



## 2021 Q1 Financial Review

May 25<sup>th</sup> 2021

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# TeamSystem Q1 2021 performance summary

## Q1 2021

- We experienced **significant Q1 2021 growth** on a Statutory basis, sustained by a good recovery on new sales despite a context not fully normalized and still driven by Cloud products across all channels. The key results are:
  - **Adjusted EBITDA up 10.6% vs Q1 2020** reached **€39.4M**
  - **Revenues up 10.2% vs Q1 2020** reached **€109.3M**
- **New booking in Q1 2021 is significantly better than 2020** (despite Jan-Feb 2020 was pre-COVID months) registering a +23,5% increase

## March 2021 LTM

- **Adjusted EBITDA and revenues LTM March 2021 vs LTM March 2020** perform, respectively **+20.1%** and **+8.3%** on a pro-forma basis. More in details:
  - **Pro-forma Adjusted EBITDA in March 2021 LTM** reached **€212.2M** (vs €176.8M in Q1 2020)
  - **Pro-forma Revenues in March 2021 LTM** reached **€466.7M** (vs €430.8M in Q1 2020)
- **Leverage ratio** (calculated at Brunello BidCo level) **moves down to 5.36x<sup>1</sup>** at the end of Q1 2021 driven by strong business performance

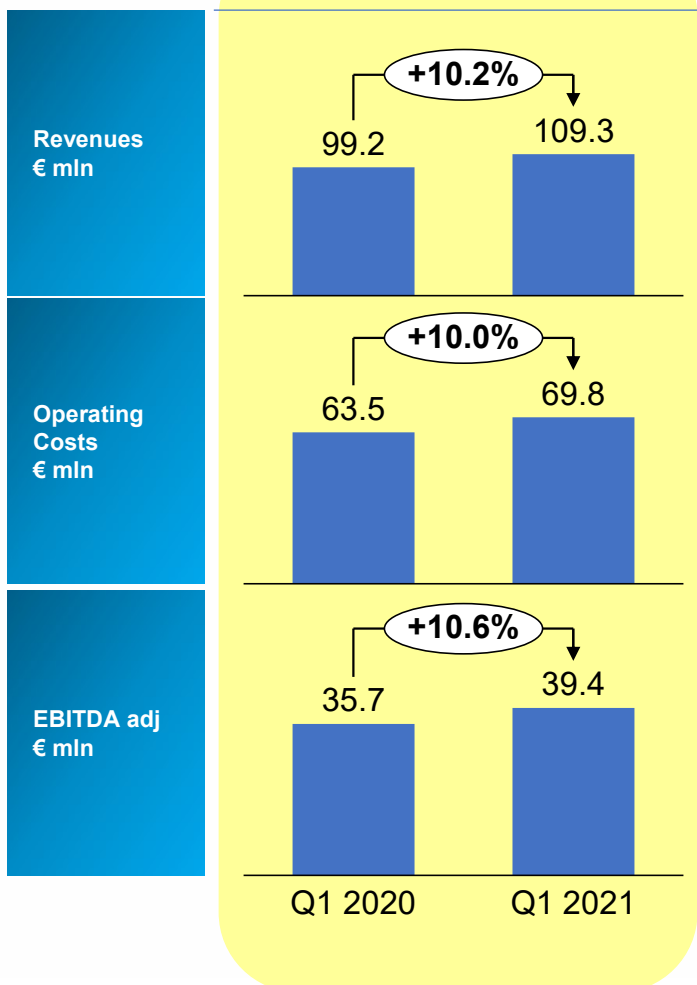
## Covid-19

- Progressively **all industrial sectors are recovering** from pandemic situation, starting from constructions, manufacturing and services and we confirm that **TeamSystem is under exposed to areas of business highly impacted by COVID 19** like retail, hospitality, etc.
- The **performance** on cash in and, consequently, **on receivables is very positive** with a significant improvement vs 2020 along all cohort including the over 1 years

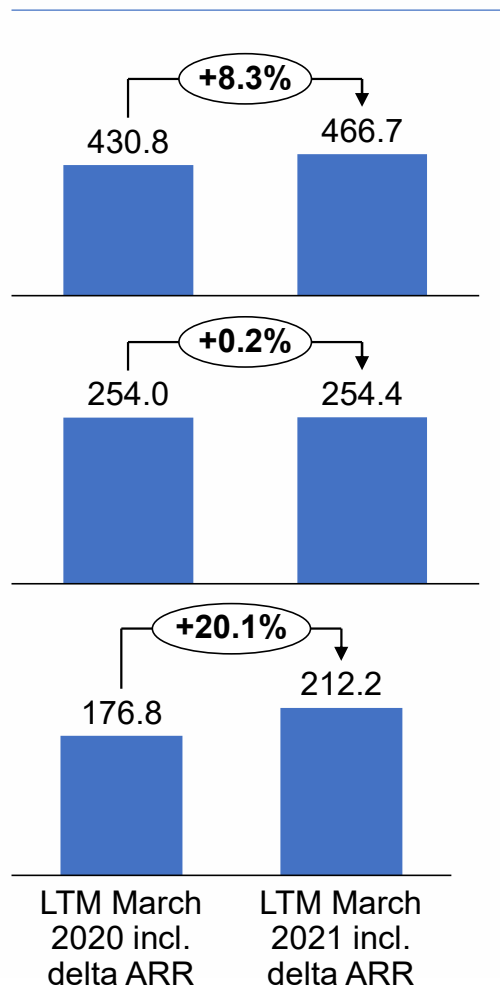
(1) Includes IFRS 15 and 16 impact. At the end of Q1 2021 leverage ratio goes to 5.43x excluding those impacts.

# TeamSystem Q1 2021 results summary

Statutory Q1



LTM Proforma



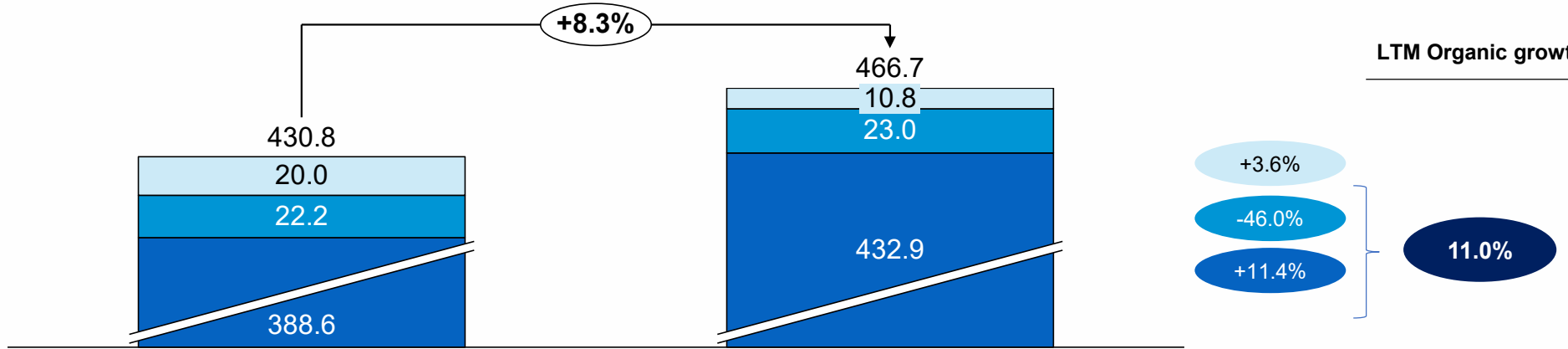
- **Significant 2021 Q1 growth** (higher than 2020 by €10.1M) **driven mainly from recurring revenues** but with some good sign of recovery on Licence and prof. Services on Direct Channel
- **New booking recovering well** (detailed next)
- Operating costs growth significantly vs Q1 2020 because:
  - We release constrains on investments in particular on new hiring and we did not force leaves like at the beginning of lockdown last year
  - COGS growths in line with new sales
- On LTM pro forma we start to see the pro forma cost savings flow into the P&L for approx. €3.1M
- **1Q delivered no scale at EBITDA** level due to the peculiar combination of revenues and costs growth
- LTM PF EBITDA includes proforma of acquisitions, the annualized recurring revenues of key cloud products and cost savings (detailed next)

# LTM Revenues and ADJ EBITDA as of Q1

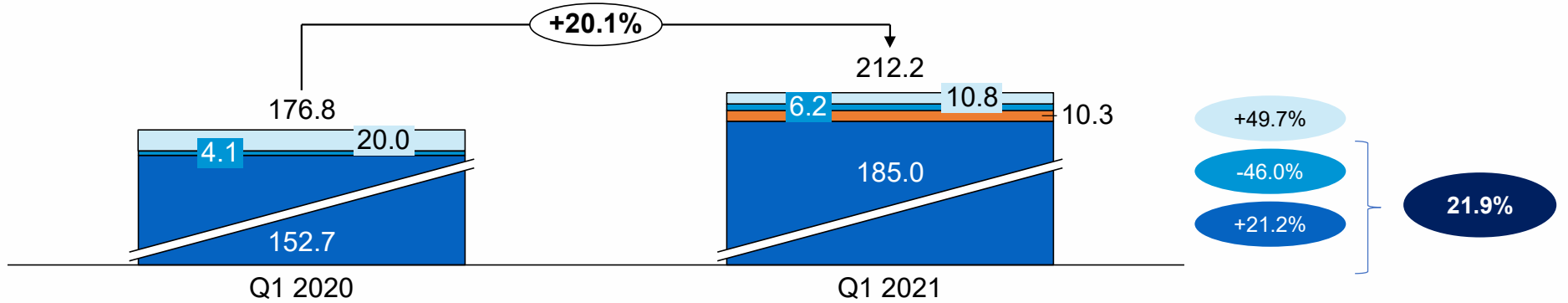
- Delta ARR
- M&A
- Cost Savings
- LTM statutory

## LTM Organic growth

Revenues  
€ mln



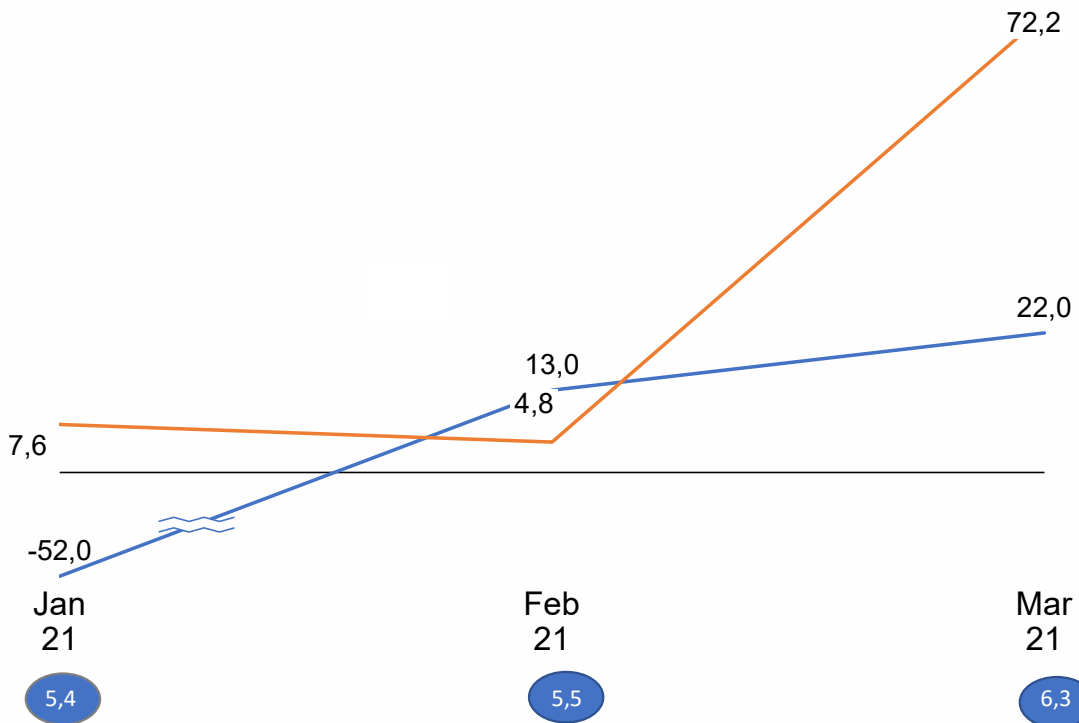
EBITDA  
adj  
€ mln



# Monthly booking 2021 vs PY

Percent %

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



1

# Key drivers of TeamSystem Q1 2021 statutory Revenues

Euro mln

Euro Millions

	31 mar 21	31 mar 20	Change	% Change
<b>Direct Channel</b>	<b>38.2</b>	<b>34.7</b>	<b>3.5</b>	<b>10,1%</b>
Recurring	31.7	28.8	2.9	10,0%
Licenses/Prof. Services	6.5	5.9	0.6	11,0%
<b>Indirect Channel</b>	<b>23.6</b>	<b>23.5</b>	<b>0.1</b>	<b>0,6%</b>
Recurring	22.6	22.5	0.2	0,7%
Licenses/Prof. Services	1.0	1.0	0.0	-1,1%
<b>Micro and new Business Solutions</b>	<b>21.1</b>	<b>15.8</b>	<b>5.3</b>	<b>33,5%</b>
Recurring	20.3	14.9	5.4	36,4%
Licenses/Prof. Services	0.8	0.9	-0.1	-13,9%
<b>Vertical Solutions</b>	<b>24.9</b>	<b>24.1</b>	<b>0.9</b>	<b>3,5%</b>
Recurring	15.5	14.0	1.5	10,6%
Licenses/Prof. Services	9.4	10.1	-0.6	-6,2%
<b>Hardware &amp; Other</b>	<b>1.5</b>	<b>1.2</b>	<b>0.3</b>	<b>27,5%</b>
<b>TOTAL REVENUE</b>	<b>109.3</b>	<b>99.2</b>	<b>10.1</b>	<b>10,2%</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 quarter with further acceleration in March

## Indirect Channel

- Pretty stable evolution of revenues on Indirect Channel due to natural delay of the business effects on this channel

## Micro and New Biz software solutions

- **Strong growth (+33.5%)** driven by good momentum in microbusiness both domestic and international
- All recent launched or acquired business in this segment like Digital Finance and International are performing well and confirming the **highly recurring profile of the business**

## Software Solutions – Vertical solutions

- **Vertical solutions growing well on recurring revs but still suffering a bit on Licence/Prof. services due to exposure to sectors that take longer lead time for recovery**

## Hardware

- Residual business to us related to specific business only

Note: 2020 and 2021 Statutory

## Key drivers of TeamSystem Q1 2021 statutory Costs

Euro thousands				
RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT	YTD 31 Mar 2021	YTD 31 Mar 2020	Change	% Change
<b>TOTAL REVENUE</b>	<b>109.3</b>	<b>99.2</b>	<b>10.1</b>	<b>10,2%</b>
<b>A</b> Cost of raw and other materials	(9.2)	(8.1)	(1.0)	12,7%
<b>B</b> Cost of services	(24.1)	(23.7)	(0.4)	1,5%
<b>C</b> Personnel costs	(35.6)	(30.1)	(5.6)	18,5%
Other operating costs	(1.0)	(1.6)	0.6	-38,6%
<b>ADJUSTED EBITDA</b>	<b>39.4</b>	<b>35.7</b>	<b>3.8</b>	<b>10,6%</b>

### A Cost of raw and other materials

- The growth is driven by the positive trend of new sales dragging some costs

### B Cost of services

- **Cost of services increased by 1.5%**, confirming a good level of cost control and the flow in of the benefits from the cost saving actions put in place in 2020

### C Personnel costs

- **Personnel costs increased by 18,5%** due to investment on new hires to support the business growth but also the release of some COVID measures related to leaves



## Net financial Position – Q1 2021

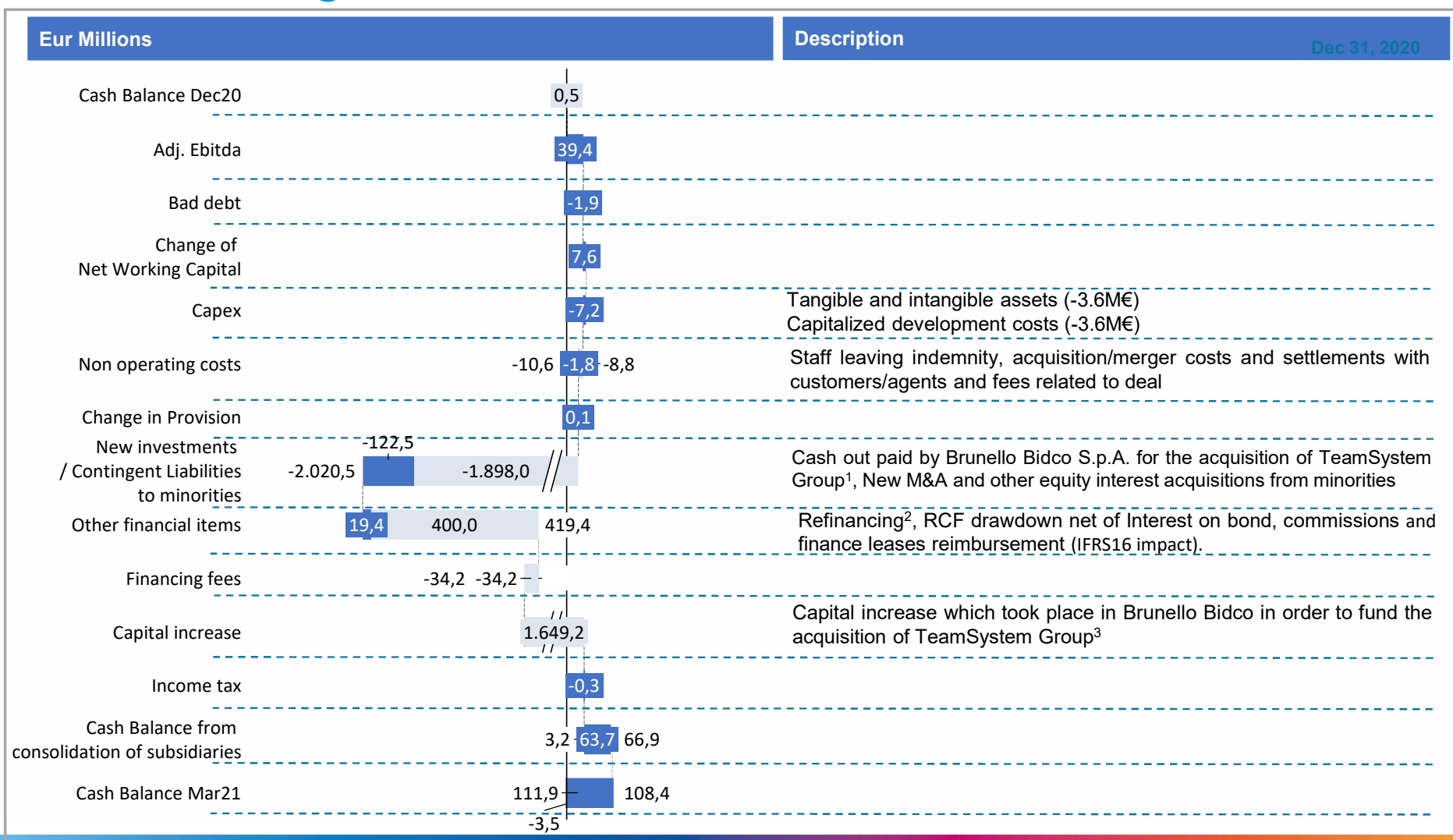
 Detailed next

Eur Millions	Mar 31, 2021 Brunello BidCo	Dec 31, 2020 Brunello Bidco pro-forma <sup>(1)</sup>	Dec 31, 2020	March 31, 2020
Cash and Bank balances	108.4 M€	5.0 M€	63.7 M€	122.1 M€
Cash out net of Cash and Bank balances new Acquisitions (not consolidated)	-17.8 M€	0.0 M€	-18.4 M€	-1.9 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	-45.0 M€	0.0 M€	-15.0 M€	-86.0 M€
<b>Consolidated Senior Secured Net Leverage</b>	<b>-1.107.1M€</b>	<b>-1.147.9M€</b>	<b>-722.6M€</b>	<b>-718.7M€</b>
Other financial assets	3.9M€	0.0 M€	1.9 M€	0.1 M€
Accrued interests on Notes	-5.9 M€	0.0 M€	-1.4 M€	-1.4 M€
Other financial liabilities	-2.6 M€	0.0 M€	-2.1 M€	-0.4 M€
Other financial liabilities new Acquisitions (not consolidated)	-1.7 M€	0.0 M€	-1.5 M€	-0.2 M€
<b>Net Financial Position</b>	<b>-1.113.4M€</b>	<b>-1.147.9M€</b>	<b>-725.7M€</b>	<b>-720.6M€</b>
<b>Leverage ratio</b>	5.43X	5.70X	3.60X	4.23X
Finance Leases Liabilities (IFRS16 impact)	-24.9 M€	-26.0 M€	-26.0 M€	-25.7 M€
<b>Net Financial Position (Including IFRS16 impact)</b>	<b>-1.138.3M€</b>	<b>-1.173.9 M€</b>	<b>-751.7 M€</b>	<b>-746.3M€</b>
<b>Leverage ratio (Including IFRS16 impact)</b>	5.36X	5.62X	3.60X	4.21X

(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 – Q1 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