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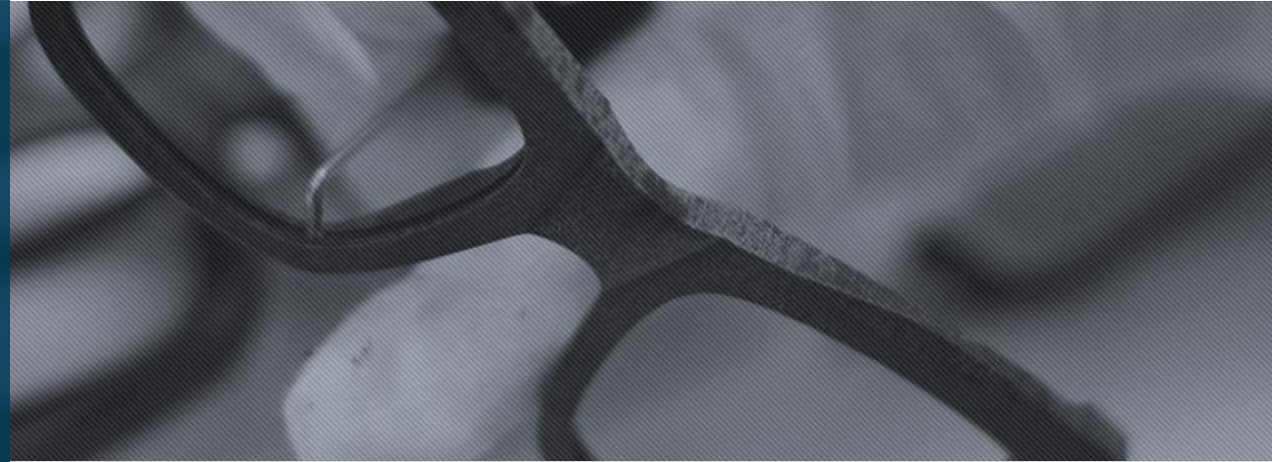
Investors Presentation
Q1 2019 Financial Results

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Agenda



- **Key consolidated financials: Q1 2019**
- Appendix

Sales

Consolidated Net Sales increase +6.3% vs. PY at curr. FX, while +3.0% at const FX.
 Net Sales increase at const. FX is mainly driven by SK (+20%), GU (+11%), TF (+4%).

Q1 2019
Q1 2018
130
122

+6.3% PY @ curr FX
 +3.0% PY @ const FX

EBITDA

Q1 2019 EBITDA Reported is **€ 16.2m**, while PY is €15.2m (12.5% on NS).
 Q1 2019 EBITDA Adjusted⁽¹⁾ is **€ 15.8m**, while PY is €15.6m (12.8% on NS).

*Q1 2019
 Reported*
*Q1 2019
 Adjusted⁽¹⁾*
16.2
15.8

+6.2% PY

+1.3% PY

12.4% On Net Sales

12.2% On Net Sales

Net Debt

Compared to FY 2018 (€ 234m), Q1 2019 Adjusted⁽²⁾ shows a change mostly due trade working capital seasonality.

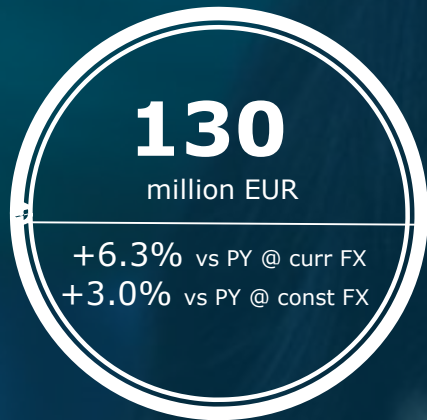
*Q1 2019
 Reported*
*Q1 2019
 Adjusted⁽²⁾*
275
257

Leverage
4.4x

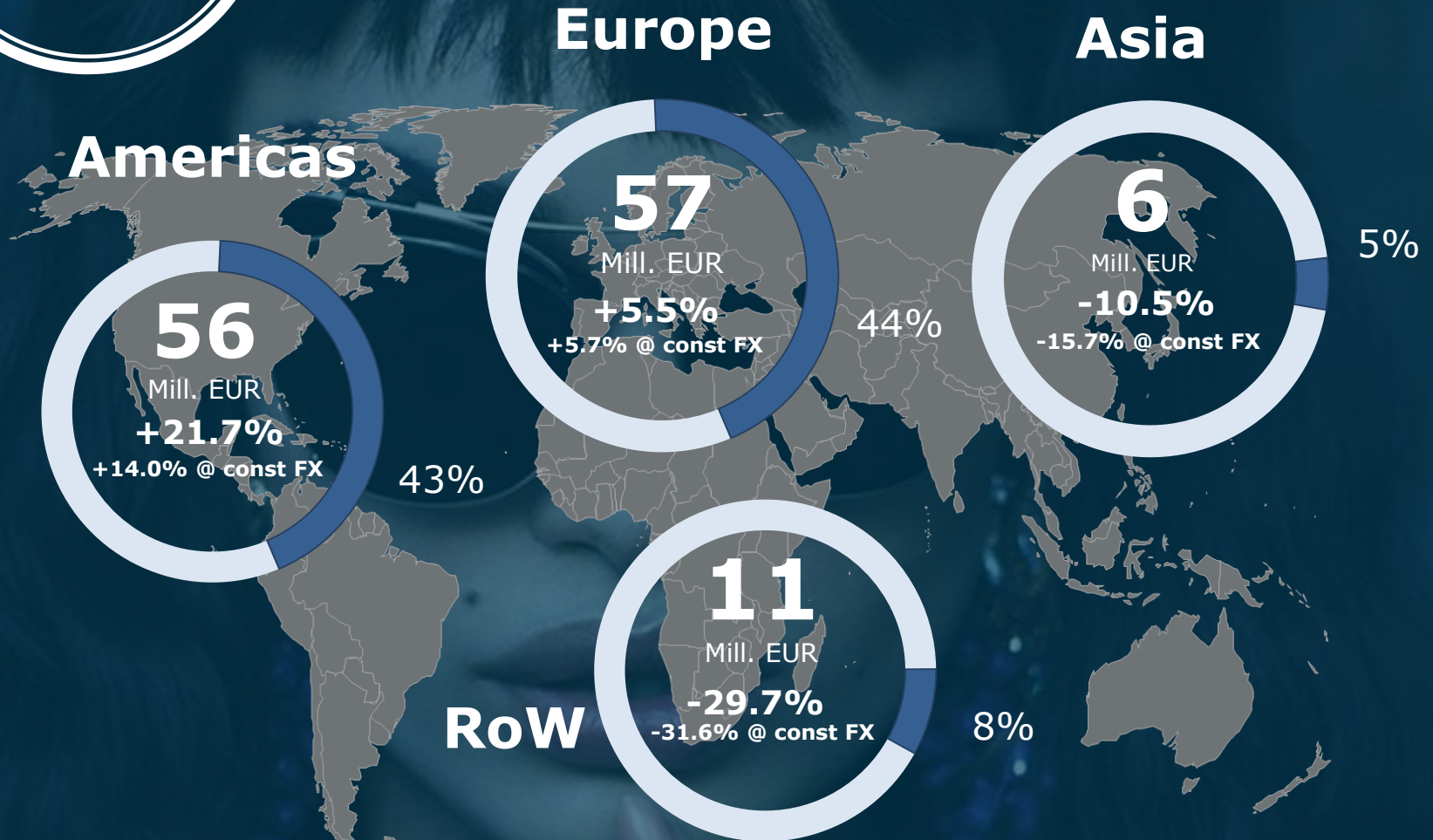
(1) EBITDA Adjusted excludes one-off elements and IFRS 16 first application effects.

(2) NFP Adjusted excludes IFRS 16 effect.

Refer to Appendix section for IFRS 16 cumulative effects on Q1 2019 financial figures.



Q1 2019
Global sales
By market destination



PY like-for-like perimeter

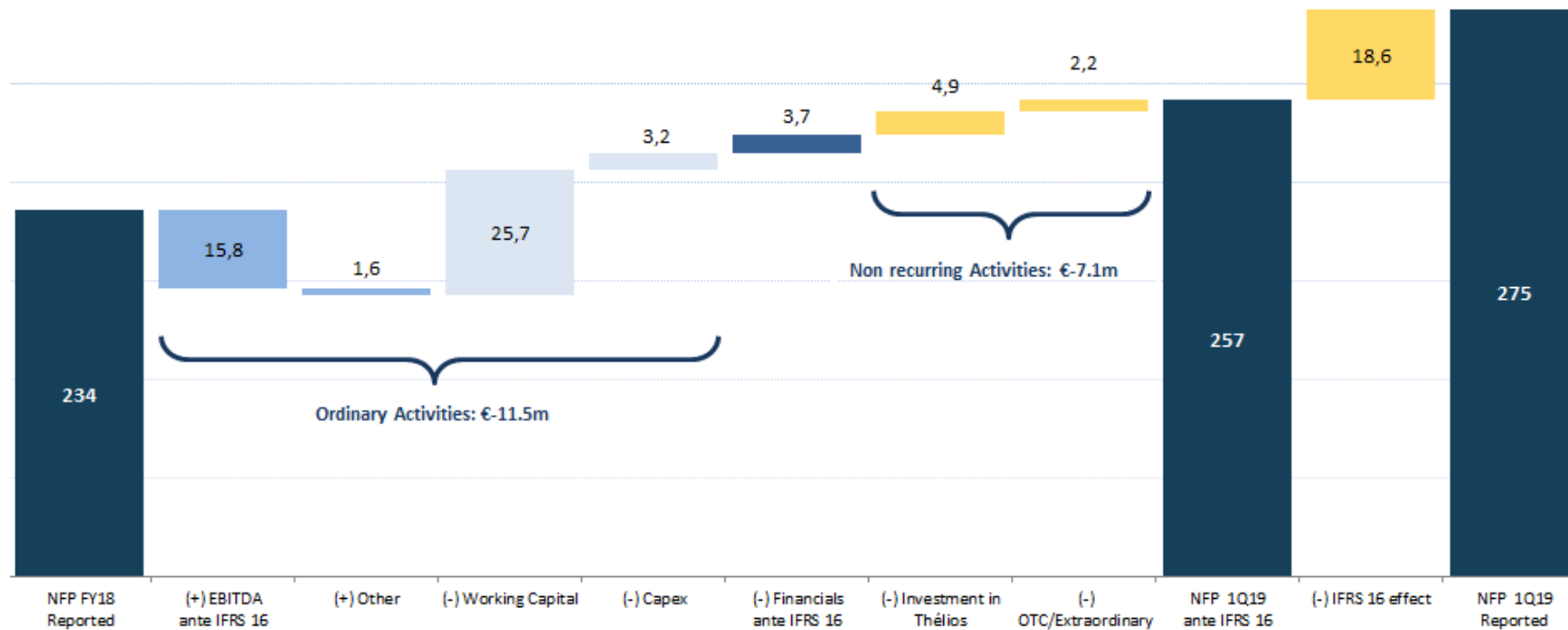
Consolidated Income Statement

(EURm)	Q1 2019		Q1 2018	
	Adjusted	%NS	Adjusted	%NS
Net sales	130	100.0%	122	100.0%
Gross Margin	77	59.5%	73	59.9%
EBITDA	16	12.2%	16	12.8%
EBIT	11	8.5%	11	8.8%

Key observations

- **Net Sales:** the increase compared to PY is +6.3% (+€7.7m) at curr FX, while is +3.0% (+€3.6m) at const FX.
- **GM:** continuous strong and solid performance of GM, different sales mix driving slightly lower percentage versus Q1 2018.
- **EBITDA:** driven by Gross margin trend and good costs control. Positive FX on Nets Sales is offset by similar negative effect on costs (neutral FX effect at EBITDA level).

Consolidated Cash Flow (Net Debt)

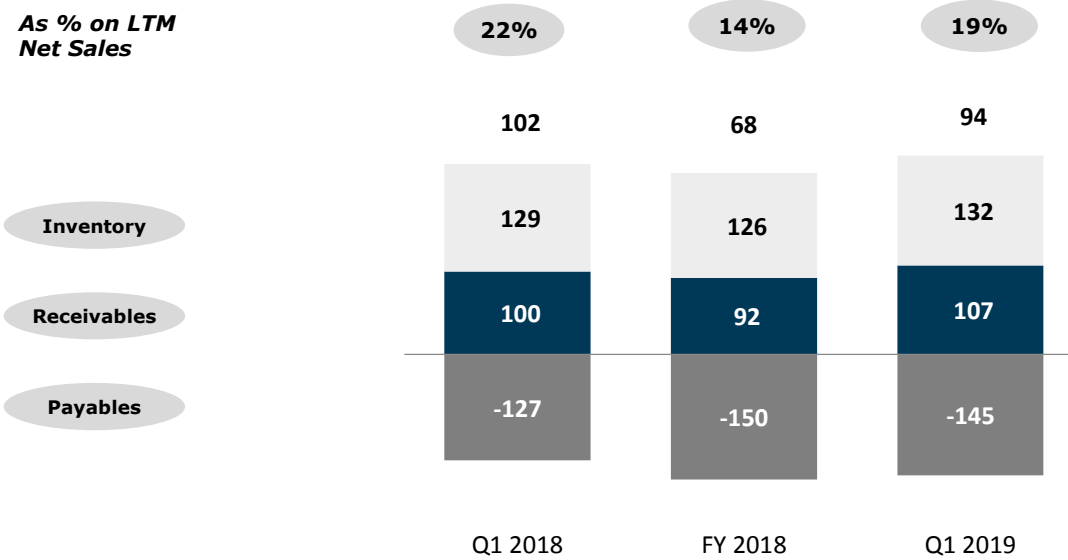


↓
Leverage ratio
4.4x

Key observations

- **NFP:** Q1 2019 NFP impacted by trade working capital seasonality.
- **Non recurring activities:** mainly LVMH JV capital increase and other minor one time costs.

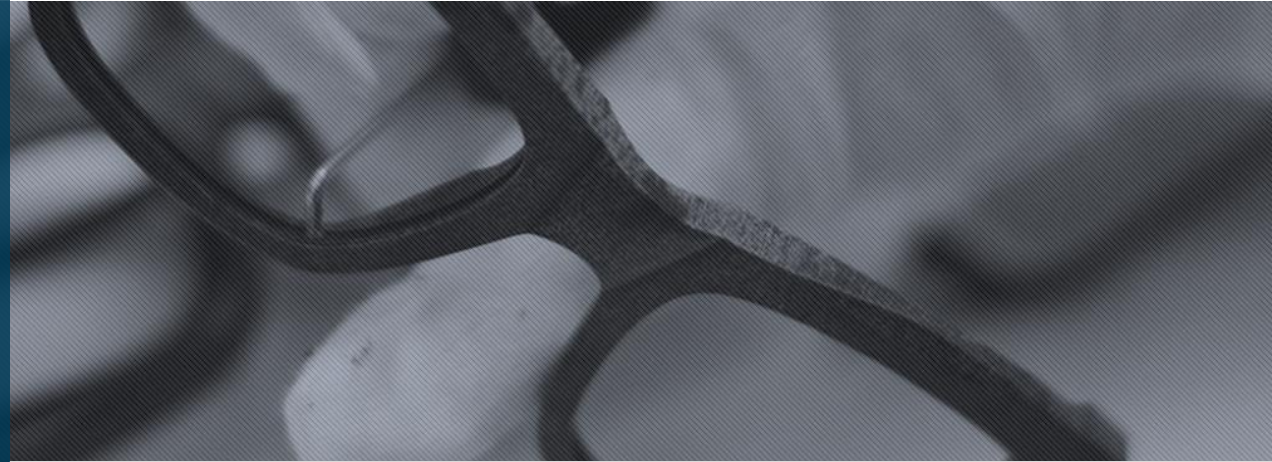
Trade Working Capital



Key observations

- **Trade Receivables:** sales seasonality...driving increase...good performance of DSO index which keeps maintaining great level.
- **Trade Payables:** stability of the amount compared to Dec. 2018.
- **Inventory:** Good stock management, similar level of Q1 18.

Agenda



- Key consolidated financials: Q1 2019
- **Appendix**

Income Statement

(EURm)	Q1 2019				Q1 2018			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	130	100.0%	130	100.0%	122	100.0%	122	100.0%
Cost of sales	(53)	-40.6%	(53)	-40.5%	(49)	-40.1%	(49)	-40.1%
Gross Margin	77	59.4%	77	59.5%	73	59.9%	73	59.9%
Selling and marketing costs	(54)	-41.6%	(55)	-42.2%	(52)	-42.7%	(52)	-42.5%
G&A expenses	(8)	-5.8%	(7)	-5.6%	(7)	-5.3%	(6)	-5.3%
Other income and expenses	1	0.5%	1	0.5%	1	0.6%	1	0.6%
EBITDA	16	12.4%	16	12.2%	15	12.5%	16	12.8%
Amortization-Depreciation	(6)	-4.6%	(5)	-3.7%	(5)	-4.0%	(5)	-4.0%
Operating Profit	10	7.8%	11	8.5%	10	8.5%	11	8.8%
Equity method investments	(2)	-1.9%	-	0.0%	(2)	-1.4%	-	0.0%
Net finance costs	(4)	-3.4%	(4)	-3.3%	(5)	-4.5%	(5)	-4.5%
Profit before taxes	3	2.5%	7	5.2%	3	2.6%	5	4.4%
Income tax expense	(1)	-0.7%	(1)	-0.9%	(1)	-1.0%	(1)	-1.1%
Net Result	2	1.8%	6	4.3%	2	1.6%	4	3.3%

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

Statement of Financial Position

Balance Sheet (EURm)	Q1 2019 Reported	Q1 2019 Adjusted (2)	FY 2018
Trade receivables	107	107	92
Inventory	132	132	126
Trade Payables	(145)	(145)	(150)
Trade Working Capital	94	94	68
Other assets and liabilities	(17)	(17)	(15)
NET WORKING CAPITAL	77	77	53
Other non current assets	46	46	46
Equity investments	4	4	1
Property, plant and equipment	49	30	30
Intangible assets	46	46	47
Goodwill	288	288	287
Total Fixed Assets	433	415	411
Funds	(21)	(21)	(22)
NET INVESTED CAPITAL	489	470	442
Net Financial Position	275	257	234
Equity	213	213	207
COVERAGE OF NIC	489	470	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 Q1 2019 is shown in the table below:

Q1 2019 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	1.3
<i>(-) Asset depreciation</i>	<i>(1.2)</i>
<i>(-) interest expenses</i>	<i>(0.2)</i>
Net Result	(0.2)

Q1 2019 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	18.6

Net Financial Position

	Q1 2019 Reported	Q1 2019 Adjusted ⁽²⁾	FY 2018 Reported
(EURm)			
(a) Current financial liabilities	60	56	40
(b) Non current financial liabilities	271	257	257
Financial Liabilities	332	313	297
Financial Assets *	56	56	63
Net Financial Position	275	257	234
Revolving Credit Facility	25	25	10
Short term borrowings from Banks	11	11	10
Current Financial Loan	18	18	18
Bond accrued interests	1	1	1
Current Financial Lease	5	1	1
(a) Current financial liabilities	60	56	40
Senior Secured bonds	250	250	250
Non Current Financial Loan	1	1	2
Non Current Financial Lease and other	20	6	5
(b) Non Current financial liabilities	271	257	257

(2) NFP Adjusted excludes IFRS 16 effect.

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

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