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## TPS GROUP CONTINUES TO GROW: 2017 CONCLUDES WITH REVENUE +31%, EBITDA MARGIN 21.7%

*Revenue: 19.1 million Euro, +31% (FY2016: 14.6 million Euro)  
EBITDA: 4.2 million Euro, +33% (FY2016: 3.1 million Euro)  
EBIT: 3.4 million Euro, +12% (FY2016: 3.0 million Euro)  
Net profit: 2.1 million Euro, +11% (FY2016: 1.9 million Euro)  
Adj. Net Financial Position: 0.7 million Euro, (FY2016: 0.3 million Euro)*

**Gallarate (VA), 16 March 2018** – The Board of Directors of TPS (TPS: IM) operational *holding* of the TPS Group, leading company in technical services and engineering for the aeronautical industry, today approved the draft separate financial statements and the Consolidated Financial Statement as at 31 December 2017.

**Alessandro Rosso**, CEO of TPS had this to say:

*“Without a doubt, 2017 was the most important year in the TPS Group’s recent history. In fact, some of the projects that the company had been working on for months materialised, allowing it to strengthen its market position.*

*In order of importance, we need to start off with the **listing of TPS S.p.A. on the AIM Italia market of Borsa Italiana**, on 28 March 2017, with the placing of 15.2% of company stock on the market.*

*The TPS Group then continued along its growth route throughout 2017, strengthening and extending the chain of value of its technical and engineering services for the aeronautical industry.*

*With the **acquisition of 100% di ICB S.r.l.** we opened up to the avionics sector and specific software engineering for aeronautical activities, while **by purchasing 70% of Stemar Consulting S.r.l.** we entered the Cost Engineering sector, which we feel will be able to bring us great satisfaction.*

*I would like to stress how the results for the financial year, which have definitely been very positive, are first and foremost proof of the value of management and all human resources operating in the TPS Group and who do such fantastic work on a daily basis.”*

### **Main consolidated results as at 31 December 2017**

The consolidated financial statement was drawn up based on the financial statements as at 31/12/2017 for the companies TPS S.p.A, Neos S.r.l., TPS Aerospace Engineering S.r.l., Adriatech S.r.l., Aviotrace Swiss SA, ICB S.r.l., and Stemar Consulting S.r.l. (third and fourth quarters), within the consolidation perimeter.

**Earnings** were 19.1 million Euro, which is up 31% compared to the 14.6 million Euro in 2016; this significant increase in earnings comes mainly from the new purchases, even if organic growth has been positive for every business in the Group, with the exception of the company Aviotrace Swiss, which at the start of 2017 completed a job of great importance.

In 2017, TPS Group reorganised its business activity opening to two new business lines linked to the acquisitions of ICB and Stemar. The organisation of the TPS Group is currently based on 5 SBUs: i) the aeronautical activities for *Post Sales* customer support; ii) engineering activities supporting new models and existing models in the case of re-engineering aircraft configurations; iii) the subsidiary, TPS Aerospace Engineering, which designs, certifies and if necessary, manufactures for existing aircraft, specifically within the medical field; iv) avionics and aeronautical software engineering; v) the subsidiary, Stemar which takes care of all Cost Engineering and Benchmark activities.

**EBITDA** is 4.2 million Euro, which is a growth of 33% compared to 3.1 million Euro in 2016, for an **EBITDA margin** of 21.7% (21.3% in 2016). **EBIT**, which is 3.4 million Euro, saw a 12% increase compared to the 3.0 million Euro in 2016.

The **pre-tax result** of 3.1 million Euro, shows a 15% increase on the 2.7 million Euro in 2016.

**Net profit** of 2.1 million Euro, represents an increase of 11% compared to the 1.9 million Euro of 2016 after tax, for 1.0 million Euro. Due to the purchase of a minority shareholding in Neos, Aviotrace Swiss, and TPS Aerospace Engineering in 2017, the **Net Profit for the Group** passed from 1.6 million Euro in 2016 to 2.0 million Euro in 2017, an increase of 29%.

The net improvement on economic results for 2017 is a result of the growth in turnover, also obtained from stock purchases in ICB and Stemar, the arrival of new customers, and reduced operating costs as a result of the TPS Group's integrated management of operating resources.

The **Net financial position** is 0.1 million Euro (0.3 million Euro at 31 December 2016). Nonetheless, considering all of the receipts from 02/01/2018, the **Adjusted Net Financial Position** is 0.7 million Euro.

### **Main results of TPS SpA at 31 December 2017**

**Revenue** is 4.9 million Euro (3.9 million Euro in 2016); **EBITDA** is 1.3 million Euro, with a significant increase on 2016 (1.0 million Euro), for an **EBITDA margin** of 26.6%. The **EBIT** is 1.0 million Euro, which is generally in line with the values for 2016, due to the increased depreciation resulting from investments made during the period.

The **pre-tax result** of 1.0 million Euro is also in line with the results for 2016. **Net profit** is 0.7 million Euro.

The **Net financial position** is 0.3 million Euro (0.1 million Euro at 31 December 2016).

The Board of Directors has decided to submit the proposal to the Shareholders' Meeting to allocate the whole net profit of 694,703 Euro to the extraordinary reserve.

### **Business outlook**

In 2018, the TPS Group intends to continue its growth path, both in organic terms and its external lines. New acquisitions have allowed TPS to achieve a highly qualified, competitive position on the technical services market, whether in the aeronautical or other industrial sectors, such as the automotive industry, for example.

The intention of TPS is therefore to broaden these skills, continuing to develop its IT systems to support the technical services supplied to customers and to benefit from the growth opportunities linked to a wider customer base.

In parallel, TPS will also be looking at new opportunities for growth along external lines, through the acquisition of stock in companies that can bring new skills to the chain of value and therefore, boost the TPS Group.

### **Convocation of the Shareholders' Meeting**

The Board of Directors has decided to call the Ordinary Shareholders' Meeting of TPS on 16 April 2018 at 11.30 at first call, and the 17th April 2018, same place and time, at second call, to discuss and decide on the following:

Agenda:

1. Approval of the financial statement and presentation of the consolidated balance sheet for the group as at 31 December 2017: and consequent deliberations

The following section contains reclassified data for the Income Statement, Balance Sheet and Cash flow Statement as at 31 December 2017 (both consolidated and from the accounting period for TPS S.p.A.). The data are currently undergoing certification by the Auditors.

This press release is available to read on line at [www.tps-group.it](http://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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**Consolidated economic, financial and operational data**

CONSOLIDATED PROFIT AND LOSS ACCOUNT	31/12/2017	%	31/12/2016	%
<b>Production value</b>	<b>19.085.162</b>		<b>14.601.255</b>	
External costs for material and services	(6.274.655)		(6.051.002)	
<b>Added value</b>	<b>12.810.507</b>		<b>8.550.253</b>	
Personnel costs	(8.578.884)		(5.375.416)	
Other operating income (charges)	(81.599)		(59.477)	
<b>Earnings before interest, taxes, depreciation and amortisation</b>	<b>4.150.024</b>	<b>21,7%</b>	<b>3.115.360</b>	<b>21,3%</b>
Amortisations / depreciations	(786.898)		(101.546)	
<b>EBIT</b>	<b>3.363.127</b>	<b>17,6%</b>	<b>3.013.814</b>	<b>20,6%</b>
(charges) / operating income	(38.094)		(134.064)	
(charges) / extraordinary income	(237.651)		(195.572)	
<b>Results before tax</b>	<b>3.087.381</b>	<b>16,2%</b>	<b>2.684.178</b>	<b>18,4%</b>
Current and deferred tax	(973.843)		(772.354)	
<b>Net earnings</b>	<b>2.113.537</b>		<b>1.911.824</b>	
<b>Group net earnings</b>	<b>2.016.315</b>		<b>1.638.563</b>	

CONSOLIDATED BALANCE SHEET	31/12/2017	31/12/2016
<b>Receivables from shareholders for payments still due</b>	<b>0</b>	<b>0</b>
Intangible assets	3.173.314	221.116
Tangible assets	818.208	729.454
Financial assets	21.296	18.897
<b>Total financial fixed assets</b>	<b>4.012.818</b>	<b>969.468</b>
Trade receivables	10.565.495	5.532.668
Trade payables	(2.803.969)	(1.609.410)
<b>Working capital</b>	<b>7.761.526</b>	<b>3.923.258</b>
Other assets	1.311.355	1.148.411
Other liabilities	(2.589.541)	(1.601.385)
<b>Other assets and liabilities</b>	<b>(1.278.186)</b>	<b>(452.974)</b>
Reserves for contingent liabilities	(215.000)	(482.000)
Severance fund	(2.106.927)	(414.323)
<b>Total fund</b>	<b>(2.321.927)</b>	<b>(896.323)</b>
<b>Net invested capital (NIC)</b>	<b>8.174.230</b>	<b>3.543.429</b>
Group net assets	5.750.479	867.581
Minority interest in shareholders' equity	169.645	436.842
Group result for the period	2.016.315	1.638.563
Minority interest in income for the period	97.222	273.262
<b>CONSOLIDATED NET ASSETS</b>	<b>8.033.661</b>	<b>3.216.248</b>
<b>Net financial debt (PFN)</b>	<b>140.570</b>	<b>327.181</b>
<b>To cover NIC</b>	<b>8.174.230</b>	<b>3.543.429</b>

<b>NFP Detail for GROUP TPS</b>	<b>Financial period 2017</b>	<b>Financial period 2016</b>
<i>Debts to credit institutions</i>	1.108.681	1.148.607
<i>Debts to other lenders</i>	212.400	0
<i>Liquid assets</i>	(1.569.125)	(1.198.308)
<i>Payables for the purchase of NEOS stock</i>	0	36.670
<i>Payables for Leasing</i>	414.670	436.837
<i>Receivables for sale of Aviotrace stock</i>	(26.056)	(96.625)
<b>Group total NFP</b>	<b>140.570</b>	<b>327.181</b>
Receipts from main customers from 02/01/2018	(843.031)	
<b>Adjusted NFP following receipts from 02/01/2018</b>	<b>(702.461)</b>	<b>327.181</b>

## Statement

<b>FINANCIAL STATEMENT</b>		
	<i>Amounts in euro</i>	
	<b>31-dic-17</b>	<b>31-dic-16</b>
<b>Pre-tax profit (loss)</b>	<b>3.066.541</b>	<b>2.643.266</b>
Corrections for:		
- non-monetary items - Change in inventories		-
- non-monetary items - Net writedown (revaluation) of assets	-	8.216
- non-monetary items - accruals / releases	(14.797)	17.887
- non-monetary items - amortisations	786.898	93.330
<b>Pre-tax profit (loss) for the period</b>	<b>3.838.642</b>	<b>2.762.700</b>
<b>Liquid assets generated by operations</b>		
- Income tax	(973.843)	(731.441)
Other financial (income) / charges without money flows	38.094	134.064
<b>Total</b>	<b>(935.749)</b>	<b>(597.377)</b>
<b>Variations in net circulating capital</b>		
Variations to receivables from commercial customers (increase)/decrease	(2.417.252)	(1.648.974)
Variation in liabilities to suppliers	1.102.188	625.808
Variations in other assets and liabilities		
Other variations	215.442	(437.209)
Variation in severance and other funds	-	-
Variations in other reserves and deferred taxes	(28.629)	462.114
<b>Total</b>	<b>(1.128.251)</b>	<b>(998.261)</b>
<b>Cash flow from operating activities (1)</b>	<b>1.774.642</b>	<b>1.167.062</b>
<b>Investments:</b>		
- Tangible	(54.363)	(13.609)
- Intangible	(1.931.124)	(132.415)
- Acquisition of company stock	(2.517.853)	-
- Financial	5.144	1.425
<b>Cash flow from investments (2)</b>	<b>(4.498.196)</b>	<b>(144.599)</b>
<b>Financial activities</b>		
Increase/(decrease) in financial liabilities	(29.813)	(227.511)
Increases in company capital of a monetary nature	-	-
Expenditure on capital operations		-
Other variations for net assets	2.875.200	-
<b>Cash flow from financing activities (3)</b>	<b>2.845.387</b>	<b>(227.511)</b>
<b>Cash flow from financing activities</b>	<b>121.833</b>	<b>794.952</b>
<b>Cash flow from discontinued operations</b>		-
<b>Variations in liquid assets (1+2+3)</b>	<b>121.833</b>	<b>794.952</b>
<b>Liquid assets from the start of the financial period</b>	<b>1.198.308</b>	<b>403.356</b>
<b>Liquid assets from the start of the financial period for acquired companies</b>	<b>248.984</b>	<b>-</b>
<b>Liquid assets at the end of the period</b>	<b>1.569.125</b>	<b>1.198.308</b>

<b>INCOME STATEMENT TPS S.p.A</b>				
<i>Euro (thousands)</i>	<b>Financial period 2017</b>	<b>%</b>	<b>Financial period 2016</b>	<b>%</b>
<b>Production value</b>	<b>4.867.928</b>		<b>3.888.360</b>	
External costs for material and services	(2.035.088)		(1.791.728)	
<b>Added value</b>	<b>2.832.840</b>		<b>2.096.632</b>	
Personnel costs	(1.525.970)		(1.069.191)	
Other operating income (charges)	(8.689)		(6.079)	
<b>Earnings before interest, taxes, depreciation and amortisations</b>	<b>1.298.181</b>	<b>26,7%</b>	<b>1.021.361</b>	<b>26,3%</b>
Amortisations	(279.430)		(19.530)	
<b>EBIT</b>	<b>1.018.751</b>	<b>20,9%</b>	<b>1.001.832</b>	<b>25,8%</b>
(charges) / operating income	(17.963)		(23.152)	
(charges) / extraordinary income	18.996		36.273	
<b>Results before tax</b>	<b>1.019.784</b>	<b>20,9%</b>	<b>1.014.953</b>	<b>26,1%</b>
Current and deferred tax	(325.081)		(332.598)	
<b>Net earnings</b>	<b>694.703</b>		<b>682.355</b>	

<b>BALANCE SHEET TPS S.P.A.</b>			
<i>Euro (thousands)</i>	<b>Financial period 2017</b>	<b>Financial period 2016</b>	
Intangible assets	728.831	91.784	
Tangible assets	38.429	8.945	
Financial assets	2.909.374	451.521	
<b>Total financial fixed assets</b>	<b>3.676.634</b>	<b>552.250</b>	
Inventory	-	-	
Trade receivables	2.245.262	1.817.209	
Trade payables	(733.238)	(533.168)	
<b>Working capital</b>	<b>1.512.024</b>	<b>1.284.041</b>	
Other assets	774.579	450.597	
Other liabilities	(837.837)	(563.898)	
<b>Other assets and liabilities</b>	<b>(63.258)</b>	<b>(113.301)</b>	
Reserves for contingent liabilities	-	-	
Severance fund	(535.585)	(218.690)	
<b>Total fund</b>	<b>(535.585)</b>	<b>(218.690)</b>	
<b>Net invested capital (NIC)</b>	<b>4.589.817</b>	<b>1.504.299</b>	
Net assets	4.243.854	686.302	
Result for the period	694.703	682.355	
<b>Total equity</b>	<b>4.938.557</b>	<b>1.368.657</b>	
Net financial debt (NFP)	(348.740)	135.644	
<b>To cover NIC</b>	<b>4.589.817</b>	<b>1.504.299</b>	
<b>NFP TPS S.P.A.</b>	<b>(Amount in '000 Euro)</b>	<b>2017</b>	<b>2016</b>
Debts to credit institutions		207.453	579.505
Liquid assets		(727.083)	(249.420)
Payables for the purchase of NEOS stock		-	36.670
Receivables due from subsidiaries		(61.111)	(231.111)
Receivables from cash pooling		(446.000)	-
Liabilities from cash pooling		678.000	-
<b>Total</b>		<b>(348.740)</b>	<b>135.644</b>



## Statement

<b>FINANCIAL STATEMENT</b>		
	<i>Amounts in euro</i>	
	<b>31-dic-17</b>	<b>31-dic-16</b>
<b>Pre-tax profit (loss)</b>	<b>1.017.531</b>	<b>978.984</b>
Corrections for:		
- non-monetary items - Change in inventories	-	-
- non-monetary items - Net writedown (revaluation) of assets		
- non-monetary items - accruals / releases	-	13.619
- non-monetary items - amortisations	279.430	19.530
<b>Pre-tax profit (loss) for the period</b>	<b>1.296.961</b>	<b>1.012.133</b>
<b>Liquid assets generated by operations</b>		
- Income tax	(325.081)	(332.598)
Other financial (income) / charges without money flows	17.963	23.152
<b>Total</b>	<b>(307.118)</b>	<b>(309.446)</b>
<b>Variations in net circulating capital</b>		
Variations to receivables from commercial customers (increase)/decrease	(1.064.863)	(105.489)
Variation in liabilities to suppliers	774.645	164.599
Variations in other assets and liabilities	678.706	(34.445)
Other variations	-	-
Variations in other reserves and deferred taxes	-	-
<b>Total</b>	<b>388.488</b>	<b>24.665</b>
<b>Cash flow from operating activities (1)</b>	<b>1.378.331</b>	<b>727.352</b>
<b>Investments:</b>		
- Tangible	(48.811)	(1.550)
- Intangible	(897.151)	(103.487)
- Acquisition of further stock in companies for which controlling stock already held	-	-
- Financial	(2.457.853)	(225.000)
<b>Cash flow from investments (2)</b>	<b>(3.403.815)</b>	<b>(330.037)</b>
<b>Financial activities</b>		
Increase/(decrease) in financial liabilities	(372.052)	(248.648)
Liquid assets from operations "under common control"	-	-
Increases in company capital of a monetary nature	-	-
Expenditure on capital operations	-	-
Other variations for net assets	2.875.200	-
<b>Cash flow from financing activities (3)</b>	<b>2.503.148</b>	<b>(248.648)</b>
<b>Cash flow from financing activities</b>	<b>477.664</b>	<b>148.667</b>
<b>Cash flow from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Variations in liquid assets (1+2+3)</b>	<b>477.664</b>	<b>148.667</b>
<b>Liquid assets from the start of the financial period</b>	<b>249.420</b>	<b>100.752</b>
<b>Liquid assets at the end of the period</b>	<b>727.084</b>	<b>249.420</b>