

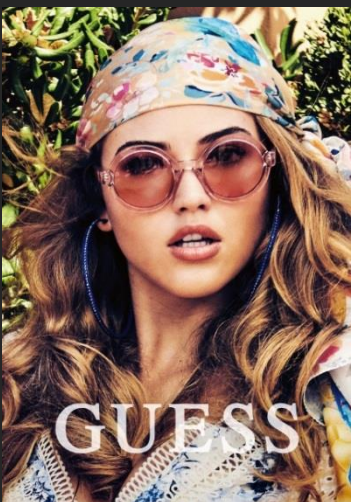
MARCOLIN

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WEB EYEWEAR



GUESS



VICTORIA'S SECRET
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EYEWEAR

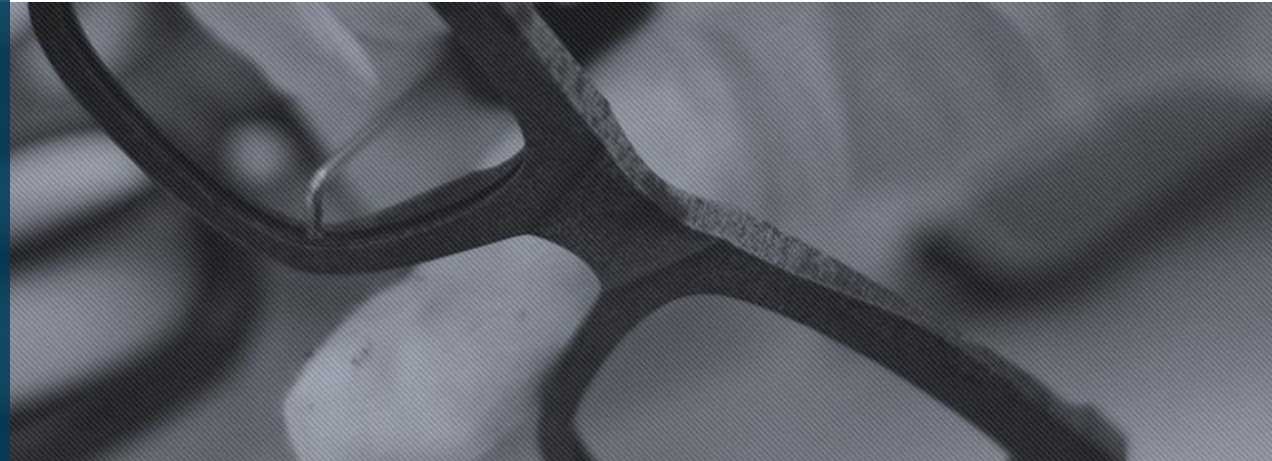
Investors Presentation
1H 2019 Financial Results

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Agenda



- **Key consolidated financials: 1H 2019**
- Appendix

Sales

Consolidated Net Sales increase +3.1% vs. PY at curr. FX, while +0.1% at const FX.
Net Sales increase at const. FX is mainly driven by SK (+18%), TB (+7%), GU (+5%), TF (+4%).

1H 2019

258

+3.1% PY @ curr FX
+0.1% PY @ const FX

1H 2018

250

EBITDA

1H 2019 EBITDA Reported is € 26.2m, while PY is €28.3m (11.3% on NS).
1H 2019 EBITDA Adjusted⁽¹⁾ is € 29.3m, while PY is €29.0m (11.6% on NS).

1H 2019
Adjusted ⁽¹⁾

29.3

+1.0% PY

11.4% On Net Sales

1H 2018
Adjusted ⁽¹⁾

29.0

11.6% On Net Sales

Net Debt

Compared to FY 2018 (€ 234m), 1H 2019 Adjusted⁽²⁾ shows a change mostly due trade working capital seasonality.

Q1 2019
Reported

273

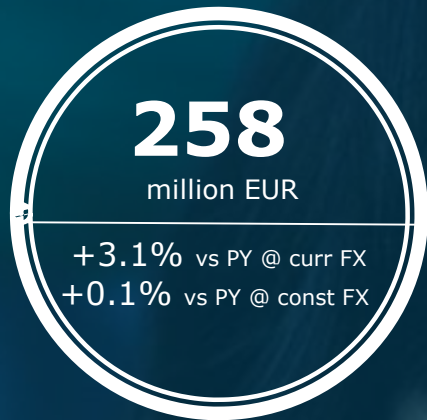
Q1 2019
Adjusted ⁽²⁾

255

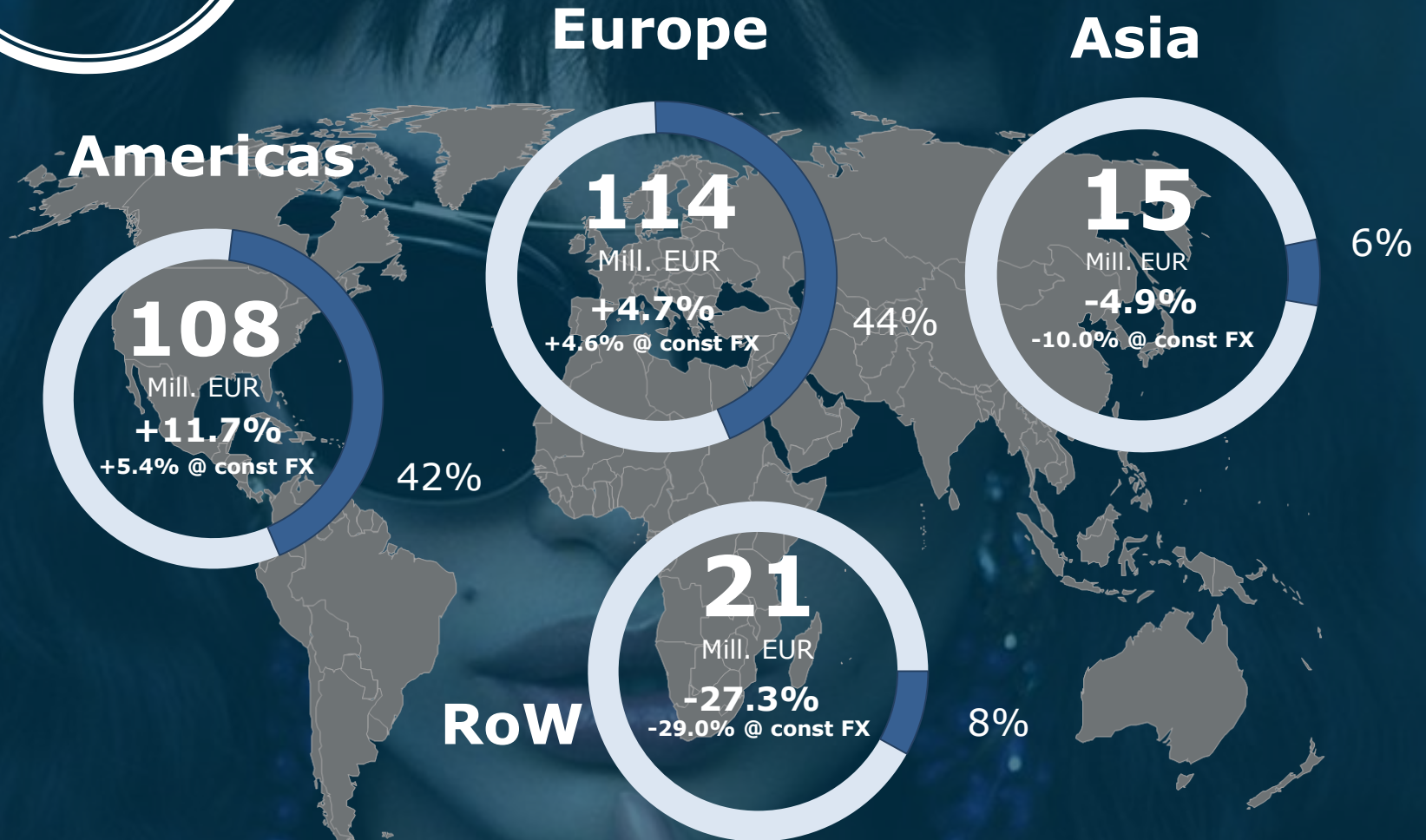
Leverage
4.4x

(1) EBITDA Adjusted excludes one-off elements (both 1H19 and 1H18) and IFRS 16 first application effects (only 1H19).

(2) NFP Adjusted excludes IFRS 16 effect.



1H 2019
Global sales
By market destination



PY like-for-like perimeter

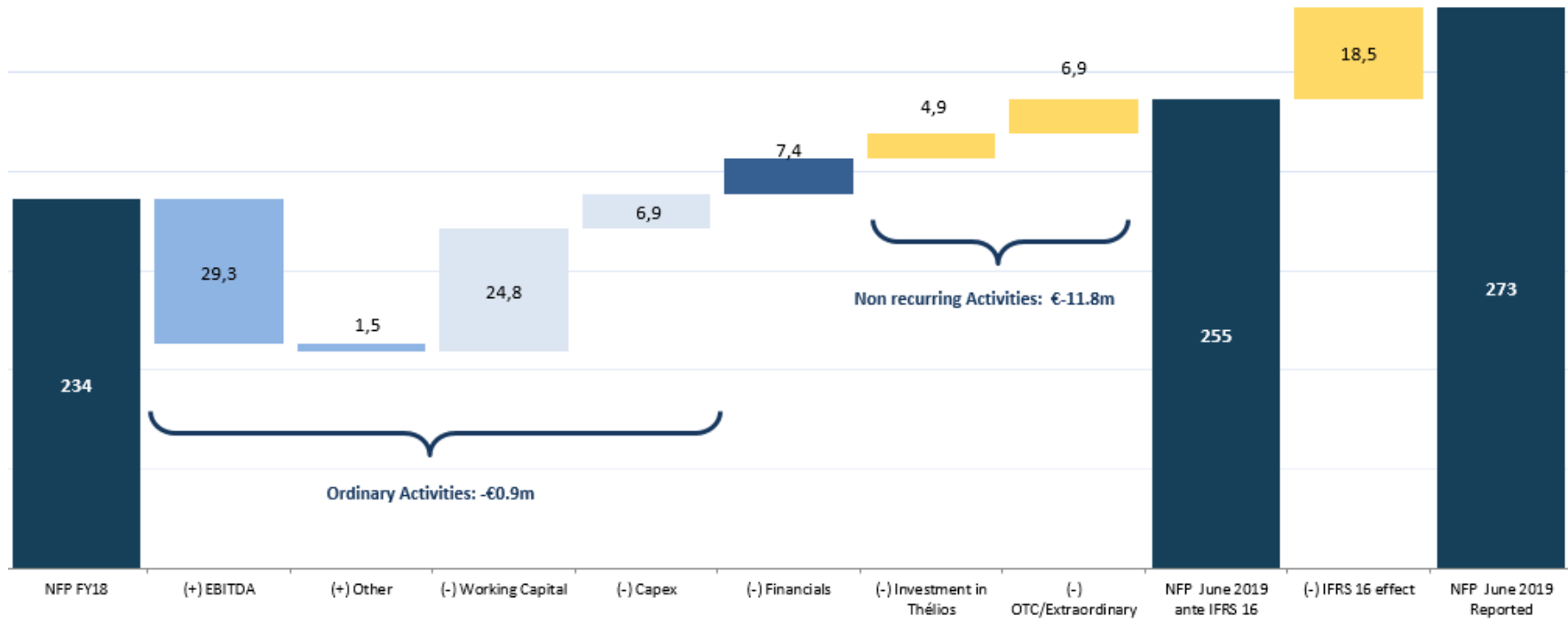
Consolidated Income Statement

(EURm)	1H 2019		1H 2018	
	Adjusted	%NS	Adjusted	%NS
Net sales	258	<i>100,0%</i>	250	<i>100,0%</i>
Gross Margin	151	<i>58,8%</i>	147	<i>58,7%</i>
EBITDA	29	<i>11,4%</i>	29	<i>11,6%</i>
EBIT	19	<i>7,3%</i>	19	<i>7,6%</i>

Key observations

- **Net Sales:** the increase compared to PY is +3.1% (+€7.8m) at curr FX, while is +0.1% (+€0.3m) at const FX.
- **GM:** continuous strong and solid performance of GM, fully recovered during 2Q19 the slight decrease experienced on 1Q19.
- **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)

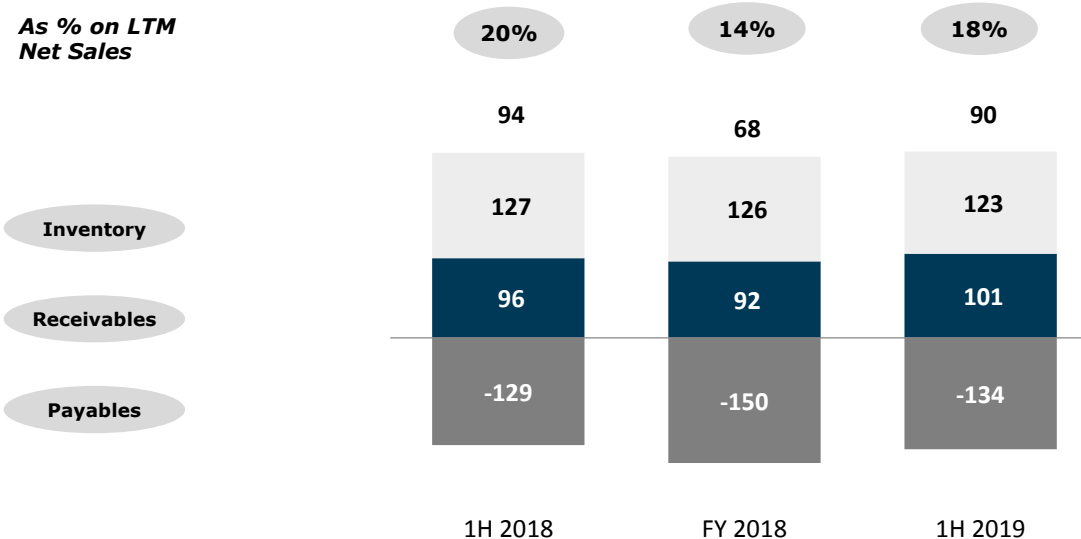


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Leverage ratio
4.4x

Key observations

- **NFP:** 1H 2019 NFP impacted by trade working capital seasonality.
- **Non recurring activities:** mainly LVMH JV capital increase and other one time costs.

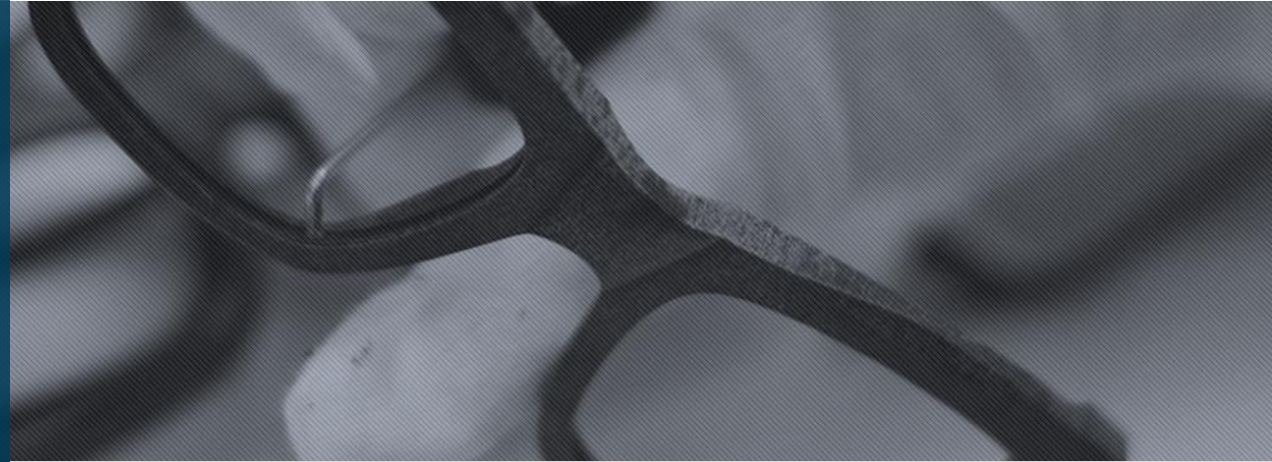
Trade Working Capital



Key observations

- **Trade Receivables:** good performance of DSO index which keeps maintaining great level.
- **Trade Payables:** similar level compared to 1H18.
- **Inventory:** Good stock management, decreased level both vs 1H18 and FY18.

Agenda



- Key consolidated financials: 1H 2019
- **Appendix**

Income Statement

(EURm)	1H 2019				1H 2018			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	258	100.0%	258	100.0%	250	100.0%	250	100.0%
Cost of sales	(106)	-41.2%	(106)	-41.2%	(103)	-41.3%	(103)	-41.3%
Gross Margin	151	58.8%	151	58.8%	147	58.7%	147	58.7%
Selling and marketing costs	(109)	-42.2%	(110)	-42.7%	(107)	-42.7%	(106)	-42.5%
G&A expenses	(19)	-7.3%	(14)	-5.6%	(14)	-5.4%	(13)	-5.3%
Other income and expenses	2	0.9%	2	0.9%	2	0.8%	2	0.8%
EBITDA	26	10.2%	29	11.4%	28	11.3%	29	11.6%
Amortization-Depreciation	(13)	-5.0%	(10)	-3.9%	(10)	-4.0%	(10)	-4.0%
Operating Profit	13	5.2%	19	7.5%	18	7.3%	19	7.6%
Equity method investments	(6)	-2.5%	-	0.0%	(5)	-1.8%	-	0.0%
Net finance costs	(9)	-3.5%	(9)	-3.3%	(11)	-4.4%	(11)	-4.4%
Profit before taxes	(2)	-0.8%	11	4.2%	3	1.1%	8	3.2%
Income tax expense	(2)	-0.7%	(3)	-1.3%	(2)	-0.6%	(2)	-0.7%
Net Result	(4)	-1.5%	7	2.9%	1	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)	1H 2019 Reported	1H 2019 Adjusted (2)	FY 2018
Trade receivables	101	101	92
Inventory	123	123	126
Trade Payables	(134)	(134)	(150)
Trade Working Capital	90	90	68
Other assets and liabilities	(16)	(16)	(15)
NET WORKING CAPITAL	75	75	53
Other non current assets	41	41	46
Equity investments	(0)	(0)	1
Property, plant and equipment	48	30	30
Intangible assets	50	50	47
Goodwill	287	287	287
Total Fixed Assets	426	407	411
Funds	(22)	(22)	(22)
NET INVESTED CAPITAL	478	460	442
Net Financial Position	273	255	234
Equity	205	205	207
COVERAGE OF NIC	478	460	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 1H 2019 is shown in the table below:

1H 2019 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	2.5
<i>(-) Asset depreciation</i>	<i>(2.4)</i>
<i>(-) interest expenses</i>	<i>(0.4)</i>
Net Result	(0.3)

1H 2019 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	18.5

Net Financial Position

	(EURm)	1H 2019 ⁽²⁾	FY 2018	1H 2018
(a)	Current financial liabilities	57	40	50
(b)	Non current financial liabilities	256	257	259
	Financial Liabilities	313	297	309
	Financial Assets *	59	63	52
	Net Financial Position	255	234	257
	Revolving Credit Facility	28	10	19
	Short term borrowings from Banks	9	10	11
	Current Financial Loan	18	18	18
	Bond accrued interests	1	1	1
	Current Financial Lease	1	1	1
(a)	Current financial liabilities	57	40	50
	Senior Secured bonds	250	250	250
	Non Current Financial Loan	2	2	4
	Non Current Financial Lease and other	4	5	5
(b)	Non Current financial liabilities	256	257	259

(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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