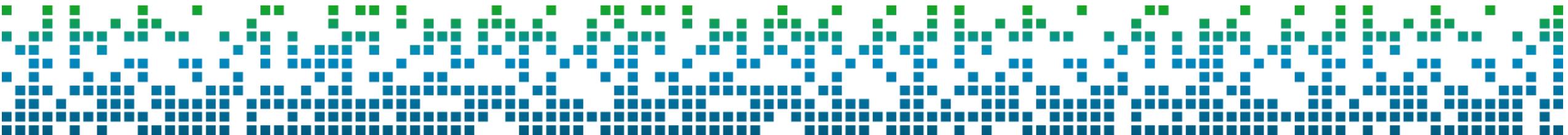




# Investor Presentation

***NextGems Virgilio ir***

*Milan, 29-30 November 2021*



# **I. Company overview**

## **II. Network**

## **III. Business Units**

## **IV. Strategic directions**

## **V. Financials**

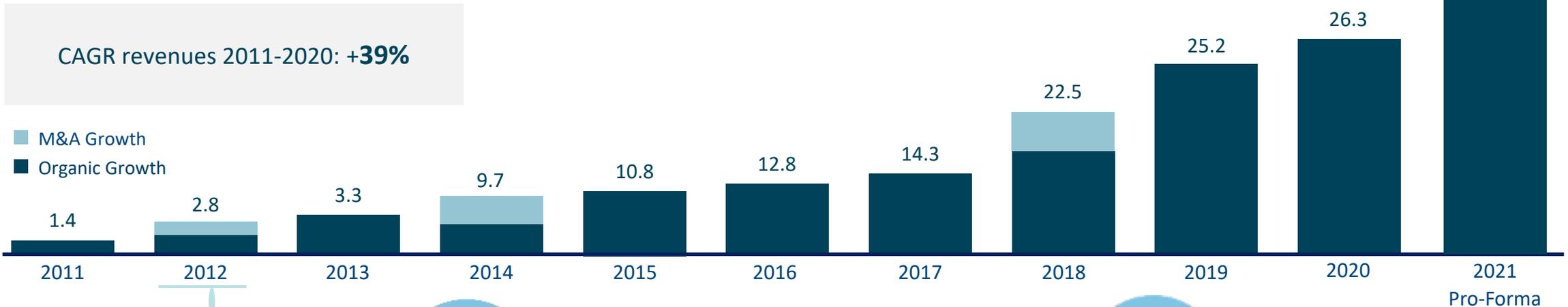
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# Our History, Vision and Mission

**DIGITAL 360** stems from the experience developed by **Politecnico di Milano Professors** in the area of **Digital Transformation and Entrepreneurial Innovation**

## Revenues (€Mln)



DIGITAL360 is founded



### VISION

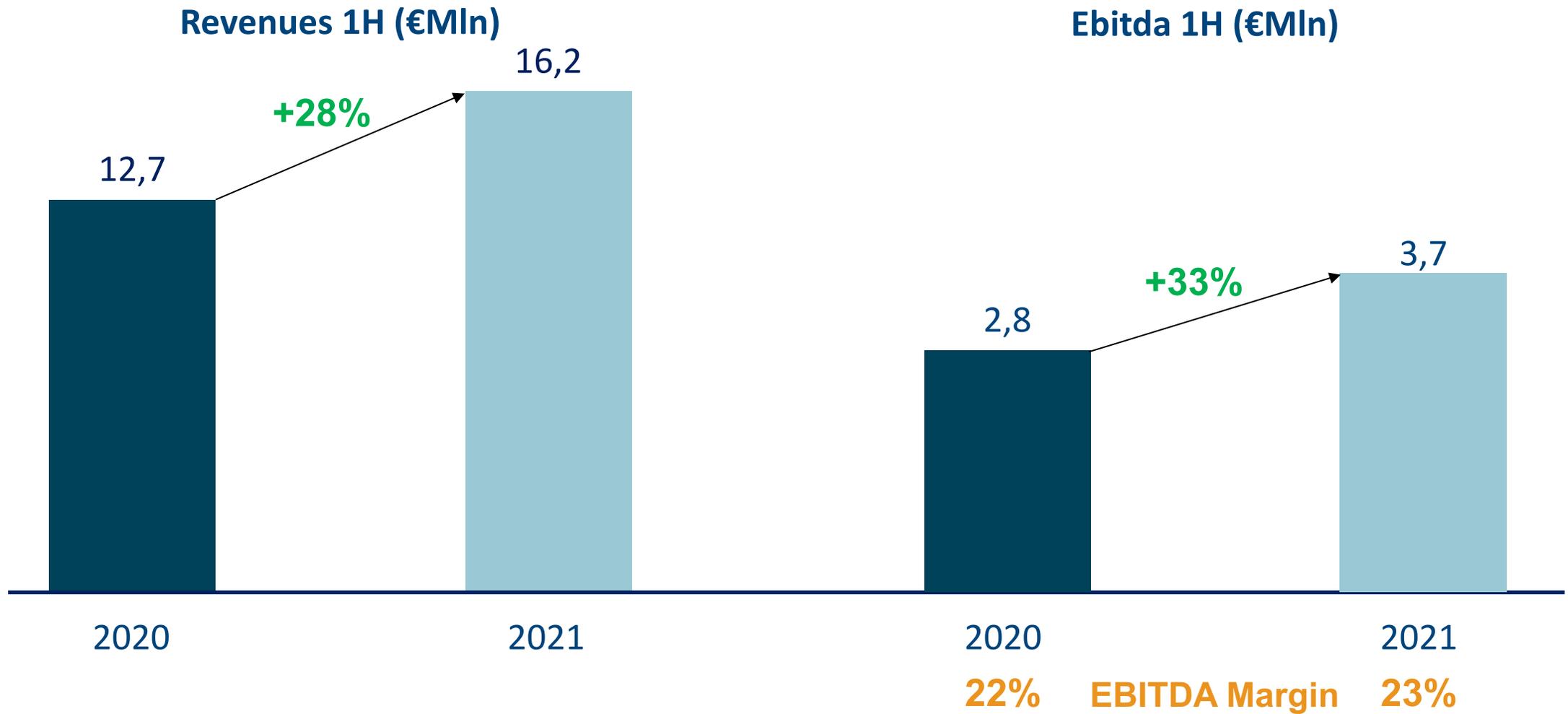
Digital Innovation as a driver for sustainable and inclusive development of the economy, businesses and public administrations



### MISSION

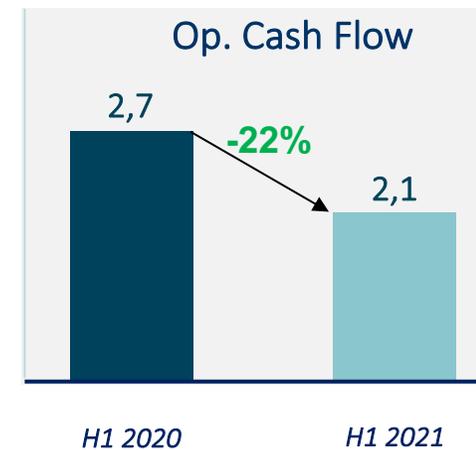
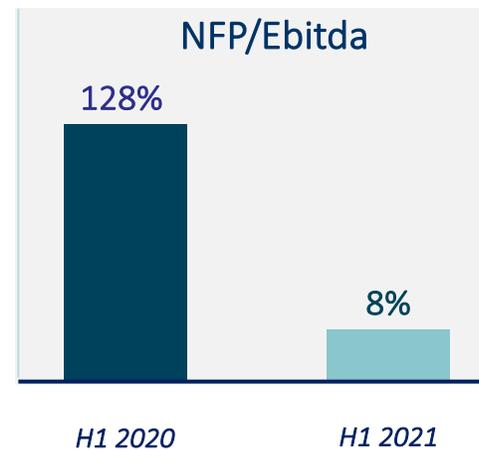
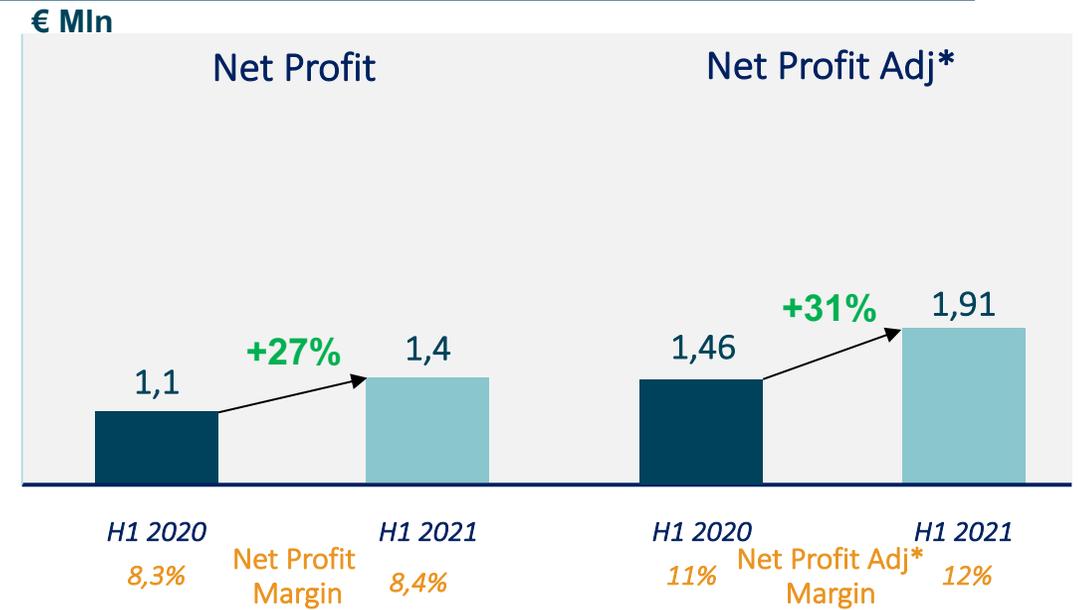
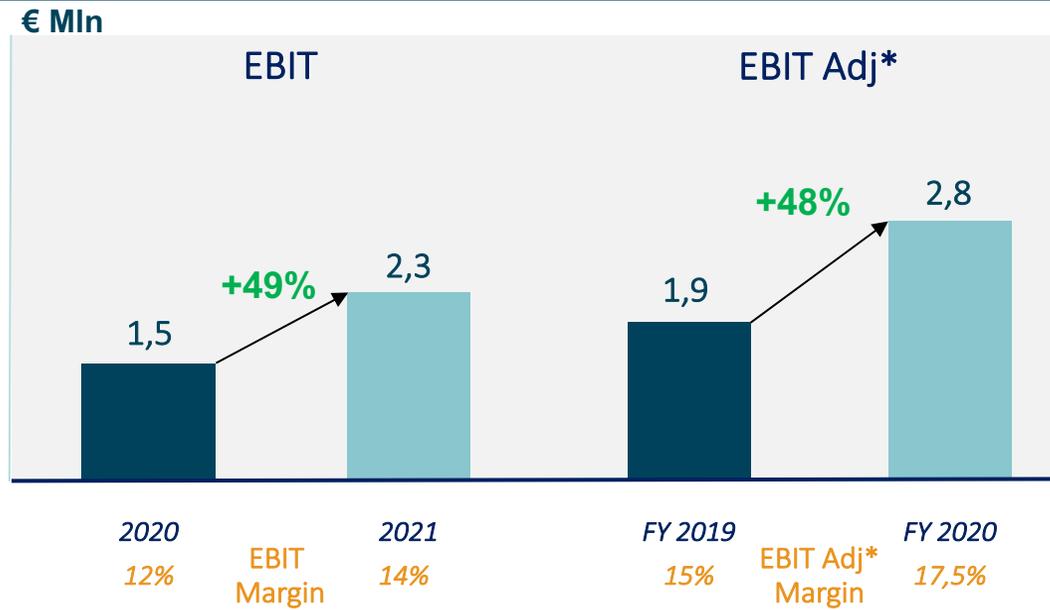
Accompanying companies and public administrations in understanding and implementing Digital Innovation and facilitating their encounter with the best technology providers

# 1H 2020/1H 2021: Key Economic Indicators (€ Mln)



# 1H 2020/1H 2021: Key Economic & Financial Indicators (€ Mln)

\*Adjusted data are reclassified without taking into account the amortization of the consolidation differences



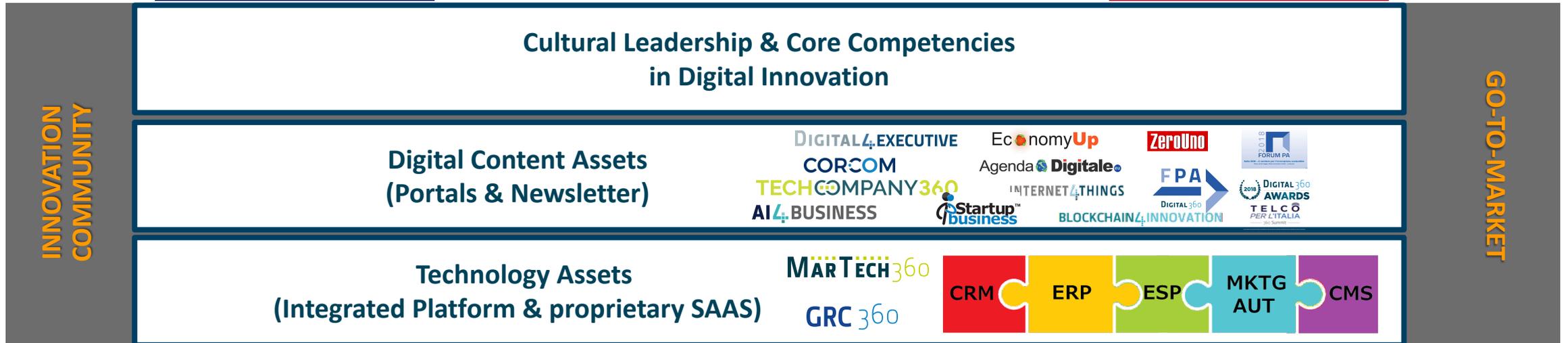
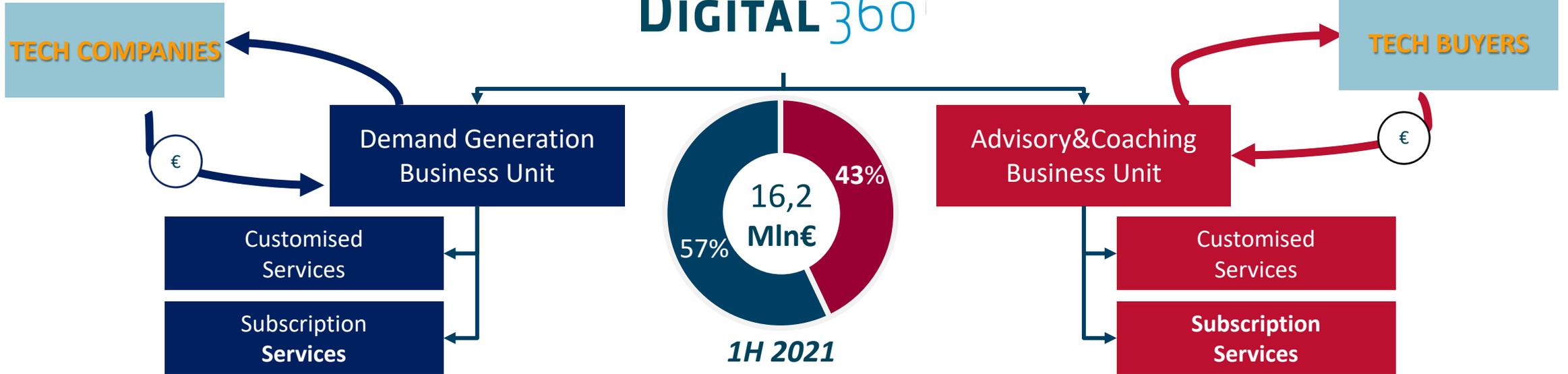
Important generation of cash flow in H1, which was in 2021 affected by significant taxes paid and OWC, caused by growth

# Our Business Model: two Business Units leveraging the same Community



# Our Core Competences & Strategic Assets

## DIGITAL 360



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# Network Digital360: our Digital Content Assets - Main Portals and Newsletters

Portal

Newsletter

Agenda  **Digitale** 

Italy's first digital agenda journal

**CORCOM**

The online newspaper of digital economy and innovation

**DIGITAL4EXECUTIVE**

The strategic use of technology for the digital transformation of business processes

**TECHCOMPANY360**

Evolutions, changes and trends of tech companies in Italy

**EconomyUp**

Italy that wants to grow

**FPA**  
DIGITAL 360

At the heart of Public Administration innovation

**Startup  
business**

Enabling the Italian startup ecosystem

**ZeroUno**

The reference portal for CIOs in Italy

**INNOVATION**  
Politiche e tecnologie per l'industria 

The reference portal for the manufacturing sector



# Network Digital360: our Digital Content Assets - Vertical Portals and Newsletters

		Portal	Newsletter	
Technological domains	<p>PAGAMENTi digitali</p> <p>INTERNET 4 THINGS</p> <p>AI 4 BUSINESS</p> <p>RISK MANAGEMENT 360</p> <p>SearchData Center</p> <p>ESG360 Il sito dedicato a Environmental, Social, Governance</p>	<p>BLOCKCHAIN 4 INNOVATION</p> <p>BIGDATA 4 INNOVATION</p> <p>CYBERSECURITY360</p> <p>INDUSTRY 4 BUSINESS</p> <p>SearchSecurity</p> <p>PROPTECH 360</p>	     	     
Function	<p>DIGITAL 4 PROCUREMENT</p> <p>DIGITAL 4 SUPPLY CHAIN</p> <p>DIGITAL 4 MARKETING</p> <p>DIGITAL 4 HR</p> <p>DIGITAL 4 FINANCE</p> <p>DIGITAL 4 LEGAL</p> <p>DIGITAL 4 PMI</p>		 	 
Industry	<p>BankingUp</p> <p>AutomotiveUp</p> <p>UNIVERSITY BUSINESS</p> <p>HEALTHTECH360</p> <p>RetailUp</p> <p>EnergyUp.tech</p> <p>AGRIFOOD.TECH</p> <p>InsuranceUp</p>		 	 

# Network Digital360: our Digital Content Assets - KPI

## NETWORK **DIGITAL** 360

### Digital Innovation Supply **TECH COMPANIES**

ICT Vendors  
Telcos  
Software Houses  
System Integrators  
Software and Hardware Resellers  
Cloud Providers  
Online Marketing Service Providers  
New Media Agencies  
eCommerce Service Providers  
Start-ups  
[...]

**Over 90,000  
Tech Companies**

**2.6mIn**

**unique visitors** per month (average, 2021) with a max of **3.2 mIn unique visitors** in *January 2021*

**1,500**

**original articles** published each month

**2,430**

**published white papers** up to date

**64**

**digital content assets** (online portals, newsletters)

**1st**

**page on Google** with more than **46,000 keywords** in the Tech sector

**575,000**

**fans and followers** on social media

**390**

**digital events** organized in the 1H 2021 with **85,000** registered attendees

**110,000**

**profiled contacts** in 2021 through events, webinars, white papers and contact center

### Digital Innovation Demand **TECH BUYERS**

Large Enterprises  
SMEs  
Micro Enterprises  
Independent Professionals  
Public Sector Authorities  
[...]

**Over 4 Million  
Tech Buyers**

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# Demand Generation: Customised Services

## Our services



# Demand Generation: Subscription Services

## 1H 2021 KPI (vs 1H 2020)

- Engines sold: 107 (80)
- Average Price: 44k€
- Annual Recurrent Revenues: 4.8 M€ (3.5 M€)

Subscription Services: **MarTech & SalesTech** (an example: «Digital Marketing & Sales Engine»)



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original digital marketing&sales methodologies**

By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized marketing&sales services**

Replicable & standardized marketing&sales services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

The marketing and sales services can be delivered through specific **software-as-a-service platforms** (i.e. Hubspot, Martech proprietary platform, etc.)

The marketing&sales services are promoted through **Digital360hub**, all the portals of **Digital360 Network** and specific **events/webinars**, generating a **steady stream of prospects**

# Advisory&Coaching: Customised Services

## Our practices

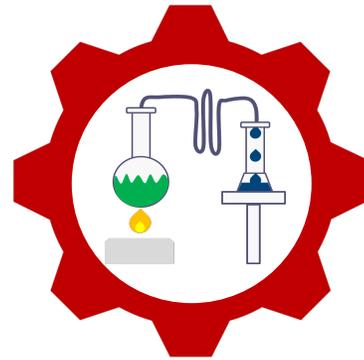


# Advisory&Coaching: Subscription Services

1H 2021 KPI (vs 1H 2020)

- AAS Advisory subscriptions sold: 127 (92)
- Annual Recurrent Revenues: 2.9M€ (1,6M€)

Subscription Services: **ConsulTech** (an example: Data Protection As-A-Service)



The strong links with Universities and the customised projects (i.e. communication, events, lead generation) enable the development of **original methodologies**

By leveraging the engineering and systematization of knowledge, our original methodologies evolve into **replicable & standardized advisory services**

Replicable & standardized advisory services are offered to SMBs through an **“As-A-Service” approach**, which generates **subscription-based revenues** on an ongoing basis

The Advisory services can be based on specific **software-as-a-service platforms**, aimed at making the advisory services themselves more effective and efficient

The Advisory team and its key people can enjoy a high level of visibility on the **portals and events** offered by the Group, positioning itself as an opinion leader and **generating a steady stream of prospects**

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# Strategic directions

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- 1** Focus on the development of **Subscription Services**, with **recurrent revenues** in both business units:
  - Our **Blue Ocean strategy**
- 2** **Investments in**
  - **core competencies** in digital innovation (knowledge, engineered know-how, etc.)
  - **technological platforms** (AI, RPA, Analytics, CRM, Martech, Digital Events, HRTech, etc.)
  - **content assets** (portals, SEO, social networks, etc.) to develop our **community (innovation ecosystem)**
- 3** **M&A**
  - **4 companies already acquired** + complete integration of **2 minorities**
  - several other companies in pipeline
- 4** **Internationalization**
  - focus on the first geopolitical area: **Spanish speaking countries** (580 mln people, + 4,5 trillion GDP)
  - several companies in pipeline
- 5** **Benefit Company**
  - To strengthen our commitment to pursue objectives of common good, related to develop a **greater digital culture** and the promotion of **digital innovation as a lever for sustainable economic growth**

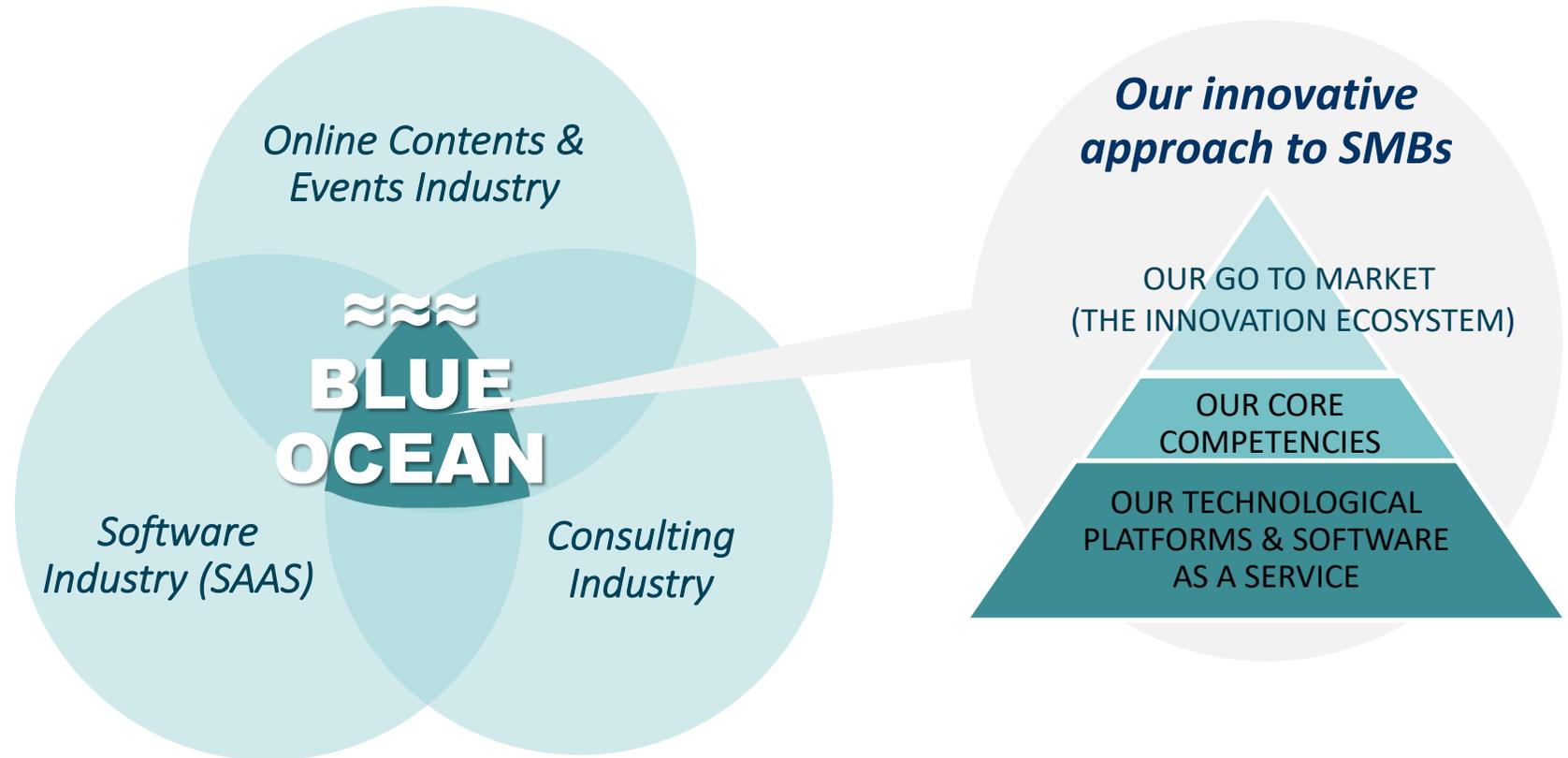
# Our Blue Ocean Strategy: Subscription Business Model



**Our Goal: support SMBs in undertaking digital transformation, by outsourcing ICT-intensive processes which, otherwise, would require rare and expensive internal employees**

A **new** interpretation of 3 traditional industries to support the digital transformation of SMBs (a huge potential market in Italy)

- with «subscription-based» professional services
- supported by software-a-service platforms
- promoted and sold through our community (innovation ecosystem)



# Mergers & Acquisitions: an important pillar of our future growth

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- 1 Acquisition of **Innovation Post****
  - ✓ To enlarge our B2B Business out of ICT sector
- 2 Acquisition of **CTMobi****
  - ✓ To increase our technological team and to boost the development of our proprietary platforms
- 3 Acquisition of **IMAGEWARE****
  - ✓ To expand the customer base and the service portfolio in the DG Business Unit, consolidating our leadership in the Italian market
- 4 Acquisition of **ICT LAB****
  - ✓ To boost our advisory services aimed to accompanying the digital transformation of Public Administrations
- 5 Acquisition of **minority interests** in **ServicePro** and **IQ Consulting****
  - ✓ To consolidate business, team, financial results in the DG and ADV Business Unit

# Internationalization

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An **in-depth analysis** of the **international scenario** carried out in last months by a **dedicated DIGITAL360 task force** has, highlighted interesting business development opportunities in some of the Group's strategic areas of activity

The analysis has shown the high **attractiveness of the geopolitical area including Spain and Latam**, for a number of reasons:

- **overall area addressable with one single spanish speaking team** (content is king in the business of Demand Generation!)
- **significant growth** rates in all local markets based on **digital technology** as a result of the cultural impact of the pandemic and the significant financial resources coming in to relaunch the economy and its digitalization
- **favourable competitive context**: fragmented, without dominant player on the market

**DIGITAL360**, for the experience gained during these years, represents an **entrepreneurial entity** particularly suited to **play important games** in these markets both through acquisitions and organic growth.

# DIGITAL360 becomes a Benefit Company (sensitivity on ESG issues)

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## Our Goals:



1

The **dissemination of digital culture** at all levels, with the aim of accelerating the process of digital innovation



3

The promotion of a more **inclusive labour market**, in particular for fragile people



2

Mentoring entities or organisations of any kind to help them fully **understand the opportunity offered by digital innovation** to develop sustainable and inclusive growth paths



4

The **growth of its people**, fostering their wellbeing in both the professional and personal spheres, seeking to **promote diversity** and to make the most of the aptitudes and aspirations of each individual

# The first social inclusion project of DIGITAL360

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«Al Lavoro 4.0» is a **social innovation** project aiming at the creation of a **more inclusive labor market thanks to digital technologies**.

The project is organized in collaboration with **Caritas Ambrosiana** and **Fondazione San Carlo Onlus** and it is part of the CSR initiatives by Digital360. Their objective is to help young **NEETs** (Not in Education Employment or Training) to enter the job market through the new professions created during the current digital transformation.

The project comprises of 400 hours of theoretical and practical training within companies in the manufacturing industry that, at the end of the course, are going to offer internships and concrete opportunities for placement to the students.



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## Financials: Income statement

Operating Results - P&L Euro/mlns	30.06.20	30.06.21	Δ	
<b>Revenues</b>	12,7	16,2	+28%	Growth recorded in both Business Units thanks also to strong increase in Subscription Revenues stream
<b>EBITDA</b>	2,8	3,7	33%	
% Ebitda / Total Revenues	22,0%	23%		Thanks to digital & remoted services, the company has obtained a more than proportional increase in Ebitda
EBIT	1,5	2,3	+49%	
% Ebit / Total Revenues	12%	14%		
<b>EBIT Adjusted</b>	1,9	2,8	48%	(*) EBIT and Net Profit Adjusted are reclassified without taking into account the amortization of the consolidation differences
% Ebit Adjusted / Total Revenues	15,1%	17,5%		
Net profit	1,1	1,4		
% Net profit / Total Revenues	8,3%	8,4%		
<b>Net Profit Adjusted</b>	1,46	1,91	31%	
% Net Profit Adjusted / Total Revenues	11,5%	11,8%		

## Financials: Balance Sheet

Euro/mlns		31.12.2020	30.06.2021	Change	Change %	
<b>Fixed Assets</b>						
Materials		0,5	0,5	0,0	-2%	The increase is due to investment made in technology and M&A, deducting amortization
Immaterials		8,5	11,4	2,9	34%	
Financials		0,1	0,1	0,0	-7%	
<b>Total Fixed Assets</b>	<b>A</b>	<b>9,1</b>	<b>12,0</b>	<b>2,9</b>	<b>32%</b>	
<b>Operating Working Capital (OWC)</b>						
Receivables		10,2	11,7	1,5	14%	The growth of OWC reflects the increase of Receivables due to increase in turnover, improved payment conditions, vendor loan
Commercial Debts		-3,4	-4,8	-1,3	39%	
Other short terms ass/liabilities		-3,4	-4,6	-1,2	35%	
<b>Total Operating Working Capital</b>	<b>B</b>	<b>3,4</b>	<b>2,4</b>	<b>-1,1</b>	<b>-31%</b>	
<b>Net Capital Invested (CNI)</b>	<b>A+B</b>	<b>12,5</b>	<b>14,4</b>	<b>1,9</b>	<b>15%</b>	
<b>Equity and Banks</b>						
Equity		9,8	12,7	2,9	29%	The change mainly reflects (i) positive operating cash flows, and (ii) the investments made
Net Financial Position		1,4	0,3	-1,1	-79%	
Other funds		1,3	1,4	0,1	8%	
<b>Total Equity, Banks and Funds</b>		<b>12,5</b>	<b>14,4</b>	<b>1,9</b>	<b>15%</b>	

# Financials: Cash Flow

## Cash Flow 1H 2021 vs 2020

	30/06/20	30/06/21	Change	Change %
Ebitda	2,8	3,7	0,9	32%
Severance pay and other funds	0,1	0,1	--	--
Techn. Investments	-0,9	-1,0	-0,1	-11%
<b>CF from business less investments (A)</b>	<b>2,0</b>	<b>2,8</b>	<b>0,8</b>	<b>40%</b>
Tax	--	-0,9	-0,9	N.S.
Interests on loans	-0,2	-0,2	--	--
<b>CF from Taxes and Interests (B)</b>	<b>-0,2</b>	<b>-1,1</b>	<b>-0,9</b>	<b>40%</b>
<b>ΔOWC (C)</b>	<b>0,5</b>	<b>-0,1</b>	<b>-0,6</b>	<b>-120%</b>
<b>Operating Cash Flow (A+B+C)</b>	<b>2,3</b>	<b>1,6</b>	<b>-0,7</b>	<b>-30%</b>
M&A and extraord.	0,4	-0,9	-1,3	N.S.
<b>Free Cash Flow</b>	<b>2,7</b>	<b>0,7</b>	<b>-2,0</b>	<b>-74%</b>

Significant growth in CF deriving from operating business

Strong cash out due to balance for 2020 Fiscal year, on good result, amplified by advances paid for Fiscal year 2021

The amount is shown net of fiscal impact and M&A not still paid, and reflects the growth of turnover

Net amount from cap. increase (0,5 mln) and M&A (-1,4 mln)

The generated CF were largely invested in new acquisitions. The conversion of part of the Bond (0,4) is added to the CF, which total reduce PFN of 1.1 mln.

Total Op. Cash flow = 0,7+1,4 M&A = 2,1 mln

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## Stock performance, US comparable (& Partner)

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### Dati di Market Cap @Nov 2021

Equity Value	2.820 M\$
Enterprise Value	2.890 M\$
<b>EV/Revenues</b>	<b>19</b>
<b>EV/EBITDA</b>	<b>101</b>
<b>p/e</b>	<b>165</b>



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