GrandVision

Full Year 2018 Results

27 February 2019

1. Key Highlights and Financial Summary

Strong financial performance across all segments and progress made on all aspects of the strategic framework

Financial Highlights

- Comparable growth of 3.4% (FY 2017: 1.8%), driven by improvements across all segments
  - Total revenue growth at constant FX of 10.3%
- Adjusted EBITDA growth at constant exchange rates of 6.2%
  - EBITDA margin decline of 50 bps to 15.5% due to dilutive impact of acquisitions
- Adjusted EPS at €0.91 (FY 2017: €0.97) as the previous year benefitted from the remeasurement of the interest in Visilab
- Supervisory Board proposes dividend of €0.33 per share, an increase of 3.1%

Operational Highlights

- Completed rebranding of Tesco Opticians ahead of schedule; integration process ongoing
  - Margins improving gradually as business optimizes operations to fit smaller store format
- Market share gains in key markets, such as France and Germany, through strong commercial execution
- Strengthened digital strategy with a clear and accelerated roadmap for our omni-channel as well as our pure play e-commerce business
  - Successful launch of Lenstore Germany
  - Piloted global omni-channel platform in Portugal
- Net Promoter Score of 62 (FY 2017: 59)

Resilient business model within a challenging economic environment

Market and economic developments

- Favourable secular trends underpin optical retail market
- Weaker economic environment, driven by uncertainties surrounding Brexit and overall economic slowdown affecting consumer sentiment
- French retail market affected by the yellow-vest protests

Currency fluctuations

- Depreciation of a number of currencies with a particularly strong impact from the Turkish lira

Outlook 2019

- Increasing political and economic uncertainty necessitates a flexible approach to our operations and plays to the strength of our resilient business model

Revenue performance in-line with mid-term objectives with growth across all segments

Full Year Revenue - 7.9% increase in revenue to €3,721 million

- Revenue growth of 10.3% at constant exchange rates
- Comparable growth of 3.4%
- Strongest year of topline growth since 2015, with all three segments contributing to the performance

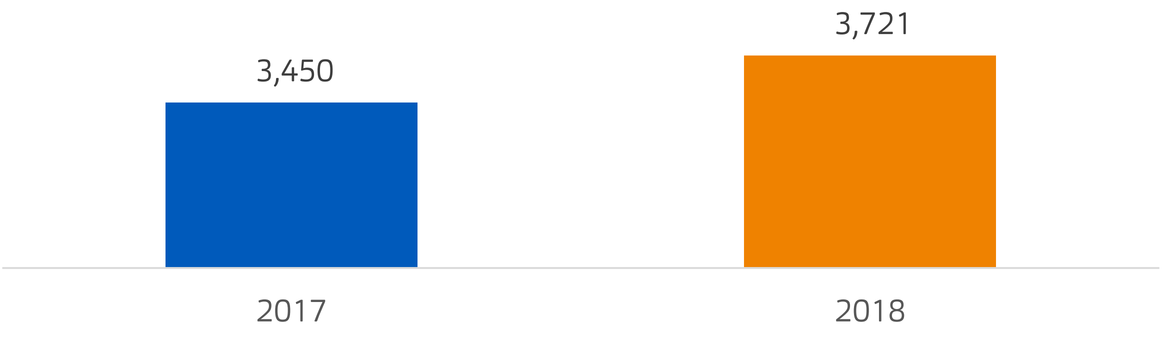
Fourth Quarter - 3.2% increase in revenue to €899 million

- Revenue growth of 4.4% at constant exchange rates
- Comparable growth of 2.9%

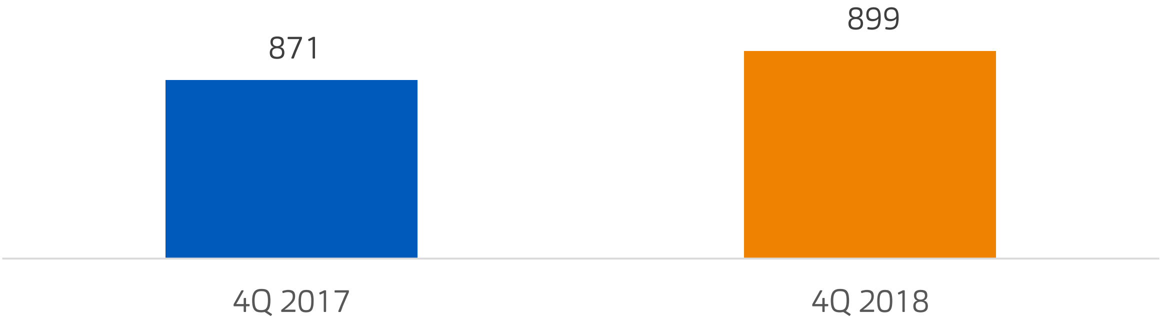
Store network growth

- Store network expanded to 7,095 from 7,001 at year-end 2017 as 400 new store openings partly offset by store closings, in line with store network optimization strategy

Full Year Revenue (€ million)



Fourth Quarter Revenue (€ million)



Robust adjusted EBITDA growth despite dilutive impact of acquisitions

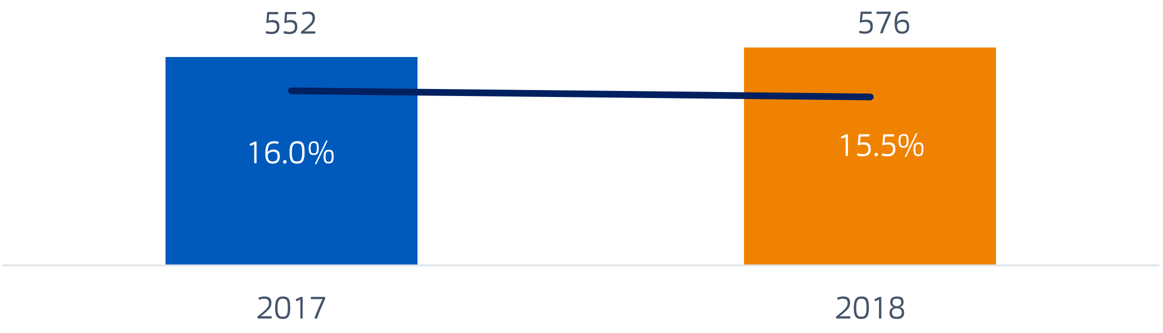
Full Year – improved profitability by 4.5%

- EBITDA[1] up 6.2% at constant exchange rates to €576 million (FY 2017: €552 million)
- EBITDA[1] margin decline of 50 bps to 15.5%, driven by dilutive impact of acquisitions, additional costs related to integration of Tesco Opticians and higher overheads in the Benelux

Fourth Quarter – profitability was down 1.7%

- EBITDA[1] down 1.6% at constant exchange rates to €127 million (Q4 2017: €129 million)
- EBITDA[1] margin decline of 70 bps due to operating dynamics in our key markets

Full year Adjusted EBITDA[1] (€ million)



Fourth Quarter Adjusted EBITDA[1] (€ million)

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

2.

Financial Review

G4 - Strong comparable growth against stable market benefitting from market share gains

57% of Group revenue

- FY 2018 revenue growth 7.9% at constant exchange rates
- Comparable growth for the FY 2018 of 2.4% (FY 2017: 0.0%)
  - Strong performance in both Germany and France
  - Slightly positive to moderate growth in the Benelux and the UK, respectively
- Positive comparable growth in the fourth quarter at 2.4%
- Total number of stores increased by 39 to 3,387 (FY 2017: 3,348) mainly through store openings across the region
- FY 2018 EBITDA[1] decline of 1.5% at constant exchange rates to €411 million
  - Organic EBITDA[1] growth offset by costs of Tesco integration and rebranding in the UK as well as digital investments and short-term impact of management change in Benelux
- EBITDA[1] margin decreased by 181bps from 21.1% in FY 2017 to 19.3% in FY 2018
- Q4 2018 saw positive EBITDA[1] growth of 3.6%

G4 – key figures	2018	4Q18
Revenue growth (constant rates)	7.9%	5.2%
Comparable growth	2.4%	1.7%
Adj. EBITDA[1] growth (constant rates)	-1.5%	3.6%
Adj. EBITDA[1] margin	19.3%	18.7%

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

Other Europe - Top-line growth across the board; slight decline in margins due to lower profitability in Italy

31% of Group revenue

- FY 2018 revenue growth of 15.8% at constant exchange rates
- Comparable growth for FY 2018 of 2.7% (FY 2017: 3.3%)
  - Acquisitions, primarily Visilab in Switzerland, contributed 12.5% to revenue
  - Revenue and comparable growth achieved across all businesses: Northern, Southern and Eastern Europe
- Positive comparable growth in Q4 2018 at 2.7%
- FY 2018 total number of stores increased by 36 to 1,912 (FY 2017: 1,876)
- FY 2018 EBITDA[1] increased by 13.6% at constant exchange rates to €176 million
- EBITDA[1] margin decreased by 35 bps from 15.9% in FY 2017 to 15.5% in FY 2018
  - Mainly reflects weaker performance in Italy during the year
- Q4 2018 EBITDA[1] declined by 5.4% at constant exchange rates

Other Europe – key figures	2018	4Q18
Revenue growth (constant rates)	15.8%	4.1%
Comparable growth	2.7%	3.9%
Adj. EBITDA[1] growth (constant rates)	13.6%	-5.4%
Adj. EBITDA[1] margin	15.5%	15.7%

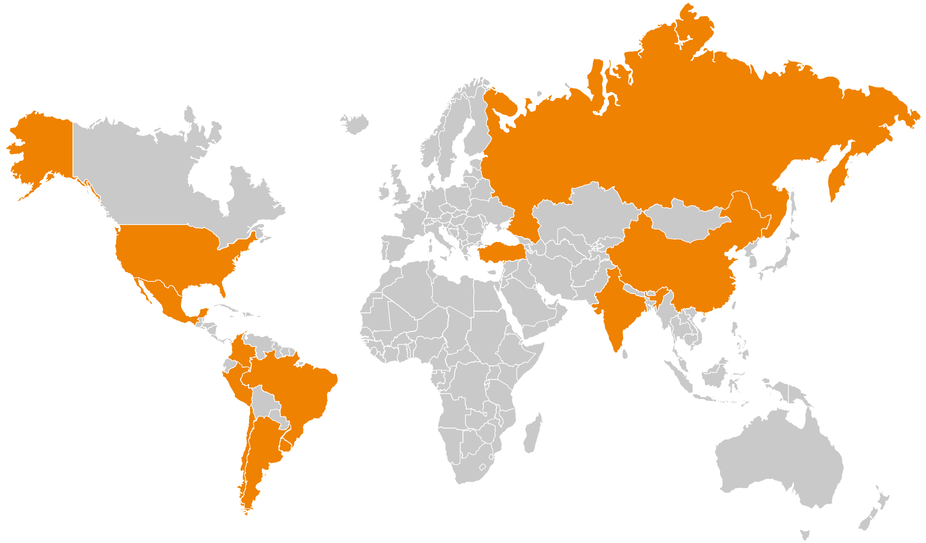
[1] All EBITDA figures on an adjusted basis, i.e. excluding non-recurring items

Americas & Asia - Strong comparable growth stemming from LatAm, Russia and Turkey, with the US remaining a core priority

12% of Group revenue

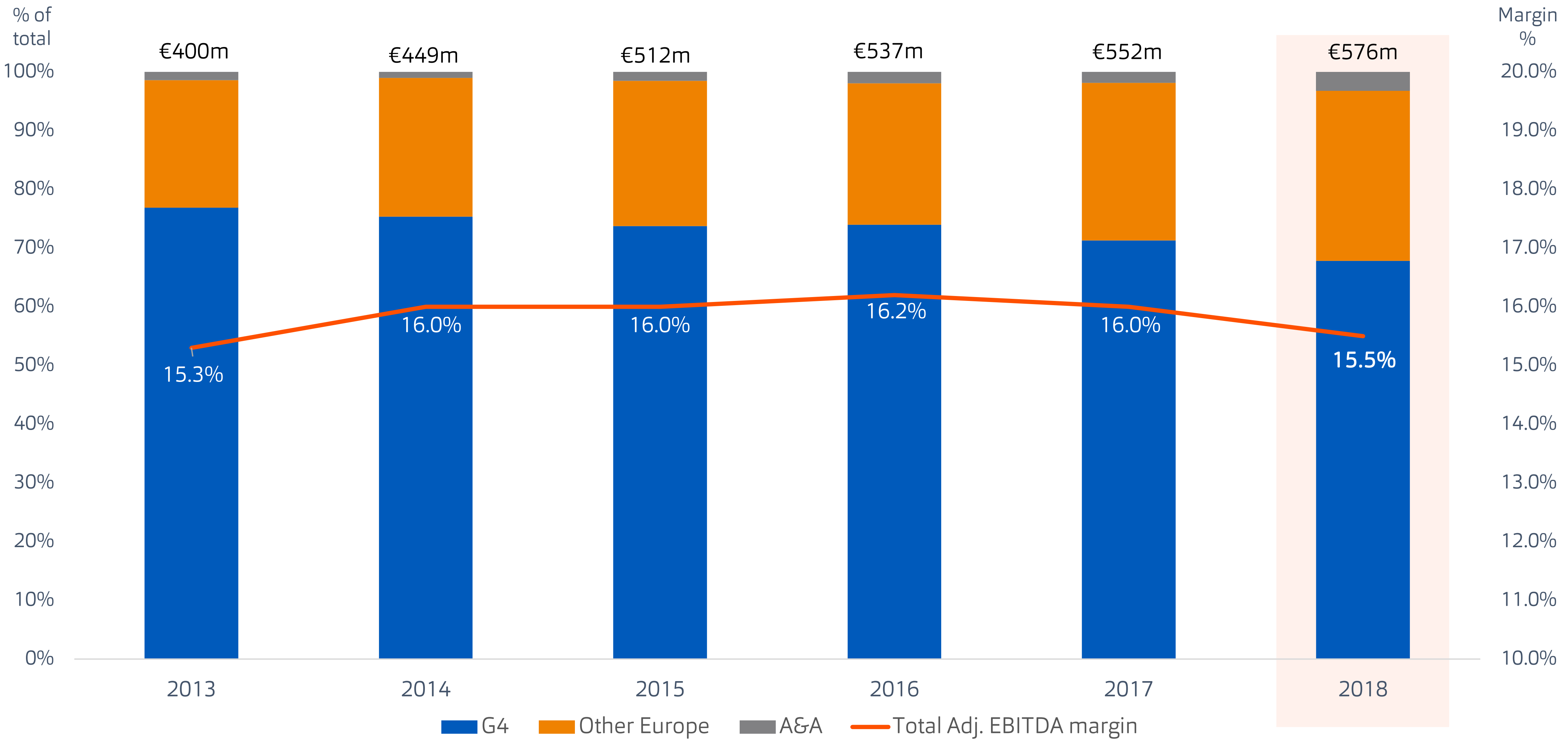
- FY 2018 revenue growth of 8.8% at constant exchange rates
- Comparable growth for FY 2018 of 9.4% (FY 2017: 6.5%)
  - Particularly strong performance in Colombia, Mexico, Russia and Turkey
- Positive comparable growth in Q4 2018 of 5.5%
- Revenue impacted by negative currency translation effects due to depreciation of a number of currencies, in particular to the Turkish lira
- FY 2018 total number of stores slightly increased by 19 to 1,796 (FY 2017: 1,777)
- FY 2018 EBITDA[1] increased to €20 million (FY 2017: €11 million)
  - Strong operating performance across the segment
  - Reduction of the loss in the United States despite cost of store openings and new POS system in Q4 2018
- EBITDA[1] margin increased by 207bps from 2.2% in FY 2017 to 4.3% in FY 2018

Americas & Asia- key figures	2018	4Q18
Revenue growth (constant rates)	8.8%	1.8%
Comparable growth	9.4%	5.5%
Adj. EBITDA[1] growth (constant rates)	139.8%	N.M.
Adj. EBITDA[1] margin	4.3%	-3.7%



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

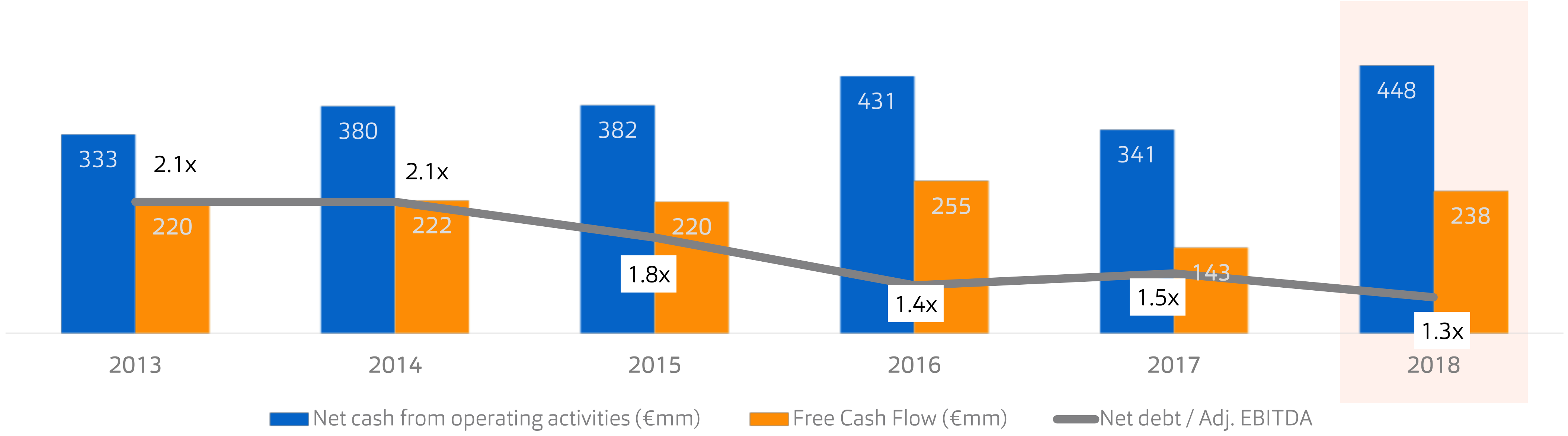
Margin stability despite dilutive impact of acquisitions and evolving geographical mix



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

Free cash flow benefits from lower working capital requirements

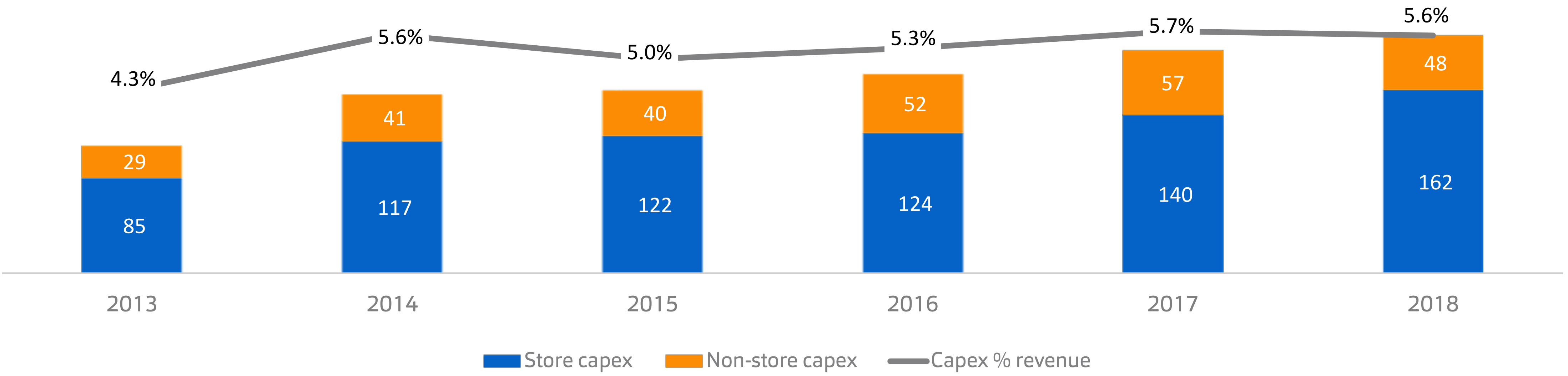
- Free Cash Flow at €238 million in FY 2018 (+66% vs FY 2017) driven by:
  - Improvements in working capital due to lower levels of inventories and receivables
- Leverage ratio continues to be well below our target of max 2.0x
  - Net Debt decline of €89 million due to higher free cash flow generation
  - Net Debt / EBITDA[1] at 1.3x



[1] EBITDA shown on an adjusted basis, i.e. excluding non-recurring items

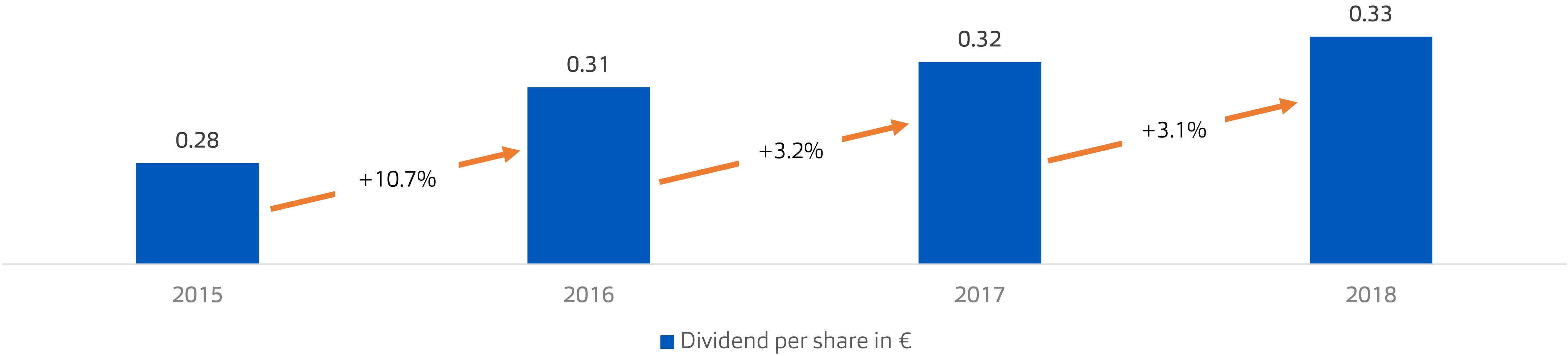
Capital expenditure remains in line with mid-term objective

- Capex continues to increase in line with growing business and mid-term objective of 4-6% of revenue
- FY 2018 store capex increased vs. previous year mainly due to:
  - Improvement of existing stores through renovations, refurbishments and rebranding
  - Continued implementation of standardized store concept
  - New store openings
- Non-store capex in FY 2018 decreased vs. FY 2017 driven by:
  - Higher number of ERP system roll-outs in 2017



Supervisory Board proposes dividend of €0.33 per share

- Supervisory Board proposes a FY 2018 dividend of:
  - **€0.33 per share**
- Proposed divided reflects an increase of +3.1% compared to the prior year
- Represents a payout ratio of 38.7%, in line with our medium-term objective
- Proposed dividend is subject to approval at the Annual General Meeting on 26 April, 2019



3. Outlook

2019 Outlook

Revenue and EBITDA growth broadly in line with our medium-term guidance

Maintain dividend policy in line with medium-term guidance

Accelerate digital capabilities to capture growing market opportunity

Integrate recent acquisitions

Continued focus on driving efficiencies across the Group

Continue to explore opportunities for further growth across all markets

4.

Q&A