

**Piquadro S.p.A.****The Board of Directors releases sales figures for the first quarter ended 30 June 2019 and the net financial position.**

- **Consolidated sales: € 33.4 million (up 37.3% versus the same period last year);**
- **Net financial position: positive and equal to ca. € 17.6 million (€ 12.3 million less than the positive net financial position of € 29.9 million at 30 June 2018).**

**Silla di Gaggio Montano (BO), August 5<sup>th</sup> 2019.** The Board of Directors of Piquadro S.p.A. today examined and approved the principal consolidated performance indicators for the first quarter ended 30 June 2019, particularly the sales data and net financial position of the Piquadro group.

**Sales in the first quarter of FY 2019-2020 (by brand)**

Brand (in € thousands)	Net sales Q1 2019-2020	%	Net sales Q1 2018-21019	%	Chg. % 19 vs 18
PIQUADRO	15,505	46.5%	15,021	61.8%	3.2%
THE BRIDGE	5,807	17.4%	5,253	21.6%	10.6%
LANCEL	12,062	36.1%	4,032	16.6%	199.1%
Total	<b>33,374</b>	<b>100.0%</b>	<b>24,306</b>	<b>100.0%</b>	<b>37.3%</b>

The consolidated sales of the Piquadro group in the first quarter ended 30 June 2019 totaled € **33.4 million, 37.3% more than in the same period the previous year (€ 24.3 million)**. This increase in revenue was primarily the result of the full integration of quarterly sales of Maison Lancel (versus one month for the quarter ended 30 June 2018) but also a 10.6% increase in sales of The Bridge brand and a 3.2% rise in sales for the Piquadro brand.

With reference to the **Piquadro** brand, sales for the quarter totaled € **15.5 million, 3.2%** more than the same period ended 30 June 2018; that increase was the result of sales growth in both the Wholesale and DOS channels. In the former, which accounts for 62.4% of Piquadro brand sales, the increase was 2.8%, while in the latter, which includes the Piquadro e-commerce website, up **31.6%**, growth was 4.0%, bringing channel sales to 37.6% of total Piquadro brand sales.

Quarterly same-store sales in the DOS channel of the Piquadro brand showed an increase of **1.7%** (for the same number of business days and constant exchange rates, same-store sales growth (SSSG) registered an increase of 1.7%).

For **The Bridge** brand, first-quarter sales totaled € **5.8 million, 10.6%** more than in the same period ended 30 June 2018; this was the result of **7.0%** growth in the *Wholesale* channel, which represents 72.1% of The Bridge brand sales, and a **20.9%** rise in DOS channel sales, which account for 27.9% of The Bridge brand sales and include The Bridge e-commerce website (**+42.5%**).



Quarterly same-store sales in the DOS channel of The Bridge, i.e. net of sales from stores not present the previous year, registered 10.0% growth (for the same number of business days and constant exchange rates, the same-store sales growth (SSSG) showed the same increase of 10.0%).

**Maison Lancel** sales in the first quarter totaled € **12.1 million** and contributed 33.0% to the increase in group sales (first-quarter sales in the previous year, equal to € 4.0 million, only included June 2018, the first month Maison Lancel was included in consolidated Piquadro group figures). Maison Lancel sales in the DOS channel (which includes the e-commerce website) represented 88.6% of total Lancel brand revenue.

Same-store sales in Q1 2019-2020 in the DOS channel of Maison Lancel compared to Q1 2018-2019 (where April and May 2018 were not included in the quarterly sales of the Piquadro group to 30 June 2018) showed an increase of **11.7%** (same increase for the same business days at constant exchange rates).

Maison Lancel operates in the DOS channel through 58 direct stores in France, two in Italy, and one each in Spain, Russia and China.

#### First-quarter 2019-2020 sales (by geographical area)

Geographic Area	Net sales Q1 2019-2020	%	Net sales Q1 2018-2019	%	Chg. % 19 vs 18
<i>(n € thousands)</i>					
Italy	15,886	47.6%	14,895	61.3%	6.7%
Europe	16,599	49.7%	8,712	35.8%	90.5%
Rest of the world	889	2.7%	699	2.9%	27.1%
<b>Total</b>	<b>33,374</b>	<b>100.0%</b>	<b>24,306</b>	<b>100.0%</b>	<b>37.3%</b>

From the geographical standpoint, Piquadro group sales in Italy to 30 June 2019 accounted for 47.65% of the Group total (61.3% of consolidated sales to 30 June 2018 ) with a 6.7% increase over the same period of FY 2018-2019. Such an increase was attributable to growth in the Piquadro and The Bridge brands and the inclusion of Lancel in the Piquadro group consolidation area from June 2018.

In the European market, the Group registered sales of € **16.6 million**, equal to 49.7% of consolidated sales (35.8% of consolidated sales to 30 June 2018), **90.5%** more than in the same period of FY 2018-2019. This increase was due primarily to the inclusion of Maison Lancel in the Piquadro consolidation area from June 2018 (accounting for 87.6% of growth in the other European countries) but also by increased Piquadro brand sales, particularly in Germany.

In extra-European geographical area (called "Rest of the world"), the group recorded sales of € 0.9 million, equal to 2.7% of consolidated sales (2.9% of consolidated sales to 30 June 2018) with a 27.0% increase over the same period of FY 2018-2019, due largely to the inclusion of Maison Lancel in the Piquadro group consolidation area from June 2018.

Net Financial Position (in million Euro)	30 June, 2019	31 March, 2019	30 June, 2018
(A) Cash	388	369	392
(B) Other cash and cash equivalents (available current bank accounts)	46,437	51,977	58,371
<b>(C) Liquidity (A) + (B)</b>	<b>46,825</b>	<b>52,346</b>	<b>58,763</b>



(D) Finance leases	(6)	(12)	(733)
(E) Current bank debt	0	0	0
(F) Current portion of non-current debt	(12,165)	(7,357)	(12,356)
(G) Payables to Il Ponte S,p,A., for the acquisition of The Bridge	(820)	(820)	(70)
<b>(H) Current financial debt (D) + (E) + (F) + (G)</b>	<b>(12,990)</b>	<b>(8,189)</b>	<b>(13,159)</b>
<b>(I) Short-term net financial position (C) + (H)</b>	<b>33,835</b>	<b>44,157</b>	<b>45,604</b>
(L) Non-current bank debt	(11,399)	(13,598)	(9,977)
(M) Finance leases	0	0	(6)
(N) Payables to The Ponte S,p,A. for the acquisition of The Bridge	(950)	(1,084)	(1,813)
(O) Payables to Richemont Group for the acquisition of Lancel	(3,869)	(3,869)	(3,863)
<b>(P) Non-current financial debt (L) + (M) + (N)+(O)</b>	<b>(16,218)</b>	<b>(18,551)</b>	<b>(15,659)</b>
<b>(Q) Net Financial Position (I) + (P)</b>	<b>17,616</b>	<b>25,606</b>	<b>29,945</b>

The net financial position was a positive € 17.6 million with respect to the positive financial position of € 25.6 million at 31 March 2019 and the positive adjusted net financial position of € 29.9 million at 30 June 2018.

The financial position at 30 June 2018 was adjusted *i)* upward by € 35 million, equal to the liabilities due to Richemont Holding SA for the potential consideration recognized at 30 June 2018 as advance liability, and *ii)* downward by € 3,863 million, equal to valuation of the contractual earn-out in favor of the Richemont group. These adjustments were made since definite or reliable information based on the plans approved by the boards permitting a reliable estimate of the fair value of the potential consideration and the earn-out, as required by IFRS 3, was not available at 30 June 2018.

The net financial position at 30 June 2019, compared with that at 30 June 2018, equal to € 29.9 million, reflected primarily the consolidation of Maison Lancel, which registered a negative operating cash flow of € 13.9 million. It also reflected € 1.0 million in costs sustained by the Piquadro group in acquiring Maison Lancel, € 4.0 million in investments made by the group, € 3.0 million in dividends paid by Piquadro S.p.A. at August 2018, and € 9.0 million in cash generation associated with the operating performance of the Piquadro and The Bridge brands.

*“The first quarter closed with positive results for all three group brands,”* comments **Marco Palmieri, Chairman and CEO of the Piquadro group**. *“Despite the difficult context in France, Lancel sales showed double-digit growth, a positive initial confirmation of the strategies followed in terms of product, positioning, and organization to exploit the extraordinary potential of the brand through a new offering, more effective communication and a lean, motivated structure. The Bridge, - Palmieri adds - also rewarded us with double-digit growth, the result of strategic decisions that have revolutionized the company in the continuity of brand values. Lastly, Piquadro has confirmed its solidity with a stable, durable growth trend.”*

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.



### **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 181 outlets including 99 Piquadro boutiques (63 in Italy and 36 abroad including 56 DOS directly operated stores and 43 franchised stores), 13 The Bridge boutiques (12 in Italy and 1 abroad including 9 DOS directly operated stores and 4 franchised) and 69 Lancel boutiques (58 in France and 11 abroad, of which 63 DOS directly operated stores and 6 franchised).*

*The Group's consolidated turnover for the year 2018/2019 ended on March 31, 2019 is € 147.5 million and the consolidated net profit amounts to approximately € 34.48 million.*

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

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