

BRANDED GOODS CONFERENCE

September, 15 2016



PIQUADRO

THE BRAND





FACTS

- € 69.3 million turnover in FY 2015-16, up 3.1%
- € 3.88 million net profit in FY 2015-16
- 37% generated by DOS, 63% by wholesale
- 100 free-standing stores (60 IT, 40 abroad)
- 656 employees and workers
- 68% family management;
other shareholders:
Mediobanca 5%
Fidelity 2,2%
Allianz 1,4%
Lazard 1,9%

THE START

- The Piquadro brand was **launched** on the Italian market in **1998** by Marco Palmieri, today's President and CEO of the company.
- The **brand name** PIQUADRO means **Psquared (P²)**.
- It comes from Marco Palmieri's great love for Mathematics and stands for Palmieri-'Pelletterie' (the Italian word for leatherware).



THE ORIGINAL IDEA

- When Piquadro was launched 17 years ago it truly generated a new market niche encountering an emerging consumer's need: a briefcase which was at the same time elegant and functional.
- The Piquadro briefcases were **the first ones** conceived to **carry a laptop safely but also elegantly.**



THE BRAND VALUES

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



VIBRANT COLORS AND THE FINEST ITALIAN LEATHER

- Another distinguishing feature of the Piquadro brand is colour. The palette of hides - exclusively Italian and deriving mainly from the world famous **Tuscan tanning district** - has always spanned from classic colours to unprecedented shades.



CORE CONSUMERS

- Young professionals
- Men: 60% and women 40%
- Medium-upper social classes
 - Design forward mindset
 - 'Citizens of the world'
- Always 'on the go': commuters, frequent flyers
 - Tech savvy
- Rational: value for money



BRAND POSITIONING



PRODUCT

A close-up photograph of a textured, light-colored bag with dark leather straps and buckles. The bag has a herringbone or woven texture. A leather strap with a buckle is visible, along with a zipper. The background is dark and out of focus.

Product personalization

Iconic Products

Business short travel products

Bagmotic Connequ

Made in Italy

OUR PERSONALIZATION PROGRAM

- SARTORIA
- UNICA
- Personalization accounts
19% sold online YTD Aug 16





ICONIC PRODUCTS

- Pillars of global awareness of the Brand.
- 44% of consolidated turnover with a CAGR in the last four years of 22%.
- 47% in DOS channel with a CAGR in the last four years of 28%.



BAGMOTIC[®]

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

BAGMOTIC allows you:

- to trace and find your Piquadro accessories from luggage to key holder through smart phone/tablet/smartwatch
- to open and close your Piquadro trolley through smart phone/tablet/smartwatch
- to recharge your smartphone/tablet/smartwatch through your Piquadro bag or trolley, and be notified when is out of power
- to weigh your Piquadro Trolley
- to light up your Piquadro bag
- next...

CONNEQU

- At the center of Piquadro's BAGMOTIC concept is the **Connequ app**, which can be downloaded from App Store and Google Play
- **CONNEQU** is a touch-point which allows to enlarge the customer base and communicate through push notification
- Now more than 5,000 customers connected through **CONNEQU**.



MADE IN ITALY

- **Reshoring Strategy:** increasing the share of Made in Italy productions.
- **Target:** promote the brand abroad through Made in Italy products with the same price point as the other Piquadro collections.



MARKET

Premium market growing more than Luxury market.

Small competitors under consolidation.

Is it time to aggregate?



DIGITAL BUSINESS

moving to digital.

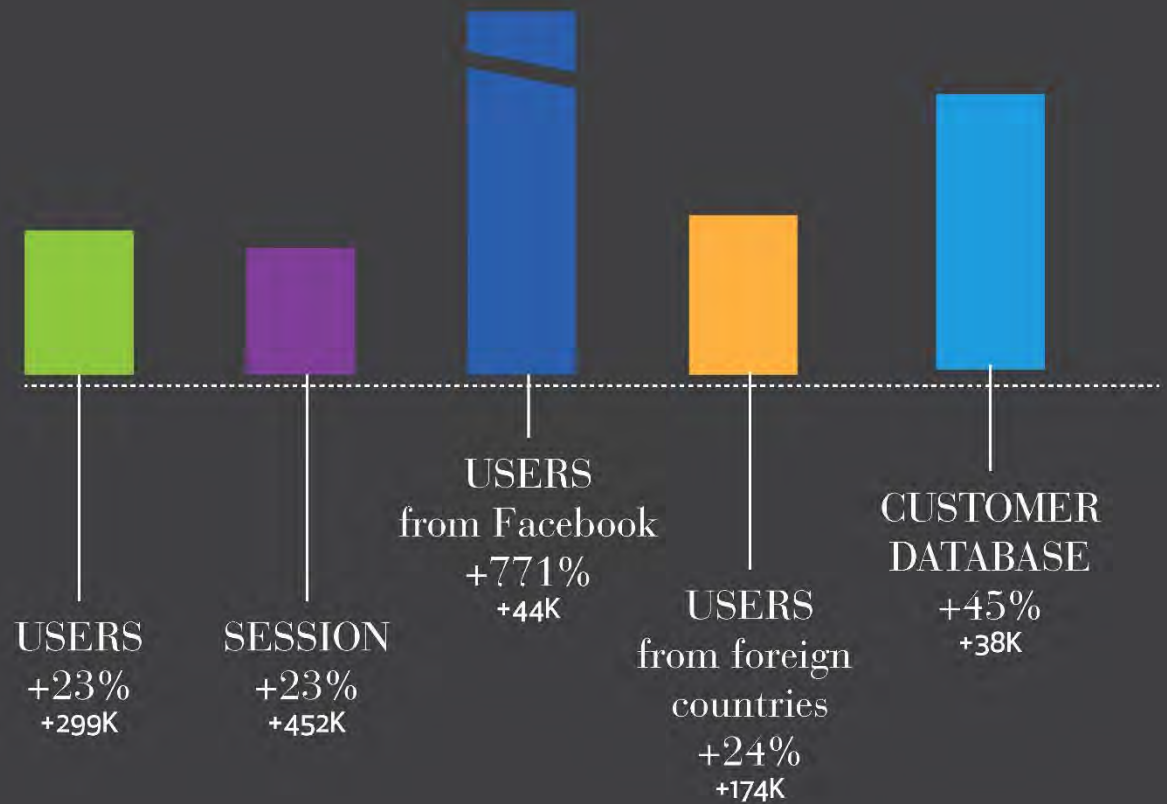
Direct e-commerce a profitable business
Ebitda generated more than 30%
Now approx **4%** of consolidated turnover



Piquadro Website

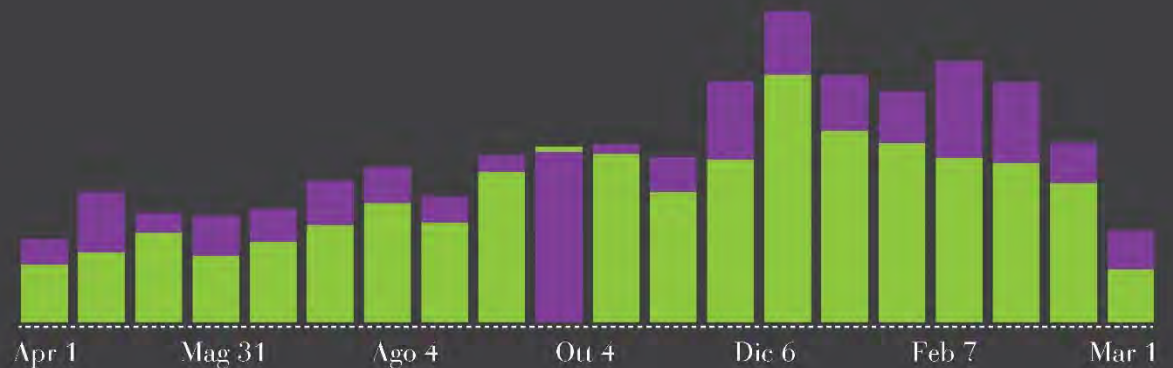
FY 2015-2016 traffic

total users 1.6 mln



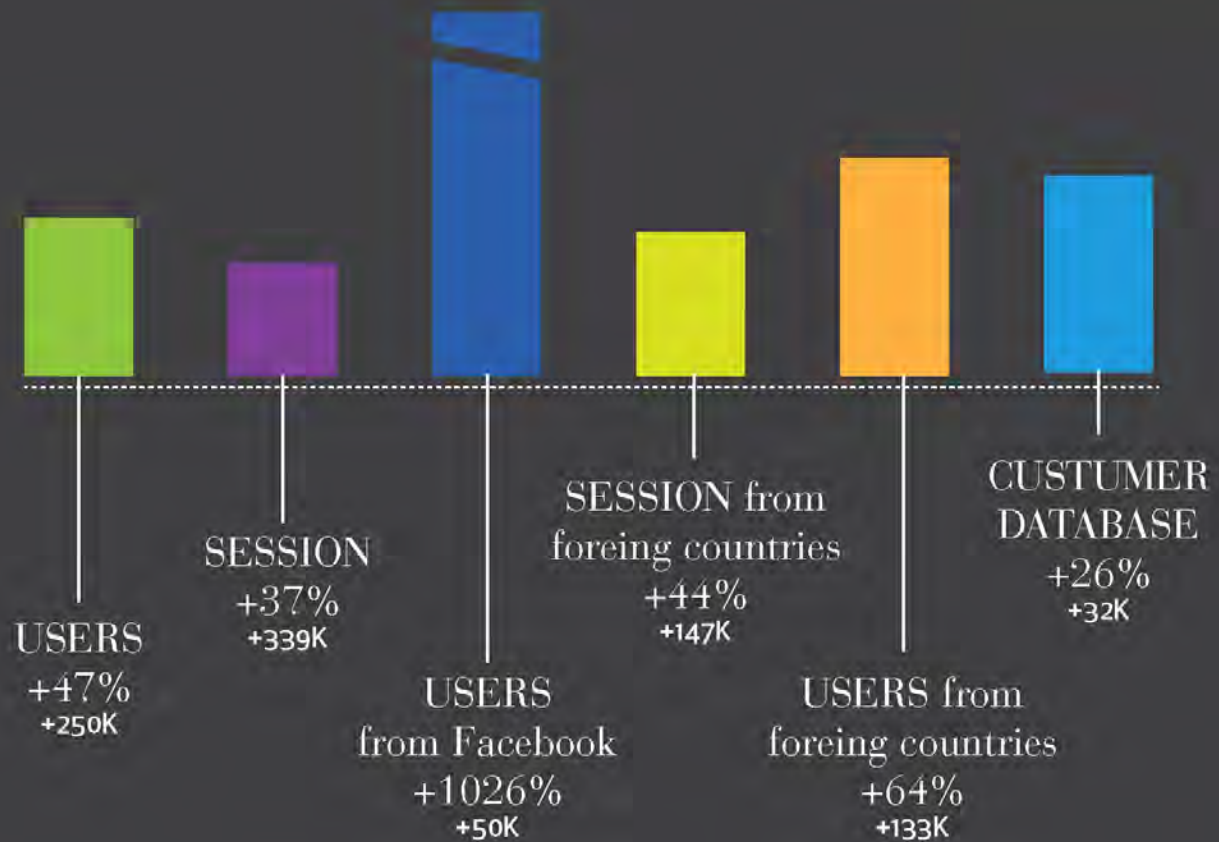
USERS

from 2015 04 01 to 2016 03 31
from 2014 04 01 to 2015 03 31



Piquadro Website

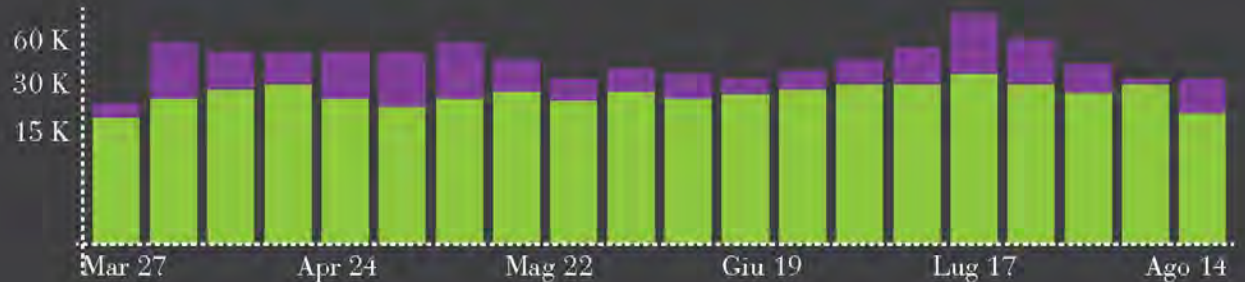
Apr-Aug 2016 traffic



USERS

from 2016 04 01 to 2016 08 31



from 2015 04 01 to 2015 08 31

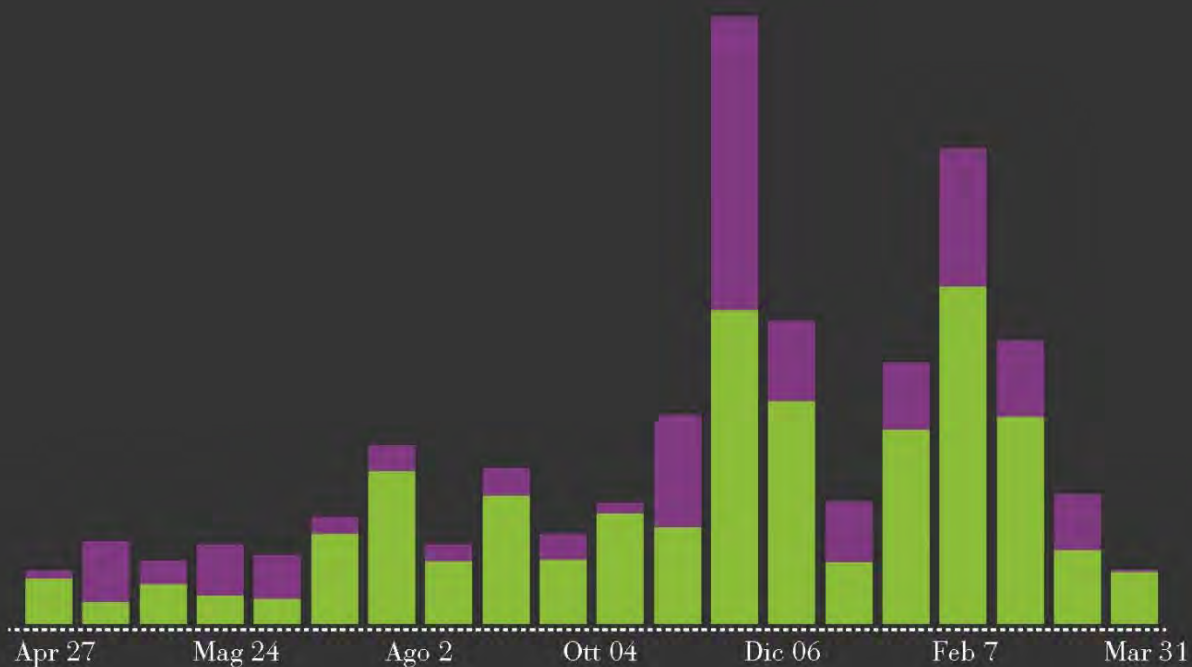


Piquadro Website

FY2015-16 sales **+37.5%**

export **+54.6%**

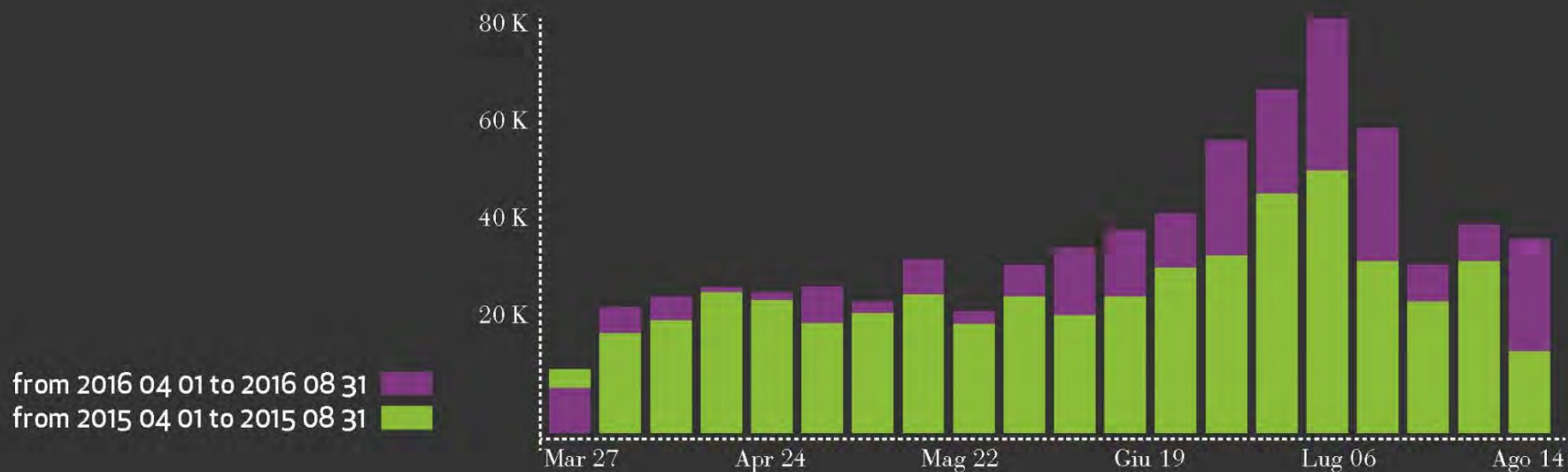
from 2016 04 01 to 2016 08 31 
from 2015 04 01 to 2015 08 31 



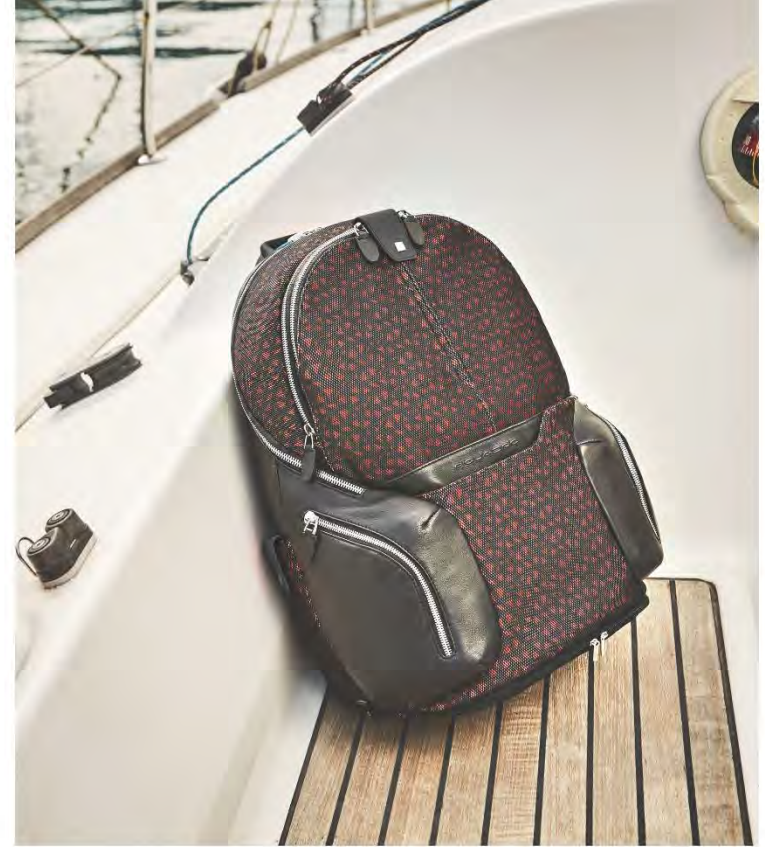
Piquadro Website

Apr-Aug 2016 sales **+42.9%**

export **+53.3%**



BUSINESS IS MOVING TO DIGITAL



- Indirect e-commerce is becoming a successful business
Leveraging on international web platforms such as Amazon, T-mall, Zalando, Vente Privee etc
- Fast growing
2015 vs. 2014 +29,3%
2016 vs. 2015 +86,5%
- **5,4%** of consolidated turnover



RETAIL BUSINESS

PIQUADRO



EYE WEAR
COLLECTION

PARIS MIKI
since 1936



- Selective openings (...and closures).
- Store profitability key driver.
- Focus on like for like growth.
- Price up 2% in the last two years.



■ Italy FP stores n.	24
■ Italy outlet stores n.	11
■ Europe FP stores n.	10
■ Europe Outlet stores n.	2
■ RoW FP stores n.	7
■ Total direct network n.	54

- 2015-2016 like for like growth +6,7%
- YTD August like for like growth +1,5%

WHOLE- SALE BUSINESS





- **Italian** market is **concentrating**
- B2B a fast growing channel
- Consolidation of multi-brand operators
- Franchising development (n.24 mono-brand stores)



- **European market** to leverage on brand awareness
- Russia, Germany, Spain key market drivers
- Russian economy under stabilization directly managed
- Travel retail performances accelerating



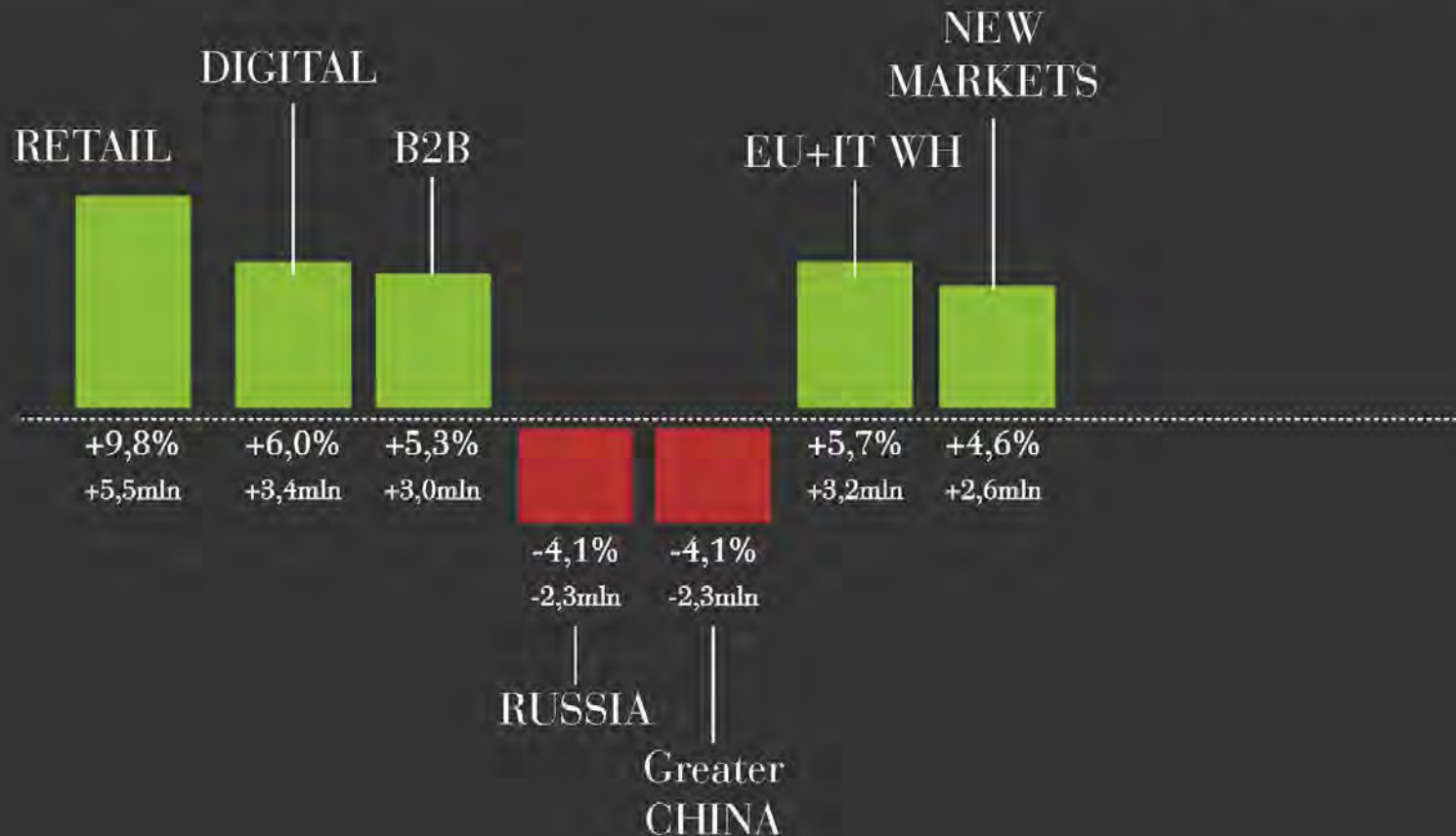


- **Asia** business is stable with some good signal from **Japan** and **Korea**
- Opportunities from **new countries** (Iran, Mexico etc)
- **USA**: flagship store opening in **NYC** and online platform driving market penetration



THE WORLD IS CHANGING... AND WE ARE CHANGING

Piquadro business has changed a lot since March 2013 (+23% in three years)



SWOT ANALYSIS



STRENGTHS

Wide and diversified product offering

Premium positioning within the man branded leather goods market with strong growth

Multi-channel distribution network

Digital business directly managed with high profitability



WEAKNESS

Exposure to the Italian market

Small size



OPPORTUNITIES

Increase international presence

Further development of Digital business

Developing travel retail channel



THREATS

Risk of slowdown in Italian consumption

Risk of opening DOS

FY Ending March 31

(€mln)	2014A	2015A	2016A
Net Sales	63.1	67.2	69.3
% growth	+12.1%	+6.6%	+3.1%
Other revenues	0.8	0.9	1.2
Material costs	(9.2)	(12.5)	(13.0)
Service costs	(31.2)	(31.8)	(33.4)
Personnel costs	(13.9)	(14.3)	(15.3)
Other operating expenses	(0.7)	(0.7)	(0.5)
EBITDA	8.9	8.8	8.3
Margin (% of net sales)	14.1%	13.1%	12.1%
Depreciation	(2.5)	(2.8)	(2.6)
EBIT	6.4	6.0	5.7
Margin (% of net sales)	10.2%	8.9%	8.2%
Net interest income(exp.)	(0.9)	(0.1)	0.1
EBT	5.5	5.9	5.8
Margin (% of net sales)	8.7%	8.8%	8.4%
Taxes	(2.0)	(1.9)	(1.9)
Net Income(loss) before minorities	3.5	4.1	3.9
Margin (% of net sales)	5.6%	6.1%	5.6%
Minority interests	(0.0)	(0.0)	(0.0)
Net Income(loss)	3.5	4.1	3.9
Margin (% of net sales)	5.6%	6.1%	5.6%



INCOME STATEMENT

FY Ending March 31

(€mln)	2014A	2015A	2016A
Net Working Capital	22.7	24.5	26.3
Net Tangible Assets	13.1	12.6	12.6
Net Intangible Assets	5.0	4.6	4.1
Net Financial Assets	2.4	2.0	1.9
Several Staff, Provisions & Others	(1.3)	(1.3)	(1.4)
Net Capital Employed	41.9	42.4	43.5
Group Shareholders' Equity	31.7	35.4	36.9
Minorities	0.0	0.0	(0.1)
Shareholders' Equity & Minorities	31.7	35.4	36.8
Net Debt	10.2	7.0	6.7
Net Debt and Shareholders' Equity	41.9	42.4	43.5



SUMMARY BALANCE SHEET

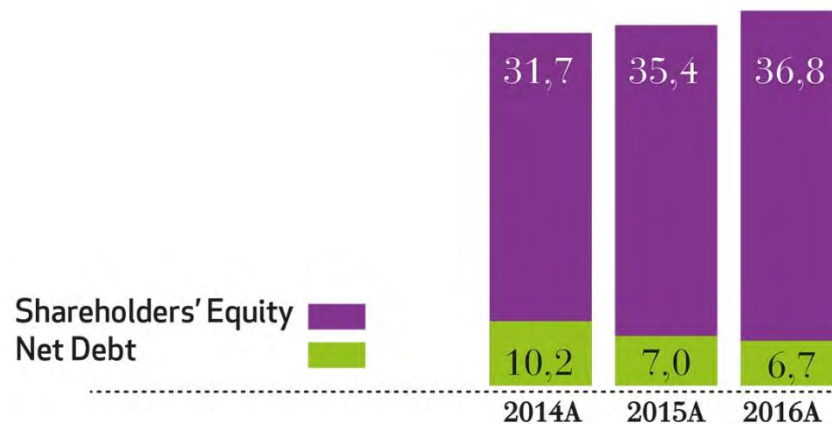
LEAN CAPITAL STRUCTURE

NET FINANCIAL DEBT

(€mln)	As of March 31		
	2014A	2015A	2016A
Short-term Net Debt	8.3	10.3	8.5
Long-term Net Debt	12.9	9.4	8.4
Cash & Cash Equivalents	(11.0)	(12.7)	(10.2)
Net Debt	10.2	7.0	6.7

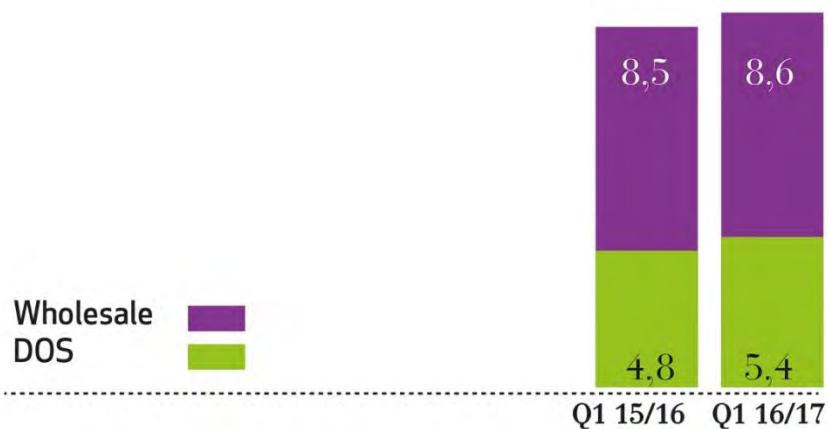
RATIO - NET FINANCIAL DEBT

	As of March 31		
	2014A	2015A	2016A
Net Debt/EBITDA	1.14	0.79	0.81
Net Debt/Net Capitalization	24.4%	16.5%	15.4%



FOCUS ON QUARTER I

2016/17



DOS :	+ 11.4%
Wholesale :	+ 0.7%
Export wholesale growth	+ 18.4%
E-commerce	+ 30.4%
Export E-commerce	+ 41.9%

Q1 Sales: 13,9mln +4.5% vs 2015 (13,4mln)



NET FINANCIAL DEBT

(€mln)	As of June 30	
	2015A	2016A
Short-term Net Debt	8.7	8.5
Long-term Net Debt	8.1	7.1
Cash & Cash Equivalents	(8.0)	(8.9)
Net Debt	8.8	6.7

THE INVEST- -MENT VALUES

- Net Profit generated in the last 3 years* 11.5 mln €
- Dividends paid in the last 3 years equal to 5.0 mln €
- Investments effected in the last 3 years* equal to 7.9 mln €
- Net Debt decreased in the last 3 years* by 3.5 mln €

*Based 12M March 2016, 2015, 2014





THANK
YOU!