

Group

**BasicNet**<sup>®</sup>

CONFERENCE CALL – 19<sup>th</sup> March 2018

# 2017 Highlights

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- Aggregated sales € 747 million, up 1.1%
- Consolidated revenues € 184 million, up 1%
- EBITDA € 23 million or 16.9% of sales, up 7.2%
- Operating income (EBIT) € 17 million or 12.3% of sales, up 9.2%
- EBT € 15 million or 11.1% of sales, up 1%
- Net Result € 10.6 million or 7.9% of sales, up 3.3%
- Net Financial Position € 61,5 million, an increase of € 12 million as compared to year-end 2016

# Main Events

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- **SEBAGO ACQUISITION**

In July 2017 BasicNet has signed the agreement for the acquisition of Brand for a price of 14.2 USD million.

- **BRIKO ACQUISITION**

The acquisition has been formalized in August, with an advance payment of Euro 1 million out of an estimated final price of Euro 1.7 million, that will be settled in June 2019, based on target sales reached in the preceding 12 months.

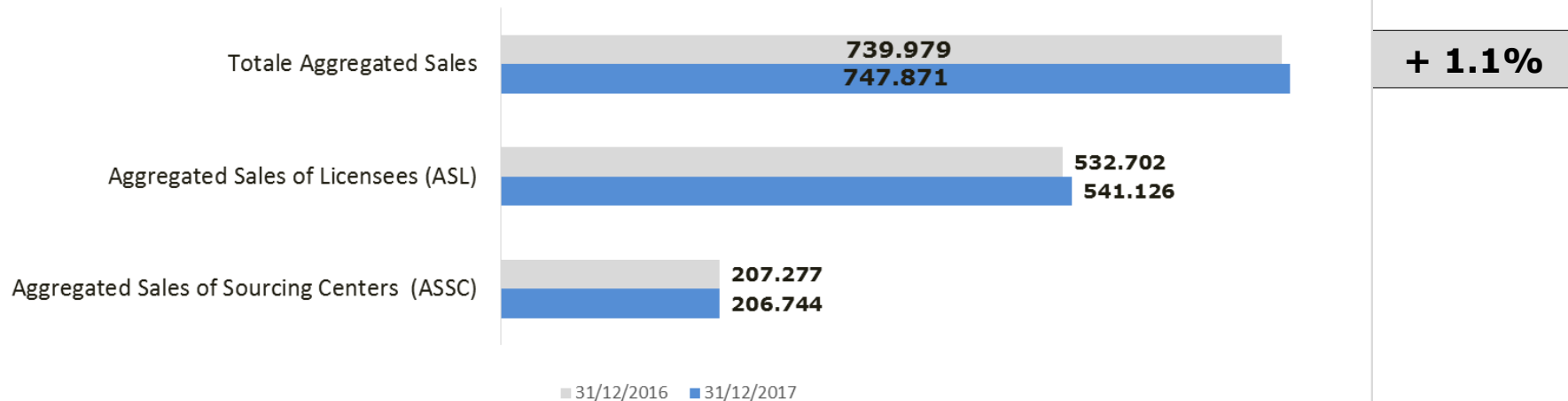
- **LANZERA DISPOSAL**

Gain of Euro 200 thousand from the sale of the Lanzera® brand in June 2017.

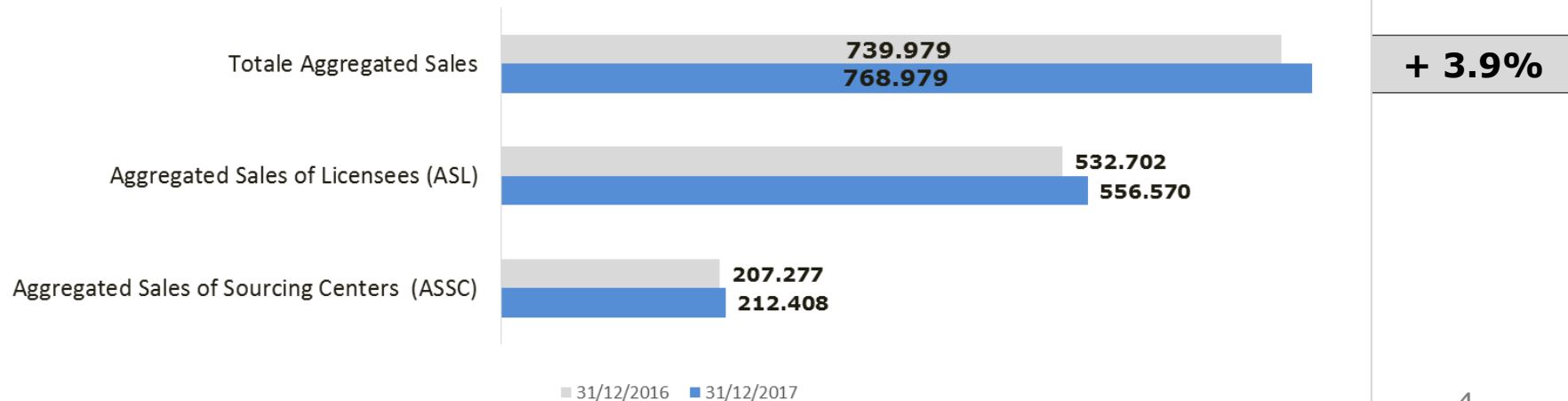
# Total Aggregated Sales

Euro/000

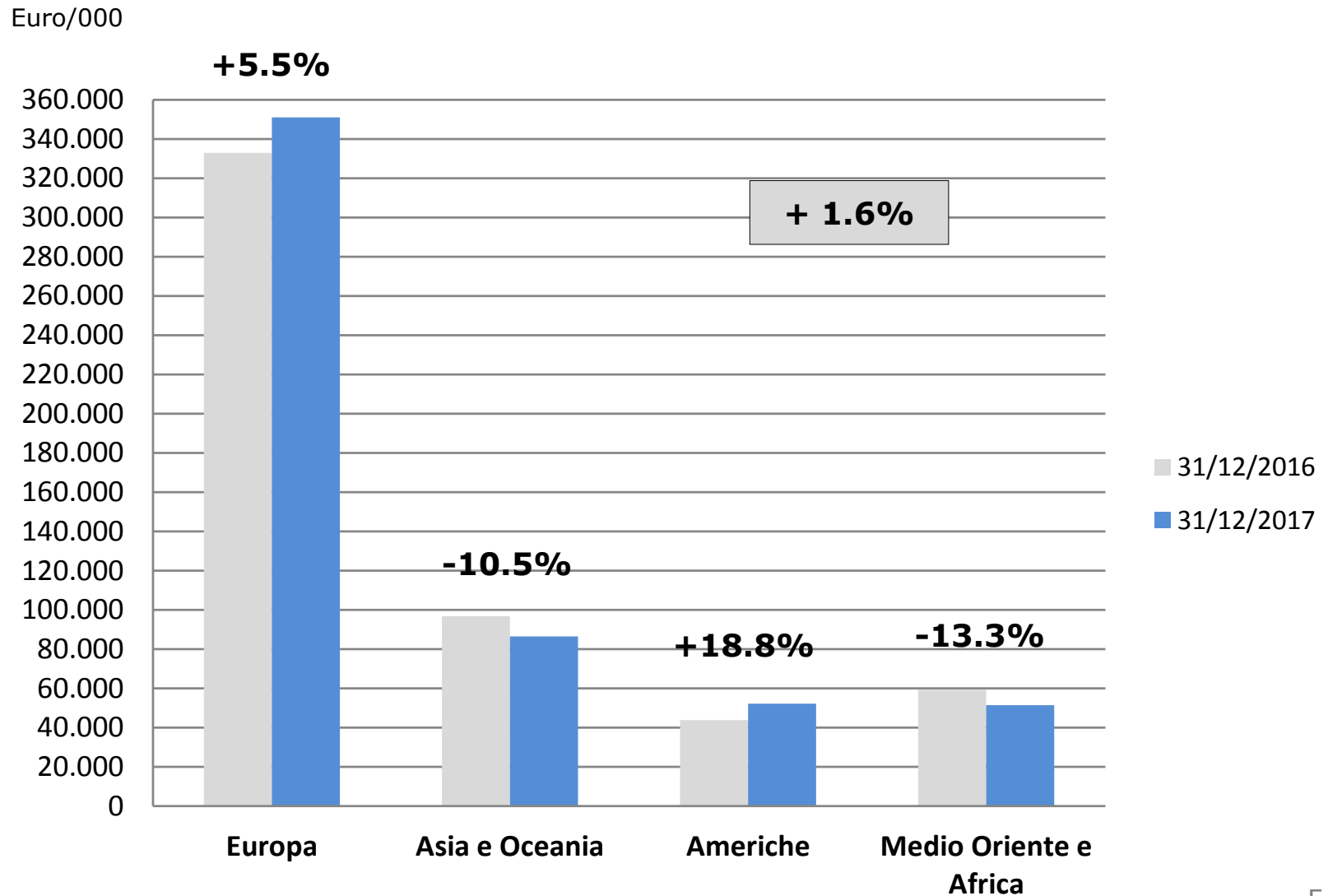
## Total Aggregated Sales (current exchange rates)



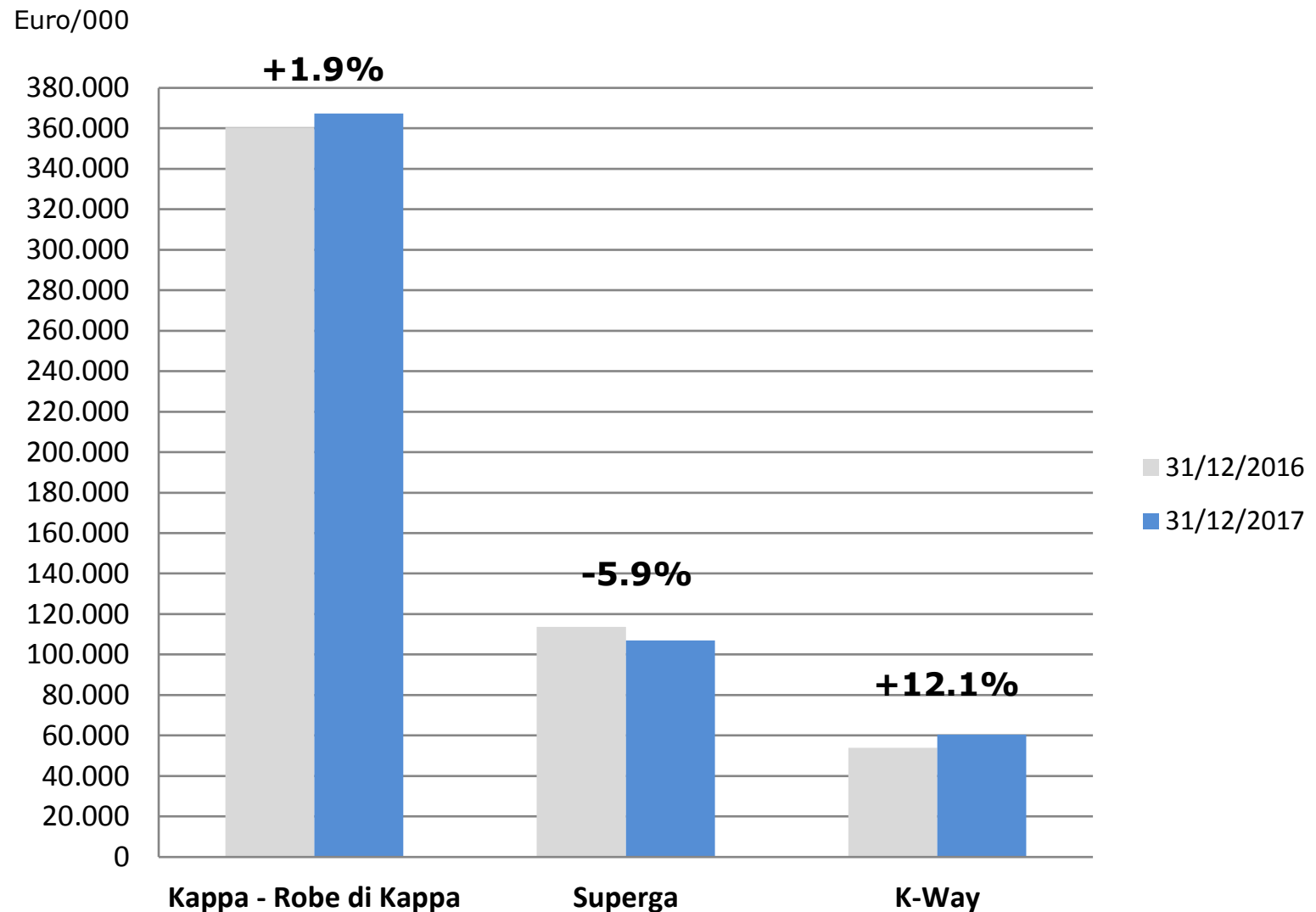
## Total Aggregated Sales (costant exchange rates)



# Aggregated sales of licensees (ASL) – geographic area -



## Aggregated sales of licensees (ASL) – brand -



# Consolidated Revenues

Euro/000

	31/12/2017	31/12/2016	Variances	%
<b>Total consolidated revenues</b>	<b>183.507</b>	<b>181.607</b>	<b>1.900</b>	<b>1,0%</b>
Consolidated direct sales	135.583	135.183	400	0,3%
Royalties from ASL	36.085	34.968	1.117	3,1%
Royalties from ASSC	11.838	11.456	383	3,2%

# Income Statement

Euro/000

	31/12/2017		31/12/2016		Variances	
Consolidated direct sales	135.583	100%	135.183	100%	400	0,3%
Cost of sales	(81.065)	-59,8%	(80.923)	-59,9%	(142)	-0,2%
<b>GROSS MARGIN</b>	<b>54.518</b>	<b>40,2%</b>	<b>54.261</b>	<b>40,1%</b>	<b>258</b>	<b>0,5%</b>
Royalties and sourcing commissions	47.924	35,3%	46.424	34,3%	1.500	3,2%
Other income	3.639	2,7%	2.226	1,6%	1.413	63,5%
Sponsorship and media costs	(24.627)	-18,2%	(24.285)	-18,0%	(341)	-1,4%
Personnel costs	(21.084)	-15,6%	(19.681)	-14,6%	(1.403)	-7,1%
Selling, general and administrative costs, royalties expenses and amortization	(43.729)	-32,3%	(43.703)	-32,3%	(26)	-0,1%
<b>EBIT</b>	<b>16.642</b>	<b>12,3%</b>	<b>15.241</b>	<b>11,3%</b>	<b>1.400</b>	<b>9,2%</b>
Net financial income (charges)	(1.578)	-1,2%	(302)	-0,2%	(1.276)	-422,8%
<b>EBT</b>	<b>15.063</b>	<b>11,1%</b>	<b>14.940</b>	<b>11,1%</b>	<b>124</b>	<b>0,8%</b>
Income taxes	(4.418)	-3,3%	(4.635)	-3,4%	217	4,7%
<b>Net Result</b>	<b>10.646</b>	<b>7,9%</b>	<b>10.305</b>	<b>7,6%</b>	<b>341</b>	<b>3,3%</b>

# Cash Flow Statement

Euro/000

	31/12/2017	31/12/2016
<b>Net Financial Position, beg. of the period</b>	<b>(49.459)</b>	<b>(45.362)</b>
<b>Net result</b>	<b>10.646</b>	<b>10.305</b>
Depreciation and amortization	6.419	6.261
Change in Operating Working Capital	(5.667)	(4.209)
Change in Employee and Director Benefits	672	(164)
Change in other Current Assets, net	(405)	231
<b>Operating Cash Flow</b>	<b>11.665</b>	<b>12.425</b>
Capital expenditures	(18.581)	(8.086)
Disposals	825	252
<b>Capital expenditures, net</b>	<b>(17.756)</b>	<b>(7.833)</b>
Acquisition of treasury shares	(2.605)	(3.067)
Dividends	(3.324)	(5.622)
<b>Change in Net Financial Position</b>	<b>(12.020)</b>	<b>(4.097)</b>
<b>Net Financial Position, end of the period</b>	<b>(61.480)</b>	<b>(49.459)</b>

# Dividend distribution

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<b>Euro /000</b>	<b>2017</b>	<b>2016</b>	<b>Variances</b>	<b>%</b>
Dividend	0,06	0,06	-	<b>0,0%</b>
Total dividends	3.660	3.660	-	<b>0,0%</b>
Dividends (cash outflow)	3.283	3.324	(41)	<b>-1,2%</b>
Net result	10.646	10.305	341	<b>3,3%</b>
<i>Pay-out ratio</i>	<i>30,8%</i>	<i>32,3%</i>	<i>-1,5%</i>	

# Treasury shares buy-back programme

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*As of today's date, the company owns:*

- ⇒ N. 6.280.079 equal to 10,29% of the share capital
- ⇒ Average price Euro 2,39
- ⇒ Current exchange price Euro 3,675
- ⇒ Investment of Euro 15 million
- ⇒ Implicit capital gain of Euro 8 million

- ⇒ % share price change in the period January 1<sup>st</sup> and December 31<sup>st</sup> 2017: **+6,4%**
- ⇒ % share price change from January 1<sup>st</sup> 2018 until Today: **-1,1%**

# Treasury shares buy-back programme

	Shareholders' AGM authorisation of April 28th 2016.	Shareholders' AGM authorisation of April 27th 2017.
	Apr 2016 - Apr 2017	Apr 2017 - Today
Maximum financial commitment	€ 3.500.000	€ 3.500.000
Total investment of the period	€ 2.538.208	€ 2.641.324
Number of acquired treasury shares	802.297	717.282
Average price	3,17	3,69
% of the share capital	1,31%	1,17%

# PROPOSAL TO THE SHAREHOLDERS' AGM FOR THE ALLOCATION OF THE NET PROFIT FOR THE YEAR

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Proposal for the allocation of the net profit for the year  
of BasicNet S.p.A.

Equal to Euro : 4.507.885

225.394 Euro to the Legal Reserve;

3.282.811 Euro a dividend of 0,06 Euro per share  
(excluding the 6.280.079 treasury shares held at March,19 2018);

999.680 Euro to retained earnings the residual amount

*Dividend yield* (value per share at 31.12.2017) : 1,63%

*Dividend yield* (current value per share) : 1,628%

The dividend will be paid from May 23, 2018, with coupon at May 21, 2018 and *record date* of May 22, 2018.

Group

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