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Diffusione presunta

Oggetto : The delay of the sun season in Europe temporarily impacts sales, but it does not affect the 2018 outlook

Testo del comunicato

Vedi allegato.



The delay of the sun season in Europe temporarily impacts sales, but it does not affect the 2018 outlook

Luxottica Group's first quarter net sales were Euro 2,136 million, -0.8% at constant exchange rates²

- Wholesale division's net sales were Euro 830 million, -4.2% at constant exchange rates²
- Retail division's net sales were Euro 1,306 million, +1.3% at constant exchange rates²

2018 outlook confirmed

Milan, Italy, April 27, 2018 - The Board of Directors of Luxottica Group S.p.A. (MTA: LUX), a leader in the design, manufacture, distribution and sale of fashion, luxury and sports eyewear, met today to review the consolidated net sales for the first quarter of 2018 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Net sales for the first quarter 2018¹

<i>(Millions of Euro)</i>	1Q 2018	1Q 2017 restated ⁴	Change at constant exchange rates ²	Change at current exchange rates
Group net sales	2,136	2,391	-0.8%	-10.7%
Wholesale division	830	934	-4.2%	-11.1%
Retail division	1,306	1,458	+1.3%	-10.4%

Luxottica closed the first quarter of 2018 with sales down by 0.8% at constant exchange rates² due to the temporary slowdown in Europe caused by a delayed sun season and the restructuring of the wholesale business in China.

Wholesale division's net sales, down 4.2% at constant exchange rates², were affected by the negative performance of Europe, where unfavorable weather led to the postponement of orders in March, a month which typically generates half of the wholesale sales for the quarter. The new commercial policies for European online operators and wholesale customers, and the completion of the restructuring of the distribution in China also affected quarterly net sales.

The Retail division grew in the quarter by 1.3% at constant exchange rates², with comparable store sales³ down by 0.6%. Positive sales were driven by Sunglass Hut in North America (comparable store sales³ up by 7.6%), retail brands in China and Australia, Target Optical and the e-commerce business worldwide, which recorded an increase² of 16% thanks to Ray-Ban.com and SunglassHut.com. These positive results offset the slowdown of the sun segment in Europe and negative sales of LensCrafters, which is still focused on transforming its business model.

"The decrease in quarterly sales, which were mainly impacted by unfavorable weather conditions in Europe, does not highlight the positive results we have achieved in many businesses and geographies thanks to our product innovation, the improvement of the consumer experience in our stores, and the development of our e-commerce platforms. Sales performance at constant

currency does not affect the Group's quarterly profitability, which remains sustained and solid," commented Leonardo del Vecchio.

"We are continuing to invest in the Group's long-term growth by adopting all the initiatives we consider necessary. After China, we have adjusted our distribution and commercial policies in Europe, which are now consistent and balanced between the different sales channels and aimed at fighting counterfeit and parallel. We want to be closer to our customers, with innovations that can benefit the entire industry. The large investments in new technologies will offer our customers all the advantages that digital transformation can deliver, enhancing brands and collections."

"The many positive signals from the markets, such as the excellent performance of Sunglass Hut and our e-commerce platforms, push us to look at the results of the whole year with confidence and confirm our outlook for 2018."

The proposed combination between Essilor and Luxottica was unconditionally cleared by the antitrust authorities in Europe, the United States, Canada and Brazil, four of the five jurisdictions where antitrust approvals are a condition precedent to the closing of the transaction. In China, the proposed combination is still under review by the local antitrust authority. The transaction is expected to close in the first half of 2018 and has also been approved in 14 other jurisdictions: Australia, Chile, Colombia, India, Israel, Japan, Mexico, Morocco, New Zealand, Russia, Singapore, South Africa, South Korea and Taiwan.

Geographic segments: net sales and trends¹

Net sales (Millions of Euro)	1Q 2018	%	1Q 2017 restated ⁴	%	Change at constant exchange rates ²	Change at current exchange rates
North America	1,197	56%	1,376	57%	+0.1%	-13.0%
Wholesale	239	11%	273	11%	+0.5%	-12.4%
Retail	958	45%	1,103	46%	0.0%	-13.2%
Europe	489	23%	517	22%	-4.1%	-5.5%
Asia-Pacific	279	13%	307	13%	-0.3%	-9.3%
Latin America	131	6%	145	6%	+2.6%	-9.8%
Rest of the World	40	2%	46	2%	-6.3%	-12.2%
Group total	2,136	100%	2,391	100%	-0.8%	-10.7%

North America

In the first quarter of 2018, North America recorded net sales at constant exchange rates² in line with those of the same period last year. The Wholesale division grew by 0.5% at constant exchange rates², thanks to the solid growth of Ray-Ban, especially in the sun segment, as well as the key accounts and e-commerce business. The Retail division reported unchanged sales compared to the first quarter of last year at constant exchange rates². The excellent performance of Sunglass Hut, Target Optical, Pearle Vision, Group's e-commerce platforms (mainly Ray-Ban.com and SunglassHut.com) and EyeMed in Managed Vision Care, fully balanced the still negative sales of LensCrafters.

Europe

After twelve consecutive quarters of solid growth, Europe reported a decline of 4.1% at constant exchange rates² due to the combined effect of the standardization of commercial policies and the

delay in the beginning of the sun season in March. In the quarter, the Group refined its selective distribution agreements, introduced new ways of managing online customers and invested in digitalizing communications in the wholesale channel to improve customer relationships. The unstable weather conditions in the second part of the quarter penalized the retail business, which still reported a slight increase in net sales compared to the same period of 2017.

Asia-Pacific

Net sales at constant exchange rates² in Asia-Pacific remained almost unchanged during the quarter. The positive contribution of Australia, Japan, India and travel retail offsets the negative performance of China, where the Group is completing the restructuring of its distribution channel in favor of a direct relationship with the final consumer. The region benefited from the excellent performance of the retail business, with the strong growth of Sunglass Hut, OPSM in Australia and LensCrafters and Ray-Ban stores in China.

Latin America

In the first quarter, Latin America reported sales up 2.6% at constant exchange rates². The strong contribution of Brazil drove results, where the Group also launched a new commercial organization to improve customer proximity and service and reported an excellent performance of Óticas Carol. The Retail division benefited from the growth of Sunglass Hut sales and the promising start of the first Ray-Ban stores in the region.

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Net sales for 1Q 2018 will be available via audio webcast on Friday, April 27, 2018 at 12:30PM EDT (5:30PM BST, 6:30PM CEST). The audio webcast will be available to the financial community and the media from Luxottica Group's corporate website at <http://www.luxottica.com/en/investors/results-and-presentations/webcasts>.

The presentation will be available for download from Luxottica Group's Investor Relations website at <http://www.luxottica.com/en/investors/results-and-presentations> shortly before the start of the audio webcast.

The officer responsible for preparing the Company's financial reports, Stefano Grassi, declares, pursuant to Article 154-bis, Section 2 of the Consolidated Law on Finance, that the accounting information contained in this press release is consistent with the data in the supporting documents, books of accounts and other accounting records.

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Notes to the press release

1 Comparisons, including percentage changes, are between the three-month periods ended March 31, 2018 and 2017.

2 Figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the previous year. For further information, please refer to the attached tables.

3 “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. Comparable store sales do not include e-commerce sales.

4 1Q 2017 net sales have been restated to reflect the application from 1Q 2018 of the new accounting standard IFRS 15 and the inclusion of net sales of the Group's e-commerce platforms in the Retail division net sales.

Luxottica Group S.p.A.

Luxottica is a leader in the design, manufacture and distribution of fashion, luxury and sports eyewear. Its portfolio includes proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples and Alain Mikli, as well as licensed brands including Giorgio Armani, Burberry, Bulgari, Chanel, Coach, Dolce&Gabbana, Ferrari, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Valentino and Versace. The Group's global wholesale distribution network covers more than 150 countries and is complemented by an extensive retail network of approximately 9,000 stores, with LensCrafters and Pearle Vision in North America, OPSM and LensCrafters in Asia-Pacific, GMO and Óticas Carol in Latin America, Salmoiraghi & Viganò in Italy and Sunglass Hut worldwide. In 2017, with approximately 85,000 employees, Luxottica posted net sales of over Euro 9 billion. Additional information on the Group is available at www.luxottica.com.

Important information

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. Securities may not be offered or sold in the United States unless they have been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or are exempt from registration. The securities that may be offered in any transaction have not been and will not be registered under the U.S. Securities Act and Essilor does not intend to make a public offering of any such securities in the United States.

This press release is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The securities which are referred to herein are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Safe Harbor Statement

Certain statements in this press release 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, the ability to manage the effects of the current uncertain international economic outlook, the ability to successfully acquire and integrate new businesses, the ability to predict future economic conditions and changes to consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution network, the ability to set and achieve our business objectives and manage growth, the ability to negotiate and maintain favorable license agreements, the availability of correction alternatives to prescription eyeglasses, fluctuations in exchange rates, changes in local conditions, the ability to protect intellectual property, the ability to maintain relationships with those hosting our stores, any failure of information technology, inventory and other asset-related risks, 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 Luxottica Group's regulatory filings. These forward-looking statements are made as of the date hereof, and we do not assume any obligation to update them.

Major currencies

<i>Average exchange rates per EUR 1</i>	1Q 2018	1Q 2017
USD	1.2292	1.0648
AUD	1.5632	1.4056
GBP	0.8834	0.8601
CNY	7.8154	7.3353
JPY	133.1662	121.0138
BRL	3.9887	3.3468

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