



**SAFILO GROUP S.P.A. REPORTS PRELIMINARY<sup>1</sup> FULL YEAR 2021  
KEY PERFORMANCE INDICATORS**

**2021 net sales grow by 7.5% vs 2019 at constant currencies (+26.3% vs 2020)  
thanks to 10% organic<sup>2</sup> sales growth, an effective brand portfolio overhaul strategy  
and online sales reaching 13.4% of total sales**

**FY adjusted<sup>3</sup> EBITDA margin of 8.7% marks a significant improvement  
vs 7.0% in 2019**

**Group Net Debt declines to around Euro 94 million**

**Padua, January 27 2022** - The Board of Directors of Safilo Group S.p.A. has today examined the Group's preliminary<sup>1</sup> key performance indicators for the financial year ended December 31, 2021. The full year annual results will be approved by the Board of Directors on March 15, 2022.

In 2021, Safilo's preliminary<sup>1</sup> net sales amounted to Euro 969.6 million, up 26.3% at constant exchange rates and 24.3% at current exchange rates compared to Euro 780.3 million recorded in 2020, a year heavily penalized by the lockdowns and business restrictions imposed to contain the Covid-19 pandemic.

This strong business rebound also allowed the Group to significantly exceed the net sales registered in 2019, recording a growth of 7.5% at constant exchange rates and of 3.3% at current exchange rates. Organic sales<sup>2</sup> represented the main growth driver compared to the pre-pandemic business levels, up around 10% at constant exchange rates versus 2019, while the brand portfolio overhaul strategy implemented over the last two years enabled the Group to effectively compensate the business decline deriving from licenses terminated at the end of 2020 and at the end of June 2021 with new proprietary and licensed brands in the portfolio.

In 2021, the share of the Group's total business deriving from online channels equalled 13.4% of sales, up from 12.7% in 2020 and 3.9% in 2019.

**PRELIMINARY<sup>1</sup> NET SALES PERFORMANCE BY GEOGRAPHY IN THE FULL YEAR 2021:**

(Euro million)	2021		2020		2019		% change 2021 vs 2020		% change 2021 vs 2019	
	2021	%	2020	%	2019	%	current forex	constant forex	current forex	constant forex
<b>North America</b>	466.2	48.1	342.5	43.9	334.0	35.6	+36.1%	+40.5%	+39.6%	+47.0%
<b>Europe</b>	378.5	39.0	330.4	42.3	448.8	47.8	+14.6%	+14.6%	-15.7%	-14.9%
<b>Asia Pacific</b>	52.6	5.4	60.7	7.8	78.0	8.3	-13.4%	-14.2%	-32.6%	-32.1%
<b>Rest of the world</b>	72.4	7.5	46.8	6.0	78.3	8.3	+54.8%	+57.8%	-7.6%	+6.5%
<b>Total</b>	<b>969.6</b>	<b>100.0</b>	<b>780.3</b>	<b>100.0</b>	<b>939.0</b>	<b>100.0</b>	<b>+24.3%</b>	<b>+26.3%</b>	<b>+3.3%</b>	<b>+7.5%</b>

In the fourth quarter of 2021, the Group's preliminary<sup>1</sup> net sales amounted to Euro 232.2 million, showing a substantial stability compared to the business levels recorded in the same period of 2020 (-0.7% at constant exchange rates and +2.9% at current exchange rates). Q4 2021 instead increased by 3.8% at constant exchange rates and by 0.8% at current exchange rates compared to Q4 2019, thanks to the double-digit growth posted by the majority of the Group's core brands, from Carrera and Kate Spade to Tommy Hilfiger and Hugo Boss, driving organic<sup>1</sup> sales up around 10% at constant exchange rates.

In the second half of 2021, Safilo's preliminary<sup>1</sup> net sales grew by 7.3% at constant exchange rates compared to the corresponding period of 2019, recording an organic<sup>2</sup> business improvement of around +13%, in acceleration compared to the improvement of 8.3% posted in the first half of the year compared to the same period in 2019.

**PRELIMINARY<sup>1</sup> NET SALES PERFORMANCE BY GEOGRAPHY IN Q4 2021:**

(Euro million)	Q4 2021		Q4 2020		Q4 2019		% change 2021 vs 2020		% change 2021 vs 2019	
							current forex	constant forex	current forex	constant forex
North America	111.0	47.8	100.9	44.7	84.7	36.8	+10.0%	+3.8%	+31.1%	+34.6%
Europe	87.4	37.6	86.1	38.2	106.9	46.4	+1.5%	+0.7%	-18.2%	-17.0%
Asia Pacific	15.4	6.6	21.1	9.3	17.0	7.4	-27.0%	-30.5%	-9.5%	-10.8%
Rest of the world	18.4	7.9	17.5	7.8	21.8	9.5	+5.2%	+2.7%	-15.5%	-2.3%
<b>Total</b>	<b>232.2</b>	<b>100.0</b>	<b>225.6</b>	<b>100.0</b>	<b>230.4</b>	<b>100.0</b>	<b>+2.9%</b>	<b>-0.7%</b>	<b>+0.8%</b>	<b>+3.8%</b>

In an economic environment which saw the fourth quarter once again impacted by renewed restrictions following the spread of the Omicron variant of Covid-19, the performance of Safilo business by geographical area continued to be driven by the expansion of the North American market, in which the Group achieved the sixth, consecutive quarter of growth, both compared to the previous year and to 2019. 2021 was a record year for Safilo, which also in Q4 2021 contributed to the significant organic<sup>2</sup> growth posted by the Group in the United States, thanks to the strength of its products and the significant progress of the brand in its online channel, enhanced at the beginning of the year with the launch of its new e-commerce site. In North America, Q4 net sales performance continued to benefit from the growth in organic<sup>2</sup> sales of sunglasses and prescription frames in the main distribution channel of independent opticians, while the acquisitions of Blenders and Privé Revaux, alongside the new licensed brands in the portfolio, allowed for an important dimensional jump of the business compared to 2019 pre-pandemic levels. The strong Q4 organic<sup>2</sup> sales growth continued to contribute to the Group's full year growth in the region.

In Q4 2021, Safilo's preliminary<sup>1</sup> net sales in Europe just slightly increased compared to Q4 2020, while remaining below Q4 2019 levels due to a market environment overall restrained by the uneven path of recovery recorded by the main economies of the area, where the Group continued to more markedly suffer from the challenging comparison bases due to the terminated licenses. In the quarter, organic<sup>2</sup> sales in Europe instead rebounded compared to 2020 driven by continuous progress in the optical frames business and by the recovery, initiated in the third quarter, of sunglasses, particularly in markets such as Italy, France and the UK.

On the emerging markets front, Q4 2021 preliminary<sup>1</sup> net sales in Asia and the Pacific were still affected by the negative impact of the terminated licenses, while the organic<sup>2</sup> business registered a meaningful progress both compared to 2020 and 2019, notwithstanding the lockdowns still in place in many countries of the area. Finally, the fourth quarter was a two-speed period for Safilo in the Rest of the World, where on the one hand, sales growth continued in Brazil and Mexico compared to both 2020 and 2019, while on the other, Middle East markets and India experienced a temporary slowdown, which did not however affect their overall positive performance for the year.

On a preliminary<sup>1</sup> basis, Safilo closed the full year 2021 with an adjusted<sup>3</sup> EBITDA margin on sales of 8.7%, a performance which marked an exponential recovery compared to the break-even recorded in 2020 and an improvement of 170 basis points compared to the 7.0% margin posted in 2019.

On a preliminary basis<sup>1</sup>, the Group's net debt as at 31 December 2021 reduced to around Euro 94 million, compared to Euro 222.1 million in 2020. This reduction reflected the successful completion of the Group's capital increase at the beginning of November 2021.

*Notes to the press release:*

<sup>1</sup> Preliminary net sales, adjusted EBITDA and Group net debt for 2021 are unaudited.

<sup>2</sup> Organic sales include 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>3</sup> The adjusted EBITDA excludes non-recurring items, and it does not yet include the impact, still being assessed, deriving from the expected application of the IFRIC Agenda on configuration or customization costs in a cloud computing arrangement (Software as a Service).

*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. Gerd Graehsler, 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.

**About Safilo Group**

Established in 1934 in Italy's Veneto region, Safilo Group is one of the eyewear industry's principal players in the design, manufacturing and distribution of optical frames, sunglasses, sports eyewear, goggles and helmets. The Group designs and manufactures its collections by blending stylistic, technical and industrial innovation with quality and skillful craftsmanship. 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 the highest 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 50 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 own core brands: Carrera, Polaroid, Smith, Safilo, Blenders, Privé Revaux and Seventh Street. Licensed brands include: Banana Republic, BOSS, Carolina Herrera, Chiara Ferragni Collection, Dsquared2, Eyewear by David Beckham, Fossil, havaianas, HUGO, Isabel Marant, Jimmy Choo, Juicy Couture, kate spade new york, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Missoni, M Missoni, Moschino, Pierre Cardin, PORTS, rag&bone, Rebecca Minkoff, Tommy Hilfiger, Tommy Jeans and Under Armour.

The parent company, Safilo Group S.p.A., is listed on the Italian Stock Exchange ("MTA") organized and managed by Borsa Italiana (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI). In 2020, Safilo Group recorded net revenues for Euro 780.3 million.

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