

# Tinexta

## Weighting and waiting

Tinexta's typical high weighting of annual profit generation towards Q4 of a financial year can mean some investors view the short-term direction of the share price at this time of year as a little uncertain. This is compounded at present following the announcement on 21 July that Tecno Holding, Tinexta's majority shareholder with a 55.8% stake, has given a consortium of private equity firms an exclusive period to carry out limited due diligence that may result in the de-listing of the company. The fact that the due diligence is 'limited' suggests this should be resolved in a short time period. Our discounted cash flow (DCF)-based valuation of €21 per share is unchanged following the H125 results.

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	14.1	3.2
12/24	455.0	110.8	68.5	0.94	0.30	15.3	2.1
12/25e	510.7	129.1	100.9	1.31	0.26	11.1	1.8
12/26e	546.8	139.7	97.5	1.27	0.38	11.4	2.6

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

## Weaker revenue growth in Q225

Tinexta's underlying year-on-year revenue growth slowed a little in Q225 with H125 growth of 5.0% versus growth of 6.4% in Q125. This was magnified in adjusted EBITDA with an organic decline of 2.2% in H125 versus growth of 7.9% in Q125. Acquisitions boosted revenue growth to 16.1% and adjusted EBITDA growth to 13.3% in H125. From a revenue perspective, Digital Trust's Q225 revenue growth was marginally lower than Q125's due to deferred sales at Ascertia, which management expects will reverse in H225. Business Innovation registered very low organic revenue growth of 1%, following 18% growth in Q125, with growth from ABF Groupe weighing on performance. The underlying decline in total adjusted EBITDA reflects the lower revenue growth and high fixed costs in some divisions, as well as mix effects given the different divisional margins. Below adjusted EBITDA the company recognised €17.9m of goodwill impairment, mainly related to ABF given the challenging outlook.

## FY25 guidance reiterated by management

Management reiterated its financial guidance for FY25 of 7–9% organic revenue growth and 10–12% organic growth in adjusted EBITDA. Acquisitions are expected to boost this to 11–13% and 15–17%, respectively. The seasonality of Tinexta's profit generation is well known, with 19% and 50% of FY24 adjusted EBITDA generated in Q3 and Q4. Tinexta's H125 performance, equivalent to 30% of our unchanged adjusted EBITDA estimates, indicates a similar level of seasonality. We make no changes to our underlying estimates but update for non-recurring items, mainly the goodwill impairment.

## DCF-based valuation of €21/share

Our DCF-based valuation, which is calculated using an estimated weighted average cost of capital of 9.5%, is unchanged at €21 per share.

## H125 results

Technology

4 August 2025

<b>Price</b>	<b>€14.45</b>
<b>Market cap</b>	<b>€656m</b>
Net cash/(debt) at 30 June 2025	€(301.0)m
Shares in issue	45.9m
Free float	44.3%
Code	TNXT
Primary exchange	MILAN
Secondary exchange	N/A

### Share price performance



%	1m	3m	12m
Abs	17.4	59.1	(1.5)
52-week high/low		€15.2	€7.1

### 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

Q325 results	12 November 2025
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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>						
Revenue	301.5	357.2	395.8	455.0	510.7	546.8
Operating costs	(225.1)	(262.4)	(292.8)	(344.2)	(381.5)	(407.2)
Adj. EBITDA	76.5	94.8	103.0	110.8	129.1	139.7
EBITDA	71.3	86.3	93.8	99.0	118.6	129.2
Operating profit (before amort. and excepts.)	61.1	77.6	79.6	76.1	96.6	107.1
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)	(23.9)	(6.0)
Share-based payments	(2.6)	(2.1)	(4.2)	(2.5)	(4.5)	(4.5)
Reported operating profit	45.0	51.6	51.8	39.1	38.9	67.3
Net Interest	(3.1)	(6.2)	(1.6)	(13.8)	3.0	(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
Profit Before Tax (norm)	57.5	73.6	78.0	68.5	100.9	97.5
Profit Before Tax (reported)	41.7	45.1	50.0	26.6	43.3	57.7
Reported tax	(13.0)	(12.5)	(16.2)	(1.7)	(14.3)	(19.0)
Profit After Tax (norm)	40.3	52.2	54.5	50.3	67.6	65.3
Profit After Tax (reported)	28.7	32.6	33.8	24.9	29.0	38.7
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
Net income (normalised)	39.1	49.8	47.7	43.6	60.4	58.6
Net income (reported)	37.5	75.7	62.7	18.2	21.8	31.9
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	131.9	128.2
EPS - normalised fully diluted (c)	82.8	106.4	102.7	94.4	130.6	127.0
EPS - basic reported (c)	81.2	164.9	137.7	39.8	47.6	69.9
Dividend (c)	30.0	51.0	46.0	30.0	25.9	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>						
Fixed Assets	602.9	574.0	658.8	823.0	770.7	738.8
Intangible Assets	550.4	487.3	545.5	725.3	679.6	652.9
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
Current Assets	213.2	403.5	364.4	342.0	382.6	432.7
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	91.4	127.1
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
Current Liabilities	(207.5)	(260.9)	(314.2)	(349.0)	(348.8)	(347.6)
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)
Long Term Liabilities	(357.9)	(314.6)	(253.6)	(355.5)	(336.5)	(336.5)
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)
Net Assets	250.8	402.0	455.5	460.6	468.0	487.5
Minority interests	(46.9)	(36.4)	(45.6)	(52.6)	(52.6)	(52.6)
Shareholders' equity	203.9	365.7	409.8	408.0	415.4	434.8
<b>CASH FLOW</b>						
Operating Cash Flow	72.5	72.8	75.1	70.2	98.0	107.9
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)	3.0	(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)	(18.7)
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)	18.6	35.8
Opening net debt/(cash)	91.9	264.4	77.6	102.0	321.8	276.8
Closing net debt/(cash)	264.4	77.6	102.0	321.8	276.8	233.6

Source: Tinexta, Edison Investment Research

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