

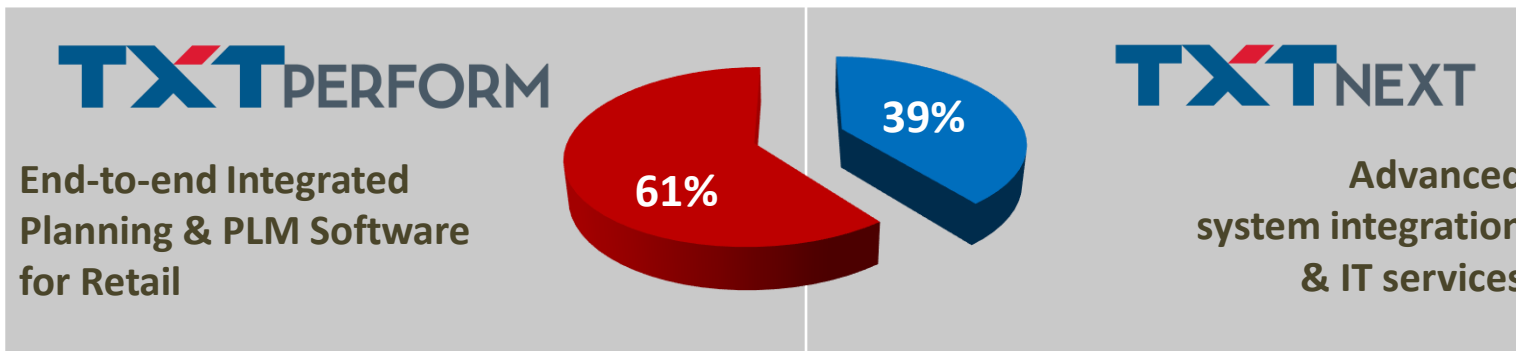
# Meeting with Investors & Analysts

December 17<sup>th</sup>, 2013



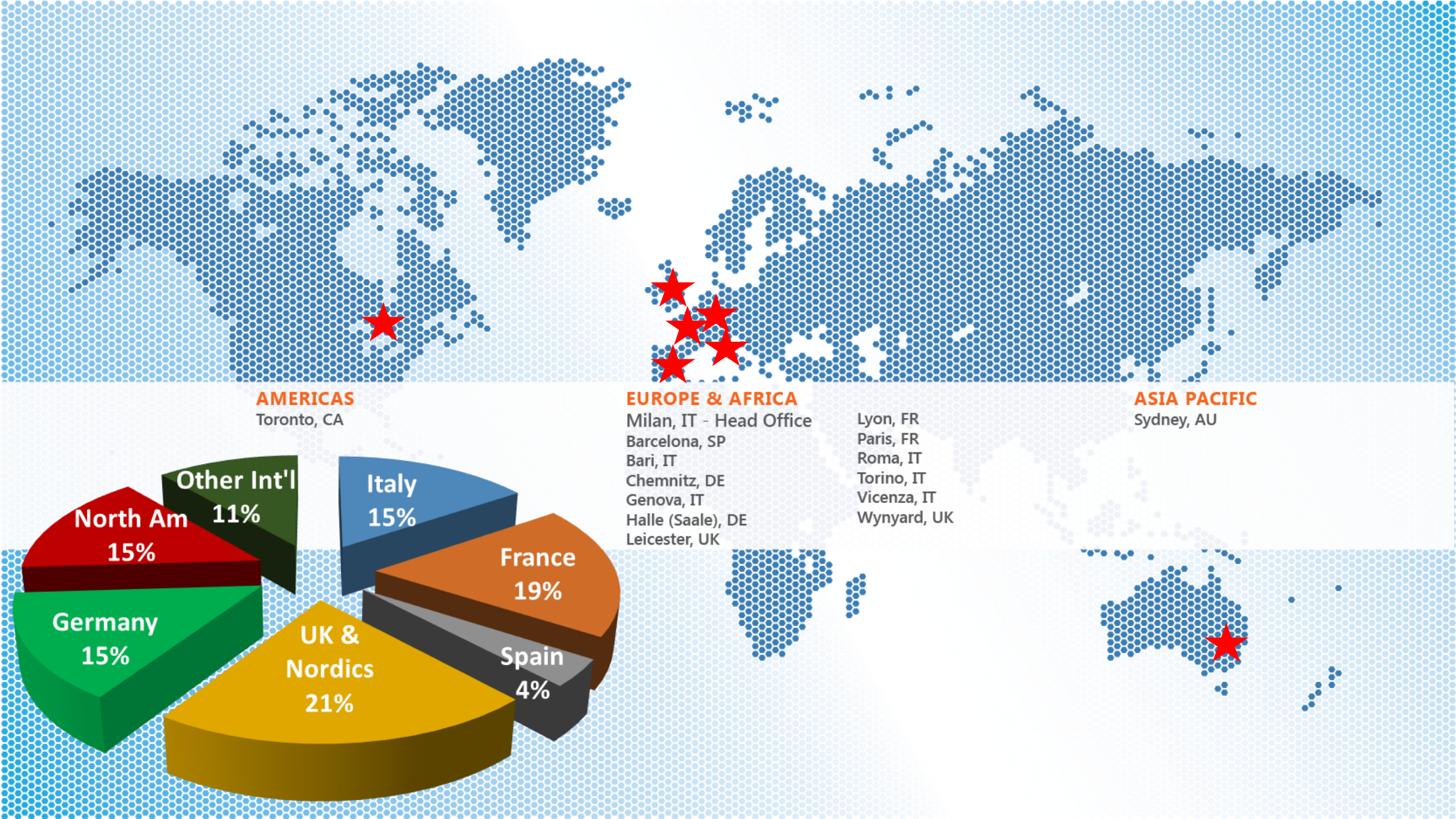
## 9 Months - 2013

▪ <b>Revenues:</b>	39,6 m€	(+16,2% vs. 9-months 2012) (vs. 40,1 m€ Full Year 2011)
<i>of which</i>	54% 26%	<i>International</i> <i>Software</i>
▪ <b>EBIT from Operations:</b>	3,8 m€	(vs. 3,6 m€ in 9-months 2012) (vs. 0,9 m€ Full Year 2011)
▪ <b>NFP:</b>	6,3 m€	(vs. 6,0 m€ on 31/12/2012)
▪ <b>Treasury Stocks</b>	685.000 shares (ave. Purchase price 4,9 €/share)	
▪ <b>Free Cash Flow</b>	8% of Revenues	



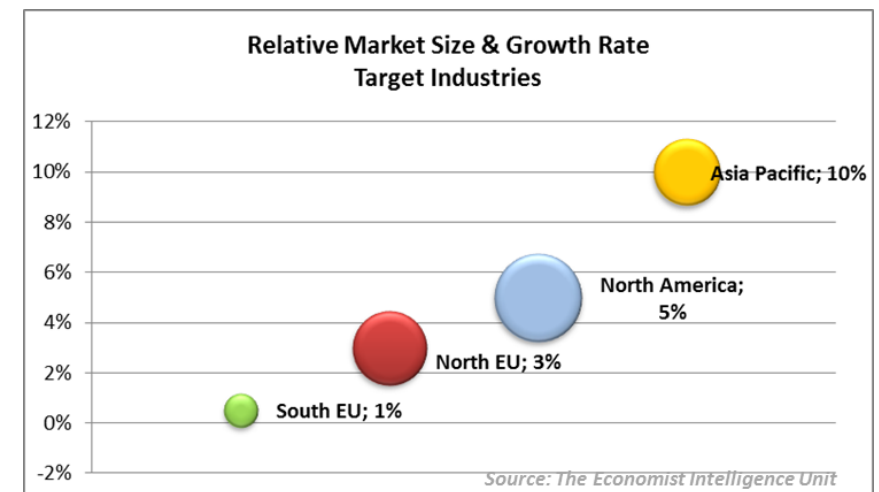


- **Acquisitions:** Maple Lake in September 2012 (8,8 m€ Cash + 1,5 m€ Shares)
- **New TXTPerform Products:**
  - TXT On-Cloud;
  - TXT Mobile;
  - 4 new Mobile PLM & Planning modules
- **Dividends distributed** in 2011, 2012 & 2013; planned for 2014
  - Dec. 2011: 2 €/share extraordinary
  - Apr. 2012: Free Share Distribution 1:1
  - Apr. 2013: 0,3 €/share ordinary + 0,1 €/share extraordinary
  - Feb. 2014: Free Share Distribution 1:1
  - Apr. 2014: planned cash dividend
- **Share Price:**
  - From           4,25 € (Jan 1st, 2012)
  - To             16,49 €     (Dec 13th, 2013)

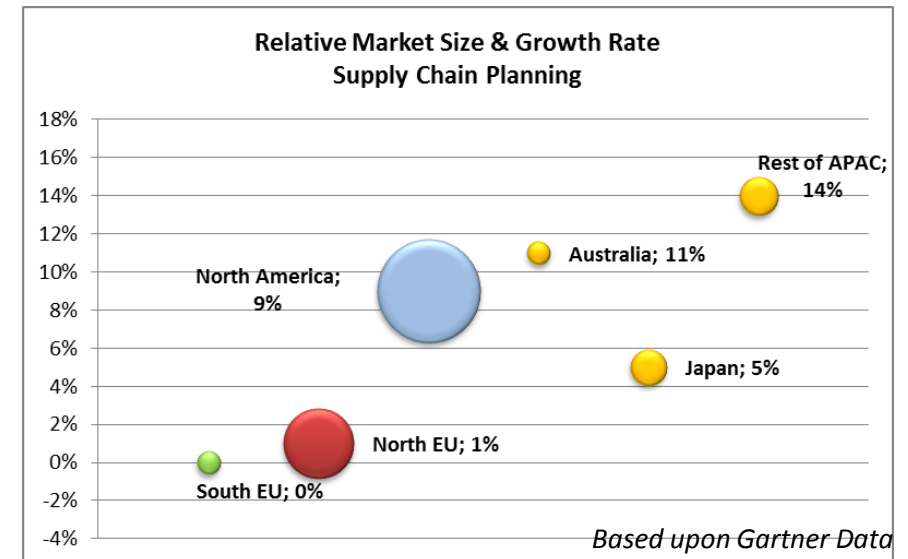
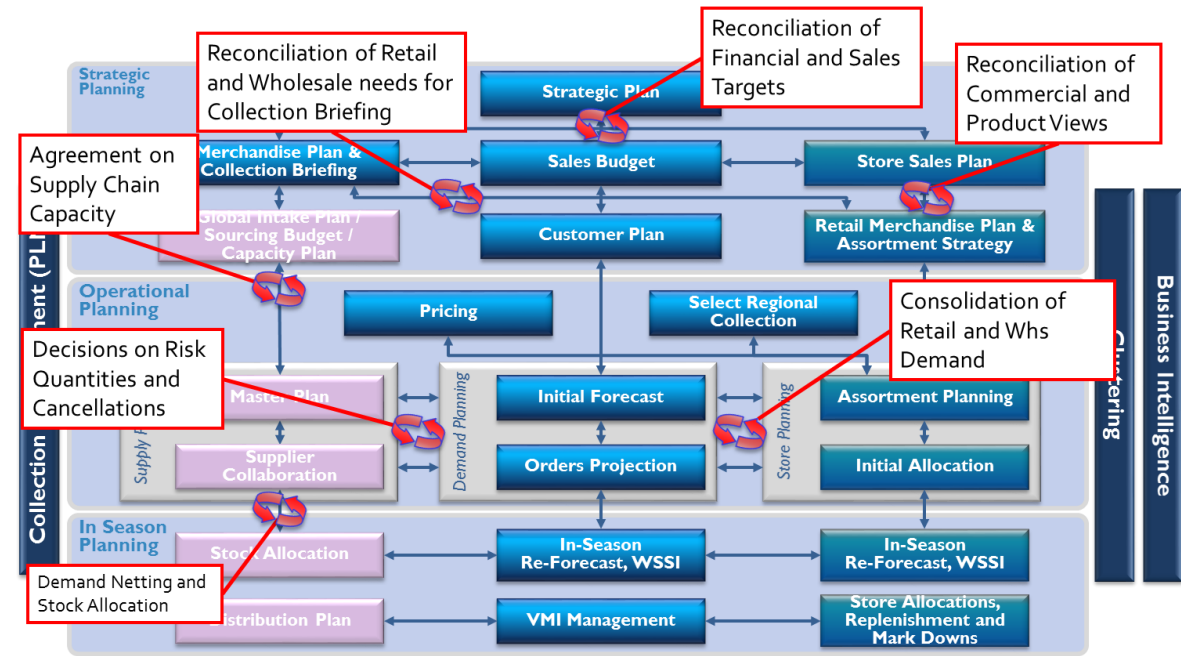




- ~1.000 mid-large (> 300 m€) Retailers in Europe & North America
- A dynamic Industry transforming itself, challenged by increasing complexity, speed and economic, social & technology changes
- Retailers are big IT spenders: they account for >10% of the Global IT Industry
- We focus on the healthiest & best performing segments:
  - Apparel & Footware: performing above average
  - Fast-fashion: growing faster than traditional apparel
  - Luxury: fastest growing (@10+%) & most net-profitable segment



- **Planning Processes** are «THE» enabler to ongoing Industry transformation, ensuring consistency of decisions:
  - Across Functions
  - From Strategy to Execution
  - Across the extended Retailers' organisation;
- They deliver direct & measurable ROI on Sale, Profit, Cash & Working Capital
- 80% of Retailers are based in Western EU & North America and operate World-wide. APAC is growing faster, local players are still immature
- Related IT Applications are a large (750+ m€), growing (@ 5-7% ave. CAGR) Market



- **Deeper integration** across Processes, Actors & Channels
- Traditional **boundaries** across Planning, PLM & Supply Chain applications are **blurring**
- **More Processes, more Actors** (internal & external), **new Channels** (physical & on-line) are entering the scope of «integration»
- «Integration scope» **changing & widening**, as Retail Industry gradually transforms and emerging technologies & applications become industrially mature & productive
- In selected areas, **Decision Making → Optimisation**



Recognised leadership in an already consolidated competitive landscape ...

... with high barriers to entry

## #1 in Core Functional Scope #3 Overall (Functionality & Market Presence)

**Table 1:** Assortment vendor assessment details

Vendor	Aggregated Score	Functional Score	Market Impact	Consumer Centricity
Oracle	7.600	7.680	7.350	8.000
JDA	7.557	7.650	8.750	6.500
<b>TXT e-solutions</b>	<b>7.475</b>	<b>8.900</b>	<b>6.750</b>	<b>7.000</b>
Torex	7.468	7.850	6.750	8.000
Soft Solutions	7.442	8.900	6.950	6.700
SAS	7.425	8.500	7.000	7.000
Predictix	7.300	8.420	7.200	6.500
TCS	7.277	7.800	7.750	6.500
i2	7.046	7.350	6.800	6.800
MID Retail	7.029	7.300	8.000	6.000
AIS	6.801	6.660	6.200	7.750
ITR Software	6.329	6.980	6.450	5.750
Lawson	6.270	8.050	5.200	5.750
Epicor	6.204	8.550	5.750	4.500
Galleria	6.006	6.750	5.950	5.500
Just Enough	5.924	6.750	5.450	5.750
Island Pacific	5.683	6.220	5.000	6.000
Manhattan Associates	5.660	6.400	5.000	5.750
7thOnline	5.643	6.900	5.450	4.750
Quantum Retail	5.409	6.990	4.650	4.750
ANT USA	5.264	5.750	6.450	3.750
SAP	5.247	6.950	5.950	3.000
Maple Lake	5.181	5.700	6.250	3.750
DemandTec	4.851	3.250	4.950	6.500
Silk Oak Solutions	4.660	6.170	5.450	2.500

Vendor rating for each area:

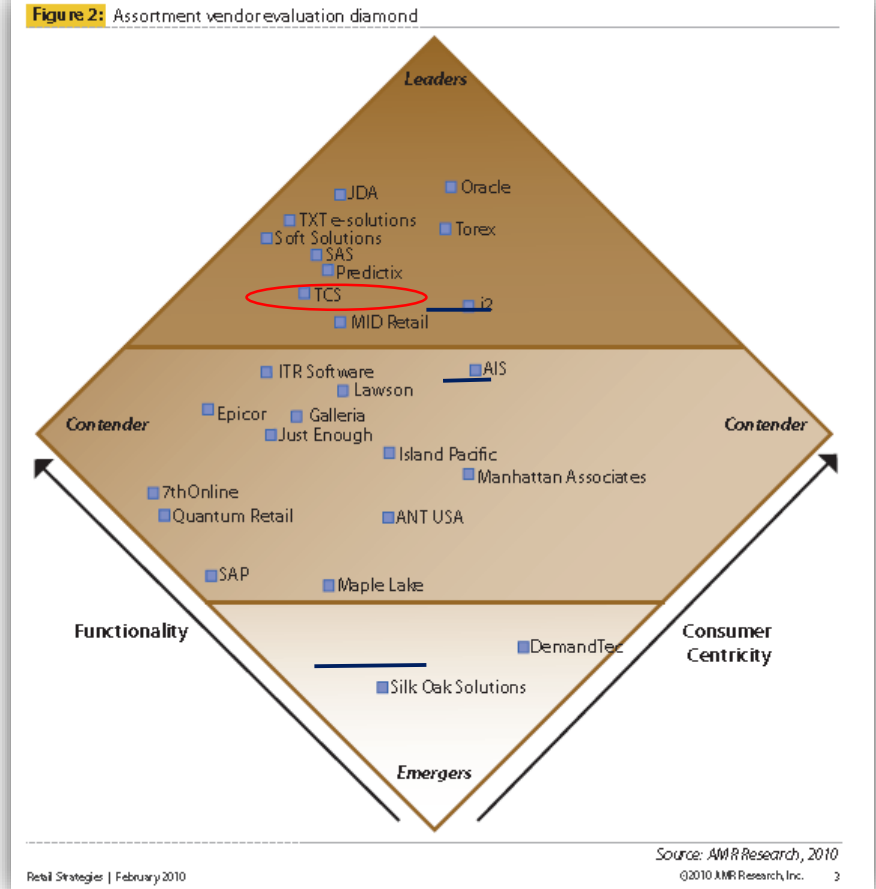
10 Superior	1 Basic
5 Good	0 Lacking

Source: AMR Research, 2010

## TXT Market share:

- ~ 15% in Europe
- ~ 5% "W-wide"

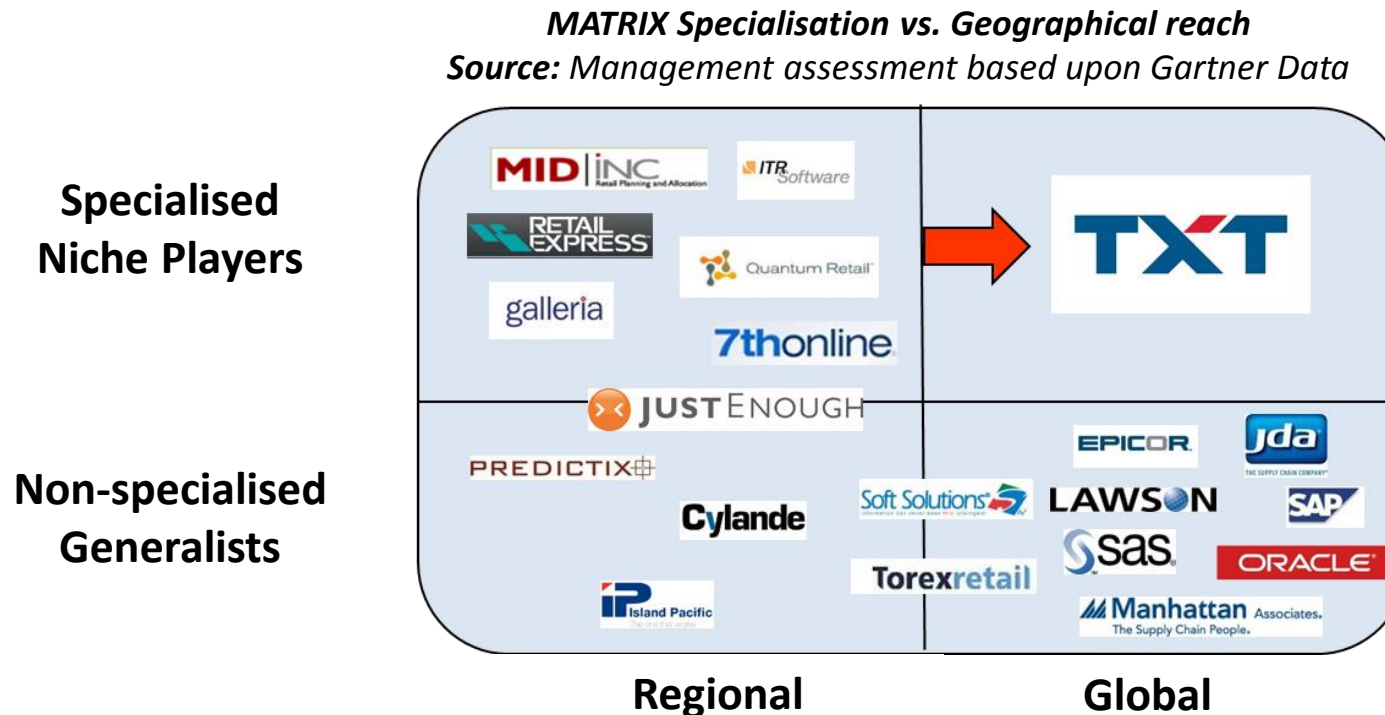
Source: Management's estimate  
based on Gartner's Data





Global leader (= in Top-3 Vendors in Europe & North America) in:

- Fashion, Luxury & Specialty Retail market
- End-to-end Integrated Retail Planning (= Planning, PLM, Supply Chain & Retail Execution)



## How Do We Plan to Capture this Opportunity?

## Growth

1. Extend **Geography**: short-/mid-term North America; in APAC now leveraging on our Customers' presence, longer-term native APAC Retailers.
2. Expand in other **Retail segments**, in addition to Fashion & Luxury; longer-term sell to smaller Retailers
3. Harvest **Customer Base**: not only «net-new» Customers, but new Products & Services to existing Customer Base

# A Unique (by Quantity & Quality) Customer Base, growing each Year

## Retail Planning Expertise across Product Categories & Channels

15 New Customers  
so far in 2013

### LUXURY



### BRANDS



### FAST FASHION



### MULTI CATEGORY



## Retail Planning Expertise across Product Categories & Channels

Existing Customers with major Projects in 2013



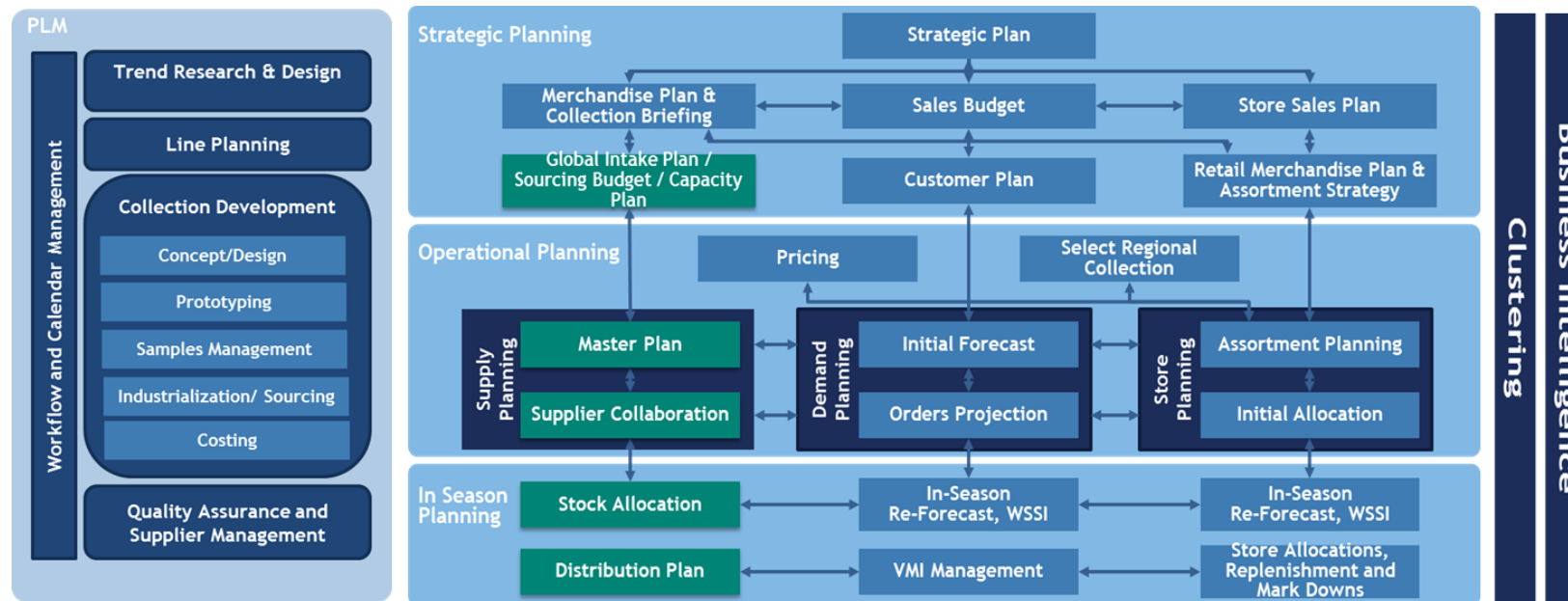


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4. Extend **Products**: deeper & broader, as Retailers mature & their requirements evolve

## End-to-End Integrated Retail Planning is the driving Value Proposition

- Continue **strengthening existing Modules**: more “best practices”, deeper functionality, deeper integration
- **New Modules**: broaden the range of processes covered; widen and “mobilize” end-users’ community
- **Higher Usability**: further lower adoption barriers
- Both “On-premise” and “On-cloud” deployment: further speed-up deployment
- “In-memory” architecture & technology: exploit Retailers’ Big Data assets



100% Consistency across Business Strategy, Products & Operations

## Growth

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4. Extend **Products**: deeper & broader, as Retailers mature & their requirements evolve
5. Expand & monetize **Services**, capitalising on Retail expertise

## Profit

1. Expand **Revenues Mix**, growing both Software & Recurrent (Software & Services) revenues
2. Seek **Economies of scale** in **Direct** and **Indirect Costs**

**Healthy (+12% in 2011-13) & profitable; opportunity to keep growing organically in the long run:**

- Around the «as-is» perimeter and preserving the current good margins
- Building on a **baseline revenue stream** from solid, long-lasting relationships with core customers
- Leveraging on highly specialised industry know-how and outstanding technical capabilities
- Further expanding the customer base in the target markets

## Aerospace & High-Tech

- **Aeronautics:** expand internationally around
  - Embedded Electronics
  - Simulation & Training
  - Digital Manufacturing
- **Automotive & Rail:**
  - Embedded Electronics



**AgustaWestland**  
since 1985

**AleniaAermacchi**  
since 2000

**Wayne**  
since 1994

**PIRELLI**  
since 2012

**MAGNETI  
MARELLI**  
since 2000

**brembo**  
since 2011

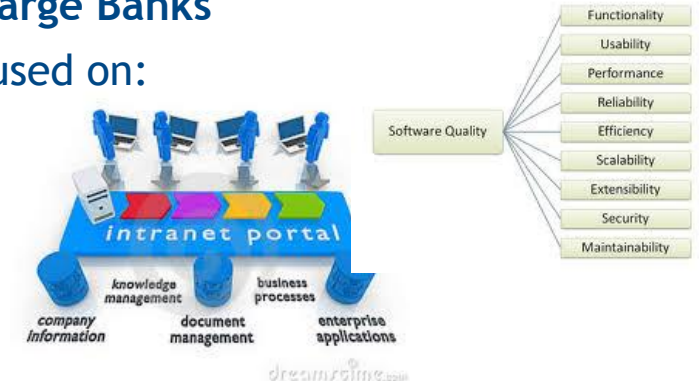
**SIEMENS**  
since 2000

**BOMBARDIER  
TRANSPORTATION**  
since 2013

**ALSTOM**  
since 2013

## Banking & Finance

- **Italian top 50 mid-large Banks**
- A niche player, focused on:
  - IT Governance
  - Software Quality
  - Intranets



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since 1999

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DI MILANO**  
since 1993

**BANCA  
MEDIOLANUM**  
GRUPPO BANCARIO MEDIOLANUM  
since 2004

**INTESA  
SANPAOLO**  
since 1998

**GRUPPO BANCA  
CARIGE**  
since 2013

**GRUPPO BANCARIO  
Credito  
Valtellinese**  
since 2010



- TXT Perform:
  - Retail Industry is **large, growing and healthy**
  - End-to-end Integrated Retail Planning is a «**big niche**» and a **growing investment area** for target clients
  - TXT has a unique offering in End-to-end Integrated Retail Planning, from Collection to Distribution
  - Proven **innovation** capability
  - **Top-quality** and experienced **team**
  - Solid position, with a **large base** of **happy customers** in core markets
  - **Global market presence** and **opportunity to expand** into near retail segments & retail processes
- TXT Next:
  - **Recognised leadership** in Italy and the «**partner of choice**» for all key players in the industry
  - **Highly-fidelised customer** base
  - **Solid**, well referenced **know-how** and **top-quality team**
  - **Opportunity to expand** Internationally (Aeronautics) and in other segments (Automotive & Rail)

- **International** profile: 50+% of Revenues from Int'l markets
- Good Growth in **Revenue, Profit & Cash** in 2011 - 13
- **Large fidelised customer base** of 350+ blue-chip customers: a key asset in good & bad times, hard to replicate for new competitors
- **Solid** presence in **large, healthy markets** with very high **growth potential**
- Open **access** to **North America &, longer-term, Asia-pacific retail markets**
- **Diversified** business: industries, geographies & business models
- **Innovation** is in our DNA: historically a «1° mover» in many markets
- **Cash-at-hand** and **TXT Shares** to self-finance organic & further external growth
- **Stable & solid management** team, who are shareholders of TXT
- **Cash & Stock Dividend policy**
- **Expanding Shareholder base**: co-workers & management; private & retail; institutional investors

- Financial Details

# APPENDIX

# 9-months 2013 - Revenues' Growth & Investments

€ thousand	9m 2013	%	9m 2012	%	Var %
<b>REVENUES</b>	<b>39.611</b>	<b>100,0</b>	<b>34.103</b>	<b>100,0</b>	<b>16,2</b>
Direct costs	18.762	47,4	16.095	47,2	16,6
<b>GROSS MARGIN</b>	<b>20.849</b>	<b>52,6</b>	<b>18.008</b>	<b>52,8</b>	<b>15,8</b>
Research and Development costs	3.618	9,1	2.931	8,6	23,4
Commercial costs	7.616	19,2	6.572	19,3	15,9
General and Administrative costs	4.851	12,2	4.143	12,1	17,1
<b>EBITDA</b>	<b>4.764</b>	<b>12,0</b>	<b>4.362</b>	<b>12,8</b>	<b>9,2</b>
Amortization, depreciation	945	2,4	741	2,2	27,5
<b>OPERATING PROFIT (EBIT)</b>	<b>3.819</b>	<b>9,6</b>	<b>3.621</b>	<b>10,6</b>	<b>5,5</b>
Financial income (charges)	(316)	(0,8)	241	0,7	n.m.
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>3.503</b>	<b>8,8</b>	<b>3.862</b>	<b>11,3</b>	<b>(9,3)</b>
Taxes	(616)	(1,6)	(785)	(2,3)	(21,5)
<b>NET PROFIT FROM OPERATIONS</b>	<b>2.887</b>	<b>7,3</b>	<b>3.077</b>	<b>9,0</b>	<b>(6,2)</b>
Non recurring profit	-	-	552	1,6	n.m.
<b>NET PROFIT</b>	<b>2.887</b>	<b>7,3</b>	<b>3.629</b>	<b>10,6</b>	<b>(20,4)</b>

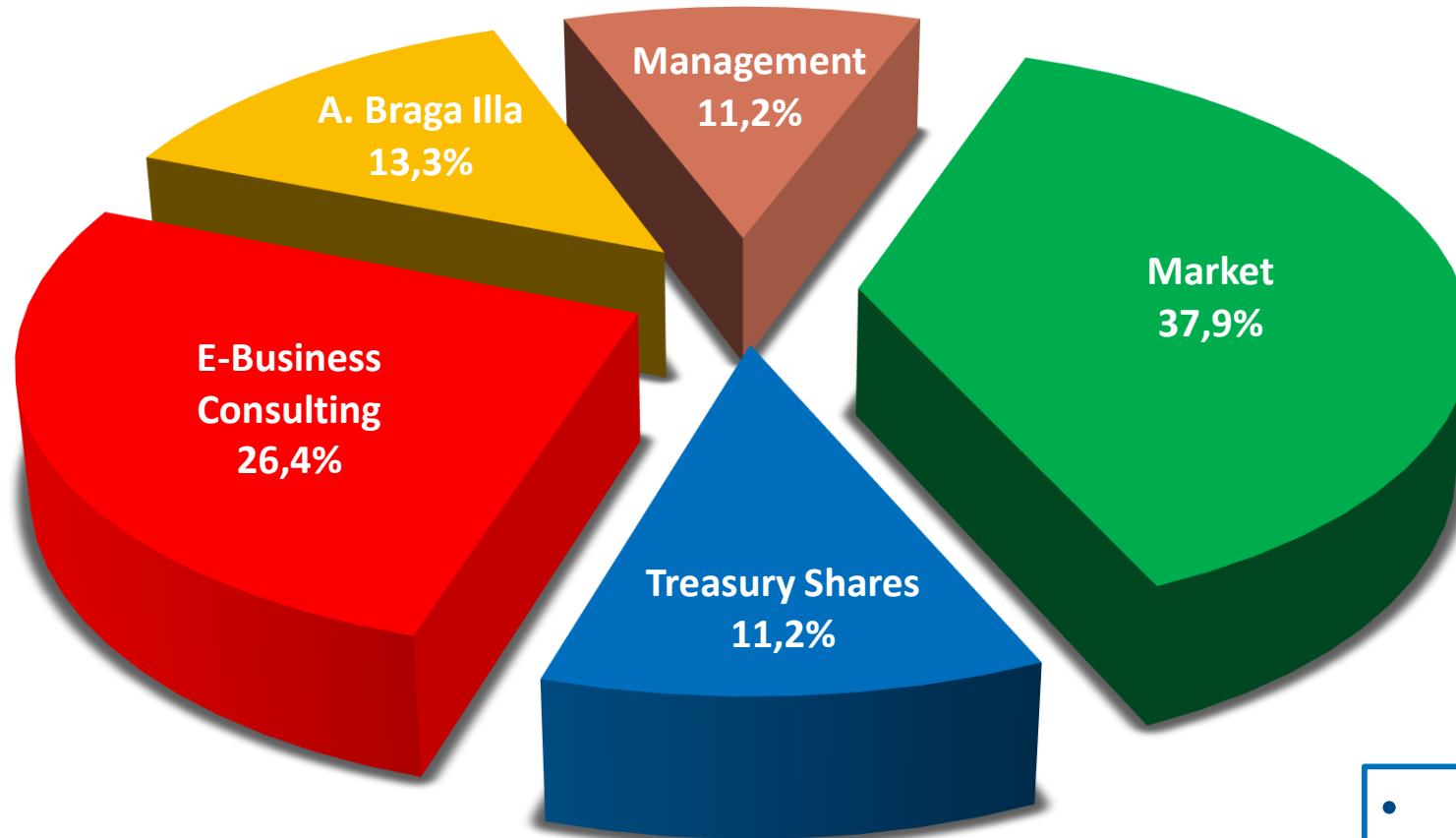
In 9-months 2013:

- Revenues grew +16.2% (+25.4% TXT Perform) and international revenues stand at 54%
- Gross margin grew +15.8%
- EBITDA grew +9.2% after R&D and commercial investments in USA;
- Net income from operations at 7.3% of Revenues.



€ thousand	30.09.2013	31.12.2012 Restated *	Var
Intangible assets	15.732	16.621	(889)
Tangible assets	1.170	1.154	16
Other fixed assets	532	795	(263)
<b>Fixed Assets</b>	<b>17.434</b>	<b>18.570</b>	<b>(1.136)</b>
Inventories	1.608	1.388	220
Trade receivables	18.666	17.274	1.392
Other short term assets	1.685	2.288	(603)
Trade payables	(1.362)	(1.800)	438
Tax payables	(1.420)	(1.838)	418
Other payables and short term liabilities	(12.974)	(12.465)	(509)
<b>Net working capital</b>	<b>6.203</b>	<b>4.847</b>	<b>1.356</b>
<b>Severance and other non current liabilities</b>	<b>(3.361)</b>	<b>(3.415)</b>	<b>54</b>
<b>Capital employed</b>	<b>20.276</b>	<b>20.002</b>	<b>274</b>
Shareholders' equity	26.532	26.023	509
Net financial debt (cash)	6.254	6.021	233

\* Capital Employed as at 31 December 2012 was restated in order to retrospectively include the effects of the final purchase price allocation (PPA) in relation to the Maple Lake acquisition.



- Support of Treasury Stock Purchase Plan, authorised up to 20%

# 2012-2013: Strong Stock Performance

