

GrandVision
Half Year 2018 Results

6 August 2018

Forward looking statements

This presentation contains forward-looking statements that reflect GrandVision's current views with respect to future events and financial and operational performance. These forward-looking statements are based on GrandVision's beliefs, assumptions and expectations regarding future events and trends that affect GrandVision's future performance, taking into account all information currently available to GrandVision, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and GrandVision cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to GrandVision or are within GrandVision's control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing GrandVision. Any forward-looking statements are made only as of the date of this press release, and GrandVision assumes no obligation to publicly update or revise any forward looking statements, whether as a result of new information or for any other reason.

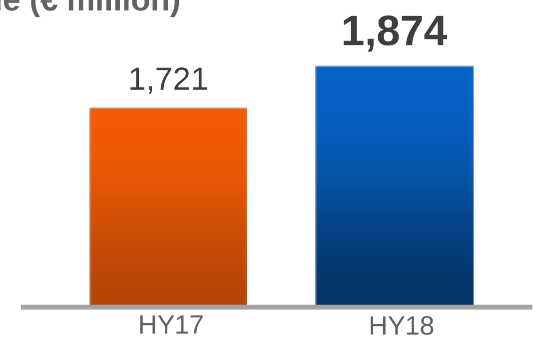
Highlights

- Accelerated topline performance driven by
  - Comparable growth of 2.8% in HY18 (2.4% in HY17)
  - Improved performance in the G4
  - France growing again
- Omni-channel gaining traction
  - Website visits +40%
  - Online appointment bookings +84%
  - Online sales +69%
- Medium term objective and 2018 outlook unchanged
- Capital Markets Day: September 20th in Amsterdam

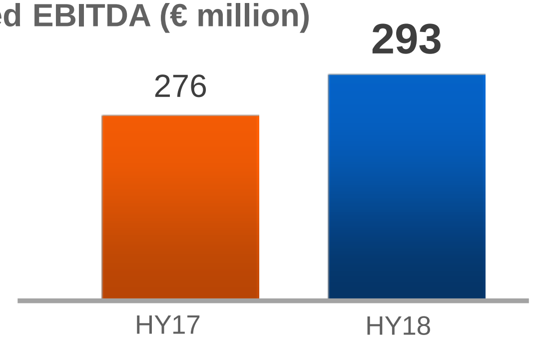
Half Year 2018 performance

- **11.8% increase in revenue to €1,874 million**
  - Revenue growth of **11.8%** at constant exchange rates and **3.9%** organic growth
  - Comparable growth of **2.8 %** (HY17: 2.4%)
- **7,002 stores**
  - Store network remained at around 7,000 stores since year-end 2017 as openings of 163 new stores were offset by store closings
- **Adjusted EBITDA growth of 8.0%**
  - Adjusted EBITDA[1] up **8.0%** at constant exchange rates to **€293 million** (HY17: €276 million)
  - Adjusted EBITDA margin decreased by 40 bps to **15.6%,** mainly due to the dilutive effect of acquisitions and rebranding costs
  - Net result attributable to equity holders decreased by **7.0%** to **€106 million** mainly due to higher non-cash depreciation and amortizations
  - Adjusted EPS[1] of **€ 0.44** (HY17: €0.47)

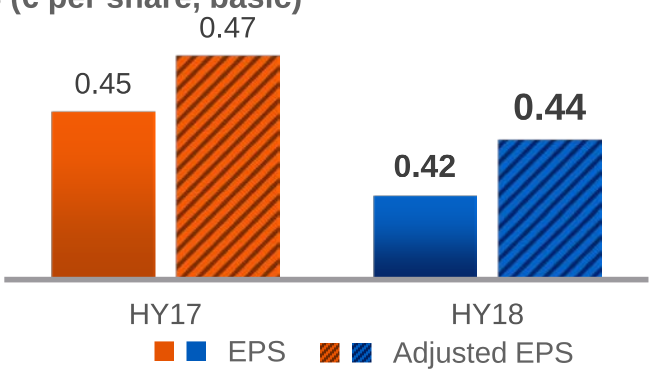
Revenue (€ million)



Adjusted EBITDA (€ million)



EPS (€ per share, basic)

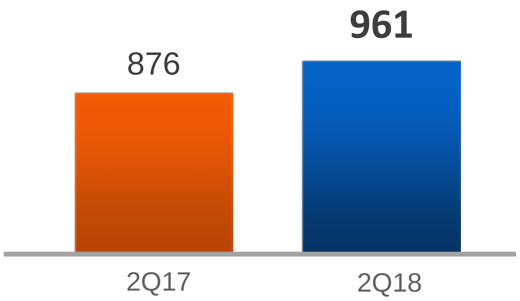


[1] Adjusted EBITDA, EPS = EBITDA, EPS excluding non-recurring items

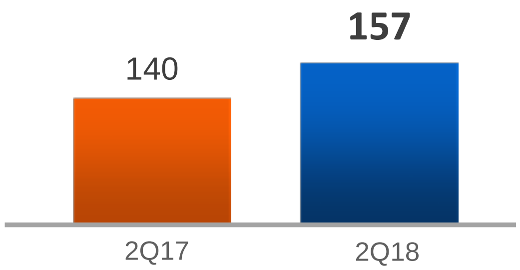
Second Quarter 2018 performance

- **Revenue increased by 12.6% to €961 million**
  - Revenue growth of **12.6%** at constant exchange rates and **4.5%** organic growth
  - Comparable growth of **3.5%** (2Q17: 0.7%) driven by all three geographic segments:
    - G4: 1.8% (2Q17: -1.7%)
    - Other Europe: 3.8% (2Q17: 2.8%)
    - Americas & Asia: 10.0% (2Q17: 7.2%)
- **Adjusted EBITDA growth of 14.8%**
  - Adjusted EBITDA[1] up **14.8%** at constant exchange rates to **€157 million** (2Q17: €140 million)
  - Adjusted EBITDA margin growth of **38 bps** to **16.4%** driven by higher comparable growth and a strong operating performance in the Other Europe and Americas and Asia segments

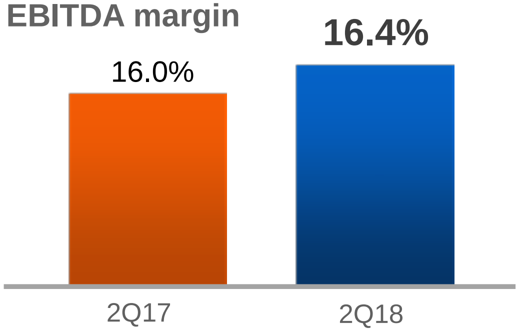
Revenue (€ million)



Adjusted EBITDA (€ million)



Adjusted EBITDA margin

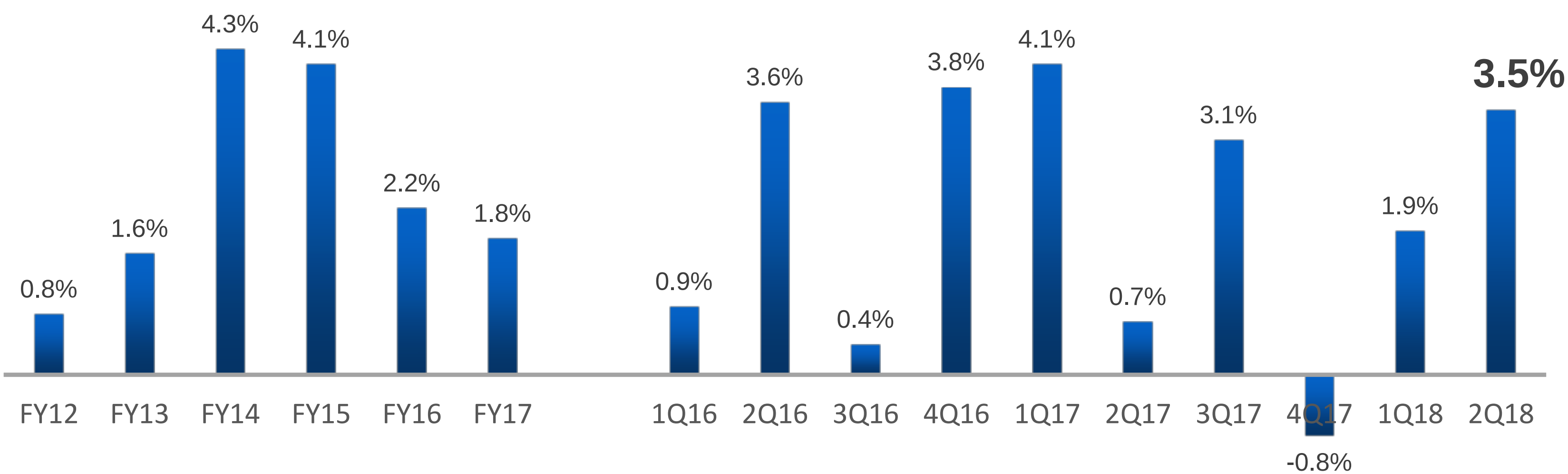


Key drivers of comparable growth

Comparable growth drivers

- Long term: favourable underlying market trends of aging populations and growing middle classes, stable repurchase cycles and the fundamental need for eye care
- Short term: performance is impacted by the number of selling days, timing of public holidays, specific commercial decisions and other short term impacts on retail traffic (e.g. weather)
- 2018 less volatile given particular Easter shift between 2016 and 2017
- 2018 will benefit from 1.5 additional selling days in 4Q18

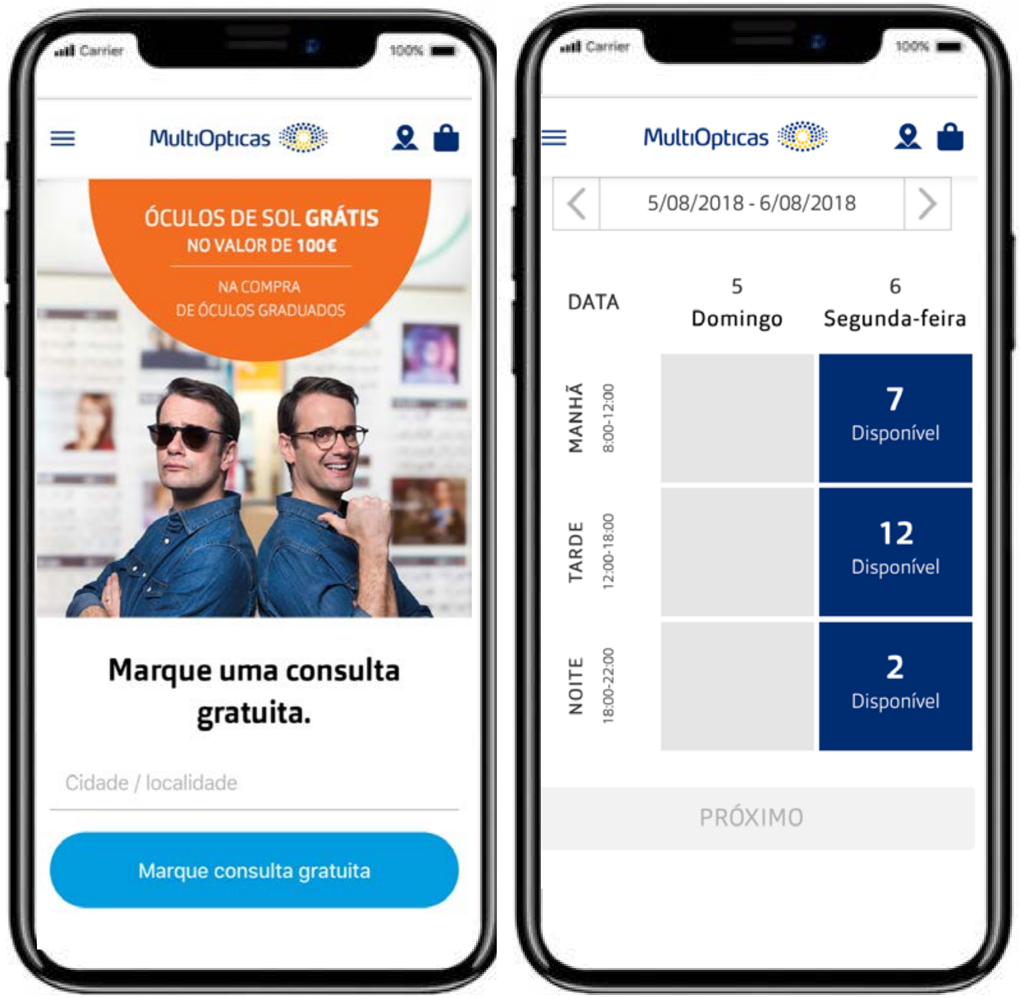
Comparable growth development



Omni-channel development

2Q18 highlights

- Total website visits +40% to 19.9 million
- Online appointment bookings +84% to 419K
- Online sales +69%
- Lenstore successfully launched in Germany
- Launch of new Multiopticas website in Portugal



G4 – HY18 Highlights

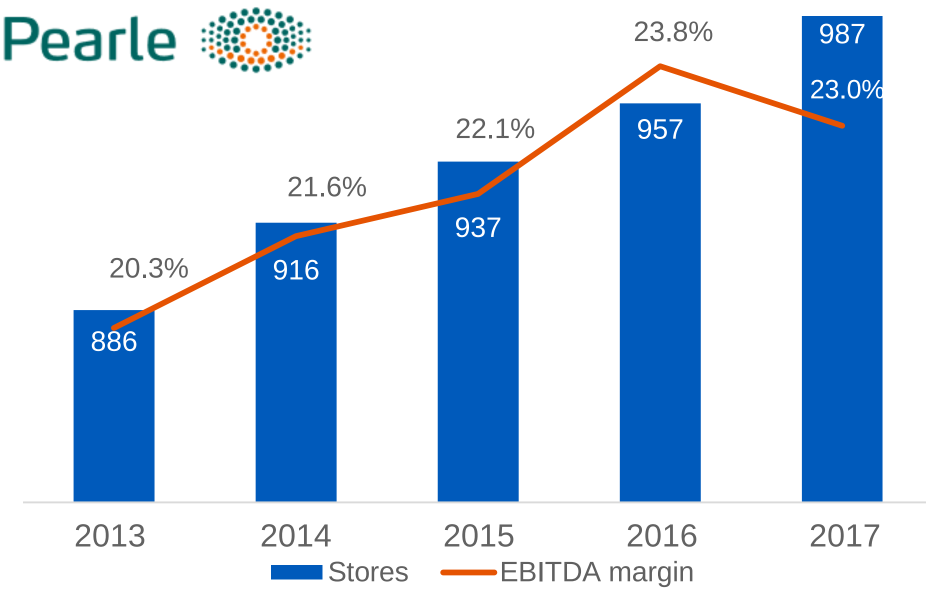
- Revenue growth of **7.8%** at constant exchange rates, with organic revenue growth of **2.8%**
- Comparable growth of 1.4% (HY17: -0.2%)
  - Over-performance vs market in France
  - Strong comparable and revenue growth in Germany
- Total number of stores increased from 3,348 at year-end 2017 to **3,386** mainly through store openings
- Adj. EBITDA decline of **7.0%** to €206 million
  - Tesco integration and rebranding in the UK
  - Pressure on operating expenses in Benelux (personnel costs)
- Adj. EBITDA margin decreased by 300 bps from 22.1% in HY17 to **19.1%** in HY18

G4 – key figures	HY18	2Q18
Revenue growth (constant rates)	7.8%	8.2%
Revenue growth (organic)	2.8%	3.0%
Comparable growth	1.4%	1.8%
Adj. EBITDA growth (constant rates)	-7.0%	-4.4%
Adj. EBITDA growth (organic)	-5.0%	-3.1%
Adj. EBITDA margin	19.1%	19.3%

Germany & Austria

Key differentiators

- Largest store network in the region (Germany and Austria)
- Closest proximity to customers (average 13 km)
- Full price transparency
- Full omni-channel implementation



Apollo Store Network in Germany:

Other Europe – HY18 Highlights

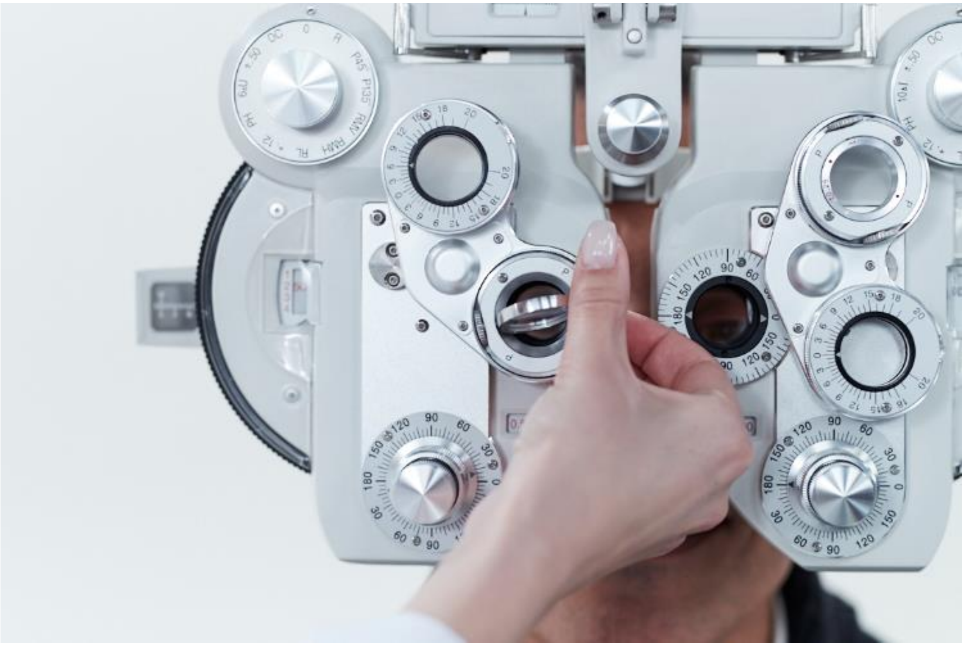
- Revenue growth of **21.0%** at constant exchange rates, with organic revenue growth of **2.9%**
- Comparable growth of **2.0%** (HY17: 5.3%)
- Acquisitions, primarily Visilab in Switzerland, contributed **18.0%** to revenue
- Total number of stores increased from 1,876 to **1,896**
- Adj. EBITDA increased by **27.9%** at constant exchange rates to **€85 million**, with organic adj. EBITDA growth of **9.8%**
- Adj. EBITDA margin increased by **79 bps** from 14.4% in HY17 to **15.2%** in HY18 supported by strong underlying organic growth

Other Europe – key figures	HY18	2Q18
Revenue growth (constant rates)	21.0%	23.0%
Revenue growth (organic)	2.9%	4.7%
Comparable growth	2.0%	3.8%
Adj. EBITDA growth (constant rates)	27.9%	39.0%
Adj. EBITDA growth (organic)	9.8%	17.8%
Adj. EBITDA margin	15.2%	16.8%

Americas & Asia – HY18 Highlights

- Revenue growth of **10.3%** at constant exchange rates
- Comparable growth of **10.0%** (HY17: 7.4%) with a particularly strong performance in Colombia, Mexico and Turkey
- Total number of stores decreased from 1,777 to **1,720** following the termination of an agreement with a department store in Chile and selective store closings to enhance profitability in Brazil
- Adj. EBITDA increased to **€16 million**, (HY17: €5 million) driven by the reduction of the loss in the United States and a strong operating performance across the segment
- Adj. EBITDA margin increased by **462 bps** from 2.0% in HY17 to **6.6%** in HY18

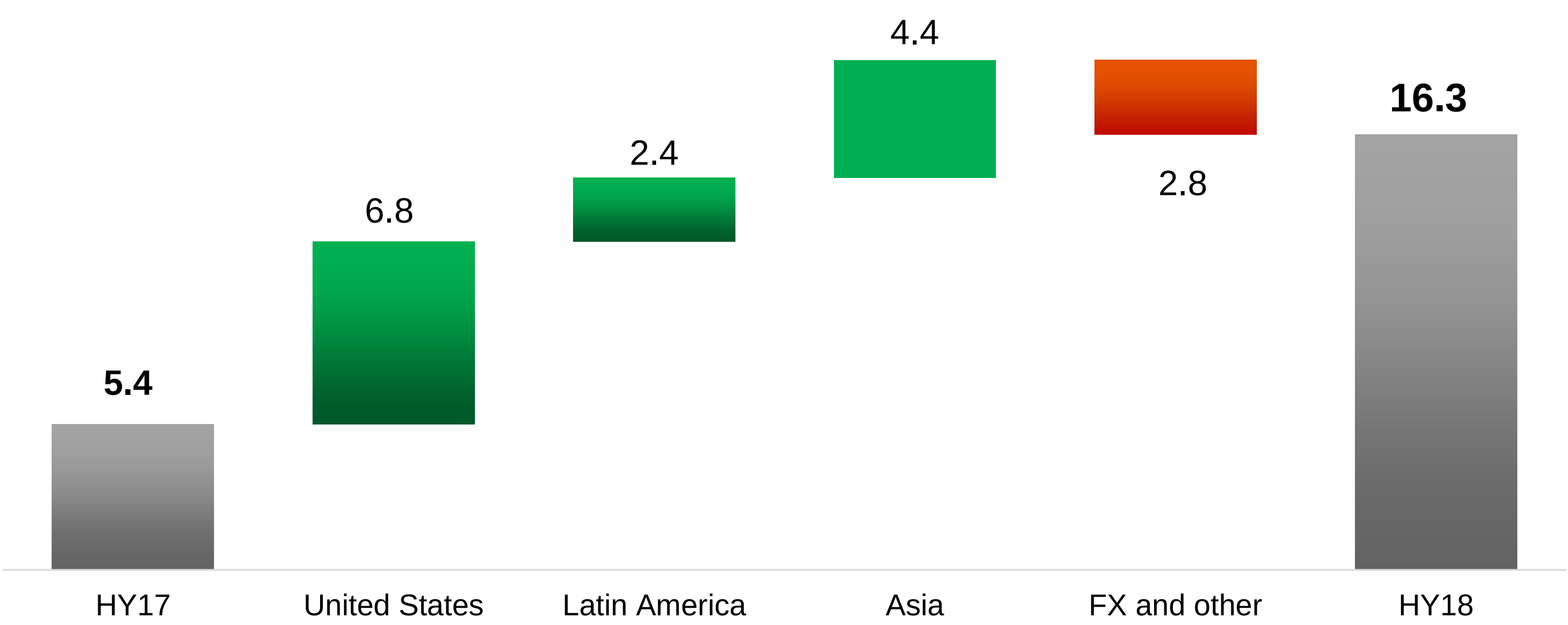
Americas & Asia- key figures	HY18	2Q18
Revenue growth (constant rates)	10.3%	10.3%
Revenue growth (organic)	10.3%	10.3%
Comparable growth	10.0%	10.0%
Adj. EBITDA growth (constant rates)	287%	264%
Adj. EBITDA growth (organic)	287%	264%
Adj. EBITDA margin	6.6%	7.1%



Adjusted EBITDA development in the Americas & Asia segment

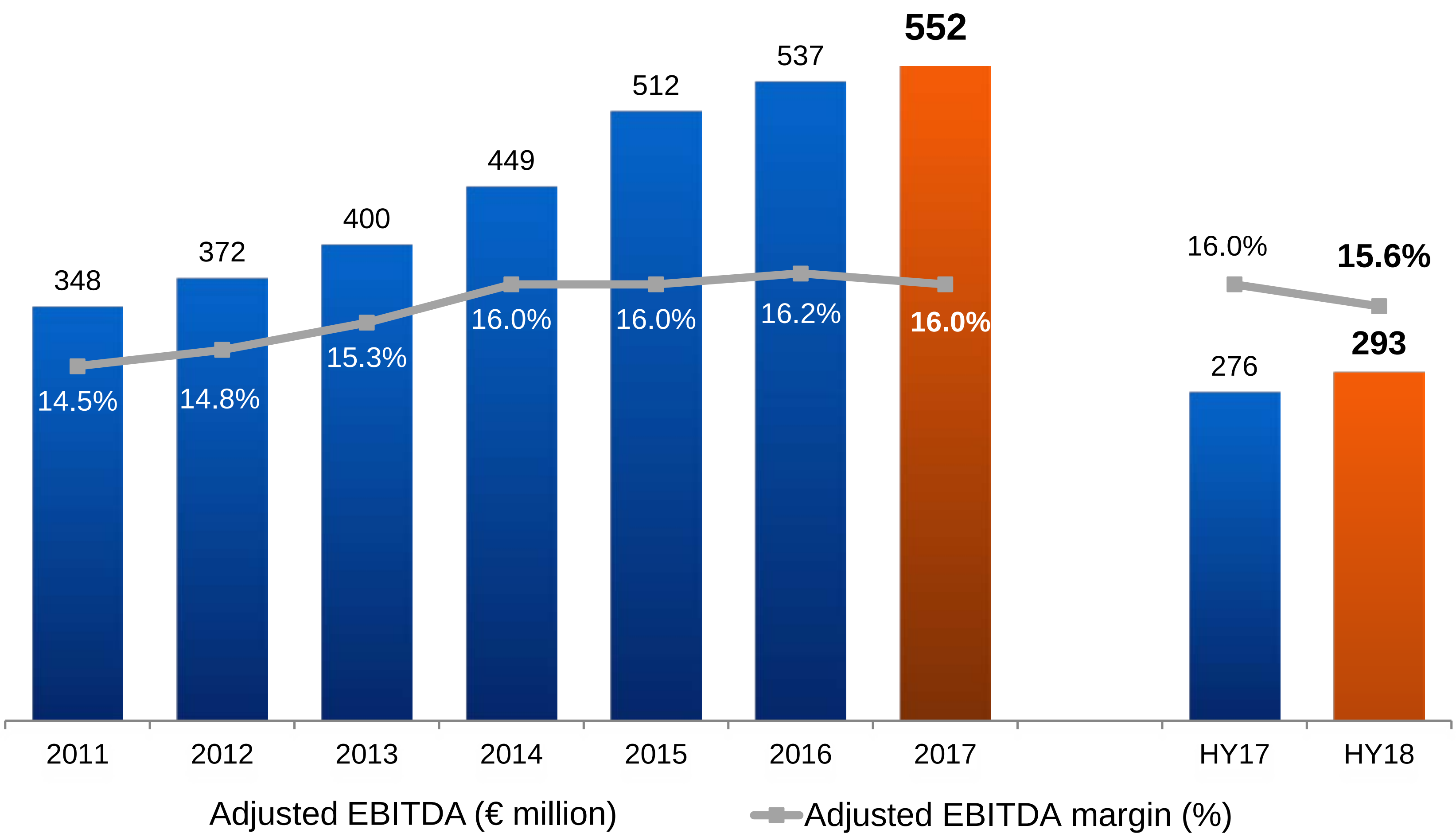
Adjusted EBITDA improvement of € 11 million achieved through

- Reduction of the losses in the United States by € 6.8 million
- Adjusted EBITDA improvements of € 2.4 million in Latin America primarily driven by Mexico and reduced losses in other countries
- Strong adjusted EBITDA growth in Turkey and Russia resulting in improvements of € 4.4 million in Asia
- Partially offset by negative FX impact of € 2.8 million, mainly attributable to the Turkish lira



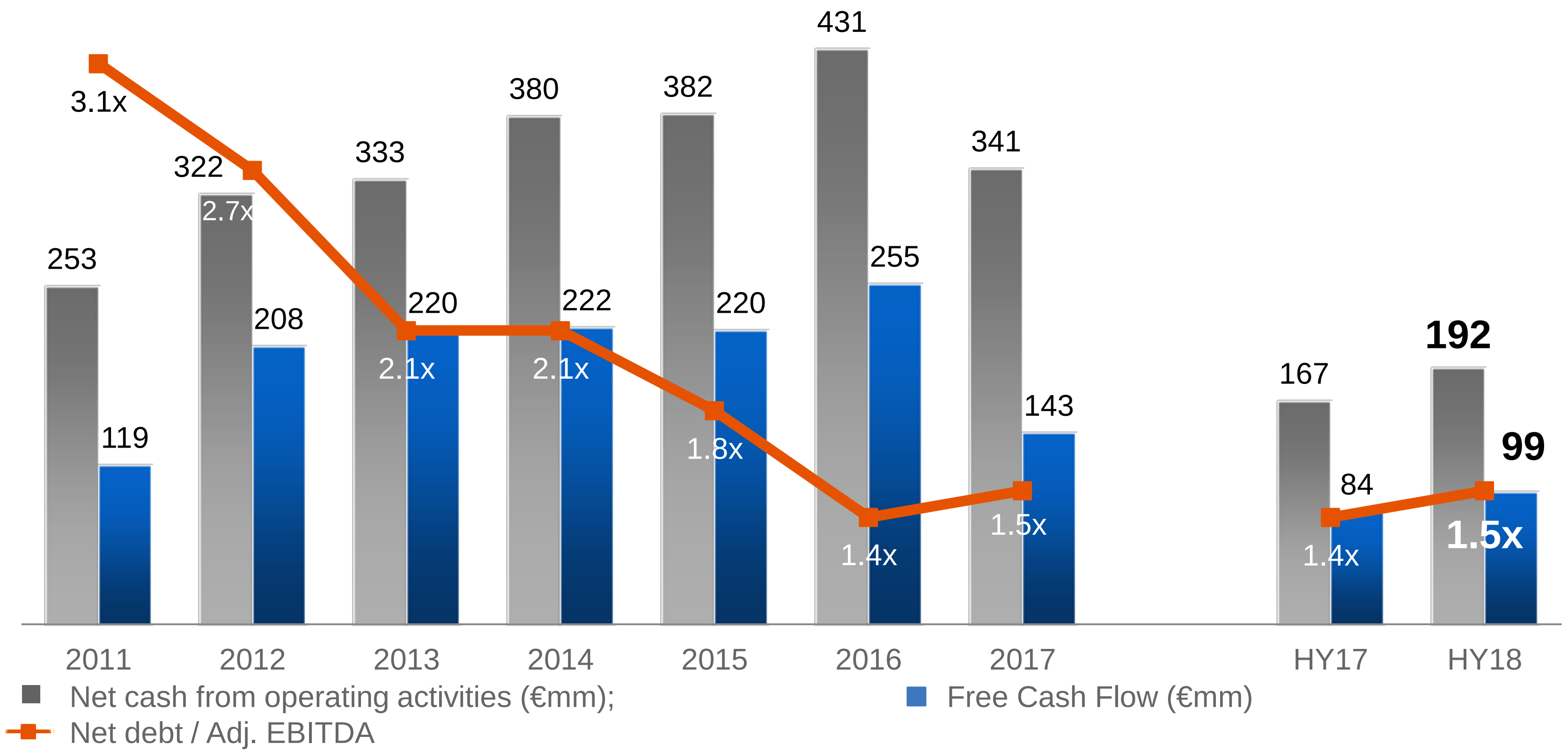
Financial Review

Adjusted EBITDA and margin development



Cash Flow generation

- Free Cash Flow increased to **€99 million** driven by improved cash flow from operations
- Net debt/ adjusted EBITDA remained stable at 1.5x

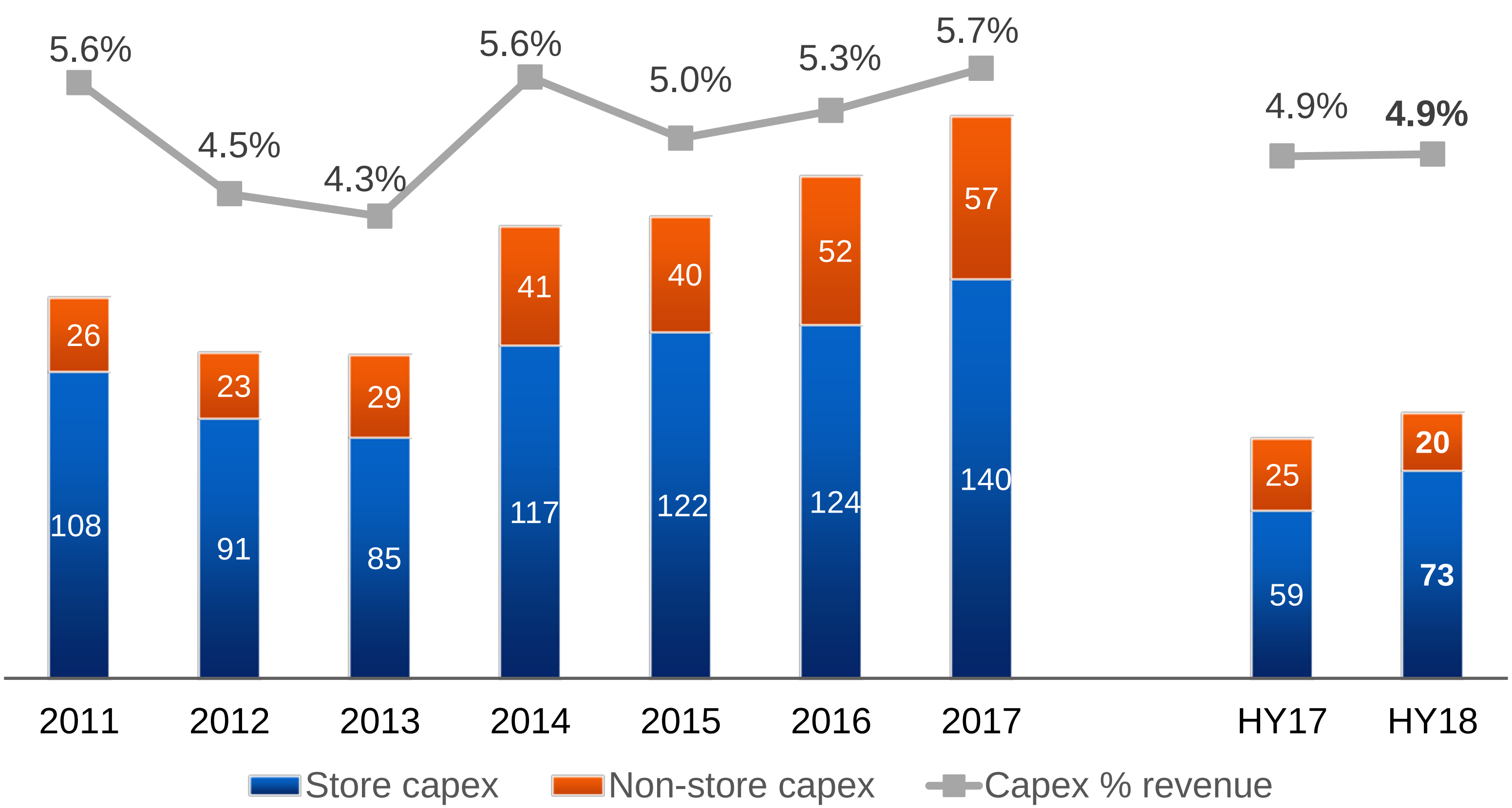


[1] Net cash from operating activities / EBITDA and Free cash flow / EBITDA

[2] Net debt/EBITDA ratio impacted by late in year acquisitions

Capital Expenditure Development

- Capex continues to increase in line with the growing business, staying between 4-6% of revenue
- Increased store capex due to higher refurbishment costs linked of the increased size of our store network as well as the rebranding of the Tesco stores in the UK
- Reduction in non-store capex in HY18 due to the timing of investments in the global ERP platform, including several go-lives in key countries in 2017



Outlook and Medium Term Objectives

Outlook 2018	▪ High single digit revenue growth at constant exchange rates, driven by improved comparable growth trends, acquisitions and store openings ▪ Adjusted EBITDA growth at constant exchange rates in line with revenue growth ▪ Second half adjusted EBITDA to be improve compared to the first half ▪ 3Q18 comparable growth to be negatively affected by hot temperatures in Europe ▪ 4Q18 to benefit from 1.5 additional selling days and lower prior year comparables
Medium term financial objectives	▪ Annual revenue growth rate >5% at constant exchange rates ▪ Average annual EBITDA growth in high single digits ▪ Net debt / EBITDA ratio of max. 2.0x
Dividend policy	▪ Intention to pay ordinary dividend in line with medium to long-term financial performance ▪ Target to increase dividend per share (DPS) over time ▪ Ordinary dividend payout ratio 25-50%

Questions and Answers

Appendix

Consolidated Income Statement

Consolidated Income Statement (€ million)	HY18	HY17
Revenue	**1,874**	**1,721**
Cost of sales and direct related expenses	- 512	- 459
Gross profit	1,362	1,262
Selling and marketing costs	- 953	- 874
General and administrative costs	- 224	- 201
Share of result of associates	- 0	2
Operating result	**185**	**189**
Financial income	1	2
Financial costs	- 11	- 9
Net financial result	- 10	- 7
Result before tax	174	182
Income tax	- 58	- 58
Result for the year	**116**	**124**
	-	-
Attributable to:	-	-
Equity holders	106	114
Non-controlling interests	11	10

Summarized Consolidated Balance Sheet

Summarized Consolidated Balance Sheet (€ million)	HY18	HY17
Property, plant and equipment	496	489
Intangible assets	1,645	1,654
Other non-current assets	65	63
Non-current assets	**2,206**	**2,206**
Inventories	381	350
Other current assets	338	336
Cash and cash equivalents	193	165
Current assets	**913**	**851**
Total assets	**3,119**	**3,056**
Total equity	1,141	1,121
Borrowings	378	377
Other non-current liabilities	218	237
Non-current liabilities	**596**	**615**
Trade and other payables	597	564
Contract liabilities	76	76
Borrowings	641	613
Other current liabilities	69	69
Current liabilities	**1,383**	**1,321**
Total equity and liabilities	**3,119**	**3,056**

Consolidated Cash Flow Statement

in thousands of EUR	HY18	HY17
Cash flows from operating activities		
Cash generated from operations	258	231
Tax paid	- 66	- 63
Net cash from operating activities	192	167
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	- 2	- 4
Settlement of contingent consideration	- 3	-
Purchase of property, plant and equipment	- 73	- 64
Proceeds from sales of property, plant and equipment	4	2
Purchase of intangible assets	- 20	- 20
Proceeds from sales of intangible assets	1	0
Proceeds from sales of investments in buildings	0	-
Other non-current receivables	- 1	4
Interest received	1	3
Net cash used in investing activities	**- 93**	**- 78**
Cash flows from financing activities		
Proceeds from borrowings	150	166
Repayments of borrowings	- 63	- 170
Dividends paid to shareholders	- 81	- 78
Dividends paid to non-controlling interest	- 4	- 8
Interest swap payments	- 1	- 2
Acquisition of non-controlling interest	- 0	-
Interest paid	- 5	- 6
Net cash generated from/ (used in) financing activities	**- 4**	**- 98**
Increase / (decrease) in cash and cash equivalents	**94**	**- 9**
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	12	38
Increase / (decrease) in cash and cash equivalents	94	- 9
Exchange gains/ (losses) on cash and cash equivalents	- 5	- 4
Cash and cash equivalents at end of the period	**102**	**25**

Contact us

Investor Contact

investor.relations@grandvision.com
+31 (0) 88 887 01 00

Media Contact

media.relations@grandvision.com
+31 (0) 88 887 01 00

Social Media

https://www.linkedin.com/company/grandvision

@grandvisionnv

https://www.facebook.com/grandvisionNV