

Third Quarter 2020 Revenue

Strong recovery driven by resilient optical business

- Revenue down 1.1% at constant exchange rates¹ (-5.2% at current exchange rates)
- Optical business and developed markets back to year-on-year growth¹
- E-commerce continued to grow fast, up 40%¹ year-to-date to a record Euro 878 million
- Strong Free Cash Flow² and liquidity

Charenton-le-Pont, France (November 3, 2020 – 7:00am) – EssilorLuxottica today announced that consolidated revenue for the third quarter of 2020 totalled Euro 4,085 million, representing a year-on-year decline of 5.2% (-1.1% at constant exchange rates¹) and highlighting a strong sequential recovery compared to the second quarter of 2020. For the first nine months of 2020, consolidated revenue amounted to Euro 10,315 million, representing a year-on-year decline of 21.2% (-20.0% at constant exchange rates¹).

“We are pleased with the strong rebound that our Company delivered during the third quarter and proud of all of our employees who made this possible. They swiftly adapted to a challenging environment and a new way of working, enabling the company to continue its solid recovery.

With the second wave of COVID-19 leading to new lockdowns in Europe, our priority remains the protection of our employees and the engagement with our customers and stakeholders, while we continue to closely manage business continuity and to control costs.

EssilorLuxottica has become stronger in these unusual business conditions, which have shown the clear benefit of our resilient optical business and our balanced mix in terms of products, segments and geographies.

Recent product announcements such as the launch of Stellest in China, a revolutionary new lens to manage myopia in children, and the recent partnership with Facebook in smart glasses, confirm that our Group never stops in its pursuit of innovation.

Combined with our drive to promote our large portfolio of brands, digitalise the consumer journey and more broadly reshape and transform the eyecare and eyewear industry, this all gives us great confidence in the Group’s future prospects for 2021 and beyond”, commented Francesco Milleri, Deputy Chairman and CEO of Luxottica, and Paul du Saillant, CEO of Essilor.

COVID-19 update

In the last few months, the need for good vision confirmed its resilience and structural characteristics despite a volatile health and business environment. Optical activities, which represent a solid 70% of the Company's revenue, drove the regained sales momentum. This was supported not only by pent-up demand but also by an enhanced awareness from consumers about the need to take care of their eyes, particularly as they spend more time in front of screens in the COVID-19 new normal. This in turn fostered a recurring consumer appetite for value-added eyecare and eyewear solutions.

To face the challenges and opportunities created by the current uncertain times, the Company lived up to its mission by supporting its employees and customers when they needed it most. In return, the strong motivation, commitment and professionalism of EssilorLuxottica's 150,000+ people and 400,000+ professional customers enabled the Group to continue to exercise its responsibility and industry leadership, thanks to a strong pipeline of innovative branded products well suited to the new environment and an eagerness to enhance the in-store consumer experience. This was underpinned by the Company's flexible supply chain, which supported all product categories at both global and local levels.

At the end of September, more than 95% of the Company's stores had reopened across the globe. In parallel, the Company leveraged its unique ability to engage with independent eye care professionals. Post-lockdown conditions revealed the strong entrepreneurial spirit driving ECPs and their ability to adapt swiftly to the new business environment.

This was instrumental in rolling-out or accelerating major commercial initiatives, with partnership programmes dedicated to independent ECPs (EssilorLuxottica 360, Essilor Experts, STARS), the development of promising new categories such as myopia management (with the launch of Stellest) and the ramp-up of complete pairs (with Ray-Ban Authentic). E-commerce was up 40%¹ to a record Euro 878 million in the first nine months of 2020, driven by the Company's proprietary brand platforms (Ray-Ban.com, Oakley.com and SunglassHut.com) as well as several multi-brand sites (EyeBuyDirect.com, Clearly.ca, Visiondirect.co.uk). Multiple digital initiatives rapidly transformed the Company's go-to-market strategy. These included the extended rollout of Smart Shopper and in-store tele-optometry.

The COVID-19 crisis has turned out to be a clear catalyst for EssilorLuxottica to implement key decisions made just before the pandemic: to deepen its integration, simplify its organisation, accelerate its decision-making process, digitalise its business and transform the eyecare and eyewear industry while controlling costs and preserving cash.

As the pandemic reaccelerates throughout Europe and this second wave increases the level of uncertainty over the weeks to come, the Group will continue to prioritize these areas, while focussing on employee protection, business continuity and close partnerships with customers and other stakeholders.

Third-quarter 2020 revenue by operating segment

In millions of Euros	3Q 2020	3Q 2019*	Change at constant exchange rates ¹	Currency effect	Change at current exchange rates
Lenses & Optical Instruments	1,683	1,713	2.7%	-4.5%	-1.8%
Sunglasses & Readers	140	152	-4.0%	-4.0%	-8.0%
Equipment	45	53	-11.7%	-3.2%	-14.9%
Essilor revenue	1,867	1,917	1.8%	-4.4%	-2.6%
Wholesale	738	780	-1.2%	-4.1%	-5.3%
Retail	1,480	1,613	-4.6%	-3.7%	-8.3%
Luxottica revenue	2,218	2,393	-3.5%	-3.8%	-7.3%
Total revenue	4,085	4,310	-1.1%	-4.1%	-5.2%

* The breakdown of 2019 revenue has been restated following the integration of Costa into Luxottica's brand portfolio (see appendix).

In the third quarter of 2020, revenue totalled Euro 4,085 million, representing a year-on-year decline of 5.2% (-1.1% at constant exchange rates¹). While COVID-19 disruptions continued to weigh on sales, the Company significantly mitigated their impact through strong execution, leading to a positive mix in all the main divisions, both in terms of products (consumers favoring value-added solutions) and trade channels (independent ECPs driving the recovery).

Lenses & Optical Instruments

The Lenses & Optical Instruments division posted revenue down 1.8% (up 2.7% at constant exchange rates¹). The positive performance at constant exchange rates¹ reflected both the structural nature of vision needs, increased consumer awareness about eye care brought about by COVID-19 and an element of pent-up demand. The division enjoyed a good product mix thanks among others to anti-fatigue and blue-cut lenses, which alleviate the eye strain from the increased screen time triggered by the pandemic. New products were also supportive of the mix with Transitions GEN 8, AVA lenses and VR-800 measuring instruments continuing their ramp-up. In terms of trade channels, sales were driven by independent ECPs, who benefitted from the consumer preference for the high street, and by e-commerce with strong performances at EyeBuyDirect.com, Clearly.ca and VisionDirect.co.uk. In geographic terms, developed markets drove the performance, both in North America, Asia and Europe, which fared particularly well. Emerging markets³ were down year-on-year, with a magnitude reflecting their respective COVID-19 stage: sales in Latin America and India declined markedly year-on-year, while they were up materially in Greater China.

Sunglasses & Readers

The Sunglasses & Readers division posted revenue down 8.0% (-4.0% at constant exchange rates¹). All entities improved sequentially. In Greater China, Xiamen Yarui Optical (Bolon) turned positive, up double digits year-on-year. Its wholesale business was driven by strong momentum in optical frames and the success of new collections, while its retail business benefitted from new store openings. MJS sales improved sequentially but were still down year-on-year due to the retail chain exposure to

sunglasses, shopping malls and lower-tier Chinese cities. E-commerce was up strong double digits for the banner. In the US, FGX was still down year-on-year despite double-digit growth in e-commerce and good sell-through trends, especially in dollar stores, while department stores and travel retail continued to suffer. After a challenging first half of the year, sunglasses sales started to fare better.

Equipment

The Equipment division posted revenue down 14.9% (-11.7% at constant exchange rates¹). The division continued to be challenged by the wait-and-see attitude of several customers regarding their capital investments. Demand for surfacing and coating machines remained subdued. Consumables, spares and maintenance services were more resilient.

Wholesale

The Wholesale division posted revenue down 5.3% (-1.2% at constant exchange rates¹), marking a sharp improvement compared to the second quarter, supported in particular by a positive geographical and price-mix effect. The business was primarily boosted by the overall restocking of the independent channel, which restarted activity after restrictions in the second quarter caused more than two thirds of wholesale customers worldwide to close.

In terms of geographies, the divisional performance was driven by a strong North America and a positive Europe, while Asia and Latin America continued to be under significant COVID-related pressure. STARS closed the quarter slightly above 16,700 doors (after 50 net additions in the period, mostly in the US and Brazil), posting 23% growth in revenue at constant exchange rates¹ and representing approximately 18% of the division's total business. Third-party e-commerce platforms played a role in the recovery, in particular in North America.

Retail

The Retail division registered revenue down 8.3% (-4.6% at constant exchange rates¹), with the number of open corporate retail locations going from 90% of the total at the beginning of the period to more than 95% at the end of the quarter. Adjusted comparable store sales⁴ were down 6.4% in the quarter. Business bounced back from lockdown lows of the second quarter mainly thanks to optical retail and e-commerce, while sunglasses were affected by extremely poor travel flows and tourists' spending (Sunglass Hut was negative worldwide). Valued-added lenses materially contributed to the optical performance, complementing the premium proposition in retail and sustaining the category price-mix (sales of lenses in Luxottica's Retail up mid-to-high-single digits at constant exchange rates¹ in the quarter).

Among the regions, North America posted flat revenue at constant exchange rates¹ supported by the optical business (EyeMed and Target materially positive, LensCrafters neutral at adjusted comparable store sales⁴), Asia-Pacific was single-digit negative at constant exchange rates¹ sustained by a continued strong performance at OPSM in Australia/New Zealand (up double digits in sales¹), while Europe and Latin America posted more negative trends.

Direct e-commerce continued to outperform, with revenue from mono-brand platforms up almost two thirds at constant exchange rates¹, boosted by Ray-Ban.com, Oakley.com and SunglassHut.com, all mostly driven by sunglasses sales as well as helped by focused promotions.

Third-quarter 2020 revenue by geographical area

In millions of Euros	3Q 2020	3Q 2019*	Change at constant exchange rates ¹	Currency effect	Change at current exchange rates
North America	2,262	2,296	2.5%	-4.0%	-1.5%
Europe	1,033	1,036	1.2%	-1.5%	-0.2%
Asia, Oceania and Africa	620	700	-8.3%	-3.1%	-11.4%
Latin America	171	278	-22.2%	-16.5%	-38.6%
Total	4,085	4,310	-1.1%	-4.1%	-5.2%

* The geographical breakdown of 2019 revenue has been revised to reflect a reclassification of certain geographic markets, which the Group considers immaterial.

Developed markets returned to year-on-year revenue growth at constant exchange rates¹ in the third quarter, driving the Company's performance. Emerging markets³ improved significantly compared to the second quarter of 2020, with some of them already back to year-on-year revenue growth at constant exchange rates¹, among which Mainland China and Eastern Europe.

North America

In North America revenue decreased by 1.5% (up 2.5% at constant exchange rates¹).

In Lenses & Optical instruments, the business continued its rebound throughout the quarter. This recovery was driven by independent ECPs who were quick to implement new safety protocols to leverage patient interactions, generate higher capture rates and improve their product mix. This was especially true in eye doctor alliances and with Essilor Experts. Retail chains located in shopping malls lagged behind during the recovery. Online sales were up strong double digits during the quarter, driven by eyeglasses specialist EyeBuyDirect.com. In terms of products, Crizal anti-reflective lenses, Transitions GEN 8 photochromic lenses and Eyezen anti-fatigue solutions were some of the best sellers during the quarter. The new Varilux Comfort Max was launched in the USA during the quarter and the new Crizal Rock started in Canada in September. Instrument sales were up double digits as optometrists sought to improve the eye exam experience and the overall level of service.

Sunglasses & Readers sales were down single digits during the quarter with strong direct e-commerce revenue. Customers continued to use their inventories to meet good in-store demand. This was especially true in dollar stores, while department stores and travel retail remained under pressure.

Equipment revenue was flat year-on-year. Declining sales of new machines were offset by consumables and maintenance revenue.

Sales in the Wholesale business were up double digits in the quarter at constant exchange rates¹. The division benefitted from the restocking activity in all main channels except department stores. Oakley performed particularly well in both eyewear and AFA driven by the success of the NFL partnership.

Results in the Retail division were more mixed with overall sales flat at constant exchange rates¹. The performance at optical retail improved visibly during the course of the quarter with all banners accelerating. LensCrafters posted flat adjusted comparable store sales⁴, with street-facing locations in

positive territory while mall locations, representing approximately 70% of the store base including Macy's, were still negatively impacted by lower traffic as well as reduced opening hours. Back to school performance of the chain was sustained by the "Your Eyes First" campaign, which drove positive doctor appointments and favorable price-mix. Target Optical returned to its solid growth trajectory finishing the quarter with high-single-digit adjusted comparable store sales⁴ and the insurance business demonstrated strong resilience with sales up double digits at constant exchange rates¹. In contrast, trading conditions at the sun retail network proved to be more difficult. The more discretionary character of the business and marked exposure to touristic flows weighed on the results of Sunglass Hut, which posted negative high-single-digit adjusted comparable store sales⁴. Its Bass Pro stores fared relatively better benefitting from the increased focus on outdoor activities. Ray-Ban.com, Oakley.com, SunglassHut.com and the other mono-brand proprietary platforms recorded another strong quarter, with sales overall up approximately 70% at constant exchange rates¹ and all websites contributing to this success.

Europe

In Europe, revenue decreased by 0.2% (up 1.2% at constant exchange rates¹).

In Lenses & Optical instruments, the business benefitted from strong consumer demand for the Company's flagship lens brands: Varilux in the progressive category, Crizal in anti-reflectives, Transitions GEN 8 in photochromics and Eyezen in anti-fatigue. Blue-cut lenses benefitted from intense screen usage in the new COVID-19 environment. Online sales showed strong momentum in prescription eyeglasses. Instruments sales were down as ECPs controlled their capital expenditures. By countries, the business was supported by a material rebound in several key markets: France thanks to the success of the multi-network distribution strategy, Italy, the Nordics, the Benelux and Eastern Europe. Spain and the UK were the weakest performers as they continued to be penalised by a challenging COVID-19 business environment.

The Sunglasses & Readers division and the Equipment division both experienced double-digit sales declines in the region, as their customers were reluctant to spend their cash and invest, either to update their displays or to buy new machines.

The Wholesale division returned to growth with independents and saw favourable trends in the Italian, German and French markets whilst softness persisted in Spain and the UK. The divisional performance was also supported by a consistent pricing strategy, despite the generally more promotional environment. Business nicely restarted in July and August in all major countries, while September came in softer. The European STARS doors experienced an encouraging trajectory in sell-out data in the optical business over the period.

Retail remained negative given the exposure to the more discretionary sunglass business and the drying up of tourism flows. Salmoiraghi & Viganò consistently improved, getting closer to flat adjusted comparable store sales⁴ in the quarter. The chain's core business of optical progressed nicely with the mix of optical lenses further improved thanks to the effective in-store execution. On the other hand, Sunglass Hut suffered from its exposure to travellers, showing diverging adjusted comparable store sales⁴ between touristic and non-touristic locations and with the UK, Spain and France still in negative territory. The banner benefitted from positive conversion rates and the high penetration of Smart Shopper sales as a proportion of the total.

Asia, Oceania and Africa

In Asia, Oceania and Africa, revenue declined by 11.4% (-8.3% at constant exchange rates¹).

Sales in the Lenses & Optical Instruments division were down only low-single digits, helped by Greater China, Japan and Australia. In Mainland China sales continued their strong momentum to post double-digit year-on-year growth in the quarter, driven by branded lenses, made-to-order prescription lenses, blue-cut and the children category. Stellest, the new myopia management lens for children, was successfully launched during the quarter and is off to a promising start. In Japan, revenue returned to year-on-year growth during the quarter, thanks to a strong performance of blue-cut lenses. Sales in Australia also swung back into positive territory thanks to the good momentum of Varilux, Crizal and Transitions lenses. The rest of the region posted mixed performances, with sales in India, Indonesia and the Philippines still negatively impacted by COVID-19.

Sunglasses & Readers revenue was slightly up year-on-year. Optical eyeglasses were back to growth both online and in traditional retail, while holiday travel restrictions related to COVID-19 weighed on the demand for sunglasses. Yarui Xiamen Optical (Bolon)'s optical frames and MJS's online platforms kept attracting strong consumer demand.

Wholesale remained under pressure over the period, showing nonetheless progressive improvements compared with the first half of the year. Mainland China turned positive in the quarter thus consolidating the encouraging trajectory started during the second quarter of the year. The performance in Japan suffered from weak traffic in particular in department stores as well as from lower tourism flows. As for other economies, trading conditions remained tough in markets such as Hong Kong, India, South Korea and the Philippines.

The Retail division was negative in the quarter. Australia remained the most resilient market, with sales growth at constant exchange rates¹ and adjusted comparable store sales⁴ both in positive territory. The quarterly performance in the country was driven by optical, which more than offset the negative impact arising from the shutdown in the State of Victoria. In particular, OPSM experienced pleasing trends in conversion as well as in lens upselling thanks to an excellent in-store execution. Retail performance in Greater China was affected by a third wave of COVID-19 cases in both Hong Kong and Beijing, but progressive improvements were seen in the rest of Mainland China with an overperformance in the optical category.

Latin America

In Latin America, sales decreased by 38.6% (-22.2% at constant exchange rates¹) due to the continued impact of COVID-19.

Sales in Lenses & Optical Instruments returned to growth in September following a steady month-after-month ramp-up, which left quarterly revenue down only low-double digits at constant exchange rates¹. These trends were magnified in Brazil, where sales grew double digits in September and ended the quarter down only mid-single digits. This good performance was made possible by store re-openings in Rio and Sao Paulo and was driven by Kodak lenses in the mid-tier and by blue-cut products, Transitions photochromic lenses and the relaunch of the "Varilux em dobro" promotion in the high-end. Instruments sales were also back into positive territory in September as opticians were eager to start investing again to further improve consumer experience. Wholesale in Mexico and retail in Chile, Guatemala and

Honduras followed a similar trend, with double-digit revenue declines in the quarter, hiding a return to growth in September after stores could reopen. Argentina posted year-on-year revenue growth for the quarter as a whole.

The Wholesale division suffered in both Mexico and Brazil, where approximately 70% of the STARS doors were still closed at the end of September. However, trends in Brazil slightly improved during the last weeks of the quarter due to a partial recovery of the independent channel.

Retail was equally down, with all countries in the region suffering especially in the beginning of the quarter. The performance at Sunglass Hut Brazil then started to progressively recover resulting in positive adjusted comparable store sales⁴ in the month of September. GMO also started to improve trends during the quarter, especially in Chile, while Sunglass Hut Mexico continued to struggle.

Nine-month 2020 revenue by operating segment

In millions of Euros	9M 2020	9M 2019*	Change at constant exchange rates ¹	Currency effect	Change at current exchange rates
Lenses & Optical Instruments	4,275	5,090	-14.4%	-1.6%	-16.0%
Sunglasses & Readers	408	526	-21.7%	-0.8%	-22.5%
Equipment	108	151	-28.1%	-0.6%	-28.7%
Essilor revenue	4,790	5,768	-15.5%	-1.5%	-16.9%
Wholesale	1,779	2,609	-30.4%	-1.5%	-31.8%
Retail	3,746	4,710	-19.7%	-0.7%	-20.5%
Luxottica revenue	5,525	7,319	-23.5%	-1.0%	-24.5%
Total revenue	10,315	13,086	-20.0%	-1.2%	-21.2%

* The breakdown of 2019 revenue has been restated following the integration of Costa into Luxottica's brand portfolio (see appendix).

For the first nine months of 2020, consolidated revenue amounted to Euro 10,315 million, representing a year-on-year decline of 21.2% (-20.0% at constant exchange rates¹). Sales posted solid year-on-year growth up to February, followed by material year-on-year declines from March due to the various COVID-19 related lockdowns across the world. Revenue troughed in April before staging a marked sequential recovery from May as the lockdowns were gradually lifted.

The Lenses & Optical Instruments division declined by 14.4% at constant exchange rates¹, a better performance than the Group average illustrating the structural resilience of optical needs. Sunglasses & Readers revenue was down 21.7% at constant exchange rates¹ due to its exposure to the sun category. Equipment sales were down 28.1% at constant exchange rates¹ as cash preservation by its clients during the pandemic weighed on their investments.

Wholesale revenue was down 30.4% at constant exchange rates¹. It was the division most severely hit during the second quarter, but also performed the sharpest rebound of all the divisions in the third quarter benefitting from the overall restocking activity of its client base. The Retail division was down 19.7% at constant exchange rates¹ primarily dragged by the sun banners, suffering due to their exposure to touristic locations. Promising results were registered on the more resilient optical side of the division.

Nine-month 2020 revenue by region

In millions of Euros	9M 2020	9M 2019*	Change at constant exchange rates ¹	Currency effect	Change at current exchange rates
North America	5,687	6,876	-17.1%	-0.2%	-17.3%
Europe	2,539	3,268	-21.6%	-0.7%	-22.3%
Asia, Oceania and Africa	1,636	2,134	-21.9%	-1.5%	-23.4%
Latin America	453	808	-32.9%	-11.1%	-44.0%
Total	10,315	13,086	-20.0%	-1.2%	-21.2%

* The geographical breakdown of 2019 revenue has been revised to reflect a reclassification of certain geographic markets, which the Group considers immaterial.

Revenues in all regions were down double digits over the first nine months of the year. The magnitude of the declines reflected the duration of the lockdowns and store closures across the various countries, their geographic reach (nationwide or more local), the measures taken by the different governments to reopen their economies as well as overall consumer behaviour in face of the pandemic. As a result, revenue at constant exchange rates¹ was down 17.1% in North America, 21.6% in Europe, 21.9% in Asia, Oceania and Africa and 32.9% in Latin America.

Eliminating poor vision around the world

During the third quarter, EssilorLuxottica continued its efforts to create sustainable access to vision care for underserved communities around the world as part of its global ambition to eliminate uncorrected poor vision by 2050. The Company has now provided over 360 million people with access to vision care since 2013 through its two pillars of access creation: greenfield outlets (like the Eye Mitra program) and philanthropic programs via charitable clinics and Sustainable Vision Centres.

Continuously evolving and adapting its social impact actions, the Company has developed a third complementary pillar of access creation: creating access in small towns by structuring unorganized and informal optical channels, including some without any physical shops, through technical and business skill training, marketing support as well as access to products and supply chain. This strategy has created powerful impact in China with over 2,400 such access points being created to date.

On World Sight Day, EssilorLuxottica deployed around 70 initiatives from over 40 countries around the world, accelerating its efforts to raise awareness on eyecare while improving access to eyewear and eye exams, despite the inevitable obstacles brought on by COVID-19. For the first time, Essilor and Luxottica jointly launched a customer-facing fundraising campaign, leveraging the network of approximately 60 LensCrafters stores in China. Together, they offered free eye screenings to more than 10,000 children in the Chenduo County, on the Tibetan plateau, where the high altitude, strong ultraviolet light and lack of eye care education have posed challenging vision issues to the local population.

The ClickCheck, a revolutionary new screening tool, was launched by Essilor's Base-of-Pyramid Innovation Lab. A past winner of the Company's See Change innovation challenge, it breaks down one of the key barriers to bringing vision care to the base of the pyramid: the lack of affordable testing tools. ClickCheck is an invaluable innovation that enables vision screening anytime, anywhere, because it is portable, easy to use and does not require electricity to operate.

In the third quarter, OneSight opened 13 Sustainable Vision Centres across Rwanda and Zambia, bringing permanent vision care access to an additional 2.6 million people. OneSight also drove charitable impact by donating 70,000 pairs of glasses to people in need during the pandemic.

Synergies and integration

The Company remains on track to deliver cumulative synergies of Euro 420 to 600 million as a net impact on adjusted⁵ operating profit by 2023.

The teams of Essilor and Luxottica work together and in close collaboration, under the direction of the CEOs of the two companies and their Chief Integration Officers. Good quality results are being achieved.

Under COVID-19, the integration process has gained momentum and benefitted from faster decisions. The new environment has proved more supportive of cost synergies with key achievements in the fields of procurement, IT, lab unification and back-office.

Revenue synergies were somewhat delayed by temporary store closures but are gradually catching up, with important milestones reached on complete pairs (Ray-Ban Authentic), joint ECP programmes (EssilorLuxottica 360) and cross-selling.

Financial position

The Company ended the quarter with Euro 8.8 billion in cash and short-term investments and a net debt⁶ of Euro 3.3 billion (including leases liabilities). In addition, the Company has undrawn credit facilities of Euro 5.4 billion. The strong balance sheet also reflects the sound Free Cash Flow² generation of the quarter, as a result of cost control and cash preservation measures.

In view of the second wave of the COVID-19 pandemic in Europe, the Company will consider in December the opportunity to distribute a dividend by year end.

Outlook

The Company continues to approach the next few months with prudent confidence. While it is careful about the near-term evolution of COVID-19 and about the amount of pent-up demand potentially fuelling the current recovery, it is confident about the structural resilience of optical needs.

Over the next few quarters, EssilorLuxottica intends to leverage its integrated assets and vertical business model to safeguard its ability to outperform the eyecare and eyewear industry. This will be done by launching innovative products, transforming the consumer journey, enhancing digitalisation and capitalizing on a robust supply chain.

In parallel, management will continue to build a strong combined Group, deepen the integration and deliver synergies, while continuing to control costs and preserve cash.

Conference call

A conference call in English will be held today at 10:30 am CET.

The meeting will be available live and may also be heard later at:

https://channel.royalcast.com/essilorluxotticaen/#!/essilorluxotticaen/20201103_1

Forthcoming investor events

- March 12, 2021: Full-year 2020 results and conference call
- May 6, 2021: Q1 2021 sales and conference call
- July 30, 2021: H1 2021 results and conference call

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 previous year.

2 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.

3 Fast-growing/emerging countries or markets: China, India, South Asia, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia, Eastern Europe and Latin America.

4 Adjusted 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. Stores that are or were temporarily closed due to the COVID-19 crisis are excluded from the calculation for the duration of the store closure. For each geographic area, the calculation applies the average exchange rate of the prior period to both periods.

5 Adjusted measures or figures: adjusted from the expenses or income related to the combination between Essilor and Luxottica 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.

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

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, be more and live life to its fullest 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 and LensCrafters are part of the EssilorLuxottica family.

In 2019, EssilorLuxottica had over 150,000 employees and consolidated revenues of Euro 17.4 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.

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Appendix

The breakdown of 2019 revenue has been restated following the integration of Costa into Luxottica's brand portfolio.

In millions of Euros	1Q 2019	2Q 2019	3Q 2019	4Q 2019	FY 2019
Lenses & Optical Instruments	1,674	1,703	1,713	1,701	6,791
Sunglasses & Readers	167	208	152	214	740
Equipment	44	55	53	70	221
Essilor revenue	1,885	1,965	1,917	1,985	7,752
Wholesale	867	962	780	774	3,383
Retail	1,458	1,639	1,613	1,545	6,255
Luxottica revenue	2,325	2,601	2,393	2,319	9,638
Total revenue	4,210	4,566	4,310	4,304	17,390