



# DIGITAL MAGICS

# DIGITAL MADE IN ITALY

The leading innovation hub

## European Mid Small Cap Forum

**Alberto Fioravanti**, Digital Magics Founder and Executive Chairman

**Alessandro Malacart**, Digital Magics Managing Director – Corporate & Finance

LONDON - MAY 19, 2016

# OVERVIEW



Founded by Enrico Gasperini and Alberto Fioravanti, shortly after joined by Gabriele Ronchini and Bibop G. Gresta, Digital Magics is a *business incubator* for digital startups and scaleups.

Since 2013, Digital Magics has been quoted on AIM Italia (Symbol: DM), the Market organised and managed by the Italian Stock Exchange.

**Digital Magics: an investment opportunity  
in a market of enormous potential.**



**DIGITAL  
MAGICS**

# ITALIAN SCENARIO

**The digital revolution in Italy:  
a fertile market, underexploited, in strong growth**

# THE MARKET OPPORTUNITY

## THE ITALIAN DIGITAL ECONOMY GROWTH



**DIGITAL  
REVOLUTION**



**PRIVATE  
RESOURCES**



**POOR VC  
INVESTMENTS**



**A NEW  
LEGISLATION**



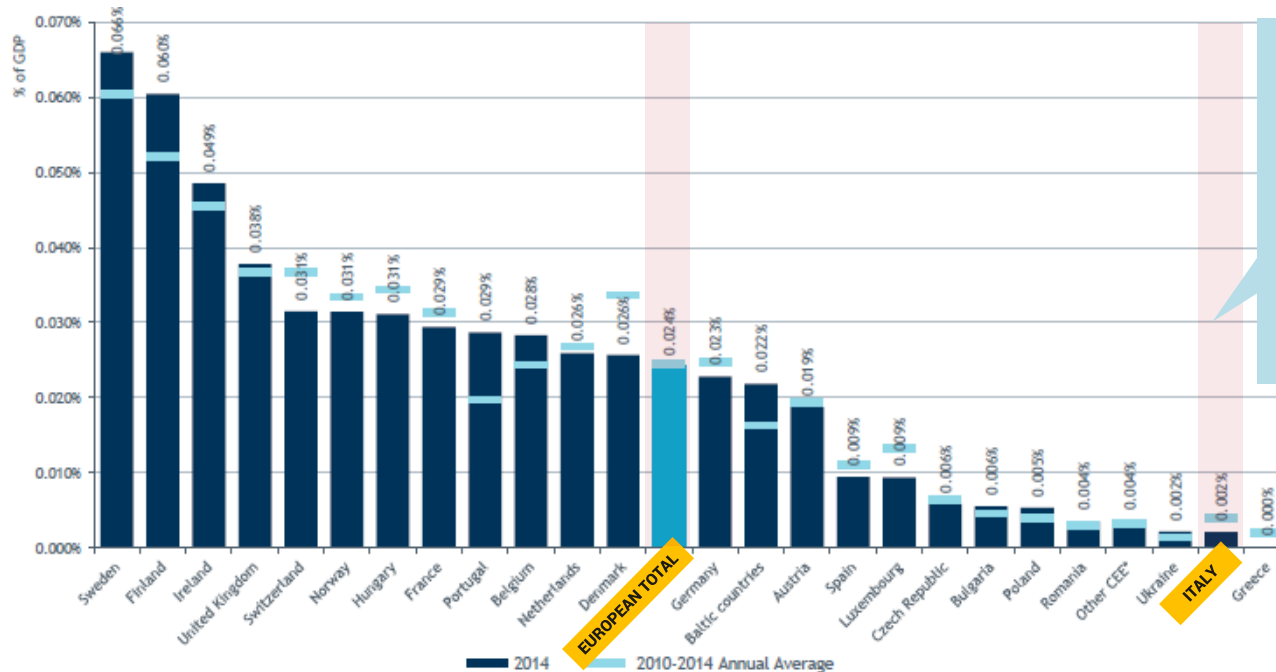
**5.000 HIGH TECH  
STARTUPS**



**AIM MARKET  
GROWING**

# POOR VC INVESTMENTS

## THE ITALIAN MARKET OF CAPITAL INVESTMENTS AIMED AT STARTUPS IS STILL IMMATURE



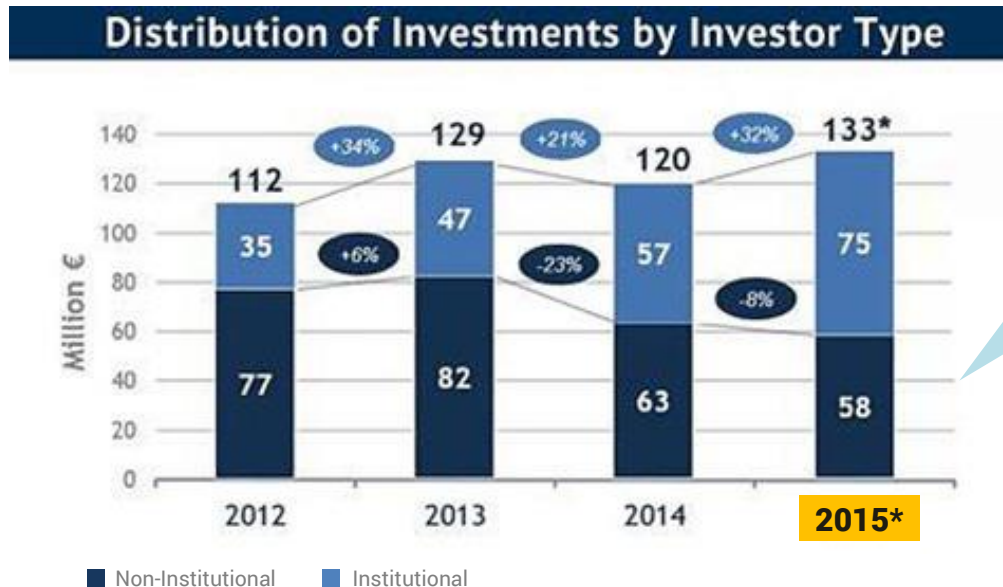
2014 VC INVESTMENTS  
IN ITALY  
**12x lower**  
THAN THE  
EUROPEAN AVERAGE

Venture Capital Investments in Italy totaled less than **0,002% of the GDP in 2014**, much lower than the European average **0,024%** (GER 0,023%, UK 0,038%)

Source: Thomson Reuters Datastream (GDP) / EVCA

# VC's INDUSTRY IN ITALY

**133 M € INVESTED IN 2015 IN HIGH TECH STARTUPS  
(+11% vs 2014), MORE THAN 56% ARE FROM PRIVATE/BAs**



**133 M €**

**INVESTED IN 2015**

**1/10 compared to France  
and Germany**

**1/2 compared to Spain**

Institutional investors reduced investments in 2015 (-8%)

Conversely, investments by business angels, family offices, incubators, accelerators increased (+32%)

\*Values for 2015 are estimated

Source: Osservatori: Italia Startup, The Italian Startup Ecosystem, October 21, 2015  
www.osservatori.net #osup15

# A NEW LEGISLATION

## NEW RULES FACILITATING THE DIGITAL INNOVATION

**DECRETO SVILUPPO**

**INCOME TAX DEDUCTION  
OF 19%** for direct and  
indirect investments in  
innovative startups and  
SME, up to  
€ 500 K per year

**LEGGE DI STABILITÀ 2015**

Fast-track, simplified  
and free-of-charge  
**startup access to  
THE FONDO  
CENTRALE DI  
GARANZIA**

**TAX CREDITS FOR  
INVESTMENTS IN R&D**  
up to €5 mln per year

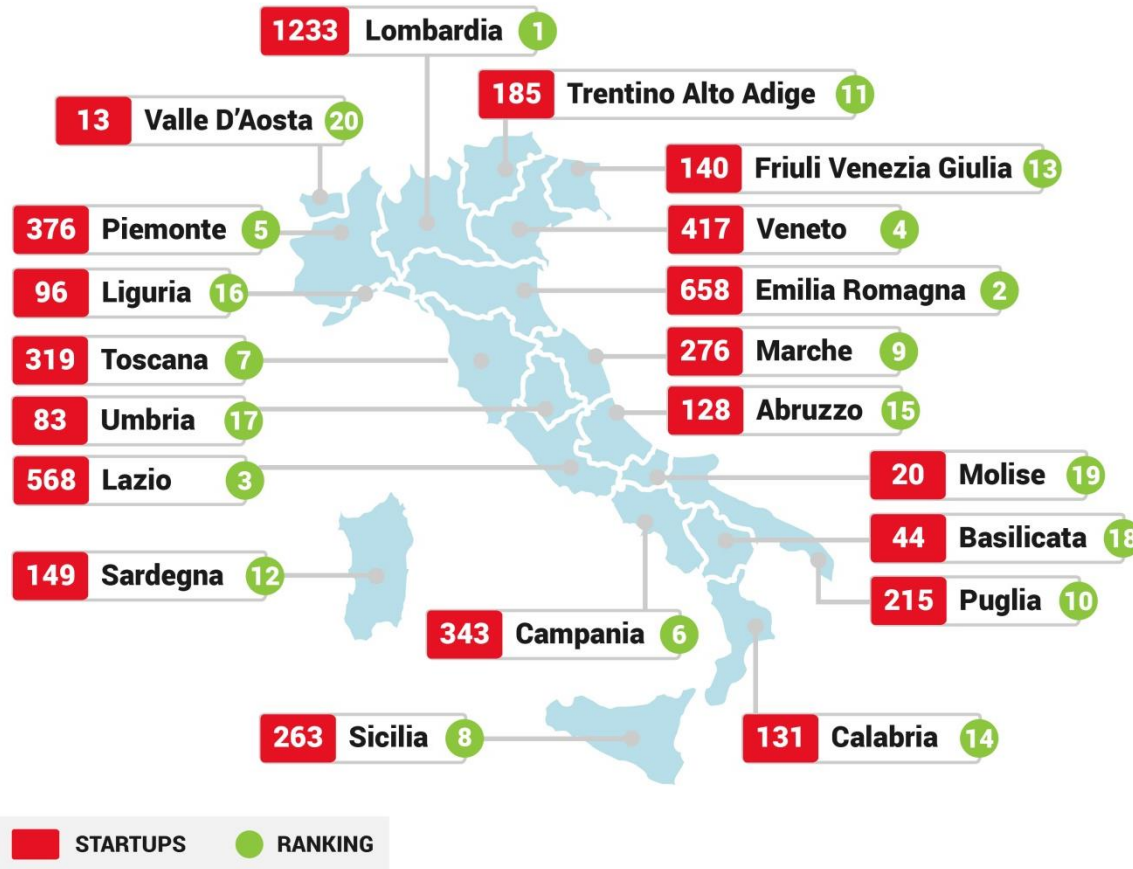
**SPECIAL  
LABOUR LAW**  
applicable to startups

Startups can  
**REMUNERATE** their  
team members and  
providers of external  
services with **STOCK  
OPTIONS**

**PATENT BOX**  
  
Tax incentive to  
encourage companies  
to make profits from  
their patents

# ITALIAN STARTUPS ECOSYSTEM

> 5.600 STARTUPS ARE GROWING IN ALL REGIONAL AREAS



DECEMBER 2015

INNOVATIVE STARTUPS  
**5.118 (+60%)**  
vs December 2014

DECEMBER 2015

JOBS  
**26.481 (+70%)**  
vs December 2014

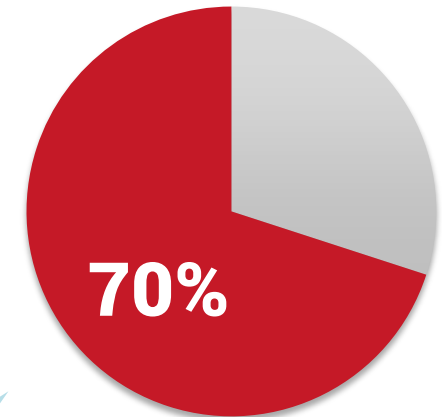
Source: InfoCamere - [startup.registroimprese.it](http://startup.registroimprese.it)

# DIGITAL MAGICS AND REGIONAL AREAS

## AN EXTENDED NETWORK OF LOCAL BRANCHES



DM BRANCHES NEXT OPENINGS



Digital Magics branches cover more than 70% of Italian regional areas.

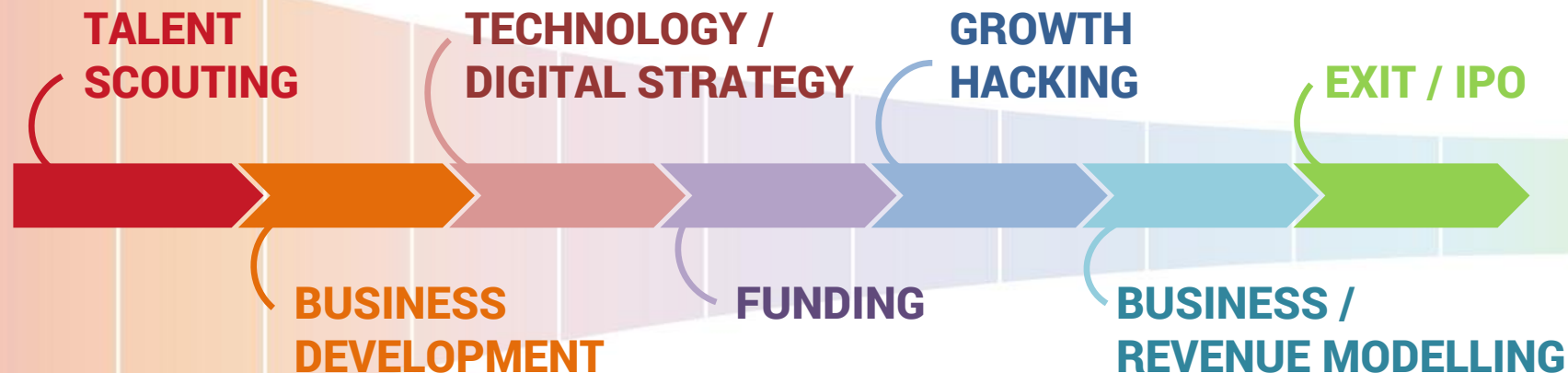


# OPPORTUNITY AND COMPETITIVE ADVANTAGES

**The platform launched by Digital Magics,  
Talent Garden and Tamburi Investment Partners  
aimed at developing *DIGITAL MADE IN ITALY***

# DIGITAL MAGICS: A STARTUPS INCUBATOR

**“From Talent to IPO”:  
WE BUILD AND DEVELOP SUCCESSFUL  
DIGITAL COMPANIES**



# THE LEADING PLATFORM FOR *DIGITAL MADE IN ITALY*

**WITH TALENT GARDEN  
AND TAMBURI INVESTMENT PARTNERS**



**Talent  
Garden**



**DIGITAL  
MAGICS**



**TAMBURI INVESTMENT PARTNERS S.P.A**

**1° EUROPEAN  
CO-WORKING NETWORK**

- ▶ **EVENTS & EDUCATION**
- ▶ **CO-WORKING & COMMUNITY SERVICES**

**1° ITALIAN  
*BUSINESS INCUBATOR***

- ▶ **SEED FUNDING**
- ▶ **ACCELERATION SERVICES**

▶ **OPEN INNOVATION**

**1° ITALIAN PRIVATE  
MERCHANT-BANK**

- ▶ **PRE-IPO FUNDING**
- ▶ **INNOVATION WITH MADE IN ITALY CHAMPIONS**
- ▶ **CORPORATES, INDUSTRIAL, ANGELS AND CO-INVESTMENT PARTNERS**



TAG is a **global digital co-working campus** for a selected community of **innovators**, providing **talented individuals** with a **creatively designed space open 24/7**, the community, mentorship and services they need to succeed.



## WORK

### Campus

Talent Garden campus is one of the largest and fastest growing European network of smart co-working for digital, tech and creative savvy minds. It features various elements, such as meeting rooms, a café, classrooms, fablabs, event spaces, corporate labs, relaxation and games areas.

**16** CAMPUS WORLDWIDE



## LEARN

### TAG Innovation School

The school, dedicated to digital innovation, offers a variety of training programmes, bootcamps, masters and executive education programmes for individuals and corporates. It is a unique learning experience with flipped classrooms, participatory approach, design thinking and learning-by-creating methodologies.

**550** EVENTS



## CONNECT

### Events

TAG Events is a set of various formats, from community to corporate projects, fostering creative and tech innovation within different sectors. TAG's largest festival, Supernova, counts over 90.000 yearly participants and aims at showcasing creative innovation to the mass.

**1.200** TALENTS

. T . I . P .

TAMBURI INVESTMENT PARTNERS S.P.A

**TIP is an independent, diversified and global investment - merchant bank** that has been focusing on «excellent» companies, operates as advisor and investor. **TIP** is a real public company that has as **stable shareholders** some of the **most important Italian entrepreneurial families**, able to provide industrial know-how and sometimes to participate, as co-investor, in transactions of especially relevant size.

## A UNIQUE BUSINESS MODEL

### INVESTMENT STRATEGY:

- ▶ **real medium / long term perspective**
- ▶ **minority interests**, leaving operating management to the entrepreneurs
- ▶ «leverage» on the **enormous - and unique, at least in Italy –know-how** built over time

TIP is not a private equity firm and **does not «impose» exits**: on the contrary, following the growth of the investees, it aims to invest with a long-term perspective and **accompany the companies over time instead of aiming to «get back»** the money invested.

## CORPORATES AND INDUSTRIAL PARTNERS



## CO-INVESTMENT PARTNERS





# INVESTING IN DIGITAL MAGICS: REASON WHY

**Digital Magics is a leader in the momentum  
powering the digital revolution in Italy**

# DIGITAL MAGICS TEAM

>300 years of  
digital  
experience



# DIGITAL MAGICS IN NUMBERS

**>70**  
STARTUPS  
INCUBATED

**>500**  
JOBS CREATED

**>7.000**  
«PITCHES»  
EXAMINED



**57**  
STARTUPS  
IN PORTFOLIO

**6 EXIT**  
**>30% IRR**  
**5M€ REINVESTED**

# DIGITAL MAGICS PORTFOLIO

## 7 SECTORS AND 57 STARTUPS

### DIGITAL MEDIA

**REVO** menu



**YOU**ng  
SCRAP THE WORD.

**Network Mamas**

**mimesi**  
press web social

easy baby

**VOLUMEET**

**trovalazampa**

**intertwine**  
create, share, publish.

**WAZZAP**

**skillme**

**M'ANGIONE**

### FINANCIAL TECH

**JumpStartFund**  
Ideas Powered by the Crowd

**PRESTIAMOCI**  
CHIEDI. PRESTA. SOGNA

**SOLO**

**GROWISH**  
La collettta facile e sicura

**DE REV**  
BE THE CHANGE

**CAMBIOMERCI**  
BATTER SYSTEM NETWORK

**Private Broker**

### B2B TECH

**SHARIDE**  
share your ride make new friends

**tag**

**eclettica**

**simapsi**

**APPMETRICS**

### DIGITAL MARCOM

**emotional TARGET**

**AdRaptors**

**ProFeeling**

**add**

**buzzZoole**

**LX**

**MARKETPLACE**

**WIKIRE**

### E-COMMERCE

**PREMIUM STORE**

**Profumeria Web.com**

**Quomi**

**WeBeers**

**WISHLIST**

**JUMPIN**

**Pneusmart**

**ulaola**  
the Italian excellence

**FOODSCOVERY**

### TRAVEL TECH

**Hotelbrand**

**smappo Plannity events**

**Tripitaly**

**beestay**

**IOUSPA**  
TRAVEL & TOURS MANAGEMENT

### INTERNET OF THINGS

**let.life**

**morpheos**

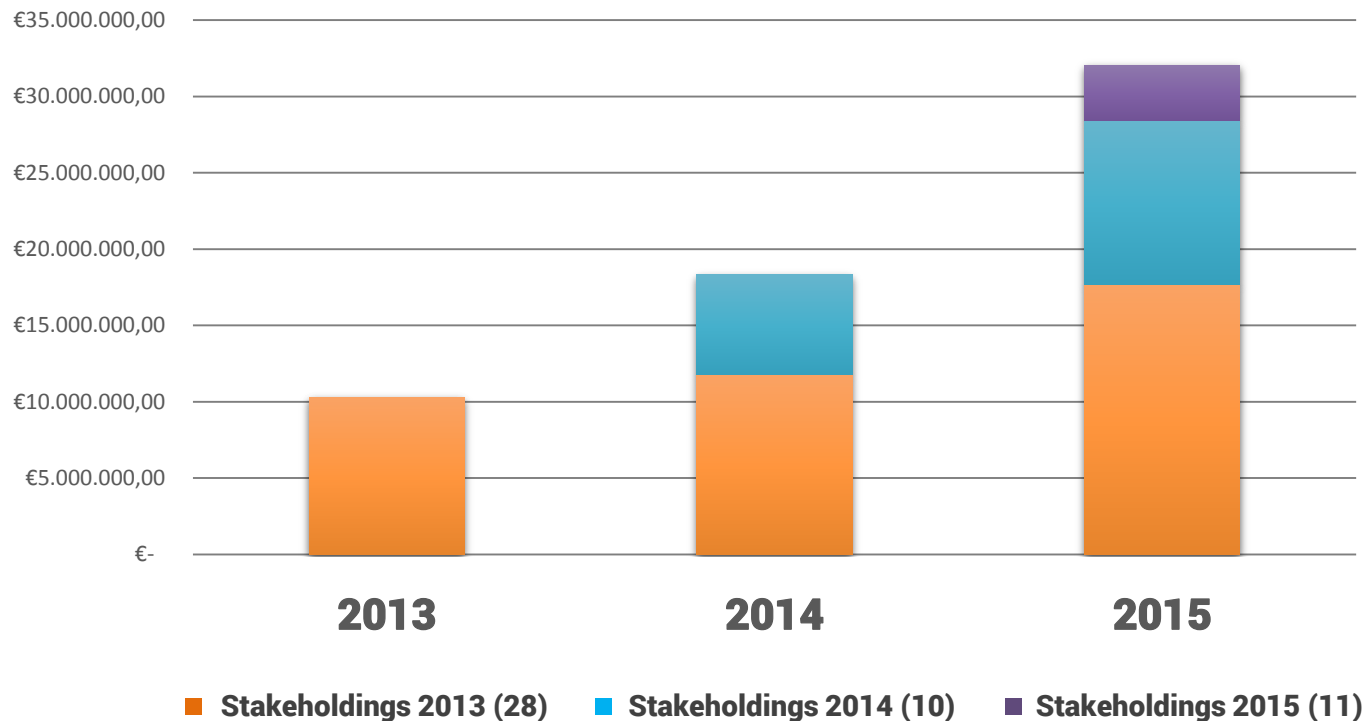
**almadom.us**

**R3L0V**  
FUTURE ON THE ROAD

# STARTUPS AGGREGATE TURNOVER

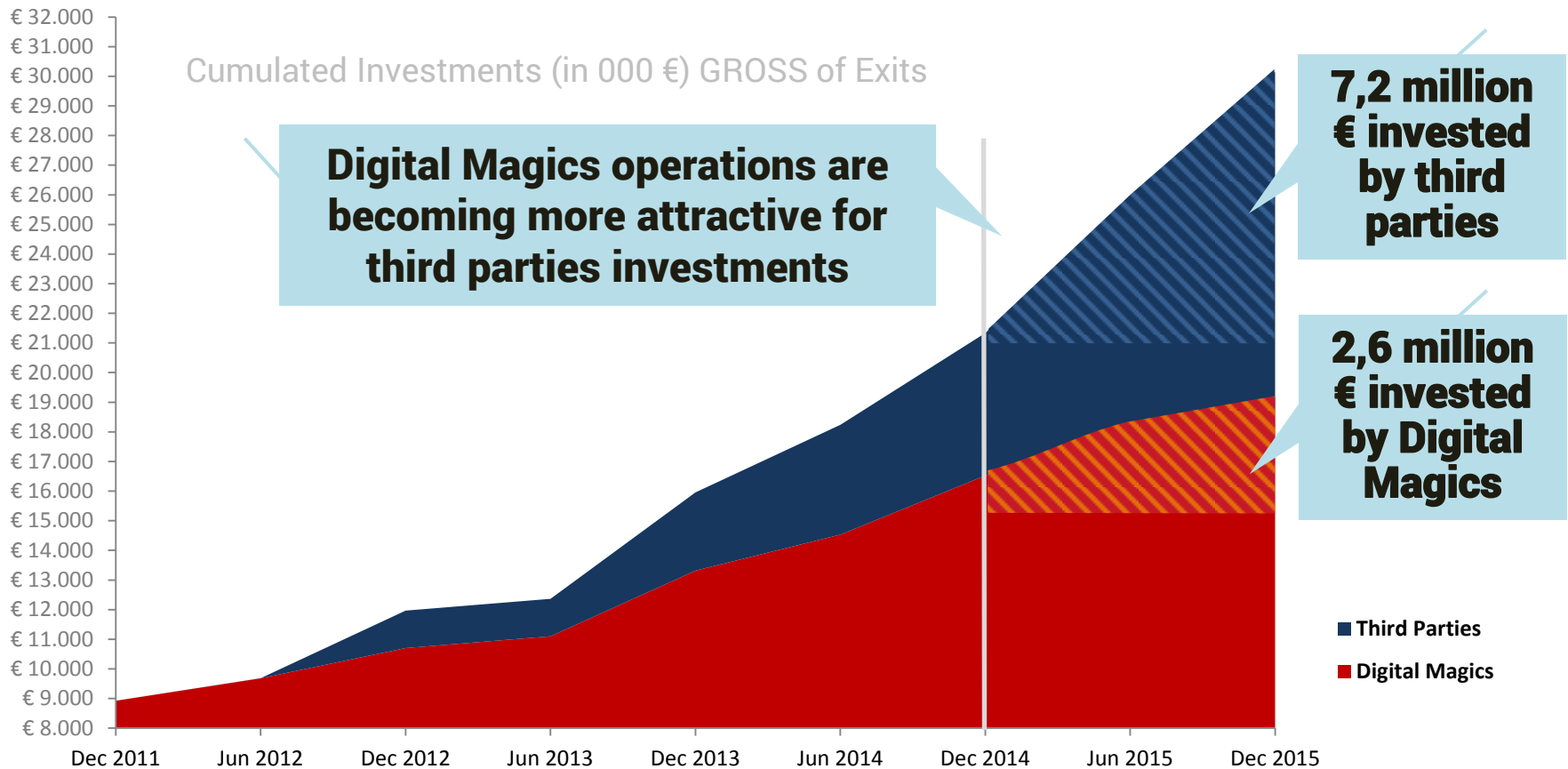
**REVENUES TREND (+209% vs 2013, +73% vs 2014)**

## EVOLUTION OF STARTUPS' REVENUES



# STARTUPS FUNDING

**RAISED MORE THAN 30 M€ UNTIL DEC 2015**  
**18,7 M€ INVESTED BY DIGITAL MAGICS + 11,4 M€ BY THIRD PARTIES**



# PORTFOLIO 2015 HIGHLIGHTS



WISHLIST



VOLUMEET



ProfumeriaWeb.com

- 11 NEW STARTUPS in portfolio
- 9,8 M € NEW INVESTMENTS IN STARTUPS (+88% compared to 2014)
- 32,5 M € AGGREGATE TURNOVER 2015 OF STARTUPS in portfolio (+73% compared to 2014)



In June DADA invested 2,1 M € in 4W MARKETPLACE for a 25% stake through the transfer of ProAdv/Simply



In December PRESTIAMOCI placed capital increase of 2 M €. Innogest SGR, Banca Sella Holding S.p.A., Club Italia Investimenti 2 and important Italian and international investors participated in the deal

# CORPORATE 2015 HIGHLIGHTS



**SUBSCRIBED 5 M €  
OPTION CAPITAL INCREASE**

- Fully subscribed the offer of 1,008,183 new ordinary shares of DIGITAL MAGICS S.p.A. for an amount of € 4,990,505.85 (with 20% of overbooking)
- It was the opportunity to create the “Digital Made in Italy Platform”: TIP invested in Digital Magics (it owns now ~ 18%) and Digital Magics invested in TAG (it owns now ~ 28%)

**Posteitaliane**



- Launched ambitious agreements of Open innovation to select the main innovative solutions emerging from the world of digital startups



**MARCO GAY**

President of the Young Entrepreneurs and  
Vice President of Confindustria  
Deputy Chairman of Digital Magics

- New Governance and entry of Marco Gay onto the Board taking the position of Deputy Chairman
- Agreement for the entry of MARCO GAY into the capital of Digital Magics with a relevant share (5%)

**2015**
**2014**
**Δ**
**REVENUES**
**2,45 M€**
**2,45 M€**
**≈**
**EBITDA**
**190 K€**
**127 K€**
**+ 49%**
**EBIT**
**-231 K€**
**-220 K€**
**≈**
**NFP**
**- 1 M€**
**- 2 M€**
**+ 1 M€**
**Net Invested Capital**
**17,7 M€**
**14,9 M€**
**+ 2,8 M€**
**Shareholders' equity**
**16,6 M€**
**12,9 M€**
**+ 3,7 M€**
**Portfolio Fair Value**
**45,4 M€**
**Current Price**
**4,7 € (May, 17 2016)**
**Target Price**
**7,4 €**
*by research Integrae Sim (April 7, 2016)*

# WE HELP CORPORATES WITH OPEN INNOVATION PROGRAM

## HOW TO INNOVATE CORPORATES WITH DIGITAL STARTUPS?

Offering  
talent  
scouting  
services

Creating  
digital  
spinoffs

Investing  
in digital  
startups

Buying  
Digital  
Assets

Funding  
vertical  
incubators

Supporting  
M&A  
activities

### Shared agenda



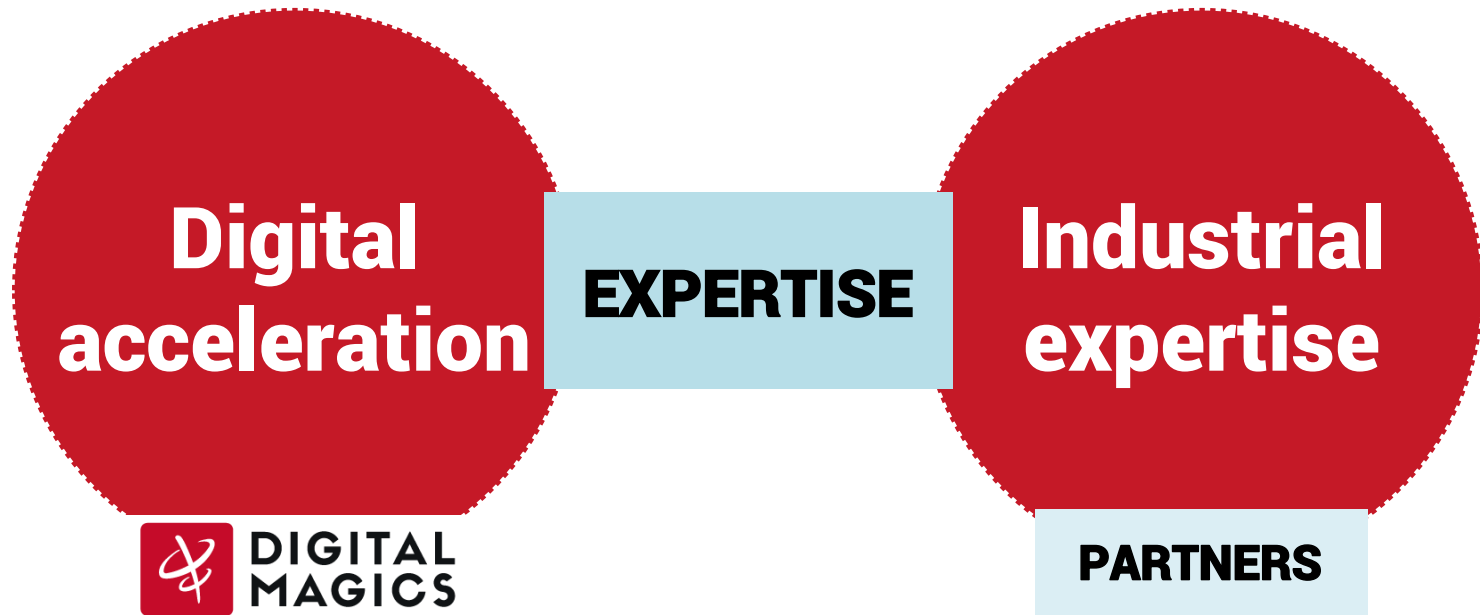
#### INDUSTRIAL PARTNERS



The Open Innovation program has the aim of **supporting corporations** during their **process of internal innovation thanks to digital startups**

# A STRONG INDUSTRIAL EXPERTISE

The open innovation program combines the **expertise of industrial partners** with **the digital acceleration expertise of Digital Magics**





# PLAN 2016-2018

# PLAN 2016-2018

**100** NEW STARTUPS  
**50** TAG CAMPUSES  
(ITALY AND EUROPE)

**100 M €**  
STARTUPS  
AGGREGATE  
TURNOVER

**3 – 5**  
EXITS

**LEADERSHIP  
IN OPEN  
INNOVATION**

**NEW SYSTEM  
PARTNERS**  
STRATEGIC  
DEVELOPMENT OF SOCIAL  
COMPAGES, WITH NEW  
SYSTEM PARTNERS

**Borsa Italiana**  
LISTING ON THE MAIN  
MARKET

# INVESTMENT OPPORTUNITY



**Digital Magics** has a **strictly industrial approach** to digital innovation, based on the **skills and expertise of a dedicated team** of entrepreneurs and successful professionals in the sector.

**Digital Magics** is strategically focused on seizing **the great opportunities for growth of the italian digital economy**; with **57** shareholdings in startups and scaleups, that once selected are consistently supported in their development, **Digital Magics acts as a «ETF» in digital innovation.**



# DIGITAL MAGICS

## From Talent to IPO

Thanks for joining us 😊