US Field Trip
Dallas - September 28, 2016
INTRODUCTION

HUBERT SAGNIÈRES
A Strong Mission is At the Heart of our Strategy

Improving Lives by Improving Sight

- 7.2 billion people worldwide
- 63% in need of vision correction
- 100% in need of vision protection

Source: Essilor – 2015 estimates
A Powerful Strategy to Capture All Growth Opportunities

**Fast-Growing Markets**
- 10-12% growth
- Include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia, and Latin America

**Online**
- €5.8bn, 14% growth

**Prescription Lenses**
- €12.7bn, 3-4% growth

**Sunglasses & Readers**
- €10bn, 6-7% growth

~ €28.5bn, 6-7% growth

- **Innovation**
- **Consumer Focus and Branding**
- **Partnerships and Acquisitions**
- **Business Interconnections**

*Size and growth of industry segments by 2018 / Prescription sun lenses are included in prescription lenses*

*Fast-Growing Markets include China, India, ASEAN, South Korea, Hong Kong, Taiwan, Africa, the Middle East, Russia, and Latin America*
On our Way to Reach our 2018 Ambition

**Innovation > €200m p.a.**

- **Breakdown of R&D expenses in the optical industry**
  - Other Industry Players: c.25%
  - Essilor: c.75%

**Branding > €200m p.a.**

- **Breakdown of Essilor consumer marketing expenses**
  - Sun: ~30
  - Prescription: ~120
  - Online: ~50

**Growth-Enhancing Acquisitions**

- Prescription Lenses
- Sunwear
- Online
- Fast-Growing Markets
- New Models

**Forbes 2016**

*THE WORLD'S MOST INNOVATIVE COMPANIES*

*POWERED BY THE INNOVATORS DNA*

Source: Essilor

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A Unique Combination Driving for Success

Employees aligned with shareholders through employee shareholder program and Valoptec governance
USA: A Growing ~$40bn Vision Care Industry

Sell-out sales in USD billions

Source: VisionWatch, Vision Council Consumer Barometer
Our Expansion in the USA Will Contribute to Achieving our Objectives

Eyewear Biggest Market In Value

Underdeveloped Market

Progressive Lenses\(^{(1)}\)

- USA: 30%
- France: 39%
- New Zealand: 49%

Antireflective Lenses\(^{(1)}\)

- USA: 39%
- Spain: 68%
- China: 95%

Expected growth in value (CAGR 2015-2020, in %)

- Size proportional to 2015 volume
- 80m units

Retail Value\(^{(1)}\)

- ~$40bn

Essilor 2015 Revenue across all business divisions

- ~$3.2bn

(1) Source: VisionWatch, Vision Council Consumer Barometer

Source: Essilor estimates, Estin & Co.

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Many Recent Initiatives in Fast-Growing High-Value Segments

PRESCRIPTION LENSES
- Transitions
- Vision Source
- Perc
- US Optical

SUNWEAR
- FGX International
- Costa
- Ryders Eyewear

ONLINE
- Coastal
- My Online Optical

ESSILOR
US Field Trip - September 2016
UNLOCKING US MARKET POTENTIAL
ERIC LEONARD
US Field Trip - September 2016

Building Strong Leadership in the US

Revenue across all business divisions

CAGR: ~12.5%

~$300m

1995

Acquisition of Gentex Optics

1996

Building of an unrivaled network of local laboratories through partnerships

~$1,100m

2005

Launch of Essilor Vision Foundation

2007

Entry into the readers and sunglasses segment

2009

Entry into the online channel

2010

Acquisition of Signet Armorlite

2014

Acquisition of ECPs Alliances

2015

Acquisition of Transitions Optical

~$3,200m

1995

Building of an unrivaled network of local laboratories through partnerships

1996

Acquisition of Gentex Optics

1997

Building of an unrivaled network of local laboratories through partnerships

1998

Acquisition of Omega prescription laboratory

1999

Acquisition of Definity from J&J

2000

Entry into the online channel

2001

Acquisition of Signet Armorlite

2002

Entry into the readers and sunglasses segment

2003

Acquisition of ECPs Alliances

2004

Acquisition of Transitions Optical

2015

Revenue across all business divisions
A Market Dominated by Optical Laboratories

Segments

- Optical Labs
- Lens Manufacturers
- Online
- Optical Chains
- Non-Optical Retail
- Other Independent ECPs
- Alliances

Fastest-growing channels

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Strong Independent Eye Care Professionals Served by a Fragmented Laboratory Network

**INDEPENDENT LABORATORIES**
- Full job delivery (edge & mount)
- Local service
- Need for advanced technologies
- Further room for consolidation

**INNOVATION ROUTE**
- Open market
- Delivery time
- Competitiveness
- etc.

**~32,000 INDEPENDENT ECPs**
- High-end and branded products
- Strong loyalty to local labs
- Room for flow streamlining
Optical Chains Looking for Tailored Solutions to Meet their Specific Needs

<table>
<thead>
<tr>
<th>INTEGRATED LABORATORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>➡ Upstream margin</td>
</tr>
<tr>
<td>➡ US-based manufacturing costs</td>
</tr>
<tr>
<td>➡ Risk of technology obsolescence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXTERNAL SUPPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>➡ Up-to-date technology</td>
</tr>
<tr>
<td>➡ End-to-end supply chain offers</td>
</tr>
<tr>
<td>➡ Efficiency gains</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RETAIL CHAINS</th>
</tr>
</thead>
<tbody>
<tr>
<td>➡ Branded &amp; private label products</td>
</tr>
<tr>
<td>➡ Mid-tier positioning</td>
</tr>
<tr>
<td>➡ Resources allocation</td>
</tr>
<tr>
<td>➡ Efficient sourcing needs</td>
</tr>
<tr>
<td>➡ Business continuity</td>
</tr>
<tr>
<td>➡ Online development</td>
</tr>
</tbody>
</table>
An Unrivaled Supply Chain Serving ~40,000 Points of Sale

- ~10,000 employees
  - Over 1,000 in customer-facing services
  - ~120 in R&D
- Dallas: 1 of 3 HQ & Innovation and Technology Centers in the world
- 5 plants
- 4 distribution centers
  - scale effects and supply chain security
- 125 prescription laboratories
  - scale effects and local service

As of December 31, 2015

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A Market Driven by Huge Consumer Needs

Favorable Demographics
- Population growing above 1%
- 45y.+ growing the fastest
- 30 million people with vision impairment still uncorrected

Evolving Consumer Needs
- Time on digital devices outstrips TV/Radio/Print
- Among <45y. it is 2-3X more, with mobile quickly taking over
- Protection against harmful light already 4th largest consumer need

Myopia Epidemic
- Highest prevalence in the US vs. other regions
- Expected to grow from 40% today to 58% by 2050

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Significant Potential Remains in Key Lens Categories

Potential to replace bi/tri-focal with progressive lenses

% of 45+ year-old population wearing progressive or bi/tri-focal lenses

Benchmarks suggest room for growth in antireflective lenses

% of prescription wearers with antireflective lenses

Source: Essilor estimates
Meeting Consumer Needs with Superior Product Innovation
A Compelling Strategy to Better Tap Market Opportunities

Innovation Deployment

- Catch-up potential
- Leveraging all group networks
- Continuous innovation

Consumer Focus

- Education and awareness
- Branding
- Consumer insights via online models

Trade Opportunities

- Supply chain capabilities
- Business interconnections
- New retail players

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ENGAGING CONSUMERS

CARL BRACY
Engage Consumers with More Information and Education

- Raising awareness of good vision and the available solutions
- Tying the store into Essilor’s branded solutions
- Teaching ECPs to build multiple categories and better meet consumer needs
“Think About Your Eyes” Awareness Campaigns Boosting Eye Exams and Demand

Exam growth has outpaced population growth since launch

TAYE campaigns go nationwide

<table>
<thead>
<tr>
<th>Year</th>
<th>Eye Exam Growth</th>
<th>Population Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2008</td>
<td>1.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2009</td>
<td>1.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2010</td>
<td>1.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2011</td>
<td>1.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2012</td>
<td>1.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2013</td>
<td>2.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2014</td>
<td>2.8%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2015</td>
<td>3.0%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
Consistently Stepping Up Consumer Marketing

Consumer marketing budget on prescription lens brands
Educating and Guiding Consumers: Leveraging AllAboutVision.com

CONSUMERS  “I-WANT-TO-KNOW...”  45 MILLION UNIQUE VISITORS

BRANDS & PRODUCTS (visual health & correction solutions)

Sales channels

Traffic Trend (in million)

Traffic Mix

83% Google driven
62% US visitors
60% mobile users

CAGR: 28%
3 Astigmatism Types and How to Correct Them - All About Vision

www.allaboutvision.com | Conditions

Sep 8, 2016: Like nearsightedness and farsightedness, astigmatism is a refractive error, meaning it is not an eye disease or eye health problem; it's simply a problem with how the eye focuses light. Symptoms of uncorrected astigmatism are eye strain and headaches, especially after reading or ...

Astigmatism - American Optometric Association

www.aao.org/Astigmatism | American Optometric Association

How is astigmatism treated? Astigmatism is a common vision condition that causes blurred vision. It occurs when the cornea (the clear front cover of the eye) is ...


www.aao.org/eye-health/what-is-astigmatism | American Academy of Ophthalmology

Astigmatism is an imperfection in the curvature of your cornea — the clear, round dome covering the eye's iris and pupil — or in the shape of the eye's lens. When the cornea has an irregular shape, it is called corneal astigmatism. In a normal eye, the cornea and lens focus ...

People also ask

How does astigmatism affect you?
What is STIGMATISM?
Is astigmatism can be cured?
What is regular astigmatism?

Facts About Astigmatism | National Eye Institute

https://www.nhlbi.nih.gov/health/item/astigmatism | National Eye Institute

This information was developed by the National Eye Institute to help patients and their families search for general information about astigmatism. An eye care ...

Astigmatism: Causes, Symptoms, Diagnosis, and Treatment - WebMD

With astigmatism, the front surface of the eye or the lens, inside the eye, is curved differently in one direction than the other. A common symptom is blurry vision. Treatments include prescription eyeglasses or contact lenses. Laser-mediated surgery, such as LASIK, also may help.
## HERE'S HOW IT WORKS:

<table>
<thead>
<tr>
<th>First Pair: Clear</th>
<th>Rebate</th>
<th>Second Pair: Sunwear</th>
<th>Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varilux OR Eyezen</td>
<td>$10</td>
<td>Xperio OR Varilux Tinted Progressive Lenses</td>
<td>x3</td>
</tr>
<tr>
<td>Crizal</td>
<td>$10</td>
<td>Transitions</td>
<td>$10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Add the 2nd pair to TRIPLE YOUR REBATE up to $90</td>
</tr>
</tbody>
</table>

Combine all three brands to receive $30
Engage Consumers with More Information and Education

- Raising awareness of good vision and the available solutions
- Tying the store into Essilor’s branded solutions
- Teaching ECPs to build multiple categories and better meet consumer needs
Building Categories in a Professional Retail Environment

**STEP 1**
Consumer directed to trained offices
- Leveraging traditional media nationally
- Digitally directing consumers locally

**STEP 2**
Design the environment around the prescription
- Unparalleled team of sales representatives

**STEP 3**
Doctor trained to prescribe during the eye exam
- Lens packages to combine brands
- Opticians trained on “human speak”
- In-store environment designed around education
Guiding Consumers to our Preferred Partners

1. **THE BRAND**
   - ESSILOR

2. **ESSILOR WEBSITE**
   - ESSILOR.COM

3. **POST-PURCHASE**
   - Family and individuals wearing eyewear.

4. **POINT OF SALES**
   - Store environment showing products and signage.

5. **ECP LOCATOR**
   - Interactive map for locating ECPs.
Consumer Directed to Trained Offices

- Banner Ads Begin (Web Traffic Jumps)
- Traffic Spikes Dramatically
- Traditional Media Starts
- Job per Day Growth

Source: Essilor estimates
Helping ECPs to Promote In-Store Education
Accelerating Category Development Through Advanced Training Programs

Volume growth of key category brands

Double Digit

Office Protocol Trained accounts
(product and human speak consumer selling)

5%-8%

Product trained accounts

0%-3%

Untrained offices

Source: Essilor/Time lapse: first six months of 2016
DEEPENING RELATIONSHIPS WITH THE TRADE CHANNELS
ERIC LEONARD/DANIEL LIBERMAN/RICK GADD
New Opportunities Arise as Optical Market Segmentation Increases

- Unlocking the full power of independent ECPs by leveraging alliances

- Tailoring solutions to increasingly diverse key accounts, including new entrants

- Leading the online channel, now the fastest-growing channel

独立眼科专业人士正在捕获越来越大的价值

卖空价在 USD 为眼镜片

<table>
<thead>
<tr>
<th>年份</th>
<th>独立ECPs (%)</th>
<th>光学连锁/其他 (%)</th>
<th>内网 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>50</td>
<td>50</td>
<td>~3</td>
</tr>
<tr>
<td>2015</td>
<td>53</td>
<td>44</td>
<td>~3</td>
</tr>
</tbody>
</table>

来源：VisionWatch，Essilor 估计
Reinforcing Our Proximity and Pricing Power in Relation to Independents

- ~12,000 practices
- Optical products represent 60%+ of practice revenue
- Key criteria for decision: lab proximity, product innovation, training, product quality and price

- ~12,000 practices growing 10% p.a.
- 5 key alliances in the US market
- Optical products represent 60%+ of practice revenue
- Key criteria for decision: alliance preferred vendor, lab proximity, product innovation, training, marketing tool, new services, product quality and price

- ~8,000 practices
- Optical products represent 10% of practice revenue
- 5%-10% have subcontracted optical management to third parties
- Trend toward mega-practice with 20+ doctors
Alliance Members Represent More Than a Third of Total Independent ECPs in the US and Are Growing Fast

Building our Own Portfolio of ECP Alliances and Services

- Largest network of independent optometrists in the world
- Fastest-growing alliance (PERC/IVA)
- National alliance of multi-office eye care providers

~7,000 locations ... and counting
Leveraging Key Services Platforms to Boost Value Creation with Independent Eye Care Professionals

- Accelerate category development and new product penetration
- Extend the product line (contact lenses, sunwear, readers, etc.)
- Enhance conversion rate
- Improve efficiency from manufacturers to PoS
- Increase consumer reach

Independents provide 69% of eye exams, but only 46% of prescription eyeglasses (in volume)

Source: VisionWatch, a continuous consumer survey from The Vision Council (12 ME June 2016)
Capturing a Growing Portion of Independent ECP Business

Before 1995

1995-2015

2015 onwards

- Lens Volume
- Lab Services
- Lens Categories Growth
- Integrated Services

Essilor

The Industry
Developing 2 Major Programs to Accelerate Growth

Supply chain 2.0
- Frame Dream

- Frame assortment
- Delivery time
- Efficiency gains

Aligning trade
- Essilor Experts

- Traffic building
- Conversion
- Category growth
Simplifying the ECP Supply Chain to Unlock Growth Potential

Stakeholders

Consumers

Suppliers (Frames, Lenses)

ECPs

Drive efficiency + Enhance experience

An end-to-end solution that brings significant value to all stakeholders

- Data-driven product selection
- Optimal presentation in optical
- Simplified product ordering
- Fast & predictable fulfillment
Building an Essilor Experts Network to Push Key Lens Categories

- Train ECPs to increase conversion & category development
- Display Essilor merchandising in offices
- Leverage consumer advertising to drive consumers to loyal Essilor ECPs
- Increase sourcing of Essilor brands
- ~1,000 ECPs enrolled so far
Consumer Media Driving Consumers to Essilor Experts

“...I had a patient come in the other day asking about Varilux. He said he found the practice on the Varilux website after seeing a commercial and that my practice was listed as an Essilor Expert. So he drove 15 miles out of his way to come into my office instead of several others that were actually closer.”

Dr. Salatini
Niguel Summit Optometry
Consumer needs and expectations continue to increase

- A more educated consumer
- Expecting improved convenience, access, flexibility and choice
- Creating opportunities for growth for Essilor with consumer brands, effective supply chain and online solutions

Emergence of new players and new entrants

- Foreseeable development of non-optical retailers to increase product accessibility for the people
- Essilor providing turn-key solutions including practice management capabilities
Serving Large Retailers with All of the Group’s Capabilities

- From traditional product supply...
  - Lens and coating solutions for major retailer laboratories
  - Edging & mounting
  - Other Group assets:
    - Satisloh
    - Instruments
    - FGX
    - POS and IT solutions
    - Sun
    - ...

- ... to bespoke business solutions
  - Brands:
    - Transitions, NikonEyes, Kodak, Eyezen, etc.
    - Marketing support
  - Technology solutions for:
    - Labs
    - In-store labs
  - Higher level of supply chain integration
  - Online solutions
Developing New Solutions to Increase Value Creation with Top US Retailers

- Largest optical retailer by volume in the USA
- **Critical growth** for Walmart:
  - NikonEyes®: Fastest-growing optical brand with Walmart through brand support, high quality products and superior lab services
  - Support from Mexican export laboratories
  - Complete support of Walmart.com online vision store through Essilor
- **Emerging opportunities:**
  - Deeper integration of supply chain and lab services

- Quality products at affordable prices:
  - 28% Transitions® penetration
  - High antireflective penetration
- Traditional relationship through long-term supply agreements for lenses and coating
- **New:** Business continuity contract for USA creating new value
- **Future:** Expand business continuity model globally
Developing Integrated Supply Chain Offerings for New Entrants

- Integrated Supply Chain & Optical Services Model including:
  - Lens & Lab Services
  - Frame Distribution
  - Contact Lenses
  - IT infrastructure Solutions
  - Optical Accessories
  - OD/Exam Equipment

- Products and Services
  - Merchandising support
  - Vendor alignment
  - Integrated supply chain

- In-Store Experience
  - Sales strategy & dispensary training
  - In-store marketing support
  - Frame optimization
  - Customer support

- Solution Development
  - Simplify process through “one box” solution
  - IT integration from store through to supply chain
  - Analytics and reporting
UNIQUELY POSITIONED TO WIN IN THE ONLINE SPACE

ROY HESSEL
An Appealing Model to Unlock the Untapped Potential of the Myopia Segment

**Incremental volumes**

- Convenience
- Choice
- Multi-pair
- Replacement & renewal rate

Consumers who like to purchase outside of business hours

![Clock with 1/3 of sales highlighted](image)

- EyeBuyDirect: 1.4 average pairs per order
- Worldwide: ≥1 average pairs per order

...with higher appetite for multi-pairs...

- EyeBuyDirect: ~4 number of purchase over a 3-year period
- Worldwide: ~1 number of purchase over a 3-year period

...and who re-trade faster

**Trade-up**

- Higher penetration of anti-reflective/photochromic/thin lenses for single vision
- Greater appetite for added-value lenses...
  - Average penetration rate of antireflective lenses
  - Coastal.com: 100%
  - USA: 39%
- Better margins per consumer
  - Base 1 = Essilor lens business’ estimated contribution margin per consumer
  - Essilor Lens Business: 1
  - EyeBuyDirect: x2
  - FramesDirect: x5

Key profitability drivers: order size, integrated supply chain, marketing efficiencies for customer acquisition, loyalty and product mix

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Online is the Fastest Growing Channel in Optical Retail

Online channel to capture more than half of optical retail growth in developed markets by 2020

Global online optical retail (in € billions)
World 2009 - 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2014</th>
<th>2020e</th>
<th>2025e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.7</td>
<td>3.6</td>
<td>9.7</td>
<td>15.6</td>
</tr>
</tbody>
</table>

Position of online in total optical retail (as a %)

- 2009: 3%
- 2014: 4%
- 2020e: 10%
- 2025e: 14%

Source: Euromonitor, Estin & Co estimates and analysis
A Highly Fragmented Channel with Different Business Models at Work

**Different type of players & price points**

- Mono-brand sites (e.g. Costa, Ray-Ban),
- Traditional retailers (Costco, NVI, WalMart, etc.),
- Mono-product & multi-product sites (e.g. Coastal)

**Together they sell:**

- **Prescription products**
  - 70% contact lenses
  - 30% eyeglasses

- **Non-prescription products**
  - Readers
  - Sunwear

**2015 value share in North America**

- **Direct pure players** 60%
- **Brands** ~15%
- **Marketplaces** <5%
- **Click & mortar (retailers)** ~25%

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Essilor is the Global Leader in the Online Eyeglasses Segment

Eyeglasses is the fastest-growing category

Unique global footprint

---

**Sources:** Vision Council; Vision Monday; Estin & Co estimates and analyses

**Essilor**

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3 Online Optical Segments

**EYEBUYDIRECT**

- **Value private label**
  - Eyeglasses, Sunwear
  - Mostly private label products
  - Entry-level price at $6 per pair incl. single vision lenses, average price at $45
  - Fair number of references

**Coastal**

- **Large mid-range branded offering**
  - Eyeglasses, Sunwear, Contact lenses
  - All optical products “under one roof”
  - Large portfolio of exclusive third party brands, designer frames and contact lenses
  - Strong focus on cross-selling

**FramesDirect.com**

- **Large high-end branded offering**
  - Eyeglasses, Sunwear
  - Designer frames and sunglasses
  - Premium prices
  - Superior service

**Costa**

- **Mono-brand (mid-range or high-end)**
  - Sunwear, Readers
  - Mono-brand websites
  - Hybrid retail and online model
  - Limited number of references

**Essilor**
Leader in the US Value Segment

📍 Founded in 2006

📍 Highlights & key figures
- Annual growth rate of 30%-40% since 2013
- Over 1 million visitors per month
- 1 million customers in the database
- Highest conversion rate among pure players
- First to offer blue-light filtering and Eyezen™ lenses online

📍 Products
- Eyeglasses: 1,000 frames to choose from, starting at $6, RFLKT brand launched in 2015
- Lenses: single vision, digital screen protection
- Sunglasses: majority sold with prescription, >300 sunglasses, average price $39
Leader in the US Premium Segment

- Founded in 1996 by two optometrists
- Highlights & key figures
  - #1 online retailer in the US for premium eyewear
  - First website to offer prescription glasses online
  - Over 1 million customers
  - Largest selection of designer frames: over 250 brands available
- Products
  - Branded frames
  - Lenses: single vision, digital screen protection, progressive
  - Branded sunglasses
  - Contact lenses
Coastal™ Has the Biggest Potential in the Mid Segment

- Founded in 2000

- Highlights & key figures
  - One of the largest online contact lens retailers in the US
  - ~3 million visitors per month
  - Over 2 million US customers in the database

- Products
  - Eyeglasses: third-party and exclusive brand frame styles. Leading exclusive brands include Derek Cardigan, Joseph Marc and Kam Dhillon
  - Lenses: mostly single vision lenses including Kodak® digital screen protection and Transitions® + some progressive lenses
  - Sunglasses
  - Contact lenses: over 15,000 SKU’s. All leading brands (Acuvue, Alcon, CooperVision and Bausch & Lomb)
New Consumer Experience at Coastal™ with MyFit

- MyFit – easy and simple experience
- New RX flow
- Widest lens and frame selection

- House of ‘exclusive’ brands
- A fast fashion experience
- Just launched in August…
Leveraging Core Competitive Advantages to Enhance User Experience and Trust

Superior knowledge in optics
- Credibility
- Global perspective (and ambition)
- Access to innovation

Dedicated supply chain
- Quality and reliability of service
- Economies of scale
- Flexibility, scalability

Brand & product portfolio
- Access to known consumer brands
- First to market on innovations
A Unique Multi-channel Strategy Delivering Double-Digit Growth…

2015 Online Revenue in the US: ~$96m, up 11%
Potential Game Changer: Refraction Technologies to Further Boost Online Penetration

- Smart refraction
  - Portable
  - Accurate
  - Comprehensive
  - Trustworthy
  - Convenient

- Full purchase cycle (from exam to order) will be possible online
  - Technology acquisition
  - Partnerships: Essilor’s open contest for innovative refraction applications

- The tipping point could be reached in the next 2-3 years

ESSILOR
Key Takeaways & Next Steps

In a nutshell

- Key channel to address growing myopia
- Higher margin per consumer
- Technology-related inflection point
- Essilor global leadership is based on:
  - Innovation
  - Supply chain
  - Multi-channel strategy

Our priorities

- Maintain current momentum of our winners
- Meet the potential of the mid-range segment
- Focus on synergies and value creation
- Embrace and deploy game changing technologies
Thank you
Visit us today at:

eyebuydirect.com
coastal.com
framesdirect.com
Speakers’ Biographies
Speakers’ Biographies

Eric Leonard  
**President, Essilor of America, Inc.**  
Eric started at Essilor in 2002 as Chief Procurement Officer. Most recently, he held the role of President, Europe Region where he was responsible for all European countries. Prior to joining Essilor, he worked for BCG Consulting and Peugeot.

Carl Bracy  
**Chief Marketing Officer, Essilor of America, Inc.**  
Carl Bracy joined Essilor of America in 2004, as Vice President of Marketing. Bracy received his undergraduate degree in psychology and economics and his Master of business administration in marketing and finance from the University of Michigan. He was promoted to senior vice president of marketing and new business and then recently to his current position. Prior to joining Essilor, he held positions with Procter & Gamble, Verizon, and TXU Energy.

Rick Gadd  
**Senior Vice President Key Accounts, Essilor of America, Inc.**  
Rick Gadd joined Essilor in March 2011 as Senior Vice President Key Accounts and manages the Integrated Health Management Systems and retail businesses. Gadd obtained his Bachelor’s degree and his BBA in marketing and finance from York University in Toronto, Canada. Prior to Essilor, Gadd spent over 20 years with Motorola where he progressed through several roles including sales, key account management, marketing, product development and general management. In his last role with Motorola, Gadd held the position of Vice President and Sales General Manager.
Speakers’ Biographies

Roy Hessel
President and Chief Executive Officer, Clearly Group
Roy is the President and Chief Executive Officer of the Clearly Group. He has been a pioneer of online optical since he founded EyeBuyDirect in 2005 with the ambition to make vision correction globally accessible. Roy’s vision was made possible by joining with the Essilor Group in 2012, and he now leads the world’s largest online optical group that provides access to product and education to vision consumers worldwide. Roy was recently recognized by the World Economic Forum as a Young Global Leader of 2016. He is a graduate of the Harvard Business School OPM program.

Daniel Liberman
Senior Vice President Strategic Initiatives, Essilor of America, Inc.
Daniel joins us from Samsung where he held the position of Vice President and General Manager, National Retail where he was responsible for the national retail sales organization. Prior to Samsung, Daniel held several senior level positions with Radio Shack in the retail services, strategic initiatives, procurement, merchandising and national retail areas. Prior to Radio Shack, Daniel was a restructuring attorney with Skadden, Arps, Slate, Meagher and Flom. Daniel’s educational background includes a Bachelor’s Degree from Stanford, a Master of Science from the University of Bath and a Law Degree from the University of Michigan.