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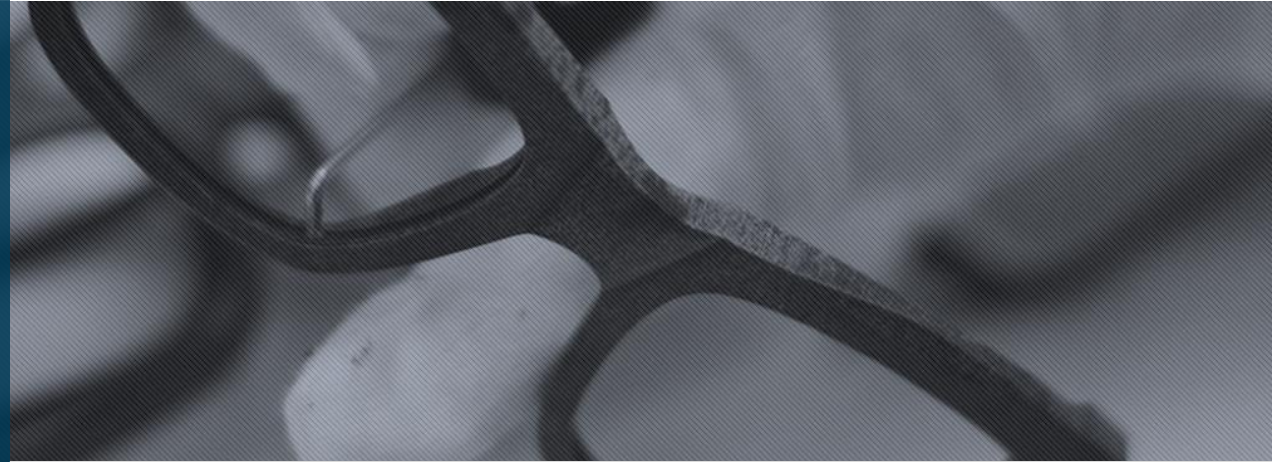
Investors Presentation
Q3 2019 Financial Results

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Agenda



- **Key consolidated financials: Q3 2019**
- Appendix

Sales

Consolidated Net Sales increase +3.3% vs. PY at curr. FX, while +0.6% at const FX.
Net Sales increase at const. FX is mainly driven by SK (+16%), GU (+4%), TF (+8%).

Q3 2019

357

+3.3% PY @ curr FX
+0.6% PY @ const FX

Q3 2018

345

EBITDA

Q3 2019 EBITDA Reported is € **31.5m**, while PY is €34.9m (11.3% on NS).
Q3 2019 EBITDA Adjusted⁽¹⁾ is € **34.2m**, while PY is €36.6m (11.6% on NS).

Q3 2019
Adjusted ⁽¹⁾

34

-6.6% PY

9.6% On Net Sales

Q3 2018
Adjusted ⁽¹⁾

37

10.6% On Net Sales

Net Debt

Compared to FY 2018 (€ 234m), Q3 2019 Adjusted⁽²⁾ shows a change mostly due trade working capital seasonality.

Q3 2019
Reported

282

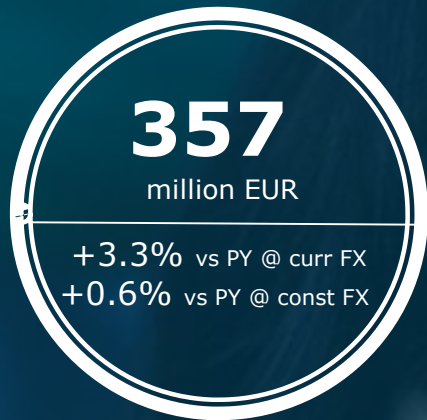
Q3 2019
Adjusted ⁽²⁾

263

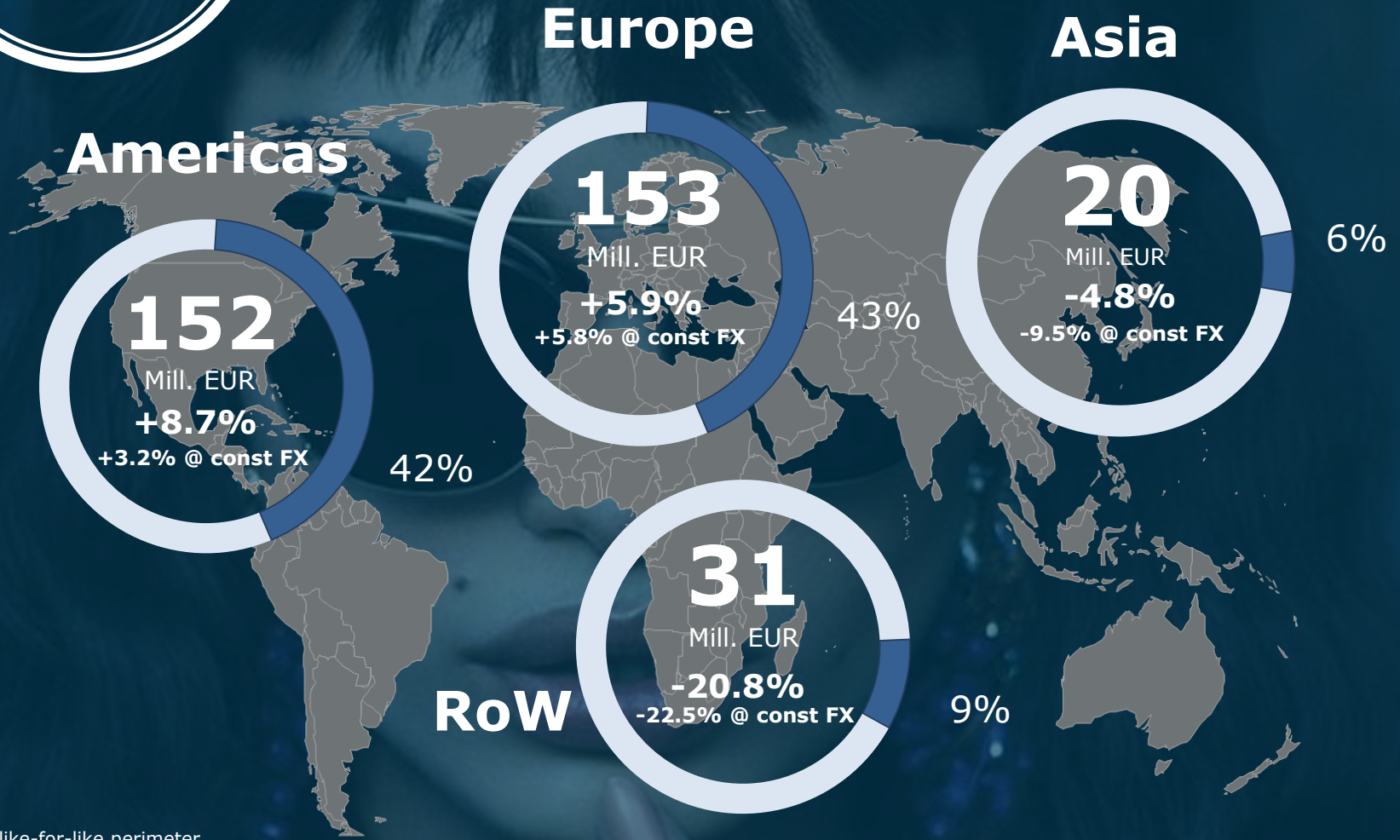
Leverage
4.8x

(1) EBITDA Adjusted excludes one-off elements (both Q3 19 and Q3 18) and IFRS 16 first application effects (only Q3 19).

(2) NFP Adjusted excludes IFRS 16 effect.



Q3 2019
Global sales
By market destination



PY like-for-like perimeter

Consolidated Income Statement

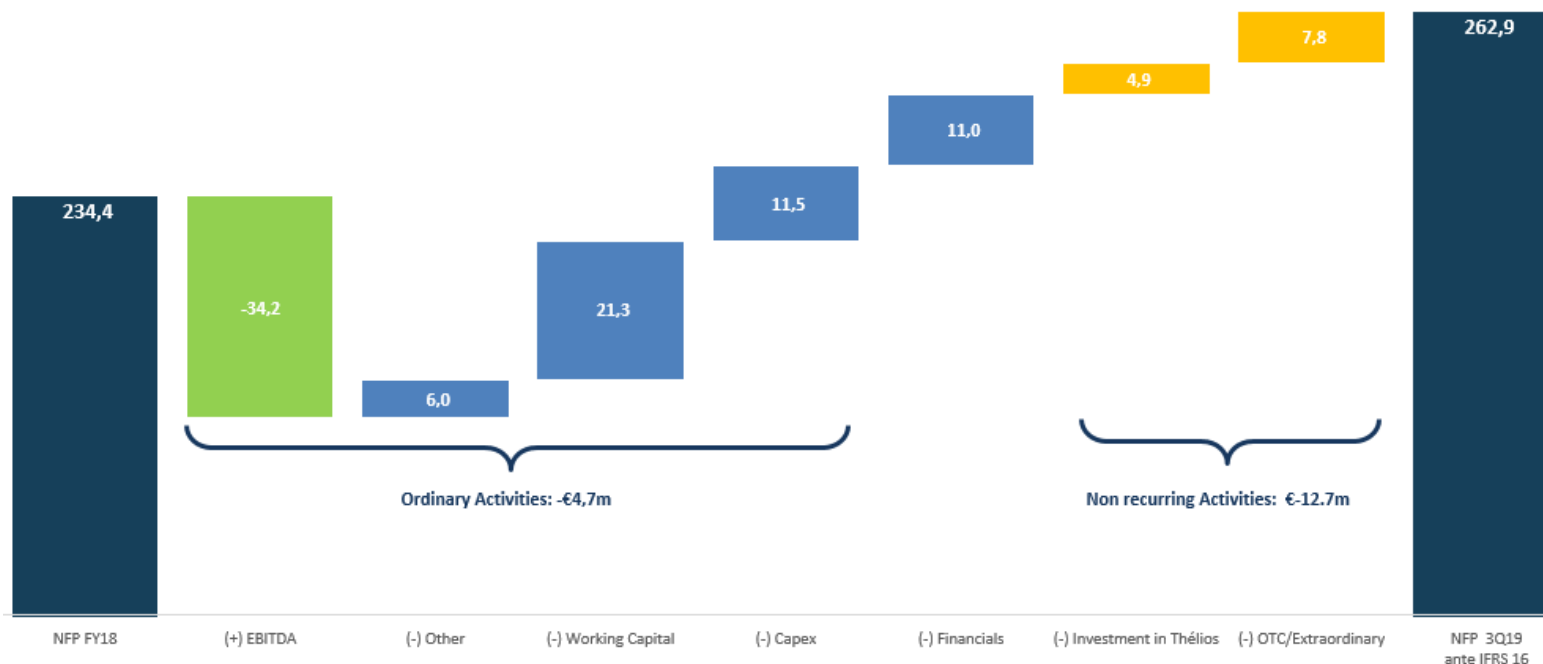
(EURm)	Q3 2019		Q3 2018	
	Adjusted	%NS	Adjusted	%NS
Net sales	357	100,0%	345	100,0%
Gross Margin	210	59,0%	203	58,8%
EBITDA	34	9,6%	37	10,6%
EBIT	19	5,2%	23	6,6%

Key observations

- **Net Sales:** the increase compared to PY is +3.3% (+€11.4m) at curr FX, while is +0.6% (+€1.9m) at const FX.
- **GM:** continuous strong and solid performance of GM
- **EBITDA:** driven by good costs control. Different costs mix driving slight % decrease, recovery expected by year-end.

Positive FX on Nets Sales is offset by similar negative effect on costs (neutral FX effect at EBITDA level).

Consolidated Cash Flow (Net Debt)

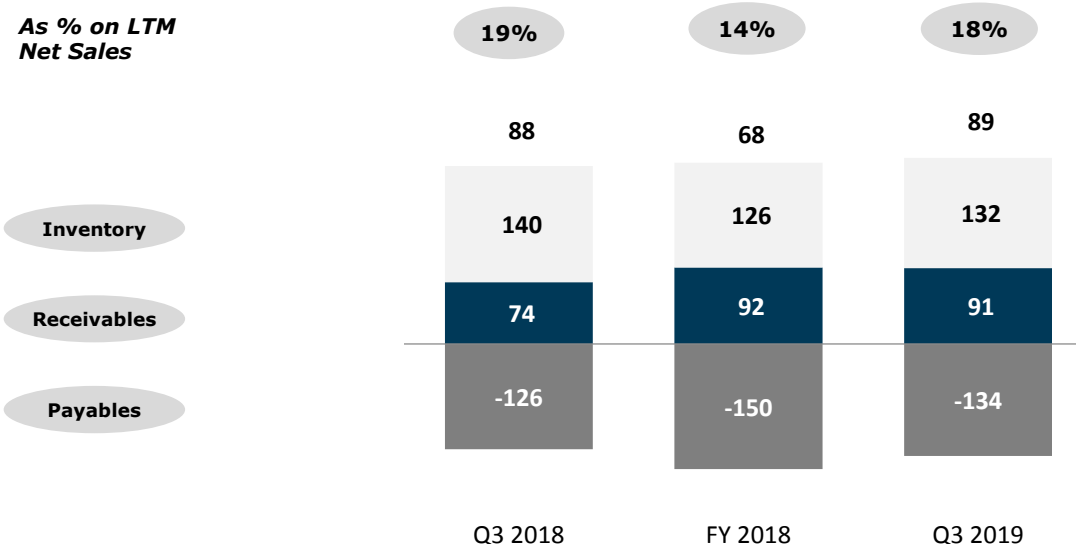


↓
Leverage ratio
4.8x

Key observations

- **NFP:** Q3 2019 NFP impacted by trade working capital seasonality.
- **Non recurring activities:** mainly LVMH JV capital increase and other one time costs.
- **IFRS 16 Effect:** NFP Reported is €281.6m

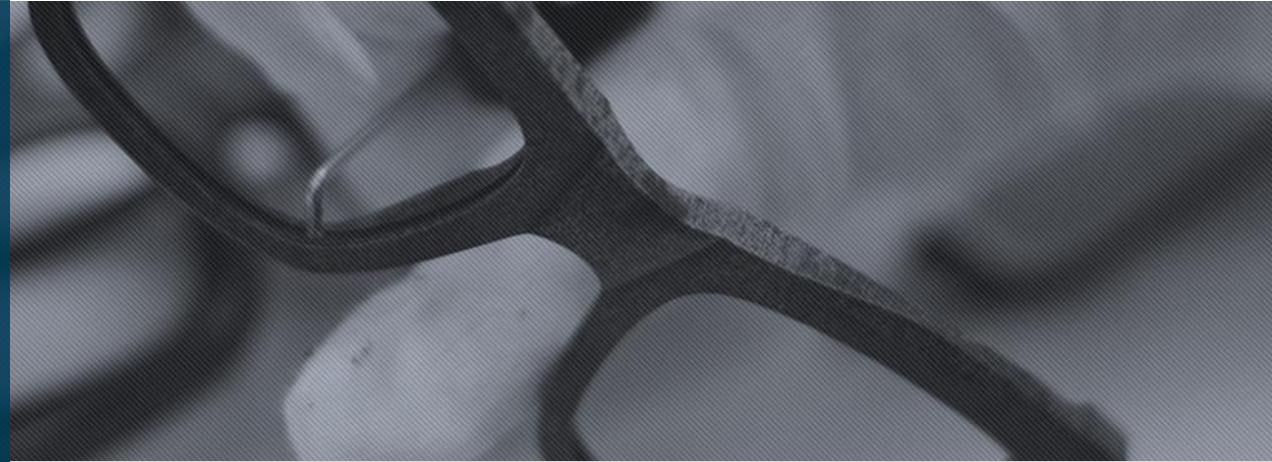
Trade Working Capital



Key observations

- **Trade Receivables:** stable compared to FY18, different sales mix compared to Q3 2018. DSO index keeps maintaining a great level.
- **Trade Payables:** decreased compared to FY18 mainly due to seasonality effects
- **Inventory:** Good stock management, increased vs FY18 due to seasonality effect on sales.

Agenda



- Key consolidated financials: Q3 2019
- **Appendix**

Income Statement

(EURm)	Q3 2019				Q3 2018			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	357	100,0%	357	100,0%	345	100,0%	345	100,0%
Cost of sales	(146)	-41,0%	(146)	-41,0%	(143)	-41,3%	(142)	-41,3%
Gross Margin	210	59,0%	210	59,0%	203	58,7%	203	58,7%
Selling and marketing costs	(155)	-43,6%	(158)	-44,3%	(150)	-42,7%	(149)	-42,5%
G&A expenses	(26)	-7,4%	(21)	-6,0%	(20)	-5,4%	(20)	-5,3%
Other income and expenses	3	0,8%	3	0,8%	3	0,8%	3	0,8%
EBITDA	31,5	8,8%	34,2	9,6%	34,9	11,3%	36,6	11,6%
Amortization-Depreciation	(20)	-5,6%	(16)	-4,4%	(14)	-4,0%	(14)	-4,0%
Operating Profit	12	3,3%	19	5,2%	21	7,3%	23	7,6%
Equity method investments	(9)	-2,5%	-	0,0%	(7)	-1,8%	(0)	0,0%
Net finance costs	(15)	-4,2%	(14)	-4,0%	(15)	-4,4%	(15)	-4,4%
Profit before taxes	(12)	-3,5%	4	1,2%	(2)	1,1%	7	3,2%
Income tax expense	(0)	-0,1%	(2)	-0,6%	(1)	-0,6%	(2)	-0,7%
Net Result	(13)	-3,6%	2	0,6%	(3)	0,5%	6	2,5%

(1) EBITDA Adjusted excludes one-off elements and IFRS 16 first application effects.

Statement of Financial Position

Balance Sheet (EURm)	Q3 2019 Reported	Q3 2019 Adjusted (2)	FY 2018
Trade receivables	91	91	92
Inventory	132	132	126
Trade Payables	(134)	(134)	(150)
Trade Working Capital	89	89	68
Other assets and liabilities	(13)	(13)	(15)
NET WORKING CAPITAL	77	77	53
Other non current assets	42	42	46
Equity investments	(3)	(3)	1
Property, plant and equipment	48	26	30
Intangible assets	51	51	47
Goodwill	291	291	287
Total Fixed Assets	429	407	411
Funds	(22)	(22)	(22)
NET INVESTED CAPITAL	484	462	442
Net Financial Position	282	263	234
Equity	202	202	207
COVERAGE OF NIC	484	465	442

(2) Adjusted column excludes IFRS 16 effect.

Marcolin Group used the “simplified approach”, that is to apply the new standard retrospectively with the cumulative effect of applying the standard recognized as an adjustment to the opening balance of retained earnings at the date of initial application (January 1, 2019) and not to restate prior periods. Therefore, comparative prior year periods would not be adjusted.

On Balance Sheet a lease liability is recognized in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17 Leases and the associated right-of-use assets measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018.

On P&L the rental costs are presented as depreciation of right-of-use and interest expenses with a positive impact on EBITDA.

The IFRS16 effect on Q3 2019 is shown in the table below:

Q3 2019 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	3.9
<i>(-) Asset depreciation</i>	<i>(3.9)</i>
<i>(-) interest expenses</i>	<i>(0.6)</i>
Net Result	(0.6)

1H 2019 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	18.7

Net Financial Position

(EURm)	Q3 2019 ⁽²⁾	FY 2018	Q3 2018
(a) Current financial liabilities	59	40	51
(b) Non current financial liabilities	257	257	258
Financial Liabilities	316	297	309
Financial Assets *	53	63	52
Net Financial Position	263	234	257
Revolving Credit Facility	30	10	21
Short term borrowings from Banks	8	10	8
Current Financial Loan	18	18	20
Bond accrued interests	1	1	1
Current Financial Lease	1	1	1
(a) Current financial liabilities	59	40	51
Senior Secured bonds	250	250	250
Non Current Financial Loan	1	2	3
Non Current Financial Lease and other	6	5	5
(b) Non Current financial liabilities	257	257	258

(2) NFP excludes IFRS 16 effect for comparative purposes.

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

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