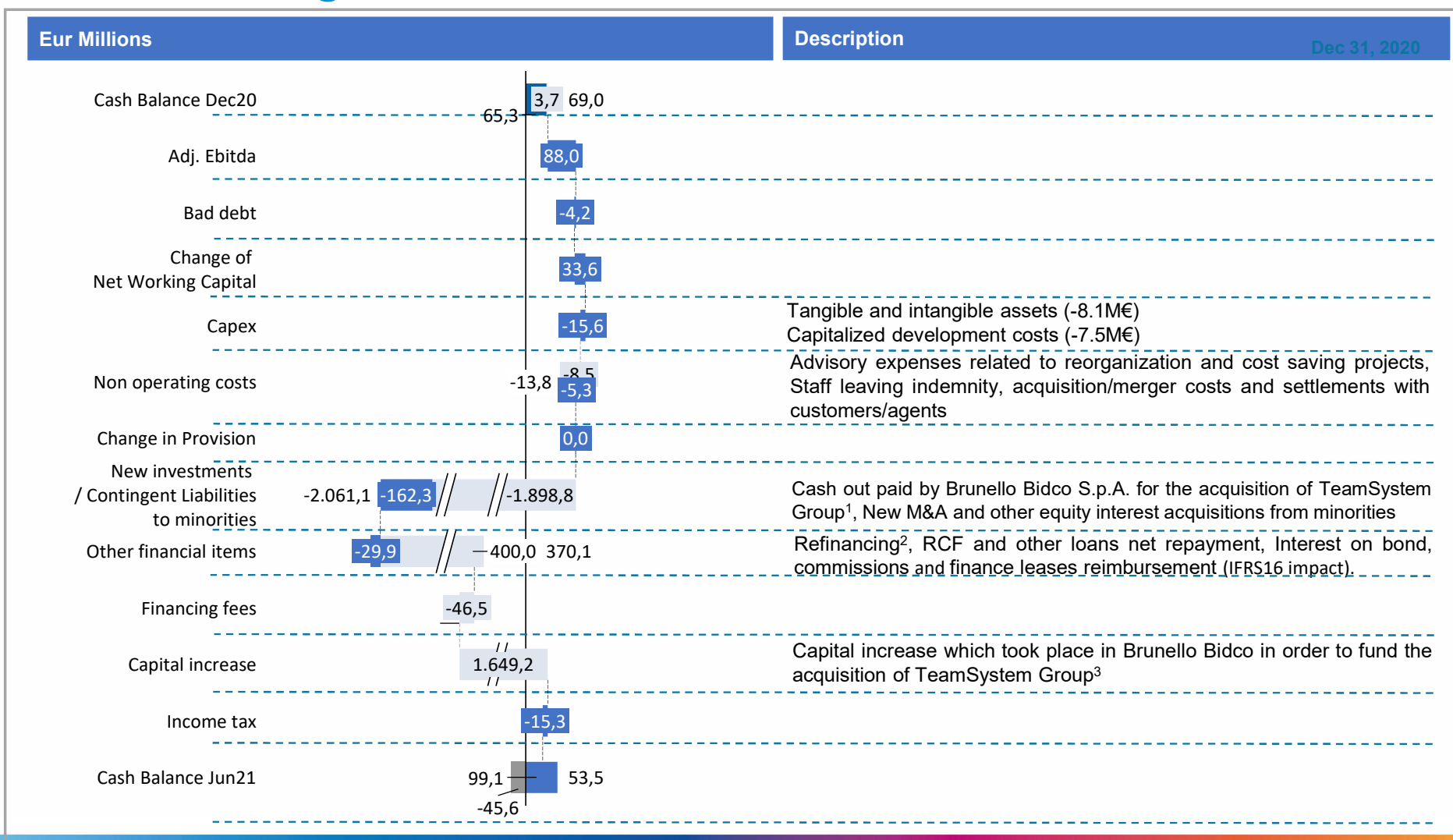
 Detailed next

| Eur Millions   | June 30 2021<br>Brunello BidCo | Dec 31, 2020<br>Brunello Bidco<br>pro-forma <sup>(1)</sup> | Dec 31, 2020     | June 30, 2020   |
|--|--------------------------------|--|------------------|-----------------|
| Cash and Bank balances   | 53.5 M€                        | 5.0 M€   | 63.7 M€          | 43.4 M€         |
| Cash out net of Cash and Bank balances new Acquisitions (not consolidated) | -11.5 M€                       | 0.0 M€   | -18.4 M€         | -0.1 M€         |
| Guarantee ancillary facility   | -2.7 M€                        | -2.9 M€  | -2.9 M€          | -2.9 M€         |
| Notes  | -1.150.0 M€                    | -1.150.0 M€  | -750.0 M€        | -750.0 M€       |
| RCF  | 0.0 M€                         | 0.0 M€   | -15.0 M€         | -10.0 M€        |
| <b>Consolidated Senior Secured Net Leverage</b>                            | <b>-1.110.7M€</b>              | <b>-1.147.9M€</b>  | <b>-722.6M€</b>  | <b>-719.6M€</b> |
| Other financial assets   | 3.4M€                          | 0.0 M€   | 1.9 M€           | 0.1 M€          |
| Accrued interests on Notes   | -16.4 M€                       | 0.0 M€   | -1.4 M€          | -1.4 M€         |
| Other financial liabilities  | -1.8 M€                        | 0.0 M€   | -2.1 M€          | -0.5 M€         |
| Other financial liabilities new Acquisitions (not consolidated)            | -0.1 M€                        | 0.0 M€   | -1.5 M€          | 0.0 M€          |
| <b>Net Financial Position</b>  | <b>-1.125.6M€</b>              | <b>-1.147.9M€</b>  | <b>-725.7M€</b>  | <b>-721.4M€</b> |
| <b>Leverage ratio</b>  | <b>5.65X</b>                   | <b>5.70X</b>   | <b>3.60X</b>     | <b>4.20X</b>    |
| Finance Leases Liabilities (IFRS16 impact)                                 | -24.1 M€                       | -26.0 M€   | -26.0 M€         | -25.8 M€        |
| <b>Net Financial Position (Including IFRS16 impact)</b>                    | <b>-1.149.7M€</b>              | <b>-1.173.9 M€</b>   | <b>-751.7 M€</b> | <b>-747.2M€</b> |
| <b>Leverage ratio (Including IFRS16 impact)</b>                            | <b>5.57X</b>                   | <b>5.62X</b>   | <b>3.60X</b>     | <b>4.16X</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 – H1 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