



Technical Publications Service S.p.A.

• PRESS RELEASE •

**TPS GROUP: STRONG FIRST SEMESTER GROWTH  
IN FY2017 REVENUE EXPECTED +30% and EBITDA +34%**

*Revenue: Euro 8.9 million +12% (1H2016: Euro 7.9 million)  
EBITDA: Euro 2.0 million +8% (1H2016: Euro 1.8 million)  
PFN: Euro -1.8 million (FY2016: Euro 0.3 million)*

**Outlook 2017**

*Revenue: Euro 19.1 million (+30% vs FY2016)  
EBITDA: Euro 4.2 million (margin 22%)  
PFN: Euro -3.5 million*

**Gallarate (VA), 18 September 2017** – The Board of Directors of TPS (TPS: IM), operational holding of the TPS Group, leader in the aeronautical sector technical and engineering services field, today approved its six-monthly report as at 30 June 2017 and the outlook for 2017.

**Alessandro Rosso**, Chief Executive Officer of TPS: *“The first six months of 2017 have been the most important in the TPS Group’s recent history. Significant projects became concrete in this period enabling the Group to considerably strengthen its market presence. The strategy adopted in recent years, widening competences to include training and multimedia contents, engineering and technical drawing to support clients, developing aeronautical software and the creation of TPS Aerospace Engineering, has enabled the company to qualify itself with its main clients as a primary national subject in the technical aeronautical services sector. This positioning enables us to be involved in important new projects which can further and significantly strengthen and develop the TPS Group. In acknowledgement of its inclination for technological innovation in the application and evolution of its business model, in June TPS received the Innovative SME qualification.”*

**Main consolidated results as at 30 June 2017<sup>1</sup>**

**Revenue** amounts to Euro 8.9 million, up 12.3% compared to Euro 7.9 million in the first semester 2016. Growth is mainly referred to the acquisition of ICB. Compared to the corporate perimeter at end 2016, TPS S.p.A. and Adriatech recorded a growth in turnover which has more than compensated the temporary reduction in revenue of the indirect subsidiary Aviotrace Swiss SA following completion of a translation order for training courses.

The **EBITDA** amounts to Euro 2.0 million, +8.3% compared to Euro 1.8 million as at 30 June 2016, corresponding to an **EBITDA margin** of 21.9% (22.7% as at 30 June 2016). Personnel costs are increasing due to ICB S.r.l. employees joining the Group and the employment of new medium-high professional level resources in TPS and Adriatech to develop new aeronautical projects.

The **EBIT**, amounting to Euro 1.8 million, is in line with figures as at 30 June 2016 (Euro 1.8 million) regardless of the increase in amortisation; specifically due to capitalisation of expenses linked to listing on the AIM Italy market.

The **Result before taxes** amounts to Euro 1.5 million (Euro 1.6 million in the first semester 2016).

---

<sup>1</sup> The consolidated financial statements were drawn up based on intermediate financial statements as at 30/06/2017 for TPS S.p.A., Neos S.r.l., TPS Aerospace Engineering S.r.l., Adriatech S.r.l., Aviotrace Swiss SA and ICB S.r.l., companies included in the consolidation perimeter.

**Net Profit**, for Euro 960 thousand (of which Euro 36 thousand pertinent to third parties), is essentially consistent with Euro 1.07 million as at 30 June 2016. Due to the increased investments in NEOS and Aviotrace Swiss, Group profit is up to Euro 924 thousand (Euro 869 thousand as at 30 June 2016).

The **Net Financial Position** amounts to Euro -1.8 million. The significant improvement compared to Euro 0.3 million as at 31 December 2016 is due to benefits from the collection of capital through listing on the Italian Stock Exchange AIM market (Euro 2.87 million) and from operating cash flow (Euro 2.3 million); even with outlays linked to acquisition of investments in ICB and Stemar Consulting, the increase in the investment in Neos S.r.l. and in Aviotrace Swiss SA and minor investments (Euro 2.8 million as a whole).

**Equity** amounts to Euro 6.9 million, up compared to Euro 3.2 million as at 31 December 2016; due to the positive economic semester result and the increase in capital following parent company listing on the AIM Italy market.

#### **Significant occurrences in the semester**

*February 2017* - TPS increased its share in **NEOS S.r.l.**, going from 51% to 94%. At the same time, NEOS increased its share in **Aviotrace Swiss SA**, going from 70.4% to 90.2%. These transactions were implemented to reduce the minority share in preparation for the IPO.

*March 2017* - **Listing of TPS on AIM Italy** placing 15.2% of share capital on the market. This operation was implemented entirely to increase capital. The total counter value of resources collected, to be used in full to finance Company growth, amounts to Euro 2.87 million.

*June 2017* - TPS acquired a 100% share in **ICB S.r.l.**, a company specialised in avionics and aeronautical software. The operation enables the TPS Group to join a really important technological sector with competences that make ICB Italian leader in the avionic development field.

TPS was also certified as an **Innovative SME** by the Varese Chamber of Commerce; acknowledging its use of technological innovation in the application and evolution of its business model.

#### **Significant occurrences after the semester ended**

*July 2017* - TPS acquired 70% of **Stemar Consulting S.r.l.**, specialized in Cost Engineering. This transaction enabled the group to join a sector with high growth prospects and to acquire a company with recognised professional standing whose structure, organisation and logistics will enable fast integration.

#### **Outlook 2017**

Based on information currently available and related to orders and negotiations in progress, the outlook is for **Revenue 2017 to be Euro 19.1 million**, up 30% compared to 2016 mainly due to acquisition of ICB and Stemar Consulting (the latter consolidated for just 6 months). Please note the planned launch of important activities for the Group's main clients in the second semester 2017.

**EBITDA** is estimated as **Euro 4.2 million**, corresponding to an Ebitda margin of 22% and up 34% compared to 2016.

The **Net Financial Position** is estimated as Euro -3.5 million, against a PFN as at 31 December 2016 of Euro 327 thousand.

Please note that the Outlook 2017 figures are the result of closure projections and internal estimates so have not been checked and/or audited in any way

*This press release is on-line on [www.tps-group.it](http://www.tps-group.it) in the section Investors/Press Releases.*



**TPS S.p.A.**, is the operational holding of the TPS Group, leader in the aeronautical sector technical services, with special focus on the helicopter segment. TPS is an Italian Stock Exchange "Elite" company. Founded in 1964, Technical Publications Service was one of the first Italian companies to offer an outsourced service for the analysis and editing of technical publications for the aeronautical industry; collaborating with the main Italian companies from the mid 1960s, to create technical documentation and manuals for on board. TPS Group clients include the leading companies in the aircraft and component design and production sector for the aeronautical world.

Ordinary share ISIN: IT0005246142 – Ordinary share ticker: TPS – Warrant ISIN: IT0005246225 – Warrant ticker: WTPS20

For further information:

• **IR Top Consulting** •

Investor Relations

Maria Antonietta Pireddu

email: [m.pireddu@irtop.com](mailto:m.pireddu@irtop.com)

Media Relations

Domenico Gentile, Antonio Buoizzi

email: [ufficiostampa@irtop.com](mailto:ufficiostampa@irtop.com)

Tel: +39 02/45473884

Via C. Cantù, 1 - 20123 Milano

• **Integrae SIM S.p.A.** •

Nominated Adviser

Tel: +39 02/87208720

email: [info@integraesim.it](mailto:info@integraesim.it)

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(figures in Euro)</i>	<b>30/06/2017</b>	<b>30/06/2016</b>
<b>Value of production</b>	<b>8,918,925</b>	<b>7,942,344</b>
External costs for materials and services	(2,805,632)	(3,418,370)
<b>Added Value</b>	<b>6,113,293</b>	<b>4,523,974</b>
Personnel cost	(4,109,359)	(2,680,260)
Other operating income (costs)	(48,721)	(37,984)
<b>EBITDA</b>	<b>1,955,213</b>	<b>1,805,731</b>
<b>EBITDA margin %</b>	<b>21.9%</b>	<b>22.7%</b>
Amortisation, provisions and devaluations	(197,221)	(46,265)
<b>EBIT</b>	<b>1,757,992</b>	<b>1,759,466</b>
<b>EBIT margin %</b>	<b>19.7%</b>	<b>22.2%</b>
Financial management	(40,915)	(48,818)
Extraordinary management	(232,318)	(113,687)
<b>Income before taxes</b>	<b>1,484,758</b>	<b>1,596,961</b>
Income taxes	(523,903)	(524,218)
<b>Income for the year</b>	<b>960,854</b>	<b>1,072,742</b>
<i>pertinent to the Group</i>	924,253	868,939
<i>pertinent to third parties</i>	36,601	203,803

## RECLASSIFIED CONSOLIDATED BALANCE SHEET

<b>Consolidated assets</b> <i>(figures in Euro)</i>	<b>30/06/2017</b>	<b>31/12/2016</b>
<b>Share capital called up not yet paid</b>	-	-
Intangible assets	1,982,336	221,117
Tangible assets	823,576	729,454
Financial assets	372,853	18,897
<b>Total Assets</b>	<b>3,178,765</b>	<b>969,468</b>
Trade receivables	7,142,636	5,532,668
Trade payables	(1,340,366)	(1,609,410)
<b>Commercial Working Capital</b>	<b>5,802,270</b>	<b>3,923,258</b>
Other assets	842,846	1,148,411
Other liabilities	(2,319,856)	(1,601,385)
<b>Other Assets and Liabilities</b>	<b>(1,477,011)</b>	<b>(452,974)</b>
Provisions for risks and charges	(482,000)	(482,000)
Severance Indemnity Fund	(1,971,861)	(414,323)
<b>Total Funds</b>	<b>(2,453,861)</b>	<b>(896,323)</b>
<b>NET INVESTED CAPITAL</b>	<b>5,050,163</b>	<b>3,543,429</b>
<b>Consolidated liabilities</b>	<b>30/06/2017</b>	<b>31/12/2016</b>
Group equity	5,718,938	867,581
Third Party Equity	181,611	436,842
Group result for the period	924,253	1,638,563
Third party result for the period	36,601	273,262
<b>Consolidated Equity</b>	<b>6,861,404</b>	<b>3,216,248</b>
Net financial position (PFN)	(1,811,240)	327,181
<b>Total Liabilities</b>	<b>5,050,163</b>	<b>3,543,429</b>

## CONSOLIDATED NET FINANCIAL POSITION

<i>(figures in Euro)</i>	<b>30/06/2017</b>	<b>31/12/2016</b>
Liquid assets	(2,761,636)	(1,198,308)
Payable to banks	550,587	1,148,607
Payable for purchase of Neos S.r.l. shares	0	36,670
Financial debt for Neos S.r.l. leasing	425,865	436,837
Other receivables	(26,056)	(96,625)
<b>Net Financial Position</b>	<b>(1,811,240)</b>	<b>327,181</b>

## CONSOLIDATED FINANCIAL STATEMENT

<i>(figures in Euro)</i>	30/06/2017	31/12/2016
<b>Profit (loss) for year before taxes</b>	<b>1,484,758</b>	<b>2,643,266</b>
Adjustments for:		
- non monetary elements - Variation to inventories	-	-
- non monetary elements - Net devaluation (reval.) of assets	-	8,216
- non monetary elements - provisions / (releases)	-	17,887
- non monetary elements - amortisation	197,221	93,330
<b>Profit for the year (loss) before taxes adjusted</b>	<b>1,681,980</b>	<b>2,762,700</b>
<b>Liquid assets generated by transactions</b>		
- Income taxes	(523,903)	(731,441)
Other financial (income)/charges without monetary flow	40,915	134,064
<b>Total</b>	<b>(482,988)</b>	<b>(597,377)</b>
<b>Variations to working capital</b>		
Variation to trade receivables (increase)/decrease	583,426	(1,648,974)
Variation to trade payables	(321,092)	625,808
Variation to other assets	441,185	-
Variation to other liabilities	239,004	-
Other variations	(481,132)	(437,209)
Variation to other funds and deferred taxes	647,418	462,114
<b>Total</b>	<b>1,108,809</b>	<b>(998,261)</b>
<b>Cash flow from operating assets (1)</b>	<b>2,307,801</b>	<b>1,167,062</b>
<b>Investments:</b>		
- Tangible	(59,467)	(13,609)
- Intangible	(659,496)	(132,415)
- Acquisition of further shares in companies where control is held	(1,779,853)	-
- Financial	(349,713)	1,425
<b>Cash flow from investments (2)</b>	<b>(2,848,529)</b>	<b>(144,599)</b>
<b>Financial assets</b>		
Increases/(decreases) financial debts	(771,145)	(227,511)
Increase to share capital of a monetary nature	2,875,200	-
Charges for transactions on capital	-	-
Other variations to equity	-	-
<b>Cash flow from loans (3)</b>	<b>2,104,055</b>	<b>(227,511)</b>
<b>Cash flow from operating assets</b>	<b>1,563,328</b>	<b>794,952</b>
<b>Variation to liquid assets (1+2+3)</b>	<b>1,563,328</b>	<b>794,952</b>
<b>Liquid assets at the start of the financial year</b>	<b>1,198,308</b>	<b>403,356</b>
<b>Liquid assets at the end of the financial year</b>	<b>2,761,636</b>	<b>1,198,308</b>