

EssilorLuxottica's second-quarter and first-half 2022 results

Sound revenue growth and strong margin expansion in a challenging environment

- Group's revenue up 36% in Q2 and 37% in H1 vs 2021
- Comparable revenue^{1,3} up 7.0% in Q2 and 9.1% in H1 vs 2021
- EMEA continuing to grow double digits, NA decelerating but still positive
- GrandVision at Group's pace, with comparable-store sales⁵ at +7% in Q2
- Adjusted² operating margin at 18.4% in H1, up 100bps vs *pro forma*⁴ H1 2021
- Adjusted² Group's net profit at Euro 1,548 million, up 26% vs *pro forma*⁴ H1 2021
- Free cash flow⁶ at Euro 906 million in H1

Charenton-le-Pont, France (July 29, 2022 - 7:00 am) – The Board of Directors of EssilorLuxottica met on July 28, 2022 to approve the condensed consolidated interim financial statements for the six months ended June 30, 2022. The Statutory Auditors have performed a limited review of these financial statements. Their report is in the process of being issued.

Francesco Milleri, Chairman and CEO, and Paul du Saillant, Deputy CEO at EssilorLuxottica commented: *"We're pleased to report a strong first half of 2022, with sound growth in all regions and a substantial increase of our operating margin. Our performance, particularly in a challenging environment, reflects the strength of our open network model, our willingness to push the boundaries of innovation and the skills and energy of our people. This benefits all our stakeholders, starting with our customers.*

At the same time, we paved the way for our long-term growth boosted by key projects and partnerships as well as the GrandVision integration, which is already bringing benefits.

We launched the OneSight EssilorLuxottica Foundation to maximize our impact, an important step in achieving our goal to eradicate poor vision in the world in a generation.

As we look ahead, we will continue to carry out the vision of our Chairman Leonardo Del Vecchio, whose leadership and values remain an inspiration to all of us."

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Financial & Operational highlights

Due to the structure of 2021 consolidated interim statement of profit or loss, which does not include GrandVision's results nor any of the effects resulting from the combination accounting, management deemed relevant to comment the Group's performance of the first semester 2022 versus the *pro forma*⁴ information of the first semester 2021. That *pro forma*⁴ information has been prepared for illustrative purposes only and with the aim to provide meaningful comparative information.

The Management Report attached to this press release also includes measures directly stemming from the IFRS consolidated financial statements.

<i>Euro millions</i>	H1 2022 Adjusted ²	H1 2021 Adjusted ² <i>Pro forma</i> ⁴	Change at constant exchange rates¹	Change at current exchange rates
REVENUE	11,994	10,453	9.1%	14.7%
GROSS PROFIT	7,729	6,701	9.8%	15.3%
% of revenue	64.4%	64.1%		
OPERATING PROFIT	2,202	1,814	14.3%	21.4%
% of revenue	18.4%	17.4%		
GROUP NET PROFIT	1,548	1,230	18.6%	25.8%
% of revenue	12.9%	11.8%		

<i>Euro millions</i>	H1 2022	H1 2021	Change at constant exchange rates¹	Change at current exchange rates
Professional Solutions	5,837	5,144	7.4%	13.5%
Direct to Consumer	6,157	5,310	10.8%	16.0%
COMPARABLE³ REVENUE	11,994	10,453	9.1%	14.7%

<i>Euro millions</i>	Q2 2022	Q2 2021	Change at constant exchange rates¹	Change at current exchange rates
Professional Solutions	3,057	2,705	5.5%	13.0%
Direct to Consumer	3,330	2,903	8.5%	14.7%
COMPARABLE³ REVENUE	6,387	5,607	7.0%	13.9%

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<i>Euro millions</i>	H1 2022	H1 2021	Change at constant exchange rates¹	Change at current exchange rates
North America	5,591	4,843	4.9%	15.4%
EMEA	4,401	3,864	14.9%	13.9%
Asia-Pacific	1,351	1,258	2.4%	7.4%
Latin America	650	487	22.6%	33.4%
COMPARABLE³ REVENUE	11,994	10,453	9.1%	14.7%

<i>Euro millions</i>	Q2 2022	Q2 2021	Change at constant exchange rates¹	Change at current exchange rates
North America	3,026	2,627	2.4%	15.2%
EMEA	2,347	2,110	12.4%	11.2%
Asia-Pacific	666	620	1.7%	7.5%
Latin America	348	251	23.9%	38.8%
COMPARABLE³ REVENUE	6,387	5,607	7.0%	13.9%

The second quarter of this year compares to the quarter that marked a sharp acceleration of the business last year. In 2021, comparable³ revenue grew versus 2019 at constant exchange rates¹ by 0.8% in the first quarter, then 8.3% in the second and 10.1% in the second half of the year. Compared to such a challenging starting base, and in the context of a progressive deterioration of the macroeconomic environment, in particular in the key regions of North America and EMEA, paired with COVID-related constraints in China, the second quarter of this year delivered a sound performance in revenue, with all the regions positive. Moreover, the first half of the year registered a strong expansion of the operating margin.

In the second quarter, total comparable³ revenue amounted to Euro 6,387 million, up 7.0% versus the second quarter of 2021 at constant exchange rates¹. North America kept positive (+2.4% at constant exchange rates¹) but decelerated compared to the first quarter of this year, due to deteriorating business conditions in the US as well as a tougher comparison base (comparable³ revenue up 16.2% in the second quarter 2021 vs 2019 at constant exchange rates¹). At the opposite, EMEA continued to strongly bounce back (+12.4% at constant exchange rates¹), also thanks to an easier comparable base (comparable³ revenue up 3.8% last year at constant exchange rates¹). Asia-Pacific remained slightly positive (+1.7% at constant exchange rates¹), despite new restrictions affecting the Chinese business, while Latin America accelerated further (+23.9% at constant exchange rates¹), with a strong Brazil. All the main countries were positive in the second quarter, with the only exception of China and Russia.

In terms of the operating segments of the Company, the Direct to Consumer grew by 8.5% at constant exchange rates¹, outpacing Professional Solutions which advanced by 5.5%.

The retail brick-and-mortar comparable-store sales⁵ nicely progressed in the second quarter, up 7% for the whole EssilorLuxottica's perimeter, with GrandVision's banners growing at the same pace.

The e-commerce business was flat at constant exchange rates¹ in the second quarter of the year, at around 7% of the total revenue in the three and six months, with EyeBuyDirect.com as the top performer among the main platforms.

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In terms of product categories, vision care represented approximately 70% of total revenue in the second quarter. Prescription lenses steadily progressed at mid-single digit at constant exchange rates¹, while sunglasses continued to grow double digits. In optical, contact lenses continued to grow double digits, while in the non-optical part of the business Apparel, Footwear & Accessories (AFA) rose by 25% at constant exchange rates¹.

EssilorLuxottica's renowned brand portfolio strongly supported the results. On the frame side, the luxury brands kept up the strong trend of the previous quarters and Ray-Ban and Oakley progressed healthily. On the lens side, Varilux and Crizal were the best performers followed by Transitions and Eyezen. Stellest continued to expand materially despite the lockdowns in its most important market of China.

The Company was able to translate the revenue growth into substantial margin expansion, leveraging its vertically integrated business model and successfully absorbing the inflationary pressures on most of the main cost items.

The Group's adjusted² gross profit amounted to Euro 7,729 million in the half of the year, reaching 64.4% of revenue, 30 basis points higher than *pro forma*⁴ H1 2021 (or 40 basis points at constant exchange rates¹).

The Group's adjusted² operating profit reached Euro 2,202 million in the first six months of the year, representing 18.4% of revenue, compared to 17.4% in *pro forma*⁴ H1 2021, an increase of approximately 100 basis points (or 80 basis points at constant exchange rates¹).

The Group's adjusted² net profit amounted to Euro 1,548 million in the first semester, increasing by 18.6% at constant exchange rates¹ compared to *pro forma*⁴ H1 2021, accounting this year for 12.9% of revenue.

The operating profit and the Group's net profit directly stemming from the IFRS consolidated financial statements amounted to Euro 1,711 million and Euro 1,174 million, respectively, for the first semester of 2022.

EssilorLuxottica recorded sound cash generation, with the consolidated free cash flow⁶ reaching Euro 906 million in the first six months of the year.

The Company ended the first semester with Euro 3.7 billion in cash and cash equivalents and a net debt⁷ of Euro 10.4 billion (including Euro 3.2 billion lease liabilities) compared to a net debt⁷ of Euro 9.7 billion at the end of December 2021.

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Mission update, OneSight EssilorLuxottica Foundation

In the second quarter of the year, the Company took a decisive step in the pursuit of its Mission of helping people “see more and be more”, with the creation of the OneSight EssilorLuxottica Foundation in May 2022. The largest foundation in the world driving inclusive vision care access, it unites all of the Group’s global advocacy and philanthropic actions, providing a platform that truly represents and harnesses the power and commitment of EssilorLuxottica, its employees and partners. The OneSight EssilorLuxottica Foundation aims to radically scale up and accelerate global actions, which include: creating sustainable access points, innovating for affordable solutions, funding subsidized and free services, advocacy and awareness, driving engagement and creating partnerships. The Foundation will be working closely with the EssilorLuxottica Sustainable Programming and commercial teams to help countries around the world realize the United Nations’ resolution, “Vision for All”, and eliminate uncorrected poor vision in a generation.

Through the Company’s collective actions to eliminate uncorrected poor vision, 6 new vision centers have been opened and over 1,500 new vision care entrepreneurs have been trained since the beginning of the year, enabling over 30 million people to gain access to vision care and creating nearly 5 million new wearers. Furthermore, 100% of the population in Rwanda now has access to vision care via the Foundation’s vision centers.

Since 2013, the Company has created access for more than 500 million people in underserved communities, trained more than 20,500 primary vision care entrepreneurs and created approximately 51 million wearers for the industry.

Globally recognized for making a positive impact to the communities around us, EssilorLuxottica won some important recognitions in the first half of the year, notably in China where the company was awarded the “2021 Responsible Brand”, “2021 Excellent CSR Project”, “2022 Chief Responsibility Officer” and “2022 Outstanding Community Service of Public Health” awards.

Sustainability update

The end of the first semester 2022 marked the first anniversary of EssilorLuxottica’s sustainability program “Eyes on the Planet”. Ever since its launch, the Company and its subsidiaries have been consistently executing projects and initiatives under each “Eyes on” strategic pillar of the program – Carbon, Circularity, World Sight, Inclusion and Ethics – aiming to further embed sustainability into the business model.

In the first half of this year, EssilorLuxottica completed its first carbon footprint assessment globally, bringing a complete understanding of the Company’s direct and indirect CO₂ impacts at each stage of the value chain, including a clear overview of Scope 3 emissions. The outcome fully reflects EssilorLuxottica’s vertically integrated business model, handling every aspect of its eyecare and eyewear businesses: purchased goods and services, electricity consumption and product transportation are the major sources of greenhouse gas emissions. These are also priority areas for decarbonization initiatives and for advancing the Company’s climate journey. Already in the first half of the year, progress has been made in making green the new normal in logistics, from increasing the recycled content in packaging to introducing the green shipping as default option in its e-commerce business.

Developing a best practice approach to carbon is a key part of the “Eyes on the Planet” program and builds on the initiatives introduced ever since its launch. While progressing towards its 2025 carbon neutrality target for its direct operations (Scope 1 and 2 emissions), the Company also wants to widen

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its efforts and prepare a more comprehensive and long-term roadmap to help reach the global ambition of ensuring a healthy future for our planet.

Furthermore, sustainability and innovation go together at EssilorLuxottica, with the product naturally at the center of its circular economy approach so to minimize the impact on the environment while enhancing the product excellence and quality. For instance, in January 2021 EssilorLuxottica has been the first eyewear company to receive the ISCC Plus (International Sustainability & Carbon Certification) certification for the Circular Economy for the in-house nylon recycling process set up in the Agordo (Italy) plant. In the first half of this year, the Company was able to recycle around 15 tons of nylon only in that plant. In addition, during the last eighteen months the Company has extended its adoption of recycling schemes for nylon and acetate in six plants, in Italy and in China. This is another recognition of its commitment to reduce its environmental footprint and put an end to waste following the 4Rs approach: "Research-Reduce-Reuse-Recycle".

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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/1217-2090-33273/en>

Forthcoming investor events

- September 14, 2022: Capital Market Day (Milan)
- October 21, 2022: Q3 2022 Revenue

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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 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.

3 Comparable (revenue): 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. No adjustments are made to 2022 revenue.

4 Pro forma: *pro forma* information as presented in the Unaudited *Pro Forma* Consolidated Interim Financial Information. The Unaudited *Pro Forma* Consolidated Interim Financial Information has been prepared for illustrative purpose only as if the acquisition of GrandVision had occurred on January 1, 2021. That information does not take into account the results of operations and financial condition that EssilorLuxottica would have achieved if the acquisition of GrandVision had actually been realized on January 1, 2021; there can be no assurance that the assumptions used to prepare the Unaudited *Pro Forma* Consolidated Interim Financial Information are accurate in all respects or that the result disclosed in the Unaudited *Pro Forma* Consolidated Interim Financial Information are indicative of the future performance of EssilorLuxottica. As a result, EssilorLuxottica's performance in the future may differ materially from that presented in the Unaudited *Pro Forma* Consolidated Interim Financial Information. For a reconciliation between adjusted *pro forma* measures and their most comparable measures reported in the IFRS condensed consolidated interim financial statements, please refer to the reconciliation table provided in Appendix 3 of the attached First-half 2022 Management Report.

5 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.

6 Free Cash Flow: *Net cash flow provided by operating activities* less the sum of *Purchase of property, plant and equipment and intangible assets* and *Cash payments for the principal portion of lease liabilities* according to the IFRS consolidated statement of cash flow.

7 Net debt: sum of *Current and Non-current borrowings*, *Current and Non-current lease liabilities*, minus *Short-term investments*, *Cash and cash equivalents*, the *Interest Rate Swap measured at fair value* and *Foreign exchange derivatives at fair value* as disclosed in the IFRS consolidated financial statements.

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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.

First-half 2022 Management Report

Table of contents

Significant events of the period.....	
Consolidated revenue	
Statement of profit or loss and Alternative Performance Measures	
Statement of financial position, net debt, cash flows and other non-GAAP measures.....	
Acquisitions and partnerships	
Mission and sustainability.....	
Subsequent events.....	
Outlook.....	
Notes	
Appendix 1 - Excerpts from the Condensed Consolidated Interim Financial Statements.....	
Consolidated statement of profit or loss.....	
Consolidated statement of financial position	
Consolidated statement of cash flows.....	
Appendix 2 - Comparable revenue 2021.....	
Appendix 3 - <i>Pro forma</i> interim information	

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

Significant events of the period

Tribute to Leonardo Del Vecchio, and appointment of new Chairman

On June 28, 2022, EssilorLuxottica's Board of Directors met and paid homage to Chairman, Leonardo Del Vecchio, who passed away peacefully on June 27, 2022. He will forever be remembered for his values, robust leadership, passion, exceptional character as well as his dedication toward the company and its employees.

During the meeting, the Board of Directors appointed Francesco Milleri as its new Chairman for the remaining duration of his mandate. Francesco Milleri will also carry on assuming his term of office as Chief Executive Officer of EssilorLuxottica.

The Board further decided to examine the benefits of appointing a lead director among its independent members. A final decision will be taken in this regard before year-end.

The Board further confirmed Paul du Saillant as Deputy Chief Executive Officer of EssilorLuxottica.

New members of EssilorLuxottica's Board of Directors

On January 20, 2022, EssilorLuxottica's Board of Directors appointed Virginie Mercier Pitre as a new Director. This followed her nomination as the new President of Valoptec Association, the independent Association of EssilorLuxottica's employee shareholders. Her nomination to the Board of Directors was ratified at the EssilorLuxottica Annual Shareholders' Meeting held on May 25, 2022. Upon joining the Board of Directors, Mrs. Mercier Pitre became a member of its Corporate Social Responsibility (CSR) Committee.

Mrs. Mercier Pitre replaces on the Board of Directors Juliette Favre, who was President of Valoptec Association from 2015 to 2021 and served three terms on the Valoptec Board, which is the maximum allowed by the Association bylaws.

On June 28, 2022, the Board co-opted Mario Notari as a new Director. Mario Notari is full Professor of Company and Business Law at Università Bocconi in Milan and member of the Phd Board in Business Law at Università Bocconi. He is also founder and partner of "ZNR notai", public notaries and lawyers in Milan. He was Director of Luxottica Group S.p.A. from 2015 to 2018 and is a Director of Delfin S.à.r.l..

Mr Notari will be considered as a non-independent director on the Board of EssilorLuxottica. His appointment will be submitted to shareholders' vote at the next Annual Shareholders' Meeting of the Company.

Share buyback programs

On February 1, 2022, EssilorLuxottica announced the launch of a share buyback program. With a view to implementing this share buyback program, EssilorLuxottica granted a mandate to an investment services provider for the purchase of up to 1,500,000 EssilorLuxottica shares, depending on market conditions, over a period starting from February 1, 2022, up until March 31, 2022 included. 1,500,000 EssilorLuxottica's shares have been acquired from February 1 to February 8, 2022 at an average price of €174.14 per share. EssilorLuxottica launched this share buyback program in accordance to the 10th resolution approved by the Annual Shareholders' Meeting of May 21, 2021.

On June 17, 2022, EssilorLuxottica announced the launch of a new share buyback program. With a view to implementing this share buyback program, EssilorLuxottica granted a mandate to an investment services provider for the purchase of up to 2,500,000 EssilorLuxottica shares, depending on market conditions, over a period starting from June 17, 2022, up until August, 31 2022 included. As of June 30, 2022, 544,723 EssilorLuxottica's shares have been acquired at an average price of €138.85 per share. EssilorLuxottica launched this share buyback program in accordance to the 14th resolution approved by the Annual Shareholders' Meeting of May 25, 2022.

The launch of these share buyback programs reflects the Group's confidence in its value creation and long-term prospects. The shares so acquired are intended to be awarded or transferred to employees and corporate directors of EssilorLuxottica and affiliated companies, especially in the context of profit-sharing plans, bonus and performance share awards, stock option plans, and employee share ownership plan.

EssilorLuxottica closes the acquisition of Walman

On March 1, 2022, EssilorLuxottica announced the closing of its acquisition of US based lab network Walman Optical, a leading lab partner to vision care practices around the country. First announced in March 2021, the acquisition will draw on EssilorLuxottica's focus on product and service innovation to create growth opportunities for Walman Optical.

European divestment

On March 2, 2022, EssilorLuxottica, GrandVision and Vision Group, one of the largest distribution networks for Italian opticians and a retail player under the VisionOptica banner, announced that the companies had completed the transaction for Vision Group to acquire the VistaSi chain in Italy, including the brand and all the 99 stores, and 75 GrandVision stores in the country.

On April 4, 2022, EssilorLuxottica, GrandVision and the Optic Retail International Group BENE, a member of MPG Austria ("ORIG/MPG"), announced that the companies had completed the transaction for ORIG/MPG to acquire 142 EyeWish stores in the Netherlands and 35 GrandOptical stores in Belgium.

Both transactions follow the commitments agreed upon with the European Commission on March 23, 2021, as part of the acquisition of GrandVision by EssilorLuxottica. All the parties confirmed that the European Commission approved the transactions.

SightGlass Vision joint venture

On March 17, 2022, EssilorLuxottica and CooperCompanies announced the finalization of their joint venture agreement for SightGlass Vision. This collaboration of two global vision care leaders accelerates the commercialization of novel spectacle lens technologies to expand the myopia management category.

SightGlass Vision's Diffusion Optics Technology™ incorporates thousands of micro-dots into the lens that softly scatter light to reduce contrast on the retina, which is intended to reduce myopia progression in children (the authorization for sale within the United States of spectacles with SightGlass Vision Diffusion Optics Technology™ is under process of approval).

Fedon acquisition

On April 11, 2022, Luxottica Group S.p.A. ("Luxottica"), a company subject to the management and coordination of EssilorLuxottica S.A., announced that it had entered into a preliminary sale and purchase agreement for the acquisition of a total of no. 1,727,141 shares of the company Giorgio Fedon & Figli S.p.A. ("Fedon"), listed on Euronext Growth Milan, the market organized and managed by Borsa Italiana S.p.A., representing 90.9% of the share capital of Fedon.

The agreement was entered into with the relevant shareholders of Fedon (i.e. CL & GP S.r.l., Piergiorgio Fedon, Sylt S.r.l., Italo Fedon, Laura Corte Metto, Francesca Fedon, Roberto Fedon, Flora Fedon and Rossella Fedon), as well as other non-relevant shareholders (hereinafter collectively the "Sellers").

The transaction represents a step forward in EssilorLuxottica's vertical integration strategy, aimed at achieving the highest quality standards along the entire value chain and optimizing the service for the benefit of all industry players. Thanks to cutting-edge technologies and dedicated innovations, the acquisition will allow to better fit the eyewear and spectacles with the cases and packaging to ensure maximum protection and integrity of the product, for the benefit of the final consumer. Furthermore, EssilorLuxottica will also leverage on Fedon to pursue its sustainability strategy, investing in the recyclability and circularity of the packaging materials produced by the company.

The purchase price agreed and to be paid on the closing date to the Sellers, in proportion to the respective shareholdings, is equal to €17.03 for each share and therefore to an aggregate of €29.4 million. The agreed price includes a premium of 135% over the last official price of Fedon's shares recorded on April 8, 2022 (last trading day preceding the date of entry into the agreement) as well as a premium of 114% over the weighted average of the official price of Fedon's shares in the 12 months preceding the date of April 8, 2022.

Completion of the sale and purchase was subject to the fulfilment of certain conditions precedent, as customary in transactions of this kind. On May 31, 2022, the transaction was completed: as of that date, legal conditions arose for Luxottica to have the obligation to launch a mandatory tender offer ("MTO") on all the outstanding ordinary shares of Fedon, at the same price of €17.03 per share. The MTO process was completed during the month of July and Fedon's shares delisted from July 20, 2022.

Completion of statutory buy-out of GrandVision shareholders

On April 14, 2022, EssilorLuxottica and GrandVision announced the completion of the statutory buy-out procedure, initiated on December 22, 2021, aimed at acquiring 100% of the issued share capital of GrandVision. Any remaining minority shareholders of GrandVision were offered the offer price, i.e. €28.42 per share, plus financial interests as per the applicable regulations.

EssilorLuxottica currently holds 100% of GrandVision's issued shares which were already delisted from Euronext Amsterdam on January 10, 2022 (last trading day on January 7, 2022).

Acceleration in Mission activities with the launch of a unified foundation

On May 25, 2022, EssilorLuxottica announced the launch of the OneSight EssilorLuxottica Foundation marking a new chapter in the Group's journey to achieve its unique Mission to help everyone in the world "see more and be more". This comes as a major pillar in EssilorLuxottica's sustainability strategy and supports its commitment to advocate for good vision as a basic human right.

The OneSight EssilorLuxottica Foundation unites many of the Group's global advocacy and philanthropic actions and will play a leading role in the fight against poor vision. By raising awareness on the importance of good vision and supporting the creation of sustainable vision care through philanthropic grants, the OneSight EssilorLuxottica Foundation will work with like-minded partners to help realize the United Nations' resolution, "Vision for All", and help eliminate uncorrected poor vision in a generation.

This new step in the integration of the Mission related activities is a strong sign of EssilorLuxottica's commitment to improve access to good vision to underserved communities. The Foundation will provide a platform that truly represents and harnesses the power and commitment of EssilorLuxottica, its employees and its partners, to make progress in this space.

The OneSight EssilorLuxottica Foundation unites the following organizations: Vision for Life, Essilor Vision Foundations in North America, India, Southeast Asia and China, Fondazione Salmoiraghi & Viganò in Italy as well as the Company's long term global partners OneSight and the Vision Impact Institute.

Dividend distribution

The Annual Shareholdings' Meeting of EssilorLuxottica held on May 25, 2022 approved the distribution of a dividend of €2.51 per ordinary share for the year 2021.

The Annual Shareholders' Meeting decided to grant to the shareholders the option to receive their dividend in newly issued shares at a price of €135.60 per share (so-called *scrip dividend*). This price corresponds to 90% of the average of the opening prices quoted on Euronext Paris over the twenty trading days preceding the date of the Annual Shareholders' Meeting less the dividend to be distributed for the financial year ended on December 31, 2021, this total being rounded up to the next euro cent.

The period to opt for payment of the dividend in newly issued shares was open from June 1, 2022, up to, and including, June 15, 2022. At the end of that period, 258,731,714 dividend rights were exercised in favor of the payment of the 2021 dividend in shares. Accordingly, on June 21, 2022, 4,789,194 new EssilorLuxottica's shares were issued, delivered and admitted to trading on Euronext Paris. Those new shares confer the same rights as the existing shares and carry current dividend rights conferring the right to any distribution paid out as from the date of their issuance.

The total cash dividend paid to the shareholders who did not opt for the *scrip dividend* amounted to €454 million and was paid on the same date, June 21, 2022.

Russia-Ukraine conflict

EssilorLuxottica's immediate reaction to Russia-Ukraine conflict was to protect its employees and their families in Ukraine ensuring the payments of salaries and bonuses and providing logistics support and accommodations for those crossing the border.

Moreover, due to the uncertainties and significant disruptions, EssilorLuxottica decided to temporarily restrict its operations in Russia while continuing to provide essential medical vision care services.

The magnitude of the financial impact resulting from the Russia-Ukraine conflict, where the Group's operations represented approximately 1% of the 2021 consolidated revenue, remains not material on the Group consolidated assets and liabilities as well as on the statement of profit or loss for the six-month period ended June 30, 2022.

The Group continue to operate in Ukraine through its retail chains, while in Russia the portfolio of products and services offered both in the retail and wholesale business has been restricted, as announced by the Company in March 2022.

The Company will monitor the evolution of the conflict and its macroeconomics impacts and adapt its response accordingly.

Consolidated revenue

EssilorLuxottica revenue

As a result of the acquisition of GrandVision (herein after referred as the "GV Acquisition" or "GV Combination"), GrandVision's revenue has been consolidated into EssilorLuxottica since July 1, 2021, i.e. for the second half of 2021 only. The comparability of the financial information presented for the first semesters of 2022 and 2021 is therefore affected.

€ millions	1H 2022	1H 2021	Change at constant exchange rates ¹	Change at current exchange rates
REVENUE	11,994	8,768	30.1%	36.8%

€ millions	Q2 2022	Q2 2021	Change at constant exchange rates ¹	Change at current exchange rates
REVENUE	6,387	4,709	27.5%	35.7%

EssilorLuxottica comparable³ revenue

To fully appreciate the performance of the Company resulting from the GV Acquisition, comparable³ revenue has been prepared for illustrative purposes only and with the aim to provide meaningful comparative information. Comparable³ revenue includes, for 2021, the contribution of GrandVision's revenue to EssilorLuxottica as if the combination between EssilorLuxottica and GrandVision, as well as the disposals of businesses required by antitrust authorities in the context of the GV Acquisition, had occurred on January 1, 2021.

Revenue by operating segment

EssilorLuxottica is a vertically integrated player whose performance is assessed based on its approach to the market (*distribution channel approach*). On one side is the supply of products and services to all third party professionals of the eyecare industry, and on the other side, the business with a direct relationship with the end consumer.

The Group's operating segments are:

- the **Professional Solutions** ("PS"): representing the wholesale business of the Group, i.e. the supply of the Group's products and services to all the professionals of the eyecare industry (distributors, opticians, independents, third-party e-commerce platforms, etc. ...); and
- the **Direct to Consumer** ("DTC"): representing the retail business of the Group, i.e. the supply of the Group's products and services directly to the end consumer either through the network of physical stores operated by the Group (brick and mortar) or the online channel (e-commerce).

€ millions	1H 2022	1H 2021	Change at constant exchange rates ¹	Change at current exchange rates
Professional Solutions	5,837	5,144	7.4%	13.5%
Direct to Consumer	6,157	5,310	10.8%	16.0%
COMPARABLE ³ REVENUE	11,994	10,453	9.1%	14.7%

€ millions	Q2 2022	Q2 2021	Change at constant exchange rates ¹	Change at current exchange rates
Professional Solutions	3,057	2,705	5.5%	13.0%
Direct to Consumer	3,330	2,903	8.5%	14.7%
COMPARABLE³ REVENUE	6,387	5,607	7.0%	13.9%

Second-quarter revenue by operating segment

Professional Solutions

In the second quarter of the year, the wholesale business registered comparable³ revenue of €3,057 million, up 5.5% at constant exchange rates¹ compared to the same period of 2021 (+13.0% at current exchange rates).

The growth pace of the division decelerated versus the first quarter, due to the weaker trends (and the tough comparison base) in North America as well as the new COVID-19 drag on the Chinese business, but was overall aligned with the performance of the second quarter of 2021 versus 2019.

North America was up low-single digit at constant exchange rates¹, after expanding high-single digit in 2021 versus 2019, with a healthy growth in luxury brands but more pressure in the low-end segment of the lens market. EMEA kept strong with all the top countries contributing, except for France slowing down, thanks to a good performance of both lenses and frames. Asia-Pacific was slightly positive in the period despite the Mainland China impact, markedly negative until May due to prolonged lockdowns. Latin America was the best performing region in the quarter, growing double digits driven by a strong Brazil.

Direct to Consumer

In the second quarter, the retail business posted comparable³ revenue of €3,330 million, up 8.5% at constant exchange rates¹ compared to the same period of 2021 (+14.7% at current exchange rates).

The division expanded in all regions at constant exchange rates¹, with the exception of Asia-Pacific. Brick-and-mortar comparable-store sales⁵ were 7% positive (with GrandVision and the rest of the EssilorLuxottica banners equally contributing) with sun continuing to outpace optical. The e-commerce business was flat at constant exchange rates¹, while it was up by two thirds in the second quarter of 2021 compared to pre-pandemic levels, with EyeBuyDirect.com, SunglassHut.com, and Vision Direct among the best performing platforms.

North America kept slightly positive at constant exchange rates¹, with brick-and-mortar comparable-store sales⁵ weakening to flattish performance, due to the optical banners turning low-single-digit negative, and e-commerce stable versus the second quarter of last year, when the online business almost doubled. EMEA was strong again, with comparable-store sales⁵ up double digits boosted by the rebound in the sun business coupled with a solid performance of optical banners. In Asia-Pacific the sun segment nicely accelerated in comparable-store sales⁵, more than offsetting the still negative optical due to the China retail performance. Brick-and-mortar comparable³ revenue in Latin America accelerated in the second quarter with both the sun and the optical retail banners delivering double-digit comparable-store sales⁵.

First-half revenue by operating segment

Professional Solutions

In the first half of 2022, Professional Solutions posted comparable³ revenue of €5,837 million, up 7.4% at constant exchange rates¹ compared with the same period of 2021 (+13.5% at current exchange rates).

All regions had a positive performance, with EMEA up high-single digit at constant exchange rates¹, driving the growth of the segment together with Latin America, the top performer, which solidly grew double digits in the period. North America and Asia Pacific grew mid-single digit both experiencing a deceleration during the latter part of the semester. A toughening comparison base in North America impacted the performance from March onwards, while prolonged lockdowns in Mainland China weighted on the results of the Asia-Pacific region. Sun outperformed optical in the semester, supported by the strong growth of luxury brands. The optical category progressed steadily, thanks to the branded lens portfolio.

Direct to Consumer

In the first half of 2022, Direct to Consumer posted comparable³ revenue of €6,157 million, up 10.8% at constant exchange rates¹ compared with the same period of 2021 (+16.0% at current exchange rates).

Brick-and-mortar comparable-store sales⁵ were up double digits, led by EMEA and Latin America, both up in the high teens, rebounding greatly compared to the same period of last year when the two regions were impacted by severe restrictions especially during the beginning of the semester. Both North America and Asia-Pacific posted slightly positive performances. The optical category progressed steadily, while the sun business experienced a sharp recovery with Sunglass Hut being the best performer among the Company's main banners. E-commerce was up mid-single digit at constant exchange rates¹, driven by SunglassHut.com and EyeBuyDirect.com.

Revenue by geographical area

EssilorLuxottica's geographical areas are **North America**, **EMEA** (i.e. Europe, including Turkey and Russia, together with Middle East and Africa), **Asia-Pacific** and **Latin America**.

€ millions	1H 2022	1H 2021	Change at constant exchange rates ¹	Change at current exchange rates
North America	5,591	4,843	4.9%	15.4%
EMEA	4,401	3,864	14.9%	13.9%
Asia-Pacific	1,351	1,258	2.4%	7.4%
Latin America	650	487	22.6%	33.4%
COMPARABLE³ REVENUE	11,994	10,453	9.1%	14.7%

€ millions	Q2 2022	Q2 2021	Change at constant exchange rates ¹	Change at current exchange rates
North America	3,026	2,627	2.4%	15.2%
EMEA	2,347	2,110	12.4%	11.2%
Asia-Pacific	666	620	1.7%	7.5%
Latin America	348	251	23.9%	38.8%
COMPARABLE³ REVENUE	6,387	5,607	7.0%	13.9%

Second-quarter revenue by geographical area

North America

North America posted comparable³ revenue of €3,026 million, up 2.4% at constant exchange rates¹ versus the second quarter of 2021 (+15.2% at current exchange rates) decelerating on the back of a strong comparison base last year, when the market experienced a sharp rebound in terms of consumer confidence and restored business conditions.

Professional Solutions was up low-single digit at constant exchange rates¹. The lens business was slightly challenged with higher price competition on the lower-end unbranded portfolio dragging down the performance. EssilorLuxottica's blockbuster lenses delivered better results sustained by the success of the EssilorLuxottica 360 program, which doubled in size compared to last year now comprising more than 4,300 members. The frame business held up thanks to a favorable price-mix driven by luxury brands, while Ray-Ban and Oakley were negatively impacted by a tough comparison base in 2021. Contact lenses experienced a strong rebound in the quarter. Key accounts and department stores outpaced the other channels, while independent ECPs and third-party e-commerce, the growth engines of 2021, crossed into negative territory. The performance of the EssilorLuxottica 360 program continued to be solid proofing the inherent strength of the partnership.

The Direct to Consumer division grew low-single digit at constant exchange rates¹. LensCrafters posted negative low-single-digit comparable-store sales⁵ vis-à-vis a comparison base which was the toughest of the whole of last year (up double digits in the second quarter of 2021 versus 2019). Price-mix continued to be favorable on both lenses and frames but traffic and conversion rates started declining especially towards the end of the quarter. Comparable-store sales⁵ at Sunglass Hut were flat despite the unfavorable effect of the rapid acceleration in sales last year. Invigorated traffic and the come-back of locations exposed to international tourism helped the performance. The successful positioning of the banner as a true omni-channel retailer gave it an additional boost with related sales increasing double digits compared to last year. Oakley retail outpaced the other banners posting positive double-digit comparable-store sales⁵ growth sustained by robust results on eyewear. Overall e-commerce was flat compared to the second quarter of last year, when the online business sharply accelerated raising to its best quarter of 2021 and almost doubled in size. EyeBuyDirect.com and SunglassHut.com stood out as the best performers among the major websites. Leveraging its natural fit with the online proposition, SunglassHut.com was able to more than triple its sales compared to pre-pandemic levels. EyeMed continued to grow double digits at constant exchange rates¹.

EMEA

EMEA recorded comparable³ revenue of €2,347 million, up 12.4% at constant exchange rates¹ versus the second quarter of 2021 (+11.2% at current exchange rates), continuing with the strong growth pace in both Professional Solutions and Direct to Consumer.

The Professional Solutions segment progressed nicely, posting mid-single-digit comparable³ sales growth versus the second quarter of last year. Almost all countries contributed to the results with the UK, Eastern Europe, Spain and Turkey as the best performing areas, whilst trends in the French market softened during the period. Growth in lenses was supported by Transitions and Eyezen, as well as the roll-out of myopia management solutions. Sunglasses continued to bounce back, with luxury brands driving, helped by revived tourism and favorable weather conditions.

Brick-and-mortar comparable-store sales⁵ grew in the mid-teens with the sun business, freed from COVID-19 restrictions, as the driving force. Sunglass Hut was up by more than 80% compared to last year, when around one fourth of the stores were still impacted by closures and a lack of tourism. The banner exceeded pre-pandemic levels in all countries and showed a progressive recovery even in airport locations. The optical segment continued to expand, with comparable-store sales⁵ increasing mid-single digit. Salmoiraghi & Viganò and GrandOptical led the performance progressing at an equally strong pace up by almost one fourth, followed by Générale d'Optique close to double digits. The performance slowed down slightly towards the end of the quarter, when the lifting of the restrictions last year had triggered a progressive recovery. The e-commerce channel positively contributed to the quarterly results in the region, with contact lenses as the best performing category.

Asia-Pacific

Asia-Pacific recorded comparable³ revenue of €666 million, up 1.7% at constant exchange rates¹ versus the second quarter of 2021 (+7.5% at current exchange rates), heavily impacted by the COVID-19 related lockdowns in Mainland China, selective but prolonged, which effects were, however, offset by the sound performance of the other countries.

The Professional Solutions business was low-single-digit positive in the quarter. Mainland China posted strongly negative sales until May, due to the high number of COVID-19 outbreaks and stringent lockdowns. Results in the country turned positive in June supported by the sound recovery in the optical category. Myopia management solutions led the rebound, with Stellest materially expanding from May. The other key markets of the region nicely progressed with Japan and India driven by the optical category and Southern Asia benefiting from progressively lower restrictions.

Brick-and-mortar comparable-store sales⁵ turned mid-single-digit positive in the quarter. The optical business declined in the mid-single-digit territory, affected by COVID-19 related restrictions in Mainland China. The performance in the country remained negative throughout the entire quarter, with however some improvements from the reopening phase started in June. In Australia, OPSM progressively recovered, ending with flat comparable-store sales⁵. The banner benefited from favorable price-mix, thanks to the higher exposure to branded lenses as well as the strong trends in luxury for frames. Sunglass Hut and Oakley grew double digits in the region. In Australia, the performance at Oakley benefited from a recovery in AFA together with the uptick in remodeled locations and Sunglass Hut was mainly supported by the growth of luxury brands. The latter gained momentum in other countries as well with South-East Asia sustained by the progressive reopening and improving tourism flows.

Latin America

Latin America was the best performing region posting comparable³ revenue of €348 million, up 23.9% at constant exchange rates¹ versus the second quarter of 2021 (+38.8% at current exchange rates) with Professional Solutions and Direct to Consumer progressing at an equally strong pace compared to last year, which was still characterized by COVID-19 related restrictions, especially in the first two months of the quarter.

In the Professional Solutions division, Brazil expanded in the high teens at constant exchange rates¹, delivering strong results across all product lines. On the lens side, Transitions and Kodak were the top performers, while on frames the growth was driven by luxury and Oakley. Mexico posted solid results, while Argentina and Colombia outpaced the other countries growing triple and double digits, respectively, at constant exchange rates¹.

Comparable revenue³ of the brick-and-mortar stores accelerated from the first quarter increasing by almost one fourth at constant exchange rates¹. In Brazil, Sunglass Hut was the best performer with traffic and price-mix up compared to last year. The solid growth in Mexico was supported by the successful start of store openings in Palacio de Hierro. Comparable-store sales⁵ of Sunglass Hut in the entire region were up by more than one third. On the optical side, GMO and the GrandVision banners performed equally well with comparable-store sales⁵ up in the low teens.

First-half revenue by geographical area

North America

North America posted comparable³ revenue of €5,591 million, up 4.9% at constant exchange rates¹ versus the first half of 2021 (+15.4% at current exchange rates).

Both segments were pacing at an equal rate. Sun frames outperformed the optical category driven by the luxury brands. Key accounts drove the performance, while independent ECPs decelerated. In the Direct to Consumer segment, both brick-and-mortar stores and e-commerce posted positive growth, with Sunglass Hut as the best performing banner in the semester.

EMEA

EMEA posted comparable³ revenue of €4,401 million, up 14.9% at constant exchange rates¹ versus the first half of 2021 (up 13.9% at current exchange rates).

With the lifting of restrictions, the region continued its progressive recovery with all the countries posting positive performances. Professional Solutions grew healthily, thanks to bouncing back sunglasses, and branded lenses on the optical side. The Direct to Consumer segment drove the growth of the region, with Sunglass Hut being the best performer, followed by Salmoiraghi & Viganò and the GrandVision banners.

Asia-Pacific

Asia Pacific posted comparable³ revenue of €1,351 million, up 2.4% at constant exchange rates¹ versus the first half of 2021 (up 7.4% at current exchange rates).

The region was affected by a mixed performance among the different countries. Mainland China was negatively impacted by new waves of the pandemic but started to recover in June with Professional Solutions turning positive supported by the optical category with Stellest leading the way. The other key markets in the region all posted solid results. On the Direct to Consumer side Australia accelerated in the second quarter compared to the first one on the back of an improved performance in both optical and sun.

Latin America

Latin America posted comparable³ revenue of €650 million, up 22.6% at constant exchange rates¹ versus the first half of 2021 (up 33.4% at current exchange rates).

With no COVID-19 restrictions this year, the performance in the region bounced back significantly with all countries growing double digits and both Professional Solutions and Direct to Consumer contributing equally. Brazil posted strong results supported by the rebound in the wholesale segment and Sunglass Hut as the top performer on the retail side. Healthy growth was also registered by the optical banners in the region including GrandVision.

Statement of profit or loss and Alternative Performance Measures

EssilorLuxottica condensed consolidated statement of profit or loss

€ millions	1H 2022	1H 2021	Change
Revenue	11,994	8,768	36.8%
Cost of sales	(4,278)	(3,423)	25.0%
GROSS PROFIT	7,716	5,345	44.4%
% of revenue	64.3%	61.0%	
Total operating expenses	(6,006)	(4,074)	47.4%
OPERATING PROFIT	1,711	1,271	34.6%
% of revenue	14.3%	14.5%	
PROFIT BEFORE TAXES	1,661	1,214	36.8%
% of revenue	13.9%	13.9%	
Income taxes	(424)	(302)	40.4%
Effective tax rate	25.5%	24.9%	
NET PROFIT	1,237	912	35.6%
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	1,174	854	37.5%

The table above shows the performance of EssilorLuxottica activities in the first semesters of 2022 and 2021. However, since the combination between EssilorLuxottica and GrandVision occurred on July 1, 2021, the Company's performance of the first semester 2021 does not include GrandVision's results nor any of the effects resulting from the combination accounting. The comparability of the financial information presented is therefore affected.

- *Revenue* increased by 36.8% compared to the first semester of 2021, however the comparison with the first semester of 2021 is not entirely relevant since the Company started consolidating GrandVision's revenue only from July 1, 2021; accordingly the Group's net sales performance has been commented on a comparable³ basis in the paragraph *Consolidated revenue* above.
- *Cost of sales* increased as a direct consequence of the consolidation of GrandVision, showing a +25% variation over the first semester 2021.
- *Operating expenses* are still materially affected by the depreciation and amortization resulting from the recognition of tangible and intangible assets following the purchase price allocation related to the EL Combination (approximately €366 million in the first semester 2022 versus approximately €350 million recorded in the same period of last year). GrandVision contributed to the Group operating expenses for approximately €1.4 billion, including €112 million related to the amortization of new intangible assets recognized as part of the GV Combination. Furthermore, the performance for the first semester 2021 included a significant income of approximately €62 million recognized following the recovery of the misappropriated funds from the EMTC fraud case, which was not the case during the first semester 2022.
- *Net profit* significantly increased to €1,237 million from €912 million reported in the first semester of 2021, as a consequence of the growth achieved by the Group in the period as well as of the contribution of GrandVision business.

EssilorLuxottica Alternative Performance Measures (APM)

Adjusted measures

In this document, management presented certain performance indicators that are not envisioned by the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Such measures are not meant to be considered in isolation or as a substitute for items appearing in EssilorLuxottica condensed consolidated interim financial statements prepared in accordance with IFRS. Rather, these non-IFRS measures should be used as a supplement to IFRS results to assist the reader in better understanding the operating performance of the Group and should be read in conjunction with EssilorLuxottica condensed consolidated interim financial statements. Such measures are not defined terms under IFRS and their definitions should be carefully reviewed and understood by investors.

The combination of Essilor and Luxottica (the "EL Combination"), the acquisition of GrandVision (the "GV Acquisition" or "GV Combination") as well as events that are unusual, infrequent or unrelated to normal operations, have a significant impact on the consolidated results. Accordingly, in order to provide additional comparative information on the results for the period under review compared to previous periods, to reflect EssilorLuxottica actual economic performance and enable it to be monitored and benchmarked against competitors, some measures have been adjusted ("adjusted measures"). In particular, management adjusted the following measures: *Cost of sales*, *Gross profit*, *Operating expenses*, *Operating profit*, *Profit before taxes* and *Net profit*. Such adjusted measures are reconciled to their most comparable measures reported in the condensed consolidated interim statements of profit or loss for the six-month periods ended June 30, 2022.

In continuity with previous periods, in the first semester of 2022 adjusted measures exclude: (i) the incremental impacts of the purchase price allocations related to the EL Combination and the GV Acquisition ("*Adjustments related to PPA impacts*"); and (ii) other adjustments related to transactions that are unusual, infrequent or unrelated to normal operations, as the impact of these events might affect the understanding of the Group's performance ("*Other non-GAAP adjustments*").

€ millions	1H 2022	Adjustments related to PPA impacts	Other non-GAAP adjustments	1H 2022 Adjusted ²
Revenue	11,994	—	—	11,994
Cost of sales	(4,278)	4	9	(4,265)
GROSS PROFIT	7,716	4	9	7,729
% of revenue	64.3%			64.4%
Total operating expenses	(6,006)	431	47	(5,528)
OPERATING PROFIT	1,711	435	56	2,202
% of revenue	14.3%			18.4%
Cost of net debt and other*	(49)	(0)	(3)	(52)
PROFIT BEFORE TAXES	1,661	434	54	2,150
% of revenue	13.9%			17.9%
Income taxes	(424)	(87)	(16)	(527)
NET PROFIT	1,237	348	38	1,623
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	1,174	339	35	1,548

* Including Share of profit of associates.

The Other non-GAAP adjustments are described below.

- Non-recurring *Cost of sales* for €9 million almost entirely related to restructuring and reorganization projects aiming at rationalizing the lenses laboratories footprint and the distribution network to increase the Group's operational and organizational efficiency; the non-recurring costs mainly refer to severance, accelerated depreciation and write-off.
- Non-recurring *Selling* expenses for €15 million associated with restructuring projects in EMEA and US.
- Non-recurring *Advertising and marketing* expenses for €9 million, mainly associated with impairment losses on intangible assets.
- Non-recurring *General and administrative expenses* for €37 million, mainly associated with the following impacts:
 - non-recurring expenses related to M&A projects for €10 million, incurred in connection with the significant business combinations completed in the semester; and
 - restructuring and reorganization projects, both in EMEA and US, for approximately €16 million; the non-recurring costs mainly refer to severance, including those related to key management personnel.
- *Other income/(expenses)* are adjusted for a positive effect of €13 million mainly associated with the gain of approximately €7 million resulting from the sale of the European businesses the Group disposed in the period in accordance with the remedies agreed with the European Commission in the context of the acquisition of GrandVision.
- *Income taxes* are adjusted for an amount of €(16) million corresponding to the tax effects of the above-mentioned adjustments.

Adjusted² consolidated statement of profit or loss

Due to the structure of 2021 consolidated interim statement of profit or loss, which does not include GrandVision's results nor any of the effects resulting from the combination accounting, management deemed relevant to comment the Group's performance of the first semester 2022 *versus* the *pro forma*⁴ information of the first semester 2021. That *pro forma*⁴ information has been prepared for illustrative purposes only and with the aim to provide meaningful comparative information.

€ millions	1H 2022 Adjusted ²	1H 2021 Adjusted ² <i>Pro forma</i> ⁴	Change at constant exchange rates ¹	Change at current exchange rates
Revenue	11,994	10,453	9.1%	14.7%
Cost of sales	(4,265)	(3,752)	7.9%	13.7%
GROSS PROFIT	7,729	6,701	9.8%	15.3%
% of revenue	64.4%	64.1%		
Research and development	(158)	(162)	-5.3%	-2.1%
Selling	(3,461)	(2,916)	13.5%	18.7%
Royalties	(109)	(87)	20.6%	25.4%
Advertising and marketing	(812)	(750)	2.9%	8.3%
General and administrative	(985)	(967)	-2.6%	1.9%
Other income/(expenses)	(3)	(6)	-59.3%	-53.3%
Total operating expenses	(5,528)	(4,887)	8.1%	13.1%
OPERATING PROFIT	2,202	1,814	14.3%	21.4%
% of revenue	18.4%	17.4%		
Cost of net debt and other *	(52)	(75)	-37.1%	-30.8%
PROFIT BEFORE TAXES	2,150	1,739	16.6%	23.6%
% of revenue	17.9%	16.6%		
Income taxes	(527)	(429)	15.8%	22.8%
Effective tax rate	24.5%	24.7%		
NET PROFIT	1,623	1,310	16.8%	23.9%
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	1,548	1,230	18.6%	25.8%

* Including Share of profit of associates.

Revenue for the semester totaled €11,994 million, an increase of 9.1% at constant exchange rates¹ (+14.7% at current exchange rates).

Adjusted² Gross profit: +9.8% at constant exchange rates¹ (+15.3% at current exchange rates)

Adjusted² Gross profit in the first semester of 2022 ended at €7,729 million, representing 64.4% of revenue versus 64.1% in 2021. Leveraging on a favorable price-mix effect and efficiencies in the industrial operations, the Group has been able to improve its gross profit notwithstanding the cost pressure driven by the inflationary trends during the period.

Adjusted² Operating expenses: +8.1% at constant exchange rates¹ (+13.1% at current exchange rates)

Adjusted² Operating expenses amounted to €5,528 million for the first semester of 2022, translating to 46.1% of revenue (46.8% in the first semester of 2021). The Group benefited from a tight control of the discretionary expenses that partially offset the increase in selling and marketing investments.

The main variances related to *Operating expenses* refer to:

- *Selling* expenses amounting to €3,461 million, an increase of 13.5% at constant exchange rates¹ compared to the first semester of 2021 that reflected the revenue growth of the semester as well as the increased investments to strengthen the sale force organization and the inclusion in 2021 of significant rent concessions and subsidies related to COVID-19.
- *Advertising and marketing* expenses amounting to €812 million, increased of approximately 3% on a constant exchange rates¹ basis due to specific investments in the Group's house brands as well as to the contractually agreed advertising activities to support the Group's licensed brands which over performed compared to the first semester of 2021.
- *General and administrative* expenses amounting to €985 million, a decrease of 2.6% at constant exchange rates¹ compared to the same period of 2021, thanks to savings on discretionary spending and simplification of the organization structure partially offset by increased investments in the Group IT infrastructure.

Adjusted² Operating profit: +14.3% at constant exchange rates¹ (+21.4% at current exchange rates)

The Group posted an adjusted² *Operating profit* of €2,202, representing 18.4% of revenue compared to 17.4% in the same period of 2021 (18.2% at constant exchange rates¹, an improvement of approximately 80 basis points compared to the first semester of 2021).

Adjusted² Cost of net debt and other

The adjusted² *Cost of net debt* decreased to €66 million in the first semester of 2022 due to a more efficient financing structure. *Share of profits of associates* showed a profit of €6 million.

Adjusted² Income taxes

EssilorLuxottica reported adjusted² *Income taxes* of €527 million, reflecting an adjusted² tax rate of 24.5% for the first semester of 2022 broadly in line with the adjusted² tax rate in the same period of 2021 (24.7%).

Adjusted² Net profit attributable to owners of the parent: significantly increased by +18.6% at constant exchange rates¹ (+25.8% at current exchange rates)

Statement of financial position, net debt, cash flows and other non-GAAP measures

EssilorLuxottica reclassified consolidated statement of financial position

The reclassified consolidated statement of financial position aggregates the amount of assets and liabilities from the consolidated statement of financial position in accordance with functional criteria which considers the Group conventionally divided into the three fundamental areas focusing on resources investments, operations and financing.

€ millions	June 30, 2022	Restated ^(a) December 31, 2021
Goodwill	31,468	29,104
Intangible assets	12,425	12,599
Property, plant and equipment	4,588	4,211
Right-of-use assets	3,022	2,930
Investments in associates	90	91
Other non-current assets	746	718
Fixed Assets	52,338	49,653
Trade working capital	3,270	2,582
Employees benefits and provisions	1,013	(1,152)
Tax receivables/(payables)	(716)	(509)
Deferred tax assets/(liabilities)	(2,090)	(2,049)
Tax assets/(liabilities)	(2,806)	(2,558)
Other operating assets/(liabilities)	(2,767)	(3,020)
Assets / (liabilities) held for sale	—	69
NET INVESTED CAPITAL	49,022	45,573
EQUITY	38,606	35,875
NET DEBT	10,415	9,698

(a) The comparative period has been restated to reflect the finalization of the purchase price allocation ("PPA") related to the acquisition of GrandVision, which was accounted for on a provisional basis in EssilorLuxottica consolidated financial statements as of and for the year ended December 31, 2021.

Fixed assets amount to €52,338 million and increased by €2,685 million compared to December 31, 2021. The main categories contributing to this increase are mentioned below.

- i. *Goodwill*: goodwill increased by €2,363 million, of which €753 million arising from the business combinations completed in the period (accounted for on a provisional basis as permitted by IFRS), described in the paragraph *Significant events of the period*, and approximately €1,610 million due to foreign currency fluctuations.
- ii. *Property, plant and equipment* and *Right-of-use assets*: the overall increase of the period amounts to €468 million, mainly coming from foreign currency fluctuations. The additions of the period (capital expenditure, for approximately €500 million, as well as the recognition of new *Right-of use* assets in connection with lease contracts signed in the first semester of 2022, for €356 million) were counterbalanced by the depreciation and impairment of the period amounting to €795 million.

Trade working capital (i.e. the sum of inventories, trade receivables and trade payables) increased by €688 million compared to December 31, 2021, following, on one side, the growth trend experienced in the Professional Solutions segment and, on the other, the effects of foreign currency fluctuations.

Assets / (liabilities) held for sale, amounting to €69 million as of December 31, 2021, were derecognized as a result of the divestment of the European businesses disposed in the period according to the remedies agreed with the European Commission in the context of the acquisition of GrandVision.

Equity increased mainly as a result of foreign currency fluctuations (approximately €2,206 million) and for the net result of the period (€1,237 million); its balance was also affected by the dividend distribution of the period that led to a decrease of €516 million, of which €454 million paid to EssilorLuxottica's shareholders who did not opt for the scrip dividend (see paragraph *Significant events of the year*) and €62 million distributed to minorities shareholders of the Group's subsidiaries. Share-based payments also affected the final balance (€70 million increase) as well as the net sale/(net purchase) of treasury shares (€338 million decrease).

Net debt increased by €717 million compared to December 31, 2021 as illustrated in the dedicated paragraph.

Other non-GAAP measures

Other non-GAAP measures such as Net debt, Free Cash Flow, EBITDA and the ratio Net debt to EBITDA are also included in this document in order to:

- improve transparency for investors;
- assist investors in their assessment of the Group's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Group's cost of debt;
- ensure that these measures are fully understood in light of how the Group evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and
- share these measures with all investors at the same time.

Those other non-GAAP measures are not meant to be considered in isolation or as a substitute for items appearing in EssilorLuxottica's condensed consolidated interim financial statements prepared in accordance with IFRS. Rather, these other non-GAAP measures should be used as a supplement to IFRS results to assist the reader in better understanding the operating performance of the Group. Moreover, investors should be aware that the Group's method of calculating those non-GAAP measures may differ from that used by other companies.

The following table provides a reconciliation of those non-GAAP measures to the most directly comparable IFRS financial measures.

€ millions	1H 2022	1H 2021
Net cash flow provided by operating activities ^(a)	2,144	1,905
Purchase of property, plant and equipment and intangible assets ^(a)	(768)	(418)
Cash payments for the principal portion of lease liabilities ^(a)	(469)	(276)
FREE CASH FLOW	906	1,211
Operating profit ^(b)	1,711	1,271
Depreciation, amortization and impairment ^(a)	1,433	1,011
EBITDA	3,144	2,282
NET DEBT ^(c)	10,415	1,945
NET DEBT/EBITDA LTM ^(d)	1.8	0.5

(a) As presented in the consolidated statement of cash flows.

(b) As presented in the consolidated statement of profit or loss.

(c) Net debt is presented in Note 16 – *Financial debt, including lease liabilities* of the Notes to the condensed consolidated interim financial statements. Its components are also reported in the *Net debt* paragraph below.

(d) EBITDA LTM = Last Twelve Months, equal to €5,649 million for the twelve-month period ended on June 30, 2022 and €4,135 million for the twelve-month period ended on June 30, 2021.

Net debt

Group *Net debt (excluding Lease liabilities)* amounted to €10,415 million at the end of June 2022, increasing by €717 million compared to the position at the end of December 2021.

€ millions	June 30, 2022	December 31, 2021
Non-current borrowings	7,925	8,913
Current borrowings	3,077	1,036
TOTAL LIABILITIES	11,001	9,950
Short-term investments	(13)	—
Cash and cash equivalents	(3,745)	(3,293)
TOTAL ASSET	(3,758)	(3,293)
Interest Rate Swap measured at fair value	(4)	(21)
Foreign exchange derivatives at fair value	(10)	(4)
NET DEBT EXCLUDING LEASE LIABILITIES	7,230	6,630
Lease liabilities (current and non-current)	3,185	3,068
NET DEBT	10,415	9,698

Non-current borrowings decreased compared to December 31, 2021 due to the reclassification to current borrowings of the €1 billion Eurobond due in May 2023. Current borrowings also recorded an additional increase due to the issuance of Commercial Paper, mainly under the USCP program.

Reclassified consolidated statement of cash flows

The reclassified consolidated statement of cash flows reconciles the EBITDA to the net cash flow generated by the Group highlighting the cash flow derived from its operations (Free Cash Flow).

As consequence of the combination between EssilorLuxottica and GrandVision (occurred on July 1, 2021), the Company's performance shown for H1 2021 does not include GrandVision's results.

€ millions	H1 2022	H1 2021
EBITDA	3,144	2,282
Changes in trade working capital ^(a)	(355)	(299)
Capital expenditure	(768)	(418)
Lease payments (excluding interests) ^(b)	(469)	(276)
Other cash flow from operations	(646)	(78)
FREE CASH FLOW	906	1,211
Dividends paid	(519)	(191)
Acquisitions net of cash acquired	(800)	(38)
Other changes in equity	(340)	(24)
Other changes in financial and non-financial assets	16	113
Changes in borrowings (excluding FX)	997	(394)
NET CASH FLOW	260	677

(a) Trade working capital comprises inventories, trade receivables and trade payables.

(b) Cash payments for the principal portion of lease liabilities as presented in the consolidated statement of cash flows.

Capital expenditure cash-out amounted to €768 million, representing approx. 6% of the Group's revenue.

The line *Acquisition net of cash acquired* represents the net cash-out related to business combinations completed during the period, and, to a less extent, price supplements and/or deferred payments on acquisitions completed in prior years. In the first semester of 2022, the amount was mainly related to the acquisitions described in the paragraph *Significant events of the year*.

The line *Other changes in equity* includes, among the others, the effects of transactions with non-controlling interest (€5 million in the first semester of 2022, €28 million in the first semester of 2021) as well as the cash-out related to the share buyback program (€338 million in the first semester 2022, nil in 2021) compensated by the cash-in related to share capital increases.

The flows reported in *Other changes in financial and non-financial assets* for the first semester of 2022 include the proceed from the sale of the European businesses the Group divested in accordance with the remedies agreed with the European Commission in the context of the GV Acquisition, almost entirely counterbalanced by the cash-out related to some financial investments in non-consolidated companies. In the first semester of 2021 those flows mainly referred to the €75 million investment in Mazzucchelli 1842 SpA (associate) counterbalanced by the re-investment of a short-term cash deposit in cash equivalent instruments (€200 million).

Finally, the line *Changes in borrowings (excluding FX)* was mainly affected by the movements described in the *Net debt* paragraph.

Acquisitions and partnerships

During the first half of 2022, EssilorLuxottica continued to pursue its M&A strategy in selected businesses and geographies.

On May 31, 2022, Luxottica announced the completion of the purchase of a 90.9% shareholding in the share capital of Giorgio Fedon & Figli S.p.A. and, as a result, a mandatory tender offer ("MTO") on the outstanding listed shares was launched. The transaction represents a step forward in EssilorLuxottica's vertical integration strategy and will allow to better fit the eyewear and spectacles with the cases and packaging (see details in the paragraph *Significant events of the period*).

On March 1, 2022, EssilorLuxottica announced the closing of its acquisition of U.S. based lab network Walman Optical, and, on March 17, 2022, the finalization of the joint venture agreement with CooperCompanies for the acquisition of SightGlass Vision. As for the GrandVision transaction, on April 14, 2022, EssilorLuxottica announced the completion of the statutory buy-out procedure aimed at acquiring 100% of the issued share capital of GrandVision.

Mission and sustainability

Mission

In the second quarter of the year, the Company took a decisive step in the pursuit of its Mission of helping people “see more and be more”, with the creation of the OneSight EssilorLuxottica Foundation in May 2022. The largest foundation in the world driving inclusive vision care access, it unites all of the Group’s global advocacy and philanthropic actions, providing a platform that truly represents and harnesses the power and commitment of EssilorLuxottica, its employees and partners. The OneSight EssilorLuxottica Foundation aims to radically scale up and accelerate global actions, which include: creating sustainable access points, innovating for affordable solutions, funding subsidized and free services, advocacy and awareness, driving engagement and creating partnerships. The Foundation will be working closely with the EssilorLuxottica Sustainable Programming and commercial teams to help countries around the world realize the United Nations’ resolution, “Vision for All”, and eliminate uncorrected poor vision in a generation.

Through the Company’s collective actions to eliminate uncorrected poor vision, 6 new vision centers have been opened and over 1,500 new vision care entrepreneurs have been trained since the beginning of the year, enabling over 30 million people to gain access to vision care and creating nearly 5 million new wearers. Furthermore, 100% of the population in Rwanda now has access to vision care via the Foundation’s vision centers.

Since 2013, the Company has created access for more than 500 million people in underserved communities, trained more than 20,500 primary vision care entrepreneurs and created approximately 51 million wearers for the industry.

Globally recognized for making a positive impact to the communities around us, EssilorLuxottica won some important recognitions in the first half of the year, notably in China where the company was awarded the *2021 Responsible Brand*, *2021 Excellent CSR Project*, *2022 Chief Responsibility Officer* and *2022 Outstanding Community Service of Public Health* awards.

Sustainability

The end of the first semester of 2022 marked the first anniversary of EssilorLuxottica’s sustainability program “Eyes on the Planet”. Ever since its launch, the Company and its subsidiaries have been consistently executing projects and initiatives under each “Eyes on” strategic pillar of the program - Carbon, Circularity, World Sight, Inclusion and Ethics - aiming to further embed sustainability into the business model. By addressing key sustainability themes along the Company value chain, the pillars confirm how Mission, sustainability and business strategy are strongly intertwined at EssilorLuxottica.

Five pillars and commitments addressing strategic sustainability themes

Pillars	Sustainability theme	Commitment
EYES ON CARBON	Climate change	Achieving carbon neutrality for our direct operations by 2025, starting with Europe by 2023
EYES ON CIRCULARITY	Sustainable product and offering	Shifting from fossil-based materials to bio-based materials and embed eco-design in all our product developments by 2025
EYES ON WORLD SIGHT	Good vision & corporate citizenship	Leveraging our sight expertise and breakthrough innovation to eliminate poor vision by 2050 and onboard local communities
EYES ON INCLUSION	People well-being	Building an inclusive work culture and safe environment where everyone can thrive, feel valued and constantly learn
EYES ON ETHICS	Fair and ethical practices within our value chain	Ensuring a fair and ethical foundation of all business relations and collaborations to create shared value with our stakeholders

In executing the Eyes on the Planet program, EssilorLuxottica completed its first carbon footprint assessment globally in H1 2022, bringing a complete understanding of the Company's direct and indirect impacts at each stage of the value chain, including a clear overview of Scope 3 emissions. The outcome fully reflects EssilorLuxottica's vertically integrated business model, handling every aspect of its eyecare and eyewear businesses: purchased goods and services, electricity consumption and product transportation are the major sources of greenhouse gas emissions. These are also priority areas for decarbonization initiatives and for advancing the Company's climate journey. Already in the first half, progress has been made in making green the new normal in logistics, from increasing the recycled content in packaging to introducing the green shipping as default option in its e-commerce business.

Developing a best practice approach to carbon is a key part of the Eyes on the Planet program and builds on the initiatives introduced ever since its launch. The Group already achieved a key milestone at the end of 2021: it reached carbon neutrality in its direct operations in France and Italy, its two historic home countries, as part of its 2025 carbon neutrality roadmap (Scope 1 and 2) for direct operations. This achievement is due to a far-sighted strategy of improving energy efficiency across facilities, increasing the self-production or use of renewable energy, supporting carbon reduction projects beyond its value chain, such as the protection and restoration of natural ecosystems, and developing low carbon innovations.

While progressing towards its 2025 carbon neutrality target for its direct operations (Scope 1 and 2), the Company also wants to widen its efforts and prepare a more comprehensive and long-term climate roadmap to help reach the global ambition of ensuring a healthy future for our planet.

Sustainability and innovation go together at EssilorLuxottica, with the product naturally at the center of its circular economy approach so to minimize the impact on the environment while enhancing the product excellence and quality. This is well exemplified by the results of the Life-Cycle Assessment on the bio-acetate manufactured by the partner Mazzucchelli, which proved better environmental performance compared to standard acetate. Also, in January 2021 EssilorLuxottica has been the first eyewear company to receive the ISCC Plus (International Sustainability & Carbon Certification) certification for the Circular Economy for the in-house nylon recycling process set up in the Agordo (Italy) plant. The application of this standard ensures the traceability of the material through all the production phases: from waste collection to the injection molding process and that the recycled granule maintains the same high standards of quality and performance as the original. In the first half of this year, the Company was able to recycle around 15 tons of nylon only in that plant. In addition, during the last 18 months, the Company has extended its adoption of recycling schemes for nylon and acetate in six plants, in Italy and in China. This is another recognition of its commitment to reduce its environmental footprint and put an end to waste following the 4Rs approach: "Research-Reduce-Reuse-Recycle".

EssilorLuxottica sustainability progress has once again received external recognition, with the Vigeo Eiris and Sustainalytics ratings as confirmation that the Company is on the right path with its strategy. The Company has also furthered its commitment to environmental transparency by completing the CDP's climate change questionnaire for the first time.

By executing and advancing its Eyes on the Planet program EssilorLuxottica will continue to contribute to its Mission and involve the entire organization to address environmental protection, employees' well-being and the economic and social progress of the local communities which it serves.

Subsequent events

Agreement for the first joint Smart Eyewear Lab with Politecnico di Milano

On July 19, 2022, EssilorLuxottica and Politecnico di Milano announced the creation of the first ever joint research center aimed at designing the smart glasses of the future, EssilorLuxottica Smart Eyewear Lab.

The project involves an investment worth over €50 million, and will encompass industrial research and experimental development of devices underlying a new generation of wearables which are capable of autonomous network connection. It is a pioneering and tangible project that will enable the development of technologies and services by means of a widely used interface such as eyewear.

The EssilorLuxottica Smart Eyewear Lab will initially last five years and will employ when fully operational over 100 among researchers and scientists working closely together in a dedicated space within the Innovation District, which the Politecnico di Milano is currently developing in the Parco dei Gasometri, located in the Bovisa area in Milan.

EssilorLuxottica and the Politecnico di Milano also aim to jointly create an ad hoc curriculum fostering the development of increasingly specific skills in the wearable and smart eyewear field and virtuously feeding the new Lab's research activities.

Outlook

The Company confirms its target of mid-single-digit annual revenue growth from 2022 to 2026 (at constant exchange rates¹⁾) and expects to achieve an adjusted² operating profit as a percentage of revenue in the range of 19-20% at the end of the period.

Notes

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 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.

3 Comparable (revenue): 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. No adjustments are made to 2022 revenue.

4 Pro forma: *pro forma* information as presented in the Unaudited *Pro Forma* Consolidated Interim Financial Information. The Unaudited *Pro Forma* Consolidated Interim Financial Information has been prepared for illustrative purpose only as if the acquisition of GrandVision had occurred on January 1, 2021. That information does not take into account the results of operations and financial condition that EssilorLuxottica would have achieved if the acquisition of GrandVision had actually been realized on January 1, 2021; there can be no assurance that the assumptions used to prepare the Unaudited *Pro Forma* Consolidated Interim Financial Information are accurate in all respects or that the result disclosed in the Unaudited *Pro Forma* Consolidated Interim Financial Information are indicative of the future performance of EssilorLuxottica. As a result, EssilorLuxottica's performance in the future may differ materially from that presented in the Unaudited *Pro Forma* Consolidated Interim Financial Information. For a reconciliation between adjusted *pro forma* measures and their most comparable measures reported in the IFRS condensed consolidated interim financial statements, please refer to the reconciliation table provided in Appendix 3.

5 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.

6 Free Cash Flow: *Net cash flow provided by operating activities* less the sum of *Purchase of property, plant and equipment and intangible assets* and *Cash payments for the principal portion of lease liabilities* according to the IFRS consolidated statement of cash flow.

7 Net debt: sum of *Current and Non-current borrowings*, *Current and Non-current lease liabilities*, minus *Short-term investments*, *Cash and cash equivalents*, the *Interest Rate Swap measured at fair value* and *Foreign exchange derivatives at fair value* as disclosed in the IFRS consolidated financial statements.

Appendix 1 - Excerpts from the Condensed Consolidated Interim Financial Statements

Consolidated statement of profit or loss

€ millions	First semester 2022	First semester 2021
Revenue	11,994	8,768
Cost of sales	(4,278)	(3,423)
GROSS PROFIT	7,716	5,345
Research and development	(286)	(290)
Selling	(3,731)	(2,210)
Royalties	(109)	(87)
Advertising and marketing	(867)	(677)
General and administrative	(1,022)	(859)
Other income/(expenses)	10	48
Total operating expenses	(6,006)	(4,074)
OPERATING PROFIT	1,711	1,271
Cost of net debt	(65)	(58)
Other financial income/(expenses)	10	(0)
Share of profits of associates	6	2
PROFIT BEFORE TAXES	1,661	1,214
Income taxes	(424)	(302)
NET PROFIT	1,237	912
of which attributable to:		
• owners of the parent	1,174	854
• non-controlling interests	64	59
Weighted average number of shares outstanding:		
• basic	440,101,686	437,427,874
• diluted	444,107,551	443,087,053
Earnings per share (EPS) for net profit attributable to owners of the parent (in euro):		
• basic	2.67	1.95
• diluted	2.64	1.93

Consolidated statement of financial position

Assets

€ millions	June 30, 2022	Restated ^(a) December 31, 2021
Goodwill	31,468	29,104
Intangible assets	12,425	12,599
Property, plant and equipment	4,588	4,211
Right-of-use assets	3,022	2,930
Investments in associates	90	91
Other non-current assets	746	718
Deferred tax assets	413	487
TOTAL NON-CURRENT ASSETS	52,752	50,140
Inventories	2,872	2,445
Trade receivables	2,818	2,355
Tax receivables	271	296
Other current assets	932	804
Cash and cash equivalents	3,745	3,293
TOTAL CURRENT ASSETS	10,638	9,193
Assets held for sale	—	82
TOTAL ASSETS	63,390	59,415

(a) The comparative period has been restated to reflect the finalization of the purchase price allocation ("PPA") related to the acquisition of GrandVision, which was accounted for on a provisional basis in EssilorLuxottica consolidated financial statements as of and for the year ended December 31, 2021.

Consolidated statement of financial position

Equity and liabilities

€ millions	June 30, 2022	Restated ^(a) December 31, 2021
Share capital	81	80
Share premium reserve	23,031	22,381
Treasury shares reserve	(567)	(231)
Other reserves	14,100	11,387
Net profit attributable to owners of the parent	1,174	1,448
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	37,819	35,064
Equity attributable to non-controlling interests	788	811
TOTAL EQUITY	38,606	35,875
Non-current borrowings	7,925	8,913
Non-current lease liabilities	2,324	2,230
Employee benefits	409	537
Non-current provisions	284	243
Other non-current liabilities	101	143
Deferred tax liabilities	2,503	2,536
TOTAL NON-CURRENT LIABILITIES	13,547	14,602
Current borrowings	3,077	1,036
Current lease liabilities	861	837
Trade payables	2,420	2,218
Tax payables	987	805
Current provisions	320	373
Other current liabilities	3,572	3,655
TOTAL CURRENT LIABILITIES	11,236	8,925
Liabilities held for sale	—	13
TOTAL EQUITY AND LIABILITIES	63,390	59,415

(a) The comparative period has been restated to reflect the finalization of the purchase price allocation ("PPA") related to the acquisition of GrandVision, which was accounted for on a provisional basis in EssilorLuxottica consolidated financial statements as of and for the year ended December 31, 2021.

Consolidated statement of cash flows

€ millions	First semester 2022	First semester 2021
NET PROFIT	1,237	912
Depreciation, amortization and impairment	1,433	1,011
(Gains)/losses from disposal of assets	1	6
Expense arising from share-based payments	71	57
Income taxes	424	302
Finance result, net	55	58
Other non-cash items	(17)	(6)
Changes in provisions	(29)	36
Changes in trade working capital	(355)	(299)
Changes in other operating receivables and payables	(336)	191
Taxes paid, net	(250)	(283)
Interest paid, net	(90)	(79)
NET CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	2,144	1,905
Purchase of property, plant and equipment and intangible assets	(768)	(418)
Disposal of property, plant and equipment and intangible assets	9	5
Acquisitions of businesses, net of cash acquired	(800)	(38)
Changes in other non-financial assets	69	(75)
Changes in other financial assets	(63)	183
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(1,553)	(343)
Share capital increase	3	4
(Purchase)/sale of treasury shares	(338)	—
Dividends paid:	(519)	(191)
• to the owners of the parent	(454)	(138)
• to non-controlling interests	(64)	(53)
Transactions with non-controlling interests	(5)	(28)
Cash payments for principal portion of lease liabilities	(469)	(276)
Issuance of bonds, private placements and other long-term debts	—	—
Repayment of bonds, private placements and other long-term debts	(453)	(503)
Changes in other current and non-current borrowings	1,451	109
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(330)	(886)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	260	677
Cash and cash equivalents at the beginning of the financial year	3,293	8,683
Effects of exchange rate changes on cash and cash equivalents	192	64
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,745	9,424

Appendix 2 - Comparable revenue 2021

Comparable³ revenue includes 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 at the beginning of the year. Comparable³ revenue has been prepared for illustrative purpose. All the changes reported below are *versus* 2019.

By operating segment

€ millions	Professional Solutions	Change at constant ¹ FX	Change at current FX	Direct to Consumer	Change at constant ¹ FX	Change at current FX	2021	Change at constant ¹ FX	Change at current FX
Comparable revenue 1Q	2,439	0.3 %	(5.2)%	2,407	1.3 %	(3.0)%	4,846	0.8 %	(4.1)%
Comparable revenue 2Q	2,705	5.2 %	(0.9)%	2,903	11.4 %	6.4 %	5,607	8.3 %	2.8 %
Comparable revenue 1H	5,144	2.8 %	(3.0)%	5,310	6.6 %	1.9 %	10,453	4.7 %	(0.5)%
Comparable revenue 3Q	2,577	7.4 %	1.8 %	2,888	11.0 %	6.5 %	5,465	9.3 %	4.2 %
Comparable revenue 4Q	2,678	6.8 %	2.0 %	2,901	15.2 %	11.6 %	5,579	11.0 %	6.8 %
Comparable revenue 2H	5,255	7.1 %	1.9 %	5,790	13.0 %	9.0 %	11,044	10.1 %	5.5 %
Comparable revenue Dec YTD	10,399	4.9 %	(0.6)%	11,099	9.8 %	5.5 %	21,498	7.4 %	2.5 %

By geographical area

€ millions	North America	Change at constant ¹ FX	Change at current FX	EMEA	Change at constant ¹ FX	Change at current FX	Asia-Pacific	Change at constant ¹ FX	Change at current FX	Latin America	Change at constant ¹ FX	Change at current FX	2021
Comparable revenue 1Q	2,216	6.2 %	0.4 %	1,755	(5.9)%	(7.8)%	639	2.4 %	0.7 %	236	0.1 %	(23.6)%	4,846
Comparable revenue 2Q	2,627	16.2 %	8.9 %	2,110	3.8 %	1.8 %	620	(3.7)%	(6.0)%	251	3.1 %	(19.9)%	5,607
Comparable revenue 1H	4,843	11.4 %	4.8 %	3,864	(0.9)%	(2.8)%	1,258	(0.7)%	(2.7)%	487	1.6 %	(21.8)%	10,453
Comparable revenue 3Q	2,497	14.0 %	7.9 %	2,101	8.7 %	6.8 %	577	(6.9)%	(8.6)%	289	10.9 %	(12.4)%	5,465
Comparable revenue 4Q	2,528	13.9 %	10.6 %	1,987	8.2 %	5.4 %	706	1.4 %	2.1 %	359	25.1 %	(1.3)%	5,579
Comparable revenue 2H	5,025	13.9 %	9.2 %	4,088	8.5 %	6.1 %	1,283	(2.5)%	(3.0)%	648	18.3 %	(6.6)%	11,044
Comparable revenue Dec YTD	9,868	12.7 %	7.0 %	7,953	3.7 %	1.6 %	2,542	(1.6)%	(2.8)%	1,136	10.4 %	(13.8)%	21,498

Appendix 3 - Pro forma interim information

The Unaudited *Pro Forma* Consolidated Interim Financial Information has been prepared for illustrative purpose only as if the acquisition of GrandVision had occurred on January 1, 2021. That information does not take into account the results of operations and financial condition that EssilorLuxottica would have achieved if the acquisition of GrandVision had actually been realized on January 1, 2021; there can be no assurance that the assumptions used to prepare the Unaudited *Pro Forma* Consolidated Interim Financial Information are accurate in all respects or that the result disclosed in the Unaudited *Pro Forma* Consolidated Interim Financial Information are indicative of the future performance of EssilorLuxottica. As a result, EssilorLuxottica's performance in the future may differ materially from that presented in the Unaudited *Pro Forma* Consolidated Interim Financial Information.

The reconciliation between adjusted² *pro forma* interim measures and their most comparable measures reported in the IFRS condensed consolidated interim financial statements is presented below.

€ millions	EssilorLuxottica 1H 2021	GrandVision 1H 2021	Eliminations*	Other <i>pro forma</i> adjustments	EssilorLuxottica <i>pro forma</i> ⁴ 1H 2021	Adjustments related to PPA impacts	Other non-GAAP adjustments	EssilorLuxottica <i>pro forma</i> ⁴ 1H 2021 Adjusted ²
Revenue	8,768	1,891	(206)	—	10,453	—	—	10,453
Cost of sales	3,423	(529)	161	(36)	(3,826)	37	37	(3,752)
GROSS PROFIT	5,345	1,363	(45)	(36)	6,627	37	37	6,701
% of revenue	61.0%	72.0%			63.4%			64.1%
Total operating expenses	4,074	(1,074)	39	(196)	(5,304)	427	(9)	(4,887)
OPERATING PROFIT	1,271	289	(5)	(232)	1,323	464	28	1,814
% of revenue	14.5%	15.3%			12.7%			17.4%
Cost of net debt and other **	(57)	(15)	(3)	—	(74)	(1)	—	(75)
PROFIT BEFORE TAXES	1,214	274	(8)	(232)	1,249	462	28	1,739
% of revenue	13.9%	14.5%			11.9%			16.6%
Income taxes	(302)	(43)	1	35	(310)	(94)	(25)	(429)
NET PROFIT	912	231	(7)	(197)	939	368	2	1,310
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	854	215	(7)	(193)	868	360	2	1,230

* Elimination of the contribution of the businesses disposed according to the remedies agreed with antitrust authorities in the context of the GV Combination as well as of the effects of intercompany transactions between EssilorLuxottica and GrandVision.

** Including *Share of profit of associates*.