



TXT

TXT Group: Corporate overview

Le Eccellenze del Made in Italy

September 27th, 2023

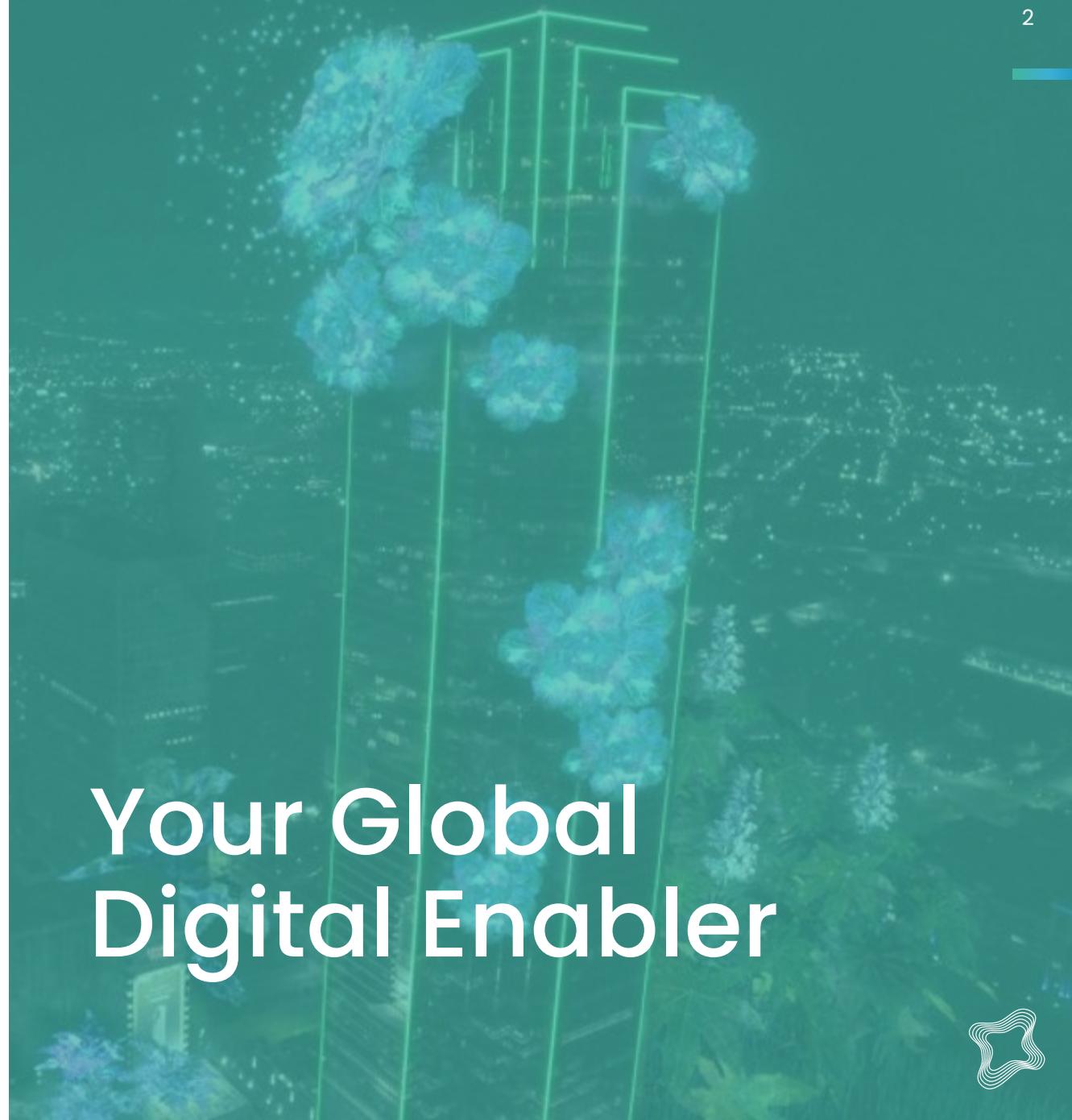
Daniele MISANI, CEO

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

€205m 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)

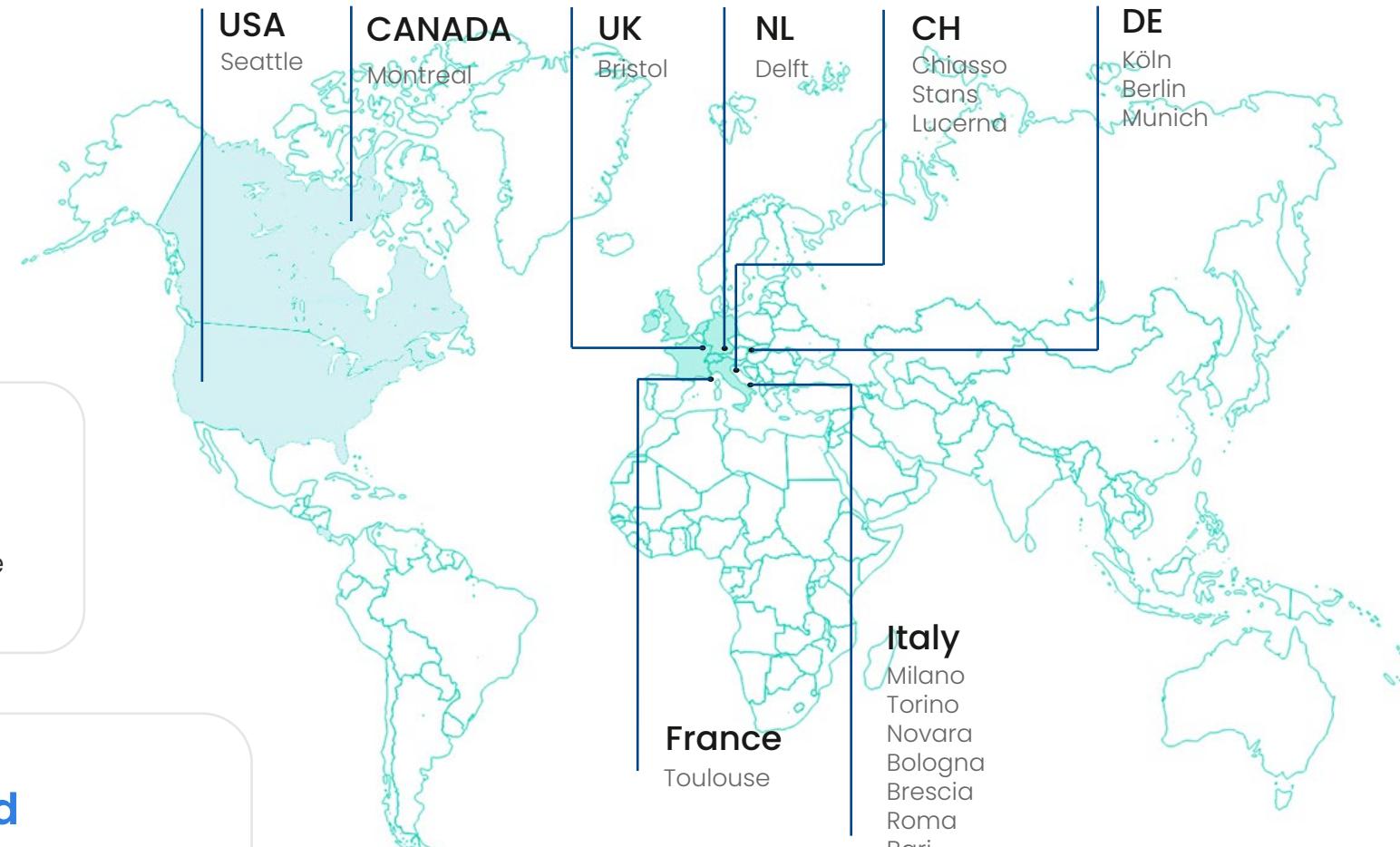
30+
Certified Cross-
Industry Quality

Years
Experience

20
Locations
worldwide

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**.

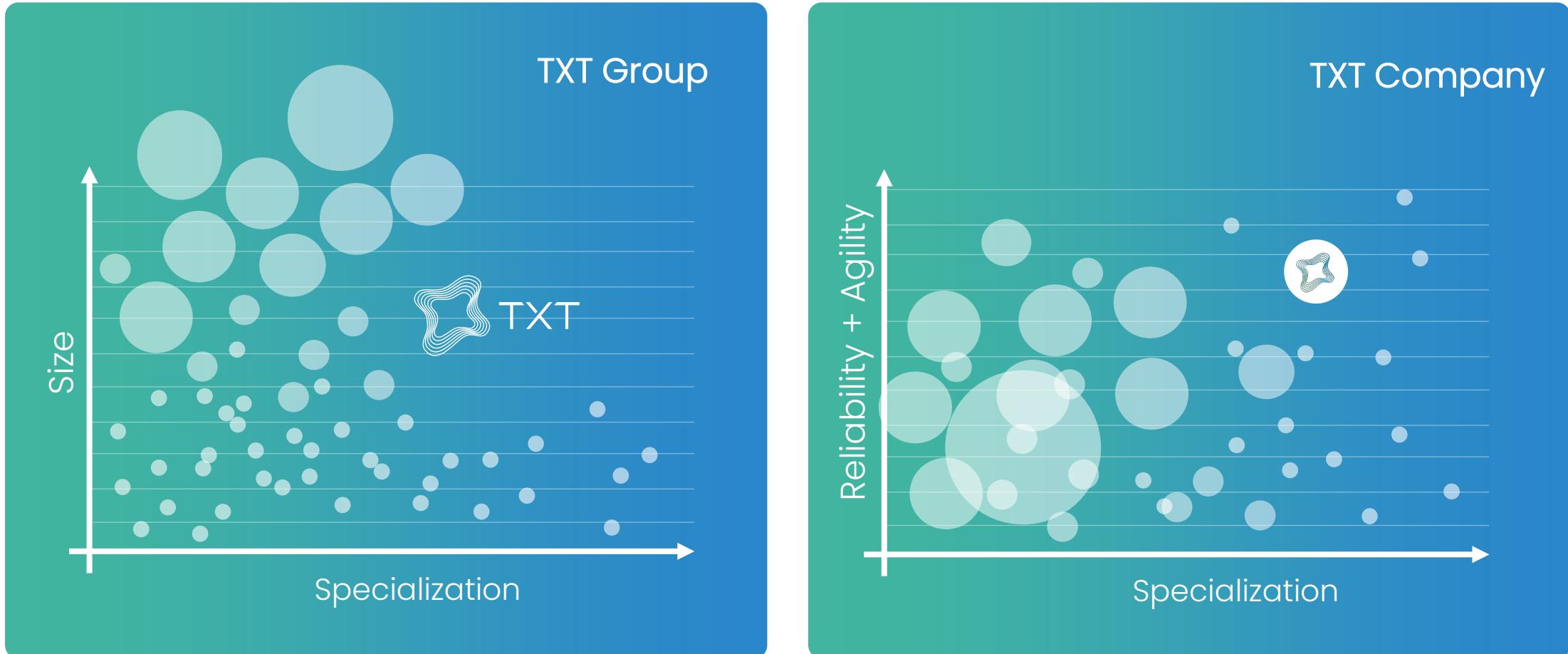


Never better.



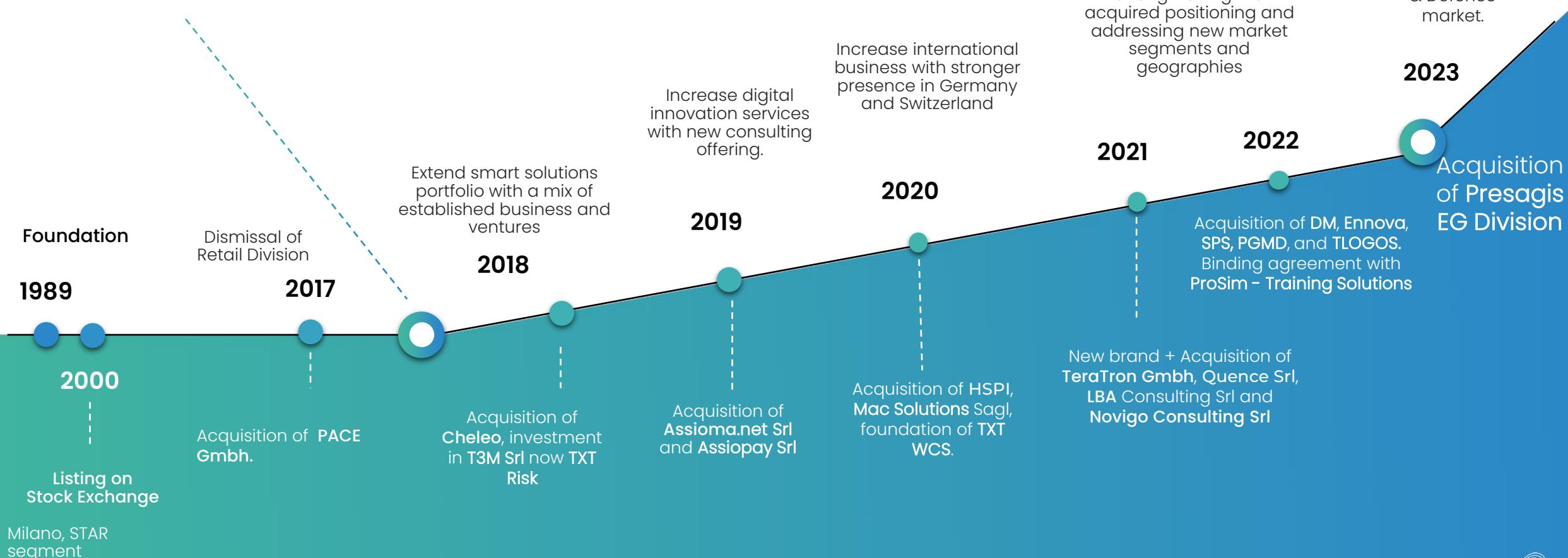
Market position

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.



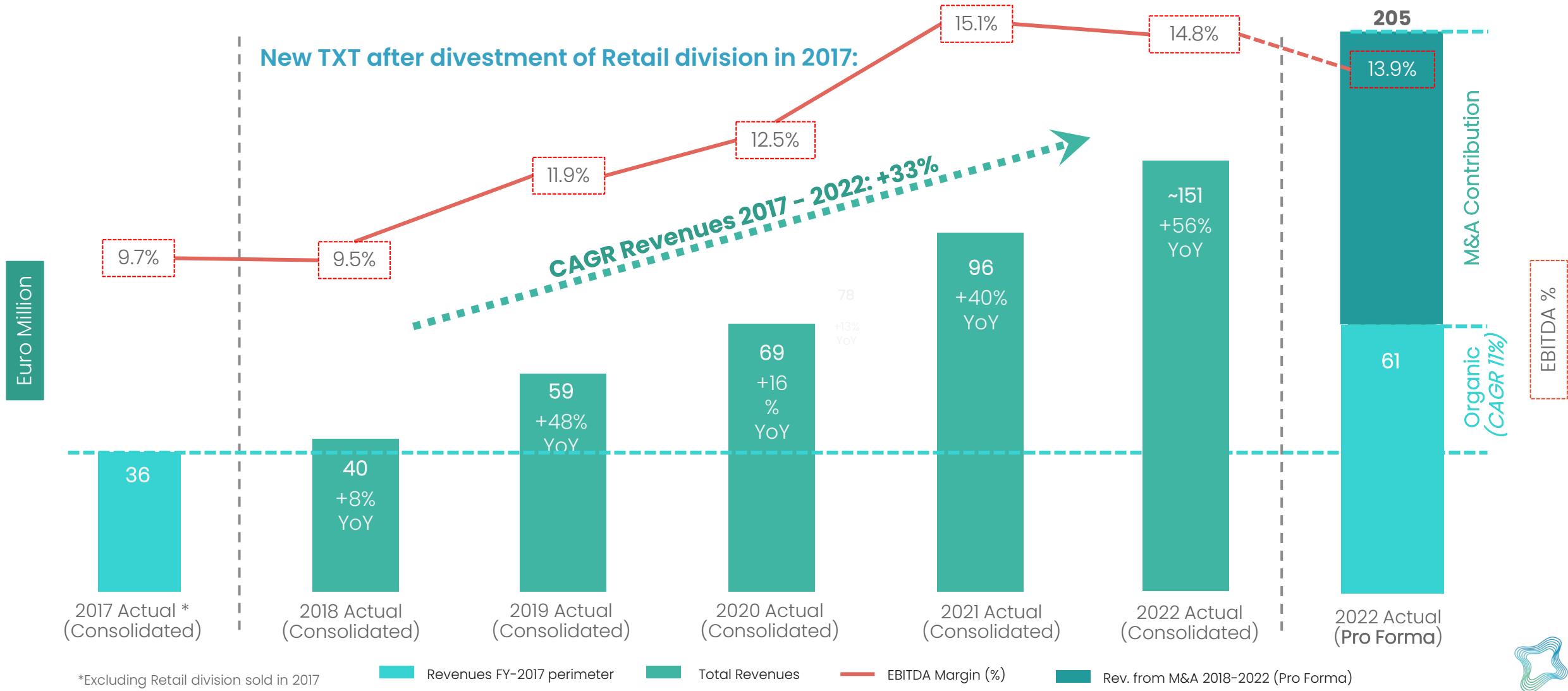
A Successful Story

A new plan of Accelerated Growth



Historical Trading Results (2017-2022)

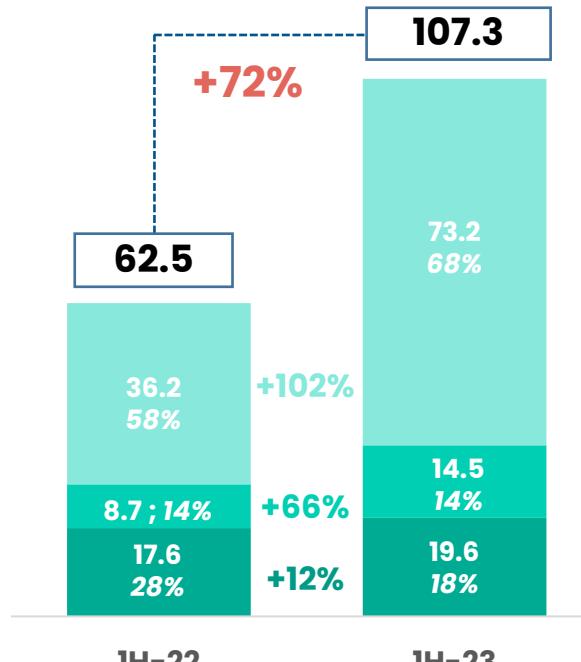
After the divestment of the retail division in 2017, revenues and EBITDA Margin have benefit from TXT Group's growth strategy driven by diversification and investments in innovation and synergies



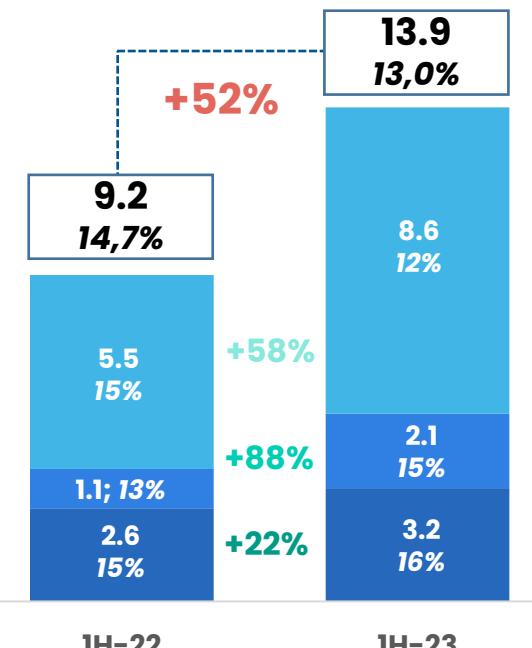
KPIs: H1-2023 by Offering

H1-2023 results consolidated the growth trend recorded in the first quarter of the current year, with double-digit organic growth of revenues and EBITDA, and M&A contribution that significantly boosted the revenues with a dilution of the EBITDA margin that is down 1.7pp with respect to H1-2022. Target EBITDA margin for FY-2023 of more than 14%.

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



EBITDA
(€mn, % on revenues)



M&A contribution 1H-2023: € 36 Mn Revenues (+58%)



Value creation: Q1-2023



R&D INVESTMENTS (fully expenses in the quarter)

€ 2.2Mn Q1-23, **+16%** vs. Q1-22



SMART SOLUTIONS REVENUES

€ 9.3Mn Q1-23, **+7%** vs. Q1-22



INTERNATIONAL REVENUES

€ 10Mn 19% of total revenues



SUSTAINABLE DEBT + TREASURY SHARES & FINANCIAL ASSETS FOR FINANCING GROWTH

€ 25Mn (Net Debt) - **€ 19Mn*** in Treasury Shares & **€ 16Mn** Fair Value Financial Investment

* Value calculated with stock price of € 19,96 per share (Share Price Mar. 31st, 2023)



**R&D INVESTMENTS (fully expenses in the quarter)****€ 4.5Mn** H1-23, **+14%** vs. H1-22**SMART SOLUTIONS REVENUES****€ 20Mn** H1-23, **+12%** vs. H1-22**INTERNATIONAL REVENUES****€ 22Mn** 20% of total revenues**SUSTAINABLE DEBT (ADJUSTED) + TREASURY SHARES FOR FINANCING GROWTH****€ 24Mn** (Net Debt Adjusted) **- € 27Mn*** in Treasury Shares

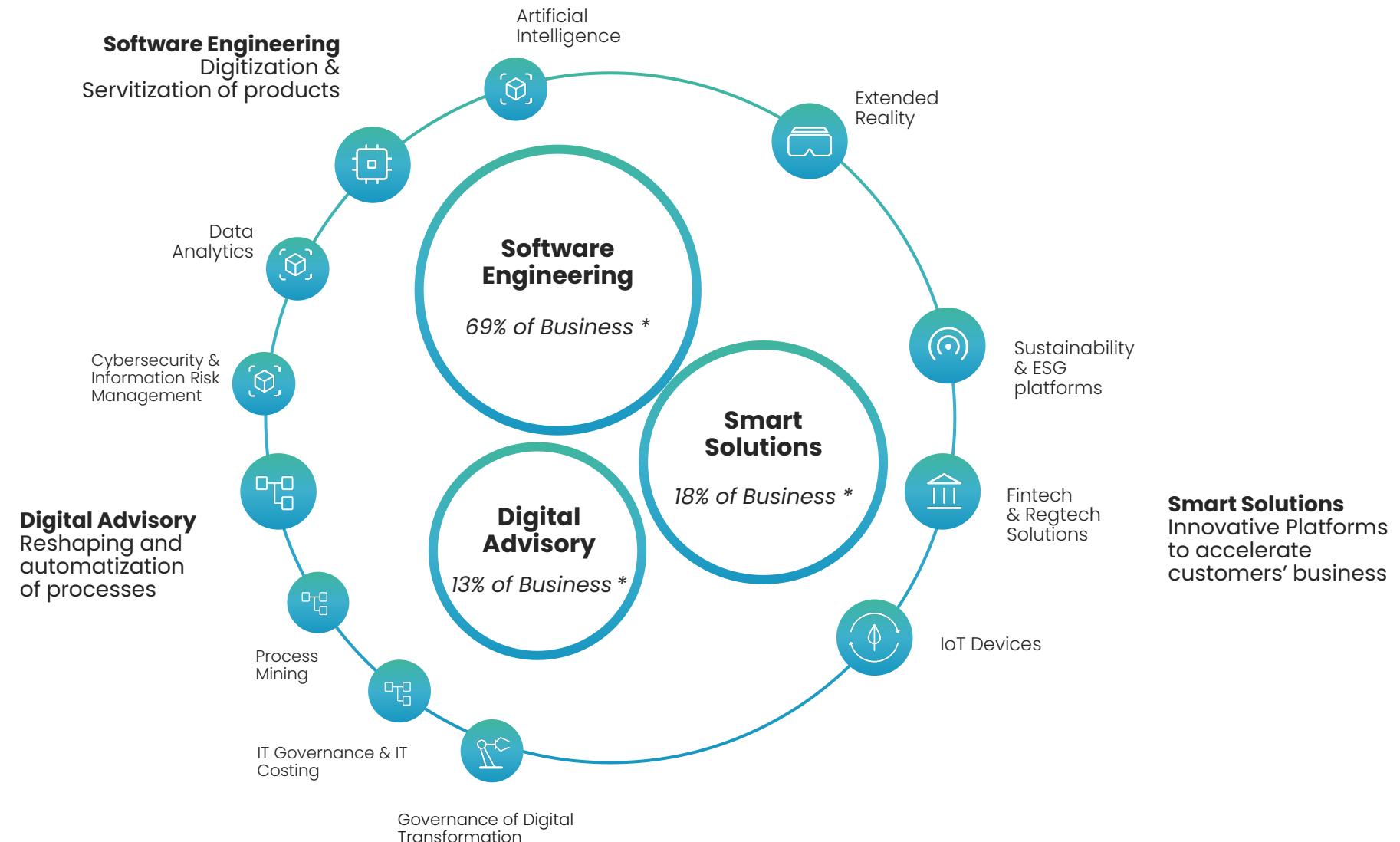
* Value calculated with stock price of € 22,35 per share (Share Price June 30th, 2023)





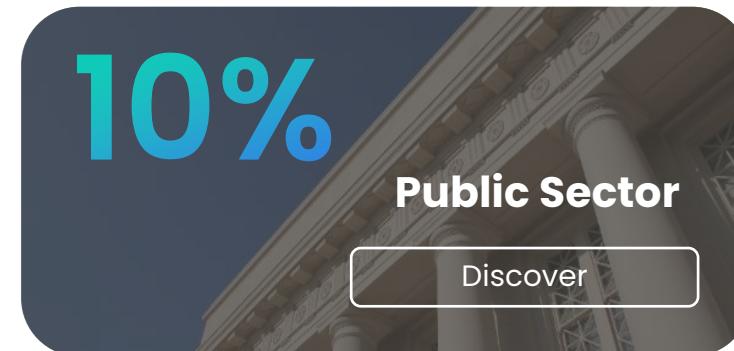
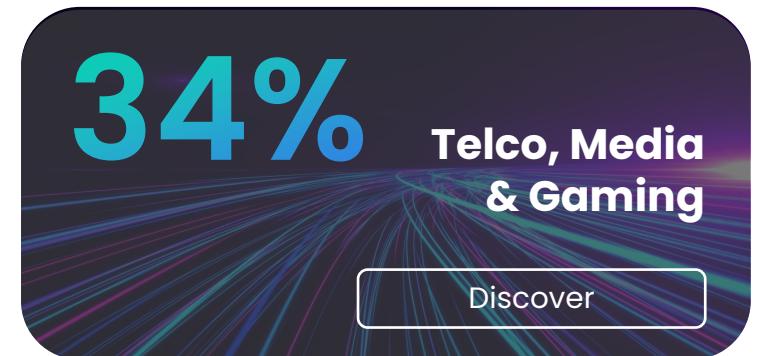
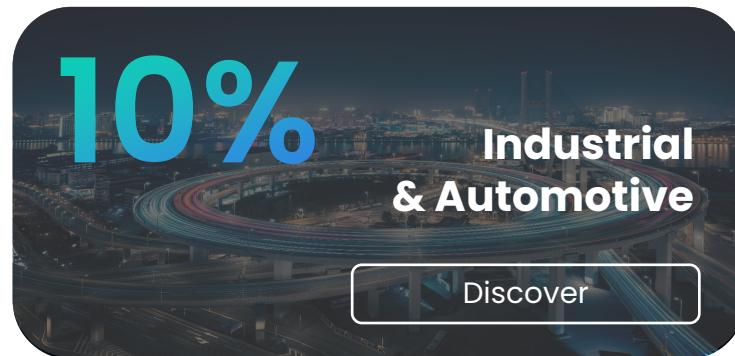
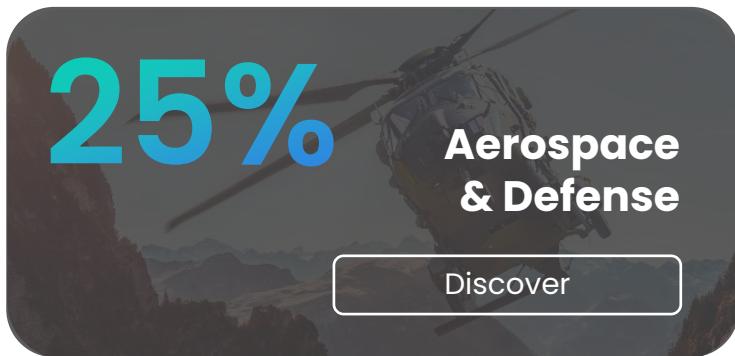
OFFERING & MARKETS

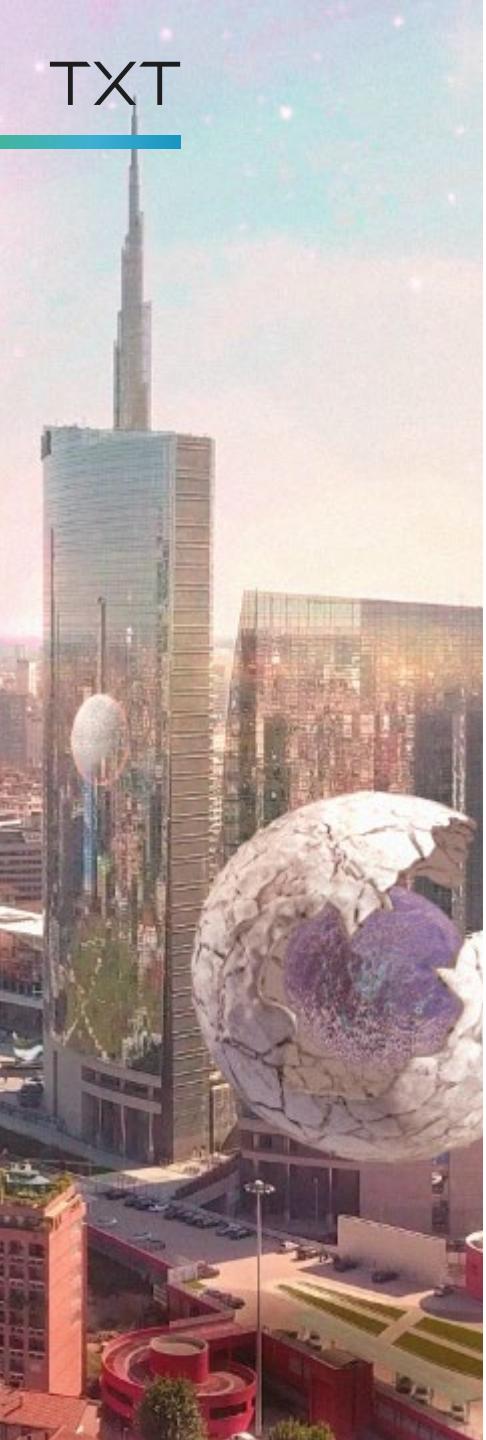
Segmentation by Offering



Core Markets & Incidence

We are expanding across different markets, with a **growing footprint** in Aerospace, Aviation, Defense, Industrial, Automotive, Telco, Government and Fintech, by leveraging more than 2000 experts, **competence centers** in AI, cybersecurity, XR, IoT.





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.

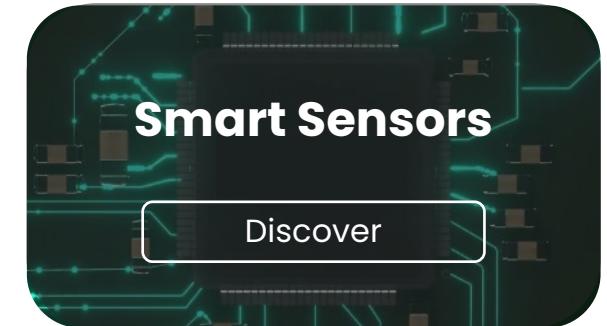
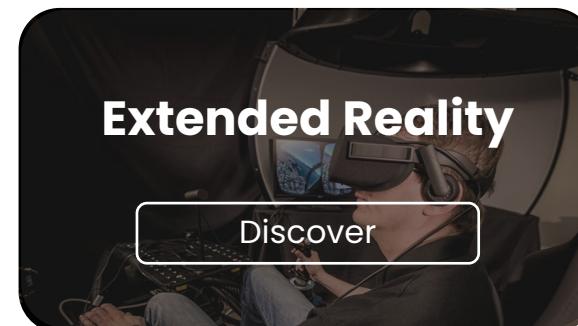
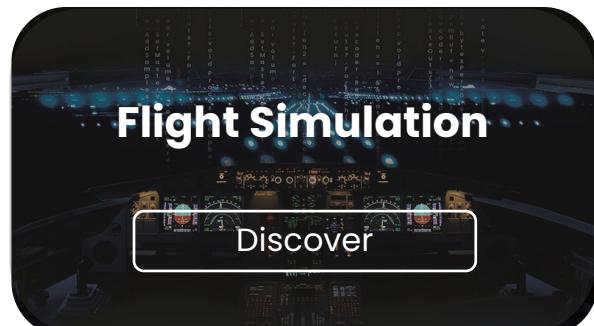
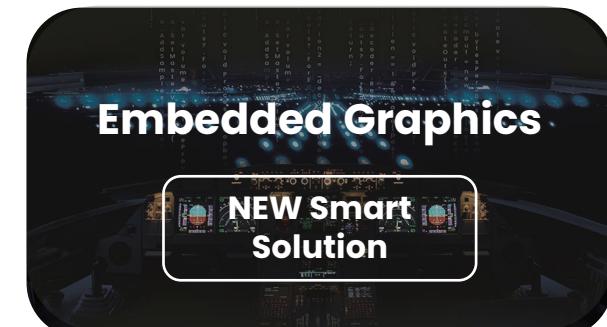
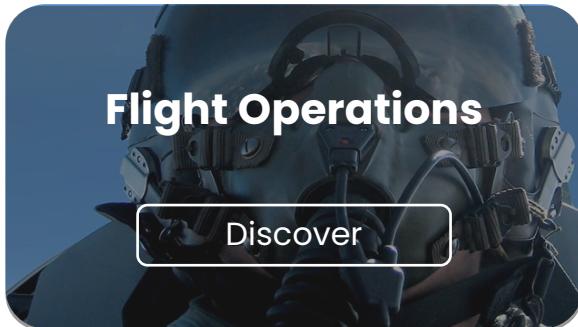
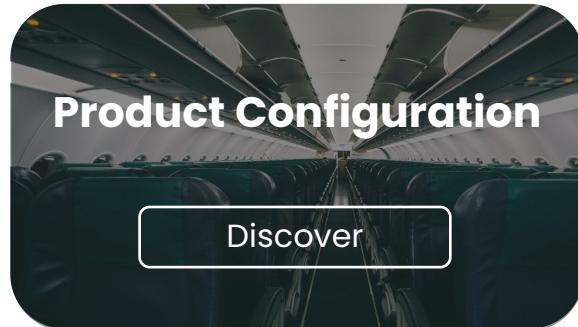
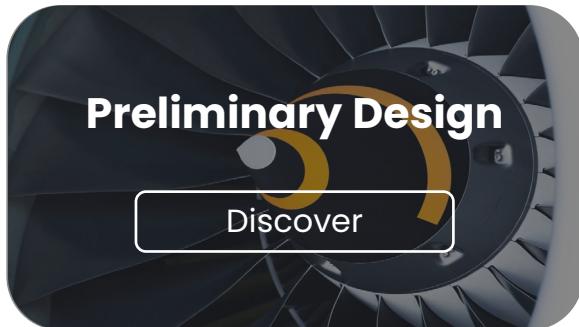
Shoulder-to-shoulder:

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



Smart Solutions for the Aerospace & Industrial Market

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.



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



FINANCIALS

Profit & loss H1 2023 details

€ thousand	30.06.2023	%	30.06.2022	%	Var %
REVENUES	107,299	100	62,538	100	71.6
Direct costs	69,949	65.2	38,482	61.5	81.8
GROSS MARGIN	37,350	34.8	24,056	38.5	55.3
Research and Development costs	4,499	4.2	3,954	6.3	13.8
Commercial costs	10,486	9.8	5,719	9.1	83.4
General and Administrative costs	8,444	7.9	5,192	8.3	62.6
EBITDA	13,921	13.0	9,191	14.7	51.5
Depreciation & Amortization	4,977	4.6	2,546	4.1	95.5
Riorganization and Non Recurrent Costs	0	0.0	75	0.1	n.a.
OPERATING PROFIT (EBIT)	8,944	8.3	6,570	10.5	36.1
Financial income (charges)	976	0.9	(1,371)	(2.2)	n.a.
EARNINGS BEFORE TAXES (EBT)	9,920	9.2	5,199	8.3	90.8
Taxes	(3,135)	(2.9)	(1,676)	(2.7)	87.1
NET PROFIT	6,785	6.3	3,523	5.6	92.6



NET Financial Debt:
as of June 30, 2023

.000 Euro	30.06.2023	31.12.2022	Var
Cash	65,169	33,015	32,154
Trading securities at fair value	38,136	48,490	(10,354)
Short term Financial Debts	(80,826)	(51,187)	(29,639)
Short term Financial Resources	22,478	30,318	(7,839)
Other Long Term Financial Assets	1,607	1,417	190
Non-current financial debt	(63,981)	(70,005)	6,024
Non current Financial Debts	(62,374)	(68,588)	6,214
Net Available Financial Resources	(39,896)	(38,270)	(1,625)
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	-	1,750	(1,750)
Financial Investments	16,542	16,542	-
Net Cash/(Debt) Adjusted	(23,354)	(21,728)	(1,625)
Debt referred to IFRS 16	(9,863)	(8,494)	(1,369)



Balance sheet: as of June 30, 2023

€ thousand	30.06.2023	31.12.2022	Change
Intangible assets	76,586	77,975	(1,389)
Tangible assets	20,378	18,293	2,085
Other fixed assets	22,238	19,360	2,878
Fixed Assets	119,202	115,628	3,574
Inventories	17,076	13,765	3,311
Trade receivables	60,429	73,115	(12,686)
Other short term assets	15,757	15,352	405
Trade payables	(17,473)	(20,643)	3,170
Tax payables	(6,986)	(7,958)	972
Other payables and short term liabilities	(35,965)	(36,834)	869
Net working capital	32,837	36,797	(3,960)
Severance and other non current liabilities	(5,266)	(4,772)	(494)
Capital employed - Continuing Operations	146,773	147,653	(880)
Shareholders' equity	106,860	109,366	(2,506)
Shareholders' equity - minority interest	17	17	0
Net financial debt	39,896	38,270	1,625
Financing of capital employed	146,773	147,653	(880)

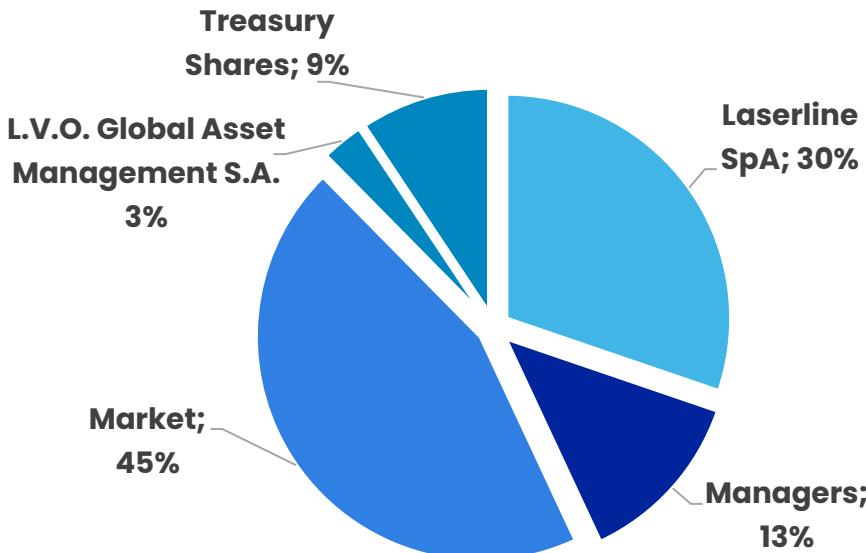


Shareholding Structure & Market Data

Dividends & Shareholding structure

Shareholding Structure June 30th, 2023*

* Latest Public Data Available as of 30 June 2023

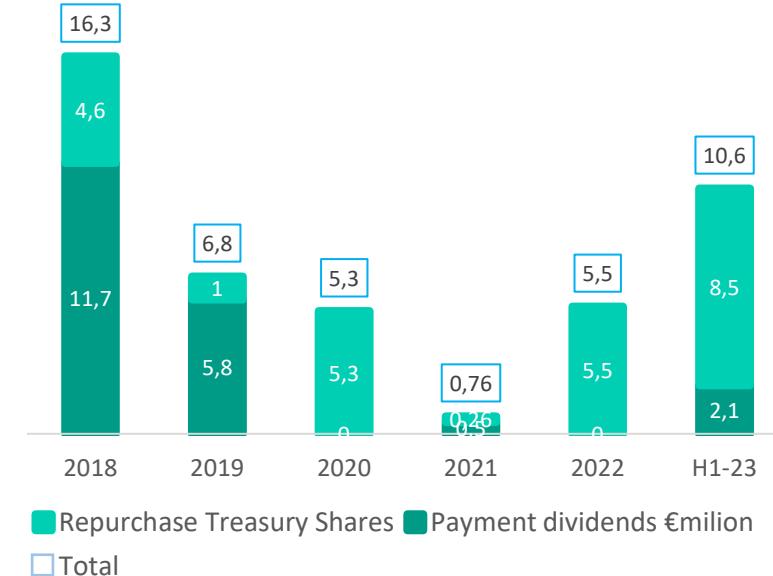


Market Data

Share Price Dec 31st, 2019	9.66€/share
Share Price June 30th, 2023	22.35€/share
Mkt June 30th, 2023	263m €
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



Q & A

