

The Vision Council

Winds of Change



Brian Beaulieu
CEO



Preliminary 2017 Forecast Results

If you heard ITR a year ago...

	Duration	Accuracy
US GDP (data through Sep)	24	98.5%
US Ind. Prod. (Dec)	24	96.8%
Eur Ind. Prod. (data through Nov)	11	99.2%
Canada Ind Prod (data through Oct)	12	98.1%
China Ind Prod (data through Nov)	17	99.1%
Retail Sales (data through Dec)	16	99.4%
Housing (data through Nov)	15	97.5%
Employment (data through Dec)	23	99.3%

ITR Economics provides the best economic intelligence to reduce risk and drive practical and profitable business decisions.

Revenue Data Trends, All Divisions

	3/12	12/12
Lenses	-1.2%	-2.1%
Frames	0.1%	0.0%
Sunglasses	-2.2%	0.4%
Readers	0.9%	0.8%

All Others Bils \$

14.0

10.5

7.0

3.5

0.0

Readers Bils \$

2.0

1.5

1.0

0.5

0.0

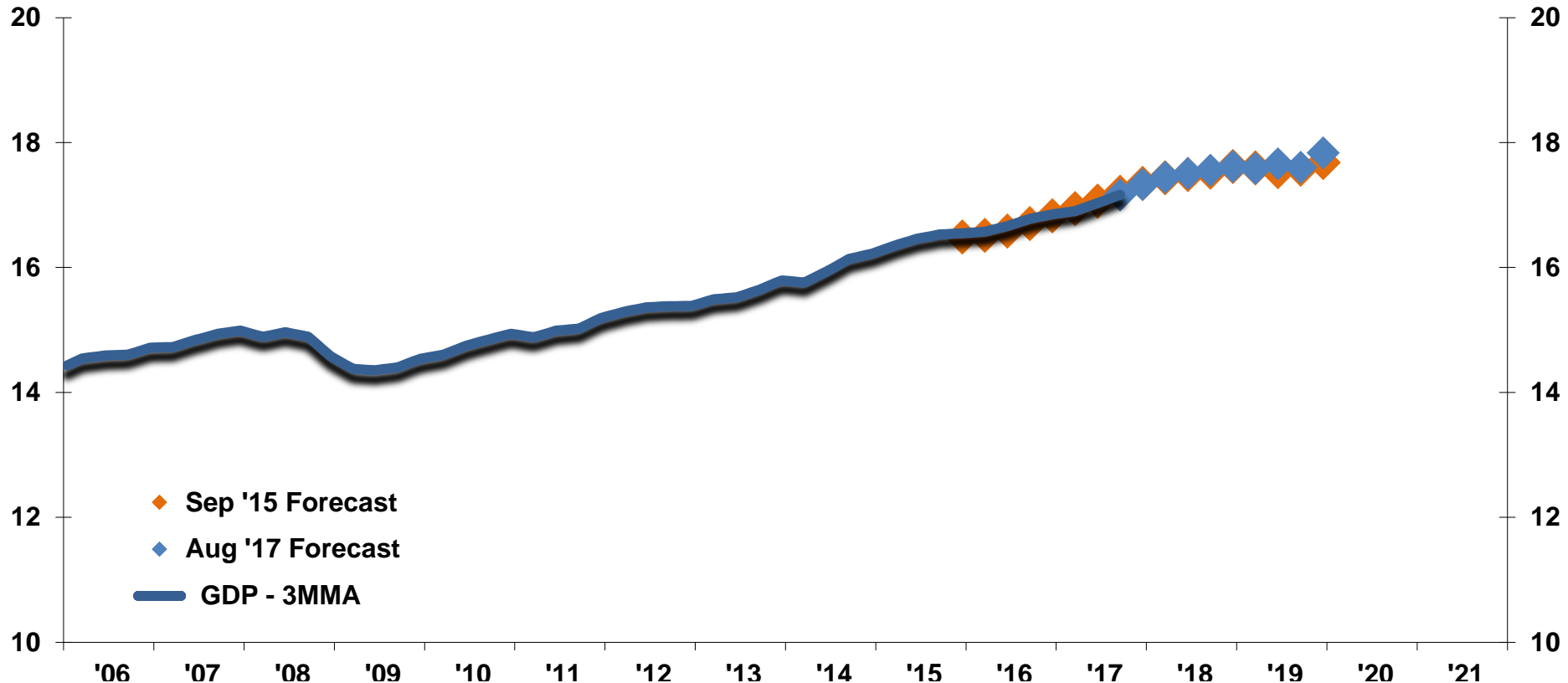
- RX Lenses
- Ophthalmic Frames
- Plano (Non-Rx) Sunglasses
- OTC Magnifying Readers

'06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18

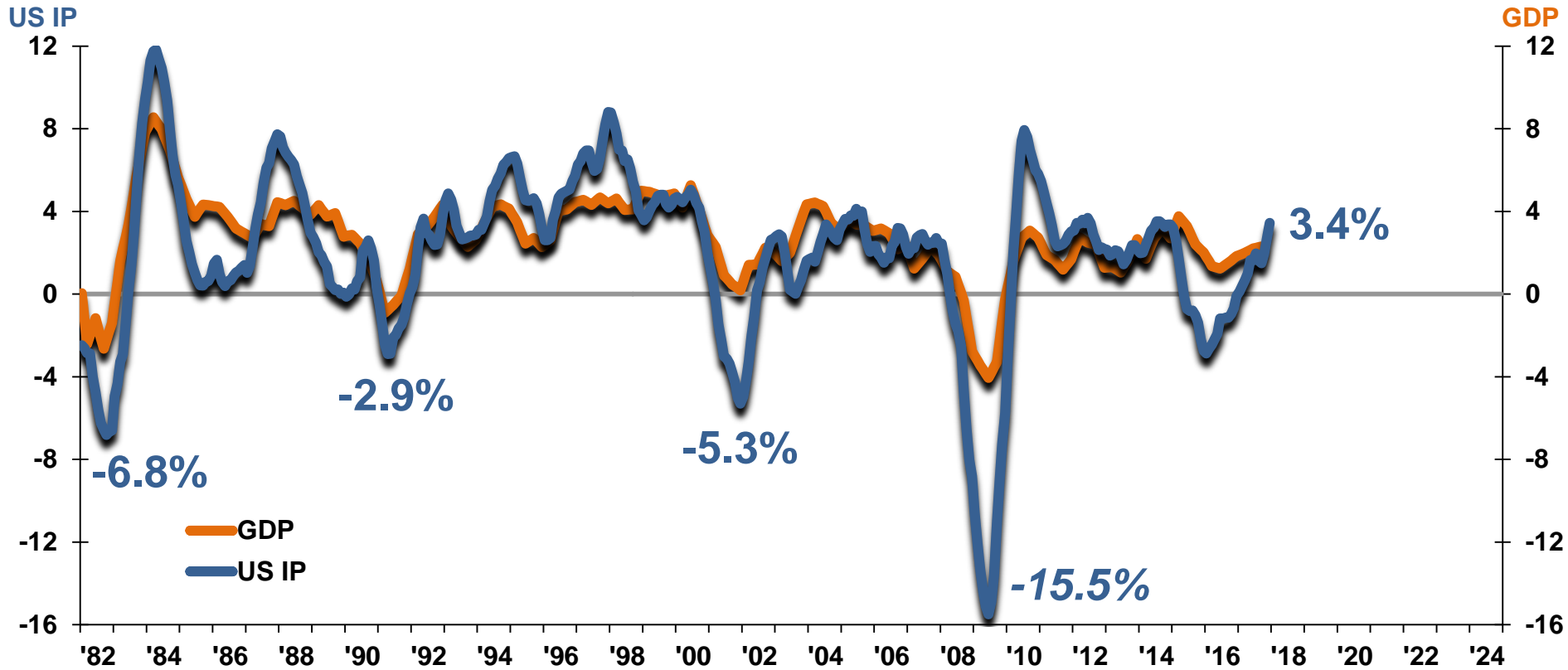
Billions of Dollars

Source: Vision Council

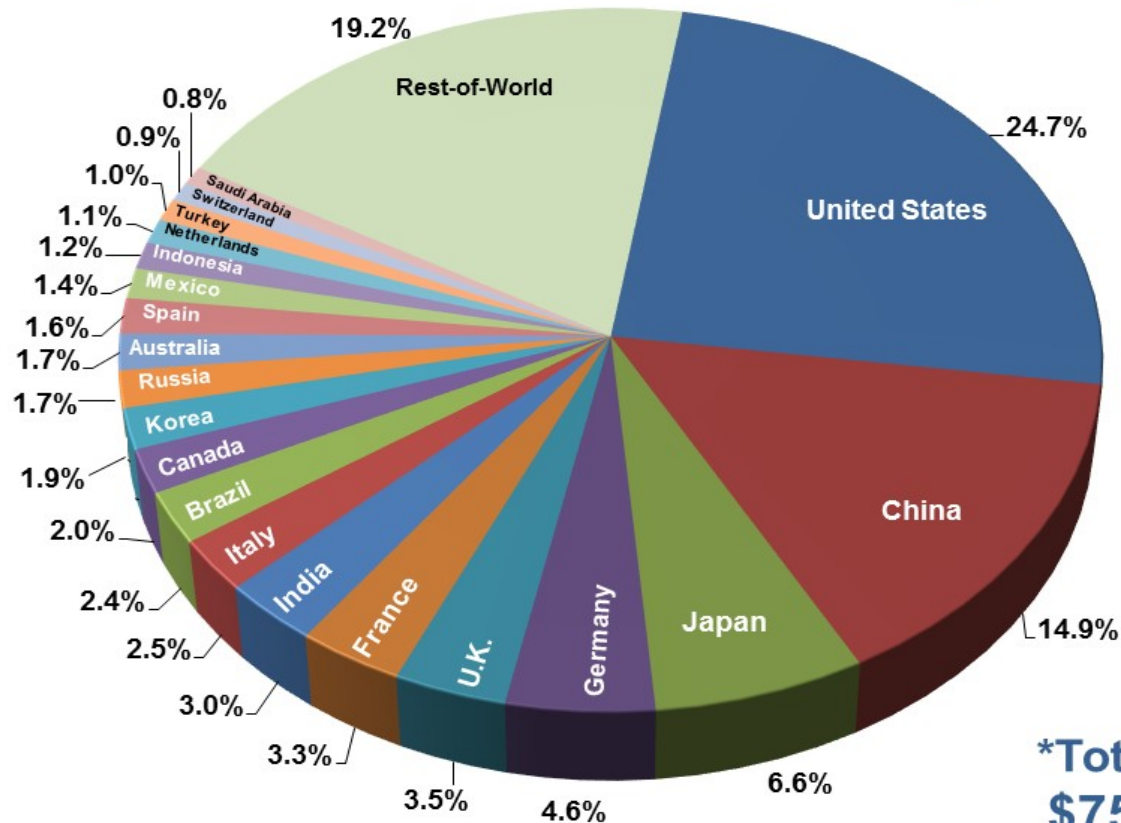
US Real Gross Domestic Product



US Industrial Production to Gross Domestic Product

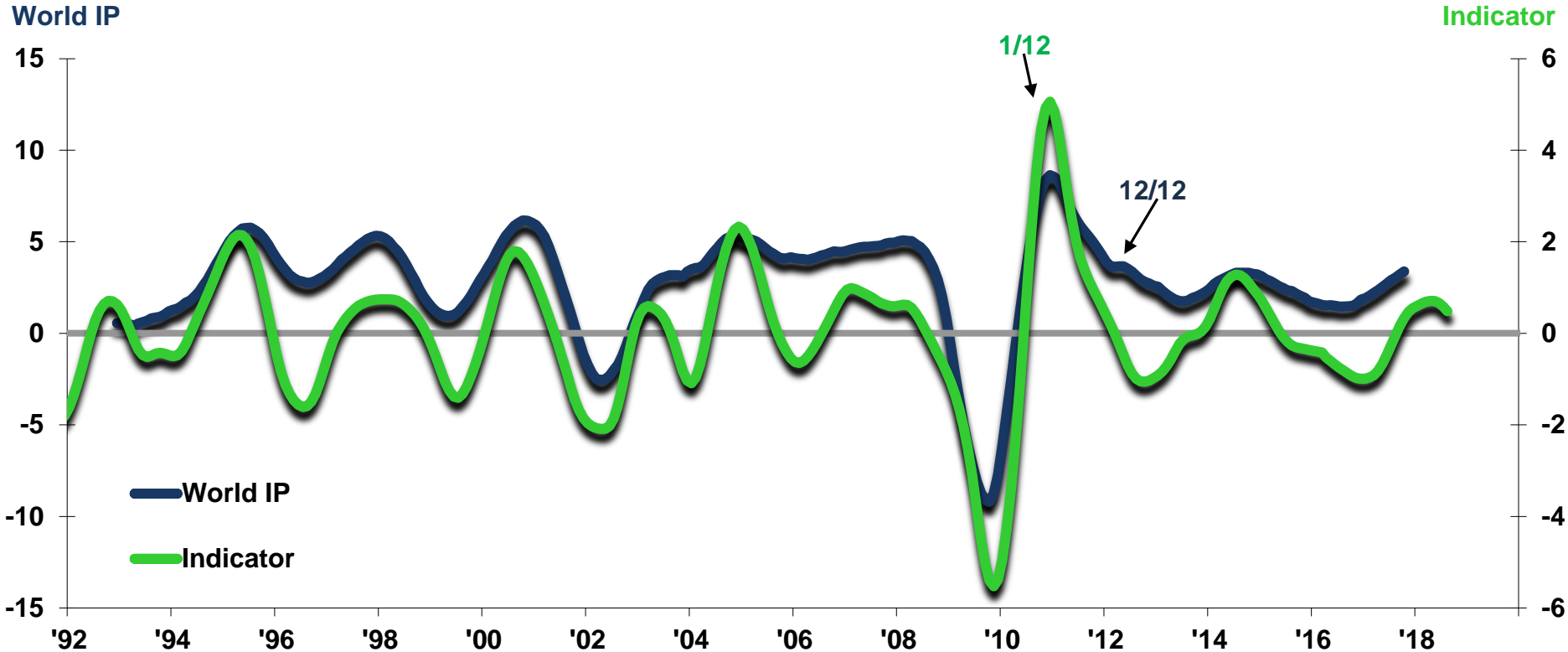


Percent of 2016 World GDP by Country

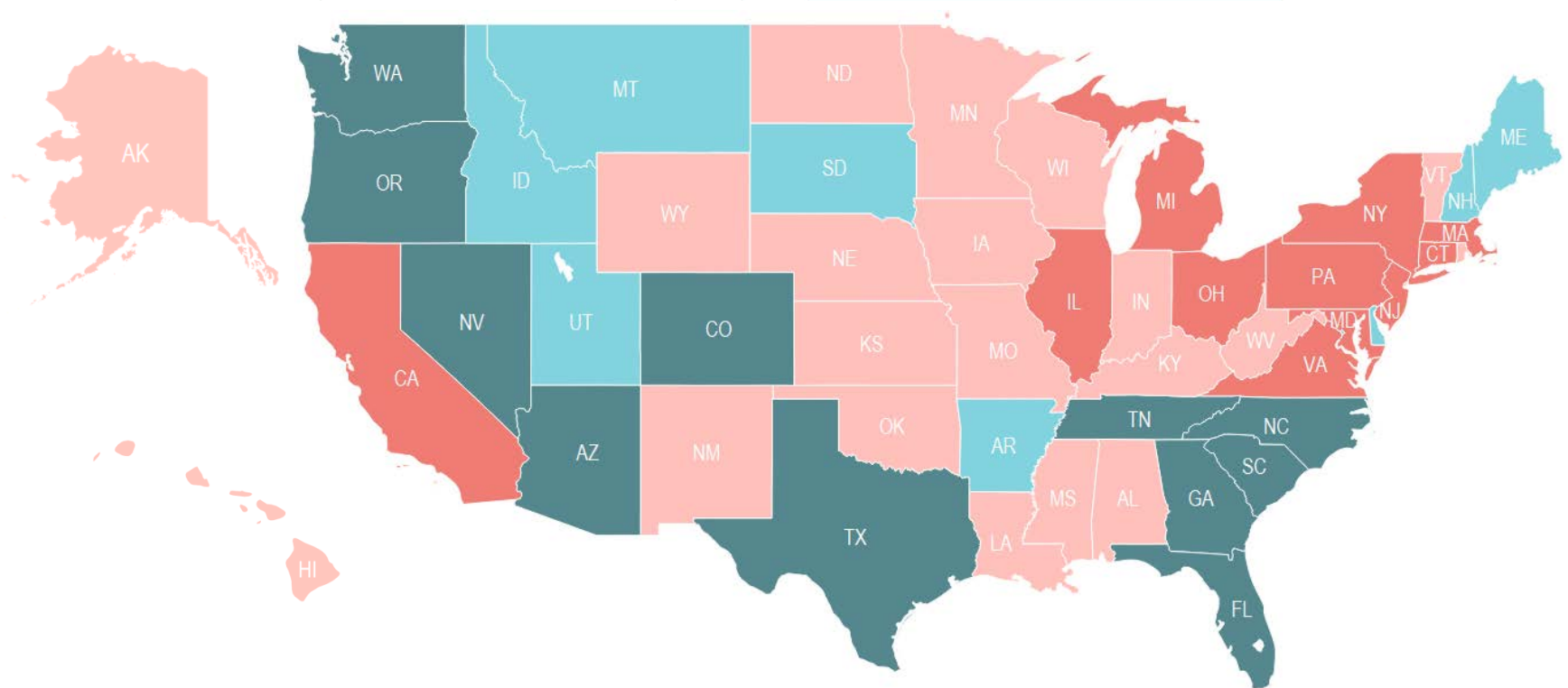
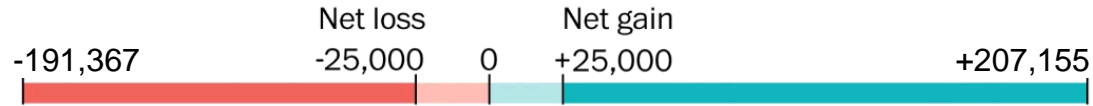


***Total 2016 World GDP:
\$75.278 Trillion, US\$**

World Industrial Production Index to G7 Leading Indicator



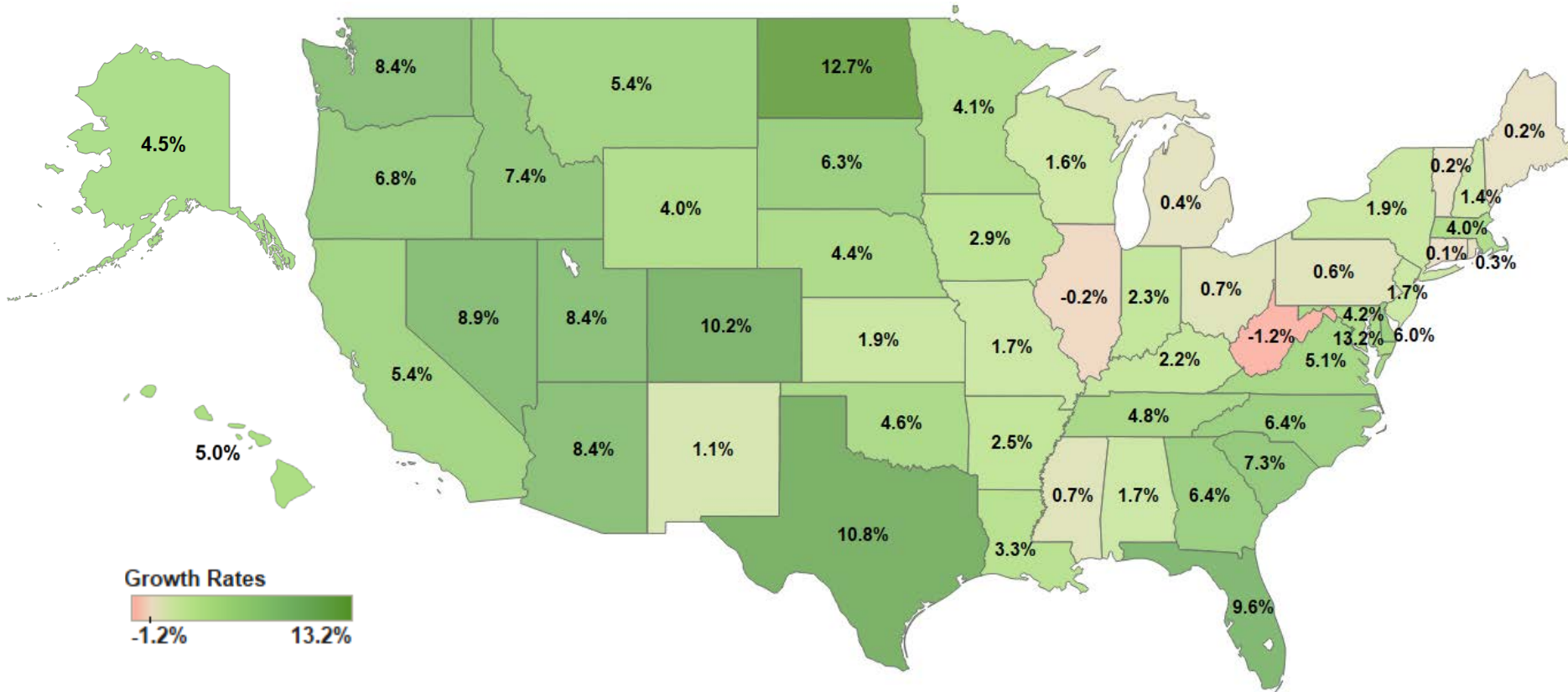
Net Migration Between States, July 2015-July 2016



Does not include immigration into the US

Source: Census Bureau

State Population Growth Rates



Percent Change from Population Estimates 2010 to 2016

Source: Census Bureau

Data Preparation

	Raw	3MMT	3/12	12MMT	12/12
Feb-16	1.5				
Mar-16	1.5				
Apr-16	1.4	4.4			
May-16	1.5	4.4			
Jun-16	1.3	4.4			
Jul-16	1.3	4.2			
Aug-16	1.6	4.1			
Sep-16	1.6	4.2			
Oct-16	1.5	4.5			
Nov-16	1.7	4.7			
Dec-16	1.6	4.8			
Jan-17	1.5	4.8		18.0	
Feb-17	1.7	5.0		18.2	
Mar-17	1.7	5.0		18.4	
Apr-17	1.6	5.1	15.9%	18.6	
May-17	1.7	5.0	13.6%	18.8	
Jun-17	1.5	5.0	13.6%	19.0	26.7%
Jul-17	1.5	4.8	14.3%	19.2	25.5%
Aug-17	1.9	4.7	14.6%	19.4	25.2%
Sep-17	1.7	4.9	16.7%	19.7	22.4%
Oct-17	1.7	5.1	13.3%	19.8	20.0%
Nov-17	1.9	5.3	12.8%	20.0	18.3%
Dec-17	1.7	5.3	10.4%	20.2	15.4%
Jan-18	1.7	5.3	10.4%	20.3	12.7%

DATACAST !

3/12 Rate-of-Change

$$= \frac{\text{January 2018 3MMT}}{\text{January 2017 3MMT}} \times 100 - 100$$

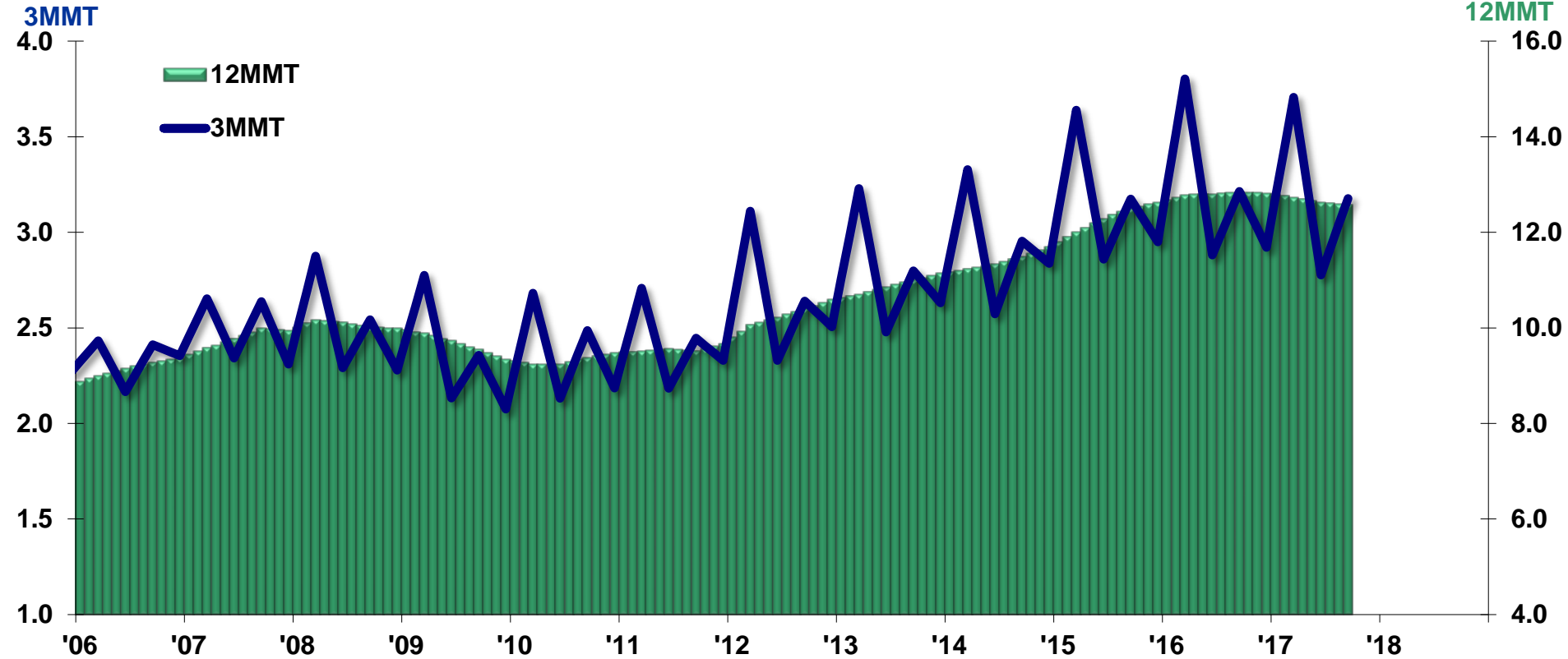
$$= \frac{5.3}{4.8} \times 100 - 100 = 10.4\%$$

12/12 Rate-of-Change

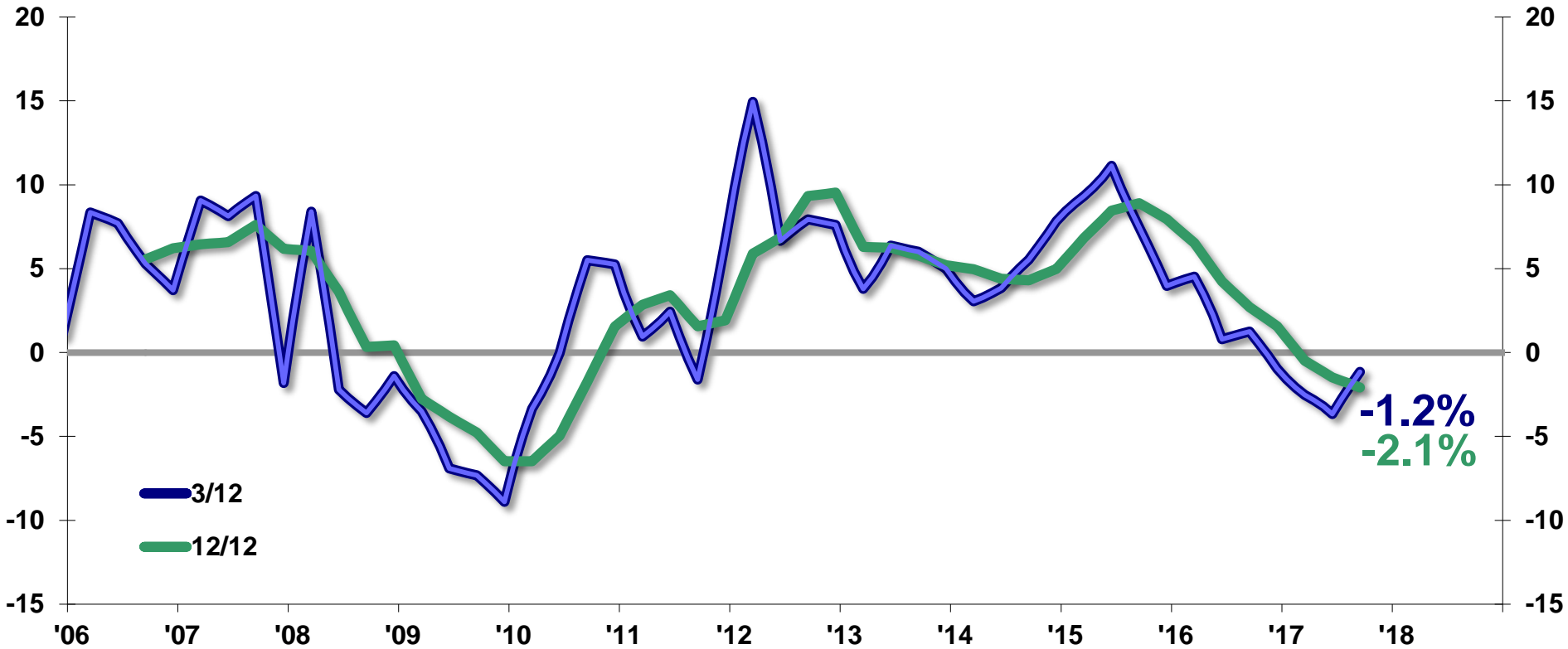
$$= \frac{\text{January 2018 12MMT}}{\text{January 2017 12MMT}} \times 100 - 100$$

$$= \frac{20.3}{18.0} \times 100 - 100 = 12.7\%$$

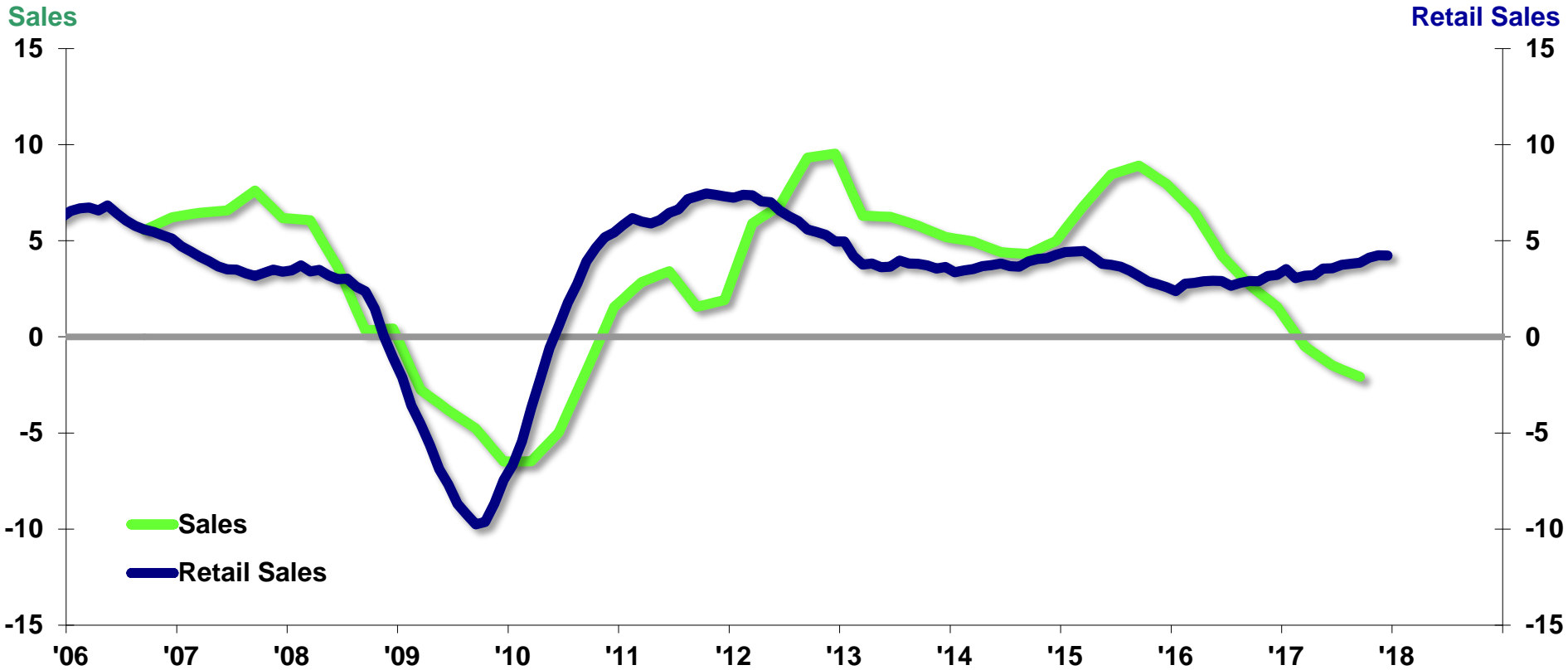
Rx Lenses Revenue



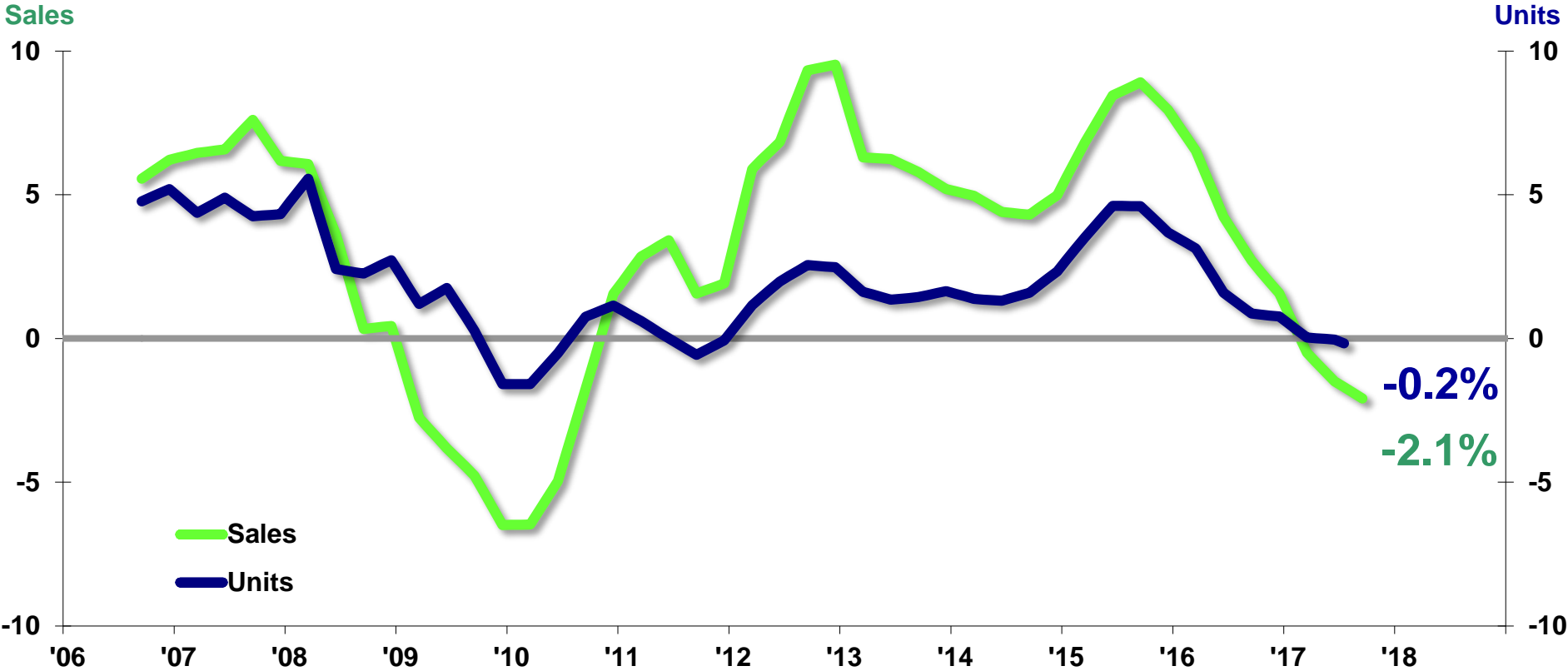
Rx Lenses Revenue



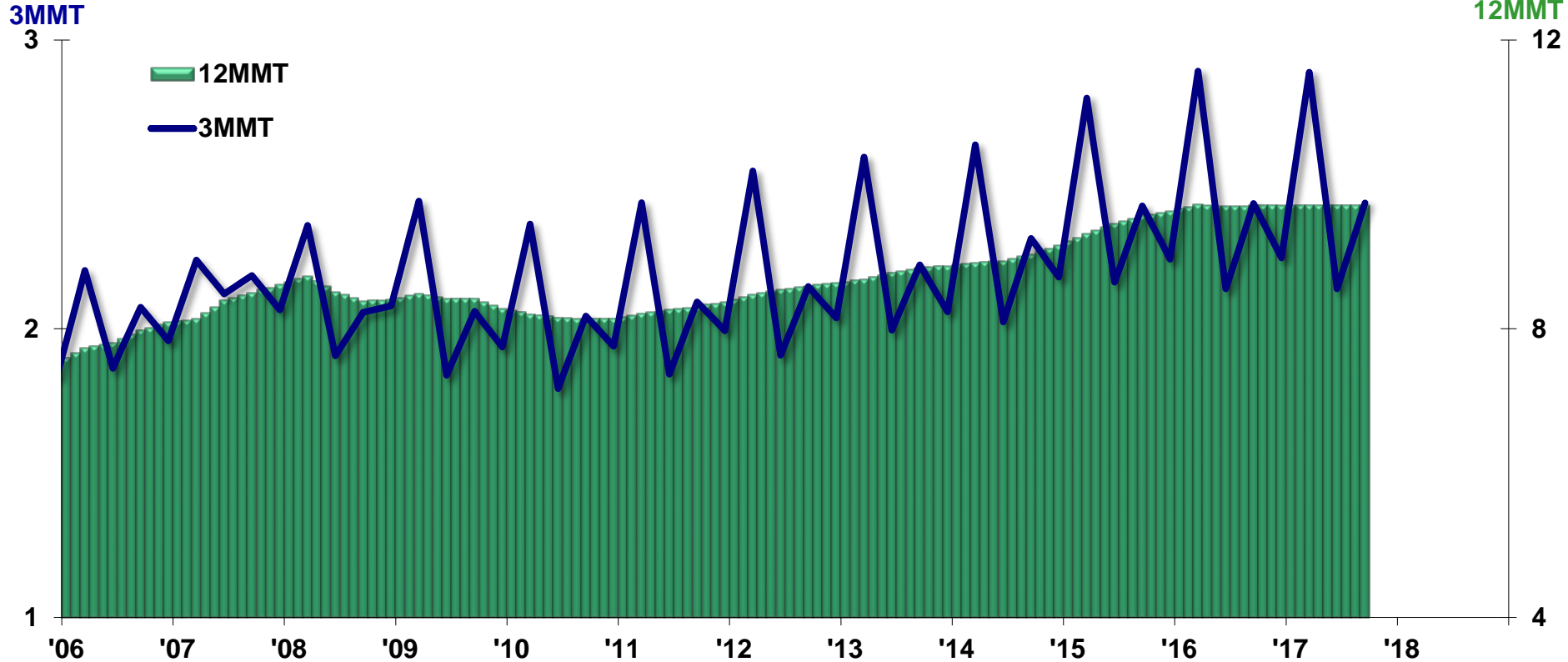
Rx Lenses Revenue to US Total Retail Sales



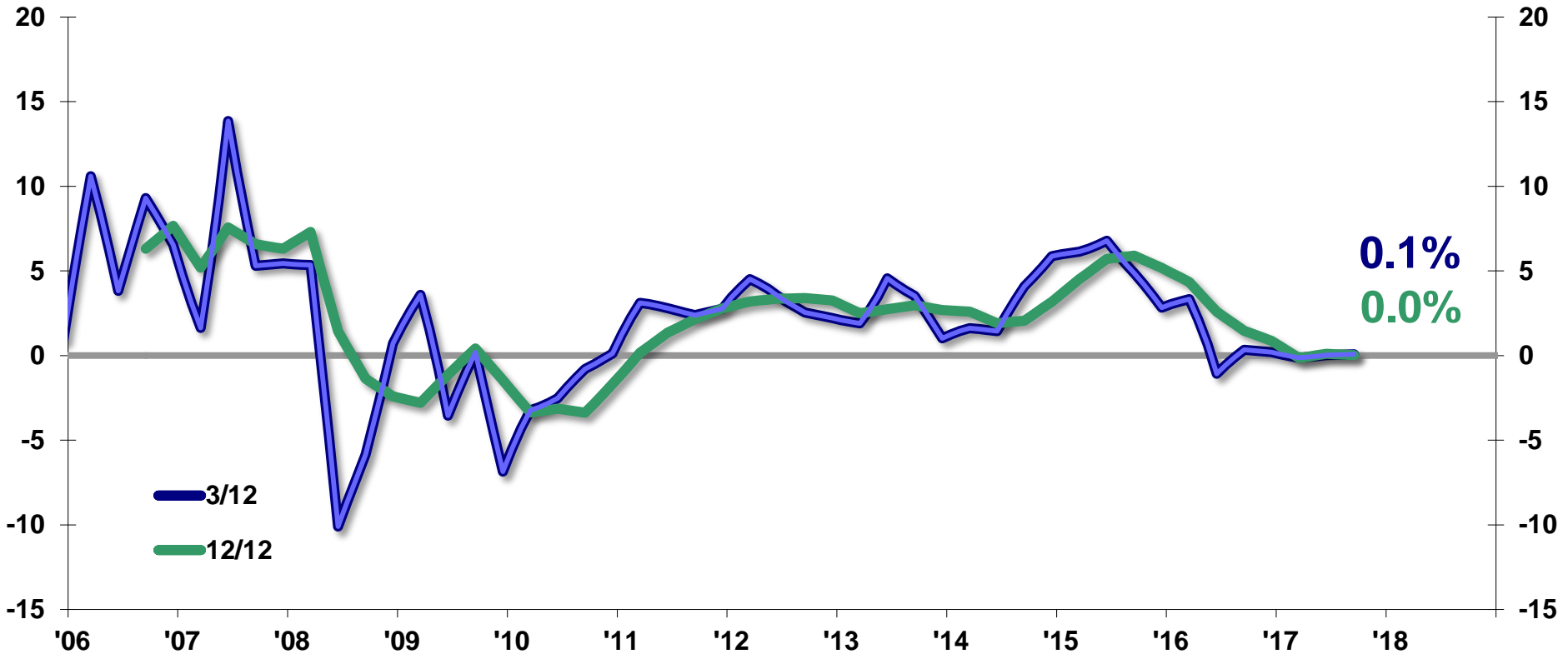
RX Lenses Revenue to Units of Rx Lenses Sold



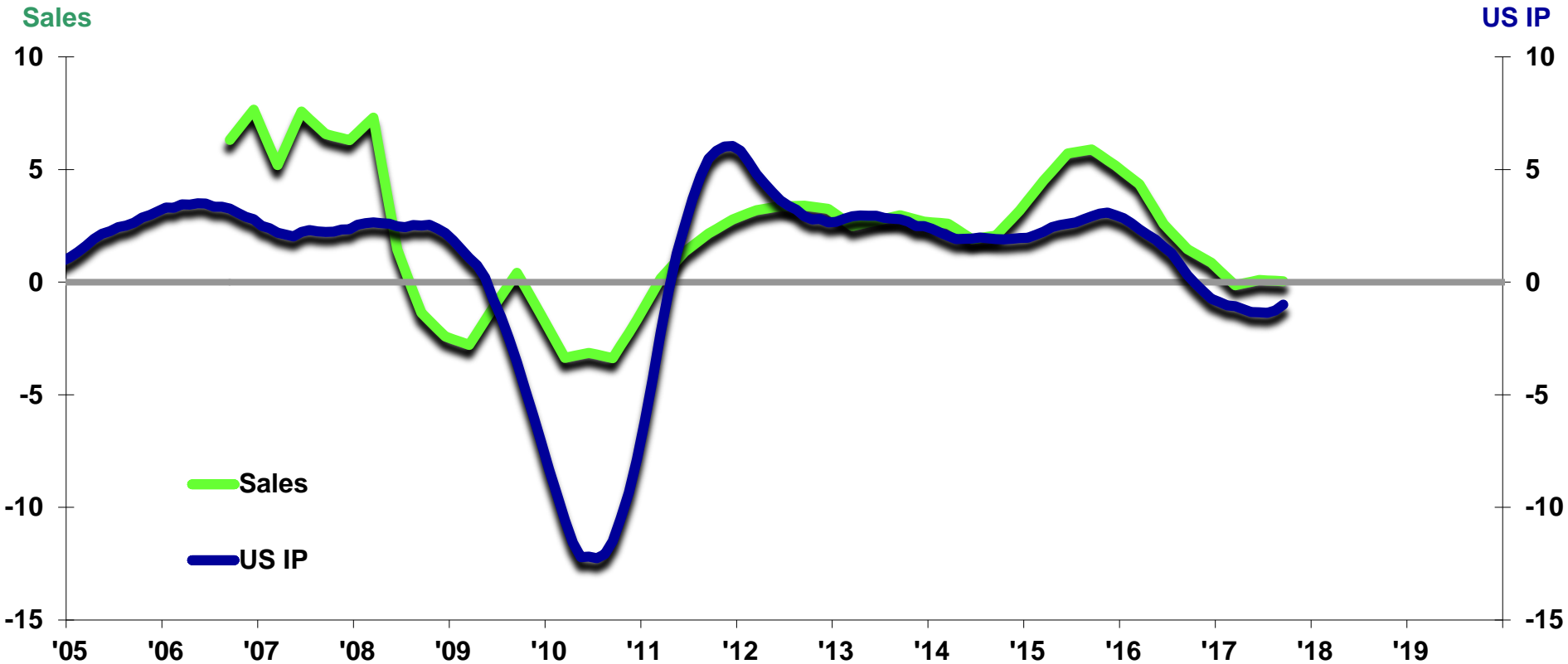
Ophthalmic Frames Revenue



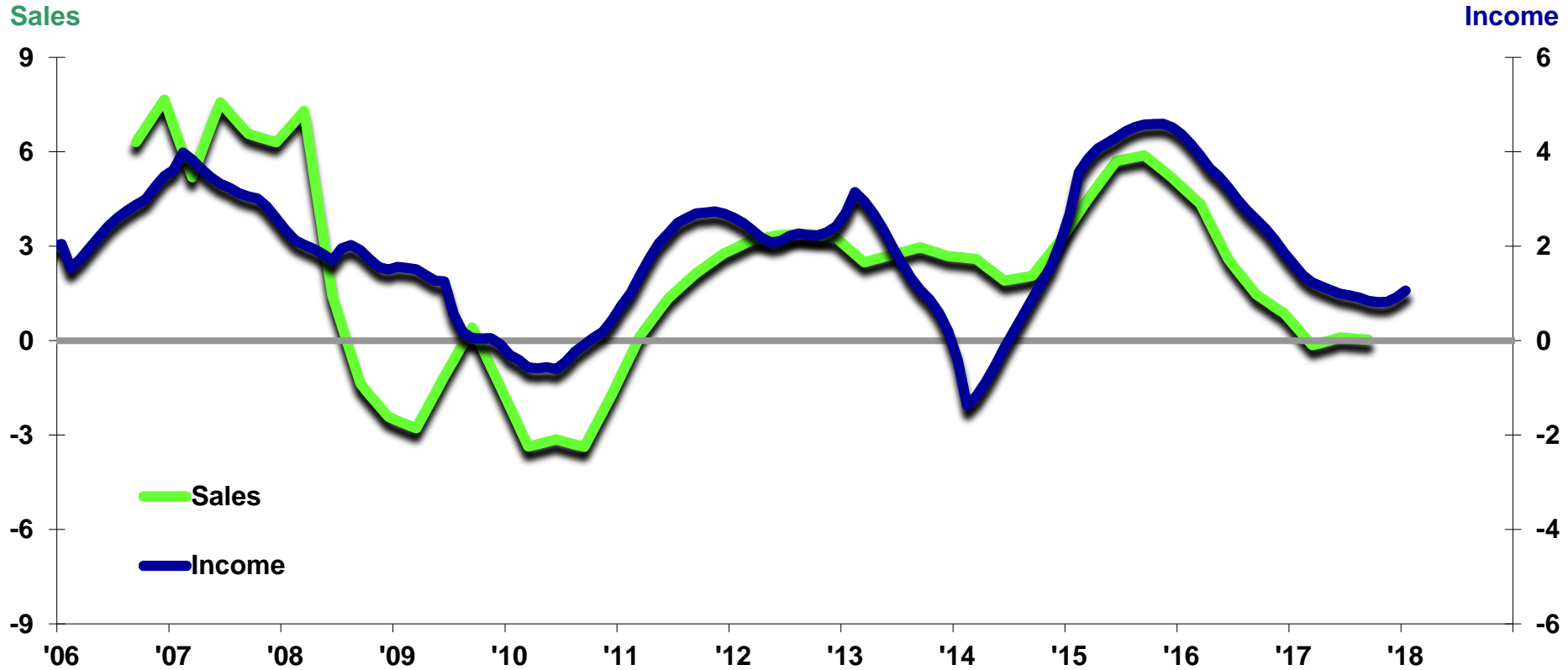
Ophthalmic Frames Revenue



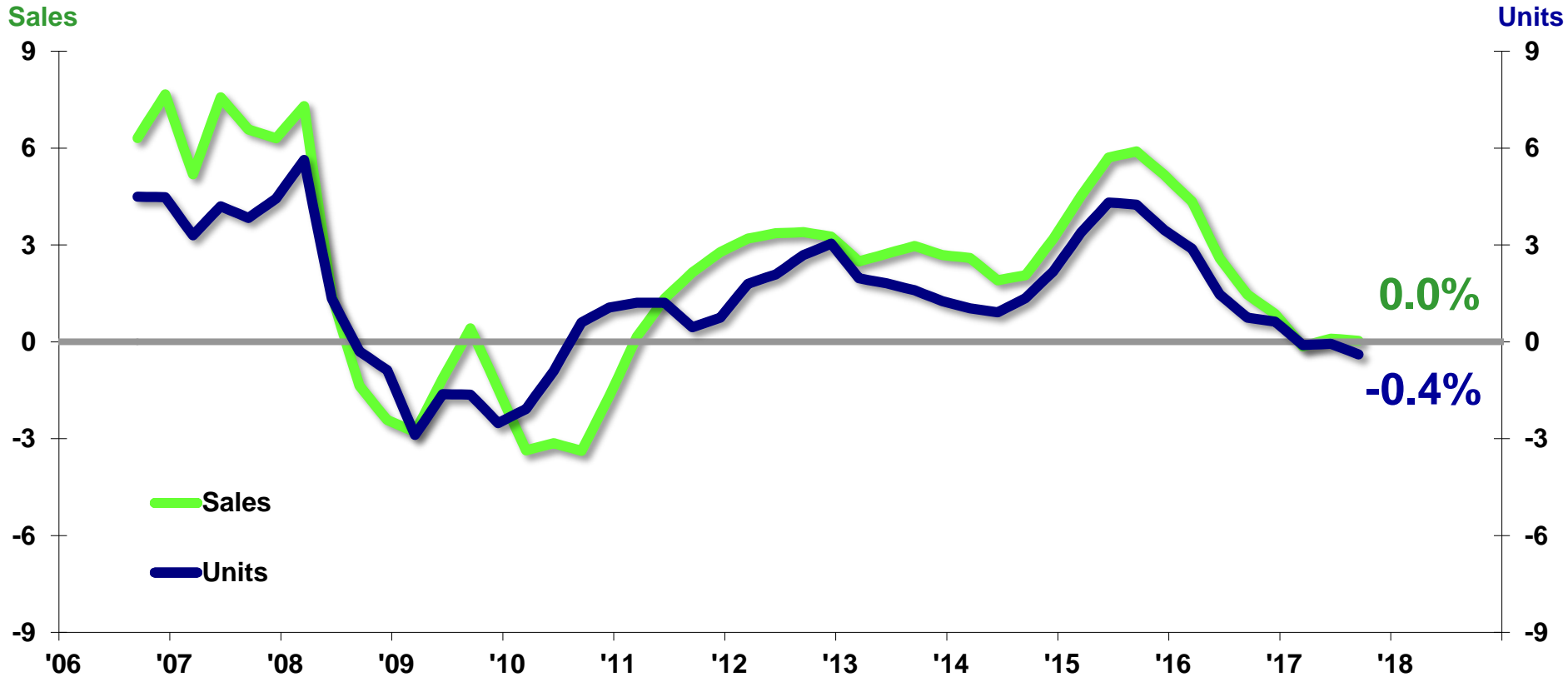
Ophthalmic Frames Revenue to US Industrial Production Index



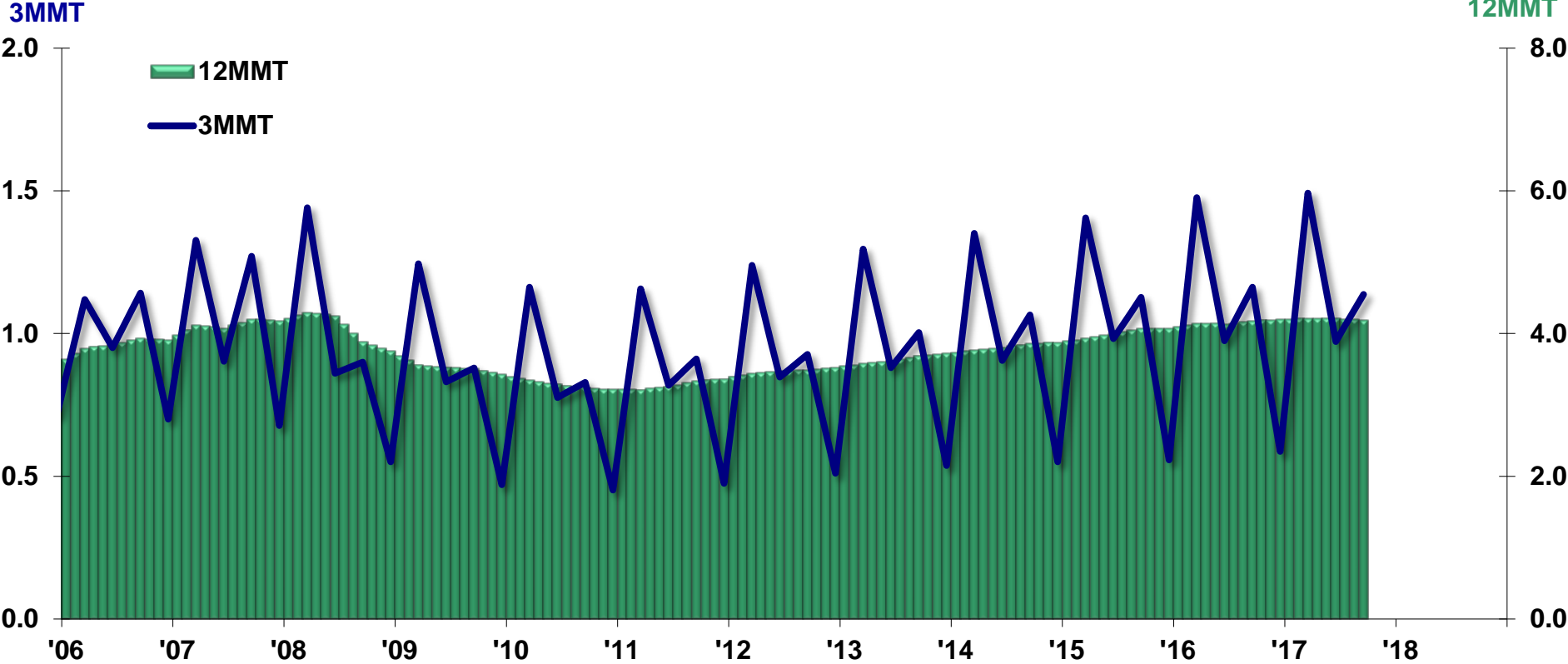
Ophthalmic Frames Revenue to US Disposable Personal Income



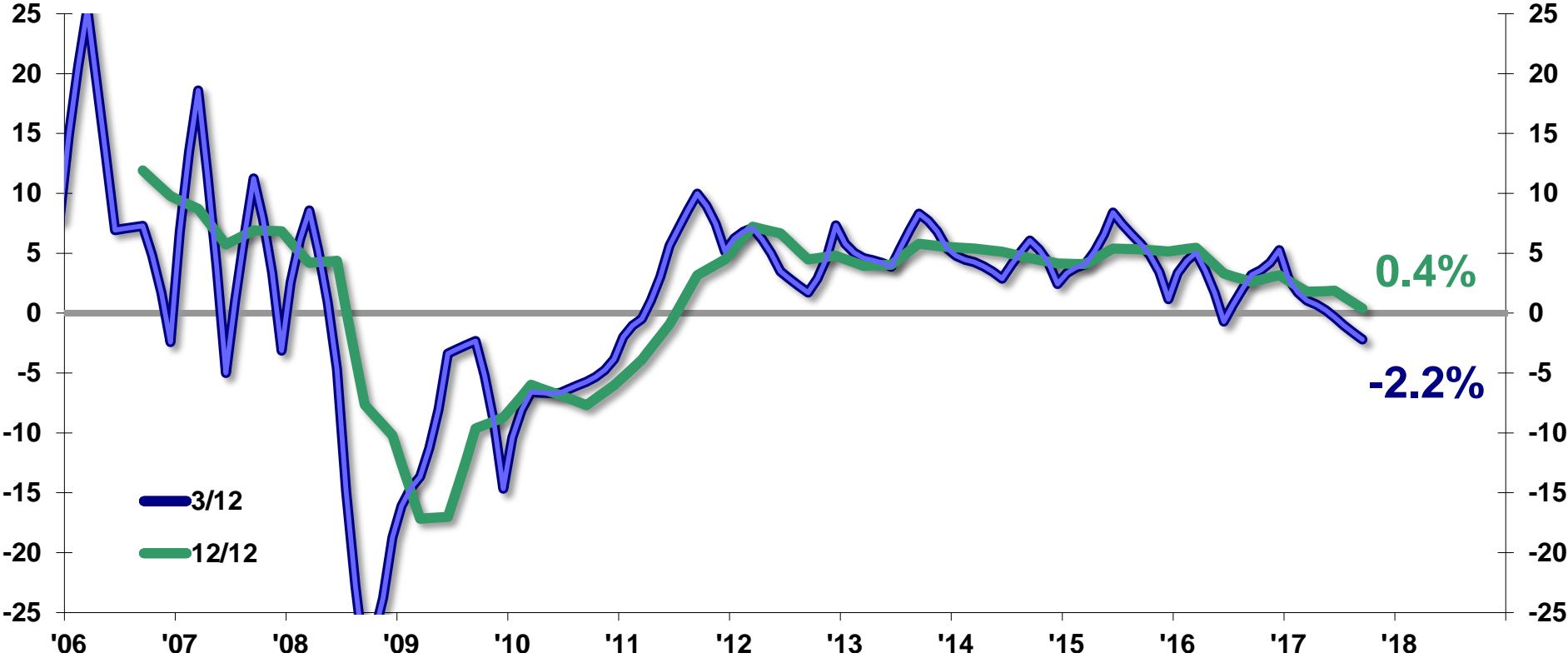
Ophthalmic Frames Revenue to Units of Ophthalmic Frames Sold



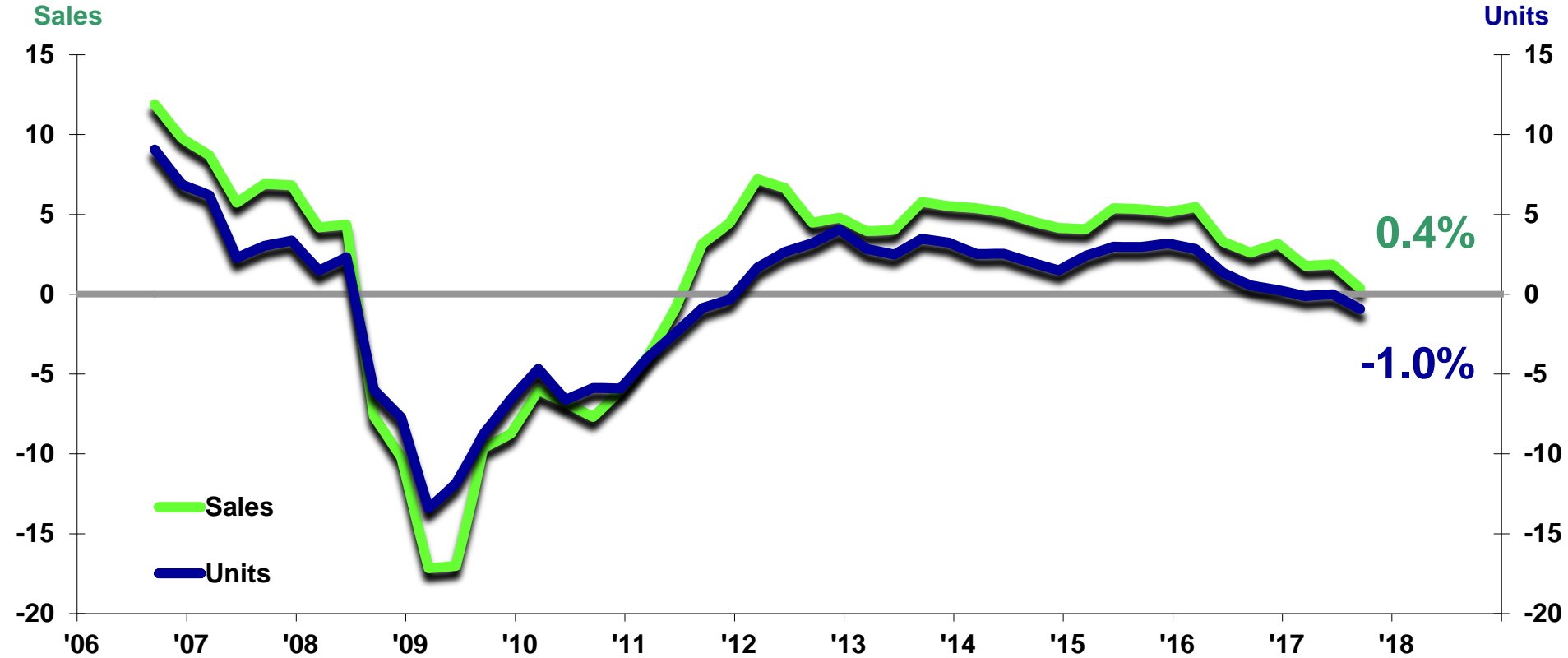
Plano (Non-Rx) Sunglasses Revenue



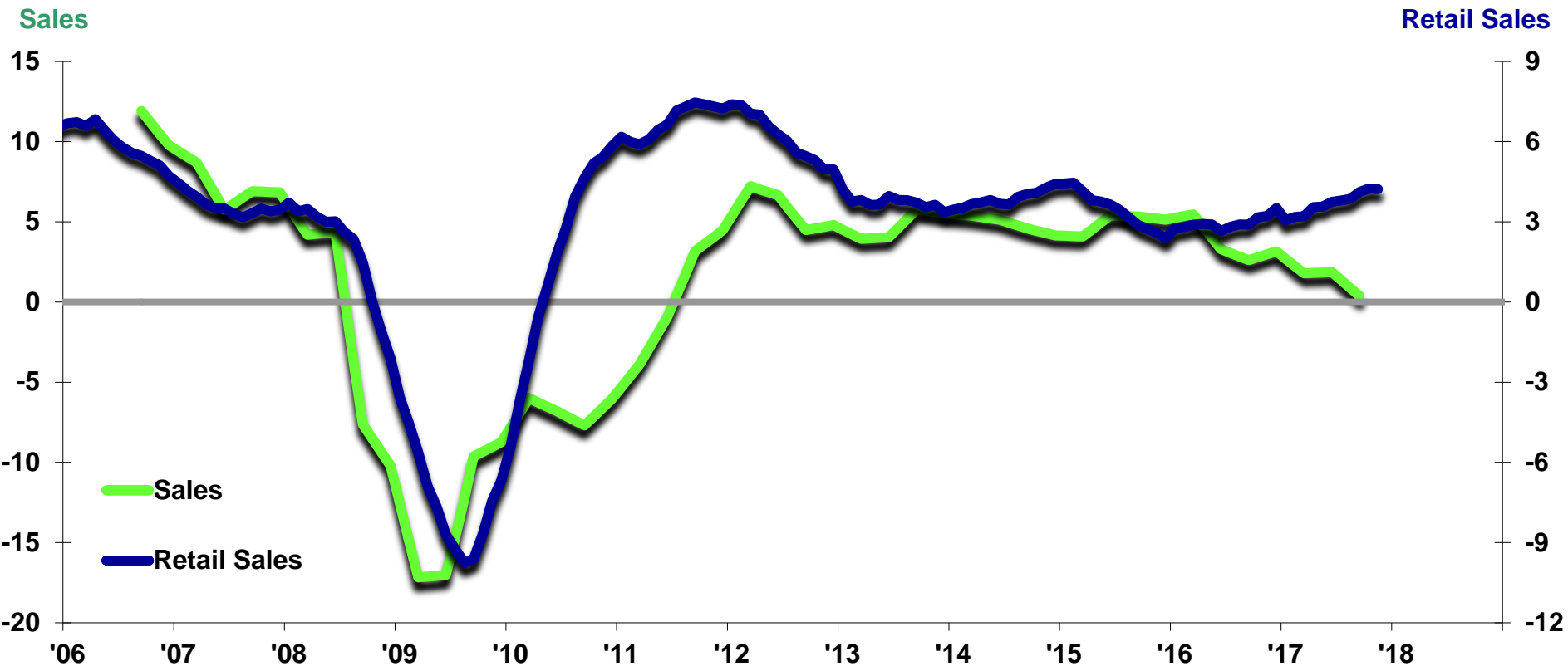
Plano (Non-Rx) Sunglasses Revenue



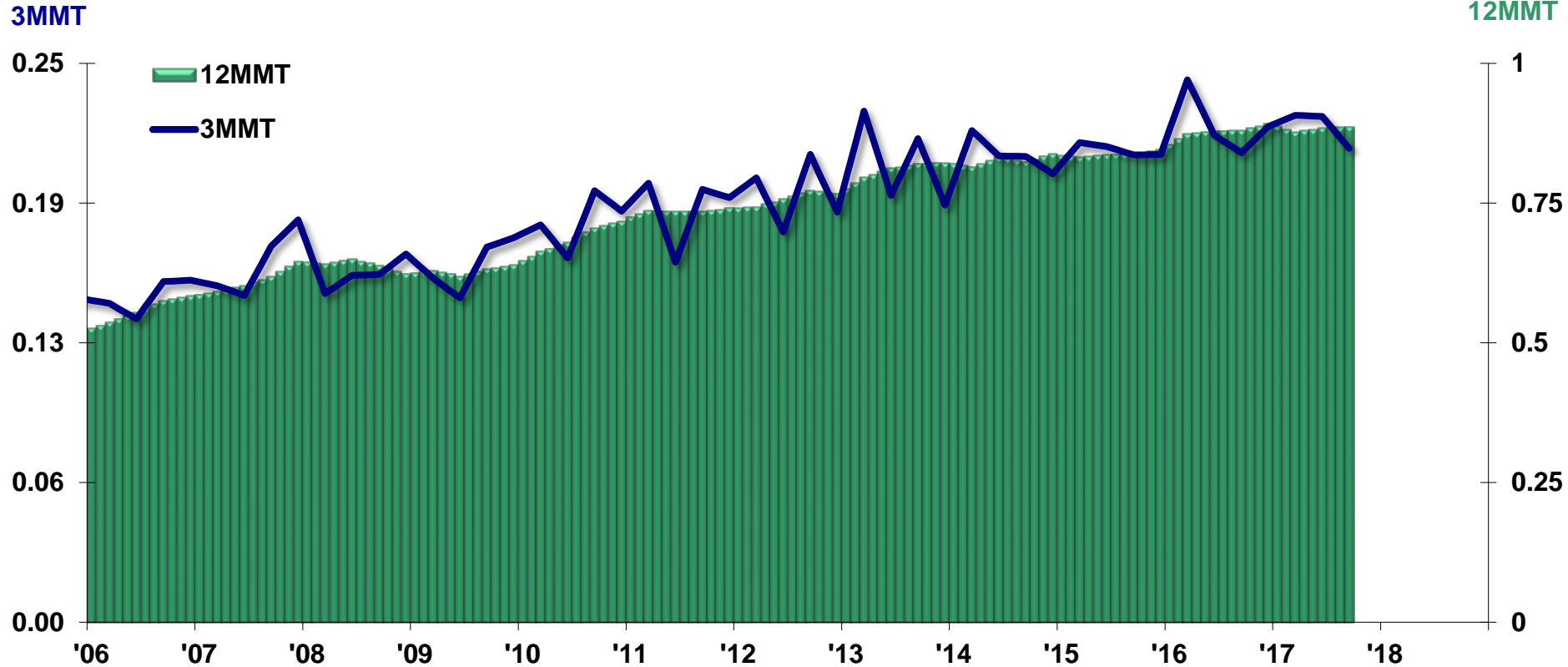
Plano (Non-Rx) Sunglasses Revenue to Units of Plano (Non-Rx) Sunglasses Sold



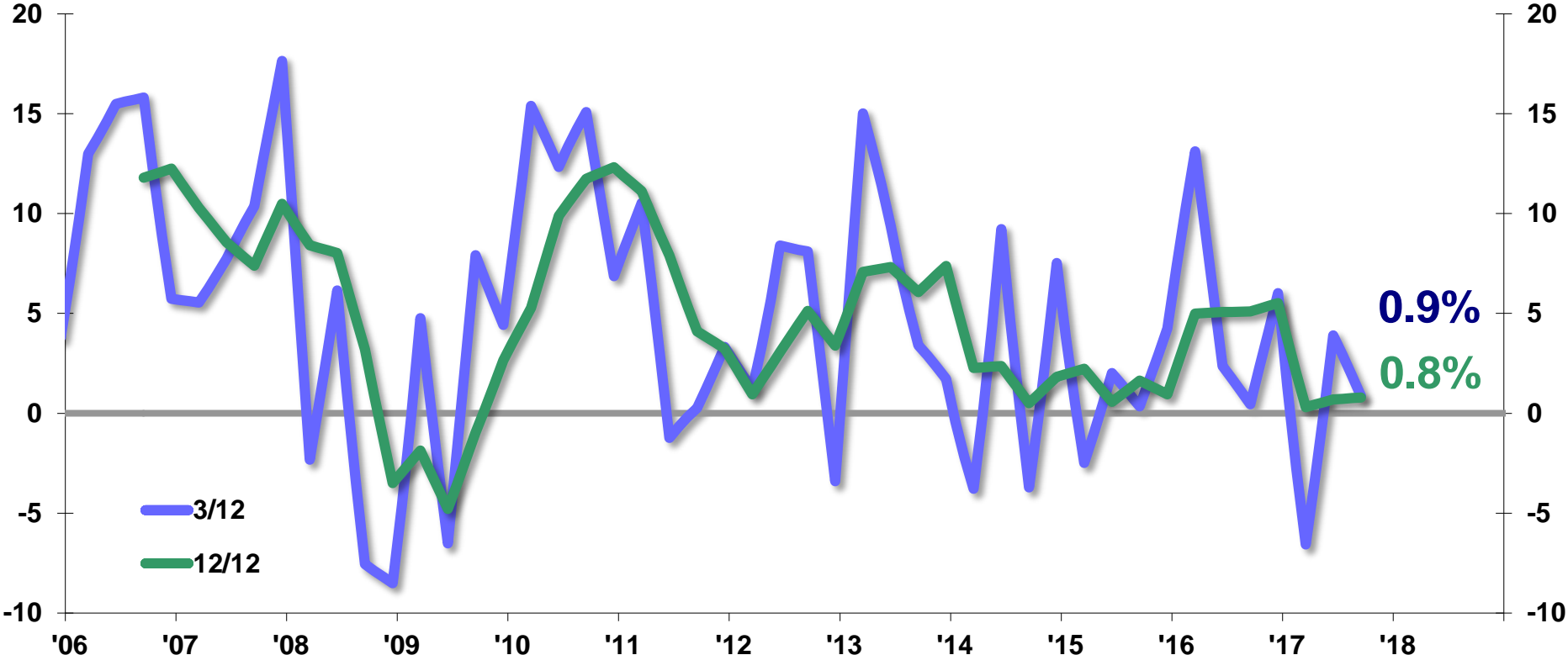
Plano (Non-Rx) Sunglasses Revenue to US Total Retail Sales (nominal \$)



OTC Magnifying Readers Revenue

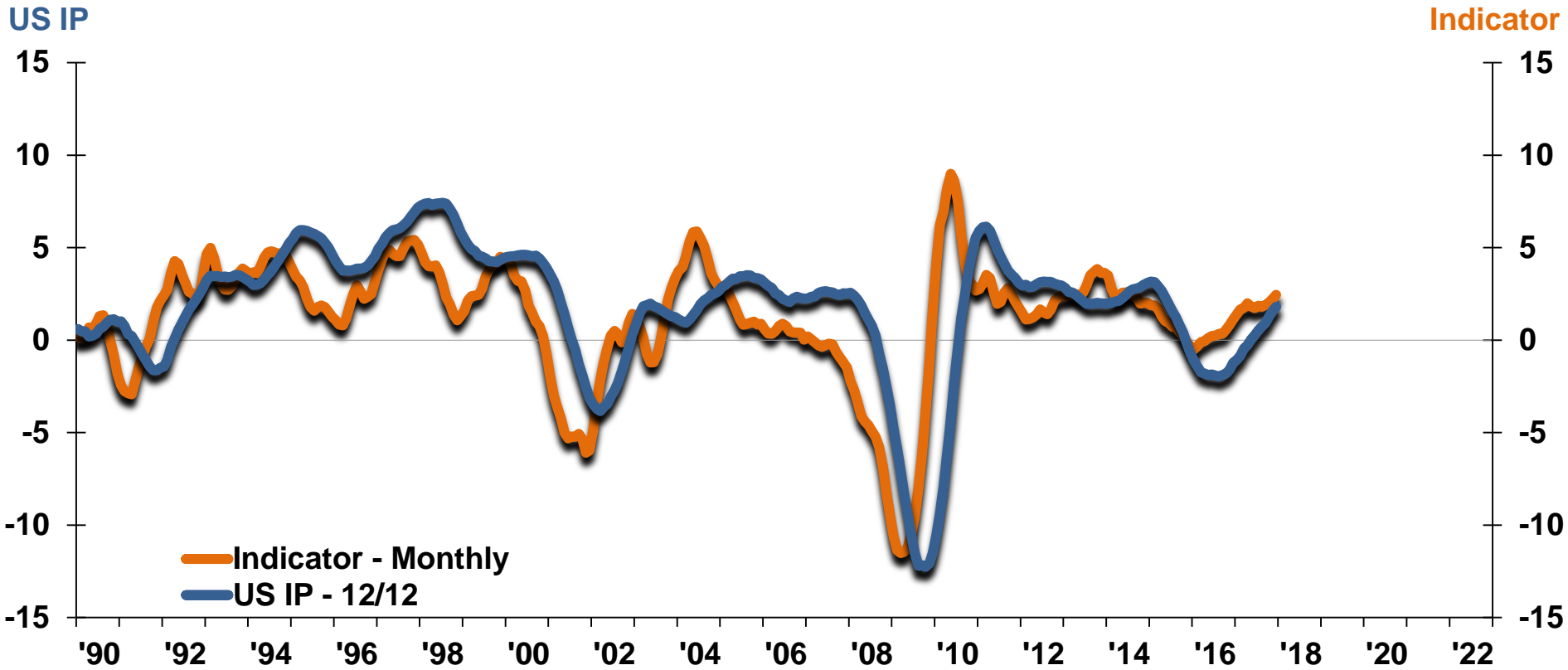


OTC Magnifying Readers Revenue



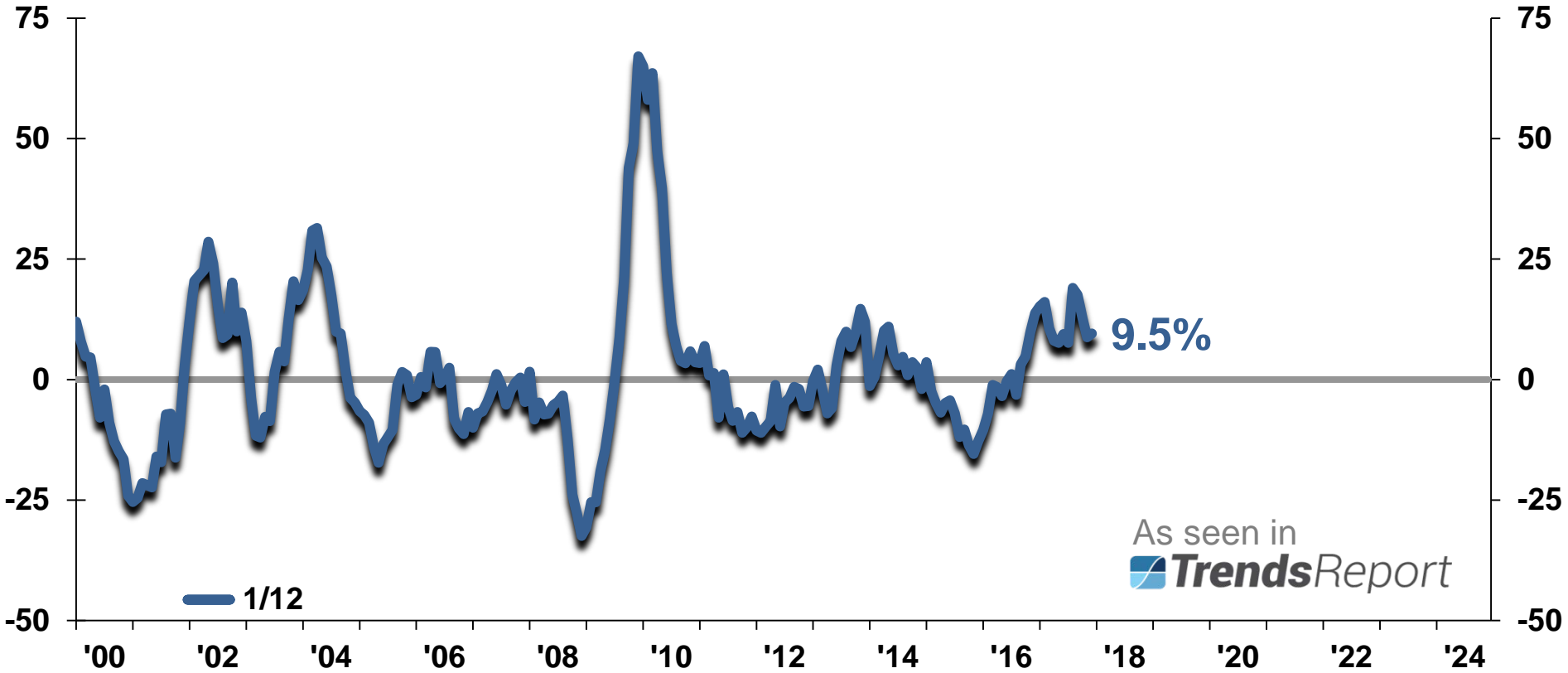
US Industrial Production to ITR Leading Indicator™

Reported in *ITR Trends Report – ITR Advisor*



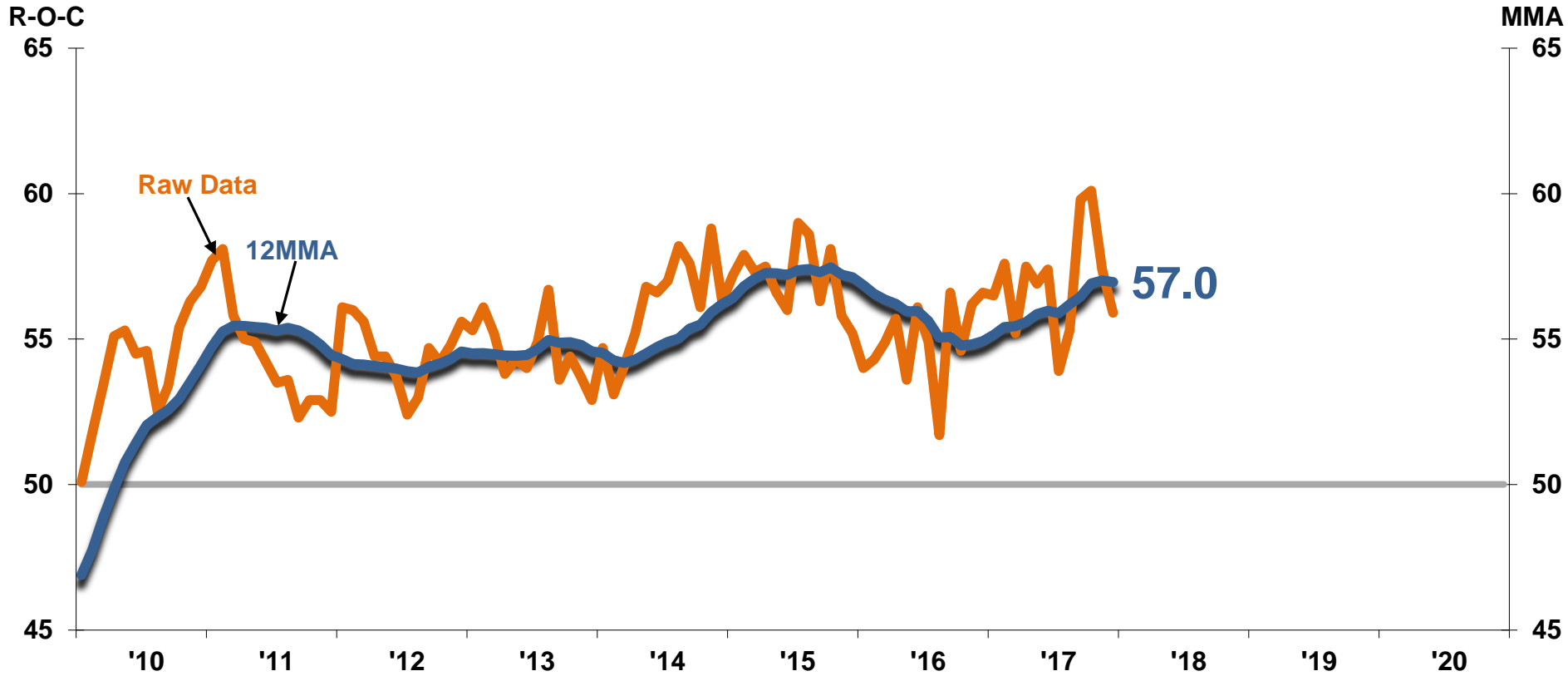
Indicator - Monthly
US IP - 12/12

US Purchasing Managers Index

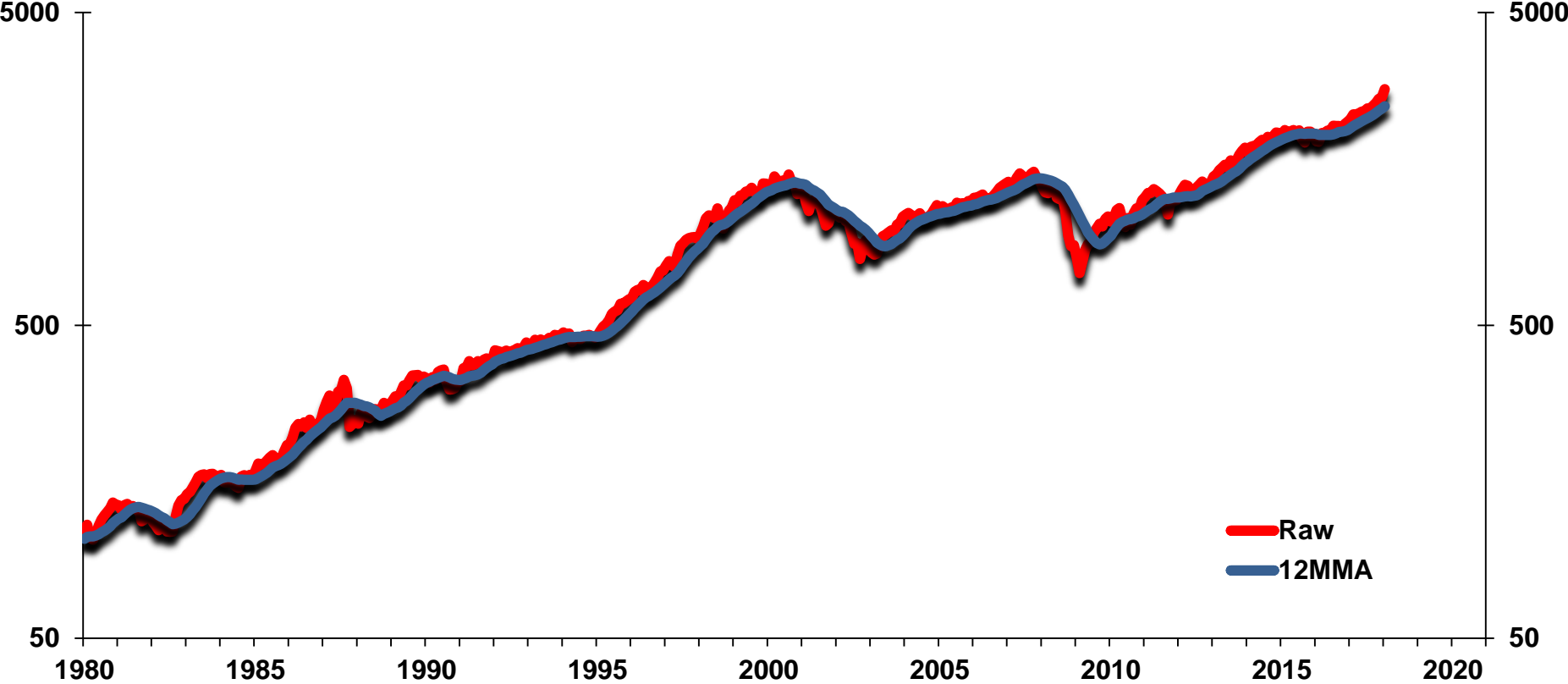


As seen in
TrendsReport

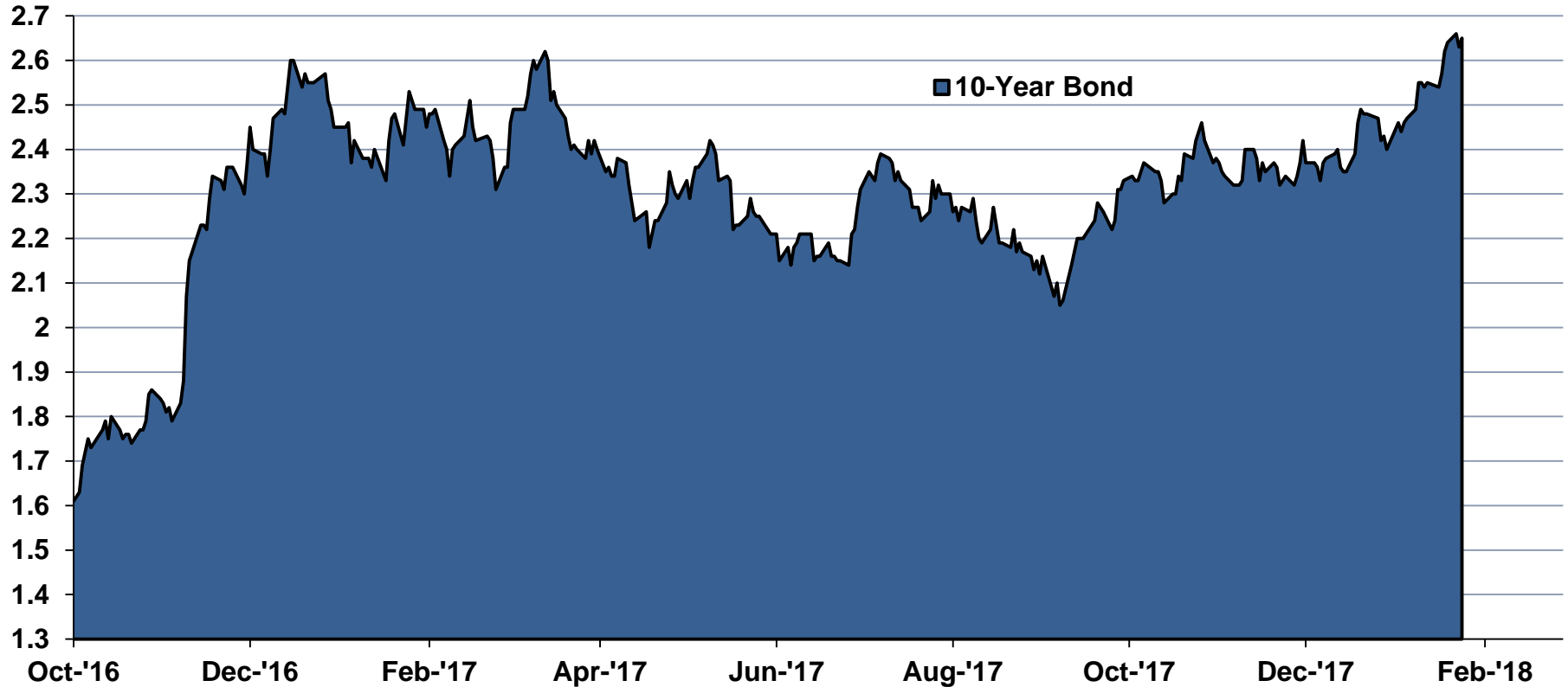
US Non-Manufacturing Purchasing Managers Index



US Stock Prices Index



US Treasury 10-Year Bond

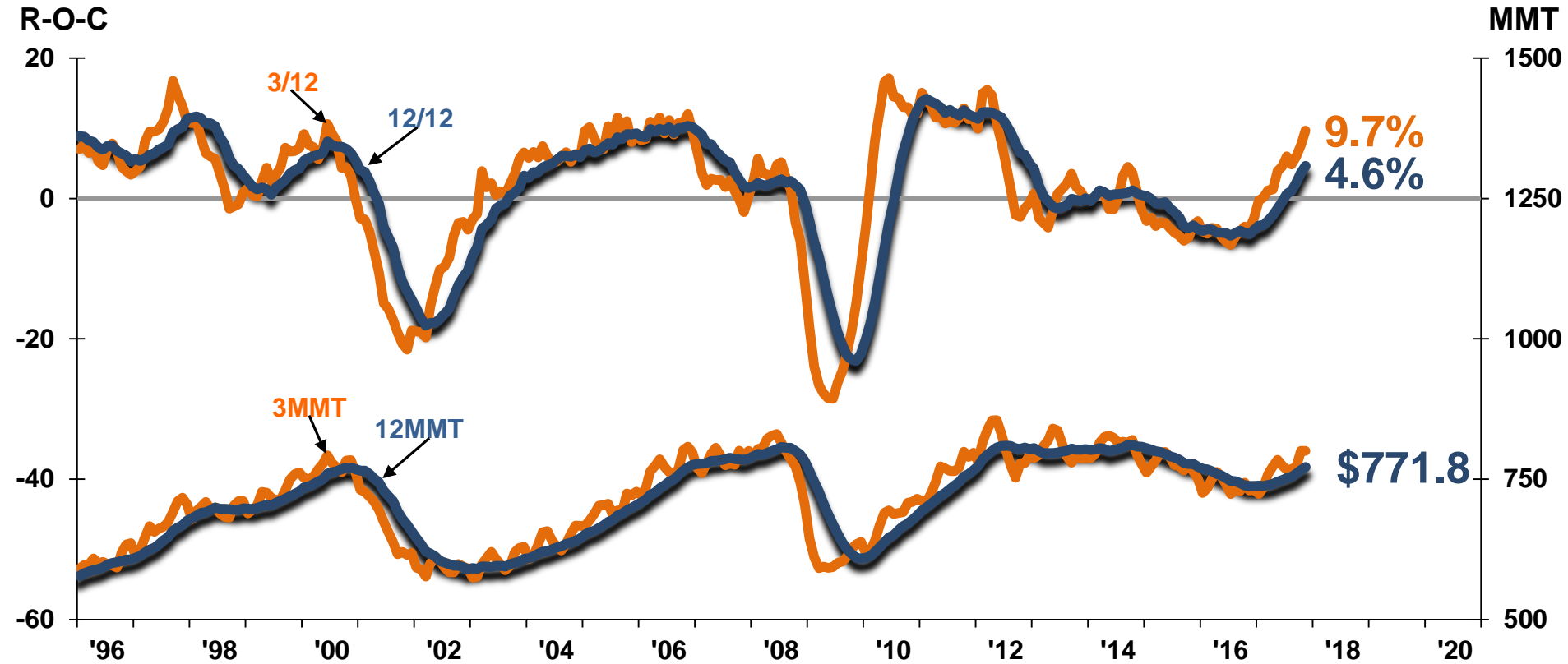


10-Year Government Bond Yield

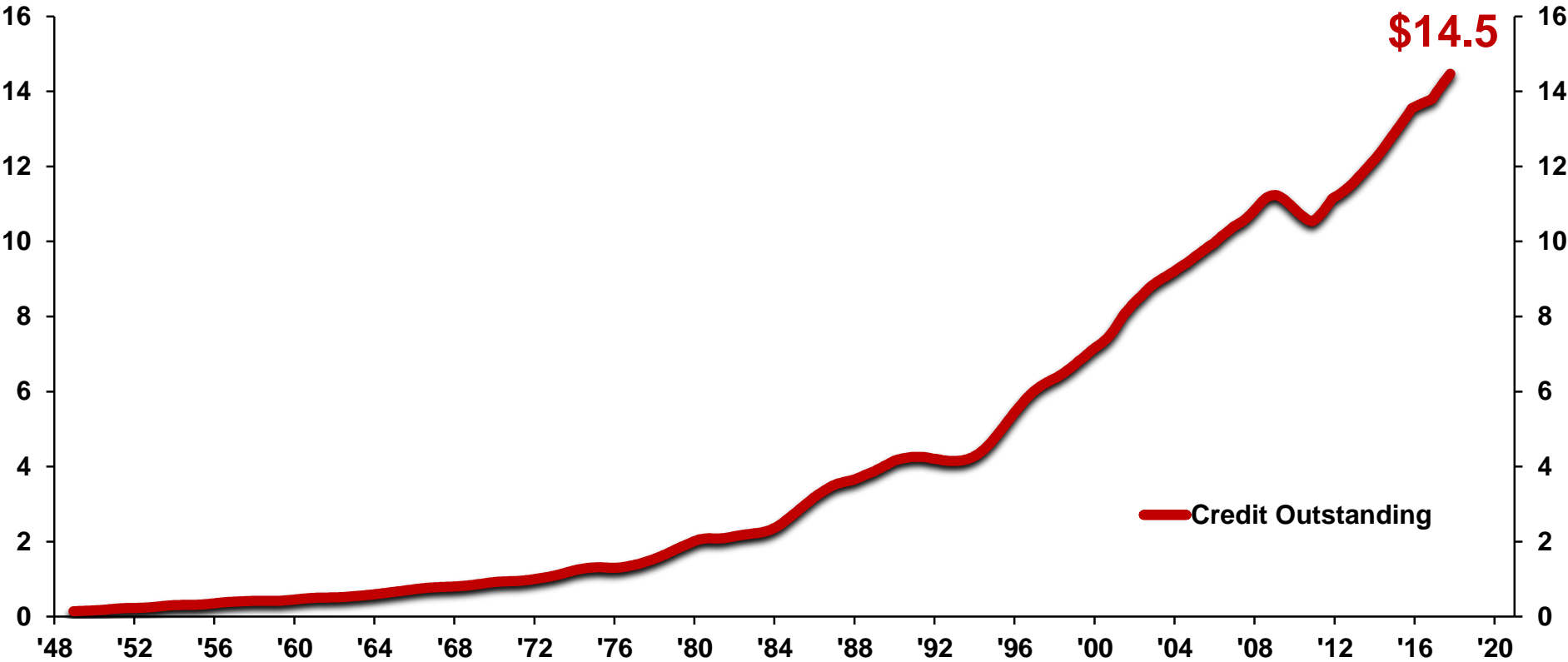


Percent
Source: FRB

US Nondefense Capital Goods New Orders w/o Aircraft

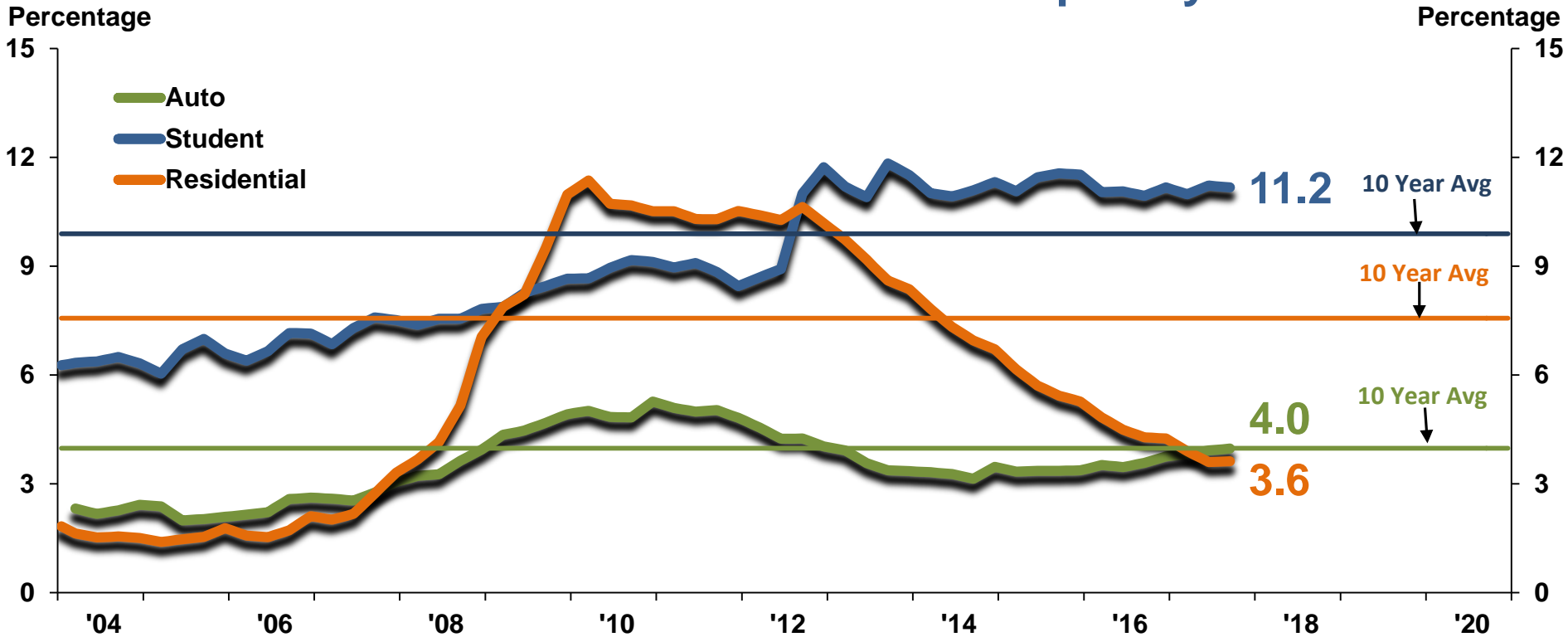


US Consumer Credit Outstanding Per Capita

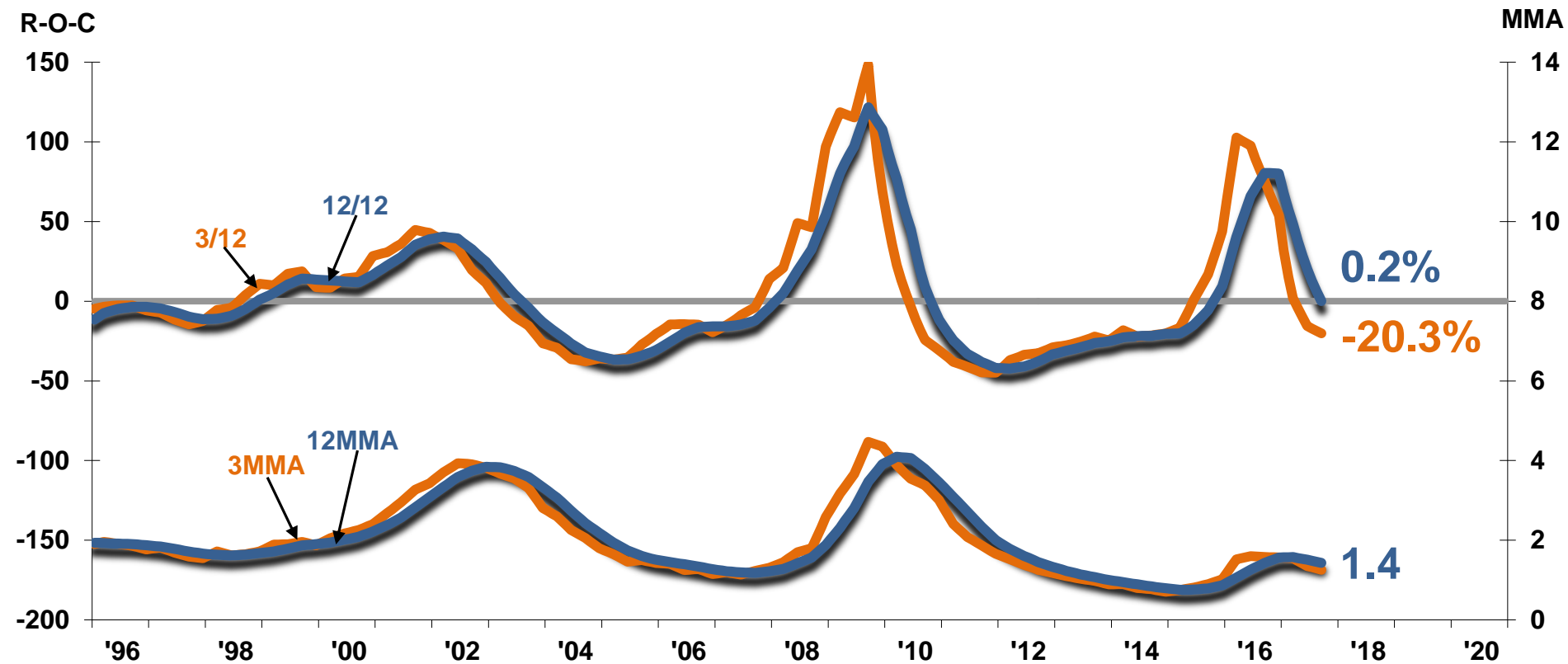


Annual Data Trend in Thousands of Dollars

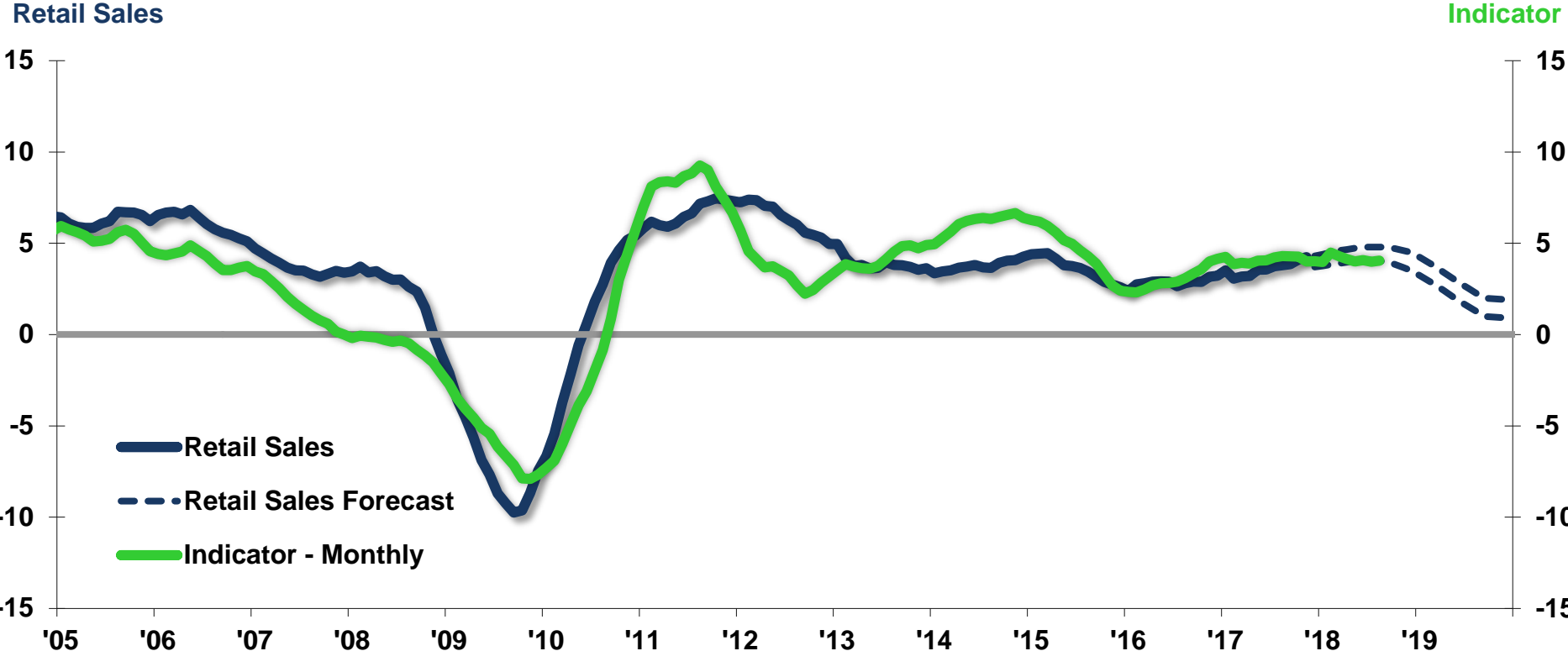
US Auto Loan Delinquency Rate to Percent of US Student Loans Over 90 Days Delinquent to Real Estate Residential Loan Delinquency Rate



US Delinquency Rates for Commercial & Industrial Loans



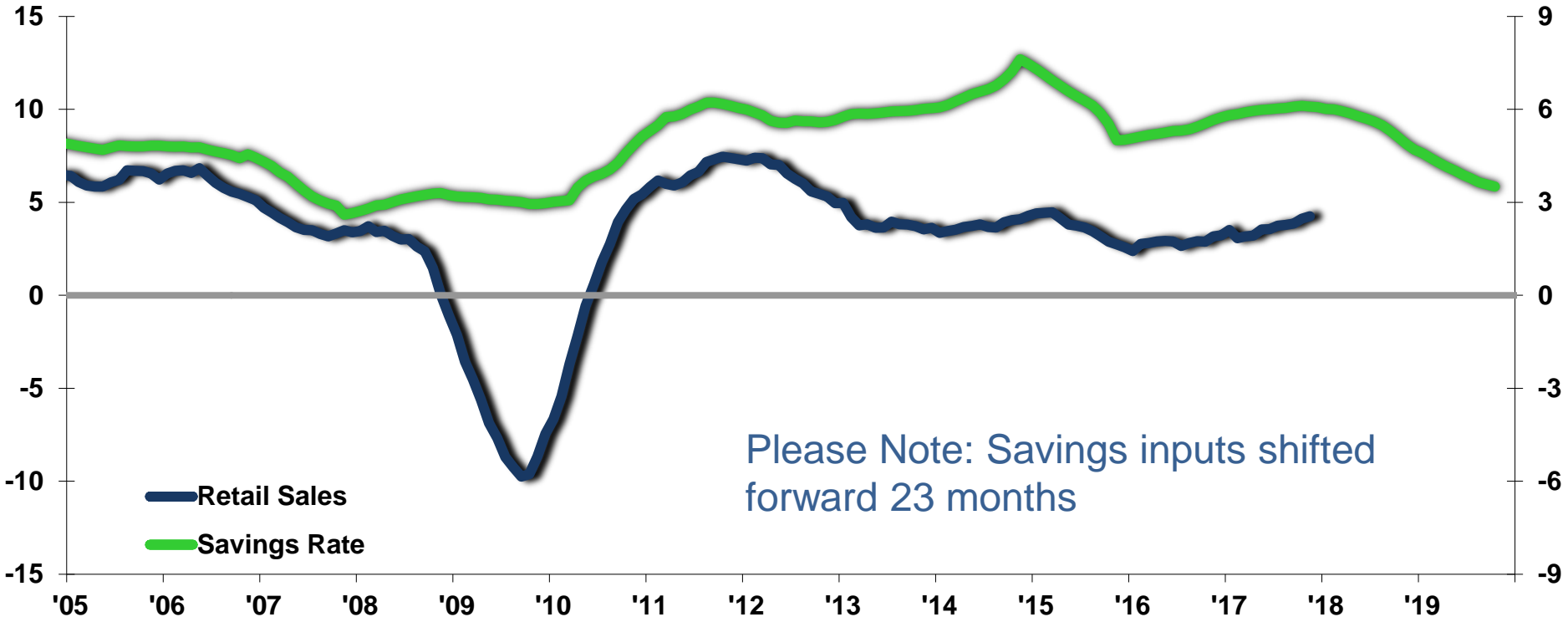
US Total Retail Sales to ITR US Retail Sales Leading Indicator



US Total Retail Sales to US Personal Savings as a Percentage of Disposable Income

Retail Sales

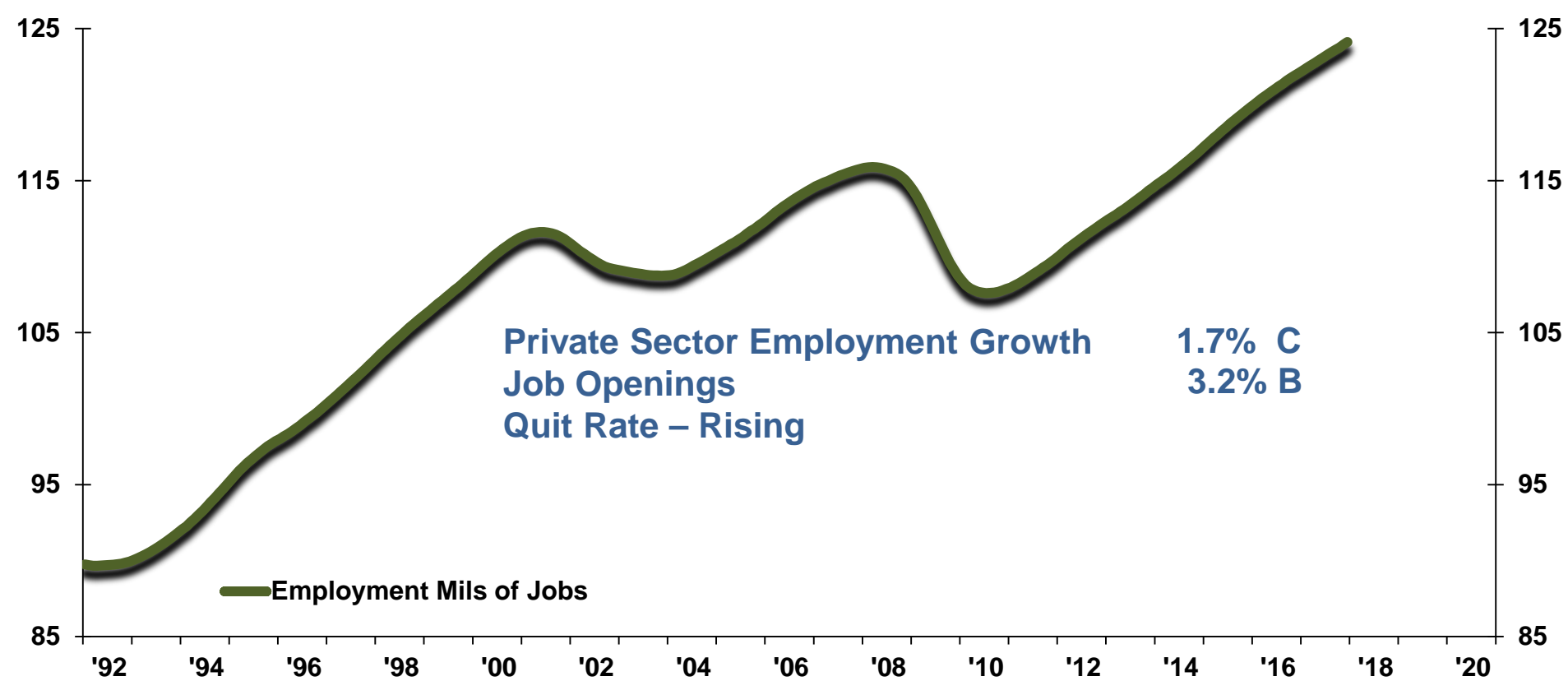
Savings Rate



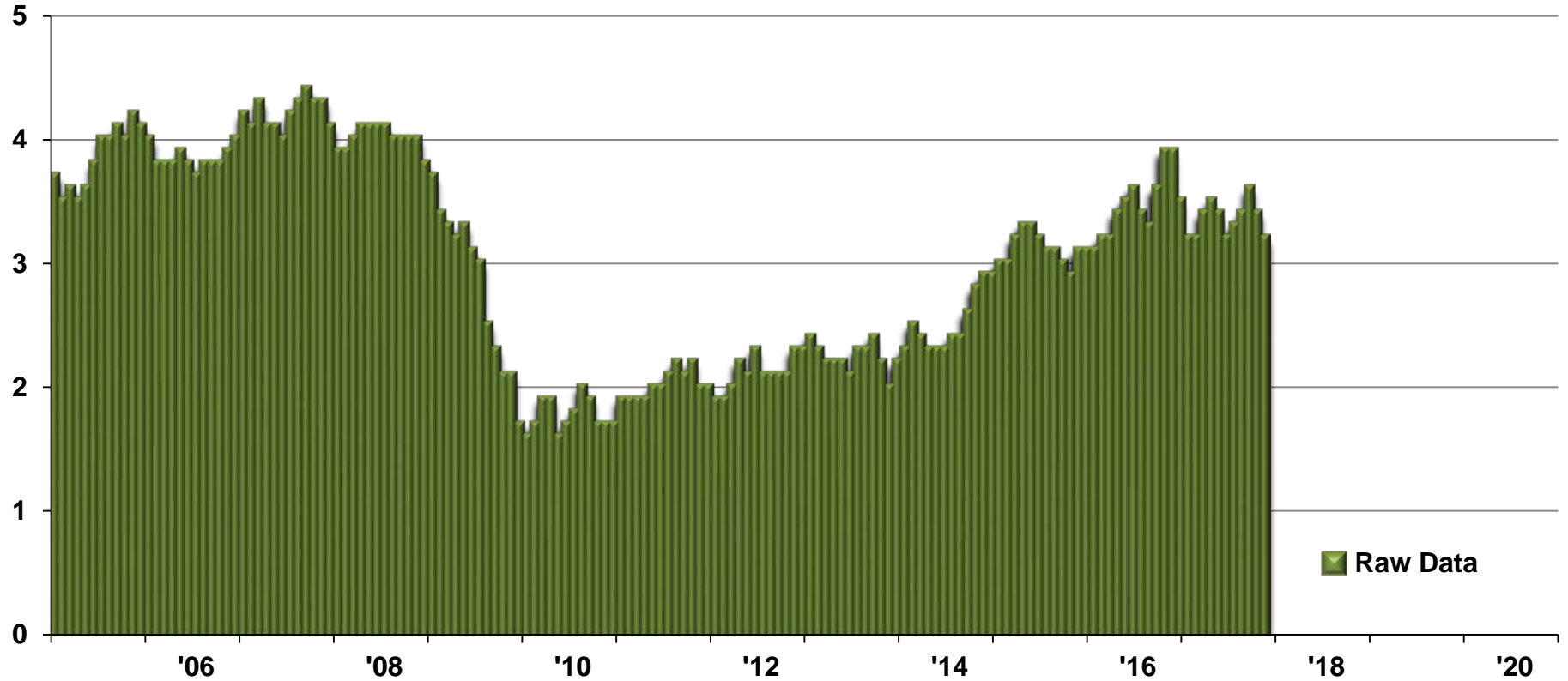
US Housing Price Index



US Private Sector Employment



US Overall Wage Growth



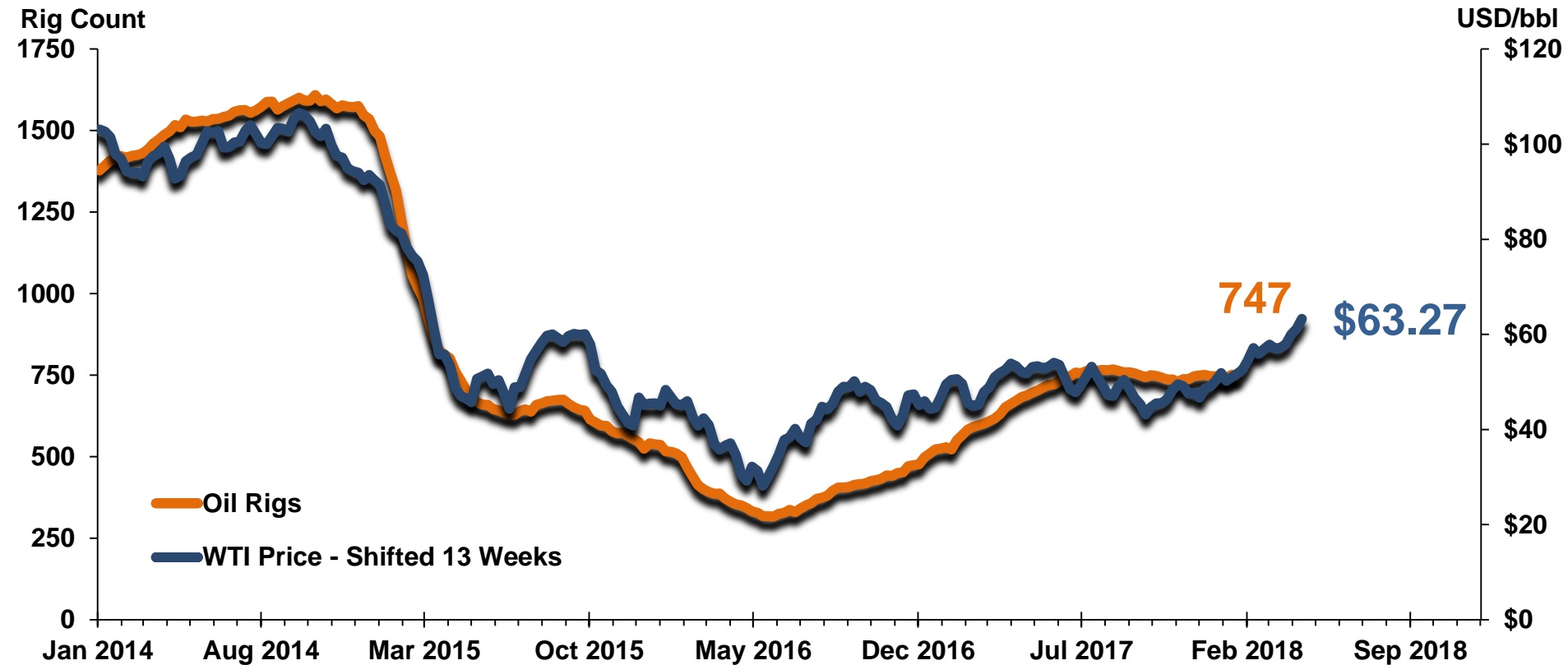
I Can't Adult Today.



Please Don't Make Me Adult.

United States Overview

Weekly Oil Price & Rig Count



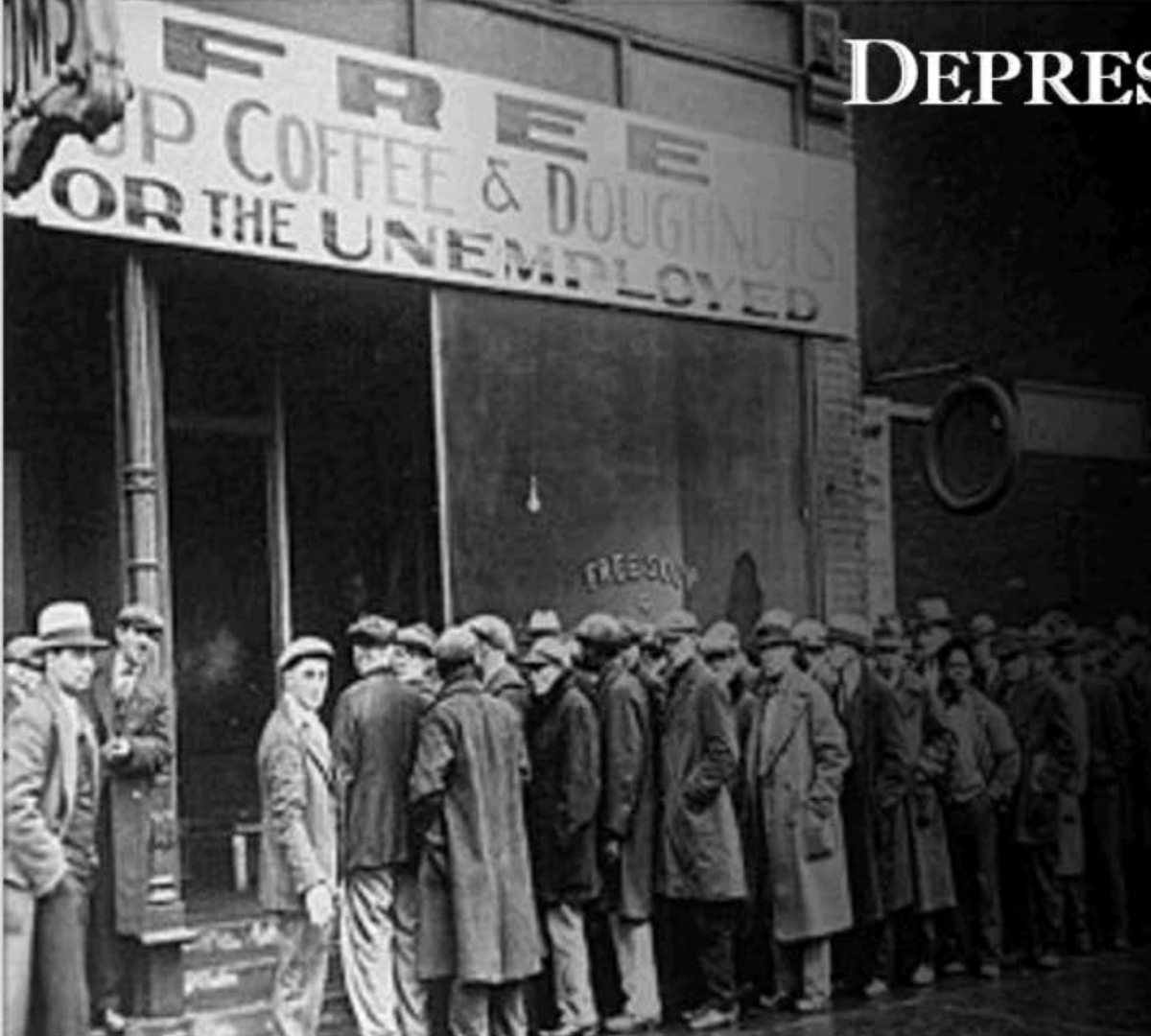
DEPRESSION DRIVERS

Demographics

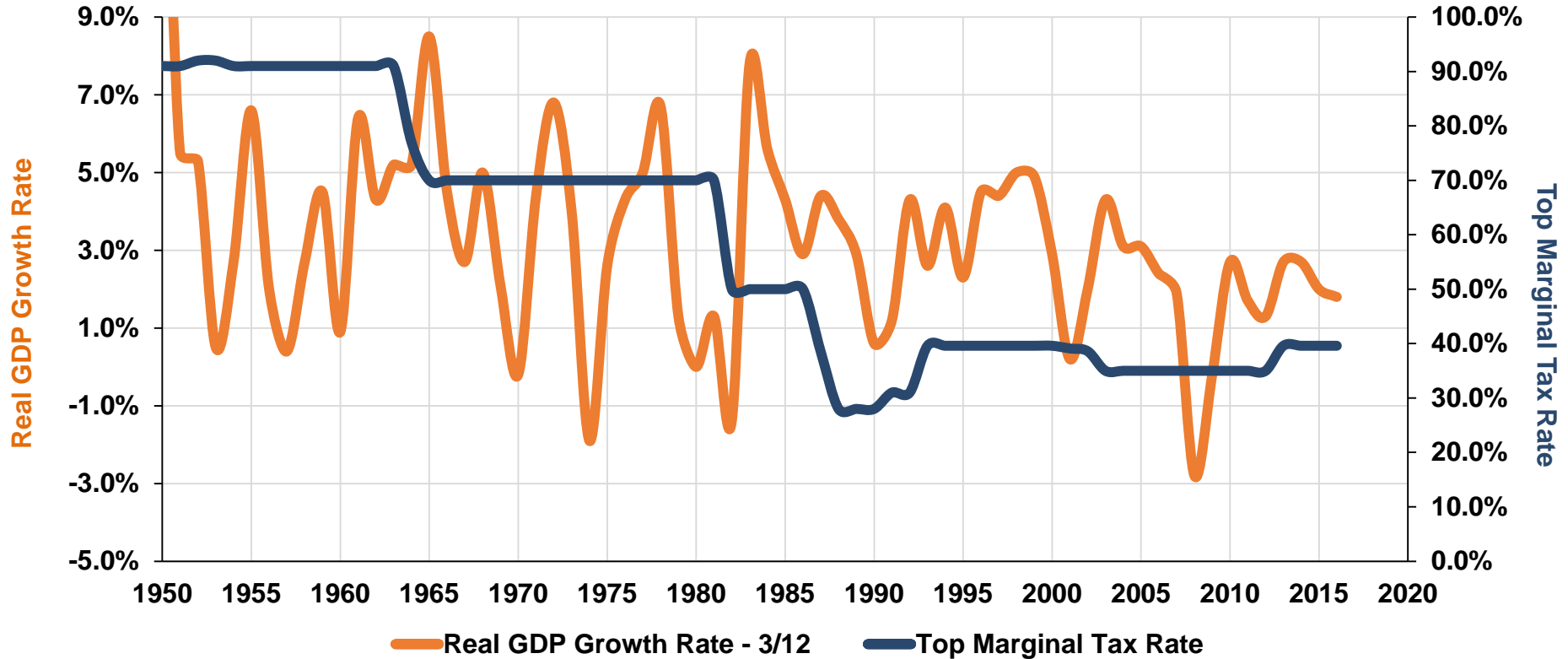
Inflation

Health Care Costs
and Entitlements

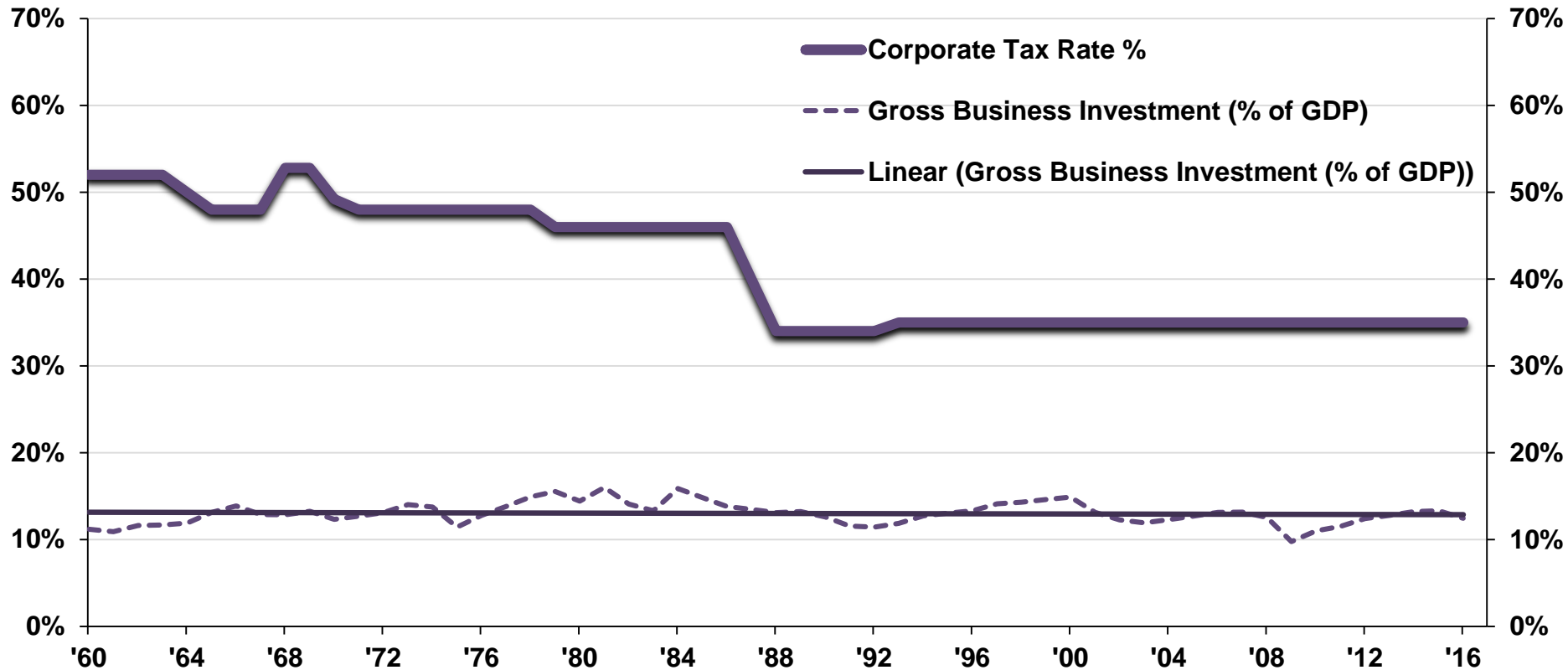
US National Debt



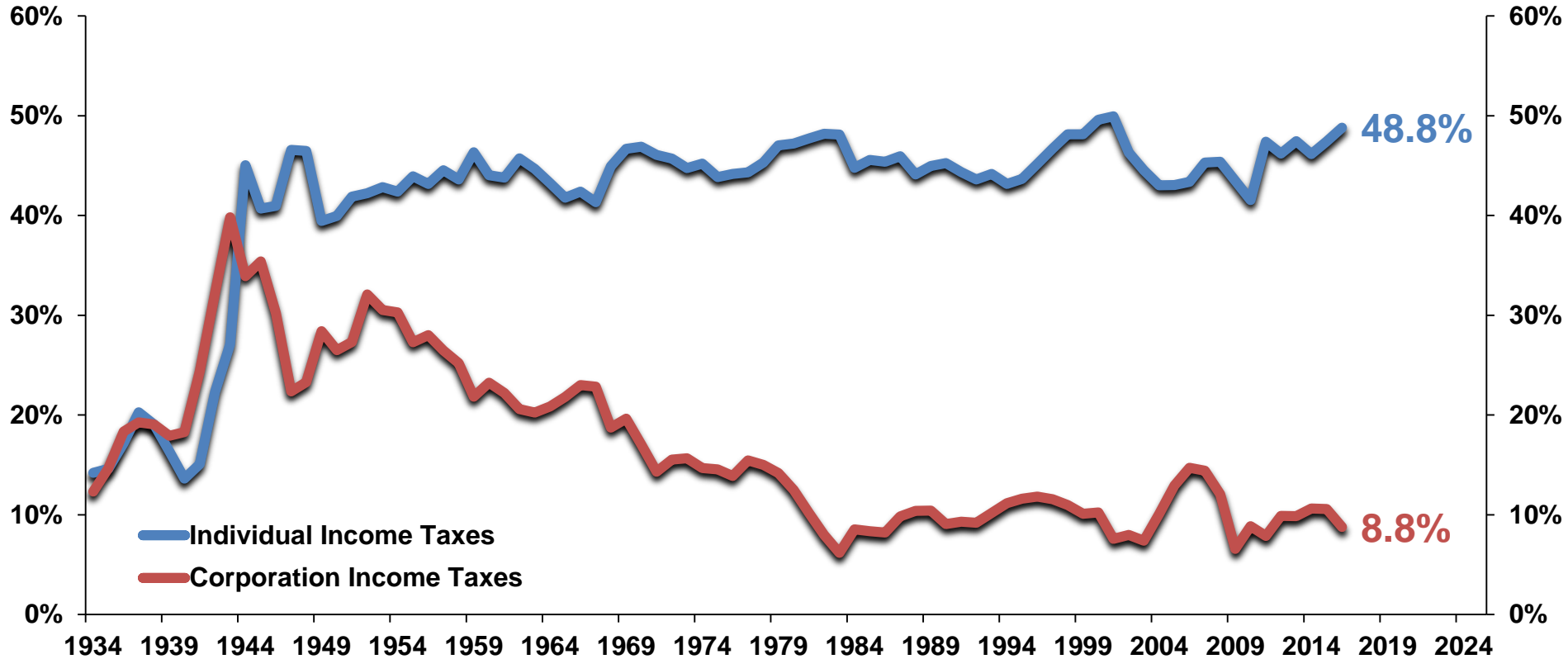
US Tax Rates and Real GDP Growth



US Corporate Tax Rate and Gross Business Investment



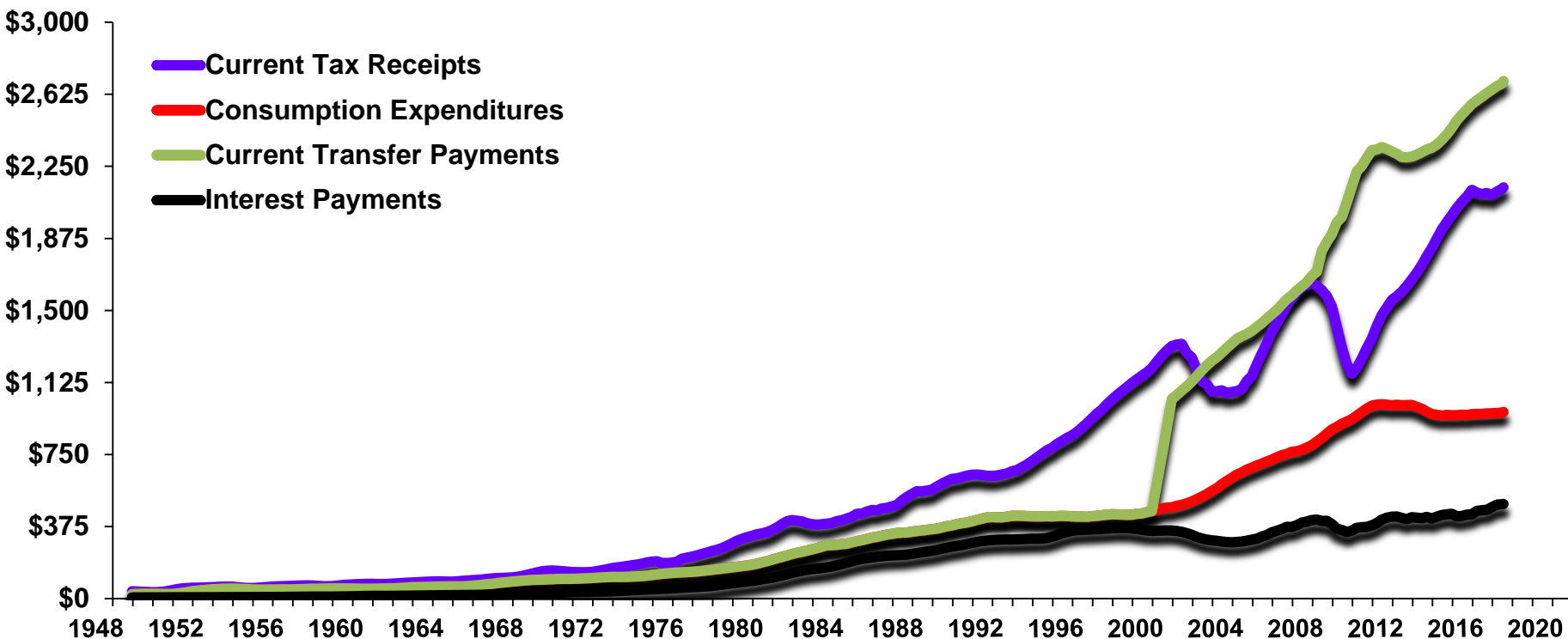
Percent of Total US Tax Receipts by Source



US Federal Government Current Tax Receipts to Consumption Expenditures to Current Transfer Payments to Federal Government Interest Payments

Tax/Exp/Paym

Interest





It is not enough to do your best; you must know what to do, and then do your best.

W. Edwards Deming

ITR Management Objectives™

Preparing for the Future

- 1. Is your revenue trend sensitive to Disposable Personal Income**
- 2. Determine if your cycles line up with US Total Industrial Production**
- 3. Make sure your training and retention programs are top notch**
- 4. Drive efficiencies with technology**
- 5. Are you positioned where there is a growing demographic**
- 6. Take advantage of still-low interest rates**

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The Vision Council

