

Sant'Elpidio a Mare – November 11th, 2020

TOD'S S.p.A. – Significant improvement of the sales trend in the third quarter of the year (double-digit growth in China); e-commerce registered a very strong growth over the whole nine-month period. New welfare project approved in favour of the Group's employees.

The Board of Directors approves the Interim Management Statement for the first nine months of 2020, the financial calendar for the year 2021 and the amendments to the Articles of Association in compliance with Law 160/2019

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, Roger Vivier and Fay brands, today approved the Interim Management Statement for the first nine months of 2020 (January 1st – September 30th, 2020).

Message from the Group's Chairman and CEO

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

“The sales trend improved significantly in the third quarter, even if the year-to-date figures remain negative; China registered particularly good results, with a solid double-digit growth in the third quarter.

The positive trend also continued in October. Our winter collections are receiving an excellent feedback from local customers all over the world; obviously in the Western world the results of the stores are negatively affected by the absence of the tourists and, in recent weeks, they have been further impacted by the new closures imposed to contain the second wave of the pandemic. Excellent performance of the e-commerce channel, which recorded a progressive acceleration and grew at solid double figures in the entire nine-month period. This is a priority channel for us, in which we are continuing to invest heavily; we are expanding the customer base, also thanks to new digital forms of communication. During the third quarter on the European market we started the first test of the omnichannel distribution model.

In this context of unprecedented crisis, with very limited visibility into the future, we are managing all activities already looking to 2021, following the indications of our strategic path, with a strong attention to cost control, great prudence in the collection of wholesale orders, with particular emphasis on the digital world and trying to remain flexible and reactive, to face the continuous evolution of the international markets. The protection of the health of employees and customers remains a priority for the Group.

Our attention is currently strongly focused on communication, especially digital. Our Group has a very solid history and reputation for its brands with our customers; now we must increasingly capture the attention of new consumers, who are the engine of the disruptive growth of our sector. To succeed in this aim, we are hiring new talented people, coming from

the sector, and we are following a precise and coherent strategy that I hope will bring us the desired results in a short period of time.

We are convinced that, after these moments, our Group will be able to perform very well, thanks to the strength of its brands, the excellent quality of its products, the skills of its management teams and the solidity of its capital structure. "

Comments to the Group's sales

In the first nine months of 2020, consolidated sales were 452.6 million Euros, down 33.2% from the same period of 2019.

In the third quarter of 2020, sales totalled 195.7 million Euros, down 12.3% from Q3 2019; this performance shows a visible improvement as compared to the previous quarters.

In the current year, the impact of currency fluctuations is slightly negative; at constant exchange rates, meaning by using the average exchange rates of the first nine months of 2019, including the related effects of hedging contracts, sales would have been 453.8 million Euros, down 33% from the same period of 2019.

During the third quarter, the situation of the distribution network gradually normalized and at the end of the quarter almost all the stores were regularly opened. In more details, as of September 30th, 2020, 89% of the shops was open regularly, 9% was open with restricted opening hours and 2% was still closed (compared to the following situation at the beginning of the quarter: 78% open regularly, 16% open with restricted opening hours and 6% still closed). The situation is now rapidly evolving, due to the new measures that local governments are taking to face the worsening of the pandemic.

However, the level of operations has been very different in the various areas of the world. The most lively market was Mainland China, where revenues recorded solid double-digit growth, progressively accelerating. Europe and the United States are still very weak, areas heavily penalized by the absence of tourists and by our policy of prudence with the wholesale channel, which has high importance in these markets.

The e-commerce channel continued to grow at solid double digits. This is a priority channel for the Group, with additional investments, to expand the customer base, also using the new digital forms of communication. During the third quarter, the first test on the European market of the omni-channel distribution model was launched.

Impact of the pandemic on the Group's results

With regard to this issue, we confirm all the indications provided on the occasion of the release of 2020 Half-Year Report. There are no significant changes; all cost control activities are continuing, on the one hand, and all the measures to protect and develop sales are in place, on the other.

The production activities are currently regular, with the adoption of all precautionary and preventive measures to protect the health of employees.

The percentage of remote working is very significant, mainly in those areas where the spread of the virus is greater.

Detailed consolidated sales as of September 30th, 2020

The impact of the pandemic has affected the sales results of all the Group's brands, in all geographic areas, product categories and on both sales channels.

The revenue trend of each brand reflects its geographical breakdown and its distribution structure.

The following tables show the usual breakdowns of turnover.

Breakdown of consolidated sales by brand

(million Euros)

	9 months 2020		9 months 2019	% change		FY 2019
	reported rates	constant rates		reported rates	constant rates	
Tod's	211.3	211.8	344.3	- 38.6%	-38.5%	461.8
Hogan	109.1	109.2	150.3	-27.4%	-27.3%	196.5
Roger Vivier	106.6	107.2	144.0	-26.0%	-25.6%	200.5
Fay	25.3	25.3	38.5	-34.2%	-34.3%	56.3
Other	0.3	0.3	0.6	n.m.	n.m.	0.9
TOTAL	452.6	453.8	677.7	-33.2%	-33.0%	916.0

Breakdown of consolidated sales by product category

(million Euros)

	9 months 2020		9 months 2019	% change		FY 2019
	reported rates	constant rates		reported rates	constant rates	
Shoes	371.1	372.3	543.2	-31.7%	-31.5%	730.7
Leather goods and accessories	51.8	51.8	91.5	-43.4%	-43.4%	121.7
Apparel	29.4	29.4	42.4	-30.5%	-30.6%	62.7
Other	0.3	0.3	0.6	n.m.	n.m.	0.9
TOTAL	452.6	453.8	677.7	-33.2%	-33.0%	916.0

Breakdown of consolidated sales by region

(million Euros)

	9 months 2020		9 months 2019	% change		FY 2019
	reported rates	constant rates		reported rates	constant rates	
Italy	123.9	123.9	195.3	-36.6%	-36.6%	260.6
Europe (excl. Italy)	115.1	114.6	176.3	-34.7%	-35.0%	237.6
Americas (*)	25.9	25.7	49.9	-48.2%	-48.6%	70.6
Greater China (**)	124.8	126.0	156.4	-20.2%	-19.4%	215.1
Rest of World	62.9	63.6	99.8	-36.9%	-36.3%	132.1
TOTAL	452.6	453.8	677.7	-33.2%	-33.0%	916.0

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

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

Breakdown of consolidated sales by distribution channel

(million Euros)

	9 months 2020		9 months 2019	% change		FY 2019
	reported rates	constant rates		reported rates	constant rates	
Retail (DOS+online)	304.2	305.9	466.5	-34.8%	-34.4%	645.8
Third parties (Franchised stores + Independent retailers)	148.4	147.9	211.2	-29.7%	-29.9%	270.2
TOTAL	452.6	453.8	677.7	-33.2%	-33.0%	916.0

As of September 30th, 2020 the Group's distribution network was composed by 296 DOS and 109 franchised stores, compared to 290 DOS and 111 franchised stores as of September 30th, 2019.

Approval of a new Welfare Plan

In today's meeting, the Board of Directors also approved a new Welfare Plan in favour of its employees, to give them, and their families, the opportunity to benefit from a series of services, aimed at supporting their conditions of life, including also the strengthening of their social security and health coverage.

2021 Financial Calendar

Today the Board of Directors approved also the Financial Calendar for the year 2021, as follows.

Scheduled meetings of the Board of Directors:

January 27th, 2021 Approval of FY 2020 preliminary consolidated sales results

March 3rd, 2021 Call of the Annual Shareholders' Meeting

March 10th, 2021 Approval of FY 2020 consolidated results

April 21st, 2021 (*) Approval of the internal committees and conferment of powers

May 12th, 2021 Approval of Q1 2021 interim report

September 8th, 2021 Approval of H1 2021 consolidated results

November 10th, 2020 Approval of 9 Months 2021 interim report

The Shareholders' Meeting for the approval of the FY 2020 financial statements shall be presumably called on April 21st, 2021.

(*) o different date, which will in any case coincide with the day of the shareholders' meeting

Adaptation of the Articles of Association to Law 160/2019

Today the Board of Directors also resolved to amend articles 17 and 27 of the Articles of Association, in order to adapt their content to the provisions set forth by Law no. 160/2019 (so called Budget Law 2020) on gender balance in the management and control bodies of listed companies, also having regard to the applicable laws and regulations.

The Company will make the minutes of the resolutions adopted and the updated Articles of Association available to the public with the modalities and within the terms provided by laws.

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.

Should you need explanations, please contact: Investor Relations Office - tel. +39 02 77 22 51
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