

Virtual STAR Conference 2021

Spring Edition

TXT

March 23, 2021

Daniele Misani, CEO

Andrea Favini, IR

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Unless otherwise specified all data refers to FY 2020.



Enrico Magni

Chairman

A seasoned entrepreneur with a solid track record in driving companies' growth, Enrico joined TXT as relative majority Shareholder and became first CEO in 2018 and then Chairman in 2020 with the goal to drive the growth path of TXT.



Misani Daniele

Group CEO

+ 20 years in TXT, strong international background in business development and delivery, in 2020 Daniele Misani has been appointed Group CEO after the achievement of brilliant results in driving the international growth of the Aerospace & Aviation business as Managing Director of TXT Group.



Eugenio Forcinito

Group CFO

+20 years experience in the Finance and Administration sector and a deep knowledge of managerial dynamics, in the last fifteen years Eugenio has always been focused and committed to the sustainable growth and development of TXT Group.



Group **O**verview

TXT



PIONEER OF DIGITAL TRANSFORMATION & SOFTWARE TECHNOLOGIES today we offer a mix of best-in-class strategic software, consultancy and innovative services



30+ YEARS OF EXPERIENCE IN AEROSPACE, defence and aviation sectors with high specialized services & products



20+ YEARS OF EXPERIENCE IN BANKING & FINANCE, first mover & leader in SW Quality & Development, IT Governance services; today we offer also innovative Fintech products



INTERNATIONAL FOOTPRINT, with presence in +10 countries and offices in Europe and North America



800+ SPECIALIZED PROFESSIONALS, software engineers and architects, project engineers, consultants and subject matter experts in our core industries and technologies.

#WEARETXT



MARGIN EXPANSION

*12.5% FY20 EBITDA margin, +0.6pp YoY
CAGR EBITDA FY17-FY20: +35.2%*



RECURRING REVENUE GROWTH

More than 80% of AR are recurring, thanks to strong contractual terms and consolidated relationships



R&D INVESTMENT (expensed in the P&L)

€6.7mn in FY20, +10% YoY



CASH AVAILABLE FOR GROWTH

€22.1mn December 31, 2020 Net Cash



ACCRETIVE ACQUISITIONS

7 strategic investments in Fintech and IT & Digital consultancy in the 3-year period 2018-2020

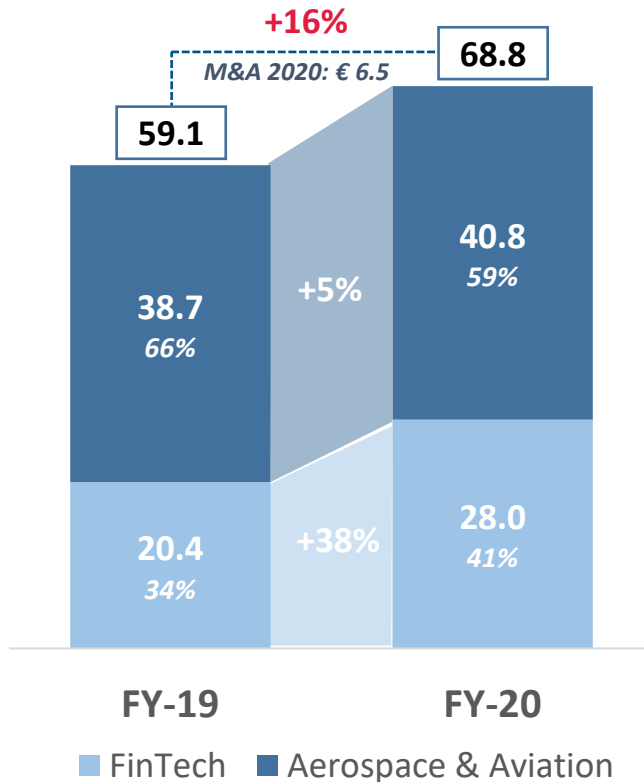
VALUE CREATION

“ *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***

Results of FY 2020 show a double-digit growth in Revenues driven by M&A, with Software revenues and EBITDA increasing +25% YoY and +22% YoY respectively

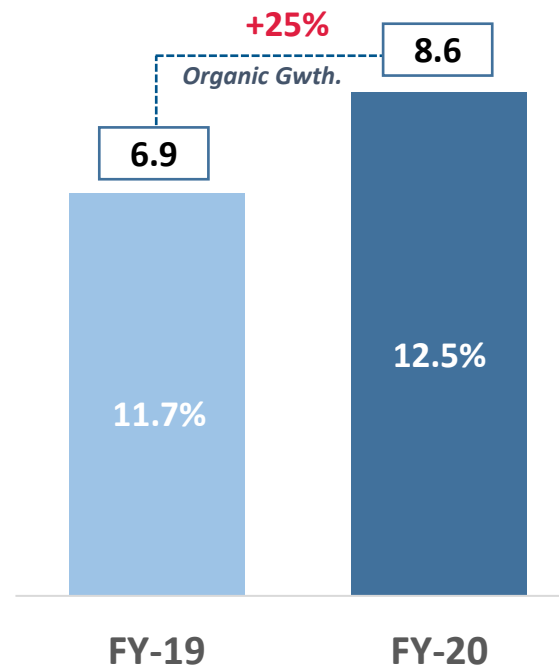
Revenues by Market

(€mn, % on total revenues)



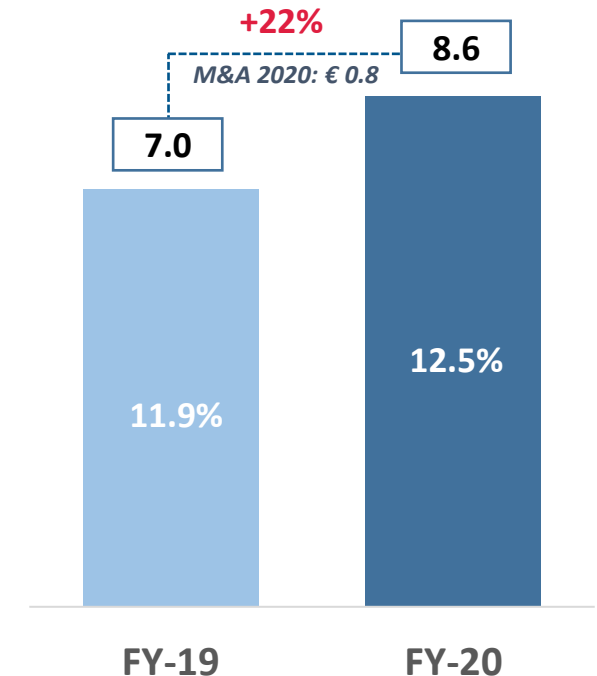
Revenues from Software

(€mn, % on total revenues)

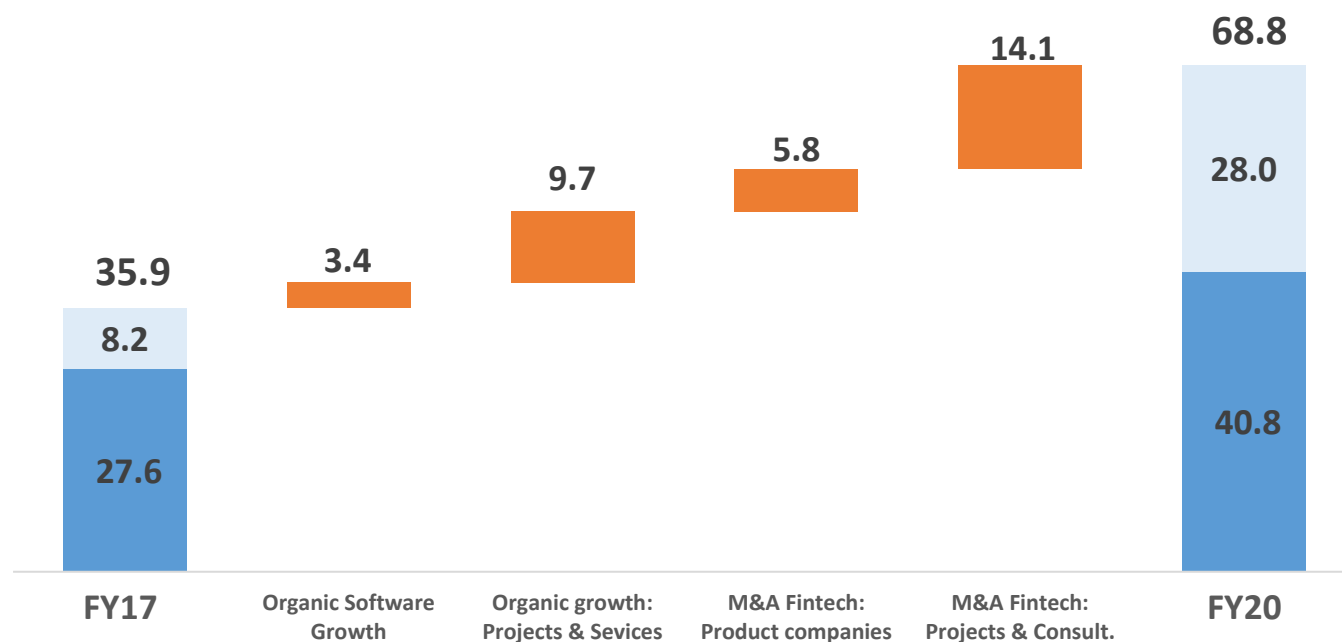


EBITDA

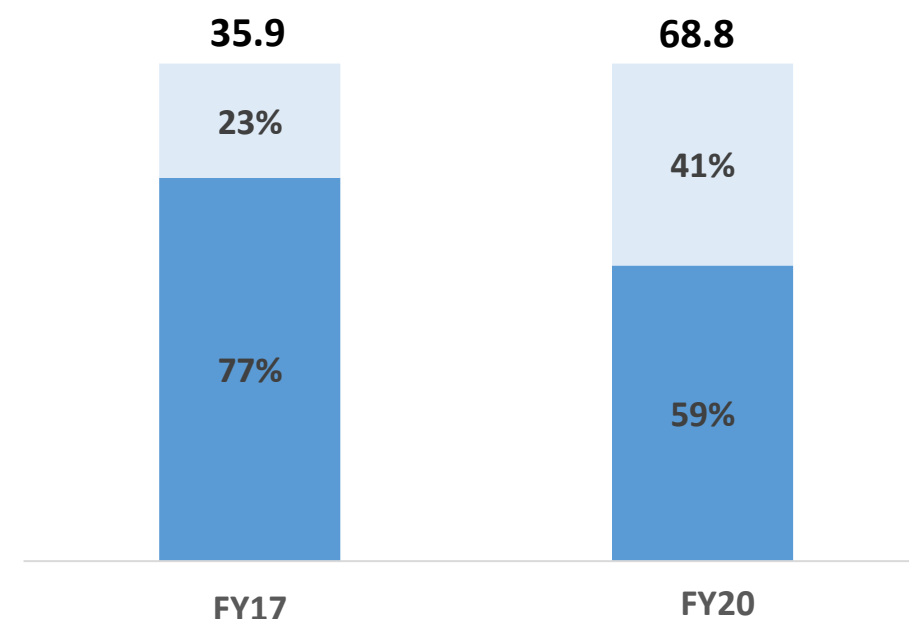
(€mn, % on total revenues)



Diversification over the period 2017-2020 with constant Organic and Software Growth & M&A contribution



FinTech incidence increased thanks to M&A and Organic Growth



Legend:

- **Aviation&Aerospace** Constant double-digit organic growth (CAGR 2017-2020 +10%) achieved with the contribution of new proprietary platforms and new international customers with a significant increase in the North America market (new offices in Seattle & Dallas)
- **Fintech** Accelerated growth of revenues in the period thanks to the positive contribution of M&A. In 2021 and with the same consolidation perimeter, division's performance further increase for the full consolidation of HSPI SpA and Mac Solutions SA (both acquired in H2-2020) and synergies

Reboot completed: a new phase of growth ahead



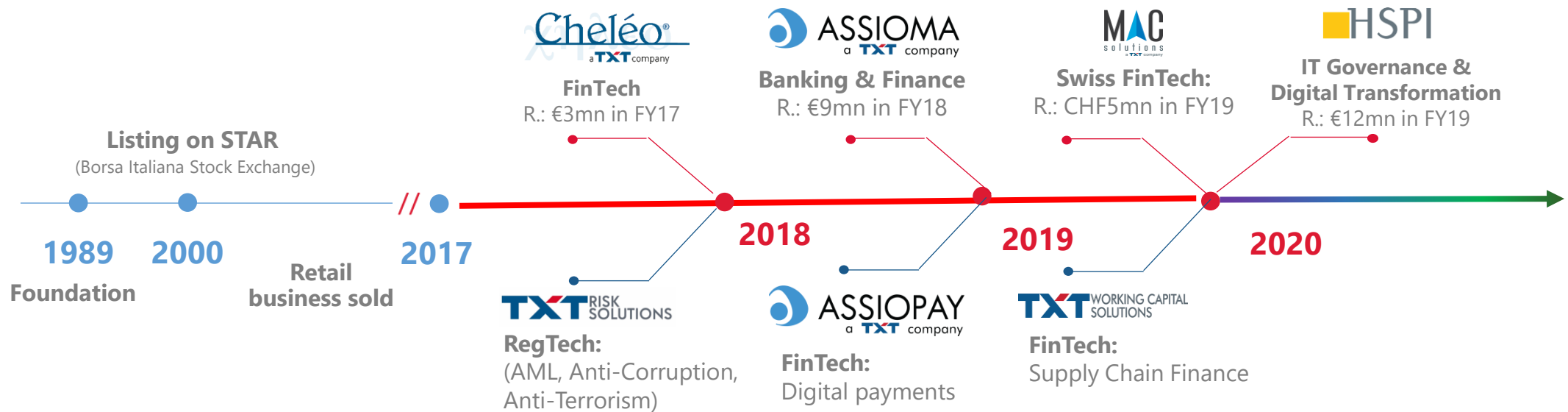
Constant
Growth

12 months revenues *

* Excluded Retail business



Transformation



FY2016: Best historical results since IPO *



€69M

REVENUES



€8.2M

EBITDA



€5.2M

Net Cash

#WEARETXT

Strategic software, consultancy and innovative services

FY2020: New record performance achieved



€69M

REVENUES



€8.6M

EBITDA



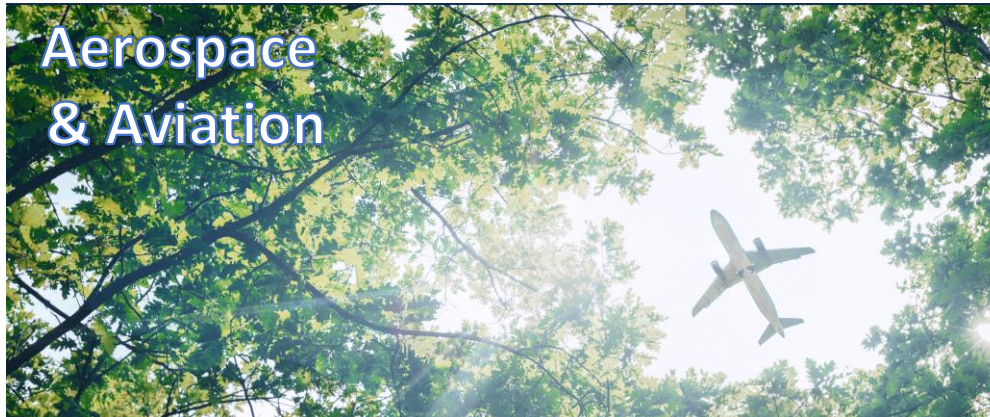
€22.1M

Net Cash

* Included Retail business sold in FY2017

Reboot

Core markets



Aerospace & Aviation

Turnover
FY-2020:



40.8M €
+5.4% YoY

EBITDA margin
FY-2020:



12.5%
-0.6M € YoY

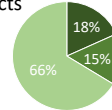
International
revenues:



39.2% of
total

Revenues
breakdown

■ Software
■ Advanced services
■ Projects



Fintech

Turnover
FY-2020:



28.0M €
+37.5% YoY

EBITDA margin
FY-2020:



12.4%
+2.2M € YoY

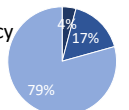
Net operating
investment for
product Start-up:



1.1M € in FY-2020

Revenues
breakdown

■ Software
■ Advanced services
■ Projects & Consultancy



Diversification



Industrial, Manufacturing, Automotive & Transportation <15%



Public Sector <10%



Offering & Strategy

TXT



Deep technology, industry
& process expertise



Flexible service
models



Innovative
Software



Process Mining



IT Governance &
Service Management



Cybersecurity & IT
Risk Management



SW Quality Assurance,
Validation & Verification



Blockchain



Artificial Intelligence
& Machine Learning



Software Design
& Development



Real-time / Cloud /
Embedded Software



Data Analytics



Virtual / Extended /
Mixed Reality



Modelling &
Simulations



Training &
Simulations



ERP Governance



IOT



Change Management &
Communication



Compliance &
Certification

FinTech (NPL, leasing & More):



Cheléo Suite is the Modular
financial software for the
management of NPL, leasing,
factoring, salary-backed loan.

RegTech:



AML, Anti-Terrorism, Anti-
Corruption, Anti-Fraud & Anti-
Financial Risk modular platform.

Training & Simulation:



PaceLab WEAVR lets you
quickly and easily create a
personalized, engaging VR / XR
/ MR training program.

FinTech (SCF market):



Polaris is the Innovative digital
solutions to facilitate working
capital financing.

Digital payments:



Multi-issuer Meal Voucher
Platform for POS, Smart Pos and
For management of loyalty card.

Industrial & Aerospace:



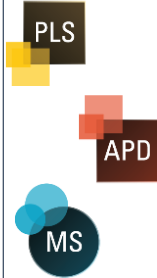
PaceLab Suite provides best-in
class vertical software solutions
for the Aerospace market and
the Industry 4.0 field.

Focus: Aerospace & Aviation

International specialized provider of Software Solutions & Engineering Services



Product Development



On-board Software

Preliminary Design
& Evaluation



Customer Engineering & Manufacturing



Product Configuration

Digital Manufacturing



Aircraft Operations



Training & Simulation

Flight Operations



TOP CUSTOMERS



Focus: FinTech, IT & Digital Consultancy

Proprietary innovative platforms, Advanced services & Consultancy



Financing, Credit & NPL Management



Proprietary software suite for the management of **NPL, Leasing, Factoring & Salary-backed loan**

Compliance & AML solutions



Proprietary RegTech platform for **Anti-Money Laundering, Anti-Terrorism** and more

Supply Chain Finance



Innovative proprietary software solution (marketplace) to facilitate **working capital financing** of large companies

Digital Payments



Proprietary SaaS solution for the digitization of payments, **meal vouchers** and **loyalty programs**

Software Quality & Development



First mover & **Italian leader** in **Software Quality & Development services** for the Banking Industry

IT Governance & Digital Transformation



Advanced **consultancy** know-how in **Digital Innovation, Process mining, IT Governance, & Cybersecurity**

TOP CUSTOMERS



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.

Marketplace for the SCF market



- Innovative **digital solutions** to **facilitate working capital financing**
- A **real debts' trade market** where **Suppliers** can freely **exchange their credit** with the Financial Partners

Fully Committed to ESG Agenda

On-board Flight Profile Optimization (FPO)



150,000 t
annual fuel savings

555,000 t
annual CO₂ 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.



GOVERNMENT



FINTECH



AEROSPACE



INDUSTRIAL
& OTHERS

Consultancy

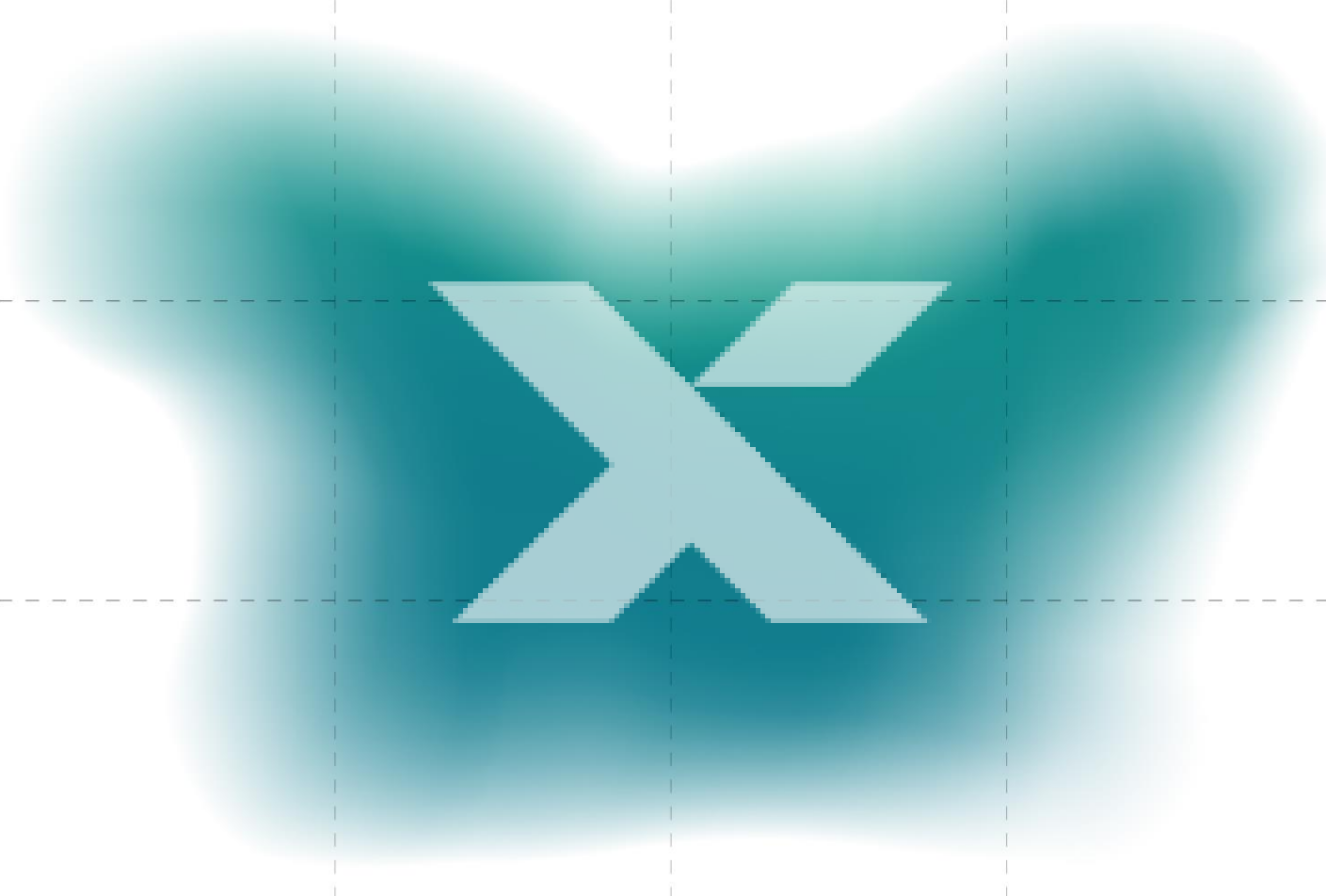
Our process consultancy offering is rooted in deep industry & technology expertise

Projects

We offer flexible service models excelling in full risk-sharing partnerships

Software

Our solutions leverage on proprietary standard software products, libraries & frameworks, methods and patented technologies



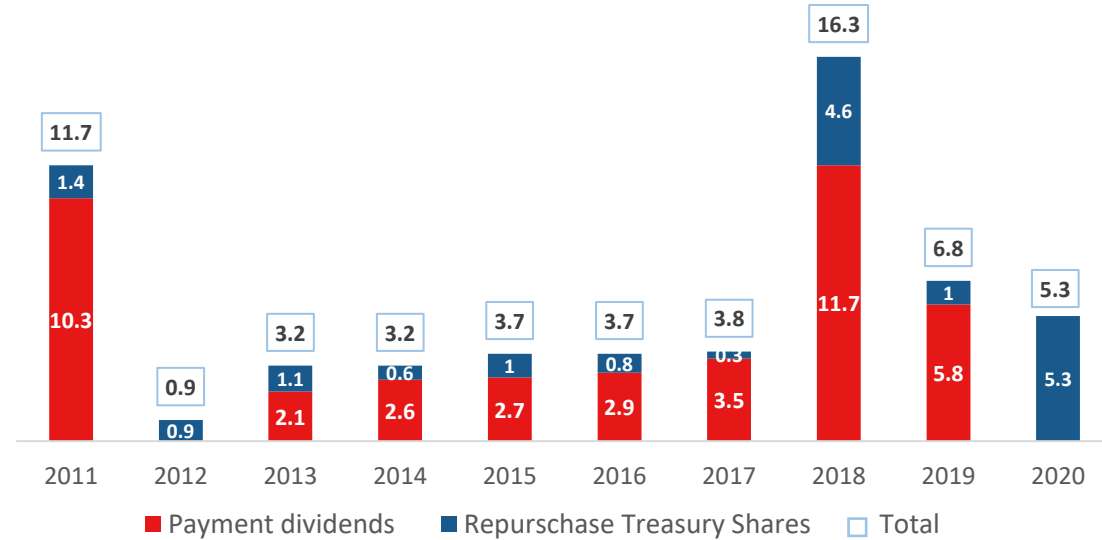
END-TO-END DIGITAL SOLUTIONS



Shareholding & Financial Details

TXT

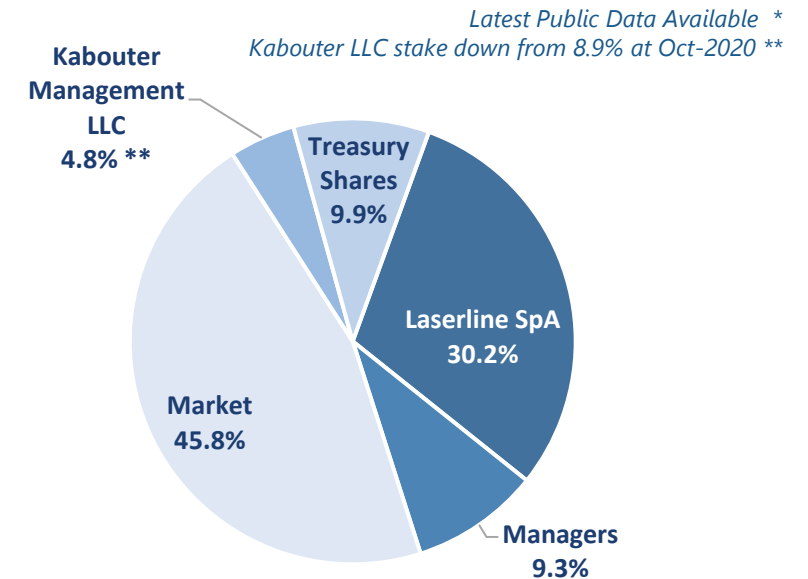
Dividends and Treasury Shares Repurchase (€m)



Dividends

Year	Dividends	Year	Dividends
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	2020	nil
2015	0.25 € / share	2021	0.04 € / share
2016	0.25 € / share		

Shareholding Structure March 10th, 2021*



Market Data

Share Price Dec 31st, 2010	1.51€/share*
Share Price Dec 31st, 2020	7.50€/share
Mkt Dec 31st, 2020	85m€
Dividend Yield	0,5%

rebased for free share distribution*

Increasing and solid trading results - Full Year 2020

€ thousand	FY 2020	%	FY 2019	%	Var %
REVENUES	68,753	100.0	59,091	100.0	16.4
Direct costs	39,470	57.4	31,824	53.9	24.0
GROSS MARGIN	29,283	42.6	27,267	46.1	7.4
Research and Development costs	6,684	9.7	6,071	10.3	10.1
Commercial costs	7,636	11.1	8,610	14.6	(11.3)
General and Administrative costs	6,403	9.3	5,582	9.4	14.7
EBITDA	8,560	12.5	7,004	11.9	22.2
Amortization, depreciation and write downs	4,810	7.0	2,734	4.6	75.9
Reorganization and non-recurring costs	592	0.9	717	1.2	n.m.
OPERATING PROFIT (EBIT)	3,158	4.6	3,553	6.0	(11.1)
Financial income (charges)	562	0.8	2,194	3.7	n.m.
Non-recurring income/(charges) related to M&A	2,157	3.1	(3,432)	(5.8)	n.m.
EARNINGS BEFORE TAXES (EBT)	5,876	8.5	2,315	3.9	153.8
Taxes	(1,162)	(1.7)	(1,867)	(3.2)	n.m.
NET PROFIT	4,714	6.9	448	0.8	952.7

Strong Balance Structure as at December 31, 2020



€ thousand	31.12.2020	31.12.2019	Var.
Intangible assets	37,653	24,380	13,273
Tangible assets	7,460	7,929	(469)
Other fixed assets	2,299	2,325	(26)
Fixed Assets	47,412	34,634	12,778
Inventories	4,749	4,156	593
Trade receivables	35,411	19,371	16,040
Other short term assets	5,782	4,779	1,003
Trade payables	(4,176)	(2,122)	(2,054)
Tax payables	(5,147)	(4,292)	(855)
Other payables and short term liabilities	(17,471)	(12,808)	(4,663)
Net working capital	19,148	9,084	10,064
Severance and other non current liabilities	(2,757)	(3,110)	353
Capital employed - Continuing Operations	63,803	40,608	23,195
Shareholders' equity	85,454	81,852	3,603
Shareholders' equity (minority interests)	409	168	241
Net financial debt	(22,061)	(41,411)	19,351
Financing of capital employed	63,803	40,608	23,195

Net cash: strong and solid financial position

€ thousand	31.12.2020	31.12.2019	Var
Cash	11,933	11,426	507
Trading securities at fair value	68,161	87,320	(19,159)
Cash & Cash equivalents	80,094	98,746	(18,652)
Short term bank loans	(28,181)	(17,353)	(10,828)
Options referred to M&A (Put/Call - Earn Out)	(960)	(6,648)	5,688
Short term financial debts - Lessors IFRS 16	(1,494)	(1,305)	(189)
Short term Financial Resources	49,459	73,440	(23,981)
Other Non current Financial Debts	(18,874)	(23,525)	4,651
Non current financial debts - Lessors IFRS 16	(3,580)	(4,517)	937
Options referred to M&A (Put/Call - Earn Out)	(4,944)	(3,987)	(958)
Non current Financial Debts	(27,398)	(32,029)	4,631
Net Available Financial Resources	22,061	41,411	(19,351)

Thank you for your attention!

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