



TXT Group: Corporate overview

STAR Conference

19 – 20 March 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)

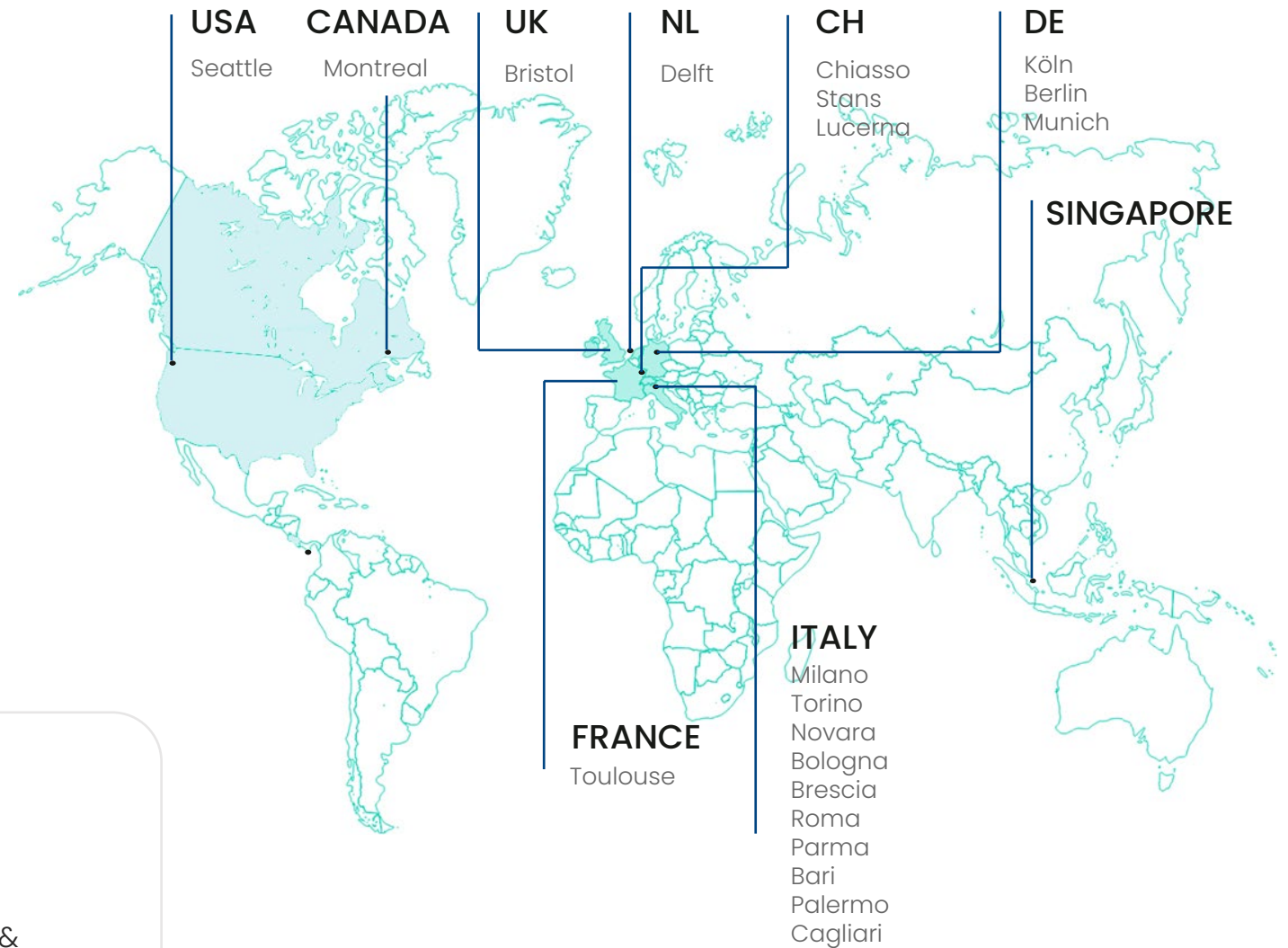
20+
Locations worldwide

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



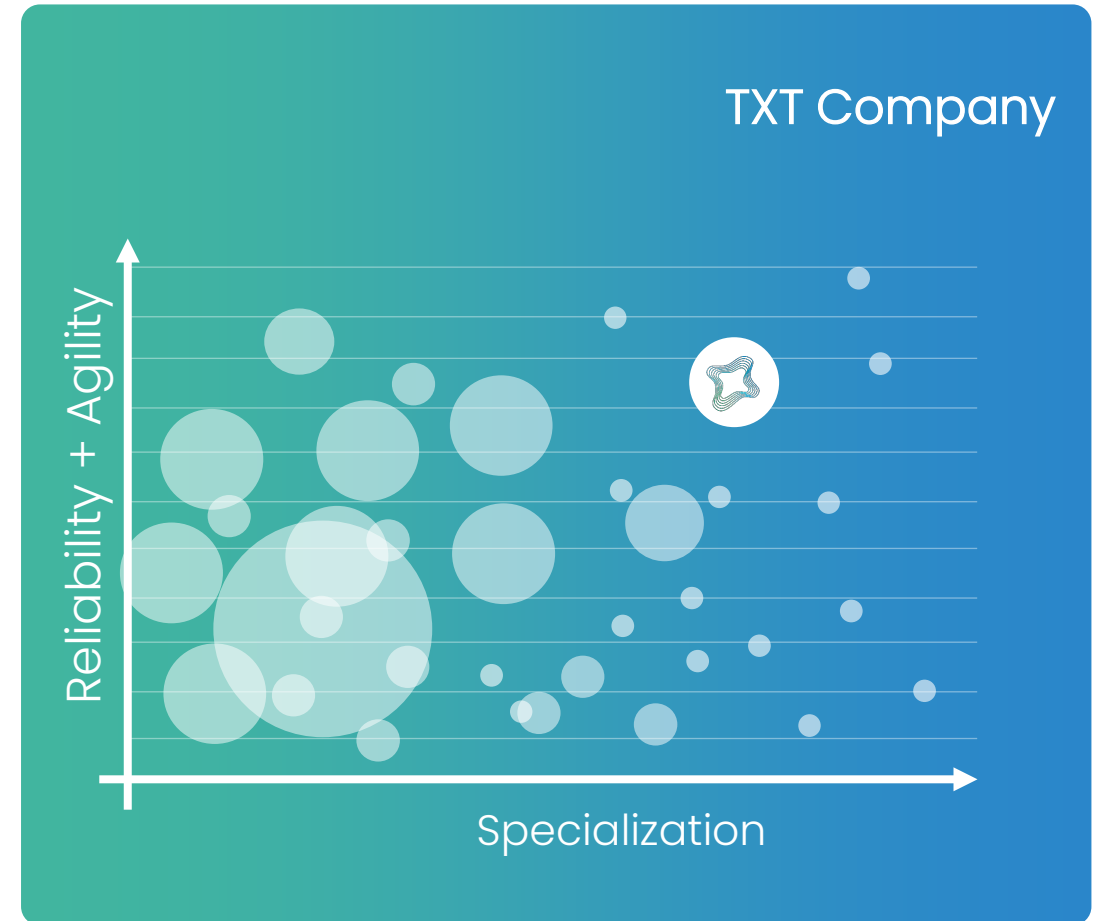
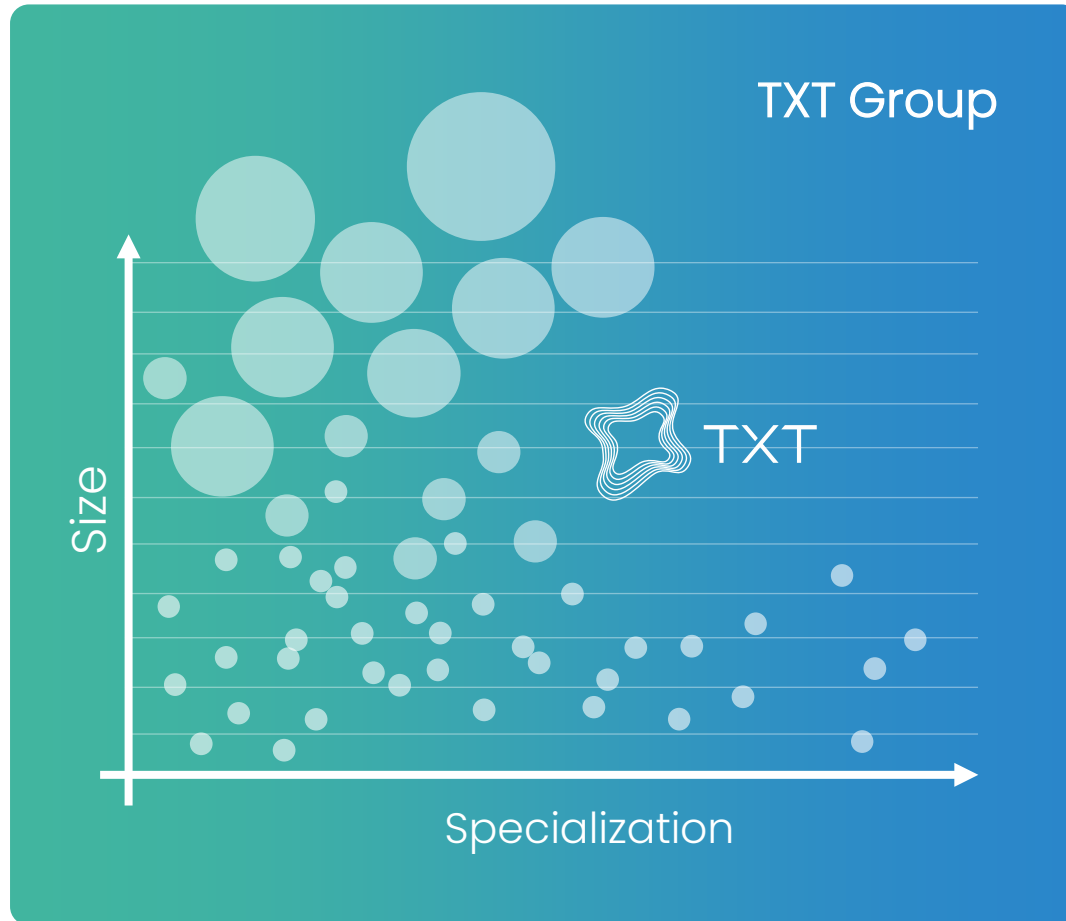
TXT

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

Cybersecurity &
Information Risk
Management

Cloud & Data
Analytics

Artificial
Intelligence

Extended
Reality

Sustainability
& ESG
platforms

Fintech
& Regtech
Solutions

Smart Solutions
Innovative Platforms to
accelerate customers'
business

IoT Devices

Governance of Digital
Transformation

IT Governance & IT
Costing

Process
Mining

Software Engineering
% EBITDA ~ 12%
65% of Business *

Digital Advisory
% EBITDA ~ 15%
16% of Business *

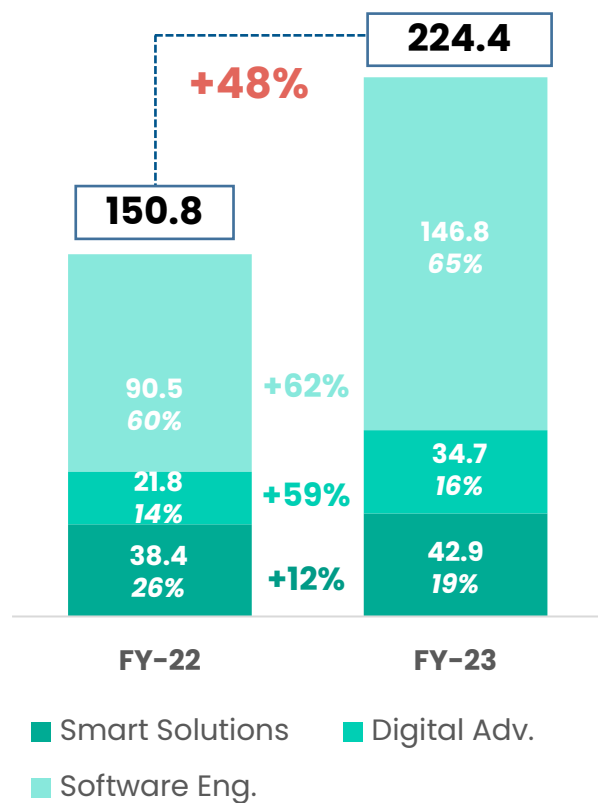
Smart Solutions
% EBITDA ~ 20%
19% of Business *

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

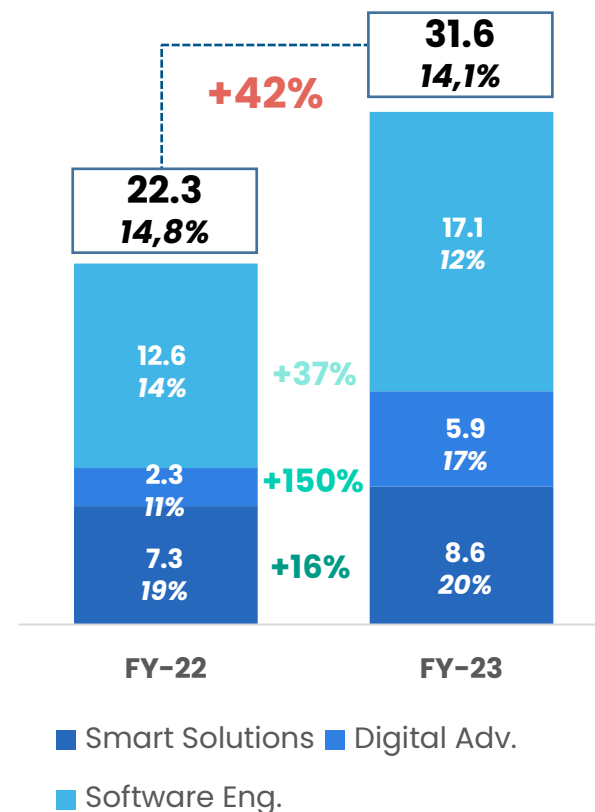


FY-2023 results show resilience in the organic growth of business and an increase in the operating margin (EBITDA), with synergies and M&A contribution that are expected to generate additional growth. EBITDA margin for FY 2023 reached the target set at more than 14% for.

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

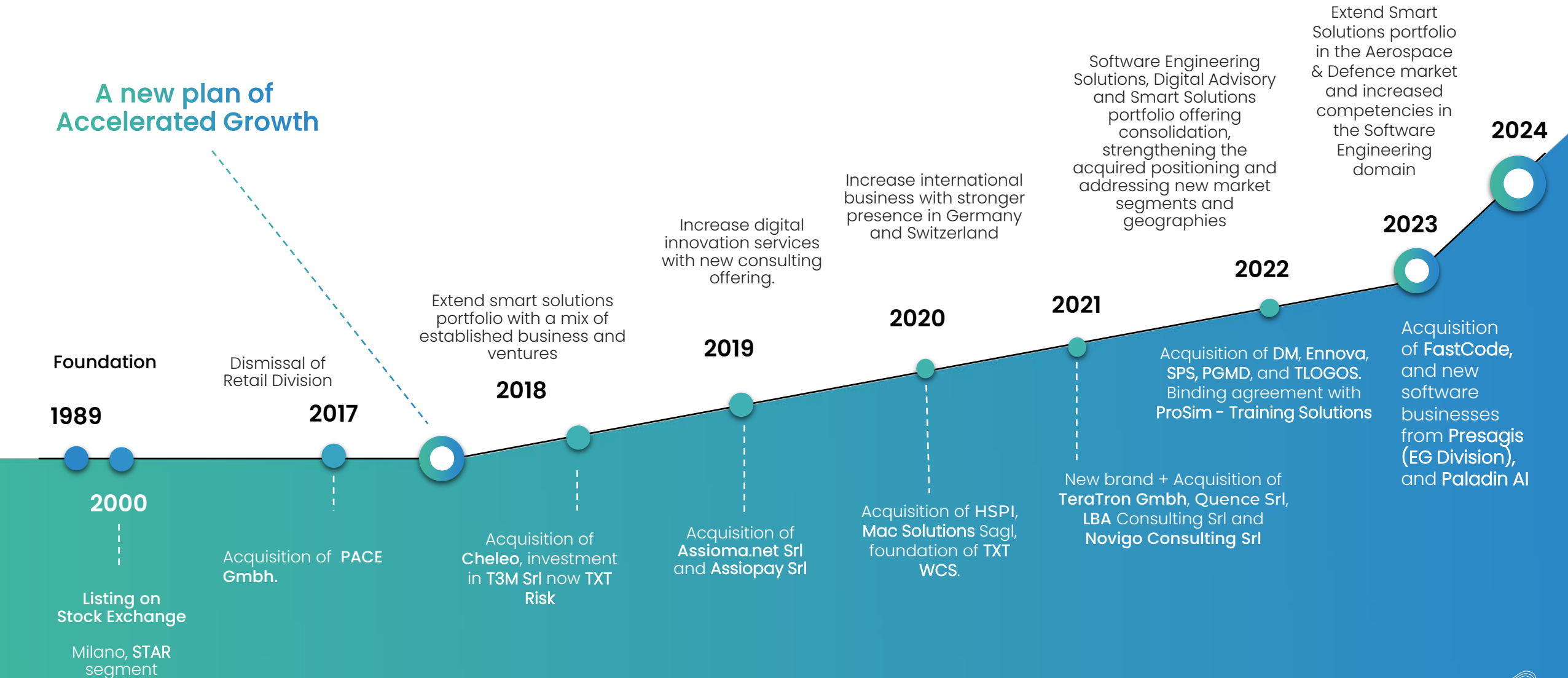


EBITDA (€mn, % on revenues)



A Successful Story

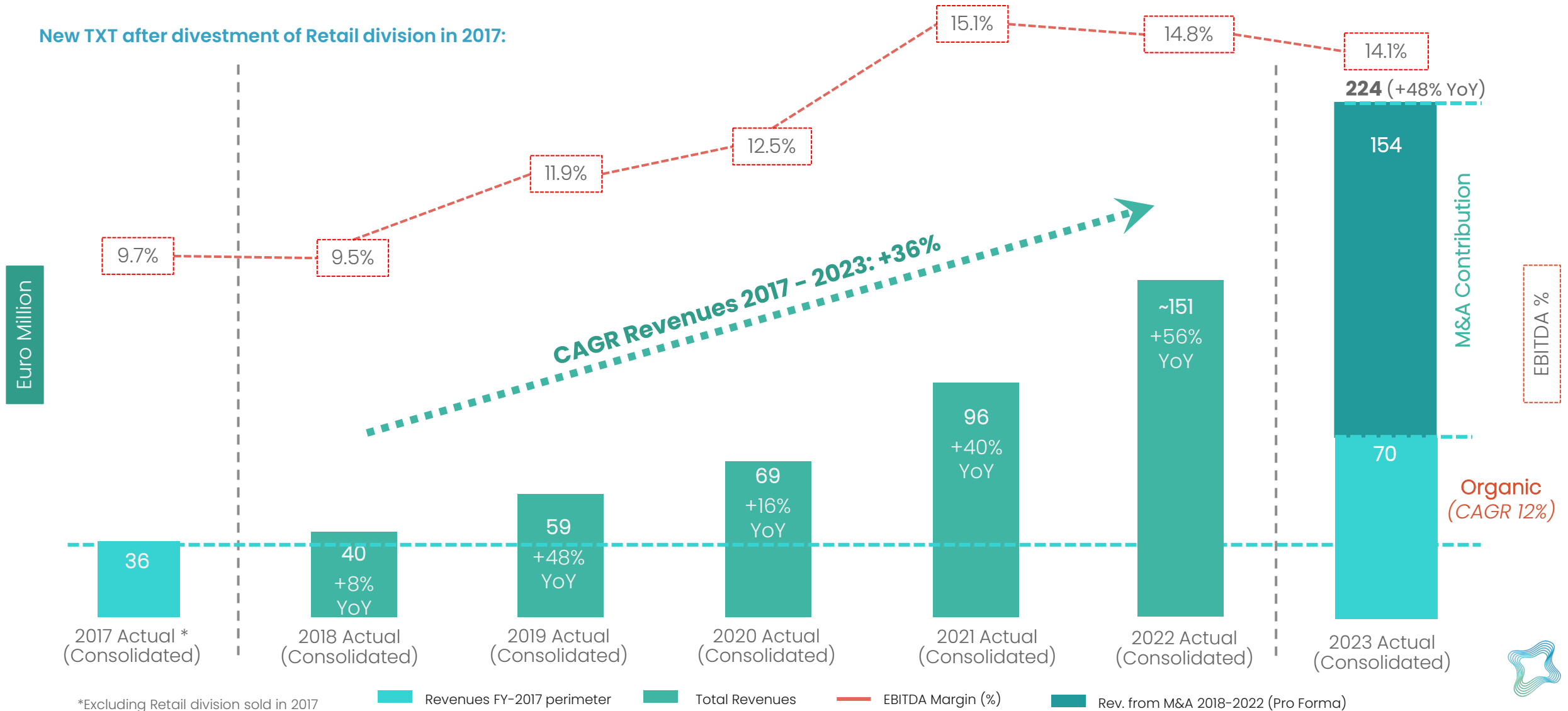
A new plan of Accelerated Growth



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:



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)

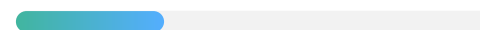
Internal

- **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

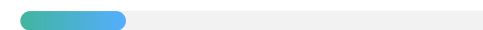
Key targets FY 2024:



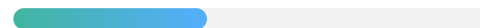
Smart Solutions business 20%+



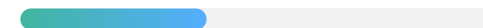
CAGR Revenues Public Sector 10%+



R&D Investments * 30%



International revenues 20%



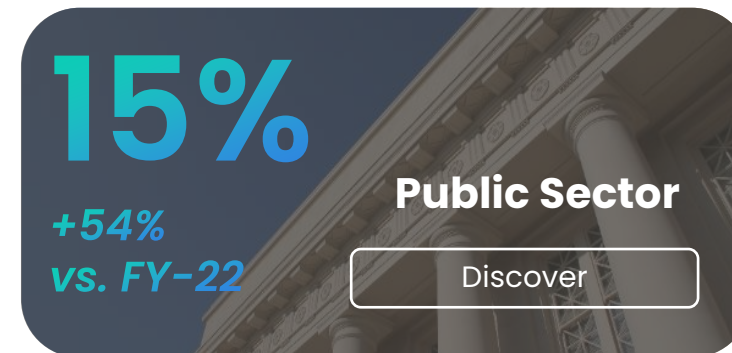
** Figures related to business divisions with proprietary IPs*



The background features a complex, abstract pattern of thin, flowing teal lines and small dots. These elements create a sense of movement and depth, resembling a digital or organic landscape. The lines are more densely packed in some areas, while others are more sparse, giving the overall effect a textured, three-dimensional quality. The colors range from a deep teal to a lighter, almost white glow where the lines and dots are most concentrated.

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.

Cheleo Suite

[Discover](#)

Faraday

[Discover](#)

Polaris

[Discover](#)

Assiopay

[Discover](#)

Retail

[Discover](#)

My Biz

[Discover](#)

Arcan

[Discover](#)

Plick

[Discover](#)



_FY-2023 Highlights & FY 2024 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

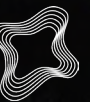
+29% vs. FY-2022



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



Subsequent Events and Business Outlook:

- **Smart Solutions:** leveraging strategic investments made throughout 2023, both internal and external, the TXT Group forecasts growth rates in line with the expected market trend for the software segment estimated at 12%.
- **Digital Advisory:** organic growth is expected to exceed 10%, driven by activities on multi-year public contracts acquired. Among the key contracts is an innovative healthcare project named *“Tele-Rehabilitation Solutions with Innovative Cores of Extended Reality based on Metaverse”* for which we will serve as the prime contractor in a temporary consortium composed of significant players such as CNR, Università Cattolica Sacro Cuore, and Fondazione Don Gnocchi.
- **Software Engineering:** investments in diversifying our offerings continue for 2024, with a focus on investing in enabling technologies that accelerate the digital transformation of our group's clients across an increasingly broad spectrum of market segments. Organic growth for the Software Engineering division in 2024 will be underpinned by digital offerings in the Aerospace & Defence and Public Sector sectors.





FY-2023 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



NET Financial Debt: Solid financial position

.000 Euro	31.12.2023	31.12.2022	Var
Cash	(37,927)	(33,015)	(4,912)
Trading securities at fair value	(24,058)	(48,490)	24,431
Other Short Term Financial Assets	(810)	-	(810)
Short term Financial Debts	57,654	51,187	6,467
Short term Financial Debts	(5,141)	(30,318)	25,176
Non current Financial Debts - Lessors IFRS 16	6,423	5,988	435
Other Long Term Financial Assets	(700)	(1,417)	717
Other Non current Financial Debts	51,140	64,017	(12,877)
Non current Financial Debts	56,863	68,588	(11,725)
Net Financial Debt	51,721	38,270	13,451
Non-monetary debts for adjustment of the price of the acquisitions to be paid in TXT shares	(2,500)	(1,750)	(750)
Financial Investment - Banca Del Fucino	(17,778)	(16,542)	(1,236)
Adjusted Net Financial Debt	31,443	19,978	11,465



€ thousand	31.12.2023	31.12.2022	Change
Intangible assets	85,900	77,975	7,925
Tangible assets	20,430	18,293	2,137
Other fixed assets	24,462	19,360	5,102
Fixed Assets	130,792	115,628	15,164
Inventories	18,733	13,765	4,968
Trade receivables	74,346	73,115	1,231
Other short term assets	14,876	15,352	(476)
Trade payables	(21,585)	(20,643)	(942)
Tax payables	(11,208)	(7,958)	(3,250)
Other payables and short term liabilities	(34,761)	(36,834)	2,073
Net working capital	40,402	36,797	3,605
Severance and other non current liabilities	(5,603)	(4,772)	(831)
Capital employed - Continuing Operations	165,590	147,653	17,937
Shareholders' equity	113,852	109,366	4,486
Shareholders' equity - minority interest	17	17	0
Net financial debt	51,721	38,270	13,451
Financing of capital employed	165,590	147,653	17,937

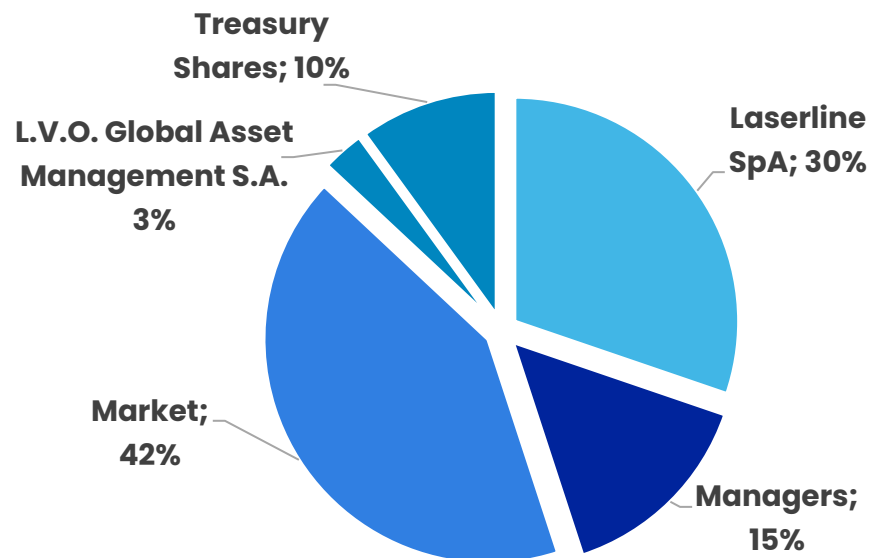




Shareholding Structure & Market Data

Shareholding Structure December 31st, 2023*

* Latest Public Data Available as of 31 Dec. 2023

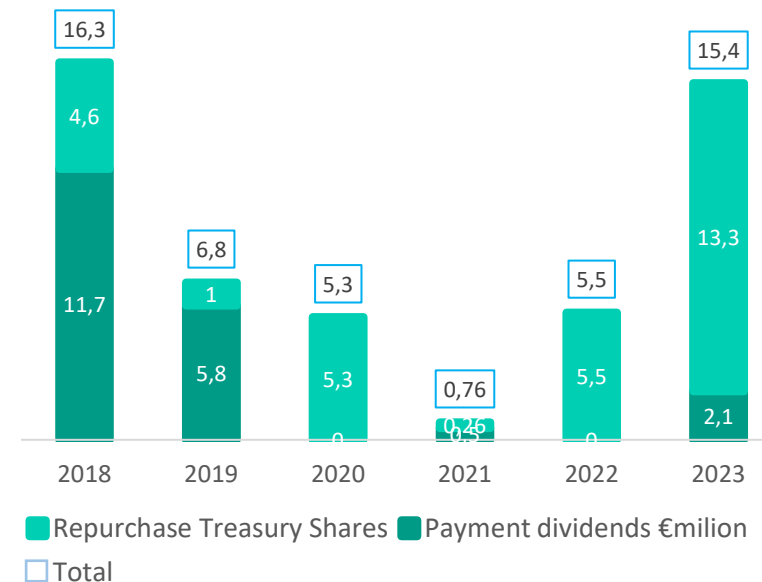


Market Data

Share Price Dec 31 st , 2019	9.66€/share
Share Price Dec. 31 st , 2023	19.82€/share
Mkt Dec. 31 st , 2023	232m €
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

