



THE BOARD OF DIRECTORS OF SAFILO GROUP S.P.A. APPROVES 2024 RESULTS

- **GROWTH IN EUROPE MITIGATES CHALLENGES IN NORTH AMERICA**
 - Net sales at €993.2M, -2.3% at constant exchange rates, including the negative impact of approx. 3% due to the exit of Jimmy Choo
- **STRONGER, MORE STABLE AND BALANCED BRAND PORTFOLIO**
 - Strong growth for Carrera, David Beckham, Tommy Hilfiger and Carolina Herrera
 - Perpetual license signed for Eyewear by David Beckham, taking the home brands portfolio to ca. 50% of sales
 - Early renewal of all main licenses until 2030/31
- **ALL MARGINS ON THE RISE**
 - Gross margin at 59.7%, +100 bps compared to 58.7%²
 - Adj.² EBITDA margin at 9.4%, +40 bps compared to 9.0%
 - Adj.² Net result of €34.2M compared to €14.0M
- **STRONGER CASH GENERATION**
 - Cash Flow from operating activities at €76.2M compared to €47.7M thanks to careful management of working capital
 - Free Cash Flow at €16.7M, including the acquisition of the perpetual license
 - Net debt stable at €82.7M, including completion of the Share Buyback Program
- **PROGRESS ON SUSTAINABILITY**
 - Scope 1 and 2 emissions, ca. -19% vs 2023; Scope 3 emissions, ca. -5% vs 2023
 - Share of new collections made with recycled or bio-based materials to ca. 23% from ca. 17% in 2023
 - Commitment to inclusion and vision care: 20 years of partnership with Special Olympics renewed to 2027
- **NEW SHARE BUYBACK PROGRAM FOR A MAXIMUM NUMBER OF 15 M SHARES**

Padua, March 11, 2025 – Today, the Board of Directors of Safilo Group S.p.A. has approved the Company's consolidated annual report for the year ended December 31, 2024¹ and examined the separate financial statements for the year ended December 31, 2024¹, which will be submitted for approval by the shareholders at the Annual General Meeting to be held in a single call on April 24, 2025.

The Board of Directors has decided not to propose the payment of a dividend at the next Annual General Meeting. The Board has supported a resolution to the subsidiary Safilo S.p.A. to execute a new Share Buyback Program.

Angelo Trocchia, Safilo Chief Executive Officer, commented:

“2024 was a year marked by a complex macroeconomic context, which affected business and consumer confidence, influencing demand dynamics in various sectors, including eyewear. In the face of market challenges, we proved our resilience and adaptability, consolidating our competitive edge through dynamic brand portfolio management and targeted investments. Our steadfast dedication to the quality of services offered to our customers and consumers remains the cornerstone of our strategy.

One particularly important transaction for us was the acquisition of the perpetual license for Eyewear by David Beckham, which represented a further step towards strengthening a high-quality, long-term brand portfolio, now perfectly balanced between home and licensed brands.

Among the brands, Carrera, David Beckham, Tommy Hilfiger and Carolina Herrera stood out as our key strengths of the year, achieving particularly strong growth. On the geographical front, Europe confirmed its solidity and dynamism, driven by the good performance of key markets such as France, Germany, and Eastern European countries.

The performance of total sales for the year, which fell by 2.3% at constant exchange rates, reflected the combination of the conclusion of the Jimmy Choo license and still unfavourable market dynamics for sunglasses and the sports business in North America.

Navigating this business context, we took decisive action on the levers within our control, and we are pleased to report that we concluded the year with improvements across all economic metrics, most notably a gross industrial margin nearing 60% of sales, and an adjusted EBITDA margin that increased to 9.4%.

The year also confirmed our financial solidity and ability to improve cash generation. Cash flow from operating activities rose to over €70 million, while net debt remained stable, despite the acquisition of the perpetual license and the completion of the share buyback program.

In 2024, we stayed strongly committed to our sustainability strategy. We accelerated the decarbonization process, implementing initiatives aimed at reducing environmental impact throughout the entire value chain, in line with Scope 1, 2, and 3 targets, validated at the beginning of the year by SBTi. Among the most significant results, we achieved 95% coverage of our electricity needs through renewable sources, with the consequent reduction of Scope 1 and 2 emissions of approximately 19% compared to 2023. Furthermore, notable progress was made in product sustainability, with the share of new collections made with sustainable materials increasing from 17% in 2023 to approximately 23%.

Looking to 2025, the complexity of the macroeconomic and geopolitical landscape, and the related increasing challenges, will continue to impact the markets in which we operate, making it particularly difficult to predict business trends in the coming months. In this context, we remain focused on strengthening our partnerships, maintaining agility and operational flexibility, with the goal of seizing opportunities to return to revenue growth. Our commitment to continuous margin improvement and consistent cash generation remains steadfast.”

NET SALES PERFORMANCE

In 2024, Safilo's net sales amounted to Euro 993.2 million, recording a decrease of 2.3% at constant exchange rates and 3.1% at current exchange rates compared to 2023. The contraction was driven by the exit of the Jimmy Choo license, the impact of which affected the performance of all geographies. Net of this, the sales trend was slightly positive, thanks to the solidity of Europe, which grew mid-single digits.

North America remained slightly contracted, penalized by an election year and the climate of uncertainty that affected business and consumer confidence. In the year, the business benefited from particularly strong growth from Carrera, David Beckham, Tommy Hilfiger and Carolina Herrera, which stood out across all key reference markets.

Thanks to a strong recovery in the fourth quarter, Smith and Polaroid closed 2024 with only a marginal slowdown, despite the year's challenges stemming from sports retailers' conservative purchasing and a sunglasses market hampered by uncertain conditions.

The year ended with an almost complete balance between home brands, which now also include the perpetual license of Eyewear by David Beckham, and the licensed portfolio, marking a further strengthening of Safilo's business model.

In 2024, online channels continued to account for around 16% of the Group's sales, in a year marked by further growth of Smith's direct-to-consumer (DtC) business and of European internet pure players. Among physical channels, Safilo continued strengthening its position in independent European optician stores, thanks to the steady growth of the prescription frames business and efforts to build customer loyalty and provide continuous service improvements through the You&Safilo Business-to-Business (BtB) e-commerce platform.

In Q4, sales performance improved compared to the previous quarters of the year, showing a contraction of 1.1% at constant exchange rates and 1.6% at current exchange rates, to which the recovery of emerging markets contributed in particular. Excluding the residual effect of the Jimmy Choo exit, the quarter was positive by almost 2%.

NET SALES PERFORMANCE BY GEOGRAPHY (in Euro million)

	2024	%	2023	%	% Change current forex	% Change constant forex
North America	428.7	43.2	452.9	44.2	-5.3%	-5.2%
Europe	414.2	41.7	411.8	40.2	+0.6%	+1.6%
Asia Pacific	58.6	5.9	59.9	5.8	-2.3%	-2.1%
Rest of the world	91.8	9.2	100.1	9.8	-8.3%	-5.9%
Total	993.2	100.0	1,024.7	100.0	-3.1%	-2.3%

	Q4 2024	%	Q4 2023	%	% Change current forex	% Change constant forex
North America	107.3	45.5	111.9	46.7	-4.1%	-4.6%
Europe	90.1	38.2	90.7	37.9	-0.7%	-0.1%
Asia Pacific	18.6	7.9	16.2	6.8	+14.4%	+12.9%
Rest of the world	19.9	8.4	20.8	8.7	-4.5%	+2.4%
Total	235.8	100.0	239.6	100.0	-1.6%	-1.1%

In 2024, sales in North America amounted to Euro 428.7 million, down 5.2% at constant exchange rates and 5.3% at current exchange rates compared to Euro 452.9 million in 2023.

The year's performance was influenced by multiple factors that, over the quarters, impacted different business segments and distribution channels.

Smith's performance was influenced by an unfavourable environment for the sports sector, with a delayed start to the ski season limiting restocking and the bike segment still being somewhat oversized at retail level. On the eyewear front, sunglasses sales remained largely weak due to cautious purchasing behaviour from key wholesale channels. The prescription frames business instead continued to show solid growth, supporting brands with greater exposure to this category.

Carrera achieved excellent results, also driven by the success of its new women's collections, which enhanced the brand's in-store performance and supported its market expansion. Also David Beckham, Tommy Hilfiger and Marc Jacobs recorded solid growth, fuelled by an expansion in distribution.

In Q4, sales in North America declined by 4.6% at constant exchange rates and by 4.1% at current exchange rates, mainly reflecting the drop in sales of Blenders, which, in the same period of 2023, had been boosted by the success of the brand's first collection in collaboration with Coach Prime. The quarterly performance was also influenced by a still subdued sunglasses business in the wholesale channel, which nevertheless showed signs of improvement in the final weeks of the year.

It was instead a quarter back to growth for Smith's sports business, which continued to progress in the DtC channel and saw a recovery in physical stores, supported by a strong start to the 2025 ski season and a favourable comparison base.

In 2024, sales in Europe amounted to Euro 414.2 million, up 1.6% at constant exchange rates and 0.6% at current exchange rates compared to Euro 411.8 million recorded in 2023.

The year confirmed the solidity of the European business, with France standing out as one of the most dynamic markets, driven by the expansion of the commercial network and the strong performance of the prescription eyewear segment among independent opticians and chains. The Italian market performed well, while Central and Eastern European markets continued to see strong growth, with Poland and Turkey showing particularly positive results and Germany benefiting from the solid performance of the Internet Pure Players channel.

In 2024, a key driver of success in Europe continued to be the growing adoption of the *You&Safilo* BtB platform. With constantly evolving content and services, it has further improved operational efficiency and strengthened relationships with clients.

Among the brands, Carrera and David Beckham posted significant growth, strengthening their market position, while the licensed portfolio benefited from the strong performance of Carolina Herrera and DSquared2, the latter of which was recently renewed, as well as the debut of Etro's eyewear collections.

Among the Group's product categories, prescription frames continued to outperform sunglasses, whose demand in Europe also partly influenced by adverse weather conditions in May and June.

In Q4, sales in Europe remained stable compared to the same period of 2023 (-0.1% at constant exchange rates and -0.7% at current exchange rates). Weaker demand in Germany was offset by solid growth in France, Italy and Eastern European markets, which continued to be the main drivers of expansion in the region.

In 2024, sales in Asia Pacific amounted to Euro 58.6 million, down 2.1% at constant exchange rates and 2.3% at current exchange rates compared to Euro 59.9 million recorded in 2023.

In 2024, the Asia Pacific area experienced mixed trends, with China standing out as the main positive driver. The results achieved at major events – such as the Shanghai International Optics Fair in March and the Beijing International Optics Fair in September – stimulated demand and strengthened the Group's presence in the market. In particular, Tommy Hilfiger, Ports and Polaroid drove growth, consolidating their position and contributing positively to the performance of the area.

The year was more complex in the Southeast Asian markets, where the contraction in sales at distributors affected overall performance.

In Q4, sales in Asia Pacific increased by 12.9% at constant exchange rates and 14.4% at current exchange rates, driven by the recovery of the Chinese market after the temporary slowdown in Q3 and the positive reception of the new collections presented at the Beijing eyewear fair.

In 2024, sales in the Rest of the World amounted to Euro 91.8 million, down 5.9% at constant exchange rates and 8.3% at current exchange rates compared to Euro 100.1 million recorded in 2023.

The year highlighted contrasting dynamics, with some countries experiencing growth and others being affected by macroeconomic factors and challenges related to specific distribution channels. In Latin America, sales slowed down, mainly due to weakness in the travel retail channel. Brazil, however, showed signs of recovery, particularly in the last quarter, thanks to greater stability in domestic demand. In the IMEA region, Middle Eastern markets grew, driven by the strong performance of Carrera, Tommy Hilfiger, and David Beckham, while India experienced a deceleration after a period of sustained growth in 2023.

In Q4, the markets of the region recorded growth of 2.4% at constant exchange rates, while sales at current exchange rates decreased by 4.5% due to an unfavourable currency environment, with the significant weakening of the Mexican peso and the Brazilian real.

ECONOMIC PERFORMANCE:

In 2024, Safilo confirmed a very solid economic profile, which translated into the improvement of all economic metrics. During the year, the gross margin benefitted from the increased efficiency of the supply chain achieved through the restructuring of the Italian footprint completed in Q4 2023. This was further boosted by positive pricing effects, while the sales mix was partially affected by the dilutive impact of the phase-out business and the lower contribution of Blenders' DtC channel in Q4.

Below the industrial margin, the expected normalization of IT investments, which had increased between 2022 and 2023 to accelerate the Group's digital transformation, allowed Safilo to limit the revenue pressure on the operating leverage, also improving the operating performance. Despite the challenging market environment for revenue recovery, in 2024 the Group continued to strongly support marketing investments, which remained high and heavily digital oriented, a key channel for efficient targeting and flexibility in quickly responding to evolving consumer habits. The growth in operating profit, combined with improved financial management driven by lower rates and a slight reduction in gross debt, led the year to an improvement in the Group's net profit.

Key economic data (in Euro million)

	2024	%	2023	%	% Change
Net sales	993.2		1,024.7		-3.1%
Gross Profit	592.8	59.7%	585.7	57.2%	+1.2%
Adjusted² Gross Profit			601.8	58.7%	-1.5%
EBITDA	79.8	8.0%	62.9	6.1%	+27.0%
Adjusted² EBITDA	93.0	9.4%	92.0	9.0%	+1.1%
Operating result	39.4	4.0%	7.7	0.7%	n..s.
Adjusted² Operating result	52.6	5.3%	49.6	4.8%	+6.1%
Group net result	22.3	2.2%	(24.6)	(2.4%)	n.s.
Adjusted² Group net result	34.2	3.4%	14.0	1.4%	n.s.
IFRS 16 impact on EBITDA	12.4		11.9		
on Operating result	1.7		1.5		
on Net result	(0.1)		(0.2)		

	Q4 2024	%	Q4 2023	%	% Change
Net sales	235.8		239.6		-1.6%
Gross Profit	140.3	59.5%	134.8	56.2%	+4.1%
Adjusted² Gross Profit			142.6	59.5%	-1.6%
EBITDA	12.9	5.5%	4.9	2.0%	n.s.
Adjusted² EBITDA	17.6	7.5%	16.5	6.9%	+6.3%
IFRS 16 impact on EBITDA	3.3		3.1		

In 2024:

- gross profit amounted to Euro 592.8 million, up 1.2% compared to the profit recorded in 2023, a year impacted by the restructuring of the Italian footprint, and down 1.5% compared to adjusted² gross profit. 2024 gross margin grew to 59.7% of sales, an improvement of 250 basis points compared to the previous year, while the improvement stood at 100 basis points compared to 2023 adjusted² margin. In Q4 2024, gross profit amounted to Euro 140.3 million, up 4.1% compared to Q4 2023, and down 1.6% compared to the adjusted² result. Q4 gross margin was 59.5%, an improvement of 330 basis points compared to Q4 2023, but stable compared to the adjusted² margin;
- among sales and marketing expenses, promotional and advertising costs recorded a slight decrease, while their incidence on revenues for the year remained almost stable, just under 13%. General and administrative expenses saw a more significant decline, mainly thanks to the normalization of SaaS (Software as a Service) costs, which had increased significantly in the previous two years to strengthen the company's IT and digital infrastructure;
- adjusted² EBITDA was Euro 93.0 million, up 1.1% compared to 2023, while the adjusted² EBITDA margin improved by 40 basis points, from 9.0% to 9.4%. In Q4 2024, adjusted² EBITDA amounted to Euro 17.6 million, up 6.3% compared to the adjusted² result of Q4 2023. The adjusted² EBITDA margin grew to 7.5% of revenues, an improvement of 60 basis points compared to the same quarter of 2023, thanks to the optimization of some selling and transportation expenses and lower revenue pressure on operating leverage;
- adjusted² operating profit was Euro 52.6 million, up 6.1% compared to 2023, while the adjusted² operating margin stood at 5.3% of sales, an improvement of 50 basis points compared to 4.8% recorded in 2023;
- the Group's adjusted² net profit amounted to Euro 34.2 million, more than doubling the adjusted² result recorded in 2023, mainly due to the effect of the valuation of the option liability on minority interests. Net of this impact, growth for the year was approximately 17%, driven by a 15.3% decline in net financial charges, from Euro 19.2 million to Euro 16.3 million, thanks to a reduction in interest rates and a slight decline in gross debt.

FINANCIAL PERFORMANCE:

In 2024, Safilo confirmed a positive cash generation, with a Free Cash Flow of Euro 16.7 million compared to Euro 29.1 million recorded in 2023. In Q4, positive Free Cash Flow amounted to Euro 18.9 million, accelerating compared to the Euro 13.3 million recorded in the same period of the previous year.

Free Cash Flow (in Euro million)

	2024	2023
Cash Flow from operating activities before change in working capital	62.6	26.2
Change in working capital	13.6	21.5
Cash Flow from operating activities	76.2	47.7
Cash Flow from investment/disinvestment activities	(48.9)	(8.6)
Cash payments for the principal portion of lease liabilities IFRS 16	(10.6)	(10.0)
Free Cash Flow	16.7	29.1

Cash generation for the year was characterised, on the one hand, by the significant improvement in cash flow from operating activities, amounting to Euro 76.2 million compared to Euro 47.7 million recorded in 2023, and, on the other hand, by the increase in investment activities. In 2024, cash flow for investments grew to Euro 48.9 million, mainly due to the Group's investment to acquire the perpetual license for Eyewear by David Beckham.

The operating activities of the business reflected the good economic result recorded by the Group throughout the year, along with efficient net working capital management, which was primarily driven by the reduction in inventories.

As at 31 December 2024, the Group's net debt, which also takes into account the completion of the Share Buyback programme for Euro 11.8 million, remained stable compared to 2023, at Euro 82.7 million (Euro 40.3 million pre-IFRS 16, an improvement of approximately Euro 3 million compared to 2023, with the financial leverage, also pre-IFRIC SaaS, stable at 0.48x).

The main components of the Group's net debt at the end of December 2024 were as follows:

- a medium-long-term debt position of Euro 89.7 million, made of bank loans for Euro 57.7 million, related to the Credit Facility signed in September 2022, and an IFRS-16 effect for Euro 31.9 million;
- a short-term debt position of Euro 40.4 million, made of bank loans for Euro 30.0 million, related to the Credit Facility, and an IFRS-16 effect for Euro 10.4 million;
- a cash position of Euro 47.4 million.

OUTLOOK

For the current year, amid a complex macroeconomic and business environment, further challenged by escalating geopolitical uncertainties, Safilo remains focused on strengthening partnerships, maintaining agility and operational flexibility, with the goal of seizing opportunities to drive a return to revenue growth. The Group continues to work on improving its economic and financial profile through careful and increasingly targeted allocation of resources and investments.

OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

Sustainability Statement

Simultaneously with the annual financial report as of December 31, 2024, the Safilo Board of Directors also reviewed and approved the Sustainability Statement in accordance with the provisions of Legislative Decree 125/2024. In 2024, the key achievements of the Group's Sustainability Roadmap were:

- 95% of the Group's electricity need is covered by renewable sources (compared to about 90% in 2023), resulting in a reduction of Scope 1 and 2 emissions by approximately 19% compared to 2023 and about 72% compared to the 2022 base year.
- The share of new collections made with recycled or bio-based materials increased from 17% in 2023 to around 23% in 2024. This achievement, along with upstream value chain improvement initiatives, contributed to a reduction of Scope 3 emissions by 5% compared to 2023 and 10% compared to the 2022 base year.

New Share Buyback Program

In addition, on the basis of the resolution of the Board of Directors of Safilo Group S.p.A. (the "Company"), exercising its powers of direction and coordination of the operations of its subsidiaries, the sole director of its subsidiary Safilo S.p.A. resolved today to propose to the Shareholders' Meeting the authorization to carry out transactions for the purchase and disposal of ordinary shares of the Company, for a maximum number of 15,000,000 shares, equal to approximately 3.6% of the shares currently issued by the Company.

This plan represents a strategic step aimed at an efficient management of financial resources while maintaining flexibility, through the set-up of a reserve of shares, in order to seize any future investment opportunities, a matter on which the Group remains constantly focused and active.

The authorisation to purchase the shares of the parent company is granted for the maximum duration permitted by law, in accordance with Article 2359-bis, paragraph 2, and Article 2357, paragraph 2, of the Italian Civil Code for a period of eighteen months, starting from the approval date of the resolution.

The purchase of shares of the parent company shall be carried out on regulated markets, in compliance with current legislation and, in particular, with Article 132 of the TUF - with particular reference to the principle of equal treatment of shareholders – with Article 144-bis and Article 144-bis.1 of the Issuers' Regulation, with the EU and national regulations on market abuse applicable from time to time, and in compliance with the conditions set forth in the market practices permitted under Article 13 of the MAR and in compliance with Article 5 of the MAR, as well as the applicable provisions of Delegated Regulation (EU) No. 1052 of 8 March 2016. The purchases of the shares shall be carried out at a price that shall be determined from time to time, in compliance with any regulatory requirements, including those of the European Union, in force at the time, it being understood that the purchase price per unit shall not be, in any case, 10% lower in minimum and 10% higher in maximum with respect to the reference price of Safilo Group share on the Euronext Milan market organized and managed by Borsa Italiana S.p.A. on the trading day prior to that on which the purchase transaction will be carried out. This resolution also proposes to replace the authorization to carry out transactions for the purchase and disposal of ordinary shares of the Company, issued to the Sole Director by the Shareholders' Meeting of Safilo S.p.A. on April 24, 2024. As of today, Safilo S.p.A. holds 11,000,000 shares of the Company, to service the 2023-2025 the Stock Option Plan of Safilo Group S.p.A. and Safilo S.p.A..

2024 TOP BUSINESS NEWS

- On January 11, 2024 Safilo and HUGO BOSS announce the early renewal of their global licensing agreement until 2030.
- On January 16, 2024 Safilo and Aeffe announce the early renewal of the global licensing agreement for Moschino and Love Moschino eyewear collections until 2033.
- On January 18, 2024 Safilo and Levi Strauss CO. announce the renewal of their global licensing agreement until 2029
- On February 2, 2024 Safilo continues to invest in its digital journey and creates a partnership with Spaarkly.
- On February 8, 2024 Safilo continues its sustainability journey: the near-term science-based targets have been validated by the Science Based Targets initiative (SBTi).
- On March 11, 2024 Safilo and Missoni announce the renewal of their global licensing agreement until 2029.
- On April 10, 2024 Safilo and Marc Jacobs announce the renewal of their global eyewear licensing agreement until December 2031.
- On May 2, 2024 Safilo acquires the perpetual license for Eyewear by David Beckham.
- On July 1, 2024 Safilo Group S.p.A. share purchase programme is launched.
- On November 22, 2024, Safilo Group S.p.A. share purchase programme is concluded.

Notes to the press release:

¹ In 2024, the adjusted economic results exclude non-recurring costs of Euro 13.2 million at the operating result and EBITDA level mainly due to costs related to a terminated license agreement and some special and restructuring projects.

In Q4 2024, adjusted EBITDA excludes non-recurring costs of Euro 4.7 million due to expenses related to certain restructuring projects.

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.

Statement by the manager responsible for the preparation of the company's financial documents

The manager responsible for the preparation of the company's financial documents, Mr. Michele Melotti, hereby declares, in accordance with paragraph 2 article 154 bis of the "Testo Unico della Finanza", that the accounting information contained in this press release corresponds to the accounting results, registers and records.

Disclaimer

This document contains forward-looking statements, relating to future events and operating, economic and financial results for Safilo Group. Such forecasts, due to their nature, imply a component of risk and uncertainty due to the fact that they depend on the occurrence of certain future events and developments. The actual results may therefore vary even significantly to those announced in relation to a multitude of factors.

Alternative Performance Indicators

The definitions of the "Alternative Performance Indicators", not foreseen by the IFRS-EU accounting principles and used in this press release to allow for an improved evaluation of the trend of economic-financial management of the Group, are provided below:

- EBITDA (gross operating profit) is calculated by Safilo by adding to the Operating profit, depreciation and amortization;
- The Net Debt is for Safilo the sum of bank borrowings and short, medium and long-term loans, net of cash on hand and at bank. Such indicator does not include the valuation at the reporting date of derivative financial instruments and the liability for options on non-controlling interests.
- The Free Cash Flow for Safilo is the sum of the cash flow from/(for) operating activities and the cash flow from /(for) investing activities and the cash payments for the principal portion of IFRS 16 lease liabilities.

Conference Call and Webcast

Today, at 6:15 pm CET (5:15pm GMT; 1.15pm EST) a conference call will be held with the financial community during which 2024 Results will be discussed.

It is possible to follow the event by registering at the following link to receive the details of the conference call/audio webcast (Dial-in numbers, personal passcode/PIN and webcast link) <https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=3933626&linkSecurityString=917820f96>. The presentation will be available and downloadable from the company's website, <https://www.safilogroup.com/en/investors>.

A recording of the conference call will be available from March 11 to 13, 2025 by dialing +39 02 802 0987 – passcode: 700712# - pin: 712#.

Sàfilo Group S.p.A.

Consolidated income statement

<i>(Euro/000)</i>	2024	2023	Change %
Net sales	993,219	1,024,732	-3.1%
Cost of sales	(400,435)	(438,997)	8.8%
Gross profit	592,784	585,735	1.2%
Selling and marketing expenses	(423,590)	(428,780)	1.2%
General and administrative expenses	(120,965)	(138,080)	12.4%
Other operating income/(expenses)	(8,839)	(11,214)	21.2%
Operating profit/(loss)	39,389	7,661	n.s.
Gains/(losses) on liabilities for options on non-controlling interests	8,613	(7,895)	n.s.
Financial charges, net	(16,281)	(19,223)	15.3%
Profit/(Loss) before taxation	31,722	(19,456)	n.s.
Income taxes	(9,898)	(6,633)	-49.2%
Profit/(Loss) of the period	21,824	(26,089)	n.s.
Non-controlling interests	(472)	(1,440)	67.2%
Net profit/(loss) attributable to the Group	22,296	(24,649)	n.s.
Earnings/(Losses) per share - basic (Euro)	0.054	(0.060)	
Earnings/(Losses) per share - diluted (Euro)	0.054	(0.059)	

Sàfilo Group S.p.A.**Consolidated Balance sheet**

(Euro/000)	December 31, 2024	December 31, 2023	Change
ASSETS			
Current assets			
Cash and cash equivalents	47,421	74,898	(27,477)
Trade receivables	211,862	203,075	8,788
Inventory	210,173	228,991	(18,818)
Derivative financial instruments	6,553	585	5,968
Other current assets	34,555	40,119	(5,564)
Total current assets	510,564	547,667	(37,104)
Non-current assets			
Tangible assets	86,875	88,750	(1,875)
Right of Use assets	37,079	33,988	3,091
Intangible assets	135,231	108,117	27,114
Goodwill	35,825	33,682	2,143
Investments in other companies	250	-	250
Deferred tax assets	35,204	35,320	(116)
Derivative financial instruments	-	271	(271)
Other non-current assets	1,312	7,668	(6,356)
Total non-current assets	331,775	307,795	23,980
Non-current assets held for sale	-	-	-
Total assets	842,339	855,462	(13,123)

Sàfilo Group S.p.A.

Consolidated Balance sheet

(Euro/000)	December 31, 2024	December 31, 2023	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Borrowings	30,000	30,250	(250)
Lease liabilities	10,438	9,643	795
Trade payables	165,262	172,107	(6,845)
Tax payables	13,856	23,382	(9,526)
Derivative financial instruments	1,682	3,909	(2,228)
Other current liabilities	47,813	40,772	7,041
Provisions	8,394	9,017	(623)
Total current liabilities	277,444	289,081	(11,636)
Non-current liabilities			
Borrowings	57,725	88,345	(30,620)
Lease liabilities	31,937	29,359	2,578
Employees benefits obligations	9,365	9,734	(369)
Provisions	7,376	9,443	(2,067)
Deferred tax liabilities	10,377	10,291	86
Derivative financial instruments	-	-	-
Liabilities for options on non-controlling interests	13,118	20,770	(7,653)
Other non-current liabilities	7,535	2,653	4,882
Total non-current liabilities	137,433	170,596	(33,162)
Total liabilities	414,878	459,676	(44,798)
Shareholders' equity			
Share capital	384,873	384,858	15
Share premium reserve	27,737	27,388	349
Retained earnings and other reserves	(21,789)	(8,669)	(13,121)
Cash flow hedge reserve	(46)	271	(317)
Income/(Loss) attributable to the Group	22,296	(24,649)	46,945
Total shareholders' equity attributable to the Group	413,070	379,200	33,871
Non-controlling interests	14,391	16,586	(2,196)
Total shareholders' equity	427,461	395,786	31,675
Total liabilities and shareholders' equity	842,339	855,462	(13,124)

Sàfilo Group S.p.A.

Consolidated statement of cash flows

(Euro/000)	2024	2023
A - Opening net cash and cash equivalents	74,898	77,710
B - Cash flow from (for) operating activities		
Net profit/(loss) for the period (including minority interests)	21,824	(26,089)
Depreciation and amortization	29,816	44,877
Right of Use amortization IFRS 16	10,642	10,345
Non-monetary changes related to liabilities for options on non-controlling interests	(8,613)	7,895
Other items	4,334	(9,662)
Interest expenses, net	6,505	8,974
Interest expenses on lease liabilities IFRS 16	1,820	1,745
Income tax expenses	9,898	6,633
Flow from operating activities prior to movements in working capital	76,225	44,718
(Increase) Decrease in trade receivables	(5,857)	6,335
(Increase) Decrease in inventory, net	25,718	22,652
Increase (Decrease) in trade payables	(9,545)	(5,751)
(Increase) Decrease in other receivables	(5,794)	7,702
Increase (Decrease) in other payables	9,067	(9,432)
Interest expenses paid	(5,926)	(8,050)
Interest expenses paid on lease liabilities IFRS 16	(1,820)	(1,745)
Income taxes paid	(5,851)	(8,717)
Total (B)	76,217	47,712
C - Cash flow from (for) investing activities		
Investments in property, plant and equipment	(11,570)	(10,527)
Net disposals of property, plant and equipment and assets held for sale	94	10,513
Acquisition of minorities (in subsidiaries)	-	(5,948)
Purchase of intangible assets, net of disposals	(37,139)	(2,686)
Total (C)	(48,865)	(8,648)
D - Cash flow from (for) financing activities		
Repayment of borrowings	(32,000)	(30,000)
Repayment of principal portion of lease liabilities IFRS 16	(10,639)	(9,956)
Increase in share capital, net of transaction costs	363	39
(Purchase)/sale of treasury shares	(11,794)	-
Dividends paid	(763)	(552)
Total (D)	(54,832)	(40,469)
E - Cash flow for the period (B+C+D)	(27,480)	(1,405)
Translation exchange differences	3	(1,407)
Total (F)	3	(1,407)
G - Closing net cash and cash equivalents (A+E+F)	47,421	74,898

Sàfilo Group S.p.A.

Separate income statement

<i>(Euro)</i>	2024	2023	Change %
Net sales	1,108,947	996,457	11%
Gross profit	1,108,947	996,457	11%
General and administrative expenses	(10,604,347)	(9,212,192)	-15%
Other operating income/(expenses)	(1,061,571)	(13,428)	-7806%
Operating (loss)	(10,556,971)	(8,229,163)	-28%
Financial charges, net	(9,692)	(12,861)	25%
(Loss) before taxation	(10,566,663)	(8,242,024)	-28%
Income taxes	8,010	728,880	-99%
Net (loss) of the period	(10,558,653)	(7,513,144)	-41%

Sàfilo Group S.p.A.

Separate Balance sheet

(Euro)	December 31, 2024	December 31, 2023	Change
ASSETS			
Current assets			
Cash and cash equivalents	379,578	852,292	(472,714)
Trade receivables	1,067,681	1,343,208	(275,527)
Other current assets	20,835,539	26,484,223	(5,648,684)
Total current assets	22,282,798	28,679,723	(6,396,925)
Non-current assets			
Right of Use	315,536	226,532	89,004
Investments in subsidiaries	415,632,471	414,473,273	1,159,198
Other non-current assets	1,159,460	737,880	421,580
Total non-current assets	417,107,467	415,437,685	1,669,782
Total assets	439,390,265	444,117,408	(4,727,143)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Lease liabilities	150,111	106,494	43,617
Trade payables	4,246,047	4,196,545	49,502
Tax payables	418,733	304,818	113,915
Other current liabilities	33,634,828	28,984,609	4,650,219
Provisions	-	2,250,000	(2,250,000)
Total current liabilities	38,449,719	35,842,466	2,607,253
Non-current liabilities			
Lease liabilities	174,030	131,963	42,067
Employee benefit obligations	158,204	150,308	7,896
Provisions	1,250,000	-	1,250,000
Total non-current liabilities	1,582,234	282,271	1,299,963
Total liabilities	40,031,953	36,124,737	3,907,216
Shareholders' equity			
Share capital	384,872,713	384,857,848	14,865
Share premium reserve	27,736,991	27,388,371	348,620
Retained earnings (losses) and other reserves	(2,692,739)	3,259,596	(5,952,335)
Net (loss) of the period	(10,558,653)	(7,513,144)	(3,045,509)
Total shareholders' equity	399,358,312	407,992,671	(8,634,359)
Total liabilities and shareholders' equity	439,390,265	444,117,408	(4,727,143)

Sàfilo Group S.p.A.

Separate statement of cash flows

(Euro)	2024	2023
A - Opening net cash and cash equivalents	852,292	865,512
B - Cash flow from (for) operating activities		
Net (loss) for the period	(10,558,653)	(7,513,144)
Depreciation IFRS 16	138,648	121,125
Stock Options figurative cost	404,878	185,580
Net changes in provision for risks	1,250,000	1,000,000
Other non-monetary P&L items	1,362	66,241
Interest expenses on lease liability IFRS 16	11,597	11,634
Income tax expenses	(8,010)	(728,879)
Income (loss) from (for) operating activities prior to movements in working capital	(8,760,178)	(6,857,444)
(Increase) Decrease in trade receivables	275,527	(334,645)
(Increase) Decrease in other receivables	5,002,962	4,134,242
Increase (Decrease) in trade payables	49,502	280,325
Increase (Decrease) in other payables	4,999,553	2,858,410
Use provision for risks	(2,250,000)	-
Interests expenses paid	(11,597)	(11,634)
Total (B)	(694,231)	69,254
C - Cash flow from (for) investing activities		
(Investments) disinvestments in subsidiaries	-	-
Total (C)	-	-
D - Cash flow from (for) financing activities		
Repayment of principal portion lease liabilities IFRS 16	(141,968)	(121,470)
Share capital increase, net of transaction costs	363,485	38,996
Total (D)	221,517	(82,474)
E - Cash flow for the period (B+C+D)	(472,714)	(13,220)
F - Closing net cash and cash equivalents (A+E)	379,578	852,292

About Safilo Group

Safilo is a global player in the eyewear industry that has been creating, producing, and distributing for over 90 years sunglasses, prescription frames, outdoor eyewear, goggles and helmets. Thanks to a data-driven approach, Safilo goes beyond the traditional boundaries of the eyewear industry: in just one company it brings together Italian design, stylistic, technical and industrial innovation, and state-of-the-art digital platforms, developed in its digital hubs in Padua and Portland, and made available to Opticians and Clients for an unmatched customer experience. Guided by its purpose, See the world at its best, Safilo is leading its Group legacy, founded on innovation and responsibility, onwards towards the future.

With an extensive global presence, Safilo's business model enables it to monitor its entire production and distribution chain. From research and development in five prestigious design studios, located in Padua, Milan, New York, Hong Kong and Portland, to its company-owned production facilities and network of qualified manufacturing partners, Safilo Group ensures that every product offers the perfect fit and meets high quality standards. Reaching approximately 100,000 selected points of sale worldwide with an extensive wholly owned network of subsidiaries in 40 countries and more than 40 partners in 70 countries, Safilo's well-established traditional wholesale distribution model, which encompasses eyecare retailers, chains, department stores, specialized retailers, boutiques, duty free shops and sporting goods stores, is complemented by Direct-to-Consumer and Internet pure player sales platforms, in line with the Group's development strategies.

Safilo Group's portfolio encompasses home brands - Carrera, Polaroid, Smith, Blenders, Privé Revaux and Seventh Street. The perpetual license Eyewear by David Beckham. Licensed brands include: BOSS, Carolina Herrera, Dsquared2, Etro, Fossil, HUGO, Isabel Marant, Juicy Couture, Kate Spade New York, Kurt Geiger, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, Moschino, Pierre Cardin, PORTS, Stuart Weitzman, Tommy Hilfiger, Tommy Jeans and Under Armour.

The parent company, Safilo Group S.p.A., is listed on the Euronext Milan organized and managed by Borsa Italiana (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI). In 2024, Safilo Group recorded net revenues for Euro 993.4 million.

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