

Milan – November 6th, 2019

TOD'S S.p.A. – Group's sales totaled 677.7 million Euros in the first nine months of 2019. Double-digit growth for the Roger Vivier brand (+13%).

The Board of Directors approved Tod's Group 9 months 2019 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 interim management statement for the first nine months of 2019 (January 1st – September 30th, 2019).

Message of the Group's Chairman and CEO

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

" The results of the quarter are substantially in line with our expectations. We continue to remain focused on the execution of our medium-term strategic plan. We think we have now in place the right management team; we have recently hired as Tod's brand Creative Director Walter Chiapponi, and we are confident that his skills as a talented Italian designer will allow him to combine the Italian lifestyle of Tod's with modernity and irony, without ever losing sight of the great quality and good taste that are in the brand's DNA. At the same time, we will continue to pursue the business model of Tod's Factory, which includes collaborations and capsule collections with external designers with the aim of increasing even more the visibility and desirability of our products and attracting new clients, thanks also to the great support of the digital division, which is growing rapidly. We are very satisfied with the returns in terms of brand image of the capsule made with Alber Elbaz, now in our stores, and of the other projects we are setting up for the future.

We have recently inaugurated the new Milan flagship store of the Tod's brand, one of the largest shops on Via Montenapoleone, an example of a new generation of stores that well fits with the omnichannel strategy.

We consider our distribution network to be excellent, with stores in all the major luxury streets of the world and from this network we expect a good like-for-like growth for the future. As far as e-commerce, we are satisfied with its rapid growth and its excellent future prospects.

Given the highly competitive context and considering our medium-term goals, we believe it is important to accelerate the investments necessary to support our top line growth.

Assuming no further turbulence from the markets, we believe that we will soon be able to obtain the expected results.."

Comments to the Group's sales¹

In the first nine months of 2019, consolidated sales were 677.7 million Euros, down 4% from the same period of 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 the first nine months of 2018, including the related effects of hedging contracts, sales would have been 670.4 million Euros.

¹ As usual, we remind that analyzing quarterly figures is not fully meaningful, due to the discrepancies in the flows of revenues and costs on a monthly basis. Therefore, annualizing quarterly figures would be misleading. Furthermore, in the current year, the comparison by distribution channel is influenced by the acquisition of Italiantouch (starting from October 1st, 2018, the relative portion of e-commerce revenues is accounted for in retail revenues, and no longer in the wholesale channel).

Breakdown of consolidated sales by brand

(million Euros)

	9 months 2019		9 months 2018	% change		FY 2018
	reported rates	constant rates		reported rates	constant rates	
Tod's	344.3	339.7	376.3	- 8.5%	-9.7%	498.7
Hogan	150.3	149.9	158.2	-5.0%	-5.2%	206.1
Roger Vivier	144.0	141.8	127.4	+13.0%	+11.4%	173.5
Fay	38.5	38.4	43.5	-11.6%	-11.6%	61.3
Altro	0.6	0.6	0.6	n.m.	n.m.	0.9
TOTALE	677.7	670.4	706.0	-4.0%	-5.0%	940.5

Tod's sales totaled 344.3 million Euros in the first nine months of 2019; positive results in the retail channel, where we recorded good feedback from customers on the new families of product.

Hogan sales amounted to 150.3 million Euros; double-digit growth in Greater China, despite the delicate situation in Hong Kong.

Revenues of Roger Vivier totaled 144 million Euros, up 13% from the first nine months of 2018. All the regions posted positive results, with the only exception of the US.

Finally, sales of Fay amounted to 38.5 million Euros; the decrease, as compared to the same period of 2018, is mainly due to the weakness of the Italian market, especially in the wholesale channel, which is predominant for Fay.

Breakdown of consolidated sales by product category

(million Euros)

	9 months 2019		9 months 2018	% change		FY 2018
	reported rates	constant rates		reported rates	constant rates	
Shoes	543.2	537.8	562.2	-3.4%	-4.4%	743.7
Leather goods and accessories	91.5	89.7	96.1	-4.8%	-6.6%	128.6
Apparel	42.4	42.3	47.1	-9.9%	-10.0%	67.3
Other	0.6	0.6	0.6	n.m.	n.m.	0.9
TOTAL	677.7	670.4	706.0	-4.0%	-5.0%	940.5

Revenues from shoes amounted to 543.2 million Euros in the first nine months of 2019; the improvement in the trend registered in the third quarter of the year confirms the good reception for the new product families of all the brands.

Sales from leather goods and accessories totaled 91.5 million Euros; our DOS are recording good feedback on the iconic bag families of the Tod's brand.

Finally, sales from apparel amounted to 42.4 million Euros; the trend broadly reflects that performance registered by the Fay brand.

Breakdown of consolidated sales by region

(million Euros)

	9 months 2019		9 months 2018	% change		FY 2018
	reported rates	constant rates		reported rates	constant rates	
Italy	195.3	195.3	217.5	-10.2%	-10.2%	282.2
Europe (excl. Italy)	176.3	176.1	184.4	-4.4%	-4.5%	243.9
Americas (*)	49.9	47.9	53.1	-6.1%	-9.9%	73.0
Greater China (**)	156.4	153.5	152.5	+2.6%	+0.7%	210.3
Rest of World	99.8	97.6	98.5	+1.2%	-0.9%	131.1
TOTAL	677.7	670.4	706.0	-4.0%	-5.0%	940.5

(*) 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 the first nine months of 2019, domestic sales amounted to 195.3 million Euros; the decrease, compared to the same period of 2018, is entirely due to the weakness of the wholesale channel, while the results in the retail channel are positive.

In the rest of Europe, the Group's revenues totaled 176.3 million Euros; also in this region, the results are very different in the two distribution channels, similarly to what was commented for the domestic market.

In the Americas sales amounted to 49.9 million Euros; the retail channel registered positive results.

The Group's sales in Greater China totaled 156.4 million Euros, up 2.6% from 9 months 2018. The acceleration of growth in Mainland China, which represents more than 60% of this region, more than offset the sharp slowdown recorded in the Hong Kong market, due to the well-known political tensions.

Finally, in the area "Rest of the World" the Group's revenues were 99.8 million Euros, up 1.2% from 9 months 2018. The strong acceleration of the third quarter is largely linked to Japan, where the entire luxury sector benefited from an anticipation of purchases in September, before the VAT increase occurred at the beginning of October.

Breakdown of consolidated sales by distribution channel

(million Euros)

	9 months 2019		9 months 2018	% change		FY 2018
	reported rates	constant rates		reported rates	constant rates	
Retail (DOS+online)	466.5	460.1	436.0	+7.0%	+5.5%	607.8
Third parties (Franchised stores + Independent retailers)	211.2	210.3	270.0	-21.8%	-22.1%	332.7
TOTAL	677.7	670.4	706.0	-4.0%	-5.0%	940.5

In the first nine months of 2019, retail revenues totalled 466.5 million Euros and represent almost 70% of the Group's turnover. In Q3 2019 this channel grew by 8%, driven by the sound double-digit growth of e-commerce (included in the retail channel starting from October 1st, 2018 following the acquisition of Italianouch). The contribution of the new openings is also positive.

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 -4.7% in the first nine months of the year (from January 1st to September 30th, 2019). At reported rates, the value improves by more than 100 bps.

As of September 30th, 2019 the Group's distribution network was composed by 290 DOS and 111 franchised stores, compared to 279 DOS and 118 franchised stores as of September 30th, 2018.

Revenues to third parties totaled 211.2 million Euros; net of the impact of the acquisition of Italianouch and the conversion into DOS of the Australian franchised stores, this channel registered a double-digit decline, mainly due to the weakness of the domestic and European markets.

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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