

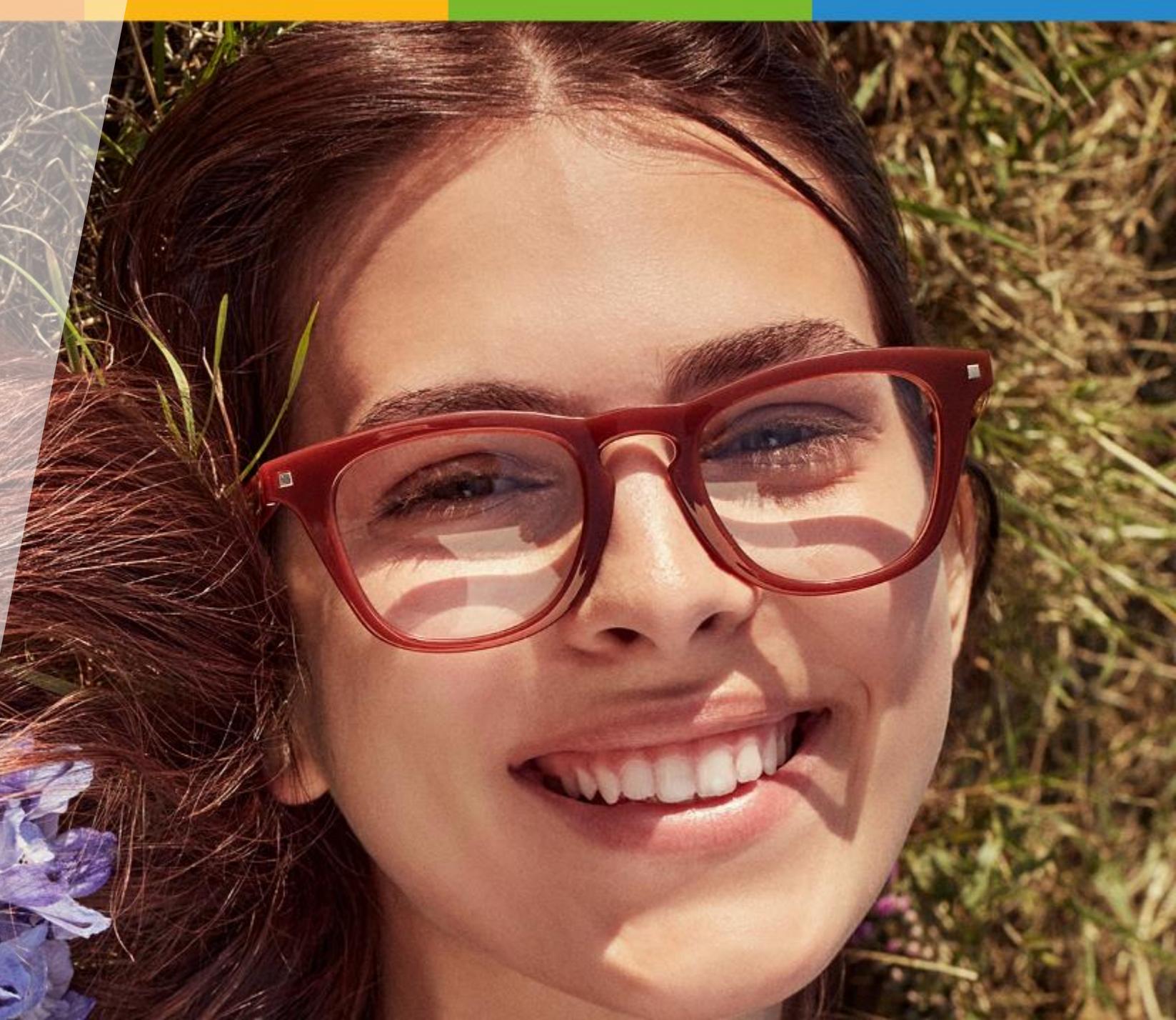
The Safilo logo is displayed in a dark blue, serif font. A small blue arrow-like graphic is positioned above the letter 'i' in 'Safilo'.

# Safilo

SEE THE WORLD AT ITS BEST

## Q3 and First 9 Months 2022 Trading Update

November 3, 2022





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### 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.

# Safilo®

GROUP



*“Q3 marked another quarter of growth of our sales and profits, driven by the strength of our new collections, the investments behind our brands and a continued effort to increase the breadth of the services we offer to our clients.*

*...*

*Our results are keeping us on track with our goals.”*

Angelo Trocchia, CEO

**Q3 CONFIRMED SOLID KPIs:**

**Positive sales momentum**

**+14.9%**

**+5.6% organic<sup>1</sup>**

**Another double-digit improvement of  
gross profit and adj.<sup>2</sup> EBITDA**

**Gross margin 53.8%**

**adj.<sup>2</sup> EBITDA 8.7%**



<sup>1</sup> ORGANIC SALES PERFORMANCE IS AT CONSTANT EXCHANGE RATES AND INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

<sup>2</sup> ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS

### Q3 CONFIRMED OUR KEY BUSINESS DRIVERS...

#### by Region

- Positive sales momentum continuing in Europe, Latin America and IMEA markets
- US business holding up vs another tough comp and delayed deliveries of sport products
- Significant rebound of Asia

#### by Product

- Sunglasses remaining the best performing product category
- Prescription frames confirming solid trends

#### by Channel

- Continued rebound of physical retail supporting our core wholesale channels and the ongoing expansion of our B2B: “*You&Safilo*” platform up +40% vs Q3 21
- Online sales (ca 14% of total sales), up low-single digit in Q3, mid-single digit in 9M



## ...and THE STRENGTH OF OUR BRAND PORTFOLIO

- Carrera and Polaroid continued to post remarkable double-digit growth
- Smith grew more moderately due to the delayed phasing of deliveries
- Tommy, HUGO BOSS, David Beckham, Under Armour and Isabel Marant were the other key drivers of our organic<sup>1</sup> growth
- Significant new business contribution from Carolina Herrera



## OUR PRODUCTS AND MARKETING ACTIVITIES REMAIN OUR KEY ENABLERS



CARDUC 003/S



FLAGLAB 13



OUR PRODUCTS AND MARKETING ACTIVITIES REMAIN OUR KEY ENABLERS

# Polaroid

The Original Polarized since 1937

## BACK TO SCHOOL CAMPAIGN

### SEE BETTER, LEARN BETTER

Discover the importance of a routine eye test for a return to school that's full of color. Find out more

[FIND OUT MORE](#)

ENJOY A WORLD OF KNOWLEDGE

1. NEW FALL WINTER 2022 COLLECTION

2. SEE BETTER, LEARN BETTER

3. FIND OUT THE PERFECT EYEWEAR COLOR FOR YOU!

4. ENJOY THE POLAROID GUMMY COLLECTION

**OUR PRODUCTS AND MARKETING ACTIVITIES REMAIN OUR KEY ENABLERS**



Life is what you focus on | Smith Optics



OUR PRODUCTS AND MARKETING ACTIVITIES REMAIN OUR KEY ENABLERS



BLENDERS  
E Y E W E A R

revs up partnership with Oracle Red Bull Racing Team





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Q3/9M 2022 SALES PERFORMANCE

## TOTAL NET SALES

Q3 positive sales momentum allowed us to confirm solid progress in the first 9 months



<u>Q3 2022</u>	<i>vs Q3 2021</i>	<u>9M 2022</u>	<i>vs 9M 2021</i>
<b>260.4 €m</b>	<b>+14.9%</b>	<b>831.3 €m</b>	<b>+12.7%</b>
	<b>+4.6% @cFX</b>		<b>+5.7% @cFX</b>
	<b>+5.6%<sup>1</sup></b>		<b>+9.9%<sup>1</sup></b>

<sup>1</sup> ORGANIC SALES PERFORMANCE IS AT CONSTANT EXCHANGE RATES AND INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

*(% change vs corresponding period of 2021)*

Q3 2022

**+15.5%**  
**+14.1% @cFX**  
**+8.1%<sup>1</sup>**



9M 2022

**+14.3%**  
**+14.1% @cFX**  
**+18.2%<sup>1</sup>**

- Solid prescription frames business and strong growth of sunglass sales backed by strong summer season.
- Another excellent quarter in Europe for Carrera and Polaroid, and some of our main licensed brands.
- New licenses, introduced this year, adding ca 6% additional growth.
- Italy, Spain, France and Germany, best performing markets. Turkey and Poland expanding nicely.

Q3 2022

**+8.4%**  
**-7.4% @cFX**  
**-1.2%<sup>1</sup>**



9M 2022

**+8.0%**  
**-3.8% @cFX**  
**+1.2%<sup>1</sup>**

- Sales performance in US reflecting a tough comp ( Q3 2021 ca +20%<sup>1</sup> vs Q3 2019) and a temporary more moderate growth of Smith.
- Upper part of our brand portfolio recording positive momentum, while trends remaining softer in the entry and mid-tier price points.
- Continued growth of Smith's online business and Blenders' turning positive in the month of September.

<sup>1</sup> ORGANIC SALES PERFORMANCE IS AT CONSTANT EXCHANGE RATES AND INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS

*(% change vs corresponding period of 2021)*

Q3 2022

**+36.9%**  
**+21.8% @cFX**  
**+13.3%<sup>1</sup>**



9M 2022

**+36.8%**  
**+24.7% @cFX**  
**+23.0%<sup>1</sup>**

Q3 2022

**+43.3%**  
**+31.6% @cFX**  
**+46.1%<sup>1</sup>**



9M 2022

**+11.1%**  
**+3.4% @cFX**  
**+17.2%<sup>1</sup>**

- Carrera, Polaroid, and some of our key licenses continued to drive the positive organic performance of the region, particularly strong in the Middle Eastern markets and India.
- Carolina Herrera a new meaningful addition pushing growth in Brazil and Mexico.

- Q3 sales trends markedly improved in Asia thanks to a better organic performance, driven by the key brands of the region.
- Our key licenses remained our main growth drivers in South-East Asia.
- Carrera and Smith outperformed in Australia.

<sup>1</sup> ORGANIC SALES PERFORMANCE IS AT CONSTANT EXCHANGE RATES AND INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS



**Safilo**  
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Q3/9M 2022 ECONOMIC & FINANCIAL PERFORMANCE



## GROSS PROFIT AND MARGIN EXPANDING YOY

Positive sales dynamics in terms of price/mix and structural COGS savings continued to offset inflation pressure and forex impact on margins

<u>Q3 2022</u>	<i>vs Q3 2021</i>	<u>9M 2022</u>	<i>vs 9M 2021</i>
<b>140.0 €m</b>	+18.0%	<b>458.4 €m</b>	+20.3%
	+16.2% <sup>2</sup>		+17.2% <sup>2</sup>
<b>MARGIN</b>		<b>MARGIN</b>	
<b>53.8%</b>	+140 bps	<b>55.1%</b>	+340 bps
	+60 bps <sup>2</sup>		+210 bps <sup>2</sup>

<sup>2</sup> ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS



## ADJ.<sup>2</sup> EBITDA AND MARGIN EXPANDING YOY

Higher SG&A costs reflecting marketing investments on our brands and IFRIC SaaS costs, still capitalized in Q3 '21

<u>Q3 2022</u>	vs Q3 2021	<u>9M 2022</u>	vs 9M 2021
<b>22.6 €m</b>	<b>+18.6%</b>	<b>85.3 €m</b>	<b>+24.0%</b>
<b>MARGIN</b>		<b>MARGIN</b>	
<b>8.7%</b>	<b>+30 bps</b>	<b>10.3%</b>	<b>+100 bps</b>
<b>9.4%</b> <i>pre-IFRIC SaaS</i>	<b>+100 bps</b>	<b>10.9%</b> <i>pre-IFRIC SaaS</i>	<b>+160 bps</b>

<sup>2</sup> ON AN ADJUSTED BASIS, EXCLUDING NON-RECURRING ITEMS



	<u>September 30, 2022</u>	<u>Dec. 31, 2021</u>
<b>GROUP NET DEBT</b>	<b>115.4</b>	<b>94.0</b>
<b>GROUP NET DEBT pre IFRS-16</b>	<b>67.2</b>	<b>52.8</b>

**NEW FINANCING AGREEMENT FOR EURO 300 MILLION SIGNED**



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FURTHER BUSINESS ACTIONS



Creation of “ *Digital Force*”, Safilo’s Salesforce Academy that aims to seek and train new talents in the digital transformation and Salesforce field. In partnership with DOT “Digital On Things.

Introduction of Eastman Tritan™ Renew in its polarized lenses, becoming the first player in the market to adopt Tritan™ Renew Polarized lenses.



SEE THE WORLD AT ITS BEST

## Q3 and First 9 Months 2022 Trading Update

November 3, 2022

# Q&A



SEE THE WORLD AT ITS BEST

## Q3 and First 9 Months 2022 Trading Update

November 3, 2022

# Appendices

<sup>1</sup> Organic sales performance is provided at constant exchange rates and includes only the proprietary brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the production supply contract with Kering Eyewear.

<sup>2</sup> In the first 9M 2022, the adjusted EBITDA excludes net non-recurring costs for Euro 1.7 million due to some special projects costs and restructuring expenses, partially offset by the release of a restructuring provision. In Q3 2022, the adjusted EBITDA excludes a net non-recurring cost for Euro 1.1 million.

In the first 9M 2021, the adjusted EBITDA excluded non-recurring costs for Euro 17.4 million (Euro 10.2 million at the gross profit level), mainly related to the announced closure, starting from June 2021, of the Ormož production plant in Slovenia, and also a non-recurring income of Euro 17 million due to the release of a provision for risks and charges booked in 2015 in relation to an investigation by the French Competition Authority. The release is a result of the positive outcome, without sanctions, of this investigation.

In Q3 2021, the adjusted EBITDA excluded non-recurring costs for Euro 1.7 million (Euro 1.8 million at the gross profit level).

# NET SALES BY GEOGRAPHICAL AREA

(Euro million)	Q3 2022		Q3 2021		Change at current forex		Change at constant forex	
	Q3 2022	%	Q3 2021	%	Reported	Reported	Organic <sup>1</sup>	
North America	124.7	47.9	115.1	50.8	+8.4%	-7.4%	-1.2%	
Europe	95.7	36.7	82.8	36.6	+15.5%	+14.1%	+8.1%	
Asia Pacific	16.2	6.2	11.3	5.0	+43.3%	+31.6%	+46.1%	
Rest of the world	23.9	9.2	17.4	7.7	+36.9%	+21.8%	+13.3%	
<b>Total</b>	<b>260.4</b>	<b>100.0</b>	<b>226.6</b>	<b>100.0</b>	<b>+14.9%</b>	<b>+4.6%</b>	<b>+5.6%</b>	

(Euro million)	9M 2022		9M 2021		Change at current forex		Change at constant forex	
	9M 2022	%	9M 2021	%	Reported	Reported	Organic <sup>1</sup>	
North America	383.5	46.1	355.2	48.2	+8.0%	-3.8%	+1.2%	
Europe	332.7	40.0	291.0	39.5	+14.3%	+14.1%	+18.2%	
Asia Pacific	41.3	5.0	37.2	5.0	+11.1%	+3.4%	+17.2%	
Rest of the world	73.8	8.9	54.0	7.3	+36.8%	+24.7%	+23.0%	
<b>Total</b>	<b>831.3</b>	<b>100.0</b>	<b>737.4</b>	<b>100.0</b>	<b>+12.7%</b>	<b>+5.7%</b>	<b>+9.9%</b>	

(Euro million)	Q1 2022		Q1 2021		Change at current forex		Change at constant forex	
	Q1 2022	%	Q1 2021	%	Reported	Reported	Organic <sup>1</sup>	
North America	129.0	45.7	119.1	47.4	+8.3%	+0.9%	+5.5%	
Europe	117.2	41.5	101.5	40.4	+15.5%	+16.2%	+24.9%	
Asia Pacific	12.4	4.4	13.0	5.2	-4.4%	-9.3%	+2.3%	
Rest of the world	23.9	8.5	17.8	7.1	+34.6%	+27.3%	+29.8%	
<b>Total</b>	<b>282.6</b>	<b>100.0</b>	<b>251.4</b>	<b>100.0</b>	<b>+12.4%</b>	<b>+8.4%</b>	<b>+14.3%</b>	

(Euro million)	Q2 2022		Q2 2021		Change at current forex		Change at constant forex	
	Q2 2022	%	Q2 2021	%	Reported	Reported	Organic <sup>1</sup>	
North America	129.6	45.0	121.0	46.6	+7.1%	-5.1%	-0.6%	
Europe	120.0	41.6	106.7	41.1	+12.4%	+12.1%	+20.7%	
Asia Pacific	12.7	4.4	12.9	5.0	-1.4%	-8.5%	+5.9%	
Rest of the world	26.0	9.0	18.7	7.2	+38.6%	+24.9%	+26.4%	
<b>Total</b>	<b>288.3</b>	<b>100.0</b>	<b>259.4</b>	<b>100.0</b>	<b>+11.2%</b>	<b>+4.0%</b>	<b>+9.8%</b>	

## Sunglasses

Q3 2022

**+15.0%**  
**+4.3% @cFX**  
**+7.1%<sup>1</sup>**



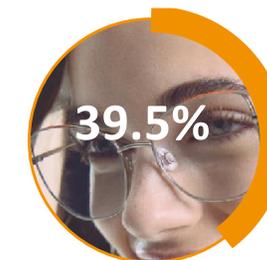
9M 2022

**+9.4%**  
**+2.7% @cFX**  
**+11.9%<sup>1</sup>**

## Prescription frames

Q3 2022

**+14.1%**  
**+5.2% @cFX**  
**+4.6%<sup>1</sup>**



9M 2022

**+12.6%**  
**+6.0% @cFX**  
**+4.9%<sup>1</sup>**

## Other

**+17.1%**  
**+4.2% @cFX**  
**+3.6%<sup>1</sup>**



**+31.9%**  
**+20.6% @cFX**  
**+20.3%<sup>1</sup>**

<sup>1</sup> ORGANIC SALES PERFORMANCE IS AT CONSTANT EXCHANGE RATES AND INCLUDES ONLY THE SALES OF BRANDS PRESENT IN BOTH OF THE COMPARED PERIODS  
 THE PRODUCT CATEGORY 'OTHER' MAINLY COMPRISES THE SALES OF SNOW GOGGLES AND SNOW AND BIKE HELMETS

# Q2 2022 ECONOMIC TRADING UPDATE

(Euro million)	Q3 2022	% on net sales	Q3 2021	% on net sales	% Change 2022 vs 2021
Net sales	260.4		226.6		+14.9%
Gross Profit	<b>140.0</b>	<b>53.8%</b>	118.7	52.4%	+18.0%
EBITDA	<b>21.5</b>	<b>8.3%</b>	17.4	7.7%	+24.0%
Adjusted <sup>2</sup> EBITDA	<b>22.6</b>	<b>8.7%</b>	19.1	8.4%	+18.6%
IFRS 16 impact on EBITDA	3.1		3.0		
IFRIC SaaS impact on EBITDA	(1.8)		n.a.		

(Euro million)	9M 2022	% on net sales	9M 2021	% on net sales	% Change 2022 vs 2021
Net sales	831.3		737.4		+12.7%
Gross Profit	<b>458.4</b>	<b>55.1%</b>	380.9	51.7%	+20.3%
EBITDA	<b>83.6</b>	<b>10.1%</b>	68.4	9.3%	+22.2%
Adjusted <sup>2</sup> EBITDA	<b>85.3</b>	<b>10.3%</b>	68.8	9.3%	+24.0%
IFRS 16 impact on EBITDA	8.6		8.7		
IFRIC SaaS impact on EBITDA	(5.5)		n.a.		

(Euro million)	Q1 2022	% on net sales	Q1 2021	% on net sales	% Change 2022 vs 2021
Net sales	282.6		251.4		+12.4%
Gross Profit	<b>155.5</b>	<b>55.0%</b>	126.6	50.4%	+22.8%
EBITDA	<b>28.7</b>	<b>10.2%</b>	13.4	5.3%	+114.7%
Adjusted EBITDA <sup>2</sup>	<b>32.0</b>	<b>11.3%</b>	25.8	10.3%	+23.8%
IFRS 16 impact on EBITDA	2.6		2.9		
IFRIC SaaS impact on EBITDA	(1.9)		n.a.		

(Euro million)	Q2 2022	% on net sales	Q2 2021	% on net sales	% Change 2022 vs 2021
Net sales	288.3		259.4		+11.2%
Gross Profit	<b>162.8</b>	<b>56.5%</b>	135.6	52.3%	+20.0%
EBITDA	<b>33.3</b>	<b>11.6%</b>	37.7	14.5%	-11.5%
Adjusted <sup>2</sup> EBITDA	<b>30.6</b>	<b>10.6%</b>	23.8	9.2%	+28.5%
IFRS 16 impact on EBITDA	2.8		2.8		
IFRIC SaaS impact on EBITDA	(1.8)		n.a.		

Currency	Code	As of		(Appreciation)/ Depreciation	Average for		(Appreciation)/ Depreciation
		September 30, 2022	December 31, 2021	%	9M 2022	9M 2022	%
US Dollar	USD	0.9748	1.1326	-13.9%	1.0638	1.1962	-11.1%
Hong-Kong Dollar	HKD	7.6521	8.8333	-13.4%	8.3326	9.2912	-10.3%
Swiss Franc	CHF	0.9561	1.0331	-7.5%	1.0118	1.0904	-7.2%
Canadian Dollar	CAD	1.3401	1.4393	-6.9%	1.3643	1.4968	-8.9%
Japanese Yen	YEN	141.0100	130.3800	8.2%	135.9679	129.8320	4.7%
British Pound	GBP	0.8830	0.8403	5.1%	0.8472	0.8636	-1.9%
Swedish Crown	SEK	10.8993	10.2503	6.3%	10.5274	10.1528	3.7%
Australian Dollar	AUD	1.5076	1.5615	-3.5%	1.5044	1.5770	-4.6%
South-African Rand	ZAR	17.5353	18.0625	-2.9%	16.9517	17.4226	-2.7%
Russian Ruble	RUB	59.3067	85.3004	-30.5%	76.4762	88.5335	-13.6%
Brasilian Real	BRL	5.2584	6.3101	-16.7%	5.4631	6.3765	-14.3%
Indian Rupee	INR	79.4250	84.2292	-5.7%	82.2983	88.0420	-6.5%
Singapore Dollar	SGD	1.4001	1.5279	-8.4%	1.4631	1.6020	-8.7%
Malaysian Ringgit	MYR	4.5201	4.7184	-4.2%	4.6165	4.9414	-6.6%
Chinese Renminbi	CNY	6.9368	7.1947	-3.6%	7.0193	7.7376	-9.3%
Korean Won	KRW	1,400.6900	1,346.3800	4.0%	1,348.7902	1,354.3097	-0.4%
Mexican Peso	MXN	19.6393	23.1438	-15.1%	21.5543	24.0772	-10.5%
Turkish Lira	TRY	18.0841	15.2335	18.7%	16.8796	9.7104	73.8%
Dirham UAE	AED	3.5800	4.1595	-13.9%	3.9069	4.3931	-11.1%
Polish Zloty	PLN	4.8483	4.5969	0.0547	4.6724	n.a.	n.a.

**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

  
BLENDERS  
EYEWEAR

  
UNDER ARMOUR

LIZ CLAIBORNE

  
MISSONI

**TOMMY**  
 JEANS

REBECCA MINKOFF

PRIVÉ REVAUX  
EYEWEAR

**HUGO**

LOVE  
MOSCHINO

Juicy Couture

pierre cardin  
PARIS

**FOSSIL**

SEVENTH STREET  
by Safilo



BANANA REPUBLIC