GrandVision reports Nine Months 2015 revenue growth of 15.5% and EBITDA growth of 16.7%

Schiphol, the Netherlands – 10 November 2015. GrandVision N.V. publishes the Nine Months and Third Quarter 2015 trading update.

Highlights

- 9M15 revenue increased by 15.5% or 14.7% at constant exchange rates (3Q15: 12.7% and 13.2%, respectively) to €2,419 million (3Q15: €808 million)
- Comparable growth in 9M15 was 4.7% (3Q15: 3.7%)
- Adjusted EBITDA (i.e. EBITDA before non-recurring items) grew by 16.7% or 15.4% at constant exchange rates (3Q15: 15.7% and 14.9%, respectively) to €400 million in 9M15 (3Q15: €142 million)
- The adjusted EBITDA margin improved by 18 bps to 16.5% (3Q15: +46bps to 17.5%)
- Total number of stores grew to 5,922 (5,814 at year-end 2014)

Key figures

in millions of EUR (unless stated otherwise)	9M15	9M14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	2,419	2,095	15.5%	14.7%	6.0%	8.7%
Comparable growth (%)	4.7%	3.8%				
Adjusted EBITDA	400	343	16.7%	15.4%	10.6%	4.8%
Adjusted EBITDA margin (%)	16.5%	16.4%	18bps			
Number of stores (#)	5,922	5,547				
System wide sales	2,672	2,340	14.2%			

in millions of EUR (unless stated otherwise)	3Q15	3Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	808	717	12.7%	13.2%	4.9%	8.4%
Comparable growth (%)	3.7%	3.8%				
Adjusted EBITDA	142	122	15.7%	14.9%	8.7%	6.2%
Adjusted EBITDA margin (%)	17.5%	17.1%	46bps			
System wide sales	889	801	11.0%			

Group financial review

Revenue

Revenue rose by 15.5% to €2,419 million in 9M15 (€2,095 million in 9M14) or 14.7% at constant exchange rates. Organic revenue growth of 6.0% came primarily from comparable growth of 4.7% (3.8% in 9M14). Acquisitions had an impact on revenue of 8.7%.

In 3Q15, revenue increased by 12.7% to €808 million, or 13.2% at constant exchange rates. Organic growth during 3Q15 was 4.9%. The comparable growth rate was 3.7%, as strong comparable growth in the Other Europe and Latin America and Asia segments was partially reduced by lower comparable growth in the G4 segment.

Adjusted EBITDA

Adjusted EBITDA (i.e. EBITDA before non-recurring items) increased by 16.7% to €400 million in 9M15 (€343 million in 9M14) or 15.4% at constant exchange rates with organic adjusted EBITDA growth of 10.6% and a 4.8% contribution from acquisitions. The adjusted EBITDA margin increased by 18 bps to 16.5% in 9M15 (16.4% in 9M14).

Non-recurring items of -€5 million in 9M15 were mainly related to legal and regulatory provisions, pension arrangements in the Netherlands as well as costs related to the initial public offering in February, including the effect on the valuation of the long-term incentive plans.

In 3Q15, adjusted EBITDA grew by 15.7% or 14.9% at constant exchange rates to €142 million. The improvement resulted primarily from organic adjusted EBITDA growth of 8.7%, which benefited from comparable growth in combination with improved operating efficiencies. Acquisitions had a positive effect of 6.2% on adjusted EBITDA. The adjusted EBITDA margin increased by 46 bps to 17.5% (17.1% in 3Q14).

A reconciliation from adjusted EBITDA to operating result for 9M15 is presented in the table below:

in millions of EUR	9M15	9M14
Adjusted EBITDA	**400**	**343**
Non-recurring items	- 5	- 23
EBITDA	**396**	**320**
Depreciation and amortization of software	- 89	- 78
EBITA	**307**	**241**
Amortization and impairments	- 21	- 19
Operating result	**285**	**223**

Financial Position

Capital expenditure not related to acquisitions was €34 million in 3Q15 and €98 million in 9M15, broadly in-line with the previous year. The majority of the capex was directed towards store openings, maintenance and refurbishments.

Net debt decreased to €836 million from €863 at the end of June 2015 after paying a dividend of approximately €35 million in September. The 12-month rolling net debt/EBITDA ratio decreased to 1.6x from 1.8x at the end of June 2015.

Segment review

G4

in millions of EUR (unless stated otherwise)	9M15	9M14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,492	1,366	9.2%	6.6%	5.4%	1.3%
Comparable growth (%)	4.5%	3.0%				
Adjusted EBITDA	308	277	11.3%	9.3%	8.2%	1.2%
Adjusted EBITDA margin (%)	20.6%	20.3%	39bps			
Number of stores	3,011	2,936				

in millions of EUR (unless stated otherwise)	3Q15	3Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	491	462	6.2%	4.0%	2.9%	1.2%
Comparable growth (%)	1.9%	3.7%				
Adjusted EBITDA	101	96	5.5%	3.9%	2.5%	1.4%
Adjusted EBITDA margin (%)	20.5%	20.7%	-14bps			

Revenue in the G4 segment grew by 9.2% to €1,492 million in 9M15 and by 6.6% at constant exchange rates. Organic revenue growth and comparable growth were 5.4% and 4.5%, respectively. Reported revenue growth benefited from the strengthening British pound.

In 3Q15, revenue in the G4 grew by 6.2%, or 4.0% at constant exchange rates. Organic and comparable growth reached 2.9% and 1.9%, respectively. After strong commercial activities earlier in the year, comparable growth in Germany and Austria was flat against a double digit progression in the prior year, while the other countries grew by low to mid-single digits.

Adjusted EBITDA in the G4 segment increased by 11.3% to €308 million in 9M15 and the adjusted EBITDA margin increased by 39bps to 20.6% in 9M15 (20.3% in 9M14).

In 3Q15, adjusted EBITDA in the G4 segment grew by 5.5% with organic adjusted EBITDA growth of 2.5%. The adjusted EBITDA margin decreased by 14bps to 20.5% mainly due to the timing of commercial activities.

Other Europe

in millions of EUR (unless stated otherwise)	9M15	9M14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	668	550	21.3%	22.7%	5.8%	16.9%
Comparable growth (%)	4.4%	3.9%				
Adjusted EBITDA	105	86	21.4%	22.7%	10.7%	12.0%
Adjusted EBITDA margin (%)	15.7%	15.7%	1bps			
Number of stores	1,696	1,453				

in millions of EUR (unless stated otherwise)	3Q15	3Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	235	191	23.0%	24.9%	7.6%	17.3%
Comparable growth (%)	6.8%	2.2%				
Adjusted EBITDA	44	33	32.2%	33.9%	18.6%	15.3%
Adjusted EBITDA margin (%)	18.7%	17.4%	128bps			

Revenue in the Other Europe segment increased by 21.3% to €668 million in 9M15, or 22.7% at constant exchange rates. Organic revenue growth was 5.8%, while acquisitions contributed 16.9% to revenue growth. Comparable growth in the first nine months was 4.4%.

In 3Q15, revenue grew by 23.0%, or 24.9% at constant exchange rates. Organic growth in 3Q15 was 7.6%. Comparable growth of 6.8% benefited from strong topline growth in all regions and strong sunglass sales in southern Europe during the summer months.

Adjusted EBITDA in the Other Europe segment increased by 21.4% to €105 million in 9M15. The adjusted EBITDA margin was broadly stable at 15.7%, as strong organic EBITDA growth was offset by the still margin dilutive impact of the Randazzo acquisition in Italy.

In 3Q15, adjusted EBITDA grew by 32.2%, or 33.9% at constant exchange rates with strong underlying organic growth of 18.6%. The adjusted EBITDA margin increased by 128bps to 18.7% driven by operating leverage from strong topline growth as well as continued efficiency gains.

Latin America & Asia

in millions of EUR (unless stated otherwise)	9M15	9M14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	259	179	45.1%	51.6%	11.2%	40.4%
Comparable growth (%)	6.9%	8.9%				
Adjusted EBITDA	11	4	155.6%	167.7%	97.3%	70.4%
Adjusted EBITDA margin (%)	4.2%	2.4%	181bps			
Number of stores	1,215	1,158				

in millions of EUR (unless stated otherwise)	3Q15	3Q14	Change versus prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	82	64	28.4%	44.8%	11.2%	33.6%
Comparable growth (%)	6.5%	9.9%				
Adjusted EBITDA	4	2	79.4%	92.3%	45.7%	46.6%
Adjusted EBITDA margin (%)	5.3%	3.8%	152bps			

Revenue increased by 45.1% to €259 million in 9M15, or 51.6% at constant exchange rates. Organic and comparable growth reached 11.2% and 6.9%, respectively. Acquisitions added 40.4% to revenue growth.

In 3Q15, revenue grew by 28.4%, or 44.8% at constant exchange rates. Revenue growth was negatively impacted by currency devaluation in emerging markets, particularly the Brazilian real, the Colombian peso and the Russian ruble. Overall, currency devaluation had an impact of approx. €10 million on revenue. Comparable growth remained strong at 6.5%, as high single digit comparable growth in Latin America was partially reduced by a mid single digit decline in Russia.

Adjusted EBITDA increased to €11 million in 9M15 (€4 million in 9M14) and the adjusted EBITDA margin increased to 4.2% in 9M15 (2.4% in 9M14).

In 3Q15, adjusted EBITDA in the Latin America & Asia segment increased to €4 million with strong organic growth of 45.7% and a positive contribution from acquisitions. The adjusted EBITDA margin increased by 152 bps to 5.3%. Improvements in the adjusted EBITDA margin continued to be achieved through the successful integration of the acquired businesses in China, Colombia, Peru and Turkey and further roll-out of the global capabilities.

Recent Events

On October 5, 2015 GrandVision announced that a binding agreement was signed to acquire the U.S. based optical retail chain For Eyes.

For Eyes was founded in 1972, employs approximately 1,000 people and operates through a network of 116 owned stores in the metropolitan areas of Chicago, Washington DC and Philadelphia, as well as in Florida and California. The revenue in 2014 was approx. 100 million USD.

The closing of the transaction, which is subject to customary conditions, is expected to take place in the fourth quarter of 2015.

Financial Calendar

10 November 2015	Third Quarter 2015 Trading Update
21 January 2016	Preliminary 2015 Comparable Growth
16 March 2016	Full Year 2015 Results
18 March 2016	Publication 2015 Annual Report
29 April 2016	Annual General Meeting (AGM) and First Quarter 2016 Trading Update
05 August 2016	Half Year and Second Quarter results
27 October 2016	Third Quarter 2016 Trading Update

About GrandVision

GrandVision is the global leader in optical retailing 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 vision experts, prescription glasses including frames and lenses, contact lenses and contact lens care products, and sunglasses with both non-prescription and 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 5,900 stores and with more than 26,700 employees (FTE) which are proving every day that in eye care, we care more. For more information, please visit www.grandvision.com.

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 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.

Media and Investor Contacts

GrandVision N.V.
Thelke Gerdes
Investor Relations Director
T +31 88 887 0227
E thelke.gerdes@grandvision.com