



Technical Publications Service S.p.A.

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TPS GROUP: CONSOLIDATION AND POSITIVE RESULTS ALSO IN 2020

The Board of Directors approves the draft financial statements and consolidated financial statements of the Group at 31 December 2020

- **Revenue: € 31 million**
- **EBITDA: € 5.3 million**
- **Adjusted Net Profit: € 1.65 million**
- **Net Financial Position: € (7.9 million) before the application of IFRS16**

Gallarate (VA), 25 March 2021 – TPS S.p.A. (TPS: IM), the operational holding company of the TPS Group, a leader in the aeronautical and automotive engineering and technical services sector (“TPS” or the “Company” or “Issuer”), announces that the Board of Directors today approved the Group’s consolidated financial statements and the financial statements of TPS S.p.A. for the financial year ended 31 December 2020.

The results for the 2020 financial year reflect the problems created by the Covid-19 health crisis, which has affected our country and that continues to seriously penalise the entire production sector.

The Chairman of the Board of Directors, Alessandro Rosso commented as follows:

“2020 was a very complex year for TPS Group as well. Complex organisational changes were made necessary to adapt our operations to the continuous challenges imposed by the Covid-19 health crisis on the reference industrial scenarios. Right from the initial weeks of the emergency, TPS Group has dealt with the situation with great professionalism and flexibility, but in certain cases, projects and activities were suspended by some of our customers. Nonetheless, the results for 2020 have rewarded the resilience of a Group that can rely on the skills and professionalism of its employees and on the management capabilities of its executives. We will get out stronger and more competitive from this crisis, able to face the new challenges in 2021, continuing on our path of growth and development”.

Key consolidated results at 31 December 2020

The consolidated financial statements were prepared on the basis of the financial statements for the year ended 31 December 2020 of the Issuer as well as the other Group companies within the scope of consolidation, including Neos S.r.l., TPS Aerospace Engineering S.r.l., Adriatech S.r.l., Aviotrace Swiss SA, EMTB S.r.l., Stemar Consulting S.r.l., Dead Pixels S.r.l., Satiz Technical Publishing & Multimedia S.r.l. and Satiz Poland sp. zoo.

Revenue amounted to € 31 million, compared to € 36.8 million in 2019; the decrease of about 16%, is a direct consequence of the Covid-19 pandemic crisis for which some of the projects the Group was working on were either suspended or slowed down.

TPS Group is structured as a transversal organization to individual companies and is based on 4 Strategic Business Units: *Technical Publishing & Training, Engineering & Cost Engineering, Avionic Services & Informative Technologies, Digital Content Management.*

EBITDA in 2020 amounted to € 5.3 million, about 25% lower than the € 7.0 million in 2019, corresponding to an **EBITDA margin** of 17% (19.1% in 2019). **EBIT**, equalling € 2.5 million, contracted by 38% compared to 2019 (when it was € 4.0 million).

Net Adjusted Profit amounting to € 1.65 million, considered net of extraordinary expenses mainly related to resources no longer necessary to the TPS Group's industrial project.

Net Profit amounted to € 1.56 million, of which **€ 1.51 million attributable to the Group** compared to € 2.39 million in 2019.

The **consolidated net financial position**, before the application of IFRS 16, improved significantly despite the very harsh crisis, going from € (6) million in 2019 to € (7.9) million in 2020. As a result of the impact of the aforementioned standard IFRS16 on the rights-of-use and leases, the NFP increased to € (5.1 million) compared to € (2.9 million) in 2019.

Key TPS results at 31 December 2020

Revenue amounted to € 10.5 million, recording substantial stability compared to € 10.2 million in 2019, thanks to the overall solidity of the aviation sector.

EBITDA was at € 1.75 million, in line with the € 1.8 million in 2019, and with an **EBITDA margin** of approximately 17%. **EBIT** equalled € 1.2 million (€ 1.3 million in 2019).

Net Profit at € 0.9 million, is aligned to the result in 2019.

The **net financial position** amounted to € (4.5 million) compared to Euro (5 million) at 31 December 2019, down compared to the previous year due to the increase in right-of-use payables related to the new lease on the Company's registered office.

Business Outlook

The economic crisis triggered by the Covid-19 pandemic is unfortunately still ongoing despite the start of the vaccination campaign. It is currently difficult to predict the economic effects that could impact the TPS Group's 2021 budget, also considering the uncertainties regarding how the entire industrial sectors will be repositioning.

The effects of the reduction in industrial activities where the TPS Group directs its business partially continue also in the first quarter of 2021, especially in certain segments such as the automotive sector. Despite this, there was impetus in certain areas to recover lost time and restart projects that had slowed down or been suspended. These are positive signs of recovery that allow the TPS Group to look to the near future with some optimism.

Thanks to the work done in 2020 TPS Group can rely on even greater operational flexibility, an aspect that will prove essential if the overall context would remain critical, but which will also be fundamental in the recovery phase of our activities.

Allocation of profit for the period

TPS S.p.A.'s financial statements at 31 December 2020 show a profit of € 870,474.

Given the considerable financial effort that will be required to react promptly to this serious crisis period, the Board of Directors resolved to propose to the Shareholders' Meeting that the entire profit for the year is allocated to the extraordinary reserve.

Calling of the Ordinary and Extraordinary Shareholders' Meeting

During today's meeting, the TPS Board of Directors resolved, *inter alia*, to call the Ordinary and Extraordinary session of the TPS Shareholders' Meeting, on 26 April 2021 on first call and, if necessary, on 29 April 2021 on second call, to resolve on the following agenda:

Ordinary Part (i) approval of the Financial Statements of TPS S.p.A. at 31 December 2020 and acknowledgement of the 2020 Group Consolidated Financial Statements;

Extraordinary Part the proposal to amend Articles 7 (Contributions and capital increases), 11 (Public takeover bids), 12 (Obligations to communicate significant shareholdings), 15 (Participation and voting), 17 (Powers and majorities), 18 (Minutes), 19 (Number, term and remuneration of directors), 20 (Appointment of directors), 21 (Chairman and delegated bodies), 22 (Board meetings), 26 (Board of Statutory Auditors) of the Articles of Association and add new Articles 11-*bis* (Obligation and right to purchase) and 11-*ter* (Delisting of shares from trading).

The call notice will be published in the Investor Relations, Shareholders' Meetings section of the Issuer's website www.tps-group.it and in the Official Gazette in accordance with legal and statutory requirements.

The documentation required in terms of applicable legislation regarding the aforementioned matters will be made available at the Company's registered office and under *the Investor Relations Section, Sustainability Report* of the Issuer's website www.tps-group.it.

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The reclassified data of the Income Statement, Balance Sheet and Cash Flow Statement at 31 December 2020 (both consolidated and for the year for TPS) follow below. The data is currently being certified by the appointed Independent Auditor.

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This press release is available online at www.tps-group.it (Investor Relations/Communications Section)

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TPS S.p.A. is the operational holding company of the TPS Group, a leader in technical and engineering services for the aeronautical industry, with a particular focus on the helicopter segment. TPS has been a Borsa Italiana "Elite" listed company since 2016.

The TPS Group works in the aeronautical, automotive, defence, railway, naval and cable transport systems sectors, providing Technical Publishing & Training, Engineering, Design and Cost Engineering, Avionic Software Development and Systems Integration, Digital Content Management. The TPS Group's clients include leaders in the design and production of aircraft and aeronautical components, as well as leaders in the automotive, railway, defence and cable transport systems manufacturing sector.

ISIN code ordinary shares: IT0005246142 – Ordinary shares ticketer: TPS

For further information:

• **Investor Relations** •

Rossella Sanna

email: investor.relations@tps-group.it

• **Integrae SIM S.p.A.** •

Nominated Adviser

tel: +39 02/87208720

email: info@integraesim.it

Consolidated economic, financial and operational statements

TPS GROUP

| CONSOLIDATED INCOME STATEMENT | Financial period 2020 | Financial period 2019 |
|--|------------------------------|------------------------------|
| Value of production | 30.997.525 | 36.810.867 |
| Costs for materials and services | (6.653.820) | (8.742.008) |
| Added value | 24.343.705 | 28.068.859 |
| Personnel costs | (18.923.683) | (20.894.451) |
| Other operating costs | (144.254) | (127.059) |
| Gross operating profit (EBITDA) | 5.275.768 | 7.047.350 |
| Depreciations, amortisations and impairments | (2.789.008) | (3.019.443) |
| Operating result | 2.486.760 | 4.027.907 |
| Financial expenses and income | (220.967) | (279.559) |
| Extraordinary expenses and income | (90.240) | (239.906) |
| Pre-tax profit (loss) | 2.175.554 | 3.508.442 |
| Taxes | (619.066) | (1.066.845) |
| Consolidated net result | 1.556.488 | 2.441.596 |
| Adjusted net result | 1.646.728 | 2.681.502 |
| Group net result | 1.506.499 | 2.394.590 |

| RECLASSIFIED STATEMENT OF FINANCIAL POSITION | Consolidated financial statement 2020 | Consolidated financial statement 2019 |
|---|--|--|
| Subscribed capital, unpaid | - | - |
| Intangible assets | 4.255.772 | 5.515.612 |
| Property, plant and equipment | 3.263.709 | 3.494.194 |
| Financial assets | 207.213 | 184.639 |
| Total assets | 7.726.694 | 9.194.446 |
| Trade receivables | 16.318.395 | 16.124.413 |
| Trade payables | (2.108.123) | (2.775.151) |
| Working Capital | 14.210.272 | 13.349.262 |
| Other assets | 1.709.018 | 1.896.876 |
| Other liabilities | (3.924.191) | (4.288.826) |
| Other assets and liabilities | (2.215.174) | (2.391.950) |
| Provisions for risks and charges | (25.360) | (18.543) |
| Post-employment benefits provision (TFR) | (3.940.311) | (3.671.506) |
| Total Provisions | (3.965.671) | (3.690.049) |
| | | |
| Net Invested Capital (N.I.C.) | 15.756.121 | 16.461.707 |
| | | |
| Equity | 18.966.761 | 16.660.085 |
| Equity non-controlling interests | 325.721 | 278.714 |
| Profit/loss attributable to Group | 1.506.499 | 2.394.590 |
| Profit/loss attributable to non-controlling interests | 49.989 | 47.007 |
| CONSOLIDATED EQUITY | 20.848.971 | 19.380.396 |
| Net financial debt (NFP) | (5.092.850) | (2.918.689) |
| To cover N.I.C. | 15.756.121 | 16.461.707 |
| | | |
| Details of TPS GROUP NFP | Consolidated financial statement 2020 | Consolidated financial statement 2019 |
| Payables to credit institutions | 91.667 | 180.604 |
| Payables to other lenders | 1.503.246 | 2.154.685 |
| Cash and cash equivalents | (9.504.411) | (8.311.792) |
| NFP without IFRS 16 application | (7.909.498) | (5.976.503) |
| Lease payables | 341.219 | 376.047 |
| Rights-of-use payables | 2.475.429 | 2.681.767 |
| NFP | (5.092.850) | (2.918.689) |

Consolidated Cash Flow Statement

| CONSOLIDATED CASH FLOW STATEMENT | Financial period 2020 | Financial period 2020 |
|--|-----------------------|-----------------------|
| Profit (loss) for the year before taxes | 2.078.865 | 3.459.834 |
| Adjustments for: | | |
| - non-monetary items - Change in inventories | - | - |
| - non-monetary items - Net impairment (reversal) of fixed assets | - | - |
| - non-monetary items - provisions /(releases) | 31.100 | 37.763 |
| - non-monetary items - depreciations and amortisations | 2.757.908 | 2.981.680 |
| Adjusted profit (loss) for the year before taxes | 4.867.873 | 6.479.279 |
| Cash and cash equivalents from operations | | |
| - Income taxes | (579.270) | (1.066.845) |
| Other adjustments without cash flow | 56.893 | 48.608 |
| Total | (522.377) | (1.018.237) |
| Changes in working capital | | |
| (Increase)/decrease in trade receivables | (225.082) | (3.321.721) |
| Change in payables to suppliers | (667.028) | 727.741 |
| Other changes | (514.776) | (465.711) |
| Changes in other provisions | 275.622 | 96.696 |
| Total | (1.131.264) | (2.962.995) |
| Cash flows from operating activities (1) | 3.214.232 | 2.498.047 |
| Investments: | | |
| - Property, plant and equipment | (947.584) | (141.775) |
| - Intangible assets | (254.998) | (1.988.304) |
| - Acquisition of company shareholdings | (65.000) | (1.496.056) |
| - Financial | (22.574) | (38.747) |
| Cash flows from investment activities (2) | (1.290.156) | (3.664.882) |
| Financing activities | | |
| Increases/(decreases) in financial liabilities | (740.376) | (173.736) |
| Capital Increases | 8.919 | 95.265 |
| Distribution of dividends | - | (361.617) |
| Cash flows from financing activities (3) | (731.457) | (440.088) |
| Change in cash and cash equivalents (1+2+3) | 1.192.619 | (1.606.923) |
| Cash and cash equivalents at beginning of the year | 8.311.792 | 9.918.715 |
| Cash and cash equivalents at end of the year | 9.504.411 | 8.311.792 |

Financial statements of the parent company TPS S.p.A.

| RECLASSIFIED INCOME STATEMENT | Financial period 2020 | Financial period 2019 |
|--|------------------------------|------------------------------|
| Value of production | 10.453.704 | 10.164.453 |
| Costs for materials and services | (3.414.352) | (3.392.090) |
| Added value | 7.039.352 | 6.772.363 |
| Personnel costs | (5.264.478) | (4.927.226) |
| Other operating income | (24.656) | (17.533) |
| Gross operating profit (EBITDA) | 1.750.218 | 1.827.604 |
| Depreciations, amortisations and impairments | (528.744) | (550.426) |
| Operating result | 1.221.474 | 1.277.178 |
| Financial expenses and income | (50.396) | (42.266) |
| Extraordinary expenses/income | 21.153 | (338) |
| Pre-tax profit (loss) | 1.192.231 | 1.234.574 |
| Taxes | (321.757) | (373.292) |
| Net Profit | 870.474 | 861.281 |

| RECLASSIFIED STATEMENT OF FINANCIAL POSITION | Financial period 2020 | Financial period 2019 |
|---|------------------------------|------------------------------|
| Subscribed capital, unpaid | - | - |
| Intangible assets | 1.270.462 | 1.568.467 |
| Property, plant and equipment | 594.081 | 182.573 |
| Financial assets | 3.263.976 | 3.176.070 |
| Total assets | 5.128.519 | 4.927.109 |
| Trade receivables | 5.750.986 | 4.545.057 |
| Trade payables | (402.277) | (492.991) |
| Working Capital | 5.348.709 | 4.052.066 |
| Other assets | 1.076.978 | 1.159.276 |
| Other liabilities | (1.842.631) | (1.961.455) |
| Other assets and liabilities | (765.653) | (802.180) |
| Provisions for risks and charges | (6.817) | (1.594) |
| Post-employment benefits provision (TFR) | (2.174.076) | (1.906.663) |
| Total Provisions | (2.180.893) | (1.908.257) |
| | | |
| Net Invested Capital (N.I.C.) | 7.530.681 | 6.268.739 |
| | | |
| Equity | 11.139.250 | 10.384.391 |
| Result for the year | 870.474 | 861.281 |
| EQUITY | 12.009.724 | 11.245.672 |
| Net financial debt (NFP) | (4.479.043) | (4.976.933) |
| To cover N.I.C. | 7.530.681 | 6.268.739 |
| | | |
| Details of TPS S.p.A. NFP | Financial period 2020 | Financial period 2019 |
| Payables to other lenders | 43.604 | 86.993 |
| Cash and cash equivalents | (8.146.002) | (6.830.406) |
| Receivables from cash pooling | (1.168.000) | (1.183.000) |
| Payables from cash pooling | 4.272.262 | 2.818.000 |
| Rights-of-use payables | 519.093 | 122.334 |
| Lease payables | - | 9.146 |
| NFP | (4.479.043) | (4.976.933) |

TPS S.p.A. Cash flow statement

| TPS S.p.A. CASH FLOW STATEMENT | Financial period 2020 | Financial period 2020 |
|---|-----------------------|-----------------------|
| Profit (loss) for the year before taxes | 1.150.420 | 1.200.538 |
| Adjustments for: | | |
| - non-monetary items - Change in inventories | - | - |
| - non-monetary items - Net impairment (reversal) of fixed assets | - | - |
| - non-monetary items - provisions /(releases) | - | - |
| - non-monetary items - depreciations and amortisations | 528.744 | 550.426 |
| Adjusted profit (loss) for the year before taxes | 1.679.164 | 1.750.964 |
| Cash and cash equivalents from operations | | |
| - Income taxes | (277.718) | (373.292) |
| Other financial (income)/expenses without cash flow | (2.229) | 34.035 |
| Total | (279.947) | (339.257) |
| Changes in working capital | | |
| (Increase)/decrease in trade receivables | (1.205.929) | (1.497.947) |
| Change in payables to suppliers | (90.714) | 50.533 |
| Other changes | 1.705.009 | 1.514.313 |
| Changes in other provisions | 272.636 | 93.997 |
| Total | 681.002 | 160.896 |
| Cash flows from operating activities (1) | 2.080.219 | 1.572.603 |
| Investments: | | |
| - Property, plant and equipment | (21.580) | (5.825) |
| - Intangible assets | (620.666) | (339.114) |
| - Financial | (87.906) | (1.499.570) |
| Cash flows from investment activities (2) | (730.152) | (1.844.509) |
| Financing activities | | |
| Increases/(decreases) in financial liabilities | (43.389) | (43.173) |
| Share capital Increases | 8.918 | 95.265 |
| Distribution of dividends | - | (361.617) |
| Cash flows from financing activities (3) | (34.471) | (309.525) |
| Cash flows from operating activities | 1.315.596 | (581.430) |
| Change in cash and cash equivalents (1+2+3) | 1.315.596 | (581.430) |
| Cash and cash equivalents at beginning of the year | 6.830.406 | 6.832.241 |
| Cash and cash equivalents at beginning of the year from incorporated Companies | - | 579.595 |
| Cash and cash equivalents at end of the year | 8.146.002 | 6.830.406 |