



TXT Group: FY-2021 Results

Call with Investors
March 14 | 11.00am (CEST)

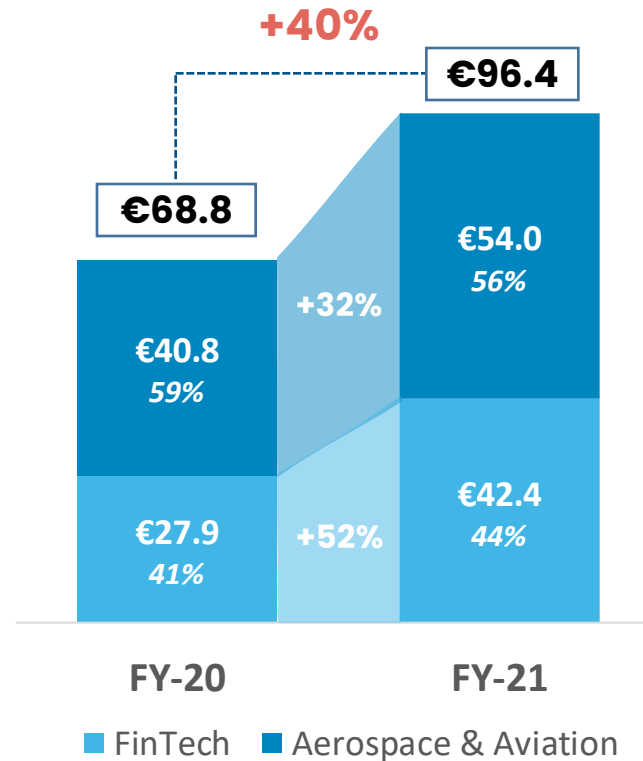
Daniele MISANI, CEO
Andrea FAVINI, IR

Record performance for TXT Group achieved in 2021

#neverbetter

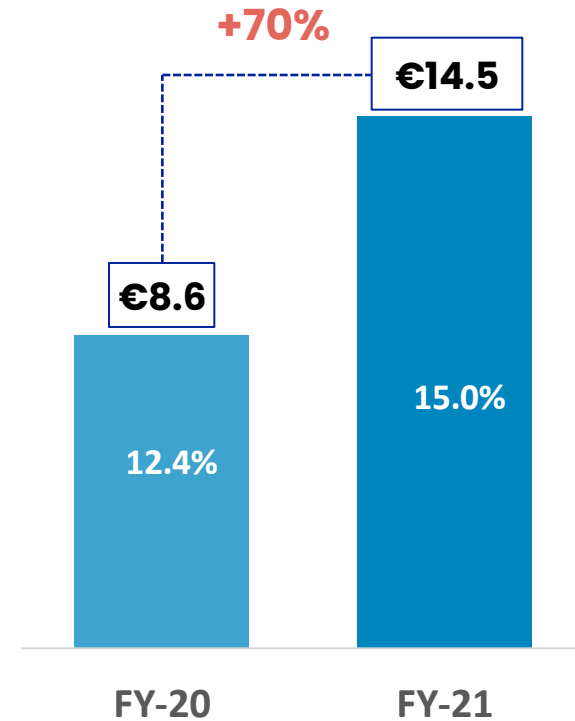
FY 2021 results

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



M&A contribution:
€ 18.5Mn

EBITDA (€mn, % on total revenues)



M&A contribution:
€ 3.3Mn *

* Including negative impact from startups



TXT _2021 record performances



Revenues
(pro-forma *)

€108.6mn



EBITDA
(pro-forma *)

€16.5mn

** All current TXT Group companies aggregated
from January 2021*

Never better.



NET
PROFIT

€7.3mn



New
Companies

+5



Organic
Growth

+13.3% vs 20

 REVERSAL

 LBA

 NOVIGO

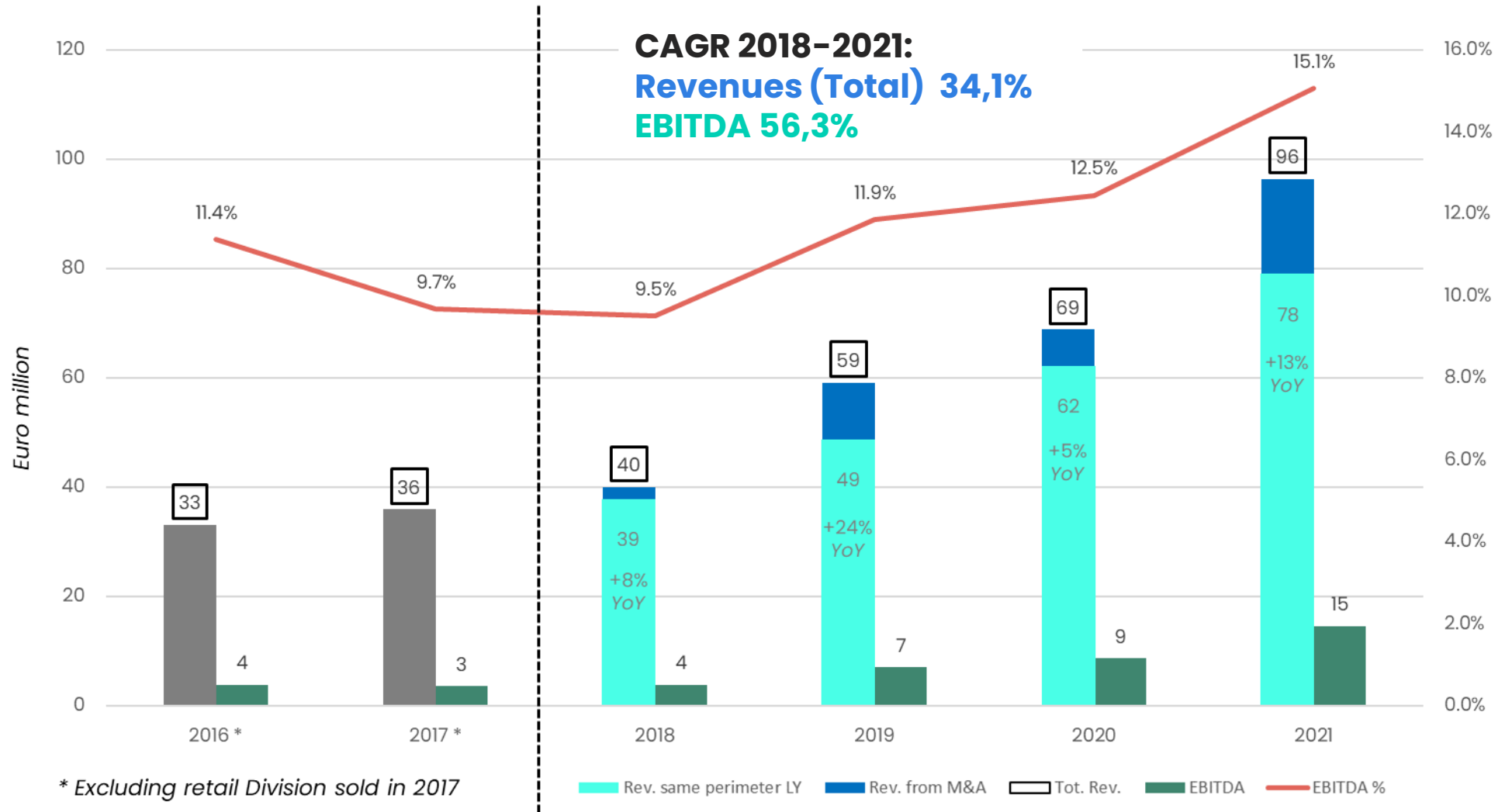
 TERATRON

 QUENCE

Never better.

Revenues & EBITDA CAGR (2018–2021) show extraordinary growth

New TXT after divestment of Retail division:



**EBIT**

€ 9.6Mn FY-21, **+ 6.5Mn** vs. FY-20 (+205%)

**SOFTWARE REVENUES**

€8.4Mn -2% vs. FY-20, recovering from -12% in Q1-21

**INTERNATIONAL REVENUES**

€ 28.7 Mn 30% of total revenues

**NET DEBT (Adjusted) + TREASURY SHARES AVAILABLE FOR GROWTH**

€ 3.8Mn (Net Debt Position) **+ €13Mn*** in Treasury Shares

* Value calculated with stock price of € 10.14 per share
(Share Price Dec 31st, 2021)





_2021 Main Events & Future Evolutions

Your Global Digital Enabler

TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital innovation of customers' products and core processes. With a proprietary software portfolio and deep expertise in vertical domains, TXT operates across different markets, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Government and Fintech.

TXT is headquartered in Milan and has subsidiaries in Italy, Germany, the United Kingdom, France, Switzerland and the United States of America. The holding company TXT e-Solutions S.p.A, has been listed on the Italian Stock Exchange, STAR segment (TXT.MI), since July 2000.



Aerospace & Aviation Division (including Automotive & Manufacturing offering)



- **Positive outlook** of TXT business in the **civil aviation market** thanks to the **ongoing negotiations** with **major airlines** and **manufacturers** for the sale of PACE's proprietary products;
- **New product** launched: **Pacelab HALO** – The world's first 3D aircraft interior configurator;
- **Constant growth** in the **defence** segment with new project contracts signed with domestic and European customers;
- New European **R&D Projects** awarded by the Group in the field of **hybrid-electric propulsion** and more
- **Automotive, Manufacturing & Industrial** segments are **growing fast** for TXT thanks to the integration of Teratron, the synergies between group companies and the new commercial and marketing power built in 2021. Customer portfolio consists of the main European players; still **strong growth potential**.

Fintech Division (including Public Sector offering)



- After **successful integration** on the **new** acquired **Fintech companies**, in **2022** the Group foresees **significant growth of all segments** boosted by technological synergies and new sales network built in the last 3 years;
- **New contracts** in the **AML, risk management, digital payments** and **consumer credit segments** to support the growth and the investments in proprietary platforms (start-ups);
- **Organic growth** in **Public sector** segment boosted by the start of activities on **public tenders awarded** in Q4 2021
- **New products** for the **digital payments** and **e-commerce** segments with the acquisition of **LBA Consulting**;
- **New prestigious customers** operating in the Italian and Swiss acquired with M&A; strong cross selling and up selling opportunities to drive the organic growth of the division.



Sustainable growth, diversification

Aerospace & Aviation

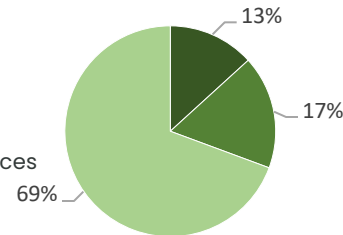
 **Turnover FY-2021: 54.0M €**
+32%

 **EBITDA margin FY-2021:**
18%


 **International revenues:**
41% of total

Revenues breakdown

■ Software
■ Advanced services
■ Projects



Fintech

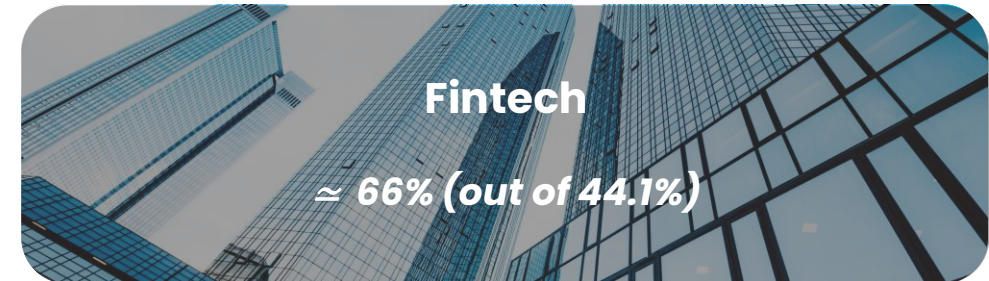
 **Turnover FY-2021: 42.4M €**
+52%

 **EBITDA margin FY-2021:**
11%

 **International revenues:**
16% of total



R&D Investments (Start-ups)
FY-2021:
+1.0M €



A Successful Story

Foundation

Listing on STAR
Borsa Italiana
Stock Exchange

1989 2000

2017

Sale of Retail
Division



PACE

Aerospace
R.: €8mn in FY16



TERATRON

**Automotive & Industrial
(Industry 4.0)**
R.: €9mn in FY21 **Q3-21**



NOVIGO

FinTech: Consumer Credit
R.: €3mn in FY21 **Q4-21**



LBA

FinTech: Digital Payments
R.: €2.5 mn in FY21 **Q4-21**



QUENCE

FinTech: SW Quality
R.: €2.7mn in FY21 **Q4-21**



HSPI

**IT Governance & Digital
Transformation**
R.: €12mn in FY19



MACSOL

Swiss Fintech
R.: CHF 5mn in FY19



ASSIOMA

Banking & Finance
R.: €9mn in FY18



CHELÉO

FinTech
R.: €3mn in FY17



RISK

RegTech start-up:
(AML, Anti-Corruption,
Anti-Terrorism)



ASSIOPAY

FinTech start-up:
Digital Payments



WCS

Fintech start-up:
Supply Chain Finance



REVERSAL

Fintech start-up:
Financial products for Wealth
Management



Strong M&A campaign in H2-2021

- **Three** small-size **Fintech specialists** consolidated from December 2021 to strength TXT offering: **LBA Consulting** (*Digital Payments*), **Novigo Consulting** (*Digital Transformation of financial institutions*) and **QUENCE** (*SW Quality Assurance*). Expected M&A contribution to the Fintech division results for 2022: 8Mln revenues and 1,5Mln EBITDA (nonmaterial in 2021);
- In the **industrial field**, **Teratron GmbH** (*Industry 4.0*) consolidated from H2-2021 contributed for 5Mln revenues and 1Mln EBITDA in the 2021 results, estimated double in 2022 with additional contributions coming from synergies.



focus on PROFITABLE GROWTH

- For the Q1 2022, revenues of Euro 28/29 million are expected, up by approximately 35% compared to Q1 2021 (Euro 21 million), of which Euro 3 million of organic growth (+ 15% compared to Q1 2021) and Euro 4 million deriving from acquisitions.
- Solid pipeline of new potential acquisitions to boost the growth of TXT Group in 2022

CASH + TREASURY SHARES AVAILABLE FOR GROWTH

€ 40Mn Short term net financial resources

>€13Mn in Treasury Shares

>€ 14Mn financial investment in Banca del Fucino

"We are evaluating new investment opportunities that would lead TXT to revenue volumes in excess of €150m already in 2022."





FY-2021 & Q4-2021 FINANCIALS

Profit & loss: FY 2021 details

€ thousand	2021	%	2020	%	Var %
REVENUES	96,363	100	68,753	100	40.2
Direct costs	57,013	59.2	39,470	57.4	44.4
GROSS MARGIN	39,350	40.8	29,283	42.6	34.4
Research and Development costs	6,890	7.2	6,684	9.7	3.1
Commercial costs	9,751	10.1	7,636	11.1	27.7
General and Administrative costs	8,193	8.5	6,403	9.3	28.0
EBITDA	14,516	15.1	8,560	12.5	69.6
Depreciation	2,436	2.5	2,016	2.9	20.8
Amortization	2,122	3.7	2,802	7.1	(24.3)
Riorganization and Non Recurrent Costs	356	0.4	592	0.9	(39.9)
OPERATING PROFIT (EBIT)	9,602	10.0	3,150	4.6	204.8
Financial income (charges)	706	0.7	570	0.8	n.m.
Non-recurrent financial income (charges)	0	0.0	2,157	3.1	n.m.
EARNINGS BEFORE TAXES (EBT)	10,308	10.7	5,877	8.5	75.4
Taxes	(2,469)	(2.6)	(1,162)	(1.7)	n.m.
NET PROFIT	7,839	8.1	4,715	6.9	66.3



Profit & loss: Q4 details

€ thousand	Q4 2021	%	Q4 2020	%	Var %
REVENUES	29,630	100	20,927	100	41.6
Direct costs	16,891	57.0	13,125	62.7	28.7
GROSS MARGIN	12,739	43.0	7,802	37.3	63.3
Research and Development costs	1,799	6.1	1,639	7.8	9.8
Commercial costs	3,270	11.0	1,881	9.0	73.8
General and Administrative costs	1,910	6.4	1,841	8.8	3.7
EBITDA	5,760	19.4	2,441	11.7	136.0
Depreciation	669	2.3	548	2.6	22.1
Amortization	842	5.0	1,873	14.3	(55.0)
Riorganization and Non Recurrent Costs	9	0.0	244	1.2	(96.3)
OPERATING PROFIT (EBIT)	4,240	14.3	(224)	(1.1)	(1992.9)
Financial income (charges)	361	1.2	221	1.1	n.m.
Non-recurrent financial income (charges)	-	0.0	1,331	6.4	n.m.
EARNINGS BEFORE TAXES (EBT)	4,601	15.5	1,328	6.3	246.5
Taxes	(893)	(3.0)	(224)	(1.1)	n.m.
NET PROFIT	3,708	12.5	1,104	5.3	235.9



NET cash: Solid financial position

€ thousand	31.12.2021	31.12.2020	Var
Cash	36,076	11,933	24,143
Trading securities at fair value	48,869	68,161	(19,292)
Short term Financial Debts	(44,570)	(30,635)	(13,935)
Short term Financial Resources	40,375	49,459	(9,084)
Non current Financial Debts - Lessors IFRS 16	(4,209)	(3,580)	(629)
Other Non current Financial Debts	(45,260)	(23,818)	(21,442)
Non current Financial Debts	(49,469)	(27,398)	(22,071)
Net Cash/(Debt)	(9,094)	22,061	(31,155)
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	5,253	-	5,253
Net Cash/(Debt) Adjusted	(3,841)	22,061	(25,902)

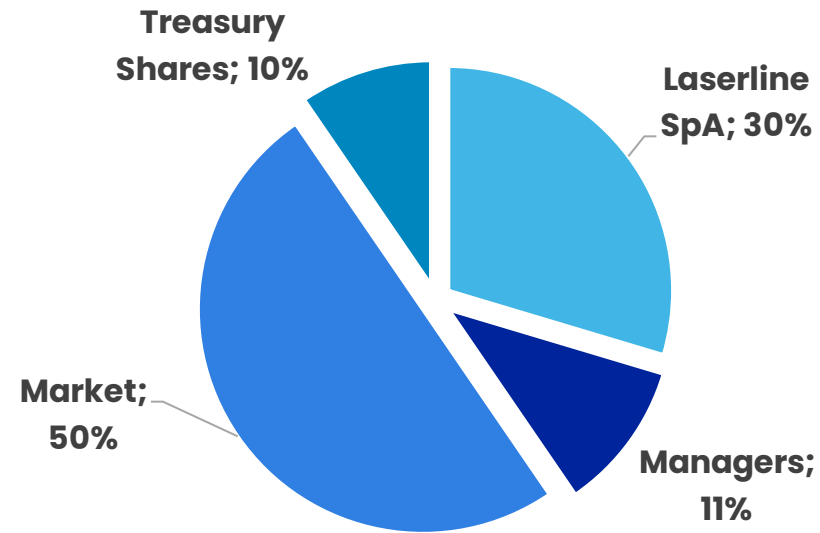


€ thousand	31.12.2021	31.12.2020	Change
Intangible assets	52,626	37,653	14,973
Tangible assets	12,126	7,460	4,666
Other fixed assets	16,529	2,299	14,230
Fixed Assets	81,281	47,412	33,869
Inventories	7,810	4,749	3,061
Trade receivables	43,156	35,411	7,745
Other short term assets	8,864	5,782	3,082
Trade payables	(6,303)	(4,176)	(2,127)
Tax payables	(5,700)	(5,147)	(553)
Other payables and short term liabilities	(23,650)	(17,471)	(6,179)
Net working capital	24,177	19,148	5,029
Severance and other non current liabilities	(3,297)	(2,757)	(540)
Capital employed - Continuing Operations	102,161	63,803	38,358
Shareholders' equity	92,655	85,454	7,201
Shareholders' equity - minority interest	412	409	3
Net financial debt	9,094	(22,060)	31,154
Financing of capital employed	102,161	63,803	38,358



Shareholding Structure December 31st, 2021*

Latest Public Data Available as of 31 December 2021

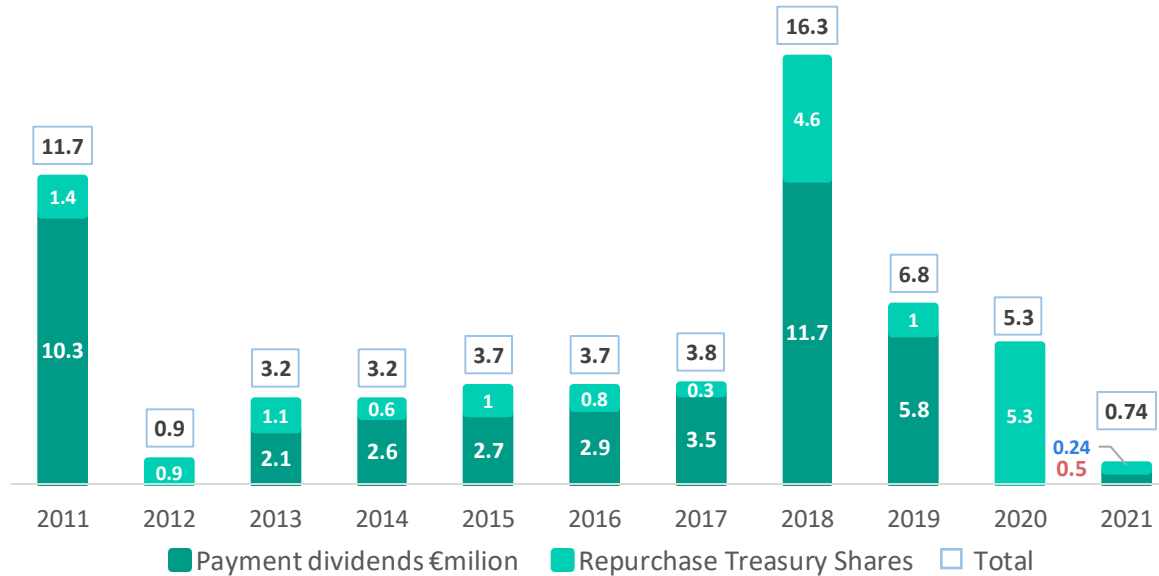


Market Data

Share Price Dec 31st, 2018	9.66€/share
Share Price Dec 31st, 2021	10.14€/share
Mkt Dec 31st, 2021	119.3m €
Dividend Yield	<i>n.a.</i>



Dividends and Treasury Shares Repurchase (€m)



Dividends

Year	Dividends	Year	Dividends
2013	0.20 € / share	2017	0.30 € / share
2014	Free Share Distribution 1:1	2018	1.00 € / share
2014	0.25 € / share	2019	0.50 € / share
2015	Free Share Distribution 1:10	2020	nil
2015	0.25 € / share	2021	0.04 € / share
2016	0.25 € / share	2022	nil

With the aim of best pursuing the accelerated growth plans through acquisitions and continuing investments in proprietary platforms to increase the value of the Group and, also in view of the current situation of geopolitical uncertainty and macroeconomic instability, the Board resolved to propose to the General Meeting not to distribute a dividend.

The Board discussed the possibility of distributing a dividend during the year linked to market developments and future economic and political contingencies.



Q & A