

Member Insights Market Research

Optical Industry Market Update & COVID-19 Research Updates



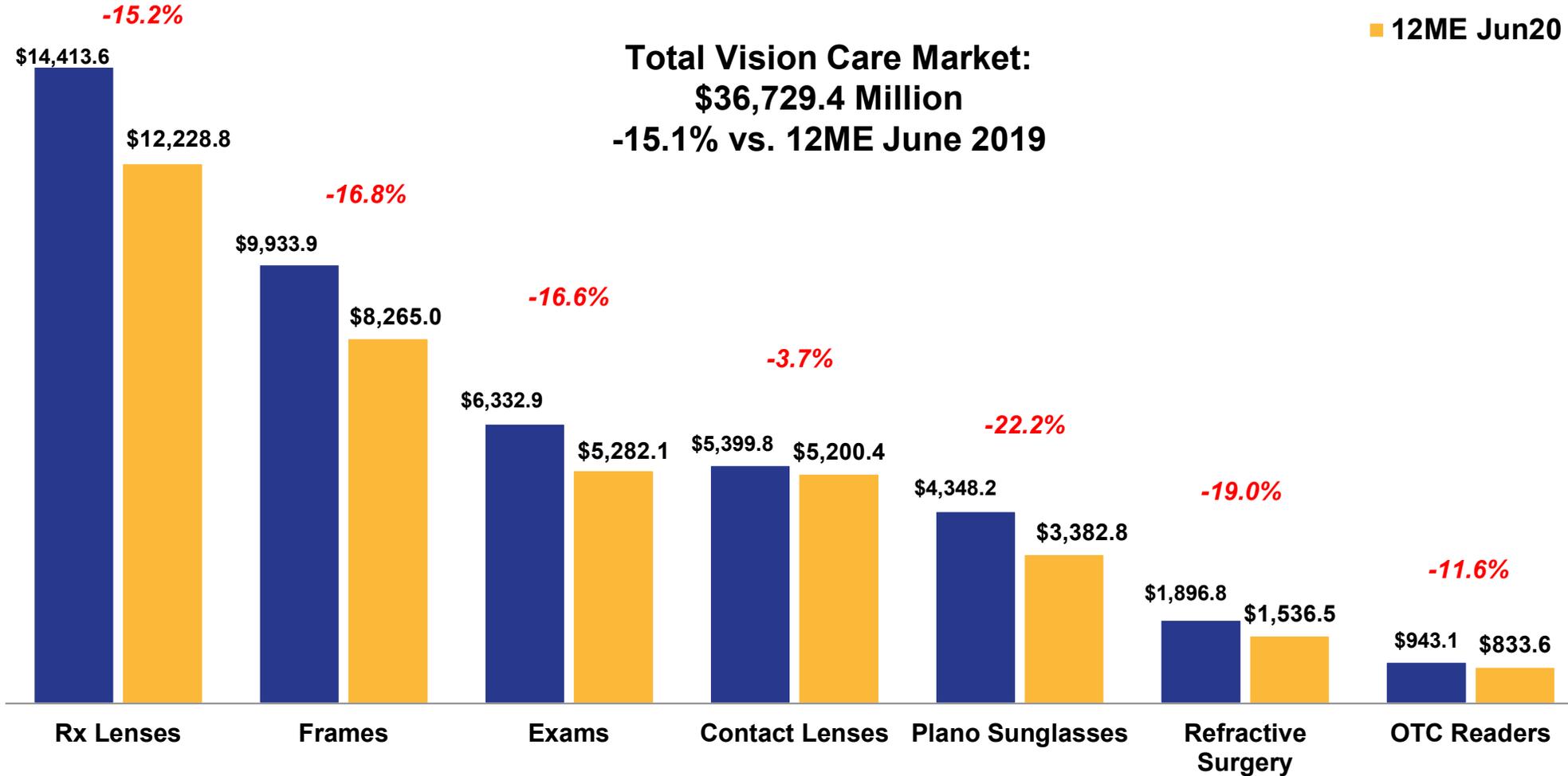
Optical Industry Market Update

VisionWatch Q2 2020 Report
Highlights



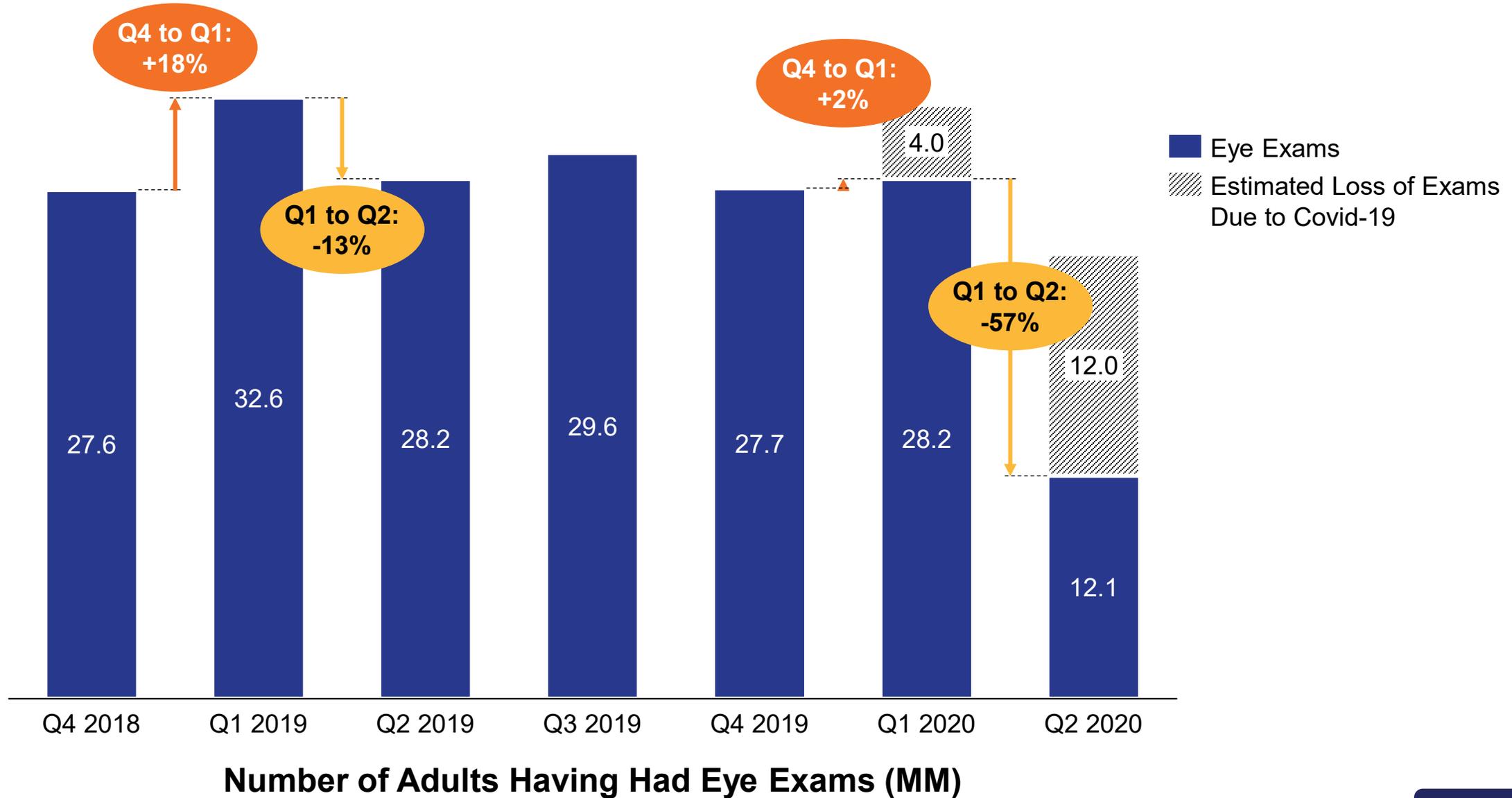
Optical industry still generates \$70M per day at retail during COVID-19 crisis

Annual Sales by Product Category – In Millions

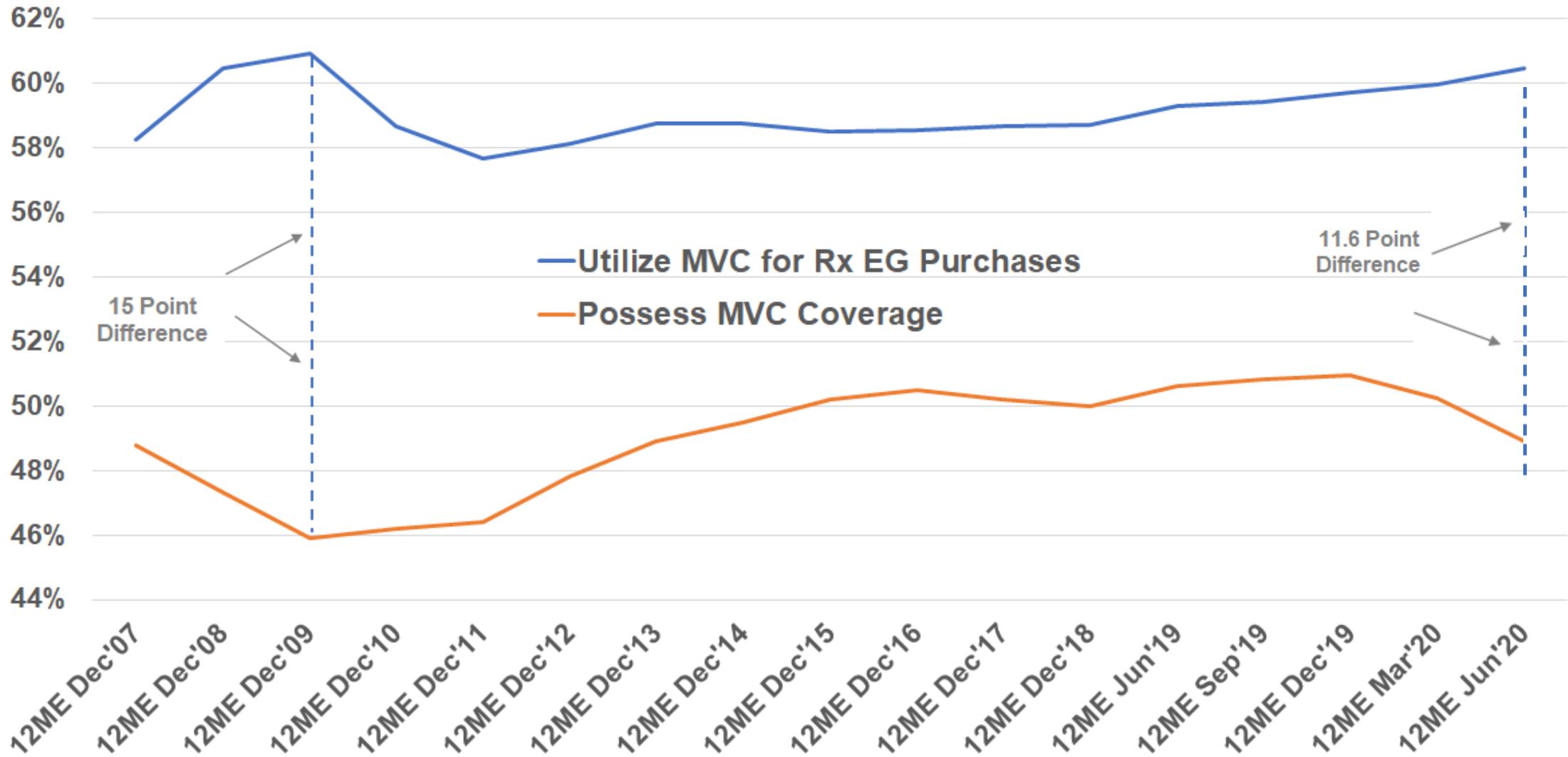


*Total Vision Care Market includes dollars spent at all retail types at any retail location on the sale of either spectacle lenses (including Rx sun), frames, contact lenses, plano sunglasses, OTC readers, or revenue earned from refractive surgery or eye examinations. This number does not include sunglass clips and reflects the dollars spent only by those U.S. residents 18 and older. Does not include retail dollars spent by/for contact lenses and exams for those 17 years of age and younger.

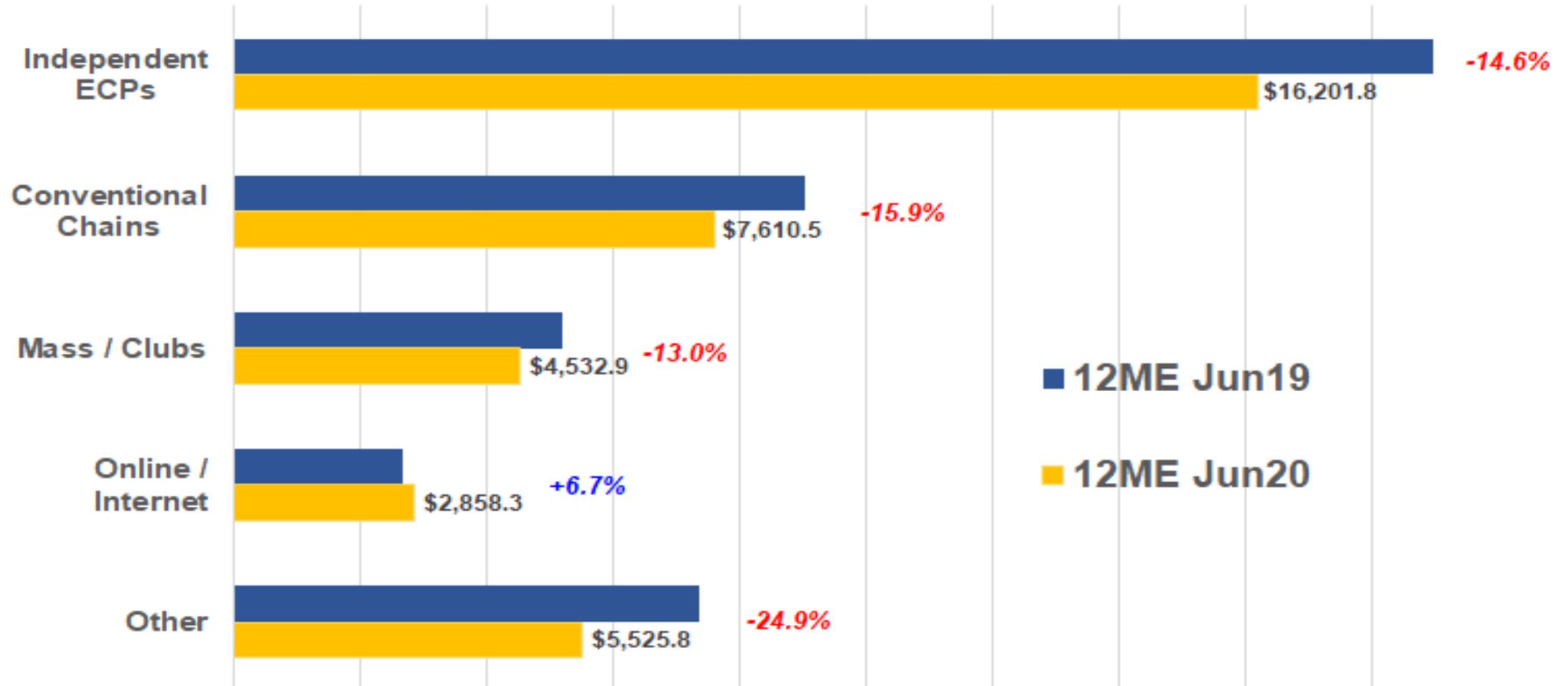
Estimated loss of 16 million eye exams in first half of 2020 due to COVID-19



Vision insurance utilization increasing even as coverage falls



Channel performance: Online retailers growing during COVID-19 pandemic



COVID-19 Research Updates

TVC Consumer & ECP Survey
Highlights

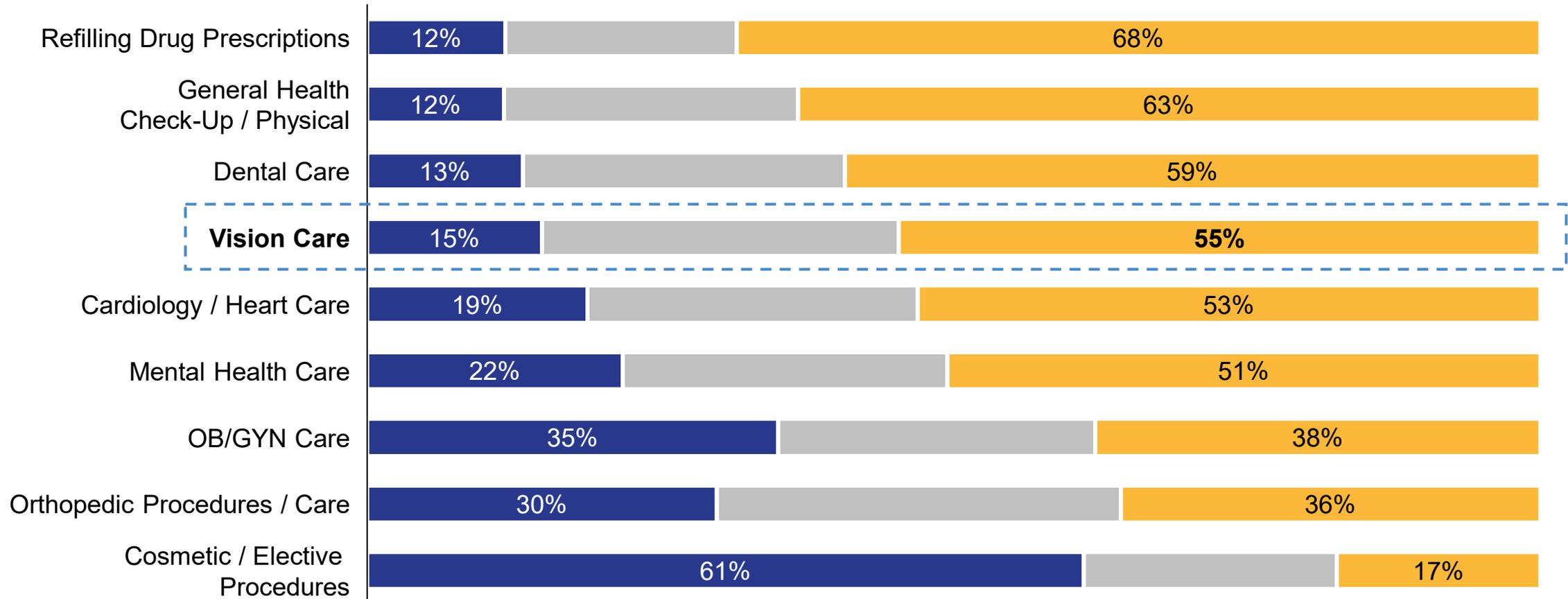


Americans rank Vision Care within top 5 health care priorities during COVID-19

As the COVID-19 crisis continues in the USA how are you prioritizing the following health care needs?

% of respondents¹

Not Important Neutral Important

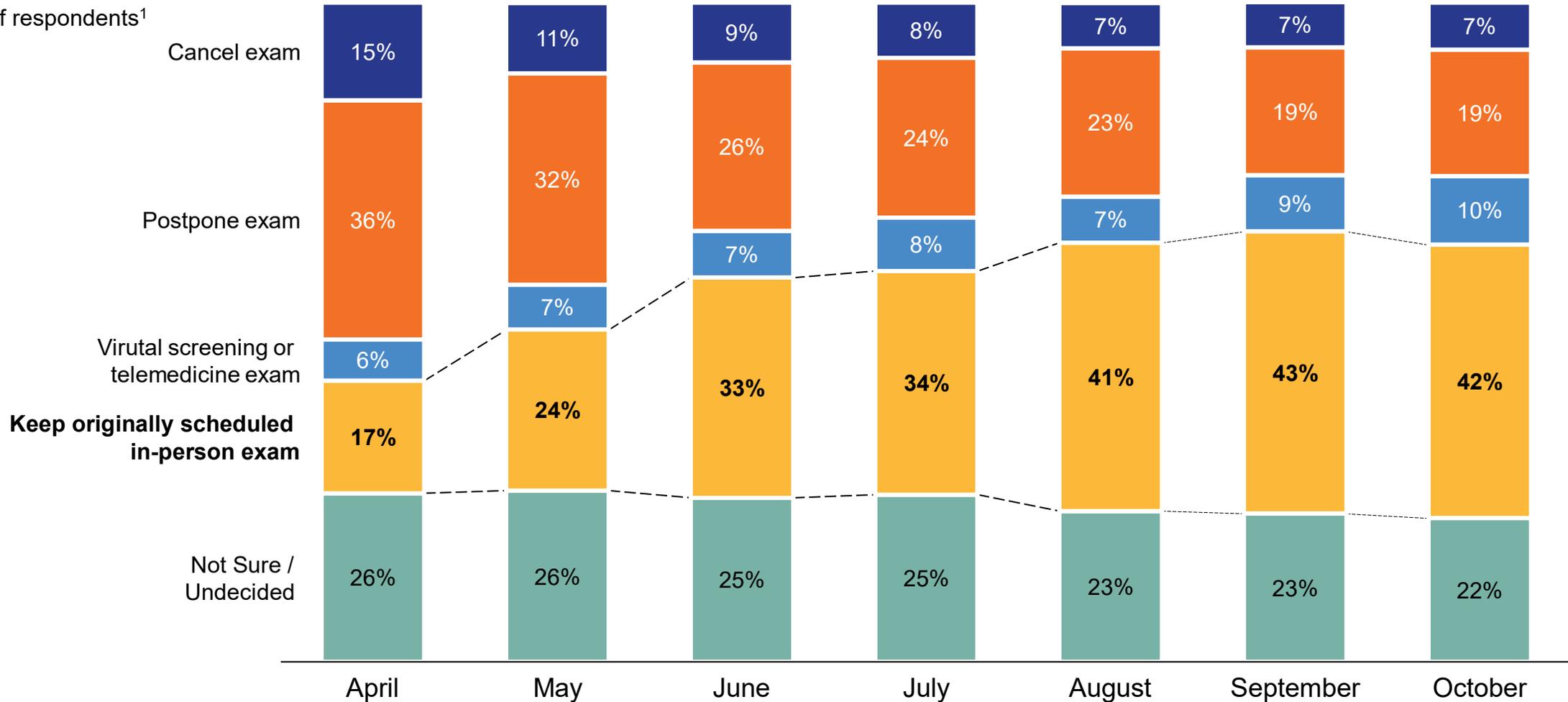


Q: As the COVID-19 crisis continues in the USA how are you prioritizing the following health care needs?
Source: The Vision Council VisionWatch COVID-19 US Consumer Study, August-September 2020, n = 9,878

Patients are becoming more comfortable attending in-person eye exams compared to earlier months of COVID-19

Will you postpone or cancel any eye exams or trips to the eye doctor while coronavirus is still a threat?

% of respondents¹

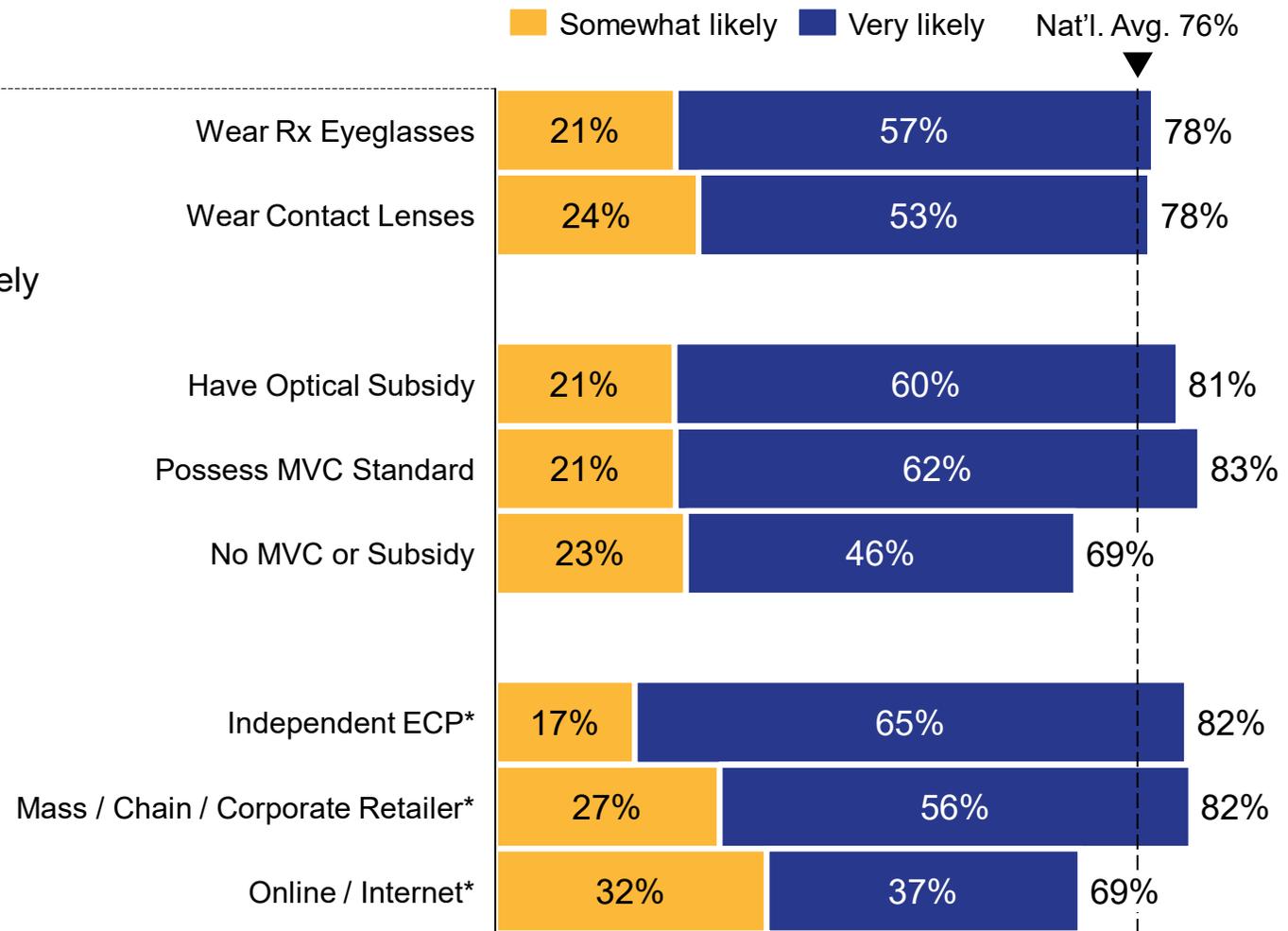
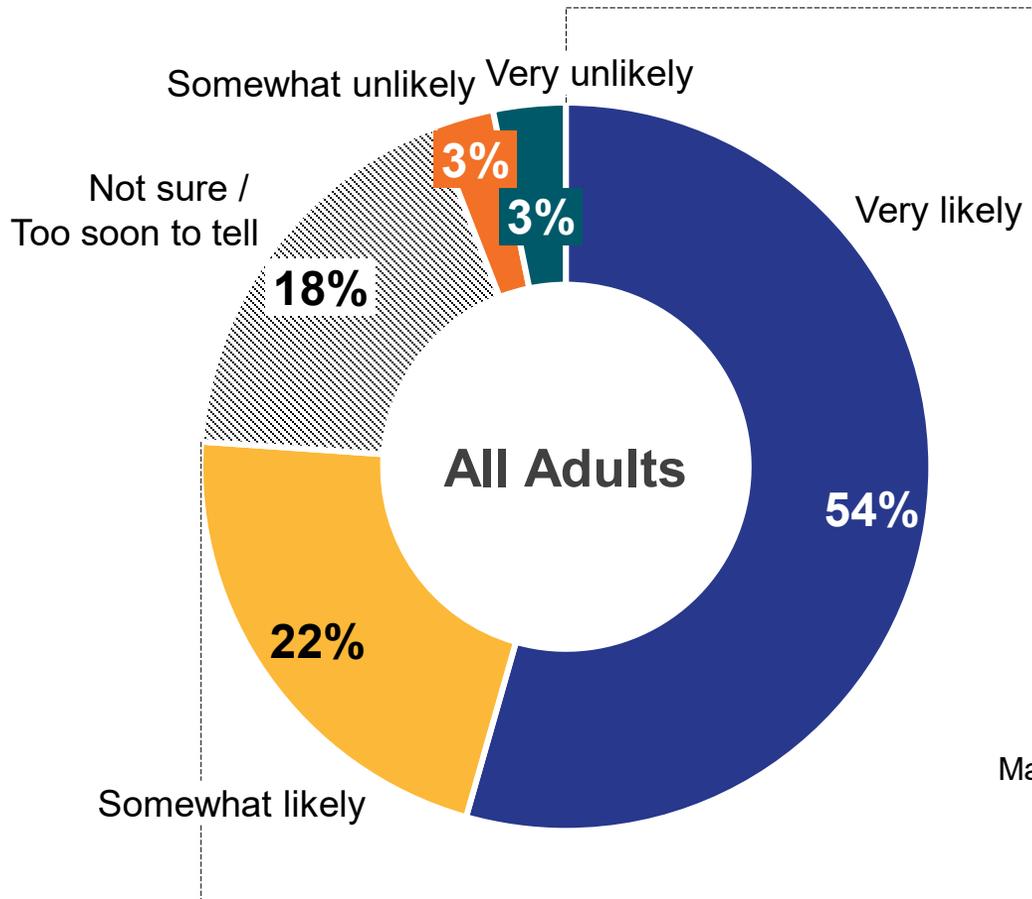


¹Figures may not sum to 100% because of rounding.
Source: The Vision Council VisionWatch COVID-19 US Consumer Study, April – October 2020, n = 49,827

More than 75% of consumers indicate that they will likely return to physical eyewear retailers after COVID-19

After the COVID-19 crisis is over, how likely are you to return to a brick and mortar physical eyewear retailer to try on and purchase eyewear?

% of respondents¹

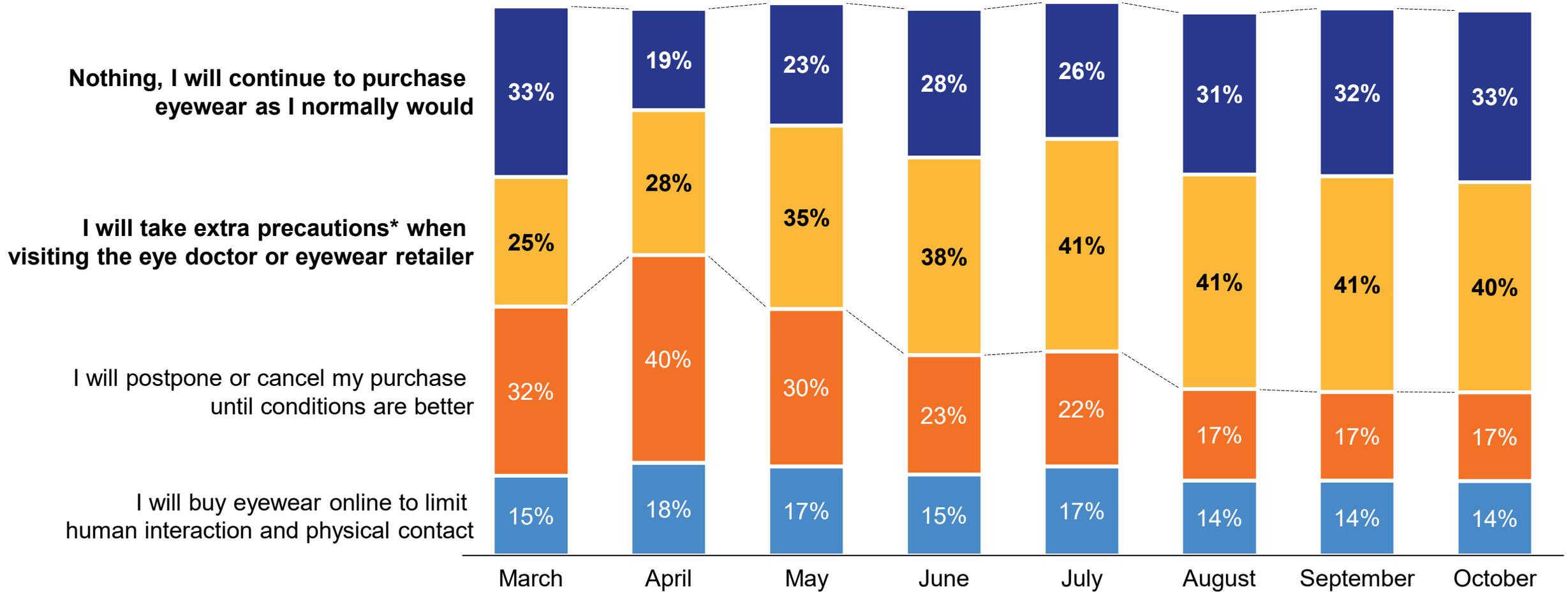


¹Figures will not sum to 100%, because other answer options removed. *By location of last Rx eyewear or optical product purchase. Source: The Vision Council VisionWatch COVID-19 US Consumer Study, September 2020, n = 3,762

Consumers are adjusting optical buying behavior by taking extra precautions when shopping in-person

If you need new eyeglasses or contact lenses while coronavirus is still a threat, which of the following actions are you likely to take?

% of respondents¹

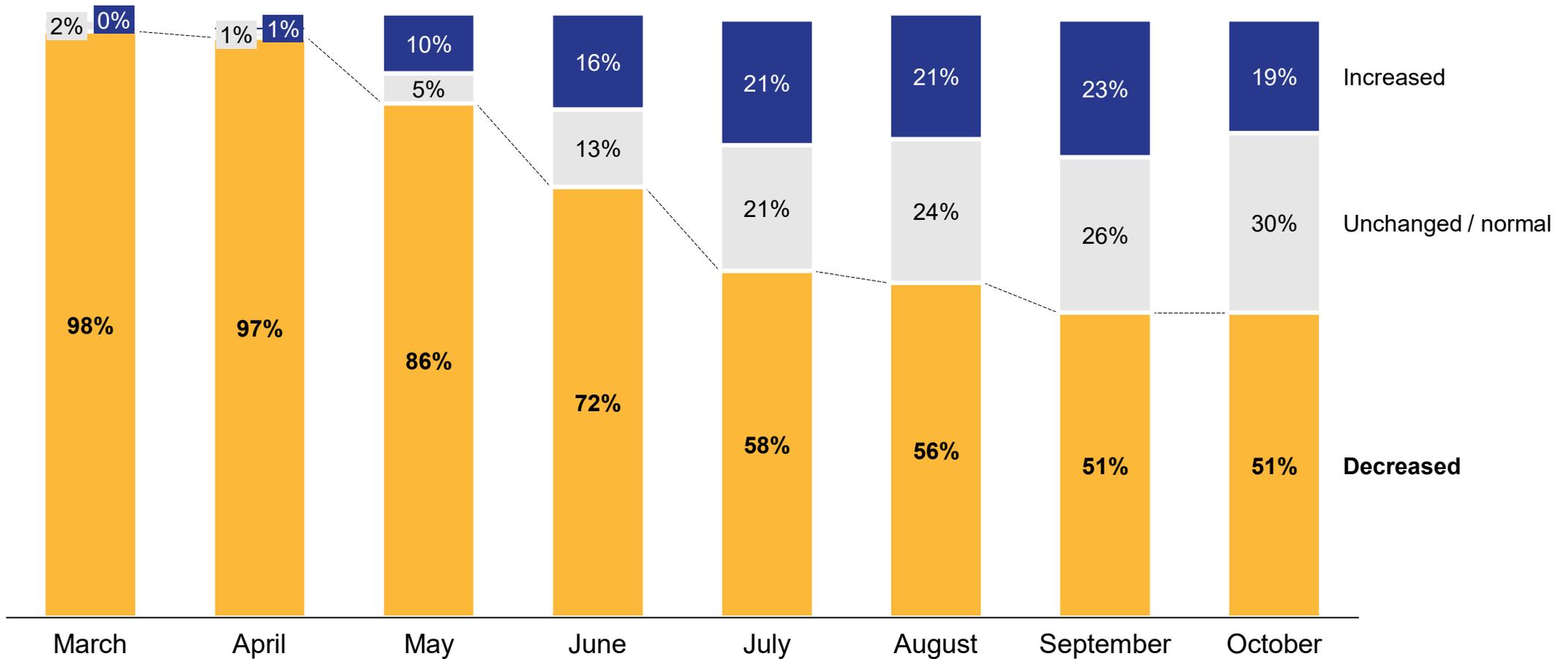


¹Figures will not sum to 100%, because multiple selections allowed. "Other" response removed. *extra handwashing or wearing a face mask
 Source: The Vision Council VisionWatch COVID-19 US Consumer Study, February-August 2020, n = 44,989

Patient volume is still depressed overall, but the decrease is less significant than in previous months

How would you describe the number of customers / patients your location served within the last week compared to a normal week?

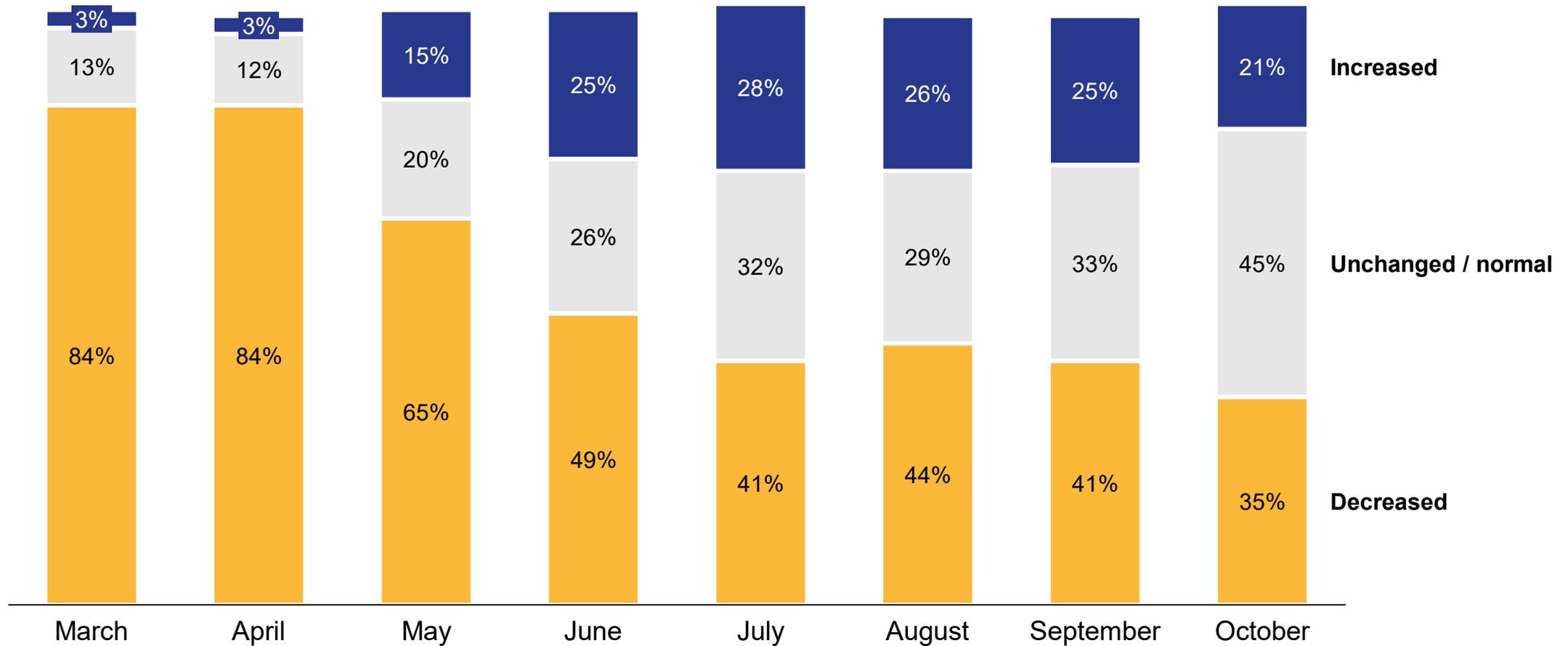
% of respondents¹



¹Figures may not sum to 100%, because of rounding.
Source: The Vision Council COVID-19 ECP Panel Study, 3/9/2020 – 10/17/2020, n = 4,925

More than half of ECPs report capture rate is normal or increased in recent surveys

How would you describe the capture rate at your location served within the last week compared to a normal week?
% of respondents¹



¹Figures may not sum to 100%, because of rounding.
Source: The Vision Council COVID-19 ECP Panel Study, 3/9/2020 – 10/17/2020, n = 4,925

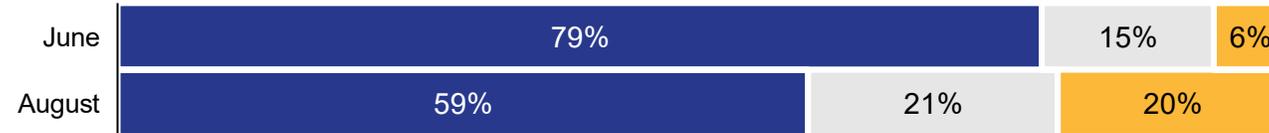
Positive gains in ECPs' level of confidence and investment in their businesses seen in August surveys compared to June

Please indicate how strongly you agree or disagree with each of the following statements.

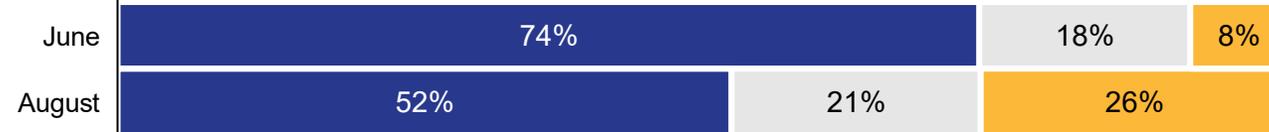
% of respondents

■ Agree ■ Neutral ■ Disagree

Given my current economic situation, I am delaying some purchases that I had planned to make for my business



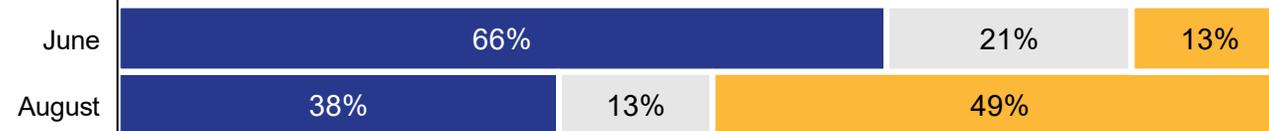
I have cut way back on spending for my business compared to normal



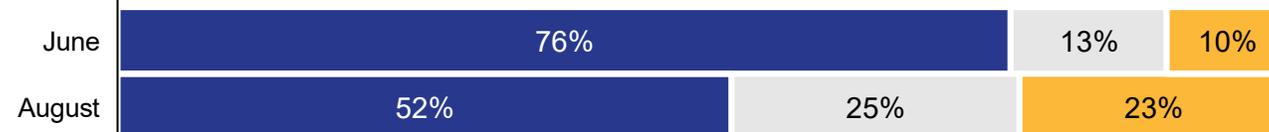
Uncertainty about the economy is preventing me from making investments in my business that I would otherwise make



My business is currently experiencing a significant drop in income



It is likely that my business will experience a significant drop in income in the next 6-12 months



Thank You



Appendix



Methodology:

- Custom consumer study conducted via The Vision Council’s VisionWatch Survey Program.
- Questions appended to the end of the VisionWatch surveys, allowing segmentation and cross-tabs based on broader vision care, eye exam, and optical product purchase behaviors.
- Fielded to a demographically balanced sample over the internet.

| <u>Wave</u> | <u>Dates</u> | <u>Sample size</u> |
|-------------|--------------|--------------------|
| February | 2/10 – 2/27 | n = 10,419 |
| March | 3/10 – 3/26 | n = 10,312 |
| April | 4/8 – 4/30 | n = 11,401 |
| May | 5/1 – 5/31 | n = 10,325 |
| June | 6/2 – 6/30 | n = 10,364 |
| July | 7/1 – 7/31 | n = 4,922 |
| August | 8/1 – 8/31 | n = 4,936 |
| September | 9/1 – 9/30 | n = 4,942 |

Optical Industry Research Program – ECP Insights

Methodology:

- Online surveys conducted among a panel of more than 1,700 eyecare professionals.
- The participants have the option to receive an incentive in exchange for completing the surveys.
- The surveys include questions about discrete weeks and their location's corresponding performance.
- Some survey questions are added, updated or replaced between waves to inquire about emerging topics and trends.
- Completed 24 waves to date with more than 7,500 responses.

Consumer concern about COVID-19 is impacting eye exam and eyewear purchase behavior, but to a lesser degree than in the spring

The level of consumer concern about COVID-19 was closely correlated with consumer behavior in postponing or canceling eye exams and eyewear purchases during the beginning months of the pandemic. However, over the past two months, it appears that slightly rising levels of concern are having less impact on eye exam and eyewear purchase postponement and cancellation.

