GrandVision reports 2018 Revenue €3,721 million and adjusted EBITDA of €576 million

Schiphol, the Netherlands – 27 February 2019. GrandVision NV (EURONEXT: GVNV) publishes Full Year and Fourth Quarter 2018 results.

2018 Highlights

- Revenue increased by **10.3%** at constant exchange rates to **€3,721million** (FY17: €3,450 million) with comparable growth of 3.4%
- Adjusted EBITDA (i.e. EBITDA before non-recurring items) increased by **6.2%** at constant exchange rates to **€576** million (FY17: €552 million)
- Adjusted EBITDA margin decreased by 50 bps to **15.5%** mainly due to the margin dilutive effect of acquisitions
- Adjusted EPS was **€0.91** (FY17: €0.97) despite a higher operating result as 2017 EPS benefited from a one-off €38 million gain due to the remeasurement of the 30% interest in Visilab
- The total number of stores expanded by 94, to **7,095** (FY17: 7,001)
- Supervisory Board proposes a dividend of **€0.33 per share**. The shares will trade ex-dividend as of 30 April 2019

GrandVision will host an analyst call on 27 February at 9am CET. Dial-in details are available at investors.grandvision.com and at the bottom of this press release.

FY18 and 4Q18 Key Figures

in millions of EUR (unless stated otherwise)	FY18	FY17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	3,721	3,450	7.9%	10.3%	3.9%	6.4%
Comparable growth (%)	3.4%	1.8%				
Adjusted EBITDA	576	552	4.5%	6.2%	3.7%	2.5%
Adjusted EBITDA margin (%)	15.5%	16.0%	-50bps			
Net result	237	249	-4.7%			
Net result attributable to equity holders	216	228	-5.1%			
Adjusted earnings per share, basic (in €)	0.91	0.97	-5.7%			
Earnings per share, basic (in €)	0.85	0.90	-5.3%			
Number of stores (#)	7,095	7,001	1.3%			
System wide sales	4,079	3,784	7.8%			

in millions of EUR (unless stated otherwise)	4Q18	4Q17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	899	871	3.2%	4.4%	2.1%	2.3%
Comparable growth (%)	2.9%	-0.8%				
Adjusted EBITDA	127	129	-1.7%	-1.6%	-3.0%	1.4%
Adjusted EBITDA margin (%)	14.1%	14.8%	-70bps			

Management Comments

Stephan Borchert, GrandVision's CEO, commented "2018 represents a transitional year and marks the beginning of an exciting journey to drive GrandVision through its next phase of growth.

For full year 2018, our revenues grew by 10.3% at constant exchange rates and our financial performance was strong, with EBITDA growth of 6.2%. We also know our customers appreciate us more than ever before, as reflected in our average Net Promoter Score (NPS) which has increased to over 60. Our strategic priorities are sharper than before and are helping us to drive further growth and long-term value creation for our stakeholders.

Our expansion generally progressed well in our focus markets. Of course, there are years in which we acquire more companies or enter new geographies than in other years. However, the focus during this year was to integrate the businesses we acquired at the end of 2017. In particular, we successfully integrated the Tesco Opticians stores in the United Kingdom and rebranded them to Vision Express. Through this acquisition we now have a stronger business in the UK with higher proximity to our customers.

In the Americas & Asia segment, we significantly improved our profitability. Over the past few years, we built up scale in important growth markets like Mexico and Turkey, and are now seeing benefits of that operating leverage in our margins for these markets. This year, our focus in the segment was on improving the effectiveness of our operations and the quality of our store network, which we achieved by closing underperforming stores in a few markets. Overall, we now have a stronger business in the region with improved margins, but still significant room for further improvement remains.

In 2018 we also sharpened our digital strategy with a clear and accelerated roadmap for our omni-channel and pure play e-commerce business. We continued to strengthen our e-commerce activities through the acquisition of Linsenmax in Switzerland and the launch of Lenstore in Germany. Also, we went live with our new global omni-channel platform in Portugal as a test market. This successful pilot will enable us to equip many more markets with a state-of-the-art system at a very fast pace. Overall, our e-commerce sales grew by 60% during the year from a small base.

Looking ahead to 2019, we have strengthened our competitive position in Southern Europe through the acquisition of Óptica2000 in Spain, making us the third biggest optical retail brand in the country. In addition, the acquisition of the market leading online player Charlie Temple in the Netherlands improves our digital offering and provides a platform for further international expansion.

At the same time, the increasing political and economic uncertainty in some of our markets might pose some challenges in the short-term as consumer sentiment weakens. However, GrandVision is well positioned to deliver on its long-term value creation strategy, while achieving its medium-term targets. We will see the world changing at a faster pace going forward, presenting us with new opportunities."

Outlook and medium-term financial objectives

GrandVision reconfirms the following medium-term objectives laid out at its Capital Markets Day on 20 September 2018:

- Medium-term average revenue growth target of at least 5% at constant exchange rates maintained, which includes on average at least 3% comparable growth, at least 1% contribution from store openings and at least 1% contribution from small acquisitions
- An increase of medium and large M&A to deliver additional revenue growth, while maintaining financial discipline
- Adjusted EBITDA growth in line with total revenue growth as organic margin expansion will continue to be offset by segment mix and the initially dilutive impact of acquisitions
- Capital expenditure to remain at 4-6% of revenue
- Dividend payout ratio to remain at 25-50% with the intention to increase dividend per share over time.

For 2019, GrandVision expects revenue and EBITDA growth to be broadly in line with the medium-term objectives.

2018 Dividend

GrandVision's Supervisory Board proposes a dividend of €0.33 per share for the fiscal year 2018, subject to shareholder approval at the Annual General Meeting on 26 April 2019. The dividend represents a payout of 38.7% of net income attributable to equity holders, compared to 35.6% for 2017.

GrandVision intends to pay an ordinary dividend annually in line with our medium- to long-term financial performance, and expect to increase the dividend-per-share over time. As a result of this policy, we are targeting a dividend pay-out ratio of 25-50%.

If approved, the shares will trade ex-dividend as of 30 April, 2019. The record date will be 2 May 2019.

IFRS 16 - Leases

The new leasing standard under IFRS 16 is effective as of 1 January 2019. It will result in the majority of the leases being recognized on the consolidated Balance Sheet, as the distinction between operating and finance leases is removed for leases where the entity is a lessee. The standard will affect the accounting for GrandVision's operating leases and subleases. The majority of GrandVision's lease portfolio relates to property leases for its stores.

We will adopt the new standard on the required effective date using the modified retrospective transition approach, with the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity on 1 January 2019. GrandVision will therefore not restate comparative amounts for the year prior to first adoption. The expected impact from adopting IFRS 16 will be published in GrandVision's Annual Report on 8 March 2019.

During 2019, GrandVision will publish its quarterly results under both, the old accounting standard for performance measurement purposes, and under IFRS 16 for comparative purposes, before fully transitioning to IFRS 16 in 2020.

Group Financial Review

Consolidated Income Statement

in millions of EUR	FY18	FY17
Revenue	3,721	3,450
Cost of sales and direct related expenses	- 1,004	- 924
Gross profit	2,717	2,526
Selling and marketing costs	- 1,899	- 1,749
General and administrative costs	- 480	- 452
Share of result of Associates and Joint Ventures	- 1	2
Operating result	337	327
Fair value gain on remeasurement of Associate	-	38
Financial income	2	4
Financial costs	- 20	- 19
Net financial result	- 18	- 15
Result before tax	319	350
Income tax	- 82	- 101
Result for the year	**237**	**249**
Attributable to:		
Equity holders	216	228
Non-controlling interests	21	21
	237	249

REVENUE

During 2018, GrandVision achieved the highest level of top-line growth since 2015 with revenue growth at constant exchange rates of 10.3% and comparable growth of 3.4%. Organic growth was 3.9% with a lower contribution from new stores than in previous years due to a higher number of store closings. Acquisitions contributed 6.4% to revenue growth for the full year 2018. This included the Visilab and Tesco Opticians acquisitions, which were completed at the end of 2017.

GrandVision opened around 400 new stores in 2018, resulting in a net addition of 94 stores to 7,095 at the end of the year, further strengthening our position as the world's largest retailer of prescription glasses.

System wide sales, which reflects the retail sales of GrandVision's own stores plus that of its franchisees, increased by 7.8% to €4,079 (FY17: €3,784 million).

In the fourth quarter, revenue growth at constant exchange rates was 4.4%, with organic and comparable growth of 2.1% and 2.9%, respectively. The slowdown in organic growth was due to the higher number of store closings across several markets during the year coupled with a lower contribution from new stores and lower franchise revenues. During the quarter, the net number of stores rose by 54 to 7,095.

ADJUSTED EBITDA

Adjusted EBITDA increased by 6.2% at constant exchange rates to €576 million in FY18 (FY17: €552 million) with 3.7% organic growth and 2.5% growth from acquisitions as the positive contribution from the Swiss Visilab business in the Other Europe segment was partially offset by a negative consolidation effect from the Tesco Opticians business in the G4 segment.

The adjusted EBITDA margin decreased by 50 bps to 15.5% due to the dilutive effects of acquisitions and additional costs related to the integration of the Tesco Opticians business, transitional investments in overheads and some temporary disruption due to change of senior management in the Benelux.

Other reconciling items, which primarily consist of corporate costs not allocated to specific segments, were €31 million in FY18, compared to €35 million in FY17.

In 4Q18, adjusted EBITDA decreased by 1.6% at constant exchange rates to €127 million (4Q17: €129 million) due to a weaker EBITDA performance in the Other Europe and Americas and Asia segments. The adjusted EBITDA margin decreased by 70 bps to 14.1%.

OPERATING RESULT

GrandVision's operating result (EBIT) increased by 3.2% to €337 million in 2018, compared to €327 million in 2017. The increase in the operating result was mainly driven by the adjusted EBITDA growth during FY18, which was partially offset by higher depreciation and amortization during the same period.

in millions of EUR	FY18	FY17
Adjusted EBITDA	**576**	**552**
Non-recurring items	- 20	- 17
EBITDA	**557**	**534**
Depreciation and amortization of software	- 150	- 136
EBITA	**406**	**398**
Amortization and impairments	- 69	- 71
Operating result	**337**	**327**

Non-recurring items of -€20 million mainly relate to restructuring, legal provisions, VAT risks, software impairment. The non-recurring items in 2017 related to certain exceptional acquisition related costs, integration activities and software impairment.

Depreciation and amortization of software increased by -€14 million to -€150 during 2018 mainly driven by the expansion of the business through acquisitions at the end of 2017 as well as additions to software. The increased IT investments in previous years have led to higher amortization given the shorter periods of depreciation applied to these assets.

Amortization and impairments of -€69 million (-€71 million in 2017) includes a goodwill impairment charge of €19 million, in line with IFRS accounting guidelines, reflecting the lower than expected profitability of the Italian business.

FINANCIAL RESULT

Net financial result increased from -€15 million in 2017 to -€18 million in 2018, as financing costs were impacted by the unwinding of discount on the contingent consideration related to Visilab S.A.

INCOME TAX

Income tax decreased from €101 million in 2017 to €82 million in 2018. The tax rate decreased from 28.9% to 25.6%.

The decrease of the effective tax rate is mainly resulting from the recognition of deferred tax assets for unused incentive tax credits from the past, which have become available due to changes in the legal and financing structure in certain jurisdictions.

NET RESULT FOR THE PERIOD

The net result for the period decreased by 4.7% to €237 million in 2018, compared with €249 million in 2017, which benefited from a one-time €38 million gain from the remeasurement of the 30% interest in Visilab during 2017.

Net result attributable to equity holders decreased by 5.1% to €216 million in 2018 from €228 million in 2017.

(ADJUSTED) EARNINGS PER SHARE

Adjusted Earnings per share, which excludes non-recurring items, decreased by -5.7% to €0.91 in FY18 (FY17: €0.97). Earnings per share decreased by -5.3% to €0.85 in FY18 (FY17: €0.90). During 2017, adjusted EPS and EPS benefited from a one-off €38 million gain from the remeasurement of the 30% interest in Visilab during 2017.

The weighted average number of shares outstanding was 253,702,033 in FY18 (FY17: 253,285,780). On a fully diluted basis, EPS decreased by -5.1% at €0.85 in FY18 (FY17: €0.90).

Segment Review

G4

in millions of EUR (unless stated otherwise)	FY18	FY17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	2,131	1,981	7.6%	7.9%	3.0%	4.8%
Comparable growth (%)	2.4%	0.0%				
Adjusted EBITDA	411	418	-1.6%	-1.5%	-0.9%	-0.6%
Adjusted EBITDA margin (%)	19.3%	21.1%	-181bps			
Number of stores	3,387	3,348				

in millions of EUR (unless stated otherwise)	4Q18	4Q17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	508	483	5.3%	5.2%	1.2%	4.0%
Comparable growth (%)	1.7%	-1.7%				
Adjusted EBITDA	95	92	3.6%	3.6%	1.6%	2.0%
Adjusted EBITDA margin (%)	18.7%	19.0%	-30bps			

Revenue
In the G4 segment, revenue increased by 7.9% at constant exchange rates to €2,131 million in FY18 (2017: €1,981 million). Organic growth contributed 3.0% and acquisitions, particularly Tesco Opticians in the UK, which was acquired at the end of 2017, contributed 4.8%.

The total number of stores in the G4 segment increased by 39 to 3,387 (FY17: 3,348), mainly driven by store openings across the region.

Comparable growth for the segment was 2.4%, driven by the strong performance in both Germany and France. In France, we achieved almost 2.5% comparable growth for the year, driven by the recovery of the industry and continued market share gains. Our German business achieved more than 5% comparable growth and high single digit revenue growth, also supported by store openings and small acquisitions.

The Benelux segment achieved slightly positive comparable growth during 2018, as Belgium more than compensated for lower comparable growth in the Netherlands.

In the UK, the weaker economic environment, driven by uncertainties surrounding Brexit, has put additional pressure on customers which we have largely been able to mitigate through growing e-commerce sales. Overall, we saw moderate growth as digital sales compensated for lower retail sales.

In the 4Q18, revenue growth was 5.2% at constant exchange rate, supported by comparable growth of 1.7% and a 4.0% contribution from acquisitions. Organic growth was 1.2% due to a higher number of store closings across several markets within the segment coupled with a lower contribution from new stores and lower franchise revenues.

France delivered the segment's highest comparable growth rate during the quarter driven by strong sales in October, which were partially reduced by a weaker year-end performance due to the yellow vest protests in November and December. As anticipated, comparable growth slowed down in Germany during the quarter, following the end of the successful commercial campaign in the third quarter. In the UK, comparable growth continued to be affected by a weaker retail environment, which was more than compensated by stronger Lenstore sales.

(Adjusted) EBITDA
Adjusted EBITDA in the G4 segment decreased by 1.5% at constant exchange rates to €411 million (FY17: €418 million) as integration and rebranding costs from the Tesco Opticians acquisition and higher investments

in digital capabilities and a temporary management transition impact in the Benelux more than offset stronger EBITDA growth in Germany and France. The adjusted EBITDA margin decreased by 181 bps to 19.3% in 2018 (FY17: 21.1%).

In 4Q18, adjusted EBITDA in the G4 increased by 3.6% at constant exchange rates. The adjusted EBITDA margin decreased by 30 bps to 18.7% mainly as a result of the Tesco Opticians acquisition as well as additional integration costs.

OTHER EUROPE

in millions of EUR (unless stated otherwise)	FY18	FY17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	1,130	990	14.1%	15.8%	3.3%	12.5%
Comparable growth (%)	2.7%	3.3%				
Adjusted EBITDA	176	157	11.6%	13.6%	3.1%	10.5%
Adjusted EBITDA margin (%)	15.5%	15.9%	-35bps			
Number of stores	1,912	1,876				

in millions of EUR (unless stated otherwise)	4Q18	4Q17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	281	272	3.4%	4.1%	4.0%	0.1%
Comparable growth (%)	3.9%	-1.1%				
Adjusted EBITDA	44	47	-6.5%	-5.4%	-5.5%	0.1%
Adjusted EBITDA margin (%)	15.7%	17.3%	-166bps			

Revenue

In the Other Europe segment, revenue increased by 15.8% at constant exchange rates to €1,130 million in FY18 (FY17: €990 million) with organic and comparable growth of 3.3% and 2.7%, respectively.

Revenue and comparable growth was achieved across all businesses: Northern, Southern and Eastern Europe. Acquisitions, primarily Visilab in Switzerland, which was acquired at the end of 2017, contributed 12.5% to revenue growth.

In 4Q18, revenue grew by 4.1% at constant exchange rates with comparable growth of 3.9% as most regions benefited from additional selling days related to the timing of the Christmas holidays compared to the previous year.

(Adjusted) EBITDA

Adjusted EBITDA in the Other Europe segment increased by 13.6% at constant exchange rates to €176 million in FY18 (FY17: €157 million), driven by organic growth of 3.1% and a positive contribution from acquisitions of 10.5%.

The adjusted EBITDA margin decreased by 35 bps to 15.5%, mainly reflecting a weaker performance in Italy during the year.

In 4Q18, adjusted EBITDA decreased by 5.4% at constant exchange rates to €44 million due to a weaker EBITDA contribution from Italy as well as Switzerland, which benefited from an exceptionally strong commercial campaign in the previous year leading to strong comparable and EBITDA growth during the period. The adjusted EBITDA margin decreased by166 bps to 15.7%.

AMERICAS & ASIA

in millions of EUR (unless stated otherwise)	FY18	FY17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	459	479	-4.1%	8.8%	8.7%	0.1%
Comparable growth (%)	9.4%	6.5%				
Adjusted EBITDA	20	11	84.1%	139.8%	140.4%	-0.6%
Adjusted EBITDA margin (%)	4.3%	2.2%	207bps			
Number of stores	1,796	1,777				

in millions of EUR (unless stated otherwise)	4Q18	4Q17	Change vs. prior year	Change at constant FX	Organic growth	Growth from acquisitions
Revenue	110	117	-6.0%	1.8%	1.6%	0.2%
Comparable growth (%)	5.5%	3.6%				
Adjusted EBITDA	- 4	- 1	-687.6%	-756.6%	-752.1%	-4.5%
Adjusted EBITDA margin (%)	-3.7%	-0.4%	-326bps			

Revenue
The Americas & Asia segment achieved revenue growth of 8.8% at constant exchange rates. Comparable growth and organic growth reached 9.4% and 8.7%, respectively, with particularly strong comparable growth in Colombia, Mexico, Russia and Turkey. However, reported revenue decreased by 4.1% to €459 million in FY18 (FY17: €479 million) due to negative currency translation effects resulting from the depreciation of a number of currencies with a particularly strong impact from the Turkish lira. Overall, the impact of FX fluctuations was -12.8%, or €61 million.

In 4Q18, revenue growth slowed down to 1.8% at constant exchange rates with a comparable growth rate of 5.5%, mainly due to lower growth levels across Latin America and the United States. Revenue growth was also negatively impacted by a lower contribution from new stores due to selective store closings Brazil, Colombia and Peru to improve the profitability of our store networks in these markets, as well as the termination of an agreement with a department store chain in Chile.

(Adjusted) EBITDA
Adjusted EBITDA increased to €20 million in FY18 (FY17: €11 million). During the year strong underlying organic EBITDA growth of more than €15 million was partially reduced by a negative currency translation effect of €6 million. The loss in the United States was reduced by €5 million during the year as operational improvements were offset by the cost of store openings and the introduction of a new POS system in the fourth quarter.

The adjusted EBITDA margin was 4.3% compared to 2.2% in FY17. Excluding the loss in the US, adjusted EBITDA would have reached €30 million, reflecting the strong underlying development in the segment.

In 4Q18, adjusted EBITDA declined by €3 million to -€4 million, mainly driven by higher costs in the United States related to the introduction of a new POS system as well as costs related to the opening of 13 new stores during the quarter.

Liquidity and Debt

in millions of EUR (unless stated otherwise)	FY18	FY17	change versus prior year
Free cash flow	238	143	95
Capital expenditure	210	197	13
- Store capital expenditure	162	140	22
- Non-store capital expenditure	48	57	- 9
Acquisitions	14	132	- 118
Net debt	743	832	- 89
Net debt leverage (times)	1.3	1.5	

Free cash flow was €238 million in 2018, compared to €143 million in 2017. The increase in free cash flow was mainly driven by higher cash flow from operating activities. This resulted from improvements in working capital due to lower levels of inventories and receivables than in the previous year as the company is transitioning to a more global supply chain model.

Capital expenditure not related to acquisitions increased by €13 million to €210 million (5.6% of revenue) in 2018, compared with €197 million (5.7% of revenue) in 2017. The majority of capital expenditure is dedicated to optimizing the store network.

Store capital expenditure increased from €140 million in 2017 to €162 million in 2018 and primarily reflects the improvement of existing stores through renovations, refurbishments and rebranding including the continued implementation of our standardized store concept, as well as new store openings. Non-store capital expenditure of €48 million in 2018 decreased from €57 million in 2017 due to a higher number of ERP system roll-outs in the previous year.

In 2018, cash outflows relating to acquisitions of companies was €14 million. In 2017, cash outflows related mainly to the acquisition of Tesco Opticians in the UK and the acquisition of an additional 30% stake in Visilab in Switzerland, bringing our shareholding to 60%.

At year-end 2018, GrandVision's net debt decreased from €832 million to €743 million. The net debt leverage ratio was lowered to 1.3 times adjusted EBITDA (2017: 1.5 times). The decrease in net debt was driven by the lower level of acquisitions in 2018 combined with a higher operating cash flow compared to the previous year.

Conference Call and Webcast Details

GrandVision will hold a conference call and webcast for analysts and investors on 27 February 2019 at 9:00 am CET (8:00 am GMT):

Webcast registration: https://edge.media-server.com/m6/p/35ktg4si

Conference call details: http://investors.grandvision.com/results-center

Financial Calendar 2019

Date	Event
27 February 2019	Full Year 2018 Results Press Release
26 April 2019	First Quarter 2019 Trading Update
	Annual General Meeting (AGM)
1 August 2019	Half Year and Second Quarter 2019 Results Press Release
30 October 2019	Third Quarter 2019 Trading Update

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 7,000 stores and with more than 36,000 employees 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 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.

Media and Investor Contacts

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

GrandVision N.V.
Annia Ballesteros
Investor Relations Manager
T +31 88 887 0160
E annia.ballesteros@grandvision.com

Annex 1: Consolidated Balance Sheet

in millions of EUR	31 December 2018	31 December 2017
ASSETS		
Non-current assets		
Property, plant and equipment	517	489
Goodwill	1,052	1,065
Other intangible assets	563	589
Deferred income tax assets	47	17
Investments in Associates and Joint Ventures	1	1
Non-current receivables	39	33
Other non-current assets	10	12
	2,229	2,206
Current assets		
Inventories	331	350
Trade and other receivables	254	280
Other current assets	50	48
Current income tax receivables	9	6
Derivatives	3	1
Cash and cash equivalents	138	165
	785	851
Total assets	**3,014**	**3,056**
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	60	60
Other reserves	- 157	- 149
Retained earnings	1,259	1,129
	1,162	1,039
Non-controlling interests	90	81
Total equity	1,252	1,121
Non-current liabilities		
Borrowings	363	377
Deferred income tax liabilities	72	81
Post-employment benefits	96	99
Provisions	17	23
Derivatives	3	3
Contract liabilities	8	5
Other non-current liabilities	6	26
	564	615
Current liabilities		
Trade and other payables	543	564
Contract liabilities	78	76
Current income tax liabilities	40	48
Borrowings	515	613
Derivatives	4	4
Provisions	17	17
	1,197	1,321
Total liabilities	1,762	1,936
Total equity and liabilities	**3,014**	**3,056**

Annex 2: Consolidated Cash Flow Statement

in millions of EUR	2018	2017
Cash flows from operating activities		
Cash generated from operations	585	461
Tax paid	- 137	- 119
Net cash from operating activities	**448**	**341**
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	- 14	- 132
Settlement of contingent consideration	- 26	-
Purchase of property, plant and equipment	- 162	- 155
Proceeds from sales of property, plant and equipment	9	5
Purchase of intangible assets	- 48	- 42
Proceeds from sales of intangible assets	1	2
Investments in Associates and Joint Ventures	- 1	-
Proceeds from sales of investments in buildings	0	0
Other non-current receivables	- 1	3
Dividends received	-	6
Interest received	2	4
Net cash used in investing activities	**- 239**	**- 309**
Cash flows from financing activities		
Proceeds from borrowings	206	381
Repayments of borrowings	- 233	- 330
Interest swap payments	- 3	- 2
Acquisition of non-controlling interest	- 2	- 1
Dividends paid to non-controlling interests	- 16	- 11
Dividends paid to shareholders	- 81	- 78
Interest paid	- 10	- 11
Net cash generated used in financing activities	**- 139**	**- 53**
Increase / (decrease) in cash and cash equivalents	**70**	**- 20**
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	12	38
Increase / (decrease) in cash and cash equivalents	70	- 20
Exchange gains/ (losses) on cash and cash equivalents	- 10	- 5
Cash and cash equivalents at end of year	**72**	**12**