



## 9m 2020 Conference call

October 29<sup>th</sup> 2020

Sales and profitability recovery in Q3 confirms the strength of Group's Brands and the flexibility of Group's business model. BasicNet continued to invest in 9m to support mid-term business development.

After a strong start to the year (January and February in double digit growth), Covid 19 caused a decline of 1H aggregated sales (- 24,2% YoY), mitigated by a partial recovery in Q3: **9m aggregated sales** amounted to € 608,4m (- 21,8% YoY).

**Consolidated sales** amounted to € 196,5m (- 16,6% YoY).

**EBITDA** was positive, after communication investments just slightly below last year (thanks to re-negotiations of sponsorship agreements) but still above € 33m.

**Net Financial Position** stood at € 80,1m, with a slight increase vs YE2019 (€ 78,3m) after € 10,5m cash out to finalize the 2019 acquisition of BasicVillage Milano and € 10,9m cash out to re-acquire the Kappa® brand in Japan, thanks to a careful management of working capital.

**€ 608m**

**Aggregated Sales**

**€ 197m**

**Consolidated Sales**

**€ 16,1m**

**EBITDA**

**€ 80m**

**NFP**

## Re-acquisition of Kappa Japan

On September 15, BasicNet re-acquired (through its subsidiary BasicTrademark S.r.l.) the rights to the Kappa® brand in **Japan** from China Dongxiang for a total amount of USD 13,0 million (€ 10,9 million).

Dongxiang–will keep on focusing at this time on the development of Kappa in Mainland China and Macau.

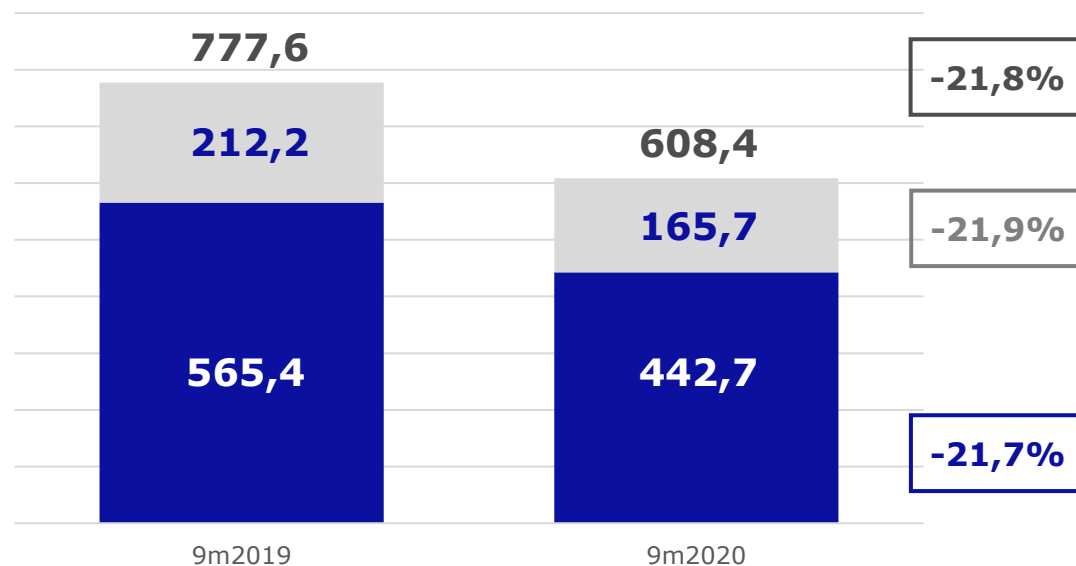
As per Chairman Marco Boglione *“with the world's third largest economy entering the BasicNet system, the global strategic project for the "omini" brand is completed”*.

## Completion of Kappa Europe acquisition

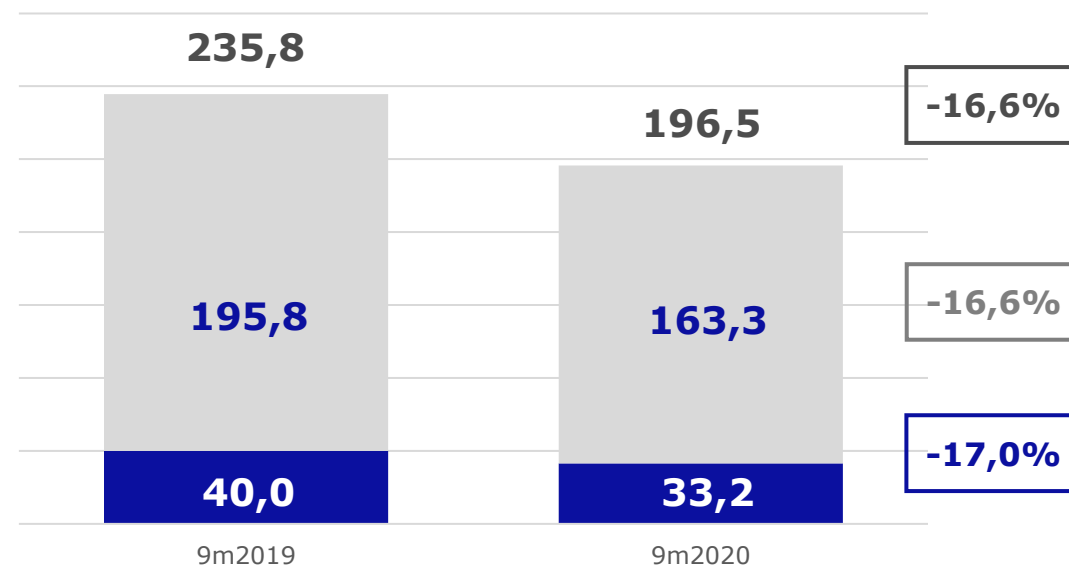
On September 9, BasicItalia S.p.A. purchased the remaining 39% of **Kappa Europe**, the holding company of a group of Kappa® brand licensee companies for France, UK, Switzerland, Spain and Portugal, increasing its stake from 61% to 100%.

The purchase price, of approximately € 1,9 million, was paid partially through BasicNet shares.

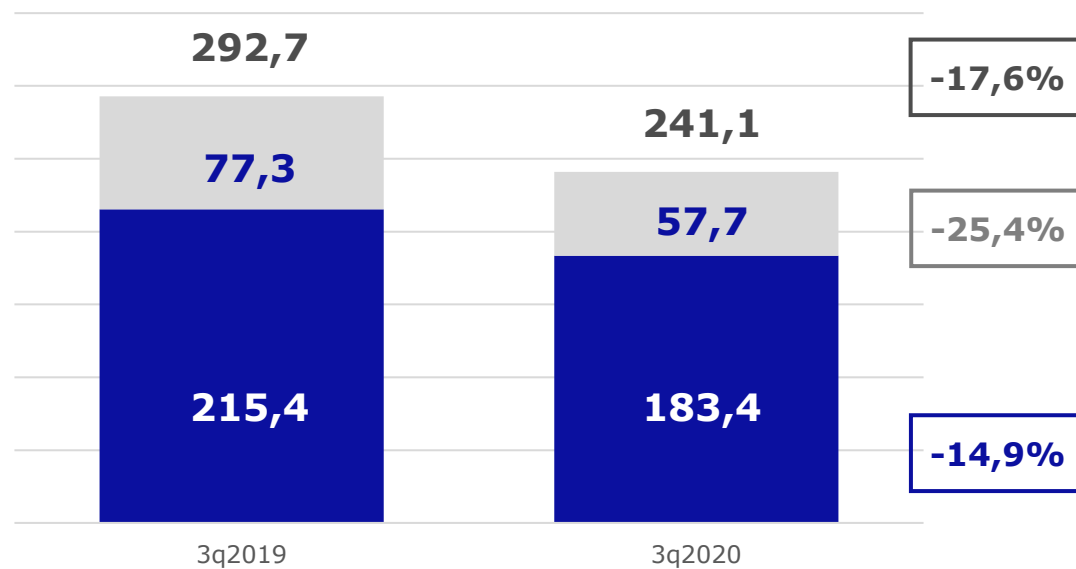
## AGGREGATED SALES



## CONSOLIDATED SALES

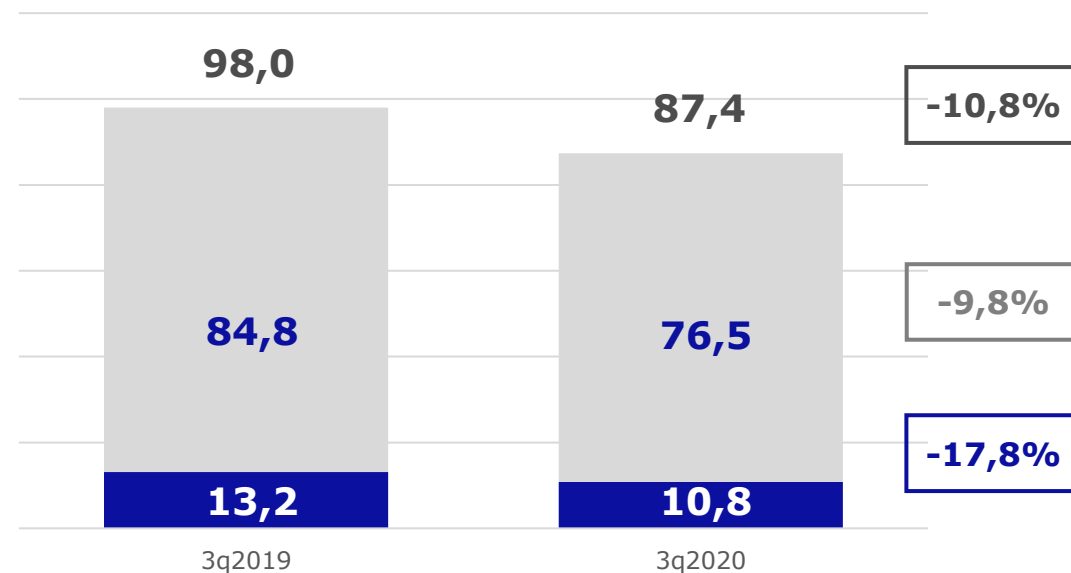


## AGGREGATED SALES



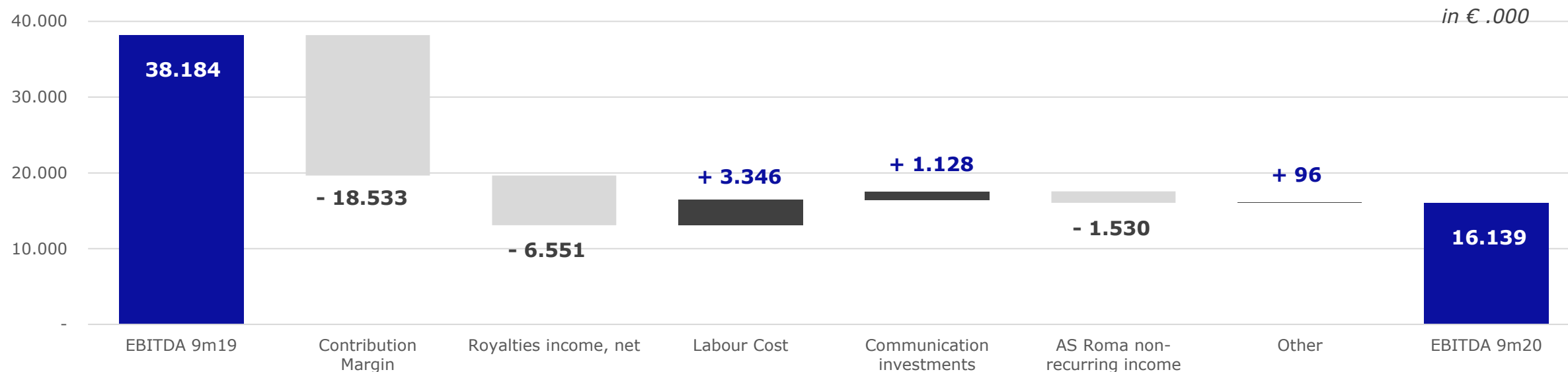
■ Aggregated Sales of Sourcing Centers (ASSC, Eu mn)  
 ■ Aggregated Sales of Licensees (ASL, Eu mn)

## CONSOLIDATED SALES



■ Direct sales (Eu mn)  
 ■ Royalties income from ASL and ASSC (Eu mn)

# 9m 2020 EBITDA Bridge



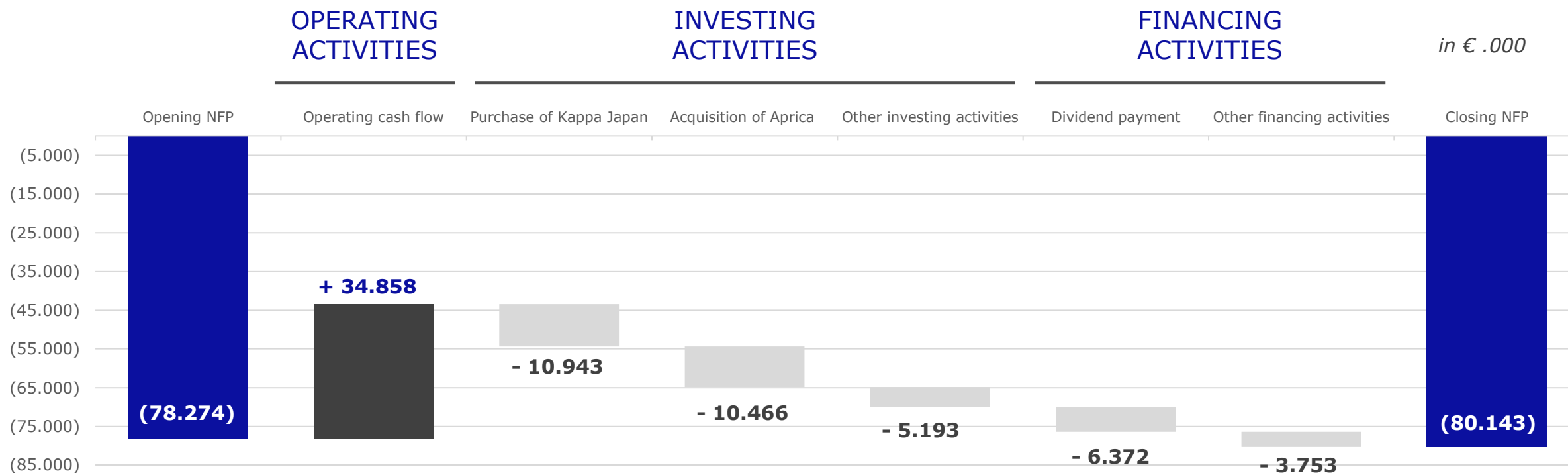
- **Contribution margin** suffered from lower sales volumes and temporary commercial actions on prices
- **Net royalties income** included lower royalties income from **ASL** (- € 5,6m) and **ASSC** (- € 1,2m), net of €0,2m saving on royalties paid to third parties
- **Labour cost** decreased thanks to the benefit from temporary layoffs (Italy, France, Spain and UK)
- The cost of **Communication investments** was lower thanks to the re-negotiation of sponsorship agreements following the impact of covid-19 on sports competitions
- 9m19 EBITDA benefitted from **non-recurring** income from the settlement of AS Roma litigation
- Other changes included a **bad debt provision** (+ € 1,4m) to account for possible higher risk of credit collection

# 9m 2020 Consolidated Net Financial Position

**BasicNet**

in € .000	30.09.20	31.12.19	30.09.19
Net Cash	(20.427)	(27.040)	(39.386)
ST portion of MT Loans	(8.124)	(9.169)	(9.177)
MT Loans	(30.163)	(19.939)	(23.819)
IFRS 16 debt	(21.429)	(19.287)	(18.080)
Put/call option	-	(2.839)	(2.839)
<b>Net Financial Position:</b>	<b>(80.143)</b>	<b>(78.274)</b>	<b>(93.301)</b>
Equity:	118.025	121.741	124.884
<b>NFP/Equity:</b>	0,68	0,64	0,75

# 9m 2020 NFP Bridge



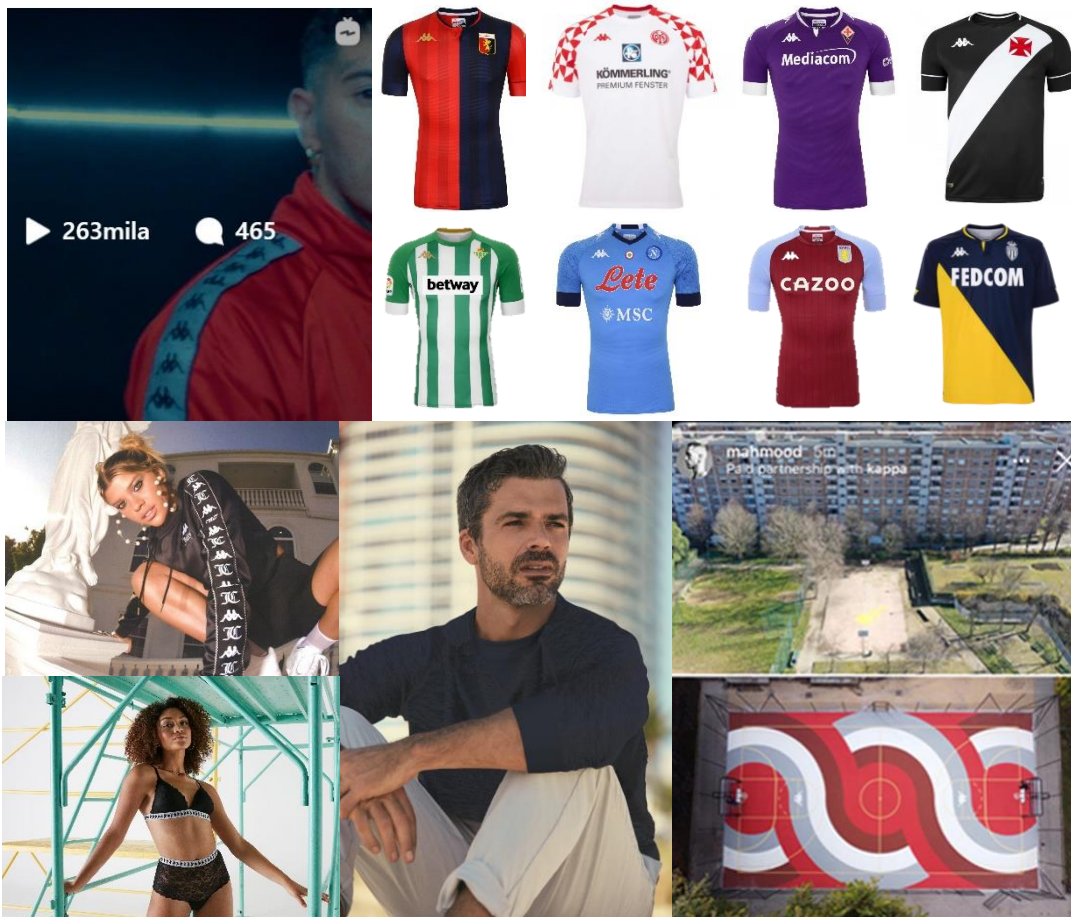
- **Operating activities** generated a positive cash flow also through the careful management of trade working capital.
- **Investing activities** included recurring capex (€ 4,6m) as well as the cash-out for the completion of Kappa Europe acquisition.
- **Financing activities** include the impact of new leases (IFRS 16) on debt.

Back-Up

# 3Q 2020 Communication activities

BasicNet

**Kappa** **ROBE DI KAPPA®**



**SUPERGA®**



# 3Q 2020 Communication activities

BasicNet

**K-WAY**



**SEBAGO**



Kappa

ROBE DI KAPPA

Jesus jeans

SUPERGA

K-WAY

Sabell

SEBAGO

BRIKO

Aggregated Sales of Licensees (ASL)	sales by commercial licensees
Aggregated Sales of Sourcing Centers (ASSC)	sales by productive licensees
Communication investments	Sponsorship and media costs along with Commercial expenses
Consolidated sales	the sum of royalties income from ASL, sourcing commissions from ASSC and direct sales of goods

# BasicNet<sup>®</sup>