



**AEFFE**

**INTERIM FINANCIAL STATEMENT AT 30 SEPTEMBER 2019**

*Disclaimer*

*This Interim financial statement 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.*

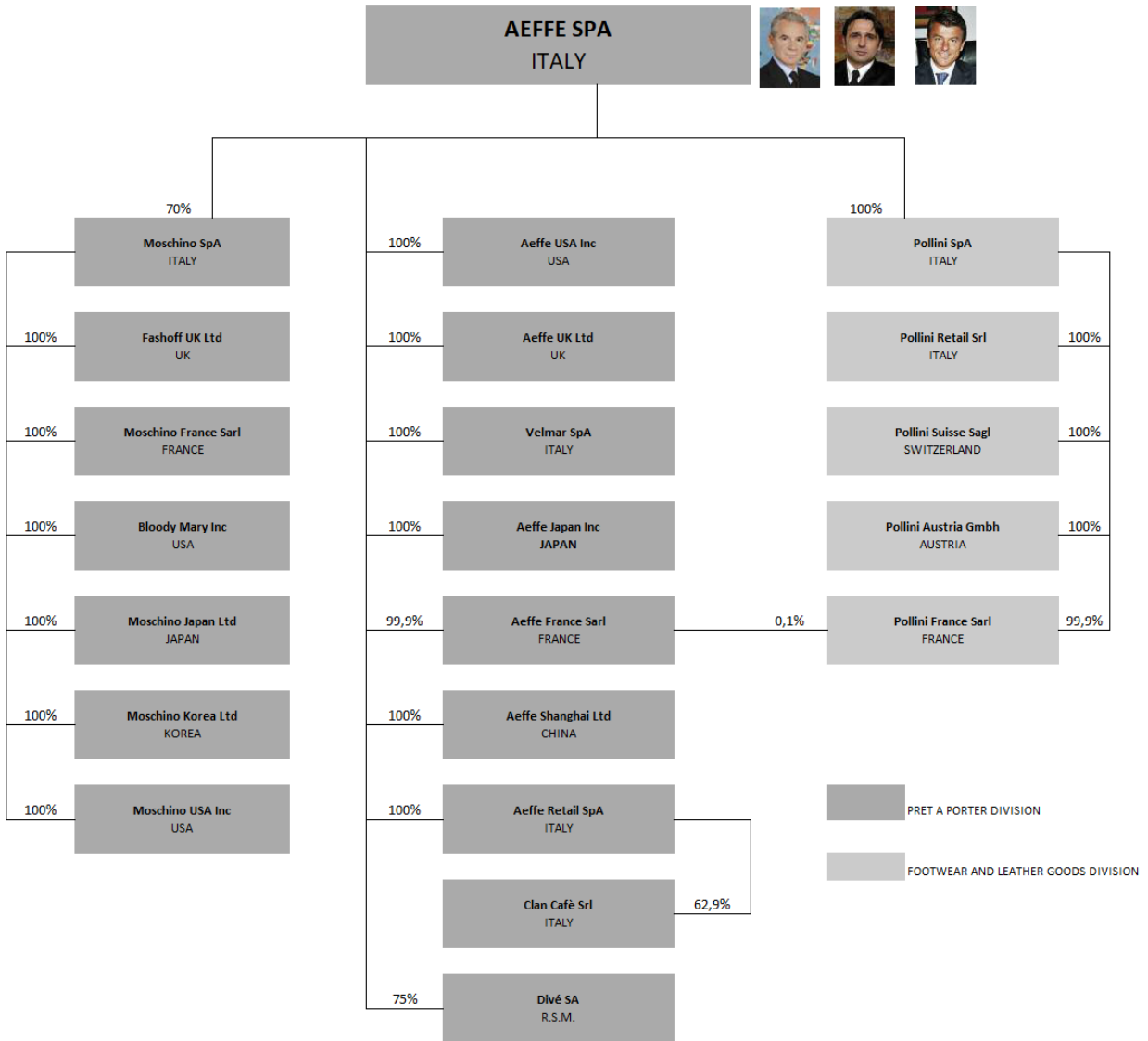
# SUMMARY

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# Corporate Boards of the Parent Company

Board of Directors	<b>Chairman</b> Massimo Ferretti
	<b>Deputy Chairman</b> Alberta Ferretti
	<b>Chief Executive Officer</b> Simone Badioli
	<b>Directors</b> Marcello Tassinari – Managing Director Roberto Lugano Daniela Saitta Alessandro Bonfiglioli Bettina Campedelli
Board of Statutory Auditors	<b>President</b> Angelo Miglietta
	<b>Statutory Auditors</b> Fernando Ciotti Carla Trotti
	<b>Alternate Auditors</b> Nevio Dalla Valle Daniela Elvira Bruno
Board of Compensation Committee	<b>President</b> Daniela Saitta
	<b>Members</b> Roberto Lugano Bettina Campedelli
Board of Internal Control Committee	<b>President</b> Roberto Lugano
	<b>Members</b> Bettina Campedelli Alessandro Bonfiglioli

# Organisation chart



## Brands portfolio

**AEFFE**

Clothing - Accessories

**ALBERTA FERRETTI**

**PHILOSOPHY**  
DI  
LORENZO SERAFINI

**MOSCHINO®**

**BOUTIQUE  
MOSCHINO**

NEW YORK  
**JEREMY SCOTT**  
BEVERLY HILLS

**CEDRIC CHARLIER**

**POLLINI**

Footwear - Leather goods

**MOSCHINO**

Licences - Design

**VELMAR**

Beachwear - Lingerie

**POLLINI**

**MOSCHINO®**

**MOSCHINO®**

**MOSCHINO®**

**BOUTIQUE  
MOSCHINO**

**FOLIES**  
BLUGIRL

**LOVE  
MOSCHINO**

**LOVE  
MOSCHINO**

**CUSTO**  
BARCELONA

## Headquarters

### **AEFFE**

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

### **MOSCHINO**

Via San Gregorio, 28  
20124 - Milan  
Italy

### **POLLINI**

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

### **VELMAR**

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



## Showrooms

### MILAN

(FERRETTI – PHILOSOPHY – POLLINI – CEDRIC CHARLIER)

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

### MILAN

(LOVE MOSCHINO)  
Via Settembrini, 1  
20124 - Milan  
Italy

### PARIS

(FERRETTI – PHILOSOPHY - MOSCHINO)

43, Rue due Faubourg Saint Honoré  
75008 - Paris  
France

### PARIS

(CEDRIC CHARLIER)  
28, Rue de Sevigne  
75004 - 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  
Shanghai

### **POLLINI**

Milan  
Venice  
Bolzano  
Varese

### **SPAZIO A**

Florence  
Venice

### **MOSCHINO**

Milan  
Rome  
Capri  
Paris  
London  
Los Angeles  
New York  
Seoul  
Pusan  
Daegu





## Main economic-financial data

		9 M	9 M
		2019	2018
Total revenues	(Values in millions of EUR)	275.5	267.9
Gross operating margin (EBITDA)	(Values in millions of EUR)	46.1	37.1
Net operating profit (EBIT)	(Values in millions of EUR)	26.0	27.7
Profit before taxes	(Values in millions of EUR)	24.1	27.0
Net profit for the Group	(Values in millions of EUR)	13.2	16.1
Basic earnings per share	(Values in units of EUR)	0.131	0.159
Cash Flow (net profit + depreciation)	(Values in millions of EUR)	33.5	25.7
Cash Flow/Total revenues	Ratio	12.2	9.6

\* 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 Accounting Principles and IFRS and therefore should not be considered an alternative measure for evaluating the Group's results. Since EBITDA is not regulated by applicable accounting standards, the criteria used by the Group might not be consistent with that adopted by others and therefore may not be comparable.

		30 September	31 December	30 September	31 December
		2019	2018	2018	2017
Net capital invested	(Values in millions of EUR)	356.1	228.7	235.4	229.0
Net financial indebtedness	(Values in millions of EUR)	149.9	31.3	39.1	50.6
Group net equity	(Values in millions of EUR)	173.6	164.6	163.0	146.1
Group net equity per share	(Values in units of EUR)	1.6	1.5	1.5	1.4
Current assets/Current liabilities	Ratio	2.3	1.8	2.0	1.9
Current assets less invent./Current liabilities (ACID Test)	Ratio	1.0	0.8	0.9	0.8
Net financial indebtedness/Net equity	Ratio	0.7	0.2	0.2	0.3

## Accounting policies

The accounting principles and valuation criteria adopted for the preparation of the consolidated financial statements at September 30, 2019 are the same as those adopted for the preparation of the financial statements at December 31, 2018 except for IFRS 16, which was applied for the first time in the consolidated financial statements of the Aeffe Group closed on 31 March 2019.

The Group has opted for a retrospective application of the standard, without restatement of comparative information. The cumulative effect has been noted as a reduction of the retained opening earnings. The incremental borrowing rate used is the one at the transaction date.

The effect reflected in the financial statements at 01/01/2019 mainly concerned lease liabilities of around EUR 116.5 million and assets deriving from the right to use assets of approximately EUR 110.4 million.

Leasing contracts with a duration equal to or less than 12 months and those that have assets of modest value have been excluded.

Lease liabilities have been discounted at a weighted average interest rate of 2%. The following is a representation of the leases in the opening balance sheet as at 01/01/2019.

### Adjustments on the opening balance sheet:

(Values in thousands of EUR)	Notes	1 January 2019	IFRS 16 Adjustment	31 December 2018
Operating net working capital		70,450		70,450
Net working capital		85,748		85,748
Fixed assets	a	276,867	110,494	166,373
NET CAPITAL INVESTED	b	340,910	112,194	228,716
Total shareholders' equity	c	193,067	(4,392)	197,459
Short term financial receivables		(1,420)	-	(1,420)
Cash		(28,037)	-	(28,037)
Long term financial liabilities		16,409	-	16,409
Long term lease liabilities	d	102,309	102,309	-
Long term financial receivables		(2,302)	-	(2,302)
Short term financial liabilities		46,607	-	46,607
Short term lease liabilities	e	14,277	14,277	-
NET FINANCIAL POSITION		147,843	116,587	31,256
SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS		340,910	112,194	228,716

- a) Increase due to the recognition of assets for rights of use;
- b) Detection of the tax effect;
- c) Cumulative effect on previous years to reduce opening results to new;
- d) - e) Increase in financial liabilities due to the recognition of debts for leasing;

Concurrently with the application of IFRS 16 and to give a more truthful and correct representation the amortization plan of the Key Money has been modified making them fall within the rights of use of assets as they represent the initial direct costs of the lessee. The change in the estimate (Vita Utile) was made prospectively, resulting in a non-significant change.

## Financial statements

### Income statement at 30 September

(Values in thousands of EUR)	Note	9 M 2019 IFRS 16	% on revenues	9 M 2019 No IFRS 16	% on revenues	9 M 2018	% on revenues	Change % included IFRS 16	Change % excluded IFRS 16
<b>REVENUES FROM SALES AND SERVICES</b>	(1)	<b>269,041</b>	<b>100.0%</b>	<b>269,041</b>	<b>100.0%</b>	<b>264,616</b>	<b>100.0%</b>	<b>1.7%</b>	<b>1.7%</b>
Other revenues and income		6,415	2.4%	6,415	2.4%	3,280	1.2%	95.6%	95.6%
<b>TOTAL REVENUES</b>		<b>275,456</b>	<b>102.4%</b>	<b>275,456</b>	<b>102.4%</b>	<b>267,896</b>	<b>101.2%</b>	<b>2.8%</b>	<b>2.8%</b>
Changes in inventory		4,663	1.7%	4,663	1.7%	(2,237)	(0.8%)	(308.5%)	(308.5%)
Costs of raw materials, cons. and goods for resale		(90,733)	(33.7%)	(90,733)	(33.7%)	(82,998)	(31.4%)	9.3%	9.3%
Costs of services		(79,826)	(29.7%)	(79,826)	(29.7%)	(73,167)	(27.7%)	9.1%	9.1%
Costs for use of third parties assets		(7,036)	(2.6%)	(19,339)	(7.2%)	(19,448)	(7.3%)	(63.8%)	(0.6%)
Labour costs		(53,267)	(19.8%)	(53,267)	(19.8%)	(50,404)	(19.0%)	5.7%	5.7%
Other operating expenses		(3,167)	(1.2%)	(3,167)	(1.2%)	(2,520)	(1.0%)	25.7%	25.7%
<b>Total Operating Costs</b>		<b>(229,365)</b>	<b>(85.3%)</b>	<b>(241,668)</b>	<b>(89.8%)</b>	<b>(230,775)</b>	<b>(87.2%)</b>	<b>(0.6%)</b>	<b>4.7%</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	(2)	<b>46,091</b>	<b>17.1%</b>	<b>33,788</b>	<b>12.6%</b>	<b>37,122</b>	<b>14.0%</b>	<b>24.2%</b>	<b>(9.0%)</b>
Amortisation of intangible fixed assets		(3,492)	(1.3%)	(5,049)	(1.9%)	(4,828)	(1.8%)	(27.7%)	4.6%
Depreciation of tangible fixed assets		(3,931)	(1.5%)	(3,931)	(1.5%)	(3,876)	(1.5%)	1.4%	1.4%
Depreciation of right-of-use assets		(12,472)	(4.6%)	-	0.0%	-	0.0%	n.a	n.a
Revaluations / (write-downs) and provisions		(185)	(0.1%)	(185)	(0.1%)	(720)	(0.3%)	(74.2%)	(74.2%)
<b>Total Amortisation, write-downs and provisions</b>		<b>(20,080)</b>	<b>(7.5%)</b>	<b>(9,166)</b>	<b>(3.4%)</b>	<b>(9,424)</b>	<b>(3.6%)</b>	<b>113.1%</b>	<b>(2.7%)</b>
<b>NET OPERATING PROFIT / LOSS (EBIT)</b>		<b>26,011</b>	<b>9.7%</b>	<b>24,622</b>	<b>9.2%</b>	<b>27,698</b>	<b>10.5%</b>	<b>(6.1%)</b>	<b>(11.1%)</b>
Financial income		805	0.3%	805	0.3%	480	0.2%	67.9%	67.9%
Financial expenses		(1,093)	(0.4%)	(1,093)	(0.4%)	(1,170)	(0.4%)	(6.6%)	(6.6%)
Financial expenses on right-of-use asset		(1,635)	(0.6%)	-	0.0%	-	0.0%	n.a	n.a
<b>Total Financial Income/(expenses)</b>		<b>(1,922)</b>	<b>(0.7%)</b>	<b>(287)</b>	<b>(0.1%)</b>	<b>(690)</b>	<b>(0.3%)</b>	<b>178.4%</b>	<b>(58.4%)</b>
<b>PROFIT / LOSS BEFORE TAXES</b>		<b>24,088</b>	<b>9.0%</b>	<b>24,335</b>	<b>9.0%</b>	<b>27,007</b>	<b>10.2%</b>	<b>(10.8%)</b>	<b>(9.9%)</b>
Total Income Taxes		(10,513)	(3.9%)	(10,582)	(3.9%)	(9,989)	(3.8%)	5.2%	5.9%
<b>NET PROFIT / LOSS</b>		<b>13,575</b>	<b>5.0%</b>	<b>13,753</b>	<b>5.1%</b>	<b>17,019</b>	<b>6.4%</b>	<b>(20.2%)</b>	<b>(19.2%)</b>
(Profit) / loss attributable to minority shareholders		(346)	(0.1%)	(346)	(0.1%)	(928)	(0.4%)	(62.7%)	(62.7%)
<b>NET PROFIT / LOSS FOR THE GROUP</b>	(3)	<b>13,229</b>	<b>4.9%</b>	<b>13,407</b>	<b>5.0%</b>	<b>16,090</b>	<b>6.1%</b>	<b>(17.8%)</b>	<b>(16.7%)</b>
Basic earnings per share		0.131		0.131		0.159			
Dilutive earnings per share		0.131		0.131		0.159			

### Statement of reconciliation of the income statement as of September 30<sup>TH</sup>

The effects of the application of the new IFRS 16 are as follows:

(Values in thousands of EUR)	9 M 2019	IFRS 16 Effects	9 M 2019	9 M 2018	Change	Change %
			Comparable			
<b>TOTAL REVENUES</b>	<b>275,456</b>	<b>0</b>	<b>275,456</b>	<b>267,896</b>	<b>7,559</b>	<b>2.8%</b>
Total Operating Costs	(229,365)	(12,303)	(241,668)	(230,775)	1,410	(0.6%)
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>46,091</b>	<b>(12,303)</b>	<b>33,788</b>	<b>37,122</b>	<b>8,969</b>	<b>24.2%</b>
Total Amortisation, write-downs and provisions	(20,080)	10,914	(9,166)	(9,424)	(10,656)	113.1%
<b>NET OPERATING PROFIT / LOSS (EBIT)</b>	<b>26,011</b>	<b>(1,389)</b>	<b>24,622</b>	<b>27,698</b>	<b>(1,687)</b>	<b>(6.1%)</b>
Total Financial Income / (expenses)	(1,922)	1,635	(287)	(690)	(1,232)	178.4%
<b>PROFIT / LOSS BEFORE TAXES</b>	<b>24,088</b>	<b>246</b>	<b>24,335</b>	<b>27,007</b>	<b>(2,919)</b>	<b>(10.8%)</b>
Taxes	(10,513)	(69)	(10,582)	(9,989)	(524)	5.2%
<b>NET PROFIT / LOSS</b>	<b>13,575</b>	<b>178</b>	<b>13,753</b>	<b>17,019</b>	<b>(3,443)</b>	<b>(20.2%)</b>

## Income statement for the third quarter

(Values in units of EUR)	Notes	III Q 2019	% on revenues	III Q 2018	% on revenues	Change	%
<b>REVENUES FROM SALES AND SERVICES</b>	<b>(1)</b>	<b>95,740</b>	<b>100.0%</b>	<b>93,517</b>	<b>100.0%</b>	<b>2,223</b>	<b>2.4%</b>
Other revenues and income		2,151	2.2%	973	1.0%	1,178	121.0%
<b>TOTAL REVENUES</b>		<b>97,891</b>	<b>102.2%</b>	<b>94,490</b>	<b>101.0%</b>	<b>3,401</b>	<b>3.6%</b>
Changes in inventory		(2,870)	(3.0%)	(2,163)	(2.3%)	(707)	32.7%
Costs of raw materials, cons. and goods for resale		(27,785)	(29.0%)	(28,130)	(30.1%)	345	(1.2%)
Costs of services		(26,176)	(27.3%)	(23,890)	(25.5%)	(2,286)	9.6%
Costs for use of third parties assets		(2,789)	(2.9%)	(6,814)	(7.3%)	4,025	(59.1%)
Labour costs		(17,387)	(18.2%)	(16,568)	(17.7%)	(819)	4.9%
Other operating expenses		(1,469)	(1.5%)	(772)	(0.8%)	(697)	90.2%
<b>Total Operating Costs</b>		<b>(78,475)</b>	<b>(82.0%)</b>	<b>(78,337)</b>	<b>(83.8%)</b>	<b>(138)</b>	<b>0.2%</b>
<b>GROSS OPERATING MARGIN (EBITDA)</b>	<b>(2)</b>	<b>19,416</b>	<b>20.3%</b>	<b>16,153</b>	<b>17.3%</b>	<b>3,263</b>	<b>20.2%</b>
Amortisation of intangible fixed assets		(1,146)	(1.2%)	(1,603)	(1.7%)	457	(28.5%)
Depreciation of tangible fixed assets		(1,369)	(1.4%)	(1,347)	(1.4%)	(22)	1.6%
Depreciation of right-of-use assets		(4,020)	(4.2%)	-	0.0%	(4,020)	#DIV/0!
Revaluations/(write-downs) and provisions		(78)	(0.1%)	(50)	(0.1%)	(28)	56.8%
<b>Total Amortisation, write-downs and provisions</b>		<b>(6,613)</b>	<b>(6.9%)</b>	<b>(3,000)</b>	<b>(3.2%)</b>	<b>(3,613)</b>	<b>120.4%</b>
<b>NET OPERATING PROFIT/LOSS (EBIT)</b>		<b>12,803</b>	<b>13.4%</b>	<b>13,153</b>	<b>14.1%</b>	<b>(350)</b>	<b>(2.7%)</b>
Financial income		564	0.6%	192	0.2%	372	193.9%
Financial expenses		(350)	(0.4%)	(264)	(0.3%)	(86)	32.5%
Financial expenses on right-of-use asset		(469)	(0.5%)	-	0.0%	(469)	#DIV/0!
<b>Total Financial Income/(expenses)</b>		<b>(254)</b>	<b>(0.3%)</b>	<b>(72)</b>	<b>(0.1%)</b>	<b>(182)</b>	<b>253.4%</b>
<b>PROFIT/LOSS BEFORE TAXES</b>		<b>12,548</b>	<b>13.1%</b>	<b>13,081</b>	<b>14.0%</b>	<b>(533)</b>	<b>(4.1%)</b>
Taxes		(4,255)	(4.4%)	(4,422)	(4.7%)	167	(3.8%)
<b>NET PROFIT/LOSS</b>		<b>8,293</b>	<b>8.7%</b>	<b>8,659</b>	<b>9.3%</b>	<b>(366)</b>	<b>(4.2%)</b>
(Profit)/loss attributable to minority shareholders		(179)	(0.2%)	(844)	(0.9%)	665	(78.7%)
<b>NET PROFIT/LOSS FOR THE GROUP</b>	<b>(3)</b>	<b>8,114</b>	<b>8.5%</b>	<b>7,815</b>	<b>8.4%</b>	<b>299</b>	<b>3.8%</b>

## Reclassified balance sheet

(Values in units of EUR)	Notes	30 September 2019	31 December 2018 Included IFRS 16	31 December 2018 Excluded IFRS 16	30 September 2018
Trade receivables		49,078,371	43,138,560	43,138,560	48,468,675
Stocks and inventories		108,750,714	104,261,515	104,261,515	96,556,700
Trade payables		(60,534,646)	(76,949,819)	(76,949,819)	(60,750,520)
<b>Operating net working capital</b>	<b>(4)</b>	<b>97,294,439</b>	<b>70,450,256</b>	<b>70,450,256</b>	<b>84,274,855</b>
Other short term receivables		33,299,207	34,852,460	34,852,460	29,426,565
Tax receivables		7,949,450	7,759,828	7,759,828	7,668,571
Derivative assets		248,570	219,632	219,632	-
Other short term liabilities		(19,160,565)	(21,081,936)	(21,081,936)	(18,447,355)
Tax payables		(6,666,411)	(6,452,612)	(6,452,612)	(12,510,267)
Derivative liabilities		-	-	-	(6,315)
<b>Net working capital</b>		<b>112,964,690</b>	<b>85,747,628</b>	<b>85,747,628</b>	<b>90,406,054</b>
Tangible fixed assets		60,904,749	60,298,801	60,298,801	59,641,980
Intangible fixed assets		76,926,447	80,098,155	103,132,467	105,331,743
Right-of-use assets		123,271,807	133,511,706	-	-
Equity investments		160,058	131,558	131,558	131,558
Other fixed assets		2,607,104	2,810,046	2,810,046	3,138,172
<b>Fixed assets</b>	<b>(5)</b>	<b>263,870,165</b>	<b>276,850,266</b>	<b>166,372,872</b>	<b>168,243,453</b>
Post employment benefits		(5,100,833)	(5,491,570)	(5,491,570)	(5,665,450)
Provisions		(1,801,693)	(2,558,544)	(2,558,544)	(2,519,524)
Assets available for sale		436,885	436,885	436,885	436,885
Long term not financial liabilities		(683,963)	(770,731)	(770,731)	(695,924)
Deferred tax assets		16,034,458	16,789,691	15,073,001	15,094,881
Deferred tax liabilities		(29,617,996)	(30,093,668)	(30,093,668)	(29,944,589)
<b>NET CAPITAL INVESTED</b>		<b>356,101,713</b>	<b>340,909,957</b>	<b>228,715,873</b>	<b>235,355,786</b>
Share capital		25,288,666	25,371,407	25,371,407	25,371,407
Other reserves		128,448,381	119,946,675	123,799,107	123,228,952
Profits/(Losses) carried-forward		6,658,422	(1,243,243)	(1,287,069)	(1,663,268)
Profit/(Loss) of the period		13,229,073	16,726,101	16,726,101	16,090,363
<b>Group interest in shareholders' equity</b>		<b>173,624,542</b>	<b>160,800,940</b>	<b>164,609,546</b>	<b>163,027,454</b>
Minority interests in shareholders' equity		32,612,341	32,265,958	32,849,847	33,235,317
<b>Total shareholders' equity</b>	<b>(6)</b>	<b>206,236,883</b>	<b>193,066,898</b>	<b>197,459,393</b>	<b>196,262,771</b>
Short term financial receivables		(1,154,686)	(1,420,000)	(1,420,000)	(1,420,000)
Cash		(24,644,898)	(28,037,213)	(28,037,213)	(28,444,400)
Long term financial liabilities		16,470,516	16,408,975	16,408,975	15,620,442
Long term financial receivables		(2,295,895)	(2,302,096)	(2,302,096)	(2,270,726)
Short term financial liabilities		53,812,179	46,606,814	46,606,814	55,607,699
<b>NET FINANCIAL POSITION WITHOUT IFRS 16 EFFECTS</b>	<b>(7)</b>	<b>42,187,216</b>	<b>31,256,480</b>	<b>31,256,480</b>	<b>39,093,015</b>
Short term lease liabilities		14,606,240	13,691,310	-	-
Long term lease liabilities		93,071,374	102,895,269	-	-
<b>NET FINANCIAL POSITION</b>		<b>149,864,830</b>	<b>147,843,059</b>	<b>31,256,480</b>	<b>39,093,015</b>
<b>SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS</b>		<b>356,101,713</b>	<b>340,909,957</b>	<b>228,715,873</b>	<b>235,355,786</b>

## Cash flow

(Values in thousands of EUR)	Notes	9 M 2019	9 M 2018
<b>OPENING BALANCE</b>		<b>28,037</b>	<b>22,809</b>
Profit / loss before taxes		24,088	27,007
Amortisation / write-downs		19,895	9,275
Accrual (+) / availment (-) of long term provisions and post employment benefits		( 1,148)	( 146)
Paid income taxes		( 10,036)	( 2,341)
Financial income (-) and financial charges (+)		1,922	690
Change in operating assets and liabilities		( 27,664)	( 18,058)
<b>CASH FLOW (ABSORBED) / GENERATED BY OPERATING ACTIVITY</b>		<b>7,057</b>	<b>16,427</b>
Increase (-) / decrease (+) in intangible fixed assets		( 1,416)	( 1,030)
Increase (-) / decrease (+) in tangible fixed assets		( 4,537)	( 4,436)
Increase (-)/ decrease (+) in right-of-use assets (1)		( 1,119)	-
Investments and write-downs (-)/ Disinvestments and revaluations (+)		( 28)	-
<b>CASH FLOW (ABSORBED) / GENERATED BY INVESTING ACTIVITY</b>		<b>( 7,100)</b>	<b>( 5,466)</b>
Other variations in reserves and profits carried-forward of shareholders' equity		( 405)	804
Dividends paid		-	-
Increase (+) / decrease (-) of financial liabilities		7,267	( 6,186)
Proceeds (+)/ repayment (-) of lease payments (2)		( 8,763)	-
Increase (-) / decrease (+) of financial receivables		474	746
Financial income (+) and financial charges (-)		( 1,922)	( 690)
<b>CASH FLOW (ABSORBED) / GENERATED BY FINANCING ACTIVITY</b>		<b>( 3,349)</b>	<b>( 5,326)</b>
<b>CLOSING BALANCE</b>		<b>24,645</b>	<b>28,444</b>

1: cash flow changes on assets for rights of use relating to the application of IFRS 16

2: cash flow changes on lease payables relating to the application of IFRS 16

## Changes in shareholders' equity

	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(Losses) carried-forward	Reamusement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<i>(Values in thousands of EUR)</i>													
<b>At December 31, 2018</b>	25,371	71,240	158	35,967	7,901	11,459	(1,286)	(1,095)	16,726	(1,832)	164,609	32,850	197,459
Effects deriving from the application of IFRS 16						(3,808)					(3,808)	(584)	(4,392)
<b>At January 1, 2019</b>	25,371	71,240	158	35,967	7,901	7,651	(1,286)	(1,095)	16,726	(1,832)	160,801	32,266	193,067
Allocation of 31/12/18 profit/(loss)	-	-	-	8,781	-	-	7,945	-	(16,726)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/19	-	-	20	-	-	-	-	-	13,229	94	13,343	346	13,689
Other changes	(82)	(437)	-	-	-	-	-	-	-	-	(519)	-	(519)
<b>At September 30, 2019</b>	25,289	70,803	178	44,748	7,901	7,651	6,659	(1,095)	13,229	(1,738)	173,625	32,612	206,237
<i>(Values in thousands of EUR)</i>													
	Share capital	Share premium reserve	Cash flow reserve	Other reserves	Fair Value reserve	IAS reserve	Profits/(Losses) carried-forward	Reamusement of defined benefit plans reserve	Net profit / loss for the Group	Translation reserve	Group interest in shareholders' equity	Minority interests in shareholders' equity	Total shareholders' equity
<b>At December 31, 2017</b>	25,371	71,240		29,150	7,901	11,459	(6,957)	(1,173)	11,490	(2,348)	146,133	32,307	178,440
Effects deriving from the application of IFRS 9			(621)				621						
<b>At January 1, 2018</b>	25,371	71,240	(621)	29,150	7,901	11,459	(6,336)	(1,173)	11,490	(2,348)	146,133	32,307	178,440
Allocation of 31/12/17 profit/(loss)	-	-	-	6,817	-	-	4,673	-	(11,490)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock (buy-back)/ sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) at 30/09/18	-	-	617	-	-	-	-	-	16,090	188	16,895	928	17,823
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At September 30, 2018</b>	25,371	71,240	(4)	35,967	7,901	11,459	(1,663)	(1,173)	16,090	(2,160)	163,028	33,235	196,263

## Interim management report

In the first nine months of 2019, revenues from sales and services are equal to EUR 269,041 thousand with an increase of 1.7%, at current exchange rates and +1.4% at constant exchange rates, compared to EUR 264,616 thousand in the first nine months of 2018.

In the first nine months of 2019 consolidated EBITDA, excluding the application of the IFRS 16 (EUR 12,303 thousand), is equal to EUR 33,788 thousand (with an incidence of 12.6% of consolidated sales), compared to EUR 37,122 thousand in the first nine months of 2018 (with an incidence of 14.0% of total sales), recording a reduction of EUR 3,334 thousand (-9.0%).

At 30 September 2019, operating net working capital amounts to EUR 97,294 thousand (27.7% of LTM sales) compared to EUR 84,275 thousand at 30 September 2018 (24.6% of LTM sales).

The net financial position, excluding the application of IFRS 16 (EUR 107,678 thousand) increases by EUR 3,094 thousand, rising from EUR 39,093 thousand at September 30, 2018 to EUR 42,187 thousand at September 30, 2019.



## Explanatory notes

### Income statement

#### 1. Revenues from sales and services

##### *Nine months 2019 vs 2018*

In the first nine months of 2019, revenues from sales and services are equal to EUR 269,041 thousand with an increase of 1.7%, at current exchange rates and +1.4% at constant exchange rates, compared to EUR 264,616 thousand in the first nine months of 2018.

#### Sales by brand

(Values in thousands of EUR)	9 M		9 M		Change	
	2019	%	2018	%	Δ	%
Alberta Ferretti	20,979	7.8%	25,057	9.5%	( 4,078)	(16.3%)
Philosophy	14,325	5.3%	14,670	5.5%	( 345)	(2.4%)
Moschino	199,399	74.1%	189,997	71.8%	9,402	4.9%
Pollini	27,312	10.2%	27,157	10.3%	155	0.6%
Other	7,026	2.6%	7,735	2.9%	( 709)	(9.2%)
<b>Total</b>	<b>269,041</b>	<b>100.0%</b>	<b>264,616</b>	<b>100.0%</b>	<b>4,425</b>	<b>1.7%</b>

In the first nine months of 2019, Alberta Ferretti brand decreases by 16.3% (-16.6% at constant exchange rates), generating 7.8% of consolidated sales, while Philosophy brand decreases by 2.4% (-3.0% at constant exchange rates), generating 5.3% of consolidated sales.

In the same period, Moschino brand sales increase by 4.9% (+4.8% at constant exchange rates) contributing to 74.1% of consolidated sales.

Pollini brand increases by 0.6% (+0.4% at constant exchange rates), generating 10.2% of consolidated sales, while the other brands sales decrease by 9.2% (-10.3% at constant exchange rates) contributing to 2.6% of consolidated sales.

#### Sales by geographical area

(Values in thousands of EUR)	9 M		9 M		Change	
	2019	%	2018	%	Δ	%
Italy	125,195	46.5%	128,923	48.7%	( 3,728)	(2.9%)
Europe (Italy excluded)	62,334	23.2%	60,965	23.0%	1,369	2.2%
Asia and Rest of the World	67,464	25.1%	61,398	23.2%	6,066	9.9%
America	14,048	5.2%	13,330	5.0%	718	5.4%
<b>Total</b>	<b>269,041</b>	<b>100.0%</b>	<b>264,616</b>	<b>100.0%</b>	<b>4,425</b>	<b>1.7%</b>

In the first nine months of 2019 sales in Italy, amounting to 46.5% of consolidated sales, register a negative trend decreasing by 2.9% to EUR 125,195 thousand.

Sales in Europe, that amount to EUR 62,334 thousand, increase by 2.2% (+2.2% at constant exchange rates), contributing to 23.2% of consolidated sales, growth mostly driven by good performance in the UK and Germany.

In Asia and Rest of the World, sales are equal to EUR 67,764 thousand, contributing to 25.1% of consolidated sales, with an increase of 9.9% (+9.9% at constant exchange rates) compared to the corresponding period of 2018, mainly thanks to the excellent trend in Far East, that increased by 13.8%.

Sales in the United States are equal to EUR 14,048 thousand, contributing to 5.2% of consolidated sales, posting in the period an increase of 5.4% (+0.4% at constant exchange rates).

### Sales by distribution channel

(Values in thousands of EUR)	9 M		9 M		Change	
	2019	%	2018	%	Δ	%
Wholesale	187,575	69.7%	190,440	72.0%	( 2,865)	(1.5%)
Retail	71,608	26.6%	65,670	24.8%	5,938	9.0%
Royalties	9,858	3.7%	8,506	3.2%	1,352	15.9%
<b>Total</b>	<b>269,041</b>	<b>100.0%</b>	<b>264,616</b>	<b>100.0%</b>	<b>4,425</b>	<b>1.7%</b>

By distribution channel in the first nine months of 2019, wholesale sales decrease by 1.5% (-1.8% at constant exchange rates) contributing to 69.7% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 71,608 thousand with an increase of 9.0% (+8.8% at constant exchange rates) contributing to 26.6% of consolidated sales.

Royalty income is 15.9% higher than in the corresponding period of the previous year, representing 3.7% of consolidated sales.

### Third quarter 2019 vs 2018

In the third quarter of 2019, revenues from sales and services are equal to EUR 95,740 thousand with an increase of 2.4% compared with EUR 93,516 thousand in the third quarter of 2018.

### Sales by brand

(Values in thousands of EUR)	III Q		III Q		Change	
	2019	%	2018	%	Δ	%
Alberta Ferretti	6,747	7.0%	8,104	8.7%	( 1,357)	(16.7%)
Philosophy	5,389	5.6%	5,109	5.5%	280	5.5%
Moschino	69,323	72.4%	67,688	72.4%	1,635	2.4%
Pollini	10,851	11.3%	10,036	10.7%	815	8.1%
Other	3,430	3.7%	2,579	2.7%	851	33.0%
<b>Total</b>	<b>95,740</b>	<b>100.0%</b>	<b>93,516</b>	<b>100.0%</b>	<b>2,224</b>	<b>2.4%</b>

In the third quarter of 2019, Alberta Ferretti brand decreases by 16.7% generating 7.0% of consolidated sales, while Philosophy brand increases by 5.5% generating 5.6% of consolidated sales.

In the same period, Moschino brand sales increase by 2.4% contributing to 72.4% of consolidated sales.

Pollini brand increases by 8.1% generating 11.3% of consolidated sales, while the other brands sales increase by 33.0% contributing to 3.7% of consolidated sales.

### Sales by geographical area

(Values in thousands of EUR)	III Q		III Q		Change	
	2019	%	2018	%	Δ	%
Italy	45,059	47.1%	47,753	51.1%	(2,694)	(5.6%)
Europe (Italy excluded)	23,679	24.7%	19,655	21.0%	4,024	20.5%
Asia and Rest of the World	21,936	22.9%	21,780	23.3%	156	0.7%
America	5,066	5.3%	4,328	4.6%	738	17.1%
<b>Total</b>	<b>95,740</b>	<b>100.0%</b>	<b>93,516</b>	<b>100.0%</b>	<b>2,224</b>	<b>2.4%</b>

In the third quarter of 2019 sales in Italy decrease by 5.6% to EUR 45,059 thousand, contributing to 47.1% of consolidated sales.

Sales in Europe increase by 20.5% contributing to 24.7% of consolidated sales.

In Asia and Rest of the World, sales are equal to EUR 21,936 thousand with an increase of 0.7% and a contribution of 22.9% of consolidated sales.

Sales in America are equal to EUR 5,066 thousand, contributing to 5.3% of consolidated sales, with an increase of 17.1%.

### Sales by distribution channel

(Values in thousands of EUR)	III Q		III Q		Change	
	2019	%	2018	%	Δ	%
Wholesale	66,648	69.6%	66,551	71.2%	97	0.1%
Retail	25,433	26.6%	23,489	25.1%	1,944	8.3%
Royalties	3,659	3.8%	3,476	3.7%	183	5.3%
<b>Total</b>	<b>95,740</b>	<b>100.0%</b>	<b>93,516</b>	<b>100.0%</b>	<b>2,224</b>	<b>2.4%</b>

By distribution channel in the third quarter of 2019, wholesale sales increase by 0.1% contributing to 69.6% of consolidated sales.

Sales of our directly-operated stores (retail channel) amount to EUR 25,433 thousand with an increase of 8.3% contributing to 26.6% of consolidated sales.

Royalty income is 5.3% higher than in the corresponding period of the previous year, representing 3.8% of consolidated sales.

## 2. Gross Operating Margin (EBITDA)

### Nine months 2019 vs 2018

In the first nine months of 2019 consolidated EBITDA is equal to EUR 46,091 thousand (with an incidence of 17.1% of consolidated sales), compared to EUR 37,122 thousand in the first nine months of 2018 (14.0% of total sales), recording an increase in profitability equal to EUR 8,969 thousand (+24.2%). The increase in EBITDA is mainly related to the application of IFRS 16. The application of the new standard has led to the

cancellation of operating lease instalments recognized as costs for services that will be re-allocated to depreciation of the rights to use assets and charges financial related to the valuation of the amortized cost of the financial debt of the lease. The cumulative effect deriving from the application of IFRS 16 is equal to EUR 12,303 thousand.

EBITDA of the *prêt-à-porter* division is equal to EUR 33,392 thousand (representing the 16.6% of sales) compared to EUR 26,044 thousand in the first nine months of 2018 (representing the 12.8% of sales), recording an increase of EUR 7,348 thousand of which EUR 11,261 thousand deriving from the application of IFRS 16.

EBITDA of the Footwear and leather goods division amounts to EUR 12,699 thousand (13.1% of sales) compared to EUR 11,078 thousand in the first nine months of 2018 (12.5% of sales), with a EUR 1,621 thousand increase of which EUR 1,041 thousand deriving from the application of IFRS 16.

### *Third quarter 2019 vs 2018*

In the third quarter of 2019 consolidated EBITDA is EUR 19,416 thousand (with an incidence of 20.3% of consolidated sales), showing an increase of profitability compared to EUR 16,153 thousand in the third quarter of 2018, (with an incidence of 17.3% of consolidated sales).

## **3. Net profit for the Group**

### *Nine months 2019 vs 2018*

The Group posts a Net Profit of EUR 13,229 thousand, compared to the net profit of EUR 16,090 thousand in the first nine months of 2018, with a EUR 2,861 thousand decrease.

It should be noted that the effect deriving from the application of IFRS 16 is equal to EUR -178 thousand.

### *Third quarter 2019 vs 2018*

In the third quarter of 2019 Group records a net profit of EUR 8,114 thousand showing an increase compared to a net profit of EUR 7,815 thousand in the third quarter of 2018.

It should be noted that the effect deriving from the application of IFRS 16 is equal to EUR -53 thousand.

## **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 2019 vs 2018

The following tables indicate the main economic data for the first nine months of 2019 and 2018 of the *Prêt-à porter* and Footwear and leather goods Divisions.

### 9M 2019 including IFRS 16 effects

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2019				
<b>SECTOR REVENUES</b>	<b>200,952</b>	<b>96,735</b>	<b>( 28,646)</b>	<b>269,041</b>
Intercompany revenues	( 8,466)	( 20,180)	28,646	-
<b>Revenues with third parties</b>	<b>192,486</b>	<b>76,555</b>	-	<b>269,041</b>
<b>Gross operating margin (EBITDA)</b>	<b>33,392</b>	<b>12,699</b>	-	<b>46,091</b>
Amortisation	( 16,919)	( 2,976)	-	( 19,895)
Other non monetary items:				
Revaluations / write-downs	-	( 185)	-	( 185)
<b>Net operating profit / loss (EBIT)</b>	<b>16,473</b>	<b>9,538</b>	-	<b>26,011</b>
Financial income	308	632	( 135)	805
Financial expenses	( 2,294)	( 569)	135	( 2,728)
<b>Profit / loss before taxes</b>	<b>14,487</b>	<b>9,601</b>	-	<b>24,088</b>
Income taxes	( 7,778)	( 2,735)	-	( 10,513)
<b>Net profit / loss</b>	<b>6,709</b>	<b>6,866</b>	-	<b>13,575</b>

### 9M 2019 excluding IFRS 16 effects

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany	Total
9M 2019 excluded IFRS 16				
<b>Ricavi di settore</b>	<b>200,952</b>	<b>96,735</b>	<b>( 28,646)</b>	<b>269,041</b>
Ricavi infradivisione	( 8,466)	( 20,180)	28,646	-
<b>Ricavi da clienti terzi</b>	<b>192,486</b>	<b>76,555</b>	-	<b>269,041</b>
<b>Margine operativo lordo (EBITDA)</b>	<b>22,131</b>	<b>11,658</b>	-	<b>33,788</b>
Ammortamenti	( 6,909)	( 2,072)	-	( 8,981)
Altre voci non monetarie:				
Rivalutazioni/Svalutazioni	-	( 185)	-	( 185)
<b>Margine operativo (EBIT)</b>	<b>15,222</b>	<b>9,401</b>	-	<b>24,622</b>
Proventi finanziari	308	632	( 135)	805
Oneri finanziari	( 783)	( 445)	135	( 1,093)
<b>Risultato ante imposte</b>	<b>14,747</b>	<b>9,588</b>	-	<b>24,334</b>
Imposte sul reddito	( 7,850)	( 2,731)	-	( 10,582)
<b>Risultato netto</b>	<b>6,896</b>	<b>6,856</b>	-	<b>13,753</b>

## 9M 2018

(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
9M 2018				
<b>SECTOR REVENUES</b>	<b>202,957</b>	<b>88,651</b>	<b>( 26,992)</b>	<b>264,616</b>
Intercompany revenues	( 6,745)	( 20,247)	26,992	-
<b>Revenues with third parties</b>	<b>196,212</b>	<b>68,404</b>	-	<b>264,616</b>
<b>Gross operating margin (EBITDA)</b>	<b>26,044</b>	<b>11,078</b>	-	<b>37,122</b>
Amortisation	( 6,580)	( 2,124)	-	( 8,704)
Other non monetary items:				
Revaluations / write-downs	( 551)	( 169)		( 720)
<b>Net operating profit / loss (EBIT)</b>	<b>18,913</b>	<b>8,785</b>	-	<b>27,698</b>
Financial income	257	373	( 150)	480
Financial expenses	( 818)	( 502)	150	( 1,170)
<b>Profit / loss before taxes</b>	<b>18,352</b>	<b>8,656</b>	-	<b>27,008</b>
Income taxes	( 7,167)	( 2,822)	-	( 9,989)
<b>Net profit / loss</b>	<b>11,185</b>	<b>5,834</b>	-	<b>17,019</b>

### Prêt-à porter Division

In the first nine months of 2019, revenues of the prêt-à-porter division decrease by 1% to EUR 200,952 thousand.

EBITDA of the *prêt-à-porter* division, in the first nine months of 2019 (excluding the application of the IFRS16 equal to EUR 11,261 thousand) is EUR 22,131 thousand (representing 11.0% of consolidated sales) compared to an EBITDA of EUR 26,044 thousand in the first nine months of 2018 (representing 12.8% of consolidated sales), showing a decrease of EUR 3,913.

### Footwear and leather goods Division

Revenues of the footwear and leather goods division increase by 9.1% from EUR 88,651 thousand in the first nine months of 2018 to EUR 96,735 thousand in the first nine months of 2019.

EBITDA of the Footwear and leather goods division (excluding the application of the IFRS16 equal to EUR 1,041 thousand) amounts to EUR 11,658 thousand (12.1% of sales) compared to EUR 11,078 thousand in the first nine months of 2018 (12.5% of sales), with a EUR 580 thousand increase.

### *Third Quarter 2019 vs 2018*

The following tables indicate the main economic data for the third quarter of 2019 and 2018 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 2019				
<b>SECTOR REVENUES</b>	<b>68,719</b>	<b>36,037</b>	<b>( 9,016)</b>	<b>95,740</b>
Intercompany revenues	( 3,263)	( 5,753)	9,016	-
<b>Revenues with third parties</b>	<b>65,456</b>	<b>30,284</b>		<b>95,740</b>
<b>Gross operating margin (EBITDA)</b>	<b>13,418</b>	<b>5,998</b>		<b>19,416</b>
Amortisation	( 5,537)	( 998)		( 6,535)
Other non monetary items:				
Revaluations / write-downs		( 78)		( 78)
<b>Net operating profit / loss (EBIT)</b>	<b>7,881</b>	<b>4,922</b>		<b>12,803</b>
Financial income	138	466	( 40)	564
Financial expenses	( 737)	( 122)	40	( 819)
<b>Profit / loss before taxes</b>	<b>7,282</b>	<b>5,266</b>		<b>12,548</b>
Income taxes	( 2,749)	( 1,506)		( 4,255)
<b>Net profit / loss</b>	<b>4,533</b>	<b>3,760</b>		<b>8,293</b>
(Values in thousand of EUR)	Prêt-à porter Division	Footwear and leather goods Division	Elimination of intercompany transactions	Total
III Q 2018				
<b>SECTOR REVENUES</b>	<b>71,248</b>	<b>30,508</b>	<b>( 8,240)</b>	<b>93,516</b>
Intercompany revenues	( 2,438)	( 5,802)	8,240	-
<b>Revenues with third parties</b>	<b>68,810</b>	<b>24,706</b>		<b>93,516</b>
<b>Gross operating margin (EBITDA)</b>	<b>11,728</b>	<b>4,425</b>		<b>16,153</b>
Amortisation	( 2,239)	( 711)		( 2,950)
Other non monetary items:				
Revaluations / write-downs	20	( 70)		( 50)
<b>Net operating profit / loss (EBIT)</b>	<b>9,509</b>	<b>3,644</b>		<b>13,153</b>
Financial income	88	154	( 49)	193
Financial expenses	( 217)	( 96)	49	( 264)
<b>Profit / loss before taxes</b>	<b>9,380</b>	<b>3,702</b>		<b>13,082</b>
Income taxes	( 3,300)	( 1,124)		( 4,424)
<b>Net profit / loss</b>	<b>6,080</b>	<b>2,578</b>		<b>8,658</b>

## Balance sheet

### 4. Operating net working capital

At 30 September 2019, operating net working capital amounts to EUR 97,294 thousand (27.7% of LTM sales) compared to EUR 84,275 thousand at 30 September 2018 (24.6% of sales).

### 5. Fixed assets

The change in fixed assets, that increases from EUR 166,373 thousand at 31 December 2018 to EUR 263,870 thousand at 30 September 2019, is attributable to the application of IFRS 16 with the recording of rights to use assets. In addition, in the 2019 financial year following the application of IFRS 16, the amortization plan for the Key Money was modified, making them part of the rights to use assets as they represent the initial direct costs of the lessee. The effect of the application of IFRS 16 is equal to Euro 101,379 thousand, while that of the reclassification of Key Money is equal to Euro 23,004 thousand.

### 6. Shareholders' equity

Changes in shareholders' equity are presented in tables at page 15.

## 7. Net financial position

The increase in the net financial position relates to the application of IFRS 16, which weighed EUR 107,678 thousand. Without considering the effect of the application of the new standard, the net financial position increases by EUR 3,094 thousand, from EUR 39,093 thousand at September 30, 2018 to EUR 42,187 thousand at September 30, 2019.

### Statement of reconciliation of the net financial position

The effects of the application of the new IFRS 16 are shown below

(Values in thousands of EUR)	30 September 2019	IFRS 16 Effects	30 September 2019 comparable	31 December 2018	30 September 2018	Change on December 2018	Change on September 2018
Short term financial receivables	(1,155)		(1,155)	(1,420)	(1,420)	265	265
Cash	(24,645)		(24,645)	(28,037)	(28,444)	3,392	3,800
Long term financial liabilities	16,471		16,471	16,409	15,620	62	850
Long term financial receivables	(2,296)		(2,296)	(2,302)	(2,271)	6	(25)
Short term financial liabilities	53,812		53,812	46,607	55,608	7,205	(1,796)
Short term lease liabilities (IFRS 16)	14,606	14,606	-	-	-	-	-
Long term lease liabilities (IFRS 16)	93,071	93,071	-	-	-	-	-
<b>NET FINANCIAL POSITION</b>	<b>149,865</b>	<b>107,678</b>	<b>42,187</b>	<b>31,256</b>	<b>39,093</b>	<b>10,931</b>	<b>3,094</b>

## 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 2019	30 September 2018
<b>From continuing and discontinued activities</b>		
Earnings for determining basic earnings per share	13,229	16,090
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>13,229</b>	<b>16,090</b>

(Values in thousands of EUR)	30 September 2019	30 September 2018
<b>From continuing activities</b>		
Earnings for the period	13,229	16,090
Earnings from discontinued operations	-	-
<b>Earnings for determining basic earnings per share</b>	<b>13,229</b>	<b>16,090</b>
Dilutive effects	-	-
<b>Earnings for determining dilutive earnings per share</b>	<b>13,229</b>	<b>16,090</b>

In both periods, September 2019 and September 2018, there is no evidence of dilution of consolidated net earnings.



	30 September 2019	30 September 2018
<b>Average number of shares for determining earnings per share</b>	<b>101,155</b>	<b>101,486</b>
Share options	-	-
<b>Average number of shares for determining diluted earnings per share</b>	<b>101,155</b>	<b>101,486</b>

#### *Basic earnings per share*

Group net earnings attributable to holders of ordinary shares of parent company AEFPE S.p.A., amounts to EUR 13,229 thousand (September 2018: EUR 16,0990 thousand).

#### *Dilutive earnings per share*

The calculation of diluted earnings per share for the period January - September 2019, matches with the calculation of basic earnings per share, as there are no tools with potential dilutive effects.

### **Significant events subsequent to the balance sheet date**

After the 30 September 2019 no significant events regarding the Group's activities have to be reported.

### **Outlook**

In an uncertain market environment, characterized by turbulence in markets of importance for us, we positively evaluate the results of the first nine months and we believe that the investment plan implemented since last year across R&D, production and marketing departments will contribute to strengthen the strategic positioning of our brands at international level.

### **Atypical and/or unusual transactions**

Pursuant to Consob communication n. DEM/6064293 dated 28 July 2006, it is confirmed that during the first nine months of 2019, 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 nine months of 2019 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.