



TXT Group: Corporate overview

European Midcap Event

6 June 2024

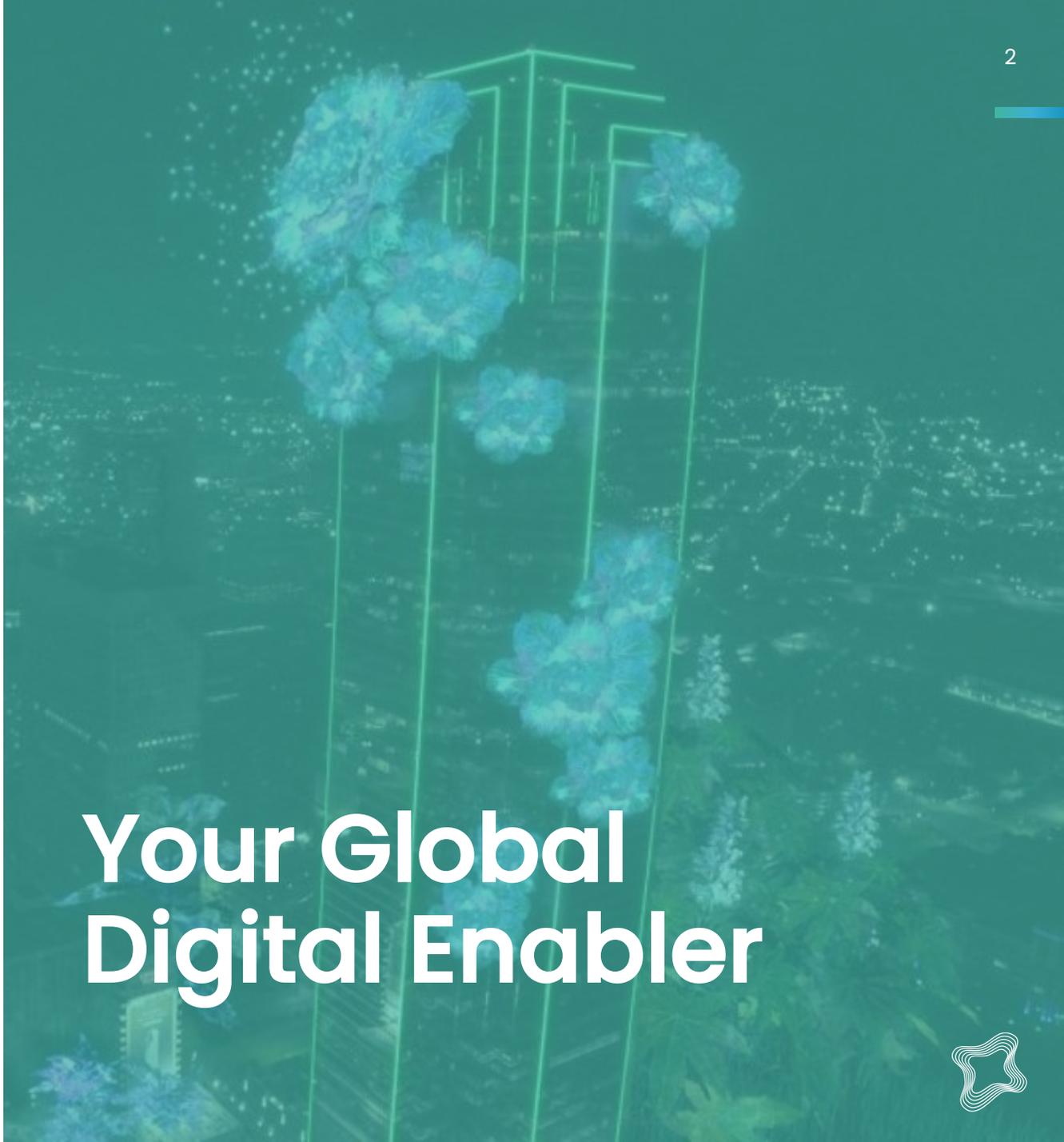
Daniele MISANI, CEO

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



Where we are

€224m Revenues FY 2023
Solid Financial structure

Guaranteed by operating excellence & innovation

July 2000
Listed on the Italian Stock Exchange

STAR segment (TXT.MI)

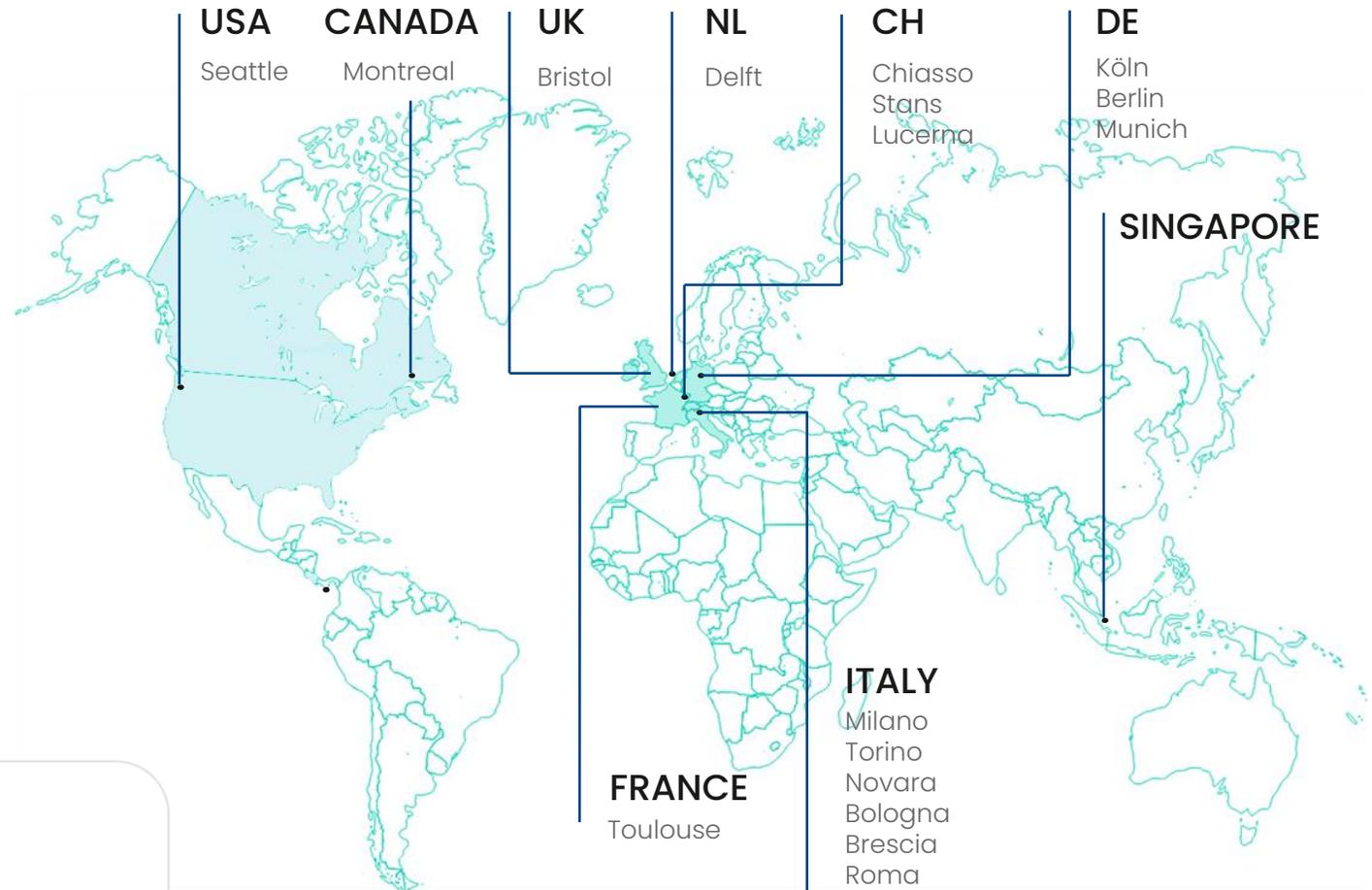
20+
 Locations worldwide

30+
Certified Cross-Industry Quality

Years Experience

2000+
Specialised Know-how

Specialised engineers & professionals



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**.

 ASSIOMA  ASSIOPAY  DM  ENNOVA  E-SWISS  FASTCODE

 HSPI  LBA  PROSIM  E-TECH  PACE  PGMD  NOVIGO

 QUENCE  REVERSAL  RISK  SPS  TERATRON  TLOGOS  WCS



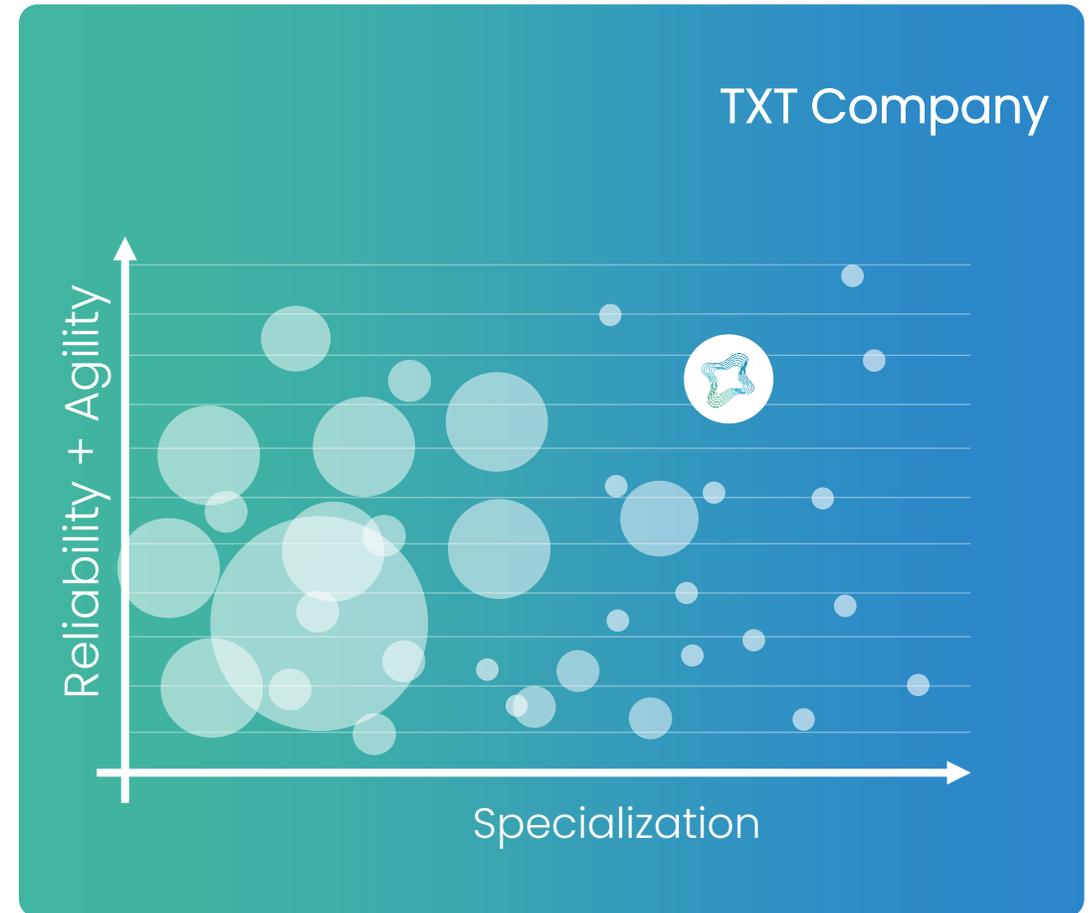
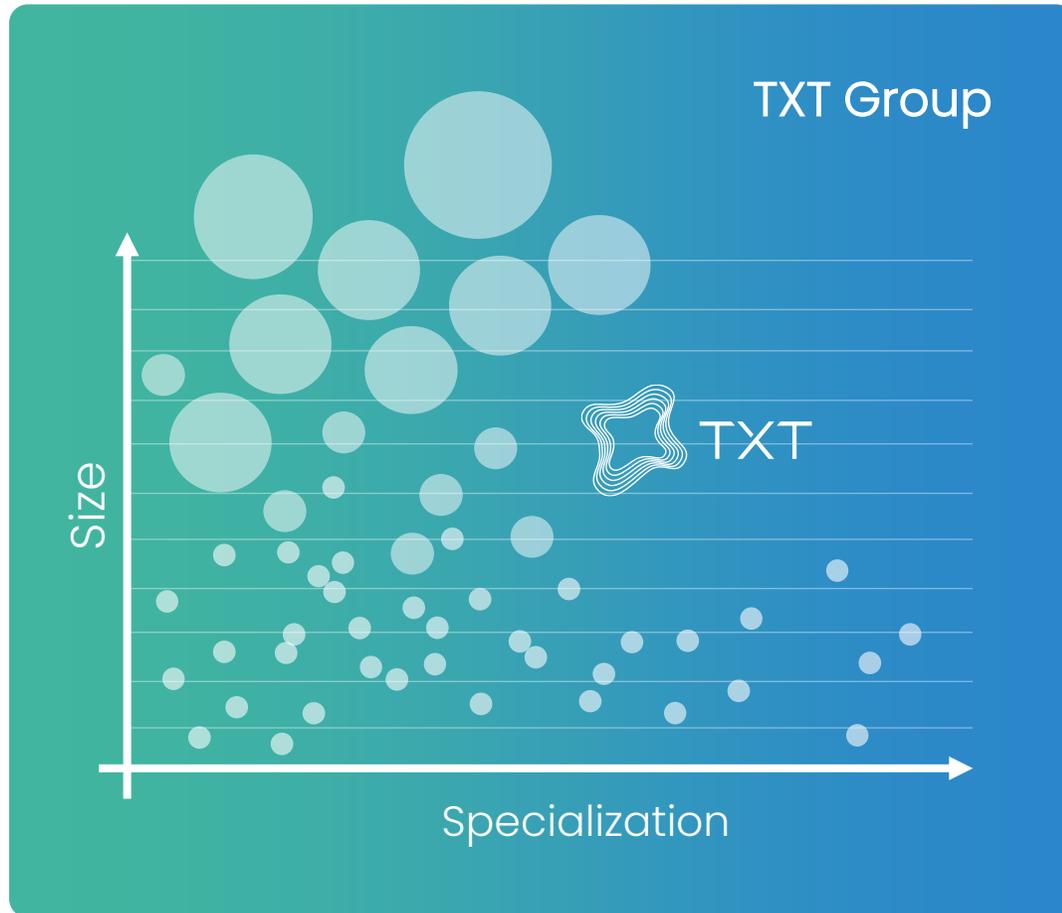
TXT

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.



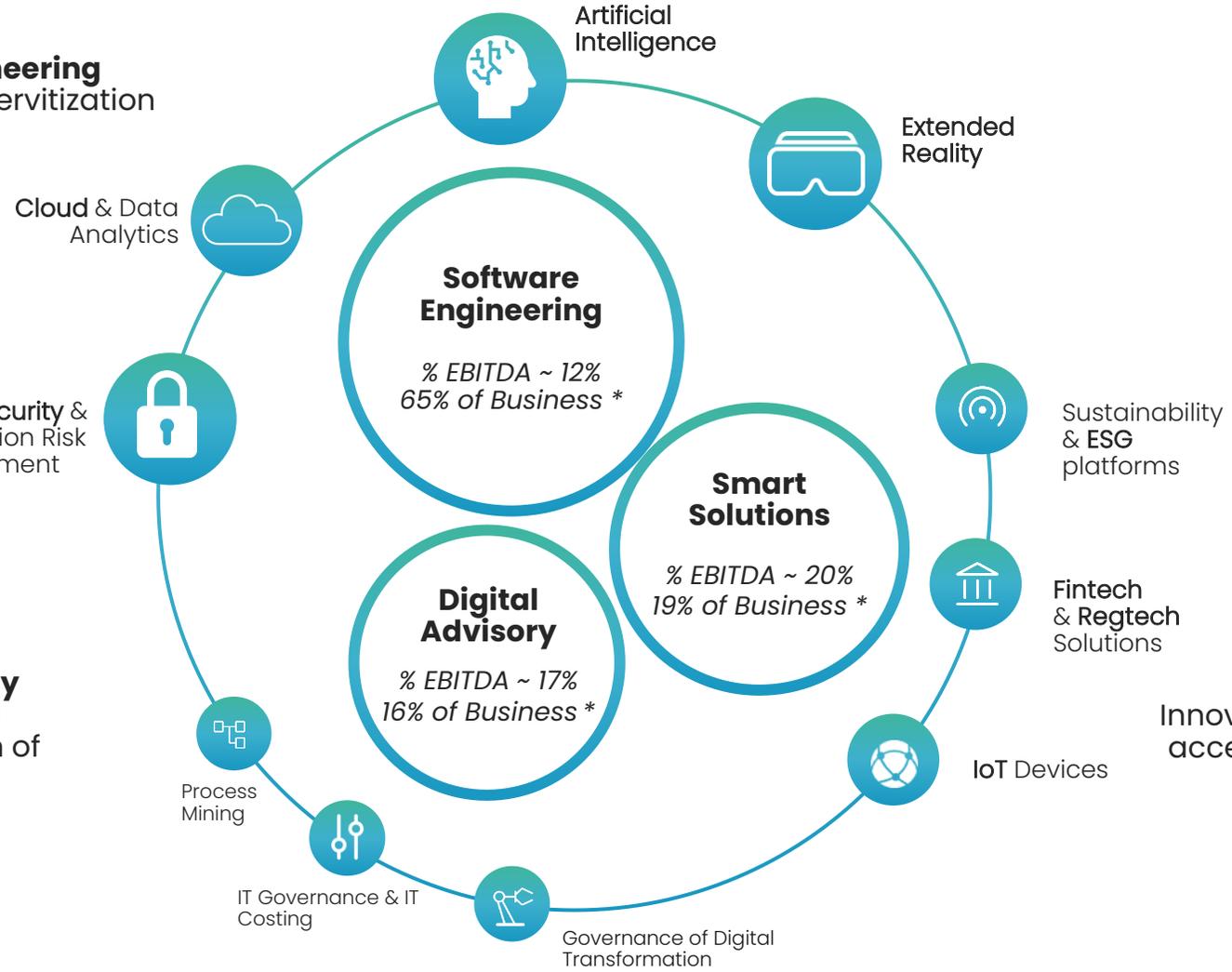
TXT Group positioning vs. TXT's Companies



Segmentation by Offering

Software Engineering
Digitization & Servitization of products

Digital Advisory
Reshaping and automatization of processes



Smart Solutions
Innovative Platforms to accelerate customers' business

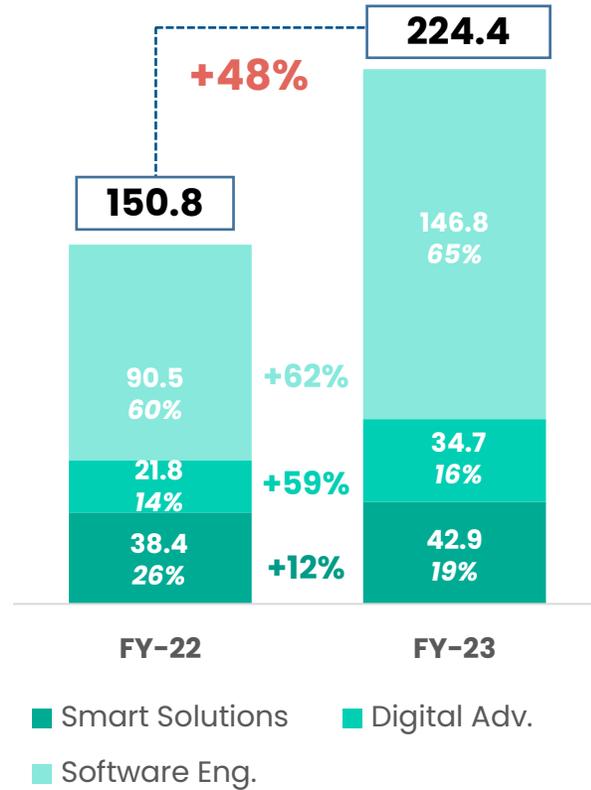
*Percentages of business incidence by offering segment are calculated on FY-2023 Revenues (Preliminary) of € 224Mn



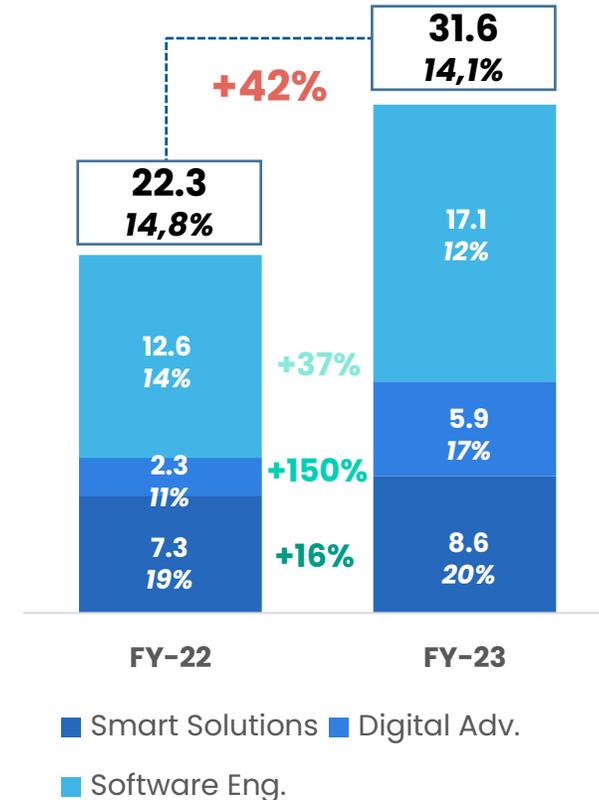
_KPIs: FY-2023 by Offering

FY-2023 results show resilience in the organic growth of business and an increase in the operating margin (EBITDA), with synergies and M&A contribution that are expected to generate additional growth. EBITDA margin for FY 2023 reached the target set at more than 14% for.

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

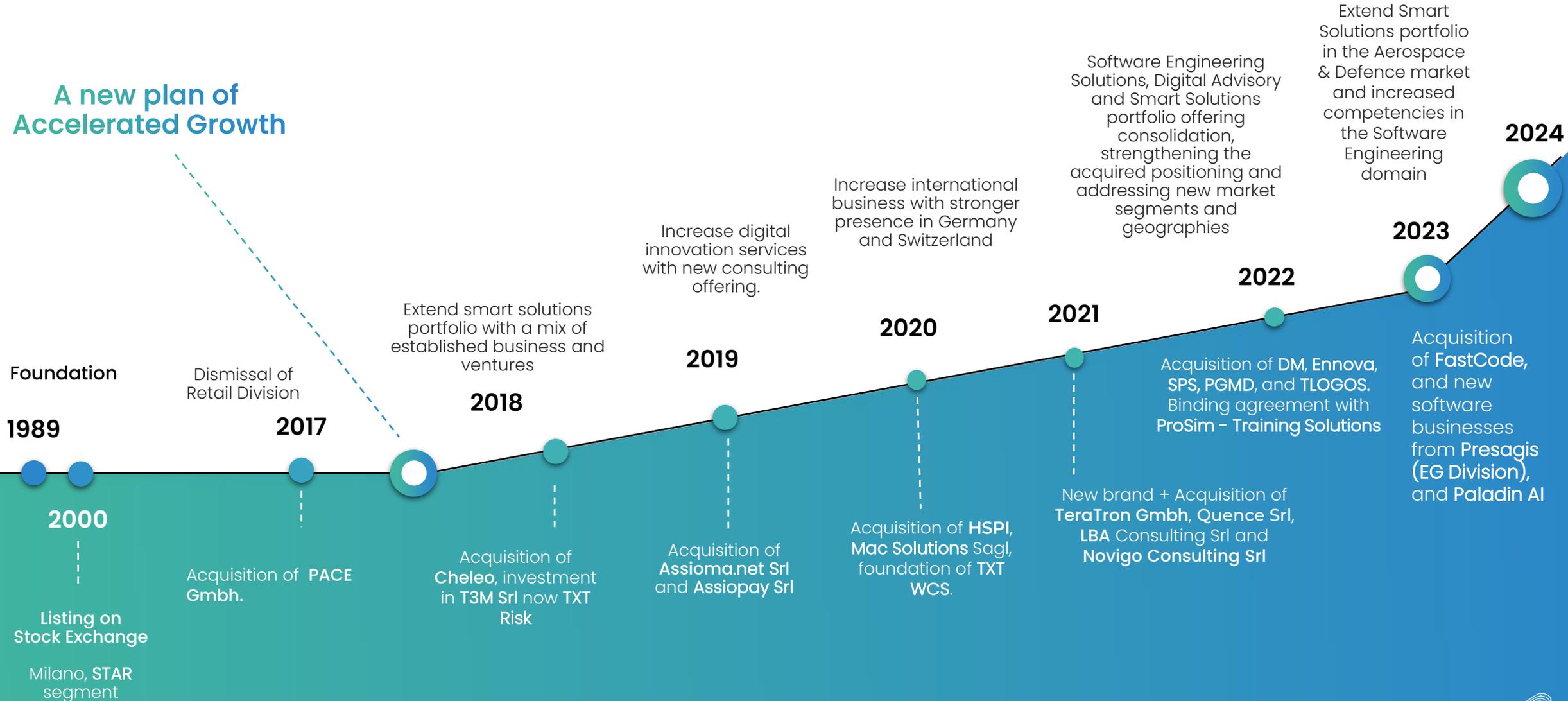


EBITDA
(€mn, % on revenues)



A Successful Story

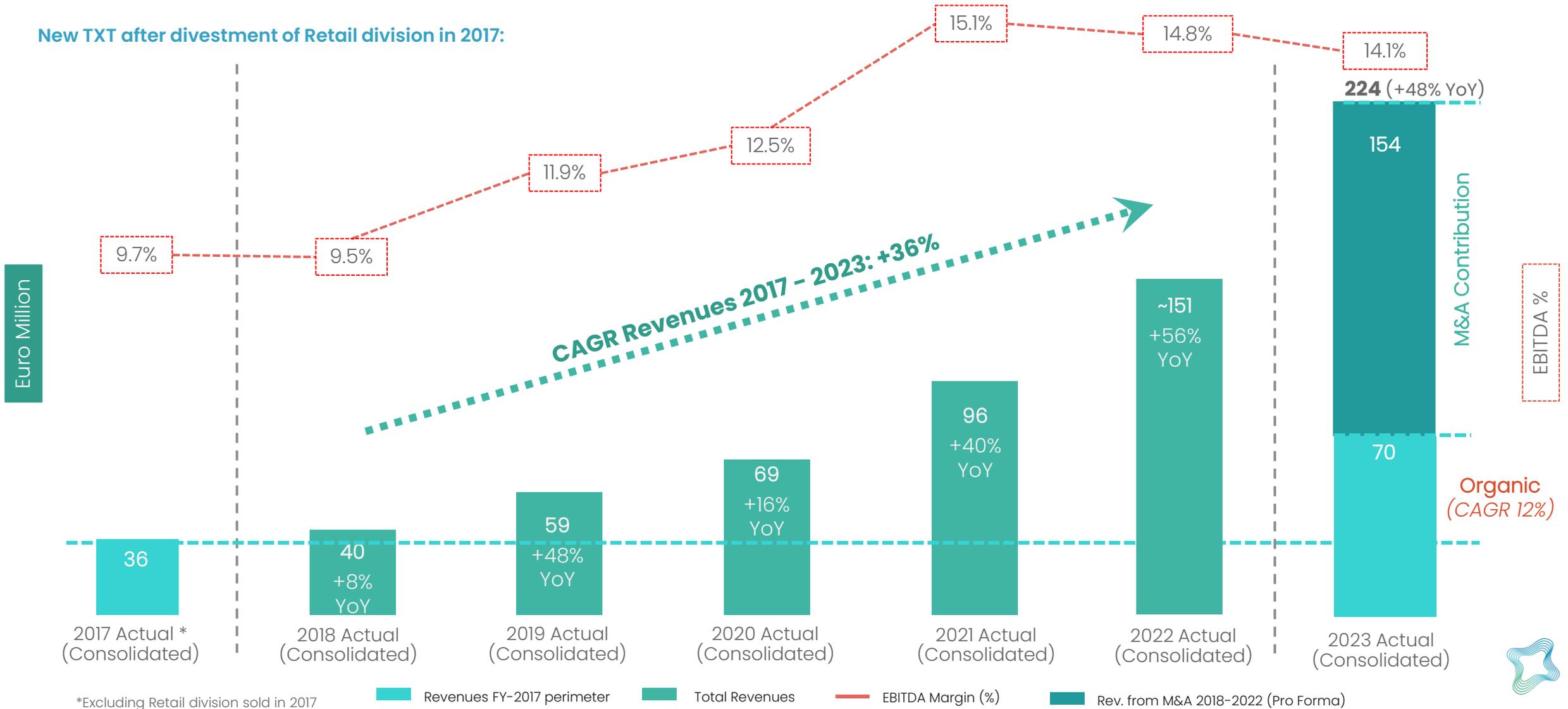
A new plan of Accelerated Growth



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:



Growth pillars:

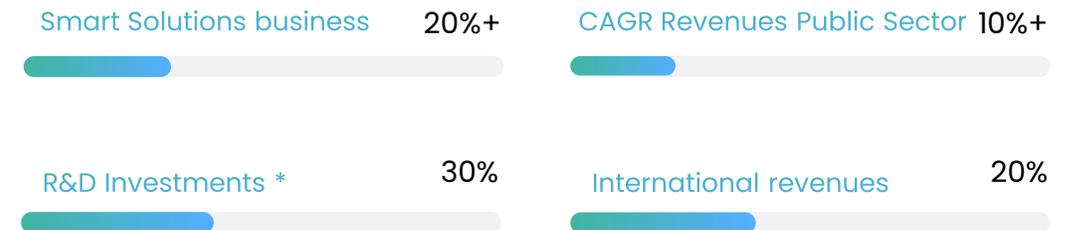
External

- **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:



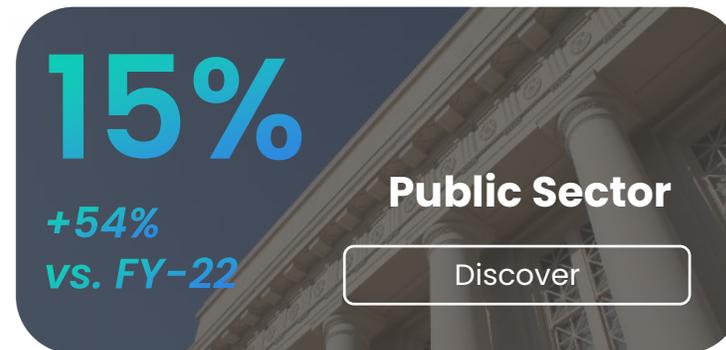
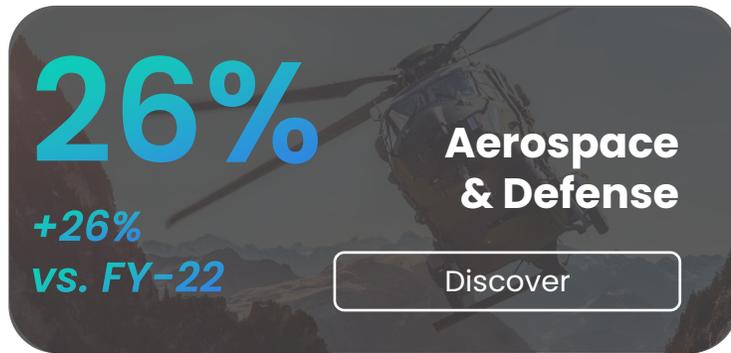
* Figures related to business divisions with proprietary IPs



The background features a complex, abstract pattern of wavy, horizontal lines in various shades of teal and blue. These lines are interspersed with numerous small, glowing dots of the same color, creating a sense of depth and movement. The overall effect is reminiscent of a digital landscape or a data visualization.

OFFERING & MARKETS

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.



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.

Preliminary Design

[Discover](#)

Product Configuration

[Discover](#)

Flight Operations

[Discover](#)

Embedded Graphics

[Discover](#)

Flight Simulation

[Discover](#)

Smart Factory

[Discover](#)

Virtual and AI based Training

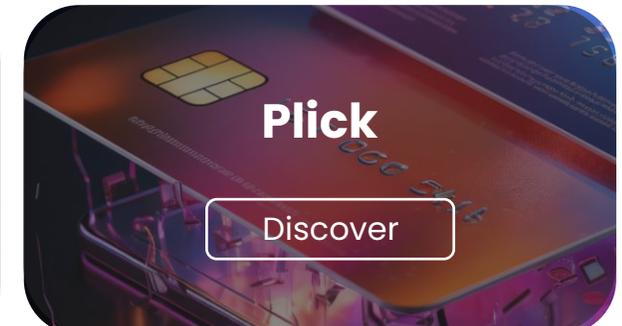
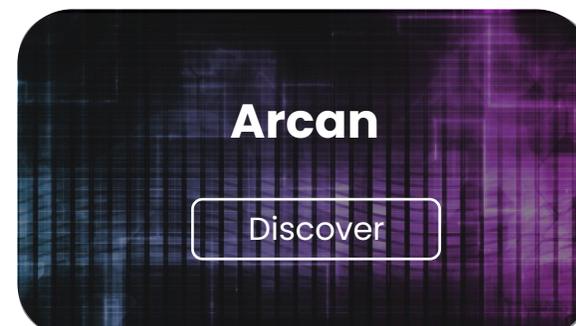
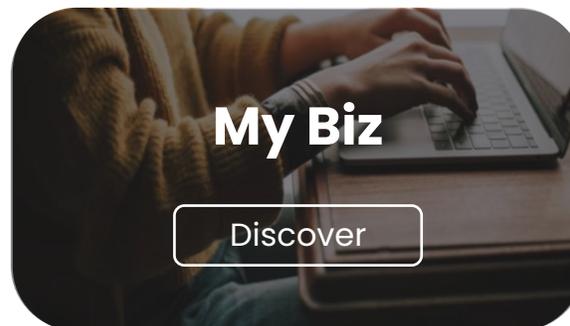
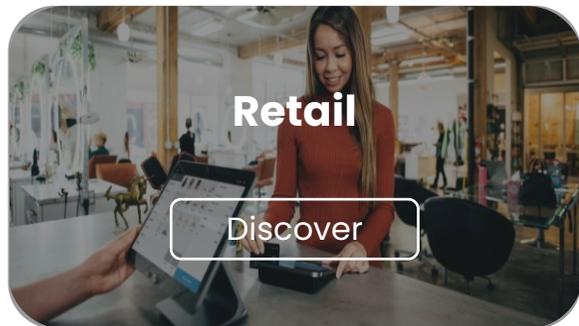
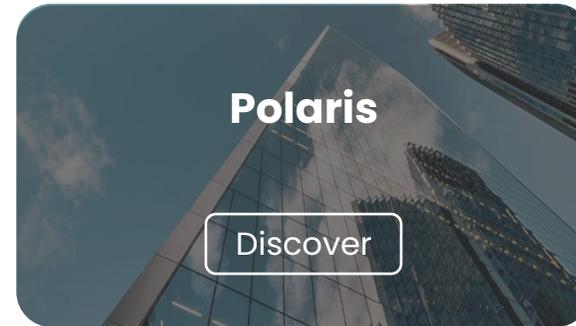
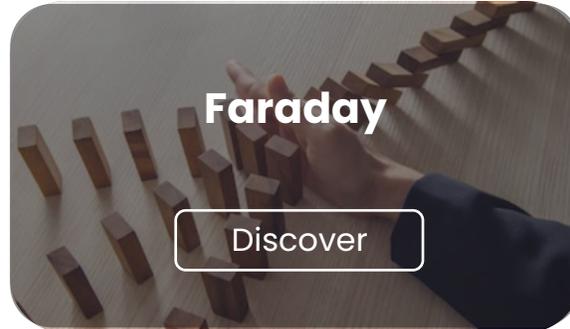
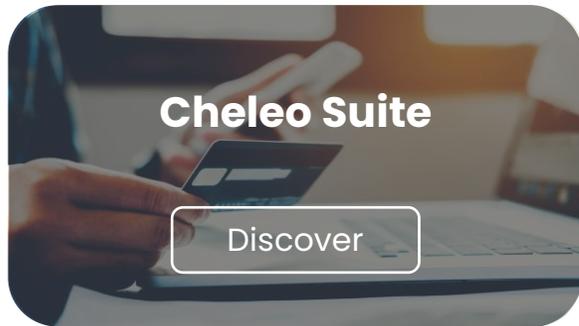
[Discover](#)

Smart Sensors

[Discover](#)

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.





_ 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
(proposal)

€0.25 / share

+39% vs. 2023



**R&D INVESTMENTS (fully expenses in the period)****€ 9.0Mn** FY-23, **+18%** vs. FY-22**SMART SOLUTIONS REVENUES****€ 43Mn** FY-23, **+12%** vs. FY-22**INTERNATIONAL REVENUES****€ 48Mn** 21% of total revenues**SUSTAINABLE DEBT (ADJUSTED) + TREASURY SHARES FOR FINANCING GROWTH****€ 31Mn** (Net Debt Adjusted) **- € 26Mn*** in Treasury Shares

* Value calculated with stock price of € 19,82 per share (Share Price Dec. 31st, 2023)



Type of Investment

Equity & Asset Deals

Innovative Technology

Capital Increase (Minority stakes)

Minority with put/call options

N. Of Deal

2

2

2

1

**FastCode;
EGS**

**Arcan;
Paladin AI**

**Las Lab;
Simplex**

PayDo

TXT Strategy

Boost Software Engineering & Smart Solutions Portfolio

Increase specialized know-how in Artificial Intelligence

TXT to act as technology partner in innovative projects

TXT to accelerate the go-to-market and positioning





**Target Revenues
Organic Growth FY-24**

> 10%



**Target EBITDA
Margin FY-24**

> 14%



**Continuing
M&A plan**

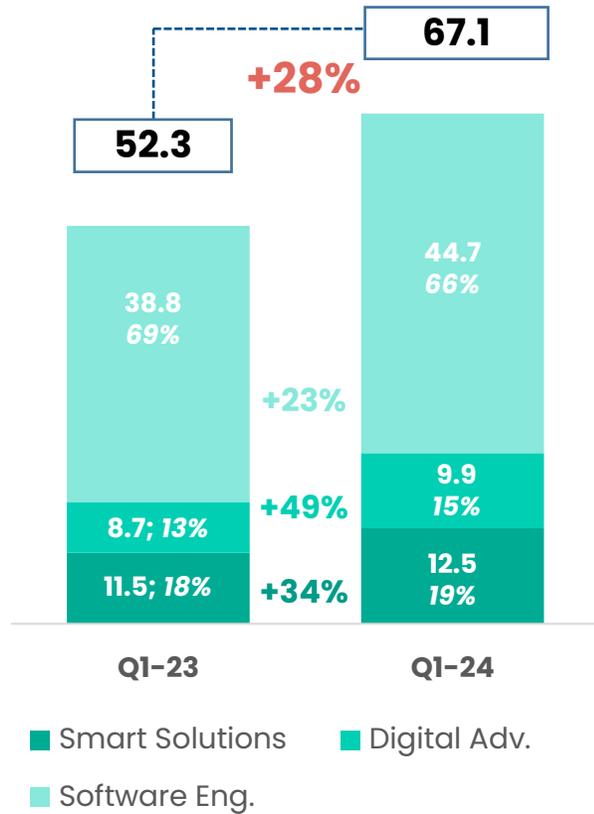
Net Debt < 2xEBITDA



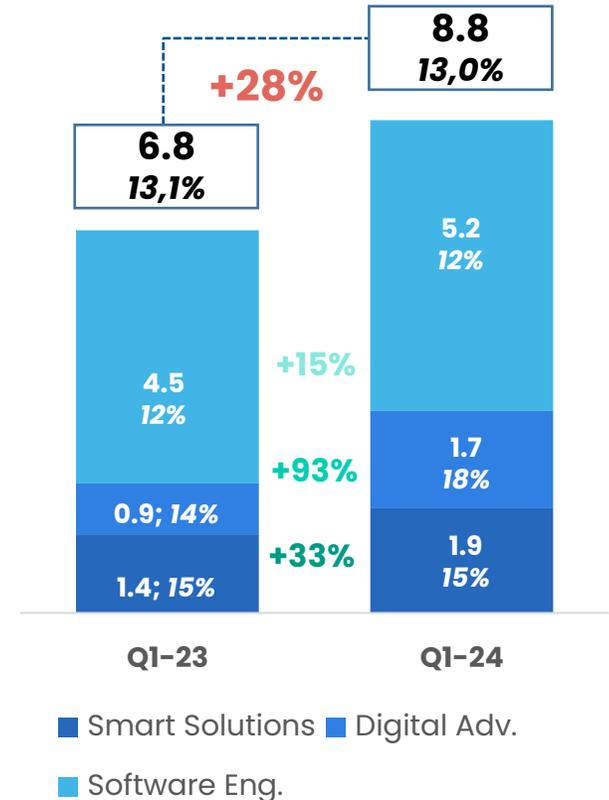
_KPIs: Q1-2024 by offering

KPIs reported in Q1-2024 show continuity in the accelerated 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)



EBITDA
(€mn, % on revenues)



FINANCIALS

Profit & loss: FY-2023 details

€ thousand	2023	%	2022	%	Var %
REVENUES	224,394	100	150,758	100	48.8
Direct costs	143,112	63.8	94,309	62.6	51.7
GROSS MARGIN	81,282	36.2	56,449	37.4	44.0
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
EBITDA	31,632	14.1	22,259	14.8	42.1
Amortization, Depreciation & Write-offs	11,443	8.0	8,348	8.9	37.1
OPERATING PROFIT (EBIT)	20,188	9.0	13,911	9.2	45.1
Net Financial/Extraordinary income (charges)	835	0.4	2,287	1.5	(63.5)
EARNINGS BEFORE TAXES (EBT)	21,023	9.4	16,198	10.7	29.8
Taxes	(5,511)	(2.5)	(4,210)	(2.8)	30.9
NET PROFIT	15,512	6.9	11,988	8.0	29.4



Profit & loss: Q1-2024 details

€ thousand	Q1 2024	%	Q1 2023	%	Var %
REVENUES	67,127	100	52,312	100	28.3
Direct costs	45,327	67.5	34,505	66.0	31.4
GROSS MARGIN	21,800	32.5	17,807	34.0	22.4
Research and Development costs	3,342	5.0	2,210	4.2	51.2
Commercial costs	4,836	7.2	4,573	8.7	5.7
General and Administrative costs	4,870	7.3	4,189	8.0	16.3
EBITDA	8,753	13.0	6,835	13.1	28.1
Amortization, Depreciation & Write-offs	2,669	5.9	2,362	6.8	13.0
OPERATING PROFIT (EBIT)	6,084	9.1	4,473	8.6	36.0
Net Financial/Extraordinary income (charges)	(389)	(0.6)	(439)	(0.8)	(11.4)
EARNINGS BEFORE TAXES (EBT)	5,695	8.5	4,034	7.7	41.2
Taxes	(1,589)	(2.4)	(1,125)	(2.2)	41.2
NET PROFIT	4,106	6.1	2,909	5.6	41.2



NET Financial Debt: Solid financial position

.000 Euro	31.03.2024	31.12.2023	Var
Cash	(40,671)	(37,927)	(2,744)
Trading securities at fair value	(25,758)	(24,058)	(1,700)
Other Short Term Financial Assets	(400)	(810)	410
Short term Financial Debts	55,623	57,654	(2,031)
Short term Financial Debts	(11,206)	(5,141)	(6,065)
Non current Financial Debts - Lessors IFRS 16	6,912	6,423	489
Other Long Term Financial Assets	(637)	(700)	63
Other Non current Financial Debts	50,778	51,140	(362)
Non current Financial Debts	57,053	56,863	190
Net Financial Debt	45,847	51,722	(5,875)
Non-monetary debts for adjustment of the price of the acquisitions to be paid in TXT shares	-	(2,500)	2,500
Financial Investment - Banca Del Fucino	(17,778)	(17,778)	-
Adjusted Net Financial Debt	28,069	31,444	(3,375)



€ thousand	31.03.2024	31.12.2023	Change
Intangible assets	84,905	85,900	(995)
Tangible assets	20,994	20,430	564
Other fixed assets	24,236	24,462	(226)
Fixed Assets	130,135	130,792	(657)
Inventories	19,747	18,733	1,014
Trade receivables	72,841	74,346	(1,505)
Other short term assets	15,728	14,876	852
Trade payables	(23,903)	(21,585)	(2,318)
Tax payables	(12,375)	(11,208)	(1,167)
Other payables and short term liabilities	(31,712)	(34,761)	3,048
Net working capital	40,326	40,402	(76)
Severance and other non current liabilities	(5,798)	(5,603)	(195)
Capital employed - Continuing Operations	164,662	165,590	(928)
Shareholders' equity	118,749	113,852	4,897
Shareholders' equity - minority interest	66	17	49
Net financial debt	45,847	51,721	(5,874)
Financing of capital employed	164,662	165,590	(928)

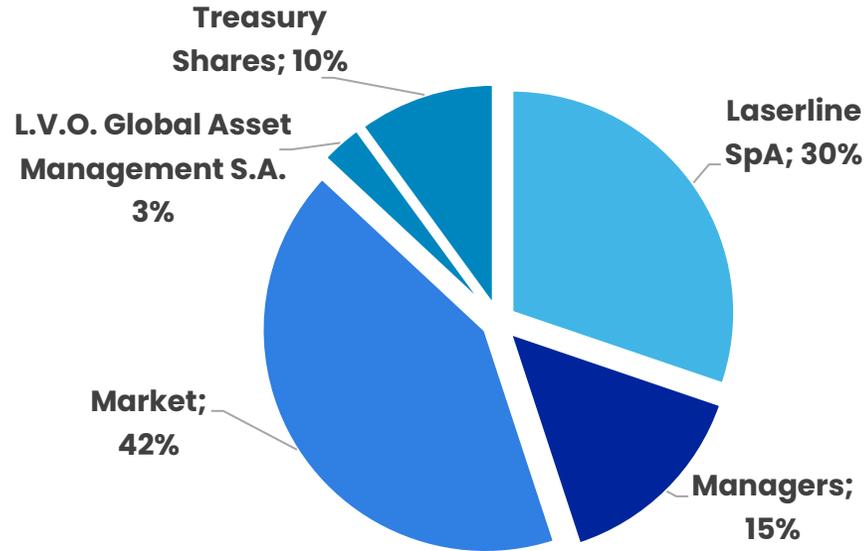


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Shareholding Structure & Market Data

Shareholding Structure March 31st, 2024*

* Latest Public Data Available as of 31 Mar. 2024

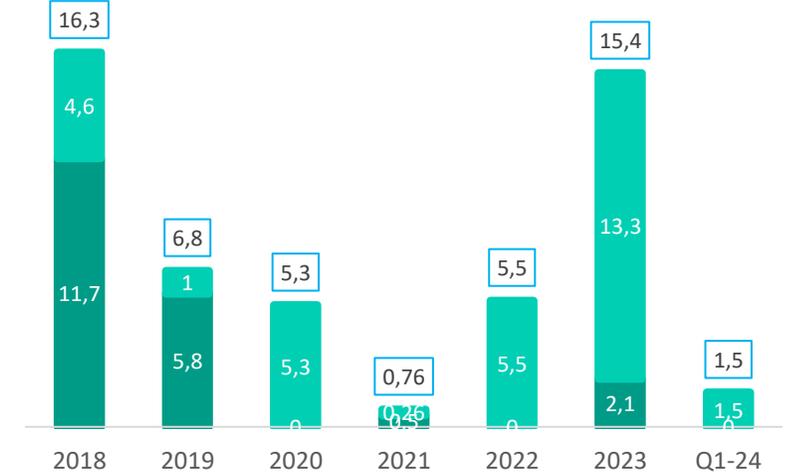


Market Data

Share Price Dec 31 st , 2019	9.66€/share
Share Price Mar. 31 st , 2024	22.45€/share
Mkt Mar. 31 st , 2024	265m €
Dividend Yield	1.3%

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

Dividends and Treasury Shares Repurchase (€m)



■ Repurchase Treasury Shares ■ Payment dividends €million
□ Total

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