



HALF-YEAR  
FINANCIAL REPORT  
AS OF JUNE 30, 2019

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## CORPORATE INFORMATION

### REGISTERED OFFICE

Moncler S.p.A.  
Via Enrico Stendhal, 47  
20144 Milan – Italy  
Phone: + 39 02 42203500

### ADMINISTRATIVE OFFICE

Via Venezia, 1  
35010 Trebaseleghe (Padua) – Italy  
Phone: +39 049 9323111  
Fax: +39 049 9323339

### LEGAL INFORMATION

Authorized and issued share capital 51,589,704.80 euros  
VAT, Tax Code and Chamber of Commerce enrollment No.: 04642290961  
R.E.A. Reg. Milan No. 1763158

### OFFICES AND SHOWROOMS

Milan Via Solari, 33  
Milan Via Stendhal, 47  
New York 568 Broadway Suite 306  
Tokyo 5-4-46 Minami-Aoyama Omotesando Minato-Ku

## CORPORATE BODIES

### BOARD OF DIRECTORS

Remo Ruffini	Chairman and Chief Executive Officer
Marco De Benedetti	Vice President Lead Independent Director Control, Risk and Sustainability Committee Nomination and Remuneration Committee
Nerio Alessandri	Independent Director
Roberto Eggs	Executive Director
Gabriele Galateri di Genola	Independent Director Control, Risk and Sustainability Committee
Alessandra Gritti	Independent Director Nomination and Remuneration Committee
Virginie Sarah Sandrine Morgon	Director Related Parties Committee
Diva Moriani	Independent Director Related Parties Committee Nomination and Remuneration Committee
Stephanie Phair	Independent Director
Guido Pianaroli	Independent Director Control, Risk and Sustainability Committee Related Parties Committee
Luciano Santel	Executive Director

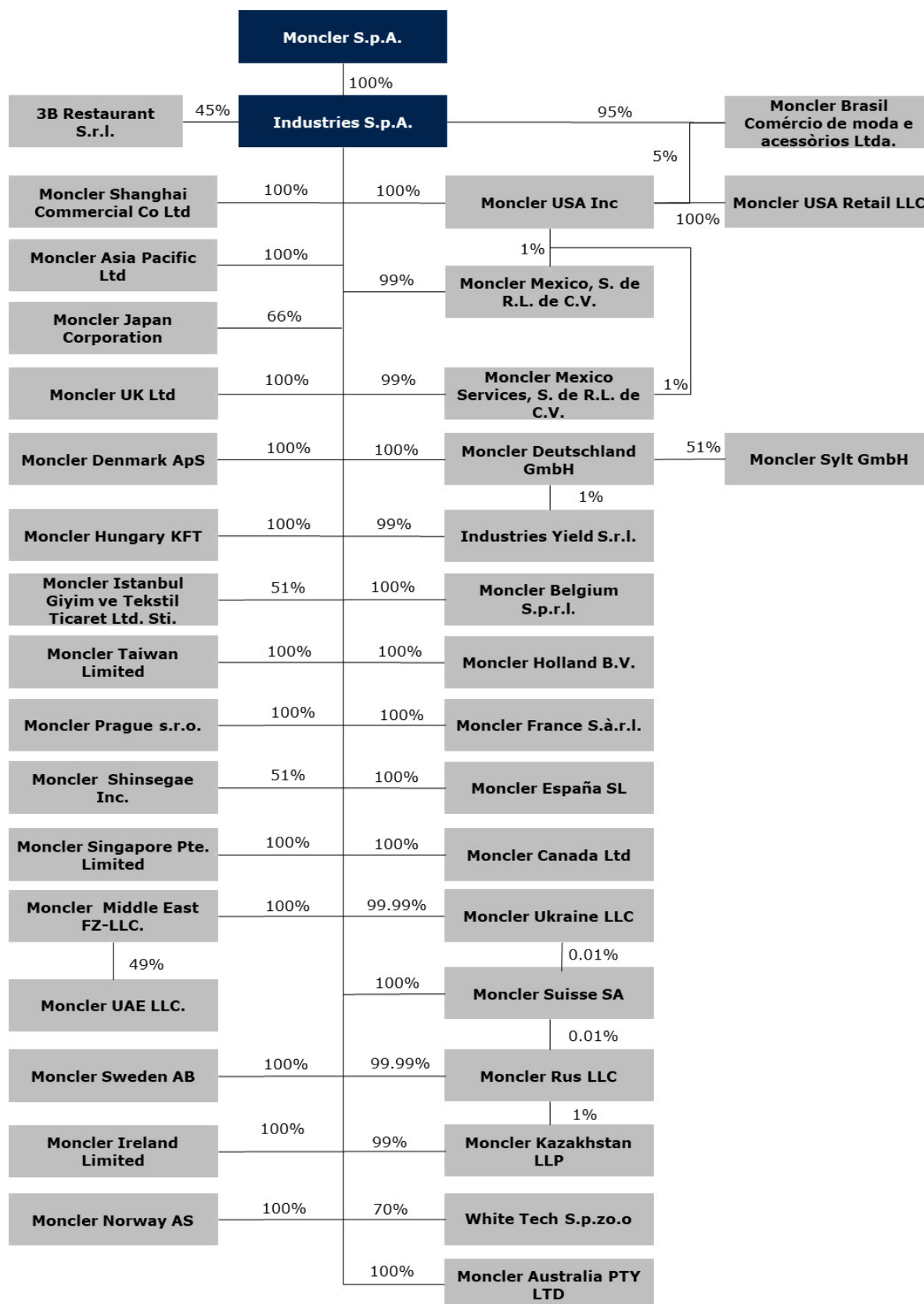
### BOARD OF STATUTORY AUDITORS

Riccardo Losi	Chairman
Antonella Suffriti	Standing Auditor
Mario Valenti	Standing Auditor
Federica Albizzati	Alternate Auditor
Lorenzo Mauro Banfi	Alternate Auditor

### EXTERNAL AUDITORS

KPMG S.p.A.

GROUP CHART AS OF JUNE 30, 2019



## GROUP STRUCTURE

The Half-Year Financial Report of the Moncler Group as of June 30, 2019 includes Moncler S.p.A. (Parent Company), Industries S.p.A., a sub-holding company directly controlled by Moncler S.p.A, and 35 consolidated subsidiaries in which the Parent Company holds indirectly a majority of the voting rights, or over which it exercises control, or from which it is able to derive benefits by virtue of its power to govern both on a financial and an operating aspects.

<b>Moncler S.p.A.</b>	Parent company which holds the Moncler brand
<b>Industries S.p.A.</b>	Sub-holding company, directly involved in the management of foreign companies and distribution channels (retail, wholesale) in Italy and licensee of the Moncler brand
<b>Industries Yield S.r.l.</b>	Company that manufactures apparel products
<b>White Tech Sp.zo.o.</b>	Company that manages quality control of down
<b>Moncler Deutschland GmbH</b>	Company that manages DOS and promotes goods in Germany and Austria
<b>Moncler Belgium S.p.r.l.</b>	Company that manages DOS in Belgium
<b>Moncler Denmark ApS</b>	Company that manages DOS in Denmark
<b>Moncler España SL</b>	Company that manages DOS in Spain
<b>Moncler France S.à.r.l.</b>	Company that manages DOS and distributes and promotes goods in France
<b>Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti.</b>	Company that manages DOS in Turkey
<b>Moncler Holland B.V.</b>	Company that manages DOS in the Netherlands
<b>Moncler Hungary KFT</b>	Company that manages DOS in Hungary
<b>Moncler Kazakhstan LLP</b>	Company that manages DOS in Kazakhstan
<b>Moncler Norway AS</b>	Company that manages DOS in Norway
<b>Moncler Prague s.r.o.</b>	Company that manages DOS in the Czech Republic
<b>Moncler Rus LLC</b>	Company that manages DOS in Russia
<b>Moncler Suisse SA</b>	Company that manages DOS in Switzerland
<b>Moncler Sweden AB</b>	Company that manages DOS in Sweden
<b>Moncler Sylt GmbH</b>	Company that manages a DOS in Sylt (Germany)
<b>Moncler UK Ltd</b>	Company that manages DOS in the United Kingdom

<b>Moncler Ireland Limited</b>	Company that manages DOS in Ireland
<b>Moncler Middle East FZ-LLC</b>	Holding Company for the Middle East
<b>Moncler UAE LLC</b>	Company that manages DOS in the United Arab Emirates
<b>Moncler Ukraine LLC</b>	Company that will manage DOS in Ukraine
<b>Moncler Brasil Comércio de moda e acessórios Ltda.</b>	Company that manages DOS in Brazil
<b>Moncler Canada Ltd</b>	Company that manages DOS in Canada
<b>Moncler Mexico, S. de R.L. de C.V.</b>	Company that manages DOS in Mexico
<b>Moncler Mexico Services, S. de R.L. de C.V.</b>	Company that provides services to Moncler Mexico, S. de R.L. de C.V.
<b>Moncler USA Inc</b>	Company which promotes and distributes goods in North America
<b>Moncler USA Retail LLC</b>	Company that manages DOS in North America
<b>Moncler Asia Pacific Ltd</b>	Company that manages DOS in Hong Kong and in Macau
<b>Moncler Australia PTY LTD</b>	Company that manages DOS in Australia
<b>Moncler Japan Corporation</b>	Company that manages DOS and distributes and promotes goods in Japan
<b>Moncler Shanghai Commercial Co. Ltd</b>	Company that manages DOS in China
<b>Moncler Shinsegae Inc.</b>	Company that manages DOS and distributes and promotes goods in South Korea
<b>Moncler Singapore Pte. Limited</b>	Company that manages DOS in Singapore
<b>Moncler Taiwan Limited</b>	Company that manages DOS in Taiwan

# HALF-YEAR DIRECTORS' REPORT

Financial results analysis

Significant events occurred during the first six months of 2019

Significant events occurred after June 30, 2019

Business outlook

Related parties transactions

Atypical and/or unusual transactions

Treasury shares



## FINANCIAL RESULTS ANALYSIS

Starting from 1 January 2019 IFRS 16 requires companies to recognise in their accounts the right-to-use of leased assets<sup>1</sup> 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 of comparison with the corresponding period in 2018. The impacts of the application of the IFRS 16 have been highlighted separately.

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<sup>1</sup> 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.

## CONSOLIDATED INCOME STATEMENT

Following is the consolidated income statement for the first half of 2019 including and excluding the impacts of the new IFRS 16 accounting principle.

(Euro/000)	First Half 2019 including IFRS 16	% of Revenues	IFRS 16 Impacts	First Half 2019 excluding IFRS 16	% of Revenues
<b>Revenues</b>	<b>570,246</b>	<b>100.0%</b>	-	<b>570,246</b>	<b>100.0%</b>
<i>YoY growth</i>	+16%			+16%	
Cost of sales	(133,094)	(23.3%)	150	(133,244)	(23.4%)
<b>Gross margin</b>	<b>437,152</b>	<b>76.7%</b>	<b>150</b>	<b>437,002</b>	<b>76.6%</b>
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%)
<b>EBIT</b>	<b>102,618</b>	<b>18.0%</b>	<b>8,019</b>	<b>94,599</b>	<b>16.6%</b>
<i>YoY growth</i>	+20%			+10%	
Net financial result	(10,496)	(1.8%)	(9,757)	(739)	(0.1%)
<b>EBT</b>	<b>92,122</b>	<b>16.2%</b>	<b>(1,738)</b>	<b>93,860</b>	<b>16.5%</b>
Taxes	(22,128)	(3.9%)	418	(22,546)	(4.0%)
<i>Tax Rate</i>	24.0%			24.0%	
<b>Net Income, including Non-controlling interests</b>	<b>69,994</b>	<b>12.3%</b>	<b>(1,320)</b>	<b>71,314</b>	<b>12.5%</b>
Non-controlling interests	(5)	(0.0%)	-	(5)	(0.0%)
<b>Net Income, Group share</b>	<b>69,989</b>	<b>12.3%</b>	<b>(1,320)</b>	<b>71,309</b>	<b>12.5%</b>
<i>YoY growth</i>	+14%			+16%	
<b>EBITDA Adjusted<sup>2</sup></b>	<b>198,997</b>	<b>34.9%</b>	<b>55,408</b>	<b>143,589</b>	<b>25.2%</b>
<i>YoY growth</i>				+16%	

<sup>2</sup> EBITDA Adjusted is defined as EBIT (Operating income) plus depreciation and amortization, plus stock-based compensation and it can be calculated from the consolidated income statement data, which have been prepared in accordance with the IFRS, integrated with the Explanatory Notes.

HALF-YEAR FINANCIAL REPORT

Following are the consolidated income statements for the first half of Fiscal Year 2019 and 2018.

(Euro/000)	First Half 2019 excluding IFRS 16	% of Revenues	First Half 2018	% of Revenues
<b>Revenues</b>	<b>570,246</b>	<b>100.0%</b>	<b>493,544</b>	<b>100.0%</b>
<i>YoY growth</i>	+16%		+21%	
Cost of sales	(133,244)	(23.4%)	(118,659)	(24.0%)
<b>Gross margin</b>	<b>437,002</b>	<b>76.6%</b>	<b>374,885</b>	<b>76.0%</b>
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%)
<b>EBIT</b>	<b>94,599</b>	<b>16.6%</b>	<b>85,739</b>	<b>17.4%</b>
<i>YoY growth</i>	+10%		+35%	
Net financial result <sup>3</sup>	(739)	(0.1%)	(893)	(0.2%)
<b>EBT</b>	<b>93,860</b>	<b>16.5%</b>	<b>84,846</b>	<b>17.2%</b>
Taxes	(22,546)	(4.0%)	(23,124)	(4.7%)
<i>Tax Rate</i>	24.0%		27.3%	
<b>Net Income, including Non-controlling interests</b>	<b>71,314</b>	<b>12.5%</b>	<b>61,722</b>	<b>12.5%</b>
Non-controlling interests	(5)	(0.0%)	(94)	(0.0%)
<b>Net Income, Group share</b>	<b>71,309</b>	<b>12.5%</b>	<b>61,628</b>	<b>12.5%</b>
<i>YoY growth</i>	+16%		+47%	
<b>EBITDA Adjusted</b>	<b>143,589</b>	<b>25.2%</b>	<b>123,916</b>	<b>25.1%</b>
<i>YoY growth</i>	+16%		+28%	

<sup>3</sup> 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

**CONSOLIDATED REVENUES**

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).

Revenues by Region

	First Half 2019		First Half 2018		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange 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%
<b>Total Revenues</b>	<b>570,246</b>	<b>100.0%</b>	<b>493,544</b>	<b>100.0%</b>	<b>+16%</b>	<b>+13%</b>

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%
<b>Total Revenues</b>	<b>570,246</b>	<b>100.0%</b>	<b>493,544</b>	<b>100.0%</b>	<b>+16%</b>	<b>+13%</b>

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<sup>4</sup> 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.

## 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 stand point, 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.

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

<sup>4</sup> 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.

<sup>5</sup> Calculated using the previous counting method.

## ANALYSIS OF CONSOLIDATED OPERATING AND NET RESULTS

### Cost of goods sold and gross margin

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.

### Operating expenses and EBIT

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 to the development of the retail network and to 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<sup>6</sup> 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.

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

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<sup>6</sup> Before non-cash costs related to stock-based compensation.

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

Following is the reclassified consolidated statement of financial position as of June 30, 2019 including and excluding the impacts of the new IFRS 16 accounting principle.

(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	-
<b>Total Non-current Assets/(Liabilities)</b>	<b>1,197,826</b>	<b>540,245</b>	<b>657,581</b>
Net Working Capital	81,724	-	81,724
Other Current Assets/(Liabilities)	(93,265)	(3,178)	(90,087)
<b>Total Current Assets/(Liabilities)</b>	<b>(11,541)</b>	<b>(3,178)</b>	<b>(8,363)</b>
<b>Invested Capital</b>	<b>1,186,285</b>	<b>537,067</b>	<b>649,218</b>
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
<b>Total Sources</b>	<b>1,186,285</b>	<b>537,067</b>	<b>649,218</b>

## HALF-YEAR FINANCIAL REPORT

Following is the reclassified consolidated statement of financial position as of June 30, 2019, December 31, 2018 and June 30, 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
<b>Total Non-current Assets/(Liabilities)</b>	<b>657,581</b>	<b>637,230</b>	<b>607,362</b>
Net Working Capital	81,724	103,207	61,402
Other Current Assets/(Liabilities)	(90,087)	(108,231)	(30,903)
<b>Total Current Assets/(Liabilities)</b>	<b>(8,363)</b>	<b>(5,024)</b>	<b>30,499</b>
<b>Invested Capital</b>	<b>649,218</b>	<b>632,206</b>	<b>637,861</b>
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
<b>Total Sources</b>	<b>649,218</b>	<b>632,206</b>	<b>637,861</b>

### Net working capital

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.

(Euro/000)	30/06/2019	31/12/2018	30/06/2018
Payables	(241,384)	(224,989)	(205,576)
Inventory	243,069	173,149	196,362
Receivables	80,039	155,047	70,616
<b>Net Working Capital</b>	<b>81,724</b>	<b>103,207</b>	<b>61,402</b>
<i>% on revenues</i>	5.5%	7.3%	4.8%

### Net financial position

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.



HALF-YEAR FINANCIAL REPORT

(Euro/000)	30/06/2019 excluding IFRS 16	31/12/2018	30/06/2018
Cash	490,542	546,282	325,376
Net short term financial debt <sup>7</sup>	(15,679)	(15,390)	(23,870)
Net long term financial debt	(79,195)	(80,783)	(57,606)
<b>Net Debt</b>	<b>395,668</b>	<b>450,109</b>	<b>243,900</b>

Following is the consolidated statement of cash flow for the first half of 2019 including and excluding the impacts of the new IFRS 16 accounting principle.

(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)
<b>Operating Cash Flow</b>	<b>94,270</b>	<b>-</b>	<b>94,270</b>
Net financial result	(739)	-	(739)
Taxes	(22,546)	-	(22,546)
<b>Free Cash Flow</b>	<b>70,985</b>	<b>-</b>	<b>70,985</b>
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)	-
<b>Net Cash Flow</b>	<b>(616,336)</b>	<b>(561,895)</b>	<b>(54,441)</b>
Net Financial Position - Beginning of Period	450,109	-	450,109
Net Financial Position - End of Period	(166,227)	(561,895)	395,668
<b>Change in Net Financial Position</b>	<b>(616,336)</b>	<b>(561,895)</b>	<b>(54,441)</b>

<sup>7</sup> Net financial credit

## HALF-YEAR FINANCIAL REPORT

Following is the **reclassified consolidated statement of cash flow for first half of 2019 and 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)
<b>Operating Cash Flow</b>	<b>94,270</b>	<b>90,281</b>
Net financial result	(739)	(893)
Taxes	(22,546)	(23,124)
<b>Free Cash Flow</b>	<b>70,985</b>	<b>66,264</b>
Dividends paid	(101,708)	(70,464)
Changes in equity and other changes	(23,718)	(56,852)
<b>Net Cash Flow</b>	<b>(54,441)</b>	<b>(61,052)</b>
Net Financial Position - Beginning of Period	450,109	304,952
Net Financial Position - End of Period	395,668	243,900
<b>Change in Net Financial Position</b>	<b>(54,441)</b>	<b>(61,052)</b>

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.

### Net capital expenditure

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 automatisisation of the logistics centre.

HALF-YEAR FINANCIAL REPORT

(Euro/000)	30/06/2019	31/12/2018	30/06/2018
Retail	17,008	50,963	18,562
Wholesale	2,081	7,897	1,888
Corporate	21,867	32,642	14,087
<b>Net Capex</b>	<b>40,956</b>	<b>91,502</b>	<b>34,537</b>
<i>% on LTM revenues</i>	7.2%	6.4%	7.0%

## HALF-YEAR FINANCIAL REPORT

### **Disclaimer**

This document contains forward-looking statements, in particular in the sections headed “Business Outlook” and “Significant events occurred after June 30, 2019” relating to future events, the operating income and financial results of the Moncler Group. These statements are based on the Group’s current expectations and forecasts regarding future events and, by their nature involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including changes in the macroeconomics and in economic growth and other changes in business conditions, changes in legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group’s control.

## SIGNIFICANT EVENTS OCCURRED DURING THE FIRST SIX MONTHS 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 MJC's equity, started in 2018 and 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 OCCURRED AFTER JUNE 30, 2019

There are no significant events occurred 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 through 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.

## RELATED PARTIES TRANSACTIONS

Information relating to related party transactions are provided in Note 10.1 of the Half-Year Consolidated Financial Statements.

## ATYPICAL AND/OR UNUSUAL TRANSACTIONS

There are no positions or transactions deriving from atypical and/or unusual transactions that could have a significant impact on the results and financial position of the Group and the Parent Company.

## TREASURY SHARES

As at 30 June 2019, Moncler S.p.A. held a total of 5,669,803 treasury shares (2.2% of share capital).

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Milan, 24 July 2019

For the Board of Directors

Remo Ruffini

Chairman and Chief Executive Officer

# HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2019



# HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

Consolidated income statement					
(Euro/000)	Notes	1H 2019	of which related parties (note 10.1)	1H 2018 (*)	of which related parties (note 10.1)
Revenue	4.1	570,246	508	493,544	256
Cost of sales	4.2	(133,094)	(8,703)	(118,659)	(5,825)
<b>Gross margin</b>		<b>437,152</b>		<b>374,885</b>	
Selling expenses	4.3	(203,669)	(387)	(178,490)	(413)
General and administrative expenses	4.4	(71,725)	(3,344)	(61,935)	(3,773)
Marketing expenses	4.5	(42,865)		(36,256)	
Stock based compensation	4.6	(16,275)	(6,656)	(12,465)	(4,202)
<b>Operating result</b>	<b>4.7</b>	<b>102,618</b>		<b>85,739</b>	
Financial income	4.8	576		203	
Financial expenses	4.8	(11,072)		(1,096)	
<b>Income before taxes</b>		<b>92,122</b>		<b>84,846</b>	
Income taxes	4.9	(22,128)		(23,124)	
<b>Net Income, including Minority</b>		<b>69,994</b>		<b>61,722</b>	
Non-controlling interests		(5)		(94)	
<b>Net income, Group share</b>		<b>69,989</b>		<b>61,628</b>	
<b>Earnings per share (unit of Euro)</b>	<b>5.16</b>	<b>0.28</b>		<b>0.24</b>	
<b>Diluted earnings per share (unit of Euro)</b>	<b>5.16</b>	<b>0.28</b>		<b>0.24</b>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>Consolidated statement of comprehensive income</b>			
(Euro/000)	Notes	1H 2019	1H 2018 (*)
<b>Net profit (loss) for the period</b>		<b>69,994</b>	<b>61,722</b>
Gains/(Losses) on fair value of hedge derivatives	5.16	580	(6,809)
Gains/(Losses) on exchange differences on translating foreign operations	5.16	2,756	8,167
<b>Items that are or may be reclassified to profit or loss</b>		<b>3,336</b>	<b>1,358</b>
Other Gains/(Losses)	5.16	(154)	(15)
<b>Items that will never be reclassified to profit or loss</b>		<b>(154)</b>	<b>(15)</b>
<b>Other comprehensive income/(loss), net of tax</b>		<b>3,182</b>	<b>1,343</b>
<b>Total Comprehensive income/(loss)</b>		<b>73,176</b>	<b>63,065</b>
<b>Attributable to:</b>			
Group		73,170	62,973
Non controlling interests		6	92

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position					
(Euro/000)	Notes	June 30, 2019	of which related parties (note 10.1)	December 31, 2018 (*)	of which related parties (note 10.1)
Brands and other intangible assets - net	5.1	270,377		268,820	
Goodwill	5.1	155,582		155,582	
Property, plant and equipment - net	5.3	696,309		176,970	
Other non-current assets	5.9	27,992		29,951	
Deferred tax assets	5.4	116,974		91,898	
<b>Non-current assets</b>		<b>1,267,234</b>		<b>723,221</b>	
Inventories and work in progress	5.5	243,069		173,149	
Trade account receivables	5.6	80,039	23,126	155,047	12,653
Income taxes	5.12	4,658		11,550	
Other current assets	5.9	27,900		16,135	
Financial current assets	5.8	2,132		259	
Cash and cash equivalent	5.7	490,542		546,282	
<b>Current assets</b>		<b>848,340</b>		<b>902,422</b>	
<b>Total assets</b>		<b>2,115,574</b>		<b>1,625,643</b>	
Share capital	5.16	51,590		51,164	
Share premium reserve	5.16	171,772		171,594	
Other reserves	5.16	712,394		513,654	
Net result, Group share	5.16	69,989		332,395	
<b>Equity, Group share</b>		<b>1,005,745</b>		<b>1,068,807</b>	
<b>Non controlling interests</b>		<b>75</b>		<b>69</b>	
<b>Equity</b>		<b>1,005,820</b>		<b>1,068,876</b>	
Long-term borrowings	5.15	549,975		80,783	
Provisions non-current	5.13	8,067		7,477	
Pension funds and agents leaving indemnities	5.14	6,171		5,962	
Deferred tax liabilities	5.4	68,857		70,106	
Other non-current liabilities	5.11	551		15,885	
<b>Non-current liabilities</b>		<b>633,621</b>		<b>180,213</b>	
Short-term borrowings	5.15	108,926		15,649	
Trade account payables	5.10	241,384	32,277	224,989	17,401
Income taxes	5.12	58,619		53,358	
Other current liabilities	5.11	67,204	1,712	82,558	4,014
<b>Current liabilities</b>		<b>476,133</b>		<b>376,554</b>	
<b>Total liabilities and equity</b>		<b>2,115,574</b>		<b>1,625,643</b>	

HALF-YEAR FINANCIAL REPORT

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity		Share capital	Share premium	Legal reserve	Other comprehensive		Other reserves			Result of the period, Group share	Equity, Group share	Equity, non controlling interest	Total consolidated Net Equity
(Euro/000)	Notes				Cumulative translation reserve	Other OCI items	IFRS 2 reserve	FTA reserve	Retained earnings				
<b>Group shareholders' equity at March 1, 2018</b>	5.16	50,956	154,827	10,300	(10,969)	336	48,854	0	419,431	249,688	923,423	108	923,531
Allocation of Last Year Result		0	0	0	0	0	0	0	249,688	(249,688)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	(132)	(132)
Dividends		0	0	0	0	0	0	0	(70,464)	0	(70,464)	0	(70,464)
Share capital increase		199	16,067	0	0	0	0	0	0	0	16,266	0	16,266
Other movements in Equity		0	0	0	0	0	11,925	0	(73,397)	0	(61,472)	0	(61,472)
Other changes of comprehensive income		0	0	0	8,169	(6,824)	0	0	0	0	1,345	(2)	1,343
Result of the period		0	0	0	0	0	0	0	0	61,628	61,628	94	61,722
<b>Group shareholders' equity at June 30, 2018 (*)</b>	5.16	51,155	170,894	10,300	(2,800)	(6,488)	60,779	0	525,258	61,628	870,726	68	870,794
<b>Group shareholders' equity at January 1, 2019</b>	5.16	51,164	171,594	10,300	(6,071)	(3,239)	77,227	(23,434)	435,437	332,395	1,045,373	69	1,045,442
Allocation of Last Year Result		0	0	0	0	0	0	0	332,395	(332,395)	0	0	0
Changes in consolidation area		0	0	0	0	0	0	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	(101,708)	0	(101,708)	0	(101,708)
Share capital increase		426	178	0	0	0	0	0	(424)	0	180	0	180
Other movements in Equity		0	0	0	0	0	(52,253)	0	40,983	0	(11,270)	0	(11,270)
Other changes of comprehensive income		0	0	0	2,755	426	0	0	0	0	3,181	1	3,182
Result of the period		0	0	0	0	0	0	0	0	69,989	69,989	5	69,994
<b>Group shareholders' equity at June 30, 2019</b>	5.16	51,590	171,772	10,300	(3,316)	(2,813)	24,974	(23,434)	706,683	69,989	1,005,745	75	1,005,820

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	1H 2019	of which related parties	1H 2018 (*)	of which related parties
<i>(Euro/000)</i>				
<b>Cash flow from operating activities</b>				
Consolidated result	69,994		61,722	
Depreciation and amortization	80,104		25,712	
Net financial (income)/expenses	10,496		893	
Other non cash (income)/expenses	16,137		12,450	
Income tax expenses	22,128		23,124	
Changes in inventories - (Increase)/Decrease	(70,654)		(58,312)	
Changes in trade receivables - (Increase)/Decrease	83,822	(10,473)	55,838	(12,450)
Changes in trade payables - Increase/(Decrease)	17,117	14,876	37,212	21,126
Changes in other current assets/liabilities	(34,553)	(2,302)	(18,023)	(1,555)
<b>Cash flow generated/(absorbed) from operating activities</b>	<b>194,591</b>		<b>140,616</b>	
Interest and other bank charges paid and received	18		(257)	
Income tax paid	(27,665)		(33,132)	
Changes in other non-current assets/liabilities	5,338		1,055	
<b>Net cash flow from operating activities (a)</b>	<b>172,282</b>		<b>108,282</b>	
<b>Cash flow from investing activities</b>				
Purchase of tangible and intangible fixed assets	(42,414)		(34,968)	
Proceeds from sale of tangible and intangible fixed assets	1,459		243	
<b>Net cash flow from investing activities (b)</b>	<b>(40,955)</b>		<b>(34,725)</b>	
<b>Cash flow from financing activities</b>				
Repayment of borrowings	0		(2,198)	
Proceeds from borrowings	0		0	
Repayment of current and non current lease liabilities	(54,741)		0	
Short term borrowings variation, other than bank borrowings	(31)		0	
Short term borrowings variation	(10,898)		(15,454)	
Dividends paid to shareholders	(101,708)		(70,464)	
Dividends paid to non-controlling interests	0		0	
Share capital increase	180		16,266	
Treasury Shares variation	(15,102)		(73,377)	
Other changes in Net Equity	0		(152)	
<b>Net cash flow from financing activities (c)</b>	<b>(182,300)</b>		<b>(145,379)</b>	
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(50,973)</b>		<b>(71,822)</b>	
<b>Cash and cash equivalents at the beginning of the period</b>	<b>546,268</b>		<b>394,144</b>	
Effect of exchange rate changes	(4,753)		3,054	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(50,973)</b>		<b>(71,822)</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>490,542</b>		<b>325,376</b>	

(\*) The Group has initially applied IFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application. See note 2.1.1.

On behalf of the Board of Directors of Moncler S.p.A.

Remo Ruffini

Chairman and Chief Executive Officer

# EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2019

## 1. GENERAL INFORMATION ABOUT THE GROUP

### 1.1. The group and its core business

The parent company Moncler S.p.A. is a company established and domiciled in Italy. The address of the registered office is Via Stendhal 47 Milan, Italy, and its registration number is 04642290961.

Moreover, the parent Company Moncler S.p.A. is de facto indirectly controlled by Remo Ruffini through Ruffini Partecipazioni Holding S.r.l., a company incorporated under the Italian law, wholly owned by Remo Ruffini. Ruffini Partecipazioni Holding S.r.l. controls Ruffini Partecipazioni S.r.l., a company incorporated under the Italian law, which, as at June 30, 2019, holds 25.4% of the share capital of Moncler S.p.A.

The Half-year Condensed Consolidated Financial Statements as of June 30, 2019 (“Half-year Consolidated Financial Statements”) include the parent company and the subsidiaries (hereafter referred to as the “Group”).

To date, the Group's core businesses are the creation, production and distribution of clothing for men, women and children, shoes, leather goods and other accessories under the Moncler brand name.

### 1.2. Basis for the preparation of the half-year consolidated financial statements

#### 1.2.1. Relevant accounting principles

The Half-year Consolidated Financial Statements as of June 30, 2019 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of February 24, 1998 (“Testo Unico della Finanza – TUF”), as amended, and in conformity with IAS 34. They do not include all the information that would be necessary for the yearly consolidated financial statements and should be read together with consolidated financial statements as December 31, 2018, which were prepared in accordance with the international financial reporting standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The term “IFRS” is also used to refer to all revised international accounting standards (“IAS”), all

interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly known as the Standing Interpretations Committee (“SIC”).

It should be noted that the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows are prepared in accordance and are the same as those used in the consolidated financial statements as of and for the year ended December 31, 2018. The following notes to the consolidated financial statements are presented in a summary format and do not include all the information required in an annual set of financial statements. It should be noted, as required by IAS 34, in order to avoid duplicating the information already provided, the notes refer exclusively to the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the consolidated statement of cash flows, whose nature and changes are essential in order to understand the financial position and results of operations of the Group.

The Half-year Consolidated Financial Statements as of June 30, 2019 are made up of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes thereto. The comparative information included in these consolidated financial statements, as required by IAS 34, compares December 31, 2018 for the consolidated statement of financial position and the half-year ended June 30, 2018 for the consolidated changes in equity, the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of cash flows.

### **1.2.2. Presentation of the financial statements**

The Group presents the consolidated income statement by destination, the method that is considered most representative for the business. This method is in fact consistent with the internal reporting and management of the business.

With reference to the consolidated statement of financial position, a basis of presentation has been chosen which makes a distinction between current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and thereafter of IAS 1.

The consolidated statement of cash flows is prepared under the indirect method.

According to the provisions of IAS 24 and Consob, the next few paragraphs describe related party transactions with the Group and their impact, if significant, on the consolidated statement of financial position, results of operations and cash flows.

### **1.2.3. Basis for preparation**

The Half-year Consolidated Financial Statements have been prepared on the historical cost basis except for the measurement of certain financial instruments (i.e. derivative measured at fair value) as required by IFRS 9 and on a going concern basis.

The Half-year Consolidated Financial Statements are presented in Euro thousand, which is the functional currency of the markets where the Group mainly operates.

### 1.2.4. Use of estimates and valuations

The preparation of Half-year Consolidated Financial Statements and the related notes in conformity with IFRS requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date. The estimates and related assumptions are based on historical experience and other relevant factors. The actual results could differ from those estimates. The estimates and underlying assumptions are reviewed periodically and any variations are reflected in the consolidated income statement in the period in which the estimate is revised if the revision affects only that period or even in subsequent periods if the revision affects both current and future periods.

In the event that management's estimate and judgment had a significant impact on the amounts recognized in the Half-year Consolidated Financial Statements or in case that there is a risk of future adjustments on the amounts recognized for assets and liabilities in the period immediately after the reporting date, the following notes will include the relevant information.

The estimates pertain mainly to the following captions of the consolidated financial statements:

- impairment of non-current assets and goodwill;
- impairment of trade receivables (bad debt provision);
- impairment of inventories (obsolescence provision);
- recoverability of deferred tax assets;
- provision for losses and contingent liabilities;
- lease liabilities and assets for right of use.

#### *Impairment of non-current assets and goodwill*

Non-current assets include property, plant and equipment, intangible assets with indefinite useful life and goodwill, investments and other financial assets.

Management periodically reviews non-current assets for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is estimated based on the present value of future cash flows expected to derive from the asset or from the sale of the asset itself, at a suitable discount rate.

When the recoverable amount of a non-current asset is less than its carrying amount, an impairment loss is recognized immediately in profit or loss and the carrying amount is reduced to its recoverable amount determined based on value-in-use calculation or its sale's value in an arm's length transaction, with reference to the most recent Group business plan.



*Impairment of trade receivables*

The bad debt provision represents management's best estimate of the probable loss for unrecoverable trade receivables.

*Impairment of inventory*

The Group manufactures and sells mainly clothing goods that are subject to changing consumer demands and fashion trends. Inventory impairment represents management's best estimate for losses arising from the sales of aged products, taking into consideration their sale ability through the Group's distribution channels.

*Recoverability of deferred tax assets*

The Group is subject to income taxes in numerous jurisdictions. Judgment is required in determining the provision for income taxes in each territory. The Group recognizes deferred tax assets when there is a reasonable expectation of realisation within a period that is consistent with management estimation and business plans.

*Provision for losses and contingent liabilities*

The Group is subject to legal and tax litigations arising in the countries where it operates. Litigations are inevitably subject to risk and uncertainties surrounding the events and circumstances associated with the claims and associated with local legislation and jurisdiction. In the normal course of the business, management requests advice from the Group legal consultants and tax experts. The recognition of a provision is based on management's best estimate when an outflow of resources is probable to settle the obligation and the amount can be estimated with reliability. In those circumstances where the outflow of resources is possible or the amount of the obligation cannot be measured with sufficient reliability, the contingent liabilities is disclosed in the notes to the Half-year Consolidated Financial Statements.

*Lease liabilities and assets for right of use*

The Group recognises the asset for the right of use and the liability for the lease. The asset for the right of use is initially valued at cost, and then subsequently at cost net of accumulated depreciation and impairment losses, and adjusted to reflect the revaluation of the lease liability.

The Group values the lease liability at the present value of the payments due for unpaid leases at the effective date, discounting them using the interest rate as defined in note 2.1.1.

The lease liability is subsequently increased by the interest accrued on this liability and decreased by the payments due for the lease made and is revalued in the event of a change in the future payments due for the lease deriving from a change in the index or rate, in the event of a change in the amount that the Group expects to pay as a guarantee on the residual value or when the

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Group changes its valuation with reference to the exercise or otherwise of a purchase, extension or cancellation option.

The Group has estimated the lease term of certain contracts in which it acts as a lessee and which provide for renewal options. The Group's assessment of whether or not there is a reasonable certainty of exercising the option influences the estimate of the lease term, significantly impacting the amount of the lease liabilities and assets for the right of use recognised.

### *Other assessments - Tax effect of the UK's exit notice from the EU*

On March 29 2017, the UK government, invoking the provisions of Article 50 of the Treaty of Lisbon, informed the European Council of its intention to leave the EU. The UK and the EU initially have a two-year period to reach an agreement on exit and future relations: this period may be extended if necessary. At present, the exit process, its timing and the outcome of negotiations on future agreements between the UK and the EU, are marked by significant uncertainties.

Management has assessed the consequences of these uncertainties on the carrying amounts of the assets and liabilities recognised in these interim consolidated financial statements. Following this assessment, the Group has not identified any indicators of impairment of its British subsidiary at 30 June 2019.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The accounting principles have been applied consistently as at and for the half-year ended June 30, 2019 and, except as set out below, are the same used for the preparation of the consolidated financial statements as of and for the year ended December 31, 2018, to which refer for a detailed description.

### **2.1. Changes in accounting principles**

The changes in accounting principles will also affect the Group's consolidated financial statements for the year ended December 31, 2019.

The Group adopted IFRS 16 Leasing (see paragraph 2.1.1) as of January 1, 2019. The other new principles that came into force on January 1, 2019 did not have a significant impact on the consolidated financial statements of the Group.

#### **2.1.1. IFRS 16**

On January 13, 2016, the IASB published the new standard IFRS 16 Leases, which replaces IAS 17. This standard was endorsed by the European Union, with its publication on November 9, 2017. IFRS 16 is effective for financial statements commencing on or after 1 January 2019. The new standard eliminates the difference in the recognition of operating and finance leases, even despite elements that simplify its adoption, and introduces the concept of control in the definition of a lease. To determine whether a contract is a lease, IFRS 16 establishes that the contract must convey the right to control the use of an identified asset for a given period of time. Early adoption was permitted for entities that also adopt IFRS 15 Revenue from contracts with customers.

The adoption of IFRS 16 on 1 January 2019 had a material impact on the consolidated financial statements of Moncler Group, due to activities related to the retail network which represent the main part of its business. For the Group, the analysis of contracts falling within the scope of application of the standard concerned in particular those relating to shops, outlets, showrooms, concession contracts, warehouses, offices and cars.

Previously, the Group determined at the inception of the contract whether the contract was, or contained, a lease in accordance with IFRIC 4 Determining whether an arrangement contains a lease, as well as IAS 17 Leasing, SIC 15 Operating leasing – Incentives and SIC 27 Evaluating the substance of transactions involving the legal form of a lease.

In accordance with IFRS 16, the Group assesses whether the contract is a lease or contains it on the basis of the new definition of a lease. Under IFRS 16, the contract is, or contains, a lease if, in exchange for consideration, it transfers the right to control the use of an identified asset for a period of time.

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In the presence of a new lease based, for example, on annual instalments on a straight-line basis, the new standard requires the recognition of a financial liability and a right of use among the assets in the statement of financial position measured as the present value of future payments. Therefore, the amount of the financial liability to be recognised in the financial statements significantly depends on the assumptions used in relation to the characteristics of each type of lease in place and any options for renewal or early termination of the contract if considered reasonably certain at the date of signing the same, as well as the discount rate applied.

The Group applied IFRS 16 from January 1, 2019, using the modified retrospective method. Therefore, the cumulative effect of the adoption of IFRS 16 was recognised as an adjustment to the opening balance of retained earnings at January 1, 2019, without restating comparative periods.

In the first application, the Group has adopted some practical expedients provided by Principle and, in particular, contracts with a remaining term of less than or equal to 12 months were excluded and initial costs were excluded from the valuation of the asset for the right of use at the date of initial application.

Even when fully operational, the Group decided not to apply IFRS 16 to contracts with a total term of less than or equal to 12 months and to leases of low value, which mainly refer to electronic equipment.

### Effects of the transition on the financial statements

In the initial phase of application of IFRS 16, the Moncler Group recorded at January 1, 2019 assets for the right of use equal to Euro 470,572 thousand and lease liabilities equal to Euro 518,488 thousand. The differences between assets and liabilities were recorded under retained earnings in the amount of Euro 23,434 thousand, net of the deferred tax effect of Euro 8,622 and the reversal of the accruals and deferrals amounting to € 15,860 thousand accounted for as at December 31, 2018 in application of IAS17 for contracts falling within the scope of application of IFRS16.

In the valuation phase of the lease liabilities, the Group discounted the payments due for the lease using the marginal financing rate at January 1, 2019. The weighted average rate applied was 3.67%. The rate was determined taking into account the term of the lease contracts, the currency in which they are denominated, the characteristics of the economic environment in which the contract was stipulated and the credit adjustment.

For contracts that provide for a renewal option at the end of the period that cannot be cancelled, the Group has chosen, based on historical evidence and business development plans, to consider, in addition to the period that cannot be cancelled, the period that is the subject of the renewal option, except for the existence of any business plans for the disposal of the leased assets, as well as clear valuations by which the non-exercise of the renewal option is deemed reasonable.

For contracts with renewal options that can be exercised automatically at the end of a non-cancelable period, the term considered is the maximum term, which is normally longer than the time horizon covered by the Group's (three years) business plan.

For contracts with indefinite term, the Group has chosen to consider a term equal to the length of the business plan.

The reconciliation between the lease liability calculated in accordance with IFRS 16 and the commitments for operating leases that cannot be cancelled indicated in the financial statements of the previous year in accordance with IAS 17 is shown below.

<b>Reconciliation of lease liabilities</b>	
<b>(Euro/000)</b>	
Commitments for undiscounted operating leases applying IAS 17 as at December 31, 2018	608,203
Exceptions to recognition pursuant to IFRS 16	0
Other changes	8,750
<b>Undiscounted operating lease liabilities to be recognised in the balance sheet as at January 01, 2019</b>	<b>616,953</b>
Discounting effect on operating lease liabilities	(98,465)
<b>Lease Liabilities for leases applying IFRS 16 as at January 01, 2019</b>	<b>518,488</b>
Lease Liabilities for finance leases applying IAS 17 as at January 01, 2019	176
<b>Total Lease Liabilities applying IFRS 16 as at January 01, 2019</b>	<b>518,664</b>

Commitments at 31 December 31, 2018 amounted to Euro 608 million, while payables for operating leases at January 1, 2019 (not discounted) were higher, totalling Euro 617 million. There are no cases for which the standard provides for exceptions; the only changes, equal to Euro 8.7 million, refer to the reviewed estimate of the term of some contracts and the inclusion of others following the in-depth analysis carried out in the application of IFRS 16.

## 2.2. Accounting standards and recently published interpretations

In addition to those referred to in the Consolidated Financial Statements for 2018 which should be consulted, below are the accounting standards, amendments and interpretations not yet effective and not early adopted by the Group.

<b>Effective from</b>	<b>New accounting standards and amendments</b>
1° January 2020	Amendments to References to Conceptual Framework in IFRS Standards
1° January 2020	Definition of a Business (Amendments to IFRS 3)
1° January 2020	Definition of Material (Amendments to IAS 1 and IAS 8)
1° January 2021	IFRS 17 Insurance Contracts
The optional adoption is possible/effective date postponed indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

### 2.3. Exchange rates

The main exchange rates used to translate in Euro the financial statements of foreign subsidiaries as at and for half-year period ended June 30, 2019 are as follows:

	Average rate		Rate at the end of the period		Rate at the end of the period	
	I half 2019	I half 2018	As at 30 June 2019	As at 30 June 2018	As at 31 December 2018	As at 31 December 2017
AED	4.149130	4.445020	4.179300	4.281400	4.205000	4.404400
AUD	1.600300	1.568810	1.624400	1.578700	1.622000	1.534600
BRL	4.341740	4.141460	4.351100	4.487600	4.444000	3.972900
CAD	1.506900	1.545700	1.489300	1.544200	1.560500	1.503900
CHF	1.129460	1.169750	1.110500	1.156900	1.126900	1.170200
CNY	7.667780	7.708590	7.818500	7.717000	7.875100	7.804400
CZK	25.684500	25.500500	25.447000	26.020000	25.724000	25.535000
DKK	7.465080	7.447600	7.463600	7.452500	7.467300	7.444900
GBP	0.873632	0.879767	0.896550	0.886050	0.894530	0.887230
HKD	8.861120	9.486320	8.886600	9.146800	8.967500	9.372000
HUF	320.420000	314.113000	323.390000	329.770000	320.980000	310.330000
JPY	124.284000	131.606000	122.600000	129.040000	125.850000	135.010000
KRW	1,295.200000	1,302.380000	1,315.350000	1,296.720000	1,277.930000	1,279.610000
KZT	428.598000	395.434000	433.000000	397.850000	437.520000	397.960000
MOP	9.126490	9.770910	9.153200	9.421200	9.236500	9.653200
MXN	21.654300	23.085000	21.820100	22.881700	22.492100	23.661200
NOK	9.730380	9.592920	9.693800	9.511500	9.948300	9.840300
PLN	4.292000	4.220700	4.249600	4.373200	4.301400	4.177000
RON	4.741820	4.654290	4.734300	4.663100	4.663500	4.658500
RUB	73.744400	71.960100	71.597500	73.158200	79.715300	69.392000
SEK	10.518100	10.150800	10.563300	10.453000	10.254800	9.843800
SGD	1.535600	1.605440	1.539500	1.589600	1.559100	1.602400
TRY	6.356160	4.956550	6.565500	5.338500	6.058800	4.546400
TWD	34.998100	35.740600	35.296500	35.584500	35.022300	35.655500
UAH	30.422700	n/a	29.765400	n/a	31.736200	n/a
USD	1.129780	1.210350	1.138000	1.165800	1.145000	1.199300

### 3. SCOPE OF CONSOLIDATION

As at June 30, 2019 the Half-year Consolidated Financial Statements of the Moncler Group include the parent company Moncler S.p.A. and 36 consolidated subsidiaries as detailed in the following table:

Investments (in associates for consolidation)	Registered office	Share capital	Currency	% of ownership	Parent company
Moncler S.p.A.	Milan (Italy)	51,589,705	EUR		
Industries S.p.A.	Milan (Italy)	15,000,000	EUR	100.00%	Moncler S.p.A.
Moncler Deutschland GmbH	Munich (Germany)	700,000	EUR	100.00%	Industries S.p.A.
Moncler España S.L.	Madrid (Spain)	50,000	EUR	100.00%	Industries S.p.A.
Moncler Asia Pacific Ltd	Hong Kong (China)	300,000	HKD	100.00%	Industries S.p.A.
Moncler France S.à.r.l.	Paris (France)	8,000,000	EUR	100.00%	Industries S.p.A.
Moncler USA Inc	New York (USA)	1,000	USD	100.00%	Industries S.p.A.
Moncler UK Ltd	London (United Kingdom)	2,000,000	GBP	100.00%	Industries S.p.A.
Moncler Japan Corporation (*) (**)	Tokyo (Japan)	165,792,500	JPY	65.97%	Industries S.p.A.
Moncler Shanghai Commercial Co. Ltd	Shanghai (China)	82,483,914	CNY	100.00%	Industries S.p.A.
Moncler Suisse SA	Chiasso (Switzerland)	3,000,000	CHF	100.00%	Industries S.p.A.
Moncler Belgium S.p.r.l.	Bruxelles (Belgium)	1,800,000	EUR	100.00%	Industries S.p.A.
Moncler Denmark ApS	Copenhagen (Denmark)	2,465,000	DKK	100.00%	Industries S.p.A.
Moncler Holland B.V.	Amsterdam (Holland)	18,000	EUR	100.00%	Industries S.p.A.
Moncler Hungary KFT	Budapest (Hungary)	150,000,000	HUF	100.00%	Industries S.p.A.
Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti. (*)	Istanbul (Turkey)	50,000	TRY	51.00%	Industries S.p.A.
Moncler Sylt GmbH (*)	Hamm (Germany)	100,000	EUR	51.00%	Moncler Deutschland GmbH
Moncler Rus LLC	Moscow (Russian Federation)	590,000,000	RUB	99.99%	Industries S.p.A.
Moncler Brasil Comércio de moda e acessórios Ltda.	Sao Paulo (Brazil)	10,000,000	BRL	0.01%	Moncler Suisse SA
Moncler Taiwan Limited	Taipei (China)	10,000,000	TWD	95.00%	Industries S.p.A.
Moncler Canada Ltd	Vancouver (Canada)	1,000	CAD	5.00%	Moncler USA Inc
Moncler Prague s.r.o.	Prague (Czech Republic)	200,000	CZK	100.00%	Industries S.p.A.
White Tech Sp.zo.o.	Katowice (Poland)	369,000	PLN	100.00%	Industries S.p.A.
Moncler Shinsegae Inc. (*)	Seoul (South Korea)	5,000,000,000	KRW	70.00%	Industries S.p.A.
Moncler Middle East FZ-LLC	Dubai (United Arab Emirates)	50,000	AED	51.00%	Industries S.p.A.
Moncler USA Retail LLC	New York (USA)	15,000,000	USD	100.00%	Industries S.p.A.
Moncler Singapore PTE, Limited	Singapore	5,000,000	SGD	100.00%	Moncler USA Inc
Industries Yield S.r.l.	Bacau (Romania)	25,897,000	RON	100.00%	Industries S.p.A.
Moncler UAE LLC (*)	Abu Dhabi (United Arab Emirates)	1,000,000	AED	99.00%	Industries S.p.A.
Moncler Ireland Limited	Dublin (Ireland)	350,000	EUR	1.00%	Moncler Deutschland GmbH
Moncler Australia PTY LTD	Melbourne (Australia)	2,500,000	AUD	49.00%	Moncler Middle East FZ-LLC
Moncler Kazakhstan LLP	Almaty (Kazakhstan)	250,000,000	KZT	100.00%	Industries S.p.A.
Moncler Sweden AB	Stockholm (Sweden)	1,000,000	SEK	99.00%	Industries S.p.A.
Moncler Norway AS	Oslo (Norway)	3,000,000	NOK	1.00%	Moncler Rus LLC
Moncler Mexico, S. de R.L. de C.V.	Mexico City (Mexico)	33,000,000	MXN	100.00%	Industries S.p.A.
Moncler Mexico Services, S. de R.L. de C.V.	Mexico City (Mexico)	11,000,000	MXN	99.00%	Industries S.p.A.
Moncler Ukraine LLC	Kiev (Ukraine)	47,367,417	UAH	1.00%	Moncler USA Inc
				99.99%	Industries S.p.A.
				0.01%	Moncler Suisse SA

(\*) Fully consolidated (without attribution of interest to third parties)

(\*\*) Share capital value and % of ownership take into consideration the treasury shares held by Moncler Japan Corporation.)

As far as the scope of consolidation is concerned, no changes occurred during the first half of 2019 when compared to December 31, 2018.

We highlighted that, in the first quarter of 2019, the Group acquired, from the local partner, the second tranche (equal to 6% of total share capital) of the partner's stake in Moncler Japan Corporation, bringing the percentage of ownership to 66%. Please note that Moncler Japan Corporation is fully consolidated, same as in the previous periods, without attribution of interest to third parties, following to the accounting treatment of the agreements between the partners.

## 4. COMMENTS ON THE MAIN CAPTIONS OF THE CONSOLIDATED INCOME STATEMENT

### 4.1. Revenues

#### *Revenues by distribution channel*

Revenue per distribution channels are broken down as follows:

(Euro/000)	1H 2019	%	1H 2018	%
Total revenues	570,246	100.0%	493,544	100.0%
of which:				
Wholesale	133,186	23.4%	116,693	23.6%
Retail	437,060	76.6%	376,851	76.4%

Sales are made through two main distribution channels, wholesale and retail. The retail channel pertains to stores that are directly managed by the Group (free-standing stores, concessions, e-commerce and factory outlet), while the wholesale channel pertains to stores managed by third parties that sell Moncler products either in single-brand spaces (i.e. shop-in-shop) or inside multi-brand stores (both physical and online).

In the first half of 2019, the Group recorded revenues of Euro 570.2 million, an increase of 16%, compared to revenues of Euro 493.5 million in the respective period in 2018. The growth rate accelerated in the second quarter (+19%).

In the first half of 2019, revenues from the retail distribution channel increased to Euro 437.1 million compared to Euro 376.8 million in the respective period of 2018, representing a 16% increase, driven by a robust organic growth. The Group's e-commerce continued to record results significantly above the channel's average.

The wholesale channel recorded revenues of 133.2 million euros compared to 116.7 million euros in first half of 2018, an increase of 14%, due to the development of the network of mono-brand stores and to Moncler Genius.

#### *Revenues by region*

Sales are broken down by region as reported in the following table:

Revenues by region - (Euro/000)						
(Euro/000)	1H 2019	%	1H 2018	%	Variation	% Variation
Italy	68,468	12.0%	63,343	12.8%	5,125	8%
EMEA, Italy excluded	168,897	29.6%	146,958	29.8%	21,939	15%
Asia and rest of world	249,318	43.7%	210,443	42.6%	38,875	18%
Americas	83,563	14.7%	72,800	14.8%	10,763	15%
<b>Total</b>	<b>570,246</b>	<b>100.0%</b>	<b>493,544</b>	<b>100.0%</b>	<b>76,702</b>	<b>16%</b>



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

In EMEA, revenues grew 15%, 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 18% 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 15% with both channels and both markets contributing to it.

#### **4.2. Cost of sales**

In the first half of 2019, cost of sales grew by Euro 14.4 million (+ 12.2%) in absolute terms, from Euro 118.7 million in the first half of 2018 to Euro 133.1 million in the first half of 2019. This overall growth is due to increased sales volumes and the growth of the retail channel. The positive effect of the application of IFRS 16 on this caption is equal to Euro 0.2 million (of which Euro 0.8 million of lower rent costs and Euro 0.6 million of higher right of use depreciation).

Cost of sales as a percentage of revenues decreased from 24.0% in the first half of 2018 to 23.3% in the first half of 2019 (23.4% net of the effect of the application of IFRS 16). This decrease is due to the growth of the retail channel.

#### **4.3. Selling expenses**

Selling expenses (Euro 203.7 million) grew in absolute terms, with an increase of Euro 25.2 million between the first half of 2018 and the first half of 2019. The positive effect of the application of IFRS 16 on this caption is equal to Euro 7.6 million (of which 52.0 million of lower rent costs and 44.4 million of higher right of use depreciation).

As a percentage of revenues, selling expenses decreased from 36.2% in the first half of 2018 to 35.7% in the first half of 2019 (37.0% net of the effect of the application of IFRS 16).

Selling expenses mainly include rent costs excluded from the application of the IFRS 16 for Euro 45.3 million (81.4 million of total rent costs in the first half of 2018), personnel costs for Euro 56.8 million (Euro 49.6 million in the first half of 2018) and costs for depreciation of the right of use for Euro 44.4 million and other amortization and depreciation for Euro 27.1 million (Euro 22.0 million in the first half of 2018).

#### **4.4. General and administrative expenses**

In the first half of 2019, general and administrative expenses amount to Euro 71.7 million, with an increase of Euro 9.8 million compared to the same period last year. The positive effect of the application of IFRS 16 on this caption is equal to Euro 0.3 million (of which 2.6 million of lower rent costs and 2.3 million of higher right of use depreciation).

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General and administrative expenses as a percentage of sales amounted to 12.6% (same incidence net of the effect of the application of IFRS 16), in line with the amount of the first half of 2018 (12.5%).

### **4.5. Marketing expenses**

Also during the first six months of 2019, the Group continued to invest in marketing activities in order to support and spread awareness and the prestige of the Moncler brand. The weight of advertising expenses on turnover is equal to 7.5% for the first half of 2019 (7.3% for the first half of 2018), while in absolute value, it goes from Euro 36.3 million for the first half of 2018 to Euro 42.9 million for the first half of 2019, with an absolute change of Euro 6.6 million (+18.2%), primarily due to a different spending timeline between the semesters.

### **4.6. Stock based compensation**

Stock based compensation, equal to Euro 16.3 million in the first half of 2019 (Euro 12.5 in the first half of 2018), includes the costs related to the stock based compensation approved by the Shareholders' Meeting of Moncler on April 20, 2016 and on April 16, 2018.

The description of the stock based compensation and the related costs are included in note 10.2.

### **4.7. Operating result**

For the first half of 2019, the operating result of the Group amounted to Euro 102.6 million (Euro 94.6 million net of the effect of the application of IFRS 16) respect to Euro 85.7 million in the same period of 2018. As a percentage of revenues it is equal to 18.0% (16.6% net of the effect of the application of IFRS 16), compared to 17.4% in the first half of 2018.

The operating result for the first half of 2019, net of stock based compensation, amounted to Euro 118.9 (Euro 110.9 million net of the effect of the application of IFRS 16), compared to Euro 98.2 million in the same period of 2018. As a percentage of revenues, it is equal to 20.8% (19.4% net of the effect of the application of IFRS 16) compared to 19.9% in same period of 2018.

EBITDA<sup>1</sup> is calculated as follows:

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<sup>1</sup> EBITDA is not an indicator defined by the reference accounting standards applied by the Group and, therefore, it may be that the methods by which EBITDA is calculated are not comparable with those used by other companies.

	1H 2019	1H 2019 IFRS 16 effect escluded	1H 2018
(Euro/000)			
<b>Operating result</b>	<b>102,618</b>	<b>94,599</b>	<b>85,739</b>
Stock based compensation	16,275	16,275	12,465
<b>Operating result net of stock based compensation</b>	<b>118,893</b>	<b>110,874</b>	<b>98,204</b>
Amortization, depreciation and	80,104	32,715	25,712
<b>EBITDA</b>	<b>198,997</b>	<b>143,589</b>	<b>123,916</b>

In the first half of 2019, EBITDA amounted to Euro 199.0 million (Euro 143.6 million net of the effect of the application of IFRS 16), compared to Euro 123.9 million in the first half of 2018.

As a percentage of revenues, it is equal to 34.9% (25.2% net of the effect of the application of IFRS 16) compared to 25.1% in the same period of 2018.

Amortisation and depreciation in the first half of 2019 amounted to Euro 80.1 (of which Euro 47.4 million resulting from the application of IFRS 16), compared to Euro 25.7 million in the first half of 2018.

#### 4.8. Financial income and expenses

The caption is broken down as follows:

(Euro/000)	1H 2019	1H 2018
Interest income and other financial income	576	203
Foreign currency differences - positive	0	0
<b>Total financial income</b>	<b>576</b>	<b>203</b>
Interests expenses and other financial charges	(768)	(662)
Interests on lease liabilities	(9,757)	0
Foreign currency differences - negative	(547)	(434)
<b>Total financial expenses</b>	<b>(11,072)</b>	<b>(1,096)</b>
<b>Total net</b>	<b>(10,496)</b>	<b>(893)</b>

#### 4.9. Income tax

The income tax effect on the consolidated income statement is as follows:

(Euro/000)	1H 2019	1H 2018
Current income taxes	(39,109)	(31,260)
Deferred tax (income) expenses	16,981	8,136
<b>Income taxes charged in the income statement</b>	<b>(22,128)</b>	<b>(23,124)</b>

The tax rate of the first half of 2019 is equal to 24.0%, compared to the 27.3% of the first half of 2018. The decrease is mainly due to the tax benefits related to the Patent Box.

#### 4.10. Personnel expenses

The following table lists the detail of the main personnel expenses by nature, compared with those of the same period of the previous year:

(Euro/000)	1H 2019	1H 2018
Wages and salaries	(71,819)	(62,818)
Social security costs	(11,128)	(9,320)
Accrual for employment benefits	(5,268)	(4,007)
<b>Total</b>	<b>(88,215)</b>	<b>(76,145)</b>

The remuneration related to the members of the Board of Directors is commented separately in the related party section.

The costs relating to the stock based compensation, equal to Euro 16.3 million (Euro 12.5 million in the first half of 2018) are separately commented in paragraph 10.2.

The following table reports the number of employees (full-time-equivalent, FTE) for the first half of 2019 compared to the same period of last year:

Average FTE by area		
FTE	1H 2019	1H 2018
Italy	918	794
Other European countries	1,597	1,348
Asia and Japan	1,015	880
Americas	293	262
<b>Total</b>	<b>3,823</b>	<b>3,284</b>

The actual number of FTEs of the Group as at June 30, 2019 is 3,831 (3,619 as at June 30, 2018).

The total number of employees increased principally as a result of the openings of new directly operated stores, the expansion of the production site and the overall growth of the corporate structure.

#### 4.11. Depreciation and amortization

Depreciation and amortization are broken down as follows:

(Euro/000)	1H 2019	1H 2018
Depreciation of property, plant and equipment	(73,778)	(19,994)
Amortization of intangible assets	(6,326)	(5,718)
<b>Total Depreciation and Amortization</b>	<b>(80,104)</b>	<b>(25,712)</b>

The increase in both depreciation and amortization is mainly due to investments made associated with the new store openings or the relocation/expansion of already existing stores and the IT investments. Please refer to comments made in paragraphs 5.1 and 5.3 for additional details related to investments made during the period.

The amortisation related to the right of use amounts to Euro 47.4 million, as explained in paragraphs 5.3.

## 5. COMMENTS ON THE MAIN CAPTIONS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 5.1. Goodwill, brands and other intangible assets

Brands and other intangible (Euro/000)	June 30, 2019			December 31, 2018
	Gross value	Accumulated amortization and impairment	Net value	Net value
Brands	223,900	0	223,900	223,900
Key money	57,075	(34,074)	23,001	25,656
Software	46,319	(27,369)	18,950	15,252
Other intangible assets	9,707	(7,295)	2,412	2,551
Assets in progress	2,114	0	2,114	1,461
Goodwill	155,582	0	155,582	155,582
<b>Total</b>	<b>494,697</b>	<b>(68,738)</b>	<b>425,959</b>	<b>424,402</b>

The movements in intangible assets over the comparable periods are summarized in the following table:

As at June 30, 2019

Gross value Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2019	223,900	56,866	39,611	9,282	1,461	155,582	486,702
Acquisitions	0	0	6,606	383	725	0	7,714
Disposals	0	(58)	(11)	0	0	0	(69)
Translation adjustment	0	267	35	(19)	0	0	283
Other movements, including transfers	0	0	78	61	(72)	0	67
<b>June 30, 2019</b>	<b>223,900</b>	<b>57,075</b>	<b>46,319</b>	<b>9,707</b>	<b>2,114</b>	<b>155,582</b>	<b>494,697</b>

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
January 1, 2019	0	(31,210)	(24,359)	(6,731)	0	0	(62,300)
Amortization	0	(2,750)	(2,988)	(588)	0	0	(6,326)
Disposals	0	11	11	15	0	0	37
Translation adjustment	0	(125)	(33)	9	0	0	(149)
Other movements, including transfers	0	0	0	0	0	0	0
<b>June 30, 2019</b>	<b>0</b>	<b>(34,074)</b>	<b>(27,369)</b>	<b>(7,295)</b>	<b>0</b>	<b>0</b>	<b>(68,738)</b>

As at June 30, 2018

Gross value Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
<b>January 1, 2018</b>	<b>223,900</b>	<b>57,391</b>	<b>32,139</b>	<b>8,361</b>	<b>135</b>	<b>155,582</b>	<b>477,508</b>
Acquisitions	0	750	3,448	451	87	0	4,736
Disposals	0	0	0	0	0	0	0
Translation adjustment	0	(123)	63	(1)	0	0	(61)
Other movements, including transfers	0	0	98	29	(100)	0	27
<b>June 30, 2018</b>	<b>223,900</b>	<b>58,018</b>	<b>35,748</b>	<b>8,840</b>	<b>122</b>	<b>155,582</b>	<b>482,210</b>

Accumulated amortization and impairment Brands and other intangible assets (Euro/000)	Brands	Key money	Software	Other intangible assets	Assets in progress and advances	Goodwill	Total
<b>January 1, 2018</b>	<b>0</b>	<b>(26,449)</b>	<b>(19,338)</b>	<b>(5,452)</b>	<b>0</b>	<b>0</b>	<b>(51,239)</b>
Amortization	0	(2,807)	(2,316)	(595)	0	0	(5,718)
Disposals	0	0	0	0	0	0	0
Translation adjustment	0	(64)	(43)	0	0	0	(107)
Other movements, including transfers	0	0	(10)	0	0	0	(10)
<b>June 30, 2018</b>	<b>0</b>	<b>(29,320)</b>	<b>(21,707)</b>	<b>(6,047)</b>	<b>0</b>	<b>0</b>	<b>(57,074)</b>

The increase in the caption Software pertains to the investments in information technology for the management of the business and the corporate functions.

## 5.2. Impairment of intangible fixed assets with an undefined useful life and goodwill

The captions Brands, Other intangible fixed assets with undefined useful life and Goodwill deriving from previous acquisitions have not been amortised, but have been tested for impairment by management.

The dynamics of business recorded in the periods examined and updated forecasts of future trends are consistent with the assumptions used to determine the recoverable amount of goodwill and the Moncler brand carried out during the preparation of the annual consolidated financial statements as at December 31, 2018. No indicators of possible impairment losses were identified and therefore no specific impairment tests were performed on these captions.

### 5.3. Net property, plant and equipment

Property, plant and equipments (Euro/000)	June 30, 2019		December 31, 2018	
	Gross value	Accumulated depreciation and impairment	Net value	Net value
Land and buildings	563,934	(47,833)	516,101	5,476
Plant and Equipment	15,761	(7,004)	8,757	8,248
Fixtures and fittings	107,568	(65,710)	41,858	48,890
Leasehold improvements	207,455	(111,080)	96,375	90,464
Other fixed assets	21,929	(15,024)	6,905	5,362
Assets in progress	26,313	0	26,313	18,530
<b>Total</b>	<b>942,960</b>	<b>(246,651)</b>	<b>696,309</b>	<b>176,970</b>

As at June 30, 2019

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
January 1, 2019	6,339	14,400	108,088	187,319	18,730	18,530	353,406
Acquisitions	88,476	1,365	3,771	11,059	1,874	16,185	122,730
Disposals	0	(125)	(1,066)	(4,380)	(140)	0	(5,711)
First time adoption IFRS16	469,165	0	0	0	1,407	0	470,572
Translation adjustment	(46)	(39)	665	1,382	29	39	2,030
Other movements, including transfers	0	160	(3,890)	12,075	29	(8,441)	(67)
<b>June 30, 2019</b>	<b>563,934</b>	<b>15,761</b>	<b>107,568</b>	<b>207,455</b>	<b>21,929</b>	<b>26,313</b>	<b>942,960</b>

Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
January 1, 2019	(863)	(6,152)	(59,198)	(96,855)	(13,368)	0	(176,436)
Depreciation	(47,229)	(907)	(7,278)	(16,607)	(1,757)	0	(73,778)
Disposals	0	50	942	3,180	112	0	4,284
Translation adjustment	259	5	(308)	(666)	(11)	0	(721)
Other movements, including transfers	0	0	132	(132)	0	0	0
<b>June 30, 2019</b>	<b>(47,833)</b>	<b>(7,004)</b>	<b>(65,710)</b>	<b>(111,080)</b>	<b>(15,024)</b>	<b>0</b>	<b>(246,651)</b>



As at June 30, 2018

Gross value Property, plant and equipment (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
January 1, 2018	2,871	9,786	86,488	154,617	14,800	6,826	275,388
Acquisitions	2,814	698	4,070	6,541	2,221	13,700	30,044
Disposals	0	(1)	(320)	(480)	(55)	0	(856)
Translation adjustment	0	(2)	857	1,901	44	123	2,923
Other movements, including transfers	53	(76)	4,555	863	389	(5,667)	117
<b>June 30, 2018</b>	<b>5,738</b>	<b>10,405</b>	<b>95,650</b>	<b>163,442</b>	<b>17,399</b>	<b>14,982</b>	<b>307,616</b>

Accumulated depreciation and impairment PPE (Euro/000)	Land and buildings	Plant and Equipment	Fixtures and fittings	Leasehold improvements	Other fixed assets	Assets in progress and advances	Total
January 1, 2018	(473)	(5,133)	(46,446)	(74,582)	(10,627)	0	(137,261)
Depreciation	(150)	(527)	(6,668)	(11,659)	(990)	0	(19,994)
Disposals	0	9	102	448	54	0	613
Translation adjustment	0	(1)	(603)	(1,200)	(34)	0	(1,838)
Other movements, including transfers	0	0	(31)	48	37	0	54
<b>June 30, 2018</b>	<b>(623)</b>	<b>(5,652)</b>	<b>(53,646)</b>	<b>(86,945)</b>	<b>(11,560)</b>	<b>0</b>	<b>(158,426)</b>

The movements relating to the assets for the right of use arising from the application of the IFRS 16 are reported here below:

Right of use assets (Euro/000)	Land and buildings	Other fixed assets	Total
January 1, 2019	0	0	0
First time adoption IFRS16	469,165	1,407	470,572
Acquisitions	87,947	83	88,030
Disposals	0	0	0
Depreciation	(47,045)	(344)	(47,389)
Translation adjustment	259	0	259
Other movements, including transfers	0	0	0
<b>June 30, 2019</b>	<b>510,326</b>	<b>1,146</b>	<b>511,472</b>

In addition to the above mentioned effect arising from the application of the IFRS 16, the changes in property plant and equipment in the first half of 2019 show an increase in the captions fixture and fittings, leasehold improvements and assets in progress and advances: all of these captions are mainly related to the development of the retail network.

#### 5.4. Deferred tax assets and deferred tax liabilities

The balances of the captions as at June 30, 2019, over the comparable period of last year is reported below:

Deferred taxation (Euro/000)	June 30, 2019	December 31, 2018
Deferred tax assets	116,974	91,898
Deferred tax liabilities	(68,857)	(70,106)
<b>Net amount</b>	<b>48,117</b>	<b>21,792</b>

Deferred tax liabilities resulting from temporary differences associated with intangible assets are related to fiscal year 2008 in connection with the allocation of the brand name Moncler resulting from the excess price paid during acquisition.

Deferred tax assets and deferred tax liabilities are offset only when there is a law within a given tax jurisdiction, which provides for such right to offset.

Deferred tax assets as at June 30, 2019 include Euro 9.1 million resulting from the application of the IFRS 16.

#### 5.5. Inventory

Inventory as at June 30, 2019 amounts to Euro 243.1 million (Euro 173.1 million as at December 31, 2018) and is broken down as follows:

Inventory (Euro/000)	June 30, 2019	December 31, 2018
Raw materials	67,205	65,365
Work-in-progress	47,967	32,929
Finished products	241,687	178,503
<b>Inventories, gross</b>	<b>356,859</b>	<b>276,797</b>
Obsolescence provision	(113,790)	(103,648)
<b>Total</b>	<b>243,069</b>	<b>173,149</b>

Finished products and work-in-progress in inventory in the first half of each year are impacted by seasonality; specifically, they tend to increase compared to December as the average production cost of the articles of the autumn/winter collection, in stock in June, is higher than the average production cost of the articles of the spring/summer collection, in stock in December.

In addition, the inventory as at June 30, 2019 is affected by the increase in stock of raw materials and finished products related to the upcoming seasons.

The obsolescence provision is calculated using management's best estimate based on the season needs and the inventory balance based on passed sales trends through alternative channels and future sales volumes.

## 5.6. Trade receivables

Trade receivables as at June 30, 2019 amounted to Euro 80.0 million (Euro 155.0 million as at December 31, 2018) and are as follows:

Trade receivables (Euro/000)	June 30, 2019	December 31, 2018
Trade account receivables	89,308	163,725
Allowance for doubtful debt	(8,855)	(8,290)
Allowance for returns and discounts	(414)	(388)
<b>Total, net value</b>	<b>80,039</b>	<b>155,047</b>

Trade receivables are related to the Group's wholesale business and they include balances with a collection period not greater than three months. During the first half of 2019 there were no concentration of credit risk greater than 10% associated to individual customers.

The allowance for doubtful debts was calculated in accordance with management's best estimate based on the ageing of accounts receivable as well as the solvency of the oldest accounts and also taking into consideration any balances turned over into collection proceedings. Trade receivables written down are related to specific balances that were past due and for which collection is uncertain.

## 5.7. Cash and banks

As at June 30, 2019 the caption cash on hand and cash at banks amounts to Euro 490.5 million (Euro 546.3 million as at December 31, 2018), includes cash and cash equivalents as well as the funds available at banks.

The amount included in the Half-year Condensed Consolidated Financial Statements represents the fair value at the date of the financial statements. The credit risk is very limited since the other parties are class A financial institutions.

The consolidated statement of cash flows includes the changes in cash and cash at banks as well as the bank overdrafts.

The following table shows the reconciliation between cash and cash at banks with those included in the consolidated statement of cash flows:

Cash and cash equivalents included in the Statement (Euro/000)	June 30, 2019	December 31, 2018
Cash in hand and at banks	490,542	546,282
Bank overdraft	0	(14)
<b>Total</b>	<b>490,542</b>	<b>546,268</b>

## 5.8. Financial current assets

The caption financial current assets refers to the receivables arising from the market valuation of the derivatives on exchange rates hedges.

## 5.9. Other current and non-current assets

Other current and non-current assets (Euro/000)	June 30, 2019	December 31, 2018
Prepayments and accrued income - current	5,080	7,227
Other current receivables	22,820	8,908
<b>Other current assets</b>	<b>27,900</b>	<b>16,135</b>
Prepayments and accrued income - non-current	99	1,756
Security / guarantees deposits	27,341	27,676
Investments in associated companies	45	45
Other non-current receivables	507	474
<b>Other non-current assets</b>	<b>27,992</b>	<b>29,951</b>
<b>Total</b>	<b>55,892</b>	<b>46,086</b>

The caption other current receivables mainly contains the receivable due from the tax authority for VAT.

Deposits are mostly related to the amounts paid on behalf of the lessee as a guarantee to the lease agreement.

The decrease in the caption prepayments and accrued income, current and non-current, is mainly due to the effect arising from the application of IFRS 16.

There are no differences between the amounts included in the Half-year Consolidated Financial Statements and their fair values.

## 5.10. Trade payables

Trade payables amount to Euro 241.4 million as at June 30, 2019 (Euro 225.0 million as at December 31, 2018) and pertain to current amounts due to suppliers for goods and services. These payables are all due in the short term and do not include amounts that will be paid over 12 months.

In the first half of 2019 there are no outstanding positions associated to individual suppliers that exceed 10% of the total value.

The increase in trade payables as at June 30, 2019 compared to December 31, 2018 is due to the fact that the balance as of June 30 pertains to purchases related to the fall/winter collection which has an average value higher when compared to the spring/summer collection making up the trade payable balance as of December, 31 and to the business growth.

There are no difference between the amounts included in the Half-year Consolidated Financial Statements and their respective fair values.

### 5.11. Other current and non-current liabilities

As at June 30, 2019, the caption is detailed as follow:

Other current and non-current liabilities (Euro/000)	June 30, 2019	December 31, 2018
Deferred income and accrued expenses - current	551	2,893
Advances and payments on account to customers	12,366	4,596
Employee and social institutions	32,922	46,163
Tax accounts payable, excluding income taxes	9,182	13,917
Other current payables	12,183	14,989
<b>Other current liabilities</b>	<b>67,204</b>	<b>82,558</b>
Deferred income and accrued expenses - non-current	551	15,885
<b>Other non-current liabilities</b>	<b>551</b>	<b>15,885</b>
<b>Total</b>	<b>67,755</b>	<b>98,443</b>

The caption taxes payable includes mainly value added tax (VAT) and payroll tax withholding.

The decrease in the caption deferred income and accrued expenses, current and non-current, is mainly due to the effect arising from the application of IFRS 16.

### 5.12. Current tax assets and liabilities

Tax assets amount to Euro 4.7 million as at June 30, 2019 (Euro 11.6 million as at December 31, 2018) and pertain to receivables for advances paid on taxes.

Tax liabilities amounted to Euro 58.6 million as at June 30, 2019 (Euro 53.4 million as at December 31, 2018). Those captions are recognized net of current tax assets, where the offsetting relates to the same tax jurisdiction and tax system.

### 5.13. Provisions non-current

Non-current provisions as at June 30, 2019 are detailed in the following table:

Provision for contingencies and losses (Euro/000)	June 30, 2019	December 31, 2018
Other non current contingencies	8,067	7,477
<b>Total</b>	<b>8,067</b>	<b>7,477</b>

The caption other non-current contingencies includes the costs for restoring stores and the costs associated with ongoing disputes.

### 5.14. Pension funds and agents leaving indemnities

Pension funds and agents leaving indemnities as at June 30, 2019 are detailed in the following table:

<b>Employees pension funds</b> (Euro/000)	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Pension funds	3,613	3,404
Agents leaving indemnities	2,558	2,558
<b>Total</b>	<b>6,171</b>	<b>5,962</b>

The pension funds pertain mainly to Italian entities of the Group. Following the recent welfare reform, beginning on January 1, 2007, the liability has taken the form of a defined contribution plan. Therefore, the amount of pension fund (TFR) accrued prior to the application of the reform and not yet paid to the employees as of the date of the consolidated financial statements is considered as a defined benefit plan.

### 5.15. Financial liabilities

Financial liabilities as at June 30, 2019 are detailed in the following table:

<b>Borrowings</b> (Euro/000)	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Bank overdraft and short-term bank loans	0	14
Short-term financial lease liabilities	91,263	0
Other short-term loans	17,663	15,635
<b>Short-term borrowings</b>	<b>108,926</b>	<b>15,649</b>
Long-term financial lease liabilities	470,780	0
Other long-term borrowings	79,195	80,783
<b>Long-term borrowings</b>	<b>549,975</b>	<b>80,783</b>
<b>Total</b>	<b>658,901</b>	<b>96,432</b>

Short-term borrowings include short-term financial lease liabilities arising from the application of IFRS 16 and, in the caption other short-term loans, mainly the portion expiring beyond one year related to non-bank third parties.

Long-term borrowings include long-term financial lease liabilities arising from the application of IFRS 16 and the portion expiring beyond one year related to non-bank third parties.

The following tables show the break-down of the borrowing in accordance with their maturity date:

<b>Ageing of the financial liabilities</b>		
(Euro/000)	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Within 2 years	127,777	16,328
From 2 to 5 years	199,923	54,587
Beyond 5 years	222,275	9,868
<b>Total</b>	<b>549,975</b>	<b>80,783</b>

The loans do not include covenants.

The non-discounted cash flows referring to the lease liabilities are shown below.

<b>Ageing of the lease liabilities not discounted</b>		
(Euro/000)	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Within 1 year	109,755	0
From 1 to 5 years	357,079	0
Beyond 5 years	198,280	0
<b>Total</b>	<b>665,114</b>	<b>0</b>

The net financial position is detailed in the following tables:

<b>Net financial position</b>		
(Euro/000)	<b>June 30, 2019</b>	<b>December 31, 2018</b>
Cash and cash equivalents	490,542	546,282
Other short-term financial receivables	2,132	259
Short-term financial lease liabilities	(91,263)	0
Debts and other current financial liabilities	(17,663)	(15,649)
Long-term financial lease liabilities	(470,780)	0
Debts and other non-current financial liabilities	(79,195)	(80,783)
<b>Total</b>	<b>(166,227)</b>	<b>450,109</b>

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Net financial position (Euro/000)	June 30, 2019	December 31, 2018
A. Cash in hand	2,280	1,799
B. Cash at banks and cash equivalents	488,262	544,483
C. Available for sale securities	0	0
<b>D. Liquidity (A)+(B)+(C)</b>	<b>490,542</b>	<b>546,282</b>
<b>E. Current financial assets</b>	<b>2,132</b>	<b>259</b>
F. Payable to banks, current	0	(14)
G. Current portion of long-term debt	0	0
H. Short-term financial lease liabilities	(91,263)	0
I. Other current financial debt	(17,663)	(15,635)
<b>J. Current financial debt (F)+(G)+(H)+(I)</b>	<b>(108,926)</b>	<b>(15,649)</b>
<b>K. Net current financial debt (E)+(D)+(J)</b>	<b>383,748</b>	<b>530,892</b>
L. Payable to bank, non-current	0	0
M. Bonds issued	0	0
N. Long-term financial lease liabilities	(470,780)	0
O. Other non-current payables	(79,195)	(80,783)
<b>P. Non-current financial debt (L)+(M)+(N)+(O)</b>	<b>(549,975)</b>	<b>(80,783)</b>
<b>Q. Net financial debt (K)+(P)</b>	<b>(166,227)</b>	<b>450,109</b>

Net financial position as defined by the CESR Recommendation of February 10, 2005 (referred to by the Consob Communication of July 28, 2006).

### 5.16. Shareholders' equity

Changes in shareholders' equity for the first half of 2019 and the comparative period are included in the consolidated statements of changes in equity.

As at June 30, 2019 the subscribed share capital constitute by 257,948,524 shares was fully paid and amounted to Euro 51,589,704.80, with a nominal value of Euro 0.20 per share.

During 2019, Moncler S.p.A. bought n. 498,603 treasury shares, equal to 0.2% of the share capital, for a total amount of Euro 15.1 million. As at June 30, 2019 5,669,803 treasury shares were held, equal to 2.2% of the share capital, for a total value of Euro 185.9 million.

The legal reserve and premium reserve pertain to the parent company Moncler S.p.A..

In the first half 2019 the parent company distributed dividends to the Group Shareholders for an amount of Euro 100.8 million (Euro 70.5 million in 2018).

The increase of the share capital and the share premium reserve arises from the exercise of n. 11,000 vested options (for the same number of shares) in relation to the stock option plan approved by the shareholders' meeting of Moncler S.p.A. dated April 23, 2015 at the exercise price of Euro 16.34 per share and the free capital increase in execution of the Performance Share Plan approved in 2016 (No. 2.117.400 shares).

The change in the IFRS 2 reserve is due to the accounting treatment of the stock option and performance share plans, i.e., to the recognition of the figurative cost for the period relating to these plans and the reclassification to retained earnings of the cumulative figurative cost of the plans already closed.



The change in retained earnings mainly relates to the payment of dividends to shareholders, the treasury shares purchase and the above mentioned reclassification of the IFRS 2 reserve.

The caption FTA reserve includes the effects of the initial application of the IFRS 16.

Other reserves includes other comprehensive income comprising the translation reserve referred to foreign entities, the reserve for exchange rate risks hedging and the reserve for actuarial gains/losses. The translation reserve includes the exchange differences emerging from the translation of the financial statements of the foreign consolidated companies. The hedging reserve includes the effective portion of the net differences accumulated in the fair value of the derivative hedging instruments. Changes to these reserves were as follows:

Other comprehensive income (Euro/000)	Cumulative translation reserve			Other OCI items		
	Value before tax effect	Tax effect	Value after tax effect	Value before tax effect	Tax effect	Value after tax effect
<b>Reserve as at January 1, 2018</b>	<b>(10,969)</b>	<b>0</b>	<b>(10,969)</b>	<b>450</b>	<b>(114)</b>	<b>336</b>
Changes in the period	8,169	0	8,169	(8,974)	2,150	(6,824)
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
<b>Reserve as at June 30, 2018</b>	<b>(2,800)</b>	<b>0</b>	<b>(2,800)</b>	<b>(8,524)</b>	<b>2,036</b>	<b>(6,488)</b>
<b>Reserve as at January 1, 2019</b>	<b>(6,071)</b>	<b>0</b>	<b>(6,071)</b>	<b>(4,243)</b>	<b>1,004</b>	<b>(3,239)</b>
Changes in the period	2,755	0	2,755	562	(136)	426
Translation differences of the period	0	0	0	0	0	0
Reversal in the income statement of the period	0	0	0	0	0	0
<b>Reserve as at June 30, 2019</b>	<b>(3,316)</b>	<b>0</b>	<b>(3,316)</b>	<b>(3,681)</b>	<b>868</b>	<b>(2,813)</b>

#### *Earning per share*

Earning per share for the half-year ended June 30, 2019 and June 30, 2018 is included in the following table and is based on the relationship between net income attributable to the Group and the average number of outstanding shares.

The diluted earnings per share is in line with the basic earnings per share as at June 30, 2019 as there are no significant dilutive effects arising from stock based compensation plans.

It should be noted that, for the diluted earnings per share calculation, the treasury share method has been applied, prescribed by IAS 33 paragraph 45 for stock-based compensation plans.

<b>Earnings per share</b>		
	<b>1H 2019</b>	<b>1H 2018</b>
Net result of the period (Euro/000)	69,989	61,628
Average number of shares related to parent's Shareholders	251,140,581	252,484,459
<b>Earnings attributable to Shareholders (Unit of Euro)</b>	<b>0.28</b>	<b>0.24</b>
<b>Diluted earnings attributable to Shareholders (Unit of Euro)</b>	<b>0.28</b>	<b>0.24</b>

## 6. SEGMENT INFORMATION

For the purposes of IFRS 8 “Operating Segments”, the Group’s activity is part of a single operating segment referred to Moncler business.

## 7. SEASONALITY

The Moncler Group’s results are influenced by various factors linked to seasonality, which are typical of the fashion and luxury industry in which the Group operates.

The Moncler Group’s first trend of seasonality depends on sales typical of the wholesale distribution channel, where sales revenues are concentrated in the first and third quarters of each fiscal year. Sales are in fact concentrated in the months of January, February and March, when the third-party resellers buy the goods for the spring/summer collection, and in the months of July, August and September, when purchases are made for the fall/winter collection.

Another trend related to seasonality of the Moncler Group pertains to the invoicing of sales for the retail distribution channel which is mainly concentrated in the second half of the year and, in particular, in the last quarter of each fiscal year when customers buy products from the fall/winter collection, which is the Group’s traditional strength.

As a result, the interim results may not contribute equally to the financial results achieved by the Group during the year. In addition, this seasonality combined with other factors such as the change over time of the relationship between retail and wholesale results could make it impossible to compare the results of the same interim periods of several years.

Finally, the sales trend and the dynamics of the production cycles have an impact on the net working capital and net debt, which are at their peaks during the months of September and October, while the months of November, December and January are characterized by high cash generation.

## 8. COMMITMENTS AND GUARANTEES GIVEN

### 8.1. Commitments

The Group's commitments pertain mostly to lease agreements related to temporary stores and pop-up stores with a term of less than one year, which therefore do not fall within the scope of application of IFRS 16.

As at June 30, 2019, the amount due for these contracts is equal to Euro 427 thousand.

### 8.2. Guarantees given

As at June 30, 2019 the Group had given the following guarantees:

Guarantees and bails given (Euro/000)	June 30, 2019	December 31, 2018
<b>Guarantees and bails given for the benefit of:</b>		
Third parties/companies	20,189	17,044
<b>Total guarantees and bails given</b>	<b>20,189</b>	<b>17,044</b>

Guarantees pertain mainly to lease agreements for the new stores.

## 9. CONTINGENT LIABILITIES

As the Group operates globally, it is subject to risks which may arise during the performance of its ordinary activities. Based on information available to date, the Group believes that as of the date of the half-year condensed consolidated financial statements, the provisions set up are adequate to ensure that the half-year condensed consolidated financial statements give a true and fair view of the Group's financial position and results of operations.

## 10. OTHER INFORMATION

### 10.1. Related party transactions

Set out below are the transactions with related parties deemed relevant for the purposes of the "Procedure with related party" adopted by the Group.

The "Procedure with related party" is available on the Company's website ([www.monclergroup.com](http://www.monclergroup.com), under "Governance/Corporate documents").

Transactions and balances with consolidated companies have been eliminated upon consolidation, therefore there are no comments there.

During the first-half of 2019 related party transactions mainly relate to trading transactions carried out on an arm's length basis with the following parties:

## HALF-YEAR FINANCIAL REPORT

- Yagi Tsusho Ltd, counterparty to the transaction which led to the establishment of Moncler Japan Ltd. acquires finished products from Moncler Group companies (Euro 61.8 million in the first half of 2019 and Euro 41.9 million for the same period last year) and then sells them to Moncler Japan Ltd. (Euro 70.5 million in the first half of 2019 and Euro 47.7 million in the same period last year) pursuant to contracts agreed upon the companies' establishment.
- Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi, company held by the minority share holder of Moncler Istanbul Giyim ve Tekstil Ticaret Ltd. Sti, provide services to that company. Total costs recognized for the first half of 2019 amount to Euro 0.1 million (Euro 0.1 million in the first half of 2018).
- The company La Rotonda S.r.l., owned by a manager of the Moncler Group, acquires finished products from Industries SpA and provides services to the same. Total revenues recognized for the first half of 2019 amount to Euro 0.5 million (Euro 0.3 million in the first half of 2018) and total costs recognized for the first half of 2019 amount to Euro 0.09 million (Euro 0.08 million in the first half of 2018).

Company Industries S.p.A. adhere to the Parent Company Moncler S.p.A. fiscal consolidation and VAT consolidation.

### *Compensation paid to directors, board of statutory auditors and executives with strategic responsibilities*

Compensation paid of the members of the Board of Directors in the first half 2019 are Euro 2,842 thousand (Euro 2,478 thousand in the first half 2018).

Compensation paid of the members of the Board of Auditors in the first half 2019 are Euro 82 thousand (Euro 81 thousand in the first half 2018).

In the first half of 2019 total compensation paid to executives with strategic responsibilities amounted to Euro 623 thousand (Euro 1,432 thousand in the first half 2018).

In the first half of 2019 the costs relating to Stock Option Plans and Performance shares plan (described in section 10.2) referring to members of the Board of Directors and Key management personnel amount to Euro 6,656 thousand (Euro 4,202 thousand in the first half 2018).

The following tables summarize the aforementioned related party transactions that took place during the first half of 2019 and the comparative period.

(Euro/000)	Type of relationship	Note	June 30, 2019	%	June 30, 2018	%
Yagi Tsusho Ltd	<i>Distribution agreement</i>	<i>a</i>	61,841	(46.5)%	41,920	(35.3)%
Yagi Tsusho Ltd	<i>Distribution agreement</i>	<i>a</i>	(70,544)	53.0%	(47,745)	40.2%
GokseTekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	<i>Service agreement</i>	<i>b</i>	(97)	0.1%	(115)	0.2%
La Rotonda S.r.l.	<i>Trade transactions</i>	<i>c</i>	508	0.1%	256	0.1%
La Rotonda S.r.l.	<i>Trade transactions</i>	<i>d</i>	(87)	0.0%	(80)	0.0%
Directors, board of statutory auditors and executives with strategic responsibilities	<i>Labour services</i>	<i>b</i>	(3,247)	4.5%	(3,658)	5.9%
Executives with strategic responsibilities	<i>Labour services</i>	<i>d</i>	(300)	0.1%	(333)	0.2%
Directors and executives with strategic responsibilities	<i>Labour services</i>	<i>e</i>	(6,656)	40.9%	(4,202)	33.7%
<b>Total</b>			<b>(18,582)</b>		<b>(13,957)</b>	

*a effect in % based on cost of sales*

*b effect in % based on general and administrative expenses*

*c effect in % based on revenues*

*d effect in % based on selling expenses*

*e effect in % based on non recurring expenses*

(Euro/000)	Type of relationship	Note	June 30, 2019	%	December 31, 2018	%
Yagi Tsusho Ltd	<i>Trade payables</i>	<i>a</i>	(32,187)	13.3%	(17,295)	7.7%
Yagi Tsusho Ltd	<i>Trade receivables</i>	<i>b</i>	22,508	28.1%	11,757	7.6%
Gokse Tekstil Kozmetik Sanayi ic ve dis ticaret limited sirketi	<i>Trade payables</i>	<i>a</i>	0	0.0%	(59)	0.0%
La Rotonda S.r.l.	<i>Trade receivables</i>	<i>b</i>	618	0.8%	896	0.6%
La Rotonda S.r.l.	<i>Trade payables</i>	<i>a</i>	(90)	0.0%	(47)	0.0%
Directors, board of statutory auditors and executives with strategic responsibilities	<i>Other current liabilities</i>	<i>c</i>	(1,712)	2.5%	(4,014)	4.9%
<b>Total</b>			<b>(10,863)</b>		<b>(8,762)</b>	

*a effect in % based on trade payables*

*b effect in % based on trade receivables*

*c effect in % based on other current liabilities*

## HALF-YEAR FINANCIAL REPORT

The following tables summarize the weight of related party transactions on the captions of the consolidated financial statements.

(Euro/000)		June 30, 2019			
	Revenue	Cost of sales	Selling expenses	General and administrative expenses	Stock based compensation
Total related parties	508	(8,703)	(387)	(3,344)	(6,656)
Total consolidated financial statements	570,246	(133,094)	(203,669)	(71,725)	(16,275)
<b>weight %</b>	<b>0.1%</b>	<b>6.5%</b>	<b>0.2%</b>	<b>4.7%</b>	<b>40.9%</b>

(Euro/000)		June 30, 2019		
	Trade receivables	Trade Payables	Other current liabilities	
Total related parties	23,126	(32,277)	(1,712)	
Total consolidated financial statements	80,039	(241,384)	(67,204)	
<b>weight %</b>	<b>28.9%</b>	<b>13.4%</b>	<b>2.5%</b>	

(Euro/000)		June 30, 2018			
	Revenue	Cost of sales	Selling expenses	General and administrative expenses	Stock based compensation
Total related parties	256	(5,825)	(413)	(3,773)	(4,202)
Total consolidated financial statements	493,544	(118,659)	(178,490)	(61,935)	(12,465)
<b>weight %</b>	<b>0.1%</b>	<b>4.9%</b>	<b>0.2%</b>	<b>6.1%</b>	<b>33.7%</b>

(Euro/000)		December 31, 2018		
	Trade receivables	Trade Payables	Other current liabilities	
Total related parties	12,653	(17,401)	(4,014)	
Total consolidated financial statements	155,047	(224,989)	(82,558)	
<b>weight %</b>	<b>8.2%</b>	<b>7.7%</b>	<b>4.9%</b>	

## 10.2. Stock option plans

The Half-year Consolidated Financial Statements at June 30, 2019 reflects the values of the Stock Option Plan approved in 2015 and the Performance Share Plans approved in 2016 and 2018.

With regard to stock option plan approved in 2015, please note that:

- The 2015 Plan provided for a vesting period which ended with the approval of the consolidated financial statements as at December 31, 2017. The exercise of the options granted was on condition that the specific performance goals related to Group's consolidated EBITDA were achieved. Please note that these performance goals have been achieved;
- The options can be exercised within June 30, 2020 at the latest;
- The exercise price of the options is equal to Euro 16.34 and allows for the subscription of shares in the ratio of one ordinary share for every option exercised;
- The fair value of 2015 Plan was estimated at the grant date using the Black-Scholes method, based on the following assumptions:
  - share price at the grant date of the options Euro 16.34;
  - estimated life of options equal to the period from the grant date to the following estimated exercise: May 31, 2019;
  - dividend yield 1%;
  - fair value per tranches Euro 3.2877.
- There are no effect on the income statement of the first half of 2019, while the increase of the net equity for the exercise of the vested options of the Plan amounts to Euro 180 thousand.
- As at June 30, 2019 99,300 options are still in circulation, after that, during the first half of 2019, 11,000 options were exercised.

On April 20, 2016, the shareholders' meeting of Moncler approved the adoption of a stock grant plan entitled "2016-2018 Performance Shares Plan" ("2016 Plan") addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view to pursuing Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the earning per share index ("EPS") of the Group in the Vesting Period, adjusted by the conditions of over/under performance.

The proposed maximum number of shares serving the Plan is equal to No. 3,800,000 resulting from a Capital Increase and/or from the allocation of treasury shares.

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The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2016, ended with the assignment of 2,856,000 Moncler Rights, the second attribution cycle approved on June 29, 2017 assigned 365,500 Moncler Rights.

As regards the first allocation cycle:

- The 3-year vesting period ended with the approval of the Draft Financial Statements as at December 31, 2018.
- The performance targets were met, together with the over-performance condition.
- Therefore, No. 3,046,200 shares (including No. 507,700 shares deriving from over-performance) were assigned to the beneficiaries through a share capital increase (No. 2,117,400 shares) and the allocation of treasury shares (No. 928,800 shares).

As at June 30, 2019 there are still in circulation 324,000 rights related to the second cycle of attribution (the effect on the income statement on the first half of 2019 amount to Euro 1.4 million). There are no rights in circulation related to the first cycle of attribution (the effect on the income statement in the first half of 2019 amount to Euro 3.8 million).

On April 16, 2018 the Shareholders' meeting of Moncler approved the adoption of a stock grant plan entitled "2018-2020 Performance Shares Plan" ("2018 Plan") addressed to Executive Directors and/or Key Managers, and/or employees, and/or collaborators, and/or external consultants of Moncler S.p.A. and of its subsidiaries, which have strategically relevant roles or are otherwise capable of making a significant contribution, with a view of pursuing the Group's strategic objectives.

The object of the Plan is the free granting of the Moncler shares in case certain Performance Targets are achieved at the end of the vesting period of 3 years.

The Performance Targets are expressed base on the earning per share index ("EPS") of the Group in the Vesting Period, adjusted by the conditions of over/under performance.

The proposed maximum number of shares serving the Plan is equal to n. 2,800,000 resulting from the allocation of treasury shares.

The Plan provides for a maximum of 3 cycles of attribution; the first attribution cycle, approved during 2018, ended with the assignment of 1,365,531 Moncler Rights. The second attribution cycle, approved during 2019, ended with the assignment of 341,514 Moncler Rights.

As at June 30, 2019 there are still in circulation 1,275,515 rights related to the first cycle of attribution (the effect on the income statement on the first half of 2019 amount to Euro 9.4 million) and 338,893 rights related to the second cycle of attribution (the effect on the income statement in the first half of 2019 amount to Euro 0.5 million).

As stated by IFRS 2, these plans are defined as equity settled share-based payments.

For information regarding the plan, please see the company's website, [www.monclergroup.com](http://www.monclergroup.com), in the "Governance" section.



### 10.3. Significant non-recurring events and transactions

On May 9, 2019, Moncler Board of Directors, putting into effect the resolutions adopted by the Shareholders' Meeting of April 16, 2018, resolved, with reference to the stock grant plan denominated "2018-2020 Performance Shares Plan", the granting of 341,514 shares to 53 beneficiaries.

The description of the stock based compensation plans and the related costs are included in note 10.2.

### 10.4. Atypical and/or unusual transactions

No atypical and/or unusual transactions were carried out by the Group during the first half of 2019.

### 10.5. Financial instruments

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Furthermore, in the current period, it is not necessary to expose the fair value of the lease liabilities.

(Euro/000)					
<b>June 30, 2019</b>	<b>Current</b>	<b>Non-current</b>	<b>Fair value</b>	<b>Level</b>	
<b>Financial assets measured at fair value</b>					
Interest rate swap used for hedging	-	-	-		
Forward exchange contracts used for hedging	2,132	-	2,132		2
Sub-total	2,132	-	2,132		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables (*)	80,039	27,341			
Cash and cash equivalents (*)	490,542	-			
Sub-total	570,581	27,341			
<b>Total</b>	<b>572,713</b>	<b>27,341</b>	<b>2,132</b>		
<b>December 31, 2018</b>					
	<b>Current</b>	<b>Non-current</b>	<b>Fair value</b>	<b>Level</b>	
<b>Financial assets measured at fair value</b>					
Interest rate swap used for hedging	-	-	-		
Forward exchange contracts used for hedging	259	-	259		2
Sub-total	259	-	259		
<b>Financial assets not measured at fair value</b>					
Trade and other receivables (*)	155,047	27,676			
Cash and cash equivalents (*)	546,282	-			
Sub-total	701,329	27,676			
<b>Total</b>	<b>701,588</b>	<b>27,676</b>	<b>259</b>		

## HALF-YEAR FINANCIAL REPORT

(Euro/000)				
<b>June 30, 2019</b>	<b>Current</b>	<b>Non-current</b>	<b>Fair value</b>	<b>Level</b>
<b>Financial liabilities measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(3,703)	-	(3,703)	2
Other financial liabilities	(14,109)	(79,195)	(93,304)	3
Sub-total	(17,812)	(79,195)	(97,007)	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables (*)	(265,933)	-	-	
Bank overdrafts (*)	-	-	-	
Short-term bank loans (*)	-	-	-	
Bank loans (*)	-	-	-	
IFRS 16 financial loans (*)	(91,114)	(470,780)	-	
Sub-total	(357,047)	(470,780)	-	
<b>Total</b>	<b>(374,859)</b>	<b>(549,975)</b>	<b>(97,007)</b>	

(Euro/000)				
<b>December 31, 2018</b>	<b>Current</b>	<b>Non-current</b>	<b>Fair value</b>	<b>Level</b>
<b>Financial liabilities measured at fair value</b>				
Interest rate swap used for hedging	-	-	-	2
Forward exchange contracts used for hedging	(4,233)	-	(4,233)	2
Other financial liabilities	(11,402)	(80,783)	(92,185)	3
Sub-total	(15,635)	(80,783)	(96,418)	
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables (*)	(244,574)	-	-	
Bank overdrafts (*)	(14)	-	-	
Short-term bank loans (*)	-	-	-	
Bank loans (*)	-	-	-	
IFRS 16 financial loans (*)	-	-	-	
Sub-total	(244,588)	-	-	
<b>Total</b>	<b>(260,223)</b>	<b>(80,783)</b>	<b>(96,418)</b>	

(\*) Such items refer to short-term financial assets and financial liabilities whose carrying value is a reasonable approximation of fair value, which was therefore not disclosed.

## 11. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No significant events occurred after the end of the period.

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## HALF-YEAR FINANCIAL REPORT

These Half-Year Consolidated Financial Statements, comprised of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and explanatory notes to the consolidated financial statements give a true and fair view of the financial position and the results of operations and cash flows and corresponds to the accounting records of the Parent Company and the companies included in the consolidation.

On behalf of the Board of Directors of Moncler S.p.A.

Remo Ruffini

Chairman and Chief Executive Officer

## HALF-YEAR FINANCIAL REPORT

### ATTESTATION OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF THE CONSOB REGULATION 11971 OF 14 MAY 1999 AS AMENDED

1. The undersigned, Remo Ruffini, in his capacity as the Chief Executive Officer of Moncler S.p.A. and Luciano Santel, as the executive officer responsible for the preparation of Moncler S.p.A.'s financial statements, having also taken into account the provisions of Article 154-bis, paragraphs 3 and 4, of the Italian Legislative Decree 58 of 24 February 1998, hereby certify:

- the adequacy in relation to the characteristics of the company and
- the effective implementation of the administrative and accounting procedures for the preparation of the half-year condensed consolidated financial statements, during the first half 2019.

2. With regard to the above, there are no remarks.

3. It is also certified that:

3.1 the Half-year Condensed Consolidated Financial Statement:

- a) has been drawn up in accordance with the international accounting standards recognised in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) is consistent with the entries in the accounting books and records;
- c) is capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

3.2 The half-year directors' report includes a reliable analysis of the significant events that took place in the first six months of the financial year and their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The half-year directors' report also includes a reliable analysis of the disclosure on significant related party transactions.

Milan, July 24, 2019

CHAIRMAN OF THE BOARD OF  
AND CHIEF EXECUTIVE OFFICER

Remo Ruffini

EXECUTIVE OFFICER RESPONSIBLE DIRECTOR  
FOR THE PREPARATION OF THE  
COMPANY'S FINANCIAL STATEMENTS

Luciano Santel



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(Translation from the Italian original which remains the definitive version)

## Report on review of condensed interim consolidated financial statements

To the Shareholders of  
Moncler S.p.A.

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Moncler Group comprising the income statement and the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows and notes thereto, as at and for the six months ended 30 June 2019. The company's parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Moncler Group as at and for the six months ended 30 June 2019 have not been prepared, in all material



**Moncler Group**

*Report on review of condensed interim consolidated financial statements  
30 June 2019*

respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Treviso, 26 July 2019

KPMG S.p.A.

(signed on the original)

Gianluca Zaniboni  
Director of Audit