

Informazione Regolamentata n. 0923-27-2024	Data/Ora Inizio Diffusione 1 Agosto 2024 14:10:37	Euronext Star Milan
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Societa' : AEFPE

Identificativo Informazione
Regolamentata : 194161

Utenza - Referente : AEFPE02 - Degano

Tipologia : 1.2

Data/Ora Ricezione : 1 Agosto 2024 14:10:37

Data/Ora Inizio Diffusione : 1 Agosto 2024 14:10:37

Oggetto : H1 24 Results Press Release

Testo del comunicato

Vedi allegato

AEEFE

ALBERTA FERRETTI

MOSCHINO

PHILOSOPHY
DI
LORENZO SERAFINI

POLLINI

H1 24 RESULTS APPROVED

The global slowdown in fashion and luxury consumption affects the performance of Aeffe, which continues to invest in the repositioning of the Moschino brand.

San Giovanni in Marignano, August 1, 2024. The Board of Directors of Aeffe Spa – a luxury company listed on the Euronext Star Segment of Euronext Milan Market of Borsa Italiana, operating in the prêt-à-porter and footwear and leather goods sectors with a portfolio of international brands, including Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino and Pollini - approved the Interim consolidated financial statement as of June 30, 2024.

- **CONSOLIDATED REVENUES equal to 138.6 million euros, compared to 162.9 million in 2023, with a decrease of 14.6%** at constant exchange rates (-14.9% at current exchange rates).
- **CONSOLIDATED EBITDA of 0.4 million euros (0.3% of revenues)** compared to an EBITDA of 8.5 million in 2023 (5.2% of revenues).
- **GROUP NET LOSS of 20.4 million euros** compared to a loss of 11.7 million in 2023.
- **NET FINANCIAL DEBT including the IFRS 16 effect equal to 231.1 million euros**, decreasing compared to the indebtedness of 253.5 million at the end of 2023.

Financial debt at June 30, 2024, net of the IFRS 16 effect, equal to 135.2 million euros (152.5 million at December 31, 2023).

Massimo Ferretti, Executive Chairman of Aeffe Spa, commented: *"The unsatisfactory results of the first half of the year are the reflection of an extremely complex market situation. The slowdown in consumption in key countries for us, such as Italy and the United States, has significantly impacted our group performance. Aware of the complexity of the moment we are experiencing, we are equipping ourselves to face the complex situation and we are confident that we will see a recovery of consumer interest in fashion goods in the short term. We are satisfied with the new stylistic course of the Moschino brand, which will allow us to reposition the brand with a new international appeal."*

CONSOLIDATED REVENUES

The Aeffe Group achieved revenues of 138.6 million euros in the first half of 2024, compared to 162.9 million in 2023 (-14.9% at current exchange rates and -14.6% at constant exchange rates).

- **REVENUES of the prêt-à-porter division amounted to 94 million euros** gross of the eliminations between the two divisions, recording a decrease of 12.5% at current exchange rates compared to the same period of 2023 (-12.9% at constant exchange rates).
- **REVENUES of the footwear and leather goods division amounted to 56.5 million euros** gross of the eliminations between the two divisions, with a decrease by 25%, at current exchange rates compared to the same period of 2023 (same change at current exchange rates).

ANALYSIS OF TURNOVER BY GEOGRAPHICAL AREA

<i>(In thousands of Euro)</i>	H1 24	H1 23	% Change	% Change*
Italy	57,598	68,177	(15.5%)	(15.5%)
Europe (Italy excluded)	42,106	50,217	(16.2%)	(16.2%)
Asia & RoW	31,359	34,359	(8.7%)	(7.4%)
America	7,528	10,121	(25.6%)	(25.6%)
Total	138,591	162,874	(14.9%)	(14.6%)

(*) At constant exchange rates.

- **Sales in ITALY**, with an incidence of 41.6% on turnover, **reported a decrease by 15.5%** compared to 2023 **at 57.6 million euros**: the wholesale channel recorded a contraction of 21%, while the retail channel decreased by 7% compared to the first semester of 2023.
- **Sales in EUROPE**, with an incidence on turnover of 30.4%, **reported a decrease by 16.2% at 42.1 million euros**. The decrease is linked to specific countries and markets at both wholesale and retail levels.
- **In ASIA and in the REST OF THE WORLD**, the Group achieved **revenues of 31.4 million euros**, with an incidence on turnover of 22.6%, **down by 7.4%** compared to 2023.
- At constant exchange rates, **sales in AMERICA**, with an incidence on turnover of 5.4%, **recorded a decrease by 25.6%**.

ANALYSIS OF TURNOVER BY DISTRIBUTION CHANNEL

<i>(In thousands of Euro)</i>	H1 24	H1 23	% Change	% Change*
Wholesale	91,684	110,578	(17.1%)	(17.0%)
Retail	41,943	47,002	(10.8%)	(10.0%)
Royalties	4,964	5,294	(6.2%)	(6.2%)
Total	138,591	162,874	(14.9%)	(14.6%)

(*) At constant exchange rates.

In the first semester of 2024 the Group recorded a decrease in the three channels.

- **The revenues of the WHOLESALE CHANNEL**, which represents 66.2% of turnover (91.7 million euros), **recorded a decrease by 17.0%** at constant exchange rates.
- **The revenues of the RETAIL CHANNEL**, which represents 30.3% of Group sales (42 million euros), **showed a decrease by 10%** at constant exchange rates compared to the corresponding period of the previous year.
- **The revenues for ROYALTIES**, which represent 3.5% of consolidated turnover (5.0 million euros), **decreased by 6.2%** compared to the same period of 2023.

ANALYSIS OF OPERATING RESULTS AND NET PROFIT

- **In the first semester of 2024, consolidated EBITDA was positive for 0.4 million euros** (with a margin of 0.3% on turnover), compared to the EBITDA of the first semester of 2023 equal to 8.5 million (with an incidence of 5.2% on turnover).

Margins in the semester decreased as a result of the contraction in revenues.

- **For the prêt-à-porter division, EBITDA in 2023 was negative for 3.2 million euros** compared to 1 million positive in 2023.
- **For the footwear and leather goods division, EBITDA in 2024 was 3.6 million euros** compared to 7.5 million in 2023.
- **Consolidated EBIT was negative for 15.8 million euros** compared to 7.9 million, always negative, in 2023.
- **Group NET LOSS amounts to 20.4 million euros** compared to a net loss of 11.7 million in 2023.

FINANCIAL POSITION OF THE GROUP

- The balance sheet and financial position of the Group at June 30, 2024 shows a **NET EQUITY of 60 million euros** (79 million at December 31, 2023) and a **DEBT of 135.2 million euros net of the IFRS 16 effect** (152.5 million as at December 31, 2023).
- As of June 30, 2024, the **NET WORKING CAPITAL** amounted to **84.5 million euros** (28.7% of revenues on an annual basis) compared to the 89.6 million as of December 31, 2023 (28.1% of revenues on an annual basis).
- **CAPEX INVESTMENTS** made in the first semester of 2024, equal to **1.8 million euros**, mainly refer to works on third party assets and purchases for software.

Income Statement, Balance Sheet and Cash Flow Statement are attached below. It is specified that financial data included in the Consolidated Interim Report of this press release are still subject to limited review by the Auditors' company.

Please note that the Interim Consolidated Financial Statements and the Results Presentation at June 30, 2024 are available at the following link: <http://www.aeffe.com/aeffeHome.asp?pattern=11&lang=ita>, as well as on the authorized storage site www.emarketstorage.com.

"The Executive responsible for preparing the Company's accounting documentation, Matteo Scarpellini, confirms pursuant to art.154-bis, para. 2, TUF that the accounting disclosures contained in this communication agree with the related corporate documents, legal books and accounting entries".

Contatti:

Investor Relations

AEFFE Spa
Matteo Scarpellini
Investor.relations@aeffe.com
+39 0541 965211

Press Relations

AEFFE Spa
Alessandra Turra
Alessandra.turra@aeffe.com
+39 02 76059206

CONSOLIDATED INCOME STATEMENT (*)

<i>(In thousands of Euro)</i>	H1 24	%	H1 23	%	Change %
Revenues from sales and services	138,591	100.0%	162,874	100.0%	(14.9%)
Other revenues and income	3,296	2.4%	5,695	3.5%	(42.1%)
Total Revenues	141,887	102.4%	168,569	103.5%	(15.8%)
<i>Total operating costs</i>	<i>(141,468)</i>	<i>(102.1%)</i>	<i>(160,071)</i>	<i>(98.3%)</i>	<i>(11.6%)</i>
EBITDA	419	0.3%	8,499	5.2%	(95.1%)
Total Amortization and Write-downs	(16,222)	(11.7%)	(16,369)	(10.1%)	(0.9%)
EBIT	(15,803)	(11.4%)	(7,870)	(4.8%)	100.8%
Total Financial Income /(expenses)	(6,545)	(4.7%)	(4,906)	(3.0%)	33.4%
Profit/(loss) before taxes	(22,349)	(16.1%)	(12,776)	(7.8%)	74.9%
Taxes	2,205	1.6%	1,175	0.7%	87.8%
Net Profit/(loss)	(20,143)	(14.5%)	(11,602)	(7.1%)	73.6%
Profit attributable to minority shareholders	(215)	(0.2%)	(50)	(0.0%)	329.9%
Net Profit/(loss) for the Group	(20,358)	(14.7%)	(11,652)	(7.2%)	74.7%

(*) *EBITDA – Earnings before interest, taxes, depreciation and amortization - represented by the operating profit before provisions, depreciation and amortization. EBITDA as defined above is a parameter used by the management of the Group to monitor and assess its operating performance; however, it is not identified as an accounting measure in the context of ITA GAAP or IFRS and, as such, is not checked by the auditing firm.*

CONSOLIDATED BALANCE SHEET (*)

<i>(In thousands of Euro)</i>	30 June 2024	31 December 2023	30 June 2023
Trade receivables	49,073	56,122	55,543
Stock and inventories	105,484	112,250	122,151
Trade payables	(70,039)	(78,735)	(83,249)
Operating net working capital	84,517	89,637	94,445
Other receivables	35,593	38,429	45,787
Other liabilities	(47,858)	(19,744)	(24,224)
Net working capital	72,252	108,323	116,008
Tangible fixed assets	58,919	60,437	60,300
Intangible fixed assets	61,483	62,912	64,447
Right-of-use assets	94,106	102,226	104,738
Investments	41	41	41
Other long term receivables	84	94	1
Fixed assets	214,634	225,710	229,528
Post employment benefits	(3,158)	(3,206)	(3,435)
Long term provisions	(2,206)	(2,180)	(2,588)
Assets available for sale	1,526	-	-
Other long term liabilities	(1,164)	(1,398)	(1,400)
Deferred tax assets	19,502	16,991	14,528
Deferred tax liabilities	(11,316)	(11,528)	(15,123)
NET CAPITAL INVESTED	290,070	332,713	337,517
Capital issued	24,606	24,606	24,606
Other reserves	37,897	89,607	89,030
Profits/(Losses) carried-forward	16,393	(2,974)	(2,974)
Profit/(Loss) for the period	(20,358)	(32,144)	(11,652)
Group share capital and reserves	58,537	79,096	99,010
Minority interests	432	145	41
Shareholders' equity	58,969	79,240	99,051
Liquid assets	(13,901)	(14,626)	(22,392)
Long term financial payables	66,922	78,608	59,307
Short term financial payables	82,173	88,512	100,711
NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS	135,194	152,494	137,627
Short term lease liabilities	19,093	17,791	15,733
Long term lease liabilities	76,814	83,188	85,106
NET FINANCIAL POSITION	231,101	253,473	238,466
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS	290,070	332,713	337,517

(*) *The reclassified equity and financial analysis highlights aggregations used by Management to assess the Group's equity and financial performance. These are measures generally adopted in the practice of financial communication, directly referable to the data of the financial statements but however not identified as accounting measures under IFRS and, therefore, not subject to verification by the independent auditors.*

CONSOLIDATED CASH FLOW

<i>(In thousands of Euro)</i>	H1 24	FY 23	H1 23
OPENING BALANCE	14,626	21,658	21,658
Profit before taxes	(22,349)	(37,900)	(12,776)
Amortizations, provisions and depreciations	16,222	32,902	16,369
Accruals (availments) of long term provisions and post employment benefits	(21)	(1,430)	101
Taxes	(635)	(2,612)	(440)
Financial incomes and financial charges	6,545	10,781	4,906
Change in operating assets and liabilities	34,132	4,685	(3,525)
NET CASH FLOW FROM OPERATING ASSETS	33,894	6,426	4,635
Increase / (decrease) in intangible fixed assets	(737)	(1,174)	(527)
Increase / (decrease) in tangible fixed assets	(1,096)	(4,693)	(2,322)
Increase / (decrease) in right-of-use assets	(3,070)	(12,957)	(4,567)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)		(2)	(2)
CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES	(4,903)	(18,826)	(7,418)
Other changes in reserves and profit carried-forward to shareholders'equity	(128)	1,425	848
Proceeds / (repayment) of financial payments	(18,049)	18,544	11,443
Proceeds / (repayment) of lease payments	(5,072)	(3,926)	(4,067)
Increase / (decrease) financial receivables	78	106	199
Financial incomes and financial charges	(6,545)	(10,781)	(4,906)
CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES	(29,716)	5,368	3,517
CLOSING BALANCE	13,901	14,626	22,392

