

ALBERTA FERRETTI

AEFFE



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**AEFFE FY2019 Consolidated Financial
Results Presentation
12th March 2020**

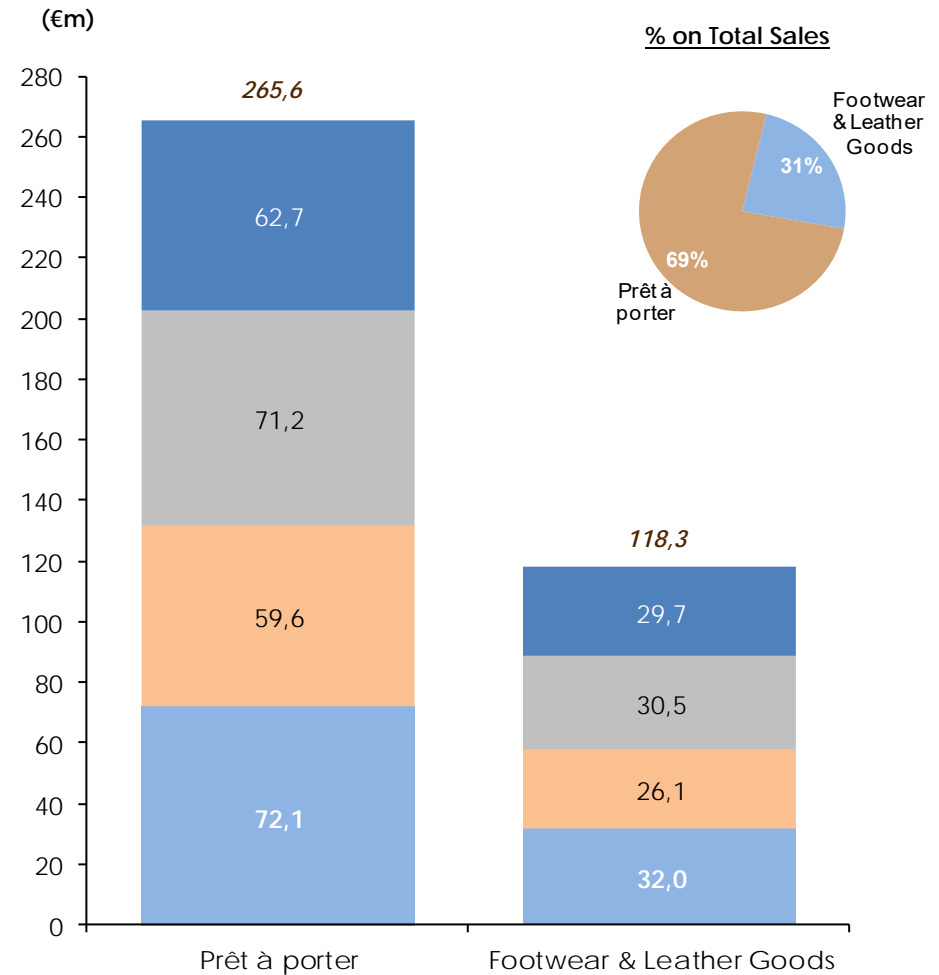
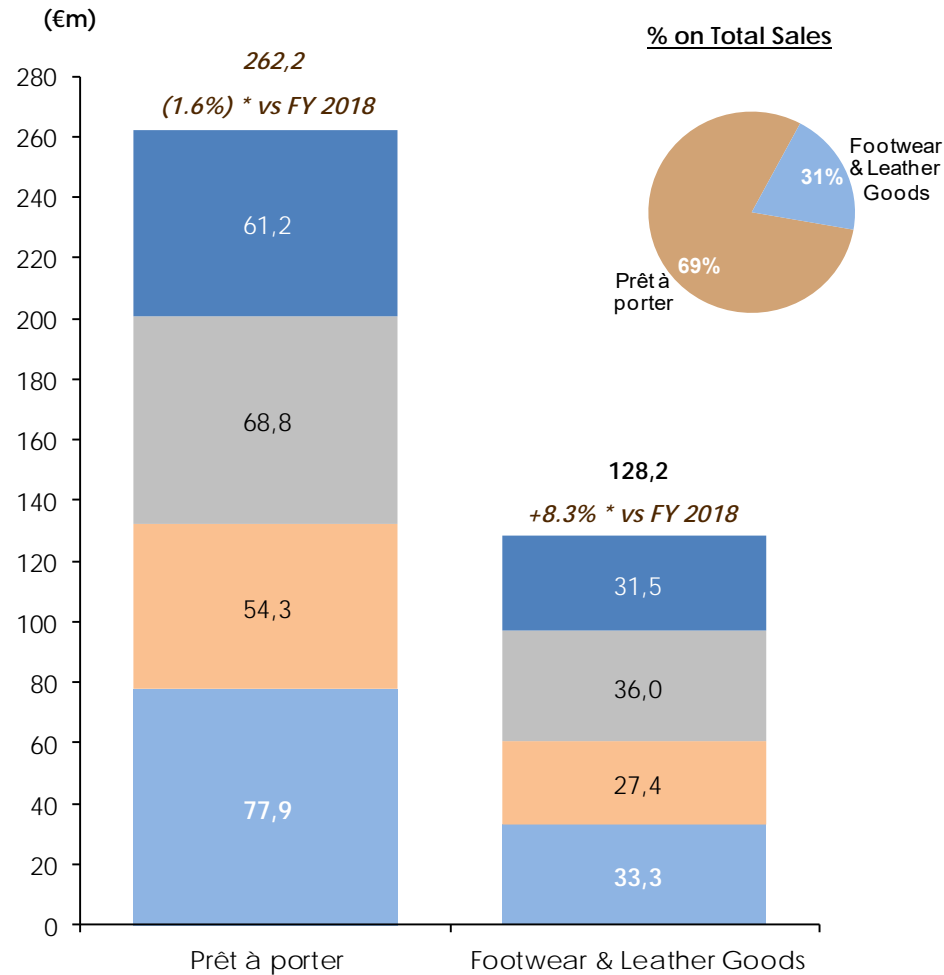
FY 2019 Key Facts

- ❖ **Consolidated Revenues** +1.4% at € 351.4m, (+1.2% at constant exchange rates);
- ❖ **Consolidated EBITDA net of IFRS 16 effect** for € 36.6m (10.4% of sales), compared to an EBITDA of € 43.3m (12.5% of sales) in FY 2018
- ❖ **Net Profit for the Group net of IFRS 16 effect** at € 12.3m, compared to a Net Profit of €16.7m in FY 2018
- ❖ **Consolidated Financial Debt net of IFRS 16 effect** of € 39.4m, compared to € 31.3m as of 31 December 2018
- ❖ **224 Mono Brand Stores**
- ❖ **First-time application of the new Lease standard IFRS 16 from January 1st, 2019**

Net Sales Breakdown by Division⁽¹⁾

FY 2019

FY 2018



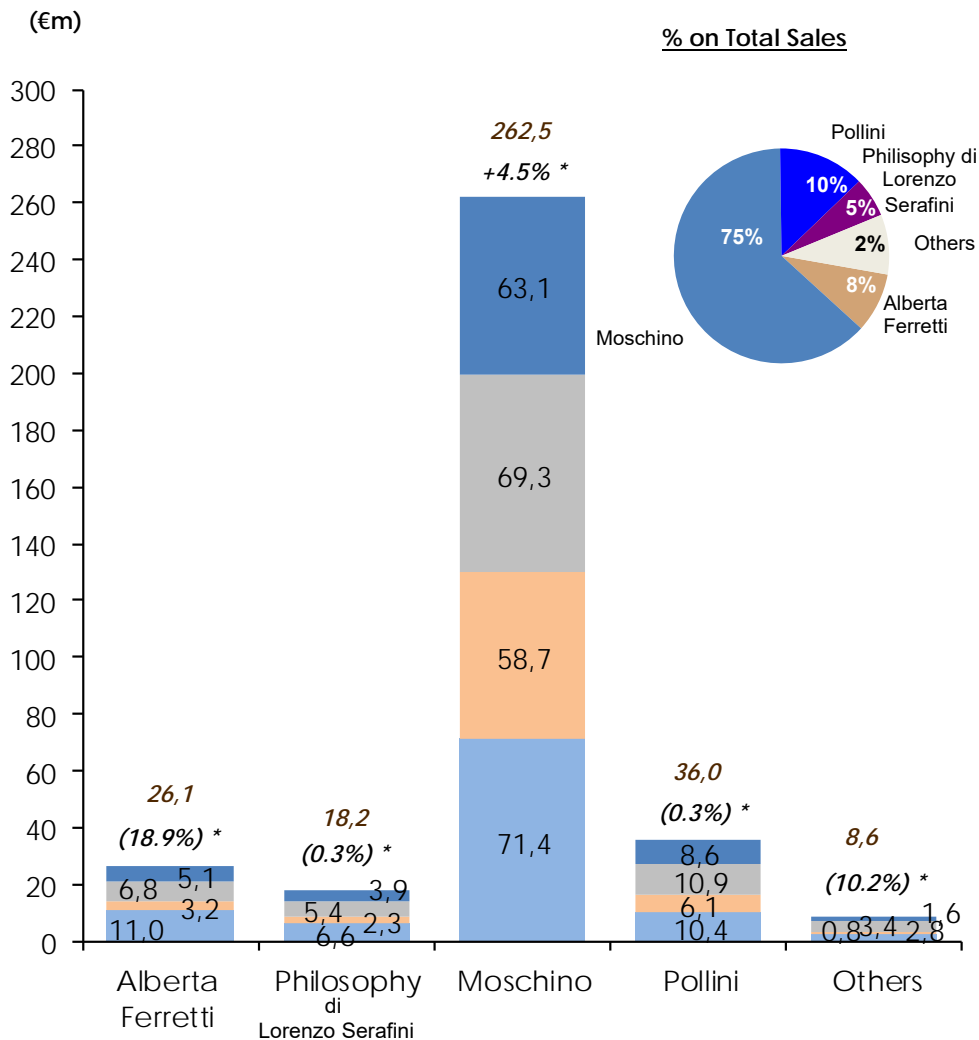
* At constant exchange rates

(1) Before inter-divisional eliminations

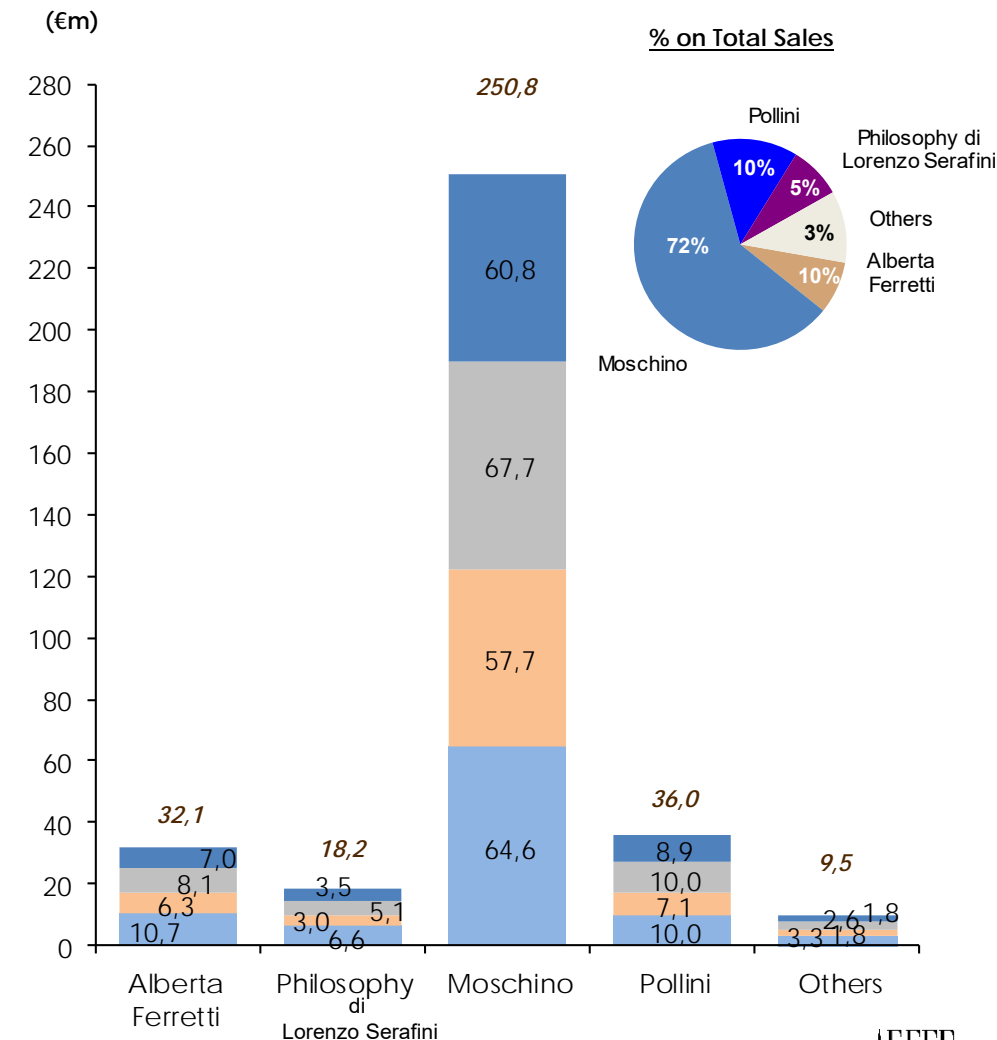
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Net Sales Breakdown by Brand

FY 2019



FY 2018



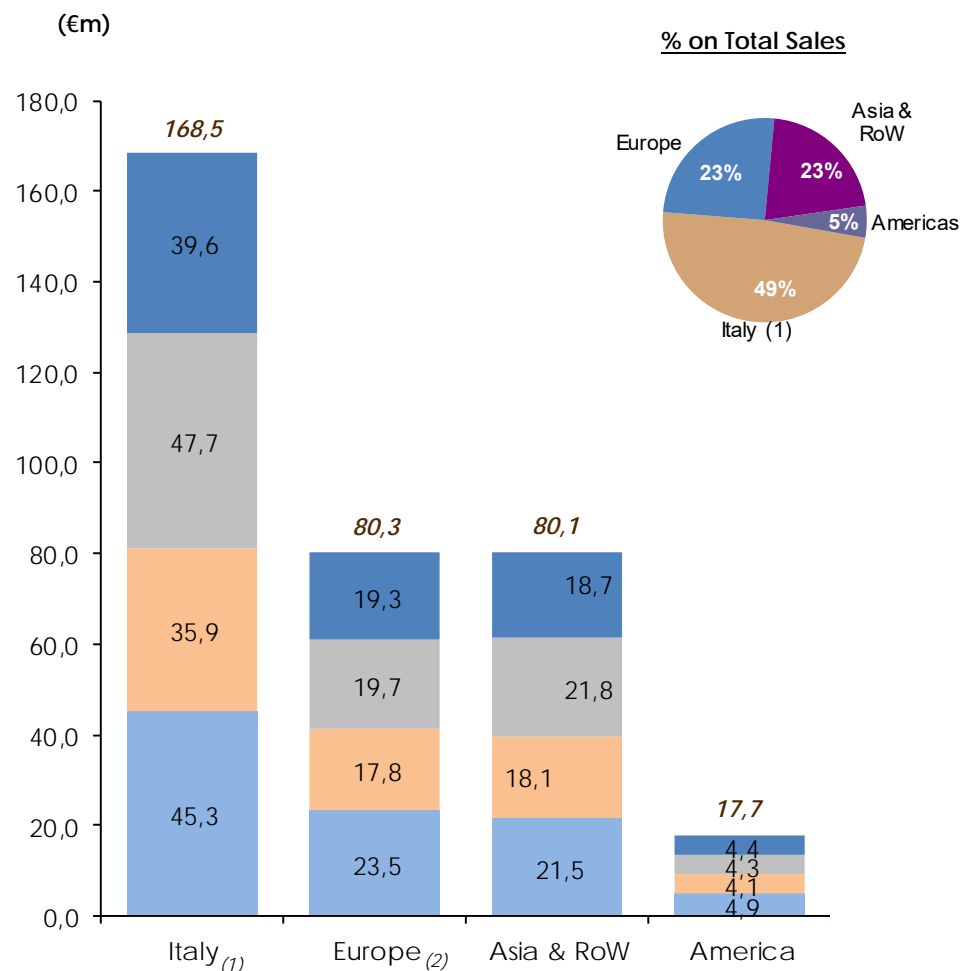
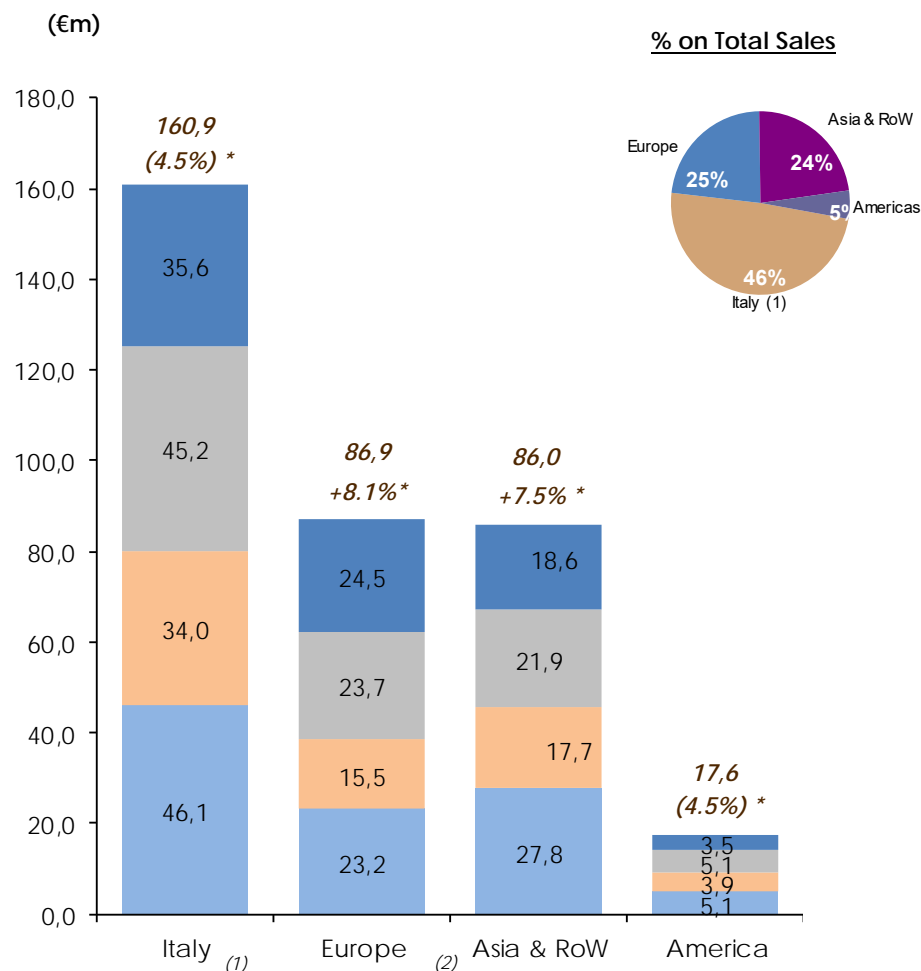
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Net Sales Breakdown by Region

FY 2019

FY 2018



(1) ITALY sales incidence on total revenues ADJUSTED by foreign customers effect and royalties income is estimated equal to 36%

(2) Italy excluded

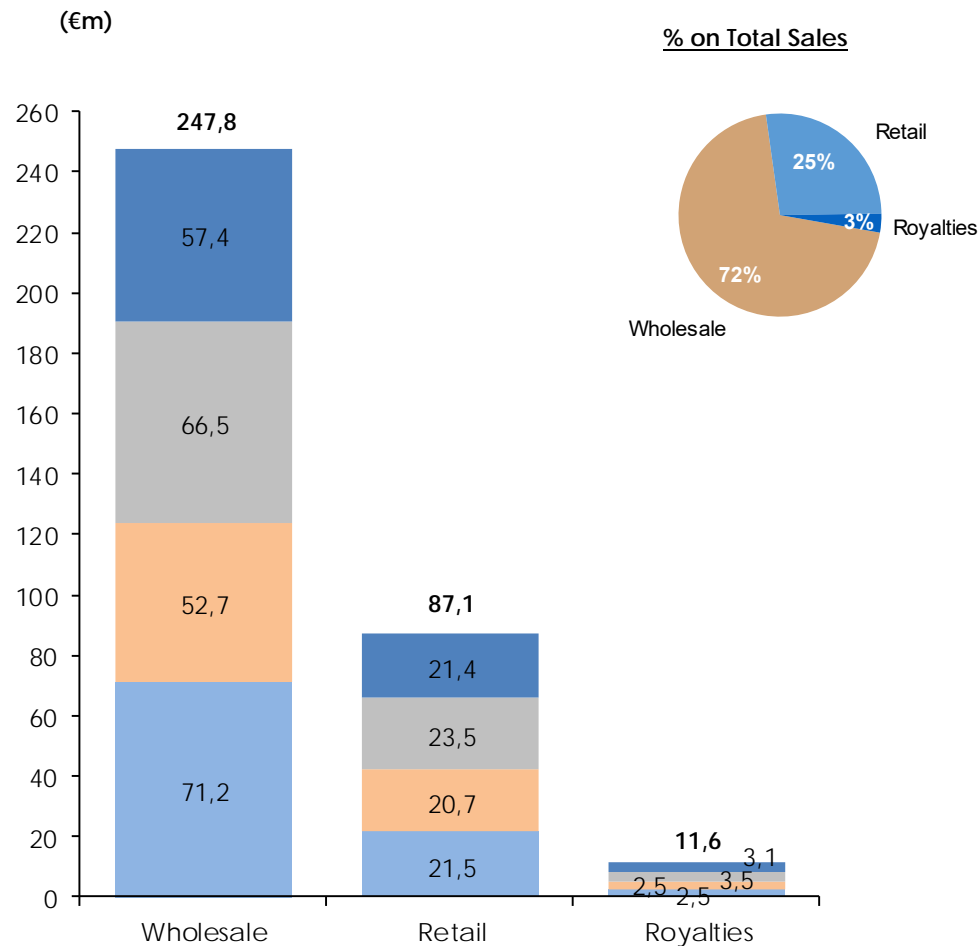
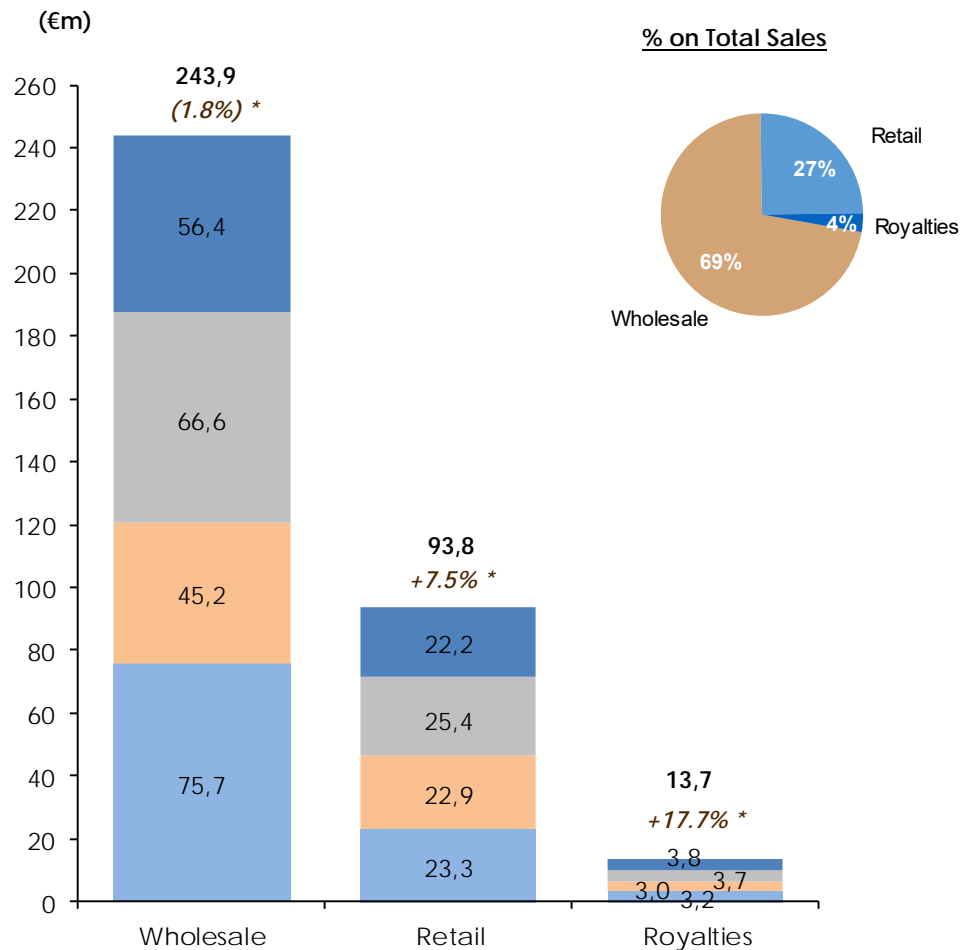
* At constant exchange rates

1Q 2Q 3Q 4Q

Net Sales Breakdown by Channel

FY 2019

FY 2018



* At constant exchange rates

1Q 2Q 3Q 4Q

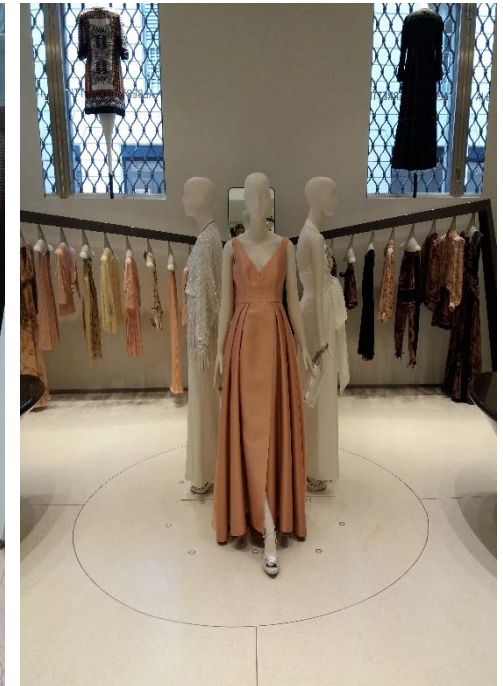
Mono-brand Stores Network

DOS

	<u>FY19</u>	<u>FY18</u>
Europe	42	44
America	3	2
Asia	16	18
Total	61	64

Franchising

	<u>FY19</u>	<u>FY18</u>
Europe	40	45
America	1	1
Asia	122	138
Total	163	184



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Income Statement – FY 2019/2018

(€m)

	<u>FY 19 including IFRS 16 effects</u>	<u>IFRS 16 effects (See Note 1)</u>	<u>FY 19 net of IFRS 16 effects</u>	<u>2018A</u>
Net Sales	351,4		351,4	346,6
<i>% change</i>	1,4%		1,7%	
Other Revenues	10,1		10,1	5,4
Total Revenues	361,5		361,5	352,0
<i>% change</i>	2,7%		2,8%	
Raw Materials Costs	(115,3)		(115,3)	(110,3)
Service Costs	(108,3)		(108,3)	(100,6)
Costs for use of third parties	(9,0)	(16,6)	(25,6)	(25,4)
Personnel	(72,4)		(72,4)	(68,5)
Other Operating Expenses	(3,3)		(3,3)	(3,9)
Total Operating Expenses	(308,3)		(324,9)	(308,7)
EBITDA	53,1	(16,6)	36,6	43,3
<i>Margin (% of Net sales)</i>	15,1%		10,4%	12,5%
Depreciation and Amortisation	(28,0)	15,1	(13,0)	(13,7)
EBIT	25,1	(1,5)	23,6	29,6
<i>Margin (% of Net sales)</i>	7,1%		6,7%	8,5%
Net Financial Income / (Expenses)	(3,3)	2,3	(1,0)	(0,9)
Profit before taxes	21,8	0,8	22,7	28,7
<i>Margin (% of Net sales)</i>	6,2%		6,4%	8,3%
Taxes	(9,8)	(0,2)	(10,0)	(11,6)
Net income/(loss) before Minorities	12,0	0,6	12,6	17,1
<i>Margin (% of Net sales)</i>	3,4%		3,6%	4,9%
Minority Interests	(0,3)	0,0	(0,3)	(0,4)
Net Income/(Loss) for the Group	11,7	0,6	12,4	16,7
<i>Margin (% of Net sales)</i>	3,3%		3,5%	4,8%

Note 1: IFRS 16 effects on Profit & Loss statement: Lease installments are cancelled from Costs for use of third parties for €16.6m; €15.1m are posted as Amortisation of right of use assets and €2.3m as Financial charges linked to the financial debt for leasing.

Summary Balance Sheet

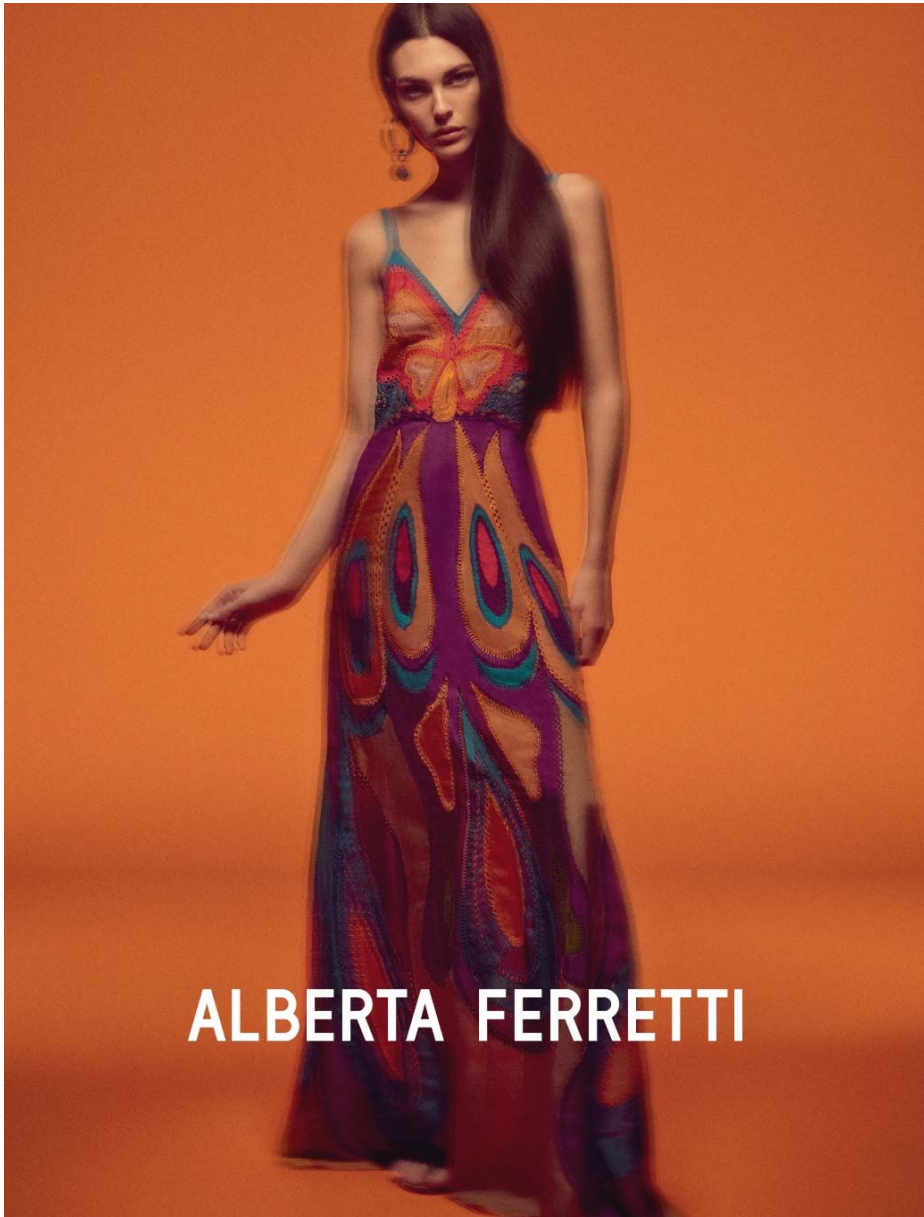
(€m)	<u>FY 19</u>	<u>FY 18</u>
Net Working Capital	107,2	85,7
Net Tangible Assets	62,8	60,3
Net Intangible Assets	76,1	103,1
Net Intangible Assets for Rights of use - IFRS 16 (see Note 2)	110,7	
Net Financial Assets	2,9	2,9
Severance Staff, Provisions & Others	(20,3)	(23,3)
Net Capital Employed	339,3	228,7
Group Shareholders' Equity	171,4	164,6
Minorities	32,7	32,8
Shareholders' Equity & Minorities	204,1	197,4
Net financial Debt	39,4	31,3
Net financial debt for Lease liabilities - IFRS 16 (see Note 2)	95,8	
Net Financial Debt and Shareholders' Equity	339,3	228,7
Accounts Receivables	41,5	43,1
Accounts Payables	(74,3)	(76,9)
Inventory	112,1	104,3
Operating NWC	79,3	70,5
<i>As % of sales</i>	<i>22,6%</i>	<i>20,3%</i>
Other Current Assets/Liabilities	27,9	15,2
Net Working Capital	107,2	85,7

Note 2: IFRS 16 effects on Balance Sheet:
- Fixed Assets increase of €110.7m from the right to use the leased assets ;
- Financial debt for Lease liabilities for €95.8m posted in Financial liabilities

Summary Cash Flow

(€m)

	<u>FY 19</u>	<u>FY 18</u>
PBT	21,8	28,8
Operating Cash Flow	19,2	25,5
Capital Expenditure	(9,7)	(7,9)
Capital Expenditure for Rights of use - IFRS 16	(1,1)	
Free Cash Flow	8,5	17,6
Cash Flows from Financing Activities	(8,1)	(12,4)
Cash and cash equivalents at the beginning of the year	28,0	22,8
Cash Flow of the Period	0,4	5,2
Cash and cash equivalents at the end of the year	28,4	28,0



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Appendices

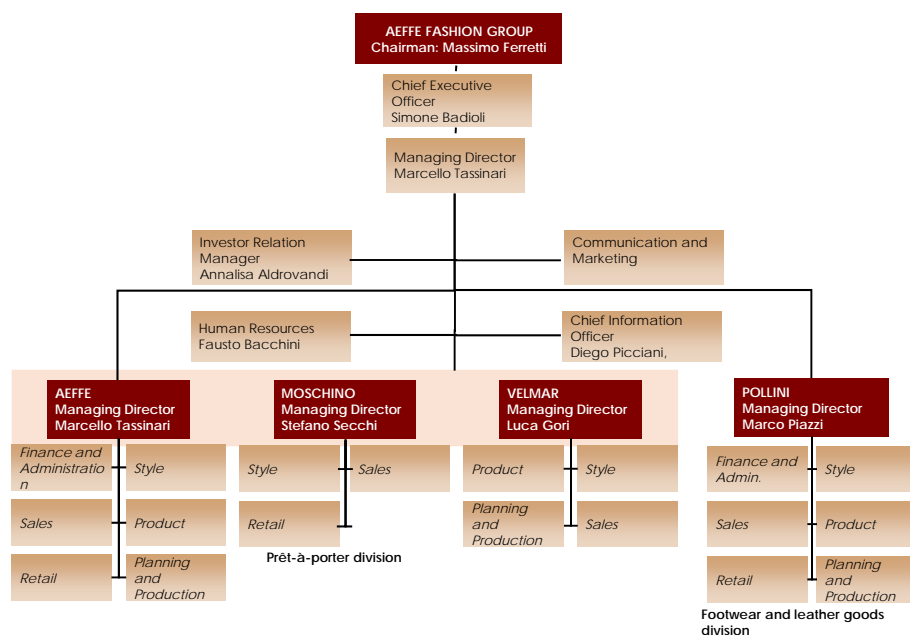
Income Statement – Full Year 2017-2019

(€m)

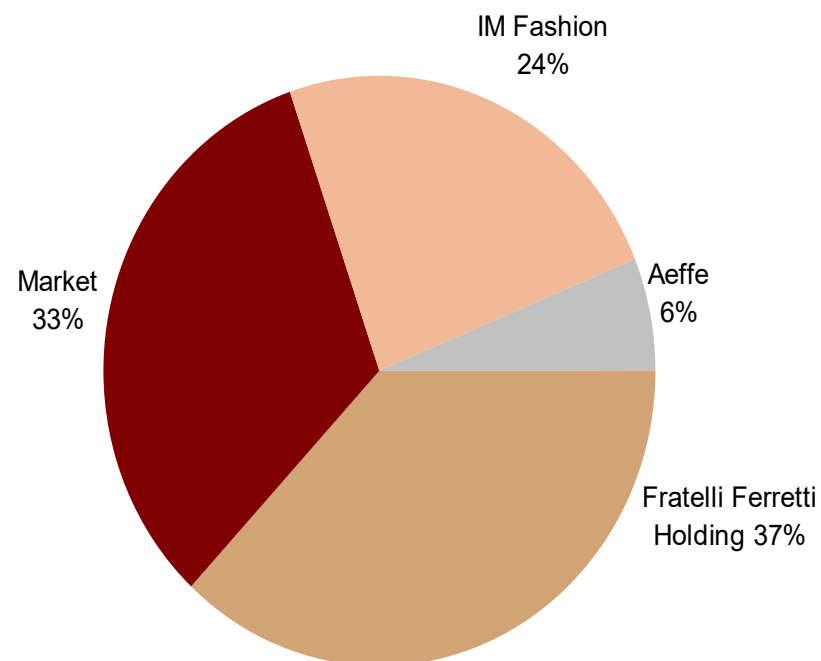
	<u>FY 19 net of IFRS 16 effects</u>	<u>2018A</u>	<u>2017A</u>
Net Sales	351,4	346,6	312,6
<i>% change</i>	<i>1,7%</i>	<i>10,9%</i>	<i>11,4%</i>
Other Revenues	10,1	5,4	3,8
Total Revenues	361,5	352,0	316,4
<i>% change</i>	<i>2,8%</i>	<i>11,2%</i>	<i>10,1%</i>
Raw Materials Costs	(115,3)	(110,3)	(96,1)
Service Costs	(108,3)	(100,6)	(91,0)
Cost for use of third parties assets	(25,6)	(25,4)	(23,3)
Personnel	(72,4)	(68,5)	(65,3)
Other Operating Expenses	(3,3)	(3,9)	(4,1)
Total Operating Expenses	(324,9)	(308,7)	(279,8)
EBITDA	36,6	43,3	36,6
Margin (% of Net sales)	10,4%	12,5%	11,7%
Depreciation and Amortisation	(13,0)	(13,7)	(13,9)
EBIT	23,6	29,6	22,7
Margin (% of Net sales)	6,7%	8,5%	7,3%
Net Financial Income / (Expenses)	(1,0)	(0,9)	(3,7)
PBT	22,7	28,7	19,0
Margin (% of Net sales)	6,4%	8,3%	6,1%
Taxes	(10,0)	(11,6)	(7,4)
Net income before Minorities	12,6	17,1	11,5
Margin (% of Net sales)	3,6%	4,9%	3,7%
Minority Interests	(0,3)	(0,4)	(0,0)
Net Income for the Group	12,3	16,7	11,5
Margin (% of Net sales)	3,5%	4,8%	3,7%

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

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(1) Source: Consob as of 12th March 2020

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