

# TXT E-SOLUTIONS OUTPERFORM

Price (Eu): **7.79**  
 Target Price (Eu): **10.00**

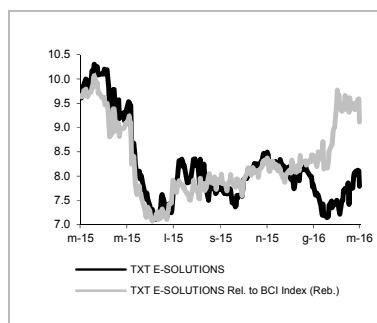
SECTOR: Industrials

Jacopo Tagliaferri +39-02-77115.230  
 e-mail: jacopo.tagliaferri@intermonte.it

## FY Results In Line (Net of Non-cash Costs), Slow Start To The Year

- Growing full year results.** In FY15, TXT's revenues came to Eu61.5mn, up 13.1% YoY (on normalised FY14 results) and 0.5% above our forecast. Both the Next division (+14.2% YoY) and the Perform division (+12.4% YoY) contributed to growth. Revenues from the sale of licenses and maintenance services went up 26.4% YoY. EBITDA, net of Eu0.74mn from a non-cash stock grant, came to Eu6.7mn in FY15, up 16.2% YoY and 3.3% above our forecast. The margin on sales rose 30bps YoY. Net profit increased by 17.4% YoY to Eu3.89mn (on normalised FY14 results), falling 10.2% short of our forecast as we were not factoring in any stock grant costs. The BoD proposed the distribution of a DPS of Eu0.25, above our forecast. Net cash decreased from Eu9.4mn as at the end of September 2015 to Eu8.3mn as at YE15: quarterly cash generation was nevertheless hampered by higher receivables, which should be temporary. At the end of February 2016 net cash bounced back to Eu14.0mn.
- Slow start to the year.** The company stated that: "2016 opened with difficulties and uncertainties in markets where TXT has a strong presence, including Fashion and Luxury. In the first quarter TXT Retail is expected to slow down, especially in light of the good transformation of commercial pipelines into contracts in 4Q15. Nevertheless the overall picture for 2016 is not changing. Ongoing negotiations for the sale of TXT Perform solutions in 2Q16 are at a good stage but there is uncertainty on the timing of customers' decisions".
- Estimates trimmed.** Following the release of FY15 results, we have revised our 2016 and 2017 revenue estimates upwards by 0.7% on average. We are taking a more prudent view on margins, given a weak start of the year for the sale of profitable licences and maintenance services. We have therefore cut EBITDA prior to stock grants by 6.8% on average for 2016 and 2017. Based on almost unchanged depreciation, net financial charges and tax rate, we have lowered our net profit estimates by 16.8% for 2016 and 15.5% for 2017, having factored-in Eu0.5mn of stock grant costs in 2016 and Eu0.6mn in 2017. The net cash position is expected to reach Eu9.9mn at the end of 2016, and Eu12.5mn at the end of 2017.
- PACE acquisition has a sound industrial rationale.** TXT has signed a deal to buy PACE, a company that specialises in software for the aerospace and aviation sectors. PACE employs 70 people in its three offices in Berlin (headquarters), Toulouse and Seattle. It generated some Eu7.3mn in revenue and Eu0.8mn in EBITDA in 2015. We believe that there are opportunities to extract revenue synergies from this acquisition over the next few years. Indeed, TXT Next will have the opportunity to supply PACE's customer base (large companies including Airbus, Boeing, Safran, GE Aviation, COMAC, Sukhoi, Embraer, Rolls-Royce, Air France & KLM Engineering, Lufthansa and Delta Airlines) with its on-board software, flight simulators, and flight training systems. TXT will pay Eu5.6mn cash for 79% of PACE's share capital at closing, which is scheduled for 1<sup>st</sup> April (we have not consolidated PACE yet).
- OUTPERFORM reaffirmed; target cut to Eu10.00.** We appreciate TXT Perform's focus on the luxury, fashion and specialist retail sectors, which offer significant and sustainable growth opportunities. We also like TXT Next's ability to generate constant, stable revenues and positive cashflow. A cash-positive balance sheet grants room to ensure high shareholder remuneration and/or pursue further external growth opportunities. We are cutting our target price to Eu10.00 per share (from Eu11.00) as a result of new lower estimates.

### TXT E-SOLUTIONS - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 11.00 to 10.00

Change in EPS est:	2016E	2017E
	-16.8%	-15.5%

#### STOCK DATA

Reuters code: TXTS.MI  
 Bloomberg code: TXT IM

Performance	1m	3m	12m
Absolute	4.9%	-3.0%	-19.3%
Relative	-7.6%	10.4%	-4.8%
12 months H/L:	10.30/7.11		

#### SHAREHOLDER DATA

No. of Ord. shares (mn):	13
Total No. of shares (mn):	13
Mkt Cap Ord (Eu mn):	101
Total Mkt Cap (Eu mn):	101
Mkt Float - ord (Eu mn):	44
Mkt Float (in %):	43.6%
Main shareholder:	
E-Business Consulting	26.4%

#### BALANCE SHEET DATA

	2016
Book value (Eu mn):	35
BVPS (Eu):	2.71
P/BV:	2.9
Net Financial Position (Eu mn):	10
Enterprise value (Eu mn):	80

Please see important disclaimer  
 on the last page of this report

Key Figures	2013A	2014A	2015A	2016E	2017E
Sales (Eu mn)	53	56	62	65	70
Ebitda (Eu mn)	6	7	6	7	8
Net profit (Eu mn)	5	4	4	4	6
EPS - New (Eu)	0.394	0.354	0.330	0.382	0.474
EPS - Old (Eu)	0.394	0.354	0.367	0.459	0.561
DPS (Eu)	0.222	0.227	0.247	0.263	0.280

Ratios & Multiples	2013A	2014A	2015A	2016E	2017E
P/E	19.8	22.0	23.6	20.4	16.4
Div. Yield	2.8%	2.9%	3.2%	3.4%	3.6%
EV/Ebitda	13.0	12.0	13.9	11.9	9.6
ROCE	25.2%	27.4%	20.9%	21.9%	26.2%

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**TXT E-SOLUTIONS - KEY FIGURES**

		2013A	2014A	2015A	2016E	2017E
	Fiscal year end	12/12/2013	12/12/2014	12/12/2015	12/12/2016	12/12/2017
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	53	56	62	65	70
	EBITDA	6	7	6	7	8
	EBIT	5	5	5	6	7
	Financial income (charges)	(0)	(0)	(0)	(0)	0
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	5	5	5	6	7
	Taxes	0	(1)	(1)	(1)	(2)
	Tax rate (%)	-2.7%	20.0%	16.4%	20.0%	22.5%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	5	4	4	4	6
	Total extraordinary items	0	0	0	0	0
	Ebitda excl. extraordinary items	6	7	6	7	8
Ebit excl. extraordinary items	5	5	5	6	7	
Net profit restated	5	4	4	4	6	
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	13	13	13	13	13
	EPS stated fd	0.394	0.354	0.330	0.382	0.474
	EPS restated fd	0.394	0.354	0.330	0.382	0.474
	BVPS fd	2.148	2.227	2.585	2.708	2.899
	Dividend per share (ord)	0.222	0.227	0.247	0.263	0.280
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	56.3%	64.2%	74.8%	68.9%	59.1%
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	5	5	6	6	7
	Change in NWC	0	(2)	(5)	(2)	(2)
	Capital expenditure	(0)	(1)	(1)	(1)	(1)
	Other cash items	0	(0)	0	1	1
	Free cash flow (FCF)	5	3	0	5	6
	Acquisitions, divestments & others	0	0	0	0	0
	Dividend	(2)	(3)	(3)	(3)	(3)
	Equity financing/Buy-back	(1)	(1)	2	0	0
Change in Net Financial Position	3	(0)	(0)	2	3	
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	18	18	18	18	18
	Net working capital	5	6	11	13	14
	Long term liabilities	(3)	(4)	(4)	(4)	(4)
	Net capital employed	19	21	25	27	28
	Net financial position	9	8	8	10	12
	Group equity	28	29	34	35	38
	Minorities	0	0	0	0	0
Net equity	28	29	34	35	38	
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	101	101	101	101	101
	Adjustments (associate & minorities)	11	11	11	11	11
	Net financial position	9	8	8	10	12
	Enterprise value	82	82	82	80	78
<b>RATIOS(%)</b>	EBITDA margin*	11.9%	12.2%	9.6%	10.3%	11.7%
	EBIT margin*	9.4%	9.8%	7.8%	8.8%	10.4%
	Gearing - Debt/equity	-30.7%	-29.2%	-23.9%	-28.0%	-33.1%
	Interest cover on EBIT	11.4	22.0	31.8	57.2	nm
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	25.2%	27.4%	20.9%	21.9%	26.2%
	ROE*	17.2%	14.7%	12.4%	13.1%	15.3%
	EV/CE	4.1	4.1	3.6	3.1	2.8
	EV/Sales	1.6	1.5	1.3	1.2	1.1
	EV/Ebit	16.5	14.9	17.1	14.0	10.8
Free Cash Flow Yield	5.9%	3.4%	0.0%	5.3%	6.3%	
<b>GROWTH RATES (%)</b>	Sales	13.0%	6.3%	10.1%	6.3%	6.3%
	EBITDA*	17.7%	8.4%	-12.8%	13.6%	20.6%
	EBIT*	16.1%	10.3%	-12.3%	19.3%	26.0%
	Net profit	-7.1%	-10.1%	-6.9%	15.8%	24.2%
	EPS restated	-55.6%	-10.1%	-6.9%	15.8%	24.2%

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Results

### TXT - Results

(Eu mn)	4Q14A	4Q15A	YoY	4Q15E	A vs E	2014A		2015A	2015E	A vs E	YoY	YoY normalized
						2014A	normalized					
<b>Total revenues</b>	<b>14.2</b>	<b>16.1</b>	13.7%	<b>15.8</b>	<b>2.1%</b>	<b>55.9</b>	<b>54.4</b>	<b>61.5</b>	<b>61.2</b>	<b>0.5%</b>	10.1%	13.1%
<i>YoY growth</i>	9.6%	13.7%		11.4%		6.3%	3.5%	10.1%	9.5%			
<b>Gross Profit</b>	<b>7.2</b>	<b>8.6</b>	19.1%	<b>7.9</b>	<b>9.1%</b>	<b>29.4</b>	<b>28.4</b>	<b>32.3</b>	<b>31.6</b>	<b>2.3%</b>	9.8%	13.9%
<i>gross margin</i>	50.7%	53.1%		49.7%		52.7%	52.1%	52.5%	51.6%			
<b>EBITDA pre stock grant</b>						<b>6.8</b>	<b>5.7</b>	<b>6.7</b>	<b>6.4</b>	<b>3.3%</b>	-1.9%	16.2%
<b>EBITDA IFRS</b>	<b>1.2</b>	<b>0.9</b>	-24.0%	<b>1.4</b>	<b>-36.4%</b>	<b>6.8</b>	<b>5.7</b>	<b>5.9</b>	<b>6.4</b>	<b>-8.1%</b>	-12.8%	3.3%
<i>EBITDA margin</i>	8.5%	5.7%		9.1%		12.2%	10.5%	9.6%	10.5%			
Depreciation and amortization <i>on revenues</i>	(0.3)	(0.3)		(0.3)		(1.3)	(1.3)	(1.1)	(1.1)			
	-2.4%	-1.8%		-1.7%		2.5%	-2.4%	1.9%	1.9%			
<b>EBIT IFRS</b>	<b>0.9</b>	<b>0.6</b>	-28.1%	<b>1.2</b>	<b>-47.1%</b>	<b>5.5</b>	<b>4.4</b>	<b>4.8</b>	<b>5.3</b>	<b>-10.3%</b>	-12.3%	8.9%
<i>EBIT margin</i>	6.1%	3.8%		7.4%		10.5%	8.1%	8.1%	9.0%			
Financial income and charges	(0.1)	(0.0)		0.0		(0.2)	(0.2)	(0.2)	(0.1)			
<b>Pre-tax profit</b>	<b>0.8</b>	<b>0.6</b>	-26.0%	<b>1.2</b>	<b>-50.2%</b>	<b>5.2</b>	<b>4.2</b>	<b>4.6</b>	<b>5.2</b>	<b>-11.4%</b>	-11.0%	11.8%
Income taxes <i>tax rate</i>	(0.2)	(0.1)		(0.3)		(1.0)	(0.8)	(0.8)	(0.9)			
	-29.7%	-24.5%		-25.4%		-20.0%	-20.4%	-16.4%	-17.5%			
Profit from discontinued operations	0.0	0.0		0.0		0.0	0.0	0.0	0.0			
<b>Net profit</b>	<b>0.56</b>	<b>0.45</b>	-20.5%	<b>0.89</b>	<b>-49.7%</b>	<b>4.17</b>	<b>3.31</b>	<b>3.89</b>	<b>4.33</b>	<b>-10.2%</b>	-6.9%	17.4%
<i>YoY growth</i>	-67.8%	-20.5%		57.9%		-10.1%		-6.9%	3.7%			

Source: Company data (A) and Intermonte SIM estimates (E)

## Estimates

### TXT - Change in estimates

(Eu mn)	2014A	2015 A v E	2016E	2017E
<b>Total revenues new</b>	55.9	<b>61.5</b>	<b>65.4</b>	<b>69.5</b>
Total revenues old		61.2	65.0	69.0
% change		0.5%	0.6%	0.8%
<b>EBITDA pre stock grant new</b>		<b>6.7</b>	<b>7.2</b>	<b>8.7</b>
EBITDA pre stock grant old		6.4	7.8	9.3
% change		3.3%	-6.9%	-6.7%
<b>EBITDA new</b>	<b>6.8</b>	<b>5.9</b>	<b>6.7</b>	<b>8.1</b>
EBITDA old		6.4	7.8	9.3
% change		-8.1%	-13.3%	-13.1%
<b>EBIT new</b>	<b>5.5</b>	<b>4.8</b>	<b>5.7</b>	<b>7.2</b>
EBIT old		5.3	6.8	8.4
% change		-10.3%	-15.3%	-14.5%
<b>PBT new</b>	<b>5.2</b>	<b>4.6</b>	<b>5.6</b>	<b>7.2</b>
PBT old		5.2	6.8	8.5
% change		-11.4%	-16.8%	-15.5%
<b>Net profit new</b>	<b>4.2</b>	<b>3.9</b>	<b>4.5</b>	<b>5.6</b>
Net profit old		4.3	5.4	6.6
% change		-10.2%	-16.8%	-15.5%
<b>Net cash new</b>	<b>8.5</b>	<b>8.3</b>	<b>9.9</b>	<b>12.5</b>
Net cash old		11.0	13.4	16.7
% change		-25.0%	-26.6%	-25.2%

Source: Intermonte SIM estimates

## Valuation

Our valuation is based on a discounted cash flow (DCF) model; as a sanity check we have also compared TXT's multiples with those of its peers.

TXT is showing potential upside of 28% from the current share price of Eu7.79. At our target (Eu10.00 per share), the stock would be trading at 19.8x P/E (net of treasury shares and ex-cash), 13.1x EV/EBITDA and 1.5x EV/sales based on our 2017 estimates.

Further upside to our valuation might come from higher than forecast growth in revenues from licences and maintenance, quicker than expected improvements in profitability, or balance sheet re-leverage (through external growth or cash distributions to shareholders).

## DCF

TXT - DCF model									
(Eu mn)	2014A	2015A	2016E	2017E	2018E	2019E	2020E	2021E	TV
Sales	52.3	59.5	63.4	67.5	70.9	74.4	78.2	82.1	84.1
EBITDA	6.8	5.9	6.7	8.1	8.6	9.1	9.7	10.2	10.5
DA	(1.3)	(1.1)	(1.0)	(0.9)	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)
EBIT	5.5	4.8	5.7	7.2	7.7	8.3	8.8	9.5	9.7
Taxes	(1.1)	(0.8)	(1.1)	(1.6)	(1.7)	(1.9)	(2.0)	(2.1)	(2.2)
tax rate	-20.0%	-16.4%	-20.0%	-22.5%	-22.5%	-22.5%	-22.5%	-22.5%	-22.5%
Change in WC	(1.5)	(4.7)	(1.5)	(1.6)	(0.3)	(0.4)	(0.4)	(0.4)	(0.2)
Capex	(0.6)	(0.8)	(0.8)	(0.7)	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)
Capex/Sales	-1.2%	-1.3%	-1.2%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
<b>FCF</b>	<b>3.6</b>	<b>-0.4</b>	<b>3.3</b>	<b>4.2</b>	<b>5.8</b>	<b>6.1</b>	<b>6.5</b>	<b>6.9</b>	<b>7.2</b>
TV									131.4
year	0	0	1	2	3	4	5	6	7
WACC	0	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Discounted WACC	1.00	1.00	0.93	0.86	0.79	0.73	0.68	0.63	0.58
Discounted Free cash flow	3.6	-0.4	3.1	3.6	4.6	4.5	4.4	4.3	76.6

Discounted Free Cash Flows	24.5
Terminal value	76.6
<b>Total EV</b>	<b>101.1</b>
Net cash	8.3
Treasury shares	11.2
Excess cash	7.6
<b>Total EQUITY</b>	<b>128.1</b>
N. of shares (mn)	13.0
<b>TARGET PRICE (Eu)</b>	<b>10.0</b>

TV / Total EV	75.7%
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WACC	8.0%
Terminal growth	2.5%

## Peer Comparison

TXT is trading at a premium to a panel of European IT service providers and systems integration companies (such as Capgemini, Atos, Altron Technologies, Groupe Steria, Sopra Group, Indra Sistemas, Reply and Engineering), and at a discount to specialist software developers (such as Oracle, SAP and MICROS Systems).

If we associate TXT Perform's business with software developers and TXT Next with providers of IT services and systems integration companies, TXT's fair equity value per share should be Eu6.9 based on average 2016 and 2017 EV/EBITDA, and Eu16.1 based on average 2016 and 2017 EV/sales.

Given that, in our view, the read-across from a comparison based on EBITDA is highly influenced by the allocation of costs between one division and another, and a comparison on sales is too approximate, we prefer to use the multiple comparison simply as a sanity check to corroborate our predominant valuation method.

### TXT - Valuation based on peer group EV/EBITDA

(Eu mn)	2015A	2016E	2017E
PERFORM EBITDA	4.8	5.8	6.5
EV/EBITDA peer group	11.3 x	10.7 x	9.9 x
EV PERFORM	53.7	61.6	63.7
NEXT EBITDA	2.0	0.9	0.6
EV/EBITDA peer group	8.2 x	7.6 x	6.6 x
EV NEXT	16.0	7.2	4.2
<b>EV based on multiples</b>	<b>69.7</b>	<b>68.7</b>	<b>67.9</b>
Net cash	8.3	9.9	12.5
Treasury shares	10.6	10.6	10.6
Equity Value	88.5	89.2	91.0
N. of shares	13.0	13.0	13.0
<b>Equity Value p.s.</b>	<b>6.8</b>	<b>6.9</b>	<b>7.0</b>
<b>Average Equity Value p.s.</b>		<b>6.9</b>	

Source: Factset data & Intermonte estimates

### TXT - Valuation based on peer group EV/Sales

(Eu mn)	2015A	2016E	2017E
PERFORM Sales	36.7	39.9	43.1
EV/Sales peer group	4.4 x	4.1 x	3.8 x
EV PERFORM	159.6	161.5	163.8
NEXT Sales	24.8	25.5	26.4
EV/Sales peer group	1.1 x	1.1 x	0.9 x
EV NEXT	27.3	26.8	23.8
<b>EV based on multiples</b>	<b>186.9</b>	<b>188.3</b>	<b>187.6</b>
Net cash	8.3	9.9	12.5
Treasury shares	10.6	10.6	10.6
Equity Value	205.8	208.7	210.7
N. of shares	13.0	13.0	13.0
<b>Equity Value p.s.</b>	<b>15.8</b>	<b>16.0</b>	<b>16.2</b>
<b>Average Equity Value p.s.</b>		<b>16.1</b>	

Source: Factset data & Intermonte estimates

**TXT E-SOLUTIONS Peer Group - Absolute Performances**

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
<b>TXT E-SOLUTIONS</b>	<b>7.79</b>	<b>EUR</b>	<b>101</b>	<b>4.9%</b>	<b>-3.0%</b>	<b>-1.0%</b>	<b>-4.2%</b>	<b>-19.3%</b>	<b>-31.5%</b>
AMERICAN SOFTWARE	---	USD	256	-1.8%	-15.5%	-2.2%	-12.9%	-9.5%	-12.1%
ATOSS SOFTWARE	---	EUR	262	22.2%	-1.6%	41.4%	-4.2%	70.4%	129.7%
CAPGEMINI	---	EUR	13,067	4.1%	-10.6%	-3.9%	-10.8%	4.8%	36.0%
COMPUTACENTER	---	GBP	898	5.7%	-1.1%	7.1%	-2.6%	14.2%	18.7%
DESCARTES SYSTEMS	---	CAD	1,680	2.5%	-13.0%	-6.5%	-20.4%	12.4%	41.4%
DEVOTEAM	---	EUR	291	21.0%	18.8%	34.5%	14.5%	106.3%	113.5%
ENGINEERING	65.60	EUR	820	2.3%	11.8%	27.9%	9.3%	33.3%	23.9%
MANHATTAN ASSOCIATE	---	USD	4,097	21.4%	-23.9%	-5.8%	-15.2%	12.2%	43.2%
ORACLE	---	USD	161,663	9.7%	-0.3%	3.7%	5.3%	-9.9%	-0.9%
REPLY	117.30	EUR	1,097	10.7%	-6.5%	23.5%	-6.8%	58.5%	83.9%
SAP	---	EUR	85,713	5.1%	-2.7%	18.3%	-4.9%	10.7%	23.8%
SOPRA GROUP	---	EUR	1,918	5.4%	-10.0%	-0.4%	-10.6%	26.9%	5.7%
SQS SOFTWARE	---	EUR	207	-1.3%	-19.1%	-4.5%	-17.7%	-15.0%	2.3%
<b>Mean performance</b>				<b>8.0%</b>	<b>-5.5%</b>	<b>9.4%</b>	<b>-5.8%</b>	<b>21.1%</b>	<b>34.1%</b>
<b>Italy FTSE Mib</b>	18,208.9	EUR	254,325	14.4%	-15.3%	-17.7%	-15.0%	-19.3%	-11.8%

Source: FactSet

**TXT E-SOLUTIONS Peer Group - Multiple Comparison**

Stock	Price	Ccy	Mkt cap	EV/Sales		EV/Ebitda		EV/Ebit		P/E		Div Yield	
				2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
<b>TXT E-SOLUTIONS</b>	<b>7.79</b>	<b>EUR</b>	<b>101</b>	<b>1.2</b>	<b>1.1</b>	<b>11.9</b>	<b>9.6</b>	<b>14.0</b>	<b>10.8</b>	<b>20.4</b>	<b>16.4</b>	<b>3.4%</b>	<b>3.6%</b>
AMERICAN SOFTWARE	8.87	USD	256	1.6	1.5	9.8	9.5	13.8	13.2	28.6	25.3		
ATOSS SOFTWARE	65.92	EUR	262	5.4	4.9	20.2	18.2	21.5	19.2	34.5	30.5	4.2%	1.6%
CAPGEMINI	76.39	EUR	13,067	1.1	1.0	8.3	7.6	10.3	9.0	14.9	13.3	1.9%	2.1%
COMPUTACENTER	8.30	GBP	898	0.3	0.3	7.6	7.1	10.6	9.9	16.3	15.4	4.1%	2.8%
DESCARTES SYSTEMS	22.17	CAD	1,680	5.8	5.2	17.2	14.8	35.4	28.1	24.4	21.4	0.0%	0.0%
DEVOTEAM	38.37	EUR	291	0.6	0.5	9.8	6.9	8.4	6.7	21.3	16.7	1.3%	1.8%
ENGINEERING	65.60	EUR	820	0.8	0.7	6.1	5.6	8.3	7.6	17.9	17.0	3.0%	3.2%
MANHATTAN ASSOCIATE	56.13	USD	4,097	6.3	5.5	18.5	15.9	19.6	16.8	32.8	29.3		
ORACLE	38.48	USD	161,663	4.0	4.0	9.1	8.6	9.4	9.0	14.8	13.6	1.5%	1.5%
REPLY	117.30	EUR	1,097	1.3	1.1	9.1	7.6	9.9	8.2	16.9	14.5	1.2%	1.4%
SAP	69.77	EUR	85,713	4.1	3.7	12.3	11.2	13.3	12.2	17.4	16.3	1.8%	1.9%
SOPRA GROUP	96.84	EUR	1,918	0.7	0.6	7.6	6.4	9.4	7.7	12.3	10.2	2.0%	2.2%
SQS SOFTWARE	6.54	EUR	207	0.6	0.5	6.4	5.5	7.5	6.4	14.3	12.8	2.3%	2.5%
<b>Median</b>				<b>1.3</b>	<b>1.1</b>	<b>9.1</b>	<b>7.6</b>	<b>10.3</b>	<b>9.0</b>	<b>17.4</b>	<b>16.3</b>	<b>1.9%</b>	<b>1.9%</b>

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

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Stock NAME	TXT E-SOLUTIONS		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	10.00	Previous Target (Eu):	11.00
Current Price (Eu):	7.79	Previous Price (Eu):	8.45
Date of report:	10/03/2016	Date of last report:	06/11/2015

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