



Technical Publications Service S.p.A.

• PRESS RELEASE •

## TPS GROUP CONTINUES ON ITS GROWTH PATHWAY: IN 2018 REVENUE AT +26%

**The Board of Directors has approved the draft statutory financial statements and consolidated balance sheet of the Group at 31 December 2018 and proposed the distribution of a dividend of Euro 0.05 per share**

- **Revenue: Euro 24.1 million, + 26% (FY2017 Euro 19.1 million)**
- **EBITDA: Euro 4.8 million, + 14% (FY2017 Euro 4.2 million)**
- **Net Result Adjusted : Euro 2.21 million, +5% (FY2017 Euro 2.11 million)**
- **Net Financial Position: Euro (7 million) to FY2017 Euro 0.14 million**

**Gallarate (VA), March 19, 2019** – TPS S.p.A. (TPS: IM) operational holding of the TPS Group, leading company in technical services and engineering for the aeronautical and automotive industry (“**TPS**” or “**Company**” or “**Issuer**”) has announced that the Board of Directors approved today the draft statutory financial statements and the consolidated balance sheet of the Group for the year ended 31 December 2018.

Moreover, the Board of Directors resolved to propose to the Shareholders’ Meeting, called for 19 April 2019 at first call and, if necessary, 22 April 2019 at second call, the distribution of a gross dividend of Euro 0.05 per each outstanding share according to the following calendar: ex date **6 May 2019**, record date **7 May 2019**, and payment date **8 May 2019**.

The Chair of the Board of Directors, Mr. Alessandro Rosso, commented as follows:

*“The results of 2018 confirm the value of consolidation and growth process that we are pursuing. Last year the **enlargement of the Group to new industrial sectors**, especially the **automotive** one, took place, as well as the positive completion of **share capital increase**, which will allow us to further invest and extend the services and products that we offer on the market. The extraordinary operations of 2018 allowed us an important diversification in the industrial sector and a significant reinforcement of capital, which leads us to new M&A transactions.*

*The results of the year should be viewed within a precise industrial strategy started some years ago and made possible by the value of the management leading the company with passion, ability, and dedication, as well as all the people who are part of the TPS Group, who constitute a simply extraordinary unit of skills and energy”*

### **Main consolidated results as at 31 December 2018**

The consolidated balance sheet was prepared based on the financial statements ended 31 December 2018 by the Issuer and by other companies of the Group within the scope of the consolidation, as Neos S.r.l., TPS Aerospace Engineering S.r.l., Adriatech S.r.l., Aviotrace Swiss SA, ICB S.r.l., Stemar Consulting S.r.l., Satiz Technical Publishing & Multimedia S.r.l., TPM Engineering S.r.l., Satiz Poland sp. zoo.

The **revenues** are Euro 24.1 million, with a growth of 26% compared to Euro 19.1 million in 2017; such a significant increase reflects the positive results at the level of all of companies of the Group and is due both to the organic growth of the TPS Group and to the conferral of Satiz Technical Publishing & Multimedia Srl in the month of October 2018. In particular, in 2018 TPS expanded its commercial action by opening new interest areas thanks to the acquisition of the entire share capital of Satiz Technical Publishing & Multimedia S.r.l.

The TPS Group has a transversal organization compared to the single companies, based on 4 strategic business units: *Technical Publishing & Training, Engineering & Cost Engineering, Avionic & Informative Technologies, Digital Content Management*.

**EBITDA** is Euro 4.8 million, which is a growth of 14%, compared to Euro 4.2 million in 2017, for an **EBITDA margin** of 20% (21.7% in 2017). **EBIT** is Euro 3.2 million, lower than the previous year owing to the major depreciations made in the last years (Euro 3.4 million in 2017).

The **pre-tax result** of Euro 3.1 million shows a slight increase on the Euro 3.08 million in 2017.

**Net profit adjusted** (net of the economic costs related to the 2018 share capital increase) is Euro 2.21 million and represents an increase of 5% compared to the Euro 2.11 million of 2017. Taxes are equal to Euro 965 million.

The net profit is Euro **2.14 million**, and the **Group net profit** arose from Euro 2.01 million in 2017 to Euro 2.03 million in 2018.

The net improvement on economic results for 2018 is a result of the growth in turnover, also obtained from the arrival of new customers and reduced operating costs as a results of the integrated management of operating resources by the TPS Group.

The **Net financial position** is Euro (7 million) compared to Euro 0.14 million at 31 December 2017.

#### **TPS main results as at 31 December 2018**

**Revenue** is Euro 5.8 million (Euro 4.9 million in 2017); **EBITDA** is Euro 1.2 million, slightly down compared to 2017 (Euro 1.3 million) with an **EBITDA margin** of 20%. **EBIT** is Euro 0.7 million (Euro 1.0 million Euro in 2017) as an effect of the investments made in the year.

The **pre-tax result** is Euro 0.7 million, compared to Euro 1.0 million in 2017. **Net profit adjusted** (net of the financial charges relating to the increase in share capital) is Euro 0.6 million, compared to Euro 0.7 million in 2017. Net profit is Euro 0.5 million.

The **Net financial position** is Euro 5.2 million compared to Euro 0.3 million at 31 December 2017.

#### **Business outlook**

In 2019, the TPS Group intends to continue its growth path, both in organic terms and in external lines. The capital increase in 2018 has the purpose of provide the Group with financial resources useful for new focused transactions of M&A, that can expand the value chain of the technical services offered to reference industrial sectors, especially the aeronautical one.

#### **Distribution of the operating profit:**

The TPS balance sheet at 31 December 2018 shows a profit of Euro 504,790.

The Board of Directors resolved to propose to the Shareholders' Meeting to:

- distribute a dividend of Euro 0.05 per share;
- allocate the remaining part amounting to Euro 127,182 to the legal reserve and Euro 15,990 to the extraordinary reserve.

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

At todays Meeting, the TPS Board of Directors resolved, *inter alia*, to call the TPS Shareholders' Meeting for 19 April 2019 at first call and, if necessary, 22 April 2019 at second call, to deliberate on (i) the balance sheet of the Company at 31 December 2018, (ii) acknowledgement of the Group consolidated balance sheet concerning the year ended 31 December 2018, as well as (iii) conferral of assignment of the statutory auditor of the Company for the three-year period 2019-2021 to an auditing company, on a reasoned proposal by the Board of Statutory Auditors according to the applicable law.

In this respect, it is recalled that - upon approval of said balance sheet by the Shareholders' Meeting - the assignment of statutory auditor to the company Audirevi S.p.A. for the three-year period 2016-2018 will expire.

The notice of convocation will be published in the section *Investor Relations, Meetings* of the Issuer's website [www.tps-group.it](http://www.tps-group.it) and in the Official Gazette under the statutory and legal terms.

The documentation required by prevailing law in relation to the aforesaid matters will be filed at the registered office and at the same time made available in the *Investor Relations, Meetings* section on the Issuer's website [www.tps-group.it](http://www.tps-group.it) pursuant to the terms of law.



*The following section contains reclassified data for the Income Statement, Balance Sheet and Cash flow Statement as at 31 December 2018 (both consolidated and from the accounting period for TPS). 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 Investor Relations/Press Release section)*



**TPS S.p.A.** is an operational holding company 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, TPS has been working in the aeronautical, automotive, defence, rail and ship industries, providing Technical Publishing & Training services, Engineering, Design and Cost Engineering, as well as Avionic Software Development, System Integration, and Digital Content Management. The TPS Group can include leaders in the field of aircraft design and production, as well as the manufacture of aeronautical parts, as well as leading automotive and rail manufacturers among its client base.

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**

<b>RECLASSIFIED PROFIT AND LOSS ACCOUNT</b>	<b>Consolidated Balance Sheet 2018, TPS Group</b>	<b>Consolidated Balance Sheet 2017, TPS Group</b>
Production value	24.083.523	19.085.162
External costs for material and services	(6.615.935)	(6.274.655)
<b>Added value</b>	<b>17.467.588</b>	<b>12.810.507</b>
Personnel costs	(12.614.873)	(8.578.884)
Other operating income (charges)	(100.964)	(81.599)
<b>EBITDA</b>	<b>4.751.751</b>	<b>4.150.024</b>
Depreciation	(1.577.242)	(786.898)
<b>EBIT</b>	<b>3.174.509</b>	<b>3.363.126</b>
(charges) / operating income	(157.439)	(38.094)
(charges) / extraordinary income	89.206	(237.651)
<b>Results before tax</b>	<b>3.106.276</b>	<b>3.087.381</b>
Current and deferred tax	(965.689)	(973.843)
<b>Net income adjusted*</b>	<b>2.212.354</b>	
<b>Net income</b>	<b>2.140.586</b>	<b>2.113.537</b>
<b>Pertinent to the Group</b>	<b>2.032.224</b>	<b>2.016.315</b>
* net of costs incurred by the Tps S.p.A. and subsidiaries companies for the capital increase		

<b>RECLASSIFIED BALANCE SHEET</b>	<b>Report 2018, TPS Group</b>	<b>Report 2017, TPS Group</b>
<b>Receivables from shareholders for payments still due</b>	<b>0</b>	<b>0</b>
Intangible assets	4.699.423	3.173.314
Tangible assets	864.927	818.208
Financial assets	145.629	21.296
<b>Total financial fixed assets</b>	<b>5.709.979</b>	<b>4.012.818</b>
Trade receivables	11.686.038	10.565.495
Trade payables	(1.888.886)	(2.803.969)
<b>Working capital</b>	<b>9.797.152</b>	<b>7.761.526</b>
Other assets	2.093.084	1.311.355
Other liabilities	(3.980.322)	(2.589.541)
<b>Other assets and liabilities</b>	<b>(1.887.238)</b>	<b>(1.278.186)</b>
Reserves for contingent liabilities	(49.303)	(215.000)
Severance fund	(2.595.221)	(2.106.927)
<b>Total fund</b>	<b>(2.644.524)</b>	<b>(2.321.927)</b>
<b>Net invested capital (NIC)</b>	<b>10.975.370</b>	<b>8.174.230</b>
Group net assets	15.586.903	5.750.479
Minority interest in shareholders' equity	266.867	169.645
Group result for the period	2.032.224	2.016.315
Minority interest in income for the period	108.364	97.222
<b>CONSOLIDATED NET ASSETS</b>	<b>17.994.359</b>	<b>8.033.661</b>
<b>Net financial debt (PFN)</b>	<b>(7.018.989)</b>	<b>140.570</b>
<b>To cover NIC</b>	<b>10.975.370</b>	<b>8.174.230</b>

## Consolidated Statement

<b>FINANCIAL STATEMENT</b>		
	<i>Amounts in euro</i>	
	<b>2018</b>	<b>2017</b>
<b>Pre-tax profit (loss)</b>	<b>3.007.955</b>	<b>3.066.541</b>
Corrections for:		
- non-monetary items - Change in inventories		
- non-monetary items - Net writedown (revaluation) of assets		-
- non-monetary items - accruals / releases	747	(14.797)
- non-monetary items - amortisations	1.576.495	786.898
<b>Pre-tax profit (loss) for the period</b>	<b>4.585.198</b>	<b>3.838.642</b>
<b>Liquid assets generated by operations</b>		
- Income tax	(965.689)	(973.843)
Other financial (income) / charges without money flows	98.320	38.094
<b>Total</b>	<b>(867.369)</b>	<b>(935.749)</b>
<b>Variations in net circulating capital</b>		
Variations to receivables from commercial customers (increase)/decrease	3.167.617	(2.417.252)
Variation in liabilities to suppliers	(430.156)	1.102.188
Variations in other assets and liabilities		
Other variations	(342.914)	215.442
Variation in severance and other funds		-
Variations in other reserves and deferred taxes	63.112	(28.629)
<b>Total</b>	<b>2.457.659</b>	<b>(1.128.251)</b>
<b>Cash flow from operating activities (1)</b>	<b>6.175.487</b>	<b>1.774.642</b>
<b>Investments:</b>		
- Tangible	(51.370)	(54.363)
- Intangible	(2.643.724)	(1.931.124)
- Acquisition of company stock	382.786	(2.517.853)
- Financial	(62.209)	5.144
<b>Cash flow from investments (2)</b>	<b>(2.374.517)</b>	<b>(4.498.196)</b>
<b>Financial activities</b>		
Increase/(decrease) in financial liabilities	(1.633.582)	(29.813)
Increases in company capital of a monetary nature	4.858.549	
Expenditure on capital operations	150.867	
Other variations for net assets	320.000	2.875.200
<b>Cash flow from financing activities (3)</b>	<b>3.695.833</b>	<b>2.845.387</b>
<b>Cash flow from continuing operations</b>	<b>7.496.804</b>	<b>121.833</b>
<b>Variations in liquid assets (1+2+3)</b>	<b>7.496.804</b>	<b>121.833</b>
<b>Liquid assets from the start of the financial period</b>	<b>1.569.125</b>	<b>1.198.308</b>
<b>Liquid assets from the start of the financial period for transferred companies</b>	<b>852.786</b>	<b>248.984</b>
<b>Liquid assets at the end of the period</b>	<b>9.918.715</b>	<b>1.569.125</b>

### INCOME STATEMENT T.P.S. S.p.A

RECLASSIFIED PROFIT AND LOSS ACCOUNT	Financial Period 2018	Financial Period 2017
Production value	5.803.430	4.867.928
External costs for material and services	(2.564.230)	(2.035.088)
<b>Added value</b>	<b>3.239.200</b>	<b>2.832.840</b>
Personnel costs	(2.066.154)	(1.525.970)
Other operating income (charges)	(14.376)	(8.689)
<b>EBITDA</b>	<b>1.158.670</b>	<b>1.298.181</b>
Depreciation	(419.531)	(279.430)
<b>EBIT</b>	<b>739.139</b>	<b>1.018.751</b>
(charges) / operating income	(34.080)	(17.963)
(charges) / extraordinary income	34.006	18.996
<b>Results before tax</b>	<b>739.065</b>	<b>1.019.784</b>
Current and deferred tax	(234.275)	(325.081)
<b>Net income adjusted*</b>	<b>567.641</b>	
<b>Net income</b>	<b>504.790</b>	<b>694.703</b>
* net of costs incurred for the capital increase		

RECLASSIFIED BALANCE SHEET TPS S.p.A.	Report 2018	Report 2017
<b>Receivables from shareholders for payments still</b>	<b>0</b>	<b>0</b>
Intangible assets	877.449	728.831
Tangible assets	22.485	38.429
Financial assets	3.424.374	2.909.374
<b>Total financial fixed assets</b>	<b>4.324.308</b>	<b>3.676.634</b>
Trade receivables	1.877.686	2.245.262
Trade payables	(390.107)	(733.238)
<b>Working capital</b>	<b>1.487.579</b>	<b>1.512.024</b>
Other assets	1.535.617	774.579
Other liabilities	(1.236.648)	(837.837)
<b>Other assets and liabilities</b>	<b>298.969</b>	<b>(63.258)</b>
Reserves for contingent liabilities	0	0
Severance fund	(596.334)	(535.585)
<b>Total fund</b>	<b>(596.334)</b>	<b>(535.585)</b>
<b>Net invested capital (NIC)</b>	<b>5.514.522</b>	<b>4.589.817</b>
Net assets	10.267.973	4.243.854
Result for the period	504.790	694.703
<b>Total Equity</b>	<b>10.772.763</b>	<b>4.938.557</b>
<b>Net financial debt (PFN)</b>	<b>(5.258.241)</b>	<b>(348.740)</b>
<b>To cover NIC</b>	<b>5.514.522</b>	<b>4.589.817</b>

<b>FINANCIAL STATEMENT TPS S.p.A.</b>		
	<i>Amounts in euro</i>	
	<b>2018</b>	<b>2017</b>
<b>Pre-tax profit (loss)</b>	<b>716.794</b>	<b>1.017.531</b>
Corrections for:		
- non-monetary items - Change in inventories		
- non-monetary items - Net writedown (revaluation) of assets		-
- non-monetary items - accruals / releases	-	-
- non-monetary items - depreciation	419.531	279.430
<b>Pre-tax profit (loss) for the period</b>	<b>1.136.325</b>	<b>1.296.961</b>
<b>Liquid assets generated by operations</b>		
- Income tax	(234.275)	(325.081)
Other financial (income) / charges without money flows	22.271	2.253
<b>Total</b>	<b>(212.004)</b>	<b>(322.828)</b>
<b>Variations in net circulating capital</b>		
Variations to receivables from commercial customers (increase)/decrease	(531.759)	(1.064.863)
Variation in liabilities to suppliers	1.941.186	774.645
Variations in other assets and liabilities	(283.350)	694.419
Other variations	-	-
<b>Total</b>	<b>1.126.077</b>	<b>404.201</b>
<b>Cash flow from operating activities (1)</b>	<b>2.050.398</b>	<b>1.378.334</b>
<b>Investments:</b>		
- Tangible	(3.361)	(48.811)
- Intangible	(548.845)	(897.151)
- Financial	(515.000)	(2.457.853)
<b>Cash flow from investments (2)</b>	<b>(1.067.206)</b>	<b>(3.403.815)</b>
<b>Financial activities</b>		
Increase/(decrease) in financial liabilities	(207.453)	(372.052)
Increases in company capital of a monetary nature	-	
Expenditure on capital operations	-	
Other variations for net assets	5.329.416	2.875.200
<b>Cash flow from financing activities (3)</b>	<b>5.121.963</b>	<b>2.503.148</b>
<b>Cash flow from continuing operations</b>	<b>6.105.157</b>	<b>477.664</b>
<b>Variations in liquid assets (1+2+3)</b>	<b>6.105.157</b>	<b>477.664</b>
<b>Liquid assets from the start of the financial period</b>	<b>727.083</b>	<b>249.420</b>
<b>Liquid assets at the end of the period</b>	<b>6.832.241</b>	<b>727.083</b>