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Diffusione presunta

Oggetto : Piquadro S.p.A. The BoD releases sales figures for the first quarter ended 30 June 2020 and the net financial position.

Testo del comunicato

Vedi allegato.



Piquadro S.p.A.
**The Board of Directors releases sales figures for the first quarter
ended 30 June 2020 and the net financial position.**

- **Consolidated sales:** € 12.2 million (- 63.5% versus the same period last year);
- **Net financial position *adjusted*¹:** positive and equal to ca. € 4.6 million (compared to € 17.6 million positive net financial position *adjusted* on 30 June 2019).
- **Net financial position:** negative and equal to € 46.9 million including financial payables due to impact of adoption of IFRS 16.

Silla di Gaggio Montano (BO), August 6th 2020. The Board of Directors of Piquadro S.p.A. company that designs, produces and markets leather goods, today examined and approved the principal consolidated performance indicators for the first quarter ended 30 June 2020, particularly the sales data and net financial position of the Piquadro group.

Sales in the first quarter of FY 2020-2021 (by brand)

Brand <i>(in € thousands)</i>	Net sales Q1 2020-2021	%	Net sales Q1 2019-20	%	Chg. % 20 vs 19
PIQUADRO	5,293	43.4%	15,505	46.5%	(65.9)%
THE BRIDGE	1,590	13.0%	5,807	17.4%	(72.6)%
LANCEL	5,307	43.4%	12,062	36.1%	(56.0)%
Total	12,190	100.0%	33,374	100.0%	(63.5)%

The consolidated turnover recorded by the Piquadro Group in the first three months of the year ended on June 30, 2020 is equal to 12.2 million Euros, with a decrease of 63.5% compared to the same period of the previous year closed at 33.4 millions of Euro. The sales results for the period are severely affected by the measures introduced by the public and government authorities of the countries affected by the emergency aimed at mitigating the spread of the "Covid-19" virus. In particular, the first quarter underwent the temporary closure of over 90% of the distribution network for about two months together with the prohibition and / or limitation on the mobility and movement of people and goods and the closure of commercial activities and sales to the public (so-called lockdown), impacting, in an exceptionally negative way, also on tourist flows all over the world.

With reference to **Piquadro** brand, the revenues recorded in the first three months amount to 5.3 million Euros, with a decrease of 65.9% compared to the same period ended on 30 June 2019; this decrease particularly affected the retail channel penalized by the closure of the brand's distribution network from 1 April to 17 May and by the lack of traffic, in particular tourism.

¹ With the introduction of the new accounting standard IFRS 16, starting from April 1st 2019, a new accounting treatment of leases is introduced, which generates a significant effect on EBITDA, EBIT, net invested capital, net financial position and cash flow generated from operational activity. For this reason, in this press release the "adjusted" balances of the aforementioned amounts are also reported in order to make the figures for June 30th, 2019 comparable with those of previous periods



With reference to **The Bridge** brand, the revenues recorded in the first three months of the year amounted to 1.6 million euros, with a decrease of 72.6% compared to the same period ended on 30 June 2019; this decrease was strongly impacted by the closings of the shops and by the absence of tourist flows in the period.

The **e-commerce** channel, on the other hand, recorded an **increase of 62.6%** compared to the same period ended on June 30, 2019.

The sales revenues achieved by the **Maison Lancel** in the first three months of the year amounted to 5.3 million euros, with a decrease of 56.0% compared to the same period ended on 30 June 2019; this decrease was impacted by the closings of the shops in the period.

The **e-commerce** channel, on the other hand, recorded an **increase of 62.1%** compared to the same period ended on 30 June 2019.

First-quarter 2020-2021 sales (by geographical area)

Geographic Area	Net sales Q1 2020-2021	%	Net sales Q1 2019-2020	%	Chg. % 20 vs 19
<i>(n € thousands)</i>					
Italy	5,566	45.7%	15,886	47.6%	(65,0)%
Europe	6,082	49.9%	16,569	49.6%	(63,3)%
Rest of the world	542	4.4%	918	2.8%	(41,0)%
Total	12,190	100.0%	33,374	100.0%	(63,5)%

From the geographical standpoint, Piquadro group sales in Italy to 30 June 2020, registered an amount of **€ 5.6 million** for 45.7% of the Group total (47.6% of consolidated sales to 30 June 2019) with a 65.0% decrease over the same period of FY 2019-2020.

In the European market, the Group registered sales of **€ 6.1 million**, equal to 49.9% of consolidated sales (49.6% of consolidated sales to 30 June 2019), **63.3%** less than in the same period of FY 2019-2020.

In extra-European geographical area (called "Rest of the world"), the group recorded sales of **€ 0.5 million**, equal to 4.4% of consolidated sales (2.8% of consolidated sales to 30 June 2019) with a 41.0% decrease over the same period of FY 2019-2020.

Net Financial Position (in million Euro)	30 June 2020 IFRS 16	30 June 2020 (adjusted)	31 March 2020 IFRS16	31 March 2020 (adjusted)	30 June 2019 (adjusted)
(A) Cash	193	193	202	202	388
(B) Other cash and cash equivalents (available current bank accounts)	44,405	44,405	57,348	57,348	46,437
(C) Liquidity (A) + (B)	44,597	44,597	57,550	57,550	46,825
(D) Finance leases	(13,621)	0	(14,365)	0	(6)
(E) Current portion of non-current debt	(15,452)	(15,452)	(15,450)	(15,450)	(12,165)
(F) Payables to Il Ponte S.p.A., for the acquisition of The Bridge	(70)	(70)	(70)	(70)	(820)
(G) Current financial debt (D) + (E) + (F)	(29,047)	(15,522)	(29,885)	(15,520)	(12,990)



(H) Short-term net financial position (C) + (G)	15,550	29,075	27,665	42,030	33,835
(I) Non-current bank debt	(20,504)	(20,504)	(20,501)	(20,501)	(11,399)
(L) Payables to Richemont Group for the acquisition of Lancel	(3,341)	(3,341)	(3,341)	(3,341)	(3,869)
(M) Finance leases	(37,897)	0	(39,243)	0	0
(N) Payables to The Ponte S,p,A, for the acquisition of The Bridge	(662)	(662)	(662)	(662)	(950)
(O) Non-current financial debt (I) + (L) + (M)+(N)	(62,404)	(24,507)	(63,747)	(24,504)	(16,218)
(P) Net Financial Position (H) + (O)	(46,854)	4,568	(36,082)	17,526	17,616

The **Net Financial Position** of the **Piquadro Group**, recorded in the first three months of the year, was negative and equal to € 46,9 million. The impact of the application of the new accounting standard IFRS 16 was equal to approximately € 51.4 million with a minus sign.

The **adjusted Net Financial Position *adjusted***¹ of the Piquadro Group, was **positive** and equal to approximately **€4.6 million**, compared to Net Financial Position *adjusted*¹ figure of approximately €17.6 million recorded on June 30, 2019.

The variation in the **adjusted Net Financial Position** of the Piquadro Group at June 30, 2020 compared to the *adjusted* Net Financial Position recorded around the same period of the previous year, is explained by investments of € 3,5 million in fixed, intangible and financial assets, by the payment of € 4.0 million dividends, by € 2.2 million for an increase in working capital € 3.4 million negative Group operating cash flow. Also the dynamics of the adjusted Net Financial Position was also severely influenced by the measures introduced by the public and government authorities of the countries affected by the emergency aimed at curbing the spread of the "Covid-19" virus, in relation to the temporary closure of almost all direct stores. which multi-brand for about two months with a simultaneous effect on incoming cash flows.

COVID-19

The "Covid-19" pandemic that spread from January 2020 in China and Asia first, and from February and March 2020 in Europe and America then, and the consequent measures introduced by the public and government authorities of the countries affected by the emergency aimed at containment of the spread of the virus have had a very serious impact on the personal and professional lives of people and, of course, of companies.

The urgent regulatory interventions in fact entailed, among other things, the prohibition and / or limitation on the mobility and movement of people and goods and the closure of commercial and sales activities to the public (so-called lockdown), as well as limitations on activities industrial and production, impacting in an exceptionally negative way on tourist flows all over the world and, consequently, on the market trend, causing the closure of most of the distribution network of the Piquadro Group.

The Piquadro Group has immediately faced this new and difficult scenario, complying with all the requirements provided by the Italian Government and by the governments and public authorities of the countries in which the Piquadro Group operates by activating exceptional measures aimed at maximum protection of the health of its employees and collaborators. as well as that of your own image.



In order to mitigate the effects deriving from the economic situation linked to the Covid-19 health emergency, the Piquadro Group has implemented measures to reduce costs, keep operations unchanged and safeguard the liquidity of the Piquadro Group and has adopted adequate consistent safety standards with regulatory indications.

Although, as mentioned, the consolidated turnover figures as at 30 June 2020 show a serious drop to a very large extent due to the measures introduced by the public and government authorities of the countries affected by the emergency, aimed at curbing the spread of the "Covid-19" virus, and the overall macroeconomic situation remains significantly uncertain, as it is also dependent on the evolution of the pandemic in the coming months and the consequent reaction of demand in a recessionary context, the Piquadro Group, focusing on its strengths and thanks to the work done and the investments made in the recent years, is convinced that it will quickly resume his path and maintains a positive attitude towards future developments.

“The first quarter was heavily impacted by the effects of the pandemic with the closure of our network of direct and multi-brand stores for about two months,” comments **Marco Palmieri, Chairman and CEO of the Piquadro group**, *“We have taken all the necessary actions to contain costs and protect the Group's economic and financial situation. The July data, although still decreasing compared to the previous year, testify to a recovery scenario compared to the trend of the first three months and the positive net financial position and available liquidity allow us to be confident about the dynamics of middle term. Strong investments in the digital area have led to an over 60% growth in The Bridge and Lancel and a 34% increase at a group level. The restructuring of the Lancel Maison, despite the COVID contingency, is continuing with visible impacts on the company dynamics.”*

The manager responsible for preparing the Piquadro S.p.A.'s financial reports, Roberto Trotta, declares – pursuant to paragraph 2 of Article 154-bis of Italy's Legislative Decree 58/1998 – that the accounting information contained in this press release, corresponds to the documented results, books, and accounting records.

Summary of Economic-financial data and interpretation of alternative performance indicators (Iap)

The Piquadro Group uses the Alternative Performance Indicators (Iap) in order to effectively transmit information regarding the performance of the profitability of the business in which it operates and to determine its precise asset and financial position. In accordance with the guidelines published on the 5th of October 2015, by the European Securities and Markets Authority (Esma / 2015/1415), and in line with the provisions of the Consob Communication No. 92543 listed on the 3rd of December 2015, the Group provides content and the criterion to determine the Iap used in these financial statements.

- The Net Financial Position ("NFP") is used as a financial indicator for debt, and is represented as a sum of the following positive and negative components of the financial balance sheet, as required by CONSOB Communication no. 6064293 of 28 July 2006. Positive components: cash and cash equivalents, securities that can be quickly liquidated from current assets, short-term financial receivables. Negative components: debts to banks, payables to other lenders, leasing and factoring companies.
- The *adjusted* Net Financial Position ("adjusted NFP") is defined as the Net Financial Position net of the impacts deriving from the application of IFRS 16.

Piquadro Group

The Piquadro Group operates in the sector of leather accessories through the Piquadro, The Bridge and Lancel brands. Cornerstones for the three brands is attention to details and the quality of the



workmanship as well as the leather but the Piquadro product stands out for its innovative design and technological content, while The Bridge emphasizes the vintage flavor of Tuscan craftsmanship and finally the Lancel collections embody the Parisian allure of a fashion house founded in 1876. The origins of the Group date back to 1987 when Marco Palmieri, now President and Chief Executive Officer, founded his company near Bologna, where it is still headquartered. The distribution network extends over 50 countries around the world and counts 177 outlets including 91 Piquadro boutiques (60 in Italy and 31 abroad including 54 DOS directly operated stores and 37 franchised stores), 12 The Bridge boutiques (12 in Italy including 9 DOS directly operated stores and 3 franchised) and 74 Lancel boutiques (60 in France and 14 abroad, of which 68 DOS directly operated stores and 6 franchised).

The Group's consolidated turnover for the year 2019/2020 ended on March 31, 2020 is € 152.2 million.

Piquadro S.p.A. has been listed on the Italian Stock Exchange since October 2007.

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