

TXT e-Solutions

Corporate Overview

March 2016



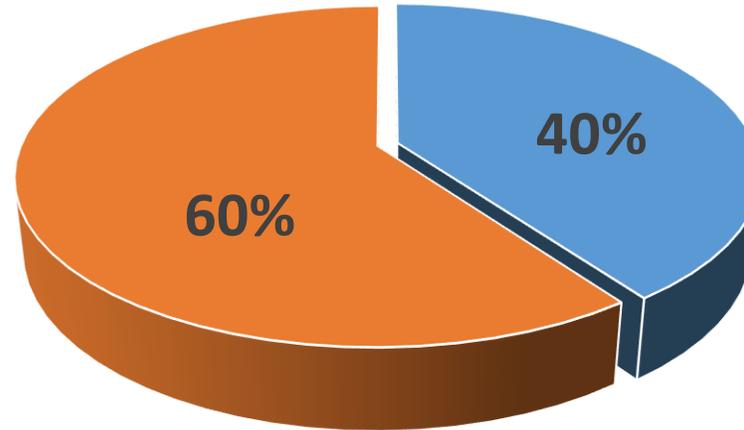
The material in this presentation has been prepared by TXT e-solutions (“TXT”) and is general background information about TXT’s activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to TXT’s businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. TXT does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside TXT’s control. Past performance is not a reliable indication of future performance.

Unless otherwise specified all information is for the Fiscal Year ended December 31th 2015.

TXTRETAIL

+12.4% vs. 2014



TXTNEXT

+14.2% vs. 2014

Fashion, Luxury & Specialty Retail

- Fashion/Luxury & Specialty Retail
- Omnichannel End-to-end Planning and Collection Development
- Global Leadership
- Global presence: Europe, North America & Asia Pacific

Aerospace, Automotive & Transport

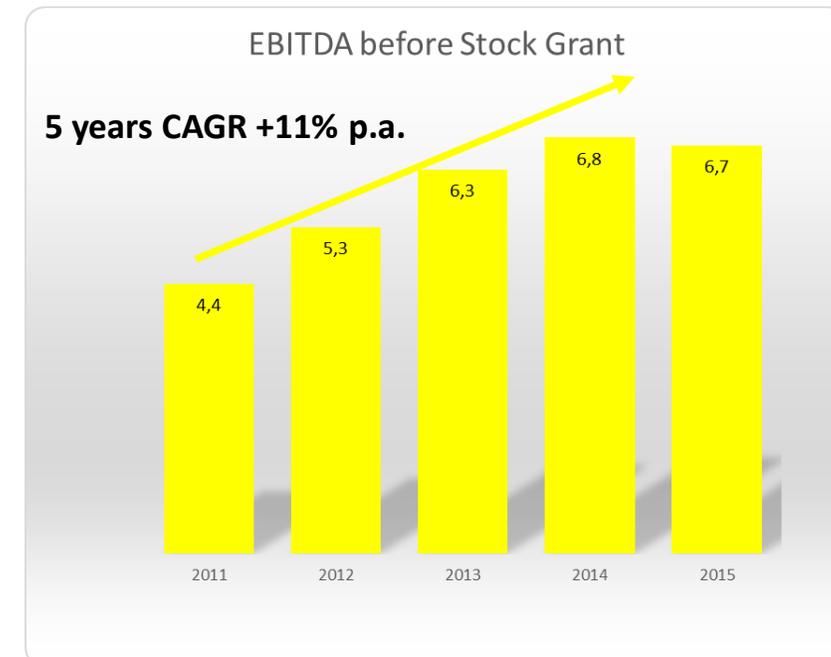
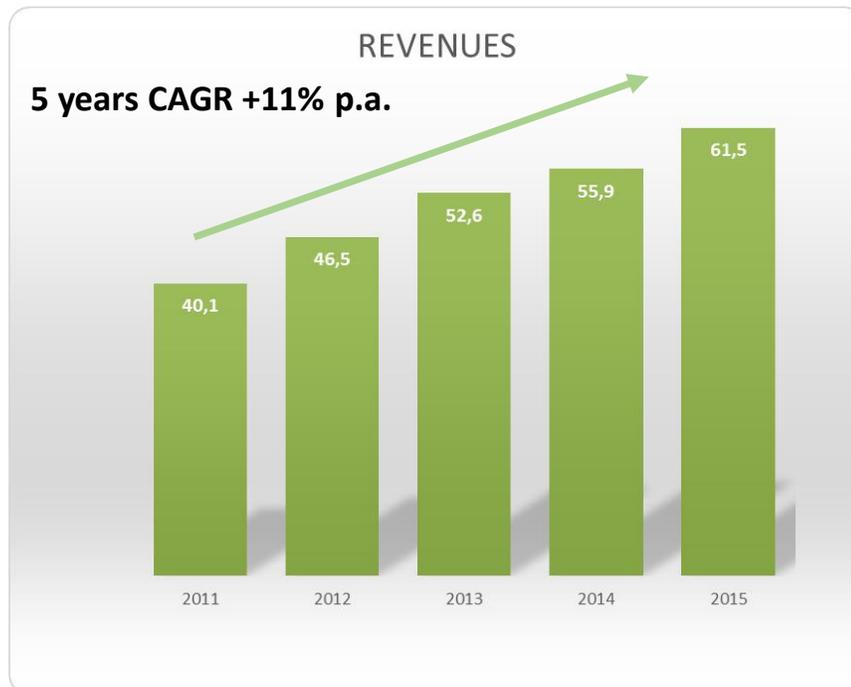
- Aerospace, Automotive & Transport
- Embedded Software & Simulation-based Training solutions.
- Leadership in Italy
- Growing international presence

FY 2014

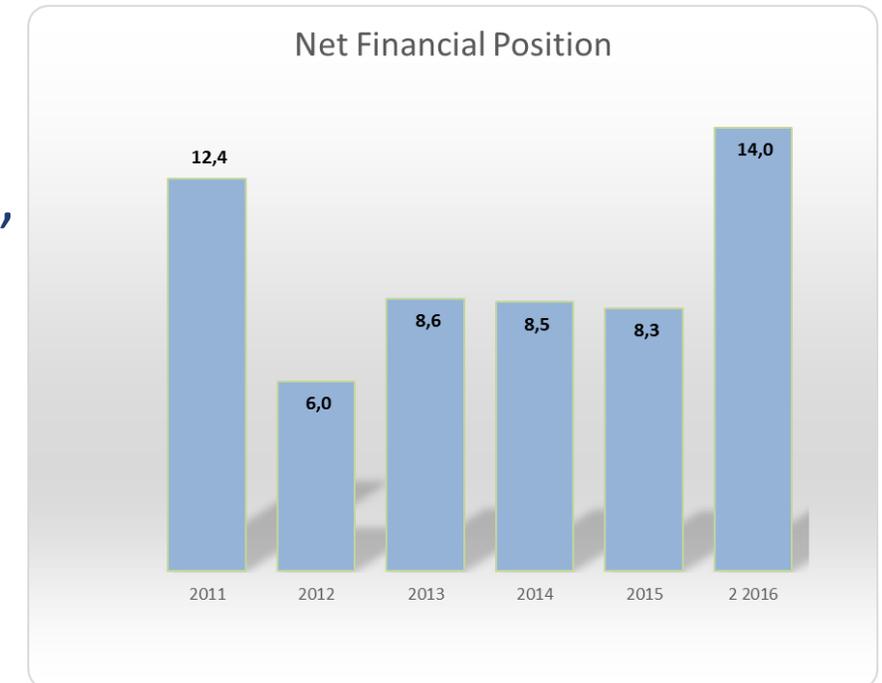
- **Revenues:** 55.9 m€ (+6.3%)
- **Net Income (Norm.)** 3.3 m€ (-10.1%)
- **Free Cash Flow** 9.3% of Rev.
- **NFP:** 8.5 m€

FY 2015

- **61.5 m€ (+13.1%)**
- **3.9 m€ (+17.4%)**
- **8.4% of Rev.**
- **8.3 m€**



- Revenues: € 61.5 million (+ 13.1% compared to normalized 2014)
 - TXT Perform grew +12.4%; TXT Next +14.2%,
 - Software revenues +26.4%; Service revenues +9.1%.
 - 55% of revenues from outside Italy.
- EBITDA before Stock Grant: € 6.7 million (+16.2% compared to normalized 2014).
 - R&D investments (+8.9%)
 - Commercial investments (+14.3%)
- EBIT: € 4.8 million (+8.8 % compared to normalized 2014), after € 0.7 million non-cash Stock Grants
- Net income: € 3.9 million
6.3% of revenues
- Net Financial Position at 29.2.2016:
€ 14.0 million



The logo for TXT RETAIL. The letters 'T', 'X', and 'T' are in a bold, blue, sans-serif font, with a red diagonal bar between the two 'T's. The word 'RETAIL' is in a smaller, grey, sans-serif font to the right of the 'T's.

Fashion, Luxury & Specialty Retail

Strategy - Global leader in:
Retail Planning solutions for Fashion, Luxury & Specialty Retailers: end-to-end, from collection to stores

Europe

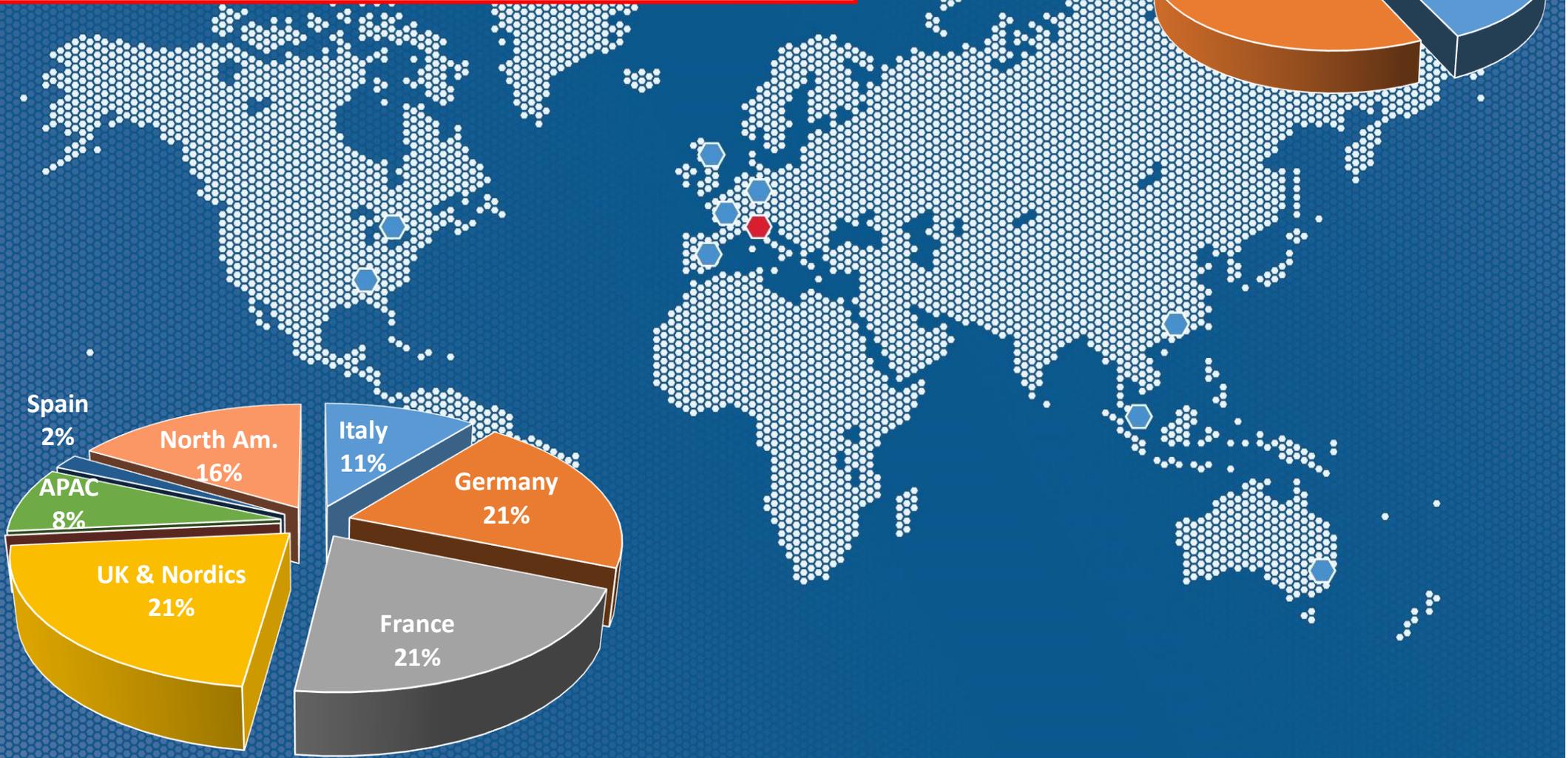
- Milano, IT - Head Office
- Barcelona, SP
- Bari, IT
- Chemnitz, DE
- Genova, IT
- Halle (Saale), DE
- Leicester, UK
- Lyon, FR
- Paris, FR
- Roma, IT
- Torino, IT
- Vicenza, IT
- Wynyard, UK

Americas

- Toronto, CA
- Atlanta, USA

Asia Pacific

- Sydney, AU
- Hong Kong



- 15+ New Major Customers and 50+ Go-Lives of Major Projects, each Year ...
- ... across all Segments, Business Models & Geographies

Luxury



Global Brands



Fast Fashion

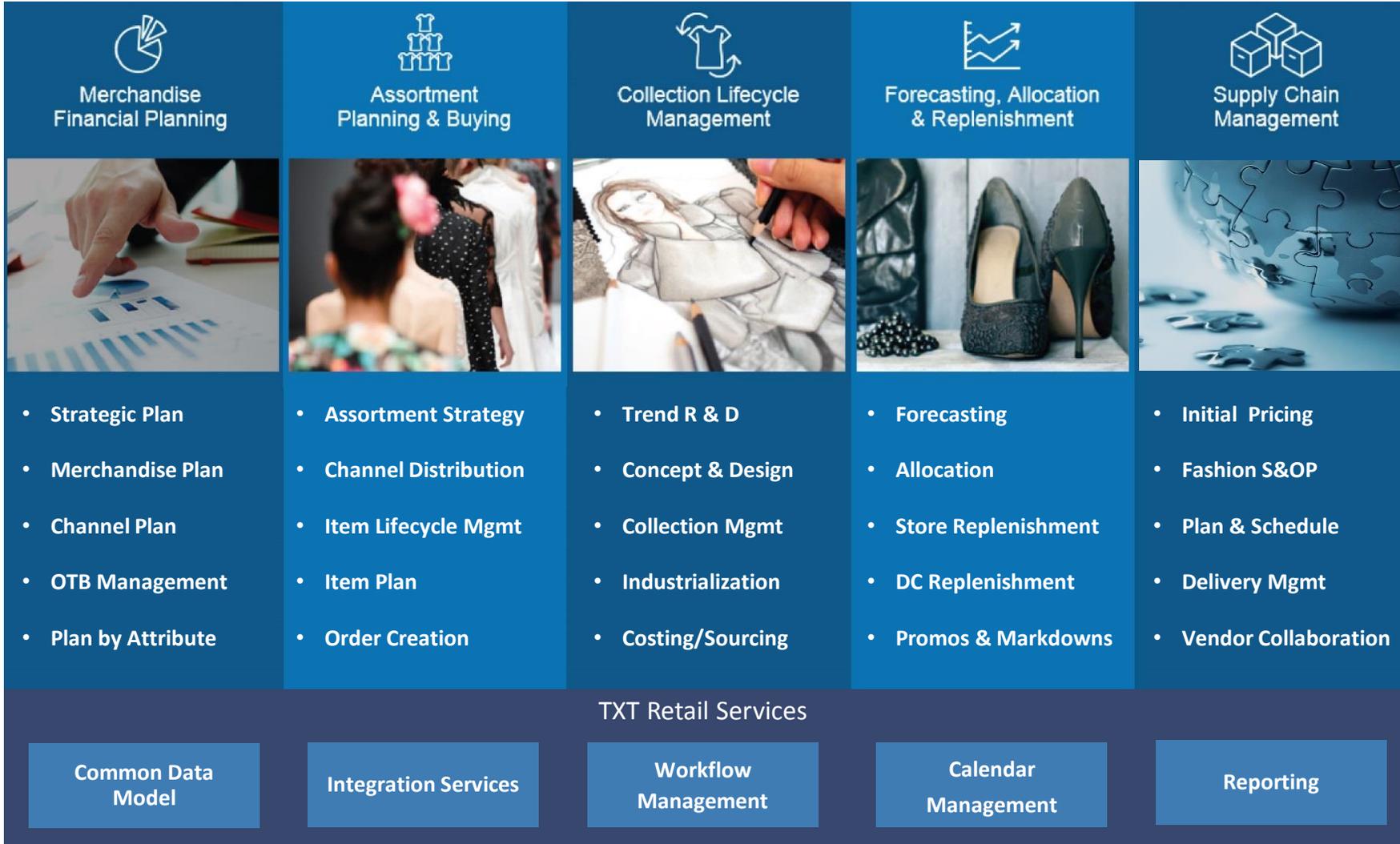


Specialty



Department Store

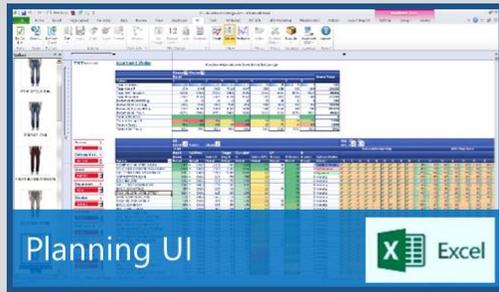




Core to Retailers' competitive differentiation is the **Merchandise Lifecycle**, the end-to-end process that encompasses:

- Understanding customer needs and opportunities,
- Devising a brand and product strategy,
- Developing and sourcing a compelling collection,
- Optimizing the assortment across markets and channels,
- Buying and delivering the products
- Managing the sell out to optimise the return on merchandise investment.

The 1st & only End-to-End Merchandise Lifecycle Management Software



Merchandise Lifecycle Process Services



Merchandise
Financial Planning



Assortment
Planning & Buying



Collection Lifecycle
Management



Forecasting, Allocation
& Replenishment



Supply Chain
Management

Workflow & Collaboration



BI, Analytics & Reporting

Planning
Data



Common
Data Model

Collection
Lifecycle
Data

TXT RETAIL 8.0

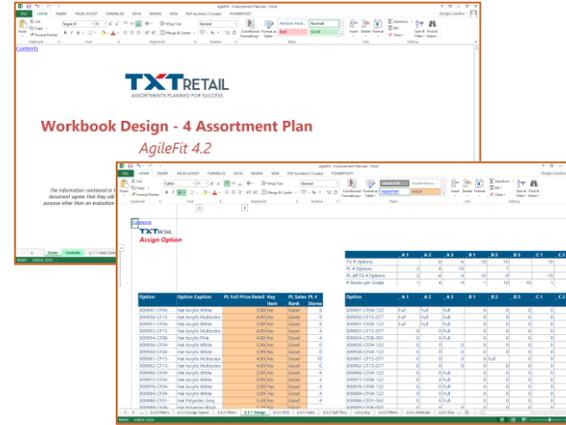
TXT Retail enables Customer-driven Merchandising Excellence through an **End-to-End Merchandise Lifecycle Management Software** featuring:

- **A unified database** that informs the End-to-End Merchandise processes
- **Real-time integration** across all Merchandise Lifecycle processes
- **Collaboration** across all actors in the Merchandise Lifecycle processes, blending art, science & mobility as appropriate
- **Productivity enhancing UI**: “2 hours adoption” thanks to the right UI for each User & Task.
- **Flexible configuration**: it helps you adopting business process best practices, and flexes as the market & your organization change

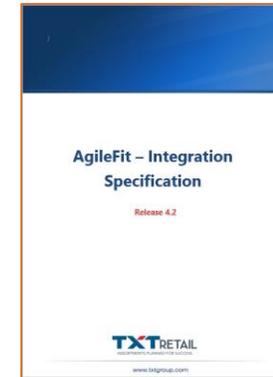
Solution Design



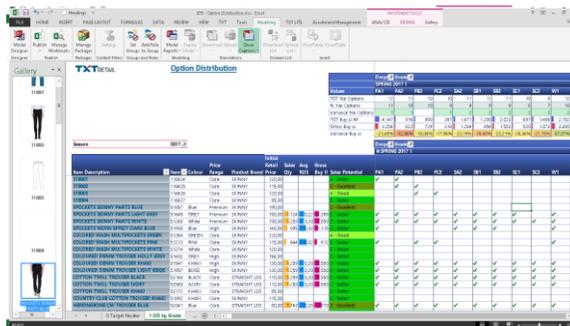
Workbook Design



Interface Specification



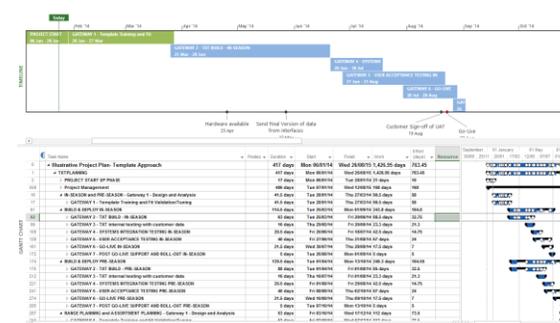
Reference Application



Performance Tests

	# Open Workbook	Time (s)
Monouser	1	1,92
OPEN WORKBOOK	2	1,68
REFRESH	3	1,44
AllBoys Half	4	1,44
AllBoys Month	5	1,51
Boys02 Month	6	1,41
	7	1,45
	8	1,65
	9	1,53
	10	1,40
Average		1,54

Project Deliverables



Mitigate Project Risk

Reduce Project Costs

Faster Time to Benefits

Higher ROI

Figure 1. Magic Quadrant for Merchandise Assortment Management Applications



Source: Gartner (August 2015)

TXT Retail receives highest product score given – 5 out of 5 – in all use cases in Gartner’s Critical Capabilities for Merchandise Assortment Management Applications Report

More specifically, the report evaluated 12 providers against 15 critical capabilities in Retail - including item clustering, item analytics with visualization, item-level planning, and automated store/channel/item assignment - with 3 different use cases scenarios: CPG and Grocery Merchandising, Fashion Merchandising, and General Merchandising.

According to Gartner the market for Merchandise Assortment Management applications continues to grow: “Now is the time for multichannel retailers to invest in assortment management applications that drive customer-centric assortments.” reports Gartner. “By 2019, 50% of Tier 1 multichannel retailers will have implemented retail assortment management applications.” *

Key Differentiators



End-to End Planning

Comprehensive & Complete



Flexibility

Omni-channel Ready – Change Proof



Adoption

2 Hours!, thanks to Excel UI & Mobility



Productivity

Collaborative, Integrated & In-Memory



Planners & Buyers together

Art & Science



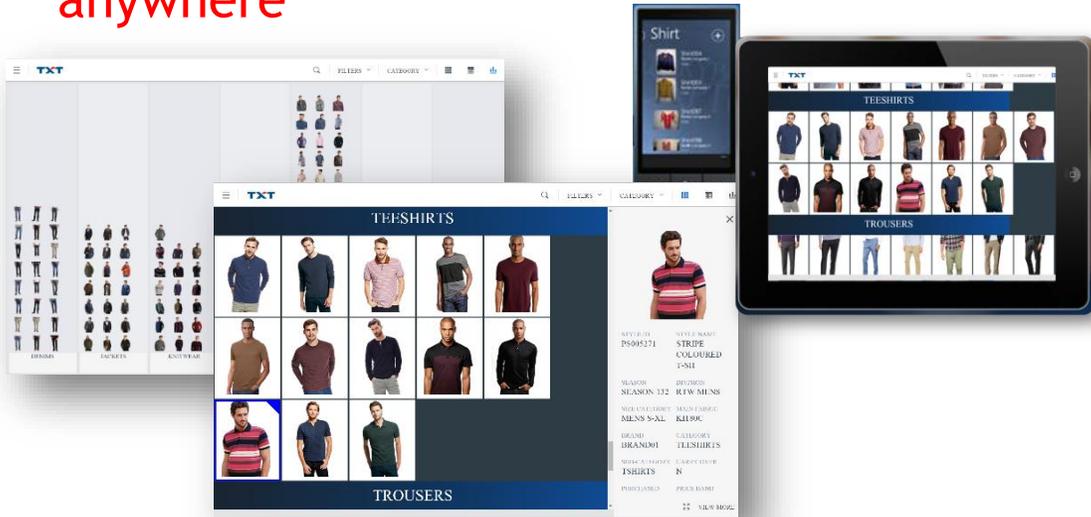
Implementation Challenge

Manage Risk & Deploy Fast

300+
Retail Professionals

300+
Customers

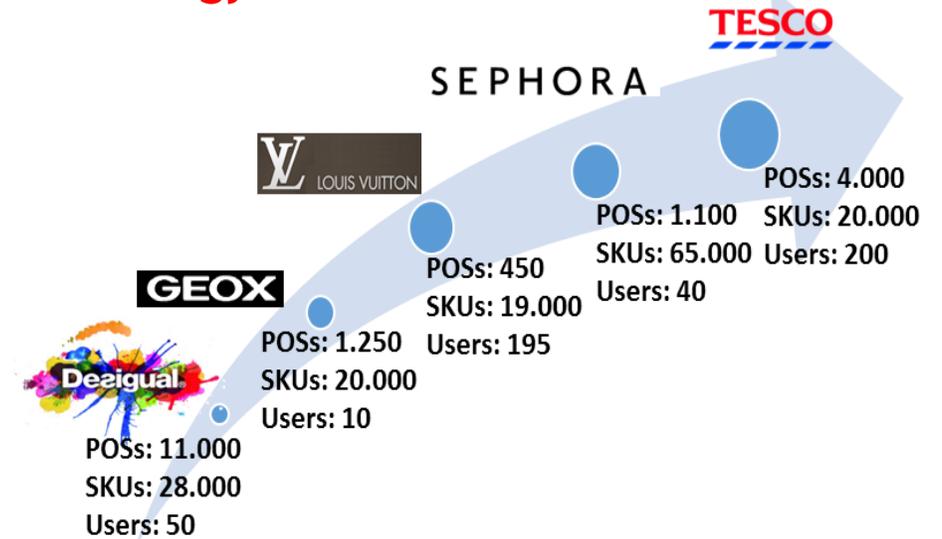
- **Mobility: PLM & Planning on any device, anywhere**



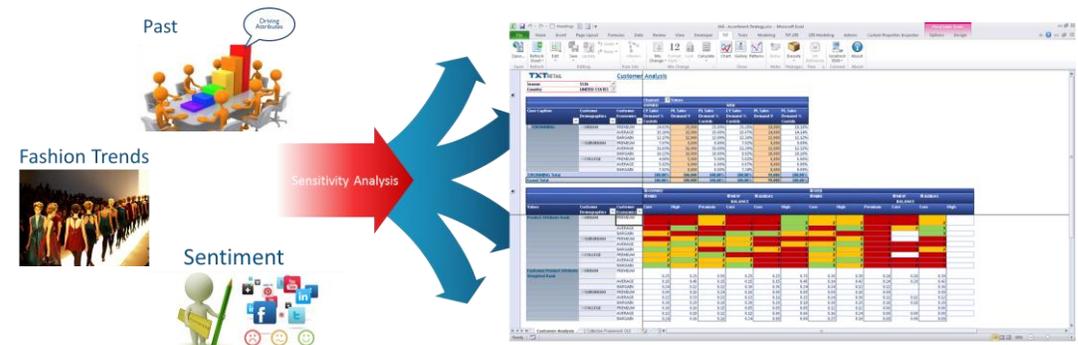
- **Total Cost of Ownership: TXT On-Cloud and Cloud-based Managed Services**



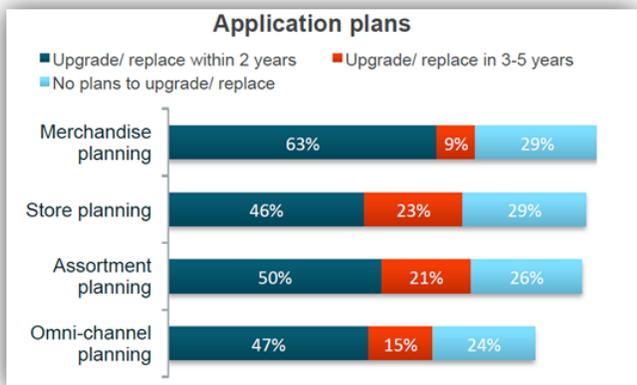
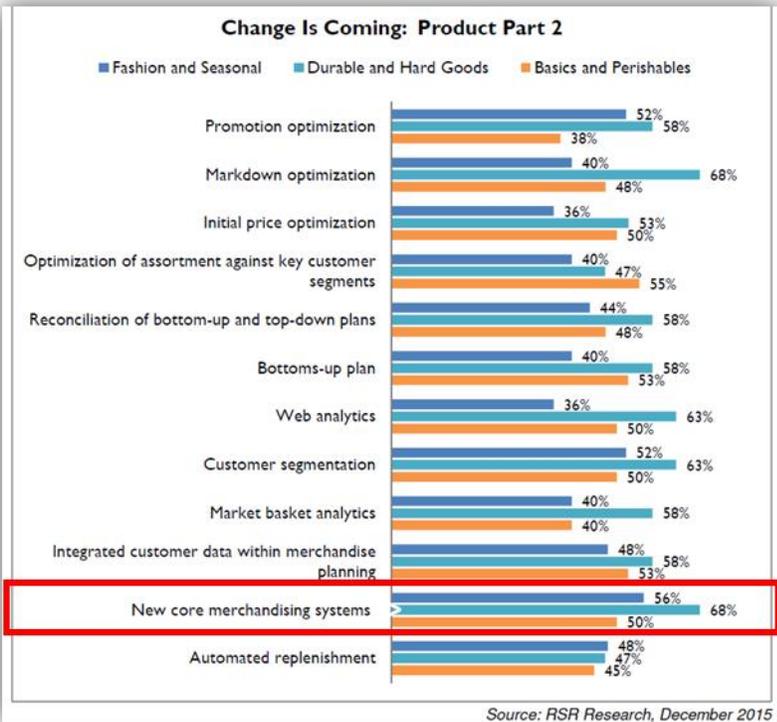
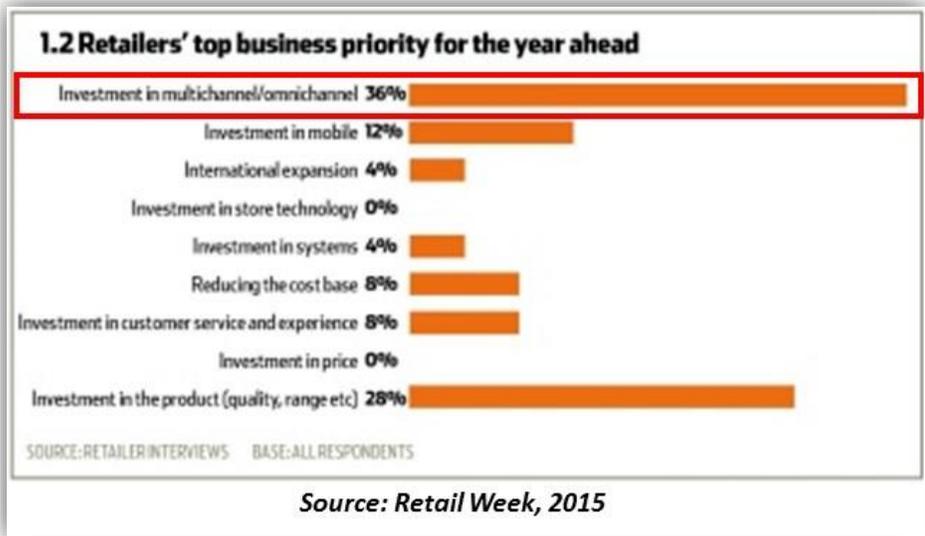
- **Scalability & Performance with In-memory Technology**



- **Assortments based on Consumer Insight**



- Accounts for approx. 40% of the 18 Tr\$ global Retail Industry, and is posted to grow at CAGR 4-5%
- Retailers are among the top IT spenders
- 1500 Target Companies (Tier-1 & Tier-2) across Europe, North America & APAC
- Omni-channel transformation:
 - Sets Retailer’s investment priorities in Operations and supporting Technologies
 - Accelerate the demand for integrated Merchandise Lifecycle Management Software



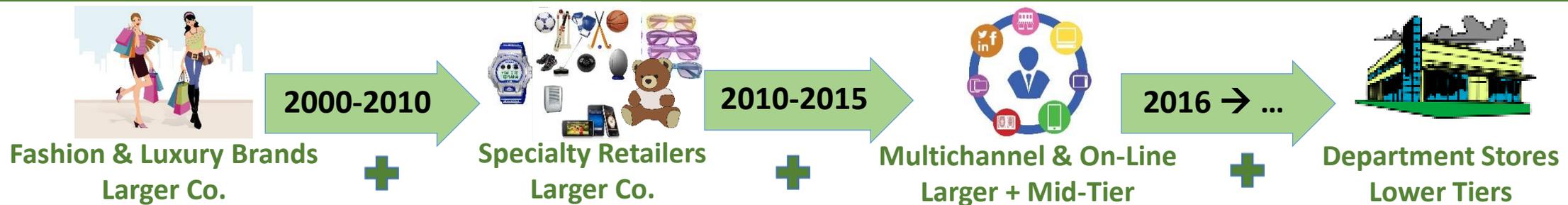
Source: Boston Retail Partners, 2016

Organic growth, targeted acquisitions, innovation in product & business process, self-financed through Profit & Cash generated by the business

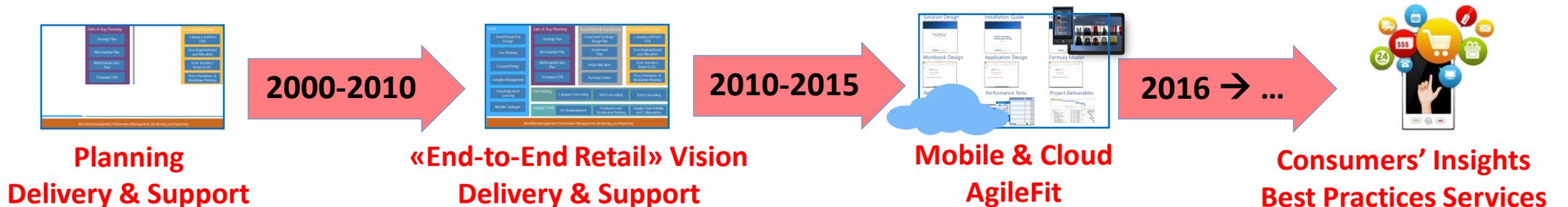
Geographical Expansion



Retail Segments



Products & Service Offering



The logo for TXTNEXT. The letters 'T', 'X', and 'T' are in a bold, blue, sans-serif font, with a red diagonal bar between the two 'T's. The word 'NEXT' is in a smaller, grey, sans-serif font to the right of the 'T's.

Aerospace, Automotive & Transport

Since 30 years Partner for our Clients to boost their Engineering Capabilities

Target Markets



AEROSPACE



AUTOMOTIVE & TRANSPORTATION



HIGH TECH

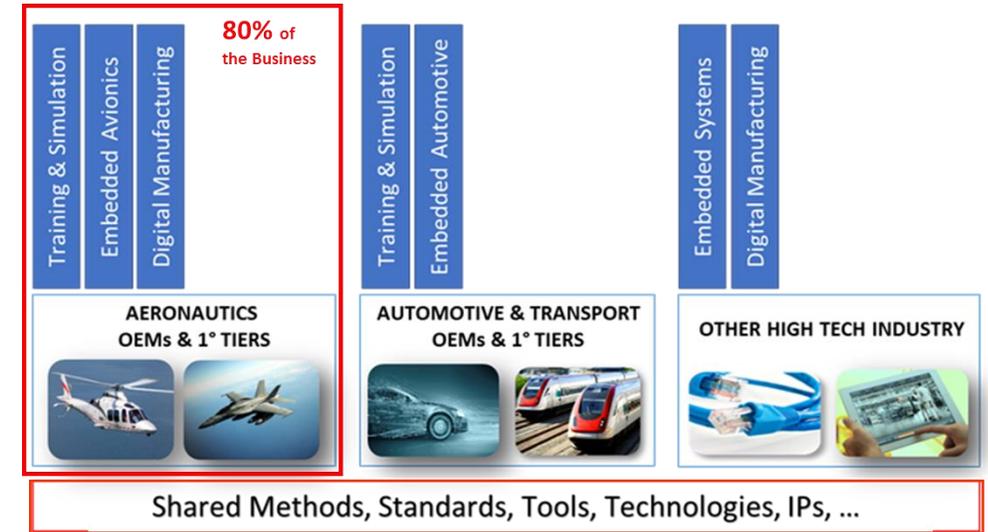


Application Domains across the Value Chain of Clients



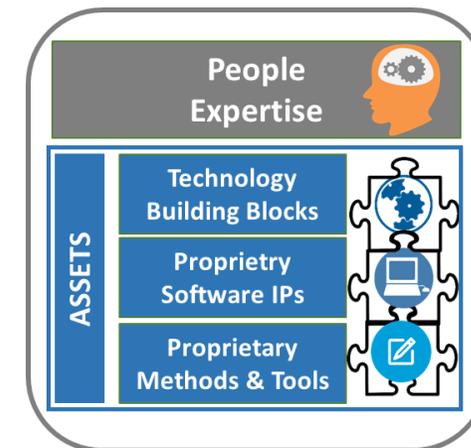
An integrated set of «**Lines of Business**», sharing a common set of Methodologies, IT Technologies, Standards & Tools, but each:

- Focused on a specific Market/Process
- Self-sufficient in terms of both Sales & Delivery capability
- With a well-defined «Offering Portfolio»



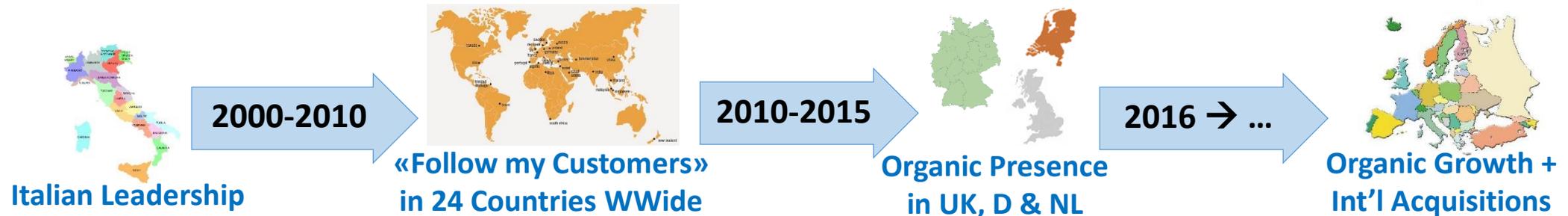
TXTNEXT Approach: People, Knowledge & IPs

- «Do more with less»
- Differentiate from competitors
- Enable & support the expansion to other domains & geographies



Healthy & profitable growth, building on a baseline revenues stream from long-lasting relationships with core clients, and targeting International growth, both Organically & through Acquisitions.

Geographic Expansion



Industry Segments



TXT e-solutions acquires PACE GmbH, an innovative software specialist serving Aerospace and Airline industries worldwide

Milan, 29 February 2016

TXT e-solutions, a specialist in advanced aerospace software through its Next Division, has signed today the agreement for the acquisition of Berlin-based PACE Aerospace Engineering and Information Technology GmbH. Preliminary consolidated results for PACE in 2015 show revenues of 7.3 m€ (+20.4% YoY) – of which 57% are license, maintenance and subscription fees – and EBITDA of 0.8 m€, after expensing 1.7 m€ in R&D.

- Add Leading Customers & a new segment of the Aviation Industry: Airlines
- Add specialised know-how
- Add new Proprietary Software Products

PACE's Target Markets & Offering Footprint



PACE's Software Products

Engineering Design

Preliminary design

Graphic-interactive software platform for early-stage product design, providing outstanding tools to parametrically model, analyze and size complex technical systems combining all relevant disciplines such as geometry, structure, performance and cost. As a result, customers can take informed decisions on the product's technical concept, applied technology level and risk and its financial viability.



Marketing & Sales

Powerful suite of tools to configure commercial aircraft and analyze their economic impact on airline route networks. The software enables OEMs and suppliers to deliver an outstanding customer experience during the aircraft definition phase from early marketing to contractual agreement and to precisely demonstrate its economic competitive advantage.



Flight Operations

Unique tool suite for economic decision support which complements the functional scope of on-board flight management systems and enables flight crews and fuel managers to make informed decisions about the operational efficiency of their flight operation.



- Improve the Revenues Mix (Services + Software)

Pro-forma 2015 (M€)	TXT	PACE	TOTAL
Software		4,2	4,2
Services	24,9	3,2	28,1
TOTAL	24,9	7,4	32,3

World-wide Customer Base of Industry Leaders

OEMs – Fixed & Rotary Wings



1st Tier Suppliers



Airlines



Consulting & Research Labs for OEMs & 1st Tier Suppliers



360° Knowledge of the Aviation Industry after 25+ Years working with Leaders

Civil & Defense Aviation; Fixed & Rotary Wings

Suppliers (OEM, 1^o Tier Suppliers) & Customers (Airlines)

Entire Life-cycle: R&D and Product Development, System Design & Engineering, Marketing & Sales, Manufacturing, Post-sales Support & Operations

All aspects of Engineering: Hardware (structure, systems & subsystems) & Software (Avionics & Simulation)

CUSTOMER PRODUCT LIFECYCLE	TXT ROLE	90% of Business		AIR TRANSPORT OEMs & 1 st Tier Suppliers	AIR TRANSPORT Airlines	AUTOMOTIVE & Other Hi-Tech Ind.
		MARKETS	PRACTICES			
R&D & Product Development	« TXT ^{NEXT} Inside!» We develop Software that is “inside” our Customer’s Products	ON-BOARD SOFTWARE				
		FLIGHT SIMULATORS				
Design & Engineering	We provide Software Tools & Software Services to support Customers’ core Processes	PRELIMINARY DESIGN				
Marketing & Sales		MARKETING				
Manufacturing		DIGITAL MANUF.				
Post-Sales & Operations Support		TRAINING & FLIGHT OPERATIONS				

TXT Next

PACE

Selling Globally



Delivering Globally



70+
Customers

TEAMS:

- Milano (I)
- Torino, Genova, Napoli (I)
- Berlin (D)
- Munich (D)
- Toulouse (F)
- Yeovil (UK)
- Sassenheim (NL)
- Seattle (USA)

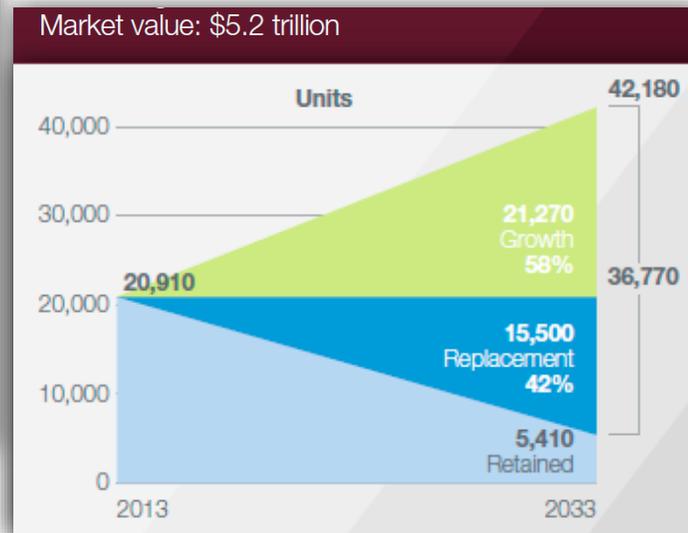
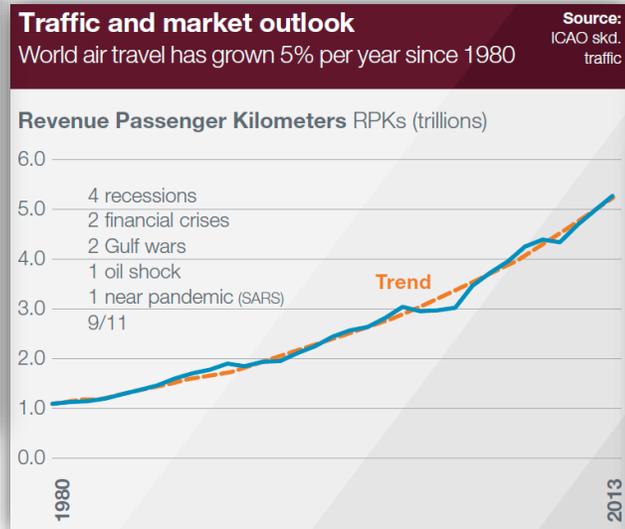
A map of Europe with small flags placed over the locations of the teams: USA (Seattle), UK (Yeovil), France (Toulouse), Germany (Munich), Netherlands (Sassenheim), and Italy (Milano, Torino, Genova, Napoli).

320+
Consultants

Aviation Industry:

- Large, innovative & healthy Industry, capturing a big portion of global IT investments
- Long-term positive trends, despite short-term fluctuations

Key indicators 2013 to 2033	
Growth measures (%)	
World economy GDP	3.2
Airplane fleet	3.6
Number of passengers	4.2
Airline traffic RPK	5.0
Cargo traffic RTK	4.7



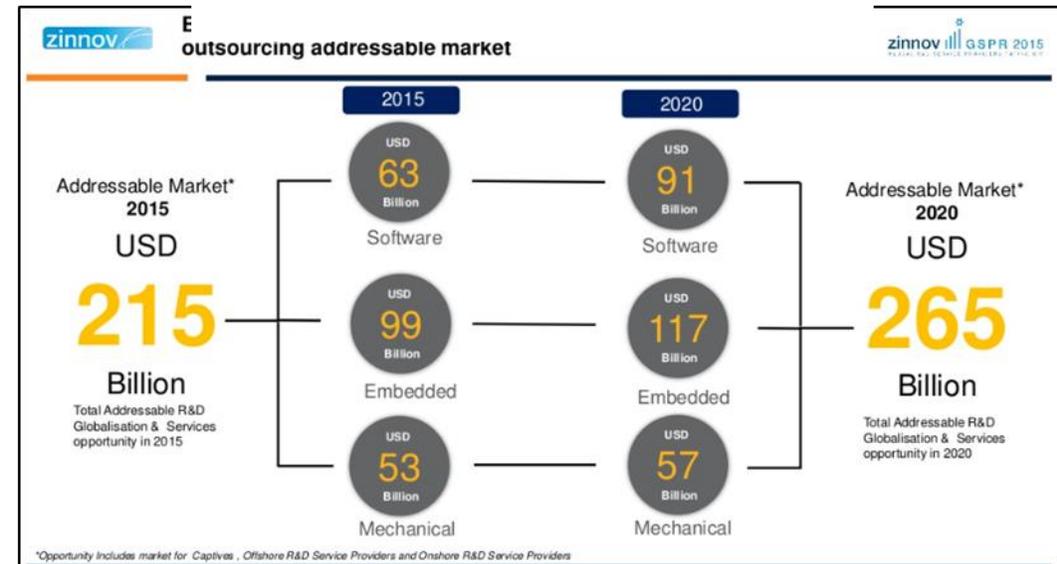
Aviation Industry:

- Large & steadily growing R&D (Product Development & Engineering) investment Budgets: Sustained R&D Spending is not an option in our Target Industries
- A growing portion of such Budgets externalised to highly specialised Engineering Solutions providers like TXT Next

NEED FOR DIFFERENTIATION: MORE PRODUCTS & TIME-TO-MARKET PRESSURE

DISRUPTIONS & OPPORTUNITIES BY EMERGING TECHNOLOGIES (ICT, MATERIALS; PROPULSION;)

NEW & STRONGER REGULATIONS (ENVIRONMENT, SAFETY, ..)





Summary & Financial Details



Alvisе Braga Illa – Chairman

After graduating at the Polytechnic Institute in Milan, Mr Braga Illa was for 10 years in research and teaching at the Lincoln Laboratory and Massachusetts Institute of Technology, innovating in satellite technology, optical communication and network systems. He directed the R&D Labs at Italtel, founded Zeltron S.p.A. and managed the restructuring of Ducati Energia as General Manager. Mr. Braga Illa founded TXT Automation Systems, later sold to ABB (1997), and TXT e-solutions (1989).



Marco Guida – CEO

Graduated in Electronic Engineering, Marco Guida managed innovative IT projects in various areas of the manufacturing operations of Pirelli Group until 1994, when he joined TXT e-solutions. Initially responsible for Advanced Information Systems, in January 2000 promoted to Vice President. As Director of International Operations he successfully led the transformation of TXT e-solutions from an Italian to an International Group. Since 2009 he is Chief Executive Officer of TXT Group.



Paolo Matarazzo – CFO

After graduating from Milan's Bocconi University and majoring in business administration at the University of San Diego (California), has had significant experience in the financial world. He was initially an analyst in London for three years and then worked for the Recordati Group for seven years, with responsibility for treasury management. In the following seven years he was Head of Finance, Administration & Control in Europe for Eurand, a company listed on NASDAQ. He joined TXT in May 2007 as Group CFO.

- TXT Retail
 - Global Retail Industry is **large, growing & dynamic**: e-commerce, new business models, new players
 - Planning is a «**big niche**» & a growing investment area for Retailers
 - TXT has a **unique offering** and a **solid competitive position**, sustained by **constant innovation**
 - Large, world-wide base of **happy global customers**.
 - **Global presence** with the opportunity to further expand in **North America** and **APAC** markets.

- TXT Next + PACE
 - Large, innovative & healthy target markets, with long-term positive trends
 - Highly fidelised **customer base**
 - **Solid team** with 30+ years of **domain expertise**
 - **Specialised** know-how consolidated in **Sw assets**: differentiation, competitive advantage and margins
 - **Leader** with the opportunity to continue **growing in Europe**, both **organically** and through **targeted acquisition**, and to accelerate international development

- **International** profile: >55% of Revenues from Int'l markets, and growing
- Growth in **Revenue, Profit & Cash**
- **Large fidelised customer base** of 350+ blue-chip customers: a key asset in good & bad times, hard to replicate for new competitors
- **Solid** presence in **large, healthy markets** with very high **growth potential**
- **Upside growth potential**: opportunity to capitalize existing product & know how in other industries
- **Innovation** is in our DNA: historically a «1° mover» in many markets
- **Solid & stable management** team, who are shareholders of TXT
- **Cash & Stock Dividend policy**
- **Expanding Shareholder base**: co-workers & management; private & retail; institutional investors
- Financially solid and self-sustainable

<i>€ thousand</i>	2015	%	2014 (1)	2014 non recurring	2014 Normalized (2)	%	Var % vs 2014	Var % vs 2014 Normalized
REVENUES	61.540	100,0	55.878	(1.468)	54.410	100,0	10,1	13,1
Direct costs	29.189	47,4	26.455	(407)	26.048	47,9	10,3	12,1
GROSS MARGIN	32.351	52,6	29.423	(1.061)	28.362	52,1	10,0	14,1
Research and Development costs	5.118	8,3	4.698		4.698	8,6	8,9	8,9
Commercial costs	12.681	20,6	11.094		11.094	20,4	14,3	14,3
General and Administrative costs	7.893	12,8	6.839		6.839	12,6	15,4	15,4
EBITDA before Stock Grant	6.659	10,8	6.792	(1.061)	5.731	10,5	(2,0)	16,2
Stock Grant	740	1,2						
EBITDA	5.919	9,6	6.792	(1.061)	5.731	10,5	(12,9)	3,3
Amortization, depreciation	1.124	1,8	1.325		1.325	2,4	(15,2)	(15,2)
OPERATING PROFIT (EBIT)	4.795	7,8	5.467	(1.061)	4.406	8,1	(12,3)	8,8
Financial income (charges)	(151)	(0,2)	(249)		(249)	(0,5)	(39,4)	(39,4)
EARNINGS BEFORE TAXES (EBT)	4.644	7,5	5.218	(1.061)	4.157	7,6	(11,0)	11,7
Taxes	(762)	(1,2)	(1.046)	197	(849)	(1,6)	(27,2)	(10,2)
NET PROFIT	3.882	6,3	4.172	(864)	3.308	6,1	(7,0)	17,4

(1) Official Financial Reporting.

(2) Income Statement 2014 includes non-recurring income of 1.468k€ and non-recurring costs of 407k€. In order to compare performance with current year, financial results 2014 have been "Normalized" excluding non-recurring Revenues and Costs. Taxes have been calculated pro-rata.

<i>€ thousand</i>	31.12.2015	31.12.2014	Var
Intangible assets	14.692	15.079	(387)
Tangible assets	1.361	1.249	112
Other fixed assets	2.079	1.692	387
Fixed Assets	18.132	18.020	112
Inventories	2.075	1.821	254
Trade receivables	25.032	18.571	6.461
Other short term assets	2.759	2.197	562
Trade payables	(1.422)	(1.540)	118
Tax payables	(1.291)	(1.117)	(174)
Other payables and short term liabilities	(16.090)	(13.606)	(2.484)
Net working capital	11.063	6.326	4.737
Severance and other non current liabilities	(3.830)	(3.841)	11
Capital employed	25.365	20.505	4.860
Shareholders' equity	33.624	28.970	4.654
Net financial debt	(8.259)	(8.465)	206
Financing of capital employed	25.365	20.505	4.860

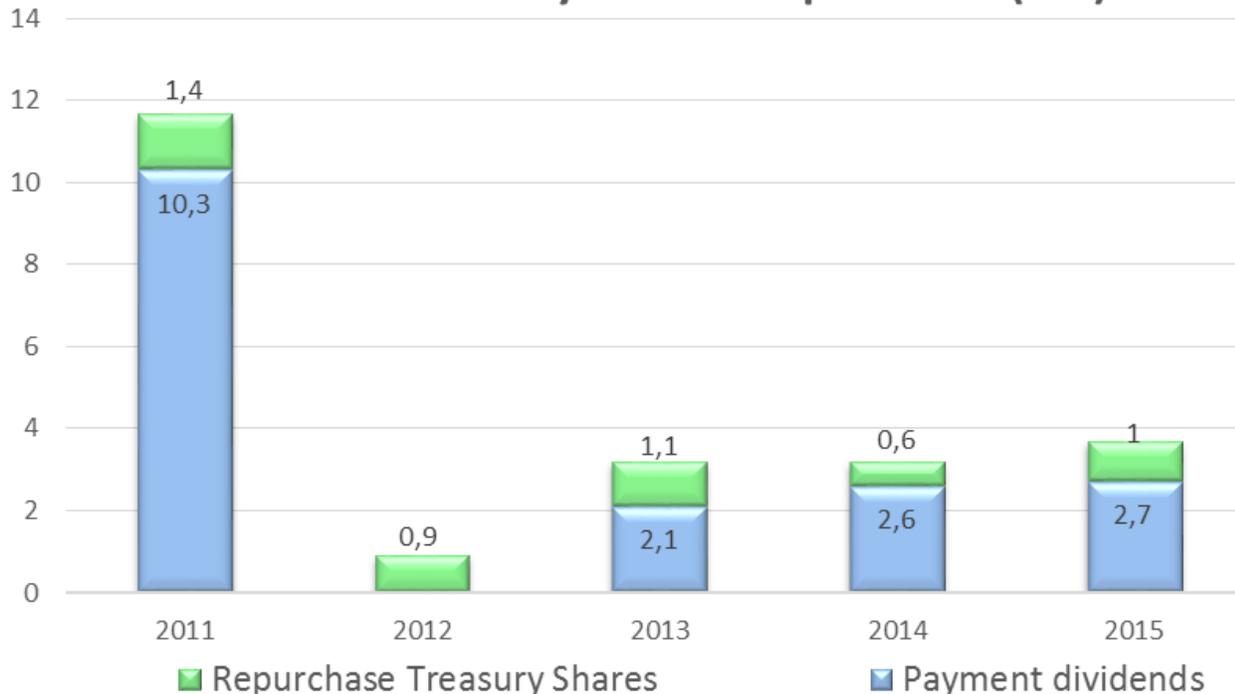
• Share Price

- 31.12.2010: 1.51€/share (rebased for free share distribution)
- 29.2.2016: 7.76€ /share

• 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
- 2016: 0.25 € / share

Dividends + Treasury Shares Repurchase (m€)



TXT Market Capitalization (m€)

