Q1 2025 TRADING UPDATE

Return to sales growth and solid financial performance in an uncertain environment

Safilo reported a solid start to 2025, marked by an increase in sales and a continued expansion of margins and cash flow generation. This performance was achieved despite a persistently uncertain macroeconomic backdrop.

- **Net sales at €285.8 M, +2.2% at constant exchange rates**
- **Gross margin at 60.5%, +50 bps compared to 60.0%**
- **Adjusted[1] EBITDA margin at 12.0%, +50 bps compared to 11.5%**
- **Free Cash Flow at €14.4 M compared to €1.7 M**
- **Net debt at €68.4 M at the end of March from €82.7 M at the end of December 2024**

Padua, May 7, 2025 – Today, The Board of Directors of Safilo Group S.p.A. has reviewed and approved the Group's key performance indicators for the first quarter of 2025.

Angelo Trocchia, Safilo Chief Executive Officer, commented:

"We began 2025 with encouraging momentum, particularly in January, when North America built on the positive recovery trends seen at the close of 2024. During the quarter uncertainty increased with escalating geopolitical tensions gradually impacting customer confidence.

In this complex context, we delivered a solid first quarter. Europe continued to be where our innovation and customer focus aligned most effectively, helping to drive broad-based growth across markets and brands. In North America, despite a still uneven landscape, we recorded a moderate improvement, supported by Smith's winter sports products and the resilience of the prescription frames business.

From a financial standpoint, we achieved solid growth across all margins and delivered a strong acceleration in cash generation.

As the tariff landscape continues to evolve, we maintain a prudent and flexible approach, leveraging the current challenges to accelerate the diversification of our supply chain. Our commitment to long-term brand building, operational agility, and financial resilience remains unchanged."

NET SALES PERFORMANCE

In Q1 2025, Safilo's net sales amounted to Euro 285.8 million, up 2.2% at constant exchange rates and 3.1% at current exchange rates compared to Q1 2024. Sales performance was positive across most brands in the Group's portfolio. In particular, Smith further strengthened its leadership in the North American market for ski goggles and helmets, while Carrera and David Beckham consolidated the strong momentum already seen throughout 2024. The quarter was also marked by growth for Polaroid, building on the recovery seen in the fourth quarter of 2024, and for key licensed brands, from Tommy Hilfiger and Carolina Herrera, to BOSS, HUGO and Marc Jacobs.
In the first quarter, performance by geographic area was driven by growth in Europe and the Asia-Pacific region, along with a recovery in the North American market.

NET SALES PERFORMANCE BY GEOGRAPHY (in Euro million)

	Q1 2025	%	Q1 2024	%	% Change current forex	% Change constant forex
North America	**118.8**	**41.6**	114.5	41.3	+3.8%	**+1.0%**
Europe	**128.9**	**45.1**	125.3	45.2	+2.9%	**+2.8%**
Asia Pacific	**14.4**	**5.1**	11.9	4.3	+21.2%	**+18.5%**
Rest of the world	**23.7**	**8.3**	25.6	9.2	-7.4%	**-2.9%**
Total	**285.8**	**100.0**	277.2	100.0	+3.1%	**+2.2%**

In North America, Q1 2025 sales amounted to Euro 118.8 million, up 1.0% at constant exchange rates and 3.8% at current exchange rates. The improvement was driven by the strong performance of Smith's winter sports products, which, benefiting from a favourable ski season, recorded double-digit growth both in sports stores and in the direct-to-consumer (DtC) channel.
In eyewear, the quarter showed mixed results: on one hand, Blenders registered a decline, impacted by a highly promotional market environment in the entry-price segment, while, on the other, prescription frames posted resilient growth within the wholesale channel. During the period, Tommy Hilfiger, Carrera, David Beckham, Carolina Herrera and Marc Jacobs confirmed their role as key growth drivers in the market.

In Europe, Q1 2025 sales amounted to Euro 128.9 million, up 2.8% at constant exchange rates and 2.9% at current exchange rates. Growth was broad-based, spanning both all home brands and key licensed brands. Among the latter, Tommy Hilfiger, Marc Jacobs, and BOSS delivered the strongest progress.
Trading remained particularly dynamic in France and Eastern Europe, where the Group continued to expand its customer base and increased productivity with existing accounts. The independent opticians channel recorded solid growth also in Italy, Spain, and Germany.

In Asia and Pacific, Q1 2025 sales amounted to Euro 14.4 million, up 18.5% at constant exchange rates and 21.2% at current exchange rates. The performance of the area benefited from Carrera's good progression in Australia, thanks to effective co-branding initiatives and the rollout of the women's collection. In addition, the Asian market was positively impacted by a more favourable shipping time for some orders from key accounts and distributors.

In the Rest of the World, Q1 2025 sales amounted to Euro 23.7 million, down 2.9% at constant exchange rates and 7.4% at current exchange rates. The area was particularly impacted by weakness in the Indian and Mexican markets, while sales performance was positive in Middle Eastern markets and in Brazil.

ECONOMIC AND FINANCIAL HIGHLIGHTS

In Q1 2025, Safilo delivered a further improvement in profits and margins, both at the gross and operating level. The quarter benefitted from a positive price/mix effect, primarily due to the absence of dilutive phase-out sales, along with a more favourable operating leverage, which enabled to sustain the increase in marketing investments to support brands development.

Key economic data (in Euro million)

	Q1 2025	%	Q1 2024	%	% Change
Net sales	285.8		277.2		+3.1%
Gross Profit	**173.0**	***60.5%***	166.2	*60.0%*	**+4.1%**
EBITDA	**33.3**	***11.6%***	28.1	*10.1%*	**+18.4%**
Adjusted[1] EBITDA	**34.3**	***12.0%***	32.0	*11.5%*	**+7.3%**
IFRS 16 impact on EBITDA	3.2		3.0		

Gross profit in Q1 2025 totalled Euro 173.0 million, growing by 4.1% compared to Q1 2024. Gross margin increased by 50 basis points, from 60.0% to 60.5%.
In the period, **adjusted[1] EBITDA** grew to Euro 34.3 million, up 7.3% compared to Q1 2024, with the adjusted[1] EBITDA margin equalled 12.0%, up 50 basis points compared to 11.5% in Q1 2024.

The quarter also marked a strong performance in terms of cash generation. **Free Cash Flow** reached Euro 14.4 million, a significant increase from Euro 1.7 million in Q1 2024. This improvement reflected both the solid operating performance and effective management of working capital.
As of March 31, 2025, the Group's net debt decreased to Euro 68.4 million (Euro 27.1 million pre IFRS-16), compared to Euro 82.7 million (Euro 40.3 million pre IFRS-16) at the end of December 2024.

2025 TOP BUSINESS NEWS

- On January 14, 2025 Safilo and Under Armour announce the renewal of their global eyewear licensing agreement.
- On February 6, 2025 Safilo and Dsquared2 announce the early renewal of their global multi-year licensing agreement for eyewear.
- On March 10, 2025 Safilo Group and Special Olympics renew long-standing partnership through to 2027.

This press release may use 'alternative performance indicators' not foreseen by the IFRS-EU accounting standards (EBITDA and Net debt), and whose meaning and contents are illustrated in the specific section of the press release and in accordance with the CESR/05-178b recommendation published on 3rd November 2005.

Notes to the press release:

[1] In Q1 2025, the adjusted EBITDA excludes non-recurring costs of Euro 1.1 million due to some restructuring expenses.
In Q1 2024, adjusted EBITDA excludes non-recurring costs of Euro 3.9 million mainly due to the potential costs related to a terminated license agreement.

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 (5:15 pm BST; 12.15 pm EDT) a conference call will be held with the financial community during which the key performance indicators for the first quarter of 2025 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) **SAFILO Q1 2025 TRADING UPDATE REGISTRATION**. 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 May 7 to 9, 2025 by dialing +39 02 802 0987 – passcode: 700732# - pin: 732#.

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 993.2 million.

Contacts:

Safilo Group Investor Relations
Barbara Ferrante
barbara.ferrante@safilo.com
Ph. +39 049 6985766
https://www.safilogroup.com/en/investors

Safilo Group Press Office
Elena Todisco
elena.todisco@safilo.com
Mob. +39 339 1919562

Barabino&Partners S.p.A.
Pietro Cavallera
p.cavallera@barabino.it
Ph. +39 02 72023535
Mob. +39 338 9350534

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