

ONE OBSESSION

#CantStop



JULIAN WILSON / PRO SURFER

  
OAKLEY

**1Q 2017 net sales**

Milan, April 28, 2017

**LUXOTICA**

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Certain statements in this investor presentation may constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those which are anticipated. Such risks and uncertainties include, but are not limited to, our ability to manage the effect of the uncertain current global economic conditions on our business, our ability to successfully acquire new businesses and integrate their operations, our ability to predict future economic conditions and changes in consumer preferences, our ability to successfully introduce and market new products, our ability to maintain an efficient distribution network, our ability to set and achieve our business objectives and manage growth, our ability to negotiate and maintain favorable license arrangements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, our ability to protect our proprietary rights, our ability to maintain our relationships with host stores, any failure of our information technology, inventory and other asset risk, credit risk on our accounts, insurance risks, changes in tax laws, as well as other political, economic, legal and technological factors and other risks and uncertainties described in our filings with the US Securities and Exchange Commission. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

In addition, such forward-looking statements include, but are not limited to, statements regarding the proposed business combination between Essilor International and Luxottica Group (including the benefits, results, effects and timing of a transaction), all statements regarding Luxottica’s (and Essilor’s and Luxottica’s combined) expected future financial position, results of operations, cash flows, dividends, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management. Statements used herein concerning the business outlook or future economic performance, anticipated profitability, revenues, expenses, dividends or other financial items, and product or services line growth of Luxottica (and the combined businesses of Essilor and Luxottica), together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting the best judgment of Luxottica based upon currently available information

This investor presentation contains measures that were not prepared in accordance with IFRS. For a reconciliation of non-IFRS measures used in these materials, see the Company’s press release titled “Luxottica Group: net sales up 5.2% in the first quarter of 2017” dated April 28, 2017, available on the Company’s website [www.luxottica.com](http://www.luxottica.com) under the Investors tab.

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## 1Q 2017: HEALTHY START TO THE YEAR

- Group sales up by 5.2% (+1.9% at constant forex<sub>(1)</sub>) to approx. €2.4 billion, driven by Europe, Latin America and Ray-Ban
  - Wholesale sales up by 2.5% (flat at constant forex<sub>(1)</sub>), reflecting ongoing efforts to elevate sales quality, mainly in North America and China
  - Retail sales up by 7.1% (+3.3% at constant forex<sub>(1)</sub>)
    - Solid performance of optical retail outside North America, mixed Sunglass Hut performance across geographies
    - Consolidation of Salmoiraghi & Viganò
    - Retail comps<sub>(2)</sub> down 3.5%, impacted by changes to the retail model in North America
  - E-commerce sales: +6% at constant forex<sub>(1)</sub>, backing out promotional activities



For additional disclosures regarding information in this presentation, please see “Notes to the presentation” in the Appendix

## SHAPING THE GROUP'S LONG-TERM FUTURE

- Evolution in distribution coupled with efficiency projects
  - Quality-driven commercial approach
  - A sustainable retail business
    - Focus on omnichannel, fine-tuning the store base
    - Digital transformation, customer centricity and CRM
    - More efficient supply chain, central hub model
    - Strong commitment to execution
  - Simplification process continues
- Approaching peak sun season with innovative collections
- Confirming FY outlook<sub>(3)</sub>



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## 1Q 2017 NET SALES PERFORMANCE VS. 2016

Millions of Euro

### 1Q 2017

GROUP

**2,384.1**

+5.2%

+1.9% @c.fx<sub>(1)</sub>

WHOLESALE

**958.4**

+2.5%

+0.0% @c.fx<sub>(1)</sub>

RETAIL

**1,425.7**

+7.1%

+3.3% @c.fx<sub>(1)</sub>

### 1Q 2016

GROUP

**2,265.8**

+0.6%

+1.8% @c.fx<sub>(1)</sub>

WHOLESALE

**934.7**

-0.6%

+2.1% @c.fx<sub>(1)</sub>

RETAIL

**1,331.2**

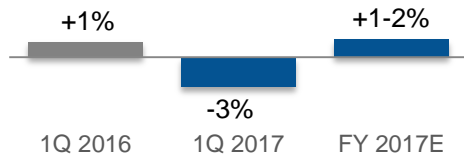
+1.5%

+1.6% @c.fx<sub>(1)</sub>

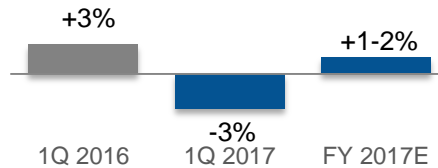
# REVENUE ROADMAP BY GEOGRAPHY

At constant forex<sub>(1)</sub>

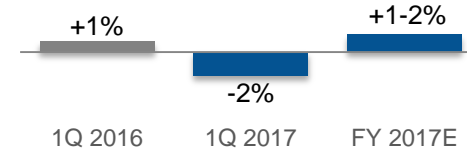
## North America total sales



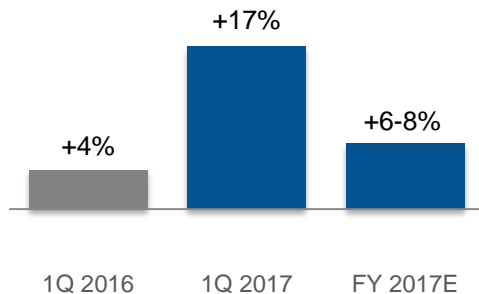
## Wholesale sales



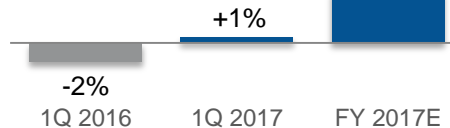
## Retail sales



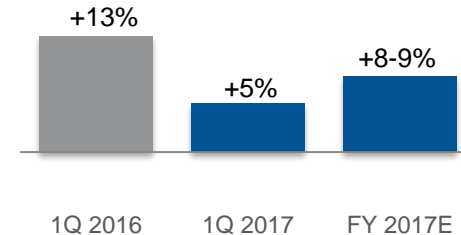
## Europe



## Asia-Pacific

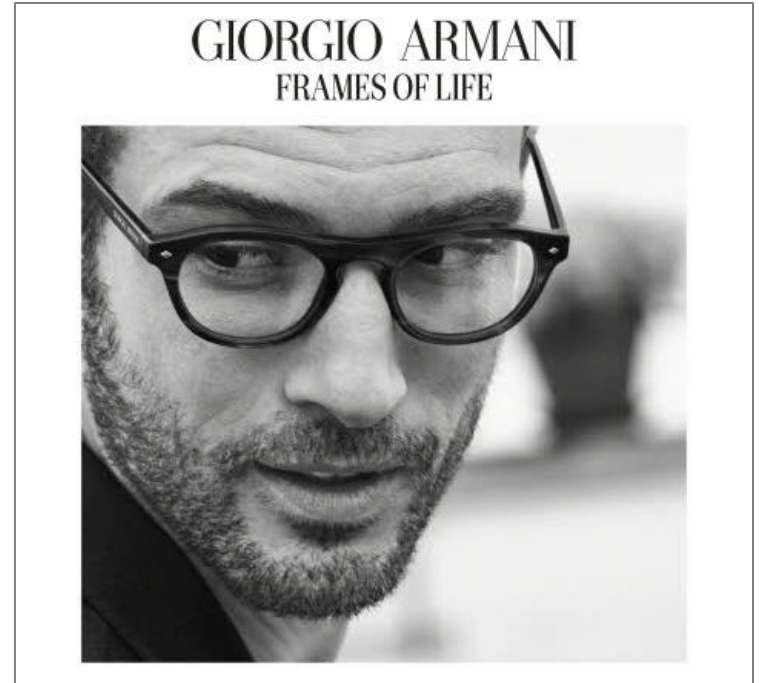


## Latin America



## NORTH AMERICA: TRENDING BETTER HEADING INTO 2Q

- Group sales up by 1.1% (-2.5% at constant forex<sub>(1)</sub>)
  - Wholesale sales still impacted by MAP and weakness in department stores
    - Solid growth with independent opticians and retail chains
  - Soft retail performance
    - Rebuilding store excellence in LensCrafters, continuing the journey inside Macy's
    - Cut in promotional activities and Easter holiday shift in Sunglass Hut
- Trading pattern improving entering into 2Q which includes peak sun season
  - Wholesale trending better
  - Improving April sun comps<sub>(2)</sub>, helped by Easter



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## EUROPE: NINE CONSECUTIVE QUARTERS OF ROBUST GROWTH

- Sales up by 15.5% (+17.4% at constant forex<sub>(1)</sub>), on top of last year's solid performance
  - Strong growth in Italy, Germany, Portugal and Eastern countries, double-digit growth in Turkey at constant forex<sub>(1)</sub>
  - Salmoiraghi & Viganò contributed to sales growth
- Solid wholesale performance driven by Ray-Ban sun collection and fashion brands
- Strong sun retail comps<sub>(2)</sub> driven by Continental Europe
- Expecting a continuation of the positive trend in 2Q



For additional disclosures regarding information in this presentation, please see “Notes to the presentation” in the Appendix



## ASIA-PACIFIC: BUILDING A SOLID PRESENCE

- Sales up by 6% (+0.6% at constant forex<sub>(1)</sub>), accelerating vs. 4Q 2016
- Solid growth in Australia, India and Japan
  - Signs of improvement in Hong Kong
  - Dual speed in Mainland China
    - Negative wholesale sales due to change in go-to-market approach
    - Solid growth in retail sales driven by Ray-Ban stores
  - Continued positive momentum in Australia driven by OPSM



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## LATIN AMERICA: STRONG MOMENTUM CONTINUES

- Sales up by 17.6% (+5.5% at constant forex<sub>(1)</sub>), on top of 30% combined growth<sub>(1)</sub> over the prior two-year period
- Brazil performance strongly helped by currency revaluation, slightly negative sales at constant forex<sub>(1)</sub> vs. a strong 1Q 2016
  - Further expansion of Sunglass Hut in travel retail
- Mexico continued its strong performance in both segments

### MICHAEL KORS



## READY FOR A SUNNY SEASON

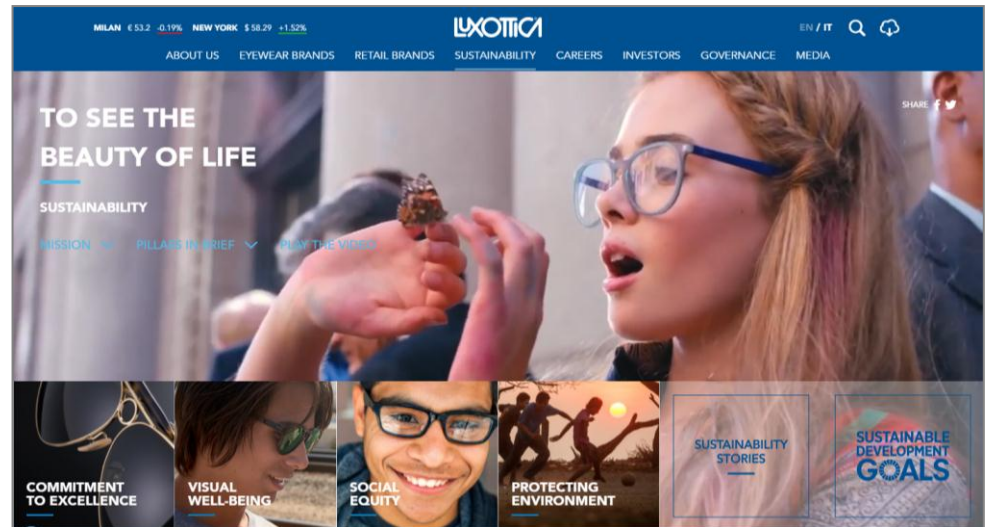
- Positive sales momentum continuing in April
  - Wholesale trending well
    - Healthy portfolio of orders backed by new innovative collections
  - April retail sun comps<sub>(2)</sub> back to positive
    - Leveraging CRM activities and digital capabilities at Sunglass Hut
- Focus on direct relationship with the final consumer in China



# LUXOTTICA'S VISION OF SUSTAINABILITY

<http://www.luxottica.com/en/toseethebeautyoflife>

- Luxottica: **TO SEE THE BEAUTY OF LIFE**
- In 2016 the Group defined its sustainability vision within the framework of the United Nations Sustainable Development Goals
- Four pillars at the core of this sustainability approach
  - Commitment to excellence
  - Visual well-being
  - Social equity
  - Protecting environment
- A vision of environmental, social and economic sustainability that inspires Luxottica's business approach and is an integral part of the Group's strategy and value chain



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NUMBERS**

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APPENDIX

## NOTES TO THE PRESENTATION

- › <sup>1</sup> Figures at constant exchange rates are calculated using the average exchange rates in effect during the corresponding period of the previous year. Please refer to the “Major currencies” table in the press release titled “Luxottica Group: net sales up 5.2% in the first quarter of 2017” dated April 28, 2017 available at the [www.luxottica.com](http://www.luxottica.com) website under the Investors tab.
- › <sup>2</sup> “Comps” or comparable store sales reflect the change in sales from one period to another, that, for comparison purposes, includes in the calculation only stores open in the more recent period that also were open during the comparable prior period, and applies to both periods the average exchange rate for the prior period and the same geographic area
- › <sup>3</sup> FY 2017 outlook data is included in Luxottica’s presentation of its FY 2016 results. See the “#BrandYourPrescription” presentation dated March 2, 2017 available at [www.luxottica.com](http://www.luxottica.com) under the Investors tab.

## 1Q 2017 SALES BREAKDOWN

€ mn	1Q 2016	%	1Q 2017	%	2017 vs. 2016	
					Const. fx <sub>(1)</sub>	Curr. fx
<b>North America</b>	<b>1,354</b>	<b>60%</b>	<b>1,370</b>	<b>57%</b>	<b>-2.5%</b>	<b>1.1%</b>
Wholesale	288	13%	290	12%	-3.2%	0.5%
Retail	1,066	47%	1,080	45%	-2.3%	1.3%
<b>Europe</b>	<b>448</b>	<b>20%</b>	<b>517</b>	<b>22%</b>	<b>17.4%</b>	<b>15.5%</b>
<b>Asia-Pacific</b>	<b>289</b>	<b>13%</b>	<b>307</b>	<b>13%</b>	<b>0.6%</b>	<b>6.0%</b>
<b>Latin America</b>	<b>123</b>	<b>5%</b>	<b>145</b>	<b>6%</b>	<b>5.5%</b>	<b>17.6%</b>
<b>Rest of the World</b>	<b>51</b>	<b>2%</b>	<b>46</b>	<b>2%</b>	<b>-16.8%</b>	<b>-10.8%</b>
<b>GROUP TOTAL</b>	<b>2,266</b>	<b>100%</b>	<b>2,384</b>	<b>100%</b>	<b>1.9%</b>	<b>5.2%</b>

## RETAIL COMPARABLE STORE SALES<sub>(2)</sub>

1Q 2017

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### Optical North America

- LensCrafters -2.9%
- Licensed brands -4.3%

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### Australia/New Zealand

+4.1%

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### Sunglass Hut worldwide

-5.4%

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### Group retail

-3.5%

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### **Upcoming events**

- July 24 – 2Q 2017 results
- October 23 – 3Q 2017 net sales

[www.luxottica.com/en/company/investors/financial-calendar](http://www.luxottica.com/en/company/investors/financial-calendar)

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