



BasicNet[®]

FY2019 Conference call

March 4th 2020

Kappa



Jesus
jeans

SUPERGA

KWAY

Sabell

SEBAGO

BRIKO

TOTAL AGGREGATED SALES (from ASL and ASSC)*

Euro 1.025,3 million, +17,1% YoY

TOTAL CONSOLIDATED REVENUES

Euro 305,7 million, +45,3% YoY

*Like for like***: Euro 235,2 million, +11,8% YoY

CONSOLIDATED DIRECT SALES

Euro 250,1 million, +60,7% YoY

*Like for like***: Euro 172,8 million, +11,1% YoY

ROYALTIES (from ASL and ASSC)*

Euro 55,6 million, +1,3% YoY

*Like for like***: Euro 62,4 million, +13,8% YoY

* ASL: Aggregated Sales of Licensees; ASSC: Aggregated Sales of Sourcing Centers ; ** excluding first time consolidation of Kappa Europe as from January 2019;

FY 2019 Highlights

<i>in Euro million</i>	2019	2018	Variance
Total Consolidated revenues	305,7	210,4	+ 45,3%
EBITDA	42,5	33,0	+ 28,7%
EBIT	30,6	26,6	+15,0%
Net result	21,1	21,0	+ 0,2%
Net Financial Position	78,3	51,7	
Net Financial Position <small>ex IFRS 16*</small>	59,0	51,7	

* excluding first time adoption of IFRS 16

Settlement with A.S. Roma and Soccer S.a.s.

In January 2019, BasicItalia has partially settled the dispute with A.S. Roma and Soccer S.a.s.

Upon the agreement, BasicItalia has collected approximately Euro 3,1 million (Euro 1,6 million of unpaid supplies and Euro 1,5 million of settlement fees).

Acquisition of Kappa Europe

In January 2019, BasicItalia has acquired 61% of Sport Finance S.A.S. (renamed as Kappa Europe S.A.S.), the Kappa and Robe di Kappa licensee for France, Switzerland, UK, Spain and Portugal.

The 61% acquisition, which contributed direct sales of Euro 77,6 million in FY2019, has been completed for Euro 5,2 million of which Euro 2,4 cash and Euro 2,8 through the conversion of receivables. The fair value of put and call options on the remaining 39% stake is Euro 2,8 million.

Acquisition of Aprica Costruzioni

On January 30, 2020, BasicVillage has acquired 100% of Aprica Costruzioni S.r.l., that owns an industrial building of approximately 4.000 square meters in Milan. The transaction was completed for an overall value of Euro 10,5 million.

Litigation with Italian Tax Authority

In January 2020, BasicNet Group has been notified of the favourable first degree decision on the fiscal litigation against the Italian Tax Authority regarding an alleged tax inversion of Basic Properties America.

INCOME STATEMENT

in € .000	FY 2019	FY 2018
Consolidated direct sales	250.148	155.615
Cost of sales	(142.954)	(91.542)
GROSS MARGIN	107.195	64.073
Royalties and Sourcing Commissions	55.551	54.832
Other income	6.616	3.053
Sponsorship and media costs	(42.186)	(25.650)
Labour cost	(32.161)	(23.074)
SG&A	(52.493)	(40.205)
EBITDA	42.521	33.030
Depreciation and Amortisation	(11.964)	(6.448)
EBIT	30.557	26.581
Net financial income (charges)	(1.185)	(1.181)
EBIT	29.372	25.401
Income taxes	(8.319)	(4.387)
NET RESULT	21.053	21.014

CASH FLOW STATEMENT

in € .000	FY 2019	FY 2018
Net Financial Position, opening	(51.681)	(61.480)
First adoption of IFRS 16	(18.046)	-
Net result	21.053	21.014
Depreciation and Amortisation	11.964	6.448
Changes in Operating Working Capital	(701)	(6.128)
Other	496	577
Operating Cash Flow	32.812	21.911
Capital expenditures	(8.645)	(5.801)
Changes in Consolidation Area	(17.371)	-
Disposal of fixed assets	41	294
Capital expenditures, net	(25.975)	(5.507)
New Debts for Right of Use, net	(4.519)	-
Acquisition of treasury shares	(4.398)	(3.332)
Dividends	(6.468)	(3.273)
Financing activities, net	(15.385)	(6.605)
Change in Net Financial Position	(8.548)	9.799
Net Financial Position, closing	(78.275)	(51.681)

Consolidated Net Financial Position

	2019	2019 ex IFRS 16*	2018
Net Financial Position:	Euro 78,3 million	Euro 59,0 million	Euro 51,7 million
Equity:	Euro 121,7 million	Euro 122,6 million	Euro 113,0 million
EBITDA:	Euro 42,5 million	Euro 37,0 million	Euro 33,0 million
NFP/Equity:	0,64	0,48	0,46
NFP/EBITDA:	1,84	1,59	1,57

* excluding first time adoption of IFRS 16

Dividend distribution proposal

	2019	2018	Variance
Dividend per Share:	Euro 0,12	Euro 0,12	Euro 0
Total dividends:	Euro 6,4 million	Euro 6,5 million	Euro -0,1 million
Net result:	Euro 21,1 million	Euro 21,0 million	Euro +0,1 million
Share value (Dec 31):	5,20 Euro	4,43 Euro	+0,77 Euro
Pay-out ratio:	30,3%	30,8%	-0,5%
Dividend yield (Dec 31):	2,3%	2,7%	-0,4%

The dividend will be paid from April 29th 2020, with coupon at April 27th 2020 and record date of April 28th 2020



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