

# EssilorLuxottica

## Capital Market Day



14.09.2022

# Francesco Milleri

Chairman and Chief Executive Officer

Growing with the market, not in the market



## The biggest in the industry

Unique market structure, scale disparity has increased further



## The only full range player

Present in all products, trade channels, price segments



## The only global player

Directly present in more than 150 countries



## Partnering with all

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

A world map with a network overlay of red and blue lines connecting various geographical locations. The text "Open model for a network company" is centered over the map in a light blue font.

Open model for  
a network company

# Paul du Saillant

Deputy Chief Executive Officer

*A new integrated end-to-end  
omnichannel company*

# Unique asset portfolio

## Innovation

Industry Pioneer, Top Spender in R&D

> **11,000**  
Patents

> **3,500**  
New Eyewear  
Models / Year

## Brand Portfolio

All product and price ranges

- > **150** Brands
- > **6,000** years heritage
- Frames
- Lenses
- Instruments
- Equipment
- Contact Lenses
- Smart Glasses
- Readers & others
- AFA
- DTC banners

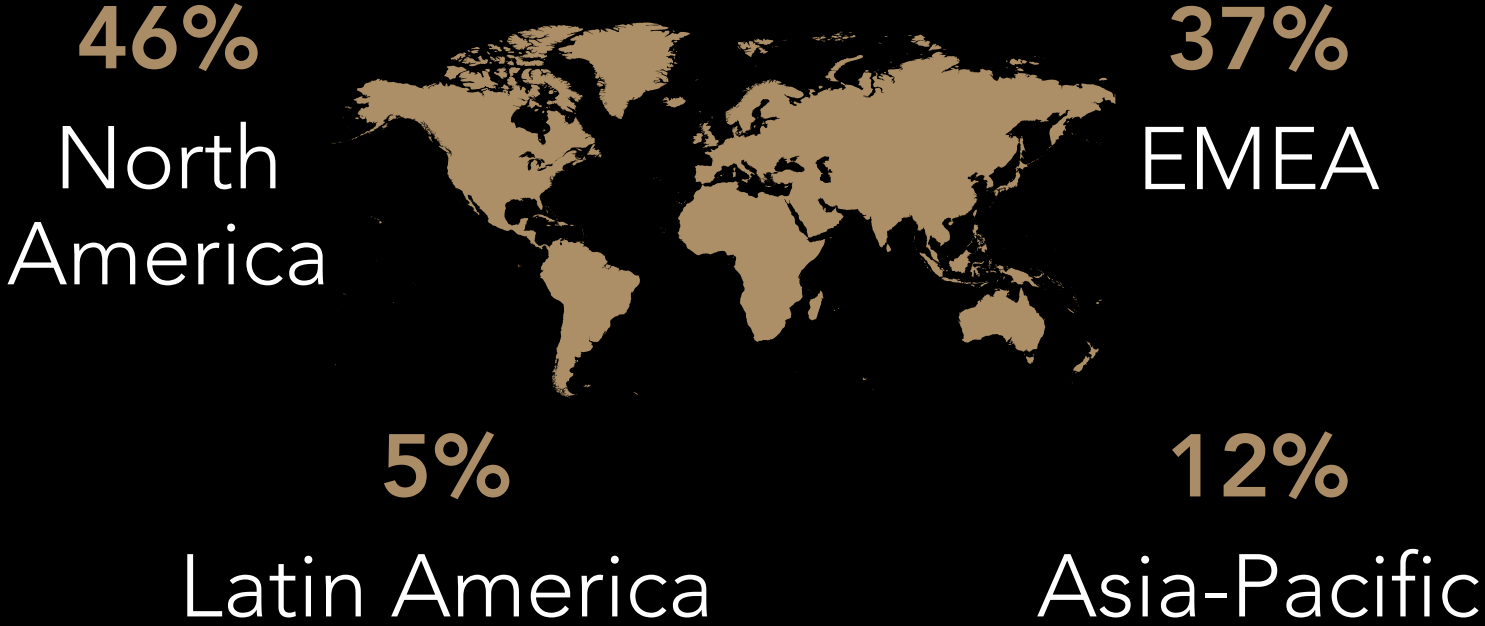
## Go-to-Market

Multi/Omni-Channel

- Professional Solutions
- Wholesale
- > **150** Countries
- Direct to Consumer
- B&M **17,921** Stores
- E-com **75** Banners
- MVC > **65M** Lives

## Global Footprint

Balanced exposure\*



## People

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

- 60%** Women
- 46%** < 35 years
- 67k** Employee Shareholders
- High Profile Board (**14** Directors)

## Supply Chain

Scale & Proximity

- 53** Mass Production Facilities
- 564** Prescription Labs & Edging-Mounting Facilities
- 57** Distribution Centers

\*proforma revenue FY21

# EssilorLuxottica, the integration

Complementarity of products,  
services, segments and geographies

Top customer engagement

New categories / New geographies



Full business digitalization

Store integration and remodeling

Unified lab network

Integrated IT platform

Diversification of supply chain

# M&A as an integral part of the growth strategy

## Main acquisitions

GrandVision  
Barberini  
Fedon  
Shamir  
Walman

## Main partnerships

Nikon  
Bolon and Molsion  
SightGlass Vision

## Main minority investments

Mazzucchelli  
Mister Spex  
Paris Miki  
Synsam

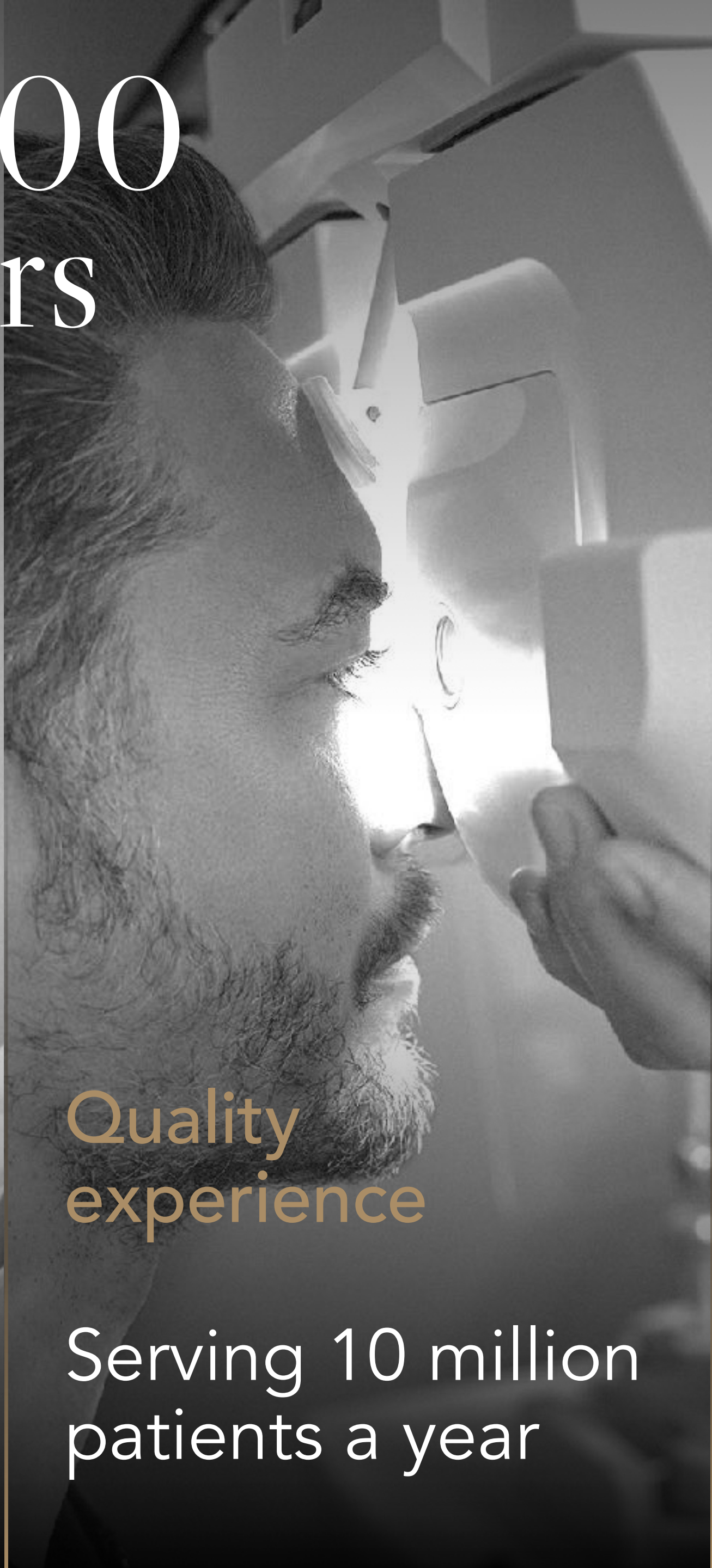


# Dr. Amir Khoshnevis

Vision Source Chief Medical Officer

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

# #1 US network of 4,500 high performing doctors



Strong  
community  
& culture

United

Mission focused

Helping  
independent  
optometrists  
reach their full  
potential

Quality  
experience

Serving 10 million  
patients a year

Influence model

Doctor is owner  
and decision  
maker

# How EssilorLuxottica supports Vision Source

FRAME  
BRANDS

LENS  
BRANDS

PRACTICE  
MANAGEMENT

PARTNERSHIP  
PROGRAMS

INSTRUMENTS

LAB  
SERVICES

MYOPIA

MANAGED  
VISION CARE

CULTURE  
CHANGE

SMART  
EYEWEAR

PRACTICE  
DESIGN

SUCCESSION

DIGITAL  
TOOLS

TELE  
OPTOMETRY

Giorgio Striano  
Chief Operating Officer

Supply chain & Carbon roadmap

2018-2022  
Integrated & Resilient  
supply chain

2018-2022

Integrated

&

Resilient  
supply chain

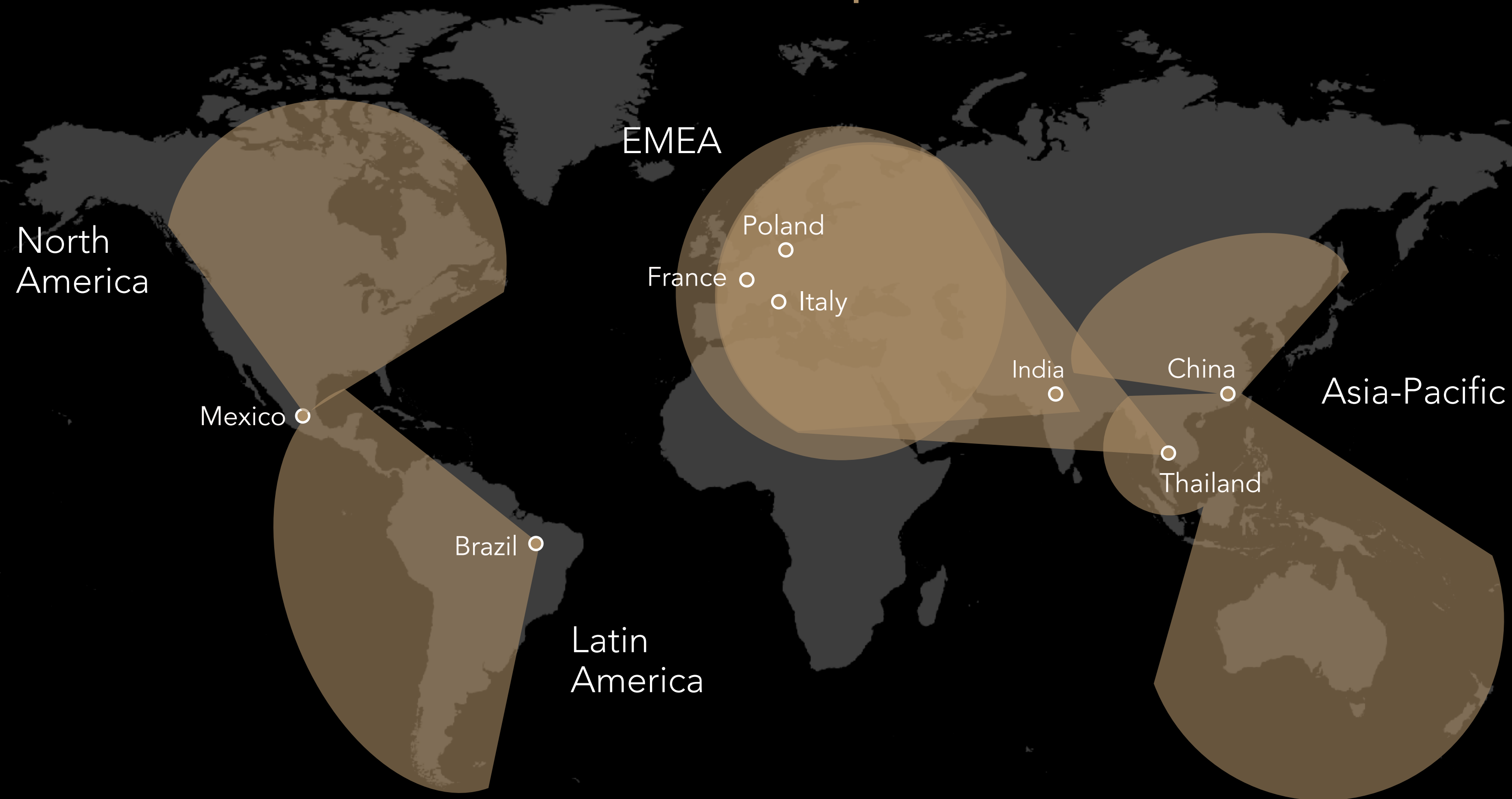
One supply chain  
through simplification  
and standardization

Navigating through the  
global challenges to elevate  
the customer journey



Building the foundation  
for years to come

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



**53** Production plants

**564** Labs



# Innovation is embedded in our DNA

Automation  
is not enough

Vertical  
integration

Ultimate  
eyecare  
experience

# Eyes on Carbon

Process  
optimization

Energy  
attribute  
certifications

Green  
logistics

Renewable  
energy  
production  
on site

New buildings  
designed  
to be green

Reforestation  
projects

# Federico Buffa

Head of Eyewear R&D, Product Style and Licensing

Smart Glasses & Circularity

Smart Glasses  
partners in building  
the metaverse



And we bring  
physical and digital  
worlds together

# How to enable this journey

## Human Interfaces R-EVOLUTION

Eye tracking

Super audio

Lens display/  
Lamination

# Eyes on Circularity

## Eco-Design



Injected frames and lenses made with bio-nylon  
**Castor Oil**

Bio-acetate frames  
**Cotton or wood pulp**  
Renewable source used for cellulose acetate

**Grains, beet or sugar cane**  
Renewable sources used for bio-based plasticizer

**Semi finish lenses** designed saving 50% of raw material

## Sustainable certifications



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

(ISCC+Certified)

## Partnership



Acetate recycling CRT with Mazzucchelli

**Fossil carbon substituted by recycled plastics**

Nylon recycling from fishing nets with Bureo on Costa del Mar

## Vertical integration



Focus on packaging and POP

**Avoid** single use **plastic**

**Reduce** materials and components

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

Q&A

15 minutes

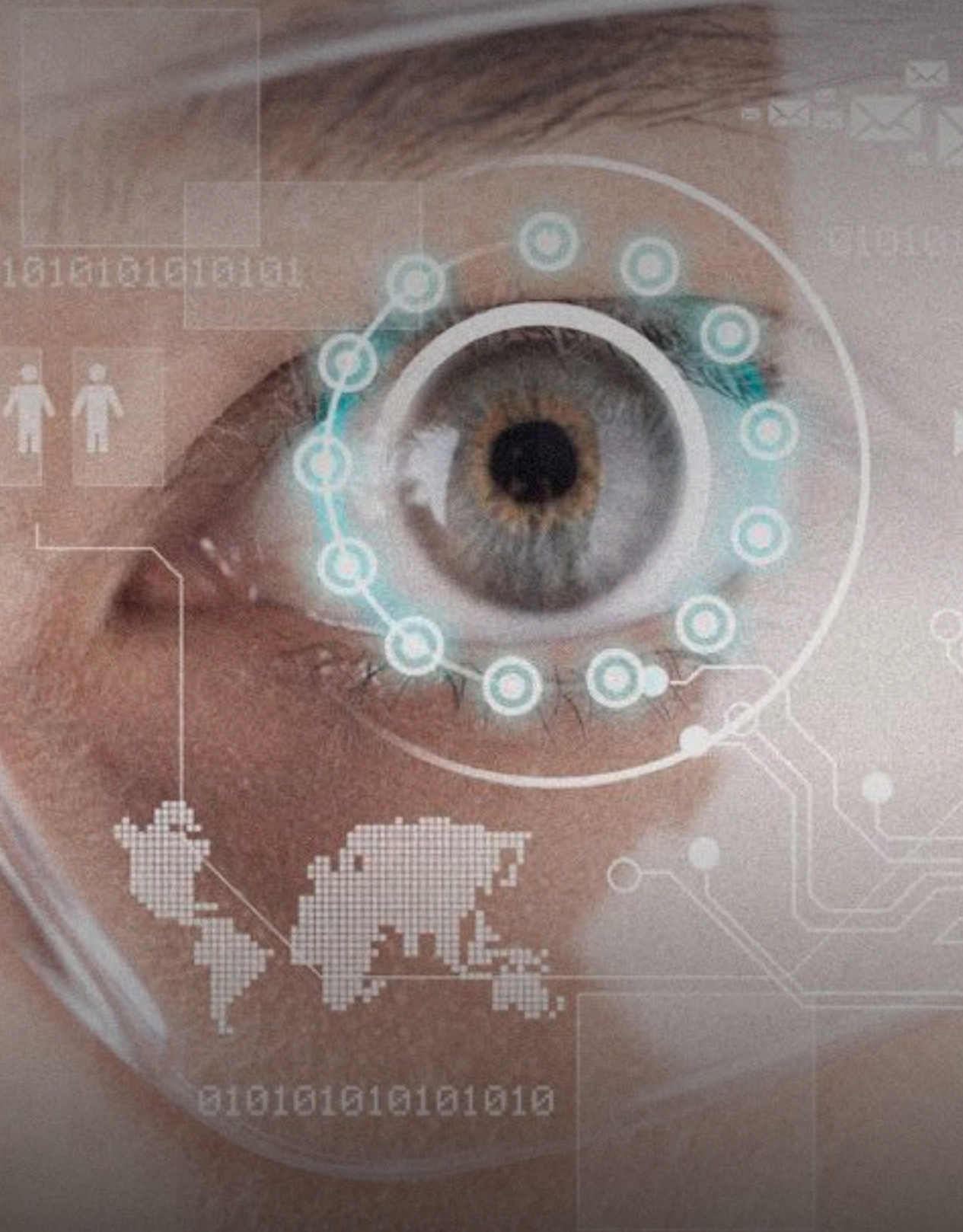
Norbert Gorny

Chief Operating Officer

Lens innovation as a differentiating factor



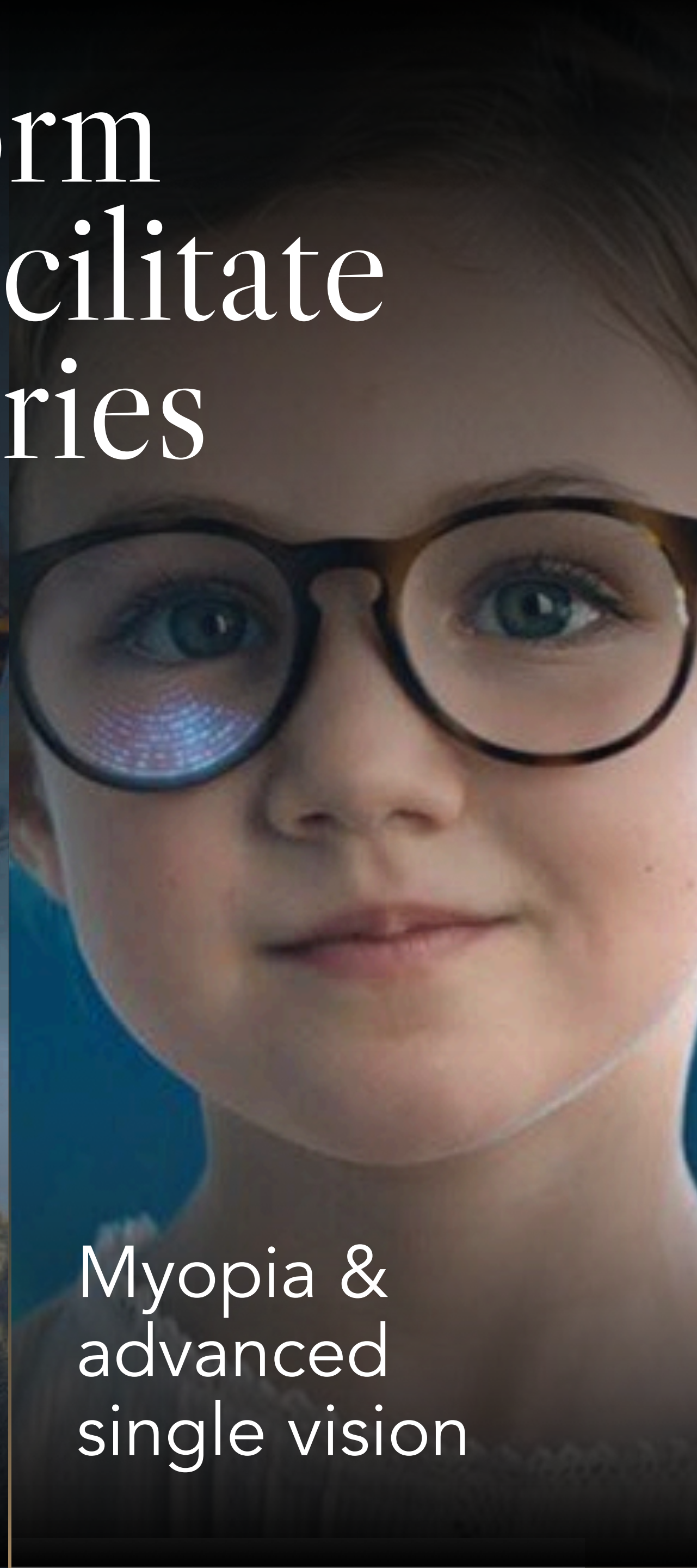
# Innovation to outperform wearer needs and to facilitate creation of new categories



E-lens



Near vision



Myopia &  
advanced  
single vision



Light  
management

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

Design  
superiority

Advanced  
personalization

Smart  
dispensing  
solutions

Many unmet consumer needs  
can be satisfied by **managing light**

Visual function  
of the eye

.....

Vision  
protection

.....

Non-visual function  
of the eye

# Innovative medical lens offer in our myopia control solution portfolio

Highly Aspherical Lenslet  
Target Technology  
H.A.L.T.

Stellest™

Diffusion Optics Technology  
D.O.T.

SG  
SIGHTGLASS  
VISION

Light therapy

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Patient journey

# Arnaud Ribadeau Dumas

Head of Group Myopia

Myopia management: shaping the next category

# A wide portfolio of solutions

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

Ortho-K  
CRT

Soft contact lenses  
MiSight

Anti-fatigue  
Essijunior

Kids Frame/  
Complete pair

Dedicated  
instruments

# A strong medical base

White paper/  
Expert consensus

Symposium/  
Congresses

Research  
institutes

Clinical trials/  
Post market study

Advisory boards

# Raising public health attention and consumer awareness

Advocacy

Standard  
setting

School  
screening  
programs

Reimbursements

Media

Myopic children  
Today > **350 mn**

Myopic children  
2050 > **500 mn**



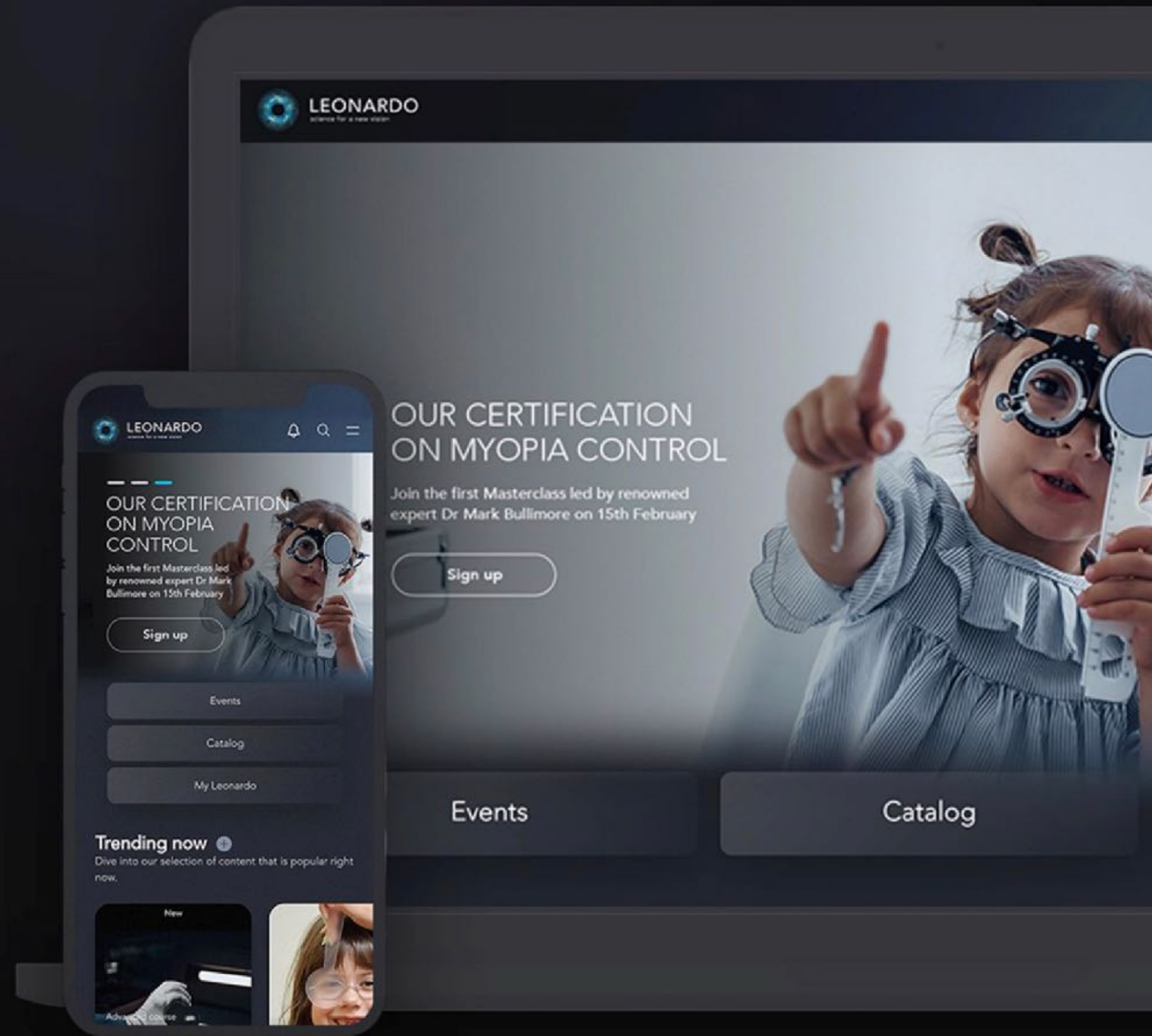
# Myopia dispensing: transforming ECP practices and engaging with hospitals and clinics

Leonardo

Myopia  
experts  
certification

LensCrafters  
Essilor  
VisionCenter

Telemedicine  
Tencent  
WeDoc



# Q&A

15 minutes

# Break

15 minutes

Chrystel Barranger

President Wholesale EMEA

Fabrizio Uguzzoni

President Wholesale North America

Independent, but not alone

# Professional Solutions snapshot

## The market

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

## EssilorLuxottica

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

### INDUSTRY TRENDS

Consolidation

Digitalization/  
Tele-  
optometry

Need for  
better vision

Patient  
journey

# How EssilorLuxottica leads the market in EMEA

A black and white photograph of a Ray-Ban store display. On the left, a large, stylized graphic of a face with concentric lines around the eyes is visible. To its right, a sign reads "RAY-BAN AUTHENTIC". Below the sign, several pairs of Ray-Ban sunglasses are displayed on small stands. The background shows more of the store's interior with track lighting.


Act as  
one company

A black and white map of Europe, where the landmasses are filled with a dense pattern of small, bright white dots, representing a geographical footprint or data points across the continent.

Leverage our  
geographical  
footprint

A black and white photograph showing a customer in profile, using a tablet to view a virtual try-on of sunglasses. The tablet screen displays a man wearing sunglasses. To the left of the tablet, a pair of sunglasses is shown in a virtual overlay. Text on the screen includes "RAY-BAN ORIGINAL WAYFARER €213.00" and a button that says "ACQUISTA ORA".

Accelerate  
category growth  
& innovation  
deployment

A black and white photograph of a smiling woman wearing glasses, standing in an eyeglass store. She is holding a tablet that displays a software interface with various charts and data points. In the background, shelves are filled with various styles of eyeglasses.

Level up  
our customer  
partnerships  
& services

A pair of Ray-Ban sunglasses with a black frame and dark lenses is positioned on a textured, reddish-brown surface. The Ray-Ban logo is visible on the upper left corner of the left lens. The background has a fine, grid-like texture. The text "Vision care champion" is overlaid in a light yellow color across the center of the image.

Vision care champion

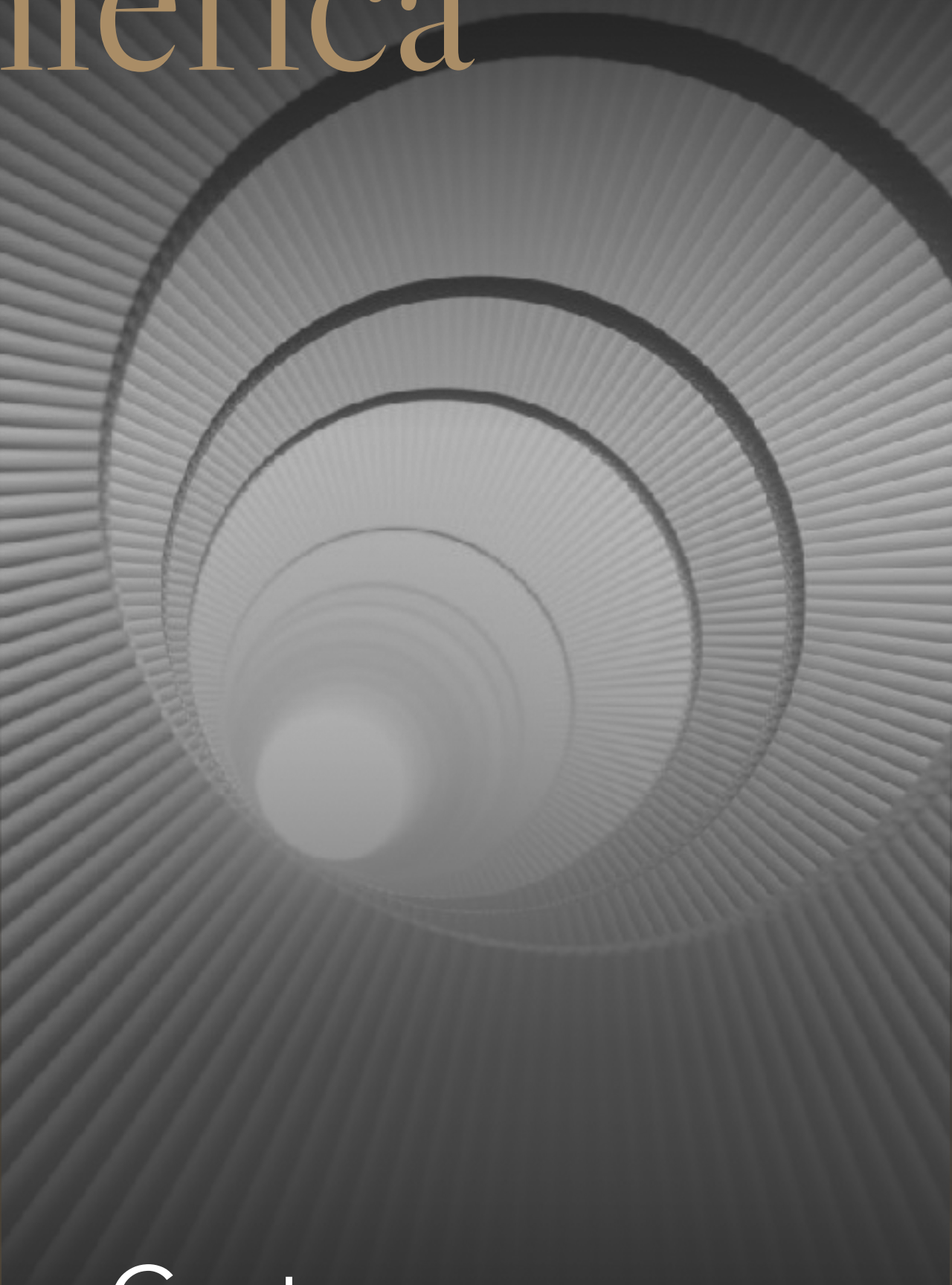
# How EssilorLuxottica leads the market in North America



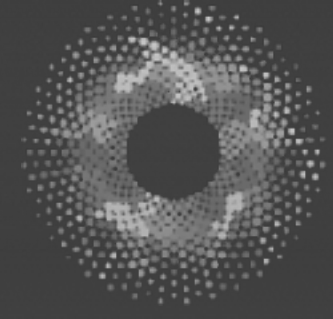
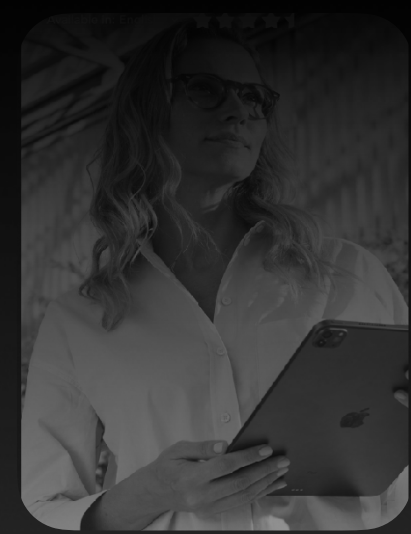
Partner programs



Products & Brand



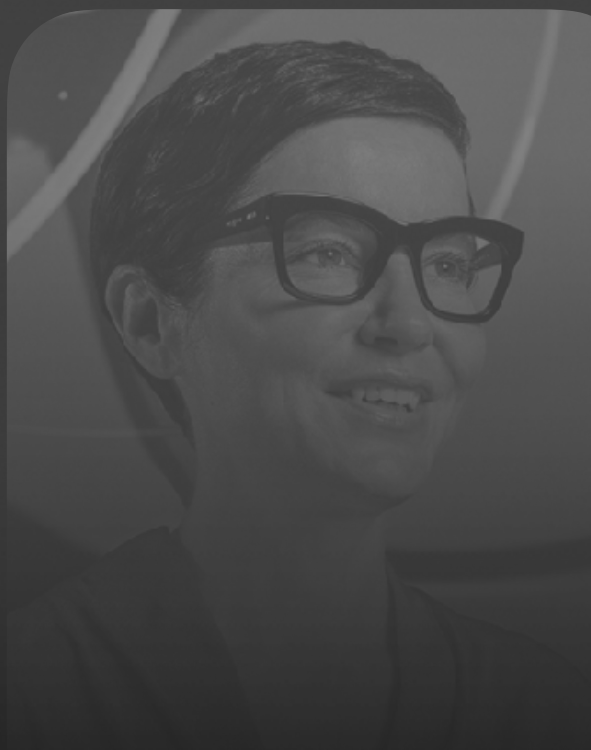
Customer  
centric  
organization



LEONARDO



Education  
& Awareness







A partner for life

Q&A

15 minutes

# Massimiliano Mutinelli

President of Retail Optical EMEA

GrandVision integration

# Elevating the optical market in Europe



EMEA

GV OPTICAL  
STORES

5,791

# Growth opportunities

## Organic Growth

### ENABLERS

DIGITALIZATION

BRAND ELEVATION

### TEAM



### STORES



### PRODUCT ASSORTMENT



### CUSTOMER JOURNEY



## External Growth

# Integration synergies

**STRONG LOCAL BANNERS**



**ONE INTEGRATED PLATFORM**

# Alessandro Cobelli

Head of Global E-commerce

E-commerce, one global team

# Our e-commerce ID card

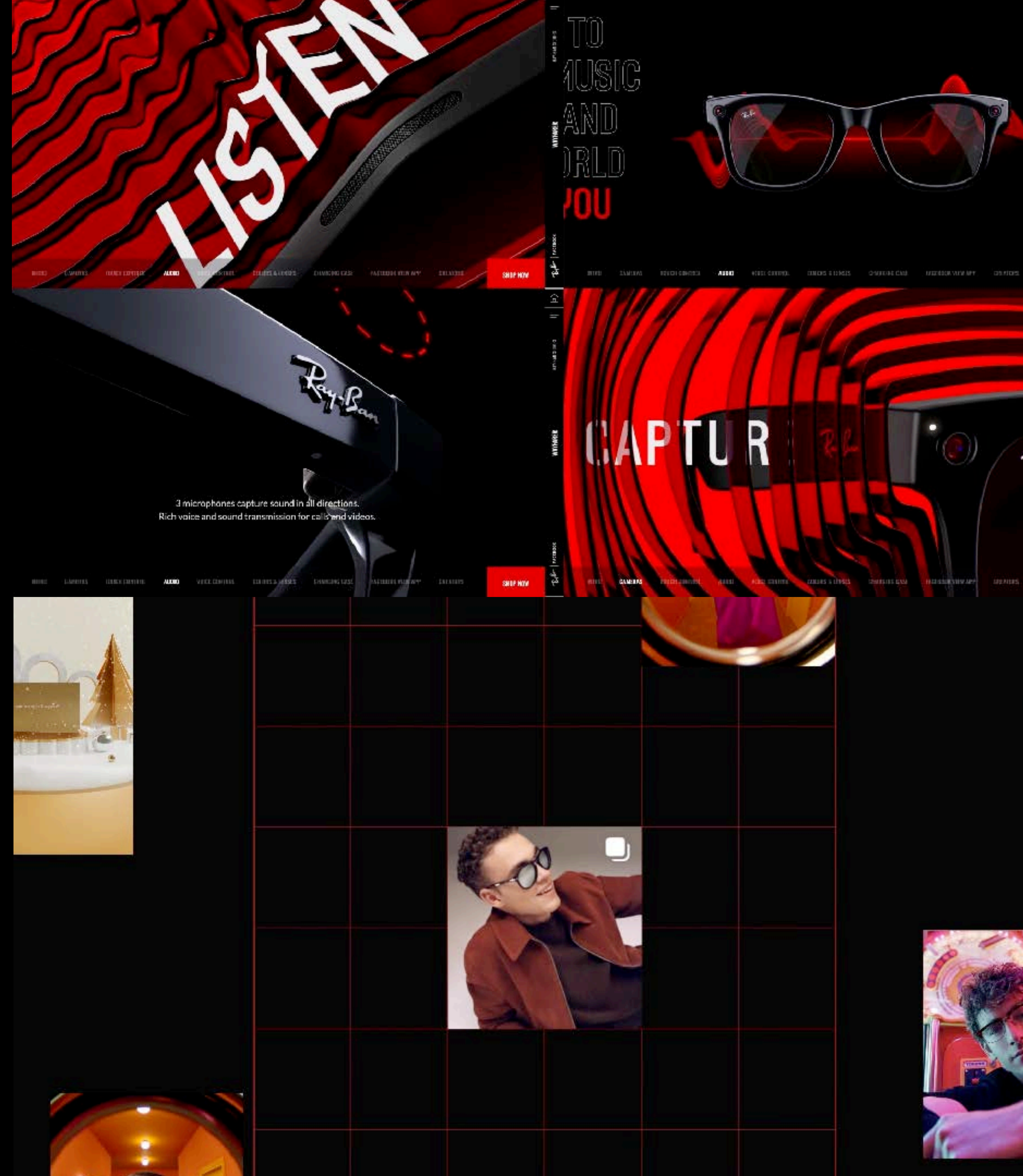
AUDIENCE  
**>500 m**  
UNIQUE VISITORS

TEAM  
**800**  
PEOPLE

**€1.5Bn**  
TURNOVER

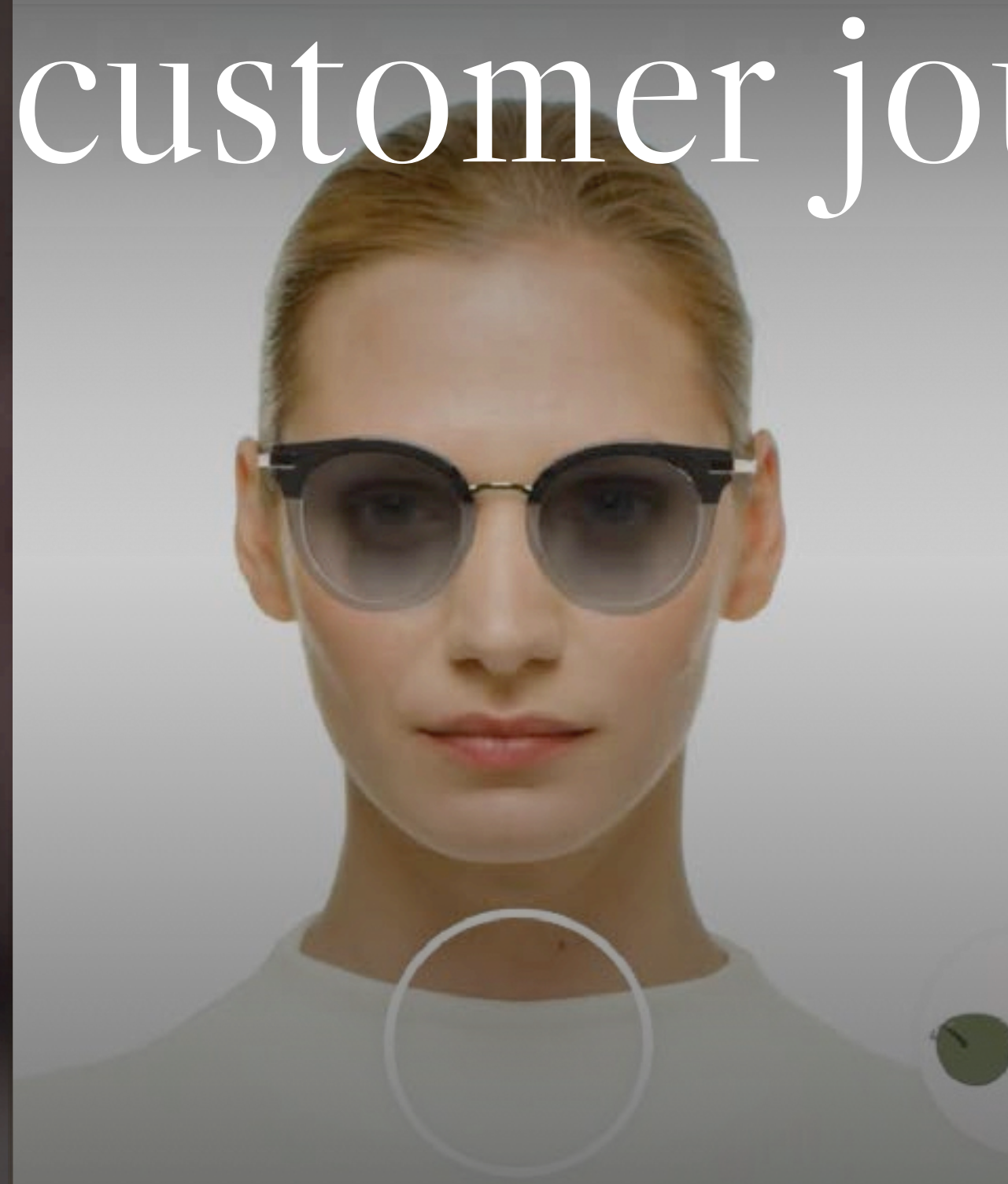
**75**  
BANNERS

**44**  
COUNTRIES





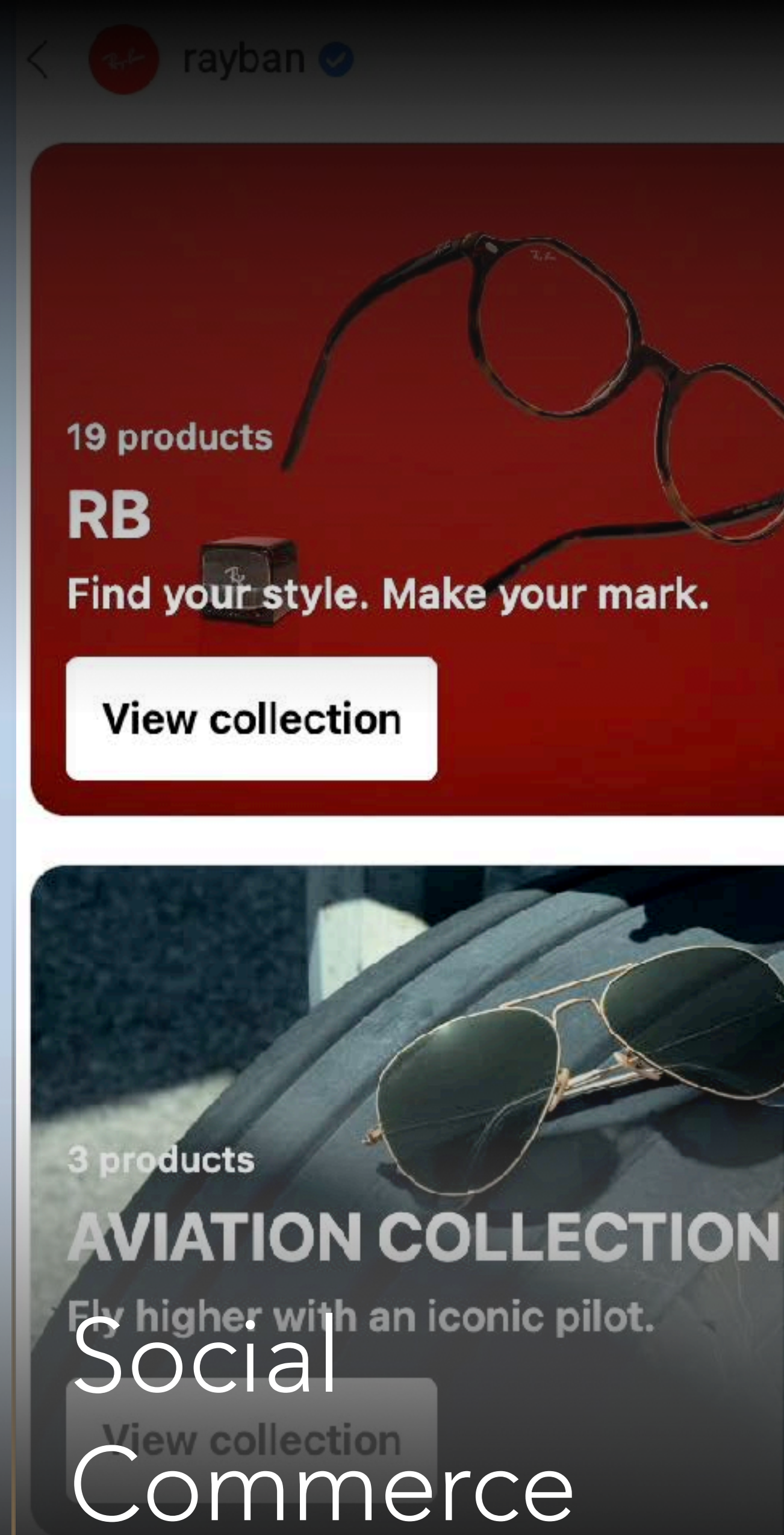
# Fully personalized experience, integrated customer journey



Virtual  
Try-on

Frame  
Advisor  
Artificial  
Intelligence

Lens  
Configurator



# Q&A

15 minutes

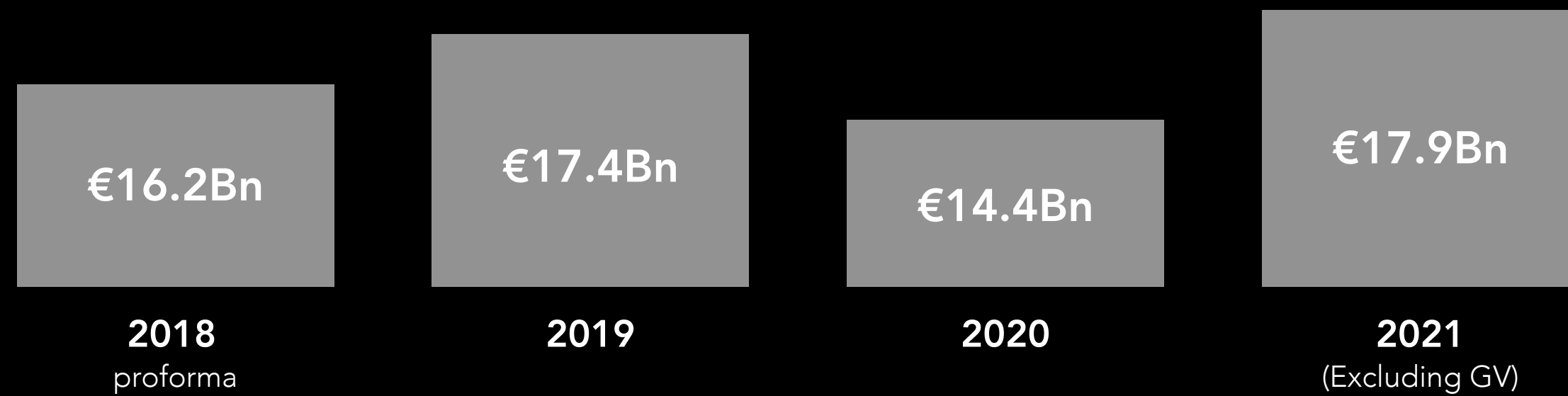
Stefano Grassi

Chief Financial Officer

Financial roadmap

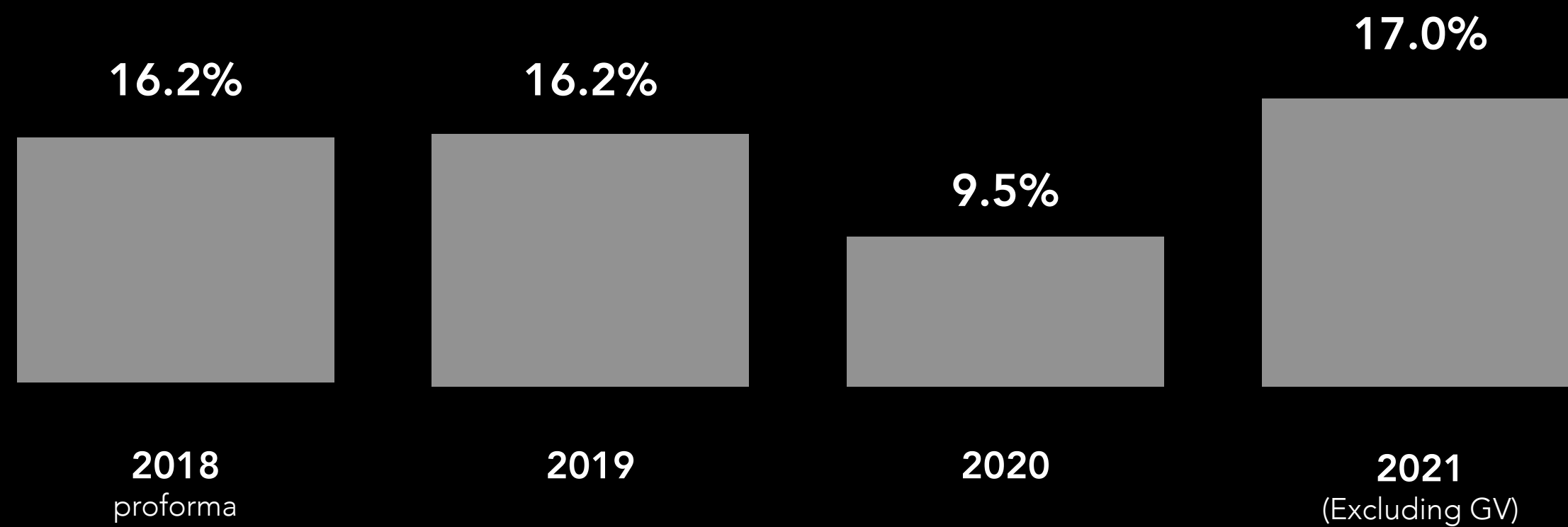
# Long term outlook

## Revenue



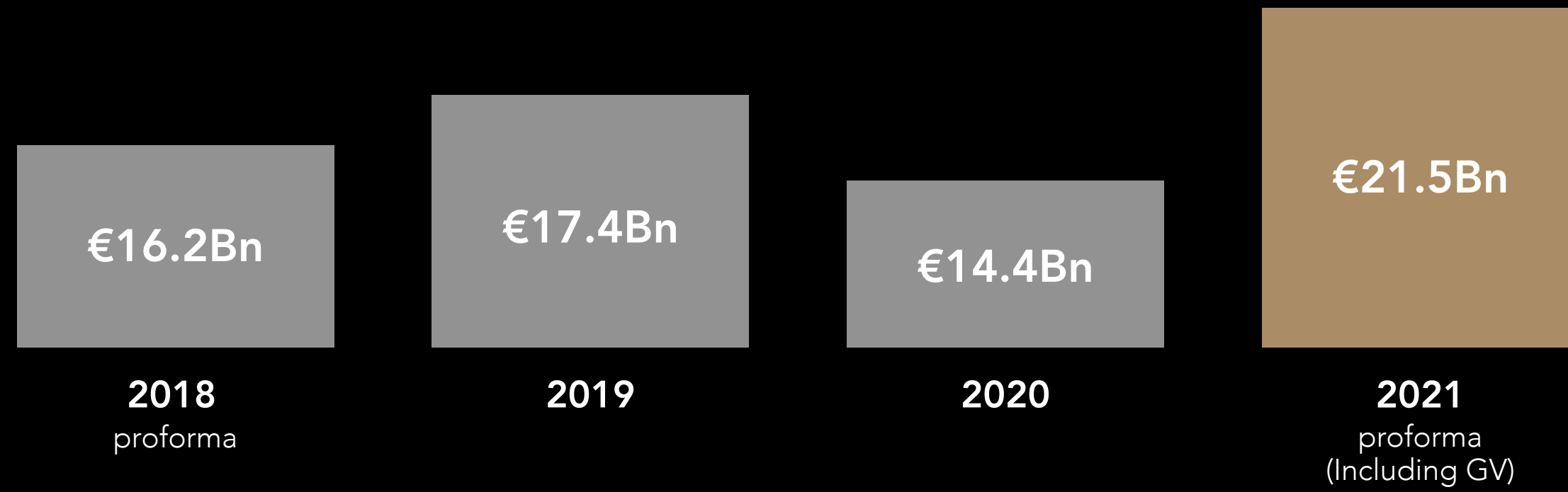
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## Adj Operating Profit as a % of revenues



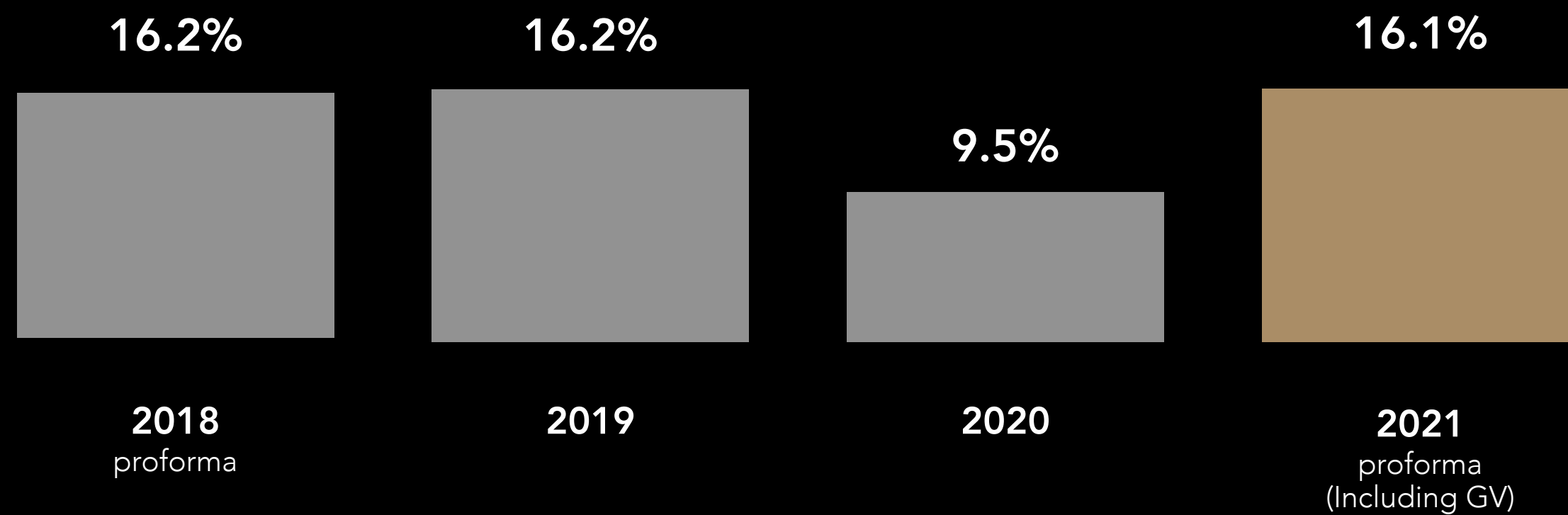
# Long term outlook

## Revenue



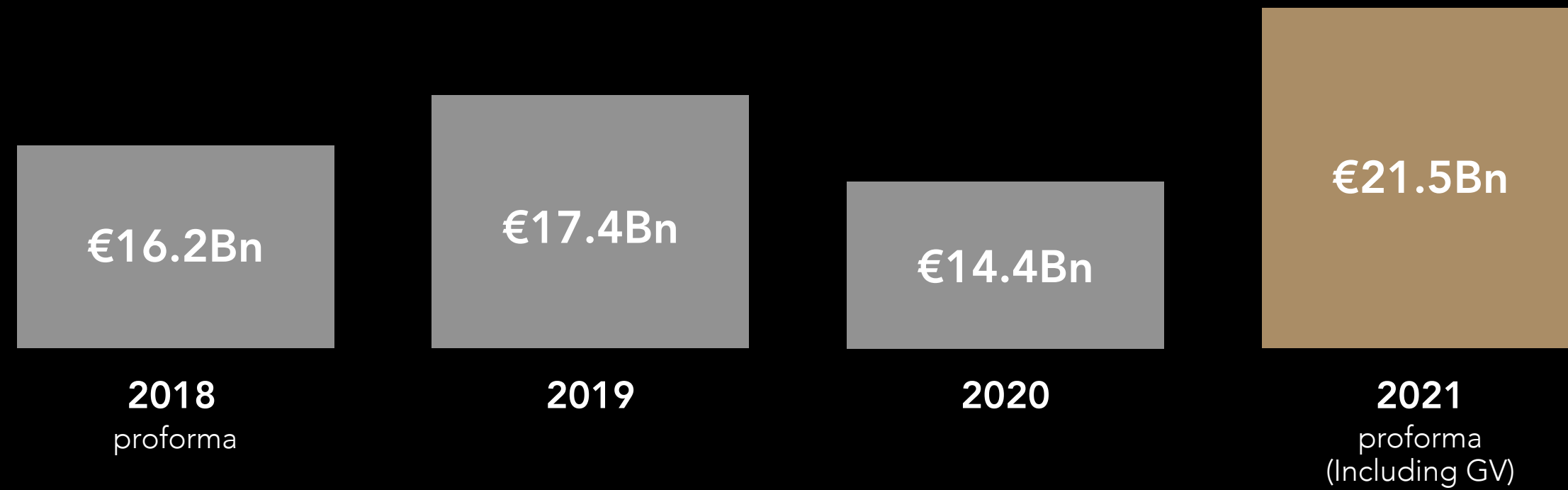
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## Adj Operating Profit as a % of revenues

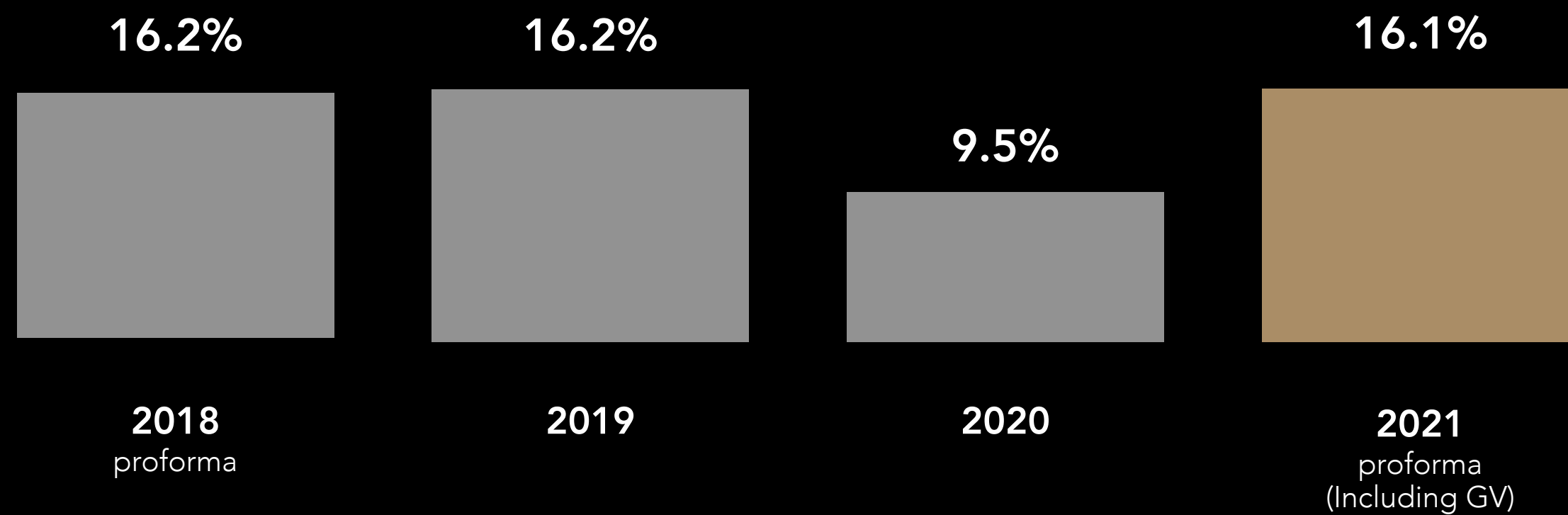


# Long term outlook

## Revenue



## Adj Operating Profit as a % of revenues



## 5 years outlook

at constant currency

Revenue annual growth 2022-26

mid-single digit

~ €27-28Bn

2026

19-20%

2026

# Sales key drivers

NA &  
Europe

Low to mid  
single digit

APAC &  
LATAM

Mid to high  
single digit

Bolt-on  
acquisitions

Up to 1 p.p.  
of growth

E-commerce

Double digit  
(~10% of total  
revenues by 2026)

Volume

Volume primary  
driver, price/mix  
add-on

# Opportunities for additional growth

Myopia solutions  
outside China

Smart Glasses

Optical  
E-commerce





# Profitability building blocks

19-20% Adj. Operating Profit by 2026

## Revenue

### INITIATIVES

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

**STEADY STATE** Operating leverage at 3% growth

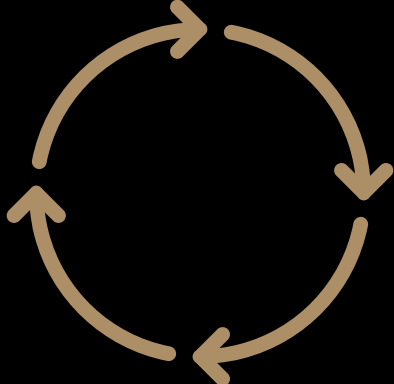
## Cost

### INVESTMENTS

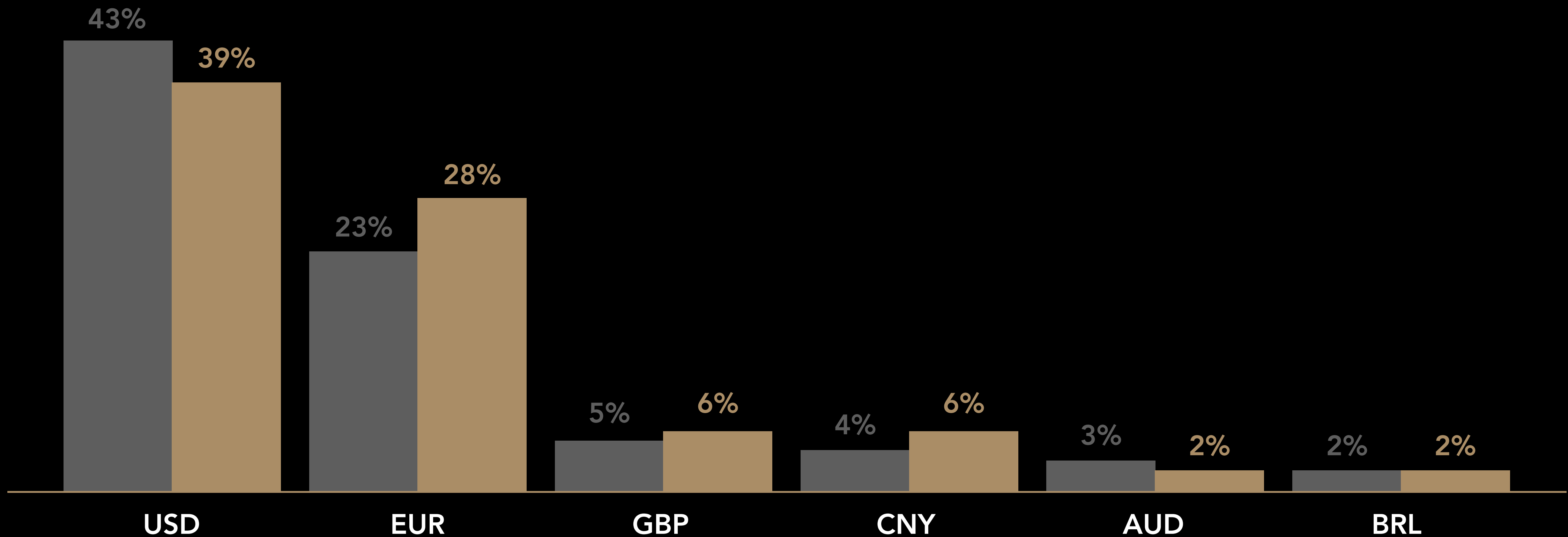
- Retail store network
- Develop under-penetrated markets
- Marketing supporting brands growth
- R&D and product innovation
- Operations and supply chain
- IT Infrastructure & digitalization

### EFFICIENCIES

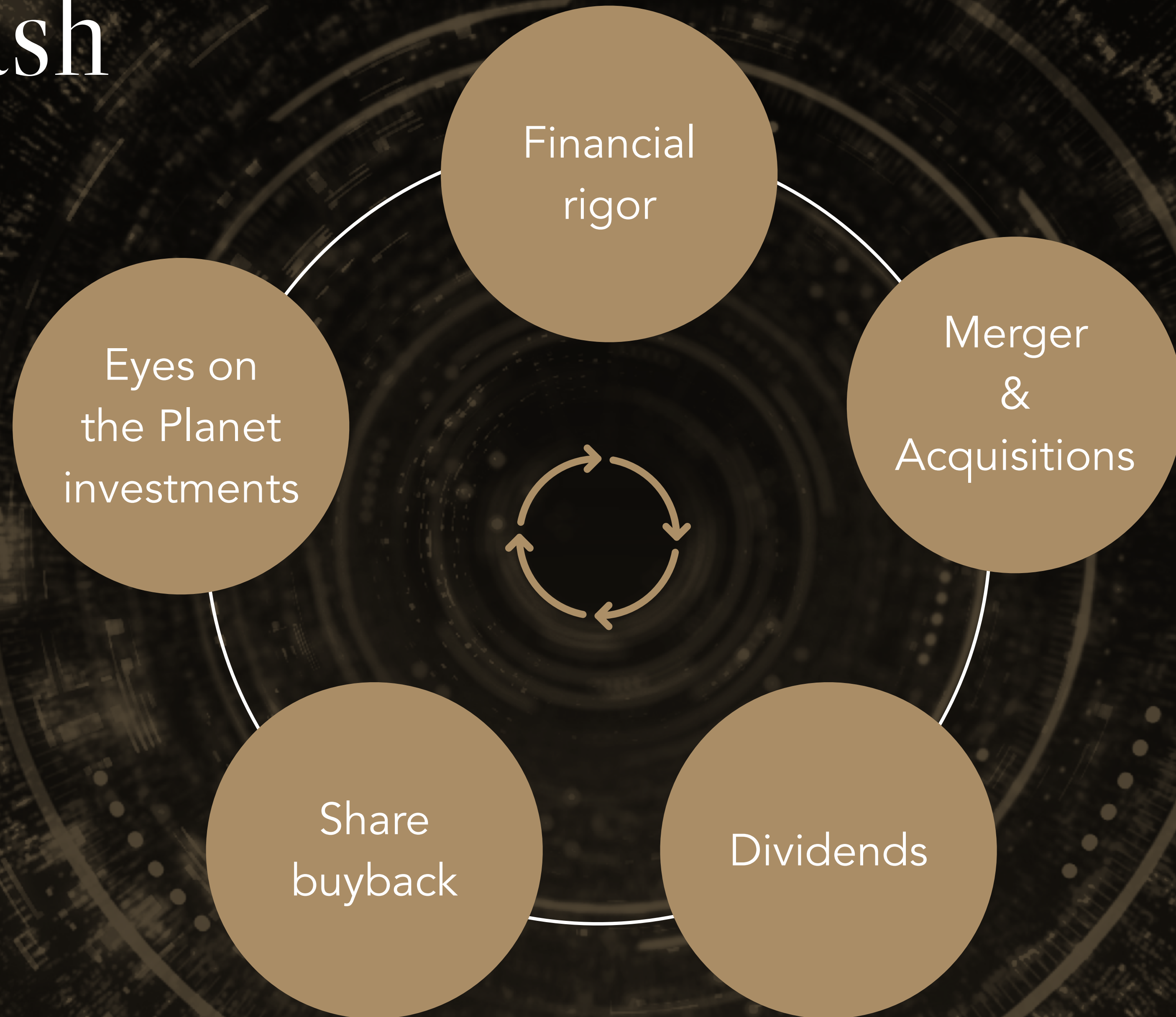
- Back office
- Automation
- Operations and supply chain
- Legal entities simplification



# Revenue and cost currency structure



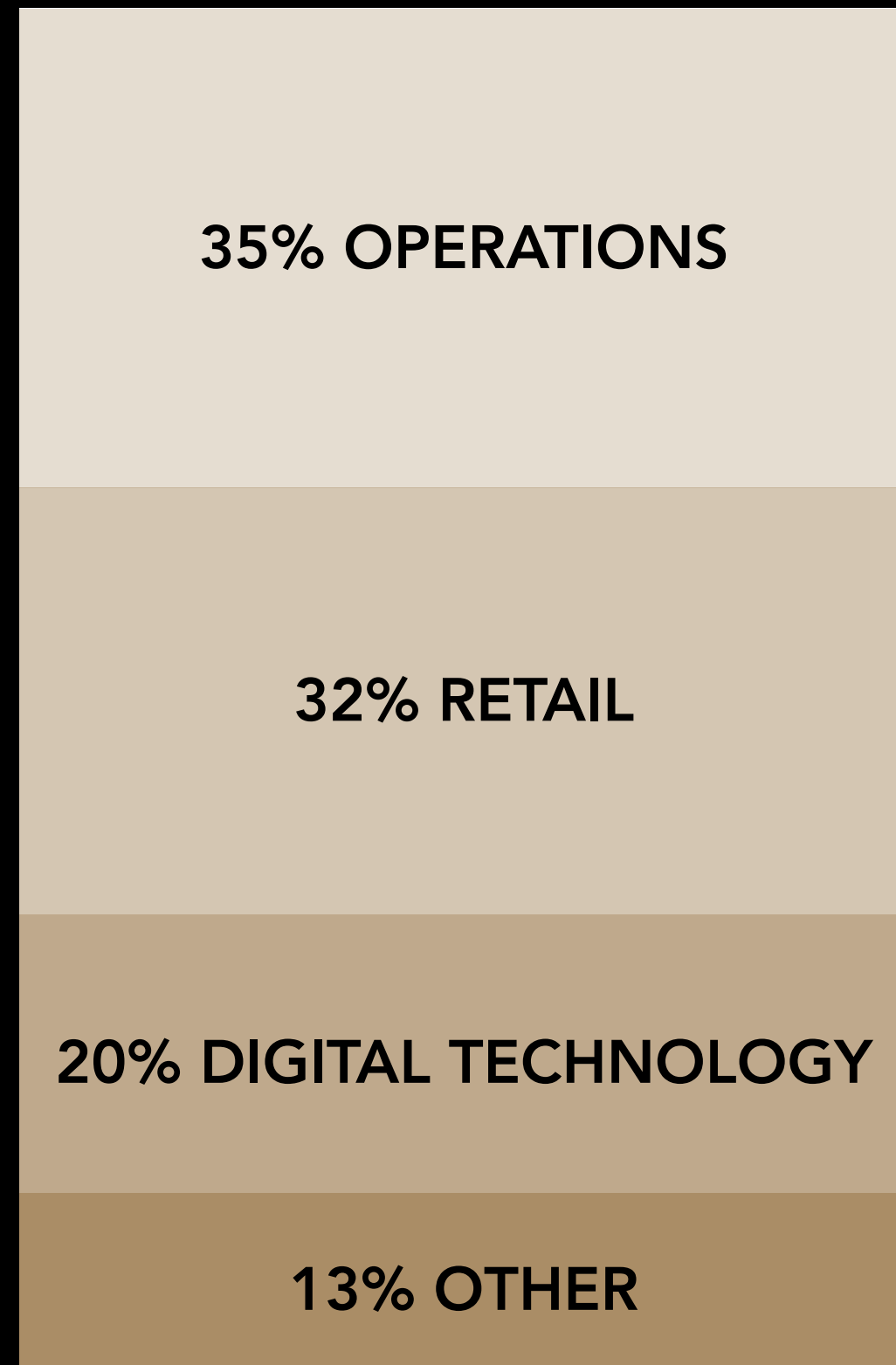
# Use of cash



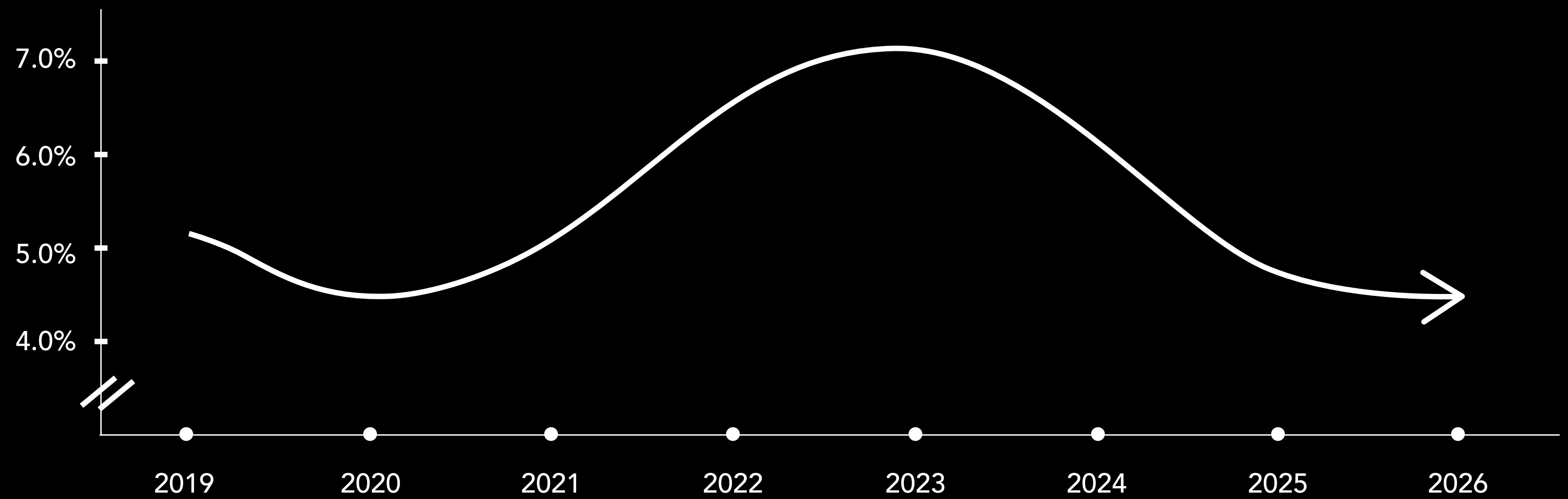
# Investments

## Capex mix

2021 proforma



## Capex % on revenue



# Q&A

30 minutes

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

# EssilorLuxottica

## Capital Market Day



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