



SAFILO GROUP S.P.A. REPORTS FULL YEAR 2020 PRELIMINARY¹ SALES

**Q4 sales growth +3.0% at constant exchange rates
as a result of the progressive improvement of the wholesale business²
and the ongoing growth of the online channel**

**H2 sales growth +4.5% brings full year sales
at Euro 780.3 million, -15.2% at constant exchange rates**

FY 2020 adjusted³ EBITDA at break-even

Padua, January 27 2021 – The Board of Directors of Safilo Group S.p.A. has today examined the Group's preliminary¹ net sales for the financial year ended December 31, 2020. The full year annual results will be approved by the Board of Directors on March 11, 2021.

Safilo's preliminary¹ 2020 net sales equaled Euro 780.3 million, down 15.2% at constant exchange rates and 16.9% at current exchange rates compared to Euro 939.0 million recorded in 2019, due to the sharp decline suffered in the first half of the year following the severe lockdowns put in place by governments on a global scale to fight the Covid-19 pandemic. In the second semester of 2020, Safilo's net sales instead grew by 4.5% at constant exchange rates, thanks to the business rebound recorded in the third quarter and the sales increase achieved by the Group also in the fourth quarter, notwithstanding the negative impacts of the second pandemic wave.

Q4 2020 net sales in fact amounted to Euro 225.6 million, up 3.0% at constant exchange rates (-2.1% at current exchange rates) compared to Euro 230.4 million recorded in the same quarter of 2019. Meaningfully in the period, the positive sales performance also reflected the progressive improvement of the wholesale business², which in Q4 recorded a more moderate decline, equal to -1.6% at constant exchange rates, from -5.5% in Q3, while the acquisitions of Privé Revaux and Blenders Eyewear added a total of Euro 14.1 million to the Group's North American business.

PRELIMINARY¹ NET SALES BY GEOGRAPHIC AREA FOR Q4

(Euro million)	Q4 2020	%	Q4 2019	%	% change at current forex	% change at constant forex
Europe	86.1	38.2	106.9	46.4	-19.4%	-18.0%
North America	100.9	44.7	84.7	36.8	19.2%	27.0%
Asia Pacific	21.1	9.3	17.0	7.4	24.1%	28.1%
Rest of the world	17.5	7.8	21.8	9.5	-19.7%	-6.5%
Total	225.6	100.0	230.4	100.0	-2.1%	3.0%

The main drivers of the Group's Q4 2020 net sales performance were:

- the resilience of the North American wholesale business, up 8.9% on an organic basis excluding the acquisitions and at constant exchange rates. Q4 total sales in North America were instead up 27.0% at constant exchange rates and 19.2% at current exchange rates, thanks to the contribution, seasonally more moderate than in the previous two quarters, of Privé Revaux and Blenders Eyewear;
- the still challenging trading conditions in Europe, where net sales declined by 18.0% at constant exchange rates (-16.0% for the wholesale business²) and 19.4% at current exchange rates, due to the reintroduction of varying restrictions to people's mobility and commercial activities following the second wave of coronavirus infections. Lockdowns and lack of tourism affected in particular specialty channels like boutiques and travel retail, whereas sales generated through internet pure players continued to register strong progress. The quarter also showed the recovery in order taking and wholesale activity from big chains;
- a business rebound in Asia Pacific, with the quarterly sales up 28.1% at constant exchange rates and 24.1% at current exchange rates, from -6.4% in Q3 2020, thanks to the strong acceleration recorded by the Chinese business, more than tripled in Q4, and to a significant sales acceleration also in Australia;
- improving sales trends in the Rest of the World, down 6.5% at constant exchange rates and 19.7% at current exchange rates, driven by the positive performance in the quarter of Brazil and Mexico and the first signs of a recovery materializing also in the Middle East countries.

Net sales performance in the fourth quarter of 2020 also confirmed the two main trends which emerged during the year with regards to distribution channel and product category.

The progress of Safilo's online sales was in fact very significant also in Q4, standing at around 12% of the Group's net sales (from around 4.5% in the same period of 2019), thanks to the contribution of Blenders and Privé Revaux's e-com activities, and to an organic online sales growth of +60.9% at constant exchange rates, driven by Smith's D2C channel and by the Group's sales generated through internet pure players.

In the still highly restrictive business context which characterized the fourth quarter, the demand of consumers and retail activities in the various markets continued to focus on prescription frames, a product category which is a strategic priority for Safilo and where the Group has been making significant progress in terms of product offer, service level, customer engagement and digital connection thanks to its new B2B platform and CRM system.

PRELIMINARY¹ NET SALES BY GEOGRAPHIC AREA FOR THE FULL YEAR

(Euro in millions)	2020	%	2019	%	% change at current forex	% change at constant forex
Europe	330.4	42.3	448.8	47.8	-26.4%	-25.9%
North America	342.5	43.9	334.0	35.6	2.5%	4.7%
Asia Pacific	60.7	7.8	78.0	8.3	-22.2%	-20.9%
Rest of the world	46.8	6.0	78.3	8.3	-40.3%	-32.6%
Total	780.3	100.0	939.0	100.0	-16.9%	-15.2%

Safilo's preliminary¹ 2020 organic business declined 21.9% at constant exchange rates (-21.5% for the wholesale business²), while the contribution of the acquisitions accounted for Euro 61.8 million for the full period of consolidation. In 2020, Blenders Eyewear and Privé Revaux grew together +66% on a pro-forma performance basis⁴.

In 2020, Safilo's online sales, including acquisitions, accounted for around 13% of the Group's total net sales, from around 4% in 2019.

Net sales performance in the fourth quarter allowed the Group to continue the recovery of earnings which began in the third quarter. In value terms, the positive adjusted³ EBITDA achieved by Safilo in the second half of the year is thus expected to fully offset the significant loss suffered in the first half, allowing the Group to return to break-even in the full year.

On a preliminary¹ basis, at the end of December 2020, the Group's net debt is expected to be around Euro 179 million (pre-IFRS 16), compared to Euro 155.8 million at the end of September 2020.

Notes to the press release:

¹ Preliminary net sales, adjusted EBITDA and Group net debt for 2020 are unaudited.

² The wholesale business excludes the business of the production agreement with Kering, reported within the geographical area of Europe

³ The adjusted EBITDA excludes non-recurring items.

⁴ Safilo Group has consolidated Privé Revaux and Blenders Eyewear in 2020, as per the respective acquisition dates of February 10, 2020 and June 1, 2020. Privé Revaux and Blenders Eyewear pro-forma performance is calculated on their total net sales for 2020 compared to 2019.

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 six 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: Blenders, Carrera, Polaroid, Privé Revaux, Safilo, Seventh Street and Smith. Licensed brands include: Banana Republic, BOSS, David Beckham, Elie Saab, Fendi, Fossil, Givenchy, 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 2019, Safilo Group recorded net revenues for Euro 939 million.

Contacts:

Safilo Group Investor Relations

Barbara Ferrante

Ph. +39 049 6985766

<http://investors-en.safilogroup.com>

Safilo Group Press Office

Elena Todisco

Mob. +39 339 1919562

Anna Cappozzo

Mob. +39 366 9293953