MONCLER S.P.A.: HALF-YEAR FINANCIAL REPORT
APPROVED BY THE BOARD OF DIRECTORS AS OF 30 JUNE 2019[1]

DOUBLE-DIGIT GROWTH CONTINUED IN H1 2019 ACROSS ALL ECONOMIC INDICATORS.
REVENUES +13% AT CONSTANT EXCHANGE RATES, NET INCOME +16%

- Consolidated revenues: 570.2 million euros, up 13% at constant exchange rates and up 16% at current exchange rates, compared to 493.5 million euros in the first half of 2018

- Retail *Comp-Store Sales Growth*: +9%

- *Adjusted* EBITDA[2]: 143.6 million euros compared to 123.9 million euros in the first half of 2018; EBITDA margin of 25.2%

- EBIT: 94.6 million euros compared to 85.7 million euros in the first half of 2018; EBIT margin of 16.6%. Under application of IFRS 16, EBIT is equal to 102.6 million of euros with a 18.0% margin

- Net Income, Group share: 71.3 million euros, up 16% compared to 61.6 million euros in the first half of 2018; net income margin of 12.5%. Under application of IFRS 16, net income is equal to 70.0 million euros with a 12.3% margin

- Net Cash Position: 395.7 million euros, compared to 450.1 million euros on 31 December 2018 and 243.9 million euros on 30 June 2018, after the payment of dividends (101.7 million euros) and share buy-back (15.1 million euros). Under application of IFRS 16, net financial position is equal to 166.2 million euros of debt.

[1] This note applies to all pages: all data excluding IFRS 16 impacts, if not otherwise stated; rounded figures.
[2] Before non-cash costs related to stock-based compensation.

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Remo Ruffini, Moncler's Chairman and Chief Executive Officer, commented: "Innovate to invent our future every day, go beyond the ordinary to discover our extra-ordinary, continuously find new methods of collaboration to harness the genius that lies in each and every one of us. This is what I ask and what my team demonstrates every day. The first Moncler Hackathon, a 24-hour long "marathon", was an emotional moment for all of us, filled with excitement for innovation and the results exceeded any of my wildest expectations. Seeing over 450 Moncler employees, coming from different countries, departments and backgrounds, working together on numerous themes relevant to our future, further consolidated my belief in the uniqueness of our Company and in its great strength, as also expressed by our results.

In the first half of 2019 Moncler recorded double-digit growth across all economic indicators. Revenues increased 13%, with a significant acceleration in pace in the second quarter (+18%), while net income exceeded 71 million euros, an increase of 16% from last year. The quality of our strategy and the strength of our business have also been confirmed through the solid performance of our key financial indicators. We have six important and, as always, challenging months ahead of us; nonetheless, I remain confident in our future as I know we are on a well-defined path."

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Starting from 1 January 2019 IFRS 16 required companies to recognise in their accounts the right-to-use of leased assets[3] and the related liability corresponding to the obligation to make lease payments. Assets and liabilities arising from leases are measured on a present value basis. Considering that 2019 is the first year of implementation of this accounting principle, first half results are commented excluding the impact of IFRS 16 in order to maintain a consistent basis for comparison with the corresponding period in 2018. First half results including the impact of the new IFRS 16 accounting principle can be found at the end of the document.

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Milan, 24 July 2019 – The Board of Directors of Moncler S.p.A., which met today, has examined and approved the Half-Year Financial Report of 30 June 2019.

Consolidated Revenues Analysis

In the first half of 2019, Moncler recorded revenues of 570.2 million euros, an increase of 13% at constant exchange rates and of 16% at current exchange rates, compared to revenues of 493.5 million euros in the respective period in 2018. The growth rate accelerated in the second quarter (+18% increase at constant exchange rates, +19% at current exchange rates).

[3] As defined in the IFRS 16 accounting principle published by IASB on 13 January 2016 and adopted by the European Union on 9 November 2017.

Revenues by Region

	First Half 2019		First Half 2018		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exch. rates	At constant exch. rates
Italy	68,468	*12.0%*	63,343	*12.8%*	+8%	+8%
EMEA (excl.Italy)	168,897	*29.6%*	146,958	*29.8%*	+15%	+15%
Asia and Rest of the World	249,318	*43.7%*	210,443	*42.6%*	+18%	+15%
Americas	83,563	*14.7%*	72,800	*14.8%*	+15%	+8%
Total Revenues	570,246	*100.0%*	493,544	*100,0%*	+16%	+13%

In Italy, revenues rose 8%, mainly driven by the strong performance of the retail channel.

In EMEA, revenues grew 15% at constant exchange rates, with a double-digit increase in both distribution channels, which was even more significant in the second quarter. The United Kingdom, Germany and France led growth in the quarter.

In Asia & Rest of the World, revenues rose 15% at constant exchange rates with an acceleration in the second quarter. China's mainland, Japan and Korea were the main drivers of growth in the region.

In the Americas, revenues advanced 8% at constant exchange rates with both channels and both markets contributing to it.

Revenues by Distribution Channel

	First Half 2019		First Half 2018		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange rates
Retail	437,060	*76.6%*	376,851	*76.4%*	+16%	+13%
Wholesale	133,186	*23.4%*	116,693	*23.6%*	+14%	+12%
Total Revenues	570,246	*100.0%*	493,544	*100.0%*	+16%	+13%

In the first half of 2019, revenues from the retail distribution channel increased to 437.1 million euros compared to 376.8 million euros in the respective period of 2018, representing a 13% increase at constant exchange rates, driven by a robust organic growth. Moncler's e-commerce continued to record results significantly above the channel's average.

The Group achieved *Comparable Store Sales Growth*[4] of 9%.

The wholesale channel recorded revenues of 133.2 million euros compared to 116.7 million euros in first half of 2018, an increase of 12% at constant exchange rates, due to the development of the network of mono-brand stores and to Moncler Genius.

[4] *Comparable Store Sales Growth (CSSG)* 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.

Mono-brand Stores Distribution Network

As already stated in previous documents, Moncler revised its store counting method of multiple stores (man/woman/enfant) located at the same address (department store/mall) in line with business management. These stores are no longer reported separately as, from a business standpoint, they are managed as a single entity. To facilitate the understanding of data in the table below, the number of stores at 30 June 2019 has been reported in both counting methods.

As of 30 June 2019, Moncler's mono-brand stores distribution network consisted of 196 directly operated stores (DOS), an increase of three units compared to 31 December 2018 and 60 wholesale shop-in-shops (SiS), an increase of five units compared to December 2018.

During the second quarter of 2019, Moncler converted the Bloomingdale's store in NY, from a wholesale to a retail mono-brand store.

Number of mono-brand stores

	30/06/2018	31/12/2018	30/06/2019	Net Openings First Half 2019	30/06/2019[5]
Retail mono-brand	185	193	196	3	226
Italy	18	20	19	(1)	22
EMEA (excl. Italy)	52	55	54	(1)	64
Asia and Rest of the World	90	91	95	4	110
Americas	25	27	28	1	30
Wholesale mono-brand	49	55	60	5	81

Analysis of Consolidated Operating and Net Results

In the first semester of 2019, consolidated gross margin was 437.0 million euros, equivalent to 76.6% of revenues compared to 76.0% in the same period of 2018. This improvement is mainly attributable to the growth in the retail channel. Consolidated gross margin, under application of IFRS 16, was equal to 437.2 million euros, or 76.7% of revenues.

Selling expenses were equal to 211.3 million euros, equivalent to 37.0% of revenues compared to 36.2% in the same period of 2018. This difference is based on both the development of the retail network and a favourable trend of the selling expenses in the first half of 2018, which normalised in the second part of the year. General and administrative expenses were equal to 72.0 million euros, equivalent to 12.6% of revenues, in line with the first half of 2018. Marketing expenses were 42.9 million euros, representing 7.5% of revenues, showing a slight increase compared to the first half of 2018 (7.3%) primarily due to a different spending timeline between the semesters.

Adjusted EBITDA[6] rose 16% to 143.6 million euros, compared to 123.9 million euros in the first six months of 2018, resulting in an EBITDA margin of 25.2%, compared to 25.1% in the first half of 2018. The increase is mainly linked to the improvement in the gross margin. Under application of IFRS 16, Adjusted EBITDA, was equal to 199.0 million euros, equivalent to 34.9% of revenues.

[5] Calculated using the previous counting method.
[6] Before non-cash costs related to stock-based compensation.

In the first semester of 2019, depreciation and amortisation were equal to 32.7 million euros, representing 5.7% of sales, an increase of 27% compared to 25.7 million euros in the first semester of 2018 (5.2% of sales). This increase is largely attributable to the investments in retail development.

Stock-based compensation includes non-cash costs related to Moncler performance shares plans and was equal to 16.3 million euros, compared to 12.5 million euros in the first semester of 2018.

EBIT was equal to 94.6 million euros, an increase of 10% compared to 85.7 million euros in the first semester of 2018, representing an EBIT margin of 16.6% (17.4% in the respective period of 2018). The reduction in the operating margin is largely attributed to a different allocation of operating costs between semesters. Last year, the development of costs substantially benefited operating margin in first half. In 2019, Moncler's management expects an evolution more aligned with historical trends. Under application of IFRS 16, EBIT was equal to 102.6 million euros, equivalent to 18.0% of revenues.

In the first half of 2019, the net financial result was negative and equal to 0.7 million euros, including 0.5 million euros of forex losses. In the same period of 2018, net financial result was negative and equal to 0.9 million euros, including 0.4 million euros of forex losses. Excluding forex impact, net financial result was negative and equal to 0.2 million euros in the first semester of 2019, compared to 0.5 million euros in the respective period of 2018.

The tax rate was 24.0%, compared to 27.3% in the first half of 2018. The decrease is mainly due to the fiscal benefits related to the *Patent Box*.

Net income, Group share was 71.3 million euros, an increase of 16% compared to 61.6 million euros in the same period of 2018. The margin on revenues was equal to 12.5%, in line with the first semester of 2018. Under application of IFRS 16, net income, Group share, was equal to 70.0 million euros, equivalent to 12.3% of revenues.

Consolidated Balance Sheet and Cash Flow Analysis

The net financial position as of 30 June 2019 was positive and equal to 395.7 million euros compared to 450.1 million euros at 31 December 2018, and 243.9 million euros at 30 June 2018. Under application of IFRS 16, net financial position at 30 June 2019 is negative and equal to 166.2 million euros.

The net working capital was 81.7 million euros, compared to 61.4 million euros at 30 June 2018, equal to 5.5% of last-twelve-months (LTM) revenues (4.8% as of 30 June 2019). This increase has been largely due to a rise in the inventory of raw materials and finished products for the upcoming seasons.

Net capital expenditure was 41.0 million euros in the first six months of 2019, higher than the investments made in the same period of 2018. The amount includes 17.0 million euros of investments in the retail stores, 2.1 million euros for the development of the wholesale network, and 21.9 million euros of investments in corporate projects, mainly related to investments in Information Technology, including the investments for the launch of the e-commerce website in Korea, and the investments for the development and automatization of the logistics centre.

Free cash flow in the first half of 2019 was positive and equal to 71.0 million euros, compared to 66.3 million euros in the same period of 2018.

In the first half of 2019, Moncler distributed 101.7 million euros of dividends compared to 70.5 million euros in the same period of 2018 and completed a share buy-back program for 15.1 million euros. Net cash flow in the first half of 2019 was negative and equal to 54.4 million euros, compared to negative 61.0 million euros in the same period of 2018.

Significant Events Occurred in the First Half of 2019

- Moncler Japan

On 29 March 2019, Moncler acquired a 6% stake in the Japanese subsidiary Moncler Japan Corporation (MJC) from its partner (Yagi Tsusho Limited, YTL) for a net cash outlay of 10.9 million euros. As a result of this second tranche acquisition, Moncler now controls 66% of MJC share capital.
As defined in the amendment to the Joint Venture Agreement, signed by Moncler and YTL in 2017, the purchase of the entire minority stake at a price equal to the prorated value of MJC's equity, started in 2018 ending in 2024.

- Share buy-back program

On 16 January 2019, Moncler launched a share buy-back program for a maximum of 1,000,000 Moncler S.p.A. ordinary shares (equal to 0.4% of current share capital) in accordance with the resolution of the Shareholders' Meeting of 16 April 2018, then terminated on 20 February 2019.
As of 30 June 2019, Moncler holds 5,669,803 ordinary shares (equal to 2.2% of share capital).

- Dividends

On 16 April 2019, the Moncler Annual Shareholders Meeting approved the Moncler S.p.A. results as of 31 December 2018 and the distribution of a gross dividends of 0.40 euro per share with coupon date of 20 May 2019 and payment date of 22 May 2019.

- Second cycle of share **allocation of the "Performance Shares Plan 2018-2020"**

On 9 May 2019, with the favourable opinion of the Nomination and Remuneration Committee, the Board of Directors of Moncler S.p.A. began the second cycle of allocating Moncler ordinary shares under the "Performance Shares Plan 2018-2020", approved by the Shareholders' Meeting of 16 April 2018. At 30 June 2019, the number of assigned shares is equal to 338,893 to 52 new beneficiaries. Under the rules of this Plan, the beneficiaries will be allotted the shares at the end of the three-year vesting period provided that the performance objectives set out in the rules are met.

Significant Events Occurring after the Reporting Date

There are no significant events occurring after the reporting date.

Business Outlook

Moncler is forecasting a scenario of further growth in 2019, based on the following strategic guidelines.

Strengthening of the Brand. Since the beginning, Moncler's strategic positioning in the luxury goods sector has been based on clear pillars: uniqueness, consistency of its heritage and ability to innovate while remaining true to its tradition. These pillars are and will remain fundamental. Today's luxury goods consumer trends are evolving rapidly and faster than in the past. To take advantage of these changes, Moncler has opened a new chapter: *Moncler Genius – One House Different Voices*, which will drive the Group into its future developments.

Focus on clients. Developing a direct relationship with retail, wholesale and digital clients, being able to get them involved offering a significative experience by using all touch points and anticipating their needs; these are the pillars of the relationship that Moncler wants to build across channels with its clients, especially with its local customers, with an omnichannel approach, in order to maintain and, if possible, strengthen the Group's future organic growth.

International development and consolidation of key markets. Over the years, Moncler has followed a clear strategy of international growth, while always keeping strong control of the business and a direct dialogue with its clients in all distribution channels; wholesale, retail and digital. Moncler wants to continue to selectively develop the main international markets and to consolidate its presence in its "core" markets. The Group will deliver this strategy through: the reinforcement of its retail mono-brand stores (DOS) network, the controlled expansion of its stores' average selling surface, the opening of wholesale mono-brand stores (SiS), the expansion of travel retail and the strengthening of its digital channel.

Selective expansion of product categories. The Group is working on a selective expansion into product categories that are complementary to its core business and where it has and can achieve high brand awareness and strong know-how.

Sustainable business development. The Brand continues to reinforce its commitment to sustainable and responsible long-term development, which takes into account the expectations of stakeholders focusing on shared value creation.

Consolidated Income Statement, Balance Sheet Statement and Cash Flow Statement

IFRS 16 impacts on H1 2019 Consolidated Income Statement

(Euro/000)	First Half 2019 including IFRS 16	*% of Revenues*	IFRS 16 impacts	First Half 2019 excluding IFRS 16	*% of Revenues*
Revenues	570,246	*100.0%*	-	570,246	*100.0%*
YoY growth	*+16%*			*+16%*	
Cost of sales	(133,094)	*(23.3%)*	150	(133,244)	*(23.4%)*
Gross margin	437,152	*76.7%*	150	437,002	*76.6%*
Selling expenses	(203,669)	*(35.7%)*	7,582	(211,251)	*(37.0%)*
General & Administrative expenses	(71,725)	*(12.6%)*	287	(72,012)	*(12.6%)*
Marketing expenses	(42,865)	*(7.5%)*	-	(42,865)	*(7.5%)*
Stock-based compensation	(16,275)	*(2.9%)*	-	(16,275)	*(2.9%)*
EBIT	102,618	*18.0%*	8,019	94,599	*16.6%*
YoY growth	*+20%*			*+10%*	
Net financial result	(10,496)	*(1.8%)*	(9,757)	(739)	*(0.1%)*
EBT	92,122	*16.2%*	(1,738)	93,860	*16.5%*
Taxes	(22,128)	*(3.9%)*	418	(22,546)	*(4.0%)*
Tax Rate	*24.0%*			*24.0%*	
Net Income, including Non-controlling interests	69,994	*12.3%*	(1,320)	71,314	*12.5%*
Non-controlling interests	(5)	*(0.0%)*	-	(5)	*(0.0%)*
Net Income, Group share	69,989	*12.3%*	(1,320)	71,309	*12.5%*
YoY growth	*+14%*			*+16%*	
EBITDA Adjusted	198,997	*34.9%*	55,408	143,589	*25.2%*
YoY growth				*+16%*	

Consolidated Income Statement H1 2019 compared to H1 2018

(Euro/000)	First Half 2019 excluding IFRS 16	% of Revenues	First Half 2018	% of Revenues
Revenues	570,246	*100.0%*	493,544	*100.0%*
YoY growth	*+16%*		*+21%*	
Cost of sales	(133,244)	*(23.4%)*	(118,659)	*(24.0%)*
Gross margin	437,002	*76.6%*	374,885	*76.0%*
Selling expenses	(211,251)	*(37.0%)*	(178,490)	*(36.2%)*
General & Administrative expenses	(72,012)	*(12.6%)*	(61,935)	*(12.5%)*
Marketing expenses	(42,865)	*(7.5%)*	(36,256)	*(7.3%)*
Stock-based compensation	(16,275)	*(2.9%)*	(12,465)	*(2.5%)*
EBIT	94,599	*16.6%*	85,739	*17.4%*
YoY growth	*+10%*		*+35%*	
Net financial result[7]	(739)	*(0.1%)*	(893)	*(0.2%)*
EBT	93,860	*16.5%*	84,846	*17.2%*
Taxes	(22,546)	*(4.0%)*	(23,124)	*(4.7%)*
Tax Rate	*24.0%*		*27.3%*	
Net Income, including Non-controlling interests	71,314	*12.5%*	61,722	*12.5%*
Non-controlling interests	(5)	*(0.0%)*	(94)	*(0.0%)*
Net Income, Group share	71,309	*12.5%*	61,628	*12.5%*
YoY growth	*+16%*		*+47%*	
EBITDA Adjusted	143,589	*25.2%*	123,916	*25.1%*
YoY growth	*+16%*		*+28%*	

[7] First Half 2019: FX Gain/(Losses) (547) thousand euros; Other financial items (193) thousand euros
First Half 2018: FX Gain/(Losses) (434) thousand euros; Other financial items (459) thousand euros

IFRS 16 impacts on H1 2019 Reclassified Consolidated Statement of Financial Position

(Euro/000)	30/06/2019 including IFRS 16	IFRS 16 impacts	30/06/2019 excluding IFRS 16
Intangible Assets	425,959	-	425,959
Tangible Assets	184,837	-	184,837
Other Non-current Assets/(Liabilities)	75,558	28,773	46,785
Right-of-use	511,472	511,472	-
Total Non-current Assets/(Liabilities)	1,197,826	540,245	657,581
Net Working Capital	81,724	-	81,724
Other Current Assets/(Liabilities)	(93,265)	(3,178)	(90,087)
Total Current Assets/(Liabilities)	(11,541)	(3,178)	(8,363)
Invested Capital	1,186,285	537,067	649,218
Net Debt/(Net Cash)	(395,668)	-	(395,668)
Lease commitments	561,895	561,895	-
Pension and Other Provisions	14,238	-	14,238
Shareholders' Equity	1,005,820	(24,828)	1,030,648
Total Sources	1,186,285	537,067	649,218

Reclassified Consolidated Statement of Financial Position H1 2019 compared to H1 2018

(Euro/000)	30/06/2019 excluding IFRS 16	31/12/2018	30/06/2018
Intangible Assets	425,959	424,402	425,136
Tangible Assets	184,837	176,970	149,190
Other Non-current Assets/(Liabilities)	46,785	35,858	33,036
Total Non-current Assets/(Liabilities)	657,581	637,230	607,362
Net Working Capital	81,724	103,207	61,402
Other Current Assets/(Liabilities)	(90,087)	(108,231)	(30,903)
Total Current Assets/(Liabilities)	(8,363)	(5,024)	30,499
Invested Capital	649,218	632,206	637,861
Net Debt/(Net Cash)	(395,668)	(450,109)	(243,900)
Pension and Other Provisions	14,238	13,439	10,967
Shareholders' Equity	1,030,648	1,068,876	870,794
Total Sources	649,218	632,206	637,861

IFRS 16 impacts on H1 2019 Reclassified Consolidated Statement of Cash Flow

(Euro/000)	First Half 2019 including IFRS 16	IFRS 16 impacts	First Half 2019 excluding IFRS 16
EBITDA Adjusted	198,997	55,408	143,589
Rents IFRS 16	(55,408)	(55,408)	-
Change in Net Working Capital	21,483	-	21,483
Change in other curr./non-curr. assets/(liabilities)	(29,847)	-	(29,847)
Capex, net	(40,955)	-	(40,955)
Operating Cash Flow	94,270	-	94,270
Net financial result	(739)	-	(739)
Taxes	(22,546)	-	(22,546)
Free Cash Flow	70,985	-	70,985
Dividends paid	(101,708)	-	(101,708)
Changes in equity and other changes	(23,718)	-	(23,718)
IFRS 16 impacts in the period	(43,407)	(43,407)	-
First time adoption IFRS 16	(518,488)	(518,488)	-
Net Cash Flow	(616,336)	(561,895)	(54,441)
Net Financial Position - Beginning of Period	450,109	-	450,109
Net Financial Position - End of Period	(166,227)	(561,895)	395,668
Change in Net Financial Position	(616,336)	(561,895)	(54,441)

Reclassified Consolidated Statement of Cash Flow H1 2019 compared to H1 2018

(Euro/000)	First Half 2019 excluding IFRS 16	First Half 2018
EBITDA Adjusted	143,589	123,916
Change in Net Working Capital	21,483	28,253
Change in other curr./non-curr. assets/(liabilities)	(29,847)	(27,351)
Capex, net	(40,955)	(34,537)
Operating Cash Flow	94,270	90,281
Net financial result	(739)	(893)
Taxes	(22,546)	(23,124)
Free Cash Flow	70,985	66,264
Dividends paid	(101,708)	(70,464)
Changes in equity and other changes	(23,718)	(56,852)
Net Cash Flow	(54,441)	(61,052)
Net Financial Position - Beginning of Period	450,109	304,952
Net Financial Position - End of Period	395,668	243,900
Change in Net Financial Position	(54,441)	(61,052)

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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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FOR FURTHER INFORMATION:

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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 clothing and accessories collections under the brand Moncler, through its boutiques and in exclusive international department stores and multi-brand outlets.