

## ***Q1 2018 Trading Update***



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# DISCLAIMER

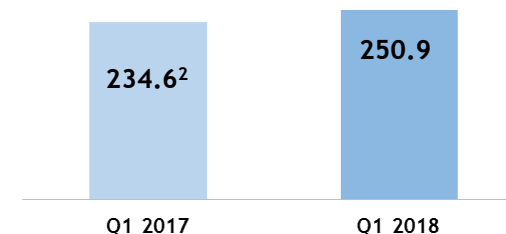
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# Q1 2018 - BUSINESS AND ECONOMIC HIGHLIGHTS

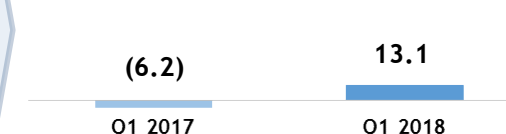
- **SIGNIFICANT BUSINESS RECOVERY AGAINST A VERY DIFFICULT START TO THE YEAR IN 2017:**
  - STRONG SALES GROWTH IN THE EUROPEAN AND EMERGING MARKETS, LAST YEAR HEAVILY AFFECTED BY THE CHALLENGING GO-LIVE OF THE NEW INFORMATION SYSTEM IN THE PADUA DC
  - NORTH AMERICA HIT BY UNFAVOURABLE FOREX, WHILE UNDERLYING PERFORMANCE REMAINED SOFT
  - POSITIVE LAUNCH OF NEW LICENSES, MOSCHINO, LOVE MOSCHINO AND RAG&BONE
  - POSITIVE OPERATING PERFORMANCE AND OVERHEAD PRODUCTIVITY PLAN IN PROGRESS
  - SEASONAL CASH ABSORPTION

*in millions of Euro*

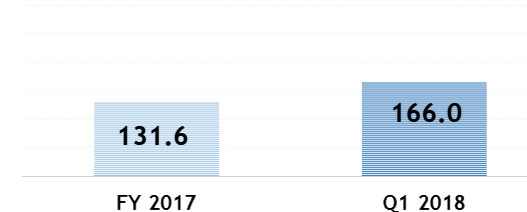
**NET SALES** +6.9% @ current FX  
+15.4% @ constant FX



**Adj.<sup>1</sup> EBITDA** n.s.



**NET DEBT** +26.1%



# Q1 2018 NET SALES PERFORMANCE

% change vs Q1 2017

**+15.4% @ constant forex (+16.2% Wholesale)**  
**+16.9% @ constant forex, excl. Gucci business\***

Q1 2017 DELIVERIES TO EUROPE AND EMERGING MARKETS WERE AFFECTED BY THE CHALLENGING GO-LIVE OF THE NEW INFORMATION SYSTEM IN PADUA DC

## NORTH AMERICA

Wholesale -5.5%

Retail +1.4%

Wholesale -4.1%\*

## EUROPE

+26.8%

+31.1%\*

## ASIA-PACIFIC

+44.3%

## ROW

+95.2%

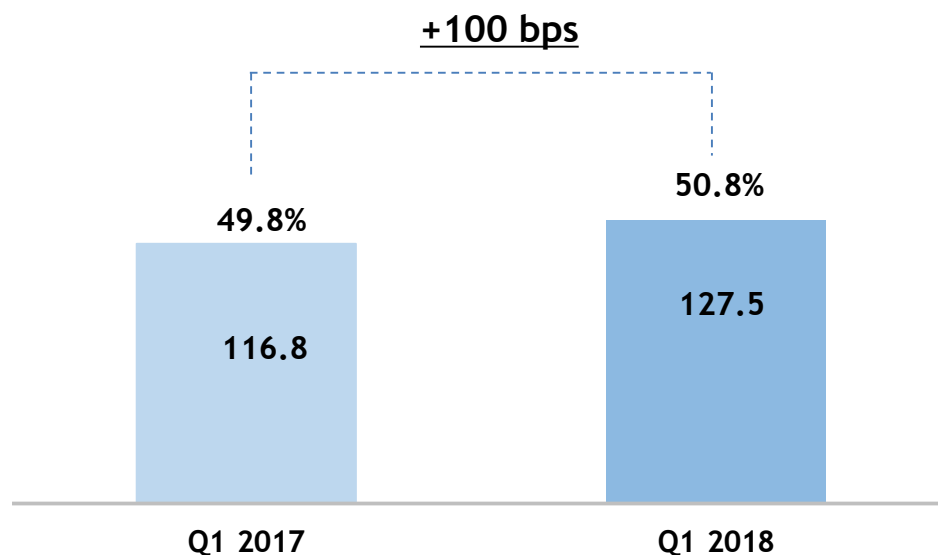
- SOFT TRADING ENVIRONMENT PERSISTING IN DEPARTMENT STORES AND SOME CHAINS
- RESILIENT PERFORMANCE OF THE INDEPENDENT OPTICIAN CHANNEL AND THE CANADIAN MARKET
- SMITH FACING CHALLENGING COMPS

- OVERALL POSITIVE UNDERLYING PERFORMANCE, DESPITE UNFAVOURABLE START TO THE SUN SEASON IN MARCH

- UNDERLYING PERFORMANCE CONFIRMING DOUBLE-DIGIT GROWTH IN ASIA AND REST OF THE WORLD
- BROAD-BASED BRAND AND MARKET GROWTH, WITH BRAZIL, MEXICO, INDIA AND SAUDI ARABIA THE MOST DYNAMIC COUNTRIES

# Q1 2018 GROSS MARGIN PERFORMANCE

*in millions of Euro and % on total net sales*

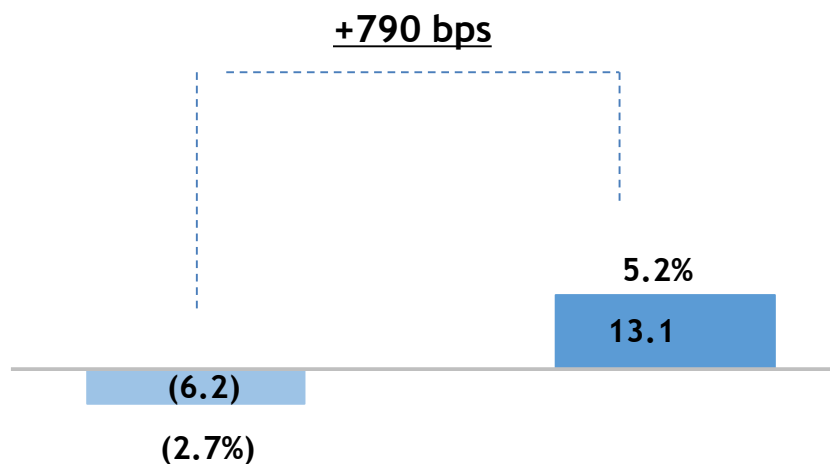


## Gross margin drivers:

- Negative FX impact
- Improved mix effect
- Lower obsolescence costs and higher industrial cost efficiencies

# Q1 2018 ADJ.<sup>1</sup> EBITDA PERFORMANCE

*In millions of Euro and % on total net sales*

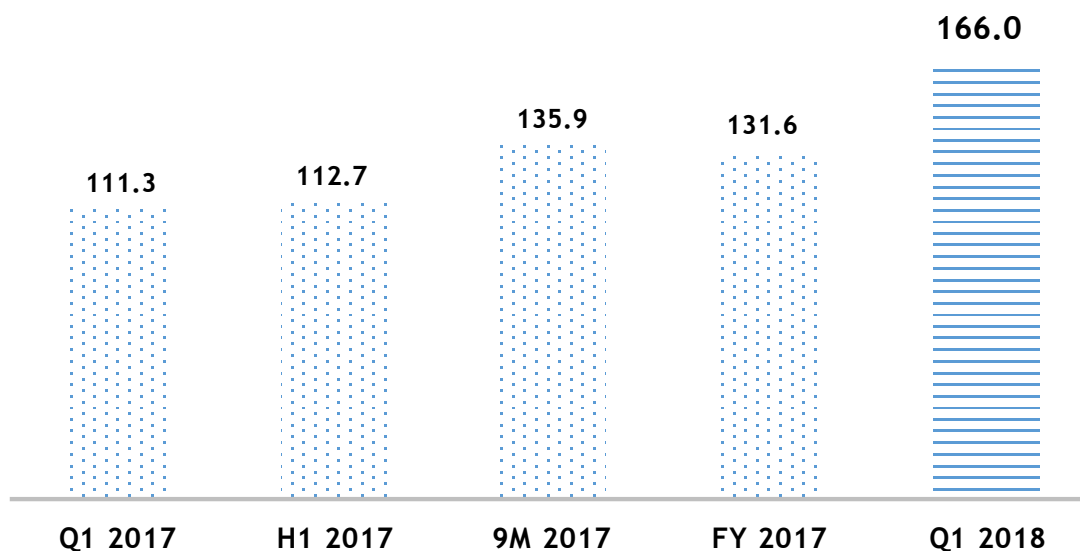


## Adjusted<sup>1</sup> EBITDA drivers:

- Negative FX impact
- Cost savings from overhead productivity plan
- Improved operational leverage

# Q1 2018 GROUP NET DEBT

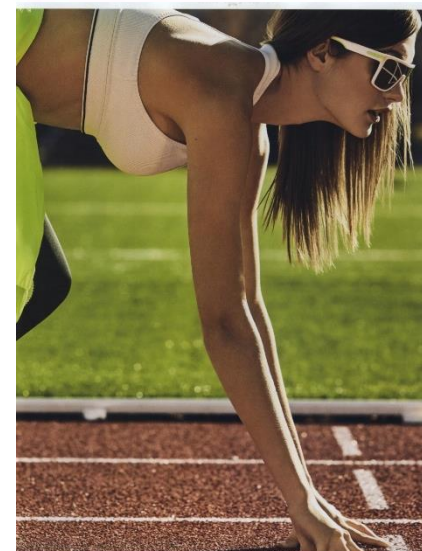
in millions of Euro



## Net Debt drivers:

- Seasonal cash flow absorption compared to the end of the year
- Continued reduction of inventories

# AMONG THE MOST FEATURED EYEWEAR WORLDWIDE



# Appendices

# Economic results

*in millions of Euro and % on net sales*

	Q1 2018	%	Q1 2017 <sup>2</sup>	%	% Change
Net sales	250.9	100.0	234.6	100.0	+6.9%
Gross profit	127.5	50.8	116.8	49.8	+9.1%
EBITDA	11.4	4.5	(9.5)	(4.1)	n.s.
Adjusted <sup>1</sup> EBITDA	13.1	5.2	(6.2)	(2.7)	n.s.

# Notes to the presentation

<sup>1</sup> In Q1 2018, the adjusted EBITDA excludes non-recurring costs for Euro 1.7 million, mainly related to the CEO succession plan, and it includes an income of Euro 9.8 million, as pro-rata portion of the accounting compensation for the early termination of the Gucci license, equal to Euro 39 million for the full year 2018.

In Q1 2017, the adjusted EBITDA excluded non-recurring costs for Euro 3.3 million, mainly related to the reorganization of the Ormoz plant in Slovenia and other overhead cost saving initiatives, and it included an income of Euro 10.8 million, as pro-rata portion of the accounting compensation for the early termination of the Gucci license, equal to Euro 43 million for the full year 2017.

<sup>2</sup> The new accounting standard IFRS 15 regarding “Revenue from contracts with customers” entered into effect starting from 1 January 2018. Following the fully retrospective approach chosen by the Group, the first application of the principle to the first quarter of 2018, had an adjustment effect on the sales and cost of goods sold of the first quarter of 2017 equal to Euro 2.7 million, with a neutral effect on the gross profit. Consequently, Q1 2017 total net sales were adjusted to Euro 234.6 million (compared to Euro 237.3 million reported last year), while gross profit remained equal to Euro 116.8 million.

# Net sales performance

in millions of Euro

Net sales by geographical area	Q1 2018	%	Q1 2017 <sup>2</sup>	%	Change %	Change % (*)
Europe	123.5	49.2	98.5	42.0	25.5%	26.8%
North America	94.8	37.8	114.5	48.8	-17.2%	-4.7%
Asia Pacific	14.3	5.7	11.1	4.7	29.3%	44.3%
Rest of the world	18.2	7.3	10.6	4.5	72.1%	95.2%
<b>Total</b>	<b>250.9</b>	<b>100.0</b>	<b>234.6</b>	<b>100.0</b>	<b>6.9%</b>	<b>15.4%</b>

Net sales by channel	Q1 2018	%	Q1 2017 <sup>2</sup>	%	Change %	Change % (*)
Wholesale	239.1	95.3	221.2	94.3	8.1%	16.2%
Retail	11.8	4.7	13.4	5.7	-12.2%	1.4%
<b>Total</b>	<b>250.9</b>	<b>100.0</b>	<b>234.6</b>	<b>100.0</b>	<b>6.9%</b>	<b>15.4%</b>

(\*) Sales performance at constant exchange rates

# Exchange Rates

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		March 31, 2018	December 31, 2017	%	March 31, 2018	March 31, 2017	%
US Dollar	USD	1.2321	1.1993	2.7%	1.2292	1.0648	15.4%
Hong-Kong Dollar	HKD	9.6696	9.3720	3.2%	9.6216	8.2641	16.4%
Swiss Franc	CHF	1.1779	1.1702	0.7%	1.1653	1.0694	9.0%
Canadian Dollar	CAD	1.5895	1.5039	5.7%	1.5540	1.4101	10.2%
Japanese Yen	YEN	131.1500	135.0100	-2.9%	133.1662	121.0139	10.0%
British Pound	GBP	0.8749	0.8872	-1.4%	0.8834	0.8601	2.7%
Swedish Krown	SEK	10.2843	9.8438	4.5%	9.9712	9.5063	4.9%
Australian Dollar	AUD	1.6036	1.5346	4.5%	1.5632	1.4056	11.2%
South-African Rand	ZAR	14.6210	14.8054	-1.2%	14.7102	14.0814	4.5%
Russian Ruble	RUB	70.8897	69.3920	2.2%	69.9291	62.5218	11.8%
Brasilian Real	BRL	4.0938	3.9729	3.0%	3.9887	3.3468	19.2%
Indian Rupee	INR	80.2960	76.6055	4.8%	79.1264	71.2842	11.0%
Singapore Dollar	SGD	1.6158	1.6024	0.8%	1.6210	1.5080	7.5%
Malaysian Ringgit	MYR	4.7658	4.8536	-1.8%	4.8239	4.7341	1.9%
Chinese Renminbi	CNY	7.7468	7.8044	-0.7%	7.8154	7.3353	6.5%
Korean Won	KRW	1,310.8900	1,279.6100	2.4%	1,317.6456	1,227.2891	7.4%
Mexican Peso	MXN	22.5249	23.6612	-4.8%	23.0372	21.6167	6.6%
Turkish Lira	TRY	4.8976	4.5464	7.7%	4.6899	3.93781	19.1%
Dirham United Emirates	AED	4.5249	4.4044	2.7%	4.51429	3.90887	15.5%

# Brands Portfolio

**SAFILO**  
MADE IN ITALY DAL 1934

**Dior**

**ELIE SAAB**

**BOSS**  
HUGO BOSS

**havaianas®**

BANANA REPUBLIC

**CARRERA**  
EYEWEAR SINCE 1956

**GIVENCHY**  
PARIS

♠  
**kate spade**  
NEW YORK

MARC JACOBS

**rag & bone**  
NEW YORK

 **Polaroid**

**FENDI**

**FOSSIL**

**MOSCHINO**

**Juicy Couture**  
BLACK LABEL  
*los angeles*

TOMMY  HILFIGER

LOVE  
**MOSCHINO**

**LIZ claiborne**

**OXYDO**

**MaxMara**

**swatch®**  
the  eyes

BOBBI BROWN

**MAX&Co.**



**SMITH**

**JIMMY CHOO**

**BOSS**  
HUGO BOSS

**pierre cardin**  
PARIS

**JACK SPADE**