



Safilo 90 YEARS

SEE THE WORLD AT ITS BEST

FY 2023 Results

March 14, 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.



"In a complex year like 2023, in which a tense and unstable geopolitical and macroeconomic environment added to our direct challenges, it was particularly important for us to achieve a level of revenues and adjusted operating margins very close to the strong performance recorded in 2022.

The passion and constant dedication of Safilo's people allowed us to further strengthen our Group on all its main strategic pillars, from our brand portfolios to our supply chain, to the sustainability of our business model in the long-term."

Angelo Trocchia, CEO

COUNTERING OUR HEADWINDS...

- Challenging market conditions in North America
- Significant business drop in former GV chains
- Forex and inflationary pressures

...WHILE WORKING ON OUR PRIORITIES

- Reviewing our industrial footprint:
 - Disposal of the Longarone plant, full employment of all its workers and preservation of the sector's know-how

SOLIDIFYING OUR BRAND PORTFOLIO FOR THE LONG-TERM

- Early renewal of core partnerships:
 - Unprecedented visibility on the license portfolio (around six years)

FOSSIL Juicy Couture **havaianas**

MOSCHINO **Levi's** **MISSONI**

NEW:  ETRO STUART WEITZMAN



SOLIDIFYING OUR BRAND PORTFOLIO FOR THE LONG-TERM

- Progress on the pillars of our mid-term business plan:
 - home brands at ~44%² of sales from 42%
 - online channels at ~16%² of sales from 15% thanks to Blenders and Smith's DTC business



ECONOMIC & FINANCIAL HIGHLIGHTS

- 2023 organic¹ sales approach 2022 level and grow net of the business in the former GV chains
- Q4 sales growth @cFX marks the best performance of the year
- Strong improvement in gross margin reinvested in the strategic projects to support the Group's long-term growth:
adjusted³ EBITDA margin just slightly below 2022 level
- Positive Free Cash flow in all quarters of the year, leading to lower net debt and financial leverage

SALES PERFORMANCE

FY 2023 TOTAL

1,024.7 €M -4.8%/-2.3% @cfx
+1.7% organic¹, ex GV

Q4 2023

239.6 €M -2.4%/+2.0% @cfx, **+3.6% ex GV**

- Positive FY organic¹ and ex GV performance driven by home brands, in particular Carrera, Polaroid and Blenders
- Boss, Tommy Hilfiger, Carolina Herrera and David Beckham, our outperforming licenses
- Q4 back to growth in both North America and Europe



SALES PERFORMANCE

FY 2023 NORTH AMERICA

452.9 €M -9.0%/-6.4% @cfx
-3.7% organic¹

Q4 2023

111.9 €M -2.2%/+3.0% @cfx

- Prudent order behaviour of customers and poor sun season affecting contemporary eyewear segment in traditional channels
- Smith's sport business penalized by customers' destocking in the market for bike products
- Q4 improvement reflecting strong Blenders' and Smith's DTC, while sport shops impacted by weak start to the winter season



//Blenders | PRIME

SALES PERFORMANCE

FY 2023 EUROPE

411.8 €M -3.1%/-0.6% @cfx
+7% organic¹, ex GV

Q4 2023

90.7 €M -1.7%/+2.5% @cfx, +6% ex GV

- Q4 back to growth in Europe proves market resilience and Safilo's competitive proposition
- FY substantially in line @cfx with the strong-growth sales recorded in 2022 thanks to +7% organic¹ and ex GV performance
- Italy, France and Eastern European markets, the key growth drivers. You&Safilo platform, the Group's key enabler



SALES PERFORMANCE

FY 2023 ASIA & PACIFIC

59.9 €M +3.9%/+9.1% @cfx

Q4 2023

16.2 €M -0.9%/+4.5% @cfx

- Growth in Asia driven in particular by positive development of BOSS, Ports and Polaroid in China and Hong Kong
- Smith continuing to grow in both Australia and Japan



SALES PERFORMANCE

FY 2023 REST of WORLD

100.1 €M +3.8%/+3.9% @cfx

Q4 2023

20.8 €M -7.5%/-6.6% @cfx

- Carrera and Tommy Hilfiger driving double-digit growth of India and Middle-Eastern markets
- Flattish year for Latin America, mainly due to tough Q4 comps in Brazil



CARRERA
EYEWEAR SINCE 1956

ECONOMIC PERFORMANCE

FY 2023 ADJ.³ GROSS MARGIN

58.7% +320 bps vs 55.5%

Q4 2023

59.5% +280 bps vs 56.7%

CLOSE TO SAFILO'S ALL TIME HIGHS:

- Effective pricing policy and positive channel mix
- Efficiencies in procurement activities
- Lower inbound transportation costs

ECONOMIC PERFORMANCE

FY 2023 ADJ.³ EBITDA MARGIN

9.0% -40 bps vs 9.4%

Q4 2023

6.9% +40 bps vs 6.5%

CLOSE TO 2022 LEVEL, LAST 7-YR HIGH:

- Negative operating leverage
- Higher personnel costs due to inflationary pressures and logistic expenses on strong DTC business
- Pick of the investments on the digital transformation and home brands' marketing projects

ECONOMIC PERFORMANCE

FY 2023 ADJ.³ NET RESULT

14.0 €M

○ vs 58.3 €M in 2022

DRIVEN BY OPTIONS ON MINORITIES:

- ~90% of the negative performance explained by the different dynamics on the put & call options on the minority-interests
- Higher net financial charges due to the increase of interest rates

FINANCIAL PERFORMANCE

FY 2023 FREE CASH FLOW*

35.1 €M

GROUP NET DEBT at Dec. 31, 2023

82.7 €M vs 113.4 €M

43.7 €M pre-IFRS 16

FIRST POSITIVE FCF IN MANY YEARS:

- Effective management of inventory improving working capital
- Q4 positive Free Cash Flow of 13 €M supported by strong performance of DTC channel

*Before €5.9M payment to exercise the first option on an additional 10% of Blenders non-controlling interests



APPROVED

NEAR-TERM SCIENCE-BASED TARGETS

The Science Based Targets initiative has validated that the science-based greenhouse gas emissions reductions target(s) submitted by Safilo Group S.p.A. conform with the SBTi Criteria and Recommendations (Criteria version 5.1).

SBTi has classified your company's scope 1 and 2 target ambition as in line with a 1.5°C trajectory.

The official near-term science-based target language:

Safilo Group S.p.A. commits to reduce absolute scope 1 and 2 GHG emissions 70% by 2030 from a 2022 base year.

Safilo Group S.p.A. commits to reduce absolute scope 3 GHG emissions from purchased goods and services and upstream transportation and distribution 25% within the same timeframe.

Partner Organizations



In collaboration with



DATE OF APPROVAL
24 January 2024

A close-up portrait of a woman with voluminous, wavy brown hair. She is wearing large, wrap-around sunglasses with a reddish-brown gradient lens and a thin metal frame. The brand name 'CARRERA' is visible on the right temple. She is resting her head against a dark, textured horizontal bar, with her right hand touching her hair. She is wearing a white collared shirt. The background is a bright blue sky with out-of-focus palm trees. A white geometric line graphic is positioned to the left of the 'Q & A' text.

Q & A



Appendices

NOTES TO THE PRESENTATION

- 1 Organic sales performance is provided at constant exchange rates and includes only the home brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the supply contract with Kering Eyewear.
- 2 % of sales, excluding business attributable to the production supply contract with Kering Eyewear
- 3 In 2023, the adjusted economic results exclude non-recurring costs for Euro 41.9 million at the EBIT level, Euro 29.1 million at the EBITDA level and Euro 16.0 million at the gross profit level, mainly related to the disposal of the Longarone plant, to some other restructuring costs, and in the fourth quarter, also to the termination of activities related to exiting licensed brands and to a partial write-down of some intangible assets related to a previous acquisition.
In Q4 2023, the adjusted EBITDA and gross profit exclude non-recurring costs for Euro 11.7 million and Euro 7.9 million respectively.

In 2022, the adjusted economic results excluded net non-recurring costs for Euro 5.0 million (Euro 4.4 million at the EBITDA level), due to some special projects costs and restructuring expenses, partially offset by the release of a restructuring provision.
In Q4 2022, the adjusted EBITDA excluded non-recurring cost for Euro 2.7 million.

2023 NET SALES BY GEOGRAPHICAL AREA

(Euro million)					Change at current forex	Change at constant forex	
					Reported	Reported	Organic ²
	2023	%	2022	%			
North America	452,9	44,2	497,7	46,2	-9,0%	-6,4%	-3,7%
Europe	411,8	40,2	424,9	39,5	-3,1%	-0,6%	-1,3%
Asia Pacific	59,9	5,8	57,7	5,4	+3,9%	+9,1%	+9,6%
Rest of the world	100,1	9,8	96,4	8,9	+3,8%	+3,9%	+3,9%
Total	1.024,7	100,0	1.076,7	100,0	-4,8%	-2,3%	-1,3%

(Euro million)					Change at current forex	Change at constant forex
	Q4 2023	%	Q4 2022	%		
North America	111,9	46,7	114,3	46,6	-2,2%	+3,0%
Europe	90,7	37,9	92,2	37,6	-1,7%	+2,5%
Asia Pacific	16,2	6,8	16,4	6,7	-0,9%	+4,5%
Rest of the world	20,8	8,7	22,5	9,2	-7,5%	-6,6%
Total	239,6	100,0	245,4	100,0	-2,4%	+2,0%

2023 INCOME STATEMENT

Key Economic highlights - in Euro million	2023	% on net sales	2022	% on net sales	% Change
Net sales	1,024.7		1,076.7		-4.8%
Performance at cFX					-2.3%
Organic ¹ performance at cFX					-1.3%
Gross profit	585.7	57.2%	597.4	55.5%	-2.0%
Adjusted ³ Gross profit	601.8	58.7%	597.6	55.5%	+0.7%
EBITDA	62.9	6.1%	96.8	9.0%	-35.1%
Adjusted ³ EBITDA	92.0	9.0%	101.2	9.4%	-9.1%
Operating result	7.7	0.7%	48.5	4.5%	-84.2%
Adjusted ³ operating result	49.6	4.8%	53.5	5.0%	+7.4%
Group net result	(24.6)	(2.4%)	54.2	5.0%	-145.5%
Adjusted ³ Group net result	14.0	1.4%	58.3	5.4%	-76.0%
IFRS 16 impact on EBITDA	11.9		11.8		
on Operating result	1.5		1.5		
on Net result	(0.2)		(0.4)		
IFRIC SaaS impact on EBITDA	(11.7)		(9.7)		

Q4 2023 TRADING UPDATE

Key Economic highlights - in Euro million	Q4 2023	% on net sales	Q4 2022	% on net sales	% Change
Net sales	239.6		245.4		-2.4%
Performance at cFX					+2.0%
Gross profit	134.8	56.2%	139.1	56.7%	-3.1%
Adjusted ³ Gross profit	142.6	59.5%	139.2	56.7%	+2.4%
EBITDA	4.9	2.0%	13.3	5.4%	-63.3%
Adjusted ³ EBITDA	16.5	6.9%	15.9	6.5%	+3.8%
IFRS 16 impact on EBITDA	3.1		3.2		
IFRIC SaaS impact on EBITDA	2.4		4.2		

BALANCE SHEET AS OF DECEMBER 31, 2023

	December 31, 2023	December 31, 2022	Change
Net working capital	260.0	292.3	(32.4)
Tangible, Right of Use, and Intangible fixed assets	230.9	281.1	(50.2)
Goodwill	33.7	34.9	(1.2)
Non-current assets held for sale	0.0	2.3	(2.3)
Other assets / (liabilities), net	(46.0)	(58.3)	12.3
Net invested capital	478.5	552.3	(73.8)
Net financial position	(82.7)	(113.4)	30.7
Group Shareholders' equity	(379.2)	(409.9)	30.7
Non-controlling interests	(16.6)	(29.0)	12.4

WORKING CAPITAL AS OF DECEMBER 31, 2023

	December 31, 2023	December 31, 2022	Change
Trade receivables	203.1	214.0	(11.0)
Inventories	229.0	259.0	(30.0)
Trade payables	(172.1)	(180.7)	8.6
Net working capital	260.0	292.3	(32.4)
<i>% on net sales</i>	<i>25.4%</i>	<i>27.1%</i>	

2023 FREE CASH FLOW

Free Cash Flow - in Euro million	2023	2022
Cash Flow from operating activities before change in working capital	26.2	71.5
Change in working capital	21.5	(62.4)
Cash Flow from operating activities	47.7	9.2
Cash Flow from investment/disinvestment activities	(2.7)	(15.7)
Cash payments for the principal portion of lease liabilities IFRS 16	(10.0)	(10.0)
Free Cash Flow pre-acquisitions	35.1	(16.5)
Cash Flow for the acquisition of minority interests	(5.9)	-
Free Cash Flow	29.1	(16.5)

EXCHANGE RATES

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		December 31, 2023	December 31, 2022	%	2023	2022	%
US Dollar	USD	1.1050	1.0666	3.6%	1.0813	1.0531	2.7%
Hong-Kong Dollar	HKD	8.6314	8.3163	3.8%	8.4650	8.2451	2.7%
Swiss Franc	CHF	0.9260	0.9847	-6.0%	0.9718	1.0047	-3.3%
Canadian Dollar	CAD	1.4642	1.4440	1.4%	1.4595	1.3695	6.6%
Japanese Yen	YEN	156.3300	140.6600	11.1%	151.9903	138.0274	10.1%
British Pound	GBP	0.8691	0.8869	-2.0%	0.8698	0.8528	2.0%
Swedish Krown	SEK	11.0960	11.1218	-0.2%	11.4788	10.6296	8.0%
Australian Dollar	AUD	1.6263	1.5693	3.6%	1.6288	1.5167	7.4%
South-African Rand	ZAR	20.3477	18.0986	12.4%	19.9551	17.2086	16.0%
Russian Ruble	RUB	99.9723	78.4308	27.5%	92.4381	73.5002	25.8%
Brasilian Real	BRL	5.3618	5.6386	-4.9%	5.4010	5.4399	-0.7%
Indian Rupee	INR	91.9045	88.1710	4.2%	89.3001	82.6864	8.0%
Singapore Dollar	SGD	1.4591	1.4300	2.0%	1.4523	1.4512	0.1%
Malaysian Ringgit	MYR	5.0775	4.6984	8.1%	4.9320	4.6279	6.6%
Chinese Renminbi	CNY	7.8509	7.3582	6.7%	7.6600	7.0788	8.2%
Korean Won	KRW	1,433.6600	1,344.0900	6.7%	1,412.8800	1,358.0734	4.0%
Mexican Peso	MXN	18.7231	20.8560	-10.2%	19.1830	21.1869	-9.5%
Turkish Lira	TRY	32.6531	19.9649	63.6%	25.7597	17.4088	48.0%
Dirham UAE	AED	4.0581	3.9171	3.6%	3.971	3.8673	2.7%
Polish Zloty	PLN	4.3395	4.6808	-7.3%	4.542	4.6861	-3.1%

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 Sàfilo

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 HILFINGER

TOMMY
JEANS

UNDER ARMOUR