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Marchon on track for a record year

Unlike other major players in the eyewear industry that are public listed, **Marchon Eyewear** is not publishing its results but **Nicola Zotta**, CEO of the U.S. eyewear manufacturer, agreed to share some information with Eyewear Intelligence on the company's performance and projects.

While Marchon was slowed down in 2020 by the outbreak of the Covid-19 pandemic, the company is now on track to deliver in 2021 its best year in the last decade, both in terms of revenue growth and profitability, Zotta told us. The company's topline has been growing at double-digit rates in the first semester as compared to 2019, the last pre-Covid reference point, and is expected to continue at that pace for the rest of the year, surpassing budget forecasts. The company is now anticipating annual sales of 22 million pieces of eyeglasses and sunglasses.

In terms of regions, and similarly to most of its competitors, Marchon's growth is largely driven by North America and in particular the U.S. market. The region accounts for roughly 60 percent of the company's sales.

The company's business in the EMEA region, representing close to 25 percent of revenues, also largely recovered, however on a slower pace than the U.S. The recovery was driven by the French market, which is the company's biggest country in the region. Most other key countries performed well, notably Germany, Italy, the U.K., Benelux and Spain, although the sunglass business remained difficult in the Mediterranean markets, Zotta commented.

The Asia-Pacific market underperformed, except for China, as Covid-related restrictions were reimplemented in some countries while the important travel retail distribution channel remains largely impacted by limited travel and tourism.

In terms of distribution channel, Zotta stressed that Marchon was very much an ophthalmic-based business, with about 60 percent of the company's revenue coming from the optical retail sector. The company's growth in the sector is driven by independent opticians, which represent the majority of its sales in the optical sector. A smaller but fast-growing category is the business with third-party internet retailers, which more than doubled in the first six months as compared to the same period in 2020, driven by the sunglasses' segment. This channel still represents less than 10 percent of Marchon's revenues.

Most of Marchon's e-commerce revenues come from **Eyeconic.com**, the website operated by its mother company **VSP Global** in the U.S. However, Marchon directly manages two e-commerce websites, for **Dragon**, its sustainable brand of action sports' eyewear, and for **Nike** with the **Nikevision.com** website. Launched in February 2020, the latter is the only e-commerce platform that is not directly managed by the Nike brand globally. The website is however mostly focusing on sunglasses, with requests for eyeglasses rerouted to Eyeconic.com.

In the company's large portfolio, Zotta told us that both licensed brands, which account for more than half of Marchon's sales, and house brands were on a double-digit growth basis since the start of the year. The licensed brands' category includes **Calvin Klein, Columbia, Converse, DKNY, Donna Karan, Karl Lagerfeld, Lacoste, Lanvin, Liu Jo, Longchamp, MCM, Nautica, Nike, Nine West, Salvatore Ferragamo,** and **Victoria Beckham**. Eyewear collections of **Converse** and **Lanvin**, the two most recent licenses that were announced last year, are already being distributed in the U.S. and Europe and will be launched in Asia-Pacific before the end of the year.

In the proprietary brands' segment, Zotta highlighted the excellent performance of Dragon, thanks in particular to its sustainable styles produced from plant-based resin and upcycled plastic, as well as positive developments for most brands, in particular **Flexon** and **Marchon NYC**. The company has enhanced its house brands' offering with the recent launch in the U.S. of **McAllister**, a brand of acetate and metal eyeglasses, through its **Altair Eyewear** subsidiary. Marchon is also about to relaunch **Skaga**, a Swedish brand of its Scandinavian Eyewear subsidiary, on the international market starting with Europe in the U.S. in the fall this year before Asia-Pacific in 2022.

On the sustainability front, Marchon has been the first eyewear manufacturer to partner with **Eastman on Acetate Renew**, and the recycled material has already been incorporated in its Italian manufacturing for its **Salvatore Ferragamo** brand. The company is also engaged in discussion with its Asian suppliers in order to integrate Acetate Renew in other brands of its portfolio.

However, the company said that its sustainable commitments were not limited to Acetate Renew and that it was already using recycled plastic and plant-based resin, which has become its standard injection material for all new plastic styles, across many of its brands.

Zotta told us that, in spite of some remaining Covid-related issues such as higher transporting costs and longer lead times, he was optimistic about the eyewear industry's future as our sector has seen its credibility consolidated during the pandemic and as consumers became more aware of the importance of their eye health.