Eyewear giant Safilo has reported that sales in the first quarter rose 20% at constant exchange rates to reach €251.4 million. And while that growth came with tricky comparisons because of the onset of the pandemic a year earlier, the company also said that a more meaningful comparison – with 2019’s first quarter – also saw growth of 6%.

This was thanks to the strong performance of the group’s own brands and its core licenses, as well as the significant contribution of new brands in the portfolio that effectively compensated for licenses terminated at the end of last year.

The positive sales performance was driven by the US and a better than expected contribution from its newly acquired e-commerce business. Safilo’s online business grew 164%, mainly thanks to the contribution of Blenders e-commerce, up 79% on a pro-forma performance basis, plus the growth of Smith’s D2C channel, and sales generated through internet pure-players. This all boosted Safilo’s total online business to 13% of its net sales from 5.9% in Q1 2020.

As expected, China, Australia and the Middle East were strong, but Europe was “overall soft” as it was still “penalised by the persisting retail restrictions in a number of markets and distribution channels”.

Yet overall, the positive sales development, coupled with ongoing cost controls as a reaction to the pandemic and as part of a general cost containment project in recent years led to “a significant improvement” in its operating performance.

Adjusted EBITDA was €25.8 million in Q1 2021, compared to €5.8 million in Q1 2020 and €20 million in Q1 2019.
Adjusted EBITDA was €25.8 million in Q1 2021, compared to €5.8 million in Q1 2020 and €20 million in Q1 2019. The adjusted EBITDA margin reached 10.3%, compared to 2.6% in Q1 2020 and 8.1% in Q1 2019.

Looking at the brand performance, it said it saw strong growth of its own brands Smith and Carrera, and a meaningful rebound of its licenses such as Hugo Boss, Tommy Hilfiger, Kate Spade and Jimmy Choo.

As mentioned, the contribution of newer businesses such as Privé Revaux and Blenders, and the new licensed brands in the portfolio, such as Levi’s, David Beckham, Missoni, Ports and Isabel Marant, made up for licenses it no longer held.

By Sandra Halliday