

# Tinexta

## Confident in rebound

Q125 results

Technology

19 May 2025

The most important takeaway from Tinexta's Q125 results, which are typically a seasonally small part of full-year profits, is that management believes there are tangible signs of rebound by Cyber Security (CS) and Business Innovation (BI). These weighed on FY24 results and a recovery in both divisions, which management believes will accelerate through the year, is key to helping close the valuation gap to our discounted cash flow (DCF)-based valuation of €21 per share.

Year end	Revenue (€m)	EBITDA (adj) (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/23	395.8	103.0	78.0	1.03	0.46	10.1	4.4
12/24	455.0	110.8	68.5	0.94	0.30	11.0	2.9
12/25e	510.7	129.1	83.9	1.06	0.27	9.8	2.6
12/26e	546.8	139.7	97.5	1.27	0.38	8.2	3.7

Note: EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments

## Margin leverage helped by business mix changes

Tinexta reported good underlying revenue growth of 6.4% to €115.2m and a higher c 7.9% growth in adjusted EBITDA to €18.7m versus [Q124](#), helped by mix changes. From a divisional perspective, the improvement by BI was notable, with c 18% underlying revenue growth and a more than doubling of adjusted EBITDA. There are many moving parts in this division, with new and more attractive government-funded schemes being introduced, albeit with some teething issues around filing applications. Also, although its business in France has improved a little, the outlook remains uncertain given the political changes and financial pressures on government budgets. Digital Trust's (DT's) underlying revenue growth of 6.0% was more in line with its typical high single-digit rates of growth, after adjusting for some deferral of annual contract revenues at Ascertia to the coming quarters. CS's underlying profit improved nicely by c 16%, aided by mix changes towards more profitable products and services, despite a 3% underlying revenue decline. A structural improvement in working capital, which management expects will continue, helped drive a c 24% increase in free cash flow. A favourable movement on the Ascertia put option helped to reduce net debt/EBITDA to 2.54x (2.79x end FY24).

## Tinexta FY25 guidance unchanged

The adjusted EBITDA of €18.7m delivered in Q125 represents c 15% of our FY25 estimate and is consistent with trends seen in prior years, enabling management to reiterate its [FY25 guidance](#). The seasonality of the profit generation of the three divisions is quite wide with H2, and specifically Q4, more important for BI (Q125 adjusted EBITDA is c 6% of our FY25 estimate) and CS (Q125 is 16%) than DT (Q125 is 23%). After the results, Tinexta exercised the call option for the outstanding 25% minority in ABF Groupe for just €1 which, along with the change in the Ascertia put option, will positively influence FY25's net debt/EBITDA guidance.

## Valuation: DCF indicates c 100% upside

Updates to the risk-free rate (to 3.6% from 4.0% previously) and the change in net debt give an increase in our DCF-based valuation to €21/share (€19.5 previously).

<b>Price</b>	<b>€10.36</b>
<b>Market cap</b>	<b>€475m</b>
Net cash/(debt) at 31 March 2025	€(290.9)m
Shares in issue	45.9m
Free float	42.6%
Code	TNXT
Primary exchange	MILAN
Secondary exchange	N/A

## Share price performance



%	1m	3m	12m
Abs	29.0	32.9	(42.9)
52-week high/low		€19.2	€7.3

## Business description

Tinexta offers innovative solutions for the digital transformation and growth of companies, professionals and institutions. It has three divisions: Digital Trust, Business Innovation and Cyber Security.

## Next events

H125 results	31 July 2025
Q325 results	12 November 2025

## Analysts

Russell Pointon	+44 (0)20 3077 5700
Dan Ridsdale	+44 (0)20 3077 5700

[tmt@edisongroup.com](mailto:tmt@edisongroup.com)

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**Exhibit 1: Financial summary**

	€m	2021	2022	2023	2024	2025e	2026e
		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>							
31-December							
<b>Revenue</b>		<b>301.5</b>	<b>357.2</b>	<b>395.8</b>	<b>455.0</b>	<b>510.7</b>	<b>546.8</b>
Operating costs		(225.1)	(262.4)	(292.8)	(344.2)	(381.5)	(407.2)
<b>Adj. EBITDA</b>		<b>76.5</b>	<b>94.8</b>	<b>103.0</b>	<b>110.8</b>	<b>129.1</b>	<b>139.7</b>
<b>EBITDA</b>		<b>71.3</b>	<b>86.3</b>	<b>93.8</b>	<b>99.0</b>	<b>118.6</b>	<b>129.2</b>
<b>Operating profit (before amort. and excepts.)</b>		<b>61.1</b>	<b>77.6</b>	<b>79.6</b>	<b>76.1</b>	<b>96.6</b>	<b>107.1</b>
Amortisation of acquired intangibles		(11.0)	(17.5)	(18.5)	(24.4)	(29.3)	(29.3)
Exceptionals		(2.6)	(6.4)	(5.0)	(10.1)	(6.0)	(6.0)
Share-based payments		(2.6)	(2.1)	(4.2)	(2.5)	(4.5)	(4.5)
<b>Reported operating profit</b>		<b>45.0</b>	<b>51.6</b>	<b>51.8</b>	<b>39.1</b>	<b>56.8</b>	<b>67.3</b>
Net Interest		(3.1)	(6.2)	(1.6)	(13.8)	(14.0)	(11.0)
Joint ventures & associates (post tax)		(0.2)	(0.2)	(0.2)	1.3	1.3	1.4
Exceptionals		0.0	0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (norm)</b>		<b>57.5</b>	<b>73.6</b>	<b>78.0</b>	<b>68.5</b>	<b>83.9</b>	<b>97.5</b>
<b>Profit Before Tax (reported)</b>		<b>41.7</b>	<b>45.1</b>	<b>50.0</b>	<b>26.6</b>	<b>44.1</b>	<b>57.7</b>
Reported tax		(13.0)	(12.5)	(16.2)	(1.7)	(14.6)	(19.0)
<b>Profit After Tax (norm)</b>		<b>40.3</b>	<b>52.2</b>	<b>54.5</b>	<b>50.3</b>	<b>56.2</b>	<b>65.3</b>
<b>Profit After Tax (reported)</b>		<b>28.7</b>	<b>32.6</b>	<b>33.8</b>	<b>24.9</b>	<b>29.6</b>	<b>38.7</b>
Minority interests		(1.2)	(2.4)	(6.8)	(6.6)	(7.2)	(6.7)
Discontinued operations		10.0	45.5	35.6	0.0	0.0	0.0
<b>Net income (normalised)</b>		<b>39.1</b>	<b>49.8</b>	<b>47.7</b>	<b>43.6</b>	<b>49.1</b>	<b>58.6</b>
<b>Net income (reported)</b>		<b>37.5</b>	<b>75.7</b>	<b>62.7</b>	<b>18.2</b>	<b>22.4</b>	<b>31.9</b>
Average Number of Shares Outstanding (m)		47.2	46.8	46.4	46.2	46.3	46.1
EPS - normalised (c)		84.7	108.5	104.8	95.3	107.0	128.2
EPS - normalised fully diluted (c)		82.8	106.4	102.7	94.4	106.0	127.0
EPS - basic reported (c)		81.2	164.9	137.7	39.8	48.9	69.9
Dividend (c)		30.0	51.0	46.0	30.0	26.6	38.1
Revenue growth (%)		12	18	11	15	12	7
EBITDA Margin before non-recurring costs (%)		25.4	26.5	26.0	24.4	25.3	25.5
Normalised Operating Margin		20.3	21.7	20.1	16.7	18.9	19.6
<b>BALANCE SHEET</b>							
<b>Fixed Assets</b>		<b>602.9</b>	<b>574.0</b>	<b>658.8</b>	<b>823.0</b>	<b>791.1</b>	<b>759.3</b>
Intangible Assets		550.4	487.3	545.5	725.3	700.0	673.4
Tangible Assets		25.2	48.4	51.2	67.3	60.8	55.6
Investments & other		27.4	38.3	62.1	30.4	30.4	30.4
<b>Current Assets</b>		<b>213.2</b>	<b>403.5</b>	<b>364.4</b>	<b>342.0</b>	<b>362.8</b>	<b>412.6</b>
Stocks		1.3	1.9	2.1	2.3	2.3	2.3
Debtors		119.5	129.5	148.3	180.2	202.2	216.5
Cash & cash equivalents		68.3	115.3	161.7	72.8	71.5	107.0
Other financial assets		4.1	125.8	26.0	21.3	21.3	21.3
Other		20.0	31.0	26.4	65.4	65.4	65.4
<b>Current Liabilities</b>		<b>(207.5)</b>	<b>(260.9)</b>	<b>(314.2)</b>	<b>(349.0)</b>	<b>(348.8)</b>	<b>(347.6)</b>
Creditors		(146.8)	(156.4)	(184.2)	(206.0)	(213.2)	(219.5)
Tax and social security		(3.6)	(2.9)	(2.9)	(3.2)	(3.2)	(3.2)
Short term borrowings		(54.1)	(93.6)	(121.3)	(134.1)	(126.7)	(119.3)
Other		(3.1)	(8.0)	(5.8)	(5.7)	(5.7)	(5.7)
<b>Long Term Liabilities</b>		<b>(357.9)</b>	<b>(314.6)</b>	<b>(253.6)</b>	<b>(355.5)</b>	<b>(336.5)</b>	<b>(336.5)</b>
Long term borrowings		(281.5)	(235.2)	(172.9)	(281.9)	(262.9)	(262.9)
Other long term liabilities		(35.0)	(42.4)	(40.1)	(25.9)	(25.9)	(25.9)
<b>Net Assets</b>		<b>250.8</b>	<b>402.0</b>	<b>455.5</b>	<b>460.6</b>	<b>468.6</b>	<b>487.7</b>
Minority interests		(46.9)	(36.4)	(45.6)	(52.6)	(52.6)	(52.6)
<b>Shareholders' equity</b>		<b>203.9</b>	<b>365.7</b>	<b>409.8</b>	<b>408.0</b>	<b>416.0</b>	<b>435.1</b>
<b>CASH FLOW</b>							
<b>Operating Cash Flow</b>		<b>72.5</b>	<b>72.8</b>	<b>75.1</b>	<b>70.2</b>	<b>95.1</b>	<b>107.9</b>
Capex and intangibles		(16.2)	(24.1)	(38.2)	(41.8)	(30.0)	(30.0)
Acquisitions/disposals		(100.8)	75.3	(39.4)	(192.1)	0.0	0.0
Net interest		(2.3)	(2.4)	0.3	(6.2)	(14.0)	(11.0)
Equity financing		(9.3)	(8.1)	(3.1)	4.6	(5.0)	(5.0)
Dividends		(12.5)	(20.8)	(33.4)	(28.9)	(21.0)	(19.1)
Borrowings		42.9	(40.2)	(41.4)	92.2	(19.0)	0.0
Other		1.0	(3.8)	124.8	12.9	0.0	0.0
Net Cash Flow		(24.6)	48.6	44.7	(89.2)	(1.3)	35.5
<b>Opening net debt/(cash)</b>		<b>91.9</b>	<b>264.4</b>	<b>77.6</b>	<b>102.0</b>	<b>321.8</b>	<b>296.7</b>
<b>Closing net debt/(cash)</b>		<b>264.4</b>	<b>77.6</b>	<b>102.0</b>	<b>321.8</b>	<b>296.7</b>	<b>253.8</b>

Source: Tinexta, Edison Investment Research

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