



# SPAFID CONNECT

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Diffusione presunta

Oggetto : The BoD approved Conso Half-year  
Financial Report as of September 30, 2017

*Testo del comunicato*

Vedi allegato.



## Piquadro S.p.A:

### The Board of Directors approved the Consolidated Half-year Financial Report as of September 30, 2017

- **Consolidated revenue: € 46.81 million (+36.9%** compared to the first half of the previous year);
- **EBITDA: € 5.84 million (+6.0%** compared to the first half of the previous year; **+41.6%** compared to EBITDA recurring of the first half of the previous year);
- **EBIT: € 4.4 million (+8.9%** compared to the first half of the previous year, compared to EBIT recurring of the first half of the previous year);
- **Consolidated Net Profit: € 2.78 million (+4.8%** compared to the same period of the previous year, **+44,3%** compared to Consolidated Net Profit recurring of the first half of the previous year);

*Silla di Gaggio Montano, November 23, 2017*– Today the Board of Directors of Piquadro S.p.A., which designs, manufactures and distributes professional and travel leather goods, approved its Consolidated Half-year Financial Report as of September 30, 2017.

For the half-year at September 30, 2017, the Piquadro Group reported **consolidated revenue** of € 46.81 million, with a **36.9% increase** compared to € 34.20 million for the same period of the previous year. The increase in revenues was determined both by the introduction into the consolidation area of The Bridge S.p.A. and by a 4.5% increase of sales by the Piquadro brand. To the latter, in particular, contributed both the DOS sale channel and Wholesale sale channel.

With reference to the **Piquadro brand**, the revenues reported by the **DOS channel**, which represent 29.5% of the Group's total turnover showed a **8.8% increase** compared to the first half of the previous year. The DOS channel also includes **e-commerce** revenues, **increasing by 23.5%**. The Same Store Sales Growth data (SSSG), calculated as average global growth rates of profits registered in the existing directly operated stores on was positive and equal to the 3.7% in the period at current exchange rates (assuming an equal number of days open and constant exchange rates, it was equal to a 3.2% growth rate).

With reference to the Piquadro brand, sales reported by the **Wholesale channel**, which accounted for 46.8% of the Group's total turnover, recorded an **increase of 2.0%** compared to the first half of the previous year.

With reference to the **The Bridge brand**, sales revenues for the period April – September 2017 amounted to €11.07 million, **with a growth contribution equal to 32,4%**

**Under a geographic point of view**, the Group's revenues as of 30 September 2017 show a **41.4% increase** (equal to € 10.6 million) in the **domestic market** which represents 77,7% of the Group's revenues (75.2% of the consolidated sales as of 30 September 2016). Without considering the increase in revenues due to the sale of The Bridge-branded products, the sales relating to Piquadro-branded products in the Italian market showed an increase of 7.1%. In the



**European market**, the Group recorded a turnover of Euro 8.9 million, equal to 19.1% of consolidated sales (18.8% of consolidated sales at 30 September 2016), **with a 39.3%** increase compared to the same period of the previous year 2016/2017. Without considering the increase in revenues due to the sale of The Bridge-branded products, the sales relating to Piquadro-branded products in the European market showed an increase of 9.0%.

In the non-European geographical area (named “Rest of the World”) turnover decreased by 562 thousand of Euro compared to the same period of the previous year 2016/2017.

In terms of profitability, Piquadro Group in the Semester ending as of 30 September 2017 shows an increase in the **EBITDA of € 5,8 million** (equal to 12.5% of consolidated revenues) with a **6.0%** increase compared to the first semester of year 2016/2017 (€ 5.5 million, equal to 16,1% of consolidated revenues which included the capital gain of € 1.5 million arising from the disposal of the DOS store located in Paris at Rue Saint Honoré, which took place on 26<sup>th</sup> July 2016, as well as revenues realized and the costs incurred by Piquadro France SARL during the first half of 2016/2017). While not considering non-recurring elements, the Group’s EBITDA in the first semester 2017/2018, equal to € 5.8 million, compared to recurring EBITDA of the first half of the previous year, equal to € 4.1 million, shows a 41.6% increase.

Group **EBIT** for the period came to € 4.4 million (equal to 9.4% of consolidated revenues) **with a 8,9%** increase compared to the first half of the previous year (€ 4.0 million, equal to 11.8% of consolidated revenues which included the capital gain of € 1.5 million arising from the disposal of the DOS store located in Paris at Rue Saint Honoré, which took place on 26<sup>th</sup> July 2016, as well as revenues realized and the costs incurred by Piquadro France SARL during the first half of 2016/2017 and the relevant write-off of assets. While not considering non-recurring elements of the Group’s EBIT relating to the first semester 2017/2018 equal to € 4.4 million, compared to recurring Ebit of the first half of the previous year equal to € 3.0 million, has recorded a 49.0% increase.

**Net Financial Position** as of September 30, 2017 was negative and amounted to € 13.6 million compared to € 8.2 million recorded at 31 March 2017 and € 5.3 million recorded at 30 September 2016.

Net Financial Position as of September 30, 2017, compared to the NFP as of 30 September 2016, was affected by the effects of the acquisition of The Bridge S.p.A., occurred in December 2016, which increased the NFP of € 8.4 million, deriving from the NFP of The Bridge S.p.A. at the time of the acquisition and €4.6 million paid by Piquadro S.p.A. for the acquisition of The Bridge S.p.A. (of which an amount of € 1.675 million was settled at the time of the closing, an amount of € 334 thousand for additional charges, an amount of € 2.5 million relating to payables for deferred payments, of which € 727 thousand for the call option concerning the remaining stake of The Bridge equal to 20%) compared to Group half yearly cash flow equal to € 4.0 million generated by the Group.

The main reasons for the trend in the Net Financial Position, compared to 31 March 2017, are attributable to the following factors:

- an operating Free cash flow for the period of € 4.0 million
- dividends paid for € 2.0 million
- investments in tangible and intangible assets for about € 0.6 million
- Net improvement in working capital for € 6.8 million relating to the different seasonality



Group **Net Profit** for the period came to € 2.78 million with a **4,8%** increase compared to the first half of the previous year (equal to € 2.66 million, which included the capital gain of € 1.5 million arising from the disposal of the DOS store located in Paris at Rue Saint Honoré, which took place on 26th July 2016, as well as revenues realized and the costs incurred by Piquadro France SARL during the first half of 2016/2017, and relevant write-off of assets and relevant fiscal effects). While not considering non-recurring elements, the Group Net Profit for the first semester 2017/2018 equal to € 2.78 million, compared to the recurring Net Profit of the first half of the previous year equal to € 1.93 million, recorded a 44.3% increase.

**Marco Palmieri, President and CEO of Piquadro and The Bridge** commented: *"The first half results are in line with our growth expectations based on constant development of Piquadro Brand in Italy and abroad, integration and the win back of The Bridge brand, on which potential development the Group relies to play an important role in the women's handbag market"*.

### **Outlook 2017/2018**

The first half results support the Piquadro Management to be able to grow and to continue the internationalization process.

The Management expects that in the 2017/2018 financial year the Group's turnover may achieve, after the acquisition of The Bridge S.p.A., an amount of € 100 million and continue the growth process already recorded in the course of the first semester of 2017/2018.

After the achievement of The Bridge break-even point, as regards the profitability, the Management expects increased manufacturing margins, while the EUR/USD exchange rate remains in line with the first half year.

In this context, the Management will always be engaged in monitoring margins and operating costs in order to be able to increase commitments in Research and Development and Marketing, with the objective of increasing visibility and knowledge of the brands.

The manager responsible for preparing the Piquadro S.p.A.'s, financial reports, Roberto Trotta, declares – pursuant to paragraph 2 of Article 154-bis of Italy's Legislative Decree 58/1998 – that the accounting information contained in this press release corresponds to the documented results, books, and accounting records.

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The Consolidated Half-year Financial Report relevant to the first six months of 2017/2018 fiscal year, approved today by the Piquadro Board of Directors, is made available to the public at the Company's Registered Office, on the website [www.piquadro.com](http://www.piquadro.com), in the Section Investor Relations and on the authorized storage mechanism of Sapfid Connect S.p.A. available on the address [www.emarketstorage.com](http://www.emarketstorage.com), within the terms and with the modalities required by law.

### **Piquadro Group**

*The Piquadro Group operates in the sector of leather accessories through the Piquadro and The Bridge brands. Cornerstones for both brands is attention to details and the quality of the workmanship as well as the leather but the Piquadro product stands out for its innovative design and technological content, while The Bridge emphasizes the vintage flavor of Tuscan craftsmanship. The origins of the Group date back to 1987 when Marco Palmieri, now President and Chief Executive Officer, founded his company near Bologna, where it is still headquartered. The distribution network extends over 50 countries around the world and counts 115 sales points including 99 Piquadro boutiques (63 in Italy and 36 abroad including 54 DOS-directly*



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*operated stores and 45 franchised) and 16 The Bridge boutiques (13 in Italy and 3 abroad including 8 DOS-directly operated stores and 8 franchised).*

*The Group's consolidated revenue for the year 2016/2017 closed on March 31, 2017 is € 75.91 million with a consolidated net profit of € 3.4 million.*

*Since October 2007, Piquadro S.p.A. has been listed on the Italian Stock Exchange.*

**Piquadro S.p.A.**

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**Piquadro S.p.A.**

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**Consolidated statement of financial position as at September 30, 2017 and March 31, 2017**

<i>(in thousands of Euro)</i>	<b>September 30, 2017</b>	<b>March 31, 2017</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	3.574	3.775
Goodwill	4.658	4.658
Property, plant and equipment	11.894	12.691
Investments	2	2
Receivables from others	696	772
Deferred tax assets	2.238	2.204
<b>TOTAL NON-CURRENT ASSETS</b>	<b>23.062</b>	<b>24.102</b>
<b>CURRENT ASSETS</b>		
Inventories	21.906	18.991
Trade receivables	34.575	27.747
Others current assets	3.137	3.411
Derivative assets	0	0
Tax receivables	724	1.011
Cash and cash equivalents	11.578	15.288
<b>TOTAL CURRENT ASSETS</b>	<b>71.920</b>	<b>66.449</b>
<b>TOTAL ASSETS</b>	<b>94.982</b>	<b>90.550</b>

**Consolidated statement of financial position as at September 30, 2017 and March 31, 2017**

<i>(in thousands of Euro)</i>	<b>September 30, 2017</b>	<b>March 31, 2017</b>
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	1.000	1.000
Share premium reserve	1.000	1.000
Other reserves	355	1.042
Retained earnings	33.553	31.942
Group profit for the period	2.815	3.435
<b>Total equity attributable to the Group</b>	<b>38.723</b>	<b>38.420</b>
Capital and Reserves attributable to minority interests	(125)	(105)
Profit/(loss) for the period attributable to minority interests	(31)	(31)
<b>Total share attributable to minority interests</b>	<b>(156)</b>	<b>(136)</b>
<b>TOTAL EQUITY</b>	<b>38.567</b>	<b>38.284</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	13.220	13.676
Payables to other lenders for lease agreements	45	916
Other non current liabilities	1.733	2.209
Provision for employee benefits	1.766	1.756
Provision for risk and chargers	2.056	1.970
Deferred tax liabilities	0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>18.820</b>	<b>20.527</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	7.985	5.987
Payables to other lenders for lease agreements	1.226	691
Derivative liabilities	163	11
Trade Payables	22.244	20.244
Other current liabilities	4.730	4.344
Tax payables	1.247	464
<b>TOTAL CURRENT LIABILITIES</b>	<b>37.595</b>	<b>31.740</b>
<b>TOTAL LIABILITIES</b>	<b>56.415</b>	<b>52.267</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>94.982</b>	<b>90.550</b>

**Consolidated income statement for the period ended September 30, 2017 and  
September 30, 2016**

<i>(in thousands of Euro)</i>	<b>Six months as of September 30, 2017</b>	<b>Six months as of September 30, 2016</b>
<b>REVENUES</b>		
Revenues from sales	46.814	34.202
Other income	600	1.812
<b>TOTAL REVENUES (A)</b>	<b>47.414</b>	<b>36.014</b>
<b>OPERATING COSTS</b>		
Change in inventories	(3.111)	1.527
Costs for purchases	14.102	6.986
Costs for services and leases and rental	20.073	13.984
Personnel costs	9.794	7.681
Amortization, depreciation and write-downs	1.832	1.744
Other operating costs	326	53
<b>TOTAL OPERATING COSTS (B)</b>	<b>43.016</b>	<b>31.975</b>
<b>OPERATING PROFIT (A-B)</b>	<b>4.398</b>	<b>4.039</b>
<b>FINANCIAL INCOME AND COSTS</b>		
Financial income	603	388
Financial costs	(951)	(330)
<b>TOTAL FINANCIAL INCOME AND COSTS</b>	<b>(348)</b>	<b>58</b>
<b>RESULT BEFORE TAX</b>	<b>4.050</b>	<b>4.097</b>
Income tax	(1.266)	(1.440)
<b>PROFIT FOR THE PERIOD</b>	<b>2.784</b>	<b>2.657</b>
attributable to:		
EQUITY HOLDERS OF THE COMPANY	2.815	2.674
MINORITY INTERESTS	(31)	(17)
<b>(Basic) EARNING PER SHARE</b>	<b>0,056</b>	<b>0,053</b>



**Consolidated cash flow statement as at September 30, 2017 and March 31, 2017**

<i>(in thousands of Euro)</i>	<b>September 30, 2017</b>	<b>March 31, 2017</b>
Profit before tax	<b>4.050</b>	<b>5.371</b>
Adjustments for:		
Depreciation of property, plant and equipment/Amortisation of intangible/tangible assets	1.359	2.492
Write-downs of property, plant and equipment and intangible assets	57	565
Provision for bad debts	386	(478)
Adjustment to the provision for employee benefits	0	0
Net financial costs/(income), including foreign exchange differences	348	318
<b>Cash flow from operating activities before changes in working capital</b>	<b>6.200</b>	<b>8.268</b>
Change in trade receivables (net of the provision)	(7.214)	2.520
Change in inventories	(2.915)	2.467
Change in other current assets	351	(3.173)
Change in trade payables	2.000	(6.536)
Change in provisions for risks and charges	63	(590)
Change in other current liabilities	(90)	1.758
Change in tax receivables/payables	(496)	(539)
<b>Cash flow from operating activities after changes in working capital</b>	<b>(2.101)</b>	<b>4.175</b>
Taxes paid	(1.266)	(1.866)
Interest paid	(348)	(189)
<b>Cash flow generated from operating activities (A)</b>	<b>(3.715)</b>	<b>2.119</b>
Investments in and disinvestments from intangible assets	(163)	(315)
Variation of consolidation area (The Bridge S.p.A.)	0	620
Disinvestment for the sale of the Saint Honoré store	0	1.530
Investments in and disinvestments from property, plant and equipment	(433)	(1.116)
Equity investments	0	0
Investment in The Bridge	0	0
Investments in and disinvestments from non-current financial assets	0	0
<b>Changes generated from investing activities (B)</b>	<b>(596)</b>	<b>719</b>
<b>Financing activities</b>		
Change in long-term financial receivables	0	0
Change in short-and medium/long-term borrowings	3.542	4.633
Changes in financial instruments	(152)	59
Lease instalments paid	(336)	(605)
Change in the translation reserve	(417)	148
Other minor changes	(37)	(0)
Dividends paid	(2.000)	(2.000)
<b>Cash flow generated from/(absorbed by) financing activities (C)</b>	<b>601</b>	<b>(2.236)</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	(3.710)	(5.074)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15.288</b>	<b>10.214</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11.578</b>	<b>15.288</b>

Fine Comunicato n.0955-31

Numero di Pagine: 10