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Testo del comunicato

Vedi allegato.



PRESS RELEASE

TXT e-solutions: results of the first 9 months of 2022

Revenues € 92.4 million (+38.5%)

Organic growth revenues +17.7%

EBITDA € 13.5 million (+54.5%)

Operational profit (EBIT) € 9.2 million (+70.9%)

- Revenues €92.4 million (+38.5%), of which €7.3 million from software and €85.1 million from projects and specialist consultancy (including € 20.0 million of services around proprietary software)
- Organic revenue growth + 17.7% in the first 9 months of 2022
- EBITDA €13.5 million (+54.5%), EBITDA margin 14.6% (+1.5 pp vs. first nine months 2021)
- Operational profit (EBIT) € 9.2 million (+70.9%)
- Net profit € 5.3 million (+29.2%)
- Net Financial Debt of € 13.0 million, up compared to € 11.6 million as of December 31, 2021 for acquisition investments within the period and buy-back plan.

Milan, 8 November 2022 – 14:30

The Board of Directors of TXT e-solutions, chaired by Enrico Magni, approved today the operating results as of September 30, 2022.

"In these first nine months of 2022 we have accelerated the TXT Group growth plan with important acquisitions in terms of strategic value and size and with sustained organic growth that, together, will allow us to expand our offering in the digital field and close the current year with pro-forma consolidated results close to Euro 200 million, as well as allowing TXT to position itself among the main players in our country's digital transformation segment", commented Chairman Enrico Magni.

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The main income statement and balance sheet results for the first nine months of 2022 were as follows:

Revenues amounted to € 92.4 million, an increase of 38.5% compared to € 66.7 million in the first nine months of 2021, of which € 13.8 million was due to the consolidation of companies acquired in the period. On a like-for-like basis, revenues grew by 17.7%. Software revenues were € 7.3 million in the first nine months of 2022, up 15.8% compared to € 6.3 million in the first nine months of 2021. Revenues from projects and specialist consultancy, which include services relating to proprietary software for € 20.0 million in the first nine months of 2022, were € 85.1 million, up 40.8% compared to € 60.4 million in the first nine months of 2021. Revenues for the first nine months of 2022 do not include the results of Ennova SpA which will be consolidated starting from October 2022.

The Aerospace, Aviation and Automotive Division had revenues of € 48.2 million, up € 11.1 million compared to the first nine months of 2021 (+29.9%), of which € 4.3 million from organic development (+11.6%) and € 6.8 million from the consolidation of the new acquired companies TeraTron (7 months) e DM Consulting S.r.l. (2.3 months).

The Fintech Division had revenues of € 44.2 million, up € 14.6 million compared to the first nine months of 2021 (49.2%), of which € 7.4 million from organic development (+24.7%) and € 7.1 million from the consolidation of LBA (9 months), Novigo (9 months) e Quence (9 months).

EBITDA was € 13.5 million, +54.5% compared to the first nine months of 2021 (€ 8.8 million), of which € 1.6 million from organic development (+18.5%) and € 3.2 million from the consolidation of companies acquired in the period. EBITDA percentage increased to 14.6% compared to 13.1% in the first nine months of 2021.

Operating profit (EBIT) was € 9.2 million, +70.9% compared to the first nine months of 2021 (€ 5.4 million). Depreciation and amortisation on property, plant and equipment and intangible assets amounted to € 4.3 million, an increase of € 1.2 million compared with the first nine months of 2021 due to the consolidation of acquisitions in 2021 and 2022.

Net Financial result in the first nine months of 2022 has negative net balance of € 1.6 million, € 0.2 million higher compared to the first half of the year due to the slow recovery of the financial market from the negative trend recorded in first half of 2022. In the first



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nine months of 2021, net financial result was positive for € 0.3 million due to the opposite market trend recorded in the first nine months of the previous year.

Net profit was € 5.3 million, up from € 4.1 million in the first nine months of 2021. In the first nine months of 2022, the tax rate was 29.1%.

The consolidated **Net Financial Position** as of 30 September 2022 was positive by € 13.0 million, slightly increased compared to positive € 11.6 million as of 31 December 2021, and the increase is mainly attributable to the acquisitions of the period and the execution of the buy-back plan.

Consolidated **shareholders' equity** amounted to € 100.3 million, up compared to € 92.7 million as of December 31, 2021. The changes in the consolidated shareholders' equity in the first nine months of 2022 mainly consisted of the recognition of Net profit (€ 5.3 million) and the net effect of the purchase and sale of treasury shares (€ 0.5 million).

Treasury shares as of 30 September 2022, were 1,163,885 (1,243,372 as of 31 December 2021), representing 8.95% of the issued shares, at an average carrying value of EUR 3.33 per share. In the first nine months of 2022, 487,460 shares were purchased at an average price of € 10.04.

In the third quarter of 2022, Revenues amounted to € 29.9 million, an increase of 29.6% compared to the third quarter of 2021 (€ 23.0 million), of which € 3.6 million from the acquisitions. EBITDA in the third quarter of 2022 was € 4.3 million, an increase of +40.3% compared with the third quarter of 2021 (€ 3.1 million). The margin on revenue was 14.5% compared with 13.4% in the third quarter of 2021, and the acquisitions contributed for € 0.1 million.

"The ecosystem of excellences that we are building is leading to positive results in turnover and profitability that are growing quarter by quarter, constantly since 2019", commented Daniele Misani, CEO of TXT. "The TXT Group is growing in competencies, products and customer base. Our Excellencies are generating synergies that are reflected in margin optimization and in the organic business growth, considering the current climate is particularly significant. In a fragile market condition, digital innovation remains a segment with room for growth. The TXT Group will continue its accelerated and sustainable growth plan to bring value to all its stakeholders."



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On 9 November 2022 at 11:00 a.m. (CET) a conference call will be held during which CEO Daniele Misani will present and comment on the results for the first nine months of 2022. The registration form for the conference call is available on the Company's website www.txtgroup.com under the tab "Financial News & Calendar".

Subsequent events and business outlook

During the last quarter of 2022, the TXT Group is successfully pursuing its accelerated growth plan by leveraging a mix of organic growth and the contribution of new acquisitions with increasing technological and commercial synergies between TXT Group companies.

In the Aerospace, Aviation & Automotive division, which includes the the industrial segment offering, for the fourth quarter of 2022 TXT Group forecasts a positive trend in line with that recorded in the first nine months of the year, with a positive contribution from all segments and year-on-year growth expected to increase in the civil aviation, Automotive and Industry 4.0 segments, driven by the subsidiaries PACE GmbH, Teratron GmbH and DM Consulting Srl, respectively, all united by a business model based on a proprietary Smart Solutions offering. The defense segment continues its constant growth thanks to the positioning of leadership in the design and development of avionics software and training and simulation systems for the main European players. The consolidation of Ennova SpA and Solutions Prodotti Sistemi S.r.l. starting from October 2022 will give an important boost to the accelerated growth of TXT's business and positioning by allowing the Group to play an increasingly central role in the digital transformation process in an increasing number of sectors, both in Italy and in the international context.

For the Fintech division, which includes the digital offering dedicated to the public sector, for the fourth quarter of the year the management of TXT expects strong growth in revenues with positive effects on the division's margins thanks to a mix of factors including the growing volumes on multi-year public tenders awarded by the subsidiary HSPI and new prestigious customer projects and recurring revenues from proprietary software sold to leading banks, payment institutions, insurances companies and other entities operating in the financial market. Concerning the ongoing plan for increasing efficiency by integrating the companies Novigo, Quence and LBA acquired in the fourth quarter of 2021, positive results are reported with synergies that are favoring the enhancement, expansion and positioning of Group's technological offer both in the context of digital and IT consultancy both in the context of proprietary Fintech products offering.

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Concerning the subsequent events in the M&A context, on October 3, 2022 TXT has signed the agreement for the acquisition of 100% of the share capital of Soluzioni Prodotti Sistemi Srl ("SPS"), company founded in Rome in 2009 that from 2013 has started its accelerated growth process with the setup of two new offices in Bari and Milano and the employment of over 100 internal resources distributed throughout Italy to support the main customers and to manage innovative projects for the development of application, IoT and Artificial Intelligence solutions; over the years SPS faced a constant process of growth with revenues' CAGR 2018-2021 of 23%, reaching consolidated revenues of Euro 9.5 million in 2021, with Adjusted EBITDA margin of 15%. The amount for the purchase of 100% of SPS ("Enterprise Value") was agreed between the parties at Euro 6.4 million paid at the closing, of which Euro 4.8 million (75%) was paid in cash and Euro 1.6 million (25%) was paid in TXT's treasury shares. TXT will consolidate the results of SPS from October 2022.

On October 3, 2022, following TXT press release dated September 13, 2022, TXT has announced the purchase of a stake representing 21.44% of the share capital of Ennova S.p.A. ("Ennova") from its minority shareholders and managers, against which TXT holds the entire capital of Ennova. The consideration for the purchase of 21.44% of Ennova was agreed between the parties in Euro 6.4 million, of which Euro 4.9 million (75%) paid in cash and Euro 1.5 million (25%) by transfer of TXT ordinary treasury shares. The agreement provides for two earn-out clauses to the selling shareholders who will continue to hold strategic managerial roles in Ennova. During 2021, Ennova reported revenues of over Euro 60 million and EBITDA Adjusted of Euro 5.3 million, with an improving forecast for 2022.

On November 4, 2022, TXT announced that has signed an agreement for the investment in the share capital of ProSim Training Solutions ("ProSim-TS"), a Dutch-based software house specialized in the development and marketing of proprietary solutions for the civil aviation training market. The agreement consists of an initial capital increase in ProSim-TS reserved to TXT for Euro 0,5 million, against which TXT will own 40% of ProSim-TS. S. The agreement also includes the provision of technologies and loans for financing the growth of ProSim-TS, plus further investment rounds that, if executed, will allow TXT to increase its ownership in ProSim-TS up to 100%. This new venture will combine unique TXT software engineering capabilities with cutting-edge proprietary pilot training products developed by ProSim-TS, with the aim to ensure a wider choice of innovative products for professional pilot training, an enriched range of certified devices, extended delivery capabilities.

Concerning the evolution of the M&A plan, in line with what has been previously communicated, for the fourth quarter of the year and for 2023 the TXT Group plans to continue its

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M&A plan with the consolidation of established businesses and smaller but high-potential realities, with the aggregation of new technologies, specialised skills and excellence in markets that are already proprietary or adjacent to the current ones, with ambitious growth targets. New acquisitions will be financed through the cash already available in TXT's bank accounts and the treasury shares (1,163,8855 shares as of September 30, 2022).

In the current global geopolitical environment marked by the military conflict in Ukraine, TXT's management and independent directors have not currently identified any near-term risks due to the TXT business' minimal and non-strategic exposure in the Russian and Ukrainian territories. TXT's management continually monitors the evolution of the conflict and related macroeconomic instability.

Declaration of the manager responsible for preparing the company's financial reports

The Manager responsible for preparing the company's financial reports, Eugenio Forcinito, 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 document results, books and accounting records.

As of today, this press release is also available on the company's website www.txt-group.com.

TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital transformation of customers' products and core processes. With a proprietary software portfolio and deep expertise in vertical domains, TXT operates across different markets, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Government and Fintech. TXT is headquartered in Milan and has subsidiaries in Italy, Germany, the United Kingdom, France, Switzerland and the United States of America. The holding company TXT e-solutions S.p.A, has been listed on the Italian Stock Exchange, STAR segment (TXT.MI),

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Consolidated income statement as of 30 September 2022

€ thousand	9 months 2022	%	9 months 2021	%	Var %
REVENUES	92,400	100	66,733	100	38.5
Direct costs	56,538	61.2	40,122	60.1	40.9
GROSS MARGIN	35,862	38.8	26,611	39.9	34.8
Research and Development costs	5,778	6.3	5,091	7.6	13.5
Commercial costs	8,813	9.5	6,481	9.7	36.0
General and Administrative costs	7,740	8.4	6,283	9.4	23.2
EBITDA	13,531	14.6	8,756	13.1	54.5
Depreciation	4,293	4.6	3,047	4.6	40.9
Riorganization and Non Recurrent Costs	75	0.1	347	0.5	(78.4)
OPERATING PROFIT (EBIT)	9,163	9.9	5,362	8.0	70.9
Financial income (charges)	(1,631)	(1.8)	345	0.5	(572.8)
EARNINGS BEFORE TAXES (EBT)	7,532	8.2	5,707	8.6	32.0
Taxes	(2,196)	(2.4)	(1,576)	(2.4)	39.3
NET PROFIT	5,336	5.8	4,131	6.2	29.2



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Consolidated income statement for the third quarter 2022

€ thousand	Q3 2022	%	Q3 2021	%	Var %
REVENUES	29,862	100	23,034	100	29.6
Direct costs	18,056	60.5	13,037	56.6	38.5
GROSS MARGIN	11,806	39.5	9,997	43.4	18.1
Research and Development costs	1,824	6.1	1,778	7.7	2.6
Commercial costs	3,094	10.4	3,109	13.5	(0.5)
General and Administrative costs	2,548	8.5	2,016	8.8	26.4
EBITDA	4,340	14.5	3,094	13.4	40.3
Depreciation	1,747	5.9	1,079	4.7	61.9
Riorganization and Non Recurrent Costs	0	0.0	71	0.3	(100.0)
OPERATING PROFIT (EBIT)	2,593	8.7	1,944	8.4	33.4
Financial income (charges)	(260)	(0.9)	74	0.3	n.a.
EARNINGS BEFORE TAXES (EBT)	2,333	7.8	2,018	8.8	15.6
Taxes	(520)	(1.7)	43	0.2	n.a.
NET PROFIT	1,813	6.1	2,061	8.9	(12.0)



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Net financial position as of 30 September 2022

€ thousand	30.09.2022	31.12.2021	Var
Cash	40,378	36,076	4,302
Trading securities at fair value	46,293	48,869	(2,576)
Other Short Term Financial Assets	1,141	-	1,141
Short term Financial Debts	(42,979)	(47,125)	4,146
Short term Financial Resources	44,833	37,820	7,013
Non current Financial Debts - Lessors IFRS 16	(3,760)	(4,209)	449
Other Non current Financial Debts	(54,034)	(45,260)	(8,774)
Non current Financial Debts	(57,794)	(49,469)	(8,325)
Net Available Financial Resources	(12,961)	(11,649)	(1,312)



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Consolidated balance sheet as of 30 September 2022

€ thousand	30.09.2022	31.12.2021	Change
Intangible assets	56,507	55,182	1,325
Tangible assets	12,632	12,126	506
Other fixed assets	24,450	16,529	7,921
Fixed Assets	93,589	83,837	9,752
Inventories	16,167	7,810	8,357
Trade receivables	31,835	43,156	(11,321)
Other short term assets	9,032	8,864	168
Trade payables	(6,108)	(6,303)	195
Tax payables	(4,718)	(5,700)	982
Other payables and short term liabilities	(23,354)	(23,650)	296
Net working capital	22,854	24,177	(1,323)
Severance and other non current liabilities	(3,174)	(3,297)	123
Capital employed - Continuing Operations	113,269	104,717	8,552
Shareholders' equity	100,307	92,655	7,652
Shareholders' equity - minority interest	0	412	(412)
Net financial debt	12,962	11,649	1,313
Financing of capital employed	113,269	104,716	8,553

Fine Comunicato n.0439-82

Numero di Pagine: 12