

# FY2020 9 MONTHS RESULTS

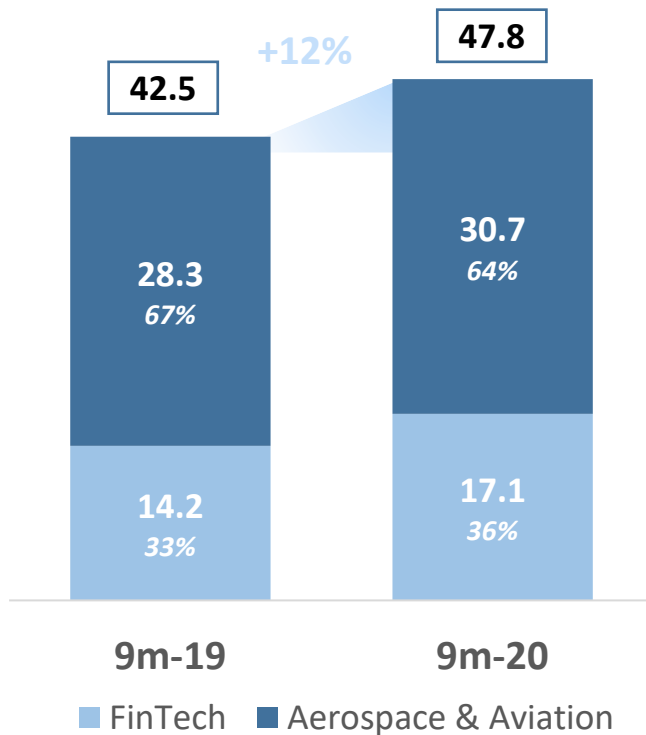


November 9, 2020

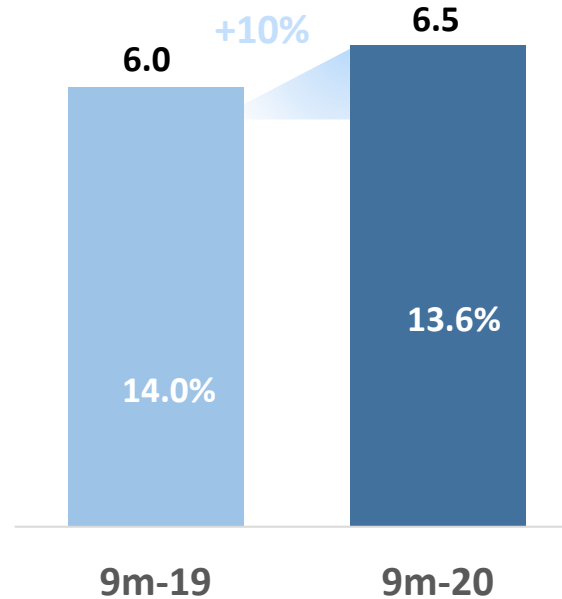
*Daniele Misani, CEO*  
*Eugenio Forcinito, CFO*  
*Andrea Favini, IR*

**Results of 9m-2020 show a strong growth in Revenues & EBITDA, with software revenues and EBITDA increasing +10% YoY and +28% YoY respectively**

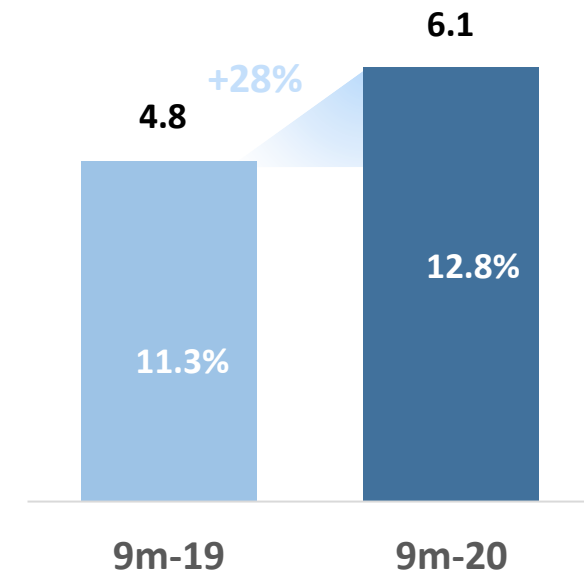
## Revenues (€mn)



## Revenues from Software (€mn, % on total revenues)



## EBITDA (€mn, % on total revenues)



	9M-2020	9M-2019	9M-2018	9M-2017		
<b>Revenues</b>	<b>47.8</b>	42.5	28.6	26.0 *	<b>CAGR</b>	<b>BUSINESS GROWTH</b>
<b>Growth</b>	<b>+12.4%</b>	+48.6%	+10.0%	n.a.	<b>22,5%</b>	
<b>EBITDA</b>	<b>6.1</b>	4.8	2.8	2.6 *	<b>CAGR</b>	<b>MARGIN EXPANSION</b>
<b>Margin</b>	<b>12.8%</b>	11.3%	9.9%	10.1%	<b>32,6%</b>	
<b>Growth</b>	<b>+27.5%</b>	+69.6%	+7.9%	n.a.		
<b>Net profit</b>	<b>3.6</b>	3.1	2.2	1.0 *	<b>CAGR</b>	<b>NET PROFIT</b>
<b>Margin</b>	<b>7.5%</b>	7.4%	7.8%	3.8%	<b>53,4%</b>	
<b>Growth</b>	<b>+14.6%</b>	+41.2%	+123.1%	n.a.		
<b>Cash</b>	<b>88</b>	95	116	90	<b>CASH AVAILABLE FOR GROWTH</b>	
<b>NFP</b>	<b>32</b>	43	65	87		

#WEARETXT

*Amounts in Euro million*

\* Continuing Operations (Excluded Retail)

# Profit & Loss details

## 9 MONTHS 2020

€ thousand	9m 2020	%	9m 2019	%	Var %
REVENUES	47,826	100.0	42,534	100.0	12.4
Direct costs	26,345	55.1	23,560	55.4	11.8
GROSS MARGIN	21,482	44.9	18,974	44.6	13.2
Research and Development costs	5,045	10.5	4,455	10.5	13.3
Commercial costs	5,755	12.0	5,860	13.8	(1.8)
General and Administrative costs	4,562	9.5	3,860	9.1	18.2
EBITDA	6,118	12.8	4,799	11.3	27.5
Depreciation	1,470	3.1	1,145	2.7	28.4
EBITA	4,648	9.7	3,654	8.6	27.2
Amortization	919	1.9	718	1.7	28.0
Reorganization and Non-Recurrent Costs	350	0.7	705	1.66	n.s.
EBIT	3,379	7.1	2,231	5.2	51.5
Financial income (charges)	1,168	2.4	2,137	5.0	n.s.
EBT	4,546	9.5	4,368	10.3	4.1
Taxes	(939)	(2.0)	(1,221)	(2.9)	n.s.
NET PROFIT	3,608	7.5	3,147	7.4	14.6

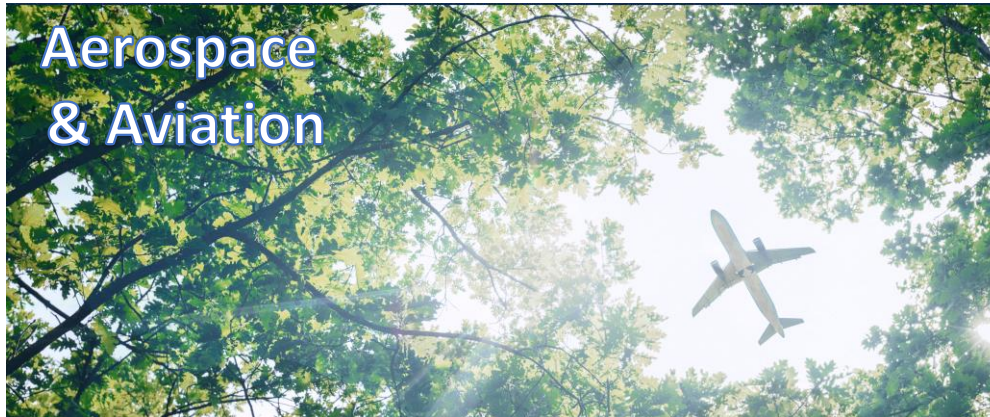
## Q3 2020

€ thousand	Q3 2020	%	Q3 2019	%	Var %
REVENUES	15,718	100.0	15,538	100.0	1.2
Direct costs	8,258	52.5	8,296	53.4	(0.5)
GROSS MARGIN	7,461	47.5	7,242	46.6	3.0
Research and Development costs	1,331	8.5	1,781	11.5	(25.2)
Commercial costs	2,497	15.9	2,264	14.6	10.3
General and Administrative costs	1,555	9.9	1,186	7.6	31.1
EBITDA	2,076	13.2	2,011	12.9	3.2
Depreciation	495	3.1	422	2.7	17.3
EBITA	1,581	10.1	1,589	10.2	(0.5)
Amortization	303	1.9	244	1.6	n.s.
Reorganization and Non-Recurrent Costs	0	0.0	359	2.3	n.s.
EBIT	1,278	8.1	986	6.3	29.6
Financial income (charges)	276	1.8	346	2.2	n.s.
EBT	1,553	9.9	1,332	8.6	n.s.
Taxes	(676)	(4.3)	(356)	(2.3)	n.s.
NET PROFIT	878	5.6	976	6.3	(10.1)

# Net cash: strong and solid financial position

<i>Euro million</i>	30.09.2020	31.12.2019	Var
Cash	20.0	11.4	8.6
Trading securities at fair value	67.9	87.3	(19.4)
<b>Cash &amp; Cash equivalents</b>	<b>87.9</b>	<b>98.7</b>	<b>(10.8)</b>
Short term bank loans	(23.1)	(17.4)	(5.7)
IFRS 16 loans	(1.3)	(1.3)	0.0
Pace Put/Call option	-	(5.9)	5.9
TXT RISK Put/Call option	(1.6)	-	(1.6)
Short-term Cheleo Earn-Out	-	(0.7)	0.7
<b>Short term Financial Debts</b>	<b>(26.0)</b>	<b>(25.3)</b>	<b>(0.7)</b>
<b>Short term Financial Resources</b>	<b>61.9</b>	<b>73.4</b>	<b>(23.1)</b>
Non current Financial Debts - Lessors IFRS 16	(3.8)	(4.5)	0.7
Assioma Earn-Out	(2.4)	(2.4)	(0.0)
WKS Put-call payable	(2.7)	-	(2.7)
TXT RISK Put/Call payable	-	(1.6)	1.6
Non current bank loans	(20.9)	(23.3)	2.4
Other Non current Financial Debts	(0.2)	(0.3)	0.0
<b>Non current Financial Debts</b>	<b>(30.0)</b>	<b>(32.0)</b>	<b>2.0</b>
<b>Net Available Financial Resources</b>	<b>31.9</b>	<b>41.4</b>	<b>(9.5)</b>

## Core markets



### Aerospace & Aviation

Turnover  
9m-2020:



30.7M €  
+8.4% YoY

EBITDA margin  
9m-2020:



14.1%  
+1.6pp YoY

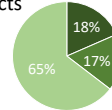
International  
revenues:



43.0% of  
total

Revenues  
breakdown

■ Software  
■ Advanced services  
■ Projects



### Fintech



Turnover  
9m-2020:



17.1M €  
+20.6% YoY

EBITDA margin  
9m-2020:



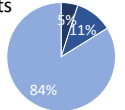
10.5%  
+1.6pp YoY

In 3Q 2020 first  
international  
revenues with:

**MAC**  
solutions  
a TXT company

Revenues  
breakdown

■ Software  
■ Advanced services  
■ Projects



## Diversification



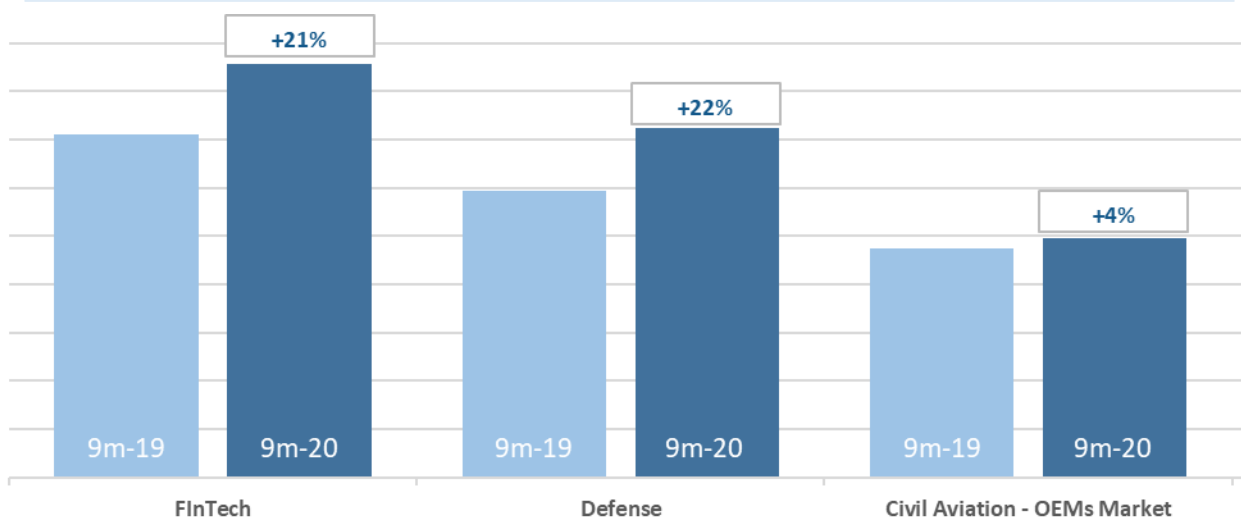
Industrial, Manufacturing, Automotive & Transportation <15%



Public Sector <5%

Thanks to the diversification strategy and core processes expertise in different markets and segments, the TXT Group recorded positive trends during the Covid-19 outbreak

## Resilient businesses



### FinTech:

- Accelerated growth boosted by strategic M&A operations & organic growth.

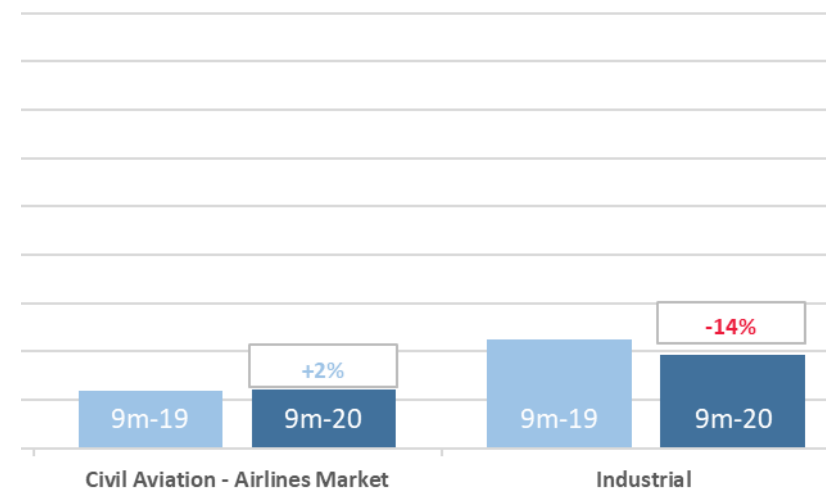
### Defense:

- Significant organic revenues growth thanks to strong & consolidated relationship with domestic and European major players.

### Civil Aviation: OEMs & 1<sup>st</sup> Tier Suppliers:

- Growth in organic revenues achieved with specialized and innovative tools & solutions provided to market leaders and related to long-term, multi-year projects.

## Businesses most impacted by crisis



**Airlines market (civil aviation) highly impacted by COVID, but TXT posted mid single digit growth** thanks to the strong backlog acquired in FY19 and:

- New contract signed with a main European airline for the FPO proprietary product and new trial with primary US Cargo airlines;
- Backlog 2021 at the date (Q3-20): > Euro 3 million (IFRS 15).

**Industrial sector suffered temporarily during the lockdown period** as most of the production plants remained closed. Negative impact mitigated thanks to:

- diversification across multiple markets other than Aerospace & Automotive, first Industry 4.0 contracts acquired on new industries (i.e. Pharma/Food & Beverage);
- New multi-million, multi-year public funded projects in the AI field.

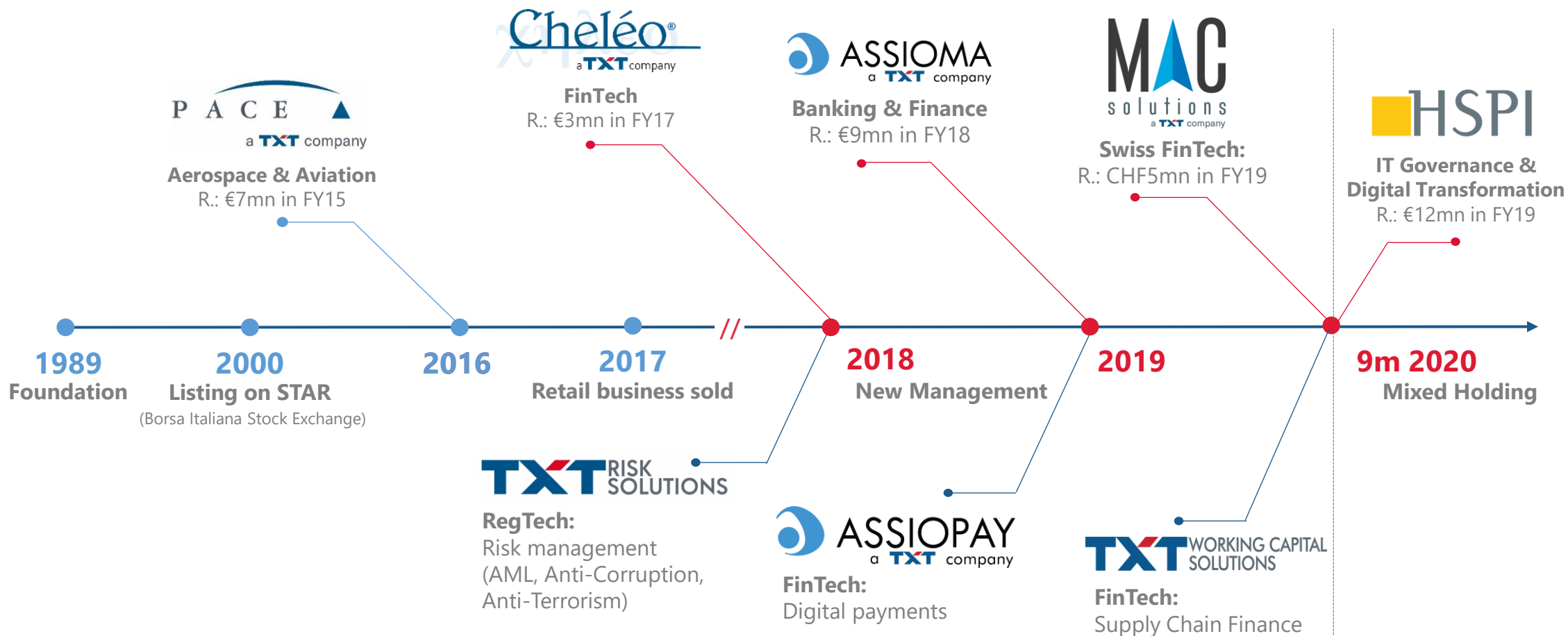


# Key milestones & Extraordinary Transactions

Investments in  
M&A

Other key  
events

Investments  
in Start-ups



9 months revenues \*

\* Excluded Retail business





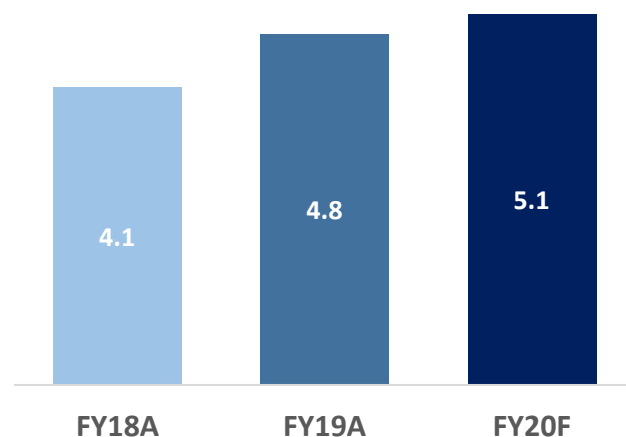
- 20+ year presence in Swiss Market (founded 1998)
- Committed management (1.7% stake in TXT)
- Synergic in offering, complementary in Geography
  - SW Quality, SW Factory, AI, Blockchain
- Up-sell opportunities for our Fintech product portfolio



## Revenues \*

(CHF mn)

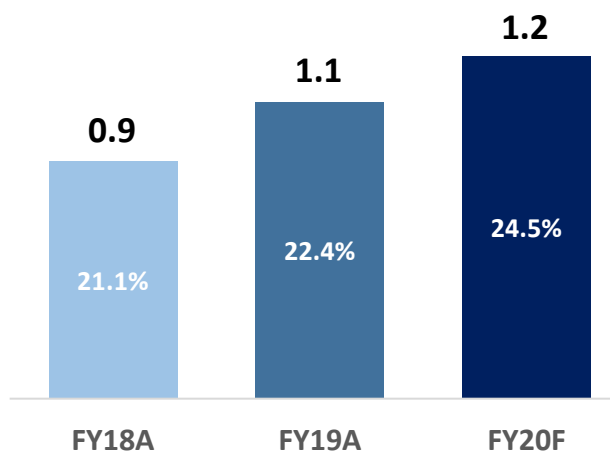
CAGR 11.5%



## EBITDA \*

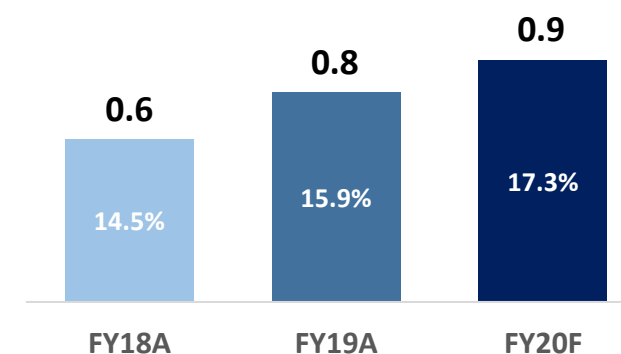
(CHF mn, % on total revenues)

\* historical data do not include consultancy activities ended prior to closing date and includes Due Diligence adjustments



## Net profit

(CHF mn, % on total revenues)



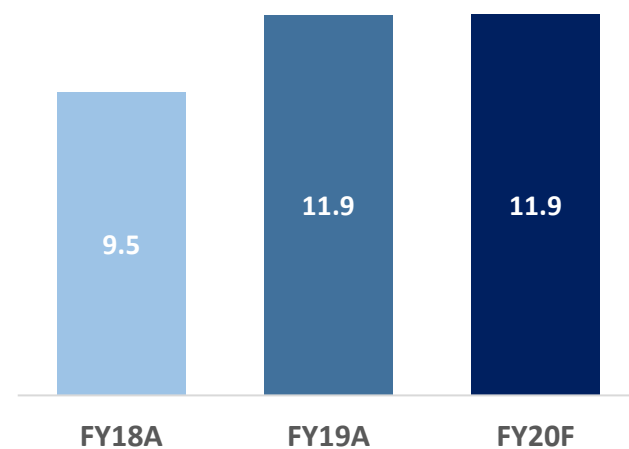
# Strengthen the offering, diversify the markets

- 10 year growing presence in Italian Market
- Customers: Poste Italiane, INAIL, ARIA, ICCREA Bank & more
- Committed management (2.3% stake in TXT)
- Strong in Cybersecurity, AI, Data Analytics, XR, Blockchain, IT Governance & Service management
- Provide new market access → Public Sector



## Revenues (€mn)

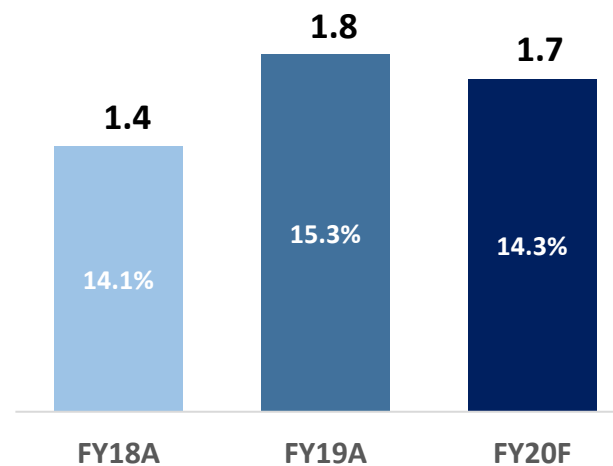
CAGR 12.2%



## EBITDA \*

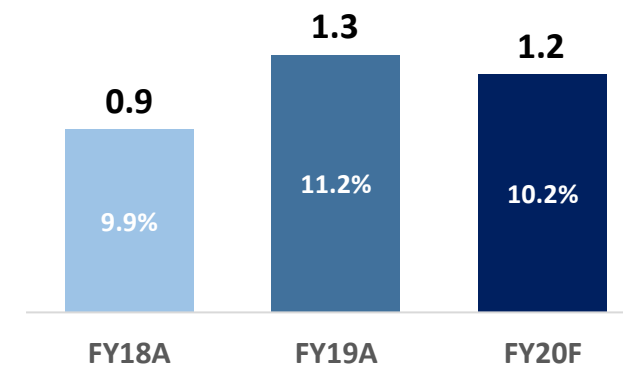
(€mn, % on total revenues)

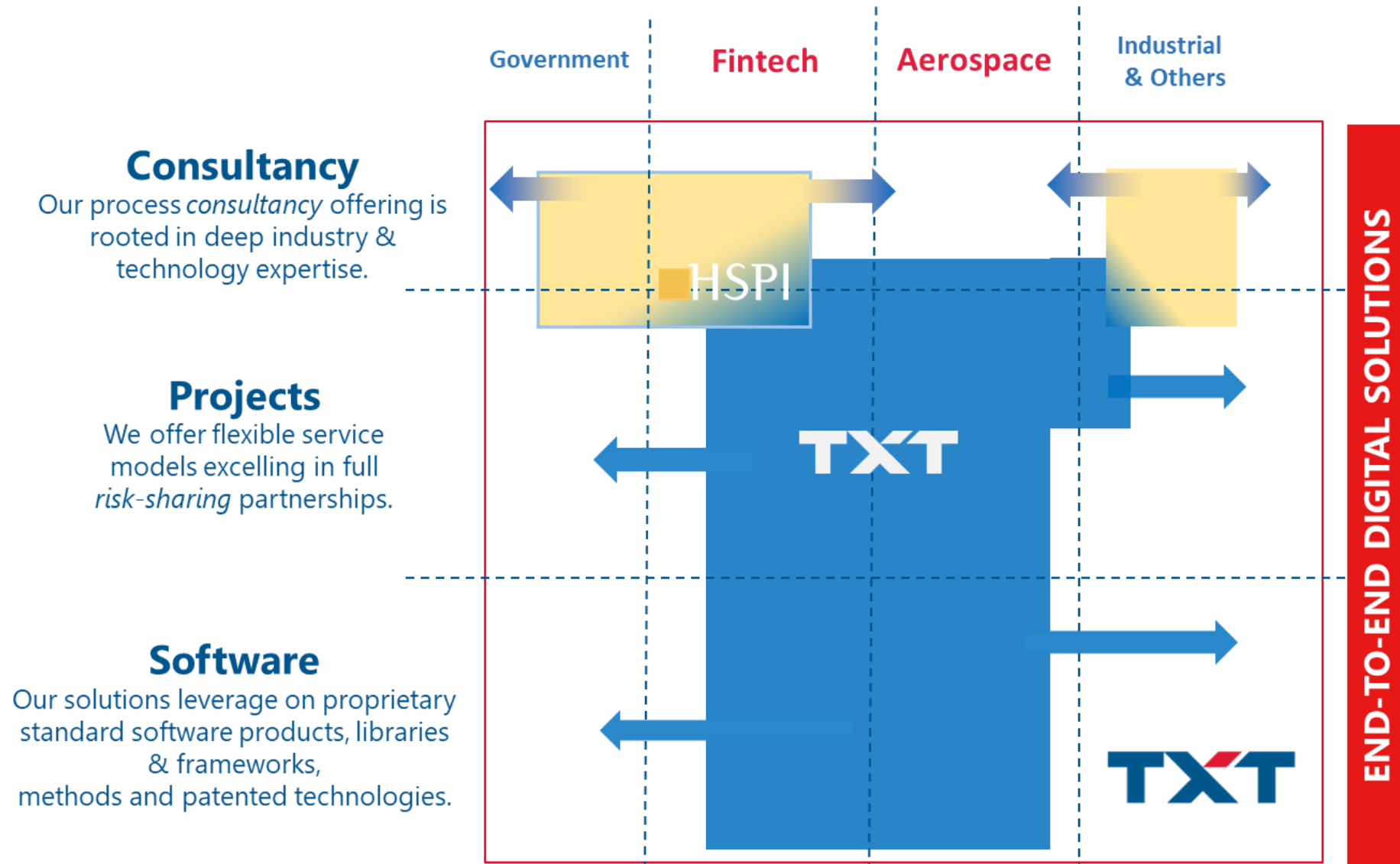
\* historical data includes Due Diligence Adjustments



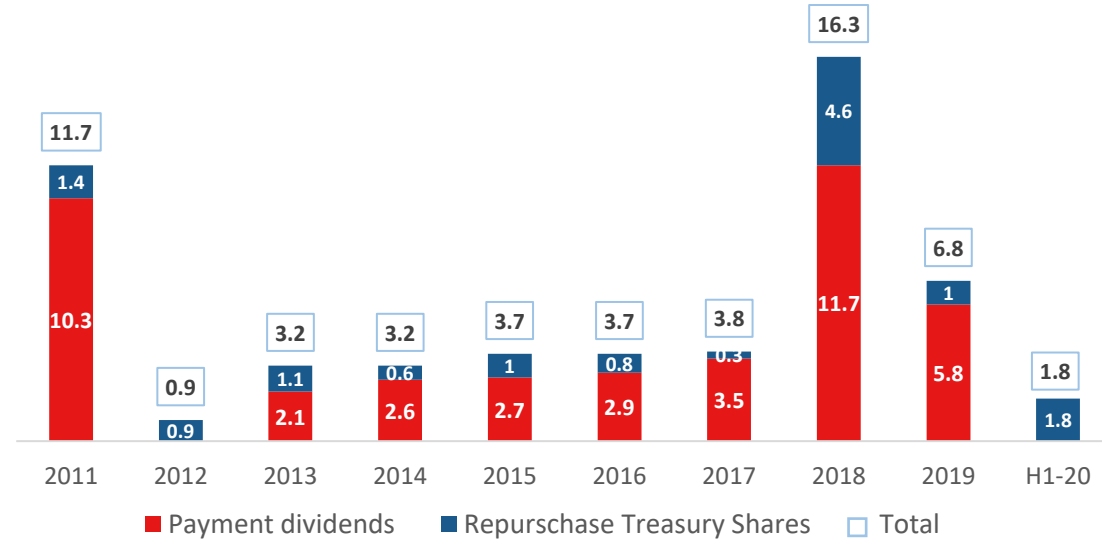
## Net profit

(€mn, % on total revenues)





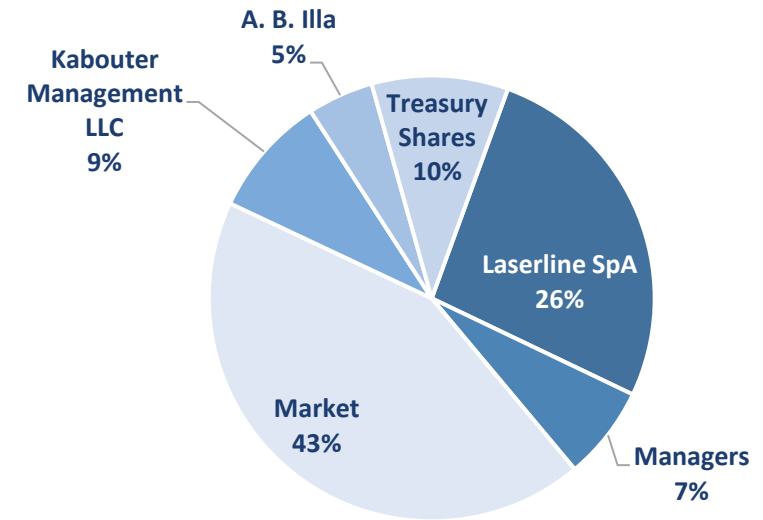
## Dividends and Treasury Shares Repurchase (€m)



## Dividends

Year	Dividends	Year	Dividends
2011	1€/share (extraordinary, rebased)	2015	0.25 € / share
2012	Free Share Distribution 1:1	2016	0.25 € / share
2013	0.20 € / share	2017	0.30 € / share
2014	Free Share Distribution 1:1	2018	1.00 € / share
2014	0.25 € / share	2019	0.50 € / share
2015	Free Share Distribution 1:10		

## Shareholding Structure Sep 30<sup>th</sup>, 2020



## Market Data

Share Price Dec 31st, 2010	1.51€/share*
Share Price Sep 30th, 2020	7.50€/share
Mkt Sep 30th, 2020	85m€
Dividend Yield	N/A

*rebased for free share distribution\**



# Business Overview

**TX****T**

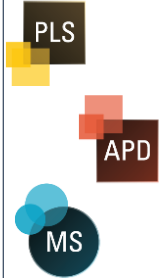


# Aerospace & Aviation:

## Proprietary products, Solutions and Specialized services



### Product Development



On-board Software 28%

Preliminary Design & Evaluation 7%



### Customer Engineering & Manufacturing



Product Configuration 21%

Digital Manufacturing 10%



### Aircraft Operations



Training & Simulation 25%

Flight Operations 9%



### TOP CUSTOMERS



**International specialized provider of software solutions** (software Products + engineering Services)

Software Quality Services	<p><b>Best-in class solutions for:</b> test strategy, development, execution, automation, and for test environments administration.</p> <p><b>Strong technological partnership</b> with main international SW providers: Syncsort, Oracle Gold Partner,</p>	First mover & Italian leader in Software Quality services for Italian Banking Industry	75%	
Financing, Credit & NPL Management products	<p><b>Cheléo®</b> a TXT company</p> <p><b>FinTech solutions for:</b> Leasing, Loan, Salary-backed loan, Personal loans, Basic system, Factoring and Non-performing loans management</p>	Suite of proprietary software modules for Financing, Credit & NPL Management	18%	
Risk management & AML solutions	<p><b>FARADAY</b></p> <p><b>Proprietary RegTech platform for:</b> Anti-Money Laundering (AML), Anti-Corruption (AC) and Anti-Terrorism (AT)</p>	<b>RegTech innovative start-up</b> for Risk management	2%	
Treasury & Digital Payments	<p><b>ASSIOPAY</b></p> <p><b>Proprietary SaaS solution</b></p>	<b>New start-up</b> specialized in the digitization of payments and loyalty programs for the large-scale distribution market	5%	
Supply Chain Finance	<p><b>TXT WORKING CAPITAL SOLUTIONS</b></p> <p><b>Proprietary SCF Platform</b></p>	<b>New start-up</b> focused on the SCF market	0%	

### TOP CUSTOMERS

ING

nexi  
every day, every pay

UniCredit

ERGO  
Assicurazioni

sia

mediolanum BANCA

BANCA IFIS

INTESA SANPAOLO

widiba

ZENITH SERVICE

**Organic growth to develop new services around Bank's Digital Transformation needs and to strengthen the SW Quality Services**

**+  
M&A activity to strengthen both Service and Product offering**



# Some Examples of TXT's Best-in-class Solutions

## Aerospace & Aviation

### Extended Reality



- Pacelab **WEAVER**: the **best-in-class platform** for **Virtual Training** and **Operations Support** applications;
- **More effective training, faster & at lower costs.**

### Collaboration & XR



- **Product configuration** with **real-time Augmented Reality visualization.**

## FinTech

### Anti Money Laundry, Anti-Corruption, Anti-Terrorism



- **Modular software** solutions for **risk assessment** based on **predictive probabilistic models**;
- **Reduction of compliance costs** (up to **70%**) and timing.

### Digitisation of daily transactions



- **Real-time management** of **ticketing**, **meal vouchers** and **loyalty program.**

## Fully Committed to ESG Agenda

### On-board Flight Profile Optimization (FPO)



**150,000 t**  
annual fuel savings

**555,000 t**  
annual CO<sub>2</sub> savings

**\$ 100,000,000**  
annual cost savings

For 1,250 aircraft p.a. based on the 2019 average fuel price



### Pacelab FPO

Scaling **real-time data** to **optimize flight altitudes** and **speeds** in all flight phases with **significant fuel savings**:



### Preliminary Design & Evaluation

### Pacelab SysArc



Optimizing systems architectures at aircraft level, **minimizing the risk of design inconsistencies** or unforeseen behavior.

# Thank you for your attention!

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