



## **PRESS RELEASE**

**REPLY: The Board of Directors approves the quarterly report dated 31 March 2020.**

**All economic and financial indicators are positive:**

- **Consolidated turnover of €317.0 million (+11.8%);**
- **EBITDA of €47.6 million (€42.3 million in 2019);**
- **EBIT of €38.0 million (€33.6 million in 2019);**
- **Profit before tax amounts to €33.9 million (€34.2 million in 2019).**

Today, the Board of Directors of Reply S.p.A. [MTA, STAR: REY] approved the results as at 31 March 2020.

Since the beginning of the year, the Group has recorded a consolidated turnover amounting to €317.0 million, an increase of 11.8% compared to the corresponding data for 2019.

All indicators are positive for the period. In the first quarter of 2020 the consolidated EBITDA was €47.6 million (€42.3 million in 2019), equal to 15.0% of the turnover.

EBIT from January to March, was €38.0 million (€33.6 million in 2019), and is equal to 12.0% of the turnover.

The profit before tax, from January to March 2020, was €33.9 million (€34.2 million in 2019), equal to 10.7% of the turnover.

The net financial position of the Group on 31 March 2020 is also positive by €159.3 million. The net financial position on 31 December 2019 was positive for €105 million

“The results for the first quarter of 2020 - says Mario Rizzante, Chairman of Reply - have been very positive, both in terms of revenues and margins. When in March the unexpected explosion of the Covid-19 pandemic caused slowdowns and lockdowns of business in each sector, Reply succeeded in guaranteeing the continuity of activities for every customer. This was achieved thanks to the flexibility of its network model, combined with a working system based for a long time on advanced individual productivity tools and systems distributed entirely in the cloud”.

“The economic repercussions of the pandemic on Reply - continues Mario Rizzante - are not punctually predictable, because they will depend a lot on how companies and governments will react. The next few months will require companies to make a great transformation effort, they will have to manage the restart in a competitive framework completely different from the one they left behind, preparing themselves to deal effectively also with



possible new closedown. The scenario is complex, still in progress and very uncertain; but technology and, in particular the cloud, artificial intelligence and all digital components will have a decisive role in shaping our new future".

*The manager responsible for preparing the company's financial reports, Giuseppe Veneziano, states in accordance with Paragraph 2 of Article 154-bis of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the company's records, ledgers and accounting entries.*

## **Reply**

Reply [MTA, STAR: REY] specialises in the design and implementation of solutions based on new communication channels and digital media. Reply is a network of highly specialised companies supporting key European industrial groups operating in the telecom and media, industry and services, banking, insurance and public administration sectors in the definition and development of business models enabled for the new paradigms of AI, cloud computing, digital media and the Internet of Things. Reply services include: Consulting, System Integration and Digital Services. [www.reply.com](http://www.reply.com)

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This press release is a translation, the Italian version will prevail.

## CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2020

(thousand Euros)	Q1 2020	%	Q1 2019	%
<b>Revenue</b>	<b>316,993</b>	<b>100.0</b>	<b>283,544</b>	<b>100.0</b>
Purchases	(5,404)	(1.7)	(4,727)	(1.7)
Personnel	(155,574)	(49.1)	(142,026)	(50.1)
Services and other expenses	(108,941)	(34.4)	(94,720)	(33.4)
Other operating (expenses)/income	551	0.2	272	0.1
<b>Operating expenses</b>	<b>(269,368)</b>	<b>(85.0)</b>	<b>(241,201)</b>	<b>(85.1)</b>
<b>Gross operating margin</b>	<b>47,624</b>	<b>15.0</b>	<b>42,344</b>	<b>14.9</b>
Amortization and write-downs	(9,589)	(3.0)	(8,760)	(3.1)
<b>Operating margin</b>	<b>38,035</b>	<b>12.0</b>	<b>33,584</b>	<b>11.8</b>
Income/(losses) on investments	(319)	(0.1)	1,171	0.4
Financial (loss)/income	(3,775)	(1.2)	(549)	(0.2)
<b>Income before taxes</b>	<b>33,941</b>	<b>10.7</b>	<b>34,206</b>	<b>12.1</b>

## NET FINANCIAL POSITION

(thousand Euros)	31/03/2020	31/12/2019
Cash and cash equivalents	289,509	239,571
Current financial assets	1,456	1,666
Due to banks	(13,316)	(16,648)
Financial liabilities IFRS 16	(22,304)	(20,991)
<b>Net financial position - Short term</b>	<b>255,345</b>	<b>203,598</b>
Due to banks	(21,494)	(25,846)
Financial liabilities IFRS 16	(74,518)	(72,721)
<b>Net financial position - Long term</b>	<b>(96,012)</b>	<b>(98,567)</b>
<b>Total net financial position</b>	<b>159,333</b>	<b>105,031</b>