press release

GrandVision reports strong comparable revenue growth in 3Q21 of 5.8% versus 3Q20

Schiphol, the Netherlands – 28 October 2021. GrandVision N.V. publishes its Third Quarter and Nine Months 2021 results.

Due to the exceptional nature of the year 2020, GrandVision (the "Company") is also including comparisons versus 2019 in this press release.

Third quarter and nine months 2021 highlights

- GrandVision's 3Q21 comparable revenue grew by 5.8% compared to 3Q20 and 10.0% versus 3Q19 at 2019 exchange rates excluding the disposed businesses. This represents a strong performance with the Company reaching growth above pre-pandemic levels
- Strong adjusted EBITA in 3Q21 at €167 million (3Q20: €176m and 3Q19: €132m). Comparable adjusted EBITA, excl. extraordinary COVID-19 related effects and the disposed businesses, was 6% versus a strong 3Q20 and 33% above 3Q19
- France, our biggest market, has continued to show sensitivity to COVID-19 related government actions. Measures implemented during the third quarter slowed down the strong recovery seen in the second quarter
- In 9M21, comparable revenue increased 21.7% versus 9M20. Adjusted EBITA was €384 million in 9M21 (9M20: €153m and 9M19: €369m)
- GrandVision's net debt position as of 30 September 2021 was €363 million (9M20: €602m)
- The Company's rating on the Dutch Transparency benchmark improved by 7 points. This study is held amongst the largest companies in the Netherlands and focuses on transparency in CSR reporting topics

Key figures

in millions of EUR (unless stated otherwise)	9M21	9M20	9M19	Changes versus prior year: At reported rate	At constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	2,959	2,500	3,040	18.4%	19.6%	22.0%	-2.5%
Comparable growth (%)	21.7%	-18.9%	3.9%				
Adjusted EBITA	384	153	369	151.7%	155.8%	154.7%	1.2%
Adjusted EBITA margin (%)	13.0%	6.1%	12.1%	688bps			
System wide sales	3,238	2,739	3,316	18.2%			
Number of stores (#)	7,193	7,247	7,366				

in millions of EUR (unless stated otherwise)	3Q21	3Q20	3Q19	Changes versus prior year: At reported rate	At constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	1,068	1,047	1,045	2.0%	2.0%	4.6%	-2.6%
Comparable growth (%)	5.8%	0.8%	4.0%				
Adjusted EBITA	167	176	132	-5.3%	-4.5%	-5.0%	0.4%
Adjusted EBITA margin (%)	15.6%	16.8%	12.6%	-120bps			
System wide sales	1,164	1,148	1,137	1.4%			

Management comments

Stephan Borchert, GrandVision's CEO said: "The third quarter performance continues to demonstrate the Company's inherent resilience and strong market positioning. Whilst COVID-19 related challenges continue to exist in certain markets, we delivered strong growth and are well positioned to continue progressing with the execution of our omnichannel strategy.

Last year has been a transitory period for GrandVision. Working through the ongoing impact and uncertainties related to COVID-19 alongside the transaction with EssilorLuxottica, has been a challenge and taken a tremendous amount of effort from the entire organization. It is therefore pleasing to see the very positive results and the reconfirmed strength and health of our Company after the COVID pandemic.

The Company's ability to navigate these unique challenges over recent quarters has been underpinned by the dedication and commitment of our employees around the world. We have benefitted from a strong corporate culture of customer centricity, innovation and flexibility combined with the loyalty of our customers and our strong financial position. The ongoing focus on enhancing the customer experience is further supported by the progress we have made on delivering a seamless connection between our omnichannel front and back-end operations.

In recent years, we have also heightened our focus on CSR initiatives with satisfying results. We are ranked number 1 on the Sustainalytics ESG Retail industry cluster benchmark, became a signatory of the United Nations Global Compact, and in the third quarter, we have significantly improved our rating on the Dutch Transparency Benchmark.

At the beginning of July, EssilorLuxottica completed its acquisition of HAL's interest in GrandVision. We start this new journey on a solid footing with the Company returning to growth above pre-pandemic levels in the third quarter, while delivering the highest adjusted EBITA (excluding extraordinary items[1]) in the Company's history.

The closing of the transaction with EssilorLuxottica marks the beginning of an exciting new chapter for the Company, in which we will jointly accelerate our mission to reduce poor vision and help more and more people by delivering unique high-quality and affordable eyecare solutions. We are thrilled to embark on the new journey with EssilorLuxottica that will undoubtedly create a truly global eyecare and eyewear company which is optimally positioned to capture changing consumer needs and behavior's and provide customers with a better overall optical experience."

2021 Outlook

For the full year 2021, GrandVision expects like for like[2] revenue to exceed 2019 levels with an improvement in the absolute adjusted EBITA versus 2019. This assumes no further COVID-19 related restrictions will be introduced in the remainder of the year.

EssilorLuxottica transaction and Mandatory Tender Offer update

As of 30 September, EssilorLuxottica holds an aggregate amount of 220,537,421 shares, representing approximately 86.67% of the issued share capital of GrandVision.

On 7 October 2021, EssilorLuxottica and GrandVision jointly announced the launch of the recommended mandatory public offer by EssilorLuxottica to all GrandVision shareholders, in accordance with the applicable Dutch public offer rules. The price of the Mandatory Public Offer was €28.42 per share. The Acceptance Period began on 8 October 2021 and ends on 3 December 2021.

1 Impact of the disposed businesses (HSO and Chile) and the 2020 one- off COVID-19 related cost control measures.

2 Excluding the effect from the disposed businesses (HSO and Chile) at comparable exchange rates.

Financial recognition of the Disposed Businesses

The antitrust approval in the European Union for the transaction between HAL and EssilorLuxottica is conditioned on the divestment of GrandVision's 35 GrandOptical stores in Belgium, 142 Eye Wish stores in the Netherlands and 72 stores from the "GrandVision by" retail banner in Italy.

As of 23 March 2021, the so-called Hold Separate Organization (HSO) is managed by Hold Separate Managers. The HSO is excluded from consolidation as of 1 April 2021, as GrandVision no longer has control over these divestments, and the relevant assets and liabilities of divestments will be derecognized from the consolidated Balance Sheet. Instead, the fair value of these divestments was reported as "Investments in Associates" on the consolidated Balance Sheet until the moment these operations are classified as held for sale at the end of June 2021.

On 1 July 2021, following the commitment with the Chilean market regulator FNE (Fiscalía Nacional Económica) to divest the 97 stores of GrandVision's Chilean operations operating under the banner Rotter Y Kraus, GrandVision's Chilean operations were sold to HAL. On 29 June 2021, the criteria for held for sale classification were met and assets and liabilities are reported in lines 'Assets held for sale' and 'Liabilities held for sale', respectively.

Group financial review

REVENUE

Revenue increased by 19.6% versus 9M20 at constant exchange rates to €2,959 million in 9M21 or 18.4% at reported rates (9M20: €2,500 million and 9M19: €3,040 million). Comparable revenue increased 21.7% versus 9M20.

Throughout the year, the COVID-19 restrictions have played an important role in the Company's performance. With gradual lifting of restrictions, footfall has returned to our stores yet remains below pre-pandemic levels though have maintained strong conversion rates in most of our markets.

Our retail banners' online revenue increased by 53% in the first nine months of 2021 versus the same period in 2020, with digitally influenced store sales increasing by 67% year-to-date.

The gradual improvement in comparable revenue so far this year, compared with 2019, nearly offset the COVID related challenges faced during the first quarter of the year. The Company's revenue accelerated strongly following the easing of COVID-19 restrictions in key markets towards the end of the third quarter.

GrandVision's revenue at constant exchange rates increased by 2.0% versus 3Q20 to €1,068 million in 3Q21 (3Q20: €1,047 million and 3Q19: €1,045 million). On a comparable basis, revenue in 3Q21 increased 5.8% versus a year ago and 10.0% versus 3Q19 at 2019 exchange rates excluding the disposed businesses.

ADJUSTED EBITA

GrandVision has continuously delivered a sequential quarterly adjusted EBITA improvement throughout the year, despite the varying levels of COVID-19 restrictions across our markets. The cost efficiency initiatives implemented last year have also contributed to the positive margin trend.

As footfall continues to return towards the pre-pandemic levels contributing to better operational leverage and combined with the continuous cost control, the Company has reported two of the strongest EBITA months in its history during the first nine months of the year.

In 9M21, the adjusted EBITA was €384 million increasing from €153 million in 9M20 and outperforming 2019 (9M19: €369 million). The underlying performance reinforces the strength of our business and the ability to return and exceed pre-pandemic profit levels.

3Q21 adjusted EBITA increased to €167 million from €176 million in 3Q20 and €132 million in 3Q19. In 3Q20, the adjusted EBITA was positively impacted by a one-time positive effect of approximately €10 million from COVID-19 related measures; therefore, on a comparable basis and excluding the effect of the disposed businesses, the adjusted EBITA in 3Q21 was 6% above the prior-year and 33% above 3Q19.

FINANCIAL POSITION
At the end of September 2021, GrandVision's net debt position was €363 million, compared to €602 million at the end of September 2020. The downward net debt trend highlights the strong cash generation from business operations driven by higher revenue growth and cash conversion.

Segment review

G4

in millions of EUR (unless stated otherwise)	9M21	9M20	9M19	Changes versus prior year: Change vs. prior year	Change at constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	1,692	1,459	1,715	16.0%	15.5%	18.2%	-2.7%
Comparable growth (%)	17.4%	-16.5%	3.5%				
Adjusted EBITA	245	134	274	82.5%	82.1%	80.9%	1.2%
Adjusted EBITA margin (%)	14.5%	9.2%	16.0%	526bps			
Number of stores (#)	3,461	3,436	3,420				

in millions of EUR (unless stated otherwise)	3Q21	3Q20	3Q19	Changes versus prior year: Change vs. prior year	Change at constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	616	610	584	1.0%	0.0%	2.7%	-2.7%
Comparable growth (%)	2.9%	3.4%	4.1%				
Adjusted EBITA	104	113	94	-8.2%	-8.6%	-9.1%	0.5%
Adjusted EBITA margin (%)	16.9%	18.6%	16.2%	-169bps			

Comparable growth base 2019 is defined as revenue growth from the stores, excluding the Hold Separate Organization, which were comparable in 2019 and are still being operated as per 30 September 2021

Revenue
Comparable revenue in the G4 segment increased by 17.4% versus 9M20 and decreased by 2.5% versus 9M19. This was mainly driven by the adverse impact of temporary store closures, primarily in France, and lower traffic in connection to the restrictions still in place in some G4 countries. At constant exchange rates, revenue increased by 15.5% to €1,692 million in 9M21 (9M20: €1,459 million and 9M19: €1,715 million).

E-commerce and digitally influenced store sales, particularly our retail brand platforms delivered strong growth with Germany, France and the UK performing the strongest in the first nine months of the year.

In 3Q21, comparable revenue increased by 2.9% versus 3Q20 and 6.0% versus 3Q19. Compared with 2019, the segment continued the positive momentum, with Germany and the UK being the strongest growth contributors during the quarter. France, despite the strong June and first half of July, was again affected by nationwide COVID-19 related measures.

In **France**, the topline performance slowed after the good momentum towards the end of the second quarter, a result of stricter measures in the country announced by the government in mid-July. Traffic in more than 100 stores located in bigger shopping malls has been affected by the mandatory "Healthy Pass". The country's performance was in the low single-digit comparable growth range compared with 3Q19.

Our businesses in **Germany** and **Austria** delivered good performance in the third quarter. Strong commercial campaign activities supported the increase in footfall with low double-digit comparable growth versus the same period in 2019.

Belgium and **the Netherlands** continued with their steady recovery in the first nine months of the year, growing above pre-pandemic levels. In 3Q21, comparable growth was at the high single-digit level versus 2019, driven by an increased share of high-value products throughout the year. With the network fully open, e-commerce continues to gain share and remains a key pillar in our omnichannel journey.

In the **United Kingdom**, our Vision Express business delivered a strong high single-digit comparable growth versus 3Q19 as a result of strong volume, conversion and average ticket price.

Although major COVID-19 related restrictions have been lifted in most countries, footfall in the mall-based stores, mainly in our French business, has been impacted by the introduction of alternative measures such as proof of vaccination or negative COVID-19 tests. Despite this, conversion ratios continue to be strong across the board.

Adjusted EBITA

Adjusted EBITA increased to €245 million in 9M21 from €134 million in 9M20 (9M19: €274 million). Compared with 2019, the segment's profit was affected by the negative operating leverage resulting from the temporary store closures in France during the second quarter. This effect was partially offset by lower occupancy costs related to the COVID-19 pandemic, including the effect from the temporary store closures, general continued cost discipline and structural improvements in the United Kingdom business.

In 3Q21, adjusted EBITA was €104 million (3Q20: €113 million and 3Q19: €94 million).

OTHER EUROPE

in millions of EUR (unless stated otherwise)	9M21	9M20	9M19	Changes versus prior year: Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	946	792	944	19.5%	19.5%	22.4%	-2.9%
Comparable growth (%)	22.1%	-19.8%	2.9%				
Adjusted EBITA	122	50	114	145.4%	145.8%	145.4%	0.4%
Adjusted EBITA margin (%)	12.9%	6.3%	12.1%	660bps			
Number of stores (#)	2,118	2,109	2,124				

in millions of EUR (unless stated otherwise)	3Q21	3Q20	3Q19	Changes versus prior year: Change vs. prior year	Change at constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	341	337	333	1.3%	1.2%	4.4%	-3.3%
Comparable growth (%)	4.9%	-0.8%	3.1%				
Adjusted EBITA	55	57	43	-4.4%	-4.5%	-4.7%	0.2%
Adjusted EBITA margin (%)	16.0%	17.0%	13.0%	-95bps			

Comparable growth base 2019 is defined as revenue growth from the stores, excluding the Hold Separate Organization, which were comparable in 2019 and are still being operated as per 30 September 2021

Revenue

Comparable revenue in 9M21 increased by 22.1% versus 9M20. On a 2019 basis, comparable revenue declined by 2.5% versus 9M19, with Italy as the main driver of the decline. The Other Europe segment's 9M21 revenue growth at constant exchange rates was 19.5% to €946 million from €792 million in 9M20 (9M19: €944 million).

In 3Q21, comparable revenue was above 2019 levels growing by 4.2% while increasing by 4.9% versus 3Q20. The segment's performance showed a sequential improvement confirming the positive trend mainly in the Northern Europe sub-region.

Improved traffic patterns continued, following the same trend as in the second quarter. The footfall remains below 2019 levels with gradually improving conversion rates.

In **Italy,** the negative impact from traffic limitations imposed by the government continued, with the sunglasses and contact lenses categories being the most affected. Compared with 3Q19, the comparable revenue growth in the country remains slightly negative declining by low single digit in 3Q21 with a positive trend within the quarter. September was the first month to grow above pre-pandemic levels.

The **Nordics** remained strong and resilient. Denmark, as one of the strongest growing markets of the region, increased the share of high-value optical products with a record-high share of spectacles subscriptions and continued strong conversion. Strong commercial campaigns, mainly in Sweden and Norway, reduced the footfall gap versus 2019.

Switzerland achieved a solid start to the quarter supported by commercial campaigns. The country has reached stable and sustained growth throughout the year vs 2019 at low single-digits. The full benefits from the McOptic integration have started to bear fruit. In 3Q21, the country's revenue reached high single-digit growth on a comparable basis versus 3Q19.

Adjusted EBITA

Adjusted EBITA increased to €122 million in 9M21 from €50 million in 9M20 (9M19: €114 million), driven by continued cost discipline and efficiencies and the improved product/price mix. Northern Europe continues to improve its performance, mainly in Denmark. The Southern Europe region has lagged behind, with Italy and Spain being heavily impacted by COVID-19 related government restrictions.

In 3Q21, adjusted EBITA was €55 million (3Q20: €57 million and 3Q19: €43 million).

AMERICAS & ASIA

				Changes versus prior year			
in millions of EUR (unless stated otherwise)	9M21	9M20	9M19	Change vs. prior year	Change at constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	320	249	381	28.6%	43.6%	43.5%	0.1%
Comparable growth (%)	45.2%	-26.9%	7.9%				
Adjusted EBITA	42	- 11	18	493.6%	557.1%	556.9%	0.2%
Adjusted EBITA margin (%)	13.0%	-4.3%	4.6%	1729bps			
Number of stores (#)	1,614	1,702	1,822				

				Changes versus prior year			
in millions of EUR (unless stated otherwise)	3Q21	3Q20	3Q19	Change vs. prior year	Change at constant FX	Organic growth	Impact from acquisitions/ divestments
Revenue	111	101	128	9.8%	16.6%	16.6%	0.1%
Comparable growth (%)	25.1%	-6.2%	6.4%				
Adjusted EBITA	17	12	8	41.7%	56.9%	56.8%	0.1%
Adjusted EBITA margin (%)	15.4%	11.9%	6.2%	345bps			

Comparable growth base 2019 is defined as revenue growth from the stores, excluding the Chilean divested business, which were comparable in 2019 and are still being operated as per 30 September, 2021

Revenue

Comparable growth in the Americas & Asia segment was 45.2% versus 9M20. On a 2019 basis, comparable growth increased by 6.0% versus 9M19.

The 9M21 revenue at constant exchange rates increased by 43.6% to €320 million from €249 million in 9M20 (9M19: €381 million). Reported revenue was +28.6% versus 9M20 due to the negative currency translation effect of 15% during the first nine months of the year, or -€37 million, mainly driven by the depreciation of the Turkish lira and other Latin American local currencies.

In 3Q21, comparable growth was 25.1% versus 3Q20. On a 2019 basis, comparable growth was 19.8% versus 3Q19. As from 1 July, the former GrandVision Chilean business, Rotter Y Krauss, was divested and excluded from the 3Q21 figures reducing the segment's revenue by circa 20%.

Latin America reported a good quarter with mid-single digit growth versus 3Q19 despite the ongoing challenges from the surge in COVID-19 cases in different jurisdictions in the region.

Turkey's comparable revenue increased above 70% versus 2019, as one of the most resilient countries in the segment, and strongly supported by the omnichannel customer journey with e-commerce sales rising about 40% and digitally influenced store sales tripling vs 2020.

Adjusted EBITA

Adjusted EBITA increased to €42 million in 9M21 from -€11 million in 9M20 (9M19: €18 million), driven by cost efficiencies. Underlying strong improvement from the business turnaround in the United States, the solid performance in Latin America, and the strong sustained results from Turkey positively contributed to the segment's profit.

In 3Q21, adjusted EBITA increased to €17 million from €12 million in 3Q20 (3Q19: €8 million). As from 1 July, the former GrandVision Chilean business, Rotter Y Krauss, was divested and excluded from the 3Q21 figures reducing the segment's adjusted EBITA by circa 20%.

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.

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ABOUT GRANDVISION

GrandVision, part of the EssilorLuxottica group, is a global leader in optical retailing, delivering 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. Our products include prescription glasses including frames and lenses, contact lenses and contact lens care products, as well as sunglasses both plain and with prescription lenses. These products are offered through leading optical retail banners which operate in more than 40 countries across Europe, the Americas, the Middle East and Asia. GrandVision serves its customers in over 7,200 stores and with more than 39,000 employees, proving every day that in EYE CARE, WE CARE MORE. Since March 2021, GrandVision is a participant of the United Nations Global Compact and we adhere to our principle-based approach to responsible business. For more information, please visit www.grandvision.com.