

Safilo

SEE THE WORLD AT ITS BEST

H1 2022 Results

August 3, 2022





SEE THE WORLD AT ITS BEST

H1 2022 Results

August 3, 2022

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.

Safilo®

GROUP



“We are pleased with the development of our business in the second quarter. Our strategic objective to build a Safilo with a strong and balanced portfolio of brands, geographies, products and channels is progressing well.

We closed the first half of the year with solid sales growth and an even more marked profit and margin expansion.”

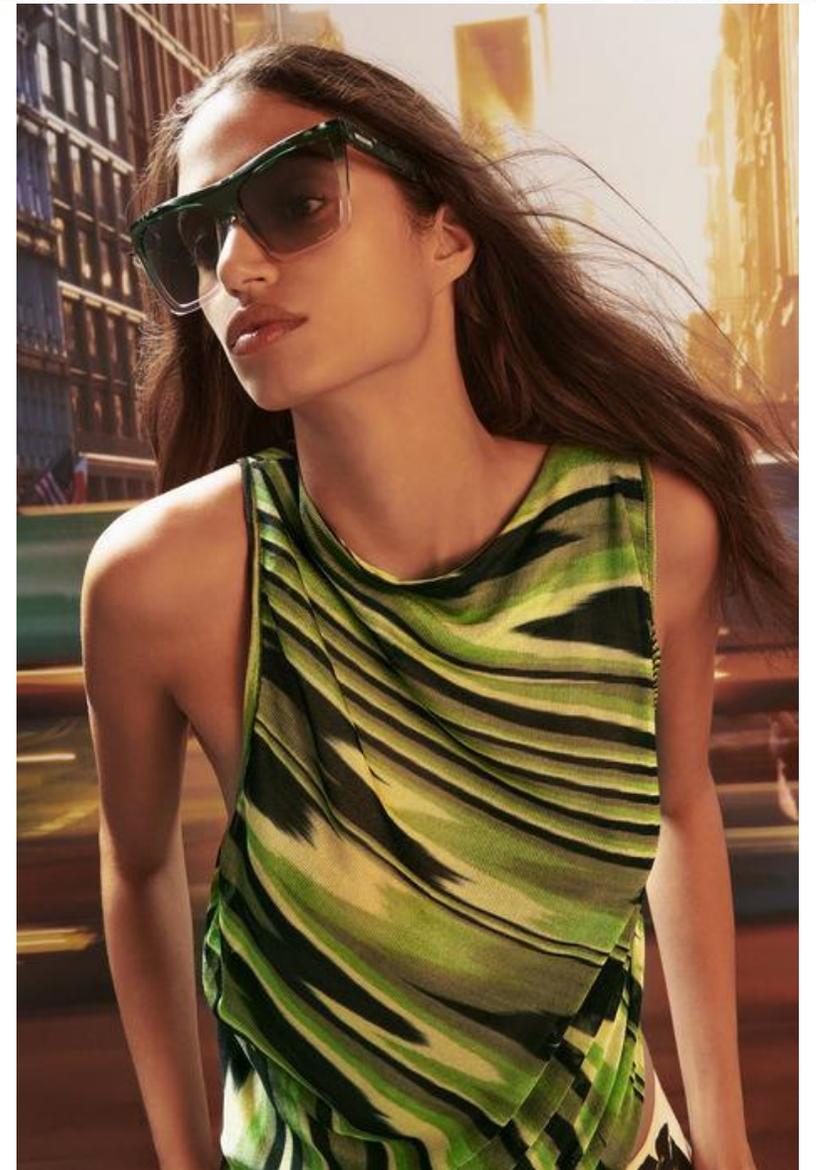
Angelo Trocchia, CEO

**Q2 TOP LINE MOMENTUM +11.2%, +4.0% @cFX
+9.8% organic¹**

resulting in

**H1 SALES GROWTH AT +11.8%, +6.2% @cFX
+12% organic¹**

¹ ORGANIC SALES PERFORMANCE INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS





STRONG Q2 GROSS MARGIN AT 56.5%

driving

**H1 adj.² EBITDA MARGIN AT 11%
+130 bps vs 2021**

**RECORD HIGH H1 adj.² NET RESULT
33.7 €M**



OUR KEY BUSINESS DRIVERS

by REGION

- ✓ Bounce back of Europe, Latin America and IMEA markets continued also in Q2, while North America organic¹ business flattened against strong comps and a tougher economic environment in the United States

by PRODUCT

- ✓ Organic¹ sales of sunglasses and sport products (goggles and helmets) remained the strongest growth contributors, up 13.9% and 33.6% respectively in H1. Prescription frames very resiliently up +5%

by CHANNEL

- ✓ Multi-channel distribution model continued to develop well: D2C and IPPs channels confirming their share of Safilo's total business at 14.4% in H1, growing +7% vs 2021. Total B2B up +12%

¹ ORGANIC SALES PERFORMANCE INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS



STRONGER BRANDS FOR A STRONGER PORTFOLIO

Polaroid

The Original Polarized since 1937

Double-digit upside vs 2021
BACK TO GROWTH also vs 2019

**MAD
COOL**
FESTIVAL



Polaroid new POP-UP Store in Roma Stazione Termini



STRONGER BRANDS FOR A STRONGER PORTFOLIO

**Second, consecutive rebound
for Carrera
H1 2022 ca +30% vs 2019!**

CARRERA
EYEWEAR SINCE 1956

STRONGER BRANDS FOR A STRONGER PORTFOLIO

SMITH

**Another strong double-digit growth,
which more than double Smith's H1 sales vs 2019!**



STRONGER BRANDS FOR A STRONGER PORTFOLIO



**Soft Q2 for Blenders,
running against its last 2Y exponential
e-com growth**



STRONGER BRANDS FOR A STRONGER PORTFOLIO

BOSS, Tommy Hilfiger, Kate Spade, David Beckham, Isabel Marant, all recording solid progress



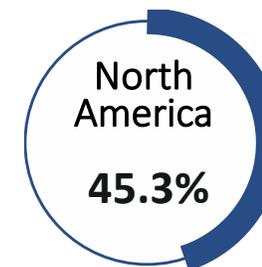
Carolina Herrera, Safilo's best ever launch!



Safilo
SEE THE WORLD AT ITS BEST

H1 2022 SALES PERFORMANCE BY GEOGRAPHY

H1 2022 SALES PERFORMANCE BY GEOGRAPHY



H1 2022

vs 2021 @cFX

570.9 €M

+6.2%
+12.0%¹

+14.1%
+22.7%¹

-2.2%
+2.4%¹

Q2 2022

vs 2021 @cFX

288.3 €M

+4.0%
+9.8%¹

+12.1%
+20.7%¹

-5.1%
-0.6%¹

Dynamic business environment, driven by a return of local and international tourists.

Italy, France, Spain and Portugal leading the rebound of sunglasses, while positive IPPs business supporting Germany. Significant sales progress in Turkey and Poland thanks to new sales organization.

Sales performance in North America reflecting even stronger comps in Q2 and a tougher economic environment in the United States. Smith remaining very strong, followed by Carrera, BOSS, HUGO, Under Armour and David Beckham, while Blenders and some other local brands softened.

¹ ORGANIC SALES PERFORMANCE INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

H1 2022 SALES PERFORMANCE BY GEOGRAPHY

H1 2022

vs 2021 @cFX

570.9 €M

+6.2%
+12.0%¹

Q2 2022

vs 2021 @cFX

288.3 €M

+4.0%
+9.8%¹

Rest of World
8.7%

+26.1%
+28.1%¹

+24.9%
+26.4%¹

Significant sales growth continued in Brazil, Mexico and other smaller Latin American markets, driven by the strength of the key brands of the region: Tommy Hilfiger, Carrera, Polaroid, BOSS and HUGO.

Solid business conditions in Middle East and India supporting focused sales plans and growth of core own and licensed brands.

Asia & Pacific
4.4%

-8.9%
+4.1%¹

-8.5%
+5.9%¹

Reported performance in Asia & Pacific impacted by weak business in Greater China due to Covid-related lockdowns until the end of May.

Sales in other Southern East Asian markets, Australia and Japan instead very positive thanks to good progress by owned and licensed brand, especially Carrera, Smith, BOSS, Kate Spade and Levi's.

¹ ORGANIC SALES PERFORMANCE INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS



Safilo
SEE THE WORLD AT ITS BEST

H1 2022 ECONOMIC PERFORMANCE

Q2 WAS A QUARTER OF FURTHER MEANINGFUL PROGRESS AT THE GROSS PROFIT AND MARGIN LEVEL

Positive price/mix effects and structural COGS savings of around €6m in H1, more than offset inflationary pressures and forex headwinds

Q2 2022	<i>vs Q2 2021</i>	<i>vs Q2 2021 ADJ.²</i>	H1 2022	<i>vs H1 2021</i>	<i>vs H1 2021 ADJ.²</i>
GROSS PROFIT			GROSS PROFIT		
162.8 €m	+20.0%	+16.8%	318.3 €m	+21.4%	+17.6%
MARGIN			MARGIN		
56.5%	+420 bps	+280 bps	55.8%	+450 bps	+280 bps

² ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS

ROBUST IMPROVEMENT OF THE OPERATING PERFORMANCE ADJ.² EBITDA AND EBIT

In Q2, we kept stepping up marketing & advertising activities following the business peak season and its positive momentum IFRIC SaaS costs, still capitalized in H1 '21, impacting EDP expenses for +3.7 €m in H1 '22, with an equivalent reduction in CapEx

Q2 2022	vs Q2 2021	H1 2022	vs H1 2021	H1 2022	vs H1 2021
ADJ.² EBITDA		ADJ.² EBITDA		ADJ.² EBIT	
30.6 €m	+28.5%	62.6 €m	+26.1%	39.2 €m	+59.1%
MARGIN		MARGIN		MARGIN	
10.6%	+140 bps	11.0%	+130 bps	6.9%	+210 bps
11.2% pre-IFRIC SaaS	+200 bps	11.6% pre-IFRIC SaaS	+190 bps		

REACHING A RECORD HIGH H1 NET PROFIT

Below the operating line, we recorded a significant reduction of net financial charges, plus a gain due to lower liabilities for options on non-controlling interests following the increase of our controlling stake in Privé Revaux from 64.2% to 82.8%

H1 2022	<i>vs H1 2021</i>
ADJ.² NET RESULT	
33.7 €m	<i>n.s.</i>
MARGIN	
5.9%	<i>+500 bps</i>



Safilo
SEE THE WORLD AT ITS BEST

H1 2022 FINANCIAL PERFORMANCE

FREE CASH FLOW ABSORPTION DUE TO BUSINESS SEASONALITY

Significant increase of trade receivables reflecting sales growth, while small increase of trade payables and inventories offsetting each other. Strong and healthy cash collection, although short of 10 €M due to anticipated customer payments at the end of 2021.

	H1 2022	H1 2021
Cash Flow from operating activities	(3.6)	10.1
— before Working Capital	52.0	19.5
— Working Capital	(55.6)	(9.4)
Cash Flow for organic investments	(6.2)	(9.8)
Cash payments for the principal portion of lease liabilities IFRS 16	(4.7)	(5.1)
FREE CASH FLOW	(14.5)	(4.8)

GROUP NET DEBT AS OF JUNE 30, 2022

	June 30, 2022	Dec. 31, 2021
GROSS DEBT	184.2	193.0
IFRS-16 effect	42.1	41.2
Shareholder Loan for the acquisitions	-	-
Term Loan facility, guaranteed by SACE	107.6	107.5
“TL & RCF 2018” facility	34.5	44.3
Cash Position	(78.7)	(99.0)
GROUP NET DEBT	105.6	94.0
GROUP NET DEBT pre IFRS-16	63.5	52.8



Safilo
SEE THE WORLD AT ITS BEST

2022 BUSINESS DEVELOPMENTS

Based on the results we recorded in the first half of 2022 and the current visibility into the third quarter, we are confident about already reaching in 2022 the economic targets set out in the 2024 business plan, envisaging net sales at around Euro 1 billion and the adjusted EBITDA margin between 9% and 11%.

We now expect full year 2022 net sales to grow mid-single digits at constant exchange rates compared to 2021 and the adjusted² EBITDA margin to stand at around 10% from 8.4% recorded in 2021. These forecasts are assuming for the rest of the year a reasonably stable economic and business environment compared to the current situation in relation to macro-economic and geo-political drivers.

We aim to provide an update of our medium-term economic and financial targets in the fourth quarter of the year.

SAFILO JOINS THE FASHION PACT TO SUPPORT COLLECTIVE ACTION FOR POSITIVE ENVIRONMENTAL IMPACT

Becoming a signatory of The Fashion Pact is part of Safilo’s purpose-led strategy based on three sustainability pillars: planet, product, and people, and it represents a further step confirming the Group’s commitment to develop projects and initiatives that address the global challenges of tomorrow in the areas of Climate, Oceans and Biodiversity, as per The Fashion Pact mission and priorities.

The Signatories

ADIDAS - AIGLE - ALDO GROUP - ASICS - AUCHAN RETAIL - BALLY - BESTSELLER - BONAVERI - BURBERRY -
 CALZEDONIA GROUP - CAPRI HOLDINGS LIMITED - CARREFOUR - CELIO - CHANEL - CHLOE - DAMARTEX GROUP -
 DCM JENNYFER - DECATHLON - DESIGUAL - DIESEL - EC STUDIO - EL CORTE INGLES - ELLASSAY GROUP -
 ERALDA - ERMENEGILDO ZEGNA - ERUM - FARFETCH - FASHION CUBE - FUSALP - GANT - GAP INC. - GEOX -
 GRUPPO ARMANI - GROUPE BEAUMANOIR - GROUPE GALERIES LAFAYETTE - GROUPE ERAM - GROUPE ETAM -
 GROUPE IDKIDS - GROUPE ROSSIGNOL - HANS BOODT MANNEQUINS - H&M GROUP - HERMES - HERNO -
 HOUSE OF BAUKJEN - IKKS - INDITEX - J.CREW - KARL LAGERFELD - KERING - KIABI - LACOSTE - MADEWELL -
 MANGO - MATCHESFASHION.COM - MONCLER - MONOPRIX - NIKE, INC - NOABRANDS - NORDSTROM -
 NORTH SAILS - PAUL & JOE - PRADA S.P.A. - PUMA SE - PVH CORP. - RALPH LAUREN - RATTI - RESTOQUE -
 SAFILO GROUP - SALVATORE FERRAGAMO - SELFRIDGES GROUP - TAPESTRY - TENDAM - UMDASCH -
 VESTIAIRE COLLECTIVE - ZADIG&VOLTAIRE - ZIMMERMANN



SEE THE WORLD AT ITS BEST

H1 2022 Results

August 3, 2022

Q&A



SEE THE WORLD AT ITS BEST

H1 2022 Results

August 3, 2022

Appendices

1. Organic sales include only the proprietary brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the production supply contract with Kering Eyewear.
2. In H1 2022, the adjusted economic results exclude net non-recurring costs for Euro 1.2 million (Euro 0.6 million at the EBITDA level) due to some special projects costs and restructuring expenses, almost fully offset by the release of a restructuring provision. In Q2 2022, the adjusted EBITDA excludes a net non-recurring income for Euro 2.7 million, related to the release of the above mentioned restructuring provision, net of some other non-recurring expenses of the period.

In H1 2021, the adjusted economic results excluded non-recurring costs for Euro 19.3 million (Euro 8.4 million at the gross profit level, and Euro 15.6 million at the EBITDA 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 in relation to an investigation by the French Competition Authority. The release was a result of the positive outcome, without sanctions, of this investigation.

In Q2 2021, the adjusted EBITDA excluded non-recurring costs for Euro 3.2 million (Euro 3.8 million at the gross profit level), and a non-recurring income of Euro 17 million due to the release of the above mentioned provision.

H1 2022 NET SALES BY GEOGRAPHICAL AREA

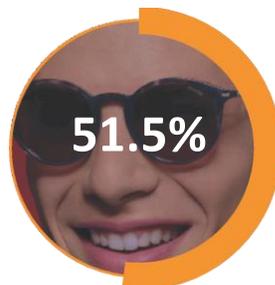
(Euro million)	H1 2022		H1 2021		Change at current forex		Change at constant forex	
					Reported	Reported	Organic ¹	
	H1 2022	%	H1 2021	%	Reported	Reported	Organic ¹	
North America	258.7	45.3	240.1	47.0	+7.7%	-2.2%	+2.4%	
Europe	237.1	41.5	208.2	40.8	+13.9%	+14.1%	+22.7%	
Asia Pacific	25.1	4.4	25.9	5.1	-2.9%	-8.9%	+4.1%	
Rest of the world	49.9	8.7	36.5	7.2	+36.7%	+26.1%	+28.1%	
Total	570.9	100.0	510.7	100.0	+11.8%	+6.2%	+12.0%	

(Euro million)	Q1 2022		Q1 2021		Change at current forex		Change at constant forex	
					Reported	Reported	Organic ¹	
	Q1 2022	%	Q1 2021	%	Reported	Reported	Organic ¹	
North America	129.0	45.7	119.1	47.4	+8.3%	+0.9%	+5.5%	
Europe	117.2	41.5	101.5	40.4	+15.5%	+16.2%	+24.9%	
Asia Pacific	12.4	4.4	13.0	5.2	-4.4%	-9.3%	+2.3%	
Rest of the world	23.9	8.5	17.8	7.1	+34.6%	+27.3%	+29.8%	
Total	282.6	100.0	251.4	100.0	+12.4%	+8.4%	+14.3%	

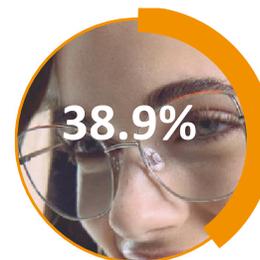
(Euro million)	Q2 2022		Q2 2021		Change at current forex		Change at constant forex	
					Reported	Reported	Organic ¹	
	Q2 2022	%	Q2 2021	%	Reported	Reported	Organic ¹	
North America	129.6	45.0	121.0	46.6	+7.1%	-5.1%	-0.6%	
Europe	120.0	41.6	106.7	41.1	+12.4%	+12.1%	+20.7%	
Asia Pacific	12.7	4.4	12.9	5.0	-1.4%	-8.5%	+5.9%	
Rest of the world	26.0	9.0	18.7	7.2	+38.6%	+24.9%	+26.4%	
Total	288.3	100.0	259.4	100.0	+11.2%	+4.0%	+9.8%	

H1 2022 NET SALES PERFORMANCE BY PRODUCT

Sunglasses



Prescription frames



Other



H1 2022

vs 2021 @cFX

570.9 €M

+6.2%
+12.0%¹

Q2 2022

vs 2021 @cFX

288.3 €M

+4.0%
+9.8%¹

+2.2%
+13.9%¹

-0.4%
+9.2%¹

+6.4%
+5.0%¹

+4.5%
+4.6%¹

+33.7%
+33.6%¹

+48.6%
+48.2%¹

¹ ORGANIC SALES PERFORMANCE INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS
THE PRODUCT CATEGORY 'OTHER' MAINLY COMPRISES THE SALES OF SNOW GOGGLES AND SNOW AND BIKE HELMETS

Key Economic highlights - in Euro million	Q2 2022	% on net sales	Q2 2021	% on net sales	% Change 2022 vs 2021
Net sales	288.3		259.4		+11.2%
Reported at cFX					+4.0%
Organic ¹ at cFX					+9.8%
Gross Profit	162.8	56.5%	135.6	52.3%	+20.0%
EBITDA	33.3	11.6%	37.7	14.5%	-11.5%
Adjusted² EBITDA	30.6	10.6%	23.8	9.2%	+28.5%
IFRS 16 impact on EBITDA	2.8		2.8		
IFRIC SaaS impact on EBITDA	(1.8)		n.a.		

H1 INCOME STATEMENT

(Euro in millions)	H1 2022	%	H1 2021	%	% Change
Net sales	570.9	100.0	510.7	100.0	11.8%
Cost of sales	(252.6)	(44.2)	(248.5)	(48.7)	-1.6%
Gross profit	318.3	55.8	262.2	51.3	21.4%
Selling and marketing expenses	(219.0)	(38.4)	(188.1)	(36.8)	-16.4%
General and administrative expenses	(62.5)	(11.0)	(59.0)	(11.6)	-5.9%
Other operating income (expenses)	1.2	0.2	7.2	1.4	-82.9%
Operating profit	38.0	6.7	22.3	4.4	70.1%
Gains/(losses) on liabilities for options on non-controlling interests	8.7	1.5	(0.7)	(0.1)	n.s.
Financial charges, net	(2.7)	(0.5)	(11.6)	(2.3)	76.7%
Profit before taxation	44.0	7.7	10.1	2.0	n.s.
Income taxes	(11.7)	(2.0)	(7.6)	(1.5)	-54.3%
Net profit of the period	32.3	5.7	2.5	0.5	n.s.
Non-controlling interests	(0.4)	(0.1)	0.5	0.1	n.s.
Net profit attributable to the Group	32.7	5.7	2.0	0.4	n.s.
EBITDA	62.1	10.9	51.0	10.0	21.6%
Adjusted² economic results					
EBITDA	62.6	11.0	49.7	9.7	26.1%
Operating profit	39.2	6.9	24.7	4.8	59.1%
Net profit attributable to the Group	33.7	5.9	4.4	0.9	n.s.
IFRS 16 impact on EBITDA	5.5		5.7		
on Operating result	0.7		0.9		
on Net result	(0.1)		0.1		
IFRIC SaaS impact on EBITDA	(3.7)		n.a.		

BALANCE SHEET AS OF JUNE 30, 2022

(Euro in millions)	June 30, 2022	December 31, 2021	Change
Net working capital	291.9	214.9	77.0
Tangible, Right of Use, and Intangible fixed assets	293.4	294.2	(0.8)
Goodwill	35.8	32.9	3.0
Non-current assets held for sale	2.3	2.3	0.0
Other assets / (liabilities), net	(86.9)	(84.2)	(2.7)
Net invested capital	536.6	460.0	76.5
Net financial position	(105.6)	(94.0)	(11.6)
Group Shareholders' equity	(399.4)	(326.7)	(72.7)
Non-controlling interests	(31.6)	(39.3)	7.8

WORKING CAPITAL AS OF JUNE 30, 2022

(Euro in millions)	June 30, 2022	December 31, 2021	Change
Trade receivables	241.1	173.5	67.6
Inventories	252.7	234.4	18.3
Trade payables	(202.0)	(193.1)	(8.9)
Net working capital	291.9	214.9	77.0
<i>% on net sales</i>	28.3%	22.2%	

(Euro in millions)	H1 2022	H1 2021
Cash flow from operating activities before changes in working capital	52.0	19.5
Changes in working capital	(55.6)	(9.4)
Cash flow from operating activities	(3.6)	10.1
Cash flow for organic investment activities	(6.2)	(9.8)
Cash payments for the principal portion of lease liabilities IFRS 16	(4.7)	(5.1)
Free Cash Flow	(14.5)	(4.8)

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		June 30, 2022	December 31, 2021	%	First semester 2022	First semester 2021	%
US Dollar	USD	1.0387	1.1326	-8.3%	1.0934	1.2054	-9.3%
Hong-Kong Dollar	HKD	8.1493	8.8333	-7.7%	8.5559	9.3551	-8.5%
Swiss Franc	CHF	0.9960	1.0331	-3.6%	1.0319	1.0946	-5.7%
Canadian Dollar	CAD	1.3425	1.4393	-6.7%	1.3901	1.5030	-7.5%
Japanese Yen	YEN	141.5400	130.3800	8.6%	134.3071	129.8681	3.4%
British Pound	GBP	0.8582	0.8403	2.1%	0.8424	0.8680	-3.0%
Swedish Crown	SEK	10.7300	10.2503	4.7%	10.4796	10.1308	3.4%
Australian Dollar	AUD	1.5099	1.5615	-3.3%	1.5204	1.5627	-2.7%
South-African Rand	ZAR	17.0143	18.0625	-5.8%	16.8485	17.5244	-3.9%
Russian Ruble	RUB	56.4046	85.3004	-33.9%	84.7589	89.5502	-5.4%
Brasilian Real	BRL	5.4229	6.3101	-14.1%	5.5565	6.4902	-14.4%
Indian Rupee	INR	82.1130	84.2292	-2.5%	83.3179	88.4126	-5.8%
Singapore Dollar	SGD	1.4483	1.5279	-5.2%	1.4921	1.6059	-7.1%
Malaysian Ringgit	MYR	4.5781	4.7184	-3.0%	4.6694	4.9387	-5.5%
Chinese Renminbi	CNY	6.9624	7.1947	-3.2%	7.0823	7.7960	-9.2%
Korean Won	KRW	1,351.6000	1,346.3800	0.4%	1,347.8363	1,347.5387	0.0%
Mexican Peso	MXN	20.9641	23.1438	-9.4%	22.1653	24.3270	-8.9%
Turkish Lira	TRY	17.3220	15.2335	13.7%	16.25789	9.52264	70.7%
Dirham UAE	AED	3.8146	4.1595	-8.3%	4.01549	4.42663	-9.3%
Polish Zloty	PLN	4.6904	4.5969	2.0%	4.6354	n.a.	n.a.

CARRERA
EYEWEAR SINCE 1956

JIMMY CHOO

CAROLINA HERRERA

BOSS

ISABEL MARANT

MISSONI

SMITH

TOMMY  HILFIGER

MARC JACOBS

MOSCHINO

DSQUARED2

PORTS

Polaroid
The Original Polarized since 1937


CHIARA FERRAGNI

havaianas



EYEWEAR by DAVID BECKHAM

kate spade
NEW YORK

rag & bone
NEW YORK


BLENDERS
EYEWEAR


UNDER ARMOUR

LIZ CLAIBORNE


MISSONI

TOMMY
 JEANS

REBECCA MINKOFF

PRIVÉ REVAUX
EYEWEAR

HUGO

LOVE
MOSCHINO

Juicy Couture

pierre cardin
PARIS

FOSSIL

SEVENTH STREET
by Safilo



BANANA REPUBLIC