

Bit Market Services

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| Informazione Regolamentata n. 0439-69-2015 | Data/Ora Ricezione 04 Novembre 2015 16:59:48 | MTA - Star |
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Societa' : TXT e-SOLUTIONS
Identificativo : 65090
Informazione
Regolamentata
Nome utilizzatore : TXTN01 - Matarazzo
Tipologia : IRAG 03
Data/Ora Ricezione : 04 Novembre 2015 16:59:48
Data/Ora Inizio : 04 Novembre 2015 17:14:49
Diffusione presunta
Oggetto : TXT: approved nine-months results

Testo del comunicato

Vedi allegato.

**TXT e-solutions: 2015 nine-months revenues
€ 45.4 million (+12.9%) and Net Income € 3.4 million (+25.2%)
Strong growth of Revenues and Net Income continues in Q3**

- *Consolidated Revenues: € 45.4 million (+12.9%), 55% from outside Italy.*
- *EBITDA: € 5.0 million (+10.6%).*
- *Net income: € 3.4 million (+25.2%).*
- *Net Financial Position: positive € 9.4 million at September 30 2015 (€ 8.5 million at 31 December 2014).*

Milan – November 4, 2015

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

In the first nine month of 2015, TXT recorded good growth of Revenues and Orders in both Divisions. Orders were € 46.9 million, up +18.8% compared to 2014 (€ 39.5 million). TXT Perform division orders grew by +20.2% and TXT Next by +16.6%.

In first nine months of 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), Sonae (P), Safilo (I), Furla (I), Moncler (I), Marni (I), Carpisa (I), Takko (D), Otto (D), Charles Voegele (D), Adidas (D), White Stuff (UK), Louis Vuitton (F), Longchamp (F), Sephora (F), Monoprix (F), Alinea (F) and Kenzo (F).

In order to compare performance with current year, financial results as of 30 September 2014 have been normalized, excluding non-recurring Revenues and Costs. 2014 results include a non-recurring income of € 1.5 million, earned from acquisition of Maple Lake and non-recurring charges of € 0.4 million.

Revenues were € 45.4 million, compared to € 40.2 million in the first nine month 2014 normalized (+12.9%). Sales of licences and maintenance totalled € 12.1 million (27% as a percentage of revenues), up +29.4% compared to 2014.

TXT Perform, the Planning specialist in End-to-End Retail for the Luxury and Fashion sector (60% of group revenues) grew revenues to € 27.2 million (+11.9% compared to 2014 normalized); TXT Next revenues (40% of group) were € 18.2 million and grew by +14.4% compared to 2014.

EBITDA was € 5.0 million and grew +10.6% compared to 2014 normalized (€ 4.5 million), after strong R&D (+13.3%) and Commercial investments (+13.7%). Profitability on revenues is 11%.

Pre-tax Income grew +20.8% from € 3.4 million (2014 normalized) to € 4.1 million. Profitability on revenues rose from 8.3% to 8.9%.

Net Income was € 3.4 million (7.6% of revenues), up +25.2% compared to 2014 normalized (€ 2.7 million). Income tax charges were € 0.6 million, or 15% of pre-tax income.

Net Financial Position has risen from € 8.5 million positive as of December 31, 2014 to € 9.4 million as of September 30, 2015. Main cash movements in the first nine months 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 bonuses to employees (€ 2.5 million) and share buybacks (€ 0.8 million).

Shareholders' Equity as of September 30, 2015 amounted to € 32.5 million, up € 3.5 million compared to € 29.0 million as of December 31, 2014, mainly due to net income of the period (€ 3.4 million).

As of September 30, 2015 TXT holds 1,325,117 treasury shares or 10.19% of issued shares, purchased at an average price of € 2.33.

Third Quarter 2015

In Q3 2015 **Revenues** were € 14.3 million, up +12.3% compared to Q3 2014, with software revenues (licences and maintenance) growing by 15.4% and services by 11.3%. TXT Perform grew revenues to € 8.4 million (+9.5% compared to Q3 2014) and TXT Next revenues were € 5.9 million and grew by +16.6% compared to Q3 2014.

Net Income was € 1.1 million, up +15.1% compared to Q3 2014. Profitability on revenues rose from 7.5% to 7.7%.

On 18 August 2015 TXT Singapore Pte Ltd has been incorporated in addition to the subsidiary in Hong Kong for the development of Asia Pacific market and for the management of an important customer with over 40 Duty Free and Galleria stores in airport hubs and tourist locations worldwide.

The Chairman Alvise Braga IIIa commented as follows: *"Final Q3 results exceed our initial expectations. The complex international economic environment did not prevent our customers 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."*

Outlook and Subsequent Events

The acceleration in new orders in the first 9 months 2015 allows to forecast a positive business development in the current quarter.

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, Singapore, Spain, United Kingdom and United States.

For information:

TXT e-solutions SpA
Paolo Matarazzo
CFO
Tel. +39 02 25771.355
paolo.matarazzo@txtgroup.com

Management Income Statement as of 30.09.2015

| € thousand | 9m 2015 | % | 9m 2014 (1) | 2014 non recurring | 9m 2014 Normalized (2) | % | Var % vs 2014 | Var % vs 2014 Normalized |
|------------------------------------|---------------|--------------|----------------|-----------------------|------------------------------|--------------|------------------|--------------------------------|
| REVENUES | 45.403 | 100,0 | 41.682 | (1.468) | 40.214 | 100,0 | 8,9 | 12,9 |
| Direct costs | 21.659 | 47,7 | 19.451 | (407) | 19.044 | 47,4 | 11,4 | 13,7 |
| GROSS MARGIN | 23.744 | 52,3 | 22.231 | (1.061) | 21.170 | 52,6 | 6,8 | 12,2 |
| Research and Development costs | 3.838 | 8,5 | 3.388 | | 3.388 | 8,4 | 13,3 | 13,3 |
| Commercial costs | 9.319 | 20,5 | 8.193 | | 8.193 | 20,4 | 13,7 | 13,7 |
| General and Administrative costs | 5.583 | 12,3 | 5.063 | | 5.063 | 12,6 | 10,3 | 10,3 |
| EBITDA | 5.004 | 11,0 | 5.587 | (1.061) | 4.526 | 11,3 | (10,4) | 10,6 |
| Amortization, depreciation | 826 | 1,8 | 980 | | 980 | 2,4 | (15,7) | (15,7) |
| OPERATING PROFIT (EBIT) | 4.178 | 9,2 | 4.607 | (1.061) | 3.546 | 8,8 | (9,3) | 17,8 |
| Financial income (charges) | (128) | (0,3) | (192) | | (192) | (0,5) | (33,3) | (33,3) |
| EARNINGS BEFORE TAXES (EBT) | 4.050 | 8,9 | 4.415 | (1.061) | 3.354 | 8,3 | (8,3) | 20,8 |
| Taxes | (615) | (1,4) | (807) | 197 | (610) | (1,5) | (23,8) | 0,8 |
| NET PROFIT | 3.435 | 7,6 | 3.608 | (864) | 2.744 | 6,8 | (4,8) | 25,2 |

(1) Official Financial Reporting.

(2) Income Statement 9m 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 30.9.2014 have been "Normalized" excluding non-recurring Revenues and Costs. Taxes have been calculated pro-rata.

Income Statement as of 30.09.2015

| Amounts in Euro | 30.09.2015 | 30.09.2014 |
|---|-------------------|-------------------|
| TOTAL REVENUES AND INCOME | 45.403.225 | 41.682.069 |
| Purchases of materials and services | (8.669.911) | (9.425.021) |
| Personnel costs | (30.277.215) | (25.086.476) |
| Other operating costs | (1.452.102) | (1.583.144) |
| Amortizations, depreciation and write downs | (826.000) | (980.241) |
| OPERATING RESULT | 4.177.997 | 4.607.187 |
| Financial income/charges | (128.117) | (192.494) |
| PRE-TAX RESULT | 4.049.880 | 4.414.693 |
| Income Taxes | (615.275) | (806.353) |
| NET RESULT CURRENT ACTIVITIES | 3.434.605 | 3.608.340 |
| PROFIT PER SHARE (Euro) | 0,29 | 0,35 |
| PROFIT PER SHARE DILUTED (Euro) | 0,29 | 0,33 |

Net Financial Position as of 30.09.2015

| € thousand | 30.9.2015 | 31.12.2014 | Var | 30.9.2014 |
|--|--------------|---------------|--------------|--------------|
| Cash | 11.862 | 12.304 | (442) | 11.862 |
| Short term debt | (2.467) | (2.154) | (313) | (2.757) |
| Short term Financial Resources | 9.395 | 10.150 | (755) | 9.105 |
| Long term debt | - | (1.685) | 1.685 | (2.034) |
| Net Available Financial Resources | 9.395 | 8.465 | 930 | 7.071 |

Consolidated Balance Sheet as of 30.09.2015

| ASSETS (Amounts in Euro) | 30.09.2015 | 31.12.2014 |
|---|-------------------|-------------------|
| NON-CURRENT ASSETS | | |
| Goodwill | 13.133.536 | 12.993.445 |
| Definite life intangible assets | 1.677.298 | 2.085.369 |
| Intangible Assets | 14.810.834 | 15.078.814 |
| Buildings, plants and machinery owned | 1.408.442 | 1.248.845 |
| Tangible Assets | 1.408.442 | 1.248.845 |
| Other non-current assets | 141.572 | 136.068 |
| Deferred tax assets | 1.779.106 | 1.556.303 |
| Other non-current assets | 1.920.678 | 1.692.371 |
| TOTAL NON-CURRENT ASSETS | 18.139.954 | 18.020.030 |
| CURRENT ASSETS | | |
| Inventories | 2.767.053 | 1.820.672 |
| Trade receivables | 20.043.309 | 18.570.928 |
| Other current assets | 2.441.893 | 2.196.824 |
| Cash and other liquid equivalents | 11.862.391 | 12.304.130 |
| TOTAL CURRENT ASSETS | 37.114.646 | 34.892.554 |
| TOTAL ASSETS | 55.254.600 | 52.912.584 |
| EQUITY AND LIABILITIES (Amounts in Euro) | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 6.503.125 | 5.911.932 |
| Reserves | 15.151.014 | 12.867.534 |
| Retained earnings | 7.412.155 | 6.018.431 |
| Profit (Loss) for the year | 3.434.605 | 4.172.380 |
| TOTAL SHAREHOLDERS' EQUITY | 32.500.899 | 28.970.277 |
| NON-CURRENT LIABILITIES | | |
| Non-current financial liabilities | - | 168.473 |
| Severance and other personnel liabilities | 3.784.078 | 3.841.200 |
| Deferred tax liabilities | 1.163.013 | 965.428 |
| TOTAL NON-CURRENT LIABILITIES | 4.947.091 | 6.491.362 |
| CURRENT LIABILITIES | | |
| Current financial liabilities | 2.467.446 | 2.153.926 |
| Trade payables | 1.254.205 | 1.540.108 |
| Tax payables | 225.620 | 150.971 |
| Other current liabilities | 13.859.339 | 13.605.940 |
| TOTAL CURRENT LIABILITIES | 17.806.610 | 17.450.945 |
| TOTAL LIABILITIES | 22.753.701 | 23.942.307 |
| TOTAL EQUITY AND LIABILITIES | 55.254.600 | 52.912.584 |

Consolidated Statement of Cash Flows as of 30.09.2015

| Amounts in Euro | 30.09.2015 | 30.09.2014 |
|--|--------------------|--------------------|
| Net Income | 3.434.605 | 3.608.340 |
| Paid taxes | (78.666) | 106.645 |
| Variance in deferred taxes | (25.218) | 146.336 |
| Amortization, depreciation and write-downs | 826.000 | 980.242 |
| Cash flows generated by operations before working capital | 4.156.721 | 4.841.563 |
| (Increase) / Decrease in trade receivables | (1.508.365) | (2.062.967) |
| (Increase) / Decrease in inventories | (946.381) | (155.476) |
| (Increase) / Decrease in trade payables | (285.902) | (335.945) |
| (Increase) / Decrease in severance and other personnel liabilities | 12.190 | 84.970 |
| (Increase) / Decrease in other current assets/liabilities | 156.140 | (272.577) |
| Changes in working capital | (2.572.318) | (2.741.995) |
| CASH FLOW GENERATED BY OPERATIONS | 1.584.403 | 2.099.568 |
| Increase in tangible assets | (512.495) | (441.432) |
| Increase in intangible assets | (29.047) | (25.792) |
| CASH FLOW GENERATED BY INVESTING ACTIVITIES | (541.542) | (467.224) |
| Repayment of borrowings | (1.371.214) | (1.457.327) |
| Distribution of dividends | (2.678.079) | (2.614.596) |
| (Purchase) / Sale of treasury shares | 2.378.634 | (463.543) |
| CASH FLOW GENERETED BY FINANCIAL ACTIVITIES | (1.670.659) | (4.535.466) |
| INCREASE / (DECREASE) IN CASH | (627.798) | (2.903.122) |
| Difference in Currency Translation | 186.059 | (58.770) |
| Cash at beginning of the period | 12.304.130 | 14.821.027 |
| Cash at the end of the period | 11.862.391 | 11.859.135 |

Income Statement - Management Reporting Third Quarter as at 30.09.2015

| <i>€ thousand</i> | Q3 2015 | % | Q3 2014 | % | Var % vs 2014 |
|------------------------------------|---------------|--------------|---------------|--------------|---------------|
| REVENUES | 14.277 | 100,0 | 12.710 | 100,0 | 12,3 |
| Direct costs | 6.781 | 47,5 | 5.987 | 47,1 | 13,3 |
| GROSS MARGIN | 7.496 | 52,5 | 6.723 | 52,9 | 11,5 |
| Research and Development costs | 1.122 | 7,9 | 1.008 | 7,9 | 11,3 |
| Commercial costs | 2.927 | 20,5 | 2.527 | 19,9 | 15,8 |
| General and Administrative costs | 1.819 | 12,7 | 1.632 | 12,8 | 11,5 |
| EBITDA | 1.628 | 11,4 | 1.556 | 12,2 | 4,6 |
| Amortization, depreciation | 307 | 2,2 | 337 | 2,7 | (8,9) |
| OPERATING PROFIT (EBIT) | 1.321 | 9,3 | 1.219 | 9,6 | 8,4 |
| Financial income (charges) | (16) | (0,1) | (68) | (0,5) | (76,5) |
| EARNINGS BEFORE TAXES (EBT) | 1.305 | 9,1 | 1.151 | 9,1 | 13,4 |
| Taxes | (210) | (1,5) | (200) | (1,6) | 5,0 |
| NET PROFIT | 1.095 | 7,7 | 951 | 7,5 | 15,1 |

Fine Comunicato n.0439-69

Numero di Pagine: 10