



Q3 / 9M 2023 Trading Update

November 3, 2023

Safilo

SEE THE WORLD AT ITS BEST

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.



"In the 9 months, our sales performance reflected soft trends in North America, particularly in the contemporary segment.

Underlying growth in Europe offset most of the sales decline in the former GrandVision chains and emerging markets delivered good progress .

We saw a significant strengthening of our gross margin, while adj. EBITDA margin was constrained by the higher incidence of our continued investments. Very meaningfully for us, we delivered positive free cash flow in each single quarter."

Angelo Trocchia, CEO

Q3 SALES STILL SOFT, BUT IMPROVING FROM Q2

Q3 2023

235.0 €M

○ **-3.9%** @cFX

9M 2023

785.1 €M

○ **-3.6%** @cFX
-2.3% organic¹

- Sales decline in the former GV chains accounting for ~3% of Q3's and ~4% of 9M's
- Underlying growth in Europe slowing in Q3
- North America better than in Q2 thanks to growth in the sports business. Smith up in all channels
- Carolina Herrera and David Beckham our best performing brands in eyewear

NET SALES in NORTH AMERICA

Q3 2023

109.6 €M

○ **-4.9%** @cFX

9M 2023

341.1 €M

○ **-9.2%** @cFX
-5.7% organic¹

- Smith up double-digits in Q3, on easier comps and improved retail environment. Sport business growing in physical stores and online
- Still difficult eyewear market in contemporary segment, mainly behind weak sunglass business
- In US, positive Q3/9M performance for Carolina Herrera, Boss, Carrera and David Beckham



NET SALES in EUROPE

Q3 2023

85.4 €M

○ -6.1% @cFX

9M 2023

321.1 €M

○ -1.5% @cFX
-2.3% organic¹

- Positive underlying growth, net of the former GV's business

~ +7% in 9M. BTB clients outperforming

~ +1% in Q3. Softening performance in Italy, France and Spain
vs strong H1 and last year's stronger sun season
- Momentum remaining strong in CEE markets, while still
weak in Germany, mainly behind negative IPPs business



NET SALES in ASIA & PACIFIC

Q3 2023

15.2 €M

+2.3% @cFX

9M 2023

43.8 €M

+11.2% @cFX

- Continued good progress in China and other key markets of the area
- Ports, Smith and Polaroid leading the quarterly improvement



NET SALES in REST of WORLD

Q3 2023

24.8 €M

+5.9% @cFX

9M 2023

79.2 €M

+7.1% @cFX

- Continued strong progress of Carrera in India and the Middle East
- Latin America flattish in Q3, with Mexico growing, while Brazil softening. Up mid-single digits in 9M



ADJ.² GROSS MARGIN

Q3 2023

135.5 €M

-3.2%

57.7%

+390 bps

9M 2023

459.1 €M

+0.2%

58.5%

+340 bps

- Continued gross margin improvement thanks to lower inbound transport costs, efficiencies in procurement and positive price/mix effect

ADJ.² EBITDA MARGIN

Q3 2023

18.1 €M

-20.0%

7.7 %

-100 bps

9M 2023

75.4 €M

-11.5%

9.6 %

-70 bps

- Operating deleverage, coupled with continued IT and marketing investments, weighing on the operating performance

CASH GENERATION AND LOWER NET DEBT

FREE CASH FLOW*

Q3 2023

11.9 €M

9M 2023

21.7 €M

* Before €5.9M payment to exercise the first option on an additional 10% of Blenders non-controlling interests

GROUP NET DEBT

Dec.31,2022

113.4 €M**69.6 €M**

pre-IFRS 16

Sept. 30, 2023

96.0 €M**55.5 €M**

Q3 BUSINESS UPDATES

STUART WEITZMAN

A new five-year agreement for the eyewear of Stuart Weitzman, an excellent addition to our portfolio in the women's luxury eyewear segment



New Carrera Smart Glasses with Alexa, blending our Italian design with Alexa technology into two iconic frames



Q & A

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Appendices

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NOTES TO THE PRESENTATION

- 1 Organic sales performance is provided at constant exchange rates and includes only the home brands and not terminated licenses, present in both of the compared periods, excluding the business attributable to the supply contract with Kering Eyewear.
- 2 In the 9 months 2023, the adjusted economic results exclude non-recurring costs for Euro 17.4 million at the EBITDA level and Euro 8.2 million at the gross profit level, mainly related to the transfer of the Longarone plant, to some special projects and restructuring expenses.
In Q3 2023, the adjusted economic results exclude non-recurring costs for Euro 4.7 million at the EBITDA level and Euro 3.1 million at the gross profit level, mainly related to the transfer of the Longarone plant.

In the 9 months 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.

NET SALES BY GEOGRAPHICAL AREA

					Change at current forex	Change at constant forex	
(Euro million)	9M 2023	%	9M 2022	%	Reported	Reported	Organic ¹
North America	341.1	43.4	383.5	46.1	-11.0%	-9.2%	-5.7%
Europe	321.1	40.9	332.7	40.0	-3.5%	-1.5%	-2.3%
Asia Pacific	43.8	5.6	41.3	5.0	+6.0%	+11.2%	+11.7%
Rest of the world	79.2	10.1	73.8	8.9	+7.3%	+7.1%	+7.1%
Total	785.1	100.0	831.3	100.0	-5.6%	-3.6%	-2.3%

(Euro million)	Q3 2023	%	Q3 2022	%	Change at current forex	Change at constant forex
North America	109.6	46.6	124.7	47.9	-12.2%	-4.9%
Europe	85.4	36.3	95.7	36.7	-10.7%	-6.1%
Asia Pacific	15.2	6.5	16.2	6.2	-5.9%	+2.3%
Rest of the world	24.8	10.5	23.9	9.2	+3.9%	+5.9%
Total	235.0	100.0	260.4	100.0	-9.8%	-3.9%

Q3 / 9M 2023 TRADING UPDATE

Key Economic highlights - in Euro million	9M 2023	% on net sales	9M 2022	% on net sales	% Change
Net sales	785.1		831.3		-5.6%
Reported at cFX					-3.6%
Gross Profit	451.0	57.4%	458.4	55.1%	-1.6%
Adjusted ² Gross Profit	459.1	58.5%	458.4	55.1%	+0.2%
EBITDA	58.0	7.4%	83.6	10.1%	-30.6%
Adjusted ² EBITDA	75.4	9.6%	85.3	10.3%	-11.5%
IFRS 16 impact on EBITDA	8.8		8.6		
IFRIC SaaS impact on EBITDA	(9.3)		(5.5)		

Key Economic highlights - in Euro million	Q3 2023	% on net sales	Q3 2022	% on net sales	% Change
Net sales	235.0		260.4		-9.8%
Reported at cFX					-3.9%
Gross Profit	132.4	56.3%	140.0	53.8%	-5.5%
Adjusted ² Gross Profit	135.5	57.7%	140.0	53.8%	-3.2%
EBITDA	13.4	5.7%	21.5	8.3%	-37.8%
Adjusted ² EBITDA	18.1	7.7%	22.6	8.7%	-20.0%
IFRS 16 impact on EBITDA	2.9		3.1		
IFRIC SaaS impact on EBITDA	(3.0)		(1.8)		

EXCHANGE RATES

Currency	Code	As of		(Appreciation) /Depreciation	Average for		(Appreciation) /Depreciation
		September 30, 2023	December 31, 2022	%	9M 2023	9M 2022	%
US Dollar	USD	1.0594	1.0666	-0.7%	1.0833	1.0638	1.8%
Hong-Kong Dollar	HKD	8.2959	8.3163	-0.2%	8.4860	8.3326	1.8%
Swiss Franc	CHF	0.9669	0.9847	-1.8%	0.9775	1.0118	-3.4%
Canadian Dollar	CAD	1.4227	1.4440	-1.5%	1.4576	1.3643	6.8%
Japanese Yen	YEN	158.1000	140.6600	12.4%	149.6515	135.9679	10.1%
British Pound	GBP	0.8646	0.8869	-2.5%	0.8707	0.8472	2.8%
Swedish Krown	SEK	11.5325	11.1218	3.7%	11.4789	10.5274	9.0%
Australian Dollar	AUD	1.6339	1.5693	4.1%	1.6205	1.5044	7.7%
South-African Rand	ZAR	19.9813	18.0986	10.4%	19.8865	16.9517	17.3%
Russian Ruble	RUB	103.1420	78.4308	31.5%	90.0146	76.4762	17.7%
Brasilian Real	BRL	5.3065	5.6386	-5.9%	5.4245	5.4631	-0.7%
Indian Rupee	INR	88.0165	88.1710	-0.2%	89.2314	82.2983	8.4%
Singapore Dollar	SGD	1.4443	1.4300	1.0%	1.4523	1.4631	-0.7%
Malaysian Ringgit	MYR	4.9741	4.6984	5.9%	4.8922	4.6165	6.0%
Chinese Renminbi	CNY	7.7352	7.3582	5.1%	7.6236	7.0193	8.6%
Korean Won	KRW	1,425.2600	1,344.0900	6.0%	1,410.2457	1,348.7902	4.6%
Mexican Peso	MXN	18.5030	20.8560	-11.3%	19.2804	21.5543	-10.5%
Turkish Lira	TRY	29.0514	19.9649	45.5%	24.1485	16.8796	43.1%
Dirham UAE	AED	3.8906	3.9171	-0.7%	3.9784	3.9069	1.8%
Polish Zloty	PLN	4.6283	4.6808	-1.1%	4.5820	4.6724	-1.9%

STRONG BRAND PORTFOLIO

TO REACH A BROAD AUDIENCE OF TARGET CONSUMERS

- The **right offer for all distribution channels**, for all customer types
- **Centered on contemporary segment** where the highest demand of eyewear is
- **Broad based offer** across genders, ages, categories & price segments
- **Appealing to the most** fashion-driven consumers and functional for the more traditional ones
- **Assuring trends** (sustainability, outdoor, celebrities and digital) **and service** (size, fit, optician-friendly features)

CARRERA
EYEWEAR SINCE 1956

SMITH

Polaroid
The Original Polarized since 1937

//Blenders

PRIVÉ REVAUX
EYEWEAR

SEVENTH STREET
by **Safilo**

BANANA REPUBLIC

BOSS

CAROLINA HERRERA

CHIARA FERRAGNI

EYEWEAR by DAVID BECKHAM

ETAO
(starting from 2024)

DSQUARED2

FOSSIL

havaianas

HUGO

ISABEL MARANT

Juicy Couture

kate spade
NEW YORK

Levi's

LIZ CLAIBORNE

LOVE MOSCHINO

MARC JACOBS

rag & bone
NEW YORK

TOMMY HILFIGER

TOMMY JEANS

UNDER ARMOUR

STUART WEITZMAN
(starting from 2024)