

Company AS Silvano Fashion Group
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Attachments:

- SilvanoFas-10004420491-en.pdf (<http://oam.fi.ee/en/download?id=5033>)
- SilvanoFas-10004420493-et.pdf (<http://oam.fi.ee/en/download?id=5034>)

Currency

Title Silvano Fashion Group Consolidated Interim Financial Report for Q3 and 9 months of 2020

Selected Financial Indicators

Summarized selected financial indicators of the Group for 9 months of 2020 compared to 9 months of 2019 and 30.09.2020 compared to 31.12.2019 were as follows:

in thousands of EUR	09m 2020	09m 2019	Change
Revenue	29 759	44 811	-33.6%
Gross Profit	18 097	22 657	-20.1%
Operating profit	8 370	10 090	-17.0%
EBITDA	11 042	12 745	-13.4%
Net profit for the period	1 198	9 764	-87.7%
Net profit attributable equity holders of the Parent company	1 000	9 292	-89.2%
Earnings per share (EUR)	0,03	0,26	-88.5%
Operating cash flow for the period	6 620	12 856	-48.5%

in thousands of EUR	30.09.2020	31.12.2019	Change
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Total assets	41 593	46 309	-10.2%
Total current assets	27 936	27 123	3.0%
Total equity attributable to equity holders of the Parent company	24 186	26 324	-8.1%
Cash and cash equivalents	9 856	5 152	91.3%

Margin analysis, %	09m 2020	09m 2019	Change
Gross profit	60.8	50.6	20.2%
Operating profit	28.1	22.5	24.9%
EBITDA	37.1	28.4	30.6%
Net profit	4.0	21.8	-81.7%
Net profit attributable to equity holders of the Parent company	3.4	20.7	-83.6%

Financial ratios, %	30.09.2020	31.12.2019	Change
ROA	5.5	22.2	-75.2%
ROE	9.7	38.9	-75.1%
Price to earnings ratio (P/E)	22.8	7.3	212.3%
Current ratio	4.0	2.7	48.1%
Quick ratio	1.7	0.8	112.5%

Financial performance

The Group's sales amounted to 29 759 thousand EUR during 9 months of 2020, representing a 33.6% decrease as compared to the same period of previous year. Overall, wholesales decreased by 34.4%, measured in EUR.

The Group's gross profit during 9 months of 2020 amounted to 18 097 thousand EUR and decrease by 20.1% compared to previous year. The gross margin during 9 months of 2020 increased to 60.8%, from 50.6% in the respective period of previous year.



Consolidated operating profit for 9 months of 2020 amounted to 8 370 thousand EUR, compared to 10 090 thousand EUR in 9 months of 2019, decrease by 17.0%. The consolidated operating profit margin was 28.1% for 9 months of 2020 (22.5% in 9 months of 2019). Consolidated EBITDA for 9 months of 2020 decreased by 13.4% and amounted to 11 042 thousand EUR, which is 37.1% in margin terms (12 745 thousand EUR and 28.4% for 9 months of 2019).

Reported consolidated net profit attributable to equity holders of the Parent company for 9 months of 2020 amounted to 1 000 thousand EUR, compared to net profit of 9 292 thousand EUR in 9 months of 2019, net profit margin attributable to equity holders of the Parent company for 9 months of 2020 was 3.4% against 20.7% in 9 months of 2019.

Financial position

As of 30 September 2020 consolidated assets amounted to 41 593 thousand EUR representing decrease by 10.2% as compared to the position as of 31 December 2019.

Trade and other receivables decreased by 900 thousand EUR as compared to 31 December 2019 and amounted to 1 710 thousand EUR as of 30 September 2020. Inventory balance decreased 2 991 thousand EUR and amounted to 16 368 thousand EUR as of 30 September 2020.

Equity attributable to equity holders of the Parent company decreased by 2 138 thousand EUR and amounted to 24 186 thousand EUR as of 30 September 2020. Current liabilities decreased by 3 184 thousand EUR during 9 months of 2020.

Investments

During 9 months of 2020 the Group's investments into property, plant and equipment totalled 191 thousand EUR, in previous year same period 1 143 thousand EUR. Investments were made mainly into opening and renovating own stores, as well into equipment and facilities to maintain effective production for future periods.

Personnel

As of 30 September 2020, the Group employed 1 777 employees, including 498 people in retail operations. The rest were employed in production, wholesale, administration and support operations. In 31.12.2019 there were 1 888 employees, including 503 people in retail operations.

Total salaries and related taxes during 9 months of 2020 amounted 7 407 thousand EUR (9 846 thousand EUR in 9 months of 2019). The remuneration of key management of the Group, including the key executives of all subsidiaries, totalled 556 thousand EUR.



Decisions made by governing bodies during 9 months 2020

On June 30, 2020 Silvano Fashion Group held its regular Annual General Meeting of Shareholders. The Meeting adopted the following decisions.

- * The Meeting approved the 2019 Annual Report.
- * The Meeting decided leave the net profit undistributed and include the net profit of the financial year 2019 in retained earnings.
- * The Meeting decided: To annul Article 5.7 of the Articles of Association which includes: The public limited company may be represented in all legal transactions only by two members of the Management Board jointly. To approve the new Articles of Association of the Company.
- * The Meeting decided: To recall Toomas Tool, Mart Mutso, Risto Mägi, Triin Nellis and Stephan David Balkin from the Supervisory Board of SFG. To elect Toomas Tool as member of the Supervisory Board of SFG for the next 5-year period until June 30, 2025. To elect Mari Tool as member of the Supervisory Board of SFG for the next 5-year period until June 30, 2025. To elect Risto Mägi as member of the Supervisory Board of SFG for the next 5-year period until June 30, 2025. To elect Triin Nellis as member of the Supervisory Board of SFG for the next 5-year period until June 30, 2025. To elect Stephan David Balkin as member of the Supervisory Board of SFG for the next 5-year period until June 30, 2025.
- * The Meeting decided: To appoint the auditing company Ernst & Young Baltic AS (registry code 10877299, located at Rävala 4, 10143 Tallinn) as the auditor of AS Silvano Fashion Group in 2020, 2021 and 2022 the financial years.

Consolidated Statement of Financial Position

in thousands of EUR		Note	30.09.2020 31.12.2019

ASSETS			
Current assets			
Cash and cash equivalents		9 856	5 152
Current loans granted		2	2
Trade and other receivables	2	1 710	2 610
Inventories	3	16 368	19 359
Total current assets		27 936	27 123
Non-current assets			



Long-term receivables		235	334
Investments in associates		58	82
Available-for-sale investments		245	321
Deferred tax asset		1 511	905
Intangible assets		364	423
Investment property		648	869
Property, plant and equipment	4	10 596	16 252
Total non-current assets		13 657	19 186
TOTAL ASSETS		41 593	46 309

LIABILITIES AND EQUITY

Current liabilities

Short-term finance lease obligations		581	2 362
Trade and other payables	5	4 985	6 899
Tax liabilities		1 400	889
Total current liabilities		6 966	10 150

Non-current liabilities

Deferred tax liability		0	14
Long-term bank loans		400	0
Long-term finance lease obligations		6 405	6 333
Long-term provisions		46	61
Total non-current liabilities		6 851	6 408
Total liabilities		13 817	16 558



Equity

Share capital	6	3 600	3 600
Share premium		4 967	4 967
Statutory reserve capital		1 306	1 306
Revaluation reserve		355	355
Unrealised exchange rate differences		-18 835	-15 697
Retained earnings		32 793	31 793
Total equity attributable to equity holders of the Parent company		24 186	26 324
Non-controlling interest		3 590	3 427
Total equity		27 776	29 751
TOTAL EQUITY AND LIABILITIES		41 593	46 309

Consolidated Income Statement

in thousands of EUR	Note	3Q 2020	3Q 2019	09m 2020	09m 2019
Revenue	8	12 028	14 547	29 759	44 811
Cost of goods sold		-4 506	-7 383	-11 662	-22 154
Gross Profit		7 522	7 164	18 097	22 657
Distribution expenses		-2 161	-2 902	-6 608	-8 756
Administrative expenses		-935	-1 114	-2 868	-3 401
Other operating income		94	72	223	219
Other operating expenses		-133	-191	-474	-629
Operating profit		4 387	3 029	8 370	10 090



Currency exchange income/(expense)	-3 830	443	-6 386	2 913
Other finance income/(expenses)	-111	-147	-345	-367
Net financial income	-3 941	296	-6 731	2 546
Profit (loss) from associates using equity method	-3	3	-3	3
Profit before tax	443	3 328	1 636	12 639
Income tax expense	-115	-767	-438	-2 875
Profit for the period	328	2 561	1 198	9 764
Attributable to :				
Equity holders of the Parent company	255	2 370	1 000	9 292
Non-controlling interest	73	191	198	472

Earnings per share from profit attributable to equity holders of the Parent company, both basic and diluted (EUR)	7	0,01	0,07	0,03	0,26
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Consolidated Statement of Comprehensive Income

in thousands of EUR	Note	3Q 2020	3Q 2019	09m 2020	09m 2019
Profit for the period		328	2 561	1 198	9 764
Other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods		-690	325	-2 749	336



Attributable to :

Equity holders of the Parent company	-741	227	-3 138	34
Non-controlling interest	51	98	389	302

Total comprehensive income (loss) for the period	-362	2 886	-1 551	10 100
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Attributable to :

Equity holders of the Parent company	-486	2 597	-2 138	9 326
Non-controlling interest	124	289	587	774

Consolidated Statement of Cash Flows

in thousands of EUR 09m 2020 09m 2019

Cash flow from operating activities

Profit for the period	1 198	9 764
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Adjustments for:

Depreciation and amortization of non-current assets	2 672	2 655
Share of profit of equity accounted investees	3	-3
(Gains)/ losses on the sale of property, plant and equipment	3	23
Net finance income / costs	1 941	-2 546
Provision for inventories	2	0
Provision for long-term benefits	0	5
Income tax expense	438	2 875
Change in inventories	2 991	241
Change in trade and other receivables	769	1 211
Change in trade and other payables	-2 255	-417



Change in finance lease obligations	0	547
Income tax paid	-1 142	-1 499
Net cash from operating activities	6 620	12 856
Cash flow from investing activities		
Interest received	10	9
Proceeds from disposal of property, plant and equipment	34	61
Proceeds from repayments of loans granted	0	6
Acquisition of property, plant and equipment	-191	-1 143
Acquisition of intangible assets	-83	-165
Acquisition of subsidiary net of cash acquired	-26	0
Net cash used in/from investing activities	-256	-1 232
Cash flow from financing activities		
Proceeds from borrowings	400	0
Repayment of finance lease	-1 619	-1 646
Interest paid on finance lease	-367	0
Dividends paid	-424	-7 730
Reduction of share capital	0	-10 800
Net cash used in/ from financing activities	-2 010	-20 176
Increase in cash and cash equivalents	4 354	-8 552
Cash and cash equivalents at the beginning of period	5 152	13 603
Effect of exchange rate fluctuations on cash held	350	-95
Cash and cash equivalents at the end of period	9 856	4 956



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