



TXT

PRESS RELEASE

TXT strengthens its market presence with the acquisition of Webgenesys, a company with assigned tenders and order backlog exceeding €200 million

- *TXT e-solutions S.p.A. ("TXT") announces that it has signed an investment agreement for the acquisition of 84.1% of the capital of Webgenesys SpA ("Webgenesys") from Genesy Group. Webgenesys is an ICT company founded in 2009 that currently operates as a digital enabler, positioning itself as a driver of digital innovation primarily for Public Administration;*
- *In recent years, Webgenesys has embarked on a path of accelerated growth, driven by the award of significant public contracts that have increased the company's revenue from €15 million in 2021 to an expected €37 million in 2024, with an EBITDA margin exceeding 22% and strong prospects for top-line growth for the period 2025-2028. This growth is supported by over €200 million in public contracts already awarded and a backlog of orders, as well as technological and commercial synergies with other high-performing companies within the TXT Group;*
- *With the consolidation of Webgenesys, the total value of public contracts awarded to the TXT Group for the 2025-2028 period exceeds €350 million, positioning the TXT Group as a future leader in its reference market.*
- *The transaction also includes a co-investment by the "HAT Technology Fund 5," the fifth private equity fund of HAT SGR launched in the first quarter of 2024 and dedicated to high-growth-potential technology companies. This acquisition marks the fund's first transaction with Webgenesys.*
- *The consideration for the acquisition of 100% of Webgenesys, to be paid at closing to the shareholder Genesy Group, with 84.1% from TXT and the remaining 15.9% from the "HAT Technology Fund 5," has been agreed upon at €63.0 million, net of the earn-out and claw-back clauses stipulated in the investment agreement and linked to the EBITDA performance of Webgenesys for the 2024-2028 period. The amount paid by TXT at closing is €53.0 million, of which €37.3 million (70.0%) is in cash and €15.7 million (30.0%) in TXT shares.*

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Milano, 8 November 2024 – 22:15

TXT e-solutions S.p.A. ("TXT"), a company listed on the STAR segment of the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., announces that today it has signed an agreement for the acquisition of 84.1% of the share capital of Webgenesys SpA ("Webgenesys") from Genesy Group. Subject to regulatory approvals, the transaction is expected to close by the end of 2024. Upon closing, Webgenesys' results will be consolidated into the Software Engineering division.

Founded in 2009 by its current entrepreneurial management, Webgenesys began as an ICT company and today operates as a digital enabler, positioning itself as a driver of digital innovation, primarily for Public Administration. The company upholds the highest standards of quality in its technological solutions for digitizing workflows and processes, drawing on the specialized expertise of over 200 professionals across eight offices covering the entire national territory.

Webgenesys' digital offering includes specialized services for IT infrastructure, Data Centers, and Cloud environments, as well as development services based on innovative solutions and technologies such as Artificial Intelligence, Cybersecurity, and Blockchain, and system integration services for complex ICT systems, applications, and infrastructures. Over the years, Webgenesys' innovative expertise has evolved, supporting its strategic positioning among key players in the digitalization of Italian Public Administration.

As a native digital enabler, Webgenesys will lead the execution of TXT Group's digital offering for the Public Sector, complementing TXT's existing Digital Advisory offerings in the sector.

In the last five years, Webgenesys has achieved significant business growth, enhancing its strategic positioning in the domestic digital market. This growth has resulted in strong revenue increases, with sales revenues growing at a compound annual growth rate (CAGR) of 33% between 2019 and 2023, reaching €31.5 million in 2023 with an EBITDA margin of approximately 22%. Revenues for 2024 are expected to reach around €37 million (+20% YoY), with an anticipated EBITDA margin of about 22%, consistent with 2023.

The sustained growth achieved by Webgenesys in recent years and projected forward has been supported by the award of several significant multi-year public contracts, with a remaining value of over €200 million for the 2025-2028 period, of which €75 million represents already-acquired orders to be delivered mainly within Local and Central Public Administration and Healthcare.

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The public contracts backlog consolidated by the TXT Group with the acquisition of Webgenesys adds to the over €120 million in public contracts awarded to HSPI for the 2025–2028 period within the Public Sector digitalization context. This positions TXT Group as a future leader in its market, with over €350 million in public contracts awarded and to be fulfilled between 2025 and 2028.

"Webgenesys represents a significant step in our sustainable growth plan," commented Daniele Misani, CEO of TXT Group. "With this transaction, we integrate substantial volumes and a robust multi-year revenue backlog, expand our geographical coverage, and add complementary expertise to our ecosystem of excellence. We are strengthened by a management team capable of generating value and highly motivated to support the Group's project, with the goal of establishing ourselves increasingly as leaders in digital innovation within the public sector."

The CEO, Raffaele Primo, commented, *"Joining such a dynamic and rapidly growing group in the Italian and international IT landscape is a source of pride for us and confirms the quality of the work done in recent years. Our growth path, already very solid, will gain further momentum by benefiting from the synergies that the TXT group is able to provide."* Antonello Posterino, President of Webgenesys, added, *"In addition to the industrial benefits of this operation, there is also a significant investment from Webgenesys' shareholders in TXT's shareholder structure, with the goal of further strengthening the group's position and management team's commitment."*

The acquisition of Webgenesys was unanimously approved by the Board of Directors of TXT.

The acquisition also includes co-investment by the "HAT Technology Fund 5," the fifth private equity fund of HAT SGR, an independent asset management company with offices in Milan and London. With its investment in Webgenesys, the fund—launched in the first quarter of 2024—makes its first investment transaction. The fund is dedicated to the megatrend of technological innovation and specializes in investments in Italian technology companies, focusing on segments such as Software, Digital Enablers (including Cloud Computing, Cybersecurity, and Artificial Intelligence), and automation and robotics. These companies demonstrate high growth potential, hold established leadership positions in specific market niches, and have the capability to become aggregators of other entities, benefiting from the ongoing consolidation in the Italian tech market.

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"We are particularly pleased to launch the investments of the HAT Technology Fund 5 by joining Webgenesys alongside a rapidly expanding entity like TXT," commented Adriano Adriani, Investment Director of HAT SGR. "The fund's entry into Webgenesys provides us with the first, important confirmation of the tremendous opportunities that Italy offers for technology investments," concluded Ignazio Castiglioni, co-founder and CEO of HAT SGR.

The consideration for the acquisition of 100% of Webgenesys, to be paid at closing—84.1% by TXT and the remaining 15.9% by the "HAT Technology Fund 5"—has been agreed at €63.0 million, including the net cash expected to be approximately €4 million at closing, and net of the earn-out and claw-back clauses stipulated in the investment agreement, which are tied to Webgenesys' EBITDA performance over the 2024-2028 period. The amount paid by TXT at closing was €53.0 million, of which €37.3 million (70%) was in cash and €15.7 million (30%) in TXT shares. The cash portion of the price to be paid at closing will be financed through a new line of bank credit, already issued to TXT specifically for this transaction, while the TXT shares to be transferred at closing as part of the price are already held by TXT and will be subject to a lock-up until the approval date of the financial statements for the fiscal year ending December 31, 2027.

The current directors and managers of Webgenesys, Chairman Antonino Posterino and CEO Raffaele Primo, will remain with the company. The share acquisition agreement includes retention, claw-back, earn-out, and bonus clauses in their favor, expiring upon approval of Webgenesys' financial statements for the year ending December 31, 2028. Price adjustments will be linked to EBITDA growth targets outlined in Webgenesys' business plan, which has been agreed upon by TXT and Genesy Group.

The investment agreement also includes call options for TXT and put options for "HAT Technology Fund 5" concerning the shares representing 15.87% of Webgenesys' capital acquired at closing by "HAT Technology Fund 5" ("HAT Stake"). The options negotiated in the investment agreement for the transfer of the HAT Stake to TXT are set to expire between the approval date of Webgenesys' financial statements for the year ending December 31, 2025, and the approval date of the financial statements for the year ending December 31, 2028, with a price estimated at approximately €20 million.

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TXT is an international IT Group, end-to-end provider of consultancy, software services and solutions, supporting the digital transformation of customers' products and core processes. With a proprietary software portfolio and deep expertise in vertical domains, TXT operates across different markets, with a growing footprint in Aerospace, Aviation, Defense, Industrial, Government and Fintech. TXT is headquartered in Milan and has subsidiaries in Italy, Germany, the United Kingdom, France, Switzerland, Canada, Singapore and the United States of America. The holding company TXT e-solutions S.p.A, has been listed on the Italian Stock Exchange, STAR segment (TXT.MI), since July 2000.

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