

OVS MAINTAINS A STRONG MOMENTUM THANKS TO EXCELLENT QUARTERLY RESULTS THE FORECASTS OF GROWTH IN 2023 ARE CONFIRMED

The Board of Directors of OVS SpA approved the results for the first quarter February – April 2023:

- **Net sales** for the quarter of **€336.5** million, up 12.2% compared to Q1 2022, mainly due to the excellent like-for-like performance and an increase in store traffic. Market share rose to 9.5 per cent;
- Adjusted **EBITDA** for the quarter up sharply to **€27.5** million (up 36.3% on Q1 2022), or **8.2%** on sales (compared to 6.7% in Q1 2022), due to a leverage effect generated by higher sales and a solid gross margin. **EBITDA for the last 12 months**, May 2022 – April 2023, of **€187.5** million, **12.1%** of sales;
- Adjusted **EBIT** for the quarter of **€11.7** million, up 107.1% compared to Q1 2022;
- Adjusted **Net financial position** at 30 April 2023 of **€250.9** million and Leverage ratio of the last twelve months down to 1.23x compared to 1.70x of 30 April 2022;
- **Year-to-date sales up** despite a month of May characterised by particularly adverse weather conditions.



Statement from the Chief Executive Officer, Stefano Beraldo, on the results of the period and foreseeable business development

The excellent results in the first quarter are due to the very positive response to the spring-summer collection, which has enabled us to continue in the current phase of attracting new customers. The main store indicators were very positive, with an increase in traffic and average till receipts. All brands performed well, but the performance of the beauty & personal care segment deserves special mention: it is up 50% compared to last year, the result of the evolution of the business and operating model, with a trend well above the already positive market trend. The leverage effect generated by higher sales, supported by a solid gross margin, led to the significant increase in EBITDA, which grew by 36.3% to €27.5 million, from €20.1 million in Q1 2022.

Despite a month of May characterised by particularly adverse weather conditions, the increase in sales has held firm. The strong performance to date and ongoing projects mean we can confirm our forecasts of growth in 2023 compared to last year.

Control over the leases will be tightly maintained through ongoing dialogue with landlords with a view to mitigating automatic inflation adjustment mechanisms.



Key Economic and Financial Results

The table shows the main adjusted operating and financial results for the first three-month period to represent the Group's operating performance.

€m	30 April 2023 Adjusted	30 April 2022 Adjusted	Change Adjusted	Change % Adjusted
Net Sales	336.5	299.9	36.6	12.2%
EBITDA	27.5	20.1	7.3	36.3%
EBITDA%	8.2%	6.7%		+144ppt
EBIT	11.7	5.7	6.1	107.1%
EBIT%	3.5%	1.9%		+160ppt
PBT	7.7	0.7	7.0	975.6%
Net Financial Position	250.9	265.1	(14.2)	(5.4%)
Market share	9.5%	9.3%	0.2%	

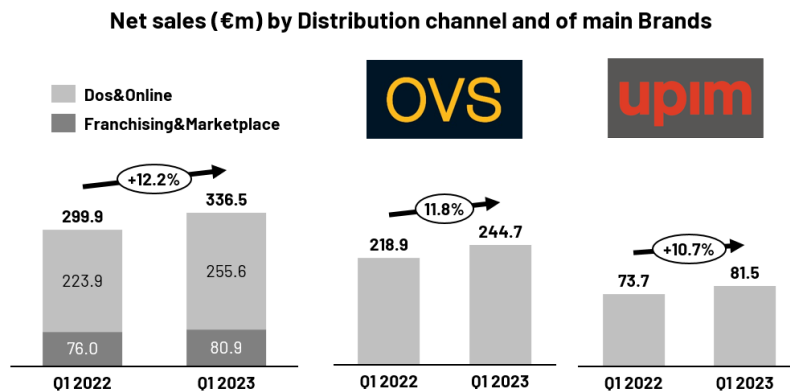
The adjusted results do not reflect the application of IFRS 16, Non-recurring events that do not concern ordinary operations, and the mark-to-market accounting of derivatives at the net financial position level.



Net sales

Net sales for the quarter amounted to €336.5 million, up 12.2% compared with same period of 2022.

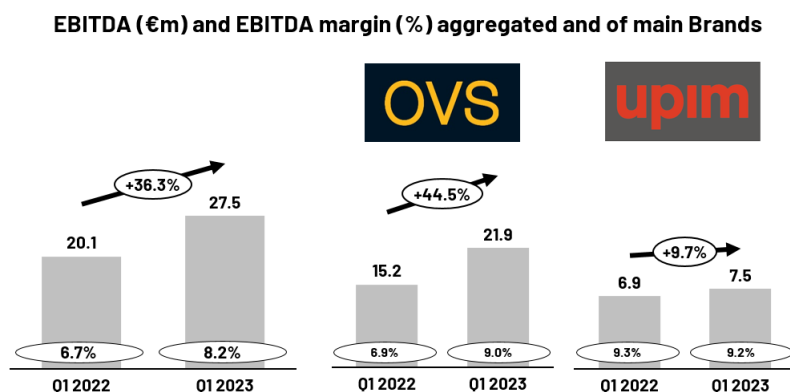
This performance was reflected in all the Group's brands and distribution channels, and was mainly the result of the trend in like-for-like sales.



EBITDA

Adjusted EBITDA in the quarter came in at €27.5 million, up by €7.3 million compared with the €20.1 million recorded for Q1 2022. The EBITDA margin of 8.2% grew by more than 140 basis points compared with 6.7% in Q1 2022.

Both major brands contributed to this result, with the EBITDA for OVS benefiting from higher operating leverage (up €6.7 million or 44.5% compared to Q1 2022) than the EBITDA corresponding to Upim (up €0.7 million or 9.7% compared with Q1 2022).



Profit before tax

Adjusted profit before tax reflected the higher EBITDA and reached €7.7 million compared to €0.7 million in Q1 2022.

Adjusted net financial position

At 30 April 2023 the Group's net financial position, adjusted for the impact of the mark-to-market and the application of IFRS 16, stood at €250.9 million, an improvement of €14.2 million compared with 30 April 2022.

Cash absorption in the first quarter reflects the typical seasonality of our business, and includes the effect of anticipated deliveries in the second part of 2022 in order to avoid delays. This effect will be neutralised during the 2023 financial year.

The ratio of adjusted net financial position to adjusted EBITDA for the past 12 months is 1.23x, down from 1.70x on 30 April 2022.

€m	30 April 2023	30 April 2022
Net Debt adjusted for MtM hedging instruments and IFRS16	250.9	265.1
Leverage on EBITDA Net Debt adjusted / EBITDA Adjusted last 12 months	1.34x	1.64x
Leverage last 12 months on EBITDA Average Net Debt adjusted of last 12 months / EBITDA Adjusted last 12 months	1.23x	1.70x

Treasury shares

Treasury shares in portfolio as of 30 April 2023 were 16,346,485, or 5.619% of the share capital.



Other information

Company information

OVS S.p.A. is an Italian registered company (VAT No. 04240010274), with registered office in Venice-Mestre, Italy. OVS shares have been listed on the Milan Euronext (formerly the Milan Electronic Stock Exchange) since 2 March 2015. It is hereby noted that OVS has adopted the regime derogating from Article 70, paragraph 6 and Article 71, paragraph 1 of the Issuer's Regulation, as indicated in the informational prospectus.

Quarterly reporting

As announced in the corporate events calendar and pursuant to Article 82-ter of the Issuers' Regulation, OVS S.p.A. has decided to publish, on a voluntary basis, an update of the main economic and financial performance indicators on a quarterly basis, with the aim of maintaining a timely and transparent dialogue on the business dynamics of the Company with the financial community and the main stakeholders.

Attestation by the Director responsible for preparing the Company's accounting statements

The manager responsible for preparing the Company's accounting statements, Nicola Perin, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, or TUF, that the accounting information contained in this press release corresponds to the accounting figures, books, and records.

Conference call

Tomorrow, 15 June 2023, at 15:00 local time (CET) a conference call will be held with analysts and investors, at which the main results for the period ended 30 April 2023 will be presented.

To listen in on the event via conference call, dial +39 02 8020911 from Italy, +44 1 212818004 from the UK, +1 718 7058796 from the USA (and +39 02 8020927 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. A recording of the conference call will also be made available on the website the day after the call.

Forthcoming events in the financial calendar

20 September 2023 – Half-Year Financial Report at 31 July 2023

13 December 2023 – Interim management report related to the Third Quarter 2023

For further information

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Disclaimer

- *The information presented in this document has not been audited.*
- *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.*

Appendix

€m	30 April 2023 Reported pre-IFRS16	of which adjustments, normalizations and reclass	30 April 2023 Adjusted	30 April 2022 Reported pre-IFRS16	of which adjustments, normalizations and reclass	30 April 2022 Adjusted
Net Sales	336.5	-	336.5	299.9	-	299.9
EBITDA	25.0	(2.5)	27.5	14.0	(6.2)	20.1
EBITDA%	7.4%	n.a.	8.2%	4.7%	n.a.	6.7%
EBIT	7.2	(4.6)	11.7	(2.6)	(8.3)	5.7
EBIT%	2.1%	n.a.	3.5%	(0.9%)	n.a.	1.9%
PBT	3.1	(4.6)	7.7	4.8	4.1	0.7

The table shows the results adjusted to represent the Group's operating performance net of the effects of the application of the IFRS 16 international accounting standard, as well as non-recurring events unrelated to the core business.

EBITDA in Q1 2023 was adjusted mainly as follows: (i) by €1.2 million in net exchange rate differences for forward hedging of purchases of goods in foreign currency sold in the period; (ii) €0.5 million in costs related to stock option plans (non-cash costs); (iii) €0.7 million in non-recurring expenses directly related to the COVID-19 emergency and other minor one-off charges.

Other adjustments that impacted EBIT and the result before tax concerned: (i) costs of €2.1 million related to the amortisation of intangible assets linked to previous purchase price allocation, and (ii) adjusted net income of €0.1 million, mainly relating to foreign exchange differences arising from the valuation of items denominated in foreign currency, including with respect to forward derivatives and foreign exchange differences.