



# 1H 2021 Results Conference call

July 29<sup>th</sup> 2021

Strong growth (+28,6%) of aggregated sales of licensees. € 14,5m EBITDA (€ 0,8m in 1H20). Almost stable NFP after dividends and shares buy-back.

**1H aggregated sales** amounted to € 443,1m (+20,5% compared to prior year), led by aggregated sales of licensees (ASL) up 28,6% YoY, while aggregated sales of sourcing centers (ASSC, +1% YoY) were still affected by delayed sea shipments.

**€ 443m**  
**Aggregated Sales**

**Consolidated sales** amounted to € 128,5m (+17,7% YoY), despite the extended closure of directly operated stores in several European countries due to anti-Covid measures. Kappa Europe overperformed (+36,5%) in spite of the critical market situation in UK.

**€ 129m**  
**Consolidated Sales**

**EBITDA** stood at € 14,5m (€ 0,8m in H1 2020) driven by higher volumes and higher margins in all geographies of direct operations.

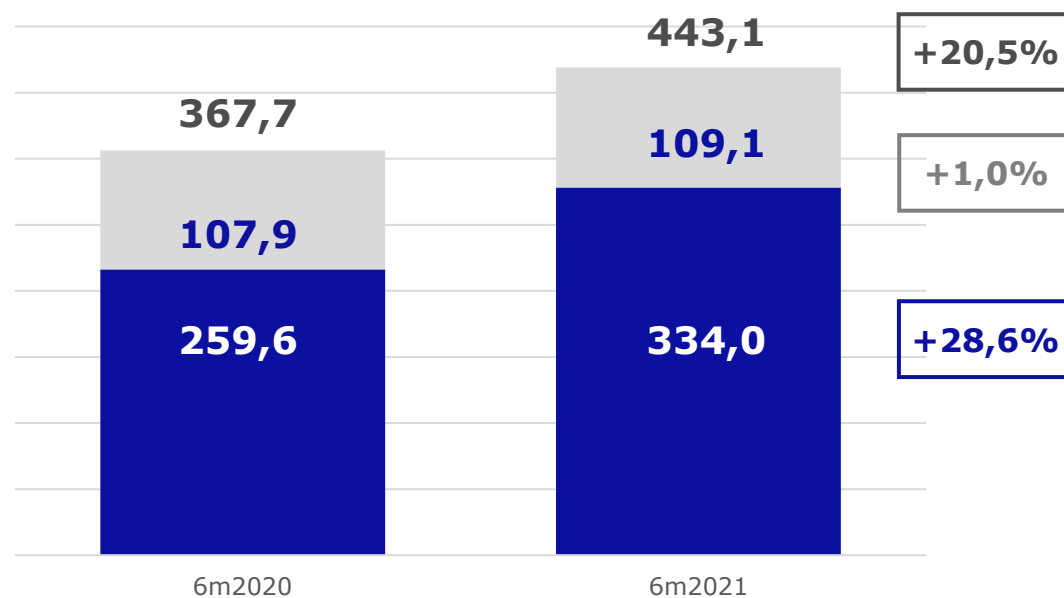
**€ 14,5m**  
**EBITDA**

**Net Financial Position**, at € 84,1m, was substantially stable vs 2020YE (€ 82,2m). Positive free cash flow (€ 4,7m) offset dividend payment and own shares buy back.

**€ 84,1m**  
**NFP**

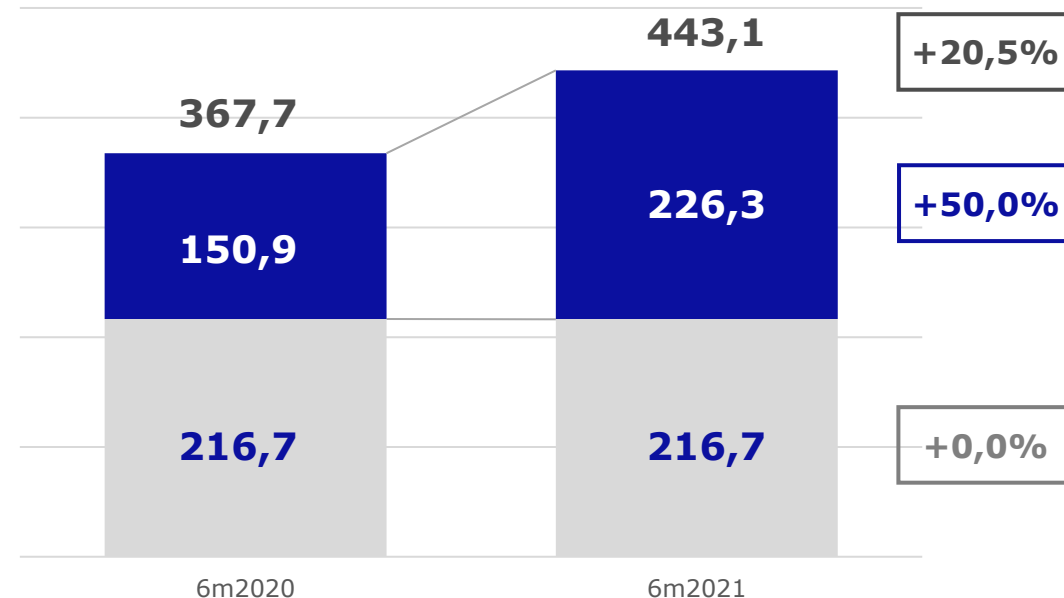
# 1H 2021 Aggregated Sales

## BY LICENSEE



■ Aggregated Sales of Sourcing Centers (ASSC, € m)  
■ Aggregated Sales of Licensees (ASL, € m)

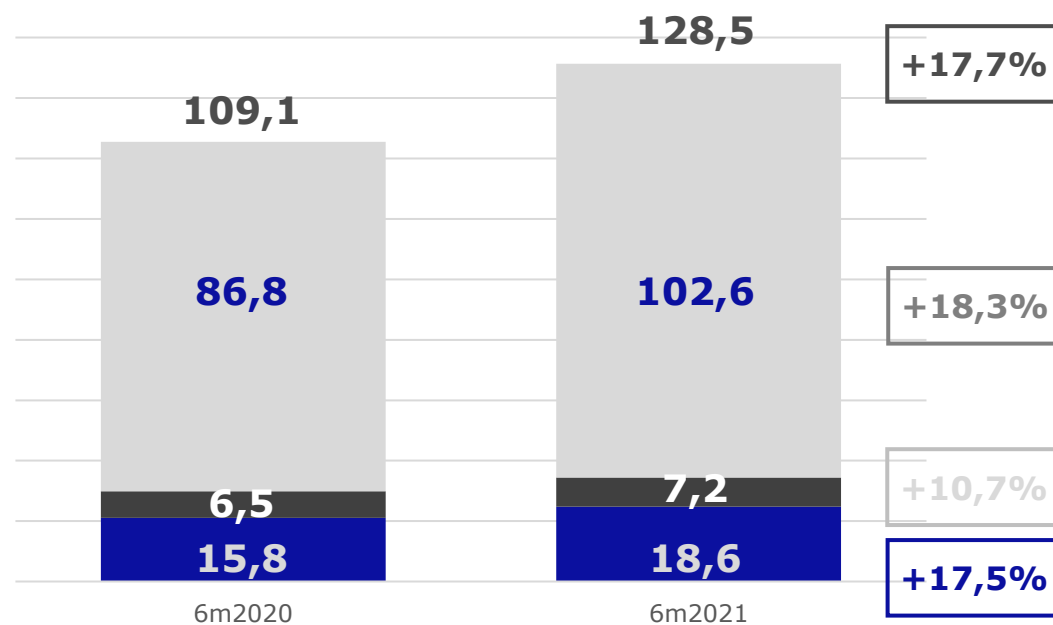
## BY QUARTER



■ Q1 ■ Q2

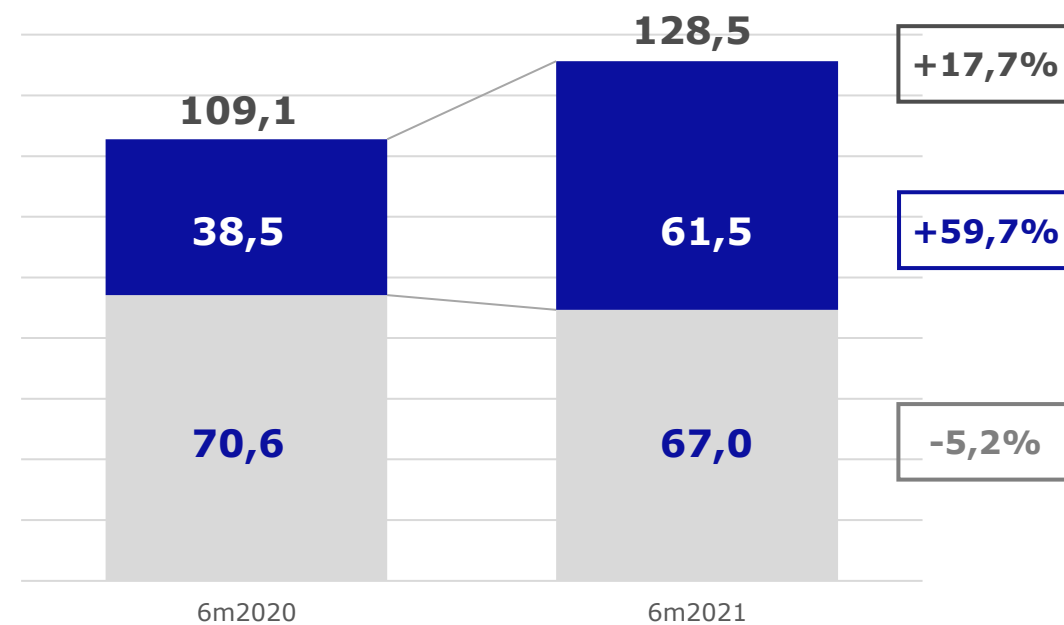
# 1H 2021 Consolidated Sales

## BY NATURE



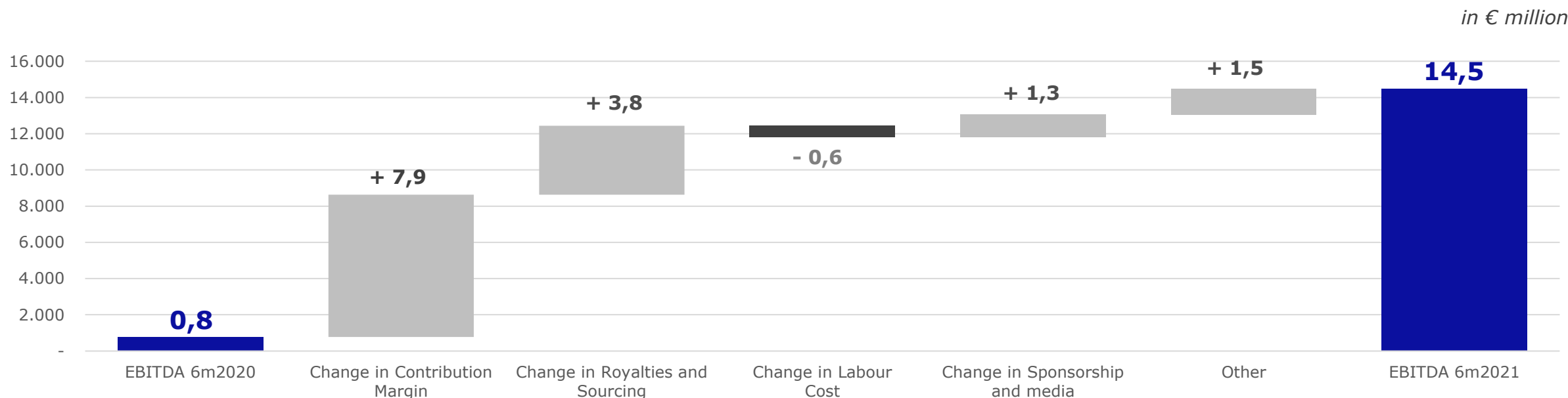
- Consolidated sales of goods (€ m)
- Royalties income ASSC (€ m)
- Royalties income ASL (€ m)

## BY QUARTER



- Q1
- Q2

# 1H 2021 EBITDA Bridge



- **Contribution margin:** higher contribution margin mainly driven by sales in Italy (+12,3%), despite anti-Covid measures, and strong growth at Kappa Europe (+36,5%)
- **Royalties and sourcing:** positive contribution led by **ASL** (+€ 2,8m) and **ASSC** (+€ 0,7m) as well as by lower royalties paid to third parties
- **Labour cost:** slightly increased, mostly due to lower temporary layoffs vs last year
- **Sponsorship and media:** lower costs of sponsorship agreements (due to the impact of covid-19 on sports competitions) and lower marketing contributions to commercial licensees only partially offset by the costs of the new sponsorship agreements (mostly ACF Fiorentina from sport season 2020/21)
- **Others:** mainly re-negotiations of leases for shops closed during the period (+€ 0,5m)

# 1H 2021 Consolidated Net Financial Position

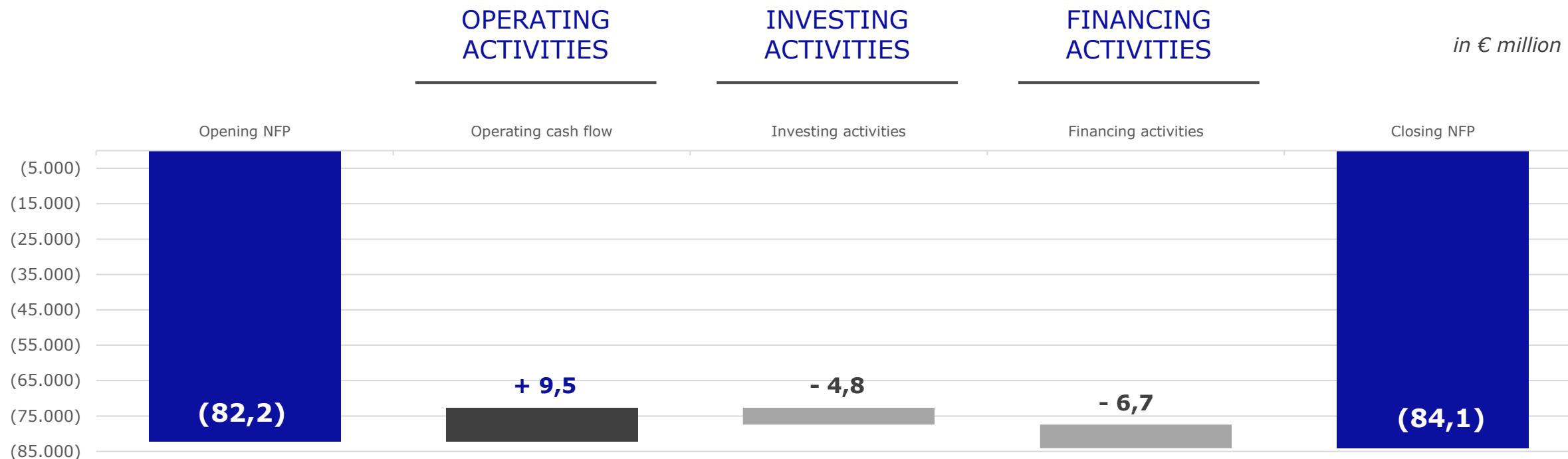
**BasicNet**

in € .000	30.06.21	31.12.20	30.06.20
Net Cash	(12.647)	(6.266)	(30.772)
ST portion of MT Loans	(8.522)	(8.412)	(7.972)
MT Loans	(40.176)	(44.387)	(19.645)
IFRS 16 debt	(22.782)	(23.097)	(20.360)
Put/call option	-	-	(2.839)
<b>Net Financial Position</b>	<b>(84.126)</b>	<b>(82.162)</b>	<b>(81.588)</b>
Equity	120.889	119.276	109.691
<b>NFP/Equity</b>	<b>0,70</b>	<b>0,69</b>	<b>0,74</b>

# 1H 2021 Key Data

<i>in € million</i>	<b>1H 2021</b>	<b>1H2020</b>	<b>1H2019</b>
Consolidated sales	128,5	109,1	137,8
Communication investments	21,5	22,7	21,3
EBITDA	14,5	0,8	20,3
<i>EBITDA margin</i>	11,3%	0,7%	14,7%
EBIT	8,5	(5,0)	14,6
<i>EBIT margin</i>	6,6%	-4,6%	10,6%
Net income	4,1	(5,5)	10,4
Free cash flow	4,7	0,3	(9,1)
Trade Working Capital	64,2	77,4	91,2

# 1H 2021 NFP Bridge



- **Operating activities:** positive adjusted net income (€ +10,1 m), no significant change in net working capital vs. 2020YE
- **Investing activities:** recurring capex (€ 3,6m) and renovations works at BasicVillage Milano (€ 1,2m)
- **Financing activities:** mainly dividend distribution (€ 3,1m) and own shares buy-back (€ 1,6m)



Back-Up

# 1H 2021 Consolidated results

## INCOME STATEMENT

in € .000	1H 2021	1H 2020
Consolidated direct sales	102.632	86.765
Cost of sales	(60.170)	(52.976)
<b>GROSS MARGIN</b>	<b>42.462</b>	<b>33.789</b>
Royalties and Sourcing Commissions	25.847	22.382
Other income	2.951	1.884
Sponsorship and media costs	(18.873)	(19.913)
Other communication costs	(2.587)	(2.779)
Labour cost	(14.490)	(14.018)
SG&A	(20.764)	(20.575)
<b>EBITDA</b>	<b>14.546</b>	<b>772</b>
Depreciation and Amortisation	(6.011)	(5.742)
<b>EBIT</b>	<b>8.535</b>	<b>(4.970)</b>
Net financial income (charges)	(1.157)	10
<b>EBT</b>	<b>7.378</b>	<b>(4.960)</b>
Income taxes	(3.238)	(562)
<b>NET RESULT</b>	<b>4.140</b>	<b>(5.522)</b>

## CASH FLOW STATEMENT

in € .000	1H 2021	1H 2020
<b>Net Financial Position, opening</b>	<b>(82.162)</b>	<b>(78.274)</b>
<b>First adoption of IFRS 16</b>	-	-
Net result	4.140	(5.522)
Depreciation and Amortisation	6.010	5.742
Changes in Operating Working Capital	(691)	12.879
Other	22	495
<b>Operating Cash Flow</b>	<b>9.482</b>	<b>13.595</b>
Capital expenditures	(3.880)	(2.901)
Acquisition of K-Way China	(900)	-
Changes in Consolidation Area	-	(10.466)
Disposal of fixed assets	13	50
<b>Capital expenditures, net</b>	<b>(4.768)</b>	<b>(13.317)</b>
New Debts for Right of Use, net	(2.460)	(4.151)
Saving from Covid-19 concessions	545	564
Acquisition of treasury shares	(1.620)	-
Dividends	(3.144)	-
<b>Financing activities, net</b>	<b>(6.678)</b>	<b>(3.587)</b>
<b>Change in Net Financial Position</b>	<b>(1.964)</b>	<b>(3.310)</b>
<b>Net Financial Position, closing</b>	<b>(84.126)</b>	<b>(81.584)</b>

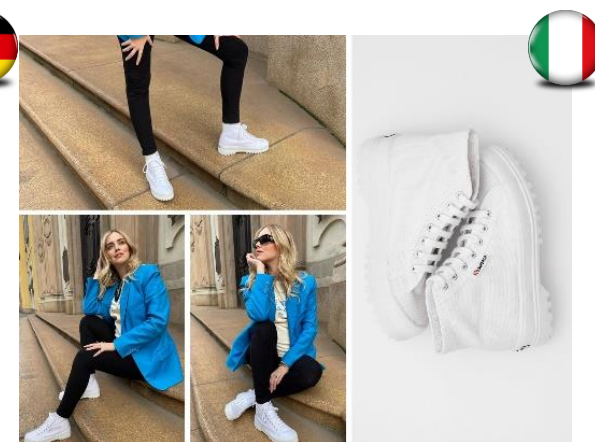
# 1H 2021 Communication activities

BasicNet

**Kappa** **ROBE DI KAPPA®**



**SUPERGA®**

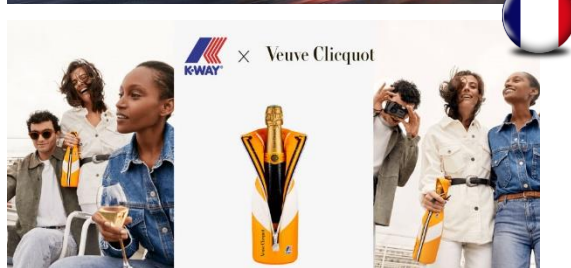




# 1H 2021 Communication activities

BasicNet

**K-WAY**



**SEBAGO**



Kappa

ROBE DI KAPPA

Jesus jeans

SUPERGA

K-WAY

Sabell

SEBAGO

BRIKO

Adjusted net income	Net result adjusted by Depreciation and amortization
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®