MONCLER

MONCLER S.P.A.: THE BOARD OF DIRECTORS APPROVES
THE HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2017[1]

MONCLER: DOUBLE-DIGIT REVENUE GROWTH CONTINUED (+18%)
NET INCOME AT 42 MILLION EUROS, UP 25%

- **Consolidated Revenues: 407.6 million euros, up 17% at constant exchange rates and 18% at current exchange rates, compared to 346.5 million euros in the first half of 2016**
- **Adjusted EBITDA[2]: 97.0 million euros compared to 78.3 million euros in the first half of 2016; EBITDA margin of 23.8%**
- **Adjusted EBIT[2]: 73.3 million euros compared to 59.0 million euros in the first half of 2016 (18.0% margin)**
- **Net Income, Group share: 41.8 million euros, up 25% compared to 33.6 million euros in the first half of 2016; net income margin of 10.3%**
- **Net Cash: 130.2 million euros at 30 June 2017 compared to 105.8 million euros at 31 December 2016 and net debt of 84.9 million euros at 30 June 2016**
- **Board of Directors has approved the extension of the *Moncler Japan Corp.* joint-venture agreement for additional 5 years (until 31 December 2023), with a gradual buyback of the minority stake by the aforementioned company**

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Remo Ruffini, Moncler's Chairman and Chief Executive Officer, commented: "This is the fourteenth consecutive quarter of double-digit growth for Moncler since it was listed in 2013. Group revenues grew by a further 20% in the second quarter of 2017, driven by positive contributions from all regions and channels. This has been achieved thanks to the solidity and strength of our Brand, while preserving the sustainability of our growth. To be able to develop so consistently reflects not only Moncler's uniqueness and the valuable work undertaken by everyone here, but also our ability to continuously reinvent ourselves, to look ahead and make key decisions – sometimes boldly – that bear fruit over time".

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[1] This note applies to all pages: rounded figures.
[2] Before non-cash costs related to stock based compensation.

Milan, 26 July 2017 – The Board of Directors of Moncler S.p.A., which met today, has examined and approved the Half-Year Financial Report as of 30 June 2017.

Consolidated Revenues Analysis

In the first half of 2017, Moncler recorded **revenues of 407.6 million euros**, an **increase of 17% at constant exchange rates and 18% at current exchange rates** compared to revenues of 346.5 million euros in the same period of 2016.

Revenues by Region

	First Half 2017		First Half 2016		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange rates
Italy	58,202	*14.3%*	54,172	*15.6%*	+7%	+7%
EMEA (excl. Italy)	127,431	*31.3%*	105,845	*30.5%*	+20%	+24%
Asia & Rest of the World	159,623	*39.1%*	133,920	*38.7%*	+19%	+17%
Americas	62,387	*15.3%*	52,525	*15.2%*	+19%	+16%
Total Revenues	**407,643**	***100.0%***	**346,462**	***100.0%***	**+18%**	**+17%**

In **Italy**, revenues rose 7%, driven by good results in all distribution channels. In particular, the retail channel has benefited from a solid organic growth, further accelerating in the second quarter.

In **EMEA**, Moncler's revenues grew 24% at constant exchange rates, driven by outstanding performances in both channels and across all main markets. Growth in the United Kingdom and France remains particularly strong.

In **Asia & Rest of the World**, revenues increased 17% at constant exchange rates. In Japan both distribution channels continued to record double-digit growth, driven by the very good performance of the Spring/Summer collections and Moncler's strong brand perception in the market. In APAC Moncler recorded very strong results, largely supported by a good organic growth across the main markets, particularly in the second quarter of the year. Outstanding results were achieved in Korea, where the Brand continues to benefit from good organic growth and the ongoing development of the retail network.

In the **Americas**, revenues grew 16% at constant exchange rates, supported by double-digit growth in both channels, and by the continued development of the mono-brand stores network. The US and Canada both recorded good performances.

Revenues by Distribution Channel

	First Half 2017		First Half 2016		YoY growth %	
	(Euro/000)	%	(Euro/000)	%	At current exchange rates	At constant exchange rates
Retail	299,477	*73.5%*	245,885	*71.0%*	+22%	+21%
Wholesale	108,166	*26.5%*	100,577	*29.0%*	+8%	+8%
Total Revenues	**407,643**	***100.0%***	**346,462**	***100.0%***	**+18%**	**+17%**

In the first six months of 2017, revenues from the **retail channel** reached 299.5 million euros compared to 245.9 million euros in the same period of 2016, representing an increase of 21% at constant exchange rates, thanks to solid organic growth and the continued development of the network of mono-brand retail stores (DOS).

In the first six months of 2017, the Group achieved *Comparable Store Sales Growth*[3] of 14%.

The **wholesale channel** recorded revenues of 108.1 million euros compared to 100.6 million euros in the first six months of 2016, an increase of 8% at constant exchange rates, driven by good results in the United Kingdom, Japan and Canada.

Mono-brand Stores Distribution Network

As at 30 June 2017, **Moncler's mono-brand distribution network** consisted of **191 retail directly operated stores** (DOS), an increase of 1 unit compared to 31 December 2016, and **46 wholesale shop-in-shops (SiS)**, an increase of 4 units compared to 31 December 2016. In the second quarter, Moncler opened one *shop-in-shop*.

	30/06/2017	31/12/2016	Net Openings First Half 2017
Retail Mono-brand	**191**	**190**	**1**
Italy	18	19	(1)
EMEA (excl. Italy)	55	55	-
Asia & Rest of the World	94	93	1
Americas	24	23	1
Wholesale Mono-brand	**46**	**42**	**4**

Analysis of Consolidated Operating and Net Results

In the first half of 2017, the consolidated **gross margin was 308.4 million euros**, equivalent to 75.6% of revenues compared to 74.1% in the same period of 2016. This improvement was mainly attributable to growth in the retail channel.

Selling expenses were 154.0 million euros, equivalent to 37.8% of revenues compared to 37.2% in the same period of 2016. This increase is largely related to the retail channel development. **General and administrative expenses were 51.1 million euros**, with a slightly lower proportion of sales compared to the same period last year and equal to 12.5% of revenues compared to 12.7% in the first half of 2016. **Advertising expenses were 29.9 million euros**, representing 7.3% of revenues compared to 7.2% in the first half of 2016.

Adjusted EBITDA[4] rose to **97.0 million euros**, compared to 78.3 million euros in the first six months of 2016, resulting in an EBITDA margin of 23.8% compared to 22.6% in the first half of 2016.

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

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

In the first semester of 2017, depreciation and amortisation rose to 23.7 million euros representing 5.8% of sales compared to 19.3 million euros in the first semester of 2016 (5.6% of sales). This increase is largely attributable to the retail development.

Adjusted EBIT[4] was 73.3 million euros, compared to 59.0 million euros in the first six months of 2016, resulting in an EBIT margin of 18.0% (17.0% in the first half of 2016). Including costs related to stock-based compensation, **EBIT was 63.3 million euros**, an increase of 18% compared to 53.5 million euros in the first half of 2016, representing an EBIT margin of 15.5% (15.4% in the first half of 2016).

Stock-based compensation include non-cash costs related to Moncler stock options and performance shares plans was equal to 10.0 million euros compared to 5.5 million euros in the first semester of 2016.

Net Income, Group share was 41.8 million euros, equivalent to 10.3% of revenues, an increase of 25% compared to 33.6 million euros in the same period of 2016.

Consolidated Balance Sheet and Cash Flow Analysis

Net financial position at 30 June 2017 was positive and equal to **130.2 million euros** compared to 105.8 million euros at 31 December 2016, and net debt of 84.9 million euros at 30 June 2016.

Net working capital was 64.4 million euros, compared to 108.1 million euros at 31 December 2016 and 79.0 million euros at 30 June 2016, equivalent to 5.8% of last-twelve-months revenues, compared to 8.5% as of 30 June 2016. This improvement has been largely driven by better management of inventories and receivables.

Net capital expenditure was 34.4 million euros in the first six months of 2017, compared to 28.9 million euros in the same period of 2016. The increase is mainly due to investments in the retail network and some important relocations and expansions.

Free cash flow in the first half of 2017 was positive and equal to **39.6 million euros**, compared to 13.2 million euros in the same period of 2016.

In the first half of 2017, Moncler distributed 45.5 million euros of dividends compared to 34.9 million euros in the same period of 2016. Moncler recorded a positive change in equity equal to 30.3 million euros, also following the exercise of 4.0 million stock options related to the 2014-2016 plans for a total value of 41.0 million euros.

Other Resolutions

- The Board of Directors of Moncler S.p.A. (the "**Company**") has approved today an amendment (the "**Amendment**") to the Joint Venture Agreement entered into with Yagi Tsusho Limited ("**Yagi**") on 12 October 2008, as subsequently amended (the "**JV Agreement**") , for the incorporation of Moncler Japan Corporation ("**Moncler Japan**"), of which the Company owns – through its subsidiary Industries S.p.A. – 51% of the share capital, while the remaining 49% is owned by Yagi.
  The Amendment provides for:
  - the extension of the term of the JV Agreement, upon the occurrence of certain conditions, for additional 5 years after its current expiration term of 31 December 2018; thus, until 31 December 2023;
  - the amendment of the terms and conditions of the purchase option recognised to the Company and of the related option to sell recognised to Yagi on its entire stake of 49% of the share capital of Moncler Japan, by stating that such options could be exercised, respectively, by and towards

Moncler Japan, no more upon the expiration, or early termination, of the JV Agreement, but progressively, once per year, between 2018 and 2024, in compliance with the Japanese regulations governing the acquisition of treasury shares, at a price equal to the prorated value of Moncler Japans' net equity at the end of each related financial year, instead of the price initially agreed, which was the fair market value of the stake, based on specific indicators provided under the JV Agreement;

- certain changes in the corporate governance of Moncler Japan which, effective as of 1 January 2018, will lead to a reinforcement of the management and control powers of the Company; and
- an adjustment of the considerations provided under the agreement for the distribution of the Moncler products in Japan, entered into on 15 July 2009 and subsequently renewed, in execution of the JV Agreement, between the Company, in its quality as holder of the Moncler brand, the subsidiary Industries S.p.A., in its quality as supplier, Yagi, in its quality as exclusive importer and Moncler Japan, in its quality as distributor (the "**Distribution Contract**");

The transactions provided for by the Amendment (the "Transactions") are to be considered as transactions with related parties of minor importance, pursuant to Article 2391-bis Civil Code and pursuant to the Related-Party Transactions Regulation adopted by CONSOB with resolution no. 17221 of 12 March 2010, as subsequently amended (the "RPT Regulation"), and to the procedure governing related-party transactions adopted by the Company (the "RPT Procedure"), since these will be carried out by the Company and by and between the subsidiaries Industries S.p.A. and Moncler Japan.

The Transactions and the Amendment have been approved by the Board of Directors of the Company held today, prior the obtainment of a positive and motivated opinion, issued by Related-Party Committee of the Company on 25 July 2017, following the outcome of the related preliminary evaluation.

- The Board of Directors has today also taken note of the resignation of a key executive, Mauro Beretta, who has been at Moncler since 2012 as WW Operations & Supply Chain Director and member of the Strategy Committee.

  The Board of Directors of Moncler has asked Luciano Santel, Chief Corporate & Supply Officer, to assume Mr Beretta's responsibilities on an interim basis. Moncler has already started the search for a successor, who will be selected from a list of highly-qualified candidates, who have been already identified.

  Moncler also notes that, based on the information available to the Company, Mr Beretta does not hold, as of today, any Moncler shares. As a result of his resignation, and in line with the relevant regulations, Mr Beretta loses the right to participate in the "Performance Shares Plan 2016-2018", approved by the Shareholders' Meeting on 20 April 2016.

  The Chairman of the Board of Directors, Remo Ruffini, and all the Directors, take this opportunity to thank Mr Beretta for his valuable contribution to Moncler over the years and wish him all the best in his future endeavors.

Treasury Shares

On 26 June 2017, Moncler launched a share buyback programme 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 20 April 2017. Moncler already held 1,000,000 Moncler S.p.A. ordinary shares, bought in 2016 in accordance with the resolution of the Shareholders' Meeting of 23 April 2015.

As at 30 June 2017, Moncler S.p.A. had acquired 645,411 treasury shares, and therefore held a total of 1,645,411 treasury shares.

As of 25 July 2017, Moncler S.p.A. had acquired an additional 342,093 treasury shares and now holds 1,969,504 treasury shares.

Significant Events Occurring During the Reporting Period

On 20 April 2017, Moncler Ordinary Shareholders Meeting approved the Group's results for fiscal year 2016 and the distribution of a gross dividend of 0.18 euros per ordinary share, with coupon date of 22 May 2017 and payment date of 24 May 2017. In the first half of 2017, Moncler distributed 45.5 million euros of dividend.

On 29 June 2017, 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 2016-2018", approved by the Shareholders' Meeting of 20 April 2016, resolving to allot 365,500 shares to 18 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 the Reporting Date

As indicated in the "Treasury Shares" paragraph, after the reporting date and as at 25 July 2017 has purchased additional 324,093 treasury shares.

No other significant events occurred after 30 June 2017.

Business Outlook

The Group is anticipating a scenario of further growth in 2017, underpinning by the following five clear strategic guidelines, which aim to consistently strengthen the unique heritage of the Brand.

1. Consolidation in key markets
2. International development
3. Selective expansion of product categories
4. Focus on customers
5. Sustainable business development

Consolidated Income Statement, Balance Sheet Statement and Cash Flow

Consolidated Income Statement

(Euro/000)	First Half 2017	% on Revenues	First Half 2016	% on Revenues
Revenues	**407,643**	***100.0%***	**346,462**	***100.0%***
YoY growth	*+18%*		*+17%*	
Cost of sales	(99,293)	*(24.4%)*	(89,661)	*(25.9%)*
Gross margin	**308,350**	***75.6%***	**256,801**	***74.1%***
Selling expenses	(154,036)	*(37.8%)*	(128,902)	*(37.2%)*
General & Administrative expenses	(51,148)	*(12.5%)*	(44,113)	*(12.7%)*
Advertising & Promotion	(29,875)	*(7.3%)*	(24,790)	*(7.2%)*
EBIT Adjusted	**73,291**	***18.0%***	**58,996**	***17.0%***
YoY growth	*+24%*		*+10%*	
Stock-based Compensation [(5)]	(10,012)	*(2.5%)*	(5,527)	*(1.6%)*
EBIT	**63,279**	***15.5%***	**53,469**	***15.4%***
YoY growth	*+18%*		*+12%*	
Net financial result [(6)]	(2,936)	*(0.7%)*	(3,512)	*(1.0%)*
EBT	**60,343**	***14.8%***	**49,957**	***14.4%***
Taxes	(18,400)	*(4.5%)*	(16,370)	*(4.7%)*
Tax Rate	*30.5%*		*32.8%*	
Net Income, including Non-controlling interests	**41,943**	***10.3%***	**33,587**	***9.7%***
Non-controlling interests	(108)	*(0.0%)*	5	*0.0%*
Net Income, Group share	**41,835**	***10.3%***	**33,592**	***9.7%***
YoY growth	*+25%*		*-1%*	
EBITDA Adjusted	**97,022**	***23.8%***	**78,345**	***22.6%***
YoY growth	*+24%*		*+10%*	

[5] Non-cash costs related to stock-based compensation.
[6] First half 2017: FX Gain/(Losses) (2,383) thousand euros;
Other financial items (553) thousand euros.
First half 2016: FX Gain/(Losses) (1,439) thousand euros;
Other financial items (2,073) thousand euros.

Reclassified Consolidated Statement of Financial Position

(Euro/000)	30/06/2017	31/12/2016	30/06/2016
Intangible Assets	428,219	422,464	421,720
Tangible Assets	124,258	123,925	113,648
Other Non-current Assets/(Liabilities)	23,974	16,377	19,885
Total Non-current Assets	**576,451**	**562,766**	**555,253**
Net Working Capital	64,424	108,127	79,045
Other Current Assets/(Liabilities)	(18,598)	(55,980)	(3,150)
Total Current Assets	**45,826**	**52,147**	**75,895**
Invested Capital	**622,277**	**614,913**	**631,148**
Net Debt/(Net Cash)	(130,181)	(105,796)	84,936
Pension and Other Provisions	17,107	17,138	8,896
Shareholders' Equity	735,351	703,571	537,316
Total Sources	**622,277**	**614,913**	**631,148**

Reclassified Consolidated Statement of Cash Flow

(Euro/000)	First Half 2017	First Half 2016
EBITDA Adjusted	97,022	78,345
Change in NWC	43,703	31,831
Change in other curr./non-curr. assets/(liabilities)	(45,387)	(48,143)
Capex, net	(34,422)	(28,919)
Operating Cash Flow	**60,916**	**33,114**
Net financial result	(2,936)	(3,512)
Taxes	(18,400)	(16,370)
Free Cash Flow	**39,580**	**13,232**
Dividends paid	(45,491)	(34,883)
Changes in equity and other changes	30,296	(13,690)
Net Cash Flow	**24,385**	**(35,341)**
Net Financial Position - Beginning of Period	105,796	(49,595)
Net Financial Position - End of Period	130,181	(84,936)
Change in Net Financial Position	**24,385**	**(35,341)**

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

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FOR FURTHER INFORMATION:

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