

# Be



Milan, 14 March 2017

## Be: highly positive results in 2016

Revenues +18%, EBIT + 14%; Net profit +23%; highly improved NFP

The Board of Directors of Be Think Solve, Execute (in short Be) a company listed on the STAR Segment of Borsa Italiana – today approved the draft **Financial Statements and Consolidated Financial Statements at 31 December 2016, convening the Shareholders' Meeting**. All indicators are remarkably up:

- Total revenues 136.72 ml/€ (+ 18.4% YoY)
- EBITDA Adj. 18.19 ml/€ (net of restructuring costs for 2.0 ml/€)
- EBIT Adj. 11.19 ml/€
- EBIT of 9.19 ml/€ (+14% YoY)
- Net profit of 4.25 ml/€ (+22.9% YoY)
- NFP of -1.6 ml/€ (-7.1 as at 31.12.2015)
- Proposed Single Dividend of Eur 0.0148 (DY 2.18%)

*"A very positive period is coming to a close," says the Company's CEO Stefano Achermann, "and a three-year period in which we have set important goals is opening. Operating revenue rose by +18%, benefitting from acquisitions (LOC, R&L) and from important growth in volumes in the German perimeter. Foreign production exceeded 40% of total operating revenue. We have chosen to penalize margins with extraordinary costs for approximately € 2,0 million, in order to manage a redefinition of the perimeters in the "operations" segment. The NFP figure was highly significant; now nearing "0," it bears witness to the company's established ability to generate cash. This is a solid starting base for initiating the path set out by the 2017-2019 Plan."*

### Main Consolidated Results as at 31 December 2016

- **Overall Revenue** stood at € 136.7 million compared to € 115.4 million of FY2015. **Operating revenue** amounted to € 135.6 million, up 18.7% on 2015 (€ 114.3 million). The significant improvement may be attributed mainly to the **Business Consulting** segment, which recorded earnings equalling € 101.8 million (+29.7% on 2015). The operating revenue earned by foreign subsidiaries totalled € 57.0 million, up 72.6% on 2015 (€ 33.0 million). Of the Group's total revenue, 42% originates from the non-domestic perimeter.

#### STOCK DATA

Reuters Code: BET.MI  
Bloomberg Code: BET IM

#### SHAREHOLDERS DATA

No. of Ord. Shares (m): 134.9  
Total No. of shares (m): 134.9  
Mkt Cap. (Eur m): 140.3  
Mkt Float (in %): 50.8  
Mkt Float (Eur m): 71.3  
Main shareholders: T.I.P.

#### GROUP DATA (as at 31.12.2016)

Total revenues (Eur m): 136.7  
EBITDA (Eur m): 16.2  
EBIT (Eur m): 9.2  
EBT (Eur m): 7.5  
Net profit (Eur m): 4.2  
Net Financial Position (Eur m): -1.6

#### OFFICES

**Headquarter:** Rome  
**Main offices:** Milan, London, Munich, Frankfurt, Vienna, Zurich, Madrid, Warsaw, Bucharest, Kyiv



- **Adjusted EBITDA<sup>1</sup>**, a measurement calculate net of the extraordinary restructuring charges (€ -2.02 million, equalled **€ 18.2 million**, where the **Gross Operating Margin (EBITDA)** came to **€ 16.2 million** (11.8%), up 7.5% on 2015 (€ 15.0 million). Margins in the ICT sector in Italy, net of extraordinary restructuring charges, saw a significant recovery.
- The other margins all show positive variations. **EBIT** amounted to **€ 9.2 million**, **up 14.0%** compared to 2015 (€ 8.1 million). The **Group pre-tax result** amounted to **€ 7.5 million**, up 19.2% compared to € 6.3 million in 2015. **Net profit** equalled **€ 4.2 million**, versus a positive result for around € 3.5 million in FY2015, up 22.9%. The domestic market is the one that has maintained the greatest share of contribution towards the operating profit.
- **Net financial debt** (NFP) equalled € 1.6 million (€ 7.1 million at 31 December 2015).

## Results of the parent company Be S.p.A.

The parent company recorded total revenue equalling € 4.9 million (€ 4.6 million in 2015), and a net profit of € 0.3 million (€ 2.5 million in 2015). **Net financial debt** equalled € 4.0 million, down compared to € 0.4 million at 31 December 2015.

## Business outlook

In light of the positive results recorded by the Group in 2016, it is reasonable to confirm the scenario of growing revenue and profits for the 2017 financial year, and more generally the new targets for the 2017-2019 period announced to the market this past 15 September 2016.

## Significant events subsequent to the close of the period

During the month of February, Be strengthened its services portfolio and its presence in the German geographical area with the acquisition of a 60% stake in the shareholding capital of FIMAS GmbH, a Frankfurt-based “consulting boutique” specialized in consulting and IT services for asset managers, stock exchanges, “CSDs,” clearing houses, and custodian banks. The acquisition of FIMAS was finalized through Targit GmbH, a subsidiary already present in Germany. The purchase price for 60% of the share capital was established at € 1.24 million. The agreement includes the option to acquire the remaining 40% in two successive phases: 30% by the end of May 2021, and 10% by the end of May 2024. This acquisition allows Be to accelerate its penetration of the German market in the Frankfurt area by leveraging FIMAS’s “top-down” specializations in the segment of European stock exchanges and following regulatory changes and the impacts of Brexit. Again in the month of February, Be acquired a 60% stake in Paystrat, a Madrid-based consulting firm specializing in advisory services for operators in the payments industry, in such areas as the digital wallet, loyalty, and market intelligence. The acquisition of Paystrat was finalized through Be Consulting S.p.A., the Be Group’s business consulting specialist. The purchase price for 60% of the share capital was set at € 180,000; the agreement includes the option to acquire the remaining 40% in two successive phases: 20% by the end of 2021 and 10% by the end of 2025. With this acquisition, Be strengthens its operative presence in the Iberian region, intensifying its offer of payment services in Spain and Portugal, markets with high growth opportunities. The acquisition represents another step forward in Be’s growth strategy to affirm its standing as European leader in payment and advisory services.

## Allocation of profit for the year

The Board of Directors resolved to propose to the Shareholders’ Meeting to allocate the profit for the year - € 257,348.77, as follows:

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<sup>1</sup> The adjusted EBITDA is calculated as sum of the following voices: net profit equal to Eur 4.57 million, Taxes for Eur 2.89 million, net financial income and expenses for Eur 1.74 million,ammortizatoins and devaluations for Eur 6.97 milioni, restructuring costs for Eur 2.02 million



- € 12,867.44 to the legal reserve;
- € 244,481.33 as profits carried forward.

The Board of Directors also resolved to propose to the Shareholders' Meeting to distribute gross dividends totalling € 1,996,479.63, equal to € 0.0148 per share, drawing from the profits carried over for € 244,481.33 and from part of the extraordinary reserve for the remaining portion equalling € 1,751,998.30.

For the dividend, which will be made payable on 24 May 2017 – coupon detachment no. 7 on 22 May 2017 and record date 23 May 2017 -, the dividend yield, calculated on the value of the final trading day in 2016, equals 2.18%.

#### Further Resolutions of the BoD

- **Approval of the Report on Corporate Governance and Ownership Structures at 31 December 2016, and Remuneration Report at 31 December 2016.**

The Board of Directors approved the Report on Corporate Governance and Ownership Structures, drawn up pursuant to art. 123-bis of Legislative Decree no. 58 of 24 February 1998 and subsequent modifications and supplements (the consolidated financial law, or "TUF"), and the Remuneration Report, drawn up pursuant to art. 123-ter of the TUF. These Reports shall be made available by the legal deadlines at the Company's main office, at the authorized storage mechanism NIS/Storage at [www.emarketstorage.com](http://www.emarketstorage.com), and on the company's website [www.be-tse.it](http://www.be-tse.it), "Investors – Governance System – Meetings" section, along with the publication of the draft of the financial statements and of the consolidated financial statements at 31 December 2016.

- **Verification of the existence of the prerequisites of independence of the administrators appointed by the shareholders' meeting of 12 June 2014 and of the statutory auditors appointed 23 April 2015.**

The Board of Directors resolved that, based on the assessment criteria stated by the Self-Governance Code of Listed Companies promoted by Borsa Italiana S.p.A., as well as pursuant to art. 148, paragraph 3, of the TUF, the following administrators were found independent: Cristina Spagna, Umberto Quilici and Anna Zattoni. The Board also noted the verifications made by the Board of Statutory Auditors with regard to the permanence of the prerequisites of independence applicable to that body, in accordance with the provisions of the Self-Governance Code of Listed Companies promoted by Borsa Italiana S.p.A. as well as art. 148 of the TUF; following these verifications, the following Statutory Auditors were found independent: Giuseppe Leoni, Stefano De Angelis and Rosita Natta.

- **Proposal to authorise the purchase and disposal of treasury shares.**

The request to authorize the Board of Directors to purchase and dispose of treasury shares is motivated by the fact that the Company should have a sound instrument allowing it to pursue the following purposes:

- (i) The sale and/or exchange of own shares in the light of or within agreements with strategic partners that are part of the Company's development strategy;
- (ii) The performance of investment operations in line with the Company's strategic lines;
- (iii) The allocation (in whole or in part) of treasury shares, at the discretion of the Board of Directors, to implement incentive plans based on the Company's shares, in favour of administrators and/or employees vested with key functions in the Company or its subsidiaries.

The main characteristics of the proposed programme are as follows: (i) the shares may be purchased until the expiry of the eighteenth month after the date of the shareholders' meeting decision that has adopted the resolution; (ii) the purchase operations may be done on the market, at one or more times, also on a rotational basis in compliance with the legal limits, on markets regulated in accordance with the operative procedures established in these markets' organization and management regulations and agreed upon with Borsa Italiana S.p.A., as well as in compliance with any other applicable regulation, or by means of other procedures, where permitted by the provisions of law or regulations applicable from time to time at the moment of the operation. The purchase operations may also be performed through reliance on tender offer or exchange offer procedures pursuant to art. 144-bis, paragraph 1, letter a), of CONSOB regulation no. 11971/1999, upon the



resolution by the Board of Directors in compliance with the regulations in force; (iii) the unit payment for purchasing the shares shall be no less than [o] euros and no greater than [o] euros per share; the minimum payment for selling the purchased shares shall be no less than [o] euros per share.

- **Call of Shareholders' Meeting**

The Board of Directors resolved to convene the Shareholders' Meeting of Be at the registered office in Milan, Piazza Affari, 2 on 26 April 2016 at 11am on first call and, should that be the case, on 27 April 2016, same time and place, on second call in order to discuss and resolve upon the following Agenda:

#### **Ordinary session**

1. Financial statements at 31 December 2016, including the Directors' Report on operations, the Report of the Board of Statutory Auditors and the Report of the Audit Firm; presenting the consolidated financial statements at 31 December 2016; pertinent and subsequent resolutions.
2. Resolutions concerning the allocation of 2016 year's result; pertinent and subsequent resolutions.
3. Remuneration report: resolutions related to the first section of the report according to article 123-ter, paragraph 6, of Legislative Decree no. 58 of 24 February 1998 (Company's policy on remuneration and related procedures used to adopt and implement the policy).
4. Appointment of the Board of Directors of Be, upon determining the number of its members; determination of term of office and compensation; pertinent and subsequent resolutions.
5. Authorisation for the sale and purchase of treasury shares as per joint articles 2357 e 2357-ter of the Italian Civil Code and art. 132 of Legislative Decree no. 58 of 24 February 1998

#### **Extraordinary session**

1. modification of Article 2 of the company's Articles of Association ("Corporate purpose"); pertinent and subsequent resolutions.

All the information on the procedures and deadlines:

- (i) to attend and vote at the shareholders' meeting;
- (ii) to exercise the right to ask questions before the meeting and the right to supplement the agenda or to submit additional proposed resolutions on matters already on the agenda;
- (iii) to exercise voting rights by proxy and by remote vote;
- (iv) to access the proposed resolutions, the illustrative reports on any matter scheduled on the agenda and the documents that shall be submitted to the shareholders' meeting; and
- (v) to appoint new members of the Board of Directors,

are included in the notice of meeting the full text of which, together with the documents relating to the meeting, are published according to the terms and within the time limits prescribed by law on Be website [www.be-tse.it](http://www.be-tse.it) ("Investors"- "Governance System"- "Meetings" section) to which reference is made.

*The Executive in charge of preparing the company's accounting documents, Manuela Mascarini, declares, in accordance with art. 154 bis, paragraph 2 of Italian Legislative Decree no. 58 dated 24 February 1998, that the accounting disclosures contained in this press release correspond to that recorded in company documents, ledgers and accounting entries.*

**About Be**

# Be

Milan, 14 March 2017



*Be Group is listed in the STAR segment of Borsa Italiana and is one of the leading Italian players in the Consulting sector. The company provides Business Consulting, Information Technology and Process & Document Management services. A combination of specialist skills, advanced proprietary technologies and a wealth of experience enable the Group to work with leading financial and insurance institutions and Italian industry to create value and boost business growth. With more than 1,000 employees and branches in Italy, United Kingdom, Germany, Austria, Switzerland, Spain, Romania, Poland and Ukraine, in 2016 the Group recorded a value of production of Euro 136.7 million..*

This press release is available on the Company's website [www.be-tse.it](http://www.be-tse.it).

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**Be S.p.A.**  
**Investor Relations**  
Patrizio Sforza  
Tel. +39 06 54.24.86.24  
[IR.be@be-tse.it](mailto:IR.be@be-tse.it)

**IR TOP**  
**Investor Relations**  
**& Financial Communications**  
Floriana Vitale – Domenico Gentile  
Tel. +39 02.47.38.84/3  
[ir@irtop.com](mailto:ir@irtop.com)

## Annexes

- Restated consolidated Income Statement as at 31 December 2016
- Restated consolidated Statement of Financial Position as at 31 December 2016
- Consolidated Net Financial Position as at 31 December 2016
- Parent Company Restated consolidated Income Statement as at 31 December 2016
- Parent Company Restated consolidated Statement of Financial Position as at 31 December 2016
- Parent Company Consolidated Net Financial Position as at 31 December 2016


**RESTATED CONSOLIDATED INCOME STATEMENT**

<i>Euro/000</i>	<b>FY 2016</b>	<b>FY 2015</b>	<b>Δ</b>	<b>Δ (%)</b>
Operating revenue	135,648	114,273	21,375	18.7%
Other operating revenue and income	1,077	1,157	(80)	(6.9%)
<b>Total Revenues</b>	<b>136,725</b>	<b>115,430</b>	<b>21,295</b>	<b>18.4%</b>
Cost of raw materials and consumables	(284)	(564)	280	(49.6%)
Cost of services and use of third-party assets	(59,825)	(48,627)	(11,198)	23.0%
Personnel costs	(61,337)	(52,164)	(9,173)	17.6%
Other costs	(1,488)	(1,205)	(283)	23.5%
Internal capitalisations	2,380	2,178	202	9.3%
<b>Gross Operating Margin (EBITDA)</b>	<b>16,171</b>	<b>15,048</b>	<b>1,123</b>	<b>7.5%</b>
Restructuring costs	2,017	709	1,308	n.a.
<b>Adjusted Gross Operating Margin (adjusted EBITDA)</b>	<b>18,188</b>	<b>15,757</b>	<b>2,431</b>	<b>15.4%</b>
Amortisation and depreciation	(5,891)	(5,336)	(555)	10.4%
Write-downs and provisions	(1,086)	(1,646)	560	(34.0%)
<b>Operating Profit (Loss) (EBIT)</b>	<b>9,194</b>	<b>8,066</b>	<b>1,128</b>	<b>14.0%</b>
<b>Adjusted Operating Profit (Loss) (adjusted EBIT)</b>	<b>11,211</b>	<b>8,775</b>	<b>2,436</b>	<b>27.8%</b>
Net financial income and expense	(1,741)	(1,816)	75	(4.1%)
<b>Profit (loss) before tax from continuing operations</b>	<b>7,453</b>	<b>6,250</b>	<b>1,203</b>	<b>19.2%</b>
Taxes	(2,886)	(2,448)	(438)	17.9%
<b>Net profit (loss) from continuing operations</b>	<b>4,567</b>	<b>3,802</b>	<b>765</b>	<b>20.1%</b>
Net profit (loss) from discontinued operations	0	0	0	n.a.
<b>Consolidated net profit (loss) including minority interests</b>	<b>4,567</b>	<b>3,802</b>	<b>765</b>	<b>20.1%</b>
Net profit (loss) attributable to minority interests	321	347	(26)	(7.5%)
<b>Group net profit (loss)</b>	<b>4,246</b>	<b>3,455</b>	<b>791</b>	<b>22.9%</b>


**RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>Euro/000</i>	31.12.2016	31.12.2015	Δ	Δ (%)
Non-current assets	81,888	77,917	3,971	5.1%
Current assets	27,167	25,237	1,930	7.6%
Non-current liabilities	(23,376)	(19,785)	(3,591)	18.2%
Current liabilities	(33,013)	(27,062)	(5,951)	22.0%
<b>Net Invested Capital</b>	<b>52,666</b>	<b>56,307</b>	<b>(3,641)</b>	<b>(6.5%)</b>
<b>Shareholders' Equity</b>	<b>51,060</b>	<b>49,212</b>	<b>1,848</b>	<b>3.8%</b>
<b>Net Financial Position</b>	<b>1,606</b>	<b>7,095</b>	<b>(5,489)</b>	<b>(77.4%)</b>

**CONSOLIDATED NET FINANCIAL POSITION**

<i>Euro/000</i>	31.12.2016	31.12.2015	Δ	Δ (%)
Cash and cash equivalents at bank	33,109	19,626	13,483	68.7%
<b>A Cash and cash equivalents</b>	<b>33,109</b>	<b>19,626</b>	<b>13,483</b>	<b>68.3%</b>
<b>B Current financial receivables</b>	<b>192</b>	<b>198</b>	<b>(6)</b>	<b>(3.0%)</b>
Current bank payables	(5,184)	(8,861)	3,677	(41.5%)
Current share of medium/long-term indebtedness	(14,063)	(8,767)	(5,296)	60.4%
Other current financial payables	(17)	(5)	(12)	n.a
<b>C Current financial indebtedness</b>	<b>(19,264)</b>	<b>(17,633)</b>	<b>(1,631)</b>	<b>9.2%</b>
<b>D Net current financial position (A+B+C)</b>	<b>14,037</b>	<b>2,191</b>	<b>11,846</b>	<b>n.a</b>
Non-current bank payables	(15,610)	(9,286)	(6,324)	(68.5%)
Other non-current financial payables	(33)	0	(33)	n.a.
<b>E Net non-current financial position</b>	<b>(15,643)</b>	<b>(9,286)</b>	<b>(6,357)</b>	<b>(68.5%)</b>
<b>F Net financial position (D+E)</b>	<b>(1,606)</b>	<b>(7,095)</b>	<b>5,489</b>	<b>(77.4%)</b>



## PARENT COMPANY RESTATED INCOME STATEMENT

<i>Euro/000</i>	<b>FY 2016</b>	<b>FY 2015</b>	<b>Δ</b>	<b>Δ (%)</b>
Operating revenue	4,344	3,927	417	10.6%
Other operating revenue and income	533	715	(182)	(25.5%)
<b>Total Revenues</b>	<b>4,877</b>	<b>4,642</b>	<b>234</b>	<b>5.0%</b>
Cost of raw materials and consumables	(3)	(2)	(1)	50.0%
Cost of services and use of third-party assets	(4,845)	(3,764)	(1,081)	28.7%
Personnel costs	(2,867)	(2,454)	(413)	16.8%
Other costs	(399)	(141)	(258)	n.a.
<b>Gross Operating Margin (EBITDA)</b>	<b>(3,237)</b>	<b>(1,719)</b>	<b>(1,518)</b>	<b>88.3%</b>
Amortisation/Depreciation	(23)	(47)	24	(51.1%)
Write-downs and provisions	(140)	(800)	660	(82.5%)
<b>Operating Profit (Loss) (EBIT)</b>	<b>(3,400)</b>	<b>(2,566)</b>	<b>(834)</b>	<b>32.5%</b>
Net financial income and expense	3,752	3,820	(68)	(1.8%)
Value adjustments to financial assets	(1,200)	0	(1,200)	n.a.
<b>Net profit (loss) before tax from continuing operations</b>	<b>(848)</b>	<b>1,254</b>	<b>(2,102)</b>	<b>n.a.</b>
Taxes	1,105	1,292	(187)	(14.5%)
<b>Net profit (loss) from continuing operations</b>	<b>257</b>	<b>2,546</b>	<b>(2,289)</b>	<b>(89.9%)</b>
Net profit (loss) from discontinued operations	0	0	0	n.a.
<b>Net profit (loss)</b>	<b>257</b>	<b>2,546</b>	<b>(2,289)</b>	<b>(89.9%)</b>





## PARENT COMPANY RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>Euro/000</i>	31.12.2016	31.12.2015	Δ	Δ (%)
Non-current assets	54,070	53,704	366	0.7%
Current assets	13,203	9,717	3,486	35.9%
Non-current liabilities	(9,153)	(9,957)	804	(8.1%)
Current liabilities	(7,028)	(4,726)	(2,302)	48.7%
<b>Net Invested Capital</b>	<b>51,092</b>	<b>48,738</b>	<b>2,354</b>	<b>4.8%</b>
<b>Shareholders' Equity</b>	<b>47,099</b>	<b>48,345</b>	<b>(1,246)</b>	<b>(2.6%)</b>
<b>Net Financial Position</b>	<b>(3,993)</b>	<b>(393)</b>	<b>(3,600)</b>	<b>n.a.</b>

## PARENT COMPANY NET FINANCIAL POSITION

<i>Euro/000</i>	31.12.2016	31.12.2015	Δ	Δ (%)
Cash and cash equivalents at bank	25,229	14,024	11,205	79.9%
<b>A Cash and cash equivalents</b>	<b>25,229</b>	<b>14,024</b>	<b>11,205</b>	<b>79.9%</b>
<b>B Current financial receivables</b>	<b>22,839</b>	<b>25,552</b>	<b>(2,713)</b>	<b>(10.6%)</b>
Current bank payables	(4,193)	(6,108)	1,915	(31.3%)
Current share of medium/long-term indebtedness	(6,463)	(3,204)	(3,259)	n.a
Other current financial payables	(25,796)	(22,252)	(3,544)	15.9%
<b>C Current financial indebtedness</b>	<b>(36,452)</b>	<b>(31,565)</b>	<b>(4,887)</b>	<b>15.5%</b>
<b>D Net current financial position (A+B+C)</b>	<b>11,617</b>	<b>8,011</b>	<b>3,606</b>	<b>45.0%</b>
Non-current bank payables	(15,610)	(8,404)	(7,206)	85.7%
<b>E Net non-current financial position</b>	<b>(15,610)</b>	<b>(8,404)</b>	<b>(7,206)</b>	<b>85.7%</b>
<b>F Net financial position (D+E)</b>	<b>(3,993)</b>	<b>(393)</b>	<b>(3,600)</b>	<b>n.a</b>