



SAFILO GROUP S.P.A. REPORTS FULL YEAR 2019 PRELIMINARY¹ SALES OF ITS CONTINUING OPERATIONS²

Padua, 29 January, 2020 – The Board of Directors of Safilo Group S.p.A. has today examined the preliminary¹ net sales of the Group's Continuing Operations² for the financial year ended December 31st, 2019. The full year annual results will be approved by the Board of Directors on 11 March, 2020.

Preliminary¹ 2019 net sales of the Continuing Operations² equaled Euro 939.0 million, up 3.1% at current exchange rates and 0.9% at constant exchange rates compared to Euro 910.7 million in 2018.

The wholesale³ business increased by 5.2% at current exchange rates and by 2.8% at constant exchange rates, confirming the expectation outlined by the Group on December 10, 2019. In 2019, the performance at constant currency of the wholesale³ revenues was positive by 3.2% in Europe, while it remained slightly down, by 0.6% in North America despite the business recovery achieved in the 4th quarter.

The year marked significant business progress in Asia, up 19.2% at constant exchange rates, while sales in the Rest of the World recorded an improvement of 1.1%.

2019 wholesale³ performance was driven by the good results achieved by the Group's own core brands Carrera, Polaroid and Smith, overall growing by 5.7% at constant exchange rates, and by the positive performance of the main licensed brands.

In the 4th quarter of 2019, the quarterly wholesale³ performance was up 1.8% at current exchange rates and +0.1% at constant exchange rates, reflecting on one side the abovementioned recovery of the North American business, up 4.2%, and the ongoing strength of Asia-Pacific, up 8.9%, on the other a slowdown of 4.0% in Europe. Preliminary¹ total net sales of the Continuing Operations² in the quarter equaled Euro 230.4 million, down 2.8% at current exchange rates and 4.3% at constant exchange rates mainly due to the expected decline in Europe of the business related to the supply agreement with Kering, which as was communicated in October 2019, has been renewed until the end of 2023.

Preliminary¹ net sales of Continuing Operations² by geographical area:

(Euro in millions)	FY 2019	%	FY 2018	%	% Change at current forex	% Change at constant forex
Europa	448.8	47.8%	452.0	49.6%	-0.7%	-0.7%
North America	334.0	35.6%	319.1	35.0%	4.6%	-0.6%
Asia Pacific	78.0	8.3%	63.3	7.0%	23.1%	19.2%
Rest of the world	78.3	8.3%	76.3	8.4%	2.7%	1.1%
Total	939.0	100.0%	910.7	100.0%	3.1%	0.9%

(Euro in millions)	Q4 2019	%	Q4 2018	%	% Change at current forex	% Change at constant forex
Europa	106.9	46.4%	120.4	50.8%	-11.2%	-11.8%
North America	84.7	36.8%	78.7	33.2%	7.6%	4.2%
Asia Pacific	17.0	7.4%	15.4	6.5%	10.1%	8.9%
Rest of the world	21.8	9.5%	22.4	9.5%	-2.7%	-3.4%
Total	230.4	100.0%	236.9	100.0%	-2.8%	-4.3%

In addition, on a preliminary¹ basis and pre-IFRS 16, Safilo confirms for 2019 an adjusted⁴ EBITDA margin of the Continuing Operations² at 5.5% and a Group net debt around Euro 30 million.

Notes to the press release:

¹ Preliminary net sales of the Continuing Operations, adjusted EBITDA and Group net debt for 2019 are unaudited.

² Continuing Operations exclude the Group's discontinued Retail operations.

³ The wholesale business excludes the business of the production agreement with Kering, reported within the geographical area of Europe.

⁴ The adjusted EBITDA excludes non-recurring.

About Safilo Group

Safilo Group is a worldwide leader in the design, manufacturing and distribution of sunglasses, optical frames, sports eyewear and related products. Thanks to strong craftsmanship expertise dating back to 1878, Safilo translates its designs into high-quality products according to the Italian tradition. Through an extensive wholly owned network of subsidiaries in 40 countries and more than 50 distribution partners in key markets throughout North and Latin America, Europe, Africa, the Middle East, Asia Pacific and China, Safilo is committed to quality distribution of its products in nearly 100,000 selected points of sale worldwide. Safilo's portfolio encompasses its own core brands Carrera, Polaroid, Smith, Safilo, and licensed brands Dior, Dior Homme, Fendi, Banana Republic, BOSS, David Beckham, Elie Saab, Fossil, Givenchy, havaianas, HUGO, Jimmy Choo, Juicy Couture, kate spade new york, Levi's, Liz Claiborne, Love Moschino, Marc Jacobs, Max Mara., Missoni, M Missoni, Moschino, Pierre Cardin, rag&bone, Rebecca Minkoff, Saks Fifth Avenue, Swatch, and Tommy Hilfiger.

Listed on the Italian Stock Exchange (ISIN code IT0004604762, Bloomberg SFL.IM, Reuters SFLG.MI), in 2018 Safilo recorded net revenues for Euro 962.9 million.

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