



# **TXT Group: H1-2022 Results**

Call with Investors  
August 4 | 11.00am (CEST)

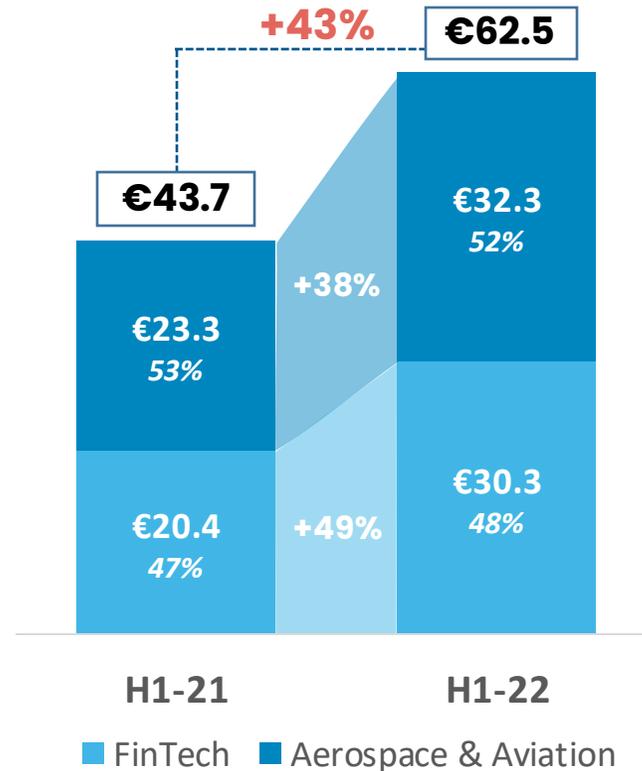
Daniele MISANI, CEO  
Andrea FAVINI, IR



Strong growth of revenues and EBITDA driven by synergies and M&A contribution

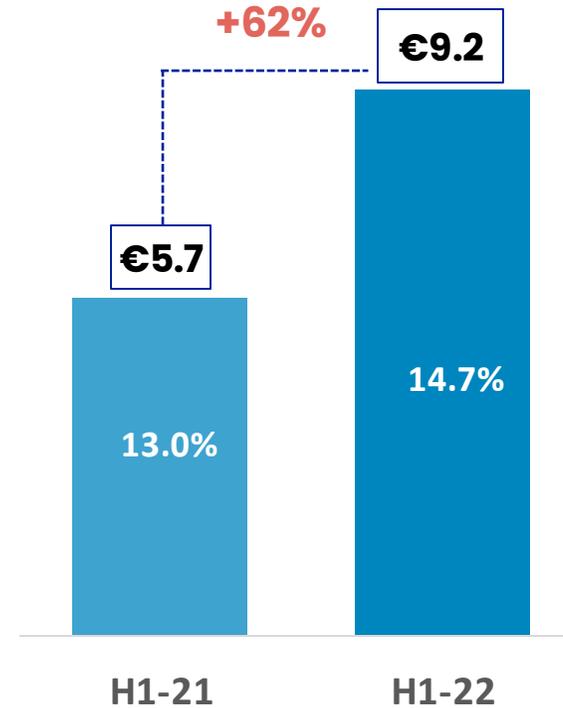
H1 2022 results

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



M&A contribution for H1:  
€ 10.2Mn (+23%)

**EBITDA**  
(€mn, % on total revenues)



M&A contribution for H1:  
€ 2.0Mn





Solid Organic  
Growth

**+20%**  
vs. H1-2021



Positive M&A  
Contribution

**+€10 Mn**  
Revenues H1-2022



NET  
PROFIT

**+70%**  
**€3.5 Mn**  
5.6% of Revenues



**#neverbetter.**

# Value creation: H1 2022



## EBIT

**€ 6.7Mn** H1-22, **+92%** vs. H1-21



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

**€ 4.0Mn** H1-22, **+19%** vs. H1-21



## SOFTWARE LICENSES REVENUES

**€ 4.7Mn** +16% vs. H1-21, **+ € 14.5Mn** from services around proprietary SW



## INTERNATIONAL REVENUES

**€ 18.2 Mn** 29% of total revenues



## SOLID FINANCIAL STRUCTURE + TREASURY SHARES AVAILABLE FOR GROWTH

**€ 2.3Mn** (Net Financial Debt Adjusted) **+ € 15 Mn\*** in Treasury Shares

*\* Value calculated with stock price of € 12 per share (Share Price June 30th, 2022)  
Excluded treasury shares to be transferred for 2021 M&A*



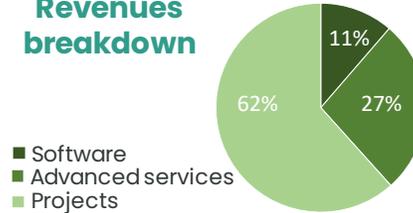
## Aerospace & Aviation

 Turnover H1-2022: 32.3M €  
**+38%**

 EBITDA margin H1-2022  
**17%**

 International revenues  
**37% of total**

Revenues  
breakdown



- Software
- Advanced services
- Projects



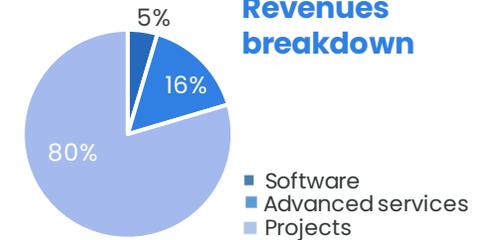
## Fintech

 Turnover H1-2022: 30.3M €  
**+49%**

 EBITDA margin H1-2022  
**12%**

 International revenues  
**21% of total**

Revenues  
breakdown



- Software
- Advanced services
- Projects



# **\_H1-22 Main Events & Future Evolutions**

## Public Sector: TXT, through HSPI, has been awarded with multi-year contracts since 2022 started



- HSPI – a TXT Company, in the first seven months of 2022 has been awarded multi-year contracts related to CONSIP (purchasing center of the Italian public administration) public tenders for the digitalization of the Italian public sector;

## Fintech: FARADAY proprietary platform for AML and Risk Management is gaining market shares



- TXT Risk Solutions – a TXT Company, has been awarded in July with new subscription-based contracts for the supply of its proprietary AML platform to new strategic customer;
- ARR are € 0,3 Mn with a possible ramp-up in the future.

## Civil Aviation: first customer in the cargo segment equipped with PACE's real-time flight-profile-optimizer



- PACE – a TXT Company, signed in July 2022 his first contract with a North American cargo airline for the supply of its proprietary real-time flight-profile-optimizer;
- The initial contract has a duration of 3-years and a value of \$ 5Mn, of which \$ 0.5Mn in 2022 and a ram-up phase that will lead to ARR of approximately \$ 2.5Mn.

## Innovation: SYNERGIES Research project to strength Artificial Intelligence assets and competences



- TXT has acquired project SYNERGIES under the new Horizon Europe program; TXT will coordinate a consortium of 22 partners around EU;
- SYNERGIES will shape the data path for the energy transition implementing a reference data space and artificial intelligence algorithms for the optimisation of the consumptions



## NEW M&A: ENNOVA Spa

- TXT continues its accelerated growth project and diversification of its digital offering with the announcement of the acquisition of 78.56% of the capital of Ennova SpA (Ennova'), an Italian specialist in the digitisation of processes and products of large customers and SMEs;
- Ennova's financial results in 2021 reached sales revenues of Euro 61 million and EBITDA Adjusted of Euro 5.3 million, with forecasts for 2022 improving;
- Ennova, founded in 2010 in the Innovative Companies Incubator of the Politecnico di Torino as a start-up, over the last decade has positioned itself among the leading Italian technology players supporting the digital transition in key, fast-changing sectors;
- The closing of the deal occurred on July 29<sup>th</sup>, 2022, and TXT will consolidate Ennova's results upon completion of its new governance structure, expected by the end of the third quarter of 2022.

Stronger positioning in  
**Digital Innovation** market



## NEW M&A: DM Management & Consulting Srl

- TXT continues the process of expanding its Smart Solutions IoT portfolio with the acquisition of 100% of the capital of DM Management & Consulting Srl ("DM"), an Italian small enterprise specialising in the consultancy and sale of proprietary MES/MOM software for factory management, which will complement the TXT Group's IoT offering;
- DM was founded in Parma (Italy) in 2011 by the company's current directors and in 2013 it launched the first version of its proprietary MES/MOM DMP platform on the market, then sustained a constant process of investment in R&D that led to new software releases and continuous business growth fostered by the acquisition of many important customers, both domestic and international;
- In 2021, DM reported ARR of about Euro 0.5 million (on Adj Sales Revenues of Euro 1.2 million) and EBITDA margin of 25% with an expected annual revenue growth rate (CAGR) of 30% in the three-year period 2022-2024, also due to group synergies.
- The closing of the deal occurred on July 19th, 2022, and TXT will consolidate DM's results from the following day.

## Empowered Smart Solutions IoT portfolio





# **H1-2022 FINANCIALS**

# Profit & loss: H1 2022 details

€ thousand	H1 2022	%	H1 2021	%	Var %
<b>REVENUES</b>	<b>62,538</b>	<b>100</b>	<b>43,699</b>	<b>100</b>	<b>43.1</b>
Direct costs	38,482	61.5	27,085	62.0	42.1
<b>GROSS MARGIN</b>	<b>24,056</b>	<b>38.5</b>	<b>16,614</b>	<b>38.0</b>	<b>44.8</b>
Research and Development costs	3,954	6.3	3,313	7.6	19.3
Commercial costs	5,719	9.1	3,757	8.6	52.2
General and Administrative costs	5,192	8.3	3,882	8.9	33.7
<b>EBITDA</b>	<b>9,191</b>	<b>14.7</b>	<b>5,662</b>	<b>13.0</b>	<b>62.3</b>
Depreciation	2,546	4.1	1,927	4.4	32.1
Riorganization and Non Recurrent Costs	75	0.1	316	0.7	(76.3)
<b>OPERATING PROFIT (EBIT)</b>	<b>6,570</b>	<b>10.5</b>	<b>3,419</b>	<b>7.8</b>	<b>92.2</b>
Financial income (charges)	(1,371)	(2.2)	271	0.6	n.a.
Non-recurrent financial income (charges)	0	0.0	0	0.0	n.a.
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>5,199</b>	<b>8.3</b>	<b>3,690</b>	<b>8.4</b>	<b>40.9</b>
Taxes	(1,676)	(2.7)	(1,619)	(3.7)	3.5
<b>NET PROFIT</b>	<b>3,523</b>	<b>5.6</b>	<b>2,071</b>	<b>4.7</b>	<b>70.1</b>



# Profit & loss: Q2 2022 details

€ thousand	Q2 2022	%	Q2 2021	%	Var %
<b>REVENUES</b>	<b>32,020</b>	<b>100</b>	<b>22,218</b>	<b>100</b>	<b>44.1</b>
Direct costs	19,591	61.2	13,875	62.4	41.2
<b>GROSS MARGIN</b>	<b>12,429</b>	<b>38.8</b>	<b>8,343</b>	<b>37.6</b>	<b>49.0</b>
Research and Development costs	2,046	6.4	1,663	7.5	23.0
Commercial costs	2,552	8.0	1,245	5.6	105.0
General and Administrative costs	3,133	9.8	2,476	11.1	26.5
<b>EBITDA</b>	<b>4,698</b>	<b>14.7</b>	<b>2,959</b>	<b>13.3</b>	<b>58.8</b>
Depreciation	1,343	4.2	952	4.3	41.1
Riorganization and Non Recurrent Costs	0	0.0	(316)	(1.4)	(100.0)
<b>OPERATING PROFIT (EBIT)</b>	<b>3,355</b>	<b>10.5</b>	<b>1,691</b>	<b>7.6</b>	<b>98.4</b>
Financial income (charges)	(1,084)	(3.4)	15	0.1	n.a.
Non-recurrent financial income (charges)	0	0.0	0	0.0	n.a.
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>2,271</b>	<b>7.1</b>	<b>1,706</b>	<b>7.7</b>	<b>33.1</b>
Taxes	(822)	(2.6)	(873)	(3.9)	(5.8)
<b>NET PROFIT</b>	<b>1,449</b>	<b>4.5</b>	<b>833</b>	<b>3.7</b>	<b>73.9</b>



# NET Financial Debt: Solid financial position

€ thousand	30.06.2022	31.12.2021	Var
Cash	57,640	36,076	21,564
Trading securities at fair value	47,325	48,869	(1,544)
Other Short Term Financial Assets	647	-	647
Short term Financial Debts	(44,752)	(47,125)	2,373
<b>Short term Financial Resources</b>	<b>60,860</b>	<b>37,820</b>	<b>23,040</b>
Non current Financial Debts - Lessors IFRS 16	(4,030)	(4,209)	179
Other Non current Financial Debts	(61,016)	(45,260)	(15,756)
Non current Financial Debts	(65,046)	(49,469)	(15,577)
<b>Net Available Financial Resources</b>	<b>(4,186 )</b>	<b>(11,649 )</b>	<b>7,463</b>
Non-monetary debts for adjustment of the price of the 2021 acquisitions to be paid in TXT shares	1,892	5,253	(3,361)
<b>Net Cash/(Debt) Adjusted</b>	<b>(2,294 )</b>	<b>(6,396 )</b>	<b>4,102</b>



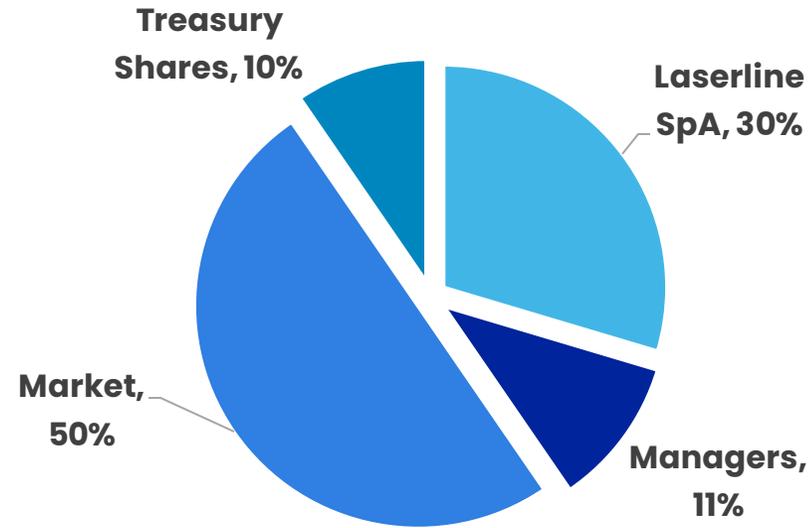
# Balance sheet: details

€ thousand	30.06.2022	31.12.2021	Change
Intangible assets	54.107	55.182	(1.075 )
Tangible assets	12.702	12.126	576
Other fixed assets	17.017	16.529	488
<b>Fixed Assets</b>	<b>83.826</b>	<b>83.837</b>	<b>(11 )</b>
Inventories	15.796	7.810	7.986
Trade receivables	31.062	43.156	(12.094 )
Other short term assets	9.223	8.864	359
Trade payables	(6.405 )	(6.303 )	(102 )
Tax payables	(5.570 )	(5.700 )	130
Other payables and short term liabilities	(23.520 )	(23.650 )	130
<b>Net working capital</b>	<b>20.586</b>	<b>24.177</b>	<b>(3.591 )</b>
<b>Severance and other non current liabilities</b>	<b>(3.046 )</b>	<b>(3.297 )</b>	<b>251</b>
<b>Capital employed - Continuing Operations</b>	<b>101.366</b>	<b>104.717</b>	<b>(3.351 )</b>
Shareholders' equity	97.180	92.655	4.525
Shareholders' equity - minority interest	0	412	(412 )
Net financial debt	4.186	11.649	(7.463 )
<b>Financing of capital employed</b>	<b>101.366</b>	<b>104.716</b>	<b>(3.350 )</b>



## Shareholding Structure June 30<sup>th</sup>, 2022\*

*Latest Public Data Available as of 30 June 2022*



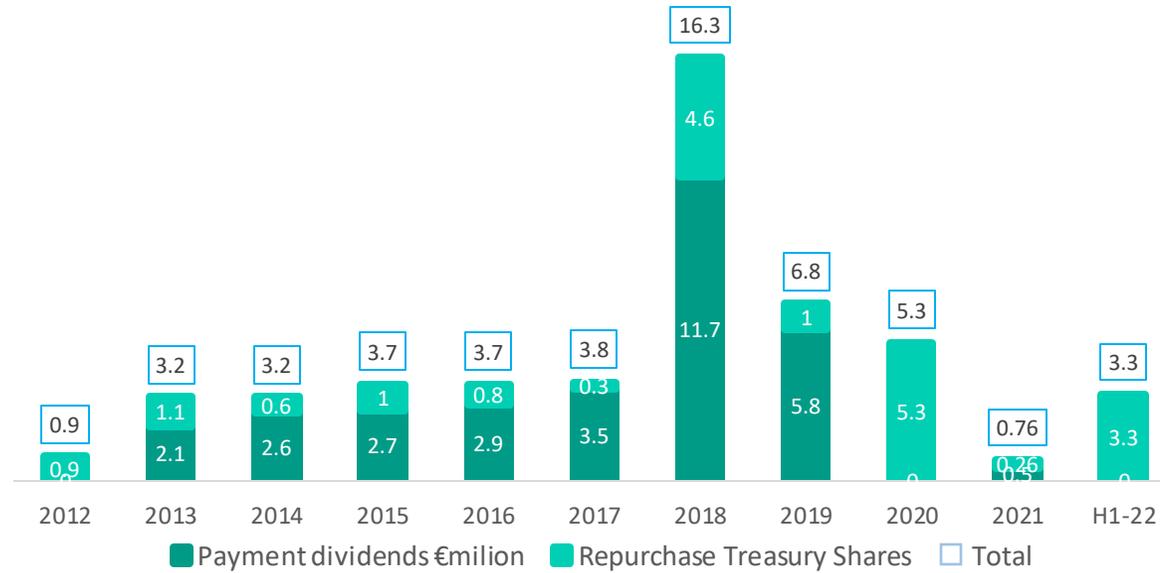
### Market Data

Share Price Dec 31st, 2018	9.66€/share
Share Price Jun 30th, 2022	10.60€/share
Mkt Jun 30th, 2022	124.5m €
Dividend Yield	<i>n.a.</i>



\_Dividends & shareholding's return

## 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