

# MARCOLIN

EYEWEAR



Investors Presentation  
Q3 Report September 30, 2018

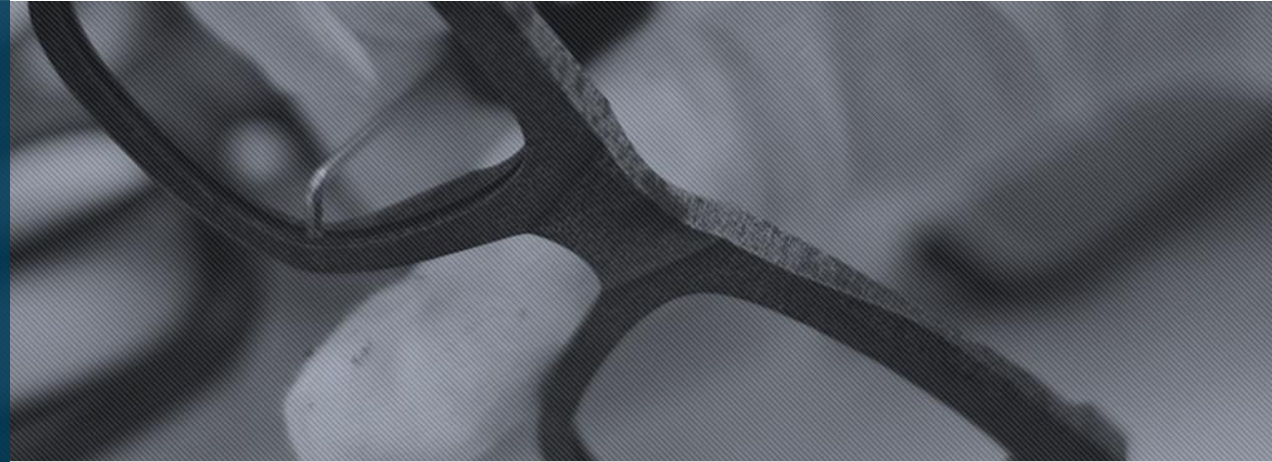
October 26th, 2018

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# Agenda



- **Key consolidated financials: Q3 2018**
- Appendix

## Sales

Consolidated Net Sales increase +1% vs. PY at curr. FX, while +6% at const. FX due to USD devaluation. Net Sales increase at const. FX is mainly driven by TF (+8%), SK (+21%), GU (+7%) and TB (+47%).

Q3 2018

**345**

+1% PY @ curr FX  
+6% PY @ const FX

Q3 2017

**342**

## EBITDA

3Q 18 EBITDA Reported is **€ 35m**, flat vs. PY.

3Q 18 EBITDA Adjusted \* is **€ 37m**, +1% vs. PY (€36m, 10.6% on NS).

Q3 2018  
Reported

**35**

**10.1%** On Net Sales

Q3 2018  
Adjusted \*

**37**

+1% PY

**10.6%** On Net Sales

## Net Debt

Compared to FY17 (€ 237m), 3Q 18 shows a change mostly due to the budgeted capital increase to the associate entity Thélios SpA and trade working capital seasonality.

Q3 2018

**257**

Leverage **4.6x**

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



345

million EUR

Q3 2018

Global sales

By market destination

+1% vs PY @ curr FX

+6% vs PY @ const FX

Americas

141

Mill. EUR

-2%

+6% @ const FX

41%

Europe

133

Mill. EUR

+2%

+3% @ const FX

39%

Asia

21

Mill. EUR

+5%

+12% @ const FX

6%

RoW

50

Mill. EUR

+6%

+8% @ const FX

14%

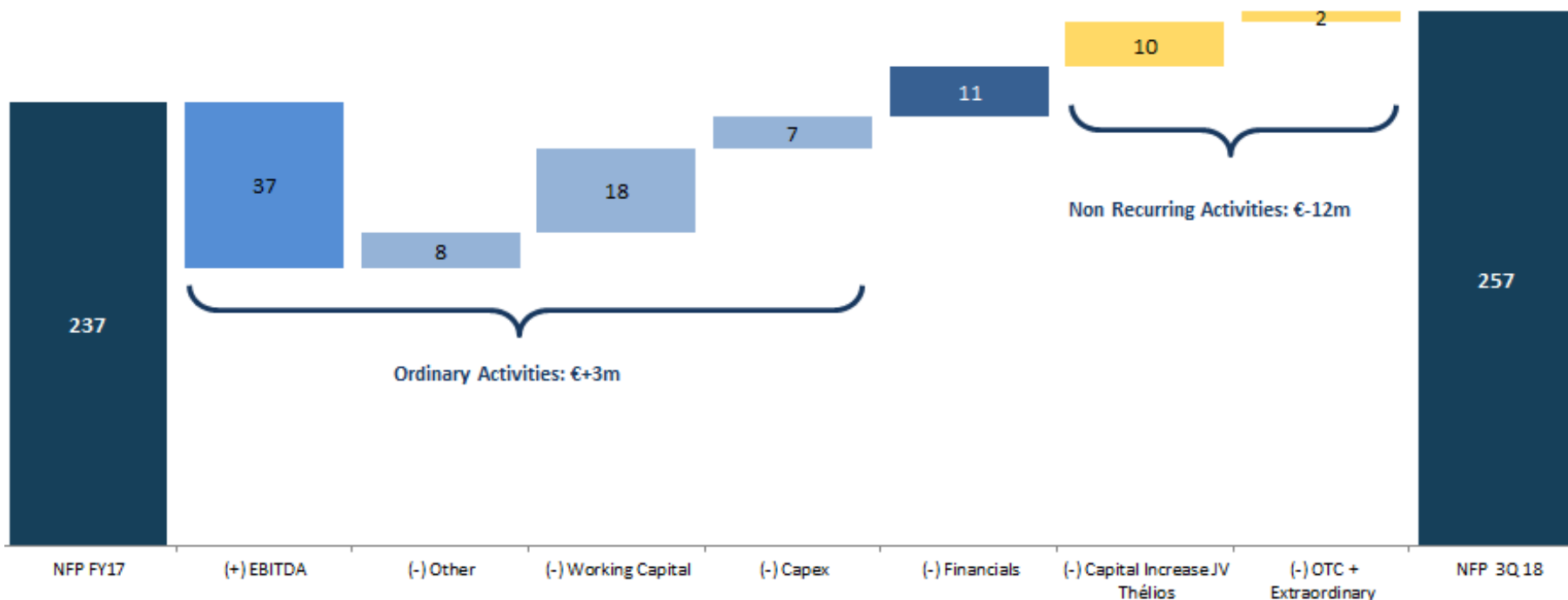
# Consolidated Income Statement

| (EURm)          | 3Q 2018  |      | 3Q 2017  |      |
|-----------------|----------|------|----------|------|
|                 | Reported | %NS  | Reported | %NS  |
| Net sales       | 345      | 100% | 342      | 100% |
| Gross Margin    | 203      | 59%  | 204      | 60%  |
| EBITDA          | 35       | 10%  | 35       | 10%  |
| EBIT            | 21       | 6%   | 22       | 7%   |
| EBITDA ADJUSTED | 37       | 11%  | 36       | 11%  |

## Key observations

- **Net Sales:** the increase compared to PY is +1% (+€3m) at curr FX, while is +6% (+€19m) at const FX.
- **GM:** continuous strong and solid performance of GM, different sales mix driving lower percentage versus 3Q 2017.
- **EBITDA Reported and Adjusted:** % in line with PY.

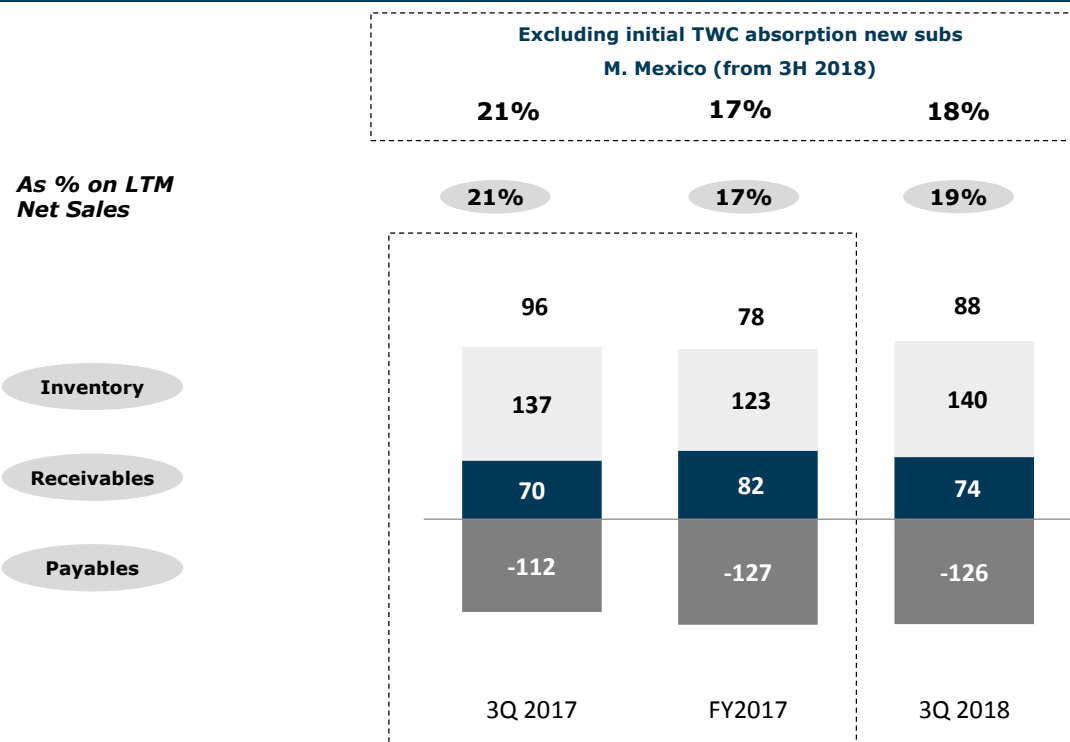
# Consolidated Cash Flow (Net Debt)



## Key observations

- **NFP:** 3Q 2018 NFP impacted by trade working capital seasonality and the budgeted capital increase to the associate entity Thélios SpA.

# Trade Working Capital

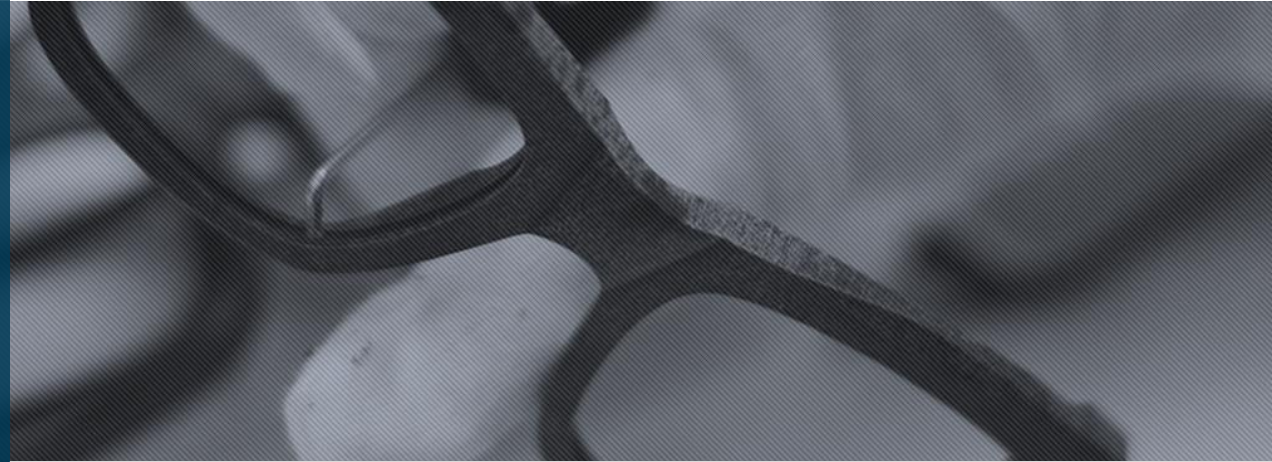


## Key observations

- **TWC:** Stability of the % on LTM Net Sales.
- **Trade Receivables:** 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 3Q 2017 despite the expected increase of 4Q 2018 sales and new subsidiary in Mexico initial inventory build-up.



# Agenda



- Key consolidated financials: Q3 2018
- **Appendix**

# Income Statement

| (EURm)                      | 3Q 2018    |             |            |             | 3Q 2017    |             |            |             |
|-----------------------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|
|                             | Reported   | %NS         | Adjusted   | %NS         | Reported   | %NS         | Adjusted   | %NS         |
| <b>Net sales</b>            | <b>345</b> | <b>100%</b> | <b>345</b> | <b>100%</b> | <b>342</b> | <b>100%</b> | <b>342</b> | <b>100%</b> |
| Cost of sales               | (143)      | -41%        | (142)      | -41%        | (137)      | -40%        | (137)      | -40%        |
| <b>Gross Margin</b>         | <b>203</b> | <b>59%</b>  | <b>203</b> | <b>59%</b>  | <b>204</b> | <b>60%</b>  | <b>204</b> | <b>60%</b>  |
| Selling and marketing costs | (150)      | -43%        | (149)      | -43%        | (149)      | -44%        | (149)      | -44%        |
| G&A expenses                | (20)       | -6%         | (20)       | -6%         | (20)       | -6%         | (20)       | -6%         |
| Other income and expenses   | 3          | 1%          | 3          | 1%          | 0          | 0%          | 0          | 0%          |
| <b>EBITDA</b>               | <b>35</b>  | <b>10%</b>  | <b>37</b>  | <b>11%</b>  | <b>35</b>  | <b>10%</b>  | <b>36</b>  | <b>11%</b>  |
| Amortization-Depreciation   | (14)       | -4%         | (14)       | -4%         | (13)       | -4%         | (13)       | -4%         |
| <b>Operating Profit</b>     | <b>21</b>  | <b>6%</b>   | <b>23</b>  | <b>7%</b>   | <b>22</b>  | <b>7%</b>   | <b>23</b>  | <b>7%</b>   |
| Equity method investments   | (7)        | -2%         | (0)        | 0%          | 0          | 0%          | 0          | 0%          |
| Net finance costs           | (15)       | -4%         | (15)       | -4%         | (27)       | -8%         | (14)       | -4%         |
| <b>Profit before taxes</b>  | <b>(2)</b> | <b>-1%</b>  | <b>7</b>   | <b>2%</b>   | <b>(5)</b> | <b>-2%</b>  | <b>9</b>   | <b>3%</b>   |
| Income tax expense          | (1)        | 0%          | (2)        | -1%         | 0          | 0%          | (3)        | -1%         |
| <b>Net Result</b>           | <b>(3)</b> | <b>-1%</b>  | <b>6</b>   | <b>2%</b>   | <b>(5)</b> | <b>-1%</b>  | <b>6</b>   | <b>2%</b>   |

## Key Adjustments

- 3Q 2017 €13m bond refinancing costs

# Statement of Financial Position

| <b>Balance Sheet (EURm)</b>  | <b>3Q 2018</b> | <b>FY 2017</b> | <b>Delta</b> |
|------------------------------|----------------|----------------|--------------|
| Trade receivables            | 74.3           | 82.1           | (7.8)        |
| Inventory                    | 139.5          | 122.6          | 17.0         |
| Trade Payables               | (126.2)        | (126.8)        | 0.6          |
| <b>Trade Working Capital</b> | <b>87.7</b>    | <b>77.9</b>    | <b>9.8</b>   |
| Other assets and liabilities | (17.1)         | (29.5)         | 12.4         |
| <b>NET WORKING CAPITAL</b>   | <b>70.5</b>    | <b>48.4</b>    | <b>22.2</b>  |
| Total Fixed Assets           | 397.5          | 399.1          | (1.7)        |
| Funds                        | (8.1)          | (7.8)          | (0.4)        |
| <b>NET INVESTED CAPITAL</b>  | <b>459.9</b>   | <b>439.7</b>   | <b>20.1</b>  |
| Net Financial Position       | 257.2          | 237.4          | 19.8         |
| Equity                       | 202.6          | 202.3          | 0.3          |
| <b>COVERAGE OF NIC</b>       | <b>459.9</b>   | <b>439.7</b>   | <b>20.1</b>  |

# Net Financial Position

|  | 3Q 2017      | FY 2017      | 3Q 2018      |
|--|--------------|--------------|--------------|
| <b>(EURm)</b>                            |              |              |              |
| Current financial liabilities            | 59.0         | 39.4         | 50.9         |
| Non current financial liabilities        | 260.7        | 261.2        | 257.8        |
| <b>Financial Liabilities</b>             | <b>319.7</b> | <b>300.6</b> | <b>308.7</b> |
| <b>Financial Assets *</b>                | <b>51.1</b>  | <b>63.2</b>  | <b>51.5</b>  |
| <b>Net Financial Position</b>            | <b>268.6</b> | <b>237.4</b> | <b>257.2</b> |
| Revolving Credit Facility                | 30.0         | 10.0         | 21.0         |
| Short term borrowings from Banks         | 8.0          | 7.7          | 7.7          |
| Current Financial Loan                   | 19.2         | 19.5         | 20.2         |
| Bond accrued interests                   | 1.5          | 1.4          | 1.4          |
| Current Financial Lease                  | 0.4          | 0.7          | 0.6          |
| <b>Current financial liabilities</b>     | <b>59.0</b>  | <b>39.4</b>  | <b>50.9</b>  |
| Senior Secured bonds                     | 250.0        | 250.0        | 250.0        |
| Non Current Financial Loan               | 6.0          | 5.5          | 2.8          |
| Non Current Financial Lease and other    | 4.7          | 5.8          | 5.0          |
| <b>Non Current financial liabilities</b> | <b>260.7</b> | <b>261.2</b> | <b>257.8</b> |

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

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