

# **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 Previtera

Fausto Forti <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>

Secondina Giulia Ravera <sup>(1)</sup> <sup>(2)</sup>

Francesco Umile Chiappetta <sup>(1)</sup> <sup>(2)</sup>

### **Board of Statutory Auditors**

#### **President**

Giorgio Mosci

#### **Statutory Auditors**

Piergiorgio Re

Ada Alessandra Garzino Demo

#### **Auditing firm**

EY 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>2018</b>	<b>%</b>	<b>2017</b>	<b>%</b>	<b>2016</b>	<b>%</b>
Revenue	1,035,793	100.0	884,434	100.0	780,739	100.0
Gross operating income	144,836	14.0	123,244	13.9	106,417	13.6
Operating income	132,410	12.8	113,873	12.9	99,594	12.8
Income before taxes	139,217	13.4	110,310	12.5	97,405	12.5
Group net income	99,913	9.6	77,871	8.8	67,544	8.7

<b>FINANCIAL FIGURES (THSD EUROS)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Group shareholders' equity	485,297	401,404	337,017
Non controlling interest	1,315	668	520
Total assets	1,076,104	871,154	770,575
Net working capital	145,288	167,870	160,404
Net invested capital	420,060	345,041	308,779
Cash flow	119,835	73,202	79,497
Net financial position	66,552	57,030	28,758

<b>DATA PER SHARE <sup>(1)</sup> (EUROS)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Number of shares	37,411,428	37,411,428	37,411,428
Operating income per share	3.54	3.04	2.66
Net income per share	2.67	2.08	1.81
Cash flow per share	3.20	1.96	2.12
Shareholders' equity per share	12.97	10.73	9.00

<b>OTHER INFORMATION</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Number of employees	7,606	6,456	6,015

<sup>(1)</sup> For 2016 the number of shares were redetermined following the Stock split resolved by the Extraordinary Meeting held on 13 September 2017, through the allotment of four (4) new ordinary shares per each ordinary shares owned.





# LETTER TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

*2018 was a significant year for Reply. The Group's turnover exceeded 1 billion Euros for the first time, up more than 17% compared with 2017. We have asserted our standing as a market leader in an extremely competitive environment. This is thanks to a constant commitment to placing innovation at the very centre of our approach, both in terms of skills and expertise, as well as the services offered to our customers.*

*Over the last few years, we have collaborated to build a solid group that is an acknowledged leader in international markets, driven both by technical excellence and our ability to adapt to change. This has enabled us to compete in an ever-more globalised environment that is now shaped by both physical and digital communications and interactions.*

*Reply distinguished itself in 2018 thanks to its extensive know-how across the full digital spectrum. These achievements are the result of our investments in research and development and the constant re-engineering and evolution of our products and services, which integrate specialist skills and expertise across artificial intelligence, technology platforms, digital experience and strategic consulting.*

*Extensive automation, triggered by the interaction between the cloud, big data and the Internet of Things, is affecting and redefining every sector. The use of robot technology will bring efficiency and cost reduction. The continuous development of 3D printing will dramatically affect production and business models, while other fundamental changes will be driven by the emergence of the latest immersive reality and quantum computing frameworks.*

*As a result of ever-more intelligent machines and systems, along with ecosystems based on collaboration between humans and robots, our lives will soon be supported by new technologies incorporating the internet, smart devices and virtual environments, in turn driven by artificial intelligence.*

*Soon, we will all face a new reality that will change our way of being, how and what we perceive, our conventions and our current rules. From the automotive sector to banks, from telecommunications to the media, from manufacturing to healthcare, from communication to logistics, everyone will determine their very own digital transformation, which will inevitably lead them to a new service economy.*

*This shift will not only affect customers, but also consulting firms. Reply is one of the few companies in the market with a unique mix of skills and expertise that extends from strategy to design, from digital technologies (cloud computing, big data, e-commerce, digital experience) to the enabling architecture.*

*It is, however, imperative not to cease this development and to continue actively investing in knowledge, capitalising on and interpreting this almost daily evolution and expansion of technology. Our ability to be competitive will be closely linked to the capacity to experiment and innovate, enabling us to bring new products and services to the market just as quickly.*

Chairman of the Board

  
**Mario Rizzante**