



TXT Group: 9-months 2024 Results

Call with Investors
November 15 | 11 a.m. (CET)

Daniele MISANI, CEO
Andrea FAVINI, IR

TXT 9-m 2024 results show **a boost** in the **organic growth** of the **Top Line** and **Operating Profit** pushed by synergies.

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Revenues

€220 Mn

+37.8%

vs. 9m-2023



**Solid Organic
Growth** in 9m-24

+26.5% *

+€42 Mn



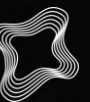
EBITDA

€28.0 Mn

+31.0%

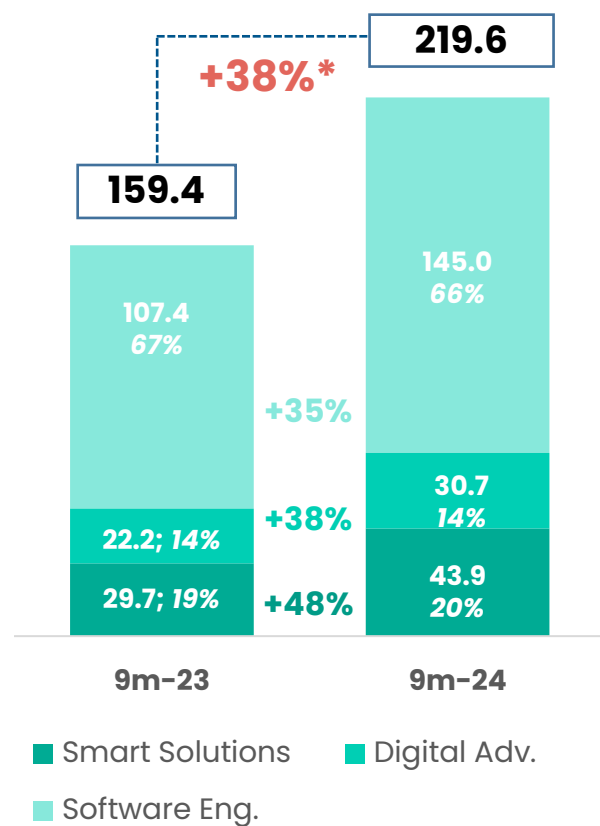
Equal to 12.8% of revenues

** Including revenues from non-core activities in the Telco market for ~€10Mn (single-digit EBITDA margin)*



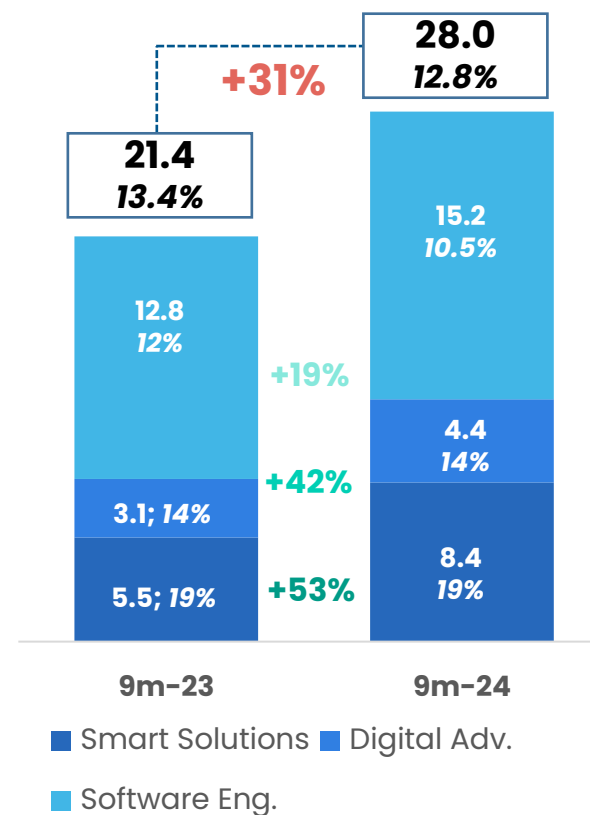
KPIs reported in **9m-2024** show continuity in the growth plan of TXT based on the mix of organic growth of business, M&A contribution and synergies that are expected to generate additional growth and benefits during the year: EBITDA margin expected to recover in Q4, with annual margin expected above 13.0%.

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



* Organic Revenues Growth 9m-24: +26.5%

EBITDA (€mn, % on revenues)



_Value creation: 9m-2024



R&D INVESTMENTS (fully expenses in the period)

€ 10.5Mn 9m-24, **+56%** vs. 9m-23



SMART SOLUTIONS REVENUES

€ 43.9Mn 9m-24, **+48%** vs. 9m-23



INTERNATIONAL REVENUES

€ 56.7Mn 26% of total revenues



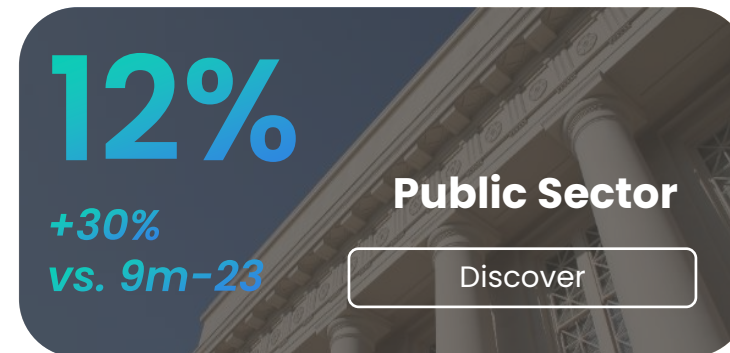
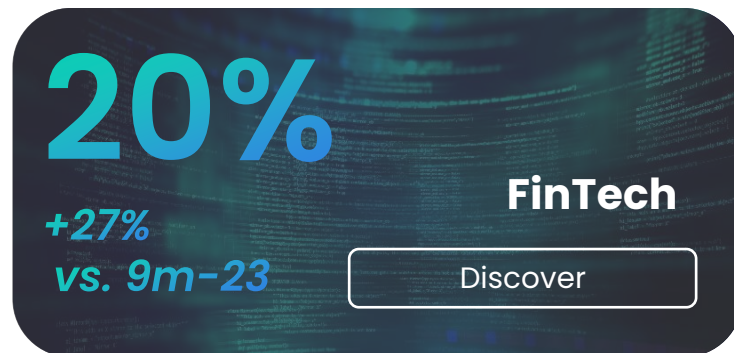
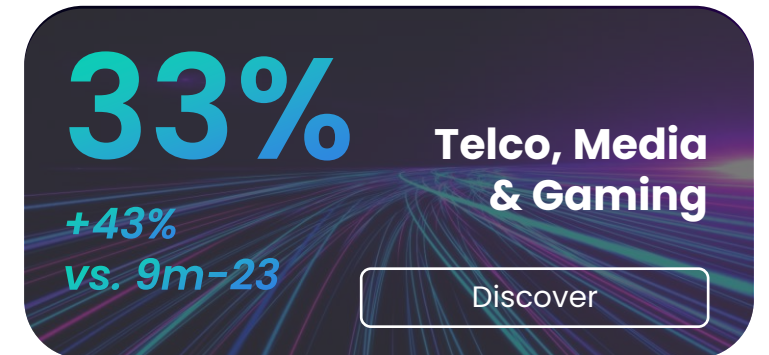
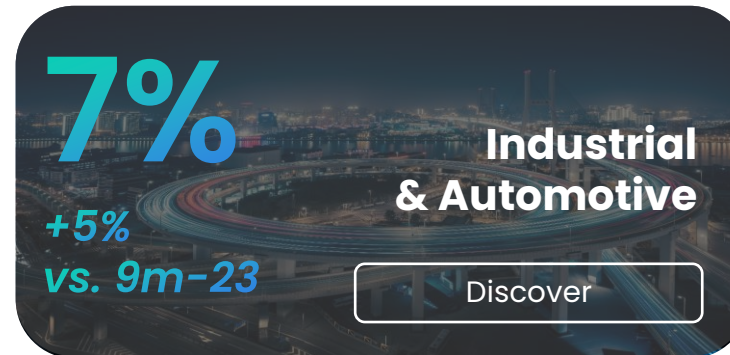
SUSTAINABLE DEBT (Adjusted) + TREASURY SHARES FOR FINANCING GROWTH

€ 60Mn (Net Debt as of Sep. 30, 2024) – **€ 25Mn*** in Treasury Shares

** Value calculated with stock price of € 27,30 per share (Share Price Sep. 30th, 2024)*



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.



**Percentages of market incidence are calculated on 9m-2024 Revenues (Consolidated) of € 220Mn*



_Business Evolution & Subsequent Events

M&A Webgenesys: Strategic Value

- On November 8, 2024, TXT announced the signing of the investment agreement for the **acquisition of 84.1% of the capital of Webgenesys**, ICT company founded in 2009 that currently operates as a digital enabler, positioning itself as a **driver of digital innovation primarily for Public Administration**. Subject to regulatory approvals, the transaction is expected to close by the end of 2024.
- Webgenesys represents a significant step in the sustainable growth plan of TXT thanks to:
 - **Robust order-backlog and assigned tenders for € 200+ Mn** to be delivered in the period 2025-2028 and to be added to the backlog of tenders already acquired by TXT Group, positioning the TXT Group as a future leader in its reference market.
 - **Substantial Top line expected at € 37Mn in FY 2024** to be consolidated into the Software Engineering division, with strong profitability (**EBITDA margin**) at approximately **22%**.
 - **Expansion of geographic coverage** serving Local and Central Public Administrations, with strong presence in the south Italian market.
 - **Innovative digital offering** and **complementary expertise** to address a larger scope in the digitalization of the Italian Public Sector.
 - **Strong management team** committed to the growth plan of TXT.



M&A Webgenesys: Investment KPIs

- The consideration for the acquisition of 100% of Webgenesys at closing has been agreed at €63.0 million, including the net cash expected to be approximately €4 million. The EV/EBITDA multiple agreed at closing with the Seller is equal to **~7,3x the EBITDA expected for FY 2024**.
- The amount to be paid at closing by TXT for the 84.1% of Webgenesys is **€53.0 million**, of which **70% in cash** (€37.3 million) financed through a new bank loan specifically for this transaction, and **30% in TXT shares**.
- The investment contract includes claw-back, earn-out, and other incentive clauses in favor of the CEO and the Chairman of Webgenesys linked to the EBITDA growth targets outlined in Webgenesys' business plan, which has been agreed between TXT and the seller.
- **The transaction also includes a co-investment by the "HAT Technology Fund 5,"** the private equity fund of HAT SGR launched in 2024 and dedicated to high-growth-potential technology companies that will acquire 15.9% of Webgenesys at closing. TXT and HAT SGR agreed on options concerning the acquisition by TXT of shares representing remaining 15.87% of Webgenesys' capital, with deadline distributed between period 2026–2029 and estimated price of € 20 milioni.



TXT strengthens its offering in Digital Manufacturing with FOCUS PLM

- On October 2, 2024, TXT announced the **acquisition of the 100%** of the share capital of **Focus PLM**, a boutique specialized in providing innovative services and solutions for the digitalization of factories.
- Focus PLM was founded in Ferrara (Italy) in 2011 by the current directors and today has approximately 15 highly specialized employees.
- The acquisition of Focus PLM represents a strategic investment that will strengthen the **Software Engineering expertise of the TXT Group in the Industrial and Manufacturing market**.
- The **synergic integration** of Focus PLM's offering into the TXT ecosystem will expand TXT's customer portfolio and lead to an extension of the solutions offered.
- In 2023, Focus PLM reported revenues of €2.5 million, with Adjusted EBITDA margin of 13.5%, and **double-digit growth expectations** for the 2024-2027 three-year period
- The selling shareholders, currently directors and managers of Focus PLM, will remain with the Company with retention, claw-back, and earn-outs clauses designed to maximize their commitment in achieving the growth objectives shared with TXT's management.



FINANCIALS

_Profit & loss: 9m-2024 details

€ thousand	30.09.2024	%	30.09.2023	%	Var %
REVENUES	219,564	100	159,356	100	37.8
Direct costs	148,048	67.4	102,670	64.4	44.2
GROSS MARGIN	71,516	32.6	56,686	35.6	26.2
Research and Development costs	10,464	4.8	6,724	4.2	55.6
Commercial costs	18,683	8.5	15,466	9.7	20.8
General and Administrative costs	14,339	6.5	13,093	8.2	9.5
EBITDA	28,030	12.8	21,403	13.4	31.0
Amortization, Depreciation & Write-offs	8,719	4.0	7,372	4.6	18.3
OPERATING PROFIT (EBIT)	19,311	8.8	14,031	8.8	37.6
Financial income (charges)	(2,585)	(1.2)	(101)	(0.1)	2470.9
EARNINGS BEFORE TAXES (EBT)	16,726	7.6	13,930	8.7	20.1
Taxes	(4,758)	(2.2)	(4,134)	(2.6)	15.1
NET PROFIT	11,968	5.5	9,796	6.1	22.2



_Profit & loss: Q3-2024 details

€ thousand	Q3 2024	%	Q3 2023	%	Var %
REVENUES	81,370	100	52,057	100	56.3
Direct costs	55,151	67.8	32,722	62.9	68.5
GROSS MARGIN	26,219	32.2	19,335	37.1	35.6
Research and Development costs	3,726	4.6	2,224	4.3	67.5
Commercial costs	7,184	8.8	4,980	9.6	44.3
General and Administrative costs	4,775	5.9	4,650	8.9	2.7
EBITDA	10,534	12.9	7,481	14.4	40.8
Amortization, Depreciation & Write-offs	3,351	4.1	2,395	4.6	39.9
OPERATING PROFIT (EBIT)	7,183	8.8	5,087	9.8	41.2
Financial income (charges)	(1,239)	(1.5)	(1,078)	(2.1)	14.9
EARNINGS BEFORE TAXES (EBT)	5,944	7.3	4,009	7.7	48.3
Taxes	(1,928)	(2.4)	(999)	(1.9)	93.0
NET PROFIT	4,016	4.9	3,010	5.8	33.4



NET Financial Debt: Solid financial position

.000 Euro	30.09.2023	31.12.2023	Var
Cash	(25.072)	(37.927)	12.855
Trading securities at fair value	(25.871)	(24.058)	(1.813)
Other Short Term Financial Assets	-	(810)	810
Short term Financial Debts	58.046	57.654	392
Short term Debt	7.103	(5.141)	12.244
Non current Financial Debts – Lessors IFRS 16	6.569	6.423	146
Other Long Term Financial Assets	(339)	(700)	361
Other Non current Financial Debts	65.932	51.140	14.791
Non current Financial Debts	72.162	56.863	15.299
Net Debt	79.265	51.722	27.543
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	(1.533)	(2.500)	967
Financial Investments	(17.778)	(17.778)	-
Net Debt Adjusted	59.954	31.444	28.510

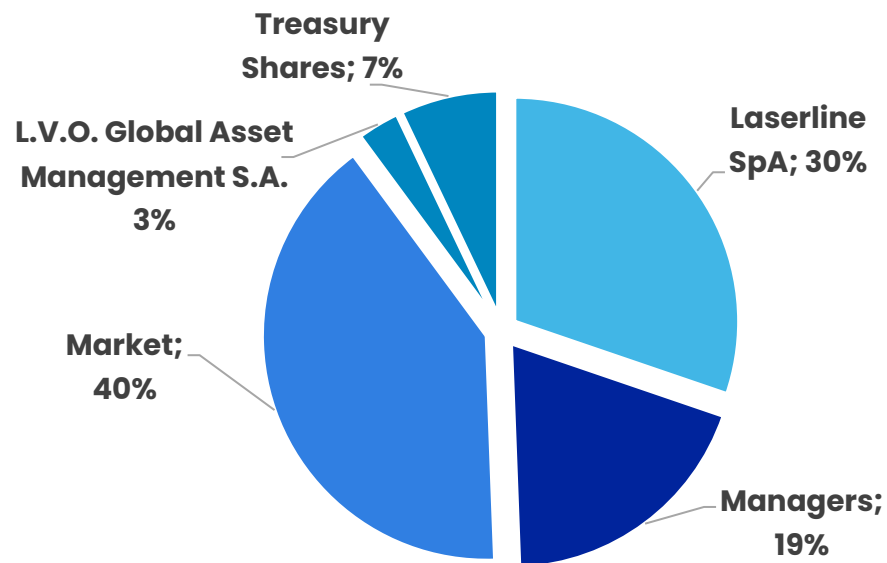


€ thousand	30.09.2024	31.12.2023	Change
Intangible assets	116,105	85,900	30,205
Tangible assets	22,457	20,430	2,026
Other fixed assets	23,515	24,462	(947)
Fixed Assets	162,077	130,792	31,285
Inventories	25,718	18,733	6,985
Trade receivables	85,424	74,346	11,078
Other short term assets	16,778	14,876	1,902
Trade payables	(27,514)	(21,585)	(5,929)
Tax payables	(9,368)	(11,208)	1,840
Other payables and short term liabilities	(36,582)	(34,761)	(1,821)
Net working capital	54,456	40,402	14,055
Severance and other non current liabilities	(6,960)	(5,603)	(1,357)
Capital employed – Continuing Operations	209,573	165,590	43,983
Shareholders' equity	130,260	113,852	16,408
Shareholders' equity – minority interest	49	17	32
Net financial debt	79,265	51,721	27,544
Financing of capital employed	209,573	165,590	43,983



Shareholding Structure September 30th, 2024*

* Latest Public Data Available as of 30 Sep. 2024

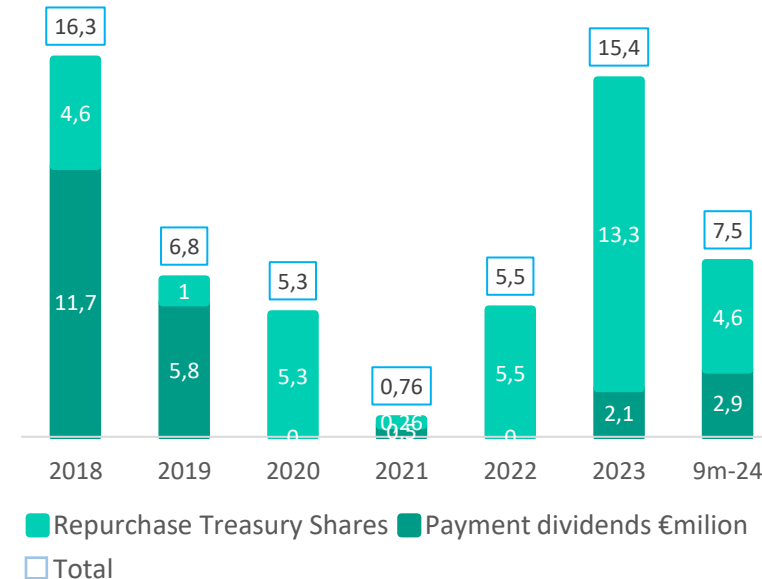


Market Data

Share Price Dec 31st, 2019	9.66€/share
Share Price Jun. 30th, 2024	27.30€/share
Mkt Sep. 30th, 2024	330m €
Dividend Yield	1.3%

* Price per share of 19.82€ as of 31 Dec. 2023

Dividends and Treasury Shares Repurchase (€m)



Dividends

Year	Dividends
2019	0.50 € / share
2020	nil
2021	0.04 € / share
2022	nil
2023	0.18 € / share
2024	0.25 € / share



Q & A