



ACQUISITION OF MOLESKINE: A NEW BOOK TO BE WRITTEN

22 September 2016



D'Ieteren



MOLESKINE

IN A NUTSHELL

- D'leteren has signed an agreement to **acquire a 41.00% stake in Moleskine**, a **listed Italian company** with headquarters in Milan, from reference shareholders Appunti S.a.r.l. (Syntegra Capital) and Pentavest S.a.r.l. (Index Ventures), at EUR 2.40 per share, valuing the company at EUR 506 million. Closing is subject to customary regulatory filings.
- After closing of the acquisition of 41.00% in Moleskine, D'leteren will launch an **unconditional mandatory takeover offer with no minimum threshold of ownership** in the course of Q4 2016. If the necessary threshold is reached, D'leteren intends to delist Moleskine from the Milan stock exchange.
- The **cash position of D'leteren Auto/Corporate**, which amounted to EUR 278 million at the end of June 2016, **will easily finance the initial investment**. Following the public takeover offer, the remaining investment will be financed through a combination of additional available cash and bank debt.

D'IETEREN, PARTNER OF CHOICE FOR BUILDERS OF INSPIRING BUSINESSES

D'IETEREN

Partner of choice for builders of inspiring businesses

- Identify businesses with potential for sustainable growth (anticipating on long term underlying favorable trends)
- Support the development of leadership positions in selected territories, in particular through long term investment in brands and adequate go to market strategies
- Assist quality teams to fulfill their mission. Purpose generates engagement. Engagement leads to results

ENTREPRENEURSHIP

LONG TERM VISION
& INVESTMENT HORIZON

STRATEGIC SPARRING PARTNER

D'IETEREN TO SUPPORT MOLESKINE'S LONG TERM DEVELOPMENT

- **Market leader** and **fast growing company** with a **strong brand** and a **multi-channel distribution strategy**
- **High quality management** led by Arrigo Berni (CEO), with strong track record, creativity, drive and ambition
- A brand that encompasses a **family of nomadic objects dedicated to our mobile identity**, both real and digital, wherever we are in the world
- Our investment in the company corresponds to our criteria and provides us with a **strong platform for future growth in a branded business**

Solid fundamentals for long-term growth



Favorable trends (demographics, levels of education, travel/mobility,...)

High quality management team



Very entrepreneurial, solid track record and sector experience

(Access to) majority control



Acquisition of 41% before mandatory takeover offer. If necessary threshold is reached, aim is to delist the company

Sector leader or opportunity to be one



Brand with highest top-of-mind awareness

Platform for international expansion



Distributed in 114 countries and growing retail footprint

Limited regulatory and technological risks



Owner of the brand with outsourced production

Fit with D'Ieteren's culture



Entrepreneurial & people powered

Conservative financial structure



Leverage on acquisition vehicle limited to max 3.5x NFD/EBITDA and quickly deleveraging

Allows for other investments in the future



Pro forma group leverage at 2.1x NFD/EBITDA in 2016



OVERVIEW OF MOLESKINE

22 September 2016



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MOLESKINE

PRODUCT RANGE

PAPER

(92% of revenues in 2015)

Notebooks



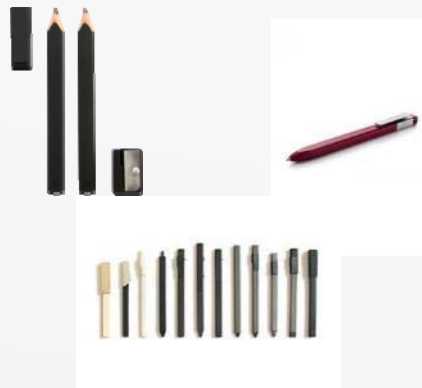
Diaries & Planners



Moleskine + (digital)



Writing



Travelling



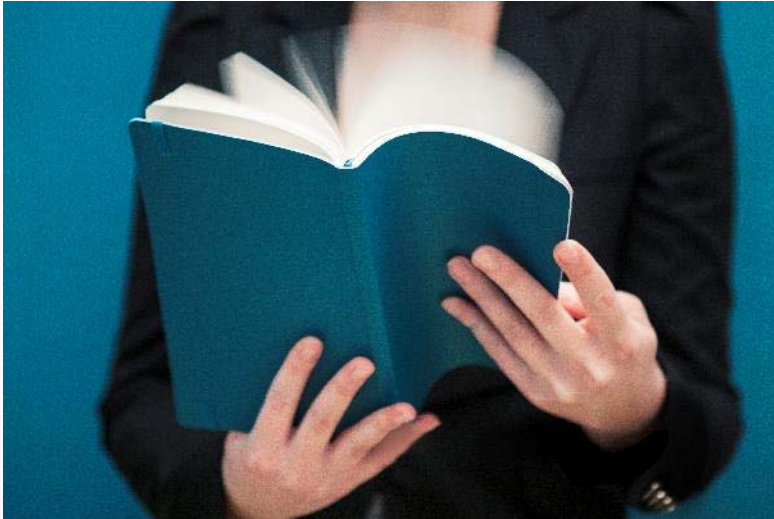
Reading



WTR

(8% of revenues in 2015)

PRODUCT RANGE – A FEW EXAMPLES

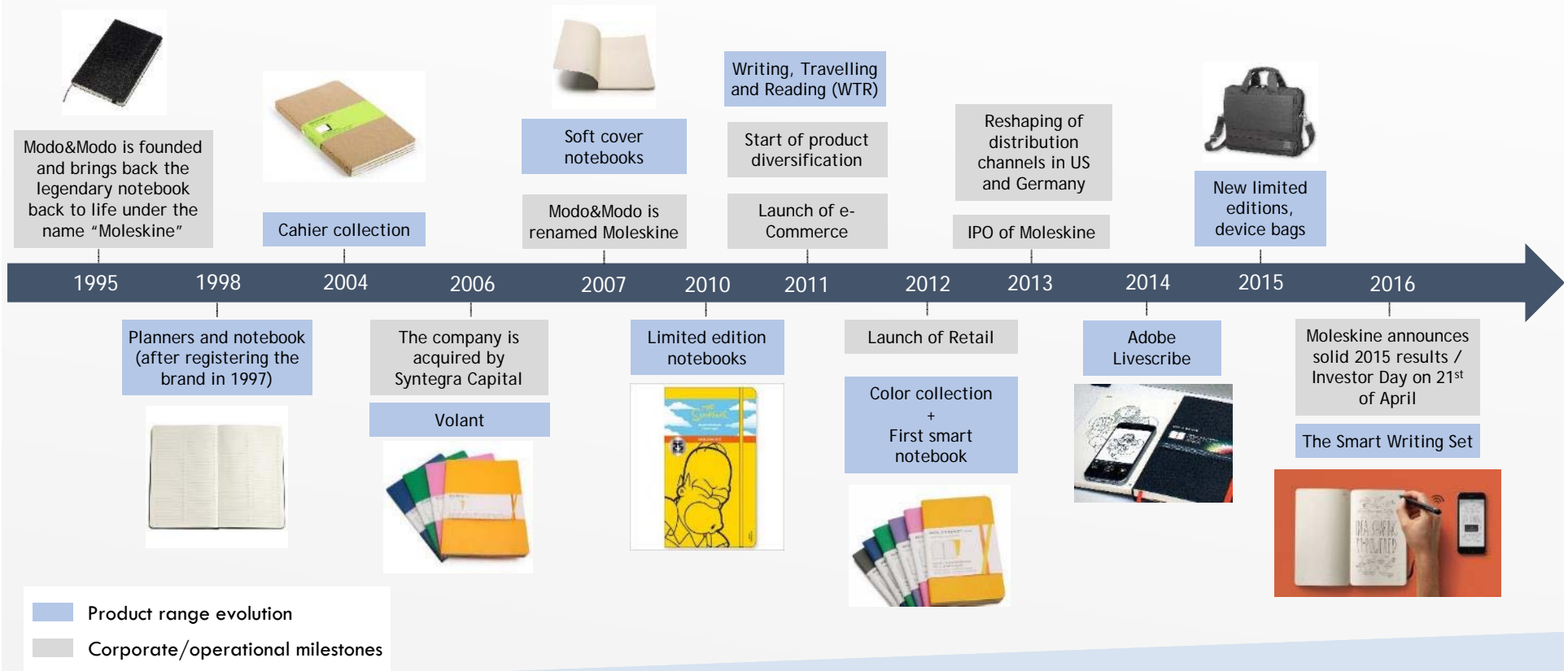


MOLESKINE IN A NUTSHELL

- **Aspirational lifestyle brand** with a global reach. Synonym with culture, travel, memory, imagination, and personal identity
- Product range from **notebooks to WTR** (writing, travel & reading accessories)
- Products distributed in **114 countries**
- **Multi-channel distribution strategy:** wholesale direct & indirect, retail through 65 stores, B2B, e-commerce
- Manufacturing 100% outsourced
- Headquarters in **Milan** and 431 employees worldwide as of 30 June 2016, of which 185 in Europe, 76 in America & 153 in Asia
- **Trendsetter in product innovation:** Smart Writing Set, partnership with Adobe and Evernote,...
- **Positive long term trends:** demographics, levels of education, travel/mobility, analog/digital complementarity and the stationery market
- Acquired by Syntegra Capital in 2006. IPO in 2013 (Milan stock exchange)

MOLESKINE: A LEGENDARY PRODUCT

- **1850-1986:** Moleskine is the heir of the legendary little black notebook (originally a nameless product) used for the past two centuries by great artists such as Vincent Van Gogh, Pablo Picasso or Ernest Hemingway
- **1986:** The original family-operated manufacture (located in Tours, France) closes down
- **1987:** In his book *The Songlines*, Bruce Chatwin writes about his favorite notebook, nicknamed “Moleskine”
- **1995:** A local Milanese publisher resurrects the legendary notebook under the name “Moleskine”...



TARGET CUSTOMER BASE

Source: Moleskine,
Investor Day 2016

- **Super creative core:**

- People whose profession is strongly related with creativity (artists, designers, architects, actors, etc)
- Super creative people produce new forms or designs that are readily transferable and broadly useful (a new product, a theorem, etc)

- **Creative professionals:**

- People who work in a wide range of knowledge-intensive industries (from hi-tech to business management and banking): the knowledge workers
- Creativity can be either a part of their professional or personal life (aspirational creatives, DIY, etc.)
- High degree of formal education and thus a high level of human capital
- Together with the super creative core they form the Creative Class

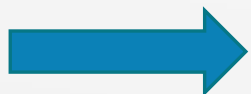
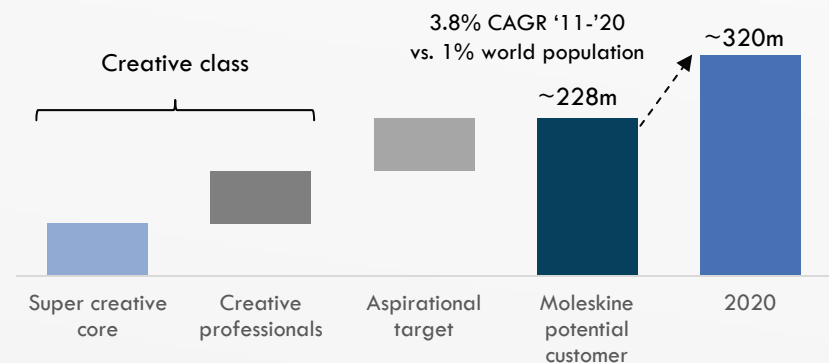
- **Aspirational target:**

- 18-55 years old both male & female
- High degree of education
- Urban resident or worker
- Creative professions
- Conscious/ unconscious creative aspiration

Expanding beyond the creative class



Market potential



Today: ± 3.3 million customers

DISTRIBUTION NETWORK

Source: Moleskine,
Investor Day 2016

WHOLESALE



B2B



RETAIL



E-COMMERCE



WHOLESALE
~27,100 doors
in 105 countries



B2B
4,4 M units
sold in 2015



RETAIL
62 stores
~2M visitors/year



E-COMMERCE
~5M visitors to
Moleskine.com in 2015



CONSUMER
VISIBILITY

SO FAR, NO ABOVE-THE-LINE MARKETING EFFORTS

RETAIL: 65 SINGLE BRAND STORES



- High traffic areas (High Streets, shopping malls, airports and train stations)
- Metropolitan areas
- Small stores (30 to 50 m² on average)

A BRAND NEW RETAIL FORMAT: MOLESKINE CAFÉ



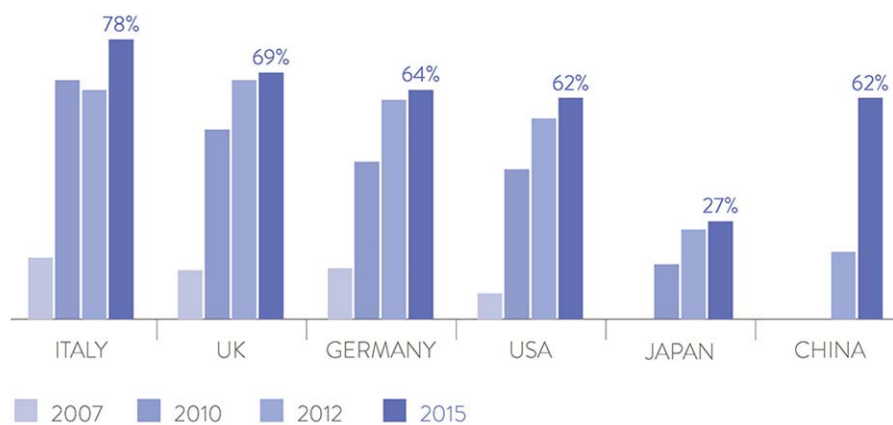
- **Mixes elements of the café, art gallery, store and library**
- **Adding Moleskine brand values, contents and products to a contemporary café experience, to expand the range of viable retail formats**
- **Currently one location: Milan, Italy**

THE MOLESKINE MODEL TO BUILDING AWARENESS

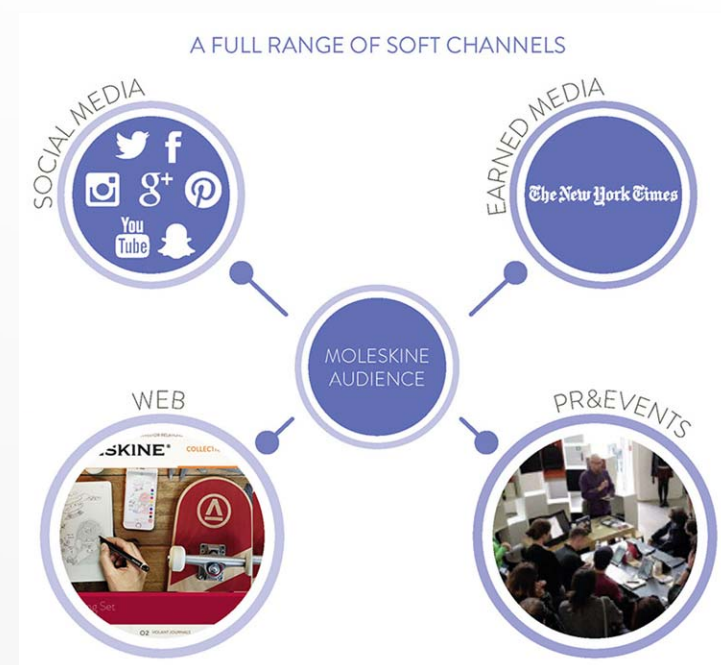
Source: Moleskine,
Investor Day 2016

- Continued growth of awareness levels has been a growth driver
- Further room for growth in key markets

Moleskine brand awareness evolution in key markets since 2007



Source: Ales Market Research



A MULTIDIMENSIONAL MARKETING APPROACH (DIGITAL, SOCIAL MEDIA & EVENTS) —
BROADENS THE BRAND AND PRODUCT MESSAGE AND MAXIMIZES OPPORTUNITIES

CONNECTING USERS TO A SET OF UNIQUE VALUES

Source: Moleskine,
Investor Day 2016

Culture



Imagination



Memory



Travel



Personal Identity



Moleskine is a cultural icon, a brand that tells a story. A Moleskine object connects the owner to a heritage in art, literature, cultural and geographical exploration.

Moleskine collections are open platforms for creativity, trusty companions for meaningful existential experiences.

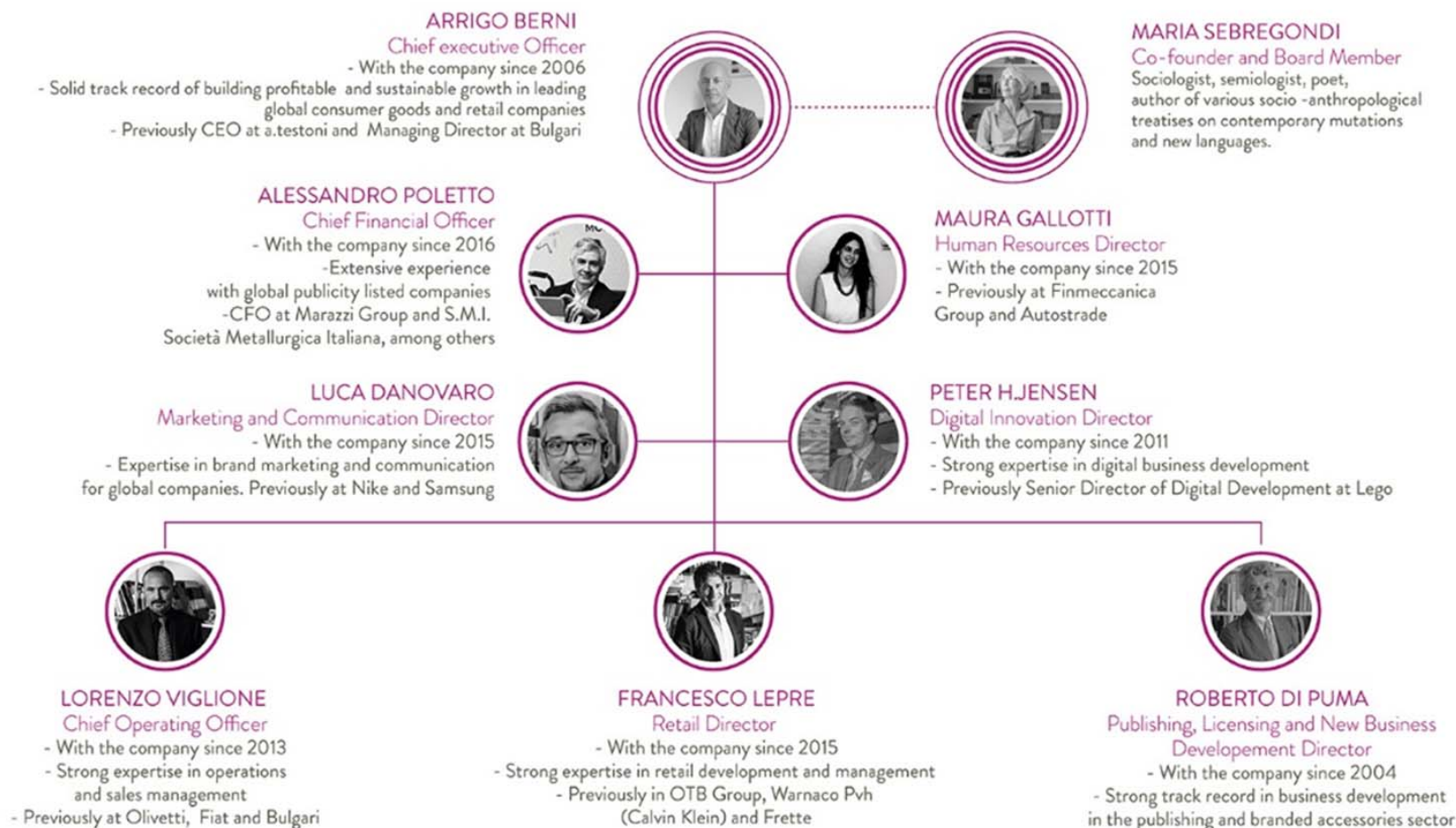
Moleskine is a brand connected to the collection of memories, the organization of time and priorities in our working life and in leisure time.

Celebrating contemporary nomadism, Moleskine offers a collection of tools to accompany everyday and extraordinary journeys.

A Moleskine object becomes an integral part of one's personality. It is a basic, compact and intelligent accessory. Symbolic and practical design elements are combined, releasing energy and emotions collected over time.

A HIGH QUALITY MANAGEMENT TEAM

Source: Moleskine,
Investor Day 2016





FINANCIAL TRACK-RECORD & STRATEGY

22 September 2016



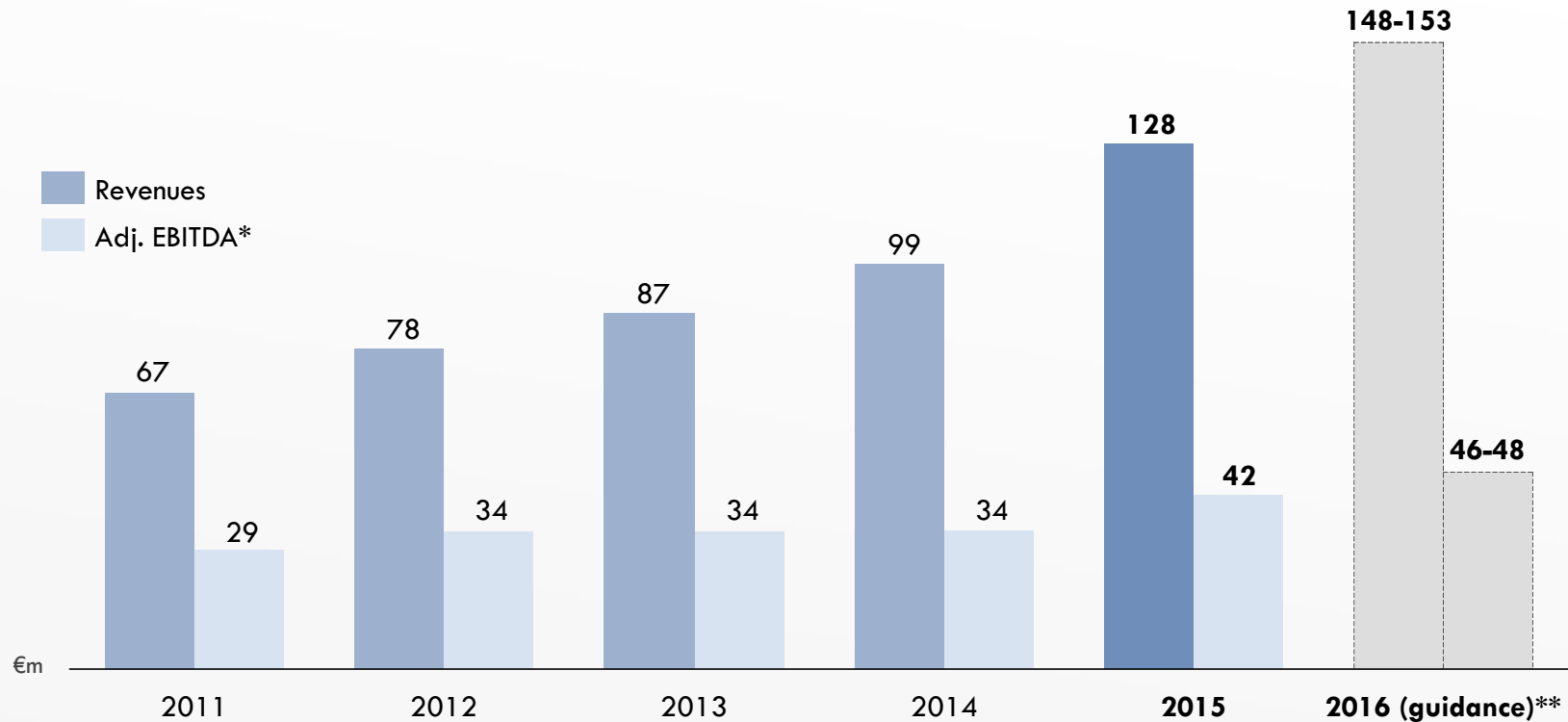
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MOLESKINE

IMPRESSIVE TRACK RECORD

Source: Moleskine



- CAGR 2011-15: revenues 17.5% and adj. EBITDA 9.8%
- 2012-2014: stagnation of adj. EBITDA* due to change in wholesale business model (from indirect to direct) and retail expansion

* Adjusted EBITDA: EBITDA excluding non-recurring and exceptional items (based on Moleskine's definition).

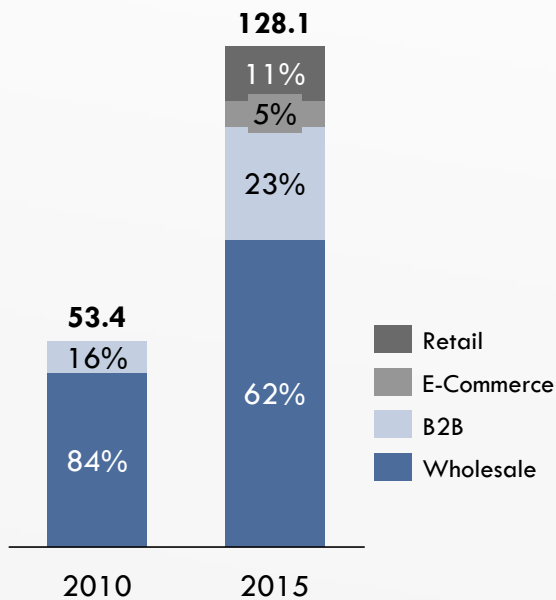
** At constant FX

AN INCREASINGLY DIVERSIFIED PORTFOLIO

Source: Moleskine

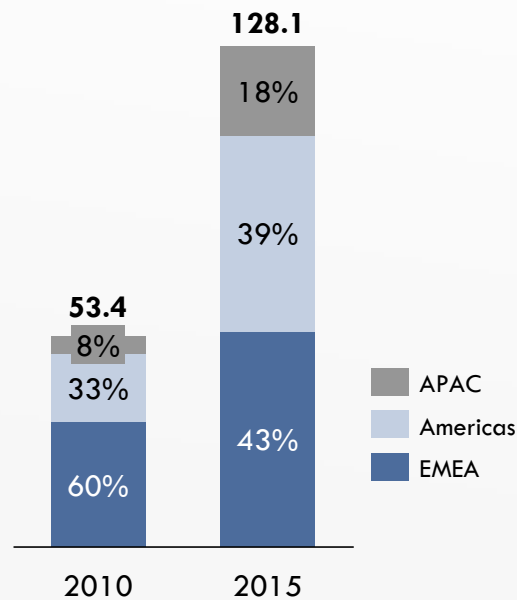
Net revenues (€m)

By channel



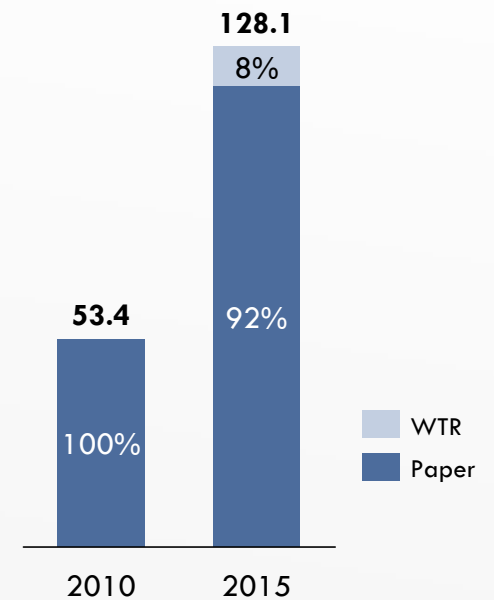
*From wholesale
to multi-channel
From indirect to direct*

By region



*From Euro-centric
to global*

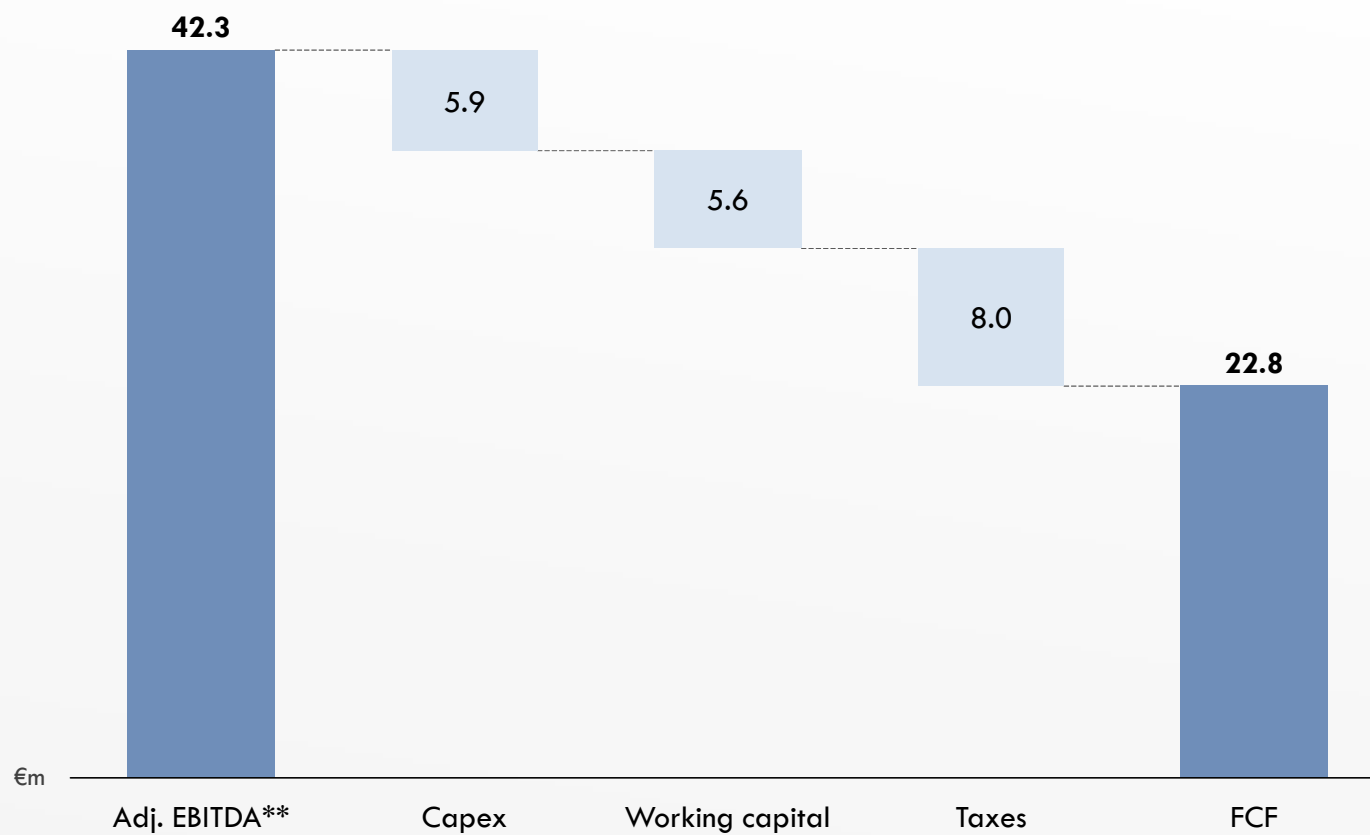
By product category



*From single product
to multi-category*

ROBUST CASH CONVERSION* : 54% IN 2015

Source: Moleskine

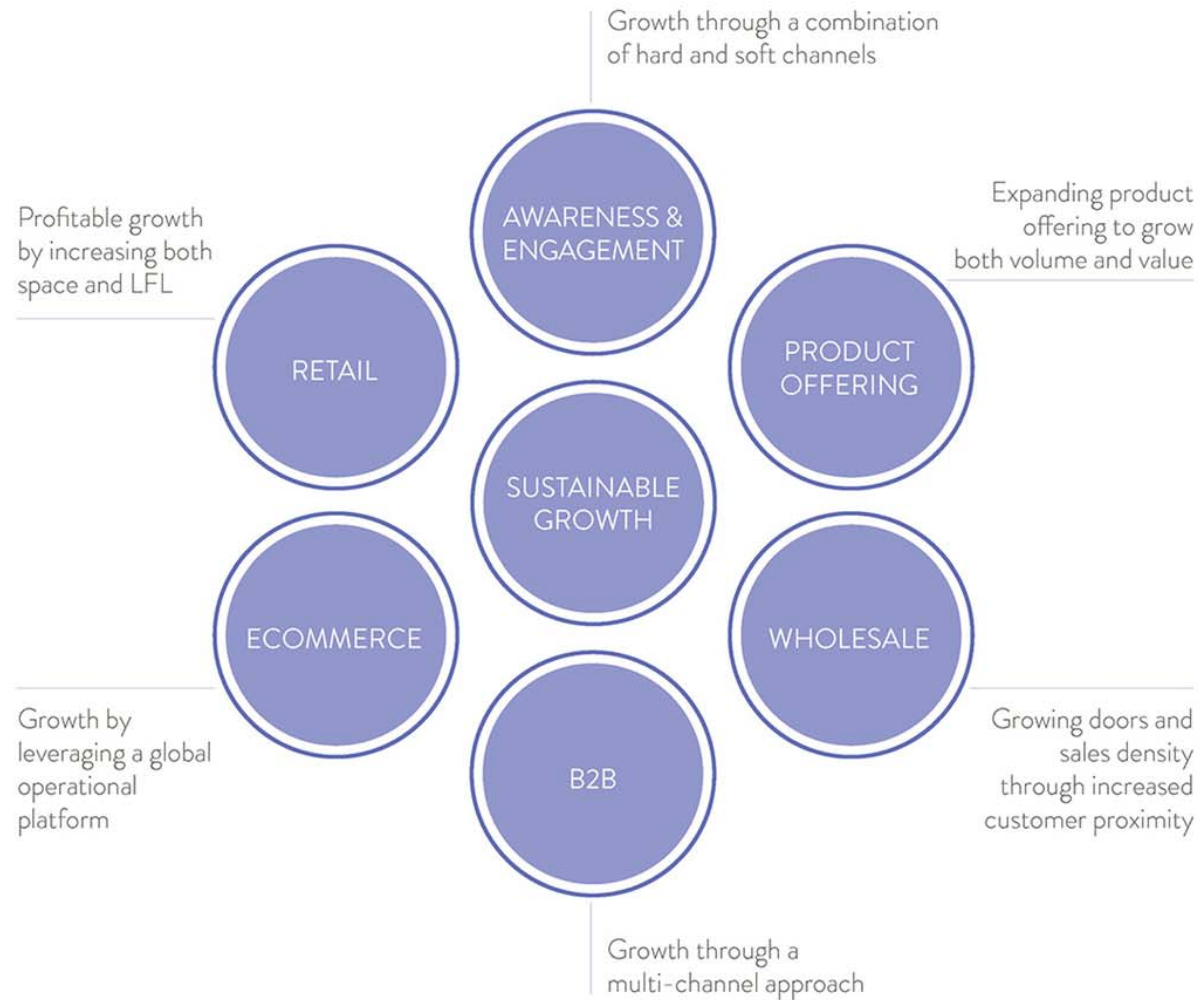


* Free cash flow/adj. EBITDA

** Adjusted EBITDA: EBITDA excluding non-recurring and exceptional items (based on Moleskine's definition).

6 DRIVERS FOR SUSTAINABLE LONG TERM GROWTH

Source: Moleskine,
Investor Day 2016



INVESTMENT RATIONALE



STRONG GROWTH POTENTIAL

- Growth supported by favorable demographics, rising education levels, growing travel trend, increased analog/digital complementarity and growing stationery market
- Moleskine's existing global underpenetrated distribution network with 27,100 doors, providing local reach and global impact
- Continuation of successful shift from predominantly wholesale business to direct-to-consumer
- Accelerated retail push through different formats
- Increasing penetration of large markets (US, China, Asia)
- Broadening and "premium-isation" of the product range



HIGH PROFITABILITY BUSINESS

- Strong brand awareness, perceived cultural heritage and global appeal allow the company to command a clear price premium
- High profitability levels with 2015 adjusted EBITDA* and EBIT margins around 33% and 29% respectively, with an increasing direct control of distribution channels
- Retail profitability near to break-even after 3 years of fast build up
- Light-capex business model leading to high and sustainable EBITDA* cash conversion of above 50%



STRONG LEADERSHIP POSITION

- Although the market is very fragmented, none of the competitors seem to benefit from same brand strength, position and reach as Moleskine
- This brand awareness has been achieved without above-the-line marketing efforts and with limited expenses
- Moleskine brand is inclusive and inspirational and has been articulated around several different attributes that foster brand loyalty across different customer segments
- Moleskine is present in 114 countries through a multi-channels network
- Strong presence in the digital/analog continuum through key partnerships (e.g. Evernote, Adobe, Apple)



SIGNIFICANT BARRIERS TO ENTRY

- The strength of the Moleskine brand with top of mind awareness above 60% in several key countries
- Extensive distribution channels enabling global reach and local proximity
- A sustainable premium positioning offering strong economics to distribution partners

* Based on Moleskine's definition



NEXT STEP: UNCONDITIONAL MANDATORY TAKEOVER OFFER

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MANDATORY TAKEOVER OFFER

- After closing of the transaction, and in accordance with Italian law, D'leteren will launch an **unconditional mandatory takeover offer on the remaining shares of Moleskine**
- The MTO is expected to be launched in **Q4 2016**
- The MTO will not be subject to an ownership threshold. If the necessary threshold is reached, D'leteren intends to **delist Moleskine** from the Milan stock exchange



FINANCING

22 September 2016



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MOLESKINE

FINANCING

- D'leteren will use part of its **cash position** (EUR 209 million out of a total of EUR 277.8 million at 30 June 2016) to acquire the 41% stake in Moleskine
- The public takeover offer will be funded through a **combination of additional available cash and bank debt**
- Assuming 100% ownership of Moleskine, the resulting *pro forma* consolidated **net debt/EBITDA*** ratio of the D'leteren group would reach **2.1x for 2016**

* Based on Moleskine's definition



Q&A SESSION

22 September 2016



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**ANY
QUESTIONS?**

FORWARD-LOOKING STATEMENTS

“To the extent that any statements made in this presentation contain information that is not historical, these statements are essentially forward-looking. The achievement of forward-looking statements contained in this presentation is subject to risks and uncertainties because of a number of factors, including general economic factors, interest rate and foreign currency exchange rate fluctuations; changing market conditions, product competition, the nature of product development, impact of acquisitions and divestitures, restructurings, products withdrawals; regulatory approval processes and other unusual items. Consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements can be identified by the use of words such as “expects”, “plans”, “will”, “believes”, “may”, “could”, “estimates”, “intends”, “targets”, “objectives”, “potential”, and other words of similar meaning. Should known or unknown risks or uncertainties materialize, or should our assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly update any forward-looking statements.”

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