

# AEFFE

## MOSCHINO

## POLLINI

## ALBERTA FERRETTI

PHILOSOPHY  
DI  
LORENZO SERAFINI

### PRESS RELEASE

- **Strong Acceleration In The First Nine Months Of 2021: Revenues Of €250.0 Million, Up 21.2% At Constant Exchange Rates And EBITDA Of €36.0 Million, More Than Quadrupled**
- **Orders' Backlog For The Spring/Summer 2022 Season Up By 22% Compared To The Same Season Of Last Year**

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**San Giovanni in Marignano, 11<sup>th</sup> November 2021** - The Board of Directors of Aeffe SpA - operating in the luxury sector, listed on the STAR segment of Borsa Italiana, with a presence in the prêt-à-porter, footwear and leather goods division under renowned brand names such as Alberta Ferretti, Philosophy di Lorenzo Serafini, Moschino and Pollini - approved today the Interim consolidated financial statement as of September 30, 2021.

- **Consolidated revenues of €250.0m, compared to €206.8m of the first nine months of 2020, with a 21.2% increase at constant exchange rates (20.9% at current exchange rates).**
- **In the first 9 months Ebitda of €36.0m compared to Ebitda of €8.2m in the first nine months of 2020, with a €27.8m increase (+342.0%).**
- **In the first 9 months Ebit of €17.5m, adding €29.9m compared to the first nine months of 2020.**
- **Net Income of €23.0m, compared to the Net Loss of €14.0m first nine months of 2020.**
- **Net financial debt with IFRS 16 effect of €140.3m as of September 2021 compared to €148.7m as of September 2020, with a €8.4m improvement. Financial debt net of IFRS 16 effect of €61.3m compared to €60.1m as of September 2020, with a €1.2m increase. Net of the payment of the first instalment of €30m, out of the price of €67m for the acquisition of the 30% stake of Moschino S.p.A., financial debt net of the IFRS 16 effect would have been €31.3m with cash generation in the first nine months of 2021 of €33m.**
- **New drive to the development strategy through full control of Moschino and internalization of "Love Moschino" women's apparel collections.**

## **Consolidated Revenues**

In the first nine months of 2021, AEFEE consolidated revenues amounted to €250.0m compared to €206.8m in the first nine months of 2020, posting a 21.2% increase at constant exchange rates (+20.9% at current exchange rates).

The growth in the first nine months the year reflects the extremely positive contribution provided mostly by the United States, continental Europe and directly operated online channels (+56% at the end of September 2021 vs September 2020).

Revenues of the *prêt-à-porter* division amounted to €166.8m, posting a 10.3% increase at constant exchange rates compared with the first nine months of 2020.

Revenues of the footwear and leather goods division increased by 34% to €109.9m, at constant exchange rates, before interdivisional eliminations.

Massimo Ferretti, Executive Chairman of Aeffe Spa, has commented: “We evaluate positively the performance of the first 2021 nine months, considering the good progression of our brands, on the point of view of turnover as well as on the marginality one. Looking at the future, good signals come from the Spring Summer 2022 sales campaign, which closed with a 22% increase compared to counter-season last year. Furthermore, the whole control of Moschino and the internalization of Moschino Donna licenses starting from the autumn-winter 2023 season will allow to implement strategies able to express to the best the brand's potential”.

## **Revenues Breakdown by Region**

(In thousands of Euro)	9M 21 Reported	9M 20 Reported	% Change	% Change*
Italy	102,632	93,028	10.3%	10.3%
Europe (Italy excluded)	80,664	62,480	29.1%	29.1%
Asia and Rest of the World	50,137	39,503	26.9%	26.9%
America	16,600	11,743	41.4%	46.1%
<b>Total</b>	<b>250,033</b>	<b>206,754</b>	<b>20.9%</b>	<b>21.2%</b>

(\*) Calculated at constant exchange rates

In the first nine months of 2021, the Group registered double-digit growth in all markets in which operates, with very strong increases in Europe, Asia, Rest of the World and America.

In **Asia and in the Rest of the World**, the Group's sales totalled €50.1m, amounting to 20.1% of consolidated sales, recording an increase of 26.9% at constant exchange rates compared to the first nine months of 2020. The Greater China area drove the growth, reporting a progression by 35%.

At constant exchange rates, sales in **America**, contributing to 6.6% of consolidated sales, posted an increase of 46.1% at constant exchange rates, thanks to the excellent trend of both the retail and the wholesale channels, online included.

In the first nine months of 2021, **sales in Europe**, contributing to 32.3% of consolidated sales, increased by 29.1% mainly thanks to the positive trend of Germany, UK and Eastern Europe in the wholesale channel. The retail channel continued to be partially influenced by the limited tourists' flow.

Sales on the **Italian market** increased by 10.3% to €102.6m compared the first nine months of 2020, thanks to the excellent results achieved by the wholesale and e-commerce.

## Revenues by distribution channel

(In thousands of Euro)	9M 21 Reported	9M 20 Reported	% Change	% Change*
Wholesale	189,425	148,938	27.2%	27.5%
Retail	50,840	50,163	1.3%	1.5%
Royalties	9,768	7,652	27.6%	27.6%
<b>Total</b>	<b>250,033</b>	<b>206,754</b>	<b>20.9%</b>	<b>21.2%</b>

(\*) Calculated at constant exchange rates

The wholesale channel, contributing to 75.8% of consolidated sales, recorded a 27.5% growth at constant exchange rates.

The sales of directly-operated stores (DOS), including direct online, (retail channel), equal to 20.3% of consolidated sales, showed a recovery thanks to the progressive easing of the restrictions to the international travels. The retail channel showed an increase of 1.5% at constant exchange rates compared to the correspondent period of last year. E-commerce sales, considered stand alone, instead posted a very positive trend in the period, recording excellent performances across all brands and geographies.

Royalty incomes, representing 3.9% of consolidated sale, increased by 27.6% compared to the first nine months of 2020, with a positive trend in 3Q21 (+42%) compared to 3Q 20.

## Network of Monobrand Stores

DOS	9M 21	FY 20	Franchising	9M 21	FY 20
Europe	42	42	Europe	38	40
Americas	1	1	Americas		
Asia	14	16	Asia	103	104
<b>Total</b>	<b>57</b>	<b>59</b>	<b>Total</b>	<b>141</b>	<b>144</b>

The changes in the whole stores network reflect some openings and closures in Europe and in the Asian market due to the strategic repositioning of the stores.

## Group's Operating and Net Result Analysis

In the first nine months of 2021 the consolidated Ebitda was equal to €36.0 (with an incidence of 14.4% of total sales), compared to €8.1m in the first nine months of 2020 (3.9% of total sales), with a €27.9m increase.

The marginality grew more than proportionally compared to the sales increase. This reflects both the significant sales increase and the positive results deriving from 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.

In the first nine months of 2021 Ebitda of the *prêt-à-porter* division amounted to €21.8m (13.1% of sales), compared to €5.9m in the first nine months of 2020 (3.9% of sales), registering a €15.9m growth.

Ebitda of the footwear and leather goods division amounted to €14.3m (13.0% of sales) compared to a €2.3m in the first nine months of 2020 (2.8% of sales), with a €12.0m increase due to the sales progression.

Consolidated Ebit was equal to €17.5m, compared to a negative amount of €12.5m in the first nine months of 2020, with a €30.0m growth due to the Ebitda increase.

Net Profit was equal to €23.2, compared to the Net Loss of €14.0m in the first nine months of 2020. The adjusted Net profit of the period, net of extraordinary fiscal benefits related to revaluations and realignments implemented in accordance with art. 110 of Law Decree 104/2020 ("August Decree"), amounted to €8.2m.

## **Group's Balance Sheet Analysis**

Looking at the balance sheet as of 30<sup>th</sup> September 2021, Shareholders' equity is equal to €131.3m and financial debt with IFRS 16 effect amounts to €140.3m compared to €148.7m as of 30<sup>th</sup> September 2020, with a €8.4m improvement thanks to both better economic results achieved and to the effective management of working capital. The financial debt net of IFRS 16 effects at the end of September 2021 amounts to €61.3m compared to €60.1m at the end of September 2020, with a €1.2m increase.

Debt includes the first instalment of EUR 30m of the EUR 67m needed to acquire 30% of Moschino S.p.A.: excluding such effect, financial debt net of the effect of IFRS 16 would have amounted to €31.3m with cash generation equal to EUR 33m in the first nine months of 2021.

As of 30<sup>th</sup> September, 2021 operating net working capital amounts to €83.1m (26.6% of LTM sales) compared to €97.1m as of 30<sup>th</sup> September, 2020 (33.6% of LTM sales). The improvement of the incidence of net working capital on sales mainly refers to lower inventories.

Capex in the first nine months of 2021 amount to €1.5m and are mostly related to refurbishment and IT technologies.

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Income Statement, Reclassified Balance Sheet and Cash Flow Statement are attached below. It is specified that financial data as at 30<sup>th</sup> September, 2021 included in the Consolidated Interim Report of this press release were subject to limited review by the Auditors' company.

Please note that the Interim Consolidated Financial Statements and the Results Presentation at 30<sup>th</sup> September 2021 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](http://www.emarketstorage.com).

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

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## GROUP'S PROFIT & LOSS

<i>(In thousands of Euro)</i>	9M 21	%	9M 20	%	Change %
<b>Revenues from sales and services</b>	<b>250,033</b>	<b>100.0%</b>	<b>206,754</b>	<b>100.0%</b>	<b>20.9%</b>
Other revenues and income	4,593	1.8%	6,585	3.2%	(30.3%)
<b>Total Revenues</b>	<b>254,625</b>	<b>101.8%</b>	<b>213,339</b>	<b>103.2%</b>	<b>19.4%</b>
Total operating costs	(218,588)	(87.4%)	(205,186)	(99.2%)	6.5%
<b>EBITDA</b>	<b>36,037</b>	<b>14.4%</b>	<b>8,153</b>	<b>3.9%</b>	<b>342.0%</b>
Total Amortization and Write-downs	(18,562)	(7.4%)	(20,618)	(10.0%)	(10.0%)
<b>EBIT</b>	<b>17,475</b>	<b>7.0%</b>	<b>(12,465)</b>	<b>(6.0%)</b>	<b>(240.2%)</b>
Total Financial Income /(expenses)	(2,021)	(0.8%)	(2,343)	(1.1%)	(13.7%)
<b>Profit/(Loss) before taxes</b>	<b>15,454</b>	<b>6.2%</b>	<b>(14,808)</b>	<b>(7.2%)</b>	<b>(204.4%)</b>
Taxes	7,703	3.1%	849	0.4%	806.9%
<b>Net Profit/(Loss)</b>	<b>23,157</b>	<b>9.3%</b>	<b>(13,958)</b>	<b>(6.8%)</b>	<b>(265.9%)</b>
(Profit)/Loss attributable to minority shareholders			1,430	0.7%	(100.0%)
<b>Net Profit/(Loss) for the Group</b>	<b>23,157</b>	<b>9.3%</b>	<b>(12,528)</b>	<b>(6.1%)</b>	<b>(284.8%)</b>

## GROUP'S BALANCE SHEET

<i>(In thousands of Euro)</i>	9M 21	FY 20	9M 20
Trade receivables	60,115	39,095	47,971
Stock and inventories	93,958	109,285	112,269
Trade payables	(70,990)	(69,328)	(63,107)
<b>Operating net working capital</b>	<b>83,084</b>	<b>79,052</b>	<b>97,132</b>
Other receivables	34,859	39,036	40,584
Other liabilities	(63,798)	(20,778)	(21,855)
<b>Net working capital</b>	<b>54,145</b>	<b>97,309</b>	<b>115,861</b>
Tangible fixed assets	59,465	61,658	62,618
Intangible fixed assets	69,757	72,489	73,227
Right of use assets	89,433	100,472	102,156
Investments	30	132	132
Other long term receivables	2,169	2,616	2,980
<b>Fixed assets</b>	<b>220,854</b>	<b>237,367</b>	<b>241,112</b>
Post employment benefits	(4,434)	(4,900)	(5,002)
Long term provisions	(1,601)	(1,544)	(1,946)
Assets available for sale			
Other long term liabilities	(1,159)	(1,769)	(860)
Deferred tax assets	19,171	21,287	17,971
Deferred tax liabilities	(15,307)	(28,016)	(29,178)
<b>NET CAPITAL INVESTED</b>	<b>271,669</b>	<b>319,734</b>	<b>337,958</b>
Capital issued	24,950	25,044	25,052
Other reserves	110,543	131,312	132,338
Profits/(Losses) carried-forward	(27,321)	13,274	13,140
Profit/(Loss) for the period	23,157	(21,397)	(12,528)
<b>Group share capital and reserves</b>	<b>131,329</b>	<b>148,232</b>	<b>158,002</b>
Minority interests		30,524	31,258
<b>Shareholders' equity</b>	<b>131,329</b>	<b>178,756</b>	<b>189,260</b>
Short term financial receivables	(2,850)	(652)	(683)
Liquid assets	(39,367)	(39,828)	(33,723)
Long term financial payables	45,791	34,349	36,997
Long term financial receivables		(2,037)	(2,135)
Short term financial payables	57,757	60,939	59,670
<b>NET FINANCIAL DEBT NET OF IFRS 16 EFFECT</b>	<b>61,331</b>	<b>52,770</b>	<b>60,126</b>
Short term lease liabilities	13,249	12,974	13,459
Long term lease liabilities	65,760	75,233	75,113
<b>NET FINANCIAL POSITION</b>	<b>140,340</b>	<b>140,978</b>	<b>148,698</b>
<b>SHAREHOLDERS' EQUITY AND NET FINANCIAL INDEBTEDNESS</b>	<b>271,669</b>	<b>319,734</b>	<b>337,958</b>

## GROUP'S CASH FLOW

<i>(In thousands of Euro)</i>	<b>9M 21</b>	<b>FY 20</b>	<b>9M 20</b>
<b>OPENING BALANCE</b>	<b>39,828</b>	<b>28,390</b>	<b>28,390</b>
Profit/(Loss) before taxes	15,454	( 27,587)	( 14,808)
Amortizations, provisions and depreciations	18,562	29,059	19,791
Accruals (availments) of long term provisions and post employment benefits	( 409)	( 598)	( 94)
Taxes	( 827)	( 2,592)	( 676)
Financial incomes and financial charges	2,021	3,022	2,343
Change in operating assets and liabilities	( 210)	8,963	( 8,849)
<b>NET CASH FLOW FROM OPERATING ASSETS</b>	<b>34,591</b>	<b>10,267</b>	<b>( 2,293)</b>
Increase (decrease) in intangible fixed assets	( 464)	( 880)	( 495)
Increase (decrease) in tangible fixed assets	( 1,086)	( 4,504)	( 4,037)
Increase (-)/ Decrease (+) in Right of use assets (See Note 3)	( 553)	( 6,648)	( 3,200)
Investments and Write-downs (-)/Disinvestments and Revaluations (+)	101		
<b>CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES</b>	<b>( 2,002)</b>	<b>( 12,032)</b>	<b>( 7,732)</b>
Other changes in reserves and profit carried-forward to shareholders'equity	( 30,377)	( 1,080)	( 856)
Proceeds (repayment) of financial payments	8,260	24,129	25,509
Proceeds (+)/ repayment (-) of lease payables	( 9,198)	( 7,596)	( 7,232)
Increase (decrease) financial receivables	286	772	280
Financial incomes and financial charges	( 2,021)	( 3,022)	( 2,343)
<b>CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES</b>	<b>( 33,050)</b>	<b>13,203</b>	<b>15,358</b>
<b>CLOSING BALANCE</b>	<b>39,367</b>	<b>39,828</b>	<b>33,723</b>