

Bit Market Services

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Societa' : TXT e-SOLUTIONS

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Informazione
Regolamentata

Nome utilizzatore : TXTN01 - Matarazzo

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Diffusione presunta

Oggetto : TXT approved Financial Results as of June
30, 2015

Testo del comunicato

Vedi allegato.

TXT e-solutions: good H1 2015
Revenues € 31.1 million Net Income € 2.3 million
Orders € 35.0 million

- *Consolidated Revenues: € 31.1 million (+13.2% compared to H1 2014 normalized), 56% from outside Italy.*
- *EBITDA: € 3.4 million (+13.7% compared to H1 2014 normalized).*
- *Net income: € 2.3 million (+30.5% compared to H1 2014 normalized).*
- *Net Financial Position: positive € 9.5 million at June 30 2015 (€ 8.5 million at 31 December 2014).*

Milan – August 4, 2015

The Board of Directors of TXT e-solutions Spa, chaired by Alvisè Braga Illa, today approved the first half-financial results for the period ended as of June 30, 2015.

First semester 2015 recorded good growth of Revenues and Orders in both Divisions.

First semester 2014 results include a non-recurring income of € 1.5 million, earned as indemnity from two sellers of Maple Lake who resigned and non-recurring charges of € 0.4 million. In order to compare performance with current year, financial results as of 30 June 2014 have been normalized, excluding non-recurring Revenues and Costs.

Revenues were € 31.1 million, compared to € 27.5 million in H1 2014 normalized (+13.2%). Sales of licences and maintenance totalled € 8.4 million (27% as a percentage of revenues), up +36.6% compared to H1 2014.

TXT Perform, the Planning specialist in End-to-End Retail for the Luxury and Fashion sector (60% of group revenues) grew revenues to € 18.8 million (+13.1% compared to H1 2014 normalized); TXT Next revenues (40% of group) were € 10.9 million and grew by +13.4% compared to H1 2014.

International Revenues rose from € 15.3 million to € 17.5 million (+13.5% compared to H1 2014 normalized) or 56% of total sales, almost entirely in TXT Perform.

EBITDA was € 3.4 million and grew +13.7% compared to H1 2014 normalized (€ 3.0 million), after strong R&D (+14.1%) and Commercial investments (+12.8%). Profitability on revenues is 10.8% in line with H1 2014 normalized. EBITDA in H1 2014 of € 4.0 million included non-recurring income and charges of € 1.1 million.

Pre-tax Income grew +24.6% from € 2.2 million (H1 2014 normalized) to € 2.7 million. Profitability on revenues rose from 8.0% to 8.8%.

Net Income was € 2.3 million (7.5% of revenues), up +30.5% compared to H1 2014 normalized (€ 1.8 million). Income tax charges were € 0.4 million, or 15% of pre-tax income. Net income in H1 2014, including non-recurring items, was € 2.7 million.

Net Financial Position has risen from € 8.5 million positive as of December 31, 2014 to € 9.5 million as of June 30, 2015. Main cash movements in H1 2015 included a block sale of treasury shares to USA funds Kabouter (€ 3.2 million), the payment of dividends (€ 2.7 million), the payment of 2014 personnel bonuses (€ 2.5 million) and the purchase of treasury shares on the market (€ 0.5 million).

Shareholders' Equity as of June 30, 2015 amounted to € 32.0 million, compared to € 29.0 million as of December 31, 2014 mainly due to net income of the first semester (€ 2.3 million) and effect of currencies.

As of June 30, 2015 TXT holds 1,286,767 treasury shares (1,570,635 as of December 31, 2014) or 9.89% of issued shares, purchased at an average price of € 2.18.

In first half 2015 orders were € 35.0 million, up +28% compared to first half 2014 (€ 27.4 million). TXT Perform division orders were € 21.6 million (+40%) and TXT Next € 13.4 million (+17%).

In first half 2015 TXT Retail gained important new customers and extension of licences to existing customers, including DFS (HK), Hanna Anderson (USA), Delta Galil (ISR), Swatch (CH), Moncler (I), Marni (I), Carpisa (I), Takko (D), Otto (D), Charles Voegelé (D), Adidas (D), White Stuff (UK), Alinea (F) e Kenzo (F).

The Chairman Alvise Braga Illa commented as follows: *"This was a good semester, also showing first-to-second quarter improvement in 2015, due also to an important new TXT Retail licence in Asia Pacific. Our competitive position is stronger: the offering of TXT products and services has been broadened to new industrial sectors – notably Food& Manufacturing; we continue to adopt new technology, such as 'cloud services' and 'in-memory processing'; we have extended our geographic coverage, incorporated a new subsidiary in Hong Kong and obtained an important contract in Asia Pacific; our aeronautics branch in the Next Division has received an important international contract outside the perimeter of our key Italian client, who are also growing internationally. In the very short term, however, our guidance is necessarily prudent, in view of continuing serious perturbation and distortion in world economies and global finance; in the medium term, we do confirm our strategy and our specific objectives of profitable growth and value creation for all stockholders."*

Outlook and Subsequent Events

The complex international economic environment did not prevent our customer to achieve very good results both in Fashion & Luxury and in TXT Next's markets. The ongoing market trends lead the most dynamic companies to invest in the solution space covered by TXT products. As a consequence, our pipeline of negotiations for new licences and services has further improved in all TXT markets.

The Company continues to invest in R&D, in marketing & sales, and in the search of acquisition opportunities for both Divisions, while at the same time preserving a good level of profit. The Company anticipate a positive business development in the current quarter, notwithstanding the caution in the lights of the complex economic situation.

Declaration of the designated officer in charge of drafting the company's accounting documents

The Designated Officer in charge of drafting the company's accounting documents, Paolo Matarazzo, herein declares, pursuant to Article 154-bis, Paragraph 2 of Legislative Decree no. 58 of 24 February 1998 that the accounting information contained in this press release corresponds to the documentary records, books and accounting entries.

As from today, this press release is available also on the company's website www.txtgroup.com

TXT e-solutions is an international specialist in high-value, strategic software and solutions for large enterprises. The main business areas are: **Integrated & Collaborative Planning Solutions**, with the TXT Perform Division, especially for Luxury, Fashion, Retail and Consumer Goods; **Software for Complex Operations & Manufacturing**, with the TXT Next Division, for Aerospace, Defence, High-Tech and Finance. Listed in the Star Segment of Borsa Italiana (TXT.MI), TXT is based in Milan and has offices in Australia, Canada, France, Germany, Hong Kong, Italy, Spain, United Kingdom and United States.

For information:

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Management Income Statement as of 30.06.2015

€ thousand	I SEM. 2015	%	I SEM. 2014 (1)	2014 non-recurring	I SEM. 2014 "Normalized"(2)	%	Var % vs 2014	Var % vs 2014 "Normalized"
REVENUES	31.126	100,0	28.972	(1.468)	27.504	100,0	7,4	13,2
Direct costs	14.878	47,8	13.464	(407)	13.057	47,5	10,5	13,9
GROSS MARGIN	16.248	52,2	15.508	(1.061)	14.447	52,5	4,8	12,5
Research and Development costs	2.716	8,7	2.380		2.380	8,7	14,1	14,1
Commercial costs	6.392	20,5	5.666		5.666	20,6	12,8	12,8
General and Administrative costs	3.764	12,1	3.431		3.431	12,5	9,7	9,7
EBITDA	3.376	10,8	4.031	(1.061)	2.970	10,8	(16,2)	13,7
Amortization, depreciation	519	1,7	643		643	2,3	(19,3)	(19,3)
OPERATING PROFIT (EBIT)	2.857	9,2	3.388	(1.061)	2.327	8,5	(15,7)	22,8
Financial income (charges)	(112)	(0,4)	(124)		(124)	(0,5)	(9,7)	(9,7)
EARNINGS BEFORE TAXES (EBT)	2.745	8,8	3.264	(1.061)	2.203	8,0	(15,9)	24,6
Taxes	(405)	(1,3)	(607)	197	(410)	(1,5)	(33,3)	(1,1)
NET PROFIT	2.340	7,5	2.657	(864)	1.793	6,5	(11,9)	30,5

(1) Official Financial Reporting.

(2) Income Statement H1 2014 includes non-recurring income of 1.468k€ and non-recurring costs of 407k€. In order to compare performance with current year, financial results as of 30.6.2014 have been "Normalized" excluding non-recurring Revenues and Costs. Taxes have been calculated pro-rata.

Income Statement as of 30.06.2015

Amounts in Euro	30.06.2015	30.06.2014
TOTAL REVENUES AND INCOME	31.125.549	28.972.408
Purchases of materials and services	(6.099.884)	(6.701.861)
Personnel costs	(20.681.182)	(17.179.025)
Other operating costs	(968.088)	(1.060.747)
Amortizations, depreciation and write downs	(519.623)	(642.347)
OPERATING RESULT	2.856.772	3.388.428
Financial income/charges	(111.414)	(124.606)
PRE-TAX RESULT	2.745.358	3.263.822
Income Taxes	(405.571)	(606.444)
NET RESULT CURRENT ACTIVITIES	2.339.787	2.657.378
PROFIT PER SHARE (Euro)	0,20	0,25
PROFIT PER SHARE DILUTED (Euro)	0,20	0,24

Net Financial Position as of 30.06.2015

€ thousand	30.6.2015	31.12.2014	Var	30.6.2014
Cash	10.423	12.304	(1.881)	11.583
Short term debt	(960)	(2.154)	1.194	(2.763)
Short term Financial Resources	9.463	10.150	(687)	8.820
Long term debt	-	(1.685)	1.685	(2.188)
Net Available Financial Resources	9.463	8.465	998	6.632

Consolidated Balance Sheet as of 30.06.2015

ASSETS (Amounts in Euro)	30.06.2015	31.12.2014
NON-CURRENT ASSETS		
Goodwill	13.607.235	12.993.445
Definite life intangible assets	1.806.559	2.085.369
Intangible Assets	15.413.794	15.078.814
Buildings, plants and machinery owned	1.376.946	1.248.845
Tangible Assets	1.376.946	1.248.845
Other non-current assets	144.184	136.068
Deferred tax assets	1.621.670	1.556.303
Other non-current assets	1.765.854	1.692.371
TOTAL NON-CURRENT ASSETS	18.556.594	18.020.030
CURRENT ASSETS		
Inventories	2.460.514	1.820.672
Trade receivables	21.008.367	18.570.928
Other current assets	2.265.148	2.196.824
Cash and other liquid equivalents	10.423.286	12.304.130
TOTAL CURRENT ASSETS	36.157.315	34.892.554
TOTAL ASSETS	54.713.909	52.912.584
EQUITY AND LIABILITIES (Amounts in Euro)		
SHAREHOLDERS' EQUITY		
Share capital	6.503.125	5.911.932
Reserves	15.716.975	12.867.534
Retained earnings	7.412.155	6.018.431
Profit (Loss) for the year	2.339.787	4.172.380
TOTAL SHAREHOLDERS' EQUITY	31.972.042	28.970.277
NON-CURRENT LIABILITIES		
Non-current financial liabilities	-	1684734
Severance and other personnel liabilities	3.799.318	3.841.200
Deferred tax liabilities	1.008.076	965.428
TOTAL NON-CURRENT LIABILITIES	4.807.394	6.491.362
CURRENT LIABILITIES		
Current financial liabilities	960.694	2.153.926
Trade payables	1.687.223	1.540.108
Tax payables	327.792	150.971
Other current liabilities	14.958.764	13.605.940
TOTAL CURRENT LIABILITIES	17.934.473	17.450.945
TOTAL LIABILITIES	22.741.867	23.942.307
TOTAL EQUITY AND LIABILITIES	54.713.909	52.912.584

Consolidated Statement of Cash Flows as of 30.06.2015

Amounts in Euro	30.06.2015	30.06.2014
Net Income	2.339.787	2.657.378
Non cash costs	42.558	-
Paid taxes	283.976	736.914
Variance in deferred taxes	(22.719)	(15.064)
Amortization, depreciation and write-downs	519.623	642.347
Cash flows generated by operations before working capital	3.163.225	4.021.575
(Increase) / Decrease in trade receivables	(2.439.505)	(2.334.785)
(Increase) / Decrease in inventories	(639.842)	(957.944)
(Increase) / Decrease in trade payables	147.116	466.489
(Increase) / Decrease in severance and other personnel liabilities	13.403	55.213
(Increase) / Decrease in other current assets/liabilities	1.169.228	15.684
Changes in working capital	(1.749.600)	(2.755.343)
CASH FLOW GENERATED BY OPERATIONS	1.413.625	1.266.232
Increase in tangible assets	(399.302)	(347.416)
Decrease in intangible assets	(10.104)	24.603
Increase in intangible assets	-	(19.214)
CASH FLOW GENERATED BY INVESTING ACTIVITIES	(409.406)	(342.027)
Increase / (Decrease) in financial debts	(2.877.966)	(1.260.354)
Distribution of dividends	(2.678.079)	(2.614.596)
Purchase of treasury shares	2.668.948	(269.318)
CASH FLOW GENERETED BY FINANCIAL ACTIVITIES	(2.887.097)	(4.144.268)
INCREASE / (DECREASE) IN CASH	(1.882.878)	(3.220.063)
Difference in Currency Translation	2.034	(18.025)
Cash at beginning of the period	12.304.130	14.821.027
Cash at the end of the period	10.423.286	11.582.939

Income Statement - Management Reporting Second Quarter as at 30.06.2015

<i>€ thousand</i>	Q2 2015	%	Q2 2014 (1)	2014 non-recurring	Q2 2014 "Normalized"(2)	%	Var % vs 2014	Var % vs 2014 "Normalized"
REVENUES	16.442	100,0	14.977	(1.468)	13.509	100,0	9,8	21,7
Direct costs	7.770	47,3	6.857	(407)	6.450	47,7	13,3	20,5
GROSS MARGIN	8.672	52,7	8.120	(1.061)	7.059	52,3	6,8	22,9
Research and Development costs	1.354	8,2	1.148		1.148	8,5	17,9	17,9
Commercial costs	3.470	21,1	2.775		2.775	20,5	25,0	25,0
General and Administrative costs	1.963	11,9	1.687		1.687	12,5	16,4	16,4
EBITDA	1.885	11,5	2.510	(1.061)	1.449	10,7	(24,9)	30,1
Amortization, depreciation	266	1,6	333		333	2,5	(20,1)	(20,1)
OPERATING PROFIT (EBIT)	1.619	9,8	2.177	(1.061)	1.116	8,3	(25,6)	45,1
Financial income (charges)	(42)	(0,3)	(56)		(56)	(0,4)	(25,0)	(25,0)
EARNINGS BEFORE TAXES (EBT)	1.577	9,6	2.121	(1.061)	1.060	7,8	(25,6)	48,8
Taxes	(213)	(1,3)	(457)	197	(260)	(1,9)	(53,4)	(18,0)
NET PROFIT	1.364	8,3	1.664	(864)	800	5,9	(18,0)	70,4

(1) Official Financial Reporting.

(2) Income Statement Q2 2014 includes non-recurring income of 1.468k€ and non-recurring costs of 407k€. In order to compare performance with current year, financial results as of 30.6.2014 have been "Normalized" excluding non-recurring Revenues and Costs. Taxes have been calculated pro-rata on a half year basis.

Fine Comunicato n.0439-55

Numero di Pagine: 10