



# **TXT Group: 1H-2024 Results**

Call with Investors  
September 11 | 11 a.m. (CEST)

Daniele MISANI, CEO  
Andrea FAVINI, IR



**TXT 1H-2024 results show continuity in the organic growth of the Top Line and Operating result, boosted by M&A, synergies and operational efficiency**



**Revenues**

**€138 Mn**

**+28.8%**

**vs. 1H-2023**



**Solid Organic  
Growth in 1H-24**

**+21.9%**

**+€23 Mn**

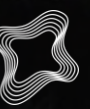


**EBITDA**

**€17.5 Mn**

**+25.7%**

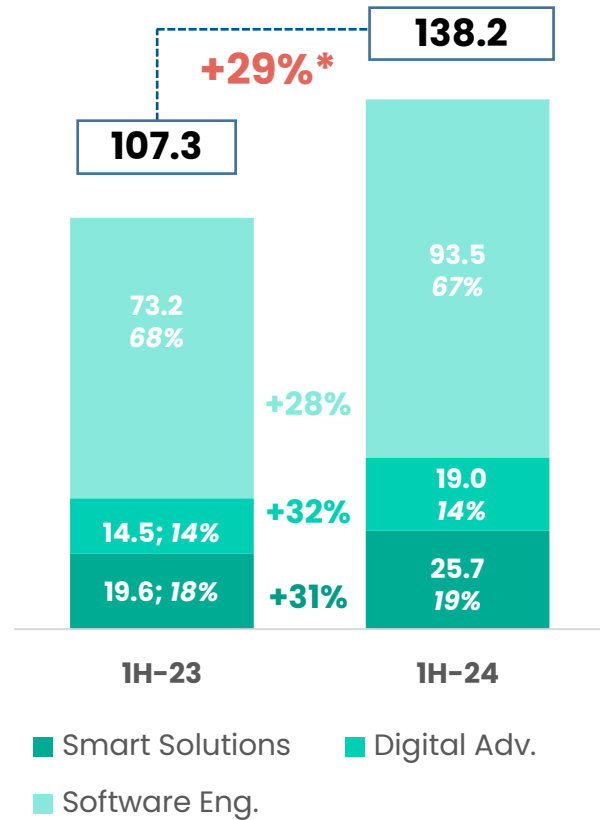
**Equal to 12.7% of revenues**



\_KPIs: 1H-2024 by offering

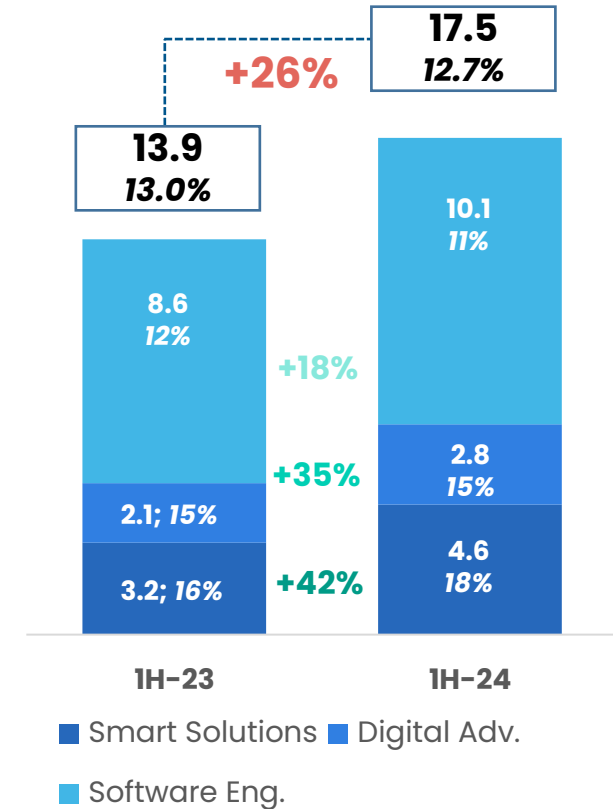
**KPIs** reported in **1H-2024** show continuity in the growth plan of TXT based on the mix of organic growth of business, M&A contribution and synergies that are expected to generate additional growth and benefits during the year: EBITDA margin target for FY 2024 set at more than 14% (14.1% in FY-2023).

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



\* Organic Revenues Growth 1H-24: +21.9%

**EBITDA**  
(€mn, % on revenues)



# \_ Value creation: 1H-2024



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

**€ 6.7Mn** 1H-24, **+50%** vs. 1H-23



## SMART SOLUTIONS REVENUES

**€ 25.7Mn** 1H-24, **+31%** vs. 1H-23



## INTERNATIONAL REVENUES

**€ 39.9Mn** 29% of total revenues



## SUSTAINABLE DEBT (Adjusted) + TREASURY SHARES FOR FINANCING GROWTH

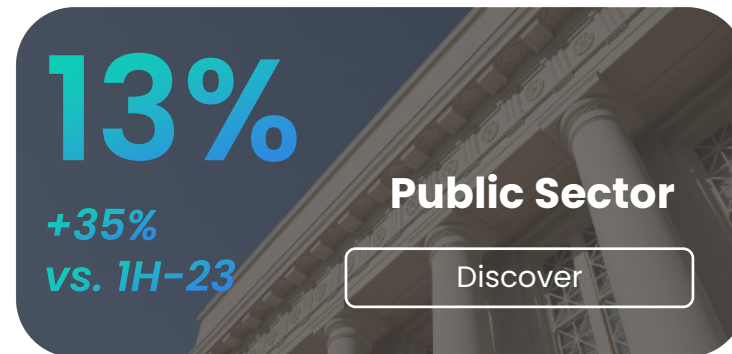
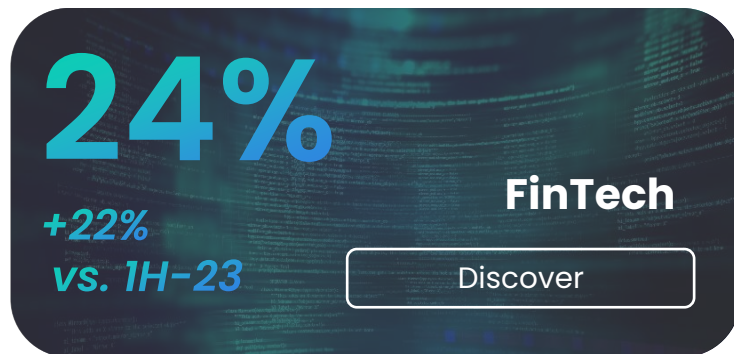
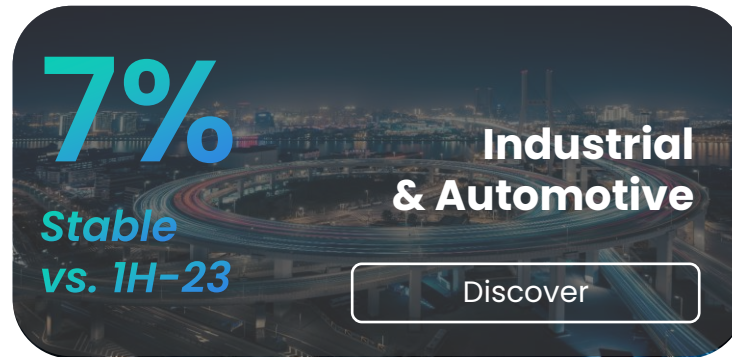
**€ 37Mn** (Net Debt as of Jun. 30, 2024) - **€ 31Mn\*** in Treasury Shares

*\* Value calculated with stock price of € 24,25 per share (Share Price Jun. 30th, 2024)*





We are expanding across different markets, with a **growing footprint** in Aerospace, Aviation, Defense, Industrial, Automotive, Telco, Government and Fintech, by leveraging more than 2000 experts, **competence centers** in AI, cybersecurity, XR, IoT.



\*Percentages of market incidence are calculated on 1H-2024 Revenues (Consolidated) of € 138Mn



# **\_Business Evolution & Subsequent Events**



# Positive outlook after strong 1H-2024

- **1H-2024** showed **strong organic business growth (+21.9%)**, with double digit growth recorded in all the operating segments, and **Digital Advisory** division that outperformed the trend (**+31.7%**).
- In terms of **markets**, organic growth in the first 6-month was driven by **Public Sector (+34.9%)** and **Aerospace & Defence (+28.3%)** segments, and the positive trend is **expected to be confirmed in the 2H-2024**:
  - **Public Sector**: Digital Advisory offering expected to continue the positive trend leveraging **strong Backlog** for acquired contracts to be delivered on a multi-year basis (**> €100Mn**). Positive forecast in terms of new public contracts to be acquired leveraging strategic positioning.
  - **Aerospace & Defence**: extended and specialized Smart Solutions and Software Engineering offering are **developing fast**, both in the domestic market and **internationally**. The TXT offer for Airlines and OEMs in the scope of **civil aviation is growing fast** with new subscription-based contracts (recurrent revenues). In the **Defence**, **continuity in the growth** of service offering in Europe and accelerated growth of Smart Solution business in the scope of AI and XR-based training, and HMI offering.





## New MarTech Offering:

- **From 2H-2024** (July), TXT will consolidate its **new MarTech offering** initiated with two strategic acquisitions:

- **Global Creative Consultancy offering (Digital Advisory divisions)** from **I MILLE and Uasabi** (“I MILLE Group”).

The logo for I MILLE, featuring the word "I MILLE" in a bold, red, sans-serif font.The logo for Uasabi, featuring the word "Uasabi" in a bold, black, sans-serif font with a green leaf-like symbol above the 'a'.

- **Marketing Automation offering (Smart Solutions divisions)** from **Refine Direct** (“Refine”).

The logo for Refine Direct, featuring the word "Refine Direct" in a bold, sans-serif font, with "Refine" in black and "Direct" in red.

- TXT’s MarTech segment is expected to generate **FY-2024 revenues (pro-forma)** of approximately **€30 million**, with **strong growth prospects driven by commercial and technological synergies** with other entities in the TXT ecosystem.







## Creative Consultancy Offering: I MILLE & Uasabi

- On June 26<sup>th</sup>, **TXT acquired I MILLE Srl** (with its **three foreign subsidiaries** in Spain, Chile, and Brazil) and **Uasabi Srl** (I MILLE and Uasabi are hereinafter defined as I MILLE Group).
- I MILLE was founded in Milan in 2004 as a marketing agency and today - thanks to continuous development domestically and internationally - the I MILLE Group is recognized as a **Global Creative Consultancy** and one of the **leading independent firms in the Italian communication and design landscape**.
- Offering includes Creative Agency, Product Marketing and Design Studio, and Media Agency, with **vertical offerings for the Enterprise segment provided by I MILLE** and dedicated **offerings for new generations provided by Uasabi**. In terms of market positioning, the I MILLE Group boasts a broad client portfolio consisting mainly of large enterprises diversified across multiple sectors, with which the I MILLE Group has established strong relationships.
- **FY-2023 revenues of € 11.6 million** (+12.7% YoY) generated with large enterprises and corporations diversified across multiple sectors. **EBITDA margin at approx. 13.5%**.



## Offering in Marketing Automation with AI: Refine

- On July 1<sup>st</sup>, **TXT acquired Refine** Direct (“Refine”), a company established in 2016 that boasts **proprietary technologies** and specialized expertise in digital marketing, offering a **multi-channel platform based on Artificial Intelligence** algorithms for data analysis.
- Refine provides a **wide range of services**, including Direct Marketing (direct email and SMS marketing), Display & Video Advertising, and Vertical Lead Generation services, which **focus on creating Vertical Content Portals** and **Automated Landing Pages** to enhance the effectiveness of marketing campaigns and guide clients in selecting the most suitable channel for user engagement.
- **FY-2023 revenues of € 16.7 million** (+11.5% YoY) generated leading domestic and international marketing agencies, with end clients diversified across numerous sectors, all characterized by their status as large enterprises with domestic and international presence.  
**EBITDA margin at approx. 20.0%.**





# Empowered international business in Aerospace & Defence

- **TXT acquired a majority stake in ProSim Training Solutions:**
  - On **July 8<sup>th</sup>**, TXT announced a further investment in the Dutch innovative company ProSim Training Solutions (“ProSim-TS”) to purchase 20% of the company's capital, as a result of which **TXT holds a majority stake of 60% in ProSim-TS**.
  - ProSim-TS's **innovative tools for the Aerospace training market** are synergistically integrated into the proprietary solutions portfolio of PACE, fostering the **international growth** of TXT's Smart Solutions division. Expected **FY-2024 revenues (pro-forma)** of **€ 3.5 million**.
- **HMI Embedded Graphics Business growing fast, globally:**
  - **In the first 6-month of 2024**, HMI business acquired in Q4-2024 recorded a **Top line of € 2.5 million** generated with leading global industry player, an **outperform** compared to **budget** figures.
  - **Continuity** in the positive performances are expected in the **second half of the year**, especially in the defence segment.



# FINANCIALS



# Profit & loss: 1H-2024 details

| € thousand                                   | 1H 2024        | %           | 1H 2023        | %           | Var %       |
|----------------------------------------------|----------------|-------------|----------------|-------------|-------------|
| <b>REVENUES</b>                              | <b>138,194</b> | <b>100</b>  | <b>107,299</b> | <b>100</b>  | <b>28.8</b> |
| Direct costs                                 | 92,896         | 67.2        | 69,949         | 65.2        | 32.8        |
| <b>GROSS MARGIN</b>                          | <b>45,298</b>  | <b>32.8</b> | <b>37,350</b>  | <b>34.8</b> | <b>21.3</b> |
| Research and Development costs               | 6,737          | 4.9         | 4,499          | 4.2         | 49.8        |
| Commercial costs                             | 11,499         | 8.3         | 10,486         | 9.8         | 9.7         |
| General and Administrative costs             | 9,564          | 6.9         | 8,444          | 7.9         | 13.3        |
| <b>EBITDA</b>                                | <b>17,498</b>  | <b>12.7</b> | <b>13,921</b>  | <b>13.0</b> | <b>25.7</b> |
| Amortization, Depreciation & Write-offs      | 5,368          | 3.9         | 4,977          | 4.6         | 7.9         |
| <b>OPERATING PROFIT (EBIT)</b>               | <b>12,130</b>  | <b>8.8</b>  | <b>8,944</b>   | <b>8.3</b>  | <b>35.6</b> |
| Net Financial/Extraordinary income (charges) | (1,346)        | (1.0)       | 976            | 0.9         | n.a.        |
| <b>EARNINGS BEFORE TAXES (EBT)</b>           | <b>10,784</b>  | <b>7.8</b>  | <b>9,920</b>   | <b>9.2</b>  | <b>8.7</b>  |
| Taxes                                        | (2,831)        | (2.0)       | (3,135)        | (2.9)       | (9.7)       |
| <b>NET PROFIT</b>                            | <b>7,953</b>   | <b>5.8</b>  | <b>6,785</b>   | <b>6.3</b>  | <b>17.2</b> |



# Profit & loss: \_ Q2-2024 details

| € thousand                                   | Q2 2024       | %           | Q2 2023       | %           | Var %         |
|----------------------------------------------|---------------|-------------|---------------|-------------|---------------|
| <b>REVENUES</b>                              | <b>71,067</b> | <b>100</b>  | <b>54,987</b> | <b>100</b>  | <b>29.2</b>   |
| Direct costs                                 | 47,570        | 66.9        | 35,433        | 64.4        | 34.3          |
| <b>GROSS MARGIN</b>                          | <b>23,497</b> | <b>33.1</b> | <b>19,554</b> | <b>35.6</b> | <b>20.2</b>   |
| Research and Development costs               | 3,396         | 4.8         | 2,268         | 4.1         | 49.7          |
| Commercial costs                             | 6,663         | 9.4         | 5,244         | 9.5         | 27.1          |
| General and Administrative costs             | 4,694         | 6.6         | 4,957         | 9.0         | (5.3)         |
| <b>EBITDA</b>                                | <b>8,744</b>  | <b>12.3</b> | <b>7,085</b>  | <b>12.9</b> | <b>23.4</b>   |
| Amortization, Depreciation & Write-offs      | 2,699         | 3.8         | 2,615         | 4.8         | 3.2           |
| <b>OPERATING PROFIT (EBIT)</b>               | <b>6,044</b>  | <b>8.5</b>  | <b>4,470</b>  | <b>8.1</b>  | <b>35.2</b>   |
| Net Financial/Extraordinary income (charges) | (957)         | (4.1)       | 1,415         | 7.2         | n.a.          |
| <b>EARNINGS BEFORE TAXES (EBT)</b>           | <b>5,087</b>  | <b>7.2</b>  | <b>5,885</b>  | <b>10.7</b> | <b>(13.6)</b> |
| Taxes                                        | (1,241)       | (1.7)       | (2,010)       | (3.7)       | (38.3)        |
| <b>NET PROFIT</b>                            | <b>3,846</b>  | <b>5.4</b>  | <b>3,875</b>  | <b>7.0</b>  | <b>(0.7)</b>  |





# NET Financial Debt: Solid financial position

| .000 Euro                                                                                             | 30.06.2024      | 31.12.2023     | Var             |
|-------------------------------------------------------------------------------------------------------|-----------------|----------------|-----------------|
| Cash                                                                                                  | (47,503)        | (37,927)       | (9,576)         |
| Trading securities at fair value                                                                      | (27,428)        | (24,058)       | (3,370)         |
| Other Short Term Financial Assets                                                                     | (400)           | (810)          | 410             |
| Short term Financial Debts                                                                            | 58,175          | 57,654         | 521             |
| <b>Short term Financial Debts</b>                                                                     | <b>(17,156)</b> | <b>(5,141)</b> | <b>(12,015)</b> |
| Non current Financial Debts - Lessors IFRS 16                                                         | 6,953           | 6,423          | 530             |
| Other Long Term Financial Assets                                                                      | (532)           | (700)          | 168             |
| Other Non current Financial Debts                                                                     | 66,979          | 51,140         | 15,839          |
| <b>Non current Financial Debts</b>                                                                    | <b>73,400</b>   | <b>56,863</b>  | <b>16,537</b>   |
| <b>Net Financial Debt</b>                                                                             | <b>56,244</b>   | <b>51,722</b>  | <b>4,522</b>    |
| <b>Non-monetary</b> debts for adjustment of the price<br>of the acquisitions to be paid in TXT shares | (1,559)         | (2,500)        | 941             |
| <b>Financial Investment</b> - Banca Del Fucino                                                        | (17,778)        | (17,778)       | -               |
| <b>Adjusted Net Financial Debt</b>                                                                    | <b>36,906</b>   | <b>31,444</b>  | <b>5,463</b>    |



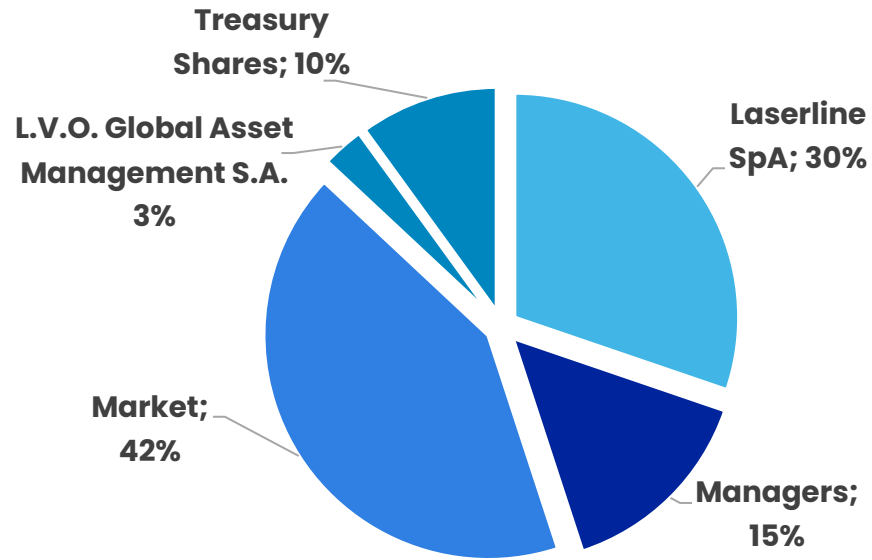
| € thousand                                         | 30.06.2024     | 31.12.2023     | Change       |
|----------------------------------------------------|----------------|----------------|--------------|
| Intangible assets                                  | 91,783         | 85,900         | 5,883        |
| Tangible assets                                    | 22,078         | 20,430         | 1,648        |
| Other fixed assets                                 | 24,049         | 24,462         | (413)        |
| <b>Fixed Assets</b>                                | <b>137,911</b> | <b>130,792</b> | <b>7,119</b> |
| Inventories                                        | 24,700         | 18,733         | 5,967        |
| Trade receivables                                  | 71,193         | 74,346         | (3,153)      |
| Other short term assets                            | 16,162         | 14,876         | 1,287        |
| Trade payables                                     | (21,882)       | (21,585)       | (297)        |
| Tax payables                                       | (9,762)        | (11,208)       | 1,446        |
| Other payables and short term liabilities          | (37,336)       | (34,761)       | (2,575)      |
| <b>Net working capital</b>                         | <b>43,075</b>  | <b>40,402</b>  | <b>2,674</b> |
| <b>Severance and other non current liabilities</b> | <b>(6,410)</b> | <b>(5,603)</b> | <b>(807)</b> |
| <b>Capital employed - Continuing Operations</b>    | <b>174,576</b> | <b>165,590</b> | <b>8,986</b> |
| Shareholders' equity                               | 118,271        | 113,852        | 4,419        |
| Shareholders' equity - minority interest           | 64             | 17             | 47           |
| Net financial debt                                 | 56,242         | 51,721         | 4,521        |
| <b>Financing of capital employed</b>               | <b>174,576</b> | <b>165,590</b> | <b>8,986</b> |





## Shareholding Structure June 30<sup>th</sup>, 2024\*

\* Latest Public Data Available as of 30 Jun. 2024

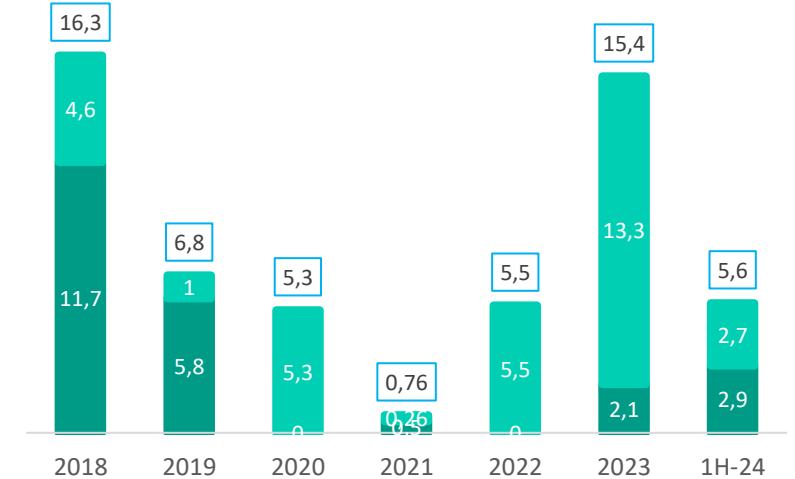


### Market Data

|                             |              |
|-----------------------------|--------------|
| Share Price Dec 31st, 2019  | 9.66€/share  |
| Share Price Jun. 30th, 2024 | 24.25€/share |
| Mkt Jun. 30th, 2024         | 285m €       |
| Dividend Yield              | 1.3%         |

\* Price per share of 19.82€ as of 31 Dec. 2023

## Dividends and Treasury Shares Repurchase (€m)



■ Repurchase Treasury Shares ■ Payment dividends €million  
□ Total

### Dividends

| Year | Dividends      |
|------|----------------|
| 2019 | 0.50 € / share |
| 2020 | nil            |
| 2021 | 0.04 € / share |
| 2022 | nil            |
| 2023 | 0.18 € / share |
| 2024 | 0.25 € / share |



# Q & A