Eyewear group Safilo's portfolio overhaul boosts core profit margin

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Italian eyewear group Safilo reported an improved core profit margin for the full-year as sales received a boost from its brand portfolio overhaul.

The maker of frames for Chanel, Prada and Versace reported a preliminary full-year earnings before interest, tax, depreciation and amortisation (EBITDA) margin of 8.7%, compared to breakeven a year ago.

Preliminary sales in 2021 rose by 26.3% at constant currencies to 969.6 million euros ($1.1 billion) but fell 0.7% to 232.2 million euros in the fourth quarter as new restrictions followed the spread of COVID-19 variant Omicron.

Safilo had to deal with the impact of losing most of its LVMH licences, including its most lucrative one with Dior, and its Gucci license from Kering.

To reduce its exposure to sunglasses, which were less resilient than prescription frames during the pandemic as people stayed home and travelled less, it launched an optical range for its Polaroid brand and expanded its Carrera range.