



ALBERTA FERRETTI



MOSCHINO



AEFFE First Quarter 2019 Consolidated Financial Results Presentation
14th May 2019

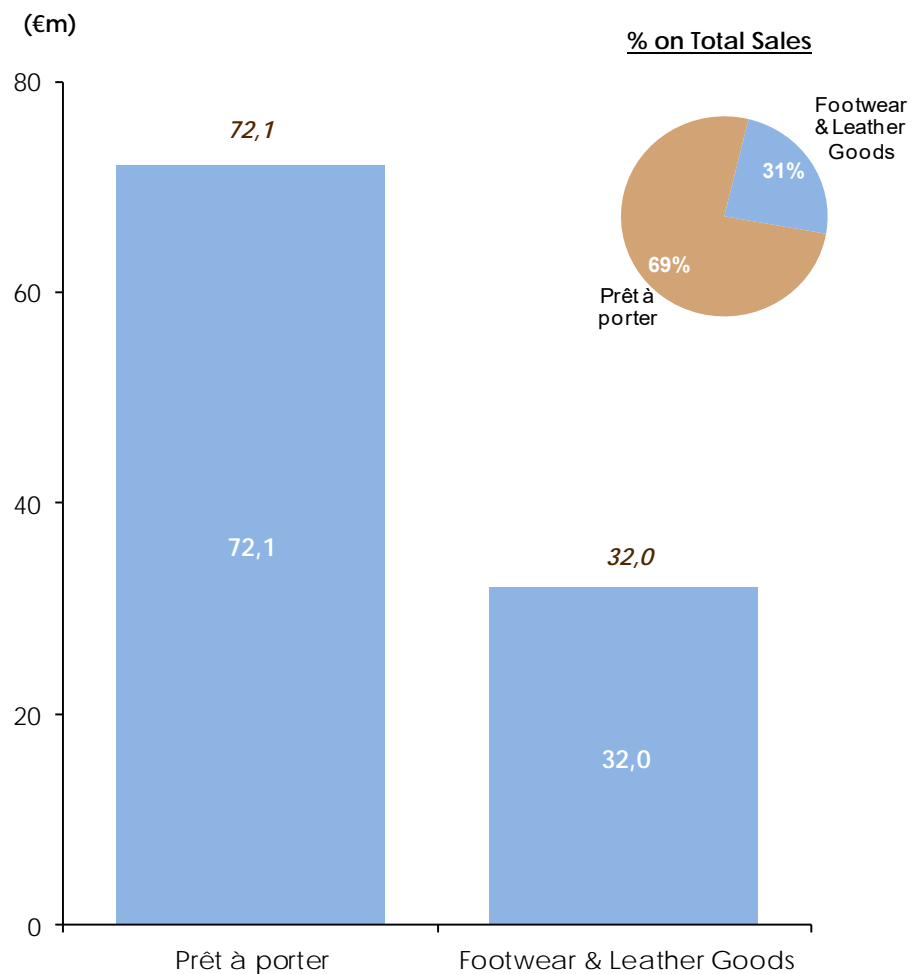
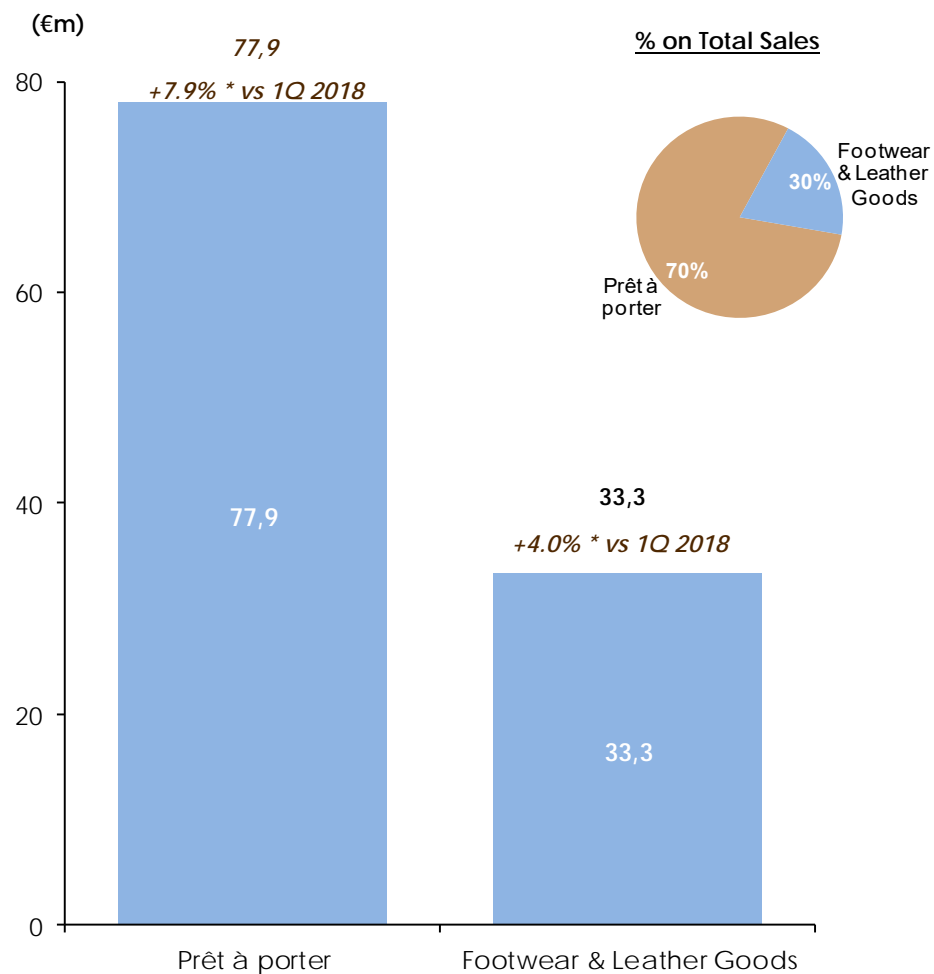
1Q 2019 Key Facts

- ❖ **Consolidated Revenues** +7.3% at € 102.2m, (+7.4% at current exchange rates);
- ❖ **Consolidated EBITDA net of IFRS 16 effect** for € 22.2m (21.7% of sales), compared to an EBITDA of € 20.3m (21.4% of sales) in 1Q 2018, with a € 1.9m improvement (+9%)
- ❖ **Net Profit for the Group** at € 11.8m, compared to a Net Profit of € 11.3m in 1Q 2018, with a €0.5m improvement (+4.3%)
- ❖ **Consolidated Financial Debt net of IFRS 16 effect** of € 34.5m, compared to € 53.8m as of 31 March 2018, with a € 19.3m improvement (€ 31.3m as of 31 December 2018)
- ❖ **246 Mono Brand Stores**
- ❖ **First-time application of the new Lease standard IFRS 16 from January 1st, 2019**

Net Sales Breakdown by Division⁽¹⁾

1Q 2019

1Q 2018



* At constant exchange rates

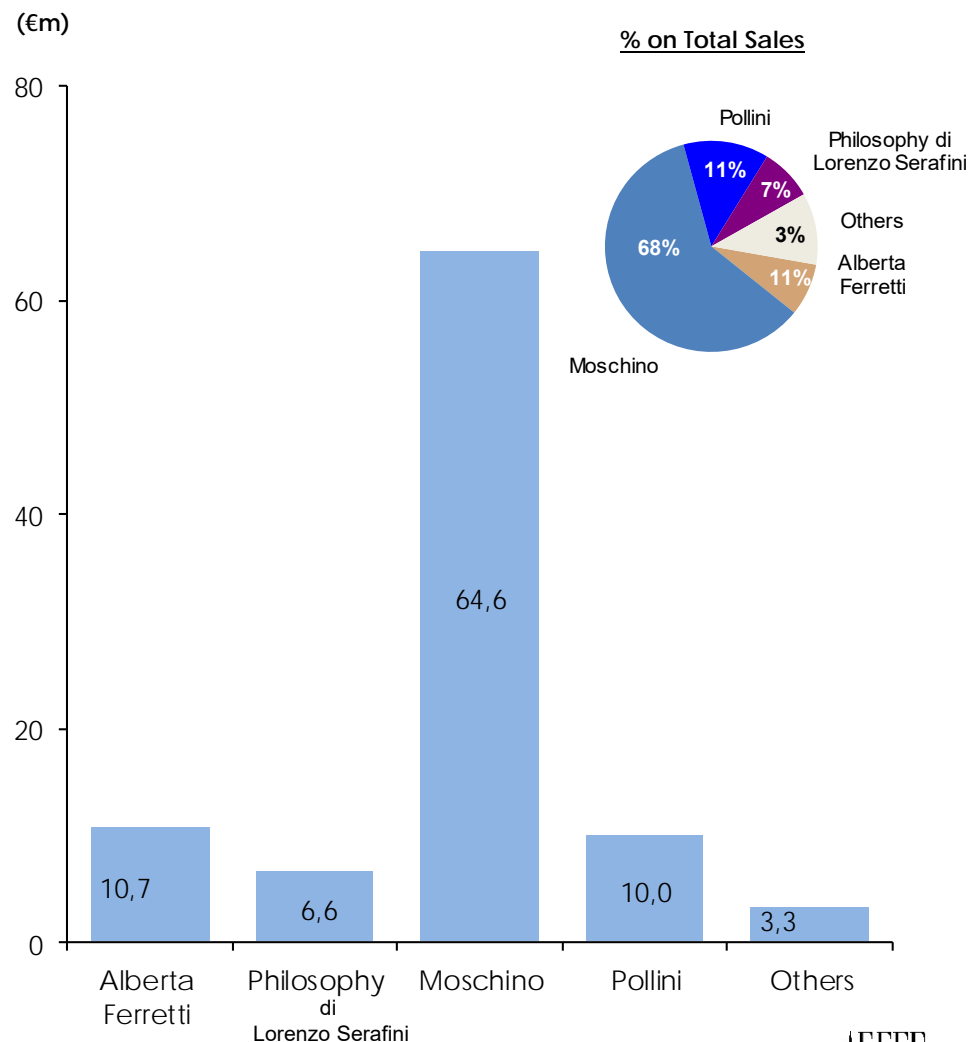
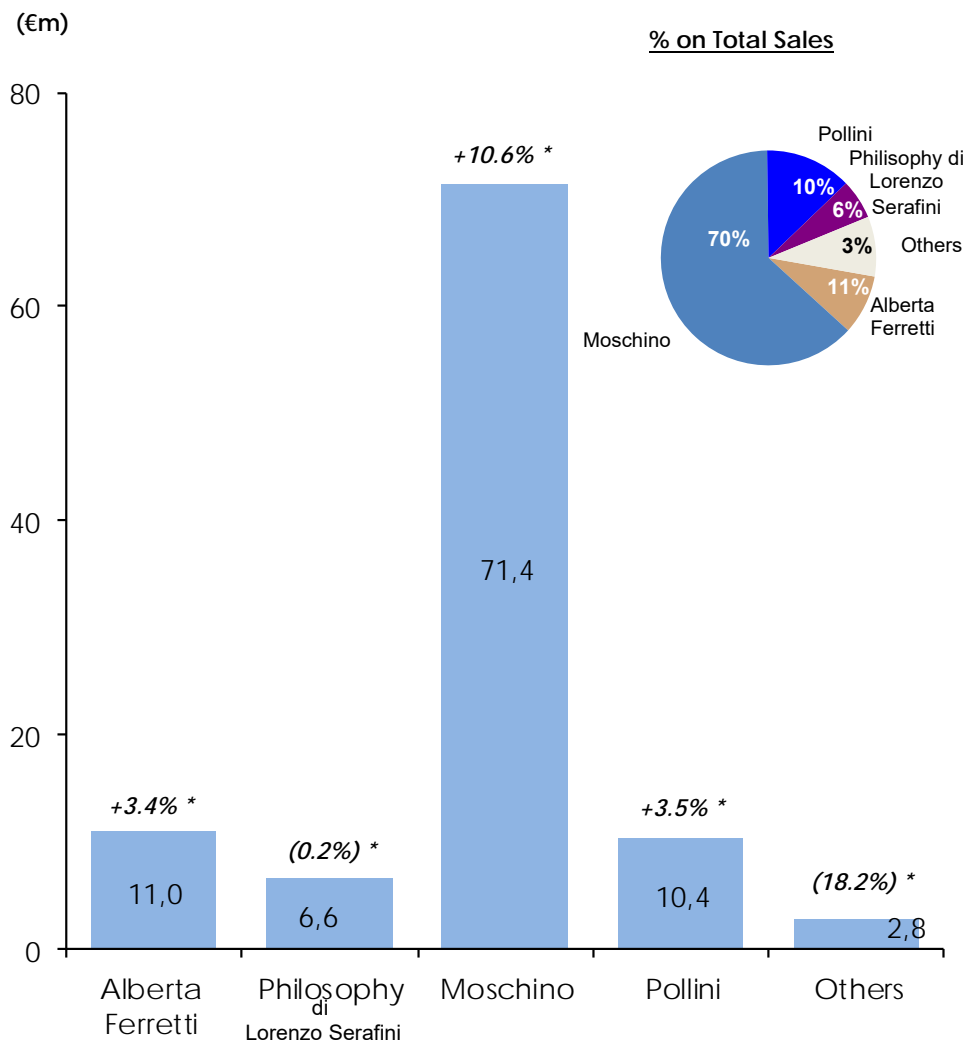
(1) Before inter-divisional eliminations

■ 1Q

Net Sales Breakdown by Brand

1Q 2019

1Q 2018



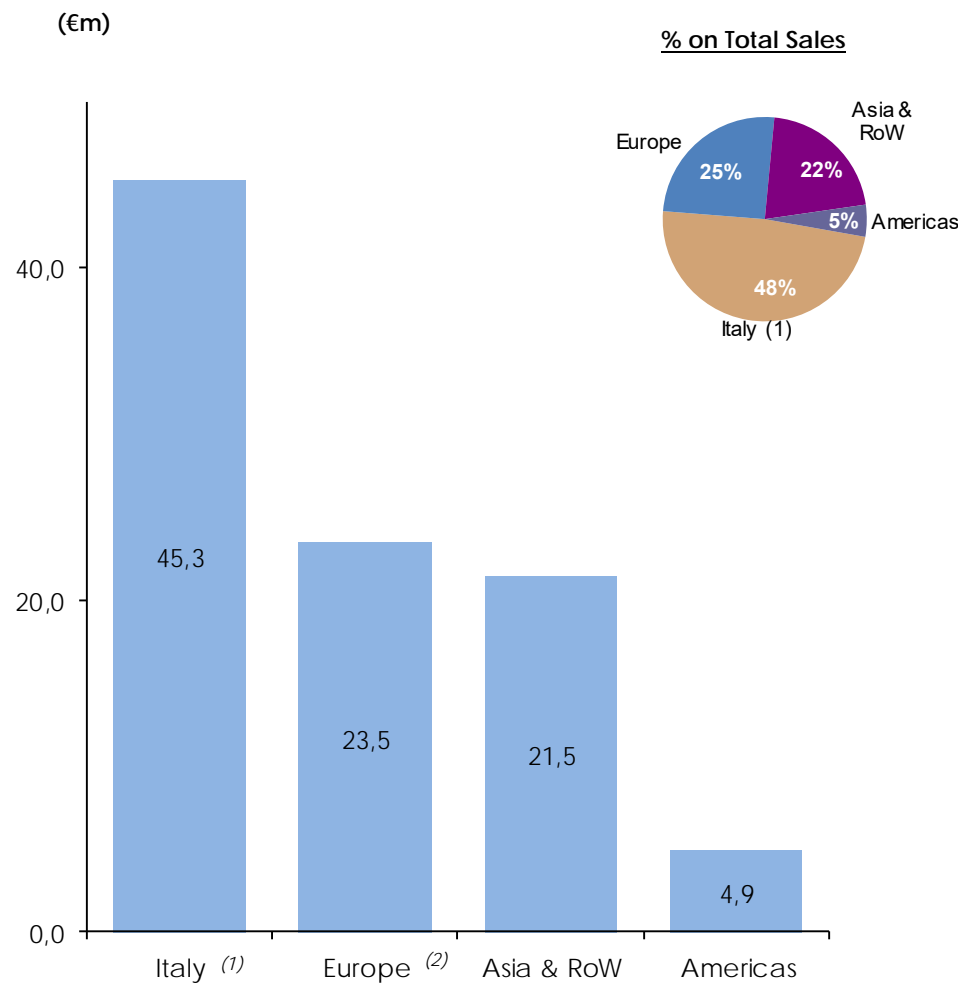
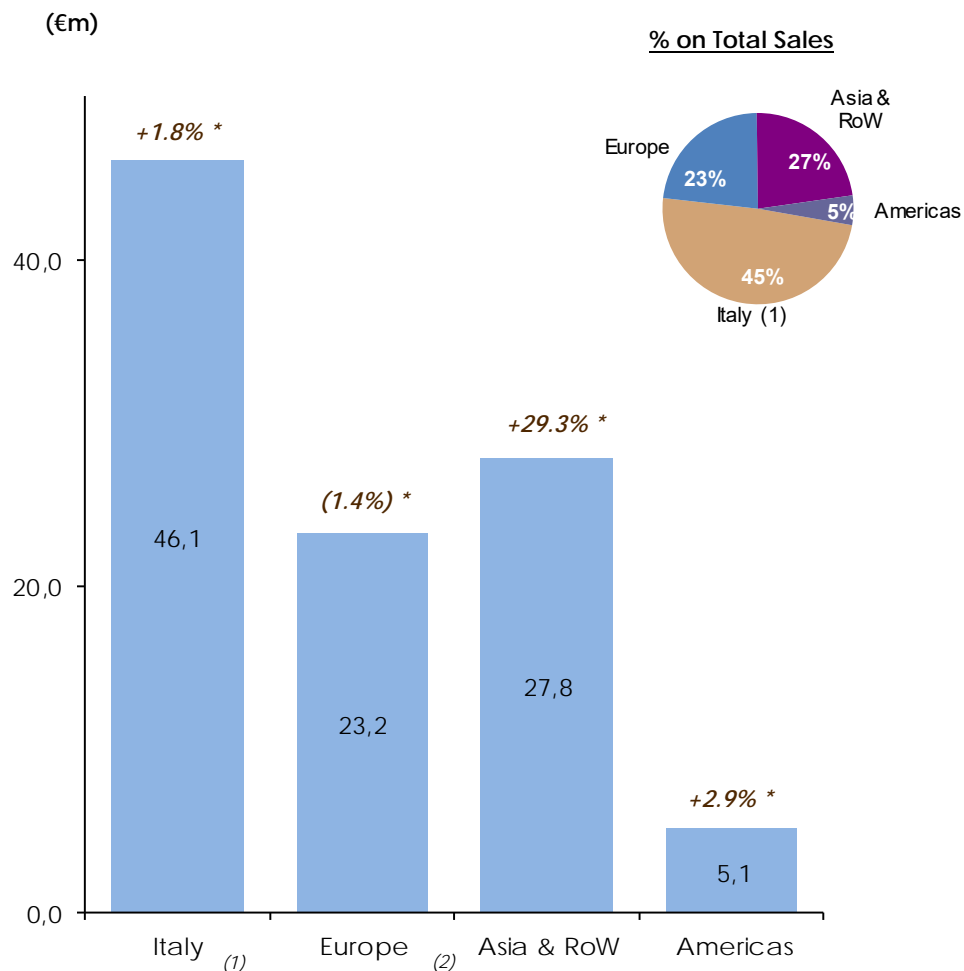
* At constant exchange rates

■ 1Q

Net Sales Breakdown by Region

1Q 2019

1Q 2018



(1) ITALY sales incidence on total revenues ADJUSTED by foreign customers effect and royalties income is estimated equal to, respectively, **32% and 34%** in Q1 2019 and in Q1 2018

(2) Italy excluded

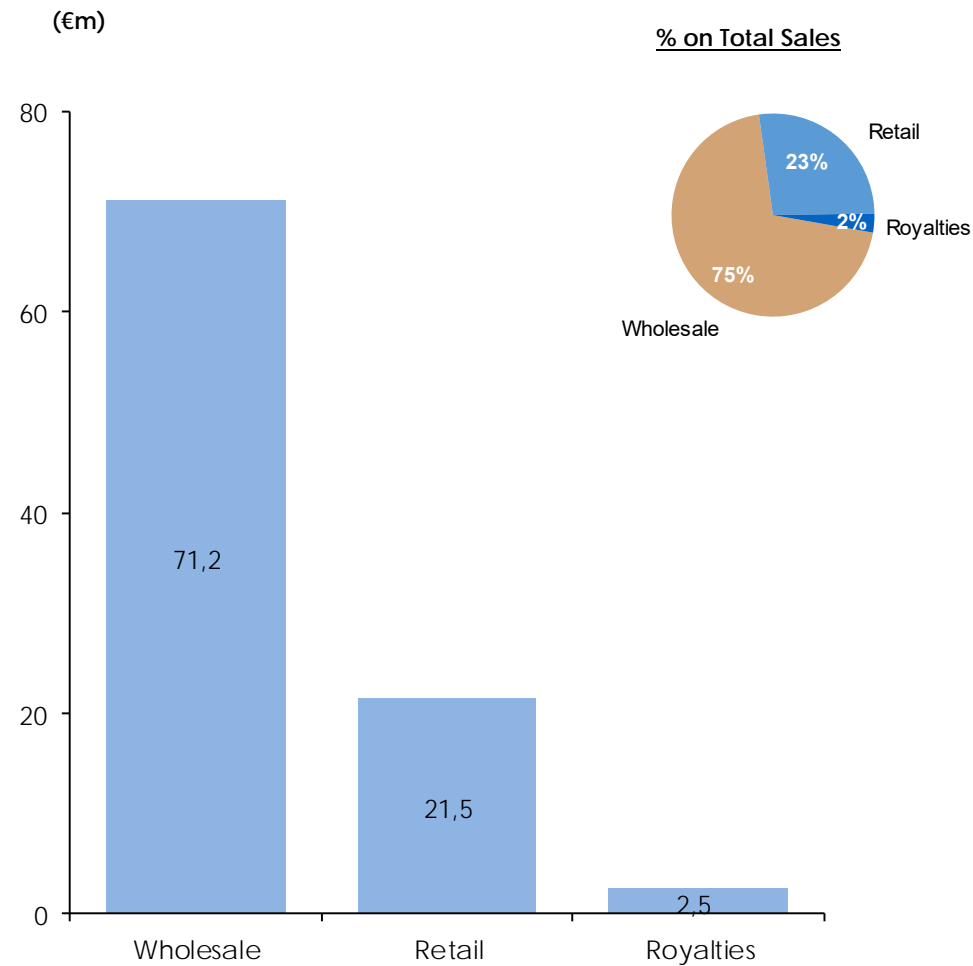
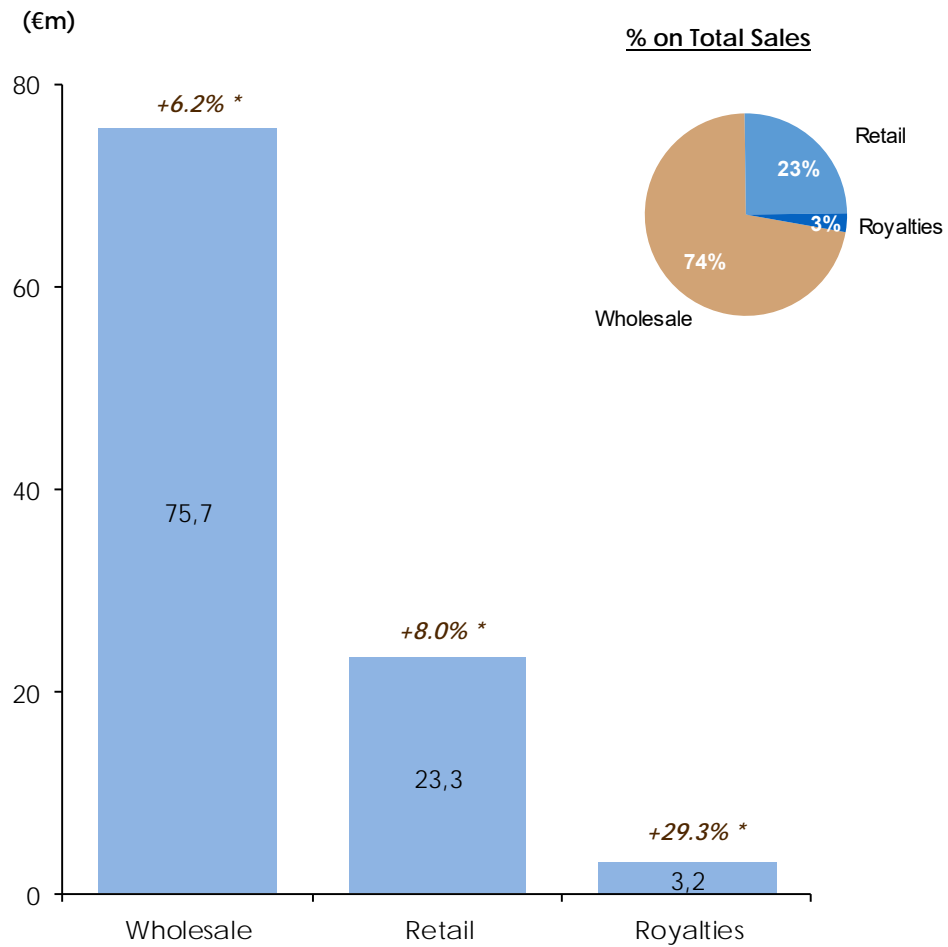
■ 1Q

* At constant exchange rates

Net Sales Breakdown by Channel

1Q 2019

1Q 2018



* At constant exchange rates

1Q

Mono-brand Stores Network

DOS

| | <u>1Q19</u> | <u>FY18</u> |
|--------------|-------------|-------------|
| Europe | 43 | 44 |
| America | 2 | 2 |
| Asia | 19 | 18 |
| Total | 64 | 64 |

Franchising

| | <u>1Q19</u> | <u>FY18</u> |
|--------------|-------------|-------------|
| Europe | 45 | 45 |
| America | 1 | 1 |
| Asia | 136 | 138 |
| Total | 182 | 184 |



Income Statement – 1Q 2019/2018

(€m)

| | <u>1Q 19 con Effetto</u> | <u>IFRS 16 effect</u> | <u>1Q 19 senza Effetto</u> | <u>1Q 18</u> |
|--|--------------------------|-----------------------|----------------------------|--------------|
| | <u>IFRS 16</u> | <u>(See Note 1)</u> | <u>IFRS 16</u> | |
| Net Sales | 102,2 | | 102,2 | 95,2 |
| <i>% change</i> | 7,4% | | 7,4% | |
| Other Revenues | 2,8 | | 2,8 | 0,9 |
| Total Revenues | 105,0 | | 105,0 | 96,1 |
| <i>% change</i> | 9,2% | | 9,2% | |
| Raw Materials Costs | (30,1) | | (30,1) | (26,6) |
| Service Costs | (27,7) | | (27,7) | (25,1) |
| Costs for use of third parties | (2,0) | (4,5) | (6,5) | (6,5) |
| Personnel | (17,8) | | (17,8) | (16,9) |
| Other Operating Expenses | (0,8) | | (0,8) | (0,7) |
| Total Operating Expenses | (78,4) | | (82,9) | (75,8) |
| EBITDA | 26,6 | (4,5) | 22,2 | 20,3 |
| <i>Margin (% of Net sales)</i> | 26,0% | | 21,7% | 21,4% |
| Depreciation and Amortisation | (6,7) | 3,7 | (3,0) | (3,0) |
| EBIT | 19,9 | (0,8) | 19,1 | 17,3 |
| <i>Margin (% of Net sales)</i> | 19,5% | | 18,7% | 18,2% |
| Net Financial Income / (Expenses) | (0,8) | 0,7 | (0,1) | (0,5) |
| Profit before taxes | 19,1 | (0,1) | 19,0 | 16,9 |
| <i>Margin (% of Net sales)</i> | 18,7% | | 18,6% | 17,7% |
| Taxes | (6,2) | | (6,2) | (5,1) |
| Net income/(loss) before Minorities | 12,9 | (0,1) | 12,8 | 11,8 |
| <i>Margin (% of Net sales)</i> | 12,6% | | 12,6% | 12,4% |
| Minority Interests | (1,1) | | (1,1) | (0,5) |
| Net Income/(Loss) for the Group | 11,8 | (0,1) | 11,8 | 11,3 |
| <i>Margin (% of Net sales)</i> | 11,6% | | 11,5% | 11,9% |

Note 1: IFRS 16 effects on Profit & Loss statement:

Lease installments cancelled from Costs for use of third parties and posted for €3.7m as Amortisation of right of use assets and for € 0.7m as Financial charges linked to the financial debt for leasing.

Summary Balance Sheet

| (€m) | <u>1Q 19</u> | <u>FY 18</u> | <u>1Q 18</u> |
|---|--------------|--------------|--------------|
| Net Working Capital | 104,0 | 85,7 | 94,8 |
| Net Tangible Assets | 60,1 | 60,3 | 58,5 |
| Net Intangible Assets | 78,7 | 103,1 | 108,4 |
| Net Intangible Assets for Rights of use - IFRS 16 (see Note 2) | 131,5 | | |
| Net Financial Assets | 2,9 | 2,9 | 3,3 |
| Severance Staff, Provisions & Others | (22,1) | (23,3) | (20,9) |
| Net Capital Employed | 355,2 | 228,7 | 244,1 |
| Group Shareholders' Equity | 172,8 | 164,6 | 157,4 |
| Minorities | 33,3 | 32,8 | 32,9 |
| Shareholders' Equity & Minorities | 206,1 | 197,4 | 190,3 |
| Net financial Debt | 29,0 | 25,8 | 48,3 |
| Net financial debt for Lease liabilities - IFRS 16 (see Note 2) | 114,6 | | |
| Shares Buyback | 5,5 | 5,5 | 5,5 |
| Net Financial Debt and Shareholders' Equity | 355,2 | 228,7 | 244,1 |
| Accounts Receivables | 52,9 | 43,1 | 49,3 |
| Accounts Payables | (60,2) | (76,9) | (58,9) |
| Inventory | 101,5 | 104,3 | 97,8 |
| Operating NWC | 94,2 | 70,5 | 88,2 |
| <i>As % of LTM sales</i> | <i>26,6%</i> | <i>20,3%</i> | <i>26,9%</i> |
| Other Current Assets/Liabilities | 9,8 | 15,2 | 6,6 |
| Net Working Capital | 104,0 | 85,7 | 94,8 |

Note 2: IFRS 16 effects on Balance Sheet:
- Fixed Assets increase of €131.5m from the right to use the leased assets (including the reclassification of €23.0m relating to the key money previously recorded in "Intangible assets");
- Financial debt for Lease liabilities for €114.6m posted in Financial liabilities

Summary Cash Flow

(€m)

| | <u>1Q 19</u> | <u>FY 18</u> | <u>1Q 18</u> |
|---|--------------|--------------|--------------|
| PBT | 19,1 | 28,8 | 16,9 |
| Operating Cash Flow | 2,5 | 25,5 | 1,9 |
| Capital Expenditure | (3,2) | (7,9) | (5,1) |
| Free Cash Flow | (0,7) | 17,6 | (3,2) |
| Cash Flows from Financing Activities | 0,6 | (12,4) | 6,3 |
| Cash and cash equivalents at the beginning of the year | 28,0 | 22,8 | 22,8 |
| Cash Flow of the Period | (0,1) | 5,2 | 3,1 |
| Cash and cash equivalents at the end of the year | 27,9 | 28,0 | 25,9 |



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Appendices

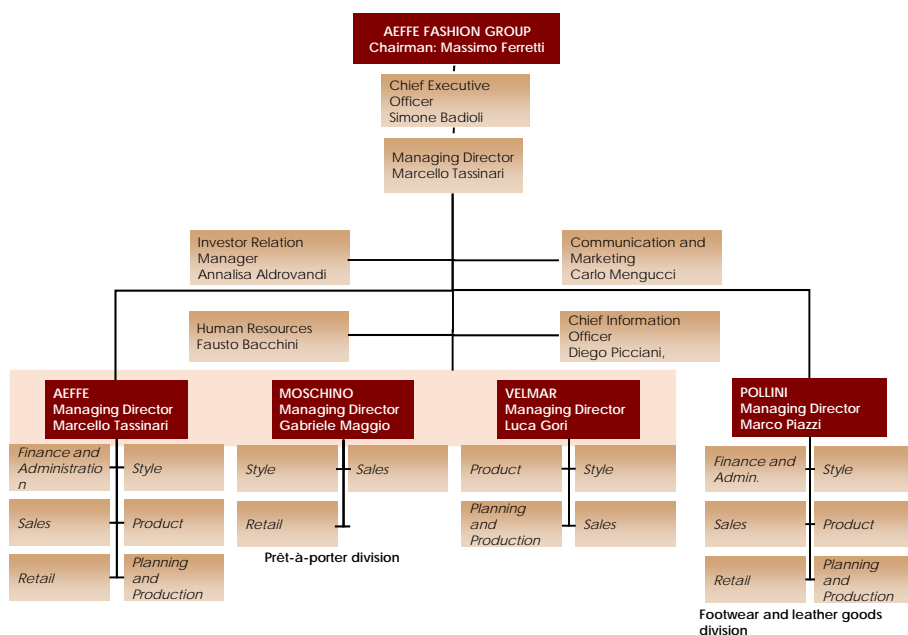
Income Statement – Full Year 2016-2018

(€m)

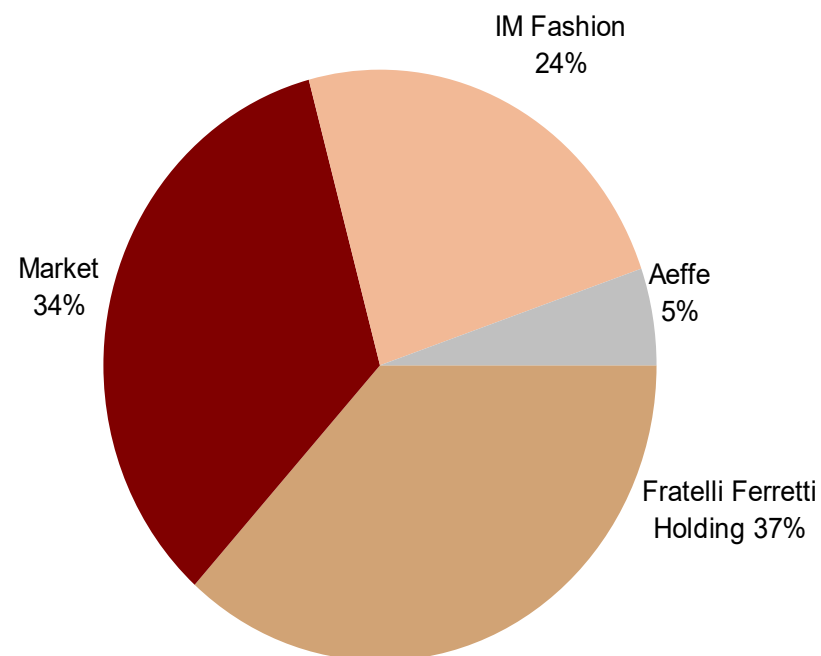
| | <u>2018A</u> | <u>2017A</u> | <u>2016A</u> |
|--------------------------------------|--------------|--------------|--------------|
| Net Sales | 346,6 | 312,6 | 280,7 |
| <i>% change</i> | 10,9% | 11,4% | 4,4% |
| Other Revenues | 5,4 | 3,8 | 6,8 |
| Total Revenues | 352,0 | 316,4 | 287,5 |
| <i>% change</i> | 11,2% | 10,1% | 4,9% |
| Raw Materials Costs | (110,3) | (96,1) | (90,7) |
| Service Costs | (100,6) | (91,0) | (81,3) |
| Cost for use of third parties assets | (25,4) | (23,3) | (22,8) |
| Personnel | (68,5) | (65,3) | (63,5) |
| Other Operating Expenses | (3,9) | (4,1) | (4,0) |
| Total Operating Expenses | (308,7) | (279,8) | (262,3) |
| EBITDA | 43,3 | 36,6 | 25,2 |
| Margin (% of Net sales) | 12,5% | 11,7% | 9,0% |
| Depreciation and Amortisation | (13,7) | (13,9) | (15,1) |
| EBIT | 29,6 | 22,7 | 10,1 |
| Margin (% of Net sales) | 8,5% | 7,3% | 3,6% |
| Net Financial Income / (Expenses) | (0,9) | (3,7) | (1,8) |
| PBT | 28,7 | 19,0 | 8,3 |
| Margin (% of Net sales) | 8,3% | 6,1% | 3,0% |
| Taxes | (11,6) | (7,4) | (4,0) |
| Net income before Minorities | 17,1 | 11,5 | 4,4 |
| Margin (% of Net sales) | 4,9% | 3,7% | 1,6% |
| Minority Interests | (0,4) | (0,0) | (0,7) |
| Net Income for the Group | 16,7 | 11,5 | 3,6 |
| Margin (% of Net sales) | 4,8% | 3,7% | 1,3% |

Company Profile

Organisational Structure



Ownership Structure ⁽¹⁾



Share Information

N° of shares outstanding: 107,362,504

Italian Stock Exchange – STAR Segment

Specialist: Mediobanca S.p.A.

Tickers: AEF IM (Bloomberg) AEF MI (Reuters), AEF (Borsa Italiana)

Investor Relations

Investor Relations

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(1) Source: Consob as of 14th May 2019

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