



roccobarocco

Investment Opportunity

Agenda

- I. Investment Highlights
- II. Executive Summary
- III. Reference Market Analysis
- IV. Competitive Analysis



Investment Highlights

Investment Highlights: Premises

- ▶ The project deals with the **acquisition of the well-known brand Roccobarocco**, an historic Italian fashion house with **over 50 years of activity**
- ▶ **Roccobarocco** is famous worldwide for the **high quality manufacture** of its products, presented as a value both within national borders and abroad
- ▶ The fashion industry, showing an important **consolidation trend** and a **strong focus on Asian market**, may lead Mr. Rocco Barocco to evaluate the divestment of his majority

roccobarocco



RoccoBarocco and comparable UTG brands

	PRICE RANGE	CUSTOMER TARGET	 BAGS	 SHOES	 APPAREL	 PERFUMES
roccobarocco	Medium / high	<ul style="list-style-type: none"> • Women • Kids • Men 				
 ROBERTA di CAMERINO	Medium / high	<ul style="list-style-type: none"> • Women • Kids 				
	Medium / low	<ul style="list-style-type: none"> • Men 				

Investment Highlights: the Opportunity

Brand Awareness and Group Synergies

- ▶ **Roccobarocco is a highly recognizable brand** all over the world, with a strong potential; the presence of first-level production and distribution partners in **United Trademark Group** would represent both an **opportunity and a challenge to develop one of the most famous historic Italian brands**

Strong Brand Expected Potential Growth

- ▶ Roccobarocco, basing on its over 40 years-long story, has now started a **licenses rationalization in order to find a partner or to divest the majority stake to enter the Asian market** through a brand expansion

Acquisition of Customer Loyalty

- ▶ The group has a **loyal clientele** that chooses boutiques and flagship stores with **"Roccobarocco" and "RB" brands** to buy their fashion products, two brands with a worldwide recognition

Executive Summary

- ❑ Roccobarocco specializes in the design, production and sale of **complete fashion collections** for Women and Men
- ❑ The brand coordinates the production of **clothes, perfumes, bags, shoes and accessories** to Europe, Middle East and USA, under the «Roccobarocco» and «RB» brands
- ❑ To consolidate its market position, Roccobarocco's fashion collections are designed **to stand out for a high degree of brand awareness**

2018
BRAND REVENUES
EUR Mio

18+

MULTI-BRAND
INDIRECT
STORES

100+



Roccobarocco @via della spiga 50, Milan



Milestones



1974

Opening of the first store in Piazza di Spagna, in Rome



2012

Opening of its showroom in the historic Bagatti Valsecchi building, in the heart of Milan



1964

RoccoBarocco begins a partnership with Giles that will last ten years



1979

Launch of the first prêt-à-porter collection

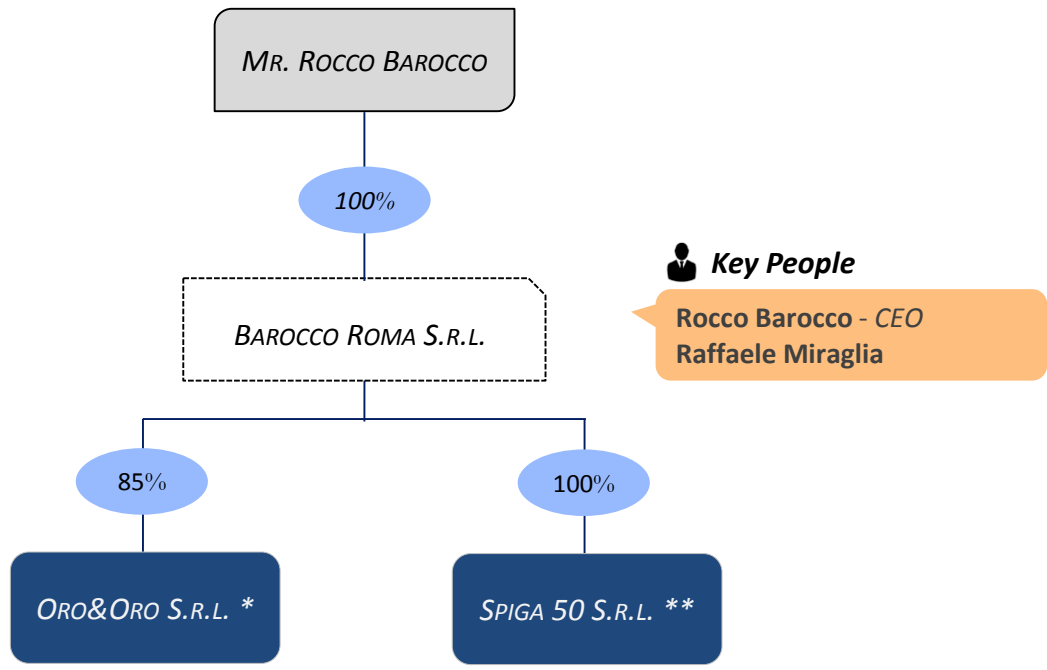


Today

RoccoBarocco is one of the most successful Italian designers and its brand is exported all over the world

Group Structure and Ownership

The Roccobarocco brands are owned by Barocco Roma S.r.l. controlled by Mr. Rocco Barocco. The company, controls as well Oro&Oro S.r.l. and Spiga 50 S.r.l.



* Inactive company since 2009
** Flagship store in via della Spiga



Products and Services

Rocobarocco designs and produces a wide range of clothes and accessories, handbags, shoes and personal hygiene products



Handbags

Bags with different handles and silhouettes



Shoes

Shoes for men, women and children



Apparel

Wide range of evening dresses, coat, jackets and denim



Perfumes

Parfum, Eau de Parfum and Eau the toilette both for men and woman



Restaurant

The company owns a fusion restaurant with a sea view terrace in Ischia

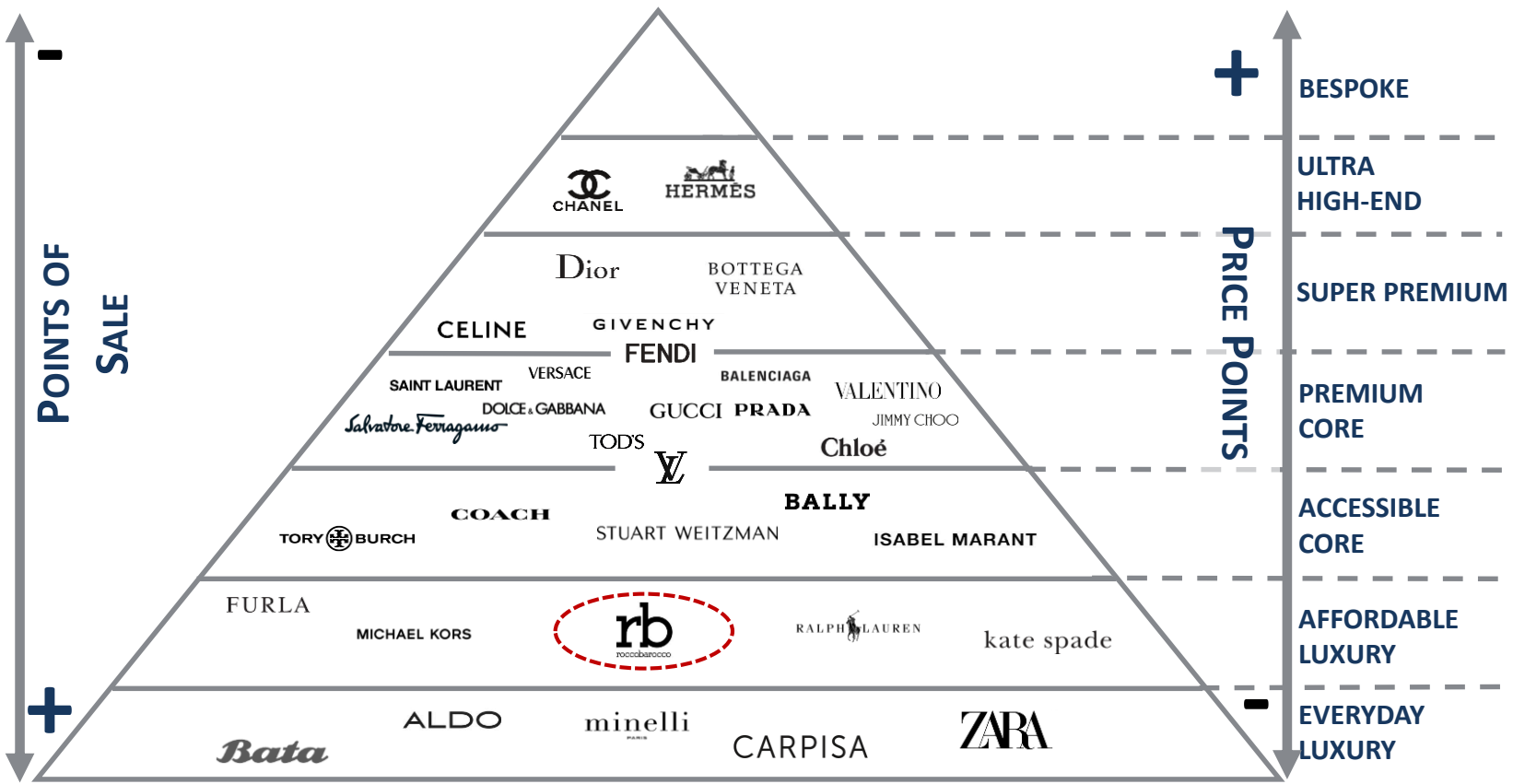


«Maison» suites

Maison Rocco Barocco, luxurious suites with an attention to furnishing details

Reference Market

Roccobarocco ranks in the Affordable Luxury segment, competing with brands such as Michael Kors, Kate Spade and Ralph Lauren

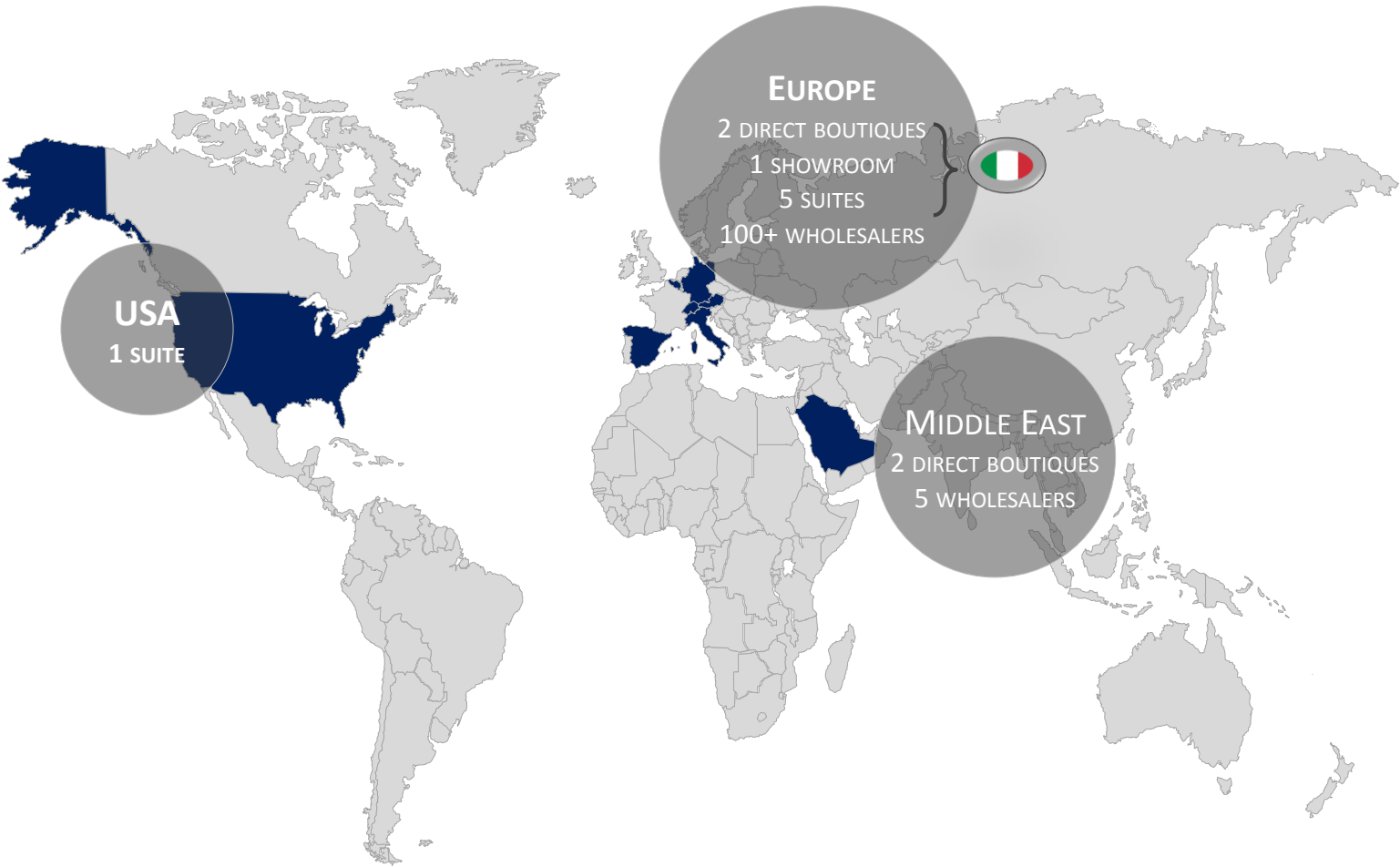


Source: LCH Elaboration



Brand Global Presence

Roccobarocco brand is sold by a total of 4 direct boutiques, 1 showroom, 6 suites and more than 100 wholesalers across the Europe, United States and Saudi Arabia/Middle East



Focus on Global Footprint

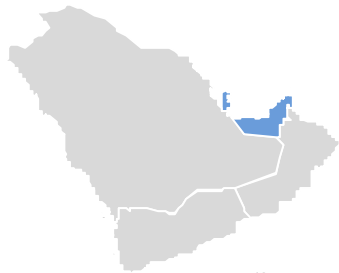
The strategically distributed presence in the territory allows the Company to respond promptly and effectively to the countless needs of its customers



- ❑ **Showroom:** Palazzo Bagatti Valsecchi, Milano
- ❑ **Roccobarocco Boutique:** Via della Spiga, Milano
- ❑ **Roccobarocco Boutique:** Via Chiaia delle Rose, Ischia
- ❑ **Roc Bar Cafè Restaurant:** Via Chiaia delle Rose, Ischia



- ❑ **Magenta Boca Raton, Suite A Boca Raton, Florida**

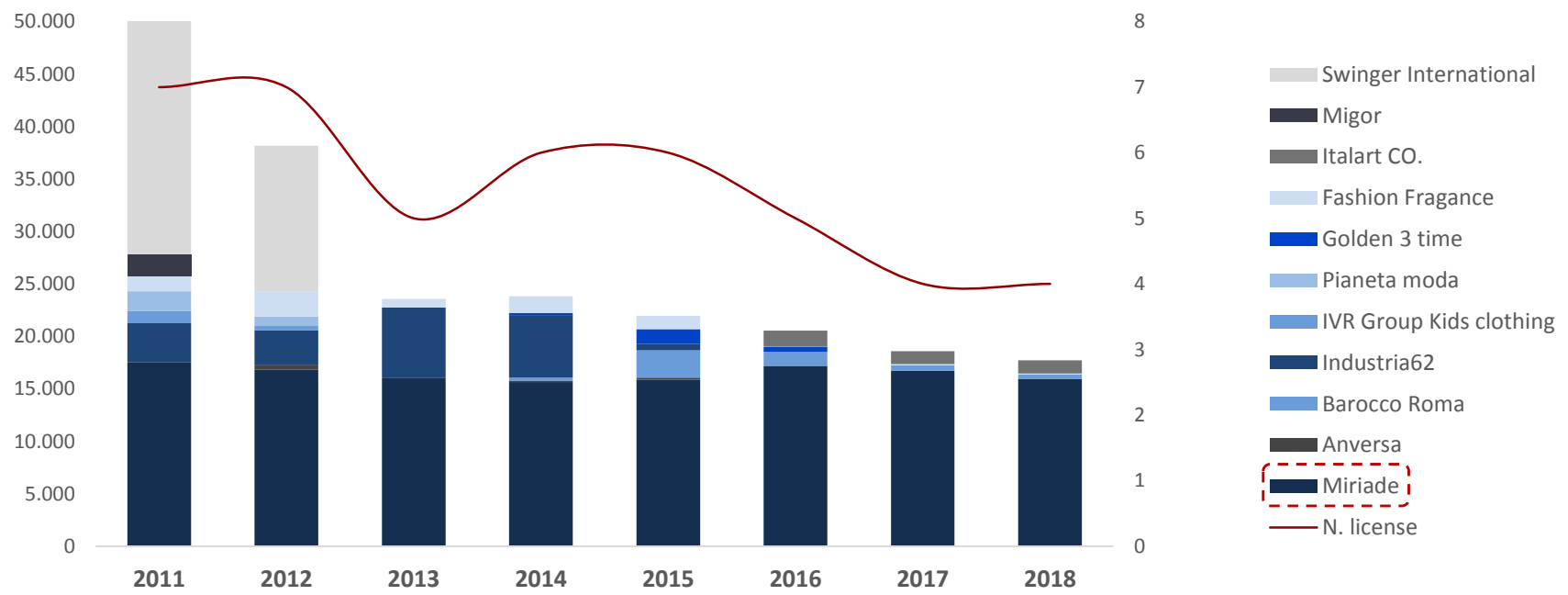


- ❑ **Roccobarocco Boutique:** Gate Mall, Doha
- ❑ **Roccobarocco Boutique:** Marina Mall, Dubai



Licensees sales

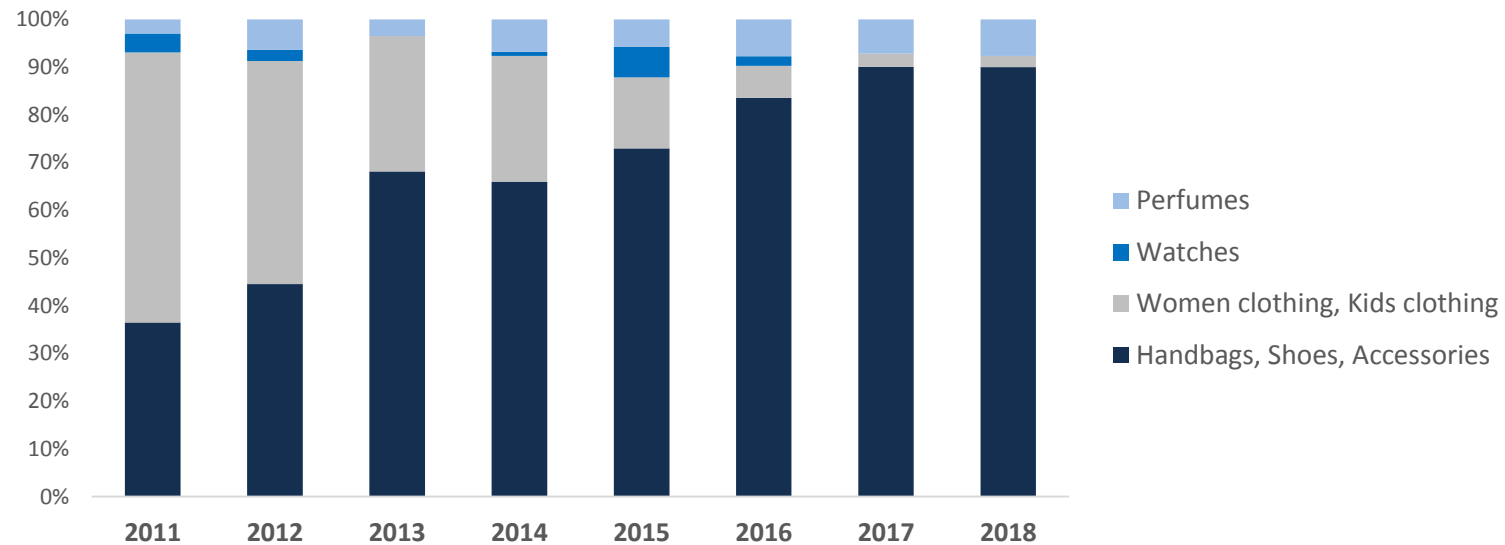
Roccobarocco branded products are mainly sold through Italian licensees (4 external at the moment), generating revenues for almost €17.3 mio (excluding the direct sales of the maison)



- During the last 5 years the group have decided to reduce the licenses given in order to be prepared for a future joint-venture or to divest

Licensees sales by product

During the years, Roccobarocco has progressively focused on handbags, shoes and accessories, reducing the lines of women and kids clothing and watches





- The graph shows the **strong potential of the brand**, considering the past revenues, given by the fact that at the moment part of the licenses for **women clothing (partially), household linen, kids clothing, watches and men clothing are not being developed**



Fashion Brand Market Comparable Transactions

Italian fashion brands transaction values

Here are presented some **transaction values** for **comparable Italian brands in fashion industry** with revenues between € 10m and € 160m

Year	Brand	Buyer	Value (€m)	Rev. (€m)	Brand description
2019		Vision Investment Co. (Dubai)	160.0	131	Medium-high-end brand of men's and women's clothing, accessories , sunglasses, watches, perfumes, underwear and swimwear
2018		Njord Partners (UK)	70.0	58	Italian fashion and clothing company in fine fabrics ,, founded in 1881 and based in Biella
2018		F&F Co. (South Korea)	7.2	20	Venetian brand specialized in the production of down jackets
2018		Finplace 2 (W. Maiocchi, Daikin Group)	9.9	20	Company founded in Florence in 1972 by Canessa brothers, known for cashmere knitwear
2014		Shenzhen Marisfrog (China)	25.5	5	High fashion clothing brand founded in 1956 by Mariuccia Mandelli, it reached its peak in the 1990s
2010		Li & Fung Group's Trinity (China)	53.0	n.a.	Italian fashion house better known for its woolen menswear and 1881 perfume



*Case Studies:
Successful Brand Acquisitions*

Moncler Case

THE BRAND

- Moncler is a successful global brand focused on the production of **down jackets**. The brand today is immediately recognizable as synonymous of **quality** and **creativity**
- After becoming a must-have for young people, the notoriety of the brand goes out at the end of the 1980s. It was **revived** by an **Italian entrepreneur** supported by funds in **2003**

BRAND PURCHASE VALUE IN 2003

€ 63 mln



VALUE DRIVERS



Brand with **strong roots**

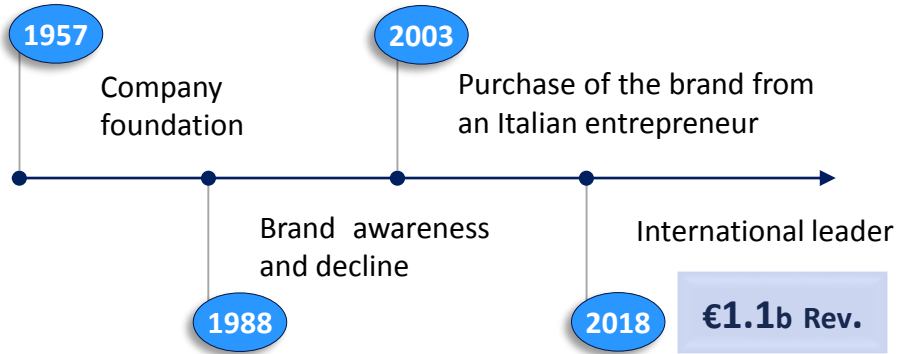


Internationally recognized although no longer in vogue



Versatility: the strategic vision was to create a "down jacket for all", for all age groups, elegant and sporty at the same time

BRAND HISTORY



Elsa Schiaparelli Case

THE BRAND

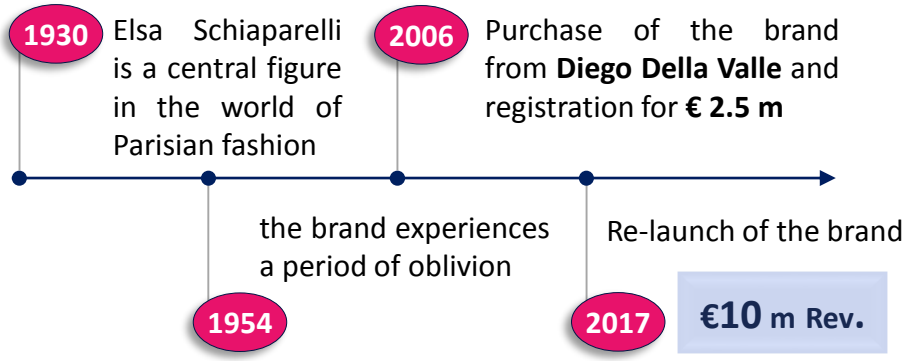
- Elsa Schiaparelli was one of the most influential figures in the **fashion world of the 1930s**.
- The legacy of the designer was collected in 2006 to revive the **whimsical face** of the brand

BRAND PURCHASE VALUE IN 2017

€ 2.5 mln



BRAND HISTORY



VALUE DRIVERS



Historical brand: Elsa Schiaparelli was considered the direct rival to Coco Chanel



Creative brand, known for the **innovative use of materials**



High development potential

Moynat Case

THE BRAND

- The Moynat brand has long been synonymous with **innovation** and **design** with its **suitcases** and **bags** that have become famous for their ability to adapt to every need
- The brand is today a part of the **LVMH group**

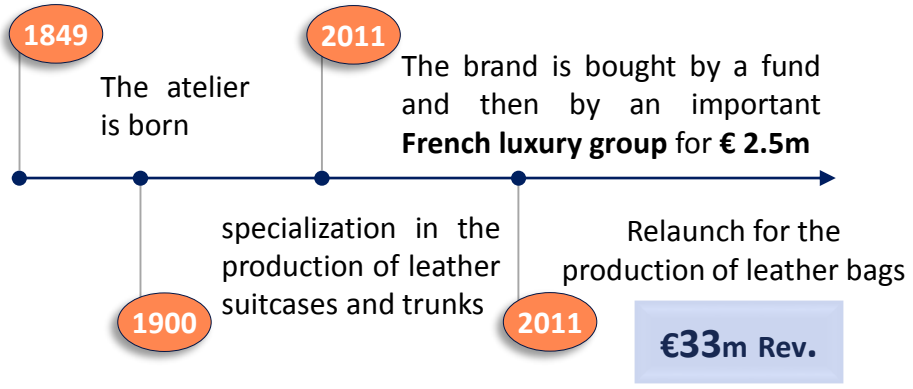
BRAND PURCHASE VALUE IN 2011

€ 2.5 mln

MOYNAT PARIS



BRAND HISTORY



VALUE DRIVERS



Historical brand and strong heritage European name



Craftsmanship and specialization in leather processing



High development potential

Vionnet Case

THE BRAND

- Madeleine Vionnet was the founder of one of the most important French fashion houses.
- The brand is recognized for its **sophisticated** and **elegant** clothes, that contribute to the exaltation of the female body

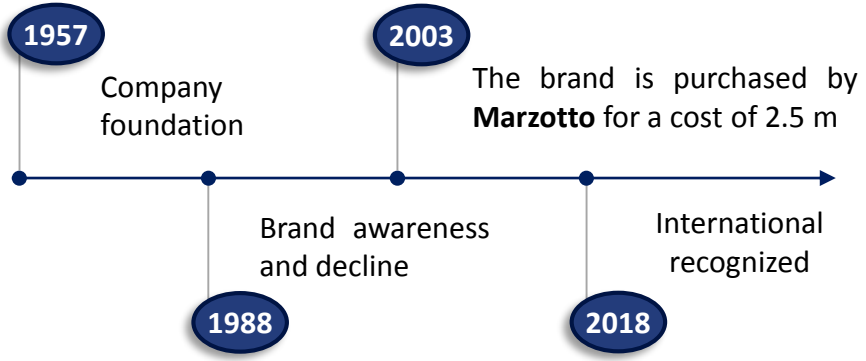
BRAND PURCHASE VALUE IN 2009

€ 2.5 mln

VIONNET
PARIS



BRAND HISTORY



VALUE DRIVERS



Brand with **strong roots**



Craftsmanship and originality



High development potential and strong synergies with the buyer

Conclusions

				
SHAREHOLDER	<i>Remo Ruffini</i>	<i>Tod's Group</i>	<i>Goga Ashkenazi</i>	<i>LVMH</i>
REV. 2017	<i>€1,1 billions</i>	<i>€10 millions</i>	<i>n.a.</i>	<i>€33 millions</i>
BRAND VALUE	<i>n.a.</i>	<i>€2,5 millions</i>	<i>€2,5 millions</i>	<i>2,5 millions</i>



In these successful business cases, the **transaction value** of the brand is not strictly related to the revenues associated with the brand, but to the following **macro drivers**:

① **Potential of development**

② **International brand awareness**

③ **Craftsmanship and creativity associated with the brand**

④ **Prestige history of the brand**



Potential Chinese Buyer

Chinese investment in Italian fashion brands

The Made in Italy fashion brands have been of particular interest to Chinese investors over the last decade. Below are introduced some examples of acquisitions by Chinese holding companies and funds

Year	Brand	Buyer	Value (€m)	Brand description
2010	 DESMO	J&C (Sara Lin)	n.a.	Brand founded in 1976 in Florence, known mainly for women's bags, scarves, belts and umbrellas
2010	CERRUTI	Li & Fung Group's Trinity	53.0	Italian fashion house better known for its woolen menswear and 1881 perfume
2012	MISS SIXTY	Trendy International Group	n.a.	Brand predominantly denim, with an affordable price, aimed at young consumers
2014	KRIZIA	Shenzhen Marisfrog	25.5	High fashion clothing brand founded in 1956 by Mariuccia Mandelli, it reached its peak in the 1990s
2015	 ROBERTA DI CAMERINO	United Trademark Group (fondo PE)	n.a.	Venetian clothing brand created by Giuliana Coen in 1945, it has achieved enormous prestige in the 60s. The operation aims to revive the maison
2016	CURIEL	RedStone Haute Couture Group	n.a.	Brand of haute couture. The acquisition of the majority follows the opening of 15 single-brand stores in China



The importance of Italian fashion brands in Chinese market

Italian fashion exportations in China and hong Kong

ITALIAN FASHION EXPORT (2018)

CHINA

1.63 BILLIONS

HONG KONG

2.14 BILLIONS



- Italian fashion exports reached **50 billion** in 2018
- Italy sells about **10% of its total exports in the fashion** sector to China and Hong Kong
- China is the second country, after Switzerland, for **growth of fashion imports from Italy** in 2018 (+ 15%)



Fonte: Camera di Commercio di Milano Monzabrianza e Lodi - Moda italiana nel mondo, un business da 50 miliardi in un anno

2018 exports in China by product type

The **bags and accessories export** in China has a value of **€ 443 millions** and has grown, since 2017, of the **5.2%**. The segment covers the **22.7% of the total** fashion export from Italy



FOOTWEAR

	EXP 2017	EXP 2018	VAR %
World	7.313	7.490	+ 2,4%
China	174	208	+19,5% ↑
HK	271	245	-9,6%



BAGS & ACCESSORIES

	EXP 2017	EXP 2018	VAR %
World	8.033	8.397	+ 4,5%
China	421	443	+5,2% ↑
HK	658	615	-6,5%



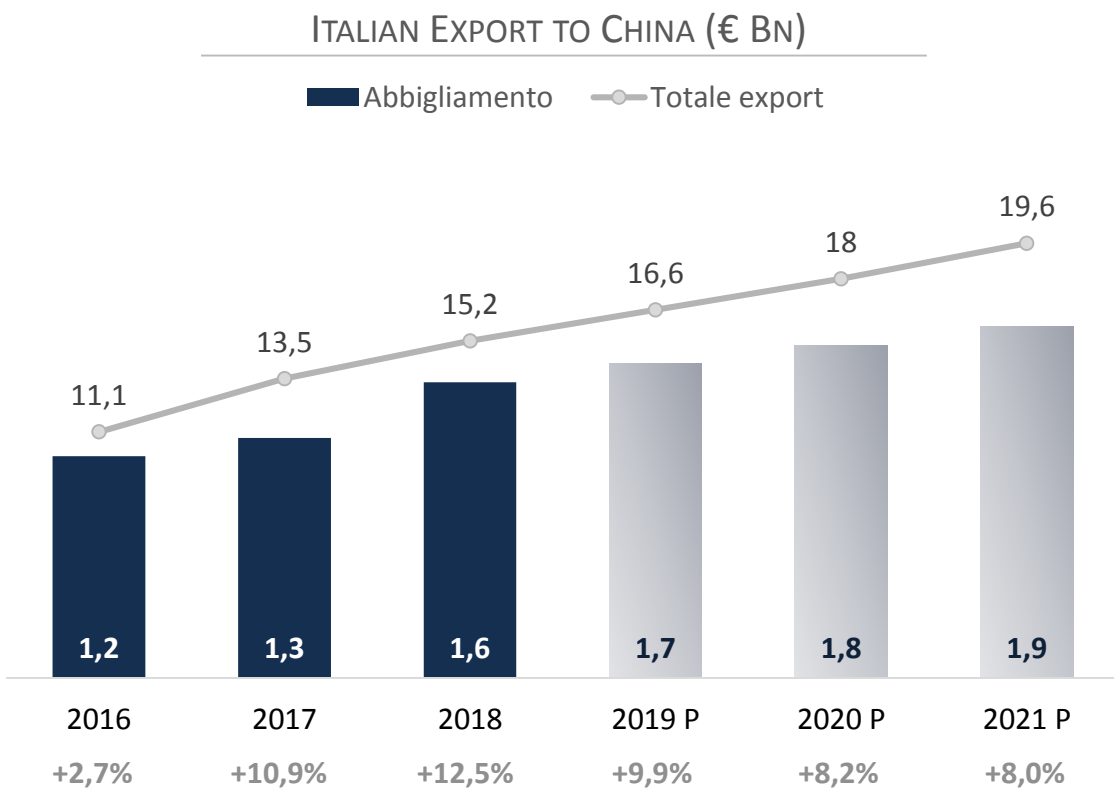
APPAREL

	EXP 2017	EXP 2018	VAR %
World	12.890	13.051	+ 1,2%
China	427	554	+29,7% ↑
HK	940	920	-2,1%

Source: Camera di Commercio di Milano Monzabrianza e Lodi - Moda italiana nel mondo, un business da 50 miliardi in un anno

The growth forecasts for fashion exports in China

In consideration of the **growth forecasts of Italian fashion exports** in China, Chinese investors are willing to recognize a considerable **premium price for Italian brands**



2.2
€ BN

Potential increase in Italian exports by 2021

8°

Target market for Italian exports

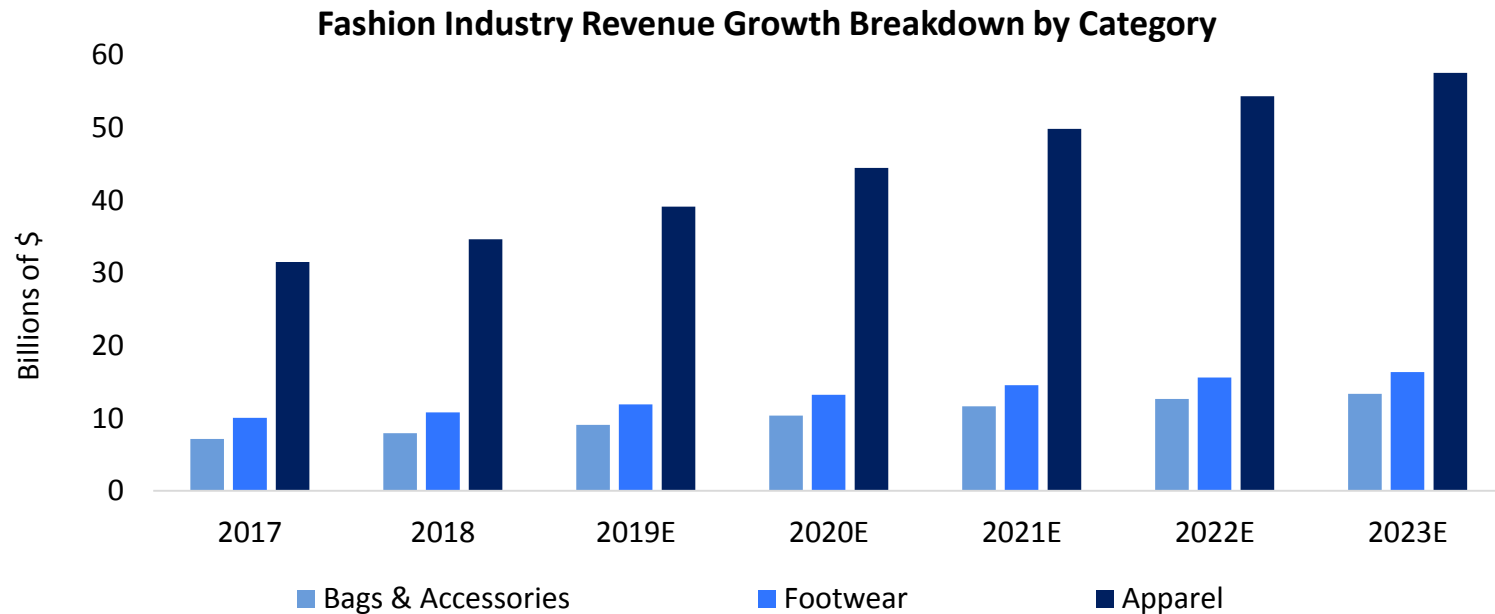
Source: www.sace.it – Andamento dell'export italiano



Reference Market Analysis

Focus on Prospective Growth

With a volume of more than 300 billion Euros the Clothing market is the most important non-food segment within the European retail sector



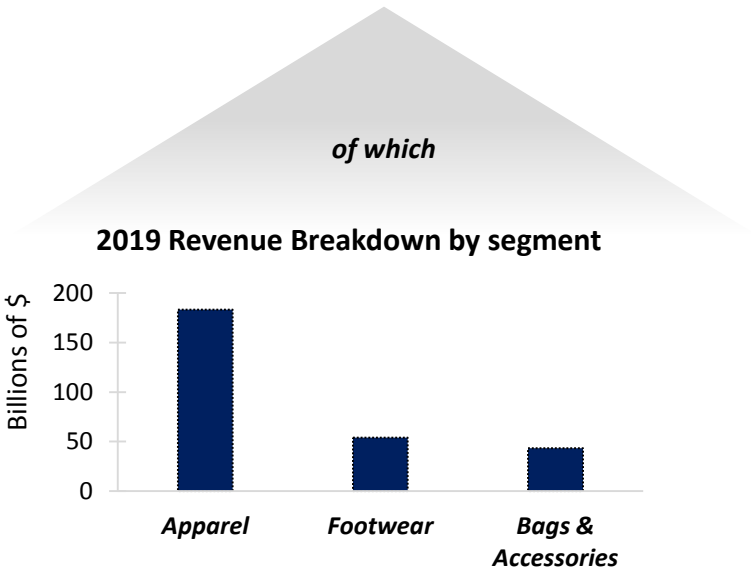
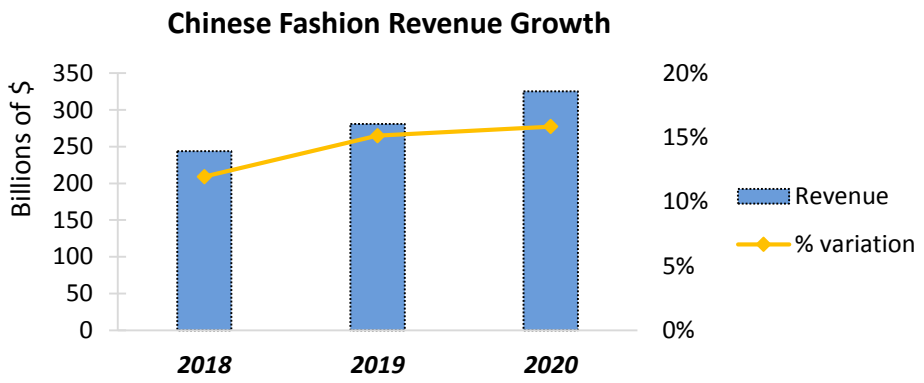
- ❑ **Revenue in the Apparel market** amounts to almost US\$1,838,554m in 2019. The market is expected to **grow annually by 4.6% (CAGR 2019-2023)**
- ❑ There is an increasingly obvious **wave of channel optimization** among domestic and international apparel and footwear manufacturers, **driven by advanced intelligence and technology**

Source: Statista

Focus on Chinese Fashion Industry by Business Segments

In 2019 purchases in the Chinese market in fashion segment accounted a significant growth compared to the previous years

- **Revenue** in the **Fashion segment in China** amounts to **US\$280,743m** in 2019
- **Purchases of clothes** in 2018 accounted a significant growth in term of both **value and volume** compared to the prior years
- **Bags & Accessories and Apparel**, representing **respectively 15% and 65% of market value**, showed the strongest growth in the last 12 months compared to “Footwear” which only account for 20% respectively

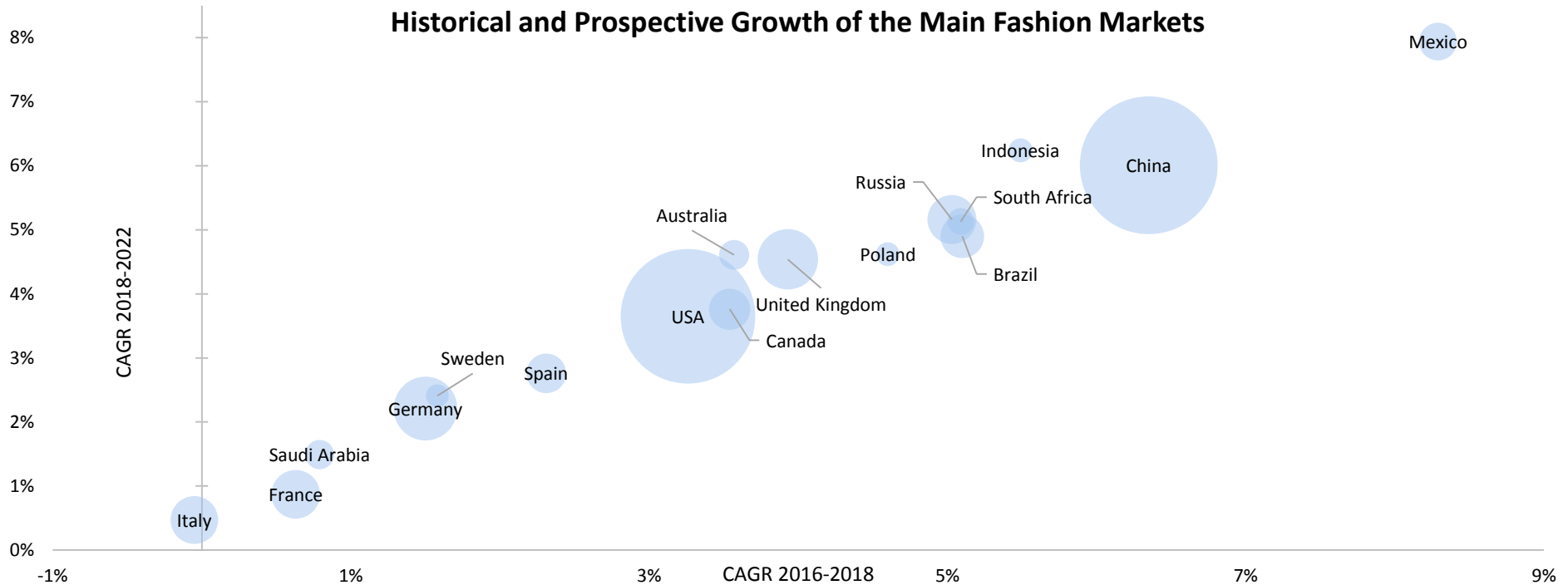


Source: Statista



Focus on Chinese Fashion Industry by Geographical Area

Taking into consideration the consumption of Apparel and Shoes, China represents one of the first reference markets as well as the one with the highest expected growth excluding Mexico



- Developing countries** have the most important growth rates
- There is an increasingly obvious **wave of channel optimization** among domestic and international apparel and footwear manufacturers, **driven by advanced intelligence and technology**

Source: Passport