



MONCLER S.P.A.: THE BOARD OF DIRECTORS APPROVES
THE HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2018¹

**STRONG DOUBLE-DIGIT REVENUE GROWTH CONTINUED (+27% AT CONST. EXCH. RATES)
WITH THE STRENGTHENING OF ALL ECONOMIC INDICATORS.
SUCCESSFUL LAUNCH OF THE FIRST *MONCLER GENIUS* COLLECTION**

- **Consolidated Revenues: 493.5 million euros, up 27% at constant exchange rates and up 21% at current exchange rates, compared to 407.6 million euros in the first half of 2017**
- **Retail *Comp-Store Sales Growth*: +27%**
- ***Adjusted* EBITDA²: 123.9 million euros compared to 97.0 million euros in the first half of 2017; EBITDA margin of 25.1%**
- **EBIT: 85.7 million euros compared to 63.3 million euros in the first half of 2017; EBIT margin 17.4%**
- **Net Income, Group share: 61.6 million euros, up 47% compared to 41.8 million euros in the first half of 2017; net income margin of 12.5%**
- **Net Cash Position: 243.9 million euros, compared to 304.9 million euros at 31 December 2017 and 130.2 million euros at 30 June 2017, after payment of dividends (70.5 million euros) and share buy-back (73.4 million euros)**

Remo Ruffini, Moncler’s Chairman and Chief Executive Officer, commented: “ ‘Go beyond’ is a principle that has always driven Moncler, and it is precisely what has inspired our new institutional campaign ‘*Moncler Beyond*’. An idea that has emerged by looking at our heritage, at our origins and arising from Moncler’s essence, capturing the strong values of its Community. I’m convinced that our capacity to go beyond, to explore new frontiers, and break new ground, is what steers and guides Moncler, quarter after quarter, towards new heights that I, for one, find exceptional.

The results we are releasing today once again, not only beat market expectations, but even our own estimates. In the first half of 2018, Moncler’s revenues rose by 27% at constant exchange rates, posting major growth across all distribution channels—retail, wholesale and digital—and across all markets, driving the Group’s net income up by 47%. But numbers always need to be read in context, looking past the mere digits. And that’s what makes me even more confident today about our future. The launch of the first *Moncler Genius* collection has been acclaimed a success in all markets and in all channels we operate in, and the company managed to meet all the given deadlines. We’re working to strengthen the brand and our entire value chain further, and we are pushing ahead with major projects which I trust will enable us to live up to the motto of our campaign—*beyond limits, expectations and generations #Monclerbeyond!*”

¹ This note applies to all pages: rounded figures.

² Before non-cash costs related to stock-based compensation.

Milan, 25 July 2018 – 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 2018.

Consolidated Revenues Analysis

In the first half of 2018, Moncler recorded **revenues of 493.5 million euros**, an **increase of 27% at constant exchange rates and of 21% at current exchange rates** compared to revenues of 407.6 million euros in the same period of 2017, confirming also in Q2 the solid growth recorded in Q1 2018. In the second quarter, revenues rose by 26% at constant exchange rates, benefiting also from the launch of *7 Moncler Fragment Hiroshi Fujiwara*, the first drop of the *Moncler Genius* project, which registered strong results across all distribution channels.

Revenues by Region

	First Half 2018		First Half 2017		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange rates
Italy	63,343	12.8%	58,202	14.3%	+9%	+9%
EMEA (excl.Italy)	146,958	29.8%	127,431	31.3%	+15%	+17%
Asia and Rest of the World	210,443	42.6%	159,623	39.1%	+32%	+42%
Americas	72,800	14.8%	62,387	15.3%	+17%	+29%
Total Revenues	493,544	100.0%	407,643	100.0%	+21%	+27%

In **Italy**, revenues rose 9%, mainly driven by the strong growth of the retail channel.

In **EMEA**, Moncler's revenues grew 17% at constant exchange rates, with double-digit growth in both distribution channels and in the main markets also in the second quarter. France, the United Kingdom and Germany recorded very good performances. Revenues in France continued to record double-digit growth, thanks to the local demand and the sustained tourists' flow. The United Kingdom achieved, also in the second quarter, a good performance, despite a challenging comparison base; the results of this market were supported by the retail organic growth, the positive contribution from wholesale clients, including some e-tailers, and the launch of *7 Moncler Fragment Hiroshi Fujiwara*. Also Germany performed well in the second quarter.

In **Asia & Rest of the World**, revenues increased 42% at constant exchange rates with all markets recording solid double-digit growth even in the second quarter. In particular, Japan significantly accelerated in Q2 2018, also thanks to the successful launch of *7 Moncler Fragment Hiroshi Fujiwara*. Moncler continued to register very good performances in China, driven by an important double-digit organic growth. Following the Chinese government decision to reduce import duties, since the beginning of July Moncler reduced its prices in China by 3.5% on average. Revenues in Korea recorded a solid increase, with an acceleration in the second quarter, mainly due to the organic growth of the existing stores' network.

In the **Americas**, revenues grew 29% at constant exchange rates, with a double-digit growth also in the second quarter. Very good results were achieved in the United States and in Canada, for both the retail and the wholesale channels, supported by the good trend recorded in the existing stores and the opening of new wholesale shop-in-shops.

Revenues by Distribution Channel

	First Half 2018		First Half 2017		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange rates
Retail	376,851	76.4%	299,477	73.5%	+26%	+33%
Wholesale	116,693	23.6%	108,166	26.5%	+8%	+12%
Total Revenues	493,544	100.0%	407,643	100.0%	+21%	+27%

In the first half of 2018, revenues from the **retail distribution channel** increased to 376.8 million euros compared to 299.5 million euros in the same period of 2017, representing an increase of 33% at constant exchange rates, thanks to a robust organic growth and to a further development of the network of retail mono-brand stores (DOS).

The Group achieved *Comparable Store Sales Growth*³ of 27%.

The **wholesale channel** recorded revenues of 116.7 million euros compared to 108.1 million euros in first half 2017, an increase of 12% at constant exchange rates, driven by good results, in particular, in North America and Asia-Pacific.

Mono-brand Stores Distribution Network

As at 30 June 2018, **Moncler's mono-brand distribution network** consisted of **209 retail directly operated stores (DOS)**, an increase of 8 units compared to 31 December 2017, and **65 wholesale shop-in-shops (SiS)**, an increase of 6 units compared to 31 December 2017. In the second quarter, Moncler opened 4 retail DOS and 4 shop-in-shops.

	30/06/2018	31/12/2017	Net Openings First Half 2018
Retail mono-brand stores	209	201	8
Italy	21	21	-
EMEA (excl.Italy)	61	59	2
Asia and Rest of the World	102	96	6
Americas	25	25	-
Wholesale mono-brand stores	65	59	6

Analysis of Consolidated Operating and Net Results

In the first half of 2018, the consolidated **gross margin was 374.9 million euros**, equivalent to 76.0% of revenues compared to 75.6% in the same period of 2017. This improvement was mainly attributable to the growth in the retail channel.

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.

Selling expenses were 178.5 million euros, equivalent to 36.2% of revenues compared to 37.8% in the same period of 2017. The lower incidence of selling expenses on revenues is largely related to the strong DOS organic performance and a more efficient management of the retail network. **General and administrative expenses were 61.9 million euros**, equal to 12.5% of revenues, in line with the first half of 2017. **Advertising expenses were 36.3 million euros**, representing 7.3% of revenues, stable compared to the first half of 2017 and in line with management's expectations.

Adjusted EBITDA⁴ rose to 123.9 million euros, compared to 97.0 million euros in the first six months of 2017, resulting in an EBITDA margin of 25.1% compared to 23.8% in the first half of 2017. The increase is mainly linked to the improvement of the gross margin and the good control on retail selling costs.

In the first semester of 2018, depreciation and amortisation were 25.7 million euros, representing 5.2% of sales, an increase of 8% compared to 23.7 million euros in the first semester of 2017 (5.8% of sales). This amount is largely attributable to the investments on retail development, related to new openings and to relocations/expansions.

Stock-based compensation include non-cash costs related to Moncler stock options and performance shares plans and was equal to 12.5 million euros, compared to 10.0 million euros in the first semester of 2017.

EBIT was 85.7 million euros, an increase of 35% compared to 63.3 million euros in the first half of 2017, representing an EBIT margin of 17.4% (15.5% in the first half of 2017).

In the first half of 2018, the net financial result was negative and equal to 0.9 million euros, including 0.4 million euros of forex losses. In the same period of 2017, the net financial result was negative and equal to 2.9 million euros, including 2.4 million euros of forex losses. Net of these losses, net financial result was negative and equal to 0.5 million euros in the first semester of 2018, stable compared to the same period in 2017.

The tax rate was 27.3%, compared to 30.5% in the first half of 2017. The decrease is mainly due to the fiscal benefits related to the *Patent Box*.

Net Income, Group share was 61.6 million euros, equivalent to 12.5% of revenues, an increase of 47% compared to 41.8 million euros in the same period of 2017.

Consolidated Balance Sheet and Cash Flow Analysis

Net financial position at 30 June 2018 was positive and equal to **243.9 million euros** compared to 304.9 million euros at 31 December 2017, and 130.2 million euros at 30 June 2017.

Net working capital was 61.4 million euros, compared to 64.4 million euros at 30 June 2017, equal to 5% of last-twelve-months (LTM) revenues. This improvement has been largely driven by better management of inventories and receivables.

Net capital expenditure was 34.5 million euros in the first six months of 2018, in line with the investments made in the same period of 2017. The amount includes 18.5 million euros of investments in the retail stores, 1.9 million euros for the development of the wholesale network, and 14.1 million euros of investments in corporate projects, mainly related to the expansion of the logistics hub in Piacenza, to the acquisition of the industrial building in Romania, and to the strengthening of the IT and omnichannel platforms.

Free cash flow in the first half of 2018 was positive and equal to **66.3 million euros**, compared to 39.6 million euros in the same period of 2017.

⁴ Before non-cash costs related to stock-based compensation.

In the first half of 2018, Moncler distributed 70.5 million euros of dividends compared to 45.5 million euros in the same period of 2017 while, in the same period, the Group completed a share buy-back programme for 73.4 million euros. As a consequence, Net Cash Flow in the first half of 2018 was negative and equal to 61.0 million euros, compared to a positive Net Cash Flow in the same period of 2017 of 24.4 million euros.

Significant Events Occurred In the First Half of 2018

- Moncler Genius

On February 20, 2018, Moncler presented a new creative and communication chapter, *Moncler Genius*: a vision of the future, beyond seasons, able to establish a constant dialogue with customers. A hub of eight exceptional minds which, operating in unison while cultivating their singularity, have being able to re-interpret the Brand; each one devoted to a singular project, all of them adding facets to the Moncler's brand identity.

- Capital Markets Day

On February 27, 2018, Moncler organized a Capital Markets Day in Milan, during which the Group provided to the financial community an update on its medium-term strategy.

- Moncler Japan

On March 29, 2018, Moncler acquired, from the local partner Yagi Tsusho Limited, the first tranche (equal to 9% of total share capital) of the partner's stake in Moncler Japan Corporation, equivalent to a net cash out of 15.5 million euros. As defined in the amendment to the *Joint Venture Agreement*, approved in 2017, the purchase of the whole minority interest in Moncler Japan can be exercised progressively, once per year, between 2018 and 2024, at a price equal to the prorated value of Moncler Japan's net equity at the end of each related financial year.

- Share buyback programme

On April 4, 2018, Moncler launched a share buyback programme for a maximum of 2,100,000 Moncler S.p.A. ordinary shares (equal to 0.8% of current share capital) in accordance with the resolution of the Shareholders' Meeting of 20 April 2017. As of that date, Moncler already held 2,000,000 Moncler S.p.A. ordinary shares, bought in 2016 and 2017 in accordance with the resolutions of the Shareholders' Meeting of 23 April 2015 and 20 April 2017 respectively.

In implementation of the programme, completed on May 8, 2018, Moncler acquired 2,100,000 ordinary shares (equal to 0.8% of share capital), for a total amount of 73.4 million euros.

As of June 30, 2018, Moncler holds 4,100,000 ordinary shares (equal to 1.6% of share capital).

- Dividends

On April 16, 2018, Moncler Ordinary Shareholders Meeting approved the Group's results for fiscal year 2017 and the distribution of a gross dividend of 0.28 euros per ordinary share, with coupon date on May 21, 2018 and payment date of May 23, 2018. In the first half of 2018, Moncler distributed 70.5 million euros of dividends.

- 2018-2020 Performance Shares Plan

On May 4, 2018, Moncler Board of Directors, putting into effect the resolutions adopted by the Shareholders' Meeting of April 16, 2018, resolved to implement the stock grant plan denominated "*2018-2020 Performance Shares Plan*" approved by that Shareholders' Meeting and, as a consequence, approved the plan's implementation regulation and resolved the granting of 1,365,531 shares to 99 beneficiaries, including also Executive Directors and Key Managers of the Group.

Significant Events Occurred after the Reporting Date

There are no significant events occurred after the reporting date.

Business Outlook

The Group is forecasting a scenario of further growth in 2018, based on the following strategic guidelines.

Strengthening of the Brand. Since the beginning, the positioning and the communication strategy of the brand Moncler have been based on two pillars: uniqueness and consistency of its heritage. These pillars are and will remain fundamental also in the future. Moncler's strength is also related to its ability to renew itself with continuity. Today's consumers of luxury goods are evolving rapidly and faster than in the past. To take advantage of these changes, Moncler has decided to open a new chapter, which will drive the Group into its future developments.

Focus on customers. Developing a direct relationship with retail, wholesale and digital clients, being able to get them involved using all their 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, 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, both in the wholesale and in the retail channel. Moncler wants to keep on selectively developing the main international markets and consolidating its presence in the "core" markets, also thanks to the reinforcement of its retail mono-brand stores (DOS) network, the controlled expansion of its stores' average selling surface, the development of wholesale mono-brand stores (SiS), the development of travel retail, and the strengthening of its digital channel.

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

Sustainable business development. The Brand is reinforcing its commitment to sustainable and responsible long-term development, which takes account of stakeholders' expectations aiming at shared value creation.

Consolidated Income Statement, Balance Sheet Statement and Cash Flow

Consolidated Income Statement

(Euro/000)	First Half 2018	% on Revenues	First Half 2017	% on Revenues
Revenues	493,544	100.0%	407,643	100.0%
<i>YoY growth</i>	+21%		+18%	
Cost of sales	(118,659)	(24.0%)	(99,293)	(24.4%)
Gross margin	374,885	76.0%	308,350	75.6%
Selling expenses	(178,490)	(36.2%)	(154,036)	(37.8%)
General & Administrative expenses	(61,935)	(12.5%)	(51,148)	(12.5%)
Advertising & Promotion	(36,256)	(7.3%)	(29,875)	(7.3%)
Stock-based Compensation	(12,465)	(2.5%)	(10,012)	(2.5%)
EBIT	85,739	17.4%	63,279	15.5%
<i>YoY growth</i>	+35%		+18%	
Net financial result ⁵	(893)	(0.2%)	(2,936)	(0.7%)
EBT	84,846	17.2%	60,343	14.8%
Taxes	(23,124)	(4.7%)	(18,400)	(4.5%)
<i>Tax Rate</i>	27.3%		30.5%	
Net Income, including Non-controlling interests	61,722	12.5%	41,943	10.3%
Non-controlling interests	(94)	(0.0%)	(108)	(0.0%)
Net Income, Group share	61,628	12.5%	41,835	10.3%
<i>YoY growth</i>	+47%		+25%	
EBITDA Adjusted	123,916	25.1%	97,022	23.8%
<i>YoY growth</i>	+28%		+24%	

⁵ First Half 2018: FX Gain/(Losses) (434) thousand euros;
Other financial items (459) thousand euros.
First Half 2017: FX Gain/(Losses) (2.383) thousand euros;
Other financial items (553) thousand euros.

Reclassified Consolidated Statement of Financial Position

(Euro/000)	30/06/2018	31/12/2017	30/06/2017
Intangible Assets	425,136	426,269	428,219
Tangible Assets	149,190	138,127	124,258
Other Non-current Assets/(Liabilities)	33,036	22,136	23,974
Total Non-current Assets	607,362	586,532	576,451
Net Working Capital	61,402	89,655	64,424
Other Current Assets/(Liabilities)	(30,903)	(47,010)	(18,598)
Total Current Assets	30,499	42,645	45,826
Invested Capital	637,861	629,177	622,277
Net Debt/(Net Cash)	(243,900)	(304,952)	(130,181)
Pension and Other Provisions	10,967	10,598	17,107
Shareholders' Equity	870,794	923,531	735,351
Total Sources	637,861	629,177	622,277

Reclassified Consolidated Statement of Cash Flow

(Euro/000)	First Half 2018	First Half 2017
EBITDA Adjusted	123,916	97,022
Change in NWC	28,253	43,703
Change in other curr./non-curr. assets/(liabilities)	(27,351)	(45,387)
Capex, net	(34,537)	(34,422)
Operating Cash Flow	90,281	60,916
Net financial result	(893)	(2,936)
Taxes	(23,124)	(18,400)
Free Cash Flow	66,264	39,580
Dividends paid	(70,464)	(45,491)
Changes in equity and other changes	(56,852)	30,296
Net Cash Flow	(61,052)	24,385
Net Financial Position - Beginning of Period	304,952	105,796
Net Financial Position - End of Period	243,900	130,181
Change in Net Financial Position	(61,052)	24,385

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.

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.