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Informazione Regolamentata n. 0491-86-2018	Data/Ora Ricezione 22 Ottobre 2018 17:35:18	MTA
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Societa' : LUXOTTICA GROUP

Identificativo : 109739

Informazione
Regolamentata

Nome utilizzatore : LUXOTTICAN14 - Senici

Tipologia : REGEM

Data/Ora Ricezione : 22 Ottobre 2018 17:35:18

Data/Ora Inizio : 22 Ottobre 2018 17:35:19

Diffusione presunta

Oggetto : Third quarter net sales grow by 3.5%,
driven by retail and e-commerce

Testo del comunicato

Vedi allegato.



Third quarter net sales grow by 3.5%², driven by retail and e-commerce

- Luxottica Group's net sales in the third quarter were Euro 2,215 million: +3.5% at constant exchange rates² and +2.9% at current exchange rates
 - Wholesale division's net sales were Euro 732 million: +0.9% at constant exchange rates² and -1.0% at current exchange rates
 - Retail division's net sales were Euro 1,483 million: +4.8% at constant exchange rates² and +4.9% at current exchange rates
- Luxottica Group's net sales in the first nine months of the year were Euro 6,767 million: +1.3% at constant exchange rates² and -4.5% at current exchange rates
 - Wholesale division's net sales were Euro 2,463 million: -2.4% at constant exchange rates² and -7.2% at current exchange rates
 - Retail division's net sales were Euro 4,305 million: +3.5% at constant exchange rates² and -2.9% at current exchange rates
- Outlook confirmed for 2018

Milan (Italy), October 22, 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 third quarter and the nine months ended September 30, 2018, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Net sales in the third quarter of 2018¹

<i>(Millions of Euro)</i>	3Q 2017 restated ⁴	3Q 2018	Change at constant exchange rates ²	Change at current exchange rates
Group net sales	2,153	2,215	+3.5%	+2.9%
Wholesale division	739	732	+0.9%	-1.0%
Retail division	1,414	1,483	+4.8%	+4.9%

Net sales of the first nine month of 2018¹

<i>(Millions of Euro)</i>	9M 2017 restated ⁴	9M 2018	Change at constant exchange rates ²	Change at current exchange rates
Group net sales	7,085	6,767	+1.3%	-4.5%
Wholesale division	2,654	2,463	-2.4%	-7.2%
Retail division	4,431	4,305	+3.5%	-2.9%



Luxottica's net sales in the third quarter of 2018 were up 3.5% at constant exchange rates², thanks to the strong performance of the Retail division and e-commerce platforms as well as solid growth in Europe, North America and Asia-Pacific. The positive results were driven by a combined increase in the average unit price and volumes, and by an acceleration of sales of key brands. The performance improvement in both divisions allowed the Group to close the first nine months of the year with sales up 1.3% at constant exchange rates², growing profitability and strong free cash flow generation.

The wholesale net sales in the third quarter were up 0.9% at constant exchange rates² (-1.0% at current exchange rates) led by the positive performance in North America and the strong improvement in Europe. During the summer, Europe recovered after a delayed start of the sun season.

The retail sales accelerated compared to the first six months of the year with comparable store sales³ up 2.8% and net sales up 4.8% at constant exchange rates² (+4.9% at current exchange rates). This confirms the effectiveness of strategic initiatives aimed at improving the operating model and the ability of the Group's retail brands to execute them. Europe and North America drove Sunglass Hut sales, up 8% at constant exchange rates². Positive sales were also driven by LensCrafters in North America, OPSM in Australia and Ray-Ban stores all over the world.

In the third quarter, sales from the Group's e-commerce platforms were up by 16% at constant exchange rates². Ray-Ban.com confirmed it is the main driver of the Group's online business, benefiting from the exclusive launch of special collections and the brand-new campaign for Ray-Ban Studios, which strengthens the link between the brand, music and millennials. SunglassHut.com and Oakley.com contributed to the excellent performance of the online business as well.

"We're very pleased with the growing results posted in key countries and across all channels in this quarter. We are keeping a good balance between growth and profitability as further proof of the fact that global strategies and quality of execution are delivering the results we expected. A special thanks goes to all the over 80,000 employees of Luxottica who, in this complex journey towards the creation of EssilorLuxottica, have always shown me full confidence, maintaining their passion and the attachment to our Group" stated Leonardo Del Vecchio, Executive Chairman of Luxottica.

"The strategic renewal that the Group undertook over the last three years strengthened the vertically integrated business model and favored organizational simplification, increasing decision-making speed and execution precision. The excellent results are a solid basis for carrying out the integration with Essilor."

"In light of the positive trend in the retail and e-commerce businesses and the return to growth of the Wholesale division, we confirm the outlook for 2018, with expected sales growth around 2%² and solid profitability."

Luxottica and Essilor on October 1, 2018 announced the creation of EssilorLuxottica, a global leader in the design, manufacture and distribution of ophthalmic lenses, prescription frames and sunglasses.



Geographic segments: net sales¹

<i>Net sales (millions of Euro)</i>	3Q 2017 restated⁴	%	3Q 2018	%	Change at constant exchange rates²	Change at current exchange rates
North America	1,236	57%	1,301	59%	+3.7%	+5.2%
Wholesale division	206	10%	220	10%	+3.9%	+6.5%
Retail division	1,030	47%	1,081	49%	+3.6%	+5.0%
Europe	457	21%	468	21%	+4.0%	+2.3%
Asia-Pacific	273	13%	280	12%	+5.3%	+2.5%
Latin America	148	7%	130	6%	-1.2%	-12.3%
Rest of the World	38	2%	36	2%	-4.9%	-5.4%
Group total	2,153	100%	2,215	100%	+3.5%	+2.9%

<i>Net sales (millions of Euro)</i>	9M 2017 restated⁴	%	9M 2018	%	Change at constant exchange rates²	Change at current exchange rates
North America	4,045	57%	3,866	57%	+2.4%	-4.4%
Wholesale division	741	10%	714	10%	+3.2%	-3.5%
Retail division	3,305	47%	3,152	47%	+2.2%	-4.6%
Europe	1,602	23%	1,546	23%	-1.9%	-3.5%
Asia-Pacific	870	12%	853	12%	+4.0%	-2.0%
Latin America	436	6%	389	6%	+1.2%	-10.8%
Rest of the World	131	2%	113	2%	-10.6%	-14.2%
Group total	7,085	100%	6,767	100%	+1.3%	-4.5%

North America - In the third quarter, the Group's revenues in North America were up 3.7% at constant exchange rates², thanks to the solid growth recorded by both divisions.

Wholesale sales increased by 3.9% at constant exchange rates² with the positive contribution of all sales channels and, in particular, of key accounts, independent eyecare professionals and the sport channel.

The Retail division's excellent results, with sales up 3.6% at constant exchange rates², are driven by all retail brands, with the exception of Sears Optical. Sunglass Hut continues to be the top destination for consumers for premium eyewear, also thanks to an increasingly omnichannel offering. LensCrafters is continuing the process of transforming its business model, with very satisfying results: revenues grew by 2.7% at constant exchange rates² and the comparable stores sales³ returned positive to +2.3%.

Europe - In the third quarter, the Group's net sales in Europe grew by 4% at constant exchange rates², driven by the excellent performance recorded in France, the United Kingdom, Turkey and Eastern Europe and the double-digit growth of the retail business. The Wholesale division showed a recovery compared to the first part of the year, when commercial policies realignment and the delay of the sun season led to a temporary slowdown in sales in the region. Improvements were also registered in Mediterranean Europe.



Asia-Pacific - In the third quarter, the Group's net sales in the Asia-Pacific region showed an increase in sales at constant exchange rates² of 5.3%. Every market in the region contributed to growth, with the exception of Taiwan, which was temporarily affected by the upcoming opening of a commercial subsidiary.

Performance in Australia confirmed the strength of OPSM and Sunglass Hut. At the same time Japan, Korea and Southeast Asia, strategic markets for the Group, recorded an acceleration of growth.

Latin America - After years of solid growth, the Group's net sales in Latin America reported a slight decline of -1.2% at constant exchange rates², with the contraction of the wholesale business in Brazil, because of political and macro challenging environment. On the other hand, Mexico and the retail chains in Brazil and the rest of the region continued to register positive performances.

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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 and nine-month periods ended September 30, 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 See the first table in the accompanying Appendix.

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.

- APPENDIX FOLLOWS -



2017 figures restatement

<i>Net sales (Millions of Euro)</i>	1Q 2017	2Q 2017	3Q 2017	9M 2017	4Q 2017	FY 2017
Net Sales	2,391	2,540	2,153	7,085	2,099	9,184
Wholesale division	934	981	739	2,654	717	3,371
Retail division	1,458	1,559	1,414	4,431	1,382	5,813

Note – 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.

Major currencies

<i>Average exchange rates per €1</i>	3Q 2017	9M 2017	3Q 2018	9M 2018
USD	1.1746	1.1140	1.1629	1.1942
AUD	1.4880	1.4539	1.5904	1.5761
GBP	0.8978	0.8732	0.8924	0.8841
CNY	7.8340	7.5766	7.9151	7.7789
JPY	130.349	124.681	129.606	130.925
BRL	3.7150	3.5352	4.5974	4.2966

Fine Comunicato n.0491-86

Numero di Pagine: 8