



ALBERTA FERRETTI



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AEEFFE 9M 2019 Consolidated Financial Results Presentation
13th November 2019

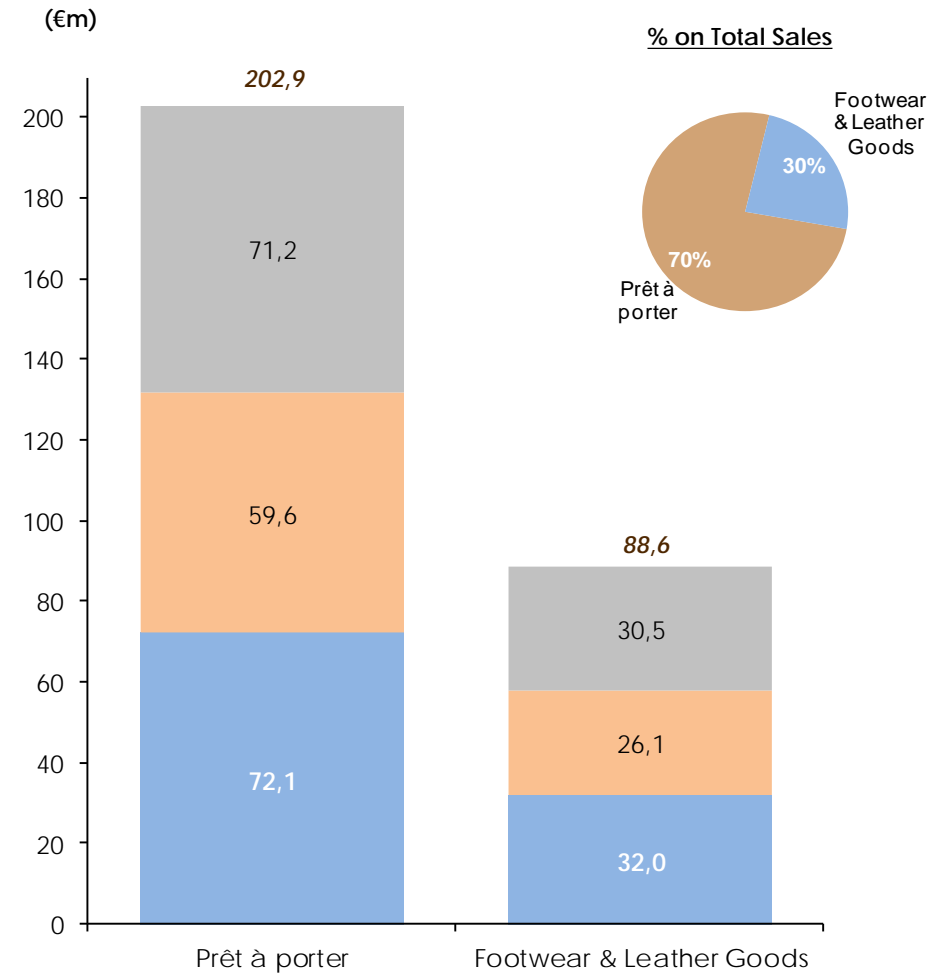
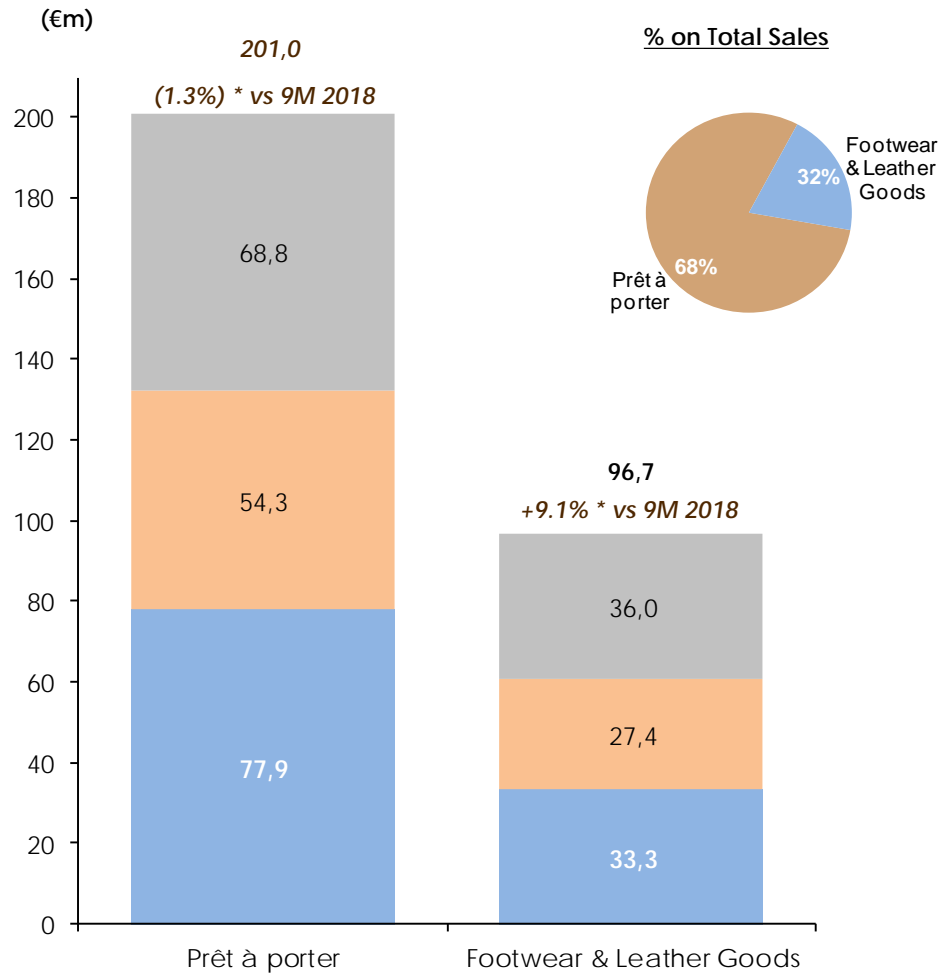
9M 2019 Key Facts

- ❖ **Consolidated Revenues** +1.4% at € 269.0m, (+1.7% at current exchange rates);
- ❖ **Consolidated EBITDA net of IFRS 16 effect** for € 33.8m (12.6% of sales), compared to an EBITDA of € 37.1m (14.0% of sales) in 9M 2018
- ❖ **Net Profit for the Group net of IFRS 16 effect** at € 13.4m, compared to a Net Profit of €16.1m in 9M 2018
- ❖ **Consolidated Financial Debt net of IFRS 16 effect** of € 42.2m, compared to € 39.1m as of 30 September 2018, with a € 3.1m increase (€ 31.3m as of 31 December 2018)
- ❖ **239 Mono Brand Stores**
- ❖ **First-time application of the new Lease standard IFRS 16 from January 1st, 2019**

Net Sales Breakdown by Division⁽¹⁾

9M 2019

9M 2018



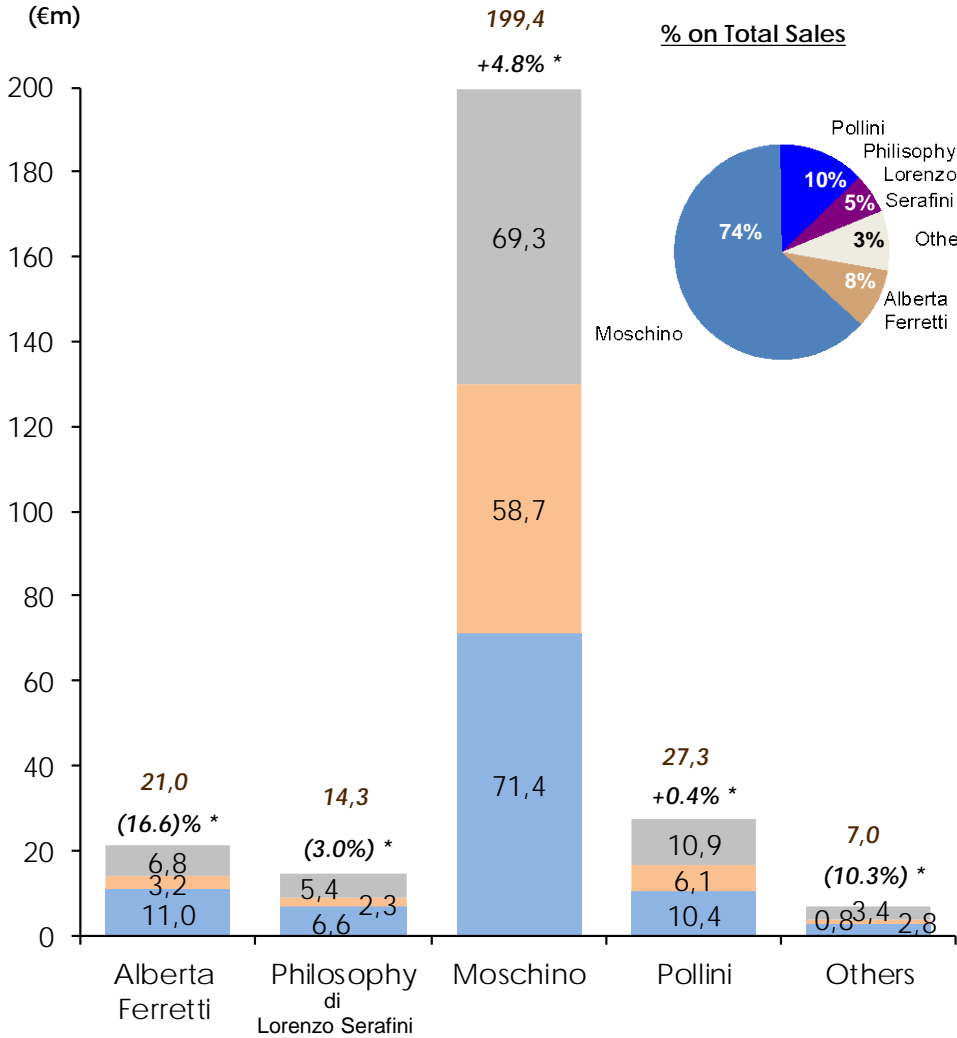
* At constant exchange rates

(1) Before inter-divisional eliminations

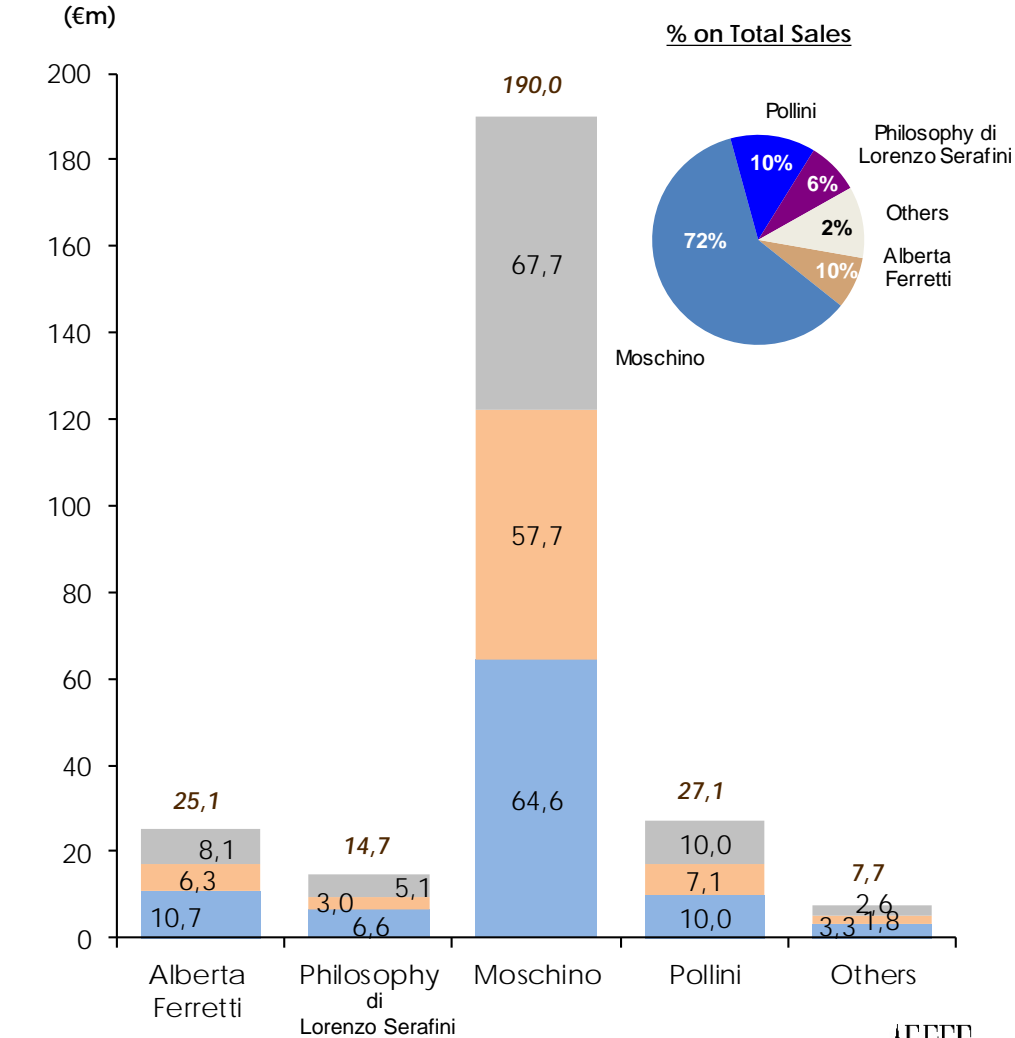
1Q 2Q 3Q

Net Sales Breakdown by Brand

9M 2019



9M 2018

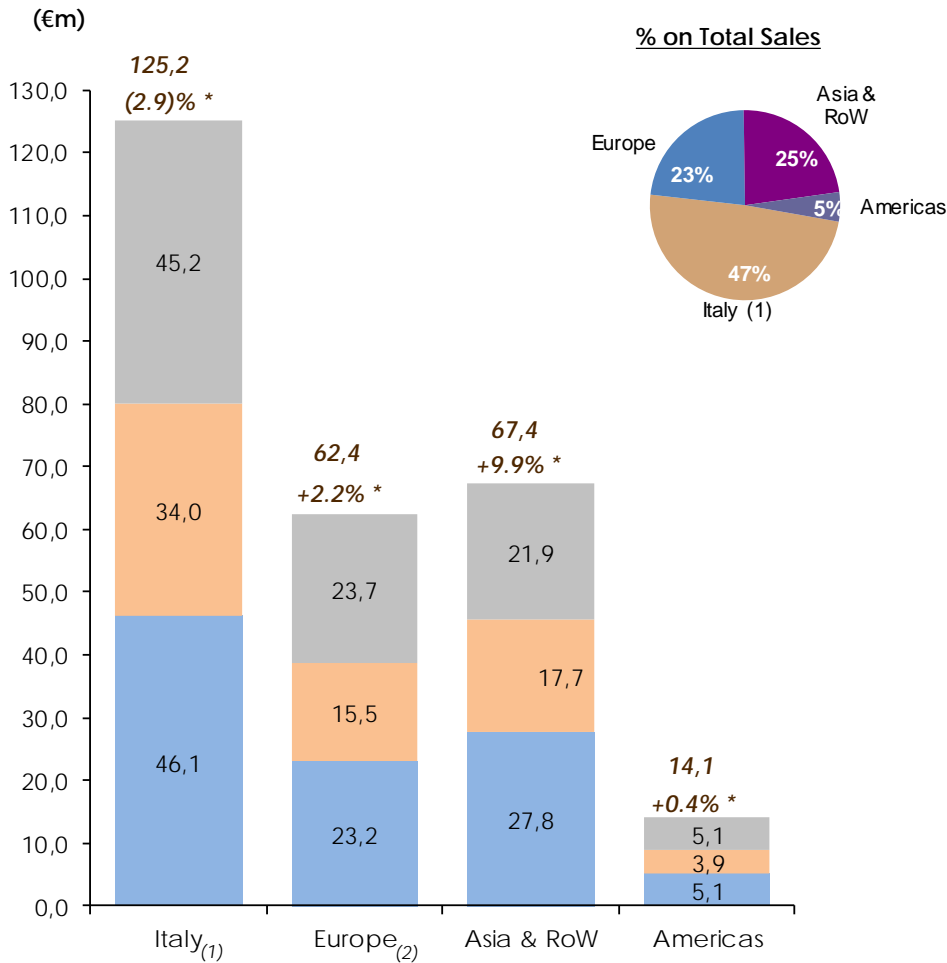


* At constant exchange rates

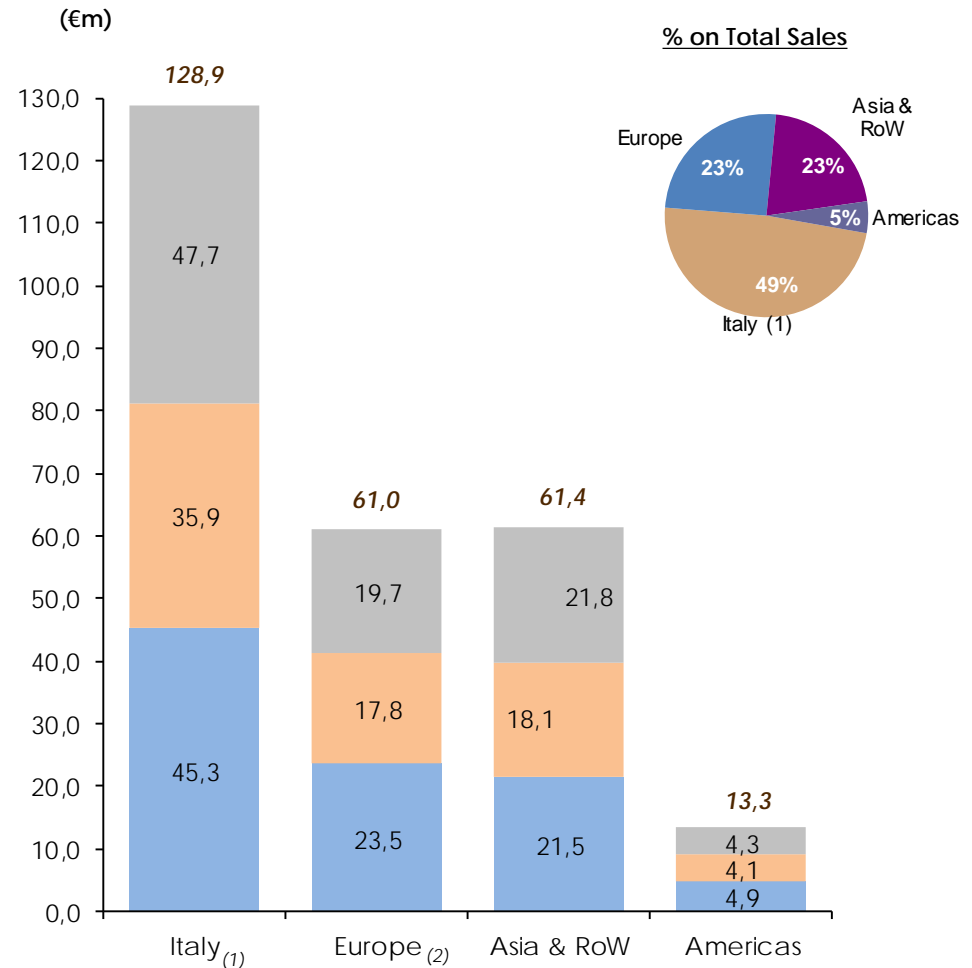
1Q 2Q 3Q

Net Sales Breakdown by Region

9M 2019



9M 2018



(1) ITALY sales incidence on total revenues ADJUSTED by foreign customers effect and royalties income is estimated equal to **37% and 39%** in 9M 2019 and in 9M 2018 respectively.

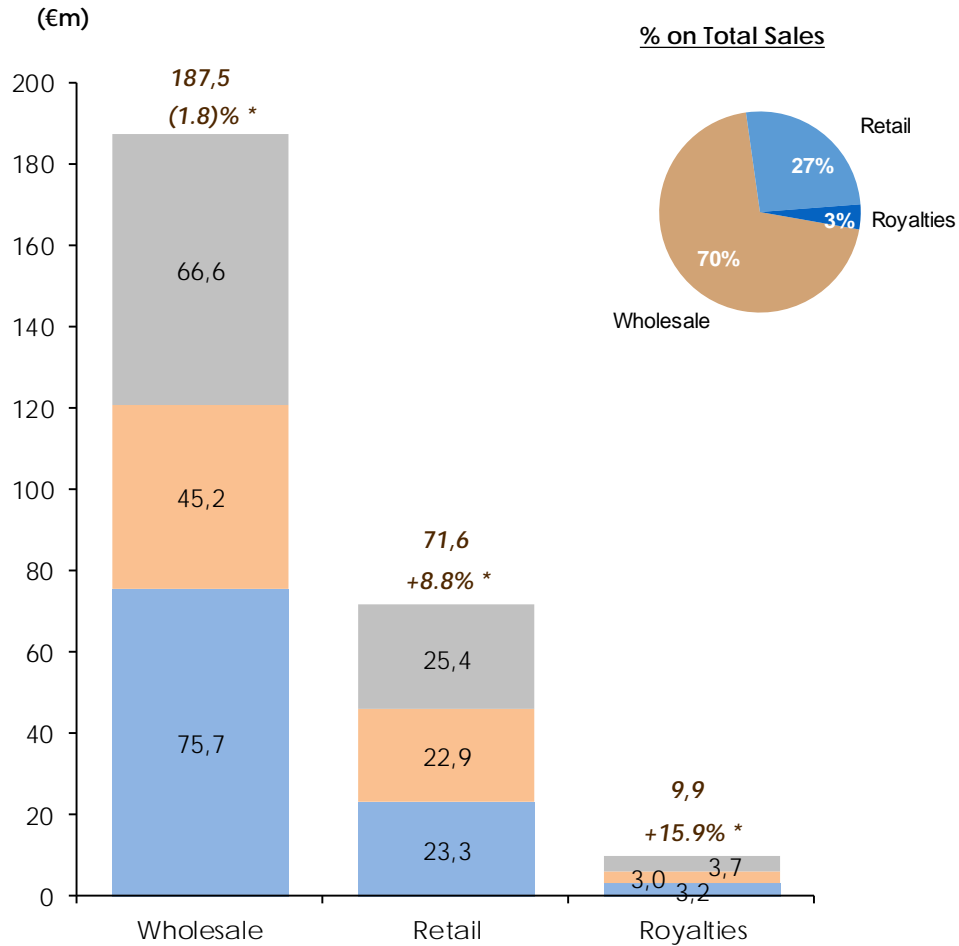
(2) Italy excluded

1Q 2Q 3Q

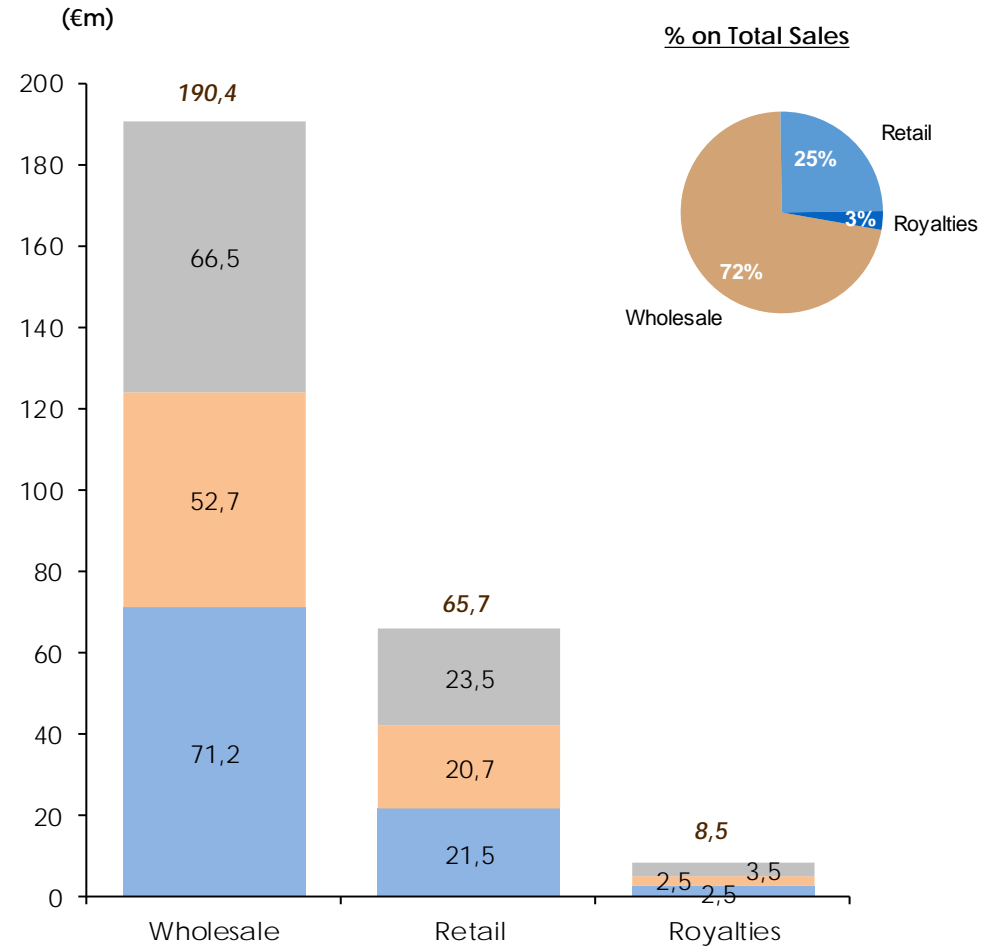
* At constant exchange rates

Net Sales Breakdown by Channel

9M 2019



9M 2018



* At constant exchange rates

1Q 2Q 3Q

Mono-brand Stores Network

DOS

	<u>9M19</u>	<u>FY18</u>
Europe	43	44
America	3	2
Asia	17	18
Total	63	64

Franchising

	<u>9M19</u>	<u>FY18</u>
Europe	41	45
America	1	1
Asia	134	138
Total	176	184



Income Statement – 9M 2019/2018

(€m)

	9M 19 including IFRS 16 effects	IFRS 16 effects (See Note 1)	9M 19 excluding IFRS 16 effects	9M 18
Net Sales	269,0		269,0	264,6
% change	1,7%		1,7%	
Other Revenues	6,4		6,4	3,3
Total Revenues	275,4		275,4	267,9
% change	2,8%		2,8%	
Raw Materials Costs	(86,0)		(86,0)	(85,3)
Service Costs	(79,8)		(79,8)	(73,2)
Costs for use of third parties	(7,0)	(12,3)	(19,3)	(19,4)
Personnel	(53,3)		(53,3)	(50,4)
Other Operating Expenses	(3,2)		(3,2)	(2,5)
Total Operating Expenses	(229,3)		(241,6)	(230,8)
EBITDA	46,1	(12,3)	33,8	37,1
Margin (% of Net sales)	17,1%		12,6%	14,0%
Depreciation and Amortisation	(20,1)	10,9	(9,2)	(9,4)
EBIT	26,0	(1,4)	24,6	27,7
Margin (% of Net sales)	9,7%		9,1%	10,5%
Net Financial Income / (Expenses)	(1,9)	1,6	(0,3)	(0,7)
Profit before taxes	24,1	0,2	24,3	27,0
Margin (% of Net sales)	9,0%		9,0%	10,2%
Taxes	(10,5)	(0,1)	(10,6)	(10,0)
Net income/(loss) before Minorities	13,6	0,1	13,7	17,0
Margin (% of Net sales)	5,1%		5,1%	6,4%
Minority Interests	(0,4)	0,0	(0,4)	(0,9)
Net Income/(Loss) for the Group	13,2	0,1	13,4	16,1
Margin (% of Net sales)	4,9%		5,0%	6,1%

Note 1: IFRS 16 effects on Profit & Loss statement:

Lease installments are cancelled from Costs for use of third parties for €12.3m; €10.9m are posted as Amortisation of right of use assets and €1.6m as Financial charges linked to the financial debt for leasing.

Summary Balance Sheet

(€m)

	<u>9M 19</u>	<u>FY 18</u>	<u>9M 18</u>
Net Working Capital	113,0	85,7	90,4
Net Tangible Assets	60,9	60,3	59,6
Net Intangible Assets	76,9	103,1	105,3
Net Intangible Assets for Rights of use - IFRS 16 (see Note 2)	123,3		
Net Financial Assets	2,8	2,9	3,2
Severance Staff, Provisions & Others	(20,8)	(23,3)	(23,1)
Net Capital Employed	356,1	228,7	235,4
Group Shareholders' Equity	173,6	164,6	163,0
Minorities	32,6	32,8	33,2
Shareholders' Equity & Minorities	206,2	197,4	196,3
Net financial Debt	42,2	31,3	39,1
Net financial debt for Lease liabilities - IFRS 16 (see Note 2)	107,7		
Net Financial Debt and Shareholders' Equity	356,1	228,7	235,4
Accounts Receivables	49,1	43,1	48,5
Accounts Payables	(60,5)	(76,9)	(60,8)
Inventory	108,7	104,3	96,6
Operating NWC	97,3	70,5	84,3
As % of LTM sales	27,7%	20,3%	24,6%
Other Current Assets/Liabilities	15,7	15,2	6,1
Net Working Capital	113,0	85,7	90,4

Note 2: IFRS 16 effects on Balance Sheet:
 - Fixed Assets increase of €123.3m from the right to use the leased assets (including the reclassification of €23.0m relating to the key money previously recorded in "Intangible assets");
 - Financial debt for Lease liabilities for €107.7m posted in Financial liabilities

Summary Cash Flow

(€m)

	<u>9M 19</u>	<u>FY 18</u>	<u>9M 18</u>
PBT	24,1	28,8	27,0
Operating Cash Flow	7,1	25,5	16,4
Capital Expenditure	(6,0)	(7,9)	(5,5)
Capital Expenditure for Rights of use - IFRS 16	(1,1)		
Free Cash Flow	1,1	17,6	11,0
Cash Flows from Financing Activities	(3,3)	(12,4)	(5,3)
Cash and cash equivalents at the beginning of the year	28,0	22,8	22,8
Cash Flow of the Period	(3,4)	5,2	5,6
Cash and cash equivalents at the end of the year	24,6	28,0	28,4



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Appendices

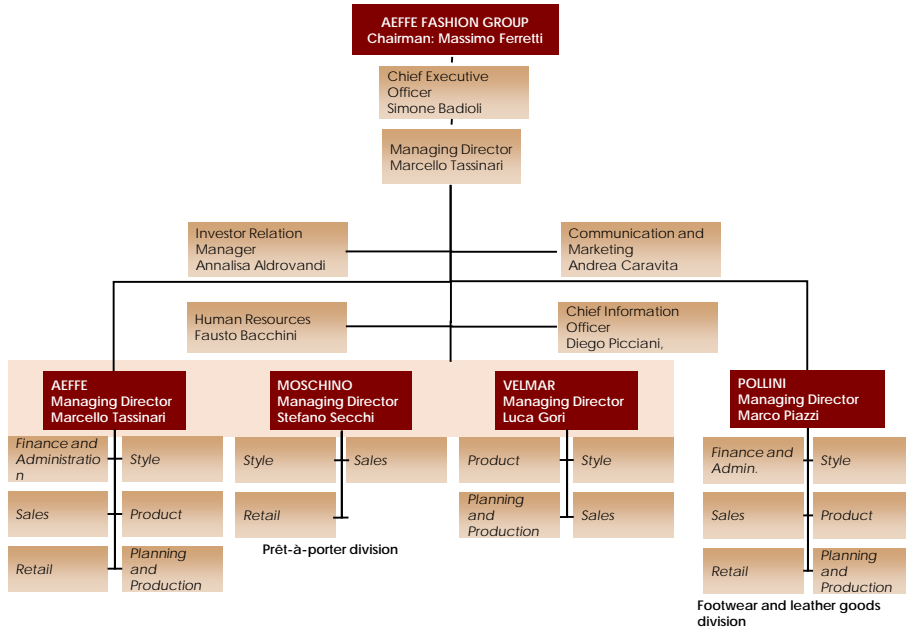
Income Statement – Full Year 2016-2018

(€m)

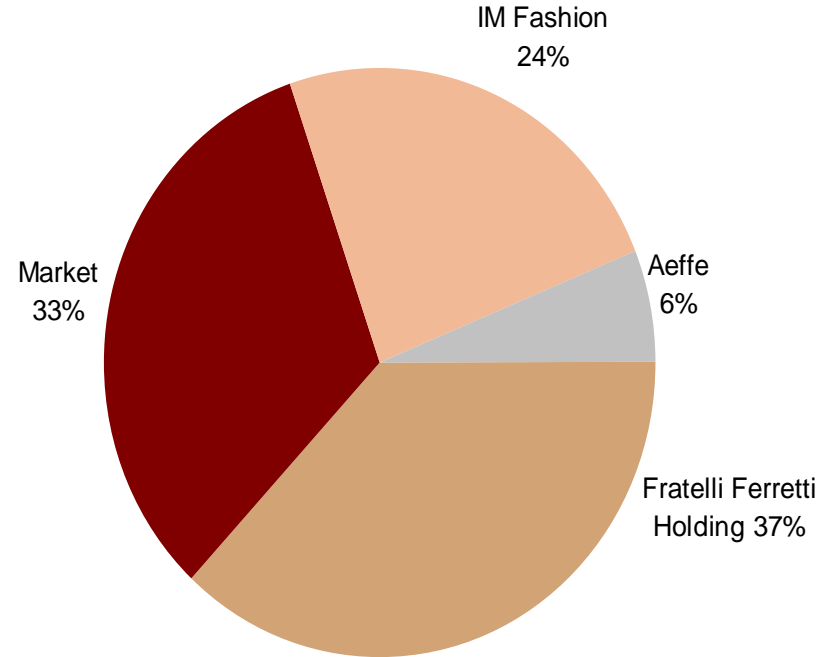
	<u>2018A</u>	<u>2017A</u>	<u>2016A</u>
Net Sales	346,6	312,6	280,7
% change	10,9%	11,4%	4,4%
Other Revenues	5,4	3,8	6,8
Total Revenues	352,0	316,4	287,5
% change	11,2%	10,1%	4,9%
Raw Materials Costs	(110,3)	(96,1)	(90,7)
Service Costs	(100,6)	(91,0)	(81,3)
Cost for use of third parties assets	(25,4)	(23,3)	(22,8)
Personnel	(68,5)	(65,3)	(63,5)
Other Operating Expenses	(3,9)	(4,1)	(4,0)
Total Operating Expenses	(308,7)	(279,8)	(262,3)
EBITDA	43,3	36,6	25,2
Margin (% of Net sales)	12,5%	11,7%	9,0%
Depreciation and Amortisation	(13,7)	(13,9)	(15,1)
EBIT	29,6	22,7	10,1
Margin (% of Net sales)	8,5%	7,3%	3,6%
Net Financial Income / (Expenses)	(0,9)	(3,7)	(1,8)
PBT	28,7	19,0	8,3
Margin (% of Net sales)	8,3%	6,1%	3,0%
Taxes	(11,6)	(7,4)	(4,0)
Net income before Minorities	17,1	11,5	4,4
Margin (% of Net sales)	4,9%	3,7%	1,6%
Minority Interests	(0,4)	(0,0)	(0,7)
Net Income for the Group	16,7	11,5	3,6
Margin (% of Net sales)	4,8%	3,7%	1,3%

Company Profile

Organisational Structure



Ownership Structure ⁽¹⁾



Share Information

N° of shares outstanding: 107,362,504

Italian Stock Exchange – STAR Segment

Specialist: Mediobanca S.p.A.

Tickers: AEF IM (Bloomberg) AEF MI (Reuters), AEF (Borsa Italiana)

Investor Relations

Investor Relations

AEFFE S.p.A

Annalisa Aldrovandi

+39 0541 965494

annalisa.aldrovandi@aeffe.com

www.aeffe.com

(1) Source: Consob as of 13th Novembre 2019

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