



OVS

Q1 2024 Financial results

12 June 2024

A **conference call with analysts and investors will take place on the 13th June 2024**, at 15:00 local time, during which the main results for the period ended 30 April 2024 will be presented.

The conference call may be joined by dialing +39 02 8020911 from Italy, +44 1 212818004 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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In the first quarter of 2024 the **growth continues to be robust**

Net sales

€352.2m

+4.7% vs. Q1 2023

EBITDA

€29.7m

+8.1% vs. Q1 2023

Profit before tax

€10.1m

+31.1% vs. Q1 2023

Net Debt

€254.2m

vs. 250.9m as of 30 Apr 2023

- **Net Sales €352.2m**, +4.7% vs. Q1 2023, when they were already up sharply from the previous year; Upim brand performed particularly well;
- Adjusted **EBITDA €29.7m**, +8.1% vs. Q1 2023. EBITDA margin increased to 8.4% from 8.2% of Q1 2023 thanks to the operating leverage generated by higher sales and improved gross margin;
- Adjusted **Profit before tax €10.1m**, +31.1% vs. Q1 2023;
- **Net cash flow improved by €3.5m** vs. Q1 2023. In the period the company purchased own shares for €20.6m and distributed dividends for €7.8m. **Adjusted net financial position €254.2 million**;
- Despite unfavorable weather in May for the second consecutive year, **year-to-date sales trend remains robust**.

Q1 2024 Key income statement items

Increase in EBITDA generated by the operating leverage: higher sales with a solid gross margin

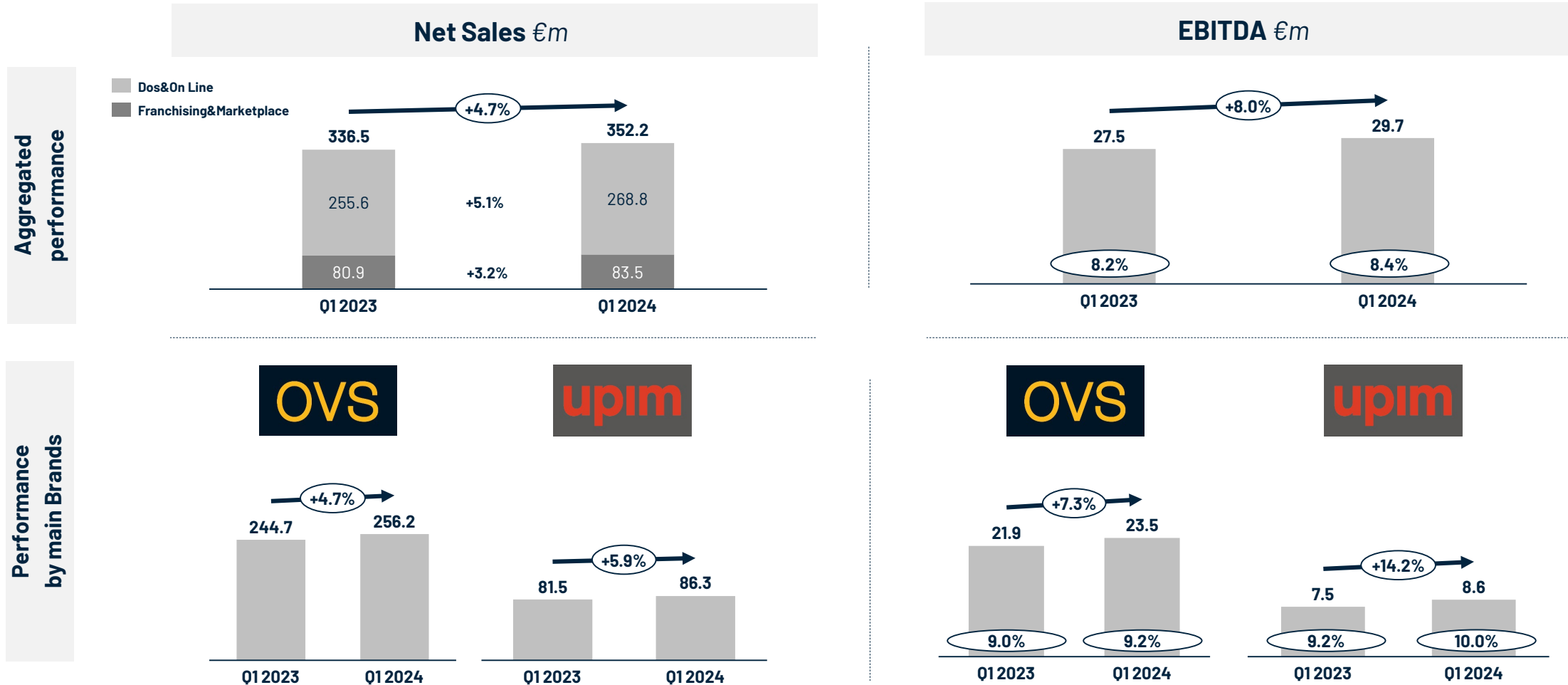
€m	Q1 2024 Adjusted	Q1 2023 Adjusted	Change	Change %
Net Sales	352.2	336.5	15.8	4.7%
EBITDA	29.7	27.5	2.2	8.1%
EBITDA%	8.4%	8.2%		+26ppt
EBIT	14.2	11.7	2.5	21.2%
EBIT%	4.0%	3.5%		+55ppt
PBT	10.1	7.7	2.4	31.1%

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

- **Net sales €352.2m**, +4.7% vs. Q1 2023 and +17.5% vs. Q1 2022; OVS managed to offset with **previous seasons products** the delays in deliveries due to Suez crisis, with no impact on gross margin;
- **EBITDA €29.7m**, +€8.1% vs. Q1 2023, thanks to the operational leverage of higher sales; **EBITDA margin increased to 8.4%**;
- **Profit before tax €10.1m**, +31.1% vs. Q1 2023, benefitted from higher EBITDA in a context of stable D&A and interest expenses.

Q1 2024 Sales and EBITDA performance

All main brands and channels reported growing results. OVS focused on previous seasons destocking meanwhile Upim benefitted of an anticipated intake of SS collections that bypassed Suez block.



30 April 2024 Trade working capital

Improved Trade working capital as the consequence of reduced old stock inventory

€m	30 April 2024	30 April 2023	Change
Trade Receivables	112.3	109.0	3.3
Inventory	460.3	465.6	(5.3)
Trade Payables	(377.6)	(361.4)	(16.2)
Trade Working Capital	195.0	213.2	(18.2)

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

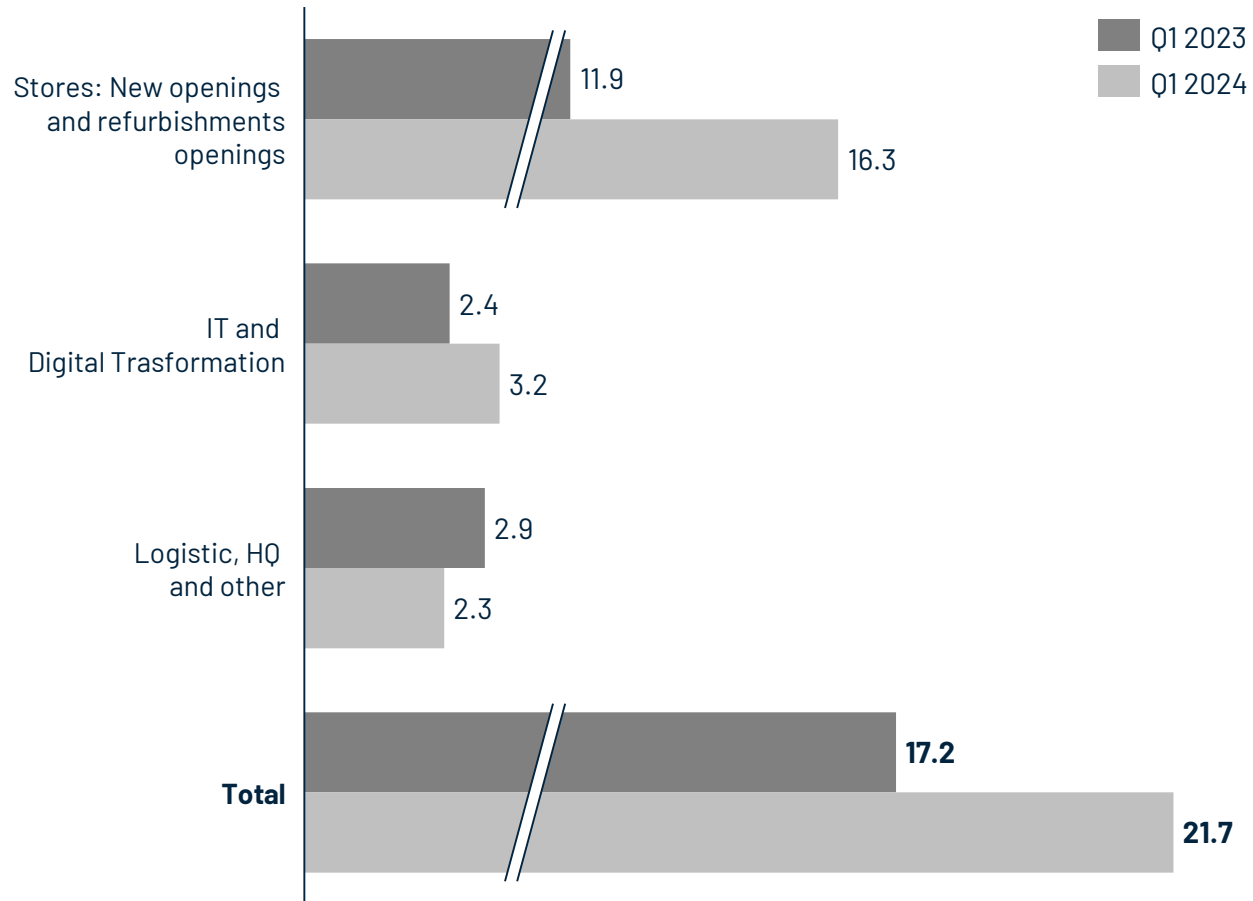
Trade working capital at 30 April 2024 is €18.2m lower versus last year, as the net result of:

- **Net trade receivables** increased by €3.3m (+3% vs. 30 April 23) in line with growth in Franchising business;
- **Inventory** reduction thanks to positive sales of previous seasons stock; value includes increase in stock in transit due to longer ship-time;
- **Trade payables** increasing vs. last year for general business growth.



Q1 2024 Capital expenditures

Focus on refurbishing of current network and digital transformation



Q1 2024 Cash flow statement

Within seasonal cash absorption, Net cash flow improved by €3.5m vs. Q1 2023

€m	Q1 2024	Q1 2023
EBITDA Adjusted	29.7	27.5
Non recurring items	(0.4)	(0.7)
Change in Trade Working Capital	(59.4)	(62.1)
Other changes in Working Capital	(17.2)	(24.4)
Capex	(21.7)	(17.2)
Operating Cash Flow	(69.0)	(77.0)
Financial charges	(3.9)	(3.8)
Taxes & others	(7.4)	(3.0)
Net Cash Flow	(80.3)	(83.8)
excluding buyback and dividends		
Dividends	(7.8)	-
Buyback	(20.6)	(5.1)
Change in Net financial position	(108.7)	(88.9)
excluding MtM hedging instruments and amortized cost		

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.

- Q1 2024 cash generation benefits from the **increase in EBITDA** and from a **reduced working capital absorption** vs. normal seasonality;
- Increase in **capital expenditures** to boost refurbishment program and to leverage the special opportunity of Venice store;
- In the period the company purchased own shares for €20.6m and distributed dividends for €7.8m.

30 April 2024 Net debt and Leverage

Net debt at €254.2m as the consequence of better cash flow and €28.6m between dividends and buyback

€m	30 April 2024	30 April 2023
Net Debt adjusted for MtM hedging instruments and IFRS16	254.2	250.9
Leverage on EBITDA Net Debt adjusted / EBITDA Adjusted last 12 months	1.38x	1.34x
Leverage last 12 months on EBITDA Average Net Debt adjusted of last 12 months / EBITDA Adjusted last 12 months	1.37x	1.23x

- **Net Debt adjusted €254.2m** vs €250.9m as of April 2023;
- **Leverage on EBITDA of last twelve months is 1.37x.**
- As at 30 April 2024, treasury shares in portfolio stood at 38.0m, or 13.05% of share capital.



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Outlook and current trading

- Despite unfavorable weather in May for the second consecutive year, **year-to-date sales trend remains robust**;
- The entire 2024 will also benefit from the normalization of product costs which soared in the post-Covid period and began to reduce only from the second half of 2023;
- The national labour contracts for the retail industry were renewed during the Q1 2024, with a more diluted impact over time than initially conservatively estimated;
- Higher sales, combined with an improved gross margin, are expected to **deliver further improvements in 2024** results vs. previous year.



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Reconciliation between Adjusted and Reported Profit and Loss

€m	30 April 2024 Reported pre-IFRS16	of which adjustments, normalizations and reclass	30 April 2024 Adjusted	30 April 2023 Reported pre-IFRS16	of which adjustments, normalizations and reclass	30 April 2023 Adjusted
Net Sales	352.3	0.0	352.2	336.5	-	336.5
EBITDA	25.8	(3.9)	29.7	25.0	(2.5)	27.5
<i>EBITDA%</i>	<i>7.3%</i>	<i>n.a.</i>	<i>8.4%</i>	<i>7.4%</i>	<i>n.a.</i>	<i>8.2%</i>
EBIT	8.3	(6.0)	14.2	7.2	(4.6)	11.7
<i>EBIT%</i>	<i>2.3%</i>	<i>n.a.</i>	<i>4.0%</i>	<i>2.1%</i>	<i>n.a.</i>	<i>3.5%</i>
PBT	6.3	(3.8)	10.1	3.1	(4.6)	7.7

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 for the first quarter of 2024 is adjusted mainly for: (i) €3.2 million in net foreign exchange differences for forward hedging of goods in foreign currency sold in the period; (ii) €0.3 million in costs related to stock option plans (non-cash costs); and (iii) €0.4 million relating to discontinued businesses and other minor one-off charges.

Other adjustment items that impacted EBIT and PBT relate to: (i) costs of €2.1 million related to the amortisation of intangible assets linked to purchase price allocation, (ii) adjusted net financial income of €2.2 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.