



TXT Group: Corporate overview

STAR Conference

March 21°, 2023

Daniele MISANI, CEO

Andrea FAVINI, IR

TXT has always been a **pioneer in Digital Innovation**. Founded in 1989, since 2000 it has been listed in Milan Stock Exchange, Star Segment. In 2018 a new course has been started, with a plan of accelerated and sustainable growth.

TXT is an **Ecosystem of vertical excellences and digital competences**. With a proprietary **smart solutions portfolio** and deep expertise in vertical domains, TXT support its customers in understanding the business paradigm that the new digital world requires, enabling their transformation.

TXT is expanding across **different markets**, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Telco, Government and Fintech, by leveraging more than 2000 experts, competence centers in AI, cybersecurity, XR, IoT. International business is 30% growing, with particular focus in North America and DACH region.



Your Global Digital Enabler



Where we are

€200m+ Revenues FY 2022 (Pro-forma)
Solid Financial structure

Guaranteed by operating
excellence & innovation

July 2000
Listed on the Italian
Stock Exchange

STAR segment (TXT.MI)

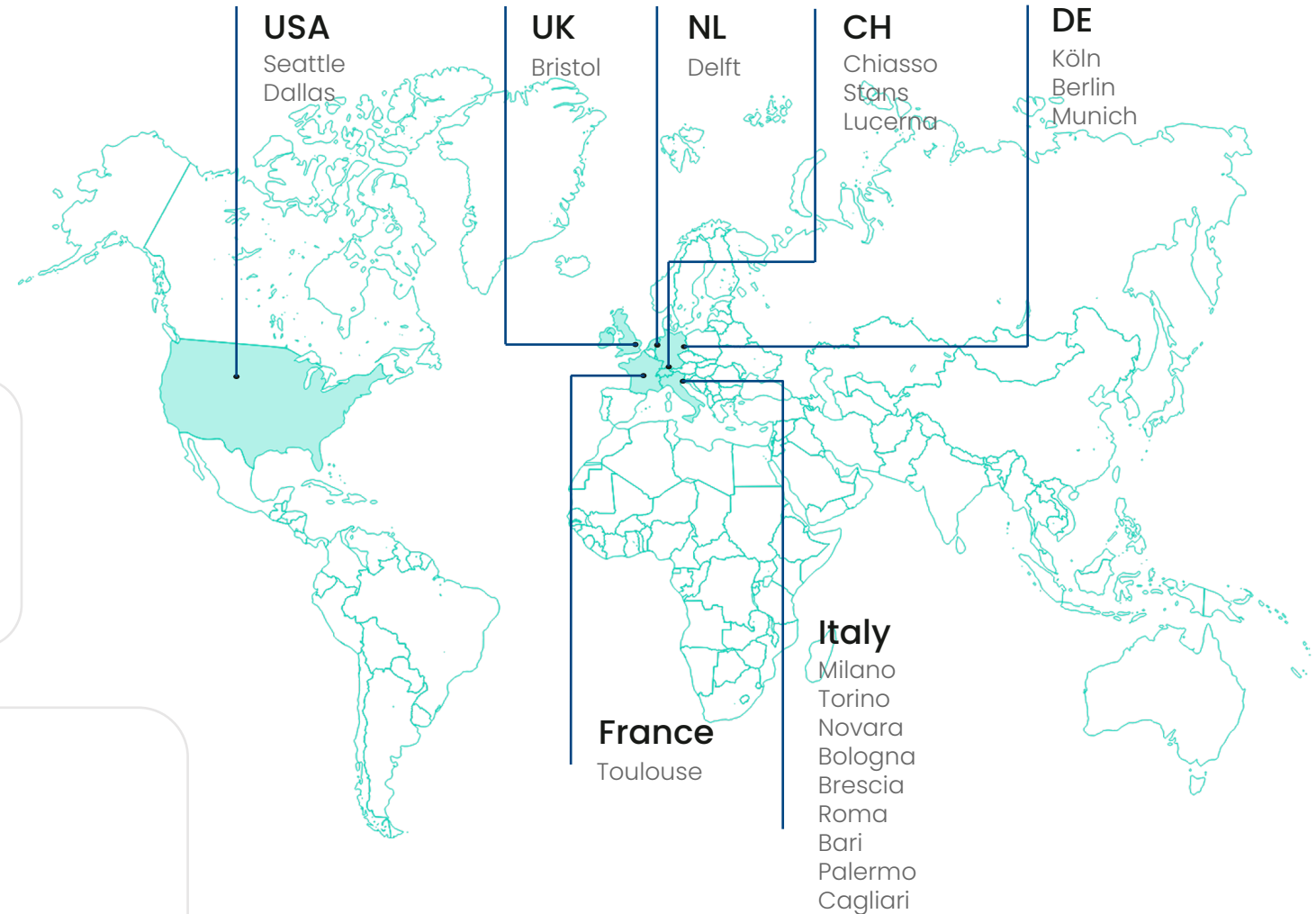
20+
Locations
worldwide

30+
Certified Cross-
Industry Quality

Years
Experience

2000+
Specialised
Know-how

Specialised engineers &
professionals



Ecosystem of Excellences

TXT Group has a solid network of **multidisciplinary competences** and **vertical excellences**, developed in industries in which we are the leader. We arrange them in a dynamic and productive way, according to the evolution of the markets. From *consulting*, to *design and implementation of digital solutions*: with us, customers identify and achieve their highest goals for their business evolution. Because we listen, understand, and enable them for **continuous innovation**.



ASSIOMA



ASSIOPAY



CHELÉO



DM



ENNOVA



E-TECH



HSPI



LBA



MACSOL



NOVIGO



PACE



PGMD



PROSIM



QUENCE



REVERSAL



RISK



SPS



TERATRON



TLOGOS



WCS



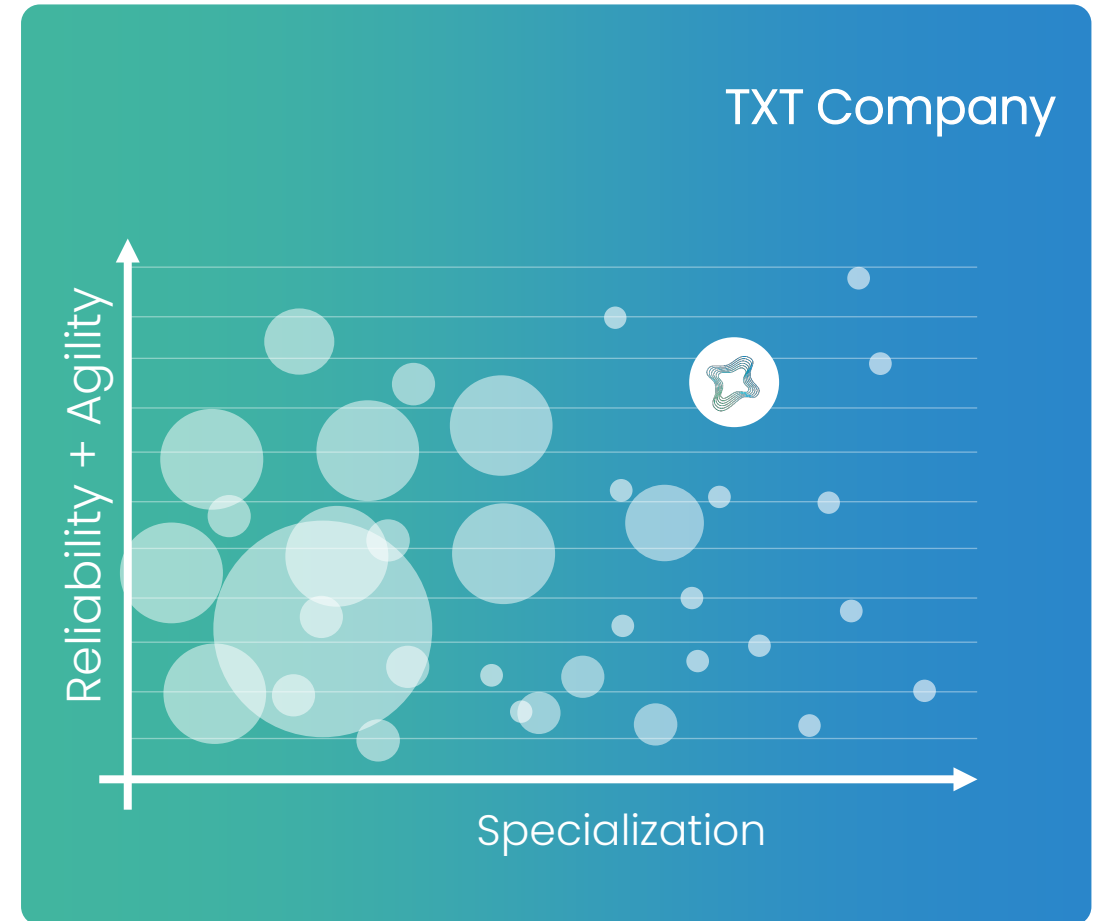
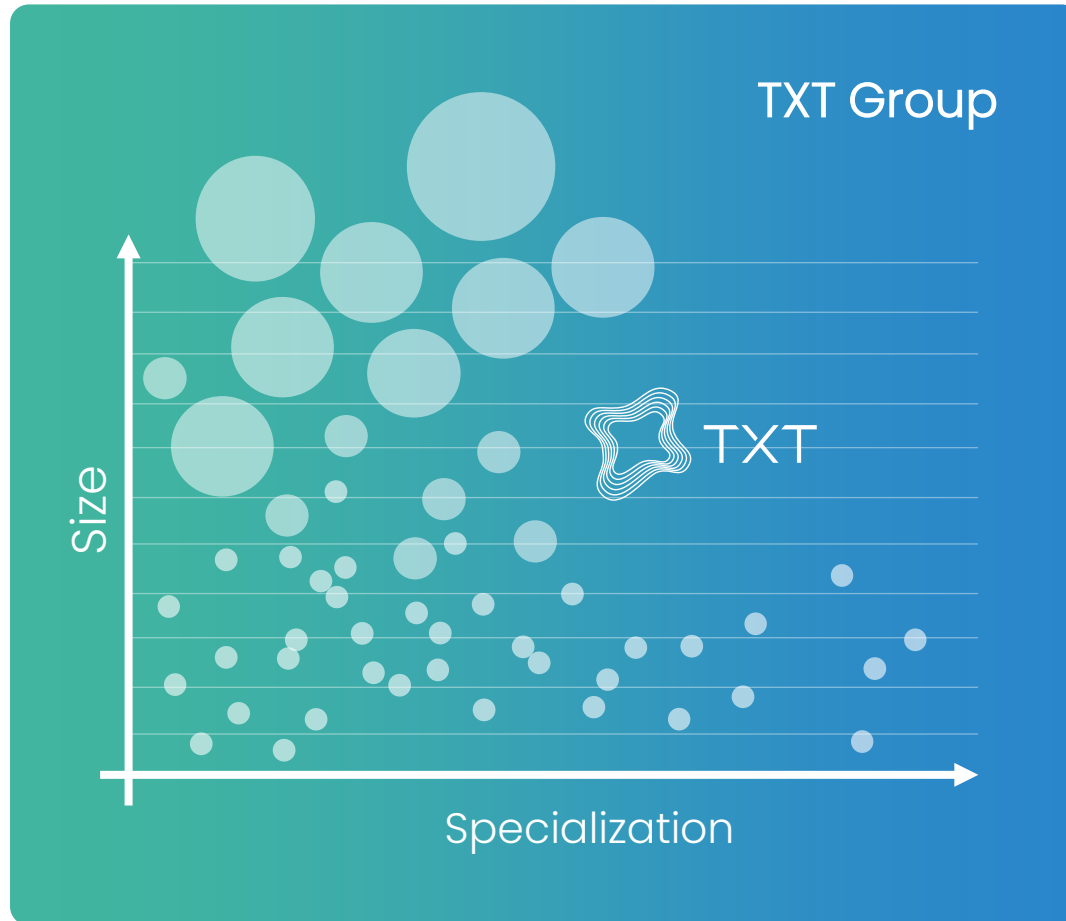
TXT

Never better.



Market position

TXT today is an emerging player in the digital innovation market, competing against tech giants, in Italy and Internationally, by aggregating highly specialized digital boutiques and established businesses.

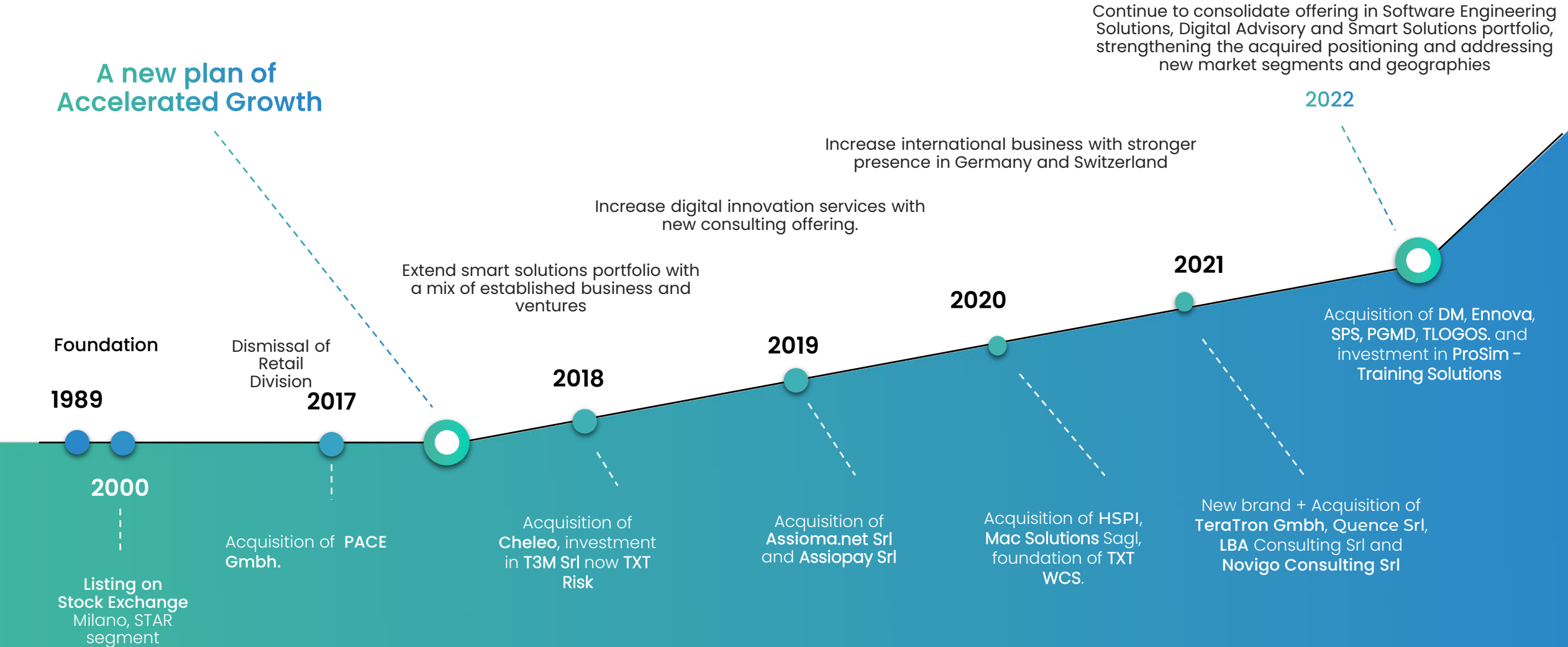


TXT Group positioning vs. TXT's Companies



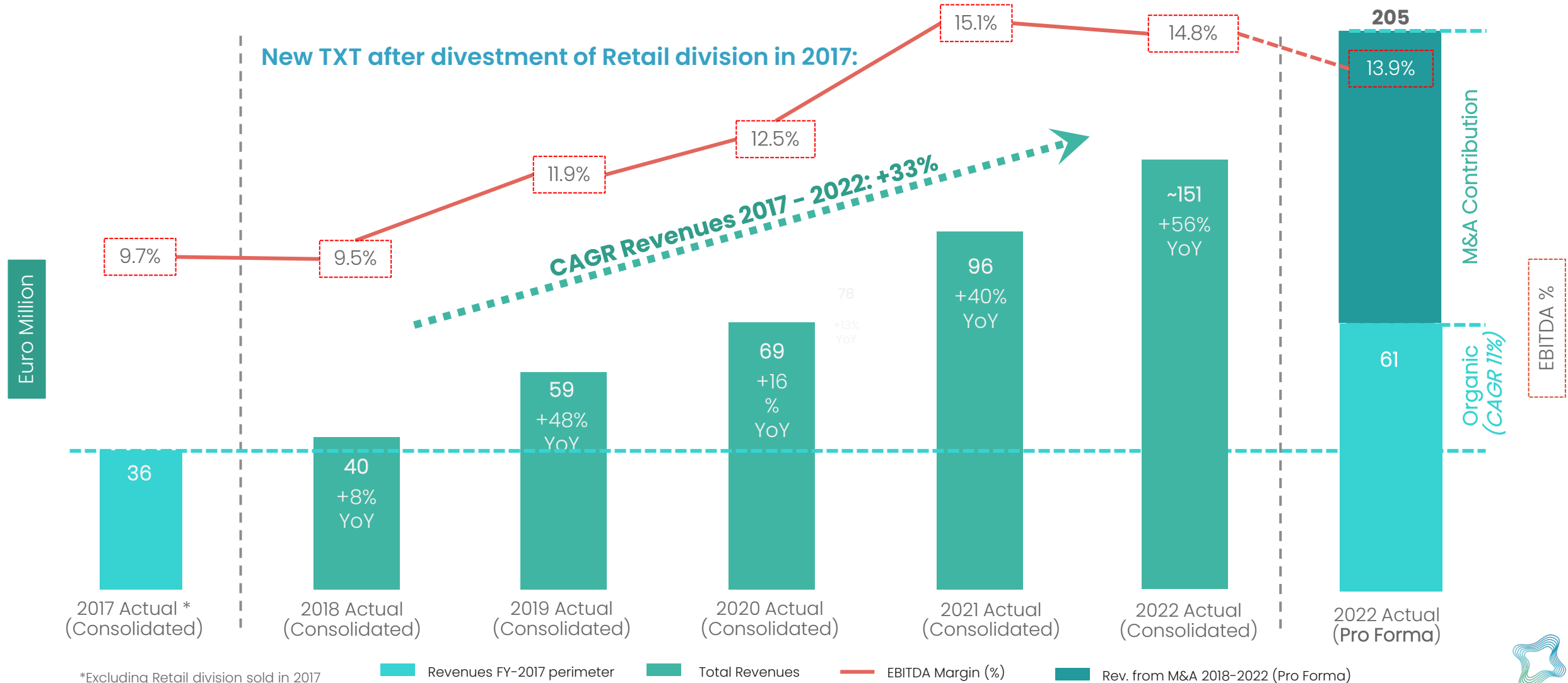
A Story of Increasing Value

A new plan of Accelerated Growth



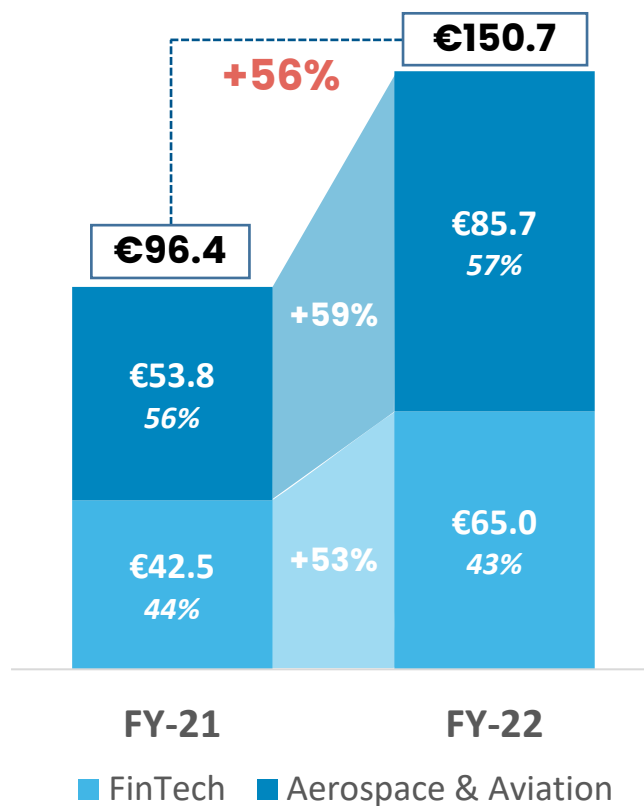
Trading Results (2017–2022)

After the divestment of the retail division in 2017, revenues and EBITDA Margin have benefit from TXT Group's growth strategy driven by diversification and investments in innovation and synergies



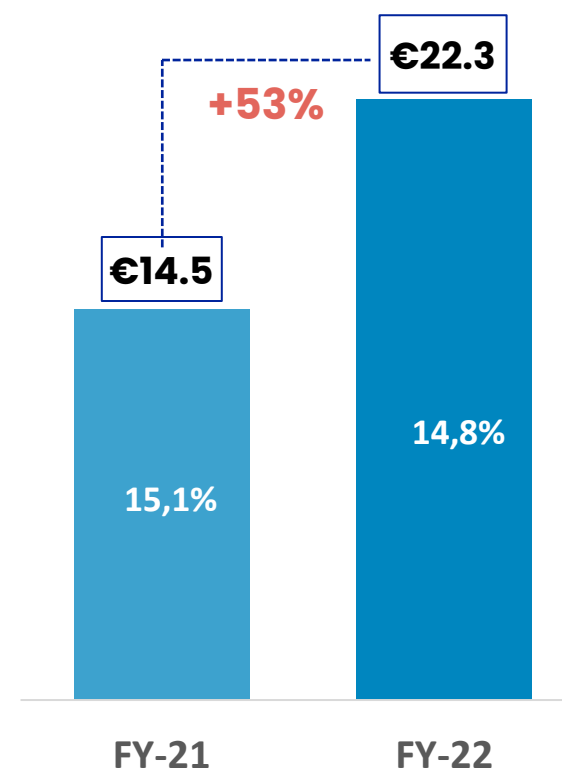
Consolidated figures for 2022 show accelerated growth of Revenues by maintaining target EBITDA margin

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



M&A contribution FY-2022:
€ 37 Mn (+38%)

EBITDA (€mn, % on total revenues)



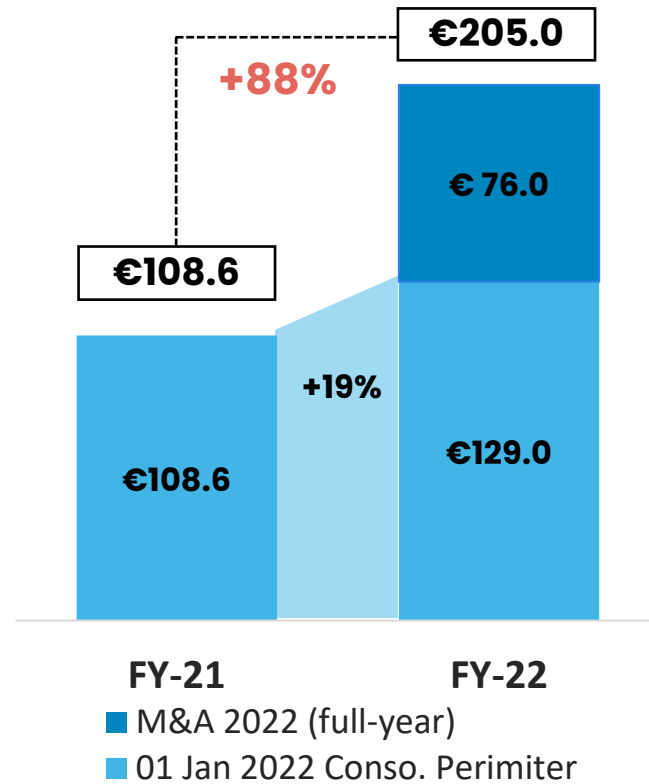
M&A contribution FY-2022:
€ 7 Mn (+48%)



_2022 Pro-Forma Revenues and EBITDA of approx. € 200 Mn and € 30 Mn, respectively

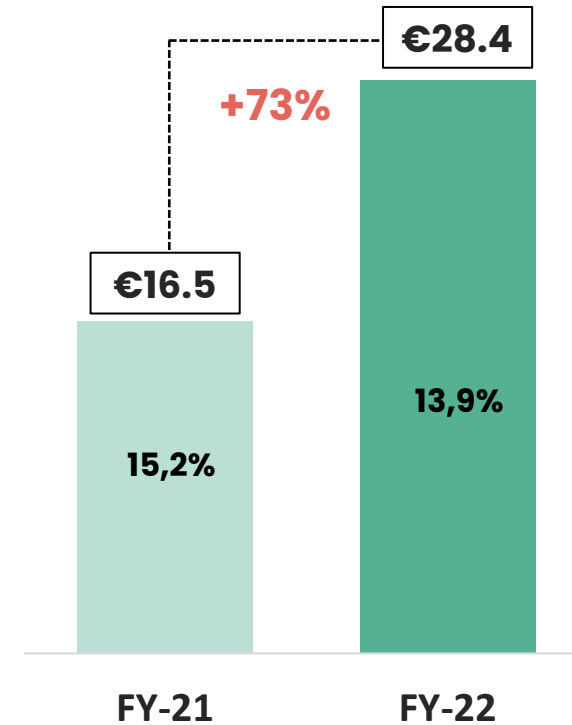
Revenues Pro-Forma *

(€mn)



EBITDA Pro-Forma *

(€mn, % on total revenues)



* Pro-Forma figures consist of consolidated full-year results of all TXT Group companies in the consolidation perimeter as of Jan 1st, 2023





Solid Organic
Growth

+18%

vs. FY-2021



Positive M&A
Contribution

+€37 Mn

M&A Revenues in FY-22
(Consolidated*)



ENNOVA



PROSIM



SPS



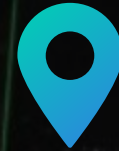
TLOGOS



DM



PGMD



Net Profit
(consolidated)

€12.0 Mn

8% of Revenues
+53% vs. FY-2021

* Excluded ProSim-TS not consolidated in FY-2023





R&D INVESTMENTS (fully expenses in the period)

€ 7.6Mn FY-22, **+11%** vs. FY-21



SOFTWARE LICENSES REVENUES

€ 10.3Mn +22% vs. FY-21, **+ € 28Mn** from services around proprietary SW



INTERNATIONAL REVENUES

€ 42Mn 28% of total consolidated revenues



SUSTAINABLE DEBT + TREASURY SHARES & FINANCIAL ASSETS FOR FINANCING GROWTH

€ 38Mn (Net Debt) - **€ 12Mn*** in Treasury Shares **& € 16Mn** Fair Value Financial Investment

** Value calculated with stock price of € 12,84 per share (Share Price Dec. 31st, 2022)*





EBITDA Margin
(Group)

>14%



Revenues *
(Group Consolidated)

+€250mn



Net Debt
(Year-End)

<2xEBITDA

** Including M&A 2023 expected contribution*





MARKETS & OFFERING

Ecosystem of multidisciplinary competences and vertical excellences, customers can rely on experts.

Smart Solutions market-ready for specific verticals in customers' core processes.

Exploit TXT Group' **centers of excellence** with specializations in Artificial Intelligence, AR/VR, IoT, Cloud and Cybersecurity.

Leverage **commercial synergies** to up-sell and cross-sell digital innovation services and smart solutions.



Go-to-Market

Licenses, Subscription and SaaS

We accelerate the customer's digital transition by providing advanced vertical solutions.

Leave It Up To Us:

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

Shoulder-to-shoulder:

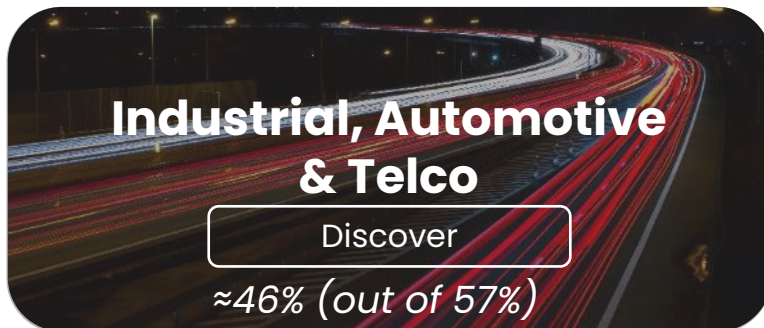
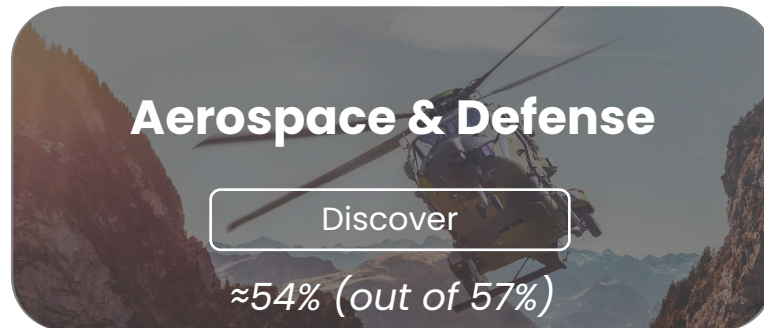
our experts work advising and consulting, following Customers' needs in their digital journey.



We are an international specialized provider of **digital advisory** and **software engineering solutions** relying on distinctive technological and business-critical core processes expertise to support major players in different markets with a unique ability to solve customers' problems within their digital transformation journey by driving innovation.

FY-2022 figures (Consolidated)

Aerospace & Aviation



Turnover	
86M € +59% YoY +10% Organic	65M € +53% YoY +28% Organic
EBITDA margin	
18%	11%
SW Revenues*	
26M € 30% of Total	12M € 18% of Total
International business	
36%	18%

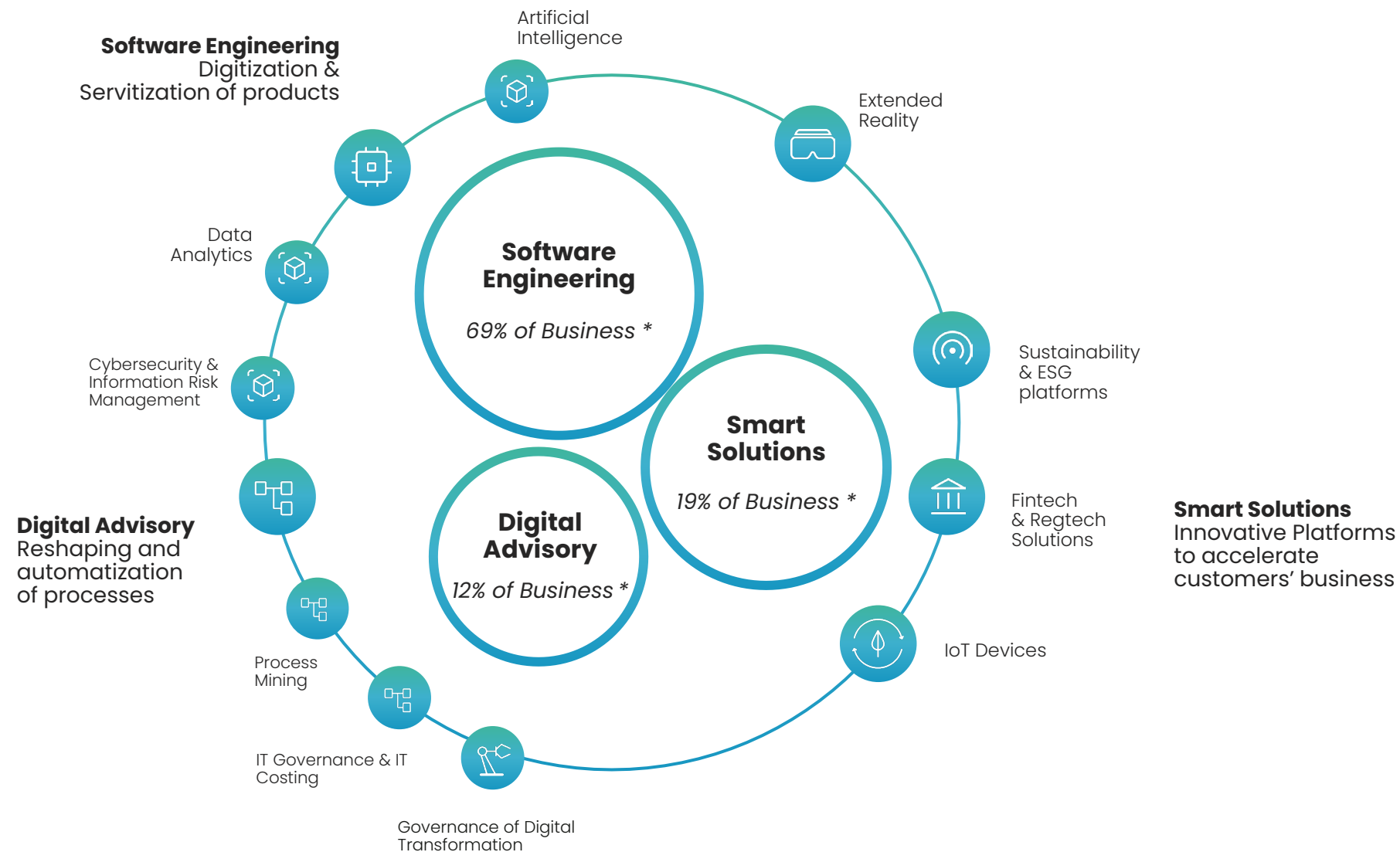
Fintech



* SW Revenues includes revenues from services around proprietary platforms and Smart Solutions.
Revenues from software licenses, licenses maintenance and subscription are 10.3M € (7.9M € A&A and 2.4M € Fintech)



Segmentation by Offering



* Percentages of business incidence by offering segment are calculated on 2022 Pro-Forma Revenues of € 205Mn



Our range of commercial off-the-shelf software solutions is the result of more than two decades of working with and carefully listening to a highly diverse customer base from the aerospace & defense industries. It is based on a strong commitment to sustained innovation and product quality that addresses both customers' business and technological needs.

Preliminary Design

[Discover](#)

Product Configuration

[Discover](#)

Flight Operations

[Discover](#)

Flight Simulation

[Discover](#)

Smart Factory

[Discover](#)

Extended Reality

[Discover](#)

Smart Sensors

[Discover](#)

Fintech Smart Solutions

Our **FinTech** smart solutions range from best-in-class financial software for the management of financing to innovative platforms for different mission-critical needs as Risk management and Digital payments, offered as SaaS and designed to be responsive with unique customer needs.

[Discover](#)

Cheleo Suite

Financial software modules for the management of Leasing, Loan, Salary-backed loan, Factoring, Non-performing loan (NPL) and more

[Discover](#)

Faraday

RegTech platform for Anti-Money Laundering (AML), Anti-Corruption (AC), Anti-Terrorism (AT) and more

[Discover](#)

Polaris

Fintech digital platform for the Supply Chain Finance Programs

[Discover](#)

Assiopay

Digital solutions for payments, vouchers, loyalty programs management and e-commerce

[Discover](#)

Retail

Multi-cash & multi-currency management comprehensive of a solid promotion system, invoice printing & management, loyalty cards, ticket history, gift card, refund, food stamps management

[Discover](#)

MyBiz

Web-based framework to digitize and consolidate company processes and application modules





FY-2022 FINANCIALS

_Profit & loss: FY-2022 details

€ thousand	2022	%	2021	%	Var %
REVENUES	150,758	100	96,363	100	56.4
Direct costs	94,309	62.6	57,013	59.2	65.4
GROSS MARGIN	56,449	37.4	39,350	40.8	43.5
Research and Development costs	7,634	5.1	6,890	7.2	10.8
Commercial costs	14,149	9.4	9,751	10.1	45.1
General and Administrative costs	12,407	8.2	8,193	8.5	51.4
EBITDA	22,259	14.8	14,516	15.1	53.3
Depreciation	3,605	2.4	2,436	2.5	48.0
Amortization	3,496	2.3	2,122	2.2	64.8
Riorganization and Non Recurrent Costs	1,247	0.8	(356)	(0.4)	n.a.
OPERATING PROFIT (EBIT)	13,911	9.2	9,602	10.0	44.9
Financial income (charges)	(165)	(0.1)	706	0.7	n.a.
Non-recurrent fin. income (charges) linked to M&A	2,452	1.6	0	0.0	n.a.
EARNINGS BEFORE TAXES (EBT)	16,198	10.7	10,308	10.7	57.1
Taxes	(4,210)	(2.8)	(2,469)	(2.6)	70.5
NET PROFIT	11,988	8.0	7,839	8.1	52.9



Profit & loss: Q4 2022 details

€ thousand	Q4 2022	%	Q4 2021	%	Var %
REVENUES	58,358	100	29,630	100	97.0
Direct costs	37,771	64.7	16,891	57.0	123.6
GROSS MARGIN	20,587	35.3	12,739	43.0	61.6
Research and Development costs	1,856	3.2	1,799	6.1	3.2
Commercial costs	5,336	9.1	3,270	11.0	63.2
General and Administrative costs	4,667	8.0	1,910	6.4	144.4
EBITDA	8,728	15.0	5,760	19.4	51.5
Depreciation	2,808	4.8	1,511	5.1	85.8
Riorganization and Non Recurrent Costs	1,172	2.0	9	0.0	n.a.
OPERATING PROFIT (EBIT)	4,748	8.1	4,240	14.3	12.0
Financial income (charges)	3,918	6.7	361	1.2	n.a.
EARNINGS BEFORE TAXES (EBT)	8,666	14.8	4,601	15.5	88.4
Taxes	(2,014)	(3.5)	(893)	(3.0)	125.5
NET PROFIT	6,652	11.4	3,708	12.5	79.4



NET Financial Debt: Solid financial position

€ thousand	31.12.2022	31.12.2021	Var
Cash	33,015	36,076	(3,061)
Trading securities at fair value	48,490	48,869	(379)
Total Cash & Cash Equivalent	81,505	84,945	(3,440)
Current Financial Debts - Lessors IFRS 16	(2,506)	(1,539)	(967)
Current Debts for PUT/CALL and EarnOut	(4,300)	(9,614)	5,314
Short term Financial Debts	(44,381)	(35,972)	(8,409)
Current Financial Debts	(51,187)	(47,125)	(4,062)
Short term Financial Resources	30,318	37,820	(7,502)
Other Long Term Financial Assets	1,417	-	1,417
Non current Financial Debts - Lessors IFRS 16	(5,988)	(4,209)	(1,779)
Non-Current Debts for PUT/CALL and EarnOut	(6,717)	(5,119)	(1,599)
Other Non current Financial Debts	(57,299)	(40,141)	(17,158)
Non current Net Financial Debts	(68,588)	(49,469)	(19,119)
Net Cash/(Debt)	(38,270)	(11,649)	(26,621)
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	1,750	5,253	(3,503)
Financial Investments	16,542	14,300	2,242
Net Cash/(Debt) Adjusted	(19,978)	7,904	(27,882)



€ thousand	31.12.2022	31.12.2021	Change
Intangible assets	77,975	55,182	22,793
Tangible assets	18,293	12,126	6,167
Other fixed assets	19,360	16,529	2,831
Fixed Assets	115,628	83,837	31,791
Inventories	13,765	7,810	5,955
Trade receivables	73,115	43,156	29,959
Other short term assets	15,352	8,864	6,488
Trade payables	(20,643)	(6,303)	(14,340)
Tax payables	(7,958)	(5,700)	(2,258)
Other payables and short term liabilities	(36,834)	(23,650)	(13,184)
Net working capital	36,797	24,177	12,620
Severance and other non current liabilities	(4,772)	(3,297)	(1,475)
Capital employed - Continuing Operations	147,653	104,717	42,936
Shareholders' equity	109,366	92,655	16,711
Shareholders' equity - minority interest	17	412	(395)
Net financial debt	38,270	11,649	26,621
Financing of capital employed	147,653	104,717	42,937

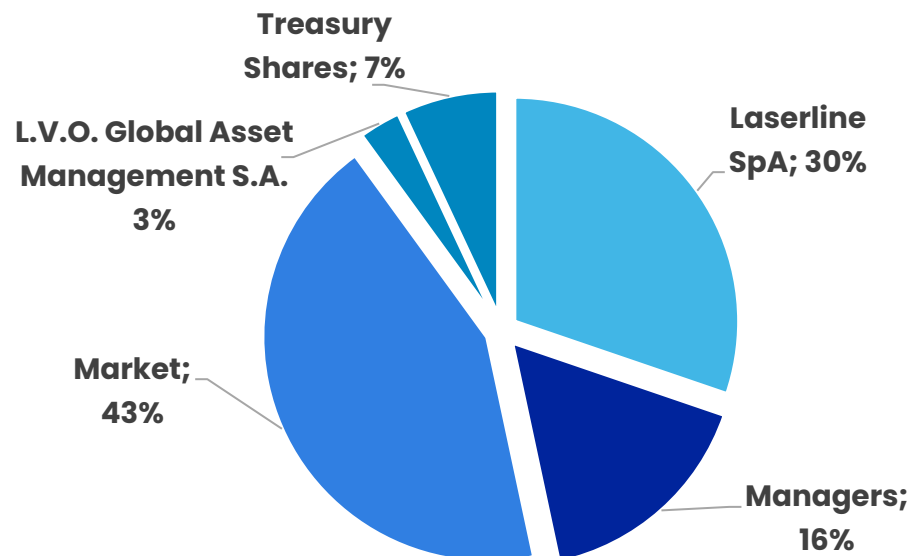


The background features a complex, abstract pattern of thin, flowing teal lines and small dots on a black field. The lines and dots create a sense of movement and depth, resembling a digital or data-driven landscape. The text is centered over this pattern.

Shareholding Structure & Market Data

Shareholding Structure December 31st, 2022*

* Latest Public Data Available as of 31 Dec. 2022

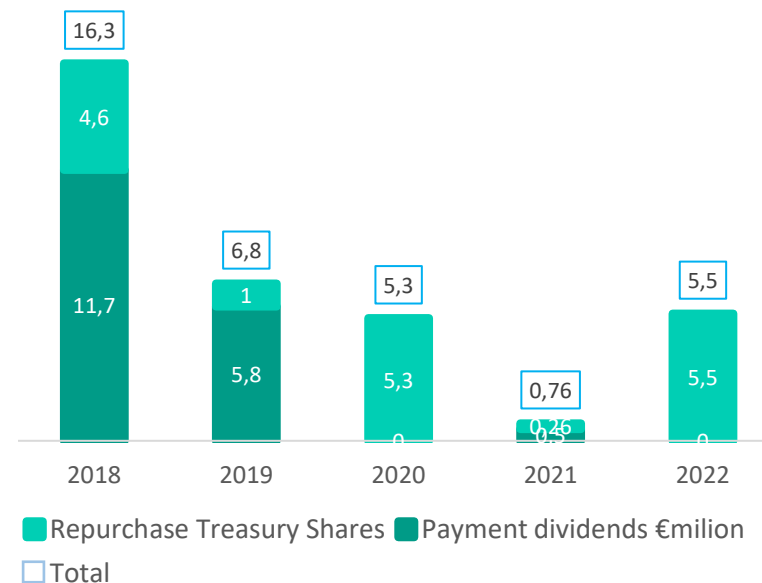


Market Data

Share Price Dec 31 st , 2019	9.66€/share
Share Price Dec 31 st , 2022	12.84€/share
Mkt Dec 31 st , 2022	155m €
Dividend Yield *	1.4%

* Price per share of 12.84€ as of 31 Dec. 2022

Dividends and Treasury Shares Repurchase (€m)



Dividends

Year	Dividends
2018	1.00 € / share
2019	0.50 € / share
2020	nil
2021	0.04 € / share
2022	nil
2023	0.18 € / share



