GrandVision

Third Quarter 2019 Results

30 October 2019

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1. Key Highlights and Financial Summary

Stephan Borchert
CEO

Strong growth in top-line continues; while strategic investments reduce margins

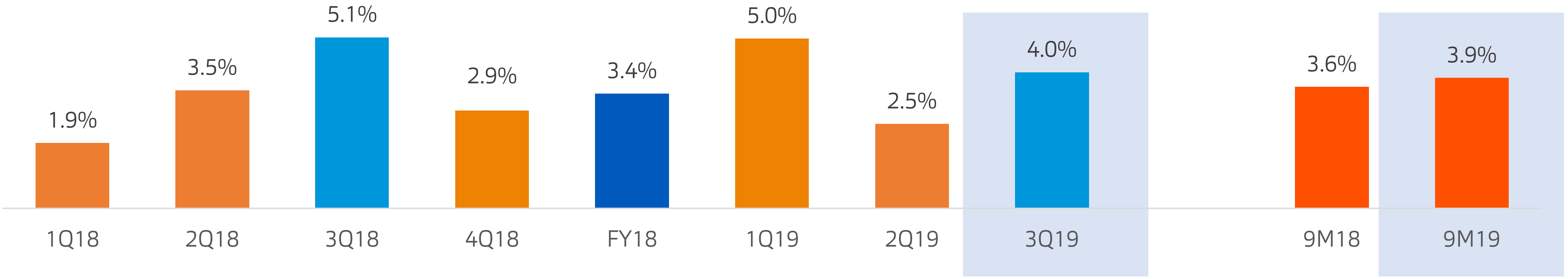
Financial Highlights

- Comparable growth of 3.9% for 9M19 (9M18: 3.6%), driven by broad-based growth across all segments
  - Total revenue growth at constant FX of 8.1%
  - Growth from acquisitions of 3.2%
- Adjusted EBITDA[1] growth at constant exchange rates of 3.3%
- 2019 revenue outlook unchanged and EBITDA to be below medium-term objectives

Operational Highlights

- Completed the acquisition of McOptic in Switzerland
- Digital strategy continues to produce strong momentum
  - E-commerce sales growth of >60%
  - Omni-channel platform successfully launched in 9 banners across 7 markets
- First major milestone in the product value chain strategy achieved through the launch of a new regional fulfilment hub in Porto

Comparable Growth Evolution (%)

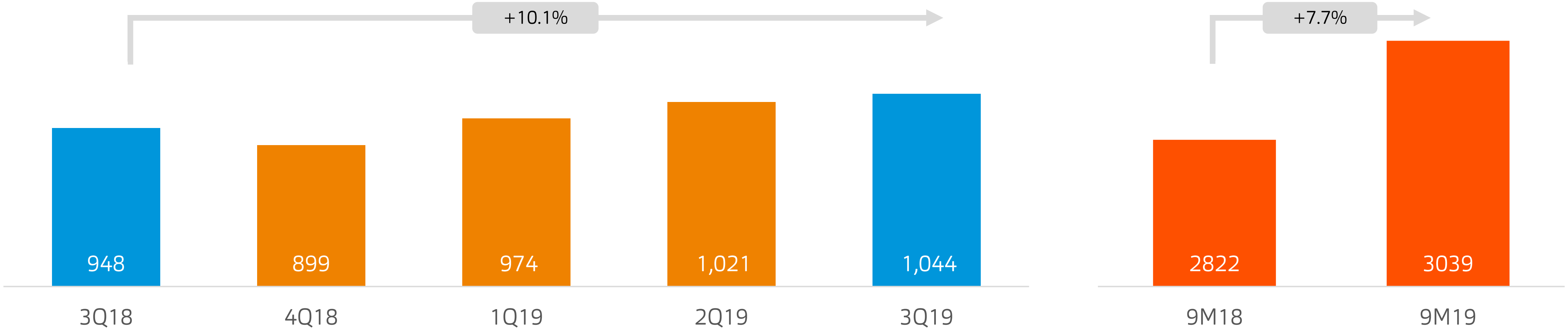


1 All EBITDA figures on an adjusted basis, i.e. excluding non-recurring items, and pre IFRS 16 adjustments

Top-line performance benefits from positive momentum in all segments and contribution from acquisitions

- 7.7% revenue growth to €3,039 million for 9M19 (8.1% at constant exchange rates)
- Optical and contact lens categories continue their growth trajectory
- Most markets showing good momentum thus far, while some markets such as the UK and US present challenging conditions due to retail environment weakness and store footprint optimization, respectively
- E-commerce sales increased more than 60% in 9M19 mainly driven by the Lenstore expansion into new markets and the Charlie Temple acquisition
- Acquisitions, primarily Optica2000 and McOptic, contributed 3.2% to revenue growth
- Store network expanded to 7,366 from 7,095 at the year end 2018

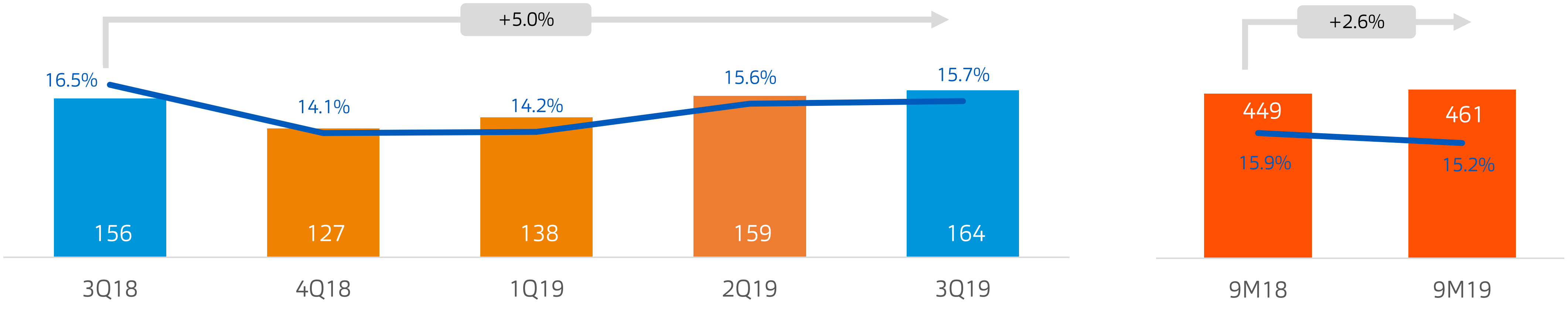
Revenue (€mn)



Adjusted EBITDA growth continues to be impacted by continued investments in our digital and product value chain strategy

- EBITDA[1] up 2.6% to €461 million for 9M19 (3.3% at constant exchange rates)
- EBITDA[1] margin decline of 75bps to 15.2% versus the prior year driven by:
  - Central investments that will help transform our digital and product value chain capabilities in the mid-term
  - Lower margins in some markets experiencing operational and macro-driven headwinds

Adjusted EBITDA[1] (€mn) and margin



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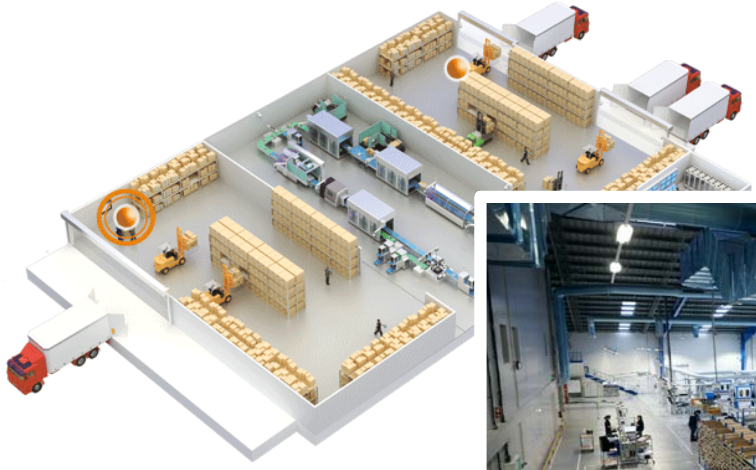
Investments in product value chain beginning to bear fruit as first regional fulfilment hub goes live in Portugal

- Regional Fulfilment Hub (RFH) in Porto went live on October 1st
  - Represents the first major milestone in our product value chain strategy
- Customers orders from Denmark, Sweden, Italy, Portugal & Spain to be served from this facility
- RFH consists of manufacturing facilities producing complete pair of spectacles and a warehousing and logistics hub
- Objectives of the project:
  - Significantly reduce customer lead times
  - Improve the value chain and customer proposition
  - Lower inventory held in stores and local warehouses
  - Provide ability to deliver across all channels from a single facility



2. Financial Review

Willem Eelman
CFO

IFRS 16 Implications

- IFRS 16 Leases, the new leasing standard, is effective as of **1 January 2019**
- GrandVision has adopted the new standard on the required effective date using the **modified retrospective transition approach**, with the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity on 1 January 2019
- IFRS 16 standard results in **lease liabilities of EUR 1.4 billion**

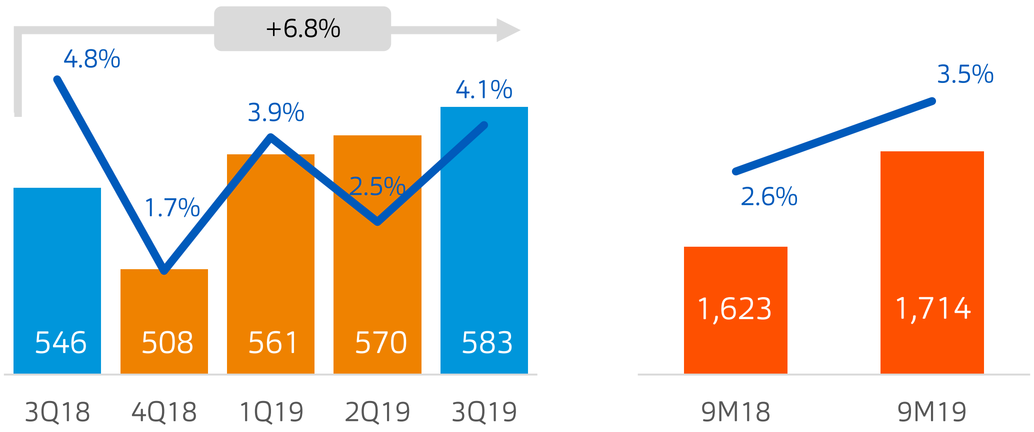
Implications on 9M19 Results

In millions of EUR	Adoption of IFRS 16
Occupancy Costs included in 9M19 pre-IFRS adjusted EBITDA (additional EBITDA)	285
IFRS 16 impact on depreciation	-259
IFRS 16 impact on net financial result	-24
Total IFRS 16 impact in 9M19 (increase in net result)	**3**

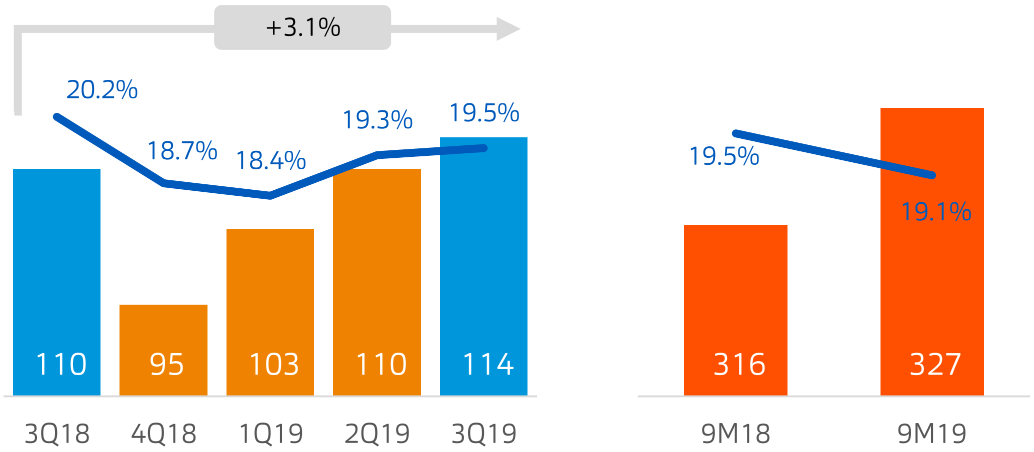
G4: Comparable growth supported by improvements in the Benelux and digital progress

- Nine month revenue growth of 5.6% at constant exchange rates
- 9M19 comparable growth of 3.5% driven by:
  - Full recovery of Dutch business following management transition in 2018
  - Continued strength in France and Germany
  - Launch of e-commerce sites in new markets within the segment
- Total number of stores at 3,420 (year end 2018: 3,387)
- 9M19 EBITDA[1] growth of 3.5% at constant FX to €327 million driven by improvements in the Netherlands, offset by digital investments
- EBITDA[1] margin decreased by 39bps to 19.1% in 9M19 mainly due to higher investments in digital and omni-channel solutions

Revenue (€mn) and comparable growth (y-o-y)



EBITDA[1] (€mn) and margin

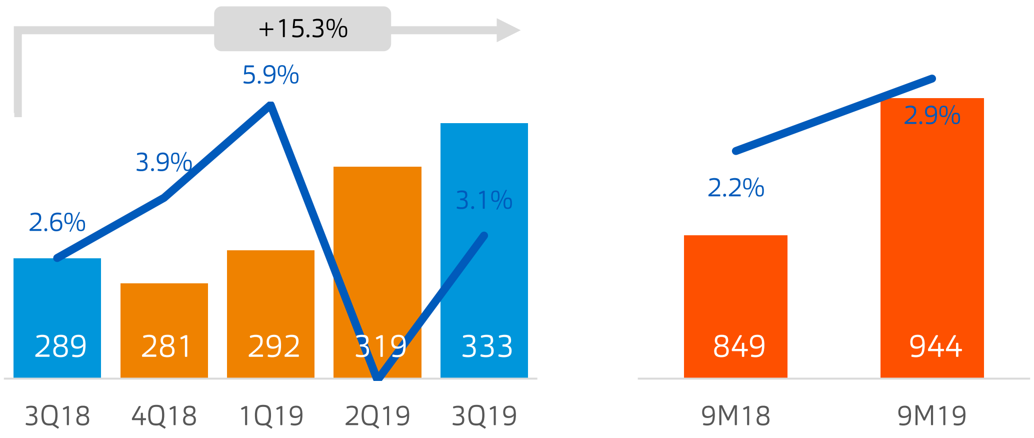


1 All EBITDA figures on an adjusted basis, i.e. excluding non-recurring items, and pre IFRS 16 adjustments

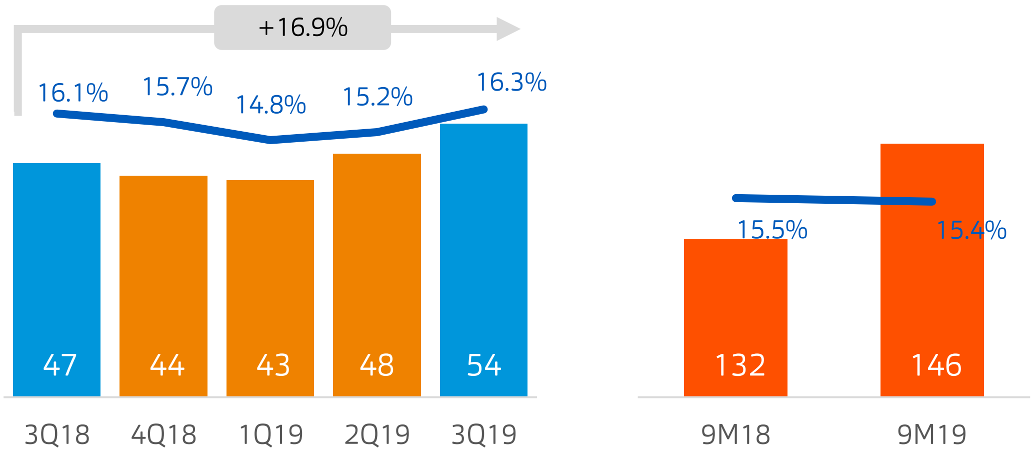
Other Europe: Top-line continues to show good momentum with stable profitability

- Nine month revenue growth of 11.3% y-o-y at constant exchange rates
  - Acquisitions, mainly Optica2000 and McOptic, contributed 7.3% to revenue
- Comparable growth of 2.9% driven by robust growth in most Eastern European markets as well as Portugal and Spain, while Northern Europe saw moderate growth
- Total number of stores increased to 2,124 (year end 2018: 1,912)
- 9M19 EBITDA[1] increased by 11.1% at constant exchange rates to €146 million
- EBITDA[1] margin decreased by 5bps to 15.4% in 9M19 as improvements in Italy and the contribution from Optica2000 was offset by investments in digital and omni-channel solutions
  - We have successfully implemented the new omni-channel platform in 4 countries across the segment

Revenue (€mn) and comparable growth (y-o-y)



EBITDA[1] (€mn) and margin



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Americas & Asia: Solid comparable growth with an acceleration in the second quarter driven by most regions

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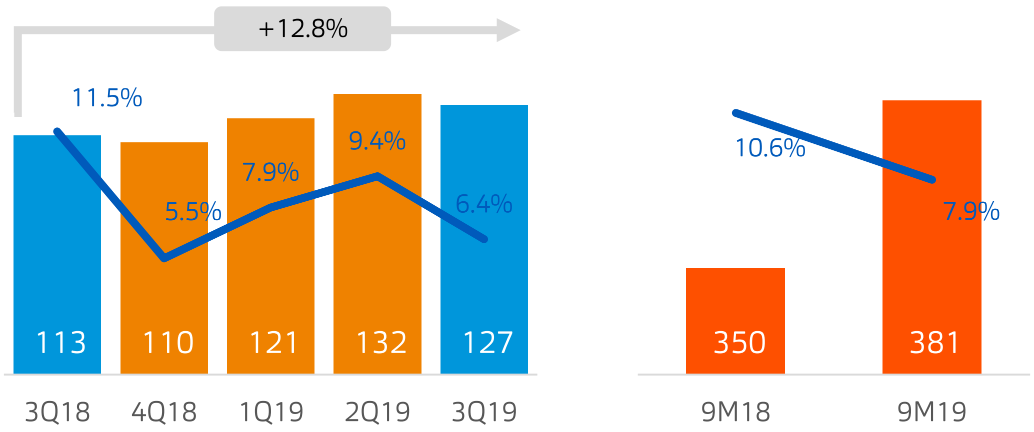
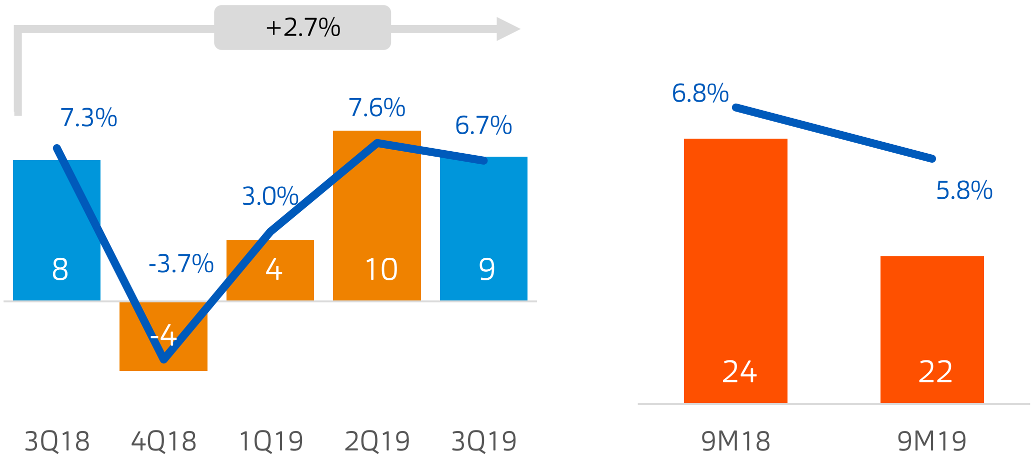
- Nine month revenue growth of 12.1% y-o-y at constant exchange rates
  - Negative FX impact of 3% largely due to the depreciation of the Turkish lira
- Strong comparable growth of 7.9% driven by Colombia, Russia and Turkey
- Total number of stores increased to 1,822 (year end 2018: 1,796)
- 9M19 EBITDA[1] increased 2.8% to €22 million at constant exchange rates
- EBITDA[1] margin decreased by 101bps to 5.8% in 9M19, due to continued operational challenges in the United States

Revenue (€mn) and comparable growth (y-o-y)



EBITDA (€mn) and margin



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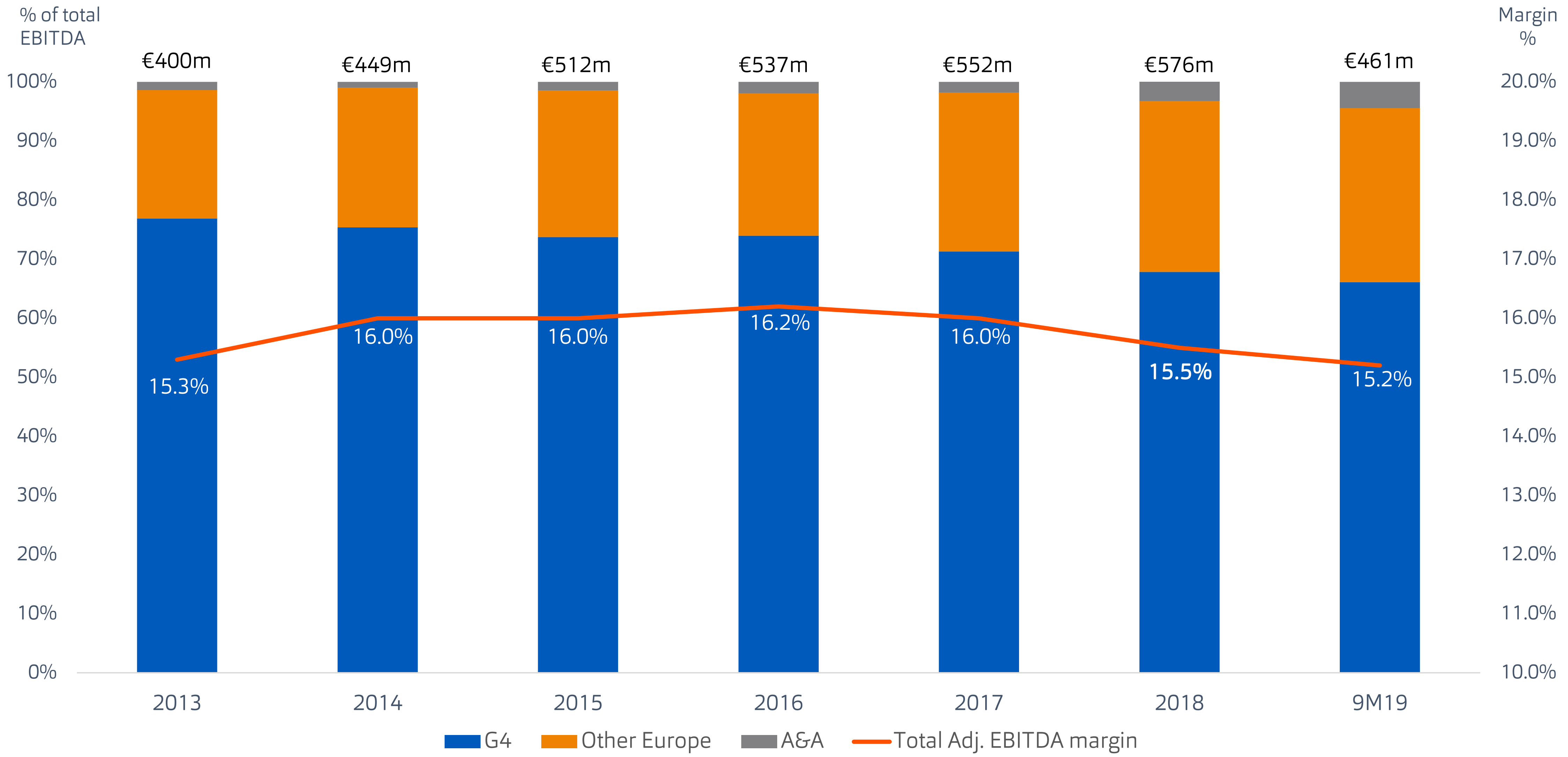
EBITDA margin continue to be impacted by increased central investments and evolving segment mix



All EBITDA figures on an adjusted basis, i.e. excluding non-recurring items

3.

Summary

Stephan Borchert

CEO

Summary & Outlook

- Strong comparable growth performance seen in the first half continues into the third quarter
- Integration of recent acquisitions and contribution from acquisitions in line with expectations
- Substantial improvements in the Benelux and Italy
- Implementation of digital and PVC strategy progressing well with first milestones successfully achieved
- FY2019 revenue growth guidance in line with medium-term objective
- Expecting adjusted EBITDA growth progression in the fourth quarter, but FY2019 EBITDA growth to be below medium-term objective due to macroeconomic and operational challenges in key markets and faster pace of investments behind strategic initiatives.

4.

Q&A