



PRELIMINARY¹ 2024 KEY PERFORMANCE INDICATORS

SAFILO DELIVERED STRONGER MARGINS AND IMPROVED CASH GENERATION IN A CHALLENGING MARKET

STRENGTHENED BRAND PORTFOLIO

- **Europe's resilience helped counter the slowdown in North America, mitigating the decline in net sales to 2.3%**
- **Gross margin improved to 59.7% of sales and adjusted² EBITDA margin improved to 9.4%**
- **The brand portfolio was strengthened with the acquisition of the perpetual license for Eyewear by David Beckham**
- **Positive Free Cash Flow of €16.7 M**
- **Stable net financial debt at €82.7 M after the acquisition of the perpetual license and the completion of Share Buyback Program**

Padua, January 28, 2025 – Today the Board of Directors of Safilo Group S.p.A. has reviewed the Group's preliminary¹ key performance indicators for the financial year ended December 31, 2024. The full year annual results will be approved by the Board of Directors on March 11, 2025.

In 2024, Safilo's preliminary¹ net sales amounted to Euro 993.2 million, recording a decrease of 2.3% at constant exchange rates and 3.1% at current exchange rates compared to 2023. The contraction is due to the end of the Jimmy Choo license. Net of this impact, the trend in sales was slightly positive, driven by the solidity and resilience of the European business. The North American market was however more difficult, marked by the underwhelming performance of sunglasses and the sports business.

In Q4, sales performance improved compared to the previous quarters of the year, showing a contraction of 1.1% at constant exchange rates and 1.6% at current exchange rates, to which especially the recovery of emerging markets contributed. Excluding the residual effect of Jimmy Choo exit, the quarter was positive by almost 2%.

Sales in Europe remained stable compared to Q4 2023 (-0.1% at constant exchange rates), while in North America, Q4 was down 4.6% at constant exchange rates, impacted by the lower sales of Blenders, which, in the same period of 2023, had been boosted by the success of the brand's first collection in collaboration with

This press release may use 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA and Net debt), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-178b recommendation published on 3rd November 2005.

Coach Prime. The performance in North America also reflected the still subdued performance of sunglasses in the wholesale channel, which nevertheless showed signs of improvement in the last weeks of the year. It was instead a quarter back to growth for Smith's sports business, which continued to progress in the Direct-to-Consumer (DtC) channel and saw a recovery in physical stores, supported by a strong start to the 2025 ski season and a favourable comparison base.

In Q4, the Asian and Pacific markets grew by 12.9% at constant exchange rates, while the Rest of the World markets grew by 2.4% at constant exchange rates.

2024 sales performance by geographical area saw Europe growing by 1.6% at constant exchange rates, while the North American market recorded a decline of 5.2% at constant exchange rates. In the year, revenues in Asia and Pacific and the Rest of the World decreased by 2.1% and 5.9% respectively at constant exchange rates.

Safilo continued to strengthen its brand portfolio and to improve margins and cash generation.

In 2024, the acquisition of the perpetual license for Eyewear by David Beckham represented a further step towards the consolidation of a high-quality and long-term brand portfolio, perfectly balanced between home and licensed brands. Carrera and David Beckham represented the main strengths of the year, achieving double-digit growth also in the last quarter of the year. These were complemented by the positive results of Tommy Hilfiger, Marc Jacobs, and Carolina Herrera, which delivered solid progress in their key reference markets.

In 2024, Safilo improved margins thanks to the higher industrial efficiency achieved with the reorganization completed in 2023, and the positive price/mix effect on sales recorded throughout the year.

On a preliminary basis¹, the gross margin for the year was 59.7% of sales, which is an improvement of 100 basis points compared to the adjusted² level recorded in 2023. In Q4, gross margin equalled 59.5%.

At the adjusted² EBITDA level, the Group's operating performance was resilient despite the revenue pressure on the operating leverage. On a preliminary¹ basis, the 2024 adjusted² EBITDA margin stood at 9.4%, delivering an improvement of 40 basis points compared to 2023.

In Q4, the adjusted² EBITDA margin, equal to 7.5%, improved by 60 basis points compared to Q4 2023.

On the cash generation front, in Q4 the Free Cash Flow was positive for Euro 18.9 million, bringing the amount for the year to Euro 16.7 million, including the investment to acquire the perpetual license for Eyewear by David Beckham.

On a preliminary¹ basis, the Group's net debt for the year, which also takes into account the completion of the Share Buyback Program for Euro 11.8 million, remained stable compared to 2023, at Euro 82.7 million (Euro 40.3 million pre-IFRS 16, improving by around Euro 3 million compared to 2023).

Looking to 2025, Safilo remains focused on strengthening and growing its brand portfolio, aiming for an increasingly targeted use of resources and investments.

The economic and financial improvement achieved in 2024 represents a solid basis to enable Safilo to address the opportunities of the new year.

Notes to the press release:

¹ Preliminary data contained in this press release is unaudited.

² Adjusted figures exclude non-recurring items.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Michele Melotti, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors.

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The Net Debt is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash on hand and at bank. Such indicator does not include the valuation at the reporting date of derivative financial instruments and the liability for options on non-controlling interests;
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities and the cash payments for the principal portion of IFRS 16 lease liabilities.

About Safilo Group

Safilo is a global player in the eyewear industry that has been creating, producing, and distributing for over 90 years sunglasses, prescription frames, outdoor eyewear, goggles and helmets. Thanks to a data-driven approach, Safilo goes beyond the traditional boundaries of the eyewear industry: in just one company it brings together Italian design, stylistic, technical and industrial innovation, and state-of-the-art digital platforms, developed in its digital hubs in Padua and Portland, and made available to Opticians and Clients for an unmatched customer experience. Guided by its purpose, See the world at its best, Safilo is leading its Group legacy, founded on innovation and responsibility, onwards towards the future.

With an extensive global presence, Safilo's business model enables it to monitor its entire production and distribution chain. From research and development in five prestigious design studios, located in Padua, Milan, New York, Hong Kong and Portland, to its company-owned production facilities and network of qualified manufacturing partners, Safilo Group ensures that every product offers the perfect fit and meets high quality standards. Reaching approximately 100,000 selected points of sale worldwide with an extensive wholly owned network of subsidiaries in 40 countries and more than 50 partners in 70 countries, Safilo's well-established traditional wholesale distribution model, which encompasses eyecare retailers, chains, department stores, specialized retailers, boutiques, duty free shops and sporting goods stores, is complemented by Direct-to-Consumer and Internet pure player sales platforms, in line with the Group's development strategies.

Safilo Group's portfolio encompasses home brands - Carrera, Polaroid, Smith, Blenders, Privé Revaux and Seventh Street. The perpetual license Eyewear by David Beckham. Licensed brands include: Banana Republic, BOSS, Carolina Herrera, Dsquared2, Etro, Fossil, HUGO, Isabel Marant, Juicy Couture, Kate Spade New York, Kurt Geiger, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, Moschino, Pierre Cardin, PORTS, Stuart Weitzman, Tommy Hilfiger, Tommy Jeans and Under Armour.

The parent company, Safilo Group S.p.A., is listed on the Euronext Milan organized and managed by Borsa Italiana (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI). In 2023, Safilo Group recorded net revenues for Euro 1,024.7 million.

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