

TXT e-Solutions

Corporate Overview

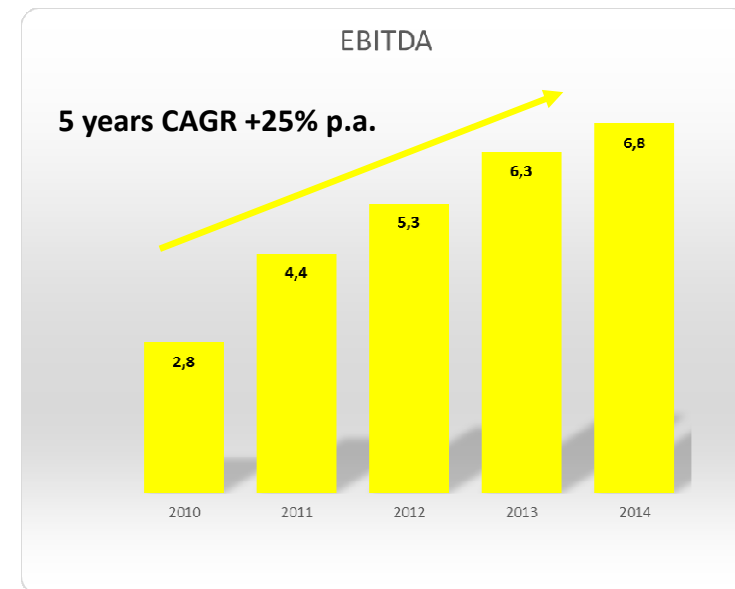
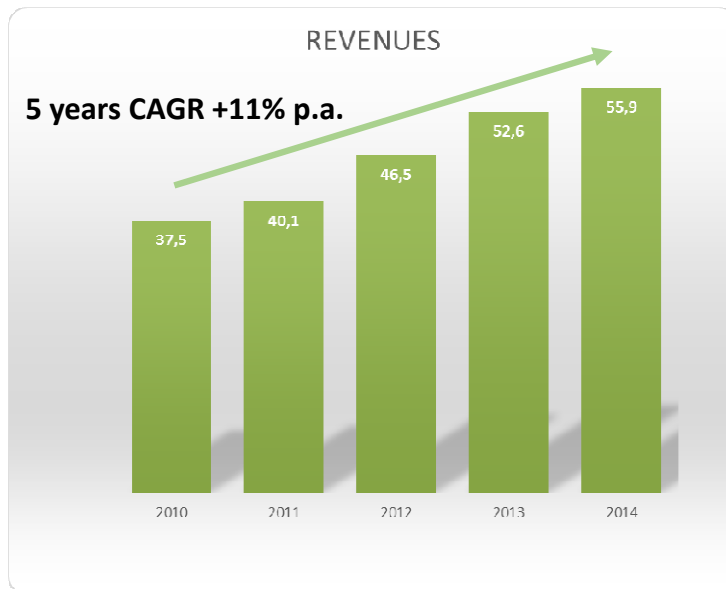
July, 1st 2015



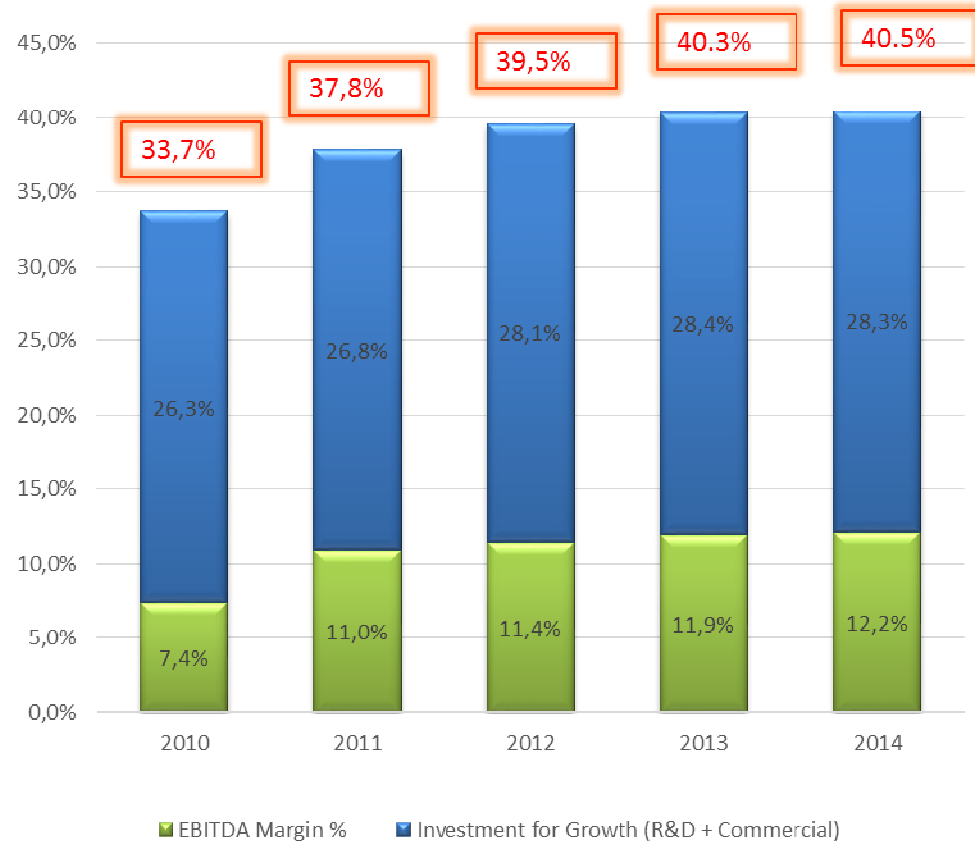
2014: Another year of Growth



- **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:** 8.5 m€ (+ Treasury shares worth approx. 12 m€)



2010 - 2014: Growing EBITDA Margin & Rising the bar of Investments



R&D Investments: strengthen leadership:

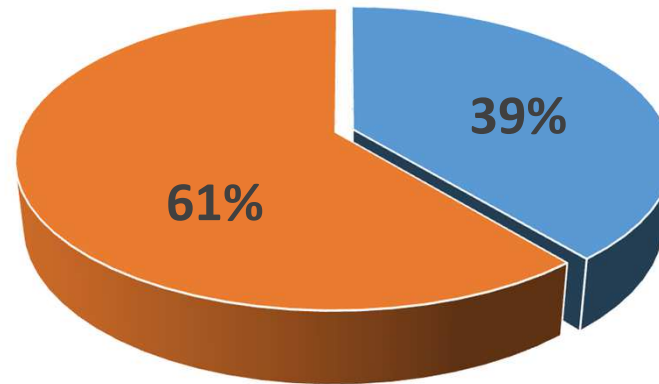
- 2010: 2,5 m€
- 2014: 4,7 m€

Commercial Investments: foster Int'l growth:

- 2010: 7,4 m€
- 2014: 11,1 m€

TXTPERFORM

+7,7% vs. 2013



TXTNEXT

+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

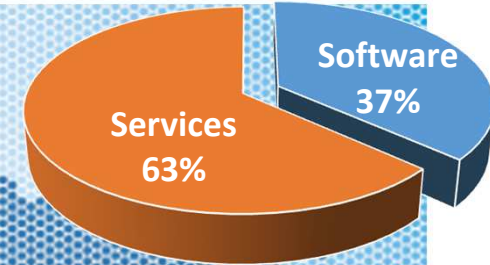
Mature Business, Int'l growth possible through acquisitions: **Aerospace & High-Tech**

- 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

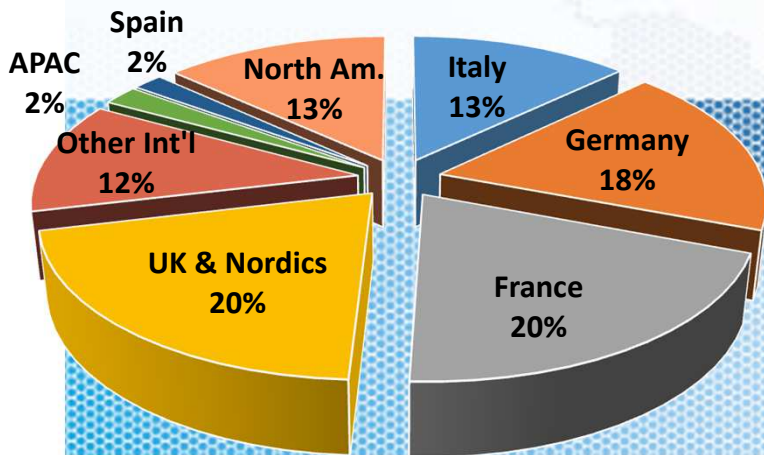


AMERICAS
 Toronto, CA
 Atlanta, USA

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



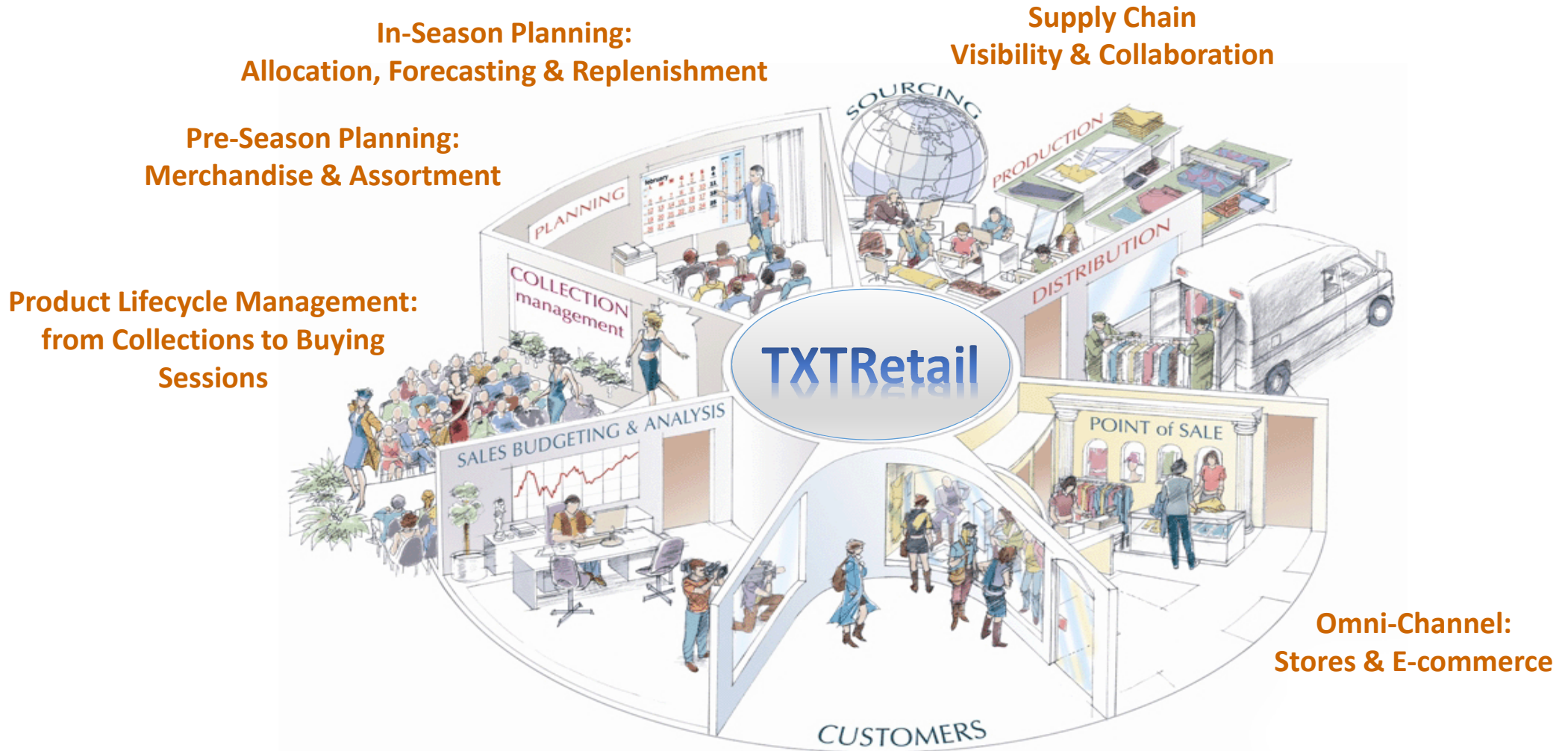
Expertise across categories & channels: Unique, Growing Customer Base of 300+



- 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

Omnichannel End-to-End Planning, Collection Development & Collaboration



Omnichannel End-to-End Planning, Collection Development & Collaboration



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

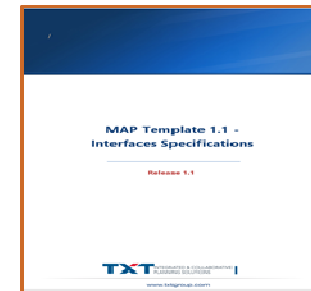
Solution Design



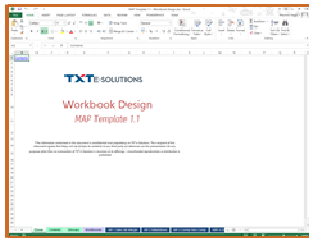
Installation Guide



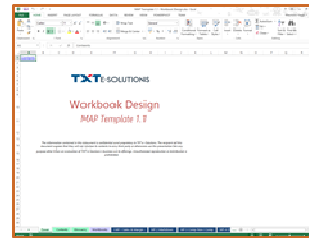
Interface Specifications



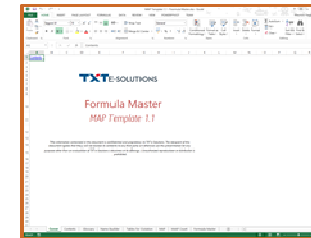
Workbook Design



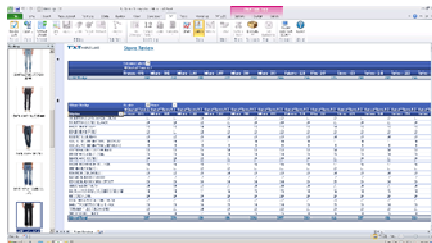
Application Design



Formula Master



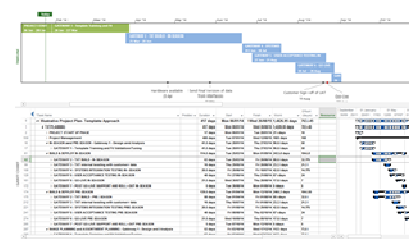
Reference Application



Performance Tests

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

Project Deliverables



Mitigate Project Risk

Reduce Project Costs

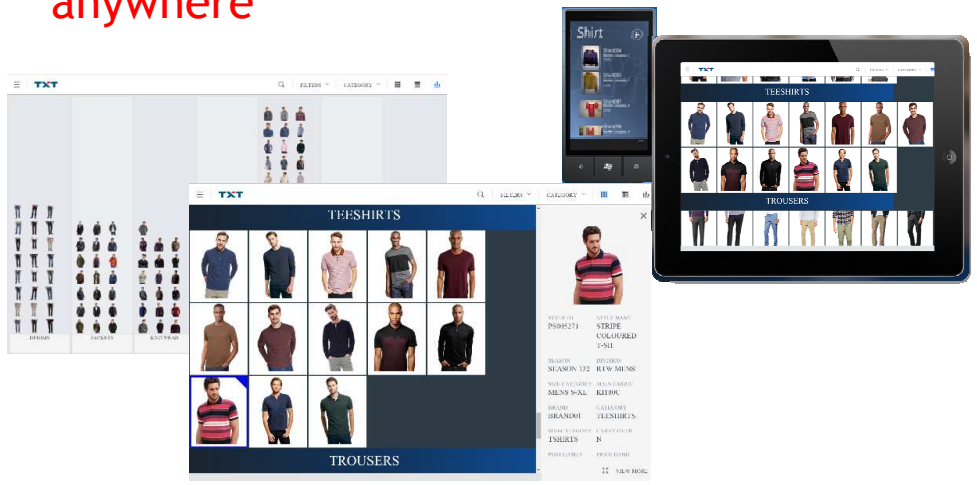
Faster Time to Benefits

Higher ROI

Commitment to Innovate: 4,7 m€ invested in Product & Business Innovation



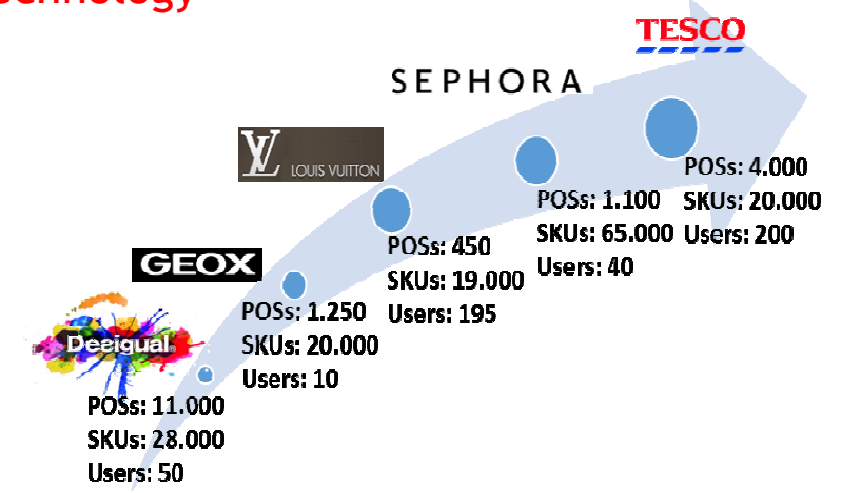
- **Mobility: PLM & Planning on any device, anywhere**



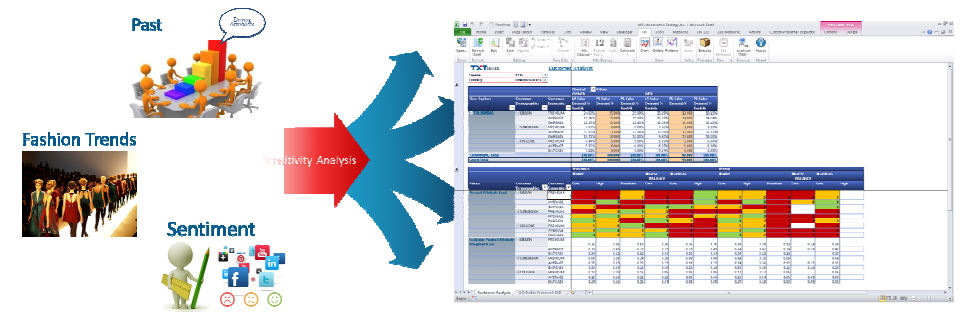
- **Total Cost of ownership: TXT On-Cloud**



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



- **Assortments based on Consumer Analytics**



TXT Retail 2015 & Beyond - Growth Strategy & Drivers: Expand Geography



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

Italian Leadership



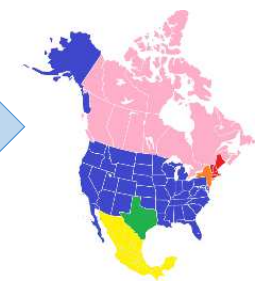
2000-2012

European Leadership



2012-2014

Growing North America



2015 → ...
Global Leadership

Start-up APAC



- 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
- West-Coast, USA
- Asia Pacific**
- Sydney, AU
- Hong Kong



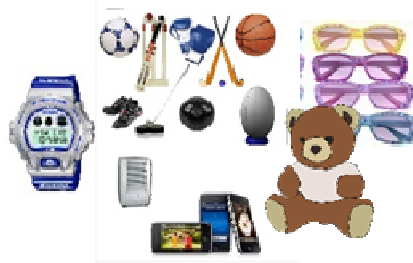
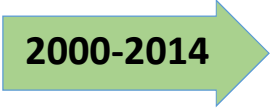
TXT Retail 2015 & Beyond - Growth Strategy & Drivers: Add Market Segments



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



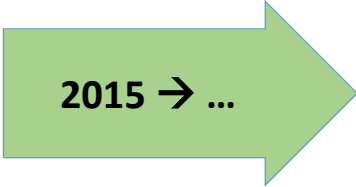
Fashion & Luxury Brands;
Larger Retailers



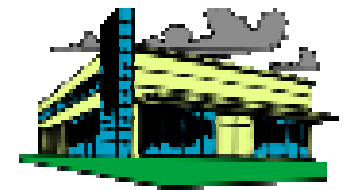
Specialty Retailers;
Larger Retailers



Multichannel & On-Line
Larger Retailers



Growing Range of Specialty Retailers
Smaller, Lower-Tier Retailers



More Specialty Retail Formats
(e.g. Department Stores, Malls, etc.)

TXT Retail 2015 & Beyond - Growth Strategy & Drivers: Add Products & Services



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

SOFTWARE



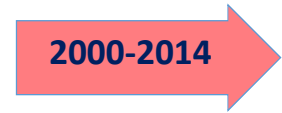
From Planning ...



... to «End-to-End Retail» Vision



Customer-Driven Assortment Management



SERVICES



«Traditional» Services for Delivery & Support



AgileFit Delivery Services



Post Go-Live Managed Services

CPG & Manufacturing: Setting the Stage for Future Profitable Growth

- Approx. 7 m€ in 2014;
- ~100 Key References across Europe

Food And Beverage

TXT



Manufacturing & Distribution

TXT



- Value Proposition:
 - Sales & Operations Planning
 - Supply Chain Collaboration

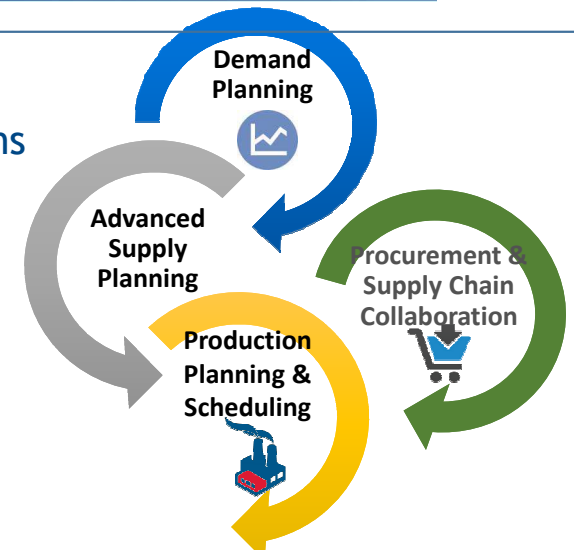


Figure 1. Magic Quadrant for Supply Chain Planning System of Record

- A solid position in a still maturing & fragmented market



Source: Gartner (September 2013)

As of September 2013

TXTNext - Aerospace & High Tech: The “Engineering Division” of TXT Group



In-depth Industry Know-how:

Since 30 years

Partner for our clients to boost their engineering capabilities



AEROSPACE



AUTOMOTIVE & TRANSPORTATION



HIGH TECH



« **TXT** NEXT Inside! »

THROUGHOUT THE ENTIRE VALUE CHAIN



EMBEDDED SYSTEMS



TRAINING & OPERATIONAL SUPPORT SYSTEMS



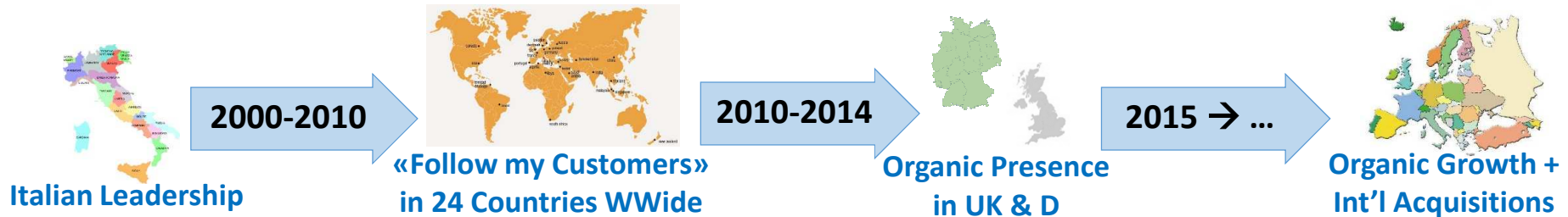
DIGITAL MANUFACTURING

TXT Next - Aerospace & High-Tech: Strategy & Drivers

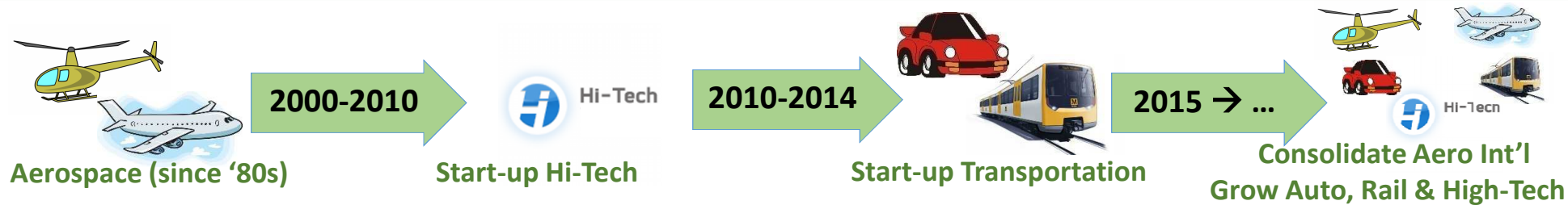


Healthy & profitable growth around the «as-is» perimeter, building on a baseline revenues stream from long-lasting relationships with core clients, and targeting International opportunities, both organically & through Acquisitions.

Geographical Expansion



Industry Segments



Offering



- 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

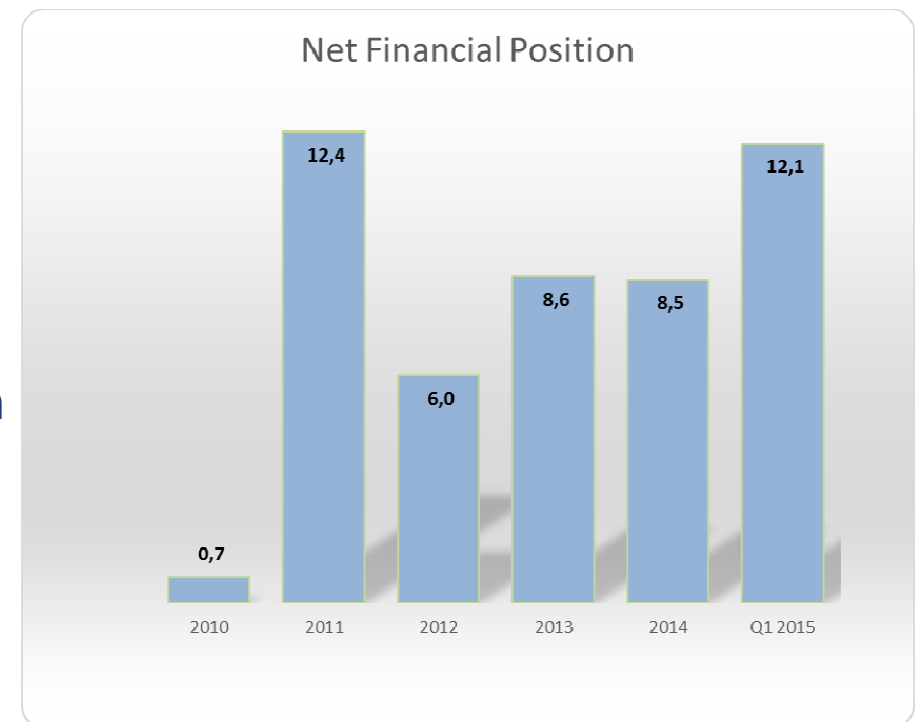
Q1 2015 Financial highlights

- Revenues: € 14.7 million (+ 4.9%)
 - TXT Perform -0.4%; TXT Next grew +13.6%,
 - Software revenues +6.3%; Service revenues +4.5%.
 - 53% of revenues from outside Italy.

- EBIT: € 1.2 million (+2.2% compared to Q1 2014).
 - R&D investments (+10.6% compared to Q1 2014)

- Net income: € 1.0 million, or 6.6% of revenues

- Net Financial Position at 31.3.2015: € 12.1 million



Q1 2015 - Growth of Revenues and R&D Investments



<i>€ thousand</i>	Q1 2015		Q1 2014		Var %
		%		%	
REVENUES	14.684	100,0	13.995	100,0	4,9
Direct costs	7.108	48,4	6.607	47,2	7,6
GROSS MARGIN	7.576	51,6	7.388	52,8	2,5
Research and Development costs	1.362	9,3	1.232	8,8	10,6
Commercial costs	2.922	19,9	2.891	20,7	1,1
General and Administrative costs	1.801	12,3	1.744	12,5	3,3
EBITDA	1.491	10,2	1.521	10,9	(2,0)
Amortization, depreciation	253	1,7	310	2,2	(18,4)
OPERATING PROFIT (EBIT)	1.238	8,4	1.211	8,7	2,2
Financial income (charges)	(70)	(0,5)	(68)	(0,5)	2,9
EARNINGS BEFORE TAXES (EBT)	1.168	8,0	1.143	8,2	2,2
Taxes	(192)	(1,3)	(150)	(1,1)	28,0
NET PROFIT	976	6,6	993	7,1	(1,7)

Strong Balance Structure



<i>€ thousand</i>	31.3.2015	31.12.2014	Var
Intangible assets	15.432	15.079	353
Tangible assets	1.382	1.249	133
Other fixed assets	2.051	1.692	359
Fixed Assets	18.865	18.020	845
Inventories	1.915	1.821	94
Trade receivables	21.494	18.571	2.923
Other short term assets	2.335	2.197	138
Trade payables	(1.800)	(1.540)	(260)
Tax payables	(1.772)	(1.117)	(655)
Other payables and short term liabilities	(15.717)	(13.606)	(2.111)
Net working capital	6.455	6.326	129
Severance and other non current liabilities	(3.822)	(3.841)	19
Capital employed	21.498	20.505	993
Shareholders' equity	33.566	28.970	4.596
Net financial debt	(12.068)	(8.465)	(3.603)
Financing of capital employed	21.498	20.505	993



TXT Market Capitalization (m€)

