



TPS GROUP INVESTOR PRESENTATION

FY2017 RESULTS
AND STRATEGIC GUIDELINES

Milano – May 8th, 2018

GROUP STRUCTURE



TPS S.p.A. has been listed on
AIM Milano Stock Market on March, 28th 2017



TPS is an ELITE Company
since November 2016

ICB SRL

STEMAR
COST ENGINEERING CONSULTING

ADRIATECH



tpS AEROSPACE
ENGINEERING

aviotrace
SWISS

TPS Group provides technical services and engineering for the aerospace industry, including technical multimedia documentation, engineering, design, certification and production of parts and components, avionic software, reverse engineering and cost engineering.

INITIAL PUBLIC OFFERING

MARCH 28TH, 2017

Initial Public Offering on **Borsa Italiana – AIM Market**

IPO fully dedicated to a **capital increase**

898,500 shares issued at **€3.2** per share

Free float: **~15.2%** of total shares

IPO proceeds: **€2.87 million**

MAY 2ND, 2018

Share price: **€4.57, +43%** vs. IPO price

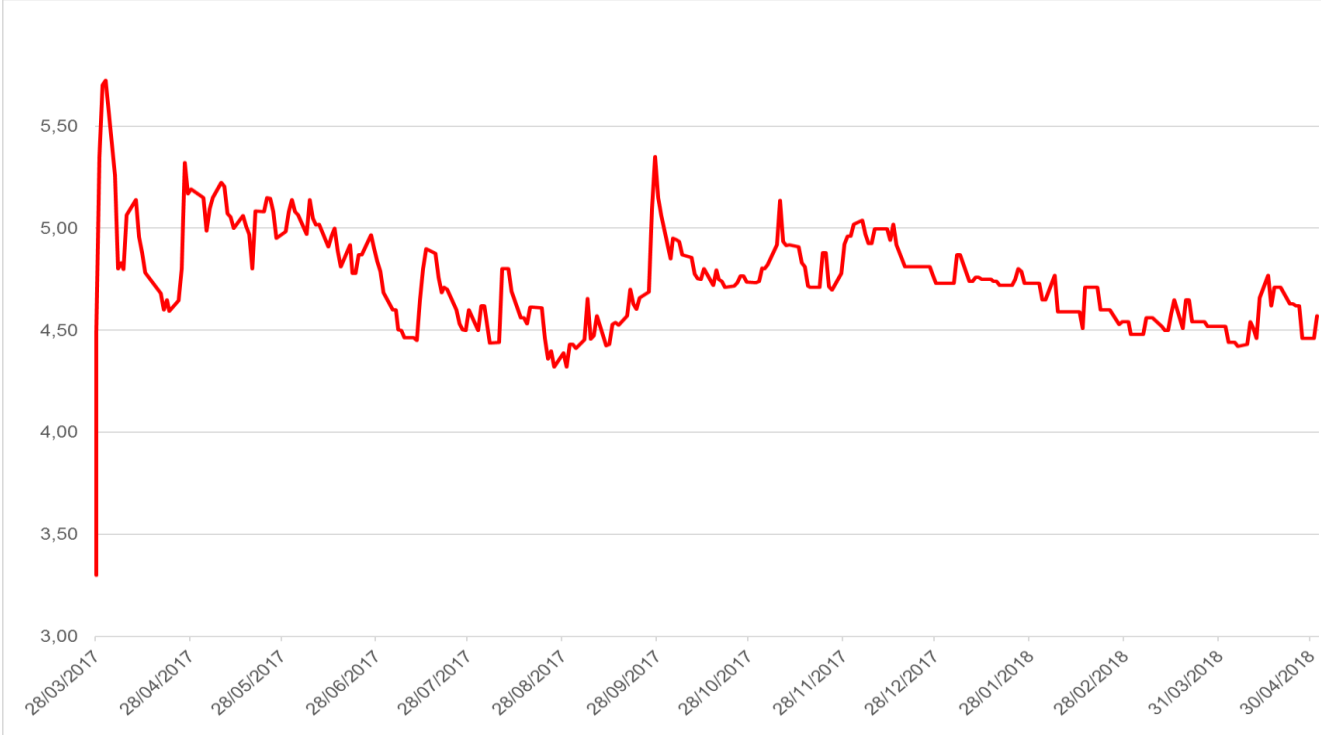
Market cap: **~€27 million**

Recently released Integrae SIM SpA research report sets BUY rating on TPS shares with a target price of **€7.0** (corresponding to a market cap of **~€41 million**)

MARKET PERFORMANCE



TPS S.p.A Share Price





ACQUISITION of ICB S.r.l.

- Company leader in **Avionic** Software Development
- **Acquisition Price:** € 1.6 million for 100% of share capital
- ICB S.r.l. **turnover** in 2017: € 3.7 million
- ICB S.r.l. **EBITDA** margin in 2017: 14,3%

ACQUISITION of STEMAR Consulting S.r.l.

- Company operating in the **Cost Engineering** field, mainly for automotive industry (most important customer: Ferrari S.p.A.)
- **Acquisition Price:** € 0,7 million for 70% of share capital
- STEMAR Consulting S.r.l. **turnover** in 2017: € 2.0 million
- STEMAR Consulting S.r.l. **EBITDA** margin in 2017: 20%



REDUCED MINORITY INTERESTS IN CONTROLLED COMPANIES

- NEOS S.r.l. participation increased to 100% (from 51% of December 31th, 2016)
- TPS Aerospace Engineering S.r.l participation increased to 100% (from 51% of December 31th, 2016)

“INNOVATIVE SME” CERTIFICATION

- “Innovative SME” certification of the Italian Ministry of Economic Development on June 6th, 2017 on the basis of the investments in R&D and innovation

FY 2017
CONSOLIDATED
P&L HIGHLIGHTS



TURNOVER:
~€19.1 MILLION

+30.7% vs 2016

EBITDA:
~€4.15 MILLION

+33.2% vs 2016

EBITDA MARGIN:
~21.7%

**TPS GROUP'S
SHARE OF NET
PROFIT:**
~€2.0 MILLION

+29% vs 2016

FY 2017 BALANCED SHEET HIGHLIGHTS



- **NET FINANCIAL POSITION: ~K€ 140**
~€0.3 million at December 31st, 2016
- **Adj NFP (including cash-in 2nd January): ~K€ (700)**
- **IPO proceeds**
Acquisition of ICB S.r.l. and Stemar Consulting S.r.l.
Acquisition of minority interests in controlled companies
Investments in Information Technology
- **OPERATING CASH FLOW: ~€1.8 million**
- **TOTAL EQUITY: ~€8.0 million**
Significant improvement vs. ~€3.2 million at December 31st, 2016

TPS GROUP ACTION PLAN 2018

- Full integration of ICB S.r.l. and Stemar Consulting S.r.l. in TPS Group business model and management approach
- Organic development of core business
 - Example: in 2017 TPS won the bid for the production of technical documentation for the new Leonardo S.p.A. AW609 tilt-rotor aircraft
- Production launch of innovative projects
 - Example: production goal of at least 20 avionic stretchers completely designed and certified by TPS Group by the end of 2018
- Expansion of commercial activities (Europe and USA)
 - Example: production goal of 3 aerial cleaning and fire-fighting kits for the AW119 helicopter to be distributed on the Turkish market
- Development of training and certification activities with Aviotrace Swiss S.A. and Adriatech S.r.l.
 - Example: new training centers in Rome and Montepandone (Marche region)
- Expansion of avionic services business
 - Example: completion of an informative platform ("*Long Briefing*") for the training of helicopter pilots to land/take-off in specific conditions and sites
- Increase of customer base and personnel in the cost engineering business
 - Example: development of a specific system dedicated to cost and technological benchmarking for the automotive industry

2018 GUIDELINES



CONSOLIDATING
MARKET POSITION
IN AEROSPACE
TECHNICAL SERVICES

ENLARGE AND EMPOWER
OUR SET
OF TECHNICAL SERVICES AND
ENGINEERING
FOR AEROSPACE
INDUSTRY

INDUSTRY
DIVERSIFICATION
TOWARD
AUTOMOTIVE

GEOGRAPHICAL
DIVERSIFICATION
TOWARD USA,
TURKEY AND
MIDDLE EAST
COUNTRIES

*VISION: great **rapidity and flexibility** to grasp any opportunity coming from the market*

2018 STRATEGIC GUIDELINES

M&A

- TPS Group is considering **new acquisitions** to further consolidate its market leadership in aerospace technical services
- Any opportunity will be selectively evaluated on the basis of growth and innovation potentials, profitability, sustainability of net financial position and, most importantly, fit with TPS Group business plan and company culture

BUSINESS AND GEOGRAPHICAL DIVERSIFICATION

- TPS Group will leverage its recent acquisition of Stemar Consulting S.r.l. to **diversify towards the automotive business**
- TPS Group is establishing a presence in the **United States** (Philadelphia), and expects to start operations by H1 2018
- Beyond Rome and Montepandone (Marche region), TPS Group is considering the option to open at least one training and **testing center in the Middle East**

PRODUCTION OF PARTS AND COMPONENTS

- TPS Group is exploring potential partnerships in order to start-up **the production of aerospace parts and components**, also evaluating a metal 3D printing technology
- Metal additive manufacturing will allow significant improvements and savings in the production process of parts for the aerospace industry, and many top OEM are already approaching or testing this technology

INNOVATION IN COST ENGINEERING

- TPS Group has been developed a **new software to support the cost engineering** business, that combined with the adoption of **advanced 3D scanners**, will allow car manufacturers benchmarking production costs versus the competition, and adopting reverse engineering techniques to bring technical improvements to the products

