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TXT: THE BOARD OF DIRECTORS APPROVES THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

Revenues €304.5 million (+35.7%)
Double-Digit Organic Growth Revenue (+22.3%)
EBITDA €39.2 million (+23.8%)
Operating Profit (EBIT) €25.5 million (+26.5%)

- Revenues: €304.5 million (+35.7%), including €64.0 million from the Smart Solutions division, €48.9 million from the Digital Advisory division, and €191.7 million from the Software Engineering division.
- Like-for-like revenues at €274.5 million (+22.3%), with growth across all divisions.
- EBITDA: €39.2 million (+23.8%) after significant and increasing investments in fully expensed research and development (€14.9 million, +64.7%).
- Operating profit (EBIT): €25.5 million (+26.5%), after €4.1 million in amortisation related to Purchase Price Allocation and €4.6 million related to IFRS 16.
- Net profit: €15.9 million (+2.6%).
- Adjusted Net Financial Debt at €90.7 million, with treasury shares amounting to 314,435 (including shares temporarily in escrow) for a total value of €11.0 million as of the December 31, 2024, stock price.
- Proposed dividend of €0.25 per share.

Milan, 14 March 2025 – 18:20

The Board of Directors of TXT e-solutions, chaired by Enrico Magni, today approved the financial results as of December 31, 2024.

"The growth in 2024 confirms the strength of our strategy and our ability to create value, strengthening our role as a technology partner in the critical business processes of major



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clients," comments Daniele Misani, CEO of TXT. "Looking ahead to 2025, we expect continued revenue growth, with a positive impact on profitability, also thanks to the integration of acquisitions made in 2024 and the first quarter of 2025. In particular, the inclusion of Webgenesys and IT Values in our Group will enable us to expand our presence in the public sector, while acquisitions in the MarTech segment will help accelerate our development in a key market for digital transformation. We will continue to invest decisively to strengthen our leadership position, focusing on innovation and creating sustainable value for all our stakeholders."

The main economic and financial results in 2024 were as follows:

Revenues amounted to €304.5 million, up +35.7% from €224.4 million in 2023. On a like-for-like basis, revenues grew by +22.3%, while acquisitions in 2023 and 2024 contributed €50.1 million. Total international revenues accounted for approximately 25.0% of total revenues.

The **Smart Solutions** division recorded revenues of €64.0 million, marking a +49.1% increase compared to 2023, including €6.6 million from organic growth (+15.4%) and €14.5 million from the consolidation of technologies and companies acquired as part of the M&A plan.

The **Digital Advisory** division reported revenues of €48.9 million, up +40.9% from 2023, with €8.5 million from organic growth (+24.5%) and €5.7 million from M&A.

The **Software Engineering** division achieved revenues of €191.7 million, growing by +30.6% compared to 2023, including €35.0 million from organic growth (+23.9%) and €9.9 million from M&A. The strong organic growth of the division in 2024 includes non-core activities supporting the positioning in the Telco market, amounting to approximately €12 million.

EBITDA amounted to €39.2 million, up +23.8% compared to 2023 (€31.6 million). The EBITDA margin stood at 12.9%, down from 14.1% in 2023. This result is driven by increasing investments in fully expensed research & development (R&D) during the year (€14.9 million, +64.7% vs. 2023), as well as investments supporting the accelerated growth of business volumes and market positioning. Additionally, the 2024 revenue mix includes non-core activities with lower gross profit margins compared to the Group's average, with volumes expected to decline in 2025. The impact of general and administrative costs on revenues decreased from 7.3% in 2023 to 6.9% in 2024, thanks to structural efficiencies, partially offset by M&A-related costs, which increased by €0.6 million compared to 2023.



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EBIT (Operating Profit) reached €25.5 million, growing by +26.5% compared to 2023 (€20.2 million), after amortisation of intangible assets (€4.9 million, including €4.1 million related to Purchase Price Allocation), tangible assets (€6.6 million, of which €4.6 million related to IFRS 16), and write-downs (€2.2 million, primarily related to goodwill impairment from past acquisitions and, to a lesser extent, IFRS 9 effects on trade receivables).

Financial income and expenses in 2024 resulted in a net negative balance of €3.0 million, a deterioration of €3.8 million compared to the net positive balance of €0.8 million in 2023. Financial expenses in 2024 amounted to €5.0 million, increasing by €1.9 million compared to 2023, mainly due to interest expenses on new loans. Meanwhile, financial income in 2024 totaled €2.4 million, significantly decreasing from €5.0 million in 2023. Among the financial income for the year, the fair value effect on portfolio securities amounted to €0.9 million (€0.6 million in 2023), the fair value effect on liabilities related to past M&A transactions was €0.9 million (€2.9 million in 2023), and dividends received totalled €0.3 million (€0.2 million in 2023). In 2023, financial income also included the fair value assessment of the investment in Banca del Fucino for €1.2 million, which was not present in 2024. The result from non-consolidated companies, primarily Reversal SIM, was negative at €0.6 million in 2024.

Net profit amounted to €15.9 million, up 2.6% compared to 2023. The different growth trend of net profit compared to operating profit in 2024 is mainly due to the different financial result reported during the year compared to 2023 and, to a lesser extent, to the 2024 tax rate, which stood at 29.4% compared to 26.2% in the previous year.

In the **fourth quarter of 2024**, revenues amounted to €85.0 million, an increase of €19.9 million compared to €65.0 million in the fourth quarter of 2023 (+30.7%). EBITDA was €11.1 million, up from €10.2 million in the fourth quarter of 2023 (+8.8%). The EBITDA margin stood at 13.1%, down from 15.7% in the fourth quarter of 2023. Net profit was €3.9 million compared to €5.7 million in the fourth quarter of 2023, with the decline mainly attributed to the financial result, which recorded a net negative balance of €0.4 million in the fourth quarter of 2024, compared to a net positive balance of €0.9 million in the same period of 2023. Additionally, the tax rate for the period was 32.1% compared to 19.4% in the corresponding period of the previous year.

The **consolidated Adjusted Net Financial Debt** as of December 31, 2024, was €90.7 million, an increase of €59.3 million compared to €31.4 million as of December 31, 2023. This



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increase was primarily driven by cash outflows for acquisitions, net of acquired net financial positions (€56.5 million), the recognition of earn-outs related to acquisitions in the period, net of devaluations of M&A-related liabilities from previous years (€5.1 million), IFRS 16 accounting for new lease contracts, net of instalments paid during the period (€5.1 million), cash outflows related to the repurchase of treasury shares (€5.5 million), dividend payments (€2.9 million), and interest payments on loans (€3.5 million). These cash outflows were partially offset by cash generation from operating activities.

The **consolidated Net Financial Debt** as of December 31, 2024, amounted to €108.9 million, an increase of €18.2 million compared to the Adjusted Net Financial Debt on the same date. The difference is primarily due to the participation in Banca del Fucino, whose Fair Value of €17.8 million was reclassified from fixed assets to financial assets for the purpose of calculating the Adjusted Net Financial Debt.

As of December 31, 2024, treasury shares were 314,435 (1,300,639 as of December 31, 2023), representing 2.4% of the issued shares. Among the treasury shares in the portfolio, 141,021 shares were temporarily held in escrow by TXT as part of the M&A plan and are expected to be returned to TXT's availability by the end of the first half of 2025. Additionally, 14,338 shares are designated for transfer in the context of M&A transactions completed in Q4 2024. During 2024, a total of 1,215,139 TXT shares—equivalent to 9.3% of the issued shares—were sold to fulfil commitments undertaken as part of TXT's M&A plan.

On **March 17, 2025**, at **11:00 (CET)** the **conference call** will be held during which the CEO Daniele Misani will present and comment on 2024 results. The registration form for the conference call is available on the Company website www.txtgroup.com inside the section "Financial News & Calendar".

Dividend and Shareholders' Meeting

The Board of Directors proposes to the Shareholders' Meeting the distribution of a dividend of €0.25 per share (same as the last dividend of €0.25 per share distributed in 2024) for each outstanding share, excluding treasury shares, for a total expected payout of €3.2 million. The dividend will be paid starting from May 21, 2025, with a record date of May 20, 2025, and an ex-dividend date of May 19, 2025.



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The Board of Directors resolved to convene the Ordinary Shareholders' Meeting on April 29, 2025, at 10:00 AM, in a single convocation.

Subsequent Events and Expected Business Outlook

According to the latest estimates from the International Monetary Fund, global growth is projected to be 3.3% in both 2025 and 2026, slowing down compared to the average growth rate of 3.7% recorded during the period from 2000 to 2019. Among advanced economies, U.S. growth is expected to reach 2.7% in 2025, while the Euro Area is forecasted to experience slower growth due to weaker-than-expected economic momentum at the end of 2024, particularly in the manufacturing sector, and increased political uncertainty. This leads to a 2025 growth forecast of 1.0% for the Euro Area, a decrease of 0.2 percentage points compared to the October 2024 forecast. However, growth in the Euro Area is expected to rise to 1.4% in 2026, driven by stronger domestic demand. Regarding the domestic economy, in January 2025, the IMF revised its growth forecast for Italy downward for the current year while raising its estimate for 2026. Specifically, the growth forecast for 2025 has been lowered from +0.8% (estimated in October) to +0.7%, while the 2026 growth forecast has been increased to +0.9% (an increase of 0.2 percentage points from the previous estimates).

Regarding the digital market, Gartner forecasts that global IT spending will grow by 9.3% in 2025, an increase compared to the 7.2% expected for 2024, surpassing \$5.5 trillion, driven in part by the momentum from GenAI. The IT services segment, which became the largest segment of global digital spending starting in 2024, is expected to continue growing in 2025 (+9.4% compared to +5.6% expected for 2024). The software segment is projected to grow by 14.0%, up from the 11.7% expected for 2024. As for the digital market in Italy, the latest estimates published by Anitec-Assinform report a total value of approximately €84.5 billion in 2025, with an annual growth rate of 3.8%, higher than the 3.4% expected for 2024. The growth rates for 2026 and 2027 are slightly higher, projected at 4.1% and 4.2%, respectively, with the domestic digital market potentially reaching €91.7 billion by the end of 2027 (source: Anitec-Assinform). An additional interesting insight from the latest study by Anitec-Assinform, published on December 18, 2024, highlights the segments driving digital growth in Italy, namely ICT Services (+8.2% expected in 2024), Digital Content and Advertising (+5% expected in 2024), and Software and ICT Solutions (+4.2% expected in 2024). All these segments are strategically important for TXT Group, supported by recent M&A activities.



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Following a strong 2024, during which TXT recorded growth rates significantly above market averages across all Group divisions, TXT's management expects further growth in 2025, supported by a strong revenue backlog already secured, the positive outlook for the domestic and global digital markets mentioned above, and additional growth opportunities linked to cross- and up-selling activities driven by increasing commercial synergies within the TXT ecosystem. High-single digit growth rates are expected for the Group's top-line, with benefits on profitability (EBITDA margin), forecasted to exceed 14.0%.

In the Smart Solutions division, for 2025, TXT Group expects low-double digit organic growth, in line with the anticipated global market trend for the software segment. This growth will be driven by the return on investments made by the Group in 2024 will drive growth, which led to an over 60% increase in R&D spending compared to 2023, as well as the consolidation of recently acquired companies such as PACE Canada, Refine, and ProSim. In the first quarter of the current year, new contracts and opportunities in the defense and civil aviation sectors have been reported, fuelled by military spending and the positioning of priority ESG solution offerings (civil aviation). In the FinTech sector, TXT expects sustained growth, particularly in the Digital Payments and RegTech segments. In 2025, recurring revenue from subscription-based models is expected to drive further funding and stimulate internal investments in innovation and the evolution of offerings. The Smart Solutions offering for FinTech will also benefit from the strategic contribution of TXT's new Administrator, Nicola Cordone, former CEO of the SIA Group, who was appointed in January 2025. Starting this year, the Smart Solutions division will fully consolidate Refine in the MarTech segment. At the same time in the Public Sector, the closing of the investment in IT Values is expected by April 2025, aimed at expanding the offering with proprietary solutions for digital innovation in streamlining customers' core processes.

In the Digital Advisory division, organic growth of approximately 10% is expected in 2025, following two years of over 20% growth rates driven by the ramp-up of activities related to public tenders awarded to the Group and the synergies across commercial, technological, and operational areas within the TXT ecosystem. The Group's backlog of awarded tenders, exceeding €100 million, serves as a growth driver for 2025-2026, with new tenders already under evaluation during the first half of 2025. In the Cybersecurity services sector for Space, activities have successfully commenced on a multi-year contract (2025-2029) worth €7.5 million, awarded to TXT by the European Space Agency (ESA) under the ESA HRE (Human and Robotic Exploration Programme Security Services) initiative. In the MarTech context, starting from 2025, the results of the companies I MILLE and Uasabi



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will be fully consolidated, with positive effects expected from the MarTech market trend and commercial synergies with other Group companies. The 2025 goal is to integrate new complementary skills to the acquisitions completed in 2024.

The Software Engineering division is expected to experience strong growth in 2025, with organic growth exceeding 20%, even with the new activities on Telco projects considered non-core. The normalised organic growth of the division was approximately 15% in 2024, primarily driven by growth in the Aerospace & Defence sector. Organic growth in 2025 is expected to be in the mid-single digits, as the strong development anticipated in the Aerospace & Defence segments, and to a lesser extent in Fintech and Industrial, will be partially offset by the contraction effect from the end of non-core Telco activities. Among the major contracts awarded in the first quarter of 2025, notable mentions include contracts within new defense programs such as the GCAP (Global Combat Air Programme), and as a technology partner for the new joint venture Leonardo Rheinmetall Military Vehicles (LRMV), founded to create a new European hub for the development and production of combat military vehicles in Europe. LRMV is based in La Spezia, where TXT Group already has a significant number of specialised resources supporting defence-related projects. Regarding organic growth expected for the division in 2025, the consolidation of Webgenesys is contributing to the positive development of the entire division, thanks to significant revenue volumes, higher-than-average activity margins, and the technological and commercial synergies that are supporting the redeployment of TXT resources to higher-value projects for the Group and its clients.

With reference to the 2025 M&A plan, it's noted that on March 5, 2025, TXT announced the signing of a binding agreement for the acquisition of 100% of the share capital of IT Values S.r.l. ("IT Values"), a software boutique specialised in development and sale of solutions for digital innovation in the optimisation of public administration processes and, more generally, in the enterprise market. IT Values was founded in Rome (Italy) in 2022 and currently employs approximately 20 highly specialised internal resources, with an adjusted EBITDA of about €2.5 million and a 2025-2026 order backlog exceeding €5 million, with double-digit growth prospects for the 2025-2027 period. The investment in IT Values represents a significant growth milestone for TXT's Public Sector segment, where the Group is already positioned with its Software Engineering and Digital Advisory offerings, led respectively by Webgenesys and HSPI, which are already technological and commercial partners of IT Values. Significant benefits are expected from the synergistic integra-



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tion of IT Values' Smart Solutions suite into TXT's innovative offering to support the digitalisation of the Public Sector. The agreed consideration for the purchase of 100% of IT Values, payable at closing (net of earn-outs, claw-backs, and net financial position adjustments that will be settled in cash), has been set at €15.0 million, of which €12.0 million (80%) will be paid in cash and €3.0 million (20%) will be paid through the issuance of TXT e-solutions S.p.A. shares, which will be sold at the average share price for the 30 business days preceding the closing date. The closing of the investment is expected by April 1, 2025.

For the remainder of 2025, the goal of TXT Group in the context of the M&A plan is to continue its acquisition strategy, focusing on strategic investments in technologies and skills complementary to its current capabilities, with attention to their financial sustainability and the ability to synergistically increase the Group's profitability.

With regard to the 2025 events related to TXT's stock, it is noted that on March 5, TXT's entry into the FTSE Mid-Cap index was announced, with the index change taking effect from March 24, 2025.

In the current global geopolitical context, characterised by instability linked to ongoing military conflicts in Ukraine and the Middle East and the escalation of the trade war driven by the protectionist policies of the new US presidency, the Board of Directors of TXT has currently identified mitigable risks in the short term due to TXT's minimal and non-strategic exposure to the business in the conflict-affected territories and due to the nature of the IT services provided by TXT in the US, which are not currently subject to tariffs.

Declaration of the Manager in Charge of Drawing up the Corporate Accounting Documents

The Manager in charge of drawing up the corporate accounting documents, Eugenio Forcinito, hereby declares, pursuant to art. 154-bis, paragraph 2 of Legislative Decree no. 58 of 24 February 1998, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

As from today, this press release is also available on the Company's website www.txtgroup.com.



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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, United Kingdom, France, Switzerland, Canada, Singapore and the United States of America. The holding company TXT e-solutions S.p.A, has been listed on the Italian Stock

For further information:

Eugenio Forcinito - CFO

Tel. +39 02 257711

eugenio.forcinito@txtgroup.com

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Andrea Favini - IR

Tel. +39 02 257711

infofinance@txtgroup.com



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Management Income Statement as of 31 December 2024

€ thousand	2024	%	2023	%	Var %
REVENUES	304,545	100	224,394	100	35.7
Direct costs	202,385	66.5	143,112	63.8	41.4
GROSS MARGIN	102,160	33.5	81,282	36.2	25.7
Research and Development costs	14,879	4.9	9,035	4.0	64.7
Commercial costs	27,176	8.9	24,227	10.8	12.2
General and Administrative costs	20,945	6.9	16,388	7.3	27.8
EBITDA	39,160	12.9	31,632	14.1	23.8
Amortization, Depreciation & Write-offs	13,631	6.7	11,443	8.0	19.1
OPERATING PROFIT (EBIT)	25,530	8.4	20,188	9.0	26.5
Net Financial/Extraordinary income (charges)	(2,989)	(1.0)	835	0.4	n.a.
EARNINGS BEFORE TAXES (EBT)	22,541	7.4	21,023	9.4	7.2
Taxes	(6,627)	(2.2)	(5,511)	(2.5)	20.2
NET PROFIT	15,914	5.2	15,512	6.9	2.6



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Management Income Statement – Fourth Quarter 2024

€ thousand	Q4 2024	%	Q4 2023	%	Var %
REVENUES	84,981	100	65,038	100	30.7
Direct costs	54,337	63.9	40,441	62.2	34.4
GROSS MARGIN	30,644	36.1	24,597	37.8	24.6
Research and Development costs	4,415	5.2	2,311	3.6	91.0
Commercial costs	8,493	10.0	8,761	13.5	(3.1)
General and Administrative costs	6,606	7.8	3,295	5.1	100.5
EBITDA	11,130	13.1	10,230	15.7	8.8
Amortization, Depreciation & Write-offs	4,912	5.8	4,071	6.3	20.6
OPERATING PROFIT (EBIT)	6,219	7.3	6,158	9.5	1.0
Financial income (charges)	(404)	(0.5)	936	1.4	n.a.
EARNINGS BEFORE TAXES (EBT)	5,815	6.8	7,094	10.9	(18.0)
Taxes	(1,869)	(2.2)	(1,377)	(2.1)	35.7
NET PROFIT	3,946	4.6	5,717	8.8	(31.0)



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Net Financial Debt as of 31 December 2024

.000 Euro	31.12.2024	31.12.2023	Var
Cash	(58,250)	(37,927)	20,324
Trading securities at fair value	(17,283)	(24,058)	(6,775)
Other Short Term Financial Assets	(254)	(810)	(556)
Short term Financial Debts	65,658	57,654	(8,004)
Short term Financial Debts	(10,130)	(5,141)	4,988
Non current Financial Debts - Lessors IFRS 16	10,476	7,058	3,418
Other Long Term Financial Assets	-	(700)	700
Other Non current Financial Debts	108,517	50,505	58,012
Non current Financial Debts	118,993	56,863	62,130
Net Financial Debt	108,863	51,721	57,142
Non-monetary debts for adjustment of the price of the acquisitions to be paid in TXT shares	(380)	(2,500)	2,120
Financial Investment - Banca Del Fucino	(17,778)	(17,778)	-
Adjusted Net Financial Debt	90,705	31,443	59,262



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Consolidated Balance Sheet as of 31 December 2024

€ thousand	31.12.2024	31.12.2023	Change
Intangible assets	159,254	85,900	73,354
Tangible assets	28,840	20,430	8,410
Other fixed assets	26,506	24,462	2,045
Fixed Assets	214,601	130,792	83,809
Inventories	23,737	18,733	5,004
Trade receivables	114,054	74,346	39,708
Other short term assets	20,198	14,876	5,322
Trade payables	(43,342)	(21,585)	(21,757)
Tax payables	(10,879)	(11,208)	329
Other payables and short term liabilities	(48,481)	(34,761)	(13,720)
Net working capital	55,287	40,402	14,886
Severance and other non current liabilities	(9,200)	(5,603)	(3,597)
Capital employed - Continuing Operations	260,688	165,590	95,098
Shareholders' equity	149,764	113,852	35,912
Shareholders' equity - minority interest	2,061	17	2,044
Net financial debt	108,863	51,721	57,142
Financing of capital employed	260,688	165,590	95,098