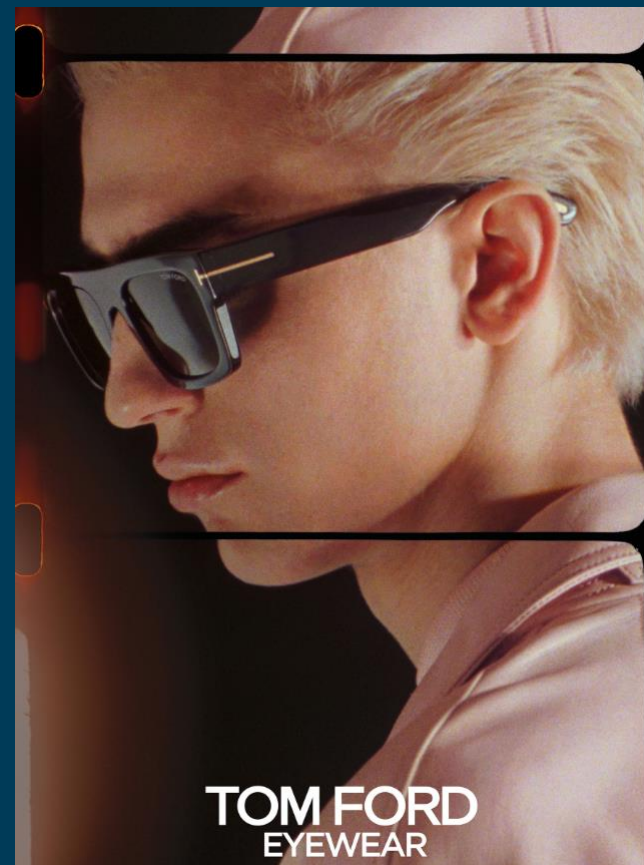


MARCOLIN

EYEWEAR



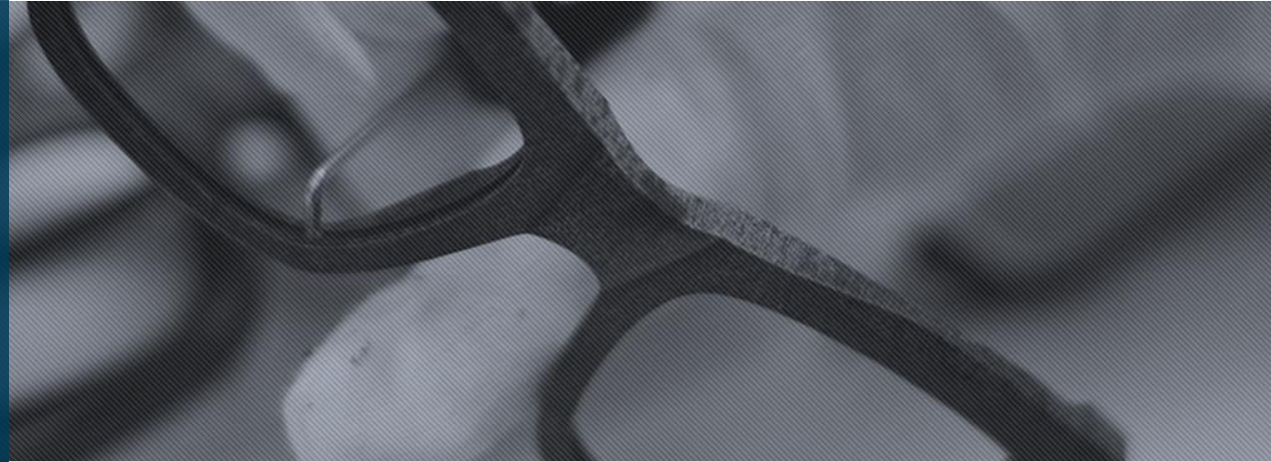
Investors Presentation
1H 2020 Financial Results

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Agenda



- **Covid-19 health emergency – update on business activities**
- Key consolidated financials: 1H 2020
- Appendix

Covid-19 health emergency – update on business activities

Current situation

1H20 has been highly impacted by the Covid-19 outbreak. January and February 2020 were modestly impacted by the shut-down of our Chinese suppliers, which are now back to normal activity levels. However, our business started to deteriorate more rapidly in the 2nd half of March, with complete lockdowns across Europe, the US and many other markets. Progressive recovery started in May and June. Full recovery in July, trend stays positive for the second half of the year.

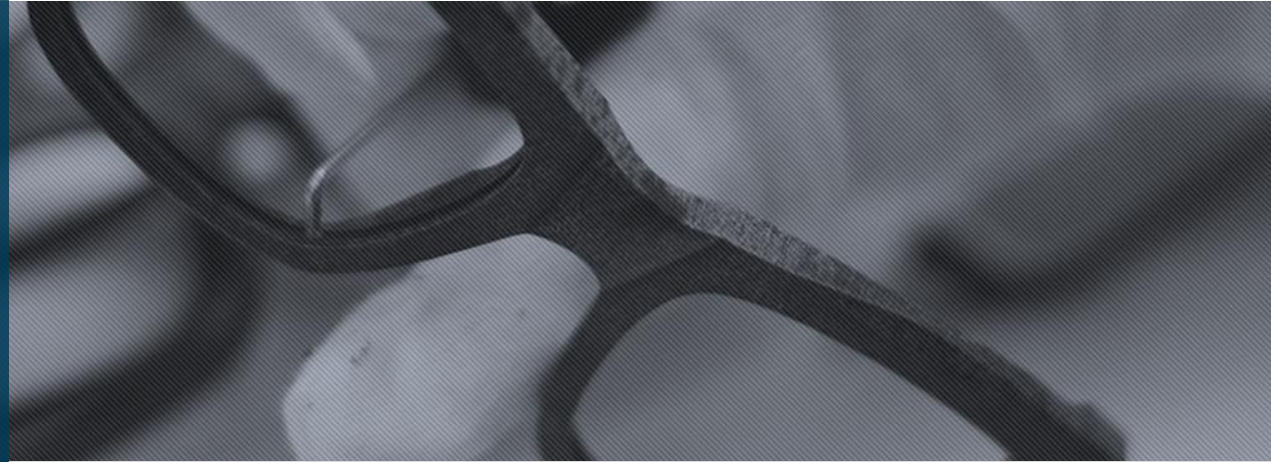
Actions

- *Protect the health and safety of all Marcolin's employees by implementing all necessary and required hygiene protocols in Italian factory and logistic hubs worldwide as well as promote remote working solutions for office staff*
- *Strong action plan in order to ensure business continuity and control costs and cash through:*
 - aligning manufacturing capacity utilization and sourcing to current market demand;
 - minimizing discretionary expenditures and suspending non-crucial investments;
 - strong cost control, optimizing marketing expenses, negotiating with suppliers and landlords, reducing manager compensation and government measures across various countries to control personnel costs (e.g. employee furlough);
 - focusing on WC through monitoring of inventory level and partnership with our customers and suppliers in order to align as much as possible cash inflows and outflows;
 - additional liquidity support through Eur25m shareholders loan and Eur50m SACE SpA guaranteed loan (Italian Law Decree No. 23/2020) and waiver on ssRCF financial covenant.

Outlook

Expected a recovery in 2H20. Positive signals in July 2020. It continues to be difficult to accurately predict the full impact of Covid-19 on FY20 results given the uncertainty of timing and pace of getting back to normality as Covid-19 spread currently persist in many part of the world.

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Sales

All Regions impacted by Covid-19:

- Q1: APAC full lockdown, EMEA lockdown in March;
- Q2: EMEA full lockdown in April with partial recovery from May, US localized lockdowns, Latam general lockdown and partial recovery in APAC;
- Asia impacted by Korea distributor change and Chinese subs reorganization.

1H 2020

142

-44.8% PY @ curr FX
-44.9% PY @ const FX

1H 2019

258

EBITDA

1H 2020 EBITDA Adjusted⁽¹⁾ is **€ 8.2m**, while PY is €29.3m. 1H 2020 EBITDA Reported is **€ 6.9m**, while PY is €26.2m.

Gross Margin: good product cost control and pricing policy on sales;
Ebitda: strong cost control, optimizing marketing expenses, negotiating with suppliers and landlords, reducing manager compensation and government measures across various countries to control personnel costs (e.g. employee furlough).

1H 2020
Adjusted ⁽¹⁾

8

5.8% On Net Sales

1H 2019
Adjusted ⁽¹⁾

29

11.4% On Net Sales

Net Debt

1H 2020 NFP Adjusted⁽²⁾ is positively impacted by:

- TWC control...aligning cash inflows and outflows
- Eur25m SHL...eligible to be treated as equity credit

1H 2020
Reported

292

1H 2020
Adjusted ⁽²⁾

251

(1) EBITDA Adjusted excludes one-off elements and IFRS 16 effects (both 1H 20 and 1H 19).

(2) NFP Adjusted excludes IFRS 16 effect and the Shareholder Loan issued by 3Cime SpA.

2020 Sales results – Monthly overview

Net sales EUR/m

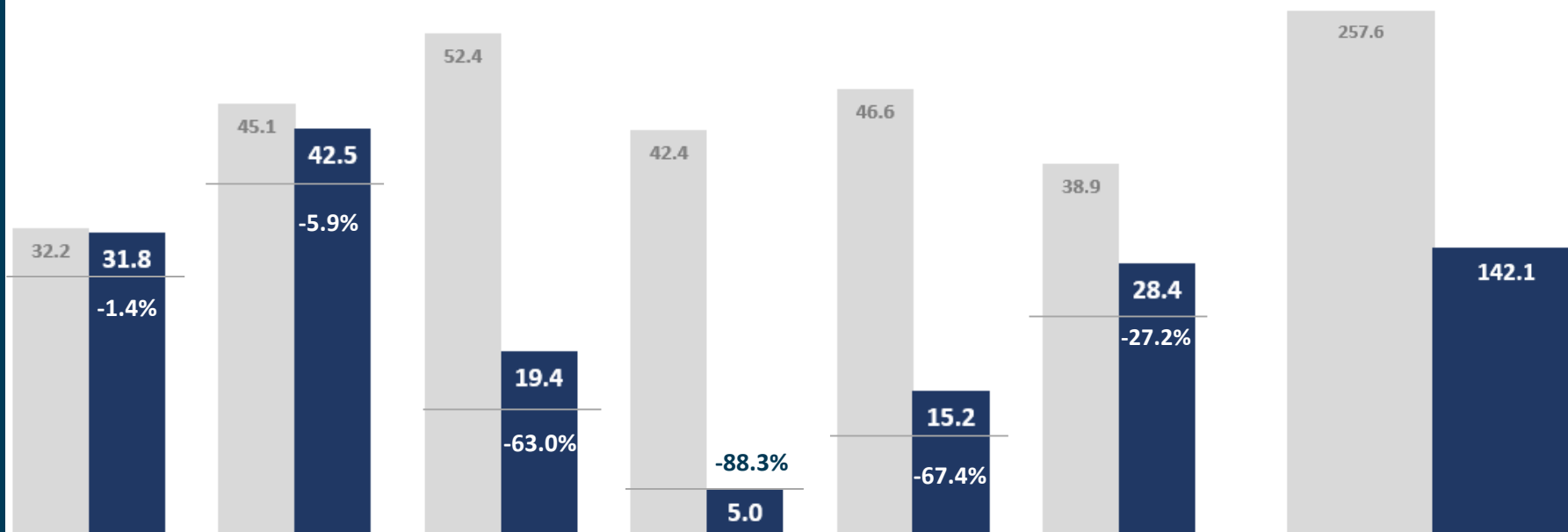
Delta % vs PY

EUR/m

142.1

-44.8%

■ 2019
■ 2020



Jan

Feb

Mar

Apr

May

June

1H 2020

1H 2020

Global sales
By market destination

142
million EUR

-44.8% PY @ curr FX
-44.9% PY @ const FX

Americas

53

Mill. EUR
-50.8%
-50.9% @ const FX

37%

Europe

72

Mill. EUR
-36.6%
-36.5% @ const FX

51%

Asia

6

Mill. EUR
-58.3%
-59.3% @ const FX

5%

RoW

11

Mill. EUR
-48.8%
-49.3% @ const FX

7%

PY like-for-like perimeter

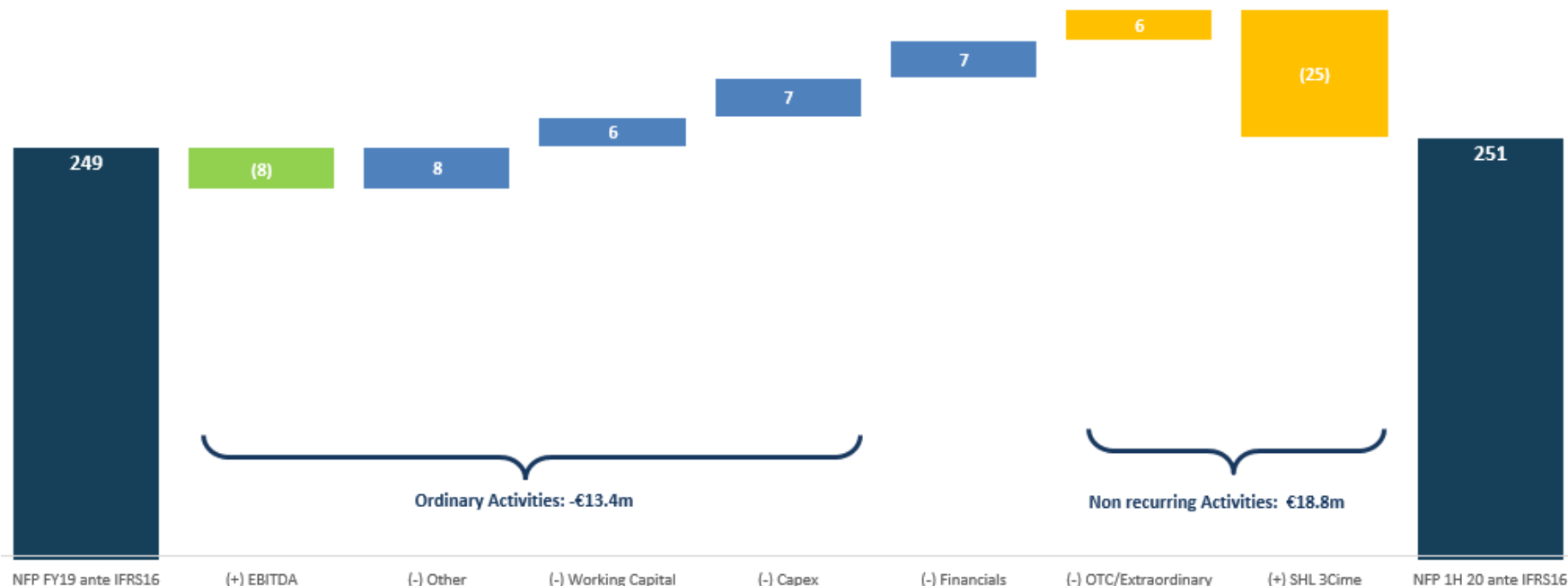
Consolidated Income Statement

(EURm)	1H 2020		1H 2019	
	Adjusted	%NS	Adjusted	%NS
Net sales	142	100.0%	258	100.0%
Gross Margin	82	57.9%	151	58.8%
EBITDA	8	5.8%	29	11.4%
EBIT	(3)	-2.3%	19	7.5%

Key observations

- **GM:** continues strong results thanks to product cost control and commercial/pricing policy on sales. Negative leverage on Indirect production costs.
- **EBITDA:** strong effort to balance operating leverage and fixed cost structure
- **EBIT:** impacted by D&A, pretty much aligned with PY.

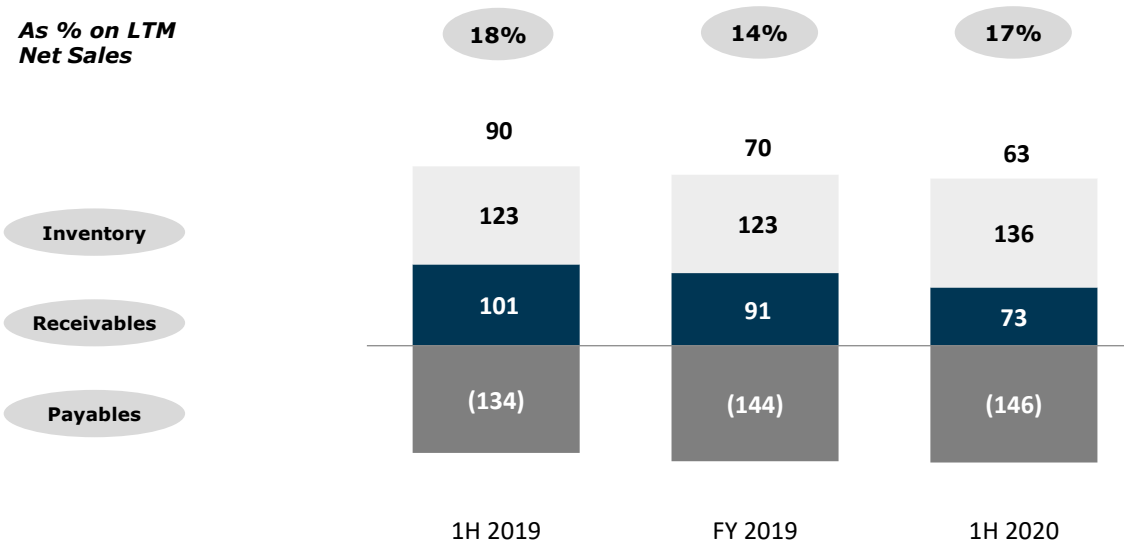
Consolidated Adj Cash Flow



Key observations

- **WC:** good working capital management in order to align as much as possible cash inflows and outflows ... maintaining same % level on LTM Net Sales compared to PY
- **Other:** primarily driven by timing on VAT receivables
- **OTC/Extraordinary:** mainly one-time costs and dividend to minorities distributed in Jan 2020
- **IFRS 16 Effect:** NFP Reported is €292m
- **Shareholder Loan:** subordinated loan issued by 3 Cime SpA for Eur25m, maturing in Dec. 2025, interest payable at maturity date, eligible to be treated as equity credit.

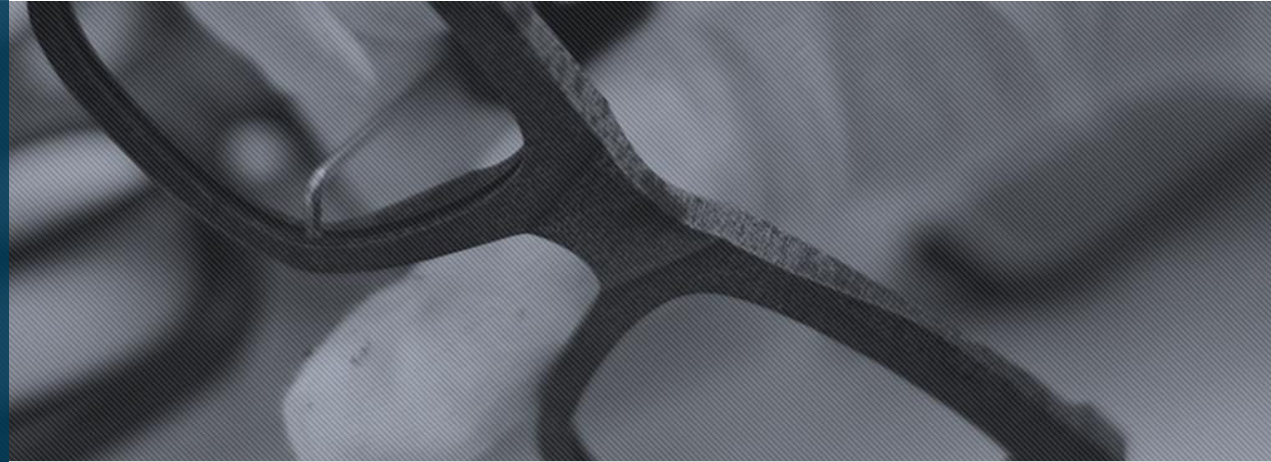
Trade Working Capital



Key observations

- **Trade Receivables:** affected mainly by revenues reduction due to Covid-19
- **Trade Payables:** stable vs FY19...payments schedule realigned to cash inflows. Increase vs 1H19 primarily due to inventory supply
- **Inventory: increase** driven by drop of sales and support to 2H20 sales recovery

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Income Statement

(EURm)	1H 2020				1H 2019			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	142	100.0%	142	100.0%	258	100.0%	258	100.0%
Cost of sales	(61)	-43.1%	(60)	-42.1%	(106)	-41.2%	(106)	-41.2%
Gross Margin	81	56.9%	82	57.9%	151	58.8%	151	58.8%
Selling and marketing costs	(60)	-42.2%	(62)	-43.3%	(109)	-42.2%	(110)	-42.7%
G&A expenses	(14)	-10.2%	(13)	-9.1%	(19)	-7.3%	(14)	-5.6%
Other income and expenses	0	0.3%	0	0.3%	2	0.9%	2	0.9%
EBITDA	7	4.8%	8	5.8%	26	10.2%	29	11.4%
Amortization-Depreciation	(18)	-12.4%	(11)	-8.1%	(13)	-5.0%	(10)	-3.9%
Operating Profit	(11)	-7.6%	(3)	-2.3%	13	5.2%	19	7.5%
Equity method investments	(9)	-6.4%	-	0.0%	(6)	-2.5%	-	0.0%
Net finance costs	(11)	-7.8%	(11)	-7.6%	(9)	-3.5%	(9)	-3.3%
Profit before taxes	(31)	-21.8%	(14)	-9.9%	(2)	-0.8%	11	4.2%
Income tax expense	4	2.7%	2	1.4%	(2)	-0.7%	(3)	-1.3%
Net Result	(27)	-19.1%	(12)	-8.5%	(4)	-1.5%	7	2.9%

(1) Adjusted elements excludes: one-off costs, IFRS 16 effects, Thelios effect accounted with the equity method.

Statement of Financial Position

Balance Sheet (EURm)	1H 20 Reported	1H 20 Adjusted ⁽²⁾	FY 19 Adjusted ⁽²⁾
Trade receivables	73	73	91
Inventory	136	136	123
Trade Payables	(146)	(146)	(144)
Trade Working Capital	63	63	70
Other assets and liabilities	(8)	(8)	(15)
NET WORKING CAPITAL	55	55	54
Other non current assets	49	48	43
Equity investments	0	0	0
Property, plant and equipment	47	31	32
Intangible assets	48	48	51
Goodwill	289	289	288
Total Fixed Assets	433	416	415
Funds	(30)	(30)	(23)
NET INVESTED CAPITAL	458	441	446
Net Financial Position	292	251	249
Equity	165	190	197
COVERAGE OF NIC	458	441	446

(2) Adjusted column excludes IFRS 16 effect and on 1H20 the effect of the shareholders loan.

The IFRS16 effect on 1H 2020 is shown in the table below:

1H 2020 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	3.2
<i>(-) Asset depreciation</i>	<i>(2.9)</i>
<i>(-) interest expenses</i>	<i>(0.4)</i>
Net Result	(0.1)
1H 2020 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	16.5

Net Financial Position Adjusted

	(EURm)	1H 2020	FY 2019	1H 2019
(a)	Current financial liabilities	68	56	57
(b)	Non current financial liabilities	312	260	256
	Financial Liabilities	380	316	313
	Cash and cash equivalents	106	46	29
	Current, Non Current financial assets and Amortized Fees	23	22	29
	Financial Assets *	129	67	59
	Net Financial Position**	251	249	255
	Revolving Credit Facility	40	27	28
	Short term borrowings from Banks	6	7	9
	Current Financial Loan	19	19	18
	Bond accrued interests	1	1	1
	Current Financial Lease	1	1	1
(a)	Current financial liabilities	68	56	57
	Senior Secured bonds	250	250	250
	SACE Loan	50	0	0
	Non Current Financial Loan	6	4	2
	Non Current Financial Lease and other	7	6	4
(b)	Non Current financial liabilities	312	260	256

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

** NFP excluded IFRS 16 effect and on 1H20 the effect of the Shareholders Loan.

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