

Press release

#DREAMresults

THE TEDDY GROUP "DREAM" CONTINUES TO GROW: IN 2016 AN INCREASE IN THE CONSOLIDATED TURNOVER (€ 622,2 mln, + 10,4%) AND ADJUSTED EBITDA (€ 95,9 mln, + 15,8%), THE DISTRIBUTION NETWORK EXPANDS

- The development of the Italian fast fashion Group continues
- With contributions to the growth by the Retail Division (Terranova, Calliope), and by the Wholesale Division (Rinascimento, Miss Miss). The latter in particular reached record results in 2016.
- In 2017 the tendency to expand the network continues (approx. 100 openings are foreseen in Italy and overseas) along with investment in the brands (research, style, communication, training, digital/IT).

Rimini, 10 August 2017 – The Teddy Group, which operates in the fast fashion clothing sector, registered a series of important developments in 2016. The results achieved confirm the position of Teddy and of the Companies of the Group among the **European leaders of fast fashion** in terms of **sales volumes, profitability** (with profit to reinvest) and **the capacity to expand its commercial network**. A development that has mostly been achieved through collaboration with the **franchising affiliates**, a system that distinguishes Teddy on the market.

The results gained support the achievement of the long-term objectives to realize the "**Dream**", defined by the founder Vittorio Tadei, of "building a large company that earns a lot in order to create work and use part of the profit to support social projects in Italy and abroad". In particular the Group has set the objective of reaching a **revenue of 900 million** by 2019.

The Group bases its company policy on four strategic pillars: **consumer focus** (strong focus on the final consumer), **entrepreneurship and leadership throughout the company** along with special attention devoted to developing talent; continuous **attention to costs** and efficiency and a philosophy of **long-term** action.

The application of these guidelines produced **very positive** results in 2016. The consolidated **net revenue** in 2016 was in fact of around € **622,2 million**, registering a growth of **10,4%** compared to 2015 (563,9 mln Euro). 52,6% of the consolidated turnover was achieved on the overseas markets.

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Also taking into account the gross margin obtained in the sales points from the customers, **the value at retail prices** (including VAT) of the sale of the products in the world can be estimated at around € 1,104 billion. Contributing to this increase there was the **national market** as well as the **international one** on which the Group operates through two Divisions: **Retail** (with the Terranova and Calliope brands) and **Wholesale** (with the Rinascimento and Miss Miss brands), which comprises around 9,000 multi-brand customers. The Group has a lot of faith in our country, so much so that for Italy it has planned over 50% of the 200 plus new sales point openings in the period 2016/2017.

As regards the **Wholesale Division** the year 2016 was **another record year** both in terms of turnover and of the *bottom line*, continuing with the strategy of opening single brand Rinascimento stores which at the end of the year reached a total of 36 stores (+24,1% compared to 2015). Also the **Retail Division** achieved significant performances and has continued with the strategy of optimising the distribution network closing the small and/or non performing stores, allowing an improvement and an increase in the average takings in each sales point. The total number of **Terranova** and **Calliope** stores at the end of 2016 was equal to **600** in over **40 countries**.

There was also a significant *performance* of the **Gross Operating Margin** (EBITDA) the adjusted consolidated turnover (i.e. considering the effect of the currency exchange) which in 2016 amounted to € **95,9 mln**, registering an increase of 15,8% compared to business in 2015.

The Group's workforce reached **2.555** people on 31.12.2016.

TEDDY GROUP

The Teddy Group, which is formed by the head of the group Teddy Spa and by other Companies in Italy and overseas, is a large company that can compete on a global scale in the fast fashion clothing sector. The Group sells the brands Terranova, Calliope, Rinascimento and Miss Miss and is in 40 countries around the World through retail (single brand stores) and wholesalers. Founded in Rimini in 1961, for over 50 years the company has been following its Dream (www.teddy.it/it/home) of building "a large company that earns a lot in order to create jobs and use part of the profit in social projects in Italy and abroad" (Vittorio Tadei, founder of the Teddy Group).

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