



**Further growth and consolidation of leadership in the domestic market in a context that is still difficult. Expansion continues in foreign markets.**

The Board of Directors met today in Milan and approved the results for financial year 2017  
(1 February 2017 – 31 January 2018)

**€1,415m +3.9%**

*Net Sales excluding sell-in to  
Sempione Fashion AG*

**€196.5m +5.3%**

*Adjusted EBITDA*

**7.8%**

*Market share in Italy*

In 2017 OVS continued the consolidation of the domestic market thanks to the growth of both brands, allowing to strengthening the leadership in Italy and generating further increase in market share, which rose from 7.37% to 7.84% in one year. Moreover, the presence of the brands in international markets was further developed. The growth achieved through the organic expansion of the network led the Group to reach a total of 307 stores abroad, with a turnover of Euro 58.8 million (+34% compared to the previous year). On top of this, the conversion of the Swiss and Slovenian network of Sempione Fashion AG (formerly Charles Vögele) took place.

- ✓ **Net sales for the year** were **€1,525.7 million**, up 12% compared with the previous year, or up 4% excluding the sell-in to Sempione Fashion AG (formerly Charles Vögele).
- ✓ **Adjusted EBITDA** was **€196.5 million**, up €9.8 million (+5.3% vs. 2016). See page 2 for further details.
- ✓ The **net result adjusted** was **€106.5 million**, up €14.7m (+16.0%). See page 2 for further details.
- ✓ **Market share in Italy has now reached 7.84%**, gaining 47 bps compared with the beginning of the period: this was again better than any other group and strengthened our leadership role. European market share is also expanding.
- ✓ The **adjusted net financial position** was **€317.9 million** (excluding the non-cash item of -€59.9 million relating to the mark-to-market impact).
- ✓ In light of the foreseeable plans for the physical and digital expansion, as well as the network restructuring planned for the current year from which a significant positive contribution is expected, it is proposed to not distribute any dividend for the financial year ending 31 January 2018.



## Key consolidated economic and financial results

€ mln	31.01.2018	31.01.2018 Adjusted	31.01.2017	31.01.2017 Adjusted	Chg. (Adjusted)	Chg. % (Adjusted)
<b>Net Sales</b>	1,525.7	<b>1,525.7</b>	1,362.6	<b>1,362.6</b>	<b>163.1</b>	<b>12.0%</b>
Net Sales*	1,415.1	1,415.1	1,362.6	1,362.6	52.5	3.9%
<b>Gross Margin</b>	824.3	<b>828.8</b>	774.7	<b>785.8</b>	<b>43.1</b>	<b>5.5%</b>
GM%	58.2%	58.6%	56.9%	57.7%		+90ppt
<b>EBITDA</b>	174.8	<b>196.5</b>	169.3	<b>186.7</b>	<b>9.8</b>	<b>5.3%</b>
EBITDA%	12.3%	13.9%	12.4%	13.7%		+19ppt
<b>EBIT</b>	112.0	<b>142.4</b>	110.3	<b>136.2</b>	<b>6.1</b>	<b>4.5%</b>
EBIT%	7.9%	10.1%	8.1%	10.0%		+6ppt
<b>PBT</b>	9.5	<b>133.6</b>	105.8	<b>121.6</b>	<b>12.0</b>	<b>9.9%</b>
<b>Net Income</b>	5.1	<b>106.5</b>	78.0	<b>91.8</b>	<b>14.7</b>	<b>16.0%</b>
<b>Net Financial Position</b>	377.8	<b>317.9</b>	265.8	<b>283.2</b>	<b>34.7</b>	<b>12.3%</b>
<b>Market Share</b>	<b>7.84%</b>		<b>7.37%</b>		<b>+47ppt</b>	

The table above illustrates the adjusted results, used to represent the Group's operating performance, net of non-recurring events; the adjusted results therefore allow an analysis of the Group's performance based on more homogeneous data for the two periods that are being represented. The differences are the following:

1. the EBITDA was adjusted mainly for: a) €13.5 million for the accrual to the provision for doubtful accounts related to a portion of the receivable from Sempione Fashion AG, b) €4.6 million for the reclassification of financial incomes, which reflects the impact of the hedging for the merchandising sold during the year, and c) €3 million for the non-cash impact relating to stock option costs;
2. profit before tax and the net result were adjusted, other than the elements above, for the following items: a) €77.3 million for the non-cash impact of the mark-to-market deriving from the EUR/USD hedge for purchases of merchandise in 2018 and 2019, b) €12.8 million of one-off costs relating to the write-down of the Sempione Retail AG financial receivable and c) €8.3 million of one-off costs related to the write-down of the equity investment in Sempione Retail AG;
3. the adjusted net financial position is presented excluding the liability relating to mark-to-market accounting (€59.9 million). The weakening of the Dollar will result in a switch of its negative effect (from negative to positive) in 2018 and 2019 with a foreseeable material positive impact on the Group's profitability;
4. the write down of the commercial receivable (see above 1.a), the financial receivable (see above 2.b) and the investment (see above 2.c), reflected the difficult turnaround of Sempione Fashion AG resulting from negative trading performance in the last period.

Refer to the Appendix for further details.

In order to give a picture of the organic business and make it comparable to the previous year, the net sales figure used to calculate the financial KPIs (\*) was adjusted to exclude sales under the service contract with Swiss customer Sempione Fashion AG (formerly Charles Vögele).



## **Statement from the Chief Executive Officer Stefano Beraldo**

2017 was a year of acceleration in economic growth and a first sign of return to inflation in Europe. GDP growth in the Eurozone, came in at +2.3%. In 2017, the Italian economy saw a strengthening of the recovery of the previous year, with a GDP growth of 1.5% (+0.9% in 2016), but was nevertheless affected by political and economic uncertainties, particularly towards the end of the year and the start of the new year, mainly due to the imminent general election. The recovery at the macroeconomic level has resulted, in part, in an upturn in consumption, which however did not effect the clothing sector that fell by -1.5%.

Our industry is undergoing a period of profound, structural and rapid transformation. Many of our competitors, which are present in Italy and abroad, have long been reporting discouraging results and this is something that stimulates us to continue the constant process of improvement of our business model. Some changes may be considered epochal, such as the new paradigms of the “value” segment (or perhaps better to say “super-value” segment) that characterise businesses driven by volumes, with new and lower price positioning, or like the digital and multi-channel revolution, bringing challenges for the physical sales network. Other, long-term changes will be more gradual, but no less significant, such as the increasing focus on business sustainability and the circular economy. There is more than one response to these and other changes: companies in the sector must be agile, reactive, and able to clearly convey to their customers the reason why they should be chosen in preference to their rivals. Competitive prices are necessary, but they can no longer be considered sufficient. Stores have to be more attractive. The digitisation process is essential, not only to support multi-channel relationships with the end-customer, but also to accelerate and implement internal processes, from planning to distribution. The supply chain must be ever more flexible and responsive, getting closer and closer to a complete “pull” model, able to satisfy all customer needs and sometimes anticipate them.

Consumption in Italy that is still weak, combined with an industry undergoing profound change, as well as unfavorable weather conditions and the significant level of inventory of all the competitors which caused strong promotions, resulted in a contraction of 1.3% in the Italian clothing market and high volatility in 2017, with sharp decreases in October and January (-8.6% and -5% respectively). The contraction of the clothing market in Switzerland, the core market of OVS’s main franchisee, Sempione Fashion AG (formerly Charles Vögele), was even more pronounced, dropping by as much as -5.2%. Both markets were subject to significant pressure on margins, the consequence of a further increase in competition among the various players, and a decrease in store traffic, partly due to the growth of the online channel.

Despite the difficult context, the Group's results have been solid. The OVS Group’s like-for-like sales were flat throughout 2017, before contracting in January due to a steep decline in the market, which took total like-for-like sales for the full year into slightly negative territory (-1.1%).

The consolidation of the domestic market continued in line with the Group strategy. OVS’ Italian market share topped 7.8%, again growing more than that of all our other competitors in absolute terms, and demonstrating that the company, with the OVS and Upim brands, is well positioned to respond to the challenges described than any other.



In 2017, the network grew by 151 stores between Italy and abroad, reaching a total network of 1,624 stores, 744 of which are directly operated. To this figure can be added the 140 Swiss and 11 Slovenian stores in franchising, converted into OVS stores thanks to the commercial agreement signed with Sempione Fashion AG. 2017 was an exceptional year for the OVS Group in terms of international growth: excluding the commercial agreement with Sempione Fashion AG, the sales area of the OVS brand grew by 43% with expansion in eight new markets, 62 new stores (including 14 full-format stores), mainly in franchising, and the consolidation of the Spanish market, which had 50 stores from a total of 238 in 33 foreign countries at the end of the year. To date, openings in Italy and in countries that are the result of organic growth, from Spain to Saudi Arabia, from Iran to the Balkans, perform in line or above expectations. The Swiss market, on the other hand, is proving to be more difficult than expected, requiring more time because of the current difficult market moment, as well as the need for a radical change in the customer base, which is now certainly rejuvenated. The flow of new customers in the first season after the conversion of the stores did not entirely offset the loss of the traditional clientele. Numerous research has shown that the OVS brand has been well received, but the need to intervene on some of its components has emerged to make them more coherent with the specificities of the market.

Total sales exceeded €1.5 billion, up 12% (or 3.9% excluding the sell-in to Sempione Fashion AG) compared to the same period of the previous year. E-commerce sales continued in line with forecasts in 2017, doubling by comparison with 2016, thanks to both the OVS website and the marketplaces in European countries. The attention to the multi-channel approach and the consequent better customer service provided, contributed among other things, to an increase in the in-store conversion rate of +4.7%. The investments made by the Group in 2017, with the introduction of a new Digital Transformation Director and a new CRM manager, demonstrate the clear path taken by the company in this regard.

Thanks to the synergies deriving from the greater volumes purchased as a result of the growth of the business, as well as the continuous diversification in the procurement of merchandise, Gross Margin is improving. Furthermore, given the recent trend of the EUR/USD exchange rate and in light of the hedging policy in place, OVS will benefit from a favourable exchange rate both in 2018 and 2019.

The operating margins are therefore significantly higher than in the previous period. On the other hand, it has to be emphasised that the Group's international growth in 2017 entailed certain costs as well as long-term benefits. However, most of the costs are one-offs, while synergies in sourcing are ongoing positive components for the benefit of the present and the years to come.

The net income is affected by one-offs and extraordinary costs, while the net income adjusted, generated by the recurring business and cleared of the aforementioned elements, is equal to €106.5m, increasing by €14.7m (+16.0%) compared to the previous year.

# OVS

## NET SALES

Total sales increased by €163.1 million (+12%), thanks to the development of the network (+3.9%) and sales to Sempione Fashion AG (+8.1%). Like-for-like growth was flat throughout 2017, with the exception of January, the month in which the entire sector suffered a sharp contraction with a double-digit decline for both brands as for the market. The single month of January has thus led to a decrease in sales on a like-for-like whole basis of 1.1% over the entire year.

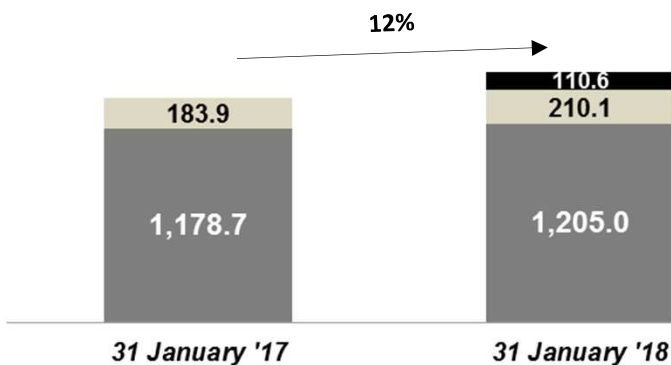
The network branded OVS registered an increase in sales of 3.1% (+€35.4 million), driven by the steady expansion of the network in Italy and abroad and the growth of the e-commerce channel. The results have to be considered positive, in an Italian market which contracted in 2017.

UPIM brand registered strong sales growth of 8.0% (+€17.0 million), benefiting from the positive development of the full-format Upim network and kids franchising (Blukids).

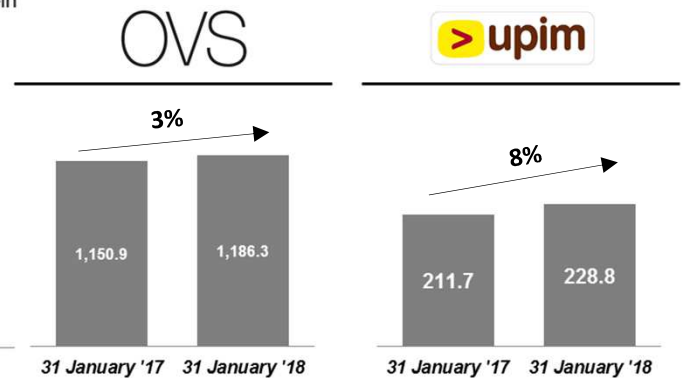
**3.9%**  
The trend of growth has continued

### NET SALES: aggregate performance

■ DOS & OVS websites ■ Franchise & Marketplaces ■ Charles Vögele Sell-in



### NET SALES: performance by brand<sup>1</sup>



1. Excluding sell-in to Sempione Fashion AG.

## EBITDA

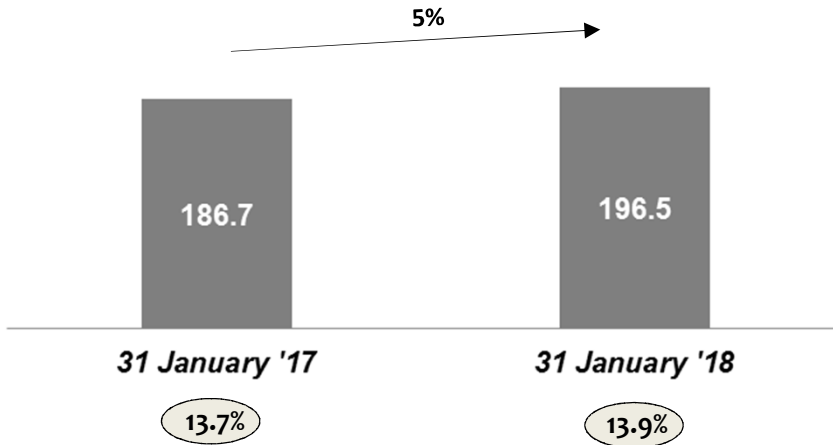
EBITDA adjusted to better reflect the company's operating performance was €196.5 million, up €9.8 million, or 5.3%, compared with €186.7 million in 2016. EBITDA margin (excluding the sell-in to Sempione Fashion AG) improved by about 20 bps (from 13.7% to 13.9%). This was made possible by an increase in the gross margin from 57.7% to 58.6%, as well as another benefit in terms of operating leverage due to new openings and profitable network restructurings.

Both brands achieved growth in their results, despite a difficult end to the year: OVS contributed with €169.9 million, up +€5.7 million (+3.4%) compared with 2016, while Upim grew by +€4.2 million (+18.7%) year-on-year.

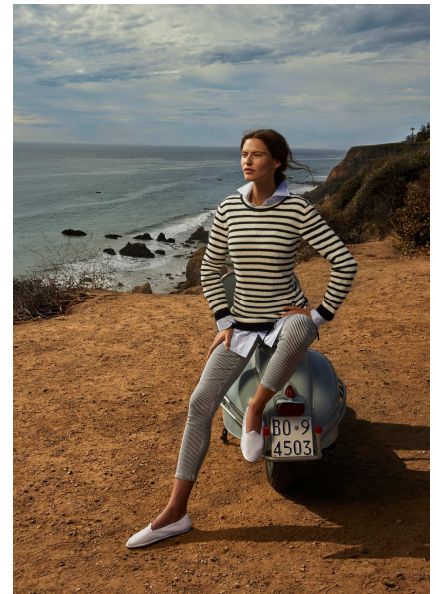
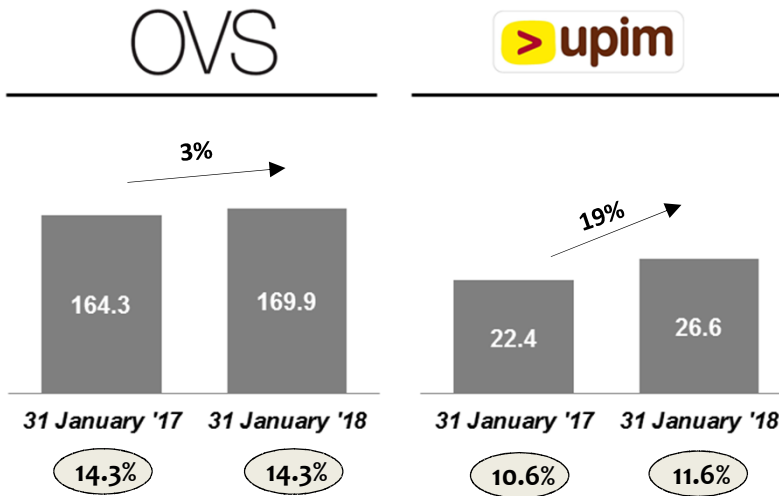


# OVS

## EBITDA: aggregate performance<sup>1</sup>



## EBITDA: performance by brand<sup>1</sup>



1. EBITDA margin is calculated excluding the sell-in to Sempione Fashion AG

 Margin %

**The adjusted net result<sup>1</sup> was €106.5 million, up +€14.7 million compared with 2016, with a lower tax rate due to the lower IRES rate and other benefits (R&D, iper-amortization, etc). Main adjustments compared to the net result arise from costs related to the accounting of the mark-to-market, and from the write-downs of trade and financial receivables from the investee Sempione Retail AG, as well as to the investment as a minority (see Appendix for more details). At this regard, it needs to be underlined that Sempione Retail is continuing the turnaround process, which will require more time than expected, also because impacted by a Swiss market that declined significantly in 2017.**

### Notes:

1. Please see note 2 on page 2.

## SUMMARY STATEMENT OF CASH FLOW

€mln	31 January '18	31 January '17
<b>EBITDA Adjusted</b>	<b>196.5</b>	<b>186.7</b>
Adjustments <sup>1</sup>	(21.7)	(17.4)
Change in Net Operating Working Capital	(49.3)	(56.3)
Other changes in Working Capital	9.9	7.3
Capex	(68.0)	(62.5)
<b>Operating Cash Flow</b>	<b>67.3</b>	<b>57.8</b>
Financial charges	(14.2)	(15.3)
Corporate taxes	(46.9)	(36.6)
Dividends	(34.1)	(34.1)
Svalutazione Credito Fin Sempione Retail AG	(5.5)	0.0
Others	(1.4)	(1.7)
<b>Net Cash Flow excl derivatives MtM and amortised costs</b>	<b>(34.7)</b>	<b>(29.9)</b>

**Operating cash flow** improved by +€9.5 million in 2017, compared with the previous year, despite (i) the increase in investments of €5.5 million, and (ii) the impact on trade working capital of the phase of international expansion through the franchising network, particularly that relating to Sempione Fashion AG. The increase in net working capital remained under control, in line with the activities implemented and the process of the Group's international expansion. Excluding the absorption deriving from Sempione Fashion, the working capital would have increased by about €10m. Net cash flow, once the write-down of the financial receivable is excluded (non-cash impact in 2017), was largely in line with the previous year, despite larger outflows for tax, which will benefit the payment of the balance next year.



### Notes:

1. Please see note 1 on page 2.

# OVS

## NET FINANCIAL POSITION

€ mln	31 January 2018	31 January 2017
Net Debt (*)	317.9	283.2
EBITDA LTM Adjusted	196.5	186.7
Leverage su EBITDA (*)	1.6x	1.5x



The Flagship Store in the new City Life di Milano

(\*) Net debt does not include the impact arising from the valuation at fair value of the mark-to-market, equal in 2017 to -€59.9m.

At 31 January 2018, the Group's **adjusted net financial position** was €317.9 million net of the mark-to-market effect (-€59.9 million). OVS purchases most merchandise in USD, and therefore uses forward operating hedging instruments to guarantee costs for the purchase of goods not influenced by exchange rate fluctuations. The accounting standards require the mark-to-market valuation of the instruments used and the accounting impact is due to the strengthening of the Euro against the Dollar recorded in the second half of the period. The cost entry is a non-cash item deriving from the difference between the exchange rate hedging of the goods expected to be purchased mainly in 2018 in USD and the actual exchange rate EUR/USD at the closing date of 31 January 2018. The ratio of net financial position to EBITDA at year-end, excluding the mark-to-market effect, was 1.6x, largely in line with January 2017. The current spot interest rate is 2.50% + Euribor 3M (currently around 0%).

## BALANCE SHEET SUMMARY

€mln	31 January '18	31 January '17
Trade Receivables	113.0	75.3
Inventory	387.9	340.6
Trade Payables	(403.4)	(367.7)
<b>Net Operating Working Capital</b>	<b>97.5</b>	<b>48.2</b>
Other assets/(liabilities)	(51.2)	(79.0)
<b>Net Working Capital</b>	<b>46.3</b>	<b>(30.9)</b>
Tangible and Intangible Assets	1,365.8	1,368.9
Net deferred taxes	(134.3)	(140.9)
Other long term assets/(liabilities)	(14.7)	(11.8)
Pension funds and other provisions	(43.7)	(47.7)
<b>Net Capital Employed</b>	<b>1,219.5</b>	<b>1,137.6</b>
Net Equity	841.7	871.7
Net Financial Debt	377.8	265.8
<b>Total source of financing</b>	<b>1,219.5</b>	<b>1,137.6</b>

The Company's net invested capital increased by €81.9 million to €1,219.5 million (up +7.2%), mainly due to the increase in net working capital.





#### **PROPOSED ALLOCATION OF NET RESULT FOR THE YEAR**

The Board of Directors has resolved not to propose the payment of dividends to the shareholders' meeting.

#### **NON-FINANCIAL DECLARATION PURSUANT TO LEGISLATIVE DECREE 254 OF 30 DECEMBER 2016**

The Board has reviewed the non-financial declaration pursuant to Legislative Decree 254 of 30 December 2016, included in the financial statements at 31 January 2018.

The declaration, which was drawn up pursuant to GRI (Global Reporting Initiative) standards, describes the main social, environmental and economic activities carried out in 2017, and publicly discloses the medium/long-term objectives of the Sustainability Plan, demonstrating the Company's aim of growing and developing while taking the interests of a range of stakeholders into consideration.

The declaration, which is included in the financial statements, will be made public according to the procedures and deadlines required by law.

#### **AUTHORISATION TO PURCHASE AND DISPOSE OF TREASURY SHARES**

The Board has resolved to propose to the ordinary shareholders' meeting that it grant authorisation to purchase and dispose of treasury shares of the Company, pursuant to and for the purposes of Article 2357 and 2357-ter of the Italian Civil Code, Article 132 of Legislative Decree 58 of 24 February 1998, and Article 144-bis of the Consob Regulation, adopted with Resolution 11971 of 14 May 1999, as subsequently amended and supplemented, subject to revocation of the previous authorisation granted by the ordinary shareholders' meeting on 31 May 2017, which has not been fully implemented.

The aim of the request for authorisation to purchase and dispose of treasury shares, which is the object of this proposal, is to allow the Company to purchase and dispose of ordinary shares, in strict compliance with current EU and national legislation and accepted practices, including but not limited to those recognised by Consob, for the following purposes: i) to support market liquidity and efficiency and the creation of a "securities warehouse", including the employment of the treasury shares purchased; ii) as consideration in extraordinary transactions, including the exchange or disposal of equity investments, to be realised through exchange, conferment or other deed of disposal and/or use, with other parties, including allocation to service bonds convertible into shares of the Company or bond loans with warrants; and iii) to service remuneration and incentive plans based on financial instruments and reserved for directors and employees of the Company and/or of the companies directly or indirectly controlled by it, through either stock option plans or stock grant plans, pursuant to Article 114-bis of the TUF, as well as bonus share programmes for shareholders.

The shareholders' meeting will also be asked to authorise the purchase, in one or more tranches, of ordinary shares with no par value, up to a maximum number that, taking into account the ordinary shares held from time to time by the Company and its subsidiaries, will not exceed, in total, 10% of the Company's share capital, pursuant to Article 2357, paragraph 3, of the Italian Civil Code. In accordance with Article 2357, paragraph 3, of the Italian Civil Code, purchases of treasury shares will, however, take place within the limits of the distributable earnings and available reserves recorded in the latest financial statements approved at the time of each transaction. Only fully paid-up shares may be purchased.

Authorisation to purchase treasury shares is requested for the maximum term permitted by law, established by Article 2357, paragraph 2, of the Italian Civil Code as a period of 18 months from any resolution to approve the proposal by the shareholders' meeting.

The amount paid or received for the purchase and sale of treasury shares will be recorded directly in shareholders' equity, pursuant to accounting standard IAS 32 and, in any event, will be recognised according to the procedures provided for by the law and regulations from time to time in force.

# OVS

---

The price of each share shall be no less than the official stock market price of the OVS shares registered on the day prior to the purchase date minus 15%, and no higher than the official stock market price registered on the day prior to the purchase date plus 15%, in compliance, in any case, with the terms and conditions established by Regulation (EU) 596 of 16 April 2016 (MAR), Delegated Regulation (EU) 1052 of 8 March 2016 (Delegated Regulation) and by accepted practices, where applicable; and specifically:

- shares may not be purchased at a price exceeding the higher of the price of the last independent transaction and the price of the current highest independent bid on the market;
- in terms of volumes, the daily number of purchases shall not exceed 25% of the average daily volume of OVS shares traded in the 20 trading days preceding the purchase dates.

Treasury shares will be purchased on regulated markets, in accordance with the operating procedures established by the regulations for the organisation and management of these markets, in compliance with the current legislation and, specifically, with reference to the principle of equal treatment of shareholders, as required by Article 132 of the TUF, Article 144-bis (with the exclusion of letter c, paragraph 1) and Article 144-bis.1 of the Issuers' Regulation and any other applicable regulations, and to EU and national legislation (including the MAR and Delegated Regulation) and accepted practices on market abuse.

Transactions involving the disposal of treasury shares will take place according to any procedures deemed appropriate in the interest of the Company, in compliance with the provisions of the law and regulations currently in force and for the purposes of this proposed resolution, including sales on regulated markets, block trades and sales by means of exchange or securities lending.

It should also be noted that, as of today, OVS does not hold any treasury shares.

For further information regarding the proposed authorisation of the purchase and disposal of treasury shares, please see the directors' explanatory report, which will be published within the deadlines and according to the procedures established by the laws and regulations in force.

\*\*\*\*

The Board of Directors of OVS SpA (hereinafter, the "Company") today approved the Report on Remuneration pursuant to Article 123-ter of Legislative Decree 58 of 24 February 1998 and Article 84-quater of Consob Regulation 11971/1999 (the "Issuers' Regulation") and the Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of Legislative Decree 58 of 24 February 1998.



## OTHER INFORMATION

### Company information

OVS SpA is a registered Italian company (VAT number 04240010274) with its registered office in Mestre, Venice (Italy). OVS S.p.A.'s shares have been listed on the Mercato Telematico Azionario in Milan since 2 March 2015.

### Notice of meeting for the ordinary shareholders' meeting, in single call, for 31 May 2018

In the coming days, the notice of meeting for the shareholders' meeting will be available on the website at [www.ovscorporate.it/it/investor-relations](http://www.ovscorporate.it/it/investor-relations) and in "iinfo", the centralised storage system for regulated information, where the explanatory reports by the directors to the shareholders' meeting on the proposals regarding the items on the agenda will also be made available, as well as any other documentation required by law.

### Non-recurring and adjusted items

The income statement information shown for financial year 2017 has been adjusted for: i) non-recurring expenses of €21.6 million, mainly related to the write-downs of the financial receivable from Sempione Retail AG (€12.8 million) and the equity investment in the same company (€8.3 million), and ii) other normalizing elements relating to the accounting treatment of stock options ("non-cash" expenses of €3.0 million), iii) the write-down of the trade receivable from Sempione Fashion AG (€13.5 million), iv) foreign exchange derivatives (costs of €77.3 million), and, lastly v) amortisation of intangible assets related to PPA (€8.6 million). In the same way, the comparative figures for 2016 do not include: i) non-recurring expenses of €2.8 million, mainly related to costs incurred for M&A activities; ii) other normalising elements relating to the accounting treatment of stock options ("non-cash" expenses of €2.5 million), and foreign exchange derivatives (costs of €0.9 million); and, lastly iii) amortisation of intangible assets related to PPA (€8.6 million). The net result for the 2017 financial year was €5.1 million.

### Attestation by the Director responsible for preparing the company's accounting statements

Nicola Perin, the Director responsible for preparing the Company's accounting statements, hereby attests, pursuant to Article 154-bis, paragraph 2, of the Italian Consolidated Finance Act, that the accounting information contained in this press release corresponds to the company documents, books and accounting records.

### Conference call to present the results

Tomorrow, 19 April 2018 at 15:00 local time (CET), a conference call will take place with analysts and investors during which the main results for the financial year ended 31 January 2018 will be presented. The conference call can be followed on these numbers: +39 02 805 88 11 (from Italy); +44 121 281 8003 (from the UK); +1 718 7058794 (from the US); or +39 02 8058827 (for journalists) using access code 836#. A presentation will be available and can be downloaded from the "Investor Relations/Results and Presentations" section of the Company website at [www.ovscorporate.it](http://www.ovscorporate.it) and from the "iinfo" storage mechanism at [www.iinfo.it](http://www.iinfo.it). A recording of the presentation will also be available on the same website, from the day after the conference call.

### Upcoming Events in the financial calendar

Interim first quarter Financial Report as at 30 April 2018  
Half year Financial Report as at 31 July 2018  
Interim third quarter Financial Report as at 31 Ottobre 2018

**20 June 2018**  
**19 September 2018**  
**11 December 2018**

### For more information:

#### Federico Steiner

Barabino & Partners SpA  
E-mail: [f.steiner@barabino.it](mailto:f.steiner@barabino.it)  
Cell. +39 335.42.42.78

#### Investor Relations

[investor.relations@ovs.it](mailto:investor.relations@ovs.it)  
Via Terraglio n. 17, 30174,  
Venezia – Mestre

### Disclaimer

i) The information presented in this document has not been audited.

ii) The document may contain forward-looking statements relating to future events and OVS' operating, economic and financial results. These forecasts, by their nature, involve risk and uncertainty, as they depend on future events and developments. The actual results may differ, sometimes substantially, from those announced, due to multiple factors.



## CONSOLIDATED INCOME STATEMENT \_ Appendix

€ mln	31.01.2018					31.01.2017						
	IFRS	o/w: non recurring	o/w: forex reclass.	o/w: non recurring; Stock Option; Derivatives; PPA; Adjustment items	Adjustments & Reclass.	Adjusted	IFRS	o/w: non recurring	o/w: forex reclass.	o/w: non recurring; Stock Option; Derivatives; PPA; Adjustment items	Adjustments & Reclass.	Adjusted
<b>Net Sales</b>	<b>1,525.7</b>					<b>1,525.7</b>						<b>1,362.6</b>
Purchases of consumables	701.4		4.6		4.6	696.8	587.9		11.1		11.1	576.8
<b>Gross Margin</b>	<b>824.3</b>		<b>4.6</b>		<b>4.6</b>	<b>828.8</b>	<b>774.7</b>		<b>11.1</b>		<b>11.1</b>	<b>785.8</b>
GM%	54.0%					54.3%	56.9%					57.7%
Personnel costs	293.0	0.6		3.0	3.5	289.5	277.8	0.2		2.5	2.7	275.2
Costs for services	191.8	0.0			0.0	191.7	176.3	0.9		0.0	0.9	175.4
Rent costs	125.3	0.1			0.1	125.2	126.0	0.0		0.0	0.0	126.0
Provisions	15.2	0.0		13.5	13.5	1.7	1.2	0.0			0.0	1.2
Other operating costs	24.2	0.0				24.2	24.1	2.7			2.7	21.4
Total operating costs	649.5	0.7		16.5	17.2	632.3	605.4	3.8		2.5	6.3	599.1
<b>EBITDA</b>	<b>174.8</b>	<b>0.7</b>	<b>4.6</b>	<b>16.5</b>	<b>21.7</b>	<b>196.5</b>	<b>169.3</b>	<b>3.8</b>	<b>11.1</b>	<b>2.5</b>	<b>17.4</b>	<b>186.7</b>
EBITDA%	11.5%					12.9%	12.4%					13.7%
Depreciation & Amortization	62.7			8.6	8.6	54.1	59.0			8.6	8.6	50.4
<b>EBIT</b>	<b>112.0</b>	<b>0.7</b>	<b>4.6</b>	<b>25.1</b>	<b>30.3</b>	<b>142.4</b>	<b>110.3</b>	<b>3.8</b>	<b>11.1</b>	<b>11.1</b>	<b>26.0</b>	<b>136.2</b>
EBIT %	7.3%					9.3%	8.1%					10.0%
Net financial (income)/charges	102.5	21.1	(4.6)	77.3	93.7	8.8	4.5		(11.1)	0.9	(10.2)	14.7
<b>PBT</b>	<b>9.5</b>	<b>21.8</b>	<b>0.0</b>	<b>102.3</b>	<b>124.1</b>	<b>133.6</b>	<b>105.8</b>	<b>3.8</b>	<b>0.0</b>	<b>12.0</b>	<b>15.8</b>	<b>121.6</b>
Taxes	4.5	(0.2)		(22.5)	(22.7)	27.1	27.8	(1.0)		(1.0)	(2.0)	29.8
<b>Net Income</b>	<b>5.1</b>	<b>21.6</b>		<b>79.8</b>	<b>101.4</b>	<b>106.5</b>	<b>78.0</b>	<b>2.8</b>	<b>0.0</b>	<b>11.0</b>	<b>13.8</b>	<b>91.8</b>

The following adjustments were carried out in 2017, with no impact on cash and not representative of the normal course of business operations. Specifically, there were €4.6 million of financial incomes reclassified within the Gross Margin in order to reflect the impact of the EUR/USD hedging related to the merchandising sold during the year; €0.6 million in one-off costs due to staff lay-offs; €3.0 million in costs relating to stock options with no impact on cash; €11.5 million refers to the adjustment arising from the accrual to the provision for doubtful accounts related to a portion of the receivable from Swiss partner Sempione Fashion AG; €8.6 million in non-cash costs relating to purchase price allocation; €77.3 million in non-cash costs relating to mark-to-market accounting, as explained above, and due to the difference between the hedging exchange rate for the expected purchase of merchandise in 2018 and partly in 2019 in USD, and the effective EUR/USD exchange rate at the balance sheet date of FY17; €8.3 million in one-off costs relating to the write-down of the equity investment in Sempione Retail AG; and €12.8 million in one-off costs relating to the write-down of the financial receivable from the same partner. Lastly, the tax effect of the above income statement adjustments was estimated at €22.7 million.

The effect relating to derivatives was also reflected in assets and liabilities and cash flows, and particularly on the net financial position for -€59.9 million.

It should also be noted that EBITDA is not identified as an accounting measure under IFRS, but is a measure commonly used by both management and investors to assess the company's operating performance. EBITDA corresponds to EBIT (Operating Income) plus amortization, depreciation and write-downs, and can be directly extrapolated from Consolidated Financial Statements according to IFRS, supplemented by the Explanatory Notes.