



## **Q3 and 9 months 2021 Trading Update**

November 9, 2021





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### **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.



***“In the third quarter of 2021, positive consumer trends in our key markets and product categories allowed us to close another strong quarter of recovery and growth despite the dampening effect of a still complex environment in a number of countries and our challenging comparison bases in the midst of our brand portfolio overhaul...”***

Angelo Trocchia, CEO



## Q3 2021 KEY BUSINESS DYNAMICS

### *...COMPARED TO 2019*

- ✓ **Double-digit organic<sup>2</sup> sales growth** driven by our main markets, with USA again very solid and Europe picking up
- ✓ **Prescription frames and sport products** the leading categories, while **sunglasses back to growth**
- ✓ **Online business at ca 13%** of total business, and progressing with our direct-to-consumer strategy
- ✓ **Effective portfolio rebalance**, with new business surpassing the decline of terminated licenses
- ✓ **Progress in structural savings** supporting significant recovery of operating performance



# Q3 2021 POSITIVE BUSINESS TRENDS

...CONFIRM SALES AND PROFITS ABOVE 2019 AND 2020

## Q3 2021

**NET SALES €226.6M**

vs Q3 2020

**+2.6%**

@constant FX

vs Q3 2019

**+11.1%**

@constant FX

**ADJUSTED<sup>1</sup> EBITDA €19.1M**

**ADJ.<sup>1</sup> EBITDA MARGIN 8.4%**

vs Q3 2020

**+33.3%**

**+190 bps**

vs Q3 2019

**+45.9%**

**+220 bps**

## 9M 2021

**NET SALES €737.4M**

vs 9M 2020

**+37.3%**

@constant FX

vs 9M 2019

**+8.7%**

@constant FX

**ADJUSTED<sup>1</sup> EBITDA €68.8M**

**ADJ.<sup>1</sup> EBITDA MARGIN 9.3%**

vs 9M 2020

**+593.1%**

**+11.8 pps**

vs 9M 2019

**+26.6%**

**+160 bps**





**Safilo**  
GROUP

Q3/9M 2021 SALES PERFORMANCE

## Q3/9M 2021 NET SALES PERFORMANCE

**Q3 2021 €226.6M**

*vs Q3 2019*

**+11.1%** @constant FX

- **Organic<sup>2</sup> sales growth +16%**
- **Effective brand portfolio rebalance**

- ✓ North America key stronghold, followed by Europe and strong recovery of Latin America. Asia Pacific mixed.
- ✓ Prescription frames and sport products main growth drivers, up ca 25%
- ✓ Sunglasses back to growth, up mid-single digits
- ✓ Positive contribution of new own and licensed business overall surpassing negative impact of terminated licenses

**9M 2021 €737.4M**

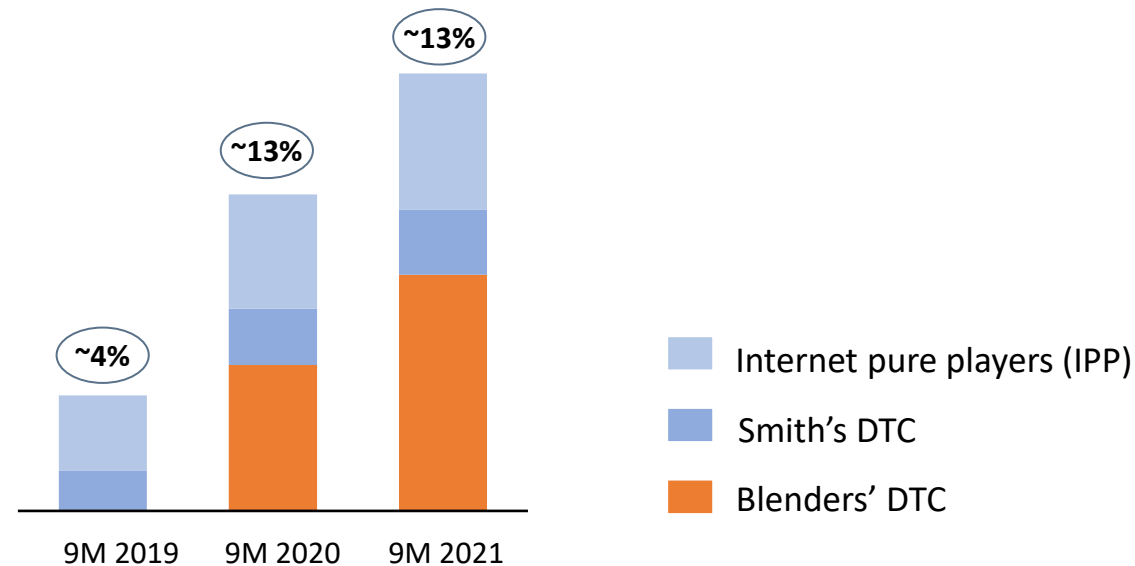
*vs 9M 2019*

**+8.7%** @constant FX

## 9M 2021 ONLINE BUSINESS AT 13% OF THE GROUP'S TOTAL NET SALES

- ✓ **BLENDERS' DTC SALES DOUBLING vs 2019 AND ca +20% vs 2020, ON A PROFORMA BASIS<sup>3</sup>**
- ✓ **SMITH'S DTC SALES ca +80% vs 2019, +30% vs 2020**
- ✓ **SALES THROUGH IPPs ca +86% vs 2019, +23% vs 2020**

*(% of online business on Group's total net sales)*





# Q3/9M 2021 NET SALES PERFORMANCE BY REGION



## North America

**Q3 2021 €115.1M**

*vs Q3 2019*

**+52.3% @constant FX**

- ✓ Organic<sup>2</sup> sales up nearly 20% at constant FX, further consolidating last year progress
- ✓ Smith key growth driver supported by low base period effect, Carrera strong in both prescription and sun, together with the core licenses in the market

**9M 2021 €355.2M**

*vs 9M 2019*

**+51.2% @constant FX**



## Europe

**Q3 2021 €82.8M**

*vs Q3 2019*

**-12.8% @constant FX**

- ✓ Organic<sup>2</sup> sales up around 16%, also driven by favorable phasing of deliveries
- ✓ Italy strongest market, followed by Germany and full recovery of UK. Spain and France catching up y-on-y but still below 2019

**9M 2021 €291.0M**

*vs 9M 2019*

**-14.1% @constant FX**

# Q3/9M 2021 NET SALES PERFORMANCE BY REGION

## Asia & Pacific

**Q3 2021 €11.3M**

*vs Q3 2019*

**-35.5%** @constant FX

- ✓ Organic<sup>2</sup> sales down around 13% due to a difficult market environment in Australia and in most Asian markets, with travel retail the main drag by channel
- ✓ China only positive exception

**9M 2021 €37.2M**

*vs 9M 2019*

**-38.1%** @constant FX

## Rest of the World

**Q3 2021 €17.4M**

*vs Q3 2019*

**+1.6%** @constant FX

- ✓ Organic<sup>2</sup> sales up around 18% driven by significant growth in Brazil and Mexico and full recovery of pre-pandemic sales levels in Middle East and India

**9M 2021 €54.0M**

*vs 9M 2019*

**+9.9%** @constant FX



**Safilo**® Q3/9M 2021 ECONOMIC AND FINANCIAL PERFORMANCE



# Q3/9M 2021 ECONOMIC PERFORMANCE

## Q3 DELIVERED A MORE MEANINGFUL RECOVERY OF GROSS MARGIN

- ✓ ACCRETIVE ONLINE BUSINESS OFFSETTING IMPACT OF TERMINATED LICENSES
- ✓ STRUCTURAL COGS SAVINGS AND PRICE ADJUSTMENTS OFFSETTING HIGHER INBOUND TRANSPORT COSTS

### GROSS PROFIT

**Q3 2021 €118.7M**  
**margin 52.4%**

vs Q3 2019

**+8.9%**  
**+120 bps**

**9M 2021 €380.9M**  
**margin 51.7%**

vs 9M 2019

**+1.5%**  
**-120 bps**

### Adjusted<sup>1</sup> Gross Profit

**Q3 2021 €120.5M**  
**margin<sup>1</sup> 53.2%**

vs Q3 2019

**+10.5%**  
**+200 bps**

**9M 2021 €391.1M**  
**margin<sup>1</sup> 53.0%**

vs 9M 2019

**+4.3%**  
**+10 bps**

# Q3/9M 2021 ECONOMIC PERFORMANCE

## SOLID IMPROVEMENT OF THE OPERATING PERFORMANCE

- ✓ STRUCTURAL RECOVERY OF OPERATING LEVERAGE AND DISCIPLINED COST CONTROL

### EBITDA

**Q3 2021 €17.4M**  
**margin 7.7%**

vs Q3 2019

**+125.8%**  
**+410 bps**

**9M 2021 €68.4M**  
**margin 9.3%**

vs 9M 2019

**+55.6%**  
**+310 bps**

### Adjusted<sup>1</sup> EBITDA

**Q3 2021 €19.1M**  
**margin<sup>1</sup> 8.4%**

vs Q3 2019

**+45.9%**  
**+220 bps**

**9M 2021 €68.8M**  
**margin<sup>1</sup> 9.3%**

vs 9M 2019

**+26.6%**  
**+160 bps**

# GROUP NET DEBT AS OF SEPTEMBER 30, 2021

## GROUP NET DEBT SUBSTANTIALLY STABLE

- ✓ SOLID ECONOMIC PERFORMANCE AND SUPPORTIVE WORKING CAPITAL
- ✓ 9 MONTH CASH OUT OF CA €13M MAINLY IN RELATION TO THE CLOSURE OF THE ORMOZ PLANT IN SLOVENIA

	Dec. 31, 2020	June 30, 2021	Sept. 30, 2021
<b>GROUP NET DEBT</b>	<b>222.1</b>	<b>226.9</b>	<b>228.3</b>
<b>GROUP NET DEBT pre IFRS-16</b>	<b>179.0</b>	<b>186.7</b>	<b>188.6</b>





**Safilo** BUSINESS DEVELOPMENTS

## FURTHER ACTIONS TO RESHAPE OUR BRANDS PORTFOLIO

### A MULTI-YEAR GLOBAL LICENSING AGREEMENT WITH



CHIARA FERRAGNI

*A significant opportunity for us*

- ✓ *to create a new leading and digitally boosted fashion eyewear brand that directly speaks to the new generations*
- ✓ *to further strengthen the presence of Safilo in the digital universe and grow in the contemporary segment*



## SHARE CAPITAL INCREASE SUCCESSFULLY COMPLETED

### 100% SUBSCRIPTION OF THE NEW SHARE CAPITAL

- ✓ Shareholder Loan already repaid, to provide us with a more cost-efficient financial structure, considerably limiting financial charges for the next five years
- ✓ Strengthened capital structure, further enabling our growth strategy with additional resources
- ✓ On a proforma basis, the Group Net Debt at the end of September, recalculated for the net proceeds of the share capital increase, stood at around Euro 96 million (Euro 57 million pre-IFRS 16)



## ON TRACK TO DELIVER OUR 2021 GROWTH TARGETS

**Q3 underlying trends, phasing of deliveries and current order portfolio confirm previous management expectations on H2 overall business trading and full year guidance:**

- 2021 Net Sales, up mid-single digits at constant exchange rates compared to 2019
- 2021 adjusted EBITDA to surpass 2019

Expectations are based on the assumption of a stable business environment in relation to the Covid-19 pandemic



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Q&A



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# Appendices



## NOTES TO THE PRESENTATION

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<sup>1</sup> In the first 9M 2021, the adjusted EBITDA excludes non-recurring costs for Euro 17.4 million (Euro 10.2 million at the gross profit level), mainly related to the announced closure, starting from June 2021, of the Ormož production plant in Slovenia, and also a non-recurring income of Euro 17 million due to the release of a provision for risks and charges booked in 2015 to cover a potential estimated liability in relation to an investigation by the French Competition Authority. The release is a result of the positive outcome, without sanctions, of this investigation.

In Q3 2021, the adjusted EBITDA excludes non-recurring costs for Euro 1.7 million (Euro 1.8 million at the gross profit level).

In the first 9M 2020, the adjusted EBITDA excluded non-recurring costs for Euro 11.8 million, due to restructuring expenses related to the cost saving program. In Q3 2020, the adjusted EBITDA excluded non-recurring costs for Euro 1.5 million.

In the first 9M 2019, the adjusted EBITDA excluded non-recurring costs for Euro 10.4 million, due to restructuring expenses related to the cost saving program. In Q3 2019, the adjusted EBITDA excluded non-recurring costs for Euro 5.4 million.

<sup>2</sup> Safilo Group's sales, excluding the acquisitions of Blenders and Privè Revaux made in 2020 and considering only the comparable brand portfolio (i.e. without the sales attributable to the production supply contract with Kering Eyewear and the license agreements that have expired or initiated between 2020 and September 2021).

<sup>3</sup> Blenders' proforma performance is calculated on the brand's full comparable basis.

## NET SALES BY GEOGRAPHIC AREA

(Euro million)							% change 2021 vs 2020		% change 2021 vs 2019	
	Q3 2021	%	Q3 2020	%	Q3 2019	%	current forex	constant forex	current forex	constant forex
North America	115.1	50.8	113.1	51.6	79.9	37.6	+1.8%	+1.5%	+44.0%	+52.3%
Europe	82.8	36.6	79.3	36.2	95.5	44.9	+4.5%	+3.7%	-13.3%	-12.8%
Asia Pacific	11.3	5.0	15.9	7.2	17.5	8.2	-28.9%	-31.4%	-35.6%	-35.5%
Rest of the world	17.4	7.7	10.9	5.0	19.8	9.3	+60.4%	+55.4%	-12.0%	+1.6%
<b>Total</b>	<b>226.6</b>	<b>100.0</b>	<b>219.1</b>	<b>100.0</b>	<b>212.8</b>	<b>100.0</b>	<b>+3.5%</b>	<b>+2.6%</b>	<b>+6.5%</b>	<b>+11.1%</b>

(Euro million)							% change 2021 vs 2020		% change 2021 vs 2019	
	9M 2021	%	9M 2020	%	9M 2019	%	current forex	constant forex	current forex	constant forex
North America	355.2	48.2	241.5	43.5	249.4	35.2	+47.0%	+55.8%	+42.4%	+51.2%
Europe	291.0	39.5	244.3	44.0	341.8	48.2	+19.2%	+19.5%	-14.8%	-14.1%
Asia Pacific	37.2	5.0	39.6	7.1	61.0	8.6	-6.1%	-5.6%	-39.0%	-38.1%
Rest of the world	54.0	7.3	29.3	5.3	56.5	8.0	+84.4%	+90.8%	-4.5%	+9.9%
<b>Total</b>	<b>737.4</b>	<b>100.0</b>	<b>554.7</b>	<b>100.0</b>	<b>708.7</b>	<b>100.0</b>	<b>+32.9%</b>	<b>+37.3%</b>	<b>+4.0%</b>	<b>+8.7%</b>

(Euro million)							% change 2021 vs 2020		% change 2021 vs 2019	
	Q1 2021	%	Q1 2020	%	Q1 2019	%	current forex	constant forex	current forex	constant forex
North America	119.1	47.4	84.4	38.2	88.9	36.0	+41.1%	+53.8%	34.0%	41.8%
Europe	101.5	40.4	107.7	48.7	124.6	50.4	-5.8%	-5.0%	-18.5%	-17.8%
Asia Pacific	13.0	5.2	14.9	6.7	17.7	7.2	-13.0%	-10.8%	-26.8%	-25.3%
Rest of the world	17.8	7.1	14.1	6.4	16.1	6.5	+26.6%	+40.6%	10.7%	+26.5%
<b>Total</b>	<b>251.4</b>	<b>100.0</b>	<b>221.1</b>	<b>100.0</b>	<b>247.3</b>	<b>100.0</b>	<b>+13.7%</b>	<b>+20.0%</b>	<b>+1.7%</b>	<b>+6.0%</b>

(Euro million)							% change 2021 vs 2020		% change 2021 vs 2019	
	Q2 2021	%	Q2 2020	%	Q2 2019	%	current forex	constant forex	current forex	constant forex
North America	121.0	46.6	44.1	38.5	80.6	32.4	+174.6%	+198.9%	50.1%	60.3%
Europe	106.7	41.1	57.2	50.0	121.7	48.9	+86.5%	+87.5%	-12.3%	-11.4%
Asia Pacific	12.9	5.0	8.8	7.7	25.7	10.3	46.4%	49.6%	-49.8%	-48.5%
Rest of the world	18.7	7.2	4.4	3.8	20.6	8.3	+330.3%	+340.4%	-9.1%	+4.9%
<b>Total</b>	<b>259.4</b>	<b>100.0</b>	<b>114.5</b>	<b>100.0</b>	<b>248.6</b>	<b>100.0</b>	<b>+126.6%</b>	<b>+137.1%</b>	<b>+4.3%</b>	<b>+9.4%</b>

## Q3 AND 9M 2021 TRADING UPDATE

(Euro million)	Q3 2021	Q3 2020	Q3 2019	% Change 2021 vs 2020	% Change 2021 vs 2019
Net sales	226.6	219.1	212.8	+3.5%	+6.5%
Gross profit	118.7	112.6	109.0	+5.4%	+8.9%
% on net sales	52.4%	51.4%	51.2%		
EBITDA	17.4	12.8	7.7	+35.8%	+125.8%
% on net sales	7.7%	5.8%	3.6%		
Adjusted <sup>1</sup> EBITDA	19.1	14.3	13.1	+33.3%	+45.9%
% on net sales	8.4%	6.5%	6.2%		
IFRS 16 impact on EBITDA	3.0	3.2	3.4		

(Euro million)	9M 2021	9M 2020	9M 2019	% Change 2021 vs 2020	% Change 2021 vs 2019
Net sales	737.4	554.7	708.7	+32.9%	+4.0%
Gross profit	380.9	261.2	375.1	+45.8%	+1.5%
% on net sales	51.7%	47.1%	52.9%		
EBITDA	68.4	(25.8)	43.9	+365.3%	+55.6%
% on net sales	9.3%	(4.6%)	6.2%		
Adjusted <sup>1</sup> EBITDA	68.8	(13.9)	54.3	+593.1%	+26.6%
% on net sales	9.3%	(2.5%)	7.7%		
IFRS 16 impact on EBITDA	8.7	9.2	10.4		

(Euro million)	Q1 2021	Q1 2020	Q1 2019	% Change 2021 vs 2020	% Change 2021 vs 2019
Net sales	251.4	221.1	247.3	+13.7%	+1.7%
Gross profit	126.6	109.4	130.2	+15.7%	-2.8%
% on net sales	50.4%	49.5%	52.7%		
EBITDA	13.4	3.4	18.9	+293.1%	-29.0%
% on net sales	5.3%	1.5%	7.6%		
Adjusted <sup>1</sup> EBITDA	25.8	5.8	20.0	+342.8%	+29.4%
% on net sales	10.3%	2.6%	8.1%		
IFRS 16 impact on EBITDA	2.9	3.1	3.4		

(Euro million)	Q2 2021	Q2 2020	Q2 2019	% Change Q2 2021 vs Q2 2020	% Change Q2 2021 vs Q2 2019
Net sales	259.4	114.5	248.6	+126.6%	+4.3%
Gross profit	135.6	39.2	135.9	+246.3%	-0.2%
% on net sales	52.3%	34.2%	54.7%		
EBITDA	37.7	(42.0)	17.4	+189.7%	+116.6%
% on net sales	14.5%	(36.7%)	7.0%		
Adjusted <sup>1</sup> EBITDA	23.8	(34.1)	21.2	+169.9%	+12.2%
% on net sales	9.2%	(29.8%)	8.5%		
IFRS 16 impact on EBITDA	2.8	3.0	3.6		



## EXCHANGE RATES

Currency	Code	As of		(Appreciation)/De preciation %	Average for		(Appreciation)/De preciation %
		September 30, 2021	December 31, 2020		September 30, 2021	September 30, 2020	
US Dollar	USD	1.1579	1.2271	-5.6%	1.1962	1.1250	6.3%
Hong-Kong Dollar	HKD	9.0184	9.5142	-5.2%	9.2912	8.7273	6.5%
Swiss Franc	CHF	1.0830	1.0802	0.3%	1.0904	1.0680	2.1%
Canadian Dollar	CAD	1.4750	1.5633	-5.6%	1.4968	1.5218	-1.6%
Japanese Yen	YEN	129.6700	126.4900	2.5%	129.8320	120.9108	7.4%
British Pound	GBP	0.8605	0.8990	-4.3%	0.8636	0.8851	-2.4%
Swedish Krown	SEK	10.1683	10.0343	1.3%	10.1528	10.5582	-3.8%
Australian Dollar	AUD	1.6095	1.5896	1.3%	1.5770	1.6627	-5.2%
South-African Rand	ZAR	17.5629	18.0219	-2.5%	17.4226	18.8094	-7.4%
Russian Ruble	RUB	84.3391	91.4671	-7.8%	88.5335	79.9599	10.7%
Brasilian Real	BRL	6.2631	6.3735	-1.7%	6.3765	5.7100	11.7%
Indian Rupee	INR	86.0766	89.6605	-4.0%	88.0420	83.4946	5.4%
Singapore Dollar	SGD	1.5760	1.6218	-2.8%	1.6020	1.5635	2.5%
Malaysian Ringgit	MYR	4.8475	4.9340	-1.8%	4.9414	4.7613	3.8%
Chinese Renminbi	CNY	7.4847	8.0225	-6.7%	7.7376	7.8659	-1.6%
Korean Won	KRW	1,371.5800	1,336.0000	2.7%	1,354.3097	1,349.7389	0.3%
Mexican Peso	MXN	23.7439	24.4160	-2.8%	24.0772	24.5232	-1.8%
Turkish Lira	TRY	10.2981	9.1131	13.0%	9.7104	7.59911	27.8%
Dirham UAE	AED	4.2524	4.5065	-5.6%	4.39312	4.13168	6.3%

# BRAND PORTFOLIO

**CARRERA**  
EYEWEAR SINCE 1956

JIMMY CHOO

ISABEL MARANT

CAROLINA HERRERA \*

**BOSS**

**MISSONI**

SMITH

TOMMY  HILFIGER

**DSQUARED2** \*

GIVENCHY  
PARIS

**Polaroid**  
The Original Polarized since 1937

  
CHIARA FERRAGNI \*

MOSCHINO

PORTS

kate spade  
NEW YORK

ELIE SAAB

  
B L E N D E R S  
E Y E W E A R

  
UNDER ARMOUR

  
EYEWEAR by DAVID BECKHAM

**TOMMY**  
 JEANS

MARC JACOBS

REBECCA MINKOFF

PRIVÉ REVAUX  
EYEWEAR

**HUGO**

  
MISSONI

Juicy Couture®

LOVE  
MOSCHINO

**FOSSIL**

SAFILO  
MADE IN ITALY DAL 1934  
SEVENTH STREET  
by Safilo



pierre cardin  
PARIS

BANANA REPUBLIC

LIZ CLAIBORNE

**havaianas®**