



Technical Publications Service S.p.A.

• PRESS RELEASE •

TPS GROUP REPORTS STRONG GROWTH FOR 2019: PRODUCTION VALUE UP 53%

The Board of Directors approves the annual report and the consolidated financial statement of the group as at 31 December 2019

- **Revenue: Euro 36.8 million, + 53% (FY2018 Euro 24.1 million)**
- **EBITDA: Euro 7.05 million, + 48% (FY2018 Euro 4.8 million)**
- **Adjusted net profit: Euro 2.7 million, +17% (FY2018 Euro 2.3 million)**
- **Net financial position: Euro (2.9 million) - FY2018 Euro (7.0 million)**

Gallarate (VA), 24 March 2020 – TPS S.p.A. (TPS: IM), operational holding of the TPS Group, leading company in technical services and engineering for the aeronautical and automotive industry (“TPS”, or “Company” or “Issuer”) informs that on this day, the Board of Directors approved the Consolidated Financial Statement of the Group and the Financial Statement of TPS S.p.A. for the financial period ending at 31 December 2019.

The results of the financial period 2019 reflect the changeover to IAS/IFRS international accounting principles.

The President of the Board of Directors, Alessandro Rosso declared:

“We closed a very positive year in which TPS Group has continued to develop its programme of growth, both organic and along external lines. The 2019 financial period has seen us working to consolidate our competitiveness by extending our commercial offer to new industrial sectors and with internal development of particularly innovative digital applications able to create added value for our Customers and a competitive advantage for the TPS Group. Although we are aware of the serious difficulties being faced by the industry on account of the epidemic that is ongoing in our country and in the rest of the world, TPS Group will continue to pursue its industrial strategy for 2020 too, even considering further M&A opportunities. Thanks to the available financial resources and the skills and professionalism of our employees and being able to count on a management team that is facing this difficult period, TPS Group will be ready to face new challenges during the recovery stage.”

Main consolidated results as at 31 December 2019

The consolidated financial statement was drawn up on the basis of the financial statement of the Issuer, closed at 31 December 2019 as well as other companies in the group falling within the consolidation perimeter, including Neos S.r.l., TPS Aerospace Engineering S.r.l., Adriatech S.r.l., Aviotrace Swiss SA, EMTB S.r.l., Stemar Consulting S.r.l., Dead Pixels S.r.l., Satiz Technical Publishing and Multimedia S.r.l. and Satiz Poland sp. zoo.

Revenue is Euro 36.8, million, which represents a growth of 53% compared to the Euro 24.1 million in 2018; this significant increase is both the result of the effects of organic growth (some 7%) and of the consolidation of recently

acquired companies, Satiz Technical Publishing Multimedia S.r.l. and its controlled companies, which in 2018 were consolidated for a single quarter only, and those companies acquired during 2019, EMTB S.r.l. and Dead Pixels S.r.l.

TPS Group is structured into an organisation that works across the individual companies and is based on 4 strategic business units *Technical Publishing & Training, Engineering & Cost Engineering, Avionic & Informative Technologies, Digital Content Management*.

EBITDA for 2019 is Euro 7.05 million, which is a growth of 48% compared to Euro 4.8 million in 2018, for a **margin EBITDA** of 19.1% (19.8% in 2018). The **EBIT** is equal to Euro 4.0 million and has grown 14% compared to 2018 (when it was 3.5 million).

The **Adjusted Net Profit**, considered net of extraordinary charges linked to the reorganisation of the Group and to the exit of some figures who were no longer necessary to the industrial project of TPS Group, is equal to Euro 2.7 million, with a 17% growth compared to earnings in the previous year.

Net profit is Euro 2.44 million, of which **Euro 2.39 million attributable to the group**, which is an increase of 3.6% compared to the Euro 2,31 for the 2018 financial year.

The **net financial position** resulted reduced from Euro (7.0 million) at the end of 2018 to Euro (2.9 million), according to the cash generated in the period, the investment expenditures – among those the cash payment for the stock in EMTB -, the economic effects of adopting the IFRS16 accounting principle (Euro 2.7 million), and a delay in collecting trade receivables recorded for December 2019.

Main TPS results as at 31 December 2019

Revenue is Euro 10.2 million euro, which represents a strong increase compared to the Euro 5.8 million of 2018.

However, in this case too it is necessary to stress that comparison of the economic results for the two periods is influenced by the merger by incorporation of the controlled company ICB S.r.l. into TPS S.p.A. The organic growth in TPS turnover for 2019 is about 16%

EBITDA is equal to Euro 1.8 million, whit a net increase compared to the Euro 1.2 million of 2018, for a **margin EBITDA** of 18%. **EBIT** is Euro 1.3 million (Euro 0.9 million in 2018).

Net profit of TPS S.p.A. results of Euro 0.9 million, with an increase compared to the Euro 0.6 million in 2018.

The **Net financial position** is Euro (5.0 million) as at 31 December 2018.

Business outlook

In February 2020 and the early part of March, we began to see the first effects of the serious economic crisis triggered by the ongoing Covid-19 epidemic.

The TPS Group has undergone huge organisational efforts to seek to continue to meet market demands, completely reviewing its operating structure and organising part of its business in Smart Working mode.

However, even in the last few days, we have seen stoppages in operations within our Customers, including those of external partners, requiring use to make further adjustments to our organisation and the adoption of new means to deal with the situation.

At the moment it is not possible to make forecasts on the duration of these problems, much less on their economic and financial effect on the 2020 financial statement of the companies of TPS Group.

In spite of this, we should stress the Group's financial solidity and its organisational and managerial capabilities. These are aspects that will allow TPS overcoming this crisis and to start again with even greater determination as soon as the external conditions will consent it.

Finally, we would like to point out that with regard to the D.P.C.M. of 22.03.2020 and further provisions to contain and limit the COVID-19 epidemic, TPS S.p.A. and the majority of Companies in the TPS Group do not fall within those undergoing forced closure of their production activities.

Allocation of net profits

The financial statement as at 31 December 2019 for TPS S.p.A. shows a profit of Euro 861.281

Considering the significant financial effort that it is likely to hypothesis in order to promptly react to this period of serious crisis, the Board of Directors has decided to submit the motion at the Shareholders' Meeting of devolving all net profits to the extraordinary reserve.

Convocation of the Shareholders' Meeting

During the meeting, the Board of Directors of TPS decided, *inter alia*, to convene the Shareholders' Meeting of TPS for 24 April 2020 in first convocation and, if necessary, in second convocation on 27 April 2020 to decide, in order on (i) approval of the Financial Statement of TPS S.p.A. at 31 December 2019 and acknowledge of the consolidated Financial Statement of the Group for 2019; (ii) the appointment of the Board of Director and decision on the number of members, duration, and remuneration; (iii) the appointment of the Board of Statutory Auditors and decision on the remuneration of the members.

The convocation notice will be published in the *Investor Relations, Meetings* section of the Issuer's website www.tps-group.it and in the Gazzetta Ufficiale within the statutory terms of law.

Documentation requested by current laws concerning the abovementioned subjects will be deposited at the registered offices of the Company and at the same time, made available in the *Investor Relations, Meetings* section of the Issuer's website www.tps-group.it within the terms set by law.

• • •

The following section contains reclassified data for the Income Statement, Balance Sheet and Cash flow Statement as at 31 December 2019 (both consolidated and from the accounting period for TPS). The data are currently undergoing certification by the Auditors.

• • •

This press release is available to read on-line at www.1info.it (in the Investor Relations/Press Release section)

• • • • •

TPS S.p.A. is an operational holding company of the TPS Group, leader in the technical and engineering services field for the aeronautical industry, with specific focus on helicopters. TPS has been a Borsa Italiana "Elite" company since 2016.

The TPS Group works in the aeronautical, automotive, defence, rail, ship and cable transport industries, providing Technical Publishing & Training services, Engineering, Design and Cost Engineering, as well as Avionic Software Development, System Integration, and Digital Content Management. The TPS Group can include leaders in the field of aircraft design and production, as well as the manufacture of aeronautical parts and leading automotive, rail, defence and cable transport manufacturers among its client base.

ISIN code ordinary shares: IT0005246142 – Ticker ordinary shares: TPS

ISIN Code Warrant: IT0005246225 – Ticker Warrant: WTPS20

For more information:

• **Investor Relations** •

Sanna Rossella

e-mail: investor.relations@tps-group.it

• **Integrae SIM S.p.A.** •

Nominated Adviser

tel: +39 02/87208720

e-mail: info@integraesim.it

Consolidated economic, financial and operational data

TPS GROUP

RECLASSIFIED PROFIT AND LOSS ACCOUNT	Financial period 2019	Financial period 2018
<i>Euro</i>		
Production value	36.810.867	24.083.523
External costs for material and services	(8.742.008)	(6.615.936)
Added value	28.068.859	17.467.587
Personnel costs	(20.894.451)	(12.602.633)
Other operating costs	(127.059)	(100.964)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	7.047.350	4.763.990
Amortisations / depreciations	(3.019.443)	(1.245.284)
EBIT	4.027.907	3.518.706
Financial income and expenses	(279.559)	(188.860)
Extraordinary income and charges	(239.906)	89.206
Results before tax	3.508.442	3.419.052
Taxes	(1.066.845)	(999.120)
Adjusted net result	2.681.502	2.330.726
Net result	2.441.596	2.419.932
Group net result	2.394.590	2.311.570

RECLASSIFIED BALANCE SHEET	Consolidated financial statement 2019	Consolidated financial statement 2018
<i>Receivables from shareholders for payments not yet due</i>	-	-
Intangible assets	5.515.612	4.226.034
Tangible assets	3.494.194	864.927
Financial assets	184.639	145.629
Total financial fixed assets	9.194.446	5.236.590
Trade receivables	16.124.413	11.686.038
Trade payables	(2.775.151)	(1.888.886)
Working capital	13.349.262	9.797.152
Other assets	1.896.876	2.224.961
Other liabilities	(4.288.826)	(3.980.322)
Other assets and liabilities	(2.391.950)	(1.755.361)
Reserves for contingent liabilities	(18.543)	(49.303)
Severance fund	(3.671.506)	(2.824.928)
Total fund	(3.690.049)	(2.874.231)
Net invested capital (NIC)	16.461.707	10.404.150
Net assets	16.660.085	14.736.337
Minority interest in shareholders' equity	278.714	266.867
Group result for the period	2.394.590	2.311.570
Minority interest in income for the period	47.007	108.364
CONSOLIDATED NET ASSETS	19.380.396	17.423.138
Net financial debt (PFN)	(2.918.689)	(7.018.989)
To cover NIC	16.461.707	10.404.150
NFP Detail for TPS GROUP	Consolidated financial statement 2019	Consolidated financial statement 2018
Payables to credit institutions	180.604	338.529
Payables to other lenders	2.154.685	2.170.496
Liquid assets	(8.311.792)	(9.918.715)
Payables for Leasing	376.047	416.758
Payables for royalties	2.681.767	-
Other financial receivables	-	(26.056)
	(2.918.689)	(7.018.989)

Consolidated statement

CONSOLIDATED FINANCIAL STATEMENT	Financial period 2019	Financial period 2018
<i>Amounts in euro</i>		
Pre-tax profit (loss)	3.459.836	3.007.955
Corrections for:		
- non-monetary items - accruals / releases	37.763	747
- non-monetary items - amortisations	2.981.680	1.576.495
Pre-tax profit (loss) for the period	6.479.279	4.585.198
Liquid assets generated by operations		
- Income tax	(1.066.845)	(965.689)
Other financial (income) / charges without money flows	48.608	98.320
Total	(1.018.237)	(867.369)
Variations in net circulating capital		
Variations to receivables from commercial customers (increase)/	(3.321.721)	3.167.617
Variation in liabilities to suppliers	727.741	(430.156)
Other variations	(465.711)	(342.914)
Variations and other funds	96.696	63.112
Total	(2.962.995)	2.457.659
Cash flow from operating activities (1)	2.498.047	6.175.487
Investments:		
- Tangible	(141.775)	(51.370)
- Intangible	(1.988.304)	(2.643.724)
- Acquisition of company stock	(1.496.056)	382.786
- Financial	(38.747)	(62.209)
Cash flow from investments (2)	(3.664.882)	(2.374.517)
Financial activities		
Increase/(decrease) in financial liabilities	(173.736)	(1.633.582)
Capital increases	95.265	5.329.416
Dividend distribution	(361.617)	-
Cash flow from financing activities (3)	(440.088)	3.695.833
Cash flow from continuing operations	(1.606.923)	7.496.804
Variations in liquid assets (1+2+3)	(1.606.923)	7.496.804
Liquid assets from the start of the financial period	9.918.715	2.421.911
Liquid assets at the end of the period	8.311.792	9.918.715

• Consolidated operations, net assets and financial data of TPS S.p.A.

RECLASSIFIED PROFIT AND LOSS ACCOUNT	Financial period 2019	Financial period 2018
<i>Euro</i>		
Production value	10.164.453	5.803.430
External costs for material and services	(3.392.090)	(2.542.634)
Added value	6.772.363	3.260.796
Personnel costs	(4.927.226)	(2.061.977)
Other operating costs	(17.533)	(14.376)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	1.827.604	1.184.443
Amortisations / depreciations	(550.426)	(286.741)
EBIT	1.277.178	897.702
Financial income and expenses	(42.266)	(45.210)
Extraordinary income and charges	(338)	34.006
Results before tax	1.234.574	886.498
Taxes	(373.292)	(271.805)
Operating results	861.281	614.693

RECLASSIFIED BALANCE SHEET	Financial period 2019	Financial period 2018
<i>Receivables from shareholders for payments not yet due</i>	-	-
Intangible assets	1.568.466	399.728
Tangible assets	182.573	71.985
Financial assets	3.176.070	3.424.374
Total financial fixed assets	4.927.109	3.896.087
Trade receivables	4.545.057	1.877.686
Trade payables	(492.991)	(390.107)
Working capital	4.052.066	1.487.579
Other assets	1.159.276	1.641.214
Other liabilities	(1.961.455)	(1.236.648)
Other assets and liabilities	(802.180)	404.565
Reserves for contingent liabilities	(1.594)	-
Severance fund	(1.906.663)	(654.746)
Total fund	(1.908.257)	(654.746)
Net invested capital (NIC)	6.268.739	5.133.486
Net assets	10.384.391	9.751.658
Result for the period	861.281	614.693
NET ASSETS	11.245.672	10.366.351
Net financial debt (PFN)	(4.976.933)	(5.232.866)
To cover NIC	6.268.739	5.133.486
NFP TPS S.P.A.	Financial period 2019	Financial period 2018
Payables to other lenders	86.993	-
Liquid assets	(6.830.406)	(6.832.241)
Payables for Leasing	9.146	25.375
Payables for royalties	122.334	-
Receivables from cash pooling	(1.183.000)	(668.000)
Liabilities from cash pooling	2.818.000	2.242.000
	(4.976.933)	(5.232.866)

CASHFLOW STATEMENT TPS S.p.a.

CASHFLOW STATEMENT TPS S.p.a.	Financial period 2019	Financial period 2018
<i>Amounts in euro</i>		
Pre-tax profit (loss)	1.200.538	716.794
Corrections for:		
- non-monetary items - Change in inventories		
- non-monetary items - Net writedown (revaluation) of assets		
- non-monetary items - accruals / releases		
- non-monetary items - amortisations	550.426	419.531
Pre-tax profit (loss) for the period	1.750.964	1.136.325
Liquid assets generated by operations		
- Income tax	(373.292)	(234.275)
Other financial (income) / charges without money flows	34.035	22.271
Total	(339.257)	(212.004)
Variations in net circulating capital		
Variations to receivables from commercial customers (increase)/decrease	(1.497.947)	(531.759)
Variation in liabilities to suppliers	50.533	1.941.186
Other variations	1.514.313	(283.350)
Variations and other funds	93.997	-
Total	160.896	1.126.077
Cash flow from operating activities (1)	1.572.603	2.050.398
Investments:		
- Tangible	(5.825)	(3.361)
- Intangible	(339.114)	(548.845)
- Financial	(1.499.570)	(515.000)
Cash flow from investments (2)	(1.844.509)	(1.067.206)
Financial activities		
Increase/(decrease) in financial liabilities	(43.173)	(207.453)
Increases to company capital	95.265	5.329.416
Dividend distribution	(361.617)	
Cash flow from financing activities (3)	(309.525)	5.121.963
Cash flow from continuing operations	(581.430)	6.105.157
Variations in liquid assets (1+2+3)	(581.430)	6.105.157
Liquid assets from the start of the financial period	6.832.241	727.083
Liquid assets from the start of the financial period for acquired companies	579.595	-
Liquid assets at the end of the period	6.830.406	6.832.241