



# Digital Italian Sustainability Week 2020

June/July 2020

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## Today's speakers

Luca Sburlati



CEO

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









#### Sara De Benedetti



Investor Relator

- Joined Pattern in July 2018
- 9 years in communication, last 5 years focused on the International Fashion Industry
- Education: MSc Bocconi in **Economics**







#### **Veronica Bovo**



Corporate Chemical & Sustainability Manager

- 2 years in Pattern
- 10 years of Fashion industry experience in international companies
- Education: BSc European Business with Technology /University of Brighton



pininfarina SAMSUNG BURBERRY



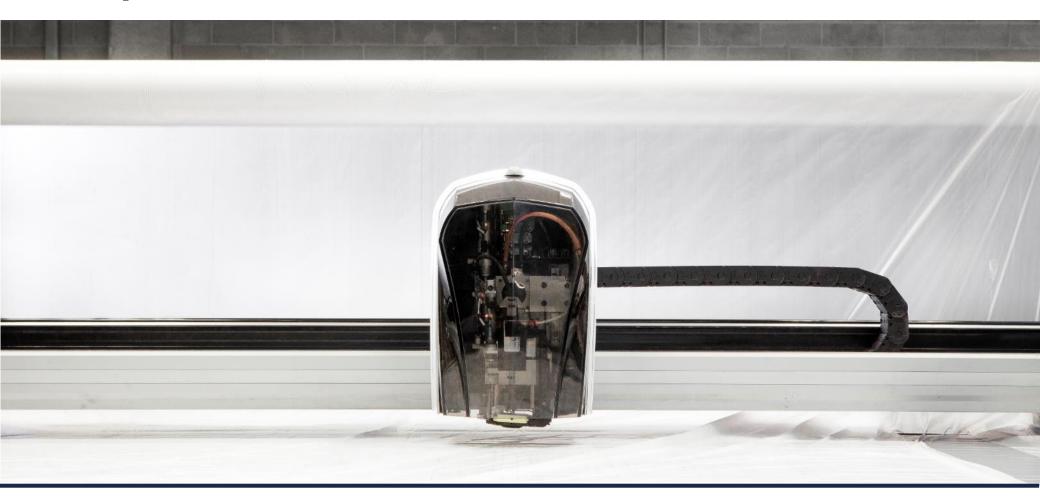
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# **Group overview**





## **Group Overview / The Italian Hub of Luxury Fashion Engineering**





## Group Overview / The Italian Hub of Luxury Fashion Engineering

#### **Pattern: Luxury Menswear**

**Pattern S.p.A** is one of the most important operators in the field of **engineering**, **development**, **prototyping and production** of fashion lines for the most prestigious brands worldwide exclusively for the top luxury range, in the segment of fashion shows and main lines.

Client Loyalty	
2018 Pattern S.p.A.	

Period	Share <sup>1</sup>
<3 Years	7%
3-10 Years	12%
>10 Years	81%

- Quality, Speed, Flexibility, and Reputation
- A solid focus on **Research & Development, technology and innovation**
- A market leader in A highly experienced task force
- A business model based on sustainability

#### Roscini Atelier: Luxury Womenswear Engineering

Studio Roscini was born in the early '80s and became one of the most important Italian companies in pattern-making of women's collections.

In **2017 Studio Roscini joined Pattern Group** with a clear mission: follow each step of the collection development.

The craftsmanship of the creations combined with the most advanced technology allows Roscini Atelier to achieve the perfect balance between quality and speed.

- Quality, Speed
- Flexibility and Reputation
- A solid focus on craftsmanship and innovation

#### Società Manifattura Tessile (S.M.T.): Luxury Knitwear

**S.M.T. s.r.I**, based in Correggio (Reggio Emilia), began its activity in the luxury knitwear sector in 2010 and today it **is a leading company in prototyping, engineering and production of luxury knitwear.** In **2020 Pattern** completed the acquisition of 51% of SMT's share capital while the remaining 49% will remain property of Stefano Casini.

- Excellence, Quality
- Proactivity
- A solid focus on Research & Development
- 120 cutting-edge machines and 20 shima/stoll technicians













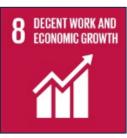
#### PATTERN RESPONDS TO THE UN INVITATION





#### Goal 5: Achieve gender equality and empower all women and girls



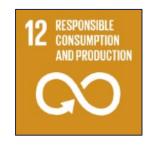


#### Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all



Goal 9: Build resilient infrastructure. promote sustainable industrialization and foster innovation





**Goal 12:** Ensure sustainable consumption and production Patterns

Pattern has decided to respond to the UN challenges by identifying 4 goals to work immediately on, with the aim of contributing to make our world sustainable and achieve the "2030 Agenda for Sustainable Development".

# PATTERN ADHERES TO THE ONU'S "FASHION INDUSTRY CHARTER FOR CLIMATE ACTION"





Pattern is the first Italian company to join the UNFCCC's Fashion for Global Climate Action initiative as a signatory to the Fashion Industry Charter for Climate Action.

The initiative calls on the Fashion industry to acknowledge the contribution of the sector to climate change and the responsibility to strive towards climate neutrality for a safer planet. By signing the Charter, Pattern has demonstrated the **commitment to playing its part to ensure the fashion sector is on the path to a low-carbon future.** 

In line with the principles enshrined in the Charter and the aims of the Paris Agreement, **Pattern commits to a 30% GHG emissions reduction by 2030** and will strive to de-carbonization of the production phase, selection of climate friendly and sustainable materials, low-carbon transport, consumer dialogue and awareness, work with the financing community and policymakers to catalyse scalable solutions, and explore circular business models.



#### FROM RED TO GREEN CARPET



"From Red to Green Carpet" is a **five-year plan** announced in 2018 by Pattern.

The aim is to create the same luxury but drastically reducing the impact on the environment without compromising the quality.

Pattern has identified three main goals to achieve:



With this project Pattern is facing an important challenge: creating value from sustainability. In order to achieve these ambitions Pattern aims to involve suppliers through its actions, including them in a path of raw materials and workers sustainability, by trying to improve the environment in which they operate.

#### **CO2 ZERO EMISSIONS**



The first goal is to **bring to zero the CO2 emissions**, not only using renewable energy but also teaching our employees how to use energy optimizing efficiency every day. In addition, we are implementing an efficient system with low energy consumption, raising our employees' awareness on the fundamental issue of our planet safeguard.

UPDATED TO 31/12/2019 ELECTRIC FLEET	2023
SECOND RENEWABLE ENERGY SOURCE	2020
ROOF GARDEN THAT ABSORBS EMISSIONS	2020
GAS CONSUMPTION REDUCTION	<b>⊘</b>
THERMAL IMPROVEMENT OF THE BUILDING	<b>⊘</b>
PHOTOVOLTAIC	2020
EFFICIENT USE OF ENERGY	2023
RENEWABLE ENERGY PURCHASE	<b>⊘</b>
LED	2023



# ECONOMIC AND SOCIAL SUSTAINABILITY CREATION OF A SUSTAINABLE VALUE



Pattern believes in supporting its employees to improve their own and others work. For this reason, we decided to agree to the **Corporate Social Responsibility International Standard SA8000** by encouraging the staff in participating to the company's goals and by monitoring the implementation of these principles with its partners, suppliers and contractors.

In addition, since 2015, Pattern has been drafting its own **Sustainability Report following the GRI Sustainability Reporting Guidelines** (Global Reporting Initiative).

Complying with social responsibility requirements allows the company to develop, maintain and implement policies and procedures in terms of education, personal growth, health and safety at work and working climate.

#### UPDATED TO 31/12/2019

SA8000 CERTIFICATION (SINCE 2013)	⊘
INNOVATION AND DEVELOPMENT PROMOTION	<b>⊘</b>
USE OF ECOSUSTAINABLE RAW MATERIALS	2023
WORKING ENVIRONMENT IMPROVEMENT	<b>②</b>
INSTALLING COLUMNS FOR RECHARGING ELECTRIC CARS	2023
EFFICIENT USE OF ENERGY	$\odot$













#### **CORPORATE SOCIAL RESPONSABILITY**



Pattern believes in Sustainable Finance, based on environmental, social and governance sustainability (ESG-Environmental, Social, Governance)



- In 2018 Pattern defined a 5 year plan (2018-2023) called From Red to Green Carpet Project.
- Pattern joined the **Science Based Target initiative (SBTi)** on 9 June 2020 with the aim to reduce its own emissions and global warming
- Pattern signs a Commitment to UNFCCC as signatory of Fashion Industry Charter for Climate Action on 18 July 2019

#### CIRCULAR ECONOMY&REVALUE WASTE



The third goal of Pattern is the implementation of a **circular economy system.** In contrast with the less sensitives fast fashion' strategies, the application of the circular economy concept to the fashion world allows the control and waste reduction, by transforming the waste in recycled materials to reinsert in the production cycle.

#### UPDATED TO 31/12/2019

ECOSUSTAINABILITY OF THE ESEMPLARE BRAND	<b>⊘</b>
USE OF RECYCLED RAW MATERIALS	2023
GRS CERTIFICATION FOR ESEMPLARE PRODUCTS	2023
WASTE FABRIC RECYCLING	$\bigcirc$
USE OF RECYCLED PRODUCTS FOR ESEMPLARE GARMENTS	$\bigcirc$



# **EUROPE2020 PROJECT**"2020 CLEANCHAIN"



Since 2015, Pattern has been engaging in a process that aims at **eliminating the substances deemed to be toxic or harmful** by the main international standards. This procedure has been followed in conformity with the "Europe 2020" community project and, in some cases, even more restrictive than what is required in the protocols.

In 2016 this process became operational and the substances considered harmful were completely removed from the products.

Furthermore, since 2019 Pattern has been a member of the "Cleanchain" initiative.







#### **ESG CERTIFIED COMPANY**



#### CDP REPORTING ON CLIMATE CHANGE

In 2019 Pattern achieves the ESG (Environmental, Social and Governance) rating with CDP and decides to certify its path towards Carbon Neutrality by joining the CDP 2019 Reporting on Climate Change.

Thanks to the decision to adhere the CDP reporting process, Pattern Group demonstrates its will to be transparent on its governance structure, emissions and energy consumption.

Pattern Group now is not only able to **measure its impact and work on ambitious reduction targets towards environmental leadership**, but is also able to manage stategically its environmental risk.

Pattern Group decided to concentrate on the report focused on Climate Change with the aim of **improving corporate awareness** through measurement and disclosure, essential to the effective management of carbon and climate change risk.



CDP SCORE REPORT CLIMATE CHANGE 2019 - D



#### CDP SCORE - CLIMATE CHANGE



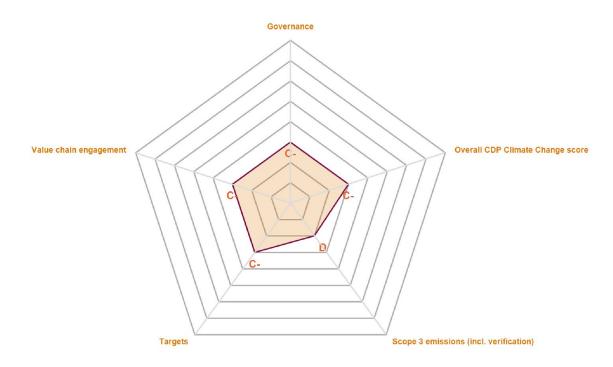




#### **ESG CERTIFIED COMPANY**



#### SUPPLIER ENGAGEMENT RATING - SER



#### SUPPLIER ENGAGEMENT RATING - SER

In 2019 Pattern achieves the Supplier Engagement Rating (SER).

The SER provides a rating to evaluate how effectively companies are engaging their suppliers on climate change. CDP's annual Supplier Engagement Rating (SER) is designed to evaluate and implement actions on corporate supply chain engagement on climate issues.

In detail, it assesses performance on supplier engagement on the issues regarding governance, targets, value chain emissions, and value chain engagement.



CDP SCORE REPORT SUPPLIER ENGAGEMENT RATING 2019 - C



#### YOUR SER RATING





## **PATTERN GROUP CERTIFICATION**

- Goal 5: Gender Equaliy
- Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all
- Goal 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation
- Goal 12: Ensure sustainable consumption and production patterns

CERTIFICATION	SCOPE	ISSUED
SA 8000 — by CISE SAI (Social Accountability International)	<ul> <li>Encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.</li> <li>Respect for human rights, respect for workers' rights, protection against exploitation of minors, safety and health guarantees in the workplace.</li> </ul>	Since 2013 Latest 3/29/19 Renewal date 4/3/22
CleanChain – Adec Innovation	<ul> <li>Helps gain visibility and insights into the chemical use in supply chain.</li> <li>It automates the complex tasks of tracking, managing and reporting compliance with Manufacturing Restricted Substance Lists (MRSLs) and Restricted Substances Lists (RSLs).</li> </ul>	Early 2019
Graduated ELITE Company by Italian stock exchange	<ul> <li>The prestigious "ELITE Company" certification is issued by Borsa Italiana and reserved for companies with high growth potential</li> <li>Aims to support "excellent" SMEs in the realization of their growth project.</li> </ul>	10/01/18, after completing the Programme
UNFCCC's Fashion for Global Climate Action	<ul> <li>First Italian company to join the initiative as a signatory to the Fashion Industry Charter for Climate Action.</li> <li>The Fashion for Global Climate Action initiative calls on the Fashion industry to acknowledge the contribution of the sector to climate change and our responsibility to strive towards climate neutrality for a safer planet.</li> </ul>	07/22/2019
ESG rating with CDP  • • •	<ul> <li>By scoring businesses from A to D-, CDP takes organizations on a journey through disclosure to awareness, management, and finally to leadership.</li> <li>Focused on GHG emissions, the score rates the environmental performance in terms of governance and economic sustainability on Scope 1, 2 and 3 emissions, by using KPIs.</li> </ul>	Reporting on Climate Change score: D Supplier Engagement Rating: C
Responsible Down Standard (RDS) by ICEA	<ul> <li>Certifies products that contain feathers and down from certified farms.</li> <li>The scope of the RDS shall include the entire supply chain of waterfowl down, from hatchling, slaughter, assembly of the final products, and to final trading with retailers, without geographical limitation.</li> </ul>	08/08/2019
Global Recycle Standard (GRS) by ICEA	<ul> <li>Aims to help reduce the consumption of resources (virgin raw materials, water and energy) and increase the quality of recycled products. The GRS provides for the release of an environmental declaration verified by a third party which proves the content of recycled materials of their products (both intermediate and finished) and the compliance with environmental and social criteria in all the production chain.</li> </ul>	In progress
Sustainability Report (GRI Standards)	<ul> <li>This Report has been drafted following the Sustainability Reporting Guidelines of the GRI (Global Reporting Initiative). Particularly, we have applied the Content Reporting Principles (Stakeholder Inclusiveness, Sustainability context, Materiality, Completeness) and the information quality (Balance, Comparability, Accuracy, Timeliness, Clarity, Reliability).</li> </ul>	Yearly, since 2015





## **ESEMPLARE**

ESEMPLARE was acquired in 2014 and is the only proprietary brand of Pattern.

The brand is the authentic **implementation of the Circular Economy principles**: a closed cycle economic system that could self-sustain and self-regenerate.

The brand's policy could be described in:

- Sustainable Design: we are inspired by concept of modularity and versatility
- Research and Development: Innovation for regeneration
- **Procurement**: we use only Italian and eco-sustainable fabrics, combining tradition and innovation.
- Recycle and regeneration: "make more and better with less". We control and reduce waste; we use, regenerate, and recycle the materials employed in the production process, giving value to the waste.
- Waste management: since 2019, we have been in partnership with Green Line for the fabric waste management.
- **Energetic efficiency**: we deploy renewable and certificated energy sources, paying particular attention into the efficient use, minimizing resources' waste.
- **Hydric efficiency**: our wastewater treatment system is carefully projected.
- Research of new ecological materials: since 2015, ESEMPLARE stopped using fur or goose down in the new collections and has developed a new quilting called Thermore Ecodown; this material, made of 100% recycled fibres, allows the reuse of 10 plastic bottles for a single garment production.

Finally, all the garments made during 2019 have been realised using 100% recycled products and the 40% of them has a GRS certification, as previously happened in 2018. For the second year in a row, ESEMPLARE is a 100% eco-sustainable brand.







## **April 2020 - Special Project**



On April 2020 Pattern launched the production of **E MASK**: innovative, sustainable and made in Italy mask.

#### The E MASK product is:

- **Sustainable.** E MASK is in fact a reusable mask as it is composed of a fabric that, while washable, maintains its own antibacterial and anti-drip characteristics, and a non-woven italian fabric filter certified by the Polytechnic University of Milan to be replaced daily.
- Comfortable. It is composed of a hypoallergenic cotton shell that remains in contact with the skin.
- Comfortable and elegant. It is developed thanks to an advanced 3D pattern-making software, in three sizes (man, woman and child) so as to adapt perfectly to the different conformations of the male, female and 4-12-year-old face.
- Low cost of use. Given that it is, in fact, reusable it has a lower cost per use than disposable masks; while using materials of the highest level.
- Made in Italy. E MASK supports the Italian economy throughout the supply chain since it is 100% Made in Italy, both regarding the fabric
  of the mask and the non-woven fabric of the filter, and for its manufacture. A QCode applied on the template certifies the entire Italian
  supply chain used.







## FY 2019 Results





## **FY 2019 Highlights**



	€55.7	€7.2	12.9%
	Revenues	Adj.² EBITDA	Adj. EBITDA margin
CIIIIII			

(+33%)

 $(+26\%)^{1}$ 

dj. Net Income <b>€4.7</b>	Adj. Net income	Net Cash	
•	margin <b>8.4%</b>	€12.4	
(+33%)	O. <del> 1</del> /0	(+ €8.5 m)	

2019 ends as an extraordinary year for Pattern, full of events and satisfactions for all of us. With 2020, unfortunately for different reasons, an equally extraordinary moment opens. We believe that the trust placed in us by our customers combined with the choice to invest in the most advanced design technologies and an offer of a now complete product range can only be positive for the future

- Luca Sburlati, Group CEO, together with Franco Martorella and Fulvio Botto, founders and majority shareholders

"

#### **FY 2019 Income Statement**

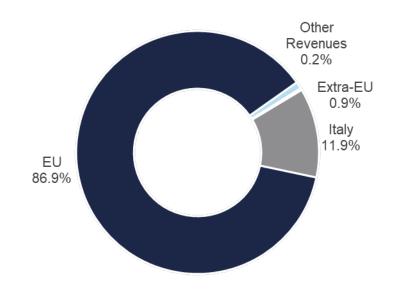
(€ 000)	FY 2019	FY 2018 Pro-forma	%
Sales revenues	55,603	44,089	26%
Other revenues	135	279	-52%
Total Revenues	55,738	44,368	26%
Increase in fixed assets for internal work	-	71	-100%
Change in inventories	(400)	130	-408%
Value of production	55,338	44,569	24%
Raw materials	(16,462)	(14,054)	17%
Cost of services	(22,980)	(16,859)	36%
Leases and rentals	(572)	(822)	-30%
Personnel Expenses	(9,239)	(7,348)	26%
Other operating expenses	(141)	(105)	34%
EBITDA	5,945	5,380	10%
EBITDA margin	10.7%	12.1%	
Adjusted EBITDA	7,181	5,380	33%
Adjusted EBITDA margin	12.9%	12.1%	
D&A	(454)	(410)	11%
EBIT	5,491	4,970	10%
EBIT margin	9.9%	11.2%	
Net financial income	(55)	(15)	267%
EBT	5,436	4,955	10%
Taxes	(1,644)	(1,430)	15%
Net income	3,793	3,525	8%
Net income margin	6.8%	7.9%	
Adjusted Net income	4,684	3,525	33%
Adjusted Net income margin	8.4%	7.9%	

- Revenues at 31 December 2019 amount to € 55.6 million compared to € 44.1 million at 30 June 2018, showing an increase of around 26%.
- **EBITDA**, amounted to € 5.9 million compared to € 5.4 million in 2018, showing a increase of around 10%. **EBITDA margin** at 10.7% compared to 12.3%.
- Adjusted EBITDA, excluding the costs incurred for the IPO, was € 7.2 million, with an increase of 33% and an adjusted EBITDA margin of 12.9%.
- Net income for the period at € 3.8 million compared to € 3.5 million at 31 December 2018, showing an increase of 8%
- Adjusted Net income at € 4.7 million, +33% compared to 2019



## **Revenues Breakdown**

(€ 000)	FY 2019	FY 2018 Pro-forma	%
Italy	6,644	7,961	-17%
EU	48,439	35,333	37%
Extra-EU	521	795	-35%
Other Revenues	135	279	-52%
Total	55,738	44,368	26%



#### **Geographic footprint**



The geographical breakdown of sales shows a further increase in foreign sales. Italy's share on revenues has decreased from 18% to 12%.



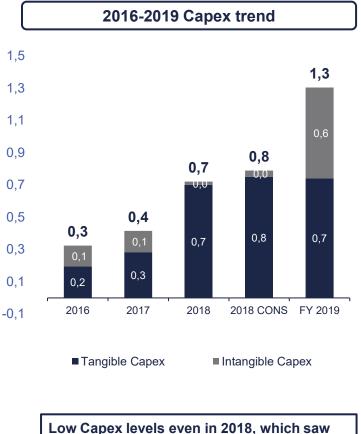
### FY 2019 Balance Sheet (Use and Sources)

(€ 000)	31-dic-19	31-dic-18	(€ 000)	31-dic-19	31-dic-18
Fixed Assets	3.589,3	1.807,6	Shareholders' Equity	17.393,7	6.914,9
Warehouse	3.435,0	3.277,9			
Trade Receivables	8.005,6	3.861,3	Cash and Cash equivalents	(16.073,9)	(6.392,0)
Other Receivables	1.332,0	1.190,5			
Prepayments and accrued income	512,5	270,5	Short term bank debt	925,8	1.144,4
Working Capital	13.285,0	8.600,2	Medium term financial debt	2.762,5	1.328,4
Trade Payables	(8.894,4)	(4.412,7)	Bank Debt	3.688,3	2.472,8
Other Payables	(2.021,0)	(2.157,3)			
Accrued expenses and deferred income	(22,5)	(14,3)			
Net Working Capital	2.347,0	2.016,0	Net Debt/(Cash)	(12.385,6)	(3.919,2)
Funds	(928,1)	(827,9)			
Net Invested Capital	5.008,1	2.995,7	Total Sources	5.008,1	2.995,7

- The amount of fixed assets, equal to € 3.6 million, grew by 99% compared to € 1.8 million at 31 December 2018. Investments related to intangible and tangible fixed assets relating to operating activities, the listing process, the purchase of the Modalis SrI business unit, as well as the financial fixed assets for the payment of the deposit on 18 December 2019, upon signing the Framework Agreement, aimed at acquiring the 51% stake in the Società Manifattura Tessile s.r.l.
- Working capital increased slightly, from € 2.0 million to € 2.3 million where: Inventories remained almost constant, having gone from € 3.3 million to € 3.4 million; Receivables from customers increased significantly from € 3.9 million to € 8.1 million. This increase is linked to the increase in sales revenues for approximately 28% of the total of the year in the last quarter of the year; Trade payables increased from € 4.4 million to € 8.9 million, this increase also due essentially to production in the last quarter.
- The parallel increase in trade receivables and payables attests to the balance of the financial cycle of Pattern, which is able to grow without absorption of significant financial resources within the working capital.
- The net financial position improved significantly from positive € 3.9 million at 31 December 2018 to positive € 12.4 million at 31 December 2019 thanks to the injection of equity for the IPO on the AIM market and the generation of cash flow following the excellent performance of the year.

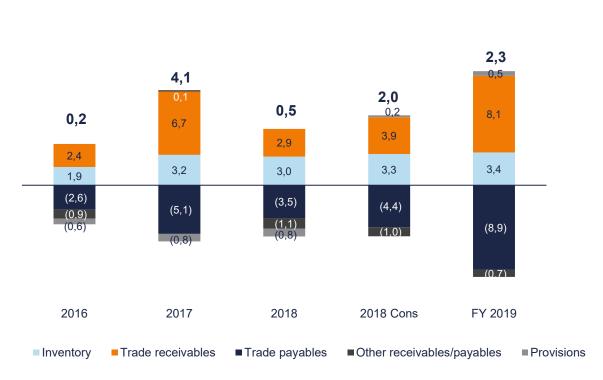


## **Asset-light Business Model**



Low Capex levels even in 2018, which saw expansionary investments for the Turin plant expansion

## 2016-2019 Working Capital trend

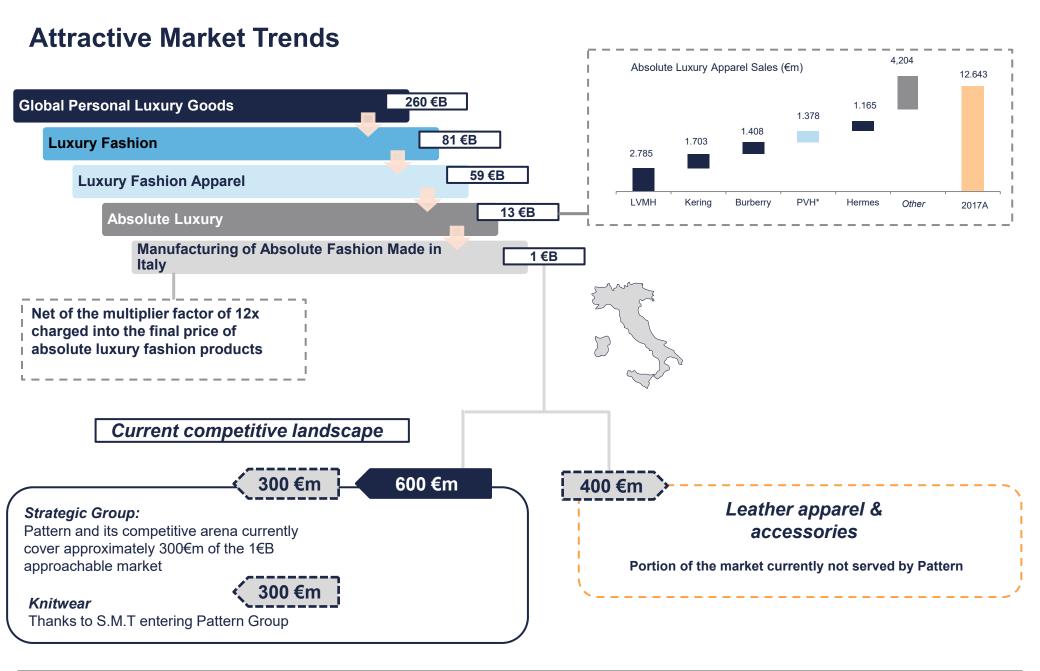


Working Capital cycle near zero, in terms of days outstanding, paired with low Capex needs

## **Market**

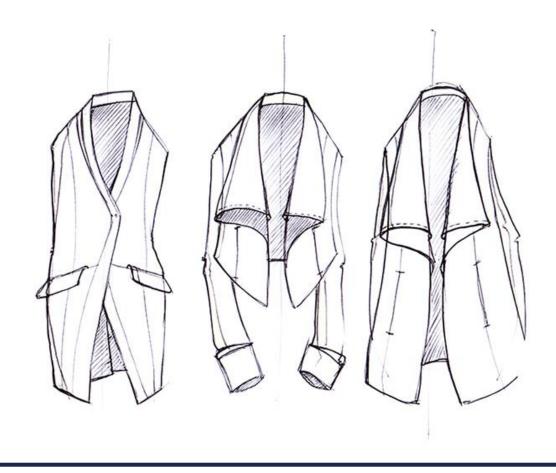








## **Group Strategy & Outlook 2020**





## **Group Strategy**



## Proceed with the growth of the Italian Hub of Luxury Fashion Engineering

#### **Organic Growth**



#### **External Growth**

Knitwear

Leather apparel

Leather accessories

Enlarging product portfolio by acquiring strong brands
Widening of clients' basis

Full product portfolio coverage



#### Outlook 2020

Despite an excellent 2019, the trend of the world economy has undergone a sudden change due to the spread of the virus called COVID-19.

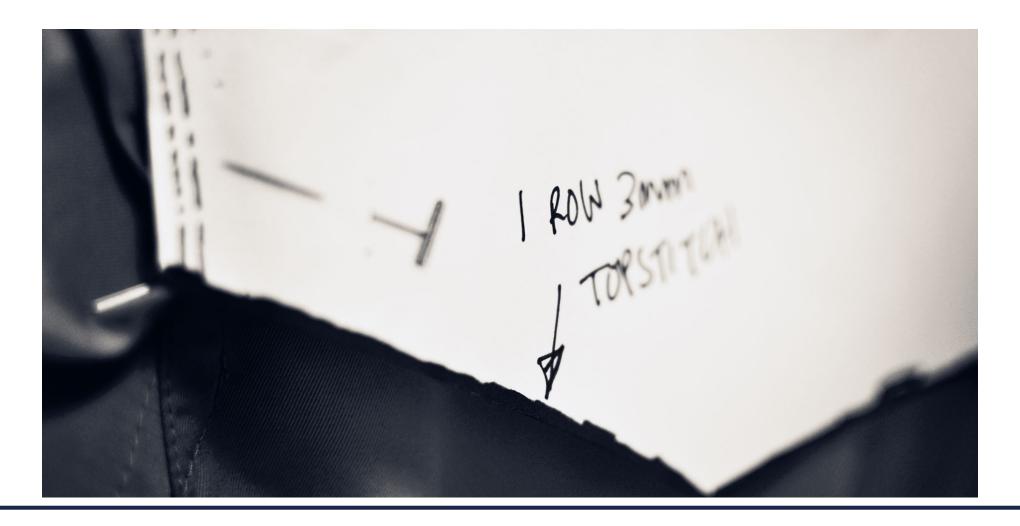
Looking at a medium to long term horizon, it is important to underline the following strengths of the Group:

- ability to work on different areas (men, women and knitwear) and on differentiated customers, an example of versatility almost unique on the market;
- great competence in enabling technologies for the development of remote collections through 3D design, in a context that severely limits physical movements;
- presence of supply chain certification tools also through blockchain;
- a solid financial structure with a positive NFP of € 12.4 million;
- a rather variable cost structure.



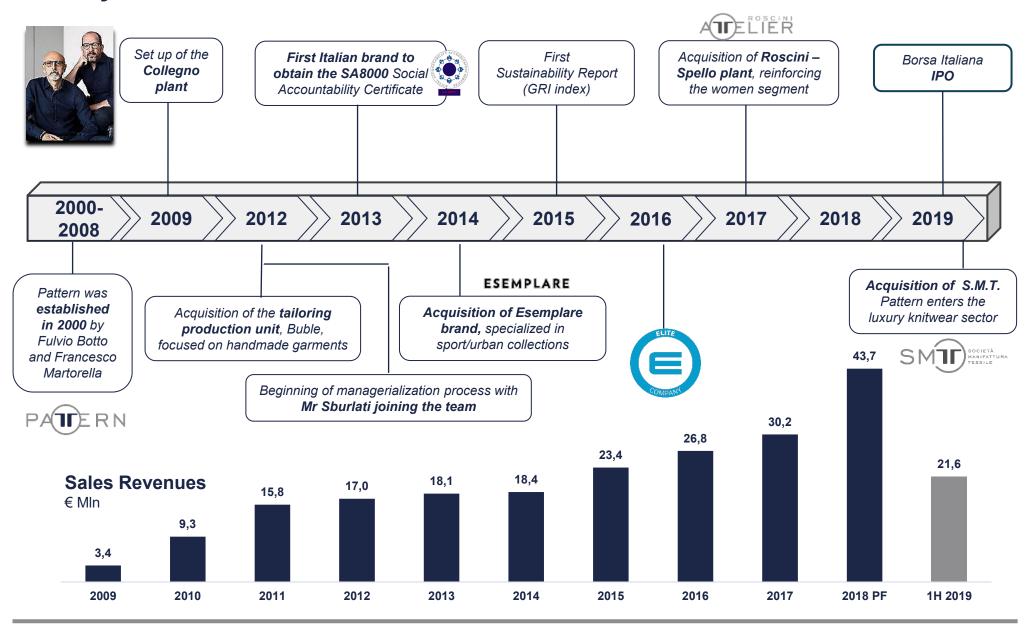


# **Appendix**





## **History of Continuous Growth**



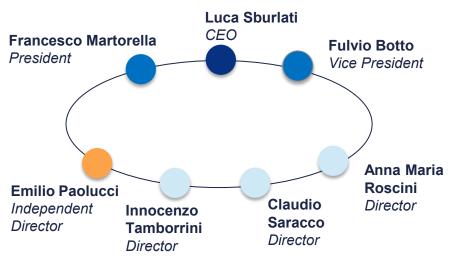


## **Corporate Governance**

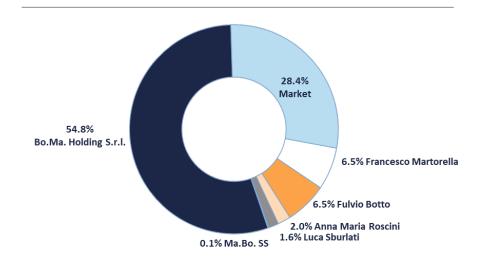


\* On April 29, 2020, Luca Sburlati was assigned no. 100,000 ordinary shares, relating to the first tranche of the 2019-2022 Stock Grant Plan

#### **Board of Directors**



#### **Shareholder Structure**



## **Group Overview / The Italian Hub of Luxury Fashion Engineering**

#### Società Manifattura Tessile (S.M.T.): Luxury Knitwear

Pattern thus confirms the expected growth path and announces the entry of S.M.T. in the Group, this achievement will allow the Piedmontese company (Pattern) to enter the luxury knitwear sector which up until now was not a part of the company's activities. The union with this Italian company aims to enhance the growth prospects of both companies.

#### **OPERATION DESCRIPTION**

- Acquisition of 51% of SMT's share capital by Pattern while the remaining 49% will remain property of Stefano Casini
- The equity value of S.M.T. has been fixed at € 10.8 million.
- The transaction price was set at € 5.5 million with a possible price adjustment linked to the closure of the 2020 financial statements of S.M.T. Srl.

#### **SOCIETÀ MANIFATTURA TESSILE (S.M.T.)**

S.M.T. s.r.l, based in Correggio (Reggio Emilia), is a leading company in prototyping, engineering and production of luxury knitwear for top luxury fashion brands.

The company began its activity in the luxury knitwear sector in 2010 and today owns a unique technological park consisting of almost 120 weaving machines and a programming department made of over 20 technical programmers.

- 2019 Revenues €17.9 million (€11.3 million FY 2018)
- 2019 Adjusted EBITDA margin at €2.6 million and EBITDA Margin 14.5% (8.8% reported FY 2018)
- Negative NFP 2019 of around € 3.4 million (negative NFP of € 3.5 million FY 2018)





## **Business and Process**





#### Pattern's business model

## **Engineering and Modelling**

## Prototypes and samples

## Manufacturing & production chain

#### **Quality control**

Insourcing level

Full insourcing
Full outsourcing









KSF

## High degree of flexibility and rapidity of response,

through 40 Pattern makers equipped with the most modern technology

## Control over the entire process

from plant to the fashion shows

## Long-lasting established relationships

with contract manufacturers and façonists

## Multiple levels of control

with extensive attention to detail to preserve reputation

Unique balance between human craftmanship and technology allows for superior flexibility in order execution

#### **Competitive Advantages**

#### Quality

Highest quality through technology, human resources and control of the supply chain

#### **Flexibility**

Flexible organizational structure with vertical integration

#### **Speed**

Superior time-to-market, thanks to newest technologies and proven procedures

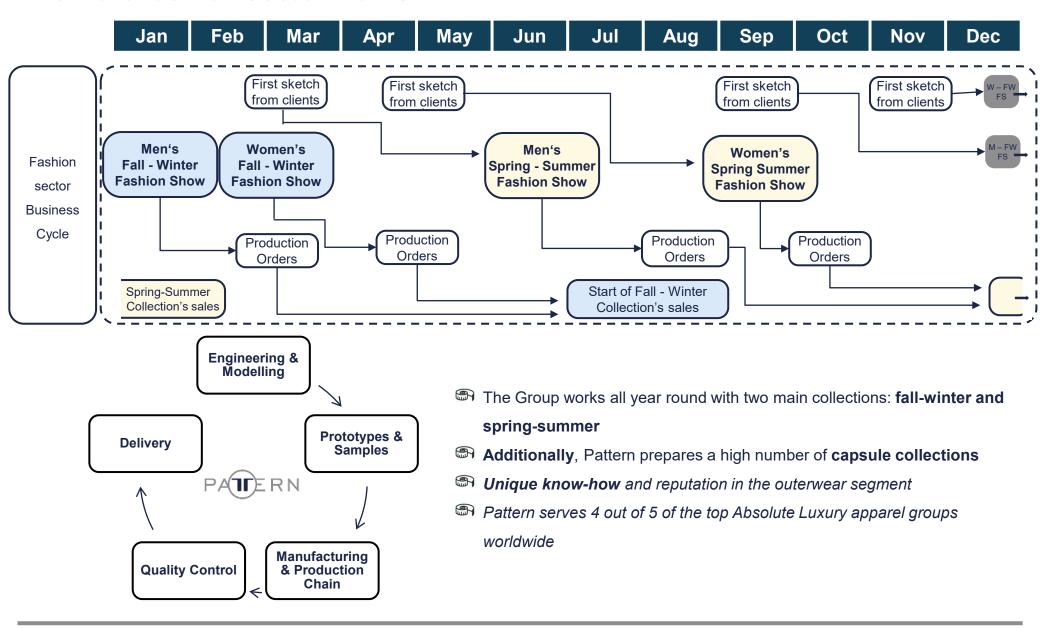
Pattern operates in a strategic stage of the process, the "Formula 1"

#### Reputation

20 years heritage of a fine-tuned business model for the luxury apparel industry



#### How the fashion sector works

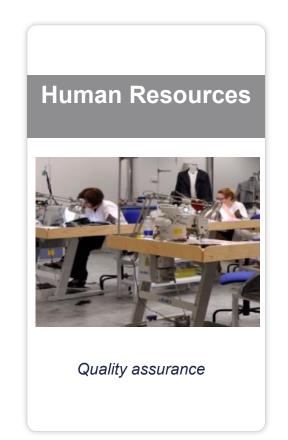




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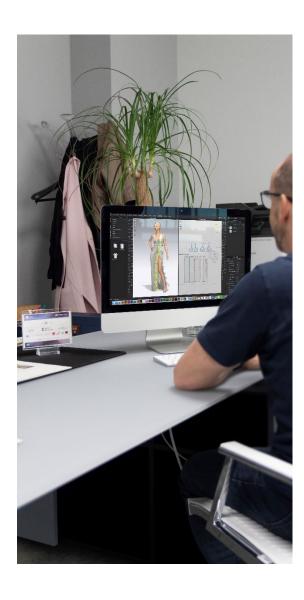
## **Pattern's Key Business Values**







## Technology and R&D



#### Technology

For prototyping, Pattern has been investing for the last 8 years in the latest CAD technologies

Introduction of a more advanced plotting machine, up to date with the latest machinery (heat-sealing, ultrasound)

3D CAD, advanced PDM and breakthrough production technologies allow for flexibility and superior response to clients



#### Innovation

### **ESEMPLARE**

- Experimentation on new fabric technologies and a recognized signature of eco-sustainability
- The Esemplare brand is a:
  - R&D tool for the experimentation of new fabrics and the use of the newest technologies
  - Marketing tool to show Pattern capabilities
- Continuous experimentation and process improvement to stay always ahead of market trends



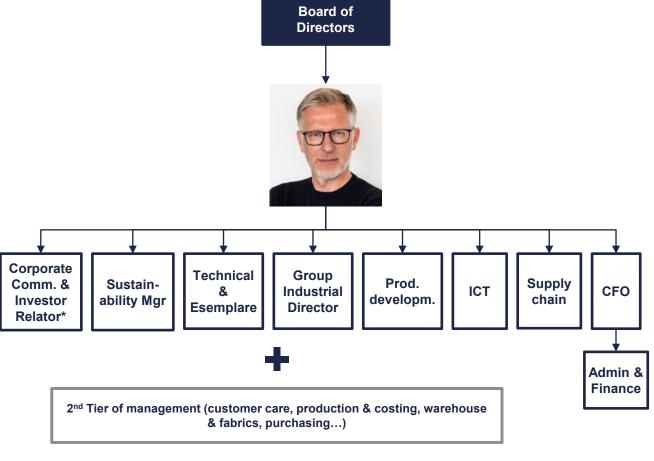
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## **HR - Highly Experienced and Committed Management Team**



F. Botto and F. Martorella, founders and owners, are recognized and valued professionals among industry designers, having cooperated with some of the most prestigious brands (i.e. Armani, Valentino)

The two have rapidly built a team of highly skilled personnel thanks to a constant knowledge sharing approach and internal training of staff which ensure protection and leverage of their heritage



Sole player, in its competitive arena, to have adopted a modern management structure as a key competitive advantage

## Pattern is fully integrated with Italy's Best Suppliers and Façonists

## Façonist / Contract **Suppliers Pattern / Project Engineering** Manufacturer Selection of suppliers Pre-production samples are prepared internally to allow clients to pre-verify standards The majority of production is carried out externally by façonists Italy

High fragmentation of minor suppliers

Full control over the value chain by dictating own

> **Established** partnerships with suppliers of certified raw materials. mainly located in

Full control over the value chain through established long-term partnership with the key players of a highly polarized industry

## **Investment Case**





## **Investment Highlights**

1 Attractive market trend and strong positioning







2 Unique combination of "Made in Italy" craftmanship and avant-garde technologies







3 Innovation leadership in processes & manufacturing





4 Continuous strong cash generation



5 Highly experienced and committed management team

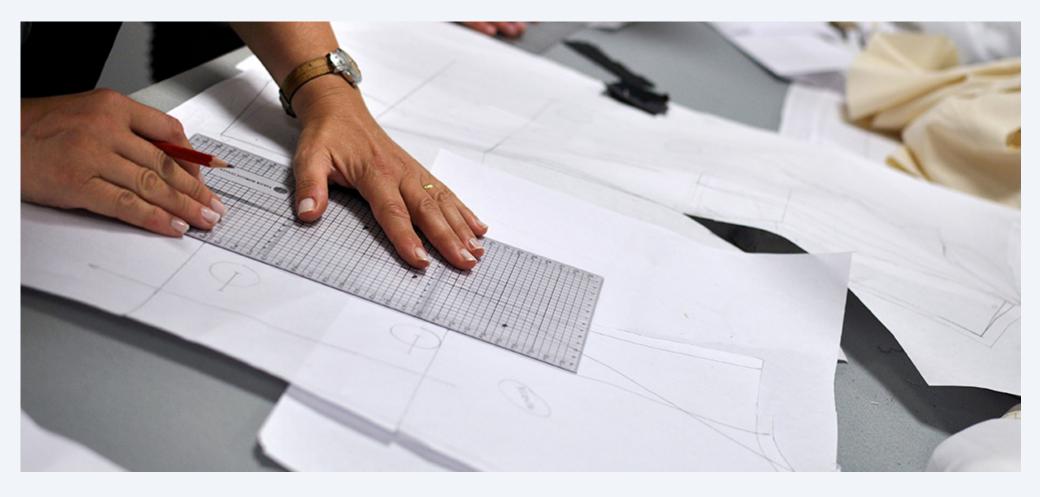




6 Asset-light business model







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