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Results in line with expectations. Excellent cash generation.
Extension of Credit Facilities to March 2023 has been approved.

- ✓ **Market share at 8%**, up slightly compared with the first half of 2018.
- ✓ **Net sales** for the first half were **€650.6 million** (down 2.4% compared with the previous year). Like-for-like sales were down 4%. Market still affected by unusual weather conditions.
- ✓ **Adjusted EBITDA** of **€62.5 million**, in line with expectations and reflecting the final phase of extraordinary promotional activities launched in 2018. **Reported EBITDA** was positive for **€137.3 million.**
- ✓ **Network increased by 23 stores,** including 13 DOS in Italy, mainly small formats.
- ✓ **Adjusted net profit** was **€16.8 million.** The **reported figure** was **€5.3 million.**
- ✓ **Adjusted net financial position** was **€413.6 million**, an improvement of €14 million on 31 July 2018.
- ✓ **The process related to the extension of Credit Facilities is finalized.**

CONSOLIDATED RESULTS

€ mln	31.07.2019 Reported	31.07.2019 Adjusted	31.07.2018 Reported	31.07.2018 Adjusted	*Chg. (Adjusted)*	*Chg. % (Adjusted)*
Net Sales	650.6	650.6	720.1	720.1	(69.5)	(9.7%)
Net Sales*	**650.6**	**650.6**	**666.4**	**666.4**	**(15.7)**	**(2.4%)**
Gross Margin	364.6	374.8	392.8	405.4	(30.5)	(7.5%)
GM%	56.0%	57.6%	58.9%	60.8%		(322ppt)
EBITDA	137.3	62.5	22.6	81.1	(18.6)	(22.9%)
EBITDA%	21.1%	9.6%	3.4%	12.2%		(256ppt)
EBIT	30.6	34.2	(8.6)	54.2	(20.0)	(36.9%)
EBIT%	4.7%	5.3%	-1.3%	8.1%		(288ppt)
PBT	10.8	25.2	13.4	46.3	(21.1)	(45.5%)
Net Income	5.3	16.8	5.1	32.8	(15.9)	(48.6%)
Net Financial Position	1,266.7	413.6	432.2	427.6	(14.0)	(3.3%)
Market Share	8.0%		8.0%			+3ppt

Note: in order to give a clearer picture of the Company's performance, the data in this document have been adjusted. In particular, the income statement and the Balance Sheet values reported at 31 July 2019 reflect the adoption of IFRS 16. See overleaf for more information.
The net sales used in the calculation of the financial KPIs (*) in 2018 do not include sales deriving from the cooperation agreement with the Sempione Fashion AG Group.

Statement from the Chief Executive Officer Stefano Beraldo

The Group's profitability for the first half of the year was in line with expectations, despite the fact that – as reported when the first-quarter 2019 results were published – the target market contracted significantly in April and May due to a delay in the start of the spring-summer season. The weather then stabilized in June, and Group sales outperformed their target market.

Actions to restore appropriate stock level conditions are paying off. The cautious purchasing policy that characterized the first half of 2019 led to a significant cash generation. Net cash flow improved by €72 million in the first six months compared with the same period a year earlier: in particular, in the second quarter, cash flows were positive by €31.8 million, a performance never achieved in the second quarter since the Group's listing.

First half EBITDA reflected the final phase of the "exceptional" promotional activities that characterized the OVS brand in the last 12 months. Starting from July, the recovery in margins expected for the second half already started.

The strategy of lowering the break-even, due mainly to lower store rental costs, and focusing on cash generation are now full in force.

There are numerous activities already put in place in order to allow the company to be even more reactive and fast: sourcing with new, local suppliers for goods most influenced by the fashion factor and weather conditions; new agreements with suppliers in order to better manage in-season purchases; better management post-distribution in stores; and new stock management between the various business units; and,.

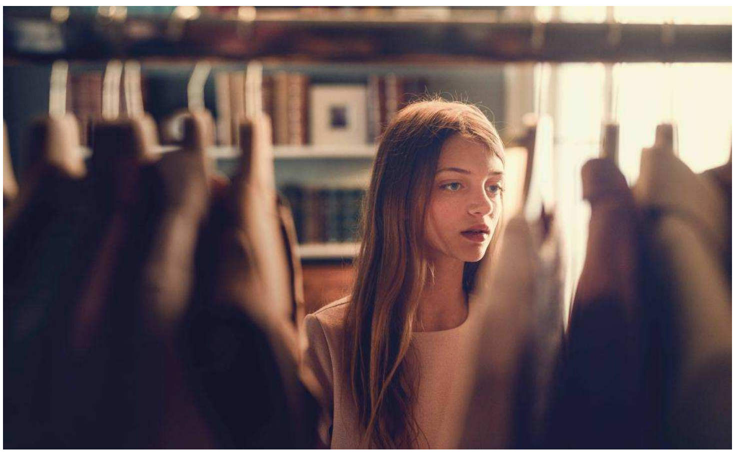
Statement from the Chief Executive Officer Stefano Beraldo

In September, we launch a communication campaign dedicated to the beauty of the diversity of ways of being. We believe our customers will appreciate the great work done on the product, which involved extensive modernisation, in menswear under the stylistic direction of Massimo Piombo. At the same time, the newly opened and restructured stores, thanks to their new natural elements, including floral references and wood, will welcome customers in an even more comfortable environment.

The Upim brand has demonstrated its full ability to develop both in urban centres and in suburbs. The results seen so far, including in small centres and shop-in-shops within hypermarkets, point towards a clear brand evolution targeting needs of families. In particular, the excellent performance achieved in the hypermarkets has led to an escalation in contacts.

Digitalisation continues with a view to improving operations, and is also the driving factor in cutting-edge services for our customer. The personal digital shopper initiative, "OVS ID", and many other initiatives that will take place in the second half of the year, are tangible testimony to this.

Sustainability improvement initiatives continue. Specifically OVS was the first Italian company to support the Better Cotton Initiative (BCI), the international organization aimed at radically improving the impact of the global cotton industry. BCI placed OVS among the top 15 most virtuous businesses in the world (out of over 100 associated companies), for having helped to increase purchasing from more sustainable crops. In this regard, by the end of next year, 100% of the cotton used in the OVS collections will be sustainable and will include organic cotton and cotton from BCI or recycled crops. This is a fundamental objective for the entire Group, which, in terms of environmental impact, will correspond to a saving of around 14 billion litres of water and a significant reduction in pesticides (15 tonnes) and CO_2 (around 6,000 tonnes).



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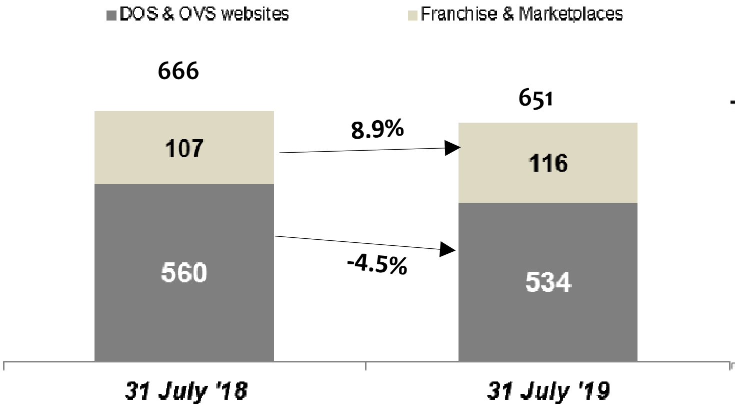
NET SALES

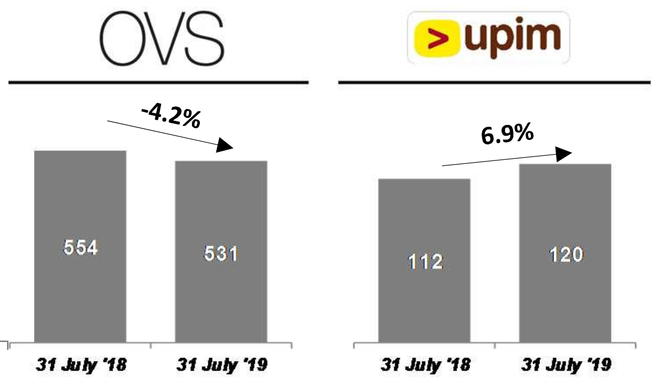
Total sales in the first half were €651 million, down by 2.4% compared with the same period of 2018. They were adversely affected, as anticipated, by the sharp market contraction in April and May, significant in terms of both volumes sold and margins, and by lower purchases of goods, mainly OVS-branded, which, while it helped to reduce inventory, also inevitably resulted in lower sales.

Franchising network sales increased by 8.9%, partly due to the greater number of openings in the last 12 months. Direct network sales made a significant contribution to reducing stocks.

NET SALES: aggregate performance [1]



NET SALES: performance by brand[1]



1. Excluding sell-in to Sempione Fashion AG.

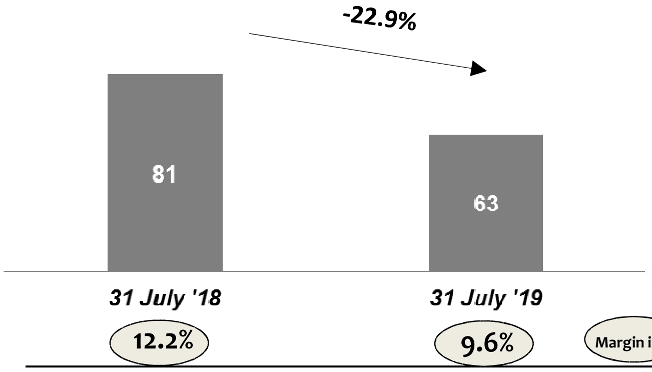
EBITDA

As planned, EBITDA in the first half of 2019 was characterised by the final phase of the exceptional promotional activities marking out the OVS brand in the last 12 months. These activities came to an end in July and the recovery in margins expected for the second half of the year had already begun in August and it is proceeding.

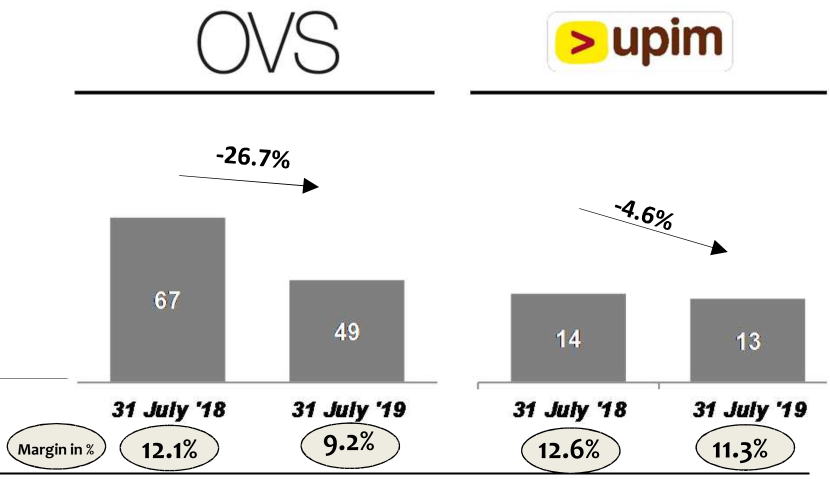
Adjusted EBITDA was €62.5 million, down compared with the first half of the previous year, both in absolute terms and as a proportion of net sales. This decrease, due in large part to non-recurring aspects, characterised the OVS brand. Upim's result was unchanged, adversely affected only by the difficult months of April and May.

The decrease in margins was partially offset by the cost-saving activity that began last year: although the promotional activity was exceptional, ending in the first half of 2019, the revision of the Group's break-even point will continue during the year and its results will remain effective also in the future.

EBITDA: aggregate performance



EBITDA: performance by brand[1]



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

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NET RESULT

The adjusted net result was €16.8 million, down €15.9 million compared with the first half of 2018. The difference is attributable to the decrease in adjusted EBITDA, partially offset by lower taxes. The reported result for the period was €5.3 million, in line with the first half of 2018. However, it should be noted that it underwent a significant negative impact in accounting terms of €8.8 million due to the first application of IFRS 16.

STATEMENT OF CASH FLOW SUMMARY

The adjusted EBITDA performance, which was down compared with the previous year, was comfortably offset by the performance in terms of cash flows: ***operating cash flow*** *in the first half of 2019 was up by approximately €62 million, a marked improvement compared with the same period of the previous year.*

In addition to the absence of asset write-downs that characterised the first half of 2018, a significant contribution to this performance was due to good management of working capital, particularly inventory: despite the seasonal component of the business, which is historically characterised in the first half by an increase in inventory due to the arrival of the autumn/winter collection, stocks were €12.1 million lower than at 31 July 2018.

Net cash flow before accounting for derivatives and IFRS 16 improved by €71.9 million. In the second quarter of 2019, the Company generated €31.8 million in cash (the most since the Group's listing), compared with approximately €4 million absorbed in the same period in 2018. As a result, the net financial position was lower than at 31 July 2018.

€mln	31 July '19	31 July '18
EBITDA Adjusted	**62.5**	**81.1**
Adjustments[1]	(2.3)	(58.5)
Change in Trade Working Capital	(40.5)	(60.3)
Other changes in Working Capital	(19.5)	(11.3)
Capex	(19.9)	(32.3)
Operating Cash Flow	**(19.6)**	**(81.4)**
Financial charges	(8.1)	(7.6)
Others	(10.1)	(20.7)
Net Cash Flow excl derivatives MtM and IFRS 16	**(37.8)**	**(109.7)**

Note:

1 For further details, please see the appendix;

The capital changes underlying the calculation of cash flow by the indirect method do not reflect the adoption of IFRS 16.

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NET FINANCIAL POSITION

€ mln	31 July 2019	31 July 2018
Net Debt excluding MtM & IFRS16	413.6	427.6
Leverage on EBITDA (*) ***Adjusted Net Debt/EBITDA Adjusted LTM***	3.3x	2.2x
Leverage on EBITDA (**) **Adj. Average last 12 months Net Debt/EBITDA Adjusted LTM**	3.4x	2.0x

(*) Net debt does not include the accounting impact of mark-to-market valuation and the impact of first-time application of IFRS16 (see below for further information). The adjusted EBITDA taken into account is the cumulative EBITDA of the last 12 months
(**) The net debt used to calculate the leverage on EBITDA is calculated on the average debt of the last 12 months and the cumulative adjusted EBITDA of the last 12 months.

*At 31 July 2019 the Group's **net financial position** was €413.6 million net of the mark-to-market effect (positive for €15.2 million) and the application of IFRS 16 (€868.3 million more net liabilities). It was therefore €14 million lower than in the previous year. The net financial position is steadily decreasing from this peak.*

SUMMARY BALANCE SHEET

***Net invested capital,** excluding the impact of the application of IFRS 16, of €1,280 million, increased by €47.4 million compared with January 2019, mainly due to the increase in working capital, which reflected lower trade payables.*

€mln	31 July '19 - Reported	31 July '19 - Exc.IFRS 16	31 January '19	Chg. Vs exc.IFRS 16
Trade Receivables	100.6	100.6	98.4	2.2
Inventory	411.2	411.2	411.0	0.3
Trade Payables	(312.3)	(312.9)	(351.0)	38.0
Trade Working Capital	**199.5**	**198.9**	**158.4**	**40.5**
Other assets/(liabilities)	(92.2)	(71.8)	(86.3)	14.5
Net Working Capital	**107.3**	**127.1**	**72.1**	**54.9**
Tangible and Intangible Assets	2,214.3	1,346.8	1,359.5	(12.7)
Net deferred taxes	(123.1)	(125.6)	(124.4)	(1.2)
Other long term assets/(liabilities)	(12.2)	(24.0)	(31.4)	7.5
Pension funds and other provisions	(44.3)	(44.3)	(43.2)	(1.1)
Net Capital Employed	**2,142.0**	**1,280.0**	**1,232.6**	**47.4**
Net Equity	875.3	881.6	867.7	13.9
Net Financial Debt	1,266.7	398.4	364.9	33.5
Total source of financing	**2,142.0**	**1,280.0**	**1,232.6**	**47.4**

Further information

Amendment to the existing facilities agreement

Today the agreement modifying the existing loan agreement (the "Amendment and Restatement Agreement") was signed by OVS SpA and all the lending banks.

The amendments primarily concern: the extension of the termination date of the financial package from 2 March 2020 to 2 March 2023; the amount of the credit lines that goes from Euro 475 million to Euro 450 million, as proposed by OVS; the tranching of the Facility B in two tranches, one amounting to Euro 250 million, terminating on 2 March 2023, and the other for an amount equal to Euro 100 million, which shall be repaid in six half-yearly equal installments, the first one due on 28 February 2020. Moreover, some mechanisms for prepayment in case of excess cash ("cash sweep") and aiming to regulate dividends distribution.

The amending agreement is subject to the usual conditions precedent which will be met over the next few weeks.

OTHER INFORMATION

Company information

OVS SpA is an Italian registered company (VAT no. 04240010274), with registered office in Venice-Mestre (Italy). The shares of OVS SpA have been listed on the Milan Electronic Stock Market since 2 March 2015.

Approval of the Half-year Financial Report

The Half-year Financial Report was approved by the Board of Directors of OVS SpA on 19 September 2019 and, on the same date, the same body authorised its publication.

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

Friday, 20 September 2019 at 12:00 local time (CET), a conference call will take place with analysts and investors during which the main results for the half year ended 31 July 2019 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). 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 and from the "1info" storage mechanism at www.1info.it. As of the day after the call, a recording of the conference call will also be available on the website.

Half-year Financial Report at 31 July 2019

The Half-year Financial Report at 31 July 2019, pursuant to Article 154-*ter* of the TUF - including the condensed half-year financial statements, the Interim Report on Operations and the declaration required under Article 154-*bis*, paragraph 5 of the TUF - will be made available to the public at the Company's registered office, via the "1info" centralised storage system at the website www.1info.it, and can be viewed on the Company website at www.ovscorporate.it, in the "Investor Relations/Results and Presentations" section. The external auditor's report will also be made available to the public in the same way as soon as it is available and pursuant to the law.

Upcoming events in the financial calendar

Interim Report on Operations for the third quarter of the year ending 31 October 2019	11 December 2019

For further information, contact:

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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's operating, financial and income 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.

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Appendix

€ mln	31.07.2019 Reported	of which IFRS 16 Impact	of which Adjustments, Normalizations & Reclass.	31.07.2019 Adjusted	31.07.2018 Reported	of which Adjustments, Normalizations & Reclass.	31.07.2018 Adjusted	Chg. (Adjusted)	Chg. % (Adjusted)
Net Sales	650.6			650.6	720.1		720.1	(69.5)	(9.7%)
Net Sales*	**650.6**			**650.6**	**666.4**		**666.4**	**(15.7)**	**(2.4%)**
Gross Margin	364.6	**0.0**	**(10.2)**	**374.8**	392.8	**(12.6)**	**405.4**	(30.5)	(7.5%)
GM%	56.0%			57.6%	58.9%		60.8%		(322ppt)
EBITDA	137.3	**87.3**	**(12.5)**	**62.5**	22.6	**(58.5)**	**81.1**	(18.6)	(22.9%)
EBITDA%	21.1%			9.6%	3.4%		12.2%		(256ppt)
EBIT	30.6	**13.2**	**(16.8)**	**34.2**	(8.6)	**(62.8)**	**54.2**	(20.0)	(36.9%)
EBIT%	4.7%			5.3%	-1.3%		8.1%		(288ppt)
PBT	10.8	**(12.2)**	**(2.2)**	**25.2**	13.4	**(32.9)**	**46.3**	(21.1)	(45.5%)
Net Income	5.3	**(8.8)**	**(2.7)**	**16.8**	5.1	**(27.6)**	**32.8**	(15.9)	(48.6%)
Net Financial Position	1,266.7	**868.3**	**(15.2)**	**413.6**	432.2	**4.6**	**427.6**	(14.0)	(3.3%)
Market Share	8.0%				8.0%				+3ppt

Note:: in order to provide a clearer representation of the organic business and make it comparable with the previous year, net sales based on the calculation of the financial KPIs (*) are shown excluding sales deriving from the service agreement with Swiss customer Sempione Fashion AG.

The table shows the results adjusted to represent the Group's operating performance net of the effects deriving from the adoption of the new IFRS 16 accounting standard as of 1 February 2019, as well as non-recurring events unrelated to the core business.

In particular, in the first half of 2019 the results were adjusted mainly to strip out the impacts related to IFRS 16, and specifically: (i) €87.3 million on EBITDA to reflect higher rental costs, (ii) €13.2 million on EBIT due to the lower of depreciation and amortisation of €74.1 million, and (iii) €8.8 million on the reported result for the period due to the lower financial expenses of €25.4 million. Lastly, (iv) the net financial position was adjusted for €868.3 million less liabilities.

EBITDA in the first half of 2019 was also adjusted as follows: (i) €10.2 million in net foreign exchange gains for forward hedging on purchases of goods in foreign currency sold in the period, (ii) €1.0 million in one-off costs; and (iii) €1.3 million in costs relating to stock option plans (non-cash costs).

Other adjustments that impacted EBIT and profit before tax concerned: (i) costs of €4.3 million related to the amortisation of intangible assets relating to purchase price allocation, and (ii) adjusted income of €14.6 million, mainly relating to foreign exchange differences arising from the valuation of items denominated in foreign currency, including with respect to forward derivatives and realised foreign exchange differences.

Lastly, the Adjusted result for the period reflected taxes recalculated following the aforementioned adjustments, entailing an increase in expenses of €2.9 million.