





# AGENDA

## COMPETENCY FOR THE ORDINARY GENERAL MEETING

1. Approval of the 2018 parent company financial statements
2. Approval of the 2018 consolidated financial statements
3. Allocation of earnings and setting of the dividend
4. Renewal of the term of office of PriceWaterhouseCoopers Audit as Statutory Auditor
5. Renewal of the term of office of Mazars as Statutory Auditor
6. Appointment of Mr. Patrice MOROT as Substitute Statutory Auditor of PriceWaterhouseCoopers Audit
7. Appointment of Mr. Gilles MAGNAN as Substitute Statutory Auditor of Mazars

# AGENDA

## COMPETENCY FOR THE ORDINARY GENERAL MEETING

8. Agreements falling within the scope of Article L.225-38 of the French Commercial Code
9. Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Leonardo DEL VECCHIO, Executive Chairman, in the event of the termination of his term of office
10. Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman, in the event that his employment contract is terminated under certain conditions
11. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Leonardo DEL VECCHIO, Executive Chairman since October 1, 2018
12. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman since October 1, 2018, and Chairman and Chief Executive Officer from January 1 to October 1, 2018
13. Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Laurent VACHEROT, President and Chief Operating Officer until October 1, 2018
14. Approval of the compensation policy applicable to Executive Corporate Officers

# AGENDA

## COMPETENCY FOR THE EXTRAORDINARY GENERAL MEETING

15. Delegation of authority granted to the Board of Directors for the purposes of deciding a capital increase reserved for members of a Company Savings Plan (French plans d'épargne d'entreprise or "PEE"), without preferential subscription rights (ceiling of 0,5% of the share capital)
16. Delegation of authority to the Board of Directors to issue shares and securities entailing a capital increase, with preferential subscription rights (ceiling of 5% of the share capital)
17. Delegation of authority to the Board of Directors entailing a capital increase by capitalization of premiums, reserves, profits or other



# AGENDA

## COMPETENCY FOR THE ORDINARY GENERAL MEETING

### **Resolutions A and B added by the concerned shareholders**

Resolution A: Appointment of Wendy Evrard Lane as a Director

Resolution B: Appointment of Jesper Brandgaard as a Director

### **Continuation of the resolutions included in the agenda as requested by shareholders**

18. Powers to carry out formalities



# **2018 ESSILORLUXOTTICA RESULTS: SOLID GROWTH, SOUND PROFITABILITY AND CASH FLOW**

**Hilary HALPER & Stefano GRASSI**

# ROBUST FINANCIALS

FY 2018

PRO FORMA REVENUE  
EX. CURRENCY GROWTH

+3.2%

ADJ. PRO FORMA  
OPERATING PROFIT

15.9% of Revenue

COMBINED NET DEBT/ADJ.  
EBITDA

~ 0.6x

PROPOSED DIVIDEND

€2.04 per share

## PRO FORMA REVENUE UP 3.2% AT CONSTANT CURRENCY

€ millions	FY 2018	FY 2017	Change at constant currency	Currency effect	Change (reported)
North America	8,400	8,556	+2.6%	-4.4%	-1.8%
Europe	4,040	4,063	+1.3%	-1.9%	-0.6%
Asia, Oceania and Africa	2,691	2,638	+6.6%	-4.6%	+2.0%
Latin America	1,028	1,092	+6.5%	-12.4%	-5.9%
<b>TOTAL</b>	<b>16,160</b>	<b>16,349</b>	<b>+3.2%</b>	<b>-4.4%</b>	<b>-1.2%</b>

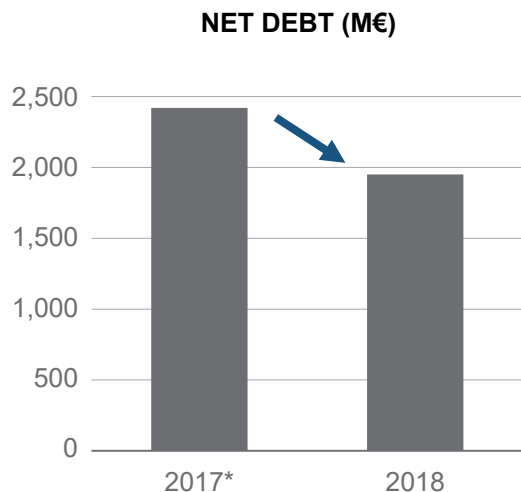


# PRO FORMA ADJ. INCOME STATEMENT

€ millions	2017 pro forma adjusted	2018 pro forma adjusted	Change	Change at constant forex
<b>Revenue</b>	<b>16,349</b>	<b>16,160</b>	<b>-1.2%</b>	<b>+3.2%</b>
<b>Gross profit</b>	<b>10,314</b>	<b>10,172</b>		
<i>In % of Revenue</i>	<i>63.1%</i>	<i>62.9%</i>		
Total operating expenses	(7,611)	(7,600)		
<b>OPERATING PROFIT</b>	<b>2,703</b>	<b>2,572</b>	<b>-4.8%</b>	<b>+1.2%</b>
<i>In % of Revenue</i>	<i>16.5%</i>	<i>15.9%</i>		
Cost of net debt	(108)	(95)		
<b>PROFIT BEFORE TAXES</b>	<b>2,582</b>	<b>2,466</b>		
Income taxes	678	595		
<b>NET PROFIT</b>	<b>1,904</b>	<b>1871</b>	<b>-1.7%</b>	
<i>In % of Revenue</i>	<i>11.6%</i>	<i>11.6%</i>		

# KEEPING STRONG FINANCIAL FLEXIBILITY

## FAST DELEVERAGING IN 2018



## SUCCESSFUL DELISTING OF LUXOTTICA

### EssilorLuxottica ownership in Luxottica:

- After the Contribution: 63.7%
- After the Initial offer in shares: 93.3%
- After the Sell-out period: 97.5%
- After the Squeeze-out period: 100%
- Delisting from the Milan Stock Exchange on March 5

**MTO cash consideration: €641m**

**Delfin stake in EssilorLuxottica: c.32%**

*\* Sum of Essilor net debt and Luxottica net debt as of December 31, 2017, respectively €1,661 million and €740 million*

# 2019 OFF TO A GOOD START

Revenue up 7.5% in the first quarter, +3.7% at constant exchange rates

Sustained momentum in Essilor's Lenses & Optical Instruments and Luxottica's Retail

Successful launches of new collections and strong innovation pipeline

Activation of synergies

Full-year objectives confirmed



## 2019 OUTLOOK CONFIRMED

INCLUDING SYNERGIES, AT CONSTANT EXCHANGE RATES

**SALES GROWTH**

**+3.5-5%**

**ADJUSTED OPERATING PROFIT**

**0.8-1.2x sales**

**ADJUSTED NET PROFIT**

**1-1.5x sales**



# **BUILDING ESSILORLUXOTTICA**

**Eric LEONARD & Pierluigi LONGO**

# BUILDING THE NEW ESSILORLUXOTTICA GROUP

Integration organization and process in place

Range of target synergies (revenues and costs) confirmed

20+ priority integration workstreams launched

Foundations for long-term success of the group being established

**WE ARE ON TRACK IN OUR LONG-TERM JOURNEY TO BUILD A NEW SUCCESSFUL GROUP**

# ORGANIZATION AND PROCESS IN PLACE TO DRIVE INTEGRATION

	Objectives	Cadence
Integration Committee (IC)	<ul style="list-style-type: none"><li>• Provide <b>strategic guidelines</b></li><li>• <b>Decide</b> on proposals of workstream owners/ IMO</li></ul>	<ul style="list-style-type: none"><li>• <b>Bi-monthly</b></li></ul>
Integration Management Office (IMO)	<ul style="list-style-type: none"><li>• Drive overall <b>integration</b></li><li>• Define <b>priorities</b> and track <b>progress</b></li><li>• Prepare <b>Integration Committee</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Weekly</b></li></ul>
Workstream Owners	<ul style="list-style-type: none"><li>• Elaborate <b>recommendations</b> for the IMO/ IC</li><li>• <b>Drive/ execute</b> operational initiatives</li><li>• <b>Review</b> workstream progress</li></ul>	<ul style="list-style-type: none"><li>• <b>Constant steering</b></li></ul>

A LEAN AND EFFICIENT INTEGRATION MACHINE TO DELIVER ON OUR COMMITMENTS

# RANGE OF TARGET SYNERGIES CONFIRMED

Expected annual EBIT synergies in 3-5 years	
Revenue Synergies	200-300 M€
Cost Synergies	220-300 M€

**SYNERGIES TO ACCELERATE LONGER TERM SUCCESSFUL INTEGRATION**



## 20+ PRIORITY INTEGRATION WORKSTREAMS LAUNCHED

Leverage  
Frames + Lenses

Leverage  
EL owned retail

Cross sell  
in wholesale

Enhance  
efficiency

Optimize  
supply chain

Grow  
and shape market

# FOUNDATIONS FOR LONG-TERM SUCCESS BEING ESTABLISHED





# **A POWERFUL MISSION AT THE HEART OF EVERYTHING WE DO**

**Jayanth BHUVARAGHAN**

**SEE MORE,  
BE MORE  
AND LIVE LIFE  
TO ITS FULLEST**



# UNIQUELY POSITIONED TO MEET GROWING MARKET NEEDS



**2 billion people**

are wearing glasses today  
and have changing lifestyles  
and emerging needs



**2.5 billion people**

suffer from uncorrected poor vision,  
because they are not aware or they  
don't have access



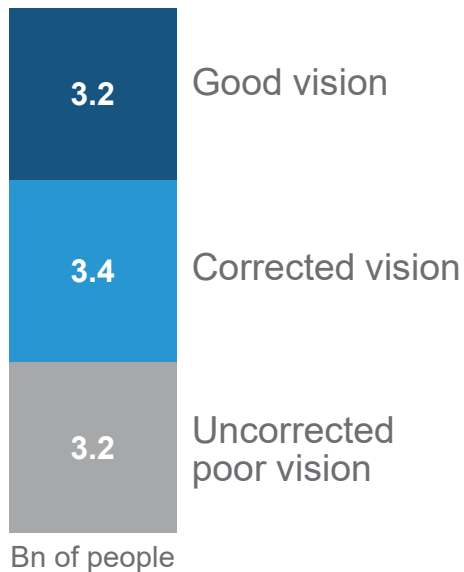
**6 billion people**

do not protect their eyes from  
harmful rays

**6.6 billion people** will suffer from poor vision by 2050

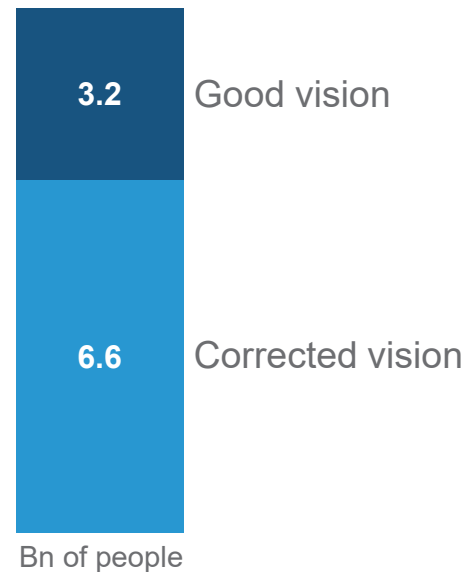
# A UNIQUE BUSINESS OPPORTUNITY AND RESPONSIBILITY

In 30 years...



**Our actions will contribute to eradicating poor vision**

- Drive innovation across the market
- Establish access points for everyone, everywhere
- Create awareness and advocate for good vision



# ADDRESSING CHANGING LIFESTYLES AND CONSUMER TASTES

We're combining **powerful lens technology and brands people love** to push the boundaries of what's possible

- Product innovations
- Powerful brands
- Reimagining the customer experience
- Forging local partnerships
- Establishing inclusive business models in underserved markets

# INVENTING NEW WAYS TO REACH THE 2.5BN PEOPLE LIVING WITH UNCORRECTED POOR VISION

**Creating and preparing future consumers** by increasing their awareness and access to eye care and eye wear

- Through our inclusive business, 2.5 NVG, we have created the largest rural optical network
- Eye Mitra, with over 6,000 outlets provides access to 200+ million potential consumers
- Driving innovation through digitisation, low cost refraction tools, products and business models, we're opening new markets
- Our impactful partnerships with the private and public sectors are driving scale

**Through our powerful mission we are driving market growth and the long-term value of the company**



# PHILANTHROPY, ADVOCACY & PARTNERSHIPS



- Engaging our employee volunteers
- 131 Sustainable Vision Centers, 1,420 charitable clinics to date



- Engaging eye care professionals
- Government partnerships to scale up impact



- Making good vision a global priority



- Long term supporter of advertising campaign advocating for eye exams



- Founding partner of coalition to eradicate poor vision in the Commonwealth through philanthropy and inclusive business

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# SEE MORE, BE MORE AND LIVE LIFE TO ITS FULLEST

- A **strong bond uniting** the entire company and all its stakeholders
- Enable everyone, everywhere to **improve their vision while truly expressing their personal style**
- Strengthens our position as a **unique, responsible and successful company**
- Helps us **give vision a voice and grow the industry**

As we work to **ERADICATE POOR VISION**



# CORPORATE OFFICERS' COMPENSATION

Olivier PÉCOUX

## RESOLUTIONS 11 TO 14

<b>2018 compensation Resolutions 11, 12 and 13 (one for each Executive)</b>		<b>2019 compensation policy Resolution 14 (same policy for both Executives)</b>	
January-September 2018	October-December 2018	January-May 2019	June-December 2019
H. Sagnières L. Vacherot	L. Del Vecchio H. Sagnières	L. Del Vecchio H. Sagnières	(Governance evolution) L. Del Vecchio H. Sagnières

## JANUARY – SEPTEMBER 2018

	Fixed (A)	Variable (B)	Total (A+B)	Performance shares
H. Sagnières	€ 600,000	€ 900,000	€ 1,500,000	-
L. Vacherot	€ 487,500	€ 741,000	€ 1,228,500	-

Variable compensation objectives achieved at 150% for Hubert Sagnières and 152% for Laurent Vacherot:

- Financial objectives: 140%
- Specific objectives: 160% and 170%, respectively for H. Sagnières and L. Vacherot

## OCTOBER – DECEMBER 2018

	<b>Fixed (A)</b>	<b>Variable (B)</b>	<b>Total (A+B)</b>	<b>Performance shares</b>
L. Del Vecchio	€ 287,500	€ 215,625	€ 503,125	50,000 shares (€ 2,282,500)
H. Sagnières	€ 287,500	€ 284,625	€ 572,125	50,000 shares (€ 2,282,500)

Since October 1<sup>st</sup> 2018, target cash compensation:

- Fixed compensation € 1,150,000 + Target variable equal to 100% of fixed

Variable compensation objectives achieved at 75% for L. Del Vecchio and 99% for H. Sagnières:

- Financial objectives: 80% and 128% respectively for Luxottica and Essilor International
- Specific objectives: 70%



# AMENDMENTS MADE TO THE COMPENSATION POLICY

## **Variable compensation:**

increase financial objectives weight, from 50% to 80%

## **Decrease of the annual ceiling of performance share award attributable to the Executive Corporate Officers:**

from 7% to 3.5% of total awards

## **Enhanced transparency:**

publication of the compensation panels and compensation levels



## COMPENSATION POLICY: JANUARY – MAY 2019

	Fixed (A)	Target variable (B)	Total (A+B)	Performance shares
Annual basis	€ 1,150,000	€ 1,150,000	€ 2,300,000	No grant between January and May 2019
5 months	€ 479,167	€ 479,167	€ 958,334	

Variable objectives (will be assessed at the beginning of 2020)

- Restated EPS (EL): 50%
- Growth (EL): 30%
- Specific objectives: 20% (synergies 10% ; strategic alignment 10%)

## COMPENSATION POLICY: JUNE – DECEMBER 2019

	Fixed (A)	Target variable (B)	Total (A+B)	Performance shares
Annual basis	€ 1,000,000	€ 1,000,000	€ 2,000,000	40,000 shares for the full year 2019
7 months	€ 583,333	€ 583,333	€ 1,166,666	

Variable objectives: identical to the one applicable to the period January-May

In the future, performance share will not exceed 60% of total target compensation



# STATUTORY AUDITORS' REPORTS

Daniel ESCUDEIRO

# STATUTORY AUDITORS' REPORTS

## ORDINARY MEETING

### **Statutory Auditors' report on the financial statements of the parent company**

- 1<sup>st</sup> resolution: Approval of the 2018 Parent Company financial statements
- From page 290 to 293 of the 2018 Registration Document
- “In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles”

### **Statutory Auditors' report on the consolidated financial statements**

- 2<sup>nd</sup> resolution: Approval of the 2018 consolidated financial statements
- From page 247 to 251 of the 2018 Registration Document
- “In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.”

# STATUTORY AUDITORS' REPORTS

## ORDINARY MEETING

### **Statutory Auditors' Report on regulated agreements and commitments**

- From page 154 to 159 of the 2018 Registration Document
- New agreements and commitments have been duly authorized by the Board of Directors in 2018
- Some regulated agreements and commitments previously approved by the Shareholders' Meeting had execution in 2018
- Some regulated agreements and commitments previously approved by the Shareholders' Meeting had no execution in 2018

### **Statutory Auditor's Report on social, environmental and societal information**

- From page 304 to 306 of the 2018 Registration Document
- We have no matters to report

### **Statutory Auditors' Report on the pro forma financial information**

- Page 266 of the 2018 Registration Document
- The pro forma financial information has been properly compiled on the basis stated

# STATUTORY AUDITORS' REPORTS

## EXTRAORDINARY MEETING

### Authorizations to be granted to the Board of Directors in order to:

15 <sup>th</sup> resolution	Decide capital increases reserved for members of a Company Savings Plan (French plans d'épargne d'entreprise or "PEE") without preferential subscription rights
16 <sup>th</sup> resolution	Issue shares and securities entailing a capital increase, with preferential subscription rights

- We have no matters to emphasize in our reports on the resolutions here above
- An additional report will be prepared if and when the Board of Directors uses its delegations of authority



# QUESTIONS & ANSWERS

# RESOLUTIONS





## FIRST RESOLUTION

COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the 2018 parent company financial statements



## **SECOND RESOLUTION**

COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the 2018 consolidated financial statements



## THIRD RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Allocation of earnings and setting of the dividend

Dividend / Share: €2.04



## **FOURTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Renewal of the term of office of PriceWaterhouseCoopers Audit  
as Statutory Auditor



## **FIFTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Renewal of the term of office of Mazars as Statutory Auditor



## SIXTH RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Appointment of Mr. Patrice MOROT as Substitute Statutory Auditor  
of PriceWaterhouseCoopers Audit



## SEVENTH RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Appointment of Mr. Gilles MAGNAN as Substitute Statutory Auditor of Mazars



## **EIGHTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Agreements falling within the scope of Article L.225-38 of the French Commercial Code





## **NINTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Leonardo DEL VECCHIO, Executive Chairman, in the event of the termination of his term of office



## TENTH RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the undertakings referred to in Article L.225-42-1 of the French Commercial Code relating to the supplementary pension plan and the severance payment granted to Mr. Hubert SAGNIÈRES, Executive Vice-Chairman, in the event that his employment contract is terminated under certain conditions



## **ELEVENTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to  
Mr. Leonardo DEL VECCHIO  
Executive Chairman since October 1, 2018



## TWELVETH RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to  
Mr. Hubert SAGNIÈRES

Executive Vice-Chairman since October 1, 2018 and Chairman and Chief Executive Officer from January 1 to October 1, 2018



## THIRTEENTH RESOLUTION

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the fixed, variable and exceptional compensation components comprising the total compensation and benefits of any kind paid or awarded in respect of the 2018 fiscal year to Mr. Laurent VACHEROT

President and Chief Operating Officer until October 1, 2018



## **FOURTEENTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Approval of the compensation policy applicable to Executive Corporate Officers



## FIFTEENTH RESOLUTION

### COMPETENCY FOR THE EXTRAORDINARY GENERAL MEETING

Delegation of authority granted to the Board of Directors for the purposes of deciding a **capital increase reserved for members of a Company Savings Plan** (French *plans d'épargne d'entreprise* or “PEE”), without preferential subscription rights (ceiling of 0.5% of the share capital)



## SIXTEENTH RESOLUTION

### COMPETENCY FOR THE EXTRAORDINARY GENERAL MEETING

Delegation of authority to the Board of Directors to **issue shares and securities entailing a capital increase, with preferential subscription rights**

Ceiling of 5% of the share capital





## SEVENTEENTH RESOLUTION

### COMPETENCY FOR THE EXTRAORDINARY GENERAL MEETING

Delegation of authority to the Board of Directors entailing a capital increase by capitalization of premiums, reserves, profits or other



## RESOLUTION A

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Appointment of Wendy EVRARD Lane as a Director



## **RESOLUTION B**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Appointment of Jesper BRANDGAARD as a Director



## **EIGHTEENTH RESOLUTION**

### COMPETENCY FOR THE ORDINARY GENERAL MEETING

Powers to carry out formalities

