

TXT e-solutions CORPORATE PRESENTATION

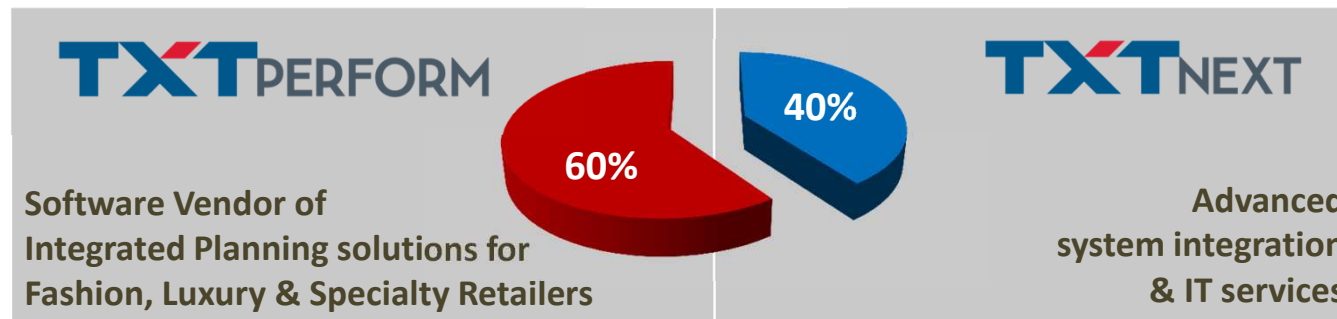
March 2014



- Founded 30 years ago by A.Braga Illa
- A healthy, small «Italian» System Integrator until 2000.
- July 2000: IPO (Italian Stock Exchange) with a Project:
 - From «system integrator» to «software vendor»
 - From «Italian» to «International»
- After 14 years:
 - A successful International specialist
 - TXT Perform: Int'l leader in Integrated Planning for Fashion, Luxury & Specialty Retailers
 - TXT Next: Innovative capabilities in niche markets: seeds for tomorrow's growth
 - Profitable growth in a tough market
 - Outstanding Stock performance since 2011, with expanding investor roster

- **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: 1 € /share extraordinary
 - Apr. 2012: Free Share Distribution 1:1
 - Apr. 2013: 0,20 € /share
 - Feb. 2014: Free Share Distribution 1:1
 - Apr. 2014: Planned 0,25 € / share
- **Share Price:**
 - From 3,15 € (Jan 1st, 2013)
 - To 11,37 € (Mar 7°, 2014)

- **Revenues:** 52,6m€ (+13% vs. 2012)
of which 54% *International*
- **EBIT from Operations:** 5 m€ (vs. 4,3 m€ in 2012)
- **Free Cash Flow** 10% of Revenues
- **NFP:** 8,6 m€ (vs. 6,0 m€ on 31/12/2012)
- **Treasury Stocks** 1.368.120 shares (avg. price 2,61 €/share)

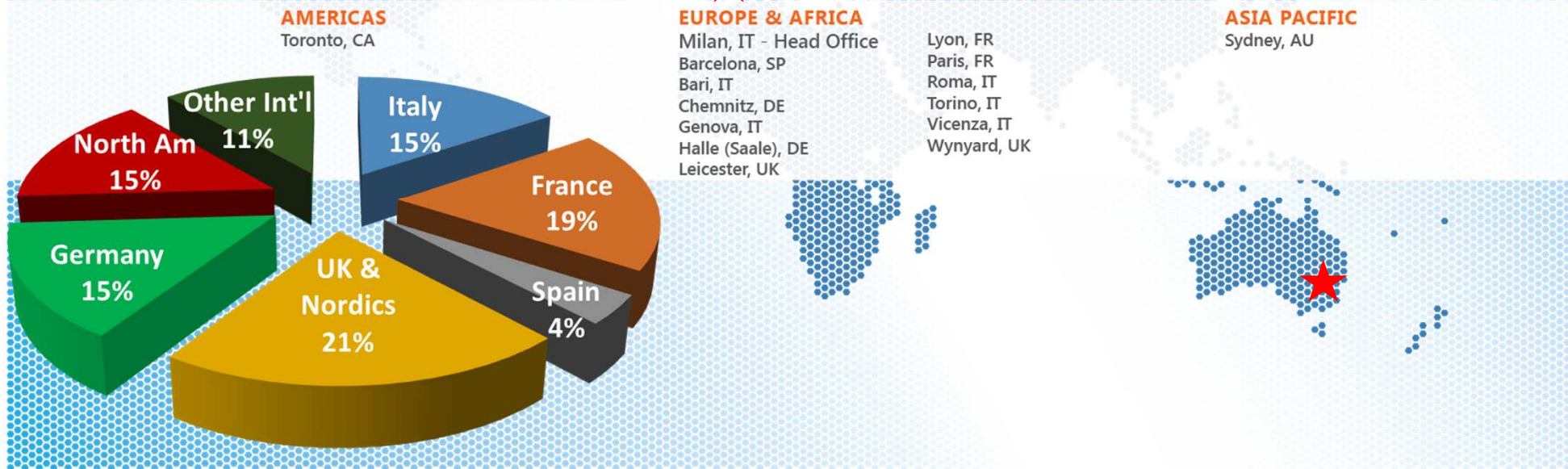
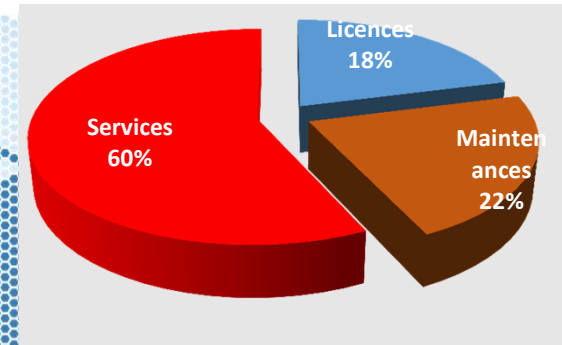


TXT Perform - Major Growth & Profit opportunity for TXT Group

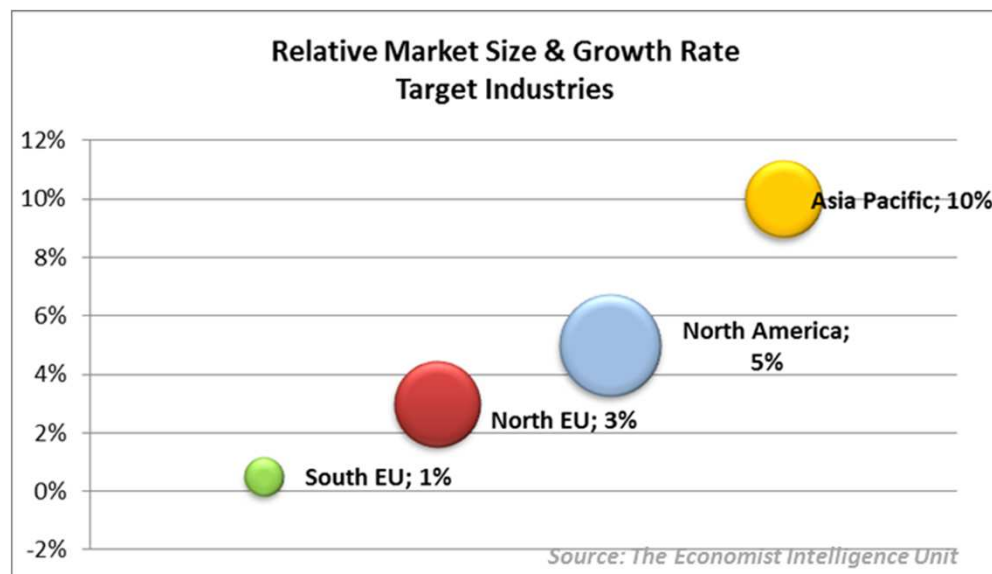


■ Strategy - Global leader in:

- End-to-end Integrated Retail Planning solutions for
- Fashion, Luxury & Specialty Retailers



- **80% of Retailers are based in Western EU & North America** and operate World-wide: ~1.000 mid-large (> 300 m€) targets; APAC is growing faster, local players are still immature



- **Retailers are big IT spenders (>10% of the Global IT Industry); we focus on healthiest & best performing segments:**
 - **Apparel, Footware, Fast Fashion:** growing above ave.
 - **Luxury:** fastest growing (@10+%) & most net-profitable
 - **Tier-1 / Upper Tier-2 Clients:** larger deals; recurrent revenues; complex problems → higher prices

A growing Customer Base of 350+ Clients in the Industry

- Unique by quality & quantity
- Retail Planning expertise spanning across product categories & channels

15 New Clients in 2013

Luxury



Global Brands



Fast Fashion



Mixed Goods



- **Planning Processes** are «THE» enabler to ongoing Industry transformation, ensuring consistency of decisions:
 - From **Strategy** to **Execution**
 - **Across Functions**
 - Across the **extended Retailers' organisation**;
- They **deliver direct & measurable ROI** on Sale, Profit, Cash & Working Capital
- **Related IT Applications** are a **large (750+ m€), growing (@ 5-7% ave. CAGR) niche Market**:
 - ~50% in North America
 - ~30% in Western Europe



Increase Sales:
+8% same-store sales
64% → 92% best-sellers
in-store availability



Grow Margins:
+ 1.2 %-points
- 8% mark-down due to
product obsolescence



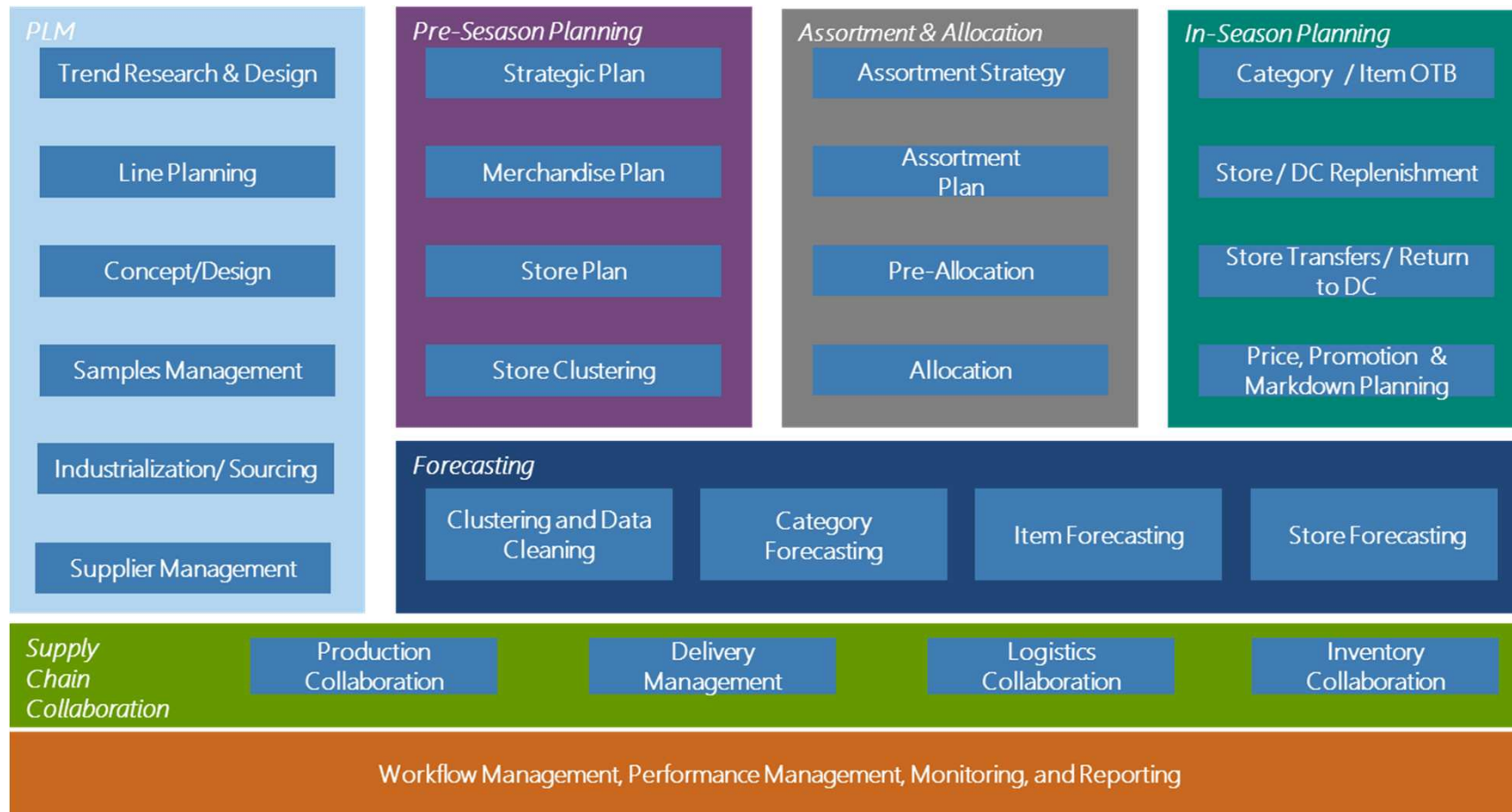
Reduce Inventories:
- 10% in-store invent.
- 20 days overall



Improve Productivity:
< data-crunching,
> decision-making

Unique End-to-End Integrated Retail Planning Footprint

- Depth: focused on customers' planning core processes in our core verticals
- Breadth: sole vendor offering both Product Lifecycle Management & Retail Planning
- Modular & Integrated: start small & upscale



TXT Perform Competitive Position: Strong in the Target Markets



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
TXT e-solutions	7.475	8.900	6.750	7.000
Torox	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	6.888	8.888
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	3.781	3.780	8.250	3.750
DemandTec	4.851	3.250	4.950	6.500
Silk Oak Solutions	4.660	6.170	5.450	2.500

Source: AMR Research, 2010

Vendor rating for each area:

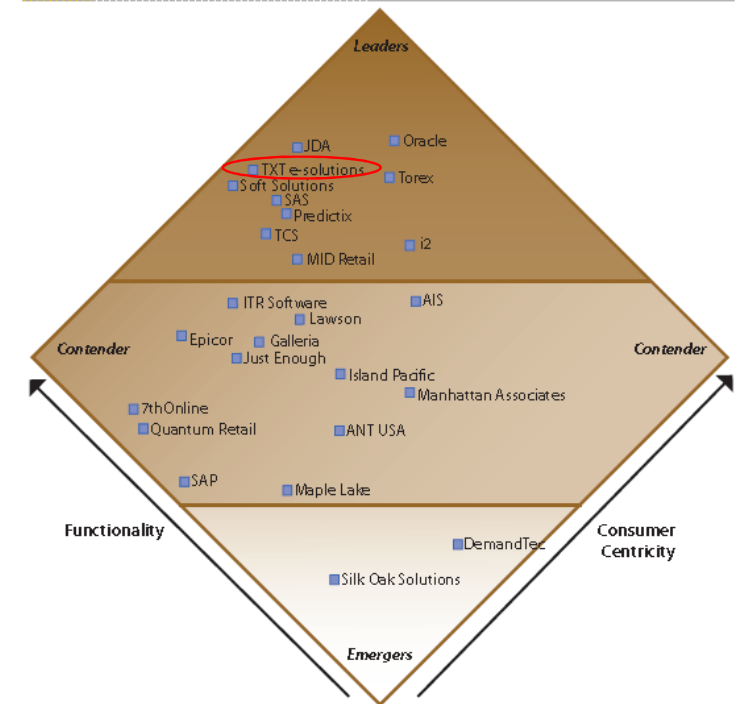
10 Superior	1 Basic
5 Good	0 Lacking

TXT Market share:

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

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

Figure 2: Assortment vendor evaluation diamond




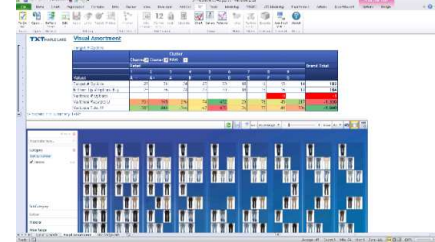
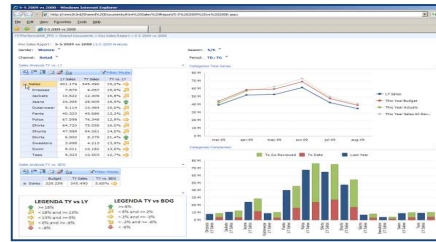
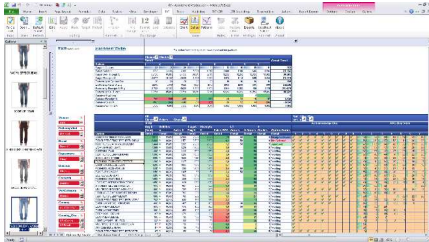
Retail Strategies | February 2010

Source: AMR Research, 2010
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Committment to Innovate: 4+ m€ invested in 2013,3 Product launches



- Focus on «**business innovation**», thanks to Global ISV Partnership with  Microsoft
 - More “**best practices inside**”, deeper functionality & integration, higher usability & scalability



- TXT On-Cloud: further lower adoption barriers of our solutions



- New Modules:

- Broaden the range of processes covered;
- TXT Mobile: widen & “mobilize” end-users



- Exploit Retailers’ Big Data assets leveraging on “In-Memory” technology



- **Baseline organic growth:**
 - in **Europe** and **North America**
 - in the core market of **global Luxury, Fashion & Specialty** retailers
- Accelerated through **targeted acquisitions**
- Sustained by continuous investments in **product innovation**
- **Self-financed**, through:
 - Profit & **Cash** generated by the business
 - Growing **Stock** value

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
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**

TXT Next - Priorities & Strategic Guidelines for the next 3 Years



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

- Around the «as-is» perimeter & 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** & **outstanding technical capabilities**
- Further expanding the **customer base** in the **target markets**

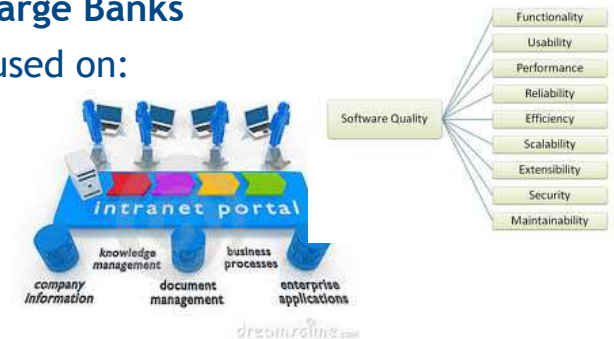
Aerospace & High-Tech

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



Banking & Finance

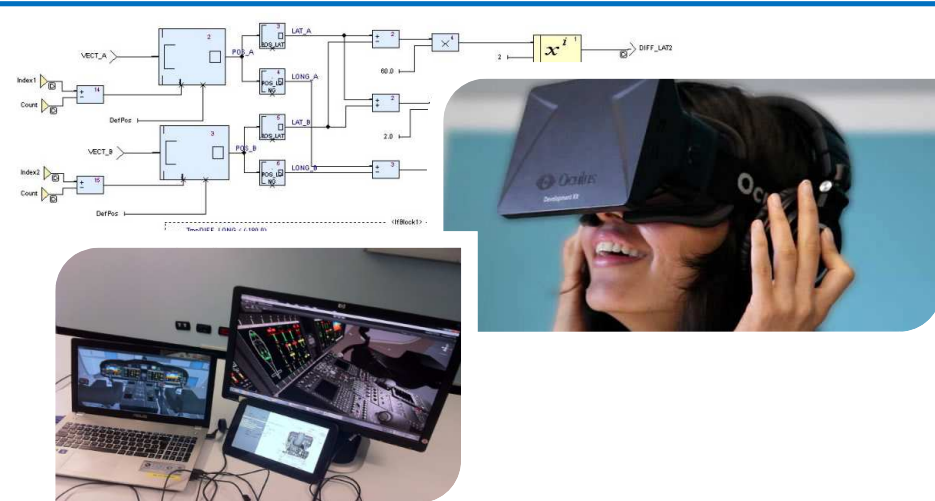
- **Italian top 50 mid-large Banks**
- **A niche player, focused on:**
 - IT Governance & Software Quality
 - Intranets



TXT Next - Aerospace & High-Tech: seeding future growth opportunities



«Exploring» new domains, together with Customers



- **Model-based Design for Embedded SW**
- **Augmented Reality for Simulation & Training**
- **Tablet-based Training & Support Solutions**
- **Internet of Things & related industrial applications**

Growing Int'l exposure, following our Customers



- **Followed our Customers in 24 Countries worldwide**
- **2013: 9 Simulators in 5 Countries;**
- **2013: 3 (small) Int'l deals**

Why TXT should Outperform the Market in the next 3 Years



- TXT Perform:
 - Retail Industry is large, growing and healthy
 - End-to-end Integrated Retail Planning is a «big niche» & 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 & experienced team
 - Solid competitive position, with a large, world-wide base of happy global customers in core markets
 - Global market presence & opportunity to expand into near retail segments & retail processes
- TXT Next:
 - Recognised leadership in Italy & the «partner of choice» for all key players in the industry
 - Highly-fidelised customer base
 - Solid, well referenced know-how, deep target industries expertise & top-quality team
 - Opportunity to expand Internationally (Aeronautics) & 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

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APPENDIX – FINANCIAL DETAILS

2013 - Revenues' Growth & Investments

€ thousand	2013		2012 restated		Var %
		%		%	
REVENUES	52.560	100,0	46.499	100,0	13,0
Direct costs	24.854	47,3	22.351	48,1	11,2
GROSS MARGIN	27.706	52,7	24.148	51,9	14,7
Research and Development costs	4.761	9,1	4.091	8,8	16,4
Commercial costs	10.174	19,4	8.976	19,3	13,3
General and Administrative costs	6.508	12,4	5.759	12,4	13,0
EBITDA	6.263	11,9	5.322	11,4	17,7
Amortization, depreciation	1.307	2,5	1.039	2,2	25,8
OPERATING PROFIT (EBIT)	4.956	9,4	4.283	9,2	15,7
Financial income (charges)	(435)	(0,8)	(37)	(0,1)	n.m.
EARNINGS BEFORE TAXES (EBT)	4.521	8,6	4.246	9,1	6,5
Taxes	121	0,2	(188)	(0,4)	n.m.
NET PROFIT FROM OPERATIONS	4.642	8,8	4.058	8,7	14,4
Non recurring profit	-	-	939	2,0	n.m.
NET PROFIT	4.642	8,8	4.997	10,7	(7,1)

In 2013:

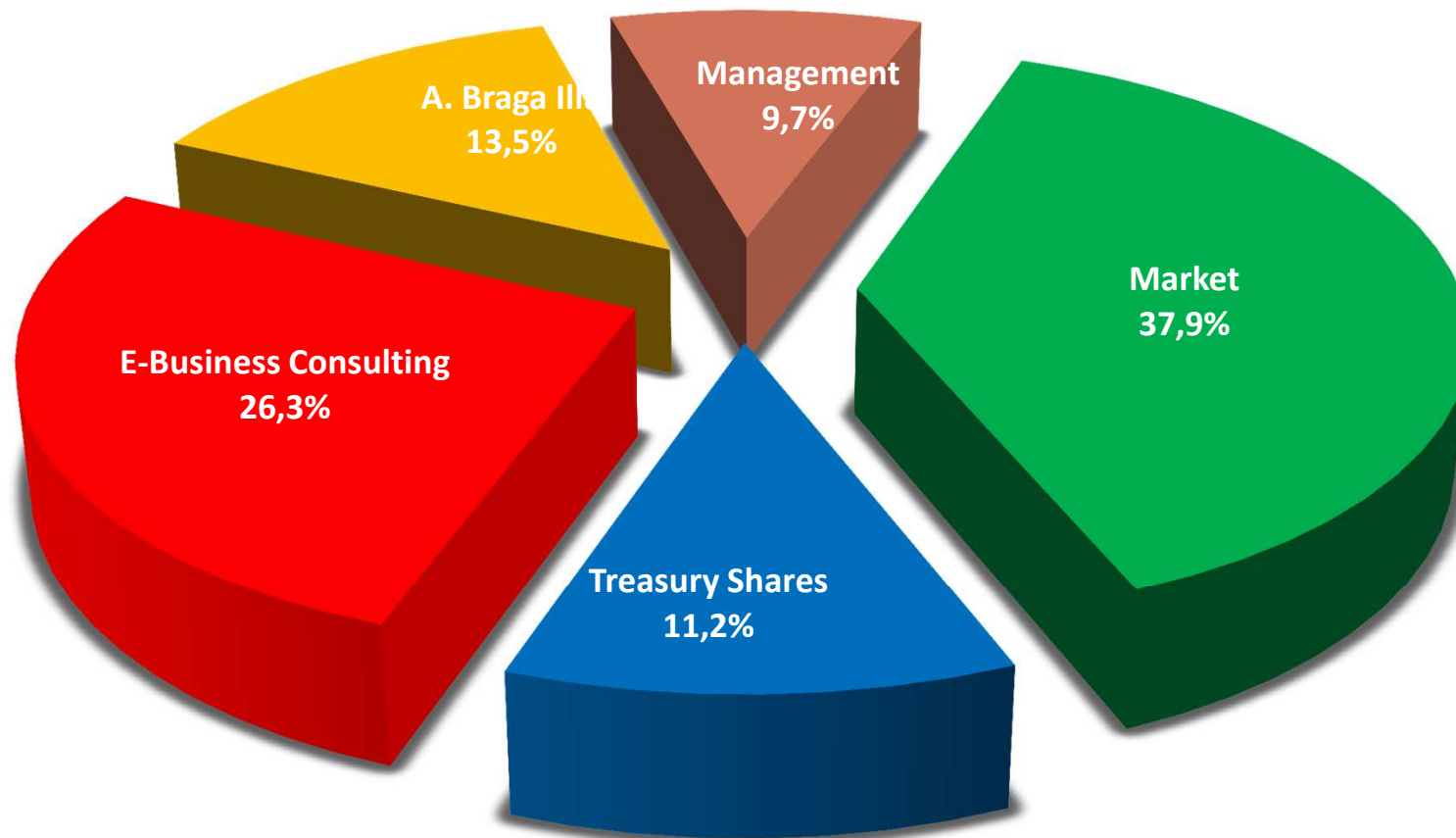
- Revenues grew +13.0% (+20.1% TXT Perform) and international revenues stand at 54%
- Gross margin grew +14.7%
- EBITDA grew +17.7% after R&D and commercial investments in USA;
- Net income from operations at 8.8% of Revenues.

Strong Balance Structure



€ thousand	31.12.2013	31.12.2012 Restated(*)	Var
Intangible assets	15.370	16.621	(1.251)
Tangible assets	1.118	1.154	(36)
Other fixed assets	1.362	795	567
Fixed Assets	17.850	18.570	(720)
Inventories	1.451	1.388	63
Trade receivables	16.840	17.274	(434)
Other short term assets	1.802	2.288	(486)
Trade payables	(1.504)	(1.800)	296
Tax payables	(842)	(1.838)	996
Other payables and short term liabilities	(12.934)	(12.465)	(469)
Net working capital	4.813	4.847	(34)
Severance and other non current liabilities	(3.299)	(3.415)	116
Capital employed	19.364	20.002	(638)
Shareholders' equity	27.937	26.023	1.914
Net financial debt	(8.573)	(6.021)	(2.552)
Financing of capital employed	19.364	20.002	(638)

* 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.



2012-2013: Strong Stock Performance

