

# **BOARD OF DIRECTORS AND CONTROLLING BODIES**

### **Chairman and Chief Executive Officer**

Mario Rizzante

### **Chief Executive Officer**

Tatiana Rizzante

### **Executive Directors**

Filippo Rizzante

Daniele Angelucci

Claudio Bombonato

Elena Maria Previtiera

Fausto Forti (1) (2) (3)

Secondina Giulia Ravera (1) (2)

Francesco Umile Chiappetta (1) (2)

### **Board of Statutory Auditors**

#### **President**

Giorgio Mosci

#### **Statutory Auditors**

Piergiorgio Re

Ada Alessandra Garzino Demo

#### **Auditing firm**

PwC S.p.A.

(1) Directors not invested with operational proxies

(2) Independent Directors according to the Corporate Governance code drawn up by the Committee for Corporate Governance

(3) Lead Independent Director

This report has been translated into English from the original Italian version, in case of doubt the Italian version shall prevail.





# THE GROUP'S FINANCIAL HIGHLIGHTS

<b>ECONOMIC FIGURES (THSD EUROS)</b>	<b>2020</b>	<b>%</b>	<b>2019</b>	<b>%</b>	<b>2018 (*)</b>	<b>%</b>
Revenue	1,250,191	100.0	1,182,528	100.0	1,035,793	100.0
Gross operating income	207,936	16.6	191,307	16.2	144,836	14.0
Operating income	169,531	13.6	155,324	13.1	132,410	12.8
Income before taxes	162,054	13.0	161,419	13.7	139,217	13.4
Group net income	123,598	9.9	113,858	9.6	99,913	9.6

<b>FINANCIAL FIGURES (THSD EUROS)</b>	<b>2020</b>	<b>2019</b>	<b>2018 (*)</b>
Group shareholders' equity	675,039	583,722	485,297
Non-controlling interest	918	3,339	1,315
Total assets	1,506,568	1,307,913	1,076,104
Net working capital	(21,565)	74,317	145,288
Net invested capital	517,296	482,030	420,060
Cash flow	229,028	202,793	119,835
Net financial position	158,661	105,031	66,552

<b>DATA PER SHARE (EUROS)</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Number of shares	37,411,428	37,411,428	37,411,428
Operating income per share	4.53	4.15	3.54
Net income per share	3.30	3.04	2.67
Cash flow per share	6.12	5.42	3.20
Shareholders' equity per share	18.04	15.60	12.97

<b>OTHER INFORMATION</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Number of employees	9,059	8,157	7,606

(\*) Reply applied the new Accounting Standard IFRS 16 prospectively from January 1, 2019 without restatement of 2018 comparative data.



# LETTER TO SHAREHOLDERS

Dear Shareholders,

2020 was a very difficult and, dare I say, dramatic year: in a few short weeks an unexpected and unique event completely revolutionised the world, triggering one of the most complex economic and social crises in contemporary history.

The rate of infection and the scale of the ongoing Covid-19 pandemic has taken away our freedom to move, to spend time with others, and to experience moments of shared social activity and interaction. Since last March, all our relationships have been mediated by digital screens, applications and platforms that allow us to work and live in isolation inside our homes.

Reply reacted to this moment of unimaginable discontinuity, for which no company was truly prepared, in an exemplary way. In less than two days we virtualised a group of over 8,000 people, with individual safety as our driving principle. Thanks to this achievement, we have been able to continue working with our customers, often supporting critical systems, by ensuring not only the continuity of their

businesses, but also the survival of entire countries and economic chains. Just consider, for example, our involvement in banking and insurance services or our contributions to telco and media operators, without forgetting our critical support to health care services and the logistics chain.

In recent months we have been confronted with a crisis as unexpected as it is unpredictable, we find ourselves pursuing an epochal change in customs and lifestyles. All sectors, even the most traditional ones, have found it necessary to reconfigure their businesses, digitalising processes and sectors, and at times reinventing entire business models. This transformation is irreversible and, although dramatic for some, it opens up a myriad of new growth and development opportunities for companies such as ours: the cloud, artificial intelligence, 5G, e-commerce and connected products represent the foundations of the economy for the next few years.


Today, Reply is an extremely solid and healthy Group: in 2020, despite the various lockdowns, we made the conscious decision to invest in order to acquire additional market shares in Europe and North

America and we have been diligently working to enhance our core offerings with new expertise. Since the beginning of the year, we have further consolidated our leadership position in the latest technologies and in digital transformation; we have outstanding financial strength, which allows us to face the future with commitment and determination, as well as with peace of mind; we have a reduced risk of concentration as regards our customer portfolio, which consists primarily of large groups operating in leading sectors.

The future that awaits us is uncertain: the current emergency is still ongoing, with different trends seen in the countries in which we operate. In any case, the pandemic is leaving us with a different world from the one we were used to only twelve months ago and which perhaps, even superficially, we once considered to belong to us and to be immutable. The brutal acceleration experienced in recent months will, over the next few years, see us dealing with a new everyday reality in which the digital and the physical realms will interlink, with one becoming an extension of the other, but in which individuals and attention to the planet will acquire a renewed focus.

Technology will be key to supporting this change, yet an even more important aspect will be how this technology is introduced and used. Businesses will need to implement bold transformations, challenging and overturning the established models in order to remain competitive and to identify the needs of individuals and of the community, in an effective and timely manner.

Those who know how to act quickly, maintaining a long-term planning perspective, will be able to take advantage of the opportunities that this uncertain yet stimulating context will have to offer.

  
**Mario Rizzante**