



AEFFE

INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2023

Disclaimer

This Interim financial report 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 – Member of Executive Committee

Deputy Chairman

Alberta Ferretti

Chief Executive Officer

Simone Badioli – Member of Executive Committee

Directors

Giancarlo Galeone – Member of Executive Committee

Roberto Lugano

Bettina Campedelli

Francesca Pace

Marco Francesco Mazzù

Daniela Saitta

Francesco Ferretti

Board of Statutory Auditors

President

Stefano Morri

Statutory Auditors

Carla Trotti

Fernando Ciotti

Alternate Auditors

Nevio Dalla Valle

Daniela Elvira Bruno

Compensation Committee

President

Daniela Saitta

Members

Roberto Lugano

Marco Francesco Mazzù

Risk and Sustainability Control Committee

President

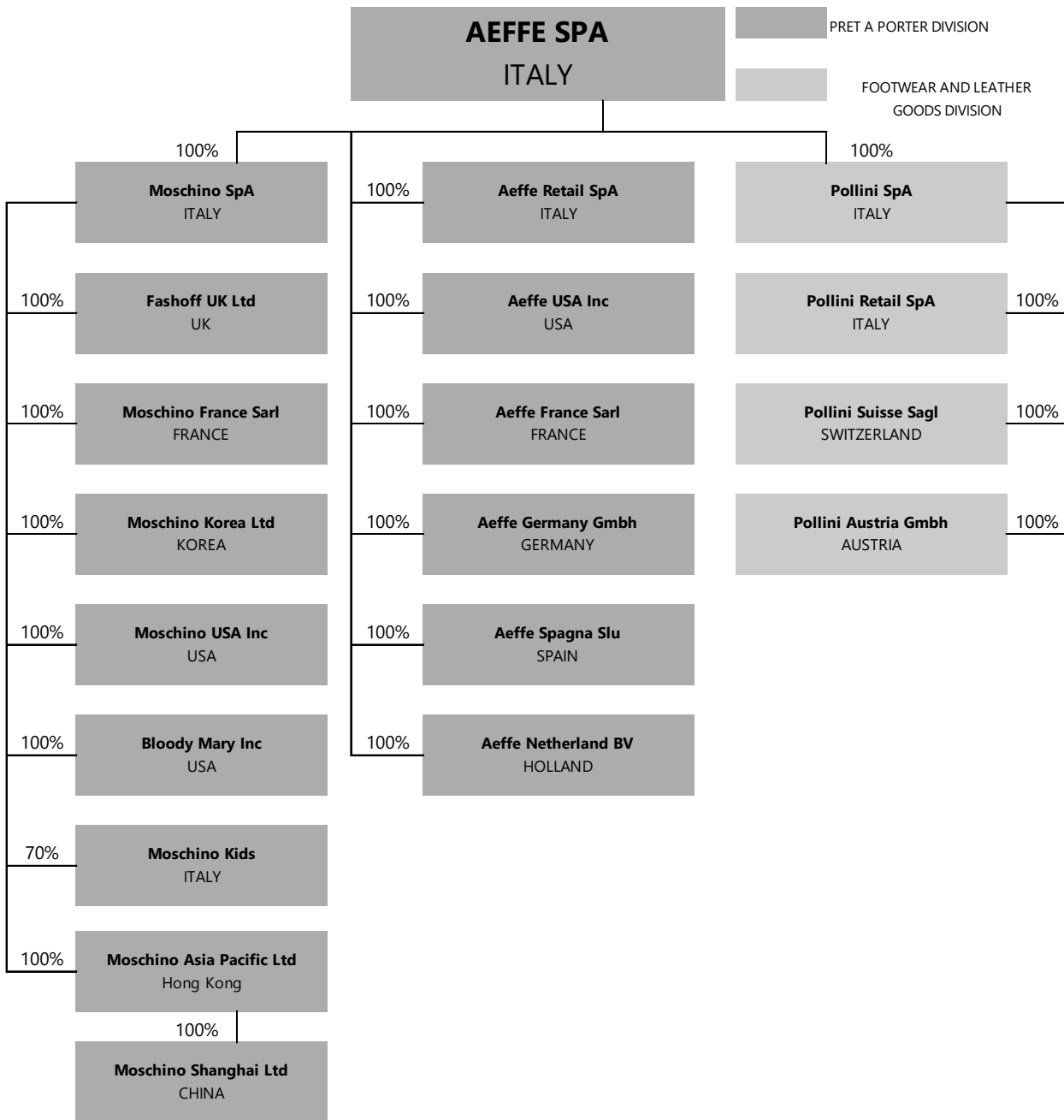
Bettina Campedelli

Members

Daniela Saitta

Francesca Pace

Organization chart



Brands portfolio

AEFFE SPA

Ready To Wear - Accessories

ALBERTA FERRETTI



MOSCHINO



PHILOSOPHY
DI
LORENZO SERAFINI



MOSCHINO
JEANS



POLLINI SPA

Footwear – Leather Goods

POLLINI

MOSCHINO.

LOVE
MOSCHINO

MOSCHINO SPA

Licences – Retail - Design

MOSCHINO.

MOSCHINO
JEANS
LOVE
MOSCHINO

AEFFE SPA

Beachwear – Underwear - Lingerie

MOSCHINO.



CHIARA FERRAGNI

Headquarters

AEFFE

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

MOSCHINO

Via San Gregorio, 28
20124 - Milano
Italy

POLLINI

Via Erbosa I° tratto, 92
47030 - Gatteo
Italy

Showrooms

MILAN

FERRETTI - PHILOSOPHY - POLLINI
Via Donizetti, 48
20122 - Milan
Italy

MILAN

MOSCHINO
Via San Gregorio, 28
20124 - Milan
Italy

NEW YORK

GROUP
30 West 56th Street
10019 - New York
USA

LONDON

MOSCHINO - FERRETTI - PHILOSOPHY
28-29 Conduit Street
W1S 2YB - London
UK

PARIS

GROUP
43, Rue du Faubourg Saint Honorè
75008 - Parigi
France



Main flagshipstore locations under direct management

MOSCHINO

Milan
Rome
Venice
Florence
Paris
London
New York
Seoul
Pusan
Daegu
Shanghai
Shenzen
Guangzhou
Beijing

ALBERTA FERRETTI

Milan
Rome
Paris

POLLINI

Milan
Venice
Bolzano



Main economic-financial data

		9 M	9 M
		2023	2022
Total revenues	(Values in millions of EUR)	260.2	284.4
Gross operating margin (EBITDA) (*)	(Values in millions of EUR)	12.2	37.0
Net operating profit (EBIT)	(Values in millions of EUR)	(11.7)	14.1
Profit before taxes	(Values in millions of EUR)	(19.3)	10.9
Net profit for the Group	(Values in millions of EUR)	(17.9)	4.7
Basic earnings per share	(Values in units of EUR)	(0.182)	0.047
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	5.4	26.1
Cash Flow/Total revenues	Ratio	2.1	9.2

* EBITDA is represented by operating profit before provisions and depreciation. EBITDA thus defined is a measure used by management to monitor and evaluate the operational performance and is not identified as an accounting measure under both Italian Accou

		30 September	31 December	30 September
		2023	2022	2022
Net capital invested	(Values in millions of EUR)	348.8	341.6	344.4
Net financial indebtedness	(Values in millions of EUR)	256.3	231.8	220.3
Group net equity	(Values in millions of EUR)	92.4	109.8	124.1
Group net equity per share	(Values in units of EUR)	0.9	1.0	1.2
Current assets/Current liabilities	Ratio	2.3	2.0	2.2
Current assets less invent./Current liabilities (ACID T Ratio)		1.1	1.0	1.1
Net financial indebtedness/Net equity	Ratio	2.8	2.1	1.8

Financial statements

Income statement for the first nine months

(Values in units of EUR)	Notes	9 M 2023	% on revenues	9 M 2022	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	252,771,736	100.0%	277,102,115	100.0%	(24,330,379)	(8.8%)
Other revenues and income		7,445,911	2.9%	7,335,474	2.6%	110,437	1.5%
TOTAL REVENUES		260,217,647	102.9%	284,437,589	102.6%	(24,219,942)	(8.5%)
Changes in inventory		597,567	0.2%	21,922,230	7.9%	(21,324,663)	(97.3%)
Costs of raw materials, cons. and goods for resale		(100,897,794)	(39.9%)	(125,532,908)	(45.3%)	24,635,114	(19.6%)
Costs of services		(83,871,854)	(33.2%)	(80,698,732)	(29.1%)	(3,173,122)	3.9%
Costs for use of third parties assets		(4,838,756)	(1.9%)	(6,431,475)	(2.3%)	1,592,719	(24.8%)
Labour costs		(54,913,890)	(21.7%)	(52,053,587)	(18.8%)	(2,860,303)	5.5%
Other operating expenses		(4,092,823)	(1.6%)	(4,640,045)	(1.7%)	547,222	(11.8%)
Total Operating Costs		(248,017,550)	(98.1%)	(247,434,517)	(89.3%)	(583,033)	0.2%
GROSS OPERATING MARGIN (EBITDA)	(2)	12,200,097	4.8%	37,003,072	13.4%	(24,802,975)	(67.0%)
Amortisation of intangible fixed assets		(3,168,408)	(1.3%)	(3,209,303)	(1.2%)	40,895	(1.3%)
Depreciation of tangible fixed assets		(4,320,238)	(1.7%)	(3,889,609)	(1.4%)	(430,629)	11.1%
Depreciation of right-of-use assets		(15,656,724)	(6.2%)	(14,359,920)	(5.2%)	(1,296,804)	9.0%
Revaluations/(write-downs) and provisions		(778,774)	(0.3%)	(1,443,776)	(0.5%)	665,002	(46.1%)
Total Amortisation, write-downs and provisions		(23,924,144)	(9.5%)	(22,902,608)	(8.3%)	(1,021,536)	4.5%
NET OPERATING PROFIT/LOSS (EBIT)		(11,724,047)	(4.6%)	14,100,464	5.1%	(25,824,511)	(183.1%)
Financial income		299,886	0.1%	1,004,495	0.4%	(704,609)	(70.1%)
Financial expenses		(6,046,567)	(2.4%)	(2,523,021)	(0.9%)	(3,523,546)	139.7%
Financial expenses on right-of-use asset		(1,792,643)	(0.7%)	(1,652,009)	(0.6%)	(140,634)	8.5%
Total Financial Income/(expenses)		(7,539,324)	(3.0%)	(3,170,535)	(1.1%)	(4,368,789)	137.8%
PROFIT/LOSS BEFORE TAXES		(19,263,371)	(7.6%)	10,929,929	3.9%	(30,193,300)	(276.2%)
Taxes		1,494,361	0.6%	(6,252,734)	(2.3%)	7,747,095	(123.9%)
NET PROFIT/LOSS	(3)	(17,769,010)	(7.0%)	4,677,195	1.7%	(22,446,205)	(479.9%)
(Profit) / loss attributable to minority shareholders		(162,310)	(0.1%)	-	0.0%	(162,310)	#DIV/0!
NET PROFIT / LOSS FOR THE GROUP		(17,931,320)	(7.1%)	4,677,195	1.7%	(22,608,515)	(483.4%)
Basic earnings per share		(0.181)		0.047			
Dilutive earnings per share		(0.181)		0.047			

Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2023	% on revenues	III Q 2022	% on revenues	Change	%
REVENUES FROM SALES AND SERVICES	(1)	89,897,418	100.0%	100,596,045	100.0%	(10,698,627)	(10.6%)
Other revenues and income		1,751,133	1.9%	3,086,016	3.1%	(1,334,883)	(43.3%)
TOTAL REVENUES		91,648,551	101.9%	103,682,061	103.1%	(12,033,510)	(11.6%)
Changes in inventory		(9,471,599)	(10.5%)	(2,379,790)	(2.4%)	(7,091,809)	298.0%
Costs of raw materials, cons. and goods for resale		(30,165,666)	(33.6%)	(35,689,812)	(35.5%)	5,524,146	(15.5%)
Costs of services		(28,459,060)	(31.7%)	(27,490,773)	(27.3%)	(968,287)	3.5%
Costs for use of third parties assets		(1,446,763)	(1.6%)	(2,417,108)	(2.4%)	970,345	(40.1%)
Labour costs		(18,045,891)	(20.1%)	(17,654,361)	(17.5%)	(391,530)	2.2%
Other operating expenses		(358,018)	(0.4%)	(1,928,646)	(1.9%)	1,570,628	(81.4%)
Total Operating Costs		(87,946,997)	(97.8%)	(87,560,490)	(87.0%)	(386,507)	0.4%
GROSS OPERATING MARGIN (EBITDA)	(2)	3,701,554	4.1%	16,121,571	16.0%	(12,420,017)	(77.0%)
Amortisation of intangible fixed assets		(1,067,654)	(1.2%)	(1,197,323)	(1.2%)	129,669	(10.8%)
Depreciation of tangible fixed assets		(1,083,708)	(1.2%)	(1,609,155)	(1.6%)	525,447	(32.7%)
Depreciation of right-of-use assets		(5,260,708)	(5.9%)	(5,732,828)	(5.7%)	472,120	(8.2%)
Revaluations/(write-downs) and provisions		(143,200)	(0.2%)	(443,874)	(0.4%)	300,674	(67.7%)
Total Amortisation, write-downs and provisions		(7,555,270)	(8.4%)	(8,983,180)	(8.9%)	1,427,910	(15.9%)
NET OPERATING PROFIT/LOSS (EBIT)		(3,853,716)	(4.3%)	7,138,391	7.1%	(10,992,107)	(154.0%)
Financial income		9,100	0.0%	(116,817)	(0.1%)	125,917	(107.8%)
Financial expenses		(2,045,314)	(2.3%)	(1,016,969)	(1.0%)	(1,028,345)	101.1%
Financial expenses on right-of-use asset		(597,004)	(0.7%)	(736,412)	(0.7%)	139,408	(18.9%)
Total Financial Income/(expenses)		(2,633,218)	(2.9%)	(1,870,198)	(1.9%)	(763,020)	40.8%
PROFIT/LOSS BEFORE TAXES		(6,486,934)	(7.2%)	5,268,193	5.2%	(11,755,127)	(223.1%)
Taxes		319,850	0.4%	(3,457,567)	(3.4%)	3,777,417	(109.3%)
NET PROFIT/LOSS	(3)	(6,167,084)	(6.9%)	1,810,626	1.8%	(7,977,710)	(440.6%)
(Profit) / loss attributable to minority shareholders		(112,258)	(0.1%)	-	0.0%	(112,258)	#DIV/0!
NET PROFIT / LOSS FOR THE GROUP		(6,279,342)	(7.0%)	1,810,626	1.8%	(8,089,968)	(446.8%)

Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2023	31 December 2022	30 September 2022
Trade receivables		70,067,447	62,850,576	76,427,287
Stocks and inventories		113,762,897	116,709,745	115,174,473
Trade payables		(70,328,445)	(88,596,138)	(78,082,428)
Operating net working capital	(4)	113,501,899	90,964,183	113,519,332
Other short term receivables		27,171,758	33,118,597	30,984,846
Tax receivables		12,303,883	12,987,118	8,497,447
Derivative assets		-	-	395,653
Other short term liabilities		(21,580,705)	(19,497,967)	(21,239,420)
Tax payables		(4,521,515)	(4,385,845)	(5,018,157)
Derivative liabilities		-	(173,473)	-
Net working capital		126,875,320	113,012,613	127,139,701
Tangible fixed assets		60,982,600	61,250,620	60,971,088
Intangible fixed assets		63,567,907	66,021,140	66,997,474
Right-of-use assets		104,480,620	110,566,821	93,571,375
Equity investments		41,196	39,197	30,069
Other fixed assets		833	199,911	2,930,221
Fixed assets	(5)	229,073,156	238,077,689	224,500,227
Post employment benefits		(3,270,847)	(3,551,239)	(3,993,312)
Provisions		(2,754,254)	(2,371,370)	(2,343,949)
Long term not financial liabilities		(1,399,123)	(1,634,539)	(1,635,789)
Deferred tax assets		15,530,474	13,894,621	14,680,535
Deferred tax liabilities		(15,212,981)	(15,798,928)	(13,942,676)
NET CAPITAL INVESTED		348,841,745	341,628,847	344,404,737
Share capital		24,606,247	24,606,247	24,679,896
Other reserves		88,687,320	93,516,643	94,053,904
Profits/(Losses) carried-forward		(2,973,651)	735,589	725,475
Profit/(Loss) of the period		(17,931,320)	(9,043,968)	4,677,195
Group interest in shareholders' equity	(6)	92,388,596	109,814,511	124,136,470
Minority interest in shareholders' equity		153,259	(9,052)	-
Total shareholders' equity		92,541,855	109,805,459	124,136,470
Short term financial receivables		-	-	-
Cash		(11,268,694)	(21,657,539)	(27,478,194)
Long term financial liabilities		59,286,277	70,444,091	76,240,943
Short term financial liabilities		106,540,448	78,131,171	85,646,447
Financial debt without IFRS 16		154,558,031	126,917,723	134,409,196
Short term lease liabilities		16,441,360	16,072,913	13,281,343
Long term lease liabilities		85,300,499	88,832,752	72,577,728
Financial debt	(7)	256,299,890	231,823,388	220,268,267
Shareholders' equity and financial debt		348,841,745	341,628,847	344,404,737

Cash flow

(Values in thousands of EUR)	9 M 2023	9 M 2022
Opening balance	21,658	31,307
Profit/loss before taxes	(19,263)	10,930
Amortisation / write-downs	23,924	22,903
Accrual (+)/availment (-) of long term provisions and post employment benefits	103	100
Paid income taxes	(592)	(5,201)
Financial income (-) and financial charges (+)	7,539	3,171
Change in operating assets and liabilities	(15,013)	(48,811)
Cash flow (absorbed) / generated by operating activity	(3,302)	(16,908)
Increase (-)/ decrease (+) in intangible fixed assets	(715)	(1,340)
Increase (-)/ decrease (+) in tangible fixed assets	(4,052)	(6,091)
Increase (-)/ decrease (+) in right-of-use assets	(9,571)	(21,969)
Investments and write-downs (-)/ Disinvestments and revaluations (+)	(2)	-
Cash flow (absorbed) / generated by Investing activity	(14,340)	(29,400)
Other variations in shareholders' equity	505	(681)
Dividends paid	-	-
Proceeds (+)/repayment (-) of financial payments	17,252	34,595
Proceeds (+)/ repayment (-) of lease payments	(3,164)	10,187
Increase (-)/ decrease (+) in long term financial receivables	199	1,549
Financial income (+) and financial charges (-)	(7,539)	(3,171)
Cash flow (absorbed) / generated by financing activity	7,253	42,479
Closing balance	11,269	27,478

Changes in shareholders' equity

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Reamurement 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>													
At December 31, 2022	24,606	67,599	(126)	12,690	7,901	7,607	(1,225)	(930)	735	(9,044)	109,814	(9)	109,805
Allocation of 31/12/22 profit/(loss)	-	(5,335)	-	-	-	-	-	-	(3,709)	9,044	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/23	-	-	125	-	-	-	-	381	-	(17,931)	(17,425)	162	(17,263)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
At September 30, 2023	24,606	62,264	-	12,690	7,901	7,607	(1,225)	(549)	(2,974)	(17,931)	92,389	153	92,542
<i>(Values in thousands of EUR)</i>													
At December 31, 2021	24,917	69,334	(16)	28,610	7,901	7,607	(1,466)	(1,532)	(27,321)	12,126	120,160	-	120,160
Allocation of 31/12/21 profit/(loss)	-	-	-	(15,920)	-	-	-	-	28,046	(12,126)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	(237)	(1,460)	-	-	-	-	-	-	-	-	(1,697)	-	(1,697)
Total comprehensive income/(loss) at 30/09/22	-	-	301	-	-	-	-	695	-	4,677	5,673	-	5,673
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
At September 30, 2022	24,680	67,874	285	12,690	7,901	7,607	(1,466)	(837)	725	4,677	124,136	-	124,136

Interim management report

In the first nine months of 2023, consolidated revenues are equal to EUR 252,772 thousand compared to EUR 277,102 thousand in the first nine months of 2022, with a decrease of 8.8% at current exchange rates (-8.3% at constant exchange rates).

In the first nine months of 2023 consolidated ADJUSTED EBITDA, net of the extraordinary effects associated to the organizational restructuring of the Group and to extraordinary promotional events such as the 70th anniversary of the Pollini brand and the 40th anniversary of the Moschino brand, was positive for EUR 15,338 thousand (with a margin of 6.1% on turnover), compared to the EBITDA of the first nine months of 2022 equal to EUR 37,003 thousand (with an incidence of 13.4% on turnover).

At 30 September 2023, operating net working capital amounts to EUR 113,502 thousand (34.6% of LTM sales) compared to EUR 113,519 thousand at 30 September 2022 (32.3% of LTM sales).

The financial debt net of IFRS 16 effects at the end of September 2023 amounts to EUR 154,558 thousand (EUR 137,627 thousand at the end of June 2023).

Regarding financial debt, it should be noted that in the last two years the Aeffe Group has made two strategic investments of an extraordinary nature for a total consideration of about EUR 90 million relating to the purchase of the minority shareholding of 30% of Moschino S.p.A. and the change of distribution in China on the Moschino brand.

Explanatory notes

Income statement

1. Revenues from sales and services

Nine months 2023 vs 2022

In the first nine months of 2023, consolidated revenues are equal to EUR 252,772 thousand compared to EUR 277,102 thousand in the first nine months of 2022, with a decrease of 8.8% at current exchange rates (-8.3% at constant exchange rates).

Sales by brand

(Values in thousands of EUR)	9 M		9 M		Change	%
	2023	%	2022	%		
Alberta Ferretti	19,168	7.6%	17,611	6.4%	1,557	8.8%
Philosophy	14,927	5.9%	13,414	4.8%	1,513	11.3%
Moschino	189,328	74.9%	215,544	77.8%	(26,216)	(12.2%)
Pollini	26,097	10.3%	27,231	9.8%	(1,134)	(4.2%)
Other	3,252	1.3%	3,302	1.2%	(50)	(1.5%)
Total	252,772	100.0%	277,102	100.0%	(24,330)	(8.8%)

In the first nine months of 2023, Alberta Ferretti brand increases by 8.8%, generating 7.6% of consolidated sales, while Philosophy brand increases by 11.3%, generating 5.9% of consolidated sales.

In the same period, Moschino brand sales decrease by 12.2%, contributing to 74.9% of consolidated sales.

Pollini brand decreases by 4.2%, generating 10.3% of consolidated sales.

Sales related to other brands decrease by 1.5%, contributing to 1.3% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	9 M		9 M		Change	%
	2023	%	2022	%		
Italy	107,921	42.7%	116,090	41.9%	(8,169)	(7.0%)
Europe (Italy excluded)	77,920	30.8%	91,662	33.1%	(13,742)	(15.0%)
Asia and Rest of the World	52,910	20.9%	49,054	17.7%	3,856	7.9%
America	14,021	5.5%	20,296	7.3%	(6,275)	(30.9%)
Total	252,772	100.0%	277,102	100.0%	(24,330)	(8.8%)

Sales in ITALY, with an incidence of 42.7% on turnover, reported a decrease by 7.0% compared to 2022 at EUR 107,921 thousand: positive results of the retail channel with an increase by 3% compared to the first nine months of 2022, while the wholesale channel recorded a contraction of 8%.

Sales in EUROPE, with an incidence on turnover of 30.8%, reported a decrease by 15.0% at EUR 77,920 thousand. The major decrease was recorded on the United Kingdom market, both at a wholesale and retail level.

In ASIA and in the REST OF THE WORLD, the Group achieved revenues of EUR 52,910 thousand, with an incidence on turnover of 20.9%, in progression by 7.9% compared to 2022. The change of distribution in Greater China for the Moschino brand is gradually stabilizing.

At current exchange rates, sales in AMERICA, with an incidence on turnover of 5.6%, recorded a decrease by 30.9%, due to the general slowdown in the consumption of luxury goods.

Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	%
	2023	%	2022	%		
Wholesale	172,836	68.4%	200,066	72.2%	(27,230)	(13.6%)
Retail	72,174	28.5%	65,843	23.8%	6,331	9.6%
Royalties	7,762	3.1%	11,193	4.0%	(3,431)	(30.7%)
Total	252,772	100.0%	277,102	100.0%	(24,330)	(8.8%)

In the first nine months of 2023 the Group recorded a progression in the retail channel, offset by a decrease in the wholesale channel and royalties.

The revenues of the WHOLESALE CHANNEL, which represents 68.4% of turnover (EUR 172,836 thousand), recorded a decrease by 13.6%.

The revenues of the RETAIL CHANNEL, which represents 28.5% of Group sales (EUR 72,174 thousand), showed an increase by 9.6% compared to the corresponding period of the previous year. Excellent results in Asia (+56%) thanks to the change in the distribution model in China of the Moschino brand.

The revenues for ROYALTIES, which represent 3.1% of consolidated turnover (EUR 7,762 thousand), decreased by 30.7% compared to the same period of 2022 following the termination of some licenses for the Moschino brand.

Third quarter 2023 vs 2022

In the third quarter of 2023, revenues from sales and services are equal to EUR 89,898 thousand with a decrease of 10.6% compared with EUR 100,596 thousand in the third quarter of 2022.

Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	%
	2023	%	2022	%		
Alberta Ferretti	7,402	8.2%	6,859	6.8%	543	7.9%
Philosophy	6,155	6.8%	6,183	6.1%	(28)	(0.5%)
Moschino	66,207	73.7%	76,093	75.6%	(9,886)	(13.0%)
Pollini	8,920	9.9%	10,687	10.6%	(1,767)	(16.5%)
Other	1,214	1.4%	774	0.8%	440	56.8%
Total	89,898	100.0%	100,596	100.0%	(10,698)	(10.6%)

In the third quarter of 2023, Alberta Ferretti brand increases by 7.9% generating 8.2% of consolidated sales, while Philosophy brand decreases by 0.5% generating 6.8% of consolidated sales.

In the same period, Moschino brand sales decrease by 13.0% contributing to 73.7% of consolidated sales.

Pollini brand decreases by 16.5% generating 9.9% of consolidated sales, while the other brands sales increase by 56.8% contributing to 1.4% of consolidated sales.

Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	%
	2023	%	2022	%		
Italy	39,744	44.2%	44,789	44.5%	(5,045)	(11.3%)
Europe (Italy excluded)	27,703	30.8%	32,346	32.2%	(4,643)	(14.4%)
Asia and Rest of the World	18,551	20.6%	17,508	17.4%	1,043	6.0%
America	3,900	4.4%	5,953	5.9%	(2,053)	(34.5%)
Total	89,898	100.0%	100,596	100.0%	(10,698)	(10.6%)

In the third quarter of 2023 sales in Italy decrease by 11.3% to EUR 39,744 thousand, contributing to 44.2% of consolidated sales.

Sales in Europe decrease by 14.4% contributing to 30.8% of consolidated sales to EUR 27,703 thousand.

In Asia and Rest of the World, sales are equal to EUR 18,551 thousand with an increase of 6.0% and a contribution of 20.6% of consolidated sales.

Sales in America are equal to EUR 3,900 thousand, contributing to 4.4% of consolidated sales, with a decrease of 34.5%.

Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	%
	2023	%	2022	%		
Wholesale	62,258	69.3%	70,389	70.0%	(8,131)	(11.6%)
Retail	25,172	28.0%	26,349	26.2%	(1,177)	(4.5%)
Royalties	2,468	2.7%	3,858	3.8%	(1,390)	(36.0%)
Total	89,898	100.0%	100,596	100.0%	(10,698)	(10.6%)

By distribution channel in the third quarter of 2023, wholesale sales decrease by 11.6% contributing to 69.3% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 25,172 thousand with a decrease of 4.5% contributing to 28.0% of consolidated sales.

Royalty income is 36.0% lower than in the corresponding period of the previous year, representing 2.7% of consolidated sales.

2. Gross Operating Margin (EBITDA)

Nine months 2023 vs 2022

In the first nine months of 2023 consolidated ADJUSTED EBITDA, net of the extraordinary effects associated to the organizational restructuring of the Group and to extraordinary promotional events such as the 70th anniversary of the Pollini brand and the 40th anniversary of the Moschino brand, was positive for EUR 15,338 thousand (with a margin of 6.1% on turnover), compared to the EBITDA of the first nine months of 2022 equal to EUR 37,003 thousand (with an incidence of 13.4% on turnover).

Margins, in the nine months of the year, decreased as a result of both to the contraction in revenues and the new strategic course of the Moschino brand with the associated costs connected both to the change of distribution model in China (from 100% wholesale to retail) and the launch of the repositioning plan for the various Moschino collections.

For the prêt-à-porter division, in the first nine months of 2023 ADJUSTED EBITDA is equal to EUR 1,420 thousand (with an incidence of 0.8% of total sales), compared to a EUR 20,261 thousand (11.1% of total sales) of the first nine months of 2022, recording a decrease of EUR 18,841 thousand.

For the footwear and leather goods division, the ADJUSTED EBITDA amounts to EUR 13,918 thousand (12.4% of total sales), compared to a EUR 16,742 thousand (13.0% of total sales), of the first nine months of 2022, with a EUR 2,824 thousand decrease.

Third quarter 2023 vs 2022

In the third quarter of 2023 consolidated EBITDA is EUR 3,702 thousand (with an incidence of 4.1% of consolidated sales), showing a decrease of profitability compared to EUR 16,122 thousand in the third quarter of 2022, (with an incidence of 16.0% of consolidated sales).

3. Net Result

Nine months 2023 vs 2022

The net result posts a loss of EUR 17,669 thousand compared to a profit of EUR 4,677 thousand in the first nine months of 2022.

Third quarter 2023 vs 2022

In the third quarter of 2023 the net result is a loss of EUR 6,167 thousand showing a decrease compared to a profit of EUR 1,811 thousand in the third quarter of 2022.

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.

Nine months 2023 vs 2022

The following tables indicate the main economic data for the first nine months of 2023 and 2022 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2023				
SECTOR REVENUES	169,518	112,049	(28,795)	252,772
Intercompany revenues	(11,294)	(17,501)	28,795	-
Revenues with third parties	158,224	94,548	-	252,772
Gross operating margin (EBITDA)	(1,421)	13,621	-	12,200
Amortisation	(18,708)	(4,437)	-	(23,145)
Other non monetary items:				
Revaluations / write-downs	(504)	(275)		(779)
Net operating profit / loss (EBIT)	(20,633)	8,909	-	(11,724)
Financial income	73	227	-	300
Financial expenses	(6,447)	(1,392)	-	(7,839)
Profit / loss before taxes	(27,007)	7,744	-	(19,263)
Income taxes	3,857	(2,363)	-	1,494
Net profit / loss	(23,150)	5,381	-	(17,769)

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2022				
SECTOR REVENUES	183,093	128,878	(34,869)	277,102
Intercompany revenues	(13,736)	(21,133)	34,869	-
Revenues with third parties	169,357	107,745	-	277,102
Gross operating margin (EBITDA)	20,261	16,742	-	37,003
Amortisation	(18,004)	(3,455)	-	(21,459)
Other non monetary items:				
Revaluations / write-downs	(1,042)	(402)		(1,444)
Net operating profit / loss (EBIT)	1,215	12,885	-	14,100
Financial income	268	781	(45)	1,004
Financial expenses	(3,298)	(921)	45	(4,174)
Profit / loss before taxes	(1,815)	12,745	-	10,930
Income taxes	(2,347)	(3,906)	-	(6,253)
Net profit / loss	(4,162)	8,839	-	4,677

Prêt-à porter Division

Revenues of the prêt-à-porter division decrease by 7.4% (-6.6% at constant exchange rates) from EUR 183,093 thousand in the first nine months of 2022 to EUR 169,518 thousand in the first nine months of 2023.

For the prêt-à-porter division, in the first nine months of 2023 ADJUSTED EBITDA is equal to EUR 1,420 thousand (with an incidence of 0.8% of total sales), compared to a EUR 20,261 thousand (11.1% of total sales) of the first nine months of 2022, recording a decrease of EUR 18,841 thousand.

Footwear and leather goods Division

Revenues of the footwear and leather goods division decrease by 13.1% from EUR 128,878 thousand in the first nine months of 2022 to EUR 112,049 thousand in the first nine months of 2023.

For the footwear and leather goods division, the ADJUSTED EBITDA amounts to EUR 13,918 thousand (12.4% of total sales), compared to a EUR 16,742 thousand (13.0% of total sales), of the first nine months of 2022, with a EUR 2,824 thousand decrease.

Third Quarter 2023 vs 2022

The following tables indicate the main economic data for the third quarter of 2023 and 2022 of the *Prêt-à porter* and Footwear and leather goods Divisions.

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2023				
SECTOR REVENUES	60,698	36,786	(7,586)	89,898
Intercompany revenues	(3,284)	(4,302)	7,586	-
Revenues with third parties	57,414	32,484		89,898
Gross operating margin (EBITDA)	(2,392)	6,093		3,701
Amortisation	(5,928)	(1,484)		(7,412)
Other non monetary items:				
Revaluations / write-downs	(23)	(120)		(143)
Net operating profit / loss (EBIT)	(8,343)	4,489		(3,854)
Financial income	(34)	43	-	9
Financial expenses	(2,306)	(336)	-	(2,642)
Profit / loss before taxes	(10,683)	4,196		(6,487)
Income taxes	1,517	(1,197)		320
Net profit / loss	(9,166)	2,999		(6,167)

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2022				
SECTOR REVENUES	62,912	48,706	(11,022)	100,596
Intercompany revenues	(4,999)	(6,023)	11,022	-
Revenues with third parties	57,913	42,683		100,596
Gross operating margin (EBITDA)	7,477	8,644		16,121
Amortisation	(7,375)	(1,164)		(8,539)
Other non monetary items:				
Revaluations / write-downs	(262)	(182)		(444)
Net operating profit / loss (EBIT)	(160)	7,298		7,138
Financial income	(198)	100	(19)	(117)
Financial expenses	(1,576)	(196)	19	(1,753)
Profit / loss before taxes	(1,934)	7,202		5,268
Income taxes	(1,325)	(2,133)		(3,458)
Net profit / loss	(3,259)	5,069		1,810

Balance sheet

4. Operating net working capital

At September 30 2023, operating net working capital amounts to EUR 113,502 thousand (34.6% of LTM sales) compared to EUR 113,519 thousand at 30 September 2022 (32.3% of LTM sales).

5. Fixed assets

The change in fixed assets of 9,005 thousand at September 30, 2023 compared to December 31, 2022 is due to the amortisation of the period and to the capex realised during the first nine months of 2023.

6. Shareholders' equity

The Group's shareholders' equity moved mainly due to the loss for the period changing from EUR 109,805 thousand at December 31, 2022 to EUR 92,542 thousand at September 30, 2023.

The number of shares is 107,362,504.

7. Net financial position

The financial debt net of IFRS 16 effects at the end of September 2023 amounts to EUR 154,558 thousand (EUR 137,627 thousand at the end of June 2023).

Regarding financial debt, it should be noted that in the last two years the Aeffe Group has made two strategic investments of an extraordinary nature for a total consideration of about EUR 90 million relating to the purchase of the minority shareholding of 30% of Moschino S.p.A. and the change of distribution in China on the Moschino brand.

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)	30 September 2023	30 September 2022
From continuing activities		
Earnings for determining basic earnings per share	(17,931)	4,677
Earnings for determining earnings per share	(17,931)	4,677
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	(17,931)	4,677
From continuing and discontinued activities		
Earnings for the period	(17,931)	4,677
Earnings from discontinued operations	-	-
Earnings for determining basic earnings per share	(17,931)	4,677
Dilutive effects	-	-
Earnings for determining dilutive earnings per share	(17,931)	4,677
Number of reference share		
Average number of shares for determining earnings per share	98,425	98,687
Share options	-	-
Average number of shares for determining diluted earnings per share	98,425	98,687

Basic results per share

The loss attributable to holders of ordinary shares of parent company AEFEE S.p.A., amounts to EUR 17,931 thousand (September 2022: EUR +4,677 thousand).

Dilutive results per share

The calculation of diluted earnings per share for the period January - September 2023, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

Significant events of the period

On March 29th, 2023, the Board of Directors of Aeffe S.p.A. has approved the projects for the absorption by Aeffe of Moschino S.p.A. ("Moschino") and Aeffe Retail ("Aeffe Retail"), both wholly owned subsidiaries. Both operations are part of a corporate rationalization and reorganization process, commenced in 2022 with the absorption of Velmar S.p.A., intended to enhance the operational efficiency and coordination of Group activities and their coordination, through the reduction the number of decision-making levels and rationalizing the release of synergies within the Group and the consequent saving of the corporate, accounting, tax and administrative costs of the above-mentioned controlled companies.

On September 18th, 2023, has been stipulated, to be effective from 1st October 2023, the notary deed of merger by absorption the 100% directly owned company "Moschino S.p.A.

Significant events subsequent to the balance sheet date

On October 16th, 2023, has been announced the appointment of Davide Renne as the new Creative Director of Moschino.

Outlook

The results of the first nine months continue to reflect the reorganization and repositioning of the Group, marking a growth slowdown. As we expected, Group's performances were still strongly influenced by the strategies implemented on the Moschino brand, which we are sure will bring benefits. At the same time, Aeffe Group is dealing with a general unfavourable market situation conditioned mainly by geopolitical uncertainty, the pressure of inflation and interest rates and by climatic contingencies which have significantly slowed down the sales of the winter collections in all markets. Aware of the difficulties that lie ahead in the coming months, we are confident that the new creative direction of Moschino will bring a new breath of energy and optimism within not only the brand, but also the Group. We are therefore all committed with conviction to continuing the new strategic vision of the Group with a focus on investments with a view to future growth, through initiatives to upgrade the portfolio brands and strengthen in high potential markets.

The executive responsible for preparing the company's accounting documentation Matteo Scarpellini 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.