



AEFFE

AEFFE GROUP OVERVIEW

# INDEX

THE GROUP AT A GLANCE

THE GROUP'S BRANDS

MOSCHINO

ALBERTA FERRETTI

PHILOSOPHY di Lorenzo Serafini

POLLINI

LICENSED BRANDS:

- CÉDRIC CHARLIER

- JEREMY SCOTT



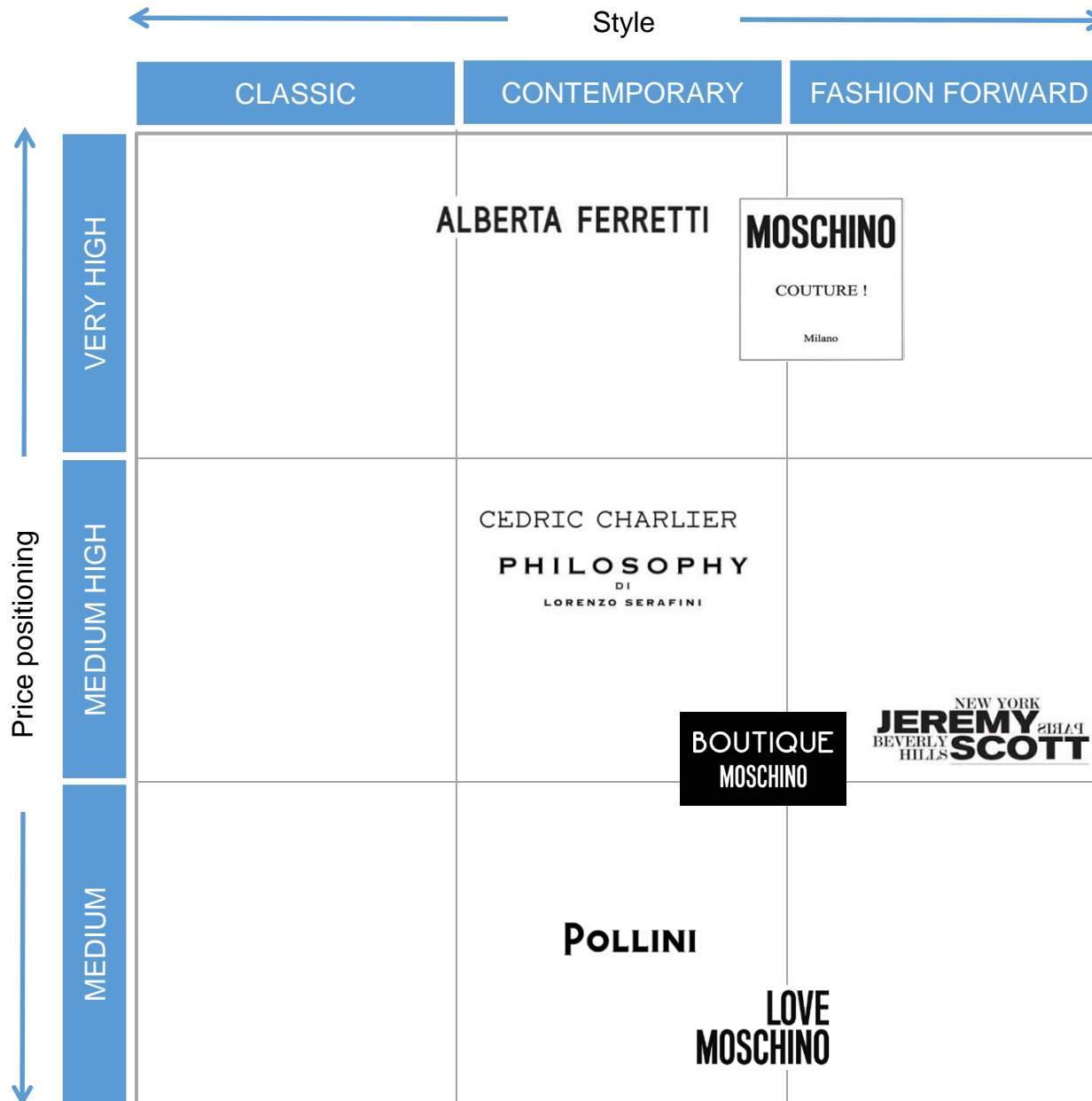


# The Group at a glance

## Very Positive trend recorded in FY 2016 compared with FY 2015:

- ❖ **Consolidated Revenues** +4.4% at € 280.7m, (+4.7% at constant exchange rates)
- ❖ **Consolidated EBITDA** for € 25.2m, compared to an EBITDA of € 19.3m in FY 2015, with a €5.9m increase (+30%)
- ❖ **Consolidated Net Profit for the Group** at €3.6m, compared to a Net Profit of € 1.5m in 2015, with a €2.1m increase (+139%)
- ❖ **Consolidated Net Financial Debt** of € 59.5m as of 31 December 2016 (€ 80.5m as of 31 December 2015), with a €21m improvement (-26%)
- ❖ **255 Mono Brand Stores** at the end of 2016

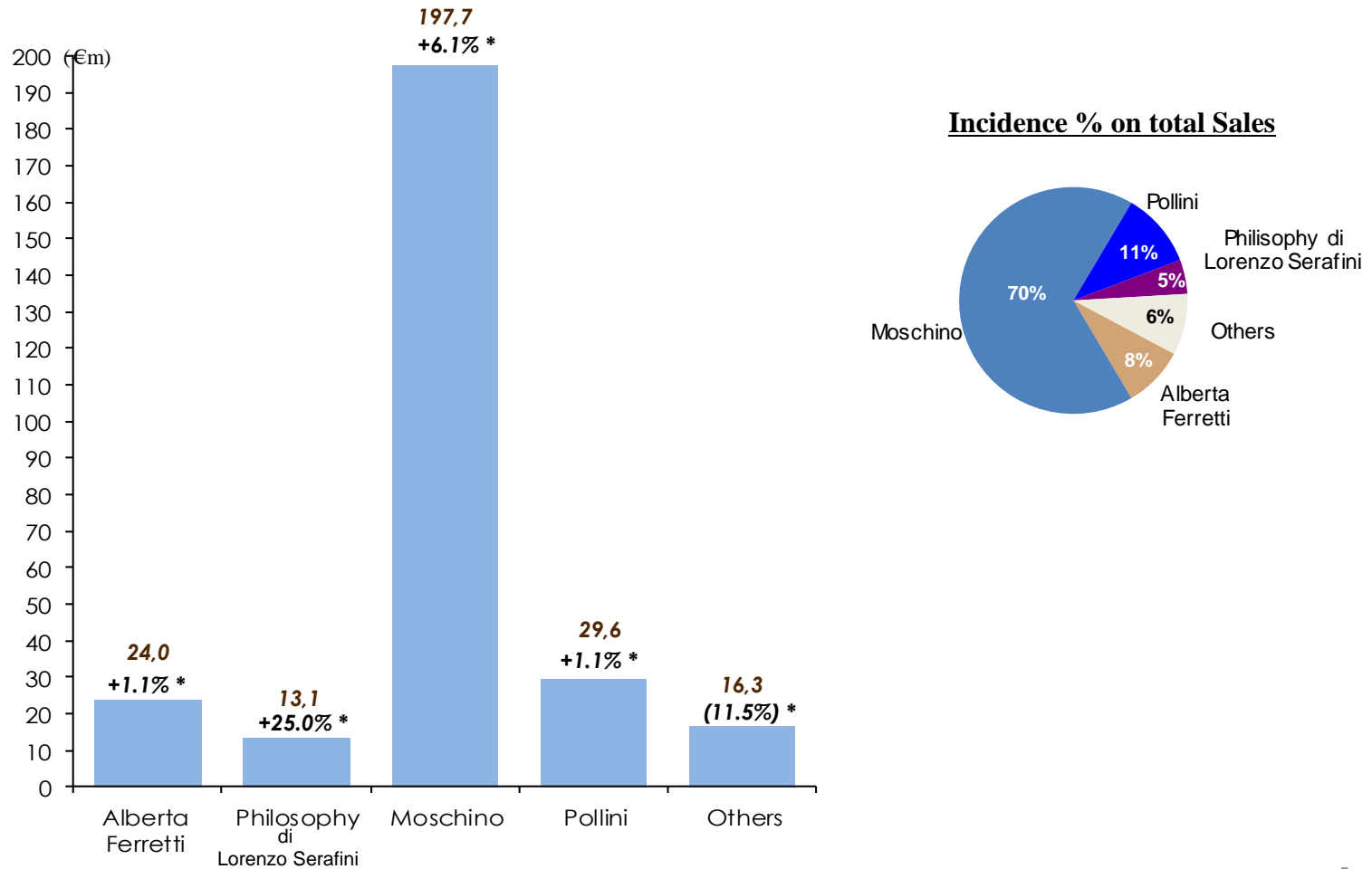
# The Group's brands: Positioning and style



# The Group's brands

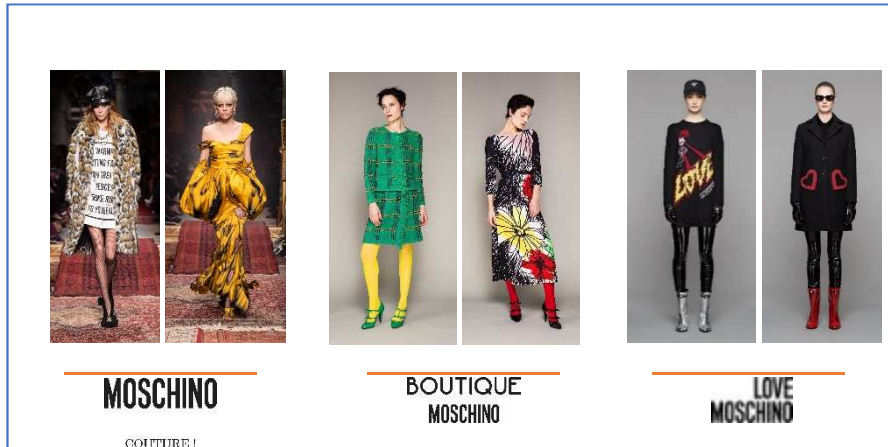
## Net Sales Breakdown by Brand

FY 2016

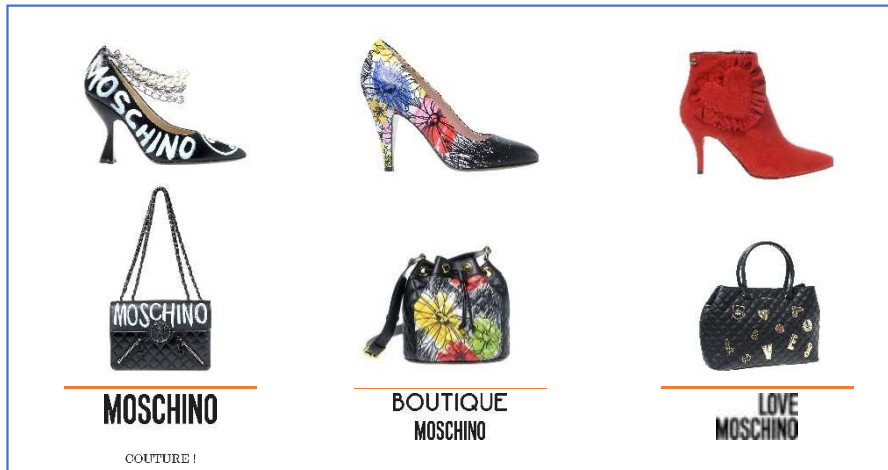


\* At constant exchange rates, compared to FY 2015

# Moschino – The Brand Value



Prêt-à-porter



Accessories

- Global brand, launched in 1984
- From Fall/Winter 2014 collections Jeremy Scott is the new Creative Director
- Bring back the Brand Moschino to be very a creative and desecrating luxury brand, characterized by high quality's garments
- Corner the youngest market segment in the luxury clientele
- **Core values:**
  - playful glamour
  - high Communicative on Social Network
- Complete range of products under the Moschino brand
- Consolidated presence in fragrances (since 1985) and eyewear (1995). Starting from January 2018 new license agreement with Safilo for eyewear collections
- Monobrand stores network:
  - 26 DOS
  - 150 Franchised stores

# Moschino – Performance



- FY 2016 sales vs FY 2015 up 6.1% (ex forex)
- Strong growth momentum in Prêt-à-porter segment: +13% in 2016 vs 2015
- Increasing incidence of footwear and leather goods, now 40% of Moschino sales from 20% of three years ago



# MOSCHINO

COUTURE !



- **Core values**
  - Ironic Glamorous, Playful and Colourful
  - Street style and cool design
- **Strategy**
  - Strong development of the shoes and bags collections
  - Enhance distribution in mature markets and in Greater China where Moschino is recording an excellent growth





## BOUTIQUE MOSCHINO

- From Fall/Winter 2015 new positioning for “Moschino Cheap and Chic”, renamed “Boutique Moschino”
- **Core values**
  - Collection more focused on a customer target over 30
  - Further differentiation from Moschino Couture! and from Love Moschino
- **Strategy**
  - Enhance penetration of existing collections both in the mature and in the emerging markets



# LOVE MOSCHINO

- Contemporary line addressed to a young clientele
- Strong growth for Love Moschino accessories collection over the last two years: +50%
- **Strategy**
  - Strong development of the shoes and bags collections
  - Enhance penetration of existing collections both in the mature and in the emerging markets.

# Moschino – Key Drivers (1/4)



- **Accessories**

Strong focus on shoes and bags collections under brands Moschino Couture! and Love Moschino. Moschino accessories sales now account for 40% of total Moschino brand revenues.

- **Distribution**

### ***Greater China***

- Develop distribution in Mainland China, Macau and Hong Kong: Moschino is growing at a healthy pace (+11%)

- Mainland China: increasing penetration through new franchised stores' openings exploiting the extremely positive momentum Moschino brand is enjoying in the region. In detail:

- ✓ 11 new stores opened in 2016

*Total number of existing monobrand stores in the region: 53*

- Macau: 1 new store opened in 2016 and 3 new ones opened in 2015 located in very prestigious department stores and malls.

*Total number of existing monobrand stores: 6*

- Hong Kong: growth through stores' refurbishment based on Jeremy Scott's new concept. In 2015 two important stores (Lee Garden and The Landmark) were revamped with the new concept in order to enhance customers' shopping experience.

*Total number of existing monobrand stores: 5*



Macau – Four Season



Hong Kong – Lee Garden



# Moschino – Key Drivers (2/4)

## ***Korea***

- Increased penetration through new stores openings.
  - new duty free openings in department stores and malls: thanks to its creative offering, Moschino is very attractive in this segment mostly driven by Chinese tourist flows. Opened two stores in duty free in 2015, one of which inside Seoul Airport, and five opened in 2016
  - a new shop opened in 2016 in Seoul

*Total number of existing monobrand stores in the region: 16*



Seoul– Galleria



Seoul– Lotte Worldtower

## ***Other mature markets***

Enhance distribution in the wholesale channel in US and Europe.



# Moschino – Key Drivers (3/4)

- **License agreements**

Overall strengthening of Moschino license agreements.

## **Fragrances**

- Focus on growth for fragrances through the following actions:

- ✓ Launch of a new fragrance for women in 2017 and a new one for men in 2018
- ✓ Revitalization in term of distinctive packaging of the existing fragrances that were launched before the appointment of Jeremy Scott and generating the most significant part of royalties income from perfumes license
- ✓ Enhancement of the distribution of all existing fragrances, with a particular focus on the new fragrances “Fresh” and “Toy”, successfully launched by the Jeremy Scott, respectively, in 2015 and 2014



# Moschino – Key Drivers (4/4)



## ***Minor Lines***

- More efficient distribution of minor product lines: starting from the Fall/Winter 2016 collections most of minor products, such as scarves, foulards, gloves and hats, have been licensed to a unique licensee and distributed through the same distribution network
- Reinforcement the penetration of Children lines in the Far East. Kids collections are now enjoying a positive momentum in Italy and in Middle East

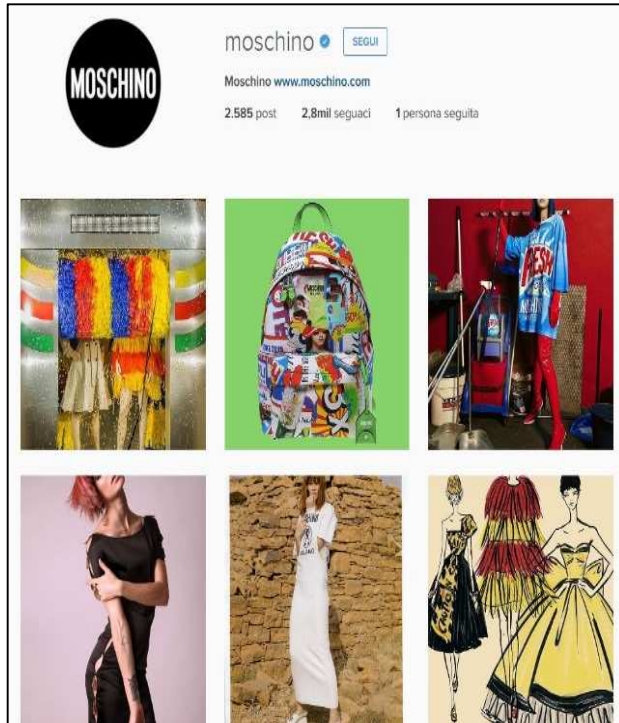
## **Men's Collections**

### Development of Moschino Men's Collections

- Men's collection are now produced in house since Fall/Winter 2015 season
- Strong growth potential both in mature and emerging markets
- Development of more wearable and fashionable collections
- Fashion show twice a year (January – June)

# Web Communication

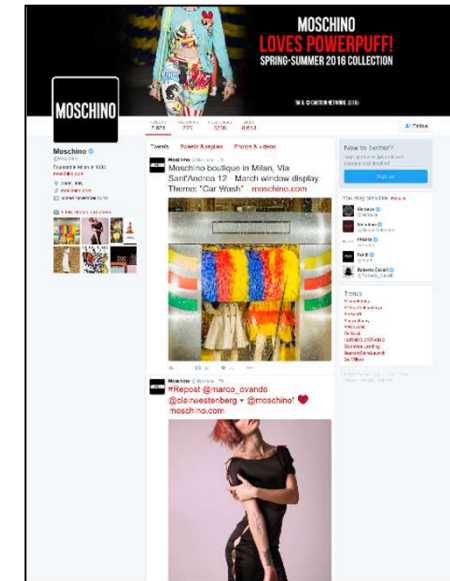
## Instagram



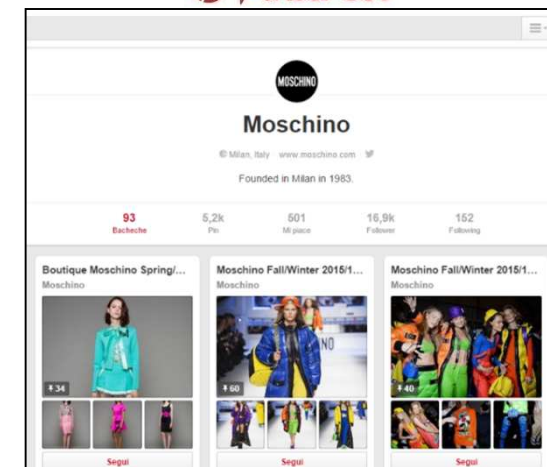
## facebook



## twitter



## Pinterest



In the first 2 days of the Women's Fashion week in Milan in February 2017 Moschino and Alberta Ferretti brands were among the luxury brands with the greater number of interactions on Instagram (source: blogmeter web site)

According to research, Moschino was among the top three brands with the greater number of interactions on Instagram during the Women's Fashion week in Milan in September 2016 (source: MF Fashion dated 17th february 2017)



# Celebrities

# MOSCHINO®



Miley Cyrus, Jeremy Scott, Rihanna



Rosson Crow, Jeremy Scott and Liz Goldwyn



Diplo, Madonna



Katy Perry



Vanessa Hudgens



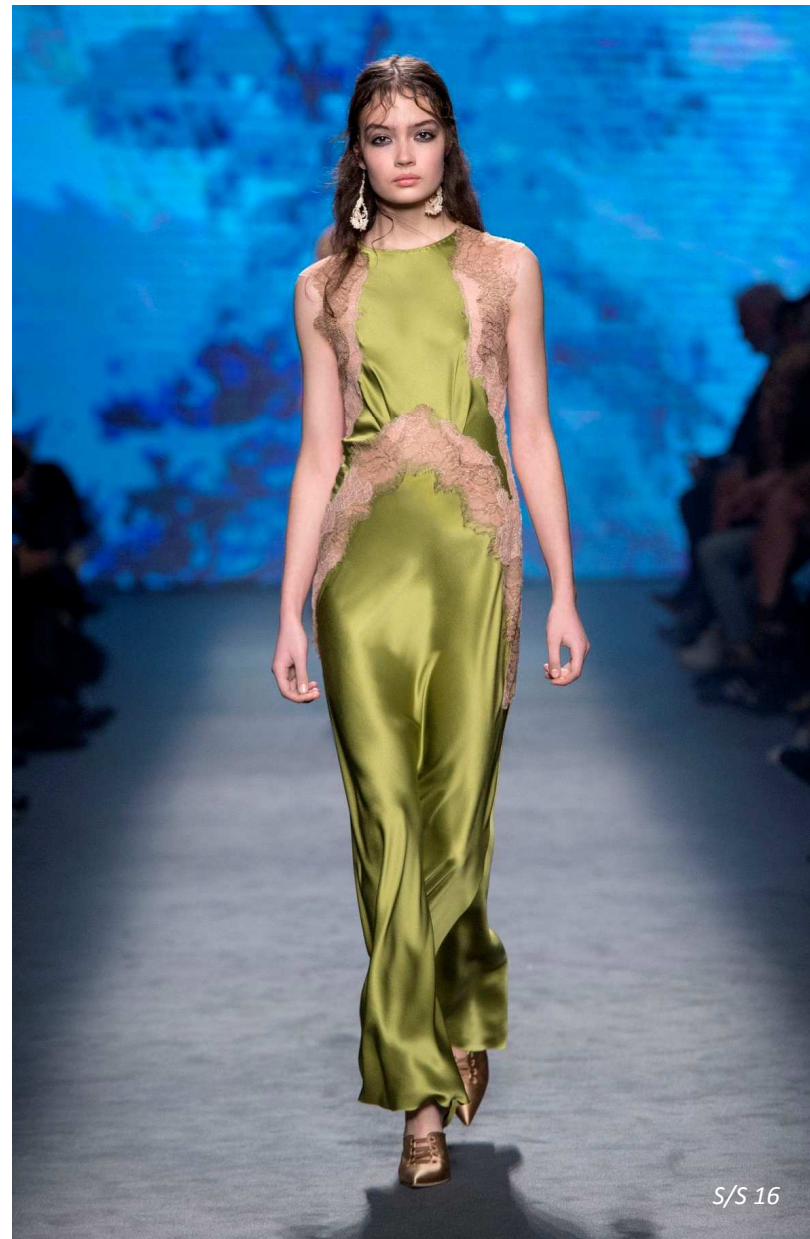
Bella Hadid



Deshauna Barber

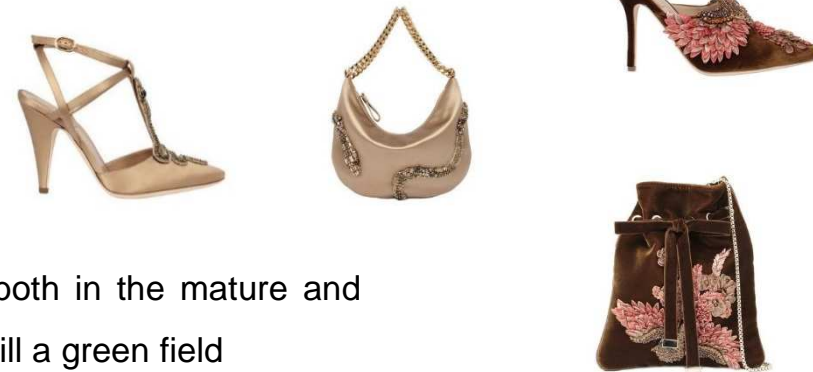


# ALBERTA FERRETTI



# ALBERTA FERRETTI

- Global brand, launched in 1981
- **Core values**
  - Contemporary feminine, elegance and glamour
  - High appreciation by red carpet celebrities
  - Presentation of a limited edition Prêt-à-porter Collection twice a year
  - Presentation of a limited edition Accessories Collection twice a year
  - Presentation of a Bridal Collection once a year
  - Presentation of Capsule collections with distinctive identity and high benefit in term of brand awareness
- **Performance**
  - In 2016 1.1% sales increase vs 2015
- **Mono brand stores network**
  - 8 DOS (directly operated stores)
  - 27 franchised stores
- **Strategy**
  - Further enhancement of existing collections both in the mature and emerging markets, with a focus on China as still a green field





# Celebrities

# ALBERTA FERRETTI



Bianca Balti



Eleanora Tomlinson



Myolie Wu



Valeria Golino

# PHILOSOPHY

DI

LORENZO SERAFINI

- Global brand, launched in 1984
- New creative direction with the appointment of Lorenzo Serafini from Fall/Winter 2015
- Runways in Milan
- **Core values**
  - Young Designer line with attention quality/price
  - Complete independence from Alberta Ferretti lines
- **Performance**
  - Strong topline growth momentum: +25% in 2016 vs 2015
- **Strategy**
  - The first step is to foster penetration of corner market share in wholesale channel, then develop the retail one





# Celebrities

PHILOSOPHY  
DI  
LORENZO SERAFINI



Anna Kendrick



Belen Rodriguez



Porti Doubleday



Lara Stone

# POLLINI (1/2)

- Founded in 1953, Pollini is internationally recognized as an interpreter of the best tradition for Italian footwear and leather goods craftsmanship
- From Fall/Winter 2015 Pollini's new Creative Director appointed
- **Core values**
  - High quality and contemporary design
  - Industry leading expertise in the selection and use of hides/leather
  - Unique technical know-how applicable/transferable to other Group's brands
- **Performance**
  - Pollini brand: +1.1% 2016 sales vs 2015
- **Mono Brand stores network**
  - 21 DOS (including 16 outlets)
  - 13 franchised stores



# POLLINI (2/2)

- **Key Drivers**

- Pollini's brand repositioning moving towards a more affordable segment.
- Achievement of a strong brand recognition by the clients developing only one products line. The line includes different products where identification is based on the price range, the innovative style and the quality. Products with retail price ranging from Euro 200 to Euro 900, with most of the collection positioned between Euro 300 - 400 retail price.
- Further growth of leather goods segment with strong focus on:
  - ✓ further development of handbags range
  - ✓ careful management of production for outlet stores
  - ✓ Improvement of sell-through in both directly operated stores and outlets
  - ✓ Optimization of in-store stock levels
- Revamping of "logo" handbags collection from Fall/Winter 2016, very successful in the Eighties and Nineties. The "Heritage" line is manufactured using innovative materials and new styles, including travel lines. Heritage collection is benefitting a positive trend
- Enhance penetration in Eastern Europe to recover sales decline that Pollini brand experienced in those regions in the last two years





# Licensed Brands

## CEDRIC CHARLIER

- Cedric Charlier line was launched with Fall/Winter 2012 collection
- **Core values**
  - Strong identity, with sexy silhouettes and great attention to colours and materials
  - Very selective top clientele
- **Strategy**
  - Development of existing collections, with strong focus on shoes and bags



- New licensing agreement with Jeremy Scott for the production and worldwide distribution of his eponymous Women's ready to wear collection
- The first collection, Spring/Summer 2016, was presented in New York City in September 2015
- **Core values**
  - Street and ironic style
  - Great potential for international growth
  - Addressed to young and international clientele



# Disclaimer

This presentation is being furnished to you solely for your information on a confidential basis and may not be reproduced or redistributed to any other person.

This presentation does not constitute or form part of any offer to sell or invitation to purchase or subscribe for, or otherwise acquire or dispose of any Aeffe S.p.A. securities.

This presentation includes forward-looking statements which are based on the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are subject to risks and uncertainties. In light of these risks and uncertainties, the events described in such forward-looking statements may not occur and any targets or projections may differ materially from those expressed in or implied by these statements due to any number of different factors.

You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Aeffe S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation.

Any reference to past performance or trends or activities of Aeffe Group shall not be taken as a representation or indication that such performance, trends or activities will continue in the future.