

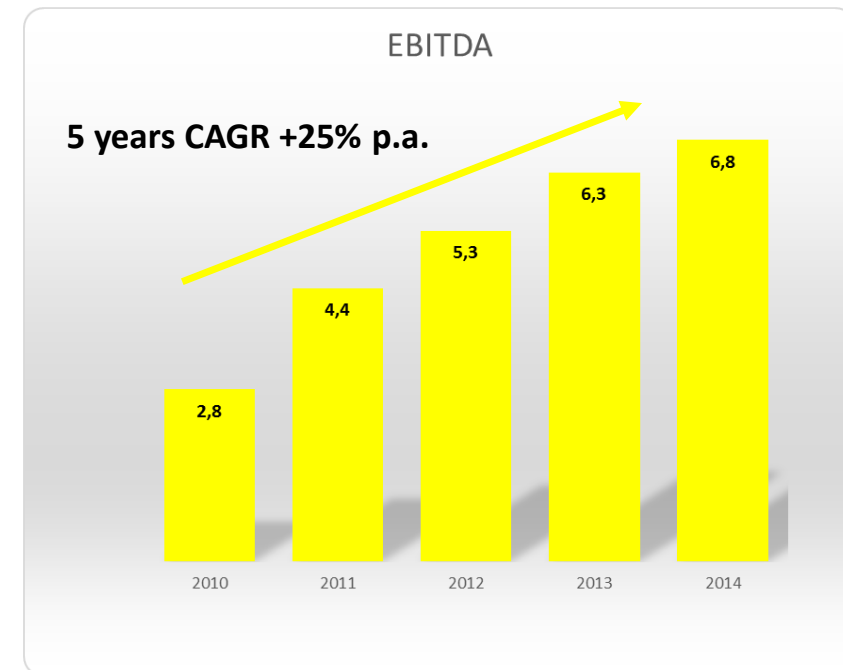
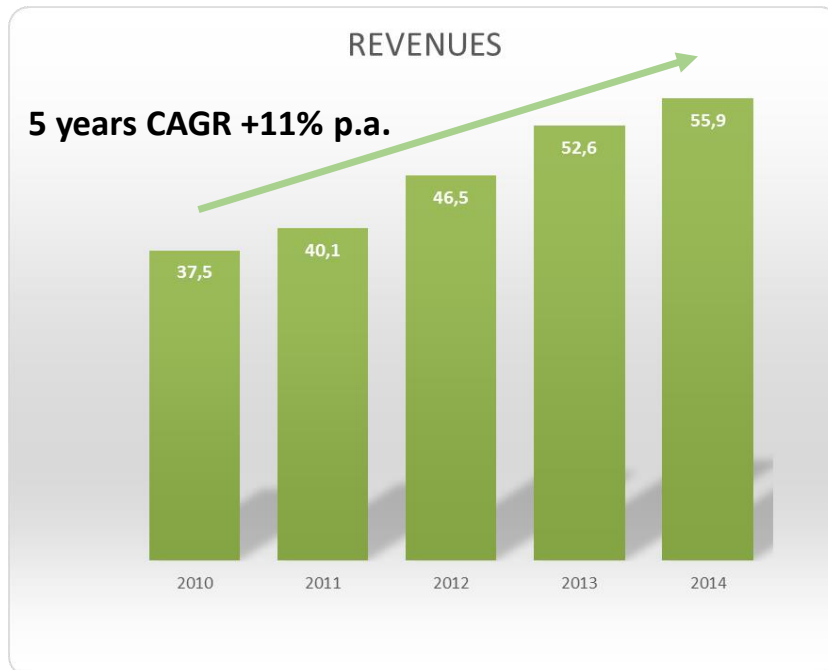
TXT e-solutions

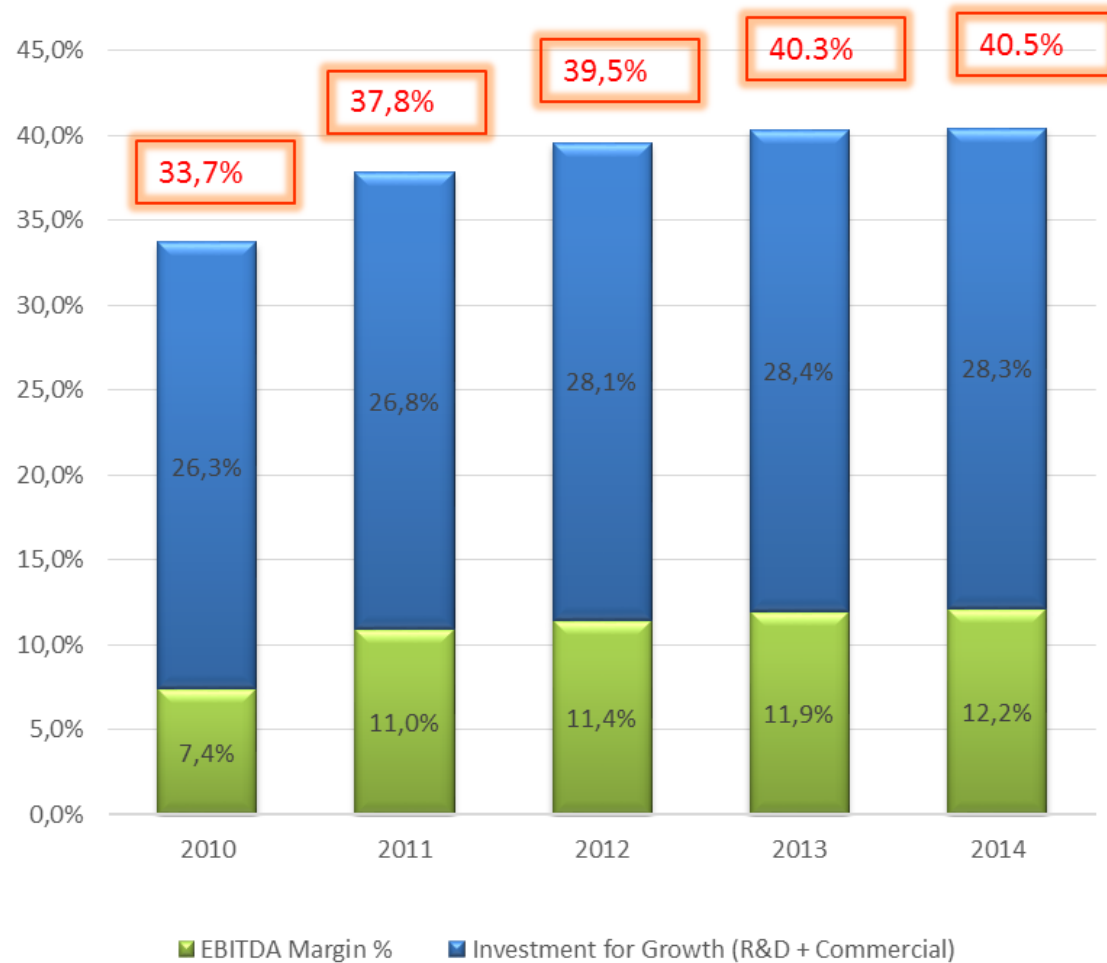
# Corporate Presentation

March 2015



- **Revenues:** 55.9 m€ (+6.3%), 57% from Int'l Operations
- **EBIT:** 5.5 m€ (+10%)
- **Cash Flow from Op.** 9.3% of Revenues
- **NFP:** 8.5m€ (+ Treasury shares worth approx. 12 m€)





## R&D Investments: strengthen leadership:

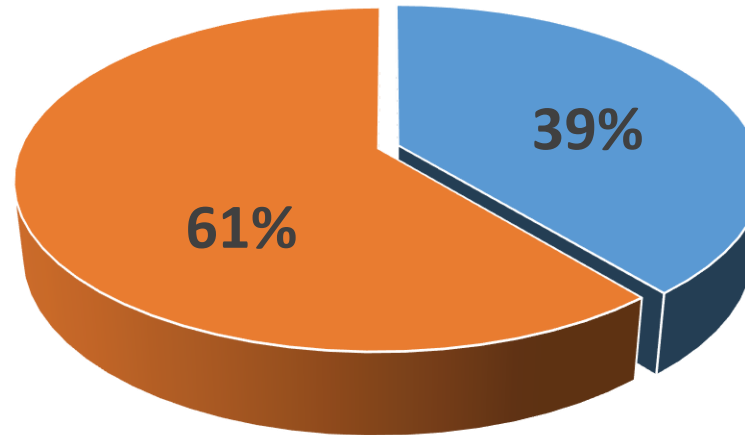
- 2010: 2,5 m€
- 2014: 4.7 m€

## Commercial Investments: foster Int'l growth:

- 2010: 7,4 m€
- 2014: 11.1 m€

**TXT**PERFORM

+7,7% vs. 2013



**TXT**NEXT

+4,2% vs. 2013

## International Software Vendor

Major Growth & Profit Opportunity, through direct investments & acquisitions: **Retail**

- Integrated Planning & Product Lifecycle Management Software ...
- ... for Fashion, Luxury & Specialty Retailers

Emerging Opportunity: **CPG & Manufacturing**

- Sales & Operation Planning and Supply Chain Collaboration Software ...
- ... for CPG & Manufacturing Industries

## Advanced System Integration

Mature Business, Int'l growth possible through acquisitions: **Aerospace & High-Tech**

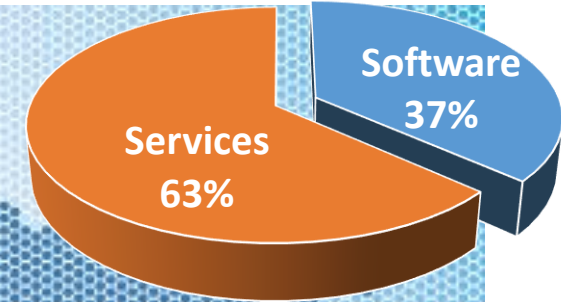
- Embedded Software & Simulation-based Training solutions ...
- ... for Aerospace, Automotive & Transport

Emerging Opportunity: **Banking & Finance**

- Independent Testing of Software ...
- ... for Banking & Finance organisations

## Strategy - Global leader in:

**Retail Planning solutions for Fashion, Luxury & Specialty Retailers:** end-to-end, from collection to stores

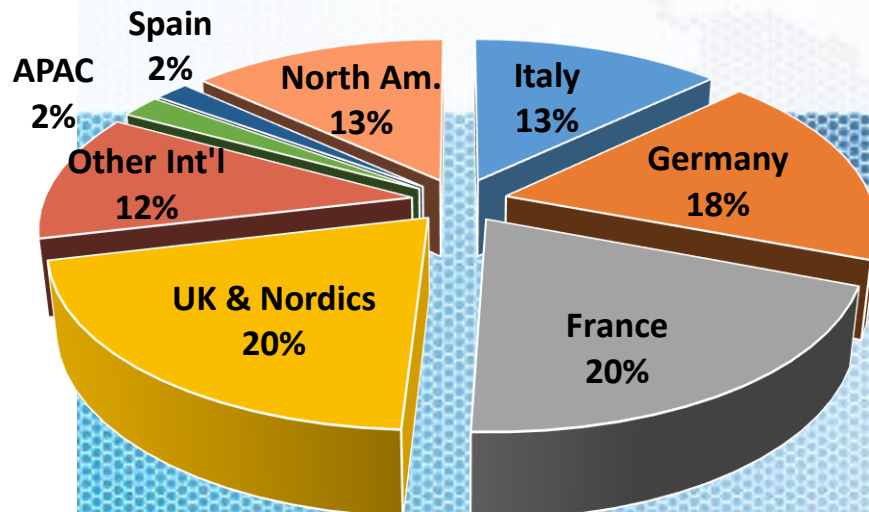


**AMERICAS**  
Toronto, CA  
Atlanta, USA

**EUROPE & AFRICA**  
Milan, IT - Head Office  
Barcelona, SP  
Bari, IT  
Chemnitz, DE  
Genova, IT  
Halle (Saale), DE  
Leicester, UK

Lyon, FR  
Paris, FR  
Roma, IT  
Torino, IT  
Vicenza, IT  
Wynyard, UK

**ASIA PACIFIC**  
Sydney, AU  
Hong-Kong





- 15 New Major Customers in last 12 months; 50+ Go-Lives of Major Projects ...
- ... across all Segments & Geographies

## Luxury



## Global Brands



## Fast Fashion



## Mixed Goods

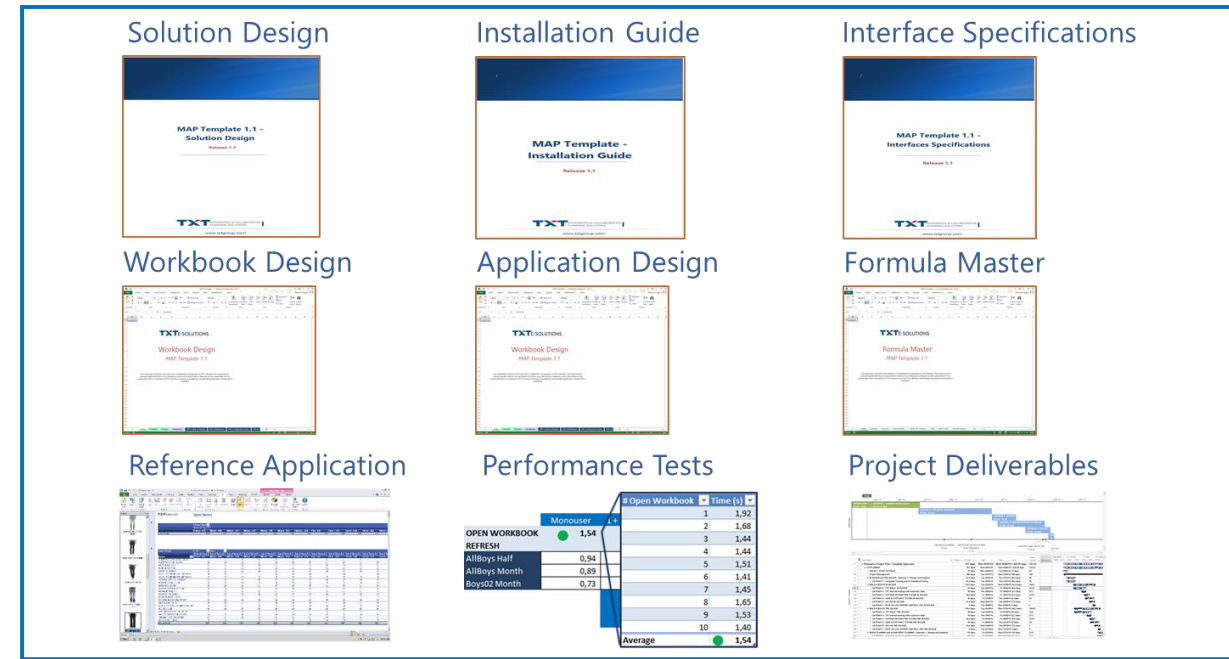


## End-to-End Retail: «Assortments Planned for Success»



## AgileFit:

«Global Best Practices, Fitted to your Strategic Needs, Fast»



## Key Customer Benefits: improve sales & margin

- More accurate & consistent planning, faster reaction
- End-to-End: From strategy to operations; PLM, Planning & Supply Chain; from collection to stores & e-commerce
- Effective support of Multi Channel business models
- Modular & Integrated: customers can start small & scale up

## Key Customer Benefits

- «Best Practice» ready to go: faster Time to Benefits
- Reduced Project Risk
- Lower Project Costs
- Easier support & lower TCO

## Recognised leader in Fashion, Luxury & Specialty Retail: a static and obsolete competitive landscape, with high barriers to entry

Figure 1. Magic Quadrant for Merchandise Assortment Management Applications



### Strengths according to Gartner

- TXT Planning uses an Excel-based user interface, which ensures that all teams feel at ease using the solution from Day 1.
- TXT is one of the two most highly scored vendors that were analyzed for innovation
- TXT ranked just below Oracle in providing the most complete set of functional capabilities  
Visual planning capabilities allow users to associate images with a style or style component, enabling navigation and analysis of the assortment plan visually, thus bringing the user experience to new levels of intuitiveness. Advanced analytics are available within the solution so users can concurrently plan and carry out what-if scenarios in order to understand the implications of decisions on operational and financial KPIs.
- The company is responsive to its customers' requirements and achieved the second highest rating for product functionality.

### Cautions according to Gartner

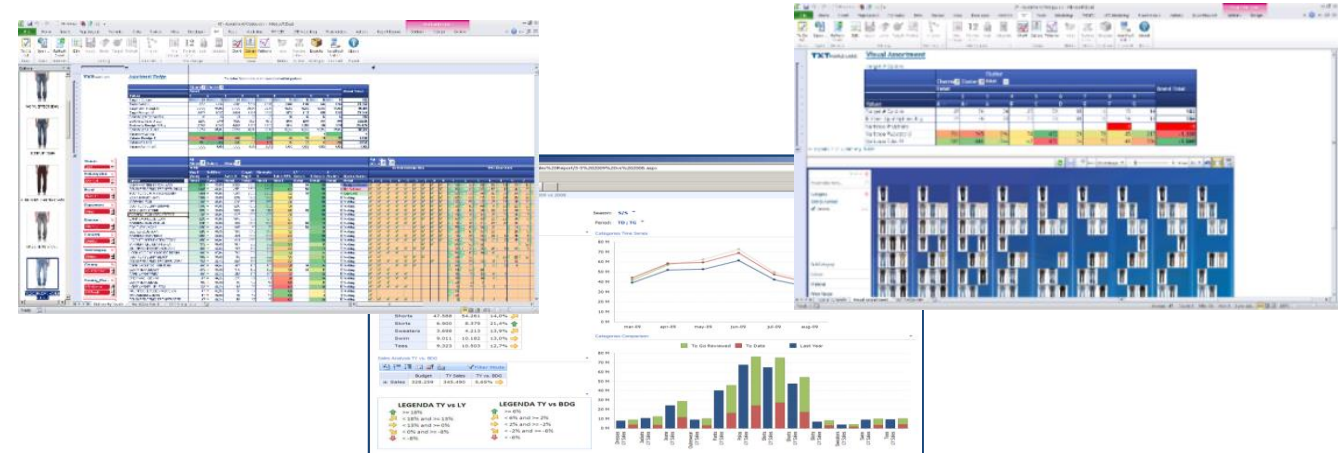
- TXT has a limited presence in Asia/Pacific, Africa, the Middle East and Latin America.
- TXT has a significant customer base in the luxury goods, fashion and apparel industries. However, it doesn't focus on the food side of grocery/convenience retail chain stores, which can be relatively bigger in size and can spend more on modernization. This leaves the company catering to just the nonfood retail segments.

**Gartner assessment across ALL types of merchandise**



- Lowering barriers to adoption

- Outstanding Usability



- Mobility: PLM & Planning on any device, anywhere



- Total Cost of ownership: TXT On-Cloud

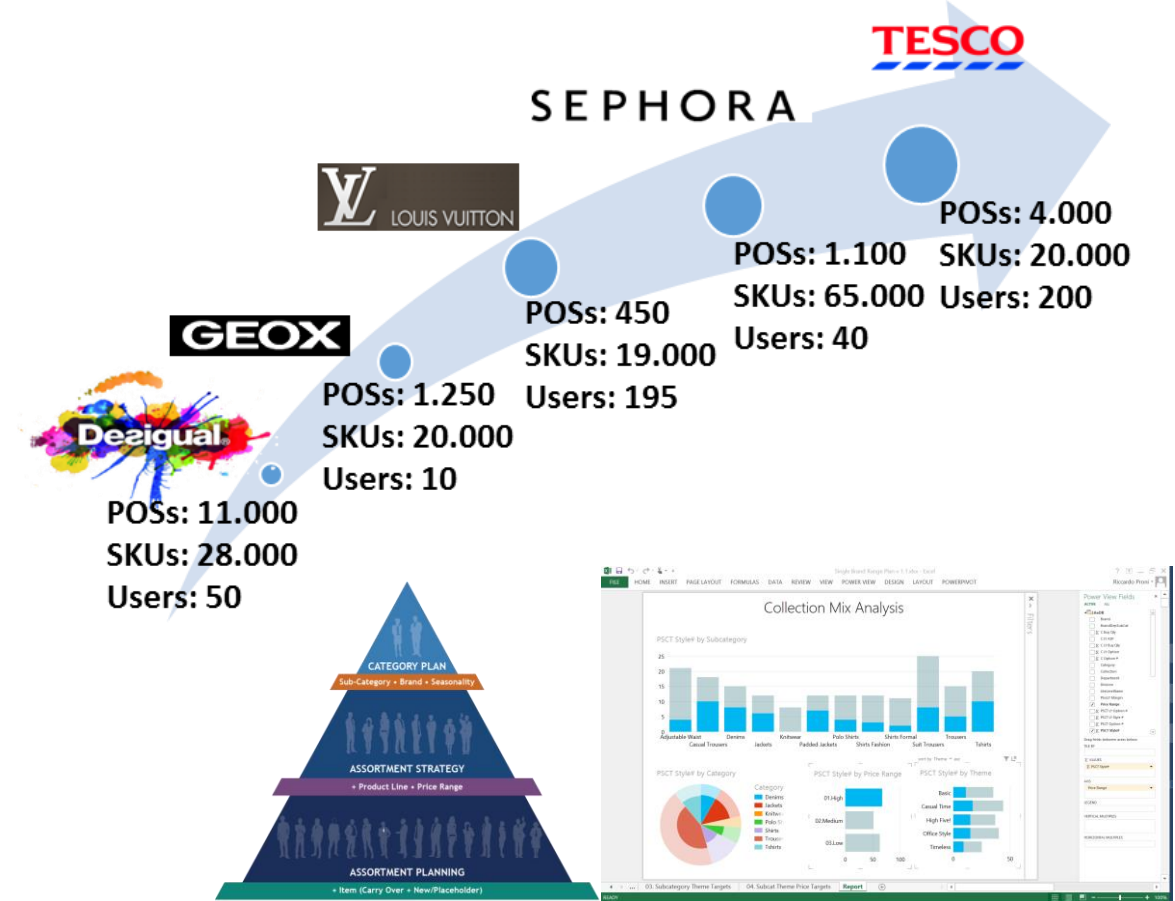


## • Technology & Functional Evolution

- Unique Scalability & Performance with In-Memory Technology

- Collaborative Planning based on Simulation & Analytics capabilities

- Leveraging on Microsoft Global Technology Partnership



Baseline **organic growth**, accelerated through **targeted acquisitions**, sustained by continuous investments in **product & business process innovation**, self-financed through **Profit & Cash** generated by the business & growing **Stock value**

## Geographical Expansion

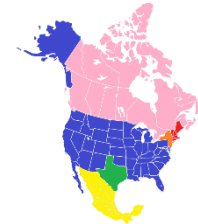


2000-2012



European Leadership

2012-2014



Start-up North America

2015 → ...



Start-up APAC:  
Global Leadership

## Retail Segments



Fashion & Luxury Brands  
Larger Co.

2000-2010



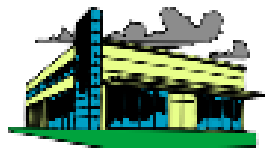
Specialty Retailers  
Larger Co.

2010-2014



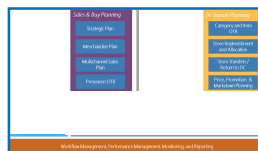
Multichannel & On-Line  
Larger + Mid-Tier

2015 → ...



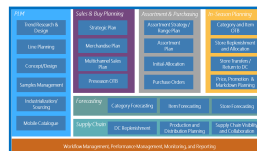
Department Stores  
Lower Tiers

## Products & Service Offering



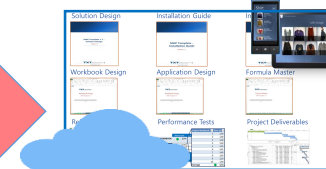
Planning  
Delivery & Support

2000-2010



«End-to-End Retail» Vision  
Delivery & Support

2010-2014



Mobile & Cloud  
AgileFit

2015 → ...



Customer Analytics  
Best Practices Services

- 





## In-depth Industry Know-how:

Since 30 years

Partner for our clients to boost their engineering capabilities



### AEROSPACE

 **AgustaWestland**  
A Finmeccanica Company

 **Alenia Aermacchi**  
A Finmeccanica Company

 **Selex ES**  
A Finmeccanica Company

 **Avio Aero**  
A GE Aviation Business

 **ema**



### AUTOMOTIVE & TRANSPORTATION

 **brembo**  **TRW**

 **ALSTOM**  **BOMBARDIER**

 **Faiveley**  
TRANS. VORT

 **MAGNETARELLI**

 **IVECO**  
TRANSPORT IS ENERGY

 **FIAMM**  
Your World, Our Energy.

 **PIRELLI**



### HIGH TECH

 **bticino**

 **CESI**

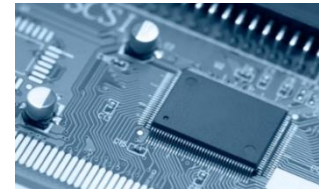
 **GAMBRO**

 **SIEMENS**

 **Wayne**  
FUELING SYSTEMS

« **TXT**NEXT Inside!»

## THROUGHOUT THE ENTIRE VALUE CHAIN



### EMBEDDED SYSTEMS



### TRAINING & OPERATIONAL SUPPORT SYSTEMS



### DIGITAL MANUFACTURING



Healthy & profitable growth around the «as-is» perimeter, building on a baseline revenues stream from long-lasting relationships with core clients, and targeting International opportunities, both organically & through Acquisitions.

## Geographical Expansion

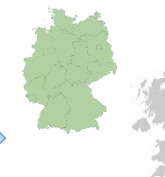


2000-2010



«Follow my Customers»  
in 24 Countries WWide

2010-2014



Organic Presence  
in UK & D

2015 → ...



Organic Growth +  
Int'l Acquisitions

## Industry Segments



2000-2010



Hi-Tech

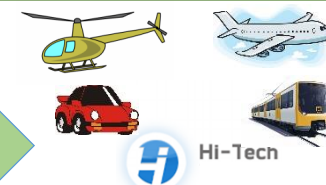
Start-up Hi-Tech

2010-2014



Start-up Transportation

2015 → ...



Consolidate Aero Int'l  
Grow Auto, Rail & High-Tech

## Offering



Embedded Software

2000-2005



Simulation & Training

2005-2014



Digital Manufacturing

2015 → ...



Internet of Things

- Approx. 6 m€ in 2014; market focus: Italy
- A growing customer base of mid-large Banks
- Long-lasting relationships with healthy clients



- Core Offering: Italian leadership in
  - **Independent Testing of Software:** from functional & performance testing to mobile & security testing, under the push of Italian & EU regulatory requirements



- **Intranet Portal & Smart Working Solutions**



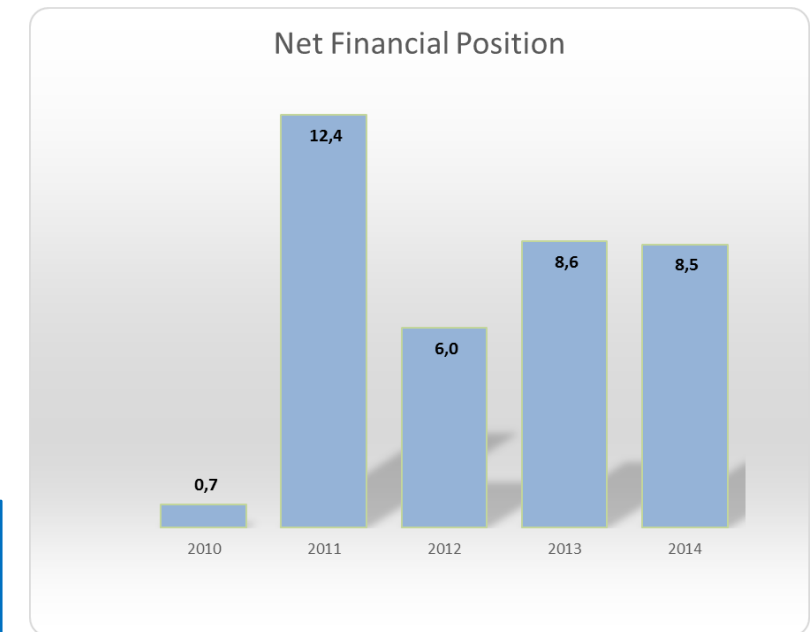
- TXT Retail
  - A dynamic, **large & growing Global Market**, a sustainable **leadership position** (Products, Team & Customer Base), **multiple drivers** of growth
  - 2014: further consolidated Europe, significantly **strengthened North America** (Brand recognition, Team & Customer Base) and **major Product evolution** (performance & scalability, usability, AgileFit)
  - 2015 (and beyond) - the next step in our Global leadership journey: **start-up APAC** market, **Cloud services**, **Customer Analytics**, continue searching for further targeted acquisitions
- TXT Next - Aerospace & High-Tech
  - Highly **fidelised customer base**, partner of choice of all key Italian players, **solid team** and specialised know-how
  - 2014: refined Value Proposition, **grown Customer Base** in Italy and consolidated operations in **UK & D**, started searching for **acquisition** targets in Europe
  - 2015: continue developing **organically** and searching for **targeted acquisition** opportunities to accelerate **international** growth
- TXT Group: 2 opportunities to drive, from a **solid starting point**, upside **longer-term growth**
  - TXT Perform: S&OP and Supply Chain Collaboration software for CPG & Manufacturing Industries
  - TXT Next - Banking & Finance: Independent Testing of Software for Banking & Finance organisations

# APPENDIX – FINANCIAL DETAILS

# 2014 Financial highlights

- Revenues: € 55.9 million (+ 6.3%)
  - +3.5% net of non-recurring revenues of € 1.5m
  - TXT Perform grew +7.7%; TXT Next grew +4.2%,
  - 57% of revenues from outside Italy.
  
- EBITDA: € 6.6 million (+8.4% compared to 2013).
  - Commercial investments (+9% compared to 2013) for headcount and events North America
  - Non-recurring revenues/costs of € 1.1m
  
- Net income: € 4.2 million, or 7.5% of revenues
  
- Net Financial Position at 31.12.2014: € 8.5 million

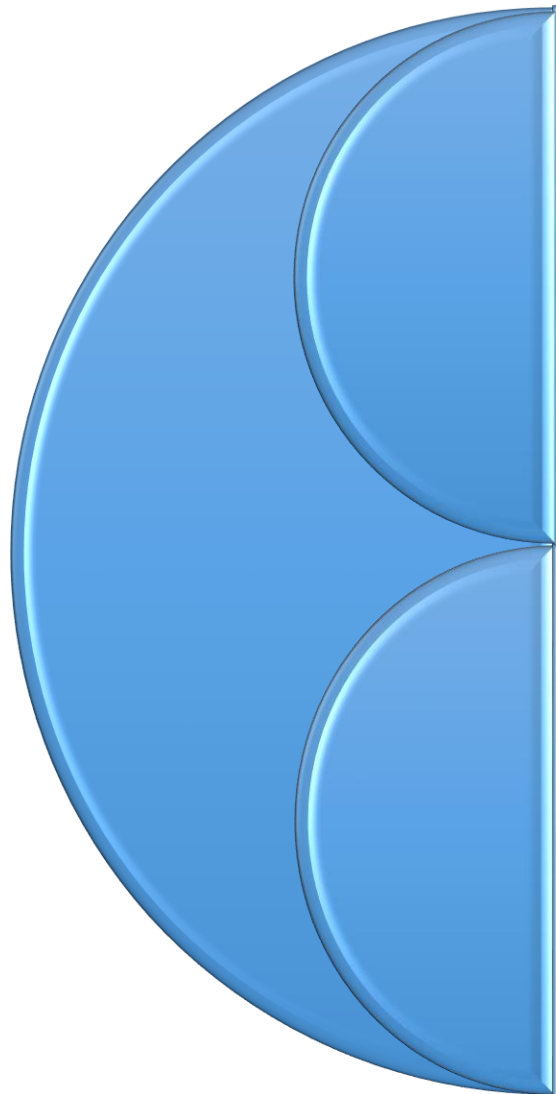
After 15m€ dividends & repurchase  
of approx. 900.000 treasury shares





<i>€ thousand</i>	2014		2013		Var %
		%		%	
<b>REVENUES</b>	<b>55.878</b>	<b>100,0</b>	<b>52.560</b>	<b>100,0</b>	<b>6,3</b>
Direct costs	26.455	47,3	24.854	47,3	6,4
<b>GROSS MARGIN</b>	<b>29.423</b>	<b>52,7</b>	<b>27.706</b>	<b>52,7</b>	<b>6,2</b>
Research and Development costs	4.698	8,4	4.761	9,1	(1,3)
Commercial costs	11.094	19,9	10.174	19,4	9,0
General and Administrative costs	6.839	12,2	6.508	12,4	5,1
<b>EBITDA</b>	<b>6.792</b>	<b>12,2</b>	<b>6.263</b>	<b>11,9</b>	<b>8,4</b>
Amortization, depreciation	1.325	2,4	1.307	2,5	1,4
<b>OPERATING PROFIT (EBIT)</b>	<b>5.467</b>	<b>9,8</b>	<b>4.956</b>	<b>9,4</b>	<b>10,3</b>
Financial income (charges)	(249)	(0,4)	(435)	(0,8)	(42,8)
<b>EARNINGS BEFORE TAXES (EBT)</b>	<b>5.218</b>	<b>9,3</b>	<b>4.521</b>	<b>8,6</b>	<b>15,4</b>
Taxes	(1.046)	(1,9)	121	0,2	n.m.
<b>NET PROFIT</b>	<b>4.172</b>	<b>7,5</b>	<b>4.642</b>	<b>8,8</b>	<b>(10,1)</b>

€ thousand	31.12.2014	31.12.2013	Var
Intangible assets	15.079	15.370	(291)
Tangible assets	1.249	1.118	131
Other fixed assets	1.692	1.362	330
<b>Fixed Assets</b>	<b>18.020</b>	<b>17.850</b>	<b>170</b>
Inventories	1.821	1.451	370
Trade receivables	18.571	16.840	1.731
Other short term assets	2.197	1.802	395
Trade payables	(1.540)	(1.504)	(36)
Tax payables	(1.117)	(842)	(275)
Other payables and short term liabilities	(13.606)	(12.934)	(672)
<b>Net working capital</b>	<b>6.326</b>	<b>4.813</b>	<b>1.513</b>
<b>Severance and other non current liabilities</b>	<b>(3.841)</b>	<b>(3.299)</b>	<b>(542)</b>
<b>Capital employed</b>	<b>20.505</b>	<b>19.364</b>	<b>1.141</b>
Shareholders' equity	28.970	27.937	1.033
Net financial debt	(8.465)	(8.573)	108
<b>Financing of capital employed</b>	<b>20.505</b>	<b>19.364</b>	<b>1.141</b>



## Dividends

- 2011: 1 € /share (extraordinary, rebased)
- 2012: Free Share Distribution 1:1
- 2013: 0.20 € /share (rebased)
- 2014: Free Share Distribution 1:1
- 2014: 0.25 € / share
- 2015: Free Share Distribution 1:10
- 2015: 0.25 € / share

## Share Price

- 31.12.2010: 1.66€/share (rebased for free share distribution)
- 6.3.2015: 9.63€ /share

