



Piquadro S.p.A:

The Board of Directors approved the Consolidated Half-year Financial Report as of September 30, 2015

- **Consolidated revenue: € 33.18 million (+2.6%** compared to the first half of the previous year);
- **EBITDA: € 4.6 million (-7%** compared to € the first half of the previous year);
- **EBIT: € 3.3 million (-8.1%** compared to the first half of the previous year);
- **Consolidated Net Profit: € 2.25 million (+0.1%** compared to the same period of the previous year);

Silla di Gaggio Montano, November 25, 2015 – 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, 2015**.

For the half-year at September 30, 2015, the Piquadro Group reported **consolidated revenue of € 33.18 million, up 2.6%** compared to € 32.34 million for the same period of the previous year.

The increase in sales is attributable to the good performance of the *Wholesale* channel while sales on the *DOS* channel are in line with those of the previous year.

The revenues of the **Wholesale** channel, which represent 67.2% of the Group's total turnover, showed a 3.9% increase, driven by the rise in the domestic market (+6.6%) and in the extra-European markets (+76.6%). Sales in Europe decreased by 16.5%, mainly due to the orders reduction in Russia. With the exclusion of Russia, *Wholesale* channel sales in Europe fell by 2.7% due to temporary slowdowns in some peripheral countries.

The revenues reported by the *DOS* channel during the first half of the year are in line with those of the same period of the previous year and are a result of marginal quantities sold in existing stores which was offset by the closing of 9 stores located primarily in the Far East (seven more stores were closed in the first half of 2014/2015). In the first half 2015/2016 6 new stores were opened with a contribution of 6% on *DOS* channel sales. The *DOS* channel also includes e-commerce revenues, increasing by 27.3%.

The **Same Store Sales Growth** data (SSSG), calculated as average global growth rates of profits registered in the existing directly operated stores on April 1, 2015, was positive and equal to the 7.5% in the period at current exchange rates (assuming an equal number of days open and constant exchange rates, it was equal to a 5.6% growth rate).

Under a **geographic point of view**, the Group's revenues as of 30 September 2015 show a **6.6% increase** in the domestic market which still represents an important share (78.2%) of the Group's revenues. In the extra-European market the Group recorded a 5.8% increase thanks to



the growth in countries such as Mexico, China and Malaysia and despite the closure of 5 directly operated stores in China, Hong Kong, Macao and Taiwan (seven more stores were closed in the first half of 2014/2015) according to the reorganization strategy of distribution in Asia after the agreement with the Chinese partner. In Europe, the Group recorded a total decrease of 14.6 % mainly due to continuing decline in orders from Russia (5% decrease, net of Russian market).

EBITDA was **€ 4.6 million** and 13.9% of the revenues compared to € 4,9 million in the same period of the previous year (15,3% of revenues). Group **EBIT** was about **€ 3.34 million** and 10.1% of revenues, (11.2% on September 30, 2014). The decrease in profitability ratios compared to the first half of the previous year is due to several factors: the different mix of Wholesale/DOS sales; the higher production costs due to the appreciation of the US dollar although partly offset by hedging completed by the Parent Company; increased investment in marketing; the lower margins of newly opened stores located in prestigious areas (see the opening of the New York store); closing (due to the fire at the airport) of the shop at Fiumicino T3 which recorded above-average margins.

The **Consolidated Net Profit** is stable at **€ 2.25 million**, with a very slight increase of 0.1% compared to the first half of the previous year.

As of September 30, 2015, **Net Financial Position** was negative at € 13.9 million with a € 2.1 million improvement over the first half of the previous year, despite the higher dividends paid to shareholders (€ 2 million in the half year 2015/16 compared to € 1 million in the half year 2014/15). The difference compared to 31 March 2015 was due to higher investments in the period (approximately 1.06 million Euros in the first half of 2015/2016), increase in net working capital (due to the seasonality of the period) and payment of dividends.

«The first half of the year ended with moderate growth but the acceleration in the second quarter compared to the first makes us confident for the coming months» said **Marco Palmieri, President and CEO of Piquadro**. *«The like for like of the directly operated stores shows a marked positive sign, the pre-tax profit, which takes account of foreign exchange hedging, reported significant growth and the NFP showed an improvement of about 2 million Euros. This, despite the growing commitment in communication which resulted in a 30% increase in marketing expenses to continue to pursue the strategy to increase brand awareness at an international level»*.

Outlook 2015/2016

The development of the Piquadro Group in the 2015/2016 financial year will be determined by the growth on international markets. The Management foresees a positive trend for the rest of financial year 2015/16 and growing rates, similar to those experienced in the first semester. In terms of profitability the Management expects operating margins to grow thanks to the reorganization of less profitable business areas. In this context, the management will continue to monitor margins and operating costs in order to increase commitments in R&D and Marketing at an international level to improve brand awareness.



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 2015/2016 results, corresponds to the documented results, books, and accounting records.

The Consolidated Half-year Financial Report relevant to the first six months of 2015/2016 fiscal year approved today by the Piquadro Board of Directors has been made available to the public at the Company's Registered Office, on the website www.piquadro.com and on the authorized storage "NIS-Storage" available on www.emarketstorage.com.

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, 2015, consolidated revenues amounted to € 67.2 million and consolidated net profit was approximately € 4.08 million.

Piquadro sells its products in over 50 countries worldwide, through a distribution network that includes 104 single-brand boutiques (58 in Italy and 46 abroad out of which 51 DOS-directly operated stores and 53 franchised).

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

Piquadro S.p.A.

Ufficio relazioni con i media

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Consolidated statement of financial position as at September 30, 2015 and March 31, 2015

(in thousands of Euro)

September 30, 2015

March 31, 2015

ASSETS**NON-CURRENT ASSETS**

Intangible assets	4.356	4.608
Property, plant and equipment	12.536	12.624
Receivables from others	706	682
Deferred tax assets	1.250	1.339

TOTAL NON-CURRENT ASSETS**18.848****19.253****CURRENT ASSETS**

Inventories	18.192	15.962
Trade receivables	28.647	23.185
Others current assets	1.928	1.538
Tax receivables	66	907
Receivables for derivative financial instruments	69	0
Cash and cash equivalents	6.149	12.705

TOTAL CURRENT ASSETS**55.051****54.297****TOTAL ASSETS****73.899****73.550**



Consolidated statement of financial position as at September 30, 2015 and March 31, 2015

<i>(in thousands of Euro)</i>	September 30, 2015	March 31, 2015
LIABILITIES		
EQUITY		
Share Capital	1.000	1.000
Share premium reserve	1.000	1.000
Other reserves	1.847	1.239
Retained earnings	29.250	28.093
Group profit for the period	2.294	4.119
Total equity attributable to the Group	35.391	35.451
Capital and Reserves attributable to minority interests	(37)	0
Profit/(loss) attributable to minority interests	(42)	(40)
Total share attributable to minority interests	(79)	(40)
EQUITY	35.312	35.411
NON-CURRENT LIABILITIES		
Borrowings	5.173	7.312
Payables to other lenders for lease agreements	1.772	2.085
Provision for employee benefits	266	295
Provision for risk and chargers	1.076	1.040
TOTAL NON-CURRENT LIABILITIES	8.287	10.732
CURRENT LIABILITIES		
Borrowings	12.568	9.695
Payables to other lenders for lease agreements	579	625
Trade Payables	13.700	13.657
Other current liabilities	2.791	3.267
Current income tax liabilities	662	163
TOTAL CURRENT LIABILITIES	30.300	27.407
TOTAL LIABILITIES	38.587	38.139
TOTAL EQUITY AND LIABILITIES	73.899	73.550

**Consolidated income statement for the period ended September 30, 2015 and September 30, 2014**

<i>(in thousands of Euro)</i>	Six months as of September 30, 2015	Six months as of September 30, 2014
REVENUES		
Revenues from sales	33.182	32.345
Other income	440	357
TOTAL REVENUES (A)	33.622	32.702
OPERATING COSTS		
Change in inventories	(2.403)	(265)
Costs for purchases	7.266	4.828
Costs for services and leases and rental	16.373	15.657
Personnel costs	7.490	7.143
Amortisation, depreciation and write-downs	1.444	1.490
Other operating costs	112	215
TOTAL OPERATING COSTS (B)	30.282	29.068
OPERATING PROFIT (A-B)	3.340	3.634
Financial income	849	652
Financial charges	(735)	(884)
TOTAL FINANCIAL INCOME AND CHARGES	114	(232)
PRE-TAX RESULT	3.454	3.402
Income tax expenses	(1.202)	(1.153)
PROFIT FOR THE PERIOD	2.252	2.249
attributable to:		
EQUITY HOLDERS OF THE COMPANY	2.294	2.271
MINORITY INTERESTS	(42)	(22)
(Diluted) EARNING PER SHARE	0,042	0,042
(Basic) EARNING PER SHARE	0,045	0,045