



**MONCLER: Q1 2020 REVENUES AT 310M EUROS DOWN 18% DUE TO THE IMPACT OF COVID-19.
PLANS AND ACTIONS IN PLACE TO PROTECT EMPLOYEES AND THE BUSINESS**

Moncler S.p.A. Board of Directors approves the Interim Management Statement for the first quarter of 2020¹

- **The first quarter 2020 results have been affected by the stringent containment measures adopted by governments in the various countries in which the Group operates in order to reduce the spread of the new coronavirus Covid-19**
- **Consolidated revenues: 310.1 million euros, -18% at current and constant exchange rates compared to 378.5 million euros in the first quarter of 2019**
- **Retail revenues: 236.3 million euros, -19% at current and constant exchange rates compared to 291.4 million euros in the first quarter of 2019**
- **Wholesale revenues: 73.8 million euros, -15% at current and constant exchange rates compared to 87.1 million euros in the first quarter of 2019**
- **Powers granted to the Chairman and Chief Executive Officer to reconvene the Ordinary and Extraordinary Shareholders' Meeting on 11 June 2020**
- **Dividend distribution proposal on FY 2019 profits withdrawn**
- **The Chairman and Chief Executive Officer, Remo Ruffini waived his variable portion of FY 2020 remuneration and allocated the fixed portion to charity initiatives; the other Executive Directors waived their variable portion of FY 2020 remuneration**

Remo Ruffini, Moncler's Chairman and Chief Executive Officer, commented: "The past three months will be remembered as the watershed between "before" and "after". We have been confronted by an invisible "enemy", globally and swiftly. We have come to understand that extraordinary actions were needed to fight it. Now, amid this health emergency, we need to think about what comes after this, at the recovery phase. And I believe we should do so, while also seizing the opportunity to reassess the whole system, at all levels.

This is exactly what I am asking of my people today. I am very proud to have seen how the whole Company reacted since the beginning of this crisis: after 24 quarters of double-digit growth, it is not easy to face a significant reduction in revenues, nor to have more than half of our store network shut down, nor to experience extensive logistics and supply chain disruption. We promptly secured all essential processes and took action to reduce the risk of unsold stock. We learned how to work remotely over just one weekend. Though physically apart, we felt even closer when activating our "*Energy Plan*" to maintain our internal community while at home. We engaged

¹ This note applies to all pages: unaudited data, rounded figures.

with our clients around our values. It is on such challenging occasions that the essence of a brand manifests, and I believe that, indeed, our energy and uniqueness have emerged stronger than ever.

“*Brand first*” and “*cash is king*” are the mottos that have always guided Moncler's financial choices and allow us today to look towards the future - though a difficult and uncertain one - with greater confidence. It is precisely this financial rigour that led me to support the Board of Directors’ proposal to withdraw the 2019 dividend payment, a choice that is not strictly necessary, but certainly a decision made out of responsibility. Our goal is to build a stronger future for Moncler, for its people and all its stakeholders. We have a strong Brand and a clear strategy, but also adequate resources to pursue challenging goals, and skilled and motivated people able to achieve them. This is the only way we can continue to evolve while constantly improving. These are Moncler's past foundations, its present principles and, most importantly, its future pillars of success”.

Milan, 22 April 2020 – The Board of Directors of Moncler S.p.A., which met today, has reviewed and approved the Interim Management Statement for the first quarter of 2020.

Consolidated Revenue Analysis

In the first quarter of 2020 Moncler recorded **revenues of 310.1 million euros**, a **decrease of 18% at current and constant exchange rates** compared to revenues of 378.5 million euros in the same period of 2019. The results of the first quarter have been impacted by the effects of the new coronavirus Covid-19 pandemic, which led the governments of several countries worldwide to adopt exceptional social containment measures to limit its spread. In most of these states, all non-essential activities were progressively closed, affecting the Group’s retail stores and wholesale shops that distribute Moncler products, with negative consequences on both channels.

Revenues by Region

	First Quarter 2020		First Quarter 2019		YoY Change%	
	Eur '000	%	Eur '000	%	At current exchange rate	At constant exchange rate
Italy	34,539	11.1%	45,752	12.1%	-24.5%	-24.5%
EMEA (excl. Italy)	101,187	32.6%	108,119	28.6%	-6.4%	-6.5%
Asia and Rest of the World	132,697	42.8%	171,124	45.2%	-22.5%	-22.9%
Americas	41,686	13.5%	53,531	14.1%	-22.1%	-23.0%
Total Revenues	310,108	100.0%	378,525	100.0%	-18.1%	-18.4%

In the first quarter of 2020 Moncler posted negative results in all regions.

Italy registered a 25% decline in the quarter. This performance has been influenced by the complete closure of all non-essential activities in the Country starting from 9 March, and by a significant reduction in traffic in the weeks prior, also in this case due to Covid-19.

In **EMEA**, revenues decreased by 7% at constant exchange rates with a performance that, although negative in both channels, has been better compared to the other Regions. In particular, the retail channel benefited from a more gradual closure of stores and excellent results in the first weeks of the quarter. Germany and the Middle East outperformed the average of the Region.

In **Asia and Rest of the World** revenues decreased by 23%. Japan and Korea outperformed the rest of the Region, thanks to solid local demand and, in particular in Korea, to less negative effects associated with the spread of Covid-19. Hong Kong SAR continued to record very negative results. Mainland China has been significantly affected by the containment measures to limit the spread of the coronavirus since the end of January and throughout February, while it began to show initial signs of recovery in March.

The **Americas** recorded a 23% decrease in revenues at constant exchange rates, due to a substantial reduction in traffic and the measures implemented by governments to face the health emergency.

Revenues by Distribution Channel

	First Quarter 2020		First Quarter 2019		YoY Change%	
	Eur '000	%	Eur '000	%	At current exchange rates	At constant exchange rates
Retail	236,335	76.2%	291,441	77.0%	-18.9%	-19.4%
Wholesale	73,773	23.8%	87,084	23.0%	-15.3%	-15.1%
Total Revenues	310,108	100.0%	378,525	100.0%	-18.1%	-18.4%

Revenues from the **retail channel** were 236.3 million euros compared to 291.4 million euros in the first quarter of 2019, with a decrease of 19% at current and constant exchange rates, due to the aforementioned closing of a significant part of the retail network and the sharp reduction in traffic in all countries due to the Covid-19 pandemic. E-commerce posted positive growth.

The **wholesale channel** recorded revenues of 73.8 million euros compared to 87.1 million euros in the first quarter of 2019, with a decrease of 15% at current and constant exchange rates. This performance includes the effects of delivery postponements and other actions undertaken to limit the risk of overstocking. The online channel grew also in the wholesale distribution (e-tailers).

Mono-brand Stores Distribution Network

As of 31 March 2020, **Moncler's mono-brand distribution network** consisted of **213 retail directly operated stores (DOS)**, a net increase of 4 units compared to 31 December 2019, and **64 wholesale shop-in-shops (SiS)**, same as of 31 December 2019.

In the first three months of 2020 Moncler opened, among the others, the first store in Kiev, Ukraine.

At the end of March, 111 stores were temporarily closed following the measures imposed by governments to contain the Covid-19 outbreak, and an additional 19 stores have been temporarily closed in the first three weeks of April.

	31/03/2020	31/12/2019	31/03/2019	Net Openings First Quarter 2020
Retail Mono-brand	213	209	197	4
Italy	19	19	20	-
EMEA (excl. Italy)	57	56	55	1
Asia and Rest of the World	104	104	95	-
Americas	33	30	27	3
Wholesale Mono-brand	64	64	61	-

Update on Covid-19

The exceptional measures adopted by governments around the world to contain the spread of Covid-19, caused significant effects in the first quarter of 2020 in several markets and in the distribution channels in which Moncler operates.

In January and February, 12 retail stores were closed in Asia for an average of 30 days, while 109 retail stores, mainly located in EMEA and Americas, did not operate for an average of 15 days in March. By the end of March, 111 DOS were temporarily closed and additionally, 19 stores were temporarily closed in the first three weeks of April. The wholesale channel also underwent the same restrictions imposed by governments worldwide with significant impacts on its performance too.

Regarding supply chain and logistics, the Company faced several complexities mainly related to the collections' creation and the procurement of raw materials, as well as issues related to the closure of distribution centres, including those for the online business.

Since the first reports emerged regarding the spread of Covid-19, Moncler promptly appointed an internal *Task Force* dedicated to the management of this emergency, and immediately implemented important actions and clear procedures aimed at safeguarding the health of its employees and protecting the business. Moncler confirms that the powers of the President and Chief Executive Officer and of the other Executive Directors allow the Group to adequately supervise and implement all initiatives aimed at facing the current situation.

Among the many actions undertaken, we summarise below the most relevant ones.

People. A remote working system has been activated in all the regional offices where the restrictions on social distancing have been enforced and, since 23 February, as well as for all employees in our Italian headquarters. Stringent measures to guarantee employees' health safety have been taken in all sites where activities could continue. The same salary level has been guaranteed to all employees worldwide, even if they are not currently working. Application for government benefits, where granted, have been submitted. A set of multidisciplinary activities has been activated through a dedicated social media channel to involve, keep connected and support the Group's employees currently at home ("*Energy Plan*").

Brand and Clients. With regard to communication, Moncler has focused its investments mainly on the digital channel to reset the contents and the tone of voice of its messages in order to align them to the current situation and to Moncler's values, as with the "*Warmly Moncler*" project. Indeed, Moncler's management believes that knowing how to talk, engage and stay tuned with its customers, particularly domestic ones, is today even more crucial for brands to be able to overcome the current crisis and become even stronger. A detailed action plan has been prepared to be implemented for the stores' re-opening phase.

Opex and Capex. Digital and e-commerce remain prioritised and strategic projects for Moncler and respective investments will continue also in 2020. All non-essential projects, including a few retail ones, have been postponed with a 30% reduction in the total Capex. Regarding marketing costs, some advertising campaigns and events have been suspended while budgets for traditional media have been reduced. In addition, discussions with all landlords have been opened in order to renegotiate rents. Finally, to preserve the Brand's integrity and limit the "inventory risk", the Company immediately acted to reduce the production of the FW 2020 collections.

Dividend. The Brand's strength and cash flow generation have always guided Moncler's financial management. This managerial rigour, which is even more important today, led Moncler's Board of Directors to propose the withdraw of the dividend at the upcoming Shareholders' Meeting scheduled on 11 June, c.a. This was a responsible decision that will allow the Group to better face this global crisis, whose evolution and consequent impacts on the business are still highly uncertain.

Other resolutions

Ordinary and Extraordinary Shareholders' Meeting of 11 June 2020

The Board of Directors today granted the power to the Chairman and CEO to reconvene in a single call, within the longer term of 180 days from the end of the financial year, for 11 June 2020, the Ordinary and Extraordinary Shareholders' Meeting previously called for 22 April 2020 and subsequently withdrawn on 23 March 2020, owing to the Covid-19 emergency.

In order to minimise the risks associated with the persistence of the emergency, the Board of Directors resolved to make use of the right envisaged by art. 106, paragraph 4, of the Legislative Decree n. 18/2020 and to provide, therefore, that the attendance of the Shareholders in the Shareholders' Meeting shall be only permitted through the designated representative, in accordance with art. 135-undecies of Legislative Decree of 24 February 1998 no. 58, identified in Spafid S.p.A..

Allocation of profits

The Board today, acknowledging the change in the global economic scenario and the evolution of the regulatory framework since the Board session of 10 February 2020, resolved to revise the proposal for distribution of FY 2019 net income. Indeed, the Board believes that the persistence of the Covid-19 emergency requires a prudent approach, also in terms of dividends, in order to protect the Group's financial solidity. The Board therefore decided to withdraw the proposal to distribute the dividend from FY 2019 net income approved on 10 February 2020 and to propose to the next Shareholders' Meeting to be called for 11 June 2020 to carry forward the FY 2019 net income, amounting to 157,649,576 euros.

Decisions of the Chairman and CEO, Remo Ruffini, and of the other Executive Directors on their FY 2020 remuneration

Following the resolutions adopted today, the Board acknowledged:

1. the decision communicated by the Chairman and CEO, Remo Ruffini, to:
 - i. waive his potential variable portion of FY 2020 remuneration;
 - ii. waive his potential designation as beneficiary for FY 2020 of the "2020 Performance Shares Plan" in case of approval of the same by the Shareholders' Meeting to be held on 11 June 2020, to which such plan will be submitted pursuant to art. 114-bis of Legislative Decree of 24 February 1998 no. 58;
 - iii. have entirely allocated the fixed portion of his annual remuneration to charity initiatives in favour of organisations involved in the Covid-19 emergency;

- the decisions communicated by the other Executive Directors to waive their potential variable portions of FY 2020 remuneration.

The financial calendar published on 23 December 2019 has changed and 11 June 2020 is now the Shareholders' Meeting date to approve the 2019 annual financial statements, instead of the previous date of 22 April 2020.

The new notice of call of the Ordinary and Extraordinary Shareholders' Meeting, together with the information regarding the attendance and the vote in the Shareholders' Meeting, the explanatory reports by the Board of Directors and the related documentation will be made available to the public, in the updated terms implementing the resolutions adopted today, by the terms and conditions provided for by applicable law.

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

FOR FURTHER INFORMATION:

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About Moncler

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