# Ermenegildo Zegna Group

## CUSTODIAN OF AUTHENTICITIES

Dec 2024

# Disclaimer

Ermenegildo Zegna Group

**Non-IFRS Financial Measures**

The Group's management monitors and evaluates operating and financial performance using several non-IFRS financial measures including: revenues on a constant currency basis (constant currency) and revenues on an organic growth basis (organic growth or organic). The Group's management believes that these non-IFRS financial measures provide useful and relevant information regarding the Group's financial performance and financial condition, and improve the ability of management and investors to assess and compare the financial performance and financial position of the Group with those of other companies. They also provide comparable measures that facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other strategic and operational decisions. While similar measures are widely used in the industry in which the Group operates, the financial measures that the Group uses may not be comparable to other similarly named measures used by other companies nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS.

**Forward Looking Statements**

This communication contains forward-looking statements that are based on beliefs and assumptions and on information currently available to the Company. In particular, statements regarding future financial performance and the Group's expectations as to the achievement of certain targeted metrics at any future date or for any future period are forward-looking statements. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing," "target," "seek", "aspire," "goal," "outlook," "guidance," "forecast," "prospect" or the negative or plural of these words, or other similar expressions that are predictions or indicate future events or prospects, although not all forward-looking statements contain these words. Any statements that refer to expectations, projections or other characterizations of future events or circumstances, including strategies or plans, are also forward-looking statements. These statements involve risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in forward-looking statements as a result of a variety of factors, including: the recognition, integrity and reputation of our brands; our ability to anticipate trends and to identify and respond to new and changing consumer preference; the COVID-19 pandemic or similar public health crises; international business, regulatory, social and political risks; the conflict in Ukraine and sanctions imposed onto Russia; the occurrence of acts of terrorism or similar events, conflicts, civil unrest or situations of political instability; developments in Greater China and other growth and emerging markets; our ability to implement our strategy; recent and potential future acquisitions; disruption to our manufacturing and logistics facilities; risks related to the sale of our products through our direct-to-consumer channel, as well as through points of sale operated by third parties; our dependence on our local partners to sell our products in certain markets; fluctuations in the price or quality of, or disruptions in the availability of, raw materials; our ability to negotiate, maintain or renew our license or co-branding agreements with high end third party brands; tourist traffic and demand; our dependence on certain key senior personnel as well as skilled personnel; our ability to protect our intellectual property rights; disruption in our information technology, including as a result of cybercrime; the theft or unauthorized use of personal information of our customers, employees or other parties; fluctuations in currency exchange rates or interest rates; the level of competition in the industry in which we operate; global economic conditions and macro events, including inflation; failures to comply with applicable laws and regulations; climate change and other environmental impacts and our ability to meet our customers' and other stakeholders' expectations on environment, social and governance matters; the enactment of tax reforms or other changes in tax laws and regulations; and other risks and uncertainties, including those described in our filings with the SEC.

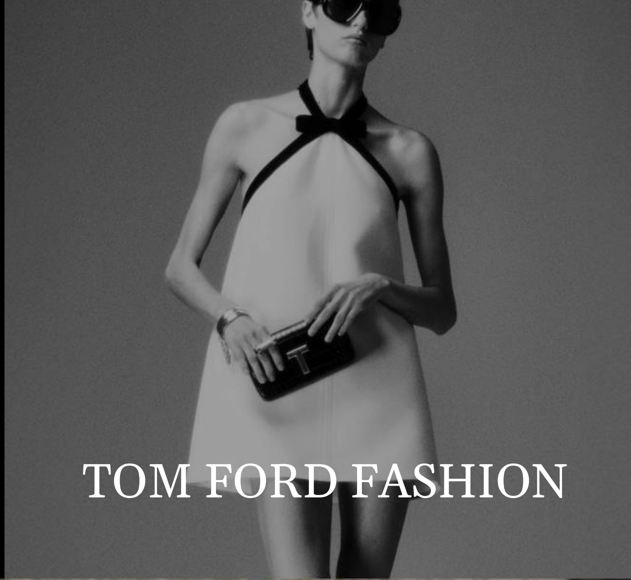
Most of these factors are outside the Company's control and are difficult to predict. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by the Company and its directors, officers or employees or any other person that the Company will achieve its objectives and plans in any specified time frame, or at all. The forward-looking statements in this communication represent the views of the Company as of the date of this communication. Subsequent events and developments may cause that view to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company disclaims any obligation to update or revise publicly forward-looking statements. You should, therefore, not rely on these forward-looking statements as representing the views of the Company as of any date subsequent to the date of this communication.

# More than 110 years of history that led us to today's Group…

| Zegna | | Ermenegildo Zegna Group | |
|---|---|---|---|
| ZEGNA | Acquisitions to build our *Filiera* | THOM BROWNE NEW YORK | TOM FORD FASHION |
| **1910** | **FROM 2009** | **2018** | **2023** |
| **Foundation of Lanificio Zegna** specialised in men's fabrics | **Acquisitions of different factories that grew into our *Filiera*** | **Acquisition of Thom Browne** | **Acquisition of TOM FORD FASHION** |

# WE ARE THE CUSTODIAN OF THREE AUTHENTIC and COMPLEMENTARY BRANDS supported by our unique *FILIERA*







ZEGNA

# ZEGNA – THE HISTORY

## 1910
### Foundation
Foundation of the wool mill in Trivero, Northern Italy, by Ermenegildo Zegna

## 1980
### Paris store opening
First global store opening in Europe

## 2021
### One Brand strategy
Launch of the One Brand strategy, evolving the Brand to enrich the offering with modern timeless luxury pieces and focus on the triple stitch shoes

## 1940
### Made to Measure
Creation of our exclusive service

## 1991
### First store in China
First global luxury brand to enter China (Beijing Peninsula Hotel)

# TAILORING IS OUR DNA

EVEN AS WE EVOLVED…

# ZEGNA – ONE BRAND STRATEGY

## FROM THREE TO ONE BRAND

Termination of Ermenegildo Zegna, Ermenegildo Zegna Couture, Z Zegna and communication built around just the brand Zegna.

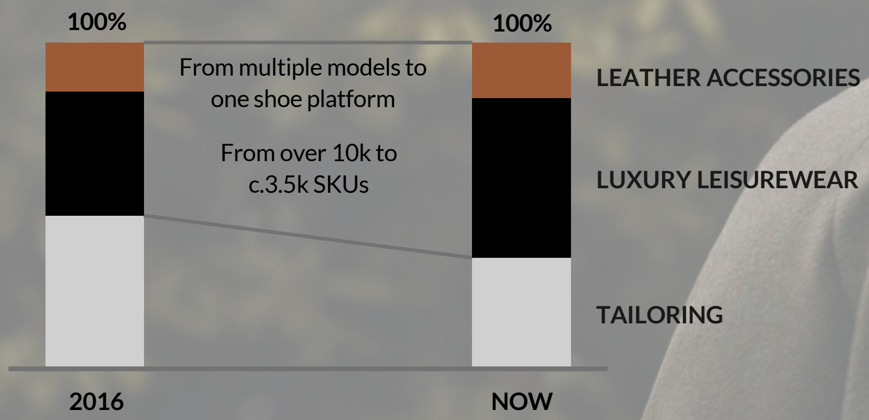

# ZEGNA – ONE BRAND STRATEGY

## The cutting-edge brand for luxury menswear

### PRODUCT OFFERING

Offering full looks, products made from the finest quality materials, to cover all uses, from leisurewear to tailoring.

MORE FOCUSED COLLECTION



# ZEGNA – ONE BRAND STRATEGY

## Create Icons

## TRIPLE STITCH: OUR ICON

Triple Stitch is our top recruiting product, bought by c.30% of first-time purchasers.

Triple Stitch clients have a HIGHER yearly spending driven by higher average ticket and frequency.

## IS A PLATFORM THAT WE WILL CONTINUE TO LEVERAGE

# ZEGNA – ONE BRAND STRATEGY

## From transactions to relationships

## HIGHER QUALITY CUSTOMERS

YOUNGER client vs 2019: c. 40yrs old

SPENDING c. 50% MORE than 2019

Over 50% of revenues are done through OUTREACH

2024 NPS at around 80%*

**Top 5% customers represent c.40% revenues**

(*) Based on respondents that purchased at ZEGNA Directly Operated Stores (DOS) or online (.com). Net Promoter Score (NPS) is a market research metric based on a single survey question asking the likelihood that they would recommend a brand, a company, a service or - as in this case - the shopping experience.

# ZEGNA – GROUP'S *FILIERA* IS A KEY COMPETITIVE ADVANTAGE

ZEGNA creates Made-to-Measure products (MTM) in **2-5 weeks,** depending on location, thanks to the direct control of the production

## THIS IN A DISTINCTIVE TOOL TO OFFER UNIQUENESS AND INCREASE RETENTION

# ZEGNA – FOCUS ON UBER LUXURY

It truly represents the pinnacle of luxury, averaging an exquisite fineness ranging from 12 to 13 microns.

The rarity of VELLUS AUREUM stems from the limited number of farmers sufficiently skilled in the breeding of and caring for the special sheep that produce it.

# OASI ZEGNA – THE HOME OF ZEGNA VALUES

## OASI ZEGNA is where everything started.
## Where the first VILLA ZEGNA was built, as the home of our founder.
## It has been the home of our values since 1910.

Oasi Zegna is a unique example of a natural territory with a perfect balance of people, nature, and community.

Ermenegildo Zegna Group

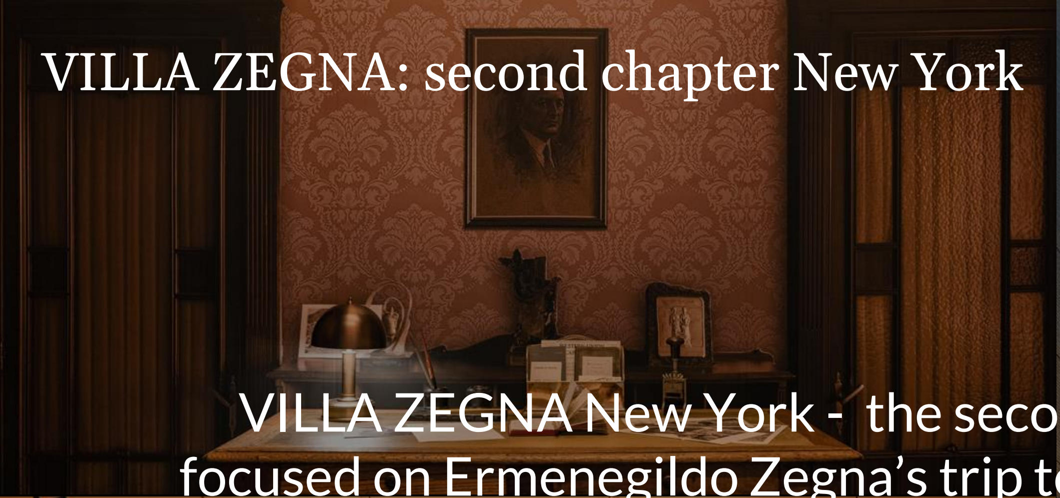
# VILLA ZEGNA: starting from Shanghai

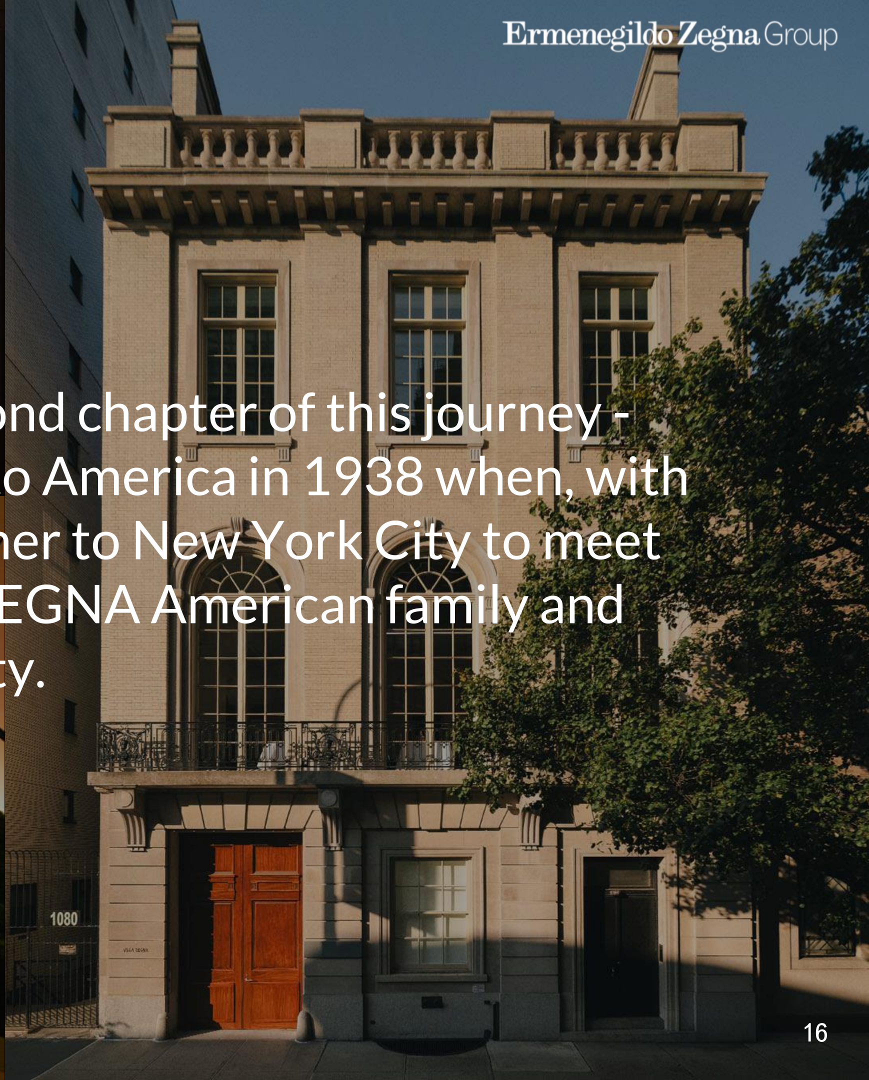
## From relationships to experiences


NEW ONE-TO-ONE APPROACH OF INTERACTING WITH CUSTOMERS THROUGH IMMERSIVE EXPERIENCES THAT FOSTER EMOTIONAL CONNECTIONS TO THE BRAND,

providing to the ZEGNA community the opportunity to immerse themselves in the realm of top luxury.

# VILLA ZEGNA: second chapter New York

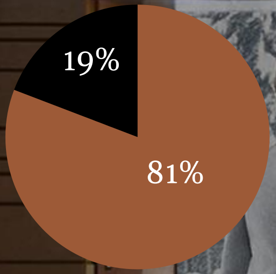


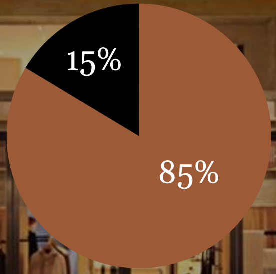

VILLA ZEGNA New York -  the second chapter of this journey - focused on Ermenegildo Zegna’s trip to America in 1938 when, with his son, he boarded a transatlantic liner to New York City to meet the Italian tailors and started the ZEGNA American family and community.

# ZEGNA – ONE BRAND STRATEGY

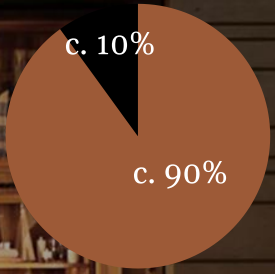
## Focus on DTC to increase productivity




2019




2023




Medium term

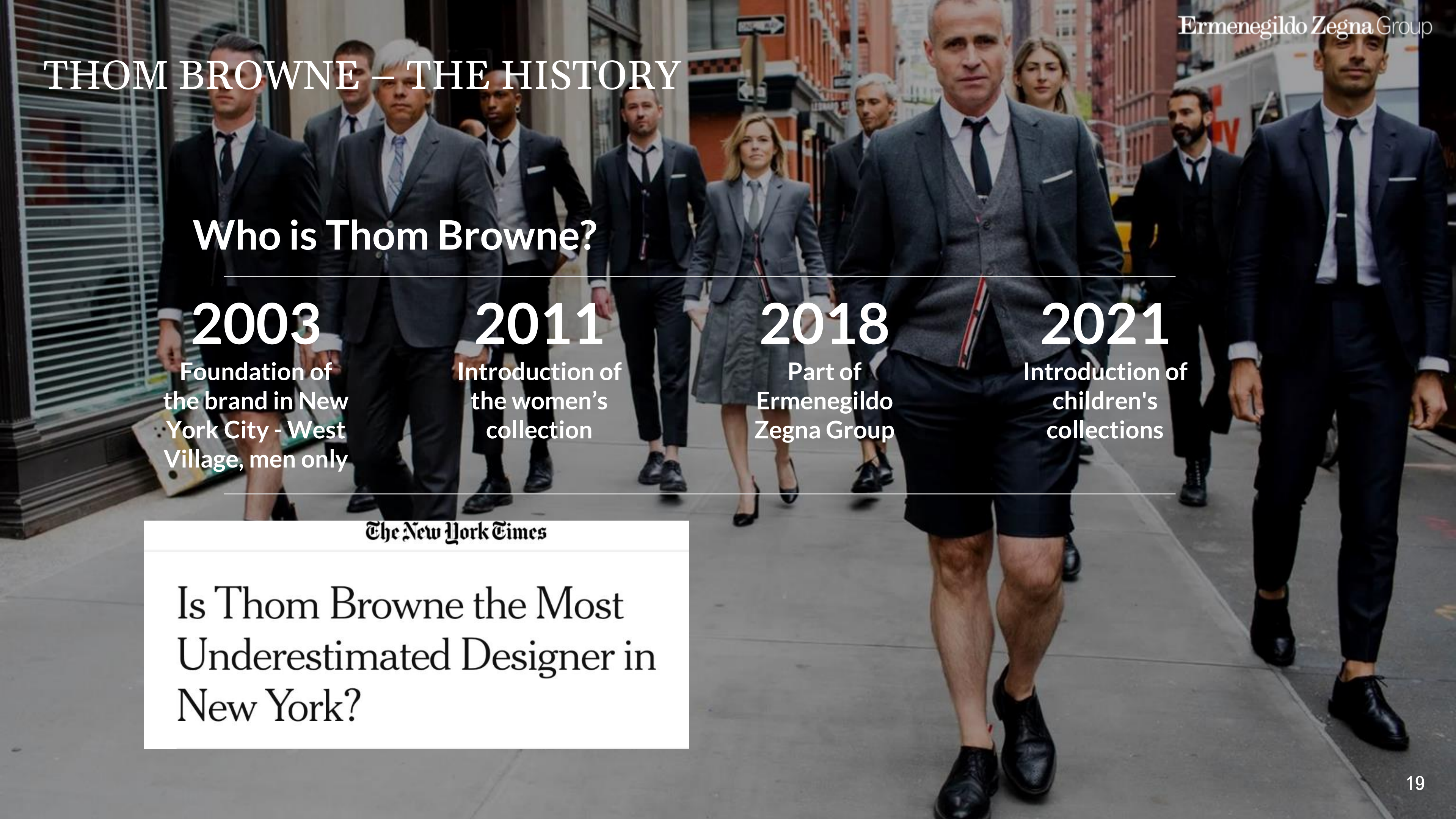
| CONTROL OF DISTRIBUTION | WHOLESALE REDUCTION/ REPURPOSING | NO MARKDOWNS | REDUCTION OF OUTLETS |
|---|---|---|---|

**Enhance retail-exclusive products**

Direct to Consumer "DTC" Wholesale branded


Ermenegildo Zegna Group
THOM BROWNE.
NEW YORK

# THOM BROWNE – THE HISTORY



## Who is Thom Browne?

**2003**
Foundation of the brand in New York City - West Village, men only

**2011**
Introduction of the women’s collection

**2018**
Part of Ermenegildo Zegna Group

**2021**
Introduction of children's collections

The New York Times

Is Thom Browne the Most Underestimated Designer in New York?

# THOM BROWNE – MODERN TAILORING

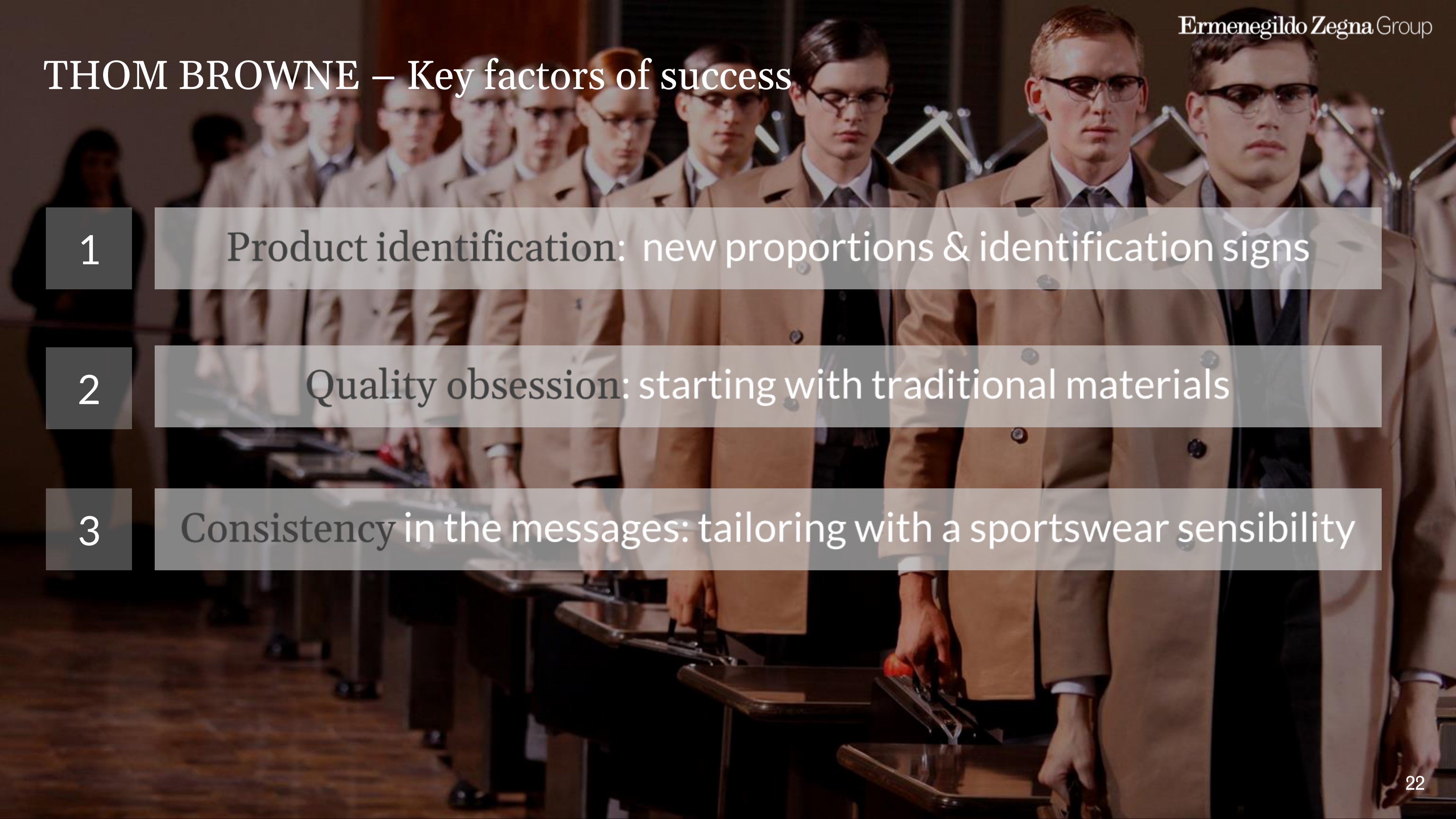
Thom Browne is able to challenge and modernize today's uniform by questioning traditional proportions and conveying a true American sensibility rooted in quality craftsmanship and precise tailoring.

# THOM BROWNE – Who is the client?

Someone who has something to say:

conceptual, unique and distinctive

# THOM BROWNE – Key factors of success



1. Product identification: new proportions & identification signs

2. Quality obsession: starting with traditional materials

3. Consistency in the messages: tailoring with a sportswear sensibility

# THOM BROWNE – …Not only for few



## MADE TO MEASURE

adapting Thom Browne vision to everyone's body
leveraging the Group's *filiera*

# THOM BROWNE – Strong community of lovers: 2024 Met Gala

# THOM BROWNE – Haute Couture Show in Paris

# THOM BROWNE – CLIENT VALUE MANAGEMENT APPROACH

Single client view approach that is able to follow customers worldwide


TOM FORD FASHION

# TOM FORD FASHION – THE HISTORY

## 2005

**Launch of TOM FORD** in partnerships with The Estée Lauder Companies and Marcolin to develop the TOM FORD beauty and eyewear brands.

## 2008

**Menswear**

Launched in collaboration with ZEGNA and opening of the first TOM FORD flagship store in New York City.

## 2010

**Womenswear**

Launched at an intimate salon-inspired presentation at the TOM FORD Madison Avenue store in New York City.

## 2023

**TOM FORD Fashion becomes part of Ermenegildo Zegna Group.**

DNA

# TOM FORD – NEW CREATIVE DIRECTOR

Haider Ackermann named
Creative Director of TOM FORD

WWD
WOMEN'S WEAR DAILY

FASHION / DESIGNER AND LUXURY

## Haider Ackermann's Strength in RTW, Womenswear Were Key to Tom Ford Appointment

The designer was named creative director of the luxury brand following the exit of Peter Hawkings.

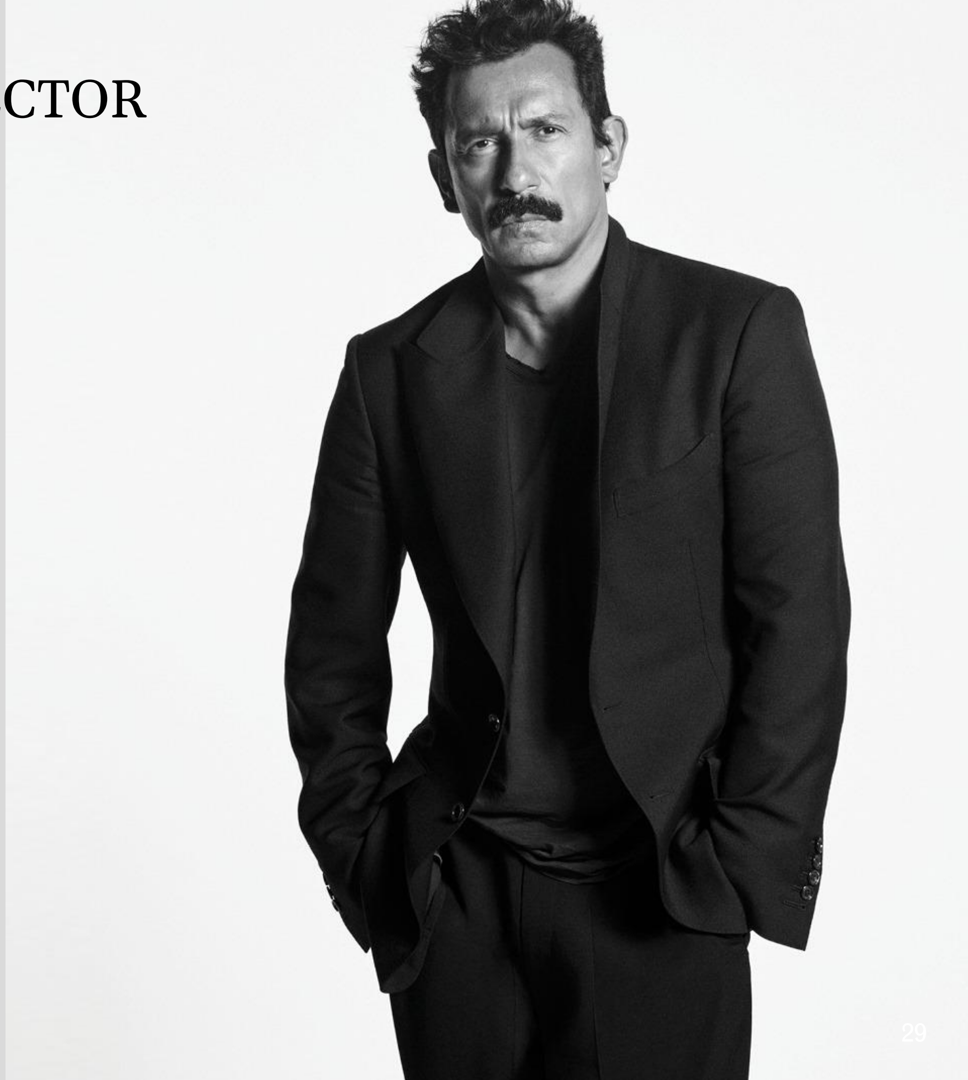
By JEAN E. PALMIERI SEPTEMBER 5, 2024, 3:59PM

BRITISH
VOGUE

FASHION

## Tom Ford And Haider Ackermann: Where Their Visions Intersect

BY LAIRD BORRELLI-PERSSON
4 September 2024



# TOM FORD FASHION – LUXURY GLAMOUR

**BRAND** with an alluringly modern aesthetic expressed through product excellence and impeccable fit

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## DNA

CONFIDENCE

FASHION VISIONARY

ICONIC PERFECTION

## CODES

GLAMOUR

REFINED ELEGANCE

MYSTERIOUS ALLURE

# TOM FORD FASHION for men

## Iconic recognition in menswear…

with

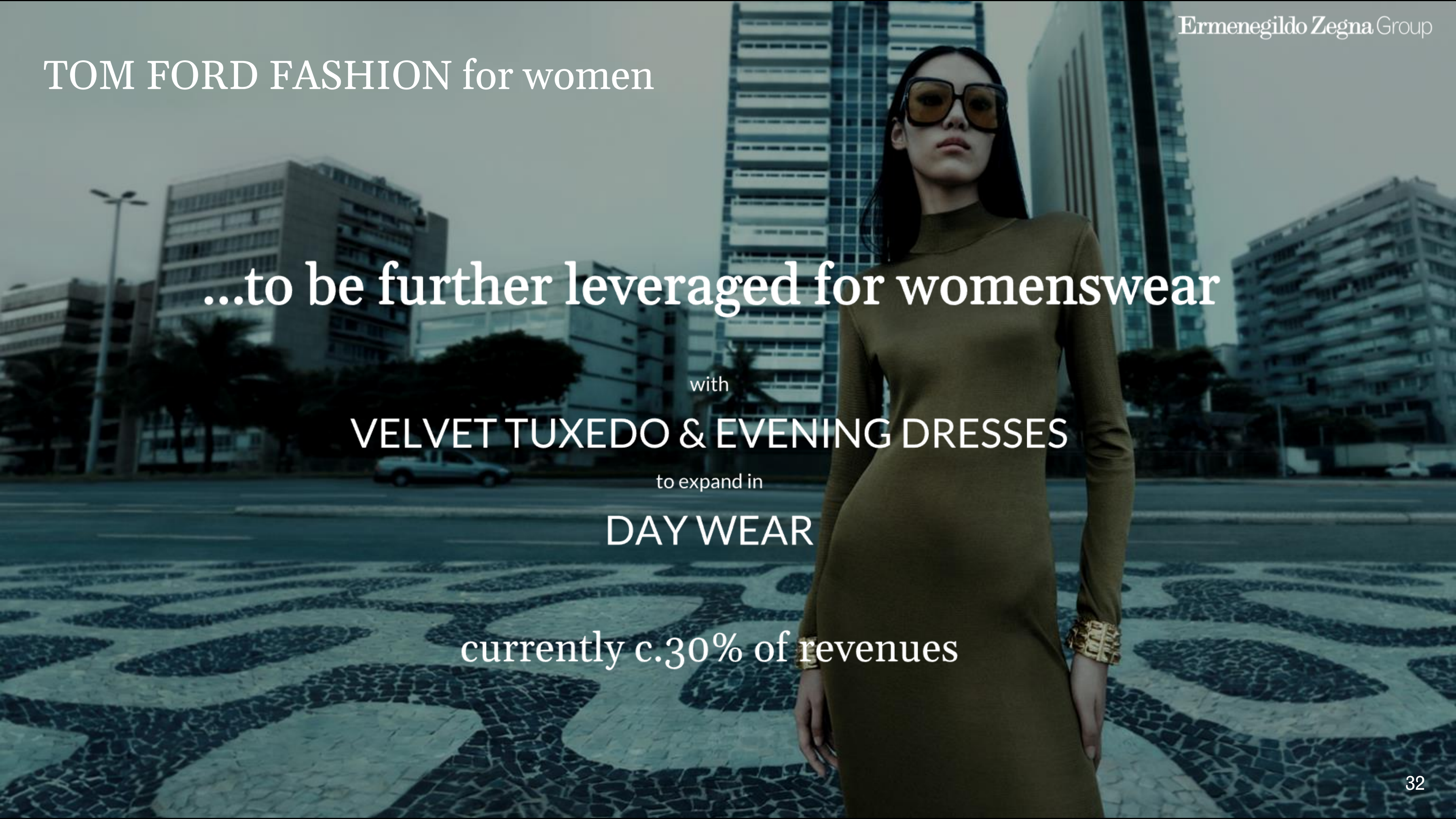
FORMAL SUITS

TUXEDO

LEATHER READY TO WEAR

currently c.70% of revenues

# TOM FORD FASHION for women



# *FILIERA*

OWNED AND CONTROLLED SUPPLY CHAIN MADE UP OF THE FINEST ITALIAN TEXTILE PRODUCERS INTEGRATED WITH UNIQUE LUXURY MANUFACTURING CAPABILITIES

to ensure superior excellence, quality and innovation capacity

# *FILIERA* – Acquisition/participations in the finest industrial players

## 2009
### Tessitura Novara
Leader in silk production. Established in 1932.

## 2016
### Bonotto
Specialized in furnishing and experimental fabrics. Established in 1912. (60% stake)

## 2019
### Dondi
Specialized in men's and women's jersey. Established in 1970 (65% stake).

## 2023
### Luigi Fedeli e Figlio S.r.l.
Excellence of Made in Italy knitwear and fine yarns. Established in 1934. (15% stake)

## 2012
### Pettinatura di Verrone
Leader in superfine wools, cashmere, vicuna. Established in 1960. (15% stake)

## 2018
### Cappellificio Cervo
Hatmaker. Established in 1897. (51% stake)

## 2021
### Tessitura Ubertino
High-end fabrics for women. Established in 1981. (60% stake)

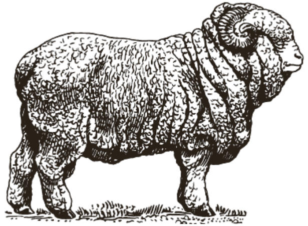
### Filati Biagioli Modesto
Cashmere and manufacturer of carded yarns. Established in 1967. (40% stake)

■ Not consolidated

*FILIERA*

# THE GROUP CONTROLS PRODUCTION FROM THE YARN TO THE FINAL PRODUCTS…

# Few examples of different noble fibers treated

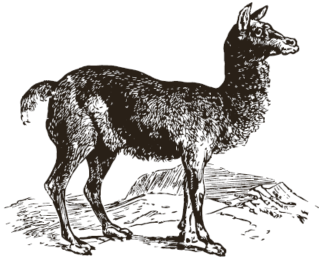


Merino Sheep

**Geography:** Australia is the world's top producer
**Fibre diametre**: world record c.9 microns (2023).

Cashmere goat

**Geography:** Himalayan mountains, Kashmir, Mongolia, China.
**Fibre diametre**: 15 microns.

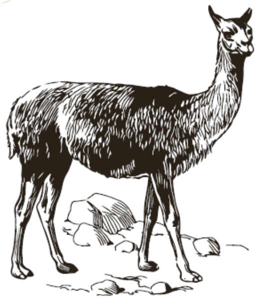


Alpaca camel

**Geography:** Andean mountains: Peru, Bolivia, Chile
**Fibre diametre**: 12-40 microns.

Mohair goat

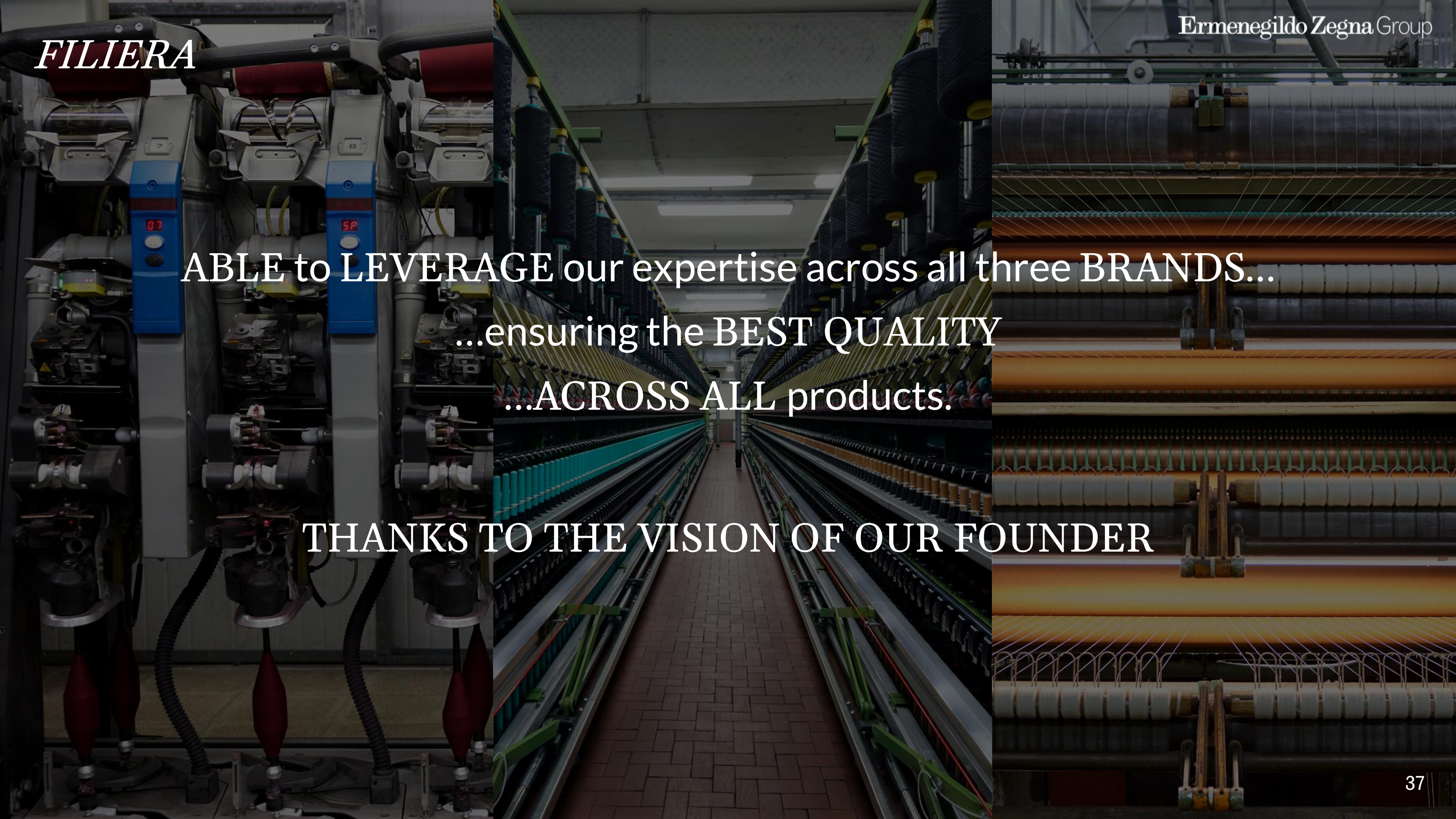
**Geography:** Turkey, South Africa, Australia.
**Fibre diametre**: 25-40 microns.



Vicuña camel

**Geography:** Andean mountains, Peru, Bolivia, Chile
**Fibre diametre**: 12 micronsmicrons.

# *FILIERA*



ABLE to LEVERAGE our expertise across all three BRANDS…

…ensuring the BEST QUALITY

…ACROSS ALL products.

THANKS TO THE VISION OF OUR FOUNDER

# *FILIERA*

## *New factory for shoes and leather goods in Parma, Italy*

And we want to BUILD ON OUR KEY STRENGTH, investing in additional production capacity

# GROUP SUSTAINABILITY

# SUSTAINABILITY

## 3 commitments 27 goals

### Achieved

**1. MADE IN ITALY**

I. Transparent reporting (audited Group Sustainability Report, GRI & SASB reporting standards)
II. Board oversight of ESG strategy & implementation
III. Join relevant trade associations

**2. FABRIC OF TOMORROW**

I. 80% of employees with DE&I training completed
II. Develop a talent acquisition & retention approach according to DE&I strategy, to become an equal opportunity employer

**3. ENVIRONMENT**

I. Chemical management: ZDHC Foundational compliance level (MRSL, Manufacturing Restricted Substances List, waste water) for all Group production sites

### In Progress

**1. MADE IN ITALY**

IV. Top priority raw materials with at least 50% traced to the geography of origin and from lower-impact sources by 2026: we are at 32% in 2023

**2. FABRIC OF TOMORROW**

III. Impact investing on wool, cashmere & cotton raw material sources with regenerative agriculture and carbon sequestration initiatives: Unlock Programme of The Fashion Pact
IV. Parental leave benefits extended to all markets, above local law requirements: standards approved in 2023
V. Launch the Group Academy by 2024: scope has broadened

**3. ENVIRONMENT**

II. 100% electricity from renewable sources in Europe and US (scope 2) by 2024 (2027 Group level): 97% in Europe and US in 2023

Ermenegildo Zegna Group

# SUSTAINABILITY 2023 data

## PEOPLE

Over 6,900 people (6,300 people excluding TFF)
61% Woman
46% of management positions held by woman
37% of new hires under 30yrs
97% Permanent

## SUPPLIERS

272 Tier 1 suppliers
84% of total spending on Italian suppliers
45 raw materials and finished products suppliers audited

## MATERIALS

32% of traceable & lower-impact top priority raw materials in 2023

Top priority raw materials (wool, cashmere, cotton, leather, man-made cellulosic, polyester and linen) account for about 72% of total raw materials purchased in 2023

## ENERGY

Electricity from renewable sources at 98% in Europe and 68% US in 2023

-5% YoY of scope 1+2 $CO_2$ (19,194 tonnes)
-11% YoY of scope 3 $CO_2$ (448,188 tonnes)

Science-Based Targets initiative (SBTi) commitment verified in 2023

# GROUP FINANCIALS

# FY and Q4 2024 REVENUES - KEY HIGHLIGHTS[1]

## FY 2024 Consolidated Revenues

**€1,947m**

**+2%** Year-on-Year (YoY)
**+3%** constant currency[2] (cFX)
**-2%** organic growth[3]

## Q4 2024 Consolidated Revenues

**€589m**

**+3%** YoY
**+4%** cFX
**+3%** organic

## Q4 2024 Revenues by Brand

**ZEGNA Brand**

**€353m**

**+7%** organic
**driven by ZEGNA DTC +9%** organic

THOM BROWNE NEW YORK

**€95m**

**-3%** organic

TOM FORD FASHION [4]

**€101m**

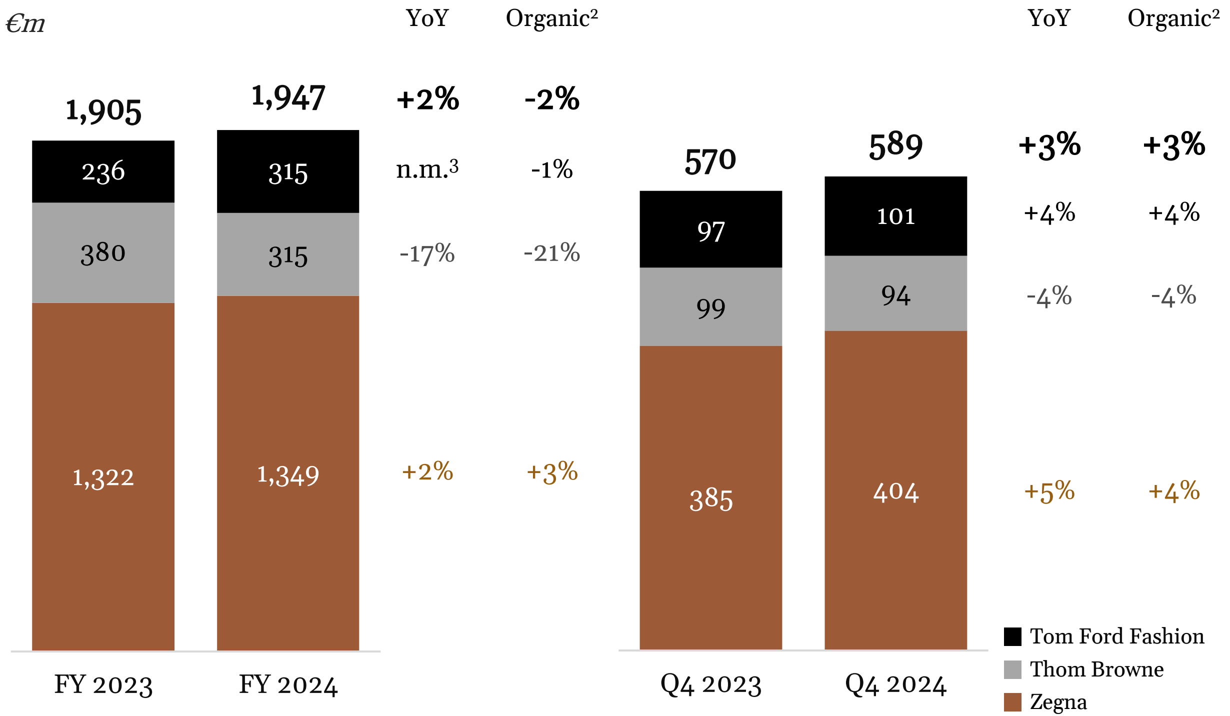
**+4%** organic

Notes: (1) Revenues figures throughout the presentation are preliminary and unaudited. Figures have been rounded, which may affect the result of certain mathematical calculations presented herein.
(2) Constant currency growth (**cFX**) is calculated as the change in revenues from period to period excluding the effects of foreign exchange.
(3) Organic growth (**organic or organic growth**) is calculated as the change in revenues from period to period excluding the effects of (a) foreign exchange, (b) acquisitions & disposals, (c) changes in license agreements where the Group operates as a licensee. See the NON-IFRS financial measures starting on page 24 for the definition and reconciliation of organic growth to the most directly comparable IFRS measure.
(4) Consolidated since April 29, 2023.

# FY / Q4 2024 CONSOLIDATED REVENUES

Ermenegildo Zegna Group

## By segment[1]: Zegna segment outperforming




- FY 2024 Group revenues reached €1,947m, +2% YoY and -2% organic. Q4 revenues were €589m, +3% YoY and organic.

In Q4:

- **Zegna segment** revenues were +4% organic, driven by the ZEGNA brand, which more than offset the weaker performance of Textile.
- **Thom Browne segment** performance at -4% organic represents an improving trajectory compared to the first nine months of the year, also thanks to its DTC channel performance.
- **Tom Ford Fashion (TFF) segment** revenues were +4% organic, driven by a positive DTC performance.

Notes: (1) Revenues net of eliminations, equal to €33.3m in FY 2023, €31.5m in FY 2024, €10.6m in Q4 2023 and €10.2m in Q4 2024. (2) Organic growth is calculated excluding (a) foreign exchange, (b) acquisitions & disposals, (c) changes in license agreements where the Group operates as a licensee. This applies to the entire document. (3) TFF has been consolidated since April 29, 2023. Therefore, on a FY basis, YoY performance is not meaningful ("n.m.").

# REVENUES BY BRAND AND PRODUCT LINE

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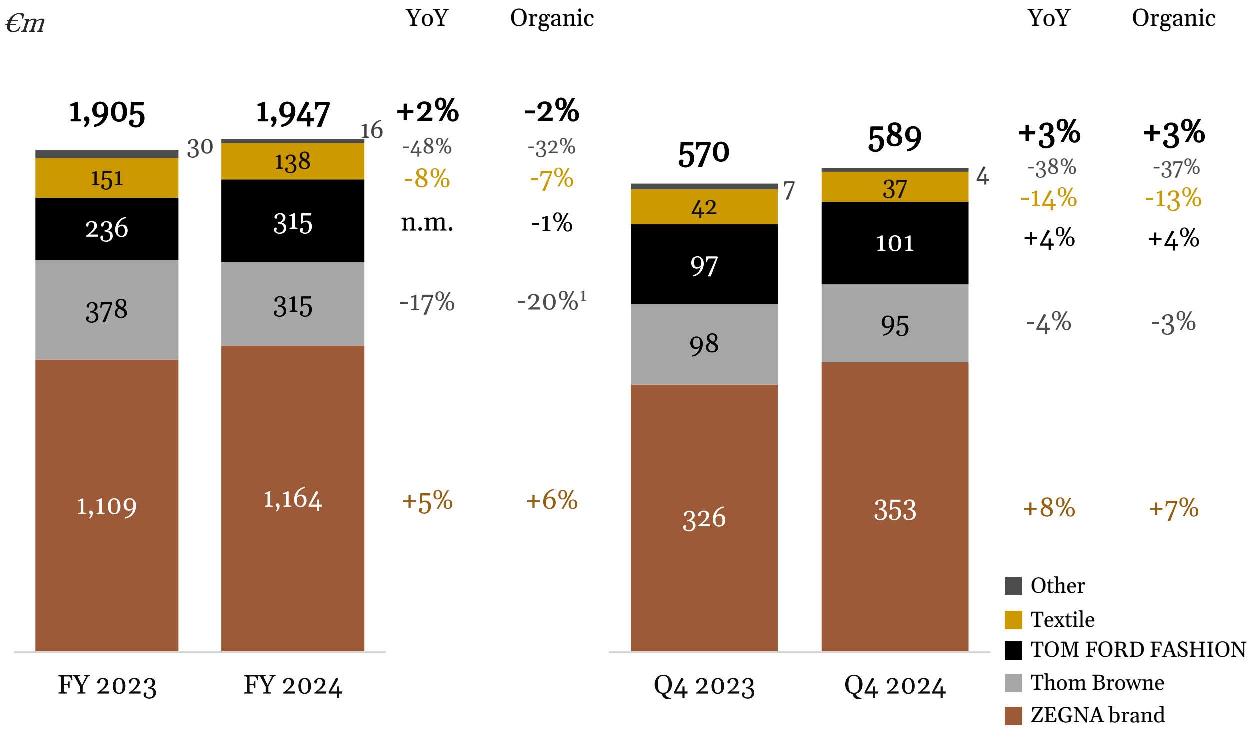
## ZEGNA brand recorded strong performance




In Q4 2024:

- **ZEGNA** brand revenues (60% of FY Group revenues) recorded +7% organic growth, driven by solid double-digit performance in DTC in EMEA and the Americas.
- **Thom Browne** revenues (16% of FY Group revenues) were -3% organic. The DTC channel reported positive performance offset by the still negative trend in wholesale, as a result of ongoing efforts to streamline the brand's wholesale presence.
- **TOM FORD FASHION** revenues (16% of FY Group revenues) grew +4% organic, driven by the DTC channel, with solid performance in the US and EMEA.
- **Textile** reported -13% organic while **Other** revenues, which includes mainly Third-Party Brand revenues, were at -37% organic.

Notes: (1) Includes the Korean market revenues since July 1, 2024.

# REVENUES BY GEOGRAPHIC AREA

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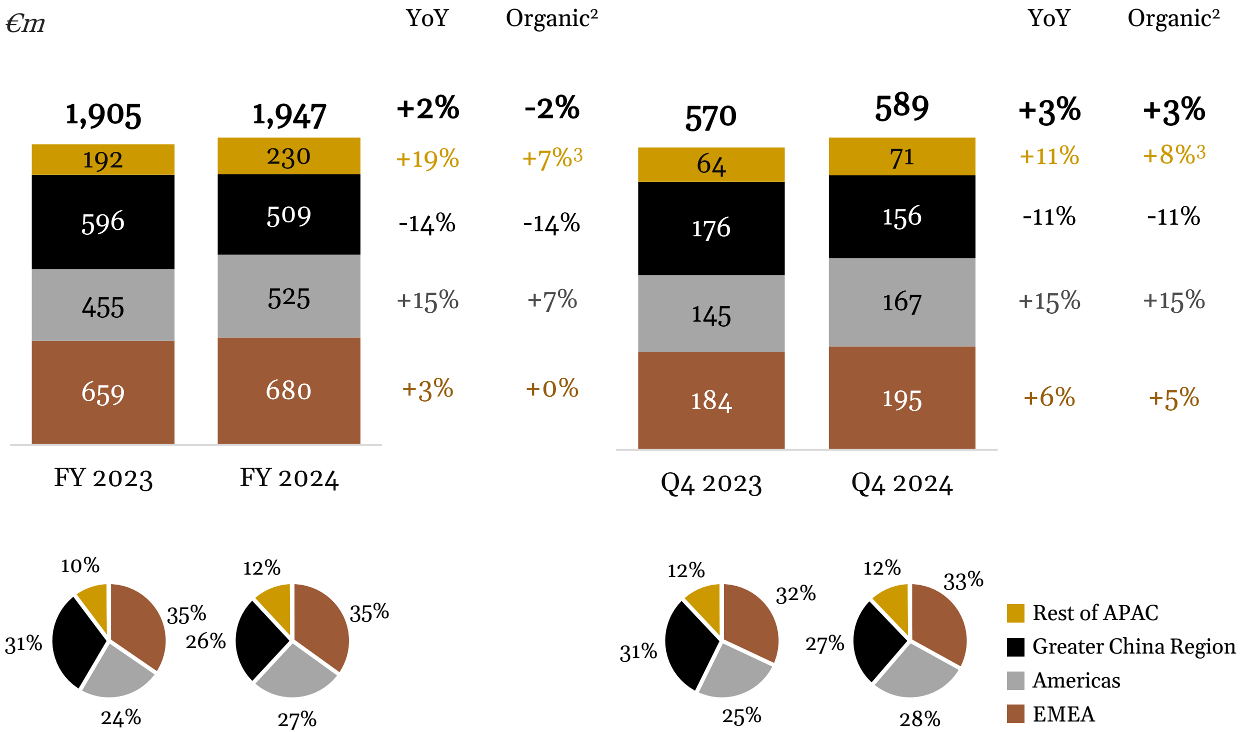
## Revenues[1] by geographic areas driven by EMEA and Americas




In Q4 2024:

- **EMEA** revenues grew +5% organic, driven by strong double-digit growth at ZEGNA and TFF, while Thom Browne continued to report negative performance, largely in the wholesale channel.
- **Americas** revenues reported +15% organic growth, with all three brands reporting positive performance led by strong double-digit growth at ZEGNA.
- **Greater China Region (GRC)** revenues reported -11% organic, showing some sequential improvement despite the still challenging and volatile environment.
- Rest of **APAC** revenues were +8% organic. Japan continues to report solid growth, especially for ZEGNA and Thom Browne.

Notes: (1) Revenues includes "other revenues" mainly royalties for €2,958k in FY 2023 and €2,343k in FY 2024, €627k in Q4 2023 and €587k in Q4 2024. (2) Excludes foreign exchange impact and TFF revenues prior to April 29, for each period. (3) Primarily excludes (i) foreign exchange impact, (ii) ZEGNA revenues in South Korea (SK) for each period, since the Group purchased 16 ZEGNA stores in SK on January 1, 2024, and (iii) Thom Browne revenues in SK prior to June 30 for each period, since the Group purchased 17 Thom Browne stores in SK on July 1, 2023.

# REVENUES BY DISTRIBUTION CHANNEL

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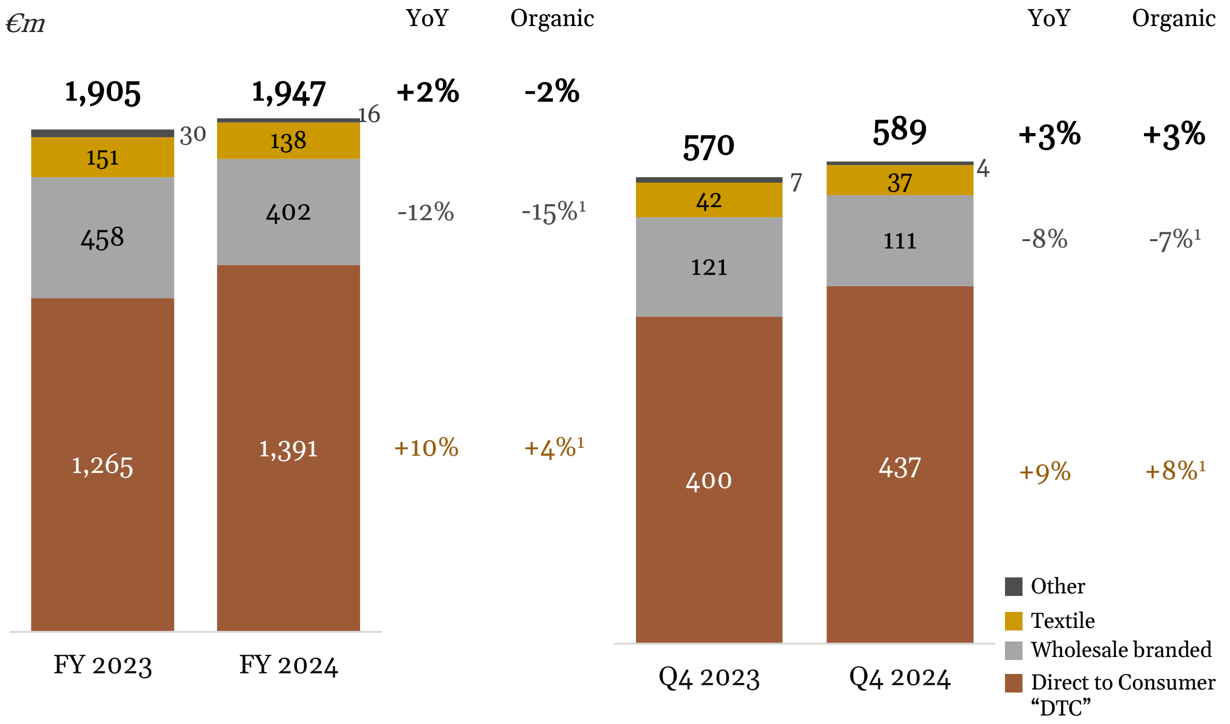
## DTC continued to grow




In Q4 2024:

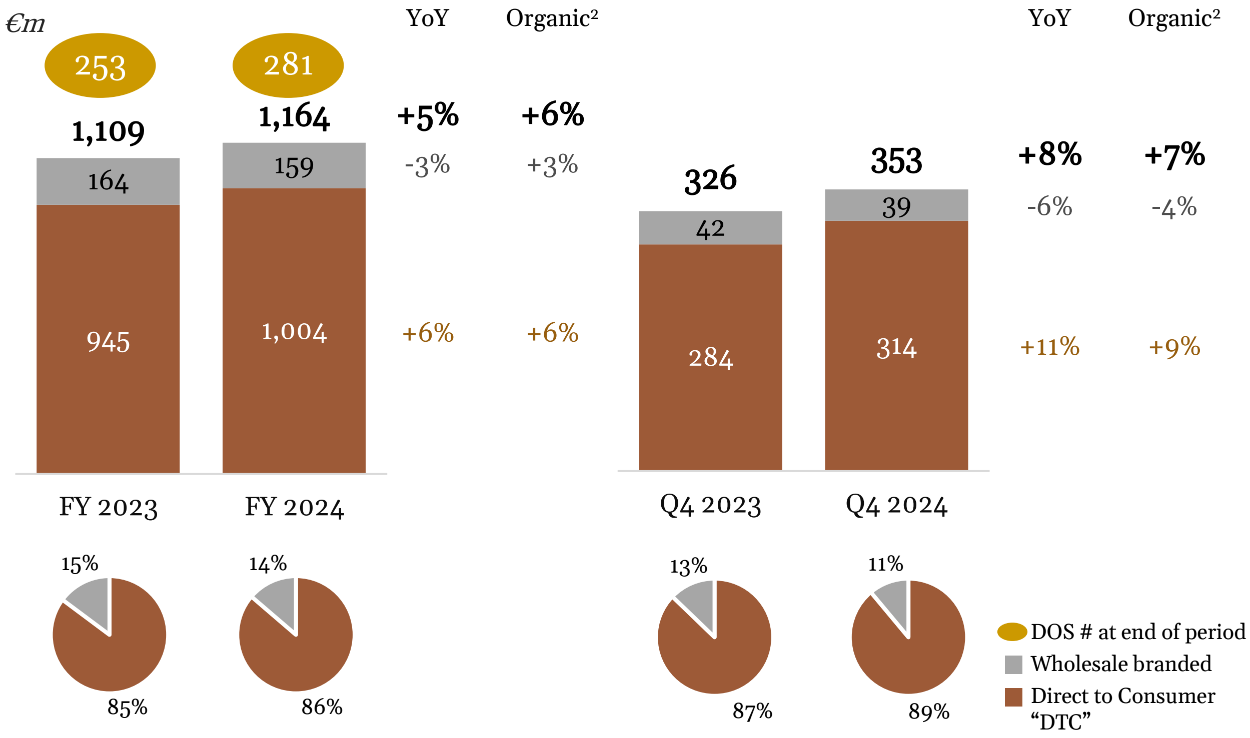
- **DTC** revenues reached €437m, +8% organic, largely driven by sound double-digit organic performance in EMEA, the Americas and Japan.
- **Wholesale branded** revenues (excluding the B2B business of Textile & Other) recorded a -7% organic growth, slightly improving sequentially also driven by early deliveries of SS 2025, in particular at Thom Browne. FY 2024 wholesale performance has been influenced by the conversion of monobrand stores from wholesale in retail for all the three brands and by the decision to streamline the channel, largely at Thom Browne.

Notes: (1) Excludes (i) foreign exchange impact, (ii) TFF revenues prior to April 29th for each period, (iii) ZEGNA revenues in Korea, both DTC and wholesale for each period, since the Group purchased from the distributor 16 ZEGNA stores on January 1, 2024 and (iv) Thom Browne revenues in Korea, both DTC and wholesale for each period until June 30, since the Group purchased from the distributor 17 Thom Browne stores on July 1, 2023 in the country.

# ZEGNA BRAND: REVENUE ANALYSIS BY DISTRIBUTION CHANNEL

Ermenegildo Zegna Group

## Growth driven by DTC[1] especially in EMEA, Americas and Japan




In Q4 2024:

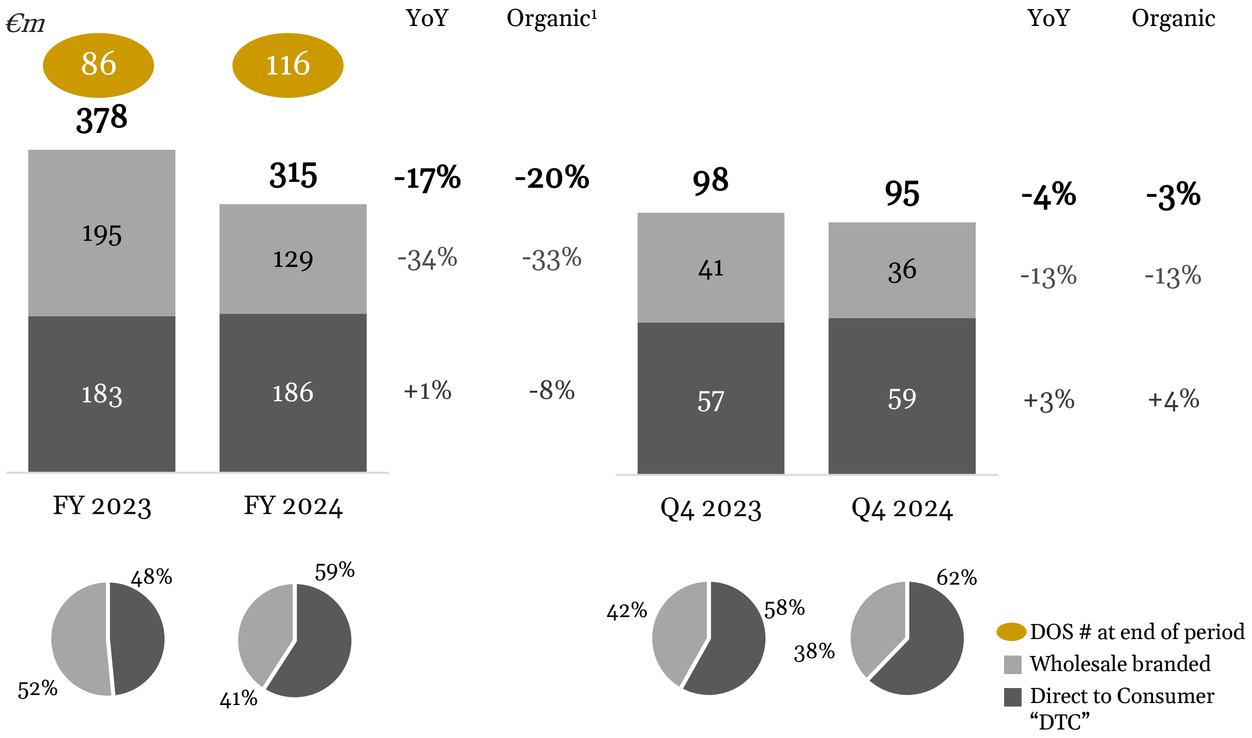
- ZEGNA brand revenues reached €353m, +7% organic, accelerating compared to previous quarters.
- **DTC** revenues (86% of FY 24 revenues) grew +9% organic, recording the best quarter of the year, driven by double-digit growth in most key markets: Europe, the Middle East, and the Americas. GCR slightly improved sequentially while still remaining in negative territory.
- During the quarter, ZEGNA closed 4 net DOS[1] as a result of 2 openings, Monaco and Wuhan SKP, and the closure of some small corners and outlets.
- **Wholesale** reported -4% organic, in line with management expectations, reflecting the impact of some conversions from wholesale to retail and the ongoing decision to focus on the DTC channel.

Notes: (1) Directly-operated stores. (2) Excludes foreign exchange impact and revenues in Korea, both DTC and wholesale for each period, since the Group purchased the Korean business including 16 ZEGNA stores on January 1, 2024.

# THOM BROWNE: REVENUE ANALYSIS BY DISTRIBUTION CHANNEL

Ermenegildo Zegna Group

## DTC recorded positive performance driven by store openings




In Q4 2024:

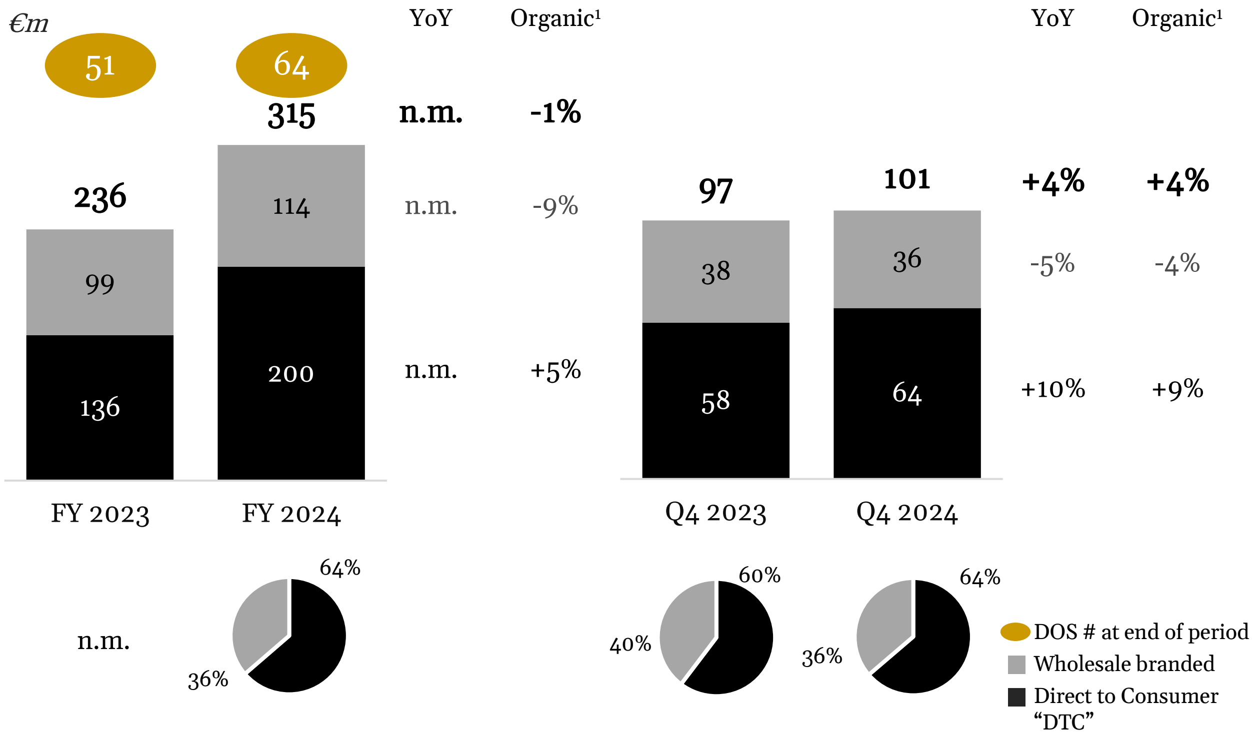
- **Thom Browne** recorded €95m in revenues, -3% organic, with a sequentially improved performance.
- **DTC** (59% of FY 2024 revenues) reported +4% organic growth in the quarter, also driven by some store openings. Japan, Korea and the Americas reported good double-digit growth. GCR, while still negative, recorded slightly improved performance.
- During the quarter, Thom Browne opened 10 net DOS, including the opening of Beijing Taikoo Li and some conversions in Canada from wholesale into retail.
- **Wholesale** (-13% organic) continued to be impacted by the decision to streamline part of the business. The improvement compared to previous quarters is also related to early spring collections deliveries.

Notes: (1) Includes revenues in Korea since July 1, 2024.

# TOM FORD FASHION: REVENUE ANALYSIS BY DISTRIBUTION CHANNEL

Ermenegildo Zegna Group

## Strong growth registered in DTC, driven by EMEA




- Given TFF's consolidation since April 2023, on a FY basis, organic performance is the most accurate indicator of the brand's overall performance.

In Q4 2024:

- TFF reached revenues of €101m, +4% organic, with **DTC** (64% of FY 2024 revenues) showing a solid +9% organic growth, driven by EMEA and the US. EMEA, in particular, has been growing strong double –digit in the quarter.
- During the quarter, TFF opened 2 net DOS in Singapore and Madrid.
- **Wholesale** business were -4% organic, reflecting two main wholesale conversions into retail (Harrods Man and Saks Woman) and the decision to further strengthen the DTC channel.

Notes: (1) Excludes the foreign exchange impact and revenues prior to April 29.

# STORE NETWORK



# MONOBRAND[1] STORE NETWORK EVOLUTION

Ermenegildo Zegna Group

| *Stores* | At December 31, 2024 | | | | At September 30, 2024 | | | | At December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **ZEGNA** | **Thom Browne** | **TOM FORD FASHION** | **Group** | **ZEGNA** | **Thom Browne** | **TOM FORD FASHION** | **Group** | **ZEGNA** | **Thom Browne** | **TOM FORD FASHION** | **Group** |
| EMEA (2) | 76 | 9 | 11 | 96 | 76 | 9 | 10 | 95 | 71 | 9 | 4 | 84 |
| Americas | 72 | 28 | 13 | 113 | 75 | 20 | 13 | 108 | 59 | 7 | 12 | 78 |
| Greater China Region | 78 | 40 | 12 | 130 | 78 | 38 | 12 | 128 | 79 | 33 | 10 | 122 |
| Rest of APAC | 55 | 39 | 28 | 122 | 56 | 39 | 27 | 122 | 44 | 37 | 25 | 106 |
| **Total Direct to Consumer (DTC)** | **281** | **116** | **64** | **461** | **285** | **106** | **62** | **453** | **253** | **86** | **51** | **390** |
| EMEA (2) | 44 | 5 | 16 | 65 | 44 | 7 | 15 | 66 | 55 | 7 | 14 | 76 |
| Americas | 59 | 1 | 46 | 106 | 59 | 3 | 47 | 109 | 63 | 3 | 50 | 116 |
| Greater China Region | 11 | 10 | - | 21 | 13 | 10 | - | 23 | 13 | 10 | - | 23 |
| Rest of APAC | 4 | 5 | 2 | 11 | 4 | 4 | 5 | 13 | 20 | 5 | 6 | 31 |
| **Total Wholesale** | **118** | **21** | **64** | **203** | **120** | **24** | **67** | **211** | **151** | **25** | **70** | **246** |
| **Total** | **399** | **137** | **128** | **664** | **405** | **130** | **129** | **664** | **404** | **111** | **121** | **636** |

Notes: (1) Monobrand store count includes DOS (both boutiques and outlets) and wholesale monobrand stores (including also monobrand franchisees).
(2) Does not include any stores in Russia at December 31, 2024, September 30, 2024 or at December 31, 2023. Although some stores may still be operating at December 31, 2024, they have not been supplied by the Group since February 2022 and have therefore been excluded from the Group's store count.

# INCOME STATEMENT

Ermenegildo Zegna Group

| €m, % | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| Revenues | 1,905 | 100.0% | 1,493 | 100.0% | 1,292 | 100.0% |
| Cost of sales | (681) | (35.7%) | (565) | (37.8%) | (495) | (38.3%) |
| **Gross profit** | **1,224** | **64.3%** | **928** | **62.2%** | **797** | **61.7%** |
| Selling and G&A expenses | (901) | (47.3%) | (695) | (46.6%) | (823) | (63.7%) |
| Marketing expenses | (115) | (6.0%) | (85) | (5.7%) | (68) | (5.3%) |
| **Operating profit** | **208** | **10.9%** | **148** | **9.9%** | **(94)** | **(7.3%)** |
| Financial income and expense | (31) | (1.6%) | (41) | (2.7%) | 2 | 0.2% |
| Foreign exchange losses | (5) | (0.3%) | (8) | (0.5%) | (8) | (0.6%) |
| Results from equity-method accounted investments | (3) | (0.2%) | 2 | 0.1% | 3 | 0.2% |
| **Net profit before taxes** | **169** | **8.9%** | **101** | **6.8%** | **(97)** | **(7.5%)** |
| Income taxes | (33) | (1.7%) | (36) | (2.4%) | (31) | (2.4%) |
| **Net profit** | **136** | **7.1%** | **65** | **4.4%** | **(128)** | **(9.9%)** |
| Attributable to: | | | | | | |
| Shareholders of the parent company | 122 | 6.4% | 51 | 3.4% | (136) | (10.5%) |
| Non-controlling interests | 14 | 0.7% | 14 | 0.9% | 8 | 0.6% |

Notes: (1) In 2021 SG&A expenses incorporated the costs related to the Business Combination with Investindustrial Acquisition Corp, completed on 17 Dec 2021

# INCOME STATEMENT

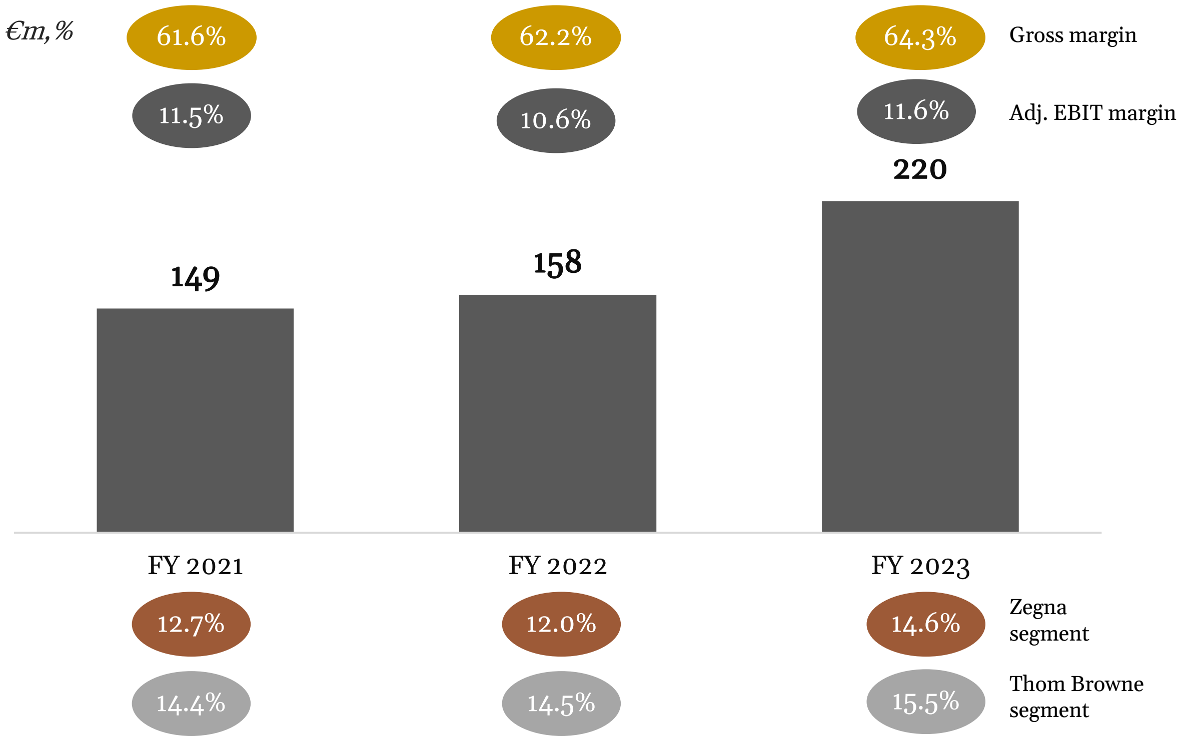
Ermenegildo Zegna Group

| €m, % | H1 2024 | | H1 2023 | |
|---|---|---|---|---|
| Revenues | 960.1 | 100.0% | 903.1 | 100.0% |
| Cost of sales | (322.7) | (33.6%) | (323.2) | (35.8%) |
| **Gross profit** | **637.4** | **66.4%** | **579.8** | **64.2%** |
| Selling, general and administrative expenses | (497.6) | (51.8%) | (415.8) | (46.0%) |
| Marketing expenses | (66.8) | (7.0%) | (47.5) | (5.3%) |
| **Operating profit** | **73.1** | **7.6%** | **116.5** | **12.9%** |
| Financial income | 12.1 | 1.3% | 15.6 | 1.7% |
| Financial expenses | (29.3) | (3.0%) | (44.6) | (4.9%) |
| Foreign exchange losses | (7.7) | (0.8%) | (7.0) | (0.8%) |
| Results from equity-method accounted investments | 0.3 | 0.0% | (2.2) | (0.2%) |
| **Profit before taxes** | **48.6** | **5.1%** | **78.3** | **8.7%** |
| Income taxes | (17.2) | (1.8%) | (26.2) | (2.9%) |
| **Profit** | **31.3** | **3.3%** | **52.1** | **5.8%** |
| Attributable to: | | | | |
| Shareholders of the parent company | 25.1 | | 46.0 | |
| Non-controlling interests | 6.2 | | 6.1 | |

# Adjusted EBIT MARGIN by segment

Ermenegildo Zegna Group

## Solid Adjusted EBIT margin expansion per brand



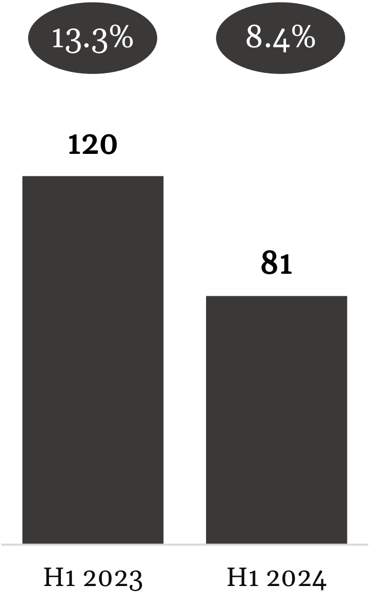

- In FY **2023 Adjusted EBIT rose by 40%** to €220m driven by the increase in gross profit margin and partially mitigated by higher SG&A and marketing costs.
  - **SG&A**: the increase driven by the consolidation of TFF and by the Thom Browne Korean business take over, mitigated by better incidence in the Zegna segment.
  - **Marketing:** in line with management plans
- **TFF impact on EBIT** composed by €17.8m of costs relating to the PPA (€15.6m in cost of sales for inventories and order backlog and €2.2m in SG&A for amortization of the TFI license agreement (which will be amortized over 30 years at c. €3m /year); ongoing royalties to The Estée Lauder Companies Inc. as part of the agreement.

# H1 2024 Adjusted EBIT[1]

Ermenegildo Zegna Group

## Consolidated

*€m, % margin*




## By segment

| ZEGNA | H1 2023 | H1 2024 |
|---|---|---|
| Revenues | 644 | 661 |
| Adjusted EBIT | 100 | 85 |
| Adjusted EBIT Margin | 15.5% | 12.8% |
| **THOM BROWNE** | | |
| Revenues | 208 | 167 |
| Adjusted EBIT | 32 | 20 |
| Adjusted EBIT Margin | 15.2% | 12.1% |
| **TOM FORD FASHION** | | |
| Revenues | 64 | 149 |
| Adjusted EBIT | 4 | (12) |
| Adjusted EBIT Margin | 6.7% | (8.0%) |
| Corporate and Elimination at Adjusted EBIT | (16) | (12) |

- In H1 2024, **Adjusted EBIT** was €81m with 8.4% margin, compared to 13.3% in H1 2023.
- **Zegna segment:** Adjusted EBIT was €85m with 12.8% margin. The decrease in margin was mainly driven by higher marketing expenses largely due to a concentration of events and projects in H1 2024.
- **Thom Browne segment:** Adjusted EBIT was €20m with 12.1% margin. The decrease was led by a lower operating leverage following the decrease in revenues.
- **Tom Ford Fashion segment:** Adjusted EBIT was negative €12m vs. positive €4m in H1 2023. Given that the TFF segment was consolidated for approx. two months in H1 2023, the comparison between H1 2024 and H1 2023 results is not meaningful. H1 2024 results reflect the investments made to reinforce the organization, in particular people, store network, marketing and IT.

Notes: (1) Adjusted EBIT and Adjusted EBIT Margin are non-IFRS financial measures. Please see "Non-IFRS Financial Measures" starting on page 23 for a definition and reconciliation of such non-IFRS financial measures to the most directly comparable IFRS measures.

# BALANCE SHEET

Ermenegildo Zegna Group

| €m | June 30, 2024 | Dec 31, 2023 |
|---|---|---|
| Intangible assets | 594.9 | 572.3 |
| Property, plant and equipment | 176.1 | 159.6 |
| Right-of-use assets | 561.2 | 534.0 |
| Investments accounted for using the equity method | 19.1 | 18.8 |
| Deferred tax assets | 165.3 | 160.9 |
| Other non-current financial assets | 36.1 | 33.9 |
| **Total non-current assets** | **1,552.6** | **1,479.4** |
| Inventories | 540.8 | 522.6 |
| Trade receivables | 216.7 | 240.5 |
| Derivative financial instruments | 4.3 | 11.1 |
| Tax receivables | 36.1 | 31.0 |
| Other current financial assets | 99.5 | 90.9 |
| Other current assets | 106.0 | 95.3 |
| Cash and cash equivalents | 225.3 | 296.3 |
| **Total current assets** | **1,228.7** | **1,287.6** |
| Total assets | 2,781.3 | 2,767.0 |

| €m | June 30, 2024 | Dec 31, 2023 |
|---|---|---|
| Equity attributable to shareholders of the Parent Company | 852.7 | 840.3 |
| Equity attributable to non-controlling interests | 61.5 | 60.6 |
| **Total equity** | **914.2** | **900.9** |
| Non-current borrowings | 218.1 | 113.3 |
| Other non-current financial liabilities | 141.2 | 136.6 |
| Non-current lease liabilities | 497.5 | 471.1 |
| Non-current provisions for risks and charges | 20.3 | 19.8 |
| Employee benefits | 35.7 | 29.6 |
| Deferred tax liabilities | 77.8 | 73.9 |
| Other non-current liabilities | 4.8 | 9.7 |
| **Total non-current liabilities** | **995.6** | **854.0** |
| Current borrowings | 168.0 | 289.3 |
| Other current financial liabilities | 0.0 | 22.1 |
| Current lease liabilities | 133.6 | 122.6 |
| Derivative financial instruments | 2.7 | 0.9 |
| Current provisions for risks and charges | 13.1 | 16.0 |
| Trade payables and customer advances | 281.8 | 314.1 |
| Tax liabilities | 42.0 | 42.0 |
| Other current liabilities | 230.4 | 205.0 |
| **Total current liabilities** | **871.5** | **1,012.1** |
| Total equity and liabilities | 2,781.3 | 2,767.0 |

# CASH FLOW STATEMENT

Ermenegildo Zegna Group

| €m | June 30, 2024 | June 30, 2023 |
|---|---|---|
| Profit | 31.3 | 52.1 |
| Income taxes | 17.2 | 26.2 |
| Depreciation, amortization and impairment of assets | 113.5 | 87.0 |
| Financial income | (12.1) | (15.6) |
| Financial expenses | 29.3 | 44.6 |
| Foreign exchange losses | 7.7 | 7.0 |
| Write downs and other provisions | 1.5 | 1.0 |
| Write downs of the provision for obsolete inventory | 7.8 | 19.3 |
| Result from investments accounted for using the equity | (0.3) | 2.2 |
| Other non-cash expenses, net | 36.1 | 18.8 |
| Change in inventories | (21.6) | (79.5) |
| Change in trade receivables | 21.3 | (26.9) |
| Change in trade payables including customer advances | (28.4) | 3.7 |
| Change in other operating assets and liabilities | (42.3) | 2.9 |
| Interest paid | (19.6) | (13.5) |
| Income taxes paid | (21.0) | (21.8) |
| **Net cash flows from operating activities** | **120.4** | **107.6** |

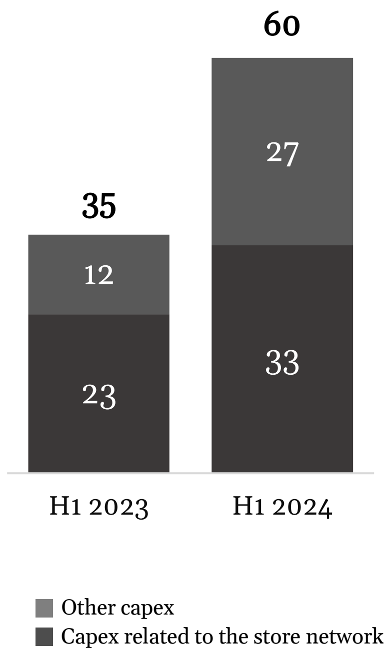
| €m | June 30, 2024 | June 30, 2023 |
|---|---|---|
| Payments for property, plant and equipment | (47.9) | (25.7) |
| Payments for intangible assets | (12.2) | (8.8) |
| Payments for purchases of non-current financial assets | (1.3) | (0.6) |
| Proceeds from disposals of current financial assets and derivative | 15.7 | 221.9 |
| Payments for acquisitions of current financial assets and derivative | (21.4) | (6.0) |
| Business combinations, net of cash acquired | (14.6) | (108.6) |
| Acquisition of investments accounted for using the equity method | - | (11.2) |
| **Net cash flows (used in)/from investing activities** | **(81.7)** | **61.0** |
| Proceeds from borrowings | 154.7 | 65.0 |
| Repayments of borrowings | (174.2) | (173.4) |
| Payments of lease liabilities | (67.0) | (59.1) |
| Payments for acquisition of non-controlling interests | (23.5) | - |
| Proceeds from the exercise of warrants | - | 4.4 |
| Sales of shares held in treasury | - | 3.7 |
| Dividends paid to non-controlling interests | (1.4) | (6.1) |
| **Net cash flows used in financing activities** | **(111.4)** | **(165.5)** |
| Effects of exchange rate changes on cash and cash equivalents | 1.7 | (2.3) |
| Net (decrease)/increase in cash and cash equivalents | (71.0) | 0.7 |
| Cash and cash equivalents at the beginning of the period | 296.3 | 254.3 |
| Cash and cash equivalents at the end of the period | 225.3 | 255.0 |

# Capital expenditure and Trade Working Capital(1)

Ermenegildo Zegna Group

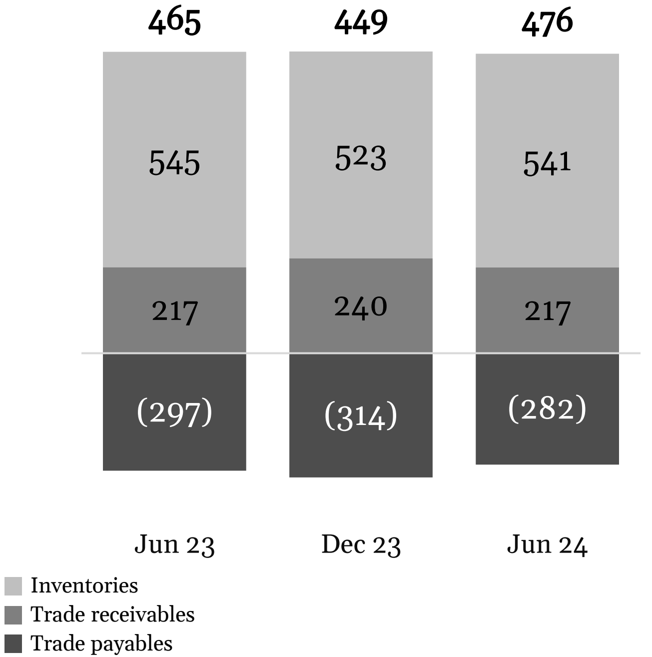
## Capital expenditure

*€m*




## Trade Working Capital

*€m*




- **Capital expenditure** (Capex) in H1 2024 reached €60m, compared to €35m in H1 2023. The increase is mainly attributable to the first part of investments for the new shoe production plant in Parma (Italy) and the expansions in the DTC channel for ZEGNA and TOM FORD FASHION.

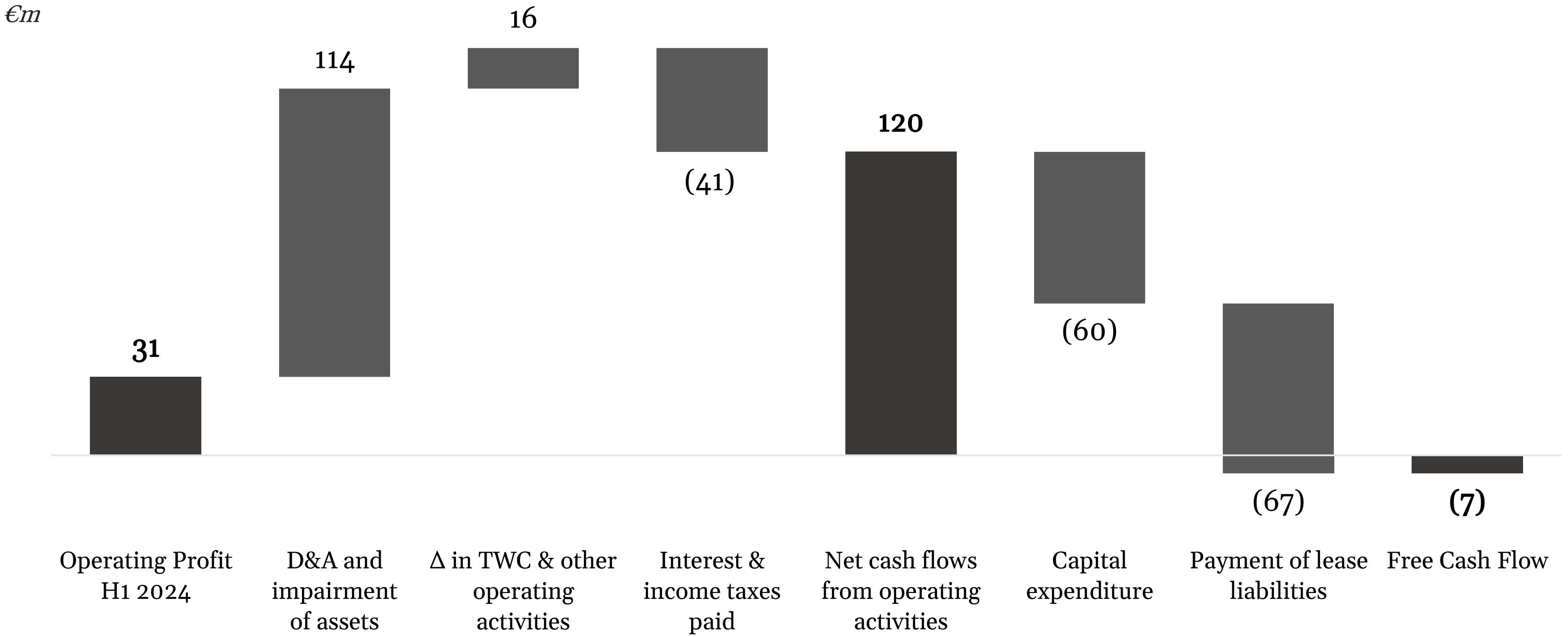
- **Trade Working Capital** increased to €476m as of June 30, 2024 (€465m as of June 30, 2023), mainly attributable to an increase of trade payables partially counterbalanced by a better management of inventories and a decrease in receivables.

Notes: (1) Trade Working Capital is non-IFRS financial measures. Please see "Non-IFRS Financial Measures" starting on page 23 for a definition and reconciliation of such non-IFRS financial measure to the most directly comparable IFRS measure.

# FREE CASH FLOW[1]

Ermenegildo Zegna Group

## Free Cash Flow absorptions driven by capex and investments in the store network

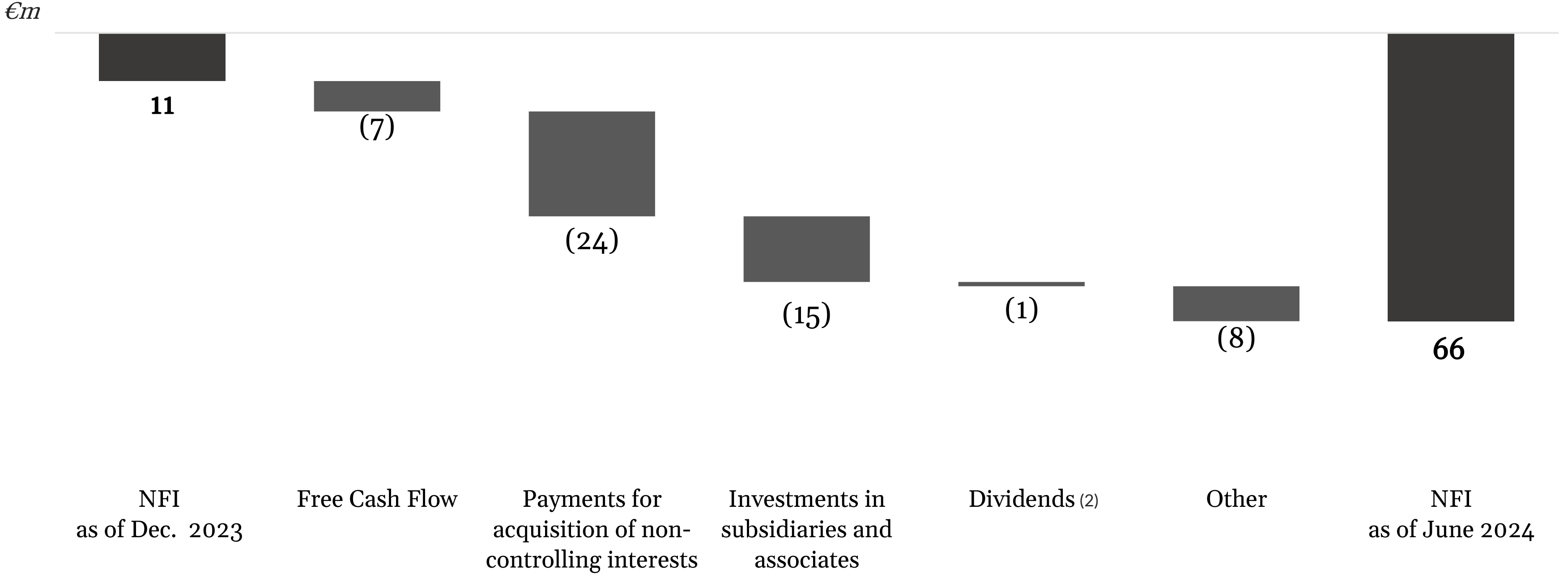



Notes: (1) Free Cash Flow is non-IFRS financial measures. Please see "Non-IFRS Financial Measures" starting on page 23 for a definition and calculation of such non-IFRS financial measure.

# NET FINANCIAL INDEBTEDNESS /(CASH SURPLUS[1])

Ermenegildo Zegna Group

## Net Financial Indebtedness (NFI) absorptions driven by investments in controlled entities




Notes: (1) Net Financial Indebtness is non-IFRS financial measures. Please see "Non-IFRS Financial Measures" starting on page 23 for a definition and reconciliation of such non-IFRS financial measure to the most directly comparable IFRS measure. (2) Dividends on 2023 Profit will be outflow in Q3 2024

# APPENDIX



# GROUP REVENUES BY SEGMENT

Ermenegildo Zegna Group

## Quarterly evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | Q2 2024 vs Q2 2023 | | | | Q3 2024 vs Q3 2023 | | | | Q4 2024 vs Q4 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| Zegna | 324,900 | 319,324 | 1.7% | 4.3% | 335,638 | 324,986 | 3.3% | 2.7% | 283,875 | 292,445 | (2.9%) | (1.3%) | 404,426 | 385,290 | 5.0% | 3.9% |
| Thom Browne | 79,066 | 113,251 | (30.2%) | (35.0%) | 87,869 | 94,708 | (7.2%) | (17.8%) | 53,466 | 73,643 | (27.4%) | (26.8%) | 94,417 | 98,685 | (4.3%) | (3.8%) |
| Tom Ford Fashion | 65,020 | — | n.m. | n.m. | 83,473 | 64,027 | 30.4% | 4.7% | 65,435 | 74,553 | (12.2%) | (11.1%) | 100,586 | 96,964 | 3.7% | 3.8% |
| Eliminations | (5,829) | (4,263) | n.m. | n.m. | (10,015) | (8,974) | n.m. | n.m. | (5,482) | (9,511) | n.m. | n.m. | (10,198) | (10,579) | n.m. | n.m |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **496,965** | **474,747** | **4.7%** | **(0.4%)** | **397,294** | **431,130** | **(7.8%)** | **(6.7%)** | **589,231** | **570,360** | **3.3%** | **2.9%** |

## YTD evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | H1 2024 vs H1 2023 | | | | 9M 2024 vs 9M 2023 | | | | FY 2024 vs FY 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| Zegna | 324,900 | 319,324 | 1.7% | 4.3% | 660,538 | 644,310 | 2.5% | 3.5% | 944,413 | 936,755 | 0.8% | 2.0% | 1,348,839 | 1,322,045 | 2.0% | 2.5% |
| Thom Browne | 79,066 | 113,251 | (30.2%) | (35.0%) | 166,935 | 207,959 | (19.7%) | (27.0%) | 220,401 | 281,602 | (21.7%) | (26.9%) | 314,818 | 380,287 | (17.2%) | (20.8%) |
| Tom Ford Fashion | 65,020 | — | n.m. | n.m. | 148,493 | 64,027 | 131.9% | 4.7% | 213,928 | 138,580 | 54.4% | (3.8%) | 314,514 | 235,544 | 33.5% | (0.7%) |
| Eliminations | (5,829) | (4,263) | n.m. | n.m. | (15,844) | (13,237) | n.m. | n.m. | (21,326) | (22,748) | n.m. | n.m. | (31,524) | (33,327) | n.m. | n.m. |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **960,122** | **903,059** | **6.3%** | **(2.7%)** | **1,357,416** | **1,334,189** | **1.7%** | **(4.0%)** | **1,946,647** | **1,904,549** | **2.2%** | **(1.9%)** |

# GROUP REVENUES BY BRAND AND PRODUCT LINE

Ermenegildo Zegna Group

## Quarterly evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | Q2 2024 vs Q2 2023 | | | | Q3 2024 vs Q3 2023 | | | | Q4 2024 vs Q4 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| ZEGNA brand | 282,870 | 271,889 | 4.0% | 6.8% | 283,197 | 269,430 | 5.1% | 5.0% | 244,543 | 242,329 | 0.9% | 2.5% | 353,112 | 325,843 | 8.4% | 7.3% |
| Thom Browne | 79,207 | 112,552 | (29.6%) | (34.4%) | 87,514 | 94,399 | (7.3%) | (17.9%) | 53,346 | 73,176 | (27.1%) | (26.5%) | 94,645 | 98,283 | (3.7%) | (3.1%) |
| TOM FORD FASHION | 65,020 | — | n.m. | n.m. | 83,473 | 64,015 | 30.4% | 4.7% | 65,431 | 74,552 | (12.2%) | (11.1%) | 100,590 | 96,964 | 3.7% | 3.8% |
| Textile | 33,243 | 33,818 | (1.7%) | (0.8%) | 38,593 | 39,254 | (1.7%) | (0.5%) | 29,707 | 35,483 | (16.3%) | (15.3%) | 36,610 | 42,431 | (13.7%) | (12.7%) |
| Other [(1)] | 2,817 | 10,053 | (72.0%) | (43.6%) | 4,188 | 7,649 | (45.2%) | (23.0%) | 4,267 | 5,590 | (23.7%) | (24.4%) | 4,274 | 6,839 | (37.5%) | (37.1%) |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **496,965** | **474,747** | **4.7%** | **(0.4%)** | **397,294** | **431,130** | **(7.8%)** | **(6.7%)** | **589,231** | **570,360** | **3.3%** | **2.9%** |

## YTD evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | H1 2024 vs H1 2023 | | | | 9M 2024 vs 9M 2023 | | | | FY 2024 vs FY 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| ZEGNA brand | 282,870 | 271,889 | 4.0% | 6.8% | 566,067 | 541,319 | 4.6% | 5.9 % | 810,610 | 783,648 | 3.4% | 4.8% | 1,163,722 | 1,109,491 | 4.9% | 5.5% |
| Thom Browne | 79,207 | 112,552 | (29.6%) | (34.4%) | 166,721 | 206,951 | (19.4%) | (26.7%) | 220,067 | 280,127 | (21.4%) | (26.7%) | 314,712 | 378,410 | (16.8%) | (20.5%) |
| TOM FORD FASHION | 65,020 | — | n.m. | n.m. | 148,493 | 64,015 | 132.0% | 4.7% | 213,924 | 138,567 | 54.4% | (3.8%) | 314,514 | 235,531 | 33.5% | (0.7%) |
| Textile | 33,243 | 33,818 | (1.7%) | (0.8%) | 71,836 | 73,072 | (1.7%) | (0.6%) | 101,543 | 108,555 | (6.5%) | (5.4%) | 138,153 | 150,986 | (8.5%) | (7.5%) |
| Other [(1)] | 2,817 | 10,053 | (72.0%) | (43.6%) | 7,005 | 17,702 | (60.4%) | (32.9%) | 11,272 | 23,292 | (51.6%) | (29.9%) | 15,546 | 30,131 | (48.4%) | (32.1%) |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **960,122** | **903,059** | **6.3%** | **(2.7%)** | **1,357,416** | **1,334,189** | **1.7%** | **(4.0%)** | **1,946,647** | **1,904,549** | **2.2%** | **(1.9%)** |

Notes: (1) Other mainly includes revenues from agreements with third party brands.

# GROUP REVENUES BY DISTRIBUTION CHANNEL

Ermenegildo Zegna Group

## Quarterly evolution

| | Q1 2024 vs Q1 2023 | | | | Q2 2024 vs Q2 2023 | | | | Q3 2024 vs Q3 2023 | | | | Q4 2024 vs Q4 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic |
| **Direct to Consumer (DTC)** | | | | | | | | | | | | | | | | |
| ZEGNA brand | 239,615 | 229,596 | 4.4% | 6.3% | 246,946 | 236,114 | 4.6% | 4.0% | 203,682 | 195,433 | 4.2% | 4.1% | 314,065 | 284,170 | 10.5% | 9.0% |
| Thom Browne | 44,719 | 42,849 | 4.4% | (13.9%) | 45,257 | 40,075 | 12.9% | (11.6%) | 37,235 | 43,348 | (14.1%) | (13.2%) | 58,855 | 57,150 | 3.0% | 4.1% |
| TOM FORD FASHION | 43,701 | — | n.m. | n.m. | 49,361 | 34,751 | 42.0% | 1.3% | 43,129 | 43,041 | 0.2% | 2.5% | 64,111 | 58,499 | 9.6% | 9.3% |
| **Total Direct to Consumer (DTC)** | **328,035** | **272,445** | **20.4%** | **3.2%** | **341,564** | **310,940** | **9.8%** | **1.7%** | **284,046** | **281,822** | **0.8%** | **1.2%** | **437,031** | **399,819** | **9.3%** | **8.3%** |
| *As a percentage of branded products [(1)]* | *77%* | *71%* | | | *75%* | *73%* | | | *78%* | *72%* | | | *80%* | *77%* | | |
| **Wholesale branded** | | | | | | | | | | | | | | | | |
| ZEGNA brand | 43,255 | 42,293 | 2.3% | 9.3% | 36,251 | 33,316 | 8.8% | 11.8% | 40,861 | 46,896 | (12.9%) | (4.5%) | 39,047 | 41,673 | (6.3%) | (4.0%) |
| Thom Browne | 34,488 | 69,703 | (50.5%) | (47.3%) | 42,257 | 54,324 | (22.2%) | (22.4%) | 16,111 | 29,828 | (46.0%) | (45.9%) | 35,790 | 41,133 | (13.0%) | (13.0%) |
| TOM FORD FASHION | 21,319 | — | n.m. | n.m. | 34,112 | 29,264 | 16.6% | 8.7% | 22,302 | 31,511 | (29.2%) | (29.6%) | 36,479 | 38,465 | (5.2%) | (4.5%) |
| **Total Wholesale branded** | **99,062** | **111,996** | **(11.5%)** | **(25.9%)** | **112,620** | **116,904** | **(3.7%)** | **(5.0%)** | **79,274** | **108,235** | **(26.8%)** | **(23.9%)** | **111,316** | **121,271** | **(8.2%)** | **(7.3%)** |
| *As a percentage of branded products* | *23%* | *29%* | | | *25%* | *27%* | | | *22%* | *28%* | | | *20%* | *23%* | | |
| **Textile** | **33,243** | **33,818** | **(1.7%)** | **(0.8%)** | **38,593** | **39,254** | **(1.7%)** | **(0.5%)** | **29,707** | **35,483** | **(16.3%)** | **(15.3%)** | **36,610** | **42,431** | **(13.7%)** | **(12.7%)** |
| **Other [(2)]** | **2,817** | **10,053** | **(72.0%)** | **(43.6%)** | **4,188** | **7,649** | **(45.2%)** | **(23.0%)** | **4,267** | **5,590** | **(23.7%)** | **(24.4%)** | **4,274** | **6,839** | **(37.5%)** | **(37.1%)** |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **496,965** | **474,747** | **4.7%** | **(0.4%)** | **397,294** | **431,130** | **(7.8%)** | **(6.7%)** | **589,231** | **570,360** | **3.3%** | **2.9%** |

Notes: (1) Branded products refer to the products sold under the three brands that the Group operates, through the DTC or wholesale branded.
(2) Other mainly includes revenues from agreements with third party brands.

# GROUP REVENUES BY DISTRIBUTION CHANNEL

Ermenegildo Zegna Group

## YTD evolution

| | Q1 2024 vs Q1 2023 | | | | H1 2024 vs H1 2023 | | | | 9M 2024 vs 9M 2023 | | | | FY 2024 vs FY 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic | 2024 | 2023 | % | Organic |
| **Direct to Consumer (DTC)** | | | | | | | | | | | | | | | | |
| ZEGNA brand | 239,615 | 229,596 | 4.4% | 6.3% | 486,561 | 465,710 | 4.5% | 5.1% | 690,243 | 661,143 | 4.4% | 4.8% | 1,004,308 | 945,313 | 6.2% | 6.1% |
| Thom Browne | 44,719 | 42,849 | 4.4% | (13.9%) | 89,976 | 82,924 | 8.5% | (12.8%) | 127,211 | 126,272 | 0.7% | (12.9%) | 186,066 | 183,422 | 1.4% | (7.6%) |
| TOM FORD FASHION | 43,701 | — | n.m. | n.m. | 93,062 | 34,751 | 167.8% | 1.3% | 136,191 | 77,792 | 75.1% | 2.0% | 200,302 | 136,291 | 47.0% | 5.1% |
| **Total Direct to Consumer (DTC)** | **328,035** | **272,445** | **20.4%** | **3.2%** | **669,599** | **583,385** | **14.8%** | **2.4%** | **953,645** | **865,207** | **10.2%** | **2.0%** | **1,390,676** | **1,265,026** | **9.9%** | **4.0%** |
| *As a percentage of branded products* [1] | *77%* | *71%* | | | *76%* | *72%* | | | *77%* | *72%* | | | *78%* | *73%* | | |
| **Wholesale branded** | | | | | | | | | | | | | | | | |
| ZEGNA brand | 43,255 | 42,293 | 2.3% | 9.3% | 79,506 | 75,609 | 5.2% | 10.4% | 120,367 | 122,505 | (1.7%) | 4.7% | 159,414 | 164,178 | (2.9%) | 2.5% |
| Thom Browne | 34,488 | 69,703 | (50.5%) | (47.3%) | 76,745 | 124,027 | (38.1%) | (36.0%) | 92,856 | 153,855 | (39.6%) | (38.0%) | 128,646 | 194,988 | (34.0%) | (32.6%) |
| TOM FORD FASHION | 21,319 | — | n.m. | n.m. | 55,431 | 29,264 | 89.4% | 8.7% | 77,733 | 60,775 | 27.9% | (11.1%) | 114,212 | 99,240 | 15.1% | (8.5%) |
| **Total Wholesale branded** | **99,062** | **111,996** | **(11.5%)** | **(25.9%)** | **211,682** | **228,900** | **(7.5%)** | **(14.9%)** | **290,956** | **337,135** | **(13.7%)** | **(17.9%)** | **402,272** | **458,406** | **(12.2%)** | **(15.0%)** |
| *As a percentage of branded products* | *23%* | *29%* | | | *24%* | *28%* | | | *23%* | *28%* | | | *22%* | *27%* | | |
| **Textile** | **33,243** | **33,818** | **(1.7%)** | **(0.8%)** | **71,836** | **73,072** | **(1.7%)** | **(0.6%)** | **101,543** | **108,555** | **(6.5%)** | **(5.4%)** | **138,153** | **150,986** | **(8.5%)** | **(7.5%)** |
| **Other** [2] | **2,817** | **10,053** | **(72.0%)** | **(43.6%)** | **7,005** | **17,702** | **(60.4%)** | **(32.9%)** | **11,272** | **23,292** | **(51.6%)** | **(29.9%)** | **15,546** | **30,131** | **(48.4%)** | **(32.1%)** |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **960,122** | **903,059** | **6.3%** | **(2.7%)** | **1,357,416** | **1,334,189** | **1.7%** | **(4.0%)** | **1,946,647** | **1,904,549** | **2.2%** | **(1.9%)** |

Notes: (1) Branded products refer to the products sold under the three brands that the Group operates, through the DTC or wholesale branded.
(2) Other mainly includes revenues from agreements with third party brands.

# GROUP REVENUES BY GEOGRAPHIC AREA

Ermenegildo Zegna Group

## Quarterly evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | Q2 2024 vs Q2 2023 | | | | Q3 2024 vs Q3 2023 | | | | Q4 2024 vs Q4 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| EMEA (1) | 156,562 | 150,108 | 4.3% | (6.5%) | 180,029 | 172,572 | 4.3% | 2.8% | 148,995 | 152,267 | (2.1%) | (1.6%) | 194,673 | 183,747 | 5.9% | 5.3% |
| Americas (2) | 114,177 | 72,407 | 57.7% | 10.3% | 131,869 | 117,705 | 12.0% | 4.5% | 112,141 | 119,427 | (6.1%) | (2.9%) | 166,603 | 145,351 | 14.6% | 15.0% |
| Greater China Region | 139,399 | 164,526 | (15.3%) | (13.1%) | 126,925 | 142,309 | (10.8%) | (10.0%) | 86,760 | 112,345 | (22.8%) | (22.3%) | 156,294 | 176,335 | (11.4%) | (11.4%) |
| Rest of APAC (3) | 52,434 | 40,727 | 28.7% | 4.9% | 57,556 | 41,463 | 38.8% | 5.9% | 48,813 | 46,002 | 6.1% | 7.4% | 71,074 | 64,300 | 10.5% | 8.1% |
| Other (4) | 585 | 544 | 7.5% | (12.7%) | 586 | 698 | (16.0%) | (21.2%) | 585 | 1,089 | (46.3%) | (46.2%) | 587 | 627 | (6.4%) | (6.4%) |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **496,965** | **474,747** | **4.7%** | **(0.4%)** | **397,294** | **431,130** | **(7.8%)** | **(6.7%)** | **589,231** | **570,360** | **3.3%** | **2.9%** |

## YTD evolution

| *(€ thousands, except percentages)* | Q1 2024 vs Q1 2023 | | | | H1 2024 vs H1 2023 | | | | 9M 2024 vs 9M 2023 | | | | FY 2024 vs FY 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** | **2024** | **2023** | **%** | **Organic** |
| EMEA (1) | 156,562 | 150,108 | 4.3% | (6.5%) | 336,591 | 322,680 | 4.3% | (1.5%) | 485,586 | 474,947 | 2.2% | (1.6%) | 680,259 | 658,694 | 3.3% | 0.4% |
| Americas (2) | 114,177 | 72,407 | 57.7% | 10.3% | 246,046 | 190,112 | 29.4% | 6.7% | 358,187 | 309,539 | 15.7% | 2.9% | 524,790 | 454,890 | 15.4% | 6.8% |
| Greater China Region | 139,399 | 164,526 | (15.3%) | (13.1%) | 266,324 | 306,835 | (13.2%) | (11.7%) | 353,084 | 419,180 | (15.8%) | (14.6%) | 509,378 | 595,515 | (14.5%) | (13.7%) |
| Rest of APAC (3) | 52,434 | 40,727 | 28.7% | 4.9% | 109,990 | 82,190 | 33.8% | 5.4% | 158,803 | 128,192 | 23.9% | 6.2% | 229,877 | 192,492 | 19.4% | 6.9% |
| Other (4) | 585 | 544 | 7.5% | (12.7%) | 1,171 | 1,242 | (5.7%) | (17.5%) | 1,756 | 2,331 | (24.7%) | (30.9%) | 2,343 | 2,958 | (20.8%) | (25.7%) |
| **Total revenues** | **463,157** | **428,312** | **8.1%** | **(5.3%)** | **960,122** | **903,059** | **6.3%** | **(2.7%)** | **1,357,416** | **1,334,189** | **1.7%** | **(4.0%)** | **1,946,647** | **1,904,549** | **2.2%** | **(1.9%)** |

Notes: (1) EMEA includes Europe, Middle East and Africa. (2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.
(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, Indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian coutries. (4) Other revenues mainly include royalties.

# Non-IFRS financial measures

Ermenegildo Zegna Group

The Group's management monitors and evaluates operating and financial performance using several non-IFRS financial measures including: revenues on a constant currency basis (constant currency) and revenues on an organic growth basis (organic or organic growth). The Group's management believes that these non-IFRS financial measures provide useful and relevant information regarding the Group's financial performance and financial condition, and improve the ability of management and investors to assess and compare the financial performance and financial position of the Group with those of other companies. They also provide comparable measures that facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other strategic and operational decisions. While similar measures are widely used in the industry in which the Group operates, the financial measures that the Group uses may not be comparable to other similarly named measures used by other companies nor are they intended to be substitutes for measures of financial performance or financial position as prepared in accordance with IFRS.

**Revenues on a constant currency basis (constant currency)**

In addition to presenting our revenues on a current currency basis, we also present certain revenue information on a constant currency basis (constant currency), which excludes the effects of foreign currency translation from our subsidiaries with functional currencies different from the Euro.

We calculate constant currency revenues by applying the current period average foreign currency exchange rates to translate prior period revenues of foreign subsidiaries expressed in local functional currencies different than the Euro.

We use revenues on a constant currency basis to analyze how our underlying revenues have changed between periods independent of the effects of foreign currency translation.

Revenues on a constant currency basis are not a substitute for revenues on a current currency basis or any IFRS-related measures, however we believe that revenues excluding the impact of foreign currency translation provide additional useful information to management and to investors in analyzing and evaluating our revenues and operating performance.

**Revenues on an organic growth basis (organic or organic growth)**

In addition to presenting our revenues on a current currency basis, we also present certain revenue information on an organic growth basis (organic or organic growth). Organic growth is calculated as the change in revenues from period to period, excluding the effects of (a) foreign exchange, (b) acquisitions and disposals and (c) changes in license agreements where the Group operates as a licensee.

In calculating organic growth, the following adjustments are made to revenues:

(a) Foreign exchange – Current period average foreign currency exchange rates are used to translate prior period revenues of foreign subsidiaries expressed in local functional currencies different than the Euro.

(b) Acquisitions and disposals – Revenues generated by businesses and operations acquired in the current year are excluded. Revenues generated by businesses and operations acquired in the prior year are excluded from the current year for the same period that corresponds to the pre-acquisition period in the prior year. Additionally, where a business or operation was a customer prior to an acquisition, the related pre-acquisition revenues are excluded from the current and prior periods. Revenues generated by businesses and operations disposed of in the current year or prior year are excluded from both periods as applicable.

(c) Changes in license agreements where the Group operates as a licensee – Revenues generated from license agreements where the Group operates as a licensee that are new or terminated in the current year or prior year are excluded from both periods (except if the effects are already included in acquisitions and disposals). Additionally, revenues generated from license agreements where the Group operates as a licensee that experienced a structural change in the scope or perimeter in the current year or prior year are excluded from both periods, including changes to product categories, distribution channels or geographies of the underlying license agreements.

We believe the presentation of organic growth is useful to better understand and analyze the underlying change in the Group's revenues from period to period on a consistent perimeter and constant currency basis.

Revenues on an organic growth basis are not a substitute for revenues on a current currency basis or any IFRS-related measures, however we believe that revenues excluding the effects of (a) foreign exchange, (b) acquisitions and disposals and (c) changes in license agreements where the Group operates as a licensee provide additional useful information to management and to investors in analyzing and evaluating our revenues and operating performance.

The tables below show a reconciliation of reported revenue growth to constant currency, excluding the effects of foreign exchange, and to organic growth, which excludes also acquisitions and disposals and changes in license agreements where the Group operates as a licensee, by segment, by brand and product line, by distribution channel and by geography for the twelve months ended December 31, 2024 compared to the twelve months ended December 31, 2023 (FY 2024 vs FY 2023) and for the three months ended December 31, 2024 compared to the three months ended December 31, 2023 (Q4 2024 vs Q4 2023).

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation Table – Organic growth – Segment*

**FY 2024 vs FY 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| Zegna | 2.0% | *(1.4%)* | 3.4% | *0.7%* | *0.2%* | 2.5% |
| Thom Browne | (17.2%) | *(0.8%)* | (16.4%) | *4.4%* | *—%* | (20.8%) |
| Tom Ford Fashion | 33.5% | *(0.8%)* | 34.3% | *35.0%* | *—%* | (0.7%) |
| **Total** | **2.2%** | *(1.2%)* | **3.4%** | *5.7%* | *(0.4%)* | **(1.9%)** |

**Q4 2024 vs Q4 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| Zegna | 5.0% | *(0.2%)* | 5.2% | *1.0%* | *0.3%* | 3.9% |
| Thom Browne | (4.3%) | *(0.5%)* | (3.8%) | *—%* | *—%* | (3.8%) |
| Tom Ford Fashion | 3.7% | *(0.1%)* | 3.8% | *—%* | *—%* | 3.8% |
| **Total** | **3.3%** | *(0.3%)* | **3.6%** | *0.7%* | *—%* | **2.9%** |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation Table – Organic growth – Brand and Product Line*

**FY 2024 vs FY 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| ZEGNA brand | 4.9% | *(1.5%)* | 6.4% | *0.9%* | *—%* | 5.5% |
| Thom Browne | (16.8%) | *(0.8%)* | (16.0%) | *4.5%* | *—%* | (20.5%) |
| TOM FORD FASHION | 33.5% | *(0.8%)* | 34.3% | *35.0%* | *—%* | (0.7%) |
| Textile | (8.5%) | *(1.0%)* | (7.5%) | *—%* | *—%* | (7.5%) |
| Other | (48.4%) | *(0.2%)* | (48.2%) | *(0.1%)* | *(16.0%)* | (32.1%) |
| **Total** | **2.2%** | *(1.2%)* | **3.4%** | *5.7%* | *(0.4%)* | **(1.9%)** |

**Q4 2024 vs Q4 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| ZEGNA brand | 8.4% | *(0.1%)* | 8.5% | *1.2%* | *—%* | 7.3% |
| Thom Browne | (3.7%) | *(0.6%)* | (3.1%) | *—%* | *—%* | (3.1%) |
| TOM FORD FASHION | 3.7% | *(0.1%)* | 3.8% | *—%* | *—%* | 3.8% |
| Textile | (13.7%) | *(1.0%)* | (12.7%) | *—%* | *—%* | (12.7%) |
| Other | (37.5%) | *—%* | (37.5%) | *—%* | *(0.4%)* | (37.1%) |
| **Total** | **3.3%** | *(0.3%)* | **3.6%** | *0.7%* | *—%* | **2.9%** |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation Table – Organic growth – Distribution Channel*

| | FY 2024 vs FY 2023 | | | | | |
|---|---|---|---|---|---|---|
| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
| **Direct to Consumer (DTC)** | | | | | | |
| ZEGNA brand | 6.2% | *(1.5%)* | 7.7% | *1.6%* | *—%* | 6.1% |
| Thom Browne | 1.4% | *(2.2%)* | 3.6% | *11.2%* | *—%* | (7.6%) |
| TOM FORD FASHION | 47.0% | *(1.2%)* | 48.2% | *43.1%* | *—%* | 5.1% |
| **Total Direct to Consumer (DTC)** | **9.9%** | *(1.6%)* | **11.5%** | *7.5%* | *—%* | **4.0%** |
| **Wholesale branded** | | | | | | |
| ZEGNA brand | (2.9%) | *(1.5%)* | (1.4%) | *(3.9%)* | *—%* | 2.5% |
| Thom Browne | (34.0%) | *—%* | (34.0%) | *(1.4%)* | *—%* | (32.6%) |
| TOM FORD FASHION | 15.1% | *(0.2%)* | 15.3% | *23.8%* | *—%* | (8.5%) |
| **Total Wholesale branded** | **(12.2%)** | *(0.5%)* | **(11.7%)** | *3.3%* | *—%* | **(15.0%)** |
| **Textile** | **(8.5%)** | *(1.0%)* | **(7.5%)** | *—%* | *—%* | **(7.5%)** |
| **Other** | **(48.4%)** | *(0.2%)* | **(48.2%)** | *(0.1%)* | *(16.0%)* | **(32.1%)** |
| **Total** | **2.2%** | *(1.2%)* | **3.4%** | *5.7%* | *(0.4%)* | **(1.9%)** |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation Table – Organic growth – Distribution Channel*

| | Q4 2024 vs Q4 2023 | | | | | |
|---|---|---|---|---|---|---|
| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
| **Direct to Consumer (DTC)** | | | | | | |
| ZEGNA brand | 10.5% | *(0.2%)* | 10.7% | *1.7%* | *—%* | 9.0% |
| Thom Browne | 3.0% | *(1.1%)* | 4.1% | *—%* | *—%* | 4.1% |
| TOM FORD FASHION | 9.6% | *0.3%* | 9.3% | *—%* | *—%* | 9.3% |
| **Total Direct to Consumer (DTC)** | **9.3%** | *(0.2%)* | **9.5%** | *1.2%* | *—%* | **8.3%** |
| **Wholesale branded** | | | | | | |
| ZEGNA brand | (6.3%) | *—%* | (6.3%) | *(2.3%)* | *—%* | (4.0%) |
| Thom Browne | (13.0%) | *—%* | (13.0%) | *—%* | *—%* | (13.0%) |
| TOM FORD FASHION | (5.2%) | *(0.7%)* | (4.5%) | *—%* | *—%* | (4.5%) |
| **Total Wholesale branded** | **(8.2%)** | *(0.2%)* | **(8.0%)** | *(0.7%)* | *—%* | **(7.3%)** |
| **Textile** | **(13.7%)** | *(1.0%)* | **(12.7%)** | *—%* | *—%* | **(12.7%)** |
| **Other** | **(37.5%)** | *—%* | **(37.5%)** | *—%* | *(0.4%)* | **(37.1%)** |
| **Total** | **3.3%** | *(0.3%)* | **3.6%** | *0.7%* | *—%* | **2.9%** |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation Table – Organic growth – Geographic area*

**FY 2024 vs FY 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| EMEA (1) | 3.3% | *—%* | 3.3% | *3.4%* | *(0.5%)* | 0.4% |
| Americas (2) | 15.4% | *(1.0%)* | 16.4% | *10.3%* | *(0.7%)* | 6.8% |
| Greater China Region | (14.5%) | *(1.5%)* | (13.0%) | *0.7%* | *—%* | (13.7%) |
| Rest of APAC (3) | 19.4% | *(5.2%)* | 24.6% | *18.1%* | *(0.4%)* | 6.9% |
| Other (4) | (20.8%) | *—%* | (20.8%) | *4.9%* | *—%* | (25.7%) |
| **Total** | **2.2%** | *(1.2%)* | **3.4%** | *5.7%* | *(0.4%)* | **(1.9%)** |

**Q4 2024 vs Q4 2023**

| | **Revenues Growth** | *less Foreign exchange* | **Constant Currency** | *less Acquisitions and disposals* | *less Changes in license agreements where the Group operates as a licensee* | **Organic** |
|---|---|---|---|---|---|---|
| EMEA (1) | 5.9% | *0.6%* | 5.3% | *—%* | *—%* | 5.3% |
| Americas (2) | 14.6% | *(0.4%)* | 15.0% | *—%* | *—%* | 15.0% |
| Greater China Region | (11.4%) | *—%* | (11.4%) | *—%* | *—%* | (11.4%) |
| Rest of APAC (3) | 10.5% | *(3.5%)* | 14.0% | *5.9%* | *—%* | 8.1% |
| Other (4) | (6.4%) | *—%* | (6.4%) | *—%* | *—%* | (6.4%) |
| **Total** | **3.3%** | *(0.3%)* | **3.6%** | *0.7%* | *—%* | **2.9%** |

Notes: (1) EMEA includes Europe, Middle East and Africa. (2) Americas includes the United States of America, Canada, Mexico, Brazil and other Central and South American countries.
(3) Rest of APAC includes Japan, South Korea, Singapore, Thailand, Malaysia, Vietnam, indonesia, Philippines, Australia, New Zealand, India and other Southeast Asian coutries. (4) Other revenues mainly include royalties.

# Non-IFRS financial measures

**Adjusted EBIT and Adjusted EBIT Margin**

Adjusted EBIT is defined as profit or loss before income taxes plus financial income, financial expenses, foreign exchange losses and the result from investments accounted for using the equity method, adjusted for income and costs which are significant in nature and that management considers not reflective of underlying operating activities, including, for one or all of the periods presented and as further described below, transaction costs related to acquisitions, severance indemnities and provisions for severance expenses, legal costs for trademark dispute, costs related to the Business Combination, net impairment of leased and owned stores, special donations for social responsibility, net (income)/costs related to lease agreements and certain other items. Adjusted EBIT Margin is defined as Adjusted EBIT divided by revenues of the applicable period. The Group's management uses Adjusted EBIT and Adjusted EBIT Margin for internal reporting to assess performance and as part of the forecasting, budgeting and decision-making processes as they provide additional transparency regarding the Group's underlying operating performance. The Group's management believes these non-IFRS financial measures are useful because they exclude items that management believes are not indicative of the Group's underlying operating performance and allow management to view operating trends, perform analytical comparisons and benchmark performance between periods and among segments. The Group's management also believes that Adjusted EBIT and Adjusted EBIT Margin are useful for investors and analysts to better understand how management assesses the Group's underlying operating performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that Adjusted EBIT and Adjusted EBIT Margin provide useful information to third party stakeholders in understanding and evaluating the Group's operating results. Adjusted EBIT Margin is defined as Adjusted EBIT divided by revenues of the applicable period.

The Group's management uses Adjusted EBIT and Adjusted EBIT Margin for internal reporting to assess performance and as part of the forecasting, budgeting and decision-making processes as they provide additional transparency regarding the Group's underlying operating performance. The Group's management believes these non-IFRS financial measures are useful because they exclude items that management believes are not indicative of the Group's underlying operating performance and allow management to view operating trends, perform analytical comparisons and benchmark performance between periods and among segments. The Group's management also believes that Adjusted EBIT and Adjusted EBIT Margin are useful for investors and analysts to better understand how management assesses the Group's underlying operating performance on a consistent basis and to compare the Group's performance with that of other companies. Accordingly, management believes that Adjusted EBIT and Adjusted EBIT Margin provide useful information to third party stakeholders in understanding and evaluating the Group's operating results

**Net Financial Indebtedness/(Cash Surplus)**

Net Financial Indebtedness/(Cash Surplus) is defined as the sum of financial borrowings (current and non-current) and derivative financial instrument liabilities, net of cash and cash equivalents, derivative financial instrument assets, securities (recorded within other current financial assets in the semi-annual condensed consolidated statement of financial position). The Group's management believes that Net Financial Indebtedness/(Cash Surplus) is useful to monitor the level of net liquidity and financial resources available to the Group. The Group's management believes this non-IFRS financial measure aids management, investors and analysts to analyze the Group's financial position and financial resources available, and to compare the Group's financial position and financial resources available with that of other companies

**Trade Working Capital**

Trade Working Capital is defined as current assets less current liabilities adjusted for derivative assets and liabilities, tax receivables and liabilities, cash and cash equivalents, borrowings, lease liabilities, and certain other current assets and liabilities. The Group's management uses Trade Working Capital to understand and evaluate the Group's liquidity generation/absorption. The Group's management believes this non-IFRS financial measure is important supplemental information for investors in evaluating liquidity in that it provides insight into the availability of net current resources to fund our ongoing operations. Trade Working Capital is a measure used by management in internal evaluations of cash availability and operational performance.

**Free Cash Flow**

Free Cash Flow is defined as net cash flows from operating activities less payments for property, plant and equipment (net of proceeds from disposals), intangible assets and lease liabilities. The Group's management believes that Free Cash Flow is a useful metric for management, investors and analysts to evaluate and monitor the Group's ability to generate cash, including in comparison to other companies. Free Cash Flow is not representative of residual cash flows available for discretionary purposes.

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

*Reconciliation from Profit/(Loss) to Adjusted EBIT*

| *(€ thousands, except percentages)* | For the year ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| **Profit/(Loss)** | **135,661** | **65,279** | **(127,661)** |
| Income taxes | 33,433 | 35,802 | 30,702 |
| Financial income | (37,282) | (13,320) | (45,889) |
| Financial expenses | 68,121 | 54,346 | 43,823 |
| Foreign exchange losses | 5,262 | 7,869 | 7,791 |
| Result from investments accounted for using the equity method | 2,953 | (2,199) | (2,794) |
| | | | |
| Transaction costs related to acquisitions (1) | 6,001 | 2,289 | — |
| Severance indemnities and provisions for severance expenses (2) | 4,002 | 2,199 | 8,996 |
| Legal costs for trademark dispute (3) | 2,168 | 7,532 | — |
| Costs related to the Business Combination (4) | 2,140 | 2,137 | 205,059 |
| Net impairment of leased and owned stores (5) | 1,782 | 1,639 | 8,692 |
| Special donations for social responsibility (6) | 100 | 1,000 | — |
| Net (income)/costs related to lease agreements (7) | (4,129) | (6,844) | 15,512 |
| Other (8) | — | — | 4,884 |
| **Adjusted EBIT** | **220,212** | **157,729** | **149,115** |
| | | | |
| Revenues | 1,904,549 | 1,492,840 | 1,292,402 |
| **Profit/(Loss) Margin (Profit/(Loss) / Revenues)** | **7.1%** | **4.4%** | **(9.9%)** |
| **Adjusted EBIT Margin (Adjusted EBIT / Revenues)** | **11.6%** | **10.6%** | **11.5%** |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

## *Explanatory notes Adjusting Items*

1) Relates to transaction costs of €6,001 thousand and €2,289 thousand in 2023 and 2022, respectively, primarily for consultancy and legal fees related to the TFI Acquisition and, for 2023 only, also to the acquisition of the Thom Browne business in South Korea and the acquisition of a 25% interest in Norda. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
2) Relates to severance indemnities of €4,002 thousand, €2,199 thousand and €8,996 thousand in 2023, 2022 and 2021, respectively. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
3) Relates to legal costs of €2,168 thousand and €7,532 thousand in 2023 and 2022, respectively, in connection with a legal dispute between adidas and Thom Browne, primarily in relation to the use of trademarks. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
4) Costs related to the Business Combination of €2,140 thousand and €2,137 thousand in 2023 and 2022, respectively, relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions. Costs related to the Business Combination in 2021 include: (a) €114,963 thousand relating to share-based payments for listing services recognized as the excess of the fair value of the Company Ordinary Shares issued as part of the Business Combination and the fair value of IIAC's identifiable net assets acquired. (b) €37,906 thousand for the issuance of 5,031,250 the Company Ordinary Shares to the holders of Class B Shares to be held in escrow. The release of these shares from escrow is subject to achievement of certain targets within a seven-year period. (c) €34,092 thousand for transaction costs related to the Business Combination incurred by the Group, including costs for bank services, legal advisors and other consultancy fees. (d) €10,916 thousand for the Zegna family's grant of a one-time €1,500 gift to each employee of the Group as result of the Company's listing on NYSE completed on December 20, 2021. (e) €5,380 thousand relating to grant of performance share units, which each represent the right to receive one ordinary share of the Company, to the Group's Chief Executive Officer, other directors of the Group, key executives with strategic responsibilities and other employees of the Group, all subject to certain vesting conditions. (f) €1,236 thousand related to the fair value of private warrants issued, pursuant to the Business Combination, to certain non-executive directors of the Group. (g) €566 thousand related to the write-off of non-refundable prepaid premiums for directors' and officers' insurance. These amounts are recorded within (i) "selling, general and administrative expenses" for €2,034 thousand, €2,099 thousand and €200,961 thousand in 2023, 2022 and 2021, respectively, (ii) "cost of sales" for €106 thousand, €38 thousand and €4,086 thousand in 2023, 2022 and 2021, respectively, and (iii) "marketing expenses" for €12 thousand in 2021.
5) Net impairment of leased and owned stores for 2023, 2022, 2021 includes (i) impairment of €832 thousand, €2,369 thousand and €6,486 thousand related to right-of-use assets, respectively, (ii) impairment of €915 thousand, reversals of impairment of €756 thousand and impairment of €2,167 thousand related to property, plant and equipment, respectively, and (iii) impairment of €35 thousand, €26 thousand and €39 thousand related to intangible assets, respectively. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
6) Relates to donations to support initiatives related to humanitarian emergencies in Turkey in 2023 (€100 thousand) and in Ukraine in 2022 (€1,000 thousand). These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
7) Net (income)/costs related to lease agreements include: (a) in 2023: €4,129 thousand for the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong; (b) in 2022: (i) proceeds of €6,500 thousand received from new tenants in order for the Group to withdraw from existing lease agreements of commercial properties and (ii) €950 thousand for reversals of previously recognized provisions in respect of a legal claim related to a lease agreement in the US, partially offset by (ii) €606 thousand for losses related to a sublease agreement in the US; (c) in 2021: (i) €12,192 thousand of provisions relating to a lease agreement in the US following an unfavorable legal claim judgment against the Group, (ii) €1,492 thousand of legal expenses related to a lease agreement in Italy and (iii) €1,829 thousand in accrued property taxes related to a lease agreement in the UK. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.
8) Other adjustments in 2021 include €6,006 thousand related to losses incurred by Agnona subsequent to the Group's sale of a majority stake in Agnona in January 2021, for which the Group was required to compensate the company in accordance with the terms of the related sale agreement, as well as €144 thousand relating to the write down of the Group's remaining 30% stake in Agnona, partially offset by other income of €1,266 thousand relating to the sale of rights to build or develop airspace above a building in the United States. These amounts are recorded within "selling, general and administrative expenses" in the consolidated statement of profit and loss.

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

## Reconciliation of Profit to Adjusted EBIT and calculation of profit margin and Adjusted EBIT Margin

| | For the six months ended June 30, | |
|---|---|---|
| *(€ thousands, except percentages)* | **2024** | **2023** |
| **Profit** | **31,332** | **52,116** |
| Income taxes | 17,218 | 26,162 |
| Financial income | (12,106) | (15,601) |
| Financial expenses | 29,267 | 44,592 |
| Foreign exchange losses | 7,684 | 7,003 |
| Result from investments accounted for using the equity method | (314) | 2,237 |
| **Operating profit** | **73,081** | **116,509** |
| *Adjustments:* | | |
| Net impairment of leased and owned stores (1) | 4,979 | — |
| Severance indemnities and provisions for severance expenses (2) | 1,436 | 738 |
| Legal costs for trademark dispute (3) | 1,388 | 649 |
| Transaction costs related to acquisitions (4) | 26 | 4,975 |
| Costs related to the Business Combination (5) | — | 1,059 |
| Special donations for social responsibility (6) | — | 100 |
| Net income related to lease agreements (7) | — | (4,126) |
| **Adjusted EBIT** | **80,910** | **119,904** |
| | | |
| Revenues | 960,122 | 903,059 |
| **Profit margin (Profit / Revenues)** | **3.3 %** | **5.8 %** |
| **Adjusted EBIT Margin (Adjusted EBIT / Revenues)** | **8.4 %** | **13.3 %** |

**Explanatory notes on Adjusting items**

(1) Net impairment of leased and owned stores of €4,979 thousand for the six months ended June 30, 2024 includes (i) impairment of €3,036 thousand related to right-of-use assets, and (ii) impairment of €1,943 thousand related to property, plant and equipment.

(2) Relates to severance indemnities of €1,436 thousand and €738 thousand for the six months ended June 30, 2024 and 2023, respectively.

(3) Relates to legal costs of €1,388 thousand and €649 thousand for the six months ended June 30, 2024 and 2023, respectively, in connection with a legal dispute between Adidas AG ("adidas") and Thom Browne, primarily in relation to the use of trademarks.

(4) Relates to transaction costs of €26 thousand and €4,975 thousand, for the six months ended June 30, 2024 and 2023, respectively, primarily for consultancy and legal fees related to the acquisition of the ZEGNA business in South Korea and for 2023 only, to the TFI Acquisition and the acquisition of a 25% interest in Norda.

(5) Costs related to the Business Combination of €1,059 thousand for the six months ended June 30, 2023 relate to the grant of equity awards to management in 2021 with vesting subject to the public listing of the Company's shares and certain other performance and/or service conditions.

(6) Relates to donations to support initiatives related to humanitarian emergencies in Turkey of €100 thousand for the six months ended June 30, 2023.

(7) Net income related to lease agreements of €4,126 thousand for the six months ended June 30, 2023 relates to the derecognition of lease liabilities following a change in terms of a lease agreement in Hong Kong.

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

## Net Financial (Indebtedness)/(Cash Surplus)

| *(€ thousands)* | **At June 30, 2024** | **At December 31, 2023** | **At June 30, 2023** |
|---|---|---|---|
| Non-current borrowings | 218,132 | 113,285 | 112,747 |
| Current borrowings | 167,963 | 289,337 | 283,077 |
| Derivative financial instruments — Liabilities | 2,741 | 897 | 2,186 |
| **Total borrowings, other financial liabilities and derivatives** | **388,836** | **403,519** | **398,010** |
| Cash and cash equivalents | (225,316) | (296,279) | (255,040) |
| Derivative financial instruments — Assets | (4,345) | (11,110) | (17,985) |
| Other current financial assets (Securities) (1) | (93,666) | (85,320) | (107,952) |
| **Total cash and cash equivalents, other current financial assets and derivatives** | **(323,327)** | **(392,709)** | **(380,977)** |
| **Net Financial Indebtedness/(Cash Surplus)** | **65,509** | **10,810** | **17,033** |

Notes: (1) Includes (i) the Group's investments in securities amounting to €105,752 thousand and €316,595 thousand and (ii) a financial receivable from an associated company of €2,200 thousand at June 30, 2023

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

## Trade Working Capital

| *(€ thousands)* | **At June 30, 2024** | **At December 31, 2023** | **At June 30, 2023** |
|---|---|---|---|
| Current assets | 1,228,652 | 1,287,636 | 1,262,741 |
| Current liabilities | (871,529) | (1,012,123) | (1,021,920) |
| **Working capital** | **357,123** | **275,513** | **240,821** |
| Less: | | | |
| Derivative financial instruments | 4,345 | 11,110 | 17,985 |
| Tax receivables | 36,112 | 31,024 | 17,734 |
| Other current financial assets | 99,451 | 90,917 | 109,918 |
| Other current assets | 105,967 | 95,260 | 99,680 |
| Cash and cash equivalents | 225,316 | 296,279 | 255,040 |
| Current borrowings | (167,963) | (289,337) | (283,077) |
| Current lease liabilities | (133,554) | (122,642) | (121,761) |
| Derivative financial liabilities | (2,741) | (897) | (2,186) |
| Other current financial liabilities | — | (22,102) | (23,373) |
| Current provisions for risks and charges | (13,111) | (16,019) | (15,458) |
| Tax liabilities | (41,957) | (41,976) | (46,928) |
| Other current liabilities | (230,384) | (205,013) | (232,172) |
| **Trade Working Capital** | **475,642** | **448,909** | **465,419** |
| *of which trade receivables* | *216,670* | *240,457* | *217,208* |
| *of which inventories* | *540,791* | *522,589* | *545,176* |
| *of which trade payables and customer advances* | *(281,819)* | *(314,137)* | *(296,965)* |

# NON-IFRS FINANCIAL MEASURES

Ermenegildo Zegna Group

## Free Cash Flow

| | For the six months ended June 30, | |
|---|---|---|
| *(€ thousands)* | **2024** | **2023** |
| Net cash flows from operating activities | 120,448 | 107,583 |
| Payments for property, plant and equipment | (47,926) | (25,699) |
| Proceeds from disposals of property plant and equipment | — | — |
| Payments for intangible assets | (12,151) | (8,801) |
| Payments of lease liabilities | (66,950) | (59,115) |
| **Free Cash Flow** | **(6,579)** | **13,968** |

# CONTACTS

Ermenegildo Zegna Group

**External Relations**

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