

Sant'Elpidio a Mare – March 12<sup>th</sup>, 2020

**TOD'S S.p.A. – Group's sales totalled 916 million Euros in FY 2019, strong growth of e-commerce and DOS; net income: 46.3 million Euros. Proposal of a dividend of 0.6 Euro per share**

The Board of Directors approved the draft of 2019 Annual Report

Sales revenues: 916 million Euros

EBITDA adjusted: 255.4 million Euros<sup>1</sup>

EBIT adjusted: 104.4 million Euros

Group's Net Income: 46.3 million Euros

Net Financial Debt adjusted: 12.1 million Euros

Dividend: 0.60 Euro per share

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 draft of the Group's 2019 Annual Report.

### **Message from the Group's Chairman and CEO**

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

*In 2019, we continued the execution of our medium-term strategic plan, trying to get closer to the set objectives as quickly as possible.*

*The last months of the year gave us positive signals, and even better results were being achieved in the first weeks of this year, until the arrival of the Coronavirus. This confirms that all the initiatives undertaken were going in the right direction, also considering the desirability that makes our products special and therefore competitive with the collections of other famous brands of worldwide importance. The large investments made in the Dos network and in research and development also go in this direction properly. The most important goal remains to increase traffic in our direct stores 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. All the figures "adjusted" are referred to the values calculated net of this accounting principle.

in our franchised stores, in order to increasingly control the direct distribution, which today represents more than 70% of our turnover.

E-commerce is growing very well and we will increasingly invest in this sales channel to accelerate its growth. When our stores and e-commerce are fully operational, the turnover, but even more, the Group's profits will grow more than proportionally.

This is the medium term strategy, but we come to today.

The arrival of Coronavirus has forced us to review the strategy of the first half of 2020 and now, in a climate of strong uncertainty, we have prepared a plan that allows us to cut immediate costs and manage the flow of goods with great prudence, trying to dose at best the quantities of goods that we will put on the market. However, we are ready to start quickly as soon as the market normalizes. I believe that before the end of April it will not be possible to perceive how the semester will look like..

But now our first goal is to take care of the health of our employees, helping them for all the problems that Coronavirus can create, even indirectly, in managing the daily life of each family.

Notoriously our Group has always been close to its employees and this time it will be even more."

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

In fiscal year 2019, consolidated sales were 916 million Euros, down 2.6% from 2018.

Revenues amounted to 238.3 million Euros in the fourth quarter of 2019, up 1.7% from Q4 2018.

In 2018, 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 2018, including the related effects of hedging contracts, sales would have been 905.6 million Euros.

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

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Tod's	<b>461.8</b>	<b>455.3</b>	498.7	- 7.4%	- 8.7%
Roger Vivier	<b>200.5</b>	<b>197.3</b>	173.5	+15.5%	+13.7%
Hogan	<b>196.5</b>	<b>195.8</b>	206.1	- 4.7%	- 5.0%
Fay	<b>56.3</b>	<b>56.3</b>	61.3	- 8.0%	- 8.1%
Other	<b>0.9</b>	<b>0.9</b>	0.9	n.m.	n.m.
<b>TOTAL</b>	<b>916.0</b>	<b>905.6</b>	940.5	-2.6%	-3.7%

Tod's sales totaled 461.8 million Euros in 2019; positive results in the retail channel. Healthy start of the new T Timeless project, both for shoes and leather goods.

Revenues of Roger Vivier amounted to 200.5 million Euros, up 15.5% from 2018. The brand registered positive results in all the geographical areas in which it operates; excellent feedback on new product families.

Hogan sales totalled 196.5 million Euros; double-digit growth in Greater China, despite the delicate situation in Hong Kong.

Finally, sales of Fay amounted to 56.3 million Euros; the decrease, as compared to 2018, is mainly due to the weakness of the Italian market.

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

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Shoes	<b>730.7</b>	<b>722.9</b>	743.7	-1.7%	-2.8%
Leather goods and accessories	<b>121.7</b>	<b>119.2</b>	128.6	-5.4%	-7.3%
Apparel	<b>62.7</b>	<b>62.6</b>	67.3	-6.7%	-6.9%
Other	<b>0.9</b>	<b>0.9</b>	0.9	n.m.	n.m.
<b>TOTAL</b>	<b>916.0</b>	<b>905.6</b>	940.5	-2.6%	-3.7%

Revenues from shoes amounted to 730.7 million Euros in 2019; positive trend in the fourth quarter of the year.

Sales from leather goods and accessories totalled 121.7 million Euros. The new lines of handbags of the Tod's brand are registering positive feedback.

Finally, sales from apparel amounted to 62.7 million Euros; the trend broadly reflects the performance registered by the Fay brand.

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

(million Euros)

	<b>FY 2019</b>		<b>FY 2018</b>	<b>% change</b>	
	<b>reported rates</b>	<b>constant rates</b>		<b>reported rates</b>	<b>constant rates</b>
Italy	<b>260.6</b>	<b>260.6</b>	282.2	<b>-7.7%</b>	<b>-7.7%</b>
Europe (excl. Italy)	<b>237.6</b>	<b>236.8</b>	243.9	<b>-2.6%</b>	<b>-2.9%</b>
Americas (*)	<b>70.6</b>	<b>67.9</b>	73.0	<b>-3.2%</b>	<b>-7.0%</b>
Greater China (**)	<b>215.1</b>	<b>211.0</b>	210.3	<b>+2.3%</b>	<b>+0.4%</b>
Rest of World	<b>132.1</b>	<b>129.2</b>	131.1	<b>+0.8%</b>	<b>-1.4%</b>
<b>TOTAL</b>	<b>916.0</b>	<b>905.6</b>	940.5	<b>-2.6%</b>	<b>-3.7%</b>

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

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

In 2019, domestic sales amounted to 260.6 million Euros; the performance in the fourth quarter of the year was positive, with an improvement in the trend of both distribution channels.

In the rest of Europe, the Group's revenues totaled 237.6 million Euros; the fourth quarter of the year was positive, thanks to the contribution of retail.

In the Americas sales amounted to 70.6 million Euros; also in this region, the fourth quarter registered a positive performance, with an improvement in results on both the distribution channels.

The Group's sales in Greater China totaled 215.1 million Euros, up 2.3% from 2018. The positive results recorded in Mainland China, which represents more than 60% of this region, were partially offset by the sharp slowdown in the Hong Kong market, due to well-known political tensions.

Finally, in the area "Rest of the World" the Group's revenues were 132.1 million Euros, up 0.8% from 2018.

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

(million Euros)

	<b>FY 2019</b>		<b>FY 2018</b>	<b>% change</b>	
	<b>reported rates</b>	<b>constant rates</b>		<b>reported rates</b>	<b>constant rates</b>
Retail (DOS+online)	<b>645.8</b>	<b>636.9</b>	607.8	<b>+6.2%</b>	<b>+4.8%</b>
Third parties (Franchised stores + Independent retailers)	<b>270.2</b>	<b>268.7</b>	332.8	<b>-18.8%</b>	<b>-19.2%</b>
<b>TOTAL</b>	<b>916.0</b>	<b>905.6</b>	940.5	<b>-2.6%</b>	<b>-3.7%</b>

In 2019, retail revenues totalled 645.8 million Euros, up 6.2% from 2018, and represent more than 70% of the Group's turnover. On a homogeneous basis<sup>2</sup>, the increase in sales of this channel was 4.4% in the fourth quarter of the year, thanks to the double-digit growth of e-commerce and the contribution of the new openings.

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 -4.0% in the year, progressively improving in the last months. At reported rates, this figure improves by more than 100 bps.

As of December 31<sup>st</sup>, 2019 the Group's distribution network was composed by 290 DOS and 115 franchised stores, compared to 284 DOS and 120 franchised stores as of December 31<sup>st</sup>, 2018.

Revenues to third parties totaled 270.2 million Euros; the double-digit decline is mainly due to the weakness of the domestic and European markets.

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

The key economic and financial figures of 2019 Financial Statements have been significantly impacted by the adoption of the IFRS16 accounting principle, related to the new accounting of the lease agreements, starting from January 1<sup>st</sup>, 2019. In compliance with the new IFRS 16 accounting principle, in FY 2019 the Group's EBITDA was

<sup>2</sup> As already mentioned in the previous press releases, with the acquisition of Italiantouch, starting from October 1<sup>st</sup>, 2018, the relative part of the e-commerce revenues has been accounted for in retail revenues, and no longer in the wholesale channel. Consequently, in the first nine months of 2019, the comparison of revenues by distribution channel was uneven, while, starting from the fourth quarter, figures return to be comparable.

255.4 million Euros, with a 27.9% margin on sales. It includes an extraordinary not recurring income of 97.5 million Euros, related to the disposal of the Omotesando real estate, as disclosed on March 11<sup>th</sup>, 2019 (please refer to the press release issued on that day for all the details of that transaction). Net of the above mentioned IFRS 16 effect, 2019 EBITDA adjusted was 150.2 million Euros, equal to 16.4% of sales. Despite the small improvement of the industrial margin, as compared with the figure of 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: labour costs (23.4% of sales in 2019, compared to 21.1% of 2018), mainly related to the increase in the Group's workforce<sup>3</sup>, in particular to expand the direct retail network and to strengthen the Corporate teams, costs for the use of third parties assets (17.6% of sales in 2019 excluding IFRS16, compared to 15.1% in 2018) and cost for services (26.1% of sales in 2019, compared to 25% of 2018), mainly due to communication and external productions costs.

In 2019, the Group's EBIT adjusted was 104.4 million Euros, with a 11.4% margin on sales; the incidence on sales of depreciation, amortisation and provisions was broadly stable, net of the depreciation for rights of use assets (equal to 105.2 million Euros).

At constant exchange rates and in compliance with IFRS16, EBITDA and EBIT would have been, respectively, 245.2 million Euros and 93.9 million Euros.

The Group's profit before taxes was 77 million Euros, also due to higher interests calculated on lease liabilities in compliance with IFRS16. Net of taxes for the period and of minority interests, the Group's net income was 46.3 million Euros.

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

In 2019, the Group invested 47.2 million Euros in tangible and intangible fixed assets, slightly higher than the 44 million Euros invested in 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.

The net operating working capital totalled 344.6 million Euros as of December 31<sup>st</sup>, 2019, higher than the figure as of the end of 2018, mainly due to the more favorable trend of the production processes, which led to an increase in the stocks of the spring collections, ready for shipment.

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<sup>3</sup> 4,815 employees as of December 31<sup>st</sup>, 2019, compared to 4,705 as of December 31<sup>st</sup>, 2018.

As of December 31<sup>st</sup>, 2019, the Group's net debt adjusted is equal to 12.1 million Euros; this figure is 451.2 million Euros, including the IFRS 16 impact.

As of December 31<sup>st</sup>, 2019, consolidated shareholders' equity was 1,080.5 million Euros, compared to the 1,064.7 million balance as of December 2018.

### **Comments on the key figures of the Parent Company Tod's SpA**

The Board of Directors also approved the draft of the 2019 Annual Report for the parent company Tod's SpA, whose sales were 606.8 million Euros, compared to 665.4 million Euros sales of 2018 pro-forma financial statements (which include the effect of the mergers of Del.Com Srl, Italiantouch Srl and Holpaf BV) .

Net income was 30.3 million Euros, or 5% of sales; earning per share was 0.92 Euro.

In 2019, the parent company invested a total amount of 15.9 million Euros in tangible and intangible fixed assets, excluding the transfers of assets related to the mergers, which compares to 17.6 million Euros invested in the previous year.

As of December 31<sup>st</sup>, 2019 the parent company's net debt adjusted was 78.1 million Euros; the shareholders' equity of the parent company was 959 million Euros.

### **Dividend proposal**

The Board approved also to propose the distribution of a dividend of Euro 0.60<sup>4</sup> per share, which corresponds to a pay-out of approx. 43% on the Group's net income per share.

This proposal will be submitted to the approval of the Annual General Meeting, taking place in the company's registered office next April 22<sup>nd</sup>, 2020, at 11.00 a.m. on first call, as well as the proposal to allocate 1% of consolidated net income – which corresponds to 456,588 Euros, to pursue solidarity projects.

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<sup>4</sup> Gross of withholding tax, if due.

As for the second call, today the Board resolved to change the date of any second call from April 29<sup>th</sup>, 2020 to May 29<sup>th</sup>, 2020, the same place and time, to take into account the possible impediments related to a possible negative course of the ongoing COVID-19 epidemic.

In any case, the dividend will be paid on June 24<sup>th</sup>, 2020 (coupon nr. 21; ex-dividend date: June 22<sup>nd</sup>, 2020, record date: June 23<sup>rd</sup>, 2020).

## **COVID-19 - Emergency situation**

The emergency situation that has arisen in recent months due to the coronavirus pandemic has led to major changes around the world. In response, the Group has implemented a series of actions to protect the health and safety of its employees, including the adoption of smart working, the closure of stores in high-risk areas, and the recommendation to employees to follow specific health protection rules. Additionally, the Group has also deemed appropriate to take charge of assisting its employees, also by providing financial support, for the specific needs related to the management of the emergency situation.

Due to the constantly shifting events, the economic impact of this situation is still difficult to evaluate. However, the Group quickly has implemented measures to contain all operating costs, concentrating efforts on core business activities, and limiting investments only to priority and necessary activities.

What remains unchanged is our commitment and our mission to offer our customers products of the highest quality, the result of the renowned Italian manufacturing expertise and the creative passion that characterizes the Italian DNA in the world.

We stand by and are grateful to all those people, in Italy and around the world, who have and are dedicating themselves to the prevention and treatment of the people affected by this global emergency. We strongly believe that compliance with the rules and provisions of safety and health protection are at this moment more than ever of fundamental importance for the quickest possible restoration of a normal situation.

## **Other resolutions**

Furthermore, the Board of Directors approved: (i) the Report on Corporate Governance and Ownership Structures for fiscal year 2019 prepared pursuant to article 123-bis of Legislative Decree no. 58/1998, and (ii) the Remuneration Report prepared pursuant to Article 123-ter of Legislative Decree no. 58/1998.

The above documents shall be made available to the public, together with the 2019 Financial Annual Report (including, the non-financial statement pursuant to Legislative Decree no. 254/16), by April 1<sup>st</sup>, 2020, at the Company's registered office, in the Company's website [www.todsgroup.com](http://www.todsgroup.com) and in the authorized storage device [linfo at www.linfo.it](http://www.linfo.it).

**Please note that the audit process on the data presented in this press release has not been completed yet.**

*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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Corporate website: [www.todsgroup.com](http://www.todsgroup.com)

**PLEASE FIND BELOW THE FINANCIAL STATEMENTS OF TOD'S GROUP AND TOD'S SPA**

# TOD'S Group

## Consolidated Income Statement

Unaudited

euro 000's	Year 19	Year 18
<b>Revenues</b>		
Sales revenues	915,983	940,499
Other income	108,641	10,850
<i>of which non-recurring other income</i>	97,503	
<b>Total revenues and income</b>	<b>1,024,624</b>	<b>951,349</b>
<i>of which non-recurring other income</i>	<b>97,503</b>	
<b>Operating Costs</b>		
Change in inventories of work in progress and finished goods	19,130	47,033
Cost of raw materials, supplies and materials for consumption	(244,114)	(272,656)
Costs for services	(238,732)	(234,680)
Costs of use of third party assets	(55,736)	(142,141)
Personnel costs	(213,884)	(198,368)
Other operating charges	(35,891)	(32,201)
<b>Total operating costs</b>	<b>(769,228)</b>	<b>(833,014)</b>
<b>EBITDA</b>	<b>255,396</b>	<b>118,335</b>
<i>of which non-recurring other income</i>	<b>97,503</b>	
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(8,775)	(9,073)
Depreciation of tangible assets	(35,113)	(34,001)
Depreciation of right of use assets	(105,269)	
Other adjustments	(3,210)	(1,402)
<b>Total amortisation, depreciation and write-downs</b>	<b>(152,367)</b>	<b>(44,475)</b>
Provisions	(1,969)	(2,100)
<b>EBIT</b>	<b>101,060</b>	<b>71,760</b>
<i>of which non-recurring other income</i>	<b>97,503</b>	
<b>Financial income and expenses</b>		
Financial income	21,855	21,818
Financial expenses	(45,945)	(27,827)
<b>Total financial income (expenses)</b>	<b>(24,090)</b>	<b>(6,009)</b>
Income (losses) from equity investments		
<b>Profit before taxes</b>	<b>76,971</b>	<b>65,751</b>
<i>of which non-recurring other income</i>	<b>97,503</b>	
Income taxes	(31,312)	(19,293)
<i>of which non-recurring income taxes</i>	(30,078)	
<b>Profit/(loss) for the period</b>	<b>45,659</b>	<b>46,458</b>
<i>of which non-recurring other income net of income taxes</i>	<b>67,425</b>	
Non-controlling interests	625	688
<b>Profit/(loss) of the Group</b>	<b>46,283</b>	<b>47,146</b>
<i>of which non-recurring other income net of income taxes</i>	<b>67,425</b>	
EPS (in euro)	1.40	1.42
EPS diluted (in euro)	1.40	1.42

TOD'S S.P.A. – SHARE CAPITAL EURO 66,187,078 ENTIRELY PAID – REGISTERED OFFICE: SANT'ELPIDIO A MARE (FM)–VIA FILIPPO DELLA VALLE N. 1  
FISCAL CODE AND REGISTRATION NUMBER WITH THE FERMO REGISTER: 01113570442 - CORPORATE WEBSITE: [www.todsgroup.com](http://www.todsgroup.com)

euro 000's		Year 19	%
Reconciliation of main economic indicators			
EBITDA	(a)	255,396	27.9
Rents IFRS 16	(b)	105,173	
EBITDA <i>adjusted</i>	(c) = (a) - (b)	150,223	16.4
Amortiz., deprec. and write-downs (*)	(d)	(45,857)	
EBIT <i>adjusted</i>	(c) + (d)	104,366	1.5

(\*) Excluded depreciations of right of use assets and devaluations

**TOD'S Group**

**Consolidated Statement of Comprehensive Income**

*Unaudited*

euro 000's	Year 19	Year 18
<b>Profit (loss) for the period (A)</b>	<b>45,659</b>	<b>46,458</b>
<b>Other comprehensive income that will be reclassified subsequently to profit and loss:</b>		
Gains/(Losses) on derivative financial instruments (cash flow hedge)		
	481	(81)
Gains/(Losses) on currency translation of foreign subsidiaries	3,611	7,518
Gains/(Losses) on net investments in foreign operations	(3,697)	(2,508)
<b>Total other comprehensive income that will be reclassified subsequently to profit and loss (B)</b>	<b>395</b>	<b>4,929</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/(losses) on defined benefit plans	383	183
<b>Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)</b>	<b>383</b>	<b>183</b>
<b>Total Comprehensive Income (A) + (B) + (C)</b>	<b>46,437</b>	<b>51,570</b>
Of which:		
Attributable to Shareholders of the Parent company	47,075	52,247
Attributable to non-controlling interests	(638)	(677)

# TOD'S Group

## Consolidated Statement of Financial Position

*Unaudited*

euro 000's	12.31.19	12.31.18
<b>Non current assets</b>		
<i>Right of use assets</i>		
Right of use assets	446,126	
<b>Total Right of use assets</b>	<b>446,126</b>	
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	565,934	565,934
Key money	13,510	
Other intangible assets	24,619	25,264
<b>Total Intangible fixed assets</b>	<b>590,552</b>	<b>604,708</b>
<i>Tangible fixed assets</i>		
Buildings and land	55,533	112,587
Plant and machinery	11,086	12,169
Equipment	11,945	11,498
Leasehold improvement	37,229	33,867
Others	34,796	33,769
<b>Total Tangible fixed assets</b>	<b>150,589</b>	<b>203,890</b>
<i>Other assets</i>		
Investment properties	15	18
Equity investments		
Deferred tax assets	51,913	56,151
Others	19,027	19,598
<b>Total other assets</b>	<b>70,955</b>	<b>75,767</b>
<b>Total non current assets</b>	<b>1,258,222</b>	<b>884,364</b>
<b>Current assets</b>		
Inventories	384,632	362,168
Trade receivables	97,170	101,222
Tax receivables	12,954	11,577
Derivative financial instruments	1,393	1,998
Others	91,355	64,326
Cash and cash equivalents	184,072	191,268
<b>Total current assets</b>	<b>771,576</b>	<b>732,559</b>
<b>Total assets</b>	<b>2,029,798</b>	<b>1,616,923</b>

*To be continued*

euro 000's	12.31.19	12.31.18
<b>Equity</b>		
Share capital	66,187	66,187
Capital reserves	416,588	416,588
Hedging and translation reserves	15,441	11,348
Other reserves	537,138	523,882
Profit/(loss) attributable to the Group	46,283	47,146
<b>Total Equity attributable to the Group</b>	<b>1,081,637</b>	<b>1,065,151</b>
<b>Non-controlling interests</b>		
Share capital and reserves	(464)	236
Profit/(loss) attributable to non-controlling interests	(625)	(688)
<b>Total Equity attributable to non-controlling interests</b>	<b>(1,089)</b>	<b>(452)</b>
<b>Total Equity</b>	<b>1,080,548</b>	<b>1,064,699</b>
<b>Non-current liabilities</b>		
Provisions for risks	11,530	5,476
Deferred tax liabilities	39,047	47,740
Employee benefits	16,416	14,189
Derivative financial instruments	225	672
Bank borrowings	84,023	77,804
Non-current lease liabilities	344,201	
Others	13,779	14,569
<b>Total non-current liabilities</b>	<b>509,221</b>	<b>160,450</b>
<b>Current liabilities</b>		
Trade payables	137,191	148,989
Tax payables	22,869	5,851
Derivative financial instruments	2,385	3,170
Others	69,409	43,850
Banks	112,130	188,715
Current lease liabilities	94,879	
Provisions for risks	1,166	1,200
<b>Total current liabilities</b>	<b>440,028</b>	<b>391,774</b>
<b>Total Equity and liabilities</b>	<b>2,029,798</b>	<b>1,616,923</b>

**TOD'S Group**  
**Consolidated Statement of Cash Flows**  
*Unaudited*

euro 000's	Year 2019	Year 2018
<b>Profit/(Loss) for the period</b>	<b>45,659</b>	<b>46,458</b>
<b>Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities</b>		
Amortiz., deprec., revaluat., and write-downs	157,798	47,448
Other non monetary expenses/(income)	(84,717)	(7,528)
Income taxes for the period	31,312	19,293
<b>Changes in operating assets and liabilities</b>		
Trade receivables	4,514	6,011
Inventories	(28,356)	(52,640)
Tax receivables and tax payables	(1,397)	(3,237)
Trade payables	(11,797)	(18,101)
Other assets and liabilities	(2,937)	(8,330)
Change in reserve for employee	1,830	1,266
<b>Cash flows from operating activities</b>	<b>111,908</b>	<b>30,640</b>
Interests (paid)/collected		(124)
Interests (paid) on lease liabilities	(13,105)	
Income taxes (paid)/refunded	(2,898)	(5,085)
<b>Net cash flows from operating activities (A)</b>	<b>95,905</b>	<b>25,431</b>
Net investments in intangible and tangible assets	(47,538)	(41,116)
Italiantouch group acquisition		(19,350)
Acquisition of other subsidiaries		(1,150)
Other changes in fixed assets		
Sale of the building in Omotesando	140,477	
<b>Cash flows generated (used) in investing activities (B)</b>	<b>92,939</b>	<b>(61,615)</b>
Dividends paid	(33,094)	(46,331)
Capital increase		
Other changes in equity		
Repayment of lease liabilities	(91,645)	
Repayment of financial liabilities	(225,961)	(48,883)
Proceeds from financial liabilities	150,000	100,000
<b>Cash flows generated (used) in financing (C)</b>	<b>(200,700)</b>	<b>4,786</b>
Translation difference (D)	(880)	(956)
<b>Cash flows from continuing operations (E) = (A)+(B)+(C)+(D)</b>	<b>(12,735)</b>	<b>(32,355)</b>
Cash flow from assets held for sales (F)		
<b>Cash flows generated (used) (G) = (E)+(F)</b>	<b>(12,735)</b>	<b>(32,355)</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	160,609	173,344
<b>Change in net cash and cash equivalents</b>	<b>(12,735)</b>	<b>(32,355)</b>

euro 000's	Year 2019	Year 2018
<b>Cash flow statement</b>		
<b>Net cash flows from operating activities</b>	<b>(a)</b>	<b>95,905</b>
Repayment of financial liabilities	(b)	(91,645)
<b>Net cash flows from operating activities adjusted</b>	<b>(a) + (b)</b>	<b>4,260</b>
		<b>25,431</b>

## TOD'S Group

### Consolidated Statement of changes in equity

Unaudited

Year 2019 euro 000's	Hedging and reserve						Non- controlling interests	Total
	Share Capital	Capital reserves	for translation	Retained earnings	Group interests			
<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>1,064,698</b>	
Profit & Loss account				46,283	46,283	(625)	45,659	
Directly in equity			4,092	(3,301)	791	(13)	778	
<b>Total Comprehensive Income</b>			<b>4,092</b>	<b>42,982</b>	<b>47,075</b>	<b>(638)</b>	<b>46,437</b>	
Dividend paid				(33,094)	(33,094)		(33,094)	
Capital increase								
Share based payments								
Other				2,505	2,505		2,505	
<b>Balances as of 12.31.19</b>	<b>66,187</b>	<b>416,588</b>	<b>15,441</b>	<b>583,421</b>	<b>1,081,637</b>	<b>(1,089)</b>	<b>1,080,548</b>	

Year 2018 euro 000's	Hedging and reserve						Non- controlling interests	Total
	Share Capital	Capital reserves	for translation	Retained earnings	Group interests			
<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>	
Changes accounting standards (IFRS 15)				(4,334)	(4,334)		(4,334)	
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,588</b>	<b>6,360</b>	<b>592,803</b>	<b>1,081,938</b>	<b>880</b>	<b>1,082,818</b>	
Profit & Loss account				47,146	47,146	(688)	46,458	
Directly in equity			4,988	113	5,101	11	5,112	
<b>Total Comprehensive Income</b>			<b>4,988</b>	<b>47,259</b>	<b>52,247</b>	<b>(677)</b>	<b>51,570</b>	
Dividend paid				(46,331)	(46,331)		(46,331)	
Capital increase								
Share based payments								
Other (1)				(22,704)	(22,704)	(655)	(23,359)	
<b>Balances as of 12.31.18</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>	

Note:

(1) They mainly include the use of the specific reserve for promoting territorial solidarity projects, the effects of the acquisition of 100% of quotas representing the share capital of the company ItalianTouch S.r.l., and its subsidiaries, and the effects of a further acquisition of 50% of quotas representing the share capital of Delpav S.r.l. (already consolidated in accordance with the global integral method).

**TOD'S Group**  
**Net financial Debt**

*Unaudited*

euro 000's	12.31.19	12.31.18
<b>Net financial debt</b>		
<b>Current financial assets</b>		
Cash and cash equivalents	184,072	191,268
<b>Cash and cash equivalents (A)</b>	<b>184,072</b>	<b>191,268</b>
<b>Current financial liabilities</b>		
Current account overdraft	23,463	17,924
Current share of medium-long term financing	88,668	170,792
Current lease liabilities	94,879	
<b>Current financial liabilities (B)</b>	<b>207,009</b>	<b>188,715</b>
<b>Current net financial debt/(surplus) (C) = (B) - (A)</b>	<b>22,937</b>	<b>(2,553)</b>
<b>Non current financial liabilities</b>		
Medium-long term financing	84,023	77,804
Non-current lease liabilities	344,201	
<b>Non current net financial debt (D)</b>	<b>428,225</b>	<b>77,804</b>
<b>Net financial debt/(surplus) (C) + (D)</b>	<b>451,162</b>	<b>75,252</b>

euro 000's	12.31.19	12.31.18
<b>Net financial debt adjusted</b>		
<b>Net financial debt/(surplus) (a)</b>	<b>451,162</b>	<b>75,252</b>
Current lease liabilities	94,879	
Non-current lease liabilities	344,201	
<b>Total lease liabilities (b)</b>	<b>439,080</b>	
<b>Net financial debt/(surplus) adjusted (a) - (b)</b>	<b>12,082</b>	<b>75,252</b>

# TOD'S S.p.A.

## Income Statement

Unaudited

euro 000's	Year 19	Year 18
<b>Revenues</b>		
Sales revenues (1)	606,834	636,863
Other income	6,997	6,196
<b>Total revenues and income</b>	<b>613,831</b>	<b>643,059</b>
<b>Operating costs</b>		
Change in inventories of work in progress and finished goods	3,026	42,084
Cost of raw materials, supplies and material for consumption	(223,267)	(250,682)
Costs for services	(191,990)	(193,228)
Costs of use of third party assets	(25,533)	(27,484)
Personnel costs	(107,088)	(88,704)
Other operating charges	(17,492)	(15,539)
<b>Total operating costs</b>	<b>(562,344)</b>	<b>(533,553)</b>
<b>EBITDA</b>	<b>51,488</b>	<b>109,506</b>
<b>Amortisation, depreciation and write-downs</b>		
Amortisation of intangible assets	(8,407)	(7,157)
Depreciation of tangible assets	(13,623)	(10,863)
Depreciation of right of use assets	(24,753)	
Revaluations (Devaluations)		
<b>Total amortisation, depreciation and write-downs</b>	<b>(46,783)</b>	<b>(18,020)</b>
Provisions	(1,907)	(1,774)
<b>EBIT</b>	<b>2,797</b>	<b>89,712</b>
<b>Financial income and expenses</b>		
Financial income	15,838	14,689
Financial expenses	(31,180)	(19,824)
<b>Total financial income (expenses)</b>	<b>(15,341)</b>	<b>(5,135)</b>
Income (losses) from equity investments	37,757	6,072
<b>Profit before taxes</b>	<b>25,213</b>	<b>90,650</b>
Income taxes	5,131	(21,954)
<b>Profit/(loss) for the period</b>	<b>30,344</b>	<b>68,696</b>
EPS (Euro)	0.92	2.08
EPS diluted (Euro)	0.92	2.08

euro 000's	Year 19	%
<b>Reconciliation of main economic indicators</b>		
EBITDA	(a) 51,488	8.5
Rents IFRS 16	(b) 25,645	
<b>EBITDA adjusted</b>	<b>(c) = (a) - (b) 25,843</b>	<b>4.3</b>
Amortiz., deprec. and write-downs (*)	(d) (23,937)	
<b>EBIT adjusted</b>	<b>(c) + (d) 1,906</b>	<b>0.3</b>

(\*) Excluded depreciations of right of use assets and devaluations

Note:

(1) Sales revenues include transactions with Group's entities for 236.1 e 278.7 million euros, respectively, in the fiscal year 2019 and 2018.

## TOD'S S.p.A.

### Statement of Comprehensive Income

*Unaudited*

euro 000's	Year 19	Year 18
<b>Profit (loss) for the period (A)</b>	<b>30,344</b>	<b>68,696</b>
<b>Other comprehensive income that will be reclassified subsequently to profit and loss:</b>		
Gains/(Losses) on derivative financial instruments (cash flow hedge)	328	(270)
<b>Total other comprehensive income that will be reclassified subsequently to profit and loss (B)</b>		
	<b>328</b>	<b>(270)</b>
<b>Other comprehensive income that will not be reclassified subsequently to profit and loss:</b>		
Cumulated actuarial gains/(losses) on defined benefit plans	(474)	156
<b>Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)</b>		
	<b>(474)</b>	<b>156</b>
<b>Total Comprehensive Income (A) + (B) + (C)</b>	<b>30,198</b>	<b>68,582</b>

# TOD'S S.p.A.

## Statement of Financial Position

Unaudited

euro 000's	12.31.19	12.31.18
<b>Non current assets</b>		
<i>Right of use assets</i>		
Right of use assets	158,839	
<b>Total Right of use assets</b>	<b>158,839</b>	
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	150,919	150,919
Other intangible assets	22,928	22,431
<b>Total Intangible fixed assets</b>	<b>173,847</b>	<b>173,350</b>
<i>Tangible fixed assets</i>		
Buildings and land	55,432	56,353
Plant and machinery	10,278	11,171
Equipment	9,421	9,061
Leasehold improvement	12,058	3,173
Others	8,306	4,576
<b>Total Tangible fixed assets</b>	<b>95,494</b>	<b>84,335</b>
<i>Other assets</i>		
Investment properties	15	18
Investment in subsidiaries	505,699	608,734
Deferred tax assets		
Others	4,353	4,320
<b>Total other assets</b>	<b>510,067</b>	<b>613,072</b>
<b>Total non current assets</b>	<b>938,246</b>	<b>870,757</b>
<b>Current assets</b>		
Inventories	252,306	233,277
Trade receivables (1)	186,062	211,575
Tax receivables	9	11
Derivative financial instruments	1,246	1,307
Others	78,317	44,468
Cash and cash equivalents	86,426	66,703
<b>Total current assets</b>	<b>604,367</b>	<b>557,342</b>
<b>Total assets</b>	<b>1,542,613</b>	<b>1,428,099</b>

*To be continued*

Note:

(1) *Trade receivables include transactions with Group's entities for 120.1 and 138.4 million euros, respectively, in the fiscal year 2019 and 2018.*

euro 000's	12.31.19	12.31.18
<b>Equity</b>		
Share capital	66,187	66,187
Capital reserves	416,507	416,507
Treasury stock		
Hedging reserves	(128)	(456)
Other reserves	446,072	374,291
Profit/(loss) for the period	30,344	68,696
<b>Shareholder's equity</b>	<b>958,983</b>	<b>925,225</b>
<b>Non-current liabilities</b>		
Provisions for risks	5,912	5,394
Deferred tax liabilities	5,816	16,261
Employee benefits	9,725	7,586
Derivative financial instruments	225	672
Bank borrowings	84,023	69,666
Non-current lease liabilities	136,272	
Others	14,015	14,476
<b>Total non-current liabilities</b>	<b>255,988</b>	<b>114,055</b>
<b>Current liabilities</b>		
Trade payables (2)	137,733	145,665
Tax payables	13,194	6,142
Derivative financial instruments	2,186	2,842
Others	63,913	65,516
Bank borrowings	87,822	167,999
Current lease liabilities	22,084	
Provisions for risks	710	655
<b>Total current liabilities</b>	<b>327,643</b>	<b>388,818</b>
<b>Total Equity and liabilities</b>	<b>1,542,613</b>	<b>1,428,099</b>

Nota:

(2) *Trade payables include transactions with Group's entities for 22.4 and 26.7 milion euros, respectively, in the fiscal year 2019 and 2018.*

## TOD'S S.p.A.

### Statement of Cash Flows

*Unaudited*

euro 000's	12.31.19	12.31.18
<b>Profit/(Loss) for the period</b>	<b>30,344</b>	<b>68,696</b>
<b>Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities</b>		
Amortiz., deprec., revaluat., and write-downs	52,450	23,520
Other non monetary expenses/(income)	664	(1,117)
Income taxes for the period	(5,131)	21,954
<b>Changes in operating assets and liabilities</b>		
Trade receivables	6,442	(29,100)
Inventories	(1,366)	(73,447)
Tax receivables and tax payables	(7,699)	(1,685)
Trade payables	(18,711)	(11,604)
Other assets and liabilities	(31,021)	12,097
Change in reserve for employee	1,596	372
<b>Cash flows from operating activities</b>	<b>27,567</b>	<b>9,686</b>
Interests (paid)/collected	(805)	(121)
Interests (paid) on lease liabilities	(5,247)	
Income taxes (paid)/refunded	(1,055)	(5,378)
<b>Net cash flows from operating activities (A)</b>	<b>20,461</b>	<b>4,186</b>
Net investments in intangible and tangible assets	(21,539)	(17,058)
Acquisition of Italian touch group		(24,101)
(Increase) decrease of equity investments		(2,272)
(Increase)/decrease deriving from mergers	135,329	
Reduction/increase in other non current assets	(2,333)	569
<b>Cash flows generated (used) in investing activities (B)</b>	<b>111,456</b>	<b>(42,863)</b>
Dividends paid	(33,094)	(46,331)
Capital increase		
Other changes in equity		
Loan to subsidiaries	7,422	(2,842)
Repayment of lease liabilities	(20,543)	
Repayment of financial liabilities	(216,042)	(46,250)
Proceeds from financial liabilities	150,000	100,000
<b>Cash flows generated (used) in financing (C)</b>	<b>(112,256)</b>	<b>4,577</b>
Translation difference (D)		
<b>Cash flows from continuing operations (E) = (A)+(B)+(C)+(D)</b>	<b>19,661</b>	<b>(34,099)</b>
Cash flow from assets held for sales (F)		
<b>Cash flows generated (used) (G) = (E)+(F)</b>	<b>19,661</b>	<b>(34,099)</b>
Net cash and cash equivalents at the beginning of the period	66,703	100,802
Net cash and cash equivalents at the end of the period	86,364	66,703
<b>Change in net cash and cash equivalents</b>	<b>19,661</b>	<b>(34,099)</b>
euro 000's		
<b>Cash flow statement</b>	<b>12.31.19</b>	<b>12.31.18</b>
<b>Net cash flows from operating activities</b>	<b>(a)</b>	<b>20,461</b>
Repayment of financial liabilities	(b)	(20,543)
<b>Net cash flows from operating activities adjusted</b>	<b>(a) + (b)</b>	<b>(82)</b>
		<b>4,186</b>

## TOD'S S.p.A.

### Statement of changes in equity

Unaudited

Year 2019 euro 000's	Share Capital	Capital reserves	Hedging reserve	Retained earnings	Total
<b>Balances as of 01.01.19</b>	<b>66,187</b>	<b>416,507</b>	<b>(456)</b>	<b>442,986</b>	<b>925,225</b>
Profit & Loss account				30,344	30,344
Directly in equity			328	(474)	(146)
<b>Total Comprehensive Income</b>			<b>328</b>	<b>29,870</b>	<b>30,198</b>
Dividend paid				(33,094)	(33,094)
Capital increase					
Share based payments					
Other (1)				36,653	36,653
<b>Balances as of 12.31.19</b>	<b>66,187</b>	<b>416,507</b>	<b>(128)</b>	<b>476,416</b>	<b>958,983</b>

Year 2018 euro 000's	Share Capital	Capital reserves	Hedging reserve	Retained earnings	Total
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(186)</b>	<b>425,705</b>	<b>908,213</b>
Changes accounting standards (IFRS 15)				(4,545)	(4,545)
<b>Balances as of 01.01.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(186)</b>	<b>421,160</b>	<b>903,668</b>
Profit & Loss account				68,696	68,696
Directly in equity			(270)	156	(114)
<b>Total Comprehensive Income</b>			<b>(270)</b>	<b>68,852</b>	<b>68,582</b>
Dividend paid				(46,331)	(46,331)
Capital increase					
Share based payments					
Other (1)				(694)	(694)
<b>Balances as of 12.31.18</b>	<b>66,187</b>	<b>416,507</b>	<b>(456)</b>	<b>442,986</b>	<b>925,225</b>

Note:

(1) The other variations in the fiscal year 2019 are related to the effects deriving from three mergers through acquisition occurred in the year.

More in details, the merger through acquisition of the companies Del.Com S.r.l. and Italiantouch S.r.l. with fiscal and accounting effectiveness starting from 01.01.19 and cross-border merger of the company entirely controlled Holpaf B. V. located in Netherlands with effectiveness starting from 12.09.19.

**TOD'S S.p.A.**

**Net financial Debt**

*Unaudited*

euro 000's	12.31.19	12.31.18	Change
<b>Net financial debt</b>			
<b>Current financial assets</b>			
Cash and cash equivalents	86,426	66,703	19,723
Other current financial assets		9,200	(9,200)
<b>Current financial assets (A)</b>	<b>86,426</b>	<b>75,903</b>	<b>10,523</b>
<b>Current financial liabilities</b>			
Current account overdraft	63	63	
Current share of medium-long term financing	87,760	167,999	(80,239)
Current lease liabilities	22,084		22,084
<b>Current financial liabilities (B)</b>	<b>109,906</b>	<b>167,999</b>	<b>(58,092)</b>
<b>Current net financial debt/(surplus) (C) = (B) - (A)</b>	<b>23,480</b>	<b>92,095</b>	<b>(68,615)</b>
<b>Non current financial assets</b>			
Other non-current financial assets	7,348	2,639	4,709
<b>Non current financial assets (D)</b>	<b>7,348</b>	<b>2,639</b>	<b>4,709</b>
<b>Non current financial liabilities</b>			
Medium-long term financing	84,023	69,666	14,357
Non-current lease liabilities	136,272		136,272
<b>Non-current financial liabilities (E)</b>	<b>220,295</b>	<b>69,666</b>	<b>150,629</b>
<b>Non-current net financial debt/(surplus) (F) = (E) - (D)</b>	<b>212,947</b>	<b>67,027</b>	<b>145,920</b>
<b>Net financial debt/(surplus) (C) + (F)</b>	<b>236,427</b>	<b>159,122</b>	<b>77,305</b>

euro 000's	12.31.19	12.31.18	Change
<b>Net financial debt adjusted</b>			
<b>Net financial debt/(surplus) (a)</b>	<b>236,427</b>	<b>159,122</b>	<b>77,305</b>
Current lease liabilities	22,084		22,084
Non-current lease liabilities	136,272		136,272
<b>Total lease liabilities (b)</b>	<b>158,356</b>		<b>158,356</b>
<b>Net financial debt/(surplus) adjusted (a) - (b)</b>	<b>78,071</b>	<b>159,122</b>	<b>(81,051)</b>