

SHAMIR OPTICAL INDUSTRY LTD.

JANUARY 2017



SHAMIR





MARKET OVERVIEW

Eye Correction Needs &
the Ophthalmic Market



SHAMIR

An Innovative Leader in the
Ophthalmic Lens market



SHAMIR

Technologies



SHAMIR

Products



SHAMIR

Financials

THE OPHTHALMIC MARKET

HIGH POTENTIAL AND LOW PENETRATION

4.3 BILLION
PEOPLE NEARLY

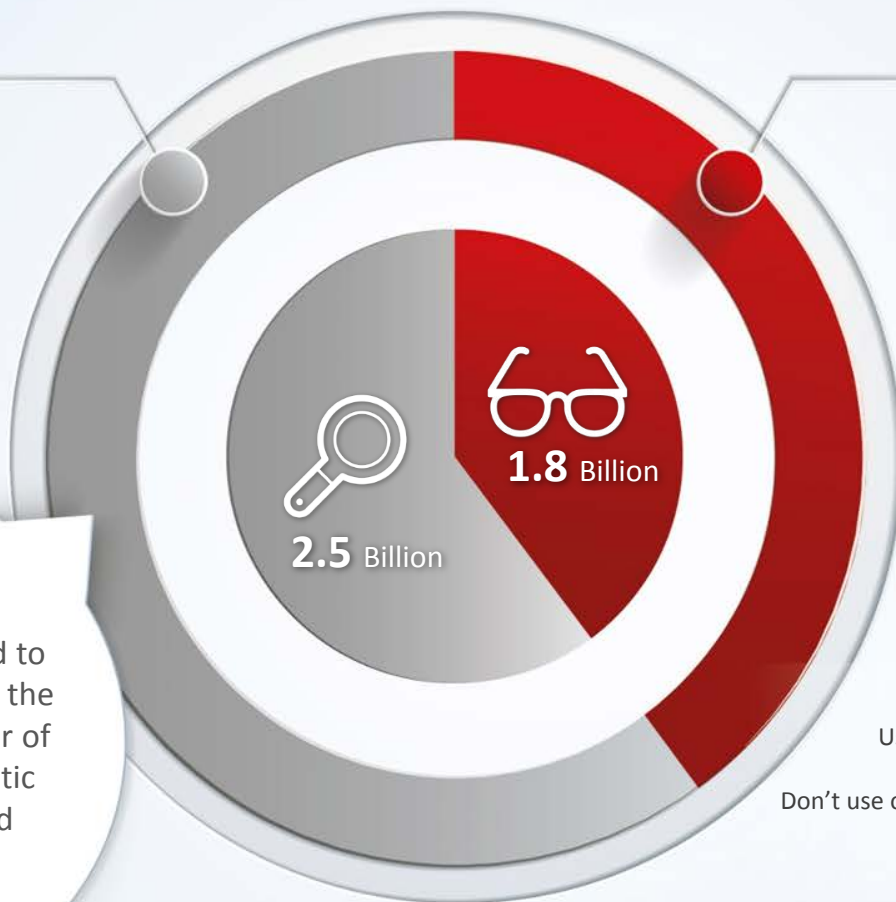
60%

of the world population
need eye correction


ONLY


42%

of those who need eye
correction currently use
optical solutions



By 2030, the world population is expected to grow by some 15%. At the same time, the number of people purchasing optic solutions is expected to grow by 60%.

Use optical solutions 

Don't use optical solutions 



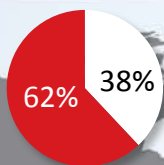
SHAMIR

THE OPHTHALMIC MARKET

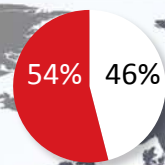
HIGH POTENTIAL AND LOW PENETRATION

VISION CORRECTION
BY REGION 2015

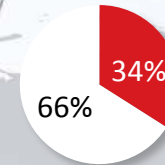
NORTH AMERICA
Population 349M



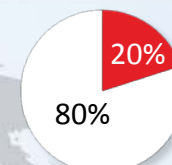
WESTERN EUROPE
Population 478M



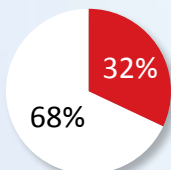
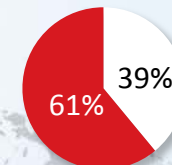
EASTERN EUROPE
Population 399M



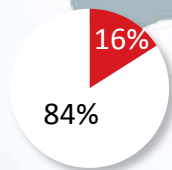
ASIA
Population 3,148M



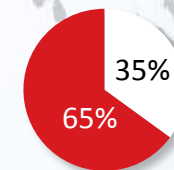
JAPAN
Population 127M





LATIN AMERICA
Population 553M



**MIDDLE EAST-
AFRICA**
Population 1,187M



AUSTRALIA
Population 23M

Correct their vision 
Don't Correct their vision 

THE OPHTHALMIC MARKET OPTICAL SOLUTIONS

OPHTHALMIC LENSES

Increase of 3%



75%

READING GLASSES

Increase of 4%



11%

CONTACT LENSES*

Increase of 7%



10%

SURGICAL OPERATIONS

Increase of 6%



4%

Eye surgeries and contact lenses do not cure nor sufficiently treat Presbyopia

*including solutions

OPHTHALMIC LENS MARKET SEGMENTS



SINGLE VISION

One optical power per lens



BIFOCAL

Two optical powers per lens



PROGRESSIVE

Seamless gradients of optical powers from distant to near vision



INOTIME

Allows you to provide same-day service, with as little as 3 hours from order to delivery!



SUN RX

- Design & framing of special convex lenses
- Ability of establishing framing centers based on database



SAFETY

Creating perfect eye protection solutions by combining cutting-edge lens and frame technologies

DEMAND IN THE VISUAL OPHTHALMIC MARKET

SUMMARY

4.3 Billion people require visual correction

1.8 Billion

of them utilize some sort of optical solution

1 Billion

Ophthalmic lenses are sold annually
The ophthalmic lens market represents 50% of the optical solution market with a value of \$13 billion

150 million

of all lenses sold are progressive
Progressive lenses account for nearly 60% of the market value



SHAMIR

OPHTHALMIC LENS MARKET

PURCHASE CHANNELS: ECP MORE THAN 82% OF LENS PURCHASES



8% ONLINE / SHOP IN SHOP

ECP



Eye Test



Choose Frame

Constitutes more than **82%** of lens purchases

10% PHARMACY



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SHAMIR OPTICAL INDUSTRY LTD.

AT A GLANCE



Developer and owner of high end **proprietary** optical solution technologies



29 Marketing activities (in 23 countries) and **19** Optical labs



Leading manufacturer of high quality progressive and single vision lenses and molds, with manufacturing labs around the world



Approximately 2,250 employees worldwide

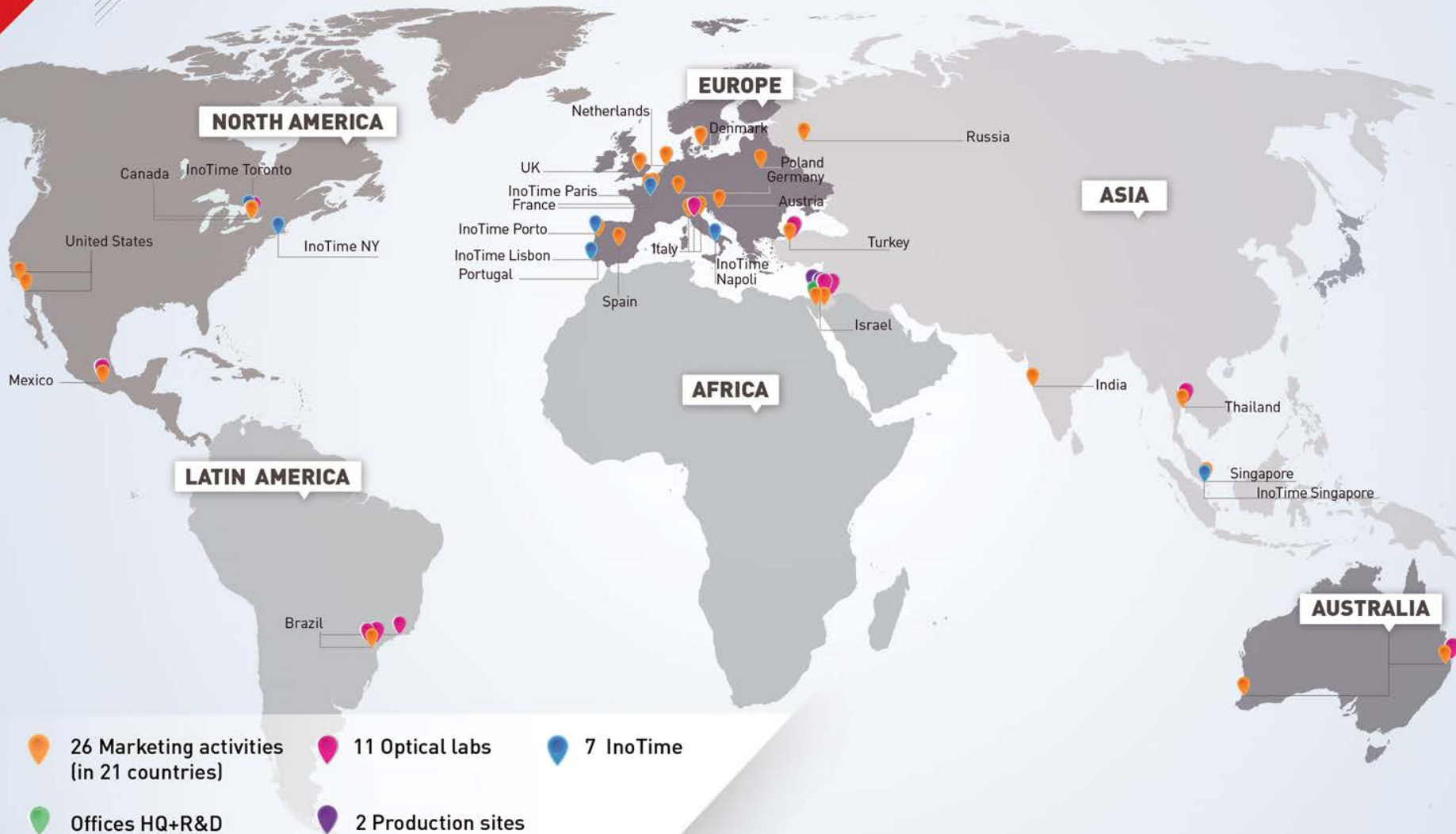


2015 sales of more than \$226 million, mainly in Europe and the USA

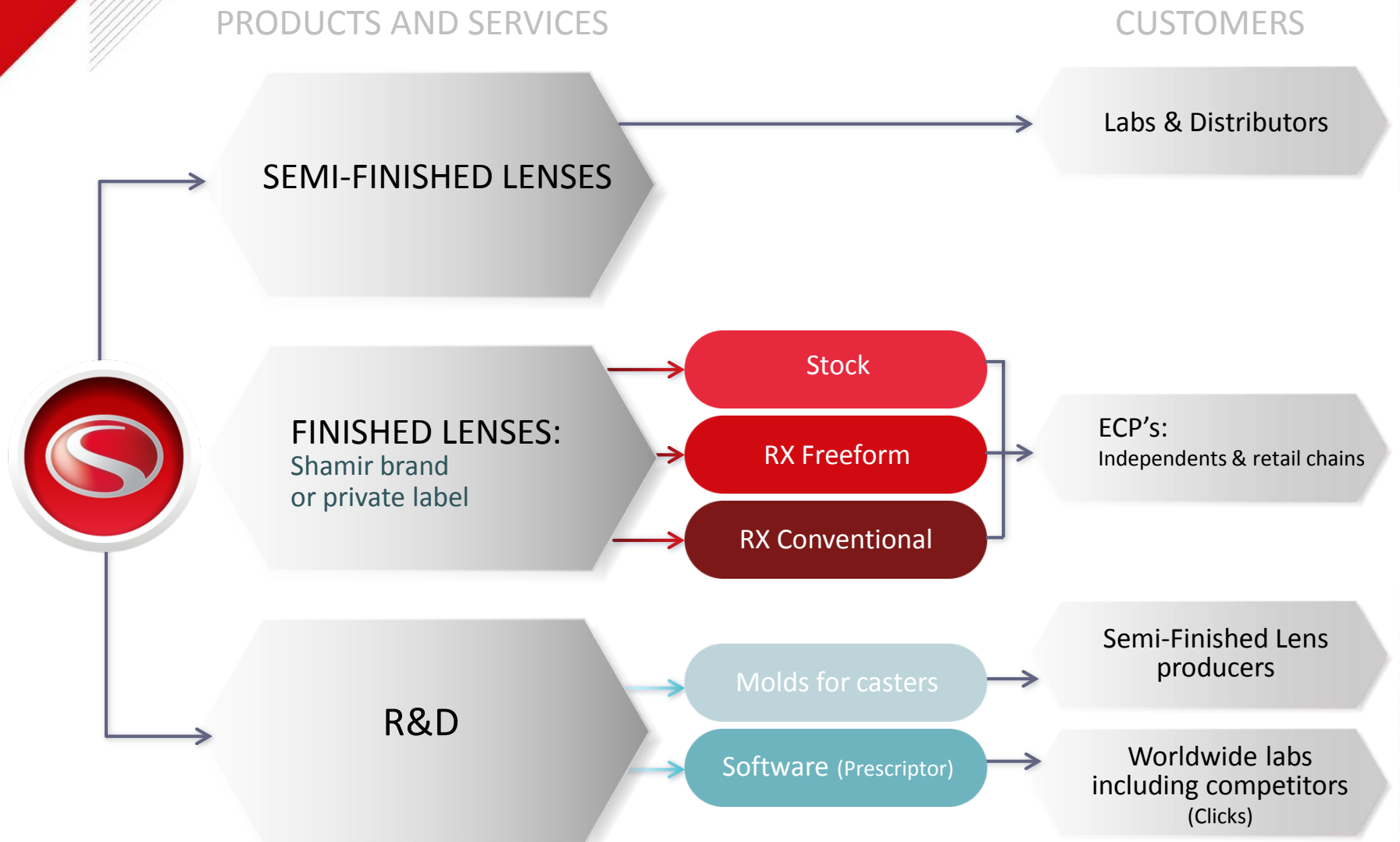


Since 2011, **jointly owned by Kibbutz Shamir and Essilor**

WORLD DEPLOYMENT



SHAMIR PRODUCTS AND CUSTOMERS



SHAMIR'S PLACE IN THE VALUE CHAIN

01 Raw materials



Procure

02 Technology & Software



- Development of high end proprietary technologies
- Eye-Point Technology® III
- Direct Lens Technology®
- FreeFrame Technology™
- As-Worn Technology™

03 Production



- Full ownership of production chain
- Freeform
- Finished lenses
- Semi-finished blanks - Plastic & Mineral
- Mineral molds

04 Distribution & Marketing



- Sell directly to optical shop & labs
- Operating local service centers offering technical and customer service

05 Retailer



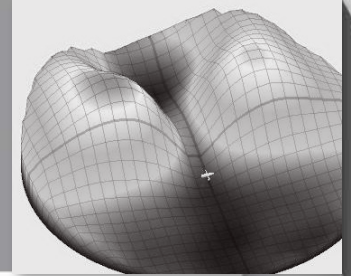
- Servicing and supporting independent optical shops
- Wide range of optical solutions
- Education
- Supplying
- innovative marketing tools to assist ECP's in the selling process

SHAMIR'S COMPETITIVE EDGE



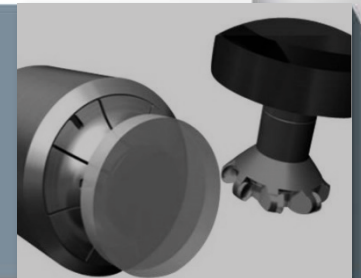
TOP OF THE LINE OPTICAL DESIGNS

- High dedication To R&D that leads to
- Breakthrough technologies
- World leader in sports and occupational lenses



FREEFORM EXPERTISE

- FF pioneer with over a decade of experience
- Unique technologies that grant differentiation



STRONG PARTNERSHIP WITH ECP'S

- Strongly service oriented
- On-going marketing support and supply of marketing tools
- One-stop-shop for lenses
- Providing ECPs with the most advance measuring tools



SHAMIR TIMELINE 1972-1987:

DEVELOPING OUR COMPETITIVE EDGE



Shamir Optical Industry is established as a manufacturer of glass bifocal lenses

1972

1979



Accelerated development of progressive lenses is initiated



Shamir's brand of progressive lenses is launched

1984

1987



Begin marketing services to other lens manufacturers, and launch 1st set of molds for progressive lens casting

SHAMIR TIMELINE 1988-2001:


DEVELOPING OUR COMPETITIVE EDGE

1988


1992

1999


2001




First subsidiary is established, Shamir USA



Shamir Insight, Inc. is established as the US distribution center



Development and launch of first generation groundbreaking Eye-Point Technology®



Through its partnership with Eyal Optical Industry, Shamir becomes a manufacturer of advanced, high quality plastic lenses

SHAMIR TIMELINE 2002-2011: DEVELOPING OUR COMPETITIVE EDGE



Shamir takes ownership of **Rx lab in Portugal** following partnership with Altra Optic GmbH

2002

2005



Shamir goes public with an IPO on the **NASDAQ** global market and the Tel Aviv Stock Exchange



Focusing on sales and marketing of **Rx products**, Shamir constantly expands its partnership with labs and distribution centers while focusing on providing professional services to optical shops worldwide

2010

2011



Shamir merges with Essilor

Shamir becomes a private company and Essilor becomes a 50% shareholder

SHAMIR TIMELINE 2013-2015: DEVELOPING OUR COMPETITIVE EDGE

Further advancing its Eye-Point Technology with innovative reverse engineering, **Shamir launches Eye-Point Technology® III**

With **Eye-Point Technology® III**: Similar viewing fields for hyperopic and myopic patients



Establishing InoTime™

A Revolutionary new service with Advanced technology that Guarantee high speed delivery and premium quality

2013



2014

2015



Safety Eyewear

Penetrating the safety eyewear market, providing complete eye protection solutions for work and sport environments



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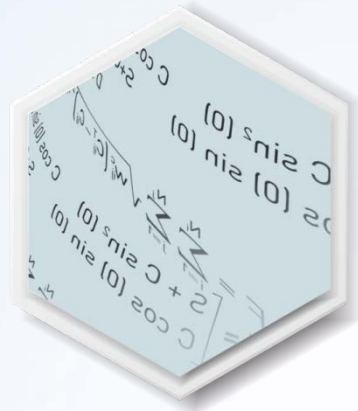
SHAMIR
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SHAMIR CUTTING EDGE TECHNOLOGIES



EYE-POINT TECHNOLOGY® III

Shamir's Eye-Point Technology III is now able to simulate real world images and support the design of lenses that provide an improved viewing experience for all patients regardless of lens power and frame choice



LEADING OPTICAL OPTIMIZATION TECHNOLOGY

Based on the multi-dimensional analysis of the Eye-Point Technology, this software enables maximum optimization of the lens design



AS-WORN QUADRO™

Ensures that the patient's experience of the prescription once the lens is fit into the frame, is exactly the same as when originally measured by the optometrist, giving the patient the same viewing comfort and visual acuity



NATURAL POSTURE™

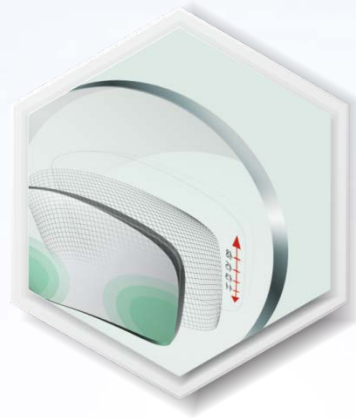
The near viewing zone in Shamir Autograph III is dynamically located within the lens corridor, taking into account the positive or negative power of the prescription

SHAMIR CUTTING EDGE TECHNOLOGIES



INTELLICORRIDOR™

Allows Shamir's designers to control the power profile of the lens, giving variable emphasis to the power for every given point on the lens



FREEFRAME TECHNOLOGY™

A groundbreaking design tool that automatically adapts the lens design to the frame size and shape



DIRECT LENS TECHNOLOGY®

A total lens processing package including software, hardware and production, that yields the most personalized progressive lens



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SHAMIR'S RANGE OF LENSES



LIFE IMPROVEMENT LENSES



PERFORMANCE LENSES



OCCUPATIONAL LENSES



FF BIFOCAL LENSES



SINGLE VISION LENSES

	LIFE IMPROVEMENT LENSES	PERFORMANCE LENSES	OCCUPATIONAL LENSES	FF BIFOCAL LENSES	SINGLE VISION LENSES
VERY BEST	Shamir Autograph III®	Shamir Attitude III™ Sport & Fashion			Shamir SV III As Worn™ Shamir Attitude III™ SV
BEST	Shamir Autograph InTouch™ As Worn				
GOOD	Shamir Autograph InTouch™ Shamir Urban™ Shamir Spectrum+™	Shamir Golf™ Shamir Ski™ Shamir Run™	Shamir Computer & WorkSpace™ Shamir Smart Office™ Shamir Relax™	Shamir Duo™	
ENTREE	Shamir FirstPAL™				

01



LIFE IMPROVEMENT LENSES

VERY BEST

Shamir Autograph III™

BEST

Shamir Autograph InTouch™ As Worn

GOOD

Shamir Autograph InTouch™

Shamir Urban™

Shamir Spectrum+™

ENTREE

Shamir FirstPAL™



02



PERFORMANCE LENSES

VERY BEST

Shamir Attitude III™ Sport & Fashion

GOOD

Shamir Golf™

Shamir Ski™

Shamir Run™



03



OCCUPATIONAL LENSES

GOOD

Shamir Computer & WorkSpace™

Shamir Smart Office™

Shamir Relax™



04



FF BIFOCAL LENSES

GOOD

Shamir Duo™



05



SINGLE VISION LENSES

VERY BEST

Shamir SV III As Worn™

Shamir Attitude III™ SV



SPECIAL MATERIALS

SHAMIR BLUE ZERO™

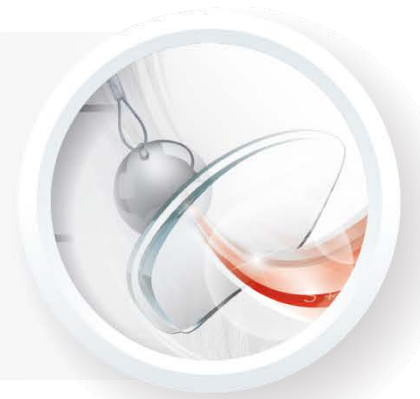
Shamir has developed an SFSV lens with built-in protection from the potential harm of artificial light, which is increasingly present in everyday life. Blue Zero absorbs HEV, or blue light, while maintaining lens clarity. SHAMIR Blue Zero is today's best way to protect your patients' visual and general health.



SHAMIR DLC™

(Trivex)

Lenses made with Trivex® material provide the complete package of precision optics:
Ultra-lightweight comfort, strength and protection



SPECIAL MATERIALS

Transitions®

Transitions lenses are photochromic lenses which activate and darken when exposed to UV rays. The molecules constantly recalibrate so the optimal amount of light reaches your eyes whether you are in bright sunlight, under cloud cover or indoors.



Transitions® DRIVEWEAR®

Designed to maximize the eye's natural abilities in each of the different light conditions encountered both outdoors in direct light and behind the windshield of a car.



SPECIAL COATINGS

SHAMIR GLACIER PLUS™ UV

The optimal lens coating that won't wear off or scratch now with:

- UV protection
- Improved anti-reflection
- Super Hydrophobic
- Enhanced Anti-Static
- Durable



SHAMIR GLACIER™ ACHROMATIC UV

Offers all the benefits of an advanced lens coating

- UV protection
- Improved anti-reflection
- Super Hydrophobic
- Enhanced Anti-Static
- Durable



SPECIAL COATINGS

SHAMIR GLACIER BLUE SHIELD™ UV

New lens coating that leaves the lens clear

- Minimizes the proportion of HEV light reaching the retina
- Provides effective protection, preserving visual health
- Offers a clear lens for comfortable vision in any environment
- Reduces eye strain
- Improved anti-reflective properties of rear lens surface for comprehensive UV protection
- Suitable for any wearer: children, adults, ametropes or emmetropes



SHAMIR GLACIER SUN™ UV

Achromatic coating specially designed for sunwear

- Maintains color does not change lens tint and protects color from fading
- Extra UV protection absorbs dangerous reflected radiation, minimizes glare
- Scratch resistant protects against damage in day-to-day use
- Easy clean water, stain, grease and fingerprint resistant, and anti-static dust repellent





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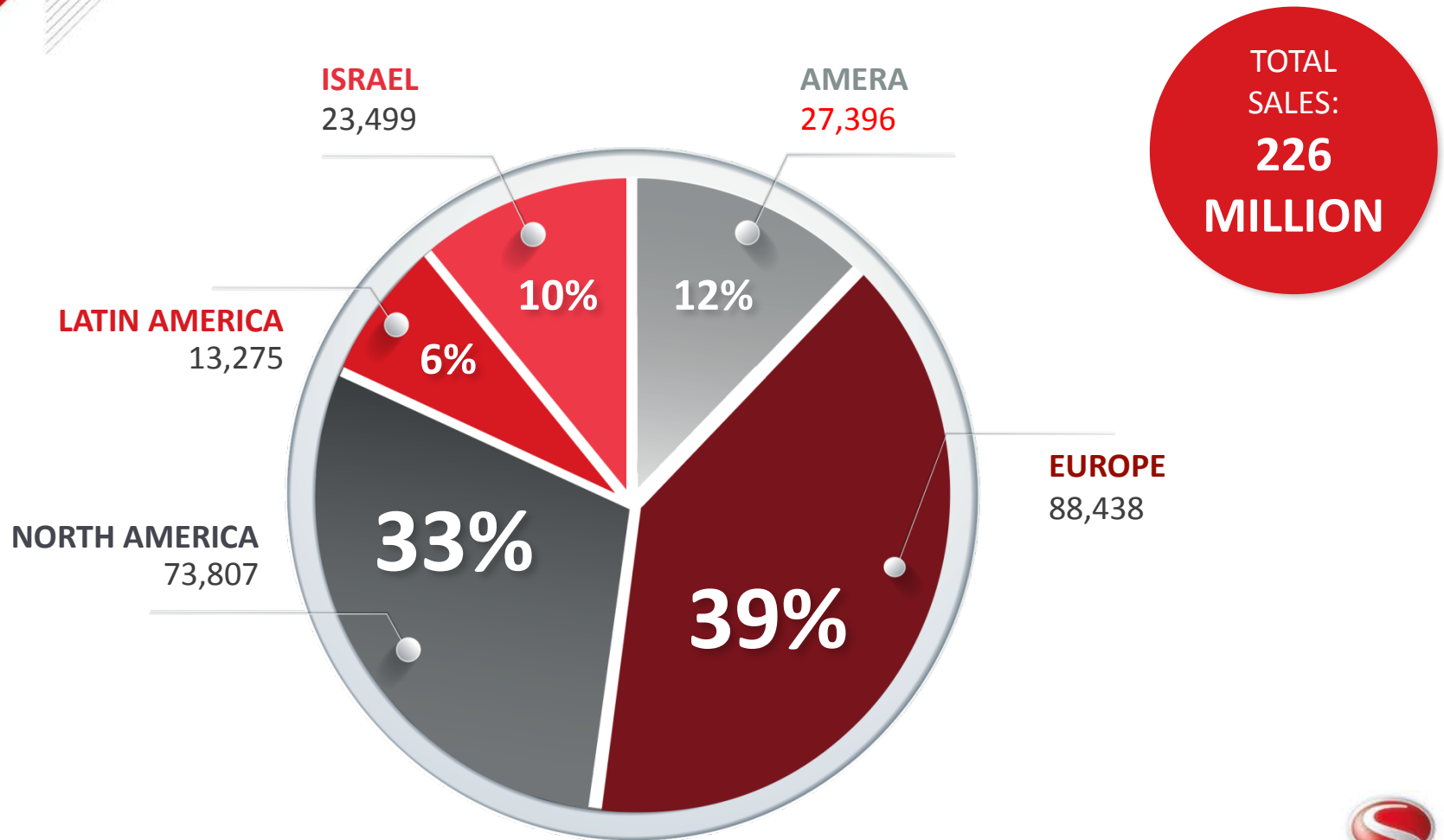


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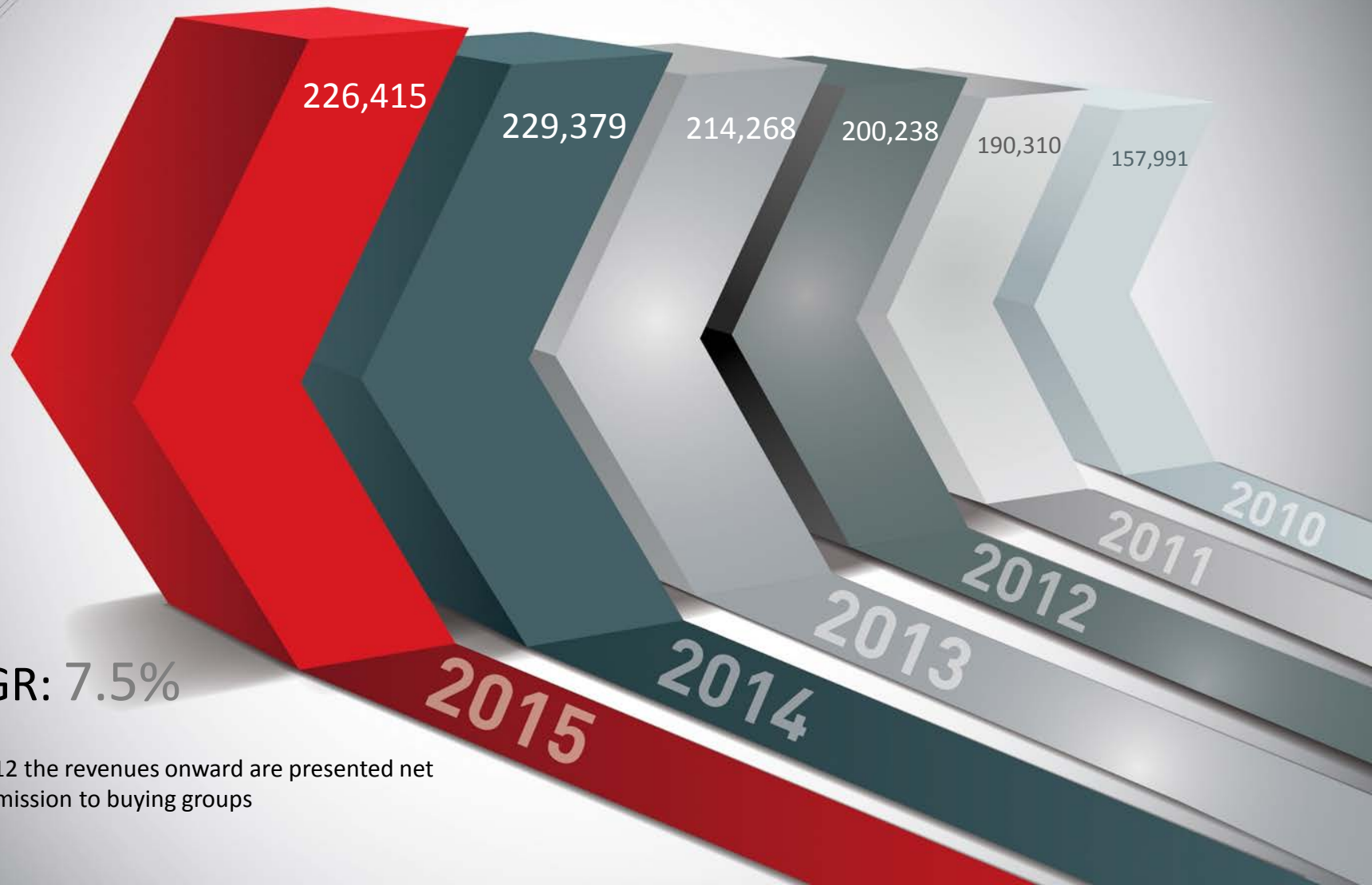
Financials

SALES BY REGION 2015

USD (IN THOUSANDS)



SHAMIR SALES: 2010-2015 (THOUSAND \$)



CAGR: 7.5%

* In 2012 the revenues onward are presented net of commission to buying groups

Shamir Optical: Strategic
Message

A LEADING
INNOVATIVE
BRAND, SERVING
AND PRODUCING
FOR ECPS
WORLDWIDE





SHAMIR

THANK YOU