

MARCOLIN
EYEWEAR



Investors presentation

Q1 Report March 31, 2016

May 26, 2016

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Agenda



- **Key consolidated financials: Q1 2016**
- Appendix

Key consolidated financials

Sales

Consolidated Net sales increased +6.5% vs. PY; **+6.8% at constant FX**.
Mainly driven by TF (+25.0%), GA (+50.2%), SK (+47.5%).

122.3

Million EUR

122.7 **114.9**

2016 Constant FX

Million EUR in 2015

EBITDA

FY 2016 EBITDA Reported is € 14.3m (€ 9.0m previous year).
FY 2016 Adjusted EBITDA* (excluding one-offs) is **€ 15.2m** or **12.4%** (€15.2m PY).
LTM Adjusted EBITDA for 2015 is **€ 50.2m** or **11.3%** Net Sales.

Q1 15.2 **12.4%**
On Net sales

LTM 50.2 **11.3%**
On Net sales

Net Debt

Consolidated Net Debt as of March 31, 2016 is **€ 231.5m** (€ 213.0m end of December 2015), growing €18.5m vs. PY mostly due to support 2016 Group Turnover growth.

The ratio Net financial position** to Adjusted EBITDA is **4.49**.

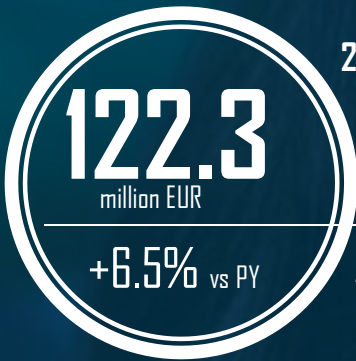
231.5

Million EUR

4.49 NFP /
Adj LTM
Ebitda

* EBITDA is affected by a number of extraordinary items. For this reason it has been adjusted to restate the one-off effects deriving from the re-organization as represented in "Consolidated Adjusted EBITDA" page 19.

** Excluding Bond accrued Interests.



2016 YTD Q1

Global sales

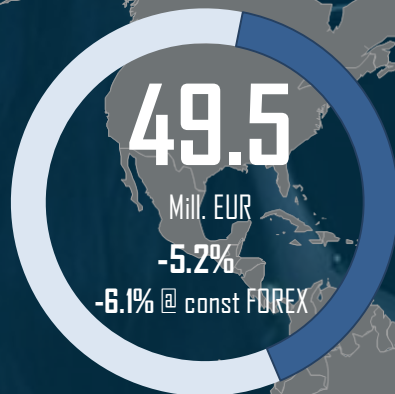
By market destination



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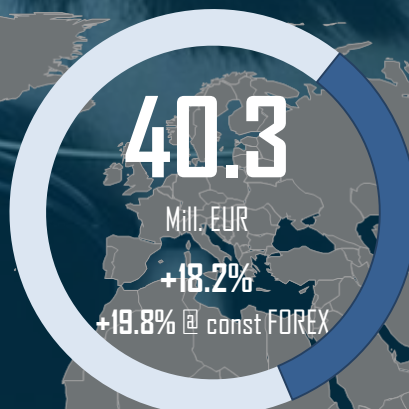
YTD Q1 Consolidated Sales

North America



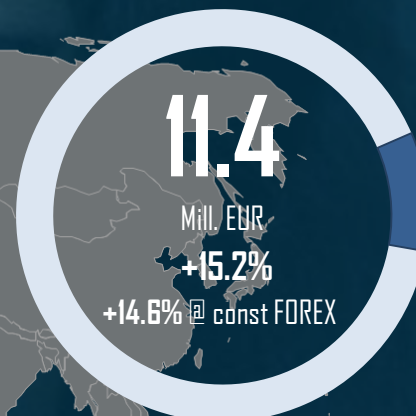
40.5%

Europe

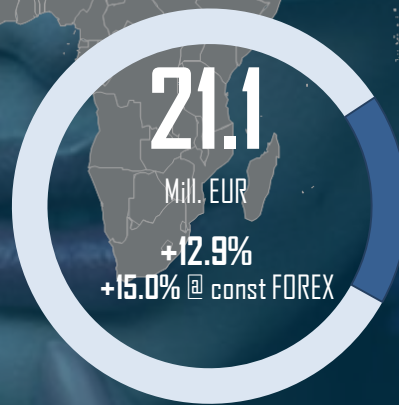


32.9%

Asia



9.3%



17.3%

RoW

PY like-for-like perimeter

YTD Q1 P&L Executive Summary

- **Net Sales** performance is positive: +€7.4m (+6.5%) above last year, driven by Italy that continues to growth of about +27%, Rest of Europe (+16.4%), strong performance of Asia and Rest of the World (around +15%), partially offset by pressure in Americas market (around -5%).
In terms of brands the performance was mainly driven by TF (+25.0%), SK (+47.5%), GA (+50.2%), BA (+17.8%).
- **Net Sales** @ constant FX +€7.8m or +6.8% vs. PY.
- **GM** in 2016 is €3.7m higher than that of the previous year, growing from €68.3m (or 59.4%) up to €72.0m (or 58.9%) in 2016. GM % is driven by a different sales mix both in distribution channel and destination market compared to the three months ended March 31, 2015.
- **EBITDA Reported** in 2016 is €14.3m vs. €9.0m last year (respectively 11.7% vs. 7.9% of Net sales).
- **EBITDA Adjusted**, excluding one-off items, would be €15.2m vs. last year € 15.2m (respectively 12.4% vs. 13.2% of Net sales).
- **Net Financial Costs** of €7.1m in 2016 include €4.3m for Bond interests accruals (no cash impact during Q1 2016). The change in respect to previous year is mostly due to exchange rate differences, in particular explained by a lower unrealized net result on US currency accrued in 2015.

Consolidated Profit & Loss

(EURm)	YTD March		Actual 15 Reported	Actual 15 Reported %NS
	Actual 16 Reported	Actual 16 Reported %NS		
Net sales	122.3	100.0%	114.9	100.0%
Cost of sales	(50.3)	-41.1%	(46.6)	-40.6%
-- Gross Margin	72.0	58.9%	68.3	59.4%
Selling and marketing costs	(53.0)	-43.3%	(53.4)	-46.4%
General and administrative expenses	(8.3)	-6.8%	(9.9)	-8.6%
Other operating income and expenses	0.2	0.2%	0.9	0.8%
Effects of accounting for associates	0.0	0.0%	0.0	0.0%
-- OPERATING PROFIT (EBIT)	10.9	9.0%	6.0	5.2%
Net finance costs	(7.1)	-5.8%	1.4	1.2%
-- Profit before taxes	3.8	3.1%	7.4	6.4%
Income tax expense	(0.7)	-0.5%	(3.2)	-2.8%
-- Net Result	3.2	2.6%	4.2	3.7%
-- EBITDA	14.3	11.7%	9.0	7.9%
-- EBITDA ADJUSTED	15.2	12.4%	15.2	13.2%

B/S Executive Summary

- **Net Trade Receivables:** compared to Dec 15, the increase of €12.6m is explained both by the sales growth and by the impact of the business seasonality during the first quarter of the year. In the period total consolidated DSO index performed better, showing a decrease by 3 days compared to Dec 15.
- **Inventory:** compared to Dec 15 inventory has risen by €2.0m, mostly due to turnover increase. In 2016 total consolidated DOI index is under control and decreased by 3 days compared to Dec 2015 and by 10 days compared to Mar 2015.
- **Payables:** in reference to trade payables, the decrease is primarily attributable to business seasonality.
- **Capex:** primarily consist in investments in maintenance, replacement and modernization of production and logistic facilities (tangibles), in addition to investments in extending/improving terms and conditions of licenses (intangibles).
- **Net Financial Position:** NFP increased from €213.0m (Dec 15) to €231.5m (Mar 16), with a change of €18.5m mostly due to Trade Working Capital, as detailed in the consolidated Cash Flow Statement.

Consolidated Balance Sheet

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Key financials: Q1

Balance Sheet (EURm)	Mar-16	Dec-15	Change
Net trade receivables	87.8	75.2	12.6
Inventory	122.2	120.2	2.0
Payables to suppliers	(113.2)	(120.8)	7.6
TRADE WORKING CAPITAL	96.9	74.7	22.2
Other receivables	16.7	15.4	1.3
Other payables	(36.1)	(38.7)	2.6
NET WORKING CAPITAL	77.4	51.4	26.0
Other receivables - medium/long term	34.6	37.4	(2.8)
Equity investments	1.8	1.8	(0.0)
Net tangible assets	26.5	27.3	(0.8)
Net intangible assets	44.3	46.0	(1.7)
Goodwill	283.7	288.2	(4.5)
FIXED ASSETS	390.8	400.7	(9.8)
Funds and reserves	(9.1)	(9.1)	0.0
NET INVESTED CAPITAL	459.1	442.9	16.2
Financial debts - short term	61.8	58.2	3.6
Financial debts - medium/long term	199.9	200.6	(0.7)
FINANCIAL POSITION	261.7	258.9	2.9
Other current financial	(26.4)	(41.4)	15.0
Other non current financial	(3.8)	(4.5)	0.7
NET FINANCIAL POSITION	231.5	213.0	18.5
NET EQUITY	227.6	229.9	(2.3)
COVERAGE OF NIC	459.1	442.9	16.2

Net Financial Position

(EURm)	Mar 2016	Dec 2015
1 Short Term borrowings	61.8	58.2
2 Medium Long Term borrowings	206.2	207.3
Gross borrowings	268.0	265.6
Cash and cash equivalents	25.7	40.4
Financial receivables current	0.7	1.0
Financial receivables non current	3.8	4.5
Reported Net indebtedness before Amortized Fees	237.8	219.7
Bond amortized fees	(6.3)	(6.7)
Reported Net indebtedness after Amortized Fees	231.5	213.0
Revolving Credit Facility	25.0	25.0
Short term borrowings from Banks	13.0	13.2
Financial Loan - Current	14.4	14.9
Vendor Loan (HVHC) - Short Term	2.5	2.6
Bond accrued interests	6.5	2.3
Financial leasing current	0.4	0.3
Short Term gross borrowing	61.8	58.2
Senior Secured bonds	200.0	200.0
Financial Loan - Non Current	5.3	6.3
Vendor Loan (HVHC) - Long Term	0.1	0.1
Financial leasing non current	0.8	0.9
Medium Long Term gross borrowing	206.2	207.3

Consolidated Cash Flow Statement (Net Debt)

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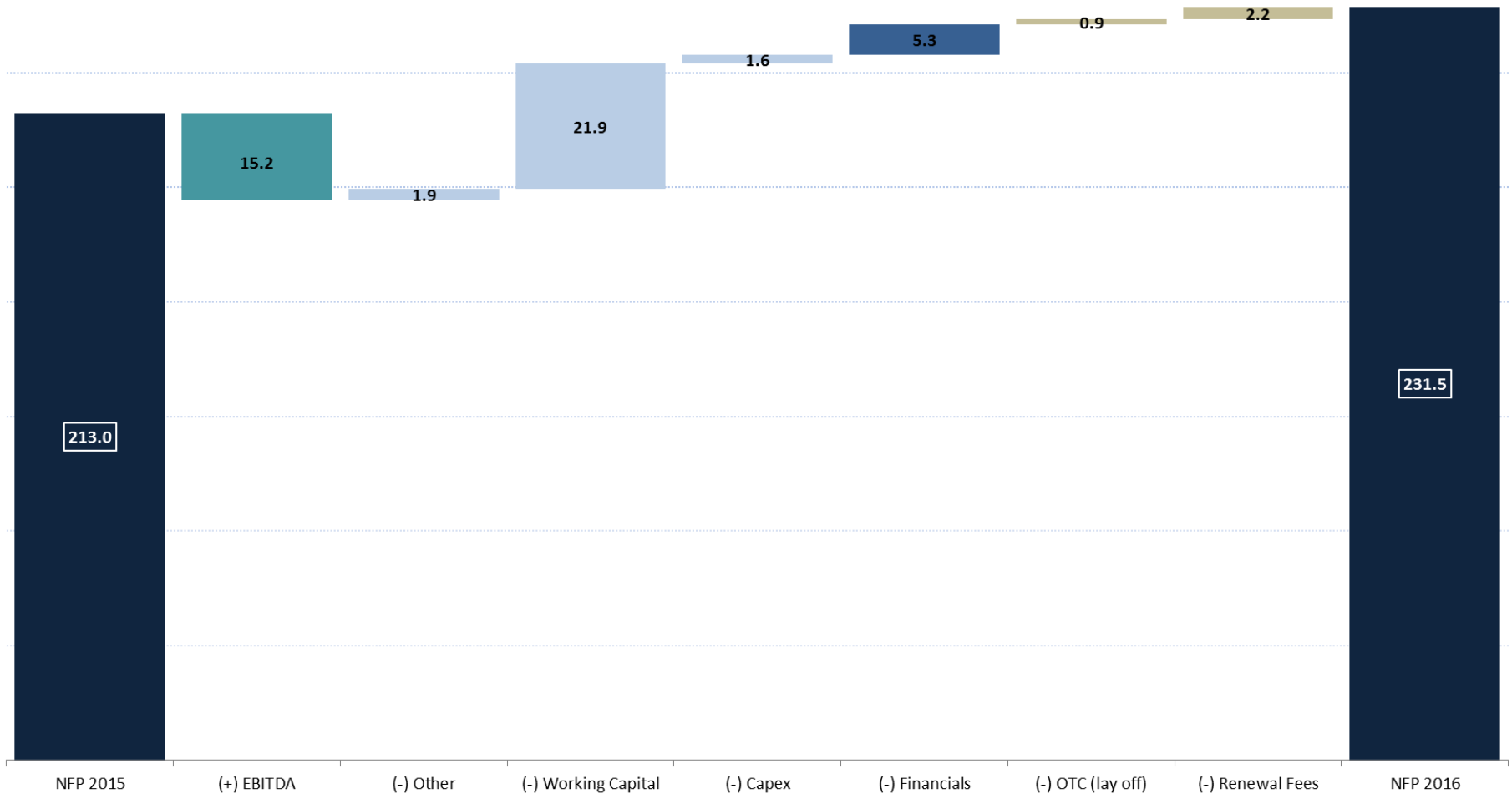
Key financials: Q1

(EURm)	Mar 2016
ADJUSTED EBITDA	15.2
Non recurring incomes (costs)	(0.9)
REPORTED EBITDA	14.3
Other non cash item on EBITDA	(2.6)
Income from operating activities prior to movements in WC	11.7
(Increase) Decrease in trade receivables	(14.8)
(Increase) Decrease in inventory, net	(1.0)
Increase (Decrease) in trade payables	(6.0)
<i>Movements in Trade working capital</i>	<i>(21.9)</i>
(Increase) Decrease in Other Receivables or (Payables)	0.5
CASH FLOW FROM (FOR) OPERATING ACTIVITIES (1)	(9.6)
Investments in property, plant and equipment, net of disposals	(0.5)
Purchase of intangible assets, net of disposals	(3.3)
Investments and Others in other subsidiaries (Equity Method)	0.1
CASH FLOW FROM (FOR) INVESTING ACTIVITIES (2)	(3.7)
Income tax paid (3)	0.2
Interest expenses (4)	(5.3)
FREE CASH FLOW (1+2+3+4)	(18.5)
Share Capital increase (decrease) (5)	(0.1)
CASH FLOW (1+2+3+4+5)	(18.5)
Net Financial Position at the beginning of the period	(213.0)
Net Financial Position at the end of the period	(231.5)
CHANGES IN NET FINANCIAL POSITION	(18.5)

Consolidated Cash Flow Statement (Net Debt)

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Key financials: Q1



Agenda



- Key consolidated financials: Q1 2016
- **Appendix**

Consolidated Adjusted Ebitda

in € Mln, except percentages

	Q1 2016	Q1 2015
EBITDA pre-adjustment	14.3	9.0
Costs of discontinued operations	0.0	2.1
Pro-Forma EBITDA	14.3	11.1
Senior management changes	0.9	0.0
Cost related to VIVA Integration	0.0	4.0
Other	0.0	0.1
Total adjustments	0.9	4.1
EBITDA ADJUSTED	15.2	15.2
Net Sales	122.3	114.9
% on Net Sales	12.4%	13.2%

in € Mln, except percentages

	LTM 2016	LTM 2015
EBITDA pre-adjustment	45.0	28.6
Costs of discontinued operations	0.7	2.1
Pro-Forma EBITDA	45.6	30.7
Senior management changes	1.5	1.5
Cost related to VIVA Integration	3.1	12.3
Other	0.0	3.1
Total adjustments	4.6	16.9
EBITDA ADJUSTED	50.2	47.6
Net Sales	442.3	378.3
% on Net Sales	11.3%	12.6%

Investor relation

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