



COMPANY PROFILE

Retail Distribution

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1. Who we are

Who we are

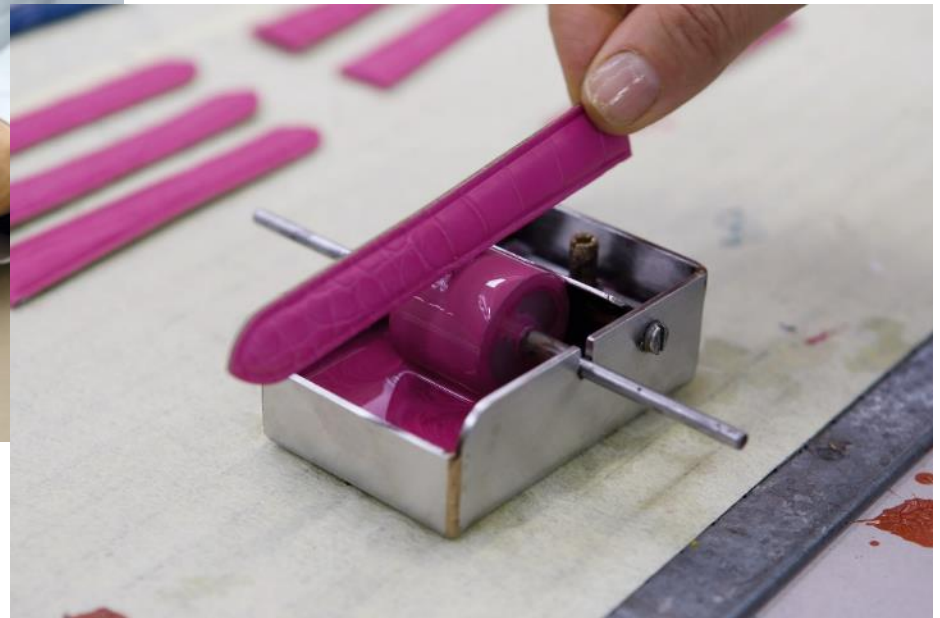
- 1 Morellato was founded in Venice in 1930 when Giulio Morellato opened a workshop for the handmade production of leather straps for watches
- 2 European leader of watch straps “Made In Italy”, Morellato is the official supplier of the most prestigious Swiss Made watch companies
- 3 Nowadays Morellato Group has a turnover of about 200 mln Euro and a strong financial position



2. Made in Italy and Savoir Faire

Made in Italy and Savoir Faire

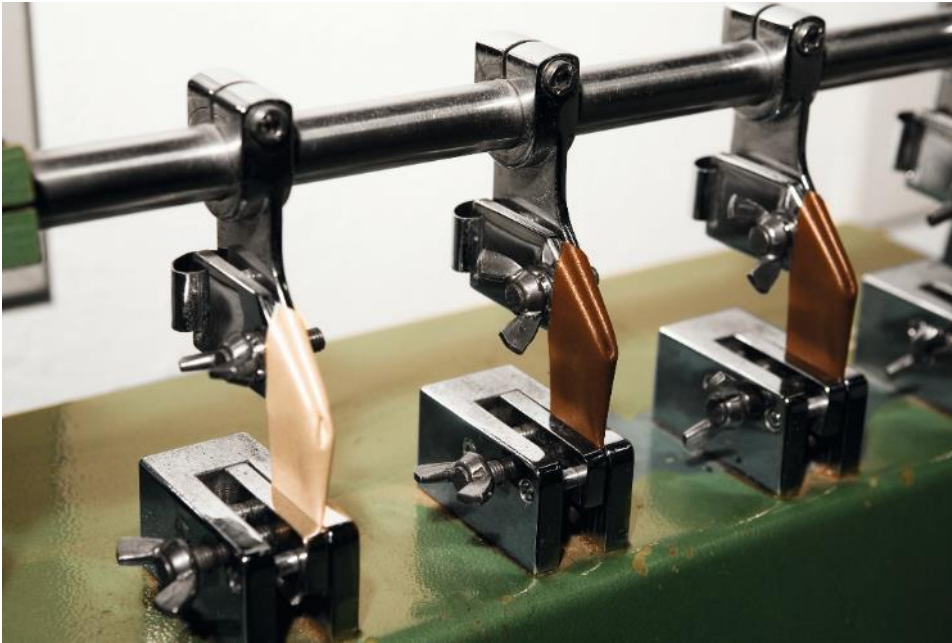
- 1 Morellato is synonymous with Italian “*savoir faire*” and high quality leather straps
- 2 Craftsmanship in the best leather goods tradition
- 3 Awareness and strong know how of all the traditional manufacturing and “*haute de gamme*”



3. Raw materials, Qualities and Finished Product

Raw materials, qualities and Finished Product

- 1 Internal lab for mechanical and aesthetical controls
- 2 More than 25 tests UNI norm realized on all the batches of incoming raw materials
- 3 Internal certification system for the respect of the regulation of legal chemical limits



4. Bespoke straps

Bespoke straps

- 1 Morellato has always produced one-off bespoke straps based on the suggestions of the end consumer or on the requests of retailers
- 2 Original straps can be copied with plastic or metallic components from the original strap recovered and reused
- 3 Morellato solves the problem of original straps out of production and the need for sizes that are non-standard
- 4 Wide range of leathers and raw materials, plus short delivery time
- 5 “*Made in Italy*” finished product



5. Assortment

Assortment

- 1 Morellato offers one of the largest and most complete assortments of watch straps, that covers all price ranges: from premium to entry price and also all kinds of end consumers' requests and needs
- 2 The Morellato collection has more than 400 models and almost 3.000 SKUs, including a selection of rubber straps and metal bracelets, available in two specific collections
- 3 Special collection of straps provided with Easy Click spring bars (quick release system)
- 4 4 launches per year of new collections of straps
- 5 All the models shown in Morellato catalogue are available in stock and can be shipped with prompt delivery.



6. Collections

Collections

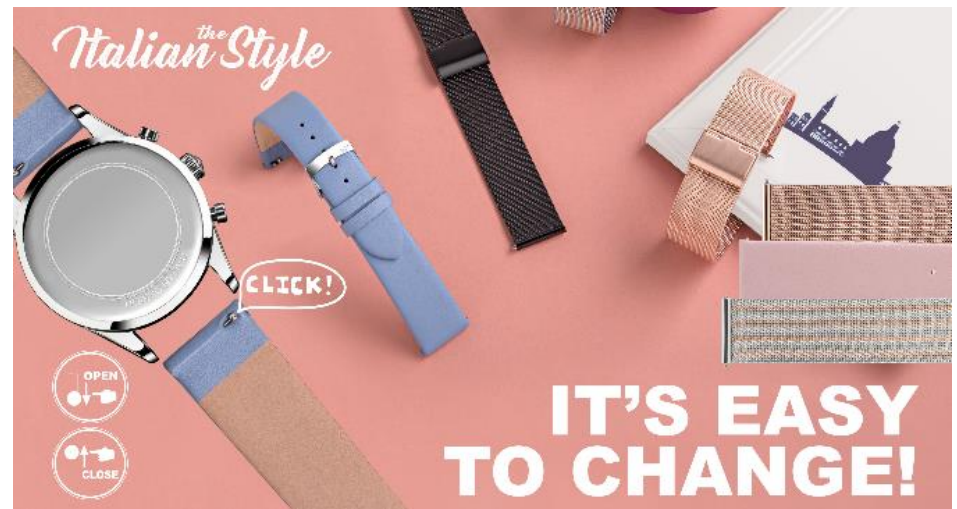
1 The Morellato Strap catalogue is the most complete, dynamic and unconventional assortment in the watch industry. The offer of straps is wide and, along with the “bread and butter” collections, we find also special collections that are a “must have” in retailers’ assortments and which offer a distinctive sign of the brand:

- **Manufatti** – one of the most exclusive collections from Morellato, that celebrates the “savoir faire” and the manufacturing ability of our artisans. Wide selection of handmade models with fine, prestigious leathers and with high-range finishing.
- **Sport** – Iconic collection, one of the most appreciated by retailers and end consumers. Our sports straps are made with leather and technical materials that guarantee the total water resistance of the straps (even in the sea or pool). These products are developed for use during sports activities and for open air life. The resistance of these products is determined by specific tests carried out in our internal quality control labs.



Collections

- **Rubber** – Straps made not only in rubber, but also natural rubber and silicon to offer also in this segment high quality and resistant straps. All the models are tested to sustain up to almost 16.000 cyclical flexions.
- **Easy Click** – offers a complete range of models provided with a quick release system that makes strap replacement quick and easy, for the retailers but also for the end consumers, so that straps can be changed without specific tools.
- **Green Collection** – another exclusive and successful range. Models of high quality and resistance, made with vegan friendly materials, whose production has a lower impact on the environment than the leather.
- **Eco-friendly** – newest amongst the Morellato ranges, offers straps made of leathers and materials that are 100% recycled. A collection that meets the growing demand of eco-friendly products also in this sector.
- **Metal** - also in this segment Morellato is committed to ensure not only the standard assortment of metal straps, but also of models that follow the current trends (like the Milanese mesh bands).



7. Sustainability and Second life

Sustainability and Second life

- 1 Morellato is firmly committed to answering the growing demand of sustainable and eco-friendly materials and products.
- 2 Production of watch straps made of:
 - Recycled leather Made in Italy, certified and tested
 - Materials deriving 100% from recycled plastic bottles and certified by a specific German authority
 - Linings, padding and stitching made of recycled materials to obtain a strap completely made of recycled materials
- 3 Sustainability:
 - Animal care – collaboration with tanneries that obtained the safety declaration for the animal welfare
 - Eco friendly – respect of all the standards for low environmental impact and use of production processes and components with a low environmental impact (e.g. water based glue)
 - Ethical social – respect of all the strict European regulations concerning the management of employees and collaborators.
 - Code of Conduct- Morellato has adopted a code of conduct shared and subscribed by all their suppliers.

8. Sales system & Displays

Sales system & Displays

- 1 The displays are designed and produced internally, to ensure the maximum efficiency in terms of stock, visibility of the brand and fast sell out process
- 2 Thanks to our wide experience developed in the retail market all over the world, Morellato offers a complete range of sales systems in order to 1-reduce significantly the time of sale 2-ensure a high rotation of the straps 3-grant a higher profitability for the shops
- 3 Wide assortment of displays to facilitate the stock management of all the retailers: assistance centers, watchmakers, traditional stores and chains located in shopping centres. Diversified displays to be adapted to the available space in each store: Morellato can develop its display both in wide and small spaces, with standing or wall solutions, for the counter or for the shop window
- 4 Possibility of customizing the displays with materials and colours to be matched with the store or to develop display *ad hoc* for the customer or retail channel
- 5 All the displays are available in stock



9. Distribution and Margin

Distribution and Margin

1 Morellato's offer is characterized by some key points addressed both to distributors, chains and department stores.

2 Distributors:

- High quality products with high customer satisfaction (minimal returns percentage)
- Possibility of operating without local stock, using the retail platform of Morellato with unquestionable competitive advantages. Deliveries all over Europe, directly to the distributor's customer with triangular invoicing, or alternatively to the distributor.
- Highly profitable business! Thanks to the saving of the investment of the stock, the distributor can offer to its market the whole range of Morellato products, without stock burdens and major investments.
- The triangular system considers the use by sales reps of Morellato order collection program (on iPad or other device), with immediate dispatch of the order to the platform to minimize order entry timing. Alternatively, the most common order transmission systems, such as EDI or similar, are available
- In the wholesale market, Morellato offers higher than average margins, both for the distributor and the retailer.
- Yearly marketing contribution for displays and ADV

Distribution and Margin

3 Chains and Department stores:

- Direct relationship with the head office, that manages the relationship with the chains through its sales manager without intermediaries
- Displays and sales system – also customized – at Morellato's cost
- Personalized assortments for the customer with periodical update depending on rotation
- Mark-up and high edges
- Electronic order transmission (EDI or similar)
- Replenishment of sold products with quick and frequent deliveries (even in 48h) to allow small and contained stocks
- Organization of technical training for changing straps and sales techniques for shop assistants and store managers (on demand)

10. Delivery

Delivery

- 1 All the catalogue models are available in stock
- 2 Express delivery system, with hand-over to the carrier within max 48 hours from the order (available on demand)
- 3 Possibility of customizing the preparation of the order depending on the necessities of the shop and/or distributor
- 4 Labeling of the product even with customized items' code of the customer



11. Exhibitions

Exhibitions

1 Morellato straps division takes part in the most important field exhibitions:

- Baselworld
- Geneva EPHJ (Environnement Professionnel Horlogerie-Joaillerie)
- Geneva SIHH (Salon International de la Haute Horlogerie)
- Linea Pelle in Milan





MORELLATO

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