



Mid&Small
2024 in Milan

PATERN
GROUP

December 3rd, 2024

Today's speakers

**Luca
Sburlati**



CEO

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



**Sara
De Benedetti**



*Investor Relations
Manager*

- 4 years in Pattern
- 14 years in communication, last 9 years focused on the International Fashion Industry
- Education: MSc Bocconi in Economics



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is a

**landmark for top-end
Luxury Fashion Engineering &
Production**

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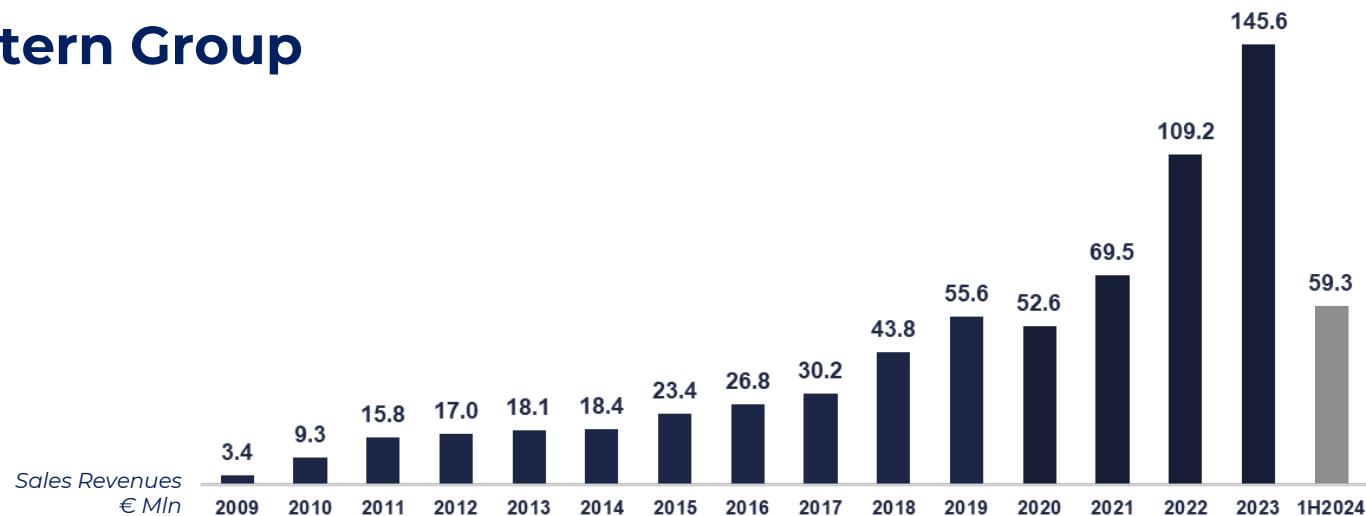




At a glance

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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 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**.*

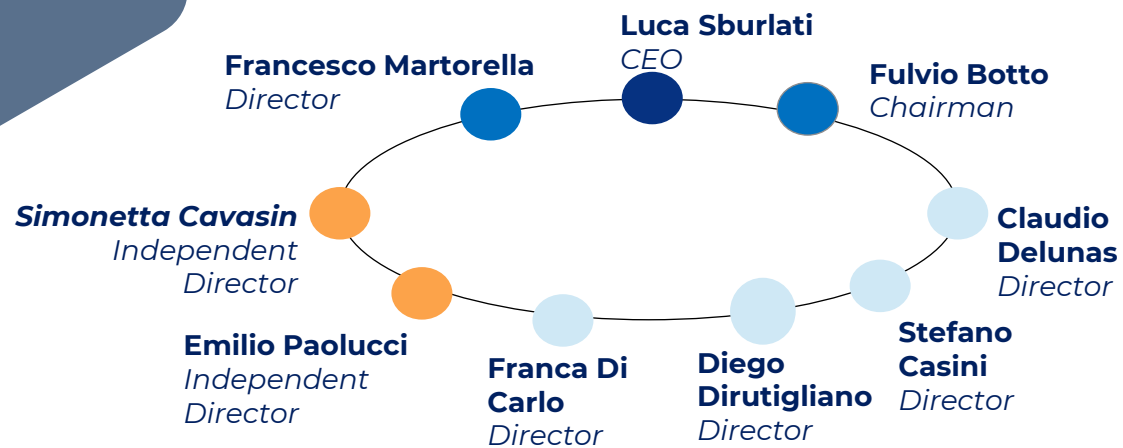


*Pattern Group announces the **ESG 2025-2030 Plan***

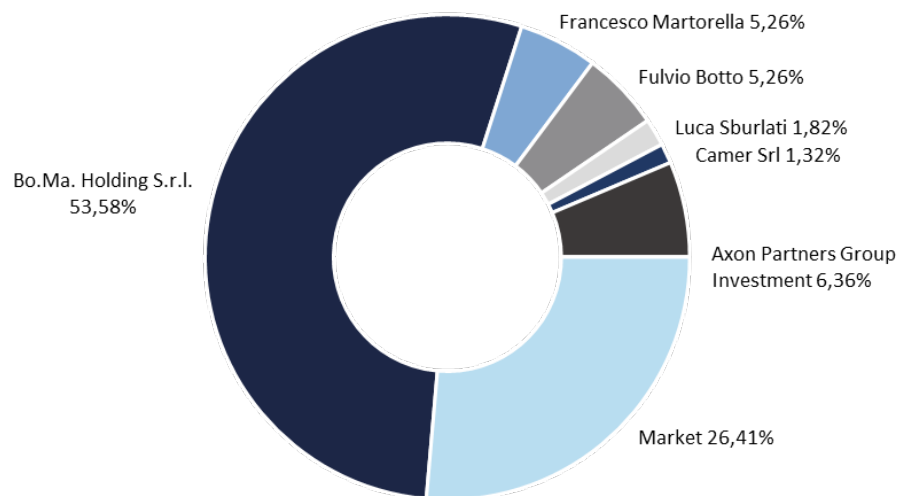


Corporate Governance

Board of Directors



Shareholder Structure



Fulvio Botto
Presidente del Consiglio di Amministrazione
Sviluppo - 23/11/1960
[Download CV](#)



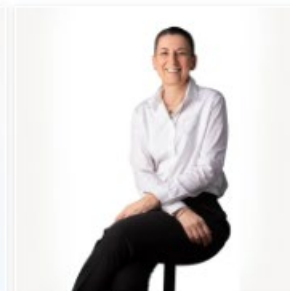
Francesco Martorella
Consigliere
Comunicazione & Relazioni (PR) - 01/12/1964
[Download CV](#)



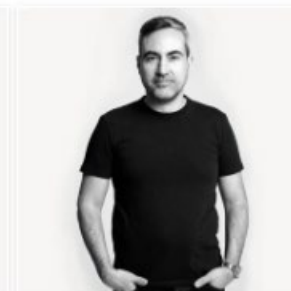
Luca Sburlati
Amministratore Delegato
Torino (TO) - 20/01/1970
[Download CV](#)



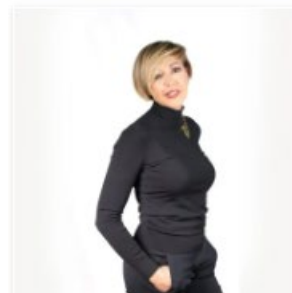
Stefano Casini
Consigliere
Reggio Emilia (RE) - 17/03/1955
[Download CV](#) [Statement](#)



Simonetta Cavasin
Consigliere Indipendente
Milano (MI) - 01/12/1955
[Download CV](#)



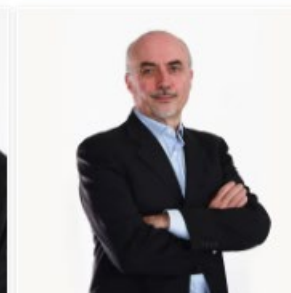
Claudio Delunas
Consigliere
Milano (MI) - 02/06/1975
[Download CV](#)



Franca Di Carlo
Consigliere
Bologna (BO) - 22/02/1968
[Download CV](#)



Diego Dirutigliano
Consigliere
Torino (TO) - 08/05/1962
[Download CV](#)



Emilio Paolucci
Consigliere Indipendente
Vercelli (VC) - 04/06/1962
[Download CV](#)

The Italian Hub of Luxury Fashion Engineering & Production

PATTERN
CORPORATE HEADQUARTERS
Piedmont, Turin
Menswear Engineering & Prototyping

IDEE PARTNERS
Tuscany, Scandicci
Leather Goods Development & Production

IDEE PARTNERS
Tuscany, Bientina
Leather Goods Development & Production

IDEE PARTNERS
Tuscany, Reggello
Leather Goods Development & Production

ROSCINI ATELIER
Umbria, Spello
Womenswear Engineering & Prototyping

D'AMBROSIO CONFEZIONI
Apulia, Santeramo in Colle
Womenswear Lightweight Production

D-HOUSE / D-HOUSE ACADEMY
Lombardy, Milan
Group Research & Development

SMT
Emilia Romagna, Correggio
Luxury Knitwear Prototyping and Production

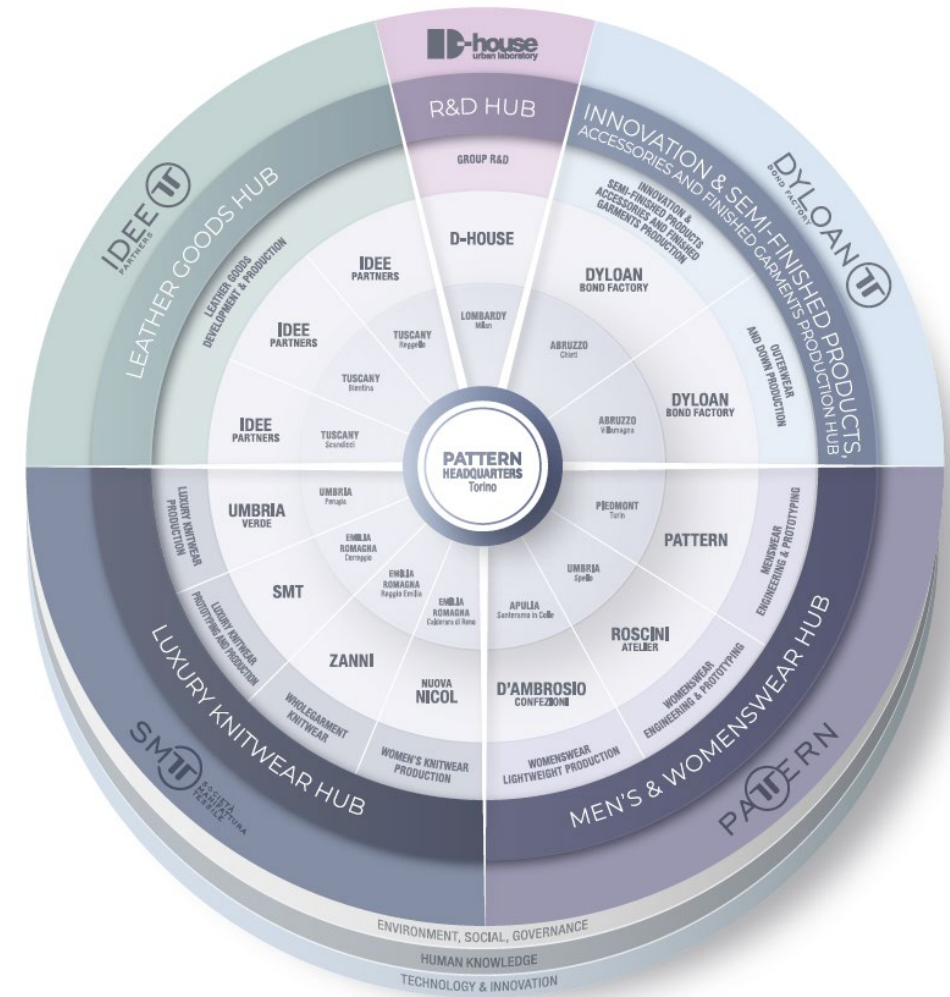
ZANNI
Emilia Romagna, Reggio Emilia
Wholesale Knitwear

NUOVA NICOL
Emilia Romagna, Calderara di Reno
Women's Knitwear Production

UMBRIA VERDE
Umbria, Perugia
Luxury Knitwear Production

DYLOAN BOND FACTORY
Abruzzo, Villamagna
Outerwear and Down Production

DYLOAN BOND FACTORY
Abruzzo, Chieti
Innovation & Semi-finished Products,
Accessories and Finished Garments 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

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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**

New strategic plan
2025-2028

ESG 2025-2030
Plan

Consolidation of
the Italian Hub of
Luxury Fashion
Engineering &
Production

Creation of the
Italian Hub of Luxury
Fashion Engineering
& Production



Strengthening
relationships with
**existing clients and
widening of clients'**
basis

External growth by market (Knitwear & Leather, Clothing & Accessories) **and by business** (from R&D to Production).

Strategic plan 2020-2024

Organic Growth

The background of the slide features a close-up, slightly blurred image of a grey calculator, a black pen, and a financial chart. The chart has a vertical axis with numerical values ranging from 400 to 2,600 in increments of 400. A horizontal axis at the bottom shows dates: 01.08, 02.08, 03.08, and 14.08. The overall aesthetic is professional and business-oriented.

1H2024 Overview & Financials

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.



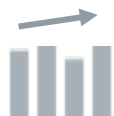
Acceleration of the **process of management simplification of the Group**, through the merger by incorporation of some companies and, in particular, the industrial synergy between the various companies whose geographical proximity was verified with the creation of category production poles such as the “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



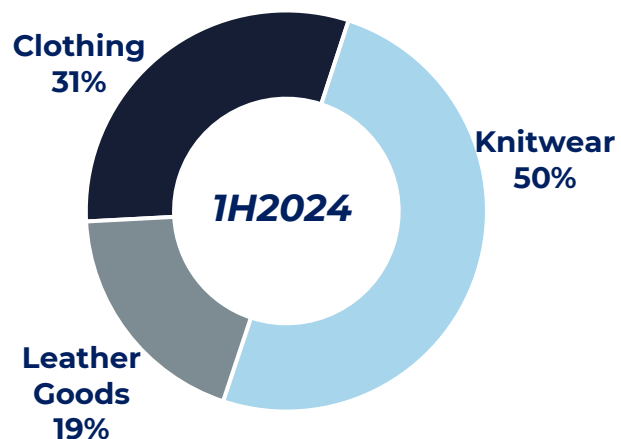
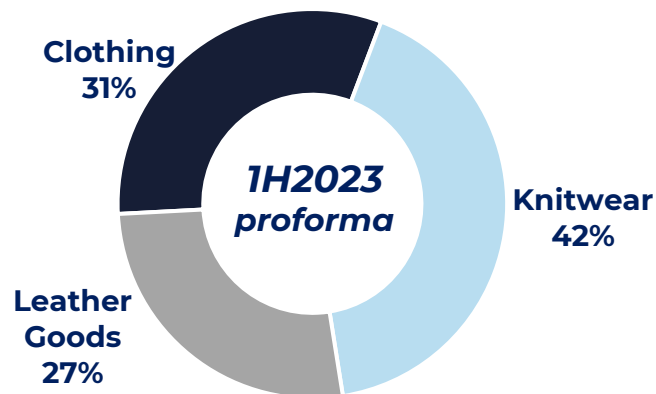
Investment in technologies continues: DHouse-Dyloan Bond Factory continues its path of “sustainability” through “circular design” technologies and innovative production methodologies, collaborating with large international companies.



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.

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*

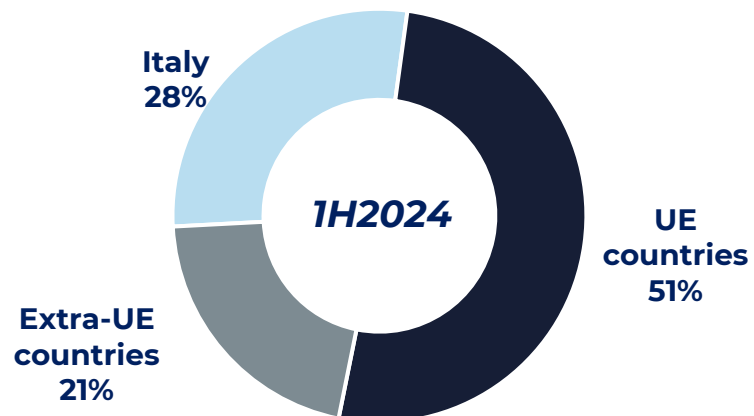
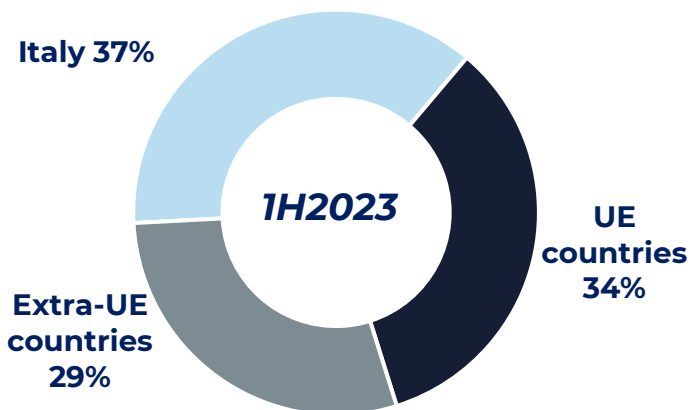
€ 2.2 M
+25.8% YoY

€ 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.

PATTERN GROUP 1H2024 Highlights

SALES REVENUES BREAKDOWN BY GEOGRAPHICAL AREA



TOTAL REVENUES

€ 60.3 M
-16.3% YoY

€ 72.1 M 1H2023

EBITDA

€ 6.6 M
-13.3% YoY

€ 7.6 M 1H2023

EBITDA MARGIN

10.9%
+30 BPs YoY

10.6% 1H2023

NET INCOME

€ 2.2 M
-4.2% YoY

€ 2.3 M 1H2023

NFP

€ 12.4 M (debt)

€ 0.6 M (cash)
FY2023



2025-2030 ESG Plan

Confirmation of the Investments in ESG Integrated Model

- **Certified Integrated Management System** (SA8000:2014 - ISO 45001:2018 - ISO 14001:2015) across all the Group's Business Units. Pattern Group in 2024* announces that it has achieved the goal of certifying all its companies under the SA8000 social accountability standard. Additionally, the Group has implemented a harmonization plan that will lead to ISO 14001 and ISO 45001 certifications for environmental and occupational safety across all plants by 2027. A one-of-a-kind achievement in the Italian fashion industry.
- **Auditing Department** consisting of internal and external auditors certified under the SA8000:2014 Standard, working across the board in the local area to assess supply chain compliance.
- **Integrated Data Collection System** across the supply chain, with traceability data, providing a true competitive edge in the coming years thanks to the EU Directive 2022/2464 (Corporate Sustainability Reporting Directive - CSRD), which will require all European companies to report on sustainability and ensure product and process traceability.

*The plan includes an extension in 2025 for Umbria Verde, a recently-acquired Umbrian knitwear company.

The Environmental Goals of 2025-2030 ESG Plan

Decarbonization

Despite the sharp downturn in the luxury market, Pattern Group reaffirms its commitment to **structural investment aimed at achieving 100%**

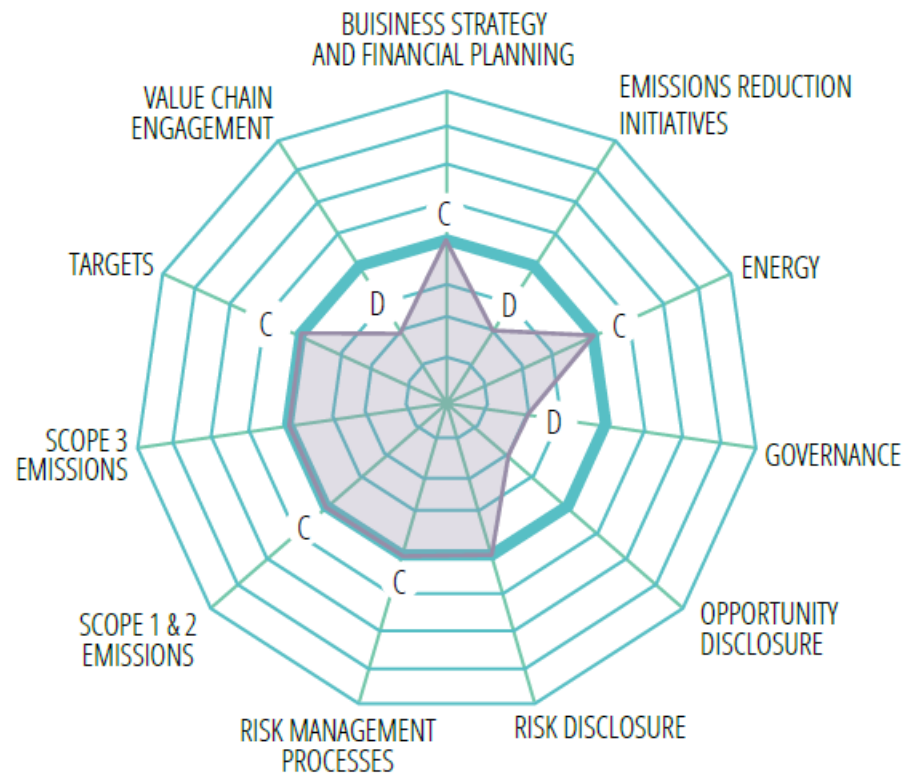
- additional 2,000 sqm at **Zanni** (Reggio Emilia) in 2023 equipped with photovoltaic system.
- new building equipped with photovoltaic systems in **Idee Partners** (Scandicci), for a total of 4,000 sqm, in 2023.
- Inauguration in Sept 2025 of the new **Headquarters** in Turin, where the parent company Pattern will relocate. The new headquarters will occupy a 22,000 sqm area and an approximately 6,000 sqm site spread over three levels, fully energy self-sufficient thanks to photovoltaic and geothermal systems, with LEED Gold Certification.



Industrial Waste Management through the Group's commitment to transition to a Circular Economy model, aiming to minimize waste and maximize the value of resources throughout their life cycle.

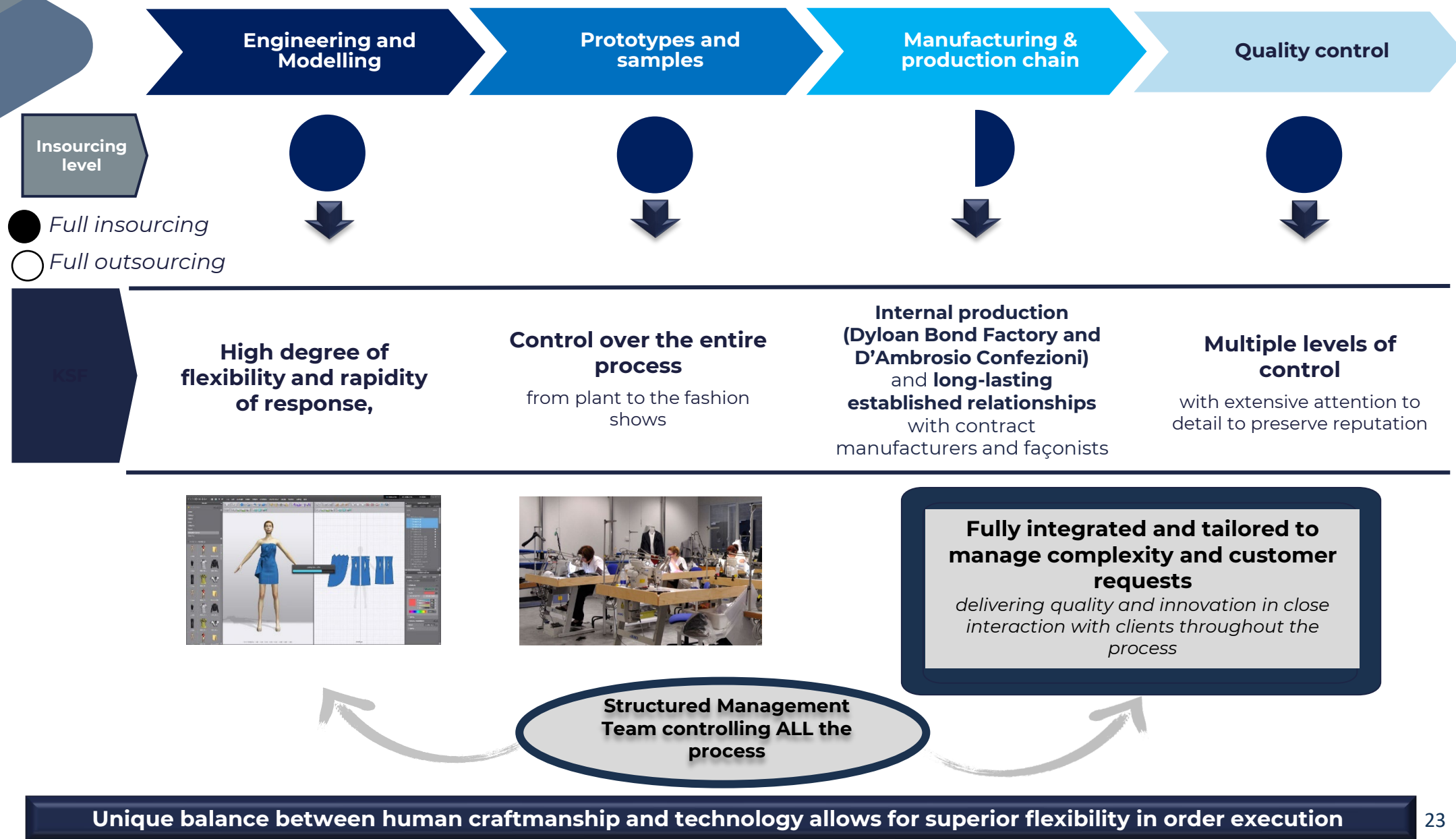
In this regard, the Group has just launched the first Advanced Platform for Traceability and Management of Textile Waste enabling the recovery and regeneration of scrap.

In the 2023 CDP (Carbon Disclosure Project) Climate Change report, Pattern Group achieved a score of C, placing it in the “Awareness” band. This demonstrates the company’s understanding of climate issues, laying a strong foundation for future advancements.

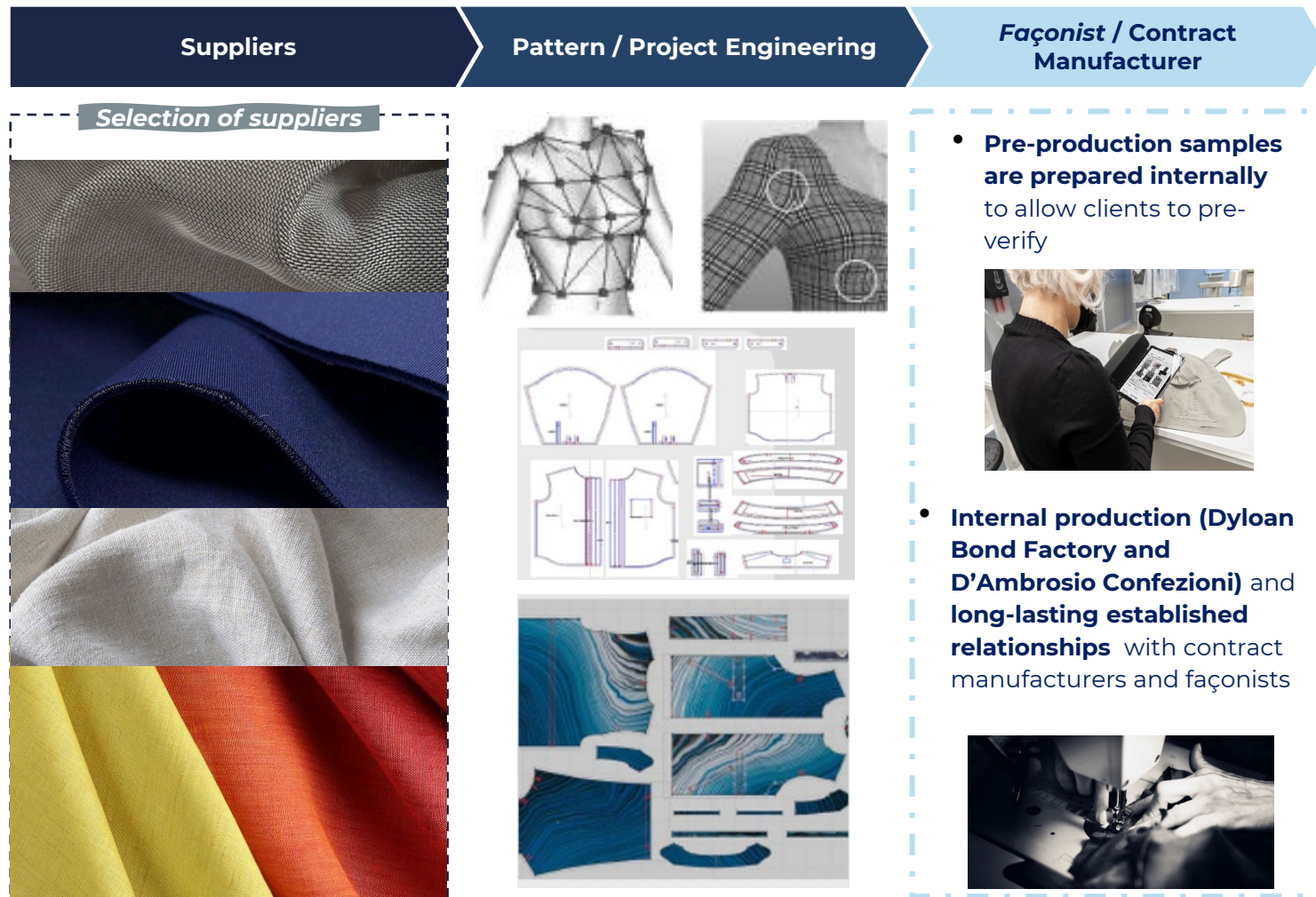


Appendix

Pattern's Business Model



Full integration with Italy's best suppliers and façonists



- **High fragmentation of minor suppliers**
- **Full control over the value chain by dictating own standards**

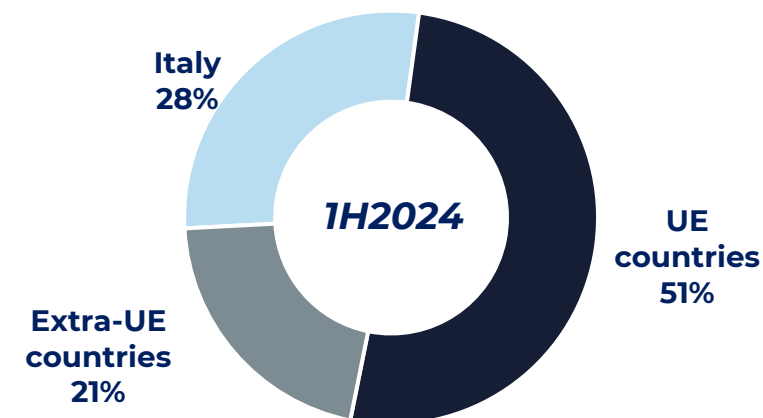
Established partnerships with suppliers of certified raw materials, mainly located in Italy

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

PATTERN GROUP 1H2024 Income Statement

(€ 000)	1H2024	1H2023	%
Sales revenues	59,252	71,006	-16.6%
Other revenues	1,067	1,071	-0.4%
Total Revenues	60,319	72,077	-16.3%
Change in inventories, semi and finished prc	1,441	2,222	-35.1%
Value of production	61,760	74,299	-16.9%
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%
EBITDA	6,594	7,606	-13.3%
EBITDA margin	10.9%	10.6%	
D&A	(2,956)	(3,067)	-3.6%
EBIT	3,638	4,539	-19.9%
Financial income	400	36	1011.1%
Financial Expense	(402)	(366)	9.8%
EBT	3,636	4,209	-13.6%
Taxes	(1,477)	(1,956)	-24.5%
Net income	2,159	2,253	-4.2%
Group Net income	1,442	1,675	-13.9%

SALES REVENUES BREAKDOWN BY GEOGRAPHICAL AREA



IMPROVEMENT IN MARGINALITY

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%
Total Revenues	60,319	62,128	-2.9%
Change in inventories, semi and finished prc	1,441	2,275	-36.7%
Value of production	61,760	64,403	-4.1%
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%
EBITDA	6,594	6,718	-1.8%
EBITDA margin	10.9%	10.8%	
D&A	(2,956)	(2,923)	1.1%
EBIT	3,638	3,795	-4.1%
Financial income	400	36	1011.1%
Financial Expense	(402)	(366)	9.8%
EBT	3,636	3,465	4.9%
Taxes	(1,477)	(1,749)	-15.6%
Net income	2,159	1,716	25.8%
Group Net income	1,442	1,139	26.6%

**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	%
Intangible fixed assets	34,614.6	20,824.2	66.2%
Tangible fixed assets	21,006.9	18,260.1	15.0%
Financial fixed assets	2,993.7	2,913.9	2.7%
Fixed Assets	58,615.2	41,998.2	39.6%
Warehouse	10,640.4	6,701.6	58.8%
Trade Receivables	23,881.6	20,388.4	17.1%
Other Receivables	7,345.0	11,049.6	-33.5%
Prepayments and accrued income	1,611.3	1,377.5	17.0%
Working Capital	43,478.4	39,517.2	10.0%
Trade Payables	(21,038.2)	(18,891.6)	11.4%
Other Payables	(13,149.8)	(11,479.3)	14.6%
Accrued expenses and deferred income	(3,470.6)	(3,870.0)	-10.3%
Net Working Capital	5,819.8	5,276.3	10.3%
Funds	(6,056.7)	(5,420.9)	11.7%
Net Invested Capital	58,378.3	41,853.7	39.5%

(€ 000)	30/06/2024	31/12/2023	%
Shareholders' Equity	45,433.9	42,495.3	6.9%
Group Shareholders' Equity	38,859.0	37,458.7	3.7%
Short term bank debt	13,229.6	8,006.8	65.2%
Medium term bank debt	22,359.5	17,887.9	25.0%
Other financial debt	8,000.0	-	n.a.
Financial debt	43,589.1	25,894.7	68.3%
Current Financial assets time-depos	(13,050.6)	(7,088.5)	84.1%
Cash and Cash equivalents	(17,594.1)	(19,447.8)	-9.5%
Total liquidity	(30,644.7)	(26,536.3)	15.5%
Net Debt/(Cash)	12,944.4	(641.6)	n.a.
Total Sources	58,378.3	41,853.7	39.5%

**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	%
Starting NFP of the Group (A)	642	(13,853)	-105%
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%
Cash flow from operating activities (C)	4,640	3,879	20%
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%
Reduction (Increase) of NFP (H=B+C+D+E+F+G)	(13,586)	(1,541)	782%
Final NFP of the Group (A+H)	(12,944)	(15,393)	-16%

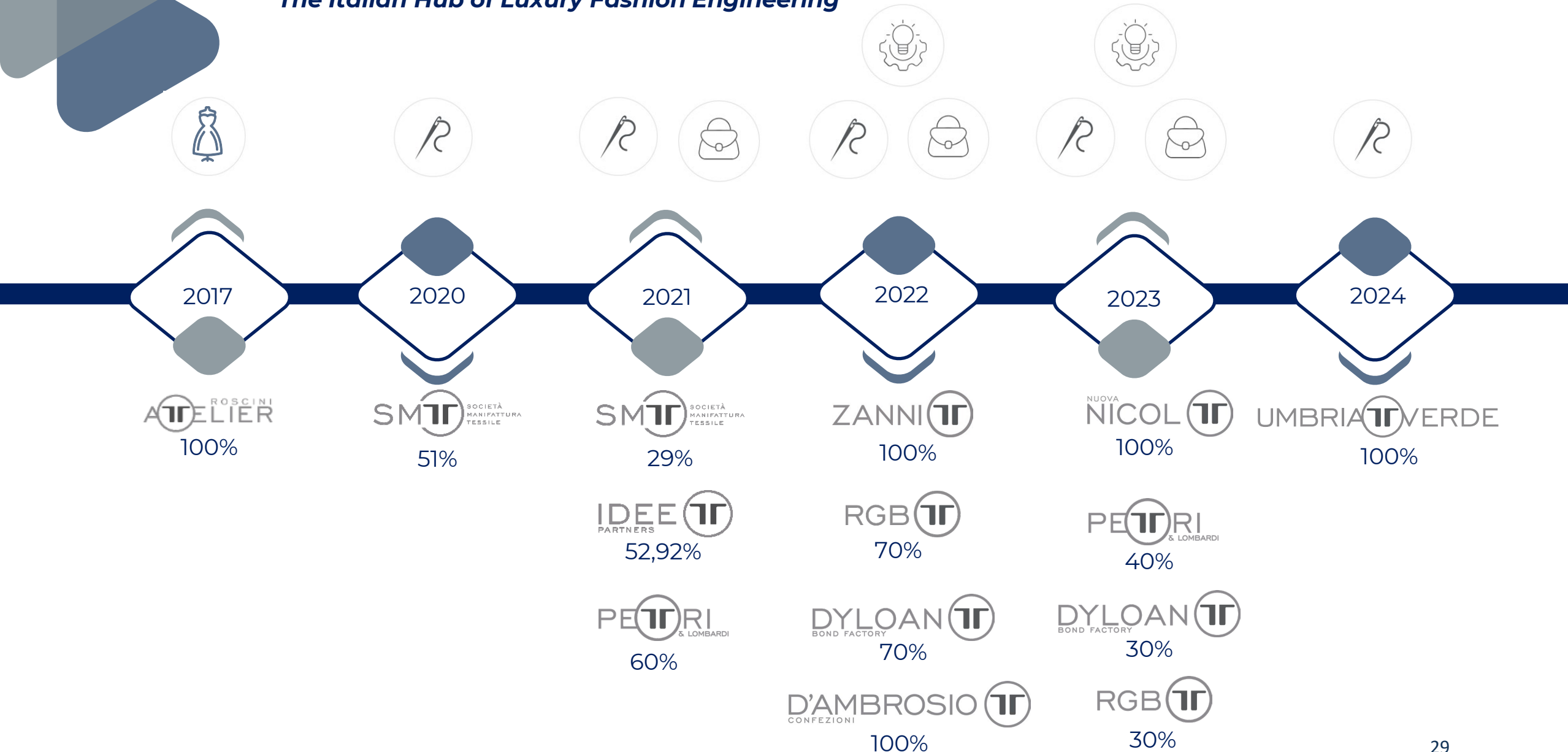
**VERY SOLID
FINANCIAL STRUCTURE**

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

**GEARING
RATIO**
28%

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

The Italian Hub of Luxury Fashion Engineering



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

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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Euronext Growth Advisor

Invest Italy SIM S.p.A.