



## PIQUADRO'S ACQUISITION OF "THE BRIDGE" BRAND

**Today an agreement was signed for the acquisition of the Florentine luxury leather goods company on the part of the Group led by Marco Palmieri**

**Milan, 10 November 2016** - Piquadro S.p.A. announces that today an agreement was signed for the acquisition of Il Ponte Pelletteria S.p.A. ("**Company**"), a Florentine company wholly owned by Il Ponte S.p.A. ("**Il Ponte**"), which owns the luxury goods brand named The Bridge ("**Acquisition Agreement**").

As stated by **Marco Palmieri, Chairman and CEO of Piquadro**: *«I fell in love with The Bridge brand when I visited the best vintage markets around the world and found the doctor's bag, the shoulder bag, trunks, suitcases, collectibles for connoisseurs. The craftsmanship, a local footprint, an environmentally friendly approach and iconic appeal are features of this extraordinary and unique brand that, if properly exploited, can ensure significant growth. Its positioning, which is complementary to Piquadro, will allow the Group to generate synergies in various areas, including for distribution, industrial and financial purposes. We hope – Mr Palmieri said - that this acquisition will help the Piquadro Group to start a process of combining accessories brands in the premium segment with strongly iconic features, with which to share processes and best practices. »*

With its iconic collections of full-grain leather and Anglo-Tuscan styled products, The Bridge has been representing the flagship brand in the segment of traditional Tuscan leather goods for 50 years, applying the manufacturing practices peculiar to the Florentine workshops and using the best Italian vegetable tanned leathers only, dyed by hand with wool pads and polished with amber rollers: the result is a leather with a bright and shiny appearance, which over time acquires a unique and unmistakable well-worn appearance.

**Il Ponte Pelletteria S.p.A.** was founded in 1969 and currently employs sixty people at the Scandicci plant, as well as 25 staff members in the network of single-brand shops. In recent years it has started a corporate reorganisation process, which is aimed at enhancing the great potential of its own brand. As a result, last month it inaugurated a superb franchised flagship store at the luxury shopping mall Starfield located in Hanam in South Korea, where it is already present with other boutiques and shop-in-shops all over the country, especially in Seoul. At present its distribution network is made up of about 600 sales outlets in Italy and 700 all over the world. The financial statements at 31 December 2015 showed that Il Ponte Pelletteria reported sales of about Euro 22.2 million, negative EBITDA of about Euro 0.6 million, a net loss of about Euro 2.6 million and a negative Net Financial Position of about Euro 8.5 million.

**The Piquadro Group** closed the financial year ended 31 March 2016 with sales of Euro 69.31 million, showing an increase of about 3.1% compared to 31 March



2015. In the last three years the Piquadro Group made investments of Euro 7.9 million and achieved a total Net Profit of Euro 11.5 million, of which an amount of Euro 5 million was distributed as dividends. The company also shows a good financial position, as its Net Financial Position showed an improvement of Euro 3.5 million in the last 3 years, coming to the present value of Euro 6.7 million (as at 30 June 2016). At present its products are sold in more than 50 countries, through a distribution network which includes 100 Piquadro-branded boutiques all over the world, of which 55 are directly operated stores (DOS).

Piquadro has been assisted by Mediobanca - Banca di Credito Finanziario S.p.A. as a financial advisor, by the Chiomenti Law Firm as regards legal issues and by the Gnudi e Associati Firm as regards tax issues.

Il Ponte was assisted by the Naldi Scialdone Firm in Florence as regards both legal and tax issues.

The Acquisition Agreement, which is binding, as well as conditional as specified below, provides, *inter alia*, for:

- (i) The acquisition of a number of the Company's ordinary shares representing 80% of the related share capital ("**Equity Investments**");
- (ii) The execution of an option contract ("**Option Contract**") whereby Piquadro and Il Ponte grant mutual option rights for the purchase and sale of shares representing the remaining 20% of the share capital of the Company owned by Il Ponte ("**Optioned Shares**"), to be exercised between 1 and 30 January 2021 or between 1 March and 31 May 2023.

The purchase price of the Equity Investments was set at Euro 3,175,000 (to be paid out in two tranches amounting to Euro 1,675,000 and Euro 1,500,000, by using the net worth that is already available) subject to adjustments on the basis of the Company's net financial debt as at the Closing date of the Acquisition Agreement.

The closing of the purchase and sale transaction is conditional on the fulfilment of some conditions precedent, including, in particular:

- The transfer by Il Ponte S.p.A. to the Company of the brand named "**The Bridge**", as well as of any other possible additional corporate brands, designs and models (either registered or not) and, in general, of the Industrial and Intellectual Property Rights attached thereto, through a purchase and sale transaction;
- The condition that no event, act or fact of any nature whatsoever (including any natural event, any human act, any operational event or any amendment or addition to the laws in force) has occurred before the closing date, which has (a) impaired or endangered, in a significant manner, the Company's business or has made it excessively difficult and/or burdensome, as conducted until the date of execution of the Acquisition Agreement and/or (b) entailed a considerable deterioration of the Company's results of operations;
- The Company's net financial debt as at the date of execution of the Acquisition Agreement, as calculated by applying certain criteria agreed between the parties, is not higher than Euro 9,500,000.



The seller will be required to make such representations and warranties as are customary in similar transactions.

As regards the Option Contract:

- (i) Piquadro will grant Il Ponte an irrevocable put option concerning the Optioned Shares ("**Put Option**"); and
- (iii) Il Ponte will grant Piquadro an irrevocable call option concerning the Optioned Shares ("**Call Option**").

The Put Option may be exercised by Il Ponte in the following manners:

- (i) Between 1 January 2021 and 30 January 2021, under penalty of forfeiture of the related right ("**First Put Option**"); or, should the First Put Option not be exercised by 30 January 2021,
- (ii) Between 1 March 2023 and 1 April 2023, under penalty of forfeiture of the related right ("**Second Put Option**").

The Call Option may be exercised by Piquadro in the event that the Put Option has not been exercised by Il Ponte and shall be exercised between 2 April 2023 and 31 May 2023.

The price, subject to adjustments, to be paid by Piquadro to Il Ponte in the case of the exercise of the First Put Option, will be equal to an amount of between Euro 1,750,000 and Euro 3,150,000, based on the sales (to be calculated as agreed between the parties) reported by Il Ponte Pelletteria in the financial year ended 31 December 2020.

To this amount must be added, if required, an amount of between Euro 750,000 and Euro 1,350,000, based on EBITDA (to be calculated as agreed between the parties) reported by Il Ponte Pelletteria, resulting from the financial statements at 31 December 2020.

The price, subject to adjustments, to be paid by Piquadro to Il Ponte in the case of the exercise of the Second Put Option or of the Call Option, will be equal to the fair value of the Optioned Shares, to be calculated according to the terms and conditions and in the manners laid down in the Option Contract.

This price is subject to adjustments on the basis of the Company's accounting equity and net financial debt as at the date of execution of the Acquisition Agreement.

The Closing date of the Transaction is expected to fall on 31 December 2016.

Some audits are being conducted in order to establish whether the relevant requirements for the purposes of the application of Article 71 of CONSOB (Italian Securities and Exchange Commission) Regulation 11971/99, as amended, are being met.

### **Piquadro**

*Piquadro is a brand of professional and travel leather goods that originated from an idea of Marco Palmieri, who at that time was an engineering student and now he is the current Chairman and CEO of the Company.*



*In all Piquadro products the three distinctive values inspiring the brand - design, functionality and technological innovation - are combined with the flavour of Italian handicraft working, the quality of first-class hides and attention to detail.*

*In every collection Piquadro proposes a wide range of bags, suitcases and small leather goods in which the unique and elegant Italian style is combined with intended practical and reliable features, for work and travel purposes, in tune with the intense rhythms of modern life.*

*The hides are Italian only, are mainly produced in the Tuscan leather tanning district, which is the oldest and most famous district at a worldwide level, and, when combined with technological fabrics, give rise to products that have a recognisable and essential appearance, both in classic and unusual colours.*

*Piquadro is a joint-stock company that has been listed on the Italian Stock Exchange since October 2007. Its products are sold in more than 50 countries, through a distribution network of 1,500 sales outlets, including more than 100 single-brand boutiques.*

www.piquadro.com

Facebook: <https://www.facebook.com/Piquadro.IT>

Twitter: <https://twitter.com/piquadrofficial>

Instagram: <https://instagram.com/piquadrofficial>

YouTube: <https://www.youtube.com/user/PIQUADROspa>

### **The Bridge**

*II Ponte Pelletteria S.p.A. was established in 1969 in Scandicci, then just a small town at the gates of Florence. The company has always distinguished itself in the production of bags and accessories with a characteristic style, high-quality products produced with fine materials and unique processes. A classic elegance independent from fashion trends. The value of "Made in Italy" - the typical workmanship of the Florentine workshop - was combined with an aesthetic sense that is definitely "English". Thus emerged an Anglo-Tuscan style on which The Bridge brand is based. Leather is the undisputed protagonist, marketed by using only full-grain leather of national origin. While using different materials, from cotton to linen and crocodile skin, the company expresses its best potential in leather manufacturing, thus finding the appropriate mix between tradition and innovation. The best vegetable tanned leather is worked according to the most stringent craftsmanship techniques: the result is a leather with a bright and shiny appearance, which over time acquires a unique and unmistakable well-worn appearance. This is a characteristic of all the products of The Bridge. In 1987, we moved to the present plants located in the production district of Scandicci. Thus, the firm evolved from a large artisan workshop into a true manufacturing company. From that moment onwards, the company came to assume ever greater importance for the economic fabric of the province and the region itself. At present the distribution network is made up of about 600 selected sales outlets in Italy and 700 stores all over the world.*

www.thebridge.it

Facebook: <https://www.facebook.com/TheBridgeItaly>

Twitter: <https://twitter.com/TheBridgeItaly>

Instagram: <https://instagram.com/TheBridgeItaly>

YouTube: <https://www.youtube.com/user/TheBridgePelletteria>

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