

# MARCOLIN

EYEWEAR



## Investors presentation

Q3 Report September 30, 2017

November 14, 2017

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# Agenda



- **Key consolidated financials: Q3 2017**
- Appendix

## Sales

Consolidated Net Sales increase +1.9% vs. PY, mainly driven by SK (+23%) and DL (+26%). Good performance of new brand Moncler and the housebrand WEB.

Q3 2017	Q3 2016
<b>341.5</b>	<b>335.1</b>
+ 1.9% PY	

## EBITDA

Q3 17 EBITDA Reported is **€ 35.2m, +6.7%** vs. PY (€ 33.0m, 9.9% on NS).

Q3 17 EBITDA Adjusted \* is **€ 36.2m, +3.4%** vs. PY (€35.0m, 10.5% on NS).

Q3 2017 Reported	Q3 2017 Adjusted *
<b>35.2</b>	<b>36.2</b>
+6.7% PY	+ 3.4% PY
<b>10.3%</b> On Net Sales	<b>10.6%</b> On Net Sales

## Net Debt

Compared to FY16 (€ 204.8m), 3Q 17 shows a change mostly due to refinancing activities and other extraordinary outflows (of which JVs investments).

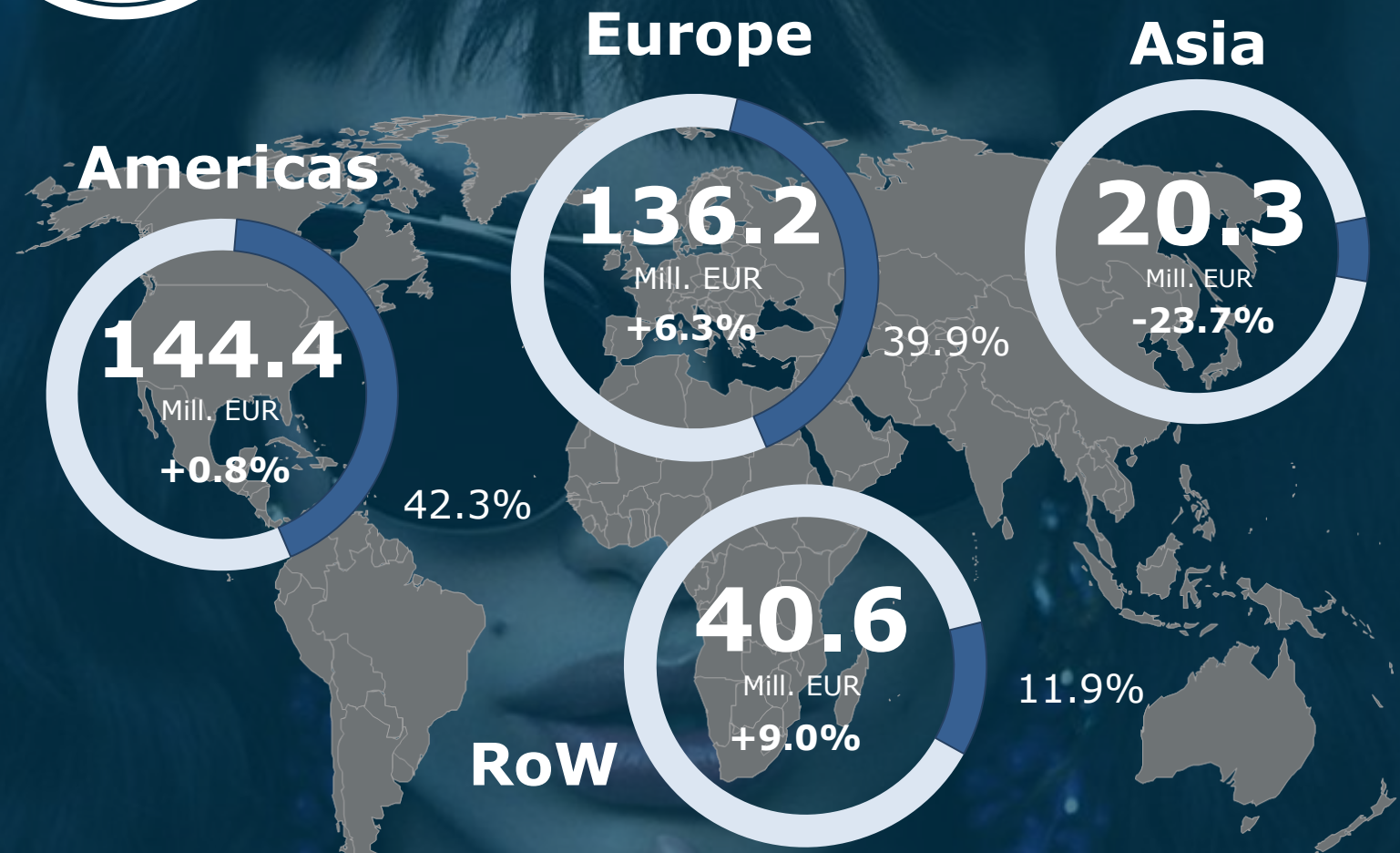
Q3 2017	Q3 2017 Proforma **
<b>268.6</b>	<b>252.9</b>
	Leverage <b>4.9x</b>

(\*) EBITDA is affected by few extraordinary items. For this reason it has been adjusted to restate the one-off effects as represented in "Consolidated Adjusted EBITDA" on Appendix section.

(\*\*) NFP proforma considering LVMH capital increase and capital contribution to JV LVMH both occurred on October 17.



2017 Q3  
**Global sales**  
By market destination



PY like-for-like perimeter

# Consolidated Profit & Loss

(EURm)	Q3 17		Q3 16		Var %
	Reported	%NS	Reported	%NS	
Net sales	341.5	100.0%	335.1	100.0%	1.9%
Gross Margin	204.2	59.8%	195.5	58.3%	4.5%
EBITDA	35.2	10.3%	33.0	9.9%	6.7%
EBIT	22.3	6.5%	23.1	6.9%	-3.4%
EBITDA ADJUSTED	36.2	10.6%	35.0	10.5%	3.4%

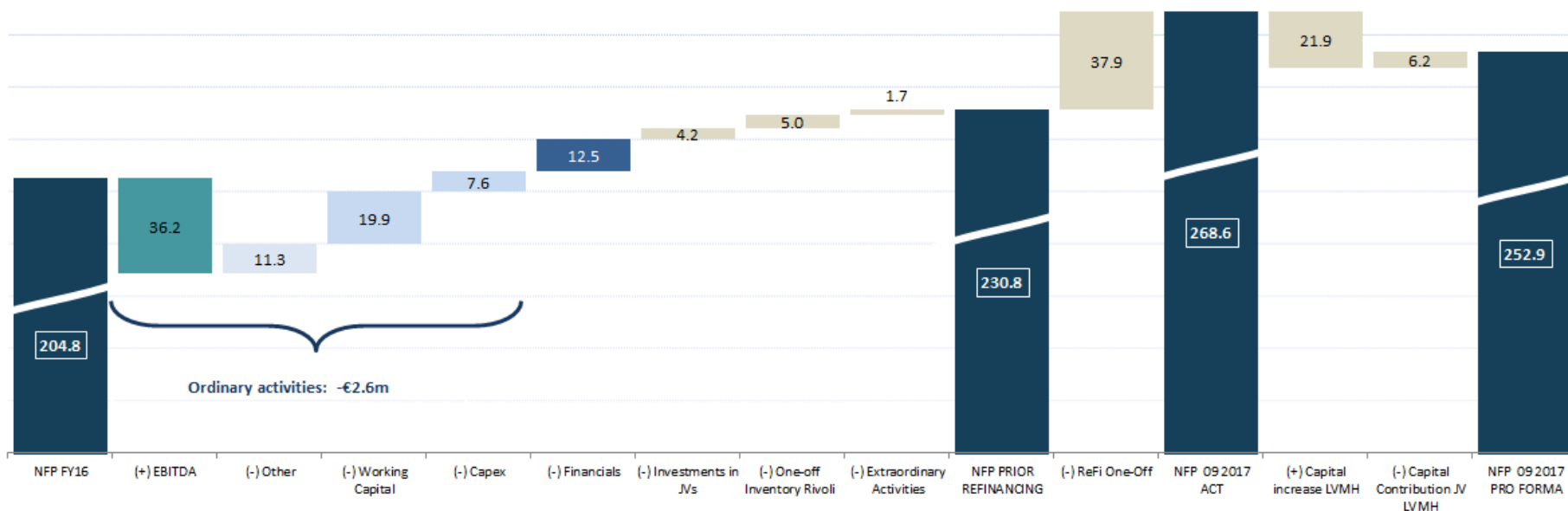
## Key observations

- **Net Sales:** the increase compared to PY is 1.9% (+€6.4m).
- **GM:** strong and solid performance of GM thanks to price and cost control despite market pressure.
- **EBITDA Reported:** the increase compared to PY is mainly due to lower one-off items and the improvement of operating leverage (which improved the **EBITDA Adjusted**).

# Consolidated Cash Flow (Net Debt)



Key financials: Q3 2017



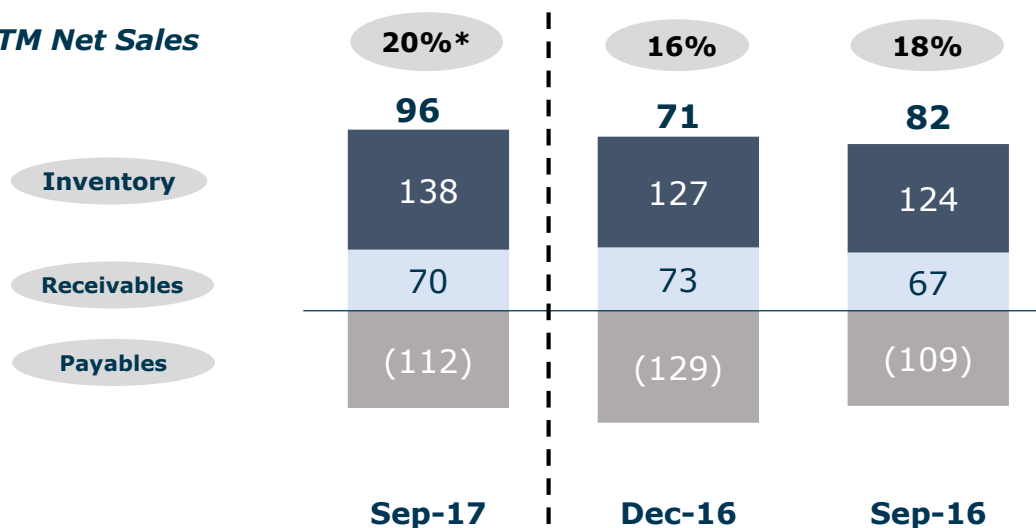
**NFP PROFORMA 3Q 17 \***

**252.9**  
Million EUR

**RATIO NFP PROFORMA TO LTM ADJEBITDA**

**4.9x**

\* NFP Proforma includes the capital increase made by LVMH and the capital contribution in the JV with LVMH both executed on October 2017, originally expected to be finalised within the 3Q 2017.

*As % on LTM Net Sales***Key observations**

- **Trade Receivables:** good performance of DSO index which shows a decrease by 2 days compared to Sep. 16.
- **Trade Payables:** almost in line with Sep 16. The decrease compared to Dec 16 is mainly due to purchases seasonality (strong 4Q purchases to support 1Q sales).
- **Inventory:** Overall increase compared to Dec 16 and Sep 17, due to new JV in Middle East and build up stock for new brands.

\* Excluding €5m JV Middle East initial TWC absorption.



# Agenda



- Key consolidated financials: Q3 2017
- **Appendix**

# Income Statement

(EURm)	Q3 2017		Q3 2016	
	Reported	%NS	Reported	%NS
<b>Net sales</b>	<b>341.5</b>	100.0%	<b>335.1</b>	100.0%
Cost of sales	(137.3)	-40.2%	(139.7)	-41.7%
<b>Gross Margin</b>	<b>204.2</b>	<b>59.8%</b>	<b>195.5</b>	<b>58.3%</b>
Selling and marketing costs	(149.5)	-43.8%	(143.3)	-42.7%
General and administrative expenses	(19.9)	-5.8%	(20.5)	-6.1%
Other operating income and expenses	0.3	0.1%	1.3	0.4%
<b>EBITDA</b>	<b>35.2</b>	<b>10.3%</b>	<b>33.0</b>	<b>9.9%</b>
Amortization-Depreciation	(12.9)	-3.8%	(9.9)	-3.0%
<b>Operating Profit</b>	<b>22.3</b>	<b>6.5%</b>	<b>23.1</b>	<b>6.9%</b>
Net finance costs	(27.5)	-8.0%	(14.5)	-4.3%
<b>Profit before taxes</b>	<b>(5.2)</b>	<b>-1.5%</b>	<b>8.6</b>	<b>2.6%</b>
Income tax expense	0.1	0.0%	(3.6)	-1.1%
<b>Net Result</b>	<b>(5.0)</b>	<b>-1.5%</b>	<b>4.9</b>	<b>1.5%</b>
<b>EBITDA ADJUSTED</b>	<b>36.2</b>	<b>10.6%</b>	<b>35.0</b>	<b>10.5%</b>

# Statement of Financial Position

Balance Sheet (EURm)	Sep-17	Dec-16	Change
Trade receivables	70.1	72.6	(2.6)
Inventory	137.5	126.9	10.5
Trade Payables	(111.6)	(128.5)	16.9
<b>TRADE WORKING CAPITAL</b>	<b>95.9</b>	<b>71.0</b>	<b>24.9</b>
Other assets and liabilities	(23.7)	(22.9)	(0.8)
<b>NET WORKING CAPITAL</b>	<b>72.2</b>	<b>48.1</b>	<b>24.1</b>
Total Fixed Assets	396.2	403.6	(7.4)
Funds	(8.4)	(7.8)	(0.5)
<b>NET INVESTED CAPITAL</b>	<b>460.1</b>	<b>443.9</b>	<b>16.2</b>
Net Financial Position	268.6	204.8	63.8
Equity	191.4	239.0	(47.6)
<b>COVERAGE OF NIC</b>	<b>460.1</b>	<b>443.9</b>	<b>16.2</b>

# Net Financial Position


(EURm)	Sep-17	Dec-16
Current financial liabilities	59.0	51.7
Non current financial liabilities	260.7	205.0
<b>Financial Liabilities</b>	<b>319.7</b>	<b>256.7</b>
<b>Financial Assets*</b>	<b>51.1</b>	<b>51.9</b>
<b>Net Financial Position</b>	<b>268.6</b>	<b>204.8</b>
Revolving Credit Facility	30.0	25.0
Short term borrowings from Banks	8.0	8.3
Current Financial Loan	19.2	15.5
Bond accrued interests	1.5	2.5
Current Financial Lease	0.4	0.4
<b>Current financial liabilities</b>	<b>59.0</b>	<b>51.7</b>
Senior Secured bonds	250.0	200.0
Non Current Financial Loan	6.0	4.2
Non Current Financial Lease and other	4.7	0.8
<b>Non Current financial liabilities</b>	<b>260.7</b>	<b>205.0</b>

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

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