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Informazione
Regolamentata

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Oggetto : Board of Directors approved of Piquadro
S.p.A. the Consolidated Halfyear Financial
Report as of September 30, 2023

<i>Testo del comunicato</i>

Vedi allegato.



Board of Directors approved of Piquadro S.p.A. the Consolidated Half-year Financial Report as of September 30, 2023

- **Consolidated revenues: € 85.9 million** related to semester ended September 30, 2023 (+7.1% compared to the first half of 2022/23 and +8.1% at constant exchange rates)
- **EBITDA: € 14.7 million** – € 10.2 million recorded in the first half of 2021/22 – **(+44,4) %**;
- **Adjusted EBITDA¹: € 8.5 million** (with a **118% increase** compared to € 3.9 million related to semester ended September 30, 2022);
- **EBIT: € 6.7 million**; (with a **180% increase** compared to € 2.4 million related to semester ended September 30, 2022);
- **Adjusted EBIT¹: € 6.1 million** (with a **236% increase** compared to € 1.8 million related to semester ended September 30, 2022);
- **Consolidated Net Result: € 4.1 million**; improved by about € 4.0 million compared to the same amount recorded in the first half of 2022/23, negative and equal to € (0,07) million;
- **Net Financial Position: negative and equal to € (29.4) million** including the effect of accounting principle IFRS 16 for an amount of € 39.8 million with an improvement up to € 11.0 million compared to semester ended September 30, 2022;
- **Adjusted Net Financial Position¹: positive and equal to € 10.4 million.**

Silla di Gaggio Montano (BO), November 23, 2023 – Piquadro S.p.A., the parent company that operates in the leather goods market and designs, manufactures and markets goods under its own brand names Piquadro, The Bridge and Lancel today approved its Consolidated Half-Year Financial Report as of September 30, 2023.

For the first semester 2023/2024 ended 30 September 2023, the Piquadro Group reported revenues of **85.9 million Euro** with a **7.1% increase** compared to the 80.2 million Euro reported in first semester 2022/2023 ended September 30, 2022, including the effect of exchange rates **(+8.1% at constant exchange rates)**.

The table below reports the breakdown of consolidated revenues from sales by brand, expressed in thousands of Euro, for the semester ended September, 30, 2023 and compared to the semester ended September, 30, 2022:

Sales in the half year by brand (6 months)

Brand (Euro thousands)	Net Sales H1 2023-24 September 30, 2023	%(*)	Net Sales H1 2022-23 September 30, 2022	%(*)	Var. % 23 vs 22
PIQUADRO	39,513	46.0%	35,245	43.9%	12.1%
THE BRIDGE	16,592	19.3%	14,943	18.6%	11.0%
LANCEL	29,834	34.7%	30,048	37.5%	(0.7) %
Total	85,940	100.0%	80,236	100.0%	7.1%

¹ With the introduction of the accounting standard IFRS 16, starting from April 1st, 2019, a new accounting treatment of leases is introduced, which generates a significant effect on EBITDA, EBIT, net invested capital, net financial position, and cash flow generated from operational activity. For this reason, in this press release the “adjusted” balances of the amounts are also reported to make the figures for September 30th, 2023, comparable with those of previous periods.



(*) Percentage impact compared to revenues from sales

With reference to the **Piquadro brand**, for the first semester 2023/2024, ended 30 September 2023, sales amounted to Euro **39.5 million** and recorded a **12.1% increase** compared to first semester 2022/2023 ended September 30, 2022, including the effect of exchange rates (**+13.5% at constant exchange rates**). The **wholesales** channel recorded an **increase** of **17.5%** while the **DOS** channel recorded an **increase** of **8.0%** including the exchange rate variations (**+12,0% at constant exchange rates**).

With reference to **The Bridge brand**, for the first semester 2023/2024, ended 30 September 2023, sales amounted to Euro **16.6 million** and recorded a **11.0% increase** compared to first semester 2022/2023 ended September 30, 2022. The **wholesales** channel recorded an **increase** of **8.0%** while the **DOS** channel recorded an **increase** of **24.6%**.

With reference to the **Maison Lancel brand**, for the first semester 2023/2024, ended 30 September 2023, sales amounted to Euro **29.8 million** and recorded a (0,7)% decrease compared to first semester 2022/2023 ended September 30, 2022, including the effect of exchange rates (**+0.2% at constant exchange rates**). The performance recorded by Lancel brand was significantly affected by the situation of the domestic market - in which the Maison generates over 90% of its revenues – which was impacted by the recent protests that took place in France, especially in the first quarter (April – June 2023) as well as the closure of some stores (with an impact approximately of 2.8% on total turnover). The reopening of the Asian market, for the first semester 2023/2024, ended 30 September 2023, has recorded, instead, an increase in sales on Chinese of approximately 38%, including the effect of exchange rates (+53% at constant exchange rates) although, in absolute terms, these values are not yet so significant compared to Lancel consolidated sales.

The table below reports the breakdown of net revenues by geographical area in thousands of Euro:

Sales in the half year by geographical area (6 months)

Geographical Area	Net Sales H1 2023-24		Net Sales H1 2022-23		Var. % 23 vs 22
(Euro thousands)	September 30, 2023	%(*)	September 30, 2022	%(*)	
Italy	41,773	48.6%	37,189	46.3%	12.3%
Europe	40,669	47.3%	40,919	51.0%	(0.6) %
Rest of the world	3,497	4.1%	2,128	2.7%	64.3%
Total	85,940	100.0%	80,236	100.0%	7.1%

(*) Percentage impact compared to revenues from sales

Under a geographic point of view, as of September 30, 2023, the Group's revenues on the **Italian market** amounted to Euro **41.8 million** which absorbs a percentage of the Group's total turnover equal to 48.6% (46.3% of consolidated sales on September 30, 2022) and highlighted a **12.3% increase** compared to the same period ended on September 30, 2022.

In the European market, the Group's revenues recorded a turnover of Euro **40.7 million**, equal to 47.3% of consolidated sales (51.0% on September 30, 2022), with a (0.6) % decrease compared to the same period ended on September 30, 2022 (**+0.9% at constant exchange rates**).

In the non-European geographical area (named "**Rest of the World**") the Group recorded a turnover of Euro **3.5 million** equal to 4.1% of consolidated sales (2.7% on September 30, 2022), with a **64.3% increase** compared to the same period ended on September 30, 2022, (+73.3% at constant exchange rates)



Piquadro Group recorded a positive **EBITDA** of around **€ 14.7 million** in the half-year ending September 30, 2023, with an increase of about € 4.5 million compared to compared to the same period ended on September 30, 2022 (**+44,4%**).

The **Adjusted EBITDA¹** of Piquadro Group, defined as EBITDA excluded the impacts deriving from the application of IFRS 16, is positive and equal to **€ 8.5 million** with a **118% increase** compared to the amount recorded in the same period of 2022/23.

The **Adjusted EBITDA¹ of the Piquadro brand** for the half year on September 30, 2023, is equal to **€ 6.7 million** (compared € 5.1 million recorded on September 30, 2022); **Adjusted EBITDA¹ of The Bridge** for the half year on September 30, 2022, is positive and equal to **€ 2.9 million** (compared to the positive amount € 2.1 million recorded on September 30, 2022); **Adjusted EBITDA¹ of the Lancel Maison** for the half year ended September 30, 2023 is negative and equal to € (1.1) million compared to the negative amount € (3.2) million recorded in the same period of 2022/23.

Piquadro Group recorded a positive **EBIT** of around **€ 6.7 million**, in the six months ended September 30, 2023, with an increase of € 4.3 million (**+ 180%**), compared to the positive amount of € 2.4 million recorded on the first half of 2022/23.

Adjusted EBIT¹, defined as EBIT excluded the impacts deriving from the application of IFRS 16, is positive and equal to € 6.1 million, with an increase of € 4.3 million compared to the *Adjusted EBIT¹* of approximately € 1.8 million recorded on September 30, 2022 (**+ 236%**).

Piquadro Group recorded a **Consolidated Net Result** of approximately **€ 4.1 million** in the six months ended September 30, 2023, with an increase of € 4.0 million compared to the Consolidated Net Result recorded on September 30, 2022 (negative and equal to € (0.07) million).

Below are reported the Group's main economic-financial indicators as of 30 September 2023:

Main economic-financial indicators (Euro thousands)	30 September 2023	30 September 2022	Var. % 2023 vs 2022
Revenues from sales	85,940	80,236	+ 7.1%
EBITDA	14,677	10,163	+ 44.4%
<i>Adjusted¹</i> EBITDA Group	8,548	3,919	+118.1%
EBIT	6,712	2,393	+180.4%
<i>Adjusted¹</i> EBIT	6,136	1,825	+236.2%
Profit (loss) before tax	5,880	2,051	+186.7%
Profit (loss) for the period (including third parties)	4,126	(70)	na
Amortisation and depreciation of fixed assets and write-downs of receivables	8,433	8,157	+3.4%
Cash flow generated (Group net income before depreciation and amortization)	12,559	8,087	+ 55.3%
<i>Adjusted¹</i> Net Financial Position	10,388	10,363	+ 0.2%
Net Financial Position	(29,443)	(40,773)	+ 27.8%
Shareholders' Equity	58,990	56,276	+ 4.8%

Profitability ratios	Composition of the ratio	30 September 2023	30 September 2022	var %
Return on sales (R.O.S.)	EBIT/Net revenues from sales	7.8%	3.0%	162%
Return on Investment (R.O.I.)	EBIT/Net invested capital	7.5%	2.5%	206%
Return on Equity (R.O.E.)	Profit of the year/Equity	7.0%	(0.1%)	na



The half-year **Net Financial Position** of the **Piquadro Group** was negative and equal to € (29.4) million with an € 11,0 million of improvement compared to the same figure recorded on September 30, 2022. The impact of the application of the new accounting standard IFRS 16 was negative and equal to approximately € 39.8 million.

The **Adjusted Net Financial Position**¹ of the Piquadro Group was **positive** and equal to approximately **€ 10.4 million**, in step with the same figure recorded on September 30, 2022, positive and equal to € 10.4 million.

The variation in the **Adjusted Net Financial Position**¹ of the Piquadro Group on September 30, 2023, compared to the **Adjusted Net Financial Position**¹ recorded in the same period of the previous year, is explained by investments in intangible, tangible and financial assets of approximately € 3 million, dividend payments of € 5.0 million, share buybacks of approximately € 1.2 million, and by the generation of a positive free cash flow of approximately € 9 million including temporary effects of working capital utilization of approximately € 5 million.

The table below reports the breakdown of the Net Financial Position, which includes the net financial debt determined according to the ESMA criteria (based on the schedule set out in CONSOB Call for attention notice no. 5/2021 of 29 April 2021):

<i>(in migliaia di Euro)</i>	NFP as of 30 September 2023	NFP Adj ¹ as of 30 September 2023	NFP as of 31 March 2023	NFP Adj ¹ as of March 2023	NFP as of 30 September 2022	NFP Adj ¹ as of 30 September 2022
(A) Cash	35,576	35,576	52,935	52,935	48,066	48,066
(B) Cash equivalents	0	0	0	0	0	0
(C) Other current financial assets	781	781	808	808	835	835
(D) Liquidity (A) + (B) + (C)	36,357	36,357	53,743	53,743	48,901	48,901
(E) Current financial debt	(20,412)	0	(17,225)	0	(18,616)	0
(F) Current portion of non-current financial debt	(12,674)	(12,674)	(12,921)	(12,921)	(14,043)	(14,043)
(G) Current financial debt (E) + (F)	(33,086)	(12,674)	(30,146)	(12,921)	(32,659)	(14,043)
(H) Current Net Financial Position (G) - (D)	3,271	23,683	23,597	40,822	16,242	34,858
(I) Non-current financial debt	(29,077)	(9,658)	(38,267)	(14,399)	(53,008)	(20,488)
(J) Debt instruments	0	0	0	0	0	0
(K) Trade payables and other non-current payables	(3,637)	(3,637)	(3,637)	(3,637)	(4,007)	(4,007)
(L) Non-current Net Financial Position (I) + (J) + (K)	(32,714)	(13,295)	(41,904)	(18,036)	(57,015)	(24,495)
(M) Total Net Financial Position (H) + (L)	(29,443)	10,388	(18,307)	22,786	(40,773)	10,363



The results of the first half of the year were undoubtedly positive” states Marco Palmieri, President and CEO of the Piquadro Group. “We recorded significant turnover increases on Piquadro and The Bridge while Lancel remained stable, although sales were strongly affected by the situation on the domestic market, in which the Maison generates over 90% of its revenues. Profitability performances were excellent with an adjusted EBITDA which marked +118% at Group level and an adjusted EBIT at +236%. The constantly and decisively improving net financial position completes a positive picture despite the period of general geopolitical instability.”

Outlook 2023/2024

The excellent performance recorded in the first half of fiscal year 2023/2024, both in terms of sales revenue and, above all, profitability, confirm the Group's ability to meet expectations and reassure the Management of the validity of the growth paths undertaken despite a volatile economic scenario. In this context, the Group's Management believes that it can keep the revenue growth dynamics in line with what was recorded in the first half of the year and achieve higher levels of profitability than those registered in the year ended March 31, 2023.

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 Legislative Decree 58/1998 – that the accounting information contained in this press release corresponds to the documented results, books, and accounting record.

It should be noted that the Piquadro Group consolidated half-year financial report as of September 30, 2023 approved today by the Board of Directors, and will be deposited and made available in all the following: the registered office, the Company's website www.piquadro.com, in the Section of Investor Relations and at the authorized storage system “eMarket STORAGE”, available on the website www.emarketstorage.com in accordance with the law.

Summary of Economic-financial data and interpretation of alternative performance indicators (lap)

The Piquadro Group uses the Alternative Performance Indicators (lap) to effectively transmit information regarding the performance of the profitability of the business in which it operates and to determine its precise asset and financial position. In accordance with the guidelines published on the 5th of October 2015, by the European Securities and Markets Authority (Esma / 2015/1415), and in line with the provisions of the Consob Communication No. 92543 listed on the 3rd of December 2015, the Group provides content and the criterion to determine the lap used in these financial statements.

- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is an economic indicator that is not defined in the International Accounting Standards. EBITDA is a measure used by Management to monitor and evaluate the Group's operating performance. Management believes that EBITDA is an important parameter for measuring the Group's performance, as it is not influenced by the volatility regarding the effects of the different criteria that determine taxable income, the amount and characteristics of the capital employed as well as the policies of amortization. EBITDA is defined as the Operating Profit before amortization and depreciation of tangible and intangible assets, financial income and charges and income taxes for the year.



- The *Adjusted* EBITDA is defined as the EBITDA excluded the impacts deriving from the implementation of IFRS 16.
- EBIT - Earnings Before Interest and Taxes is the operating profit before financial income and charges and income taxes.
- *Adjusted* EBIT is defined as EBIT excluded the impacts deriving from the application of IFRS 16.
- The Net Financial Position ("NFP"), utilized as a financial indicator of borrowing, is represented as the sum of the following positive and negative components of the Statement of Financial Position, as required by the CONSOB Call for attention notice no. 5/21 of 29 April 2021. Positive components: cash and cash equivalents, liquid securities under current assets, short-term financial receivables. Negative components: payables to banks, payables to other lenders, leasing and factoring Companies, non-current portion of trade payables and other payables.
- The *Adjusted* Net Financial Position ("adjusted NFP") is defined as the Net Financial Position excluded the impacts deriving from the application of IFRS 16.

Piquadro Group *The Piquadro Group operates in the sector of leather accessories through the Piquadro, The Bridge and Lancel brands. Cornerstones for the three 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 and finally the Lancel collections embody the Parisian allure of a fashion house founded in 1876. 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 178 outlets including 86 Piquadro boutiques (55 in Italy and 31 abroad including 52 DOS directly operated stores and 34 franchised stores), 14 The Bridge boutiques (14 in Italy including 12 DOS directly operated stores and 2 franchised) and 78 Lancel boutiques (60 in France and 18 abroad, of which 71 DOS directly operated stores and 7 franchised).). The Group's consolidated turnover for the year 2022/2023 ended on March 31, 2023, is € 175.6 million. Piquadro S.p.A. has been listed on the Italian Stock Exchange since October 2007.*

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**Consolidated statement of financial position as of September 30, 2023, and March 31, 2023**

<i>(in thousands of Euro)</i>	September 30, 2023	March 31, 2023
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	2,483	2,485
Goodwill	4,658	4,658
Right of use assets	37,173	38,364
Property, plant and equipment	13,253	13,854
Investments	2	2
Receivables from others	1,831	1,903
Deferred tax assets	3,244	3,260
TOTAL NON-CURRENT ASSETS	62,644	64,526
CURRENT ASSETS		
Inventories	37,473	37,428
Trade receivables	38,214	28,251
Others current assets	7,227	6,814
Derivative assets	781	808
Tax receivables	1,367	1,301
Cash and cash equivalents	35,576	52,936
TOTAL CURRENT ASSETS	120,638	127,538
TOTAL ASSETS	183,282	192,064

**Consolidated statement of financial position as of September 30, 2023, and March 31, 2023**

<i>(in thousands of Euro)</i>	September 30, 2023	March 31, 2023
LIABILITIES		
EQUITY		
Share Capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	(946)	249
Retained earnings	53,810	52,308
Group result for the period	4,126	6,502
Total equity attributable to the Group	58,990	61,059
Capital and reserves attributable to minority interests	0	0
Profit/(loss) for the period attributable to minority interests	0	0
Total share attributable to minority interests	0	0
TOTAL EQUITY	58,990	61,059
NON-CURRENT LIABILITIES		
Borrowings	9,658	14,399
Payables to other lenders for lease agreements	19,419	23,868
Other non current liabilities	5,792	5,944
Provision for employee benefits	3,765	3,764
Provision for risk and chargers	3,159	2,841
TOTAL NON-CURRENT LIABILITIES	41,793	50,816
CURRENT LIABILITIES		
Borrowings	12,674	12,921
Payables to other lenders for lease agreements	20,412	17,225
Derivative liabilities	0	0
Trade Payables	32,978	36,233
Other current liabilities	9,761	9,830
Tax payables	6,674	3,980
TOTAL CURRENT LIABILITIES	82,499	80,189
TOTAL LIABILITIES	124,292	131,005
TOTAL EQUITY AND LIABILITIES	183,282	192,064

**Consolidated income statement for the period ended September 30, 2023, and September 30, 2022**

<i>(in thousands of Euro)</i>	Six months as of September 30, 2023	% on Revenue	Six months as of September 30, 2022	% on Revenue	Var % September 30, 2023, vs September 30, 2022
REVENUES					
Revenues from sales	85,940	97.1%	80,236	99.2%	7.1%
Other income	2,534	2.9%	666	0.8%	280.5%
TOTAL REVENUES (A)	88,474	100.0%	80,902	100.0%	9.4%
OPERATING COSTS					
Change in inventories	(469)	(0.5)%	(709)	(0.9)%	33.9%
Costs for purchases	17,368	19.6%	18,223	22.5%	(4.7)%
Costs for services and leases and rental	34,757	39.3%	31,377	38.8%	10.8%
Personnel costs	21,116	23.9%	21,007	26.0%	0.5%
Amortization, depreciation, and write-downs	8,433	9.5%	8,157	10.1%	3.4%
Other operating costs	557	0.6%	454	0.6%	22.7%
TOTAL OPERATING COSTS (B)	81,762	92.4%	78,509	97.0%	4.1%
OPERATING PROFIT (A-B)	6,712	7.6%	2,393	3.0%	180.5%
FINANCIAL INCOME AND COSTS					
Financial income	866	1.0%	2,468	3.1%	(64.9)%
Financial costs	(1,698)	(1.9)%	(2,810)	(3.5)%	39.6%
TOTAL FINANCIAL INCOME AND COSTS	(832)	(0.9)%	(342)	(0.4)%	143.3%
RESULT BEFORE TAX	5,880	6.6%	2,051	2.5%	186.7%
Income tax	(1,754)	(2.0)%	(2,121)	(2.6)%	17.3 %
PROFIT FOR THE PERIOD	4,126	4.7%	(70)	(0.1)%	na
attributable to:					
EQUITY HOLDERS OF THE COMPANY	4,126		(70)		
MINORITY INTERESTS	0		0		
(Basic) EARNING PER SHARE	0.0825		(0.0014)		
EBITDA	14,667	16.6%	10,163	12.7%	

Fine Comunicato n.0955-126

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