



TXT Group: Corporate overview

Mid & Small in Milan 2022

November 29

Daniele MISANI, CEO

Andrea FAVINI, IR

Your Global Digital Enabler

TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital innovation of customers' products and core processes.

With a proprietary software portfolio and deep expertise in vertical domains, we support our customers in understanding the business paradigm that the new digital world requires, enabling their transformation.



We have 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.

why

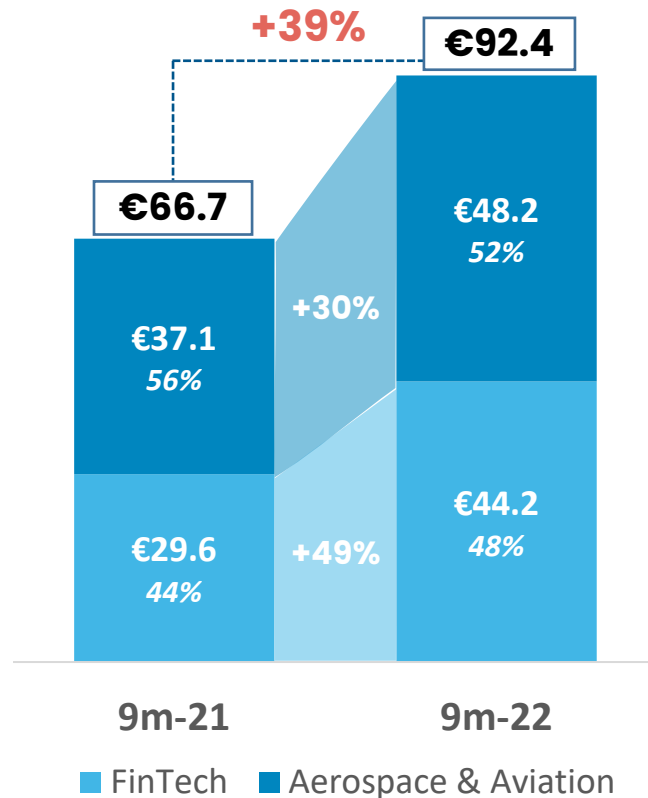
where

how



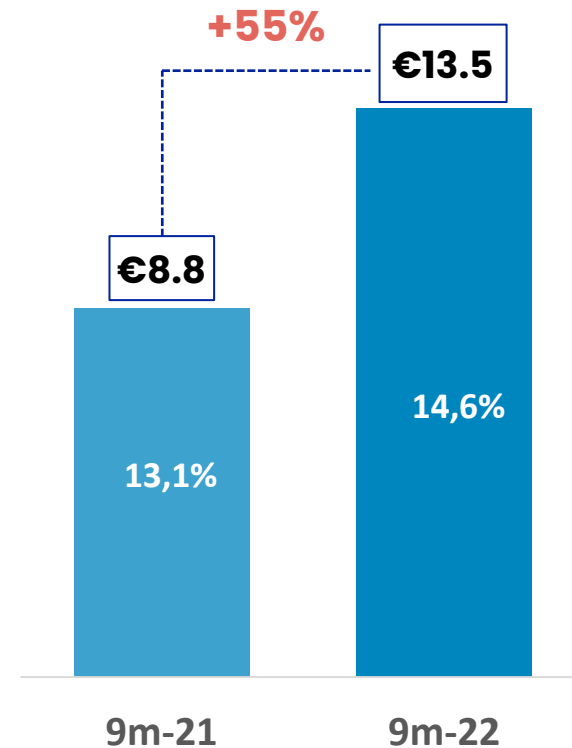
Strong organic growth and M&A contribution to constantly improve KPIs

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



Organic Revenues Growth: +18%
M&A contribution 9m-2022: € 13.8Mn (+21%)

EBITDA (€mn, % on total revenues)



M&A contribution 9m-2022:
€ 3.2Mn (+36%)



Value creation: 9m- '22



EBIT

€ 9.2Mn 9m-22, **+71%** vs. 9m-21



R&D INVESTMENTS (fully expenses in the quarter)

€ 5.8Mn 9m-22, **+14%** vs. 9m-21



SOFTWARE LICENSES REVENUES

€ 7.3Mn +16% vs. 9m-21, **+ € 20Mn** from services around proprietary SW



INTERNATIONAL REVENUES

€ 26Mn 29% of total revenues



SOLID FINANCIAL STRUCTURE + TREASURY SHARES AVAILABLE FOR FINANCING GROWTH

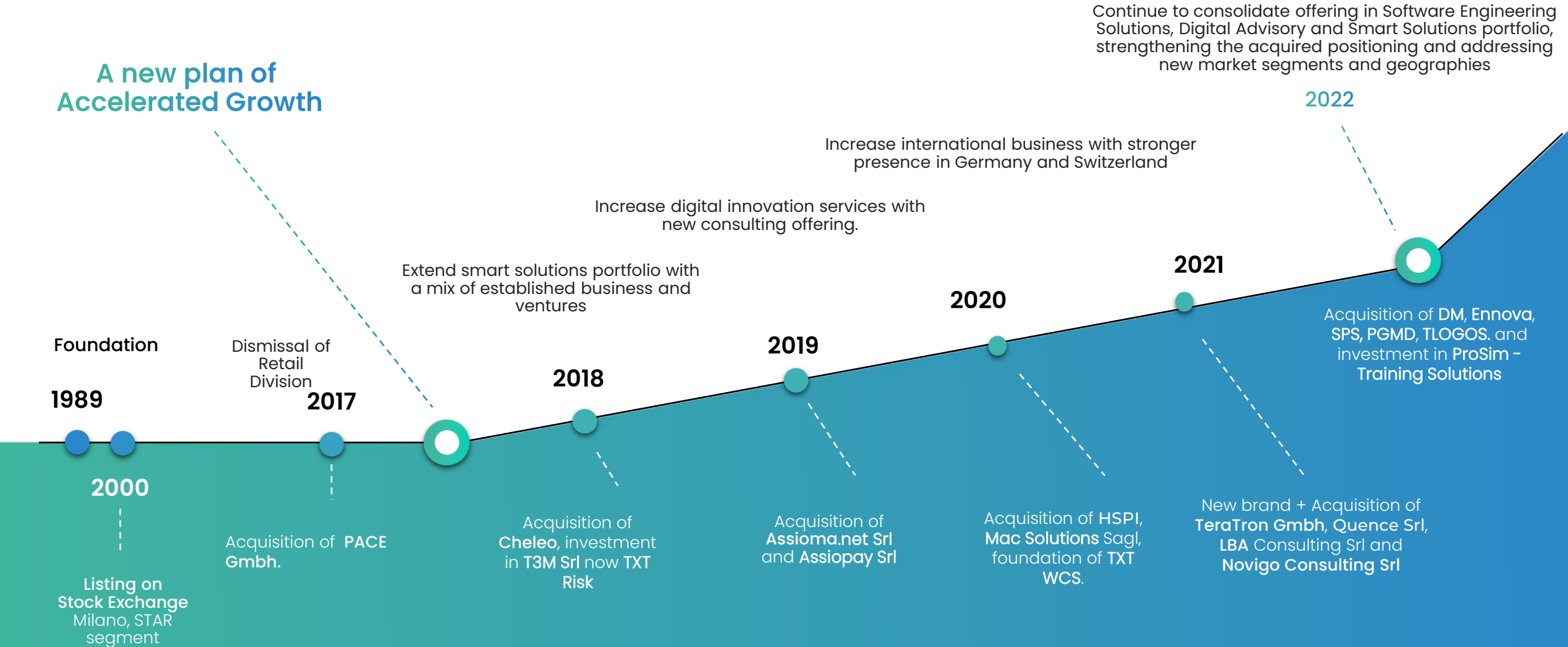
€ 13Mn (Net Financial Debt) **+ € 13 Mn*** in Treasury Shares

** Value calculated with stock price of € 11,2 per share (Share Price Sep. 30th, 2022)*



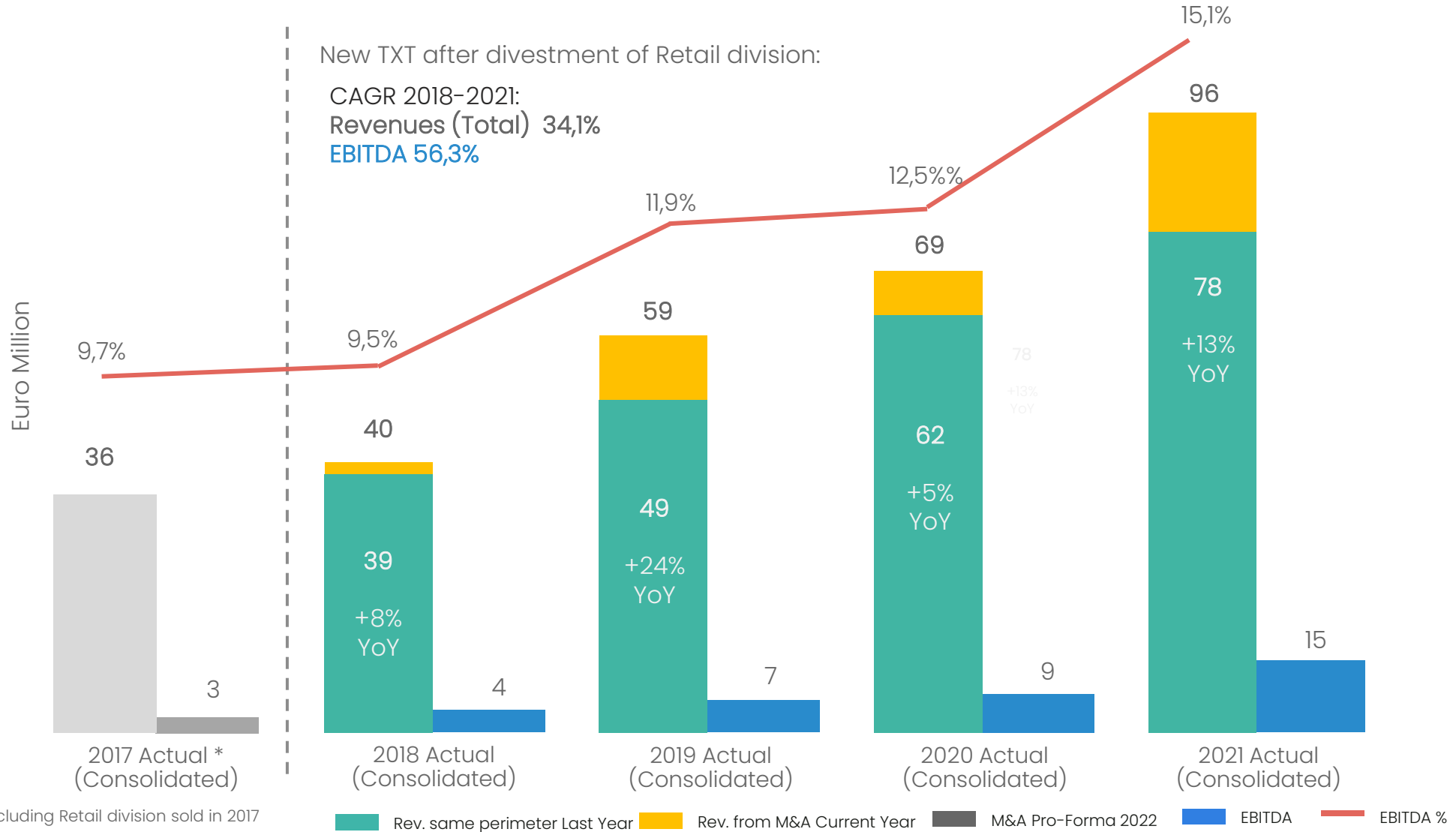
A Successful Story

A new plan of Accelerated Growth



Historical Trading Results

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



The background features a complex, abstract pattern of thin, flowing lines in various shades of teal and blue. These lines are interspersed with small, glowing dots of the same colors. The overall effect is a sense of dynamic movement and digital connectivity, set against a solid black background.

MARKETS & OFFERING

Core Markets

We are an **international specialized provider of digital 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.

9-m 2022 figures

Turnover

48M €

+30% YoY
+12% Organic

44M €

+49% YoY
+25% Organic

EBITDA margin

18%

11%

SW Revenues*

19M €

30% of Total

8M €

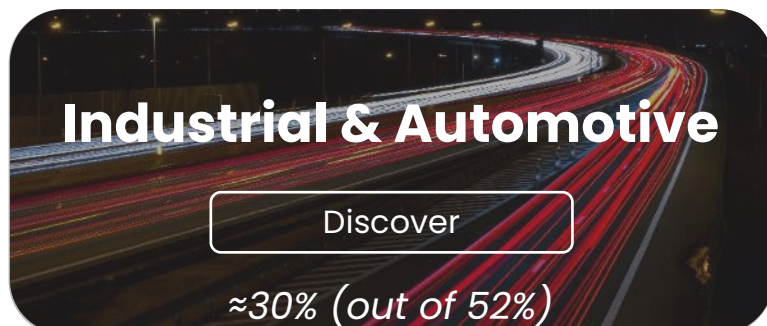
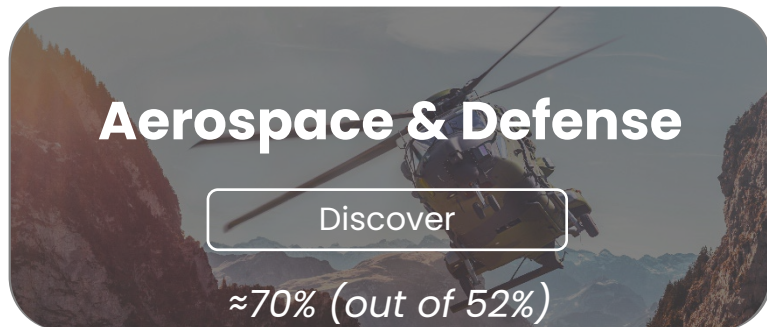
18% of Total

International business

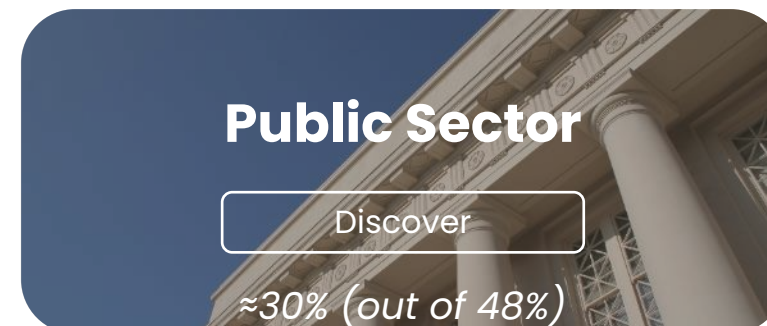
35%

20%

Aerospace & Aviation



Fintech



* SW Revenues includes revenues from services around proprietary products.
Revenues from software licenses, maintenance and subscription are 7.3M € (5.8M € A&A and 1.5M € Fintech)



Business Models

Licenses, Subscription and SaaS

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

Leave It Up To Us:

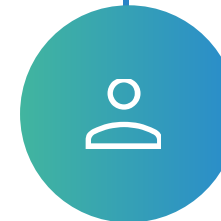
Large corporations Enjoy the benefits of getting their turn-key digital solutions from an experienced one-stop supplier.

Shoulder-to-shoulder:

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



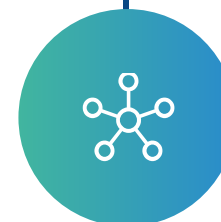
Solid network of multidisciplinary competences and vertical excellences, customers can rely on experts.



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



Exploit group level center of excellences in different competencies like Artificial Intelligence, AR/VR, IoT, Cloud and Cybersecurity.



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



Aerospace Platforms

Our Pacelab range of commercial off-the-shelf software products 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.

Pacelab Suite

[Discover](#)

Generic platform for model-based, multi-disciplinary design, which supplies the basic functional & procedural infrastructure for the modeling, analysis, sizing & optimization of complex engineering systems.

Pacelab FPO

[Discover](#)

Holistically optimizes ALL flight phases from climb to descent, relying on high-fidelity and real-time data to deliver information that is accurate, relevant and complete.

Pacelab ACE

[Discover](#)

Fully digital environment to connect all actors in the cabin configuration process. Leverage the benefits of digital collaboration with customers & teams and keeps config data up-to-date and consistent across the entire process.

Pacelab ACE myCabin

[Discover](#)

With a dedicated business rules, a rich component catalog & many smart features designed to support cabin investigations, lets you set up valid layouts & place your products in a correct configuration, much faster than any CAD application!

Pacelab Mission Suite

[Discover](#)

Analysis tool which brings together aircraft definition, aircraft performance & cost investigations in a single environment & delivers reliable projections of key metrics: payload capacity, max range, direct operating cost.

Pacelab WEAVR

[Discover](#)

A uniquely holistic XR training platform designed to manage every part of the training process – from content creation and deployment to user management and performance tracking.

Fintech Platforms

Our **FinTech** products 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. HR Management, Projects, Orders, Management Control, Budget, Documents, Workflow, Finance, Distribution, Retail and more!





_2022 Growth drivers & M&A

Organic Growth:

- **9-months main drivers**
- **Expected evolution**
- **Public Sector**, with subsidiary HSPI SpA, recoded organic growth of 26% driven by multi-year contracts related to CONSIP (purchasing center of the Italian public administration) public tenders for the digitalization of the Italian public sector. Positive trend confirmed for Q4 '22, 2023, 2024;
- **Fintech** business grew at an accelerated rate (+23% organic) thanks to commercial synergies and new multi-million contracts, both fix-price projects contracts and recurrent software agreements.
- **Civil Aviation**: recorded organic growth of 20% driven by strong market positioning of subsidiary PACE GmbH that benefits from the reboot of the market that suffered a significant slow-down during covid outbreak;
- **Defense** segment continuously growing, with +8% YoY growth (organic) recorded in the first 9 months 2022 thanks to strong positioning in European defense programs, expected to remain a growth pillar;
- **Industrial & Automotive** is leveraging on synergies with new acquired companies, with TeraTron (organic revenues share) and the industrial offering of TXT that recorded an organic growth of 13%, with positive projections for new business, also from new-acquired companies.

**Double-digit growth in
all Divisions and Markets**



M&A 2022:

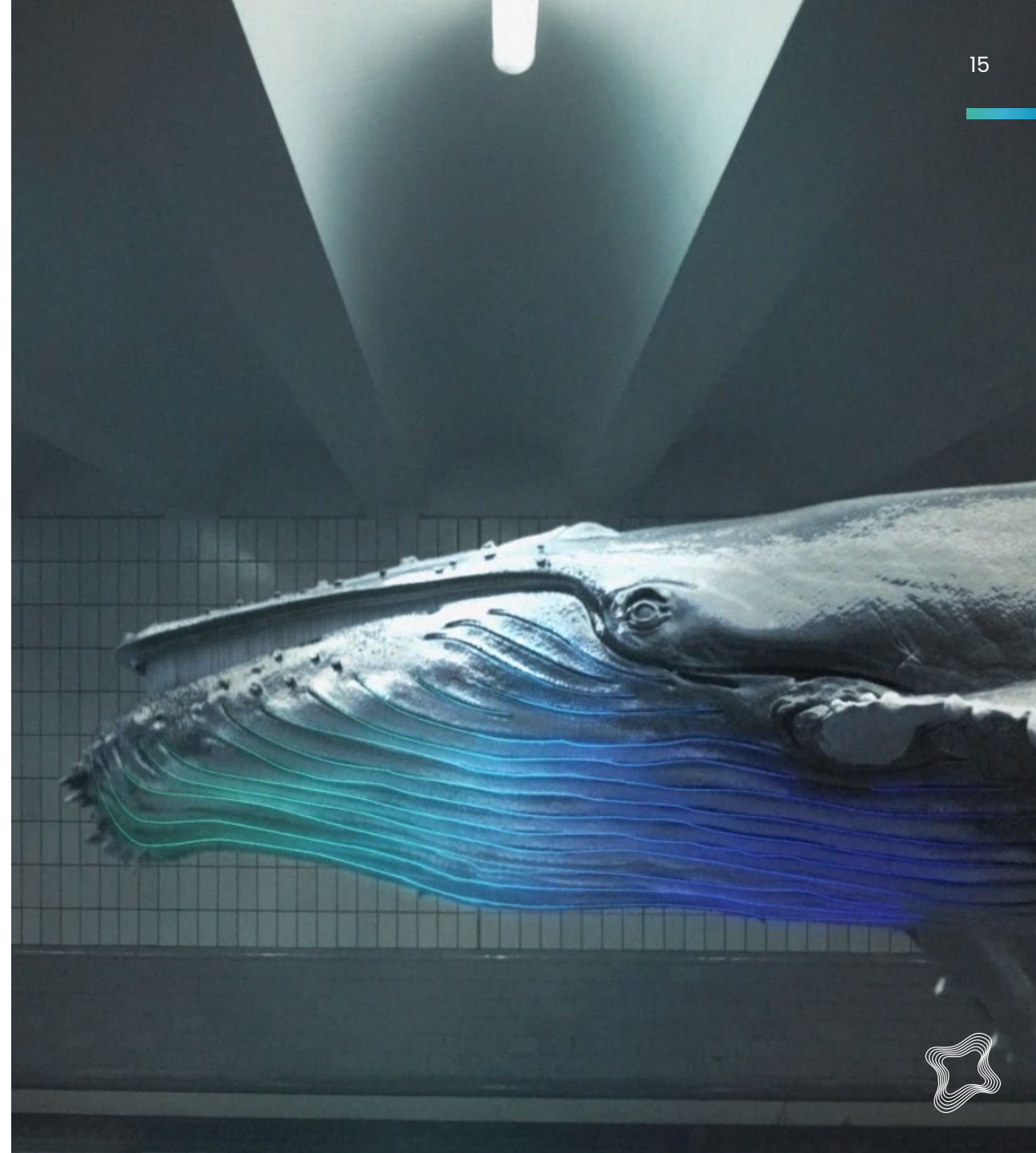
DM Management & Consulting Srl

- TXT expanded its Smart Solutions IoT portfolio with the **acquisition of 100%** of the capital of **DM Management & Consulting Srl ('DM')**, an **Italian small enterprise** specialising in the **consultancy and sale of proprietary MES/MOM software** for factory management, which will complement the TXT Group's IoT offering;
- **DM** was founded in Parma (Italy) in 2011 by the company's current directors and **in 2013** it **launched the first version of its proprietary MES/MOM DMP platform** on the market, then sustained a constant process of investment in R&D that led to new software releases and continuous business growth fostered by the acquisition of many important customers, both domestic and international;
- In 2021, DM reported **ARR of about Euro 0.5 million** (on **Adj Sales Revenues of Euro 1.2 million**) and **EBITDA margin of 25%** with an **expected annual revenue growth rate (CAGR) of 30% in the three-year period 2022-2024**, also due to group synergies.
- TXT consolidates the results of DM starting from July 20th, 2022.



M&A 2022: ENNOVA Spa

- In the context of the accelerated growth project and diversification of its digital offering, **TXT acquired 100%** of the capital **of Ennova** SpA ('Ennova'), an Italian **specialist in the digitisation of processes and products of large customers and SMEs**;
- Ennova, founded in 2010 in the Innovative Companies Incubator of the Politecnico di Torino as a start-up, over the last decade has positioned itself among the leading Italian technology players supporting the digital transition in key, fast-changing sectors;
- Ennova offers **proprietary platform solutions** for monitoring management, smart assistance, provisioning, **flanked with best-in-class assistance from qualified operators**, able to remotely solve any type of problem related to the digital tools and using innovative technological solutions;
- Ennova's **Tech on Site offering** leverages specialised technicians with national coverage able to bring maintenance and support services (on-site) with a **high-quality standard**;
- **Strong network** with **direct channels** and **consolidated relationships** with dealers **throughout Italy and abroad** (France, Spain, Germany);
- Ennova's financial results in **2021** reached **sales revenues of Euro 61 million** and **EBITDA Adjusted of Euro 5.3 million**, with forecasts for 2022 improving.
- TXT consolidates the results of ENNOVA starting from October 2022.



M&A 2022:

Soluzioni Prodotti Sistemi S.r.l.

- TXT expanded its market positioning in the domestic digital market with the acquisition of 100% of the capital of **Soluzioni Prodotti Sistemi S.r.l. ('SPS')**
- SPS was founded in Rome in 2009 and today has **100+ resources** distributed over the three operating **offices in Rome, Bari and Milan;**
- **Offering** of SPS in the ICT consulting field guarantees **certified skills and technological leadership** in projects for the **digitization of enterprise processes**, covering the design, analysis, implementation phases up to integrated testing and post-production assistance for large companies and SMEs:
- In the **innovative projects field**, SPS offers **IoT solutions** and other digital solutions for the **monitoring of information systems and Apps** developed in the technological observatory by internal resources and with the contribution of research funds
- During **2021 SPS** reported consolidated **revenues of Euro 9.5 million**, with CAGR 2018-2021 equal to 23%. Adjusted **EBITDA margin of 15%** in 2021. **Double-digit revenue growth expected for 2022.**
- TXT consolidates the results of SPS starting from October 2022.



M&A 2022:

PGMD Consulting Srl

- TXT **strengthened** its Digital Advisor offering in the **ICT Governance** field with the acquisition of 100% of the capital of **PGMD Consulting Srl ('PGMD')**
- PGMD, based in Milan and counts over 25 resources, offers specialised consulting expertise in digital advisory and transformation and proprietary application solutions for the **digitalization of core processes in the public and private health sector**;
- **2022 revenues** (forecast pro-forma) **totaled € 2.8 million with an EBITDA margin of 22%**; PGMD boasts a strong positioning in the digitisation of its sector and a solid backlog of acquired revenues from multi-year contracts for more than €3 million and strong growth prospects driven by the digitisation of the public healthcare sector, which will benefit from the funds deriving from the domestic NRRP (The National Recovery and Resilience Plan);
- TXT consolidates the results of PGMD starting from November 15th, 2022.



M&A 2022: TLogos Srl

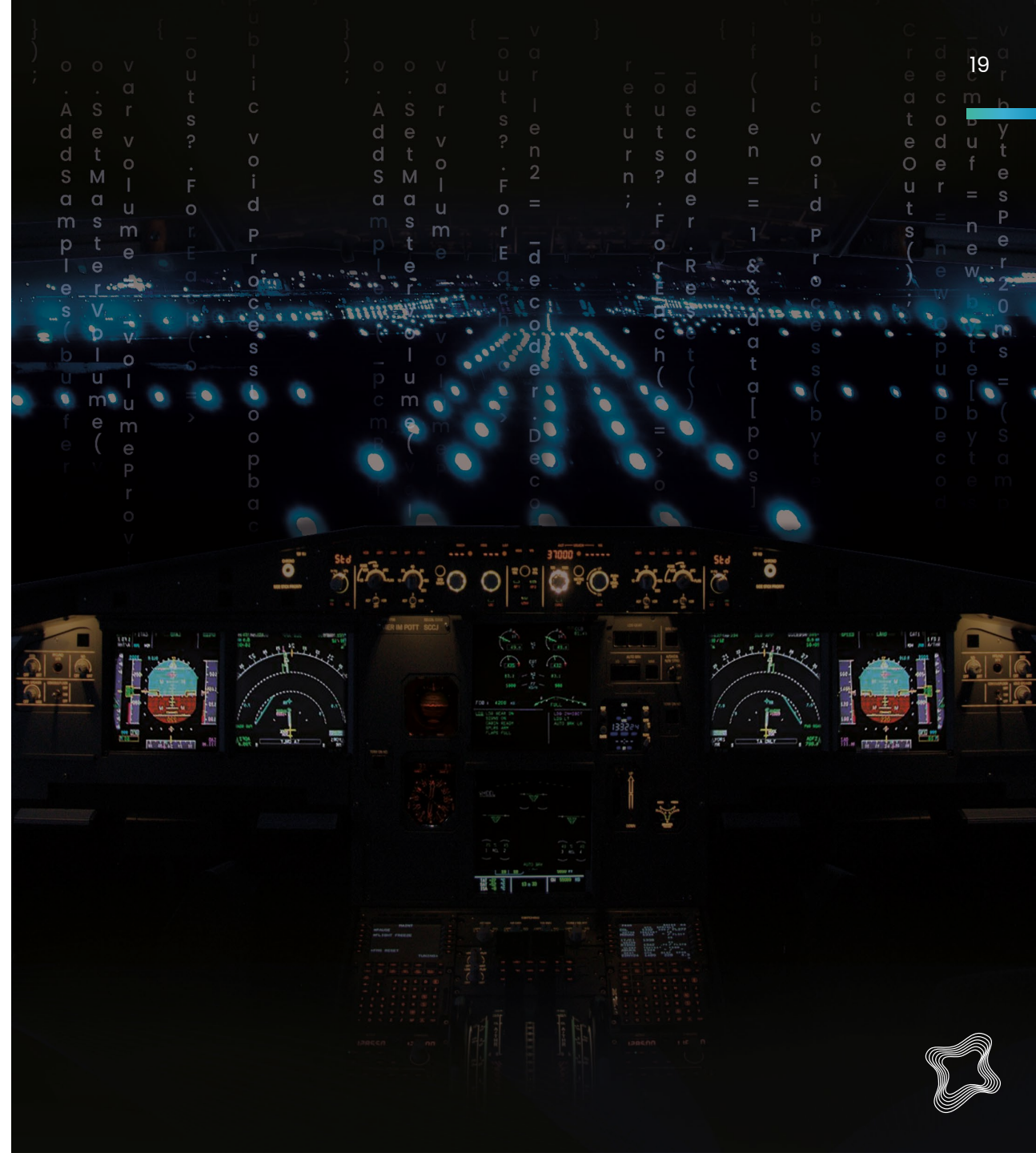
- TXT **strengthened** its Digital Advisor offering in the **cybersecurity** field with the signing of the **investment agreement to acquire 100% of the capital of TLogos S.r.l. ('TLogos')**
- TLogos, funded in Rome in 2011, is a digital consulting boutique specialised in cybersecurity with high added value with significant contracts in the main European space projects;
- The investment in TLogos represents a **strategic deal** for the **consolidation of strong and innovative cybersecurity expertise** which will strengthen TXT Group's digital advisory offering in a segment with high growth prospects and high added transversal value inside an increasingly wide range of industries.
- With 15 internal specialised resources, TLogos's **2022 revenues** (pro-forma) **totaled € 1.6 million with an EBITDA margin of 35%**; TLogos boasts a significant revenues backlog from multi-year contracts already acquired, with strong growth prospects both in its own sector (i.e., space) and in other sectors already covered by the TXT Group;
- The closing is forecasted before the 31st of December 2022.



M&A 2022:

ProSim Training Solutions

- **TXT** signed an agreement for the investment in **ProSim Training Solutions** ('ProSim-TS');
- The **initial investment** consists of a **capital increase in ProSim-TS against which TXT will own a minority stake (40%)**, and **the agreement includes further investments round** that will allow TXT to increase its ownership in ProSim-TS up to 100%.
- **ProSim-TS** is a **Dutch-based software house** specialized in the development and marketing of **proprietary solutions for the civil aviation training market**;
- **TXT aims to accelerate the growth plan and expand the product portfolio of ProSim-TS** by providing financial capital, unmatched software development skills and worldwide presence by leveraging the established positioning of PACE GmbH in the civil aviation market;
- This new venture will combine unique TXT software engineering capabilities with cutting-edge proprietary pilot training products developed by ProSim-TS;
- For **2022**, ProSim-TS (stand-alone) is forecasting **revenues of Euro 1.5 million** generated **from the sale of proprietary software**.





9 months-2022 FINANCIALS

Profit & loss: 9 months 2022 details

€ thousand	9 months 2022	%	9 months 2021	%	Var %
REVENUES	92,400	100	66,733	100	38.5
Direct costs	56,538	61.2	40,122	60.1	40.9
GROSS MARGIN	35,862	38.8	26,611	39.9	34.8
Research and Development costs	5,778	6.3	5,091	7.6	13.5
Commercial costs	8,813	9.5	6,481	9.7	36.0
General and Administrative costs	7,740	8.4	6,283	9.4	23.2
EBITDA	13,531	14.6	8,756	13.1	54.5
Depreciation	4,293	4.6	3,047	4.6	40.9
Riorganization and Non Recurrent Costs	75	0.1	347	0.5	(78.4)
OPERATING PROFIT (EBIT)	9,163	9.9	5,362	8.0	70.9
Financial income (charges)	(1,631)	(1.8)	345	0.5	n.a.
EARNINGS BEFORE TAXES (EBT)	7,532	8.2	5,707	8.6	32.0
Taxes	(2,196)	(2.4)	(1,576)	(2.4)	39.3
NET PROFIT	5,336	5.8	4,131	6.2	29.2



Profit & loss: Q3 2022 details

€ thousand	Q3 2022	%	Q3 2021	%	Var %
REVENUES	29,862	100	23,034	100	29.6
Direct costs	18,056	60.5	13,037	56.6	38.5
GROSS MARGIN	11,806	39.5	9,997	43.4	18.1
Research and Development costs	1,824	6.1	1,778	7.7	2.6
Commercial costs	3,094	10.4	3,109	13.5	(0.5)
General and Administrative costs	2,548	8.5	2,016	8.8	26.4
EBITDA	4,340	14.5	3,094	13.4	40.3
Depreciation	1,747	5.9	1,079	4.7	61.9
Riorganization and Non Recurrent Costs	0	0.0	71	0.3	(100.0)
OPERATING PROFIT (EBIT)	2,593	8.7	1,944	8.4	33.4
Financial income (charges)	(260)	(0.9)	74	0.3	n.a.
EARNINGS BEFORE TAXES (EBT)	2,333	7.8	2,018	8.8	15.6
Taxes	(520)	(1.7)	43	0.2	n.a.
NET PROFIT	1,813	6.1	2,061	8.9	(12.0)



NET Financial Debt: Solid financial position

€ thousand	30.09.2022	31.12.2021	Var
Cash	40,378	36,076	4,302
Trading securities at fair value	46,293	48,869	(2,576)
Other Short Term Financial Assets	1,141	-	1,141
Short term Financial Debts	(42,979)	(47,125)	4,146
Short term Financial Resources	44,833	37,820	7,013
Non current Financial Debts - Lessors IFRS 16	(3,760)	(4,209)	449
Other Non current Financial Debts	(54,034)	(45,260)	(8,774)
Non current Financial Debts	(57,794)	(49,469)	(8,325)
Net Financial Debt	(12,961)	(11,649)	(1,312)



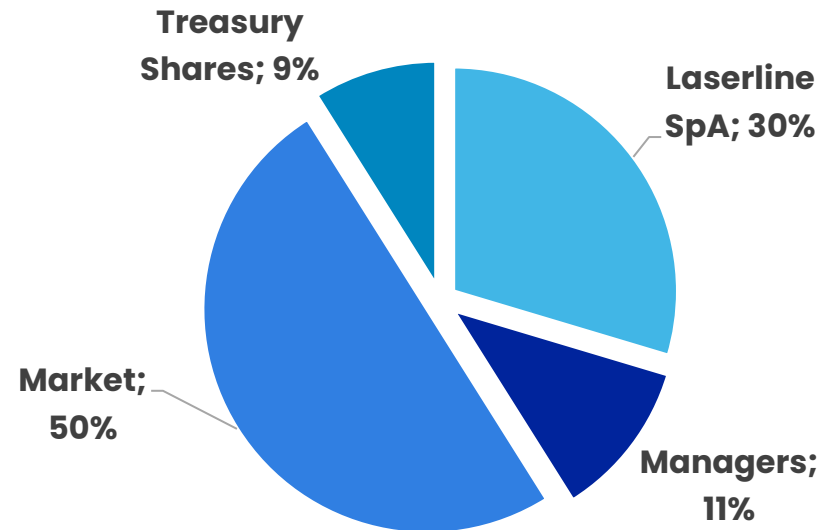
_Balance sheet: details

€ thousand	30.09.2022	31.12.2021	Change
Intangible assets	56,507	55,182	1,325
Tangible assets	12,632	12,126	506
Other fixed assets	24,450	16,529	7,921
Fixed Assets	93,589	83,837	9,752
Inventories	16,167	7,810	8,357
Trade receivables	31,835	43,156	(11,321)
Other short term assets	9,032	8,864	168
Trade payables	(6,108)	(6,303)	195
Tax payables	(4,718)	(5,700)	982
Other payables and short term liabilities	(23,354)	(23,650)	296
Net working capital	22,854	24,177	(1,323)
Severance and other non current liabilitie	(3,174)	(3,297)	123
Capital employed - Continuing Operation	113,269	104,717	8,552
Shareholders' equity	100,307	92,655	7,652
Shareholders' equity - minority interest	0	412	(412)
Net financial debt	12,962	11,649	1,313
Financing of capital employed	113,269	104,716	8,553



Shareholding Structure September 30th, 2022*

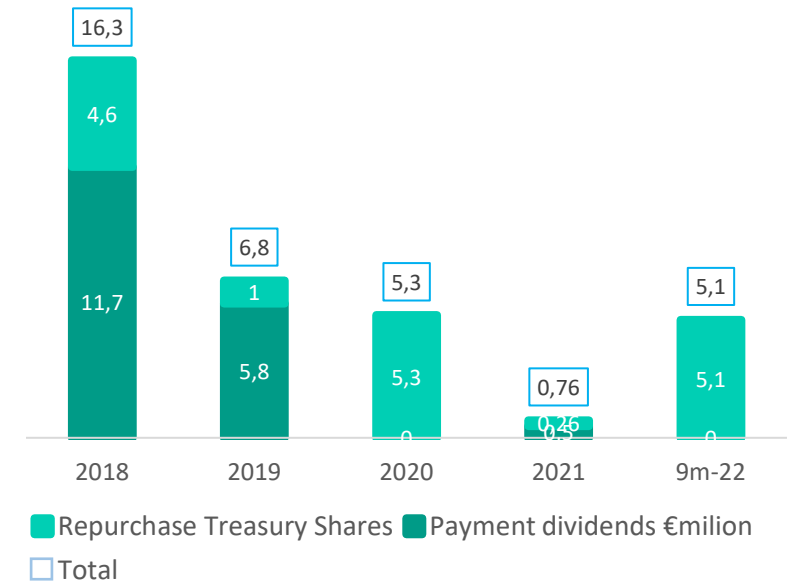
Latest Public Data Available as of 30 Sep. 2022



Market Data

Share Price Dec 31st, 2018	9.66€/share
Share Price Sep 30th, 2022	11.20€/share
Mkt Sep 30th, 2022	132.6m €
Dividend Yield	n.a.

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





Q & A