



**Safilo**

SEE THE WORLD AT ITS BEST

We are one of the eyewear industry's leaders in the design, manufacturing and worldwide distribution of sunglasses, prescription frames, outdoor eyewear, sports goggles and helmets



## DISCLAIMER

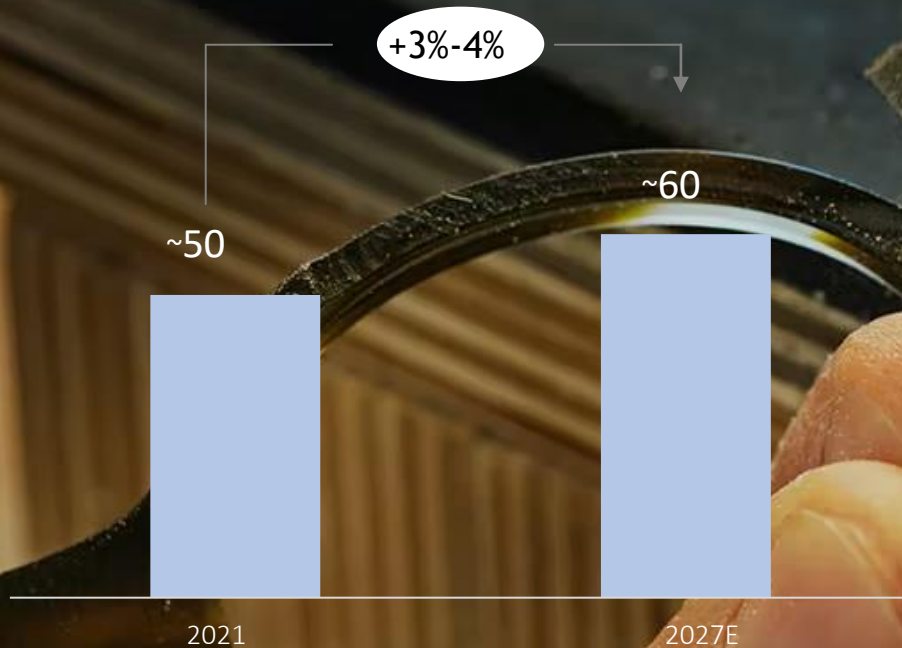
This presentation may contain forward looking statements based on current expectations and projects of the Group in relation to future events. Due to their specific nature, these statements are subject to inherent risks and uncertainties, as they depend on certain circumstances and facts, most of which 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.



# An appealing Eyewear Sector

SEVERAL ONGOING TRENDS CONTINUE TO SUPPORT THE INDUSTRY  
MEDIUM-TERM GROWTH OUTLOOK

*Eyewear market<sup>1</sup> size in retail value (€bn)*



## Demographics

- Global population predicted to grow by 10% by 2030 reaching 8.6 billion. Global need for vision correction will increase by 28% in 2030<sup>1</sup>.

## Lifestyle changes

- Lifestyle changes (e.g. urbanization, sedentary and indoor lifestyles) contribute to the increase of vision loss. Consumers are today better informed about the health benefits of wearing sunglasses to protect eyes and skin from sun damage.

## Premiumization

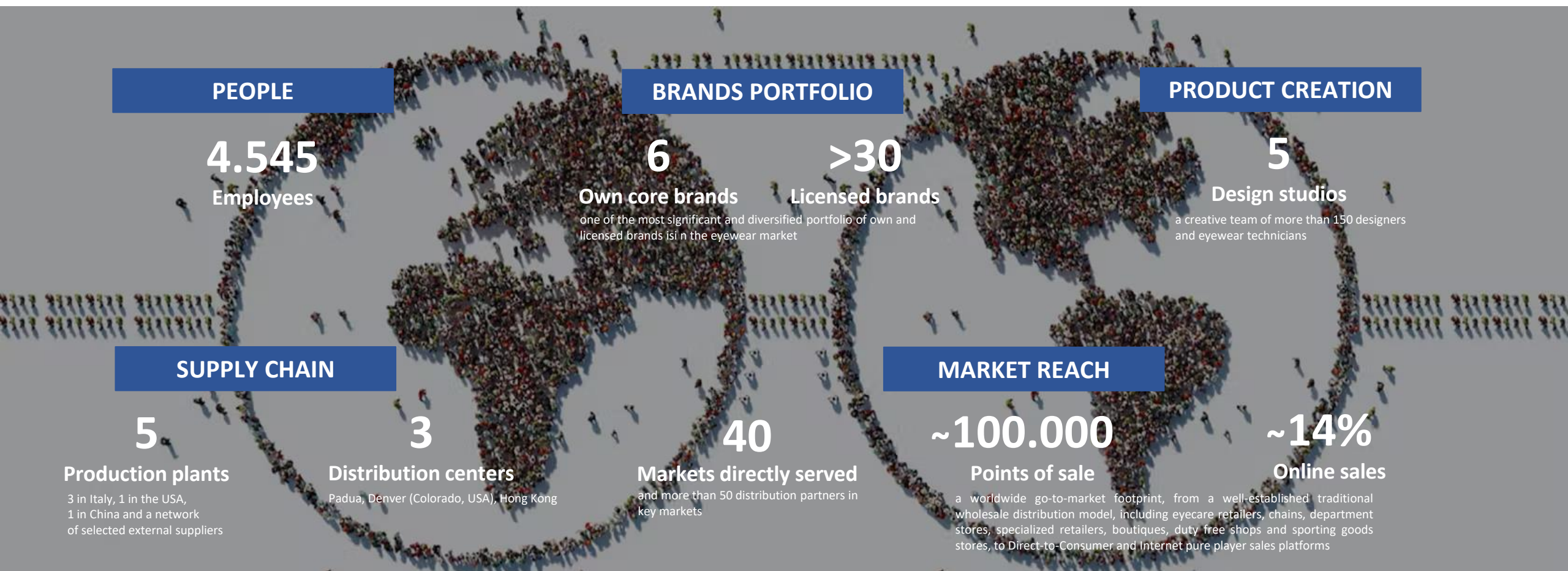
- The shift towards branded frames and innovative design has contributed to reducing the average life of a pair of sunglasses, often leading the consumer to buy more than one.

## Channels

- Online has outpaced offline growth in recent years and is expected to continue to grow faster over the next ones.

# Our Key Strengths

AT SAFILO, WE HAVE BEEN MAKING EYEWEAR PRODUCTS FOR OVER 80 YEARS, DIRECTLY CONTROLLING THE ENTIRE VALUE CHAIN, FROM R&D AND DESIGN TO PRODUCTION, MARKETING AND COMMUNICATION, UP TO DISTRIBUTION





# Our 2021 Numbers

WE ARE ONE OF THE KEY LEADERS IN A HIGHLY COMPETITIVE AND FRAGMENTED EYEWEAR INDUSTRY, MADE OF A LIMITED NUMBER OF BIG GROUPS AND MANY NATIONAL, REGIONAL OR LOCAL PLAYERS

**969.6 €m**  
Net Sales

**501.8 €m**  
Gross profit

**51.7%**  
MARGIN

**81.5 €m**  
Adj.<sup>2</sup> EBITDA

**8.4%**  
MARGIN

**27.4 €m**  
Adj.<sup>2</sup> Net Result

**2.8%**  
MARGIN

**94.0 €m**  
Group Net Debt

**-2.7 €m**  
Free Cash Flow

## Sales by geography

North America

**48.1%**

Europa

**39.0%**

Rest of World

**7.5%**

Asia & Pacific

**5.4%**

## Sales by product

Sunglasses

**48.8%**

Prescription

**40.4%**

Other

**10.8%**

# Key Steps of Our Turnaround

STARTING FROM 2018, WE TRIGGERED A NEW TURNAROUND PHASE TO SUCCESSFULLY COMPLETE THE EXIT OF TERMINATED LICENSES AND ESTABLISH AN EVER STRONGER BUSINESS MODEL



***Financial structure rebalanced***  
capital injection and debt refinancing



***Renewal of core licenses & signing of new one added***  
play a multi-segment strategy, with key licenses locked until 2025



***Disposal of loss-making retail operations***  
refocus investments and capabilities



***Acquisition of Blenders eyewear and Privé Revaux***  
increase own brands relevance and accelerate omnichannel strategy



***Sales and economic efficiency***  
recover top line growth and operating performance



***Group Business Plan 2020-2024***  
lay down Safilo's medium term strategies and goals

# Our Strategic Objectives

IN LINE WITH OUR GROUP BUSINESS PLAN 2020-2024,  
OUR AIM IS TO DELIVER SALES GROWTH AND MARGIN EXPANSION THROUGH A MODERN AND SUCCESSFUL CUSTOMER-CENTRIC AND CONSUMER-ORIENTED BUSINESS MODEL, POWERED BY A 360° DIGITAL TRANSFORMATION

		2024 TARGETS	Our progress in 2021
<b>Rebalance revenue mix</b> <i>from a Group skewed to licenses and sunglasses to a sizeable own brands business and a balanced portfolio of strong licenses diversified by size, geography &amp; consumer segments</i>	<input type="radio"/> BRANDS  <input type="radio"/> PRODUCTS	Own brands _____ 50%  Prescription _____ 45%	41%* vs 37%* in 2019  40% vs 38% in 2019
<b>Omnichannel go to market</b> <i>from a well-established just-wholesale distribution to an omnichannel go to market business model, enabled by digital</i>	<input type="radio"/> CHANNELS	Online _____ 15%	13.4% vs 3.9% in 2019
<b>Rightsizing costs &amp; industrial footprint</b> <i>reduce COGS and Opex and align manufacturing footprint to new production needs to enable economic and financial recovery</i>	<input type="radio"/> COST SAVINGS  <input type="radio"/> RESTRUCTURING	_____ 20 €m in Opex _____ 25 €m in COGS  2 plants in Italy + 1 in Slovenia	completed by mid-'21 ca 50% completed  largely completed

# Our Digital Transformation

WE ARE RESHAPING AND STRENGTHENING THE RELATIONSHIP WITH THE INDEPENDENT OPTICIANS, THROUGH A NEW B2B ECOSYSTEM WHICH IS ENHANCING THE CUSTOMER EXPERIENCE AND STEP CHANGING THEIR ENGAGEMENT

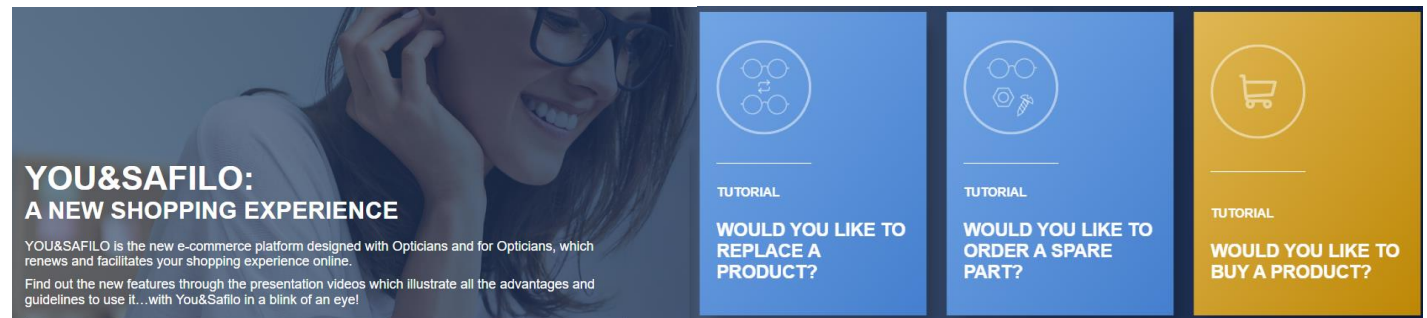
**BE SAFILO  
GO DIGITAL**

## B2B ECOSYSTEM

reshaping and strengthening the relationship with the independent opticians

In 2020, we launched the new You&Safilo B2B e-commerce platform in Europe, and a new CRM (Customer Relationship Management) system.

You&Safilo provides opticians with all the necessary tools to succeed, from the most innovative eyewear product catalogue to the most advanced e-commerce and omnichannel solutions



You&Safilo and the other B2B platforms today account for 20% of our 3Os business:

**Promoters\*\*** \_\_\_\_\_ **>80%**  
of clients recommend Safilo

**Customer satisfaction\*\*** \_\_\_\_\_ **>92%**  
of clients are satisfied by Safilo



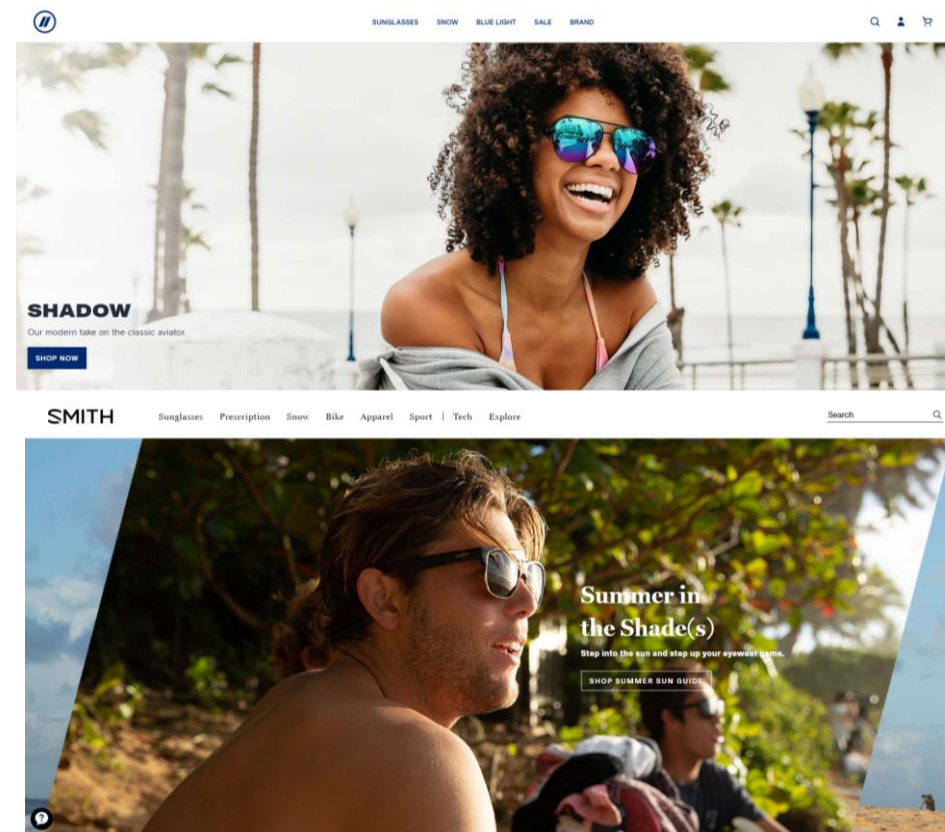
# Our Digital Transformation

WE FOCUS ON GROWING OUR ONLINE CHANNELS THROUGH THE CREATION OF A DIGITAL HUB, BRINGING TOGETHER OUR NEWLY ACQUIRED CAPABILITIES (I.E. BLENDERS ) AND ORGANIC D2C SKILLS (I.E. SMITH), AND THE INCREASING CONTRIBUTION OF INTERNET PURE PLAYERS

**BE SAFILO  
GO DIGITAL**

## D2C E-commerce

New proprietary capabilities and partnerships for a strong omni-channel go to market business



# H1 2022 Results

**STRONG START TO THE YEAR IN Q1 AND CONTINUED POSITIVE MOMENTUM IN Q2 RESULTED  
IN A SOLID H1 SALES GROWTH**

**Net Sales 570.9 €m**

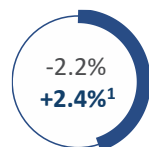
**+11.8% @ current FX**  
**+6.2% @ cFX**  
**+12.0% organic<sup>1</sup> @ cFX**

**Our own brands** Smith, Carrera and Polaroid grew at strong double-digit rates.  
**Our licenses** Boss, Tommy Hilfiger, Kate Spade, David Beckham, Under Armour and Isabel Marant, all reported solid progress

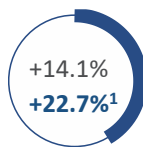
**Our multi-channel distribution model** continued to develop well: D2C and IPPs confirmed their share of Safilo's total business at 14.4%, up +7% vs 2021. Our B2B e-commerce platforms, including *You&Safilo* in Europe, up +12%

Performance by geography and product, @cFX

North America



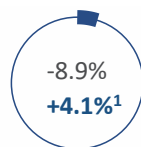
Europa



Rest of World

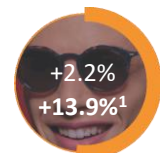


Asia & Pacific

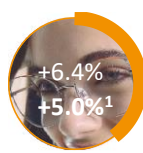


Bounce back of Europe, Latin America and IMEA markets continued also in Q2, while North America organic<sup>1</sup> business flattened against strong comps and a tougher economic environment in the United States

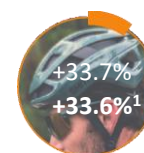
Sunglasses



Optical frames



Other



Sunglasses and sport products (goggles and helmets) remained the strongest growth contributors. Prescription frames an ongoing stronghold

<sup>1</sup> ORGANIC SALES INCLUDE ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

# H1 2022 Results

## ANOTHER MEANINGFULL PROGRESS OF THE GROSS MARGIN, DRIVING A ROBUST IMPROVEMENT AT THE OPERATING LEVEL AND A RECORD HIGH NET PROFIT

*Positive price/mix effect and structural COGS savings of around €6m more than offset inflationary pressures and forex headwinds, enabling us to keep stepping up marketing & advertising activities following the business peak season and its positive momentum*

### Gross profit

**318.3 €m**

**+21.4%**  
**+17.6%<sup>2</sup>**

### MARGIN

**55.8%**

**+450 bps**  
**+280 bps<sup>2</sup>**

### Adjusted<sup>2</sup> EBITDA

**62.6 €m**

**+26.1%**

### MARGIN

**11.0%**

**+130 bps**

*11.6% pre-IFRIC SaaS*

**+190 bps**

### Adjusted<sup>2</sup> NET PROFIT

**33.7 €m**

**n.s.**

### MARGIN

**5.9%**

**+500 bps**

### Adjusted<sup>2</sup> EBIT

**39.2 €m**

**+59.1%**

### MARGIN

**6.9%**

**+210 bps**



# H1 2022 Results

## GROUP NET DEBT WELL UNDER CONTROL, AROUND 11€M HIGHER THAN YEAR-END 2021 DUE TO OUR BUSINESS SEASONALITY

*Significant increase of trade receivables due to sales growth, while small increase of trade payables and inventories offsetting each other. Strong and healthy cash collection, although short of 10 €M due to anticipated customer payments at the end of 2021*

	H1 2022	H1 2021
Cash Flow from operating activities	(3.6)	10.1
Cash Flow for organic investments	(6.2)	(9.8)
Cash payments for lease liabilities IFRS 16	(4.7)	(5.1)
<b>FREE CASH FLOW</b>	<b>(14.5)</b>	<b>(4.8)</b>

	June 30, 2022	Dec. 31, 2021
<b>GROUP NET DEBT</b>	<b>105.6</b>	<b>94.0</b>
GROUP NET DEBT pre IFRS-16	63.5	52.8

# Our 2022 Outlook

Based on the results we recorded in the first half of 2022 and the current visibility into the third quarter, we are confident about already reaching in 2022 the economic targets set out in the 2024 business plan, which envisaged net sales at around Euro 1 billion and the adjusted EBITDA margin between 9% and 11%.

We now expect full year 2022 net sales to grow mid-single digits at constant exchange rates compared to 2021 and the adjusted<sup>2</sup> EBITDA margin to stand at around 10% from 8.4% recorded in 2021. These forecasts are assuming for the rest of the year a reasonably stable economic and business environment compared to the current situation in relation to macro-economic and geo-political drivers. We aim to provide an update of our medium-term economic and financial targets in the fourth quarter of the year.



# Our Sustainability Journey

## SAFILO JOINS THE FASHION PACT TO SUPPORT COLLECTIVE ACTION FOR POSITIVE ENVIRONMENTAL IMPACT

Becoming a signatory of The Fashion Pact is part of Safilo's purpose-led strategy based on three sustainability pillars: planet, product, and people, and it represents a further step confirming the Group's commitment to develop projects and initiatives that address the global challenges of tomorrow in the areas of Climate, Oceans and Biodiversity, as per The Fashion Pact mission and priorities.

### The Signatories

ADIDAS - AIGLE - ALDO GROUP - ASICS - AUCHAN RETAIL - BALLY - BESTSELLER - BONAVERI - BURBERRY -  
 CALZEDONIA GROUP - CAPRI HOLDINGS LIMITED - CARREFOUR - CELIO - CHANEL - CHLOE - DAMARTEX GROUP -  
 DCM JENNYFER - DECATHLON - DESIGUAL - DIESEL - EC STUDIO - EL CORTE INGLES - ELLASSAY GROUP -  
 ERAIDA - ERMENEGILDO ZEGNA - ERUM - FARFETCH - FASHION CUBE - FUSALP - GANT - GAP INC. - GEOX -  
 GRUPPO ARMANI - GROUPE BEAUMANOIR - GROUPE GALERIES LAFAYETTE - GROUPE ERAM - GROUPE ETAM -  
 GROUPE IDKIDS - GROUPE ROSSIGNOL - HANS BOODT MANNEQUINS - H&M GROUP - HERMES - HERNO -  
 HOUSE OF BAUKJEN - IKKS - INDITEX - J.CREW - KARL LAGERFELD - KERING - KIABI - LACOSTE - MADEWELL -  
 MANGO - MATCHESFASHION.COM - MONCLER - MONOPRIX - NIKE, INC - NOABRANDS - NORDSTROM -  
 NORTH SAILS - PAUL & JOE - PRADA S.P.A. - PUMA SE - PVH CORP. - RALPH LAUREN - RATTI - RESTOQUE -  
 SAFILO GROUP - SALVATORE FERRAGAMO - SELFRIDGES GROUP - TAPESTRY - TENDAM - UMDASCH -  
 VESTIAIRE COLLECTIVE - ZADIG&VOLTAIRE - ZIMMERMANN



# Our Manifesto



**Have you ever wondered who's behind a pair of glasses?**

**It's us, from Safilo.**

A company that, since 1878, has in its DNA a principle that, more than anyone, it can call its own: looking ahead.

Looking ahead to allow millions of people to see the world at its best.

Without avoiding change, but reaching out to it.

Looking for innovative and responsible solutions, and embracing digital transformation to redefine eyewear. So innovation and sustainability are not just nice words, but represent instead an inclusive path that involves us all.

And the ability to create value through this becomes our aim.

**This is the Safilo Way.**



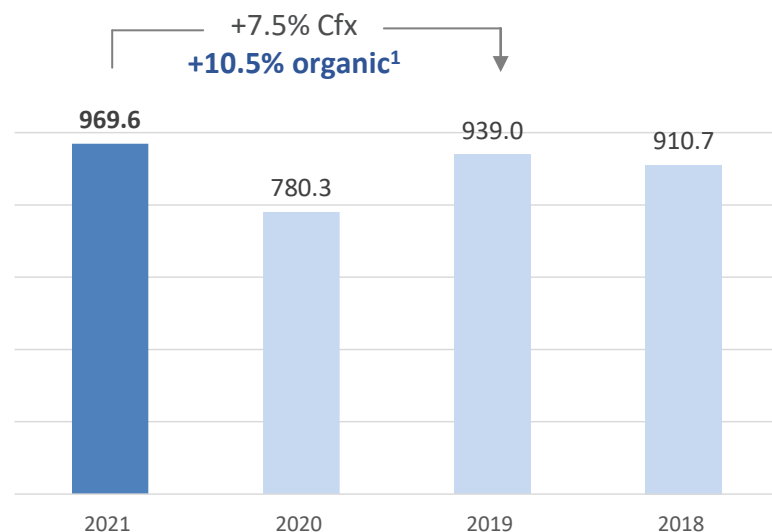


# Appendices

# Our 2021 Results

We delivered net sales well above 2019, rebalancing the brand, product and channel portfolios, with our own brands, prescription frames and the online channel all in strong progress

## Net Sales - €m/performance by geography and product cFX vs 2019



In 2021, our **NET SALES** recorded a yoy rebound of +26.3% cFX compared to 2020, also exceeding 2019 by +7.5%.cFX. Organic<sup>1</sup> sales represented the main growth driver compared to the pre-pandemic business levels, increasing by +10.5% cFX, thanks to the strong development recorded by the Group's main brands, from Smith and Carrera to Kate Spade, Tommy Hilfiger and Hugo Boss.

The brand portfolio overhaul strategy implemented over the last two years through the acquisitions of Privé Revaux and Blenders and the launch of the new licenses of David Beckham, Missoni, Levi's, Isabel Marant, Ports and Under Armour, allowed us to effectively compensate the business decline deriving from licenses terminated at the end of 2020 and at the end of June 2021.

### by geography

North America	Europa	Rest of World	Asia & Pacific
+47.0%	-14.9%	+6.5%	-32.1%
<b>+15.9%<sup>1</sup></b>	<b>+4.5%<sup>1</sup></b>	<b>+18.5%<sup>1</sup></b>	<b>-3.0%<sup>1</sup></b>

The continued expansion of the US market represented the main driver of the total growth we recorded compared to 2019, with the organic<sup>1</sup> business exceeding pre-pandemic business levels also in Europe and in most of the emerging markets

### by product

Sunglasses	Prescription	Other
-1.0%	+14.6%	+27.4%
<b>-3.4%<sup>1</sup></b>	<b>+20.8%<sup>1</sup></b>	<b>+28.1%<sup>1</sup></b>

Our 2021 growth above pre-pandemic business levels was constantly driven by the very positive performance of the prescription frames business, which grew significantly in all the main markets. On the other hand, the recovery recorded in 2021 by sunglasses compared to the sharp decline in 2020 was not yet enough to bring the category business back to 2019 levels, in particularly due to the restrictions that continued to limit tourism in important markets.

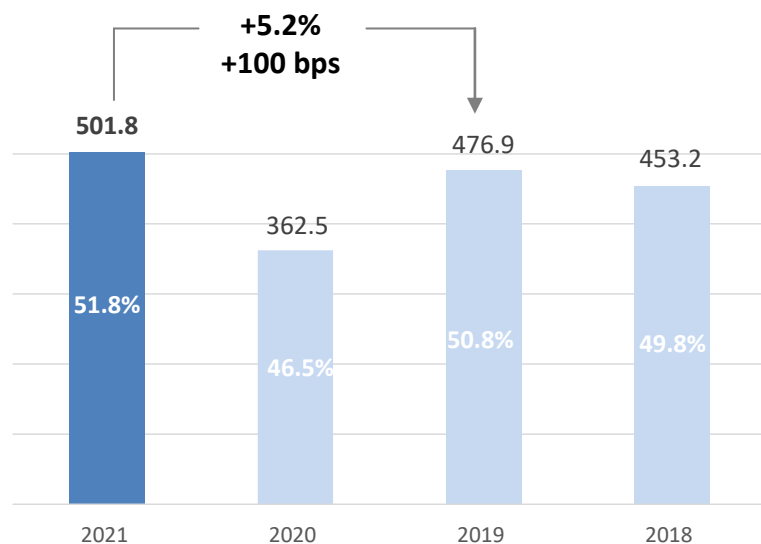
<sup>1</sup> ORGANIC SALES INCLUDE ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS



# Our 2021 Results

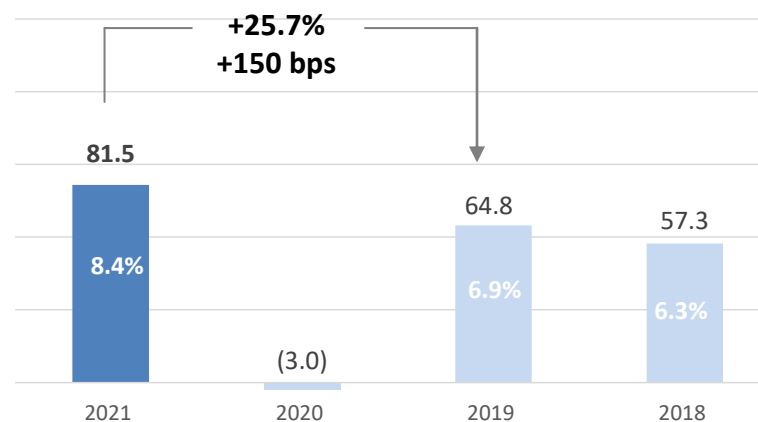
We delivered economic results well above 2019, with the operating performance benefitting from the improvement in gross margin, driven by a positive price/mix effect and the good progress on the COGS saving plan

## Gross profit - €m/margin



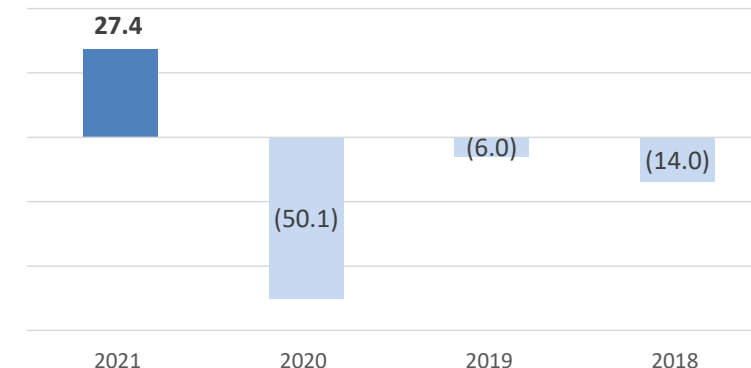
In 2021, **GROSS PROFIT** registered a +38.4% compared to 2020, and +5.2% vs 2019. The gross margin increased by 100 bps vs 2019 (+140bps on an adjusted<sup>2</sup> basis), driven by a positive price/mix effect, lower obsolescence costs and the good progression on the COGS savings plan, which brought about 14 €m of the total 25 €m envisaged in the 2024 Business Plan. These achievements effectively countered the inflationary pressures, which were for us particularly relevant on transport costs.

## Adjusted<sup>2</sup> EBITDA - €m/margin



In 2021, **adjusted<sup>2</sup> EBITDA** rebounded compared to -3.0 €m recorded in 2020, marking an increase of 25.7% compared to 2019. The adjusted<sup>2</sup> EBITDA margin increased to 8.4% of sales, up 150 bps compared to 2019. In H1 '21, we completed the 20 €m overheads costs saving plan, while we increased investments in advertising, marketing and sales activities.

## Adjusted<sup>2</sup> Net result - €m

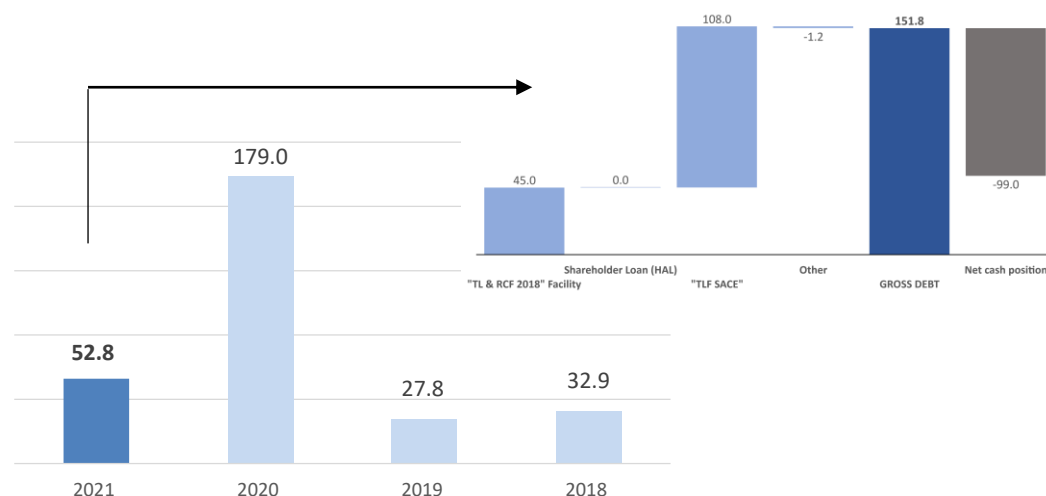


Below the operating result, in 2021 we had a positive accounting adjustment of 32.2 €m as a result of the reduced liability for put&call options on non-controlling interests due to the revision of the financial plans reflecting the impacts of the Covid-19 pandemic. Net financial charges, at 23.5 €m remained substantially stable compared 2020 and above 2019, mainly due to the higher average gross debt.

# Our 2021 Results

In 2021, our Group Net Debt more than halved compared to 2020 thanks to the proceeds deriving from the successful capital increase completed in October 2021

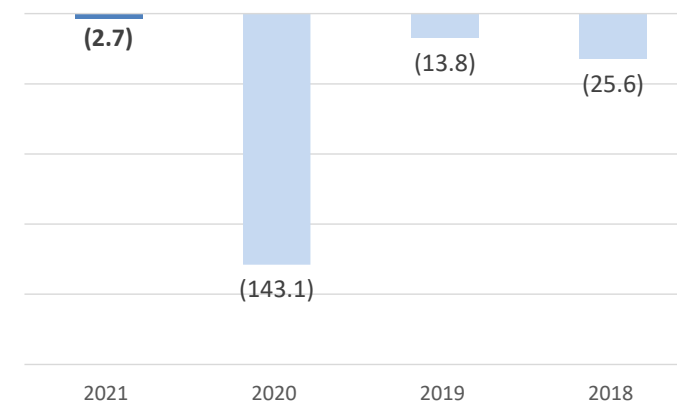
## Group Net Debt - €m pre-IFRS 16 & key components



In 2021, **GROUP'S NET DEBT** stood at 94.0 €m (52.8 €m pre-IFRS 16) down sharply vs 222.1 €m (Euro 179.0 million pre-IFRS 16) recorded in 2020 thanks to the net proceeds, equal to Euro 133.1 million, deriving from the capital increase successfully completed in 2021.

In 2020, we invested 111.8 €m to buy Privé Revaux and Blenders Eyewear. These acquisitions were mainly financed through a bridge loan of 90 €m provided by Safilo's reference shareholder, Multibrands Italy B.V. (HAL). In Q4 2021, we repayed the shareholders' loan with the proceed of the capital increase.

## Free Cash Flow - €m



In 2021, our **FREE CASH FLOW** equalled a small cash absorption of 2.7 €m (including a cash out of around 19 €m due to the industrial restructuring) vs the negative FCF of 143.1 €m in 2020 (-31.3 €m before the acquisitions).

Main drivers were a positive cash flow from operating activities before WC of 38.1 €m thanks to significant improvement in the operating performance, and a cash absorption from WC of 20.8 €m, mainly reflecting the normal increase in inventories following the good performance of the business and the preparation of new collections. In 2021, the cash flow for investments reflected, for 20.0 €m, investment activities linked to the maintenance and modernization of industrial plants, and to the digital transformation systems and processes on which the Group is working, while 10.2 €m were divestments related to the sale of the industrial plant in Ormoz and of an administrative office in Italy.

# Our Brands

**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

  
B L E N D E R S  
E Y E W E A R

  
UNDER ARMOUR

LIZ CLAIBORNE

  
MISSONI

**TOMMY**  
JEANS

PRIVÉ REVAUX  
EYEWEAR

**HUGO**

LOVE  
MOSCHINO

Juicy Couture

pierre cardin  
PARIS

**FOSSIL**

SEVENTH STREET  
by Safilo



BANANA REPUBLIC