



TXT Group: TECH DAY

15 June 2022

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



Business Models

Licenses, Subscription and SaaS

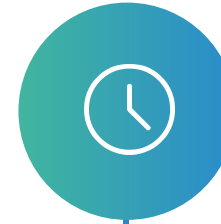
We accelerate the customer's digital transition by providing advanced vertical solutions.

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:

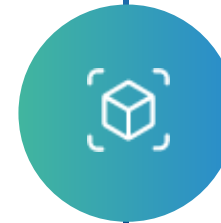
our experts work advising and consulting, following Customers' needs in their digital journey.



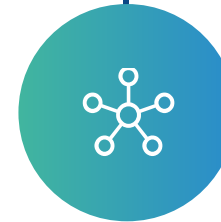
Solid network of multidisciplinary competences and vertical excellences, customers can rely on experts.



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.



A Successful Story

Foundation

1989 2000

Listing on STAR
Borsa Italiana
Stock Exchange

2017

Sale of Retail
Division



PACE

Aerospace
R.: €8mn in FY16



CHELÉO

FinTech
R.: €3mn in FY17



ASSIOMA

Banking & Finance
R.: €9mn in FY18



HSPI

**IT Governance & Digital
Transformation**
R.: €12mn in FY19



MACSOL

Swiss Fintech
R.: CHF 5mn in FY19



TERATRON

**Automotive & Industrial
(Industry 4.0)**
R.: €9mn in FY21 **Q3-21**



NOVIGO

FinTech: Consumer Credit
R.: €3mn in FY21 **Q4-21**



LBA

FinTech: Digital Payments
R.: €2.5 mn in FY21 **Q4-21**



QUENCE

FinTech: SW Quality
R.: €2.7mn in FY21 **Q4-21**



RISK

RegTech start-up:
(AML, Anti-Corruption,
Anti-Terrorism)



ASSIOPAY

FinTech start-up:
Digital Payments



WCS

Fintech start-up:
Supply Chain Finance



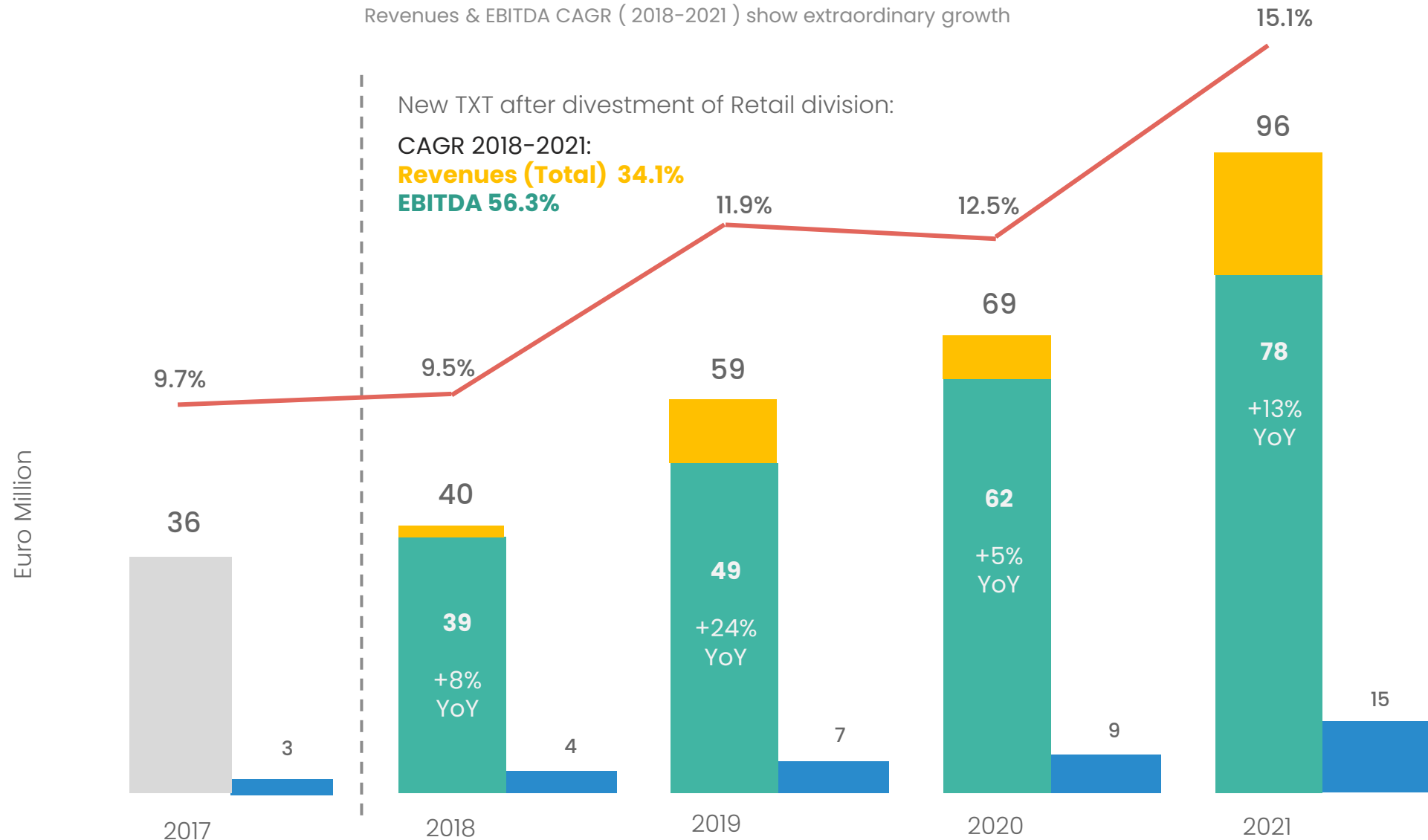
REVERSAL

Fintech start-up:
Financial products for Wealth
Management



Historical Trading Results

Revenues & EBITDA CAGR (2018-2021) show extraordinary growth



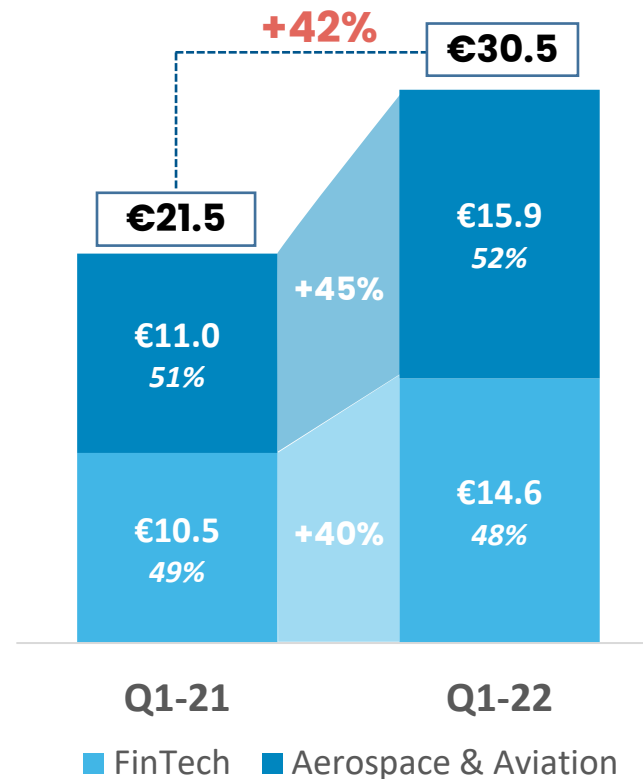
*Excluding Retail division sold in 2017

Rev.same perimeter LY Rev.from M&A EBITDA EBITDA %



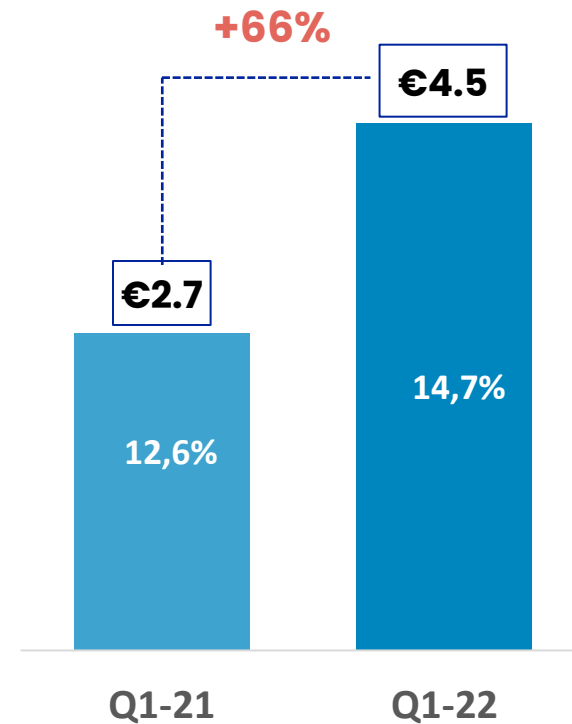
Q1 2022 results confirm strong growth of revenues and profitability
#neverbetter.

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



M&A contribution for Q1:
€ 5.2Mn

EBITDA (€mn, % on total revenues)



M&A contribution for Q1:
€ 1.1Mn



TXT _perfect mix of organic & inorganic growth to boost profitability



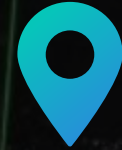
Solid Organic
Growth

+17.8%
vs Q1-2021



Positive M&A
Contribution

+€5 Mn
Revenues Q1-2022



NET
PROFIT

€2.1 Mn
6,8% of Revenues



#neverbetter.

Value creation: Q1 2022



EBIT

€ 3.2Mn Q1-22, **+ 86%** vs. Q1-21



R&D INVESTMENTS (fully expenses in the quarter)

€ 1.9Mn Q1-22, **+ 16%** vs. Q1-21



SOFTWARE LICENSES REVENUES

€2.2Mn +16% vs. Q1-21, **+€7.0Mn** from services around proprietary SW



INTERNATIONAL REVENUES

€ 9.4 Mn 31% of total revenues



NET CASH POSITION (Adjusted) + TREASURY SHARES AVAILABLE FOR GROWTH


€ 3.2Mn (Net Cash) **+ €8Mn*** in Treasury Shares

** Value calculated with stock price of € 9.78 per share (Share Price March 31st, 2022)
Excluded treasury shares to be transferred for 2021 M&A*



Sustainable growth, diversification

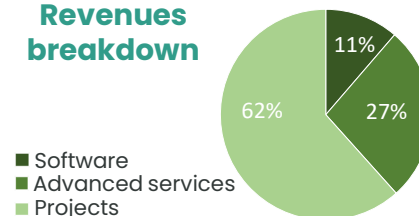
Aerospace & Aviation

 Turnover Q2-2022: 15.9M €
+45%

 EBITDA margin Q1-2022:
18%

 International revenues:
41% of total


**Revenues
breakdown**



■ Software
■ Advanced services
■ Projects



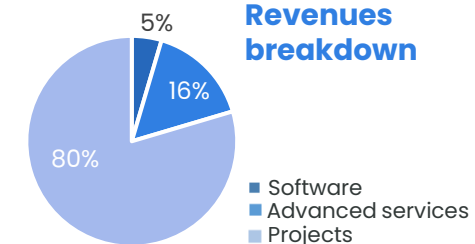
Fintech

 Turnover Q1-2022: 14.6M €
+40%

 EBITDA margin Q1-2022:
11%

 International revenues:
20% of total

**Revenues
breakdown**



■ Software
■ Advanced services
■ Projects





_Q1-22 Main Events & Future Evolutions

Aerospace & Aviation Division

(including Automotive & Manufacturing offering)



- **Civil Aviation:** further reboot of the business with acquisition of **new customers**: i) Deutsche Aircraft for PACE proprietary preliminary aircraft design platform and ii) global leading seats manufacturer for PACE proprietary configuration tool;
- **New contract** in the **railway sector** with major trains manufacturer for the delivery of technical training systems;
- **European defense programs** are growing constantly since the last 2 years, with the positive trend confirmed also for this year;
- In the **Automotive, Manufacturing & Industrial** segments all divisions are growing fast, with TeraTron that is leading and outperforming the trend thanks to its positioning and synergies.
- **PACE days 2022 - The Future of Digital Enablement:** after two years of waiting due to the covid outbreak, in May 2022 PACE hosted in Berlin its annual user conference where the industry leaders and PACE experts met to discuss industry innovation and detailed product updates.

Fintech Division

(including Public Sector offering)



- **New multi-million public tender** awarded in Q2-2022 with primary Italian institution for **SW certification, testing and QA division** strength with Assioma and Quence acquired in 2019 and 2021, respectively;
- Strong **synergies** in the **consumer credit and financial products segments**, where Cheleo and the new-acquired Novigo Consulting are partnering for the **technological renewal of the Cheleo Suite**, the proprietary SW solutions for the management of financing and NPL;
- **Growth** in the **international business**, mainly in Switzerland;
- Major **projects started in the AML segment**, with **new recurrent subscription revenues** starting after the initialization projects
- **Public Sector:** the Group in **2022** has been awarded with **new public tenders** for an overall value of **€20+ millions** to be processed and delivered in a **three-year** period;



focus on PROFITABLE GROWTH

- After outperforming results for Q1 2022 with an organic growth of $\approx 18\%$, TXT continues the improvement path aiming to maintain a constant and sustainable expansion pushed by internal innovation and strengthened commercial network.
- Solid pipeline of new potential acquisitions for the accelerated evolution:
 - 1 mature company planned to be consolidated before H1-2022 closing ($> \text{€}15\text{Mn}$ annual revenues)
 - 1 new investment in a profitable and innovative SME planned to be closed before H1-2022 closing;

CASH + TREASURY SHARES AVAILABLE FOR GROWTH

€ 43Mn Short term net financial resources

>€8Mn in Treasury Shares

"We are evaluating new investment opportunities that would lead TXT to revenue volumes in excess of €150m already in 2022."





Q1-2022 FINANCIALS

Profit & loss: Q1 2022 details

€ thousand	1Q 2022	%	1Q 2021	%	Var %
REVENUES	30,520	100	21,481	100	42.1
Direct costs	18,893	61.9	13,210	61.5	43.0
GROSS MARGIN	11,627	38.1	8,271	38.5	40.6
Research and Development costs	1,908	6.3	1,650	7.7	15.6
Commercial costs	3,167	10.4	2,513	11.7	26.0
General and Administrative costs	2,059	6.7	1,405	6.5	46.5
EBITDA	4,493	14.7	2,703	12.6	66.2
Depreciation	721	2.4	567	2.6	27.2
Amortization	482	1.6	408	1.9	18.1
Riorganization and Non Recurrent Costs	75	0.2	0	0.0	0.0
OPERATING PROFIT (EBIT)	3,215	10.5	1,728	8.0	86.1
Financial income (charges)	(287)	(0.9)	256	1.2	(212.1)
Non-recurrent financial income (charges)	0	0.0	0	0.0	0.0
EARNINGS BEFORE TAXES (EBT)	2,928	9.6	1,984	9.2	47.6
Taxes	(854)	(2.8)	(746)	(3.5)	14.5
NET PROFIT	2,074	6.8	1,238	5.8	67.5



NET cash: Solid financial position

.000 Euro	31.03.2022	31.12.2021	Var
Cash	42,185	36,076	6,109
Trading securities at fair value	47,981	48,869	(888)
Short term Financial Debts	(47,516)	(44,570)	(2,946)
Short term Financial Resources	42,650	40,375	2,275
Non current Financial Debts – Lessors IFRS 16	(4,055)	(4,209)	154
Other Non current Financial Debts	(40,141)	(45,260)	5,119
Non current Financial Debts	(44,196)	(49,469)	5,273
Net Available Financial Resources	(1,546)	(9,094)	7,548
Non-monetary debts for adjustment of the of the 2021 acquisitions to be paid in TXT shares	4,826	5,253	(427)
Net Cash/(Debt) Adjusted	3,280	(3,841)	7,121

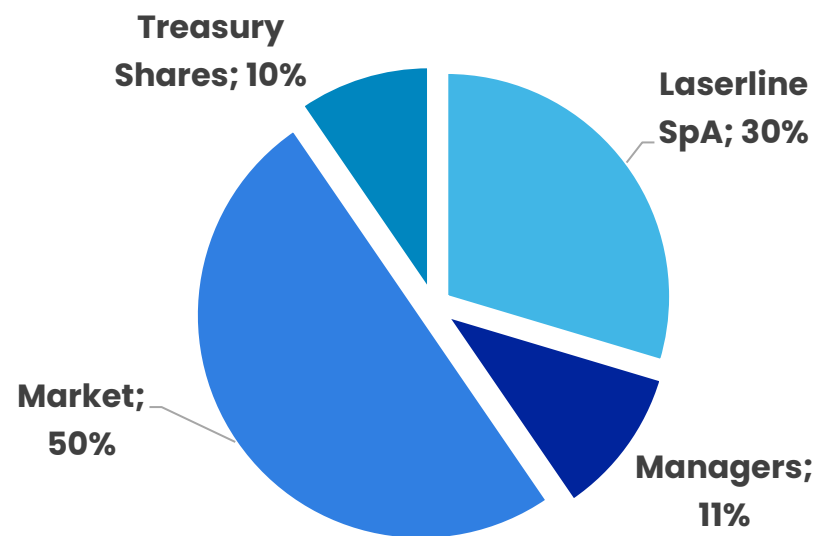


€ thousand	31.03.2022	31.12.2021	Change
Intangible assets	54,311	52,626	1,685
Tangible assets	12,383	12,126	257
Other fixed assets	16,438	16,529	(91)
Fixed Assets	83,132	81,281	1,851
Inventories	12,611	7,810	4,801
Trade receivables	30,793	43,156	(12,363)
Other short term assets	9,807	8,864	943
Trade payables	(6,684)	(6,303)	(381)
Tax payables	(5,884)	(5,700)	(184)
Other payables and short term liabilities	(23,776)	(23,650)	(126)
Net working capital	16,867	24,177	(7,310)
Severance and other non current liabilities	(3,249)	(3,297)	48
Capital employed - Continuing Operations	96,750	102,161	(5,411)
Shareholders' equity	94,776	92,655	2,121
Shareholders' equity - minority interest	427	412	15
Net financial debt	1,547	9,094	(7,547)
Financing of capital employed	96,750	102,161	(5,411)



Shareholding Structure March 31st, 2022*

Latest Public Data Available as of 31 March 2022

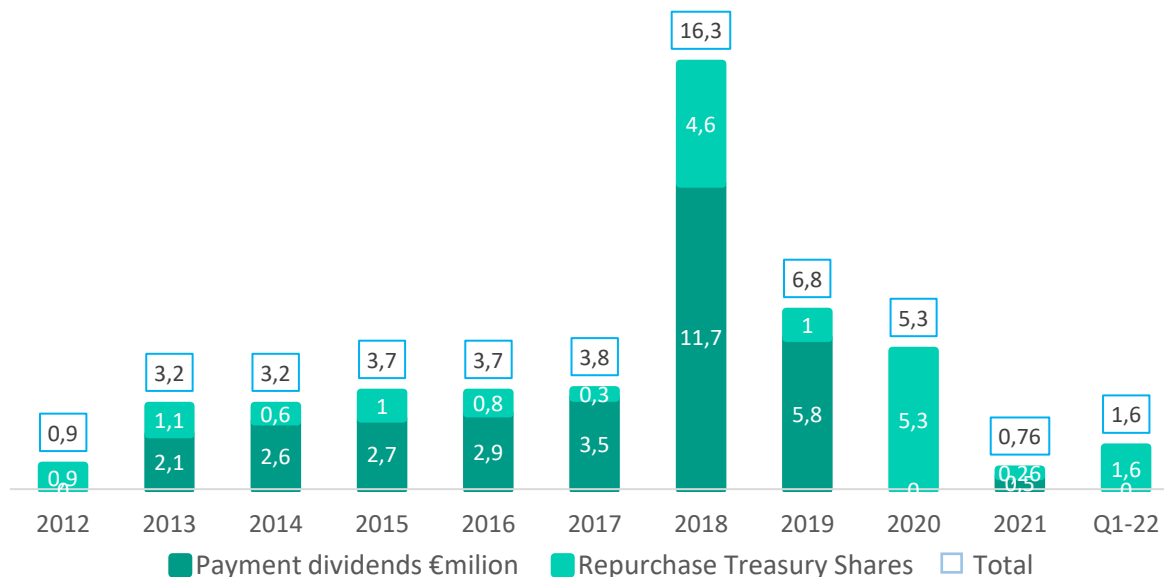


Market Data

Share Price Dec 31st, 2018	9.66€/share
Share Price Mar 31st, 2022	9.78€/share
Mkt Mar 31st, 2022	114.4m €
Dividend Yield	n.a.



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	2022	nil

With the aim of best pursuing the accelerated growth plans through acquisitions and continuing investments in proprietary platforms to increase the value of the Group and, also in view of the current situation of geopolitical uncertainty and macroeconomic instability, the Board resolved to propose to the General Meeting not to distribute a dividend.

The Board discussed the possibility of distributing a dividend during the year linked to market developments and future economic and political contingencies.



Q & A