



FY2023 Results
Conference VideoCall

PATTERN
GROUP

March 28th, 2024



PATTERN
GROUP

is a

**landmark for top-end
Luxury Fashion**

Engineering & Production

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





1. **Group Strategy & 2023 Events**
2. **Financials FY2023**
3. **Appendix**

A crumpled blue paper ball sits in the center of a spiral-bound notebook page. The page is covered in faint pencil sketches, including a lightbulb, a pen, and various lines and arrows. The background is a soft, out-of-focus light blue.

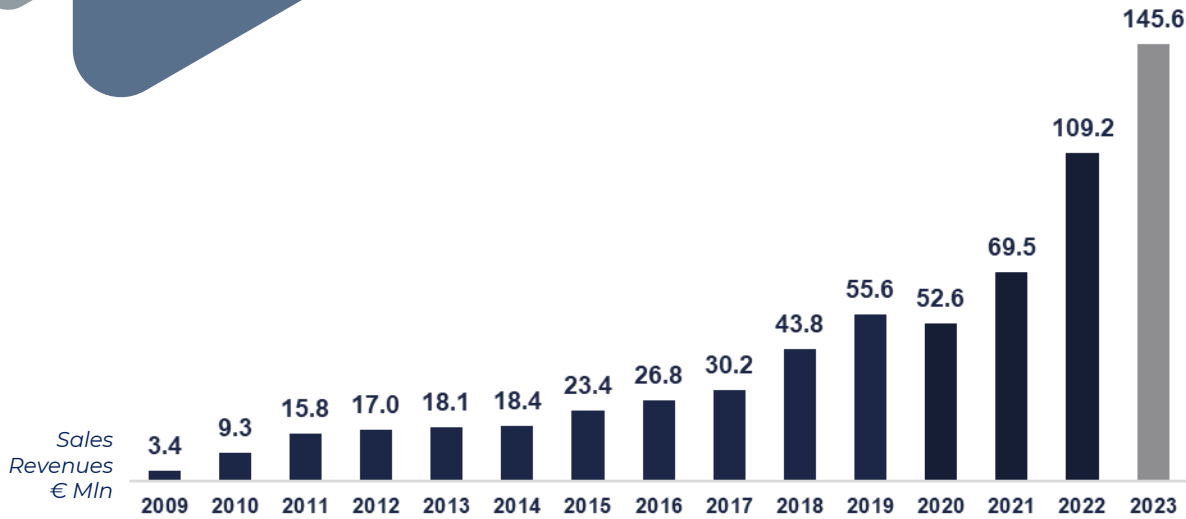
Group Strategy & 2023 Events

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

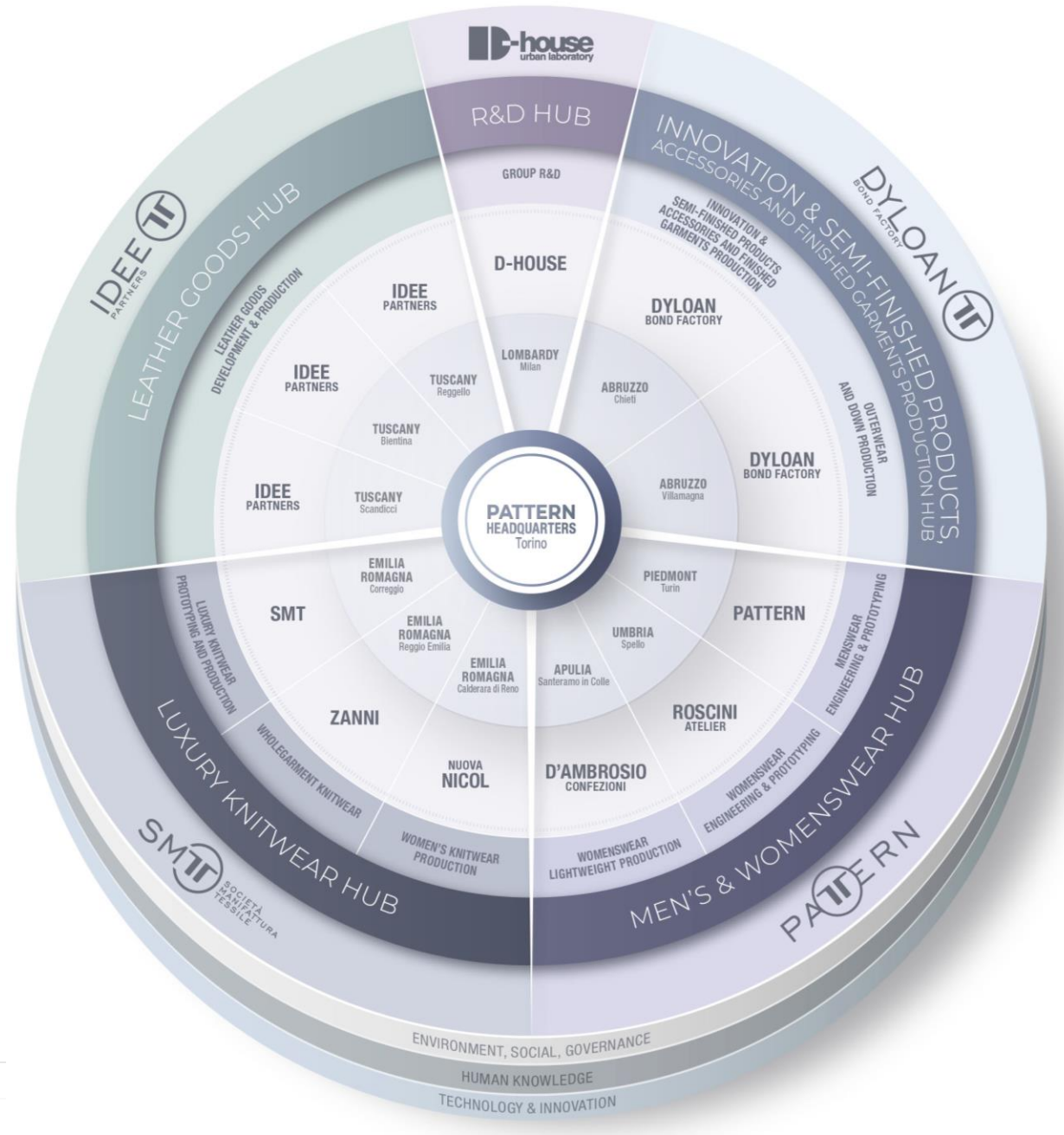
Pattern Group is present in the **main product categories** (men's and womenswear, knitwear, stationary fabrics, leather goods, clothing and accessories) starting from the **Research and Engineering** phase all the way through to **Production**



The Italian Hub of Luxury Fashion Engineering & Production



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R&D
D-house
Milan



INNOVATION & SEMI-FINISHED PRODUCTS
Dyloan Bond Factory
Chieti

Dyloan Bond Factory
Villamagna

ShapeMode
Milan



MEN'S & WOMENSWEAR
Pattern
Collegno - Headquarters

Roscini Atelier
Spello

D'Ambrosio Confezioni
Santeramo in Colle



LUXURY KNITWEAR
SMT
Correggio

Zanni
Reggio Emilia

Nuova Nicol
Calderara di Reno



LEATHER GOODS
Idee Partners
Scandicci

RGB
Reggello

Petri & Lombardi
Bientina

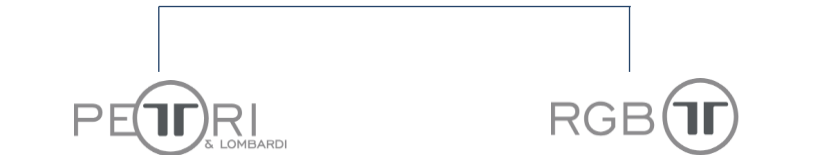
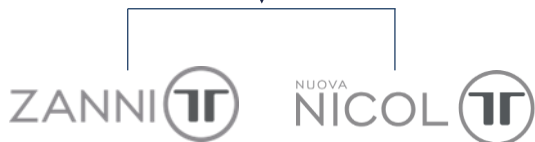
Group Rationalization Strategy



51% (2020) + 29% (2021)
80%

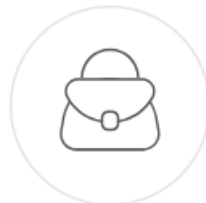
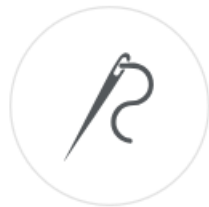
52,92% (2021)

70% (2022) + 30% (2023)
100%



100% (2022) **100%** (2023)

60% (2021) + 40% (2023) 70% (2022) + 30% (2023)
100% **100%**



The consolidation of minorities is part of the **simplification strategy of the Group's first management and then corporate structures**, with clear future benefits in terms of **efficiency**.

The vertical integrations within the Group, which will continue over the next 12 months, will run a recovery of margins for the best absorption of fixed costs as early as the second half of 2023.

2023 Events

12 April

NUOVA NICOL 

Pattern, through its subsidiary SMT S.r.l., finalizes closing for **100% acquisition of Nuova Nicol S.r.l.**, an Emilia-based company specialized in the production of women's luxury knitwear

15 May

PETRI & LOMBARDI 

The Pattern Group builds on its position in the leather goods sector in Tuscany: Idee Partners **acquires the remaining 40% of Petri & Lombardi** and it now holds **100% of its share capital**

26 July

DYLOAN 
BOND FACTORY

Pattern has completed the purchase of the **further 30% of Dyloan Bond Factory S.r.l.**, resulting in holding **100% of the share capital**

26 July

RGB 

Idee Partners has completed the purchase of the **additional 30% of RGB S.r.l.**, a Tuscan company specialized in the production of leather goods, resulting in holding **100% of the share capital**

2 October

PATTERN 

Pattern has completed the disposal to **Burberry Italy Srl of the Turin plant's business unit** dedicated to the engineering and production of Burberry products, through the disposal of shares in a newly-formed vehicle entity.

The background features a close-up of a silver calculator, a black pen, and a financial chart with a grid and data points. The chart has a vertical axis with values from 400 to 2400 and a horizontal axis with dates from 01.08 to 03.08. The text 'Financials FY2023' is overlaid in the bottom left.

Financials FY2023

PATTERN GROUP FY2023 Highlights

SALES REVENUES

€ 145.6 M
+33.3% YoY

€ 109.2 FY2022

EBITDA

€ 18.8 M
+69.3% YoY

€ 11.1 M FY2022

EBITDA MARGIN

12.7%
+300 BPs YoY

10% FY2022

EBIT

€ 8.4 M
+21.8% YoY

€ 6.9 M FY2022

NET INCOME*

€ 23.4 M
+475.5% YoY

€ 4.1 M FY2022

NFP

€ 0.6 M (cash)

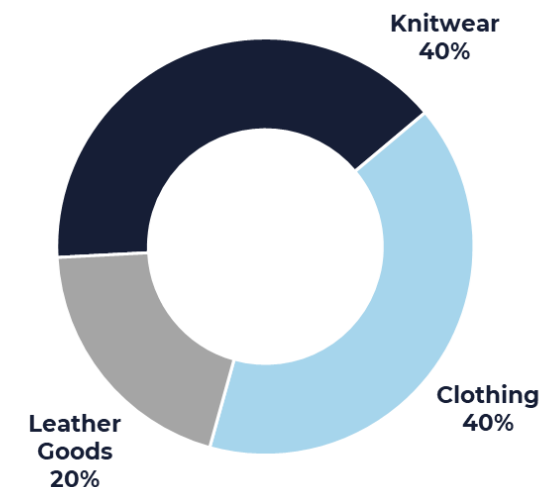
€ 13.9 M (debt)
FY2022

* **Adjusted net income** - net of the capital gain obtained from the sale of the business unit to Burberry, the costs associated with the operation and the write-down of the investment in Dyloan Bond Factory - is equal to **€ 7.9 million, +95.3%** vs. 2022.

PATTERN GROUP FY2023 Income Statement

(€ 000)	FY2023	FY2022	%
Sales revenues	145,598	109,212	33.3%
Other revenues	2,306	1,799	28.2%
Total Revenues	147,904	111,011	33.2%
Change in inventories, semi and finished products	(2,337)	(585)	299.5%
Value of production	145,567	110,426	31.8%
Raw materials	(28,828)	(28,449)	1.3%
Cost of services	(56,213)	(42,277)	33.0%
Leases and rentals	(3,152)	(2,402)	31.2%
Personnel Expenses	(37,238)	(25,382)	46.7%
Other operating expenses	(1,309)	(798)	64.0%
EBITDA	18,828	11,119	69.3%
EBITDA margin	12.7%	10.0%	
D&A	(10,442)	(4,236)	146.5%
EBIT	8,386	6,882	21.8%
Income from investments	20,270	-	n.a.
Net financial income	(558)	(284)	96.5%
EBT	28,097	6,598	325.8%
Taxes	(4,712)	(2,535)	85.9%
Net income	23,385	4,064	475.5%
Group Net income	21,119	2,593	714.4%

Revenues Breakdown



PATTERN GROUP 2H2023 vs. 1H2023

TOTAL REVENUES

€ 75.8 M
+5.2%

€ 72.1 1H2023

EBITDA ADJ.*

€ 12.3 M
+61.4%

€ 7.6 M 1H2023

EBITDA MARGIN ADJ.

16.2%
+560 BPs

10.6% 1H2023

NET INCOME ADJ.**

€ 5.7 M
+152.3%

€ 2.3 M 1H2023

* Net of the extraordinary costs associated with the Burberry operation.

** Net of the capital gain obtained from the sale of the business unit to Burberry, the costs associated with the operation and the write-down of the investment in Dyloan Bond Factory.

PATTERN GROUP FY2023 Balance Sheet (Use and Sources)

(€ 000)	31/12/2023	31/12/2022	%
Fixed Assets	41,998.2	36,831.9	14.0%
Warehouse	6,701.6	9,359.5	-28.4%
Trade Receivables	20,388.4	24,212.5	-15.8%
Other Receivables	11,049.6	12,692.7	-12.9%
Prepayments and accrued income	1,377.5	847.3	62.6%
Working Capital	39,517.2	47,112.0	-16.1%
Trade Payables	(18,891.6)	(22,251.2)	-15.1%
Other Payables	(11,479.3)	(9,167.4)	25.2%
Accrued expenses and deferred income	(3,870.0)	(4,115.9)	-6.0%
Net Working Capital	5,276.3	11,577.5	-54.4%
Funds	(5,420.9)	(4,928.1)	10.0%
Net Invested Capital	41,853.7	43,481.3	-3.7%

(€ 000)	31/12/2023	31/12/2022	%
Shareholders' Equity	42,495.3	29,628.3	43.4%
<i>Group Shareholders' Equity</i>	<i>37,458.7</i>	<i>24,796.1</i>	<i>51.1%</i>
Short term bank debt	8,006.8	8,995.5	-11.0%
Medium term financial debt	17,887.9	23,910.1	-25.2%
Bank Debt	25,894.7	32,905.6	-21.3%
Current Financial assets time-deposit	(7,088.5)	(2,500.0)	183.5%
Cash and Cash equivalents	(19,447.8)	(16,552.6)	17.5%
Total liquidity	(26,536.3)	(19,052.6)	39.3%
Net Debt/(Cash)	(641.6)	13,853.0	-104.6%
Total Sources	41,853.7	43,481.3	-3.7%

PATTERN GROUP Change in Net Financial Position

(€ 000)	FY2023	FY2022	%
Starting NFP of the Group (A)	(13,853)	3,087	-549%
NFP of newly consolidated companies (A)	1,675	(1,200)	-240%
Cash flow before changes in nwc	21,458	12,999	65%
Change in net working capital	4,944	(4,901)	-201%
Other changes	(6,652)	(2,036)	227%
Cash flow from operating activities (B)	19,750	6,061	226%
Cash flow from investing activities (C)	(21,859)	(19,245)	14%
Cash flow from disposal of participations (C)	22,435	-	n.a.
Cash flow from industrial operations (D=B+C)	20,326	(13,183)	-254%
Cash flow from changes in net equity (E)	(8,956)	(1,213)	638%
Other changes (E)	1,450	(1,343)	-208%
Reduction (Increase) of NFP (G=D+E)	12,820	(15,739)	-181%
Final NFP of the Group (A+G)	642	(13,853)	-105%



Outlook 2024

2024 is shaping up to be a complex year. In such a 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.

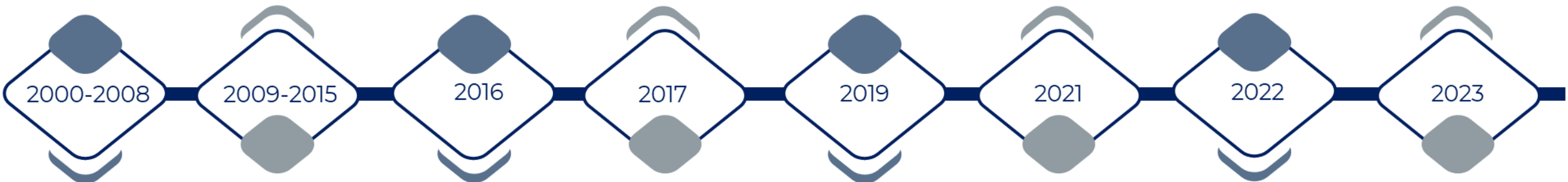
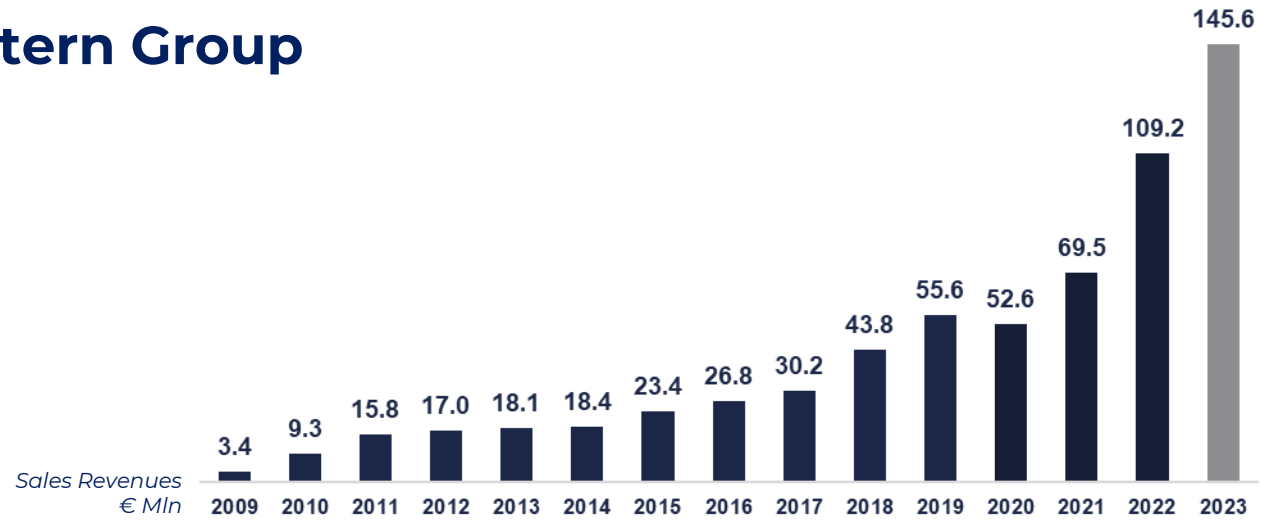
The market is thus clearly moving towards a "normalization" of the "extreme" phenomena that occurred post-pandemic, both in terms of growth and excesses.

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.

We anticipate a "normal" first half of the year and potentially growing results in the latter part, assuming the scenario remains constant.

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.

Appendix



Pattern was established in 2000 by Fulvio Botto and Francesco Martorella



- **Mr. Sburlati joining the team**
- Set up of the **Collegno plant**
- **First Italian brand to obtain the SA8000 Social Accountability Certificate**
- **First Sustainability Report (GRI index)**

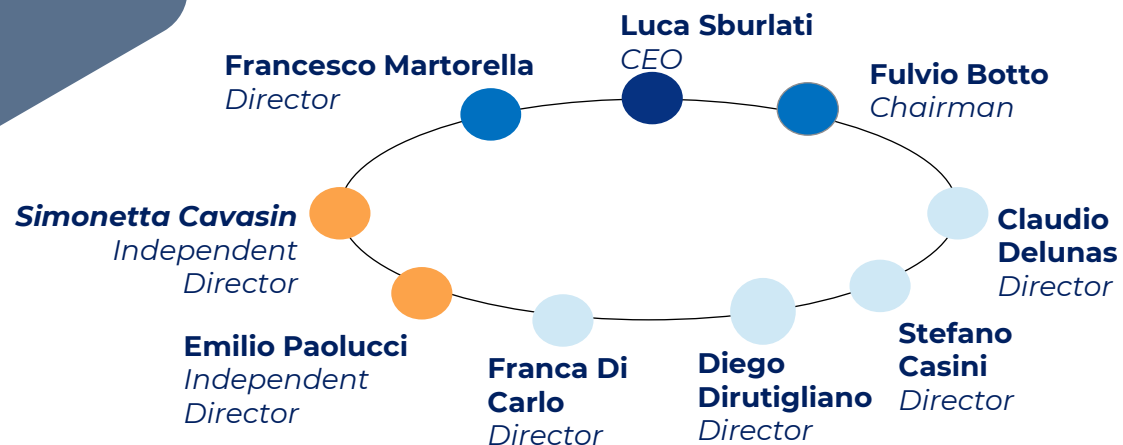


• Borsa Italiana IPO

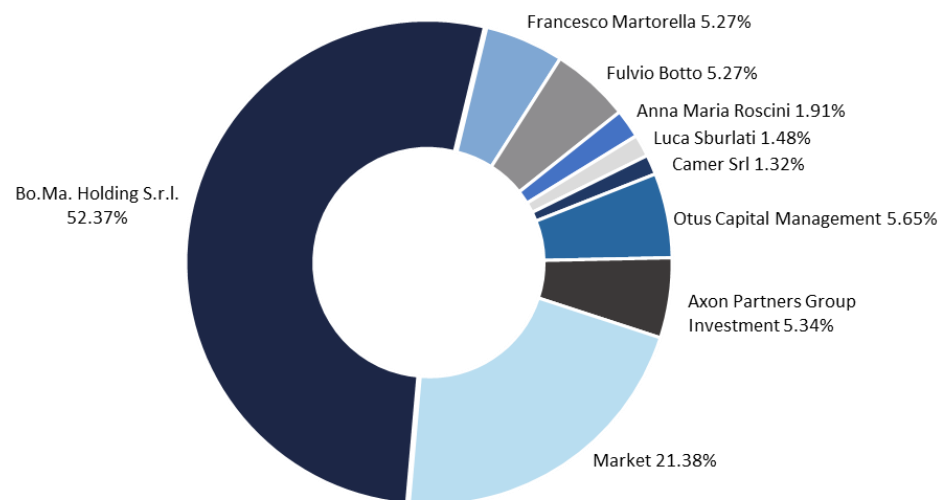











- Disposal of Turin plant business unit dedicated to its long-standing UK client Burberry
- Remaining **40%** of the share capital of **Petri & Lombardi S.r.l.**
- Remaining **30%** of the share capital of **Dyloan Bond Factory**
- Remaining **30%** of the share capital of **RGB.**

Board of Directors



Shareholder Structure



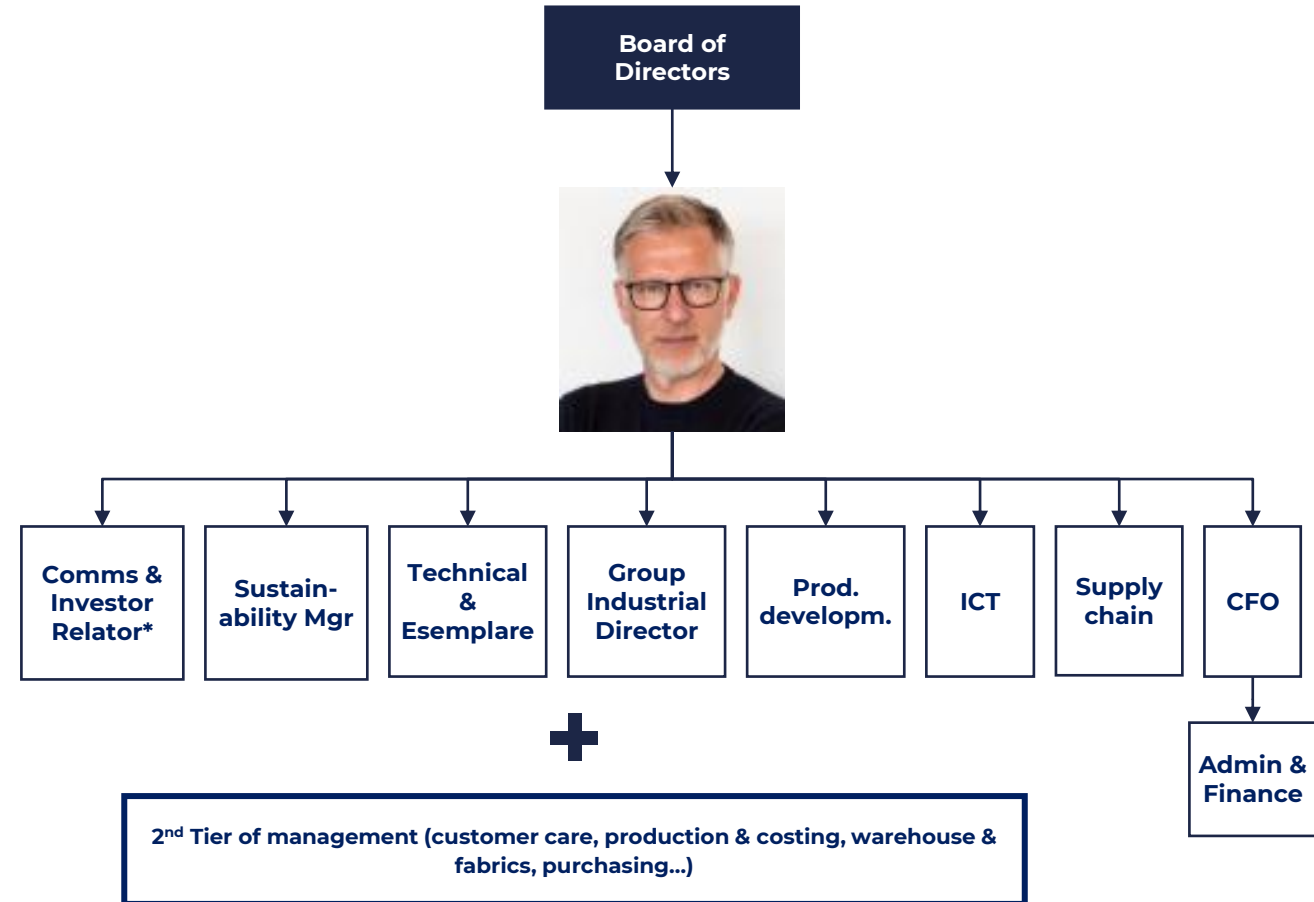
 <p>Fulvio Botto Presidente del Consiglio di Amministrazione 19/07/1956 - 20111366 Download CV</p>	 <p>Francesco Martorella Consigliere Domenico di Sola (PV) - 07121194 Download CV</p>	 <p>Luca Sburlati Amministratore Delegato Torino (TO) - 20011110 Download CV</p>
 <p>Stefano Casini Consigliere Foggia (FG) - 110211566 Download CV Statement</p>	 <p>Simonetta Cavasin Consigliere Indipendente Matera (MT) - 051511103 Download CV</p>	 <p>Claudio Delunas Consigliere Matera (MT) - 030211173 Download CV</p>
 <p>Franca Di Carlo Consigliere Napoli (NA) - 220211168 Download CV</p>	 <p>Diego Dirutigliano Consigliere Torino (TO) - 040211162 Download CV</p>	 <p>Emilio Paolucci Consigliere Indipendente Venezia (VE) - 040211162 Download CV</p>

HR - Highly Experienced and Committed Management Team



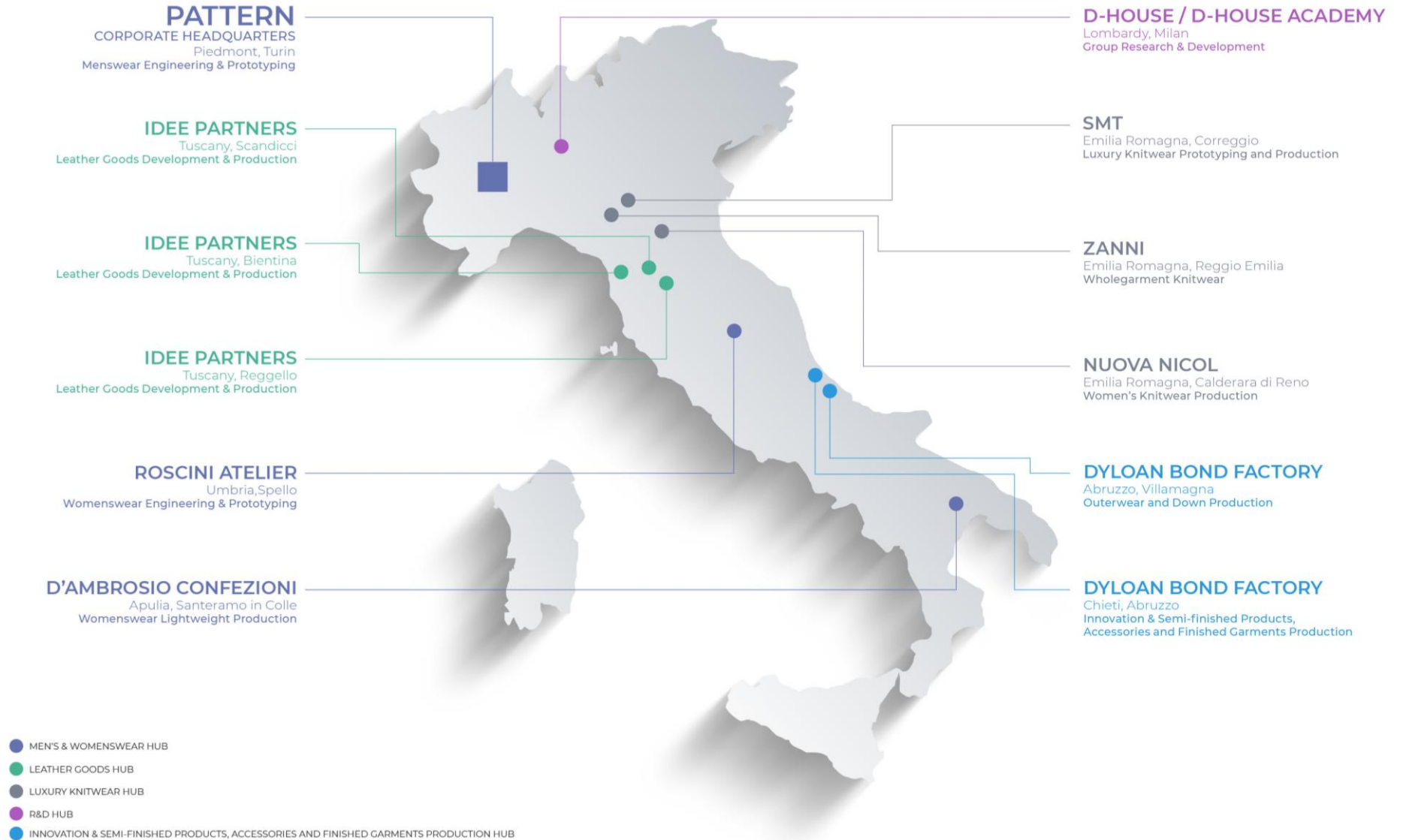
F. Botto and F. Martorella, founders and owners, are **recognized and valued professionals among fashion industry**, having cooperated with some of the most **prestigious brands** (i.e. Armani, Valentino)

- 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



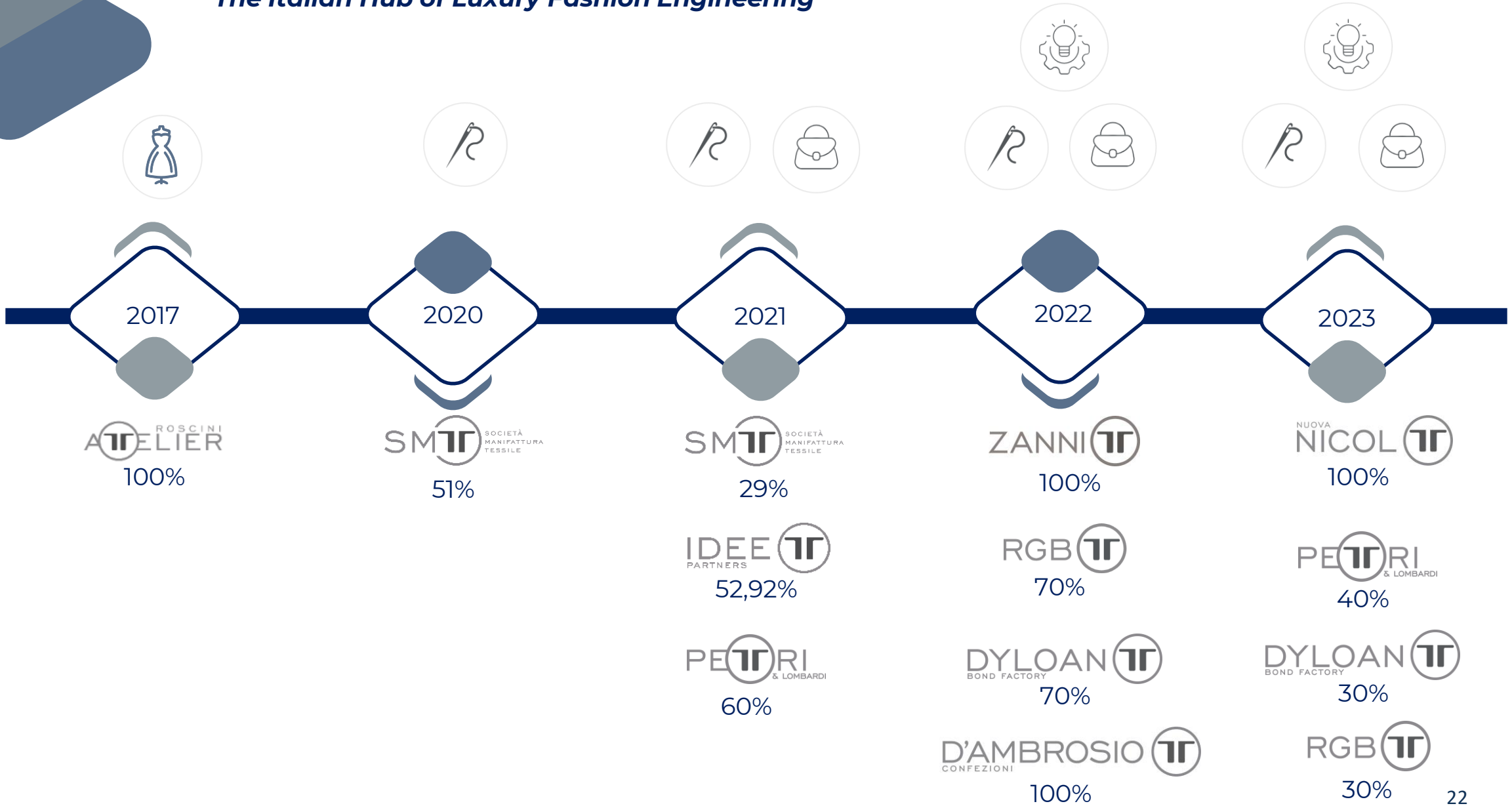
Sole player, in its competitive arena, to have adopted a modern management structure as a key competitive advantage

The Italian Hub of Luxury Fashion Engineering & Production



Pattern Group M&A – M&A Track Record since 2017

The Italian Hub of Luxury Fashion Engineering

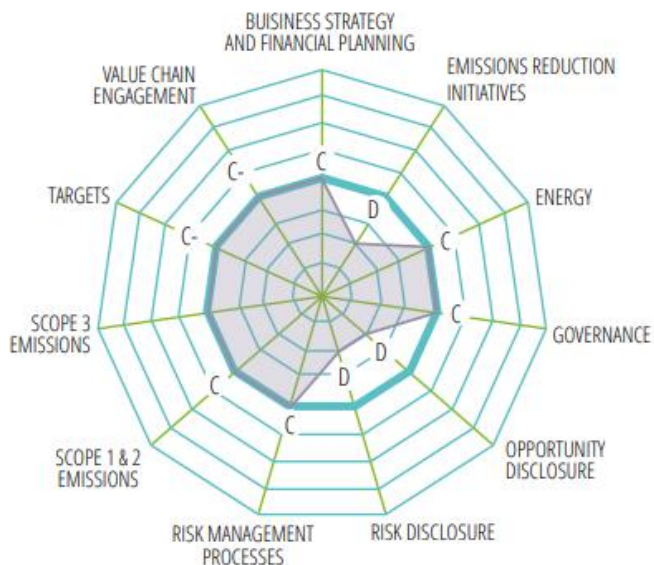


ESG as part of the Strategy

ESG Impact Report

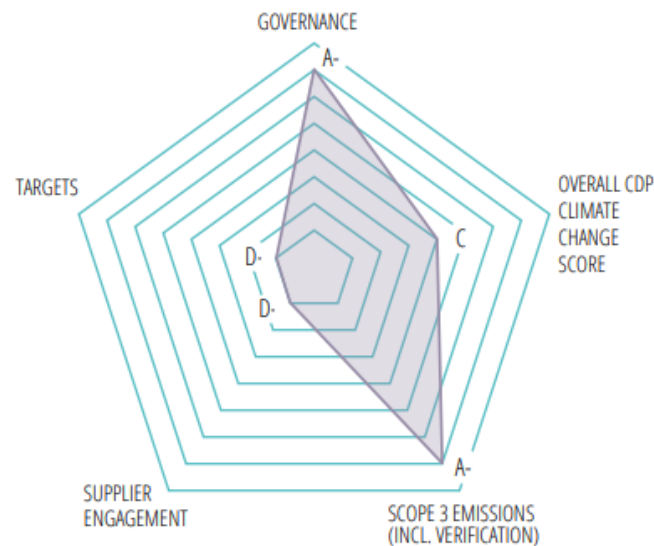
Pattern is an ESG Rated Company

The ESG rating is an assessment of a company's performance in terms of environmental sustainability, social impact and governance practices.



Pattern is a SER Rated Company

The Supplier Engagement Rating (SER) offers an evaluation of how effectively companies engage their suppliers on climate issues.



Pattern Group has chosen CDP (Carbon Disclosure Project) to measure its performance and obtain a reliable, internationally recognized and scientifically based ESG rating according to the best available standards. CDP is a nonprofit charitable organization that manages the global disclosure system for investors, companies, cities, States and regions to manage their environmental impact.



In 2022, Pattern Group obtained a **Level C ESG Rating** and a **Level D SER Rating**.

These ratings demonstrate a degree of awareness and comprehensiveness in understanding how environmental issues intersect with its business and how its operations impact people and ecosystems.

Pattern Group Strategic Plan 2021-24 – Our Values



3 Key values

Human Resources

Technology and R&D

Sustainability

September 2021
Introduction of the Organisational Model «231»: the supervisory infrastructure required under Legislative Decree 231/2001

- TRASPARECY and REPUTATION
- IMPROVEMENT of the Internal Control System
- RELIABILITY

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