

Sant'Elpidio a Mare – January 25th, 2022

TOD'S S.p.A. – Sales results beat expectations: 884 million Euros in FY 2021 (+38.7% from 2020 and -3.5% from 2019). In Q4 2021 sales grew by 9.6% from 2019. Revenues of the e-commerce channel in triple-digit growth compared to 2019.

The Board of Directors approved Tod's Group preliminary sales results for the fiscal year 2021

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, Roger Vivier, Hogan and Fay brands, today approved the Group's preliminary sales results for the fiscal year 2021.

Message of the Group's Chairman and CEO

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

“The fiscal year 2021 ends with positive sales results that exceed our budget expectations. The group's revenues have returned to pre-COVID levels, driven by the acceleration of Tod's in the second half of the year and the strong growth of Roger Vivier. Sales have progressively improved, showing significant growth in the fourth quarter compared to the same period of 2019. The gradual recovery in the Western markets has added to the excellent results recorded by our brands in China, and in the Asian continent in general, with a trend that reflects the gradual improvement in market conditions, but also confirms the great customers appreciation for the quality and creativity of our collections. These sales figures will allow our Group to return to positive operating results already in fiscal year 2021.

The significant increase in investments to support the digital development has delivered important results in all business areas; the digital strategy is working and will increasingly become a key enabler of our global growth. The e-commerce channel recorded excellent results, with triple-digit sales growth compared to 2019. The careful review of our distribution network over the last two years has greatly improved its productivity and, overall, the direct channel has performed better than in 2019.

The early feedback we are receiving from the new SS 22 collections currently in stores are very positive and they allow us to look forward to 2022 with optimism, provided that the current market conditions will not deteriorate due to the pandemic.”

Comments to the Group's sales

In the fiscal year 2021, consolidated sales were 883.8 million Euros, up 38.7% from 2020 and broadly close to the pre-pandemic level (-3.5% from 2019)¹. During the year, sales recorded a progressive improvement compared to the previous year; in the fourth quarter alone, revenues amounted to 261.2 million euros, +41.6% compared to the fourth quarter of 2020 and +9.6% compared to the fourth quarter of 2019.

The above data are affected by the negative impact of exchange rates, particularly for the Tod's and Roger Vivier brands, which have the largest presence abroad; at constant exchange rates, i.e. using the same average exchange rates as in 2020, including the effects of hedging, the Group's revenues amounted to 887.1 million Euros (+39.2% compared to 2020 and -2.6%² compared to 2019).

As already commented in the previous press releases, it is of little significance to make a comparison only with the sales results of 2020, which were heavily influenced by the Covid-19 pandemic; in the following tables we therefore also report the comparison, at constant exchange rates, with the data for the year 2019 and we refer particularly to the latter for comments.

Breakdown of consolidated sales by brand: double-digit growth from 2019 for Roger Vivier (+16%); progressive improvement in Tod's revenues (+13% from 2019 in Q4 alone)

(million Euros)

	FY 2021		FY 2020	% change		% change vs 2019 at constant rates
	reported rates	2020 constant rate		reported rates	2020 constant rate	
Tod's	428.3	430.9	297.5	+44.0%	+44.9%	-6.1%
Roger Vivier	229.6	230.7	160.0	+43.5%	+44.1%	+16.0%
Hogan	176.7	176.3	141.5	+24.9%	+24.6%	-10.1%
Fay	48.2	48.2	37.6	+28.4%	+28.4%	-14.5%
other	1.0	1.0	0.5	n.m.	n.m.	n.s.
TOTAL	883,8	887,1	637,1	+38,7%	+39,2%	-2,6%

Preliminary and unaudited figures

¹In the comparison between the data of 2021 and those of 2019, it must be taken into account that in 2021, the average opening rate of stores was 91%, as a world average (a value which falls to 83% if reported to Europe alone). In 2020 this figure was 86% as a world average and 78% if reported to Europe alone.

²Calculated using 2019 average exchange rates.

The pandemic affected sales results in all geographic areas, product categories and on both distribution channels. The revenue trend of each brand reflects its geographical and channel mix.

The Tod's brand recorded a progressive and significant improvement in revenues during the year, confirming the strong appreciation by customers for the brand's new collections, both in shoes and in the new families of leather goods and accessories. This trend led the brand to record double-digit revenue growth in the fourth quarter of 2021 alone, compared to 2019, with positive trends in all geographic areas.

The Roger Vivier brand confirmed its excellent momentum, with revenues up compared to 2019 in many areas.

The sales figures of the Hogan and Fay brands are obviously affected by their greater exposure to the Italian and European markets and to the wholesale channel; we are however very satisfied with the excellent feedback from local customers.

Breakdown of consolidated sales by product category: positive performance of all categories. Revenues from leather goods and accessories return to the levels of 2019; excellent results of the new families of Tod's handbags

(million Euros)

	FY 2021		FY 2020	% change		% change vs 2019 at constant rates
	reported rates	2020 constant rate		reported rates	2020 constant rate	
Shoes	703.2	704.9	518.9	+35.5%	+35.8%	-3.0%
Leather goods and accessories	120.1	121.6	73.4	+63.6%	+65.6%	+0.5%
Apparel	59.5	59.6	44.3	+34.5%	+34.6%	-4.9%
Other	1.0	1.0	0.5	n.m.	n.m.	n.s.
TOTAL	883.8	887.1	637.1	+38.7%	+39.2%	-2.6%

Preliminary and unaudited figures

All product categories recorded a significant and progressive improvement during the year.

In the fourth quarter of the year, revenues from leather goods and accessories grew at a solid double figure compared to the value of Q4 2019 and the value for the year returned above the levels of 2019; we are receiving excellent feedback on the new product families from customers worldwide.

The results of shoes in the retail channel are also very good, even if the overall figure for this category is affected by the rationalization of the wholesale channel.

Breakdown of consolidated sales by region: strong growth in Asia throughout the year and progressive improvement of the domestic and American markets

(million Euros)

	FY 2021		FY 2020	% change		% change vs 2019 at constant rates
	reported rates	2020 constant rate		reported rates	2020 constant rate	
Italy	217.2	217.3	163.7	+32.7%	+32.7%	-16.6%
Europe (excl. Italy)	172.5	172.8	149.5	+15.4%	+15.6%	-27.4%
Americas (*)	62.5	64.7	36.6	+70.6%	+76.8%	-7.9%
Greater China (**)	313.4	310.8	196.5	+59.5%	+58.2%	+45.9%
Rest of World	118.2	121.5	90.8	+30.2%	+33.8%	-6.8%
TOTAL	883.8	887.1	637.1	+38.7%	+39.2%	-2.6%

Preliminary and unaudited figures

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

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

The analysis of the results by geographical area reflects the impact of the pandemic on the business of the various countries, both for the long periods of closure of the stores in 2020 and in the first months of 2021, and for the blocking of borders and the consequent drastic reduction in tourist flows, which resulted in the almost total absence of Asian tourists in the Western markets.

In the comparison between the different fiscal years, it must be taken into account that in 2021, the average opening rate of stores was 91%, as a world average (a value which falls to 83% if reported to Europe alone) and in 2020 this figure was equal to 86% as a world average (78% if referring to Europe alone).

Revenues in the domestic market recorded a progressive improvement during the year and in the fourth quarter they returned to the values of 2019, thanks to the solid purchases of local clients and Asian buyers.

The rest of Europe has also improved, despite the slight slowdown in the last weeks of the year due to the new restrictions imposed by local governments to deal with the pandemic. The comparison with 2019 is obviously impacted by the absence of tourists, especially Asians.

The American market was also affected by the lack of purchases by tourists; however, it has recorded good progress during the year and revenues have returned to the levels of 2019 since the third quarter, posting a further acceleration in the fourth quarter.

For the entire year, the business in Greater China was very solid and revenues maintained a very strong double-digit growth compared to 2019.

The “Asia and Rest of the World” region recorded an excellent fourth quarter, driven by the significant improvement in results of Japan and Korea, where revenues largely exceeded 2019 figures in the fourth quarter.

Breakdown of consolidated sales by distribution channel: positive performance of the retail channel and strong growth of the e-commerce channel (online revenues more than doubled compared to 2019)

(million Euros)

	FY 2021		FY 2020	% change		% change vs 2019 at constant rates
	reported rates	2020 constant rate		reported rates	2020 constant rate	
Retail (DOS+online)	659.4	661.3	448.7	+47.0%	+47.4%	+3.1%
Third parties (Franchised stores + Independent retailers)	224.4	225.8	188.4	+19.1%	+19.8%	-16.4%
TOTAL	883.8	887.1	637.1	+38.7%	+39.2%	-2.6%

Preliminary and unaudited figures

Revenues from the direct channel totaled 659.4 million euros in the year 2021, up 3.1% compared to 2019 and represent approximately 75% of the Group's turnover.

The e-commerce channel recorded very solid growth throughout the year and in FY 2021 turnover more than doubled the value of 2019. We are in fact collecting the results of the important investments made in digital and we remain focused on the development of the various forms of this channel.

The results recorded in the Group's stores were also decidedly positive, thanks to the strength of local demand, also driven by local marketing initiatives and pop-up stores.

As of December 31st, 2021, the Group's distribution network was made up of 318 DOS and 88 franchised stores, compared to 300 DOS and 103 franchised stores as of December 31st, 2020.

As already commented in previous press releases, the result of the wholesale channel remains negative also due to the strategy of great caution that the Group has adopted towards this channel, which is experiencing a structural downsizing, especially in Europe and the USA. It is absolutely not significant to analyze the trend of this channel in the individual quarters of the year, given the significant influence of the timing of shipments.

Please note that all the figures related to FY 2021 sales reported in the present press release are preliminary and unaudited. FY 2021 results will be approved by the Board of Directors scheduled on March 10th, 2022.

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.

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