



THE MOLESKINE JOURNEY

Past, Present, Future

Lorenzo Viglione – CEO of Moleskine

MOLESKINE AT A GLANCE



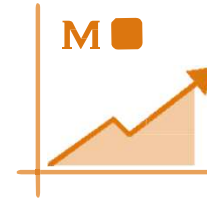
Branded business with a unique cultural positioning

- A global brand synonymous with the lifestyle-of-the-creative-class
- A lifestyle brand, not a notebook maker, recognized by a loyal customer base as well as the marketing and design communities
- The moleskine notebook, a legendary object, connecting users to a set of unique values (culture, travel,..)



Small company with a global reach

- Domestic market and Europe accounting respectively for 11% and 47% of revenues
- Presence in 115+ countries with a balanced mix of developed and growth markets served through a multichannel distribution platform
- Focus on large cities consistently with main features of target customers (i.e. creative professionals living in urban areas)



A strong track record of profitable growth set to continue

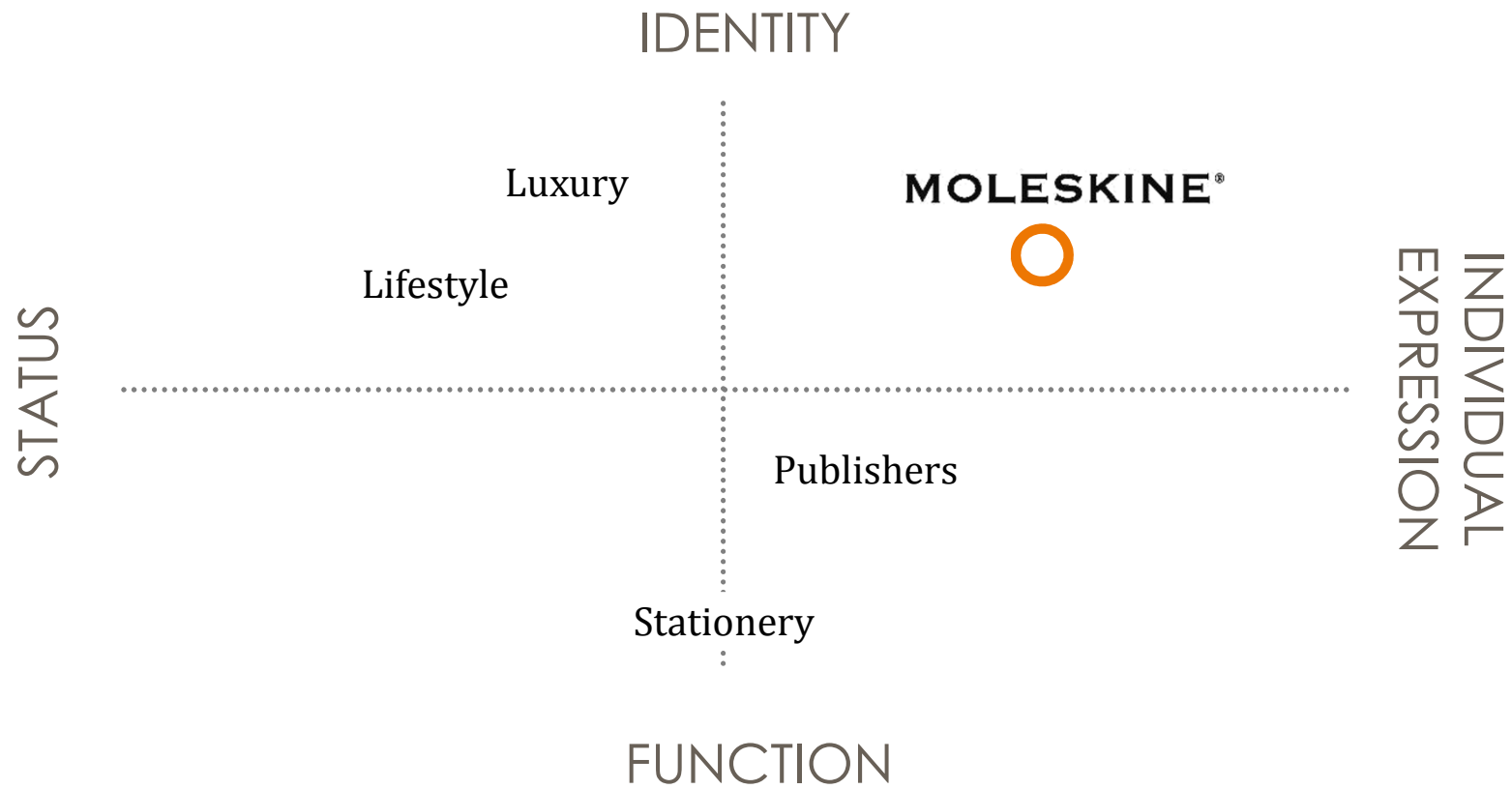
- 14% top line CAGR over the last 3 years set to continue driven by all channels and geographies
- EBITDA margin expected to be maintained at minimum 25%
- Financials comparing favorably to luxury brands



Multiple levers for continued value creation

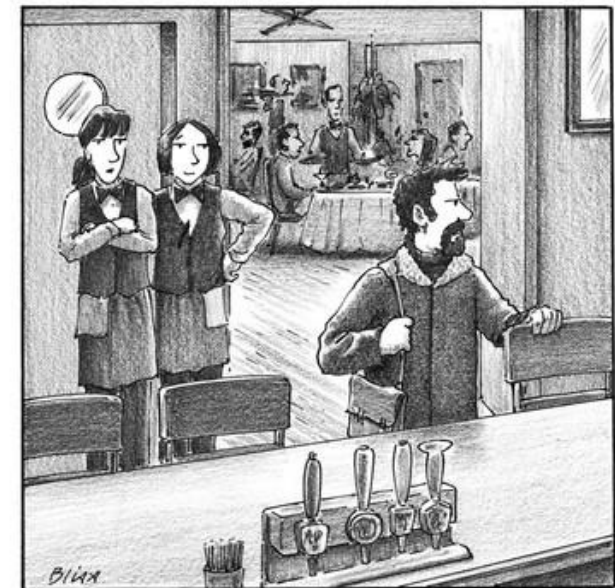
- Inspired excellence and innovation to drive both paper and non-paper based products growth
- Consolidation of multichannel distribution platform, in particular Retail, to increase sales productivity
- Cultivating the local customer experience through strengthened regional presence

BRAND: NOT A NOTEBOOK...



...BUT AN IDENTITY MARKER...

"The iPhone and Moleskine are to the knowledge worker of today what the spear and shield were to the Spartan hoplite."
- Financial Times (12/2016)



"Twenty bucks says he pulls out a Moleskine."

- The New Yorker (05/2017)

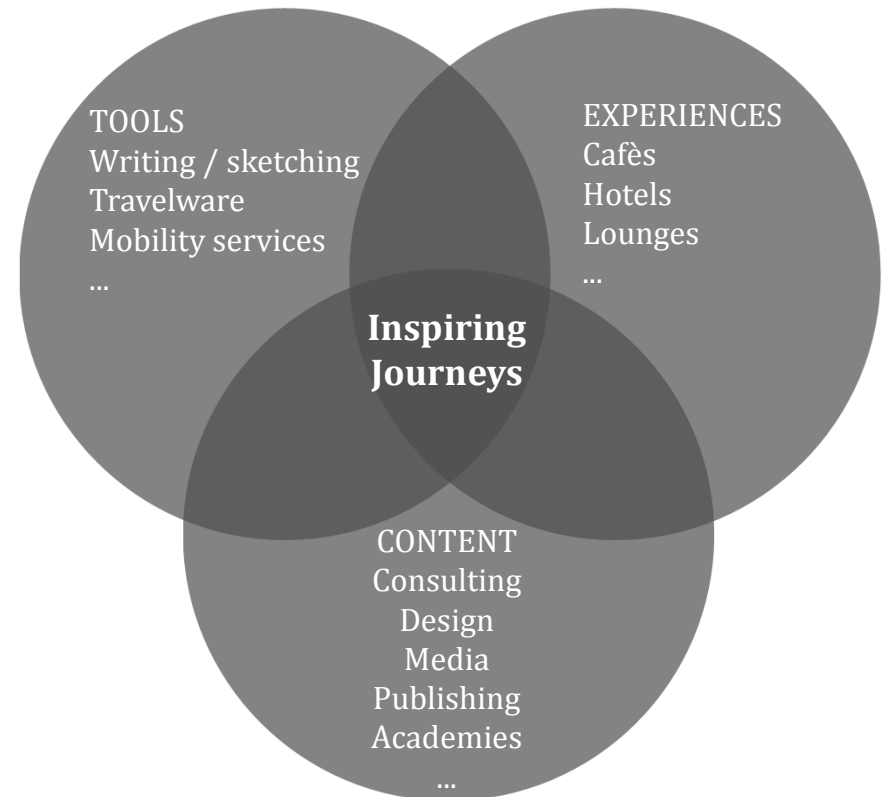
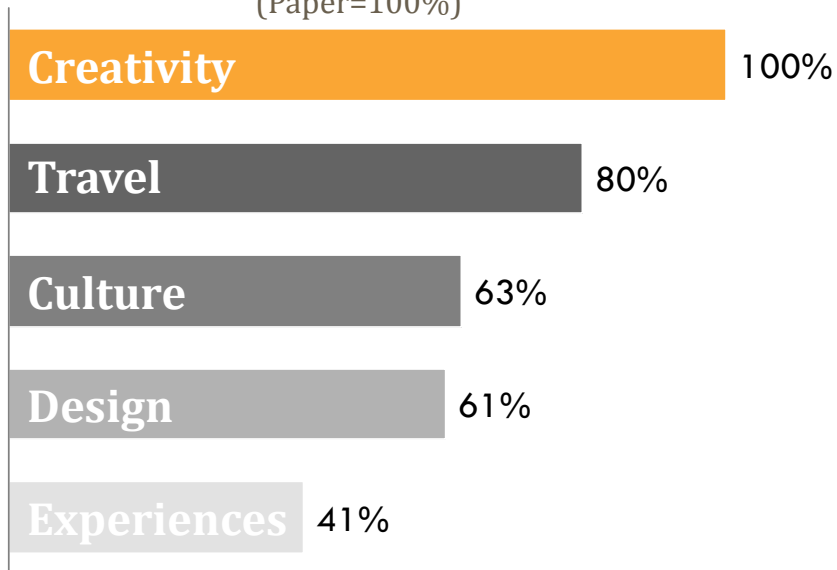


...WITH LEGITIMACY TO EXTEND

Top 5 Potential streams for brand extension

Interbrand study 2017

(Paper=100%)



Vision

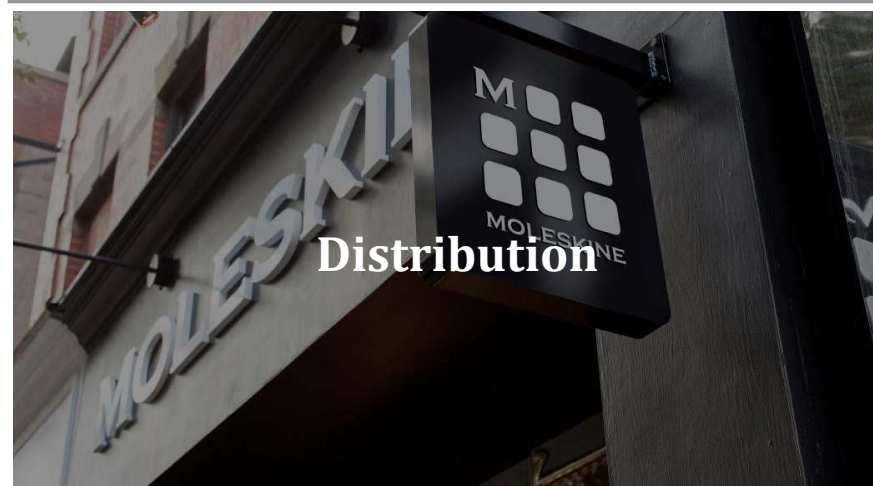
A **global multi-category, multi channel brand**, contributing to the development and sharing of **human knowledge** and culture

Mission

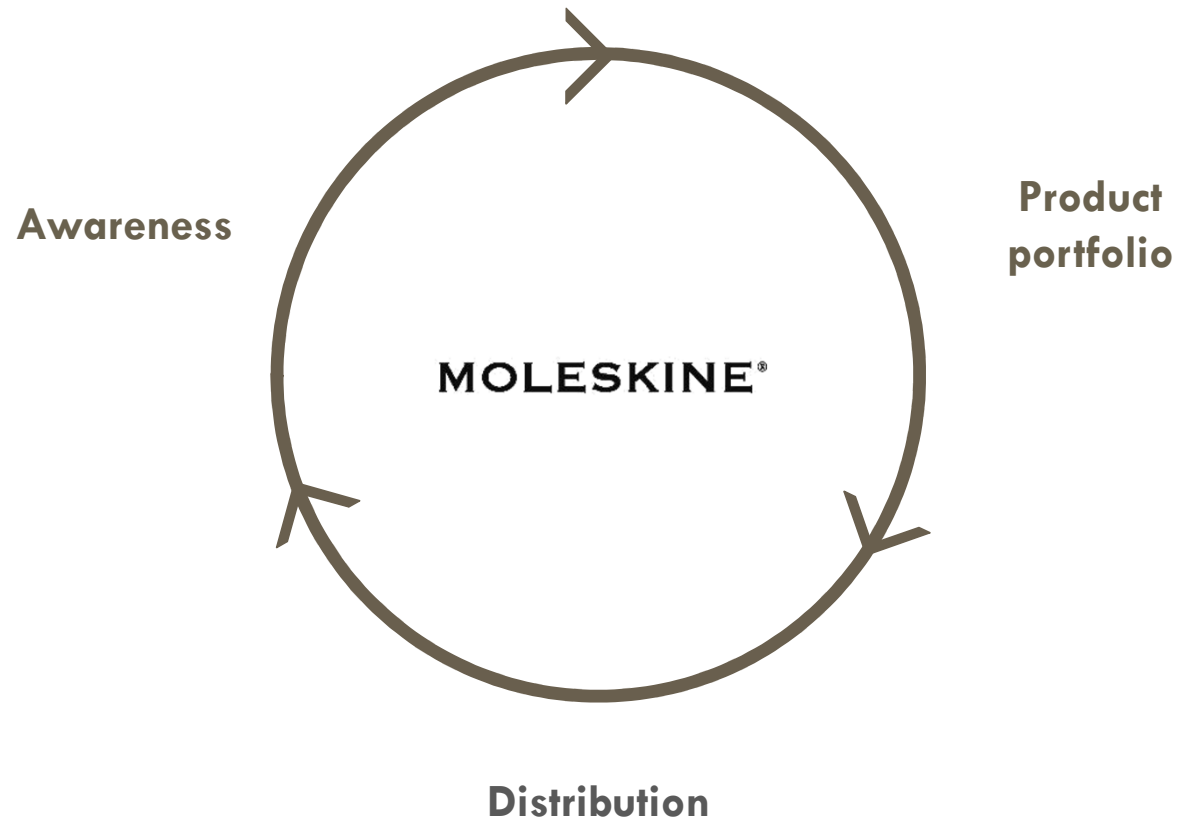
Moleskine develops, markets and sells products and services that provide **open platforms to create, communicate and share**

Moleskine is **dedicated to support its users** in expanding **knowledge, creativity** and **individual expression**

PILLARS OF MOLESKINE DEVELOPMENT



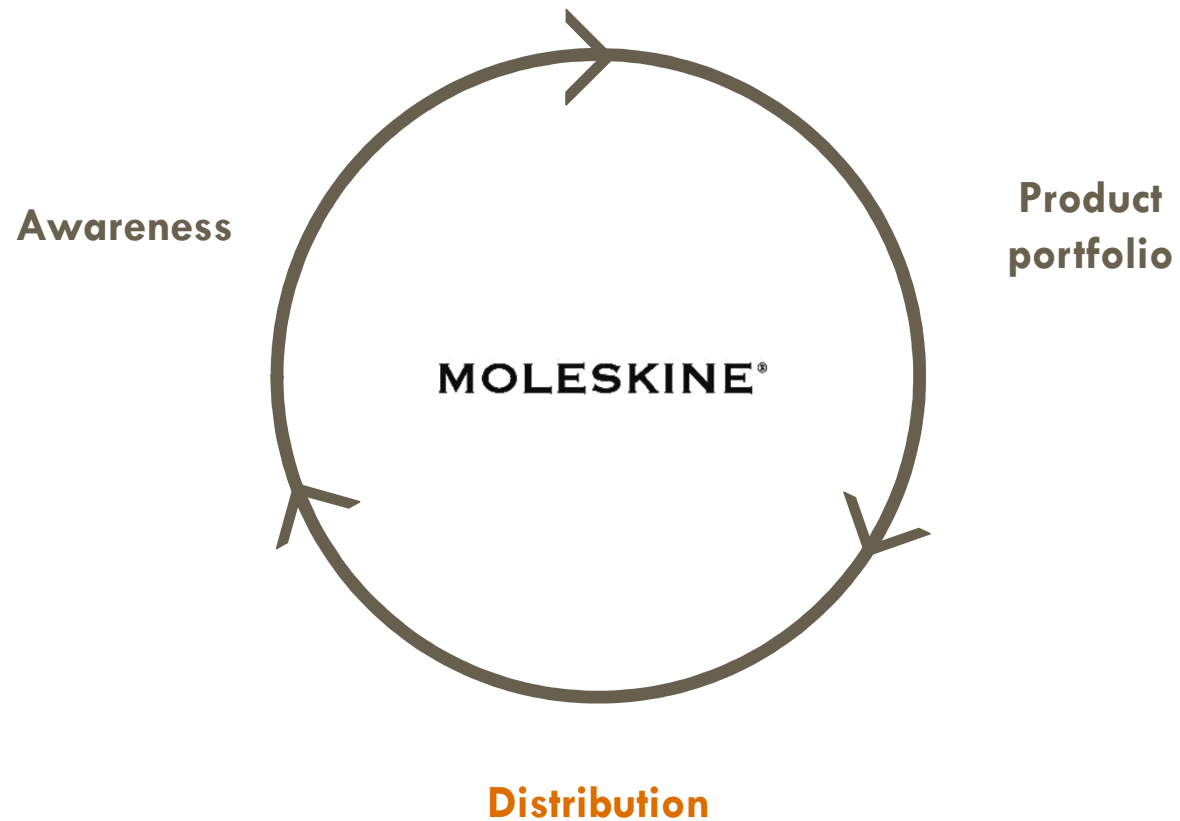
BUILDING THE BUSINESS THROUGH A SELF-REINFORCING LOOP



The Moleskine Journey

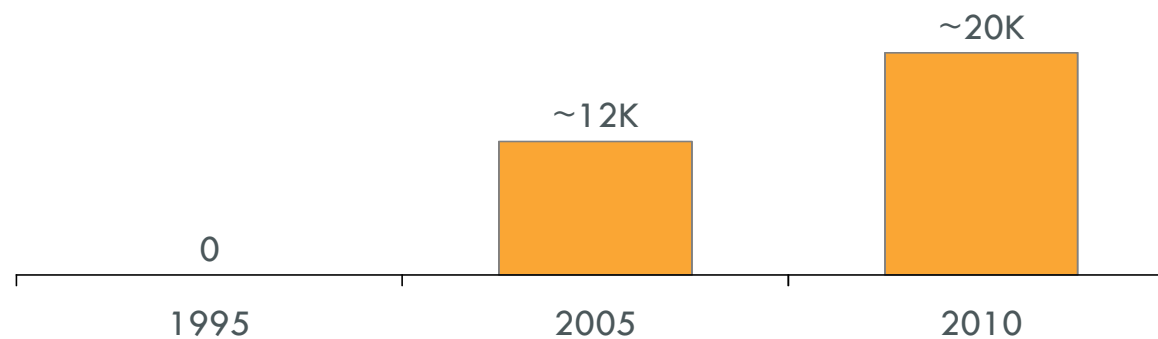
Past, Present, Future

BUILDING THE BUSINESS THROUGH A SELF-REINFORCING LOOP: PRIORITY TO DISTRIBUTION

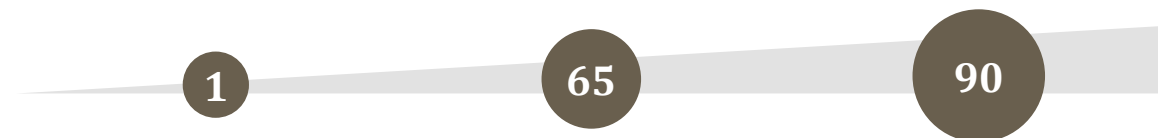


1995-2010: PRIORITY TO COVERING THE TERRITORY THROUGH WHOLESALE DISTRIBUTION

Doors evolution



Countries

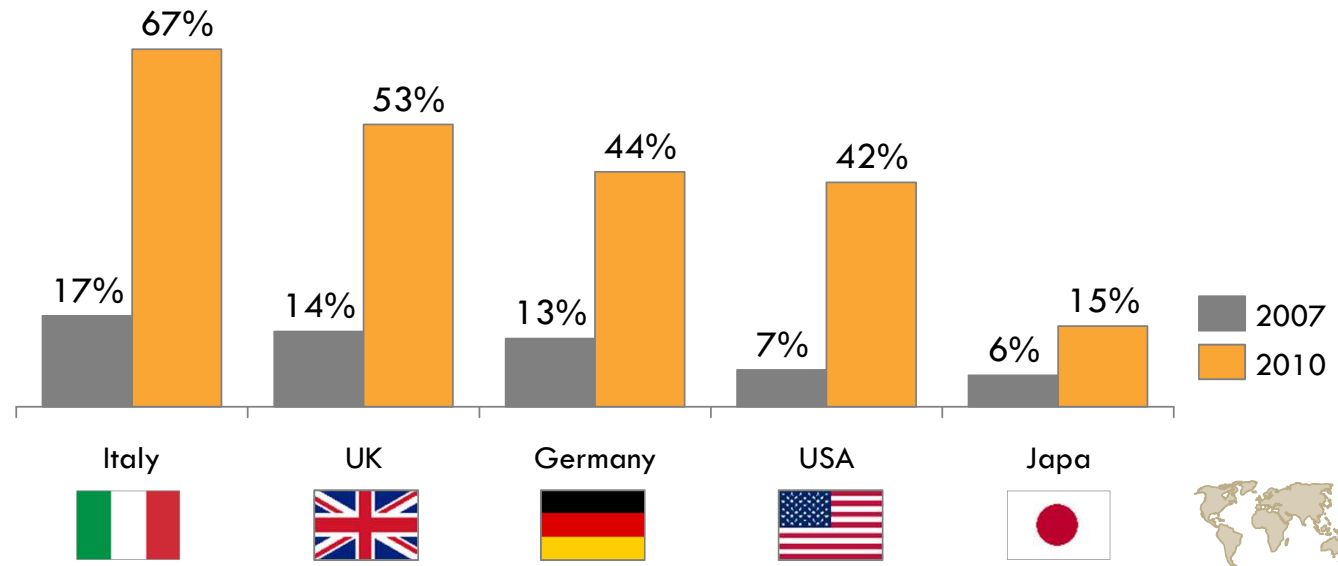


Sales

Region	1995	2005	2010
Europe	100%	67%	57%
Americas	-	28%	35%
APAC	-	5%	8%

... AS A WAY TO BUILD AWARENESS AND GROW SALES

Moleskine Brand Awareness evolution in key markets
(% on survey respondents)



Sales growth

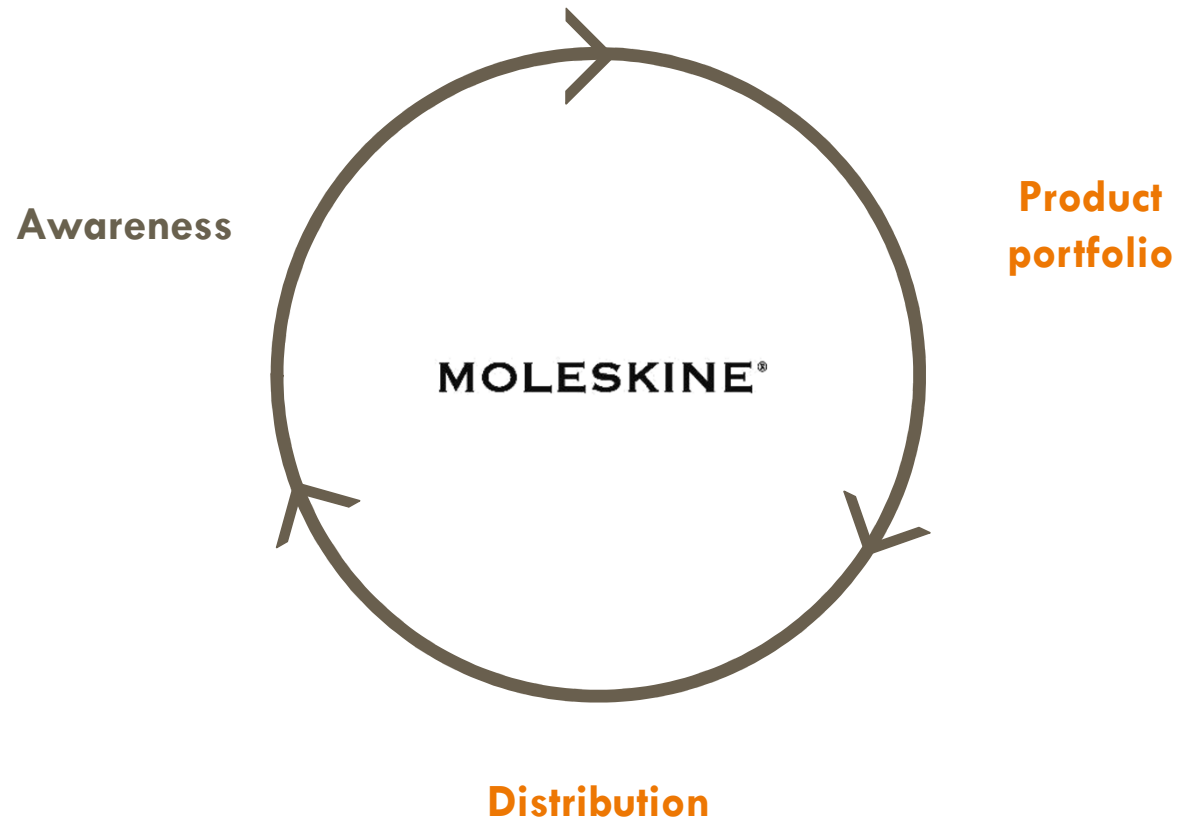
CAGR
07-10

Italy	UK	Germany	USA	Japa	World
11%	27%	11%	46%	14%	23%



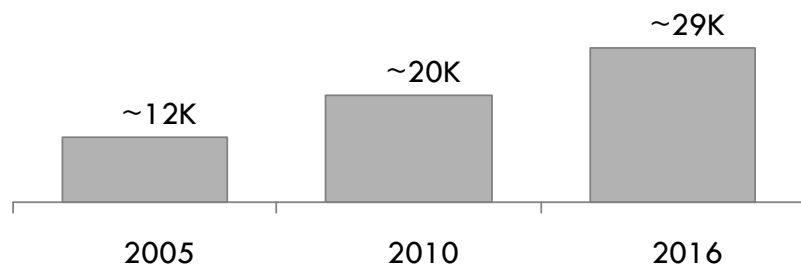
The Moleskine Journey
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BUILDING ON THE SAME SELF-REINFORCING LOOP, BUT WITH DIFFERENT EMPHASIS

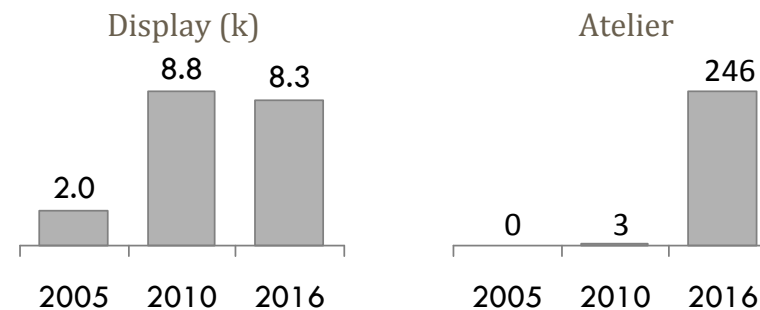


2011-2016: GRADUALLY SHIFTING TO MULTI-CHANNEL / FOCUS ON DOORS PRODUCTIVITY

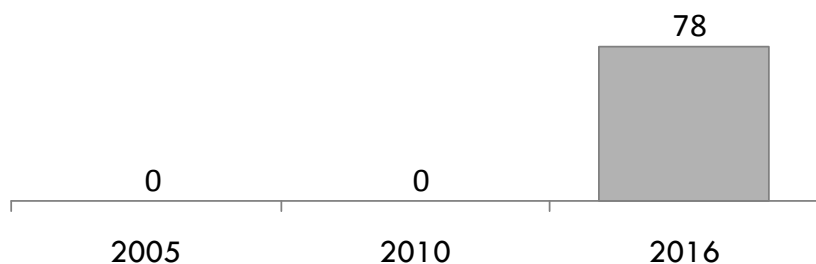
Increasing number of wholesale doors (doors)



Upgrading quality of footprint



Building a retail network (# directly operated stores)



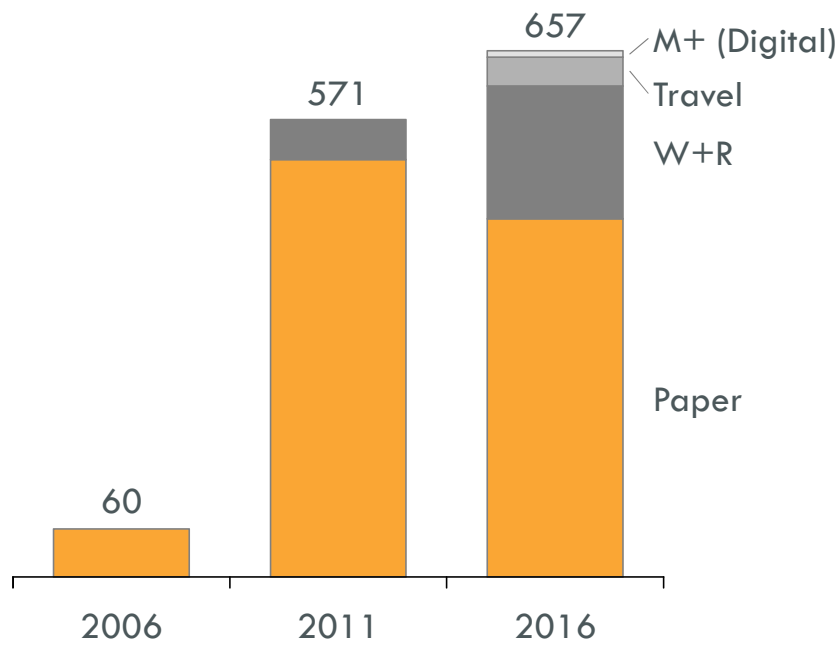
Developing eCommerce (# countries)



... AND EXPANDING PRODUCT PORTFOLIO ...

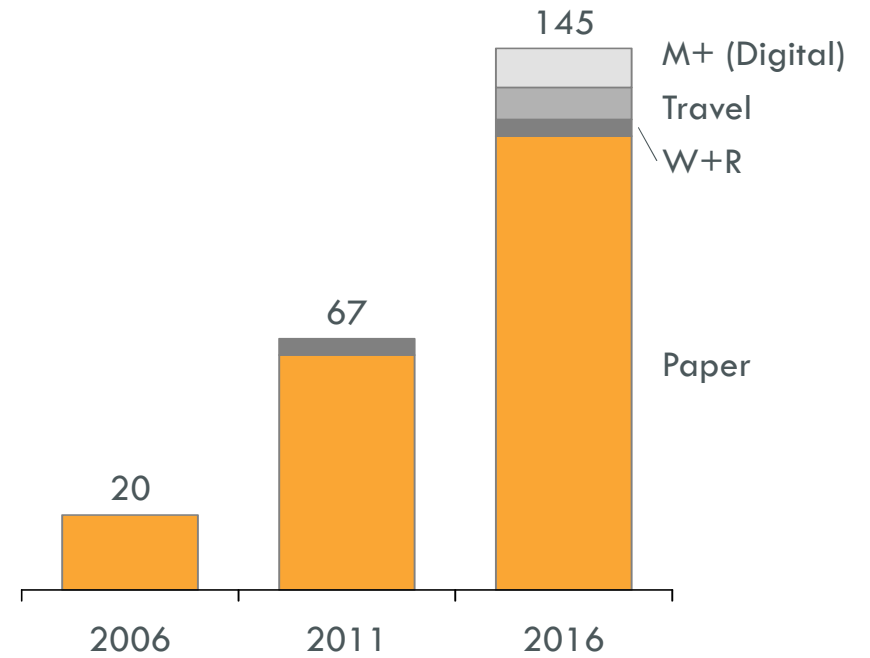
Product mix evolution

(SKU's per category)



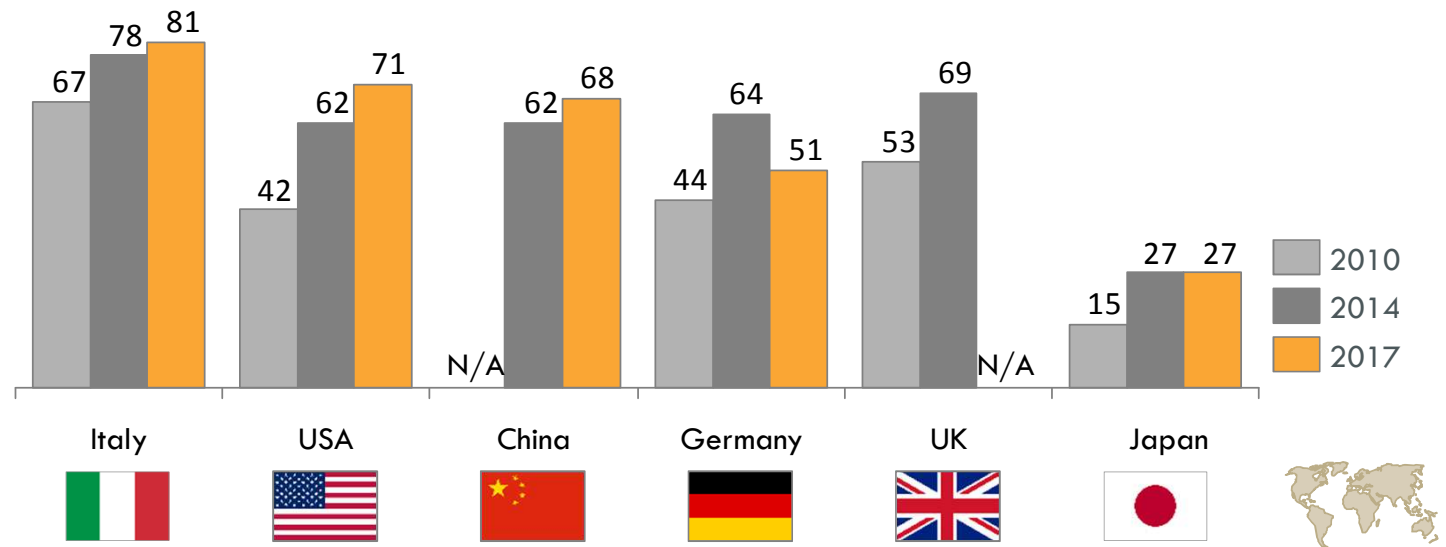
Sales mix evolution

(M€ per category exc. royalties)



... TO CONTINUE TO GROW AWARENESS AND BUSINESS

Moleskine Brand Awareness evolution in key markets
(% on survey respondents)



Sales
CAGR
10-16

18%

19%

99%

12%

14%

16%

18%



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FULFILLING THE VISION...

A **global multi-category, multi channel brand**,
contributing to the development and sharing of
human knowledge and culture

... BY SYNERGIZING BETWEEN PAPER AND NON-PAPER FOR CONTINUED GROWTH OF AWARENESS / ENGAGEMENT AND BUSINESS

Revenues

Awareness



Paper

€€€€€



Moderate impact, limited



Travel /
Bags

€€€



Higher impact through additional
distribution, some earned media



Moleskine+
/ Digital

€€



Major impact through additional
distribution, significant earned media



Cafè

€€



High impact through traffic, deep
brand experience, good earned media



Writing
Tools

€



Moderate impact, limited

BUILDING ON ALREADY EXISTING INITIATIVES

Product portfolio - Develop paper and non-paper categories

Paper



- Increase limited editions and premium products

Bags & SLG



- Reinforce capabilities and penetrate specialized channel

Digital



- Development of new products and services with partners

Moleskine Cafè

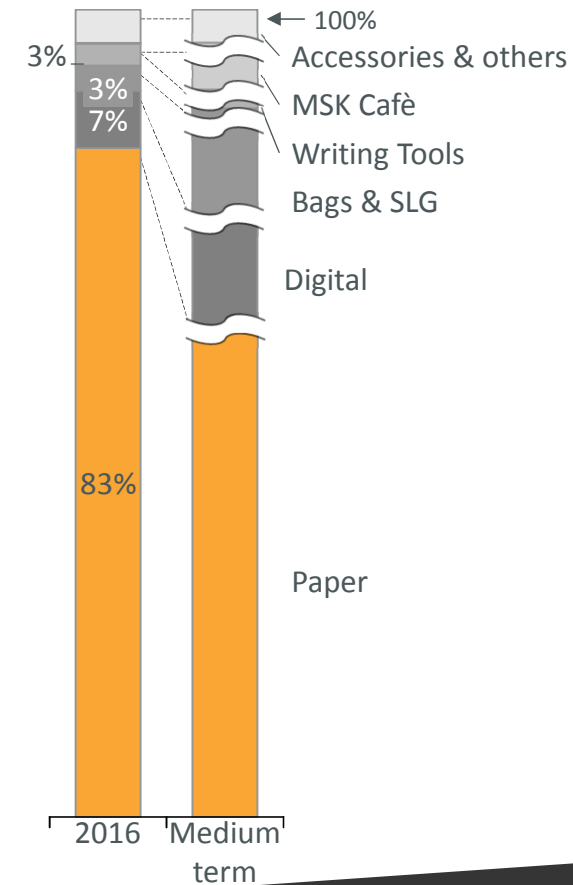


- Expand mainly through franchising (travel) and selective JVs (urban)

Writing Tools



- Evaluate potential tactical partnership to enlarge product range



BUILDING ON ALREADY EXISTING INITIATIVES

Distribution - Increase proximity to target customers

Wholesale



- Direct model in key markets
- Trade marketing and space management
- Moderate doors increase

Retail



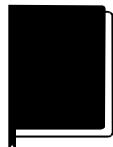
- Improve Retail performances
- Retail 2.0
- Network development

eCommerce

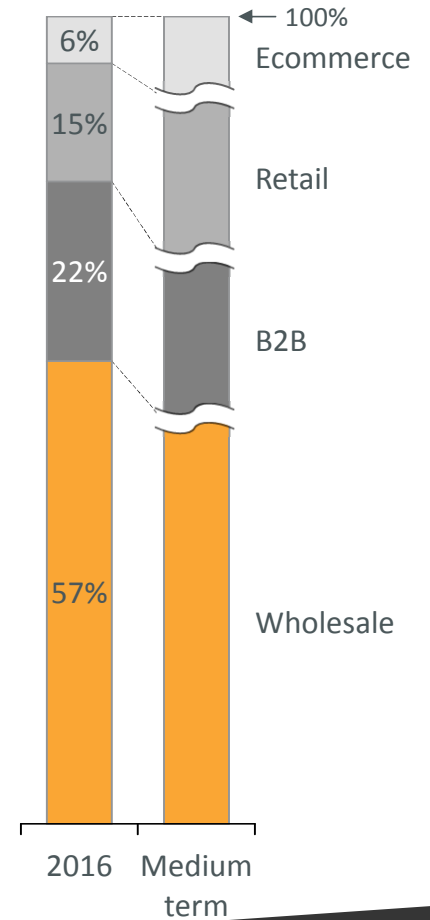


- Boost traffic
- Increase conversion
- Develop omnichannel

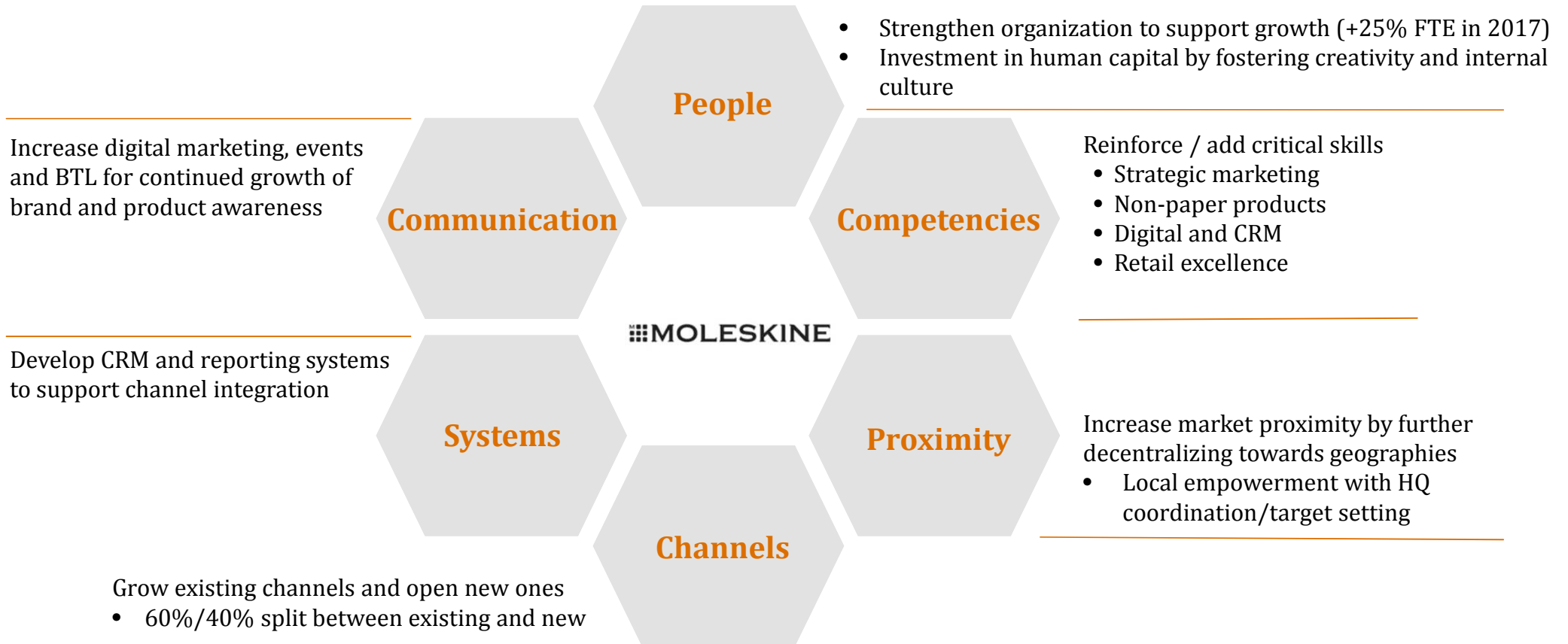
B2B



- Large deals development

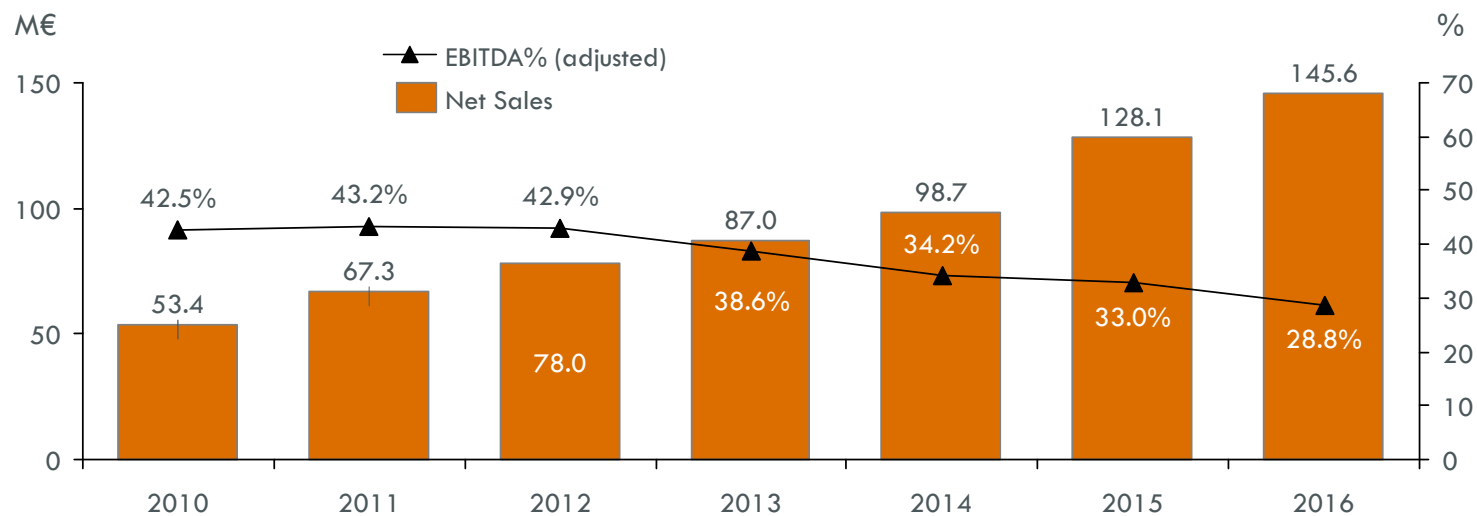


SIX KEY AREAS OF INVESTMENT TO REACH GROWTH AMBITION



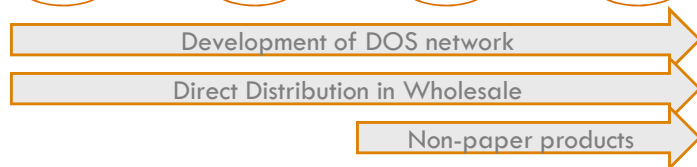
Financials and Guidance

HISTORICAL FINANCIALS



COMMENTS

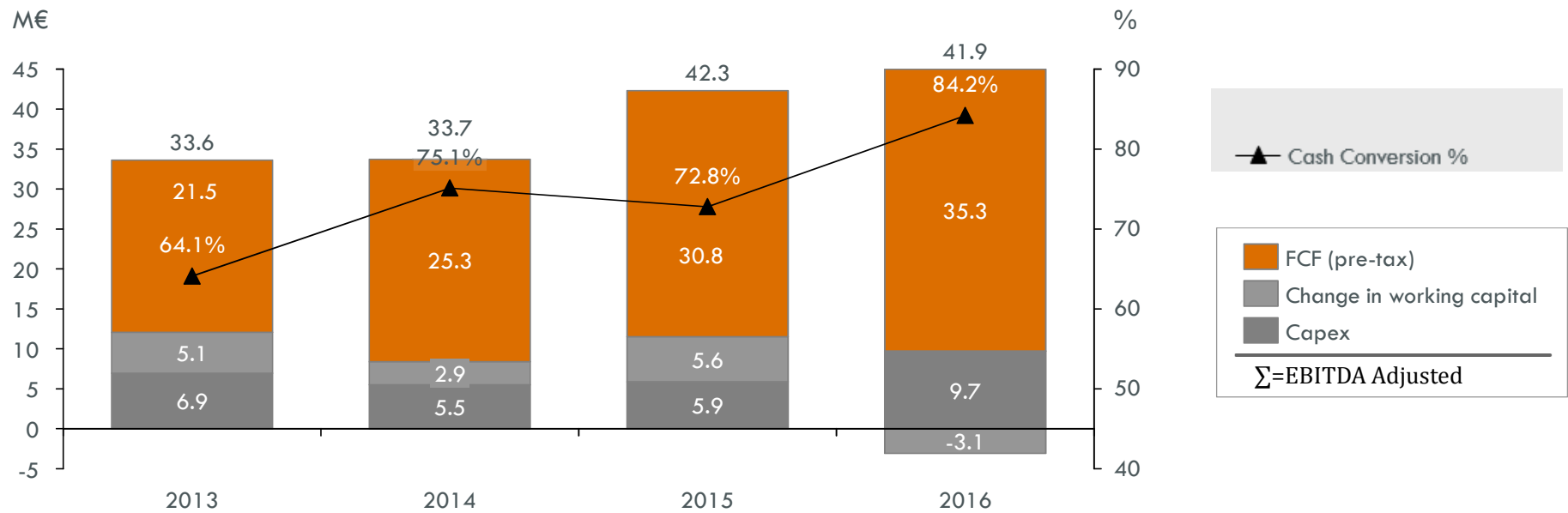
- **2013-2014:** strengthening the distribution platform to increase customer proximity (i.e. direct distribution in US and Germany) and start of Retail network expansion
- **2015:** benefits of increased customer proximity and positive exchange rate impact (USD)
- **2016:** Positive results from strengthened distribution model partially offset by weaker than expected Retail performance and higher proportion of sales from lower margin categories (i.e. SWS)



EBITDA adj. (M€)	22,7	29,1	33,5	33,6	33,7	42,3	41,9
EBIT (M€)	20,7	27,6	30,4	22,0	25,3	34,8	34,0
PBT (M€)	18,6	21,3	27,1	18,5	24,1	34,6	32,9
Operating ROCE after tax*	-	-	19%	20%	29%	25%	17%

NOTE: EBITDA Adj. = EBITDA excluding non recurring transactions and special items identified by management to normalize group performance over the reporting periods;
*Figurative tax of 30%; Capital Employed = Tangibles + Intangibles - GW + NWC;

CONTINUED STRONG CASH GENERATION DESPITE EVOLVING BUSINESS MODEL



MOLESKINE NOTE: EBITDA Adj. = EBITDA excluding non recurring transactions and special items identified by management to normalize group performance over the reporting periods;

2017 : A TRANSITION YEAR

High single digit expected top line growth with EBIT margin below historical performance mainly reflecting:

- **Fit-for-growth initiatives** and organizational developments driven by new shareholders' **long term strategic vision**
- **Integration**-driven one-off costs (e.g. strategic planning, delisting, merger, HR policies, CSR,...)
- **Challenging** retail environment and change in leadership team in the **US**
- **Retail results below expectations with mixed performances by geographies** to be addressed in 2018 by delivering operational excellence

FINANCIAL AMBITION

Clear roadmap for achieving **low double digit sales growth**

Resumed **Adjusted EBITDA margin** trajectory of **25%** underpinned by strengthened organization and strategic initiatives

Strong cash flow generation with sustained **cash conversion** to fund growth and financial deleverage

Target **ROCE of 14%***

FORWARD LOOKING STATEMENTS

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