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Informazione Regolamentata n. 20076-39-2020	Data/Ora Ricezione 11 Settembre 2020 07:42:05	MTA
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Societa' : Giglio Group S.p.A.
Identificativo : 136819
Informazione
Regolamentata
Nome utilizzatore : GIGLION01 - Schranz
Tipologia : REGEM; 1.2
Data/Ora Ricezione : 11 Settembre 2020 07:42:05
Data/Ora Inizio : 11 Settembre 2020 07:42:05
Diffusione presunta
Oggetto : APPROVED THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS AS OF 30 JUNE 2020
Record-breaking semester: Consolidated
revenues +36%,EBITDA + 219%

Testo del comunicato

Vedi allegato.



APPROVED THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2020

**Record-breaking semester: Consolidated revenues +36%, EBITDA + 219%, GMV +29%,
POSITIVE NET PROFIT**

Main consolidated results of 2020 H1 if compared to 2019 H1:

- **Gross Merchandise Value (GMV) at € 56.0 million, +29% (€ 43.3 million in 2019 H1);**
- **Consolidated revenues at € 26.3 million, +36% (€ 19.3 million in 2019 H1);**
- **EBITDA at € 1.9 million, +219% (€ 0.6 million in 2019 H1);**
- **Positive Net Profit for € 34,000 (against a net loss of € 3.1 million in 2019 H1)**

- **NFD (€ -15.9 million) increasing if compared to 31 December 2019 due to higher working capital placed as support for Healthcare business activities, but decreasing if compared to 31 March 2020 (€ -17.4 million) thanks to a positive evolution of proceeds from commercial sales;**

Milan, 11 September 2020 - The Board of Directors of Giglio Group S.p.A. -the leading company for the design, creation and management of high value-added e-commerce platforms listed on the STAR segment of Borsa Italiana (Ticker GG.MI.)- that met yesterday afternoon under the chairmanship of Mr Alessandro Giglio, assessed and approved the Interim Condensed Consolidated Financial Statements as of June 2020 drafted in accordance to the international IFRS accounting standards.

*"We especially pleased and proud of this record-breaking semester since the Company entered the e-commerce sector. This result proves that our logistics structure, along with our team and our digital platforms, are flexible and resilient, which allowed us to face with energy and success even the harshest context such as the one that characterised the first six months of this year. 2020 H1 shall be the last semester to see me as CEO, and it could not have ended in a better way. I hand over the reins to the new CEO, Marco Belloni, who has my full trust and support for leading the Company along the virtuous path that we have undertaken". **Alessandro Giglio, Chairman of the Board of Directors.***



ANALYSIS OF THE ECONOMIC MANAGEMENT OF THE GROUP

2020 H1 ended on a positive note, with a 29% growth of the **Gross Merchandise Value**, accounting for € 56.0 million (€ 43.3 million in 2019), and a 36% increase in **Consolidated revenues**, accounting for € 26.3 million (€ 19.3 million in 2019).

The € 7 million-worth revenues increase is mainly ascribable to the B2B e-commerce sector, boosted by the launch of the Healthcare sector, as well as by the good performances of the electronics and food sectors. The lockdown forced upon the world by the COVID-19 pandemic gave a strong boost to online sales, immediately changing customers' purchase habits and leading to a consolidated behavioural change. Despite finding itself in a complex and unpredictable context, Giglio Group immediately reacted by diversifying its strategy and its product offer, closing the first half of 2020 with a positive outcome.

The **EBITDA** (€ 1.9 million) increased by 219% if compared to 2019 H1 (adjusted to non-recurring costs) thanks to the integration of the newly-purchased E-Commerce Outsourcing S.r.l. and to the implementation of the Healthcare sector.

The **EBIT** amounts to € 1 million (€ -0.2 million consolidated figures at 2019 H1 adjusted to non-recurring costs).

The **Net Profit** for the period equals € 34,000, showing a marked growth if compared to 2019 H1, when the result was strongly negative.

With regard to Q2, 2020 recorded a 55% revenues increase (€ 12 million); moreover, the EBITDA grew from € 100,000 to € 1.2 million, marking the highest profitability per single quarter ever since the Group began to focus mainly on the e-commerce sectors.

Besides having recorded an increase in revenues in line with the expectations of the Industrial Plan, 2020 H1 also showed an EBITDA margin profitability (EBITDA/Revenues) greater than the one forecasted in the Industrial Plan due to the incisive actions on costs reduction and the higher trade margins obtained by the transactions over the same period.

The **NFD** amounts to € -15.9 million, increasing if compared to 31 December 2019 due to the higher working capital placed as support for the Group's business activities, but decreasing if compared to 31 March 2020 (€ -17.4 million); the result was made possible thanks to the credit collection of the Healthcare sector and to the generation of positive cash flows of the digital business model.

Marco Belloni, CEO of Giglio Group: "The work that was carried out over 2020 H1 -both on the economic results and on the financial debt, along with the performance of our proprietary technologies and the skills of our team- allows us to face the H2 and to focus on following the growth of the e-commerce market, on investing on the internal processes' streamlining and on developing new technologies aimed at improving the digital performances on the long term. We



are confident that we will be able to carry on on this growth path, despite the complex context brought about by the continued health emergency".

Reclassified Condensed Consolidated Statement of Profit or Loss

<i>(Euro thousands)</i>	30.06.2020	30.06.2019	Change
Revenues from contracts with customers	26,255	19,271	6,984
Operating Costs	(21,541)	(16,419)	(5,122)
Gross Margin	4,714	2,852	1,862
Gross Margin %	18.0%	14.8%	3.2%
Payroll expenses	(2,830)	(2,261)	(569)
EBITDA Adjusted	1,884	591	1,293
EBITDA%	7.2%	3.1%	4.1%
Non-recurring costs	0	(995)	995
Amortisation, depreciation & write-downs	(882)	(765)	(117)
EBIT	1,002	(1,169)	2,171
Net financial charges	(643)	(709)	66
PROFIT BEFORE TAXES	359	(1,878)	2,237
Income taxes	(325)	(483)	158
PROFIT FOR THE PERIOD CONTINUING OPERATIONS	34	(2,361)	2,395
PROFIT FOR THE PERIOD DISCONTINUED OPERATIONS (adjusted)	0	(768)	768
PROFIT FOR THE PERIOD	34	(3,129)	3,163
EBIT adjusted to non-recurring costs	1,002	(174)	1,176
EBIT adjusted to non-recurring costs %	3.8%	(0.9)%	4.7%
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS adjusted to non-recurring costs	34	(1,366)	1,400
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS adjusted to non-recurring costs %	0.1%	(7.1)%	7.2%
PROFIT FOR THE PERIOD adjusted to non-recurring costs	34	(2,134)	2,168
PROFIT FOR THE PERIOD adjusted to non-recurring costs%	0.1%	(11.1)%	11.2%

**Reclassified Condensed Consolidated Statement of Financial
Position**



(Euro thousands)	30.06.2020	31.12.2019	Change
Intangible Assets	17,121	17,322	(201)
Property, Plant and Equipment	1,071	3,040	(1,969)
Financial Fixed Assets	633	842	(209)
Total Fixed Assets	18,825	21,204	(2,379)
Inventories	2,398	1,861	537
Trade receivables	10,509	12,179	(1,670)
Trade payables	(14,155)	(20,623)	6,468
Operating/Commercial Working Capital	(1,248)	(6,583)	5,335
Other current assets and liabilities	(3,148)	(3,774)	626
Net Working Capital	(4,396)	(10,357)	5,961
Provisions for risks and charges	(783)	(924)	141
Deferred tax assets and liabilities	694	780	(86)
Net Invested Capital	14,340	10,703	3,637
Total Net Invested Capital	14,340	10,703	3,637
Equity	1,564	1,606	(42)
Net financial liabilities	(15,904)	(12,309)	(3,595)
Total Sources	(14,340)	(10,703)	(3,637)

(Euro thousands)	30.06.2020	31.12.2019	Change
A. Cash	1,996	2,991	(995)
B. Bank and short-term deposits and cheques	-	-	-
C. Securities held for trading	3,636	3,523	114
D. Cash & cash equivalents (A)+(B)+(C)	5,632	6,514	(881)
E. Current financial receivables	480	3,980	(3,500)
F. Current bank payables	(1,113)	(6,812)	5,699
G. Current portion of non-current liabilities	(3,354)	(2,456)	(897)
H. Other current financial payables	(6,788)	(9,749)	2,961
<i>of which Related Parties</i>	<i>(4,423)</i>	<i>(400)</i>	<i>(4,023)</i>
I. Current financial liabilities (F)+(G)+(H)	(11,255)	(19,017)	7,762
J. Net current financial liabilities (I) + (E) + (D)	(5,143)	(8,524)	3,381
K. Non-current bank payables	(4,299)	(607)	(3,692)
L. Bonds issued	(4,781)	-	(4,781)
M. Other non-current payables	(1,681)	(3,179)	(1,497)
<i>of which Related Parties</i>	<i>(945)</i>	<i>(1,698)</i>	<i>(753)</i>
N. Non-current financial liabilities (K)+(L)+(M)	(10,761)	(3,786)	(6,975)
O. Net financial liabilities (J)+(N)	(15,904)	(12,309)	(3,594)

BUSINESS OUTLOOK



Despite the ongoing risks related to the COVID-19 pandemic would suggest caution, the Company believes that the harshest part of the emergency is now over, and that the reference market will gradually regain momentum. Indeed, the extraordinary ability to open the e-commerce to new product categories seen in the 2020 H1 made the Company less dependent on the Fashion segment, which, as of today and on a global scale, is still showing signs of weakness. The ability to engage new clients and to supply cutting-edge digital e-commerce services will be paramount in the coming months in order to confirm the record-breaking performance seen in 2020 H1, confirming the opportunities offered by the market in which Giglio Group operates, as well as the consumers' new purchase habits. Hence, albeit still within an uncertain general context of reference, in light of the recent performance of the Group and assuming the absence of significant restrictive measures in the near future, the Company is expecting a favourable performance for 2020 H2, whose extent, however, is hard to foresee.

The Executive Officer for Financial Reporting, Mr. Carlo Micchi, declares that the accounting information contained in the present press release corresponds to the accounting figures, book and documents, pursuant to Art. 154-bis, par. 2 of the Consolidated Act.

It is noted that, starting from 11 September 2020, the Interim Condensed Consolidated Financial Statements as of 30 June 2020 shall be made available pursuant to the law at the registered office of the Company, on the website www.giglio.org Investor Relator section, and on the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

This press release contains forward-looking statements. These statements are based on Giglio Group's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They are declarations that relate to events and depend on circumstances that may or may not happen or come about in the future and, as such, should not be relied on excessively. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: volatility and deterioration of capital and financial market, changes in commodity prices, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulations (in each case, in Italy or abroad), and many other factors, most of which are outside of the Group's control.

Information on Giglio Group:

Founded by Alessandro Giglio in 2003 and listed on the STAR segment of Borsa Italiana ever since 2018, Giglio Group is the leading company for the design, creation and management of high value-added e-commerce platforms in Italy for Fashion, Design, Lifestyle and, more recently, Food and Healthcare sectors. The Company is based in Milan, but it is also present with offices in New York, Shanghai, Hong Kong, Rome, Lugano and Genoa. Thanks to its remarkable expertise, Giglio Group accompanies its customers in the online distribution of their products through a unique platform, starting from the implementation of fully tailor-made and managed monobrand e-store. Moreover, the Company integrates its business with the dedicated placement on main marketplaces worldwide, ensuring the online management of both new collections and inventories stock. The uniqueness of a "complete-supply-chain" online service thus ensures a 100% sell-through rate.



For further information:

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Fine Comunicato n.20076-39

Numero di Pagine: 8