

TAKE-OFF GROUP: IN 1H2022, REVENUES ARE UP 12%, EBITDA MARGIN IS AT 25.4% AND THE NFP CASH POSITIVE AT 7.7 MLN EURO

- **REVENUE: 12.9 €M, +12% (1H2021: 11.5 €M)**
- **EBITDA: 3.3 €M, -17% (1H2021: 4.0 €M)**
- **EBIT: 2.2 €M, -27% (1H2021: 3.0 €M)**
- **NET FINANCIAL POSITION: cash positive at 7.7 €M (FY2021: cash positive 12.1 €M)**

Milan, 30th September 2022

The Board of Directors of **TAKE OFF** (TKO:IM), a company listed on Euronext Growth Milan and active in the retail trade of adult and children's clothing and accessories, today approved the voluntarily-audited half-yearly financial report as at 30th June 2022.

Aldo Piccarreta, TAKE OFF President and CEO, states, "We closed out the first half of 2022 with revenues up (+12%) compared to the same half of 2021. This confirms the robustness and adaptability of our business model, first during the pandemic and later in the inflationary environment we are currently experiencing. We continue our organic growth through the opening of new shops throughout Italy. Indeed, in the first half of 2022, we opened new stores – 12 under the Take Off brand and 11 under the Over brand – in considerably strengthening our sales network and brand awareness. Despite the many uncertainties in the global macroeconomic environment, we were able to promptly respond, reducing some costs and maintaining an excellent level of profitability, whilst ensuring the Group's economic and financial equilibrium. In addition to the traditional channels, we also designed and produced the first Take Off magazine, allowing our customers to preview some of the luxury brands sold, in order to generate greater loyalty and encourage the use of online sales channels, alongside the service offered by physical stores. We shall continue to invest in our growth and development path, also seizing the opportunities that will be generated by the possible crises of certain market players, in the hope that the world economic situation will soon return to normal."

Key consolidated results as at 30th June 2022

Revenues amounted to 12.9 million euro, up 11.9% from 11.5 million euro as at 30th June 2021, which had been affected by the restrictions imposed by the Covid-19 pandemic.

The parent company **Take Off S.p.A.**, Italy's leading chain of outlets with own- and third-party brand products, recorded revenues of 10.2 million euro, up 18.2% compared to the same period in the previous year (8.6 million euro), whilst **Over S.p.A.**, specialising in the production of products under the Overkids brand for children up to 14 years of age, reported revenues of 2.7 million euro, down 6.9% compared to 30th June 2021 (2.9 million euro).

The Group's average selling price stands at 16.20 euro (15.55 euro in first half of 2021). Specifically for Take Off, this figure stood at 24.03 euro (24.69 euro in the first half of 2021), whilst the amount for Over went from 7.44 euro in the first half of 2021 to 7.29 euro in the first half of 2022.

EBITDA amounted to 3.3 million euro with an EBITDA margin of 25.4%. The comparison with the first half of 2021 (4.0 million euro or 34.2%) must take into account the significant investments to support the Group's development and in particular, the higher advertising costs for the opening of new shops and the increase in personnel costs (258 employees as of 30th June 2022 compared to 219 employees as of 30th June 2021). In addition, the half-year was affected by higher costs for services attributable to consultancy costs following being listed on the stock exchange in November 2021.

The **Net Operating Margin (EBIT)** amounted to 2.2 million euro (-27% compared to 3.0 million euro in H1 2021), after depreciation and amortisation of 1.0 million euro (0.9 million euro as at 30th June 2021).

Profit before tax was 1.9 million euro, down 34% from 2.8 million euro as at 30th June 2021. The balance of financial operations (net financial expenses of 373,000 euro compared to net financial expenses of 232,000 euro in the first half of 2021) was mainly affected by interest on mortgages and loans taken out by the parent company, as well as financial expenses on contracts for Right of Use and the effect of exchange rate differences noted by Over in the reporting period.

The **Net Result** equalled 1.4 million euro, -33% compared to 2.1 million euro as at 30th June 2021, after taxes of 425,000 euro (678,000 euro as at 30th June 2021).

Net assets came to 22.3 million euro, compared to 23.7 million euro as at 31st December 2021.

The **Net Financial Position** is *cash positive* at 7.7 million euro – the change compared to the amount as of 31st December 2021 (*cash positive* at 12.1 million euro) is attributable to the distribution of dividends, the recognition of the financial payables regarding the Right of Use due to entering into five additional contracts and the decrease in cash and cash equivalents pertaining to advance payments to suppliers for the procurement of goods.

The **adjusted Net Financial Position**, which excludes the debt for Right of Use amounting to 7.5 million euro (6.9 million euro as of 31st December 2021) and which, according to IFRS 16, is classified under the item “Other Financial Payables”, is *cash positive* at 15.2 million euro, down from 31st December 2021 (*cash positive* at 19.1 million euro).

Significant events after the end of the six-month period

The beginning of 2022 was characterised by the conflict between Russia and Ukraine and the resulting international tensions. The limited effects of the conflict on the Group's sales as at 30th June 2022 were mitigated by the fact that deliveries of the 2022 Spring-Summer collections had already been completed in the period prior to the aggravation of sanctions. The sanctioning measures adopted by the international community against Russia, as well as the countermeasures activated by Italy directly, have led and continue to lead to a sharp increase in prices, mainly for raw materials and energy, along with disruptions and turbulence in the functioning of international trade chains, which at present have not impacted the Group's profitability. It is thus undeniable that the overall situation remains very complex, still not permitting a return to normality that would certainly favour major growth in sales within the Group's shops. Considering these general market conditions, the management bodies continued to take actions to contain corporate costs in order to nonetheless ensure the economic and financial balance of the Group.

Business Outlook

The current scenario is in a constant state of flux and even now, it is difficult to predict the short- and medium-term future. The Group was able to promptly respond to this complex situation, reducing certain costs and maintaining an excellent level of profitability. The second phase of the pandemic has seen a different approach from institutions, in attempting to strike a difficult balance between the imperative need to protect health and the survival of the country's economic and industrial fabric. The partial lockdowns and the strong push given to the implementation of the vaccination strategy allow work to go on, albeit it certainly in a general framework that is still complex and aggravated by the spread of a number of variants of the virus. The Group's directors, however, thanks to the cost-containment policies put in place and their ability to handle difficulties, are not only confident in the good performance of prospective economic results, albeit influenced by the socio-political effects, but also believe it is essential to continue investing in its growth and development pathway, including by seizing the opportunities that will be generated by the possible crises of certain market players.

The **TAKE OFF Group** (TKO:IM – ISIN IT0005467425) operates in the *retail trade* of clothing and accessories for adults and children, with a nationwide presence of 175 shops, of which 42 are operated directly and 133 through affiliation agreements. The company pursues a project of strategic development based on shop expansion by leveraging five competitive advantages: knowledge of the preferences of



a broad customer base, a strong focus on the *customer experience*, exceptional operational competence, strong supplier relations and effective purchasing policies.

The parent company Take Off S.p.A. is the leading Italian outlet chain, with own and third-party brand products. Besides distributing internationally-renowned labels, Take Off S.p.A. offers 'fashion boutique' shopping experiences through a broad portfolio of proprietary brands aimed at both male and female customers (Andrea Maggi Milano, Henry Smith London, 121, Gaia Galli Milano, Stella Berg, Yuko Hayate, Tokyo, Massimo Moresco). With 49 sales outlets, of which 42 are directly operated and 7 are under affiliation, Take Off S.p.A. boasts an innovative business model based on discounting and inventory management, thanks to 'active' logistics management and a database of around 162,000 affiliated customers. In 2021, the company inaugurated its proprietary e-commerce channel as a tool for maximising brand awareness.

The subsidiary Over S.p.A., with 126 exclusively-affiliated sales outlets and a database of 306,000 customers, produces own-brand products for children up to 14 years of age under the Overkids label, which combines high quality with affordable prices, allowing the Group to serve customers of all age brackets and increase their loyalty rate.

The communiqué is available at www.1info.it and on www.takeoffoutlet.com.

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro)	30th June 2022	30th June 2021	Changes
Revenue from contracts with customers	12,919,966	11,549,795	1,370,170
REVENUE	12,919,966	11,549,795	1,370,170
Other income	559,353	378,086	181,267
Costs for raw materials and consumables	(5,843,527)	(5,209,797)	(633,731)
Costs for services	(1,582,635)	(692,387)	(890,248)
Personnel costs	(2,573,334)	(1,960,403)	(612,931)
Other operating costs	(203,624)	(109,975)	(93,649)
EBITDA	3,276,199	3,955,320	(679,121)
Amortisation and Depreciation	(1,048,284)	(916,378)	(131,906)
EBIT	2,227,915	3,038,942	(811,027)
Financial management result	(373,419)	(232,005)	(141,414)
PRE-TAX RESULT	1,854,496	2,806,937	(952,441)
Income taxes	(424,961)	(678,267)	253,307
RESULT OF THE YEAR	1,429,535	2,128,669	(699,134)
<i>EBITDA margin</i>	<i>25.36%</i>	<i>34.25%</i>	

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(Euro)	30th June 2022	31st December 2021
Property, plants and machinery	1,362,872	1,375,266
Intangible assets	23,431	23,058
Right-of-use assets	7,132,192	6,635,092
Other non-current assets	575,521	424,478
Deferred tax liabilities	1,229,502	1,261,777
Capital assets (A)	10,323,518	9,719,671
Inventories	10,787,658	8,733,667
Trade receivables	136,494	227,184
Other current receivables	2,072,801	1,320,113
Tax receivables	72,142	184,568
Short-term operating assets (B)	13,069,095	10,465,532
Trade payables	(5,344,347)	(4,890,388)
Tax payables	(1,482,629)	(1,856,274)
Other current payables and liabilities	(830,445)	(844,560)
Short-term operating liabilities (C)	(7,657,421)	(7,591,222)
Net working capital (D) = (B) + (C)	5,411,674	2,874,310
Liabilities for future employee benefits	(924,541)	(929,803)
Provisions for risks and charges	(42,531)	(42,531)
Other non-current payables and liabilities	(107,900)	(94,500)
Deferred tax liabilities	(7,846)	(108)
Medium- to long-term liabilities (E)	(1,082,818)	(1,066,943)
INVESTED CAPITAL (A) + (D) + (E)	14,652,374	11,527,039
Net assets	22,332,121	23,654,135
Net non-current indebtedness	9,684,338	9,862,837
Current net liquidity	(17,364,085)	(21,989,934)
EQUITY AND NET FINANCIAL POSITION	14,652,374	11,527,039

CONSOLIDATED NET FINANCIAL POSITION

(Euro)	30th June 2022	31st December 2021
A - Cash and Cash Equivalents	22,210,020	26,455,694
B - Machinery equivalent to cash and cash equivalents	0	0
C - Other current financial assets	0	0
D - Liquidity (A + B + C)	22,210,020	26,455,694
E - Current financial payables	(3,163,673)	(2,951,044)
F - Part of current financial payables	(1,682,261)	(1,514,716)
G - Current financial indebtedness (E + F)	(4,845,934)	(4,465,760)
H - Net current financial indebtedness (D + G)	17,364,085	21,989,934
I - Non-current financial payables	(8,677,776)	(8,656,468)
K - Trade and other non-current payables	(1,006,562)	(1,206,369)
L - Non-current financial indebtedness (I + J + K)	(9,684,338)	(9,862,837)
M - Net financial indebtedness (H + L)	7,679,747	12,127,096
N - Payables from the application of IFRS 16	(7,483,749)	(6,946,520)
O - Adjusted net financial indebtedness (M - N)	15,163,496	19,073,616

CONSOLIDATED CASH FLOW STATEMENT

(Euro)	30th June 2022	30th June 2021
Operational assets		
Profit before tax from continuing operations	1,854,496	2,806,937
<i>Adjustments to reconcile the pre-tax result with the net cash flow from operating activities:</i>		
Depreciation and Impairment of Property, Plants and Machinery	158,919	145,314
Amortisation and impairment of intangible assets and Right of Use	813,868	771,064
Provisions for future employee benefits	127,358	88,107
Financial income	0	(14,179)
Financial expenses	47,878	246,184
Trade receivables	90,690	67,896
Other current receivables	(640,261)	(1,262,912)
Inventories	(2,053,991)	377,776
Trade payables and contractual liabilities	473,445	(2,484,788)
Other current payables	(758,605)	1,603,836
Net change in non-current receivables/payables	(137,642)	(172,779)
Net change in deferred tax assets and liabilities	20,776	182,403
Payments for employee benefits	(56,886)	0
Interest (paid)/received	(43,460)	(232,005)
Income taxes paid	(312,204)	(984,784)
Net cash flow from operating activities	(415,621)	1,138,070
Investment Activities		
Investments in property, plants and machinery	(156,660)	(122,000)
Disposal of property, plants and machinery	10,135	609,710
Investments in intangible assets	(3,100)	(106,900)
Net cash flow from investing activities	(149,625)	380,810
Financing assets		
Medium- to long-term financing taken out	1,553,879	750,000
Repayment of medium- and long-term financing	(1,689,626)	(489,825)
Net change in other short-term financial assets	0	805,647
Repayment of financial liabilities for Right of Use on leases	(771,012)	(737,512)
Dividends paid	(2,773,670)	(2,800,000)
Net cash flow from financing activities	(3,680,429)	(2,471,690)
Net (decrease)/increase in cash and cash equivalents and in short-term deposits	(4,245,675)	(952,810)
Availability of cash and cash equivalents and in short-term deposits at the beginning of the year	26,455,694	15,405,808
Availability of cash and cash equivalents and in short-term deposits at the end of the year	22,210,020	14,452,998