

Milan – August 7<sup>th</sup>, 2019

**TOD'S S.p.A. – Group's sales totaled 454.6 million Euros in the first half of 2019. Retail revenues (70% of the total): +6.5%; Roger Vivier grew by 11.6%**

The Board of Directors approved Tod's Group 2019 Half-Year Report

Group's sales: 454.6 million Euros, -4.7% from H1 2018

In compliance with the IFRS 16 accounting principles, the key financial figures are:

EBITDA: 80.4 million Euros<sup>1</sup>, equal to 17.7% of sales

EBIT: 5.8 million Euros

Group's Net Income: -6.0 million Euros

Net Financial Position: 509.3 million Euros

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury and quality shoes, accessories and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the Group's report for the first half of 2019 (January 1<sup>st</sup> – June 30<sup>th</sup>, 2019).

**Message of the Group's Chairman and CEO**

Diego Della Valle, Chairman and CEO of the Group, commented as follows:

*"Half-year results reflect the temporary effect of higher than expected investments we have decided to do to support our Brands visibility, in a fiercely competitive landscape, where the leading global Brands are increasingly prioritizing leather goods and, even more, footwear.*

*Our products represent at the highest level the world of both high quality and Italian style, and this is why our loyal customers follow us and are fond of our brands. The real challenge for us is now to become even more attractive for the young customers who live in the new markets, which are currently the major spenders on fashion and luxury goods.*

*To do this quickly, we need to increase our investments to be more attractive and visible. This will bring us the turnover that we need to have an adequate and more than satisfactory profitability. Currently, our Group is properly structured and*

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<sup>1</sup> With the introduction of the new IFRS 16 accounting principle, as of January 1, 2019 leasing contracts are accounted differently from the past, with significant impacts on EBITDA, EBIT, Net Invested Capital, Net Financial Position and Operating Cash Flow. Therefore, in order to make data as of June 30<sup>th</sup>, 2019 comparable with the data of the previous periods, in this press release also the "adjusted" values of the above mentioned results are presented.

led by a strong management team. Tod's Factory's operating model is delivering on its promises and moving in the right direction. E-commerce is growing very well and we are getting encouraging results from our retail network. Therefore we strongly believe that now is the time to invest without hesitation to get the necessary turnover, which is certainly achievable. Any short term margin sacrifice is to favor the medium term profitability and capitalization of both the Group and its Brands.

My Family and I are strongly confident in the effectiveness of our strategy and we will continue to be buyers of Tod's shares, as we were in the past.."

### **Comments to the Group's sales**

In the first half of 2019, consolidated sales were 454.6 million Euros, down 4.7% from H1 2018.

In the current year, currency fluctuations gave a positive contribution, particularly to the Tod's and Roger Vivier brands, which have the greatest presence abroad. At constant exchange rates, meaning by using the average exchange rates of the first six months of 2018, including the related effects of hedging contracts, sales would have been 449.8 million Euros.

As usual, we remind that analyzing quarterly figures is not fully meaningful, due to the discrepancies in the flow of industrial revenues on a monthly basis. Furthermore, in the current year, the comparison by distribution channel is influenced by the acquisition of Italiantouch (starting from October 1<sup>st</sup>, 2018, the relative portion of e-commerce revenues is accounted for in retail revenues, and no longer in the wholesale channel).

### **Breakdown of consolidated sales by brand**

(million Euros)

	<b>H1 2019</b>		H1 2018	<b>% change</b>		FY 2018
	<b>reported rates</b>	<b>constant rates</b>		<b>reported rates</b>	<b>constant rates</b>	
Tod's	<b>231.2</b>	<b>228.1</b>	256.2	<b>- 9.7%</b>	<b>-11.0%</b>	498.7
Roger Vivier	<b>101.0</b>	<b>99.5</b>	90.4	<b>+11.6%</b>	<b>+10.1%</b>	173.5
Hogan	<b>100.5</b>	<b>100.3</b>	105.2	<b>- 4.5%</b>	<b>- 4.7%</b>	206.1
Fay	<b>21.5</b>	<b>21.5</b>	24.7	<b>-12.8%</b>	<b>-12.9%</b>	61.3
Other	<b>0.4</b>	<b>0.4</b>	0.4	<b>n.m.</b>	<b>n.m.</b>	0.9
<b>TOTAL</b>	<b>454.6</b>	<b>449.8</b>	476.9	<b>-4.7%</b>	<b>-5.7%</b>	940.5

Tod's sales totaled 231.2 million Euros in the first half of 2019; the results of the retail channel are positive.

Revenues of Roger Vivier totaled 101 million Euros, up 11.6% from H1 2018. All the regions posted positive results, with the exception of the US.

Hogan sales were 100.5 million Euros; the decrease is mainly due to the weakness of the Italian market. The brand registered positive results abroad, and a double-digit growth in China.

Finally, sales of Fay were 21.5 million Euros; the decrease, as compared to H1 2018, is entirely due to the weakness of the wholesale channel.

#### **Breakdown of consolidated sales by product category**

(million Euros)

	H1 2019		H1 2018	% change		FY 2018 constant rates
	reported rates	constant rates		reported rates	constant rates	
Shoes	<b>367.8</b>	<b>364.1</b>	383.7	<b>-4.2%</b>	<b>-5.1%</b>	743.7
Leather goods and accessories	<b>62.3</b>	<b>61.2</b>	65.5	<b>-4.9%</b>	<b>-6.6%</b>	128.6
Apparel	<b>24.1</b>	<b>24.1</b>	27.3	<b>-11.7%</b>	<b>-11.8%</b>	67.3
Other	<b>0.4</b>	<b>0.4</b>	0.4	<b>n.m.</b>	<b>n.m.</b>	0.9
<b>TOTAL</b>	<b>454.6</b>	<b>449.8</b>	476.9	<b>-4.7%</b>	<b>-5.7%</b>	940.5

Revenues from shoes were 367.8 million Euros in the first half of 2019; the decrease, as compared to the same period of 2018, is mainly due to the wholesale channel.

Sales of leather goods and accessories totaled 62.3 million Euros. The improvement registered in the second quarter confirms the strong results of the new families of the Tod's brand.

Finally, sales of apparel were 24.1 million Euros; the performance broadly reflects the trend registered by the Fay brand.

## **Breakdown of consolidated sales by region**

(million Euros)

	<b>H1 2019</b>		<b>H1 2018</b>	<b>% change</b>		<b>FY 2018 constant rates</b>
	<b>reported rates</b>	<b>constant rates</b>		<b>reported rates</b>	<b>constant rates</b>	
Italy	<b>125.2</b>	<b>125.2</b>	138.4	<b>-9.6%</b>	<b>-9.6%</b>	282.2
Europe (excl. Italy)	<b>115.3</b>	<b>115.2</b>	124.9	<b>-7.7%</b>	<b>-7.8%</b>	243.9
Americas (*)	<b>34.0</b>	<b>32.5</b>	36.5	<b>-7.0%</b>	<b>-11.2%</b>	73.0
Greater China (**)	<b>111.6</b>	<b>109.7</b>	109.1	<b>+2.3%</b>	<b>+0.6%</b>	210.3
Rest of World	<b>68.5</b>	<b>67.2</b>	68.0	<b>+0.8%</b>	<b>-1.1%</b>	131.1
<b>TOTAL</b>	<b>454.6</b>	<b>449.8</b>	476.9	<b>-4.7%</b>	<b>-5.7%</b>	940.5

(\*) This line includes the whole American continent (Northern and Southern America).

(\*\*) This line includes: mainland China, Hong Kong, Macao and Taiwan.

In the first half of 2019, domestic sales were 125.2 million Euros; the decrease, compared to the same period of 2018, is entirely due to the weakness of the wholesale channel, while the results in the retail channel are positive.

In the rest of Europe, the Group's revenues totaled 115.3 million Euros; also in this region, the performances are divergent in the two distribution channels.

In the Americas sales amounted to 34 million Euros, down 7% from H1 2018. As already commented by other industry players, in the last few months the market experienced a significant slowdown in demand, even on local customers.

The Group's sales in Greater China totaled 111.6 million Euros, up 2.3% from H1 2018. Positive results in mainland China, which represents more than 60% of this region, with an acceleration of the growth in the second quarter, despite the price cuts made in April to reflect the reduction in duties. On the contrary, the performance in Hong Kong worsened, due to the known political tensions.

Finally, in the area "Rest of the World" the Group's revenues were 68.5 million Euros, slightly higher than H1 2018. The DOS channel grew, with particularly strong results in Japan and in Korea.

### **Breakdown of consolidated sales by distribution channel**

(million Euros)

	H1 2019		H1 2018	% change		FY 2018 constant rates
	reported rates	constant rates		reported rates	constant rates	
Retail (DOS+online)	<b>319.2</b>	<b>315.1</b>	299.7	<b>+6.5%</b>	<b>+5.1%</b>	607.8
Third parties (Franchised stores + Independent retailers)	<b>135.4</b>	<b>134.7</b>	177.2	<b>-23.6%</b>	<b>-24.0%</b>	332.7
<b>TOTAL</b>	<b>454.6</b>	<b>449.8</b>	476.9	<b>-4.7%</b>	<b>-5.7%</b>	940.5

In the first half of 2019, retail revenues totalled 319.2 million Euros and represent approx. 70% of the Group's turnover. The 6.5% growth, as compared to the same period of 2018, was driven by the sound double-digit growth of e-commerce (included in the retail channel starting from October 1<sup>st</sup>, 2018 with the acquisition of Italiantouch). The contribution of the new openings is also positive, while the organic growth figure remains negative.

The *Same Store Sales Growth* (SSSG) rate, calculated at constant exchange rates as the worldwide average of sales growth rates registered by the DOS network, is -4.5% in the first half of the year (from January 1<sup>st</sup> to June 30<sup>th</sup>, 2019). At reported rates, the value is more than 100 bps higher.

As of June 30<sup>th</sup>, 2019 the Group's distribution network was composed by 288 DOS and 114 franchised stores, compared to 285 DOS and 122 franchised stores as of June 30<sup>th</sup>, 2018.

Revenues to third parties totaled 135.4 million Euros; net of the impact of the acquisition of Italiantouch and the conversion into DOS of the Australian franchised stores, the weakness of the channel remains, especially in the domestic and European markets.

## **Comments on the Profit & Loss key figures**

In the first half of 2019, the Group's EBITDA, calculated in compliance with the new IFRS 16 accounting principle, was 80.4 million Euros, with a 17.7% margin on sales. Net of the above mentioned IFRS 16, H1 2019 EBITDA adjusted was 30.2 million Euros, equal to 6.7% of sales. Despite the approx. 100 bps improvement of the industrial margin, as compared with the figure of H1 2018, the operating result was strongly affected by the significant increase in operating costs, necessary to preserve the positioning of the brands in a very competitive environment, and in the costs for the development of the distribution network, which are necessary to pursue the Group's business strategy. In particular, the following lines increased significantly: cost for services (26.8% of sales in H1 2019, compared to 24.5% of H1 2018), mainly due to communication and external productions costs; labour costs (23.6% of sales in H1 2019, compared to 20.9% of H1 2018), mainly related to the increase in the Group's<sup>2</sup> workforce, in particular to expand the direct retail network and to strengthen the Corporate teams, also by the hiring of new Managers with many years of experience in the industry, and costs for the use of third parties assets (17.2% of sales in H1 2019, compared to 14.6% in H1 2018).

In the first half of 2019, the Group's EBIT was 5.8 million Euros, with a 1.3% margin on sales; the incidence on sales of depreciation, amortisation and provisions slightly increased, net of the depreciation for rights of use assets (equal to 51.1 million Euros).

At constant exchange rates, EBITDA and EBIT would have been, respectively, 79 million Euros (with a 17.6% margin on sales) and 6.1 million Euros (1.4% margin on sales).

The Group's profit before taxes registered a negative balance of 6 million Euros. Net of taxes for the period and of minority interests, the Group's net income registered a negative balance of 6 million Euros, which compares to a positive result of 33.2 million Euros in H1 2018.

## **Comments on the Balance Sheet and Cash Flow key figures**

In the first six months of 2019, the Group invested 22.4 million Euros in tangible and intangible fixed assets, compared to 20.1 million Euros in H1 2018. As usual, the majority of these investments were devoted to the widening and update of the DOS network; as an example, we mention the opening of the new Tod's flagship store in Milan, Via Montenapoleone. The rest of the investments are, as usual, referred to the continuous renewal at industrial and corporate level.

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<sup>2</sup> 4,809 employees as of June 30<sup>th</sup>, 2019, compared to 4,725 as of June 30<sup>th</sup>, 2018.

The net operating working capital totalled 338.3 million Euros as of June 30<sup>th</sup>, 2019, higher than the figure as of June 2018, mainly due to higher inventories of the winter collections, linked to the more favorable trend in production processes.

As of June 30<sup>th</sup>, 2019, the Group's net financial position adjusted shows a negative balance of 92.4 million Euros, higher than the 50.2 million Euros balance as of June 2018, due to the temporary financing of the working capital and to the investments made in operational activities necessary for the implementation of business strategies. Including the IFRS 16 impact, the Group's Net Financial Position was 509.3 million Euros.

As of June 30<sup>th</sup>, 2019, consolidated shareholders' equity was 1,027.8 million Euros, compared to the 1,072.3 million balance as of June 2018.

#### **Merger resolution for incorporation of the wholly owned subsidiary Holpaf B.V.**

Today the Board of Directors also approved, pursuant to article 2505, paragraph 2, of the Italian Civil Code and article 24 of the Company's by-laws, the cross-border merger by incorporation into Tod's S.p.A. of the wholly owned subsidiary Holpaf B.V., owner of the Omotesando building in Tokyo, object, as known, of a sale contract. For details and, in particular, for the economic and financial effects of the sale, please refer to the press releases issued on March 11<sup>th</sup> and May 9<sup>th</sup>, 2019.

The merger deed will be stipulated after the expiration of the period prescribed by Article 2503 of the Italian Civil Code and will be published in accordance with the terms and conditions of law.

The documentation relating to the merger - which will not have any effect on the shareholding of the Company - is made available to the public at the registered office as well as on the website at [www.todsgroup.com](http://www.todsgroup.com) and in the authorized storage service device 1Info at [www.1Info.it](http://www.1Info.it).

The minutes of the merger resolution will be made available to the public in accordance with the terms and conditions of the applicable laws and regulations.

The aforementioned merger is exempt from the application of the Procedure on related parties transactions adopted by Tod's S.p.A., pursuant to art. 9.1 letter e), as implemented by the issuer with its own subsidiary in which there are no significant interests of other related parties of the issuer.

#### **Approval of the merger plan for incorporation of the wholly owned subsidiary Italiantouch S.r.l.**

Today the Board of Directors also approved the common merger plan for incorporation into Tod's S.p.A. of the wholly owned subsidiary Italiantouch S.r.l. (the "Transaction"), an e-commerce company, which from the end of 2012, through its technological platform, sells online the products under the four brands of Tod's Group; for details please refer to the press release issued on August 3<sup>rd</sup>, 2018.

The aforementioned merger - carried out with a wholly owned subsidiary - will be resolved, as regards Tod's S.p.A., by its Board of Directors pursuant to art. 2505, paragraph 2, of the Italian Civil Code and article 24 of the Bylaws, without prejudice to the faculty pursuant to art. 2505, paragraph 3, of the Italian Civil Code.

The Company will make available to the public the documentation and the prescribed information in compliance with the terms and the procedures established by the legislation, even regulatory, in force.

The Transaction aims to internalize inside Tod's Group the long digital experience of Italiantouch in the e-commerce field and, therefore, represents an important opportunity to accelerate the sales growth of this channel, thanks to the direct management of the related activities, in close coordination with the communication and customer relationship management ("CRM") functions of the Group.

The merger will have no impact on the composition of the shareholding of Tod's S.p.A., as Italiantouch S.r.l. is wholly owned by the merging company Tod's S.p.A. and therefore it will not involve any increase in the share capital of the incorporating company, nor determination of any exchange ratio or cash compensation of any kind.

Once the merger has been approved by the competent bodies of both the companies participating, it will not be subject to approval by any other bodies and will be effective vis-à-vis third parties upon the registration of the merger deed in the Companies Register of the Marche or the subsequent date established in the deed of merger, the stipulation of which is reasonably expected by next December.

Without prejudice to the above, the Transaction is not subject to any conditions, suspensive or resolutive.

The Transaction represents a "related parties transaction", pursuant to Consob Regulation 17221/2010, as subsequently amended (the "OPC Regulation") and the Procedure on related parties transactions adopted by Tod's S.p.A. (the "OPC Procedure"), since Italiantouch S.r.l. is a company (entirely) controlled by the issuer Tod's S.p.A.

The Transaction, of lesser importance based on the thresholds identified by the OPC Regulation, is however exempt from the application of the OPC Procedure, pursuant to art. 9.1 letter e), as implemented by the issuer with its own subsidiary in which there are no significant interests of other related parties of the issuer.

It is specified that, pursuant to art. 3 of Consob Resolution no. 18079 of January 20<sup>th</sup>, 2012, the Company adopts the waiver provided by article 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation n. 11971/99 (and subsequent amendments and additions) in regard to the documents made available to the public at the registered office and concerning mergers, demergers, capital increases, acquisitions and sales transactions.

**The figures commented in this press release have not been audited yet.**

**The Financial Report for the first half of 2019 will be released according to the law provisions.**

*The manager responsible for preparing the company's financial reports, Mr. Rodolfo Ubaldi, declares, pursuant to article 154 bis, paragraph 2, of Legislative Decree n. 58/98 (the "Unified Financial Act"), that the accounting information contained in this press release corresponds to the document results, books and accounting records.*

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51  
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**THE FOLLOWING PAGES CONTAIN THE CONSOLIDATED FINANCIAL STATEMENTS**

## ATTACHEMENTS

### TOD'S Group

#### Consolidated Income Statement

Unaudited data

euro 000's	H1 19	H1 18	FY 18
<b>Revenue</b>			
Sales revenue	454,606	476,949	940,499
Other income	4,032	4,392	10,850
<b>Total revenue and income</b>	<b>458,638</b>	<b>481,340</b>	<b>951,349</b>
<b>Operating Costs</b>			
Change in inventories of work in progress and finished goods	19,816	32,116	47,033
Cost of raw materials, supplies and materials for consumption	(123,220)	(142,853)	(272,656)
Costs for services	(121,643)	(117,024)	(234,680)
Costs of use of third party assets	(27,993)	(69,695)	(142,141)
Personnel costs	(107,450)	(99,666)	(198,368)
Other operating charges	(17,741)	(15,637)	(32,201)
<b>Total operating costs</b>	<b>(378,230)</b>	<b>(412,757)</b>	<b>(833,014)</b>
<b>EBITDA</b>	<b>80,408</b>	<b>68,584</b>	<b>118,335</b>
<b>Amortisation, depreciation and write-downs</b>			
Amortisation of intangible assets	(4,597)	(4,244)	(9,073)
Depreciation of tangible assets	(17,527)	(16,875)	(34,001)
Depreciation of right of use assets	(51,066)		
Other adjustment			(1,402)
<b>Total amortisation, depreciation and write-downs</b>	<b>(73,190)</b>	<b>(21,119)</b>	<b>(44,475)</b>
Provisions	(1,395)	(790)	(2,100)
<b>EBIT</b>	<b>5,823</b>	<b>46,675</b>	<b>71,760</b>
<b>Financial income and expenses</b>			
Financial income	10,537	7,352	21,818
Financial expenses	(22,334)	(10,643)	(27,827)
<b>Total financial income (expenses)</b>	<b>(11,797)</b>	<b>(3,290)</b>	<b>(6,009)</b>
Income (losses) from equity investments		(4)	
<b>Profit before taxes</b>	<b>(5,974)</b>	<b>43,380</b>	<b>65,751</b>
Income taxes	(52)	(10,182)	(19,293)
<b>Profit/(loss) for the period</b>	<b>(6,026)</b>	<b>33,198</b>	<b>46,458</b>
Non-controlling interests	297	455	688
<b>Profit/(loss) of the Group</b>	<b>(5,729)</b>	<b>33,653</b>	<b>47,146</b>
EPS in (euro)	(0.17)	1.02	1.42
EPS diluted in (euro)	(0.17)	1.02	1.42

euro 000's	H1 2019	%
Reconciliation of main economic indicators		
EBITDA	(a)	80,408
IFRS 16 rents	(b)	50,164
Adjusted EBITDA	(c) = (a) + (b)	30,244
Amortiz., deprec. and write-downs (*)	(d)	(23,520)
Adjusted EBIT	(c) + (d)	6,724

(\*) Excluded depreciations of right of use assets

### TOD'S Group

## Consolidated Statement of Comprehensive Income

*Unaudited data*

euro 000's	H1 19	H1 18
<b>Profit (loss) for the period (A)</b>	<b>(6,026)</b>	<b>33,198</b>
<b>Other comprehensive income that will be reclassified subsequently to profit and loss:</b>		
Gain/(Losses) on derivative financial instruments (cash flow hedge)	401	(700)
Gain/(Losses) on currency translation of foreign subsidiaries	1,840	4,305
Gains/(Losses) on net investments in foreign operations		(568)
<b>Total other comprehensive income that will be reclassified subsequently to profit and loss (B)</b>	<b>2,240</b>	<b>3,037</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/(losses) on defined benefit plans		
<b>Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)</b>	<b></b>	<b></b>
<b>Total Comprehensive Income (A) + (B) + (C)</b>	<b>(3,786)</b>	<b>36,234</b>
Of which:		
Attributable to Shareholders of the Parent company	(3,489)	36,689
Attributable to non-controlling interests	(297)	(455)

## TOD'S Group

## Consolidated Statement of Financial Position

Unaudited data

euro 000's	06.30.19	12.31.18	06.30.18
<b>Non current assets</b>			
<i>Right of use assets</i>			
Right of use assets	434,086		
<b>Total Right of use assets</b>	<b>434,086</b>		
<i>Intangible fixed assets</i>			
Assets with indefinite useful life	566,642	565,934	565,934
Key money		13,510	13,494
Other intangible assets	23,893	25,264	22,858
<b>Total Intangible fixed assets</b>	<b>590,535</b>	<b>604,708</b>	<b>602,285</b>
<i>Tangible fixed assets</i>			
Buildings and land	56,042	112,587	111,411
Plant and machinery	11,650	12,169	12,726
Equipment	11,697	11,498	10,808
Leasehold improvement	36,452	33,867	35,091
Others	33,477	33,769	32,296
<b>Total Tangible fixed assets</b>	<b>149,317</b>	<b>203,890</b>	<b>202,332</b>
<i>Other assets</i>			
Investment properties	17	18	20
Equity investments			
Deferred tax assets	63,399	56,151	56,969
Others	20,532	19,598	18,501
<b>Total other assets</b>	<b>83,947</b>	<b>75,767</b>	<b>75,489</b>
<b>Total non current assets</b>	<b>1,257,885</b>	<b>884,364</b>	<b>880,107</b>
<b>Current assets</b>			
Inventories	385,653	362,168	350,928
Trade receivables	98,078	101,222	106,940
Tax receivables	7,791	11,577	12,158
Derivative financial instruments	2,178	1,998	1,789
Others	63,583	64,326	51,859
Cash and cash equivalents	188,546	191,268	238,781
<b>Total current assets</b>	<b>745,828</b>	<b>732,559</b>	<b>762,455</b>
Non-current assets held for sale	57,172		
<b>Total assets</b>	<b>2,060,885</b>	<b>1,616,923</b>	<b>1,642,562</b>

To be continued

## TOD'S Group

## Consolidated Statement of Financial Position

Unaudited data

euro 000's (continuing)	06.30.19	12.31.18	06.30.18
<b>Equity</b>			
Share capital	66,187	66,187	66,187
Capital reserves	416,588	416,588	416,588
Hedging and translation reserves	13,589	11,348	9,396
Retained earnings	537,946	523,882	546,130
Profit/(loss) attributable to the Group	(5,729)	47,146	33,653
<b>Total Equity attributable to the Group</b>	<b>1,028,580</b>	<b>1,065,151</b>	<b>1,071,954</b>
<b>Non-controlling interest</b>			
Share capital and reserves	(452)	236	880
Profit/(loss) attributable to non-controlling interests	(297)	(688)	(455)
<b>Total Equity attributable to non-controlling interests</b>	<b>(748)</b>	<b>(452)</b>	<b>425</b>
<b>Total Equity</b>	<b>1,027,831</b>	<b>1,064,699</b>	<b>1,072,379</b>
<b>Non-current liabilities</b>			
Provisions for risks and charges	10,912	5,476	5,129
Deferred tax liabilities	50,251	47,740	40,893
Employee benefits	15,333	14,189	13,888
Derivative financial instruments	570	672	996
Bank borrowings	128,778	77,804	98,008
Non-current lease liabilities	324,083		
Others	13,789	14,569	15,198
<b>Total non-current liabilities</b>	<b>543,716</b>	<b>160,450</b>	<b>174,112</b>
<b>Current liabilities</b>			
Trade payables	145,425	148,989	145,566
Tax payables	2,556	5,851	8,626
Derivative financial instruments	2,973	3,170	3,915
Others	91,827	43,850	45,708
Banks	152,199	188,715	191,019
Current lease liabilities	92,786		
Provisions for risks and charges	1,571	1,200	1,235
<b>Total current liabilities</b>	<b>489,337</b>	<b>391,774</b>	<b>396,070</b>
<b>Total Equity and liabilities</b>	<b>2,060,885</b>	<b>1,616,923</b>	<b>1,642,562</b>

# TOD'S Group

## Consolidated Statement of Cash Flows

Unaudited data

euro 000's	Jan. - Jun. 19	Jan. - Jun. 18
<b>Profit/(Loss) for the period</b>	<b>(6,026)</b>	<b>33,198</b>
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	74,587	26,769
Other non monetary expenses/(income)	8,583	(6,084)
Income taxes for the period	52	10,182
Changes in operating assets and liabilities:		
Trade receivables	3,595	(119)
Other current assets		
Inventories	(25,332)	(43,665)
Tax receivables and tax payables	(3,575)	(5,516)
Trade payables	(3,563)	(12,822)
Other assets and liabilities	40,048	3,094
Change in reserve for employee	1,144	731
<b>Cash flows from operating activities</b>	<b>89,513</b>	<b>5,769</b>
Interests (paid)/collected	(654)	(709)
Interests (paid) on lease liabilities	(5,482)	
Income taxes (paid)/refunded	(722)	834
<b>Net cash flows from operating activities (A)</b>	<b>82,654</b>	<b>5,894</b>
Net investments in intangible and tangible assets	(21,858)	(19,781)
Reduction (increase) of other non-current assets		
Other changes in fixed assets		
<b>Cash flows generated (used) in investing activities (B)</b>	<b>(21,858)</b>	<b>(19,781)</b>
Dividends paid	(33,094)	(46,331)
Others change in Equity		
Repayments of lease liabilities	(44,730)	
Repayments of financial liabilities	(182,003)	(24,402)
Proceeds from financial liabilities	195,000	100,000
<b>Cash flows generated (used) in financing (C)</b>	<b>(64,826)</b>	<b>29,267</b>
Translation differences (D)	(194)	1,268
<b>Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)</b>	<b>(4,224)</b>	<b>16,649</b>
Cash flow from assets held for sale (F)		
<b>Cash flows generated (used) (G)=(E)+(F)</b>	<b>(4,224)</b>	<b>16,649</b>
Net cash and cash equivalents at the beginning of the period	173,344	205,699
Net cash and cash equivalents at the end of the period	169,120	222,348
<b>Change in net cash and cash equivalents</b>	<b>(4,224)</b>	<b>16,649</b>

euro 000's	H1 2019	H1 2018
<b>Statement of cash flows</b>		
<b>Net cash flows from operating activities</b>	<b>(a)</b>	<b>5,894</b>
Repayments of lease liabilities	(b)	(44,730)
<b>Adjusted net cash flows from operating activities</b>	<b>(a) + (b)</b>	<b>37,925</b>

## TOD'S Group

### Consolidated Statement of Changes in Equity

*Unaudited data*

January - June 2019 euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
<b>Balances as of 01.01.19</b>	<b>66,187</b>	<b>416,588</b>	<b>11,348</b>	<b>571,027</b>	<b>1,065,150</b>	<b>(452)</b>	<b>1,064,699</b>
Profit & Loss account				(5,729)	(5,729)	(297)	(6,026)
Direct in Equity			2,240		2,240		2,240
<b>Total Comprehensive Income</b>			<b>2,240</b>	<b>(5,729)</b>	<b>(3,489)</b>	<b>(297)</b>	<b>(3,786)</b>
Dividend paid				(33,094)	(33,094)		(33,094)
Capital increase							
Share based payments							
Other				13	13		13
<b>Balances as of 06.30.19</b>	<b>66,187</b>	<b>416,588</b>	<b>13,589</b>	<b>532,217</b>	<b>1,028,580</b>	<b>(748)</b>	<b>1,027,831</b>

January - June 2018 euro 000's	Share capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non-controlling interests	Total
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>597,137</b>	<b>1,086,272</b>	<b>880</b>	<b>1,087,152</b>
Change accounting standards (IFRS 15)				(4,566)	(4,566)		(4,566)
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>592,571</b>	<b>1,081,706</b>	<b>880</b>	<b>1,082,586</b>
Profit & Loss account				33,653	33,653	(455)	33,198
Direct in Equity			3,037		3,037		3,037
<b>Total Comprehensive Income</b>			<b>3,037</b>	<b>33,654</b>	<b>36,689</b>	<b>(455)</b>	<b>36,234</b>
Dividend paid				(46,331)	(46,331)		(46,331)
Capital increase							
Share based payments							
Other				(110)	(110)		(110)
<b>Balances as of 06.30.18</b>	<b>66,187</b>	<b>416,588</b>	<b>9,396</b>	<b>579,783</b>	<b>1,071,954</b>	<b>425</b>	<b>1,072,379</b>

## TOD'S Group

### Consolidated Net financial position

Unaudited data

Net financial position (euro 000's)		06.30.19	12.31.18	Change
06.30.18				
<b>Current financial assets</b>				
238,781	Cash and cash equivalents	188,546	191,268	(2,722)
<b>238,781</b>	<b>Cash</b>	<b>188,546</b>	<b>191,268</b>	<b>(2,722)</b>
<b>Current financial liabilities</b>				
(16,433)	Current account overdrafts	(19,426)	(17,924)	(1,502)
(174,586)	Current share of medium-long term financing	(132,773)	(170,792)	38,019
	Passività per leasing correnti	(92,786)		(92,786)
<b>(191,019)</b>	<b>Current financial liabilities</b>	<b>(244,984)</b>	<b>(188,715)</b>	<b>(56,269)</b>
<b>47,762</b>	<b>Current net financial position</b>	<b>(56,438)</b>	<b>2,553</b>	<b>(58,991)</b>
<b>Non-current financial liabilities</b>				
(98,008)	Medium-long term financing	(128,778)	(77,804)	(50,974)
	Passività per leasing non correnti	(324,083)		(324,083)
<b>(98,008)</b>	<b>Non-current financial liabilities</b>	<b>(452,862)</b>	<b>(77,804)</b>	<b>(375,057)</b>
<b>(50,247)</b>	<b>Net financial position</b>	<b>(509,300)</b>	<b>(75,252)</b>	<b>(434,048)</b>
Adjusted Net financial position (euro 000's)		06.30.19	12.31.18	Change
<b>Net financial position (a)</b>		<b>(509,300)</b>	<b>(75,252)</b>	<b>(434,048)</b>
Passività per leasing correnti		(92,786)		(92,786)
Passività per leasing non correnti		(324,083)		(324,083)
<b>Total lease liabilities (b)</b>		<b>(416,869)</b>		<b>(416,869)</b>
<b>Adjusted Net financial position (a) - (b)</b>		<b>(92,431)</b>	<b>(75,252)</b>	<b>(17,180)</b>