

AEFFE

INTERIM CONSOLIDATED FINANCIAL STATEMENT AT 31 MARCH 2021

Disclaimer

This Interim consolidated financial statement at 31 March 2021 has been translated into English solely for the convenience of the International reader. In the event of conflict or inconsistency between the terms used in the Italian Version of the report and the English version, the Italian version shall prevail, as the Italian version constitutes the official document.

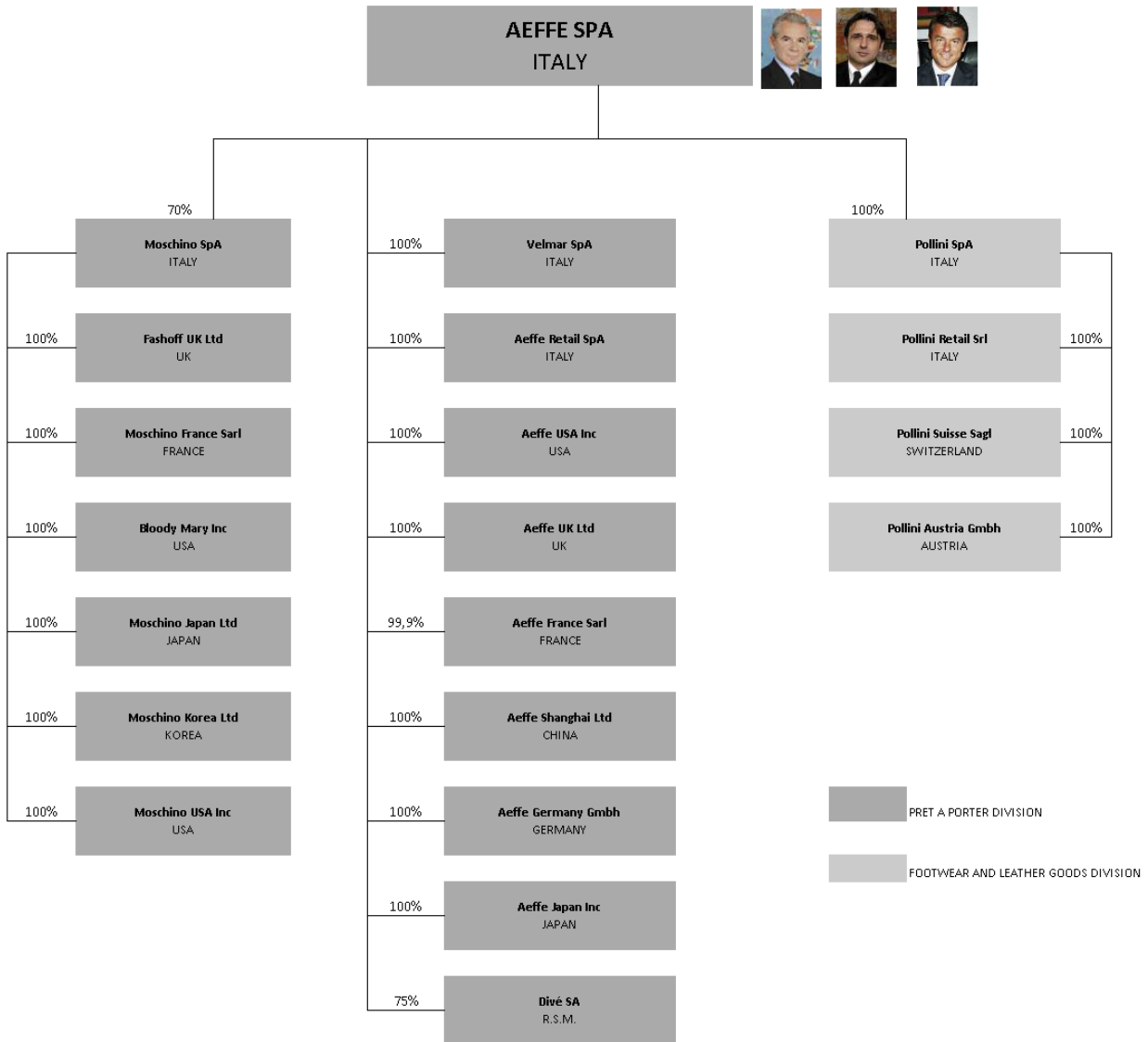
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Corporate boards of the Parent Company

Board of Directors	Chairman Massimo Ferretti
	Deputy Chairman Alberta Ferretti
	Chief Executive Officer Simone Badioli
	Directors Marcello Tassinari – Managing Director Roberto Lugano Daniela Saitta Bettina Campedelli Michela Zeme Marco Francesco Mazzù
Board of Statutory	President Stefano Morri
	Statutory Auditors Fernando Ciotti Carla Trotti
	Alternate Auditors Nevio Dalla Valle Daniela Elvira Bruno
Compensation Committee	President Daniela Saitta
	Members Roberto Lugano Michela Zeme
Risk and Sustainability Control Committee	President Bettina Campedelli
	Members Roberto Lugano Daniela Saitta

Organisation chart



Brands portfolio

AEFFE
Clothing - Accessories

ALBERTA FERRETTI **PHILOSOPHY**
DI
LORENZO SERAFINI

MOSCHINO. **BOUTIQUE**
MOSCHINO

POLLINI
Footwear - Leather goods

MOSCHINO
Licences - Design

VELMAR
Beachwear - Lingerie

POLLINI

ALBERTA FERRETTI

PHILOSOPHY
DI
LORENZO SERAFINI

MOSCHINO.

LOVE
MOSCHINO

MOSCHINO.

BOUTIQUE
MOSCHINO

LOVE
MOSCHINO

MOSCHINO.



CHIARA FERRAGNI

Headquarters

AEFFE

Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy

MOSCHINO

Via San Gregorio, 28
20124 - Milan
Italy

POLLINI

Via Erbosa 1° tratto, 92
47030 - Gatteo (FC)
Italy

VELMAR

Via Delle Querce, 51
47842 - San Giovanni in Marignano (RN)
Italy



Showrooms

MILAN

(FERRETTI – PHILOSOPHY – POLLINI)

Via Donizetti, 48

20122 - Milan

Italy

MILAN

(MOSCHINO)

Via San Gregorio, 28

20124 - Milan

Italy

LONDON

(FERRETTI – PHILOSOPHY – MOSCHINO)

28-29 Conduit Street

W1S 2YB - London

UK

PARIS

(FERRETTI – PHILOSOPHY – MOSCHINO)

43, Rue du Faubourg Saint Honoré

75008 - Paris

France

NEW YORK

(GROUP)

30 West 56th Street

10019 - New York

USA



Main flagshipstore locations under direct management

ALBERTA FERRETTI

Milan
Rome
Paris
London

POLLINI

Milan
Venice
Bolzano
Varese

SPAZIO A

Florence
Venice

MOSCHINO

Milan
Rome
Capri
Paris
London
New York
Seoul
Pusan
Daegu



Main economic-financial data

		I Q 2021	I Q 2020
Total revenues	(Values in millions of EUI)	81.8	78.9
Gross operating margin (EBITDA)	(Values in millions of EUI)	14.1	8.6
Net operating profit/(loss) (EBIT)	(Values in millions of EUI)	7.7	1.8
Profit/(loss) before taxes	(Values in millions of EUI)	6.9	1.0
Net profit/(loss) for the Group	(Values in millions of EUI)	3.8	0.0
Basic earnings per share	(Values in units of EUR)	0.035	0.000
Cash Flow (net result + depreciation)	(Values in millions of EUI)	10.4	3.1
Cash Flow/total revenues	Ratio	12.7	3.9

		31 March 2021	31 December 2020	31 March 2020	31 December 2019
Net capital invested	(Values in millions of EUR)	326.5	319.7	353.1	339.3
Net financial indebtedness	(Values in millions of EUR)	142.7	141.0	149.6	135.2
Group net equity	(Values in millions of EUR)	152.8	148.2	171.3	171.4
Group net equity per share	(Values in units of EUR)	1.4	1.4	1.6	1.6
Current assets/Current liabilities	Ratio	2.3	2.1	2.5	2.1
Current assets less invent./Current liabilities (ACID Test)	Ratio	1.0	0.9	1.1	0.9
Net financial indebtedness/Net equity	Ratio	0.8	0.8	0.7	0.7

Financial statements

Income statement at 31 March

(Values in units of EUR)	Notes	I Q	% on	I Q	% on	Change	%
		2021 revenues		2020 revenues			
REVENUES FROM SALES AND SERVICES	(1)	80,091,477	100.0%	76,224,976	100.0%	3,866,501	5.1%
Other revenues and income		1,659,836	2.1%	2,692,947	3.5%	(1,033,111)	(38.4%)
TOTAL REVENUES		81,751,313	102.1%	78,917,923	103.5%	2,833,390	3.6%
Changes in inventory		(1,851,538)	(2.3%)	1,587,492	2.1%	(3,439,030)	(216.6%)
Costs of raw materials, cons. and goods for resale		(25,918,043)	(32.4%)	(24,952,353)	(32.7%)	(965,690)	3.9%
Costs of services		(23,082,150)	(28.8%)	(26,329,016)	(34.5%)	3,246,866	(12.3%)
Costs for use of third parties assets		(708,217)	(0.9%)	(1,837,705)	(2.4%)	1,129,488	(61.5%)
Labour costs		(15,091,903)	(18.8%)	(17,259,454)	(22.6%)	2,167,551	(12.6%)
Other operating expenses		(1,030,255)	(1.3%)	(1,520,450)	(2.0%)	490,195	(32.2%)
Total Operating Costs		(67,682,106)	(84.5%)	(70,311,486)	(92.2%)	2,629,380	(3.7%)
GROSS OPERATING MARGIN (EBITDA)	(2)	14,069,207	17.6%	8,606,437	11.3%	5,462,770	63.5%
Amortisation of intangible fixed assets		(1,043,921)	(1.3%)	(1,101,610)	(1.4%)	57,689	(5.2%)
Depreciation of tangible fixed assets		(1,086,831)	(1.4%)	(1,312,647)	(1.7%)	225,816	(17.2%)
Depreciation of right-of-use assets		(4,087,424)	(5.1%)	(4,376,116)	(5.7%)	288,692	(6.6%)
Revaluations / (write-downs) and provisions		(160,220)	(0.2%)	(57,428)	(0.1%)	(102,792)	179.0%
Total Amortisation, write-downs and provisions		(6,378,396)	(8.0%)	(6,847,801)	(9.0%)	469,405	(6.9%)
NET OPERATING PROFIT / LOSS (EBIT)		7,690,811	9.6%	1,758,636	2.3%	5,932,175	337.3%
Financial income		297,184	0.4%	265,445	0.3%	31,739	12.0%
Financial expenses		(402,283)	(0.5%)	(378,593)	(0.5%)	(23,690)	6.3%
Financial expenses on right-of-use asset		(648,681)	(0.8%)	(674,963)	(0.9%)	26,282	(3.9%)
Total Financial Income/(expenses)		(753,780)	(0.9%)	(788,111)	(1.0%)	34,331	(4.4%)
PROFIT / LOSS BEFORE TAXES		6,937,031	8.7%	970,525	1.3%	5,966,506	614.8%
Total Income Taxes		(2,769,145)	(3.5%)	(1,448,594)	(1.9%)	(1,320,551)	91.2%
NET PROFIT / LOSS		4,167,886	5.2%	(478,069)	(0.6%)	4,645,955	(971.8%)
(Profit) / loss attributable to minority shareholders		(409,596)	(0.5%)	481,929	0.6%	(891,525)	(185.0%)
NET PROFIT / LOSS FOR THE GROUP	(3)	3,758,290	4.7%	3,860	0.0%	3,754,430	97,265.0%

Reclassified balance sheet

(Values in units of EUR)	Notes	31 March 2021	31 December 2020	31 March 2020
Trade receivables		53,812,638	39,094,519	44,195,237
Stocks and inventories		107,644,127	109,285,351	114,596,428
Trade payables		(64,159,059)	(69,328,170)	(60,975,033)
Operating net working capital		97,297,706	79,051,700	97,816,632
Other short term receivables		28,470,990	28,570,739	33,901,951
Tax receivables		7,613,042	10,465,392	15,286,643
Derivative assets		54,819	-	341,810
Other short term liabilities		(18,704,574)	(16,676,076)	(18,403,785)
Tax payables		(3,812,692)	(3,753,375)	(3,205,997)
Derivative liabilities		-	(349,002)	-
Net working capital	(4)	110,919,291	97,309,378	125,737,254
Tangible fixed assets		60,905,874	61,657,913	63,353,661
Intangible fixed assets		71,583,534	72,489,488	75,086,490
Right-of-use assets		96,929,722	100,471,903	106,273,529
Other fixed assets		131,558	131,558	131,558
Equity investments		2,450,963	2,615,956	2,756,466
Fixed assets	(5)	232,001,651	237,366,818	247,601,704
Post employment benefits		(4,671,524)	(4,900,460)	(5,154,985)
Provisions		(1,560,138)	(1,543,670)	(1,898,086)
Assets available for sale		-	-	436,885
Long term not financial liabilities		(1,702,508)	(1,768,758)	(680,946)
Deferred tax assets		19,866,466	21,287,015	16,937,650
Deferred tax liabilities		(28,375,662)	(28,016,336)	(29,852,325)
NET CAPITAL INVESTED		326,477,576	319,733,987	353,127,151
Share capital		25,018,866	25,043,866	25,159,916
Other reserves		111,165,404	131,311,933	127,903,193
Profits / (Losses) carried-forward		12,905,406	13,273,509	18,277,781
Profit / (Loss) of the period		3,758,290	(21,396,847)	3,860
Group interest in shareholders' equity		152,847,966	148,232,461	171,344,750
Minority interests in shareholders' equity		30,933,621	30,524,025	32,206,492
Total shareholders' equity	(6)	183,781,587	178,756,486	203,551,242
Short term financial receivables		(682,303)	(651,944)	(1,150,194)
Cash		(32,380,483)	(39,828,260)	(17,454,931)
Long term financial liabilities		39,309,484	34,348,837	9,782,721
Long term financial receivables		(2,132,196)	(2,037,324)	(2,281,855)
Short term financial liabilities		53,206,541	60,938,851	68,700,147
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS		57,321,043	52,770,160	57,595,888
Short term lease liabilities		13,074,120	12,974,406	13,688,638
Long term lease liabilities		72,300,826	75,232,935	78,291,383
NET FINANCIAL POSITION	(7)	142,695,989	140,977,501	149,575,909
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		326,477,576	319,733,987	353,127,151

Cash flow

(Values in thousands of EUR)	Notes	I Q 2021	F Y 2020	I Q 2020
Opening balance		39,828	28,390	28,390
Profit before taxes		6,937	(27,587)	971
Amortisation / write-downs		6,378	29,059	6,848
Accrual (+)/availment (-) of long term provisions and post employment benefits		(212)	(598)	11
Paid income taxes		(930)	(2,592)	(1,752)
Financial income (-) and financial charges (+)		754	3,022	788
Change in operating assets and liabilities		(13,896)	8,963	(18,476)
Cash flow (absorbed) / generated by operating activity		(969)	10,267	(11,610)
Increase (-)/ decrease (+) in intangible fixed assets		(138)	(880)	(40)
Increase (-)/ decrease (+) in tangible fixed assets		(335)	(4,504)	(1,842)
Increase (-)/ decrease (+) in right-of-use assets		(545)	(6,648)	-
Investments and write-downs (-)/ Disinvestments and revaluations (+)		-	-	-
Cash flow (absorbed) / generated by investing activity		(1,018)	(12,032)	(1,882)
Other variations in reserves and profits carried-forward of shareholders' equity		857	(1,080)	(46)
Dividends paid		-	-	-
Proceeds (+)/ repayments (-) of financial payments		(2,772)	24,129	7,325
Proceeds (+)/ repayment (-) of lease payments		(2,832)	(7,596)	(3,824)
Increase (-)/ decrease (+) in long term financial receivables		40	772	(110)
Financial income (+) and financial charges (-)		(754)	(3,022)	(788)
Cash flow (absorbed) / generated by financing activity		(5,461)	13,203	2,557
Closing balance		32,380	39,828	17,455

Changes in shareholders' equity

	Share capital	Share premium reserve	Cash flow hedge reserve	Other reserves	Fair Value reserve	IAS reserve	Reassessment of defined benefit plans reserve	Translation reserve	Profits/(losses) carried-forward	Net profit/(loss) for the Group	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<i>(Values in thousands of EUR)</i>													
BALANCES AT 31 December 2020	25,044	70,144	(252)	49,756	7,901	7,607	(1,343)	(2,502)	13,274	(21,397)	148,232	30,524	178,756
Allocation of 2020 profit / (loss)	-	-	-	(21,028)	-	-	-	-	(369)	21,397	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(25)	(77)	-	-	-	-	-	-	-	-	(102)	-	(102)
Total comprehensive income / (loss) of 1Q 2021	-	-	291	-	-	-	-	669	-	3,758	4,718	410	5,128
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 31 March 2021	25,019	70,067	39	28,728	7,901	7,607	(1,343)	(1,833)	12,905	3,758	152,848	30,934	183,782
<i>(Values in thousands of EUR)</i>													
BALANCES AT 31 December 2019	25,286	70,775	53	44,748	7,901	7,607	(1,286)	(1,976)	6,586	11,693	171,387	32,688	204,075
Allocation of 2019 profit / (loss)	-	-	-	5,138	-	-	-	-	6,555	(11,693)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(126)	(295)	-	-	-	-	-	-	-	-	(421)	-	(421)
Total comprehensive income / (loss) of 1Q 2020	-	-	193	-	-	-	-	182	-	4	379	(482)	(103)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT 31 March 2020	25,160	70,480	246	49,886	7,901	7,607	(1,286)	(1,794)	13,141	4	171,345	32,206	203,551

Interim management report

In the first quarter of 2021, consolidated revenues amount to EUR 80,091 thousand compared to EUR 76,224 thousand in the first quarter 2020, with a 5.1% increase at current exchange rates (+5.2% at constant exchange rates).

In the first quarter of 2021 consolidated EBITDA amounts to EUR 14,069 thousand (with an incidence of 17.6% of consolidated sales), compared to EUR 8,606 thousand in the first quarter 2020 (11.3% of consolidated sales) recording an increase of EUR 5,463 thousand (+63.5%).

The marginality grew more than proportionally compared to the sales increase. This reflects the positive results, in terms of costs savings for personnel, rents and overheads, coming from the actions the Group put in place to face the consequences of the spread of the virus on a global scale, which began to materialize starting from the second quarter of the last year. More in detail, on the cost front, the actions are concentrated on: 1) request for a reduction in rents for boutiques and offices; 2) use of social safety nets and vacation periods not yet taken to make labor costs more flexible until the reopening of the stores; 3) postponement of costs related to advertising and public relations that are not detrimental to the strengthening and support of brands; 4) request, in all the countries in which the Group operates, for all the facilities made available by the various government authorities to deal with the effects of the pandemic.

Looking at the balance sheet as of 31st March 2021, Shareholders' equity is equal to EUR 152,848 thousand and financial debt, IFRS 16 effect included, amounts to EUR 142,696 thousand compared to EUR 149,576 thousand as of 31st March 2020, with a EUR 6,880 thousand improvement (EUR 140,978 thousand as of 31st December, 2020) mainly attributable to the effective management of working capital.

As of 31st March 2021 operating net working capital amounts to EUR 97,298 thousand (35.6% of LTM sales) compared to EUR 97,817 thousand as of 31st March, 2020 (30.1% of LTM sales). The higher incidence on total revenues is mainly attributable to the temporary increase in the trade receivables balance following the higher shipments to wholesale customers in the 1Q21 compared to 1Q20.

Explanatory notes

Income statement

1. Revenues from sales and services

First quarter 2021 vs 2020

In the first quarter of 2021, consolidated revenues amount to EUR 80,091 thousand compared to EUR 76,224 thousand in the first quarter 2020, with a 5.1% increase at current exchange rates (+5.2% at constant exchange rates).

The following table details the revenues by geographical area for the first quarters of 2021 and 2020.

(Values in thousands of EUR)	1 Q		1 Q		Change	
	2021	%	2020	%	Δ	%
Italy	34,314	42.8%	35,224	46.2%	(910)	(2.6%)
Europe (Italy excluded)	22,937	28.6%	21,162	27.8%	1,775	8.4%
Asia and Rest of the World	17,817	22.2%	15,532	20.4%	2,285	14.7%
America	5,023	6.4%	4,306	5.6%	717	16.7%
United States	80,091	100.0%	76,224	100.0%	3,867	5.1%

In the first quarter 2021, the Group recorded double-digit growth in Asia and in RoW and in America.

In Asia and in the Rest of the World, the Group's sales totalled EUR 17,817 thousand, amounting to 22.2% of consolidated sales, recording an increase of 14.7% at current exchange rates compared to Q1 2020. The Greater China area and Middle East has driven the growth posting an increase of 33% and 48% respectively.

Sales in America, contributing to 6.4% of consolidated sales, posted a rise of 16.7% at current exchange rates, thanks to the good trend of both wholesale and retail channels, online included.

In Q1 2021, sales in Europe, contributing to 28.6% of consolidated sales, increased by 8.4% mainly thanks to the positive trend of Germany and Eastern Europe in the wholesale channel. The retail channel continued to be influenced by the restrictions imposed by various governments to contain the pandemic and by the limited tourists' flow.

In Q1 2021, sales in the Italian market decreased by 2.6% to EUR 34,314 thousand compared to Q1 2020, due to the decline in retail channel, which suffered from both the rigid measures to contrast the spread of the pandemic, in terms of stores' closures, and the lack of tourists.

The following table details the revenues by brand for the first quarters of 2021 and 2020.

(Values in thousands of EUR)	1 Q		1 Q		Change	
	2021	%	2020	%	Δ	%
Alberta Ferretti	4,284	5.3%	5,414	7.1%	(1,130)	(20.9%)
Philosophy	4,309	5.4%	4,278	5.6%	31	0.7%
Moschino	65,351	81.6%	56,229	73.8%	9,122	16.2%
Pollini	5,897	7.4%	7,887	10.3%	(1,990)	(25.2%)
Other	250	0.3%	2,416	3.2%	(2,166)	(89.6%)
Total	80,091	100.0%	76,224	100.0%	3,867	5.1%

In the first quarter of 2021, Alberta Ferretti brand decreases by 20.9%, generating 5.3% of consolidated sales, while Philosophy brand increase by 0.7%, generating 5.4% of consolidated sales.

In the same period, Moschino brand sales increase by 16.2% contributing to 81.6% of consolidated sales.

Pollini brand decreases by 25.2%, generating 7.4% of consolidated sales, while the other brands sales decrease by 89.6% contributing to 0.3% of consolidated sales.

The following table details the revenues by distribution channel for the first quarters of 2021 and 2020.

(Values in thousands of EUR)	1 Q		1 Q		Change	
	2021	%	2020	%	Δ	%
Wholesale	64,979	81.1%	55,596	72.9%	9,383	16.9%
Retail	12,124	15.1%	17,903	23.5%	(5,779)	(32.3%)
Royalties	2,988	3.8%	2,725	3.6%	263	9.6%
Total	80,091	100.0%	76,224	100.0%	3,867	5.1%

The wholesale channel, contributing to 81.1% of consolidated sales, recorded a 16.9% increase at current exchange rates.

The sales of directly-operated stores (DOS), equal to 15.1% of consolidated sales, continued to suffer from the effects of progressive restrictions on international traffic of people. The mentioned limitations extended throughout the first quarter 2021 compared to the same period of last year which had only been impacted for one month. In this context the retail channel showed a decrease of 32.3% at current exchange rates compared to the correspondent period of last year. E-commerce sales, on the other hand, posted in the period a very positive trend in the period, recording excellent performances across all brands and geographies.

Royalty incomes increased by 9.6% compared to Q1 2020 and represented 3.8% of consolidated sales.

2. Gross Operating Margin (EBITDA)

First quarter 2021 vs 2020

In Q1 2021 the consolidated Ebitda was equal to EUR 14,069 thousand (with an incidence of 17.6% of total sales), compared to EUR 8,606 thousand in Q1 2020 (11.3% of total sales), with a EUR 5,463 thousand increase (+63.5%).

The marginality grew more than proportionally compared to the sales increase. This reflects the positive results, in terms of costs savings for personnel, rents and overheads, coming from the actions the Group put in place to face the consequences of the spread of the virus on a global scale, which began to materialize starting from the second quarter of the last year. More in detail, on the cost front, the actions are

concentrated on: 1) request for a reduction in rents for boutiques and offices; 2) use of social safety nets and vacation periods not yet taken to make labor costs more flexible until the reopening of the stores; 3) postponement of costs related to advertising and public relations that are not detrimental to the strengthening and support of brands; 4) request, in all the countries in which the Group operates, for all the facilities made available by the various government authorities to deal with the effects of the pandemic.

In Q1 2021 Ebitda of the prêt-à-porter division amounted to EUR 8,459 thousand (representing 16.0% of sales), compared to EUR 4,111 thousand in Q1 2020 (7.6% of sales), posting a EUR 4,348 thousand increase.

Ebitda of the footwear and leather goods division amounted to EUR 5,610 thousand (15.6% of sales) compared to a EUR 4,495 thousand in Q1 2020 (14.7% of sales), with a EUR 1,115 thousand increase due to the sales growth.

Consolidated Ebit was equal to EUR 7,691 thousand, compared to EUR 1,759 thousand in Q1 2020, with a EUR 5,932 thousand increase thanks to the Ebitda growth.

3. Net profit for the Group

First quarter 2021 vs 2020

In the first quarter 2021 the Group has posted a net profit of EUR 3,758 thousand compared to a net profit of EUR 4 thousand in the first quarter 2020, recording a 3,754 thousand increase.

Segment information

Economic performance by Divisions

At international level, the Group is divided into two main business sectors:

- (i) *Prêt-à porter* Division;
- (ii) Footwear and leather goods Division.

First quarter 2021 vs 2020

The following tables indicate the main economic data for the first quarter of 2021 and 2020 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2021				
SECTOR REVENUES	52,721	35,900	(8,530)	80,091
Intercompany revenues	(3,154)	(5,376)	8,530	-
Revenues with third parties	49,567	30,524	-	80,091
Gross operating margin (EBITDA)	8,459	5,610	-	14,069
Amortisation	(5,104)	(1,114)	-	(6,218)
Other non monetary items:				
Write-downs	(100)	(60)	-	(160)
Net operating profit / loss (EBIT)	3,255	4,436	-	7,691
Financial income	100	218	(21)	297
Financial expenses	(888)	(184)	21	(1,051)
Profit / loss before taxes	2,467	4,470	-	6,937
Income taxes	(1,258)	(1,511)	-	(2,769)
Net profit / loss	1,209	2,959	-	4,168

(Values in thousands of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
I Q 2020				
SECTOR REVENUES	54,426	30,663	(8,864)	76,225
Intercompany revenues	(2,795)	(6,069)	8,864	-
Revenues with third parties	51,631	24,594	-	76,225
Gross operating margin (EBITDA)	4,111	4,495	-	8,606
Amortisation	(5,774)	(1,016)	-	(6,790)
Other non monetary items:				
Write-downs	-	(57)	-	(57)
Net operating profit / loss (EBIT)	(1,663)	3,422	-	1,759
Financial income	123	178	(36)	265
Financial expenses	(896)	(193)	36	(1,053)
Profit / loss before taxes	(2,436)	3,407	-	971
Income taxes	(463)	(986)	-	(1,449)
Net profit / loss	(2,899)	2,421	-	(478)

Prêt-à porter Division

In the first three months of 2021, revenues of the prêt-à-porter division decrease by 3.1%, from EUR 54,426 thousand at 31 March 2020 to EUR 52,721.

EBITDA of the *prêt-à-porter* division is EUR 8,459 thousand in the first quarter of 2021 (representing 16.0% of sales) compared to EUR 4,111 thousand in the first quarter of 2020 (representing 7.6% of sales), recording an increase of EUR 4,348 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 17.1% from EUR 30,663 thousand in the first quarter of 2020 to EUR 35,900 thousand in the first quarter of 2021.

EBITDA of the footwear and leather goods division is positive for EUR 5,610 thousand (representing 15.6% of sales), showing a 24.8% growth compared to EUR 4,495 thousand in the first quarter 2020 (representing 14.7% of sales), with a EUR 1,115 thousand increase.

Balance sheet

4. Net working capital

At 31 March 2021 operating net working capital amounts to EUR 97,298 thousand (35.6% of LTM sales) compared to EUR 97,817 thousand at 31 March 2020 (30.1% of LTM sales). The higher incidence on total revenues is mainly attributable to the temporary increase in the trade receivables balance following the higher shipments to wholesale customers in the 1Q21 compared to 1Q20.

5. Fixed assets

The change in fixed assets, that decreases from EUR 237,367 thousand at 31 December 2020 to EUR 232,002 thousand at 31 March 2021, is mainly attributable to the amortization of the period. Capex in Q1 2021 amount to EUR 473 thousand and are mostly related to refurbishment and IT technologies.

6. Shareholders' equity

The balance sheet shows a shareholder's equity that changes from EUR 178,756 thousand at 31 December 2020 to EUR 183,782 thousand at 31 March 2021.

Changes in shareholders' equity are presented in tables at page 13.

7. Net financial position

Looking at the balance sheet as of 31st March 2021, Shareholders' equity is equal to EUR 152,848 thousand and financial debt, IFRS 16 effect included, amounts to EUR 142,696 thousand compared to EUR 149,576 thousand as of 31st March 2020, with a EUR 6,880 thousand improvement (EUR 140,978 thousand as of 31st December, 2020) mainly attributable to the effective management of working capital.

The financial debt net of IFRS 16 effect at 31 March 2021 amounts to EUR 57,321 thousand, improving compared to EUR 57,596 thousand at 31 March 2020, thanks to the appreciable management of working capital.

Other information

Earnings per share

Reference earnings

The calculation of basic and dilutive earnings per share is based on the following elements:

(Values in thousands of EUR)	I Q 2021	I Q 2020
From continuing and discontinued activities		
From continuing activities		
Earnings for determining basic earnings per share	3,758	4
Earnings for determining earnings per share	3,758	4
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	3,758	4
From continuing and discontinued activities		
Earnings for the period	3,758	4
Earnings from discontinued operations	-	-
Earnings for determining basic earnings per share	3,758	4
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	3,758	4
Number of reference share		
Average number of shares for determining earnings per	100,075	100,640
Share options	-	-
Average number of shares for determining diluted earnings	100,075	100,640

Basic earnings per share

Group net earnings attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 3,758 thousand (March 2020: EUR 4 thousand).

Dilutive earnings per share

The calculation of diluted earnings per share for the period January - March 2021, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

Significant events subsequent the balance sheet date

After the 31 March 2021 no significant events regarding the Group's activities have to be reported.

Outlook

We think that the results approved today show positive signs leading to a gradual recovery, after a long period of global restrictions linked to the pandemic. The Group reacted promptly on the offering side, proposing distinctive collections that are more focused and oriented to sustainability in terms of production process and durability. We are confident about the results for the coming months, thanks both for the excellent feedback from the F/W 2021-2022 sales campaign, which posted a 12% increase, and for the growth of the online channel. The accelerating vaccination campaign, in which we participate with a centre at our headquarters, will also give a valuable contribution.

Atypical and/or unusual transactions

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first quarter of 2021, the Group did not enter into any atypical and/or unusual transactions, as defined in that communication.

Significant non-recurring events and transactions

During the first quarter of 2021 no significant non-recurring events and transaction have been realized.

The executive responsible for preparing the company's accounting documentation Marcello Tassinari declares, pursuant to paragraph 2 of art. 154b of the Consolidated Finance Law, that the accounting information contained in this document agrees with the underlying documentation, records and accounting entries.