

Third-Quarter 2019 Revenue Momentum Continues to Build

- Third-quarter revenue growth of 8.4%¹ (+5.2% at constant exchange rates²)
- Lenses & Optical Instruments, Retail and e-commerce drove the acceleration
- Improved momentum in the USA, Europe and Mainland China
- Sales in fast-growing markets⁴ up around 10% at constant exchange rates²

Charenton-le-Pont, France (October 30, 2019 – 7:00am) – EssilorLuxottica today announced that consolidated revenue for the first nine months of 2019 amounted to Euro 13,086 million, representing a year-on-year increase of 7.7% compared to the 2018 first nine months pro forma¹ revenue (+4.3% at constant exchange rates²).

“The continuous improvement in our performance validates our growth strategy as well as our investments in product innovation, digitalization, fast-growing markets and talent. This acceleration further demonstrates our ability to execute the business plan and deliver sales and cost synergies”, said Francesco Milleri and Laurent Vacherot*. *“On this basis we will confirm our efforts to transform the industry and eliminate poor vision throughout the world.”*

Nine-month 2019 revenue by operating segment

In millions of Euros	9M 2019	9M 2018 pro forma ¹	Change at constant rates ²	Currency effect	Change (reported)
Lenses & Optical Instruments	5,090	4,694	+5.6%	+2.8%	+8.4%
Sunglasses & Readers	643	572	+8.5%	+3.9%	+12.4%
Equipment	151	137	+6.6%	+4.0%	+10.7%
Essilor revenue	5,885	5,403	+5.9%	+3.0%	+8.9%
Wholesale	2,508	2,420	+1.6%	+2.0%	+3.6%
Retail	4,694	4,330	+3.8%	+4.6%	+8.4%
Luxottica revenue	7,201	6,750	+3.0%	+3.6%	+6.7%
Total revenue	13,086	12,154	+4.3%	+3.3%	+7.7%

*As EssilorLuxottica announced on May 13, 2019, Leonardo Del Vecchio (Executive Chairman of EssilorLuxottica) and Hubert Sagnières (Executive Vice Chairman of EssilorLuxottica) empowered Francesco Milleri (Deputy Chairman - CEO of Luxottica Group) and Laurent Vacherot (CEO of Essilor International) with the responsibility to develop and implement the EssilorLuxottica strategy and integration process.

Nine-month 2019 revenue by region

In millions of Euros	9M 2019	9M 2018 pro forma ¹	Change at constant rates ²	Currency effect	Change (reported)
North America	6,881	6,320	+2.7%	+6.2%	+8.9%
Europe	3,265	3,120	+5.1%	-0.5%	+4.7%
Asia, Oceania and Africa	2,137	1,987	+5.6%	+2.0%	+7.5%
Latin America	803	727	+11.8%	-1.3%	+10.6%
Total	13,086	12,154	+4.3%	+3.3%	+7.7%

In the first nine months of the year, revenue grew by 7.7% compared to prior-year pro forma¹ revenue (+4.3% at constant exchange rates²).

Essilor led this performance with sales growth of 8.9% on a reported basis and of 5.9% at constant exchange rates².

Luxottica recorded 6.7% growth in revenue (+3.0% at constant exchange rates²), posting the same level of performance for the third-quarter and nine-month period, on the back of positive trends in both the Wholesale and Retail divisions.

Fast-growing markets⁴, which represented close to 20% of consolidated sales, led the growth of the Company, with a sales increase around 10% at constant exchange rates². The direct online channel, which represented around 5% of consolidated sales, was also a meaningful contributor, with sales growth of around 15% at constant exchange rates², led by double-digit growth on Ray-Ban.com, Oakley.com, SunglassHut.com and in Essilor's prescription eyeglasses offers.

Third-quarter 2019 revenue by operating segment

In millions of Euros	3Q 2019	3Q 2018 pro forma ¹	Change at constant rates ²	Currency effect	Change (reported)
Lenses & Optical Instruments	1,713	1,559	+7.0%	+2.9%	+9.9%
Sunglasses & Readers	187	165	+8.9%	+4.7%	+13.6%
Equipment	53	43	+18.1%	+3.2%	+21.2%
Essilor revenue	1,953	1,767	+7.5%	+3.1%	+10.5%
Wholesale	749	718	+1.6%	+2.8%	+4.4%
Retail	1,608	1,492	+4.2%	+3.5%	+7.8%
Luxottica revenue	2,357	2,209	+3.4%	+3.3%	+6.7%
Total revenue	4,310	3,977	+5.2%	+3.2%	+8.4%

Total consolidated sales amounted to Euro 4,310 million in the third quarter, up 5.2% at constant exchange rates², above the annual objective of 3.5% to 5.0%. The acceleration versus the first and the second quarter (3.7% and 4.1%, respectively) was primarily driven by the Lenses & Optical Instruments and Retail divisions.

Lenses & Optical Instruments sales were up 9.9% to Euro 1,713 million (+7.0% at constant exchange rates²), of which 6.2% in like-for-like³ terms. This performance was driven by new products, online sales and fast-growing markets⁴. The successful launch of Transitions® Signature® GEN 8™ in the United States supported the improved growth rate.

The Instruments department also contributed to the division's performance thanks to the new Visioffice®X, a measuring tool for ECPs that customizes patient lenses, as well as the Vision-R™ 800 that allows faster and more precise refraction in increments of one-hundredth of a diopter. E-commerce continued its double-digit growth, driven by prescription offers and contact lenses.

The **Sunglasses & Readers** division posted revenue of Euro 187 million, up 13.6% (+8.9% at constant exchange rates²), of which 8.8% in like-for-like³ terms. In China, Xiamen Yarui Optical (Bolon™) saw robust growth during the quarter, fueled mainly by optical frames, which now account for more than 40% of the brand's sales, and further gains outside the Chinese market. In the United States, sales to consumers were robust throughout the summer, contributing to good results at FGX International and Costa. E-commerce sales in China and the United States remained strong.

Equipment sales rose by 21.2% to Euro 53 million (+18.1% at constant exchange rates²), of which 19.6% in like-for-like³ terms, after a number of orders expected in the first half were delivered in the third quarter. This growth was driven by healthy gains in Asia and Latin America, while business slowed in North America. Sales of new generation surfacing machines remained buoyant while demand for coating machines ticked up. The backlog ended the quarter at a more moderate level.

Wholesale sales were up by 4.4% to Euro 749 million in the third quarter (+1.6% at constant exchange rates²), fueled by all regions with the exception of Asia-Pacific. North America performed well across independents, department stores and third-party e-commerce channels. Europe was driven by most key markets as well as the STARS expansion in the region. Latin America was led by a continuously sound business in Brazil. Asian wholesale was held back by a generally lower Chinese travel flow in the region, the political turmoil in Hong Kong and unseasonal weather in Japan.

Retail sales grew 7.8% to Euro 1,608 million (+4.2% at constant exchange rates²), with comparable store sales⁵ up 1% in the third quarter. Sales accelerated thanks to North America, with Sunglass Hut turning positive, Target Optical still delivering double-digit growth and the insurance business performing strongly. Results confirmed the solid business in Australia and New Zealand, Europe (led by Salmoiraghi & Viganò and Sunglass Hut), Brazil (with Sunglass Hut) and at GMO. Luxottica's e-commerce platforms registered their strongest quarterly growth since the end of 2016, fueled by double-digit growing Ray-Ban.com, Oakley.com and SunglassHut.com.

Third-quarter 2019 revenue by geographical area

In millions of Euros	3Q 2019	3Q 2018 pro forma ¹	Change at constant rates ²	Currency effect	Change (reported)
North America	2,298	2,110	+4.2%	+4.7%	+8.9%
Europe	1,034	969	+6.0%	+0.7%	+6.7%
Asia, Oceania and Africa	701	651	+5.1%	+2.7%	+7.8%
Latin America	277	247	+10.9%	+1.3%	+12.1%
Total	4,310	3,977	+5.2%	+3.2%	+8.4%

In **North America** revenue grew by 8.9% to Euro 2,298 million in the third quarter. This represents an increase of 4.2% at constant exchange rates², a sharp acceleration versus the first half of the year (+1.9%).

Essilor sales benefited from the launch of Transitions® Signature® GEN 8™, which yielded a step change in growth for Transitions® lenses, notably with Independent Eyecare Professionals as well as through the company's retail channels. Growth with Alliance members and Essilor Experts continued at a solid pace with a more mixed picture in key accounts. Equipment and Sunglasses & Readers contributed to growth during the quarter while performance in Canada weighed slightly on regional performance. E-commerce sales were particularly strong during the quarter, with a noteworthy performance from EyeBuyDirect.

At Luxottica, both the Wholesale and Retail divisions had their best quarter in the year thus far. Wholesale accelerated, with the independent channel remaining strong and business advancing with department stores and third-party e-commerce platforms. Retail sales rebounded in the third quarter after a slight deceleration in the previous one. Contributing to this were Sunglass Hut, which turned positive in comparable stores sales⁵ thanks to solid retail execution and continuous investments in the digitalization of the stores, Target Optical and EyeMed, which continued to outperform, advancing at a double-digit pace. LensCrafters' comparable store sales⁵ were still slightly negative, although improving during the quarter thanks to a solid back-to-school season. The performance at Sears continued to dampen the overall performance of the division (on a halved store count year-on-year). Direct e-commerce also confirmed its strong trend at 26% sales growth² in the third quarter, with Ray-Ban.com and SunglassHut.com leading the way. Oakley.com showed a notable acceleration, also driven by the launch of the Oakley NFL partnership, which showed promising early results.

In **Europe** revenue increased by 6.7% to Euro 1,034 million (+6.0% at constant exchange rates²).

Essilor businesses continued to deliver growth. Within the Lenses & Optical Instruments division, growth was once again solid for Instruments thanks to new products, the Vision-R™ 800 phoropter and Visioffice®X, a new in-store lens personalization solution. As for lenses, good market conditions continued to drive growth in France, where a strong multi-network strategy yielded results, as well as in Poland, the Baltic countries, Eastern Europe, Russia and Turkey. Business was softer in the United Kingdom and the Nordic countries.

On the other hand, sales rebounded for Sunglasses & Readers, notably in the United Kingdom and Germany, and e-commerce sales showed double-digit growth driven by Vision Direct.

Luxottica's business in Europe continued to grow. The quarterly performance in Wholesale mirrored the trends seen in the first half of the year, with most of the countries and in particular Italy, the Netherlands, Austria and Northern Europe, contributing to the growth. The company continued to develop its STARS program, with an increase in doors of approximately 50% since the beginning of the year. The program today represents over 25% of Wholesale revenues in the region, showing a strong acceleration in the third quarter, up by more than 30% compared to the third quarter of last year. Retail sales grew steadily in the quarter in high-single digits, driven by Sunglass Hut which experienced positive comparable store sales⁵ and benefited from new space and effective in-store execution. All major countries showed positive growth in Retail, led by Sunglass Hut in Continental Europe and Salmoiraghi & Viganò in Italy.

In **Asia, Oceania and Africa** revenue was up 7.8% to Euro 701 million (+5.1% at constant exchange rates²).

Essilor businesses delivered more improved growth in the region compared to the first half, despite an elevated comparison base. The Lenses & Optical Instruments division saw its growth accelerate further in Mainland China, thanks to strong demand for Varilux[®], Crizal[®], Eyezen[™] and Nikon[®] lenses, for myopia control solutions and mid-tier offerings. In India, a sharp rise in sales to independent opticians and optometrists was attributable to the popularity of Crizal[®] lenses, promotional campaigns, and efforts to raise awareness about the importance of vision correction. This division also saw strong gains in Southeast Asia and South Korea, fueled by the Varilux[®] brand and entry-level progressive lenses. Branded lenses and thin lenses drove sales up sharply in Japan.

The Sunglasses & Readers division also made a solid contribution to growth in the region with Bolon[™] and Molsion[™] posting continued gains in optical frames and online sales.

The overall growth in the region for Luxottica decelerated during the third quarter mainly due to lower Chinese travelling flows, the ongoing political turmoil in Hong Kong and the unfavorable weather conditions in Japan. The performances were mixed between the two channels and the different countries. The Retail business continued its growth trajectory thanks to Australia and New Zealand, which posted positive sales and comparable stores sales⁵, with the optical business positive for the 13th quarter in a row. Despite Japan's unusually long and cool rainy season, sales remain positive year-to-date. Instead Wholesale China continued to realize the benefits of a rebuilt division, reporting double-digit growth, but still on a relatively small baseline.

In **Latin America**, EssilorLuxottica reported revenue up 12.1% to Euro 277 million (+10.9% at constant exchange rates²).

Essilor businesses posted double-digit growth in both Brazil and Spanish speaking markets through continued market development efforts, new partnerships and product mix. In Brazil, a robust second quarter dynamic continued through most of the third quarter ahead of a shift in focus to the upcoming Transitions[®] Signature[®] GEN 8[™] launch. In Colombia, sales of Transitions[®] lenses remained buoyant with a particularly strong attachment rate for Varilux[®] lenses. Recently formed partnerships in Mexico supported double-digit growth at constant exchange rates². The region continued to benefit from rapid e-commerce growth.

At Luxottica, both Wholesale and Retail divisions contributed to the solid growth of the region, led by a strong Brazil which confirmed the double-digit growth trend year-to-date. The Wholesale performance was fueled by the continued expansion of the Óticas Carol franchise network and subsequent STARS on-boarding: the retail brand added 100 new franchise doors since the beginning of the year. Retail continued to see positive momentum at Sunglass Hut Brazil, while GMO accelerated its favorable growth trend during the third quarter.

Eliminating poor vision around the world

Last September, EssilorLuxottica made Fortune magazine's 2019 Change the World list, taking the 17th spot out of 52 in this prestigious ranking which recognizes companies that have had a positive social impact through their core business strategy. The Company was distinguished in particular for its commitment to bring good vision to everyone everywhere as part of its mission to help people "see more, be more and live life to its fullest".

Alongside the United Nations General Assembly last September, Essilor published a new report called "Eliminating Poor Vision in a Generation: What will it take to eliminate uncorrected refractive errors by 2050?". The report defines the scale of uncorrected poor vision globally and outlines solutions to eliminate the world's largest unaddressed disability within one generation: a total investment of USD14 billion over the next 30 years would achieve this goal by 2050.

To further this mission during the third quarter, Essilor launched the Ready2Clip Generation II product globally. In China, the company announced a collaboration with the Huoqiu County and the Huoqiu Boai Hospital to eliminate poor vision from the county in three years. With a population of over 1.6 million, Huoqiu is the first Chinese county Essilor has partnered with to eliminate poor vision. Furthermore, in Bangladesh, the Eye Mitra program crossed the mark of 100 micro-entrepreneurs to bridge the access gap to vision care. The total number of wearers created through such initiatives over the first nine months of the year is over 6 million.

In the nine-month period, Luxottica, through its support for OneSight, an independent non-profit organization of which the company is the founding sponsor, served close to 83,000 patients providing eye exams and glasses across 20 charitable clinics located in the USA, Jordan, Puerto Rico, Chile, Mexico, Mongolia, Peru, Cambodia, China, Brazil, Colombia, Tanzania and Thailand. OneSight also opened 47 brand new Sustainable Vision Centers in 5 countries (the USA, Rwanda, Zambia, China, Bangladesh). Each clinic is staffed with Luxottica employees and doctors and over 703 Luxottica employees had an opportunity to volunteer in the first nine months of 2019. Additionally, OneSight partnered with the Essilor Vision Foundation to invite 50 Essilor volunteers to join forces with Luxottica employees at 16 vision clinics in Cambodia, India, Indonesia, Chile, Peru, the United States, Colombia, Mongolia, Thailand, Nepal and Tanzania.

Synergies and integration

During the first nine months of the year, the Company put in place a structured process to drive integration and deliver synergies. The net impact on adjusted⁶ operating profit of those synergies is expected to be in the range of:

- Euro 300 to Euro 350 million in the period 2019/2021
- Euro 420 to Euro 600 million by 2022/2023

With the ultimate objective of building a unified company, EssilorLuxottica has launched more than 20 priority work streams and 160 business initiatives that are being implemented globally. This activity is under the leadership of more than 40 Essilor and Luxottica key executives with the involvement of more than 800 employees across the two organizations.

First steps include:

- The creation of one single supply chain and prescription laboratories network
- The integration of Costa in the Luxottica's brand portfolio and frame network
- A systematic review of office space real estate at the country level, looking at opportunities to co-locate teams whenever possible
- A pilot project in Italy to define one single IT platform to be quickly rolled out across the Company's organization

Acquisitions and partnerships

- Closing of the Barberini acquisition. On August 30, 2019, Luxottica announced the closing of the acquisition of Barberini, the world's leading optical glass lens manufacturer, after obtaining all the relevant antitrust authorizations. The acquisition allows the company to strengthen its "made in Italy" production and its know-how in glass sun and prescription lenses, always considered a success factor for the iconic models of Ray-Ban and Persol. The company will invest in Barberini to create a worldwide brand synonymous with excellence in high-quality optical glass lenses. Barberini will continue to operate with all eyewear producers that want to differentiate their products by adding the uniqueness of optical glass to their lenses.
- Acquisition of Optimed. Essilor has acquired a majority stake in Optimed Australia Pty, a leading ophthalmic instruments distributor in Australia and New-Zealand which generates annual revenue of about Euro 10 million.

Outlook

EssilorLuxottica confirms its financial objectives for 2019. Including synergies and at constant exchange rates², it is projecting the following:

- Sales growth: +3.5-5.0%
- Adjusted⁶ operating profit growth: 0.8-1.2x sales growth
- Adjusted⁶ net profit growth: 1.0-1.5x sales growth

Subsequent event

On October 22, 2019, Luxottica and **CHANEL** confirmed the early renewal of an exclusive license agreement for the development, production and worldwide distribution of sunglasses and prescription frames under the **CHANEL** brand. The eight-year renewal will be effective starting January 1, 2020, immediately following the expiration of the existing agreement, and is scheduled to expire on December 31, 2027.

Conference call

A conference call in English will be held today at 11:30 am CET.

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

<https://hosting.3sens.com/EssilorLuxottica/20191030-1D441EE8/en/webcast/startup.php>

Forthcoming investor event

- March 6, 2020: Full-year 2019 results

Notes to the press release

1 Pro forma: the unaudited pro forma consolidated revenue for the nine and three-month period ended September 30, 2018 was prepared for illustrative purposes only and with the aim to provide comparative information as if the combination between Essilor and Luxottica had occurred on January 1, 2018. It reflects consolidated revenue of both groups after elimination of intercompany transactions between Essilor and Luxottica.

2 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.

3 Like-for-like: growth at constant scope and exchange rates.

4 Fast-growing countries or markets: include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia, Eastern Europe and Latin America.

5 Comparable store sales or comps: 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 Adjusted measures: adjusted from the expenses 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 Company's performance.

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 2018, EssilorLuxottica had nearly 150,000 employees and pro forma consolidated revenues of Euro 16.2 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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APPENDICES

EssilorLuxottica consolidated revenue by quarter and operating segment

<i>In millions of Euros</i>	2019	2018 Pro forma ¹
First Quarter		
Lenses & Optical Instruments	1,674	1,554
Sunglasses & Readers	200	189
Equipment	44	40
Essilor revenue	1,918	1,783
Wholesale	838	819
Retail	1,454	1,314
Luxottica revenue	2,292	2,133
Total Revenue	4,210	3,916
Second Quarter		
Lenses & Optical Instruments	1,703	1,582
Sunglasses & Readers	256	218
Equipment	55	54
Essilor revenue	2,014	1,853
Wholesale	921	884
Retail	1,632	1,524
Luxottica revenue	2,552	2,408
Total Revenue	4,566	4,261
Third Quarter		
Lenses & Optical Instruments	1,713	1,559
Sunglasses & Readers	187	165
Equipment	53	43
Essilor revenue	1,953	1,767
Wholesale	749	718
Retail	1,608	1,492
Luxottica revenue	2,357	2,209
Total Revenue	4,310	3,977

EssilorLuxottica consolidated revenue by quarter and geographical area

<i>In millions of Euros</i>	2019	2018 Pro forma¹
First Quarter		
North America	2,189	2,007
Europe	1,054	1,014
Asia, Oceania and Africa	707	655
Latin America	259	240
Total	4,210	3,916
Second Quarter		
North America	2,394	2,204
Europe	1,177	1,136
Asia, Oceania and Africa	728	681
Latin America	267	239
Total	4,566	4,261
Third Quarter		
North America	2,298	2,110
Europe	1,034	969
Asia, Oceania and Africa	701	651
Latin America	277	247
Total	4,310	3,977