



MONNALISA

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Company Overview

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Monnalisa at a Glance

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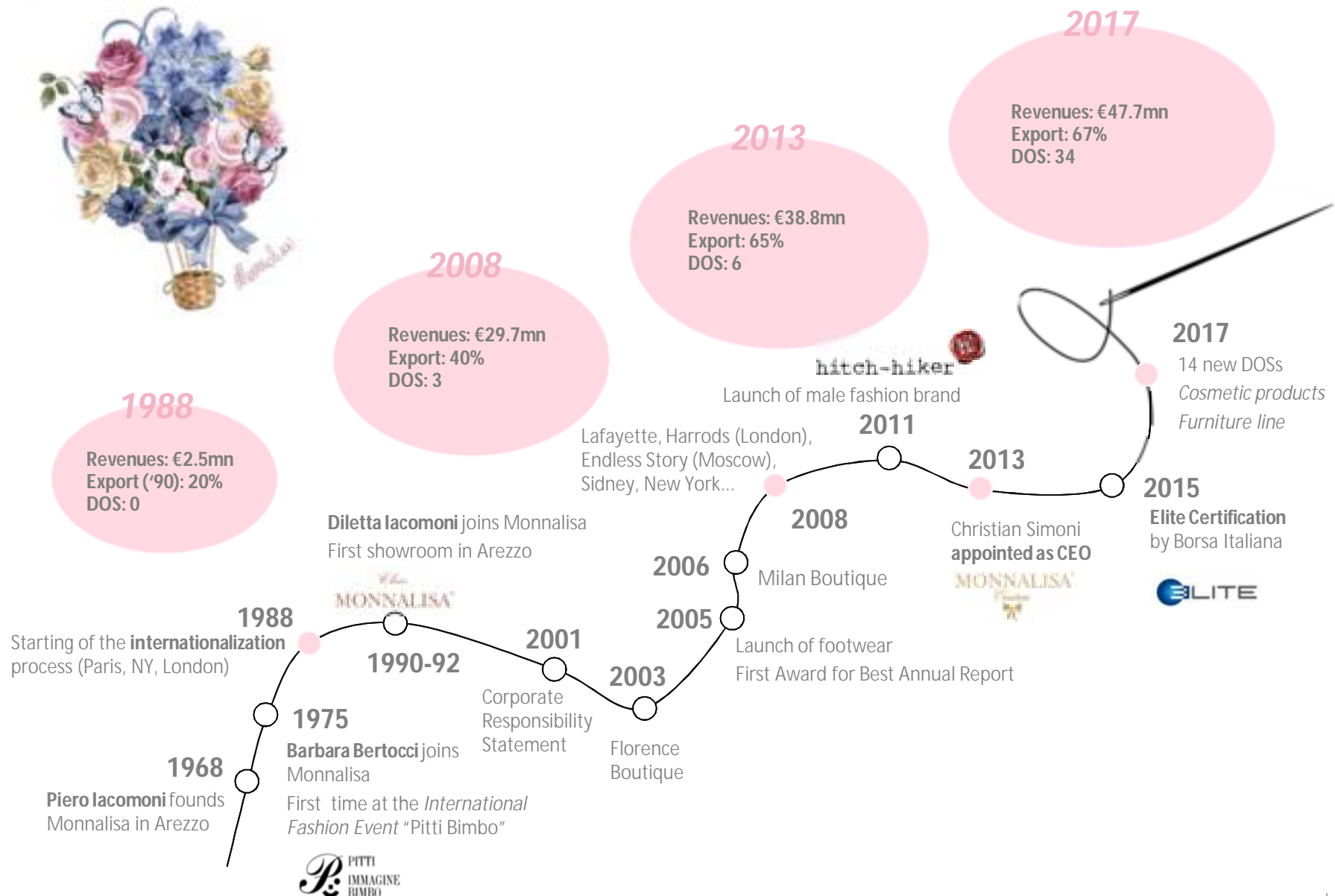
- Monnalisa was founded **in 1968** by Piero Iacomoni.
- The Company, based in Arezzo, operates in the **high-end childrenswear** (0-16 years) market through its **proprietary brand**.
- The Company offers a complete range of products in line with the aim of creating a **lifestyle identity**: from apparel to footwear, passing through accessories, furniture and cosmetics.
- The Company operates worldwide in 64 Countries through 98 monobrand and 767 multibrand stores and **67% of its revenues are generated abroad**.
- Monnalisa is the **third Italian player operating worldwide** in the high-end childrenswear market, considering total 2016 turnover.
- Monnalisa in 2013 joined the ELITE program of Borsa Italiana, achieving the **ELITE Certification** in 2015 .
- Over the next years, the Company aims at:
 - i. boosting the **international presence** through the entrance in new strategic markets (especially Asia) and increasing the retail presence (opening ca. 50 new direct stores and converting part of the existing wholesale monobrand stores into direct stores);
 - ii. developing the **e-commerce channel**;
 - iii. developing the **product portfolio** and merging the offer into the brand Monnalisa, and pushing on the **brand awareness**, through investments in communication.





1968-2018: 50 Years of Strong Brand Identity

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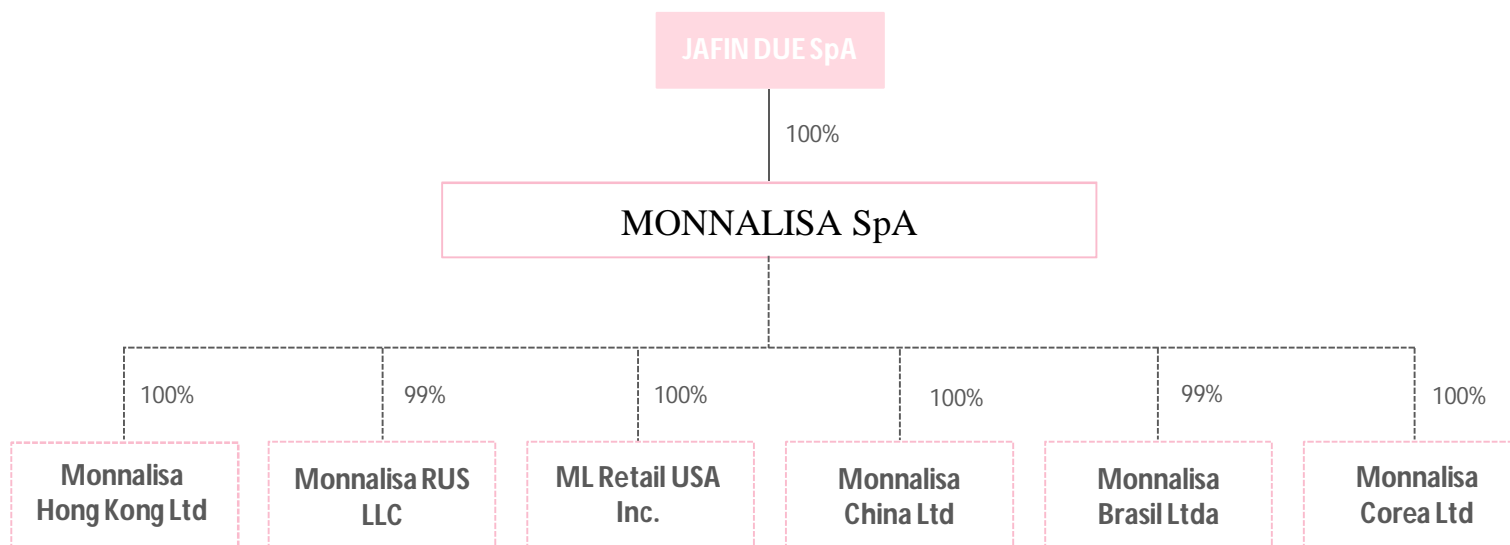


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Group Structure

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- The Group is controlled by JAFIN DUE SpA, a holding fully owned by the founding family and it is composed by Monnalisa S.p.A, the controlling company, and 6 foreign subsidiaries constituted in 2016 in key strategic Countries, in order to boost its internationalization.



Board of Directors

Piero Iacomoni : Chairman

Christian Simoni: CEO

Pierangelo Arcangioli: Non Executive Director

Matteo Tugliani: Non Executive Director

Independent Director: Simone Pratesi



Auditor



Proprietary Brand Only

- The company developed an **unique competitive positioning**, operating only through its **proprietary brand**. This choice gives the Company *full strategic autonomy* in:
 - *Signing new contracts with wholesale clients;*
 - *Developing Retail Channel having full autonomy on positioning decisions;*
 - *Avoiding to invest resources in non-proprietary Assets.*

Optimal Pricing Policy and inventories management

- Monnalisa optimally **aligns the pricing** between retail and wholesale channel in each geographical area;
- In DOSs, the company is progressively **reducing fire sales**, improving both operating margins and brand image;
- Inventories are managed through Direct Operated **Outlets strategically located** in high traffic places, such as Serravalle (AL), to sustain also brand awareness.

Top Seller Brand

- In the **wholesale channel** the company is positioned **among the top performers**:
 - *Best Performers in terms of sell-out* since 2012 according to Fashion Magazine Survey;
 - In the last 7 years Monnalisa has been always among the *Top 3 seller in the prestigious department store Rinascente.*



Distribution Channels

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Monnalisa operates globally through **four distribution channels**:

- **Corporate retail:** direct single brand stores, DOS and DOO (Directly Operated Stores/Outlets);
- **Wholesale Monobrand:** monobrand stores in partnership TPOS* (Third Party Operated Stores) and TPSIS/Special TPSIS (Third Party Shop In Shop) in top department stores;
- **Wholesale:** independent multibrand stores;
- **E-commerce:** monobrand and multibrand online marketplaces.



Monnalisa's Brand

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- Monnalisa operates in the high-end childrenswear market through its **proprietary brand**. Monnalisa's offer is designed and conceived for both girls (3months-16years) and boys (3months-14years).

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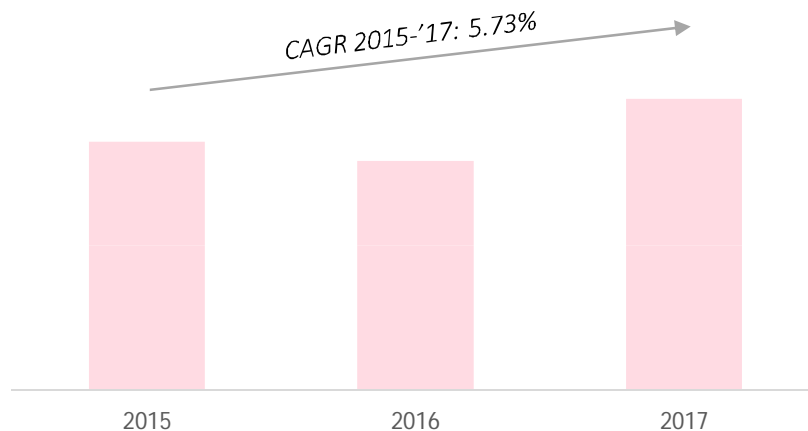


E-Commerce & Digital integration

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- Monnalisa is a **pioneer for e-commerce channel** in the childrenswear market, being the *first company worldwide* opening a direct e-commerce store;
- On Wholesale side, the company signed **contracts with the main e-commerce platform**, such as ChildrenSalon which is the leader in the e-commerce childrenswear market.
- Monnalisa is working on a full **Online to Offline integration** in order to implement the «shoowrooming» concept. The fitting process takes place in the store, but the client can comfortably choose to receive the products directly to its house. Furthermore, a dedicated O2O mobile app allows to improve **Inventory Visibility** and in turn *Inventories management*.
- Through the implementation of a **Rfid technology** the company made possible to track each product and to give information to the final customer covering all the features of the product itself, starting from the source of raw material and passing through the production process;

E-commerce Revenues (€ mn)



E-commerce Wholesale Clients



Monnalisa's Concept Stores

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- Every Monnalisa's boutique format is consistent with the brand image, and it is highly appreciated by the final users.
- The Company's Visual Merchandising Team coordinates the store image and clothes exposure for all 98 stores worldwide. The display of the goods is intended to maximise the exposure of the total looks to increase the average ticket.
- Monobrand stores have an average space of 70 sqm, with a minimum of 30 sqm for TPSIS and a maximum of 150 sqm for DOS located inside Malls.

TPSIS/Special TPSIS



DOS/TPOS





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Business Model

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- **Innovation, creativity, high-style contents** and **artisanal print** represent Monnalisa's distinctive and core features, which enable the Company to present innovative and fashionable collections every season, experimenting with design and materials as well as fashion content and ideas.
- Monnalisa's strong brand identity is the result of the matchability of the collections and the ability to coordinate apparel, shoes and accessories to create a total-look experience.



- The designing and creating activities are **entirely insourced** and carried out by a dedicated team made out of 30 design and style experts.
- The Creative Direction is run by **Barbara Bertocci**, who has been responsible for the creation of each collection since 1975, and by **Diletta Iacomoni** as Fashion Coordinator, who has the responsibility for the identification of trends, research and selection of fabrics and the conception of the pattern book.

What Makes Monnalisa Unique

Creativity

Innovation

Strong Brand Identity

Investments in Trend Analysis and Researches

Acknowledgment of the excellence of the style team

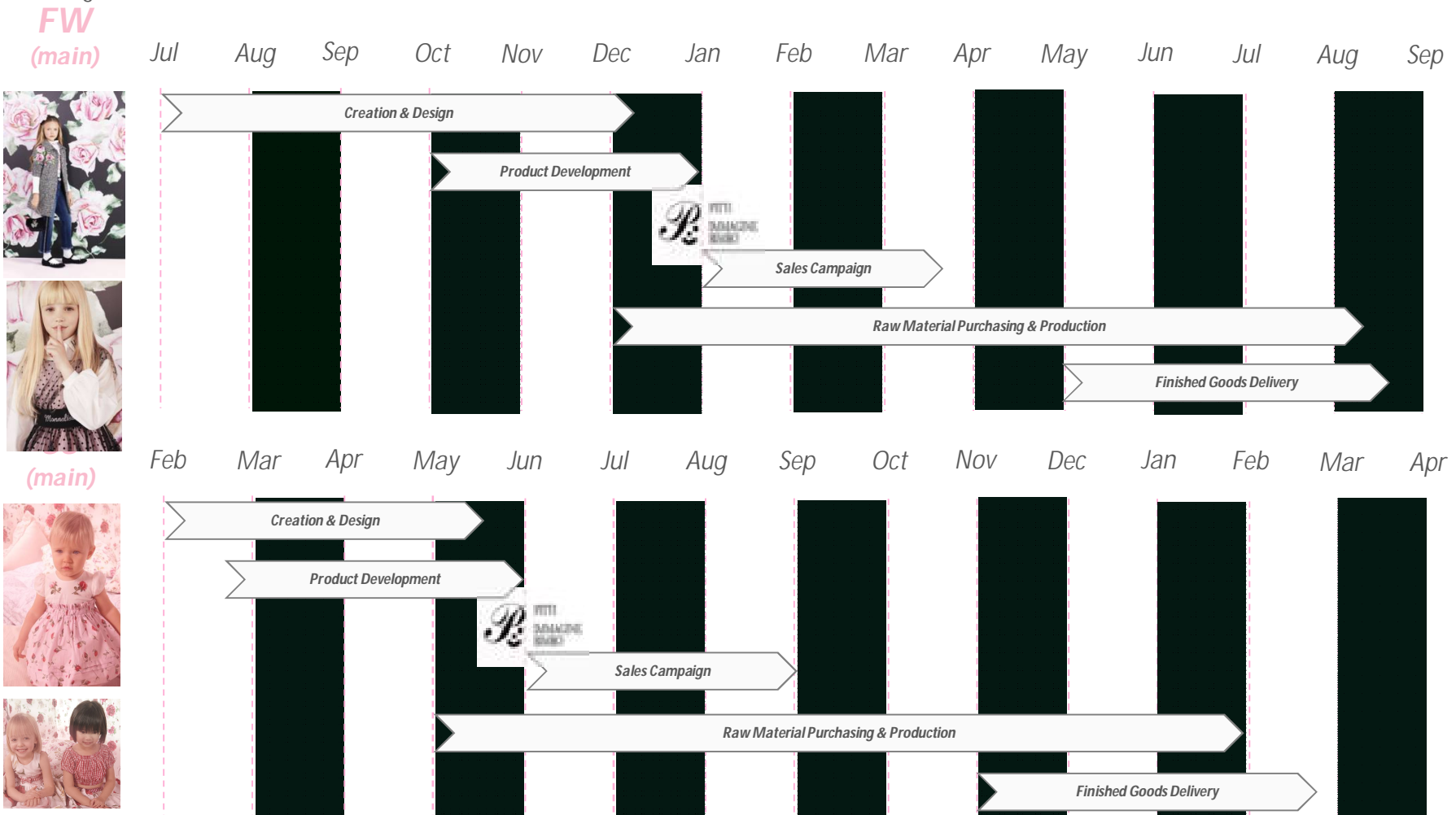
Designing and creating activities completely insourced



Collections Development

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- Every year, Monnalisa creates and launches **two main collections** (fall-winter and spring-summer) and **two pre-collections**. On average, each season collection consists of 900 items.
- At the end of March, the company has a clear visibility on SS collection Revenues, on FW wholesale orders and has a definite budget on FW for the Retail channel.



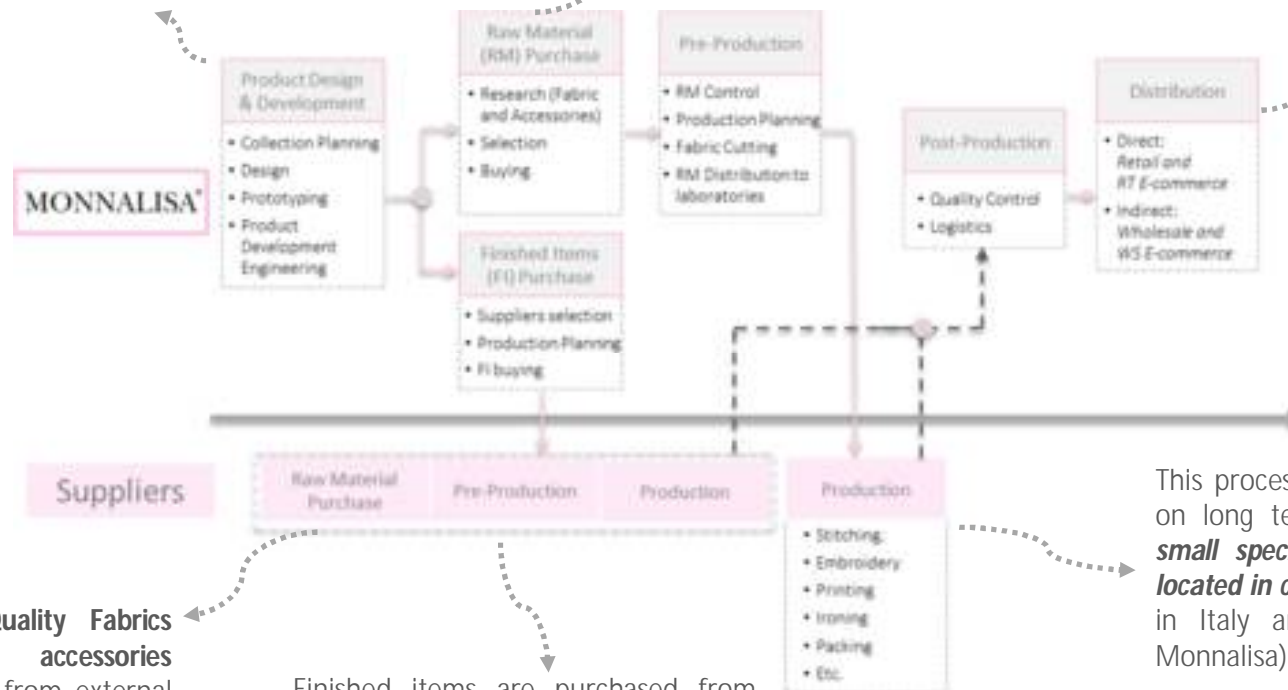
Business Model

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- Monnalisa has an extremely **flexible production structure**; in fact, for the industrialized products, all the transformation phases, after the raw material control and the fabric cutting, which is the most important phase to guarantee a **high quality level** to finished product, are outsourced to small laboratories maintaining an **effective control on every critical point of the cycle**.
- For each collection, the projections based on the outcome of the sales campaign permit the company to program **purchases and production in advance**.

Entrusted to an **Expert Style and product development Team of 30 people** oriented towards high **creativity content and continuous innovation**

High Quality Fabrics carefully tested internally by Monnalisa



High Quality Fabrics and accessories bought from external suppliers selected and supervised by Monnalisa

Finished items are purchased from Italian or foreign suppliers, recurring to **habitual inspections** to monitor the quality of manufacturing process

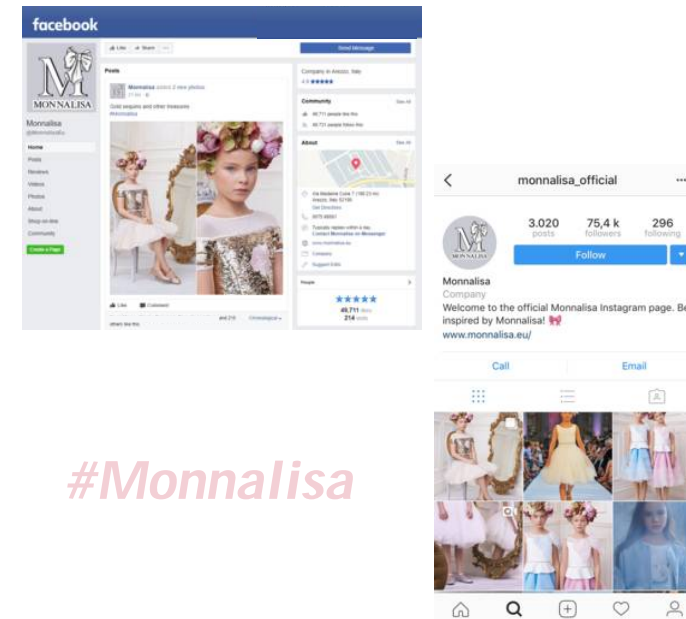
This process is outsourced leveraging on long term relationships with 26 **small specialized laboratories mainly located in central Italy** (above 90% are in Italy and 12 are exclusive for Monnalisa).

Communication

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Communication represents one of the core activities for Monnalisa, contributing to enhance the **distinctiveness** and **identity** of the brand.

- ❶ **Social Media.** Monnalisa is active on the main social media, not only by posting pictures, but also by interacting with followers in order to better understand user needs, monitor conversations and improve the relationship with end-customers.
- ❷ **In-store Events.** Monnalisa has developed formats of periodical events aimed to strengthen brand awareness and loyalty through the engagement of end-consumers.
- ❸ **Product Placement.** Influencer Marketing and Product Placement are channels through which Monnalisa enhance its brand visibility and identity.



#Monnalisa



Mckenna Grace at the Toronto International Film Festival



Charlize Theron's son in Monnalisa boys' clothes



A shop window for
MONNALISA
Once upon a time
My fashion day



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Monnalisa's Future

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1. Consolidate and boost International Positioning

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The **internationalization process** passes through both the retail and wholesale channel:

- Entrance in new strategic Countries (India, Mexico, Chile etc.) and *increasing penetration* in already covered markets (Japan, Russia, China etc.);
- Expand the *travel* channel through new openings in main international airports (Istanbul, Rome, Singapore etc.);
- The main strategic area will be **Asia**, with a particular focus on *China* and *Japan*.

DIRECT
PRESENCE

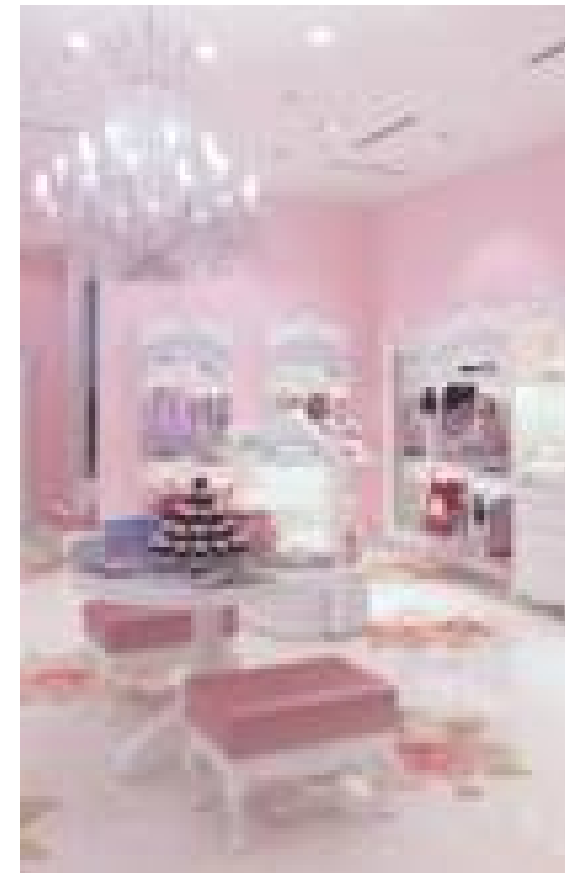
HIGHER
MARGINS

BRAND
AWARENESS

REVENUE
CONSOLIDATION

Corporate Retail Boost

- Monnalisa plans to open around **40 additional DOS**;
- **China** market opportunities will be exploited thanks to the widespread direct presence in the market through ca. 20 DOS;
- **Conversions** of part of TPOS into DOS: **Japan** is expected to provide the higher number of DOS thanks to the *conversion* of 11 existing TPOS;
- **Omni-channel**: integration of online and offline channels;
- Redefinition of the **merchandising planning**.



2. E-commerce Development

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1. **Retail E-commerce.** Expand the online commerce with a focus on **specific boutiques for strategic countries** (Japan, China, South Korea). Furthermore an **Enterprise Solution based platform** to better manage merchandising, new collections and semantic research tool will be implemented .



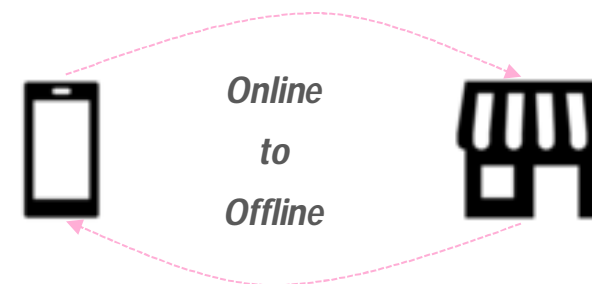
Enterprise based Platform

Specific country boutiques

2. **Wholesale E-commerce.** Invest in technology for data integration, and strengthen commercial relationships, especially with "e-tailers", enhancing *inventories management*.



3. **Online-Offline integration.** Selling process integration, through investment in social platforms and dedicated Shop Assistant App, to increase client entrenchment and up-selling potential.



3. Product Portfolio & Brand Awareness

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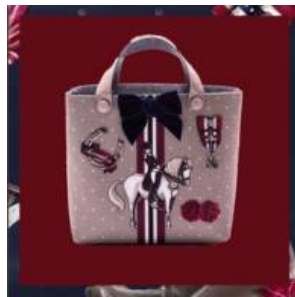
The strategy is aimed at boosting the Brand recognition worldwide, strengthening Monnalisa's identity awareness while optimizing the investment in communication:

- ❶ **Raise the cross-selling opportunities**, thanks to investment directed at strengthening the *Product Portfolio*. The objective is expanding *Monnalisa total look* thanks to the development of different product lines: Layette, Furniture, Male, Accessories, Cosmetics and Footwear;

Monnalisa Lifestyle

Cross-Selling

Up-Selling



- ❷ Strengthening the communication effectiveness thanks to the **Brands portfolio rationalization**, merging all the product lines into "*Monnalisa*", exploiting its visibility and awareness.

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- ❸ **Increase the average product price** thanks to **more resources invested in effective communication**. The focus will be on *Core markets* (Russia, China, Japan) and on *Digital approach* (B2C platform, Web marketing and use of social).

User Experience

Social Platforms

Search Engine Marketing