GrandVision reports 2020 Revenue of €3,481 million and adjusted EBITA of €266 million

Schiphol, the Netherlands – 26 February 2021. GrandVision NV (EURONEXT: GVNV) publishes Full Year and Fourth Quarter 2020 results.

Full Year 2020 Highlights

- Revenue decreased by **12.2%** at constant exchange rates to **€3,481 million** (FY19: €4,039 million) with a comparable revenue decline of **14.1%**
- E-commerce sales grew by **85%** while retail brands e-commerce sales more than doubled compared to the prior year
- Adjusted EBITA (i.e. EBITA before non-recurring items) decreased by **43.1%** at constant exchange rates to **€266** million (FY19: €475 million)
- Adjusted EBITA margin fell 411bps to **7.7%.** Strong commercial execution, structural improvements, and cost discipline were more than offset by limited operating leverage due to COVID-19 related temporary store network closures
- Net result was **-€45 million** for the FY20, with a strong recovery from -€212 million in the 1H 2020 to EUR 167 million in 2H 2020
- Adjusted EPS of **-€0.07** (FY19: €0.91)
- Net debt decreased to **€539** million at year-end 2020 (FY19: €753 million) with a 1.3x leverage ratio
- The store base decreased to **7,260 stores** from 7,406 at the end of 2019
- Contingent upon the Company's financial position not being materially worsened due to the impact of the second wave of COVID-19 in the first quarter of 2021, GrandVision confirms its intention to propose a dividend for the fiscal year 2019 at the Annual General Meeting on 23 April 2021.

GrandVision will host an analyst call on 26 February 2021 at 9am CET. Webcast and dial-in details are available at investors.grandvision.com and the bottom of this press release.

FY20 Key Figures

in millions of EUR (unless stated otherwise)	FY20	FY19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	3,481	4,039	-13.8%	-12.2%	-13.7%	1.4%
Comparable growth (%)	-14.1%	4.1%				
Adjusted EBITA	266	475	-43.9%	-43.1%	-44.2%	1.1%
Adjusted EBITA margin (%)	7.7%	11.8%	-411bps			
Net result	- 45	195	-122.9%			
Net result attributable to equity holders	- 67	178	-137.5%			
Adjusted earnings per share, basic (in €)	- 0.07	0.91	-107.7%			
Earnings per share, basic (in €)	- 0.26	0.70	-137.5%			
System wide sales	3,818	4,407	-13.4%			
Number of stores (#)	7,260	7,406				

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Fourth Quarter Key Figures

- Revenue increased by **1.0%** at constant exchange rates to **€981 million** (4Q19: €999 million) with comparable growth of **0.7%**
- Adjusted EBITA increased by **8.8%** at constant exchange rates to **€114** million (4Q19: €107 million)
- Adjusted EBITA margin increased by 91 bps to **11.6%** with continued strong momentum from the previous months but with a deceleration within the quarter due to increased restrictions from the COVID-19 second wave.

in millions of EUR (unless stated otherwise)	4Q20	4Q19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	981	999	-1.8%	1.0%	0.6%	0.4%
Comparable growth (%)	0.7%	4.6%				
Adjusted EBITA	114	107	6.5%	8.8%	7.9%	0.9%
Adjusted EBITA margin (%)	11.6%	10.7%	91bps			
System wide sales	1,079	1,092	-1.1%			

Management Comments

Stephan Borchert, GrandVision's CEO, commented "2020 has been the most challenging year in recent history for our business, employees, and the communities we serve. The COVID-19 pandemic strongly impacted the first half of the year, culminating in a significant number of temporary store closures across many of our markets around the world.

The year 2020 was a tale of two halves. After a substantial drop in the adjusted EBITA in the first half to -€24 million, we strongly recovered in the second half to deliver a positive adjusted EBITA of €290 million.

As soon as the potential impact of the COVID-19 pandemic for our territories became apparent, we focused on our people, customers, stakeholders and the Company's financial health. Our thorough scenario planning and establishment of a central task force to ensure clarity of communication and fast response time were vital drivers of this success.

We placed a strong focus on the safety and welfare of our staff worldwide by applying three key elements. One, we decided on a regular basis if it was justified to keep stores open given the local infection-rate developments. Second, we invested early and heavily in the purchase of personal protection gear as well as the fit-out of our stores with distance separators and automated eye measurement equipment. Third, we established a close and regular health and safety review. All of the above resulted in a low number of infection cases, and most importantly mortalities, amongst our more than 39,000 employees worldwide.

Overall, 2020 was an extraordinary test, and reconfirmation, of the resilience of our company. Our swiftly crafted business continuity plans, highly motivated and resilient teams and strong operational performance in each of our 7,260 stores and support offices enabled us to partially mitigate the effects of COVID-19.

Particularly through our strong and rapid local reactions to the changing environment, we managed to partially mitigate the dramatic decline in customer traffic from the first wave through higher conversion and intensified online activities.

Towards the end of the year, the second wave impact resulted in a slowdown of the recovery we managed to achieve in the 3Q and 4Q 2020, and we expect these disruptions to continue into at least the first quarter of 2021 with gradual improvements towards the second half of the year.

Despite the significant challenges related to COVID-19, we have continued to make good progress on the implementation of our strategic agenda shared during our Capital Markets Day in 2018. Furthermore, we have been able to accelerate the implementation of our omnichannel capabilities everywhere across the Group. This has helped us to better address, serve and retain our customers and resulted in a strong increase in digitally influenced store sales, mainly driven by online appointment booking and e-vouchers, as well as direct e-commerce sales. A strong contributor in this respect was the subscription-based sales of contact lenses and prescription glasses, which will be further rolled-out across the Group. The additional introduction of prescription glasses e-commerce functionality in several of our banner websites has shown very good first results. We also started to roll out our new store concept to the recently acquired McOptic Group in Switzerland and have seen exceptionally good customer acceptance and results.

Similar progress was made on our strategic enablers, namely IT and the product value chain. We completed a number of highly important elements of our future integrated operating model, such as the global catalog for frames, the Group wide Product Master Database and the next level Regional Fulfilment Hub, just to name a few. The full deployment of this strategy across the Group will progressively allow us to run a full and effective omnichannel business and realize further efficiency gains through standardization, automation, and economies of scale.

In addition, we remain highly committed to establishing Corporate Responsibility and Sustainability (CSR) as a shared mindset across the Group. Our ambition is to integrate CSR further into our business model to continue improving the quality of life of more and more people through affordable or free eye care and sustainable business practices. I am proud to see our ESG rankings, most notably from Sustainalytics and the Carbon Disclosure Project, reflect our substantial progress. In December 2020, we ranked amongst the top 10% of Dutch listed companies at the VBDO tax transparency benchmark.

Looking ahead, ensuring employee welfare and customer safety remains our primary priority over the coming months. Despite the ongoing challenges, I am very proud of the dedication of our workforce, the loyalty of our customers and our strong financial position, which all combine to provide confidence for the future.

Finally, we continue to support EssilorLuxottica in completing its acquisition of GrandVision and are working through the necessary regulatory approval processes."

2021 Outlook

The increased government measures across several key markets towards the backend of 4Q 2020 have largely continued or intensified, such as in France, into the first quarter of 2021. Whilst we expect the environment to gradually improve towards the second half of the year, given the increased uncertainty in the short-term, GrandVision will not provide an outlook for FY2021 at this stage.

2019 and 2020 Dividend

Contingent upon the Company's financial position not being materially worsened due to the impact of the second wave of COVID-19 in 1Q 2021, GrandVision confirms its intention to propose a dividend of €0.35 per share for the fiscal year 2019 at the Annual General Meeting on 23 April 2021.

GrandVision will not propose at this time a dividend for the fiscal year 2020.

Group Financial Review

Consolidated Income Statement

in millions of EUR	FY20	FY19
Revenue	3,481	4,039
Cost of sales and directly related costs	- 988	- 1,110
Gross profit	2,493	2,930
Selling and marketing costs	- 1,808	- 2,027
General and administrative costs	- 624	- 578
Share of result of Associates and Joint Ventures	- 1	- 1
Operating result	60	324
Finance income	9	4
Finance costs	- 59	- 53
Net financial result	- 50	- 49
Result before tax	9	275
Income tax	- 54	- 79
Result for the year	**- 45**	**195**
Attributable to:		
Equity holders	- 67	178
Non-controlling interests	22	17
	- 45	195

REVENUE

For the full year 2020, revenue decreased by 12.2% at constant exchange rates to €3,481 million (FY19: €4,039 million) or 13.8% at reported rates including negative currency translation effects of approximately €64 million, primarily due to the depreciation of the Turkish lira and Latin American currencies.

Comparable revenue declined during the period by 14.1%, driven by the COVID-19 related temporary store closures in the first half and an overall reduction in footfall in the year.

Total e-commerce sales grew 85%, while e-commerce sales generated by our retail brands more than doubled compared to the prior year. Acquisitions made in 2019, including Óptica2000 in Spain and McOptic in Switzerland, continued to have a positive impact in 2020, adding 1.4% to revenue growth.

GrandVision's core continental European markets saw the greatest resilience with low to mid-single-digit comparable revenue declines on the back of strong commercial execution and e-commerce sales, specifically the Benelux, Germany, Austria, and Denmark.

Revenue benefitted from a mix shift to higher value optical product sales, primarily in the second half of the year. During 2020, the sunglass category showed weak performance.

GrandVision's store base decreased in 2020 to 7,260. Despite COVID-19, store openings continued at a significant pace as we opened 187 stores across the network. As in previous years, we continued to assess our store network's quality, resulting in a closure of structurally underperforming stores mainly in the Americas and Asia segment. The network was also impacted by closures in India and Italy and the exit of operations in China, in addition to the absence of any significant network-contributing acquisitions in the period.

System-wide sales, which reflects the retail sales of GrandVision's own stores plus that of its franchisees, decreased by 13.4% to €3,818 million (FY19: €4,407 million).

Following a strong revenue recovery in the third quarter, GrandVision entered the fourth quarter with good momentum. The COVID-19 second wave's impact subsequently built up through the quarter and slowed our progress resulting in 4Q 2020 revenue growth of 1.0% at constant exchange rates. Organic and comparable revenue growth for the quarter was 0.6% and 0.7% respectively.

ADJUSTED EBITA

Reported adjusted EBITA decreased from €475 million in 2019 to €266, or 43.1% at constant exchange rates with a positive contribution of 1.1% from acquisitions made in 2019, including Óptica2000 in Spain and McOptic in Switzerland.

Efficiency gains, including those from the turnaround plans initiated before the COVID-19 pandemic, partly offset the challenges we saw in 2020. Turnaround programs focused on structurally improving profitability in certain countries that were previously lagging versus more mature operations, mainly the UK, the US and Italy. The turnaround plans included the staffing and efficiency of stores, headquarter operations, optimizing the commercial proposition and making necessary changes to local management teams.

The adjusted EBITA margin decreased by 411bps to 7.7% due to the impact of temporary store closures in the first half of the year. The impact of the COVID-19 pandemic on profitability was partially offset by strong commercial execution, as well as short-term government support in some countries.

Other reconciling items, which primarily consist of corporate costs not allocated to specific segments, were €43 million in FY20, slightly below FY19. The items mainly relate to corporate costs that are not allocated to a specific segment, such as central strategic investments in our omnichannel capabilities.

In 4Q20, reported adjusted EBITA increased from €107 million in 4Q19 to €114 million as the strong EBITA momentum from the previous months continued. However, growing restrictions in more and more countries in November and December due to the second wave of COVID-19 resulted in a sequential deceleration in EBITA growth.

The adjusted EBITA margin increased by 91bps to 11.6%. The G4 segment reported a double-digit EBITA growth driven by Germany and Austria, while the Americas and Asia segment's EBITA evolution saw strong contribution from Turkey and Chile.

RECONCILIATION OF ADJUSTED EBITA, EBITA, AND OPERATING RESULT

in millions of EUR	FY20	FY19
Adjusted EBITA	**266**	**475**
Non-recurring items	- 63	- 63
EBITA	**203**	**413**
Amortization and impairments	- 144	- 89
Operating result	**60**	**324**

Non-recurring items of €63 million include expenses related to impairments of fixed assets (€33 million), the announced acquisition of GrandVision shares by EssilorLuxottica (€23 million) and turnaround plan related costs (€7 million).

EBITA decreased from €413 million in 2019 to €203 million, due to the strong negative impact of the COVID-19 pandemic in 1H 2020.

Amortization and Impairments increased from -€89 million in 2019 to -€144 million, mainly due to goodwill impairment charges booked in 1H 2020 in the US, Italy, Peru and Colombia, which were triggered by the significant impact of the COVID-19 pandemic on our business performance in these markets, and an additional impairment charge mainly related to customer databases in the UK.

Operating result (EBIT) declined from €324 million in 2019 to €60 million reflecting the decrease at EBITA level and higher impairment charges.

FINANCIAL RESULT

Net financial result was broadly in line with the previous year, reporting a slight decrease from -€49 million in 2019 to -€50 million in 2020.

INCOME TAX

Income tax decreased from €79 million in 2019 to €54 million in 2020. The effective tax rate (ETR) in 2019 was 28.9%. The ETR for 2020 is 584.5%. In 2020, the ETR indicator is not comparable with previous years due to the different weights of profits and losses, in relation to the COVID-19 pandemic, in the markets we operate in and changes to the relevant tax rates.

NET RESULT FOR THE PERIOD

Reported net result decreased from €195 million in 2019 to -€45 million in 2020, due to the strong negative impact in the spring from temporary store closures, which resulted in lower sales and adjusted EBITA and higher impairment charges.

Net result attributable to equity holders decreased to -€67 million in 2020 from €178 million in 2019.

(ADJUSTED) EARNINGS PER SHARE

Adjusted Earnings per share, which excludes non-recurring items, is -€0.07 in FY20 (FY19: €0.91). Earnings per share decreased by 137.5% to -€0.26 in FY20 (FY19: €0.70).

The average number of shares outstanding was 253,714,180 in FY20 (FY19: 253,693,611).

Segment Review

G4

in millions of EUR (unless stated otherwise)	FY20	FY19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	2,028	2,266	-10.5%	-10.3%	-11.1%	0.8%
Comparable growth (%)	-11.6%	3.7%				
Adjusted EBITA	222	347	-36.0%	-36.0%	-36.9%	0.9%
Adjusted EBITA margin (%)	10.9%	15.3%	-436bps			
Number of stores (#)	3,433	3,428				

in millions of EUR (unless stated otherwise)	4Q20	4Q19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	570	551	3.3%	4.2%	3.6%	0.6%
Comparable growth (%)	4.2%	4.4%				
Adjusted EBITA	88	73	21.0%	21.1%	19.9%	1.2%
Adjusted EBITA margin (%)	15.4%	13.2%	224bps			

Revenue

In the G4 segment, revenue decreased by 10.3% at constant exchange rates to €2,028 million in FY20 (FY19: €2,266 million) and organic sales 11.1%. Acquisitions, which positively contributed 0.8% to revenue, mainly relate to the acquisition of franchise stores across the Netherlands, Germany and France during the year.

The total number of stores in the G4 segment increased by 5 to 3,433 at the end of 2020 (FY19: 3,428), mainly driven by store openings and few acquisitions across the region.

Comparable revenue for the segment decelerated and was -11.6% in 2020 versus 3.7% in 2019. **France** and the **UK** were the most affected countries in the segment. However, a substantial increase in total digital influenced store sales (DISS), which significantly improved the conversion ratio, partially mitigated the negative impact of reduced footfall. Furthermore, the favorable category mix with an increase in the multifocal category share, mainly in France, also contributed to the segment's underlying good performance.

In 4Q20, revenue growth was 4.2% at constant exchange rates, supported by comparable growth of 4.2%. Both **Germany and Benelux** saw a positive single-digit comparable growth, with 3Q momentum continuing in October and a strong performance in December. The **UK** reported a robust double-digit comparable growth in Q4, continuing last quarter's trend and benefiting from a weaker prior year comparable. This performance reflects solid commercial execution, and an increase in the average selling price driven by higher value optical products. Acquisitions, which contributed 0.6% to revenue growth, mainly relate to the acquisition of franchise stores across the Netherlands, Germany and France.

Adjusted EBITA

Reported adjusted EBITA in the G4 segment was €222 million in 2020, compared to €347 million in 2019. The performance varied significantly in the months following the outbreak in March, with a strong recovery in the third quarter following the lifting of restrictions and continued momentum in the fourth quarter.

The G4 markets such as Germany and the Netherlands also benefited from improvements in commercial execution, such as 24h contact lenses delivery, online optical offering and increased online appointment bookings driving efficiencies and helping to improve profitability. In the UK the underlying performance improved strongly as a result from the country's turnaround strategy delivering efficiency gains and improved profitability.

The adjusted EBITA margin decreased by 436bps to 10.9% in 2020 (FY19: 15.3%) mainly driven by the loss in the second quarter related to COVID-19 related temporary store closures.

In 4Q20, reported adjusted EBITA in the G4 segment was €88 million, compared to €73 million in 4Q19, mainly due to a stronger operational performance in the Benelux, Germany, and the UK. The adjusted EBITA margin increased by 224bps to 15.4%.

OTHER EUROPE

in millions of EUR (unless stated otherwise)	FY20	FY19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,103	1,269	-13.0%	-12.4%	-15.6%	3.1%
Comparable growth (%)	-15.9%	2.8%				
Adjusted EBITA	89	152	-41.6%	-40.7%	-42.0%	1.3%
Adjusted EBITA margin (%)	8.0%	12.0%	-393bps			
Number of stores (#)	2,114	2,134				

in millions of EUR (unless stated otherwise)	4Q20	4Q19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	311	325	-4.2%	-3.5%	-3.6%	0.2%
Comparable growth (%)	-4.1%	2.5%				
Adjusted EBITA	39	38	4.2%	4.8%	4.6%	0.2%
Adjusted EBITA margin (%)	12.6%	11.6%	102bps			

Revenue

In the Other Europe segment, revenue decreased by 12.4% at constant exchange rates to €1,103 million in FY20 (FY19: €1,269 million) with organic and comparable revenue decline of 15.6% and 15.9%, respectively. Acquisitions, primarily McOptic in Switzerland and a couple of months from Óptica2000 in Spain, contributed 3.1% to the revenue growth.

The total number of stores in the Other Europe segment decreased by 20 to 2,114 at the end of 2020 (FY19: 2,134) reflecting the store network rationalization due to the anticipated turnaround plans.

Italy was one of the hardest-hit markets in the full year and fourth quarter with weaker sunglass sales, which also affected other countries in the South of Europe. Performance in North Europe benefited from the successful implementation of subscription models in both the optical and contact lenses categories, whilst online sales grew strongly across the segment.

Denmark delivered relative strong comparable revenues compared to the rest of the countries in the segment with an impressive turnaround in the market. Switzerland also saw a robust revenue performance with high single-digit growth at constant exchange rates.

In 4Q20, revenue decreased by 3.5% at constant exchange rates with a comparable revenue decline of 4.1%.

Adjusted EBITA

Reported adjusted EBITA in Other Europe decreased from €152 million in 2019 to €89 million in 2020, with an organic decline of 42.0% and a positive contribution from acquisitions of 1.3%. The adjusted EBITA margin decreased by 393bps to 8.0%, reflecting the impact of the COVID-19 pandemic predominately in Italy.

Switzerland and the Nordics, particularly Denmark, delivered a strong performance throughout the year. In many markets, we benefited from an improvement in sales mix due to the strong category growth of multifocal glasses and the continued rollout of optical subscription programs. The excellent business integration of McOptic in Switzerland exceeded expectations, positively contributing to the segment's profit.

Eastern Europe was one of the most affected regions in terms of traffic as most of the stores in malls were temporarily closed, shifting the traffic to high streets and proximity stores. The sub-segment also showed an increase in multifocal products resulting in improved optical ASP, partially offsetting the footfall reduction.

In 4Q20, reported adjusted EBITA in the Other Europe segment was €39 million, compared to €38 million in 4Q19, reflecting a good underlying operational performance in Italy and the strong commercial execution in the rest of the countries. The adjusted EBITA margin increased by 102bps to 12.6%.

AMERICAS & ASIA

in millions of EUR (unless stated otherwise)	FY20	FY19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	349	505	-30.8%	-20.4%	-20.4%	0.0%
Comparable growth (%)	-20.7%	8.8%				
Adjusted EBITA	- 2	22	-107.2%	-95.0%	-95.0%	0.0%
Adjusted EBITA margin (%)	-0.4%	4.3%	-475bps			
Number of stores (#)	1,713	1,844				

in millions of EUR (unless stated otherwise)	4Q20	4Q19	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	100	123	-18.6%	-1.8%	-1.8%	0.0%
Comparable growth (%)	-1.9%	11.1%				
Adjusted EBITA	9	4	125.7%	179.6%	179.6%	0.0%
Adjusted EBITA margin (%)	9.0%	3.2%	574bps			

Revenue

In the Americas & Asia segment, revenue declined by 20.4% at constant exchange rates to €349 million in FY20 (FY19: €505 million). Comparable revenues decreased by 20.7%.

The total number of stores in the Americas & Asia segment decreased to 1,713 at the end of 2020 (FY19: 1,844). The decrease includes the planned stores closures from the divested Chinese operations and store network rationalization linked to turnarounds in the region.

Latin America and the US markets were amongst the most impacted globally due to the COVID-19 pandemic. Turkey continued to show good results, partly supported by a doubling of e-commerce sales compared to the prior year. Latin America also significantly grew its online business, improving the category mix and contributing to around 20% of total online sales in the optical category.

In 4Q20, revenue declined by 1.8% at constant exchange rates with a comparable revenue decrease of 1.9%.

Adjusted EBITA

Reported adjusted EBITA in the Americas & Asia segment decreased from €22 million in 2019 to -€2 million in 2020, or 95.0% at constant exchange rates. Despite temporary store network closures and COVID-19 pandemic related sales restrictions mainly in Latin America, we continued to achieve underlying operational improvements in the US resulting from the business turnaround and closures of structurally underperforming stores. Overall, our businesses in Turkey showed the greatest degree of resilience.

In FY20, the adjusted EBITA margin decreased to -0.4% compared to 4.3% in FY19.

In 4Q20, reported adjusted EBITA in the Americas & Asia segment was €9 million, compared to €4 million in 4Q19, driven by the improved underlying operational performance mainly in the US.

Liquidity and Debt

in millions of EUR (unless stated otherwise)	FY20	FY19	change versus prior year
Free cash flow	258	296	- 38
Capital expenditure	152	198	- 46
- Store capital expenditure	98	127	- 30
- Non-store capital expenditure	55	70	- 16
Acquisitions	7	154	- 147
Net debt	539	753	
Net debt leverage (times)[1]	1.3	1.2	

1 Leverage ratio defined as net debt/EBITDA - covenants

Free cash flow decreased to €258 million in 2020, compared to €296 million in 2019, mainly reflecting progress on working capital resulting from improved efficiencies in our operations leading to inventory reduction and lower capital expenditure, which partly offset the lower after-tax earnings compared with prior year.

Cash conversion increased from 54.6% in 2019 to 76.5% in 2020.

Capital expenditure unrelated to acquisitions decreased to €152 million (4.4% of revenue) in 2020, compared with €198 million (4.9% of revenue) in 2019. The majority of capital expenditure went towards the optimization of the store network.

Store capital expenditure decreased from €127 million in 2019 to €98 million in 2020 due to the re-scheduling of non-critical refurbishments during the COVID-19 pandemic. Capital expenditures made during the year included, for example, investments in automated eye measurement equipment, as well as security and protective material to enable our stores to quickly resume operations in compliance with COVID-19 health and safety protocols. The lower store capital expenditure also reflects that fewer GrandVision store openings took place in 2020.

Non-store capital expenditure decreased to €55 million in 2020, compared to €70 million in 2019. Strategic investments focused on the ongoing rollout of our omnichannel platform, which has been key for the operational continuity in 2020, as well as investments in building a leading end-to-end Product Value Chain.

In 2020, cash outflows relating to acquisitions of companies was €7 million, including the acquisition of 22 new stores, versus 232 new stores coming from acquisitions in 2019, a year which saw large acquisitions such as Óptica2000 in Spain, and McOptic in Switzerland.

At year-end 2020, GrandVision's net debt decreased from €753 million in 2019 to €539 million in 2020, with strong cash flow generation, and the fact that a dividend for the fiscal year 2019 was not paid in 2020. There were no large acquisitions in the year. At year-end 2020, the net debt leverage ratio was 1.3x, versus 1.2x at the end of 2019.

Status of the transaction with EssilorLuxottica

GrandVision continues to support EssilorLuxottica with the shared objective to obtain regulatory approval for the closure of the acquisition by EssilorLuxottica of HAL's 76.72% interest in GrandVision within 12 to 24 months from the announcement date of 31 July 2019. The transaction has been unconditionally cleared so far in the United States, Colombia, Brazil, Mexico, and Russia and it is currently under review in the EU, Chile, and Turkey. These merger clearance proceedings are confidential.

On 18 July 2020, EssilorLuxottica initiated summary proceedings before the District Court of Rotterdam demanding that GrandVision provides to EssilorLuxottica additional information in relation to GrandVision's actions to mitigate the impact of COVID-19 on its business.

On 24 August 2020, the District Court dismissed all claims made by EssilorLuxottica. EssilorLuxottica has appealed the decision of the District Court.

On 22 February 2021, the public hearing in this appeal case was held at the Amsterdam Court of Appeal. The Amsterdam Court of Appeal has indicated it expects to render its decision on 6 April 2021.

On 30 July 2020, GrandVision announced that it had initiated arbitration proceedings against EssilorLuxottica in connection with the material breach notice EssilorLuxottica has sent to GrandVision. These proceedings are currently ongoing; they are confidential and non-public.

Further announcements will be made if and when required.

Financial Calendar 2021

Date	Event
23 April 2021	First Quarter 2021 Trading Update
	Annual General Meeting (AGM)
6 August 2021	Half Year and Second Quarter 2021 Results Press Release
29 October 2021	Third Quarter 2021 Trading Update

Conference Call and Webcast Details

GrandVision will hold a conference call and webcast for analysts and investors on 26 February 2021 at 9:00 am CET (8:00 am GMT):

Webcast registration: https://edge.media-server.com/mmc/p/iwfarjtw

Conference call details for investors/analysts intending to participate in the Q&A

- Participant Access: Dial in 5-10 minutes prior to the start time using the number/Conference ID below
- Passcode: **7719016**

Location	Phone Number
Standard International	+44 (0) 2071 928338
Belgium	+32 (0) 27933847
China	4008200726
France	+33 (0) 170700781
Germany	+49 (0) 6922222625
Italy	+39 (0) 236006670
Netherlands	+31 (0) 207956614
UK	+44 (0) 8444819752
USA, New York	+1 6467413167

- Conference call details can also be found at: https://investors.grandvision.com/events/event-details/full-year-2020-results-conference-call
- The presentation will be available at www.grandvision.com shortly before the conference call

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 condensed consolidated financial statements 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.

This press release contains inside information relating to GrandVision within the meaning of Article 7(1) of the EU Market Abuse Regulation.

ABOUT GRANDVISION

GrandVision is a global leader in optical retailing 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 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 38,000 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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Annex 1: Consolidated Balance Sheet

in millions of EUR	31 December 2020	31 December 2019
Property, plant and equipment	484	533
Right-of-use assets	1,323	1,443
Goodwill	1,061	1,146
Other intangible assets	350	415
Deferred income tax assets	53	62
Investments in Associates and Joint Ventures	1	1
Non-current receivables	93	84
Non-current assets	3,364	3,683
Inventories	310	356
Trade and other receivables	254	276
Other current assets	38	33
Current income tax receivables	32	32
Derivatives	1	2
Cash and cash equivalents	155	163
Current assets	791	861
Total assets	**4,155**	**4,544**
Share capital	5	5
Share premium	76	73
Treasury shares	- 14	- 16
Other reserves	- 224	- 168
Retained earnings	1,217	1,283
Equity attributable to equity holders	1,060	1,177
Non-controlling interests	96	87
Total equity	1,156	1,264
Borrowings	326	386
Lease liabilities	958	1,037
Deferred income tax liabilities	28	43
Post-employment benefits	150	136
Provisions	23	18
Derivatives	8	8
Other non-current liabilities	8	22
Contract liabilities	11	9
Non-current liabilities	1,513	1,659
Borrowings	350	517
Lease liabilities	357	373
Current income tax liabilities	59	41
Provisions	29	24
Derivatives	10	6
Trade and other payables	581	570
Contract liabilities	100	90
Current liabilities	1,486	1,621
Total liabilities	2,999	3,280
Total equity and liabilities	**4,155**	**4,544**

Annex 2: Consolidated Cash Flow Statement

in millions of EUR	2020	2019
Cash flows from operating activities		
Cash generated from operations	795	1,001
Tax paid	- 40	- 123
Net cash from operating activities	**754**	**877**
Cash flows from investing activities		
Purchase of property, plant and equipment	- 107	- 140
Purchase of intangible assets	- 45	- 57
Proceeds from sales of (in)tangible assets	4	10
Acquisition of subsidiaries, net of cash acquired	- 7	- 154
Settlement of contingent consideration	- 2	- 20
Change in other non-current receivables and lease prepayments	- 5	0
Net cash used in investing activities	**- 162**	**- 362**
Cash flows from financing activities		
Proceeds from borrowings	602	203
Repayments of borrowings	- 804	- 141
Repayments of lease liabilities	- 359	- 400
Receipts from finance subleases	15	17
Interest paid	- 14	- 19
Interest swap payments	- 3	- 3
Interest received	2	3
Dividends paid to non-controlling interests	- 11	- 17
Dividends paid to shareholders	-	- 84
Purchase of treasury shares	-	- 4
Acquisition of non-controlling interest	-	- 0
Net cash used in financing activities	**- 573**	**- 446**
Net increase in cash and cash equivalents	**19**	**70**
Cash and cash equivalents at beginning of the year	134	72
Effect of exchange rate changes on cash and cash equivalents	- 1	- 7
Cash and cash equivalents at end of year	**153**	**134**