



H1 2023 RESULTS

AUGUST 2, 2023

Safilo
SEE THE WORLD AT ITS BEST

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.



"We entered the second quarter, aware that in these three months of the year our business would be facing the biggest headwinds, from a still weak market environment in North America, exacerbated by poor weather conditions, to the expected significant drop of our sales in the former Grand Vision chains in Europe. Notwithstanding these dynamics, our economic and financial results remained solid and we made further progress on the key strategic drivers of our medium-term plans."

Angelo Trocchia, CEO

IN Q2, GROSS MARGIN EXPANSION & CASH GENERATION DESPITE SOFT SALES

**HEADWINDS AND STILL CHALLENGING COMPS BASE
HOLDING BACK Q2 TOP LINE**

-6.6% @cFX/-5.9% organic¹

ADJ.² GROSS MARGIN STRONGLY IMPROVING

+260 bps at 59.1%

POSITIVE FREE CASH FLOW GENERATION

€ 9.2M

SOLIDIFYING OUR BRAND PORTFOLIO FOR THE LONG-TERM

- Renewing until 2031 two cornerstones of our licensed portfolio, Kate Spade and Tommy Hilfiger
- Signing a new ten-year agreement for the eyewear of Etro, a brand on the rise in the luxury space
- Extending some other historical partnerships like Juicy Couture, Fossil and havaianas



OUR CORE BUSINESS DRIVERS

GEOGRAPHIES

- Negative momentum in North America in key channels
- Resilient underlying performance of Europe and significant rebound of Asia

BRANDS

- Caroline Herrera, top performer also in Q2
- Polaroid, David Beckham and Hugo Boss outperforming the rest of the portfolio

CHANNELS

- Steepest quarterly drop in former GV chains in Europe
- Physical channels still outpacing online in eyewear, while DTC strong in sport

NET SALES

Q2 2023

263.0 €M

-6.6% @cFX

-5.9% organic¹

(Q2 '22 +9.8%¹ vs '21)

H1 2023

550.1 €M

-3.5% @cFX

-1.4% organic¹

(H1 '22 +12.0%¹ vs '21)



NET SALES in EUROPE

Q2 2023

114.1 €M

○ **-3.1%** @cFX

-6.1% organic¹

(Q2 '22 +20.7%¹ vs '21)

H1 2023

235.7 €M

○ **+0.4%** @cFX

-0.3% organic¹

(H1 '22 +22.7%¹ vs '21)

- Europe ex GV, up mid-single digits in Q2 and +10% in H1, with all product categories positive
- Travel retail and B2B clients our strongest channels, while IPPs weak
- Italy, Spain, CEE outperforming

NET SALES in NORTH AMERICA

Q2 2023

106.8 €M

○ -15.3% @cFX
-11.5% organic¹

H1 2023

231.5 €M

○ -11.3% @cFX
- 6.2% organic¹

- Continuation of subdued business trends in independent opticians
- Poor weather holding back sales of sunglasses in stores and online
- Sport business still confronting a tough comps base and late bike season in-store, while remaining strong in the DTC channel

NET SALES in ASIA & PACIFIC

Q2 2023

16.5 €M

+36.0% @cFX
+38.0% organic¹

H1 2023

28.6 €M

+17.0% @cFX
+17.8% organic¹

- Sales rebound in China, up over 60% following reopening
- Business in Hong Kong back to normal
- Ports, Hugo Boss and Polaroid, strongest brands in Asia.
Smith leading growth in Australia



NET SALES in REST of WORLD

Q2 2023

25.5 €M

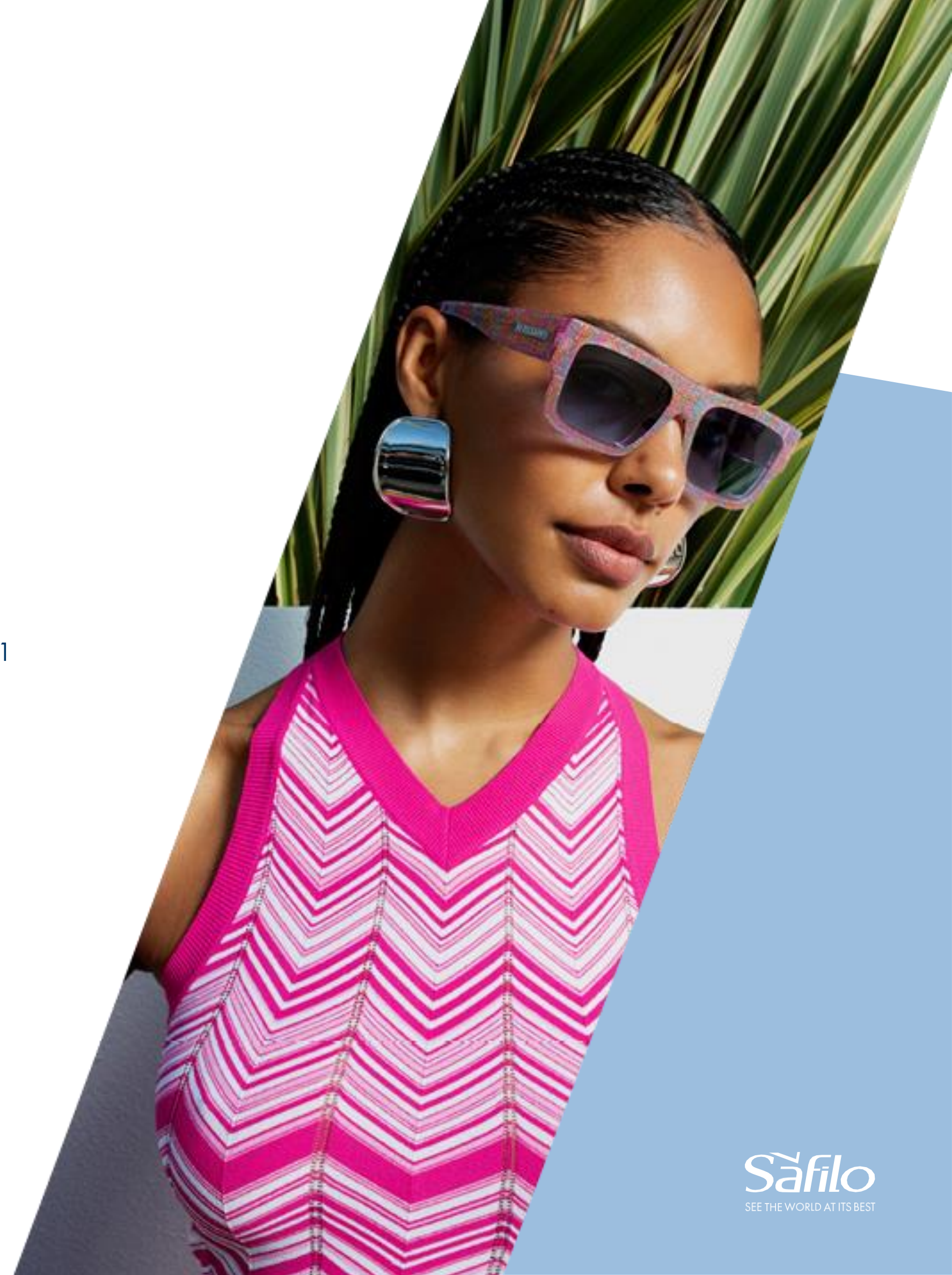
○ **-0.7%** @cFX
-0.1% organic¹

H1 2023

54.4 €M

○ **+7.6%** @cFX
+7.9% organic¹

- Business normalization in Brazil and Mexico after many quarters of significant growth
- India and Middle Eastern markets up mid-single digits as local marketing activations continued



ADJ.² GROSS MARGIN

Q2 2023

155.3 €M

-4.6%

59.1%

+260 bps

H1 2023

323.6 €M

+1.7%

58.8%

+300 bps

- Lower transportation and obsolescence costs
- Ongoing positive price/mix effect, although in Q2 less accretive than in previous quarters

ADJ.² EBITDA MARGIN

Q2 2023

24.9 €M

-18.6%

9.5%

-110 bps

H1 2023

57.3 €M

-8.4%

10.4%

-60 bps

- Sales-related operating deleverage and inflationary pressures on wages
- Continued investments to progress the Group's digital transformation

ADJ.² NET RESULT

H1 2023

6.9 €M

○ vs 33.7 €M in H1 2022

- -17.3 €M due to different dynamics on put and call options on non-controlling interests
- Higher net financial charges due to the increase of interest rates and negative exchange rate differences compared to a positive difference last year

POSITIVE FREE CASH FLOW

in a period of seasonal absorption

	H1 2022	H1 2023
FREE CASH FLOW	(14.5)	9.9
Cash Flow from operating activities	(3.6)	21.1
Cash Flow for investments	(6.2)	(6.2)
Payment principal portion IFRS 16 lease liabilities	(4.7)	(5.0)

- More moderate absorption from Working Capital, thanks to a decrease of inventories and healthy cash collection in all geographies

	Dec. 31, 2022	June 30, 2023
GROUP NET DEBT	113.4	103.0
Group net debt pre IFRS-16	69.6	61.7

- Financial leverage, also pre-IFRIC SaaS, of 0.6x



Q & A

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Appendices

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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 In H1 2023, the adjusted economic results exclude non-recurring costs for Euro 16.2 million at the EBIT level (Euro 12.7 million at the EBITDA level and Euro 5.0 million at the gross profit level) mainly related to the announced project for the disposal of the Longarone plant to third parties, to some special projects and restructuring expenses.
In Q2 2023, the adjusted economic results exclude non-recurring costs for Euro 9.6 million at the EBITDA level and Euro 4.5 million at the gross profit level, related to the announced project for the disposal of the Longarone plant to third parties.

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.

H1 2023 NET SALES BY GEOGRAPHICAL AREA

					Change at current forex	Change at constant forex	
(Euro million)	H1 2023	%	H1 2022	%	Reported	Reported	Organic ¹
North America	231.5	42.1	258.7	45.3	-10.5%	-11.3%	-6.2%
Europe	235.7	42.8	237.1	41.5	-0.6%	+0.4%	-0.3%
Asia Pacific	28.6	5.2	25.1	4.4	+13.7%	+17.0%	+17.8%
Rest of the world	54.4	9.9	49.9	8.7	+8.9%	+7.6%	+7.9%
Total	550.1	100.0	570.9	100.0	-3.6%	-3.5%	-1.4%

					Change at current forex	Change at constant forex	
(Euro million)	Q2 2023	%	Q2 2022	%	Reported	Reported	Organic ¹
North America	106.8	40.6	129.6	45.0	-17.6%	-15.3%	-11.5%
Europe	114.1	43.4	120.0	41.6	-4.9%	-3.1%	-6.1%
Asia Pacific	16.5	6.3	12.7	4.4	+29.9%	+36.0%	+38.0%
Rest of the world	25.5	9.7	26.0	9.0	-1.7%	-0.7%	-0.1%
Total	263.0	100.0	288.3	100.0	-8.8%	-6.6%	-5.9%

Q2 2023 TRADING UPDATE

Key Economic highlights - in Euro million	Q2 2023	% on net sales	Q2 2022	% on net sales	% Change 2023 vs 2022
Net sales	263.0		288.3		-8.8%
Reported at cFX					-6.6%
Organic ¹ at cFX					-5.9%
Gross Profit	150.8	57.3%	162.8	56.5%	-7.4%
Adjusted ² Gross Profit	155.3	59.1%	162.8	56.5%	-4.6%
EBITDA	15.3	5.8%	33.3	11.6%	-54.0%
Adjusted ² EBITDA	24.9	9.5%	30.6	10.6%	-18.6%
IFRS 16 impact on EBITDA	2.9		2.8		
IFRIC SaaS impact on EBITDA	(3.0)		(1.8)		

H1 2023 INCOME STATEMENT

Key Economic highlights - in Euro million	H1 2023	% on net sales	H1 2022	% on net sales	% Change 2023 vs 2022
Net sales	550.1		570.9		-3.6%
Reported at cFX					-3.5%
Organic ¹ at cFX					-1.4%
Gross profit	318.6	57.9%	318.3	55.8%	+0.1%
Adjusted ² Gross profit	323.6	58.8%	318.3	55.8%	+1.7%
EBITDA	44.6	8.1%	62.1	10.9%	-28.1%
Adjusted ² EBITDA	57.3	10.4%	62.6	11.0%	-8.4%
Operating result	18.8	3.4%	38.0	6.7%	-50.5%
Adjusted ² operating result	35.1	6.4%	39.2	6.9%	-10.7%
Group net result	(9.0)	(1.6%)	32.7	5.7%	n.s.
Adjusted ² Group net result	6.9	1.2%	33.7	5.9%	-79.6%
IFRS 16 impact on EBITDA	5.9		5.5		
on Operating result	0.8		0.7		
on Net result	(0.1)		(0.1)		
IFRIC SaaS impact on EBITDA	(6.3)		(3.7)		

BALANCE SHEET AS OF JUNE 30, 2023

in Euro million	June 30, 2023	December 31, 2022	Change
Net working capital	296.2	292.3	3.9
Tangible, Right of Use, and Intangible fixed assets	252.4	281.1	(28.6)
Goodwill	34.3	34.9	(0.6)
Non-current assets/(liabilities) held for sale	4.8	2.3	2.5
Other assets / (liabilities), net	(65.8)	(58.3)	(7.5)
Net invested capital	522.0	552.3	(30.4)
Net financial position	(103.0)	(113.4)	10.4
Group Shareholders' equity	(394.1)	(409.9)	15.8
Non-controlling interests	(24.9)	(29.0)	4.1

WORKING CAPITAL AS OF JUNE 30, 2023

in Euro million	June 30, 2023	December 31, 2022	Change
Trade receivables	227.3	214.0	13.3
Inventories	230.7	259.0	(28.3)
Trade payables	(161.9)	(180.7)	18.8
Net working capital	296.2	292.3	3.9
<i>% on net sales</i>	<i>28.0%</i>	<i>27.1%</i>	

H1 2023 FREE CASH FLOW

(Euro in millions)	H1 2023	H1 2022
Cash flow from operating activities before changes in working capital	35.8	52.0
Change in working capital	(14.7)	(55.6)
Cash flow from operating activities	21.1	(3.6)
Cash flow for organic investment activities	(6.2)	(6.2)
Cash payments for the principal portion of lease liabilities IFRS 16	(5.0)	(4.7)
Free Cash Flow	9.9	(14.5)

EXCHANGE RATES

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		June 30, 2023	December 31, 2022	%	H1 2023	H1 2022	%
US Dollar	USD	1.0866	1.0666	1.9%	1.0807	1.0934	-1.2%
Hong-Kong Dollar	HKD	8.5157	8.3163	2.4%	8.4709	8.5559	-1.0%
Swiss Franc	CHF	0.9788	0.9847	-0.6%	0.9856	1.0319	-4.5%
Canadian Dollar	CAD	1.4415	1.4440	-0.2%	1.4566	1.3901	4.8%
Japanese Yen	YEN	157.1600	140.6600	11.7%	145.7604	134.3071	8.5%
British Pound	GBP	0.8583	0.8869	-3.2%	0.8764	0.8424	4.0%
Swedish Krown	SEK	11.8055	11.1218	6.1%	11.3329	10.4796	8.1%
Australian Dollar	AUD	1.6398	1.5693	4.5%	1.5989	1.5204	5.2%
South-African Rand	ZAR	20.5785	18.0986	13.7%	19.6792	16.8485	16.8%
Russian Ruble	RUB	97.5085	78.4308	24.3%	83.5368	84.7589	-1.4%
Brasilian Real	BRL	5.2788	5.6386	-6.4%	5.4827	5.5565	-1.3%
Indian Rupee	INR	89.2065	88.1710	1.2%	88.8443	83.3179	6.6%
Singapore Dollar	SGD	1.4732	1.4300	3.0%	1.4440	1.4921	-3.2%
Malaysian Ringgit	MYR	5.0717	4.6984	7.9%	4.8188	4.6694	3.2%
Chinese Renminbi	CNY	7.8983	7.3582	7.3%	7.4894	7.0823	5.7%
Korean Won	KRW	1,435.8800	1,344.0900	6.8%	1,400.4350	1,347.8363	3.9%
Mexican Peso	MXN	18.5614	20.8560	-11.0%	19.6457	22.1653	-11.4%
Turkish Lira	TRY	28.3193	19.9649	41.8%	21.5662	16.2579	32.7%
Dirham UAE	AED	3.9905	3.9171	1.9%	3.9687	4.0155	-1.2%
Polish Zloty	PLN	4.4388	4.6808	-5.2%	4.6244	4.6354	-0.2%

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 **Safilo**

BANANA REPUBLIC

BOSS

CAROLINA HERRERA

CHIARA FERRAGNI

EYEWEAR by DAVID BECKHAM

DSQUARED2

FOSSIL

havaianas

HUGO

ISABEL MARANT

ETAO
(starting from 2024)

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 HILFIGER

TOMMY JEANS

UNDER ARMOUR