

Milan – January 27th, 2021

TOD'S S.p.A. – solid double-digit growth of e-commerce and China also in the fourth quarter of 2020

The Board of Directors approved FY 2020 preliminary sales figures and started of the compliance process with the new Corporate Governance Code Credit Agreement for a maximum amount of 500 million Euros linked to specific ESG indicators

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 2020.

Message from the Group's Chairman and CEO

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

“The results for the fourth quarter show a strong unevenness in the various areas of the world: China continued to grow in double digits, while the Western world, after a modest improvement in October, suffered a further slowdown due to further lockdowns imposed by local governments to deal with the flare-up of infections.

We are satisfied with the results achieved in the e-commerce channel, which recorded a gradual acceleration during the year and achieved revenues that are in the highest range of our expectations. This confirms the strong interest from our customers in our products.

We are also receiving excellent feedback on all the new collections, which are able to best express the characteristics of quality, craftsmanship and exclusivity of each of our brands.

We continue to pay close attention to cost control and to adopt great prudence in delivering goods to stores, especially to the wholesale channel, which is experiencing a difficult time.

Our primary goal is to consolidate our communication strategy, particularly the digital one. We are well advanced; when the markets return to normal, we will be ready to begin a lasting growth cycle.

We have further strengthened our capital structure, to be ready to evaluate any opportunities that the market can offer in times like this.

Obviously, the health of our people and support to those in most difficulty at the moment remains the first objective of all of us, respecting the ideas and the tradition of our Group. “

Comments to the Group's sales

In fiscal year 2020, consolidated sales were 637.2 million Euros, down 30.4% from 2019. In the fourth quarter of 2020, sales amounted to 184.5 million Euros, down 22.6% from Q4 2019.

In the current year, the impact of currency fluctuations is slightly negative and is more visible on the Tod's and Roger Vivier brands, which have the greatest presence abroad; at constant exchange rates, meaning by using FY 2019 average exchange rates, including the related effects of hedging contracts, sales would have been 640.1 million Euros (-30.1%).

As already commented in the previous quarters of this year, also in the fourth quarter sales results were heavily affected by the pandemic situation and are very uneven by geographical area.

In Mainland China the performance was definitely positive and revenues recorded solid double-digit growth, gradually accelerating, while the results of Europe and the USA were impacted by the closures imposed by the lockdowns and by the very low traffic even during the opening periods, given the absence of tourist purchases.

As regards the analysis of revenues by distribution channel, revenues of the retail channel registered a slight improvement in the fourth quarter.

The performance of the DOS network was affected by the persistent pandemic scenario; after a good performance in October, new lockdowns were imposed in November in Europe and, subsequently, also in some Asian countries. The average store opening rate fell from 98% in October to 83% in November and 87% in December. Overall, however, the results of the DOS network in the fourth quarter showed a slight improvement compared to the third quarter figure.

In the meantime, the e-commerce channel continued its very strong double-digit growth, with a further acceleration in the fourth quarter of the year, and generated particularly positive results.

On the contrary, the result of the wholesale channel remained visibly negative, also confirming the strategy of great caution that the Group has adopted towards this channel, which is experiencing a structural downsizing, especially in Europe and the USA. The result for the quarter was also influenced by a different timing of deliveries and shipments between the different quarters of the year.

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

Impact of the pandemic on the Group's results

As regards this issue, we confirm all the indications provided on the occasion of the release of 2020 Half-Year Report, to which reference is made.

As of today, all the production activities are currently regular, with the adoption of all precautionary and preventive measures to protect the health of employees; commercial and corporate activities are performed with a significant amount of remote working, mainly in those areas where the spread of the virus is greater.

The network of stores has very different levels of operation and intensity in the various areas of the world, depending on the state of the contagions and in compliance with the containment measures implemented by local governments.

Detailed consolidated sales as of December 31st, 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 following tables show the usual breakdowns of turnover.

Breakdown of consolidated sales by brand

(million Euros)

	FY 2020		FY 2019	% change	
	reported rates	constant rates		reported rates	constant rates
Tod's	297.5	299.1	461.8	- 35.6%	- 35.2%
Roger Vivier	160.0	161.3	200.5	-20.2%	-19.5%
Hogan	141.6	141.7	196.5	- 28.0%	- 27.9%
Fay	37.6	37.5	56.3	- 33.3%	- 33.4%
Other	0.5	0.5	0.9	n.m.	n.m.
TOTAL	637.2	640.1	916.0	-30.4%	-30.1%

Preliminary and unaudited figures

Breakdown of consolidated sales by product category

(million Euros)

	FY 2020		FY 2019	% change	
	reported rates	constant rates		reported rates	constant rates
Shoes	519.0	521.6	730.7	-29.0%	-28.6%
Leather goods and accessories	73.4	73.7	121.7	-39.6%	-39.4%
Apparel	44.3	44.3	62.7	-29.4%	-29.5%
Other	0.5	0.5	0.9	n.m.	n.m.
TOTAL	637.2	640.1	916.0	-30.4%	-30.1%

Preliminary and unaudited figures

Breakdown of consolidated sales by region

(million Euros)

	FY 2020		FY 2019	% change	
	reported rates	constant rates		reported rates	constant rates
Italy	163.7	163.7	260.6	-37.2%	-37.2%
Europe (excl. Italy)	149.6	149.2	237.6	-37.0%	-37.2%
Americas (*)	36.6	36.8	70.6	-48.2%	-47.9%
Greater China (**)	196.5	198.3	215.1	-8.7%	-7.8%
Rest of World	90.8	92.1	132.1	-31.3%	-30.3%
TOTAL	637.2	640.1	916.0	-30.4%	-30.1%

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.

Breakdown of consolidated sales by distribution channel

(million Euros)

	FY 2020		FY 2019	% change	
	reported rates	constant rates		reported rates	constant rates
Retail (DOS+online)	448.8	451.9	645.8	-30.5%	-30.0
Third parties (Franchised stores + Independent retailers)	188.4	188.2	270.2	-30.3%	-30.3%
TOTAL	637.2	640.1	916.0	-30.4%	-30.1%

Preliminary and unaudited figures

As of December 31st, 2020 the Group's distribution network was composed by 300 DOS and 103 franchised stores, compared to 290 DOS and 115 franchised stores as of December 31st, 2019.

Start of the compliance process with the new Corporate Governance Code

Today the Board of Directors of Tod's S.p.A. also resolved to start the compliance process with the new Corporate Governance Code for Listed Companies, published on January 31st, 2020 by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., by approving the update of the Guidelines for the internal control and risk management system to the new Corporate Governance Code.

In compliance with the recommendations of the Corporate Governance Code, the Company will inform the market on the aforementioned process in the Corporate Governance and Ownership Structure Report for the year 2021.

Credit Agreement for a maximum amount of 500 million Euros linked to specific ESG indicators

On January 22nd, 2021 Tod's S.p.A. signed a credit agreement with a pool of banks, coordinated by Intesa Sanpaolo S.p.A. with IMI Corporate and Investment Banking Division, for a maximum total amount of 500 million Euros. The Sustainability Linked Loan has a five-year maturity and is structured in a Term Facility of 250 million Euros and a Revolving Credit Facility of additional 250 million Euros.

This facility further strengthens the already solid Group's financial structure and mitigates the risk profile deriving from the current market situation and contains a rewarding mechanism linked to specific ESG indicators.

Simultaneously with the disbursement of the Term Loan, the Company will repay all pre-existing medium-term loans and cancel the previous RCF lines.

The agreement has been signed with Intesa Sanpaolo S.p.A. (as Sole Global Coordinator, Bookrunner, Mandated Lead Arranger, Sole Sustainability Coordinator, Original Lender and Facility Agent), Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Crédit Agricole Corporate and Investment Bank, Milan Branch, UniCredit S.p.A. (all acting as Bookrunners, Mandated Lead Arrangers and Original Lenders) and Crédit Agricole Italia S.p.A. (acting as Original Lender).

Please note that all the figures related to FY 2020 sales reported in the present press release are preliminary and unaudited. FY 2020 results will be approved by the Board of Directors scheduled on March 10th, 2021.

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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