

MARCOLIN

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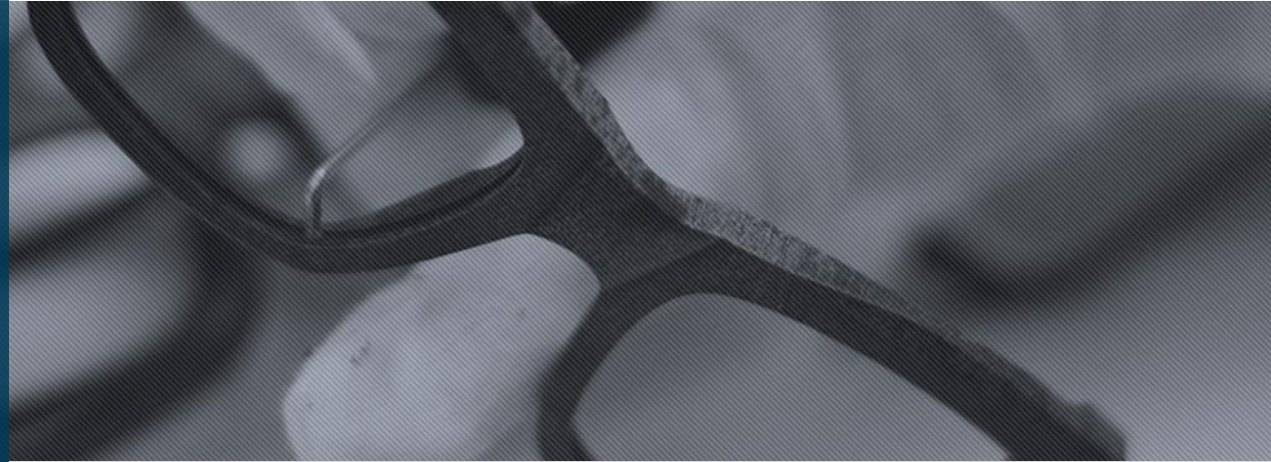
Investors Presentation
1Q21 Financial Results

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Agenda



- **Covid-19 – update on business activities**
- Key consolidated financials: 1Q21
- Appendix

Covid-19 health emergency – update on business activities

Current situation

1Q21 was overall very positive, we began to see green shoots of the recovery despite the impact of the second wave of Covid-19 with lockdowns reinstated in many countries, especially in January and February 2021. March 2021 outperformed March 2020 results and our budget expectations.

Outlook

The outlook for 2021 shows a better global macroeconomic climate with steady growth in step with the vaccination programs and governments' policies to assist business recovery.

April 2021 shipments and order book confirms the very positive trend shown in 1Q21.

Actions

In this context, Marcolin Group is fully committed to keep protecting the health and safety of its employees, ensuring business continuity with its stakeholders and preserving the financial health of the Company.

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Sales

1Q21 confirms the positive trend towards full recovery, outperforming both previous year performance and Budget expectations.

Month of March 2021 is extraordinary positive in all areas (+154% vs LY)... Marcolin confirms the strong ability to catch up and recover sales missed during lockdowns period.

1Q21

109

1Q20

94

+16.2% PY @ curr FX
+22.8% PY @ const FX

EBITDA

1Q21 EBITDA Reported is **€12.4m** (€10.7m in 1Q20).
1Q21 EBITDA Adj excluding IFRS16 effects is **€12.8m** (€10.0m in 1Q20).

EBITDA positively impacted by volumes in 1Q21 compared to LY, significant savings in all categories of costs, positive effect in personnel costs leveraging LY reorganization actions.

1Q21
Adjusted ⁽¹⁾

14

1Q20
Adjusted ⁽¹⁾

12

13.2% On Net Sales

12.4% On Net Sales

Net Debt

1Q21 NFP Adj excluding IFRS16 effect is **€298m**

Positive operating activities from EBITDA and WC trend flow (WC almost cash neutral despite Q1 typically represents a cash flow consuming quarter), offset by Thèlios Capital Increase of some €6.9m executed in January 2021.

1Q21
Adjusted ⁽²⁾

313

FY20
Adjusted ⁽²⁾

313

(1) EBITDA Adjusted excludes one-off elements.

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

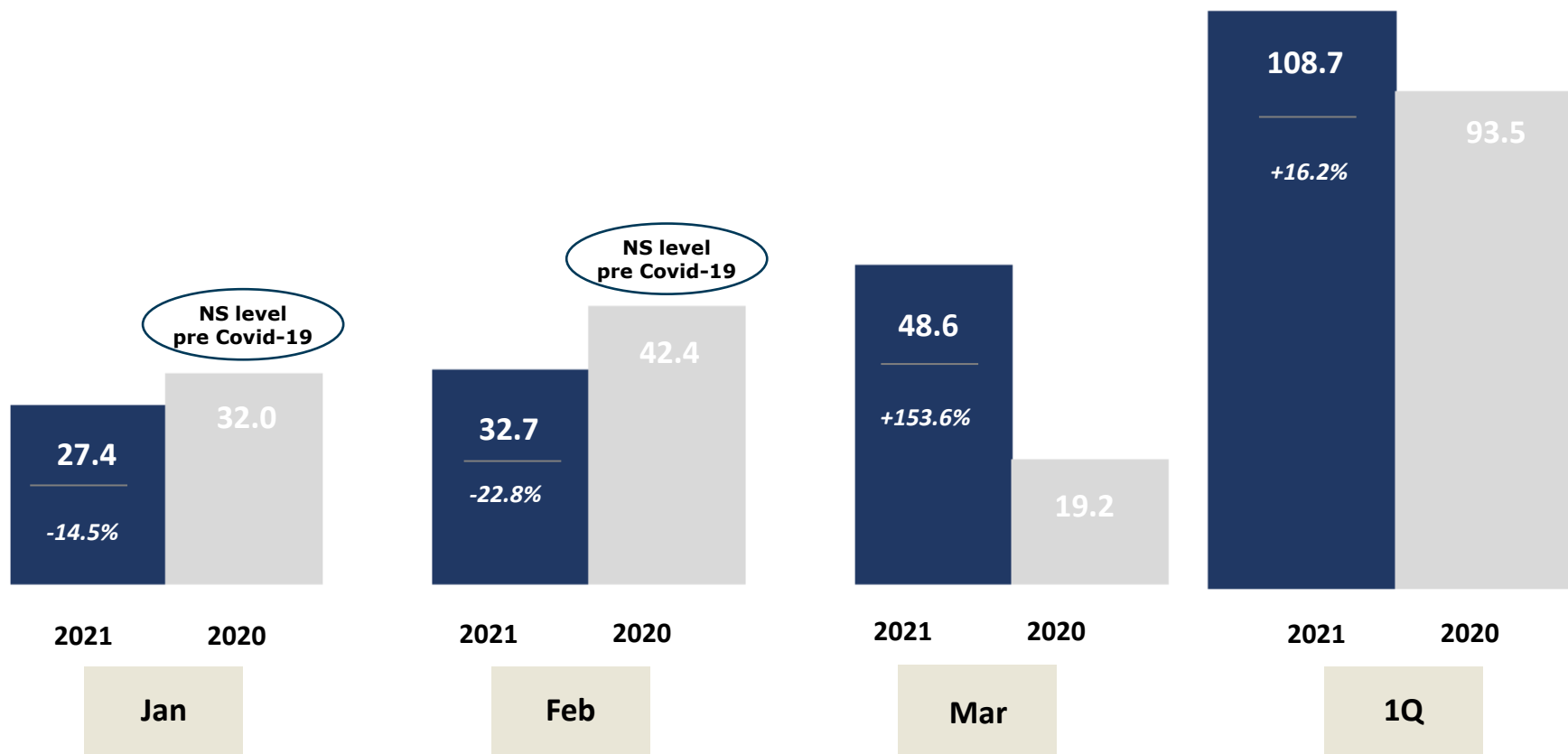
Refer to Appendix section for IFRS 16 cumulative effects on 1Q21 financial figures.

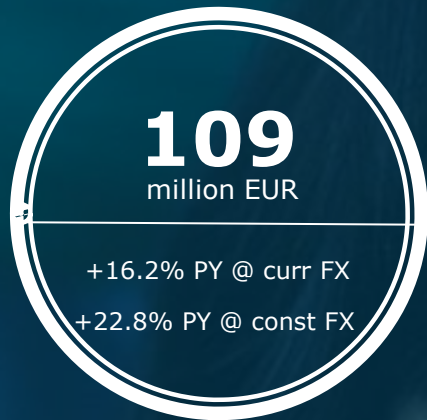
1Q21 Sales results – Monthly overview

Net sales EUR/m

Delta % vs PY

EUR/m **108.7**
+16.2% PY @ curr FX
+22.8% PY @ const FX



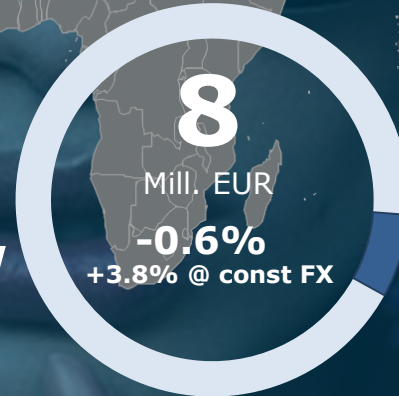
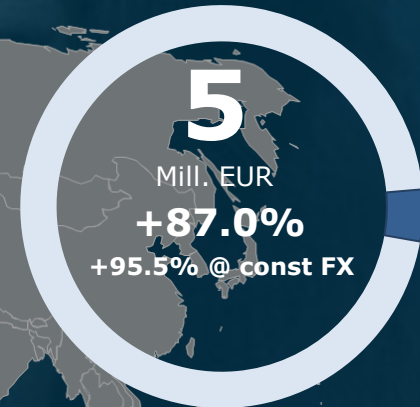
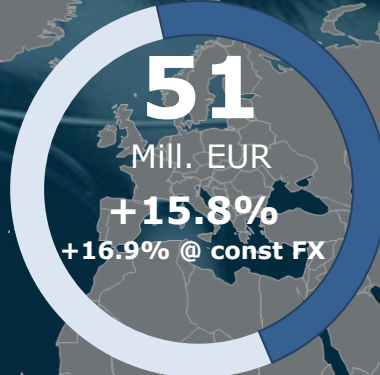
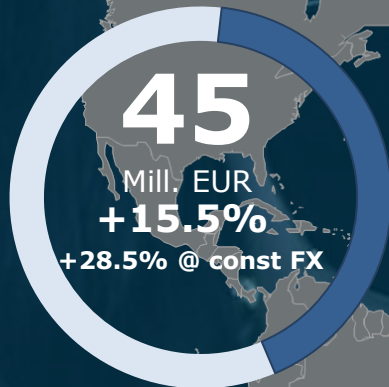


1Q21
Global sales
By market destination

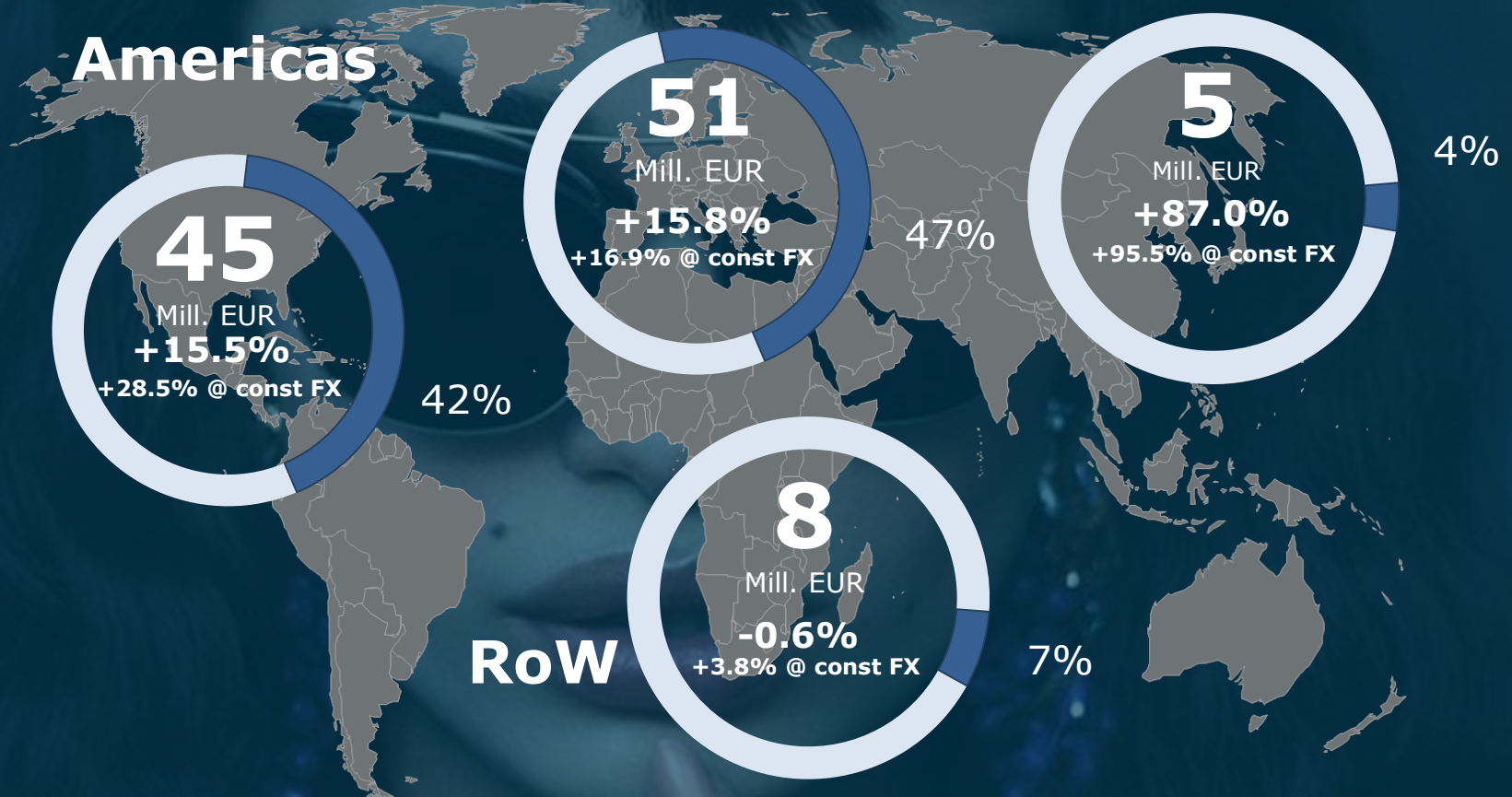
Europe

Asia

Americas



RoW



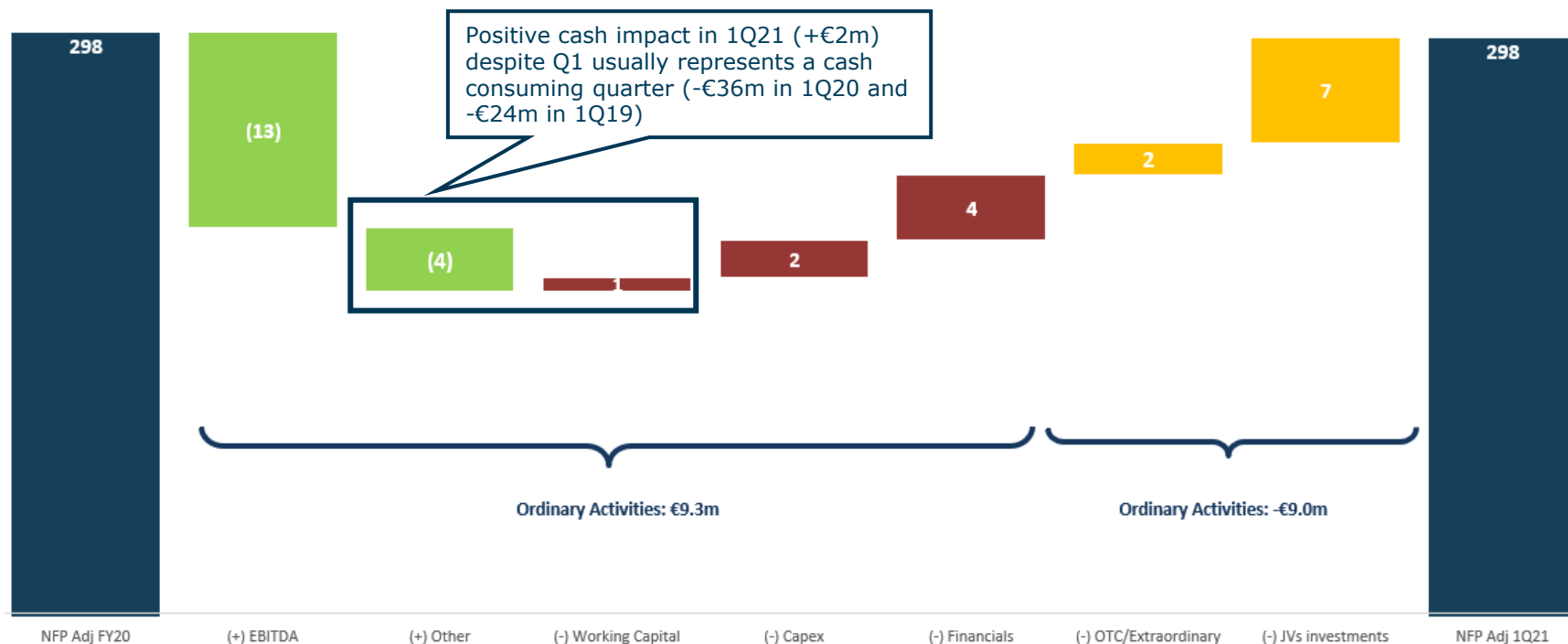
Consolidated Income Statement

(EURm)	1Q21		1Q20	
	Adjusted	%NS	Adjusted	%NS
Net sales	108,7	100,0%	93,5	100,0%
Gross Margin	63,9	58,8%	56,1	60,0%
EBITDA post IFRS16	14,3	13,2%	11,6	12,4%
EBIT	6,9	6,3%	4,2	4,5%
EBITDA pre IFRS16	12,8	11,8%	10,0	10,7%

Key observations

- **GM:** solid performance... negative mix effect due to timing on sales partially offset by positive leverage in industrial overheads.
- **EBITDA:** significant saving compared to LY on all categories of costs, positive effect in personnel costs leveraging LY reorganization actions.
- **EBIT:** % margin increase primarily driven by reduction in D&A.

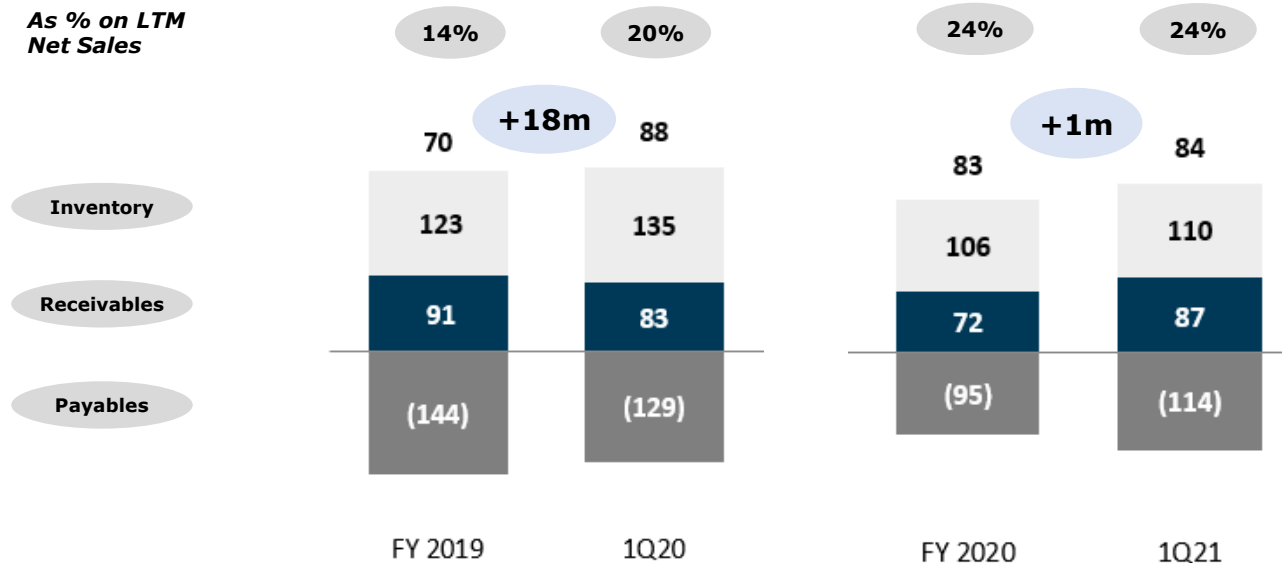
Consolidated Cash Flow (pre-IFRS16)



Key observations

- **WC:** disciplined and optimized working capital management, overall cash neutral in 1Q21 despite Q1 usually represents a cash consuming quarter
- **Capex:** broadly aligned to 2020 level, strong focus on optimizing capex expenditures
- **OTC/Extraordinary:** overall non-significant one-time costs, mainly deriving from Group reorganization activities
- **NFP Reported:** €339m, difference vs NFP Adj refers to IFRS16 effect and SHL 3 Cime SpA

Trade Working Capital



Key observations

- **Inventory:** good inventory management confirmed from the decreased level compared to 1Q20 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. The increase vs FY20 is driven by purchases of current collection release together with purchases for launch of new brands' collections.
- **Trade Receivables:** increase vs FY20 driven both by recovery on sales and seasonality effect; strong focus on cash collection efficiencies (DSO index achieving historical records of 63 days).
- **Trade Payables:** aligned with purchases flow

Net Financial Position Adjusted

Net Debt (€mio)	1Q21	FY20	1Q20
Cash and cash equivalents	55	52	25
Current, Non Current financial assets and Amortized Fees	18	24	21
Financial Assets *	73	77	45
Revolving Credit Facility	40	40	40
Short term borrowings from Banks	5	4	7
Current Financial Loan	15	19	17
Bond accrued interests	1	1	1
Current Financial Lease	1	1	1
Current financial liabilities	62	66	67
Senior Secured bonds	250	250	250
SACE Loan	50	50	0
Non Current Financial Loan	2	3	5
Non Current Financial Lease and other	6	6	6
Non Current financial liabilities	308	309	261
Financial Liabilities	371	375	328
NFP Adj pre IFRS 16	298	298	282
IFRS 16	15	15	17
NFP Adj post IFRS 16	313	313	300

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

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Income Statement

(EURm)	1Q21						1Q20					
	Reported	%NS	Adjusted ⁽¹⁾ Post IFRS16	%NS	Adjusted ⁽¹⁾ Pre IFRS16	%NS	Reported	%NS	Adjusted ⁽¹⁾ Post IFRS16	%NS	Adjusted ⁽¹⁾ Pre IFRS16	%NS
Net sales	109	100,0%	109	100,0%	109	100,0%	94	100,0%	94	100,0%	94	100,0%
Cost of sales	(46)	-42,2%	(45)	-41,2%	(45)	-41,3%	(38)	-40,4%	(37)	-40,0%	(37)	-40,1%
Gross Margin	63	57,8%	64	58,8%	64	58,7%	56	59,6%	56	60,0%	56	59,9%
Selling and marketing costs	(43)	-39,7%	(42)	-39,1%	(44)	-40,3%	(38)	-40,7%	(38)	-40,4%	(39)	-41,9%
G&A expenses	(7)	-6,8%	(7)	-6,7%	(7)	-6,8%	(7)	-7,7%	(7)	-7,5%	(7)	-7,6%
Other income and expenses	0	0,1%	0	0,1%	0	0,1%	0	0,3%	0	0,3%	0	0,3%
EBITDA	12	11,4%	14	13,2%	13	11,8%	11	11,5%	12	12,4%	10	10,7%
Amortization-Depreciation	(7)	-6,9%	(7)	-6,9%	(6)	-5,5%	(7)	-7,9%	(7)	-7,9%	(6)	-6,5%
Operating Profit	5	4,6%	7	6,3%	7	6,2%	3	3,6%	4	4,5%	4	4,3%
Equity method investments	(0)	-0,3%	-	0,0%	-	0,0%	(4)	-4,5%	-	0,0%	-	0,0%
Net finance costs	(3)	-2,7%	(3)	-2,7%	(3)	-2,5%	(11)	-11,8%	(11)	-11,8%	(11)	-11,6%
Profit before taxes	2	1,6%	4	3,7%	4	3,7%	(12)	-12,7%	(7)	-7,3%	(7)	-7,3%
Income tax expense	(1)	-0,9%	(1)	-1,3%	(1)	-1,3%	2	1,9%	2	1,8%	2	1,8%
Net Result	1	0,7%	3	2,3%	3	2,4%	(10)	-10,8%	(5)	-5,5%	(5)	-5,6%

(1) Adjusted elements excludes: 1) one-off costs and 2) Thèlios effect accounted with the equity method

Statement of Financial Position

Balance Sheet (EURm)	1Q21 Reported	1Q21 Adjusted ⁽²⁾	FY 20 Adjusted ⁽²⁾
Trade receivables	87	87	72
Inventory	110	110	106
Trade Payables	(114)	(114)	(95)
Trade Working Capital	84	84	83
Other assets and liabilities	(7)	(7)	(2)
NET WORKING CAPITAL	77	77	81
Other non current assets	51	51	49
Property, plant and equipment	43	43	43
Intangible assets	42	42	43
Goodwill	284	284	280
Total Fixed Assets	420	420	415
Funds	(32)	(32)	(38)
NET INVESTED CAPITAL	464	464	458
Net Financial Position	339	313	313
Equity	125	151	145
COVERAGE OF NIC	464	464	458

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

IFRS16 effect on 1Q21 is shown in the table below:

1Q21 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	1,5
<i>(-) Asset depreciation</i>	<i>(1,4)</i>
<i>(-) interest expenses</i>	<i>(0,2)</i>
Net Result	(0,1)

1Q21 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	15,4

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