

# FF GROUP

## Full Year 2016 Financial Results



- Strong performance of the Group during Q4 with excellent full year results in an environment dominated by economic and geopolitical uncertainties.
- Group revenues increased during FY 2016 by 12,1% vs same period last year on a reported basis (11,53% on constant currency basis).
- Group gross profit increased by 5,4% with the respective margin at 45,8% against 48,7% for the same period last year.
- Group EBITDA increased by 10,13% reaching €291,9m - with the respective margin at 21,8% against 22,2% last year.
- Net profit for the period reached €222,5m (+21,8%).
- Net debt at €106,2m (Net debt/EBITDA at 0,36)

## Summarized Income Statement - FY 2016

In EUR millions	FY 2016	FY 2015	change (%)
<b>Revenue</b>	<b>1.337,3</b>	<b>1.193,0</b>	<b>12,1%</b>
<b>Gross margin</b>	<b>612,3</b>	<b>581,2</b>	<b>5,4%</b>
<i>Selling expenses</i>	-282,1	-268,7	5,0%
<i>Administrative expenses</i>	-67,1	-72,1	-6,9%
<i>Other income and expenses</i>	-0,81	-1,9	
<b>Operating profit</b>	<b>262,3</b>	<b>238,5</b>	<b>10,0%</b>
<i>Net financial income (expense)</i>	-8,6	-12,9	
<i>Investments in related companies</i>	-0,23	-0,28	
<i>Income taxes</i>	-26,6	-38,6	
<b>Net profit before minority interests</b>	<b>226,9</b>	<b>186,7</b>	<b>21,5%</b>
<i>Minority interests</i>	4,4	4,0	10,3%
<b>Group share of net profit</b>	<b>222,5</b>	<b>182,7</b>	<b>21,7%</b>
<i>Amortisation - Depreciation</i>	29,6	26,5	11,7%
<b>EBITDA</b>	<b>291,9</b>	<b>265,0</b>	<b>10,1%</b>

## Summarized Income Statement – Q4 2016

In EUR millions	Q4 2016	Q4 2015	change (%)
<b>Revenue</b>	<b>381,1</b>	<b>317,6</b>	<b>20,0%</b>
<b>Gross margin</b>	<b>199,2</b>	<b>181,7</b>	<b>9,7%</b>
<i>Selling expenses</i>	-89,1	-74,1	20,3%
<i>Administrative expenses</i>	-17,1	-21,7	-21,1%
<i>Other income and expenses</i>	0,03	-1,9	
<b>Operating profit</b>	<b>93,0</b>	<b>84,0</b>	<b>10,8%</b>
<i>Net financial income (expense)</i>	12,7	0,6	
<i>Investments in related companies</i>	-0,11	-0,08	
<i>Income taxes</i>	6,4	-4,2	
<b>Net profit before minority interests</b>	<b>112,0</b>	<b>80,3</b>	<b>39,5%</b>
<i>Minority interests</i>	1,6	1,9	-15,1%
<b>Group share of net profit</b>	<b>110,4</b>	<b>78,4</b>	<b>40,8%</b>
<i>Amortisation - Depreciation</i>	6,5	5,9	9,5%
<b>EBITDA</b>	<b>99,5</b>	<b>89,9</b>	<b>10,7%</b>

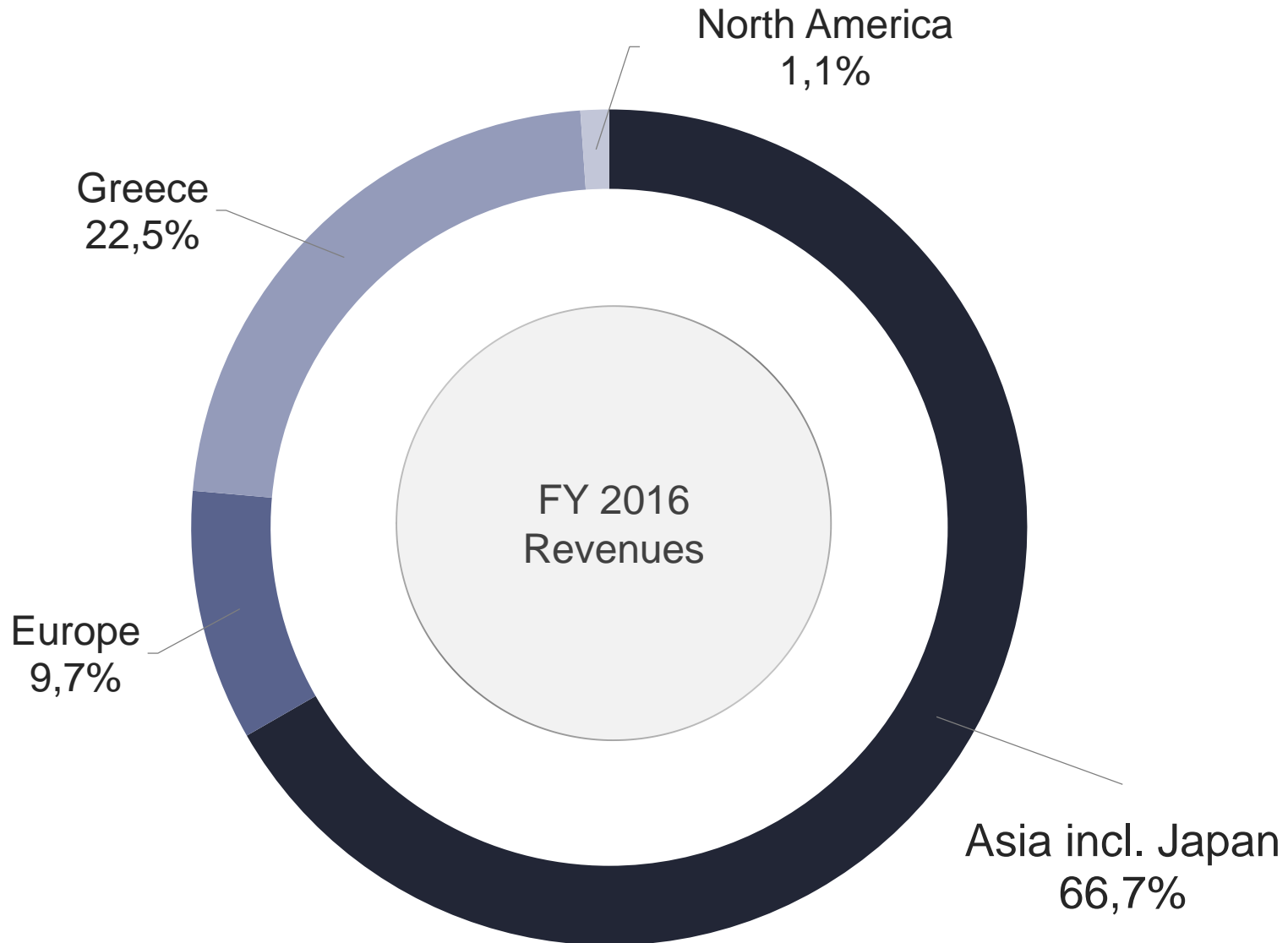
## Revenue split by activity

---

<i>in €m</i>	FY 2016	FY 2015	chg. in %
Jewellery, Watches, Accessories	977,8	857,0	14,1%
Retail & Wholesale	178,1	164,7	8,1%
Department Stores	181,4	171,4	5,8%
<b>Total</b>	<b>1.337,3</b>	<b>1.193,1</b>	<b>12,1%</b>

## Revenue split by geography

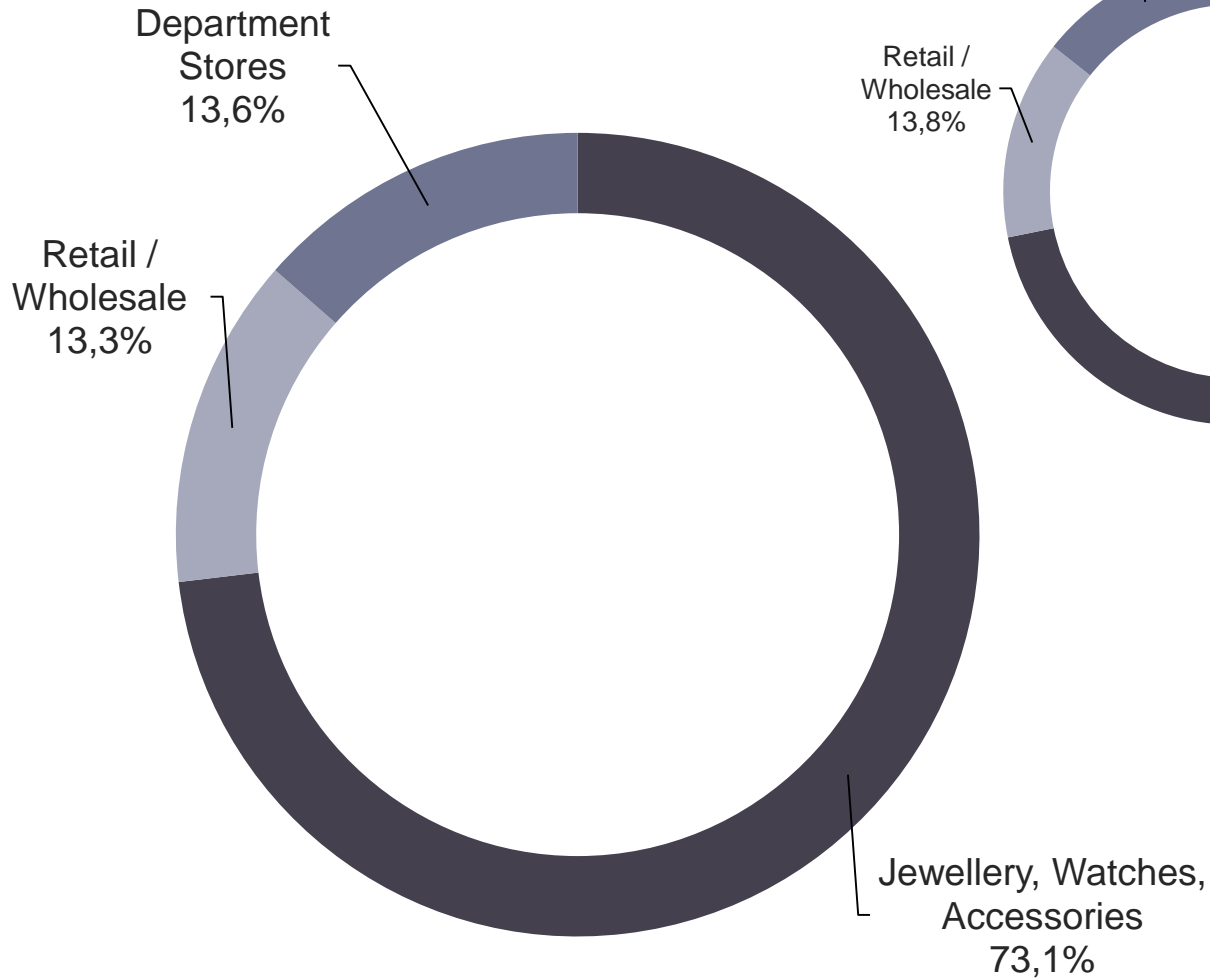
---



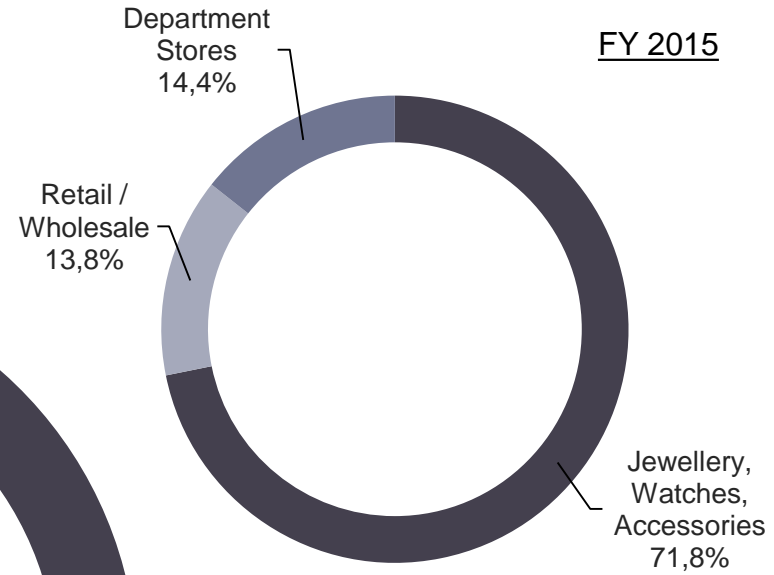
# Revenue split by activity

---

FY 2016

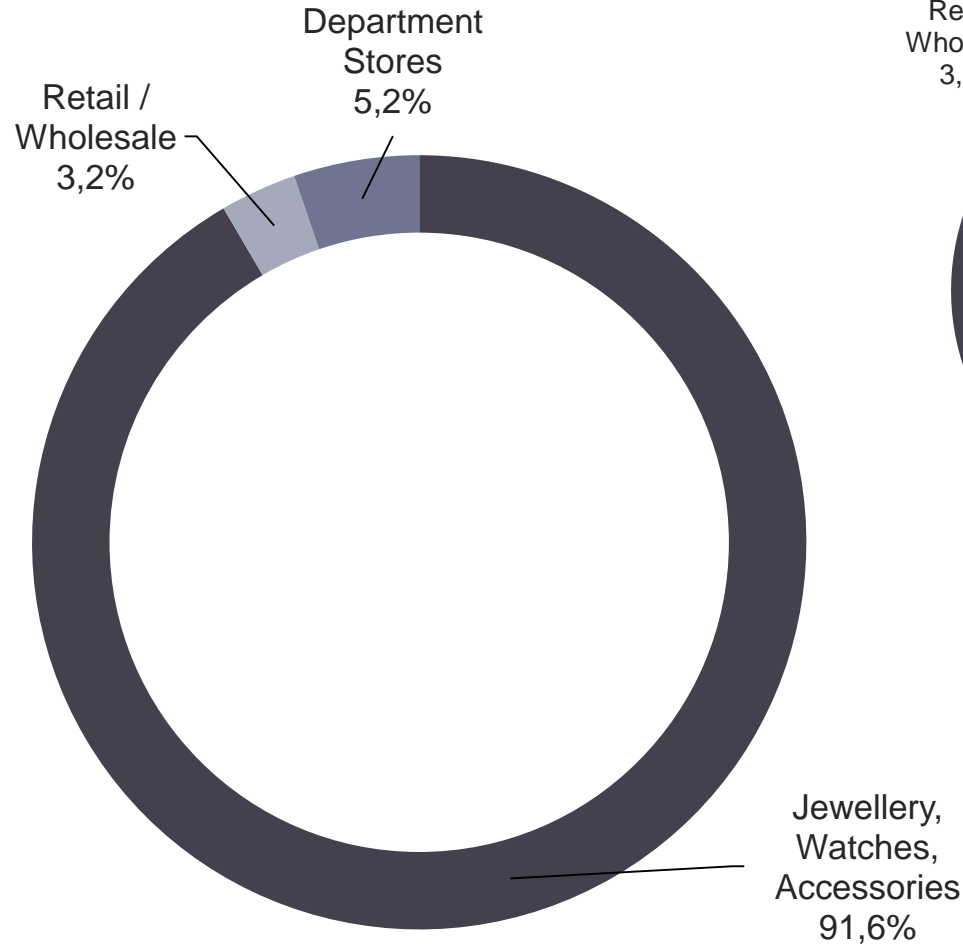


FY 2015



# EBITDA by activity

FY 2016



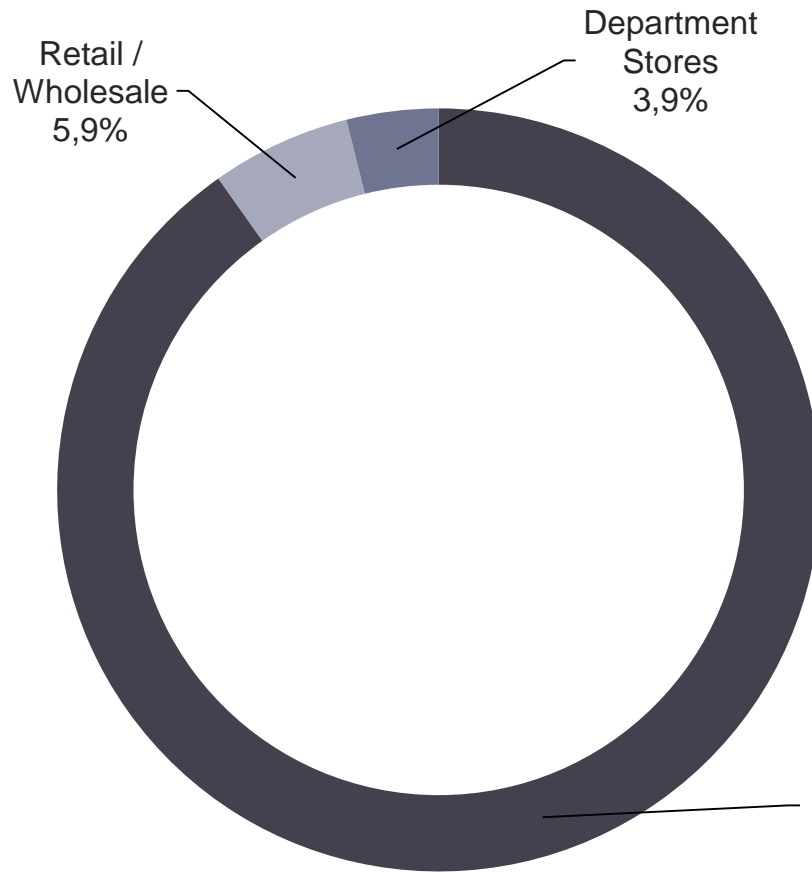
FY 2015



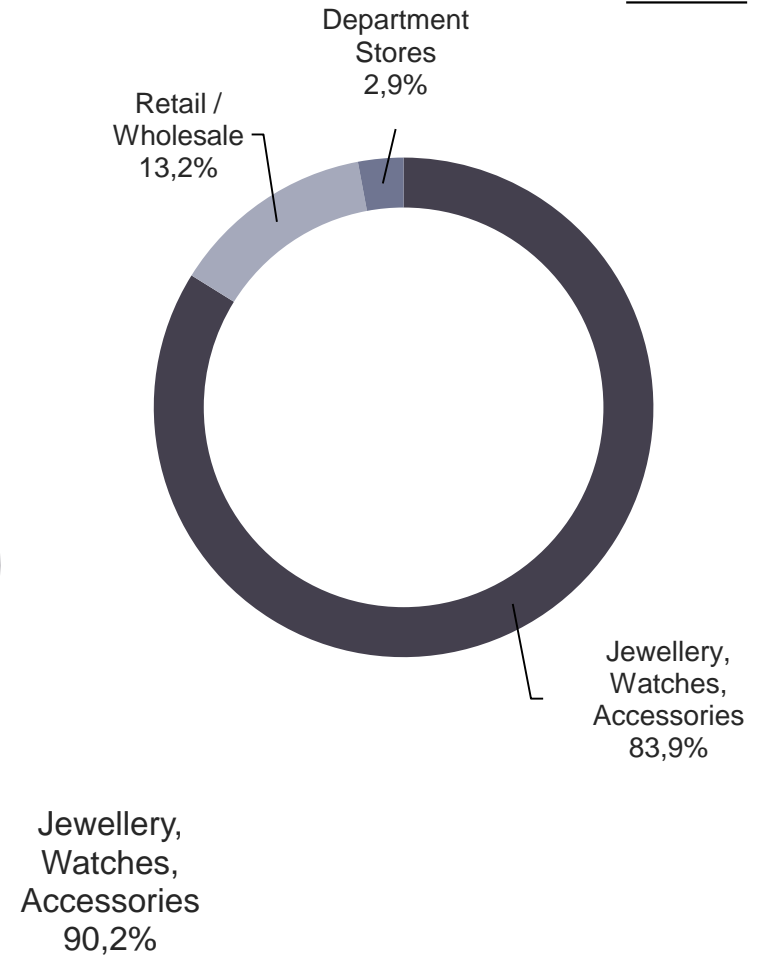


# Capex split by activity

FY 2016



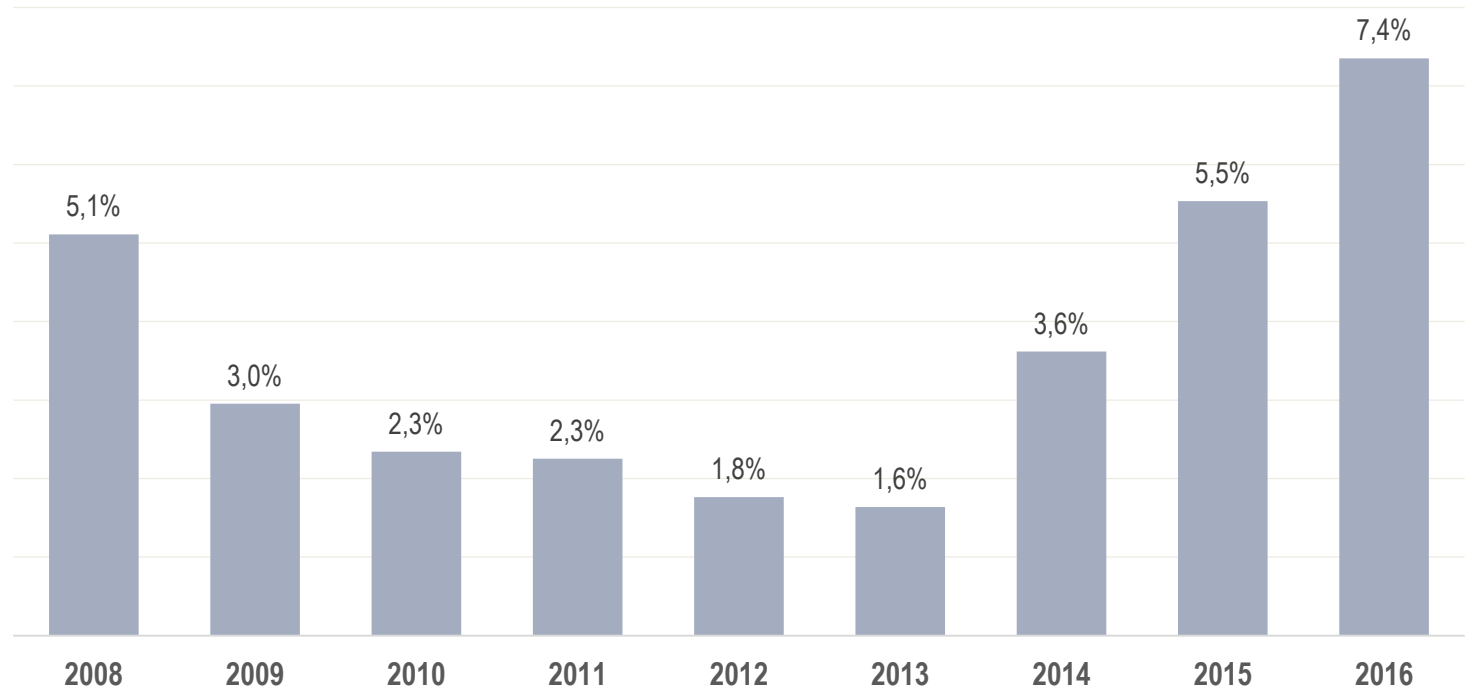
FY 2015



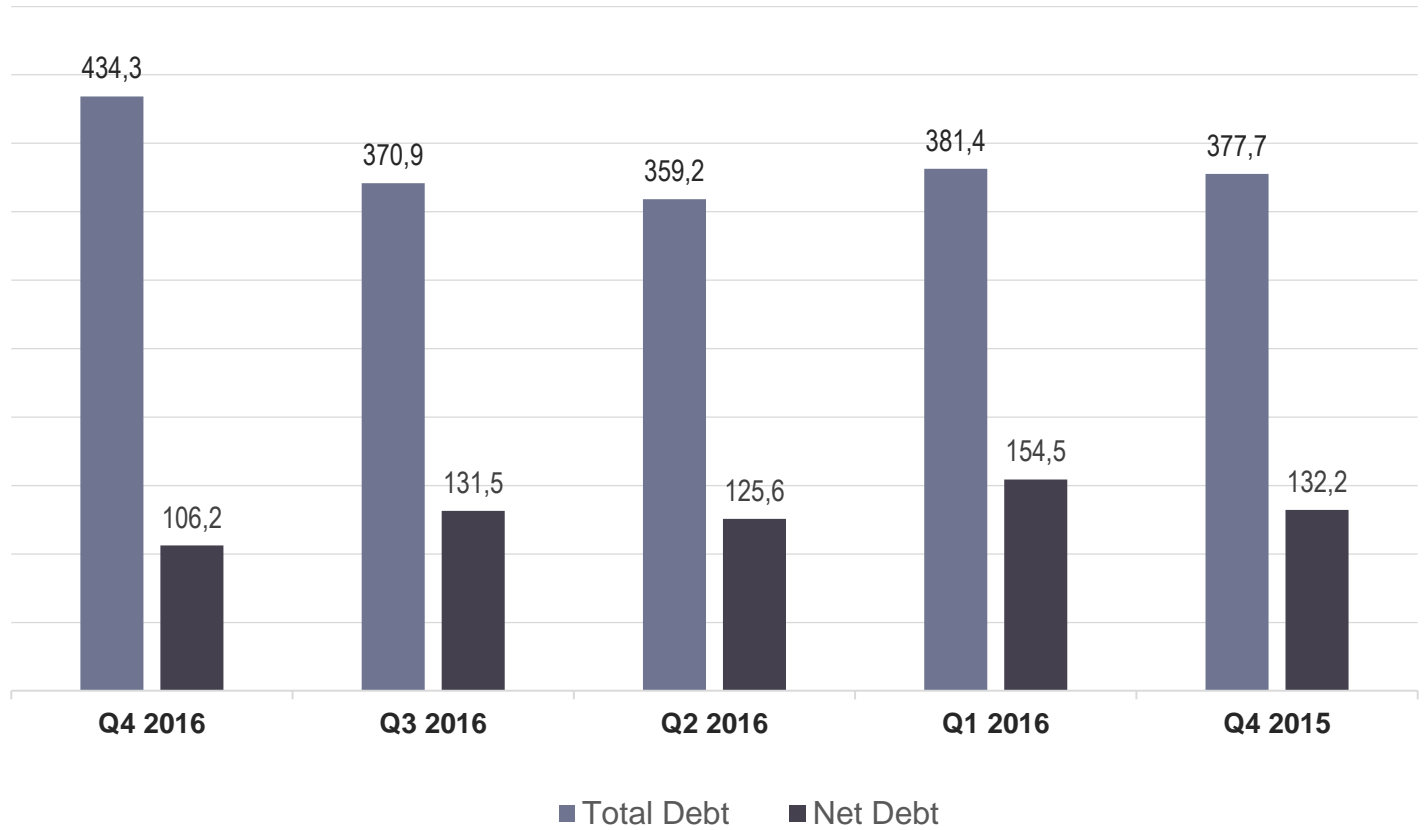
Group capex reached in FYM 2016 € 98,3 million

## Capex development as % of revenues

---



## Debt evolution



## Free cash flow evolution

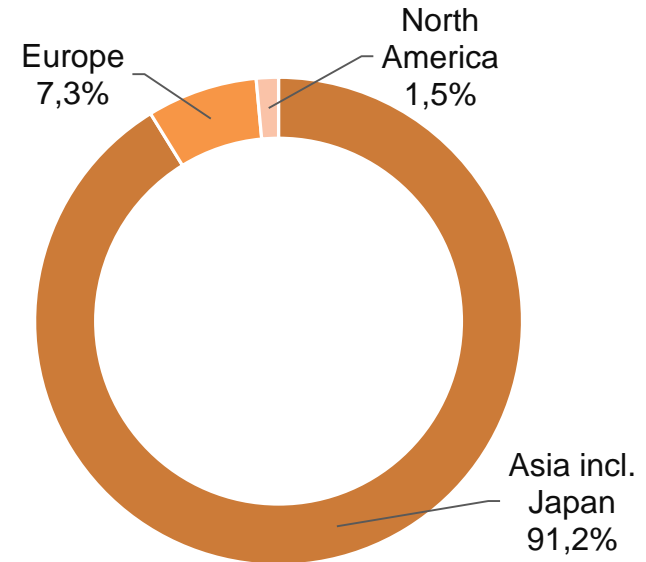
---

<i>(In Million €)</i>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Cash from Operations (before changes in W.C)	244	352	359
Net Interest Paid	-16	-8	-10
Income Taxes Paid	-27	-40	-52
<b>Net Cash from Operations (before changes in W.C)</b>	<b>201</b>	<b>304</b>	<b>297</b>
<i>Working Capital Requirements</i>	-145	-246	-157
<i>Net Operating Investments</i>	-37	-65	-97
Free Cash Flow	19	-7	43

## Jewellery, Watches and Accessories:

### Key figures (in Eur million)

	FY 2016	FY 2015	chg %
Revenue	977,8	857,0	14,1%
Gross Margin	48,6%	52,5%	
EBITDA	267,5	239,1	11,9%
EBITDA margin	27,4%	27,9%	

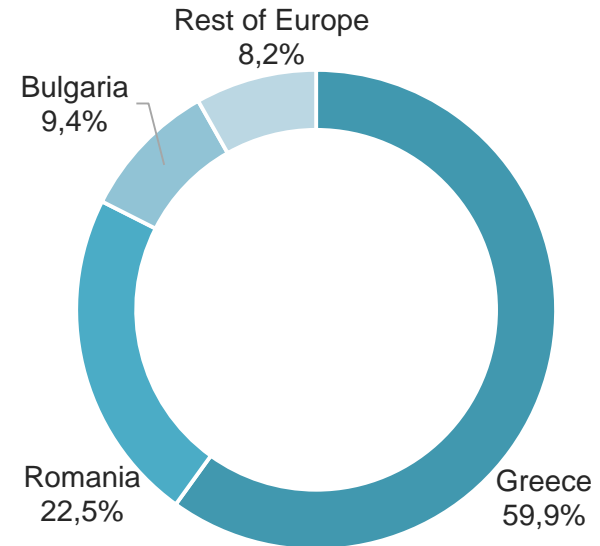


- FY 2016 revenues at €977,8m increased by 14,1% (14,6% in constant currency) driven by an outperformance in Asia. European revenue performance burdened by GBP weakness and challenging economic conditions.
- Gross profit for the full year reached €474,9m increased by 5,6%, with the respective margin at 48,6% positively impacted by a strong Q4 performance with a gross margin at 56,2%.
- Operating profit reached €248,8m increased by 11,7% with the respective margin at 25,4% vs. 26,0% in respective period last year.
- EBITDA increased by 11,9% to €267,5m with the respective margin at 27,4%.
- The activity JWA counted as per end of FY 2016, 763 POS in 31 countries.

## Retail/Wholesale:

### Key figures (in Eur million)

	FY 2016	FY 2015	chg %
Revenue	178,1	164,7	8,1%
Gross Margin	40,8%	43,1%	
EBITDA	9,1	9,8	-7,6%
EBITDA margin	5,1%	6,0%	

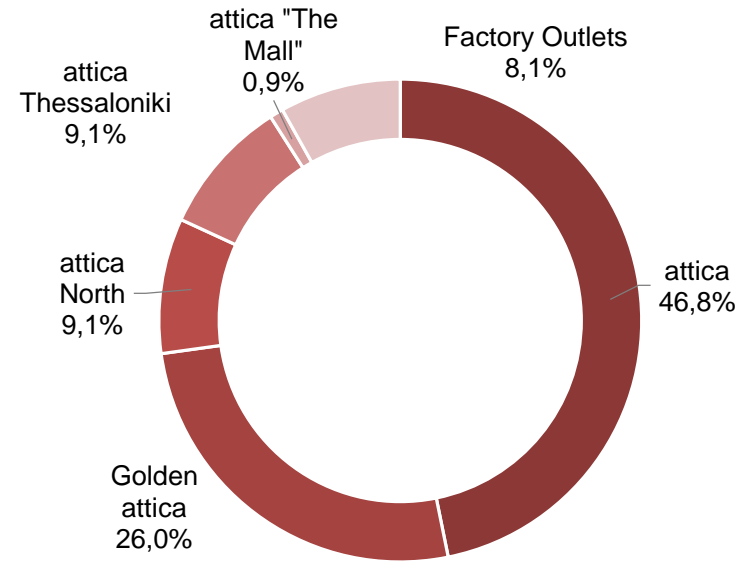


- FY revenues increased by 8,1% supported by a continuous resilience in all markets.
- The Group's Balkan operations continue their strong performance for another quarter with revenues increased by 18% the full year and 32,4% in Q4.
- Gross profit at €72,7 m with the respective margin at 40,8%.
- Operating profit at €2,4m from €3,8m decreased by 38,6% impacted by a weaker performance in the domestic market.
- EBITDA reached €9,1m from € 9,8m same period last year with the respective margin at 5,1% from 6,0%.
- The Retail activity counted as per end of FY 2016, 173 POS in Greece, Romania and Bulgaria.

## Department Stores:

### Key figures (in Eur million)

	FY 2016	FY 2015	chg %
Revenue	181,4	171,4	5,9%
Gross Margin	35,6%	35,3%	
EBITDA	15,3	16,1	-4,9%
EBITDA margin	8,5%	9,4%	



- FY revenues increased by 5,9% in a continuously challenging domestic economic environment.
- Gross profit increased by 6,8% reaching €64,6m with the respective margin almost flat at 35,6%.
- Operating profit reached €11,1m against €12,0m same period last year.
- EBITDA reached €15,3 m decreased by 5% with the respective margin at 8,5% vs 9,4% same period last year impacted by a weaker Q4 performance.



FF GROUP  
FY 2016  
Financial Results



## DISCLAIMER

This document is for institutional investors only and is not available to private customers. This document is being supplied to a limited number of recipients and it may not be distributed, published or reproduced in whole or in part or disclosed by recipients to any other person.

Each investor contemplating purchasing securities issued by Folli Follie S.A. (with the distinctive title FF Group) or any of its subsidiaries should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, Folli Follie S.A. (with the distinctive title FF Group) or any of its subsidiaries and should carefully consider the high risks involved in purchasing these securities. This is not an invitation to invest in securities.

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. Any statement in this presentation that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates and projections as they are currently available to the management of Folli Follie S.A. (with the distinctive title FF Group). Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.

Potential risks and uncertainties include, amongst other things, internal, industry and external factors, such as general economic conditions.