MONCLER

MONCLER S.P.A.: THE BOARD OF DIRECTORS APPROVES
THE HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2015[1]

**MONCLER: REVENUES UP 26% AT CONSTANT EXCHANGE RATES, WITH NET INCOME RISING 88%**

- **Consolidated Revenues: 295.8 million euros, up 35% compared to 218.3 million euros in first half 2014; +26% at constant exchange rates**
- **Adjusted EBITDA[2]: 70.9 million euros compared to 46.4 million euros in first half 2014; EBITDA margin of 24.0%**
- **Adjusted EBIT[2]: 53.8 million euros compared to 35.1 million euros in first half 2014; EBIT margin of 18.2%**
- **Net Income: 34.0 million euros compared to 18.1 million euros in first half 2014; Net Income margin of 11.5%**
- **Net Financial Debt: 175.3 million euros at 30 June 2015, compared to 111.2 million euros at 31 December 2014 and 206.3 million euros at 30 June 2014**

**Remo Ruffini, Moncler's Chairman and Chief Executive Officer, commented**: "We are pleased to have again delivered a good set of results with revenues, operating profits and net result all increasing during the period. Revenues rose 26% at constant exchange rates and 35% at current rates with an excellent performance across all regions in which we operate. While new openings played an important role, there was also a strong contribution from stores opened for more than 12 months with comparable store sales growth of 22% in the first half.

These results demonstrate the effectiveness of our strategy as we continue developing our brand consistently and sustainably over the long term. Although we have not lost sight of the challenges and uncertainties that persist, we remain focused on our strengths. Quality, uniqueness and heritage are the values that identify Moncler and set it apart throughout the world. My team and I work together every day to ensure these pillars act as the platform for growth for an ever stronger group."

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[1] This note applies to all pages: rounded figures.
[2] Before non-recurring costs related to stock option plans and the effect of a revised valuation on receivables related to the "Other Brands Division" sale.

*Milan, 29 July 2015* – The Board of Directors of Moncler S.p.A., which met today, has examined and approved the Half-Year Financial Report as of 30 June 2015.

## Consolidated Revenues Analysis

In the first half of fiscal year 2015, Moncler recorded **revenues of 295.8 million euros**, an **increase of 35% at current exchange rates** compared to revenues of 218.3 million euros in the same period of 2014 and an increase **of 26% at constant exchange rates**.

### *Revenues by Region*

| | First Half 2015 | | First Half 2014 | | YoY growth % | |
|---|---|---|---|---|---|---|
| | € '000 | % | € '000 | % | Reported | Constant currencies |
| Italy | 51,442 | *17.4%* | 47,513 | *21.8%* | +8% | +8% |
| EMEA (excl. Italy) | 98,896 | *33.4%* | 82,571 | *37.8%* | +20% | +18% |
| Asia & Rest of the World | 102,722 | *34.7%* | 66,635 | *30.5%* | +54% | +36% |
| Americas | 42,729 | *14.5%* | 21,580 | *9.9%* | +98% | +69% |
| **Total Revenues** | **295,789** | ***100.0%*** | **218,299** | ***100.0%*** | **+35%** | **+26%** |

In the first half of fiscal year 2015, Moncler recorded positive performances in all its markets.

In the **Americas,** the company achieved 69% growth at constant exchange rates and 98% growth at current exchange rates, driven by the performances of both the retail and wholesale channels in North America (United States and Canada).

In **Asia & Rest of the World,** Moncler recorded significant growth rates (+36% at constant exchange rates, +54% at current exchange rates), mainly driven by the performance achieved in the retail channel in Greater China and Japan.

The **EMEA** countries recorded revenue growth of 18% at constant exchange rates and 20% at current exchange rates, with notable results from France, the United Kingdom and Germany.

In **Italy,** revenues rose by 8% compared to first half of 2014, driven by the retail channel and supported by a solid wholesale network.

### *Revenues by Distribution Channel*

| | First Half 2015 | | First Half 2014 | | YoY growth % | |
|---|---|---|---|---|---|---|
| | € '000 | % | € '000 | % | Reported | Constant currencies |
| Retail | 201,358 | *68.1%* | 121,873 | *55.8%* | +65% | +51% |
| Wholesale | 94,431 | *31.9%* | 96,426 | *44.2%* | -2% | -5% |
| **Total Revenues** | **295,789** | ***100.0%*** | **218,299** | ***100.0%*** | **+35%** | **+26%** |

In the first six months of 2015, revenues from the **retail distribution channel** were 201.4 million euros compared to 121.9 million euros in the same period of 2014, representing an increase of 51% at constant exchange rates and 65% at current exchange rates. This performance was due to solid organic growth and the continued development of our network of mono-brand retail stores (Directly Operated Stores, DOS).

The Group achieved *Comparable Store Sales Growth*[3] of 22% in the first half of 2015, reflecting outstanding results in January and February and the solid performance of the Spring/Summer collections.

The **wholesale channel** recorded revenues of 94.4 million euros compared to 96.4 million euros in first half of 2014, down 5% at constant exchange rates and 2% at current exchange rates. This result has been influenced by the newly established Korean joint venture, Moncler Shinsegae. Starting from January 1st, 2015 the Korean business (12 monobrand stores) has been converted from wholesale to retail making the performance of this channel not comparable. Excluding Korea, wholesale grew 3% at constant exchange rates, due to an excellent performance in the United States and despite the reduction of some doors mainly in Italy and Europe.

## Mono-brand Stores Distribution Network

As at 30 June 2015, **Moncler's mono-brand distribution network** totalled **153 directly operated stores,** an increase of 19 units compared to 31 December 2014; and **31 wholesale mono-brand stores (Shop-in-Shops)**, a decrease of 7 units compared to 31 December 2014.

Following the establishment of the joint venture in Korea, Moncler converted all of its 12 wholesale mono-brand stores in the country into Directly Operated Stores as of 1 January 2015.

### *Network of Mono-brand Stores*

| | 30/06/2015 | 31/12/2014 | Net openings First Half 2015 |
|---|---|---|---|
| **Retail** | **153** | **134** | **19** |
| Italy | 19 | 19 | - |
| EMEA (excl. Italy) | 51 | 51 | - |
| Asia & Rest of the World | 69 | 50 | 19 |
| Americas | 14 | 14 | - |
| **Wholesale** | **31** | **38** | **(7)** |
| **Mono-brand stores** | **184** | **172** | **12** |

## Analysis of Consolidated Operating and Net Results

In the first half of 2015, the consolidated **gross margin was 215.0 million euros**, equivalent to 72.7% of revenues compared to 71.0% in the same period of 2014. This improvement was mainly attributable to the growth in the retail channel.

**Selling expenses of 102.5 million euros**, were equivalent to 34.6% of revenues compared to 32.8% in the same period in 2014; this increase was primarily due to expansion of the retail channel. **General and**

[3] *Comparable Store Sales Growth* is based on sales growth in DOS (excluding outlets) which have been opened for at least 52 weeks and in the online store; stores that have been extended and/or relocated are excluded from the calculation.

**administrative expenses were 37.9 million euros**, equivalent to 12.8% of revenues compared to 14.3% in the first half of 2014. **Advertising expenses were 20.8 million euros**, representing 7.0% of revenues compared to 7.9% in the first half of 2014.

**Adjusted EBITDA**[4] rose to **70.9 million euros**, compared to 46.4 million euros in the first six months of 2014, resulting in an EBITDA margin of 24.0% compared to 21.3% in the first half of 2014.

**Adjusted EBIT**[4] **was 53.8 million euros**, compared to 35.1 million euros in the first half of 2014, resulting in an EBIT margin of 18.2% (16.1% in the first half of 2014). Including non-recurring costs, EBIT was 47.9 million euros, representing an EBIT margin of 16.2% compared to 15.3% in the first half of 2014.

Non-recurring costs include non-cash costs related to the Moncler stock option plans equal to 2.8 million euros (1.8 million euros in first half of 2014) and the effect of a revised valuation of receivables related to the sale of the "Other Brands Division", equal to 3 million euros, which has been cautiously posted in the financial report, being the procedure for the determination of the selling price still uncertain.

**Net Income increased by 88% to 34.0 million euros**, equivalent to 11.5% of revenues, compared to 18.1 million euros in the same period of 2014.

Because a considerable amount of the Group's costs are euro-denominated, Moncler's growth in first half of 2015 and the improvement in profits and margins are partially attributable to the appreciation of some important currencies in which the Group operates.

## Consolidated Balance Sheet and Cash Flow Analysis

**Net Financial Debt** at 30 June 2015 was **175.3 million euros** compared to 111.2 million euros at 31 December 2014, and 206.3 million euros at 30 June 2014. Net Financial Debt at 30 June 2015 is not perfectly comparable with the same period of 2014 due to the timing of tax payments. In 2015, Moncler paid 47 million euros of taxes in June, while in 2014 the payments occurred in 5 tranches from July.

**Net Working Capital was 91.8 million euros**, compared to 97.1 million euros at 31 December 2014 and 36.3 million euros at 30 June 2014, equivalent to 12% of Last-Twelve-Months revenues and 11% at constant exchange rates. The increase in working capital is mainly related to the expansion of the retail channel.

**Net Capital Expenditure was 21.6 million euros** in the first six months of 2015, compared to 24.4 million euros in the same period of 2014.

**Free Cash Flow** in the first half of 2015, including the investments made in the period, was negative at **15.1 million euros** compared to 8.7 million euros in the same period of 2014.

## Outlook 2015

For full year 2015, Moncler management expects to report increased revenues and profits driven by the Group's ongoing expansion in International markets, particularly in North America, Japan and South East Asia, through the development of the retail network and the selective consolidation of the wholesale channel.

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[4] Before non-recurring costs: non-cash costs related to stock option plans (equal to 2.8 million euros in the first half of 2015 and 1.8 million euros in the first half of 2014) and the effect of a revised valuation on receivables related to the "Other Brands Division" sale.

## Consolidated Income Statement, Balance Sheet Statement and Cash Flow Statement

| Consolidated income statement<br>(Euro/000) | First Half 2015 | % on Revenues | First Half 2014 | % on Revenues |
|---|---|---|---|---|
| **Revenues** | **295,789** | ***100.0%*** | **218,299** | ***100.0%*** |
| *YoY growth* | *+35%* | | *+19%* | |
| Cost of sales | (80,783) | *(27.3%)* | (63,296) | *(29.0%)* |
| **Gross margin** | **215,006** | ***72.7%*** | **155,003** | ***71.0%*** |
| Selling expenses | (102,489) | *(34.6%)* | (71,504) | *(32.8%)* |
| General & Administrative expenses | (37,920) | *(12.8%)* | (31,258) | *(14.3%)* |
| Advertising & Promotion | (20,835) | *(7.0%)* | (17,157) | *(7.9%)* |
| **EBIT Adjusted** | **53,762** | ***18.2%*** | **35,084** | ***16.1%*** |
| *YoY growth* | *+53%* | | *+29%* | |
| Non-recurring items [5] | (5,819) | *(2.0%)* | (1,791) | *(0.8%)* |
| **EBIT** | **47,943** | ***16.2%*** | **33,293** | ***15.3%*** |
| *YoY growth* | *+44%* | | *+23%* | |
| Net financial result [6] | 3,146 | *1.1%* | (5,074) | *(2.4%)* |
| **EBT** | **51,089** | ***17.3%*** | **28,219** | ***12.9%*** |
| Taxes | (16,946) | *(5.7%)* | (10,165) | *(4.6%)* |
| *Tax Rate* | *33.2%* | | *36.0%* | |
| **Consolidated Net Income** | **34,143** | ***11.5%*** | **18,054** | ***8.3%*** |
| Minority result | (103) | *(0.0%)* | 24 | *0.0%* |
| **Net Income** | **34,040** | ***11.5%*** | **18,078** | ***8.3%*** |
| *YoY growth* | *+88%* | | *+117%* | |

| | | | | |
|---|---|---|---|---|
| **EBITDA Adjusted** | **70,920** | ***24.0%*** | **46,407** | ***21.3%*** |
| *YoY growth* | *+53%* | | *+29%* | |

[5] Non-recurring items mainly include non-monetary costs related to stock option plans and the effect of a revised valuation on receivables related to the "Other Brands Division" sale.

[6] First half 2015: FX Gain/(Losses) 5,925 thousand euros;
Other financial items (2,779) thousand euros.
First half 2014: FX Gain/(Losses) 459 thousand euros;
Other financial items (5,533) thousand euros.

| Reclassified consolidated statement of financial position | | | |
|---|---|---|---|
| (Euro/000) | 30/06/2015 | 31/12/2014 | 30/06/2014 |
| Intangible Assets | 414,040 | 414,353 | 414,061 |
| Tangible Assets | 86,327 | 77,254 | 65,950 |
| Other Non-current Assets/(Liabilities) | 7,664 | (14,706) | (23,848) |
| **Total Non-current Assets** | **508,031** | **476,901** | **456,163** |
| Net Working Capital | 91,763 | 97,091 | 36,311 |
| Other Current Assets/(Liabilities) | (244) | (34,041) | 27,424 |
| **Total Current Assets** | **91,519** | **63,050** | **63,735** |
| **Invested Capital** | **599,550** | **539,951** | **519,898** |
| Net Debt | 175,347 | 111,155 | 206,348 |
| Pension and Other Provisions | 8,382 | 8,222 | 9,247 |
| Shareholders' Equity | 415,821 | 420,574 | 304,303 |
| **Total Sources** | **599,550** | **539,951** | **519,898** |

| Reclassified consolidated statement of cash flow | | |
|---|---|---|
| (Euro/000) | First Half 2015 | First Half 2014 |
| EBITDA Adjusted | 70,920 | 46,407 |
| Change in NWC | 5,328 | 10,605 |
| Change in other curr./non-curr. assets/(liabilities) | (56,007) | (26,169) |
| Capex, net | (21,574) | (24,366) |
| **Operating Cash Flow** | **(1,333)** | **6,477** |
| Net financial result | 3,146 | (5,074) |
| Taxes | (16,946) | (10,165) |
| **Free Cash Flow** | **(15,133)** | **(8,762)** |
| Dividends paid | (30,403) | (27,634) |
| Changes in equity and other changes | (18,656) | 1,108 |
| **Net Cash Flow** | **(64,192)** | **(35,288)** |
| Net Financial Position - Beginning of Period | 111,155 | 171,060 |
| Net Financial Position - End of Period | 175,347 | 206,348 |
| **Change in Net Financial Position** | **(64,192)** | **(35,288)** |

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*The manager in charge of preparing corporate accounting documents, Luciano Santel, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the accounting figures, books and records.*

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**About Moncler**

*Moncler was founded at Monestier-de-Clermont, Grenoble, France, in 1952 and is currently headquartered in Italy. Over the years the brand has combined style with constant technological research assisted by experts in activities linked to the world of the mountain. The Moncler outerwear collections marry the extreme demands of nature with those of city life. In 2003 Remo Ruffini took over the company, of which he is currently Chairman and CEO. Moncler manufactures and directly distributes the Moncler clothing and accessories collections Moncler Gamme Rouge, Moncler Gamme Bleu, Moncler Grenoble and Moncler Enfant through its boutiques and in exclusive international department stores and multi-brand outlets.*