

MARCOLIN  
EYEWEAR



# Investors presentation

1H Report June 30, 2018

July 27, 2018

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# Agenda



- **Key consolidated financials: 1H 2018**
- Appendix

## Sales

Consolidated Net Sales decrease -0.4% vs. PY at curr. FX, while +5.9% at const. FX due to USD devaluation. Net Sales increase at const. FX is mainly driven by TF (+11%), SK (+22%) and GU (+10%).

1H 2018	1H 2017
<b>249.8</b>	<b>250.9</b>

- 0.4% PY @ curr FX  
+ 5.9% PY @ const FX

## EBITDA

1H 18 EBITDA Reported is **€ 28.3m, +1.4%** vs. PY (€ 27.9m, 11.1% on NS).

1H 18 EBITDA Adjusted \* is **€ 29.0m, +2.9%** vs. PY (€28.2m, 11.2% on NS).

1H 2018 Reported	1H 2018 Adjusted *
<b>28.3</b>	<b>29.0</b>
+1.4% PY	+2.9% PY
<b>11.3%</b> On Net Sales	<b>11.6%</b> On Net Sales

## Net Debt

Compared to FY17 (€ 237.4m), 1H 18 shows a change mostly due to the budgeted capital increase to the associate entity Thélios SpA and trade working capital seasonality.

1H 2018

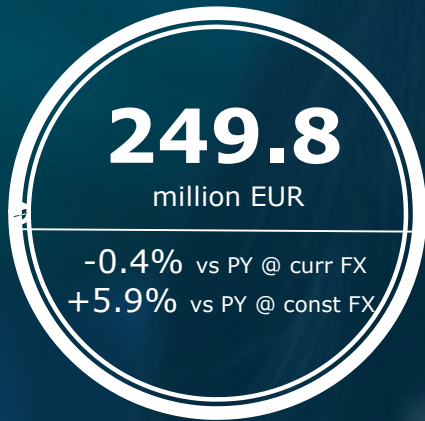
**257.0**

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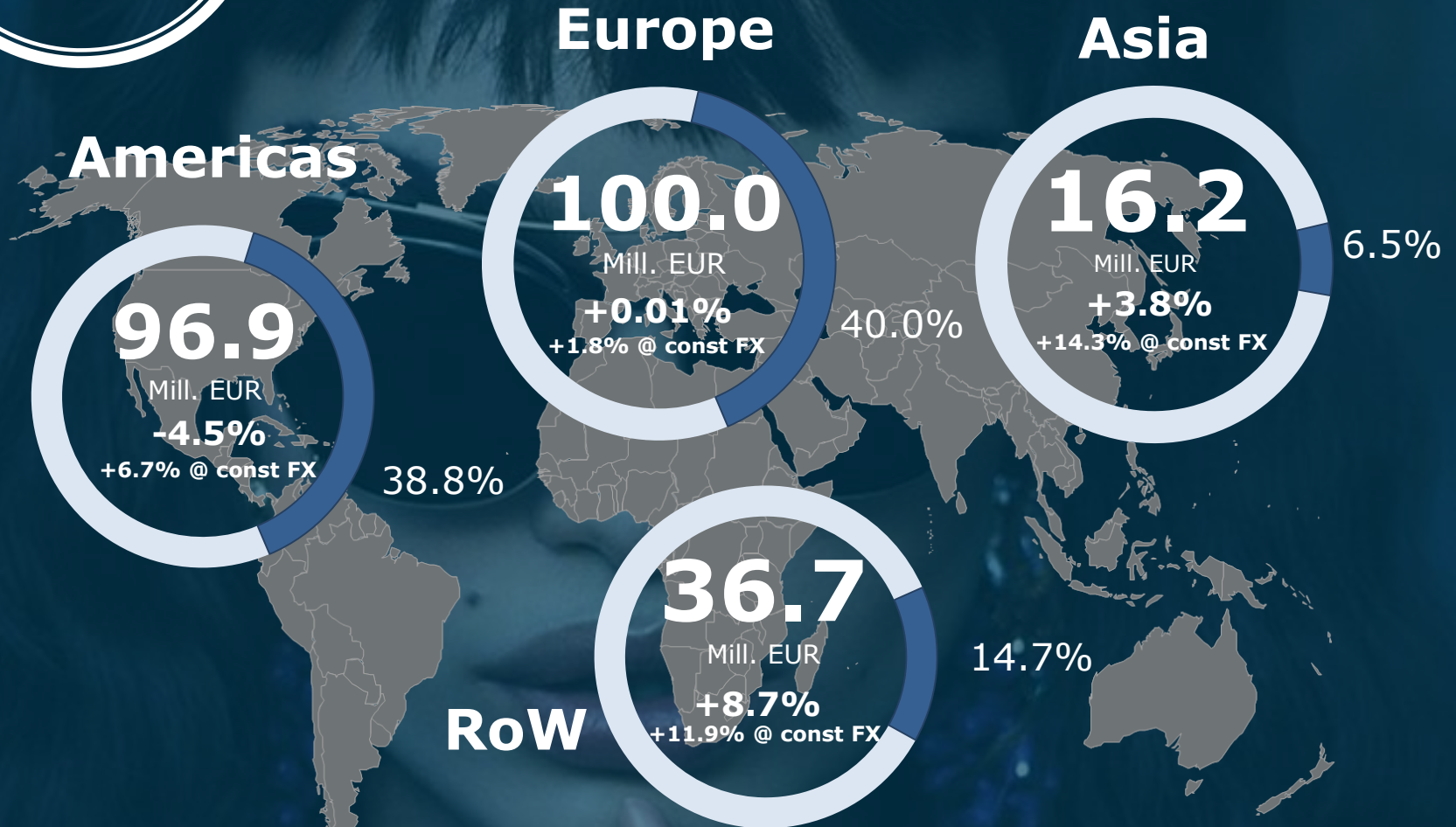
Leverage **4.6x**

(\*) EBITDA Reported is affected by few extraordinary items. For this reason it has been adjusted to exclude one-off effects.





1H 2018  
Global sales  
By market destination



PY like-for-like perimeter

# Consolidated Profit & Loss

(EURm)	1H 2018		1H 2017		Delta %
	Reported	%NS	Reported	%NS	
Net sales	249.8	100.0%	250.9	100.0%	-0.4%
Gross Margin	146.6	58.7%	149.2	59.5%	-1.7%
EBITDA	28.3	11.3%	27.9	11.1%	1.4%
EBIT	18.3	7.3%	19.6	7.8%	-6.4%
EBITDA ADJUSTED	29.0	11.6%	28.2	11.2%	2.9%

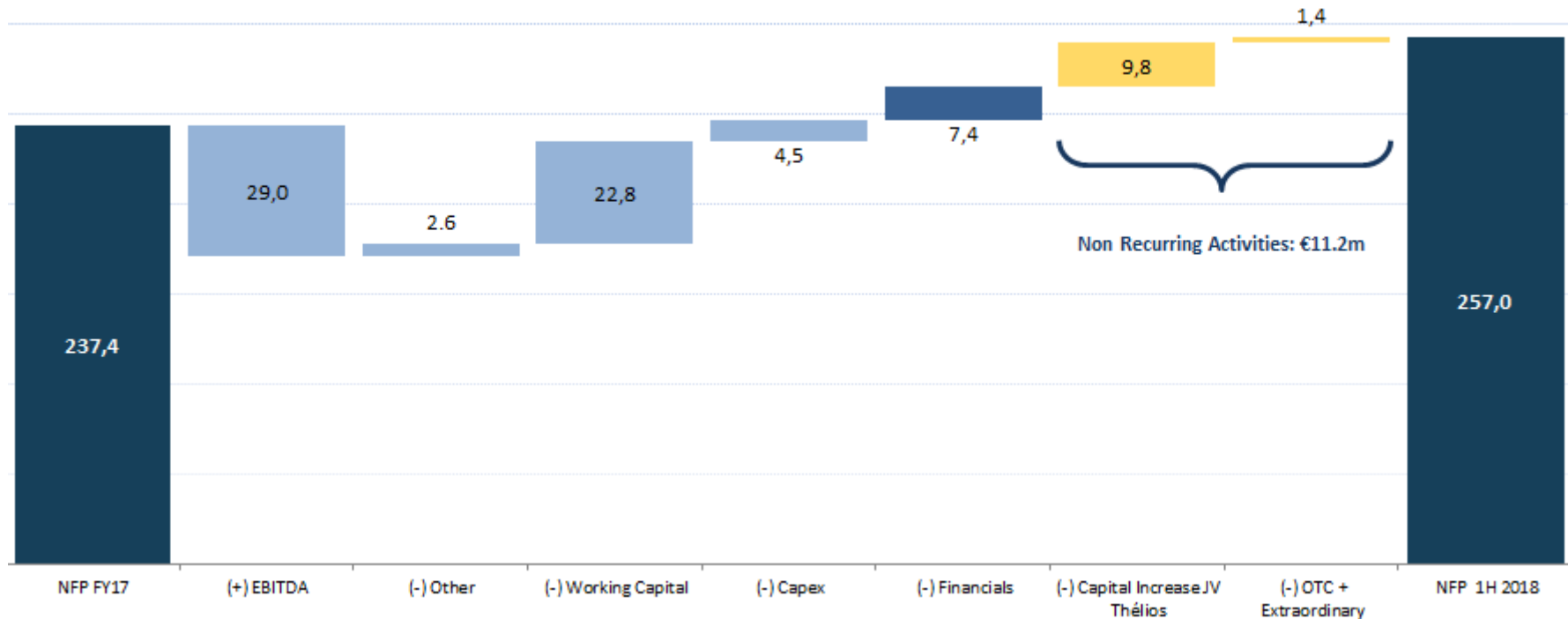
## Key observations

- **Net Sales:** the decrease compared to PY is -0.4% (-€1.1m) at curr FX, while is +5.9% (+€14.9m) at const FX
- **GM:** continuous strong and solid performance of GM, different sales mix driving lower percentage versus 1H 2017.
- **EBITDA Reported:** the % increase compared to PY is mainly due to the improvement of operating leverage (which improved the **EBITDA Adjusted**).

# Consolidated Cash Flow (Net Debt)

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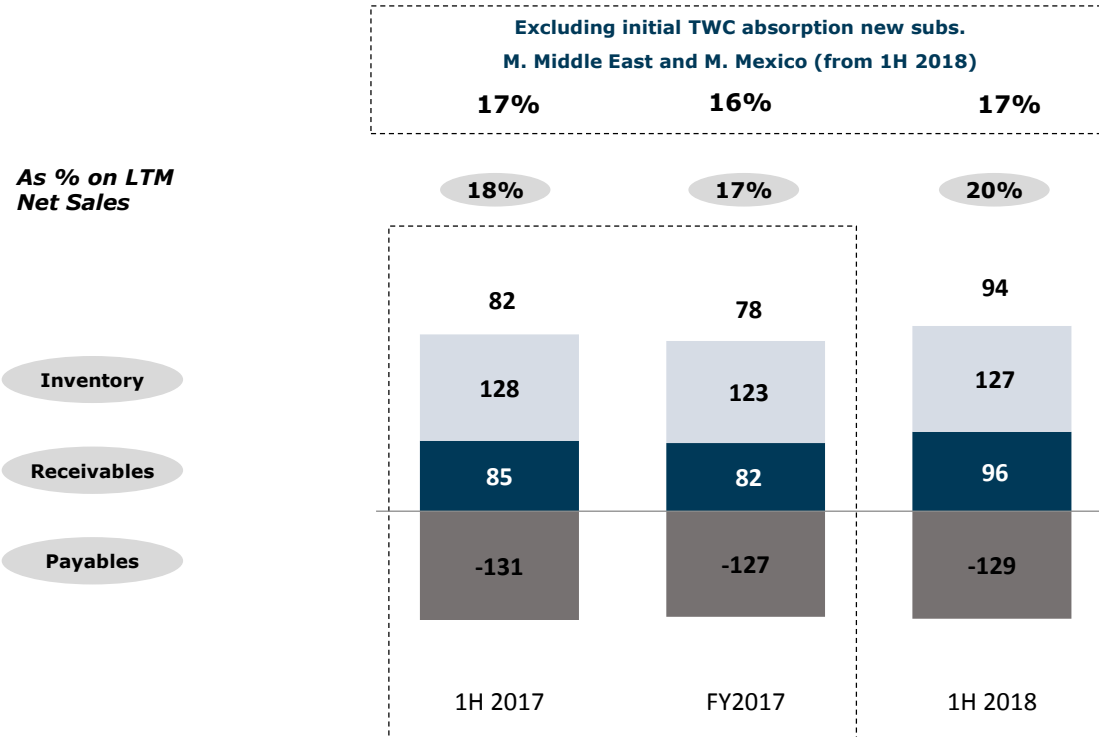
Key financials: 1H 2018



## Key observations

- **NFP:** 1H 2018 NFP impacted by trade working capital seasonality and the budgeted capital increase to the associate entity Thélíos SpA.

# Trade Working Capital



## Key observations

- **TWC:** Stability of the % on LTM Net Sales, increase vs Dec. due to business seasonality effect
- **Trade Receivables:** sales timing...driving increase...good performance of DSO index which keeps maintaining great level.
- **Trade Payables:** stability of the amount compared to Dec. 17.
- **Inventory:** Good stock management, similar level of 1H 2017 despite the expected increase of 2018 sales.



# Agenda



- Key consolidated financials: 1H 2018
- **Appendix**

(EURm)	1H 2018				1H 2017			
	Reported	%NS	Adjusted	%NS	Reported	%NS	Adjusted	%NS
<b>Net sales</b>	<b>249.8</b>	<b>100.0%</b>	<b>249.8</b>	<b>100.0%</b>	<b>250.9</b>	<b>100.0%</b>	<b>250.9</b>	<b>100.0%</b>
Cost of sales	(103.2)	-41.3%	(103.2)	-41.3%	(101.7)	-40.5%	(101.7)	-40.5%
<b>Gross Margin</b>	<b>146.6</b>	<b>58.7%</b>	<b>146.6</b>	<b>58.7%</b>	<b>149.2</b>	<b>59.5%</b>	<b>149.2</b>	<b>59.5%</b>
Selling and marketing costs	(106.8)	-42.7%	(106.3)	-42.5%	(107.5)	-42.8%	(107.3)	-42.7%
General and administrative expenses	(13.5)	-5.4%	(13.3)	-5.3%	(14.0)	-5.6%	(14.0)	-5.6%
Other operating income and expenses	1.9	0.8%	1.9	0.8%	0.2	0.1%	0.2	0.1%
<b>EBITDA</b>	<b>28.3</b>	<b>11.3%</b>	<b>29.0</b>	<b>11.6%</b>	<b>27.9</b>	<b>11.1%</b>	<b>28.2</b>	<b>11.2%</b>
Amortization-Depreciation	(9.9)	-4.0%	(9.9)	-4.0%	(8.3)	-3.3%	(8.3)	-3.3%
<b>Operating Profit</b>	<b>18.3</b>	<b>7.3%</b>	<b>19.0</b>	<b>7.6%</b>	<b>19.6</b>	<b>7.8%</b>	<b>19.9</b>	<b>7.9%</b>
Equity method investments	(4.6)	-1.8%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Net finance costs	(11.0)	-4.4%	(11.0)	-4.4%	(23.4)	-9.3%	(10.3)	-4.1%
<b>Profit before taxes</b>	<b>2.8</b>	<b>1.1%</b>	<b>8.1</b>	<b>3.2%</b>	<b>(3.8)</b>	<b>-1.5%</b>	<b>9.6</b>	<b>3.8%</b>
Income tax expense	(1.6)	-0.6%	(1.7)	-0.7%	(0.2)	-0.1%	(3.4)	-1.4%
<b>Net Result</b>	<b>1.2</b>	<b>0.5%</b>	<b>6.3</b>	<b>2.5%</b>	<b>(4.0)</b>	<b>-1.6%</b>	<b>6.2</b>	<b>2.5%</b>

## Key Adjustments

- 1H 2017 €13.1m bond refinancing costs

# Statement of Financial Position

Balance Sheet (EURm)	1H 2018	FY 2017	Delta
Trade receivables	95.6	82.1	13.5
Inventory	127.0	122.6	4.4
Trade Payables	(128.8)	(126.8)	(2.0)
<b>Trade Working Capital</b>	<b>93.9</b>	<b>77.9</b>	<b>16.0</b>
Other assets and liabilities	(27.3)	(29.5)	2.2
<b>NET WORKING CAPITAL</b>	<b>66.6</b>	<b>48.4</b>	<b>18.2</b>
Total Fixed Assets	404.9	399.1	5.8
Funds	(8.0)	(7.8)	(0.2)
<b>NET INVESTED CAPITAL</b>	<b>463.5</b>	<b>439.7</b>	<b>23.7</b>
Net Financial Position	257.0	237.4	19.5
Equity	206.5	202.3	4.2
<b>COVERAGE OF NIC</b>	<b>463.5</b>	<b>439.7</b>	<b>23.7</b>

# Net Financial Position

	1H 2017	FY 2017	1H 2018
<b>(EURm)</b>			
Current financial liabilities	53.1	39.4	49.9
Non current financial liabilities	259.5	261.2	258.8
<b>Financial Liabilities</b>	<b>312.6</b>	<b>300.6</b>	<b>308.6</b>
<b>Financial Assets *</b>	<b>53.8</b>	<b>63.2</b>	<b>51.7</b>
<b>Net Financial Position</b>	<b>258.8</b>	<b>237.4</b>	<b>257.0</b>
Revolving Credit Facility	25.0	10.0	19.0
Short term borrowings from Banks	10.9	7.7	10.9
Current Financial Loan	15.3	19.5	17.9
Bond accrued interests	1.5	1.4	1.4
Current Financial Lease	0.4	0.7	0.7
<b>Current financial liabilities</b>	<b>53.1</b>	<b>39.4</b>	<b>49.9</b>
Senior Secured bonds	250.0	250.0	250.0
Non Current Financial Loan	7.6	5.5	3.5
Non Current Financial Lease and other	1.9	5.8	5.2
<b>Non Current financial liabilities</b>	<b>259.5</b>	<b>261.2</b>	<b>258.8</b>

\* Financial Assets include bond amortized fees, accounted on Financial Liabilities on the Condensed Consolidated Statement of Financial Position.

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