

Safilo

SEE THE WORLD AT ITS BEST

Q1 2022 Trading Update

May 3, 2022





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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.

Safilo®

GROUP



“We closed a positive first quarter, with a solid start to 2022 for our net sales and more meaningfully for the improvement of our profitability.

The period confirmed once more the strength of our own and licensed brands which continued to show their ability to grow at a healthy pace in their core product categories and markets.

Despite the challenges deriving from the developments of the Covid-19 pandemic, inflationary pressures and the conflict in Ukraine, we remain confident that the resilience of the eyewear sector and the effectiveness of our strategy will continue to support the Group’s sales and margin growth also in 2022.”

Angelo Trocchia, CEO

SOLID SALES AND PROFITS GROWTH CONTINUED

NET SALES

282.6 €m

+8.4% @ cFX
+12.4% @ current FX

GROSS PROFIT

155.5 €m

+22.8%

MARGIN

55.0%

ADJ. EBITDA²

32.0 €m

+23.8%

MARGIN

11.3%

Q1 2022 vs 2021

² ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING COSTS

ORGANIC¹ SALES GROWTH AT +14.3% LARGELY DRIVEN BY VOLUMES BRAND PORTFOLIO OVERHAUL STRATEGY CONTINUING

- ✓ Double-digit growth of Smith and Carrera and promising start to the year for Polaroid.
All key licenses up high-single to double-digits.
- ✓ Rebound in sunglasses driving significant pick-up in demand in Europe, Latin America and IMEA.
Resilient business in North America thanks to a strong omnichannel go-to-market strategy.
- ✓ Prescription frames very resilient supporting another strong quarter in the core independent optician channel.
- ✓ Online consolidating its relevance, growing +9.4%.
- ✓ Excellent debuts of Carolina Herrera, Chiara Ferragni and Dsquared2, three significant tailwinds to fuel growth and support the offset of last year's non-recurring sales

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



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Q1 2022 SALES PERFORMANCE

Q1 2022 SALES PERFORMANCE BY REGION

North America



Reported	Organic ¹
+0.9%	+5.5%

North America remained well tuned against a tough comps base (Q1 2021 up double-digits vs 2019).

Organic¹ sales +5.5% reflecting outperformance by Smith, Carrera, Kate Spade and Under Armour, while Blenders' e-com was broadly in line with last year's extraordinary surge.

Europa



Reported	Organic ¹
+16.2%	+24.9%

Pick-up in Europe broad-based across markets: UK, France and Germany outperforming, Spain and Portugal posting yoy rebound. Polaroid, Carrera and all key licenses recording a promising recovery in sunglass sales.

Rest of World



Reported	Organic ¹
+27.3%	+29.8%

Brazil and Mexico driving consistent strong performance in Latin America, while improving market conditions benefitted Middle East markets and now also India.

Asia & Pacific



Reported	Organic ¹
-9.3%	+2.3%

Asia overall constrained by new Covid-19 related lockdowns in China. Organic business up low-single digit backed by recovery in Japan and South-East Asia.

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

Q1 2022 NET SALES PERFORMANCE BY PRODUCT

Sunglasses



Reported	Organic ¹
+5.1%	+19.8%

Promising start to the year for sunglass sales, with strong organic¹ growth, broad-based across brands and Europe leading the rebound in all key channels.

Prescription frames



Reported	Organic ¹
+7.9%	+5.2%

Another resilient quarter of growth for prescription frames, supporting worldwide positive momentum in the core 3Os channel.

Other



Reported	Organic ¹
+27.5%	+27.6%

Continued strong growth of Smith's goggles and helmets business both in the specialized sports shops and online

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



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Q1 2022 ECONOMIC AND FINANCIAL HIGHLIGHTS

SIGNIFICANT GROSS PROFIT AND MARGIN IMPROVEMENT

Positive price/mix effect and further progress on the structural COGS savings project envisaged in the Group Business Plan, effectively countered inflationary pressures

Q1 2022	vs Q1 2021	vs Q1 2021 ADJ.²
155.5 €m	+22.8%	+18.5%
MARGIN		
55.0%	+460 bps	+280 bps

² ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS

STRONG PROGRESS AT THE ADJ.² EBITDA LEVEL

*Gross profit and operating leverage supporting ca +15% SG&A costs mainly behind higher marketing/advertising investments
IFRIC SaaS costs, not yet recognized in Q1 '21, impacting EDP expenses for +1.9 €m with an equivalent reduction in CapEx*

Q1 2022	vs Q1 2021 ADJ. ²
32.0 €m	+23.8%
MARGIN	
11.3%	+100 bps
12.0% pre-IFRIC SaaS	+170 bps

² ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS

GROUP NET DEBT AT 31 MARCH 2022 SLIGHTLY UP

Improved economic performance and business seasonality in terms of higher working capital absorption

109.1 €m (68.9 €m pre-IFRS 16)

vs 94.0 €m (52.8 €m pre-IFRS 16) at 31 Dec. 2021



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Q&A



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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 Q1 2022, the adjusted EBITDA excludes non-recurring costs for Euro 3.3 million related to some special projects and restructuring expenses.
In Q1 2021, the adjusted EBITDA excluded non-recurring costs for Euro 12.4 million (Euro 4.6 million at the gross profit level), mainly due to the announced closure, starting from June 2021, of the Ormoz production plant in Slovenia.

Q1 2022 NET SALES BY GEOGRAPHICAL AREA

(Euro million)	Q1 2022		Q1 2021		Change at current forex	Change at constant forex	
	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)	Q1 2022	% on net sales	Q1 2021	% on net sales	% Change 2022 vs 2021
Net sales	282.6		251.4		+12.4%
Gross Profit	155.5	55.0%	126.6	50.4%	+22.8%
EBITDA	28.7	10.2%	13.4	5.3%	+114.7%
Adjusted EBITDA²	32.0	11.3%	25.8	10.3%	+23.8%
IFRS 16 impact on EBITDA	2.6		2.9		
IFRIC SaaS impact on EBITDA	(1.9)		n.a.		

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		March 31, 2022	December 31, 2021	%	March 31, 2022	March 31, 2021	%
US Dollar	USD	1.1101	1.1326	-2.0%	1.1217	1.2049	-6.9%
Hong-Kong Dollar	HKD	8.6918	8.8333	-1.6%	8.7551	9.3465	-6.3%
Swiss Franc	CHF	1.0267	1.0331	-0.6%	1.0364	1.0913	-5.0%
Canadian Dollar	CAD	1.3896	1.4393	-3.5%	1.4207	1.5258	-6.9%
Japanese Yen	YEN	135.1700	130.3800	3.7%	130.4636	127.8057	2.1%
British Pound	GBP	0.8460	0.8403	0.7%	0.8364	0.8739	-4.3%
Swedish Crown	SEK	10.3370	10.2503	0.8%	10.4807	10.1202	3.6%
Australian Dollar	AUD	1.4829	1.5615	-5.0%	1.5491	1.5597	-0.7%
South-African Rand	ZAR	16.1727	18.0625	-10.5%	17.0819	18.0302	-5.3%
Russian Ruble	RUB	117.2010	85.3004	37.4%	98.2985	89.6675	9.6%
Brasilian Real	BRL	5.3009	6.3101	-16.0%	5.8696	6.5990	-11.1%
Indian Rupee	INR	84.1340	84.2292	-0.1%	84.3944	87.8484	-3.9%
Singapore Dollar	SGD	1.5028	1.5279	-1.6%	1.5169	1.6054	-5.5%
Malaysian Ringgit	MYR	4.6677	4.7184	-1.1%	4.7027	4.8997	-4.0%
Chinese Renminbi	CNY	7.0403	7.1947	-2.1%	7.1212	7.8080	-8.8%
Korean Won	KRW	1,347.3700	1,346.3800	0.1%	1,352.2919	1,343.2116	0.7%
Mexican Peso	MXN	22.0903	23.1438	-4.6%	22.9919	24.5272	-6.3%
Turkish Lira	TRY	16.2823	15.2335	6.9%	15.67247	8.91558	75.8%
Dirham UAE	AED	4.0768	4.1595	-2.0%	4.11939	4.4248	-6.9%
Polish Zloty	PLN	4.6531	4.5969	1.2%	4.62299	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