



TPS GROUP INVESTOR PRESENTATION

OCTOBER 2018

H1 2018 Results and Strategic Guidelines

AGENDA

- TPS Group**
- 1H18 results
- Satiz TPM Group opportunity
- Operation Link



GROUP STRUCTURE



- TPS is an  company since November 2016



With more than 50 years of experience, **TPS Group** stands among the most important companies in the field of **technical and engineering services for the aerospace and automotive industries.**

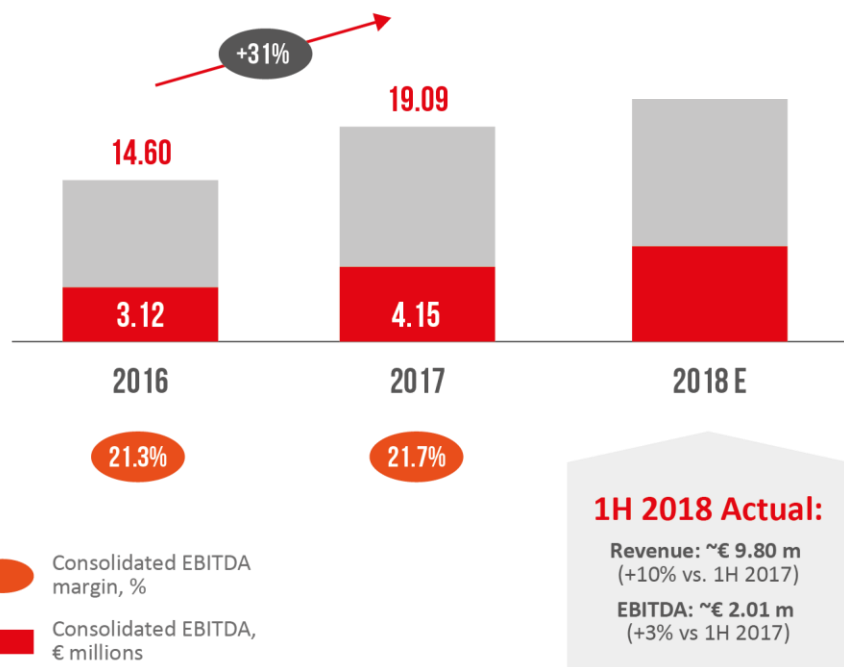
Main capabilities include:

- Technical Publishing
- ILS - Integrated Logistic Support
- Maintenance training and certification
- Structural engineering
- Electric engineering
- Process engineering
- Software development and testing
- System integration
- Cost engineering
- Design and production of aeronautical medical and industrial systems



TPS GROUP HAS DELIVERED SOLID GROWTH SINCE THE 2017 LISTING


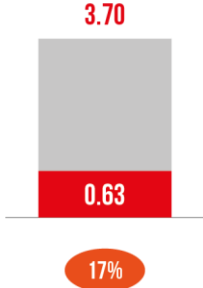

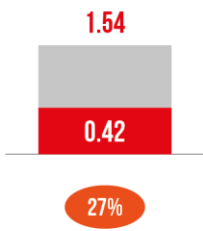
Consolidated Revenues, € millions



- In order to support organic and inorganic business growth, **TPS Group listed on the Italian stock exchange** in March 2017
- TPS chose the **AIM Italia market** for the listing, the segment of Borsa Italiana devoted to small and medium enterprises with high growth potential
- The listing proceeds (~€ 3 m) also supported the acquisitions of **ICB S.r.l.**, an avionic software producer and aircraft system integrator, and **Stemar Consulting S.r.l.**, focused on cost engineering in the automotive industry
- TPS Group is supported by **advanced industrial management control systems**, allowing for a **smooth** and **efficient integration** of acquired companies within the Group



THE INTEGRATION OF 2017 ACQUISITIONS HAS BEEN DELIVERED QUICKLY AND EFFICIENTLY

Company Acquired	Date	Acquisition rationales	Pre-acquisition financials	Stake acquired
	May 2017	<ul style="list-style-type: none"> ▪ Become leader in the development and integration of avionic software ▪ Expand portfolio of multi-media content production services for computer-based training 		+100%
	June 2017	<ul style="list-style-type: none"> ▪ Expand TPS Group reach in the automotive business ▪ Integrate cost engineering and industrial benchmarking know-how in the automotive industry with TPS leadership position in aerospace & defense 		+70%

Revenues, € millions, 2016

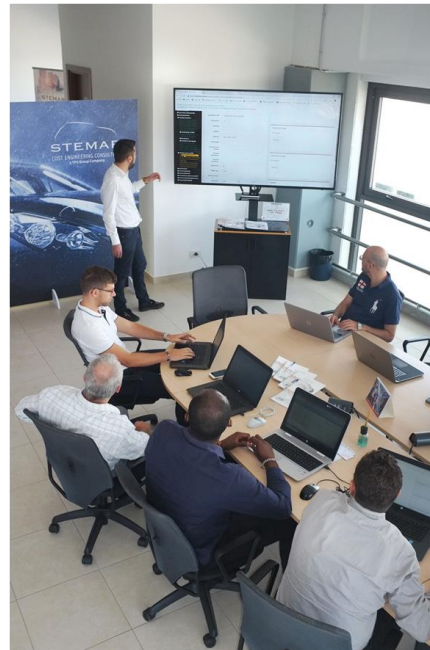
EBITDA, € millions, 2016

EBITDA margin, % 2016



H1 2018 MILESTONES

- **Integration** of ICB (avionic software) and Stemar Consulting (Cost Engineering) within TPS Group Organization and working method.
- Set up of a **new plant** for Stemar Consulting's benchmark activities





TPS GROUP POTENTIAL IMPROVEMENTS

- TPS Group has the potential to further develop a **growth journey** with the **acquisition of carefully selected companies** or **groups** that have the potential to widen the spectrum of services offered to our clients, especially in the automotive sector
- TPS Group today heavily relies on its reference industrial sector – aerospace – and especially on its single main client (Leonardo S.p.A.) that represents ~60% of business in terms of annual revenues
- New **M&A operations in the aerospace & defense sector in Italy** would further strengthen TPS leadership position but could also increase reliance on TPS Group main client
- New **M&A operations in the aerospace & defense sector abroad** are difficult due to the relatively small size of TPS Group vs. international competitors, and its consequent low attractiveness to potential partners or targets
- The **short and medium term growth strategy** is therefore focused on:
 - **Aerospace - Production**
 - **Automotive - Engineering services in Italy**
 - **Aerospace & Automotive - Technical services and engineering abroad**



TPS GROUP GROWTH STRATEGY



Technical Publishing and Services



Engineering and Design



Components Production



Aerospace

- Consolidate **leadership in Italy** with T.P.S., Neos, Adriatech and I.C.B.
- Develop **training services in Italy and Middle East** with Aviotrace Swiss
- Assess **expansion opportunities in Eastern Europe and USA**



Automotive

- Leverage Stemar Consulting know-how in **cost engineering** and **industrial benchmarking** to achieve leadership position in Italy and expand in Europe

AGENDA



- TPS Group
- 1H18 results**
- Satiz TPM Group opportunity
- Operation Link



H1 2018 CONSOLIDATED P&L HIGHLIGHTS

- **Turnover: ~€10 million**
 - ✓ +10% vs H1 2017
 - ✓ Major growth in technical publishing and engineering services
- **EBITDA: ~€2 million**
 - ✓ +3% vs H1 2017
 - ✓ EBITDA Margin: 20.4%
- **TPS Group's share of Net profit: ~1 million**
 - ✓ +4% vs H1 2017



H1 2017 CONSOLIDATED BALANCE SHEET HIGHLIGHTS

- **Net Financial Position: ~€(1.5) million**
 - ✓ **Significant improvement** vs. ~€0.1 million at December 31st, 2017
- **Operating cash flow: ~€2.1 million**
- **Total equity: ~€9.1 million**

AGENDA

- TPS Group
- 1H18 results
- Satiz TPM Group opportunity**
- Operation Link



SATIZ TECHNICAL PUBLISHING & MULTIMEDIA GROUP AT A GLANCE

Satiz Technical Publishing & Multimedia Group (Satiz TPM Group) stands among the most important companies in the field of **technical, communication and engineering services for the automotive industry.**

Main capabilities include:

- Technical Publishing
- ILS - Integrated Logistic Support for the automotive production industry
- Cross-media communication (digital media, press, web, events)
- Parts manuals and catalogues
- Design of interior and exterior components
- Ergonomic interventions in automotive parts
- Electric cars system design and industrialization
- Electric cars full prototype design
- 3D Rendering
- Augmented reality

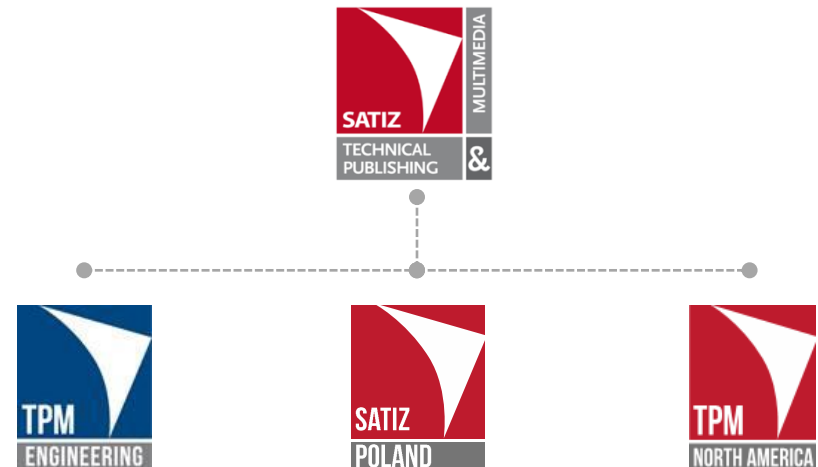


SATIZ TPM GROUP STRUCTURE AND KEY FIGURES

Satiz TPM Group - like TPS Group - aggregated **highly specialized companies in the automotive technical services and engineering** value chain

Satiz TPM Group key figures for FY 2017 are:

- Consolidated turnover: **~€ 15.6 million**
- Consolidated EBITDA margin: **~10%**
- Employees: **191**
- Consolidated Net debt: **~€ 0.3 million** (as of 31 July 2018)



TPM Engineering S.r.l., Satiz Poland Sp. z o.o. and TPM North America Inc. participated 100% by Satiz Technical Publishing & Multimedia S.r.l.

TPM North America Inc. legal entity not in operation as of 2017



SATIZ TPM GROUP GROWTH STRATEGY



Technical Publishing and Services



Engineering and Design



Components Production



Aerospace

- **Opportunistic approach** for selected clients/contracts with Satiz TPM



Automotive

- Reach **leadership position in technical publishing and cross-media communication in Italy** with Satiz TPM
- Develop **cross-media communication business in Eastern Europe** with Satiz Poland
- Assess **technical publishing expansion opportunities in Eastern Europe and USA** with Satiz Poland and TPM North America

- Strengthen positioning of **reference player for the design and pre-production phases of electric car systems and/or full electric car prototypes** in Italy with TPM Engineering
- Widen the range of **engineering consulting services** offered in Italy and abroad with TPM Engineering

- Explore potential of **metal 3D printing for small-series production of automotive components and parts** in the next 2 years with Satiz TPM















OPERATION LINK - SATIZ TPM GROUP ACQUISITION RATIONALES

- **TPS Group** acquisition of **Satiz TPM Group** would **fit and complement the two Groups' growth strategies**
- **TPS Group** acquisition of **Satiz TPM Group** would be performed through a **stock swap** (Satiz TPM S.r.l. shareholders would receive newly issued TPS S.p.A. shares) and a **capital increase reserved to non-controlling investors** in order to increase/maintain the free float and strengthen the Group capital structure
- The **combined TPS - Satiz TPM Group** would have a **turnover of ~€31 million** and an **EBITDA of ~€6 million** (pro-forma FY2017), excluding M&A opportunities currently under assessment
- Reliance of TPS Group on its single main client would reduce to **~40% of annual turnover** (-20 p.p. vs. current situation, as of FY 2017), unlocking unexpressed **potential of expansion** and the possibility of **further M&A in the aerospace sector** in Italy
- The combined TPS – Satiz TPM Group would be more **balanced in terms of sector exposure** (~60% aerospace and ~40% automotive)
- At current share price (17th September 2018), the acquisition of Satiz TPM and a contextual capital increase could rise TPS Group market capitalization and trigger the **opportunity to move the listing from the AIM Italia market to the MTA markets** of Borsa Italiana (including the STAR segment), with potential advantages in terms of liquidity and access to financing



COMBINED TPS AND SATIZ TPM GROUPS GROWTH STRATEGY

	 Technical Publishing and Services	 Engineering and Design	 Components Production
 Aerospace			
 Automotive			
 Other	<p>← Explore future potential organic and inorganic expansion opportunities in other industrial sectors with the strength of a leadership position in aerospace and automotive →</p>		

AGENDA

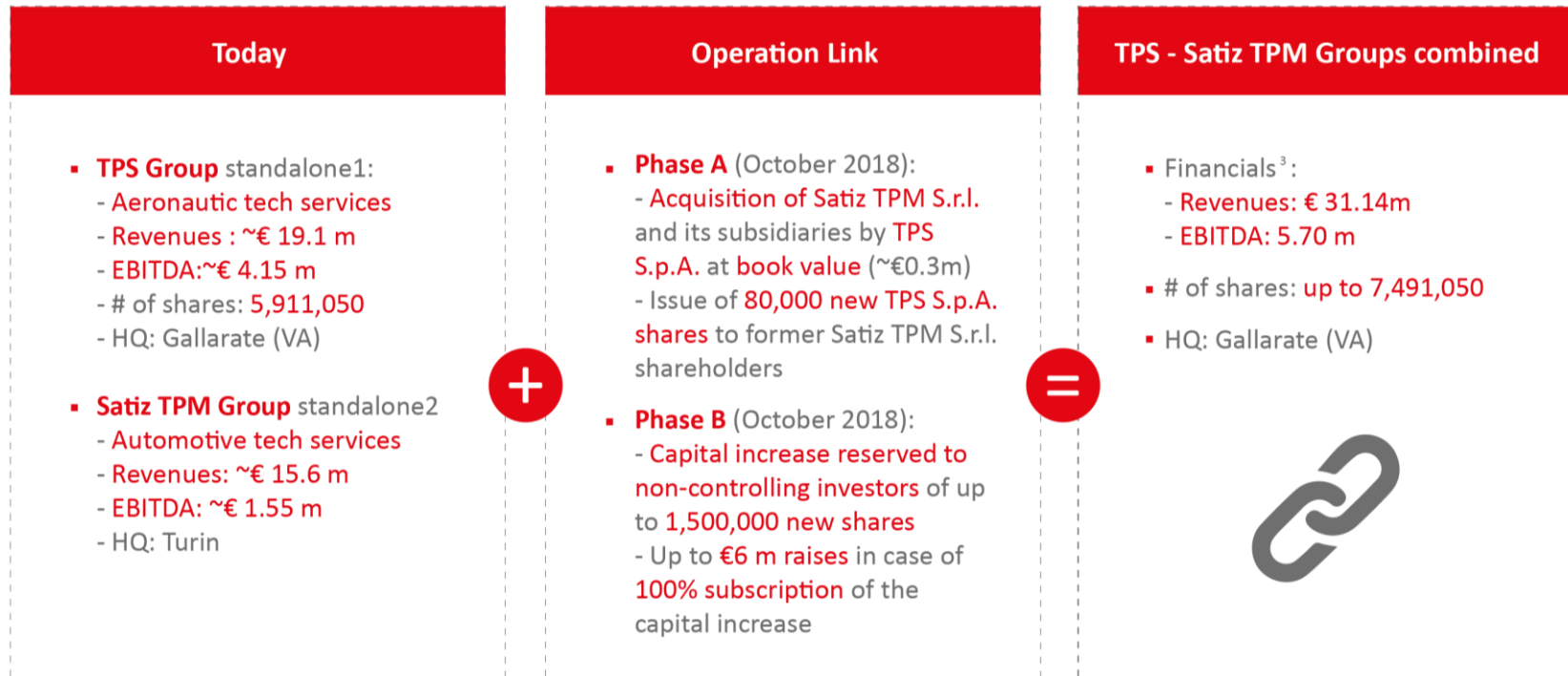


- TPS Group
- 1H18 results
- Satiz TPM Group opportunity
- Operation Link**

OPERATION LINK



OPERATION LINK WILL BE STRUCTURED WITH TWO PARALLEL PHASES

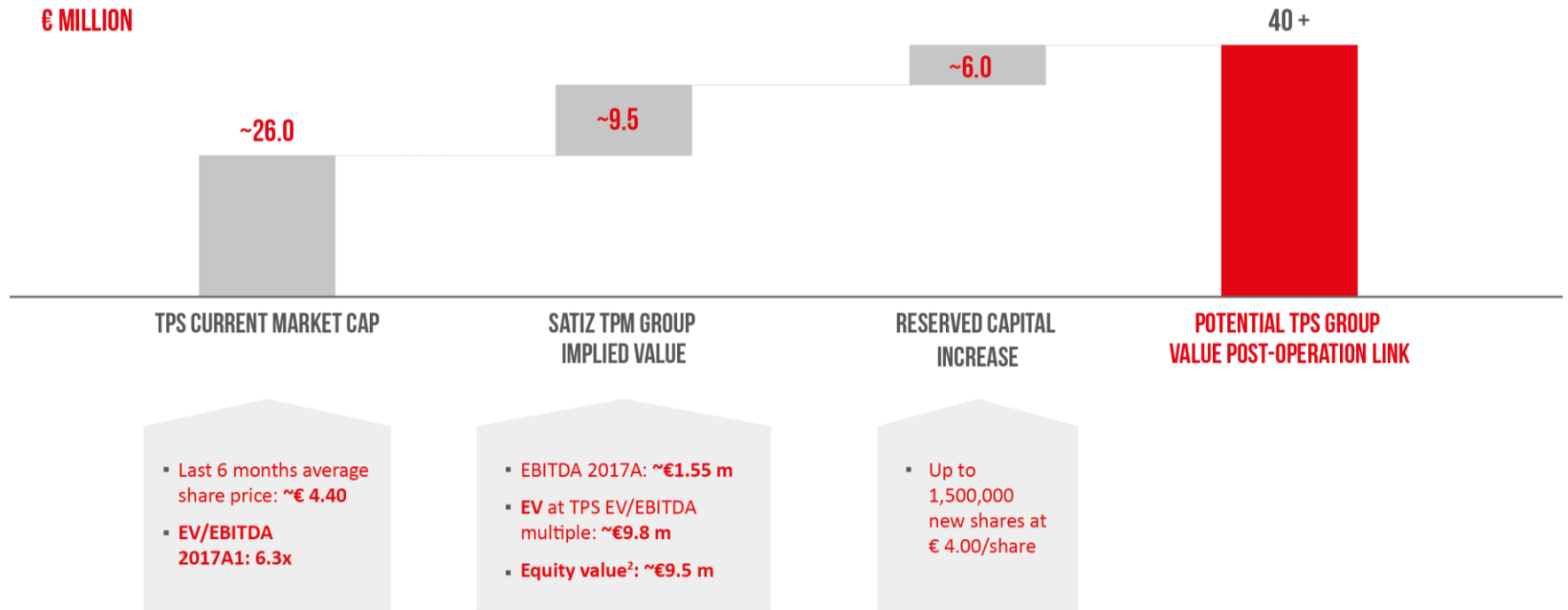


1 FY 2017 figures - 2 FY 2017 figures - 3 Pro-forma 2017
NOTE: All figures under the hypothesis of issuing new shares at €4.00/share (9% discount on average TPS share price in the period 19 March 2018 - 17 September 2018)

OPERATION LINK



OPERATION LINK WILL GUARANTEE VALUE CREATION AND IMPROVE TPS CAPITAL STRUCTURE



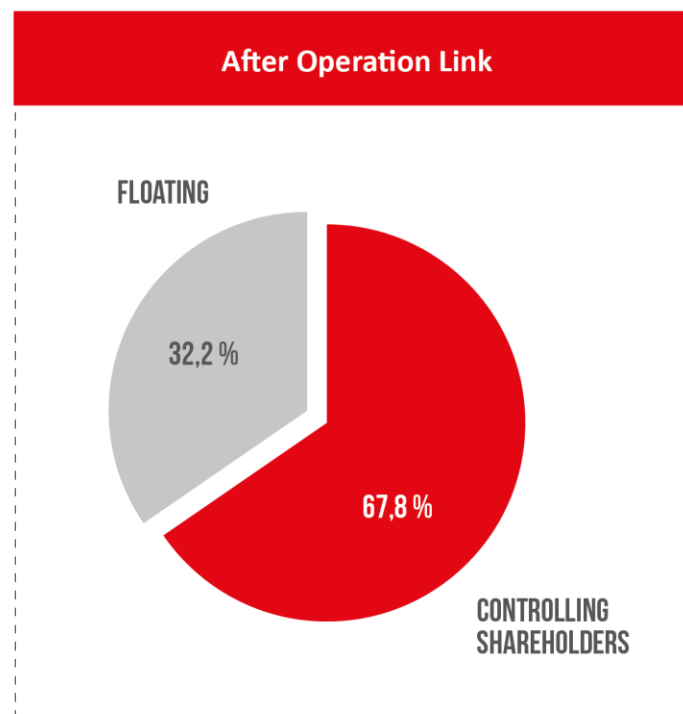
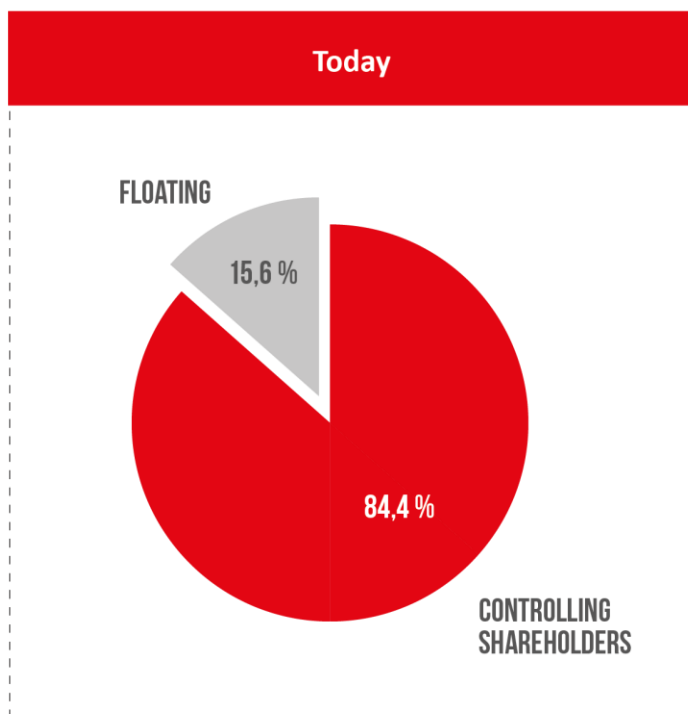
1 TPS EV figure based on last 6 months average share price (€ 4.40) current share count (5,911,050) and net debt as of 31/12/2017 (€ 0.14 m); TPS EBITDA 2017A: € 4.15 m

2 Satiz TPM Group net debt as of 31 July 2017: ~€0.3 m

NOTE: All figures under the hypothesis of 100% subscription of a capital increase of 1,500,000 (new shares issued at € 4.00 per share)



TPS S.P.A. POTENTIAL SHAREHOLDER STRUCTURE EVOLUTION



NOTE: All figures under the hypothesis of issuing new shares at €4.00/share (9% discount on average TPS share price in the period 19 March 2018 – 17 September 2018)

