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TPS GROUP APPROVES CONSOLIDATED INTERIM FINANCIAL REPORT AT 30.06.2022

GROUP GROWTH AT 8.5% COMPARED TO THE FIRST HALF OF 2021

Revenue: EUR 19.2 million, **+8.5%** (1H2021: EUR 17.7 million)

EBITDA EUR 4 million (1H2021: EUR 4 million)

Net profit: EUR 2,114 thousand (1H2021: EUR 1,979 thousand)

NFP/(financial assets): EUR (16.2 million) - (increase of EUR 1.6 million compared to 31.12.2021)

Gallarate (VA), 21 September 2022 – The Board of Directors of TPS (TPS: IM) operational *holding* of the TPS Group, *leading* company in technical services and engineering for the aeronautical and automotive industries, today approved the six-month consolidated report as at 30 June 2022, voluntarily submitted for internal audit.

Alessandro Rosso, CEO of TPS said this about the results for the period: “*The TPS Group was able to continue on its growth and consolidation process in the first half of this year, too. This is was in spite of the great difficulties affecting the whole global economy, caused by the war in Ukraine and also from the lingering effects of the recession linked to the Covid pandemic. We will keep working in this direction throughout the second part of the year, reinforcing our position in those sectors we feel to be of strategic importance to TPS, a Group that is becoming established in the marketplace due to the quality of the technical services it provides and to its dynamism and ability to adapt.*”

Key consolidated results at 30 June 2022¹

Revenue has settled at EUR 19.2 million, which is 8.5% up on the same period (1st six-month period) in 2021 (EUR 17.7 million).

The **EBITDA** for the period is around EUR 4 million, in line with the first six months of 2021. The **EBIT** is EUR 3.2 million (EUR 3 million at 30 June 2021).

Net profit is EUR 2,114 thousand, of which EUR 2,040 thousand from the Group.

The **Net Financial Position** is EUR -16.2 million (available cash flow), which is a net improvement compared to the EUR -14.6 million at 31 December 2021 (considering the impact of the principle IFRS 16 on use and leasing rights).

The **Generation of Cash Flow** (*Cash flow from Income management*) for the six-month period was EUR 2.9 million.

Net Worth is EUR 25.9 million, which is an increase on the EUR 24.3 million as at 31 December 2021, due to the effect of the positive economic result of the six-month period.

¹ The consolidated six-monthly report, as at 30 June 2022, was drawn up on the basis of the financial statements ending on 30.06.2022 for the companies TPS S.p.A., Aviotrace Swiss SA, Stemar Consulting S.r.l., Satiz Technical Publishing & Multimedia S.r.l., Satiz Poland sp.zoo, Dead Pixels S.r.l., Air Support International S.r.l. (acquired in July 2021), and EMTB S.r.l. within the consolidation perimeter.

Important events in the six-month period

In the first six months of 2022, the TPS Group was part of a complex scenario due to the uncertainties in the wake of the pandemic and the situation linked to the ongoing war, and therefore, it continued to have to make rapid adjustments in terms of organisation and technology, to meet the repeated changes in clients' design and production plans, quickly and flexibly.

In this direction, the Group has seen growth in its business, above all in the SBUs dealing with planning, engineering and technical documentation, while the SBUs providing IT and digital content management services have recorded substantial stability.

The growth path followed by TPS continues to require investments as part of computer technologies, and in the recruitment of qualified persons to join the organisation, a process which has seen significant company commitment in the first half of 2022. Worth noting is the entry into effect of the *TPS Training Academy*, which trained and introduced 24 new resources in the period, and these will mainly be used in the SBUs working in the design and development of avionic software.

Business outlook

The first part of the financial period has continued to record some negative effects due to the healthcare crisis triggered by the Covid-19 pandemic. Specifically, the increased cost of raw materials has affected the production level of some of our major clients and inevitably, the development of new technologies on which TPS is or should have been working. In this sense there is still some uncertainty regarding the way in which some industrial areas are being repositioned, such as the automotive industry in particular and, as a result, the type and quantity of technical services to be provided.

The scenario has been further complicated as a result of the economic and geopolitical consequences triggered by the Russian invasion of Ukraine. The sharp rise in energy and fuel costs has led to a slowdown in the post-pandemic recovery, triggering the inflation that has eroded the spending power of citizens and the investment capacity of companies.

In specific terms, TPS only operated indirectly and on the margins of the Russian and Ukrainian markets, providing technical services in the Oil&Gas industry and therefore, should not suffer significant economic and financial effects in the 2022 financial period due to the loss of these jobs.

This press release is available to read on line at www.1info.it and www.tps-group.it in the Investors/Press Release section.



TPS S.p.A. is the operating holding company of TPS Group, 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" company since 2016.

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 – Ticker ordinary shares: TPS:

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CONSOLIDATED RECLASSIFIED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT	Balance at 30.06.2022	Balance at 30.06.2021
Value of production	19.193.346	17.691.267
Costs for materials and services	(4.249.231)	(3.886.513)
Added value	14.944.115	13.804.754
Personnel costs	(10.926.002)	(9.776.911)
Other operating costs	(65.261)	(53.001)
Gross operating profit (EBITDA)	3.952.852	3.974.842
Depreciations, amortisations and impairments	(786.581)	(995.199)
Operating result	3.166.272	2.979.643
Financial expenses and income	(111.597)	(38.501)
Extraordinary expenses and income	(53.668)	(118.544)
Pre-tax profit (loss)	3.001.006	2.822.597
Taxes	(887.441)	(844.001)
Consolidated net result	2.113.565	1.978.596
Group net result	2.040.067	1.916.259

CONSOLIDATED RECLASSIFIED STATEMENT OF FINANCIAL POSITION

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	30.06.2022	31.12.2021
Subscribed capital, unpaid	-	-
Intangible assets	3.864.742	3.953.286
Property, plant and equipment	2.954.759	2.866.739
Financial assets	224.217	230.059
Total assets	7.043.718	7.050.083
Trade receivables	13.857.028	14.528.196
Trade payables	(2.355.517)	(2.986.738)
Working Capital	11.501.511	11.541.458
Other assets	1.093.948	1.337.781
Other liabilities	(4.857.308)	(5.171.768)
Other assets and liabilities	(3.763.360)	(3.833.987)
Provisions for risks and charges	(24.050)	(24.050)
Post-employment benefits provision (TFR)	(5.059.969)	(4.992.621)
Total Provisions	(5.084.019)	(5.016.671)
Net Invested Capital (N.I.C.)	9.697.849	9.740.883
Equity	23.382.141	20.311.243
Equity non-controlling interests	391.799	430.723
Profit/loss attributable to Group	2.040.067	3.447.539
Profit/loss attributable to non-controlling interests	73.498	117.945
CONSOLIDATED EQUITY	25.887.505	24.307.450
Net financial debt (NFP)	(16.189.656)	(14.566.567)
To cover N.I.C.	9.697.849	9.740.883

CONSOLIDATED NET FINANCIAL POSITION

Details of TPS GROUP NFP	30.06.2022	31.12.2021
Payables to credit institutions	43.592	46.780
Payables to other lenders	121.229	976.232
Cash and cash equivalents	(18.551.886)	(17.865.617)
Lease payables	300.116	314.174
Rights-of-use payables	1.897.293	1.961.864
NFP	(16.189.656)	(14.566.567)

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT	30.06.2022	30.06.2021
Profit (loss) for the year before taxes	3.002.313	2.822.597
Adjustments for:		
- non-monetary items - Change in inventories	(37.501)	-
- non-monetary items - Net impairment (reversal) of fixed assets	-	-
- non-monetary items - provisions /(releases)	-	-
- non-monetary items - depreciations and amortisations	786.581	995.199
Adjusted profit (loss) for the year before taxes	3.751.393	3.817.796
Cash and cash equivalents from operations		
- Income taxes	(888.748)	(822.191)
Other adjustments without cash flow	-	(18.156)
Total	(888.748)	(840.347)
Changes in working capital		
(Increase)/decrease in trade receivables	671.168	1.902.663
Change in payables to suppliers	(631.221)	343.619
Other changes	(53.009)	477.673
Changes in other provisions	67.348	125.474
Total	54.286	2.849.429
Cash flows from operating activities (1)	2.916.931	5.826.878
Investments:		
- Property, plant and equipment	(675.494)	(265.317)
- Intangible assets	(110.561)	(82.755)
- Acquisition of company shareholdings	(25)	-
- Financial	5.842	6.469
Cash flows from investment activities (2)	(780.238)	(341.603)
Financing activities		
Increases/(decreases) in financial liabilities	(858.191)	(943.935)
Capital Increases	-	-
Distribution of dividends	(592.233)	(57.744)
Cash flows from financing activities (3)	(1.450.424)	(1.001.679)
Change in cash and cash equivalents (1+2+3)	686.269	4.483.596
Cash and cash equivalents at beginning of the year	17.865.617	9.504.411
Cash and cash equivalents at end of the year	18.551.886	13.988.007