

EssilorLuxottica

EssilorLuxottica's third-quarter revenue

Keeping the high-single-digit pace, growing globally

- Group's revenue at Euro 6.4 billion, up 17.0%² in Q3 versus 2021
- +8.2%² at constant exchange rates¹ in third quarter
- +8.8%² at constant exchange rates¹ in the first nine months

In Q3 at constant exchange rates¹:

- EMEA growing 9.2%², North America up 3.4%² on a tough comparison
- Asia-Pacific and Latin America growing double digits
- Comparable-store sales³ growing by 6.5%
- E-commerce at 7% of total revenue, back to growth in Q3

Charenton-le-Pont, France (October 21, 2022 - 7:00 am) – EssilorLuxottica today announced that consolidated revenue for the third quarter of 2022 totaled Euro 6,394 million, representing a year-on-year increase of 8.2%² at constant exchange rates¹ compared to the third quarter of 2021 (+17.0%² at current exchange rates).

Francesco Milleri, Chairman and CEO, and Paul du Saillant, Deputy CEO at EssilorLuxottica commented: *"We are pleased with the solid performance our Company delivered in the third quarter of this year, with all the regions posting growth, from Asia-Pacific and Latin America, to EMEA and North America. The results once again demonstrate the power of our business model as well as the determination and agility of our almost 200,000 people worldwide, committed to the long term view we shared at our Capital Market Day this year.*

Proving the impact we can have together, we earned the sixth spot on the Fortune Change the World list and celebrated World Sight Day by delivering vision care to more than 350,000 children and adults worldwide, all in the same week. We are a company that consistently delivers results and supports our communities, this ties into our commitment to growing the market for the benefit of all stakeholders.

Looking ahead, we remain confident in our strategic vision and our ability to deliver on our long-term outlook."

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Unless otherwise specified, the commentary in the following pages is based on revenue performance at constant exchange rates¹ versus 2021 comparable² revenue.

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Revenue by operating segment

<i>Euro millions</i>	Q3 2022	Q3 2021*	Change at constant exchange rates¹	Change at current exchange rates
Professional Solutions	3,029	2,577	7.8%	17.5%
Direct to Consumer	3,365	2,888	8.5%	16.5%
TOTAL REVENUE	6,394	5,465	8.2%	17.0%

* Comparable² revenue.

Professional Solutions

In the third quarter of the year, the wholesale business registered revenue of Euro 3,029 million, up 7.8% compared to the same period of 2021 (+17.5% at current exchange rates).

The business expanded at a slightly faster pace compared to the second quarter with rebounding Asia-Pacific and Latin America growing double digits, as well as EMEA and North America progressing at a high- and low-single-digit rate, respectively.

EMEA gained momentum on the back of an acceleration in France, Turkey and the Middle East, paired with the sound growth of Italy, the UK and Spain, driven in particular by the sun frame category. Asia-Pacific was boosted by Mainland China turning mid-teens positive and the strong growth of all the other countries in the region. North America progressed at low-single digit, slightly slower than in the second quarter, held back by negative independent ECPs and a softer frame business, partly offset by stronger lenses. In Latin America, Brazil and Mexico kept a solid growth trajectory.

Direct to Consumer

In the third quarter, the retail business recorded revenue of Euro 3,365 million, up 8.5% compared to the same period of 2021 (+16.5% at current exchange rates).

With Asia-Pacific strongly bouncing back, from slightly negative in the second quarter to double-digit growth in the third, all the regions contributed to the segment performance – like in Professional Solutions. Comparable-store sales³ progressed at 6.5%, broadly in line with the previous quarter, confirming the positive performance for both optical and sun banners globally. E-commerce posted mid-single-digit growth, on top of an almost 50% jump in the third quarter of 2021 versus 2019, with EyeBuyDirect.com standing out as the top-performing platform in the quarter, growing in the mid-teens range.

In brick-and-mortar retail, revenue grew mid-single digit in North America, with LensCrafters and Sunglass Hut respectively low-single digit negative and positive, and Target Optical low-single digit positive. EMEA landed still in the double-digit territory, progressively normalizing after the remarkable rebound of the first and second quarter, with sun still fueled by tourism in the high season of the third quarter and optical confirming its solid trajectory. Asia-Pacific strongly recovered, from single digit in the second quarter up to around one third in the third quarter, driven by both optical and sun, benefiting from the easy comparison in Australia, which was affected by restrictions in the same period of 2021. The reopenings in China, following severe lockdowns in the first half of this year, also supported the recovery. Latin America was in deceleration, from double digits in the second quarter to high-single digit in the third. Optical slowed down, particularly in Chile and Peru (on a tough comparison base), which offset the mid-teen growth of GrandVision's banners, mostly driven by Mexico.

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Revenue by geographical area

<i>Euro millions</i>	Q3 2022	Q3 2021*	Change at constant exchange rates¹	Change at current exchange rates
North America	3,009	2,497	3.4%	20.5%
EMEA	2,262	2,101	9.2%	7.6%
Asia-Pacific	761	577	22.7%	31.7%
Latin America	363	289	12.6%	25.5%
TOTAL REVENUE	6,394	5,465	8.2%	17.0%

* Comparable² revenue.

North America

North America posted revenue of Euro 3,009 million, up 3.4% compared to the third quarter of 2021 (+20.5% at current exchange rates), a slight acceleration versus the second quarter driven by the Direct to Consumer division.

Professional Solutions was up low-single digit. The lens business improved compared to the previous quarter with branded lenses continuing to outpace the unbranded product portfolio. The frame business delivered softer results versus a comparison base which was the toughest of last year. Key accounts, department stores and third-party e-commerce had a lead over the independent channel, which was suffering mostly on the non-program customers. EssilorLuxottica 360 as well as the alliances, in particular Vision Source, kept up their healthy performance.

Direct to Consumer grew mid-single digit. Revenue of LensCrafters was down low-single digit on a challenging comparison base, but price-mix held up well on both lenses and frames thanks to the increased penetration of Varilux, Transitions and Blue IQ as well as the luxury eyewear portfolio. Sunglass Hut was low-single-digit positive despite the increasingly challenging comparison base of last year. Results were favored by continued strong traffic and touristic locations especially during the August holiday period. For the third consecutive quarter, Oakley was the best performing banner in comparable-store sales³, reaping the benefits of the successful brand building campaigns launched in recent years as well as the store format evolution. The e-commerce business returned to growth mode advancing mid-single digit on top of the two thirds expansion in the third quarter of 2021 versus 2019. EyeBuyDirect.com and SunglassHut.com were once again leading the way with Oakley.com closely following suit. EyeMed continued its double-digit growth trajectory.

EMEA

EMEA recorded revenue of Euro 2,262 million, up 9.2% compared to the third quarter of 2021 (7.6% at current exchange rates), benefitting from the contribution of both wholesale and retail segments.

Professional Solutions continued its positive trajectory, posting high-single-digit growth. The performance was driven by the sun business, with strong luxury brands (Prada almost doubling), and the continued solid performance of the lens business. The division benefitted from the acceleration in the key country of France, along with Turkey and the Middle East, as well as sound growth in Italy, Spain and the UK.

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Brick-and-mortar revenue closed up double digits, with the sun business continuing to be the leading growth driver, benefitting also from touristic flows. Sunglass Hut, progressively normalizing after the outstanding growth of the two previous quarters, advanced in revenue by 60% driven by luxury brands. The optical business continued its growth trajectory, with Salmoiraghi & Viganò posting double-digit revenue growth in Italy and an overall solid performance in the GrandVision network despite a record comparison base last year, led by the UK, France and Spain. The e-commerce business supported the performance of the region with a mid-single-digit growth and all main banners contributing.

Asia-Pacific

Asia-Pacific was the best performing region posting revenue of Euro 761 million, up 22.7% compared to the third quarter of 2021 (+31.7% at current exchange rates), with both segments sharply accelerating compared to the second quarter.

The Professional Solutions business expanded double digits in all main countries. After its negative performance in the previous quarter, Mainland China grew in the mid-teens as a consequence of fewer COVID-19 lockdowns impacting the country. The lens business performed particularly well effectively leveraging its myopia management portfolio during the back-to-school season. The growth of Stellest and CRT was boosted by the launch of new evolutions, namely Stellest x Crizal Rock and CRT5.0, while the distribution of Nikon D.O.T. and MiSight was off to a promising start. The other countries of the region continued their growth trajectory with South-East Asia and Australia visibly improving.

Brick-and-mortar revenue was up around one third in the quarter, with both optical and sun significantly accelerating compared to the second quarter. LensCrafters improved its performance in China with the repositioning of the banner starting to show positive signs and the new store format hosting the “Essilor Vision Center” launched in August. In Australia, all banners delivered strong growth compared to last year when the country was affected by COVID-19 related restrictions and store closures. OPSM’s revenue was up around one third, with branded lenses continuing to gain share. The strength of refurbished stores drove the performance at Sunglass Hut and Oakley in the country, more than doubling revenue as a whole. In addition, the luxury brands in Sunglass Hut continued to advance strongly. Sunglass Hut also confirmed the positive trajectory of the previous quarter in South-East Asia.

Latin America

Latin America posted revenue of Euro 363 million, up 12.6% compared to the third quarter of 2021 (+25.5% at current exchange rates) rebalancing its growth trajectory compared to the first half due to a toughening comparison base.

In Professional Solutions, Brazil grew mid-single digit. The lens business was sustained by the strong performance of Kodak and Varilux while the vivid demand for luxury eyewear brands continued to drive results on the frames side. Mexico accelerated in the third quarter with Argentina and Colombia keeping up the vibrant trend of the previous period.

The Direct to Consumer division progressed at high-single digit. The growth continued to be fueled by a strong performance of Sunglass Hut in Brazil and Mexico, both growing more than 40%, with the luxury frame portfolio continuing to play a vital role. In addition, the performance of Mexico continued to benefit from the opening of the “Palacio de Hierro” stores. Revenue in optical were low-single-digit positive as a result of a mixed performance between the banners. GMO crossed into negative territory compared to last year when revenue sharply accelerated, especially in the main market of Chile, while the GrandVision stores kept up the strong momentum of mid-teens revenue growth.

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Nine-month revenue by operating segment

<i>Euro millions</i>	9M 2022	9M 2021*	Change at constant exchange rates¹	Change at current exchange rates
Professional Solutions	8,865	7,720	7.6%	14.8%
Direct to Consumer	9,523	8,198	10.0%	16.2%
TOTAL REVENUE	18,388	15,918	8.8%	15.5%

* Comparable² revenue.

Nine-month revenue by geographical area

<i>Euro millions</i>	9M 2022	9M 2021*	Change at constant exchange rates¹	Change at current exchange rates
North America	8,600	7,340	4.4%	17.2%
EMEA	6,663	5,966	12.9%	11.7%
Asia-Pacific	2,112	1,836	8.8%	15.0%
Latin America	1,013	776	18.9%	30.5%
TOTAL REVENUE	18,388	15,918	8.8%	15.5%

* Comparable² revenue.

In the first nine months of 2022, revenue amounted to Euro 18,388 million, up 8.8% versus the same period of 2021 (+15.5% at current exchange rates). Year-on-year growth remained strong throughout the first three quarters of the year, despite the gradually toughening comparison base.

Professional Solutions was up 7.6% versus the first nine months of 2021 (+14.8% at current exchange rates). After a slight slowdown in the second quarter, the segment accelerated in the third quarter despite an even tougher comparison base. Direct to Consumer grew 10.0% (+16.2% at current exchange rates), driven by EMEA and Latin America, as well as Asia Pacific in the third quarter. Growth was driven by the sun category, while optical steadily progressed.

All regions grew in the first nine months of the year. Despite a tough comparison base in North America, the region posted solid results of +4.4% (+17.2% at current exchange rates). EMEA was up 12.9% (+11.7% at current exchange rates), leading the growth together with Latin America, the top performing region, up 18.9% (+30.5% at current exchange rates). Asia-Pacific grew 8.8% (+15.0% at current exchange rates), boosted by the strong acceleration of both divisions in the third quarter.

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Storecount on September 30, 2022

	North America	EMEA	Asia-Pacific	Latin America	Corporate Stores	Franchising & Other	Total Storecount
Sunglass Hut	1,676	615	294	413	2,998	187	3,185
LensCrafters	1,012		81		1,093	5	1,098
Apollo Optik		678			678	220	898
Vision Express		657			657	168	825
Target Optical	555				555		555
MasVision		74		465	539	9	548
Pearle		492			492	228	720
GMO				429	429		429
Générale d'Optique		387			387	288	675
OPSM			367		367	28	395
Atasun		291			291	28	319
Oakley	184	11	70	18	283	80	363
Salmoiraghi & Viganò		251			251	28	279
Synoptik		248			248		248
Ray-Ban	31	45	132	39	247		247
GrandOptical		233			233	79	312
Optical House		220			220		220
GrandVision		205		14	219		219
Mujosh			136		136	432	568
Pearle Vision	111				111	461	572
MultiOpticas		106			106	112	218
Aojo			83		83	267	350
Bolon			49		49	159	208
Óticas Carol				24	24	1,437	1,461
All Others	250	1,521	133	738	2,642	173	2,815
Total EssilorLuxottica	3,819	6,034	1,345	2,140	13,338	4,389	17,727

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Long-term Outlook confirmed at the Capital Market Day

During EssilorLuxottica's Capital Market Day hosted in Milan on September 14, the CFO, Stefano Grassi, presented the financial roadmap of the Company, confirming the long-term outlook communicated on March 11 this year, summarized as follows:

- mid-single-digit annual revenue growth from 2022 to 2026, at constant exchange rates¹ (based on 2021 comparable² revenue);
- adjusted⁴ operating profit as a percentage of revenue in the range of 19-20% in 2026.

As a reminder, the full replay of the Capital Market Day presentations is available on our website. You may find it here: [EL CMD webcast replay](#)

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Conference call

A conference call in English will be held today at 10:30 am CEST.
The meeting will be available live and may also be heard later at:
<https://streamstudio.world-television.com/1217-2090-34184/en>

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Notes

As table totals are based on unrounded figures, there may be discrepancies between these totals and the sum of their rounded component.

1 Constant exchange rates: figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the relevant comparative year.

2 Comparable (revenue)/(growth): comparable revenue includes, for 2021, the contribution of GrandVision's revenue to EssilorLuxottica as if the combination between EssilorLuxottica and GrandVision (the "GV Acquisition" or "GV Combination"), as well as the disposals of businesses required by antitrust authorities in the context of the GV Acquisition, had occurred on January 1, 2021. Comparable revenue has been prepared for illustrative purpose only with the aim to provide meaningful comparable information.

3 Comparable-store sales: reflect, for comparison purposes, the change in sales from one period to another by taking into account in the more recent period only those stores already open during the comparable prior period. For each geographic area, the calculation applies the average exchange rate of the prior period to both periods.

4 Adjusted measures or figures: adjusted from the expenses or income related to the combination of Essilor and Luxottica (the "EL Combination"), the acquisition of GrandVision (the "GV Acquisition" or "GV Combination") and other transactions that are unusual, infrequent or unrelated to the normal course of business as the impact of these events might affect the understanding of the Group's performance. A description of those other transactions that are unusual, infrequent or unrelated to the normal course of business is provided in the half-year and year-end disclosure (see dedicated paragraph *Adjusted measures*).

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DISCLAIMER

This press release contains forward-looking statements that reflect EssilorLuxottica's current views with respect to future events and financial and operational performance. These forward-looking statements are based on EssilorLuxottica's beliefs, assumptions and expectations regarding future events and trends that affect EssilorLuxottica's future performance, taking into account all information currently available to EssilorLuxottica, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and EssilorLuxottica cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to EssilorLuxottica or are within EssilorLuxottica's control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing EssilorLuxottica. Any forward-looking statements are made only as of the date of this press release, and EssilorLuxottica assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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About EssilorLuxottica

EssilorLuxottica is a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. Formed in 2018, its mission is to help people around the world to see more and be more by addressing their evolving vision needs and personal style aspirations. The Company brings together the complementary expertise of two industry pioneers, one in advanced lens technology and the other in the craftsmanship of iconic eyewear, to set new industry standards for vision care and the consumer experience around it. Influential eyewear brands including Ray-Ban and Oakley, lens technology brands including Varilux and Transitions, and world-class retail brands including Sunglass Hut, LensCrafters, Salmoiraghi & Viganò and GrandVision are part of the EssilorLuxottica family. EssilorLuxottica has approximately 180,000 employees. In 2021, the Company generated consolidated *pro forma* revenue of Euro 21.5 billion. The EssilorLuxottica share trades on the Euronext Paris market and is included in the Euro Stoxx 50 and CAC 40 indices. Codes and symbols: ISIN: FR0000121667; Reuters: ESLX.PA; Bloomberg: EL.FP. For more information, please visit www.essilorluxottica.com.