



1H2024 Results  
*Conference VideoCall*

September 26<sup>th</sup>, 2024

# Today's speakers

**Luca  
Sburlati**



*CEO*

- 12 years in Pattern
- 17 years of Fashion & Luxury industry experience as a Top Manager
- Education: Executive MBA Bocconi / Graduated International Political Sciences



**Innocenzo  
Tamborrini**



*CFO*

- 15 years in Pattern
- 22 years as CFO and Senior Controller
- Education: Graduated in Economics





**PATTERN**  
GROUP

is a

**landmark for top-end  
Luxury Fashion**

**Engineering & Production**



1. 1H2024 Overview
2. Market, Outlook & Group Strategy
3. Financials 1H2024



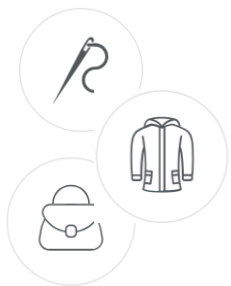
A crumpled blue paper ball sits on a spiral-bound notebook page. The page is covered in faint pencil sketches, including a lightbulb, a pen, and various lines and arrows. The word "What?" is written in cursive at the bottom right. The overall scene suggests a process of brainstorming or creative problem-solving.

# 1H2024 Overview

# 1H2024 Overview

**Market scenario strongly influenced by the geopolitical situation**

1H2024 **results in line with the 2023 proforma** and expectations, and **improvement in marginality**



- **Knitwear:** excellent performance
- **Ready-to-wear:** good stability
- **Leather goods:** sharply decreasing result

**Very solid financial structure, despite the UVM acquisition**



**Success factors:**

- a) a mix of customers that is on average more "resilient";
- b) having an integrated Group focused on the ability to design and engineer and not just produce.

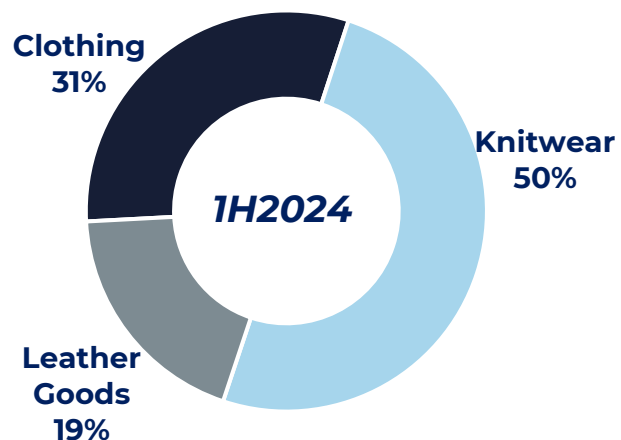
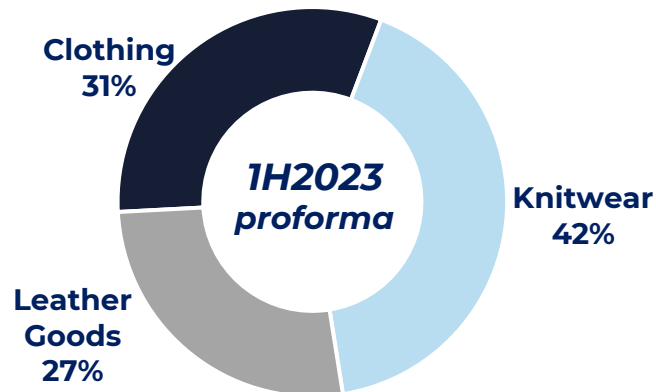
**Product development** has guaranteed innovative capabilities in moments of marked market uncertainty.



**Decrease in revenues** also due to the sale of part of the **Collegno** (Turin) plant, and part of the staff (67 people) to Burberry, but this **represented** useful cash injection for the “extraordinary” initiatives undertaken.

# PATTERN GROUP 1H2024 Highlights VS 2023 PROFORMA\*

## SALES REVENUES BREAKDOWN BY PRODUCT



### TOTAL REVENUES

€ 60.3 M  
-2.9% YoY

€ 62.1 M 1H2023

### EBITDA

€ 6.6 M  
-1.8% YoY

€ 6.7 M 1H2023

### EBITDA MARGIN

10.9%

10.8% 1H2023

### NET INCOME\*

€ 2.2 M  
+25.8% YoY

€ 1.7 M 1H2023

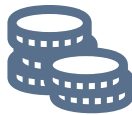
\* In order to give a more complete representation of the performance in the first half of 2024, the income statement figures for the first half of this year are shown compared with the **pro forma figures for the first half of 2023**, which do not include the business then sold to Burberry at the beginning of October 2023.



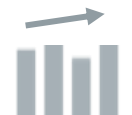
Acceleration of the **process of management simplification of the Group**, through the merger by incorporation of some companies and, in particular, the industrial synergy between the various companies whose geographical proximity was verified with the creation of category production poles such as the “Factory” dedicated to the production of knitwear located in Carpi (Mo).



This verticalization of production, combined with being probably the only **Group with all its companies certified SA8000**, represents a **uniquem on the Italian market**, an important competitive advantage in a period in which all brands are “cleaning” their supply chains from non-transparent subjects



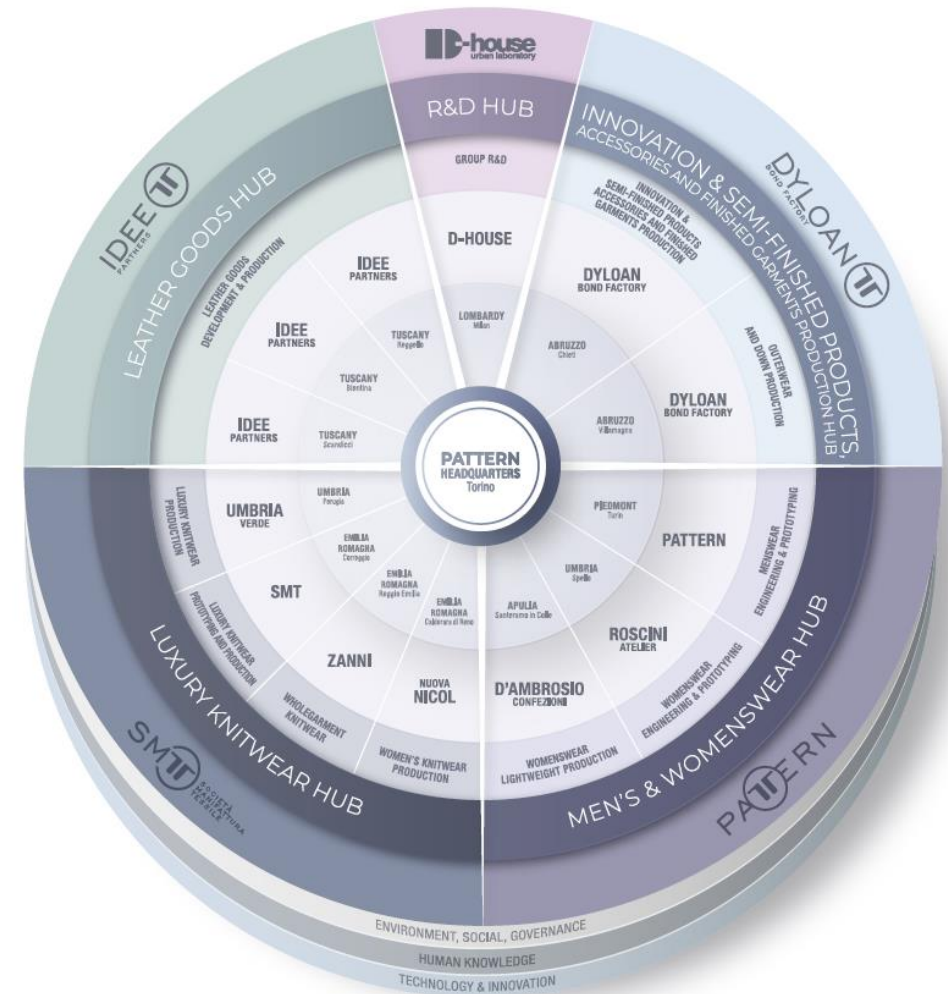
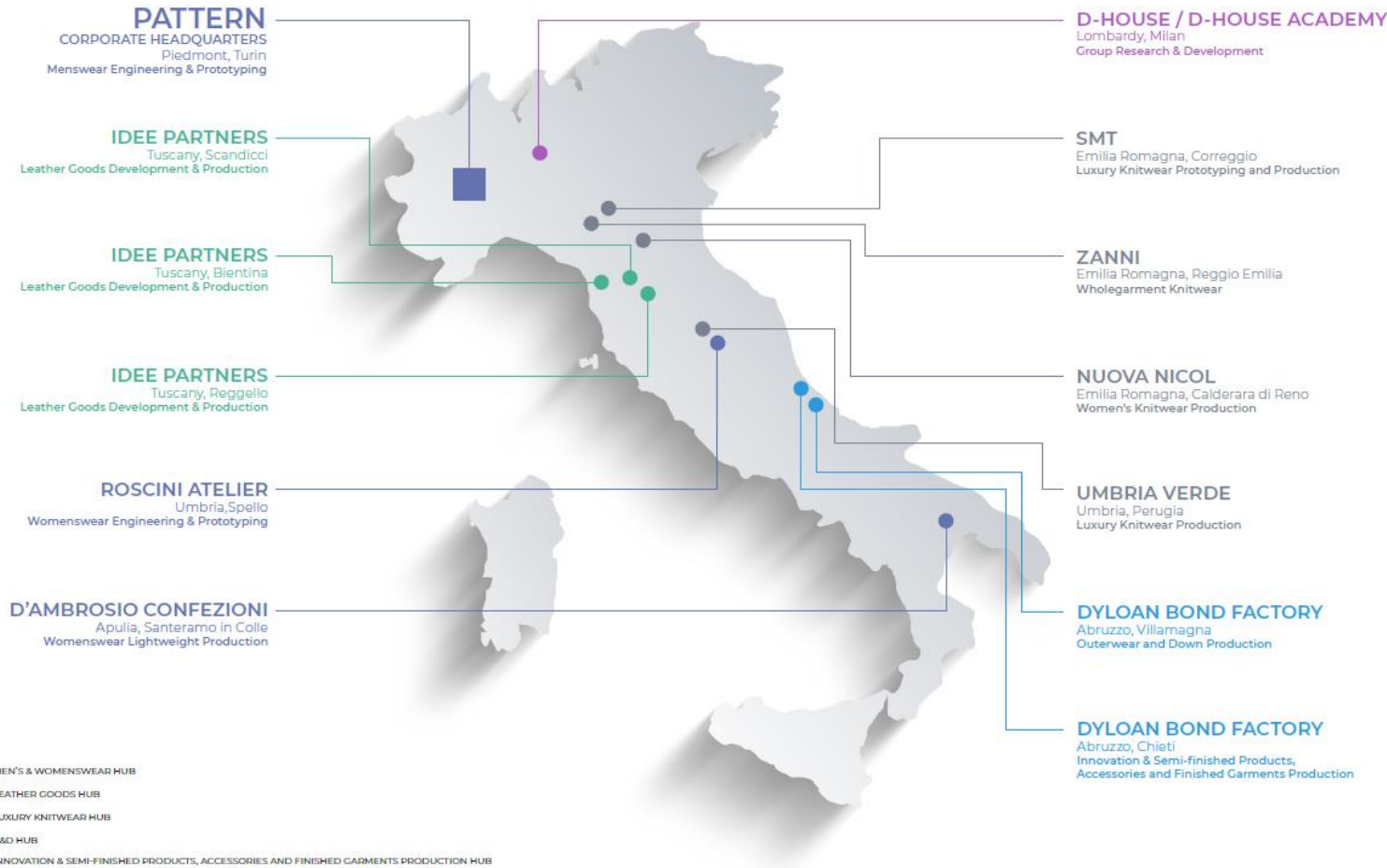
**Investment in technologies** continues: DHouse-Dyloan Bond Factory continues its path of “sustainability” through “circular design” technologies and innovative production methodologies, collaborating with large international companies.



**A change in market trends is not expected in 2024** and probably not even in the first half of 2025, just as we do not imagine China will grow in our product categories so much, but we continue to have a flexible company, very focused on product innovation also in ESG terms and on a high-level transparent Italian supply chain.



# The Italian Hub of Luxury Fashion Engineering & Production



Pattern Group is present in the **main product categories** (men's and womenswear, knitwear, still fabrics, leather goods, clothing and accessories) starting from the **Research and Engineering** phase all the way through to **Production**



# Market, Outlook & Group Strategy

## Market in 2H2024 and most likely in the 1H2025

- 2024 is a complex year. In this scenario, the gap between **top luxury** with high-quality value attributed to the product over time and **fashion luxury**, tied more to **aesthetics alone**, will further increase
- The market is thus clearly moving towards a **"normalization" of the "extreme" phenomena** that occurred post-pandemic, both in terms of growth and excesses.
- **No major change in the market trend.** A return of China to the growth rates of previous years, in the Group's product categories, **is not considered likely**



**Market Scenario**  
**+1-3% growth**  
vs 2023

- **More cautious outlook in China** with technical rebound domestically and slow restart of internal consumption
- **Limited confidence** of consumers in Western markets, with second half 2024 heavily impacted by economic uncertainty (mid-low single digit growth in US and Europe)

## PATTERN GROUP Outlook 2H2024

- **The Group does not expect**, - as occurred in the 2H2023 - **a further acceleration of the knitwear sector**, also in consideration of the significant increase achieved in this sector in the 1H2024
- **Consolidation of Umbria Verde** - in 1H2024 was consolidated only at equity level
- A first **partial recovery of the leather goods business**, which should **partially offset the result of the 1H2024**
- In this context, the work carried out in the **technological and ESG fields**, along with the strong drive for innovation and product development by **Pattern Group, ensures excellent resilience for our Group**. This resilience is bolstered by an increasingly high-end market pyramid customer mix
- **The Group's M&A strategy will continue, not at any cost**, but only when considering "exceptional" companies strong in product development, with entrepreneurs who wish to partake in the project as described above, and not interested in speculative ventures

**PATTERN REMAINS A FLEXIBLE GROUP, WITH A VERY SOLID FINANCIAL STRUCTURE AND A RESILIENT CUSTOMER BASE WITHIN A "NORMALIZED MARKET" LIKEWISE THE CURRENT MARKET**

# Group Strategy - The Italian Hub of Luxury Fashion Engineering & Production

Pattern Group is present in the **main product categories** (men's and womenswear, knitwear, stationary fabrics, leather goods, clothing and accessories) starting from the **Research and Engineering** phase all the way through to **Production**





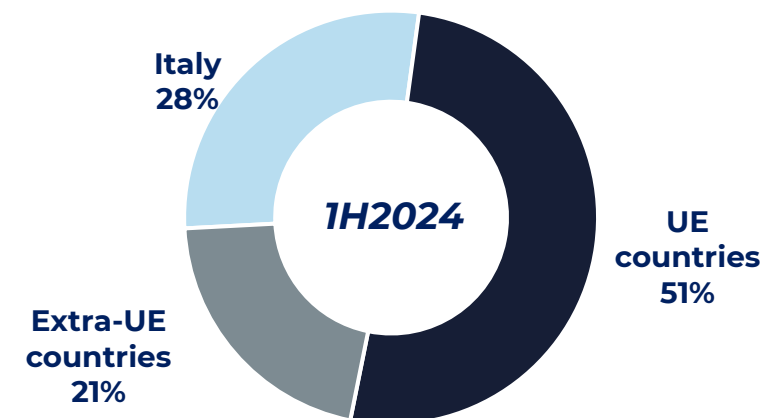
# Financials 1H2024

# PATTERN GROUP 1H2024 Income Statement

(€ 000)	1H2024	1H2023	%
Sales revenues	59,252	71,006	-16.6%
Other revenues	1,067	1,071	-0.4%
<b>Total Revenues</b>	<b>60,319</b>	<b>72,077</b>	<b>-16.3%</b>
Change in inventories, semi and finished prc	1,441	2,222	-35.1%
<b>Value of production</b>	<b>61,760</b>	<b>74,299</b>	<b>-16.9%</b>
Raw materials	(11,059)	(17,074)	-35.2%
Cost of services	(24,057)	(27,990)	-14.1%
Leases and rentals	(1,525)	(1,637)	-6.8%
Personnel Expenses	(18,078)	(18,809)	-3.9%
Other operating expenses	(446)	(1,183)	-62.3%
<b>EBITDA</b>	<b>6,594</b>	<b>7,606</b>	<b>-13.3%</b>
<b>EBITDA margin</b>	10.9%	10.6%	
D&A	(2,956)	(3,067)	-3.6%
<b>EBIT</b>	<b>3,638</b>	<b>4,539</b>	<b>-19.9%</b>
Financial income	400	36	1011.1%
Financial Expense	(402)	(366)	9.8%
<b>EBT</b>	<b>3,636</b>	<b>4,209</b>	<b>-13.6%</b>
Taxes	(1,477)	(1,956)	-24.5%
<b>Net income</b>	<b>2,159</b>	<b>2,253</b>	<b>-4.2%</b>
<b>Group Net income</b>	<b>1,442</b>	<b>1,675</b>	<b>-13.9%</b>

**IMPROVEMENT IN MARGINALITY**

## SALES REVENUES BREAKDOWN BY GEOGRAPHICAL AREA



# UMBRIA VERDE MATTIOLI\* 1H2024 Income Statement Highlights

**TOTAL REVENUES**

**€ 9.1 M**

€ 17.4 M  
in FY2023

**VoP**

**€ 9.4 M**

€ 17.8 M  
in FY2023

**EBITDA**

**€ 2.8 M**  
*Ebitda margin 31%*

€ 4.8 M in FY2023  
*Ebitda margin 28%*

**EBIT**

**€ 2.7 M**

€ 4.5 M  
in FY2023

**NET INCOME**

**€ 1.9 M**

€ 3.1 M  
in FY2023

**NFP**

**€ 1.3 M cash**

\* The scope of consolidation as of June 30, 2024 includes the consolidation of Umbria Verde Mattioli only at the balance sheet level.

## PATTERN GROUP 1H2024 Income Statement VS 2023 PROFORMA

(€ 000)	1H2024	1H2023 proforma	%
Sales revenues	59,252	61,057	-3.0%
Other revenues	1,067	1,071	-0.4%
<b>Total Revenues</b>	<b>60,319</b>	<b>62,128</b>	<b>-2.9%</b>
Change in inventories, semi and finished prc	1,441	2,275	-36.7%
<b>Value of production</b>	<b>61,760</b>	<b>64,403</b>	<b>-4.1%</b>
Raw materials	(11,059)	(13,348)	-17.1%
Cost of services	(24,057)	(24,499)	-1.8%
Leases and rentals	(1,525)	(1,423)	7.2%
Personnel Expenses	(18,078)	(17,247)	4.8%
Other operating expenses	(446)	(1,167)	-61.8%
<b>EBITDA</b>	<b>6,594</b>	<b>6,718</b>	<b>-1.8%</b>
<b>EBITDA margin</b>	<b>10.9%</b>	<b>10.8%</b>	
D&A	(2,956)	(2,923)	1.1%
<b>EBIT</b>	<b>3,638</b>	<b>3,795</b>	<b>-4.1%</b>
Financial income	400	36	1011.1%
Financial Expense	(402)	(366)	9.8%
<b>EBT</b>	<b>3,636</b>	<b>3,465</b>	<b>4.9%</b>
Taxes	(1,477)	(1,749)	-15.6%
<b>Net income</b>	<b>2,159</b>	<b>1,716</b>	<b>25.8%</b>
<b>Group Net income</b>	<b>1,442</b>	<b>1,139</b>	<b>26.6%</b>

**RESULTS IN LINE WITH 2023 PROFORMA  
AND IMPROVEMENT IN MARGINALITY**

# PATTERN GROUP 1H2024 Balance Sheet (Use and Sources)

(€ 000)	30/06/2024	31/12/2023	%	(€ 000)	30/06/2024	31/12/2023	%
Intangible fixed assets	34,614.6	20,824.2	66.2%	<b>Shareholders' Equity</b>	<b>45,433.9</b>	<b>42,495.3</b>	<b>6.9%</b>
Tangible fixed assets	21,006.9	18,260.1	15.0%	<i>Group Shareholders' Equity</i>	38,859.0	37,458.7	3.7%
Financial fixed assets	2,993.7	2,913.9	2.7%	Short term bank debt	13,229.6	8,006.8	65.2%
<b>Fixed Assets</b>	<b>58,615.2</b>	<b>41,998.2</b>	<b>39.6%</b>	Medium term bank debt	22,359.5	17,887.9	25.0%
Warehouse	10,640.4	6,701.6	58.8%	Other financial debt	8,000.0	-	n.a.
Trade Receivables	23,881.6	20,388.4	17.1%	<b>Financial debt</b>	<b>43,589.1</b>	<b>25,894.7</b>	<b>68.3%</b>
Other Receivables	7,345.0	11,049.6	-33.5%	Current Financial assets time-depos	(13,050.6)	(7,088.5)	84.1%
Prepayments and accrued income	1,611.3	1,377.5	17.0%	Cash and Cash equivalents	(17,594.1)	(19,447.8)	-9.5%
<b>Working Capital</b>	<b>43,478.4</b>	<b>39,517.2</b>	<b>10.0%</b>	<b>Total liquidity</b>	<b>(30,644.7)</b>	<b>(26,536.3)</b>	<b>15.5%</b>
Trade Payables	(21,038.2)	(18,891.6)	11.4%	<b>Net Debt/(Cash)</b>	<b>12,944.4</b>	<b>(641.6)</b>	<b>n.a.</b>
Other Payables	(13,149.8)	(11,479.3)	14.6%	<b>Total Sources</b>	<b>58,378.3</b>	<b>41,853.7</b>	<b>39.5%</b>
Accrued expenses and deferred income	(3,470.6)	(3,870.0)	-10.3%				
<b>Net Working Capital</b>	<b>5,819.8</b>	<b>5,276.3</b>	<b>10.3%</b>				
Funds	(6,056.7)	(5,420.9)	11.7%				
<b>Net Invested Capital</b>	<b>58,378.3</b>	<b>41,853.7</b>	<b>39.5%</b>				

**INCREASE IN FIXED ASSETS MAINLY FOR THE INCREASE OF INTANGIBLES DUE TO THE CONSOLIDATION OF UVM**



# PATTERN GROUP 1H2024 Change in Net Financial Position

(€ 000)	1H2024	1H2023	%
<b>Starting NFP of the Group (A)</b>	<b>642</b>	<b>(13,853)</b>	<b>-105%</b>
NFP of newly consolidated companies (B)	1,290	1,874	-31%
Cash flow before changes in nwc	7,460	9,043	-18%
Change in net working capital	520	2,745	-81%
Other changes	(1,025)	(2,730)	-62%
Intangible and tangible investments net of divestments	(2,316)	(5,179)	-55%
<b>Cash flow from operating activities (C)</b>	<b>4,640</b>	<b>3,879</b>	<b>20%</b>
Cash flow from financial investments (D)	(18,541)	(6,828)	172%
Cash flow from changes in net equity (F)	(974)	(746)	31%
Other changes (G)	-	280	-100%
<b>Reduction (Increase) of NFP (H=B+C+D+E+F+G)</b>	<b>(13,586)</b>	<b>(1,541)</b>	<b>782%</b>
<b>Final NFP of the Group (A+H)</b>	<b>(12,944)</b>	<b>(15,393)</b>	<b>-16%</b>

**VERY SOLID  
FINANCIAL STRUCTURE**

**NET  
DEBT/EBITDA**  
**1**  
*on annual basis*

**GEARING  
RATIO**  
**28%**



# Q&A SESSION

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