



OVS

9M 2024 Financial results

16 December 2024

A **conference call with analysts and investors will take place on the 17th December 2024 at 15:00 local time**, during which the main results for the period ended 31 October 2024 will be presented.

The conference call may be joined by dialing +39 02 8020911 from Italy, +44 1 212 818004 from the UK and +1 718 7058796 from the USA.

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The manager in charge of preparing the corporate accounting documents, Nicola Perin, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the accounting figures, books and records.

This investor presentation contains measures that were not prepared in accordance with IAS/IFRS.

The information presented in this document has not been audited.

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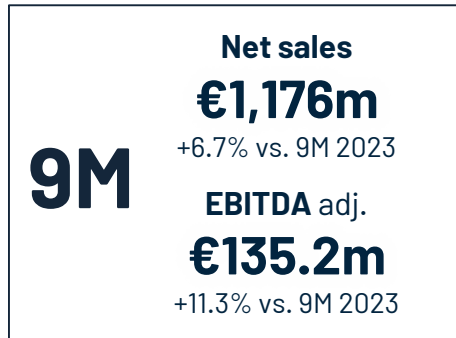
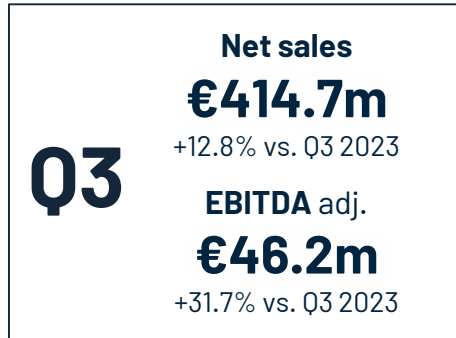
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Third quarter 2024: Net sales +12.8% and EBITDA +31.7%
Shareholders' Meeting called to cancel treasury shares



Net debt adj.
€280.9m
vs. €275.4m as of 31 Oct 23

- In **Q3 2024** the group delivered double-digit results vs. Q3 2023. Net sales up 12.8% thanks to the excellent performance across all brands and all product categories. EBITDA and PBT adjusted increased significantly by 31.7% and 70.9%, respectively;
- In **9M 2024** vs. 9M 2023 Net sales were up by 6.7%. EBITDA and PBT adjusted improved significantly by 11.3% and 20.4%, respectively; Cash flow before dividends and share buybacks improved by €8.0m;
- As of **31 October 2024** the Net debt adjusted closed at €280.9m with a leverage ratio over the last 12 months of 1.32x, a decrease from 1.41x as of 31 October 2023;
- **Current trading:** Q4 sales trend and EBITDA expectations in line with the strong performance of 2023 and market consensus.
- The BoD has called an **Extraordinary Shareholders' Meeting** to i) cancel a number of treasury shares equal to 10% of share capital and to ii) grant a mandate to the BoD to cancel an additional number of treasury shares up to 5.50% of share capital.

Q3 2024 Key income statement items

Third quarter 2024: Net sales +12.8% and EBITDA +31.7%

€m	Q3 2024 Adjusted	Q3 2023 Adjusted	Change Adjusted	Change % Adjusted
Net Sales	414.7	367.6	47.1	12.8%
EBITDA	46.2	35.1	11.1	31.7%
EBITDA%	11.1%	9.5%		+160ppt
EBIT	29.2	18.6	10.5	56.5%
EBIT%	7.0%	5.1%		+196ppt
PBT	24.1	14.1	10.0	70.9%

Adjusted results do not reflect the application of IFRS16 and non recurring items.

- **Net sales €414.7m**, +12.8% vs. Q3 2023, is the result of strong footfall driven by favourable weather and a high conversion rate, sign of the appreciation of our product offering. The positive reception of **Stefanel** FW collections, driven by its new creative leadership, has successfully reversed the negative trend of the first semester in just three months;
- **EBITDA €46.2m**, +31.7% vs. Q3 2023, thanks to the operational leverage of higher sales; **EBITDA margin increased to 11.1%**;
- **Profit before tax €24.1m**, +70.9% vs. Q3 2023.

9M 2024 Key income statement items

Increase in EBITDA generated by the operating leverage of higher sales

€m	9M 2024 Adjusted	9M 2023 Adjusted	Change Adjusted	Change % Adjusted
Net Sales	1,176.3	1,102.4	73.9	6.7%
EBITDA	135.2	121.5	13.7	11.3%
EBITDA%	11.5%	11.0%		+47ppt
EBIT	86.4	73.3	13.2	18.0%
EBIT%	7.3%	6.6%		+70ppt
PBT	72.3	60.0	12.2	20.4%

Adjusted results do not reflect the application of IFRS16 and non recurring items.

Last twelve months at 31 October 2024

Net sales	€1.609m
EBITDA	€196m
EBITDA margin %	12.2%

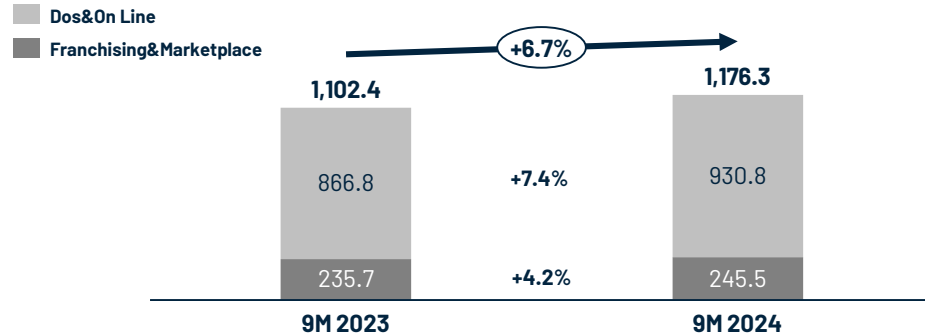
- **Net sales €1,176m**, +6.7% vs. 9M 2023, accelerating from the growth rate of the H1 2024; Women's market continues to be our primary growth driver. Our strategy of targeting on different markets with synergic brands is proving highly effective. Performance of kids and men is likewise strong;
- **EBITDA €135.2m**, +11.3% vs. 9M 2023. The operating leverage generated by higher sales led to a significant increase in margins, which continued to absorb the increased personnel costs;
- **Profit before tax €72.3m**, +20.4% vs. 9M 2023, due to higher EBITDA despite a slight increase in D&A due to the investments peak of FY2023-24.
- This robust performances resulted in **Last twelve months Net sales and EBITDA** that reached **€1.609m** and **€196m**, respectively.

9M 2024 Sales and EBITDA performance

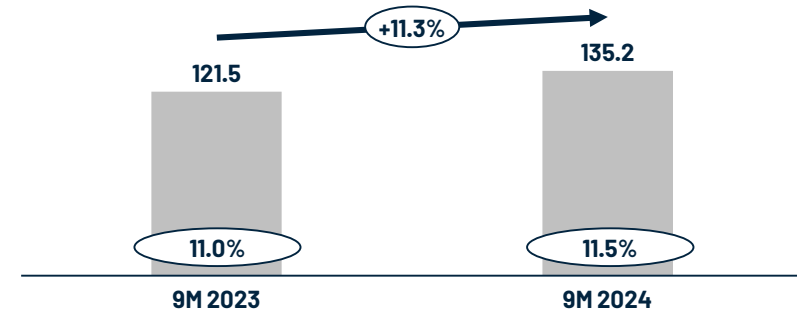
OVS and Upim delivered strong results: OVS accelerated the growth of H1 2024 and Upim confirmed the already strong trend of the first part of the year

Net Sales €m

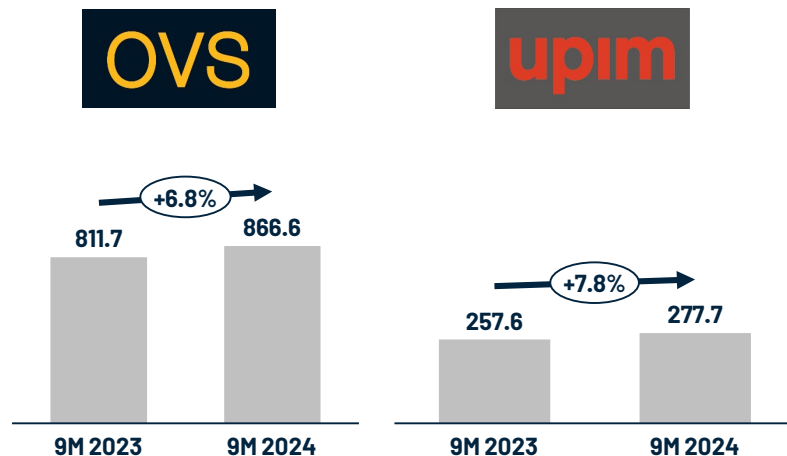
Aggregated performance



EBITDA €m

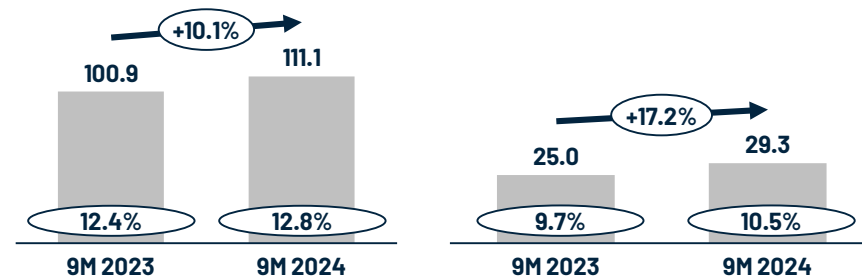


Performance by main Brands



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upim



31 October 2024 Trade working capital

Trade working capital at 31 October 2024 in line vs. 31 October 2023

€m	31 October 2024	31 October 2023	Change
Trade Receivables	117.9	117.2	0.7
Inventory	488.3	471.3	17.1
Trade Payables	(384.0)	(367.0)	(17.0)
Trade Working Capital	222.3	221.5	0.8

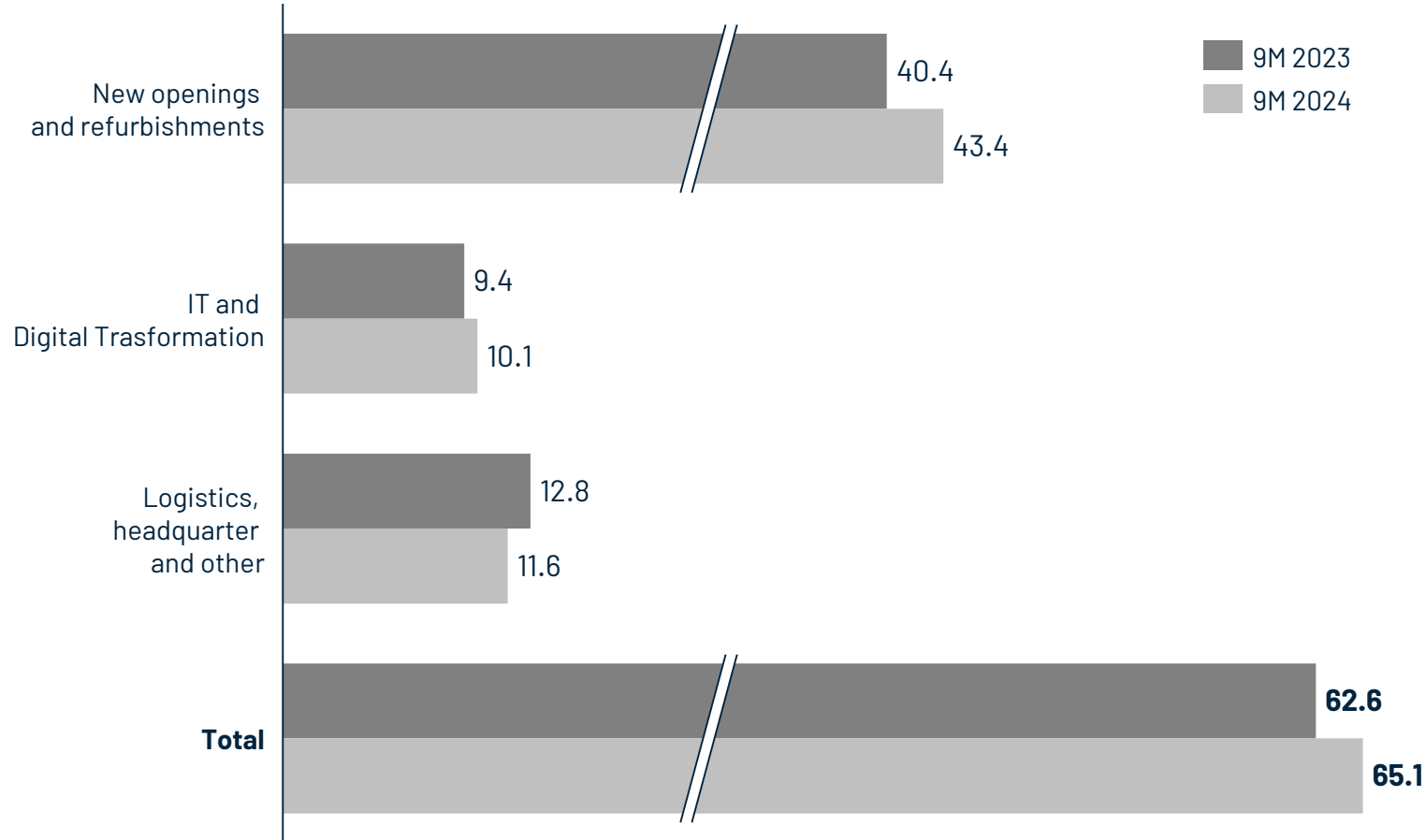
Trade Working Capital does not reflect the application of IFRS 16 and Trade receivables are net of IFRS 15 provision.

Trade Working Capital at 31 October 2024 is in line vs. 31 October 2023 as the net result of:

- **Trade receivables** flattish compared to 31 October 2023 in a context of growing franchising business. Fully recovered the payment term extensions granted to our partners on SS season;
- **Inventory** trend is related to higher €30m stock in transit due to longer ship-time in a context in which stock on hand is over €13m lower compared to last year;
- **Trade payables** increasing vs. last year for the above mentioned growth in stock in transit

9M 2024 Capital expenditures

Slight increase to boost refurbishment program and finalize logistic automation



9M 2024 Cash flow

The 9M 2024 cash absorption, typical of our sector, improved by €8.0m vs. last year mainly thanks to €13.7m higher EBITDA

€m	9M 2024	9M 2023
EBITDA Adjusted	135.2	121.5
Non recurring items	(2.7)	(2.1)
Change in Trade Working Capital	(86.6)	(70.4)
Other changes in Working Capital	(15.9)	(30.5)
Capex	(65.1)	(62.6)
Operating Cash Flow	(35.0)	(44.1)
Financial charges	(12.9)	(12.3)
Taxes	(12.9)	(4.2)
Other	(6.5)	(14.9)
Net Cash Flow excluding buyback and dividends	(67.3)	(75.3)
Dividends	(25.3)	(16.4)
Buyback	(42.7)	(21.7)
Change in Net debt excluding MtM hedging instruments from Net Debt	(135.4)	(113.4)

The table shows the adjusted cash flows in order to represent the Group's operating performance net of non-recurring and non-operating events, net of the application of IFRS 16 and reclassifying the liabilities for returns under IFRS 15 among the components of Working Capital.

- 9M 2024 net cash flow benefited from the **increase in EBITDA**;
- **Working capital** absorption driven by **business seasonality** and slightly increasing vs. last year for longer transit time;
- "Other changes in working capital" includes Government contribution (€5m) and personnel related items;
- **Capital expenditures** slight increase to boost refurbishment program and finalize logistic automation;
- Higher cash absorption in **taxes** following the termination in FY2023 of past year losses effect.
- *In 9M 2024 the company purchased own shares for €42.7m and distributed dividends for €25.3m.*

31 October 2024 Net debt and Leverage

Net debt at €280.9m in a context in which the LTM Leverage ratio improved to 1.32x from 1.41x

€m	31 October 2024	31 October 2023
Net debt adjusted for MtM hedging instruments and IFRS16	280.9	275.4
Leverage on EBITDA Net Debt adjusted / EBITDA Adjusted last 12 months	1.43x	1.55x
Leverage last 12 months on EBITDA Average Net Debt adjusted of last 12 months / EBITDA Adjusted last 12 months	1.32x	1.41x

- **Net debt €280.9m** vs €275.4m as of 31 October 2023;
- **Leverage** on EBITDA of last twelve months is **1.32x**, improving from 1.41x.



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- **Q4 sales trend and EBITDA expectations in line with the strong performance of 2023** and market consensus;
- In light of Q4 trend, we can confirm the expected solid growth in turnover and EBITDA for the entire fiscal year 2024, and a cash generation in line with 2023, this taking into account the ongoing longer transit time of goods from the Far East.
- Regarding recent news about **potential acquisitions**, we confirm our interest in a portion of Conbipel retail network, but not in the brand or the entire company.
The current market context is offering also further interesting consolidation opportunities, from which all our brands can benefit.



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Shareholders' Meeting to cancel treasury shares

The BoD has resolved to convene an **Extraordinary Shareholders' Meeting** on 19 February 2025 to:

- i. cancel a number of treasury shares equal to 10% of share capital, and to
- ii. grant a mandate to the BoD to cancel an additional number of treasury shares up to 5.50% of share capital.

This operation, that address repeated market requests and that consider the lower needs of treasury shares, aims to further enhance the share price by reducing the number of shares outstanding.

To maximize Shareholders returns, the company does not exclude the possibility of investing the future cash generation, expected to grow in the next years, in additional share buybacks while always maintaining an adequate pay-out through dividend payments.

Treasury shares in portfolio as of 13 December 2024 were 45,555,819, equal to 15.659% of share capital.



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Reconciliation between Adjusted and Reported Profit and Loss

€m	31 Octobre 2024 Reported pre-IFRS16	of which adjustments, normalizations and reclass	31 October 2024 Adjusted	31 Octobre 2023 Reported pre-IFRS16	of which IFRS 16 Impact	31 October 2023 Adjusted
Net Sales	1,176.8	0.5	1,176.3	1,102.7	0.3	1,102.4
EBITDA	124.1	(11.1)	135.2	113.3	(8.2)	121.5
<i>EBITDA%</i>	<i>10.5%</i>	<i>n.a.</i>	<i>11.5%</i>	<i>10.3%</i>	<i>n.a.</i>	<i>11.0%</i>
EBIT	68.8	(17.6)	86.4	58.7	(14.6)	73.3
<i>EBIT%</i>	<i>5.8%</i>	<i>n.a.</i>	<i>7.3%</i>	<i>5.3%</i>	<i>n.a.</i>	<i>6.6%</i>
PBT	57.5	(14.8)	72.3	50.0	(10.0)	60.0

The table shows the results adjusted to represent the Company'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 of the first nine months of 2024 was adjusted mainly for: (i) €6.3 million in net foreign exchange differences for forward hedging of goods in foreign currency sold in the period; (ii) €2.1 million in costs related to stock option plans (non-cash costs); and (iii) €2.7 million relating to discontinued businesses and other minor one-off charges.

Other adjustment items that impacted EBIT and PBT relate to: (i) costs of €6.4 million related to the amortisation of intangible assets linked to purchase price allocation, (ii) adjusted net financial income of €2.8 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.