GrandVision reports First Quarter 2015 revenue growth of 16.9% and comparable growth of 5.5%

Schiphol, the Netherlands – 8 May 2015. GrandVision N.V. publishes the First Quarter 2015 trading update

Highlights

- First Quarter revenue grew by 16.9% or 15.6% at constant exchange rates to €784 million
- Comparable growth reached 5.5%
- Revenue growth was delivered in all segments:
  - G4 revenue grew by 9.7% at constant exchange rates with comparable growth of 6.8%
  - Other Europe revenue grew by 19.9% at constant exchange rates with comparable growth of 1.4%
  - Latin America and Asia revenue grew by 48.5% at constant exchange rates with comparable growth of 8.8%
- Adjusted EBITDA (i.e. EBITDA before non-recurring items) increased by 16.3% to €122 million
- Adjusted EBITDA margin was broadly stable at 15.6% including the diluting impact of acquisitions. Excluding acquisitions, the adjusted EBITDA margin improved by 92bps
- Total number of stores was 5,825 (5,814 at year-end 2014)

First Quarter 2015 key figures

in millions of EUR (unless stated otherwise)	1Q15	1Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	784	671	16.9%	15.6%	7.1%	8.5%
Comparable growth (%)	5.5%	5.2%				
Adjusted EBITDA	122	105	16.3%	15.3%	13.8%	1.5%
Adjusted EBITDA margin (%)	15.6%	15.7%	-8bps			
System wide sales	869	749	16.0%			

Revenue

Revenue increased by 16.9% to €784 million (€671 million in 1Q14). At constant exchange rates revenue grew by 15.6% as foreign currency fluctuations had a positive impact of 1.3%. Organic revenue growth of 7.1% came primarily from comparable growth of 5.5% (5.2% in 1Q14). The number of trading days during the first quarter was comparable to the previous year. Acquisitions had an impact on revenue of 8.5%.

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Adjusted EBITDA

Adjusted EBITDA, which is EBITDA excluding exceptional and non-recurring items, increased by 16.3% to €122 million (€105 million in 1Q14) or 15.3% at constant exchange rates. This improvement resulted primarily from organic adjusted EBITDA growth of 13.8%, which benefited from higher comparable growth in combination with improved operational efficiencies. Acquisitions had a positive effect of 1.5% on adjusted EBITDA.

The adjusted EBITDA margin was broadly stable at 15.6% (15.7% in 1Q14) and includes the diluting effect of acquisitions as well as the increasing share of the still lower margin business in Latin America and Asia. Excluding acquisitions, the adjusted EBITDA margin would have improved by 92 bps to 16.6%.

The non-recurring expenses of €3 million in the 1Q15 are mainly related to the initial public offering in February, including its impact on the long-term incentive plan calculations. A reconciliation from adjusted EBITDA to operating result is presented in the table below:

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

Financial Position

Capital expenditures were €27 million in 1Q15 (€24 million in 1Q14). The increase in capital expenditures of 11.9% is mainly due to the ongoing implementation of the global ERP system and the larger store network.

Net debt decreased to €915 million from €922 million at year-end 2014, including the acquisition of €50 million of treasury shares at the initial public offering. The 12-month rolling net debt/EBITDA ratio fell below 2.0x.

Segment Review

G4

in millions of EUR (unless stated otherwise)	1Q15	1Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	495	441	12.2%	9.7%	7.9%	1.8%
Comparable growth (%)	6.8%	4.3%				
Adjusted EBITDA	101	87	16.6%	14.7%	13.7%	1.0%
Adjusted EBITDA margin (%)	20.4%	19.7%	78bps			

Revenue in the G4 segment rose by 12.2% to €495 million in 1Q15 (€441 million in 1Q14) and by 9.7% at constant exchange rates. Organic revenue growth and comparable growth were 7.9% and 6.8%, respectively. The comparable growth during the quarter was driven by especially successful commercial campaigns in Germany and Austria. The UK online platform and Spain also performed very strongly.

Adjusted EBITDA in the G4 segment increased by 16.6 % to €101 million (€87 million in 1Q14) and 14.7% at constant exchange rates. Organic adjusted EBITDA grew by 13.7% benefiting from improved operating leverage and the continued roll-out of the global capabilities. The adjusted EBITDA margin increased by 78 bps to 20.4% (19.7% in 1Q14).

Other Europe

in millions of EUR (unless stated otherwise)	1Q15	1Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	204	172	18.4%	19.9%	3.6%	16.3%
Comparable growth (%)	1.4%	5.8%				
Adjusted EBITDA	26	25	2.8%	4.5%	-2.8%	7.3%
Adjusted EBITDA margin (%)	12.5%	14.4%	-190bps			

Revenue increased by 18.4% to €204 million (€172 million in 1Q14) and by 19.9% at constant exchange rates. Acquisitions had a positive revenue impact of 16.3% mainly due to the acquisition of Angelo Randazzo in Italy in December 2014. Organic growth of 3.6% included comparable growth of 1.4%. The timing of marketing campaigns had a lesser impact on comparable growth than in the previous year.

The integration of the Randazzo business in Italy is proceeding as planned.

1Q15 adjusted EBITDA increased by 2.8% to €26 million (€25 million in 1Q14) and 4.5% at constant exchange rates. The decline in organic adjusted EBITDA was mainly due to the phasing of certain operational expenses.

Latin America & Asia

in millions of EUR (unless stated otherwise)	1Q15	1Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	85	57	48.6%	48.5%	11.8%	36.7%
Comparable growth (%)	8.8%	10.1%				
Adjusted EBITDA	2	1	59.2%	71.0%	160.6%	-89.6%
Adjusted EBITDA margin (%)	2.3%	2.1%	15bps			

First Quarter revenue in the Latin America and Asia segment increased by 48.6% to €85 million (€57 million in 1Q14) or 48.5% at constant exchange rates. The acquisitions in China, Colombia, Peru and Turkey added 36.7% to revenue growth. The segment saw strong comparable growth of 8.8% (10.1% in 1Q14) with contributions from all markets.

Sales in Russia continued to grow by high single digits with adjusted EBITDA improving by double digits, despite the negative economic environment. In Turkey, the business is proceeding ahead of expectations and delivered a good contribution to the first quarter results.

1Q15 adjusted EBITDA in the Latin America and Asia segment increased to €2 million (€1 million in 1Q14), and by 71.0% at constant exchange rates. The organic adjusted EBITDA growth offset a negative impact from acquisitions. In total, adjusted EBITDA margin expanded by 15 bps to 2.3%.

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 2015

08 May 2015	General Shareholders Meeting
20 August 2015	Half Year 2015 results press release
10 November 2015	Third Quarter 2015 trading update

ENDS

About GrandVision

GrandVision is the global leader in optical retail by number of stores (excluding sunglass specialty stores) 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 optical 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 43 countries across Europe, Latin America, the Middle East and Asia. GrandVision serves its customers in over 5,800 stores and with more than 25,700 full-time equivalent 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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