



# **TXT Group: Corporate overview**

Le Eccellenze del Made in Italy

September 25°, 2024

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



# TXT Group at a Glance

**€224m** Revenues FY 2023

**Solid Financial structure**

Guaranteed by operating excellence & innovation

**July 2000**  
**Listed on the Italian Stock Exchange**

STAR segment (TXT.MI)

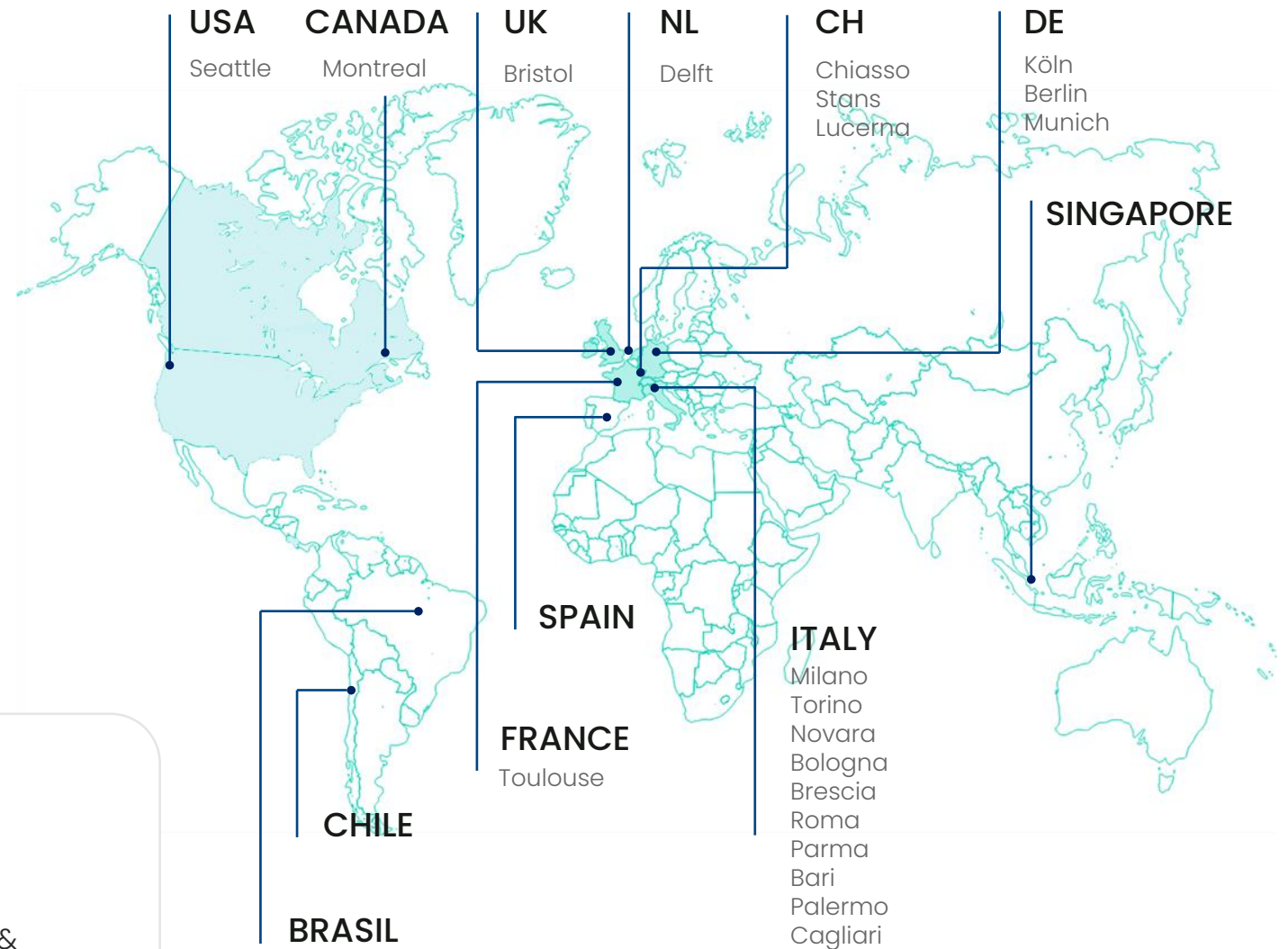
**20+**  
Locations worldwide

**30+**  
**Certified Cross-Industry Quality**

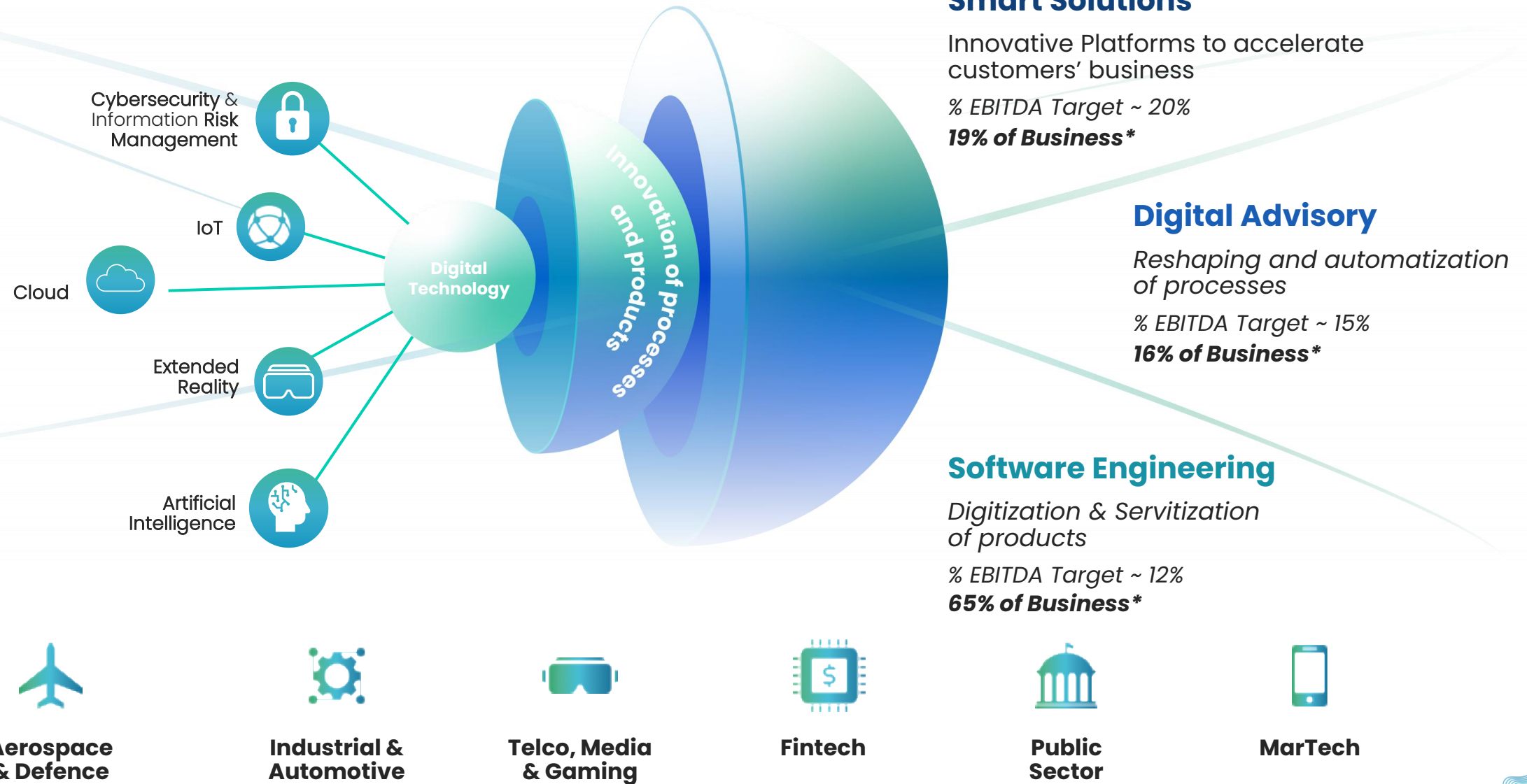
Years  
Experience

**2000+**  
**Specialised Know-how**

Specialised engineers & professionals



# Digital Innovation



\*Percentages of business incidence by offering segment are calculated on FY-2023 Revenues (Consolidated) of € 224Mn



# 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**.



TXT Group strategy is designed to leverage Technical and Commercial **Synergies**, and **Operational Excellence**



TXT

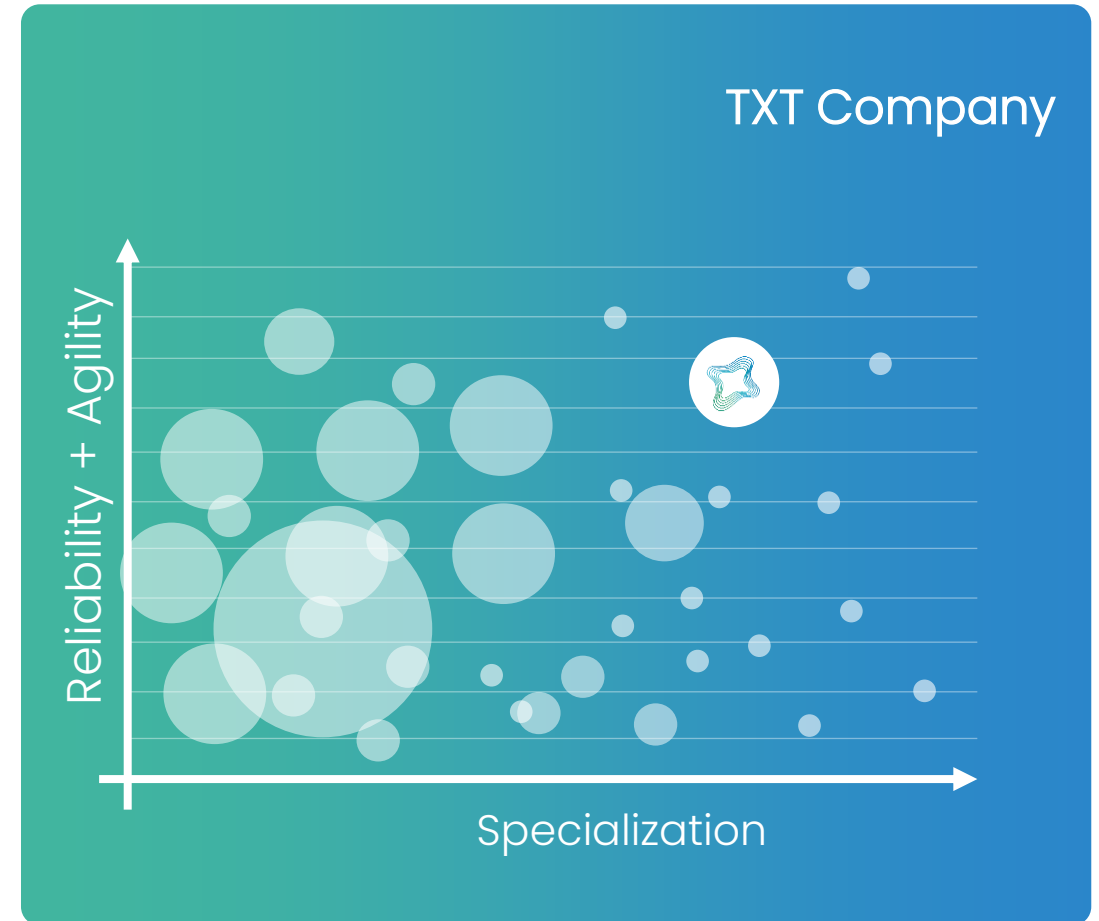
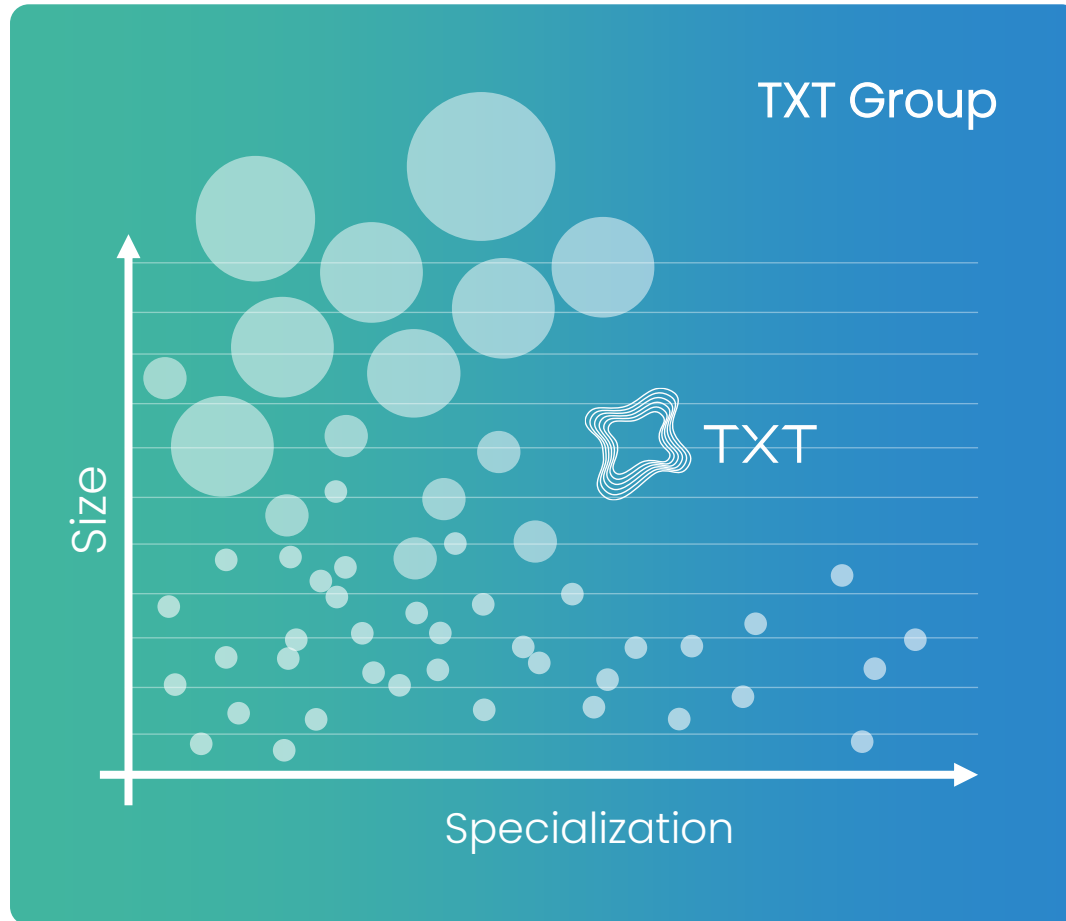
Never better.





# 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.



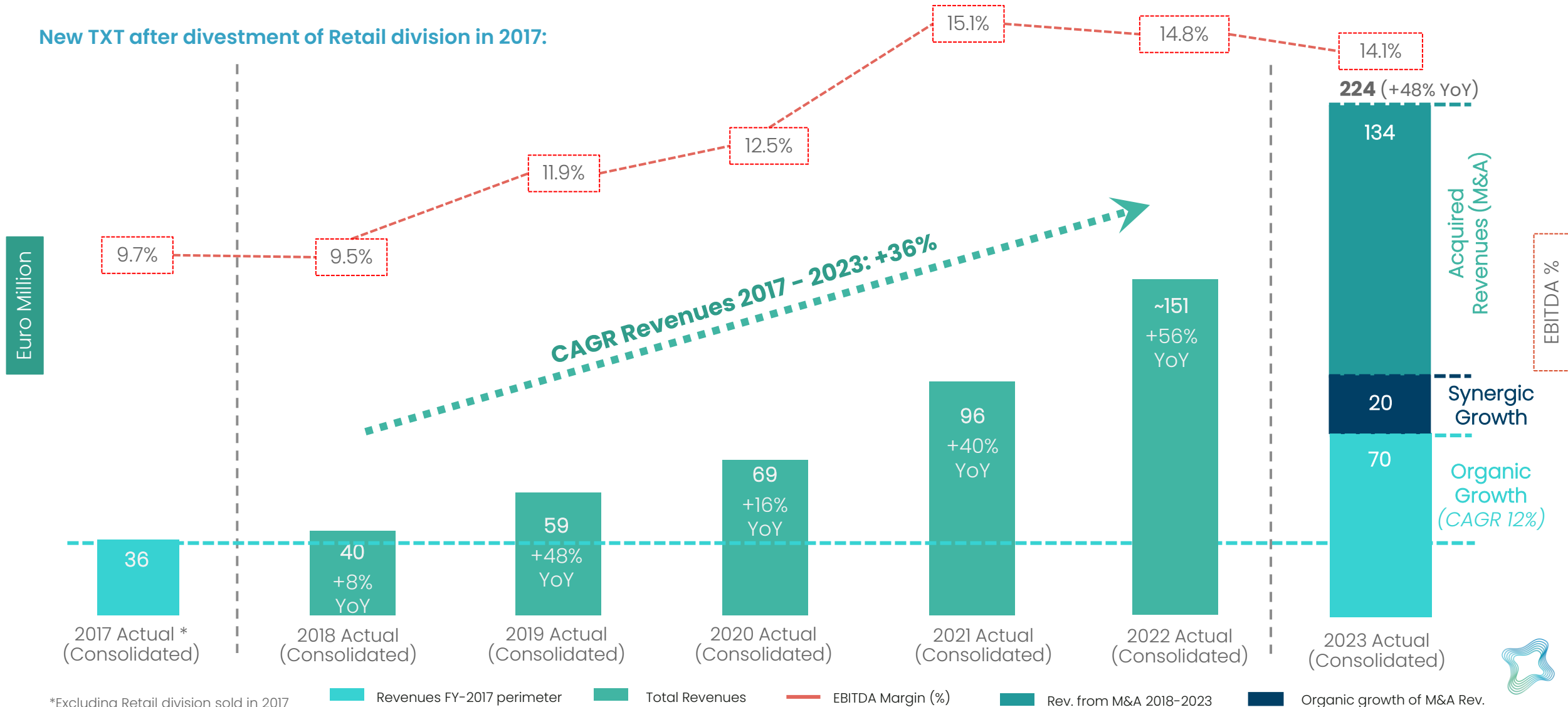
TXT Group positioning vs. TXT's Companies



# Historical Trading Results (2018–2023)

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

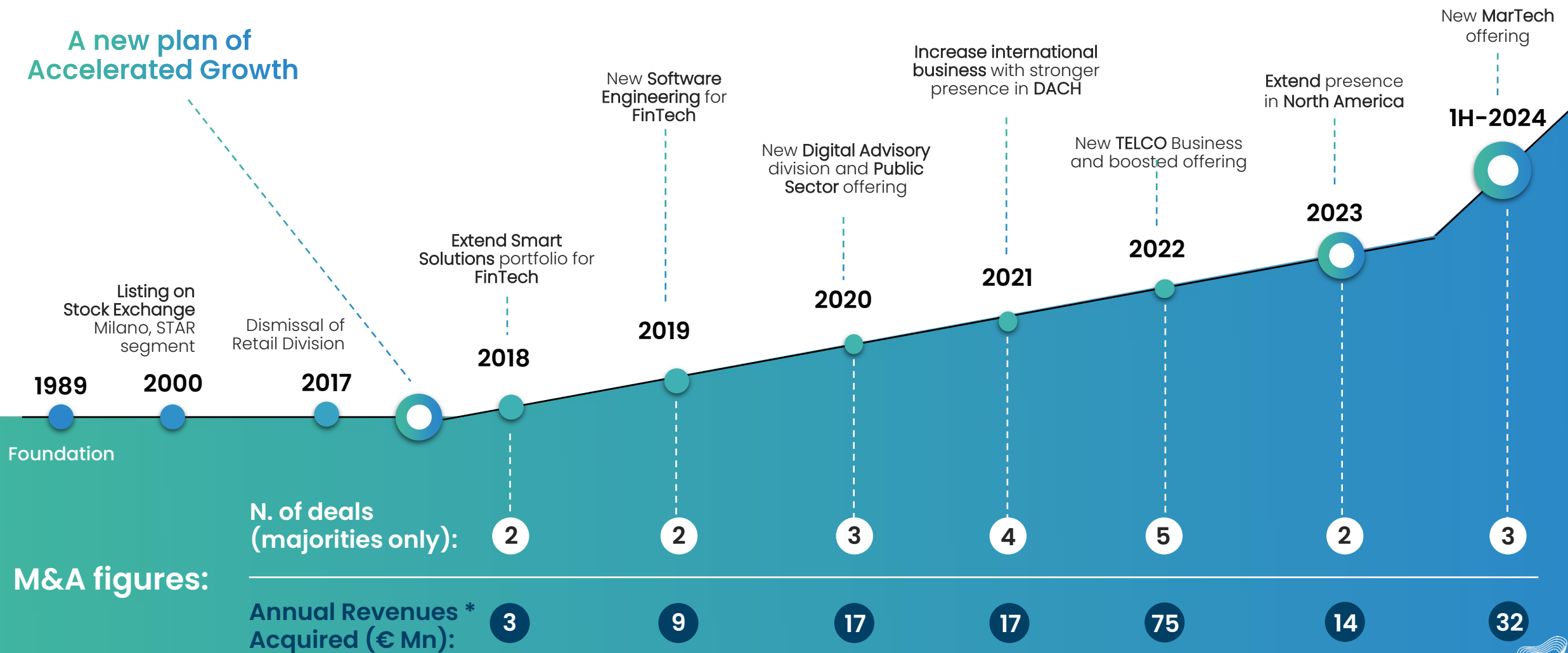
New TXT after divestment of Retail division in 2017:



# A sustainable growth boosted by M&A

*Mix of complementary competences, new business in domestic market, and international expansion of core expertise*

## A new plan of Accelerated Growth



\* Pro-Forma revenue figures





# Focus on Profitable Growth

## Growth pillars:

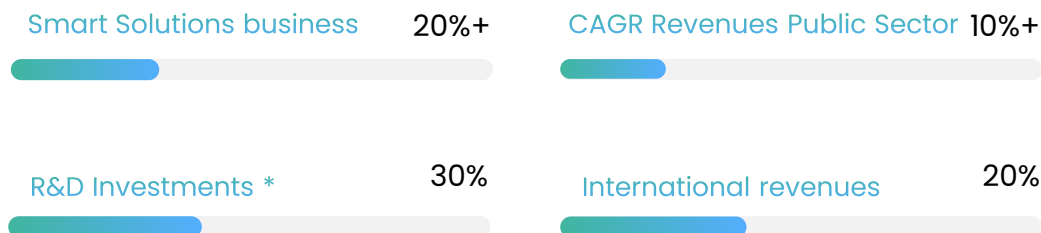
### External

- **M&A:** after **20+ acquisitions completed** in the last 6 years, **continuous focus on sustainable investments** (5-8xEBITDA) with the engagement of entrepreneurs (partial TXT share-based payments) to consolidate a mix of established business and high-potential SMEs with the following goals:
  - **Markets diversification:** to mitigate risks and maximize TXT positioning in the domestic and international digital market
  - **Blue-chip customers:** as main target customers to ensure business continuity and growth
  - **Geography:** domestic and international (EU and US)

### Internal

- **Commercial & Technological synergies:** leveraging strong track record of **double-digit organic growth recorded from 2018**, synergies are expected to play a crucial role as booster to the accelerated growth plan of the next years.
- **Cross & Up-selling** initiatives between excellences of TXT Group
- **National Recovery and Resilience Plan** (NRRP) as business accelerator for TXT in key sectors (e.g., Public, Health)
- **ESG agenda:** our Smart Solutions portfolio is designed to support the ESG agenda and related targets of main TXT customers in different sectors

## Key targets FY 2024:



\* Figures related to business divisions with proprietary IPs





# **OFFERING & MARKETS**

**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.

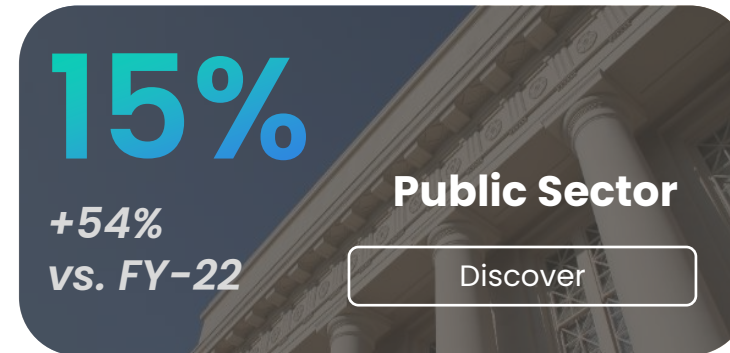
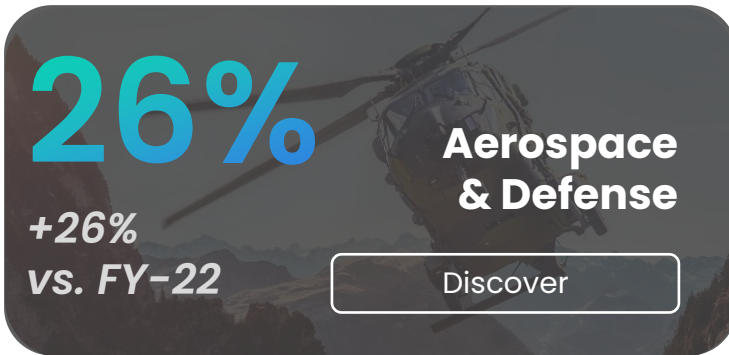
### Shoulder-to-shoulder:

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





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 FY-2023 Revenues (Consolidated) of € 224Mn

# Our Smart Solutions:

## Vertical Applications empowered by cutting-edge technology

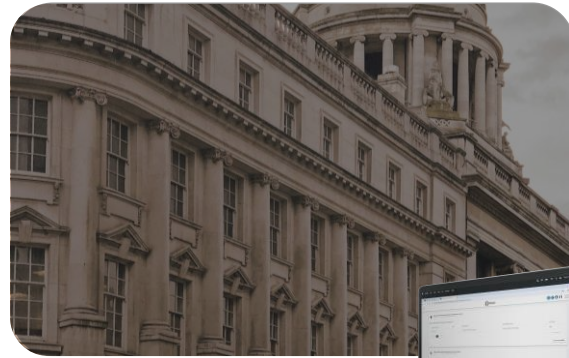
Our Smart Solution offering is rooted on **deep expertise in vertical domains** where TXT Group's excellences are recognised as **leaders and innovators**. Our proprietary tools are supporting **core processes and products of large enterprises** and blue-chip customers to evolve their products **leveraging technologies**, while **enhancing the strategic positioning** of the TXT Group in the Global Digital Market and exploiting synergies with the other Group divisions. **Some examples of our Smart Solutions:**

### Aerospace



On-Board **Cloud**-Based  
Flight Profile Optimization (ESG tool)

### Banking & Finance



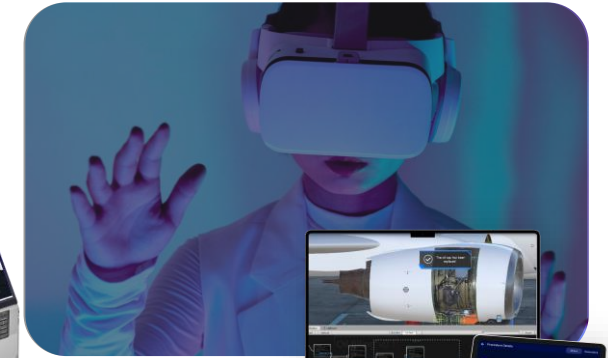
AML & Risk Management tool  
based on **AI and ML** (ESG tool)

### Industrial



**Cloud**-based customer facing  
configuration platform

### X-industry



Cutting-edge **XR** platform for  
technical training

ARR \*

6Mn

+48% YoY

2Mn

+30% YoY

6Mn

+15% YoY

3Mn

+52% YoY

\*Forecast ARR FY-2024





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, Automotive, Industry & Beyond**. It is based on a strong commitment to sustained innovation and product quality that addresses both customers' business and technological needs.

## Preliminary Design

[Discover](#)

## Product Configuration

[Discover](#)

## Flight Operations

[Discover](#)

## Embedded Graphics

[Discover](#)

## Flight Simulation

[Discover](#)

## Smart Factory

[Discover](#)

## Virtual and AI based Training

[Discover](#)

## Smart Sensors

[Discover](#)



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.

## Cheleo Suite

[Discover](#)

## Faraday

[Discover](#)

## Polaris

[Discover](#)

## Assiopay

[Discover](#)

## Retail

[Discover](#)

## My Biz

[Discover](#)

## Arcan

[Discover](#)

## Plick

[Discover](#)



# **\_Financial Highlights & Guidance**





Revenues  
**€224 Mn**

**+48.8%**

vs. FY-2022



Pro-Forma  
Revenues

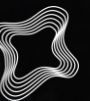
**~235 Mn**



Solid **Organic**  
Growth in FY-23

**+11.9%**

+€18 Mn







**EBITDA**  
(consolidated)

**€31.6 Mn**

Equal to 14.1% of revenues



**Net Profit**  
(consolidated)

**€15.5 Mn**

+29% vs. FY-2022



**Dividend**  
(resolved)

**€0.25** / share

+39% vs. 2023







**Target Revenues  
Organic Growth FY-24**

**> 10%**



**Target EBITDA  
Margin FY-24**

**> 14%**



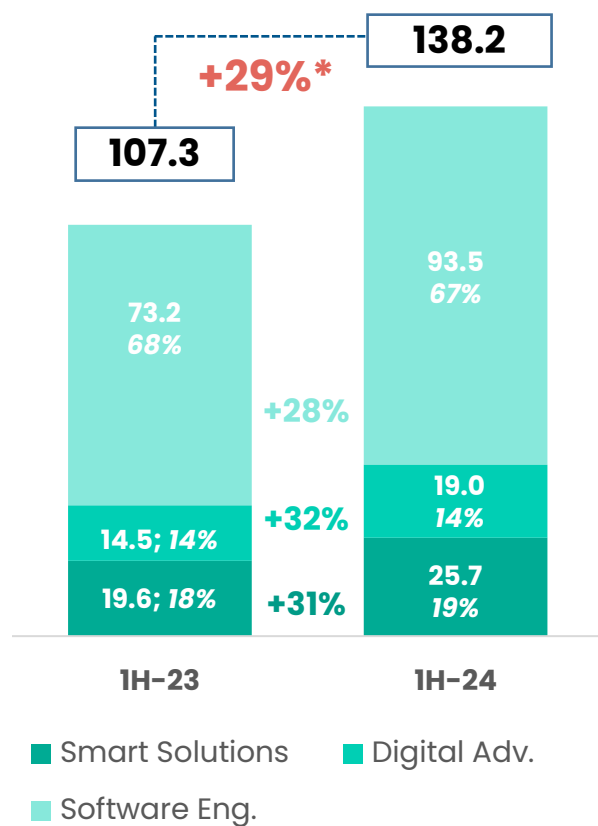
**Continuing  
M&A plan**

**Net Debt < 2xEBITDA**



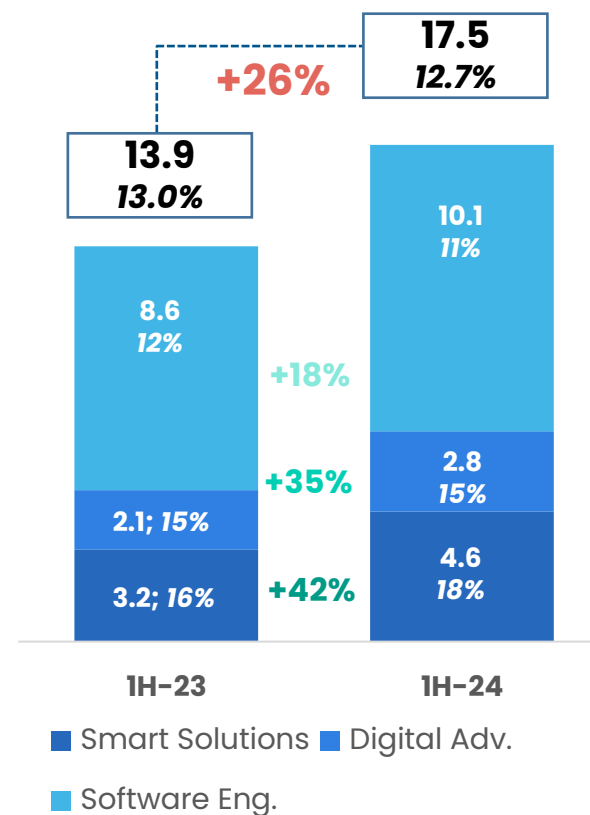
**KPIs** reported in **1H-2024** show continuity in the growth plan of TXT based on the mix of organic growth of business, M&A contribution and synergies that are expected to generate additional growth and benefits during the year: EBITDA margin target for FY 2024 set at more than 14% (14.1% in FY-2023).

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



\* Organic Revenues Growth 1H-24: +21.9%

### EBITDA (€mn, % on revenues)





# \_Value creation: 1H-2024



## R&D INVESTMENTS (fully expenses in the period)

**€ 6.7Mn** 1H-24, **+50%** vs. 1H-23



## SMART SOLUTIONS REVENUES

**€ 25.7Mn** 1H-24, **+31%** vs. 1H-23



## INTERNATIONAL REVENUES

**€ 39.9Mn** 29% of total revenues



## SUSTAINABLE DEBT (Adjusted) + TREASURY SHARES FOR FINANCING GROWTH

**€ 37Mn** (Net Debt as of Jun. 30, 2024) – **€ 31Mn\*** in Treasury Shares

*\* Value calculated with stock price of € 24,25 per share (Share Price Jun. 30th, 2024)*





# FINANCIALS

# \_Profit & loss: 1H-2024 details

€ thousand	1H 2024	%	1H 2023	%	Var %
<b>REVENUES</b>	<b>138,194</b>	<b>100</b>	<b>107,299</b>	<b>100</b>	<b>28.8</b>
Direct costs	92,896	67.2	69,949	65.2	32.8
<b>GROSS MARGIN</b>	<b>45,298</b>	<b>32.8</b>	<b>37,350</b>	<b>34.8</b>	<b>21.3</b>
Research and Development costs	6,737	4.9	4,499	4.2	49.8
Commercial costs	11,499	8.3	10,486	9.8	9.7
General and Administrative costs	9,564	6.9	8,444	7.9	13.3
<b>EBITDA</b>	<b>17,498</b>	<b>12.7</b>	<b>13,921</b>	<b>13.0</b>	<b>25.7</b>
Amortization, Depreciation & Write-offs	5,368	3.9	4,977	4.6	7.9
<b>OPERATING PROFIT (EBIT)</b>	<b>12,130</b>	<b>8.8</b>	<b>8,944</b>	<b>8.3</b>	<b>35.6</b>
Net Financial/Extraordinary income (charges)	(1,346)	(1.0)	976	0.9	n.a.
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>10,784</b>	<b>7.8</b>	<b>9,920</b>	<b>9.2</b>	<b>8.7</b>
Taxes	(2,831)	(2.0)	(3,135)	(2.9)	(9.7)
<b>NET PROFIT</b>	<b>7,953</b>	<b>5.8</b>	<b>6,785</b>	<b>6.3</b>	<b>17.2</b>



# \_Profit & loss: FY-2023 details

€ thousand	2023	%	2022	%	Var %
<b>REVENUES</b>	<b>224,394</b>	<b>100</b>	<b>150,758</b>	<b>100</b>	<b>48.8</b>
Direct costs	143,112	63.8	94,309	62.6	51.7
<b>GROSS MARGIN</b>	<b>81,282</b>	<b>36.2</b>	<b>56,449</b>	<b>37.4</b>	<b>44.0</b>
Research and Development costs	9,035	4.0	7,634	5.1	18.4
Commercial costs	24,227	10.8	14,149	9.4	71.2
General and Administrative costs	16,388	7.3	12,407	8.2	32.1
<b>EBITDA</b>	<b>31,632</b>	<b>14.1</b>	<b>22,259</b>	<b>14.8</b>	<b>42.1</b>
Amortization, Depreciation & Write-offs	11,443	8.0	8,348	8.9	37.1
<b>OPERATING PROFIT (EBIT)</b>	<b>20,188</b>	<b>9.0</b>	<b>13,911</b>	<b>9.2</b>	<b>45.1</b>
Net Financial/Extraordinary income (charges)	835	0.4	2,287	1.5	(63.5)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>21,023</b>	<b>9.4</b>	<b>16,198</b>	<b>10.7</b>	<b>29.8</b>
Taxes	(5,511)	(2.5)	(4,210)	(2.8)	30.9
<b>NET PROFIT</b>	<b>15,512</b>	<b>6.9</b>	<b>11,988</b>	<b>8.0</b>	<b>29.4</b>



# NET Financial Debt: Solid financial position

.000 Euro	30.06.2024	31.12.2023	Var
Cash	(47,503)	(37,927)	(9,576)
Trading securities at fair value	(27,428)	(24,058)	(3,370)
Other Short Term Financial Assets	(400)	(810)	410
Short term Financial Debts	58,175	57,654	521
<b>Short term Financial Debts</b>	<b>(17,156)</b>	<b>(5,141)</b>	<b>(12,015)</b>
Non current Financial Debts – Lessors IFRS 16	6,953	6,423	530
Other Long Term Financial Assets	(532)	(700)	168
Other Non current Financial Debts	66,979	51,140	15,839
<b>Non current Financial Debts</b>	<b>73,400</b>	<b>56,863</b>	<b>16,537</b>
<b>Net Financial Debt</b>	<b>56,244</b>	<b>51,722</b>	<b>4,522</b>
<b>Non-monetary</b> debts for adjustment of the price of the acquisitions to be paid in TXT shares	(1,559)	(2,500)	941
<b>Financial Investment</b> – Banca Del Fucino	(17,778)	(17,778)	–
<b>Adjusted Net Financial Debt</b>	<b>36,906</b>	<b>31,444</b>	<b>5,463</b>





€ thousand	30.06.2024	31.12.2023	Change
Intangible assets	91,783	85,900	5,883
Tangible assets	22,078	20,430	1,648
Other fixed assets	24,049	24,462	(413 )
<b>Fixed Assets</b>	<b>137,911</b>	<b>130,792</b>	<b>7,119</b>
Inventories	24,700	18,733	5,967
Trade receivables	71,193	74,346	(3,153 )
Other short term assets	16,162	14,876	1,287
Trade payables	(21,882 )	(21,585 )	(297 )
Tax payables	(9,762 )	(11,208 )	1,446
Other payables and short term liabilities	(37,336 )	(34,761 )	(2,575 )
<b>Net working capital</b>	<b>43,075</b>	<b>40,402</b>	<b>2,674</b>
<b>Severance and other non current liabilities</b>	<b>(6,410 )</b>	<b>(5,603 )</b>	<b>(807 )</b>
<b>Capital employed - Continuing Operations</b>	<b>174,576</b>	<b>165,590</b>	<b>8,986</b>
Shareholders' equity	118,271	113,852	4,419
Shareholders' equity - minority interest	64	17	47
Net financial debt	56,242	51,721	4,521
<b>Financing of capital employed</b>	<b>174,576</b>	<b>165,590</b>	<b>8,986</b>



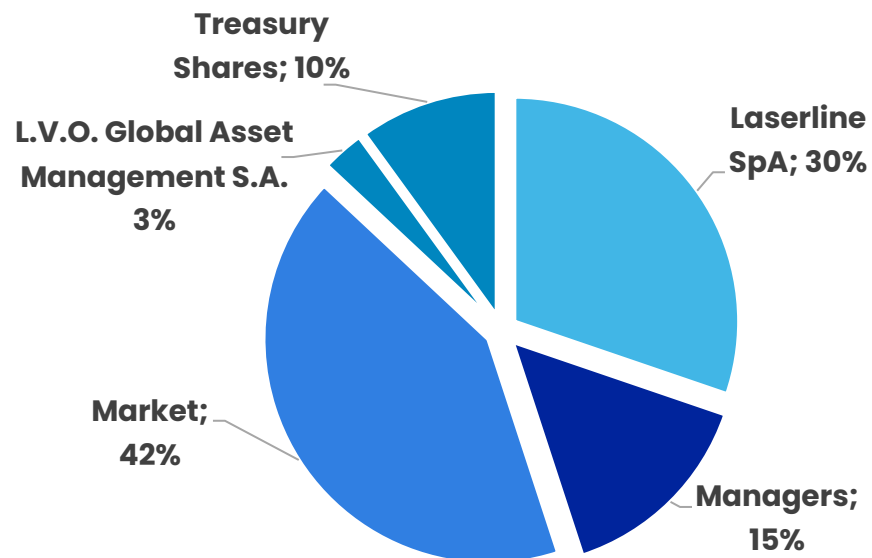


The background features a complex, abstract pattern of thin, flowing teal lines and small dots on a black field. The lines and dots create a sense of movement and depth, resembling a stylized representation of data or a digital landscape. The text is centered over this pattern.

# **Shareholding Structure & Market Data**

## Shareholding Structure June 30<sup>th</sup>, 2024\*

\* Latest Public Data Available as of 30 Jun. 2024

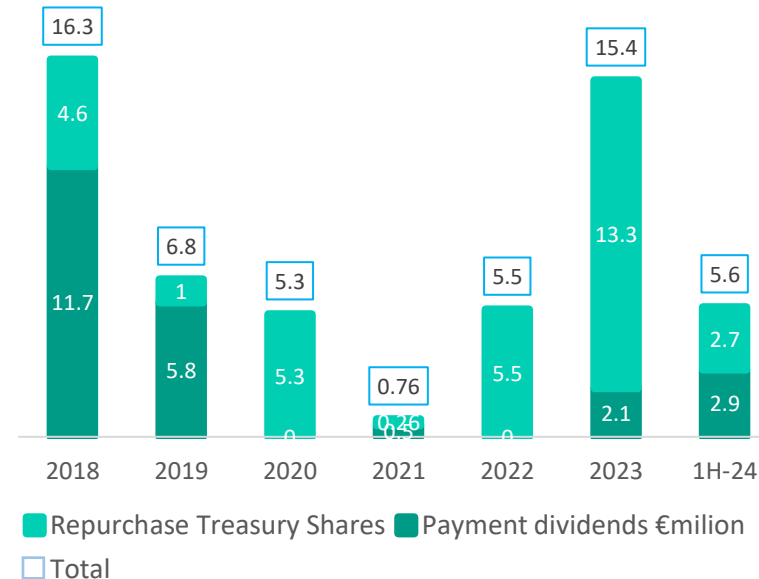


### Market Data

Share Price Dec 31st, 2019	9.66€/share
Share Price Jun. 30th, 2024	24.25€/share
Mkt Jun. 30th, 2024	285m €
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



**TXT**