

MARCOLIN

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Investors Presentation

1H21 Financial Results

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Key updates

Consolidated financials: 1H21

Appendix

Key updates

1

Continues **positive market recovery** and **growth trends** on sales and orders collection... overall 2Q21 above 2Q19, back to pre-Covid19 level

2

Continues **strong operating leverage** on overheads... very good impact on EBITDA profitability

3

Strong cash generation as anticipated during the refinancing roadshow despite business historical cyclical trend... **€70m cash balance** as of June 30, 2021

4

Licenses portfolio optimization... already announced renewal of license agreement with **Guess** up to 2030... discontinuation of **Diesel** and **Dsquared**... good response from markets after the launch of **Max Mara** and **adidas**

5

Completing **supply chain projects** to enhance productivity... investing on **digitalization**

6

Thélios (our JV with LVMH) recently announced the addition of **Fendi** into brands portfolio and working on a new upcoming one... very good step forward

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Consolidated financials 1H21 – 2Q21

2Q21 **1H21**

Net Sales

128.5 €/mil.

PY 48.6 €/mil. +164.5%
2Q19 127.8 €/mil. +0.6%

237.2 €/mil.

+66.9% PY @ curr FX
+75.2% PY @ const FX

2Q21 confirms positive trend towards full recovery from Covid-19. Strong performance in all regions compared to PY and Budget

2Q21 net sales higher than 2Q19 (+0.6%). April and June months extraordinary positive, driven by EMEA and US.

EBITDA

Adjusted *

19.0 €/mil.

14.8% On Net sales

PY -0.3 €/mil. -0.5%

33.4 €/mil.

14.1% On Net sales

PY 11.4 €/mil. 8.0%

EBITDA positively impacted by higher volumes and savings in all costs categories thanks to deep focus on expenditures... positive effect in personnel costs leveraging PY reorganization actions

1H21 EBITDA Reported is €28.6m (€6.9m in 1H20)

Net Debt

Adjusted **

Operating CF(***)

+14.5 €/mil.

304.6 €/mil.

-8.7 €/mil. vs FY20

Positive operating activities from EBITDA and WC trend flow (cash generation from WC despite 1H typically represents a cash flow consuming semester), partially offset by JV Thélios capital Increase of €8.8m

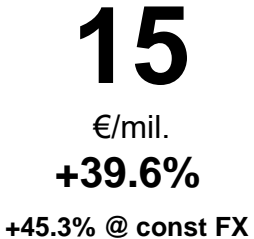
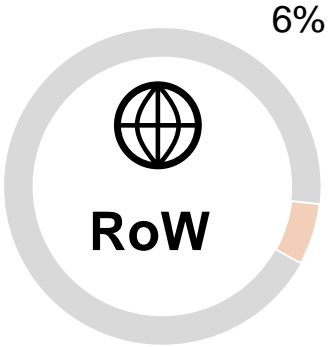
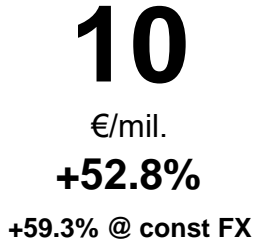
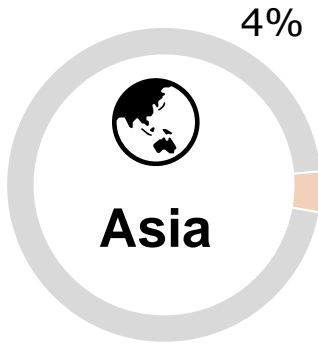
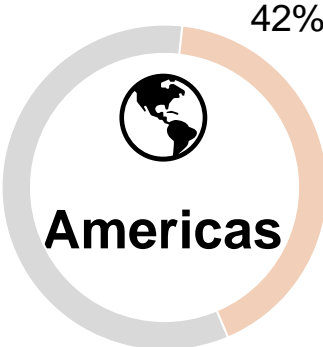
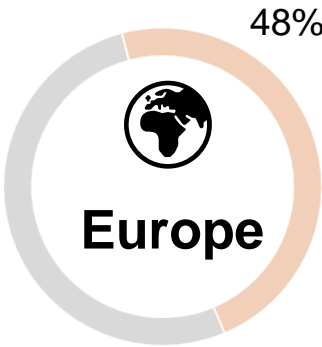
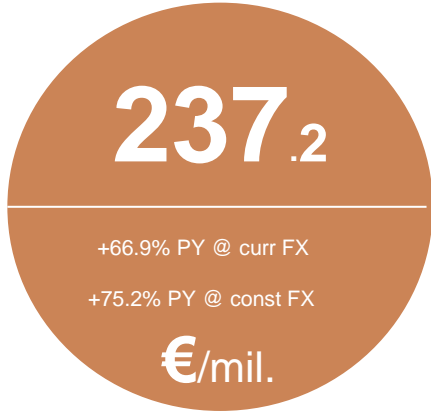
Refinancing Flow: new 6.125% SS Notes due 2026 issuance for €350m and new ssRCF for €46m. not used in 1H21

(*) EBITDA Adjusted excludes one-off elements

(**) NFP Adjusted excludes the Shareholder Loan issued by 3Cime SpA in June 2020 eligible to be treated as equity credit

(***) Operating CF includes EBITDA, Working Capital, Capex, Financial Interests and Other flows

Consolidated financials: Net Sales results by market destination



Consolidated financials: Consolidated Income Statement 1H21

(€/mil.)	1H21		1H20	
	Adjusted	%NS	Adjusted	%NS
Net sales	237.2	100.0%	142.1	100.0%
Gross Margin	140.6	59.3%	82.4	58.0%
EBITDA	33.4	14.1%	11.4	8.0%
EBIT	18.0	7.6%	(3.1)	-2.2%

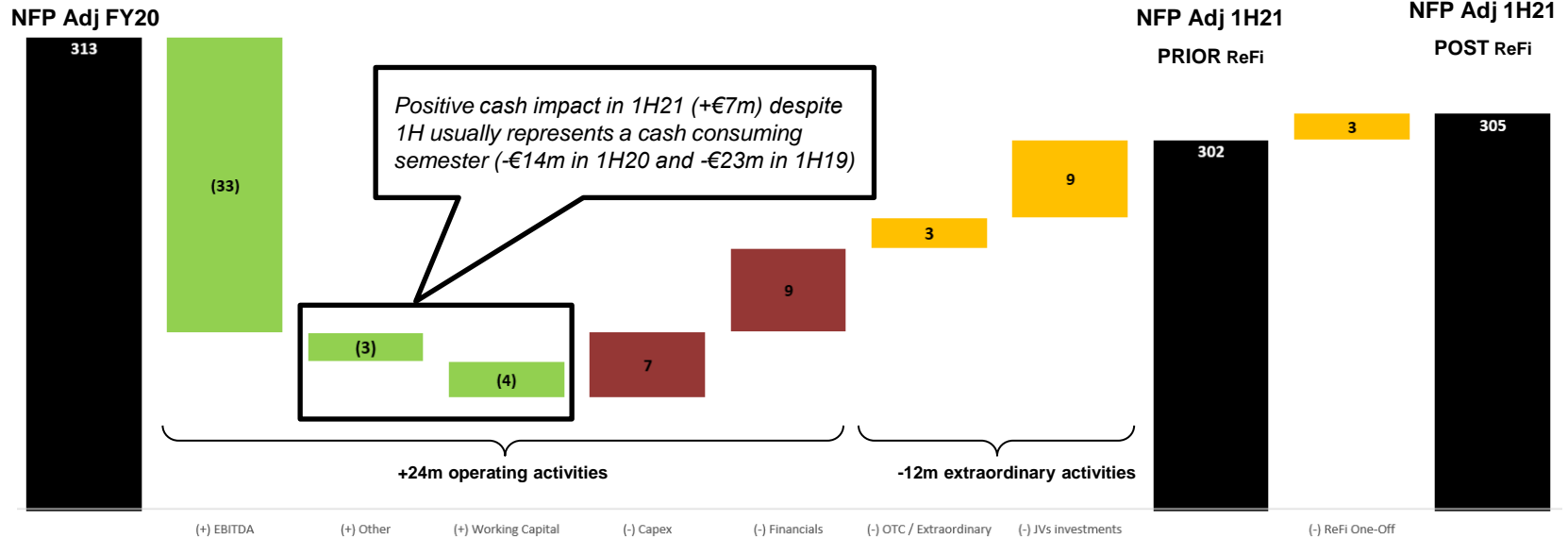
Key Observations

GM: solid performance...positive leverage on industrial overheads and strong commercial policy on pricing

EBITDA: significant savings compared to LY on all cost categories, deep focus on monthly expenditures in accordance with Budget, positive effect in personnel costs leveraging LY reorganization actions

EBIT: % margin benefits from EBITDA growth and stability on D&A

Consolidated financials: Consolidated Adj Cash Flow



Key Observations

WC: disciplined and optimized working capital management, overall cash generating in 1H21 despite 1H usually represents a cash consuming semester

Capex: strong focus on optimizing capex expenditures

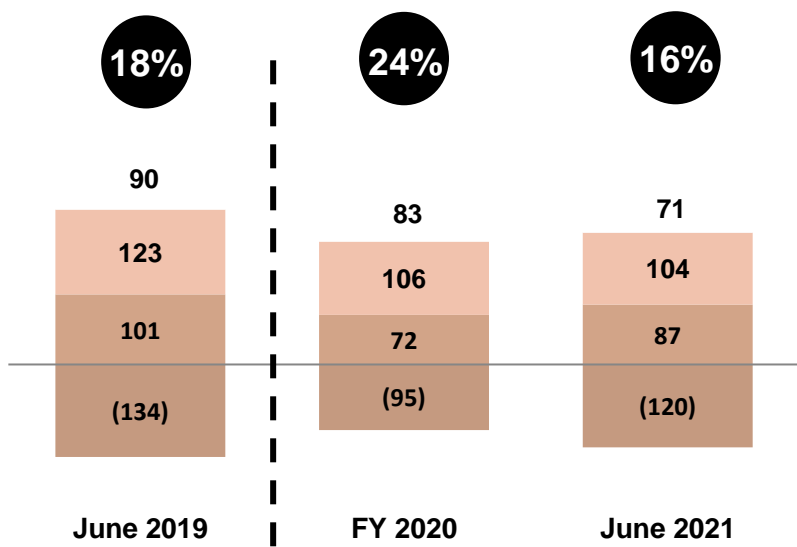
OTC/Extraordinary: overall non-significant mainly one-time costs coming from Group reorganization activities

NFP Reported: 331 €/mil., difference vs NFP Adj refers to SHL 3 Cime SpA issued in June 2020 treated as equity credit

Consolidated financials: Trade Working Capital

AS % ON LTM
NET SALES

- Inventory
- Receivables
- Payables



Key Observations

Inventory: good inventory management confirmed from the decreased level compared both to 2020 and to 2019 (pre Covid19 level), thanks to execution of key projects on supply chain side, such as new automation processes, new sales and demand planning processes in order to reduce stock obsolescence risk and backorders and maintain an efficient inventory level

Trade Receivables: increase vs FY20 driven both by recovery on sales and seasonality effect; very high quality of receivables with lowest DSO index ever (64 days... 10 days below PY) back to pre Covid19 level

Trade Payables: aligned with purchase flows. DPO stable

Consolidated financials: Net Financial Position Adjusted

Net Debt (€/mil.)	1H21	FY20
Cash and cash equivalents	70	52
Current, Non Current financial assets and Amortized Fees	20	24
Financial Assets*	89	77
ssRCF	0	40
Current Financial Loans and Others	22	24
Bond accrued interests	2	1
Current financial liabilities	25	66
Senior Secured Notes	350	250
SACE Backed Term Loan	0	50
Non Current Financial Loans and Others	5	9
Non Current financial liabilities	355	309
IFRS16 Financial Liability	14	15
Financial Liabilities	394	390
NFP Adj	305	313

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

Q&A

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Appendix: Income Statement

(€/mil.)	1H21				1H20			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	237	100.0%	237	100.0%	142	100.0%	142	100.0%
Cost of sales	(99)	-41.9%	(97)	-40.7%	(61)	-43.1%	(60)	-42.0%
Gross Margin	138	58.1%	141	59.3%	81	56.9%	82	58.0%
Selling and marketing costs	(94)	-39.7%	(93)	-39.0%	(60)	-42.2%	(59)	-41.3%
G&A expenses	(15)	-6.5%	(15)	-6.3%	(14)	-10.2%	(13)	-8.9%
Other income and expenses	0	0.2%	0	0.2%	0	0.3%	0	0.3%
EBITDA	29	12.1%	33	14.1%	7	4.8%	11	8.0%
Amortization-Depreciation	(15)	-6.5%	(15)	-6.5%	(18)	-12.4%	(14)	-10.2%
Operating Profit	13	5.6%	18	7.6%	(11)	-7.6%	(3)	-2.2%
Equity method investments	(0)	-0.1%	-	0.0%	(9)	-6.4%	-	0.0%
Net finance costs	(10)	-4.2%	(8)	-3.3%	(11)	-7.8%	(11)	-7.8%
Profit before taxes	3	1.3%	10	4.3%	(31)	-21.8%	(14)	-10.0%
Income tax expense	(2)	-0.7%	(3)	-1.4%	4	2.7%	3	1.9%
Net Result	1	0.6%	7	2.9%	(27)	-19.1%	(11)	-8.1%

(1) Adjusted elements exclude: 1) one-off costs and 2) JV Thèlios effect on P&L consolidated with the equity method

Appendix: Statement of Financial Position

Balance Sheet (€/mil.)	1H21 Reported	1H21 Adjusted ⁽²⁾	FY 20 Adjusted ⁽²⁾
Trade receivables	87	87	72
Inventory	104	104	106
Trade Payables	(120)	(120)	(95)
Trade Working Capital	71	71	83
Other assets and liabilities	(5)	(5)	(2)
NET WORKING CAPITAL	65	65	81
Other non current assets	51	51	49
Property, plant and equipment	42	42	43
Intangible assets	45	45	43
Goodwill	283	283	280
Total Fixed Assets	422	422	415
Funds	(31)	(31)	(38)
NET INVESTED CAPITAL	456	456	458
Net Financial Position	331	305	313
Equity	125	151	145
COVERAGE OF NIC	456	456	458

(2) Adjusted column classifies the €25m subordinated shareholders loan (plus accrued interests) issued by 3 Cime SpA in June 2020 from Net Financial Position to Equity, given it is treated as equity credit

Appendix: Effect on IFRS16 adoption

IFRS16 effect on 1H21 is shown in the table below:

1H21 Income Statement effect	(€/mil.)
(+) EBITDA (Decrease in operating rental expenses)	3.1
<i>(-) Asset depreciation</i>	<i>(2.9)</i>
<i>(-) interest expenses</i>	<i>(0.3)</i>
Net Result	(0.1)
1H21 Net Financial Statement effect	(€/mil.)
(+) Lease Liabilities	14.1

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Thank you.

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