



FY2021 Results Conference call

February 10th 2022

Aggregated sales of licensees continued to grow in Q4 (+17,9% YoY). Strong consolidated revenues in 2H21 led to higher FY EBITDA vs 2019. NFP decreased to a record low of € 61,7m vs YE2020 (€ 82,2m).

12m aggregated sales amounted to € 949m (+16,6% YoY), led by aggregated sales of licensees (ASL) up 17,9% YoY. Aggregated sales of sourcing centers (ASSC) grew by at +13,1% YoY with a robust Q4.

€ 949m
Aggregated Sales

Consolidated revenues amounted to € 296m (+14,1% YoY). Direct sales of goods (+13,0% YoY) were bolstered by a strong performance in Q4 (+20% vs 4Q19), both in Italy and at Kappa Europe.

€ 296m
Consolidated Revenues

EBITDA amounted to € 44,2m (€ 19,8m in 2020, € 42,5m in 2019) driven by higher sales volumes in all geographies of Group's direct operations, despite point of sales closures in 1Q21 due to Covid-measures and shipping disruptions in the market throughout the year.

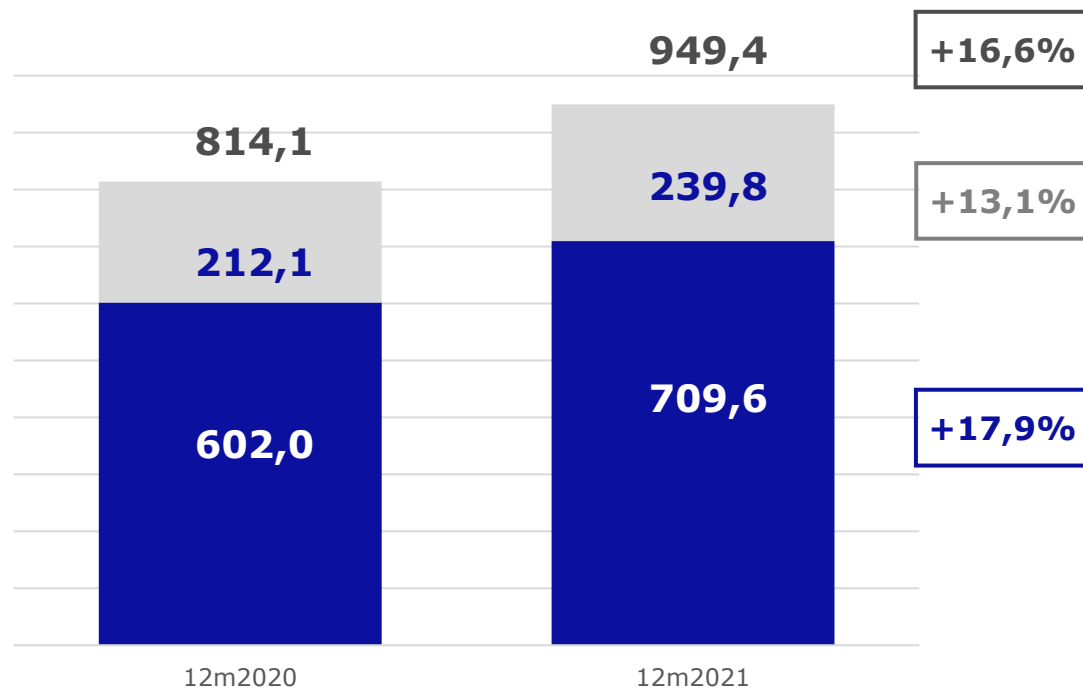
€ 44,2m
EBITDA

Net Financial Position, at € 61,7m by YE, reduced to below pre-Covid net debt, thanks to € 35,5m free cash flow generation in 2021.

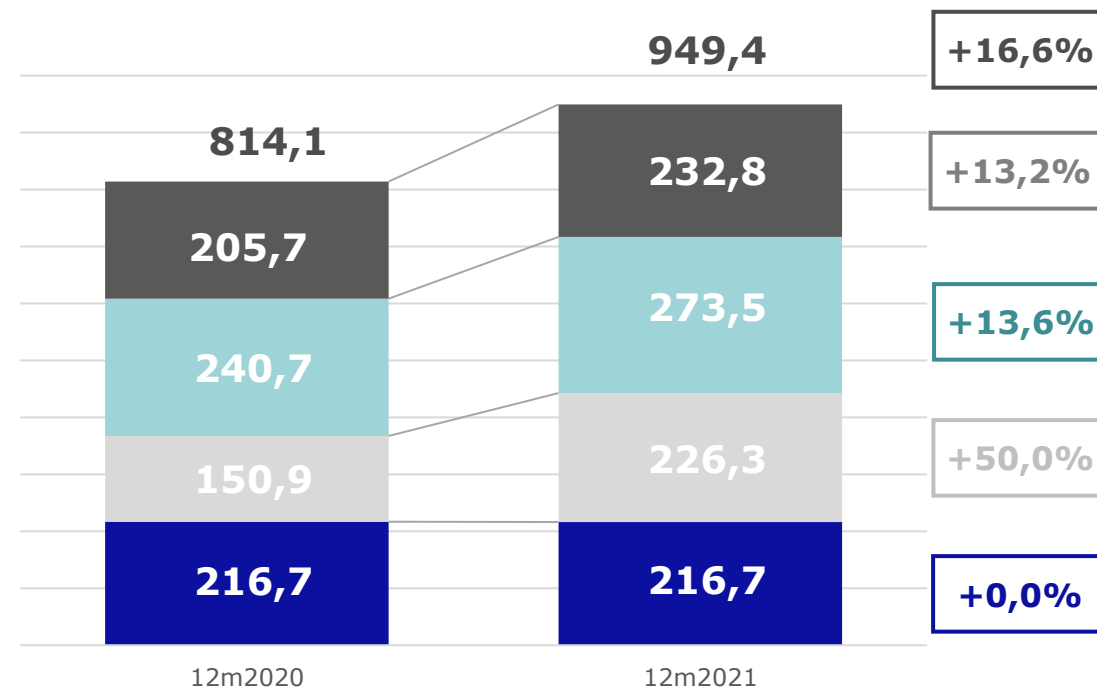
€ 61,7m
NFP

2021 Aggregated Sales

AGGREGATED SALES



BY QUARTER

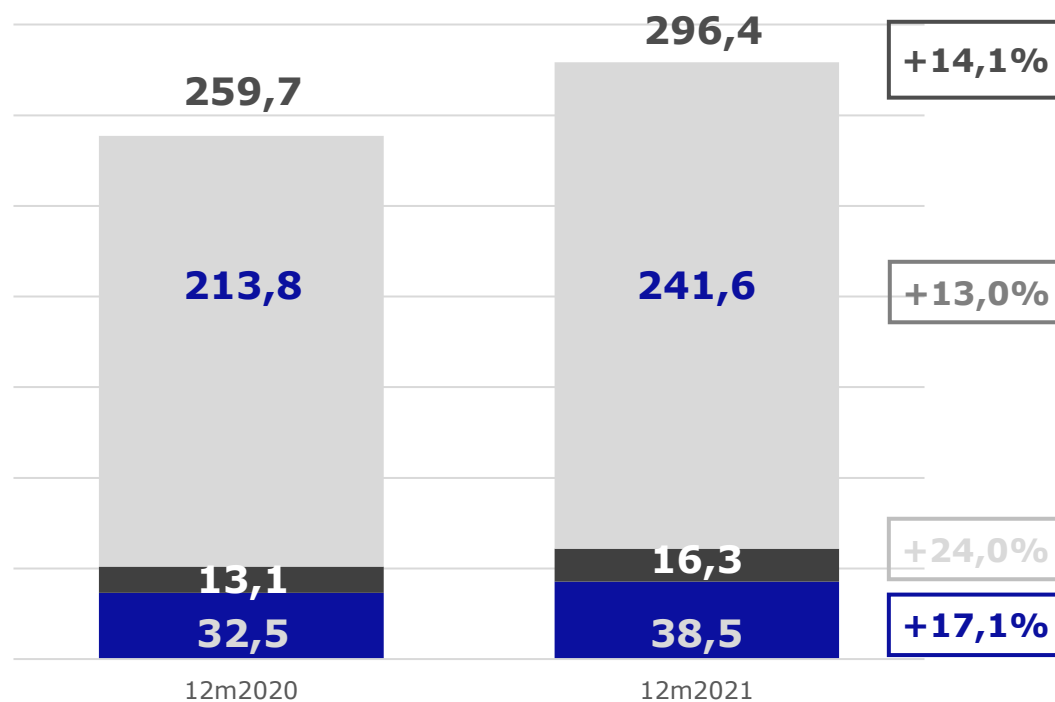


■ Aggregated Sales of Sourcing Centers (ASSC, € m)
■ Aggregated Sales of Licensees (ASL, € m)

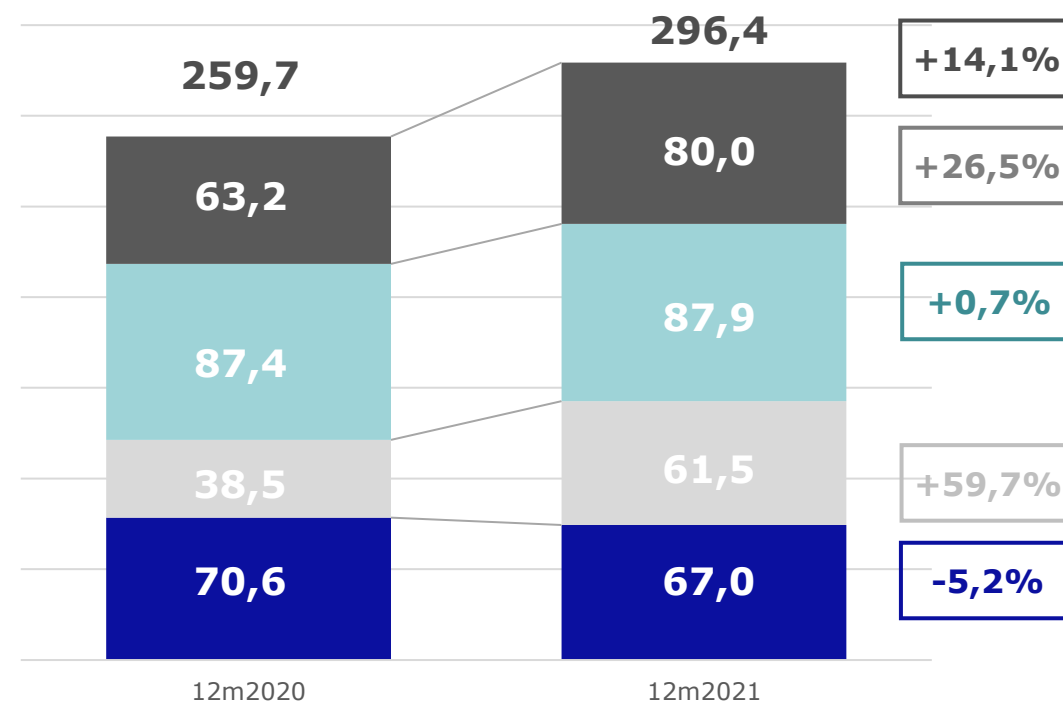
■ Q1 ■ Q2 ■ Q3 ■ Q4

2021 Consolidated Revenues

BY NATURE



BY QUARTER

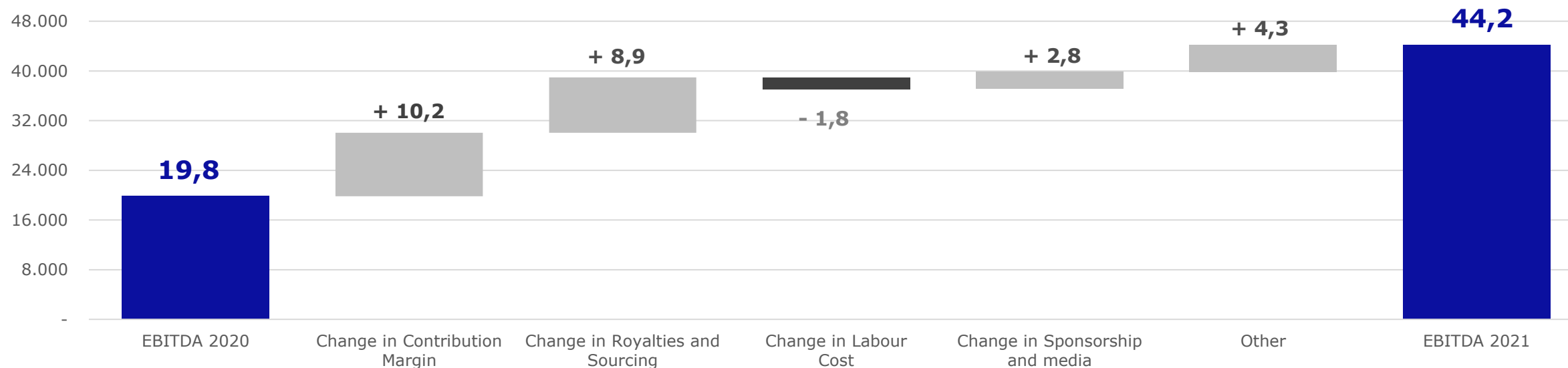


- Consolidated sales of goods (€ m)
- Royalties income ASSC (€ m)
- Royalties income ASL (€ m)

■ Q1 ■ Q2 ■ Q3 ■ Q4

2021 EBITDA Bridge

in € million

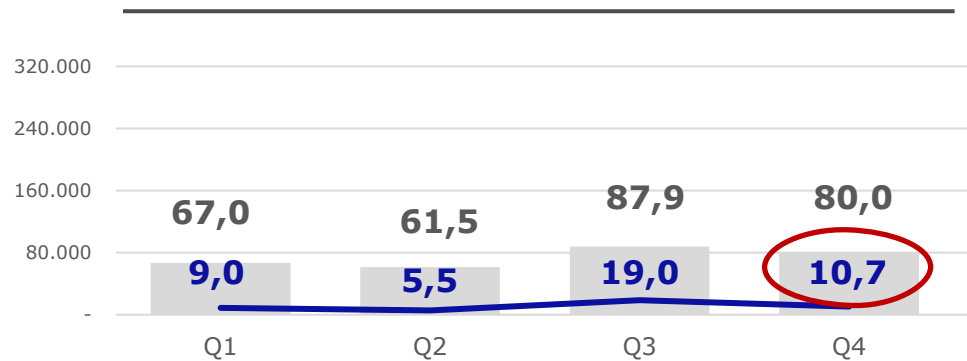


- **Contribution margin:** higher contribution margin mainly driven by strong sales growth in Italy and at Kappa Europe (overall +13%). Margins remained overall stable despite the increase of freight, shipping costs and raw materials.
- **Royalties and sourcing:** strong increase in both royalties from **ASL** (€ +5,6m), led by organic growth, and **ASSC** (+€ 3,2m, partially driven by higher royalty rates). Royalties from ASL were back to 2019 levels (€ 38,5m).
- **Labour cost:** slightly increased, mostly due to lower temporary layoffs vs last year.
- **Sponsorship and media:** lower costs of sponsorship agreements, mainly due to re-negotiations to account for the impact of covid-19 in H1 and to substitution of sponsored teams.
- **Other:** mainly re-negotiations of leases for shops closed during the period (€ +0,5m) and lower bad debt provision (€ +4,5m).

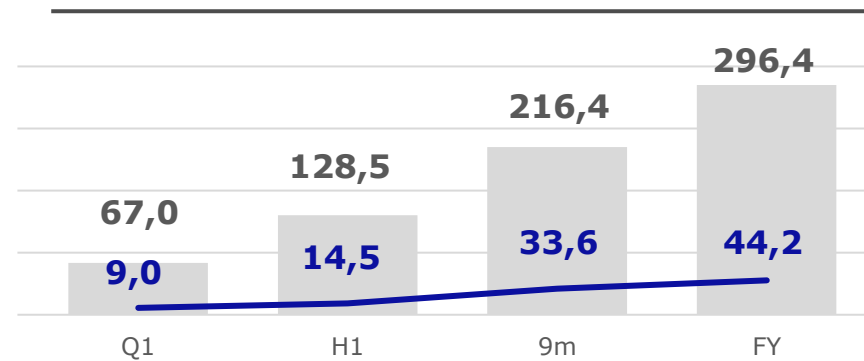
FY21 quarterly EBITDA

FY21

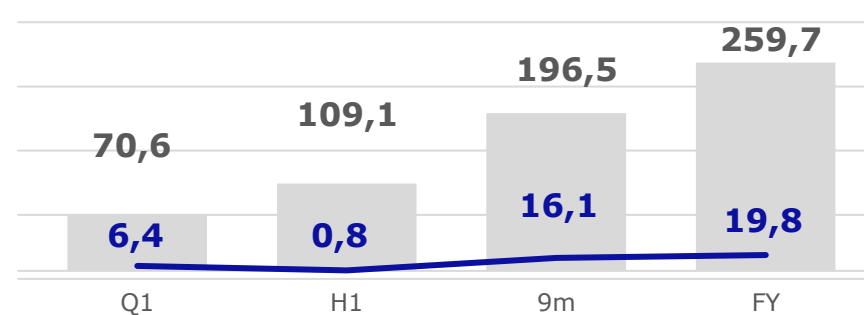
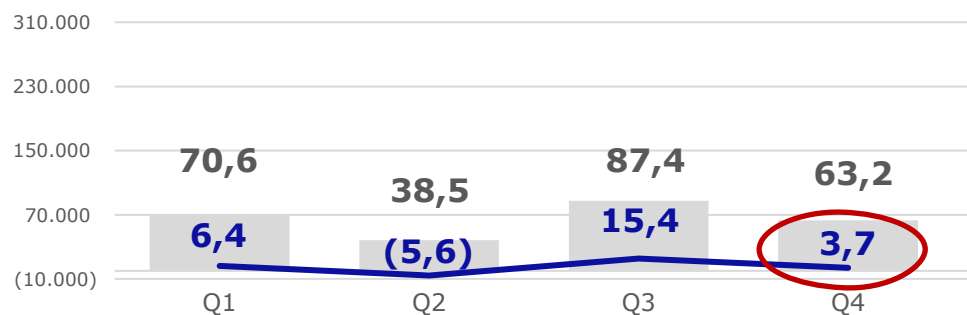
QUARTER TO DATE



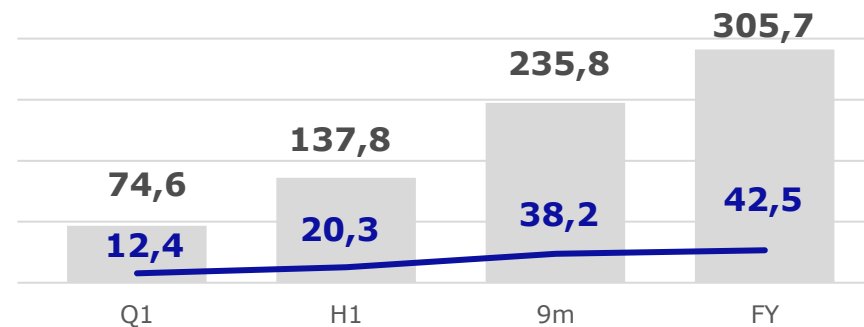
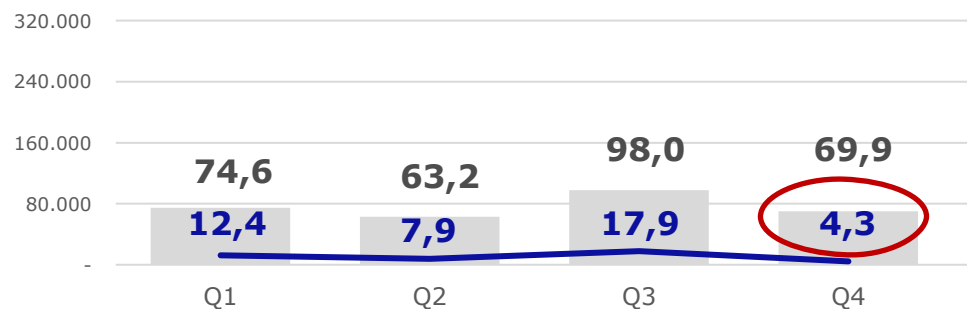
YEAR TO DATE



FY20



FY19



Consolidated sales EBITDA

Consolidated Net Financial Position

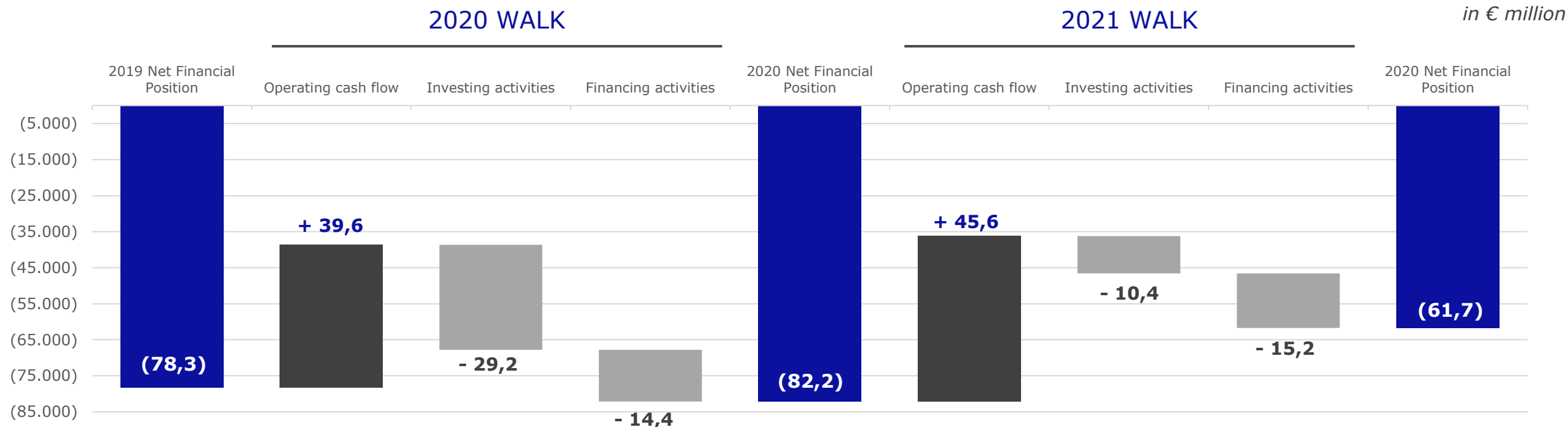
BasicNet

in € .000	31.12.21	31.12.20	31.12.19
Net Cash	6.325	(6.266)	(27.040)
ST portion of MT Loans	(9.243)	(8.412)	(9.169)
MT Loans	(34.783)	(44.387)	(19.939)
IFRS 16 debt	(24.041)	(23.097)	(19.287)
Payables for the acquisition of shares	-	-	(2.839)
Net Financial Position	(61.743)	(82.162)	(78.274)
Equity	133.710	119.276	121.741
NFP/Equity	0,46	0,69	0,64

2019-2021 Key Data

<i>in € million</i>	12m 2021	12m 2020	12m 2019
Consolidated revenues	296,4	259,7	305,7
EBITDA	44,2	19,8	42,5
<i>EBITDA margin</i>	14,9%	7,6%	13,9%
EBIT	29,7	7,6	30,6
<i>EBIT margin</i>	10,7%	2,9%	10,0%
Free cash flow	35,6	10,5	6,8
Trade Working Capital	50,0	59,3	88,8

2021 NFP Bridge



- **Operating activities:** positive cash flow through a positive EBITDA and careful management of trade working capital.
- **Investing activities:** recurring capex (€ 7,1m), cash-out for the completion of Kappa Europe acquisition, BasicVillage Milano acquisition (€ 10,5m), acquisition of Kappa brand in Japan (€ 10,9m).
- **Financing activities:** dividend payment (€ 6,4m), differential impact of new leases (IFRS 16) on debt net of rent concessions-

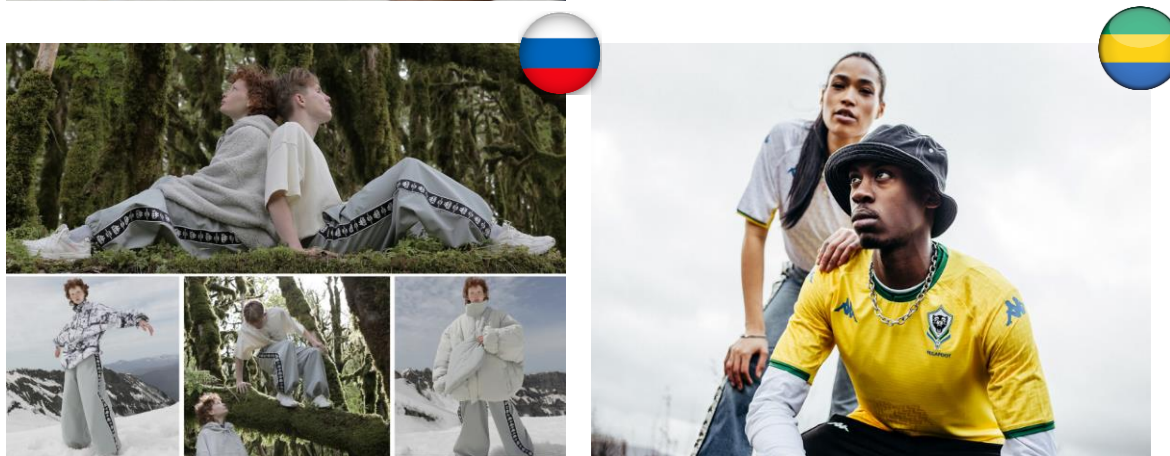
- **Operating activities:** positive cash flow. Continuous improvement in net working capital management.
- **Investing activities:** recurring capex (€ 5,9m), renovation works at BasicVillage Milano (€ 3,4m), repurchase of K-Way rights in China (€ 1,1m).
- **Financing activities:** mainly dividend payment (€ 3,1m), own shares buy-back (€ 6,0m), additional IFRS 16 debt for new shops-related leases (€ 6,0m).

Back-Up

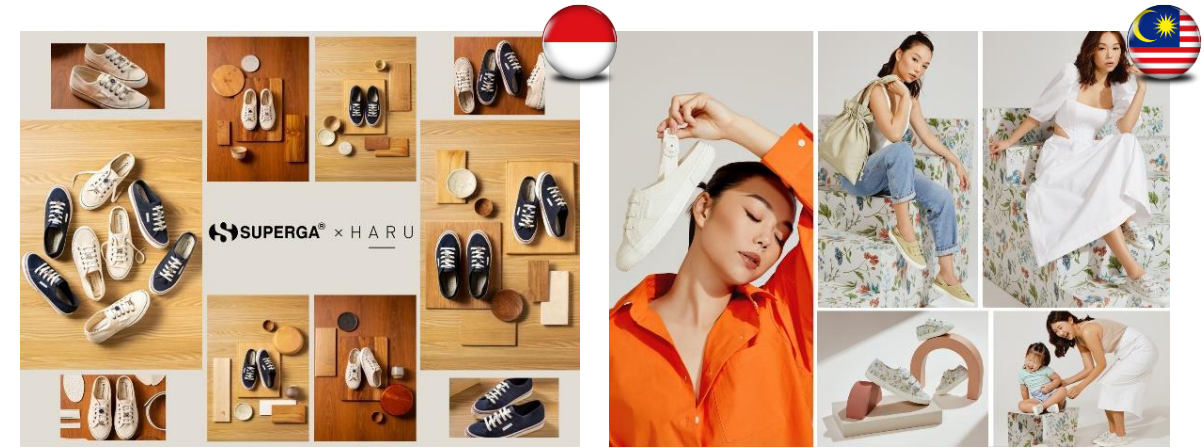
4Q 2021 Communication activities

BasicNet

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SUPERGA®



Kappa®

ROBE DI KAPPA®

JESUS
JEANS®

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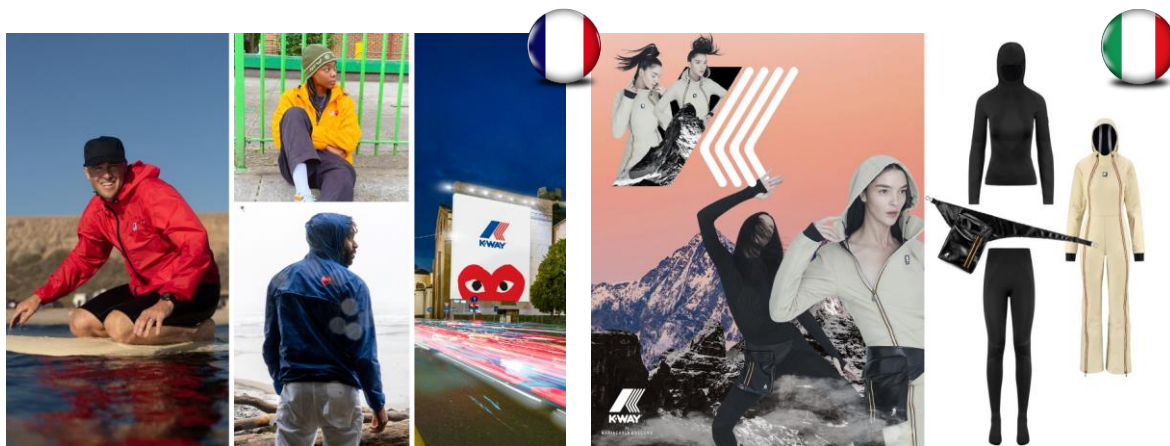
SEBAGO®

BRIKO®

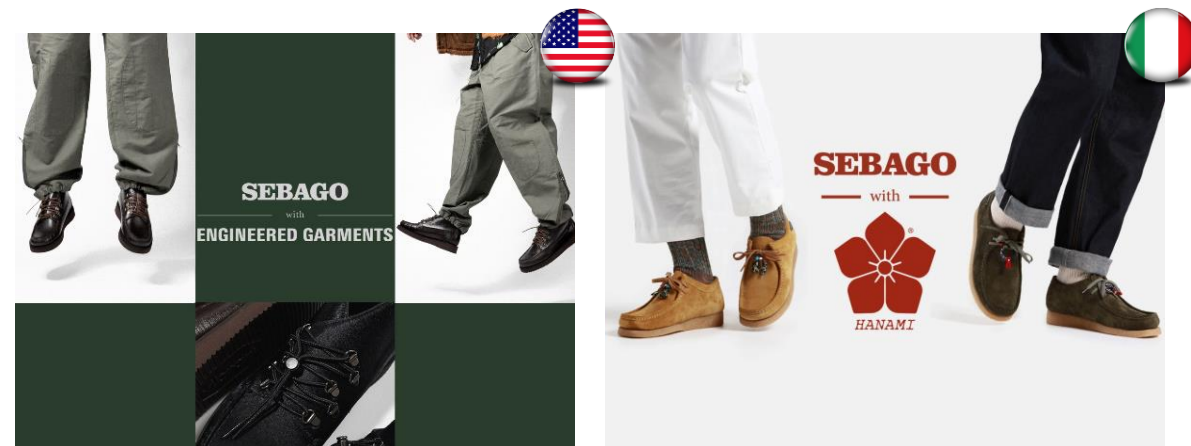
4Q 2021 Communication activities

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K-WAY®



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Aggregated Sales of Licensees (ASL)	sales by commercial licensees
Aggregated Sales of Sourcing Centers (ASSC)	sales by productive licensees
Consolidated revenues	the sum of royalties income from ASL, sourcing commissions from ASSC and direct sales of goods

BasicNet[®]

Kappa

ROBE DI KAPPA

jesus
jeans

SUPERGA

KWAY

Sabell

SEBAGO

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