



Safilo

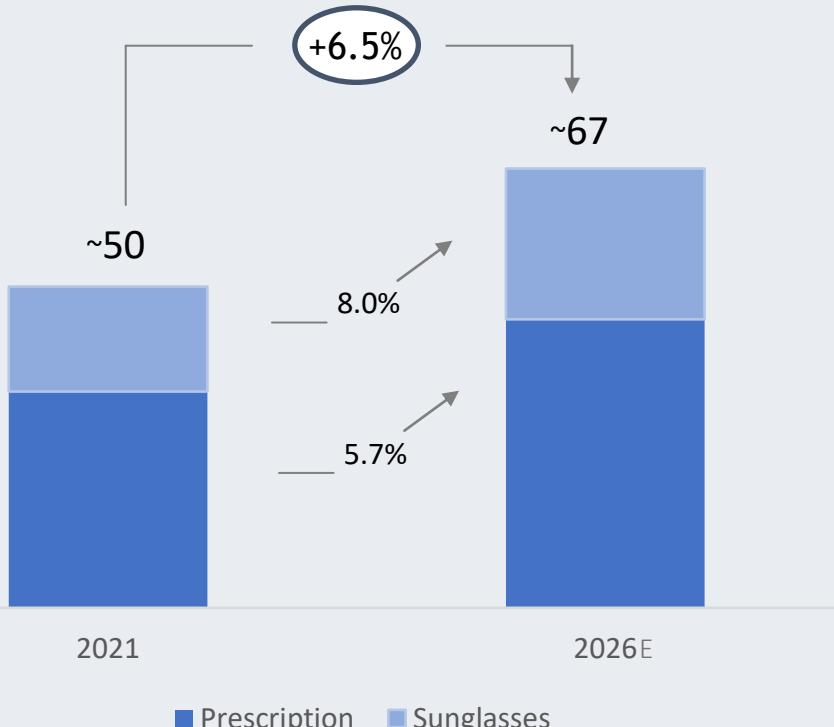
SEE THE WORLD AT ITS BEST

We are the second largest eyewear creator, designer and worldwide distributor of sunglasses, prescription frames, sports eyewear, goggles and helmets

An appealing eyewear sector

Good growth outlook in medium term

Eyewear market¹ size in retail value (€bn)



Several trends supporting this scenario

Demographics

- Global population predicted to grow by 10% by 2030 reaching 8.6 billion. Global need for vision correction will increase by 28% in 2030².

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 numbers and strengths

Brands portfolio

6

Own core brands

>30

Licensed brands

Safilo's portfolio of own and licensed brands is one of the most significant and diversified in the eyewear market

Product creation

5

Design studios

A creative team of more than 150 designers and eyewear technicians

Craftsmanship & flexible supply chain

5

Production plants

3 in Italy, 1 in the USA, 1 in China and a network of selected external suppliers

3

Distribution centers

Padua, Denver (Colorado, USA),
Hong Kong

Global, qualitative geographical reach

40

Markets directly served

and more than 50 distribution partners in key markets

~100.000

Points of sale

13.4%

Online sales

A worldwide go-to-market footprint, including 3Os, distribution chains, dept. stores, retailers, licensors' stores, duty free shops, sports shops and D2C

Our 2021 financial highlights

969.6 €m
Net Sales

501.8 €m
Gross profit

81.5 €m
Adj.2 EBITDA

27.4 €m
Adj.2 Net Result

94.0 €m
Group Net Debt

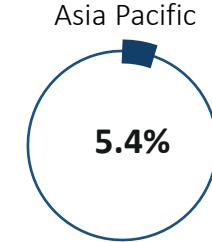
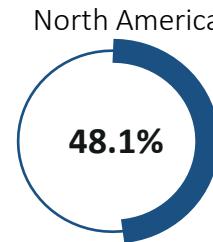
51.7%
MARGIN

8.4%
MARGIN

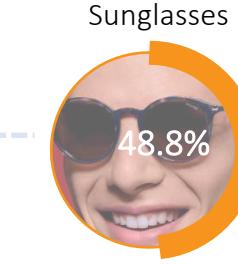
2.8%
MARGIN

-2.7 €m
Free Cash Flow

Sales by region

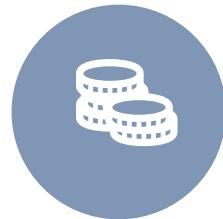


Sales by product



Our turnaround story

Starting from 2018, we triggered a new phase to establish a stronger and more resilient business model, successfully completing the exit of terminated licenses



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 turnaround
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 the Group Business Plan launched in December 2019, 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

Rebalance revenue mix

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 & consumer segments

Omnichannel go to market

from a well-established just-wholesale distribution to an omnichannel go to market business model, enabled by digital

Rightsizing costs & industrial footprint

reduce COGS and Opex and align manufacturing footprint to new production needs to enable economic and financial recovery

	IN 2021	2024 TAGETS
○ BRANDS	Own brands _____ 41%* vs 37%* in 2019	50%
○ PRODUCTS	Prescription _____ 40% vs 38% in 2019	45%
○ CHANNELS	Online _____ 13.4% vs 3.9% in 2019	15%
○ COST SAVINGS	20€m Opex completed by mid-'21 25€m COGS ca 50% completed	45 €m
○ RESTRUCTURING	Plan largely completed	2 plants in Italy + 1 in Slovenia

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



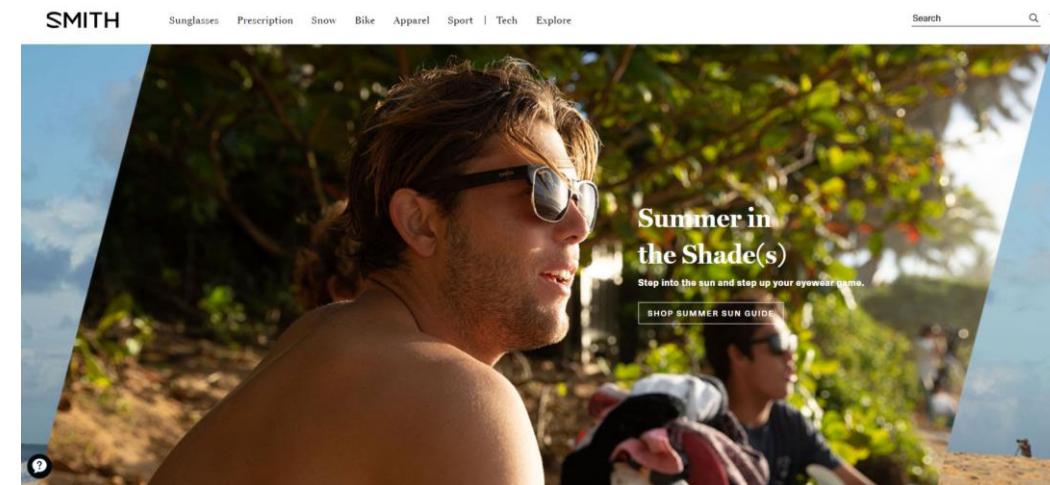
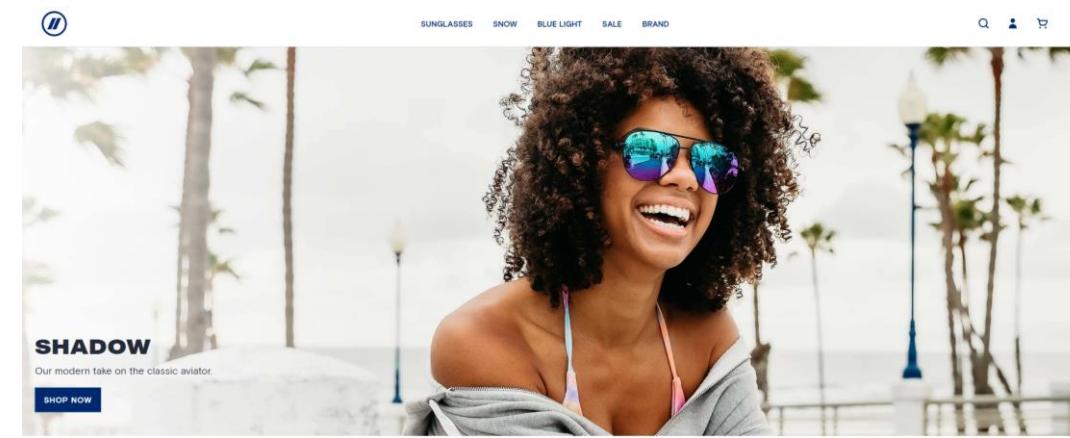
You&Safilo and the other B2B platforms today account for 20% of our 3Os business:

Promoters** _____ >80%
of clients recommend Safilo

Customer satisfaction** _____ >92%
of clients are satisfied by Safilov

Our digital transformation

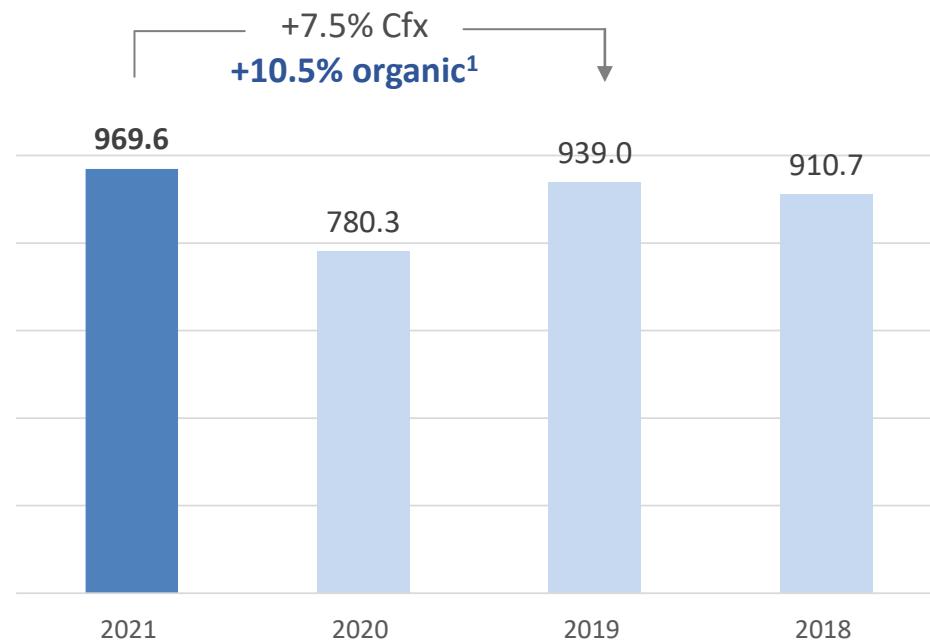
We are focusing on growing our ONLINE CHANNELS, through the creation of a digital hub which brings together our newly acquired capabilities (i.e. Blenders) and organic D2C skills (i.e. Smith), and the increasing contribution of Internet Pure Players



Our results

Organic¹ growth and brand portfolio overhaul strategy

Net Sales - €m



In 2021 our **NET SALES** recorded a yoy rebound of +26.3% cFX and a +7.5% compared to 2019. Organic¹ sales represented the main growth driver compared to the pre-pandemic business levels, at +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 region

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

BY GEOGRAPHY, the continued expansion of the US market represented the main driver of the total growth we recorded compared to 2019, with the organic¹ business exceeding pre-pandemic business levels also in Europe and in most of the emerging markets

By product

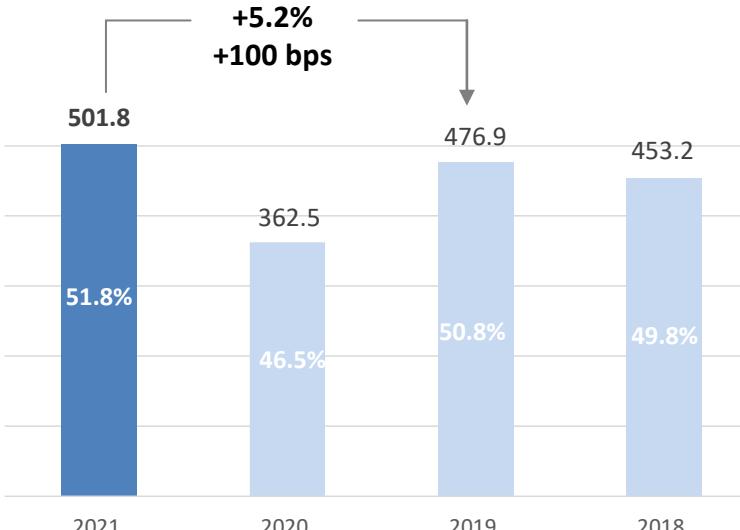
Sunglasses	Prescription	Other
-1.0%	+14.6%	+27.4%
-3.4%¹	+20.8%¹	+28.1%¹

BY PRODUCT, our 2021 growth above the 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.

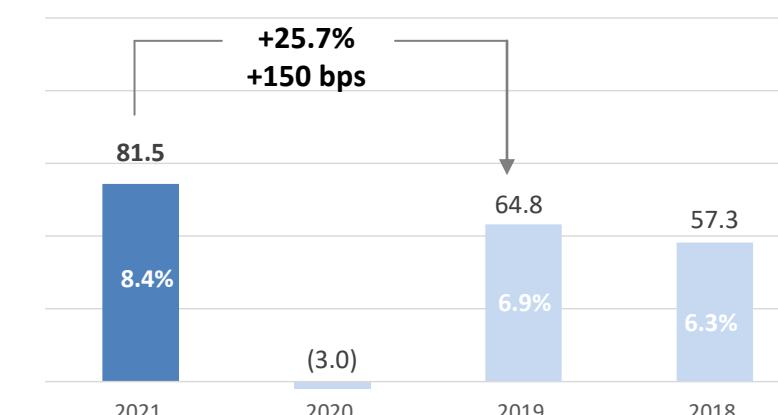
Our results

Positive price/mix effect & progress on structural savings plans

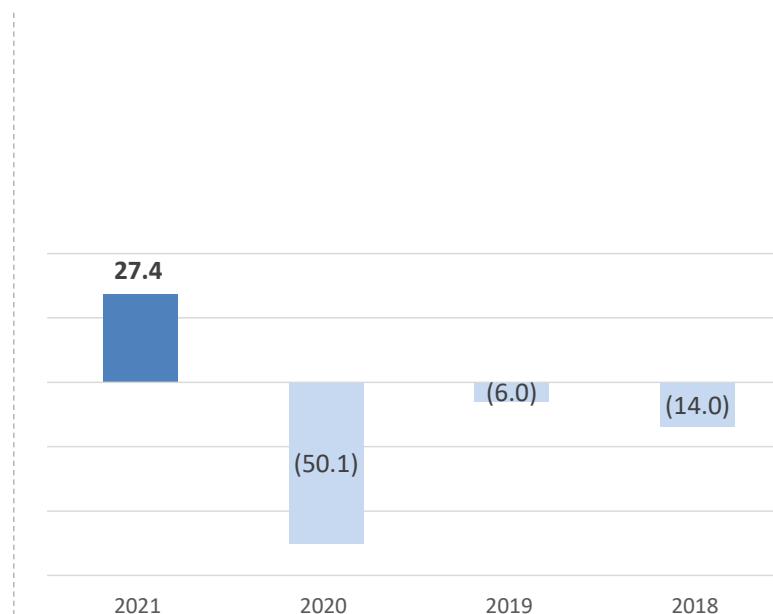
Gross profit - €m and margin



Adjusted² EBITDA - €m and margin



Adjusted Net result €m



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 adjusted² 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.

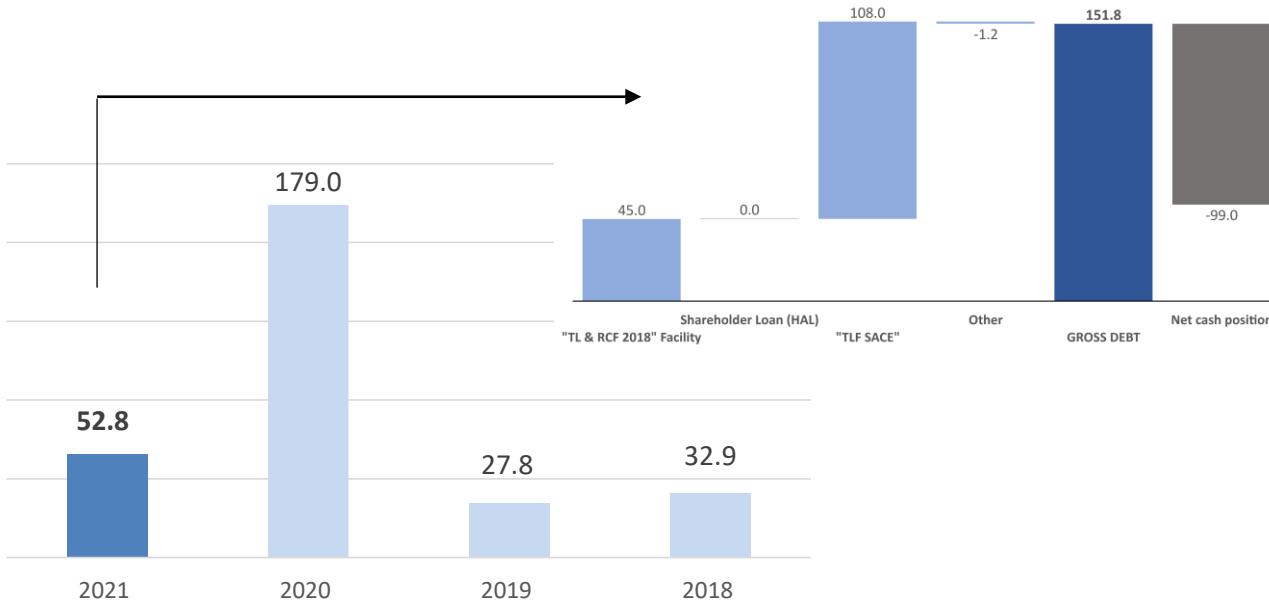
In 2021, **adjusted² EBITDA** rebounded compared to -3.0 €m recorded in 2020, marking an increase of 25.7% compared to 2019. The adjusted² EBITDA margin increased to 8.4% of sales, up 150 bps compared to 2019. In H1 021, we completed the 20 €m overheads costs saving plan, while we increased investments in advertising, marketing and sales activities.

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 results

Successful capital increase in Oct. 2021 more than halving 2021 net debt

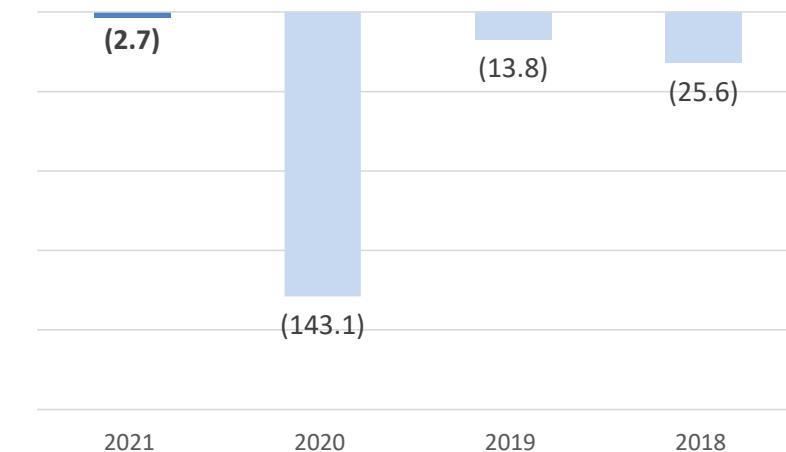
Group Net Debt - €m pre-IFRS 16 & key components



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 November 2021.

In 2020, we invested 111.8 €m to buy Privé Reaux 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 repaid 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.

Q1 2022 Trading Update

Net Sales - €m and change vs Q1 2021

282.6 **+12.4% @ current FX**
+8.4% @ cFX
+14.3% organic¹ @ cFX

by region

North America	Europa	Rest of World	Asia & Pacific
+0.9%	+16.2%	+27.3%	-9.3%
+5.5%¹	+24.9%¹	+29.8%¹	+2.3%¹

by product

Sunglasses	Prescription frames	Other
+5.1%	+7.9%	+27.5%
+19.8%¹	+5.2%¹	+27.6%¹

SALES GROWTH LARGELY DRIVEN BY VOLUMES BRAND PORTFOLIO OVERHAUL STRATEGY CONTINUING

- ✓ Double-digit growth of Smith and Carrera and promising start to the year for Polaroid. All key licenses up high-single to double-digits.
- ✓ Rebound in sunglasses driving significant pick-up in demand in Europe, Latin America and IMEA. Resilient business in North America thanks to a strong omnichannel go-to-market strategy.
- ✓ Prescription frames very resilient supporting another strong quarter in the core independent optician channel.
- ✓ Online consolidating its relevance, growing +9.4%.
- ✓ Excellent debuts of Carolina Herrera, Chiara Ferragni and Dsquared2, three significant tailwinds to fuel growth and support the offset of last year's non-recurring sales

¹ ORGANIC SALES INCLUDE ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

Q1 2022 Trading Update

Gross profit - €m and change vs Q1 2021

155.5 **+22.8%** **+18.5%²**

MARGIN

55.0% **+460 bps** **+280 bps²**

Positive price/mix effect and further progress on the structural COGS savings project envisaged in the Group Business Plan, effectively countered inflationary pressures

Adjusted² EBITDA - €m and change vs Q1 2021

32.0 **+23.8%**

MARGIN

11.3% **+100 bps**
12.0% pre-IFRIC SaaS **+170 bps**

Gross profit and operating leverage supporting ca +15% SG&A costs mainly behind higher marketing/advertising investments. IFRIC SaaS costs, not yet recognized in Q1 '21, impacting EDP expenses for +1.9 €m with an equivalent reduction in CapEx.

Our Brands

CARRERA
EYEWEAR SINCE 1956

SMITH

Polaroid
The Original Polarized since 1937

BLENDERS
EYEWEAR

PRIVÉ REVAUX
EYEWEAR

SEVENTH STREET
by Safilo

BOSS

MOSCHINO

DB
EYEWEAR by DAVID BECKHAM

M
MISSONI

Juicy Couture®

JIMMY CHOO

TOMMY HILFIGER


CHIARA FERRAGNI


UNDER ARMOUR

HUGO


Levi's®

ISABEL MARANT

DSQUARED2

kate spade
NEW YORK


TOMMY JEANS

pierre cardin
PARIS

CAROLINA HERRERA

MARC JACOBS

havaianas®

LIZ claiborne

MISSONI

PORTS

rag & bone
NEW YORK

REBECCA MINKOFF

**LOVE
MOSCHINO**

BANANA REPUBLIC

FOSSIL



SEE THE WORLD AT ITS BEST

**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.