



Technical Publications Service S.p.A.

• PRESS RELEASE •

TPS GROUP: CONSOLIDATION AND POSITIVE RESULTS ALSO IN 2020

The Board of Directors approves the draft financial statements and consolidated financial statements of the Group at 31 December 2020

- **Revenue: € 31 million**
- **EBITDA: € 5.3 million**
- **Adjusted Net Profit: € 1.65 million**
- **Net Financial Position: € (7.9 million) before the application of IFRS16**

Gallarate (VA), 25 March 2021 – TPS S.p.A. (TPS: IM), the operational holding company of the TPS Group, a leader in the aeronautical and automotive engineering and technical services sector (“TPS” or the “Company” or “Issuer”), announces that the Board of Directors today approved the Group's consolidated financial statements and the financial statements of TPS S.p.A. for the financial year ended 31 December 2020.

The results for the 2020 financial year reflect the problems created by the Covid-19 health crisis, which has affected our country and that continues to seriously penalise the entire production sector.

The Chairman of the Board of Directors, Alessandro Rosso commented as follows:

“2020 was a very complex year for TPS Group as well. Complex organisational changes were made necessary to adapt our operations to the continuous challenges imposed by the Covid-19 health crisis on the reference industrial scenarios. Right from the initial weeks of the emergency, TPS Group has dealt with the situation with great professionalism and flexibility, but in certain cases, projects and activities were suspended by some of our customers. Nonetheless, the results for 2020 have rewarded the resilience of a Group that can rely on the skills and professionalism of its employees and on the management capabilities of its executives. We will get out stronger and more competitive from this crisis, able to face the new challenges in 2021, continuing on our path of growth and development”.

Key consolidated results at 31 December 2020

The consolidated financial statements were prepared on the basis of the financial statements for the year ended 31 December 2020 of the Issuer as well as the other Group companies within the scope of consolidation, 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 & Multimedia S.r.l. and Satiz Poland sp. zoo.

Revenue amounted to € 31 million, compared to € 36.8 million in 2019; the decrease of about 16%, is a direct consequence of the Covid-19 pandemic crisis for which some of the projects the Group was working on were either suspended or slowed down.

TPS Group is structured as a transversal organization to individual companies and is based on 4 Strategic Business Units: *Technical Publishing & Training, Engineering & Cost Engineering, Avionic Services & Informative Technologies, Digital Content Management.*

EBITDA in 2020 amounted to € 5.3 million, about 25% lower than the € 7.0 million in 2019, corresponding to an **EBITDA margin** of 17% (19.1% in 2019). **EBIT**, equalling € 2.5 million, contracted by 38% compared to 2019 (when it was € 4.0 million).

Net Adjusted Profit amounting to € 1.65 million, considered net of extraordinary expenses mainly related to resources no longer necessary to the TPS Group's industrial project.

Net Profit amounted to € 1.56 million, of which **€ 1.51 million attributable to the Group** compared to € 2.39 million in 2019.

The **consolidated net financial position**, before the application of IFRS 16, improved significantly despite the very harsh crisis, going from € (6) million in 2019 to € (7.9) million in 2020. As a result of the impact of the aforementioned standard IFRS16 on the rights-of-use and leases, the NFP increased to € (5.1 million) compared to € (2.9 million) in 2019.

Key TPS results at 31 December 2020

Revenue amounted to € 10.5 million, recording substantial stability compared to € 10.2 million in 2019, thanks to the overall solidity of the aviation sector.

EBITDA was at € 1.75 million, in line with the € 1.8 million in 2019, and with an **EBITDA margin** of approximately 17%. **EBIT** equalled € 1.2 million (€ 1.3 million in 2019).

Net Profit at € 0.9 million, is aligned to the result in 2019.

The **net financial position** amounted to € (4.5 million) compared to Euro (5 million) at 31 December 2019, down compared to the previous year due to the increase in right-of-use payables related to the new lease on the Company's registered office.

Business Outlook

The economic crisis triggered by the Covid-19 pandemic is unfortunately still ongoing despite the start of the vaccination campaign. It is currently difficult to predict the economic effects that could impact the TPS Group's 2021 budget, also considering the uncertainties regarding how the entire industrial sectors will be repositioning.

The effects of the reduction in industrial activities where the TPS Group directs its business partially continue also in the first quarter of 2021, especially in certain segments such as the automotive sector. Despite this, there was impetus in certain areas to recover lost time and restart projects that had slowed down or been suspended. These are positive signs of recovery that allow the TPS Group to look to the near future with some optimism.

Thanks to the work done in 2020 TPS Group can rely on even greater operational flexibility, an aspect that will prove essential if the overall context would remain critical, but which will also be fundamental in the recovery phase of our activities.

Allocation of profit for the period

TPS S.p.A.'s financial statements at 31 December 2020 show a profit of € 870,474.

Given the considerable financial effort that will be required to react promptly to this serious crisis period, the Board of Directors resolved to propose to the Shareholders' Meeting that the entire profit for the year is allocated to the extraordinary reserve.

Calling of the Ordinary and Extraordinary Shareholders' Meeting

During today's meeting, the TPS Board of Directors resolved, *inter alia*, to call the Ordinary and Extraordinary session of the TPS Shareholders' Meeting, on 26 April 2021 on first call and, if necessary, on 29 April 2021 on second call, to resolve on the following agenda:

Ordinary Part (i) approval of the Financial Statements of TPS S.p.A. at 31 December 2020 and acknowledgement of the 2020 Group Consolidated Financial Statements;

Extraordinary Part the proposal to amend Articles 7 (Contributions and capital increases), 11 (Public takeover bids), 12 (Obligations to communicate significant shareholdings), 15 (Participation and voting), 17 (Powers and majorities), 18 (Minutes), 19 (Number, term and remuneration of directors), 20 (Appointment of directors), 21 (Chairman and delegated bodies), 22 (Board meetings), 26 (Board of Statutory Auditors) of the Articles of Association and add new Articles 11-*bis* (Obligation and right to purchase) and 11-*ter* (Delisting of shares from trading).

The call notice will be published in the Investor Relations, Shareholders' Meetings section of the Issuer's website www.tps-group.it and in the Official Gazette in accordance with legal and statutory requirements.

The documentation required in terms of applicable legislation regarding the aforementioned matters will be made available at the Company's registered office and under *the Investor Relations Section, Sustainability Report* of the Issuer's website www.tps-group.it.

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The reclassified data of the Income Statement, Balance Sheet and Cash Flow Statement at 31 December 2020 (both consolidated and for the year for TPS) follow below. The data is currently being certified by the appointed Independent Auditor.

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This press release is available online at www.tps-group.it (Investor Relations/Communications Section)

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

The TPS Group works in the aeronautical, automotive, defence, railway, naval and cable transport systems sectors, providing Technical Publishing & Training, Engineering, Design and Cost Engineering, Avionic Software Development and Systems Integration, Digital Content Management. The TPS Group's clients include leaders in the design and production of aircraft and aeronautical components, as well as leaders in the automotive, railway, defence and cable transport systems manufacturing sector.

ISIN code ordinary shares: IT0005246142 – Ordinary shares ticketer: TPS

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Consolidated economic, financial and operational statements

TPS GROUP

CONSOLIDATED INCOME STATEMENT	Financial period 2020	Financial period 2019
Value of production	30.997.525	36.810.867
Costs for materials and services	(6.653.820)	(8.742.008)
Added value	24.343.705	28.068.859
Personnel costs	(18.923.683)	(20.894.451)
Other operating costs	(144.254)	(127.059)
Gross operating profit (EBITDA)	5.275.768	7.047.350
Depreciations, amortisations and impairments	(2.789.008)	(3.019.443)
Operating result	2.486.760	4.027.907
Financial expenses and income	(220.967)	(279.559)
Extraordinary expenses and income	(90.240)	(239.906)
Pre-tax profit (loss)	2.175.554	3.508.442
Taxes	(619.066)	(1.066.845)
Consolidated net result	1.556.488	2.441.596
Adjusted net result	1.646.728	2.681.502
Group net result	1.506.499	2.394.590

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	Consolidated financial statement 2020	Consolidated financial statement 2019
Subscribed capital, unpaid	-	-
Intangible assets	4.255.772	5.515.612
Property, plant and equipment	3.263.709	3.494.194
Financial assets	207.213	184.639
Total assets	7.726.694	9.194.446
Trade receivables	16.318.395	16.124.413
Trade payables	(2.108.123)	(2.775.151)
Working Capital	14.210.272	13.349.262
Other assets	1.709.018	1.896.876
Other liabilities	(3.924.191)	(4.288.826)
Other assets and liabilities	(2.215.174)	(2.391.950)
Provisions for risks and charges	(25.360)	(18.543)
Post-employment benefits provision (TFR)	(3.940.311)	(3.671.506)
Total Provisions	(3.965.671)	(3.690.049)
Net Invested Capital (N.I.C.)	15.756.121	16.461.707
Equity	18.966.761	16.660.085
Equity non-controlling interests	325.721	278.714
Profit/loss attributable to Group	1.506.499	2.394.590
Profit/loss attributable to non-controlling interests	49.989	47.007
CONSOLIDATED EQUITY	20.848.971	19.380.396
Net financial debt (NFP)	(5.092.850)	(2.918.689)
To cover N.I.C.	15.756.121	16.461.707
Details of TPS GROUP NFP	Consolidated financial statement 2020	Consolidated financial statement 2019
Payables to credit institutions	91.667	180.604
Payables to other lenders	1.503.246	2.154.685
Cash and cash equivalents	(9.504.411)	(8.311.792)
NFP without IFRS 16 application	(7.909.498)	(5.976.503)
Lease payables	341.219	376.047
Rights-of-use payables	2.475.429	2.681.767
NFP	(5.092.850)	(2.918.689)

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT	Financial period 2020	Financial period 2020
Profit (loss) for the year before taxes	2.078.865	3.459.834
Adjustments for:		
- non-monetary items - Change in inventories	-	-
- non-monetary items - Net impairment (reversal) of fixed assets	-	-
- non-monetary items - provisions /(releases)	31.100	37.763
- non-monetary items - depreciations and amortisations	2.757.908	2.981.680
Adjusted profit (loss) for the year before taxes	4.867.873	6.479.279
Cash and cash equivalents from operations		
- Income taxes	(579.270)	(1.066.845)
Other adjustments without cash flow	56.893	48.608
Total	(522.377)	(1.018.237)
Changes in working capital		
(Increase)/decrease in trade receivables	(225.082)	(3.321.721)
Change in payables to suppliers	(667.028)	727.741
Other changes	(514.776)	(465.711)
Changes in other provisions	275.622	96.696
Total	(1.131.264)	(2.962.995)
Cash flows from operating activities (1)	3.214.232	2.498.047
Investments:		
- Property, plant and equipment	(947.584)	(141.775)
- Intangible assets	(254.998)	(1.988.304)
- Acquisition of company shareholdings	(65.000)	(1.496.056)
- Financial	(22.574)	(38.747)
Cash flows from investment activities (2)	(1.290.156)	(3.664.882)
Financing activities		
Increases/(decreases) in financial liabilities	(740.376)	(173.736)
Capital Increases	8.919	95.265
Distribution of dividends	-	(361.617)
Cash flows from financing activities (3)	(731.457)	(440.088)
Change in cash and cash equivalents (1+2+3)	1.192.619	(1.606.923)
Cash and cash equivalents at beginning of the year	8.311.792	9.918.715
Cash and cash equivalents at end of the year	9.504.411	8.311.792

Financial statements of the parent company TPS S.p.A.

RECLASSIFIED INCOME STATEMENT	Financial period 2020	Financial period 2019
Value of production	10.453.704	10.164.453
Costs for materials and services	(3.414.352)	(3.392.090)
Added value	7.039.352	6.772.363
Personnel costs	(5.264.478)	(4.927.226)
Other operating income	(24.656)	(17.533)
Gross operating profit (EBITDA)	1.750.218	1.827.604
Depreciations, amortisations and impairments	(528.744)	(550.426)
Operating result	1.221.474	1.277.178
Financial expenses and income	(50.396)	(42.266)
Extraordinary expenses/income	21.153	(338)
Pre-tax profit (loss)	1.192.231	1.234.574
Taxes	(321.757)	(373.292)
Net Profit	870.474	861.281

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	Financial period 2020	Financial period 2019
Subscribed capital, unpaid	-	-
Intangible assets	1.270.462	1.568.467
Property, plant and equipment	594.081	182.573
Financial assets	3.263.976	3.176.070
Total assets	5.128.519	4.927.109
Trade receivables	5.750.986	4.545.057
Trade payables	(402.277)	(492.991)
Working Capital	5.348.709	4.052.066
Other assets	1.076.978	1.159.276
Other liabilities	(1.842.631)	(1.961.455)
Other assets and liabilities	(765.653)	(802.180)
Provisions for risks and charges	(6.817)	(1.594)
Post-employment benefits provision (TFR)	(2.174.076)	(1.906.663)
Total Provisions	(2.180.893)	(1.908.257)
Net Invested Capital (N.I.C.)	7.530.681	6.268.739
Equity	11.139.250	10.384.391
Result for the year	870.474	861.281
EQUITY	12.009.724	11.245.672
Net financial debt (NFP)	(4.479.043)	(4.976.933)
To cover N.I.C.	7.530.681	6.268.739
Details of TPS S.p.A. NFP	Financial period 2020	Financial period 2019
Payables to other lenders	43.604	86.993
Cash and cash equivalents	(8.146.002)	(6.830.406)
Receivables from cash pooling	(1.168.000)	(1.183.000)
Payables from cash pooling	4.272.262	2.818.000
Rights-of-use payables	519.093	122.334
Lease payables	-	9.146
NFP	(4.479.043)	(4.976.933)

TPS S.p.A. Cash flow statement

TPS S.p.A. CASH FLOW STATEMENT	Financial period 2020	Financial period 2020
Profit (loss) for the year before taxes	1.150.420	1.200.538
Adjustments for:		
- non-monetary items - Change in inventories	-	-
- non-monetary items - Net impairment (reversal) of fixed assets	-	-
- non-monetary items - provisions /(releases)	-	-
- non-monetary items - depreciations and amortisations	528.744	550.426
Adjusted profit (loss) for the year before taxes	1.679.164	1.750.964
Cash and cash equivalents from operations		
- Income taxes	(277.718)	(373.292)
Other financial (income)/expenses without cash flow	(2.229)	34.035
Total	(279.947)	(339.257)
Changes in working capital		
(Increase)/decrease in trade receivables	(1.205.929)	(1.497.947)
Change in payables to suppliers	(90.714)	50.533
Other changes	1.705.009	1.514.313
Changes in other provisions	272.636	93.997
Total	681.002	160.896
Cash flows from operating activities (1)	2.080.219	1.572.603
Investments:		
- Property, plant and equipment	(21.580)	(5.825)
- Intangible assets	(620.666)	(339.114)
- Financial	(87.906)	(1.499.570)
Cash flows from investment activities (2)	(730.152)	(1.844.509)
Financing activities		
Increases/(decreases) in financial liabilities	(43.389)	(43.173)
Share capital Increases	8.918	95.265
Distribution of dividends	-	(361.617)
Cash flows from financing activities (3)	(34.471)	(309.525)
Cash flows from operating activities	1.315.596	(581.430)
Change in cash and cash equivalents (1+2+3)	1.315.596	(581.430)
Cash and cash equivalents at beginning of the year	6.830.406	6.832.241
Cash and cash equivalents at beginning of the year from incorporated Companies	-	579.595
Cash and cash equivalents at end of the year	8.146.002	6.830.406