Four consecutive years of record results for Luxottica: Board of Directors and Chairman Leonardo Del Vecchio review recent success

"This is the company we bring to EssilorLuxottica"

Milan (Italy), January 30, 2019 – The Board of Directors of Luxottica Group S.p.A. (MTA: LUX) met today for its last session before the company delists from Borsa Italiana's MTA (Mercato Telematico Azionario) on March 5, 2019. The delisting follows the birth of EssilorLuxottica on October 1, 2018.

Under the leadership of the visionary entrepreneur Leonardo Del Vecchio, Luxottica shares went public for the first time on the New York Stock Exchange at less than one US dollar per share in 1990 and will leave Borsa Italiana at over Euro 50 per share, having multiplied its value by over fifty times in almost thirty years.

The Board took the opportunity to review its four-year activity and would like to thank all the shareholders who have given their trust to the Group and its Chairman and founder over time. Since his return to the helm of Luxottica in 2015, Leonardo Del Vecchio achieved a profound strategic, operational, technological and managerial renewal. The Board reviewed and assessed the most significant strategic initiatives launched and completed over its two mandates.

Organizational simplification: A return to simplicity in managing processes and relationships within the company has made the Group more cohesive. The centralization of global business and product strategies has allowed Luxottica as a corporation to think centrally and perform rigorously at the regional and country level. The company has increased control and efficiency on key variables such as pricing, assortment, logistics and services to the end customer.

Management renewal: Pursued with determination, the Group built through sequential phases a new structure of governance and the strongest managerial team ever. Bright, capable leaders with a fresh perspective have embraced new digital technologies in full harmony with the dynamics of markets.

Company-wide digitization: This is the transformation that is most dear to Leonardo Del Vecchio, who challenged the company to digitize from the ground up after years of delay. The Group now utilizes millions of data points to make decisions in real time and plan and execute its strategies. Today, technology is the backbone of every corporate function: production, distribution and sales in all markets and in all channels - wholesale, retail and online. Luxottica has changed the way it speaks with millions of consumers around the world, being today one of the largest private digital broadcasters globally, with over fifteen thousand digital windows installed in its stores and customers' shops. It is only the beginning of the digital journey and in 2019 the company plans to introduce new ways of interacting with its products, including bringing an entire digital catalog of Luxottica eyewear into optical stores around the world. The Group has also invested heavily in the development of its industrial infrastructure, innovating in production technologies and automation.

The "complete pair" revolution: A historical "first" for the eyewear sector, the Group can bring a complete solution of lenses and frames to retail stores through a single service channel. Two components that have always been complementary are now designed and produced together. Moreover, the extension of the value of the brands in the portfolio to the prescription lenses prepares the entire industry to respond in a new way to the growing demand for customized products. In support of this vision, the Group completed the construction of three new state-of-the-art hubs in Italy, the United States and China, each capable of integrating the production and distribution of lenses and frames.

Quality of the results

Good strategies are the foundation for good results. While the full impact of the return on recent initiatives carried out by the Group will be fully visible in the coming years, today the numbers confirm the solidity of strategic choices undertaken. The Board has developed simple but extremely clear indicators to summarize what has been achieved.

From the comparison of the cumulative results of the latest four years compared to the period 2010-13:

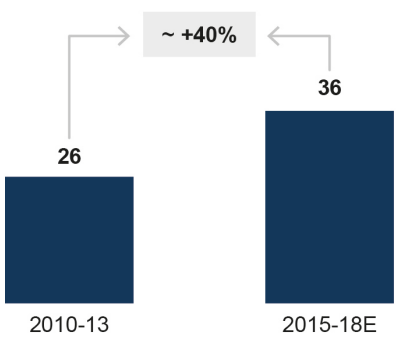
- Cumulative sales increased by around 40% from Euro 26 billion to 36 billion;
- Adjusted[1] operating income increased by approximately 60%;
- Adjusted[1] net income increased by approximately 80%;
- Adjusted[1] net margin rose from around 7.5% to over 10%.

Additionally, the Net Debt/EBITDA ratio shrunk from 2.0x in 2010 to an estimated figure in the range of 0.2x–0.3x in 2018, thanks to the strong free cash flow generation.

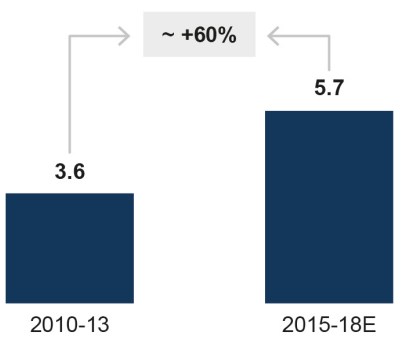
In particular, the Board expressed satisfaction in noting that in the period between 2015-2018, the adjusted[1] operating and net profitability data per unit sold were approximately 20% and 35% higher respectively compared to the previous ten years.

This resulted in strong value creation for all shareholders, with a cumulative dividend in the last four years that nearly doubled its value compared to the period 2010-13.

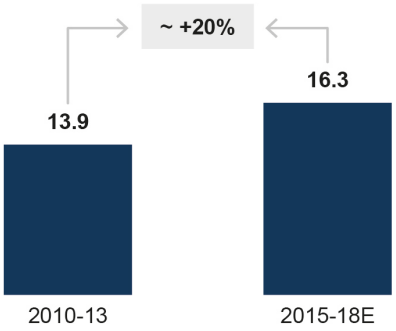
Cumulative sales
(Billions of Euros)



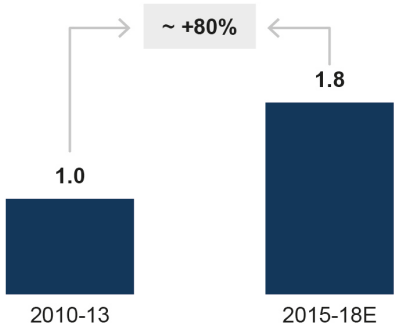
Cumulative adjusted[1] operating income
(Billions of Euros)



Yearly average adj.[1] operating income per unit sold *(Euros)*

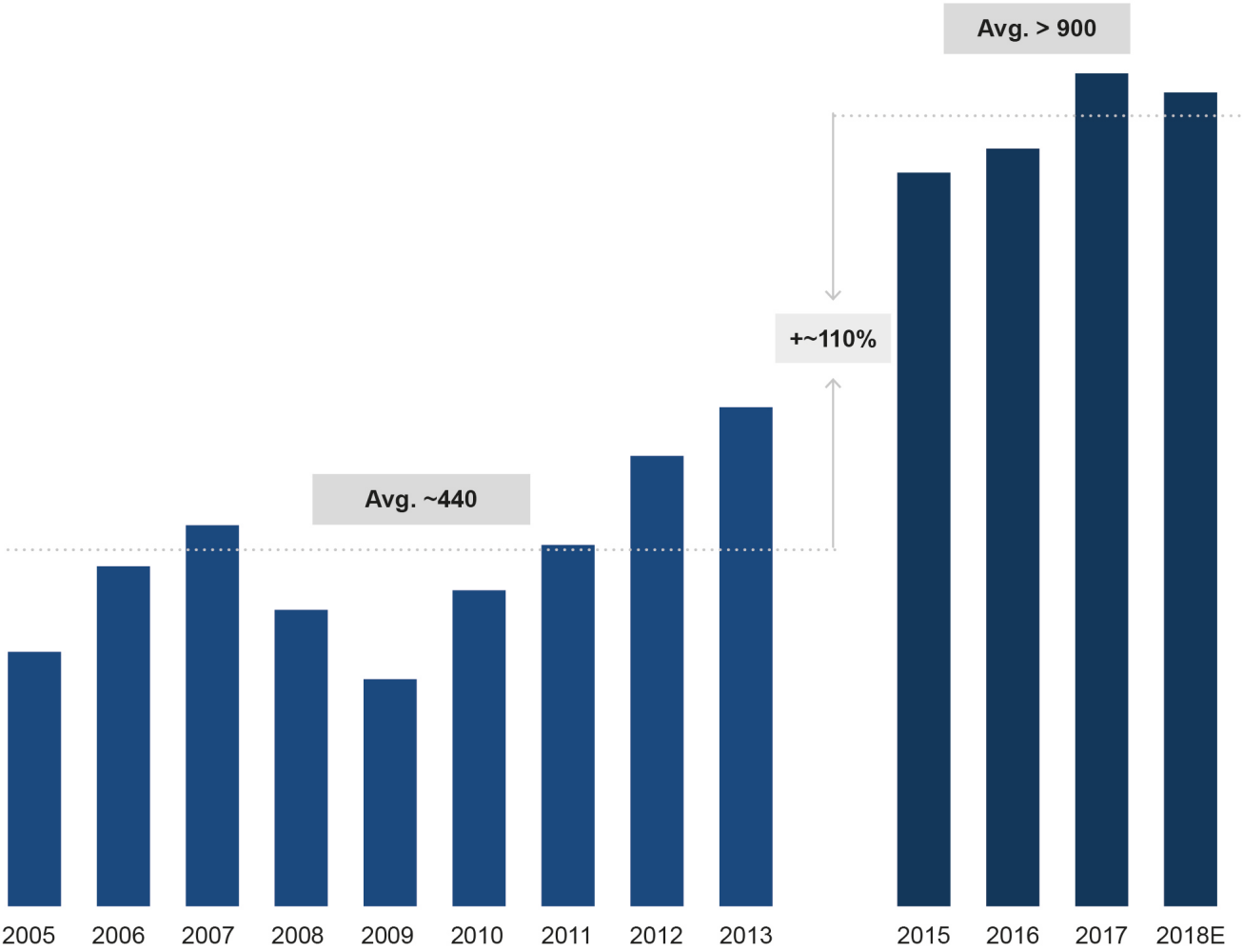


Cumulative dividend
(Billions of Euros)



The clearest reading of the effectiveness of the new strategies of the Group is exemplified by the trend of adjusted[1] net profit of the last four years.

Adjusted[1] net income
(Millions of Euros)



The financial information for the year 2018, used for the purposes of preparing the data presented above, represents management estimates and has not yet been approved by the Board of

Directors or audited. Luxottica Group's results for the financial year 2018 will be published on March 8, 2019 following the approval of the Board of Directors of EssilorLuxottica.

Comments from the Chairman

"*I would like to thank our Board of Directors for giving full support to all the Group's managers in these past four years, sustaining their decisions and giving valuable advice. The results, when looked at cumulatively, reward the great work we have done even if not always immediately recognized externally,*" commented Leonardo Del Vecchio.

"At this moment my thoughts go to Luigi Francavilla, the companion of a whole working life. To his abilities and his passion we owe a lot of what we have built together. A special thanks goes also to our CEO, Francesco Milleri, whose contributions these last four years have made a lasting impact on the company."

"*I achieved every goal that I have set to improve any single area of the Group, making it strong, full of ideas, technology and passion and, at the same time, able to bring back the net margin above the threshold of 10%. This is the company that we bring to EssilorLuxottica, the new adventure to which I am pleased to give my full contribution."*

"*In these four years, we have completed a strong renewal of our top management and, never like today, Luxottica can count on strong leaders at every level, experienced but moreover fresh eyes, talented and ready to grab opportunities of growth in the market. To all of them and to our eighty thousand employees around the world, I renew my special thanks for their trust, passion and loyalty to this wonderful company*."

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Notes to the press release

1 For the definition of adjusted figures, reference should be made to the definitions included in the previous press releases on the financial results of the periods taken into consideration.

Luxottica Group S.p.A.

Luxottica is a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear. Its portfolio includes proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples and Alain Mikli, as well as licensed brands including Giorgio Armani, Burberry, Bulgari, Chanel, Coach, Dolce&Gabbana, Ferrari, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Valentino and Versace. The Group's global wholesale distribution network covers more than 150 countries and is complemented by an extensive retail network of approximately 9,000 stores, with LensCrafters and Pearle Vision in North America, OPSM and LensCrafters in Asia-Pacific, GMO and Óticas Carol in Latin America, Salmoiraghi & Viganò in Italy and Sunglass Hut worldwide. In 2017, with approximately 85,000

employees, Luxottica posted net sales of over Euro 9 billion. Additional information on the Group is available at www.luxottica.com.

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