



Half Year 2016 Results Presentation

5 August 2016

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Half Year 2016 highlights

■ Revenue of €1,670 million

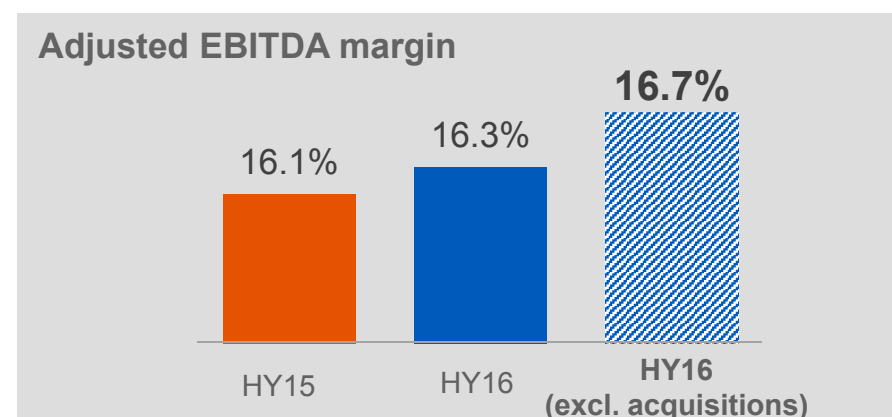
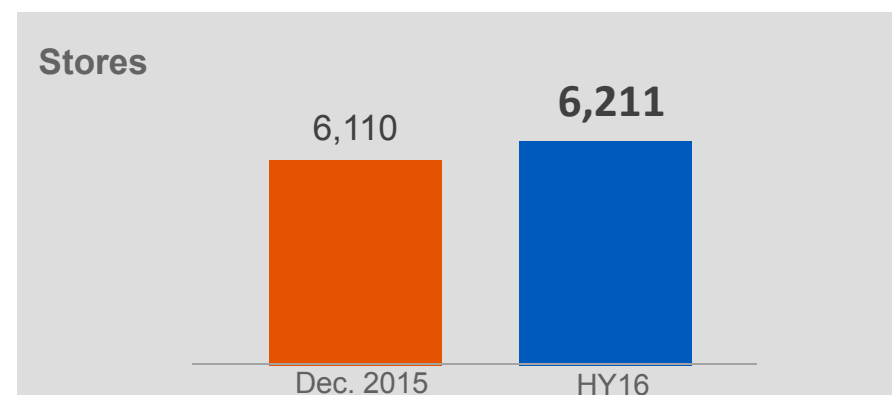
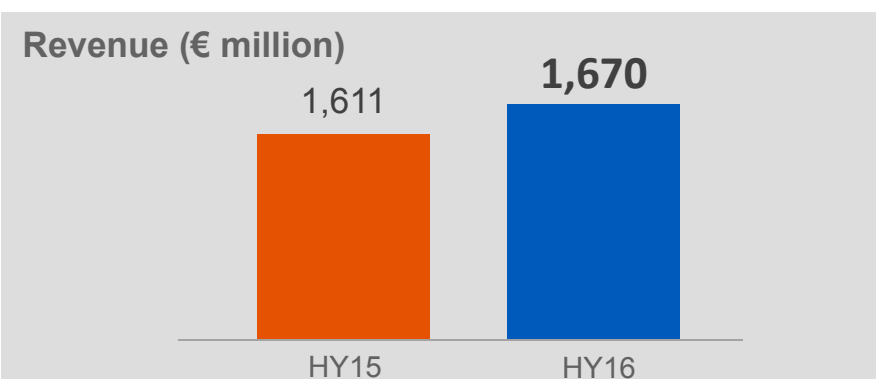
- Growth of **6.7%** at constant exchange rates and **3.5%** organic growth
- Comparable growth of **2.3%** (HY15: 5.2%)

■ 6,211 stores as of 30 Jun 2016

- Network expanded by 101 stores since year-end 2015

■ Improved profitability

- Adjusted EBITDA¹ up 6.5% at constant exchange rates to **€272 million** (HY15: €259 million)
- Adjusted EBITDA margin grew to 16.3% (**+65 bps** to 16.7% excluding acquisitions)
- EPS +8.0% to **€0.46** (HY15: €0.43)



¹ Adjusted EBITDA = EBITDA excluding non-recurring items

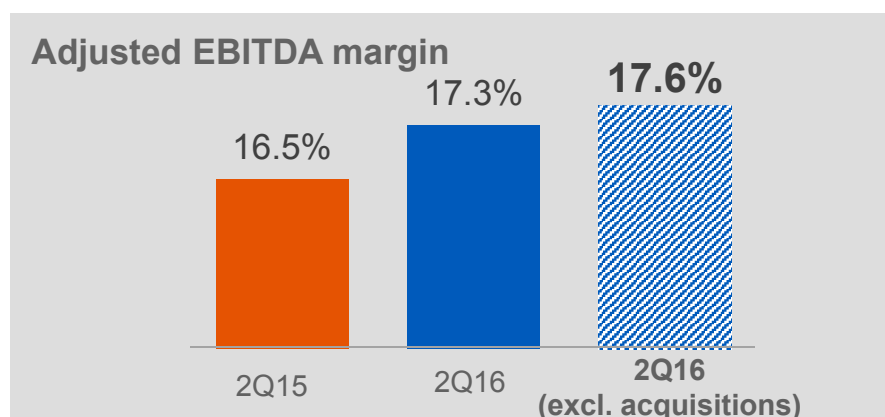
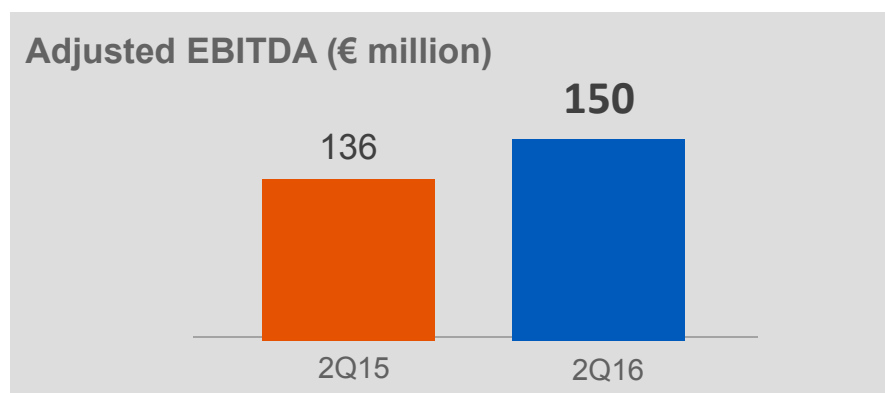
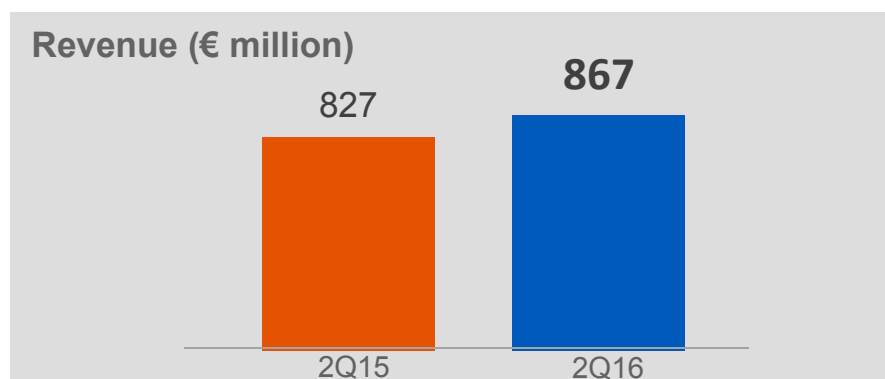
Second Quarter 2016 highlights

■ Revenue €867million

- Revenue growth of **8.4%** at constant exchange rates (2Q15: €827 million)
- Organic growth of **5.3%** with a comparable growth of **3.6%** (2Q15: 4.8%), helped by easier comparables and a positive selling day impact

■ Adjusted EBITDA growth

- Adjusted EBITDA of **€150 million** up from €136 million in 2Q15
- Organic Adjusted EBITDA **+10.7%**
- Adjusted EBITDA margin **+80 bps** to 17.3%, driven by
 - Favorable sales mix (prescription glasses, more Exclusive Brand frames)
 - Cost discipline

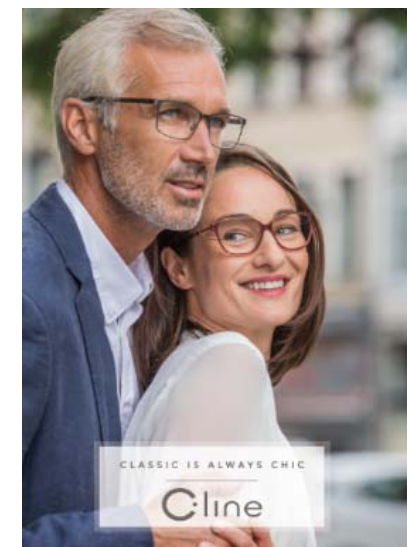


Higher share of Exclusive Brand frames leading to improved profitability

- Exclusive Brand share increased more than 10pp in HY16 to nearly 70% of prescription frames, driven by
 - Improved assortment with strong style and technical features
 - Strong in-store communication, merchandizing and integration in the customer journey
 - Active brand portfolio management (reduction of lower-equity third party brands)
 - Comprehensive staff training
 - Aligned incentive schemes



reddot award 2016
honourable mention



New Lens Tender supplier partnership agreements leading to higher service and profitability



- Lens Tender 2016 delivers **price reductions, improvements in lens service level and reduction of lead times**
- More **harmonized lens** portfolio reduces costs and complexity in the supply chain for both GrandVision and suppliers (SKUs reduction of >50%)
- New harmonized portfolio offers the widest ranges available, the latest technologies and **makes upgrade opportunities globally available** (Blue protect, Driver lens, UV protect, etc.)
- Shift to GrandVision Exclusive Brands for lenses delivers reduction in costs while offering a differentiated, trusted solution to our consumers

GrandVision Exclusive Lens Brands:

LightView
single vision

SunView
single vision

OfficeView
desk

VariView
progressive

SunView
progressive



Omni-channel update: Apollo Optik launches online store in Germany

BRILLEN

SONNENBRILLEN

KONTAKTLINSEN

AKTIONEN

INFO/SERVICE



DAMEN



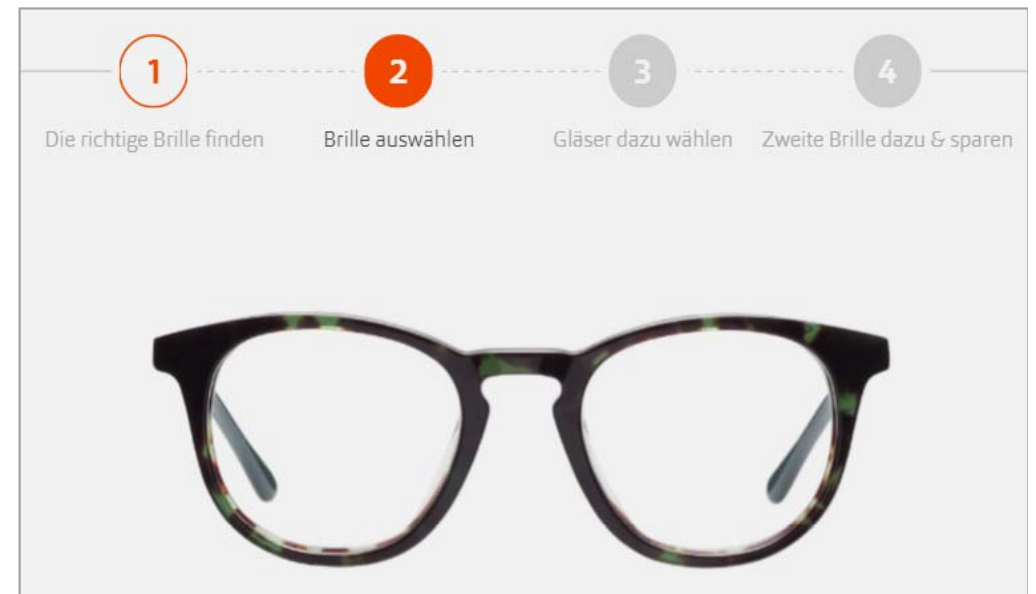
HERREN



KINDER



- Germany is the first G4 country to pilot GrandVision's omni-channel platform
- Apollo now with a combined nationwide owned store network and online shop
- Online features:
 - Product range: prescription glasses, and sunglasses
 - Buy online or try in store
 - Free delivery at home or pick up in store
 - Connection with store for additional services (online booking eye tests, etc.)
- Further development steps to follow





Strengthen and deploy group's global capabilities



Drive further comparable growth



Optimize the existing store network



Expand in current markets, also through bolt-on acquisitions



Enter new markets



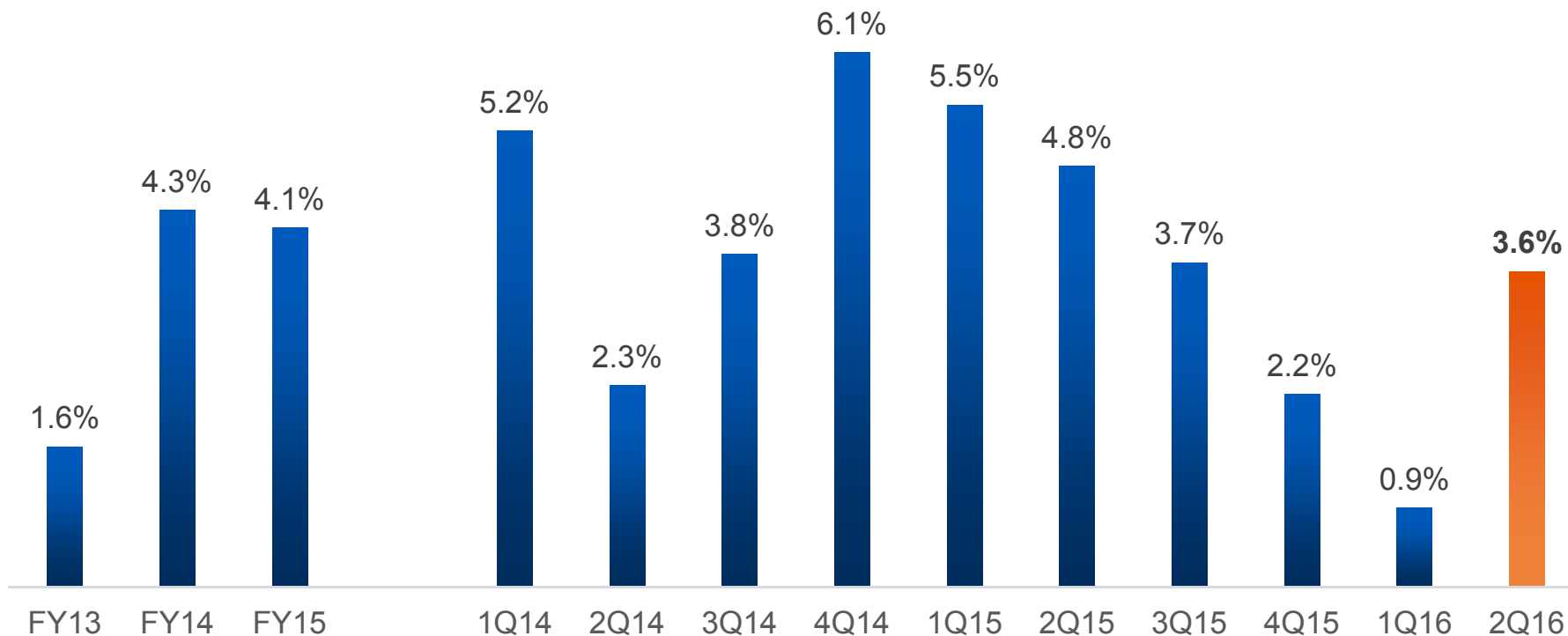
Segment
and Financial
Performance

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Comparable growth development

- Comparable growth is impacted by the **timing of commercial campaigns**, the level of previous years' comparables and the number of selling days
 - **Strong comparable growth in 4Q14 and 1Q15 led to strong comparables in 1Q16, which have moderated in 2Q16**
 - **2Q16 also benefited from a positive selling day impact related to the timing of Easter in some markets (negative impact in 1Q16)**



Segment Review: G4

HY16 Highlights

- Revenue growth of **2.9%** at constant exchange rates, with organic revenue growth of **2.4%**
- Comparable growth of **1.8%** (HY15: 5.8%)
- Total number of stores increased from **2,953** to **2,997**
- Adj. EBITDA **+6.6%** at constant exchange rates, to €220 million, with organic EBITDA growth of **+5.9%**
- Adj. EBITDA margin improved to **21.7%** in HY16 from 20.9% in HY15, driven by higher share of prescription glasses and Exclusive Brand frames.

| G4 – key figures | HY16 | 2Q16 |
|--|-------|-------|
| Revenue growth (constant fx rates) | 2.9% | 4.6% |
| Revenue growth (organic) | 2.4% | 4.1% |
| Comparable growth | 1.8% | 3.2% |
| Adj. EBITDA growth (constant fx rates) | 6.6% | 12.6% |
| Adj. EBITDA growth (organic) | 5.9% | 12.1% |
| Adj. EBITDA margin | 21.7% | 23.0% |



Segment Review: Other Europe

HY16 Highlights

- Revenue growth of **2.6%** at constant exchange rates, with organic revenue growth of **1.7%**
- Comparable growth of **0.8%** (HY15: **3.3%**)
- Total number of stores increased from 1,730 to **1,787** mainly as a result of store openings
- Adj. EBITDA **+3.6%** at constant exchange rates to €61 million
- Adj. EBITDA margin increased from **13.8%** in HY15 to **13.9%** in HY16

| Other Europe – key figures | HY16 | 2Q16 |
|--|-------|-------|
| Revenue growth (constant fx rates) | 2.6% | 4.1% |
| Revenue growth (organic) | 1.7% | 3.2% |
| Comparable growth | 0.8% | 2.1% |
| Adj. EBITDA growth (constant fx rates) | 3.6% | 4.5% |
| Adj. EBITDA growth (organic) | 2.6% | 3.4% |
| Adj. EBITDA margin | 13.9% | 14.9% |



Segment Review: Americas & Asia

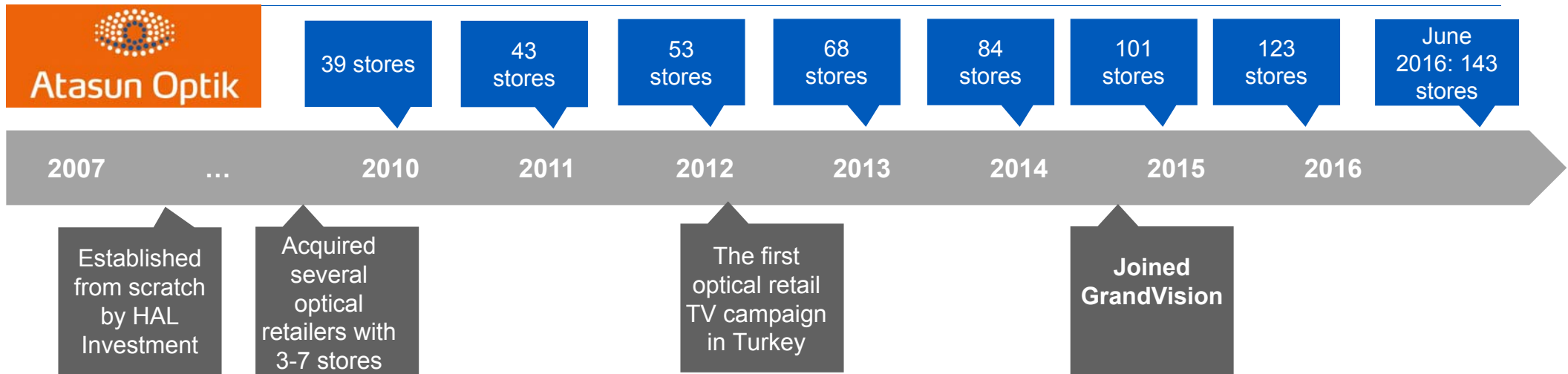
HY16 Highlights

- Revenue growth of **38.0%** at constant exchange rates, with organic revenue growth of **14.6%**
- Comparable growth of **9.2%** (HY15: 9.7%)
- Total number of stores increased from 1,188 to **1,427**
- Adj. EBITDA increased **49.4%** at constant exchange rates to €9 million (HY15: €7 million)
- Organic adj. EBITDA growth of **49.2%**
- Adj. EBITDA margin increased from **3.7%** in HY15 to **4.2%** in HY16

| Americas & Asia- key figures | HY16 | 2Q16 |
|--|-------|-------|
| Revenue growth (constant fx rates) | 38.0% | 40.3% |
| Revenue growth (organic) | 14.6% | 17.2% |
| Comparable growth | 9.2% | 9.7% |
| Adj. EBITDA growth (constant fx rates) | 49.4% | 37.7% |
| Adj. EBITDA growth (organic) | 49.2% | 29.6% |
| Adj. EBITDA margin | 4.2% | 5.0% |



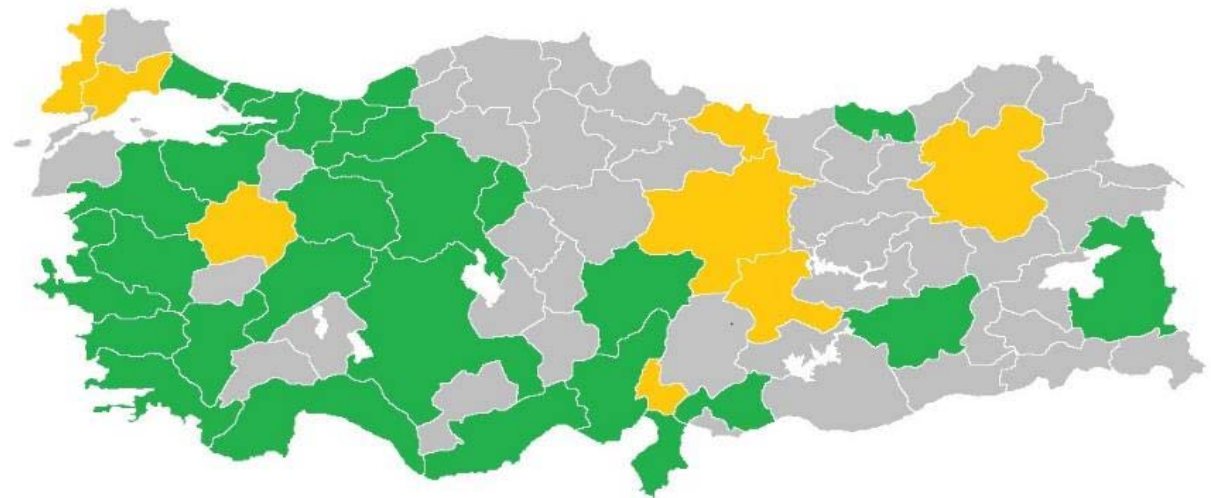
Comparable growth >20% in Turkey in HY16



Growth momentum driven by

- Performance of new stores
- Successful TV commercials
- Successful sunglass campaigns
- Improved product availability from more efficient replenishment process
- Improved sales mix

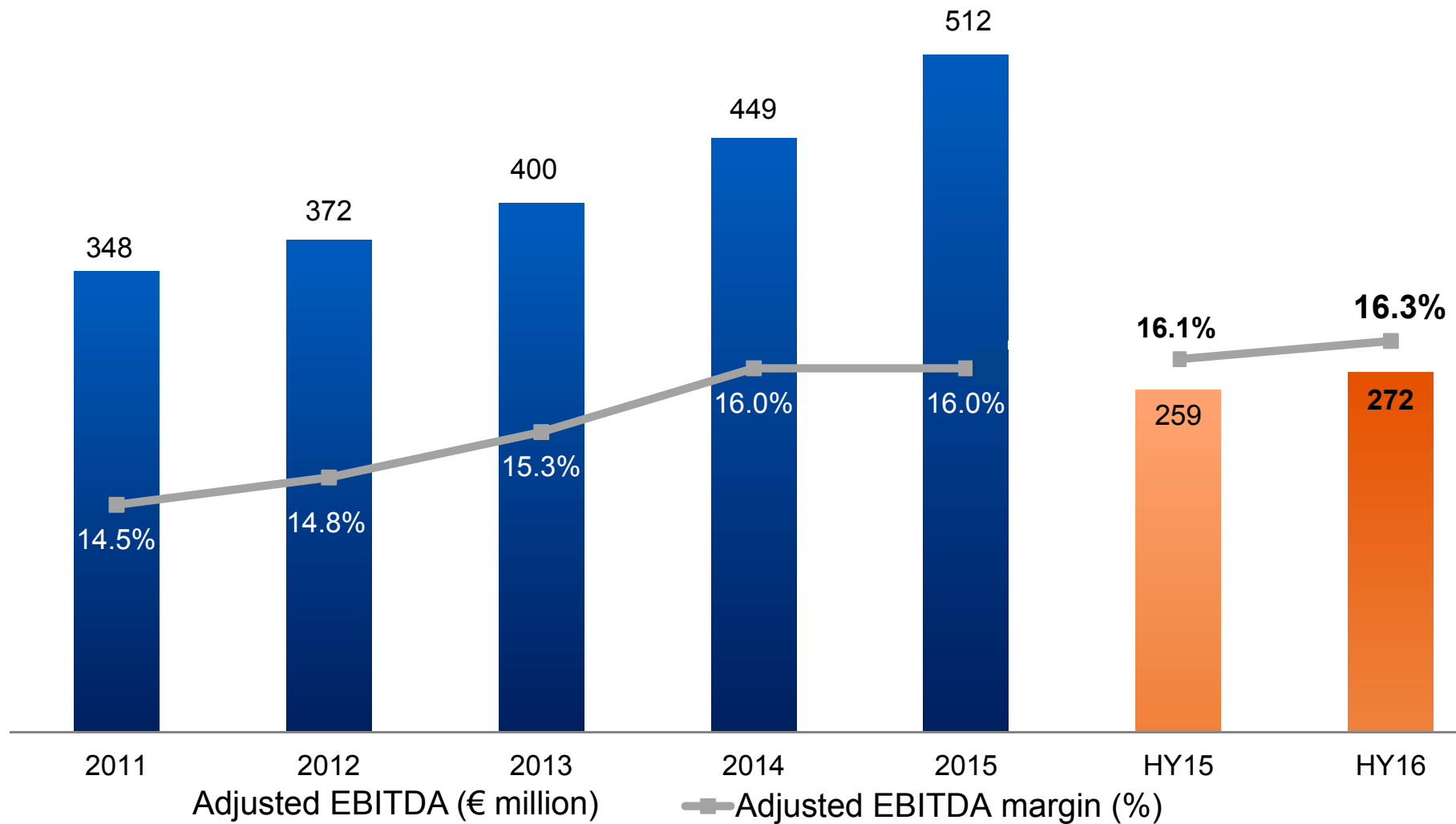
Continued expansion in 2016



Already open (29 cities)

To be opened in 2016 (7 cities)

Adjusted EBITDA and margin development



Financial Position in HY16

| in millions of EUR (unless stated otherwise) | HY16 | HY15 | change versus prior year |
|--|------|------|--------------------------|
| Free cash flow | 92 | 124 | - 32 |
| Capital expenditure | 63 | 64 | - 1 |
| - Store capital expenditure | 48 | 44 | 4 |
| - Non-store capital expenditure | 15 | 20 | - 5 |
| Acquisitions | 10 | 4 | 6 |
| Net debt | 911 | 863 | |
| Net debt leverage (times) | 1.7 | 1.8 | |

- Adj. net debt/EBITDA ratio to decreased to 1.7x despite increase of net debt position
- Lower Free Cash Flow generation in HY16 entirely due to timing of payments

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
- One dividend payment per year
- Target to increase DPS over time
- Ordinary dividend payout ratio 25-50%

Questions and Answers





Annex

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GrandVision



Consolidated Income Statement

| Consolidated Income Statement (€ million) | HY16 | HY15 |
|---|--------------|--------------|
| Revenue | 1,670 | 1,611 |
| Cost of sales and direct related expenses | -457 | -442 |
| Gross profit | 1,213 | 1,168 |
| Selling and marketing costs | -839 | -811 |
| General and administrative costs | -187 | -180 |
| Share of result of associates | 2 | 3 |
| Operating result | 189 | 180 |
| Financial income | 3 | 4 |
| Financial costs | -9 | -12 |
| Net financial result | -6 | -8 |
| Result before tax | 182 | 172 |
| Income tax | -56 | -54 |
| Result for the year | 127 | 118 |
| Attributable to: | | |
| Equity holders | 117 | 109 |
| Non-controlling interests | 10 | 9 |

Summarized Consolidated Balance Sheet

| Summarized Consolidated Balance Sheet (€ million) | 30 June 2016 | 31 December 2015 |
|---|--------------|------------------|
| Property, plant and equipment | 418 | 431 |
| Intangible assets | 1,450 | 1,480 |
| Other non-current assets | 155 | 152 |
| Non-current assets | 2,023 | 2,063 |
| Inventories | 297 | 264 |
| Other current assets | 312 | 274 |
| Cash and cash equivalents | 188 | 198 |
| Current assets | 797 | 736 |
| Total assets | 2,820 | 2,799 |
| Total equity | 871 | 832 |
| Borrowings | 770 | 776 |
| Other non-current liabilities | 251 | 236 |
| Non-current liabilities | 1,021 | 1,011 |
| Trade and other payables | 539 | 534 |
| Borrowings | 325 | 362 |
| Other current liabilities | 64 | 61 |
| Current liabilities | 928 | 956 |
| Total equity and liabilities | 2,820 | 2,799 |

Consolidated Cash Flow Statement

| | HY16 | HY15 |
|--|------------|-------------|
| Cash Flow Statement (€ million) | | |
| Cash flows from operating activities | | |
| Cash generated from operations | 205 | 222 |
| Tax paid | -50 | -34 |
| Net cash from operating activities | 155 | 188 |
| Cash flows from investing activities | | |
| Acquisition of subsidiaries, net of cash acquired | -10 | -4 |
| Purchase of property, plant and equipment | -53 | -51 |
| Proceeds from sales of property, plant and equipment | 2 | 5 |
| Purchase of intangible assets | -10 | -13 |
| Proceeds from sales of intangible assets | 1 | - |
| Other non-current receivables | -1 | 1 |
| Interest received | 2 | 2 |
| Net cash used in investing activities | -69 | -59 |
| Cash flows from financing activities | | |
| Purchase of treasury shares | -2 | -51 |
| Proceeds from borrowings | 51 | 179 |
| Repayments of borrowings | -55 | -309 |
| Interest swap payments | -2 | -1 |
| Acquisition of non-controlling interest | - | -1 |
| Dividends paid to non-controlling interest | -7 | -8 |
| Dividends paid to shareholders | -35 | - |
| Interest paid | -7 | -10 |
| Net cash generated from/ (used in) financing activities | -58 | -201 |
| Increase / (decrease) in cash and cash equivalents | 28 | -73 |
| Movement in cash and cash equivalents | | |
| Cash and cash equivalents at beginning of the year | -82 | 54 |
| Increase / (decrease) in cash and cash equivalents | 28 | -73 |
| Exchange gains/ (losses) on cash and cash equivalents | -1 | 1 |
| Cash and cash equivalents at end of year | -55 | -18 |

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