BEYOND FASHION BEYOND LUXURY

STONE ISLAND JOINS MONCLER

Milan, 7th December 2020. Moncler S.p.A. and Sportswear Company S.p.A., that holds Stone Island brand, announce today that they have reached an agreement as a result of which Stone Island joins Moncler to develop together a new shared vision of luxury.

With this transaction, united by their "beyond fashion, beyond luxury" philosophy, these two Italian brands will strengthen indeed their ability to interpret the evolving cultural codes of the new generations, reinforcing their positioning within the new luxury segment. This is a concept that embraces the search for experientiality, inclusivity, a sense of belonging to a community and the mixing of diverse meanings and worlds including those of art, culture, music and sport.

Remo Ruffini and Carlo Rivetti are thus consolidating their vision of the future, bringing together their entrepreneurial, managerial and creative cultures, their technical product know-how with the goal to further strengthen the competitiveness of the Moncler and Stone Island brands while fully respecting their identity and autonomy and accelerating the development of both companies. Moncler will share with Stone Island its knowledge and experience to fully capture the important growth potential in particular of the Americas and Asian markets as well as in the DTC (Direct to Consumer) channel, alongside its culture of sustainability which allowed Moncler to rank as Industry Leader of the 'Textile, Apparel & Luxury Goods' sector in the Dow Jones Sustainability Indices World and Europe for the second consecutive year.

Remo Ruffini, Chairman and CEO of Moncler S.p.A. comments: "I have always worked to build a strong brand where uniqueness and closeness to the consumer have been the cornerstones of a development always beyond trends and conventions.
Sharing the same vision leads us today to joining forces with Stone Island to write our future together.
Led by an entrepreneur of high renown, Stone Island is a great success story, a company that has built an exceptionally strong relationship with its community, offering a highly distinctive product, as a result of unique technical skills and an absolute clarity in its positioning. It is a story of Italian excellence.
Moncler, together with Stone Island, will offer to new generations a new concept of luxury, far from the traditional stereotypes in which young people no longer recognize themselves. We believe in an open and engaged universe, which thrives on community, experiences and cultural exchanges, where communication is always interaction and where the aspirational goes beyond possession to become "being part of" and "belonging".
We're coming together – continues Remo Ruffini – at a challenging moment both for Italy and the world, when everything seems uncertain and unpredictable. But I believe it is precisely in these moments that we need new energy and new inspiration to build our tomorrow.
This is a union of two Italian brands with the same values, the same management rigor, the same passion for innovation, the same love for their people and the same desire for the future.
It's the celebration of the resilience of a country that no crisis can stop".

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Carlo Rivetti, Chairman and CEO of Stone Island continues: "Remo and I have decided to combine forces and visions to meet together and with greater strength than ever the challenges we all face. We share the same roots, similar entrepreneurial journeys and the utmost respect for the profound values of our brands and our people. And we are Italians.
And so, begins a new chapter for Stone Island, the start of a journey that will help our brand to reach its full potential, while maintaining its strong brand identity and continuing to nurture its culture of research and experimentation.
Our headquarter in Ravarino will remain the beating heart of the brand and a center of excellence that will be further enhanced and my team and I will continue, in our current roles, to do what we have been doing with great passion for many years.
This is a partnership that represents a great opportunity for the continued development of both companies and which will help Stone Island accelerate its international growth thanks to Moncler's experience in both the physical and digital retail world.
This is also an opportunity to share and grow for all the people of Moncler and Stone Island with whose contribution we will continue to write, together, a story of ingenuity, creativity and professionalism to honor Italy in the wider world".

MONCLER

Moncler was founded at Monestier-de-Clermont, Grenoble, France, in 1952 and was acquired in 2003 by Remo Ruffini, current Chairman and CEO. Over the years the brand has combined technological research with constant experimentation in style. By proposing codes that do not follow fashion trends and conventions, Moncler has made uniqueness its positioning. Moncler distributes its collections in more than 70 countries and operates in international markets through five regional offices. Moncler sells both through its directly operated stores and its online store channel (moncler.com), as well as selective multi-brand doors and department stores. As of today, the Group's mono-brand store network consists of 218 retail stores and 63 wholesales. In 2019 Moncler had around 4,600 employees and recorded a turnover of 1,628 million euros: 11% in Italy, 29% in the Rest of Europe, 16% in the Americas and 44% in Asia and the Rest of the World. The retail channel represents 77% of the sales while 23% is generated by the wholesale channel.

STONE ISLAND

A culture of research, experimentation, function and use are the basis of the matrix that have always defined Stone Island: a casual menswear brand, established in 1982, which has become a symbol of extreme research on fibres and textiles, through the continuous experimentation of dyes and treatments on the finished garment ("dyed garment"). Stone Island combines luxury, sportswear and streetwear, in a unique, recognizable and recognized way. In 2020 (November 2019 – October 2020) Stone Island recorded Euro 240 million revenues, an increase of 1% compared to Euro 237 million in 2019. An excellent result especially in light of the difficult global context. In 2020 Stone Island generated 28% of revenues in the domestic market, 52% in the Rest of Europe and 20% in the Rest of the World. The wholesale channel accounted for 78% of revenues while the remaining 22% was generated by the online channel and by a network of 24 directly managed stores. Stone Island employs 308 FTEs.

TERMS AND TIMING OF THE TRANSACTION

The Board of Directors of Moncler S.p.A. ("Moncler"), on 6 December 2020, approved unanimously the project of integration of Sportswear Company S.p.A. ("SPW"), owner of the Stone Island brand, into Moncler. The terms of the transactions are governed by a framework agreement signed between Moncler, on one hand, and Rivetex S.r.l., on the other, (a company referable to Carlo Rivetti, owner of a stake equal to 50.10% of SPW's capital) and other shareholders of SPW, referable to the Rivetti family, (and, in particular, Alessandro Giliberti, Mattia Riccardi Rivetti, Ginevra Alexandra Shapiro and Pietro Brando Shapiro) (collectively, the "SPW Shareholders") owners of a stake equal to 19.90% of SPW's capital.

The agreement provides that the acquisition by Moncler of the shareholding will take place on the basis of an equity value defined by the parties in total Euro 1,150 million calculated on 100% of the capital. This value corresponds to a multiple of 16.6x 2020A EBITDA (equal to Euro 68 million, 28% margin) and a multiple of 13.5x 2021E EBITDA.
The consideration for the purchase of the shares will be paid in cash by Moncler, it being understood that at closing, the SPW Shareholders have undertaken to subscribe, for an amount equal to 50% of the consideration, 10.7 million of newly issued Moncler shares valued, on the basis of the agreements reached between the parties, at Euro 37.51 per share (which corresponds to the last three months average price).
It is also expected that Carlo Rivetti, following the execution of the transaction, will join the Board of Directors of Moncler.
Since Moncler's objective is to acquire at the closing date the entire share capital of SPW, the framework agreement also defines a path to allow that, pursuant to and in execution of the agreements between SPW Shareholders and its by-laws, also Temasek Holdings (Private) Limited, the international investment company based in Singapore ("Temasek") which, through an investment vehicle, holds the remaining 30% of SPW's share capital, participates to the transaction.

In particular, according to the provisions of the framework agreement, Temasek's will have the right to adhere to the transaction on the same terms agreed with Carlo Rivetti and the others SPW Shareholders, with the sole exception of Temasek's right to decide whether – and to what extent – to subscribe newly issued Moncler shares up to 50% of the cash consideration received.
In the event that Temasek expresses a preference for a consideration only in cash, the required aggregate Moncler cash out will be equal to Euro 748 million. Otherwise, Temasek may subscribe up to a maximum of 4.6 million newly issued shares of Moncler, at the same Euro 37.51 per share.
Temasek, which owns a shareholding both in SPW and Moncler (both directly and through Ruffini Partecipazioni) is supportive of the combination and the rationale underpinning it.
The shares resulting from the capital increase will be subject to a lock up restriction for the 12 months following their subscription and, only for the 50% of the same, also for the following 6 months.
Following the signing of the agreement between Moncler and SPW, Moncler will carry out a confirmatory due diligence on SPW results of the annual report closing at 31 October 2020.
The parties agree that the acquisition of SPW will be implemented (substantially at the same time as resolution of the extraordinary shareholders' meeting regarding the capital increase) within the first half of 2021, subject to the fulfillment of all conditions precedent, i.e. the approval by the competent antitrust authorities and the approval by the extraordinary shareholders' meeting of Moncler on the capital increase reserved to SPW's Shareholders.

Simultaneously with the signing of the framework agreement, Carlo Rivetti and the others SPW Shareholders, communicated that they had reached an agreement with Ruffini Partecipazioni Holding S.r.l. (company wholly owned by Remo Ruffini) ("RPH") which, as a tangible sign of the sharing of the industrial project and the strategic plan underlying the transaction, provides that, as a result of the same, all newly issued Moncler shares received by them will be transferred to Ruffini Partecipazioni S.r.l. ("RP"), a company currently owning a 22.5% stake in the capital of Moncler, with the intention of contributing, also as long term partners of Moncler, to the success of the integration between the two companies.
The terms of the agreement reached between RPH, Carlo Rivetti and the other SPW Shareholders are today part of a separate communication to the market. The entry of the Shareholders SPW in RP will, however, take place without determining the triggering for mandatory tender offer. Appropriate procedures will be initiated (to be completed before the closing or immediately thereafter) to separate the activities of RP (currently controlled for 87.2% by RPH and for 12.8% by Temasek), through delivery to Temasek of Moncler shares equal to 2.9% of its capital.
Remo Ruffini, moreover, will continue to exercise, through RPH, control over RP (which is expected to change its name to Double R S.r.l.), without the latter exercising any form of direction and coordination over Moncler.

In consideration of the agreements between RPH, Carlo Rivetti and the other SPW Shareholders, Moncler has deemed appropriate, on a prudential basis, to subject the transaction to the regime and supervision set out in the regulations on related parties, qualifying the transaction as a transaction of major importance pursuant to Annex 3 of the Regulation n. 17221/2010 adopted by CONSOB (the "Consob Regulation").
RPH is in fact a company wholly owned by Remo Ruffini, Chairman and CEO of Moncler.
The transaction has been unanimously approved by the Board of Directors of Moncler after prior examination of Moncler's Related Party Transactions Committee, which, pursuant to Article 8 of Consob Regulation and Articles 5.8 (ii) and 8.1 of the "Procedure for the discipline of related parties" adopted by the Moncler, issued an unanimous reasoned opinion in favour of Moncler's interest in carrying out the transaction, as well as on the convenience and substantial fairness of the related conditions. The related information document will be made available to the public within the time limits and in the manner established by the applicable laws and regulations.

ADVISORS

Financial Advisors: Citigroup Global Markets Europe AG and Cornelli Gabelli e Associati for Moncler S.p.A. and Rothschild & Co. for SPW.
Legal Advisors: Gatti Pavesi, Bianchi Studio Legale Associato for Moncler and Pedersoli Studio Legale for SPW.
Tax Advisors: Ludovici Piccone & Partners for Moncler.
Accounting Advisor: KPMG S.p.A. for Moncler.

ADDITIONAL INFORMATION

Moncler management will hold a conference call at 9.00 a.m. CET with the financial community to discuss the details of the transaction. A presentation will be available on the website.

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FOR FURTHER INFORMATION

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