



## SAFILO GROUP S.P.A. REPORTS FULL YEAR 2018 PRELIMINARY<sup>1</sup> SALES

**Padua, 30 January, 2019** – The Board of Directors of Safilo Group S.p.A. has today examined the preliminary<sup>1</sup> net sales of the Group for the financial year ended December 31<sup>st</sup>, 2018. The full year annual results will be approved by the Board of Directors on 13 March, 2019.

Preliminary<sup>1</sup> net sales for 2018 equaled Euro 962.9 million, down 4.0% at constant exchange rates and 7.0% at current exchange rates compared to Euro 1,035.3 million in 2017<sup>2</sup>. This performance is substantially in line with the expectation formulated by the Group on the net sales for the year (a decline of around 3% at constant exchange rates and around 6% at current exchange rates).

The wholesale business<sup>3</sup> declined by 5.1% in 2018 at constant exchange rates.

In the fourth quarter of 2018, Safilo's preliminary<sup>1</sup> net sales equaled Euro 249.1 million, up 1.3% at constant exchange rates and 1.8% at current exchange rates compared to the same period of 2017<sup>2</sup>.

The performance of the wholesale business<sup>3</sup> was negative by 4.1% at constant exchange rates.

Preliminary<sup>1</sup> net sales by geographical area:

(Euro million)	2018	%	2017 <sup>2</sup>	%	Change %	Change % (*)
<b>Europe</b>	452.0	46.9	457.7	44.2	-1.2%	<b>-0.1%</b>
<b>North America</b>	371.3	38.6	422.3	40.8	-12.1%	<b>-8.1%</b>
of which: Wholesale	319.1	33.1	357.0	34.5	-10.6%	<b>-6.6%</b>
<b>Asia Pacific</b>	63.3	6.6	64.3	6.2	-1.5%	<b>2.1%</b>
<b>Rest of the world</b>	76.3	7.9	91.0	8.8	-16.2%	<b>-8.6%</b>
<b>Total</b>	<b>962.9</b>	<b>100.0</b>	<b>1,035.3</b>	<b>100.0</b>	<b>-7.0%</b>	<b>-4.0%</b>

(Euro million)	Q4 2018	%	Q4 2017 <sup>2</sup>	%	Change %	Change % (*)
<b>Europe</b>	120.4	48.3	97.2	39.7	23.8%	<b>25.1%</b>
<b>North America</b>	90.9	36.5	97.0	39.6	-6.3%	<b>-9.5%</b>
of which: Wholesale	78.7	31.6	81.6	33.3	-3.6%	<b>-6.7%</b>
<b>Asia Pacific</b>	15.4	6.2	18.7	7.6	-17.4%	<b>-19.2%</b>
<b>Rest of the world</b>	22.4	9.0	31.9	13.0	-29.7%	<b>-26.1%</b>
<b>Total</b>	<b>249.1</b>	<b>100.0</b>	<b>244.8</b>	<b>100.0</b>	<b>1.8%</b>	<b>1.3%</b>

(\*) Sales performance at constant exchange rates

In terms of operating performance, Safilo expects that the cost saving program executed in the second half of the year will allow the Group to close the year with an adjusted EBITDA<sup>4</sup> margin close to 5%, at the high end of its expectation range for the year of 4%-5%.

Notes to the press release:

<sup>1</sup> Preliminary net sales for 2018 are unaudited.

<sup>2</sup> The new accounting standard IFRS 15 regarding “Revenue from contracts with customers” entered into effect starting from 1 January 2018. Following the fully retrospective approach chosen by the Group, the application of the principle to the fourth quarter and full year 2018 had an adjustment effect on the sales and cost of goods sold of the same periods of 2017 equal respectively to Euro 4.4 million and Euro 11.6 million, with a neutral effect on the gross profit. Consequently, net sales in the fourth quarter and full year 2017 were adjusted to Euro 244.8 and Euro 1,035.3 million respectively.

<sup>3</sup> The performance of the wholesale business excludes the business of the production agreement with Kering and sales of the Solstice retail chain in the USA. The Kering production agreement is reported within the Europe geographical area, and Europe excluding this business in the full year declined by 4.5% at constant exchange rates and in the fourth quarter grew 9.8% at constant exchange rates.

<sup>4</sup> The adjusted EBITDA excludes certain non-recurring costs and includes the accounting compensation for the early termination of the Gucci license.

**About Safilo Group**

Safilo Group is a worldwide leader in the design, manufacturing and distribution of sunglasses, optical frames, sports eyewear and products. Thanks to strong craftsmanship expertise dating back to 1878, Safilo translates its design projects into high-quality products created according to the Italian tradition. With an extensive wholly owned network of subsidiaries in 40 countries – in North and Latin America, Europe, Middle East and Africa, and Asia Pacific and China – and more than 50 distribution partners in key markets, Safilo is committed to quality distribution of its products in nearly 100,000 selected points of sale all over the world. Safilo’s portfolio encompasses: own core brands Carrera, Polaroid, Smith, Safilo, Oxydo, and licensed brands: Dior, Dior Homme, Fendi, Banana Republic, BOSS, Elie Saab, Fossil, Givenchy, havaianas, HUGO, Jimmy Choo, Juicy Couture, kate spade new york, Liz Claiborne, Love Moschino, Marc Jacobs, Max Mara, Max&Co., 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 preliminary<sup>1</sup> net sales for Euro 962.9 million.

*Contacts:*

**Safilo Group Investor Relations**

Barbara Ferrante

Ph. +39 049 6985766

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

**Safilo Group Press Office**

Antonella Leoni

Milan – Ph. +39 02 77807607

Padua – Ph. +39 049 6986021