

MARCOLIN
EYEWEAR



Investors presentation

HI Report June 30, 2016

August 31, 2016

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Agenda



- **Key consolidated financials: H1 2016**
- Appendix

Key consolidated financials

Sales

Consolidated Net sales increased +10.4% vs. PY; **+11.8% at constant FX**.
Mainly driven by TF (+22%), GA (+40%), SK (+29%).

246.0

Million EUR

249.2 **222.9**

@ Constant FX

Million EUR in 2015

EBITDA

H1 2016 EBITDA Reported is € 25.8 (€ 19.1m previous year).
H1 2016 Adjusted EBITDA* (excluding one-offs) is **€ 27.1m** or **11.0%** (€26.8m PY).
LTM Adjusted EBITDA for 2016 is **€ 50.5m** or **11.0%** Net Sales.

H1 **27.1** **11.0%**
On Net sales

LTM **50.5** **11.0%**
On Net sales

Net Debt

Consolidated Net Debt as of June 30, 2016 is **€ 205.1m** (€ 213,0m end of December 2015), improving €7.9m vs. PY mostly due to cash generation from operating activities partially absorbed by investing activities and financial interests.

The ratio Net financial position** to Adjusted EBITDA is **4.02**.

205.1

Million EUR

4.02 NFP /
Adj LTM
Ebitda

* 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 page 14.

** Excluding Bond accrued Interests.



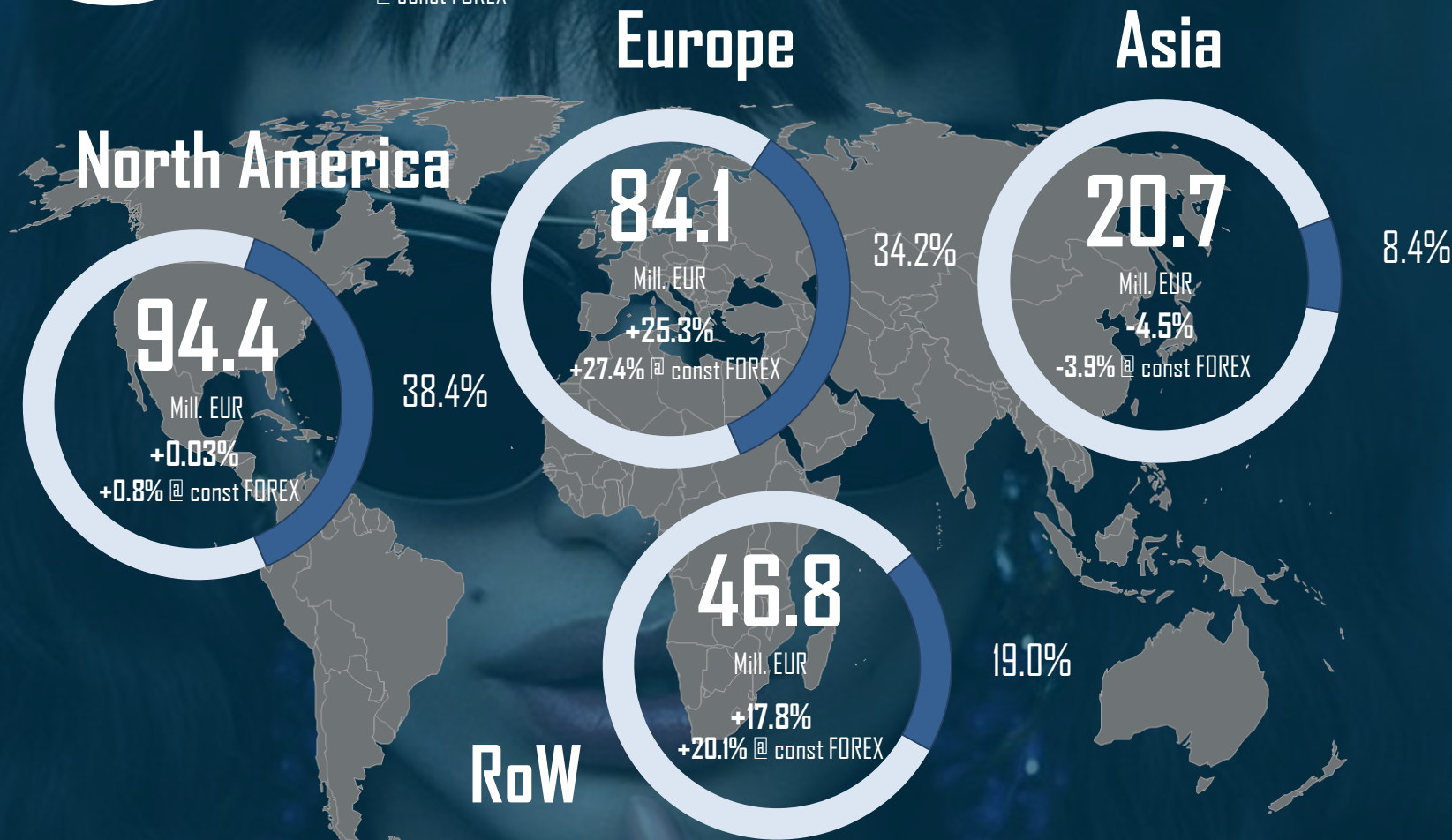
2016 YTD H1

Global sales

By market destination

249.2 mill EUR +11.8% vs PY
 @ const FOREX

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 YTD H1 Consolidated Sales



PY like-for-like perimeter

YTD H1 P&L Executive Summary

- **Net Sales** performance is positive: +€23.1m (+10.4%) above last year, driven by Italy that continues to grow of some +30%, Rest of Europe (+24%), strong performance of Rest of the World (around +18%), partially offset by pressure in Asia market (around -4.5%); Americas market in line with previous year.
In terms of brands, best performance ones are TF (+22%), SK (+29%) and GA (+40%).
- **Net Sales** @ constant FX +€26.3m or +11.8% vs. PY.
- **GM** in 2016 is €9.8m higher than that of the previous year, growing from €132.1m (or 59.3%) up to €141.9m (or 57.7%) in 2016. GM % is driven by a different sales mix both in distribution channel and destination market compared to the six months ended June 30, 2015.
- **EBITDA Reported** in 2016 is €25.8m vs. €19.1m last year (respectively 10.5% vs. 8.6% of Net sales).
- **EBITDA Adjusted**, excluding one-off items, would be €27.1m vs. last year € 26.8m (respectively 11.0% vs. 12.0% of Net sales).
- **Net Financial Costs** of €9.2m in 2016 include €8.5m for Bond interests accruals (which equal to cash impact during H1 2016). The change in respect to previous year is mostly due to an higher financial interest, however the overall incidence is in line with last year.

Consolidated Profit & Loss

(EURm)	YTD June		Actual 15 Reported	Actual 15 Reported %NS
	Actual 16 Reported	Actual 16 Reported %NS		
Net sales	246.0	100.0%	222.9	100.0%
Cost of sales	(104.0)	-42.3%	(90.7)	-40.7%
-- Gross Margin	141.9	57.7%	132.1	59.3%
Selling and marketing costs	(107.2)	-43.6%	(103.1)	-46.2%
General and administrative expenses	(16.1)	-6.5%	(17.5)	-7.8%
Other operating income and expenses	0.6	0.3%	2.1	0.9%
-- OPERATING PROFIT (EBIT)	19.3	7.9%	13.7	6.1%
Net finance costs	(9.2)	-3.7%	(8.1)	-3.7%
-- Profit before taxes	10.1	4.1%	5.6	2.5%
Income tax expense	(2.9)	-1.2%	(4.3)	-1.9%
-- Net Result	7.3	3.0%	1.3	0.6%
-- EBITDA	25.8	10.5%	19.1	8.6%
-- EBITDA ADJUSTED	27.1	11.0%	26.8	12.0%

- **Net Trade Receivables:** compared to Dec 15, the increase of €4.7m is explained mainly by turnover increase mitigated by a better performance of DSO index which showed a decrease by 4 days compared to Dec 15.
- **Inventory:** compared to Dec 15 inventory has decreased by €2.3m, mostly due to improvement in inventory KPIs. In fact, the actual consolidated DDI index decreased by 11 days compared to Dec 2015 and by 14 days compared to June 2015.
- **Payables:** in reference to trade payables, the amount is in line with December 2015.
- **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 decreased from €213.0m (Dec 15) to €205.1m (Jun 16), with a change of €7.9m mostly due to a positive cash flow from operating activities, as detailed in the consolidated Cash Flow Statement.

Consolidated Balance Sheet

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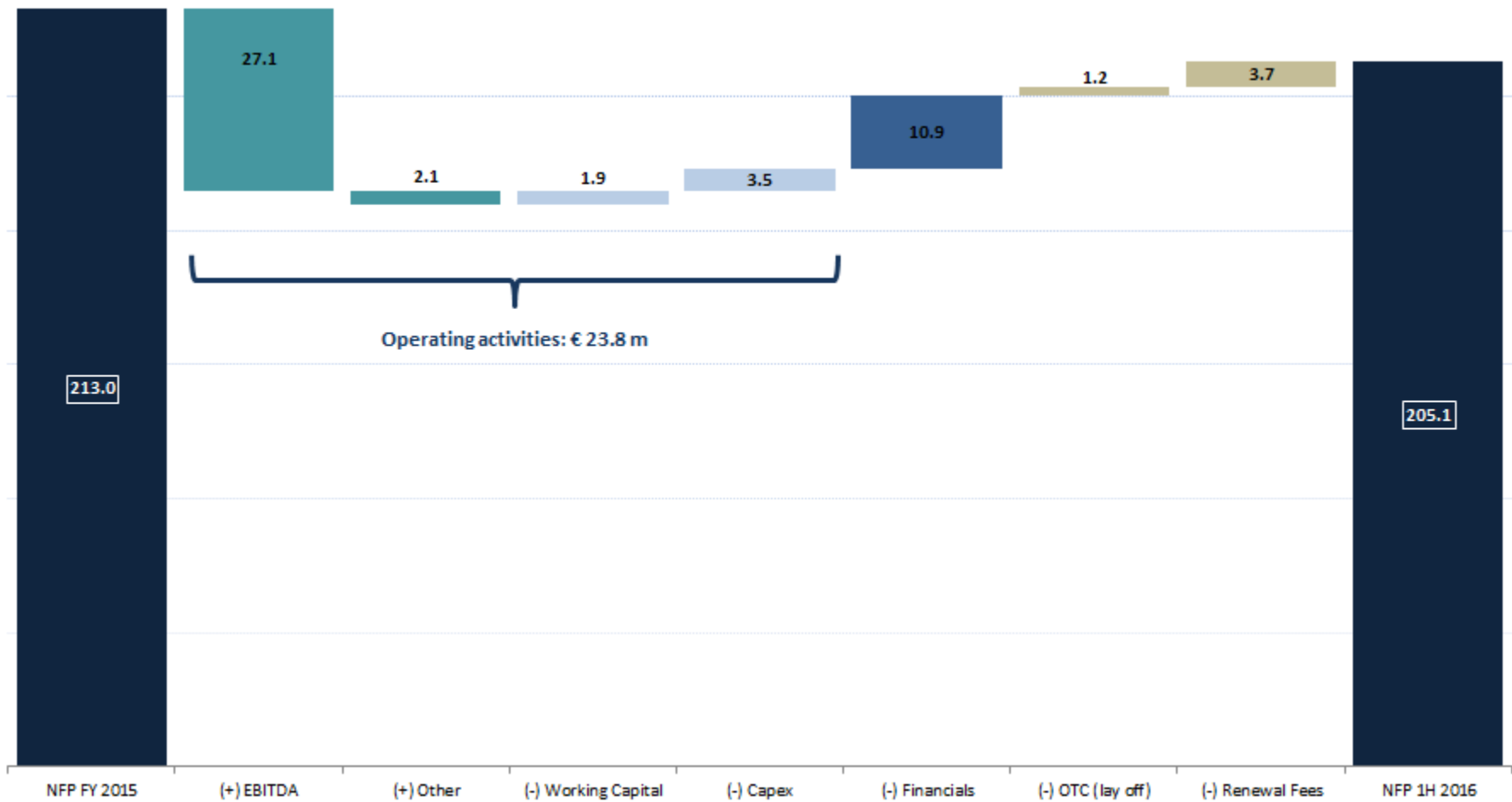
Key financials: H1

Balance Sheet (EURm)	Jun-16	Dec-15	Change
Net trade receivables	79.9	75.2	4.7
Inventory	117.9	120.2	(2.3)
Payables to suppliers	(120.8)	(120.8)	(0.0)
TRADE WORKING CAPITAL	77.0	74.7	2.4
Other receivables	16.3	15.4	0.9
Other payables	(38.7)	(38.7)	(0.0)
NET WORKING CAPITAL	54.6	51.4	3.2
Other receivables - medium/long term	33.9	37.4	(3.5)
Equity investments	1.7	1.8	(0.0)
Net tangible assets	26.1	27.3	(1.1)
Net intangible assets	44.1	46.0	(2.0)
Goodwill	285.9	288.2	(2.3)
FIXED ASSETS	391.8	400.7	(8.9)
Funds and reserves	(9.5)	(9.1)	(0.4)
NET INVESTED CAPITAL	436.9	442.9	(6.1)
Financial debts - short term	56.6	58.2	(1.6)
Financial debts - medium/long term	199.8	200.6	(0.8)
FINANCIAL POSITION	256.4	258.9	(2.5)
Other current financial	(47.5)	(41.4)	(6.1)
Other non current financial	(3.8)	(4.5)	0.7
NET FINANCIAL POSITION	205.1	213.0	(7.9)
NET EQUITY	231.7	229.9	1.8
COVERAGE OF NIC	436.9	442.9	(6.1)

Consolidated Cash Flow Statement (Net Debt)

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Key financials: H1



Net Financial Position

Key financials: H1

(EURm)	Jun 2016	Dec 2015
1 Short Term borrowings	56.6	58.2
2 Medium Long Term borrowings	205.7	207.3
Gross borrowings	262.3	265.6
Cash and cash equivalents	46.8	40.4
Financial receivables current	0.7	1.0
Financial receivables non current	3.8	4.5
Reported Net indebtedness before Amortized Fees	211.1	219.7
Bond amortized fees	(5.9)	(6.7)
Reported Net indebtedness after Amortized Fees	205.1	213.0
Revolving Credit Facility	25.0	25.0
Short term borrowings from Banks	10.0	13.2
Financial Loan - Current	16.3	14.9
Vendor Loan (HVHC) - Short Term	2.6	2.6
Bond accrued interests	2.3	2.3
Financial leasing current	0.4	0.3
Short Term gross borrowing	56.6	58.2
Senior Secured bonds	200.0	200.0
Financial Loan - Non Current	4.8	6.3
Vendor Loan (HVHC) - Long Term	0.0	0.1
Financial leasing non current	0.9	0.9
Medium Long Term gross borrowing	205.7	207.3

Agenda



- Key consolidated financials: H1 2016
- **Appendix**

Consolidated Adjusted Ebitda

in € Mln, except percentages

	HI 2016	HI 2015
EBITDA pre-adjustment	25.8	19.1
Costs of discontinued operations	0.0	2.1
Pro-Forma EBITDA	25.8	21.2
Senior management changes	1.1	0.0
Cost related to VIVA Integration	0.0	5.7
Other	0.1	0.0
Total adjustments	1.3	5.7
EBITDA ADJUSTED	27.1	26.8
Net Sales	246.0	222.9
% on Net Sales	11.0%	12.0%

in € Mln, except percentages

	LTM 2016	LTM 2015
EBITDA pre-adjustment	46.4	27.3
Costs of discontinued operations	0.7	2.1
Pro-Forma EBITDA	47.1	29.3
Senior management changes	1.7	1.3
Cost related to VIVA Integration	1.5	12.9
Other	0.1	3.0
Total adjustments	3.3	17.2
EBITDA ADJUSTED	50.5	46.6
Net Sales	457.9	390.7
% on Net Sales	11.0%	11.9%

Consolidated Cash Flow Statement (Net Debt)

(EURm)	Jun 2016
ADJUSTED EBITDA	27.1
Non recurring incomes (costs)	(1.3)
REPORTED EBITDA	25.8
Other non cash item on EBITDA	0.5
Income from operating activities prior to movements in WC	26.3
(Increase) Decrease in trade receivables	(7.0)
(Increase) Decrease in inventory, net	2.0
Increase (Decrease) in trade payables	3.0
<i>Movements in Trade working capital</i>	<i>(1.9)</i>
(Increase) Decrease in Other Receivables or (Payables)	1.9
CASH FLOW FROM (FOR) OPERATING ACTIVITIES (1)	26.3
Investments in property, plant and equipment, net of disposals	(1.2)
Purchase of intangible assets, net of disposals	(6.0)
Investments and Others in other subsidiaries (Equity Method)	0.0
CASH FLOW FROM (FOR) INVESTING ACTIVITIES (2)	(7.2)
Income tax paid (3)	(0.1)
Interest expenses (4)	(10.9)
FREE CASH FLOW (1+2+3+4)	8.0
Share Capital increase (decrease) (5)	(0.1)
Translation differences on NFP (6)	(0.1)
CASH FLOW (1+2+3+4+5+6)	7.9
Net Financial Position at the beginnig of the period	(213.0)
Net Financial Position at the end of the period	(205.1)
CHANGES IN NET FINANCIAL POSITION	7.9

Investor relation

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