



# TXT GROUP

*STAR Conference – Fall Edition*

October 12, 2021

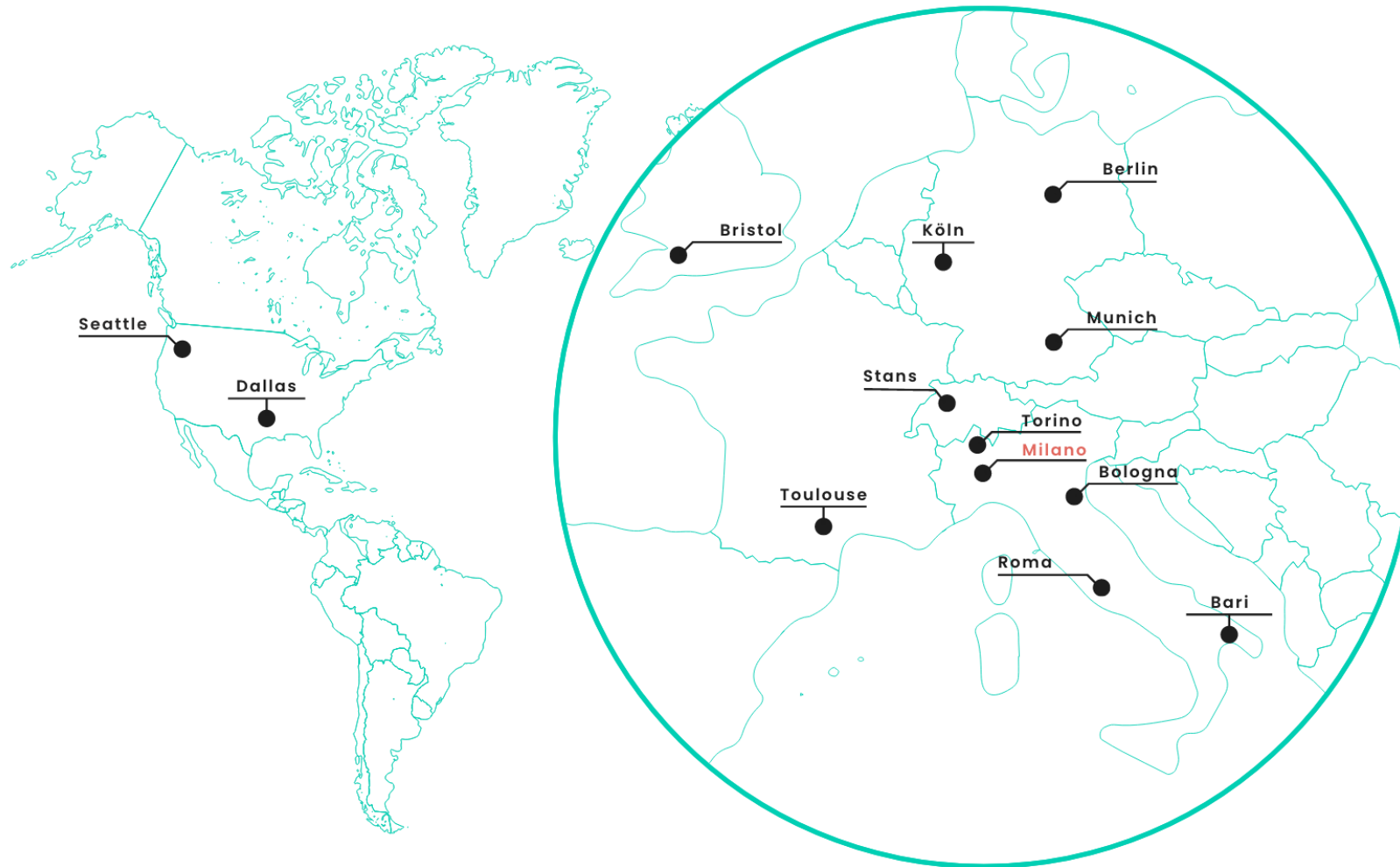


# Your Global Digital Enabler

TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital transformation of customers' products and core processes. With a proprietary software portfolio and deep expertise in vertical domains, TXT operates across different markets, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Government and Fintech.

TXT is headquartered in Milan and has subsidiaries in Italy, Germany, the United Kingdom, France, Switzerland and the United States of America. The holding company TXT e-Solutions S.p.A, has been listed on the Italian Stock Exchange, STAR segment (TXT.MI), since July 2000.





**10+**  
Location  
worldwide

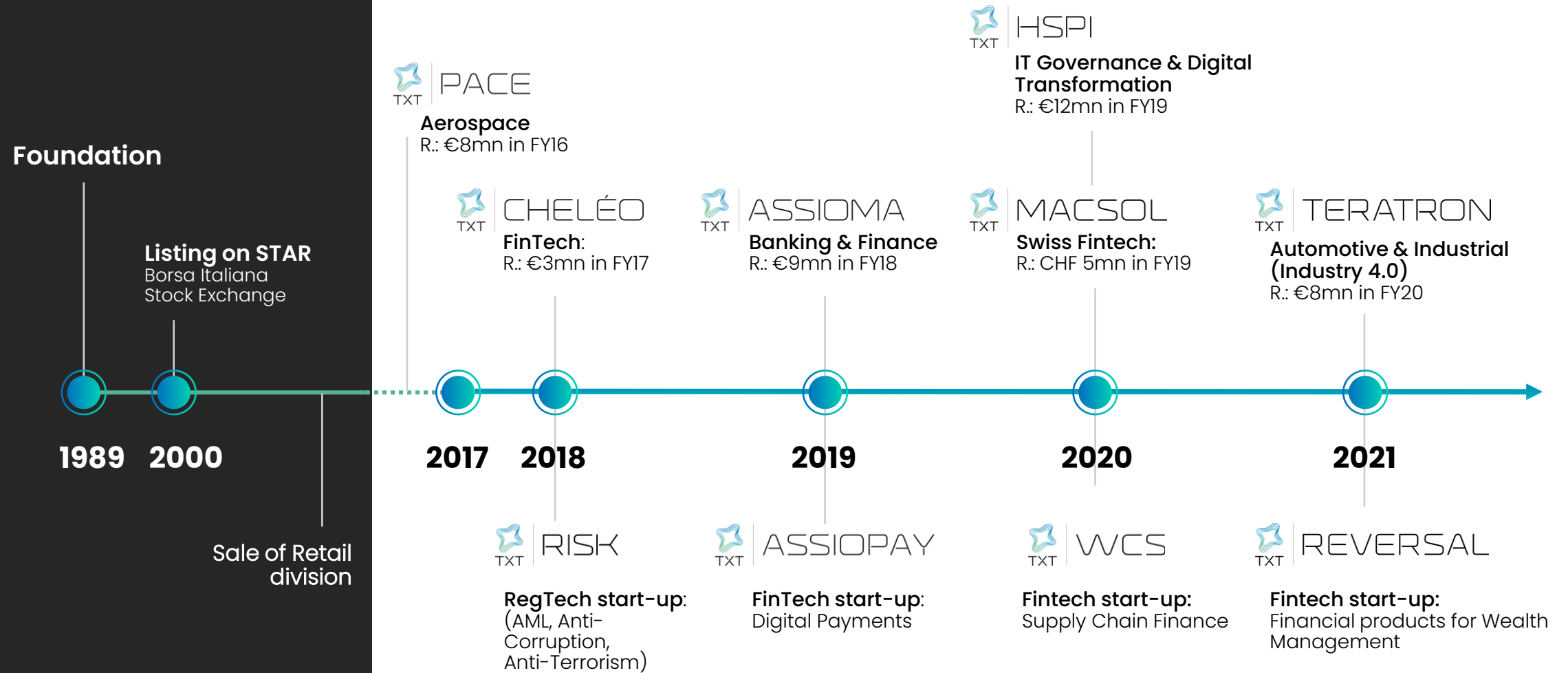
**1000+**  
**Specialise Know-how**  
Specialised engineers  
& professionals

**30+**  
**Certified Cross-  
Industry Quality**  
Years Experience

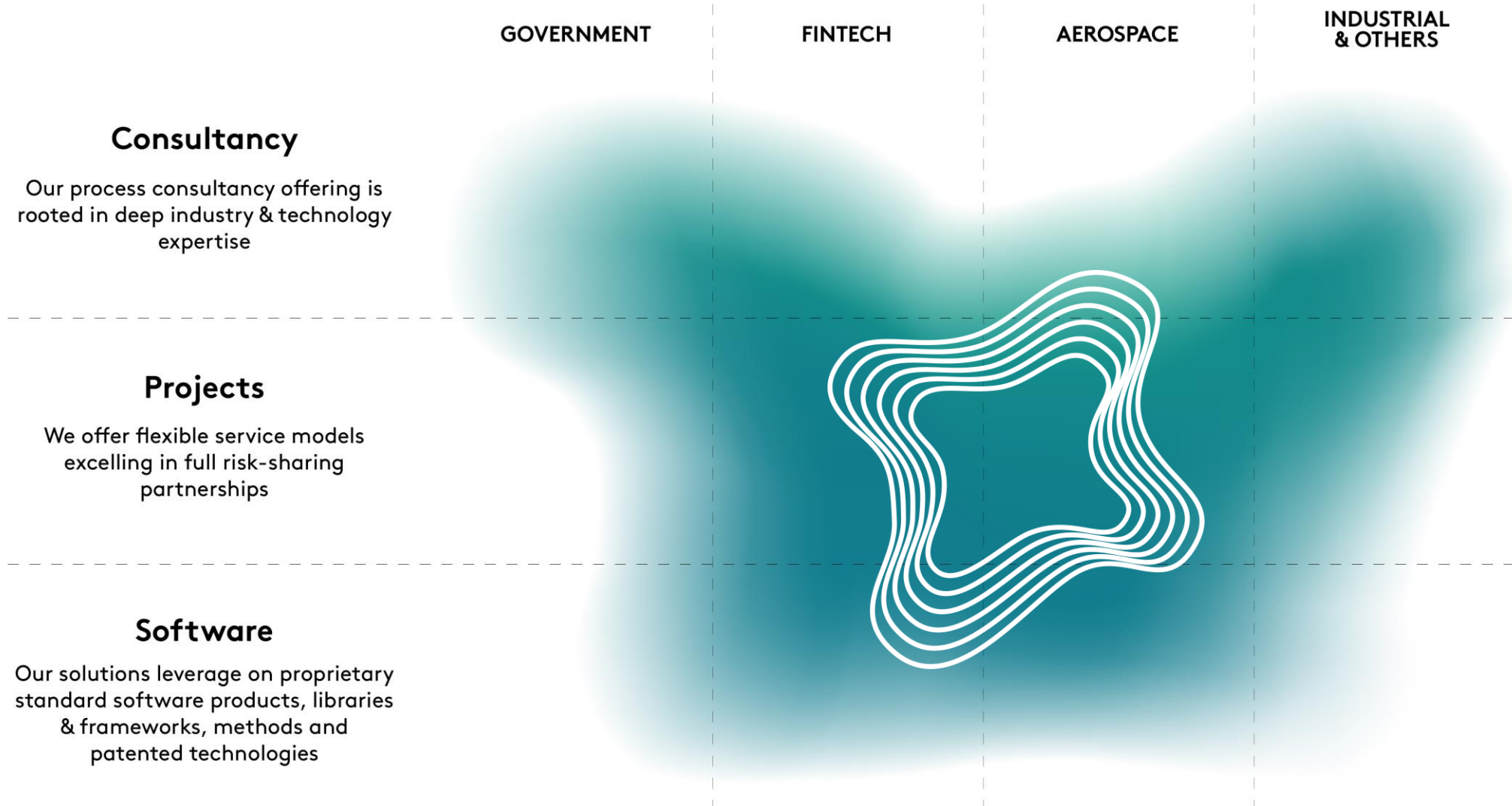
**€69m** Revenues FY-2020  
**Solid Financial structure**  
Guaranteed by operating  
excellence & Innovation



# A Successful Story



# Growth Path



# Business Models

## **Licenses or Software as a Service:**

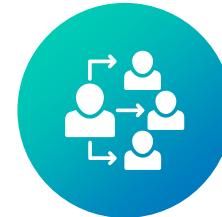
We provide digital solutions as SaaS or upon license.

## **Leave It Up To Us:**

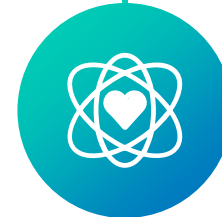
Enjoy the benefits of getting your turn-key digital solutions from an experienced one-stop supplier.

## **Shoulder-to-shoulder:**

our experts work world-wide in the customers' premises, with a work package approach or following Customers' needs.



From consulting, to design and implementation of digital solutions



Focus on your core processes and products



Solid network of multidisciplinary competences and vertical excellences



Highly efficient development process



## H1-2018

**€19M**  
Revenues

**€2.1M**  
EBITDA

**€74M\***  
Net Cash



## H1-2021

*Best historical results since IPO*

**€44M**  
Revenues  
**+32% \***

**€5.7M**  
EBITDA  
**+40% \***

**€11M**  
Net Cash

\*Included €88.2M of Retail Business sold in FY17  
net by extraordinary dividend payment

\* CAGR H1-2018 – H1-2021





# Value Creation



## EBIT

**€ 3.4Mn** H1-21 EBIT, **+62.7%** vs. H1-20



## SOFTWARE REVENUES

**€4.2Mn** -4% vs. H1-20, recovering from -12% in Q1-21



## INTERNATIONAL REVENUES

**€ 10.9 Mn** 25% of total revenues



## CASH + TREASURY SHARES AVAILABLE FOR GROWTH

**€ 34Mn** short term net financial resources (June 2021) & **+ €10Mn\*** in Treasury Shares

\* Value calculated with stock price of € 8.0 per share





# Core Markets

## Aerospace & Aviation



Turnover H1-2021: 23.3M €  
+12%



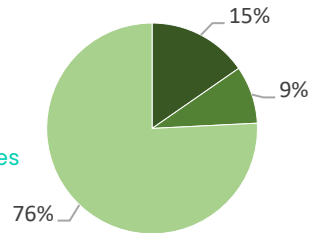
EBITDA margin H1-2021:  
**13.7%**



International revenues:  
**33% of total**

### Revenues breakdown

- Software
- Advanced services
- Projects



## Fintech



Turnover H1-2021: 20.4M €  
+81.2%



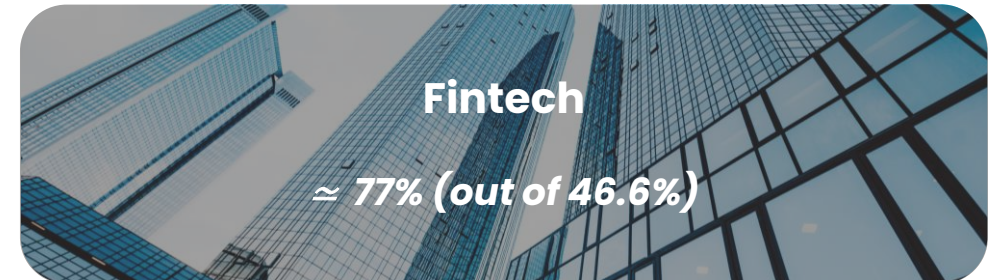
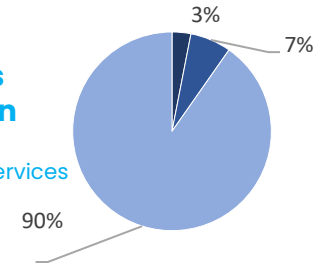
EBITDA margin H1-2021:  
**12.1%**



International revenues:  
**15% of total**

### Revenues breakdown

- Software
- Advanced services
- Projects



# Profit & Loss:

(€ thousand)	H1 2021	%	H1 2020	%	Var %
<b>REVENUES</b>	<b>43,699</b>	<b>100.0%</b>	<b>32,108</b>	<b>100.0%</b>	<b>36.1%</b>
Direct costs	27,085	62.0%	18,087	56.3%	49.7%
<b>GROSS MARGIN</b>	<b>16,614</b>	<b>38.0%</b>	<b>14,021</b>	<b>43.7%</b>	<b>18.5%</b>
Research and Development costs	3,313	7.6%	3,714	11.6%	(10.8%)
Commercial costs	3,757	8.6%	3,258	10.1%	15.3%
General and Administrative costs	3,882	8.9%	3,007	9.4%	29.1%
<b>EBITDA</b>	<b>5,663</b>	<b>13.0%</b>	<b>4,042</b>	<b>12.6%</b>	<b>40.1%</b>
Amortization, depreciation and write downs	1,927	4.4%	1,591	5.0%	21.1%
Reorganization and non-recurring costs	316	0.7%	350	1.1%	(9.6%)
<b>OPERATING PROFIT (EBIT)</b>	<b>3,419</b>	<b>7.8%</b>	<b>2,101</b>	<b>6.5%</b>	<b>62.7%</b>
Financial income (charges)	271	0.6%	892	2.8%	(69.7%)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>3,689</b>	<b>8.4%</b>	<b>2,993</b>	<b>9.3%</b>	<b>23.3%</b>
Taxes	(1,619)	(3.7%)	(263)	(0.8%)	515.6%
<b>NET PROFIT</b>	<b>2,071</b>	<b>4.7%</b>	<b>2,730</b>	<b>8.5%</b>	<b>(24.2%)</b>





# Balance Sheet :

€ thousand	31.06.2021	31.12.2020	Var.
Intangible assets	37,035	37,653	(618)
Tangible assets	7,657	7,460	197
Other fixed assets	16,269	2,299	13,970
<b>Fixed Assets</b>	<b>60,961</b>	<b>47,412</b>	<b>13,549</b>
Inventories	5,862	4,749	1,113
Trade receivables	32,605	35,411	(2,806)
Other short term assets	6,402	5,782	620
Trade payables	(3,783)	(4,176)	393
Tax payables	(3,972)	(3,164)	(808)
Other payables and short term liabilities	(18,454)	(17,471)	(983)
<b>Net working capital</b>	<b>18,661</b>	<b>21,131</b>	<b>(2,470)</b>
<b>Severance and other non current liabilities</b>	<b>(4,477)</b>	<b>(4,740)</b>	<b>263</b>
<b>Capital employed – Continuing Operations</b>	<b>75,145</b>	<b>63,803</b>	<b>11,342</b>
Shareholders' equity	86,050	85,454	596
Shareholders' equity (minority interests)	233	409	(176)
Net financial debt	(11,139)	(22,060)	10,921
<b>Financing of capital employed</b>	<b>75,144</b>	<b>63,803</b>	<b>11,341</b>

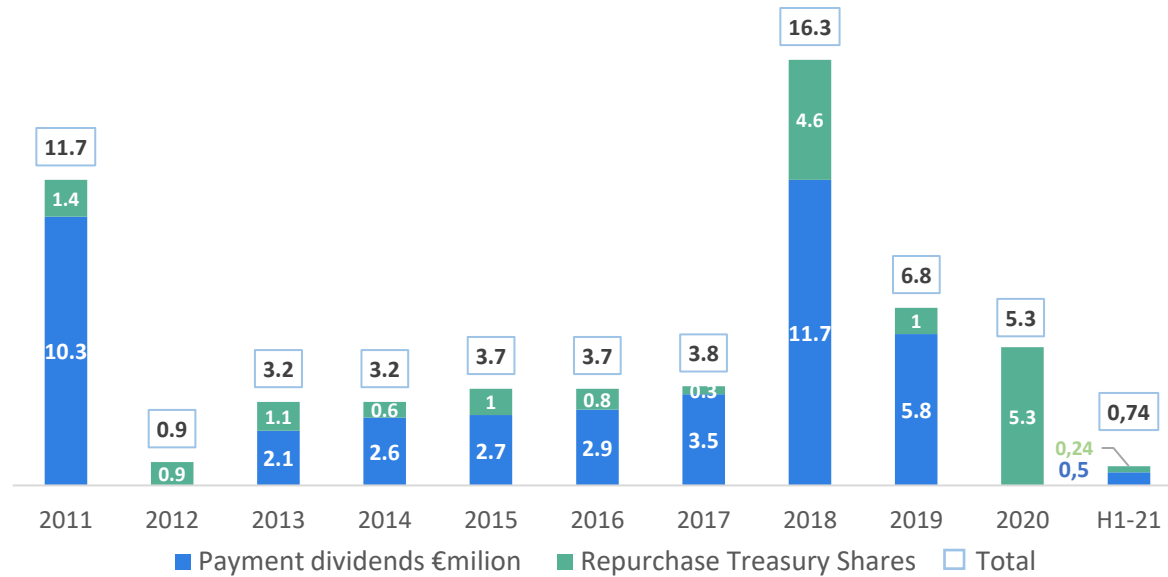


# Net Cash:

€ thousand	30.06.2021	31.12.2020	Var
Cash & Cash equivalents	12,942	11,933	1,009
Trading securities at fair value	53,638	68,161	(14,523)
Current financial assets	-	-	-
Current bank loans	(32,350)	(30,636)	(1,714)
<b>Short term Financial Resources</b>	<b>34,229</b>	<b>49,458</b>	<b>(15,229)</b>
Non current financial debts - Lessors IFRS 16	(3,976)	(3,580)	(396)
Other Non current Financial Debts	(19,114)	(23,818)	4,704
<b>Non current Financial Debts</b>	<b>(23,090)</b>	<b>(27,398)</b>	<b>4,308</b>
<b>Net Available Financial Resources</b>	<b>11,139</b>	<b>22,060</b>	<b>(10,921)</b>

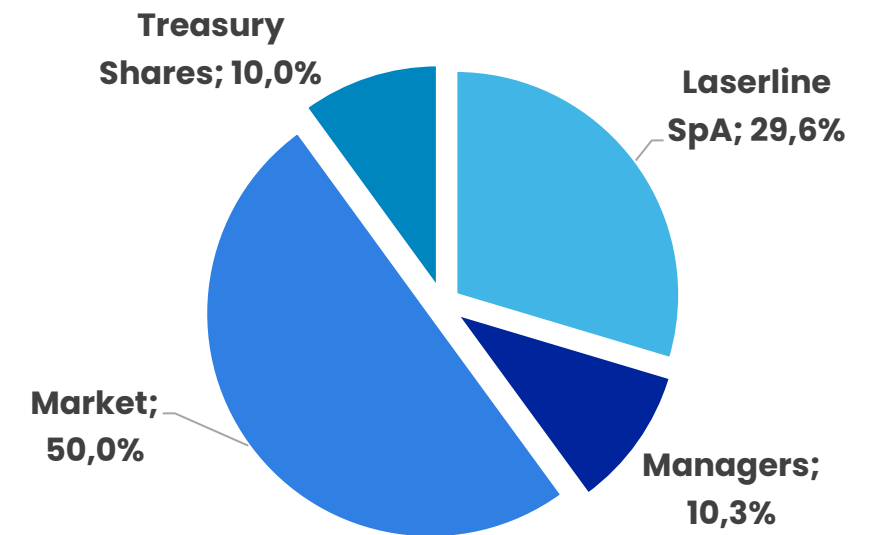


## Dividends and Treasury Shares Repurchase (€m)



## Shareholding Structure June 30<sup>th</sup>, 2021\*

\* Latest Public Data Available  
30 June 2021



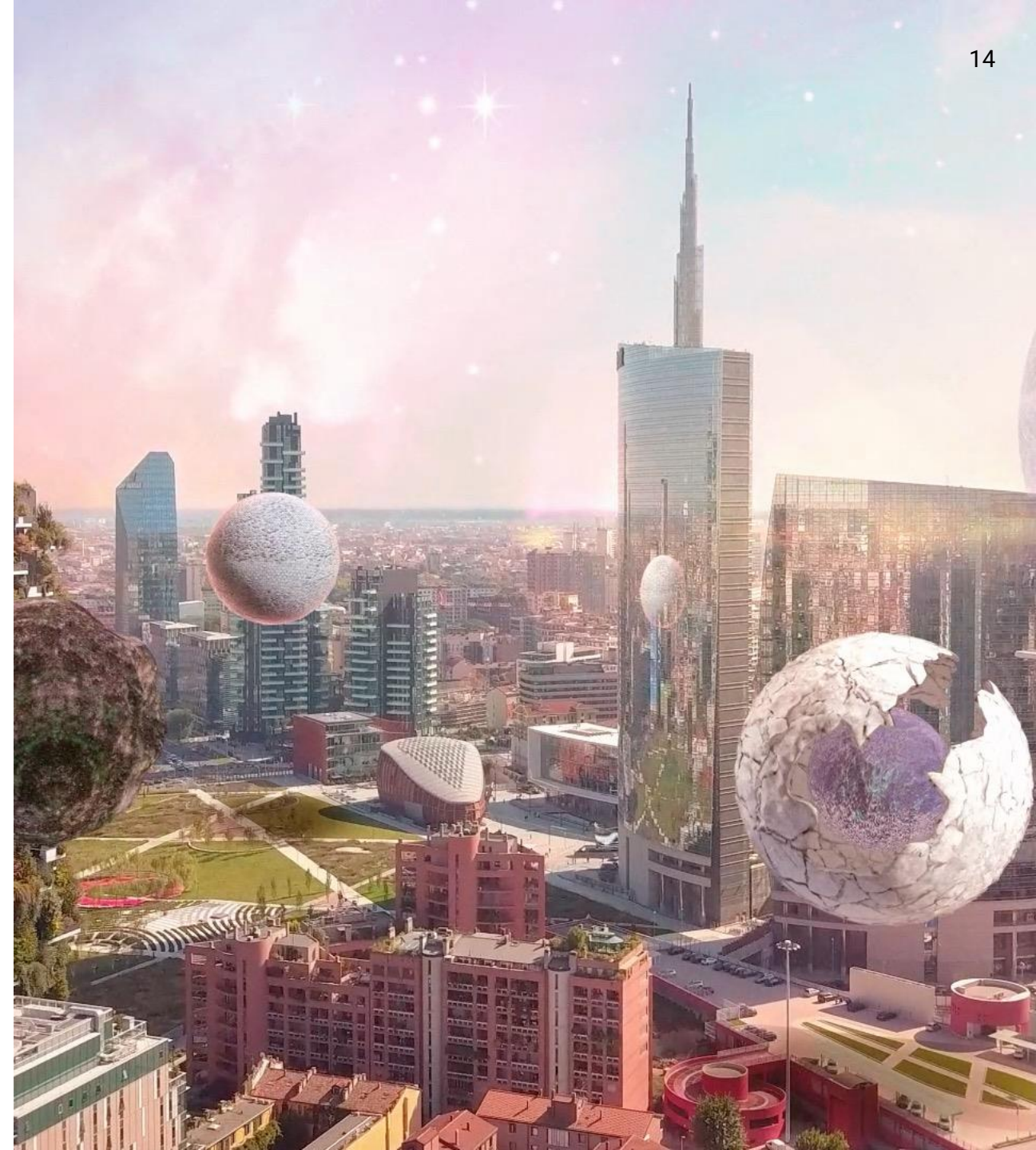


# Rebranding Campaign:

## Reboot of Our **Visual Identity**

- Reinforce the TXT Group **identity**
- Enhance the **excellence** of each part
- Show the **change of speed**
- Leverage synergies: designed by **HSPI Digital Unit**

TXT Group is going through a phase of change and strong growth. We are aggregating a network of synergic excellencies with the strategic ambition to maintain and expand the strong momentum in all key sectors of our business. This is why we have decided to create, with creative and innovative thinking, a new visual identity capable not only of communicating our nature as digital innovators and our flexibility in responding to ongoing change, but also of reinforcing the group identity, enhancing the excellence of all its parts.



# TXT acquires TeraTron GmbH:

## strengthened IoT offering

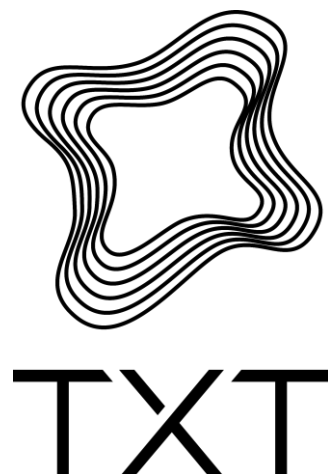
- TXT e-solutions S.p.A. ("TXT") announces the acquisition of TeraTron GmbH, acquiring 100% of its capital.
- TXT continues its internationalisation process with a further acquisition in Germany.
- This new acquisition strengthens TXT IoT offering in its already robust Automotive & Industrial (Industry 4.0) sector.
- Expected €9 million revenues with EBITDA of approximately €2 million full year results 2021. TXT will consolidate results starting from 1 August 2021.







**Never Better.**



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