

GrandVision reports 1Q16 revenue growth of 4.9% at constant exchange rates and comparable growth of 0.9%

Schiphol, the Netherlands – 29 April 2016. GrandVision N.V. publishes the First Quarter 2016 trading update.

Highlights

- First Quarter revenue grew by 2.5% or 4.9% at constant exchange rates to €803 million
- Comparable growth was 0.9% (5.5% in 1Q15)
- G4 revenue grew by 1.2% at constant exchange rates with comparable growth of 0.3% (6.7% in 1Q15)
- Other Europe revenue grew by 1.0% at constant exchange rates, while comparable sales declined by 0.5% (1.8% in 1Q15)
- Americas and Asia revenue grew by 35.5% at constant exchange rates with comparable growth of 8.5% (8.8% in 1Q15)
- Adjusted EBITDA (i.e. EBITDA before non-recurring items) increased by 0.3% to €123 million
- The adjusted EBITDA margin decreased by 32 bps to 15.3% including the diluting impact of acquisitions; excluding acquisitions the adjusted EBITDA margin improved by 12 bps to 15.7%
- Total number of stores was 6,121 (6,110 at year-end 2015).

First Quarter 2016 key figures

in millions of EUR (unless stated otherwise)	1Q16	1Q15	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	803	784	2.5%	4.9%	1.7%	3.2%
Comparable growth (%)	0.9%	5.5%				
Adjusted EBITDA	123	122	0.3%	0.8%	0.2%	0.6%
Adjusted EBITDA margin (%)	15.3%	15.6%	-32bps			
System wide sales	886	869	1.9%			
Number of stores (#)	6,121	5,825				

Revenue

Revenue increased by 2.5% to €803 million (€784 million in 1Q15) or 4.9% at constant exchange rates. Comparable growth of 0.9% in 1Q16 was impacted by a high prior year comparable of 5.5% as well as fewer selling days and an earlier Easter. The Americas and Asia segment delivered 8.5% comparable growth with a particularly strong performance in Chile, Mexico and Turkey.

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Adjusted EBITDA

Adjusted EBITDA, which is EBITDA excluding exceptional and non-recurring items, increased by 0.3% to €123 million (€122 million in 1Q15) or 0.8% at constant exchange rates. Adjusted EBITDA growth during the quarter was impacted by the timing of expenses in the G4 segment and lower comparable growth.

The adjusted EBITDA margin declined by 32 bps to 15.3% (15.6% in 1Q15) due to the diluting impact of acquisitions as well as the growth mix of the segments. Excluding acquisitions, the adjusted EBITDA margin would have improved by 12 bps to 15.7%.

No non-recurring items were recorded in 1Q16. A reconciliation from adjusted EBITDA to operating result is presented in the table below:

in millions of EUR	1Q16	1Q15
Adjusted EBITDA	123	122
Non-recurring items	-	-3
EBITDA	123	119
Depreciation and amortization of software	-31	-29
EBITA	92	90
Amortization and impairments	-7	-6
Operating result	84	83

Financial Position

Capital expenditures were €25 million in 1Q16 (€27 million in 1Q15). The decrease of €2 million is related to the timing of capital expenditures.

Net debt decreased to €937 million from €941 million at year-end 2015. The 12-month rolling net debt/EBITDA ratio remained stable at 1.8x.

Segment Review

Since 1 January 2016, GrandVision reports the French Solaris business in the G4 segment (instead of Other Europe) and Spain in the Other Europe segment (instead of the G4), reflecting the transfer of management responsibility for the two businesses. For the Full Year 2015, the impact on revenue is -€8 million for the G4 (€8 million for Other Europe) and €1 million on adj. EBITDA for the G4 (-€1 million for the Other Europe). The comparable figures for 2015 have been restated. For the G4 segment, the restated comparable growth in 2015 was 4.2% (previously 4.1%). Comparable growth for the Other Europe segment remains unchanged at 3.2%.

G4

in millions of EUR (unless stated otherwise)	1Q16	1Q15*	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	494	491	0.7%	1.2%	0.7%	0.6%
Comparable growth (%)	0.3%	6.7%				
Adjusted EBITDA	100	101	-0.3%	0.1%	-0.8%	0.8%
Adjusted EBITDA margin (%)	20.3%	20.5%	-20bps			

*1Q15 restated following transfer of management responsibility of the Solaris France and Spanish businesses.

Revenue in the G4 segment increased by 0.7% to €494 million in 1Q16 (€491 million in 1Q15) and by 1.2% at constant exchange rates. Organic revenue growth and comparable growth were 0.7% and 0.3%, respectively.

The comparable growth during the quarter was negatively impacted by a low single digit decline in Germany and Austria following very strong prior year comparables. The different timing of commercial initiatives leads to volatility in comparable growth on a quarter-by-quarter basis. During the quarter, Belgium, France and the UK delivered low single digit comparable growth.

Adjusted EBITDA in the G4 segment decreased by 0.3% to €100 million (€101 million in 1Q15) but increased 0.1% at constant exchange rates due to the timing of expenses and reflecting the low comparable growth. The adjusted EBITDA margin decreased by 20 bps to 20.3% (20.5% in 1Q15).

Other Europe

in millions of EUR (unless stated otherwise)	1Q16	1Q15*	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	208	208	-0.1%	1.0%	0.1%	0.9%
Comparable growth (%)	-0.5%	1.8%				
Adjusted EBITDA	26	26	0.8%	2.5%	1.4%	1.0%
Adjusted EBITDA margin (%)	12.6%	12.5%	11bps			

*1Q15 restated following transfer of management responsibility of the Solaris France and Spanish businesses.

Revenue decreased by 0.1% to €208 million (€208 million in 1Q15) and increased by 1.0% at constant exchange rates. Organic growth was 0.1% while comparable growth was -0.5%. The region was impacted by the earlier Easter holiday leading to fewer selling days. During the quarter, we continued to see weakness in parts of Northern Europe and mid-single digit comparable growth in Eastern Europe and Spain.

1Q16 adjusted EBITDA increased by 0.8% to €26 million (€26 million in 1Q15) and 2.5% at constant exchange rates. The EBITDA margin increased by 11 bps to 12.6% (12.5% in 1Q15).

Americas & Asia

in millions of EUR (unless stated otherwise)	1Q16	1Q15	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	101	85	19.2%	35.5%	11.9%	23.6%
Comparable growth (%)	8.5%	8.8%				
Adjusted EBITDA	3	2	66.6%	77.4%	96.1%	-18.7%
Adjusted EBITDA margin (%)	3.2%	2.3%	90bps			

Revenue in the Americas and Asia segment increased by 19.2% to €101 million (€85 million in 1Q15) or 35.5% at constant exchange rates. Acquisitions added 23.6% to revenue growth. The segment saw comparable growth of 8.5% with especially strong growth in Chile, Mexico and Turkey; and despite continued weakness in Russia. Organic growth of 11.9% also benefited from the ongoing store network expansion in the region.

1Q16 adjusted EBITDA in the Americas & Asia segment increased by 66.6% to €3 million (€2 million in 1Q15), and by 77.4% at constant exchange rates. Organic adjusted EBITDA grew by 96.1%. In total, the adjusted EBITDA margin expanded by 90 bps to 3.2%.

Disclaimer

This press release 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.

The unaudited financial figures in this press release are presented in euro (€) and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases.

Financial Calendar 2016

29 April 2016	General Shareholders Meeting
3 May 2016	Ex-dividend date (2015 final dividend)
4 May 2016	Record date (2015 final dividend)
11 May 2016	Payment date (2015 final dividend)
5 August 2016	Half Year 2016 results press release and investor call
27 October 2016	Third Quarter 2016 trading update

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About GrandVision

GrandVision is a global leader in optical retailing and delivers high quality and affordable eye care to more and more customers around the world. The high quality eye care offered by GrandVision includes a wide range of services provided by its vision experts, prescription glasses including frames and lenses, contact lenses and contact lens care products, and sunglasses both plain and with prescription lenses. These products are offered through its leading optical retail banners which operate in 44 countries across Europe, the Americas, the Middle East and Asia. GrandVision serves its customers in over 6,100 stores and with more than 31,000 employees which are proving every day that in eye care, we care more. For more information, please visit www.grandvision.com.

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