

Letter to stakeholders



Giuliano Asperti
Chairman

For the second year running, we are pleased to present you our Sustainable Value Report. The Report is prepared together with the Consolidated Financial Statements and illustrates, with data and information not necessarily of an economic and financial nature, what the Group accomplished in 2016 to achieve the sustainable development of its business and to create value also from a social and environmental perspective.

Today, a company is “sustainable” when it is able to maintain and increase its performances over the long term, by balancing its interests and those of its stakeholders: shareholders, customers, suppliers, through to the community and the environment.



Massimo Arrighetti
CEO

In order to better achieve this balance, in 2016 we updated the materiality matrix, that is, the map of the most significant aspects according to the company and to its main stakeholders, which are reported for sustainability purposes. The updating involved a large number of customers, suppliers and employees of the Group’s Italian and foreign companies who were asked to assess, each from their own perspective, the aspects that were stated in our 2015 Value Report. The outcome of this analysis, which is detailed in this report, provides an interesting picture of the factors that are considered essential for SIA Group’s sustainable growth over the medium-long term. Among these, economic results, service continuity and quality, privacy and customer data security are at the top of the list.

Regarding the first point, SIA ended year 2016 with all main indicators on the rise for the fifth consecutive year. Group revenues increased reaching € 468.2 million (+4.2% against 2015), EBITDA amounted to € 124.9 million (+0.8%), results before taxes totalled € 103.7 million (+3.1%) and net profits settled at € 70.4 million (+0.8%).

Added Value, namely the wealth created by the Group in favour of its stakeholders, was above € 270 million, in line with the previous year. Almost half of this value was distributed to personnel in the form of salaries, benefits and welfare, 16.2% used for the remuneration of shareholders, 17% designated to the public administration in the form of taxes and duties, and 16.7% was invested in the company as reserve and amortisation.

Regarding the second aspect, service continuity and quality, our service levels – which were confirmed and verified during 2016 – were close to 100% in all of the sectors in which we operate, reaching a full 100% in network services. The 2016 customer satisfaction survey confirmed customers’ growing appreciation in all areas of activities, with an average score above 8 on a scale from 1 to 10. We also reached the highest possible standards in terms of data security, to such an extent that one of the strong points that distinguishes the Group is indeed reliability.

SIA’s activity has a strong impact on the economic and social fabric of our country, of the entire European Union and all of the 46 countries spread across Europe, the Middle East, Africa and Oceania where technological and innovative service structures contribute to improving the efficiency of financial

institutions, corporates and public administration, as well as making it easier for citizens to carry out many daily operations that have now become customary and ever more frequent. Digital payments, instant payments from smartphones, support to the process for the digitalization of capital markets, financial institutions and public administration, and advanced services for local public transport, healthcare, public welfare, the agricultural sector and retail trade. Drawing on its experience and skills, the Group is able to make a major contribution in terms of innovation and efficiency in many different sectors.

We have made excellence our main strength and we attract talents who find in the Group a stimulating environment, where they can develop their professional skills. Again in 2016, over 100 people were hired, 68% of which were graduates. Including the two companies acquired on 31 December 2016, there are over 2,000 employees in the Group's 10 companies with offices in Italy and in another 9 countries. 96% of our people have a university degree or secondary school leaving certificate, and women make up around one third of our workforce. We offer a rewarding and merit-based salary policy to all of our employees, without any distinction to gender and with extensive training and career-development opportunities. We also provide our people with a highly appreciated corporate welfare system, aimed at ensuring that each employee receives a wide range of benefits and the best conditions to reconcile work life and personal life: in 2016, over 40% of staff made use of smart working solutions, such as remote working and flexible work.

From a social, scientific and cultural viewpoint, SIA Group collaborates with Universities, Research Centres and specialised Observatories by promoting and sponsoring initiatives and study projects in the IT, financial and economic sectors, by funding scholarships and research activities in the medical and scientific field and by supporting humanitarian entities and organisations in their activities to aid the most vulnerable members of society.

Although environmental concerns are not a critical part of the Group's business, our conduct focuses on issues ranging from the use of green energy to material recovery and recycling, and from the independent production of solar energy to energy saving in workplaces thanks to specific technologies, through to the promotion of sustainable mobility for work-related travel.

In order to strengthen the relationship between sustainability and development, during the last months of the year, a Sustainability Plan was prepared for the next three years together with corporate management. The aim of the Plan is to define the qualitative and quantitative goals, the concrete actions, and the roles and responsibilities of the various areas involved, in compliance with SIA's values and with the guidelines of the 2017-2019 Strategic Plan. We want sustainability to become an increasingly integral part of our corporate strategy, widely shared by management and all of the Group's employees, in the firm belief that this approach may bring about positive results for our stakeholders.

At the close of this year and of the three-year term of office of this Board of Directors, we would like to thank each one of you for all that we have accomplished together and for the trust you have placed in us. We have laid the foundations for further growth during these three years and especially in 2016. We are certain that results will not fail to arrive and that SIA Group will be able to continue its journey towards excellence. And towards sustainability!

GIULIANO ASPERTI
Chairman

MASSIMO ARRIGHETTI
CEO