



Technical Publications Service S.p.A.

• PRESS RELEASE •

TPS GROUP PURCHASES 70% OF STEMAR CONSULTING

This company operates in the field of *Cost Engineering* for the automotive and aeronautical industries

Gallarate (VA), 22 June 2017 – TPS (TPS: IM), operational *holding* of the TPS Group and company in technical services and engineering for the aeronautical industry, announces the signing of a binding agreement for the purchase of 70% of Stemar Consulting S.r.l., a company operating in the field of Cost Engineering, i.e., in reverse engineering and testing of design and manufacturing aspects to reduce the costs of a component/system/product.

. **Alessandro Rosso, CEO of the TPS Group.** *“The purchase of Stemar Consulting, a company mainly working in the automotive field, will allow TPS Group to make a new leap forward in terms of quality and an important extension of skills, as well as to create an initial diversification companied to the aeronautical industry”*

After ICB S.r.l. purchased in May, TPS is continuing with its growth strategy in terms of external lines, according to that already announced in the IPO, with the entrance into a sector characterised by high prospects for development and with the purchase of a firm with a recognised professional standing, where the structure, organisation and logistics will allow a rapid process of integration.

The operation is in line with the strategy to boost and diversify the activity of the Group, also to implemented via the offer of further complementary services to those usually provided.

Stemar Consulting, headquartered in Orbassano (TO), employs some 17 persons and in 2016, recorded a turnover of 1.54 million euro, an EBITDA margin of 27% and a negative PFN of 0.2 million euro. It was founded in 2003, thanks to the collaboration of two founding partners who have been working in close contact with major car and motorbike manufacturers for over 25 years, as well as with top manufacturers and suppliers of the automotive and aeronautical industries. Stemar Consulting has many years of experience in building dies and in 2D and 3D design. The operativeness and knowhow in these sectors make tech investments possible and allow production costs to be analysed and optimised. To execute the *Cost Engineering* process, Stemar Consulting uses formats developed based on in-house knowhow and dedicated IT platforms.

The operation includes the purchase of 70% of the company, with the payment of some Euro 700,000, of which Euro 350,000 at the time of the stock transfer, and Euro 350,000 6 months after purchasing the majority holding. There is a forecast *earn out* of Euro 65,000 per annum, linked to the achievement of turnover targets for the company, with reference to the financial years 2018, 2019 and 2020.

The purchase will mean that Stemar Consulting will be administered by a Board of Directors consisting of 5 members, 3 appointed by TPS and 2 from the current members who will remain shareholders with joint stock of 15%. The governance includes larger quorums for meetings involving specific subjects, as well as lock-up agreements and rights of first refusal for stock.

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 an operational holding of TPS Group, leader in the technical services field for the aeronautical industry, with specific focus on helicopters. TPS is a Borsa Italiana “Elite” company.

Founded in 1964, Technical Publications Service was one of the first Italian businesses to offer an outside service to analyse and edit technical publications for the aeronautical industry, working with the main national companies since the mid-1960s, publishing

technical documents and on-board unit user manuals. The TPS Group can include leaders in the field of aircraft design and production, as well as the manufacture of aeronautical parts.

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

ISIN Code Warrant: IT0005246225 – Ticker Warrant: WTPS20

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