

Sant'Elpidio a Mare – March 12th, 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 Euros¹

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

¹ 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' 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	461.8	455.3	498.7	- 7.4%	- 8.7%
Roger Vivier	200.5	197.3	173.5	+15.5%	+13.7%
Hogan	196.5	195.8	206.1	- 4.7%	- 5.0%
Fay	56.3	56.3	61.3	- 8.0%	- 8.1%
Other	0.9	0.9	0.9	n.m.	n.m.
TOTAL	916.0	905.6	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	730.7	722.9	743.7	-1.7%	-2.8%
Leather goods and accessories	121.7	119.2	128.6	-5.4%	-7.3%
Apparel	62.7	62.6	67.3	-6.7%	-6.9%
Other	0.9	0.9	0.9	n.m.	n.m.
TOTAL	916.0	905.6	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)*

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

(*) 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)

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

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 basis², 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 31st, 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 31st, 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 1st, 2019. In compliance with the new IFRS 16 accounting principle, in FY 2019 the Group's EBITDA was

² As already mentioned in the previous press releases, with the acquisition of Italianatouch, starting from October 1st, 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 11th, 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 workforce³, 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 31st, 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.

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

As of December 31st, 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 31st, 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 31st, 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 0.60⁴ 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 22nd, 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.

⁴ 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 29th, 2020 to May 29th, 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 24th, 2020 (coupon nr. 21; ex-dividend date: June 22nd, 2020, record date: June 23rd, 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 1st, 2020, at the Company's registered office, in the Company's website www.todsgroup.com and in the authorized storage device Iinfo at 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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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
Revenues		
Sales revenues	915,983	940,499
Other income	108,641	10,850
<i>of which non-recurring other income</i>	97,503	
Total revenues and income	1,024,624	951,349
<i>of which non-recurring other income</i>	97,503	
Operating Costs		
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)
Total operating costs	(769,228)	(833,014)
EBITDA	255,396	118,335
<i>of which non-recurring other income</i>	97,503	
Amortisation, depreciation and write-downs		
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)
Total amortisation, depreciation and write-downs	(152,367)	(44,475)
Provisions	(1,969)	(2,100)
EBIT	101,060	71,760
<i>of which non-recurring other income</i>	97,503	
Financial income and expenses		
Financial income	21,855	21,818
Financial expenses	(45,945)	(27,827)
Total financial income (expenses)	(24,090)	(6,009)
Income (losses) from equity investments		
Profit before taxes	76,971	65,751
<i>of which non-recurring other income</i>	97,503	
Income taxes	(31,312)	(19,293)
<i>of which non-recurring income taxes</i>	(30,078)	
Profit/(loss) for the period	45,659	46,458
<i>of which non-recurring other income net of income taxes</i>	67,425	
Non-controlling interests	625	688
Profit/(loss) of the Group	46,283	47,146
<i>of which non-recurring other income net of income taxes</i>	67,425	
EPS (in euro)	1.40	1.42
EPS diluted (in euro)	1.40	1.42

euro 000's			
Reconciliation of main economic indicators		Year 19	%
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
Profit (loss) for the period (A)	45,659	46,458
Other comprehensive income that will be reclassified subsequently to profit and loss:		
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)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	395	4,929
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans	383	183
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)	383	183
Total Comprehensive Income (A) + (B) + (C)	46,437	51,570
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
Non current assets		
<i>Right of use assets</i>		
Right of use assets	446,126	
Total Right of use assets	446,126	
<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
Total Intangible fixed assets	590,552	604,708
<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
Total Tangible fixed assets	150,589	203,890
<i>Other assets</i>		
Investment properties	15	18
Equity investments		
Deferred tax assets	51,913	56,151
Others	19,027	19,598
Total other assets	70,955	75,767
Total non current assets	1,258,222	884,364
Current assets		
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
Total current assets	771,576	732,559
Total assets	2,029,798	1,616,923

To be continued

euro 000's	12.31.19	12.31.18
Equity		
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
Total Equity attributable to the Group	1,081,637	1,065,151
Non-controlling interests		
Share capital and reserves	(464)	236
Profit/(loss) attributable to non-controlling interests	(625)	(688)
Total Equity attributable to non-controlling interests	(1,089)	(452)
Total Equity	1,080,548	1,064,699
Non-current liabilities		
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
Total non-current liabilities	509,221	160,450
Current liabilities		
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
Total current liabilities	440,028	391,774
Total Equity and liabilities	2,029,798	1,616,923

TOD'S Group

Consolidated Statement of Cash Flows

Unaudited

euro 000's	Year 2019	Year 2018
Profit/(Loss) for the period	45,659	46,458
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities		
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
Changes in operating assets and liabilities		
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
Cash flows from operating activities	111,908	30,640
Interests (paid)/collected		(124)
Interests (paid) on lease liabilities	(13,105)	
Income taxes (paid)/refunded	(2,898)	(5,085)
Net cash flows from operating activities (A)	95,905	25,431
Net investments in intangible and tangible assets	(47,538)	(41,116)
Italianatouch group acquisition		(19,350)
Acquisition of other subsidiaries		(1,150)
Other changes in fixed assets		
Sale of the building in Omotesando	140,477	
Cash flows generated (used) in investing activities (B)	92,939	(61,615)
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
Cash flows generated (used) in financing (C)	(200,700)	4,786
Translation difference (D)	(880)	(956)
Cash flows from continuing operations (E) = (A)+(B)+(C)+(D)	(12,735)	(32,355)
Cash flow from assets held for sales (F)		
Cash flows generated (used) (G) = (E)+(F)	(12,735)	(32,355)
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
Change in net cash and cash equivalents	(12,735)	(32,355)

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

TOD'S Group

Consolidated Statement of changes in equity

Unaudited

Year 2019 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.19	66,187	416,588	11,348	571,027	1,065,150	(452)	1,064,698
Profit & Loss account				46,283	46,283	(625)	45,659
Directly in equity			4,092	(3,301)	791	(13)	778
Total Comprehensive Income			4,092	42,982	47,075	(638)	46,437
Dividend paid				(33,094)	(33,094)		(33,094)
Capital increase							
Share based payments							
Other				2,505	2,505		2,505
Balances as of 12.31.19	66,187	416,588	15,441	583,421	1,081,637	(1,089)	1,080,548

Year 2018 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.18	66,187	416,588	6,360	597,137	1,086,272	880	1,087,152
Changes accounting standards (IFRS 15)				(4,334)	(4,334)		(4,334)
Balances as of 01.01.18	66,187	416,588	6,360	592,803	1,081,938	880	1,082,818
Profit & Loss account				47,146	47,146	(688)	46,458
Directly in equity			4,988	113	5,101	11	5,112
Total Comprehensive Income			4,988	47,259	52,247	(677)	51,570
Dividend paid				(46,331)	(46,331)		(46,331)
Capital increase							
Share based payments							
Other (1)				(22,704)	(22,704)	(655)	(23,359)
Balances as of 12.31.18	66,187	416,588	11,348	571,027	1,065,150	(452)	1,064,699

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

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

TOD'S S.p.A.

Income Statement

Unaudited

euro 000's	Year 19	Year 18
Revenues		
Sales revenues (1)	606,834	636,863
Other income	6,997	6,196
Total revenues and income	613,831	643,059
Operating costs		
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)
Total operating costs	(562,344)	(533,553)
EBITDA	51,488	109,506
Amortisation, depreciation and write-downs		
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)		
Total amortisation, depreciation and write-downs	(46,783)	(18,020)
Provisions	(1,907)	(1,774)
EBIT	2,797	89,712
Financial income and expenses		
Financial income	15,838	14,689
Financial expenses	(31,180)	(19,824)
Total financial income (expenses)	(15,341)	(5,135)
Income (losses) from equity investments	37,757	6,072
Profit before taxes	25,213	90,650
Income taxes	5,131	(21,954)
Profit/(loss) for the period	30,344	68,696
EPS (Euro)	0.92	2.08
EPS diluted (Euro)	0.92	2.08

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

(*) 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 milion euros, respectively, in the fiscal year 2019 and 2018.

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
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TOD'S S.p.A.**Statement of Comprehensive Income***Unaudited*

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

TOD'S S.p.A.

Statement of Financial Position

Unaudited

euro 000's	12.31.19	12.31.18
Non current assets		
<i>Right of use assets</i>		
Right of use assets	158,839	
Total Right of use assets	158,839	
<i>Intangible fixed assets</i>		
Assets with indefinite useful life	150,919	150,919
Other intangible assets	22,928	22,431
Total Intangible fixed assets	173,847	173,350
<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
Total Tangible fixed assets	95,494	84,335
<i>Other assets</i>		
Investment properties	15	18
Investment in subsidiaries	505,699	608,734
Deferred tax assets		
Others	4,353	4,320
Total other assets	510,067	613,072
Total non current assets	938,246	870,757
Current assets		
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
Total current assets	604,367	557,342
Total assets	1,542,613	1,428,099

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
Equity		
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
Shareholder's equity	958,983	925,225
Non-current liabilities		
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
Total non-current liabilities	255,988	114,055
Current liabilities		
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
Total current liabilities	327,643	388,818
Total Equity and liabilities	1,542,613	1,428,099

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
Profit/(Loss) for the period	30,344	68,696
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities		
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
Changes in operating assets and liabilities		
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
Cash flows from operating activities	27,567	9,686
Interests (paid)/collected	(805)	(121)
Interests (paid) on lease liabilities	(5,247)	
Income taxes (paid)/refunded	(1,055)	(5,378)
Net cash flows from operating activities (A)	20,461	4,186
Net investments in intangible and tangible assets	(21,539)	(17,058)
Acquisition of Italianatouch 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
Cash flows generated (used) in investing activities (B)	111,456	(42,863)
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
Cash flows generated (used) in financing (C)	(112,256)	4,577
Translation difference (D)		
Cash flows from continuing operations (E) = (A)+(B)+(C)+(D)	19,661	(34,099)
Cash flow from assets held for sales (F)		
Cash flows generated (used) (G) = (E)+(F)	19,661	(34,099)
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
Change in net cash and cash equivalents	19,661	(34,099)

euro 000's			
Cash flow statement		12.31.19	12.31.18
Net cash flows from operating activities	(a)	20,461	4,186
Repayment of financial liabilities	(b)	(20,543)	
Net cash flows from operating activities adjusted	(a) + (b)	(82)	4,186

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
Balances as of 01.01.19	66,187	416,507	(456)	442,986	925,225
Profit & Loss account				30,344	30,344
Directly in equity			328	(474)	(146)
Total Comprehensive Income			328	29,870	30,198
Dividend paid				(33,094)	(33,094)
Capital increase					
Share based payments					
Other (1)				36,653	36,653
Balances as of 12.31.19	66,187	416,507	(128)	476,416	958,983

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

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

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