

Milan – September 8th, 2021

TOD'S S.p.A. – STRONG SALES RESULTS AND VISIBLE PROFITABILITY RECOVERY IN THE FIRST HALF OF 2021. EXCELLENT PERFORMANCE OF THE E-COMMERCE CHANNEL. STRONG PERFORMANCE OF GREATER CHINA AND ROGER VIVIER

The Board of Directors approved Tod's Group 2021 Half-Year Report

Group's sales: 398.4 million Euros, +55.1% from H1 2020

EBITDA: 65 million Euros, with a 16.3% margin on sales

EBIT: -2.7 million Euros, compared to a 94.1 million Euros operating loss in H1 20

Group's Net Result: -20.7 million Euros, compared to a 80.6 million Euros loss in H1 20

Net Financial Debt¹: 131.7 million Euros

Approval of the merger plan for incorporation of the wholly owned subsidiaries Filangieri 29 S.r.l. and Del.Pav. S.r.l.

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, Roger Vivier, Hogan and Fay brands, today approved the Group's report for the first half of 2021 (January 1st – June 30th, 2021).

Message of the Group's Chairman and CEO

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

"The second quarter of the year confirmed an acceleration of the Group's performance, especially in the areas of the world where the stores are working at full capacity. Very strong growth in China, while the areas penalized by the absence of tourists are still weak. Roger Vivier registered solid results and consumer feedback on the Tods brand collections was very satisfactory, both for shoes and for all leather goods; we are also very satisfied with the good start of the Fall Winter collections currently in stores.

The results of the e-commerce channel were excellent, thanks also to the important investments made in the digital division.

I believe that the increase in volumes and the quality of revenues, together with the careful control of overhead costs, will allow us to achieve a gradual improvement in margins.

¹ The balance is calculated excluding 425.8 million Euros of lease liabilities.

I am more and more convinced that the exclusive positioning of our brands will allow us to increasingly satisfy a clientele of young people, who love great quality and good taste.”

Comments to the Group's sales

In the first half of 2021, consolidated sales were 398.4 million Euros, up 55.1% from HI 2020².

Currency fluctuations gave a negative contribution, mainly to Tod's and Roger Vivier, which have the greatest presence abroad; at constant exchange rates, meaning by using the average exchange rates of HI 2020, including the related effects of hedging contracts, sales would have been 405.5 million Euros, up 57.8% from HI 2020.

Considering that the pandemic has heavily affected business in the various regions of the world, in the present financial year and, above all, in the 2020 comparison basis, we also introduce the comparison with the first half of the 2019 financial year at constant rates. In this analysis, it's important to realize that in the first half of 2021, the average opening rate of the store network was 85%, as a world average, and that, given the persistent pandemic context, the Group has decided to remain prudent and not to place too many goods on the market, to protect the prestige of the brands.

Breakdown of consolidated sales by brand

(million Euros)

	HI 2021		HI 2020	% change		% change HI 2019
	reported rates	constant rates		reported rates	constant rates	
Tod's	188,0	192,0	124,5	+50,9%	+54,2%	-17,1%
Roger Vivier	112,7	115,4	61,4	+83,6%	+88,0%	+14,2%
Hogan	80,5	80,9	58,4	+38,0%	+38,6%	-19,4%
Fay	16,8	16,8	12,4	+35,0%	+35,1%	-22,2%
Other	0,4	0,4	0,2	n.m.	n.m.	n.m.
TOTAL	398,4	405,5	256,9	+55,1%	+57,8%	-10,9%

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

The revenue trend of each brand reflects its different geographical mix and its distribution structure; consequently, the Roger Vivier brand, which has the highest exposure to the Asian market, was the best performer in the period.

We are very satisfied with the results of the Tod's brand in the geographical areas, where the stores have been regularly opened and with the excellent start of sales of the Fall/Winter collections, since their arrival in the stores.

Breakdown of consolidated sales by product category

(million Euros)

	HI 2021		HI 2020	% change		% change HI 2019
	reported rates	constant rates		reported rates	constant rates	
Shoes	327,1	332,7	211,8	+54,5%	+57,1%	-9,5%
Leather goods and accessories	49,8	51,2	30,0	+65,9%	+70,5%	-18,3%
Apparel	21,1	21,2	14,9	+41,4%	+41,8%	-12,2%
Other	0,4	0,4	0,2	n.m.	n.m.	n.m.
TOTAL	398,4	405,5	256,9	+55,1%	+57,8%	-10,9%

Good results were recorded both in the core business of shoes and in the new families of leather goods and accessories.

Breakdown of consolidated sales by region

(million Euros)

	HI 2021		HI 2020	% change		% change HI 2019
	reported rates	constant rates		reported rates	constant rates	
Italy	88,8	88,8	65,6	+35,5%	+35,5%	-29,0%
Europe (excl. Italy)	74,9	74,9	61,2	+22,1%	+22,3%	-35,2%
Americas (*)	25,4	27,4	16,1	+58,2%	+70,6%	-21,6%
Greater China (**)	156,2	159,6	74,3	+110,2%	+114,7%	+43,5%
Rest of World	53,1	54,8	39,7	+33,8%	+37,8%	-20,0%
TOTAL	398,4	405,5	256,9	+55,1%	+57,8%	-10,9%

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

² As also highlighted in the previous years, the analysis of the data of the individual quarters is not fully significant, given the imperfect homogeneity in the different months of the year of the revenues from industrial activity. This

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

The pandemic has heavily affected business in the various regions of the world, both in the current year and in the comparison base for 2020; for this reason, it's more meaningful to make the comparison with the first half of 2019. However, in this regard, it should be noted that in the first half of 2021, the average opening rate of the store network was 85%, as a world average. This percentage of operations drops to 76%, if referring to Italy, and even to 61%, if referring to the rest of Europe.

Revenues in Greater China recorded a growth of 43,5% compared to the values of 2019, showing an acceleration in the second quarter of the year compared to the first. Conversely, new cases of infections and new store closures in Japan, Korea and other Asian countries caused a slight slowdown in the "Rest of the World" area in the second quarter. Obviously, the results of European countries, including Italy, are still very weak, penalized by the absence of tourist flows, although we are very satisfied with the spending attitude of local customers.

Breakdown of consolidated sales by distribution channel

(million Euros)

	HI 2021		HI 2020	% change		% change HI 2019
	reported rates	constant rates		reported rates	constant rates	
Retail (DOS+online)	292,0	297,8	185,1	+57,7%	+60,9%	-6,7%
Third parties (Franchised stores + Independent retailers)	106,4	107,7	71,8	+48,2%	+50,0%	-20,8%
TOTAL	398,4	405,5	256,9	+55,1%	+57,8%	-10,9%

The retail channel registered strong results, also driven by the excellent growth of the e-commerce channel.

The results of the wholesale channel were also influenced by the different timing of deliveries among the quarters; as expected, the performance of this channel, when compared with the 2019 figures, reflects the physiological downsizing taking place worldwide.

As of June 30th, 2021 the Group's distribution network was composed by 304 DOS and 96 franchised stores, compared to 292 DOS and 112 franchised stores as of June 30th, 2020.

reminder becomes even more important this year, given the huge impact of the Covid-19 pandemic on the results.

Comments on the Profit & Loss key figures

In the first half of 2021, EBITDA was equal to 65 million Euros, or 16.3% of sales, which compares to a 18.7 million Euros operating loss in the first half of 2020 (this value included the 30 million Euros extraordinary inventory write-down). If compared to the pre-pandemic situation in the first half of 2019, there is a decline in the industrial margin, mainly due to higher costs of raw materials and logistics, and a greater incidence on revenues of operating costs, despite the careful and prudent cost review policy. In particular, the incidence on sales of labour costs increased from 23.6% of HI 2020 to 25.7% of HI 2021, despite the substantial stability of the Group's workforce³.

The incidence on revenues of the cost of rents was substantially unchanged, also thanks to the benefit of the renegotiation of rents for lockdown.

The amount of ordinary depreciation, amortization, provisions and write-downs was also stable, i.e. net of depreciation on assets for right of use (which amounted to 48.4 million euros in the first half of 2021, compared to 54.7 million euros in first semester 2020).

The value of EBIT is negative for 2.7 million euros, a marked improvement compared to the operating loss of 94.1 million euros in the first half of 2020.

The impact of currency fluctuations was slightly negative; at constant exchange rates, EBITDA would have been 68.8 million Euros and EBIT would have shown a negative value of 0.5 million Euros.

The Group's result before taxes, which is also affected by financial charges related to the application of IFRS16, is negative for 13.9 million euros, while it presented a negative balance of 106.1 million euros in the first half of 2020.

The trends commented above resulted in a consolidated result for the first half of 2021, net of current and deferred taxes for the period, negative for 20.7 million Euros, which compares with a loss of 80.6 million Euros in the first half of 2020.

Comments on the Balance Sheet and Cash Flow key figures

In the first half of 2021, the Group invested 19 million Euros in tangible and intangible fixed assets, up from 14.9 million Euros in the first half of 2020. As usual, the majority of these investments were devoted to the widening

and update of the DOS network; the rest of the investments were referred to the continuous renewal at industrial and corporate level, with particular focus on digital.

The net operating working capital totalled 314.5 million Euros as of June 30th, 2021, showing an improvement from the 367.8 million Euros balance as of June 2020, also due to the visible reduction of inventories.

As required by the accounting standard IFRS 16, as of June 30th, 2021 the Group accounted for lease liabilities of 425.8 million Euros, compared to 422.5 million Euros as of June 30th, 2020. Net of these liabilities, the net financial debt was 131.7 million Euros as of June 30th, 2021, which compares to a net debt of 165.1 million Euros as of June 30th, 2020. The Net Financial Position was negative and equal to 557.4 million Euros, compared to a negative debt of 587.5 million Euros, as of June 30th, 2020.

As of June 30th, 2021, the Group's shareholders' equity was 984.6 million Euros, compared to the 1,001.7 million Euro balance as of June 2020.

Approval of the merger plan for incorporation of the wholly owned subsidiaries Filangieri 29 S.r.l. and Del.Pav S.r.l.

Today the Board of Directors also approved the merger plan for incorporation into Tod's S.p.A. of the wholly owned subsidiaries Filangieri 29 S.r.l. and Del.Pav S.r.l., which are entrusted with the retail distribution of the Group's products through a network of 6 stores in aggregate (3 managed by Filangieri 29 S.r.l. and 3 by Del.Pav S.r.l.), as already communicated in the press release issued on May 12th, 2021.

The minutes of the merger resolutions, together with the documentation relating to the two merger transactions, were filed today in the Marche Company Register and are available to the public at the registered office, on the Company's website at www.todsgroup.com and on the *Info* authorized storage mechanism at www.info.it.

The merger deeds will be stipulated after the deadline referred to in art. 2503 of the civil code and will be published in compliance with the terms and the procedures established by the legislation, even regulatory, in force.

We remind also that these transactions are exempt from the application of the OPC Procedure, pursuant to art. 9.1 letter f), as implemented by the issuer with its own subsidiaries in which there are no significant interests of other related parties of the issuer.

The figures commented in this press release have not been audited yet.

³ The Group has 4,596 employees as of June 30th, 2021, compared to 4,657 as of June 30th, 2020.

The Financial Report for the first half of 2021 will be released according to the law provisions.

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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FINANCIAL STATEMENTS⁴

TOD'S Group

Consolidated Income Statement

Unaudited

euro 000's	H1 2021	H1 2020
Revenue		
Sales revenue	398,365	256,913
Other income	6,691	4,224
Total revenue and income	405,056	261,137
Operating Costs		
Change in inventories of work in progress and finished goods	(22,704)	(4,039)
Cost of raw materials, supplies and materials for consumption	(85,088)	(82,879)
Costs for services	(94,751)	(77,461)
Costs of use of third party assets	(23,705)	(8,671)
Personnel costs	(102,482)	(93,301)
Other operating charges	(11,013)	(12,511)
Amortisation and depreciation	(67,624)	(75,408)
Write downs/Reversing of assets	(349)	(1,010)
Total operating costs	(407,716)	(355,280)
Operating profit	(2,660)	(94,143)
Financial income and expenses		
Financial income	9,701	13,601
Financial expenses	(20,907)	(25,534)
Total financial income (expenses)	(11,206)	(11,933)
Income (losses) from equity investments		
Profit before taxes	(13,866)	(106,076)
Income taxes	(6,862)	25,110
Profit/(loss) for the period	(20,729)	(80,966)
Non-controlling interests		344
Profit/(loss) of the Group	(20,729)	(80,622)
Basic Earnings/(Loss) per share (in euro)	(0.63)	(2.44)
Diluted Earnings/(Loss) per share (in euro)	(0.63)	(2.44)

⁴ It should be noted that, starting with this half year condensed financial statements, in line with the reference best practice, Tod's Group consolidated income statement does not include the alternative performance indicator EBITDA. The comparative information of the previous period has been updated consequently. Anyway, this indicator is shown in the interim report on operations in order to achieve a better understanding of the economic performance.

TOD'S Group

Consolidated Statement of Comprehensive Income

Unaudited

euro 000's	H1 2021	H1 2020
Profit (loss) for the period (A)	(20,729)	(80,966)
Other comprehensive income that will be reclassified subsequently to profit and loss:		
Gains/(Losses) on derivative financial instruments (cash flow hedge)	(4,092)	1,330
Gains/(Losses) on currency translation of foreign subsidiaries	1,477	2,951
Gains/(Losses) on net investments in foreign operations	532	(1,106)
Total other comprehensive income that will be reclassified subsequently to profit and loss (B)	(2,083)	3,176
Other comprehensive income that will not be reclassified subsequently to profit and loss:		
Cumulated actuarial gains/(losses) on defined benefit plans	284	
Total other comprehensive income that will not be reclassified subsequently to profit and loss (C)	284	
Total Comprehensive Income (A) + (B) + (C)	(22,528)	(77,790)
Of which:		
Attributable to Shareholders of the Parent company	(22,528)	(77,446)
Attributable to non-controlling interests		(344)

TOD'S Group

Consolidated Statement of Financial Position

Unaudited

euro 000's	06.30.21	12.31.20	06.30.20
Non current assets			
<i>Right of use assets</i>			
Right of use assets	411,684	382,521	424,169
Total Right of use assets	411,684	382,521	424,169
<i>Intangible fixed assets</i>			
Assets with indefinite useful life	554,234	554,234	565,934
Other intangible assets	27,166	25,628	24,465
Total Intangible fixed assets	581,400	579,862	590,398
<i>Tangible fixed assets</i>			
Buildings and land	52,777	53,706	54,609
Plant and machinery	9,031	9,563	10,032
Equipment	10,919	10,700	11,309
Leasehold improvement	30,969	31,507	36,333
Others	31,016	30,652	31,819
Total Tangible fixed assets	134,712	136,127	144,103
<i>Other assets</i>			
Investment properties	10	11	13
Deferred tax assets	106,570	105,655	70,972
Others	18,847	18,329	18,914
Total other assets	125,427	123,995	89,899
Total non current assets	1,253,223	1,222,505	1,248,571
Current assets			
Inventories	334,787	353,982	378,349
Trade receivables	78,117	73,653	72,860
Tax receivables	11,515	15,437	18,696
Derivative financial instruments	483	2,739	4,254
Others	70,553	65,987	70,667
Cash and cash equivalents	188,147	330,940	509,461
Total current assets	683,601	842,739	1,054,287
Total assets	1,936,823	2,065,244	2,302,858

to be continued

euro 000's (continuing)	06.30.21	12.31.20	06.30.20
Equity			
Share capital	66,187	66,187	66,187
Capital reserves	416,588	416,588	416,588
Hedging and translation reserves	15,228	17,311	18,616
Other reserves	507,374	580,280	582,368
Profit/(loss) attributable to the Group	(20,729)	(73,190)	(80,622)
Total Equity attributable to the Group	984,648	1,007,176	1,003,137
Non-controlling interest			
Share capital and reserves			(1,057)
Profit/(loss) attributable to non-controlling interest			(344)
Total Equity attributable to non-controlling interests			(1,401)
Total Equity	984,648	1,007,176	1,001,736
Non-current liabilities			
Provisions for risks	13,112	12,692	11,534
Deferred tax liabilities	7,288	4,030	36,254
Employee benefits	15,695	15,234	14,980
Derivative financial instruments	567		90
Bank borrowings	227,902	9,375	533,285
Non-current lease liabilities	333,887	305,013	330,826
Others	12,165	12,801	12,251
Total non-current liabilities	610,615	359,145	939,222
Current liabilities			
Trade payables	98,410	105,270	83,409
Tax payables	7,428	11,426	5,218
Derivative financial instruments	4,935	1,827	1,559
Others	53,057	40,350	43,620
Banks	83,401	446,501	134,088
Current lease liabilities	91,863	91,337	91,653
Provisions for risks	2,465	2,213	2,353
Total current liabilities	341,560	698,924	361,899
Total Equity and liabilities	1,936,823	2,065,244	2,302,858

TOD'S Group

Consolidated Statement of Cash Flows

Unaudited

euro 000's	Jan.-Jun. 21	Jan.-Jun. 20
Profit/(Loss) for the period	(20,729)	(80,966)
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:		
Amortizat., deprec., revaluat., and write-downs	70,603	112,265
Other non monetary expenses/(income)	3,222	(5,817)
Income taxes for the period	6,862	(25,110)
Changes in operating assets and liabilities:		
Trade receivables	(2,303)	23,953
Inventories	14,228	(30,218)
Tax receivables and tax payables	(2,547)	(1,468)
Trade payables	(6,860)	(53,782)
Other assets and liabilities	5,003	(6,064)
Change in reserve for employee	745	394
Cash flows from operating activities	68,224	(66,812)
Interests (paid)/collected	(2,998)	(614)
Interests (paid) on lease liabilities	(5,934)	(7,132)
Income taxes (paid)/refunded	(2,049)	(18,667)
Net cash flows from operating activities (A)	57,244	(93,226)
Acquisitions of intangible and tangible fixed assets	(18,960)	(14,938)
Transfers of intangible and tangible fixed assets	754	335
Cash flows generated (used) in investing activities (B)	(18,206)	(14,603)
Repayments of lease liabilities	(42,585)	(38,055)
Repayments of financial liabilities	(397,292)	(40,833)
Proceeds from financial liabilities	257,609	517,774
Cash flows generated (used) in financing (C)	(182,268)	438,886
Translation differences (D)	1,907	569
Cash flows from continuing operations (E)=(A)+(B)+(C)+(D)	(141,322)	331,626
Cash flow from assets held for sale (F)		
Cash flows generated (used) (G)=(E)+(F)	(141,322)	331,626
Net cash and cash equivalents at the beginning of the period	316,172	160,609
Net cash and cash equivalents at the end of the period	174,850	492,235
Change in net cash and cash equivalents	(141,322)	331,626

TOD'S Group

Consolidated Statement of changes in equity

Unaudited

January-June 2021 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.21	66,187	416,588	17,311	507,090	1,007,176		1,007,176
Profit & Loss account				(20,729)	(20,729)		(20,729)
Directly in equity			(2,083)	284	(1,799)		(1,799)
Total Comprehensive Income			(2,083)	(20,445)	(22,528)		(22,528)
Dividend paid							
Capital increase							
Share based payments							
Other							
Balances as of 06.30.21	66,187	416,588	15,228	486,645	984,648		984,648

January-June 2020 euro 000's	Share Capital	Capital reserves	Hedging and reserve for translation	Retained earnings	Group interests	Non- controlling interests	Total
Balances as of 01.01.20	66,187	416,588	15,441	583,421	1,081,637	(1,089)	1,080,548
Profit & Loss account				(80,622)	(80,622)	(344)	(80,966)
Directly in equity			3,176		3,176		3,176
Total Comprehensive Income			3,176	(80,622)	(77,446)	(344)	(77,790)
Dividend paid							
Capital increase							
Share based payments							
Other				(1,053)	(1,053)	32	(1,022)
Balances as of 06.30.20	66,187	416,588	18,616	501,746	1,003,137	(1,401)	1,001,736