



Clear Value or a Blurred Vision? An Equity Research of EssilorLuxottica

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Abstract

This thesis provides a fundamental equity valuation of EssilorLuxottica, with a particular focus on how the emergence of the smart-glasses segment alters the company's growth profile. While EssilorLuxottica's core Optical and Sunwear segments have historically exhibited stable and predictable growth dynamics, the introduction of smart-glasses represents a structurally different, growth-intensive business with higher uncertainty regarding adoption, profitability, and long-term margins. The analysis therefore emphasises the need to adjust traditional valuation approaches to appropriately reflect this shift in the company's business mix.

The valuation is based on a segment-level revenue forecast, a multi-phase DCF model incorporating mid-year discounting, and a weighted average cost of capital (WACC) consistent with a relatively stable leverage profile. Sensitivity analyses and a Monte Carlo simulation are employed to assess the robustness of the valuation and to quantify the impact of uncertainty surrounding key inputs, particularly growth rates and the cost of capital. Additionally a multiple valuation was performed.

The resulting equity value implies a target price of €217.56 per share as of 31.12.2026, corresponding to a downside of 20.8% relative to the prevailing market price and leading to a sell recommendation. The discrepancy relative to consensus valuations is primarily driven by more conservative revenue assumptions and a higher required return. The multiple valuation (both based on historical and peer-multiples) yields even lower target prices.

Title: Clear Value or a Blurred Vision? An Equity Research of EssilorLuxottica

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Esta tese apresenta uma avaliação fundamental de ações da EssilorLuxottica, com particular enfoque em como o surgimento do segmento de óculos inteligentes altera o perfil de crescimento da empresa. Enquanto os segmentos principais de Ótica e de Óculos de Sol da EssilorLuxottica têm historicamente exibido dinâmicas de crescimento estáveis e previsíveis, a introdução dos óculos inteligentes representa um negócio estruturalmente distinto, intensivo em crescimento e associado a maior incerteza quanto à adoção, rentabilidade e margens de longo prazo. A análise enfatiza, assim, a necessidade de ajustar as abordagens tradicionais de avaliação para refletir adequadamente esta mudança na composição do negócio da empresa.

A avaliação baseia-se numa previsão de receitas ao nível dos segmentos e num modelo DCF multifásico que incorpora desconto de meio de período (mid-year discounting), bem como num custo médio ponderado de capital (WACC) consistente com um perfil de alavancagem relativamente estável. Análises de sensibilidade e uma simulação de Monte Carlo são utilizadas para avaliar a robustez da avaliação e quantificar o impacto da incerteza associada aos principais pressupostos, em particular as taxas de crescimento e o custo do capital. Adicionalmente, é realizada uma avaliação por múltiplos.

O valor patrimonial resultante implica um preço-alvo de €217,56 por ação em 31.12.2026, correspondendo a um potencial de queda de 20,8% face ao preço de mercado vigente e conduzindo a uma recomendação de venda. A divergência face às avaliações de consenso é explicada por pressupostos de receita mais conservadores e por uma taxa de retorno exigida mais elevada.

Título: Valor Claro ou Visão Turva? Uma Análise de Equity Research da EssilorLuxottica

Palavras-chave: Avaliação de ações, EssilorLuxottica, DCF, Avaliação por Múltiplos

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Acronyms

CAGR	Compound Annual Growth Rate
WHO	World Health Organization
IAPB	International Agency for the Prevention of Blindness
DTC	Direct-to-Customer
R&D	Research & Development
FDA	Food and Drug Administration
COGS	Costs of Goods sold
OPEX	Operating Expenditures
ROE	Return on Equity
ROIC	Return on Invested Capital
NLP	Natural Language Processimh
ESG	Environmental, Social, Governance
ECB	European Central Bank
NSS	Nelson-Siegel-Svensson Interpolation
ERP	Equity Risk Premium
EMEA	Europe, Middle East, Africa
APAC	Asia Pacific
LATAM	Latin America
DCF	Discounted Cashflow
WACC	Weighted Average Cost of Capital
FCFF	Free Cashflow to the Firm
GDP	Gross Domestic Product
DDM	Dividend Discount Model

1. Introduction

"Even the best company can be a bad investment if you pay too high a price"

Many contemporaries and experienced market participants summarize the investment philosophy of Benjamin Graham, one of the founding fathers of value-oriented investing, in precisely this way, emphasizing that even high-quality companies can become poor investments when their market price significantly exceeds their intrinsic value.

EssilorLuxottica has long been viewed as a company with a remarkably “clear value” proposition. Its vertically integrated model has produced stable cash flows, resilient pricing power, and structural growth underpinned by demographics such as ageing populations and rising need for vision correction. Together, the Optical-Care and Sun segments form a highly predictable core business driven by medical necessity on the one hand and strong brands on the other. Now however, this previously straightforward investment case has become more complex. The emergence of smart-glasses, accelerated through the company’s partnership with Meta, introduces an entirely new dimension to what was historically a slow-moving and demographically driven industry. Smart-glasses blend eyewear, audio, camera functionality and augmented-reality features, creating a fast-developing product category that behaves more like consumer electronics than traditional optical goods.

This development presents both opportunity and uncertainty. Smart-glasses have the potential to unlock new growth pools, extend EssilorLuxottica’s relevance among younger consumers, and position the company at the forefront of wearable-technology adoption. At the same time, this carries risks: possible cannibalisation of the Sun segment, exposure to short technology cycles and dependence on ecosystem partners that historically have not been part of the eyewear value chain. These contrasting forces form the basis of the central question of this thesis: *“Clear Value or a Blurred Vision?”*. The company stands at a strategic point where a historically reliable core business meets a high-growth but uncertain technological frontier. This valuation assesses whether EssilorLuxottica is adequately valued by the market in light of materially changing growth expectations resulting from the addition of the smart-glasses segment. The analysis therefore examines whether the market valuation appropriately reflects this shift in the company’s growth outlook, or whether it embeds assumptions that are either overly optimistic or insufficiently responsive to the evolving business mix. This distinction ultimately determines whether a company is priced appropriately.

2. Industry Analysis

2.1 Overview & Global Eyesight Health

The vision care and eyewear industry includes a broad spectrum of products ranging from prescription lenses and spectacle frames to contact lenses, sunglasses, and emerging smart eyewear as well as eye correction surgery. In 2024, this market is experiencing robust growth driven by both demographic trends and technological innovation. The total eyewear market was estimated by different research providers at around \$200 billion in 2024 and is projected to expand to \$323-336 billion by 2030 (Compound Annual Growth Rate (CAGR) at around 8%) (GrandViewResearch.com, 2025). EssilorLuxottica itself values the industry of its products at around €120 billion and expects a low-to-single digit growth trend for the next years (EssilorLuxottica, 2025a).

Several structural forces are driving the global demand for vision care products. One is the deteriorating eye health globally. Major driver for this is the rapidly aging population. By 2030, one in six people in the world will be aged 60 or older (WHO, 2024). This change has profound implications for the vision care market, because virtually all older adults develop presbyopia, the age-related loss of near focusing ability, which requires them to get reading glasses or multifocal lenses. In parallel with aging, the world is experiencing an unprecedented myopia (nearsightedness) epidemic among children and young adults. Rates have been climbing in recent decades. The surge is often attributed to lifestyle changes: spending less time outdoors and increased screen exposure. Academic studies have shown that during COVID, screentime among children increased significantly, but also stayed at that level post-COVID (Zhang et al., 2023). Studies have also linked extensive screen time to eyestrain and possibly the progression of refractive errors. According to the International Agency for the Prevention of Blindness (IAPB), 2.2 billion people suffer from vision impairment and the number is projected to increase to half of the world's population by 2025, then nearly 5 billion people, if current trends persist (WHO, 2019).

Furthermore, demand increased as the COVID pandemic heightened awareness of eye health due to higher screen exposure during that time, which led consumers to seek protective eyewear such as blue-light filtering glasses that reduce glare and enhance visual comfort.

Additionally, rising household incomes, particularly in emerging and middle-income economies, are improving affordability and access to vision care products, enabling a broader share of the population to seek professional eye care and corrective solutions.

Beyond purely optical needs, the eyewear market is increasingly driven by non-corrective demand factors. Sunglasses and sports eyewear have evolved from functional accessories into fashion and lifestyle products, often positioned and distributed by luxury and premium brands, where design, branding, and exclusivity play a central role in purchasing decisions. At the same time, technological progress has further expanded the scope of the eyewear market. The emergence of smart glasses incorporating virtual reality and other functionalities has introduced a new use case that extends beyond vision correction, blending technology, communication, and lifestyle applications. Together, these trends broaden the addressable market for eyewear and reduce its dependence on purely medical or optical demand drivers.

2.2 Value Chain

The major value-chain stages of the eyewear industry include raw-material supply, component manufacturing (lenses, frames, electronics), assembly and finishing, and distribution/retail (including optometry services). The raw materials for eyewear, such as various plastics acetate sheets for frames, metals (steel, titanium), and components like hinges or screws, are typically sourced from multiple suppliers worldwide. Recently, there has been an effort to find more environmentally friendly material options. For instance, Ray-Ban has introduced a more sustainable product option that is more easily biodegradable (EssilorLuxottica, 2025a).

Eyewear manufacturing is heavily concentrated in East Asia. Italy and other high-income countries focus on design and premium production. In 2021 Italy exported frames with a higher total value (\$853 million) than China (\$833 million), despite accounting for only 10% of the total quantity (World Integrated Trade Solutions, 2021).

At the end of the chain, consumers (patients) pay either out-of-pocket or via vision care plans for eye exams, prescriptions, and eyewear. In many markets, prescription glasses remain sold through optometrists or optical boutiques. Sunglasses and non-prescription readers are sold through opticians, fashion retailers, sporting goods stores, or mass merchandisers. Contact lenses are sold via eye care offices, pharmacies, and rapidly via online retailers.

Margins are disproportionately captured within the value chain. Studies note that the retail segment (optician profit margins plus professional fees) constitutes the single largest cost component of eyewear implying high markups (Frontier Economics, 2024). Luxury and designer brands like Ray-Ban, Gucci or Prada command premium prices far above manufacturing costs. In contrast, commodity frames and lenses have low unit costs. Lens coatings and specialized optics (progressive lenses, photochromic, etc.) also carry high margins due to proprietary technology and knowledge. Retailers report gross margins on eyewear

products often in the 60-75% range. For example, an optician survey finds that a \$300 pair of frames-plus-lenses may cost only \$75 - \$120 to produce (DojoBusiness, n.d.).

Recent years have seen several transformative trends in the eyewear value chain. One of them is a change to vertical integration and consolidation. Large players have merged to span multiple stages. A prime example is Essilor's 2018 merger with Luxottica, creating a single company active in lens research and development (R&D), manufacturing, frame design, wholesale and retail. Furthermore, the industries see a direct-to-consumer (DTC) expansion. The growth of online sales and DTC brands has disrupted traditional retail. Established manufacturers have therefore launched their own e-stores and retailers have invested in omnichannel distribution (e-commerce & stores).

2.3 Competitive Analysis

The global eyewear industry is defined by high entry barriers, strong incumbents and a fragmented distribution landscape. New entrants face substantial capital requirements to build manufacturing capacity, establish optical laboratories, develop distribution networks and gather the needed research expertise. These hurdles are reinforced by big players like EssilorLuxottica, who run a vertically integrated model, strong brand equity, and economies of scale. The need for regulatory compliance in prescription eyewear adds further protection for established players.

Competition among incumbents, however, remains considerable. EssilorLuxottica is the main player in the market. Still, in lenses, firms such as Carl Zeiss Vision and Hoya compete on technological quality, while in frames the market is contested by Safilo, Marcolin, De Rigo, and numerous emerging low-cost manufacturers especially in Asian markets. Retail rivalry spans global chains, online specialists, and a large base of independent opticians. Innovation intensifies this rivalry: improvements in lens technology, frame design, and smart-glasses drive continuous R&D investment and pressure competitors to match new developments. Additional rivalry comes from counterfeit and grey-market products in the sun and luxury segments, especially in emerging markets where demand is expanding rapidly and local competitors are gaining traction.

The threat of substitutes is moderate. Refractive surgeries such as LASIK or SMILE can reduce the long-term need for eyewear, yet cost, surgical risks, and persistent needs for glasses (as the majority of vision impairment illnesses cannot be corrected by surgery) limit widespread adoption. Fashion dynamics also play a role, as eyewear increasingly functions as an accessory that may be substituted by other fashion items if preferences shift.

Buyer power in the industry varies depending on whether the customer is an individual consumer or a wholesale buyer. End consumers generally exhibit limited bargaining power due to strong brand loyalty and preference for established names, especially when it comes to prescribed vision correction. Nevertheless, price sensitivity remains relevant in the more commoditised segments of prescription eyewear, where budget alternatives and online retailers enable easy price comparison. Wholesale buyers, mainly independent opticians, have more theoretical choice among suppliers, yet practical switching costs remain significant. Large integrated players such as EssilorLuxottica provide not only lenses and frames but also an entire ecosystem of software, diagnostic hardware, and workflow-integrated tools. Opticians are trained directly by the supplying company to use these systems, which become embedded in daily operations.

Supplier power is very limited. The industry relies on a large, fragmented pool of raw-material providers, and backward integration of industry leaders means they produce many components themselves. Only in specialized areas, such as advanced optical machinery, can certain suppliers exert some influence.

3. Company Analysis

3.1 Company Overview

EssilorLuxottica was formed in October 2018 through the merger of Essilor International S.A. and Luxottica S.p.A. The Group is a global leader in the research, design, manufacture, and distribution of ophthalmic lenses, frames, and sunglasses. By combining Essilor's expertise in vision care and optical technologies with Luxottica's heritage in eyewear design and retail, the company has established a vertically integrated business model that captures value across the entire eyewear value chain from R&D and manufacturing to distribution and retail. As of today the company operates approximately 18,000 stores and holds more than 15,000 patents through its global R&D infrastructure (consult Appendix A-C for R&D Infrastructure Overview and Appendix D for Store Overview) (EssilorLuxottica, 2025a). Its brand portfolio includes proprietary names such as Ray-Ban, Oakley, and Persol, as well as licensed brands like Giorgio Armani, Prada, Chanel, and Versace. Licensing deals at EssilorLuxottica are structured as exclusive, global contracts that generally run 5 to 15 years and obligate the group to pay royalties (about 6-13 % of net sales) and invest 5-12 % in marketing. This arrangement lets fashion houses monetise their brands with minimal risk while EssilorLuxottica retains most of the revenue (Stephen J. Dubner, 2024). The Group's retail footprint was significantly expanded through the acquisition of GrandVision B.V. in 2021, strengthening its global brick-and-mortar presence with about 7000 additional stores globally. EssilorLuxottica continues to drive innovation in ophthalmic lenses and instruments, while Luxottica remains focused on frame production and retail operations. Lately EssilorLuxottica has diversified into adjacent segments, entering the hearing market through a partnership with NuanceAudio, by integrating hearing technology into eyewear frames. Additionally, the company renewed its strategic partnership with Meta for another decade, after the 2023 launch of the Ray-Ban Meta smart glasses, reinforcing its positioning at the intersection of eyewear, health, and technology (EssilorLuxottica, 2024).

3.2 Business Strategy

EssilorLuxottica's strategic direction remains centered on its vertically integrated business model, through which the company maintains control over nearly the entire value chain, from R&D to manufacturing, distribution and retail. Both operations and R&D efforts are globally distributed (Appendix A-C and E). The integrated structure ensures operational efficiency, consistent product quality, and strong pricing power across all segments. It also enables the group to leverage synergies between its lens and frame businesses, supporting margin stability

and resilience to external shocks.

A key pillar of the strategy is continuous investment in R&D, aimed at maintaining technological leadership and driving innovation across the eyewear and eye-care spectrum. Current R&D efforts include the development of myopia-management lenses and advanced lens coatings designed to reduce eye strain and improve visual comfort, reflecting a growing focus on preventive eye health and medical technology. In addition, EssilorLuxottica is increasingly applying AI and data analytics to product design, inventory management, and personalized lens solutions.

The company is also enhancing its go-to-market strategy to optimize profitability and consumer reach. This includes an expansion of its omnichannel and e-commerce platforms, enabling seamless integration between online and offline distribution and direct engagement with end consumers. This shift supports higher margins by reducing reliance on intermediaries and capturing greater value along the supply chain. The acquisition of GrandVision and its distribution network was a crucial step within this strategy.

Geographic diversification remains another core element of the strategy. EssilorLuxottica aims to expand its global footprint into underpenetrated, high-potential markets, particularly in Asia, Latin America, and Africa, where rising income levels and increased awareness of vision correction are expected to drive long-term demand (EssilorLuxottica, 2025a).

Furthermore, the group pursues an active M&A strategy to accelerate growth in strategic adjacencies. Acquisitions such as GrandVision and Optegra have strengthened its retail and medical-eye-care presence, while the acquisition of Stelless put EssilorLuxottica at the frontier of myopia treatment and research (EssilorLuxottica, 2025a).

Lastly, the collaboration with Meta has positioned EssilorLuxottica at the forefront of the emerging smart-glasses category. By combining Meta's capabilities in software, artificial intelligence, and connected ecosystems with EssilorLuxottica's expertise in eyewear design, manufacturing, and global distribution, the partnership lowers technological and commercialisation barriers. This collaboration allows EssilorLuxottica to participate early in a potentially high-growth segment while limiting development risk through a partnership-based approach rather than fully internal innovation. These partnerships and acquisitions reflect a deliberate push to combine eyewear, technology, and health in a single ecosystem.

3.3 Business Segments

The company recognises its revenue in two different segments based on distribution: "Professional Solution" and "Direct-To-Customer". In the "Professional Solutions" segment,

EssilorLuxottica reported roughly 48% of its full-year 2024 revenue, which encompasses its business with more than 300,000 third-party professionals, including opticians, third-party e-commerce platforms, optical-retail banners, sun-retailers, sports-channels, department-stores and duty-free outlets. In this segment, the company not only supplies its professional customers with frames, lenses, instruments and digital solutions, but also cultivates robust partnership programs like the company’s education platform aimed at accelerating industry growth and disseminating knowledge on current vision-care issues and diseases.

The “Direct-to-Customer” segment is responsible for the remaining 52% as of 2024. This segment benefits from several strategic levers. First, the combined physical and digital footprint enables direct relationship with consumers and bypassing intermediaries and thereby enhancing margin capture. Second, the company is capitalizing on fast-growing wearables and smart-glasses categories, as well as elevated e-commerce growth, evidenced by double-digit online sales expansion in recent quarters (EssilorLuxottica, 2025a).

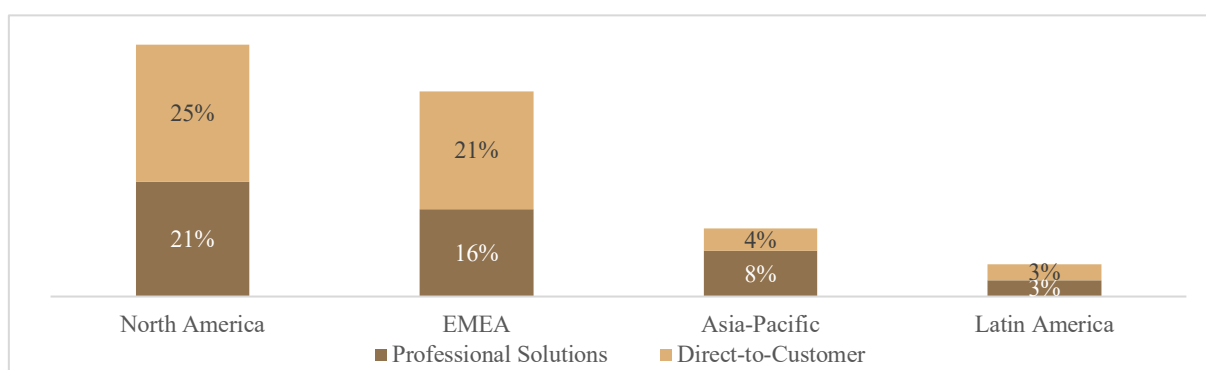


Figure 1: Revenue Recognition EssilorLuxottica 2024 by Region and Segment

As this split makes it hard to differentiate the product segments, going forward in this research paper we will use another revenue split, that was published as approximate numbers in the Q3 2025 reporting. 75% were attributed to Optical products, 23% to Sun and the remaining 2% by Apparel which includes smart-glasses.

3.4 Financial Performance

3.4.1 Revenue & COGS

EssilorLuxottica’s top-line and profitability dynamics show a clear structural step-up following the 2021 acquisition of GrandVision. Revenue increased from €14.4 billion in 2020 to €19.8 billion in 2021 and continued to expand steadily to €26.5 billion by 2024, reflecting both the consolidation of GrandVision’s retail network and ongoing organic growth across regions. Costs-Of-Goods-Solds (COGS) rose in absolute terms as well, but at a slower pace than

revenue, increasing from €5.95 billion in 2020 to €9.70 billion in 2024. As a result, gross margin improved materially after the acquisition, rising from 58.7% in 2020 to 61.7% in 2021 and has been remarkably stable at around 63% in the years thereafter. This sustained margin uplift highlights the positive integration effects of GrandVision, including greater vertical control, enhanced pricing power, and procurement synergies, which have structurally strengthened EssilorLuxotticas gross profitability profile (EssilorLuxottica, 2025a).

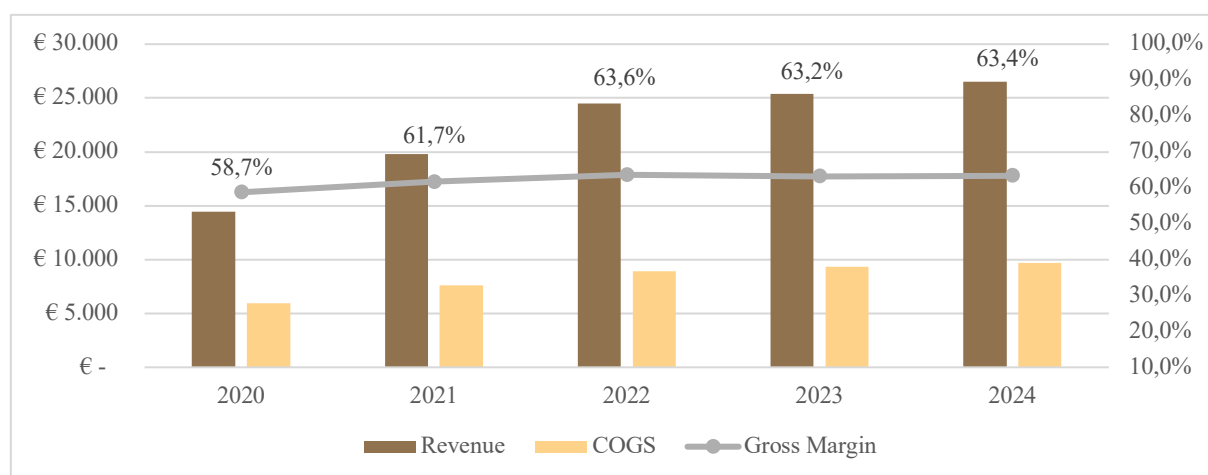


Figure 2 Historical Revenue & COGS & Gross Margin EssilorLuxottica in € mio

3.4.2 OPEX

EssilorLuxotticas operating cost structure shows a noticeable shift following the integration of GrandVision in 2021, with a clear normalization trend in subsequent years. Total operating expenses (OPEX) declined from 55.6% of revenue in 2020 to 50.0% in 2021 as scale benefits from the enlarged retail footprint and procurement synergies began to materialize. From 2022 onward, the expense ratio stabilised around 50-51%, reflecting disciplined cost control despite continued investment in marketing, retail operations, and product innovation. Importantly, the company does not report a standalone OPEX figure excluding depreciation and amortisation; therefore, the analysis relies on the reported operating cost categories, which include D&A within their totals.

EBITDA margin improved sharply from 18.0% in 2020 to 24.1% in 2021 and remained consistently around 24-25% thereafter. These trends indicate that the GrandVision acquisition not only accelerated revenue growth but also structurally strengthened the group's operating leverage and profitability profile.

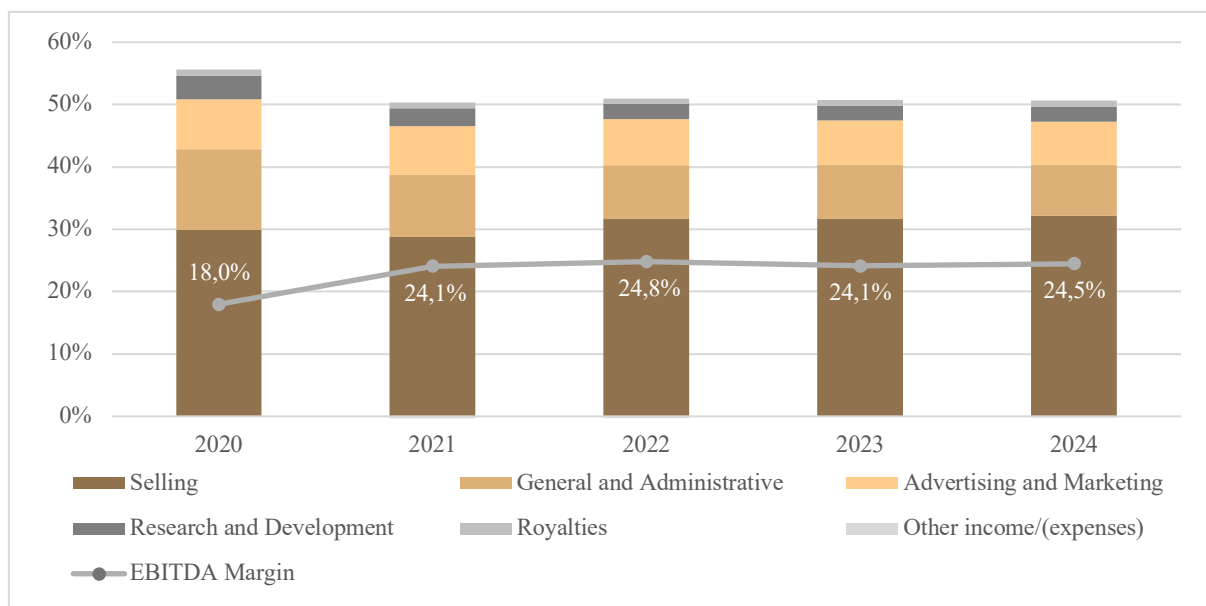


Figure 3 Historical OPEX and EBITDA Margin

3.4.3 Depreciation & Amortization and CAPEX

The relationship between depreciation and amortization (D&A) and capital expenditures (CAPEX) is strongly influenced by the acquisition of GrandVision in 2021 and its subsequent accounting treatment. Following the acquisition, both depreciation and amortisation increase markedly from 2022 onwards, reflecting the step-up in the recognised asset base as acquired tangible and, in particular, intangible assets were remeasured at fair value under purchase price accounting. This effect is especially visible in the sharp rise in intangible CAPEX, which significantly exceeds amortization over the period. Importantly, the fact that depreciation remains below tangible CAPEX does not indicate a declining tangible asset base. On the contrary, acquisitions allow EssilorLuxottica to recognise newly valued assets on its balance sheet, thereby expanding the depreciable base despite ongoing depreciation charges. From a maintenance perspective, while CAPEX may appear insufficient to fully cover depreciation and amortization, this does not indicate asset erosion. Instead, acquisition-driven investment and fair value remeasurement expand the asset base, implying that maintenance CAPEX is effectively covered and that incremental investment primarily supports growth and integration rather than mere replacement .

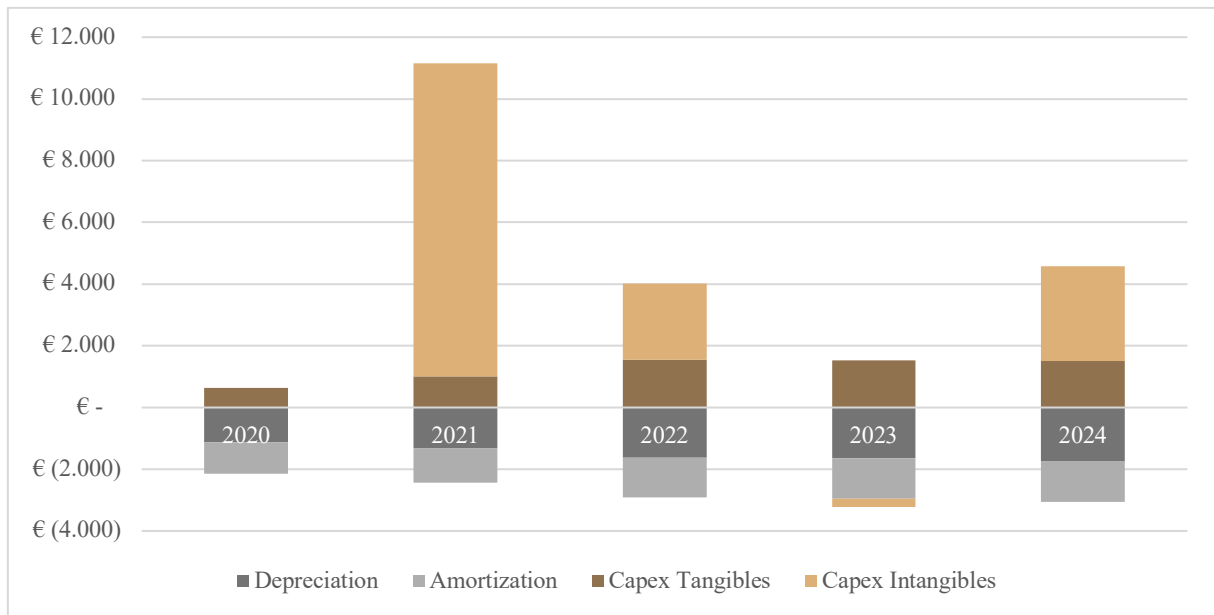


Figure 4 Historical Depreciation & Amortization and CAPEX in € mio

3.4.4 Other Key Financial Ratios

An examination of EssilorLuxottica's profitability and capital efficiency over the period 2020-2024, conducted through a DuPont analysis, reveals a gradual normalisation and strengthening of operating performance following the GrandVision acquisition. Asset turnover increased materially from 0.28x in 2020 to 0.42x in 2023 before stabilising at 0.41x in 2024, reflecting a more efficient utilisation of the asset base as the integration of GrandVision progressed. This improvement is closely linked to enhanced margin capture along the value chain: by internalising a larger share of wholesale and retail distribution, EssilorLuxottica benefited from structurally higher margins, as wholesale represents the most profitable stage of the eyewear value chain, as discussed earlier. Capital structure remained broadly stable over the period, with the debt-to-value ratio rising temporarily in the post-acquisition phase to 0.36x in 2021 before gradually declining to 0.34x in 2024, indicating a measured deleveraging path without constraining growth. In parallel, return on equity (ROE) improved significantly from 0.51% in 2020 to a peak of 6.14% in 2023, before moderating slightly to 5.81% in 2024, supported by improving operating efficiency and a stabilising leverage profile. Return on invested capital (ROIC) followed a similar trajectory, increasing from 3.63% in 2021 to 4.31% in 2024, suggesting that incremental investments were deployed at progressively improving returns as integration synergies materialised. Overall, the evolution of these metrics highlights how post-merger operational efficiency and value-chain integration, rather than financial leverage alone, have been the primary drivers of EssilorLuxottica's improving profitability profile.

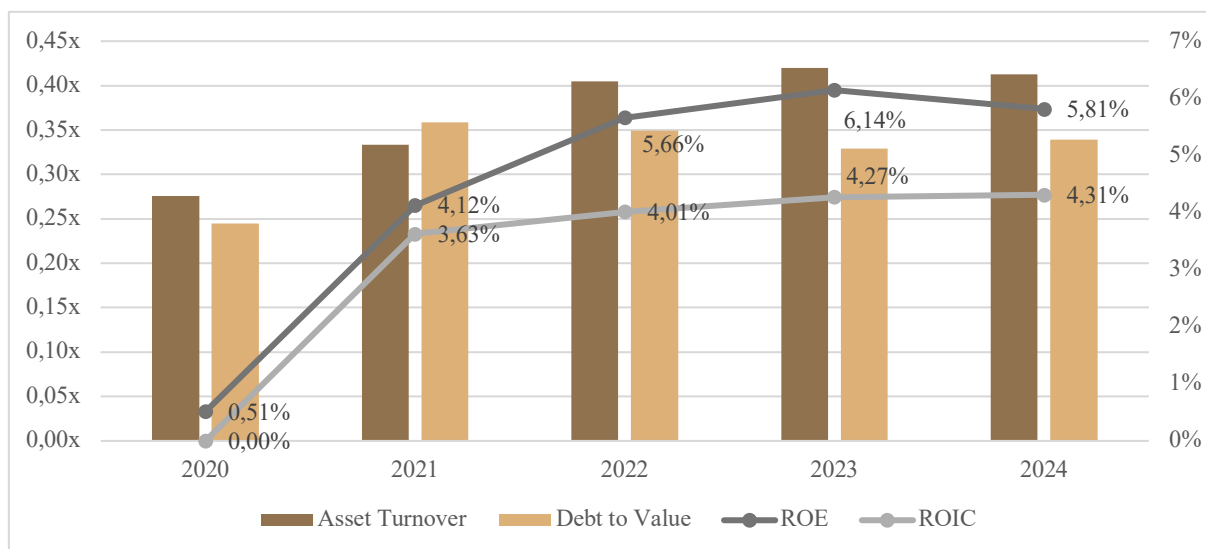


Figure 5 Historical Key Financial Ratios EssilorLuxottica

3.5 Stock Performance

EssilorLuxottica's share price performance over the period reflects a transition from post-merger consolidation to a valuation increasingly influenced by growth expectations beyond the core business. Between 2020 and 2023, the stock exhibited comparatively moderate and volatile movements, as investors largely focused on the operational integration of the EssilorLuxottica merger and awaited clearer evidence of synergies and normalized earnings power. From late 2023 onward, the share price entered a stronger upward trend, accelerating through 2024 as confidence in the company's core Vision Care and Sunwear businesses improved. In February 2025, the stock reached a notable high following the announcement of regulatory approvals (FDA clearance and CE marking) for the Nuance audio glasses, which marked a tangible milestone in the commercialization of smart-glasses and reinforced investor confidence in the segment's long-term potential. A second pronounced peak occurred in October 2025, driven by particularly optimistic market expectations regarding the strategic relevance and growth prospects of smart-glasses. Together, these movements indicate that the company's valuation has become increasingly sensitive to changes in perceived growth potential from the emerging smart-glasses segment, underscoring the importance of assessing whether current market pricing remains consistent with realistic adoption and profitability assumptions. There are approximately 460 million shares outstanding of which 292.32 million are in free float. The biggest owner by far is the family of del Vecchio which is the founder of Luxottica. With 31.9% and 147.59 million shares they own nearly all shares that are not in free float. The ownership besides the del Vecchio family is dominated by investment and pension funds (Refinitiv Workspace Database, 2025a).

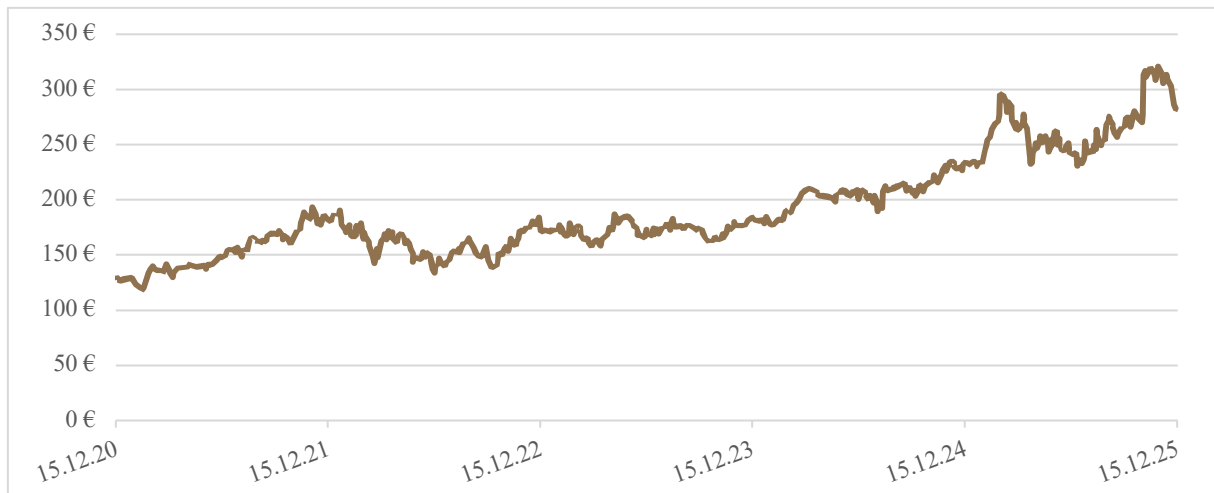


Figure 6 Historical Chart EssilorLuxottica

3.6 Other Considerations

3.6.1 Online Sentiment

In modern equity research, analyzing online sentiment has become increasingly important. This sentiment is the collective tone and emotion expressed about a company across digital media, including social networks, news headlines, investor forums, and financial blogs. Traditional fundamental analysis focuses on financials and valuation metrics, but in an era of ubiquitous digital communication, public perception can strongly influence investor behavior and short-term price dynamics. Sentiment analysis leverages natural language processing (NLP) to quantify whether public commentary is predominantly positive, negative, or neutral and can help detect shifts in investor mood that fundamentals alone may not immediately reflect. Academic research supports the relevance of these measures: recent studies demonstrate that sentiment extracted from social media and news correlates with stock market trends and can even predict price movements in certain contexts, particularly when aggregated at scale and processed with machine learning models. For instance, Gholampour and von Wincoop found that a trading strategy based on tweets outperformed the market statistically significant (Gholampour et al., 2017). As markets become ever more driven by real-time information flows and algorithmic trading, incorporating online sentiment into equity research enriches the analyst's toolkit by capturing a dimension of market psychology that is increasingly reflected in asset prices.

An analysis of online sentiment related to EssilorLuxottica points to an overall neutral-to-positive perception among market participants. Based on data observed as of 15.12.2025, positive mentions across digital media channels, including financial news, social platforms, and investor discussions, outweigh negative mentions over the preceding month (Appendix I).

A notable share of current coverage (approximately 25%) relates to the company's smart-glasses initiatives, which are associated with a predominantly positive sentiment skew. This concentration underscores the growing relevance of the smart-glasses segment for investor perception and highlights the importance of the associated revenue and adoption forecasts in the valuation (Appendix J). Coverage of other topics, including core optical products and legacy eyewear brands, remains largely neutral, with only a limited number of strongly positive or negative mentions, suggesting that sentiment outside the smart-glasses narrative currently exerts no material directional influence on overall market perception (Brand24.com, 2025).¹

3.6.2 ESG

EssilorLuxottica's Environmental, Social, Governance (ESG) profile reflects recognition from major sustainability rating agencies, underscoring its commitment to environmental, social and governance practices. In February 2025, MSCI upgraded the company's ESG rating to the highest possible grade (AAA), signaling that EssilorLuxottica is viewed as a leader in managing ESG-related risks and opportunities relative to its industry peers (EssilorLuxottica, 2025b). According to Refinitiv's ESG scoring framework, which integrates a company's ESG performance with an overlay for controversies such as environmental incidents or governance breaches, EssilorLuxottica exhibits particularly low exposure to material controversies which supports its stronger overall rating and suggests robust risk management in practice. This low controversy profile is notable because the Refinitiv methodology explicitly penalizes companies for verified negative events, meaning that EssilorLuxottica's score benefits from limited adverse ESG media or regulatory reporting relative to peers (Refinitiv Workspace Database, 2025). While ESG ratings are inherently based on complex and evolving methodologies and should be interpreted alongside financial and industry context, the combination of high MSCI standing and limited Refinitiv controversy exposure points to a favourable ESG perception that may contribute to investor confidence and long-term sustainability assessments.

¹ The sentiment analysis is based on data retrieved from Brand24, a commercial social listening and media-monitoring platform. Brand24 aggregates publicly available online content from news websites, blogs, forums, and major social media platforms and classifies mentions as positive, neutral, or negative using a proprietary natural-language-processing (NLP) algorithm. Sentiment scores are derived from keyword-based topic tracking related to EssilorLuxottica and its business segments. The reported sentiment distribution reflects relative mention counts over a rolling 30-day observation window and should be interpreted as an indicator of short-term market perception rather than a direct measure of fundamental value.

4. Forecast

4.1 Revenue

Revenue increased significantly in 2022, primarily driven by the acquisition of GrandVision. Growth normalized in the subsequent years to 3.7% and 4.4%, respectively. The revenue forecasting approach follows a structured, segment-based strategy to reflect the fundamentally different growth drivers across EssilorLuxottica's business lines. First of all, revenues are forecast separately for the Optical, Sun, and Apparel including smart-glasses segments, as each segment is influenced by distinct demographic, technological, and consumer-spending dynamics. Furthermore, the forecast horizon is differentiated between a detailed short-term projection for 2025, where guidance, management commentary, and recent operating trends provide higher visibility, and a medium-term outlook covering the period from 2026 to 2030. Revenue is modelled at a high level of granularity, as it serves as the primary input for relative cost assumptions and margin development and therefore forms the foundation of the entire valuation framework.

4.2.1 Q4 2025

Q4 2025 revenue has been projected based on the average fourth-quarter revenue contribution observed over the past three fiscal years (2022–2024). To reflect the accelerating momentum in innovative product lines, particularly within the Apparel segment, a 2% premium was applied to the projected revenue. This adjustment captures the positive trend observed in Q3 2025. According to management statements in the Q3 2025 earnings call, the smart-glasses (apparel) segment accounted for approximately 4.0 percentage points of year-over-year revenue growth at constant exchange rates. Total group revenue growth amounted to 11.7% at constant exchange rates and 6.7% at current exchange rates (EssilorLuxottica, 2025b). To translate the smart-glasses growth contribution into current exchange rates, the analysis assumes that the currency impact affecting group revenues applies proportionally across business segments. Under this assumption, the growth contribution of the apparel segment at current exchange rates is derived by applying the ratio of total growth at current exchange rates to growth at constant exchange rates:

$$\text{Growth contribution Apparel (current FX)} = 4.0 \text{ percentage points} \times \frac{6.7\%}{11.7\%} \approx 2.3\%.$$

This implied rate is then applied to the FY2024 apparel revenue base, as disclosed in the company's FY2024 press release, resulting in an absolute revenue increase of approximately

€605 million attributable to the smart-glasses segment and a year-over year growth within the segment of 11.2%. This approach ensures internal consistency between reported growth figures and segment-level attribution while remaining aligned with management guidance.

The remaining growth at current exchange rates amounts to approximately 3.7%, is allocated to the Optical and Sunwear segments. This residual growth is distributed proportionally according to their respective revenue weights, reflecting the absence of segment-specific growth disclosures beyond Apparel. The resulting implied growth rate for the core Optical and Sunwear businesses remains therefore in line with observed growth levels in 2023 and 2024, supporting the assumption that these segments continue to exhibit stable, mature growth dynamics, while smart glasses represent an incremental but still relatively contained growth driver.

The regional split was derived using data from the first quarter of the year. Given that the euro remained strong, additional exchange rate headwinds, particularly against the U.S. Dollar, are anticipated for Q4 (Refinitiv Workspace Database, 2025b). These effects are likely to dampen reported growth in North America when measured at current exchange rates. At constant exchange rates, however, double-digit growth is expected in both North America and EMEA, primarily driven by strong performance in the Apparel division. LATAM is expected to be slightly negative as the growth is mainly attributed to high cost products (like the smartglasses) and these products are not in financial reach for the absolut majority of the inhabitants (Appendix L).

4.2.2 2026-2030

The revenue forecast for the period 2026-2030 in Optical is primarily based on demographic trends and the expected evolution of global vision-impairment rates. According to the WHO, approximately 2.2 billion people were living with some form of vision impairment in 2020, representing roughly 28% of the world population at that time (WHO, 2019). The WHO further projects that, by 2050 around 50% of the global population will experience vision impairment, driven mainly by demographic ageing and the continuing rise in myopia. Using WHO population growth estimates, this implies that both the absolute and relative number of people with vision impairment will increase substantially over the coming decade (WHO, 2025). In the model, the share of the global population affected by vision impairment rises to over 35% by 2030, reflecting not only population expansion but also structural shifts such as ageing societies and lifestyle-related acceleration in myopia prevalence. A second key modelling input is the correction ratio, defined as the proportion of individuals with vision impairment who

receive optical correction. In 2020, the correction ratio stood at 36% (WHO, 2023). For the forecast, an annual improvement of 1 percentage point per year was assumed. This assumption is consistent with long-term trends of increasing global household income, improved access to eye-care services in emerging markets, and higher awareness of preventive vision health. The resulting growth rate of 5.7% to 5.2% between 2026 and 2030 for population with vision correction was used to forecast revenue resulting from the optical, implying that EssilorLuxottica will be able to defend their market share while the adressable market is expanding (Appendix M).

The growth outlook for the Sunsegment is based on external industry benchmarks and company-specific trends. Bain projects a 4-6% CAGR for personal luxury goods through 2030, while McKinsey estimates 2-4% growth for the overall luxury market between 2025 and 2027. Anchored in these ranges, a 4.5% CAGR was applied for 2026-2030, reflecting the upper end of market expectations. This approach is supported by empirical evidence from both industry studies, which indicate that luxury apparel categories such as sunglasses tend to exhibit higher growth rates than the overall luxury market (Arpizio et al., 2025) (Casado et al., 2025). This outperformance is driven by a combination of stronger fashion cycles, shorter replacement intervals, and broader consumer penetration, making luxury apparel a structurally faster-growing segment within the luxury landscape. Growth in 2025 is assumed to be slightly lower due to the broader slowdown in luxury demand. From 2026 onward, the forecast incorporates the strong momentum observed through Q3 2025 and increased brand visibility generated by the Meta smart-glasses collaboration. However, this positive spillover is expected to be fully offset by cannibalisation between Sun and smart-glasses, resulting in a neutral net impact and a sustainable long-term growth assumption.

Forecasting revenue for the Apparel and smart-glasses segment is particularly delicate in this valuation due to the segment's early stage. Within this segment, revenue development is largely dominated by smart-glasses, which currently represent the primary source of incremental growth and strategic relevance. Consequently, the revenue forecast places specific emphasis on smart-glasses adoption dynamics, while other apparel components are treated as secondary contributors. Forecasting revenues for the smart-glasses segment is particularly challenging in this valuation due to the segments early stage of development and its rapidly evolving market dynamics. Unlike the Optical and Sunwear segments, which benefit from well-established demand patterns and relatively stable growth trajectories, the smart-glasses business is characterised by uncertain adoption rates, evolving use cases, and limited historical financial data. The growth expectation for this segment is based on the adoption behaviour of

smartwatches, which serve as the closest comparable wearable-technology category. Smartwatch diffusion only became meaningfully observable two years after the introduction of the first Apple Watch in 2015; therefore, the analysis of long-term adoption patterns begins in 2017. To ensure methodological consistency, the smart-glasses forecast is aligned to the same relative point in the adoption cycle. Since the first mass-market smart-glasses (Ray-Ban Meta) were introduced in 2023, the forecasted adoption curve begins in 2025, also two years after launch, mirroring the starting point chosen for the smartwatch case.

The smartwatch data reveal a distinct two-phase expansion path: a first period of rapid growth from 2017 to 2020, during which unit sales increased at a CAGR of 42.7%, followed by a second, more moderate growth phase from 2020 to 2025 with a CAGR of 28.3% (Statista Research Center, 2025). These dynamics reflect the typical progression of consumer technology diffusion, with strong initial adoption driven by new users, followed by continued expansion supported increasingly by repeated buyers and the stabilisation of a roughly four-year replacement cycle. Average selling prices also followed a characteristic pattern, declining in the early years and stabilising as the market reached greater scale.

Because the underlying drivers of adoption like ecosystem integration, device-service complementarities, fashion relevance, churn rates (at around 30% (Fadhil, 2019)) and replacement behaviour are comparable for smart-glasses, the two smartwatch growth phases form the basis for modelling the S-shaped diffusion of the smart-glasses category. In this model, it is specifically the growth rates of smartwatch unit sales that are transferred to smart-glasses, while the associated price decline observed in the smartwatch market is not adopted, as no reduction in average selling prices is assumed for EssilorLuxottica's premium smart-glasses offering. Instead, revenue projections are derived by applying the smartwatch-based adoption curve to forecast unit development and multiplying these units by a constant average selling price. The result is a 34% CAGR over the years 2026-2030 (Appendix N).

Aggregating the expected growth trajectories across the Optical, Sunwear, and Apparel & smart-glasses segments results in the overall revenue growth rates presented below. The resulting group-level growth is modestly lower than the mean of current analyst consensus forecasts. However, the deviation remains limited.

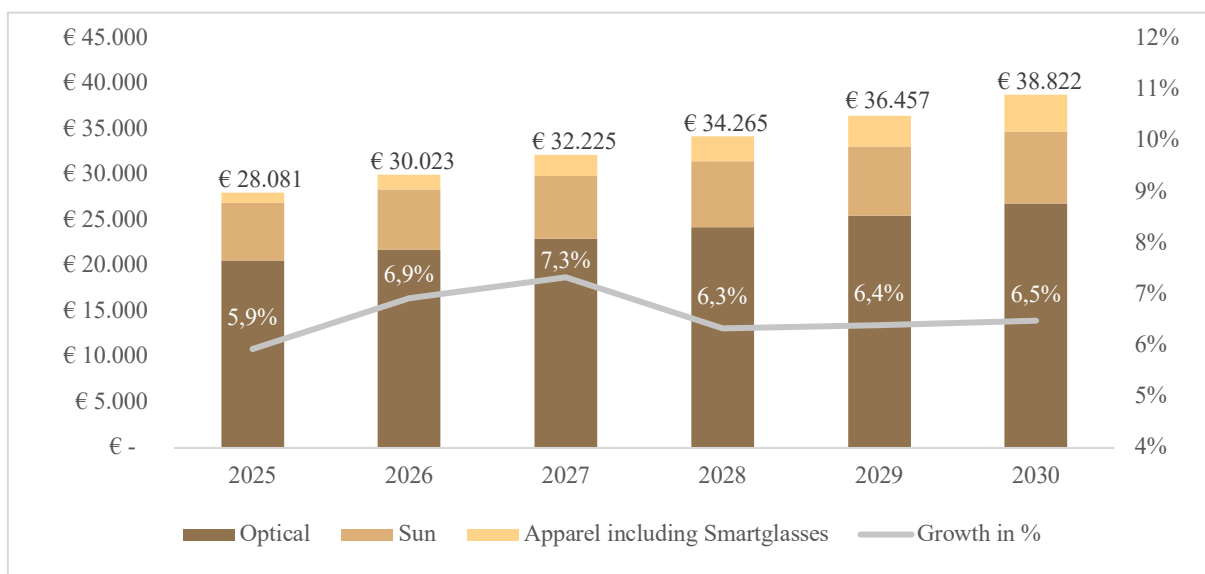


Figure 7 Forecast Revenue EssilorLuxottica 2025-2030 in € mio

4.2 COGS & OPEX

Over the forecast period, COGS is expected to stabilise at 36.6% of revenue, reflecting a balance between input cost inflation in manufacturing and logistics and ongoing efficiency gains from scale effects and vertical integration. While raw material and production-related labour costs are subject to inflationary pressures, these are partly offset by productivity improvements, manufacturing optimisation, and a favourable product mix shift toward higher-margin branded and proprietary products.

Operating expenses remain broadly stable, with each category following a clear rationale. Advertising and marketing expenses gradually decline from 6.9% to 5.6% of revenue, driven by increased organic brand visibility created by the smart-glasses product line; the collaboration with Meta boosts brand exposure across social and digital channels, reducing the need for paid advertising. General and administrative costs stabilise at 8.3%, reflecting the lower bound of the past three years. This is consistent with management's continued focus on operational efficiency, the absence of large integration costs, and the ability to leverage existing administrative structures over a growing revenue base. R&D, royalties, and other income/expenses remain constant as a proportion of revenue, nearing their steady-state levels and reflecting a mature cost structure throughout the explicit forecast horizon (Appendix O). The resulting EBITDA margin lies at 24.2%. When interpreting this figure, it is important to note that depreciation and amortization are added back in the calculation. As a result, the apparent flat development is in fact a slight decline in operating costs as a percentage of revenue. The observed level is therefore not indicative of stagnating operating efficiency but is

partly driven by the underlying depreciation and amortization assumptions embedded in the forecast.

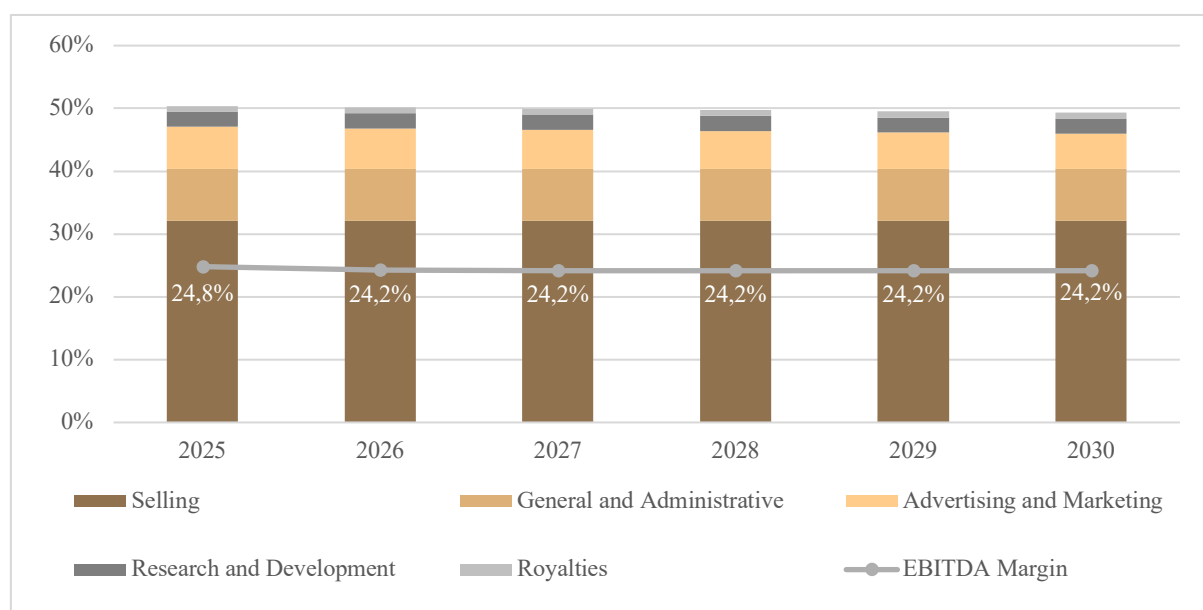


Figure 8 Forecast OPEX and EBITDA Margin EssilorLuxottica 2025-2030

4.3 Depreciation & Amortization and CAPEX

In the forecast period, depreciation and amortization are derived from an explicit gross asset-based approach rather than being mechanically linked to historical averages. Depreciation of tangible assets is estimated by applying an implied depreciation rate of 7.3% to the projected gross tangible asset base, while amortisation of right-of-use and other intangible assets is modelled using a higher implied rate of 30.6%, reflecting their shorter economic lives (see Appendix for methodological details). The underlying gross asset bases are estimated as fixed proportions of revenue, ensuring internal consistency between growth assumptions and capital intensity. As a result, aggregate depreciation and amortization continue to exceed total Capex throughout the explicit forecast horizon. This pattern is largely driven by the ongoing depreciation and amortization of assets recognised in the context of the GrandVision acquisition, which expanded the asset base significantly. While depreciation and amortisation are expected to converge toward maintenance CAPEX levels once the acquisition-related asset base is fully run off, this transition is not anticipated to occur within the explicit forecast period and is therefore expected to materialise only beyond the valuation horizon considered in this analysis.

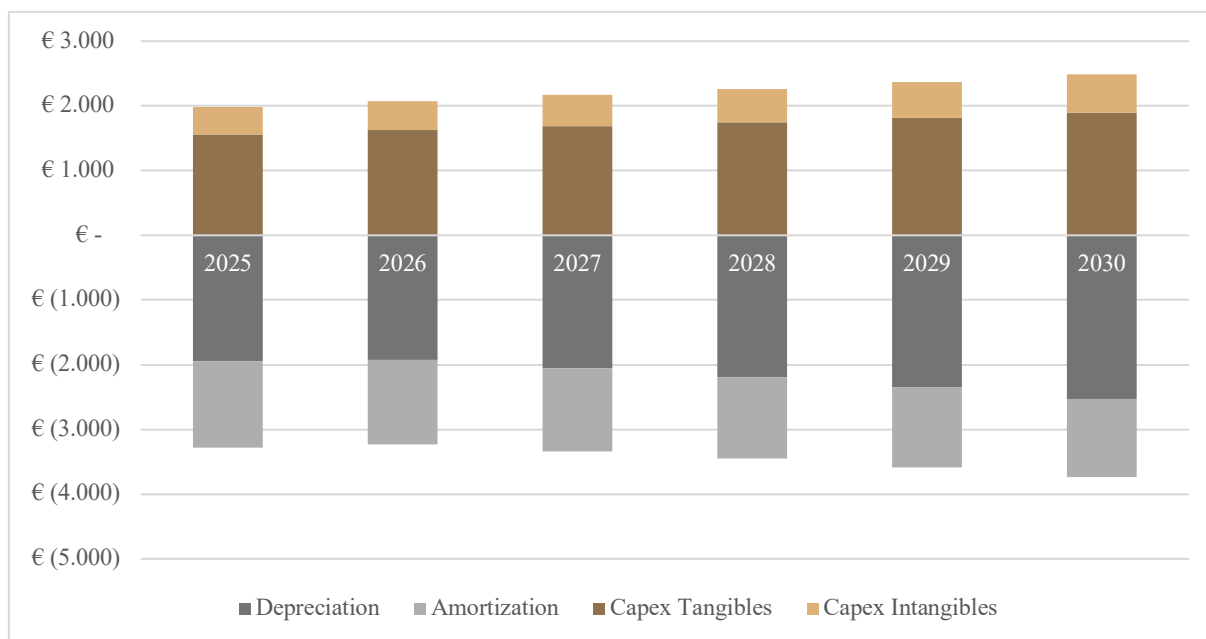


Figure 9 Forecast Depreciation & Amortization and CAPEX EssilorLuxottica 2025-2030 in € mio

4.4 Other Key Financial Ratios

Extending this DuPont-based analysis into the forecast period indicates a continued improvement in EssilorLuxottica's profitability and capital efficiency. Asset turnover is projected to increase moderately over the forecast horizon, reflecting further optimisation of the asset base and the continued normalisation of post-acquisition structures, rather than step-changes comparable to the GrandVision integration phase. In line with management's capital structure discipline, leverage is assumed to remain broadly stable, with the debt-to-value ratio held constant, implying that changes in profitability are primarily driven by operating performance rather than financial gearing. Both return on equity and return on invested capital are expected to improve steadily. Importantly, the projected increase in ROIC suggests that new investments, particularly those related to digital initiatives and smart-glasses, are assumed to generate returns above historical averages, while ROE benefits from improving operating efficiency without reliance on additional leverage. Overall, the forecast reinforces the conclusion drawn from the historical analysis: EssilorLuxottica's value creation in the coming years is expected to be driven predominantly by operational execution and asset efficiency, rather than balance-sheet expansion.

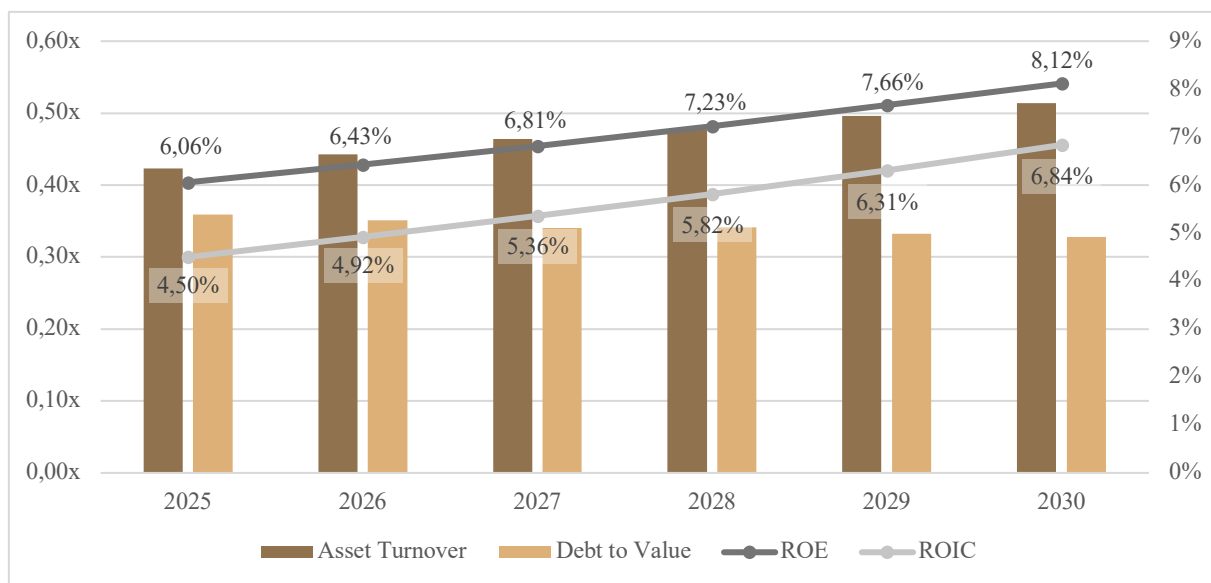


Figure 10 Forecast Key Financial Ratios EssilorLuxottica 2025-2030

5. Valuation

5.1 Discounted - Cashflow Valuation

5.1.1 Cost of Capital

5.1.1.1 Risk Free Rate

To determine the risk-free rate, the analysis relies on euro area zero sovereign yields published by the European Central Bank (ECB), ensuring consistency with the currency in which EssilorLuxottica's cash flows are denominated. Given the long-term nature of the valuation, the risk-free rate is derived from the longer end of the euro yield curve rather than on the short end, which may be distorted by temporary monetary policy effects. Accordingly, the yield for 15-year duration is considered to reflect long-term inflation expectations and real interest rate conditions in the euro area. This long-term euro-denominated risk-free rate of 3.27% provides an appropriate foundation for the cost of capital used in the valuation (ECB, 2025).

5.1.1.2 Cost of Debt

To estimate the cost of debt, the standard approach would be to derive yields from the company's long-term outstanding bonds. While EssilorLuxottica finances itself predominantly through bond issuance, the longest maturities currently available in the market are around six years. For valuation purposes, however, longer-term rates are preferred, as they more accurately reflect the long-run risk profile relevant for discounting by pricing the risk of refinancing implicitly. To overcome this maturity limitation, the observed yields of EssilorLuxottica's outstanding bonds are first decomposed into their underlying risk-free component and credit spread using the previously estimated Nelson–Siegel–Svensson (NSS) term structure of the euro yield curve (Svensson, 1994). Because credit spreads typically increase with maturity, reflecting higher estimation uncertainty as well as additional risks such as lower liquidity at longer horizons, the company's future credit curve must reflect this behaviour. To model this term structure beyond the available maturities, the LSEG A-Rated Euro Corporate Benchmark Index is used as a proxy for the typical maturity spread relationship of EssilorLuxottica as the company is A rated at the time of this analysis (Massarotti et al., 2025). EssilorLuxottica's relative risk spread position within its similar rated benchmark, measured as its average spread occupancy compared to index spreads, is assumed to remain constant across maturities. This occupancy stands at around 74% implying that the creditors price a lower risk for EssilorLuxottica than for their rating cohort. Applying this relative spread relationship to the

benchmark curve yields an extrapolated credit spread curve for EssilorLuxottica, which forms the basis for the long-term cost of debt applied in the valuation.

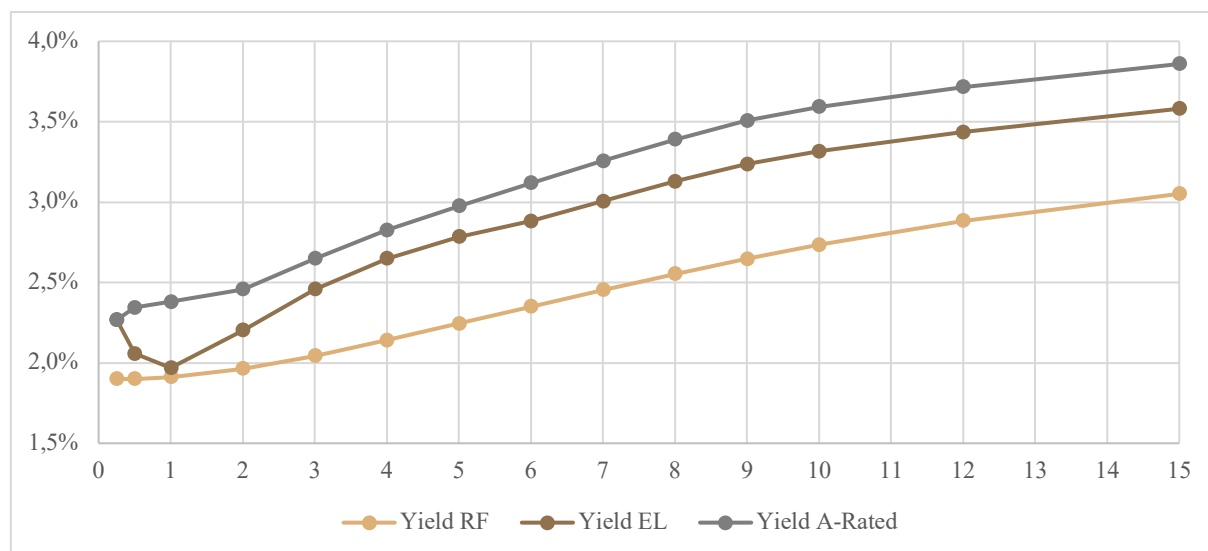


Figure 11 Euro Yield-Curve Risk-Free, EssilorLuxottica, LSEG A Rated Euro Corporate Benchmark

5.1.1.2 Equity Risk Premium

For the equity risk premium (ERP), the analysis relies on the implied market risk premium estimates published by Damodaran, which provide forward-looking, market-consistent measures of expected equity returns across regions (Damodaran, 2025). Since EssilorLuxottica operates globally and derives a substantial share of its revenues from multiple geographic markets, using a single domestic ERP would not adequately capture the firm's true risk exposure. To obtain a more representative premium, the regional ERPs from Damodaran are weighted according to EssilorLuxottica's forecasted 2025 revenue distribution across North America, EMEA, APAC and LATAM. This revenue-based weighting approach reflects the assumption that the company's systematic risk is proportional to the economic environments in which it generates its cash flows. The resulting blended ERP therefore incorporates differences in regional market risk, such as higher risk premia in emerging markets, yielding a more accurate estimate of the global equity risk premium relevant for EssilorLuxottica's cost of capital. The result is an equity risk premium of 5.97%

5.1.1.3 Beta

The beta of EssilorLuxottica was estimated using several complementary approaches to ensure that the resulting measure reflects the firm's forward-looking risk profile. As a starting point, a conventional regression beta was calculated against the MSCI World Index using monthly excess returns over multiple estimation windows. While this historical beta provides an

empirical benchmark, its informational value is limited in the present context. First, EssilorLuxottica's business mix is undergoing structural change, with smart-glasses expected to represent a materially larger share of revenues going forward, an activity that had little statistical weight in past return data. Second, the integration of GrandVision in 2021 significantly altered the company's business scope and therefore its risk characteristics, making pre- and immediate post-acquisition return histories only partially representative of the firm's future risk exposure.

To address these limitations, a second, more fundamental beta estimation was employed. Following Damodaran's methodology, peer groups were constructed for each of EssilorLuxottica's three business segments based solely on product and industry proximity (distinct from the peer selection rules used later in the relative valuation). For each segment, the mean unlevered beta of its respective peer group was computed. These segment betas were then weighted by EssilorLuxottica's expected 2025 revenue mix, thereby capturing the firm's future business composition rather than its historical one. Finally, the resulting blended unlevered beta was relevered using EssilorLuxottica's expected capital structure and tax rate. This approach yields a forward-looking beta that more accurately reflects the differentiated risk exposures of the company's emerging business model. The result of this model is 0.98 and was then adjusted according to the Blume shrinkage to 0.99, as long term betas are mean reversing (Blume, 1975) (Appendix P).

5.1.2 Discounted Free Cashflow & Equity Bridge

The discounted cash flow (DCF) valuation applies the weighted average cost of capital (WACC) as the discount rate, reflecting the opportunity cost of capital for both debt and equity providers. This approach is appropriate given the assumption of a relatively stable capital structure over the forecast horizon. As the equity value is determined as of 31 December 2026, only free cash flows to the firm (FCFF) generated from 2027 onwards are discounted to the valuation date. To more accurately reflect the timing of cash flow generation within each year, mid-year discounting is applied, acknowledging that operating cash flows are earned continuously rather than at discrete year-end points and thereby avoiding a systematic downward bias in present value estimates (Appendix R).

FCFF is assumed to grow at growth rate of approximately 10% from 2029 to 2030. Given the sharp deceleration implied by a direct transition from this elevated growth rate to the long-term terminal growth assumption of 2%, a second growth phase is introduced between the end of the explicit forecast horizon and the terminal period. This intermediate phase captures a gradual

normalisation of growth, which is economically justified by persistent demographic drivers, such as population aging and rising vision-care demand, that are not expected to reverse in the medium term. The phase-two growth rate is therefore set at 5.06%, defined as the midpoint between the explicit forecast CAGR and the terminal growth rate of 2%, ensuring a smooth and internally consistent convergence toward steady-state growth. The terminal growth rate of 2% is applied to reflect long-term macroeconomic growth in the euro area, consistent with inflation-anchored nominal GDP expansion and conservative valuation practice. After discounting the projected free cash flows to the firm over the explicit forecast horizon and the subsequent growth phases with a WACC of 7.97%, the present values are aggregated to derive the enterprise value of EssilorLuxottica. To arrive at the equity value, non-operating cash and cash equivalents are added back, while financial debt and minority interests are deducted. This equity bridge results in an implied equity value of approximately €100 billion. Dividing this amount by the 461 million shares outstanding yields an implied price target of €217.6 per share.

5.1.3 Sensitivity Analysis

To assess the robustness of the valuation and the relative importance of key assumptions, a comprehensive sensitivity analysis was conducted focusing on the main value-driving input parameters. On the discount-rate side, the analysis varies the cost of equity and the cost of debt within the WACC framework. Given EssilorLuxottica's comparatively low leverage, changes in the cost of equity exert a materially larger impact on the implied share price than changes in the cost of debt. This finding highlights the importance of assumptions underlying the cost of equity, particularly the equity risk premium and the beta estimate, for the overall valuation outcome.

On the growth side, the sensitivity analysis jointly considers the medium-term Phase-2 growth rate and the terminal growth rate. The explicit inclusion of a Phase-2 growth period reduces the valuation's dependence on the terminal growth assumption, as part of the long-term growth is already captured before the terminal phase. As a result, variations in the Phase-2 growth rate exhibit a comparable impact on the share price to variations in the terminal growth rate. To ensure a consistent and economically meaningful comparison, the sensitivity intervals for both growth parameters were defined symmetrically in relative terms.

Share Price		Phase 2 Growth						
Terminal Growth Rate		4,30%	4,56%	4,81%	5,06%	5,32%	5,57%	5,82%
	1,70%	204,07	206,05	208,04	210,05	212,08	214,13	216,20
	1,80%	206,41	208,41	210,43	212,47	214,53	216,61	218,71
	1,90%	208,82	210,85	212,90	214,98	217,07	219,17	221,30
	2,00%	211,31	213,38	215,46	217,56	219,68	221,82	223,98
	2,10%	213,89	215,99	218,10	220,24	222,39	224,56	226,76
	2,20%	216,56	218,69	220,84	223,00	225,19	227,40	229,63
	2,30%	219,32	221,49	223,67	225,87	228,09	230,33	232,60

Figure 12 Sensitivity Analysis Growth Rates & Impact on Share Price

When analysing the combined sensitivity of WACC and terminal growth, the results show that the discount rate has a stronger influence on the valuation than the terminal growth rate. This outcome differs from a standard two-stage DCF and reflects the dampening effect of the intermediate growth phase, which shifts explanatory power away from the terminal value and towards the discount-rate assumptions.

Share Price		WACC						
Terminal Growth Rate		7,21%	7,46%	7,71%	7,97%	8,22%	8,47%	8,72%
	1,70%	239,23	228,58	218,89	210,05	201,95	194,51	187,66
	1,80%	242,54	231,55	221,57	212,47	204,15	196,51	189,48
	1,90%	245,98	234,63	224,34	214,98	206,42	198,57	191,36
	2,00%	249,54	237,82	227,21	217,56	208,76	200,70	193,30
	2,10%	253,25	241,13	230,18	220,24	211,18	202,89	195,30
	2,20%	257,10	244,57	233,26	223,00	213,67	205,16	197,35
	2,30%	261,12	248,14	236,45	225,87	216,26	207,49	199,47

Figure 13 Sensitivity Analysis Terminal Growth Rate and WACC & Impact on Share Price

In addition to the deterministic sensitivity analysis, a stochastic sensitivity analysis was conducted using a Monte Carlo simulation with 10,000 scenarios. The objective of this approach is to assess the valuation's robustness by simultaneously varying all key input parameters within predefined probability distributions, rather than changing individual assumptions in isolation. For this purpose, the free cash flows of the explicit forecast period were modelled using normal distributions to reflect forecast uncertainty, with a standard deviation of €400 million in the first forecast year, increasing by €100 million per year to account for rising uncertainty over longer horizons. Capital structure assumptions, proxied by the debt-to-equity ratio, as well as the equity beta and the terminal value parameters, were assigned uniform distributions of $\pm 20\%$, reflecting realistic bounds for these inputs. Values outside these limits are unrealistic and can be avoided by using this distribution. The phase-2 growth rate was modelled using a normal distribution with a standard deviation of 1.5%, allowing for asymmetric and more extreme outcomes that remain economically plausible in a transition phase. By randomly drawing values from these distributions across all input variables, the simulation generates a distribution of 10,000 implied equity values per share, providing insight into the range, dispersion, and probability-weighted outcomes of the valuation.

The Monte Carlo simulation yields a mean implied equity value of €213.4 per share, with a standard deviation of €35.8, indicating a moderate dispersion of valuation outcomes around the central estimate. The median value of €210.4 lies close to the mean, suggesting that the distribution of outcomes is broadly symmetric, which is further supported by the relatively low skewness of 0.42. The interquartile range spans from €187.9 (25th percentile) to €236.3 (75th percentile), implying that 50% of all simulated valuation outcomes fall within a comparatively narrow and economically plausible range. These values were also used for the worst- and best-case scenarios. The low excess kurtosis of 0.14 suggests no pronounced fat tails, reinforcing the robustness of the valuation against extreme parameter combinations. Overall, the simulation results point to a well-behaved distribution of implied share prices, with uncertainty primarily driven by realistic variations in key valuation inputs rather than by extreme or implausible scenarios (Appendix S).

5.2 Multiple Valuation

Multiple-based valuation is applied as a complementary valuation approach in this analysis. In contrast to intrinsic valuation methods, multiple valuation derives a firm's value by comparing it to a set of publicly traded peers. Market-based trading multiples capture the valuation levels that investors currently assign to comparable companies and therefore reflect prevailing market expectations.

5.2.1 Peer Group Analysis

The first step in any multiples-based valuation is defining an appropriate peer group. For EssilorLuxottica, this represents a fundamental challenge. Owing to its vertically integrated business model and its dominant market position, there is no straightforward one-to-one comparable company. To address this issue, the analysis adopts a segment-based approach: separate peer groups are constructed for the three identified business segments Optical, Sun, and Apparel including Smart Glasses and each segment is valued using its respective peer group. This approach ensures that peer-group selection is aligned with the underlying business characteristics of each segment. In addition, the individual peer groups are constructed on an international basis to reflect EssilorLuxottica's global footprint. A further key requirement in comparable-company selection is the alignment of growth prospects and profitability expectations with those of the target firm (Koller, 2005). However, in this case, segment-level profitability data is not disclosed. Consequently, the analysis focuses on ensuring consistency in growth expectations across segments, while acknowledging this limitation in the available data. The proxy for growth applied in this analysis is the average revenue CAGR over the next

three years. The Apparel & smart-glasses segment requires special consideration, as EssilorLuxottica exhibits exceptionally high projected growth in this area due to the segment still being built out. While competitors were selected based on comparable revenue growth profiles, none can fully match EssilorLuxottica's expected expansion. Nevertheless, the selected peer group provides a meaningful benchmark and offers valuable insight into the relative positioning of the segment (Appendix T).

5.2.2 Peer Multiples

Since EssilorLuxottica does not have a directly comparable, fully integrated peer company, the multiples-based valuation follows a segment-specific approach, in which each of the three business segments is valued using a dedicated peer group. This ensures that the applied multiples reflect the economic characteristics, growth profiles, and competitive environments relevant to each segment, rather than relying on a single blended peer group that would not accurately represent the company's diversified business model.

Consistent with academic evidence, the analysis relies on forward-looking trading multiples, as they incorporate market expectations about future performance and are therefore more informative than historical metrics. Forward multiples reduce the bias caused by temporary fluctuations in historical earnings and better capture value drivers such as expected growth and profitability (Koller, 2005)(Liu, 2002). Because of that and since the valuation is done for a price-target for the 31.12.2026, 1-year forward estimates are used throughout the analysis to ensure comparability and to reflect the most up-to-date consensus expectations.

The valuation uses a set of enterprise-value-based multiples which together provide a comprehensive and consistent assessment. EV/EBITDA is employed as the primary valuation metric, as it is widely regarded as the most robust and commonly applied multiple in practice. It is independent of capital structure and less affected by accounting choices related to depreciation and amortization, making it particularly suitable for comparing companies with different financing and asset profiles. The implied price target using this multiple is €138.10. EV/EBIT is included to account for differences in capital intensity and to capture the economic cost of long-lived assets more explicitly. The result here is €147.35. Finally, EV/Sales is used as a supplementary indicator, especially relevant when earnings may be temporarily distorted or when early-stage activities limit the interpretability of earnings-based multiples. The model leads to an implied share price of €121.10 when using this multiple (Appendix T).

In addition to the peer-group based multiple analysis, the valuation also considers EssilorLuxottica's historical trading multiples, with a particular focus on EV/EBITDA.

Examining the company's valuation over the past five years reveals an average EV/EBITDA multiple of approximately 15x, which would imply an equity value corresponding to a share price of €192.95 based on current earnings. The historical analysis further shows a marked upward shift in valuation levels in recent periods, coinciding with increased market optimism surrounding the growth potential of smart-glasses. While a valuation premium relative to historical averages may be justified given the company's strategic positioning and expanded growth optionality, the magnitude of the current premium appears elevated (Appendix U).

5.3 Other Valuation Methods

A dividend discount model (DDM) is not applied in this valuation, as EssilorLuxottica's payout ratio has exhibited significant volatility over time. This variability would lead to highly unstable valuation outcomes and undermine the robustness of a dividend-based approach.

Similarly, a transaction-multiple valuation is not conducted, as no sufficiently comparable companies could be identified that reflect EssilorLuxottica's uniquely integrated business model across lenses, frames, distribution, and emerging smart-glasses. In addition, substantial differences in scale and business scope among potential peers would materially distort valuation comparability, rendering such an approach unreliable for the purposes of this analysis.

5.4 Output Summary and Discussion

5.4.1 Output

The valuation outcomes are summarised in the football field below, which contrasts the results derived from the applied valuation methodologies with the current market price. The red marker indicates the intrinsic value estimate based on the base-case discounted cash flow valuation as of 31.12.2026, while the brown marker represents the prevailing market share price at the valuation date. The comparison highlights a clear disconnect between intrinsic value and market pricing, with the current share price implying a materially higher valuation. Given this divergence and considering that the DCF framework most comprehensively incorporates segment-specific growth assumptions, margin dynamics, capital intensity, and risk factors discussed throughout the analysis, the base-case DCF valuation is retained as the primary reference point. Consequently, the football field underscores a situation of apparent overvaluation, supporting the conclusion that the current market price is not fully aligned with a realistic, fundamentals-driven assessment of EssilorLuxottica's long-term value. Therefore, this valuation implies a Sell recommendation with the target price being -20.8%.

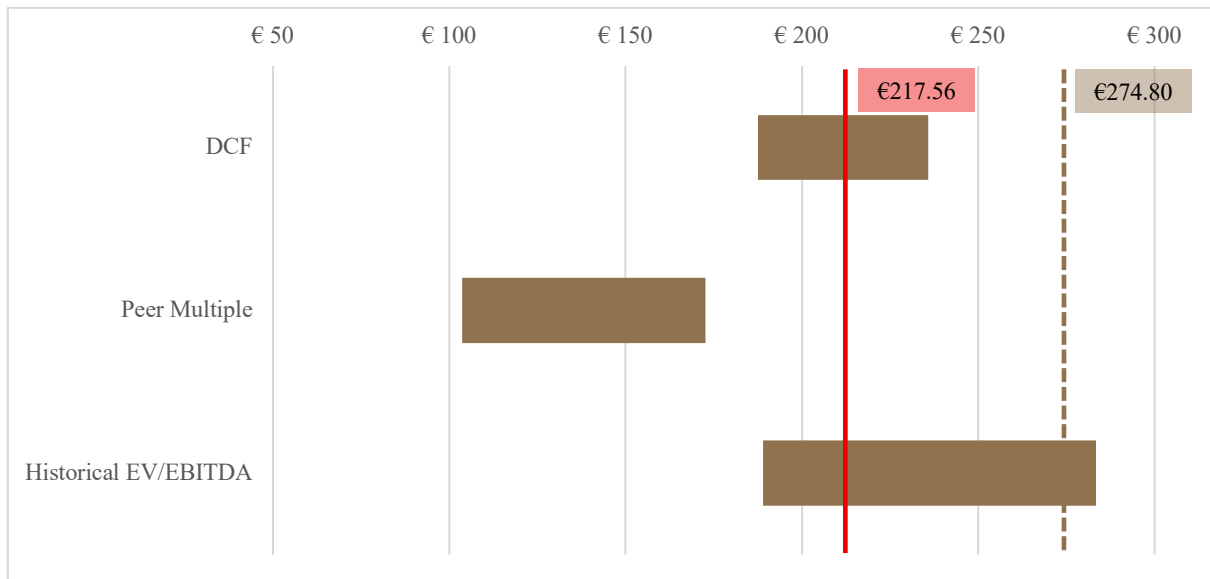


Figure 14 Football Field

5.4.2 Consensus Comparison

The analyst consensus target price currently stands at €326.16 (as of 15.12.2025), implying a substantial upside of 18.69% relative to the prevailing share price (Refinitiv Workspace Database, 2025). This consensus view suggests that, on average, analysts continue to expect a significant price increase of EssilorLuxottica despite recent share price weakness. A closer examination of the historical evolution of consensus targets, however, reveals a pronounced sensitivity to news flow related to the smart-glasses segment. In both major share price surges over the past year, as previously discussed in the context of market reactions to smart-glasses announcements, analysts adjusted their target prices upward rapidly, only to revise them downward again once share prices retraced. Historically, analyst target prices tracked the actual share price remarkably closely, indicating a relatively stable and predictable valuation framework when EssilorLuxottica was primarily driven by its two mature, steadily growing segments. This relationship has weakened since the introduction of the smart-glasses business, as the added high-growth but uncertain segment has increased forecast complexity and materially raised share price volatility. As a result, consensus targets have become more reactive and less anchored, reflecting the greater difficulty of valuing a company transitioning from a predominantly stable growth profile to one that incorporates a more speculative and rapidly evolving growth driver (Appendix V). The valuation outcome differs materially from the prevailing analyst consensus. This deviation primarily reflects more conservative revenue growth assumptions and a higher cost of capital applied in the DCF, leading to a lower intrinsic value estimate.

6. Conclusion

This equity research returns to the core investment principle stated at the outset: “Even the best company can be a bad investment if you pay too high a price.” EssilorLuxottica is characterized by a clear and compelling value proposition, supported by strong competitive positioning, structural demand for vision correction, and a diversified product portfolio. Nevertheless, despite these qualitative strengths, the valuation results suggest that the current market price does not provide sufficient upside potential relative to the estimated intrinsic value under the base-case assumptions. As such, the investment thesis is constrained primarily by valuation considerations rather than by concerns over business quality or strategic execution.

The findings of this analysis are subject to several important limitations. The valuation outcome is inherently sensitive to key assumptions, as evidenced by the sensitivity analysis, particularly with respect to the weighted average cost of capital, and the terminal growth rate. Relatively small changes in these parameters can result in materially different valuation estimates, underscoring the uncertainty embedded in long-term forecasting. In addition, this research relies exclusively on publicly available and officially disclosed data. No direct interaction with EssilorLuxottica’s management or representatives has taken place, nor was such engagement intended, which may limit the ability to incorporate non-public strategic insights.

Moreover, despite a structured and disciplined analytical framework, the analysis may be subject to behavioural biases commonly encountered in equity research, including confirmation bias, anchoring to market prices or consensus expectations, and overconfidence in long-term assumptions. These potential biases may affect the interpretation of qualitative information and the selection of valuation inputs and should be considered when evaluating the robustness of the conclusions. The author does not hold EssilorLuxottica shares or any related financial instruments, and no conflicts of interest exist that could impair the objectivity of the analysis. Overall, the valuation results should therefore be interpreted as a decision-support tool rather than a precise point estimate.

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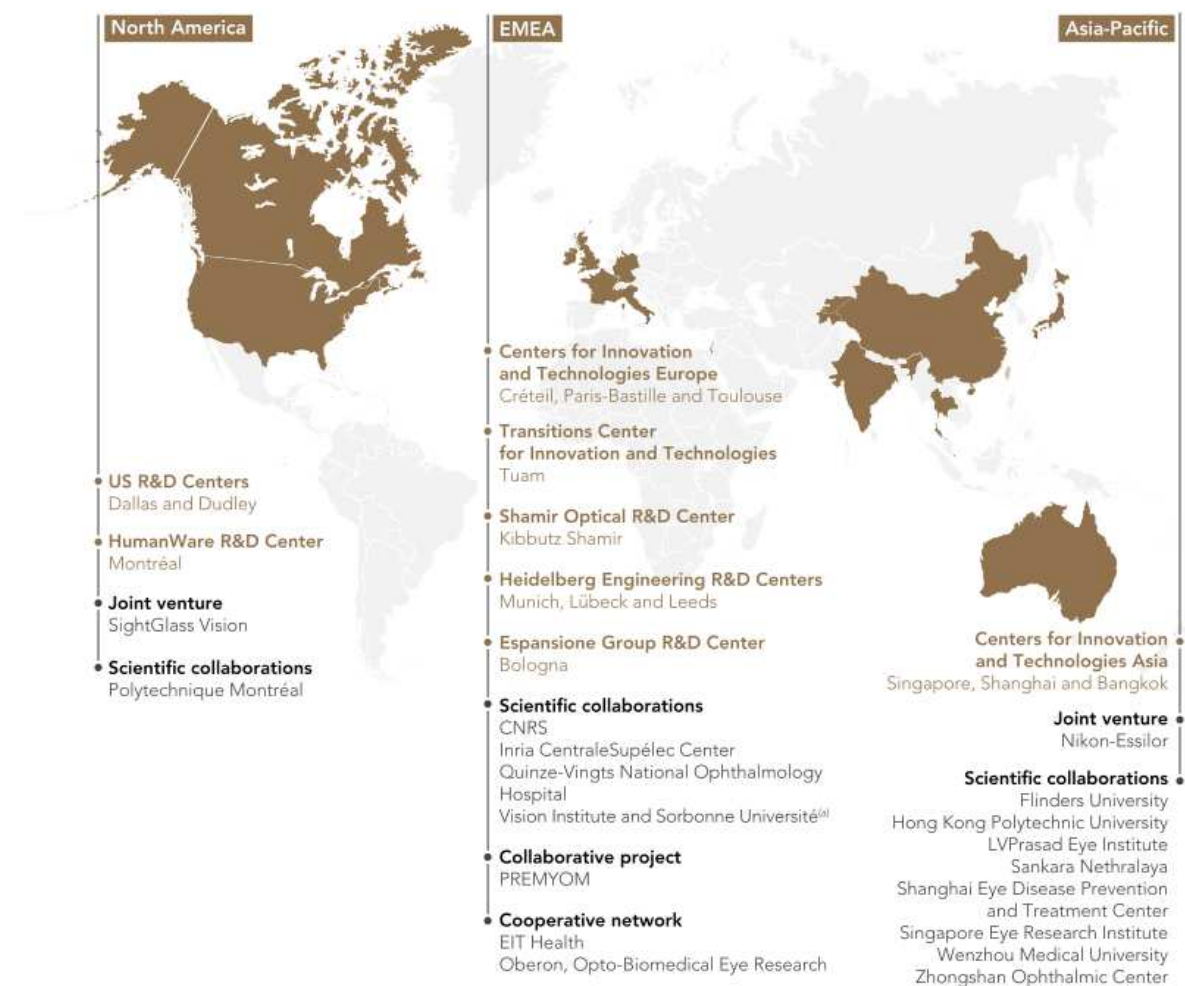
Use of Artificial Intelligence Tools

Artificial intelligence–based tools were used in the preparation of this thesis solely to support linguistic refinement, including spelling, grammar, and clarity of expression. All academic content, analysis, interpretations, and conclusions are the author’s own. The use of AI did not influence the conceptual framework, methodological design, or substantive findings of this research.

Appendix

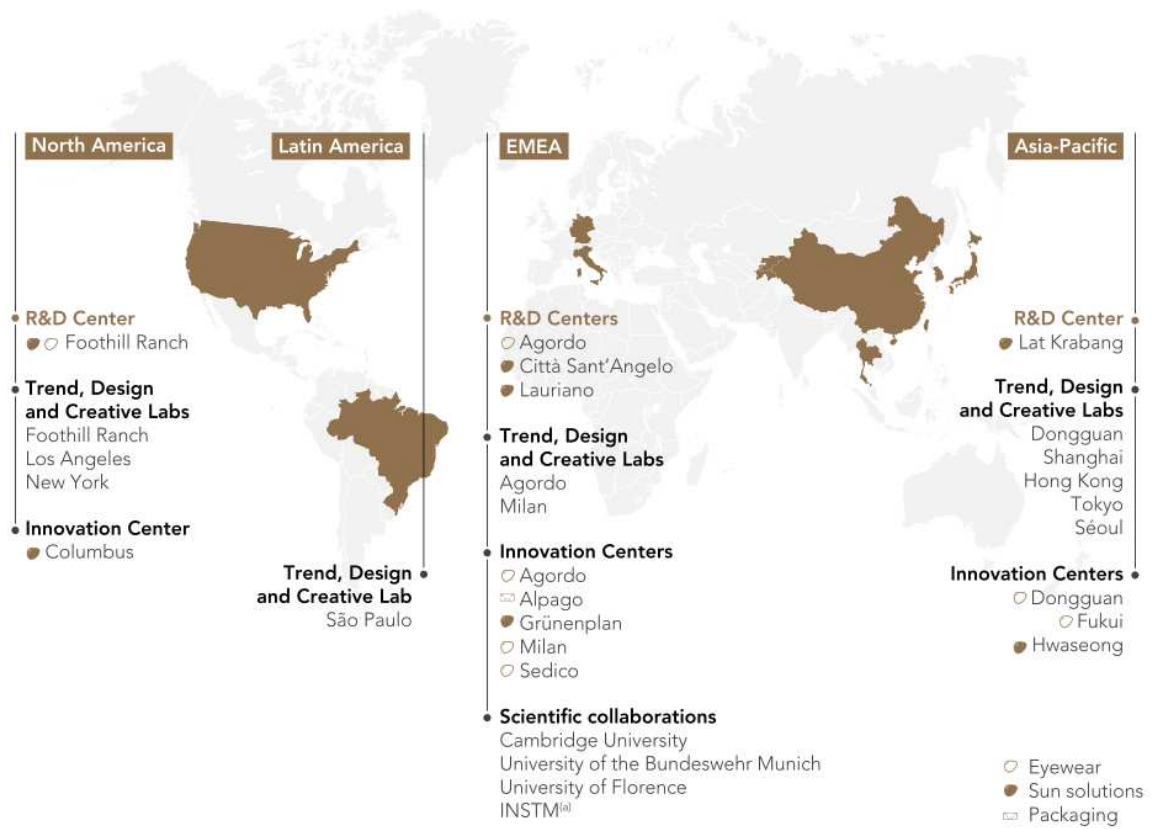
Appendix A – R&D Network Vision Care into Med-Tech

R&D Network: Expanding Vision Care into Med-Tech



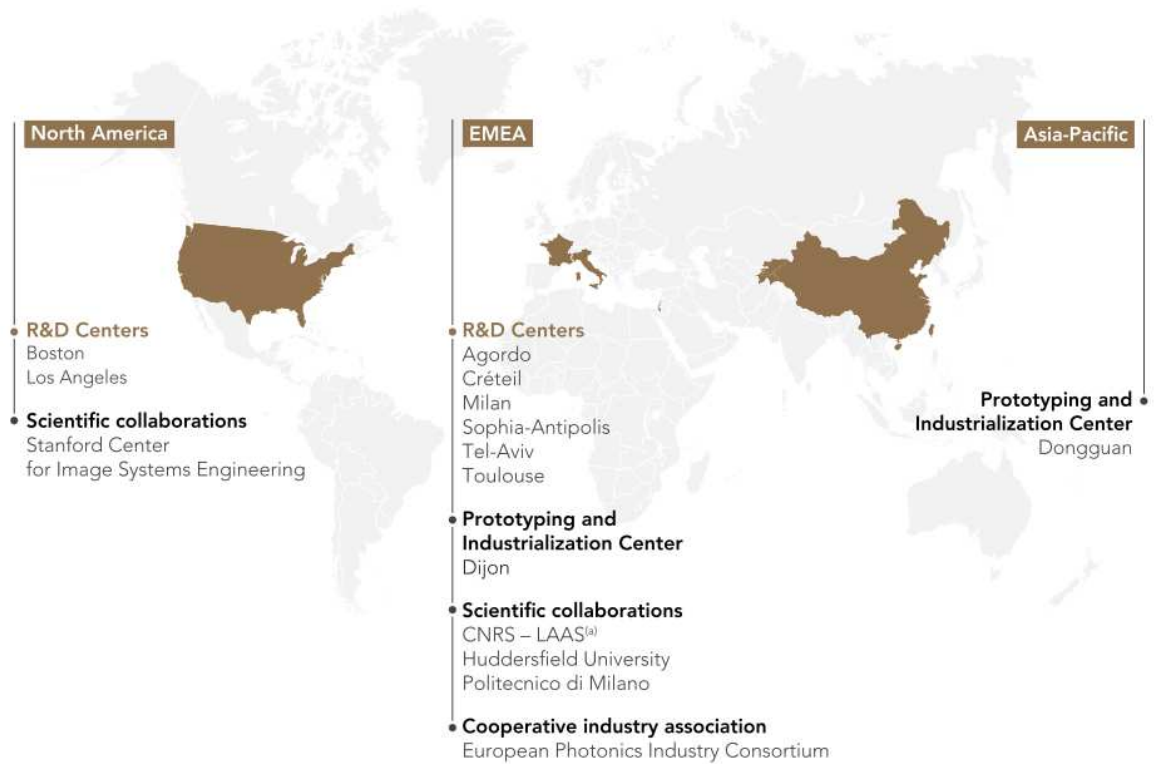
Appendix B – R&D Network Style & Design

R&D Network: Powering Style



Appendix C – R&D Network Smart-glasses

R&D Network: Making Eyewear a Gateway into New Worlds



Appendix D – Global Store Network

Total Storecount
Including Franchising & Licensing

17,638

North America

4,296

- **Optical**
 - LensCrafters
 - Pearle Vision
 - Target Optical
- **Sun**
 - Oakley
 - Ray-Ban
 - Sunglass Hut

Latin America

3,668

- **Optical**
 - GMO
 - GrandVision
 - MasVisión
 - Óticas Carol
- **Sun**
 - Oakley
 - Ray-Ban
 - Solaris
 - Sunglass Hut

EMEA

7,342

- **Optical**
 - Apollo
 - Atasun Optik
 - David Clulow
 - Générale d'Optique
 - GrandOptical
 - GrandVision
 - Luxoptica
 - MasVisión
 - MultiÓpticas
 - Pearle
 - Salmoiraghi & Viganò
 - Synoptik
 - Vision Express
- **Sun**
 - Oakley
 - Ray-Ban
 - Solaris
 - Sunglass Hut

Asia-Pacific

2,332

- **Optical**
 - Ajojo
 - Bolon
 - LensCrafters
 - Mujosh
 - OPSM
- **Sun**
 - Oakley
 - Ray-Ban
 - Sunglass Hut

Pure Online

North America

Clearly
ContactsDirect
Costadelmar.com
EyeBuyDirect
FosterGrant.com
FramesDirect.com
Glasses.com
NativeEyewear.com
Readers.com
Vogue-Eyewear.com

Latin America

E-lens
eÓtica
FosterGrant.com
Vogue-Eyewear.com

EMEA

Brille24
Charlie Temple
FosterGrant.com
Glasses Direct
Lensbest
Lenstore
Lensway
Linsenmax
VisionDirect
Vogue-Eyewear.com

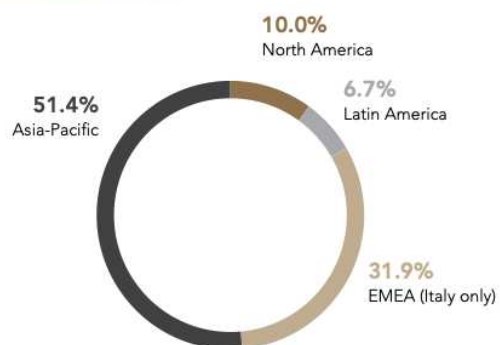
Asia-Pacific

Clearly
FosterGrant.com
Vogue-Eyewear.com

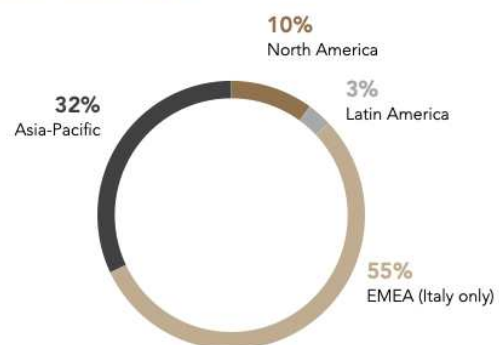
Banners with more than 200 total store count are mentioned here.

Appendix E – Global Store Network

Production Units by Region



Production Value by Region



Appendix F – Historical Standardized Income Statement

Historicals					
(in Mio €)	2020	2021	2022	2023	2024
Income Statement					
Revenue from Business Activities	€ 14.429	€ 19.820	€ 24.494	€ 25.395	€ 26.508
<i>Growth in %</i>		37,4%	23,6%	3,7%	4,4%
COGS	€ (5.953)	€ (7.589)	€ (8.910)	€ (9.347)	€ (9.702)
Gross Profit	€ 8.476	€ 12.231	€ 15.584	€ 16.048	€ 16.806
<i>as % of Revenue</i>	58,7%	61,7%	63,6%	63,2%	63,4%
OPEX	€ (8.024)	€ (9.905)	€ (12.426)	€ (12.871)	€ (13.358)
Research and Development	€ (544)	€ (579)	€ (600)	€ (593)	€ (630)
Selling	€ (4.320)	€ (5.700)	€ (7.741)	€ (8.041)	€ (8.518)
Royalties	€ (134)	€ (174)	€ (219)	€ (246)	€ (252)
Advertising and Marketing	€ (1.149)	€ (1.534)	€ (1.811)	€ (1.799)	€ (1.820)
General and Administrative	€ (1.867)	€ (1.982)	€ (2.116)	€ (2.211)	€ (2.193)
Other income/(expenses)	€ (10)	€ 64	€ 61	€ 19	€ 55
EBITDA	€ 2.594	€ 4.771	€ 6.079	€ 6.124	€ 6.497
<i>as % of Revenue</i>	18,0%	24,1%	24,8%	24,1%	24,5%
Depreciation	€ 1.119	€ 1.317	€ 1.619	€ 1.643	€ 1.749
Amortization	€ 1.023	€ 1.128	€ 1.302	€ 1.304	€ 1.300
EBIT	€ 452	€ 2.326	€ 3.158	€ 3.177	€ 3.448
<i>as % of Revenue</i>	3,1%	11,7%	12,9%	12,5%	13,0%
Interest on debt and borrowings and related derivatives	€ (91)	€ (89)	€ (87)	€ (108)	€ (141)
Interest on leases liabilities	€ (50)	€ (52)	€ (69)	€ (90)	€ (112)
Interest Income	€ 22	€ 30	€ 25	€ 82	€ 89
Other financial income/(expenses)	€ (22)	€ (19)	€ -	€ (24)	€ 5
Share of profit (loss) of associates	€ 1	€ 3	€ 6	€ (1)	€ 3
EBT	€ 312	€ 2.199	€ 3.033	€ 3.036	€ 3.292
<i>as % of Revenue</i>	2,2%	11,1%	12,4%	12,0%	12,4%
Taxes on income and earnings	€ 164	€ 587	€ 751	€ 609	€ 800
Effective Tax Rate	52,6%	26,7%	24,8%	20,1%	24,3%
Net Profit	€ 148	€ 1.612	€ 2.282	€ 2.427	€ 2.492
<i>as % of Revenue</i>	1,0%	8,1%	9,3%	9,6%	9,4%

Appendix G – Historical Standardized Balance Sheet

Balance Sheet					
Current Assets					
Cash & Cash Equivalents	€ 8.883	€ 3.293	€ 1.960	€ 2.558	€ 2.251
Derivative Financial Instruments - Short Term	€ 43	€ 42	€ 29	€ 12	€ 36
Loans & Receivables - Short Term	€ 2.670	€ 2.929	€ 2.956	€ 3.531	€ 3.880
Inventories	€ 1.930	€ 2.445	€ 2.789	€ 2.750	€ 3.152
Other Current Assets	€ 194	€ 489	€ 907	€ 870	€ 717
Total Current Assets	€ 13.720	€ 9.198	€ 8.641	€ 9.721	€ 10.036
Non - Current Assets					
Investments Longterm	€ 112	€ 276	€ 308	€ 364	€ 603
Investments in Associates & Joint Ventures	€ 17	€ 91	€ 83	€ 81	€ 822
Loans & Receivables - Long Term	€ -	€ 46	€ 71	€ 75	€ 194
PPE	€ 5.101	€ 7.141	€ 7.757	€ 8.251	€ 9.173
Other Non - Current Assets	€ 679	€ 975	€ 845	€ 752	€ 393
Intangible Assets	€ 32.689	€ 41.701	€ 42.856	€ 41.279	€ 43.043
Total Non - Current Assets	€ 38.598	€ 50.230	€ 51.920	€ 50.802	€ 54.228
Total Assets	€ 52.318	€ 59.428	€ 60.561	€ 60.523	€ 64.264
Current Liabilities					
Accounts Payable & Accruals	€ 2.864	€ 3.732	€ 3.698	€ 3.771	€ 4.089
Short-Term Debt & Current Portion of Long-Term Debt	€ 1.160	€ 1.873	€ 2.010	€ 2.699	€ 3.412
Derivative Liabilities - Short-Term	€ 14	€ 16	€ 36	€ 27	€ 21
Income Taxes - Payable - Short-Term	€ 530	€ 805	€ 711	€ 561	€ 537
Other Current Liabilities	€ 1.603	€ 2.493	€ 2.433	€ 2.683	€ 2.496
Total Current Liabilities	€ 6.171	€ 8.919	€ 8.888	€ 9.741	€ 10.555
Non - Current Liabilities					
Accounts Payable & Accruals	€ 11	€ 30	€ 26	€ 15	€ 57
Longterm Debt	€ 10.735	€ 11.143	€ 10.194	€ 8.958	€ 9.804
Deferred Tax - Liability - Long-Term	€ 1.887	€ 2.454	€ 2.377	€ 2.145	€ 2.043
Provisions	€ 654	€ 759	€ 733	€ 665	€ 669
Other Non - Current Liabilities	€ 62	€ 126	€ 196	€ 108	€ 135
Total Non - Current Liabilities	€ 13.349	€ 14.512	€ 13.526	€ 11.891	€ 12.708
Total Liabilities	€ 19.520	€ 23.431	€ 22.414	€ 21.632	€ 23.263
Equity					
Common Equity	€ 22.091	€ 22.461	€ 23.147	€ 22.964	€ 23.621
Capital reserves / Accumulated Comprehensive Income	€ (1.576)	€ 246	€ 1.230	€ 212	€ 1.173
Retained earnings	€ 11.955	€ 12.711	€ 13.438	€ 15.376	€ 15.755
Other reserves	€ (1)	€ (1)	€ -	€ (2)	€ (2)
Minority Interest	€ 530	€ 811	€ 692	€ 653	€ 626
Total Equity	€ 32.798	€ 35.997	€ 38.147	€ 38.891	€ 41.001
Total Liabilities & Equity	€ 52.318	€ 59.428	€ 60.561	€ 60.523	€ 64.264
Check	true	true	true	true	true

Appendix H – Historical Standardized Cashflow Statement

Cash Flow Statement					
Operating					
Net Income	€ 148	€ 1.612	€ 2.282	€ 2.427	€ 2.492
Depreciation/Amortization/ Impairment	€ 2.136	€ 2.461	€ 2.970	€ 2.972	€ 3.098
Other Non-Cash Items	€ 703	€ 1.411	€ 848	€ 815	€ 922
Income Taxes - Paid/(Reimbursed)	€ 356	€ 618	€ 940	€ 916	€ 982
Interest Paid - Cash	€ 112	€ 125	€ 125	€ 136	€ 181
Change in Working Capital - Increase/(Decrease)	€ 432	€ (197)	€ (251)	€ (300)	€ (474)
Net Cash Flow from Operating Activities	€ 2.951	€ 4.544	€ 4.784	€ 4.862	€ 4.875
Investing					
CAPEX	€ 642	€ 1.014	€ 1.555	€ 1.520	€ 1.512
Acquisition & Disposals of Assets - Sold/(Acquired) - Net	€ (133)	€ (7.078)	€ (965)	€ (114)	€ (1.755)
Other Investing Cash Flow - Decrease/(Increase)	€ 295	€ 32	€ (99)	€ (90)	€ (355)
Net Cash Flow from Investing Activities	€ (480)	€ (8.060)	€ (2.619)	€ (1.724)	€ (3.622)
Financing					
Dividends Paid - Cash - Total - Cash Flow	€ 503	€ 138	€ 454	€ 487	€ 1.163
Stock - Total - Issuance/(Retirement)	€ (123)	€ (283)	€ (394)	€ (237)	€ (239)
Minority Interests & Joint Ventures - Net	€ (94)	€ (67)	€ (674)	€ (64)	€ (297)
Debt - Issuance/(Retirement) - Total	€ 2.276	€ (1.447)	€ (1.917)	€ (1.526)	€ 143
Other Financing Cash Flow - Increase/(Decrease)	€ (58)	€ (105)	€ (141)	€ (111)	€ (91)
Net Cash Flow from Financing Activities	€ 1.498	€ (2.040)	€ (3.580)	€ (2.425)	€ (1.647)
Net Change in Cash	€ 3.847	€ (5.389)	€ (1.333)	€ 598	€ (307)
Cash Flow Statement					
Operating					
Net Income	€ 148	€ 1.612	€ 2.282	€ 2.427	€ 2.492
Depreciation/Amortization/ Impairment	€ 2.136	€ 2.461	€ 2.970	€ 2.972	€ 3.098
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Net Change in Cash	€ 3.847	€ (5.389)	€ (1.333)	€ 598	€ (307)

Appendix I – Online Sentiment Overview EssilorLuxottica by Brand24



Appendix J – Online Sentiment by Topic EssilorLuxottica by Brand24

Topic Name	Description	Mentions ⓘ	Reach ⓘ ↓	Share of Voice ⓘ	Sentiment share ⓘ
 Ray-Ban Meta Glasses	Product features, reviews, unboxing videos, and user experiences with Ray-Ban Meta smart glasses wearable technology	713 	4.3M	25.1%	
 EssilorLuxottica Corporate News	Business news about EssilorLuxottica's corporate activities, acquisitions, executive changes, and stock market performance	477 	3.6M	20.73%	

Appendix K – Ratio Overview

Historicals

Margin Overview	FY2020	FY2021	FY2022	FY2023	FY2024
Gross Margin	58,74%	61,71%	63,62%	63,19%	63,40%
EBITDA Margin	18,12%	23,43%	24,32%	23,97%	24,09%
EBIT Margin	3,27%	11,09%	12,39%	12,36%	12,59%
Profit Margin	1,16%	7,49%	8,82%	9,41%	8,99%
Liquidity Ratios	FY2020	FY2021	FY2022	FY2023	FY2024
Current Ratio	2,22x	1,03x	0,97x	1,00x	0,95x
Quick Ratio	1,88x	0,70x	0,56x	0,63x	0,58x
Cash Ratio	1,44x	0,37x	0,22x	0,26x	0,21x
Capital Structure Ratio	FY2020	FY2021	FY2022	FY2023	FY2024
Net Debt/Equity Ratio	0,32x	0,56x	0,54x	0,49x	0,51x
Profitability	FY2020	FY2021	FY2022	FY2023	FY2024
Return on Operating Assets		1,28%	4,89%	6,55%	6,35%
Return on Equity	0,51%	4,12%	5,66%	6,14%	5,81%
DuPont Analysis	FY2020	FY2021	FY2022	FY2023	FY2024
Operating Margin	0,03	0,11	0,12	0,12	0,13
Asset Turnover	0,28	0,33	0,40	0,42	0,41
Interest Burden	0,70	0,94	0,96	0,96	0,95
Equity multiplier	1,60	1,65	1,59	1,56	1,57
Tax Burden	0,51	0,72	0,74	0,80	0,75
ROE	0,51%	4,12%	5,66%	6,14%	5,81%
Check	true	true	true	true	true
ROIC		3,63%	4,01%	4,27%	4,31%

Appendix L – Revenue Forecast Q4 2025

	Historicals					explicit Forecast				
(in Mio €)	FY2020	FY2021	FY2022	FY2023	FY2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025e	FY 2025e
Income Statement										
Revenue from Business Activities	€ 14.429	€ 19.820	€ 24.494	€ 25.395	€ 26.508	€ 6.848	€ 7.176	€ 6.867	€ 7.190	€ 28.081
Growth yoy in %		37,4%	23,6%	3,7%	4,4%	8,1%	3,2%	6,7%	6,0%	5,9%
Q4 Revenue Contribution	28,5%	24,9%	24,9%	24,9%	25,8%	Expected Q4 Rev. Con.		25,2%		

Company Revenue Overview

(in Mio €)	2024	%	FY 2025e	%	growth*		
Revenue	€ 26.508	100,0%	€ 28.081	100,0%	5,9%	YOY Q3 Growth at fixed rates	11,7%
Optical / Med Tech	€ 19.881	75,0%	€ 20.621	73,4%	3,7%	Growth Att. Apparel fixed rates	4,0%
Sun	€ 6.097	23,0%	€ 6.324	22,5%	3,7%	Growth at current ex.rates	6,7%
Apparel including Smartglasses	€ 530	2,0%	€ 1.136	4,0%	114,2%	Growth Att. Apparel current rates	2,3%
Source: Press Release Essilor Luxottica						absolute Growth Apparel	€ 605
Revenue	€ 26.508	100,0%	€ 28.081	100,0%	5,9%		
North America	€ 11.979	45,2%	€ 12.458	44,4%	4,0%		
EMEA	€ 9.759	36,8%	€ 10.676	38,0%	9,4%		
APAC	€ 3.247	12,2%	€ 3.439	12,2%	5,9%		
LATAM	€ 1.523	5,7%	€ 1.507	5,4%	-1,0%		

	Historicals					explicit Forecast				
(in Mio €)	FY2020	FY2021	FY2022	FY2023	FY2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025e	FY 2025e
Income Statement										
Revenue from Business Activities	€ 14.429	€ 19.820	€ 24.494	€ 25.395	€ 26.508	€ 6.848	€ 7.176	€ 6.867	€ 7.190	€ 28.081
Growth yoy in %		37,4%	23,6%	3,7%	4,4%	8,1%	3,2%	6,7%	6,0%	5,9%
Q4 Revenue Contribution	28,5%	24,9%	24,9%	24,9%	25,8%	Expected Q4 Rev. Con.		25,2%		

Company Revenue Overview

(in Mio €)	2024	%	FY 2025e	%	growth*		
Revenue	€ 26.508	100,0%	€ 28.081	100,0%	5,9%	YOY Q3 Growth at fixed rates	11,7%
Optical / Med Tech	€ 19.881	75,0%	€ 20.621	73,4%	3,7%	Growth Att. Apparel fixed rates	4,0%
Sun	€ 6.097	23,0%	€ 6.324	22,5%	3,7%	Growth at current ex.rates	6,7%
Apparel including Smartglasses	€ 530	2,0%	€ 1.136	4,0%	114,2%	Growth Att. Apparel current rates	2,3%
Source: Press Release Essilor Luxottica						absolute Growth Apparel	€ 605
Revenue	€ 26.508	100,0%	€ 28.081	100,0%	5,9%		
North America	€ 11.979	45,2%	€ 12.458	44,4%	4,0%		
EMEA	€ 9.759	36,8%	€ 10.676	38,0%	9,4%		
APAC	€ 3.247	12,2%	€ 3.439	12,2%	5,9%		
LATAM	€ 1.523	5,7%	€ 1.507	5,4%	-1,0%		

Appendix M – Optical Revenue Growth Rate Estimation

Population											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	7,851.415	7,922.588	7,986.309	8,056.506	8,126.964	8,196.981	8,266.245	8,335.112	8,403.077	8,470.161	8,536.410
North America	377.287	378.182	379.302	381.661	384.144	386.446	388.611	390.647	392.625	394.604	396.498
EMEA	2,114.201	2,146.489	2,178.244	2,209.453	2,243.294	2,277.155	2,311.378	2,345.558	2,379.711	2,413.961	2,448.377
Europe	749.925	749.123	748.104	745.825	745.380	744.787	744.010	742.954	741.790	740.527	739.157
Africa	1,364.276	1,397.366	1,430.140	1,463.627	1,497.914	1,532.368	1,567.367	1,602.603	1,637.921	1,673.434	1,709.220
APAC	4,715.240	4,749.144	4,776.605	4,808.816	4,838.319	4,867.655	4,896.205	4,924.688	4,952.476	4,979.438	5,005.609
Asia	4,671.400	4,704.827	4,731.806	4,763.516	4,792.493	4,821.303	4,849.337	4,877.318	4,904.608	4,931.079	4,956.774
Oceania	43.841	44.317	44.799	45.300	45.826	46.352	46.868	47.370	47.868	48.358	48.835
LATAM	644.686	648.773	652.158	656.576	661.207	665.725	670.052	674.219	678.265	682.158	685.926

Population with vision impairment											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	2,200.000	2,277.988	2,354.822	2,434.546	2,515.380	2,597.106	2,679.614	2,763.006	2,847.101	2,931.887	3,017.361
	28,0%	28,8%	29,5%	30,2%	31,0%	31,7%	32,4%	33,1%	33,9%	34,6%	35,3%

Correction ratio											
	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
%	36,0%	37,0%	38,0%	39,0%	40,0%	41,0%	42,0%	43,0%	44,0%	45,0%	46,0%

Population with vision correction											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	792.000	842.856	894.832	949.473	1,006.152	1,064.813	1,125.438	1,188.092	1,252.724	1,319.349	1,387.986
Growth yoy in %		6,4%	6,2%	6,1%	6,0%	5,8%	5,7%	5,6%	5,4%	5,3%	5,2%

Population											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	7,851.415	7,922.588	7,986.309	8,056.506	8,126.964	8,196.981	8,266.245	8,335.112	8,403.077	8,470.161	8,536.410
North America	377.287	378.182	379.302	381.661	384.144	386.446	388.611	390.647	392.625	394.604	396.498
EMEA	2,114.201	2,146.489	2,178.244	2,209.453	2,243.294	2,277.155	2,311.378	2,345.558	2,379.711	2,413.961	2,448.377
Europe	749.925	749.123	748.104	745.825	745.380	744.787	744.010	742.954	741.790	740.527	739.157
Africa	1,364.276	1,397.366	1,430.140	1,463.627	1,497.914	1,532.368	1,567.367	1,602.603	1,637.921	1,673.434	1,709.220
APAC	4,715.240	4,749.144	4,776.605	4,808.816	4,838.319	4,867.655	4,896.205	4,924.688	4,952.476	4,979.438	5,005.609
Asia	4,671.400	4,704.827	4,731.806	4,763.516	4,792.493	4,821.303	4,849.337	4,877.318	4,904.608	4,931.079	4,956.774
Oceania	43.841	44.317	44.799	45.300	45.826	46.352	46.868	47.370	47.868	48.358	48.835
LATAM	644.686	648.773	652.158	656.576	661.207	665.725	670.052	674.219	678.265	682.158	685.926

Population with vision impairment											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	2,200.000	2,277.988	2,354.822	2,434.546	2,515.380	2,597.106	2,679.614	2,763.006	2,847.101	2,931.887	3,017.361
	28,0%	28,8%	29,5%	30,2%	31,0%	31,7%	32,4%	33,1%	33,9%	34,6%	35,3%

Correction ratio											
	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
%	36,0%	37,0%	38,0%	39,0%	40,0%	41,0%	42,0%	43,0%	44,0%	45,0%	46,0%

Population with vision correction											
(in '000)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
World	792.000	842.856	894.832	949.473	1,006.152	1,064.813	1,125.438	1,188.092	1,252.724	1,319.349	1,387.986
Growth yoy in %		6,4%	6,2%	6,1%	6,0%	5,8%	5,7%	5,6%	5,4%	5,3%	5,2%

Appendix N – Smartwatch Case Study for Revenue Growth Rate Estimation of Smartglasses

Revenue in bn USD

(in bn \$)	2017	2018	2019	2020	2021	2022	2023	2024	2025
	8,20	10,02	12,80	14,82	17,88	21,35	24,62	28,72	32,05

Average Revenue per User

(in \$)	2017	2018	2019	2020	2021	2022	2023	2024	2025
	183,75	184,77	154,63	151,83	126,88	100,32	76,00	63,17	56,95

Net users

(in Mio)	2017	2018	2019	2020	2021	2022	2023	2024	2025
	44,65	54,24	82,76	97,63	140,92	212,84	323,99	454,69	562,86

New users

(in Mio)	2017	2018	2019	2020	2021	2022	2023	2024	2025
net new Users		9,59	28,52	14,87	43,29	71,92	111,15	130,70	108,17
users lost		13,40	15,19	21,52	23,43	31,00	42,57	58,32	72,75
repeated buyer		11,16	13,56	20,69	24,41	35,23	53,21	81,00	113,67
new Users		11,82	30,15	15,70	42,31	67,69	100,51	108,02	67,25

Units sold

(in Mio)	2017	2018	2019	2020	2021	2022	2023	2024	2025
new sales units		22,99	43,71	36,39	66,72	102,92	153,72	189,02	180,92
average unit cost		\$435,94	\$292,86	\$407,28	\$267,98	\$207,44	\$160,16	\$151,94	\$177,15

CAGR Units sold 1. phase	42,7%
CAGR Units sold 2. phase	28,3%

Appendix O – Forecast Assumption Summary

	Historicals					explicit Forecast					
(in Mio €)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
Sales											
Revenues from Sales and Services	€ 14,429	€ 19,820	€ 24,494	€ 25,395	€ 26,508	€ 28,081	€ 30,023	€ 32,109	€ 34,293	€ 36,706	€ 39,398
YoY Growth		37,4%	23,6%	3,7%	4,4%	5,9%	6,9%	6,9%	6,8%	7,0%	7,3%
Cost of Sales											
COGS	41,3%	38,3%	36,4%	36,8%	36,6%	36,6%	36,6%	36,6%	36,6%	36,6%	36,6%
Operating Expenses											
Research and Development	3,8%	2,9%	2,4%	2,3%	2,4%	2,4%	2,4%	2,4%	2,4%	2,4%	2,4%
Selling	29,9%	28,8%	31,6%	31,7%	32,1%	32,1%	32,1%	32,1%	32,1%	32,1%	32,1%
Royalties	0,9%	0,9%	0,9%	1,0%	1,0%	0,9%	0,9%	0,9%	0,9%	0,9%	0,9%
Advertising and Marketing	8,0%	7,7%	7,4%	7,1%	6,9%	6,6%	6,4%	6,2%	6,0%	5,8%	5,6%
General and Administrative	12,9%	10,0%	8,6%	8,7%	8,3%	8,2%	8,1%	8,0%	7,9%	7,8%	7,7%
Other income/(expenses)	0,1%	-0,3%	-0,2%	-0,1%	-0,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Investments (CAPEX & D&A)											
Tangible Assets Net (% Revenues)	42,4%	37,6%	32,7%	34,3%	34,3%	34,3%	34,3%	34,3%	34,3%	34,3%	34,3%
PPE Gross (% Revenues)	33,0%	37,1%	40,0%	40,9%	39,3%	39,3%	39,3%	39,3%	39,3%	39,3%	39,3%
Depreciation Rate PPE		7,8%	7,2%	6,8%	7,3%	7,3%	7,3%	7,3%	7,3%	7,3%	7,3%
Right of Use Assets Gross (% Revenues)	8,8%	12,0%	11,9%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%	11,6%
Depreciation Rate Right of Use Assets		30,2%	31,1%	30,6%	30,6%	30,6%	30,6%	30,6%	30,6%	30,6%	30,6%
CAPEX (% Revenues)	4,4%	5,1%	6,3%	6,0%	5,7%	5,6%	5,4%	5,3%	5,1%	5,0%	4,8%
Intangible CAPEX (% Revenues)	51,2%	10,0%	-1,1%	11,6%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%
Intangibles Amortization (% of BOP Intangibles)	3,5%	3,1%	3,0%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%	3,1%
Investments (Working Capital)											
Derivative Financial Instruments (% Revenues)	0,3%	0,2%	0,1%	0,0%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
DSO	67,5	53,9	44,0	50,8	53,4	53,4	53,4	53,4	53,4	53,4	53,4
Days Inventory	48,8	45,0	41,6	39,5	43,4	41,5	41,5	41,5	41,5	41,5	41,5
Other Current Assets (% Revenues)	1,3%	2,5%	3,7%	3,4%	2,7%	3,3%	3,3%	3,3%	3,3%	3,3%	3,3%
DPO	72,4	68,7	55,1	54,2	56,3	56,3	56,3	56,3	56,3	56,3	56,3
Derivative Liabilities - Short-Term (% Revenues)	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
Financing (Equity, Debt & Interests)											
Equity											
Payout ratio	93,2%	28,2%	21,3%	47,9%	47,9%	47,9%	47,9%	47,9%	47,9%	47,9%	47,9%
Debt											
Short-Term Debt	8,0%	9,5%	8,2%	10,6%	12,9%	12,9%	10,6%	8,2%	9,5%	8,0%	8,0%
Long-Term Debt (% Revenues)	74,4%	56,2%	41,6%	35,3%	37,0%	35,0%	33,0%	31,0%	29,0%	27,0%	25,0%
Interests											
Effective Interest Rate	1,1%	1,2%	1,7%	2,0%	2,3%	2,6%	2,9%	2,9%	2,9%	2,9%	2,9%
Effective Interest Rate for Cash	0,5%	1,0%	3,6%	3,7%	0,8%	0,9%	1,0%	1,0%	1,0%	1,0%	1,0%
Tax											
Income Tax	52,6%	26,7%	24,8%	20,1%	24,3%	24,3%	24,3%	24,3%	24,3%	24,3%	24,3%

Appendix P – Beta Calculation

Releverage of Industry Betas

Company	5y monthly Beta	R ²	Debt-to-Equity	Tax inlev. Beta	unlevered industry beta	levered beta by business line	Revenue Share 2025
Fielmann	-0,08	0,00	100,60%	31,16%	-0,05		
Hoya Vision	1,16	0,23	3,84%	21,80%	1,13	0,86	73%
Carl Zeiss	1,36	0,20	26,94%	29,22%	1,14		
National Vision	1,66	0,15	42,87%	21,64%	1,24		
Kering	1,67	0,35	58,77%	27,47%	1,17		
LVMH	1,40	0,43	58,77%	26,66%	0,98	0,85	23%
Capri	2,24	0,25	403,23%	22,80%	0,54		
Prada	1,01	0,15	62,89%	30,35%	0,70		
Apple	1,25	0,41	133,80%	15,61%	0,59		
Xiaomi	0,36	0,01	19,03%	20,12%	0,31	0,83	4%
Garmin	1,12	0,33	0,00%	11,98%	1,12	0,95	
Samsung	1,36	0,30	4,81%	23,04%	1,31		

EssilorLuxottica i	0,98
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adjusted Beta	0,99
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Appendix Q – Output Summary

	Historicals					explicit Forecast					
(in Mio €)	FY2020	FY2021	FY2022	FY2023	FY2024	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e
Income Statement											
Revenue from Business Activities	€ 14.429	€ 19.820	€ 24.494	€ 25.395	€ 26.508	€ 28.081	€ 30.023	€ 32.109	€ 34.293	€ 36.706	€ 39.398
<i>Growth in %</i>		37,4%	23,6%	3,7%	4,4%	5,9%	6,9%	6,9%	6,8%	7,0%	7,3%
COGS	€ (5.953)	€ (7.589)	€ (8.910)	€ (9.347)	€ (9.702)	€ (10.276)	€ (10.987)	€ (11.750)	€ (12.549)	€ (13.432)	€ (14.417)
Gross Profit	€ 8.476	€ 12.231	€ 15.584	€ 16.048	€ 16.806	€ 17.805	€ 19.037	€ 20.359	€ 21.744	€ 23.273	€ 24.980
<i>as % of Revenue</i>	58,7%	61,7%	63,6%	63,2%	63,4%	63,4%	63,4%	63,4%	63,4%	63,4%	63,4%
OPEX	€ (8.004)	€ (10.033)	€ (12.548)	€ (12.909)	€ (13.468)	€ (14.119)	€ (15.000)	€ (15.940)	€ (16.915)	€ (17.988)	€ (19.182)
Research and Development	€ (544)	€ (579)	€ (600)	€ (593)	€ (630)	€ (670)	€ (717)	€ (766)	€ (819)	€ (876)	€ (940)
Selling	€ (4.320)	€ (5.700)	€ (7.741)	€ (8.041)	€ (8.518)	€ (9.023)	€ (9.648)	€ (10.318)	€ (11.020)	€ (11.795)	€ (12.660)
Royalties	€ (134)	€ (174)	€ (219)	€ (246)	€ (252)	€ (263)	€ (282)	€ (301)	€ (322)	€ (344)	€ (369)
Advertising and Marketing	€ (1.149)	€ (1.534)	€ (1.811)	€ (1.799)	€ (1.820)	€ (1.867)	€ (1.930)	€ (1.994)	€ (2.055)	€ (2.120)	€ (2.189)
General and Administrative	€ (1.867)	€ (1.982)	€ (2.116)	€ (2.211)	€ (2.193)	€ (2.295)	€ (2.424)	€ (2.560)	€ (2.700)	€ (2.853)	€ (3.023)
Other income/(expenses)	€ 10	€ (64)	€ (61)	€ (19)	€ (55)	€ -	€ -	€ -	€ -	€ -	€ -
EBITDA	€ 2.614	€ 4.643	€ 5.957	€ 6.086	€ 6.387	€ 6.966	€ 7.268	€ 7.758	€ 8.283	€ 8.871	€ 9.535
<i>as % of Revenue</i>	18,1%	23,4%	24,3%	24,0%	24,1%	24,8%	24,2%	24,2%	24,2%	24,2%	24,2%
Depreciation	€ 1.119	€ 1.317	€ 1.619	€ 1.643	€ 1.749	€ 1.944	€ 1.924	€ 2.057	€ 2.197	€ 2.352	€ 2.524
Amortization	€ 1.023	€ 1.128	€ 1.302	€ 1.304	€ 1.300	€ 1.336	€ 1.308	€ 1.281	€ 1.257	€ 1.233	€ 1.212
EBIT	€ 472	€ 2.198	€ 3.036	€ 3.139	€ 3.338	€ 3.686	€ 4.037	€ 4.419	€ 4.829	€ 5.285	€ 5.798
<i>as % of Revenue</i>	3,3%	11,1%	12,4%	12,4%	12,6%	13,1%	13,4%	13,8%	14,1%	14,4%	14,7%
Interest Expense	€ (141)	€ (141)	€ (156)	€ (198)	€ (253)	€ (309)	€ (345)	€ (370)	€ (371)	€ (375)	€ (372)
Interest Income	€ 22	€ 30	€ 25	€ 82	€ 89	€ 25	€ 42	€ 56	€ 71	€ 87	€ 102
Other financial income/(expenses)	€ (22)	€ (19)	€ -	€ (24)	€ 5	€ -	€ -	€ -	€ -	€ -	€ -
Share of profit (loss) of associates	€ 1	€ 3	€ 6	€ (1)	€ 3	€ -	€ -	€ -	€ -	€ -	€ -
EBT	€ 332	€ 2.071	€ 2.911	€ 2.998	€ 3.182	€ 3.402	€ 3.733	€ 4.105	€ 4.529	€ 4.998	€ 5.528
<i>as % of Revenue</i>	2,3%	10,4%	11,9%	11,8%	12,0%	12,1%	12,4%	12,8%	13,2%	13,6%	14,0%
Taxes on income and earnings	€ 164	€ 587	€ 751	€ 609	€ 800	€ 827	€ 907	€ 998	€ 1.101	€ 1.215	€ 1.343
Effective Tax Rate	49%	28%	26%	20%	25%	24%	24%	24%	24%	24%	24%
Net Profit	€ 168	€ 1.484	€ 2.160	€ 2.389	€ 2.382	€ 2.576	€ 2.826	€ 3.108	€ 3.428	€ 3.783	€ 4.184
<i>as % of Revenue</i>	1,2%	7,5%	8,8%	9,4%	9,0%	9,2%	9,4%	9,7%	10,0%	10,3%	10,6%
Balance Sheet											
Current Assets											
Cash & Cash Equivalents	€ 8.883	€ 3.293	€ 1.960	€ 2.558	€ 2.251	€ 4.246	€ 5.359	€ 6.331	€ 8.475	€ 9.720	€ 11.468
Derivative Financial Instruments - Short Term	€ 43	€ 42	€ 29	€ 12	€ 36	€ 28	€ 30	€ 32	€ 34	€ 37	€ 40
Loans & Receivables - Short Term	€ 2.670	€ 2.929	€ 2.956	€ 3.531	€ 3.880	€ 4.110	€ 4.395	€ 4.700	€ 5.020	€ 5.373	€ 5.767
Inventories	€ 1.950	€ 2.445	€ 2.789	€ 2.750	€ 3.152	€ 3.192	€ 3.413	€ 3.650	€ 3.899	€ 4.173	€ 4.479
Other Current Assets	€ 194	€ 489	€ 907	€ 876	€ 717	€ 635	€ 635	€ 635	€ 635	€ 635	€ 635
Total Current Assets	€ 13.720	€ 9.198	€ 8.641	€ 9.721	€ 10.036	€ 12.212	€ 13.832	€ 15.349	€ 18.063	€ 19.938	€ 22.388
Non - Current Assets											
Investments Longterm	€ 112	€ 276	€ 308	€ 364	€ 603	€ 603	€ 603	€ 603	€ 603	€ 603	€ 603
Investments in Associates & Joint Ventures	€ 17	€ 91	€ 83	€ 81	€ 822	€ 822	€ 822	€ 822	€ 822	€ 822	€ 822
Loans & Receivables - Long Term	€ -	€ 46	€ 71	€ 75	€ 194	€ 194	€ 194	€ 194	€ 194	€ 194	€ 194
PPE	€ 5.101	€ 7.141	€ 7.757	€ 8.251	€ 9.173	€ 9.633	€ 10.300	€ 11.015	€ 11.765	€ 12.592	€ 13.516
Other Non - Current Assets	€ 679	€ 975	€ 845	€ 752	€ 393	€ 729	€ 729	€ 729	€ 729	€ 729	€ 729
Intangible Assets	€ 32.689	€ 41.701	€ 42.856	€ 41.279	€ 43.043	€ 42.128	€ 41.270	€ 40.471	€ 39.728	€ 39.046	€ 38.424
Total Non - Current Assets	€ 38.598	€ 50.230	€ 51.920	€ 50.802	€ 54.228	€ 54.109	€ 53.918	€ 53.834	€ 53.841	€ 53.986	€ 54.288
Total Assets	€ 52.318	€ 59.428	€ 60.561	€ 60.523	€ 64.264	€ 66.321	€ 67.750	€ 69.182	€ 71.903	€ 73.924	€ 76.676
Current Liabilities											
Accounts Payable & Accruals	€ 2.864	€ 3.732	€ 3.698	€ 3.771	€ 4.089	€ 4.332	€ 4.631	€ 4.953	€ 5.290	€ 5.662	€ 6.077
Short-Term Debt & Current Portion of Long-Term Debt	€ 1.160	€ 1.873	€ 2.010	€ 2.699	€ 3.412	€ 3.614	€ 3.191	€ 2.635	€ 3.241	€ 2.951	€ 3.167
Derivative Liabilities - Short-Term	€ 14	€ 16	€ 36	€ 27	€ 21	€ 29	€ 31	€ 33	€ 35	€ 37	€ 40
Income Taxes - Payable - Short-Term	€ 530	€ 805	€ 711	€ 561	€ 537	€ 549	€ 549	€ 549	€ 549	€ 549	€ 549
Other Current Liabilities	€ 1.603	€ 2.493	€ 2.433	€ 2.683	€ 2.496	€ 2.537	€ 2.537	€ 2.537	€ 2.537	€ 2.537	€ 2.537
Total Current Liabilities	€ 6.171	€ 8.919	€ 8.888	€ 9.741	€ 10.555	€ 11.061	€ 10.939	€ 10.707	€ 11.652	€ 11.737	€ 12.371
Non - Current Liabilities											
Accounts Payable & Accruals	€ 11	€ 30	€ 26	€ 15	€ 57	€ 57	€ 57	€ 57	€ 57	€ 57	€ 57
Longterm Debt	€ 10.735	€ 11.143	€ 10.194	€ 8.958	€ 9.804	€ 9.824	€ 9.903	€ 9.949	€ 9.940	€ 9.905	€ 9.844
Deferred Tax - Liability - Long-Term	€ 1.887	€ 2.454	€ 2.377	€ 2.145	€ 2.043	€ 2.043	€ 2.043	€ 2.043	€ 2.043	€ 2.043	€ 2.043
Provisions	€ 654	€ 759	€ 733	€ 665	€ 669	€ 696	€ 696	€ 696	€ 696	€ 696	€ 696
Other Non - Current Liabilities	€ 62	€ 126	€ 196	€ 108	€ 135	€ 125	€ 125	€ 125	€ 125	€ 125	€ 125
Total Non - Current Liabilities	€ 13.349	€ 14.512	€ 13.526	€ 11.891	€ 12.708	€ 12.745	€ 12.825	€ 12.870	€ 12.861	€ 12.826	€ 12.765
Total Liabilities	€ 19.520	€ 23.431	€ 22.414	€ 21.632	€ 23.263	€ 23.806	€ 23.764	€ 23.577	€ 24.513	€ 24.563	€ 25.136
Equity											
Common Equity	€ 22.091	€ 22.461	€ 23.147	€ 22.964	€ 23.621	€ 23.621	€ 23.621	€ 23.621	€ 23.621	€ 23.621	€ 23.621
Capital reserves / Accumulated Comprehensive Income	€ (1.576)	€ 246	€ 1.230	€ 212	€ 1.173	€ 1.173	€ 1.173	€ 1.173	€ 1.173	€ 1.173	€ 1.173
Retained earnings	€ 11.955	€ 12.711	€ 13.438	€ 15.376	€ 15.755	€ 17.096	€ 18.568	€ 20.187	€ 21.972	€ 23.943	€ 26.122
Other reserves	€ (1)	€ (1)	€ -	€ (2)	€ (2)	€ (2)	€ (2)	€ (2)	€ (2)	€ (2)	€ (2)
Minority Interest	€ 530	€ 811	€ 692	€ 653	€ 626	€ 626	€ 626	€ 626	€ 626	€ 626	€ 626
Total Equity	€ 32.798	€ 35.997	€ 38.147	€ 38.891	€ 41.001	€ 42.514	€ 43.986	€ 45.605	€ 47.390	€ 49.361	€ 51.540
Total Liabilities & Equity	€ 52.318	€ 59.428	€ 60.561	€ 60.523	€ 64.264	€ 66.321	€ 67.750	€ 69.182	€ 71.903	€ 73.924	€ 76.676
<i>Check</i>	true	true	true	true	true	true	true	true	true	true	true
Cashflows											
+ EBIT	€ 472	€ 2.198	€ 3.036	€ 3.139	€ 3.338	€ 3.686	€ 4.037	€ 4.419	€ 4.829	€ 5.285	€ 5.798
- Taxes	€ 164	€ 587	€ 751	€ 609	€ 800	€ 827	€ 907	€ 998	€ 1.101	€ 1.215	€ 1.343
+ Depreciation	€ 1.119	€ 1.317	€ 1.619	€ 1.643	€ 1.749	€ 1.944	€ 1.924	€ 2.057	€ 2.197	€ 2.352	€ 2.524
+ Amortization	€ 1.023	€ 1.128	€ 1.302	€ 1.304	€ 1.300	€ 1.336	€ 1.308	€ 1.281	€ 1.257	€ 1.233	€ 1.212
+/- Change in Noncash WC		€ (967)	€ 944	€ 318	€ 521	€ (122)	€ 206	€ 221	€ 231	€ 255	€ 285
- CAPEX in Tangible Assets	€ 642	€ 1.014	€ 1.555	€ 1.520	€ 1.512	€ 1.560	€ 1.622	€ 1.687	€ 1.750	€ 1.818	€ 1.893
- CAPEX in Intangible Assets		€ 10.140	€ 2.457	€ (273)	€ 3.064	€ 421	€ 450	€ 482	€ 514	€ 551	€ 591
FCFO	€ (8.065)	€ 2.138	€ 4.548	€ 1.532	€ 4.036	€ 4.494	€ 4.812	€ 5.148	€ 5.542	€ 5.993	
<i>growth in %</i>				112,7%	-66,3%	163,4%	11,3%	7,1%	7,0%	7,7%	8,1%

Appendix R – FCFF and Equity Bridge

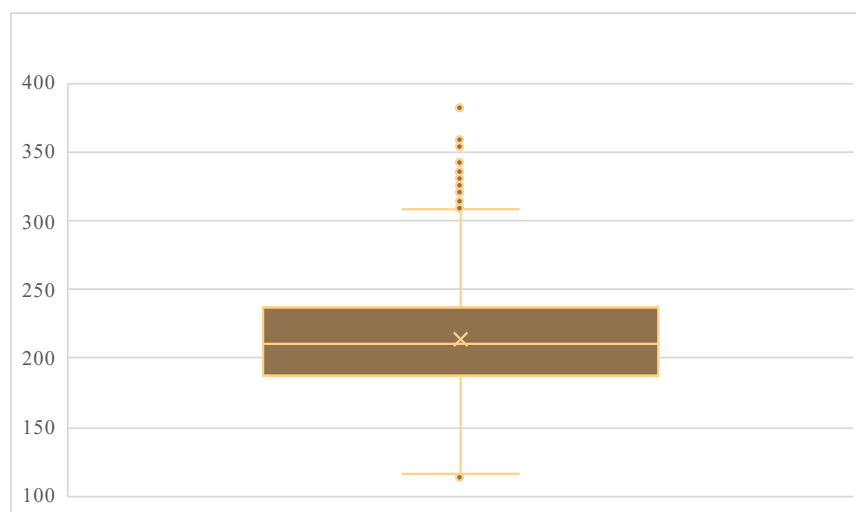
	explicit Forecast							
			0,5		1,5		2,5	
	FY 2025e	FY 2026e	FY 2027e	FY 2028e	FY 2029e	FY 2030e		
FCFF	€ 4.036	€ 4.494	€ 4.812	€ 5.148	€ 5.542	€ 5.993		
Discount Rate			1,0	0,9	0,8	0,8		
Discounted FCFF			€ 4.631	€ 4.589	€ 4.576	€ 4.583		

Valuation Summary	
Valuation Date	31.12.26
Sum of discounted Cash Flows	18.378,8
Phase 2 discounted Cash Flows	21.130,1
Terminal Value	68.359,6
Enterprise Value	107.868,4
Cash	5.358,8
Non Operating Assets	822,0
Value Financial Debt	13.094,2
Minority Interest	626,0
Equity Value	100.329,1
Total # of shares in Mio	461,2
Implied Share Price	217,6 €

Appendix S – Monte Carlo Simulation

Share Price Descriptive Statistics

Mean	213,4
Std. Dev.	35,8
Min	113,7
Max	382,0
1st percentile	141,4
25th percentile	187,9
50th percentile	210,4
75th percentile	236,3
99th percentile	309,5
ex. Kurtosis	0,17
Skewness	0,45
IQR	48,4
Whisker Up	286,1
Whisker Low	115,2



Appendix T – Multiple Valuation

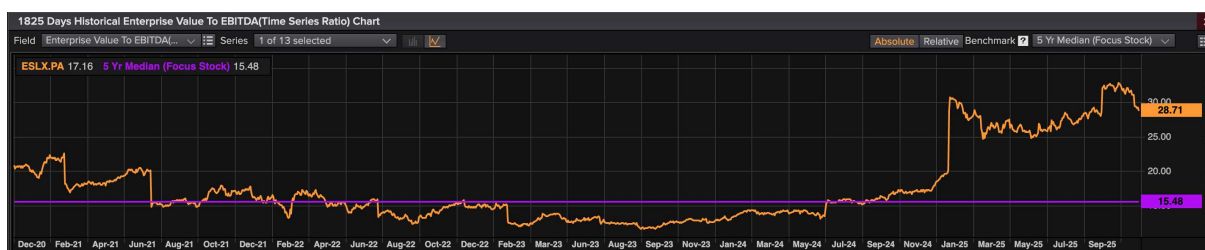
	EV/Sales	EV/EBITDA	EV/EBIT
Company	2026E	2026E	2026E
Fielmann Group AG	1,6	6,7	11,3
Hoya Corp	6,0	16,7	
Carl Zeiss Meditec AG	1,9	10,9	16,4
National Vision Holdings	0,6	5,9	12,1
Average	2,5	10,1	13,2
Median	1,7	8,8	12,1
Weight	73,4%		

	EV/Sales	EV/EBITDA	EV/EBIT
Company	2026E	2026E	2026E
Burberry Group PLC	1,6	7,3	26,5
LVMH Moët Hennessy L	3,8	13,3	
Compagnie Financière Ric	7,0	25,8	34,1
Prada SpA	3,2	8,7	13,7
Average	3,9	13,8	24,8
Median	3,5	11,0	26,5
Weight	22,5%		

	EV/Sales	EV/EBITDA	EV/EBIT
Company	2026E	2026E	2026E
Apple Inc	8,5	24,4	26,6
Xiaomi Corp	1,5	14,4	
Garmin Ltd	5,3	18,8	20,9
Samsung Electronics Co L	0,8	3,2	6,9
Average	4,0	15,2	18,1
Median	3,4	16,6	20,9
Weight	4,0%		

	Sales	EBITDA	EBIT
	2026E	2026E	2026E
EssilorLuxottica	30.168	7.682	4.973
Multiple	2,2	9,6	15,7
Implied EV	65.879	73.715	77.985
Debt	11.657	11.657	11.657
Cash	2251	2.251	2.251
Minority Interest	626	626	626
Implied Share price	121,10 €	138,10 €	147,35 €

Appendix U – Historical EV/EBITDA



Appendix V – Historical Consensus and Target Prices

