

TPS Group

Sector: Business Services



Analysts

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TPS continues to deliver excellent results

TPS is a B2B tech enabler providing, to top tier industrial groups, highly specialized engineering advisory and design services, including technical publications, cost engineering, avionics software development, components manufacturing, training & certification and digital content management.

Robust 1H24 Performance, supported by M&A Integration

Results came out in line with our full-year estimates: 1) VoP at €26.6mn (+16.7% y/y), result of both organic growth (ca. +12% y/y) and the full consolidation of S.Te.L. and Omniaproject Engineering; 2) EBITDA at €4.6mn (+5.6 y/y), yet lower margin (-181bps) due to heavier cost structure associated with production assets and inflationary pressures, especially on labour costs; 3) €14.4mn Net Cash (vs. €10.6mn FY23), supported by the collection of trade receivables which were postponed by key clients as of Dec. '23, minimal Capex requirements and despite ca. €1.3mn cash-out between shares buyback and dividend payments.

Estimates fine-tuned: 7% CAGR, €4.5mn FCF p.a.

We are fine tuning our 2024E-26E estimates to factor tempered profitability resulting from the revised revenue mix and inflationary pressures on labour costs observed in 1H24, while keeping our cash generation forecasts unchanged.

Our current 2024E-26E forecasts are: 1) Top line at €60.4mn in 2026E, (7.7% CAGR_{23A-26E}); 2) EBITDA margin progressively increasing to 18.3% (70bps lower than our previous estimates), thanks to some efficiency gains following M&A integrations; 3) Average annual Free Cash Flow at ca. €4.5mn driving 2026E Net Cash Position at ca. €24mn, i.e. some 48% of current stock market capitalization.

Fair value at €9.75 (from €9.50)

We revise TPS fair value upwards at €9.75 per share, (previously ca. €9.50), on the back of sector re-rating, lower equity risk premium and substantially unchanged medium-term growth potential, which remains robust.

Based on our estimates, we highlight the following:

- 1) At the current price, the stock trades at 3.7x EV/EBITDA 2024, while the sector stands at more than double that figure;
- 2) EFCF Yield is estimated at ca. 10% per year over the forecast period;
- 3) The Net Cash Position is equal to 30% of the current market capitalization (and it will be some 48% in 2026E).

Fair Value (€)	9.75
Market Price (€)	6.90
Market Cap. (€m)	50.1

KEY FINANCIALS (€m)	2023	2024E	2025E
VALUE OF PRODUCTION	48.3	52.7	56.3
EBITDA	8.7	9.3	10.1
EBIT	6.7	7.3	7.7
NET PROFIT	3.3	4.7	5.1
CAPITAL EMPLOYED	20.6	20.4	20.1
EQUITY	31.1	35.4	40.1
NET FIN. POS.	10.6	15.0	20.0
EPS ADJ. (€)	0.66	0.65	0.70

Source: TPS Group (historical figures),
Value Track (2024E-25E estimates)

RATIOS & MULTIPLES	2023	2024E	2025E
EBITDA MARGIN (%)	17.9	17.6	18.0
EBIT MARGIN (%)	13.8	13.8	13.7
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / EQUITY (x)	nm	0.0	0.0
EV/SALES (x)	0.6	0.6	0.5
EV/EBITDA (x)	3.4	3.7	2.9
EV/EBIT (x)	4.4	4.7	3.8
P/E ADJ. (x)	8.4	10.6	9.9

Source: TPS Group (historical figures),
Value Track (2024E-25E estimates)

STOCK DATA

FAIR VALUE (€)	9.75
MARKET PRICE (€)	6.9
SHS. OUT. (m)	7.3
MARKET CAP. (€m)	50.1
FREE FLOAT (%)	16.4
AVG. -20D VOL.	1,740
RIC / BBG	TPS.MI / TPS IM
52 WK RANGE	5.05 – 7.45

Source: Stock Market Data



Business Description

TPS is a B2B tech enabler providing highly specialized engineering advisory and design services to top tier industrial groups. Within the scope of its offering, TPS writes technical publications, implements cost engineering activities, develops proprietary software for avionics systems, designs and manufactures parts and components, trains and certifies aircraft technical maintainers, and offers digital content management services.

Key Financials

€mn	2023	2024E	2025E	2026E
Value of Production	48.3	52.7	56.3	60.4
Chg. % YoY	28.6%	9.1%	6.9%	7.3%
EBITDA	8.7	9.3	10.1	11.1
EBITDA Margin (%)	17.9%	17.6%	18.0%	18.3%
EBIT	6.7	7.3	7.7	8.2
EBIT Margin (%)	13.8%	13.8%	13.7%	13.6%
Net Profit	3.3	4.7	5.1	5.4
Chg. % YoY	-2.9%	40.6%	7.7%	6.9%
Adjusted Net Profit	4.8	4.7	5.1	5.4
Chg. % YoY	39.1%	-1.9%	7.7%	6.9%
Net Cash. Position	10.6	15.0	20.0	24.0
Net Cash Pos. / EBITDA (x)	nm	nm	nm	nm
Capex	-2.8	-2.3	-3.4	-3.6
OpFCF b.t.	0.7	8.1	8.0	7.1
OpFCF b.t. as % of EBITDA	7.9%	87.2%	78.9%	64.3%

Source: TPS Group (historical figures), Value Track (estimates)

Investment case

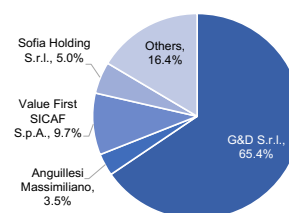
Strengths / Opportunities

- Human capital is TPS most strategic asset, with ca. 94% of workforce being composed by university/high-school graduates;
- Strong ties with clients, all top tier multinationals active in the A&D and Automotive sectors, often dating back to the Company's foundation;
- Strongly cash-generative business model with very low capital requirements;
- A&D/automotive markets growth rates expected to remain positive.

Weaknesses / Risks

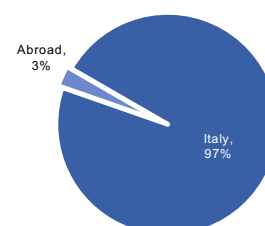
- Revenue concentration on a very few clients, mainly in Italian Aerospace and Defense sector;
- Challenges in attracting qualified workforce may still limit TPS' potential for sustained growth.

Shareholders Structure



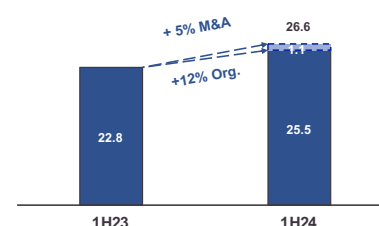
Source: TPS Group

1H24 Revenues by geography



Source: TPS Group

1H24 VoP Growth (Organic / M&A)



Source: TPS Group

Stock multiples @ €9.75 Fair Value

	2024E	2025E
EV / SALES (x)	1.0	0.9
EV / EBITDA (x)	5.9	4.9
EV / EBIT (x)	7.5	6.4
EV / CAP.EMP. (x)	2.7	2.4
OpFCF Yield (%)	14.8	16.1
P / E (x)	15.0	14.0
P / BV (x)	2.1	1.8
Div. Yield. (%)	0.9	0.9

Source: Value Track

1H24 Results

Introduction

TPS's 1H24 interim results came out **very much in line with our full-year estimates**, showing solid growth with the contribution of the newly added companies and resilient margins, though impacted by a heavier cost structure associated with production assets.

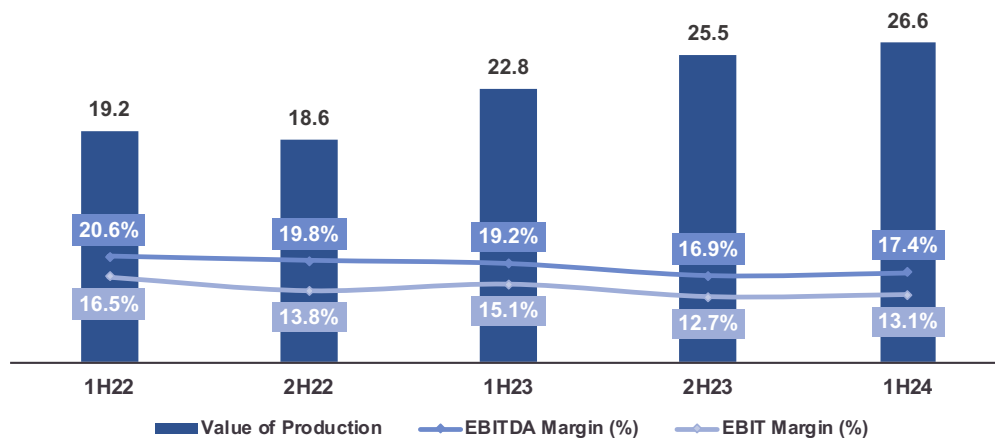
Cash generation was supported by the **normalization of trade receivable collections** from key clients, which had been delayed at the end of last year. Notably, with no M&A activity, TPS maintains **minimal Capex requirements** (<4% of VoP), further strengthening its cash generation capacity.

TPS Group: Key Financials 1H23-1H24

(€, mn)	1H23	1H24	Δ YoY (%)
Value of Production	22.8	26.6	16.7%
EBITDA	4.4	4.6	5.6%
<i>EBITDA Margin (%)</i>	19.2%	17.4%	-181 bps
EBIT	3.4	3.5	1.0%
<i>EBIT Margin (%)</i>	15.1%	12.7%	-204 bps
Net Profit	1.9	2.2	15.8%
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	15.0	14.4	-0.6mn

Source: TPS Group, Value Track Analysis

TPS: Evolution of VoP, EBITDA Margin EBIT Margin 1H22-1H24



Source: Value Track analysis

Robust Top Line Growth, margins slightly softened but still healthy

In 1H24, TPS did not engage in any acquisitions. However, the period included ca. 4/5% y/y growth coming from M&A, as majority stakes in S.Te.L. and Omniaproject Engineering were acquired in 2H23. That said, 1H24 figures were released as follows:

- ◆ **Value of Production at €26.6mn** (+16.7% y/y), result of both organic growth (ca. 12% y/y) and the full consolidation of S.Te.L. and Omniaproject Engineering. Growth was driven mainly by aerospace and defense where key clients initiated several new projects.
Opportunities were also noted in the energy and heavy machinery sectors, while automotive was more sluggish as mass market clients are relocating their engineering projects in low-cost countries;
- ◆ **EBITDA at €4.6mn**, (+5.6 % y/y) yet lower EBITDA Margin (-181bps y/y) due to inflationary pressures on raw materials, services, and especially and labor costs (+12% y/y), due to wage adjustments under the industry labour agreement in 2H23 as well as recent acquisitions, which are yet to secure some efficiency gains; Being HB Technology somewhat less labour Intensive, Opex structure is more skewed towards cost of services, mainly associated with the engineering services required by the newly acquired HB Technology, though remaining broadly consistent;
- ◆ **Net Profit at €2.4mn** (+15.8% y/y), despite €295k extraordinary costs related to residual costs from the reorganization of the business communication division of Satiz Technical Publishing & Multimedia and to a lesser extent higher D&A corresponding to newly acquired assets (+21% y/y).

TPS Group: Profit & Loss 1H23-1H24

(€, mn)	1H23	1H24	Δ YoY (%)
Value of Production	22.8	26.6	16.7%
Raw Materials, Δ Inventory (Finished Goods)	-0.9	-0.7	-25.4%
Gross Profit	21.9	25.9	18.4%
Gross Margin (%)	96.1%	97.5%	139 bps
Costs of Services	-4.7	-6.7	43.2%
Labour Costs	-12.9	-14.5	12.8%
EBITDA	4.4	4.6	5.6%
EBITDA Margin (%)	19.2%	17.4%	-181 bps
D&A (excl. Goodwill)	-0.9	-1.1	23.2%
Provisions	0.0	0.0	nm
EBIT	3.4	3.5	1.0%
EBIT Margin (%)	15.1%	13.1%	-204 bps
Interest Expenses	0.0	0.1	-770%
Other Non-Operating Income/Expenses	-0.6	-0.3	-51%
EBT	2.9	3.3	14%
Taxes	-0.9	-0.9	5.4%
Minorities	-0.1	-0.2	58.9%
Net Profit	1.9	2.2	15.8%
Net Profit Margin (%)	8.3%	8.3%	-6 bps

Source: TPS Group, Value Track Analysis

OpFCF benefits from NWC normalizing and low Capex

Op.FCF_{b.t.} stood at an outstanding €6.2mn, positively affected by:

- ◆ **Normalization of NWC Dynamics** (€2.6mn release, including provision), which is mainly to be attributed to the cash in of the payments that were delayed at FY23's year-end and related to some key clients (Trade Receivables at €23mn FY23, vs. €21mn 1H24), and subsequently recovered by January 2024;
- ◆ **Very limited Capex** (€1.0mn), which in absence of M&A stood at <4% of Value of Production;

On a normalized basis (i.e. even adjusting for ca. €3.0mn that should have already been collected in FY23), we estimate an OpFCF conversion of ca. 70%, over the "60% steady-state" outlined in the IoC.

The generated cash was partially allocated to finance €0.5mn in share buybacks and €0.8mn dividends, which alongside €0.9mn taxes resulted in a **€14.4mn Net Cash Position at 1H24**.

TPS Group: Balance Sheet 1H23-1H24

(€, mn)	1H23	1H24	Δ YoY (%)
Net Fixed Assets	10.1	10.8	6.6%
Net Working Capital	10.7	12.8	20.1%
Provisions	6.0	5.9	-0.9%
Total Capital Employed	14.9	17.7	19.3%
Group Net Equity	29.8	32.1	7.7%
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	15.0	14.4	-0.6mn

Source: TPS Group, Value Track Analysis

TPS Group: Cash Flow Statement 1H23-1H24

(€, mn)	1H23	1H24	Δ YoY (%)
EBITDA	4.4	4.6	5.6%
Δ NWC	-1.9	2.7	nm
Capex (excl. Financial Inv.)	-1.3	-1.0	-18.2%
Δ Provisions	1.6	-0.1	nm
OpFCF b.t.	2.8	6.2	nm
Cash Taxes	-0.9	-0.9	5.4%
Others (incl. Financial Inv.)	-1.8	-0.8	-58.2%
Net Financial Charges	0.0	0.1	nm
Dividends Paid	-0.6	-0.8	27.2%
Free Cash Flow = Δ Net Fin Pos	-0.5	3.9	nm

Source: TPS Group, Value Track Analysis

What's New

Business Development

During 1H24, TPS concentrated on the following initiatives.

- ◆ **Centralizing production:** the semester was dedicated to fully integrating the companies acquired by TPS Group in 2023. This effort involved consolidating production activities within the Faggiano (TA) facility and reorganizing engineering operations from both technical and commercial perspectives;
- ◆ **Key projects:** TPS is initiating major industrial projects in the Aerospace and Defense Sector which will require strengthening and reorganizing the entire supply chain, encompassing both products and technical services. In contrast, the automotive sector is grappling with a significant downturn, resulting in decreased investments and a shift in demand for engineering activities to countries with lower labour costs;
- ◆ **R&D:** TPS Group focused on R&D to strengthen its aerospace and defense offerings, collaborating with Italian universities and regional aerospace clusters. Key projects included developing a modular medical interior for the AW109 helicopter, advancing EASA certification for additive manufacturing components, and redefining aeronautical assembly and cable production processes. The Group also worked on defense vehicle equipment, virtual agents for regulatory document search, and digitizing internal management processes. Total R&D investment reached **€720k**, with continued efforts planned for the second half;
- ◆ **Training Academy:** In 1H24, TPS Group continued the activities of its TPS Training Academy, established in 2021 to address shifting labor market conditions. During the period, the Academy provided various specialized training programs aimed at recent graduates and science diploma holders, equipping them with the technical skills (IT, engineering) and soft skills necessary to effectively contribute to work teams.

Share Buyback

Following the resolution of the shareholders' meeting on April 28, 2023, TPS completed its buyback plan in 1H24, purchasing 163,000 treasury shares for a total value of €999,350 (at an average price of €6.13). As of June 30, 2024, the company holds 2.245% of its share capital in treasury shares.

Growth Strategies

TPS' main growth strategies are substantially confirmed and involve the following.

- 1) **M&A:** The company always stresses that the current significant **cash reserve is intended for further acquisitions** in sectors that are attractive for the development of the subsidiaries (production of components, avionics maintenance, heavy vehicles). Recently, TPS is scrutinizing several opportunities in Aeronautics, Railway, and Industrial Automation;
- 2) **International expansion:** The Company's diversification and geographical expansion efforts should focus on entering the United States, where HB Technology already has an office (Philadelphia);
- 3) **Expansion of the service portfolio:** TPS Group is strengthening its tech services offer in the core business, with a focus on value-added services such as cost engineering and avionics software development, provided with more and more stringent cybersecurity approach; with a specific focus on cutting edge technologies (e.g., augmented reality applications for Industry 4.0) and value-added services (e.g., aerospace design, cost engineering, avionics software development). Further expansion in adjacent industries (e.g., automotive, rail, naval, technical services for aerospace industry) where the Group's competences constitute a competitive advantage and/or there is a substantial potential for synergies.

2024E-26E estimates

We are fine tuning our 2024E-26E estimates to better incorporate the new revenue mix, which is expected to be slightly more dynamic but carries a tempered profitability, also weighted by some inflationary pressures on labour costs observed in 1H24. Despite these adjustments to P&L, we are maintaining our cash generation forecasts unchanged.

That said, our 2024E-26E financial forecasts are as follows:

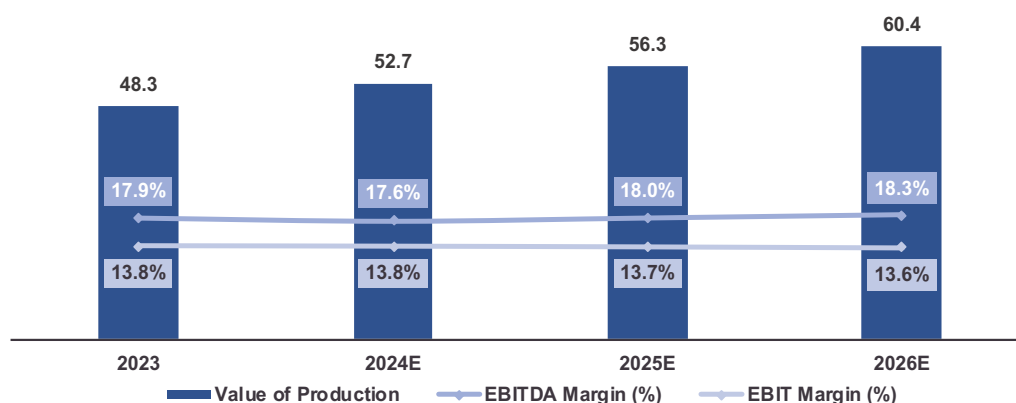
- ◆ **Revenues up** at €52.7mn in 2024E, and growing at mid-single-digit pace (7.7% CAGR_{23A-26E}). Growth is expected to come primarily from key Aerospace and Defense key clients, where notable developments have occurred, including increased order intake, a strong backlog, and upcoming investments, alongside several multi-year agreements. Additionally, segments like engineering, avionics, and Oil&Gas showed promising early signs in the first semester;
- ◆ **EBITDA margins fine-tuned downwards**, expected to converge to 18.3% in 2026E, thanks to some efficiency gains following the integration of HB and other acquired companies;
- ◆ **Cash generation profile unchanged**, with FCF per annum at ca. €4.5mn driving 2026E Net Cash Position at ca. €24mn, i.e. some 48% of current stock market capitalization.

TPS: Old vs. New Estimates 24E-26E

€mn	2024E			2025E			2026E		
	Old	New	Δ(%)	Old	New	Δ(%)	Old	New	Δ(%)
Total Revenues	51.8	52.7	2%	55.5	56.3	1%	59.6	60.4	1%
EBITDA	9.5	9.3	-2%	10.4	10.1	-2%	11.3	11.1	-2%
<i>EBITDA Margin (%)</i>	18.3%	17.6%	-70 bps	18.7%	18.0%	-70 bps	19.0%	18.3%	-70 bps
EBIT	7.4	7.3	-2%	7.9	7.7	-3%	8.5	8.2	-3%
<i>EBIT Margin (%)</i>	14.4%	13.8%	-60 bps	14.3%	13.7%	-60 bps	14.2%	13.6%	-60 bps
Net Profit	4.8	4.7	-2%	5.2	5.1	-2%	5.5	5.4	-2%
Net Fin. Position	15.0	15.0	0.0	20.0	20.0	0.0	24.0	24.0	0.0

Source: Value Track Analysis

TPS Group: Evolution of VoP, EBITDA Margin EBIT Margin FY23-FY26E



Source: TPS, Value Track analysis

TPS Group: Profit & Loss 2023A-26E

(€, mn)	2023A	2024E	2025E	2026E
Value of Production	48.3	52.7	56.3	60.4
Raw Materials, Δ Inventory (Finished Goods)	-1.9	-2.4	-2.5	-2.7
Costs of Services	-10.7	-11.3	-12.1	-12.9
Labour Costs	-27.0	-29.7	-31.6	-33.7
EBITDA	8.7	9.3	10.1	11.1
EBITDA Margin (%)	17.9%	17.6%	18.0%	18.3%
D&A (excl. goodwill)	-1.9	-2.0	-2.4	-2.8
Provisions	-0.1	0.0	0.0	-0.1
EBIT	6.7	7.3	7.7	8.2
EBIT Margin (%)	13.8%	13.8%	13.7%	13.6%
Interest Expenses	-0.2	0.1	0.0	0.0
Other Non-Operating Income/Expenses	-1.3	-0.3	0.0	0.0
Taxes	-1.6	-2.1	-2.3	-2.5
Minorities	-0.2	-0.3	-0.3	-0.3
Net Profit	3.3	4.7	5.1	5.4
Net Profit Margin (%)	6.9%	8.9%	9.0%	9.0%

Source: TPS Group, Value Track Analysis

TPS Group: Cash Flow Statement 2023A-26E

(€mn, IAS IFRS)	2023A	2024E	2025E	2026E
EBITDA	8.7	9.3	10.1	11.1
Δ Net Working Capital	-6.8	0.7	0.9	-0.7
Capex	-2.8	-2.3	-3.4	-3.6
Δ Provision	1.6	0.3	0.4	0.4
OpFCF b.t.	0.7	8.1	8.0	7.1
As a % of EBITDA	7.9%	87.2%	78.9%	64.3%
Cash Taxes	-1.6	-2.1	-2.3	-2.5
Others (incl. Financial Inv.)	-2.8	-0.6	0.0	0.0
Net Financial Charges	-0.2	-0.1	0.0	0.0
Dividends Paid	-0.6	-0.8	-0.7	-0.7
Net Cash Generated (Absorbed)	-5.0	4.4	5.0	4.0

Source: TPS Group, Value Track Analysis

TPS Group: Balance Sheet 2023A-26E

(€mn, IAS IFRS)	2023A	2024E	2025E	2026E
Net Fixed Assets	11.0	11.9	12.9	13.6
Net Working Capital	15.5	14.8	13.9	14.6
Provisions	6.0	6.3	6.7	7.1
Total Capital Employed	20.6	20.4	20.1	21.2
Group Net Equity	31.1	35.4	40.1	45.2
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	10.6	15.0	20.0	24.0

Source: TPS Group, Value Track Analysis

Valuation Update

Taking into account updated TPS financial forecasts, **we update our fair value at €9.75 per share (from €9.50)**, that would imply 1.0x-0.9x EV/Sales and 5.9x-4.9x EV/EBITDA 2024E-25E multiples, still at discount vs. domestic and international peers.

Oure new €9.5 fair value is the combined effect of:

- ◆ **DCF model** at €10.4 p.s. (from €10.2 p.s.), that benefits from a lower Equity Risk Premium (updated from 5.6% to 5.2%, Damodaran);
- ◆ **Peers Analysis** at €9.1 p.s. (from €8.5 p.s.), subject to a mild sector rerating (+5/10% since April) affecting especially domestic comparables and with internationals substantially stable, and despite inconsistent trends among peers.

TPS Group: stock multiples at current market price and at fair value

Per Share	EV/Sales			EV/EBITDA			EV/EBIT			P/E Adj.		
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
€ 6.90	0.6	0.5	0.4	3.7	2.9	2.3	4.7	3.8	3.0	10.6	9.9	9.2
€ 9.75	1.0	0.9	0.7	5.9	4.9	4.1	7.5	6.4	5.5	15.0	14.0	13.1

Source: Value Track Analysis

TPS Group: Peers' Trading Multiples

Peers	Mkt Cap (€mn)	EV / EBITDA (x)		EV / EBIT (x)		P / E Adj. (x)	
		2024E	2025E	2024E	2025E	2024E	2025E
International Peers							
Alten	3,447	7.0	5.7	8.5	7.2	14.1	12.0
Sogeclair	57	4.2	3.4	9.2	6.9	10.7	9.2
Bertrandt Group	210	4.6	3.1	16.1	5.8	15.7	6.0
EDAG Engineering Group	233	5.7	5.0	11.5	9.6	11.4	8.5
Ricardo PLC	280	6.4	5.8	9.0	8.0	18.4	14.7
Arcadis	5,737	11.7	10.0	14.7	12.7	23.0	18.7
EU Tech Enablers - Average	1,660	6.6	5.5	11.5	8.3	15.6	11.5
EU Tech Enablers - Median	256	6.1	5.4	10.3	7.6	14.9	10.6
Domestic Peers							
TXT e-solutions	328	10.1	8.1	15.1	12.9	16.4	14.3
Star7	57	6.1	4.9	7.8	6.7	7.1	6.3
Reti	24	6.5	5.2	9.4	7.1	12.5	9.9
TNXT	557	8.7	7.1	15.4	11.3	9.7	8.0
Spindox	59	6.9	4.7	15.4	8.5	>30.0	24.3
Reply	5,088	12.7	11.1	16.2	14.0	25.2	22.4
ITA Tech Enablers - Average	1,019	8.5	6.9	13.2	10.1	16.8	14.2
ITA Tech Enablers - Median	194	7.8	6.2	15.2	9.9	14.4	12.1
Total Average	1,340	7.5	6.2	12.4	9.2	16.2	12.9
Total Median	256	6.7	5.5	13.1	8.2	14.9	10.9

Source: Market Consensus, Value Track Analysis

Discounted Cash Flow Model

Our DCF model at “Rolling capital structure” is based on the following assumptions:

- ◆ Time horizon for explicit forecasts is 2025E - 30E;
- ◆ 2.0% Risk Free Rate in line with medium term inflation target;
- ◆ Unlevered Beta at 0.89 for Europe Aerospace & Defense (Source: Damodaran);
- ◆ Implied Italian Equity Risk premium at 5.2% (Source: Damodaran);
- ◆ 2.5% Company specific Risk Premium, as result of 2.0% small-size risk premium and 0.5% client concentration risk premium;
- ◆ 4.0% Pre-Tax Cost of Debt, supported by an optimal interest coverage ratio;
- ◆ 1% Perpetuity Growth Rate (“g”).

TPS Group: DCF Model with Rolling Capital Structure

(€mn, g = 1.0%)	(€mn)
PV of Future Cash-Flows 2025E-2030E	20.1
PV of Terminal Value 2030E	39.4
Fair Enterprise Value	59.6
Net Cash Position 2024E	15.0
Treasury shares @ 6.90 Mkt value	1.1
100% Fair Equity Value	75.7
Fair Equity Value p.s. (€)	10.4

Source: Value Track Analysis

Appendix - M&A Milestones

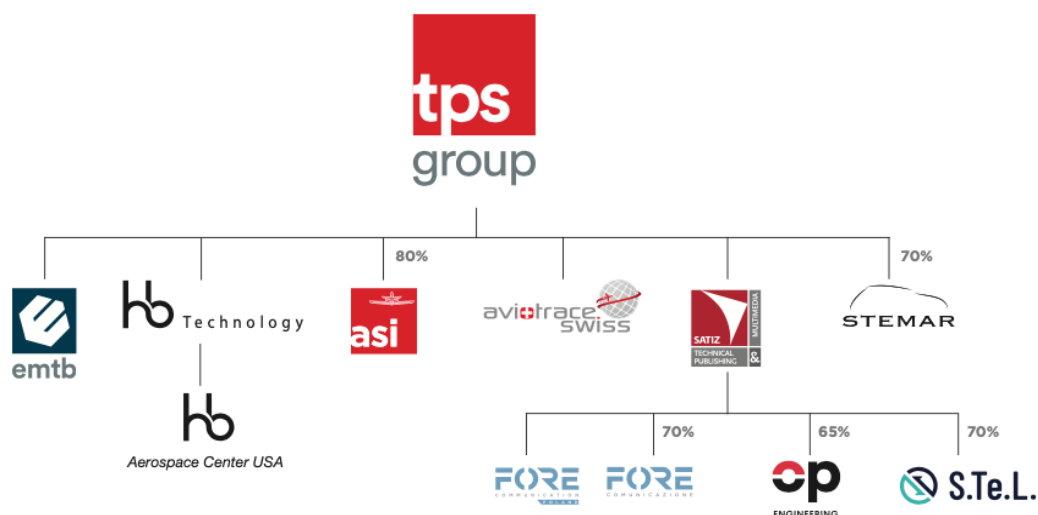
Growing by acquisition is not new to TPS as in the past years the company undertook a steady path of business diversification/expansion, led by a series of successful acquisitions:

- ◆ **December 2013:** 51% stake of Neos Srl (raised to 100% in subsequent years);
- ◆ **October 2015:** 100% stake of Adriatech Srl;
- ◆ **June 2017,** 100% stake of ICB;
- ◆ **September 2017:** 100% stake of Stemar Consulting. This deal marks the first business diversification by entering into the automotive market;
- ◆ **September 2018:** Satiz TPM is integrated by contribution in kind. The ownership of Satiz TPM was previously held by the same controlling shareholders of TPS;
- ◆ **March 2019:** 80% stake of Dead Pixel (raised to 100% in July 2022);
- ◆ **September 2019:** 100% stake of EMTB;
- ◆ **July 2021:** 80% stake of ASI Srl.

Recently, M&A activity has resumed and in the latest two years TPS finalized the following deals:

- ◆ **December 2022:** 70% stake of Fore Srl;
- ◆ **June 2023:** 100% stake of HB Technology Srl;
- ◆ **July 2023:** 70% stake of S.te.l. Srl (through Satiz Technical Publishing & Multimedia);
- ◆ **November 2023:** 65% stake in Omniaproject Engineering Srl.

TPS Group: Group structure as of today



Source: TPS, Value Track analysis

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