

INTRODUCING PIQUADRO GROUP

September 2018



PIQUADRO



GROUP FACTS

- € 97.6 million turnover in FY 2017-18 (March 2018)*
- € 4.8 million Net Profit (March 2018)*
- 185 mono brand stores : 100 Piquadro, 15 The Bridge, 70 Lancel. 76 in Italy, 109 abroad ; 127 DOS (56 under Piquadro brand, 9 under The Bridge and 62 under Lancel) and 58 franchisee;
- 1.194 employees and workers worldwide : 704 Piquadro, 389 Lancel and 101 The Bridge
- 68.4% family owned;
- other shareholders: Mediobanca 5%, Anima 4.57%, HSBC 1.2%, Lazard 2.1%, Market 18.76%

**FY March 2018 does not include Lancel figures (acquisition on June 2nd 2018)* 2





FY 2018 SALES

€ 97.6 mln : +28.6% vs previous year*

- **Piquadro: € 73.9 mln + 4.3%**
 - ✓ DOS Piquadro € 30.3 mln +6.7% (lfl +3.3%; e-commerce € 3.0 mln +19.7%)
 - ✓ WHS Piquadro € 43.6 mln +2.7%
 - Italy +3.8%
 - Europe +13.3% (driven by Russia +21.9%; Germany +23.4%; Spain +16.3%)
- **The Bridge: € 23.7 mln +14.2% vs. comparable period (2017/18 vs. 2016/17)**
 - ✓ DOS € 7.2 mln, +53% - lfl + 34.7%
 - ✓ WHS € 16.6 mln, +2.8%

*FY March 2018 does not include Lancel figures (acquisition on June 2nd 2018)



FY 2018 PROFITABILITY*

EBITDA € 10.8 mln, +22.6% vs previous year

- EBITDA DOS Piquadro € 2.2 mln +30.9% recurring (driven by +6.7% sales; lfl +3.3%; e-commerce sales +19.7%)
- EBITDA WHS Piquadro € 7.0 mln +30.9%
- EBITDA The Bridge € 1.6 mln

EBIT € 7.9 mln: +38.4% vs previous year

- EBIT Piquadro € 6.9 mln +49.2% recurring
- EBIT The Bridge € 1.0 mln

**FY March 2018 does not include Lancel figures (acquisition on June 2nd 2018)*

THREE BRANDS



LANCEL
PARIS 1876



 **PIQUADRO**



THE BRIDGE
FIRENZE 1969

BRAND POSITIONING





PIQUADRO BRAND

Piquadro is an Italian leather brand of tech-design accessories for business travelers.

The '**Tech inside concept**' - combined with the values of innovative **design** and **precious materials** - is what makes Piquadro unique.



PIQUADRO IN THE WORLD

Rome, Milan, Venice, Florence,
London, New York, Barcelona,
Moscow, Prague,
Taipei, Hong Kong



PIOUADRO RETAIL CHANNEL

Italy – Full Price Stores

Milan, Via Della Spiga
Milan, Via Dante 9
Milan, C.so Buenos Aires
Milan, Sh Mall Citylife
Milan, SH Mall Fiordaliso
Milan, Linate Airport
Milan, Malpensa Airport TN
Milan, Malpensa Airport T2
Rome, Galleria Colonna
Rome, Sh Mall Cinecittà
Rome, Sh. Mall Porta di Roma
Rome, Sh. Mall Euroma 2
Rome, Via Frattina
Rome, Fiumicino Airport T1
Rome, Fiumicino Airport T3
Rome, Fiumicino Airport D

Italy – Outlet Stores

Barberino (Florence)	Serravalle (Al)
Fidenza (Pr)	Agira (En)
Vicolungo (No)	Mantova
Valdichiana (Ar)	Castel Romano (Rome)
Noventa (Ve)	Castel Guelfo (Bo)
Marcianise (Ce)	Milan, SH Mall Scalo

Bologna, P.zza Maggiore
Bologna, Marconi Airport
Florence, Via Calimala
Forte dei Marmi, Via Mazzini
Verona, P.zza delle Erbe
Rimini, Sh. Mall "Le Befane"
Pescara, Via Trento 10
Turin, Via Roma
Venice, via Mercerie

World – Full Price Stores

New York, USA, Madison Av.
NEW York, USA PoP Up Store
London, UK, Regent Street
Barcelona, Spain, Paseo de Gracia
Barcelona, Spain, ECI Plaza Cataluna
Barcelona, Spain, ECI Diagonal
Valencia, Spain, ECI Sorolla
Hong Kong, Time Square
Taipei, Taiwan, Eslite Dun Nan
Taipei, Taiwan, Eslite Xin Yi
Kaohsiung City, Taiwan, Dream Mall
Tainan, Taiwan, Dream Mall
Moscow; Russia, Atrium
Moscow; Russia, Mega
Moscow; Russia, Afi Mall
Moscow; Russia, Metropolis
Moscow; Europejsky

World – Outlet Stores

Barcelona, Spain, La Roca outlet
Mendrisio, Switzerland, Fox Town outlet
Moscow; Russia, Vnukovo

DOS Sales March 2018 @ € 30,3 mln, **+6.7%** vs previous year; SSSG growth **+3.3%**; e-commerce sales March 2018 @ €3.05 mln, **+19.7%** vs previous year.*



INNOVATION THROUGH BAGMOTIC

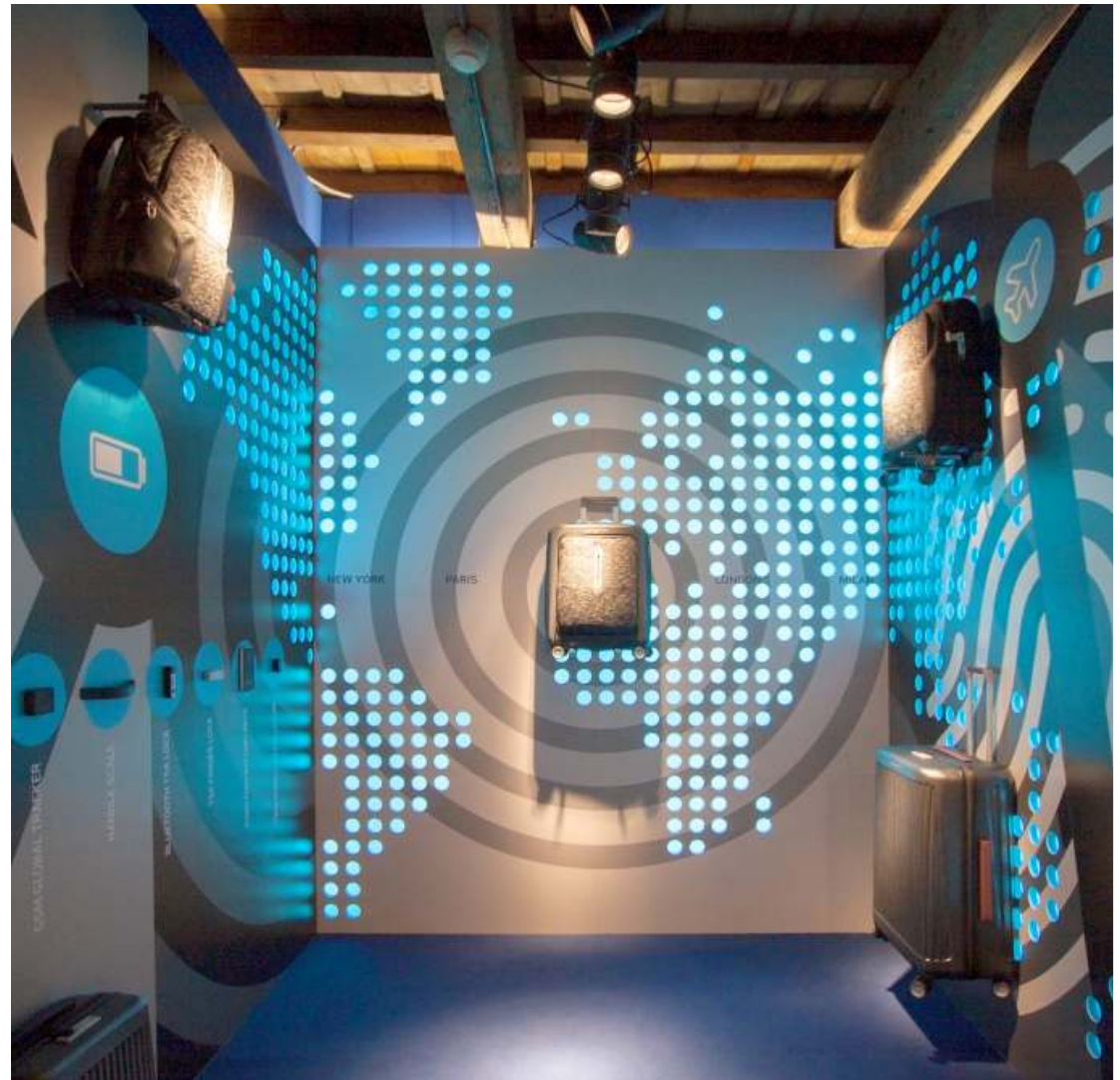
Piquadro embraces the philosophy
of the **Internet of Things**.

BAGMOTIC is a sort of
bag automation that makes it
possible to be connected to your
bag thanks to the **Connequ App**
by Piquadro.

BAGMOTIC is the evolution of the
Piquadro **heritage concept** of
TECH INSIDE.



10





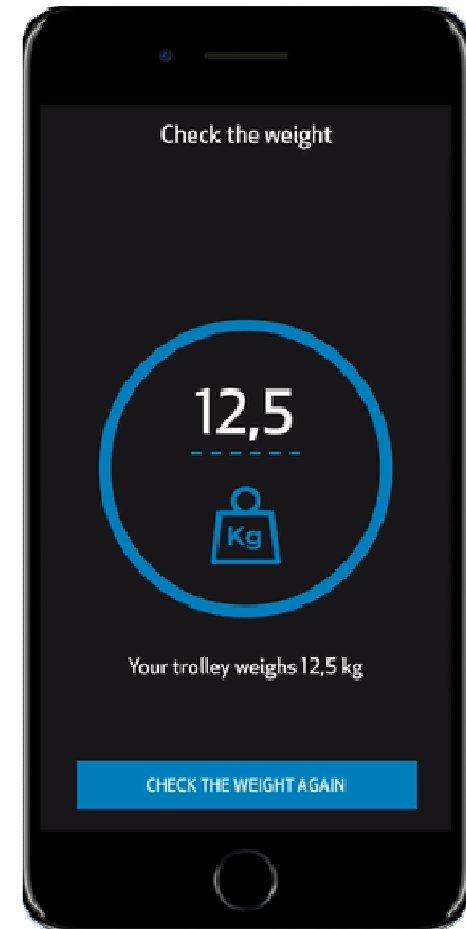
INNOVATION THROUGH BAGMOTIC

Piquadro products, equipped with BAGMOTIC technology, can communicate with you because they are **connected** via Bluetooth to your **smartphone and/or smartwatch** through the **Connequ app** available at the App Store and Play Store.

INNOVATION THROUGH BAGMOTIC

Bagmotic allows you to:

- **trace** and **find** your Piquadro accessories from luggage to key holder
- **recharge** your smartphone inside your Piquadro bag or trolley
- **weigh** your Piquadro trolley
- **lock** and unlock your Piquadro trolley through your smartphone
- know the level of **air pollution**
- **check** the content of your bag through your phone
- send an **SOS** message in case of emergency
- get useful information from the **cloud**



PIQUADRO AT A GLANCE



- **Sales:** €73.9 mln + 4.3% vs. comparable period (2017/18 vs. 2016/17). DOS *like for like* +3.3%. DOS represents now 41.0% sales.
- 704 **employees**; 226 in DOS and 337 in Chinese factory
- Iconic products : 51% of turnover (60% in DOS)
- **EBITDA** 12.5% on Net Sales
- 42 Full Price **Stores** (Italy 25, Europe 10 , Row 7)
- 15 **Outlet** Stores (Italy 12, Europe 3)



THE BRIDGE BRAND

The Bridge is a Florentine leather brand with a 50 year long history of skilled craftsmanship and superior quality materials for a worldly-wise elegance and a bohemian style

THE BRIDGE: THE BIG OPPORTUNITY

The Bridge is an Italian brand with a strong identity, deeply **rooted** in **Tuscany** and tied for the past **50 years** to the finest artisan **workmanship** and **vegetable-tanned leather**.

The **challenge today** is introducing a **modern reinterpretation** of those products with a **retro and vintage** mood that represent the heritage and strength of The Bridge



THE BRIDGE STRONG POINTS



- 50 years heritage brand from Tuscany
- Precious leather and highly recognizable style
- **Iconic eco-sustainable** luxury artisan **workmanship**
- **Different** from industrial competitors such as Michael Kors, Coach , Furla
- Access to large premium woman bags market through **diversity**

THE BRIDGE IN THE WORLD

Florence – Milan – Turin – Venice

Berlin (Kadewe) – Munich (Benno Marstaller)

Wien (World of Mozart) – Salzburg (Kiechtag)

Zurich (Jelmoli) – Dublin (Wier & Sons)

Seoul (Shinsegae Starfield Hanam Mall; Galleria

Dept Store) – Hong Kong (Canton Road)

Tainan City (Mitsukoshi) – Hangzou (Hangzou
Tower)





THE BRIDGE RETAIL CHANNEL

Italy – Full Price Stores

Milan, Via Landolfo
Turin, Via Lagrange
Bari, Via Argiro

Italy – Outlet Stores

Fidenza (Pr), outlet
Marcianise (Ce), outlet
Serravalle (Al), outlet
Agira (En), outlet
Castel Romano (Rome), outlet

DOS Sales March 2018 @ 7.2 mln € ;

SSSG growth of **+34.7%**;

e-commerce sales March 2018 @ 0.8 mln € **+174.2%** vs last year*

**included in DOS Channel*

THE BRIDGE AT A GLANCE



- Sales: €23,7 mln + 14,2% vs. comparable period (2017/18 vs. 2016/17). DOS *like for like* +34,7%. DOS represents now 30,3% sales.
- 101 employees; 33 in DOS
- 45% woman bags; 25% man bags; 30% SLG
- The Bridge is now a profitable company (break-even after just 3 months operation)
- EBITDA 6,5% on Net Sales



MAISON LANCEL

Lancel is a Parisian Maison of Haute Maroquinerie with 140 years of legacy and savoir-faire. Colorful and joyful, the creations are a mix of contemporary timelessness and daring imagination. An authentic Parisian brand to delight every moment of life.



THE ACQUISITION

On June, 2 2018 Piquadro purchased Maison Lancel from Richemont International.

Price of acquisition: an earn-out on Net Profit (20%) for 10 years from Closing and limited to €35 mln.

At Closing

- Lancel has a cash positive net financial position of c. € 41 mln;
- a significantly reduced annual operating cost structure already implemented by Richemont;
- estimated net equity of c. € 36.1 mln.

MAISON LANCEL: A GREAT CHALLENGE

Lancel is a French brand with a 140 years' history of authentically Parisienne chic. Its collections have marked the evolution of women's bags through iconic and timeless products.

The challenge is to **bring back** Maison Lancel's **allure** through trendier and younger collections that must continue to keep their Parisienne mood...
... and achieve break-even in 4 years' time.





LANCEL AT A GLANCE

Sales approx. € 51 mln out of which 85% through DOS
mainly located in France (58 out of 62);
EMPLOYEE

EBITDA negative on FY18 equal approx. to € 23 mln

Lancel operates a network of 62 DOS and 8 franchisees.

DOS:

55 Full Price Stores (France)

7 Outlet Stores (France 3, Europe 3, Row 1)





FINANCIAL HIGH- LIGHTS

**FY March '18 doesn't include Lancel figures (acquisition June 2nd 2018)*



INCOME STATEMENT

	FY Ending March 31		
(€mln)	2016A	2017A	2018A
Net Sales	69.3	75.9	97.6
%growth	+3.1%	+9.5%	+28.6%
Other revenues	1.2	2.3	1.2
Material costs	(13.0)	(19.3)	(23.7)
Service costs	(33.4)	(32.3)	(42.4)
Personnel costs	(15.3)	(16.8)	(20.6)
Other operating expenses	(0.5)	(1.0)	(1.3)
EBITDA	8.3	8.8	10.8
Margin (% of net sales)	12.1%	11.6%	11.0%
Depreciation	(2.6)	(3.1)	(2.9)
EBIT	5.7	5.7	7.9
Margin (% of net sales)	8.2%	7.5%	8.1%
Net interest income(exp.)	0.1	(0.3)	(0.9)
EBT	5.8	5.4	7.0
Margin (% of net sales)	8.4%	7.1%	7.2%
Taxes	(1.9)	(2.0)	(2.2)
Net Income(loss) before minorities	3.9	3.4	4.8
Margin (% of net sales)	5.6%	4.5%	4.9%
Minority interests	(0.0)	(0.0)	(0.0)
Net Income(loss)	3.9	3.4	4.8
Margin (% of net sales)	5.6%	4.5%	4.9%





INCOME STATEMENT 12 MONTHS

(ENDING MARCH 31st)

(€m)	2017A	2018A	% growth	PQ contribution	TB contribution
Net Sales	75.9	97.6	+28.6%		
Other revenues	2.3	1.2			
Material costs	(19.3)	(23.7)			
Service costs	(32.3)	(42.4)			
Personnel costs	(16.8)	(20.6)			
Other operating expenses	(1.0)	(1.3)			
EBITDA*	8.8	10.8	+22.6%		
Margin (% of net sales)	11.6%	11.0%			
EBITDA RECURRING	7.4	10.8	+45.5%	+24.5%	+21.0%
Depreciation	(3.1)	(2.9)			
EBIT*	5.7	7.9	+38.4%		
Margin (% of net sales)	7.5%	8.1%			
EBIT RECURRING	4.6	7.9	+71.0%	+49.2%	+21.8%
Net interest income(exp.)	(0.3)	(0.9)			
EBT	5.4	7.0			
Margin (% of net sales)	7.1%	7.2%			
Taxes	(2.0)	(2.2)			
Net Income(loss) before minorities*	3.4	4.8			
Margin (% of net sales)	4.5%	4.9%			
Minority interests	(0.0)	(0.0)			
Net Income*	3.4	4.8	+40.2%		
Margin (% of net sales)	4.5%	4.9%			
Net Income RECURRING	2.8	4.8	+70.5%	+50.2%	+20.3%

*EBITDA, EBIT and Net Income at March,31 2017 was affected by the positive effect relating to the disposal of the point of sale located at Paris

(€mln)	FY Ending March 31		
	2016A	2017A	2018A
Net Working Capital	26.3	26.1	25.4
Net Tangible Assets	12.6	12.7	11.1
Net Intangible Assets	4.1	8.4	8.5
Net Financial Assets	1.9	3.0	3.0
Several Staff, Provisions & Others	(1.4)	(3.7)	(4.0)
Net Capital Employed	43.5	46.5	44.0
Group Shareholders' Equity	36.9	38.4	40.6
Minorities	(0.1)	(0.1)	(0.1)
Shareholders' Equity & Minorities	36.8	38.3	40.3
Net Debt	6.7	8.2	3.7
Net Debt and Shareholders' Equity	43.5	46.5	44.0

SUMMARY BALANCE SHEET





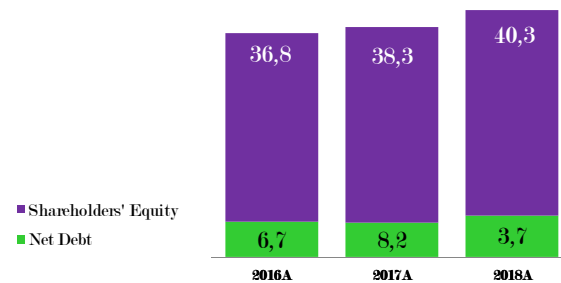
LEAN CAPITAL STRUCTURE

NET FINANCIAL DEBT (€mln)

	As of March 31		
	2016A	2017A	2018A
Short-term Net Debt	8.5	6.4	14.3
Long-term Net Debt	8.4	17.1	13.0
Cash & Cash Equivalents	(10.2)	(15.3)	(23.6)
Net Debt	6.7	8.2	3.7

RATIO - NET FINANCIAL DEBT (€m)

	As of March 31		
	2016A	2017A	2018A
Net Debt/EBITDA	0.81	0.94	0.34
Net Debt/Net Capitalization	15.5%	17.7%	8.4%





FY 2018 NET DEBT

NET DEBT as March 2017: €8,2 mln

- Operating Cash Flow €9.9 mln
- NWC and related effects -€1.6 mln
- Net Capex -€1.7 mln
- Dividends -€2,0 mln

NET DEBT as March 2018 : €3.7 mln

INVESTMENT VALUES

Net Profit generated in the last 3 years* € 12.1 mln ■

Dividends paid in the last 3 years equal to ** €7.0
mln ■

Investments of the last 3 years* €10.5 mln ■

Net Debt decreased in the last 3 years* (*including
The Bridge acquisition which brought €13 mln Net
Debt*) € 3.1 mln ■

* Based on financial statements as of March 31, 2018, 2017, 2016

** Including dividend paid in August 2018





Q1 2018/19 FLASH ON SALES

€24.3 mln: +26.9% vs comparable period

Piquadro: €15.0 mln, +3,0%

Wholesale + 6,0% driven by Italy + 1,9% and Europe + 27,7%

The Bridge: €5,3 mln, +14.9%

Wholesale +15.5% driven by Europe +63.2% - DOS +13.1% driven by Retail +11.9% (lfl +7%) and e-commerce +28.9%

Lancel: €4,0 mln - lfl +16%

(June is the first month in Piquadro Group)

Q1 2018/19 NET DEBT

(€mln)	June 17	March 18	June 18
Short-term Net Debt	9.3	14.3	13.2
Long-term Net Debt	17.5	13.0	46.8
Cash & Cash Equivalents	(15.4)	(23.6)	(58.8)
Net Debt	11.4	3.7	1.2

NFP June 2018: improvement of €10.1 mln vs June 2017

- €4.5 mln operating performance of Piquadro and The Bridge
- €5.7 mln acquisition Maison Lancel





THANK YOU !