

# OPERA

## GFM Industria S.p.A.



## Key Milestones

- 1982** The company was founded
- 1990** The brand **Ter et Bantine** was born
- 2000** The brand **Hache** was born
- 2002** **Antichi Pellettieri** (Mariella Burani Fashion Group) acquired 51% of the share capital of GFM Industria and in 2005 reached 80%.
- 2006** GFM Industria becomes licensee of **Anglomania** by Vivienne Westwood
- 2009** In October **Opera** acquires 80% of the shares of GFM Industria

## Company Presentation (1/2)

- Design, production and distribution of **women fashionwear**
- **Headquarters and production** in Granarolo Faentino (Ravenna)
- Run by designer and founder **Manuela Arcari** (President and CEO) and **David Agus** (CEO)



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## Company Presentation (2/2)

- **Two owned brands:** *Ter et Bantine*, *Hache*;
- **Two brands under licence** *Anglomania* by *Vivienne Westwood* and *Alviero Martini* signed in mar'10
- **80%** owned by Opera Italia Fund, **20%** by Manuela Arcari and David Agus (entrepreneurs and managers)
- **3 showrooms:** Milan, Paris, New York

TER ET BANTINE



HACHE



## Financial Highlights

- Net Sales of **€ 18.3m** in 2009
- **14%** Ebitda margin
- **Positive NFP** (€900k in 2009)
- **Geographical diversification** of sales (81% outside Italy)



## Investment Case (1/3)

- **All Equity Investment**
- **No auction**
- **Deal closed in a few weeks** after acceleration by sellers

## Investment Case (2/3)

### INVESTMENT RATIONALE

- ***Production Know-how***
  - Experienced design and prototyping
  - In-house skills: sewing, cutting, quality control and warehouse management
  - Service: flexibility, reliability
  - Distribution: loyal customer base
- ***Entrepreneurs***
  - Over 50 years of combined experience in the sector
  - Outstanding commitment
- ***Cash Generation***
  - 14% EBITDA and high cash conversion

## Investment Case (3/3)

### VALUE CREATION

- ***New licences***
  - Exploit the unsaturated production capacity and personnel
  - Target some countries/distributors with new brands
- ***Cash Generation***
- ***Distribution and Marketing***
  - Carefully activate new marketing activities
  - Further development of presence in new regions of already penetrated markets

## 2010 – New York Show Room

- **New USA subsidiary:**
  - New Show Room in NYC with the operative support of Opera
  - **+25%** order collection vs. PY
  - Positive Ebitda in 2011



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2010 – New Licence

Starting from **Fall/Winter** season 2010



## 2010 results

- **FW 2010** order collection:
  - Anglomania: +5% vs. same period PY
  - Hache: +21% vs. same period PY
  - Ter et bantine: +38% vs. same period PY

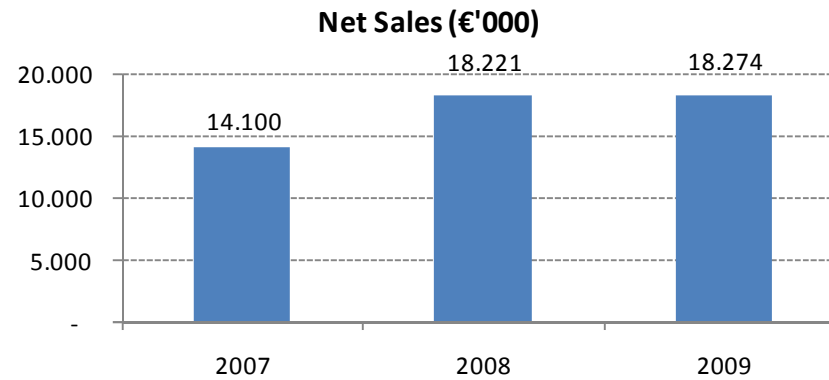


**HACHE**

**TER ET BANTINE**

## Net Sales (1/2)

Net Sales (€'000)	2007	2008	2009	CAGR
Net Sales	14.100	18.221	18.274	13,8%
Growth		29,2%	0,3%	

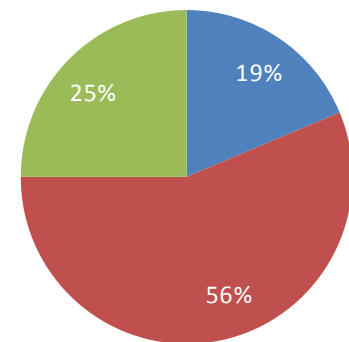


- Net Sales of € 18.3m in 2009
- 13,9% CAGR in the last three years

## Net Sales (2/2)

by geography (€'000)	2007	2008	2009	CAGR
Italy	2.926	3.395	3.416	8,0%
<i>Growth</i>		16,0%	0,6%	
Europe	6.611	9.745	10.314	24,9%
<i>Growth</i>		47,4%	5,8%	
RoW	4.881	4.982	4.574	-3,2%
<i>Growth</i>		2,1%	-8,2%	

Net Sales by geography (€'000)

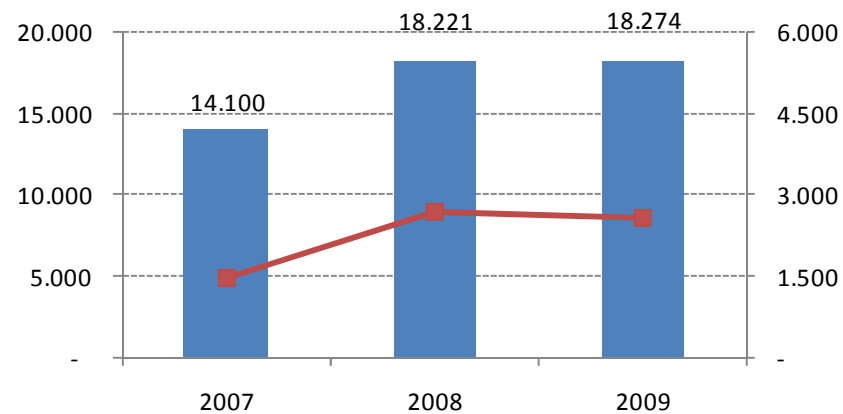


■ Italy ■ Europe ■ RoW

- High **geographical diversification** of Sales
- **More than 80%** of Sales outside Italy
- **New Show Room in NYC** to push sales in 2010

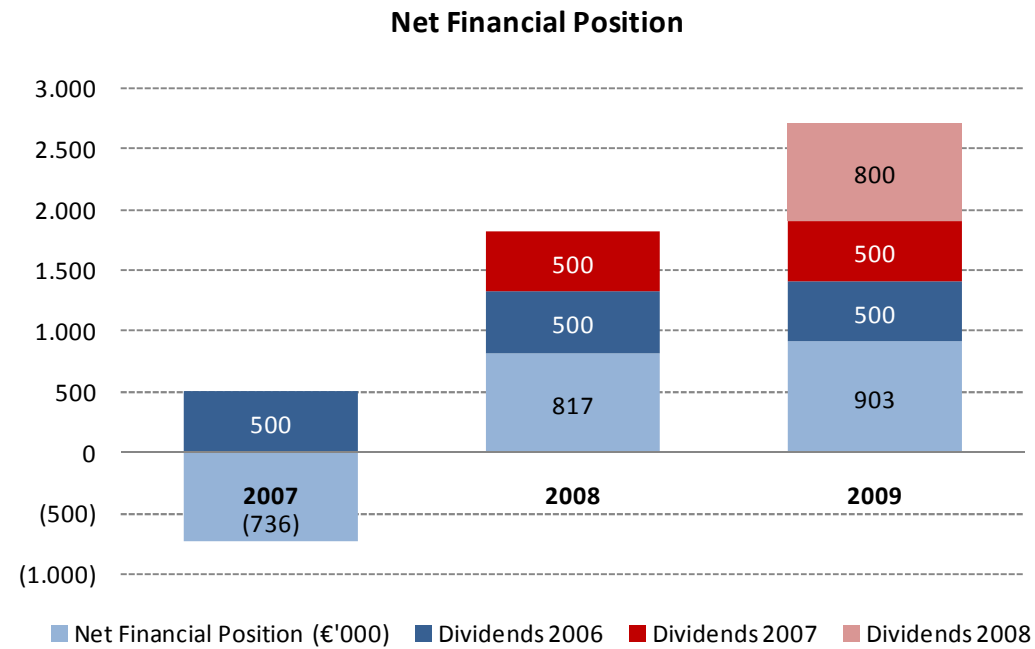
## Ebitda

Financials (€'000)	2007	2008	2009	CAGR
Net Sales	14.100	18.221	18.274	13,8%
Growth %		29,2%	0,3%	
Ebitda	1.467	2.688	2.562	32,2%
% NS	10,4%	14,8%	14,0%	
Growth %		83,2%	-4,7%	



- **14% Ebitda Margin**
- **32% CAGR** in the last three years vs. 13,9% CAGR of Net Sales

## Net Financial Position



- Highly **cash generative** company
- **Net cash position** in the past two years

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## Ter et Bantine

- **First Line**
- Target: women between **40 and 50 years old**
- **Classy and rigorous** style
- **High level pricing** (about €180 wholesale)

# TER ET BANTINE

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## Ter et Bantine



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## Hache

- **Second Line**
- Target: women between **25 and 40 years old**
- **Contemporary style**
- **Medium-high level pricing** (€110 wholesale)

# HACHE

# OPERA

## Hache



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## Anglomania

- **Third Line** by Vivienne Westwood
- Target: women between **25 and 40 years old**
- **Unique style**
- **Medium level pricing** (€100 wholesale)



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## Anglomania



## Key Lessons

- Very attractive investment opportunity inside a **distressed group**
- **Business approach, negotiation and documentation** vs. process orientation
- **All equity investment** and responsive to sellers' needs
- **Work closely with entrepreneurs/managers/partners** to grow the company (e.g. Alviero Marini, V.W., etc...)
- Opera: **grow Italian excellent companies**