

Milan – January 30th, 2020

TOD'S S.p.A. – Group's sales totalled 916.1 million Euros in FY 2019. Retail: +6.3%. Roger Vivier grew double digit: +15.6%

The Board of Directors approved FY 2019 preliminary sales figures

The Board of Directors of Tod's S.p.A., the Italian company listed on the Milan Stock Exchange and holding of the luxury goods group of the same name operating in luxury and quality shoes, accessories and apparel with the Tod's, Hogan, Fay and Roger Vivier brands, today approved the Group's preliminary sales figures for the fiscal year 2019.

Message from the Group's Chairman and CEO

Diego Della Valle, Chairman and CEO of the Group, commented as follows:

“The results of the last quarter showed an improvement in the revenue trend, despite the negative effects regarding the Hong Kong market. We are starting to register the first positive signs of the strategy adopted at the time. We consider an absolute priority to protect the great quality of our products, the refined Italian lifestyle and, increasingly, the creative component, that attracts new consumers, who love to surround themselves with special things.

The competition in the luxury sector is getting stronger, and therefore, we must be able at having always special and desirable products. The arrival of the new Creative Director of the Tod's brand, which will coordinate the work of the style office, will serve to emphasize these codes.

For the time being, it is also essential to continue to invest heavily to be competitive and to support the brand awareness of our brands, especially in consideration of the increasing importance of the new markets, which require great attention.

Our goal is to quickly create an Omni-channel group model, which allows us to sell products through our direct distribution, the best e-tailers and our department store partners. The contribution of classic wholesale will be less and less important for us and we are prudently trying to decrease it. Even if this strategy will temporarily reduce the turnover, we believe it is the right thing to do, in order to be able to completely control the distribution policy of our group, worldwide.

Excluding any repercussions, currently unpredictable, of the ongoing epidemic, we believe that we can optimistically look at the current year, confident that the path followed is the right one.”

Comments to the Group's sales

In fiscal year 2019, consolidated sales were 916.1 million Euros, down 2.6% from 2018.

Revenues amounted to 238.4 million Euros in the fourth quarter of 2019, up 1.7% from Q4 2018.

In the current year, currency fluctuations gave a positive contribution, particularly to the Tod's and Roger Vivier brands, which have the greatest presence abroad. At constant exchange rates, meaning by using the average exchange rates of 2018, including the related effects of hedging contracts, sales would have been 905.7 million Euros.

Breakdown of consolidated sales by brand

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Tod's	461.8	455.3	498.7	- 7.4%	- 8.7%
Roger Vivier	200.6	197.4	173.5	+15.6%	+13.8%
Hogan	196.5	195.8	206.1	- 4.7%	- 5.0%
Fay	56.3	56.3	61.3	- 8.2%	- 8.1%
Other	0.9	0.9	0.9	n.m.	n.m.
TOTAL	916.1	905.7	940.5	-2.6%	-3.7%

Preliminary and unaudited figures

Tod's sales totaled 461.8 million Euros in 2019; positive results in the retail channel. Healthy start of the new T Timeless project, both for shoes and for leather goods.

Revenues of Roger Vivier amounted to 200.6 million Euros, up 15.6% from 2018. The brand registered positive results in all the geographical areas in which it operates; excellent feedback on new product families.

Hogan sales totalled 196.5 million Euros; double-digit growth in Greater China, despite the delicate situation in Hong Kong.

Finally, sales of Fay amounted to 56.3 million Euros; the decrease, as compared to 2018, is mainly due to the weakness of the Italian market.

Breakdown of consolidated sales by product category

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Shoes	730.8	723.0	743.7	-1.7%	-2.8%
Leather goods and accessories	121.7	119.2	128.6	-5.4%	-7.3%
Apparel	62.7	62.6	67.3	-6.7%	-6.9%
Other	0.9	0.9	0.9	n.m.	n.m.
TOTAL	916.1	905.7	940.5	-2.6%	-3.7%

Preliminary and unaudited figures

Revenues from shoes amounted to 730.8 million Euros in 2019; positive trend in the fourth quarter of the year.

Sales from leather goods and accessories totalled 121.7 million Euros. The new lines of handbags of the Tod's brand are registering positive feedback.

Finally, sales from apparel amounted to 62.7 million Euros; the trend broadly reflects that performance registered by the Fay brand.

Breakdown of consolidated sales by region

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Italy	260.7	260.7	282.2	-7.6%	-7.6%
Europe (excl. Italy)	237.6	236.9	243.9	-2.6%	-2.9%
Americas (*)	70.6	67.9	73.0	-3.3%	-7.0%
Greater China (**)	215.1	211.0	210.3	+2.3%	+0.4%
Rest of World	132.1	129.2	131.1	+0.8%	-1.4%
TOTAL	916.1	905.7	940.5	-2.6%	-3.7%

Preliminary and unaudited figures

(*) This line includes the whole American continent (Northern and Southern America).

(**) This line includes: mainland China, Hong Kong SAR, Macao SAR and Taiwan Region.

In 2019, domestic sales amounted to 260.7 million Euros; the performance in the fourth quarter of the year was positive, with an improvement in the trend of both distribution channels.

In the rest of Europe, the Group's revenues totaled 237.6 million Euros; the fourth quarter of the year was positive, thanks to the contribution of retail.

In the Americas sales amounted to 70.6 million Euros; also in this region, the fourth quarter registered a positive performance, with an improvement in results on both the distribution channels.

The Group's sales in Greater China totaled 215.1 million Euros, up 2.3% from 2018. The positive results recorded in Mainland China, which represents more than 60% of this region, were offset by the sharp slowdown in the Hong Kong market, due to well-known political tensions.

Finally, in the area "Rest of the World" the Group's revenues were 132.1 million Euros, up 0.8% from 2018.

Breakdown of consolidated sales by distribution channel

(million Euros)

	FY 2019		FY 2018	% change	
	reported rates	constant rates		reported rates	constant rates
Retail (DOS+online)	645.9	637.0	607.8	+6.3%	+4.8%
Third parties (Franchised stores + Independent retailers)	270.2	268.7	332.8	-18.8%	-19.3%
TOTAL	916.1	905.7	940.5	-2.6%	-3.7%

Preliminary and unaudited figures

In 2019, retail revenues totalled 645.9 million Euros, up 6.3% from 2018, and represent more than 70% of the Group's turnover. On a homogeneous basis¹, the increase in sales of this channel was 4.4% in the fourth quarter of the year, thanks to the double-digit growth of e-commerce and the contribution of the new openings.

¹ As already mentioned in the previous press releases, with the acquisition of Italianouch, starting from October 1st, 2018, the relative part of the e-commerce revenues has been accounted for in retail revenues, and no longer in the wholesale channel. Consequently, in the first nine months of 2019, the comparison of revenues by distribution channel was uneven, while, starting from the fourth quarter, figures return to be comparable.

The *Same Store Sales Growth* (SSSG) rate, calculated at constant exchange rates as the worldwide average of sales growth rates registered by the DOS network, is -4.0% in the year, progressively improving in the last months. At reported rates, this figure improves by more than 100 bps.

As of December 31st, 2019 the Group's distribution network was composed by 290 DOS and 115 franchised stores, compared to 284 DOS and 120 franchised stores as of December 31st, 2018.

Revenues to third parties totaled 270.2 million Euros; the double-digit decline is mainly due to the weakness of the domestic and European markets.

Please note that all the figures related to FY 2019 sales reported in the present press release are preliminary and unaudited. FY 2019 results will be approved by the Board of Directors scheduled on March 12th, 2020.

The manager responsible for preparing the company's financial reports, Mr. Rodolfo Ubaldi, declares, pursuant to article 154 bis, paragraph 2, of Legislative Decree n. 58/98 (the "Unified Financial Act"), that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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