FY15 FINANCIAL RESULTS

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April, 2016

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FY15 Highlights

Strong sales growth across all brands and categories, sustained by +1.8% LfL growth (notwithstanding a very strong FY14 performance) and network expansion slightly ahead of plan

Further market share increase to 7.0% as of December 2015 (+60bps vs. Dec 2014 and +30 bps vs. Jun 2015)

€179.6m EB ITDA, €22.5m higher than FY14 (+14.3%), with EBITDA margin increasing to 13.6% of sales (+80 bps) driven by higher sales at stable GM%, operating leverage, accretive contribution of franchise sales and cost control

€114.9m EBT, €69.1m higher than FY14, benefitting also from the improved capital structure as a result of the IPO

Net profit of €81.1m (€0.36 EPS), up by €55.8m vs FY14, benefiting from (i) a marked improvement in the operating result, (ii) a substantial reduction in interests (iii) and a lower tax rate

Proposed total dividends €34.05m, or €0.15 per share, representing a pay-out of 42.0%

+7.5%

Increase in Net Sales

+35

Full format DOS

+154 other stores
mainly Kids in franchising

+14.3%

EBITDA Growth

€81.1m

Net Income (€0.36 EPS)

Source: Sita Ricerca for market share

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Key Income Statement Items
Positive performance in FY15

	FY15		FY14		
Key Metrics*	**€ mln**	***% of Net Sales***	**€ mln**	***% of Net Sales***	***Growth***
Net Sales	1,319.5		1,227.4		*7.5%*
Gross Margin	754.5	*57.2%*	705.8	*57.5%*	*6.9%*
EBITDA	179.6	*13.6%*	157.1	*12.8%*	*14.3%*
EBIT	130.0	*9.8%*	106.8	*8.7%*	*21.6%*
PBT	114.9	*8.7%*	45.8	*3.7%*	*151.0%*
Net Profit	81.1	*6.1%*	25.3	*2.1%*	*220.7%*

- FY15 Net Sales increased by 7.5% driven by an expanded selling area and positive LfL performance, notwithstanding the strong LfL growth recorded in FY14; both brands and all the main product categories displayed positive growth rates
- Gross Margin was unchanged across the individual sales channels; the 30 bps dilution as a percentage of revenue was due to higher franchise contribution to the revenue mix (the impact of higher franchise sales however is accretive at EBITDA margin level)
- EBITDA increased by 14.3% despite higher marketing costs. EBITDA margin increased by approx. 80bps to 13.6%
- PBT increased by €69.1m thanks to operating leverage and lower financial expenses (-€46.0m), mainly as a result of the debt refinancing in March
- Net Income of €81.1m reflects the underlying business growth as well as the post-IPO capital structure interest savings, combined with a lower tax rate (29.4%)

(*) Excluding extraordinary costs mainly related to the IPO and the refinancing

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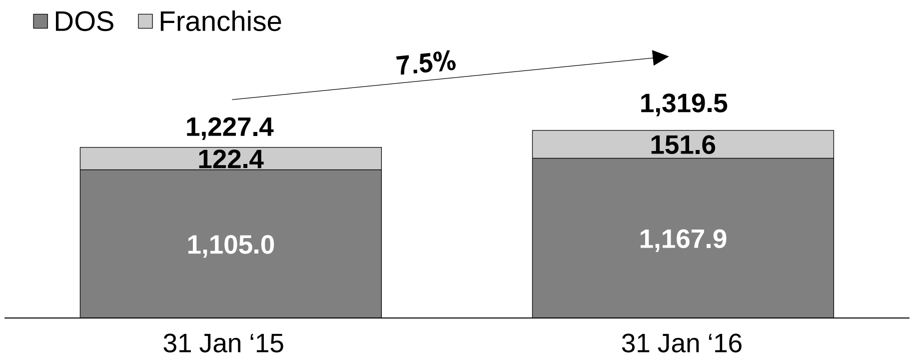
Sales and EBITDA Performance in FY15

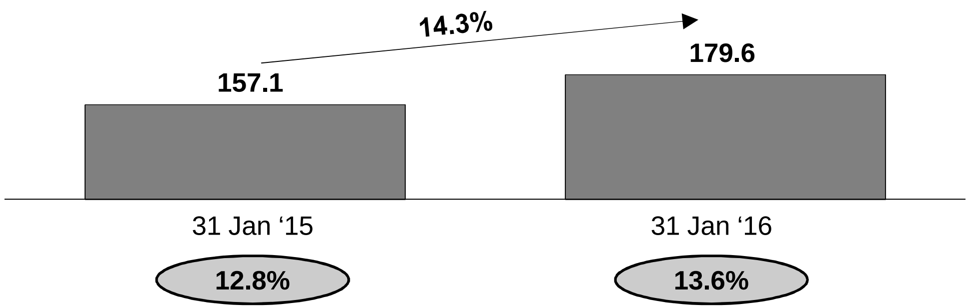
Aggregate Performance

Net Sales (€mln)



EBITDA (€mln)

- Improved operating leverage and savings in energy and rents
- Accretive impact of higher franchise sales
- Increase in EBITDA and margin for both brands



Performance By Brand(*)

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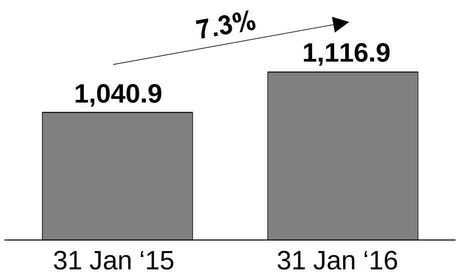

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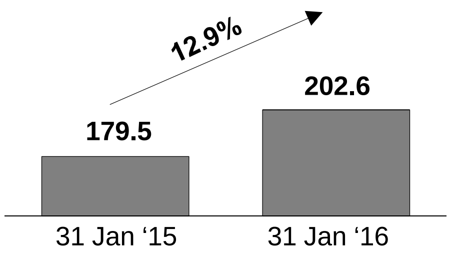

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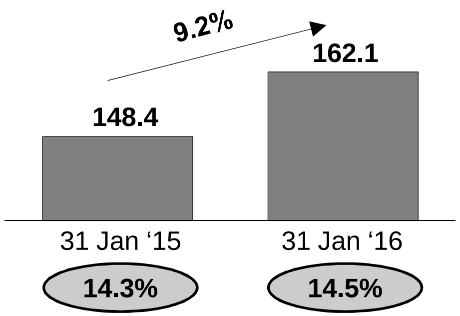

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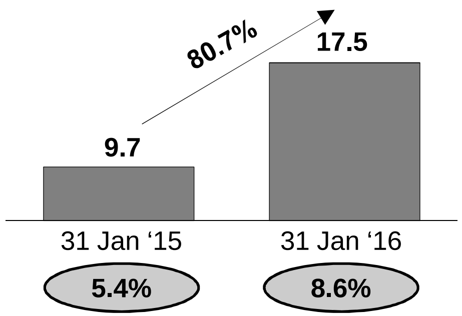

Margin %

(*) Excluding "Other": €7.0m net sales and €(1.0)m EBITDA in FY14; nil in FY15

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Consolidated Net Working Capital

€ mln	31 January '16	31 January '15	Change
Accounts Receivable	71.0	73.0	(2.0)
Inventory	289.7	287.6	2.1
Accounts Payable	(368.8)	(374.4)	5.6
Net Working Capital	(8.1)	(13.8)	5.6

- The working capital structure remained substantially stable vs. January last year:
  - Improved DSO resulted in lower account receivables notwithstanding the growth experienced by the franchise network (with new openings also requiring an initial investment in merchandise by the franchisees)
  - Inventory was substantially flat in value in spite of the store expansion and the strengthening of USD (c. €9m upward impact on inventory valuation), thanks to careful purchasing and inventory management which resulted in a better stock aging profile
  - Accounts payables decreased marginally mainly because data at 31 January 2015 also included certain payables related to the self financed capex for the LED project.

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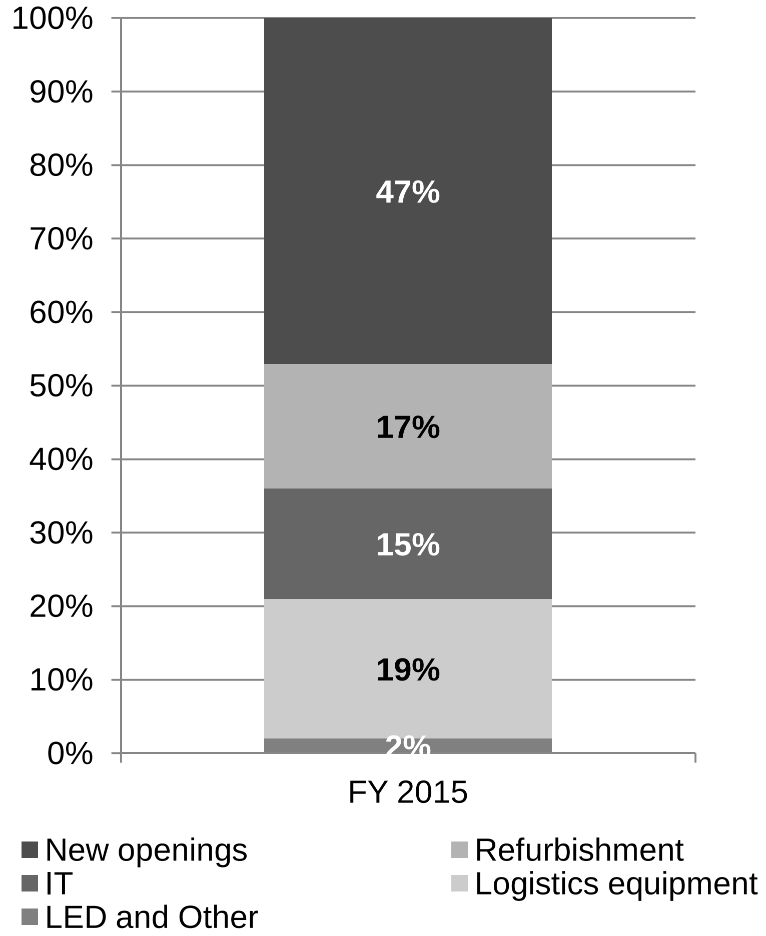
Capex

- Capex (€68.3m in FY15) include:
  - ✓ new openings (c. 47% of total capex)
  - ✓ refurbishment and maintenance of the existing network (c. 17%)
  - ✓ IT and special projects (c. 15%), mainly related to operational projects
  - ✓ automated logistics equipment (c. 19%), mainly related to a planned project dedicated to support the replenishment activities (increasing speed, efficiency and capacity)
  - ✓ Capex for the LED project - entirely managed through vendor financing - and other miscellaneous expenses (c. 2%)

FY 2015 Capex Split (%)



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Net Debt and Leverage

€ mln	31 January '16	31 January '15
Net Debt	235.0	624.4
EBITDA LTM	179.6	157.1
Leverage on EBITDA	1.3x	4.0x

- During the year, EBITDA leverage declined by 2.7x vs. 31 January 2015 due to the proceeds from the IPO as well as operating cash flow generation
- Residual net debt post IPO has been entirely refinanced at more favorable interest rates:
  - The average interest rate in FY15 was 3.4% vs. 5.42% in FY14
  - FY15 cost still does not reflect in full the benefit of the refinancing (only c.11 months experienced lower rates). The average interest rate in 4Q15 was 3.04%
  - Further improvements are expected at the current level of leverage

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Consolidated Cash Flow Statement

- Operating cash flow for the year reached €118.0m:
  - Limited increase in operating working capital, while other changes in working capital primarily relate to the expansion of the network, which resulted in increased VAT, personnel and other payables
  - Capex includes c. €12.6m one-off costs relating to the automation of the post-distribution process
- Tax payments include a €10.6m IRAP disbursement for 2014 and payments on account for 2015, with the remaining €9.8m relating to IRES for 2014. As OVS SpA was incorporated in 2014, no payments in accounts had been made for that year.

€ mln	FY15
EBITDA	**179.6**
Change in Net Working Capital	(5.6)
Change in other assets (liabilities)	12.4
Capex	(68.3)
Operating Cash Flow	**118.0**
Financial Expenses	(20.2)
TFR (Employees' leaving indemnity)	(2.5)
Taxes	(20.5)
IPO costs (excl. bank commissions)	(3.6)
IPO proceeds (net of bank fees)	349.1
Other	(6.1)
Net Cash Flow (before MtM derivatives and amortized costs)	**414.1**
Change in MtM derivatives and amortized cost	(24.7)
Cumulated Net Cash Flow	**389.4**

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Outlook

- Notwithstanding an adverse start of the year from a weather standpoint, the topline growth trend continues in FY16 at stable margins
- The FY16 opening pipeline is highly visible, with many contracts already identified including a number of Coin stores to be converted as per the December 23rd announcement:
  - An additional 61 stores have opened since 31-Jan-2016, of which 9 were full format DOS
  - Following the inauguration of the new flagship OVS store in Milan in September, a large store was opened in Naples and two stores were refurbished in Turin and Rome, based on a similar format in terms of both architectural quality and product range, recording excellent sales
- OVS remains focused on selective international expansion:
  - New manager hired to head the existing international business development team
  - Partnership with Zalando finalized for online sales in 14 European countries
- A number of CSR initiatives under implementation underscore the continued effort of the company in this area. Among them we highlight the Kids Creative Lab and the decision to relocate Milan Expo temporary store structure to the company headquarter, to be converted into a child day care for the benefit of OVS employees.

Appendix

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P&L Adjustments Bridge

€ mln	31-Jan-16 Reported	o/w non-Recurring	o/w Stock Options, Derivatives and PPA	31-Jan-16 Adjusted	31-Jan-15 Reported	o/w non-Recurring	o/w Stock Options, Derivatives and PPA	31-Jan-15 Adjusted
Net Sales	**1,319.5**			**1,319.5**	**1,227.4**			**1,227.4**
Purchases of consumables	565.0			565.0	530.7	9.1		521.6
Gross Margin	**754.5**			**754.5**	**0.7**			**705.8**
Gross Margin %	*57.2%*			*57.2%*	*56.8%*			*57.5%*
Personnel Cost	261.9	0.3	1.4	260.2	244.7	0.8	0.0	243.9
Services	171.6	2.1		169.5	163.6	3.8		159.8
Rents Net of Other Income	124.5	1.0		123.5	117.9	0.4		117.5
Write-downs and Accruals	1.8			1.8	4.3	0.1		4.2
Other Operating Charges	23.4	3.6		19.8	24.0	0.8		23.2
EBITDA	**171.3**	**(6.9)**	**(1.4)**	**179.6**	**142.2**	**(14.9)**	**0.0**	**157.1**
EBITDA%	*13.0%*			*13.6%*	*11.6%*			*12.8%*
Depreciation & Amortization	58.2		8.6	49.6	58.8		8.6	50.2
EBIT	**113.1**	**(6.9)**	**(10.0)**	**130.0**	**83.3**	**(14.9)**	**(8.6)**	**106.8**
EBIT %	*8.6%*			*9.8%*	*6.8%*			*8.7%*
Net Financial Income/(Charges)	14.6	(6.8)	7.2	15.0	78.0	17.0		61.1
PBT	**98.5**	**(13.7)**	**(2.8)**	**114.9**	**5.3**	**(31.9)**	**(8.6)**	**45.8**
Taxes	11.9	23.5	(1.6)	33.8	14.5	6.0		20.5
Net Income	**86.6**	**9.9**	**(4.3)**	**81.1**	**(9.2)**	**(25.9)**	**(8.6)**	**25.3**

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Consolidated Balance Sheet Statement

€ mln	31 January '16	31 January '15	Change
Receivables	71.0	73.0	(2.0)
Inventory	289.7	287.6	2.1
Payables	(368.8)	(374.4)	5.6
Net Operating Working Capital	**(8.1)**	**(13.8)**	**5.6**
Other Short-term Non-financial Receivables (Payables)	(91.3)	(69.5)	(21.8)
Net Working Capital	**(99.5)**	**(83.3)**	**(16.2)**
Net Assets	1,357.2	1,343.9	13.2
Net Deferred Taxes	(142.7)	(168.5)	25.8
Other Short-term Non-financial Receivables (Payables)	(6.1)	(5.9)	(0.2)
Severance Indemnity Provision and Other Provisions	(48.7)	(53.8)	5.1
Net Invested Capital	**1,060.1**	**1,032.4**	**27.7**
Equity	825.1	408.0	417.1
Net Debt	235.0	624.4	(389.4)
Total Source of Funding	**1,060.1**	**1,032.4**	**27.7**