



TXT Group

9 months 2021 Results

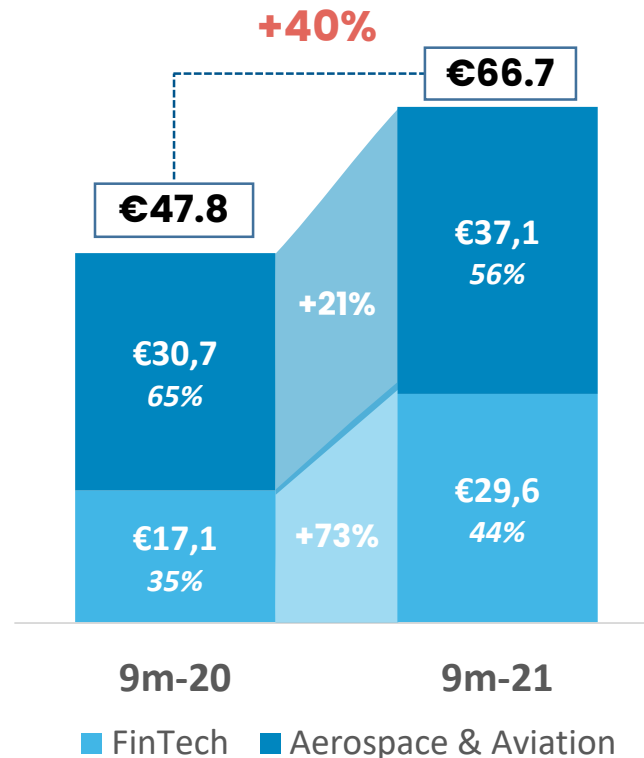
Call with Investors
November 9 | 11.00am (CEST)

Daniele MISANI, CEO
Andrea FAVINI, IR

Since 2018, constantly improving quarterly Revenues and EBITDA results.
Fast reboot after COVID-19 outbreak.

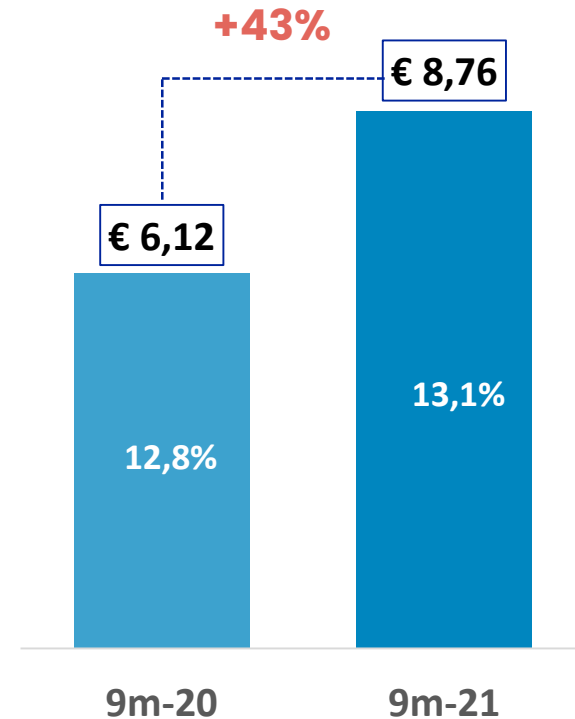
#neverbetter

Revenues by Market (€mn, % on total revenues)



M&A Q4-20 and 9m-21:
€ 12.2Mn

EBITDA (€mn, % on total revenues)



M&A Q4-20 and 9m-21:
€ 1.7Mn *

* Including negative impact from startups



**EBIT**

€ 5.4Mn 9m-21, **+58.7%** vs. 9m-20

**SOFTWARE REVENUES**

€6.3Mn -3% vs. 9m-20, recovering from -12% in Q1-21

**INTERNATIONAL REVENUES**

€ 17.2 Mn 26% of total revenues

**CASH + TREASURY SHARES AVAILABLE FOR GROWTH**


€ 38Mn Short term net financial resources & **+ €11Mn*** in Treasury Shares

** Value calculated with stock price of € 8.72 per share (Share Price Sep 30th, 2021)*



Sustainable growth, diversification

Aerospace & Aviation

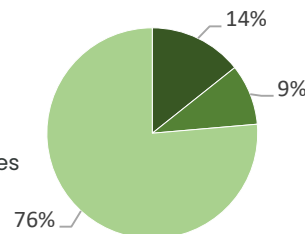
 Turnover 9m-2021: 37.1M €
+21%

 EBITDA margin 9m-2021:
14.8%

 International revenues:
34% of total

Revenues breakdown

■ Software
■ Advanced services
■ Projects



Fintech

 Turnover 9m-2021: 29.6M €
+73%

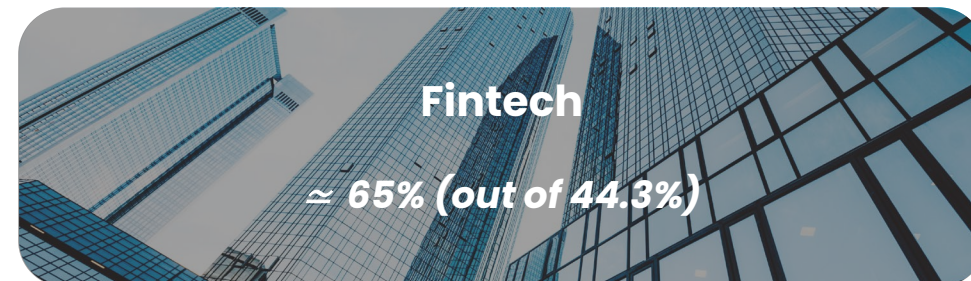
 EBITDA margin 9m-2021:
12.1%

 International revenues:
15% of total

Software revenues 9m-2021:
1.2M €



R&D Investments (Start-ups)
9m-2021:
1.0M €





_Q3 & October Main Events

focus on accelerated GROWTH

- Teratron contribution in 2021 is 5Mln revenues, 1Mln EBITDA, estimated double in 2022 with additional contributions coming from synergies.
- We expect to close new operations in Q421 to start with an additional contribution in line with Teratron operation.
- Solid pipeline of further acquisitions.

*We are very proud of the results achieved and the forecasts for the fourth quarter, which allow us to pursue with great positivity and determination our investment plan in specialised **proprietary solutions** and in **strategic acquisitions** to increase our positioning in different markets in different geographies, increasing TXT's value and profitability.*

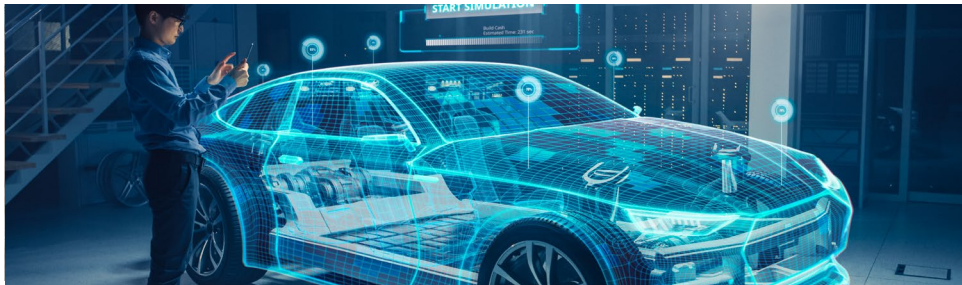


New contracts with main Banking Institution & Regional Public Entity for proprietary platform FARADAY (RegTech)



TXT entered in October 2021 in new, multi-year contracts with the Italian branch of a main international banking institution and with a regional public IT company for the supply of FARADAY, TXT's proprietary platform that leverage on artificial intelligence (AI) and machine learning (ML) algorithms to offer best-in-class solutions for risk management, AML and compliance.

Successful integration of TeraTron GmbH and new synergies ready to take off



After the acquisition of TeraTron GmbH finalized in the Q3, TXT has successfully completed the integration process for the new acquired company and is now ready to benefit from the commercial, technological and market synergies identified during the acquisition process and now ready to take off.

TXT together with European Space Agency (ESA) for Immersive Search and Rescue (ISAR) Project



TXT is ready to take off for a new space opportunity! Leveraging on its deep knowledge in Training and Simulation, TXT will develop a VR-simulation environment based on WEAVR, TXT proprietary platform, for the development of a new immersive VR solution for first responder training based on space data, this time at disposal of Search & Rescue (SAR) professionals.

New licenses contract with main Chinese player in the aviation market



As of the start of November 2021, TXT has been awarded with an upfront licenses contract for the supply of an advanced modelling software to one of the main Chinese institution active in the aviation market, with great opportunities to further expand its presence in the APAC market



TXT flies again:

Market recovery driven by Zero emission programs and urban mobility

- **Pacelab FPO** joining the #1000solutions challenge, an initiative by the Solar Impulse Foundation that place us among **solutions that meet high standards in profitability and sustainability** and present them to decision-makers to fast-track their implementation.
- **New commercial successes in H2-2021:**
 - Trial contract signed in October with primary North American airline (200+ aircrafts, 100+ destinations)
 - Ongoing negotiation of final contract with major North American cargo line after successful trial period
- Continues promising volume of **Pacelab SUITE** in **projects with** major European **e-VTOL OEMs** and with **UK Government Organization ATI (Flyzero initiative)**





9 months-2021 FINANCIALS

Profit & loss: 9months details

€ thousand	9m 2021	%	9m 2020	%	Var %
REVENUES	66,733	100	47,826	100	39.5
Direct costs	40,122	60.1	26,345	55.1	52.3
GROSS MARGIN	26,611	39.9	21,482	44.9	23.9
Research and Development costs	5,091	7.6	5,045	10.5	0.9
Commercial costs	6,481	9.7	5,755	12.0	12.6
General and Administrative costs	6,283	9.4	4,562	9.5	37.7
EBITDA	8,756	13.1	6,119	12.8	43.1
Depreciation	1,767	2.6	1,470	3.1	20.2
Amortization	1,280	1.9	919	1.9	39.3
Riorganization and Non Recurrent Costs	347	0.5	350	0.7	(1.0)
OPERATING PROFIT (EBIT)	5,362	8.0	3,379	7.1	58.7
Financial income (charges)	345	0.5	1,168	2.4	(70.4)
EARNINGS BEFORE TAXES (EBT)	5,707	8.6	4,546	9.5	25.5
Taxes	(1,576)	(2.4)	(939)	(2.0)	67.9
NET PROFIT	4,131	6.2	3,608	7.5	14.5



Profit & loss: Q3 details

€ thousand	Q3 2021	%	Q3 2020	%	Var %
REVENUES	23,034	100	15,718	100	46.5
Direct costs	13,037	56.6	8,258	52.5	57.9
GROSS MARGIN	9,997	43.4	7,461	47.5	34.0
Research and Development costs	1,778	7.7	1,331	8.5	33.5
Commercial costs	3,109	13.5	2,497	15.9	24.5
General and Administrative costs	2,016	8.8	1,555	9.9	29.6
EBITDA	3,093	13.4	2,076	13.2	49.0
Depreciation	644	2.8	495	3.1	30.0
Amortization	435	1.9	303	1.9	43.7
Riorganization and Non Recurrent Costs	71	0.3	0	0.0	n.s.
OPERATING PROFIT (EBIT)	1,943	8.4	1,278	8.1	52.1
Financial income (charges)	74	0.3	276	1.8	(73.0)
EARNINGS BEFORE TAXES (EBT)	2,018	8.8	1,553	9.9	29.9
Taxes	43	0.2	(676)	(4.3)	n.s.
NET PROFIT	2,061	8.9	878	5.6	134.8



NET cash: Solid financial position

€ thousand	30.09.2021	31.12.2020	Var
Cash	24,078	11,933	12,145
Trading securities at fair value	48,589	68,161	(19,572)
Short term Financial Debts	(34,489)	(30,636)	(3,853)
Short term Financial Resources	38,179	49,458	(11,279)
Non current Financial Debts – Lessors IFRS 16	(3,877)	(3,580)	(297)
Other Non current Financial Debts	(30,799)	(23,818)	(6,981)
Non current Financial Debts	(34,676)	(27,398)	(7,278)
Net Available Financial Resources	3,503	22,060	(18,557)



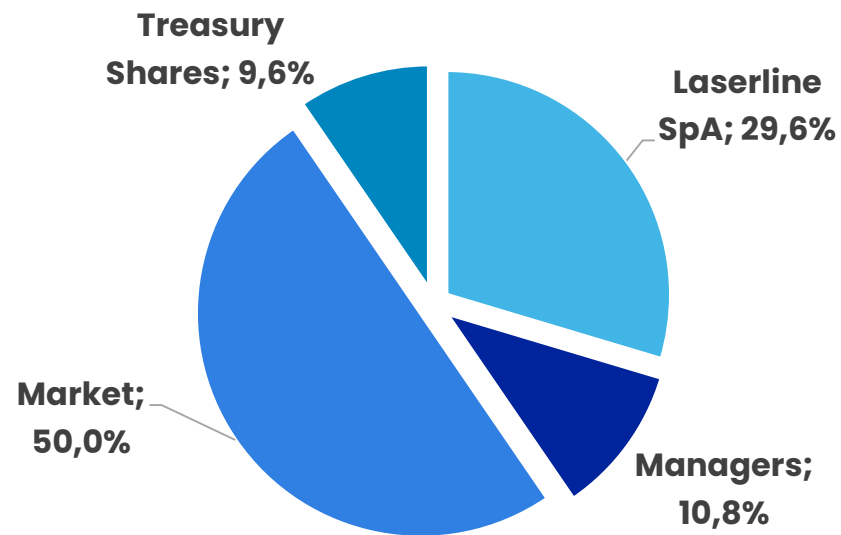
_Balance sheet: details

€ thousand	30.09.2021	31.12.2020	Change
Intangible assets	41,703	37,653	4,050
Tangible assets	11,254	7,460	3,794
Other fixed assets	16,474	2,299	14,175
Fixed Assets	69,431	47,412	22,019
Inventories	9,626	4,749	4,877
Trade receivables	29,354	35,411	(6,057)
Other short term assets	7,264	5,782	1,482
Trade payables	(3,851)	(4,176)	325
Tax payables	(2,900)	(3,164)	264
Other payables and short term liabilities	(18,503)	(17,471)	(1,032)
Net working capital	20,990	21,131	(141)
Severance and other non current liabilities	(4,672)	(4,740)	68
Capital employed - Continuing Operations	85,749	63,803	21,946
Shareholders' equity	88,824	85,454	3,370
Shareholders' equity - minority interest	427	409	18
Net financial debt	(3,503)	(22,060)	18,557
Financing of capital employed	85,748	63,803	21,945



Shareholding Structure September 30th, 2021*

Latest Public Data Available as of 30 September 2021

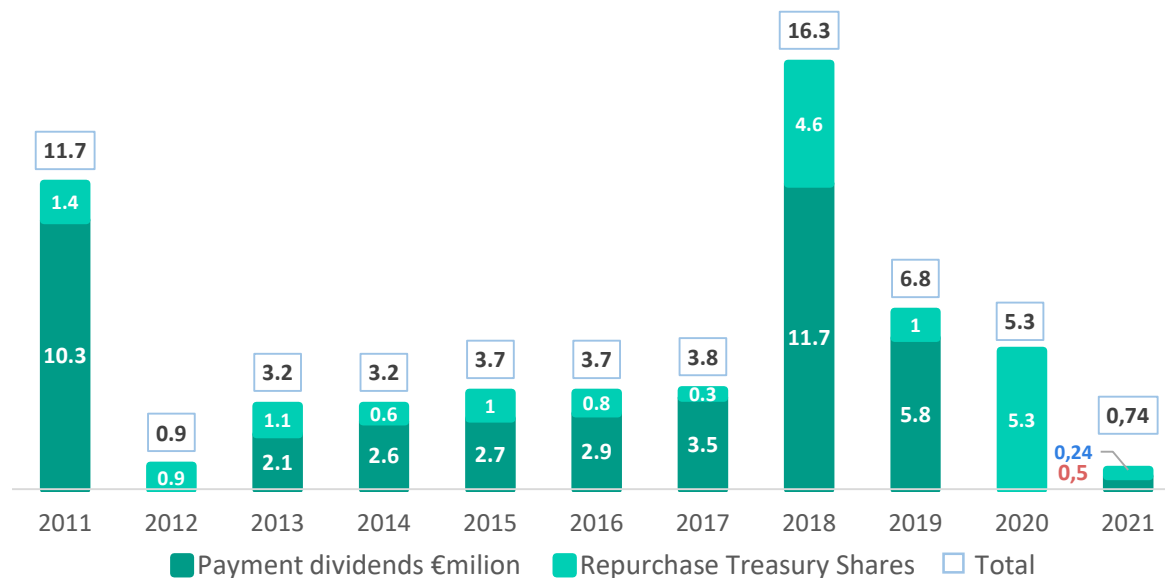


Market Data

Share Price Dec 31st, 2018	9.66€/share
Share Price Sep 30th, 2021	8.72€/share
Mkt Sep 30th, 2021	103.1m €
Dividend Yield	0,5%



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		



Q & A