

Milan – January 23rd, 2019

TOD'S S.p.A. – Group's sales totalled 940.4 million Euros in FY 2018 (958.2 million at constant rates)

The Board of Directors approved FY 2018 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 2018.

Message from the Group's Chairman and CEO

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

" 2018 sales results were substantially in line with our expectations, despite the growing international economic and political uncertainties.

The strategy and the business model adopted with the Tod's Factory project are starting to take shape and every month is becoming increasingly important and visible; the first products and the projects are starting to give good results and we are also satisfied with the team of people we have chosen to carry out this project and the future development of the company. For this reason, in order to sustain a rapid growth, we decided to allocate all the necessary resources, considering that these highly competitive and dynamic markets require significant investments for growth.

I think this is a particularly innovative moment in our sector, very competitive, with new formulas and new business models, but at the same time it's full of brand new opportunities, that we want to be ready to seize, with an appropriate strategy, with special products and with a solid organizational structure.

As already announced, our family has mandated an international bank to proceed with the purchase of a significant stake; we believe, in fact, that in the medium term we will be able to get excellent financial satisfactions."

Comments to the Group's sales

In fiscal year 2018, consolidated sales were 958.2 million Euros, at constant exchange rates, meaning by using the average exchange rates of FY 2017, including the related effects of hedging contracts; this value is broadly aligned with the figure registered in FY 2017.

At reported rates, revenues totalled 940.4 million Euros; Tod's and Roger Vivier were the most affected by currencies fluctuations, due to their higher presence abroad.

In the following paragraphs, the comments will refer to figures at constant exchange rates, which we believe best express the real performance of the business.

Breakdown of consolidated sales by brand

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Tod's	498.6	509.5	515.7	- 3.3%	-1.2%
Hogan	206.1	207.5	203.9	+1.1%	+1.8%
Roger Vivier	173.5	179.0	179.3	-3.2%	-0.2%
Fay	61.3	61.3	63.5	-3.5%	-3.4%
Other	0.9	0.9	0.9	n.m.	n.m.
TOTAL	940.4	958.2	963.3	-2.4%	-0.5%

Preliminary and unaudited figures

Tod's sales totaled 509.5 million Euros in 2018. Good results were achieved in the Americas and in Asia, while Europe was affected by lower purchases of tourists and political and economic uncertainties in Italy.

Hogan revenues were 207.5 million Euros, up 1.8% from the previous year. As already commented for the previous quarters, the weakness of the Italian market was more than offset by the solid double-digit growth recorded abroad.

Sales of Roger Vivier totaled 179 million Euros at constant rates, broadly flattish as compared to FY 2017. Revenues registered a visible improvement, with the arrival in stores of the new products designed by Gherardo Felloni, which are getting excellent feedback. Good results in Asia, while the brand suffered in Europe, especially as sales to tourists.

Finally, sales of Fay were 61.3 million Euros; the 3.4% decrease, as compared to FY 2017, is mainly due to the weakness of the domestic market.

Breakdown of consolidated sales by product category

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Shoes	743.6	758.0	757.9	-1.9%	0.0%
Leather goods and accessories	128.6	131.8	135.8	-5.3%	-3.0%
Apparel	67.3	67.5	68.7	-2.0%	-1.7%
Other	0.9	0.9	0.9	n.s.	n.s.
TOTAL	940.4	958.2	963.3	-2.4%	-0.5%

Preliminary and unaudited figures

Revenues from shoes were 758 million Euros in FY2018, in line with the figure registered last year.

Sales of leather goods and accessories totaled 131.8 million Euros, down 3% from FY 2017.

Finally, sales of apparel were 67.5 million Euros, slightly below the figure of last year; the performance broadly reflects the trend registered by the Fay brand.

Breakdown of consolidated sales by region

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Italy	282.2	282.2	298.2	-5.4%	-5.4%
Europe (excl. Italy)	244.0	246.4	245.1	-0.5%	+0.5%
Americas (*)	73.0	76.9	78.0	-6.5%	-1.4%
Greater China (**)	210.1	218.7	212.0	-0.9%	+3.1%
Rest of World	131.1	134.0	130.0	+0.9%	+3.1%
TOTAL	940.4	958.2	963.3	-2.4%	-0.5%

Preliminary and unaudited figures

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

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

Domestic sales were 282.2 million Euros; the 5.4% decrease, as compared to 2017, is mainly due to the persistent weakness experienced by this market.

In the rest of Europe, the Group's revenues totaled 246.4 million Euros, slightly increasing compared to the previous year.

In the Americas sales amounted to 76.9 million Euros; the 1.4% decrease from 2017 is due to the wholesale channel. The retail channel registered positive results, especially thanks to purchases from local customers.

The Group's sales in Greater China totaled 218.7 million Euros, up 3.1% from 2017 and with an acceleration of the performance in the fourth quarter. Positive results in mainland China, which represents approx. 60% of this region, in Hong Kong and in Macao.

Finally, in the area "Rest of the World" the Group's revenues were 134 million Euros, up 3.1% from 2017.

Breakdown of consolidated sales by distribution channel

(million Euros)	FY 2018		FY 2017	% change	
	reported rates	constant rates		reported rates	constant rates
Retail (DOS+online)	607.7	622.3	621.1	-2.2%	+0.2%
Third parties (Franchised stores + Independent retailers)	332.7	335.9	342.2	-2.8%	-1.8%
TOTAL	940.4	958.2	963.3	-2.4%	-0.5%

Preliminary and unaudited figures

In 2018, retail sales totaled 622.3 million Euros, in line with the figure of 2017, and represent approx. two thirds of the Group's turnover.

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 -3.0% in the fiscal year (from January 1st to December 31st, 2018). The difference, compared to the 9-month figure, is mainly due to the worsening of sales in Italy and the rest of Europe, despite the improvement registered in Greater China.

As of December 31st, 2018 the Group's distribution network was composed by 284 DOS and 120 franchised stores, compared to 275 DOS and 112 franchised stores as of December 31st, 2017.

Revenues to third parties totaled 335.9 million Euros, down 1.8% from the previous year, due to the already commented weakness of this channel in some important markets, such as Italy and USA.

Please note that all the figures related to FY 2018 sales reported in the present press release are preliminary and unaudited. FY 2018 results will be approved by the Board of Directors scheduled on March 11st, 2019.

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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