

LA PERLA

FASHION HOLDING N.V.

La Perla Fashion Holding N.V.
Registered office: Schiphol Boulevard 127, G4.02, 1118 BG Schiphol, the Netherlands

May 27, 2021

Results for the year ended 31 December 2020

La Perla Fashion Holding N.V. (“La Perla” and together with its consolidated subsidiaries, the “Group”), a luxury holding company incorporating La Perla, a leading designer, manufacturer and retailer of luxury lingerie, nightwear and swimwear, and La Perla Beauty, announces results for the year ended 31 December 2020.

Financial Overview – Consolidated La Perla Group

€ 000 unless stated	Consolidated La Perla Group 2020	Consolidated La Perla Group 2019
	Actual	Actual
Revenue	66,237	85,821
Retail	54,987	74,077
Wholesale	10,866	10,303
Other	384	1,441
Gross profit	35,684	41,871
<i>Gross profit margin (%)</i>	<i>54%</i>	<i>49%</i>
Operating Expenses	(75,900)	(86,132) ⁽¹⁾
EBITDA ⁽²⁾	(40,216)	(44,261)
Operating profit/(loss)	(114,768)	(72,765)
Profit/(loss) for the year	(136,366)	(89,041)
Earnings (loss) per share in €	(1.2974)	(0.8471)
Net cash generated from operating activities ⁽³⁾	(57,175)	(44,530)
Total non-current liabilities	260,729	218,037
Total current liabilities	60,936	58,691
Cash and cash equivalents	7,640	11,443
Net financial debt ⁽⁴⁾	197,396	121,218
Liabilities related to IFRS 16 ⁽⁵⁾	68,969	99,112

(1) Includes social plan charge of €7.0 million.

(2) EBITDA is calculated as Operating Profit/Loss before amortization and depreciation and write-offs

(3) Lease payments are not included within net cash from operating activities in line with IFRS 16

(4) Net financial debt calculated as Long term borrowings plus Short term borrowings minus Cash and cash equivalents; excludes Financial lease liabilities

(5) Refers to Financial lease liabilities

Financial review

The Covid-19 crisis significantly affected results in 2020. The pandemic brought disruption across the business from the closure of a majority of physical stores for extended periods to significant supply chain interruptions.

Revenue declined 22.8%, from €85.8 million to €66.2 million. By channel:

- Retail revenue declined 26%
 - Boutique and concession sales fell 31%, while outlets sales declined 45%, both primarily as a result of pandemic-related disruption
 - Online sales increased 32%
- Wholesale revenue increased 5%, boosted by new accounts
- Other sales, which includes royalties, fell primarily due to transition of the La Perla fragrance business to direct operation
- Revenue from La Perla Beauty was immaterial in the year as the business was in the start-up phase of operation

Gross margin increased from 49% to 54%, benefitting from a reversal of inventory provisions and a greater proportion of full-price sales, partially offset by increased inventory clearance activity, in 2020 relative to 2019.

Operating expenses decreased from €86.1 million in 2019 to €75.9 million in 2020, driven by reduced personnel costs (including social plan charges), store rents and travel, partially offset by start-up costs of the beauty business, which will formally commence trading in 2021.

The improvement in operating profit/(loss) resulted from the above factors.

Going Concern, Financing and Outlook

With continued uncertainty around the speed and extent of recovery from the Covid-19 pandemic and the impact on the Group's plans, impairment assessments on the carrying value of non-current assets were undertaken using market growth indicators, which indicate lower levels of revenue growth than anticipated in the Group's forward plans. Consequently, an impairment charge for the year of €53.6m has been recognised.

La Perla has concluded that the going concern basis of accounting in preparing the results for the year ended 31 December 2020 is appropriate, supported by La Perla's financing arrangements which include a loan by Tennor Holding B.V. and La Perla Fashion Finance B.V. in the aggregate principal amount of up to €300 million, which does not mature over the next 12 months. The total amount outstanding under these loans stood at €204.6 million as of 31 December 2020, inclusive of €24.9m of accrued interest and €7m of accrued fees.

Given the ongoing Covid-19 crisis and the uncertainty in relation to further impact on the economy and consumer spending, the Group cannot adequately determine the future effect on its business. Therefore, La Perla is currently not providing forward guidance.

Changes in the Corporate Governance

Imran Khan stepped down as managing director on the 31st December 2020.

R.D. Salem stepped down as Supervisory Board member on the 26th May 2021 and is expected to be replaced by S. Kindler during the next Annual General Meeting taking place in June 2021.

Financial Statements Approval and Audit

The financial statements have been approved by the board of managing directors on 27th May 2021 and have been reviewed by the auditors who stated an emphasis of uncertainty with respect to the going concern assumption.

The accounts can be viewed in full at the following link: <https://laperlafashionholding.com/financial-reports-presentations/>

Enquiries

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About La Perla:

La Perla Fashion Holding N.V., a luxury fashion holding company, is the direct shareholder of La Perla Global Management (UK) Limited and its subsidiaries (the “Operating La Perla Group”) and La Perla Beauty (UK) Limited. La Perla, through the Operating La Perla Group, is a leading designer, manufacturer and retailer of luxury lingerie, nightwear and swimwear. La Perla Beauty is in the initial phase of operation. The group operates under the brand “La Perla”. Founded in 1954 in Bologna, Italy, the brand is renowned for its heritage and craftsmanship.

This release may contain forward-looking statements, i.e., statements that do not relate to historical facts or events. By their nature, forward-looking statements involve known and unknown risks and uncertainties, both general and specific. La Perla Fashion Holding N.V. bases these statements on its current plans, estimates, projections and expectations and they relate to events and are based on current assumptions that may not occur in the future. These forward-looking statements may not be indicative of future performance; the actual outcome of the financial condition and results of operations of La Perla Fashion Holding N.V. and its consolidated subsidiaries, and the development of economic conditions, may differ materially from, in particular be more negative than, those conditions expressly or implicitly assumed or described in such statements. Even if the actual results of the La Perla Fashion Holding N.V. or its consolidated subsidiaries, including the financial condition, results of operations and economic conditions, develop in line with the forward-looking statements contained in this press release, there can be no assurance that this will be the case in the future.

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