



1Q 2021 Results Conference call

April 29th 2021

All geographic areas reported a YoY increase in aggregated sales on like for like basis. Vaccines and re-openings offer a glimpse of return to normality. 1Q EBITDA up +40,9% YoY.

3m aggregated sales amounted to € 216,7m (unchanged compared to prior year, 4,0% on a like for like basis). Higher sales from commercial licensees offset delayed shipments from productive licensees.

€ 217m
Aggregated Sales

Consolidated sales amounted to € 67,0m (-5,2% YoY), due to closure of directly operated stores in several European countries imposed by anti-Covid measures. Kappa Europe performed positively (+5,8%) despite the critical market situation in UK.

€ 67m
Consolidated Sales

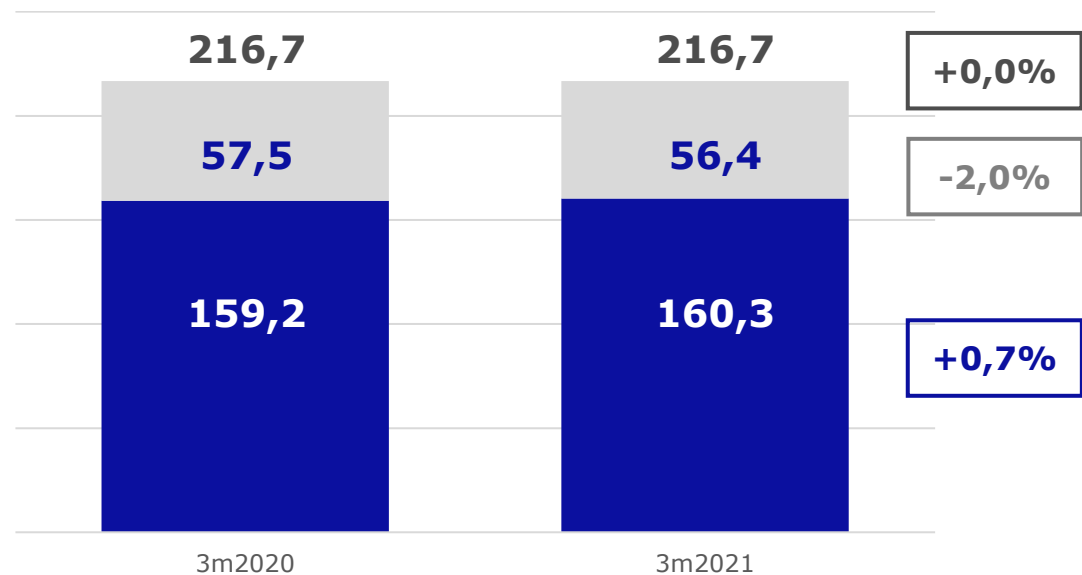
EBITDA at € 9,0m increased by 40,9% YoY with higher margins in all geographic areas, thanks to efficiency in general costs and lower cost of labour.

€ 9m
EBITDA

Net Financial Position at € 78,5m, decreased vs YE2020 (€ 82,2), thanks to a positive free cash flow exceeding € 3,8m.

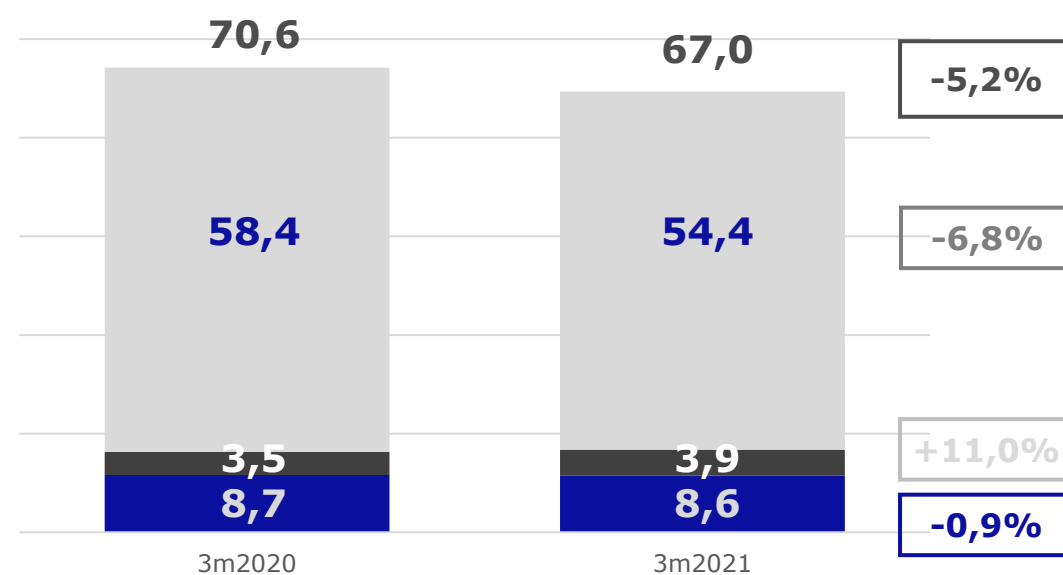
€ 78,5m
NFP

AGGREGATED SALES



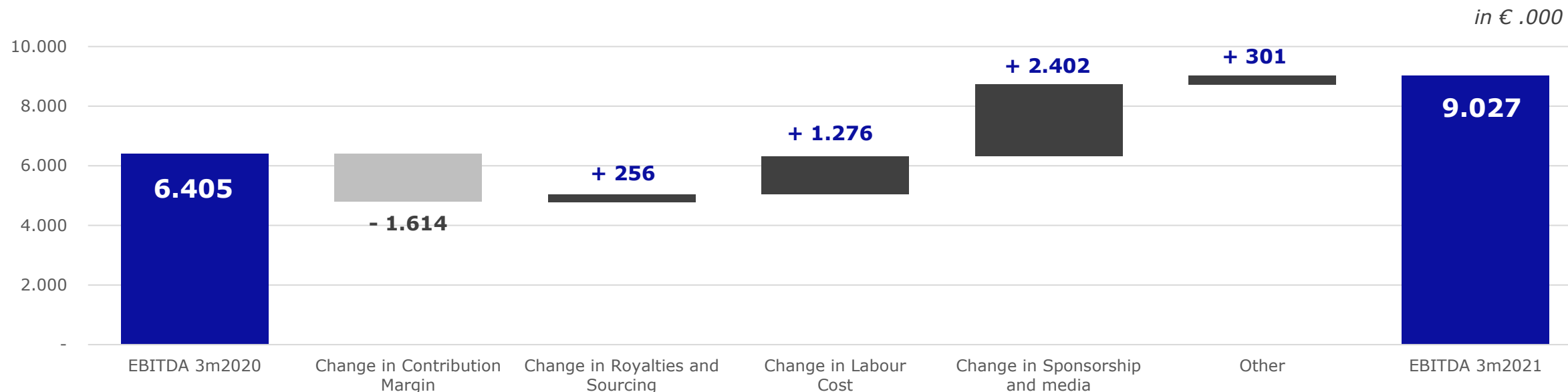
■ Aggregated Sales of Sourcing Centers (ASSC, Eu mn)
 ■ Aggregated Sales of Licensees (ASL, Eu mn)

CONSOLIDATED SALES



■ Consolidated sales of goods (Eu mn)
 ■ Royalties income ASSC (Eu mn)
 ■ Royalties income ASL (Eu mn)

1Q 2021 EBITDA Bridge



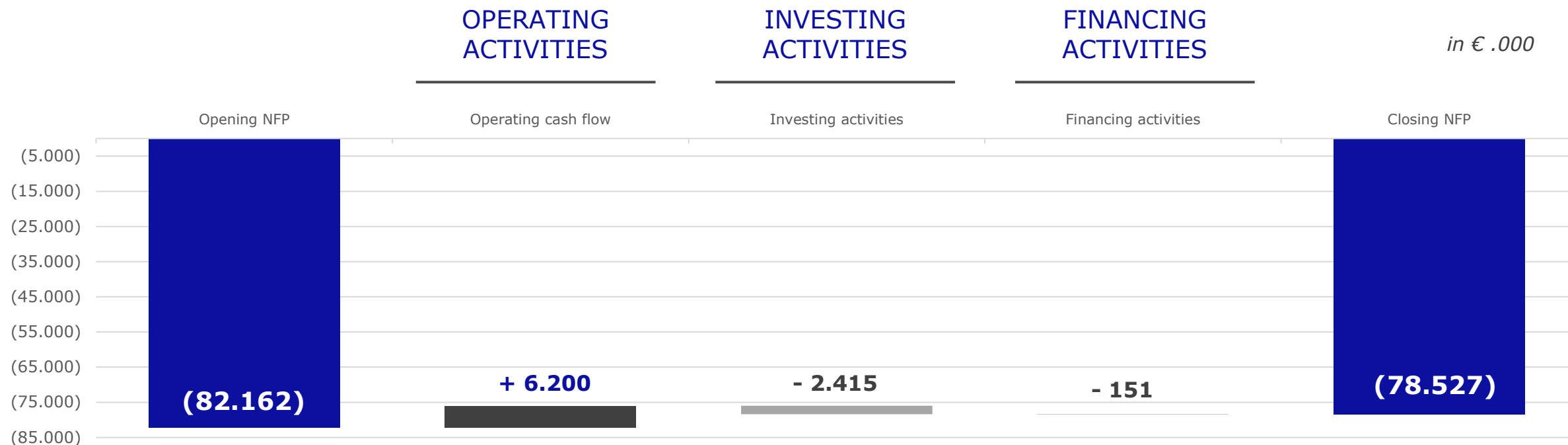
- **Contribution margin:** lower sales in Italy (-10,4%), due to the ongoing closure of BasicRetail shops, were partially offset by growth at Kappa Europe (+5,8%) and an overall increase of gross marginality (+1,3 p.p.)
- **Royalties and sourcing:** increased royalties from **ASSC** (+0,4 m€) net of higher royalties to third parties
- **Labour cost:** decreased mostly due to temporary layoffs (- 0,7 m€) and to lower FTEs in the retail activity
- **Sponsorship and media:** re-negotiation of sponsorship agreements to account for the impact of covid-19 on sports competitions along with reduction in marketing contributions to commercial licensees
- **Other:** re-negotiations of leases for shops closed during the period

1Q 2021 Consolidated Net Financial Position

BasicNet

in € .000	31.03.21	31.12.20	31.03.20
Net Cash	(5.800)	(6.266)	(34.983)
ST portion of MT Loans	(8.518)	(8.412)	(8.095)
MT Loans	(42.442)	(44.387)	(19.406)
IFRS 16 debt	(21.767)	(23.097)	(17.916)
Put/call option	-	-	(2.839)
Net Financial Position:	(78.527)	(82.162)	(83.238)
Equity:	124.644	119.276	123.870
NFP/Equity:	0,63	0,69	0,67

1Q 2021 NFP Bridge



- **Operating activities:** positive adjusted net result, no significant change in working capital
- **Investing activities:** recurring capex of € 1,2m and renovations works at BasicVillage Milano
- **Financing activities:** mainly shares buy-back

Back-Up

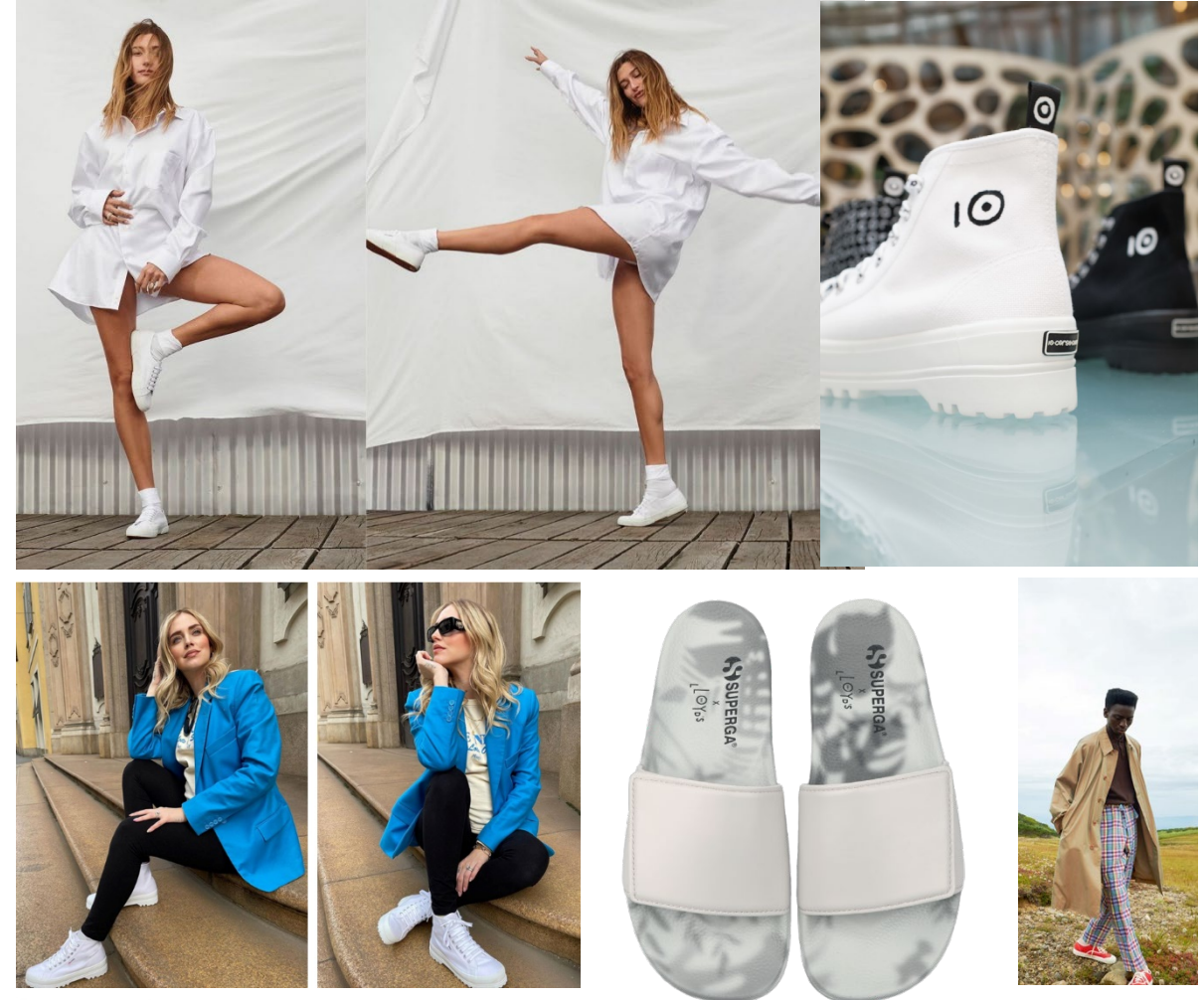
1Q 2021 Communication activities

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Kappa **ROBE DI KAPPA®**



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**JESUS
jeans®**

SUPERGA®

KWAY®

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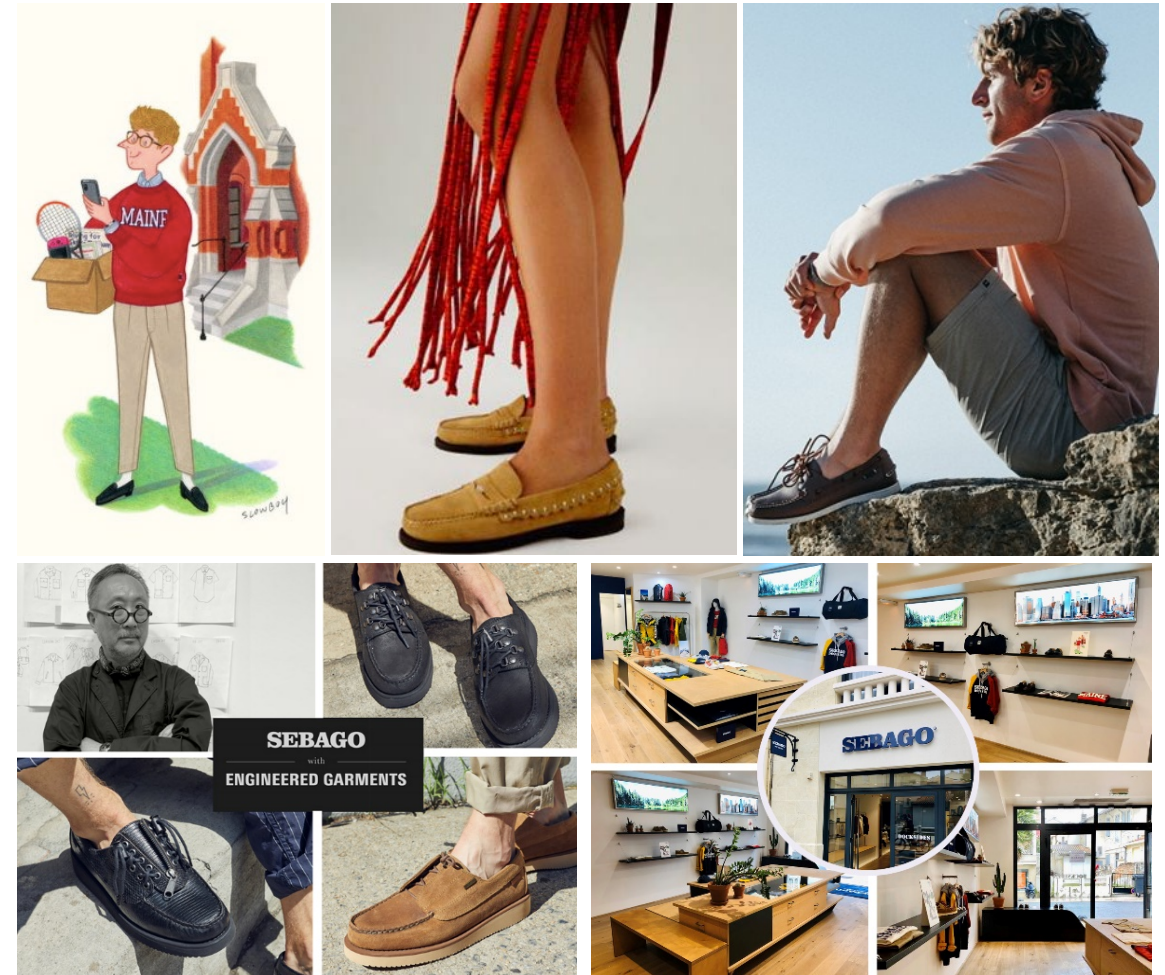
1Q 2021 Communication activities

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Sabell

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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

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