

**BasicNet S.p.A.**

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**PRESS RELEASE**

**BASICNET - H1 2024:** consolidated revenues of Euro 173.9 million. European market sales grow 6.5%.

**Turin, July 31, 2024.** The Board of Directors of BasicNet S.p.A. has approved the H1 2024 consolidated results:

- **consolidated revenues** of Euro 173.9 million (Euro 180.0 million in H1 2023, -3.4%), which include:
  - direct sales of Euro 143.4 million (Euro 146.6 million in 2023, -2.2%).
  - royalties from commercial and productive licensees of Euro 29.7 million (Euro 32.7 million in H1 2023, -9.2%);
- **aggregate sales** of Group brands products by the Global Network of Euro 543.7 million, as follows:
  - commercial licensees and direct sales: Euro 390.3 million (Euro 396.2 million in H1 2023, -1.5%);
  - productive licensees sales: Euro 153.4 million (Euro 162.1 million in H1 2023, -5.4%).

Commercial licensees and direct sales grow in Europe (+6.5%), which accounts for approx. 76.3% of aggregate sales, while reducing in the other regions (Asia and Oceania -23.3%, Middle East and Africa -4.5%), due to a general contraction in consumption. The Americas saw a decline of 34.4%, due to the difficulties of the US licensee and the challenging economic environment in Argentina;

- **EBITDA:** Euro 17.6 million (Euro 22.6 million in H1 2023, -22.2%);
- **EBIT:** Euro 8.7 million (Euro 14.5 million in H1 2023), after amortisation and depreciation of Euro 4.5 million and depreciation of right-of-use for Euro 4.4 million, increasing due to the new openings (11 direct sales points), as part of retail segment development;
- **net profit:** Euro 2.8 million (Euro 7.4 million in H1 2023);
- **net financial position with banks** is of Euro -93.1 million (debt of Euro -92.6 million at December 31, 2023), improving compared to Euro -97 million at June 30, 2023; **net financial position:** Euro -144.8 million (Euro -139.1 million at December 31, 2023).

**Outlook**

The uncertain and unstable geopolitical and macroeconomic global environment has engendered a general slowdown in consumption, which is reflected in the Group's sales. On the basis of the mono-brand store sales forecasts, the order portfolio and the forecasted stream of royalties and sourcing commissions, the second half of the year is expected to perform in line with the previous year. The Group continues to aim at medium-long/term growth, with the goal of enhancing the brands through solid and well-established distribution, the development of the stores network and constant investments in communication and human resources to support the brands.

The Chief Executive Officer Federico Trono will present the H1 2024 results during a video conference to be held today in English at 6PM.

To participate:

**Participate via computer or mobile app or remote device**

**[Click here to attend the meeting](#)**

Meeting ID: 396 842 046 653 Passcode: 4uwbKt

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Telephone ID conference: 579 635 168#

The presentation may be downloaded from the website [www.BasicNet.com](http://www.BasicNet.com), from the section: "Financial data/other information and presentations" shortly before the video conference, at the following link:

<https://www.basicnet.com/contenuti/datifinanziari/informazioniannuali.asp?menuSelectedID=3g>

In relation to the "alternative performance measures", as defined by the ESMA/2015/1415 guidelines, we provide below a definition of the measures used in this press release:

Commercial licensees or licensees	independent business owners, granted licenses to distribute Group brands products in their respective regions.
Productive licensees or sourcing centers	third-party firms to the Group. Their function is to manufacture and market products and are located in various countries worldwide, depending on what type of goods they produce.
Commercial licensees and direct aggregate sales	sales by commercial licensees, recognised by the BasicNet Group to the royalties account and the sales by the Group companies.
Productive licensees aggregate sales	sales by productive licensees, recognised by the BasicNet Group to the "royalties and sourcing commissions" account of the income statement.
Brands aggregate sales	is the sum of "Commercial and direct aggregate sales" and "Aggregate sales of productive licensees"
Consolidated revenues	the sum of royalties, sourcing commissions and sales of the BasicNet Group companies and real estate revenues from third parties.
EBITDA	"operating result" before "amortisation and depreciation".
EBIT	"operating result".
Contribution margin on direct sales	"gross margin".
Debt/equity ratio	this is an indicator of the financial structure of the balance sheet and is calculated as the ratio of financial debt to shareholders' equity.
Net financial position	total of current and medium/long-term financial payables, less cash and cash equivalents and other current financial assets.
Net financial position with banks	the Net financial position, net of payables for rights-of-use and payables for the acquisition of company shares.
Earnings/(loss) per share	calculated as required by IFRS on the basis of the weighted average number of shares in circulation in the year.

The Executive Officer for Financial Reporting, Ms. Paola Bruschi, declares in accordance with Article 154-bis, paragraph 2, of the Consolidated Finance Act that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

The financial statements are attached.  
Attachments

## FINANCIAL STATEMENTS

### BasicNet Group Key Financial Highlights

<i>(Euro thousands)</i>	H1 2024	H1 2023	Changes	%
Brands Aggregate Sales *	543,664	558,266	(14,602)	(2.6%)
Royalties and sourcing commissions	29,684	32,694	(3,010)	(9.2%)
Consolidated direct sales	143,373	146,597	(3,224)	(2.2%)
EBITDA	17,611	22,634	(5,023)	(22.2%)
EBIT	8,667	14,538	(5,871)	(40.4%)
Group Net Profit	2,820	7,429	(4,609)	(62.0%)
Earnings/(loss) per share	0.0572	0.1489	(0.092)	(61.5%)

\* **Data not audited**

## BasicNet Group Condensed Balance Sheet

<i>(Euro thousands)</i>	June 30, 2024	December 31, 2023	June 30, 2023
Property	38,341	39,240	40,133
Brands	59,169	59,138	59,134
Non-current assets	82,487	78,830	75,977
Rights-of-use	42,808	35,900	30,773
Current assets	242,016	247,644	240,865
<b>Total assets</b>	<b>464,821</b>	<b>460,752</b>	<b>446,882</b>
Group shareholders' equity	159,806	164,787	146,990
Non-current liabilities	103,211	102,259	99,844
Current liabilities	201,804	193,706	200,048
<b>Total liabilities and shareholders' equity</b>	<b>464,821</b>	<b>460,752</b>	<b>446,882</b>

## BasicNet Group Summary Net Financial Position

<i>(Euro thousands)</i>	June 30, 2024	December 31, 2023	June 30, 2023	Changes vs December 31, 2023	Changes vs June 30, 2023
Net financial position – Short-term	(59,281)	(53,390)	(52,854)	(5,891)	(6,427)
Financial payables – Medium-term	(33,471)	(39,136)	(44,021)	5,665	10,550
Finance leases	(369)	(77)	(153)	(292)	(216)
<b>Net financial position with banks</b>	<b>(93,121)</b>	<b>(92,603)</b>	<b>(97,028)</b>	<b>(518)</b>	<b>3,907</b>
Payables for earn-out	(8,081)	(9,738)	(9,738)	1,657	1,657
Payables for rights-of-use	(43,633)	(36,778)	(31,570)	(6,855)	(12,063)
<b>Net Financial Position</b>	<b>(144,835)</b>	<b>(139,119)</b>	<b>(138,336)</b>	<b>(5,716)</b>	<b>(6,499)</b>
Debt/Equity ratio	0.91	0.84	0.94	0.07	(0.03)

**BASICNET GROUP**  
Financial Statements

**CONSOLIDATED INCOME STATEMENT**

<i>(Euro thousands)</i>	<b>H1 2024</b>		<b>H1 2023</b>		<b>Changes</b>	
Consolidated direct sales	143,373	100.00	146,597	100.00	(3,224)	(2.20)
Cost of sales	(83,463)	(58.21)	(84,163)	(57.41)	700	0.83
<b>GROSS MARGIN</b>	<b>59,910</b>	<b>41.79</b>	<b>62,434</b>	<b>42.59</b>	<b>(2,524)</b>	<b>(4.04)</b>
Royalties and sourcing commissions	29,684	20.70	32,694	22.30	(3,010)	(9.21)
Other income	9,173	6.40	3,892	2.65	5,281	135.71
Sponsorship and media costs	(20,383)	(14.22)	(18,234)	(12.44)	(2,149)	(11.79)
Personnel costs	(24,382)	(17.01)	(22,346)	(15.24)	(2,036)	(9.11)
Selling, general and administrative costs, royalties expenses	(36,391)	(25.38)	(35,806)	(24.42)	(585)	(1.64)
Amortisation & depreciation	(8,944)	(6.24)	(8,096)	(5.52)	(848)	(10.48)
<b>EBIT</b>	<b>8,667</b>	<b>6.05</b>	<b>14,538</b>	<b>9.92</b>	<b>(5,871)</b>	<b>(40.39)</b>
Net financial income (charges)	(2,379)	(1.66)	(2,180)	(1.49)	(199)	9.13
Management of equity investments	(3)	(0.00)	(3)	(0.00)	-	-
<b>PROFIT BEFORE TAXES</b>	<b>6,285</b>	<b>4.38</b>	<b>12,355</b>	<b>8.43</b>	<b>(6,070)</b>	<b>(49.13)</b>
Income taxes	(3,465)	(2.42)	(4,926)	(3.36)	1,461	29.67
<b>NET PROFIT</b>	<b>2,820</b>	<b>1.97</b>	<b>7,429</b>	<b>5.07</b>	<b>(4,609)</b>	<b>(62.05)</b>
<b>Earnings per share:</b>						
Basic	0.0572		0.1489		(0.092)	(61.55)
Diluted	0.0572		0.1489		(0.092)	(61.55)

## CONSOLIDATED BALANCE SHEET

<i>(Euro thousands)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Intangible assets	70,732	69,290	68,608
Rights-of-use	42,808	35,900	30,773
Goodwill	43,687	43,206	42,110
Property, plant and equipment	56,974	55,371	55,920
Equity invest. & other financial assets	1,246	955	875
Interests in joint ventures	185	182	192
Deferred tax assets	7,173	8,203	7,539
<b>Total non-current assets</b>	<b>222,805</b>	<b>213,108</b>	<b>206,017</b>
Net inventories	123,707	112,239	137,233
Trade receivables	72,885	76,329	65,526
Other current assets	14,385	14,686	14,123
Prepayments	9,900	11,499	9,496
Cash and cash equivalents	19,349	31,962	12,910
Derivative financial instruments	1,790	930	1,577
<b>Total current assets</b>	<b>242,016</b>	<b>247,644</b>	<b>240,865</b>
<b>TOTAL ASSETS</b>	<b>464,821</b>	<b>460,752</b>	<b>446,882</b>

  

<i>(Euro thousands)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Share capital	31,717	31,717	31,717
Reserve for treasury shares in portfolio	(17,876)	(16,442)	(15,117)
Other reserves	143,145	125,137	122,961
Profit for the period	2,820	24,376	7,429
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>	<b>159,806</b>	<b>164,787</b>	<b>146,990</b>
Provisions for risks and charges	4,552	4,337	1,773
Loans	33,839	39,214	44,174
Payables for rights-of-use	43,633	36,778	31,570
Other financial payables	6,432	8,146	9,738
Employee and Director benefits	4,131	3,870	3,246
Deferred tax liabilities	8,397	7,690	7,401
Other non-current liabilities	2,227	2,225	1,942
<b>Total non-current liabilities</b>	<b>103,211</b>	<b>102,259</b>	<b>99,844</b>
Bank payables	78,630	85,351	65,765
Trade payables	96,762	76,959	101,203
Tax payables	6,181	7,788	13,678
Other current liabilities	13,447	13,284	11,818
Accrued expenses	6,510	10,055	4,562
Derivative financial instruments	274	270	3,022
<b>Total current liabilities</b>	<b>201,804</b>	<b>193,706</b>	<b>200,048</b>
<b>TOTAL LIABILITIES</b>	<b>305,015</b>	<b>295,965</b>	<b>299,892</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>464,821</b>	<b>460,752</b>	<b>446,882</b>

## CONSOLIDATED CASH FLOW STATEMENT

<i>(Euro thousands)</i>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
<b>A) OPENING SHORT-TERM NET BANK DEBT</b>	<b>(39,059)</b>	<b>(26,439)</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	2,820	7,429
Amortisation & depreciation	8,944	8,096
Management of equity investments	3	3
Changes in working capital:		
(Increase) decrease in trade receivables	3,444	15,361
(Increase) decrease in inventories	(11,467)	(12,250)
(Increase) decrease in other receivables	2,930	(1,101)
. Increase (decrease) in trade payables	19,804	1,129
. Increase (decrease) in other payables	(4,543)	4,110
Net changes in employee and director benefits	260	(32)
Others, net	617	(169)
	<b>22,812</b>	<b>22,576</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Investments in fixed assets:</b>		
- tangible assets	(8,572)	(5,096)
- Acquisition of K-Way France	(1,657)	(7,343)
<b>Realisable value for fixed asset disposals:</b>		
- intangible assets	561	(89)
- financial assets	(294)	-
	<b>(9,962)</b>	<b>(12,528)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
New medium/long term loans	308	-
Loan repayments	(8,169)	(7,835)
Repayment of loans for rights-of-use	(4,512)	(3,603)
Acquisition of treasury shares	(1,434)	(1,162)
Dividend payments	(7,421)	(8,435)
	<b>(21,228)</b>	<b>(21,035)</b>
<b>E) CASH FLOW IN THE PERIOD</b>	<b>(8,378)</b>	<b>(10,987)</b>
<b>F) CLOSING SHORT-TERM NET BANK DEBT</b>	<b>(47,437)</b>	<b>(37,426)</b>