

TXT e-Solutions

Corporate Overview

April 2017



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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.

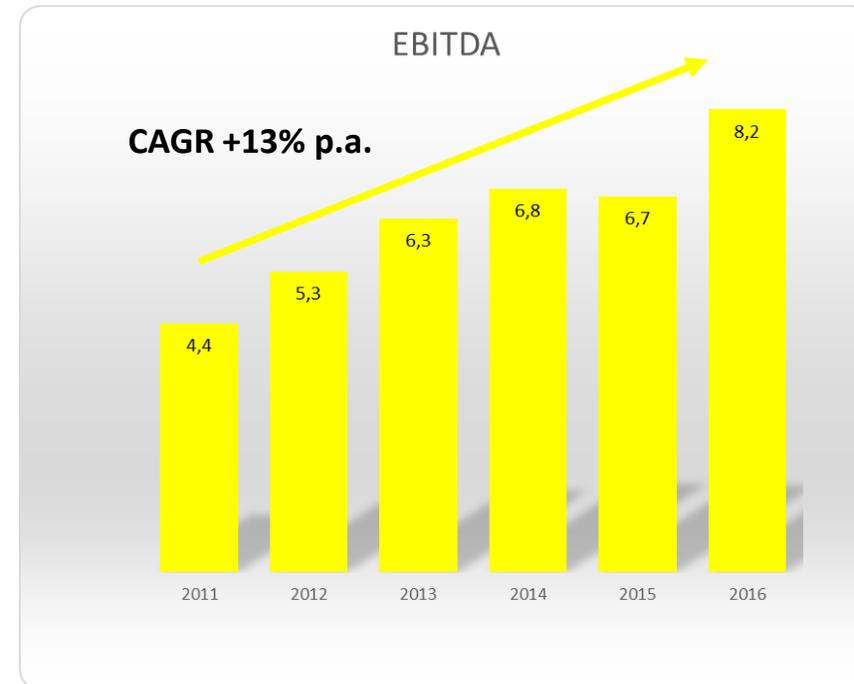
Unless otherwise specified all information is for the fiscal year ended 31 December 2016.

FY 2015

- **Revenues:** 61.5 m€ (+13.1%)
- **Net Income** 3.9 m€
- **Free Cash Flow** 8.4% of Rev.
- **NFP:** 8.3 m€

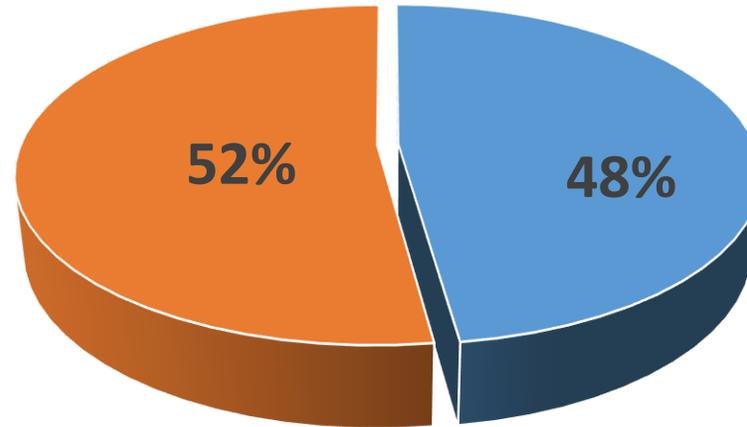
FY 2016

- **69.2 m€ (+12.4%)**
- **5.6 m€**
- **12.7% of Rev.**
- **5.4m€**



TXTRETAIL

2016: 36.1m€



TXTNEXT

2016: 33.1m€

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 & Aviation

- Engineering Solutions & Services across the Product Life-cycle
- Leadership in Italy
- Growing international presence

The logo features the letters 'TXT' in a bold, blue, sans-serif font with a red diagonal bar between the 'X' and the second 'T'. To the right of 'TXT', the word 'RETAIL' is written in a bold, grey, sans-serif font.

Fashion, Luxury & Specialty Retail

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

Europe

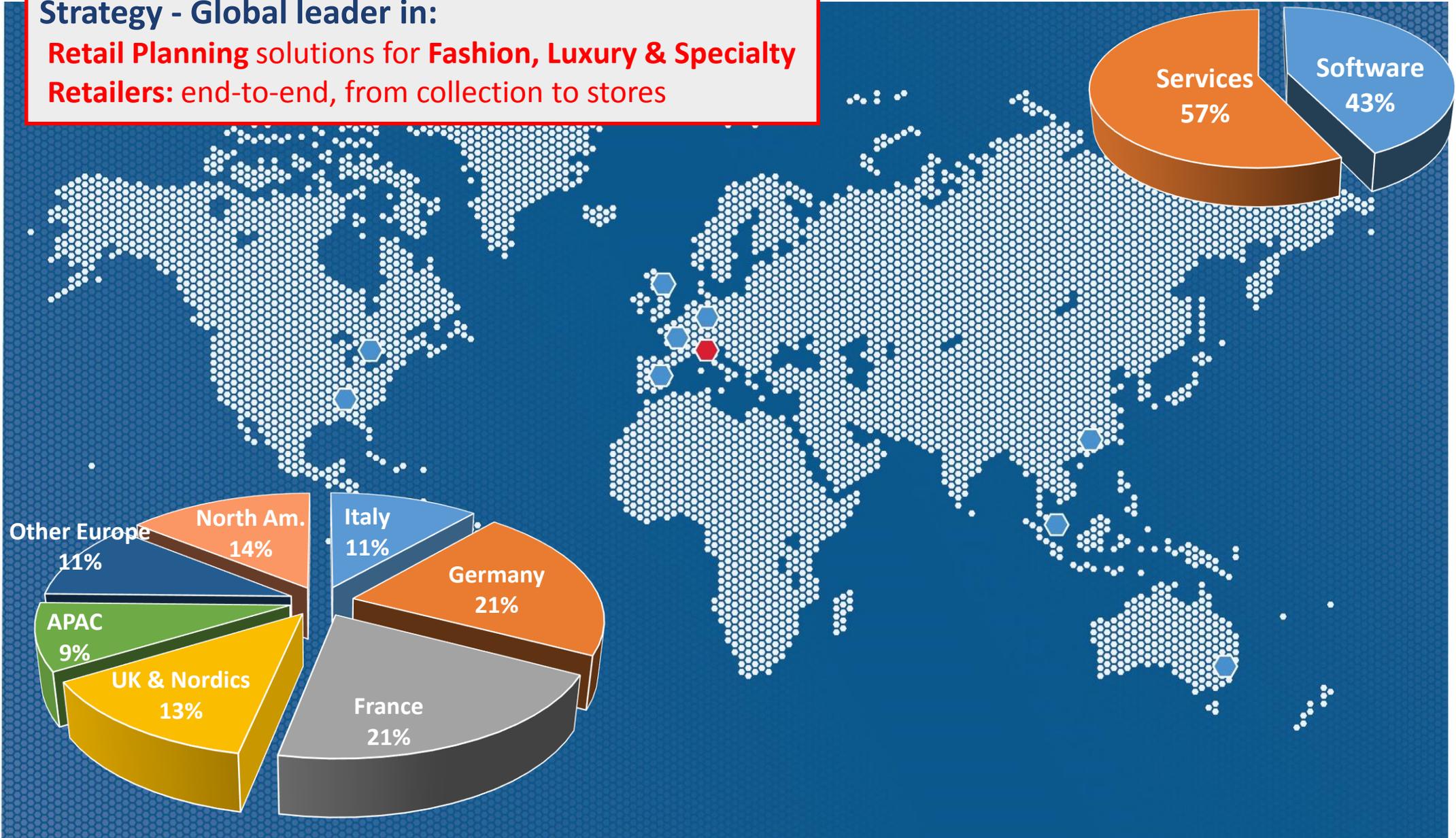
- Milano, IT - Head Office
- Barcelona, SP
- Bari, IT
- Chemnitz, DE
- Genova, IT
- Halle (Saale), DE
- Leicester, UK
- Lyon, FR
- Paris, FR
- Roma, IT
- Torino, IT
- Vicenza, IT
- Wynyard, UK

Americas

- Toronto, CA
- Atlanta, USA

Asia Pacific

- Sydney, AU
- Hong Kong



- 20 New Major Customers and 50+ Go-Lives of Major Projects in 2016...
- ... across all Segments, Business Models & Geographies

| Luxury | Global Brands | Fast Fashion | Specialty | Department |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>LOUIS VUITTON</p> <p>Dior</p> <p>CÉLINE</p> <p>LOEWE</p> <p>DONNA KARAN NEW YORK</p> <p>TAG Heuer SWISS MADE SINCE 1861</p> <p>LONGCHAMP PARIS</p> <p>BURBERRY</p> <p>MONCLER BRUNELLO CUCINELLI</p> <p>BOUCHERON PARIS</p> <p>LE TANNEUR</p> <p>TOD'S</p> <p>GIORGIO ARMANI</p> | <p>adidas GROUP</p> <p>Desigual</p> <p>GEOX</p> <p>LACOSTE</p> <p>GUESS U.S.A.</p> <p>Columbia</p> <p>eCCO</p> <p>CAMPER</p> <p>FURLA</p> <p>NYDJ LOS ANGELES</p> <p>TOM TAILOR</p> <p>fat face</p> <p>TED BAKER LONDON</p> <p>THE NORTH FACE</p> <p>VANS "OFF THE WALL"</p> <p>Timberland</p> <p>HOGAN</p> | <p>URBN ANTHROPOLOGIE</p> <p>TOPSHOP</p> <p>TAKKO FASHION</p> <p>WE</p> <p>orsay</p> <p>Bata</p> <p>Charles Vögele SWITZERLAND</p> <p>FOREVER 21</p> <p>STEVE MADDEN</p> <p>mötivi</p> <p>rue21</p> <p>Roots</p> <p>Delta</p> <p>destination maternity</p> <p>LINDEX</p> <p>AEROSOLES</p> <p>Jacques Vert</p> <p>HOBB'S</p> <p>White Stuff</p> <p>COTTON ON</p> <p>BONITA</p> <p>Kenworth Coce</p> | <p>SEPHORA</p> <p>PANDORA</p> <p>swatch</p> <p>BUILD-A-BEAR WORKSHOP</p> <p>orange</p> <p>Carphone Warehouse</p> <p>Safilo</p> <p>APOLLO OPTIK</p> <p>GAME</p> <p>UBISOFT</p> <p>Samsnite Ready for anywhere.</p> <p>DELSEY</p> <p>hanna Andersson</p> <p>Groupe Zannier</p> <p>Ulla Popken</p> <p>elena miro</p> | <p>TESCO</p> <p>Auchan</p> <p>SONAE</p> <p>DFS</p> <p>REI CO-OP</p> <p>GROUPE ROYER</p> <p>zalando</p> <p>Gifi des idées de Génie !</p> <p>RUSTA</p> <p>MONOPRIX</p> <p>AW LAB</p> <p>STARBOARD CRUISE SERVICES</p> <p>US travel retail NORTH AMERICA</p> <p>Peek & Cloppenburg</p> <p>future group</p> <p>COAST GUARD EXCHANGE</p> <p>CGX</p> <p>HEMTEX</p> <p>THE WHITE COMPANY LONDON</p> <p>DAMART</p> <p>ellos DESIGNED IN SWEDEN</p> <p>LAKELAND</p> <p>thirty-one</p> |

21 New Customers in 2016, Across all Segments & Geographies

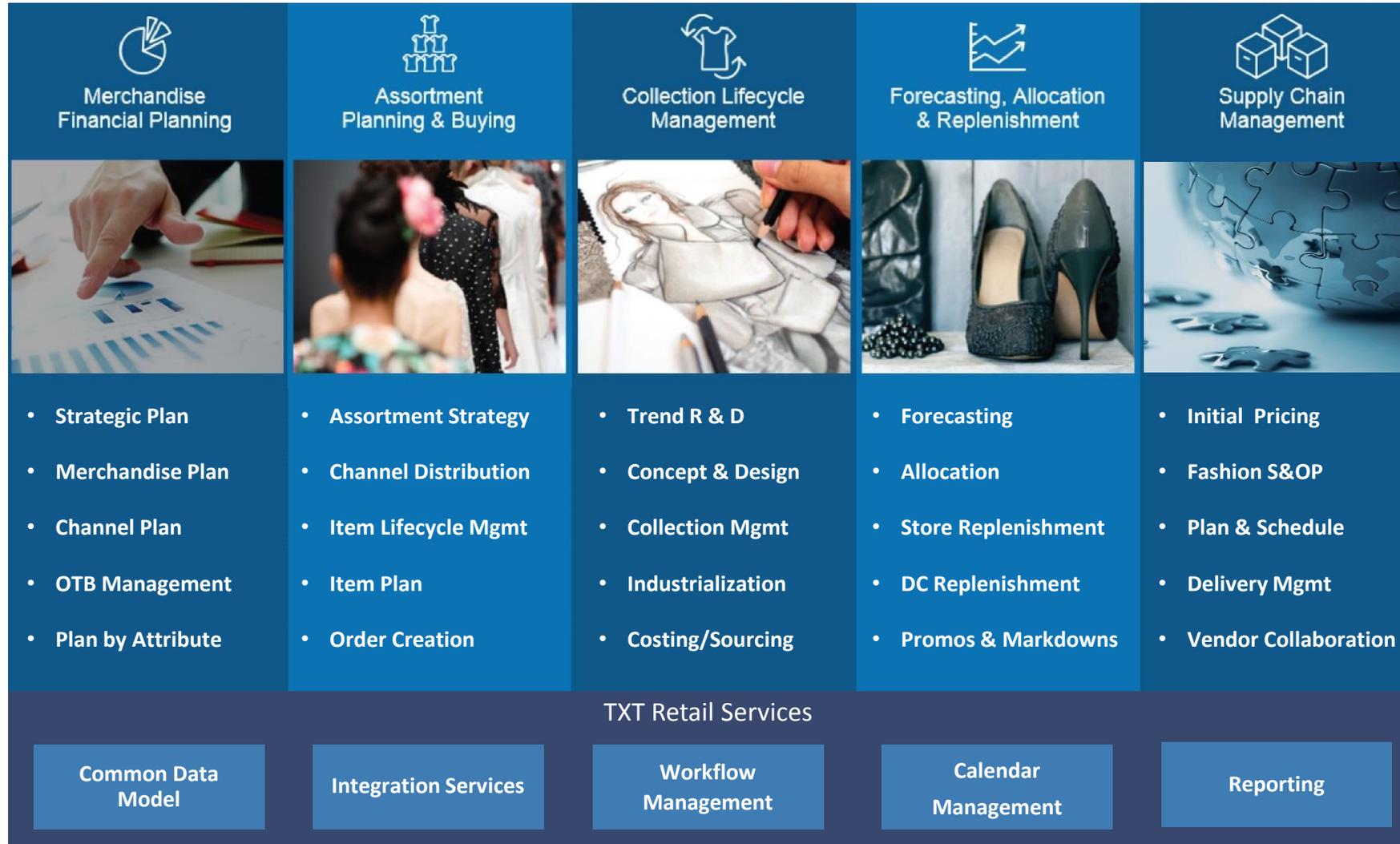
| | | | | | | |
|----------------------------------------------|------------------|-------------------------|----------------------------------------|--------------------------------------|--------------------------------------------------------------|-----------------------------------|
| <p>BRUNELLO CUCINELLI</p> | <p>Arcadia</p> | <p>СТOKMAHH</p> | <p>SONAE MO ZIPPY KIDSTORE</p> | <p>ACERBIS</p> | <p>ATLAS FOR MEN NATURAL - COMFORTABLE - DURABLE</p> | <p>MISSONI</p> |
| <p>zalando</p> | <p>RUSTA</p> | <p>GROUPE ROYER</p> | <p>future group</p> | <p>GiFi des idées de Génie !</p> | <p>Dior</p> | <p>REI COOP</p> |
| <p>ECG European Clothing Group nv-sa</p> | <p>Ruchan 欧尚</p> | <p>WE</p> | <p>Дочки-Сыночки</p> | <p>CAMPOMAGGI</p> | <p>NYDJ LOS ANGELES</p> | <p>wortmann SCHUH-HOLDING</p> |

**1500 Tier-1 & Tier-2 Omnichannel Retailers across Europe, North America & APAC:
how industry transformation impacts Key Business Processes?**

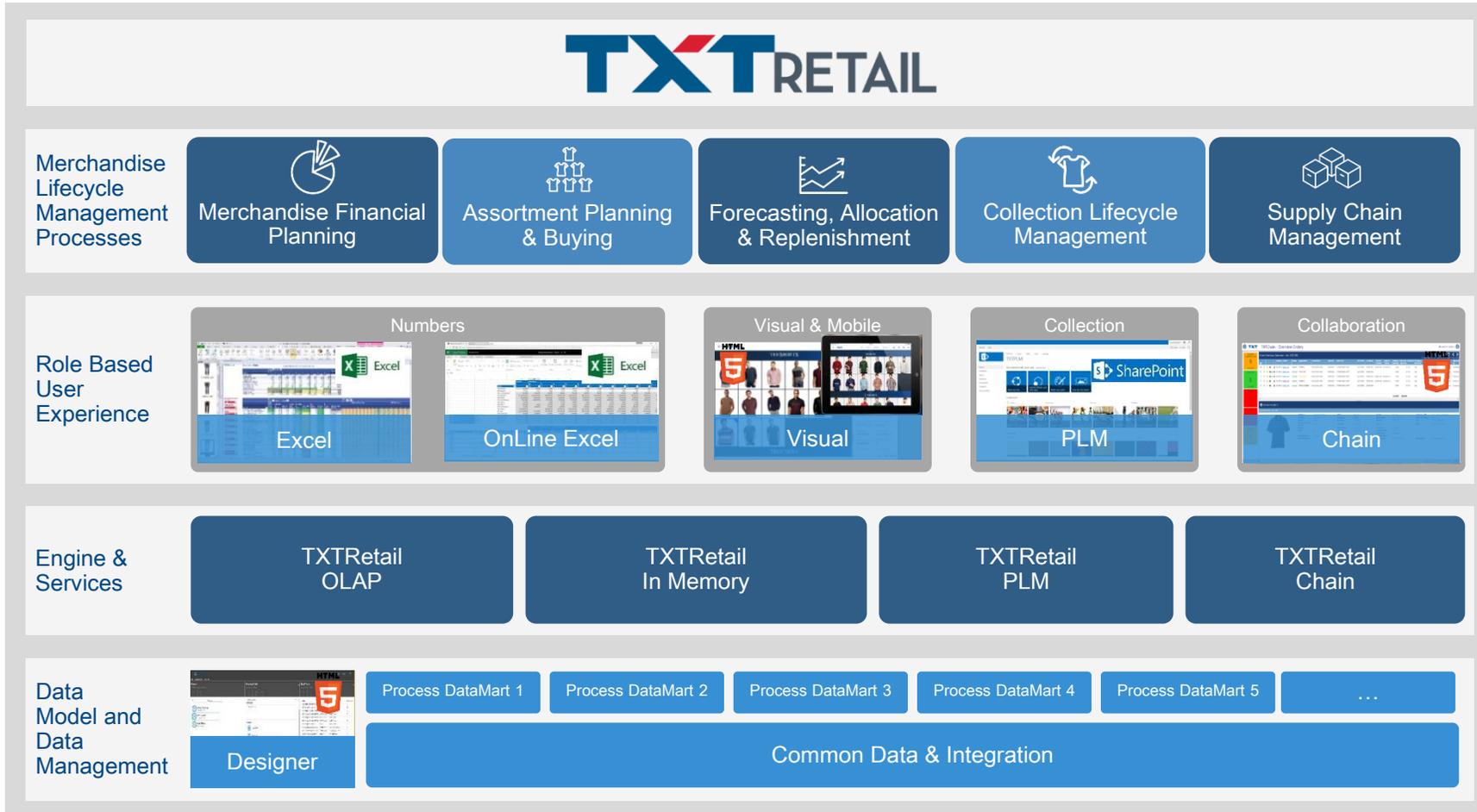


- To be successful Retailers have to:
- **Provide an omnichannel experience** to Customers
 - **Optimize the merchandise investment across channels**
 - **Specialize and differentiate** with curated assortments
 - **Manage** the increased **complexity** of the **merchandising processes**

The Omnichannel Retailers' «Merchandise Lifecycle»



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



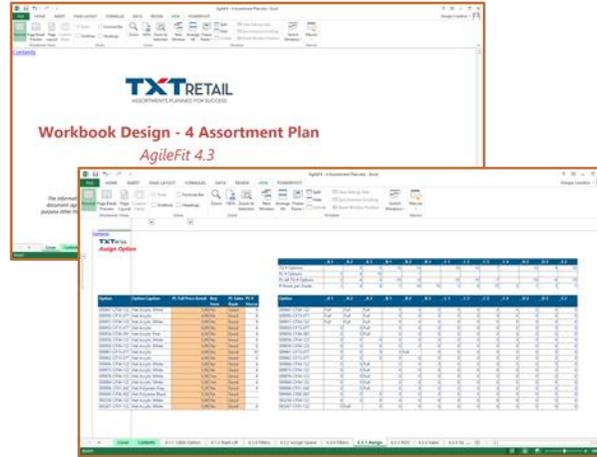
TXT Retail enables Customer-driven Merchandising Excellence through an **End-to-End Merchandise Lifecycle Management Software** featuring:

- **A unified database** that informs the End-to-End Merchandise processes
- **In-Memory** technology supporting **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

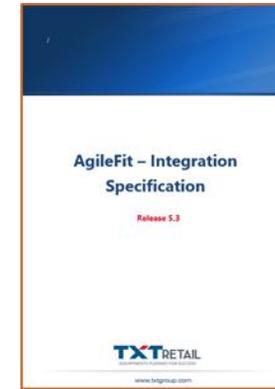
Solution Design



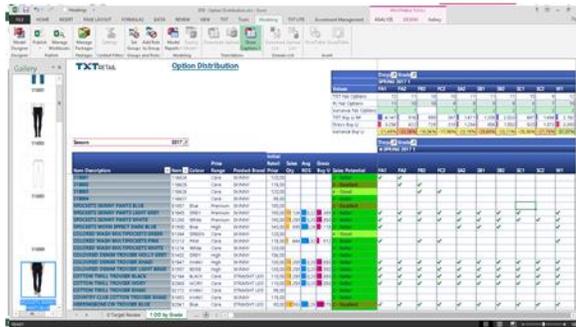
Workbook Design



Interface Specification



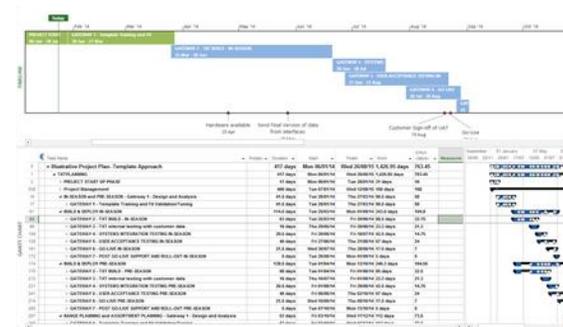
Reference Application



Performance Tests

| | Monouser | # Open Workbook | Time (s) |
|---------------|----------|-----------------|----------|
| | | 1 | 1,92 |
| | | 2 | 1,68 |
| | | 3 | 1,44 |
| | | 4 | 1,44 |
| OPEN WORKBOOK | 1,54 | 5 | 1,51 |
| REFRESH | 0,94 | 6 | 1,41 |
| AllBoys Half | 0,89 | 7 | 1,45 |
| AllBoys Month | 0,73 | 8 | 1,65 |
| Boys02 Month | | 9 | 1,53 |
| | | 10 | 1,40 |
| | | Average | 1,54 |

Project Deliverables



Mitigate Project Risk

Reduce Project Costs

Faster Time to Benefits

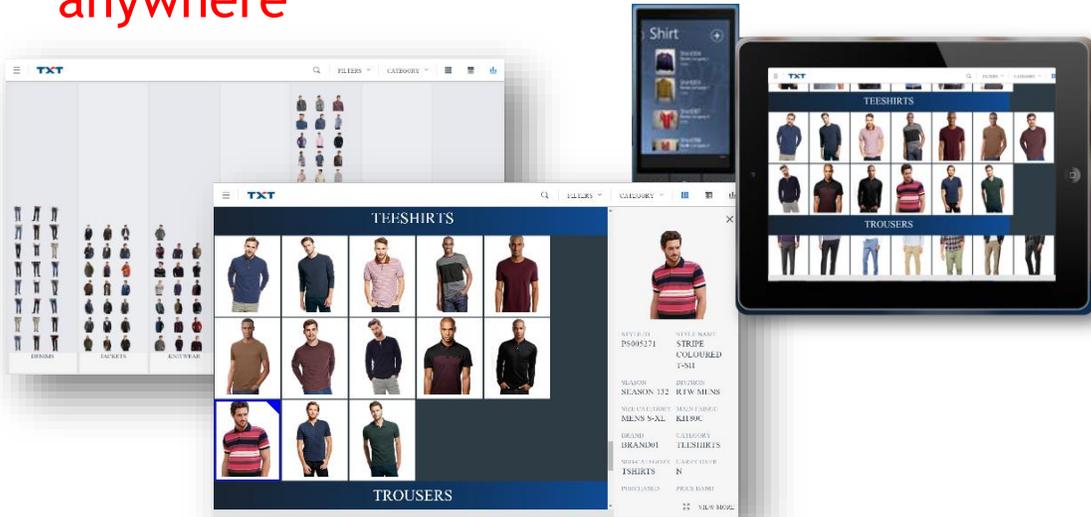
Higher ROI

Recognised Leader in the Target Markets

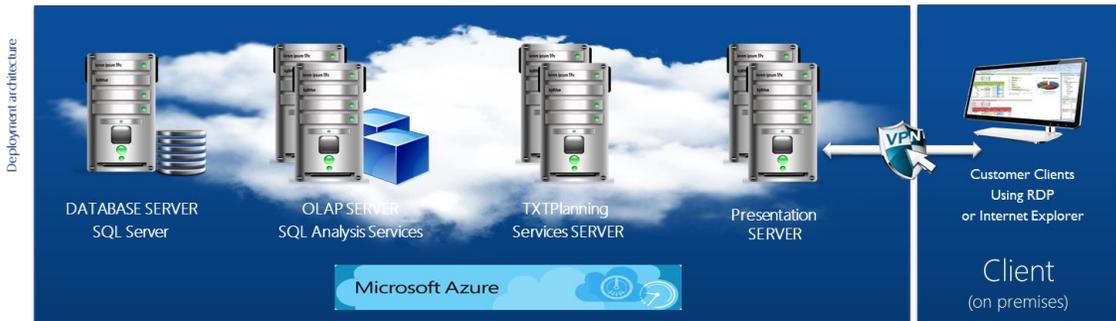
Magic Quadrant for Merchandise Assortment Management Applications



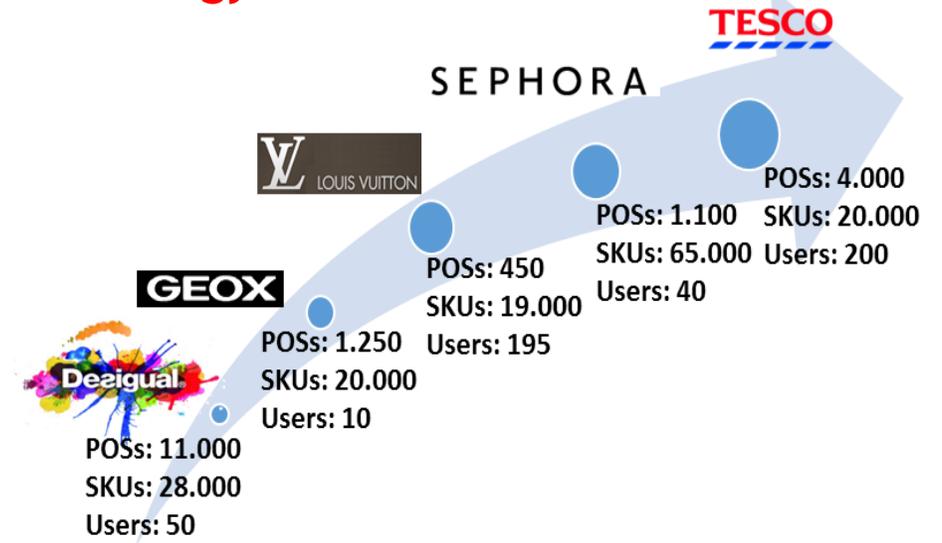
- **Mobility: PLM & Planning on any device, anywhere**



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



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



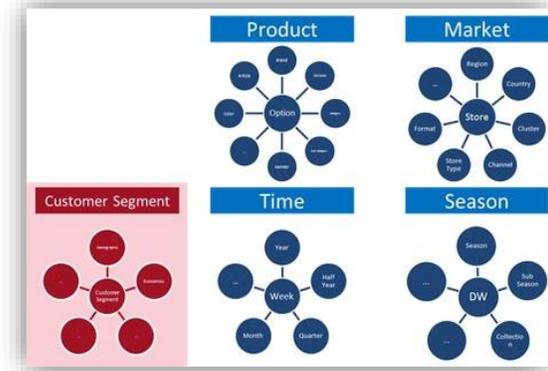
- **Fitting & Planning by images with Augmented Reality**



TXT Retail: The End-to-End Merchandise Lifecycle Opportunity

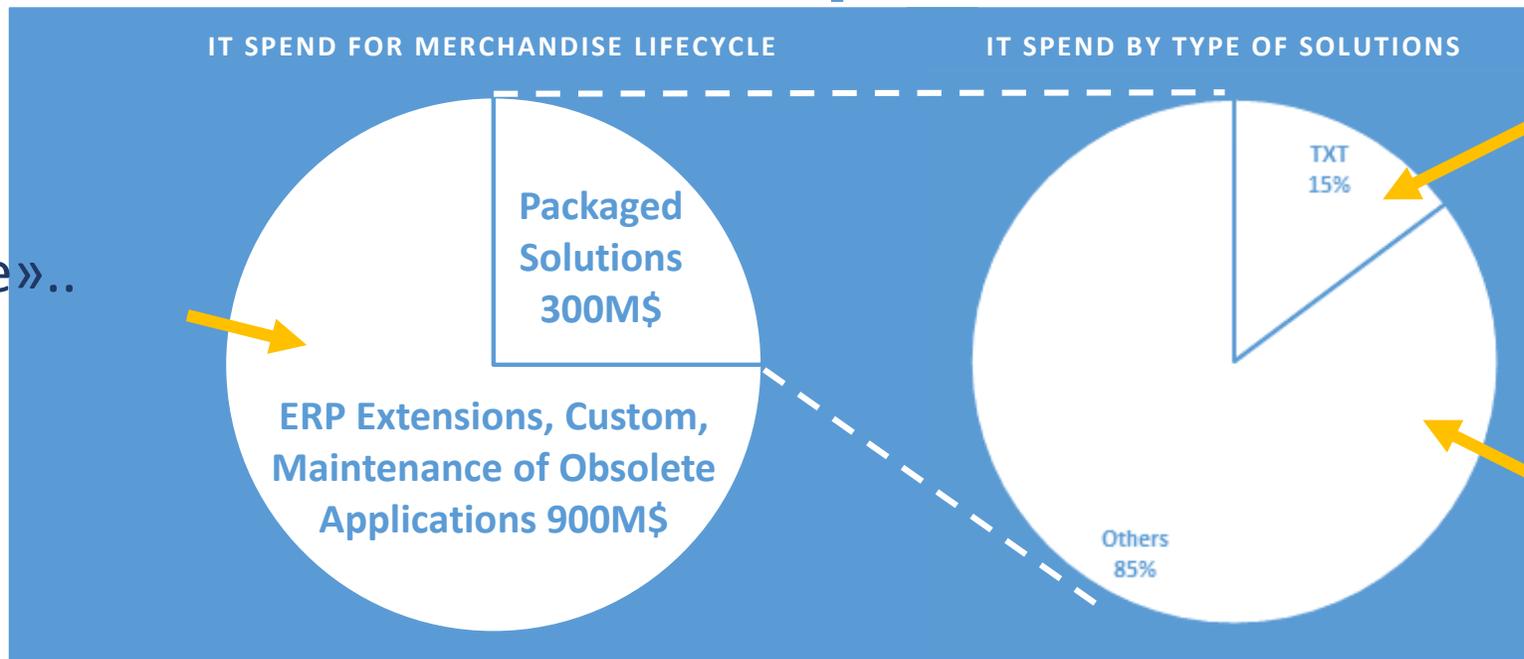


End-to-end Merchandise Lifecycle Management



Competitive Differentiation: We engage in Customer Success !!!

...conquer the «Green Prairie»..



Keep & Grow Customers !!

Win Marketshare!!

The logo features the word 'TXT' in a large, bold, blue, sans-serif font. A red diagonal bar is placed between the 'X' and the 'T'. To the right of 'TXT', the word 'NEXT' is written in a smaller, grey, sans-serif font.

Aerospace & Aviation

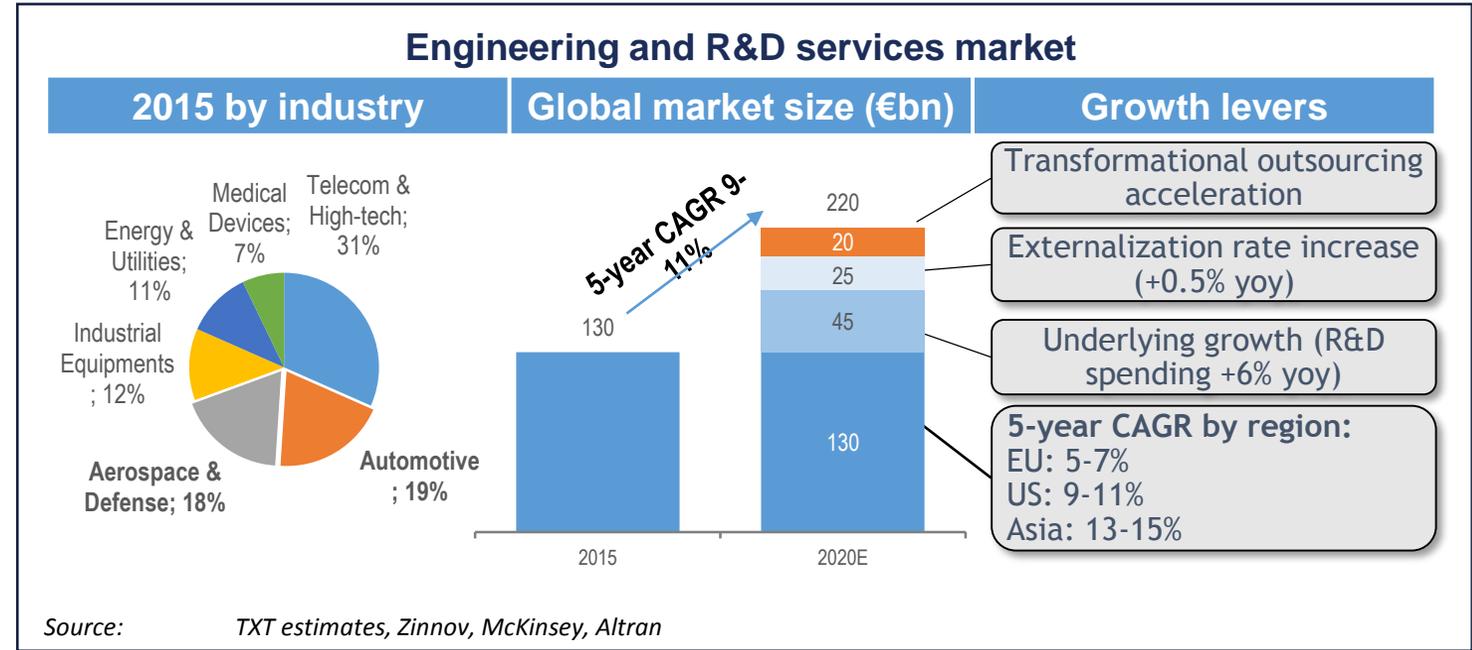
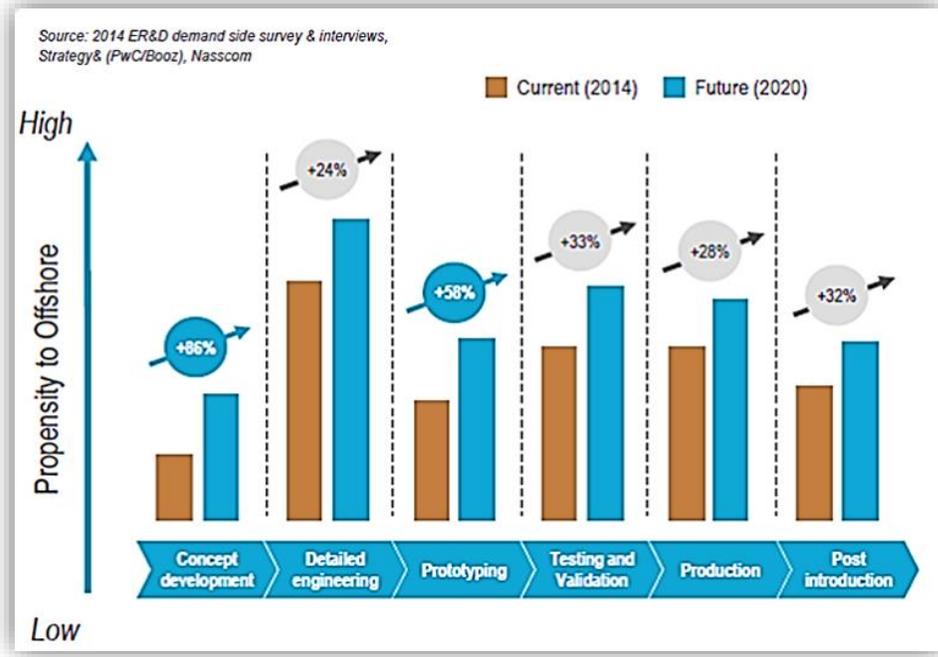
TXT Next: since 30 years Partner for our Clients to boost their Engineering Capabilities

Products & core Processes are highly complex ...

... calling for cooperation across an extensive network of Specialised Partners



- A growing portion of R&D/Engineering Budgets, and a growing range of value-adding activities, are externalised to highly specialised Solutions providers like TXT Next
- On-board Software accounts for a large portion of externalized engineering services
- The Market of externalised R&D/Engineering Services is set to grow at CAGR 9+% in the next 5 years:
 - Growth of underlying R&D spending (CAGR +6%)
 - Growth of the rate of externalisation



Source: TXT estimates, Zinnov, McKinsey, Altran



PRESS RELEASE

**TXT e-solutions: the PACE GmbH acquisition
has closed today as planned**

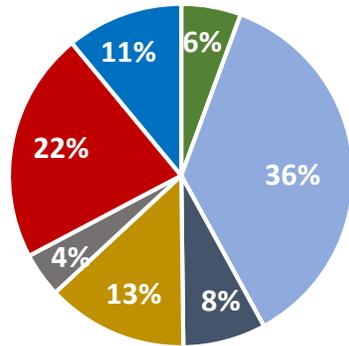
Milan, 1 April 2016

- Consideration 6.8m€, Revenues 7,3m€, Ebitda 10%
- A major **acceleration** in TXT Next Internationalisation Plans
- A positive, transformational impact on TXT Next
- Integration achieved very quickly

- A diversified Customer Base of **Industry Leaders**
- **Long-term partnership** underpinning stable and repeatable revenues streams
- A significant **up-selling opportunity**, that started already materialising

| Aircraft OEMs (Fixed & Rotary Wings) | 1 st Tier Suppliers & MROs | Airlines & Lessors | 2016 New Major Global Customers |
|--------------------------------------|---------------------------------------|--------------------|---------------------------------|
| | | | |
| Academia & Research | | | |

- **Breadth and Depth:** focus on high-value niches, but understand the whole picture
- **Technology and Industry expertise, backed by Software Assets**



| | | MARKETS | | | | | | | |
|---------------------------------------|-------------------------------|---------|---|---|---|---|---|---|---|
| Strategic Focus: > 90% of Revenues | OEMS & 1ST TIER SUPPLIERS | ■ | ▲ | ▲ | ■ | ■ | ▲ | ▲ | |
| | AIRLINES | | | | | ■ | | | ■ |
| Upside Opportunity | AUTOMOTIVE | | ▲ | | | | | | |

▲ Services & exploitable software assets

■ Fully packaged software assets & related services

A responsive and agile team: local presence, to provide best-in-class on-site support to key customers, backed by corporate competence centers, capable of delivering & supporting customers across 30+ Countries world-wide



- (1) In Shanghai TXT is present through Pera Global, system integrator and local distributor of Pace products
- (2) Corporate Headquarters of TXT (Milan) and Pace (Berlin)



Summary & Financial Details



Alvis 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 – Group 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.



Simone Pozzi – CEO TXT Retail

Simone Pozzi joined TXT in 2009 as VP Sales and Marketing, in 2014 Simone became Managing Director of TXT Retail and since May 2016 he has been named CEO TXT Retail. Simone has previously held various international leadership roles at Geox, global brand and retailer, Oracle (Oracle Retail Business Unit), SAS (Marketmax), i2 Technologies (now part of JDA). Simone holds a degree in Industrial Engineering from the University of Padua, Italy.



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 November 2007 as Group CFO.

| <i>€ thousand</i> | 2016 | % | 2015 | % | Var % |
|------------------------------------|---------------|--------------|---------------|--------------|-------------|
| REVENUES | 69.152 | 100,0 | 61.540 | 100,0 | 12,4 |
| Direct costs | 32.039 | 46,3 | 29.189 | 47,4 | 9,8 |
| GROSS MARGIN | 37.113 | 53,7 | 32.351 | 52,6 | 14,7 |
| Research and Development costs | 6.550 | 9,5 | 5.118 | 8,3 | 28,0 |
| Commercial costs | 13.574 | 19,6 | 12.681 | 20,6 | 7,0 |
| General and Administrative costs | 8.774 | 12,7 | 7.893 | 12,8 | 11,2 |
| EBITDA before Stock Grant | 8.215 | 11,9 | 6.659 | 10,8 | 23,4 |
| Stock Grant | - | - | 740 | 2,3 | n.m. |
| EBITDA | 8.215 | 11,9 | 5.919 | 9,6 | 38,8 |
| Amortization, depreciation | 1.309 | 1,9 | 1.124 | 1,8 | 16,5 |
| OPERATING PROFIT (EBIT) | 6.906 | 10,0 | 4.795 | 7,8 | 44,0 |
| Financial income (charges) | 105 | 0,2 | (151) | (0,2) | n.m. |
| EARNINGS BEFORE TAXES (EBT) | 7.011 | 10,1 | 4.644 | 7,5 | 51,0 |
| Taxes | (1.456) | (2,1) | (762) | (1,2) | 91,1 |
| NET PROFIT | 5.555 | 8,0 | 3.882 | 6,3 | 43,1 |

| <i>€ thousand</i> | 31.12.2016 | 31.12.2015 | Total variance | of which Pace GmbH | of which TXT |
|----------------------------------------------------|----------------|----------------|----------------|--------------------|----------------|
| Intangible assets | 21.296 | 14.692 | 6.604 | 7.871 | (1.267) |
| Tangible assets | 1.598 | 1.361 | 237 | 168 | 69 |
| Other fixed assets | 2.534 | 2.079 | 455 | 610 | (155) |
| Fixed Assets | 25.428 | 18.132 | 7.296 | 8.649 | (1.353) |
| Inventories | 3.146 | 2.075 | 1.071 | - | 1.071 |
| Trade receivables | 23.740 | 25.032 | (1.292) | 698 | (1.990) |
| Other short term assets | 2.629 | 2.759 | (130) | 229 | (359) |
| Trade payables | (1.626) | (1.422) | (204) | (54) | (150) |
| Tax payables | (2.532) | (1.291) | (1.241) | (974) | (267) |
| Other payables and short term liabilities | (17.928) | (16.090) | (1.838) | (1.726) | (112) |
| Net working capital | 7.429 | 11.063 | (3.634) | (1.827) | (1.807) |
| Severance and other non current liabilities | (3.945) | (3.830) | (115) | - | (115) |
| Capital employed | 28.912 | 25.365 | 3.547 | 6.822 | (3.275) |
| Shareholders' equity | 34.283 | 33.624 | 659 | - | 659 |
| Net financial debt | (5.371) | (8.259) | 2.888 | 6.822 | (3.934) |
| Financing of capital employed | 28.912 | 25.365 | 3.547 | 6.822 | (3.275) |

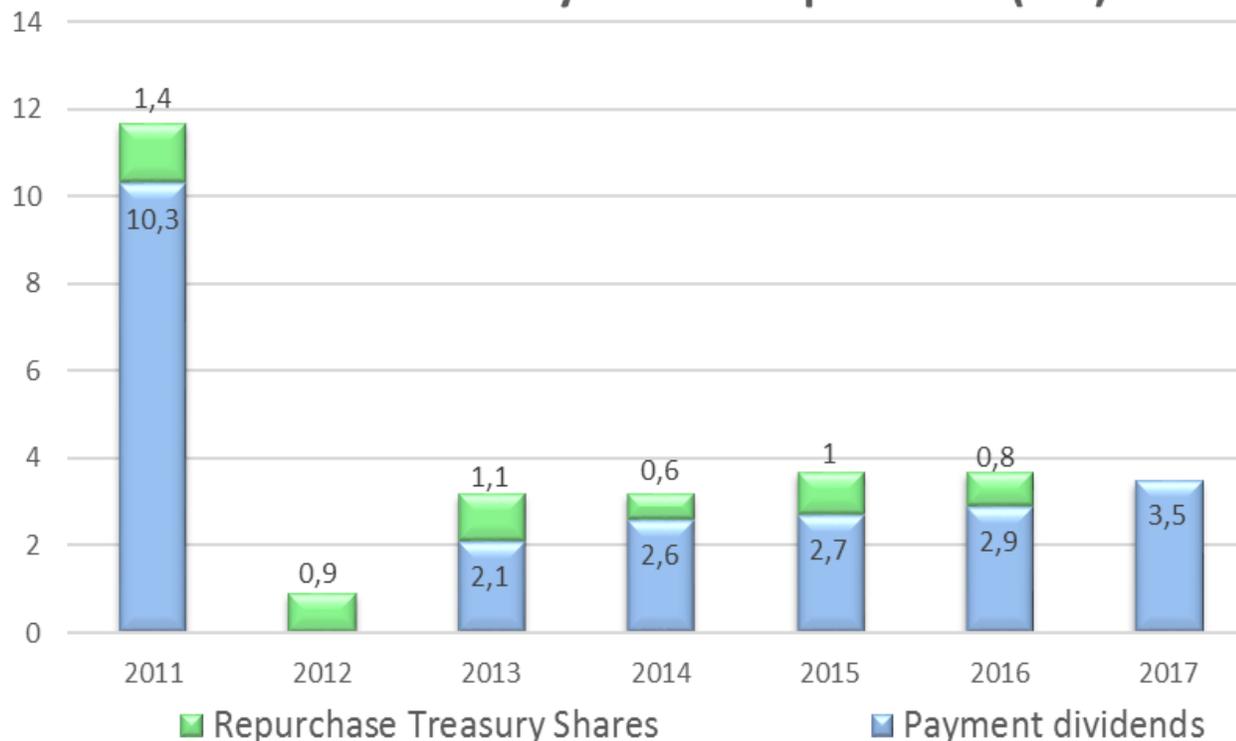
• Share Price

- 31.12.2010: 1.51€/share (rebased for free share distribution)
- 15.3.2017: 9.66€ /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
- 2017: 0.30 € / share

Dividends + Treasury Shares Repurchase (m€)



TXT Market Capitalization (m€)

