

Safilo 90 YEARS
SEE THE WORLD AT ITS BEST

H1 2024 RESULTS

AUGUST 1, 2024

DISCLAIMER

This presentation may contain forward looking statements based on current expectations and projects of the Group in relation to future events.

Due to their specific nature, these statements are subject to inherent risks and uncertainties, as they depend on certain circumstances and facts, most of which being beyond the control of the Group. Therefore actual results could differ, even to a significant extent, with respect to those reported in the statements.



“This first semester ended by confirming the main market dynamics and trends by brand recorded in Q1.

In the second quarter, sales performance was more negatively impacted by the Jimmy Choo exit, while benefitting from the significant growth of Carrera and David Beckham.

Notwithstanding a business environment which remained challenging, we continued to improve our economic and financial performance, reinvesting the positive operating cash flow in the continuous strengthening and development of our brand portfolio.”

Angelo Trocchia, CEO



BUSINESS HIGHLIGHTS

- IN H1, EUROPE HELD UP DESPITE Q2 SLOWDOWN DUE TO POOR WEATHER CONDITIONS
- IN NORTH AMERICA, THE EYEWEAR BUSINESS IMPROVED COMPARED TO Q1, WHILE SMITH SPORTS BUSINESS WAS STILL WEAK
- STRONG MOMENTUM OF CARRERA AND DAVID BECKHAM CONTINUING
- SHARE OF BUSINESS FROM HOME BRANDS, INCLUDING PERPETUAL LICENSE, TO ~50% OF SALES



NET SALES PERFORMANCE

H1 2024

532.0 €M

-3.3% reported

-2.4% @cFX

Q2 2024

254.8 €M

-3.1% reported

-3.1% @cFX

- IN Q2, JIMMY CHOO'S EXIT IMPACT WEIGHED MORE THAN IN Q1
- CARRERA AND DAVID BECKHAM UP DOUBLE-DIGITS
- CAROLINA HERRERA AND MARC JACOBS CONFIRMED POSITIVE MOMENTUM
- CHALLENGING MARKET ENVIRONMENT FOR SMITH AND POLAROID
- IN H1, RESILIENT EUROPEAN INDEPENDENT OPTICIANS CHANNEL AND ONLINE BUSINESS. SPORTS SHOPS AND TRAVEL RETAIL CHANNEL MAIN HURDLES



SALES PERFORMANCE IN **EUROPE**

H1 2024

239.1 €M

+1.4% reported

+3.4% @cFX

Q2 2024

113.8 €M

-0.3% reported

+0.8% @cFX

- IN Q2, EUROPE DECELERATED vs Q1 DUE TO POOR WEATHER CONDITIONS IN CORE MARKETS AND HIGHER IMPACT FROM JIMMY CHOO EXIT
- CARRERA, DAVID BECKHAM CONTINUED TO OUTPERFORM
- POLAROID AFFECTED BY THE UNFAVOURABLE SUN SEASON
- FRANCE AND CEE MARKETS CONFIRMED POSITIVE MOMENTUM, TOGETHER WITH GERMANY THANKS TO IPP CHANNEL AND CHAINS



SALES PERFORMANCE IN **NORTH AMERICA**

H1 2024

217.6€M

-6.0% reported

-5.9% @cFX

Q2 2024

103.2€M

-3.4% reported

-4.4% @cFX

- NET OF JIMMY CHOO EXIT, PERFORMANCE IN NA IMPROVED FROM MID-SINGLE DIGIT NEGATIVE IN Q1 TO FLAT IN Q2
- INITIAL RECOVERY OF THE EYEWEAR BUSINESS, WITH INDEPENDENT OPTICIANS BEST CHANNEL
- CARRERA, DAVID BECKHAM, CAROLINA HERRERA, MARC JACOBS AND TOMMY HILFINGER, BEST PERFORMING BRANDS
- SOFT SMITH WINTER AND SUMMER HELMETS BUSINESS IN PHYSICAL STORES. POSITIVE DTC BUSINESS



SALES PERFORMANCE IN **ASIA & PACIFIC**

H1 2024

26.4€M

-7.5% reported

-5.6% @cFX

Q2 2024

14.5€M

-12.1% reported

-11.3% @cFX

- TOUGH COMPARISON WITH Q2 2023 (+38% VS Q2 2022)
- STILL POSITIVE MOMENTUM IN CHINA DRIVEN BY PORTS AND POLAROID
- WEAK SALES TREND AT DISTRIBUTORS IN SOUTHEAST ASIA



SALES PERFORMANCE IN **THE REST OF THE WORLD**

H1 2024	Q2 2024
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48.8 €M
-10.2% reported
-11.3% @cFX

23.3€M
-8.9% reported
-9.6% @cFX

- CHALLENGING TRAVEL RETAIL IN LATIN AMERICA
- POSITIVE TRENDS IN MIDDLE-EAST AND AFRICA
- SALES IN INDIA NORMALIZING AFTER STRONG GROWTH LAST YEAR



ECONOMIC PERFORMANCE

Gross Margin	
H1 2024	Q2 2024

60.0%
+120 bps

60.1%
+100 bps

- HIGHER PRODUCTION EFFICIENCY DUE TO 2023 INDUSTRIAL RESTRUCTURING
- POSITIVE PRICE/MIX EFFECT
- LOWER DILUTION FROM PHASE-OUT SALES IN Q2



ECONOMIC PERFORMANCE

Adj. ¹ EBITDA Margin	
H1 2024	Q2 2024

10.8%
+40 bps

10.1%
+60 bps

- NORMALIZATION OF IT INVESTMENTS AND MARKETING EXPENSES
- STILL UNFAVOURABLE OPERATING LEVERAGE



ECONOMIC PERFORMANCE

Adj.¹ Net Results
H1 2024

24.2€M vs 6.9 €M

- NET OF THE DIFFERENT DYNAMICS OF THE PUT & CALL OPTIONS ON MINORITY INTERESTS, NET RESULT IMPROVED BY CA +50%
- LOWER NET FINANCIAL CHARGES DUE TO LOWER AVERAGE NET DEBT



FINANCIAL PERFORMANCE

Free Cash Flow H1 2024

-19.0 €M vs 9.9 €M

- IN H1, CASH FLOW FROM OPERATING ACTIVITIES TO 27.3 €M FROM 21.1 €M
- IN Q2, POSITIVE CASH FLOW FROM OPERATING ACTIVITIES OF ~21 €M DRIVEN BY SOLID ECONOMIC PERFORMANCE AND POSITIVE WC GENERATION
- CASH FLOW FOR INVESTMENTS TO 41.1 €M FROM 6.2 €M, MAINLY FOR THE PERPETUAL LICENCE OF THE EYEWEAR BY DAVID BECKHAM



FINANCIAL PERFORMANCE

Group Net Debt

as at June 30, 2024


100.4€M vs 82.7 €M at Dec.31, 2023

62.6 €M pre IFRS-16 vs 43.7 €M

Financial leverage, also pre-IFRIC SaaS, of 0.7x



Q & A



Appendices

NOTES TO THE PRESENTATION

1 In H1 2024, the adjusted economic results excluded non-recurring costs for Euro 7.0 million at the EBIT and EBITDA level mainly due to the costs related to a terminated license agreement and some special projects.

In Q2 2024, the adjusted economic results exclude non-recurring costs for Euro 3.1 million at the EBITDA level related to some special projects.

In H1 2023, the adjusted economic results exclude non-recurring costs for Euro 16.2 million at the EBIT level (Euro 12.7 million at the EBITDA level and Euro 5.0 million at the gross profit level) mainly related to the announced project for the disposal of the Longarone plant to third parties, to some special projects and restructuring expenses.

In Q2 2023, the adjusted economic results exclude non-recurring costs for Euro 9.6 million at the EBITDA level and Euro 4.5 million at the gross profit level, related to the announced project for the disposal of the Longarone plant to third parties.

NET SALES BY GEOGRAPHICAL AREA

(Euro million)	H1 2024	%	H1 2023	%	Change at current forex	Change at constant forex
North America	217.6	40.9	231.5	42.1	-6.0%	-5.9%
Europe	239.1	44.9	235.7	42.8	+1.4%	+3.4%
Asia Pacific	26.4	5.0	28.6	5.2	-7.5%	-5.6%
Rest of the world	48.8	9.2	54.4	9.9	-10.2%	-11.3%
Total	532.0	100.0	550.1	100.0	-3.3%	-2.4%

(Euro million)	Q2 2024	%	Q2 2023	%	Change at current forex	Change at constant forex
North America	103.2	40.5	106.8	40.6	-3.4%	-4.4%
Europe	113.8	44.7	114.1	43.4	-0.3%	+0.8%
Asia Pacific	14.5	5.7	16.5	6.3	-12.1%	-11.3%
Rest of the world	23.3	9.1	25.5	9.7	-8.9%	-9.6%
Total	254.8	100.0	263.0	100.0	-3.1%	-3.1%

(Euro million)	Q1 2024	%	Q1 2023	%	Change at current forex	Change at constant forex
North America	114.5	41.3	124.7	43.4	-8.2%	-7.2%
Europe	125.3	45.2	121.6	42.3	+3.0%	+5.8%
Asia Pacific	11.9	4.3	12.0	4.2	-1.1%	+2.3%
Rest of the world	25.6	9.2	28.8	10.0	-11.3%	-12.7%
Total	277.2	100.0	287.2	100.0	-3.5%	-1.8%

Q2 2024 TRADING UPDATE

Key Economic highlights - in Euro million	Q2 2024	% on net sales	Q2 2023	% on net sales	% Change
Net sales	254.8		263.0		-3.1%
Performance at cFX					-3.1%
Gross Profit	153.0	60.1%	150.8	57.3%	+1.5%
Adjusted ¹ Gross Profit	153.0	60.1%	155.3	59.1%	-1.5%
EBITDA	22.5	8.8%	15.3	5.8%	+46.8%
Adjusted ¹ EBITDA	25.6	10.1%	24.9	9.5%	+2.9%
IFRS 16 impact on EBITDA	3.0		2.9		

H1 2024 INCOME STATEMENT

Key Economic highlights - in Euro million	H1 2024	% on net sales	H1 2023	% on net sales	% Change 2024 vs 2023
Net sales	532.0		550.1		-3.3%
Performance at cFX					-2.4%
Gross profit	319.2	60.0%	318.6	57.9%	+0.2%
Adjusted ¹ Gross profit	319.2	60.0%	323.6	58.8%	-1.4%
EBITDA	50.6	9.5%	44.6	8.1%	+13.4%
Adjusted ¹ EBITDA	57.6	10.8%	57.3	10.4%	+0.5%
Operating result	30.6	5.7%	18.8	3.4%	+62.4%
Adjusted ¹ operating result	37.6	7.1%	35.1	6.4%	+7.2%
Group net result	17.6	3.3%	(9.0)	(1.6%)	n.s.
Adjusted ¹ Group net result	24.2	4.5%	6.9	1.2%	+251.7%
IFRS 16 impact on EBITDA	6.0		5.9		
on Operating result	0.8		0.8		
on Net result	(0.1)		(0.1)		

BALANCE SHEET AS OF JUNE 30, 2024

	June 30, 2024	December 31, 2023	Change
Net working capital	273.9	260.0	13.9
Tangible, Right of Use, and Intangible fixed assets	259.1	230.9	28.3
Goodwill	34.8	33.7	1.1
Other assets / (liabilities), net	(43.3)	(46.0)	2.7
Net invested capital	524.5	478.5	46.0
Net financial position	(100.4)	(82.7)	(17.7)
Group Shareholders' equity	(407.4)	(379.2)	(28.2)
Non-controlling interests	(16.7)	(16.6)	(0.1)

WORKING CAPITAL AS OF JUNE 30, 2024

	June 30, 2024	December 31, 2023	Change
Trade receivables	239.3	203.1	36.2
Inventories	197.4	229.0	(31.6)
Trade payables	(162.8)	(172.1)	9.3
Net working capital	273.9	260.0	13.9
<i>% on net sales</i>	<i>27.2%</i>	<i>25.4%</i>	

H1 2024 FREE CASH FLOW

Free Cash Flow - in Euro million	H1 2024	H1 2023
Cash flow from operating activities before changes in working capital	37.4	35.8
Changes in working capital	(10.1)	(14.7)
Cash flow from operating activities	27.3	21.1
Cash flow for organic investment activities	(41.1)	(6.2)
Cash payments for the principal portion of lease liabilities IFRS 16	(5.2)	(5.0)
Free Cash Flow	(19.0)	9.9

EXCHANGE RATES

Currency	Code	As of		(Appreciation)/ Depreciation %	Average for		(Appreciation)/ Depreciation %
		June 30, 2024	December 31, 2023		H1 2024	H1 2023	
US Dollar	USD	1.0705	1.1050	-3.1%	1.0813	1.0807	0.1%
Hong-Kong Dollar	HKD	8.3594	8.6314	-3.2%	8.4540	8.4709	-0.2%
Swiss Franc	CHF	0.9634	0.9260	4.0%	0.9615	0.9856	-2.4%
Canadian Dollar	CAD	1.4670	1.4642	0.2%	1.4685	1.4566	0.8%
Japanese Yen	YEN	171.9400	156.3300	10.0%	164.4614	145.7604	12.8%
British Pound	GBP	0.8464	0.8691	-2.6%	0.8547	0.8764	-2.5%
Swedish Krown	SEK	11.3595	11.0960	2.4%	11.3914	11.3329	0.5%
Australian Dollar	AUD	1.6079	1.6263	-1.1%	1.6422	1.5989	2.7%
South-African Rand	ZAR	19.4970	20.3477	-4.2%	20.2476	19.6792	2.9%
Russian Ruble	RUB	93.3485	99.9723	-6.6%	98.2195	83.5368	17.6%
Brasilian Real	BRL	5.8915	5.3618	9.9%	5.4922	5.4827	0.2%
Indian Rupee	INR	89.2495	91.9045	-2.9%	89.9862	88.8443	1.3%
Singapore Dollar	SGD	1.4513	1.4591	-0.5%	1.4561	1.4440	0.8%
Malaysian Ringgit	MYR	5.0501	5.0775	-0.5%	5.1107	4.8188	6.1%
Chinese Renminbi	CNY	7.7748	7.8509	-1.0%	7.8011	7.4894	4.2%
Korean Won	KRW	1,474.8600	1,433.6600	2.9%	1,460.3153	1,400.4350	4.3%
Mexican Peso	MXN	19.5654	18.7231	4.5%	18.5089	19.6457	-5.8%
Turkish Lira	TRY	35.1868	32.6531	7.8%	34.23637	21.56623	58.7%
Dirham UAE	AED	3.9314	4.0581	-3.1%	3.9709	3.96871	0.1%
Polish Zloty	PLN	4.3090	4.3395	-0.7%	4.31688	4.62441	-6.7%

STRONG BRAND PORTFOLIO

TO REACH A BROAD AUDIENCE OF TARGET CONSUMERS

- The **right offer for all distribution channels**, for all customer types
- **Centered on contemporary segment** where the highest demand of eyewear is
- **Broad based offer** across genders, ages, categories & price segments
- **Appealing to the most** fashion-driven consumers and functional for the more traditional ones
- **Assuring trends** (sustainability, outdoor, celebrities and digital) **and service** (size, fit, optician-friendly features)

CARRERA
EYEWEAR SINCE 1956

SMITH

Polaroid
The Original Polarized since 1937

//Blenders

PRIVÉ REVAUX
EYEWEAR

SEVENTH STREET
by *Säfilo*

BANANA REPUBLIC

BOSS

CAROLINA HERRERA

ETAO

DB
EYEWEAR by DAVID BECKHAM

DSQUARED2

FOSSIL

havaianas

HUGO

ISABEL MARANT

STUART WEITZMAN

Juicy Couture

kate spade
NEW YORK

Levi's

LIZ CLAIBORNE

LOVE MOSCHINO

MARC JACOBS

MISSONI

M
MISSONI

MOSCHINO

pierre cardin
PARIS

PORTS
EYEWEAR

rag & bone
NEW YORK

TOMMY HILFIGER

TOMMY JEANS

UNDER ARMOUR