Analyst presentation
GrandVision supports EssilorLuxottica in acquiring HAL’s c. 76.72% interest in GrandVision

31 July 2019
Disclaimer

This is a public announcement by GrandVision pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

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.
Transaction Highlights

- HAL and EssilorLuxottica reached agreement to sell HAL’s c. 76.72% stake in GrandVision to EssilorLuxottica for €28.00 per share (the “Transaction”)
- Price to increase by 1.5% to €28.42 if closing of Transaction does not occur within 12 months from today
- Full support from GrandVision Supervisory Board and Management Board
- The Transaction is subject to various closing conditions, expected to take 12 to 24 months
- EssilorLuxottica is committed to become 100% owner of GrandVision, and will launch a mandatory public offer after closing of the Transaction
- In the meantime, GrandVision is permitted to pay dividends up to €0.35 for FY2019 and €0.37 for FY20 per share (or, in each case, 40% of net result if lower)
- The Transaction may not be terminated as a result of a superior third party offer for the shares in GrandVision
- Termination fee of €400m payable by EssilorLuxottica upon certain conditions being met
The price of €28.00 per share represents 33.1% premium over GrandVision’s closing share price on 16 July 2019 of €21.04

- Premium of 37.6% versus 1-month VWAP of €20.35 as per 16 July 2019
- Premium of 41.7% versus 3-month VWAP of €19.77 as per 16 July 2019

The Transaction represents a total consideration of c. €5.5bn

- The Transaction values GrandVision’s total share capital at c. €7.1bn

Price to increase by 1.5% to €28.42 if closing of Transaction does not occur within 12 months from today
Transaction rationale

- Future integration of GrandVision with EssilorLuxottica brings new opportunities to GrandVision’s business, its well-established retail banners, stores, employees and all our stakeholders

- Combination will create a global eyewear and eyecare group that provides consumers around the world with high quality optical omni-channel customer experience
  - Complementary store networks with a strong presence in Europe, North America and Latin America
  - State-of-the-art product design, manufacturing and distribution capabilities of EssilorLuxottica

- Combination will allow GrandVision to accelerate the execution of its current strategy and will enhance the long-term sustainable business success and value potential of GrandVision and its stakeholders
  - Creation of a multi-brand eyecare and eyewear omnichannel retailer
  - Ideally positioned to capture changing consumer needs and behavior
  - Potential to cross-fertilize the experience and expertise that is already present in both groups

- GrandVision organization to operate EssilorLuxottica’s EMEA ophthalmic retail activities
Process to date

- Early July 2019, GrandVision was informed on the discussions between EssilorLuxottica and HAL
- Special Committee was formed consisting of Chairman and Management Board members
- Constructive discussions with EssilorLuxottica and HAL leading to today’s announcement
- Boards reviewed the strategic, social, financial, legal and operational consequences of the Transaction for GrandVision and its various stakeholders
- Boards have concluded that providing support to the Transaction supports the ongoing, sustainable success of the business and is in the interest of GrandVision and its stakeholders
- ING has issued a fairness opinion
- Full support by both Supervisory and Management Boards
Period between now and full ownership by EssilorLuxottica

- Management Board is committed to continue executing GrandVision’s strategy as communicated at our Capital Markets Day in September 2018
  - EssilorLuxottica fully supports the mission and strategy of GrandVision
  - GrandVision has considerable flexibility to run the business in its ordinary course
- GrandVision to cooperate with EssilorLuxottica and HAL to facilitate successful completion of the Transaction, including obtaining necessary regulatory approvals
- Governance for the period between completion of the Transaction and until EssilorLuxottica acquires full ownership
  - Supervisory Board of GrandVision to be composed of four members to be identified by EssilorLuxottica and two current members of GrandVision’s Supervisory Board, including the Chairman role
  - Any related party transactions that are not in the ordinary course or at arm's length terms, require the affirmative vote of at least one of the two independent members
Timeline

- **31 July 2019** – Announcement of Transaction where HAL agreed to sell its c. 76.72% stake in GrandVision to EssilorLuxottica for €28.00 per share, as supported by GrandVision’s Boards

- **12-24 month** period of gaining regulatory approval and completing various other pre-closing activities
  - Price to increase by 1.5% to €28.42 if Transaction is not closed within one year after signing of the agreement
  - GrandVision shareholders continue to be entitled to receiving dividends

- **Approx. 6 month mandatory public offer period**
  - After closing of the Transaction, EssilorLuxottica will launch a Mandatory Public Offer for all remaining outstanding shares
  - Announcement with further details to be released within 30 days after closing the Transaction

- After closing of the Transaction and the mandatory public offer, EssilorLuxottica intends to acquire 100% of the shares of GrandVision to obtain full ownership of GrandVision’s business

- Integration of GrandVision into EssilorLuxottica post obtaining full ownership