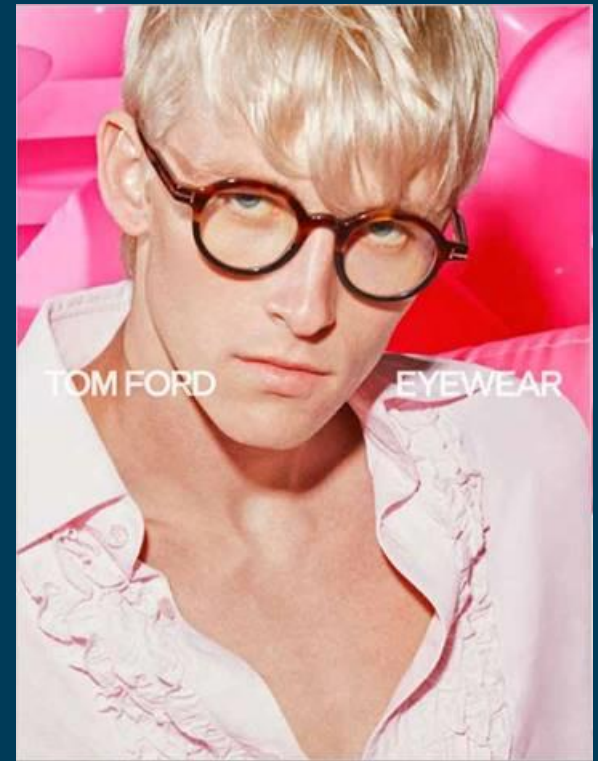


MARCOLIN

EYEWEAR



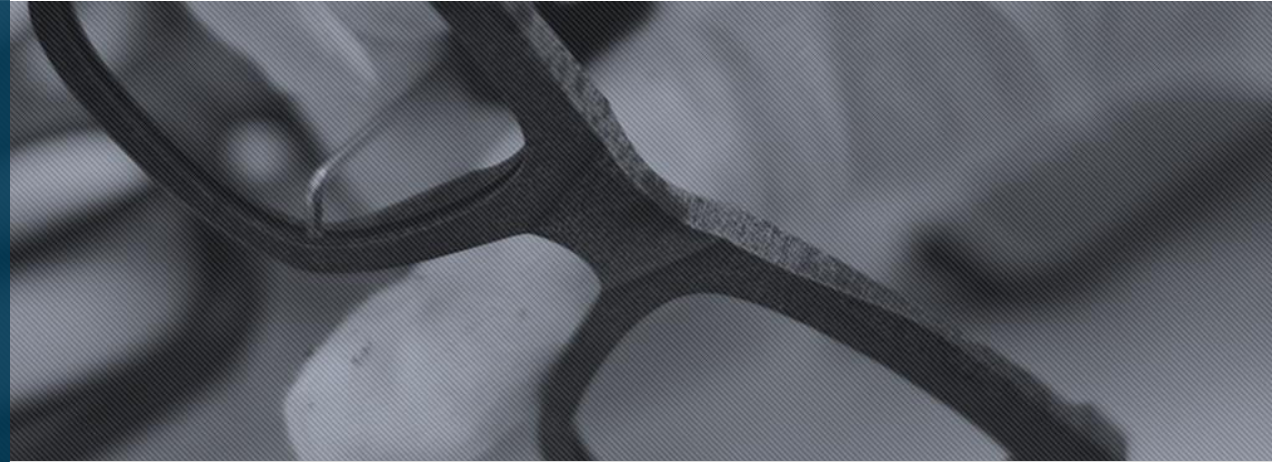
Investors Presentation
FY 2020 Financial Results

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Agenda



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

Covid-19 health emergency – update on business activities

Current situation

After positive results in 3Q20 with a partial recovery (-4% vs LY) with very positive results in July, confirming the trend started from May, at the beginning of 4Q20 the business showed some softness, due to new lockdown measures across the key countries.

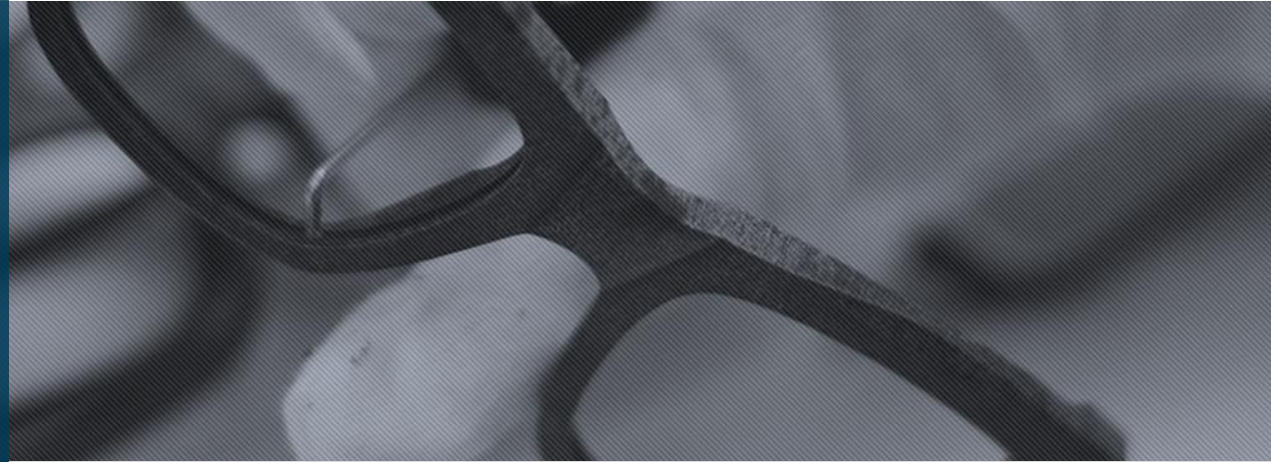
Actions

- 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:
 - aligned manufacturing capacity utilization and sourcing to current market demand;
 - minimized discretionary expenditures and suspending non-crucial investments;
 - strong cost control, optimized marketing expenses, negotiated with suppliers and landlords, reduced manager compensation and government measures across various countries to control personnel costs (e.g. employee furlough);
 - focused 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

The scenarios for the FY21 see an overall better climate at a global macroeconomic level with progressive growth linked to variables such as the effectiveness of vaccines as well as the choices of governments regarding policies for recovery to support businesses.

Agenda



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Sales

All Regions impacted by Covid-19

- H1: strong negative impact in APAC with full lockdown in Q1, EMEA and US impacted in Q1 and Q2 with recovery in June;
- Q3: strong positive performance in July. In September very good performance of US;
- October slight lower vs LY, with positive US. November and December negatively impacted by EMEA affected by second wave; APAC impacted by China JV exit and Korea distributor change.

FY 2020

340

FY 2019

487

-30.1% PY @ curr FX
-28.3% PY @ const FX

EBITDA

FY 2020 EBITDA Reported is **€ 5.4m**, while PY is €47.6m.

Gross Margin: good product cost control and pricing policy on sales. Negative leverage on Indirect production costs and provision weight;

Ebitda: heavily impacted by volumes, mitigated by strong variable cost control, marketing and overhead and strong action on personnel through furlough, CIG and other government measures.

**FY 2020
Adjusted ⁽¹⁾**

20

**FY 2019
Adjusted ⁽¹⁾**

51

5.9% On Net Sales

10.4% On Net Sales

Net Debt

FY 2020 NFP Reported is **€ 339m**

FY 2020 NFP Adjusted⁽²⁾ is negatively impacted by TWC absorption (mainly due from payables reductions), mitigated by Eur25m SHL (treated as equity credit)

**Q3 2020
Adjusted ⁽²⁾**

298

**FY 2019
Adjusted ⁽²⁾**

249

(1) EBITDA Adjusted excludes one-off elements and IFRS 16 effects (both FY20 and FY19).

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

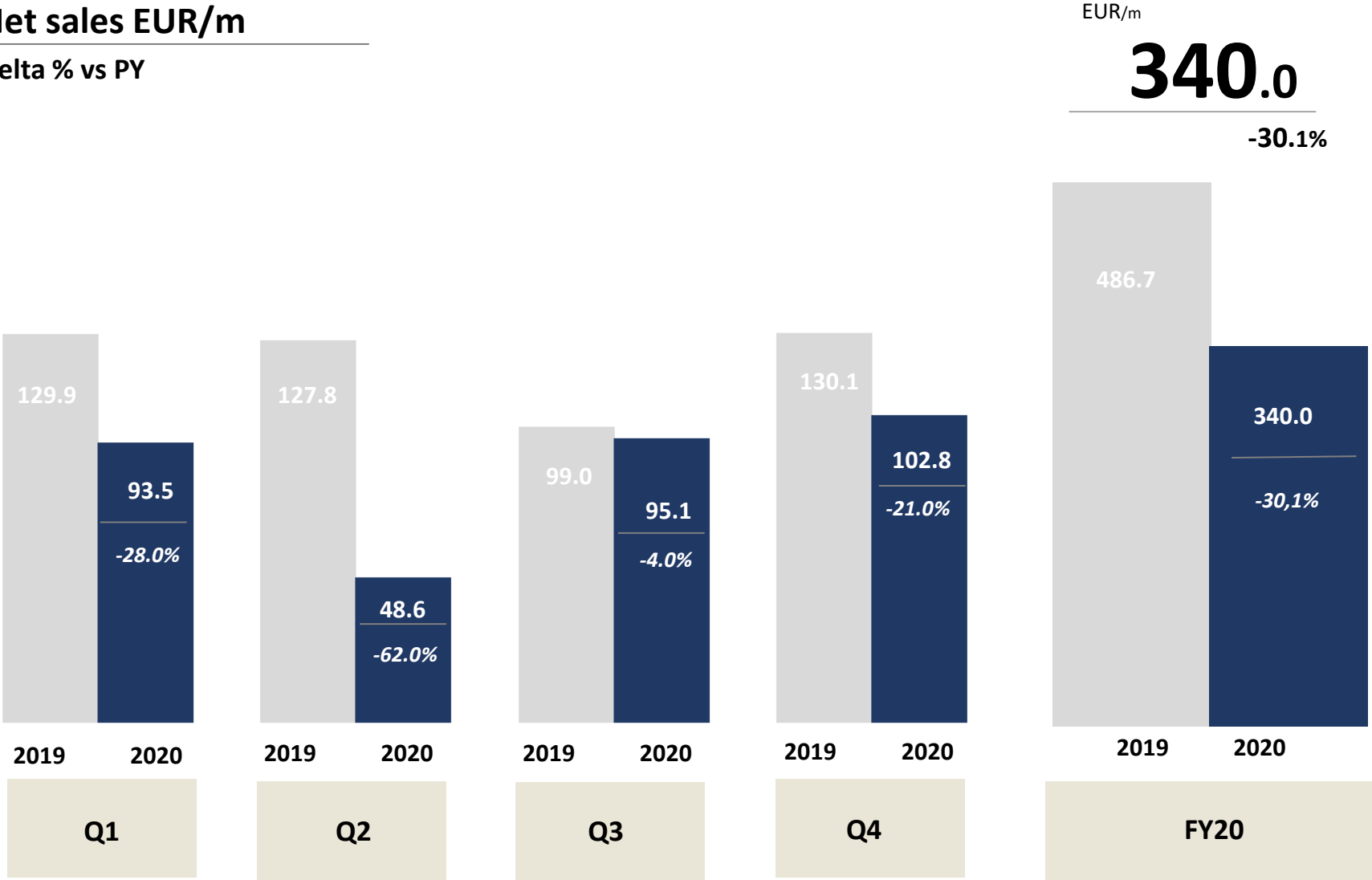
2020 Sales results – Quarterly overview

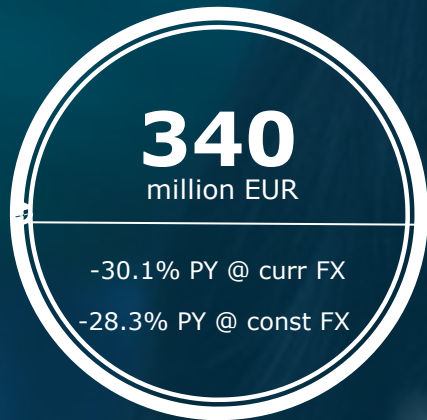


Key financials FY 2020

Net sales EUR/m

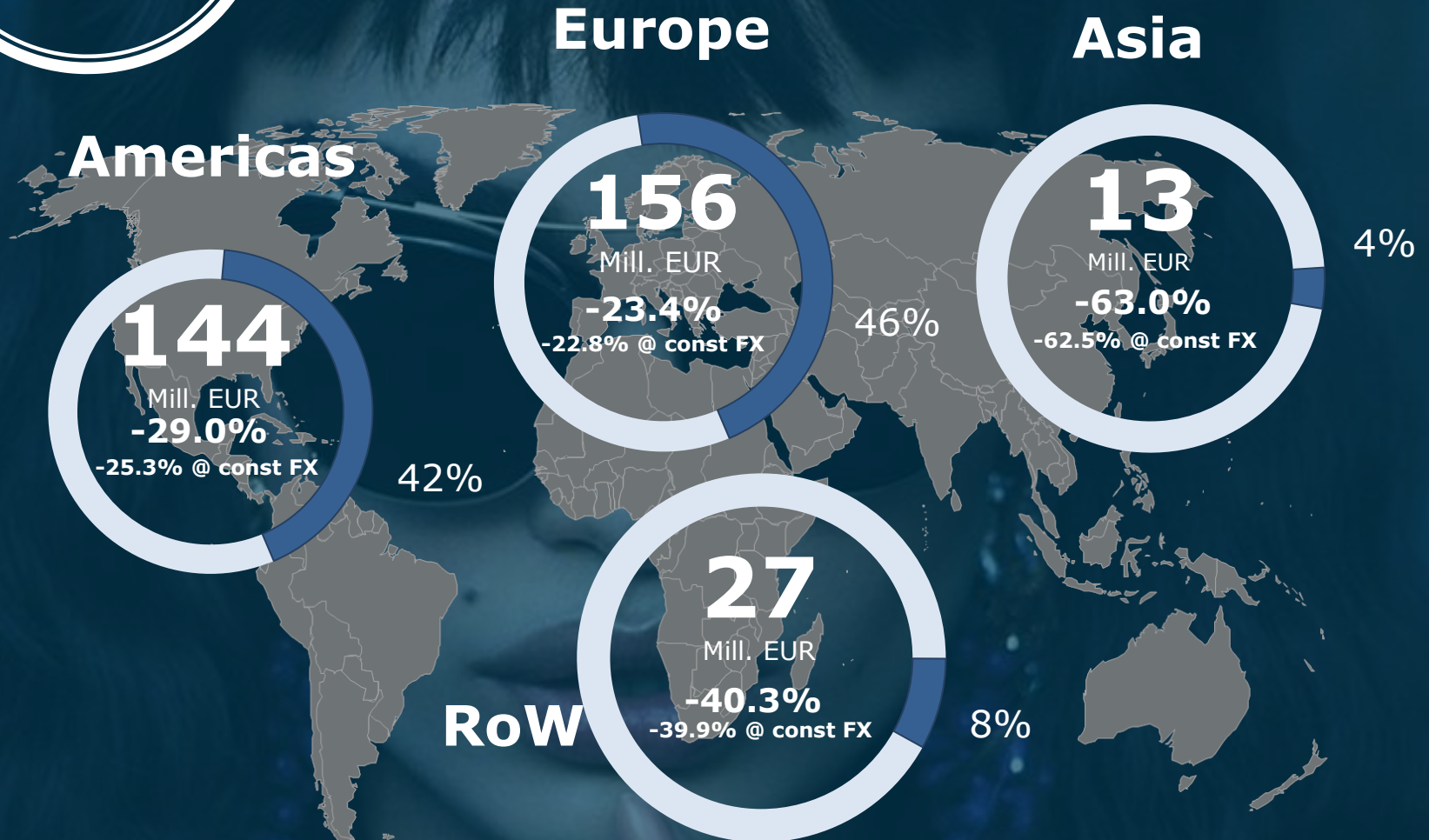
Delta % vs PY





FY 2020
Global sales
By market destination

-30.1% PY @ curr FX
-28.3% PY @ const FX



PY like-for-like perimeter

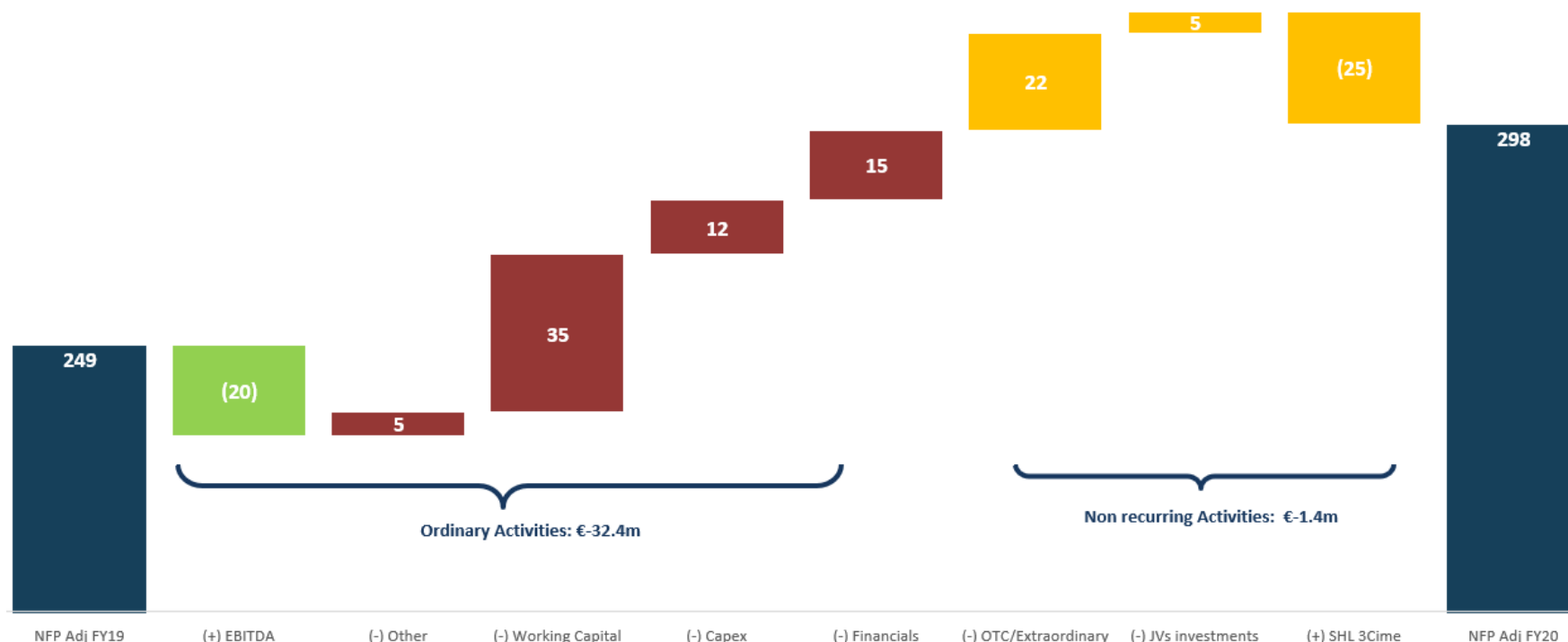
Consolidated Income Statement

(EURm)	FY 2020		FY 2019	
	Adjusted	%NS	Adjusted	%NS
Net sales	340	100,0%	487	100,0%
Gross Margin	193	56,7%	283	58,2%
EBITDA	20	5,9%	51	10,4%
EBIT	(4)	-1,1%	28	5,8%

Key observations

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

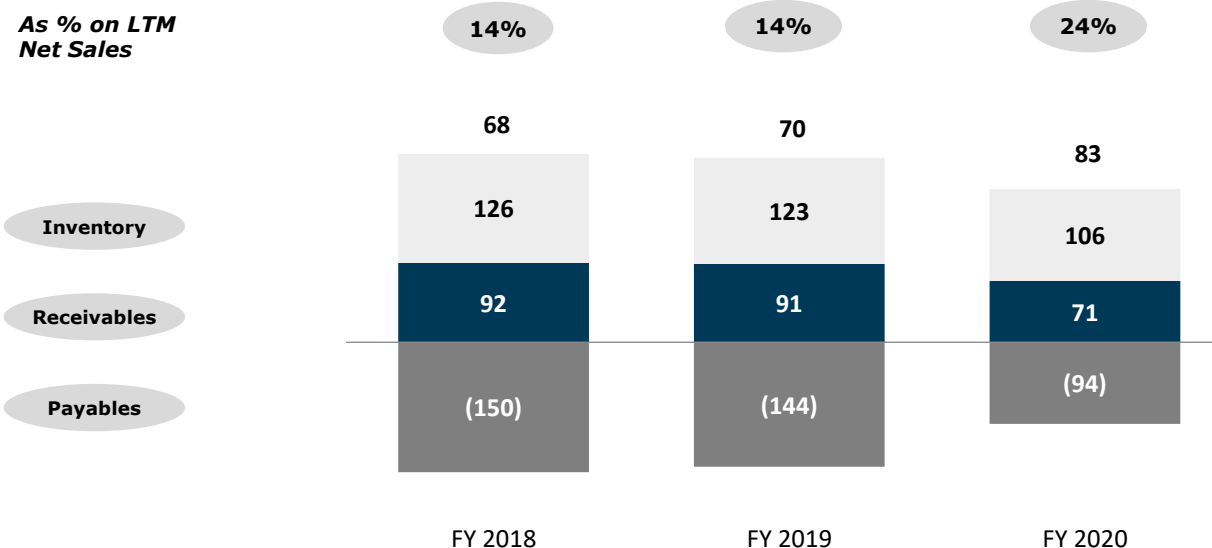
Consolidated Adj Cash Flow



Key observations

- **WC:** good working capital management in order to align as much as possible cash inflows and outflows... overall WC absorption as planned, mainly payables reduction
- **Capex:** actions to reduce capital expenditures
- **OTC/Extraordinary:** mainly one-time costs deriving from Group reorganization activities, renegotiation of contracts with some suppliers
- **Shareholder Loan:** subordinated loan issued by 3 Cime SpA for Eur25m, maturing in Dec. 2025, interest payable at maturity date, treated as equity credit
- **NFP Reported:** €339m, difference vs NFP Adj refers to IFRS16 effect and SHL 3 Cime SpA

Trade Working Capital



Key observations

- **Trade Receivables:** affected by revenues reduction due to Covid-19, 4Q20 DSO back to pre-Covid-19 level
- **Trade Payables:** decrease due to purchase reduction and cost savings
- **Inventory:** decrease primarily driven by inventory reserve increase, together with a slight reduction on gross inventory

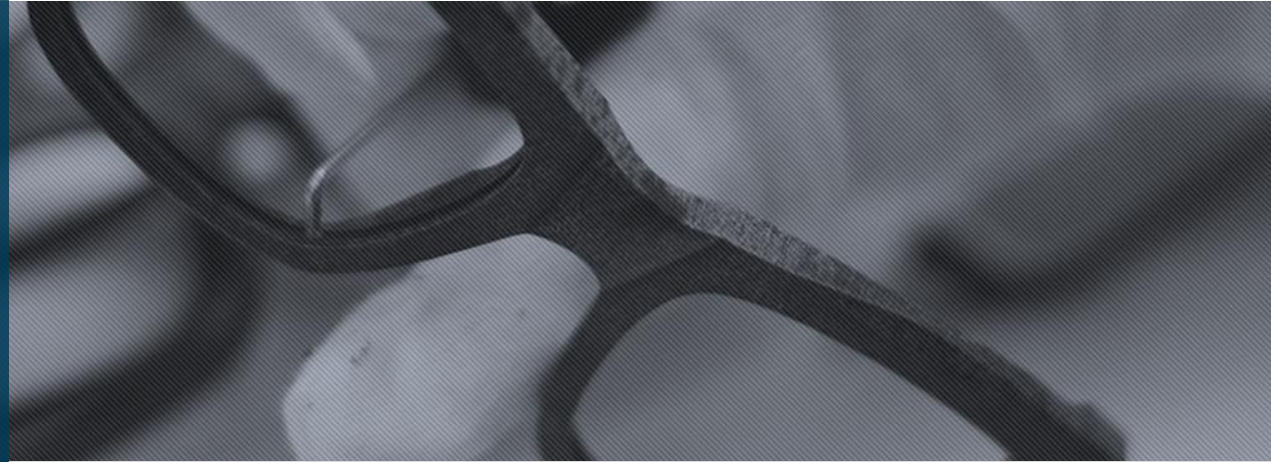
Net Financial Position Adjusted

	(EURm)	FY 2020	FY 2019
(a)	Current financial liabilities	66	56
(b)	Non current financial liabilities	309	260
	Financial Liabilities	375	316
	Cash and cash equivalents	52	46
	Current, Non Current financial assets and Amortized Fees	24	22
	Financial Assets *	77	67
	Net Financial Position**	298	249
	Revolving Credit Facility	40	27
	Short term borrowings from Banks	4	7
	Current Financial Loan	19	19
	Bond accrued interests	1	1
	Current Financial Lease	1	1
(a)	Current financial liabilities	66	56
	Senior Secured bonds	250	250
	SACE Loan	50	0
	Non Current Financial Loan	3	4
	Non Current Financial Lease and other	6	6
(b)	Non Current financial liabilities	309	260

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

** NFP excludes IFRS 16 effect and on FY20 the effect of the Shareholders Loan.

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Income Statement

(EURm)	FY 2020				FY 2019			
	Reported	%NS	Adjusted ⁽¹⁾	%NS	Reported	%NS	Adjusted ⁽¹⁾	%NS
Net sales	340	100,0%	340	100,0%	487	100,0%	487	100,0%
Cost of sales	(152)	-44,6%	(147)	-43,3%	(204)	-41,8%	(203)	-41,8%
Gross Margin	188	55,4%	193	56,7%	283	58,2%	283	58,2%
Selling and marketing costs	(146)	-43,0%	(139)	-40,9%	(205)	-42,1%	(207)	-42,6%
G&A expenses	(29)	-8,5%	(26)	-7,7%	(34)	-7,0%	(29)	-5,9%
Other income and expenses	(8)	-2,3%	(8)	-2,3%	4	0,7%	4	0,7%
EBITDA	5	1,6%	20	5,9%	48	9,8%	51	10,4%
Amortization-Depreciation	(33)	-9,6%	(24)	-7,0%	(28)	-5,8%	(23)	-4,6%
Operating Profit	(27)	-8,0%	(4)	-1,1%	20	4,0%	28	5,8%
Equity method investments	(18)	-5,3%	-	0,0%	(13)	-2,7%	-	0,0%
Net finance costs	(23)	-6,7%	(22)	-6,5%	(21)	-4,4%	(18)	-3,8%
Profit before taxes	(68)	-20,0%	(26)	-7,6%	(15)	-3,1%	10	2,0%
Income tax expense	11	3,3%	6	1,8%	0	0,1%	(2)	-0,5%
Net Result	(57)	-16,8%	(20)	-5,8%	(15)	-3,0%	8	1,6%

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

Statement of Financial Position

Balance Sheet (EURm)	FY 20 Reported	FY 20 Adjusted ⁽²⁾	FY 19 Adjusted ⁽²⁾
Trade receivables	72	72	91
Inventory	106	106	123
Trade Payables	(95)	(95)	(144)
Trade Working Capital	83	83	70
Other assets and liabilities	(2)	(2)	(15)
NET WORKING CAPITAL	81	81	54
Other non current assets	49	49	43
Property, plant and equipment	43	29	32
Intangible assets	43	43	51
Goodwill	280	280	288
Total Fixed Assets	415	401	415
Funds	(38)	(38)	(23)
NET INVESTED CAPITAL	458	444	446
Net Financial Position	339	298	249
Equity	119	146	197
COVERAGE OF NIC	458	444	446

(2) Adjusted column excludes IFRS 16 effect and on FY20 the effect of the shareholders loan.

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

FY 2020 Income Statement effect	(EURm)
(+) EBITDA (Decrease in operating rental expenses)	6,3
<i>(-) Asset depreciation</i>	<i>(5,8)</i>
<i>(-) interest expenses</i>	<i>(0,7)</i>
Net Result	(0,3)

FY 2020 Net Financial Statement effect	(EURm)
(+) Lease Liabilities	15,1

Investor relation contacts

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