



SAFILO'S BUSINESS UPDATE IN RELATION TO THE COVID-19 EPIDEMIC

Padua, April 6, 2020 – As is known, from the beginning of January 2020, the national and international context has been characterized by the spread of Covid-19 (Coronavirus) and the subsequent measures to contain it put in place by the public authorities in the affected countries. First Italy, followed by the other European countries, and more recently the United States and many emerging markets, have disposed, with variable level of severity, restrictions to people's mobility and shutdown of production and commercial activities which are not of primary necessity for the populations.

As of today, given the spread of the pandemic, it is not possible to forecast what the developments will be both in terms of contagion and of the future actions taken by each government.

In this situation, Safilo has adopted all necessary measures to protect staff health and business continuity, including measures related to hygiene in all its facilities, remote working solutions for office staff and is actively working on continuity of supply chain operations.

Until today, Safilo was not significantly impacted on the supply side as sufficient stock levels at the end of 2019 granted the Group the flexibility to face the temporary shutdown of its Chinese plant in Suzhou and the difficulties encountered by Chinese suppliers during January and February. Since then, the Chinese plant has reopened and is working at almost full capacity, while most of the key Chinese suppliers are also back to normal activity levels.

On the demand side, in the first two months of 2020 Safilo recorded a positive mid-single digit increase in net sales, which was nevertheless expected to flatten out by the end of Q1, based on the preliminary data and information collected early March, after the outbreak of Covid-19 escalated in Italy, while only initial signs were experienced across Europe and in the US.

From mid-March, the spread of Coronavirus escalated also across Europe and the United States, with the most severe measures of national lockdowns and shutdowns of activities implemented in the last two weeks of March.

These extraordinary circumstances are having direct and indirect repercussions on Safilo's economic activity, resulting in negative effects for the Group's sales and earnings performance which are today impossible to predict for the full year. As a consequence, the 2020 outlook provided by the Company on December 10, 2019, in the context of the release of its Group Business Plan 2020-2024, is no longer valid.

As for the Group's business development in the first quarter of the year, based on preliminary data, Safilo's net sales are now expected to decline by 11%-13% at constant exchange rates compared to the same quarter of 2019.

Group Management has designed a mitigating action plan, focusing on minimizing discretionary expenditures and Capex, adjusting marketing plans to the new consumption scenario and implementing an effective working capital and cash protection management.

Even in the uncertain scenario described above, Management remains committed to continue pursuing the key strategies outlined in the Group Business Plan 2020-2024 presented on 10 December 2019.

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, Privé Revaux, 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 2019 Safilo recorded net revenues for Euro 939 million.

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