Moncler S.p.A.

"First Half 2026 Financial Results Conference Call"

Wednesday, July 22, 2026, 06:00 PM CET

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OPERATOR: Good evening. This is the Chorus Call conference operator. Welcome and thank you for joining the Moncler First Half 2026 Financial Results Conference Call. As a reminder, all participants are in listen-only mode, and after the presentation, there will be an opportunity to ask questions. Should anyone need assistance during the conference call, they may signal an operator by pressing "*" and "0" on their telephone.

At this time, I would like to turn the conference over to Ms. Elena Mariani, Group Strategic Planning and Investor Relations Director. Please go ahead, madam.

ELENA MARIANI: Good evening, everyone, and thank you for joining our call tonight on Moncler Group's first half 2026 financial results.

Before starting, I need to remind you that this presentation may contain certain statements that are neither reported financial results nor other historical information. Any forward-looking statements are based on group's current expectations and projections about future events. By their nature, forward-looking statements are subject to risks, uncertainties and other factors that could cause results to differ even materially from those expressed in or implied by these statements, many of which are beyond the ability of the group to control or estimate.

Let me also highlight that given the nature of our business, interim results can be influenced by seasonal effects and therefore cannot be taken as a proxy for full year trends or results. Finally, I remind you that the press has been invited to participate to this conference in a listen-only mode.

Before starting our H1 review, I would like to hand over to Leo Rongone, our new group Chief Executive Officer. As you all know, Leo joined the company just three months ago, and he would like to share some first observations and thoughts after his first few weeks into the company.

Leo, over to you.

LEO RONGONE: Thank you, Elena. Good evening, everyone. It is a real honor and a great privilege to speak to you today for the first time as the CEO of the Moncler Group. Before handing over to the team for the Q2 results and the Q&A session, I would like to share a few reflections on my first three months within the company, an important time for me of listening, learning and meeting so many talented individuals across the organization from headquarters to our regional offices, from our stores to our production atelier. These initial months have been critical to gain a deep understanding of the Group, to shape my perspective and to identify where we can continue to evolve and where we will focus our energy from now on.

You know, I have admired Moncler from the outside for many years, as always had great respect for what Remo Ruffini and his team have built over the years. Now, experiencing the company from the inside, my admiration has increased even more. What I found, since joining the Group is truly remarkable: an organization that perfectly combines outstanding creativity with strong operational discipline. You all know this is a rare balance, and – to me – one of the key reasons behind the enduring success of this Group.

I have also been impressed by the uncompromising commitment to product excellence. Quality, meticulous attention to detail, and the constant drive for improvement are not simply processes here –they are deeply rooted in the culture of the company. There is something else: the way we tell our stories. In an industry that is becoming even more crowded and noisy, our communication is authentic and engaging. We are able to make our voice heard, to build genuine and lasting connections with our communities. This unique capability is a real competitive advantage.

Most importantly, however, is the people who have really inspired me. Across every function and every region, I have found a strong sense of ownership, a deep commitment to excellence and a true passion. I have also met a solid leadership team that has built two of the most iconic and desirable luxury brands. This is an asset I deeply value and I am fully committed to preserving and strengthening.

Looking ahead, I see exciting opportunities for the Group. As far as Moncler is concerned, our strategic priorities are clear: building relevance in regions where we have great potential; cultivating a dialogue with our customers across all seasons; and unlocking the full potential of our three brand dimensions you are already familiar with, Collection, Grenoble and Genius. The focus now is on a further step-up in execution, and on making sure each of these priorities translates into tangible and consistent results over time. To do so, we will explore new ways of pushing creative and technical boundaries.

Innovation in materials, for example, will be key to embody the true value of the mountain throughout the entire year, beyond the single season, and to elevate our product experience, the mountains encourage well-being, intentional living, and a deep human connection – something deeply rooted in our values and identity. Moreover, there is significant potential to further extend the brand legitimacy beyond the core outerwear category, always respecting our brand's DNA.

Talking about Stone Island, I have found a brand with an exceptionally strong identity, a unique culture of innovation and one of the most authentic and engaged communities in the luxury sector. The foundations that have been built over these past years are very solid, and the progress we are seeing today reflects disciplined execution of a clear long-term strategy.

Looking at the future, we will continue to focus on product research, strengthen the quality of our global distribution, and invest in consistent, culturally relevant brand communication. By doing so, we will deepen our relationship with our loyal community while introducing Stone Island to a new generation of clients around the world. For both brands, the way we engage with our clients represents a clear opportunity. Over the years, we have built a strong platform and a powerful ability to reach and inspire wide audiences. Now we want to translate this strength into even more direct, more frequent and more personal interaction with our VICs – building stronger relationship with them over time.

To conclude, these first months have only reinforced my belief that many more remarkable chapters of this Group's story have yet to be written, and I am deeply honored to help writing them alongside Remo. His visionary leadership has been the driving force behind the Moncler extraordinary journey so far. Together with him and the entire top management team, we will keep working with a long-term perspective, committed to helping this Group reach its full potential, always guided by the health and desirability of our brands.

I am very excited by the journey ahead, and I look forward to meeting many of you in person over the coming quarters, when there will be the opportunity to share more on my perspective. But tonight, we are here to talk about our Q2 results, so now let me hand over to Elena, Gino and Luciano for the H1 review and the Q&A session. Thank you.

ELENA MARIANI: Thank you very much, Leo. For our audience, of course, there will be the opportunity to meet and get to know Leo in the coming quarters and to have proper discussions with him. But tonight, we are here to talk about our Q2 results. So I will now move on to host our H1 results presentation and Q&A session, of course, together with Luciano Santel, Chief Corporate and Supply Officer and Gino Fisanotti, Moncler Chief Brand Officer.

Before handing it over to Gino and Luciano, let me just present the key highlights of today's results on PAGE 4. Group revenues in the first half of the year were 1 billion 290 million euros, up 9% at constant FX. In the second quarter, Group revenues were up 5% at constant FX. The Moncler brand accounting for 84% of the Group's H1 turnover, was up 9% in H1 and 3% in Q2. The Stone Island brand accounting for 16% of the Group's H1 turnover, was up 11%, both in H1 and in Q2. In the first half of the year, the Group also reached an EBIT of 245 million euros, with a margin of 19%. Net Result was 165 million euros with a 12.8% margin, and our net cash position at the end of June exceeded 1.1 billion euros.

Let me now hand it over to Gino for the key highlights of the Moncler brand in the second quarter. Gino, over to you.

GINO FISANOTTI: Okay. Thanks Leo and Elena. Ciao and good afternoon or night to everyone connected. Before we go into the details of the presentation with Luciano, I just wanted to take a second to share a bit of the strengths we are seeing within the brand in the very first six months of the year. I think we have seen very robust results, not only in terms of the execution and the quality of the work that we were able with the teams to put out there, but equally robust in terms of the global reach and impact, the community engagement we saw and more importantly, the organic brand interest in Moncler brand.

In this case, I think the first six months were led by some very special and some first-ever executions for the Moncler brand. I have to say that the three driven forces of the last six months have been, of course, Aspen with the show of Grenoble, but then our return into the Winter Olympics that was a very special moment for the brand with the whole story. And then last but not least, something that we start covering now in detail, our first formal Spring/Summer end-to-end work.

So if we go to the next slide, SLIDE 5, we can start talking about our official first-end work against Spring/Summer. I think when I say end-to-end, and this is something we use a lot internally. It is about meaning that we make sure that we connect all the different consumer touch points under one single effort and narrative from product to retail, from marketing to digital platforms, from wholesale to e-commerce and even from paid media to traditional media and so on. So this is the first time we officially went into a Spring/Summer like this, and I know this is a conversation we had for many seasons with all of you. And I hope, you were able to see what was done in the last few weeks.

This Spring/Summer campaign, to be honest, meant way more than just a seasonal effort for us. This represented the kickoff of a long-term commitment that we have as a brand. And we strongly believe that this kickoff means for us the opportunity to become relevant and meaningful across the entire year. Then of course, this campaign was called 'Have A Puffy Summer.' But for us, 'Have A Puffy Summer' means Summer, the Moncler Way. We believe that with this campaign, we are able to create a unique opportunity for the brand to tackle this very interesting transition that happened between the spring to summer through a solution that we believe is a system of dress, which are fully expressed through the power of layering that we showcased in the campaign and of course, through the retail experience.

This was an effort to push a different tone for the brand while remaining authentic to who we are despite our strong heritage and, of course, DNA into winter. From very impactful executions across media, pop-ups in Europe or Asia, all the way down to countless press coverage, editorials and digital and retail execution, this was just our very first season and efforts that we will keep building on the back of this very, very important first step.

To be honest and to share with you, and I am sure we will go into details later in the Q&A, we are happy to see the level of results we were able to achieve during this period. We were able to experience not only a strong global reach at a global scale, but more importantly, great results in terms of the consumer and community engagement on top of the performance of the collection itself. Last but not least, we were equally excited about the learnings we were able to capture this season to keep building even stronger plans and execution towards next spring season and the ones to come.

So with that, I am happy to go probably into the next slide that has other highlights for Q2. First of all, on the back of the special season and we discussed Spring/Summer for Moncler, we did our first efforts as well in Spring/Summer around Grenoble. And if you think about Grenoble, I always think we discussed this, the reset of this very important brand dimension to start few years ago. And even our first Spring/Summer product started very shy, less than three years ago. So to be honest, I think we are very excited to see the acceptance and the global acceptance that this collection is having, the performance that this dimension of the brand is having and of course, the opportunity for us to keep reaching and inviting new and more customers into the brand.

Then following into the next part of the last few weeks, we just launched our pre-Fall 2026 for Moncler Collection. And we introduced this collection obsessing what we call the language of detail behind this collection, and this is the great attention we pay not only to the layering and the solutions that we are going, again, in this case from the transition from summer into fall.

Last but not least, a few weeks ago, we hosted at Moncler Global headquarters, a new season of Studio Ascenti. For those who don’t remember what it is, Studio Ascenti is our annual platform where we present our coming footwear collection to media editors, celebrities and people from sneaker culture and beyond. I have to say that despite that, we don't want to become a footwear-led company. I think we're happy with the calculated efforts regarding this category. We are really happy with the progress we are making in terms of this dimension of footwear this season, introducing new styles like the Citytrek, sorry, and especially new products and collaborations that create some press coverage before launch like the Clarks Trailgrip or some of the fragment collaborations that are about to come on top of new innovations like the Trailgrip Ultra, a new concept that will be launched in 2027.

Sorry, one more thing, I forgot one more. I said last but not least. But one final thing for me to share with you all is, I want to take the opportunity to thank, of course, the entire Moncler family for the efforts made, but we are extremely proud to share with you that Moncler was able to win the very first Grand Prix award at Cannes Festival, followed by other recognitions like Gold Clio Awards and a Graphite Pencil Awards as a great testament to the work done behind Warmer Together campaign that we launched a few months ago featuring Al Pacino and Robert De Niro.

Clearly, we're not just happy because of the awards or the recognition itself. But as we mentioned many times to each of you in the past, we strongly believe that we as a brand in the power of storytelling and by sharing our values and DNA in a way that can create emotional connection and long-lasting relationships with our customers out there, something that I think Leo just mentioned a second ago. I think when we get the news and we learn about this, I think Remo Ruffini said that advertising come and go, but emotional connections and creativity remains forever, and we strongly believe that, that's the opportunity to keep doing season-after-season.

So that's all from my side. Of course, we will talk later. I will pass it to Luciano to go into the next part of the presentation. Thank you.

LUCIANO SANTEL: Okay. Thank you. Thank you, Gino, and good afternoon and good morning, everybody, and thank you for attending our call today. We are now at the PAGE 7, where we report some highlights of Stone Island marketing initiatives. One is the NO SEASONS project that was represented during the Milan Design Week, featuring an iconic outerwear item designed in the early '80s in six of the most iconic fabrics of Stone Island, all of them in the same piombo tone.

Second activity is about the capsule collaboration with New Balance, revisiting the world of football and featuring few professional football players, Endrick playing with Brazil and Bukayo Saka playing for England. Last, still very important project represented at the end of June that is called Community as a Form of Research and featuring the world champion table tennis player, Xu Xin wearing a pinnacle item of the Fall/Winter collection.

Okay. Let's move now to PAGE 8, where we report our results for Moncler brand revenues by geography. In the second quarter, Moncler brand grew 3% positive and grew a good growth rate, not good as much as in the first quarter, but still something we are happy about, with a very strong contribution of Asian market, growing 12%, good contribution of Americas, + 4% and a weaker, softer Europe, EMEA region down 8%, mostly due to softer tourism flows, particularly from Asia, but also from Americas and also still weak online performance. In the Americas, the + 4% we reported is a weighted average. The direct channel actually grew above 4%, and this is an important point to highlight because, of course, that channel is very important for us.

Let's move now to PAGE 9, where we report the same revenues of Moncler brand by channel. Both channels grew + 3% in the quarter and with comp store sales in the first half of the year of + 7%. Again, both channels and mostly the DTC channel were affected mostly in Europe by the weaker tourism flow. Wholesale was good. It was positive first quarter and still positive in the second quarter, better than what we originally expected, also thanks to the good reorders coming from the wholesale market, which are further evidence of the good sell-out performance of our wholesale network.

Let's go now to PAGE 10, where we report Stone Island revenues by geography. Stone Island, as Elena just said, for the fourth quarter in a row, reports double-digit growth rate of + 11%. Good growth in all the different regions, particularly strong in Asia, very, very strong in Americas, of course, on a smaller base, but still very, very encouraging for our project in the future and a weak but still growth in Europe. Asia, of course, includes APAC and China, very good. And Japan and Korea, both very, very, very strong. You may remember that Korea until last year was not particularly good. But now, I mean, also in the first quarter is doing very well and of course, much better than in the past.

Let's move now to PAGE 11, still revenues, Stone Island revenues by channel. Again, behind the average growth rate of + 11%, a very nice remarkable and encouraging + 15% in the DTC channel that, of course, is particularly important and encouraging for the management team and a good solid + 6% in the wholesale channel.

Next page, PAGE 12, we report our retail network for both brands. We opened three stores in the quarter for Moncler, one in Monterrey, one in Vancouver, Oakridge and the third one in the airport of Osaka Kansai Airport.

Let's move now to PAGE 13, where we report as usual our profit and loss for the first half of the year. Elena anticipated some important numbers. Of course, the top line, we already gave you some comments, a total of 1 billion 290 million euros. We were slightly below 1 billion euros in gross profit, 995 million euros with 77.2% better than last year, slightly better due to a positive channel mix. A very good contribution of selling expenses below last year and a good contribution of G&A that have been affected by a one-off 8 million euros related to the new governance structure in the first half of the year. For the full year, we expect this one-off to amount to around, or slightly less than 10 million euros. So most of this one-off has been reported in the first half of the year.

Marketing expenses were in line with last year, at 9.5% of revenues, consistent with our usual expectation. We continue to expect marketing expenses to be around 7% of revenues for the full year. At the end, operating margin reached 19%, compared with 18.3% we reported last year. Just a comment on net financial expenses that are higher than last year due to higher interest expenses on lease liabilities. At the end, Group net result reached 12.8% of revenues, slightly better than last year.

Let's move now to PAGE 14, where we report net Capex 89 million euros with the split between infrastructure and distribution was mainly in line with last year. Capex was slightly higher in percent of revenues, but still with an expectation for this year to go back to the 6% incidence by the year-end. I say “return” because last year, due to some important investments we made, the incidence was close to 7%, specifically 6.9%, as you can see. We have many projects underway on the distribution side, including the upcoming new opening of our store in New York Fifth Avenue, but also many projects on our infrastructure.

Okay. Let's move now to PAGE 15, where we report net working capital at 10% higher than last year due to a higher inventory level due to a strategic decision in investing in some strategic raw materials, particularly in down for several different reasons. But everything is under strict control, nothing to highlight. And still with a plan for the year-end to go back to a percent, substantially in line with what we reported last year, that was 9.7%.

Net financial position at PAGE 16. Okay, 1 billion 112 million euros at the end of June as compared to the 981 million euros end of June last year. Just a comment about our lease liabilities that are equal to 1 billion 199 million euros as compared with 1 billion 109 million euros last year.

Okay. Let's go quickly to PAGE 18, where we report the cash flow statement. I don't make comments on balance sheet. But of course, please if you have any questions, don't hesitate to ask. Cash flow statement, the free cash flow is very good, much better than last year, 34 million euros versus 15 million euros last year, mostly due to the better operating margin, better EBIT than last year. Important to highlight that the net cash flow was negative, but after the payment of 374 million euros of dividends.

Okay. So we are done with the presentation now. Thank you for your attention and ready to answer your questions.

Q&A

ELENA MARIANI: Yes. We will now hand it over to the operator for your questions. I kindly ask you to stick to a maximum of two questions per person. Operator, you can now open the Q&A line. Thank you.

OPERATOR: Thank you. This is the Chorus Call conference operator. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone telephone. To remove yourself from the question queue, please press "*" and "2." Please pick up the receiver when asking questions. Anyone who has a question may press "*" and "1" at this time. We will pause for a moment as participants are joining the queue.

First question is from Natasha Bonnet, Morgan Stanley.

NATASHA BONNET: Good evening and thank you for taking my questions. The first one would be, could you please give us some color on the performances by cluster for the Moncler brand, but also in terms of volume price mix, because I believe pricing was low-single-digit in Q2?

And then the second one, did you see any difference in trends throughout the quarter per months? And anything you can give us on, you know, current trends you've seen so far? What's the mood like in Q3 for these first few weeks? Thank you very much.

LUCIANO SANTEL: Thank you for your questions. About the nationalities, I can tell you that Chinese and Americas were positive, Koreans and Japanese flattish and Europeans were single-digit negative.

About the contribution of price / volumes, in the second quarter pricing was predominant, while volumes were flattish, slightly negative.

The quarter has been good, not great, but good, very good in the first few months. Honestly, April and May were both very good months of the quarter. June much softer due to an evident and clear decline in traffic in all the different regions. Something we observed in June was that customers' behavior was more and more “buy now, wear now”. I mean, this is something different from the past that we started seeing a couple of years ago, with this year even higher than last year. That, of course, implies a little delay in the purchasing of the Fall/Winter season.

On the other hand, the good news not visible in the results, but strategically very good for us, for the management team, is that in all the three months of the quarter - April, May, but also June - the Spring/Summer collection performed very well. Of course, the very good performance of the Spring/Summer collection in June was not enough to offset the decline in the Fall/Winter collection, but again, it is still a very good and encouraging sign because, as you know, as Gino said, the effort and the investment we made for this collection were only the first, but a very important step in a long-term journey and, of course, we'll see Moncler being even more intentional next year. Something I said during the presentation that, of course, impacted the slowdown in traffic mostly in June, was the evident significant decline in tourism, that impacted EMEA more than the other regions. But of course, this is an explanation not only of the softer results in EMEA, but also of the softer results overall, and this is something we saw mostly in June.

Remember that our business historically with tourist was, and still is, very important in second quarter, mostly in third quarter, and much less in Q4 and Q1. But this year, even more than last year, we faced a decline in tourism coming from Asia and from America to Europe.

NATASHA BONNET: Thank you.

OPERATOR: Next question is from Anne-Laure Bismuth, HSBC.

ANNE-LAURE BISMUTH: Hi good evening. Thank you for taking my questions. My first question is on the split between space and like-for-like in Q2. Would it be possible to have an indication of what was the space contribution in Q2? And how should we think about it in the second half of the year and for the full year?

And then my second question is about the US. We have seen strong performance across the few companies that have already reported, while for Moncler, it's a slight sequential slowdown. Is it only linked to the normal seasonality of the business, and was the Spring/Summer campaign well received in the US?

And maybe a last one still about the US. You have the big flagship opening in New York in September and given we haven't had any Genius events since October 2024, should we expect a Genius-format event linked to that opening, or any different concept that you will deploy around that opening? Thank you very much.

LUCIANO SANTEL: Thank you for your questions. First question, of course, you know that we don't report this information by quarter, not because we have something to hide, but because the space contribution in one quarter is honestly not particularly meaningful. I can tell you that we plan for this year-end, in line with what we said, and I'm sure you remember, about 4% of space contribution. Of course, in the quarter it was slightly below, but again, nothing particularly important, honestly.

And about the performance in America, I wanted to highlight that the +4% we reported, of course, is the weighted average between wholesale and DTC. Why is that? Needless to say, wholesale is driven by our deliveries plan. Of course, in America our wholesale business is with department stores, with what was Saks Global, which is now out of Chapter 11, but I mean, long story short, we delivered less than what we could deliver. But what is very important to highlight is that the DTC business was higher than that +4%. So overall, it's meaningless to compare Moncler with other brands that, for sure, have become more relevant in that region than what Moncler is now, but in any event, I can tell you that our growth rate in North America, and in the US specifically, is something we are happy with and that encourages us to keep investing in that country.

GINO FISANOTTI: Anne-Laure, I think we discussed this probably in the last few calls as well, about the journey the brand is on in the US, right? So I think we can even correlate this to probably the last two calls we had. I think Luciano said we are happy with the results we had. That said, it's important to keep reminding ourselves that this journey, in terms of the level of maturity and awareness that we have in the US, is very different from what we have in Europe and in Asia. Therefore, we keep seeing this as the opportunity and the challenge in terms of execution. You also mentioned something specifically about Spring/Summer or the campaign. I will reinforce what Luciano said, we are happy, I think things worked well for us. Of course, sometimes we expect more, to go into that potential. As we discussed at the beginning of the year, we came into the first three months of the year with the execution we did in Aspen and the opening of the new Grenoble store. And of course, we're going into September, when we'll open Fifth Avenue, Moncler's biggest store in the world. Of course, the expectation here is to build the blocks towards that opportunity to unlock that market. Again, we don't believe, in today's world, that there's a silver bullet that will unlock everything in one go. I think what we are doing right now is, of course, working heavily in terms of leveraging the opening of this store, in the context of something that is an offense altogether for the US across all the different touch points.

So, in a nutshell, I think I could more or less understand some comments about whether this is a type of Genius event or something. Again, we will open the store, as I mentioned before, in September. We have been working toward that for a few months now. We are excited about what's to come, but personally, I would say, on behalf of the team, that we're equally excited about the journey we're embarking on. It's something we started on the back of last year, and at the beginning of this year. And of course, results are positive. We expect more, we all want more, but we have to do the work and build a stronger foundation, and this will come as a consequence season after season.

ANNE-LAURE BISMUTH: Thank you.

OPERATOR: Next question is from Luca Solca, Bernstein.

LUCA SOLCA: Yes, hello. Good evening. Maybe a stupid question, but you do have a global retail network, and I would like you to maybe help me understand how is it that tourists not coming to Europe cause you a dent in revenue growth? How come that these tourists cannot be recaptured elsewhere in Asia or in America? Is it because maybe they exploit the big geographic price differences, and so you continue to have a significant price gap between Europe and Asia? I wonder.

Moreover, given that we have the pleasure of having Leo on the call, I was wondering, Leo, if, after three months, on top of appreciating the great strengths that the Moncler Group has, you identified any specific areas where you could potentially bring your experience and improve how the company performs, and which those areas would be? Thank you very much indeed.

LUCIANO SANTEL: Hi, Luca, your first question is a very good and right question. Actually, I may not have been precise, but my comment about tourism flows was mainly related to Europe, to explain the soft performance there. That's unfortunately something we have been facing for a while, because also previous quarters were not particularly good for Europe. But you're right, I think that people that did not come to Europe purchased in their local markets, and I think that this is also the reason why Asia was so good, because +12%, honestly, I believe it is quite remarkable. It's not the over-20% of the first quarter, but I think that nobody expected us to replicate that, let me say, unusual number, due to the Chinese New Year and whatever. So, +12%, was mostly driven again by China, Korea and to a lower extent, but still positive single-digit, by Japan. And the same for the US. So again, you're right, I mean, in part, because, of course, it's difficult to provide a scientific answer, but I think you're right.

LUCA SOLCA: Thank you, Luciano.

ELENA MARIANI: On the second question, I mean, of course, Leo will share some thoughts. Clearly, there will be dedicated opportunities in the coming quarters to meet him and discuss all these broader topics with the time and attention that they deserve. So, here tonight, we will focus on Q2. But Leo, over to you for some thoughts.

LEO RONGONE: Yes, of course, I can share a bit of color, and thank you for the question, Luca. So, as was mentioned before, together with the extraordinary abilities that are very clear in this Group, I've also noticed a few opportunities that we're going to develop. Based on your question, I'm going to stick to your curiosity, let's say, on the clients. I would say that for sure, Moncler clients frequently rank among the top spenders across other brands in the luxury industry, and we have demonstrated over the past years that we are able to talk to wide audiences. So, a clear opportunity that I see, and for sure will be a key focus for both brands, is that we can translate this ability into something which is more curated, let's say, allowing us to turn this strength into more direct, more frequent, and more personal interactions with our VICs. I'm sure that this dedication to key clients will further nurture our business globally, especially in those countries where we see today high potential to express our business.

LUCA SOLCA: Thank you very much.

OPERATOR: Next question is from Daria Nasledysheva, Bank of America.

DARIA NASLEDYSHEVA: Hi, This is Daria from Bank of America. And thank you for taking my questions. I have two. The first one is on profitability. With a 19% EBIT margin in 1H, and actually 60 basis points higher excluding the one-off, could you please share any comment on the margin outlook for the full year, considering the cost control that you have exhibited? Consensus currently models just a 10-basis-point improvement for the year.

And my second one, sorry for this question, but can I please quickly follow-up on the current trading? You have very helpfully answered on the shape of the quarter. Should we assume June trends continuing into July? Or has there been any sort of inflection since? Thank you very much

LUCIANO SANTEL: Thank you, Daria, for your question about the profitability. I'm sorry, but our usual answer is that we don't know, but simply because operating profitability is mostly dependent on, and driven by, the top line, which is difficult to predict. Of course, profitability in the first half of the year was good for two main reasons. One is what you said, because our attention to cost control is quite high. We all work to become more and more efficient in everything we do. But the other important point is that the top line in the second quarter was fairly good, but it was much better in the first quarter, which is also much more relevant than the second quarter. So this is what made operating profitability very good, and as you pointed out, taking out the one-off, it would have been significantly higher than last year.

What it may be at year-end is difficult to say. Of course, as you know, we do not have a target, but rather an ambition, a goal, to protect our profitability, that over the past years has been in the region of 29-plus percent. And this is still our ambition, but honestly, it’s difficult to predict now what it may be. It will totally depend, again, on the top line in the second half of the year that, needless to tell you, is the most important half of the year.

About the current trading, I mean, nothing more to highlight than what I said. June was softer than the first two months of the quarter. July, I mean, we have only two weeks behind us. The beginning was in line with June, and then a little bit better, but please don't make me comment on the business results of yesterday or the current trend of today, because it would be totally meaningless. Again, from a qualitative point of view, we see that there are two factors. One is negative for the result of this period of the year, and that is the "buy now, wear now" behavior of customers. But the other, that is very positive because, strategically, it is extremely important for the brand, for the future and for our projects, is the very good performance in April, May, June, and also, for what it's worth, in the first two weeks of July, of our Spring/Summer collection. So this is something we are very happy with.

DARIA NASLEDYSHEVA: Thank you very much.

OPERATOR: Next question is from Oriana Cardani, Intesa Sanpaolo.

ORIANA CARDANI: Yes, good evening. Thank you for taking my two questions. The first one concerns the share of new customers within the overall customer base. What percentage of the total did new customers represent for Moncler and Stone Island in the first half of the year? Should the strong momentum of Stone Island be attributed to the acquisition of new customers or to an increase in the value of existing customers?

And the second question is on space contribution and price effect. Could you already provide some guidance regarding these two drivers for 2027? In particular, what are your expectations regarding the price increases for next year? Thank you very much.

ELENA MARIANI: Good evening, Oriana. On your first question about customers, I didn't get it if you were asking specifically about Stone Island or both brands. Maybe I can just give you some color on Moncler. This is a figure that we provide typically on a yearly basis, we don't give Q1 / H1, but what we have been seeing over the past few years, and it's been pretty stable, is that about 50% of our revenues come from new customers, and about 50% of our revenues come from existing customers that are already loyal to the brand. From the point of view of numbers, we are slightly more skewed towards new customers. It's about 60-40: 60% new and 40% existing. Of course, this means that the loyal customers, the existing ones, are spending a little bit more, but the share of revenues is equally split.

GINO FISANOTTI: Oriana, the only color commentary beyond the factual data that Elena shared with you, is that, of course, the opportunity regarding new customers around Spring/Summer is a real opportunity. As we were mentioning before, this Spring/Summer was executed deeply in a few doors of our entire network. We will keep increasing this, and this is driving new interest and new customers into the brand. So, for Spring/Summer, again, if you were referring to this Q2, we have seen a good reception from existing clients, but, of course, it's allowing us to start capturing new demand and new clients into the brand, and even some specifics that hopefully we'll start sharing later about gender behavior, et cetera, regarding the product proposition we have around Spring/Summer.

ELENA MARIANI: And on Stone Island, I mean, as you can see from our numbers, it's a very nice balance between capturing new customers and also keeping cultivating our loyal *Famiglia*. I think that for Stone, this is very consistent with the strategy that we have. So, keeping a very strong connection with our loyal audience, but also adding and recruiting new customers into the brand. And on this, results, as you know, are very organic. All the retail KPIs on Stone Island are positive, very encouragingly. It's a very high-quality growth coming just from the underlying development of the brand, as you know, there is no space. So we are seeing both types of customers buying into the brand.

LUCIANO SANTEL: And Oriana, about your question on space and pricing, I understand that you are talking about Moncler. For 2027, honestly, it's quite premature and early to give you a precise number. I can tell you, as a rough indication, that we expect space to still be in the region of 4%. And pricing, based on the current production cost increases and the current level of currencies, should remain low- to mid-single-digit. Of course, any more precise indication will be provided in the future, when we have a better understanding of what may happen next year.

ORIANA CARDANI: Understood. Thank you very much.

OPERATOR: Next question is from Melania Grippo, BNP Paribas.

MELANIA GRIPPO: Good evening, everyone. This is Melania Grippo from BNP Paribas. Thanks for taking my questions, and congratulations to Mr. Rongone on your appointment. So, my first question is on online, I understand this is performing a bit weakly, and I remember that was also the case in Q1. Is there anything specific happening in this channel? Is there anything that you can say around it?

My other question is on the Spring/Summer collection. I actually had the opportunity to visit some of your stores in the past week, and it seemed to me that there were not too many products that could be worn immediately. So I was wondering whether you intend to change the cadence of the deliveries to give more floor space to Spring/Summer products. Thank you.

GINO FISANOTTI: Melania, thank you for the question. On the first one about online, Luciano mentioned this a bit before, but I think the reality of the picture of online is almost split in two halves. We have seen a weaker performance in Europe since the beginning of the year. This is something we saw in Q1 and Q2, while the other regions have been performing in line with, or in some cases even better than physical retail. So I think this is a bit of the context.

We have seen a good performance in the US and the Americas, and solid performance in all the different Asian markets. I think in Europe, specifically, we are seeing a bit of softer demand and a bit of softer traffic, while the other regions are exactly the opposite. So right now, as you can imagine, we're working through those details. We understand that there's an opportunity for us to do better in certain markets within Europe, but again, I would say the overall picture is almost in two halves. It's Europe and the rest of the world, with very disparate performances between Europe and the rest.

Regarding Spring/Summer, I think it's a great question. I want to go back to a few comments we made at the beginning. This Spring/Summer, for us, was, as I mentioned before, the first ever, right, effort, and I think the other important reminder is that, when we executed this initiative, we literally used a small percentage of our retail network to fully deploy the collection and everything we have done around Spring/Summer, because we really wanted to learn about this. As I mentioned before, this was the very first step. In some cases, we found out that some of the styles and the new products were performing quickly pretty well, better than we were expecting. And then, of course, as you mentioned before, as we were going into June, we were already having pre-Fall, and some of the stores started to have a more Fall-type assortment versus a bit more of a Spring/Summer assortment.

We are taking the learnings from this Spring/Summer as we go into next year as well. One of the areas we're focusing on more is to make sure that our offering will not only be relevant, as we believe we have the product, but also be extended to make sure that we can cover the season entirely, rather than having a specific push at the very beginning of the season and then running back into old behavior. So again, take it as we said at the beginning, we are happy. At the same time, we are the first ones to know that we have tons to do and tons to improve, and this is part of the process.

MELANIA GRIPPO: Thank you.

OPERATOR: Next question is from Erwan Rambourg, Goldman Sachs.

ERWAN RAMBOURG: Yes. Hi, good evening everyone and welcome to Leo Rongone, and thanks for your enthusiasm. So, two questions on my side. First, given the magnitude of the New York opening and potential events around it, maybe, Luciano, can you mention what influence it has? Will it be visible on the cost base? And do you have any other major openings planned in H2 that could weigh on the cost base?

And then, secondly, can you talk maybe about South Korea? How relevant is it in terms of Asia's growth, given the wealth creation we've seen recently? What is the weight of Korea? Is it relevant? Is it a real standout? Or is the growth in Asia really broad-based? Thank you.

LUCIANO SANTEL: Thank you for your questions. Starting from Korea, Korea represents about 10% of our business overall. It is still growing very nicely. Remember that Korea has been very strong for Moncler for many, many years. Even during COVID, Korea was the only region that was growing and kept growing in 2020 and 2021. Last year there was some kind of slowdown in Korea, but this year it is still growing, with very, very high sales density. Again, I'm saying this because we keep growing, but, of course, we have a base of comparison that is quite important.

About the New York Fifth Avenue cost impact, let me see if I understood the question because, of course, there will be an important cost impact associated with the cost of the store, with the rent, and with the cost of the people who will operate that store. We don't disclose the cost, but let me say again that, for sure, it is an important cost. Of course, what we expect from that store is to perform very well. This may not be 100% the case in the first three months after the opening, in 2026, but, of course, we have great expectations for that store in the next years. But please tell me if I understood correctly your question.

ERWAN RAMBOURG: No, I was wondering if it had an impact in terms of the weight of H1 versus H2 in terms of your cost base relative to a normal year. I was also wondering if you had other big projects lined up for H2 outside of this New York opening.

LUCIANO SANTEL: Yes. So there are other projects, but for sure this is the most important one. Of course, all the expenses associated with New York, as well as with all the stores are reported under selling expenses. So again, it will depend on how much the top line will be and, as a result, how much the productivity of the store will be. There might be some dilution, maybe, but I don't know, honestly, nothing I need to highlight right now because I don't know. Also, again, I expect the first weeks after the opening to be good, I hope, but for sure not as good as we expect the store to perform after one year, after two years.

ERWAN RAMBOURG: Very clear. Thank you.

LUCIANO SANTEL: Thank you.

OPERATOR: Next question is from Charles-Louis Scotti, Kepler.

CHARLES-LOUIS SCOTTI: Yes, hello, good evening. Thank you for taking my questions. I have two. The first one is on Stone Island, which delivered a very strong performance in the first half. Could you please elaborate on what explains the relative underperformance in EMEA? I would assume the brand is less exposed to tourist flows than Moncler. And also, now that the wholesale-to-retail transition has largely been completed and the brand momentum appears particularly strong, does this give you greater confidence to accelerate store openings in line with the ambitions you initially outlined at your Capital Market Day a few years ago?

And secondly, on licensing, if I'm not mistaken, your fragrance licensing agreement with Interparfums expires in December this year. There is apparently an option to extend it for another five years. Has a decision already been made regarding the renewal? And, more broadly, would you consider entering into a long-term licensing agreement with a bigger player such as L'Oréal, for example, and adopting maybe a less selective distribution strategy in order to build a much larger beauty business, as many of your peers have done? Thank you so much.

LUCIANO SANTEL: Hi Charles-Louis. Thank you for your questions. About Stone Island, Stone Island's performance was very good. To your point, in Europe less than in other regions, for sure. But, I mean, we discussed a lot about Moncler, but I think that, for all the brands, Europe right now is not a particularly strong region. There is a slowdown in demand, and this is what makes the growth rate of Stone Island good, but not as strong as in other regions.

Also, in Europe, there is a very important wholesale business that is under review, under, let me say, scrutiny, because we keep selecting that channel. We keep selecting the best wholesale doors, and, of course, this implies a negative impact in terms of wholesale doors, but, I mean, overall, the organic growth, even in Europe is good.

Talking about the future and how much the current momentum may imply, let me say, in terms of distribution growth over the next few years, I believe that, for the time being, to the best of our knowledge, we don't have any very important new opening plans for 2027. So, our strategic approach will still be to make that channel grow organically, but, of course, maybe next year or hopefully the year after, we may start to open, still on a selective basis, some additional stores. But we first want to make sure that the brand achieves a relevant top line and a significant sales density. And other question is?

GINO FISANOTTI: Yes. Charles-Louis, thank you for your question. I think, shortly, yes, it's true, our fragrance license expired. We decided together to put things on pause for a second and decide our next step. I think this is the process we are in right now, in full transparency. For us, as a brand, it’s always about being extremely selective in terms of the strategy we have and trying to make sure that we have a relevant proposition at the highest level in the market. So, more to come, but thank you for the question. We're in the process of re-evaluating the best next step forward. Thank you.

CHARLES-LOUIS SCOTTI: Thank you.

OPERATOR: Next question is from Carole Madjo, Barclays.

CAROLE MADJO: Hi, yes, good evening. A couple of questions from me as well, please. The first one is on Spring/Summer. Can you come back on how much of your offering in store in Q2 was Spring/Summer compared with your classic Fall/Winter offering? And how should we think about the split evolving in the year to come?

And the second question, well, a similar question still on the Spring/Summer. Any comment on the economics of the Spring/Summer versus Fall/Winter in terms of basket size, sales density, anything to keep in mind around that?

And one last quick question. To come back on your comment on “see now, buy now”, what do you think is the reason behind this trend? Have you seen it across all the key markets, or is it maybe a bit more influenced in Europe where there was really hot weather in June? So, any comment around this “see now, buy now” trend and how long do you think it can last going forward would be interesting. Thank you.

LUCIANO SANTEL: Okay. Thank you for your questions. The first one is about the Spring/Summer impact in terms of product in second quarter. For sure, April and May were very important, in June we started to deliver to our stores the pre-Fall or, I mean, the first deliveries of the Fall/Winter season. So, overall Spring/Summer was predominant in the second quarter, but in June, as I said before, Fall/Winter season was important too.

About the economics, I mean, some of your questions are something that we don't look at, honestly. I can tell you that the Spring/Summer collection did very well in terms of conversion rate, because this is something that we monitor. We also specifically look at Spring/Summer in terms of basket size and UPT. But in terms of sales density, honestly, it's quite premature to give you numbers, also because, again, this year was the very first, let me say, intentional investment we made for this season.

About, what you called "see now, buy now", actually, what I said is slightly different, is "buy now, wear now". I mean, "see now, buy now" was the behavior we saw in the past, honestly, when people came into the store wanting to buy prematurely Fall/Winter products because they saw them, they like them and they bought them, even though they knew they could only wear them in September, October, November. What I said is "buy now, wear now". So, they may see the collection, but they prefer to buy it in season. They buy now what they can wear now, so they buy products that are lighter, again, Spring/Summer products, and this is one component of the good results of Spring/Summer, and, of course, Fall/Winter products too, but to a lower extent compared with the past.

CAROLE MADJO: Yes. Sorry, I meant just what you said, "buy now, wear now". And, do you see this trend across all the key markets or just in this particular region?

LUCIANO SANTEL: Yes. This is a trend that we saw in all the markets. Of course, in some markets less than in others, and this is demonstrated by the results. I mean, in Asia, we do see this approach, this behavior, but, of course, the results are very good and much better than in other regions. Of course, in Europe, this, together with, as I said before, the decline in tourism, made the numbers in Europe negative. But the "buy now, wear now" behavior is something we see across the different regions.

CAROLE MADJO: Thank you.

OPERATOR: Next question is from Chris Gao, CLSA.

CHRIS GAO: Hi, management. Thanks for taking my questions. I have two. So, my first question is also about the "buy now, wear now" behavior. I'm just wondering if this consumer behavior will continue. Does it mean that more demand of your Fall/Winter products will shift from June to the second half of the year, maybe into the winter? And if that will be the case, for your store-level plans and events, what could be your plan ahead of your peak season to better drive the sales? And also, would you do something in terms of your supply to make sure that, when people come to "buy now, wear now" during the peak season, you have enough inventory to supply, so that you won't see shortages of supply? This is the first question.

My second question is regarding Stone Island. We have been seeing a very strong DTC growth here. So, could you help us break down a little bit the contribution of volume, mix and pricing at the back of the strong DTC growth? And also, how should we look at the mid-term EBIT margin trajectory? How will it contribute to the Group's EBIT margin elevation? Thank you.

GINO FISANOTTI: Chris, I will take the first one. Good to hear your voice. I don't think we need to overdo what we are discussing about "buy now, wear now". Of course, we are obsessed with trying to understand customer behavior, right? And that's what we do every single day and try to understand what's going on. I think, as Luciano said, we started to see a bit of this last year and this year. This doesn't mean, for us, a radical change in the way we do business. Of course, we still have customers who come to us and buy when we launch pre-Fall and when we launch Fall/Winter later in September, et cetera. Of course, the opportunity for us, as we already discussed, is to extend our offering as we go into Spring/Summer and have the opportunity to understand that Spring/Summer can be even a bit longer than we originally planned.

But then, of course, we keep leveraging the core of our business, as we have been doing, and improving it every time we can. I think what we are trying to do in the context of this conversation is to share a bit of the behavior we're seeing right now, but again, none of these things will radically change the way we are doing business today. Of course, what we do is to try to monitor, day by day, the learnings we can get from customers and see if there's a certain slight delay in terms of weeks, but not a dramatic change there.

LUCIANO SANTEL: Hi, Chris. About your question on Stone Island, the growth rate, of course, implies a growth in volumes, for sure, but also the second component is price mix, not price itself, because we didn't increase prices significantly (about low-single-digit). What was, and still is, quite important is the price mix impact due to a continuing shift in the categories we sell. You may remember the long story that, in the recent past, I mean, at the time of the acquisition, the business was doing very well, but was mostly driven by entry-price categories like sweatshirts, T-shirts and pants. Right now, I mean, the day after the acquisition, we decided strategically to reinvest in the categories that made the origin, the identity of the brand, which are outerwear and knitwear. These categories now are performing very well, and the contribution of outerwear is way higher than what it was a few years ago. And this, of course, implies a higher average selling price.

Talking about profitability, needless to tell you that growing organically, as Stone Island is doing, implies a better operating profitability and a greater opportunity to increase that profitability. Having said that, of course, it is still a long journey, also because operating profitability, as you know, is driven by sales density. So, sales density for Stone Island is much better than one year ago, which was better than the year before, but still not at the level we want and believe the brand can achieve. But, in any event, yes, with such an organic growth rate, if this continues as we hope, profitability will improve.

CHRIS GAO: Thank you, very helpful.

OPERATOR: Next question is from Jean Danjou, Oddo BHF.

JEAN DANJOU: Thank you, good evening. I wanted to come back on a point raised by Carole on the mix between Spring/Summer, pre-Fall, and Fall/Winter during Q2 and Q3. Could you tell us, historically, how much of the sales in Q2/Q3 were driven by Fall/Winter compared to Spring/Summer? I suppose this mix must be shifting pretty rapidly.

LUCIANO SANTEL: I understand your question. I mean, we don't disclose in detail this kind of information, honestly. I can tell you that in Q2, Spring/Summer is extremely important, and more important than Fall/Winter. In Q3, Spring/Summer is less important than Fall/Winter. So again, this is the pattern of our business: April/May are Spring/Summer, in June we start with the Fall/Winter, July is still a mix of the two, August, more or less the same, and September is predominantly Fall/Winter season.

ELENA MARIANI: And Jean, just as a reminder, we provided an indication for the full year in terms of sales. Last year we had about 25% Spring/Summer sales versus 75% Fall/Winter. I mentioned this in the past, but it's worth reminding everyone that actually the share of Spring/Summer has slightly increased sequentially over the past few years. And the only thing that I would add to what has already been disclosed is that, as you might imagine, particularly in Europe, when you have tourists coming to buy, often, not all the time, but of course, if you have Asian customers coming to Europe, sometimes in July/August, given that we have pre-delivered Fall/Winter, in the past perhaps they were anticipating their purchases. And so, given that we are perceiving and feeling this lack of tourists in Europe, this has been felt a bit more in this region.

JEAN DANJOU: Okay. Thank you.

OPERATOR: Next question is from James Grzinic, Jefferies.

JAMES GRZINIC: Thank you. Good evening everyone and congratulations also from me to Leo on his appointment. I just had a quick one, particularly given the time. Gino, on your point that only a small percentage of the retail network carried the full Spring/Summer offering in Q2, can you perhaps share what proportion exactly of the retail network had the full assortment? And I'm wondering, are there any constraints on merchandising the full offering, really driven by store size, that you're looking to overcome maybe for next year? Thank you.

GINO FISANOTTI: Thank you for the question, because you allow me to clarify something. So, what I meant is that, of course, the full collection was spread across the entire network. What I was talking about was a certain part of the network where we had the full experience around Spring/Summer. If you look at this, this is not a collection where we put a specific jacket, a specific knitwear, or a specific cut and sewn. This was almost around 20/24 full looks, with full layering. So what we tried to do was, while the collection was spread out everywhere, in a certain percentage of stores we had the full execution. And again, that’s where you were able to see the whole layering system, where you were able to see the whole collection, where we had not only windows but also in-store execution, where the whole customer experience was around this layering system and the way it approached the retail experience.

So that's what I meant when I said that, for us, it's very important that we are, as always, trying to learn from what we do, knowing that this is a different behavior for us as a company and a different behavior that we're asking customers to start looking at. So that's why, for us, while the product was spread out and available across the entire network, it was very important to take the lessons and learn from the stores where we had the full execution.

And this is something that you will see gradually as we go season after season. Not only will the product and the offering get better, but also the experience we'll provide for customers. And this is something that, when Luca was asking Leo about opportunities there, I think he was mentioning how we can even elevate our retail experience, especially with VICs. This is something that we will keep evolving, not only in terms of the network and the number of stores we have, but even in the experience we will provide around that.

JAMES GREATNITCH: Makes sense. Thanks a lot for the clarification.

OPERATOR: Next question is from Paola Carboni, Equita SIM.

PAOLA CARBONI: Yes, hello. Good evening, everybody. Just two follow-ups for me. The first one is about Korea, which was mentioned as one of the main drivers for the DTC performance of Moncler in APAC, but at the same time the Korean cluster was mentioned as flat. So, if you can comment a little bit here about the different behavior of tourists in the country and local customers, and the different weight these have in your revenues there, and what you expect, what you see as the future evolution of this region?

And a second question is about the initiatives for Q4. You have surprised us in the last few years with different events or the very powerful marketing campaign of last year. I was wondering if you could spoil us something, if not in detail, at least let us understand, I mean, the magnitude of the efforts we should expect for the core Winter season going forward. Thank you very much.

LUCIANO SANTEL: Yes, Paola, on your first question about Korea, you are totally right. Korean cluster is flattish, but Korean market performed very well, which implies that, apparently, they didn't travel as much as in the past. Honestly, I don't know why. I can tell you that this is a trend I saw also in some publication, if I remember correctly, from Global Blue. But, in any event, business with Koreans in Europe is significantly down as compared to last year. But the business with them in their local market is good. So, at the end, the cluster is more or less stable, but with these peculiarities I told you.

ELENA MARIANI: The only thing I wanted to add is that, of course, we've captured Asian tourists in Korea. And so, the fact that Korea was the strongest market that we've had in Asia, is reflecting both good local consumption, but also tourists going into the country. And a lot of the explanation, as you know, comes down to FX.

PAOLA CARBONI: I was wondering if you could add the exposure to local demand in Korea versus inbound tourism. Thanks.

LUCIANO SANTEL: I mean, of course, I'm not providing numbers, Paola, but I can tell you that in Q1, the inbound tourism from China was quite relevant, in the second quarter much less. But, in any event, demand in Korea from locals is good, is very good. I mean, this is common to other brands, as you know, and as far as I understand. And this is due to several different factors, including, let me say, the wealth effect, but also the fact that Moncler brand in Korea has been, since ever, and, of course, it is now very, very strong. So again, long story short, very strong demand in Korea. Koreans were strong locally in the second quarter, and significantly weaker in Europe.

PAOLA CARBONI: Thank you.

GINO FISANOTTI: Paola, I will quickly answer your second question regarding Q4. First of all, I was happy to hear that you said that we have kept surprising you every year over the past few years in Q4. We will try to keep that promise. We will try to keep surprising you with the work we will deliver. I think, as you know well, today we are talking a lot about the work we're doing around Spring/Summer and all the different initiatives we have. That is always an add-on on top of what we always do around Q4 and our core season. So I think it's important to remind ourselves of that. Of course, I cannot share the details, but we feel confident about what we have planned for the second half of the year. I will say, just to tease a bit more, if you like, I just mentioned that in September we'll be opening the flagship store in New York. And from there on, you will see kind of relentless approach towards the end of the year and beginning of '27. So count on us on trying to surprise you again, and then you will tell me.

PAOLA CARBONI: Okay. Good. Thank you very much.

OPERATOR: Next question is from Piral Dadhania, RBC.

PIRAL DADHANIA: Okay. Thank you. Good evening, everybody. So my first question is just on the gross margin, please. Could you help us walk through the main moving parts? We would have thought that maybe there was a bit more margin optionality, given the positive regional mix, the positive channel mix and, likely, Grenoble outperforming the mainline collection. So could you just help us understand where those headwinds come from? I imagine it's probably to do with raw materials and inflation, but any help there would be useful.

And my second question is just on, again, sorry, coming back to Spring/Summer and the way you set the business up. If we read between the lines, is it fair to say that perhaps the inventory availability and the risk-taking wasn't as high as it could have been? And therefore, there was kind of a product availability issue for some customers in store, which impacted conversion, and that's something that you will address with perhaps better or higher inventory levels next year. Is that the right way to think about what you've been saying this evening? Thank you.

LUCIANO SANTEL: Okay. About gross margin, I mean, the improvement of gross margin is totally driven by channel mix. Overall, there are several different factors impacting gross margin. Honestly, nothing material to highlight. Of course, markup was substantially in line with last year, the need of reserve for obsolescence was substantially in line with last year, I mean, there was some negative impact from FX, of course, but again, honestly, nothing particularly relevant to highlight. Of course, when I'm talking about channel mix, that was positive. This implies both brands because, again, at this point, it's not only the channel mix of Moncler, but also the impact of the channel mix of Stone Island, that has been growing in the first half of the year, mostly in the DTC business.

GINO FISANOTTI: I'm happy just to give you a short answer there. I think the question, for all of us, was more about the feeling, the sensation, that maybe we were short of inventory on certain things, if we didn't take enough risk. I would say the answer, for me, is a bit the opposite. I think there was a risk that we took, but it was a calculated risk. I think I want to put this into perspective. When you think about it, it's the very first real effort around Spring/Summer in almost 75 years of the company. So, again, it wasn't easy for us to think about the communication, the message, the approach, styling, the amount of different classifications. It's not that simple to put all that together and then go full-on into an uncalculated risk. So the risk was there.

I strongly believe that we like to be in this scenario versus the opposite scenario of having a lot of inventory and not being able to connect with customers. So I think what we have been saying for the entire call is that we're very happy with the results. We had good results, not only in terms of the performance of the collection, but even as a brand overall. That gives us the confidence to keep building on this. And for us, I think we've always said from day one, this is a building block. We don't have a silver bullet that can make us relevant in Spring/Summer in the first season. And again, as I mentioned before, we feel more confident being on this side, where maybe we were short of certain items and we didn't have enough inventory, than being on the other side of this conversation.

PIRAL DADHANIA: Thank you for clarifying.

OPERATOR: Next question is from Thomas Chauvet, Citi.

THOMAS CHAUVET: Good evening. Can you hear me?

GINO FISANOTTI: Yes. Of course.

THOMAS CHAUVET: Sorry for the bad connectivity earlier. I hope you can hear me. If not, I'll take this offline. Two quick questions, please. Firstly, coming back to the DTC growth by nationality, the Chinese cohort was up over 20% in Q1, Luciano, you said the cluster was positive in Q2. Can you be a bit more specific? Was it still up double-digits? And how did domestic versus offshore compare?

And secondly, could you come back to the reasons behind the softer performance in June versus April and May, especially as you started delivering the pre-Fall into stores? Thank you.

LUCIANO SANTEL: Yes, hi Thomas, nice to hear you again. I mean, about the nationalities, the Chinese cluster was up, again, let me say, yes, double-digits. On the other nationalities, as I said, Americans also were up, while the

Koreans and Japanese were flattish, and the Europeans, unfortunately, negative. But let me know if I answered your question.

THOMAS CHAUVET: Yes. Was the Chinese cohort better offshore than onshore? You talked about Chinese and Korea.

ELENA MARIANI: It was good both onshore and offshore for us. So there was no particular difference. Let me also take this chance to take the second question, because I believe we've been quite clear about the performance over the quarter, June and the reasons behind it. I don't know if you were able to follow the entire call, but otherwise, happy to take it offline.

THOMAS CHAUVET: Okay. We'll take it offline. It's quite late. Yes, I did follow the call, but I wanted some clarification. We can discuss that in a few moments, Elena. Thank you.

OPERATOR: The next question is from Chiara Battistini, JP Morgan.

CHIARA BATTISTINI: Good evening, everyone. Thank you for taking my questions. I have just two very quick follow-up questions, actually. The first one is on profitability in the second half of the year. Rather than talking about profitability, thinking about the OPEX development in H2, you delivered very tight cost control in H1. Should we extrapolate that into H2? Or should we think about an acceleration of OPEX? And to that, when thinking about the New York opening, I'm guessing that the rents are already in the OPEX space, so it would be an acceleration of employees, but not rents. Am I correct?

And the second question, just to come back on the like-for-like very quickly in Q2, I know you don't comment on quarterly like-for-likes but just trying to square the +7% for H1. Is it fair to assume that like-for-like in Q2 was positive and that, actually, space was negatively impacted by online? Thank you very much.

LUCIANO SANTEL: Yes. Hi, Chiara. So, about OPEX in the second half of the year, we don't see any material or significant elements to highlight. As I said before, the one-off will be much smaller, it will be about €2 million, slightly less than €2 million, as compared to the €8 million we reported in the first half.

Talking about selling expenses, I mean, you are totally right about the rent for New York. For any store we open, we start reporting in our results the rent cost at the time we take over the store, independently of when we open the store. And, of course, something I didn't highlight is that rents without revenues is a metric we monitor, and in the first half of the year it was quite important and higher than last year.

So honestly, at this point, to the best of my knowledge, in the second half of the year I don't see any significant elements. Of course, there might be elements that are very volatile, and so very difficult to predict, associated with the cost of energy because, honestly, right now, apparently, is better than what we expected just a couple of months ago. But, I mean, this is a completely open issue. This may be a risk, but right now we don't assess that risk as particularly material. The other question?

ELENA MARIANI: I think you've asked about the like-for-like in the second quarter.

LUCIANO SANTEL: Like-for-like in the second quarter. Yes, of course, we don't disclose this number but let me give you a qualitative answer. The first quarter was very good, so +7% is the weighted average of a very good comp in the first quarter and a much lower one in the second quarter. So, was there another question?

ELENA MARIANI: No, I think it was the last one. So yes, I mean, just slightly positive is a good assumption. We are generous today.

CHIARA BATTISTINI: Thank you very much.

ELENA MARIANI: Okay.

OPERATOR: Ms. Mariani, there are no more questions registered at this time.

ELENA MARIANI: Alright. Thank you very much to everyone. Just a quick reminder of the next release. Our Q3 2026 results will be released on October 21st, post market close. And our quiet period will start on September 22nd. Thank you again. For any follow-up questions, as usual, you can contact me any time. Have a great evening. And for those of you going on holiday, we wish you a wonderful break. Thank you.