EssilorLuxottica

Capital Market Day



14.09.2022

Francesco Milleri

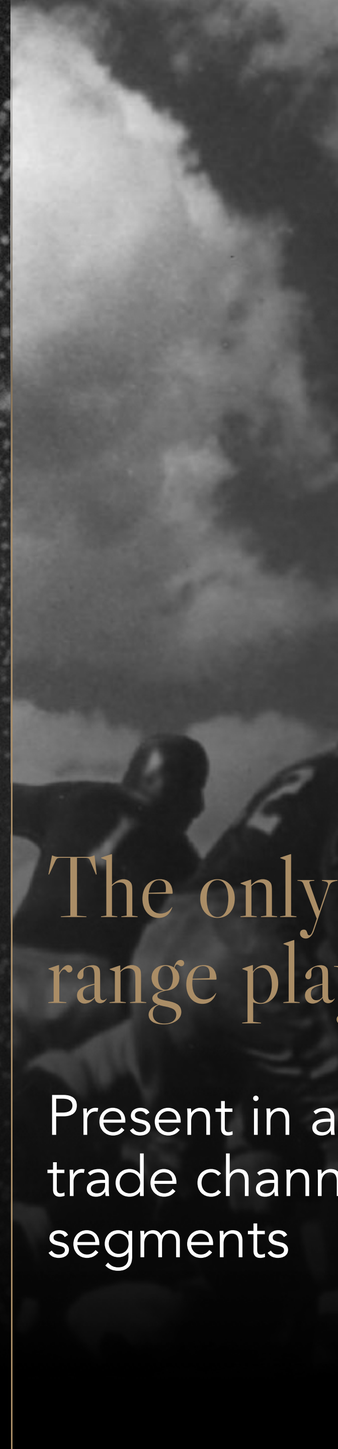
Chairman and Chief Executive Officer

Growing with the market, not in the market



The biggest in the industry

Unique market structure, scale disparity has increased further



The only full range player

Present in all products, trade channels, price segments



The only global player

Directly present in more than 150 countries



Partnering with all

We are supplier and customer to almost all players within an interconnected market


Open model for
a network company

Paul du Saillant

Deputy Chief Executive Officer

A new integrated end-to-end omnichannel company

Unique asset portfolio

Innovation

Industry Pioneer, Top Spender in R&D

> 11,000
Patents

> 3,500
New Eyewear Models / Year

Brand Portfolio

All product and price ranges

> 150 Brands

- Frames
- Lenses
- Instruments
- Equipment
- Contact Lenses

> 6,000 years heritage

- Smart Glasses
- Readers & others
- AFA
- DTC banners

Go-to-Market

Multi/Omni-Channel

Professional Solutions

Wholesale

>150
Countries

Direct to Consumer

B&M **17,921** Stores

E-com **75** Banners

MVC **> 65M** Lives

Global Footprint

Balanced exposure*

46%
North America

37%
EMEA



5%
Latin America

12%
Asia-Pacific

People

> 180,000 Employees in over **150** countries

60%
Women

46%
< 35 years

67k
Employee Shareholders

High Profile Board
(**14** Directors)

Supply Chain

Scale & Proximity

53
Mass Production Facilities

564
Prescription Labs & Edging-Mounting Facilities

57
Distribution Centers

*proforma revenue FY21

EssilorLuxottica, the integration

Complementarity of products,
services, segments and geographies

Top customer engagement

New categories / New geographies

Common culture

Unified organization

Eyes on the Planet

Leonardo

Full business digitalization

Store integration and remodeling

Unified lab network

Integrated IT platform

Diversification of supply chain

M&A as an integral part of the growth strategy

Main acquisitions

GrandVision
Barberini
Fedon
Shamir
Walman

Main partnerships

Nikon
Bolon and Molsion
SightGlass Vision

Main minority investments

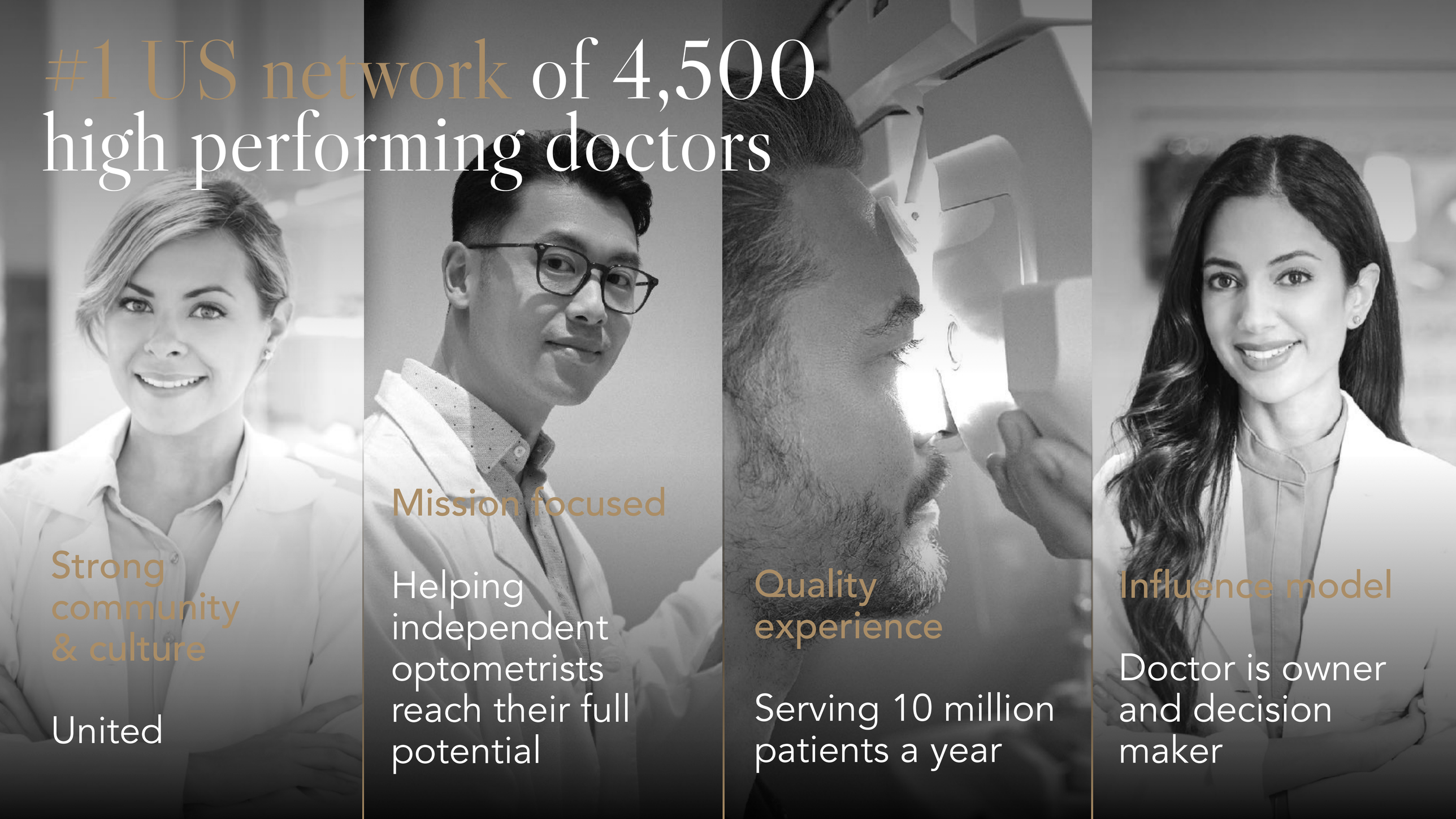
Mazzucchelli
Mister Spex
Paris Miki
Synsam

Dr. Amir Khoshnevis

Vision Source Chief Medical Officer

Vision Source, unique open platform for eyecare, leveraging the partnership with EssilorLuxottica

#1 US network of 4,500 high performing doctors



Strong community & culture

United

Mission focused

Helping independent optometrists reach their full potential

Quality experience

Serving 10 million patients a year

Influence model

Doctor is owner and decision maker

How EssilorLuxottica supports Vision Source



Giorgio Striano

Chief Operating Officer

Supply chain & Carbon roadmap

2018-2022
Integrated & Resilient supply chain

2018-2022

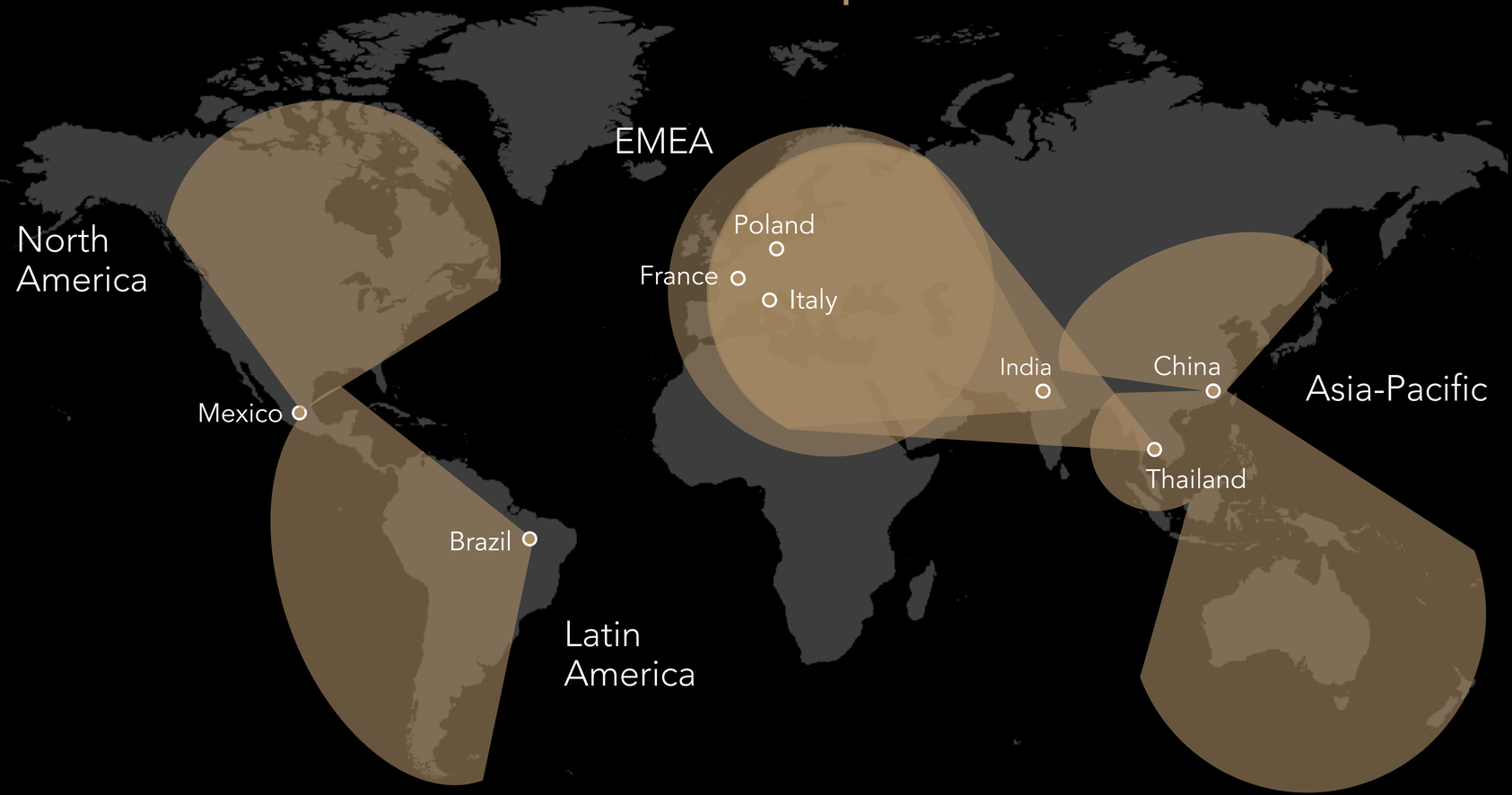
Integrated & Resilient supply chain

One supply chain through simplification and standardization

Navigating through the global challenges to elevate the customer journey


Building the foundation
for years to come

Key investments for a flexible and resilient network, for the benefit of the entire industry and all players: Mexico, Brazil, Thailand and Europe



53 Production plants

564 Labs

Innovation is embedded in our DNA

Automation is not enough

Vertical integration

Ultimate eyecare experience

Eyes on Carbon

Process optimization

Energy attribute certifications

Green logistics

Renewable energy production on site

New buildings designed to be green

Reforestation projects

Federico Buffa

Head of Eyewear R&D, Product Style and Licensing

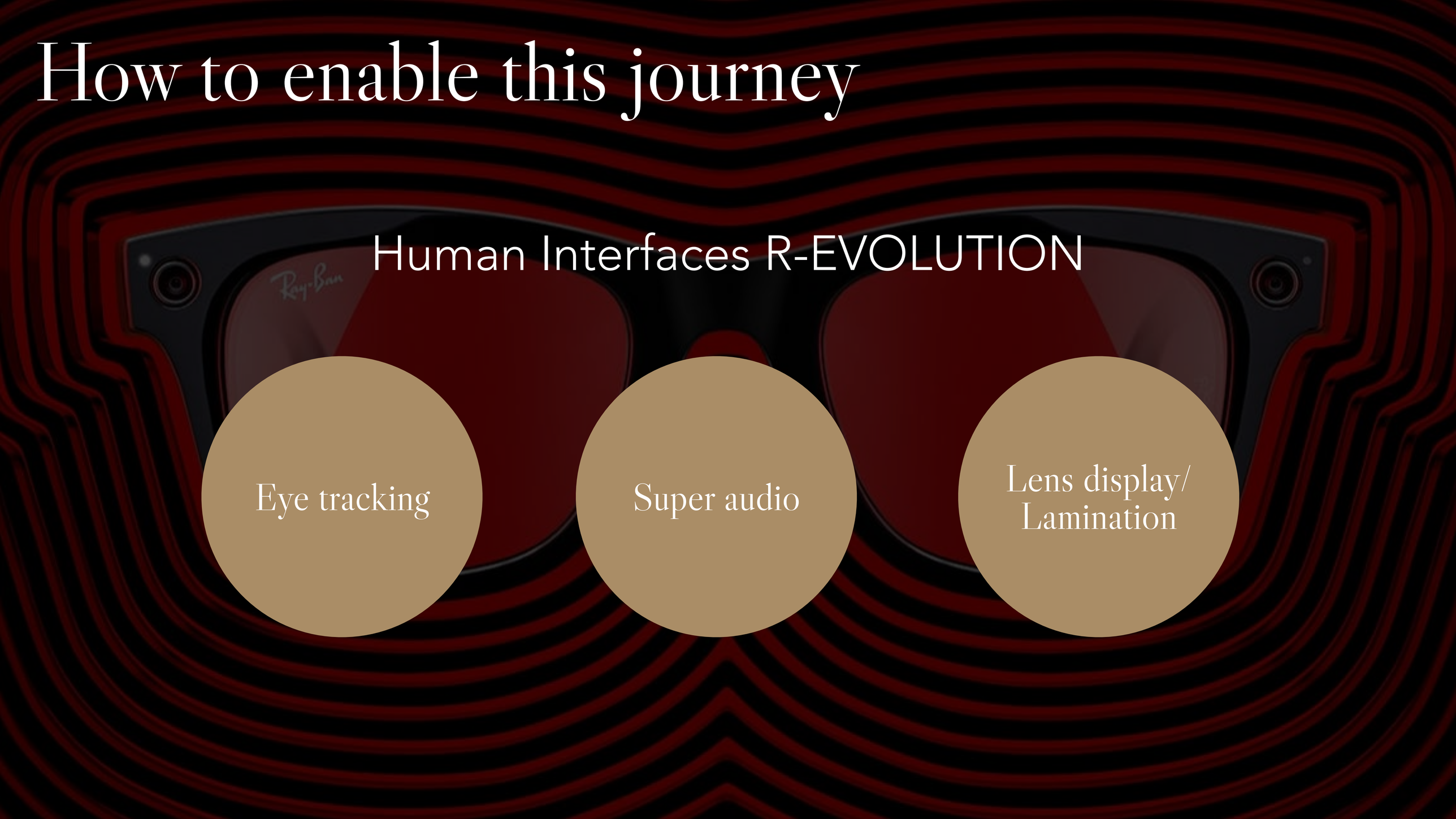
Smart Glasses & Circularity

Smart Glasses partners in building the metaverse



And we bring physical and digital worlds together

How to enable this journey



Human Interfaces R-EVOLUTION

Eye tracking

Super audio

Lens display/
Lamination

Eyes on Circularity

Eco-Design



Injected frames and lenses made with bio-nylon
Castor Oil

Bio-acetate frames
Cotton or wood pulp
Renewable source used for cellulose acetate
Grains, beet or sugar cane
Renewable sources used for bio-based plasticizer

Semi finish lenses designed saving 50% of raw material

Sustainable certifications



Nylon recycling area developed in Italy with 100+ kg recycling/day

(ISCC+Certified)

Partnership



Acetate recycling CRT with Mazzucchelli

Fossil carbon substituted by recycled plastics

Nylon recycling from fishing nets with Bureo on Costa del Mar

Vertical integration



Focus on packaging and POP

Avoid single use **plastic**

Reduce materials and components

Use **recycled & recyclable materials** (fibers, paper…)

Q&A

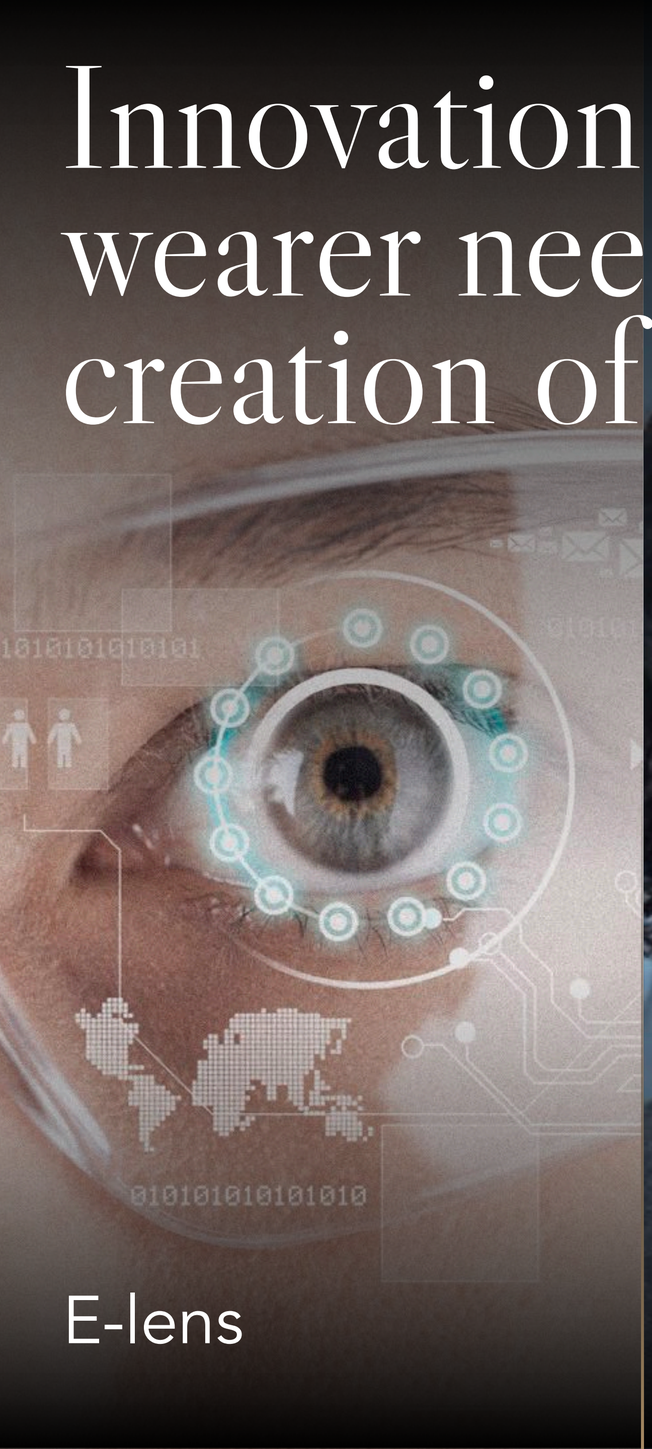
15 minutes

Norbert Gorny

Chief Operating Officer

Lens innovation as a differentiating factor

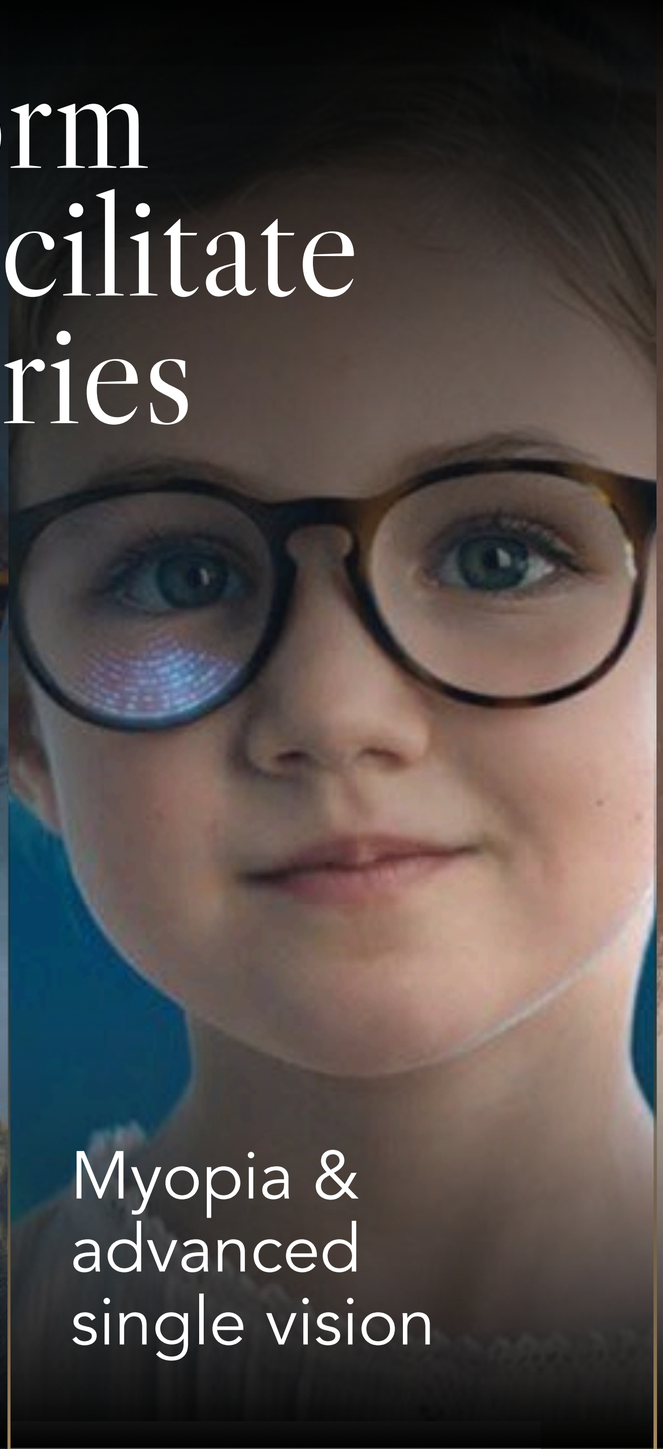
Innovation to outperform wearer needs and to facilitate creation of new categories



E-lens



Near vision

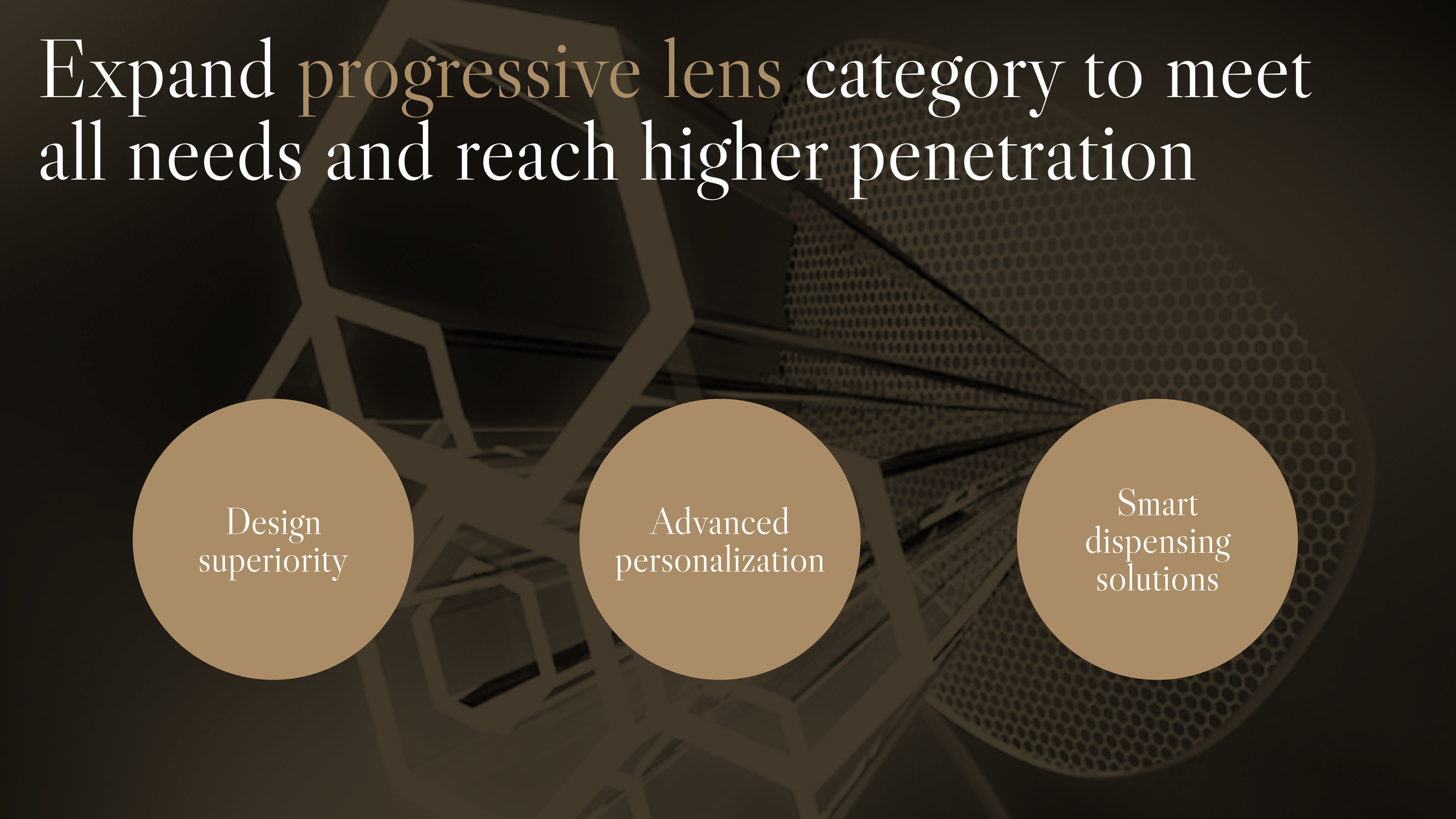


Myopia & advanced single vision



Light management

Expand progressive lens category to meet all needs and reach higher penetration



Design superiority

Advanced personalization

Smart dispensing solutions

Many unmet consumer needs can be satisfied by managing light



Visual function of the eye

Vision protection

Non-visual function of the eye

Innovative medical lens offer in our myopia control solution portfolio

Highly Aspherical Lenslet Target Technology

H.A.L.T.

Stellest™

Diffusion Optics Technology

D.O.T.

SIGHTGLASS VISION

Light therapy

Patient journey

Arnaud Ribadeau Dumas

Head of Group Myopia

Myopia management: shaping the next category

A wide portfolio of solutions

H.A.L.T/D.O.T.

Ortho-K
CRT

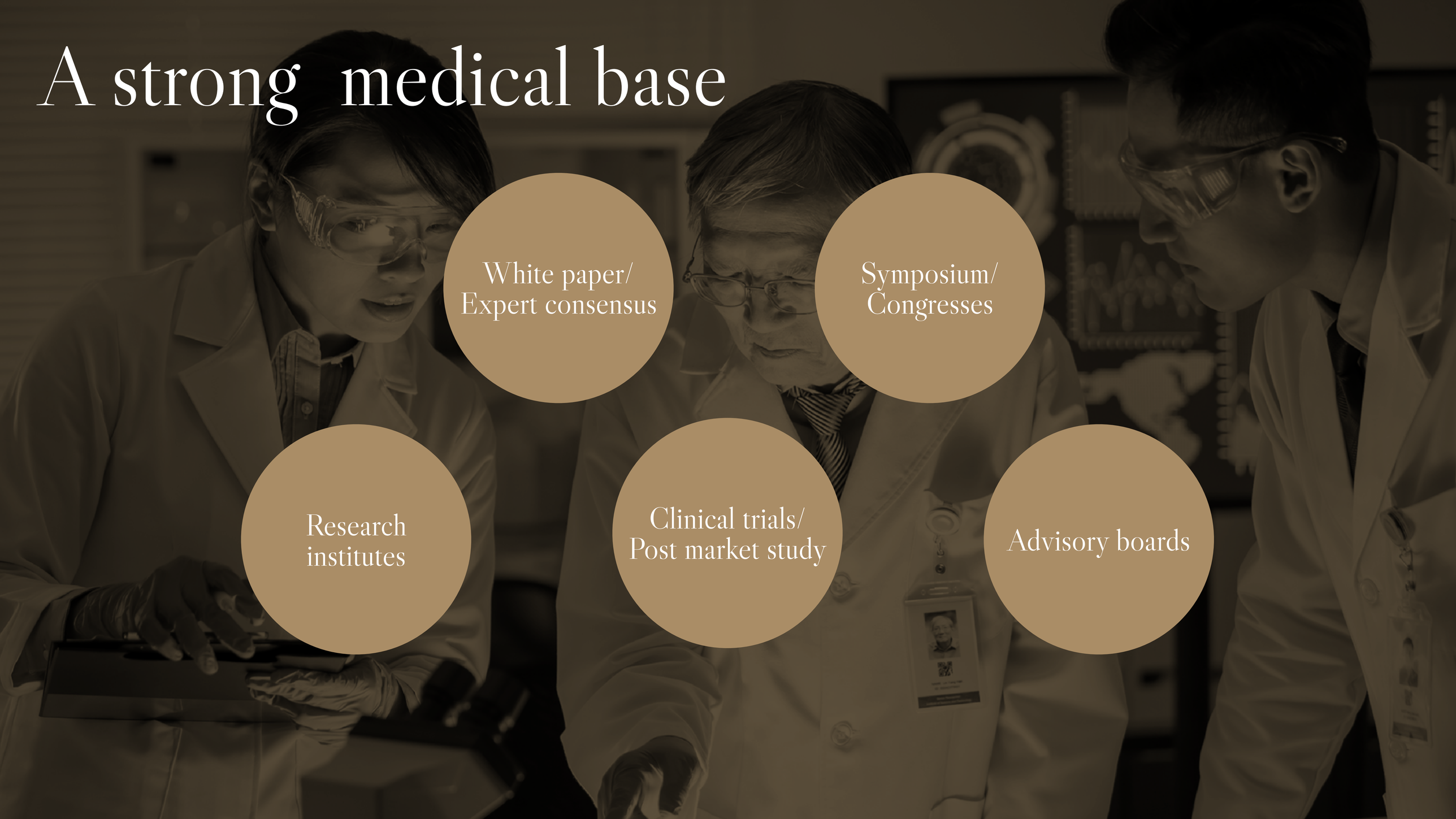
Soft contact lenses
MiSight

Anti-fatigue
Essijunior

Kids Frame/
Complete pair

Dedicated
instruments

A strong medical base



Raising public health attention and consumer awareness



Myopic children
Today **> 350 mn**

Myopic children
2050 **> 500 mn**

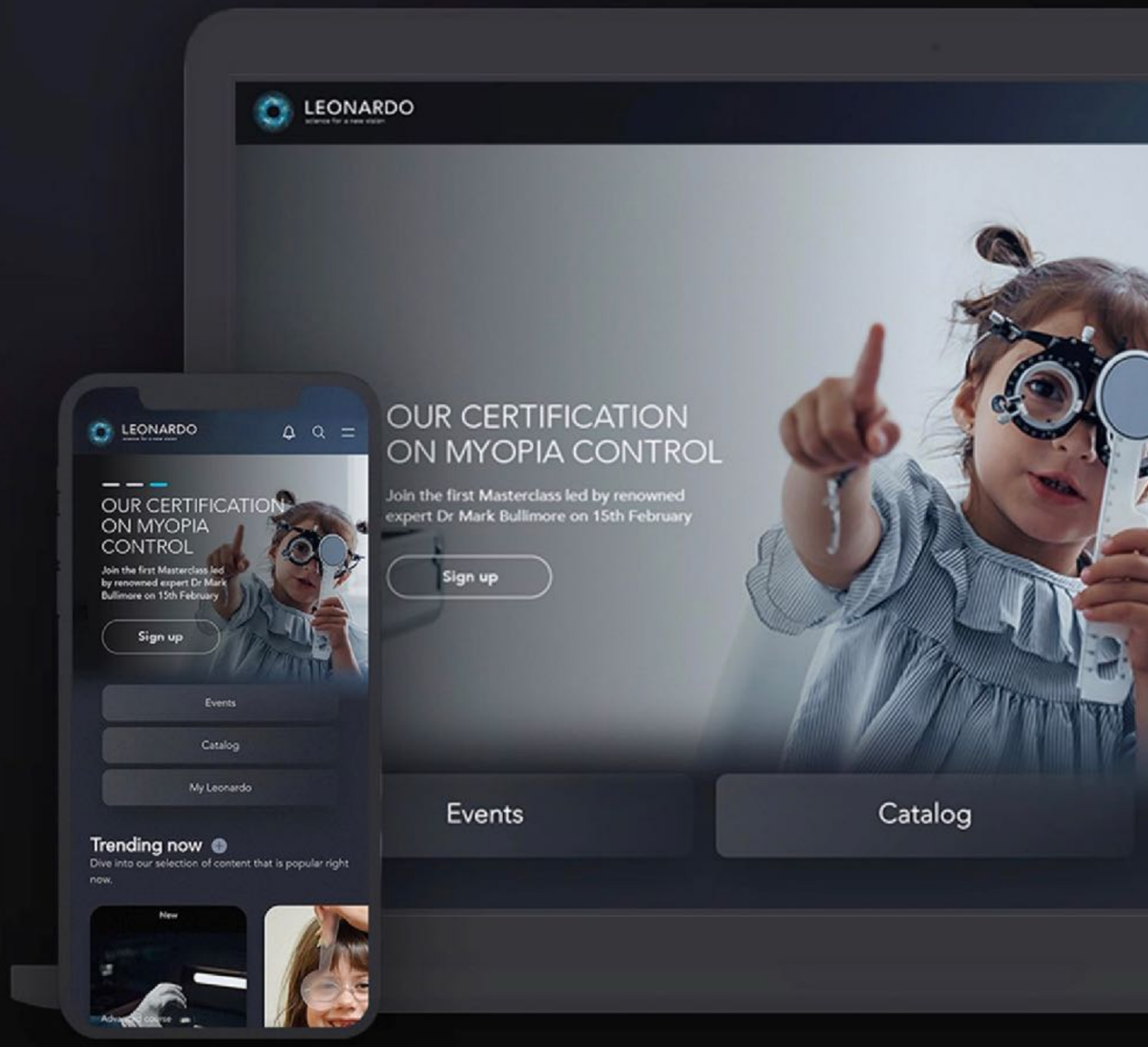
Myopia dispensing: transforming ECP practices and engaging with hospitals and clinics

Leonardo

Myopia experts certification

LensCrafters
Essilor
VisionCenter

Telemedicine
Tencent
WeDoc



Q&A

15 minutes

Break

15 minutes

Chrystel Barranger

President Wholesale EMEA

Fabrizio Uguzzoni

President Wholesale North America

Independent, but not alone

Professional Solutions snapshot

The market

- **~80%** of the market represented by **prescription**
- **>50%** of the market served through **independent ECPs**

EssilorLuxottica

- **Full range solutions**
  across all products, all markets, all price segments
- **Diversified customer base** with independent ECPs as the back-bone

INDUSTRY TRENDS

Consolidation

Digitalization/ Tele-optometry

Need for better vision

Patient journey

How EssilorLuxottica leads the market in EMEA



Act as
one company



Leverage our
geographical
footprint



Accelerate
category growth
& innovation
deployment



Level up
our customer
partnerships
& services


Vision care champion

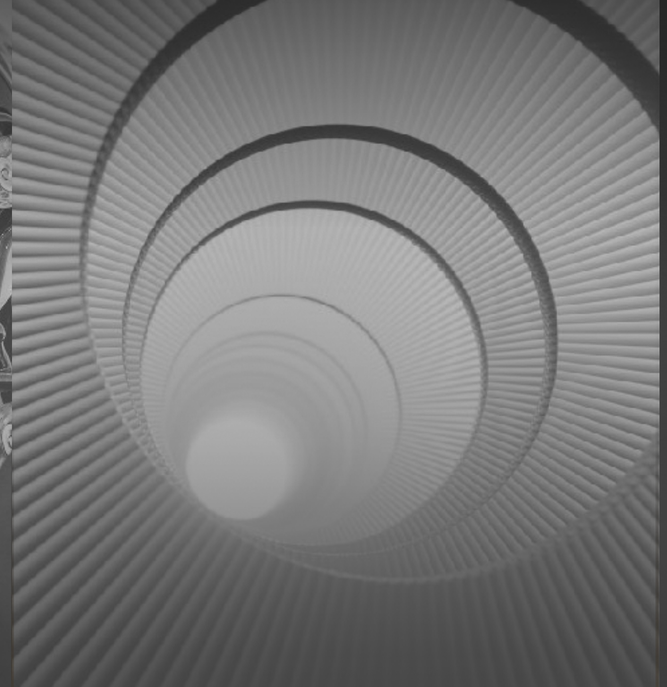
How EssilorLuxottica leads the market in North America



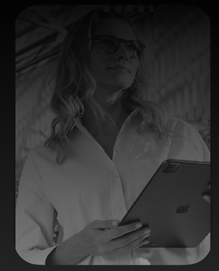
Partner programs

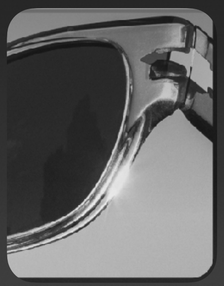


Products & Brand



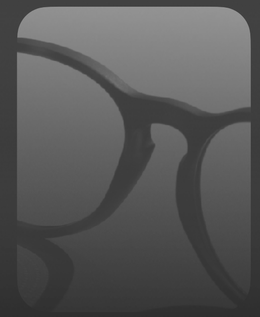
Customer centric organization







LEONARDO





Education & Awareness


A partner for life

Q&A

15 minutes

Massimiliano Mutinelli

President of Retail Optical EMEA

GrandVision integration

Elevating the optical market in Europe



EMEA

GV OPTICAL STORES

5,791

Growth opportunities

Organic Growth

ENABLERS

- DIGITALIZATION
- BRAND ELEVATION

TEAM



STORES



PRODUCT ASSORTMENT



CUSTOMER JOURNEY



External Growth

Integration synergies

STRONG LOCAL BANNERS

ONE INTEGRATED PLATFORM

Alessandro Cobelli

Head of Global E-commerce

E-commerce, one global team

Our e-commerce ID card

AUDIENCE
>500 m
UNIQUE VISITORS

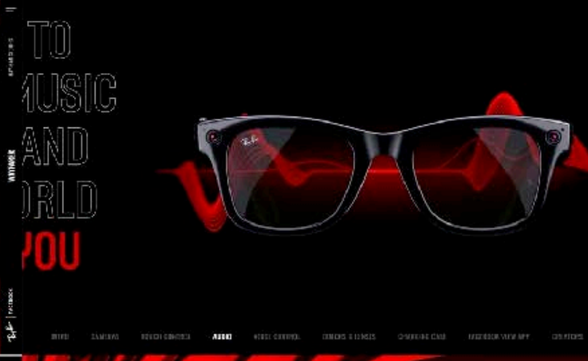
TEAM
800
PEOPLE

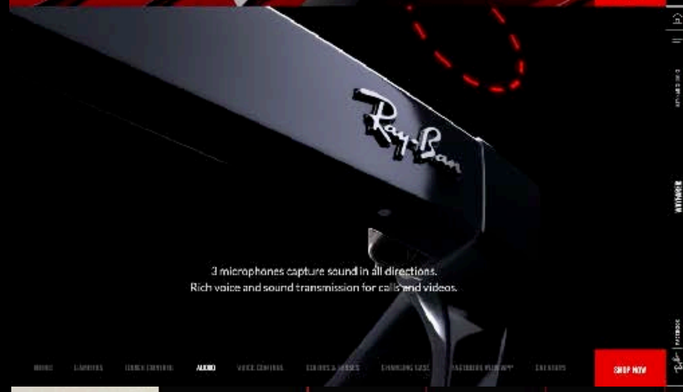
€1.5Bn
TURNOVER

75
BANNERS

44
COUNTRIES



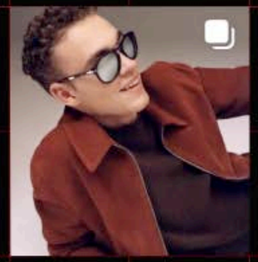








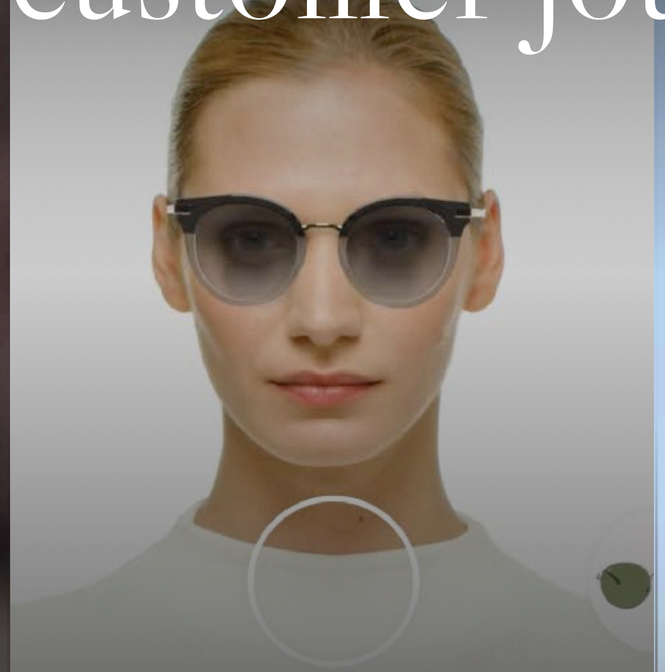








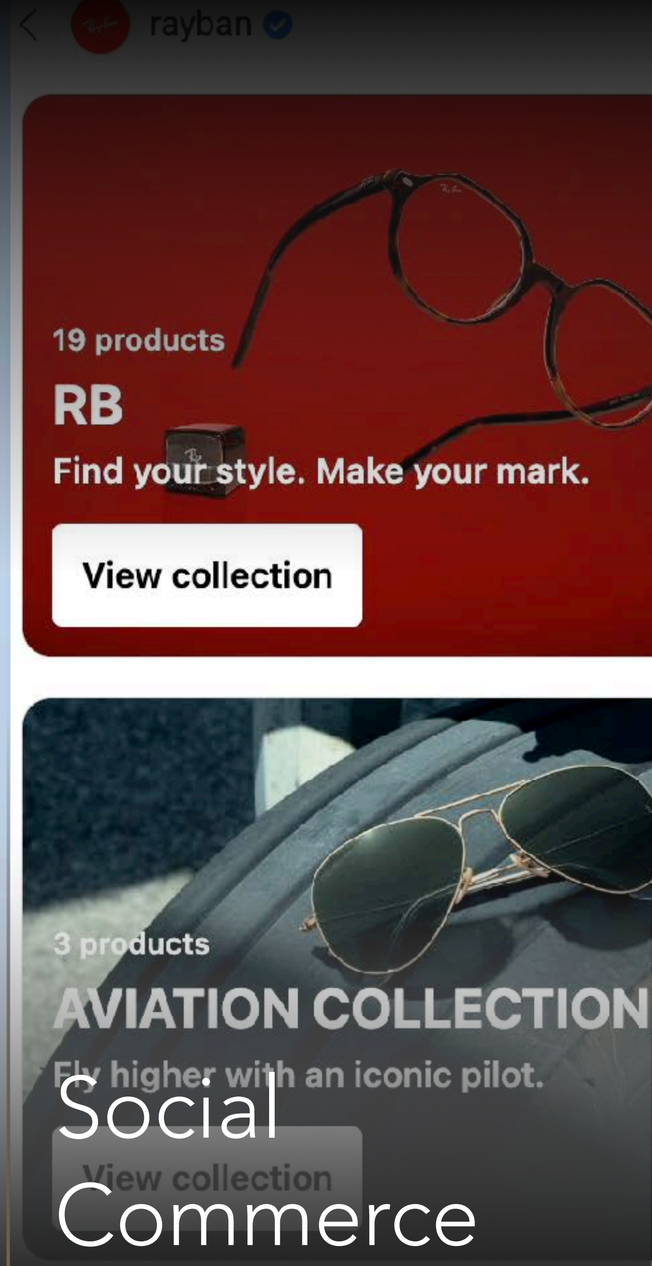
Fully personalized experience, integrated customer journey



Frame Advisor Artificial Intelligence

Virtual Try-on

Lens Configurator



Social Commerce

Q&A

15 minutes

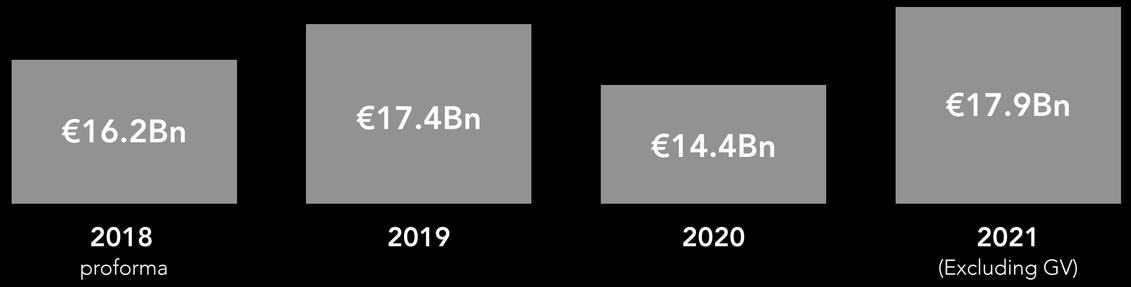
Stefano Grassi

Chief Financial Officer

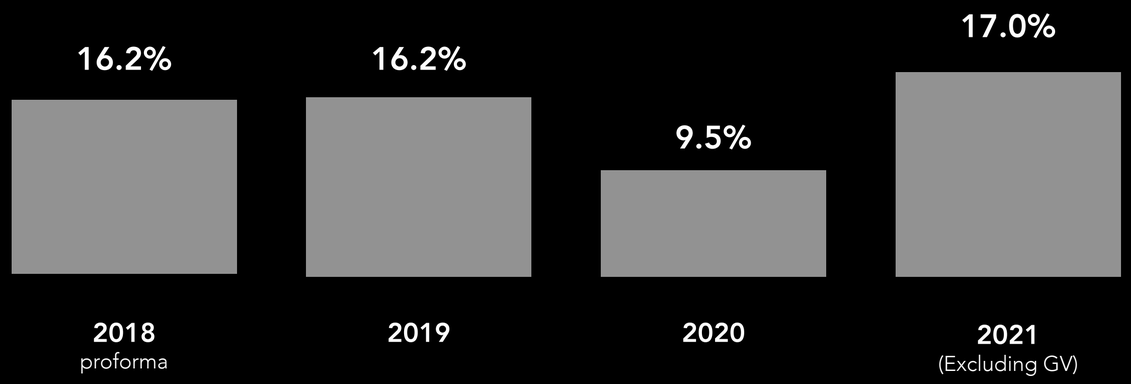
Financial roadmap

Long term outlook

Revenue

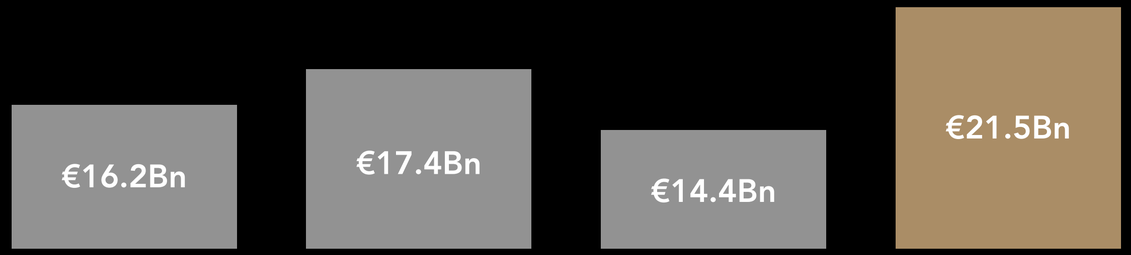


Adj Operating Profit as a % of revenues

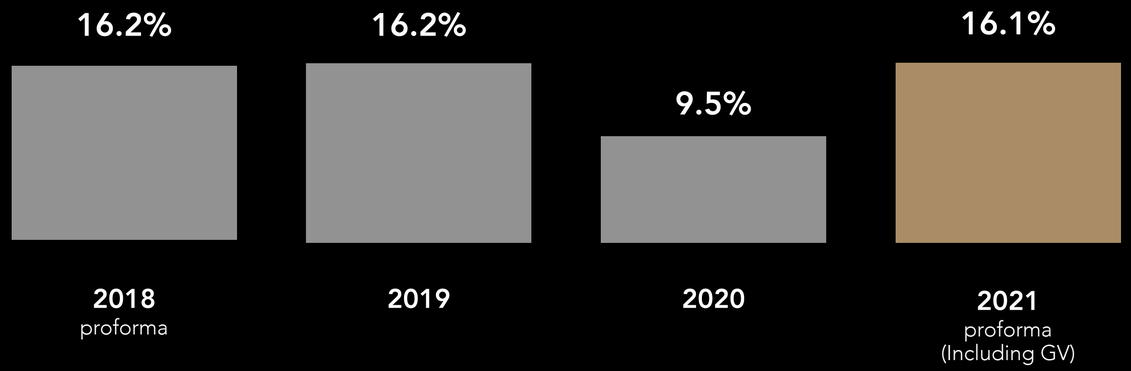


Long term outlook

Revenue

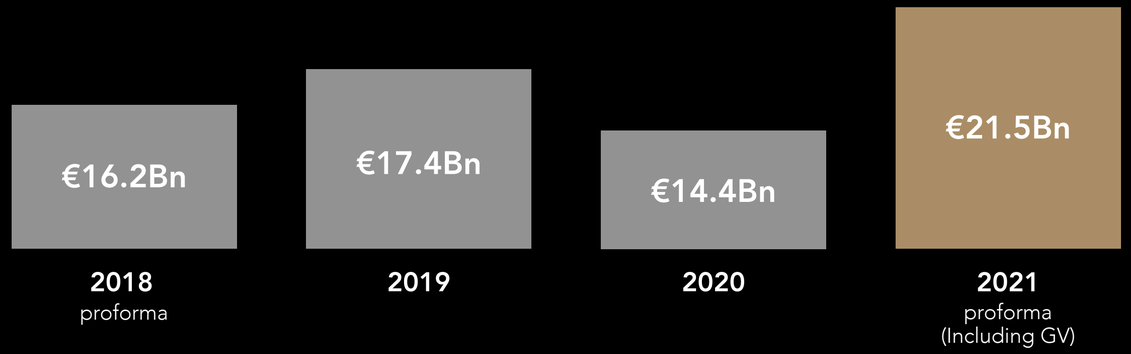


Adj Operating Profit as a % of revenues

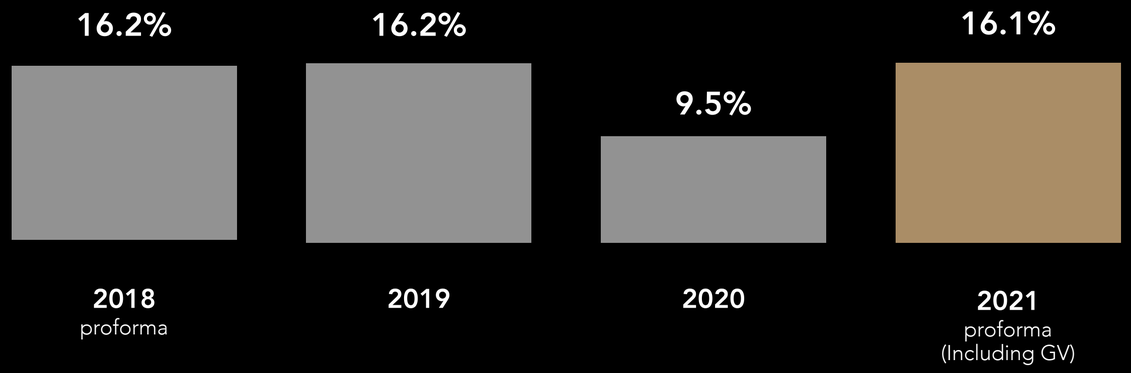


Long term outlook

Revenue



Adj Operating Profit as a % of revenues



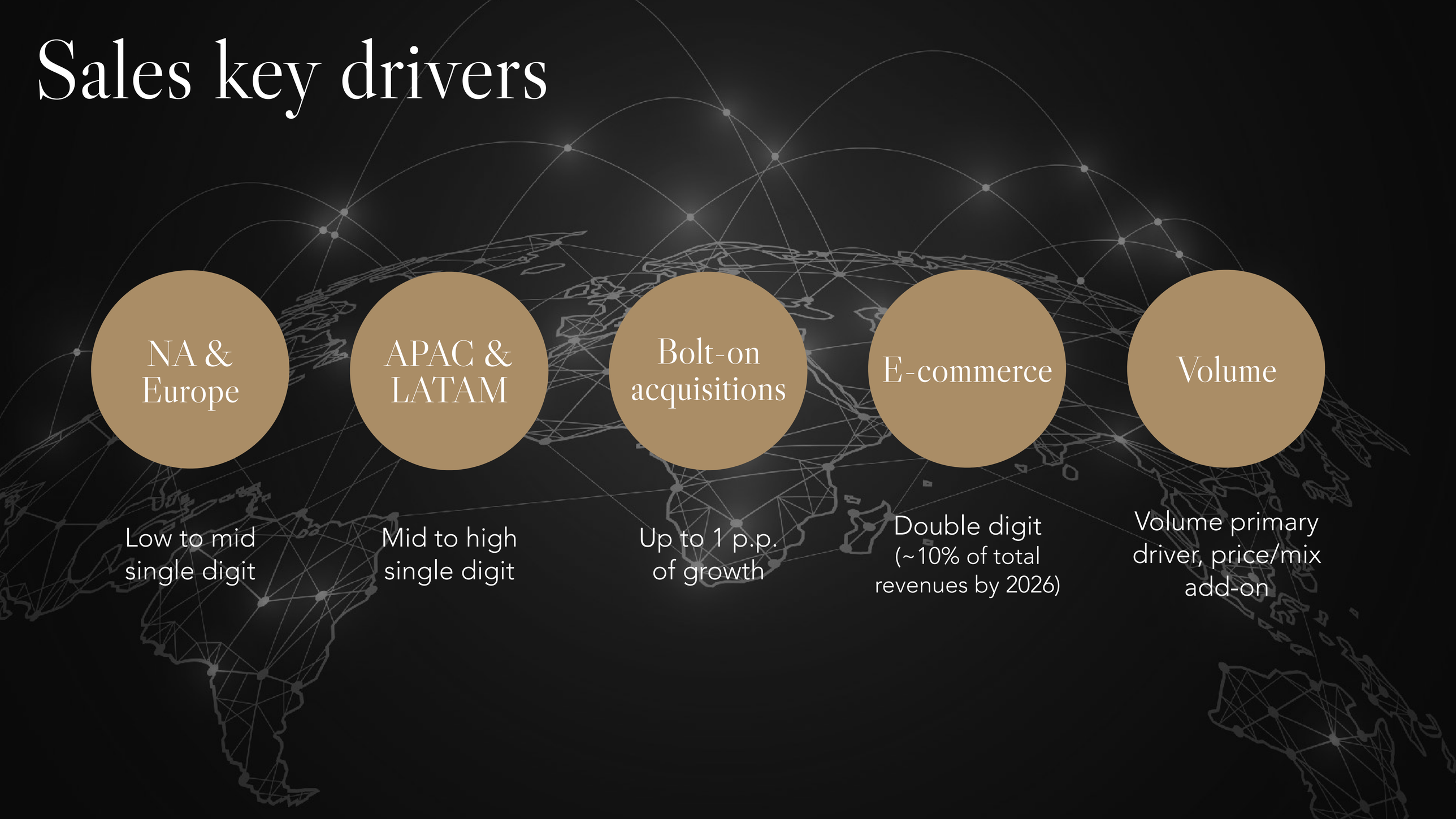
5 years outlook
at constant currency

Revenue annual growth 2022-26





Sales key drivers



NA & Europe	APAC & LATAM	Bolt-on acquisitions	E-commerce	Volume
Low to mid single digit	Mid to high single digit	Up to 1 p.p. of growth	Double digit (~10% of total revenues by 2026)	Volume primary driver, price/mix add-on

Opportunities for additional growth



Profitability building blocks

19-20% Adj. Operating Profit by 2026

Revenue

INITIATIVES

- Fast growing markets penetration (Brazil, India and China)
- Lens & Frames mix improvement
- EssilorLuxottica programs: EL360, Stars, Essilor Experts, Vision Source etc
- Insurance expansion outside US

STEADY STATE Operating leverage at 3% growth

Cost

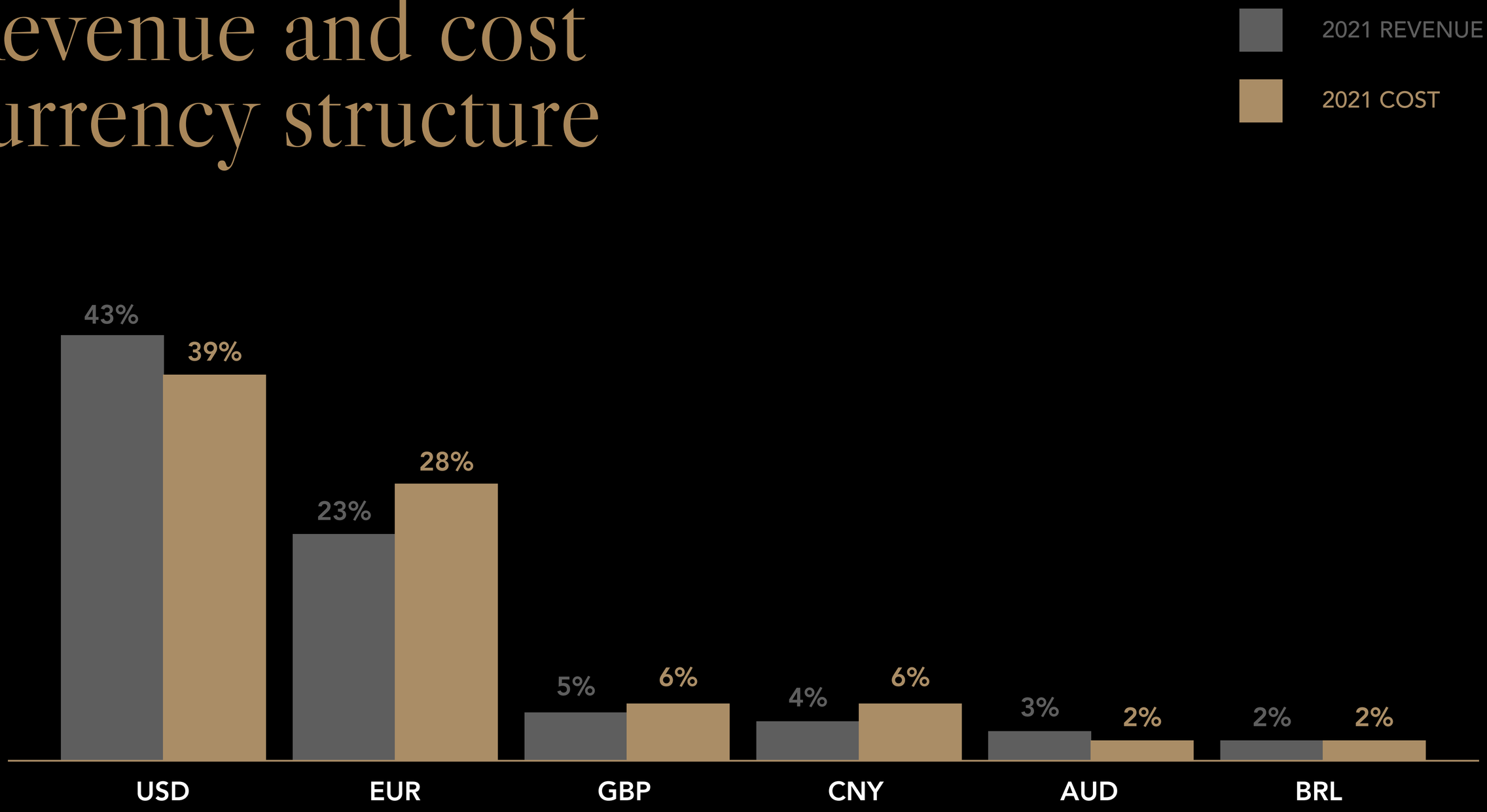
INVESTMENTS

- Retail store network
- Develop under-penetrated markets
- Marketing supporting brands growth
- R&D and product innovation
- Operations and supply chain
- IT Infrastructure & digitalization

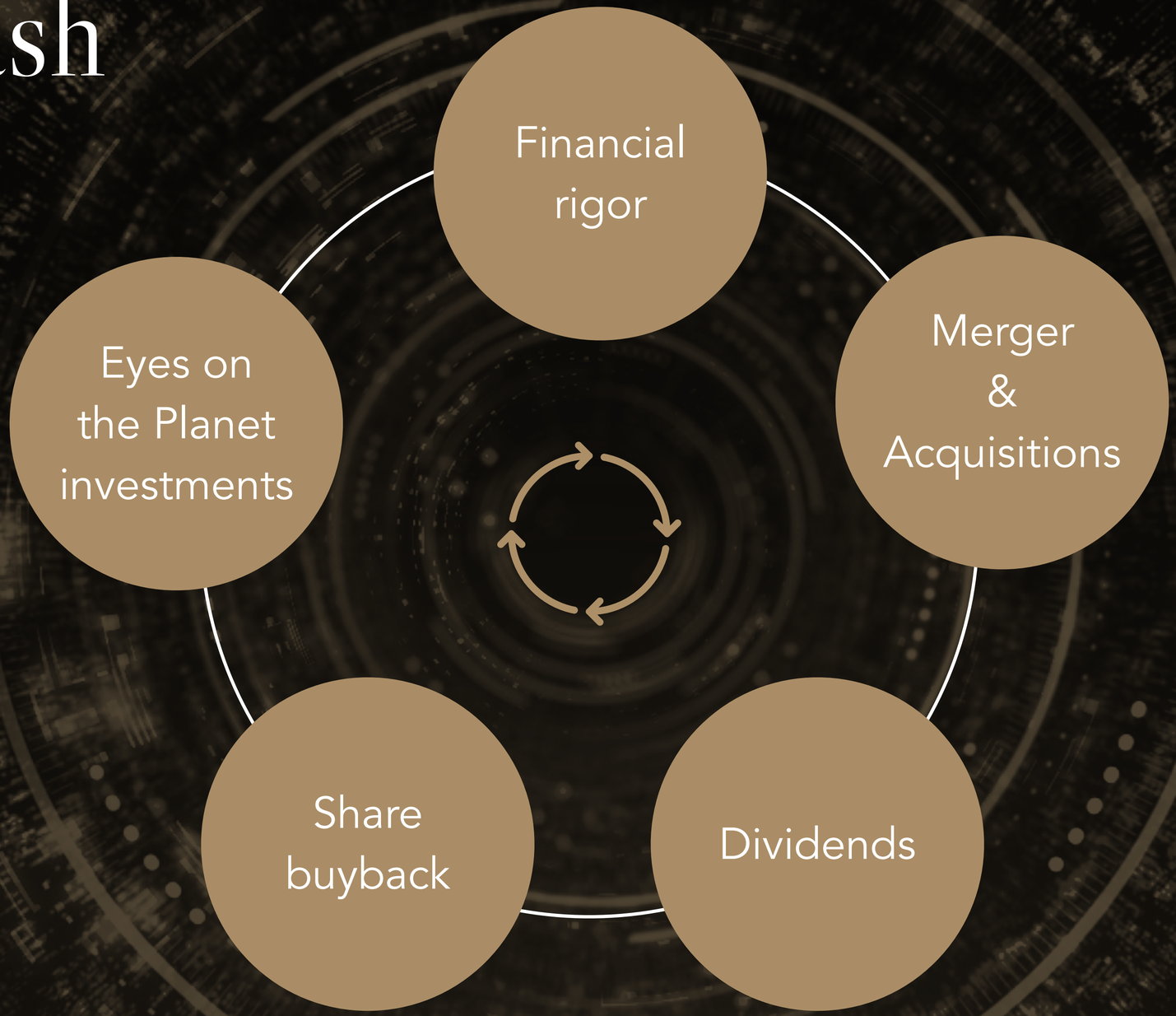
EFFICIENCIES

- Back office
- Automation
- Operations and supply chain
- Legal entities simplification

Revenue and cost currency structure

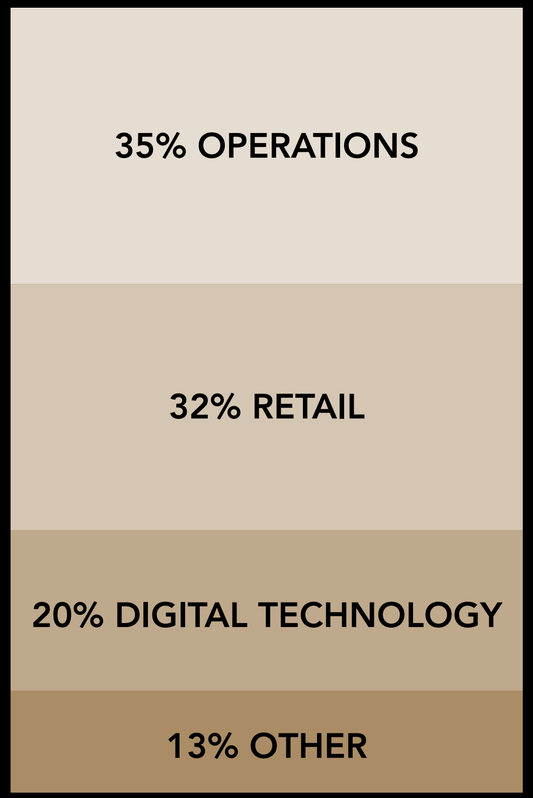


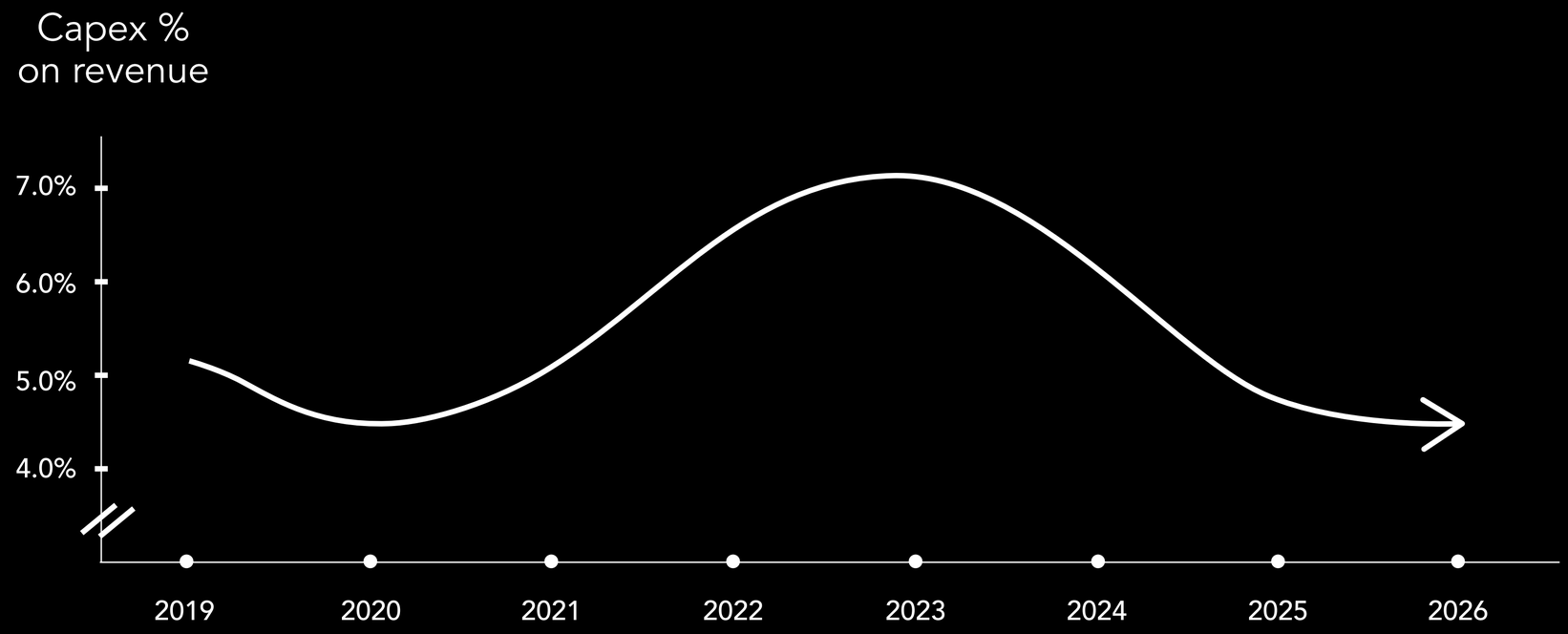
Use of cash


Financial rigor
Merger & Acquisitions
Dividends
Share buyback
Eyes on the Planet investments

Investments

Capex mix
2021 proforma





Q&A

30 minutes

F. Milleri | P. du Saillant | S. Grassi

EssilorLuxottica

Capital Market Day



14.09.2022