



FY 2024 Financial Review

15th April 2025

Disclaimer

*This presentation has been prepared by TeamSystem for information purposes only as part of the conference call to present the results as of and for the quarter ended **Dec 31st, 2024** of the TeamSystem Group and cannot be reproduced in any way, in part or in whole.*

This presentation includes forward-looking statements within the meaning of the securities laws of certain jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained herein, including, without limitation, those regarding TeamSystem's plans, objectives, goals and targets. In certain instances, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. Forward-looking statements are not guarantees of future performance. These risks, uncertainties and factors may cause our actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements contained in this presentation (and from past results, performances or achievements). Therefore, we assume no liability in relation to these forward-looking statements, including with respect to their possible amendment or revision. The TeamSystem Group continues to evaluate different financing alternatives and monitor market conditions in accordance with its financial policy and may consider opportunistic financings or refinancings in the leveraged loan and high yield bond markets.

TeamSystem Group overview – 2024 Pro Forma Figures

Revenue Quality

Revenue PF

 **€ 1.0 BN**

+ 19% growth YoY
+ 12% organic growth

Profitability metrics

EBITDA Adj. PF

 **€ 468.8 M**

+ 18% growth YoY
+ 14% organic growth

Client Base

Customers

 **> 2.5 M**

+ ~20% growth YoY

Product platform

E-Invoices volume

 **>1.0 € Tn**

+ 3% growth YoY e-invoices processed

Recurring Revenue PF

 **~83.7%**

+ 4 p.p. YoY increase

EBITDA Adj. Margin PF (%)

 **~46.5%**

+ 0 p.p. YoY increase

Geo presence

 **5 Countries**

+ 2 new countries vs 2023 (France, Israel)

% SaaS Revenue PF

 **~51%**

+ 5 p.p. organic YoY increase

ARR PF

 **Total ARR: € 837 M**
New Sales ARR: € 110M

Total ARR: + 21% growth YoY
New ARR Sales : + 24% growth YoY

Op. Cash Flow

 **€ 415.1 M**

Cash conversion: 102% (+16 p.p. vs YoY)
+ 54% growth YoY

X-Selling Platform Revenue PF

 **> € 110 M**

+ 12% growth YoY

Productivity PF (Rev / HC)

 **~ €180k**

+7% growth YoY

TeamSystem Q4 & FY 2024 performance summary

Financial performance

- We exceeded 1 €BN threshold of LTM revenue on a pro-forma basis (up from 851.1 € M of LTM revenue in Q4 2023) representing a 11.8% organic YoY growth (recurring revenue +14.0% organic). On a Statutory basis, we reached 922.6 € M of revenue at the end of Q4 2024 (+25.7% vs FY 2023)
- LTM EBITDA Adj. has increased to 468.8 €M on a pro-forma basis, representing a 14.4% organic growth YoY. On a Statutory basis EBITDA Adjusted margin was 110 bps up vs 2023 reaching 43.9% at the end of 2024
- ARR is growing +13.5% organically compared to December 2023 and has exceeded 830 €M including newly acquired companies in 2024

Business evolution and Macro

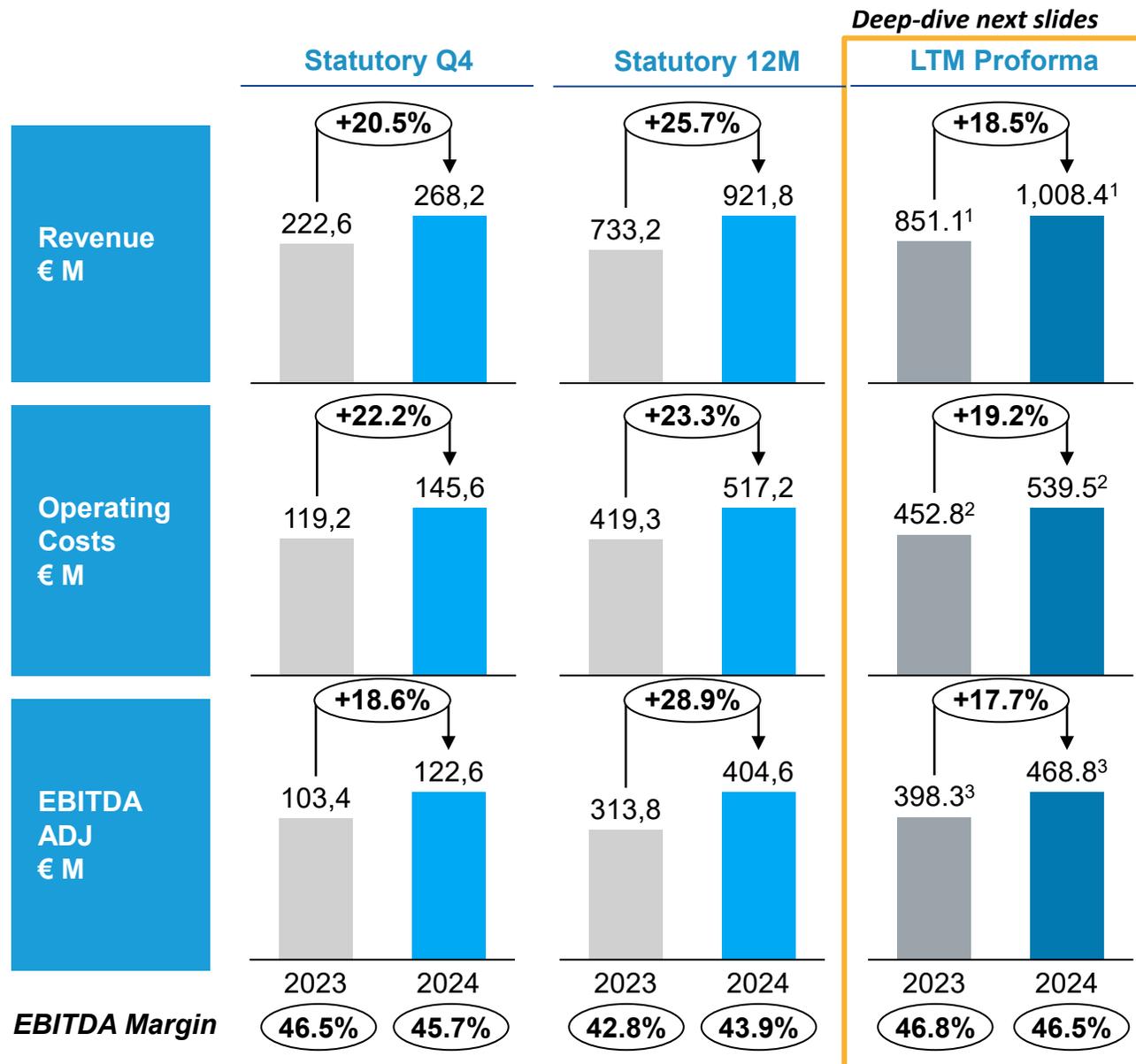
- **Solid organic revenue growth** across BUs sustained by i) **new ARR Sales exceeding 110 € M** on a PF basis; ii) stable churn; iii) price increase rolled-out in line with 2023 in absolute value but on a broader base. International business growing organically at >25%
- In 2024 we continued our **bolt-on M&A strategy focused on VARs internalization, horizontal capabilities enrichment (e.g. cyber) and international diversification (France and Israel)**
- We expect **limited direct business exposure from new US tariff environment**. The potential GDP impact in Italy is estimated between 0.3-0.6%¹. TeamSystem demonstrated strong resiliency and ability to maintain its growth trajectory in stressful scenarios (e.g. COVID)

Financial position and leverage

- **Operating cash flow was 415.1 €M** in FY 2024 (+53.5% vs FY 2023) . Cash conversion reached 102% (up from 86% in 2023). Improvement of 2024 driven by higher share of pre-paid contracts and reversal of working capital negative effect at the end of 2023
- **Total Net Leverage ratio stands at 4.05x** at the end of December 2024 (vs 3.85x end of year 2023). Leverage is below PF figures of July bond issuance and include >160 €M of M&A activity signed to be closed shortly

1. Bank of Italy

Q4 & FY 2024 Performance overview – TeamSystem Group



Revenue

- **Good performance in Q4 (+20.5% vs Q4 2023) thanks to consolidation of Recurring revenue growth. PF revenue reached 1 BN in FY 2024**
- **Dynamics at BU level – see page 10 for more details**
 - Recurring revenue consolidating the positive trends of the past quarters. All the BUs growing organically close or above 10% YoY
 - Micro continues to sustain the group top-line growing organically >20% YoY sustained by both international business (>25% YoY driven by Spain and Turkey) and Italian Micro Business

Operating costs and Margin

- Statutory Adj. EBITDA in Q4 +18.6% YoY at 122.6 € M (45.7% Margin). In 2024 we achieved a +110 bps margin expansion vs 2023
- On a Proforma basis EBITDA Adj Margin remained stable at 46.5%

LTM Pro-Forma (2024 vs 2023)

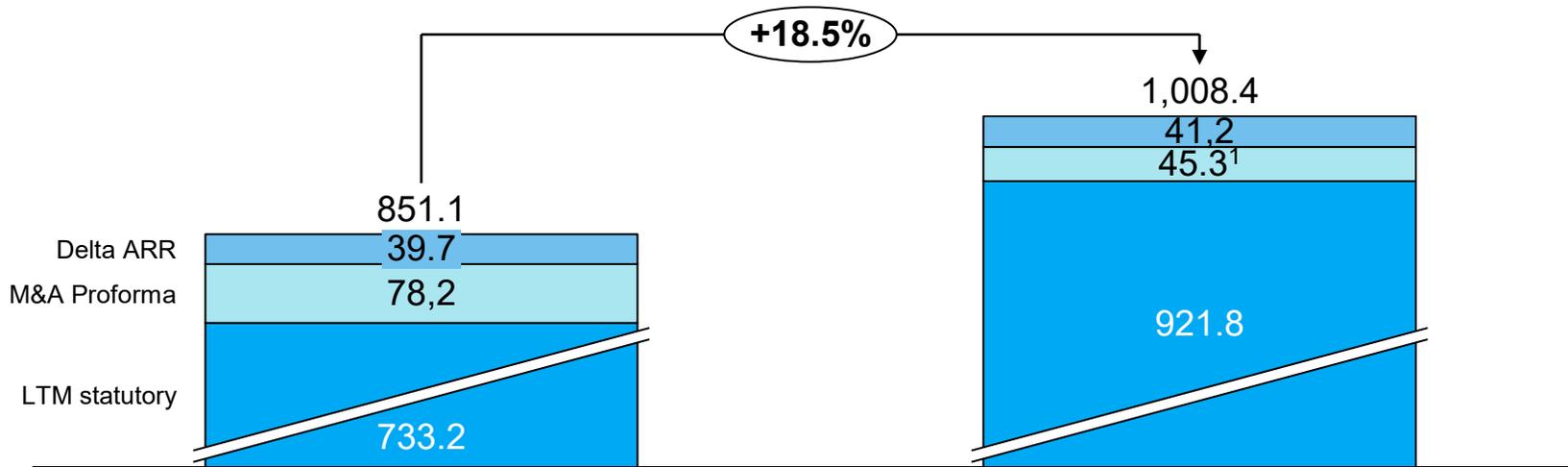
€ M

LTM Pro-Forma Q4 2024

24 vs 23 (%)

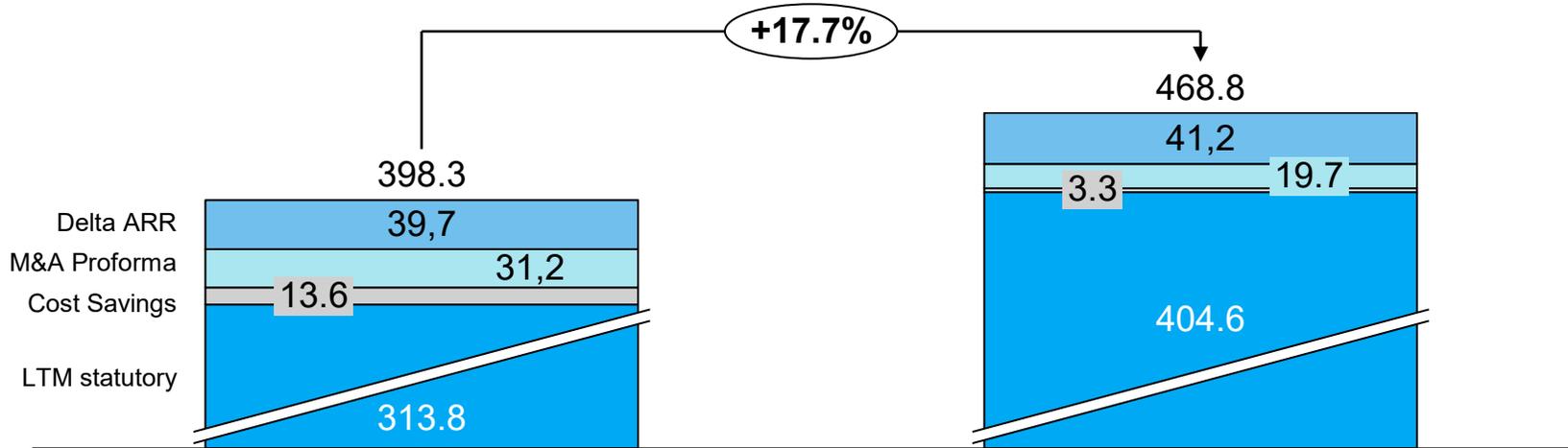
LTM PF organic growth

Revenue
€ M



25.7% } 11.8%

EBITDA
ADJ
€ M



28.9% } 14.4%

LTM Q4 23

LTM Q4 24

EBITDA Margin

46.8%

46.5%

1. Include IFRS29 for MikroGroup (20.5 €Mln revenue 15.4 € Mln EBITDA) and new M&A signed by 31.12.2024

Key drivers of TeamSystem FY 2024 statutory Results

P&L and Operating Costs by Nature - TeamSystem group | 12M 2024 vs 12M 2023 Statutory, € M

	2023 Stat	2024 Stat	Δ 24 vs 23' (%)	% YoY Organic Growth
REVENUES	733.2	921.8	25.7%	11.8%
Recurring Revenues	603.2	780.6	29.4%	14.0%
Deep-dive next slide				
Op.Cost	419.3	517.2	23.3%	10.0%
COGS¹	127.4	136.4	7.1%	5.4%
Personnel	217.9	277.7	27.5%	11.5%
Personnel Like	27.7	33.9	22.7%	4.3%
Non Personnel	69.6	104.7	50.4%	24.5%
Capitalized development Cost	-23.2	-35.6	53.5%	19.3%
Adjusted EBITDA	313.8	404.6	28.9%	14.4%
% of Revs	42.8%	43.9%	1.1ppt	
Bad Debt	7.0	9.0	28.8%	17.6%
% of Revs	1.0%	1.0%	0.0ppt	

A COGS

- Organic increase of 5.4% further sustaining the Gross Margin. Dynamics explained by i) reduction in COGS Hardware and Machinery; ii) lower weight of 3rd party-SW sales as we continue to improve revenue quality. The decrease more than compensated higher infra-cloud cost driven by cloud revenue increase

B Personnel & Personnel like

- Personnel costs have increased organically by 11.5% driven by annual salary-review and acceleration of new hiring in Q3 and Q4 mainly among sales and R&D
- Limited growth on personnel like costs as a results of stable sales agents cost and increasing spending on external R&D support

C Non-Personnel

- Increase in Non-Personnel costs driven by i) R&D Consulting; ii) Marketing related to new sales growth in Micro and International (>25% YoY); iii) IT Costs related to internal SW development (HR Management, CPM, etc.) and cybersecurity investments

D Capitalised development costs

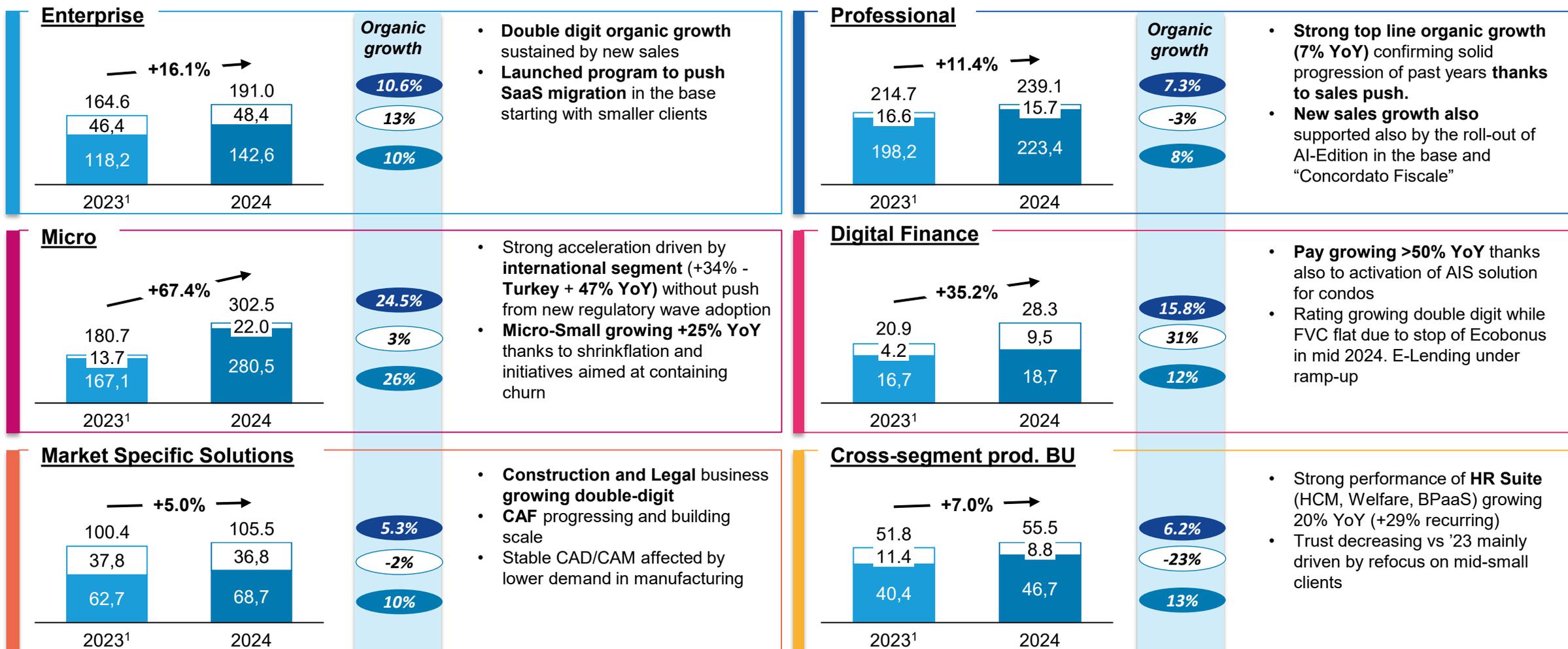
- Growth of capitalised development costs in line with R&D cost evolution

1. Includes COGS related to Application & Maintenance and Hardware, Delivery, Customer Support

Statutory revenue mix by BU

Statutory revenue¹ by BU | 12M 2024 vs 12M 2023, € M

Other rev. Recurring

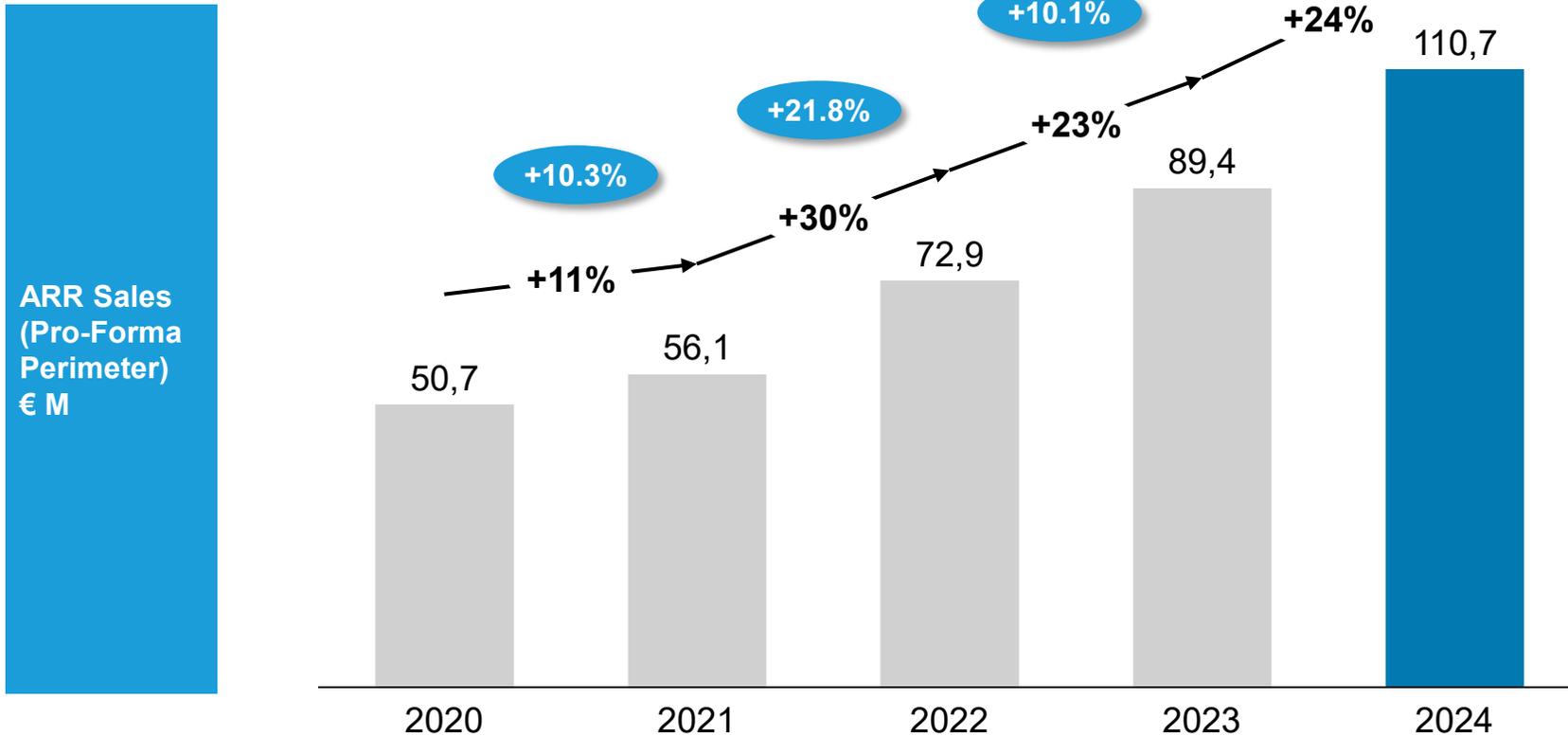


1. 2023 Restated due to re-allocation of Trust Solutions within Cross-segment prod. BU (previously included under Market Specific Solutions)

LTM Pro-Forma New ARR Sales

€ M

xx Organic growth

ARR Sales
(Pro-Forma
Perimeter)
€ M

Key highlights

- We extended our track record on new ARR sales double digit growth exceeding the € 110 M threshold
- €6m ARR generated from AI use case in Professional segment
- >50% of New Sales generated from up / cross-selling on current customer base

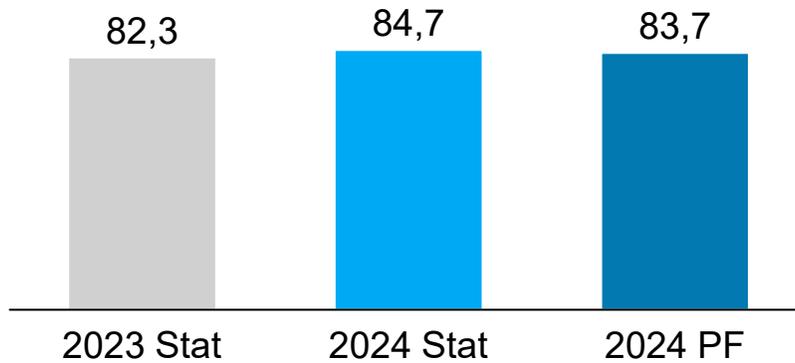
Key operating indicators



High Revenue Quality

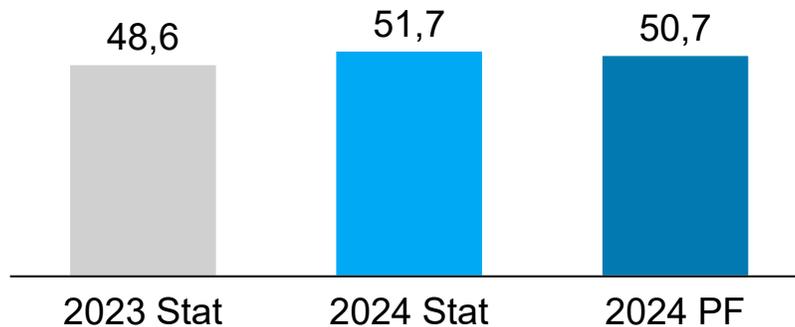
Recurring revenue (%)

— +2.4 p.p. →



Cloud SW Solutions on total (%)

— +3.1 p.p. →



Strong Operating Leverage

Avg. HCs

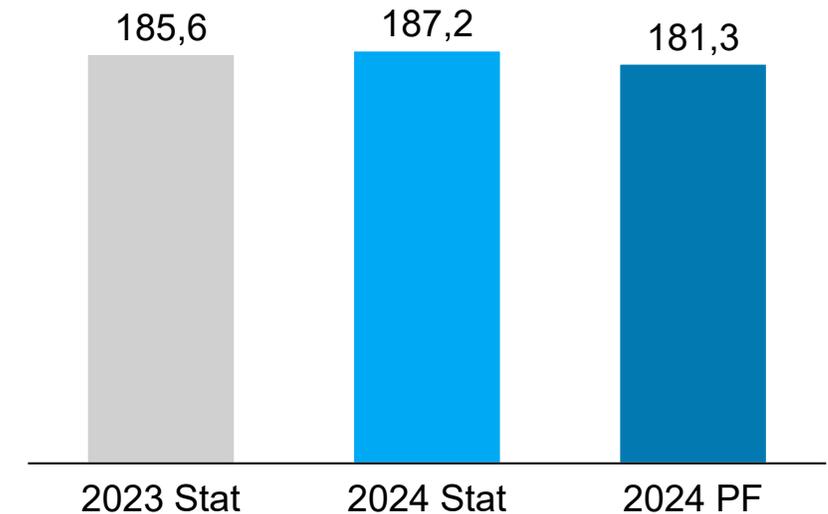
3,950

4,920

5,220

Productivity (€K / HC)

— +1.6 p.p. →



Statutory P&L by Business Unit

12M 2024, € M

	2024 Stat	Enterprise	Professional	Micro	Digital Finance	Market specific solution	Cross-BU Solutions
Revenues	921.8	191.0	239.1	302.5	28.3	105.5	55.5
<i>Recurring</i>	780.6	142.6	223.4	280.5	18.7	68.7	46.7
<i>Other Revenues</i>	141.2	48.4	15.7	22.0	9.5	36.8	8.8
COGS + CS + Del	-214.5	-40.5	-44.4	-43.9	-8.1	-56.1	-21.5
- <i>COGS A&M, HW, Edu, Oth.</i>	-102.8	-12.1	-13.5	-19.3	-4.3	-44.4	-9.2
- <i>Delivery</i>	-44.3	-15.3	-7.8	-7.2	-0.3	-8.7	-5.1
- <i>CS/CSM/Fin Ops</i>	-67.5	-13.1	-23.1	-17.5	-3.5	-3.0	-7.2
Gross Margin	707.3	150.5	194.7	258.5	20.2	49.3	34.0
<i>Gross Margin % of Revs (2024)</i>	76.7%	78.8%	81.4%	85.5%	71.5%	46.8%	61.3%
	74.6% in 2023						
- <i>Sales & Mktg</i>	-118.8	-27.6	-30.4	-43.8	-2.4	-10.9	-3.8
- <i>R&D</i>	-59.9	-14.3	-12.1	-20.1	-2.1	-5.5	-5.9
- <i>G&A</i>	-38.0	-8.4	-8.2	-9.9	-3.4	-6.4	-1.7
I Margin	490.5	100.2	144.0	184.8	12.4	26.5	22.6
<i>I Margin % of Revs (2024)</i>	53.2%	52.5%	60.2%	61.1%	43.8%	25.2%	40.7%
<i>I Margin % of Revs (2023)</i>	52.2%	52.4%	61.3%	60.0%	42.5%	23.5%	46.6%
<i>Delta I Margin (24 vs 23)</i>	1.0ppt	0.0ppt	-1.0ppt	1.1ppt	1.3ppt	1.7ppt	-5.9ppt
Indirect Costs	-121.6						
<i>% of Revs</i>	-13.2%						
Capitalized Development Costs	35.6						
Adjusted EBITDA	404.6						
<i>% of Revs</i>	43.9%						

Key highlights

- **+2.2 p.p. improvement in Gross Margin explained by i) better business mix** (lower contribution from service/HW and lower margin products); **ii) improvements in customer operations**
- **Improvement in I Margin compared to 2023 (+1.0 p.p.). This is explained by:**
 - Better business mix thanks to higher weight of Micro (33% of total group revenue. Vs 25% in '23)
- Decrease in Cross-BU Solutions driven by Trust (explained by decrease in revenue for client refocus). Meanwhile HR Margin has improved as scale continue to build-up
- Slight increase in indirect costs weight (+0.6 p.p vs '23) driven by several investments across IT, Cyber, and R&D

Net financial Position – FY 2024

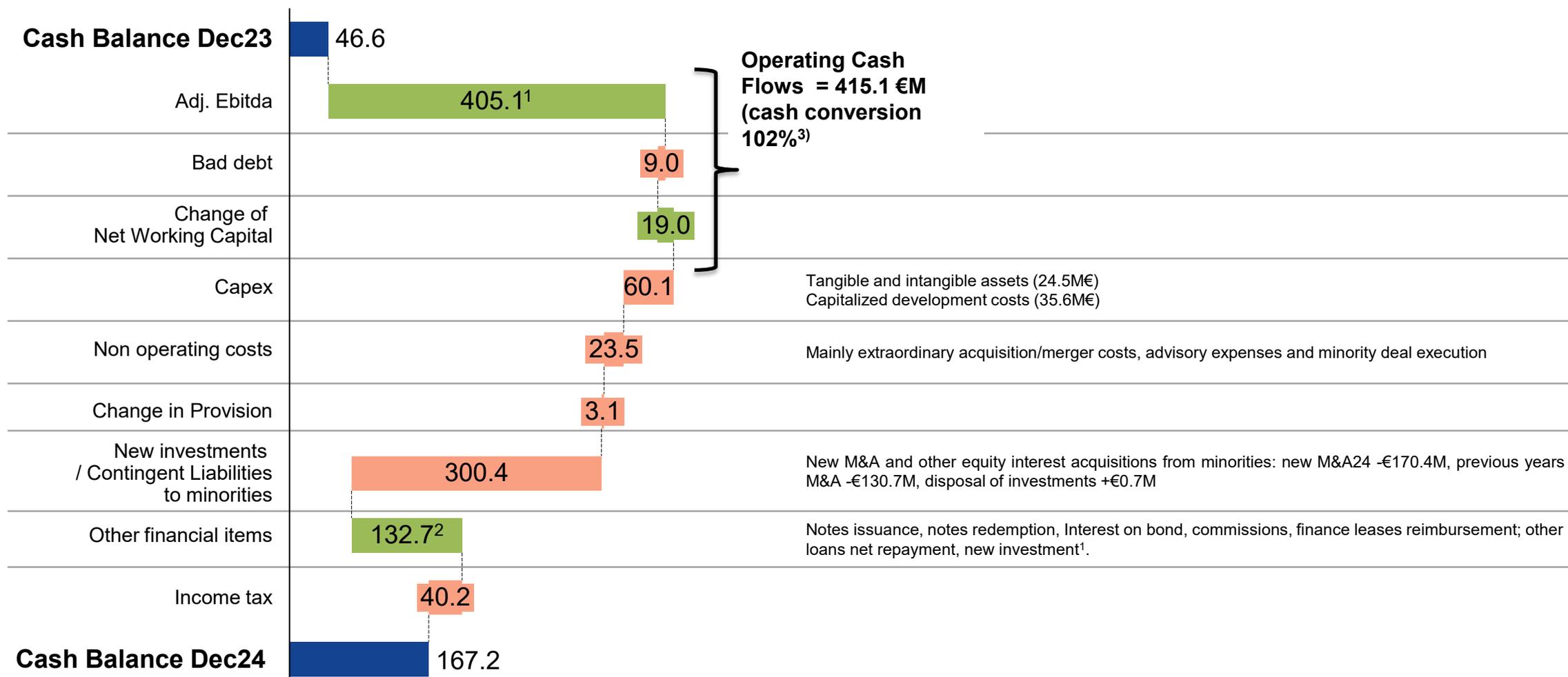
	Dec 31 2024 TeamSystem SpA	Sept 30 2024 TeamSystem SpA	Jun 30 2024 TeamSystem SpA	Mar 31 2024 TeamSystem SpA	Dec 31 2023 TeamSystem SpA
Eur Millions					
Cash and Bank balances	167.2M€	455.0M€	124.2M€	62.0 M€	46.6M€
Cash out net of Cash and Bank balances new Acquisitions (not consolidated) ¹	-163.4M€	-12.0M€	0.0 M€	-4.4M€	-7.6M€
Guarantee ancillary facility	-1.7 M€	-1.7 M€	-1.7 M€	-1.7 M€	-1.6 M€
Notes	-1.850.0M€	-2.045.0M€	-1.530.0 M€	-1.530.0 M€	-1.530.0 M€
RCF	0.0 M€	0.0 M€	0.0 M€	-15.0 M€	0.0 M€
Consolidated Senior Secured Net Leverage	-1.847.9 M€	-1603.7 M€	-1.407.5 M€	-1.489.1M€	-1.492.6 M€
Other financial assets	10.6 M€	9.2 M€	9.3 M€	9.4 M€	11.6 M€
Accrued interests on Notes/RCF (net of hedging accrued interests)	-22.5 M€	-27.8 M€	-20.4 M€	-23.1 M€	-21.3 M€
Other financial liabilities	-6.5M€	-9.6M€	-3.5M€	-3.4 M€	-5.0 M€
Other financial liabilities/assets new Acquisitions (not consolidated)	-0.0M€	-0.0M€	+0.0 M€	+0.0 M€	+0.0 M€
Finance Leases Liabilities	-36.8 M€	-28.7 M€	-29.4 M€	-29.7 M€	-29.3 M€
Total Net Financial Position	-1.903.1 M€	-1.660.6 M€	-1.451.5 M€	-1.535.9 M€	-1.536.6 M€
Leverage ratio	4.05X	3.89X	3.61x	3.83x	3.85X

Detailed next

1. Expected Cash –out of acquisitions signed within 31.12.24

Cash flow Bridge

FY 2024, € M



1. Adj. EBITDA at TeamSystem Spa level: Consolidated Accounting minus Holdcos EBITDA contribution for -0.6 € Mln | 2. Other financial items are composed by new notes issuance 1.000.0 €M, redemption existing notes for 680.0 €M interests on Notes for 119.4€M, and other items for -67.9€M | 3. Include €16m of CF switch across '23/'24, with benefit to '24 due to anticipated payments (VAT, suppliers) and delay in cash-in (manual wire transfers). Cash conversion PF 98.5%

Appendix



Reconciliation of net financial indebtedness for Q4 2024 YTD

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.

Euro thousands

RECONCILIATION OF NET FINANCIAL POSITION TEAMSYSTEM HOLDCO GROUP vs TEAMSYSTEM SPA GROUP	TEAMSYSTEM HOLDCO CONSOLIDATED	TEAMSYSTEM HOLDCO STAND ALONE NET OF INTERCOMPANY	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
Other financial assets	17.290	-	-	-	17.290	17	17.273
Cash and bank balances	167.529	8	81	33	167.407	214	167.192
Financial liabilities with banks and other institutions	(2.390.251)	(0)	-	-	(2.390.251)	(297.453)	(2.092.798)
TOTAL	(2.205.432)	8	81	33	(2.205.554)	(297.222)	(1.908.333)

Definitions

Metrics calculation

- **I Margin** is calculated as:
 - (+) **total revenue** and
 - (-) **direct costs**
- **Adjusted EBITDA** is calculated as:
 - **I Margin**
 - (-) **minus indirect cost**
 - (+) **Capitalizations costs**
- **Pro-Forma revenue** is calculated as:
 - **Statutory revenue**
 - (+) **Delta ARR**
 - (+) **Pro-Forma revenue of M&A deals closed (difference between last 12 months actual and statutory revenue of acquired companies)**
- **Pro-Forma Adjusted EBITDA**
 - **Statutory revenue**
 - (+) **Delta ARR**
 - (+) **Pro-Forma Adj. EBITDA of M&A deals closed (difference between last 12 months actual and statutory revenue of acquired companies)**
 - (+) **Run rate of cost-savings initiatives not yet materialized in the P&L**

Definition

- **Delta ARR:** Difference between (i) revenue expected to be recognized in the next year on the basis of the subscription agreements with customers for main Cloud products, net of churn, and (ii) the actual LTM revenue
- **Direct costs include** direct personnel, SW/HW resale costs, external delivery, customer service, sales rebates, commissions and other sales incentives, recurring R&D consultant costs; direct product marketing, direct R&D consultancy, T&E of Business Unit personnel
- **Indirect costs include** costs that are not uniquely attributable to one or more business units and consist mainly of:
 - Personnel costs of the Group's support functions, events, recruiting and training activities;
 - Costs for IT infrastructure, cybersecurity, compliance, Artificial Intelligence and Data;
 - Costs for rent, maintenance, utilities for the TeamSystem Group's operating sites;. Administrative, legal, tax, labor law and audit consultancy costs;
 - Costs for insurance, association memberships and board of statutory auditors' fees;
 - Research and development costs that cannot be allocated to an individual Business Unit.