



## Piquadro S.p.A:

### The Board of Directors approved the Consolidated Half-year Financial Report as of September 30, 2014

- **Consolidated revenue: € 32.35 million (+8.2%** compared to € 29.89 million for the same period of the previous year);
- **EBITDA: € 4.96 million (+8.3%** compared to € 4.58 million for the same period of the previous year);
- **EBIT: € 3.63 million (+7.1%** compared to € 3.39 million for the same period of the previous year);
- **Consolidated Net Profit: € 2.25 million (+14.2%** compared to € 1.97 million for the same period of the previous year);

**Silla di Gaggio Montano, November 25, 2014** – Today the **Board of Directors of Piquadro S.p.A.**, which designs, manufactures and distributes innovative-design, high-tech leather goods, approved its Consolidated Half-year Financial Report as of **September 30, 2014**.

For the half-year at September 30, 2014, the Piquadro Group reported **consolidated revenue of € 32.35 million, up 8.2%** compared to € 29.89 million for the same period of the previous year.

The increase in sales is attributable to the good performances recorded on Italian and foreign market, both *Wholesale* and *DOS* channels.

The revenues of the **Wholesale** channel, which represent 66.3% of the Group's total turnover as of 30 September 2014, showed a 9.2% increase, also by reason of the opening of seven additional franchised shops (two in Italy, two in Europe and three in Asia). The Italian *Wholesale* channel showed a 17.1% increase; the sales in the European *Wholesale* channel decreased by 12.4% due to the orders reduction in Russia and Ukraine following the recent events affecting the two countries. The sales in the European *Wholesale* channel, with the exclusion of Russia and Ukraine incidents, increased of 22.0%, driven by Germany (+25%) and Spain (+17.0%). The revenues of the *Wholesale* channel in the Extra European markets, showed an increase equal to 5.4% with no substantial values

The rise in consolidated revenues from the **DOS channel** was **about 6.3%** compared to the same period in the 2013/2014 financial year. Such increase was mainly due to the opening of twelve new shops after September 30, 2013, only partially affected by the closing of seven shops after September 30, 2013, mainly in the Far East area. The *DOS* channel also includes **e-commerce** revenues which have **grown by 34.5%** with export sales up 43.6% and now standing at 38.6% of the e-commerce revenues.

The **Same Store Sales Growth** data (SSSG), calculated as average global growth rates of profits registered in the existing *DOS* on April 1, 2014, was positive and equal to the 1.6% in the quarter at current exchange rates (assuming an equal number of days open and constant exchange rates, it was equal to a 1.9% growth rate).

Under a **geographic point of view**, the Group's revenues as of 30 September 2014 show a **14.7% increase** in the domestic market which still represents, an important share (75.3%) of the Group's revenues. In the European market the Group recorded a 3.9% decrease compared to the same period of the year 2013/2014 due to orders reduction in Russia and Ukraine (with the exclusion of those two countries, the revenues in the European market registered were up 24% instead). In the Extra European markets, where the Group sells in 19 countries, the revenues decreased by 17.5% compared to the same period of the 2013/2014 financial year and were mainly affected by the closure of seven *DOS* (four in Hong Kong and three in China) due to their performances below the Management's expectations.



In the **second quarter of the financial year** (July - September) ending September 30, 2014, the revenues of the Piquadro Group reported a 9.0% increase compared to the same period of the previous year.

The revenues reported by the *DOS* channel showed an increase of about 4.8% compared to the same period of the 2013/2014 financial year and were mainly affected by the closing of seven shops in Asia (three in China and four in Hong Kong). The *Same Store Sales Growth* (SSSG), in the second quarter of the financial year 2014/2015, was positive and equal to 3.9% growth at current exchange rates (assuming an equal number of days open and constant exchange rates, it was equal to a 3.9% growth rate).

The revenues of the *Wholesale* channel, in the second quarter of the financial year, showed an increase of 11.2%. The Italian *Wholesale* channel increased by 19.9%; the sales in the European *Wholesale* channel decreased by 11.6% due to the orders reduction in Russia and Ukraine (with the exclusion of those two countries, the revenues in the European *Wholesale* channel increased by 16.1%). The revenues of the *Wholesale* channel in the Extra European markets, showed a decrease equal to 2.0%.

Under a geographical point of view, the Group's revenues, in the second quarter of the financial year (July - September) ending September 30, 2014, showed a 16.6% increase in the domestic market. In the European market the Group recorded a 3.7% decrease compared to the same period of the year 2013/2014 due to orders reduction in Russia and Ukraine (with the exclusion of Russia and Ukraine, revenues in the European market increased by 20%). In the Extra European markets the revenues decreased by 25.1% compared to the same period of the 2013/2014 financial year and were mainly affected by the closure of seven *DOS* (four in Hong Kong and three in China) due to their performances below the Management's expectations.

EBITDA was **€ 4.96 million** and 15.3% of the revenues compared to € 4,58 million in the same period, of the previous year (15,3% of revenues).

Group **EBIT** was about **€ 3.63 million** and 11.2% of revenues, up about 7.1% compared to September 30, 2013.

The **Consolidated Net Profit** is **€ 2.25 million**, up 14.2% compared to the same period of the previous year.

As of September 30, 2014, **Net Financial Position** was negative at € 16.1 million. The increase compared to March 31, 2014 is due to the investments of the period (about € 1,18 million in the first semester of 2014/2015) as well as to the increase in the Group's working capital which stands at € 8,20 million due to seasonality effect. The consolidated net financial position at 30 September 2014, compared to the value posted as at 30 September 2013, showed an increase of about Euro 1.8 million, mainly as a result of the increase in the Group's working capital due to the sales' growth.

*«The profit dynamics of the first half-year reflect our efforts to renew the positioning, efforts on which we have been working for over a year, particularly to improve distribution quality, invest in internationalization and develop new products»* commented **Marco Palmieri, chairman and CEO of Piquadro**. *«We are basically satisfied with the results, which show the effects not only of contraction in Russia and Ukraine but also the optimization of distribution in a few Asian countries, where we have closed seven stores, sacrificing significant sales volume, partly with the prospect of distribution agreements with local partners. Though the climate is extremely volatile – Palmieri continues – we have increased the marketing budget and appreciation for the brand and the product in our core markets is strong. That enables us to pursue the strategies we have undertaken and to feel positive about the results of the coming quarters».*

## **Outlook 2014/2015**

The development of the Piquadro Group in the 2014/2015 financial year will depend on the ability to pursue the internationalization strategy and will be influenced by the evolution of the economic situation in some of the countries where the Group mostly operates. The increase in sales and profitability recorded in the first semester of the current financial year demonstrates that the investments made to support the internationalization and glamour repositioning strategy are producing the expected results. The Management foresees a positive trend for the rest of financial year 2014/15 and growing rates similar to those experienced in the first semester. In terms of profitability the Management expects the operating margin to grow more than the revenues thanks to the reorganization of less profitable business areas as well as to the dynamics of the operative leverage resultant from the growth of the *Wholesale* channel.



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 and relevant to first half 2013/2014 results, 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 2014/2015 fiscal year approved today by the Piquadro Board of Directors shall be made available to the public at the Company's Registered Office, on the website [www.piquadro.com](http://www.piquadro.com) and on the authorized storage website [www.1info.it](http://www.1info.it) within today.

### **About Piquadro**

*Piquadro is an Italian brand of professional and travel leather goods characterized by innovative design and technological content. 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.*

*The company originated from an idea of Marco Palmieri, the current Chairman and Chief Executive Officer. Piquadro is headquartered in Silla di Gaggio Montano, near Bologna, where it carries out all design, project, planning, acquisition, quality control, logistics, marketing, communications and distribution activities. In the fiscal year ended March 31, 2014, consolidated revenues amounted to € 63.05 million and consolidated net profit was approximately € 3.51 million.*

*Piquadro sells its products in over 50 countries worldwide, through a distribution network that includes 106 single-brand boutiques (59 in Italy and 47 abroad out of which 57 DOS-directly operated stores and 49 franchised).*

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

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## Consolidated statement of financial position as at September 30, 2014 and March 31, 2014

*(in thousands of Euro)*

30 September 2014

31 March 2014

**ASSETS****NON-CURRENT ASSETS**

Intangible assets	4,921	5,020
Property, plant and equipment	13,004	13,059
Receivables from others	696	849
Deferred tax assets	1,441	1,571

**TOTAL NON-CURRENT ASSETS****20,062****20,499****CURRENT ASSETS**

Inventories	16,325	15,836
Trade receivables	26,642	21,095
Others current assets	1,896	1,457
Receivables for derivative financial instruments	362	23
Tax receivables	270	256
Cash and cash equivalents	6,002	10,985

**TOTAL CURRENT ASSETS****51,497****49,652****TOTAL ASSETS****71,559****70,151**



## Consolidated statement of financial position as at September 30, 2014 and March 31, 2014

<i>(in thousands of Euro)</i>	30 September 2014	31 March 2014
<b>LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	1,000	1,000
Share premium reserve	1,000	1,000
Other reserves	1,147	567
Retained earnings	28,093	25,567
Group profit for the period	2,271	3,526
<b>Total equity attributable to the Group</b>	<b>33,511</b>	<b>31,660</b>
Capital and Reserves attributable to minority interests	4	20
Profit/(loss) attributable to minority interests	(22)	(16)
<b>Total share attributable to minority interests</b>	<b>(18)</b>	<b>4</b>
<b>EQUITY</b>	<b>33,493</b>	<b>31,664</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	8,699	10,317
Payables to other lenders for lease agreements	2,311	2,604
Provision for employee benefits	274	254
Provision for risk and chargers	1,021	973
Deferred tax liabilities	182	91
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>12,487</b>	<b>14,239</b>
<b>CURRENT LIABILITIES</b>		
Borrowings	10,493	7,697
Payables to other lenders for lease agreements	583	576
Payables for derivative financial instruments	-	89
Trade Payables	10,724	12,887
Other current liabilities	2,853	2,999
Current income tax liabilities	926	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>25,579</b>	<b>24,248</b>
<b>TOTAL LIABILITIES</b>	<b>38,066</b>	<b>38,487</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>71,559</b>	<b>70,151</b>



## Consolidated income statement for the period ended September 30, 2014 and September 30, 2013

<i>(in thousands of Euro)</i>	30 September 2014	30 September 2013
Revenues from sales	32,345	29,892
Other income	357	405
<b>TOTAL REVENUES</b>	<b>32,702</b>	<b>30,297</b>
<b>OPERATING COSTS</b>		
Change in inventories	(265)	(2,246)
Costs for purchases	4,828	5,890
Costs for services and leases and rental	15,657	14,958
Personnel costs	7,143	6,713
Amortisation, depreciation and write-downs	1,490	1,496
Other operating costs	215	93
<b>TOTAL OPERATING COSTS</b>	<b>29,068</b>	<b>26,904</b>
<b>OPERATING PROFIT</b>	<b>3,634</b>	<b>3,393</b>
<b>FINANCIAL INCOME AND CHARGES</b>		
Financial income	652	521
Financial charges	(884)	(859)
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>	<b>(232)</b>	<b>(338)</b>
<b>PRE-TAX RESULT</b>	<b>3,402</b>	<b>3,055</b>
<b>INCOME TAX ESPENSES</b>	<b>(1,153)</b>	<b>(1,085)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2,249</b>	<b>1,970</b>
Attributable to:		
EQUITY HOLDERS OF THE COMPANY	2,271	1,980
MINORITY INTERESTS	(22)	(10)
<b>EARNING PER SHARE</b>		
(Basic) EARNING PER SHARE	0.04542	0.03960
(Diluted) EARNING PER SHARE	0.63083	0.03683