

PATTERN GROUP

Fashion Luxury Engineering

A Clear Path in a Clouded Market

Pattern Group is a leading independent player in the luxury engineering segment (B2B), serving as a trusted partner, the world's most prestigious luxury brands. With a strong track record of organic growth, diversification and M&A, PTR is now executing an ambitious plan to build new HQs and expand operations, reinvesting proceeds of 2023 disposal.

1H25 Results Reflect a Soft Luxury Environment

FY25 is confirmed as a challenging year, characterized by weak demand, ongoing destocking, and margin pressure, although early signs of improvement are emerging ahead of the SS2026. 1H Total revenues amounted to €53.5m, down 11.4% y/y (-23.3% on an organic basis). On a like-for-like comparison, the sharpest contraction was recorded in the Knitwear segment (-29.2% y/y), followed by Leather Goods (-20.6% y/y) and Ready-to-Wear (-15.8% y/y). The decline was partly mitigated by the consolidation of UVM, active in the Knitwear segment, which contributed €7.2m. Value of Production reached €57.5m (-6.9% y/y), benefiting from a €4.0m increase in finished and semi-finished goods, supporting expectations of a recovery in 2H25.

Strategic Plan 2026-2028 to Mitigate Market Risk

In this context, management presented the 2028 targets: on a standalone basis, Revenues of €125-140mn, low double-digit EBITDA margin, and NFP turning cash-positive. With M&A under evaluation, management sees a further 12-20% Revenue uplift, mid double-digit EBITDA margin, and NFP neutral. Target pipeline focuses on adjacent luxury suppliers combining outsourced production, technological know-how, and exposure to absolute-luxury clients.

FY25E Margins Trimmed, Longer-Term View Intact

We trim FY25E on profitability but leave FY26E broadly unchanged, maintaining a positive medium-term view. PTR positioning remains solid, supported by growing demand for supply-chain transparency, strong exposure to top-luxury, and strategy focused on innovation, integration, and ESG. Even at the low end of guidance, PTR would reach by FY28E ~€125mn in revenues and a ~11% EBITDA margin without assuming any M&A: this implies a ~5% revenue CAGR (2025E-2028E), a ~40% EBITDA CAGR and suggest that by FY28 Pattern could generate around €14mn in EBITDA, translating into ~€8mn of annual EFCF.

Fair Value at €5.20/sh. (previous €5.80/sh.)

We revise our fair value to €5.20 per share (from €5.80), relying on DCF as the most appropriate methodology to capture PTR medium-term potential. Our valuation implies a ~5.7x EV/EBITDA 2028E, based on a normalized EBITDA margin assumption (11%), fully consistent with PTR historical performance, level historically observed across comparable peers and management's guidance.

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FAIR VALUE (€) **5.20**

MARKET PRICE (€) **4.10**

MARKET CAP (€mn) **59.3**

KEY FINANCIALS	FY24	FY25E	FY26E
VALUE OF PRODUCTION	126.5	110.0	117.5
EBITDA	13.0	4.9	9.3
EBIT	3.5	-2.8	1.3
NET PROFIT ADJ.	3.7	-0.8	1.6
GROUP NET EQUITY	43.5	39.9	39.7
NET DEBT (-) / NET CASH (+)	-14.4	-23.1	-17.9
EPS ADJ.	0.26	-0.06	0.11
DPS	0.00	0.00	0.00

Source: Pattern Group (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY24	FY25E	FY26E
EBITDA MARGIN (%)	10.3	4.5	7.9
EBIT MARGIN (%)	2.8	nm	1.1
NET DEBT / EBITDA (x)	1.1	4.7	1.9
NET DEBT / NET EQUITY (x)	0.3	0.6	0.5
ROCE b.t. (%)	6.0	nm	2.2
EV / SALES (x)	0.8	0.9	0.8
EV / EBITDA (x)	8.1	19.8	10.0
EV / EBIT (x)	30.1	nm	73.4
P / E ADJ. (x)	19.4	nm	37.4

Source: Pattern Group (historical figures), Value Track (estimates)

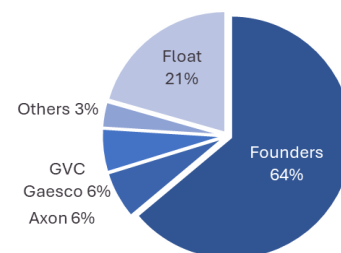
STOCK DATA	
MARKET PRICE (€)	4.10
NOSH (mn)	14.5
MARKET CAP (€mn)	59.3
ENTERPRISE VALUE (€mn)	97.3
FREE FLOAT (%)	20.6
AVG L30D VOLUME ('000)	2,317
RIC / BBG	PTR.MI / PTR.IM
52 WK MAX - MIN (€)	3.75-6.00

Source: Stock Market Data

Description

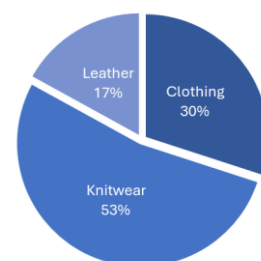
Pattern Group is one of the leading independent players in the luxury engineering segment (B2B), serving as a benchmark for the world's most prestigious luxury brands. The Company reported steady growth since inception (27% CAGR 2009-2024), on a mix of organic growth and solid M&A. It operates under three product segments: Men's and Womenswear, Knitwear, and Leather Goods and is still controlled by the two founders with a 32% stake each, with key managers owning another 3%.

SHAREHOLDERS' STRUCTURE



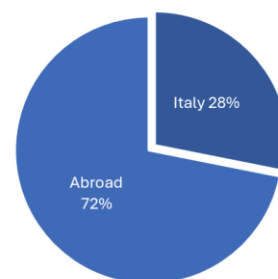
Source: Pattern Group

REVENUES BY BUSINESS LINE 1H25



Source: Pattern Group

REVENUES BY GEOGRAPHY 1H25



Source: Pattern Group

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E
Value of Production	126.5	110.0	117.5	123.3
y/y (%)	14.6%	-13.0%	6.8%	5.0%
EBITDA	13.0	4.9	9.3	11.7
EBITDA Margin (%)	10.3%	4.5%	7.9%	9.5%
EBIT	3.5	-2.8	1.3	3.0
EBIT Margin (%)	2.8%	-2.6%	1.1%	2.5%
Net Profit	-1.0	-3.3	-1.0	0.1
y/y (%)	nm	nm	nm	nm
Adj. Net Profit	3.7	-0.8	1.6	2.7
y/y (%)	nm	nm	nm	69.5%
Net Fin. Position [Net Debt (-) / Cash(+)]	-14.4	-23.1	-17.9	-11.1
Net. Fin. Pos. / EBITDA (x)	1.1	4.7	1.9	1.0
Capex	-6.7	-12.0	-3.5	-3.5
OpFCF b.t.	4.3	-7.7	6.6	8.8
OpFCF b.t. / EBITDA (%)	32.7%	nm	71.2%	75.6%

Source: Pattern Group, Value Track Analysis

Investment Case

Strengths / Opportunities

- Hard-to-replicate engineering and “Made in Italy” manufacturing network, essential for luxury brands’ top-quality supply chain;
- Strong balance sheet and solid M&A track record (solid rationales at attractive multiples, i.e. <6x EV/EBITDA);
- Distinct positioning in a market in strong consolidation.

Weaknesses / Risks

- Luxury market is facing negative momentum, with expected weakness in Europe and US also in 2025E;
- The order-based Cost-plus approach limits B2B margins.

STOCK MULTIPLES @ FV	FY25E	FY26E
EV / SALES (x)	1.0	0.9
EV / EBITDA (x)	23.0	11.7
EV / EBIT (x)	nm	nm
EV / CAP. EMPLOYED	1.8	1.9
OpFCF Yield (%)	nm	6.1
P / E (x)	nm	nm
P / BV (x)	2.3	2.3
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

1H25 Results

Profit & Loss

- **Value of Production** at €57.5mn (-6.9% y/y, -18.6% y/y on an organic basis); On a like-for-like comparison, the steepest decline was recorded in the Knitwear segment (-29.2% y/y), followed by Ready-to-Wear (-15.8% y/y) and Leather Goods (-20.6% y/y). The contraction was partially offset by the consolidation of UVM (Knitwear), which contributed €7.2m.

Revenues Breakdown reported and like for like

(OIC, €mn)	1H24	1H25	y/y %	1H25 l-f-l	y/y %
Ready to Wear	19.3	16.2	-15.8%	16.2	-15.8%
Knitwear	29.7	28.2	-4.9%	21.0	-29.2%
Leather Goods	11.4	9.0	-20.6%	9.0	-20.6%
Total Revenues	60.3	53.5	-11.4%	46.2	-23.3%
Other Revenues	1.4	4.0	nm	4.0	nm
Value of Production	61.8	57.5	-6.9%	50.3	-18.6%

Source: Pattern Group, Value Track Analysis

- **Gross Profit** €45.9mn (-9.5% y/y) with a margin of 79.8% (-226bps y/y), as lower sales volumes (-6.9% VoP) were offset by higher COGS (+4.8%) linked to increased work-in-progress at period-end. The unusual build-up of WIP amplified seasonality effects, with production activity front-loaded against a weaker sales flow in 1H25;
- **EBITDA** at €1.6mn (-76.5% y/y, -90.5% y/y on an organic basis) with 2.7% margin (10.9% in FY24) in 1H24. Pressure was most acute in Knitwear, yet it remained the primary EBITDA contributor, while the other divisions diluted consolidated profitability;
- **EBIT** at negative €2.1mn (positive for € 3.6m in 1H24) declining more than proportionally due to higher D&As of € 3.7m (€ 3.0m in 1H24), of which €1.7mn goodwill amortization (€1.2m in 1H24) with the increase mainly attributable to the amortization of goodwill generated by the UVM acquisition;
- **Net Loss** at €1.6mn despite lower tax incidence (€0.3mn) and €0.9mn Net Financial Proceeds, which include €1.1mn capital gain on Camer advanced debt repayment. Adjusted for the goodwill amortization pertaining to the group, Net Loss Adj. stood at negative €0.3mn (€ 2.3m in 1H24).

Profit and Loss 1H24-1H25

(OIC, €mn)	1H24	2H24	1H25	Δ y/y (%)
Value of Production	61.8	64.7	57.5	-6.9%
COGS	-11.1	-11.9	-11.6	4.8%
Gross Profit	50.7	52.8	45.9	-9.5%
Gross Margin (%)	82.1%	81.6%	79.8%	-226bps
Costs of Services	-24.1	-25.1	-23.1	-3.9%
Costs of Rent	-1.5	-1.7	-1.7	12.9%
G&A	-0.4	-0.6	-0.7	58.4%
Labour Costs	-18.1	-18.9	-18.8	4.0%
EBITDA	6.6	6.4	1.6	-76.5%
EBITDA Margin (%)	10.7%	9.9%	2.7%	-798bps
D&A	-2.8	-3.8	-3.5	26.5%
Provisions	-0.2	-2.8	-0.2	0.1%
EBIT	3.6	-0.1	-2.1	nm
Interest Expenses	0.0	-0.2	0.9	nm
Others Non-Operating	0.0	0.0	0.0	nm
Pre-Tax Profit	3.6	-0.3	-1.3	nm
Taxes	-1.5	-1.5	-0.3	-78.9%
Minorities	-0.7	-0.7	0.0	-101.4%
Net Profit	1.4	-2.5	-1.6	-210.0%
Net Profit Margin (%)	2.3%	nm	nm	-284bps

Source: Pattern Group, Value Track Analysis

Cash Flow & Balance Sheet

Net Debt stood at €19.9m, compared to € 14.4m debt at year-end 2024 mainly as a result of the significant **€7.7mn investments made in 1H25** reflecting the Group's ongoing expansion. Investments included €7.5mn in tangibles - primarily the new Pattern HQ in Collegno (€6.5mn, including €5.8mn progress payments and €0.7mn advances for machinery and furniture) - and €0.25mn in intangibles (mainly extraordinary maintenance and new software licenses). Additional spending included €0.6mn of machinery upgrades (mostly in knitwear) and €0.1mn for the Bientina facility.

Balance Sheet 1H24-2H25

(OIC, €mn)	1H24	2H24	1H25
Net Fixed Assets	58.6	56.0	60.1
Net Working Capital	5.8	8.3	8.0
Provisions	6.1	6.4	6.8
Total Capital Employed	58.4	57.9	61.3
Group Net Equity	45.4	43.5	41.4
Net debt (-) / Cash (+)	-12.9	-14.4	-19.9

Source: Pattern Group, Value Track Analysis

Also note that the decrease in long-term other financial debt partially reflects (for €5.0mn) the early settlement of the liability related to the remaining €5.0mn payment, closed for €3.9mn, resulting in a €1.1mn gain recognized in the 1H25 P&L.

NFP Structure 1H24-1H25

(OIC, €mn)	1H24	2H24	1H25
Cash / deposits & Short Term Assets (+)	30.6	28.9	24.0
Debt to Banks within 12 months (-)	-8.0	-14.1	-11.5
Current Net Financial Position	22.6	14.8	12.6
Long term financial credits (+)	0.0	0.0	0.0
Debt to Banks over 12 months (-)	-22.4	-19.9	-31.5
Other Financial Debt (-)	-13.2	-9.2	-1.0
Bonds (-)	0.0	0.0	0.0
Non Current Financial Position	-35.6	-29.1	-32.5
Net debt (-) / Cash (+)	-12.9	-14.4	-19.9

Source: Pattern Group, Value Track Analysis

Cash Flow 1H24-1H25

(OIC, €mn)	1H24	2H24	1H25
EBITDA	6.6	6.4	1.6
Δ NWC	-0.5	-2.5	0.4
Capex	-2.3	-2.0	-7.7
Δ Provisions	0.6	0.4	0.1
OpFCF b.t.	4.4	2.3	-5.7
As a % of EBITDA	66.3%	35.5%	-365.0%
Cash Taxes	-1.5	-1.5	-0.3
OpFCF a.t.	2.9	0.8	-6.0
Others (incl. Financial Inv. & Div. to min.)	-16.5	-2.1	-0.4
Net Financial Charges	0.0	-0.2	0.9
Dividends Paid	0.0	0.0	0.0
Δ Net Financial Position	-13.6	-1.4	-5.5
Net debt (-) / Cash (+)	-12.9	-14.4	-19.9

Source: Pattern Group, Value Track Analysis

Outcomes of management presentation

Following the release of 1H results, management hosted a presentation not only to provide full details on interim results (see next paragraph), but also to update on market outlook and to release the new business plan 2026-28.

Market outlook: FY25 as tough as expected, but some fresh air at SS2026 shows

The current year has been extremely challenging, as PTR management had already anticipated at the end of 2024, and the key outcomes of CEO Luca Sburlati presentation were the following:

- The fashion industry has been facing a period of **weakening global demand**, caused by the fall of Chinese demand (no longer driven only by western/ global brands), the negative geopolitical situation and the unpredictable tariffs' scenario. Despite the sector is not fully out of the woods yet, the outlook is gradually improving and destocking normalizing;
- This picture has caused a certain **pressure on volumes and margins** in all categories of the fashion industry;
- In terms of products, **leather goods** is probably the line that is still suffering the most, being the one that slowed down earlier than the others and that is now taking longer to normalize;
- Although also **knitwear** has faced a negative trend over the last quarters, it is seen by management as a core segment, with excellent growth potential, driven by global trends (as shift to informal dress code, etc.) and deep technological innovation;
- The “**Made in Italy**” has been facing a serious storm, challenged by the booming demand of ultra-fast-fashion, with the retailing industry increasingly disintermediated by e-commerce;
- **Brand positioning** is increasingly influenced by new factors, as sustainability and social responsibility, especially among the younger generations;
- The transparency issue, which in turn implies a strict control of the **supply chain**, has become crucial, as the recent investigations involving brands of the likes of Armani, Dior, Loro Piana, Tod's confirm;
- The unprecedented wave of changes among the creative directors of the leading global luxury brands started in 2024 (e.g. Celine and Givenchy) has continued over 2025, but the **Spring/Summer 2026** fashion shows just finished seem to sign the start of these “new era”, with very positive feedback from the likes of Matthieu Blazy at Chanel, Louis Trotter at Bottega Veneta, Simone Bellotti at Jil Sander, Demna at Gucci, Dario Vitale at Versace (now part of the Prada Group).

New Guidance and 2026-28 Business Plan: low single digit growth but good FCF

PTR management has released the new Business Plan, initially expected by end of 2024 and then postponed due to the challenging market stance and the uncertain macro and geopolitical situation. Hence, despite the medium-term visibility remains poor, management has provided the new three years' Business Plan and financial targets - summarized in the table below – to reach two key objectives:

- **Reduction of market risk**, i.e. strong client selection and reduced client concentration;
- Countering aggressive competition which has been recently dumping the domestic manufacturing chain, by focusing on **sustainable absolute-luxury** and top-quality products.

The key strategic steps/drivers identified by management are the following:

- Focus on **product development** and **innovation** both in terms of product (e.g. new fabrics) and process (e.g. printing methods, anticounterfeiting solutions, process certification);
- Increasing **internal production** and expanding the internal top-quality manufacturing capacity (vertical integration and process digitalization), optimizing the **supply chain**;
- **Differentiation** of product offer out of the apparel segment (including external growth);

- Unchanged commitment to its core **ESG** values (from compliance with the new EU regulation on product traceability - Digital Product Passport – to full process traceability, new low-impact production systems and eco-friendly and long-lasting materials);
- Further **M&A** activity, via the acquisition of one or more players which may bring specific “assets” along the lines above, i.e. innovative players, positioned in the luxury/absolute luxury segment and relying on a transparent supply-chain.

The targets reported on the table below imply the following:

1. Management expects a 5-10% CAGR into FY28E (excluding M&A);
2. EBITDA margin is seen to improve from FY25E $z\%$ to at least a “low double digit” over the next three years, i.e. still below FY23 levels (ca. 13%);
3. NFP should move into a net cash position by Dec 2028, i.e. management expect FCF to exceed €23mn over the next three years, or above €24.5mn excluding dividends paid to minority shareholders (by SMT) in the period;
4. M&A may add ca. €15-30mn of revenues by FY28, with expected margins of targets well above the ones reported by the existing business mix, i.e. assuming M&A adds 200bp to the Group EBITDA margin, we estimate targets should boast margins above 20%.

Management Guidance FY2028E

(€mn)	Revenues	EBITDA margin	NFP
Base Case (Group “As is”)	125-140	low double digit	Net Cash
Best Case (assuming M&A)	140-170	mid double digit	Neutral

Source: Pattern Group

Estimates Review

New Guidance & Estimates

In line with recent management meetings and the updated strategic plan, we trim our 2025E assumptions (mainly on profitability) while keeping 2026 estimates broadly unchanged (only minor adjustments), and maintaining our medium-term investment case, provided operational trends firm up over the next quarters.

Even under the lower end of management's guidance range, Pattern would reach by 2028 approximately €125mn in revenues and a 11% EBITDA margin, effectively returning to FY24 profitability levels (i.e., re-normalization), without assuming any M&A contribution. This scenario implies a ~5% revenue CAGR (2025E–2028E) and a ~40% EBITDA CAGR, suggesting that by FY28 Pattern could generate around **€14mn in EBITDA**, translating into **~€8mn of annual EFCF**.

Old vs. New Estimates FY25-27E & PTR 2028E Strategic Plan Financial Targets

(OIC, €mn)	2025E			2026E			2027E	2028E
	Old	New	Chg. %	Old	New	Chg. %	VT	PTR
Value of Production	115.0	110.0	-4.3%	118.5	117.5	-0.8%	123.3	125-140
EBITDA	6.6	4.9	-25.7%	9.2	9.3	0.2%	11.7	12-17
<i>EBITDA Margin (%)</i>	<i>5.8%</i>	<i>4.5%</i>	<i>-128 bps</i>	<i>7.8%</i>	<i>7.9%</i>	<i>8 bps</i>	<i>9.5%</i>	<i>10-12%</i>
EBIT	-0.8	-2.8	243.4%	1.4	1.3	-9.0%	3.0	
<i>EBIT Margin (%)</i>	<i>nm</i>	<i>nm</i>	<i>nm</i>	<i>1.2%</i>	<i>1.1%</i>	<i>-10 bps</i>	<i>5.2%</i>	
Net Profit	-2.8	-3.3	nm	-1.3	-1.0	nm	2.7	
Net Financial Position	-22.0	-23.1	-1.2	-18.1	-17.9	0.1	-11.1	>0

Source: Pattern Group, Value Track Analysis

Profit and Loss FY24-FY27E

(OIC, €mn)	FY24	FY25E	FY26E	FY27E	CAGR _{FY24-27E}
Value of Production	126.5	110.0	117.5	123.3	-0.8%
Raw Materials, Δ Inventory (Finished Goods)	-23.0	-22.0	-23.5	-24.7	2.4%
Gross Profit	103.5	88.0	94.0	98.7	-1.6%
Gross Margin (%)	81.8%	80.0%	80.0%	80.0%	-184bps
Costs of Services	-49.2	-41.8	-44.6	-45.6	-2.4%
Costs of Rent	-3.3	-2.4	-1.8	-1.9	-17.3%
G&A	-1.1	-0.6	-0.6	-0.6	-17.0%
Labour Costs	-37.0	-38.4	-37.7	-38.9	1.7%
EBITDA	13.0	4.9	9.3	11.7	-3.5%
EBITDA Margin (%)	10.3%	4.5%	7.9%	9.5%	-81bps
D&A	-6.5	-7.5	-8.0	-8.7	9.8%
Provisions	-3.0	-0.2	0.0	0.0	nm
EBIT	3.5	-2.8	1.3	3.0	-4.5%
Interest Expenses	-0.2	0.3	-0.9	-0.7	56.3%
Pre-Tax Profit	3.3	-2.6	0.3	2.4	-10.7%
Taxes	-3.0	-0.7	-0.1	-0.8	-36.5%
Minorities	-1.4	0.0	-1.2	-1.5	2.2%
Net Profit	-1.0	-3.3	-1.0	0.1	-151.1%
Net Profit Margin (%)	<0	<0	<0	0.1%	91bps

Source: Pattern Group, Value Track Analysis

Balance Sheet FY24-FY27E

(OIC, €mn)	FY24	FY25E	FY26E	FY27E
Net Fixed Assets	56.0	60.7	56.2	51.0
Net Working Capital	8.3	9.4	9.1	9.2
Provisions	6.4	7.1	7.6	8.4
Total Capital Employed	57.9	63.0	57.6	51.8
Group Net Equity	43.5	39.9	39.7	40.7
Net Financial Position	-14.4	-23.1	-17.9	-11.1

Source: Pattern Group, Value Track Analysis

Cash Flow FY24-FY27E

(OIC, €mn)	FY24	FY25E	FY26E	FY27E
EBITDA	13.0	4.9	9.3	11.7
Δ NWC	-3.1	-1.0	0.3	-0.1
Capex (excl. Financial Inv.)	-6.7	-12.0	-3.5	-3.5
Δ Provision	1.0	0.4	0.6	0.8
OpFCF b.t.	4.3	-7.7	6.6	8.8
<i>As a % of EBITDA</i>	<i>32.7%</i>	<i>nm</i>	<i>71.2%</i>	<i>75.6%</i>
Cash Taxes	-3.0	-0.7	-0.1	-0.8
OpFCF a.t.	1.3	-8.4	6.5	8.1
Others (incl. Financial Inv. & Div. to min.)	-16.1	-0.6	-0.4	-0.6
Net Financial Charges	-0.2	0.3	-0.9	-0.7
Dividends Paid	0.0	0.0	0.0	0.0
Δ Net Financial Position	-15.0	-8.7	5.2	6.8
Net Financial Position	-14.4	-23.1	-17.9	-11.1

Source: Pattern Group, Value Track Analysis

Valuation

We revise our fair value estimate to **€5.20 per share** (from €5.80), relying on DCF as the most appropriate methodology to capture Pattern’s medium-term potential in a context of elevated short-term volatility across the luxury manufacturing sector. Our valuation implies a **~5.7x EV/EBITDA 2028E**, based on a normalized EBITDA margin assumption (11%), fully consistent with both Pattern’s historical performance, level historically observed across comparable peers as well as management’s guidance.

We continue to view peer multiples as an unreliable benchmark, given the deterioration in Pattern’s short-term fundamentals - notably margin compression from negative operating leverage and a capex cycle already underway, which is weighing on the balance sheet.

On the positive side, the luxury manufacturing segment remains in a structural consolidation phase, providing a valuation floor and reaffirming both the strategic importance and potential speculative appeal of Italian manufacturing champions, despite near-term headwinds.

Discounted Cash Flow Model

We run a DCF model and calculate a Fair Equity Value p/s of €5.20, mid-point of two methodologies depending on Pattern capital structure. Our DCF assumptions are:

- Reference date Dec 2025, with 2026E-30E as explicit forecasts time horizon;
- 2.0% Risk Free Rate in line with medium term inflation target;
- Unlevered Beta at 1.02, (Source: Damodaran, Apparel Europe);
- 5.43% implied Italian equity risk premium (Source: Damodaran);
- 2.5% Pattern specific small-size risk premium;
- 3.8% pre-tax and 2.9% after-tax cost of debt, broadly in line with the latest company disclosure on average cost of debt ;
- 1% Perpetuity Growth Rate (“g”) TV calculated with perpetual growth model, and implying an exit multiple of ~7.6x EV/EBITDA;
- Target Capital structure with Net Debt at 20% of the Capital Invested.

On a rolling capital structure, Pattern WACC starts from 9.1% in 2026E (~31% Net Debt/Total Capital Employed) and lands at 10.0% in 2030E (Net Cash). At target 20% leverage structure, Pattern WACC is fixed at 9.5% for the whole period.

DCF Model Outcomes

€mn	Rolling Capital Structure	Target Capital Structure
PV of future cash flows (2026-2030)	30.9	31.3
PV of Terminal Value	78.3	86.0
Fair EV	109.2	117.3
NFP 2025	-23.1	-23.1
Minorities	-15.0	-15.0
Fair Equity Value	71.1	79.2
Fair Equity Value p.s.	4.92	5.48

Source: Value Track Analysis

Sensitivity of DCF model @ Target Capital Structure

g =1%		0.50%	0.75%	1.0%	1.25%	1.5%
WACC (%)	9.0%	5.6	5.8	6.0	6.3	6.5
	9.2%	5.4	5.6	5.7	6.0	6.2
	9.5%	5.1	5.3	5.5	5.7	5.9
	9.7%	4.9	5.1	5.2	5.4	5.6
	10.0%	4.7	4.8	5.0	5.2	5.3

Source: Value Track Analysis

Peers Analysis

For reference purposes only, we include a peer valuation table, although we do not rely on this method in our assessment. Since our last update in April, the peer group has undergone a **19% multiple re-rating**, driven both by stock appreciation (+15%) and earnings downgrade (EBITDA -4% on average vs. April'25). Nevertheless, we continue to consider the peers' approach an unreliable benchmark, given the deterioration in Pattern's near-term fundamentals - namely margin compression from negative operating leverage and an ongoing capex cycle already weighing on the balance sheet. As such, peer multiples appear disconnected from Pattern's current operating profile, limiting their relevance for valuation purposes.

Sensitivity of implicit stock trading multiples at various stock market prices

Company	EV/EBITDA		EV/EBIT		P/E	
Peers	2025E	2026E	2025E	2026E	2025E	2026E
Global Brands						
Burberry	8.0	6.5	30.3	17.0	>50	32.1
Capri Holdings	13.2	10.8	34.4	20.1	15.8	12.3
Ermenegildo Zegna	10.5	9.5	25.0	21.3	38.9	32.7
PVH Corp.	5.7	5.5	7.8	7.4	7.6	7.4
Hugo Boss	4.6	4.2	9.1	8.2	12.3	11.1
Global Brands - Average	8.4	7.3	21.3	14.8	18.7	19.1
Global Brands - Median	8.0	6.5	25.0	17.0	14.1	12.3
ITA SME Branded Goods & B2B						
Gentili Mosconi	10.4	5.8	21.7	10.3	35.9	17.7
Safilo Group	8.1	7.1	13.0	11.1	20.3	18.4
Geox	6.8	5.6	<0	>40	<0	<0
ITA SME Branded Goods & B2B - Average	8.4	6.2	17.3	10.7	28.1	18.0
ITA SME Branded Goods & B2B- Median	8.1	5.8	17.3	10.7	28.1	18.0
Total Average	8.4	6.9	20.2	13.6	21.8	18.8
Total Median	8.1	6.1	21.7	11.1	18.0	17.7

Source: Value Track Analysis

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