



Q3 2021 Results presentation



AGENDA



Business
update



Financial
development



Summary



Q&A



Synsam Group Q3 In Brief

- **Very strong growth and profitability in the third quarter**
 - Net sales of 1176 MSEK and adjusted EBITDA margin of 28,3%
- **Organic growth of 21,0%**
 - Q3 2020 was to a limited extent affected by the pandemic, but to a greater extent affected by an IT attack in September 2020
- **Positive development of Lifestyle subscription**
 - Net sales for the quarter: 520 MSEK (388)

BUSINESS UPDATE

Q3 Overview

- Organic growth during Q3 was **21,0%** and like-for-like growth was **18,1%**
- Net sales amounted to **1176 MSEK**
- Gross margin increased to **75,8%** (75,4)
- Adjusted EBITDA-margin for the quarter was **28,3%** (27,7)
- Net debt*/adjusted EBITDA** **2,06x**



QUARTER

Organic growth

+21,0%



QUARTER

**Adjusted EBITDA
margin**

+28,3%



LTM

Organic growth

+25,0%



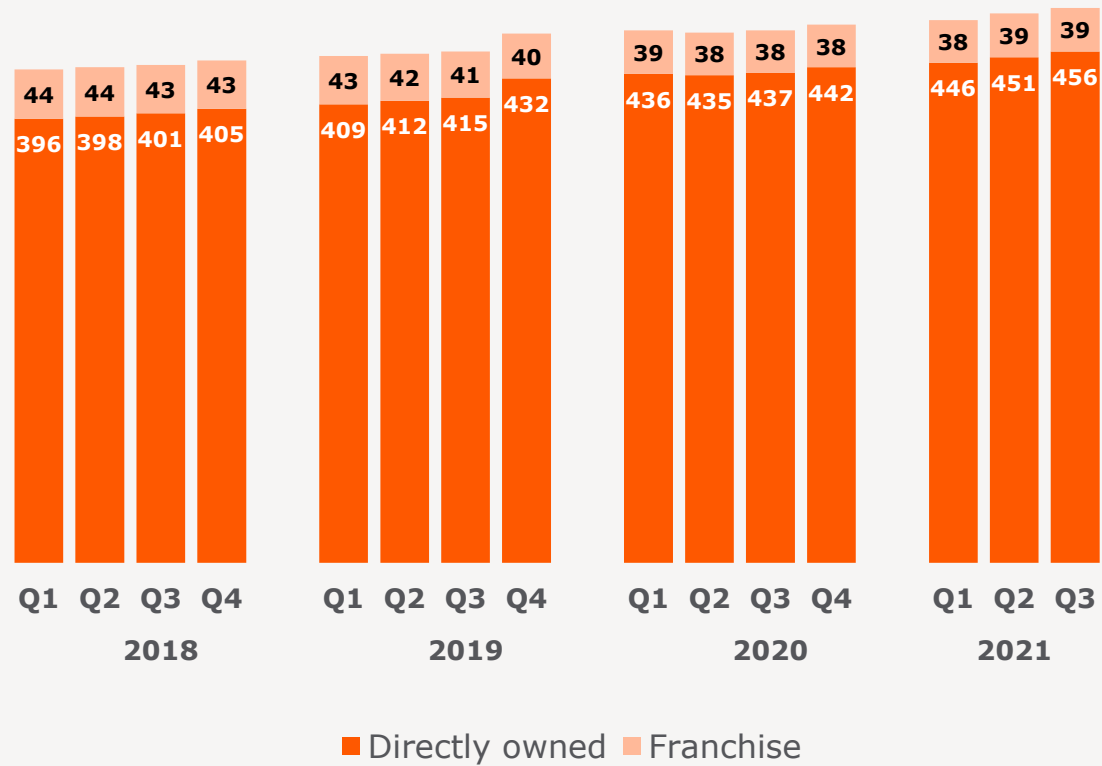
LTM

**Adjusted EBITDA
margin**

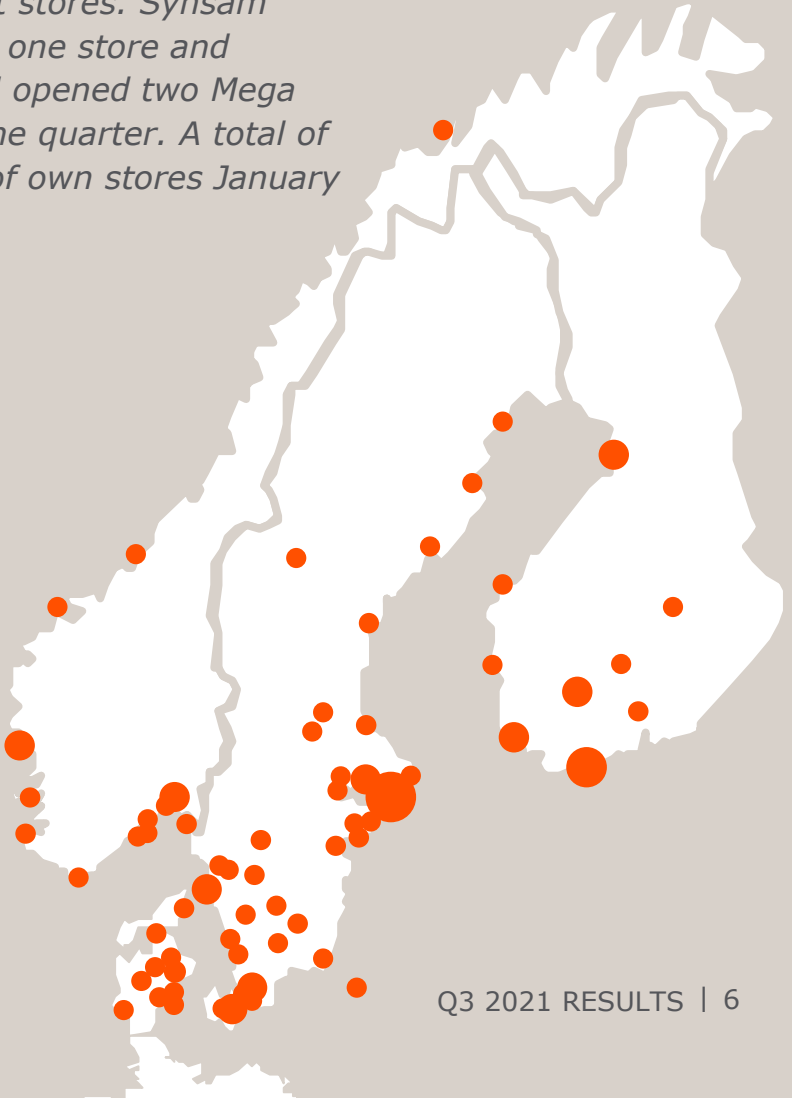
+26,9%

Store Network Overview

Number Of Stores Per Quarter



Total number of stores at the end of the quarter was **495** (475), whereof directly owned stores **456** (437). Synsam Sweden opened two new Recycling Outlet stores. Synsam Norway opened one store and Synsam Finland opened two Mega Stores during the quarter. A total of 14 greenfields of own stores January – September.



Emerging Store Concepts Development



Flagship, 4 stores

- In 2019 the first flagship store was opened
- The concept features large stores with a vast assortment in central and prime locations
- At forefront of optical retail serving as a destination for the customers
- Showcase vast and extended assortment of new products and concept

Recent developments 2021

- Profil Optik Odense, Denmark (new 2021)
- Bergen Torgallmenningen, Norway (upgraded Apr 2021)



Mega, 11 stores + 6*

- In 2020 the Mega store concept was launched
- These stores have a significantly broader assortment than the regular stores
- Similarly to the flagship stores, they are located in attractive, high traffic locations
- The store concept is also larger than regular stores, and will have additional rooms for eye exams
- Broader assortment (2,700 SKUs vs. 1,000 SKUs in regular store)

Recent developments Q3

- Gävle Nian, Sweden (upgraded)
- Kalmar, Sweden (upgraded)
- Aleksi, Finland (new)
- Pekuri, Finland (upgraded)
- Tripla, Finland (new)



Recycling, 6 stores + 2*

- Recycling outlet is the most recent concept launched in 2020
- This concept covers two strong trends in the market – sustainability and attractive prices
- Assortment made up of a large assortment of sustainable eyewear at attractive price points, such as:
 - Second hand frames, refurbished spectacles (mainly recycled from Lifestyle subscriptions), and frames made of recycled materials

Recent developments Q3

- Synsam Umeå, Sweden (new)
- Synsam Västerås Vasagatan, Sweden (new)



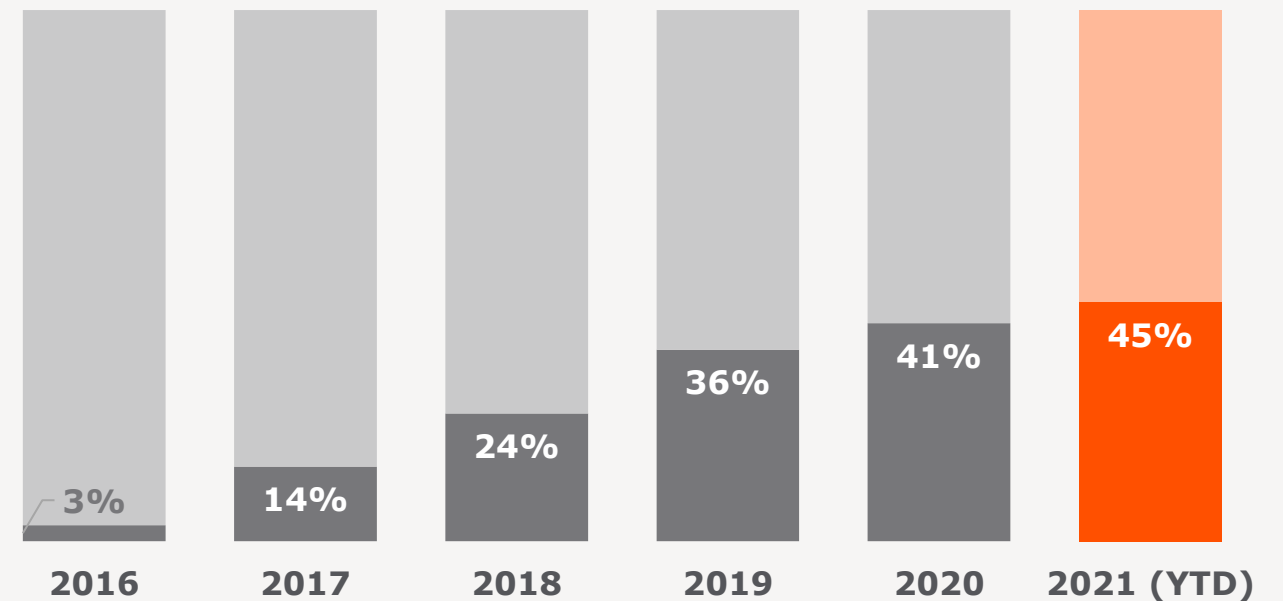
Note: Number of stores as of September 2021. *New stores opened October – November 2021

Development Of The Synsam Lifestyle™ Subscription

Synsam Lifestyle™ Subscription

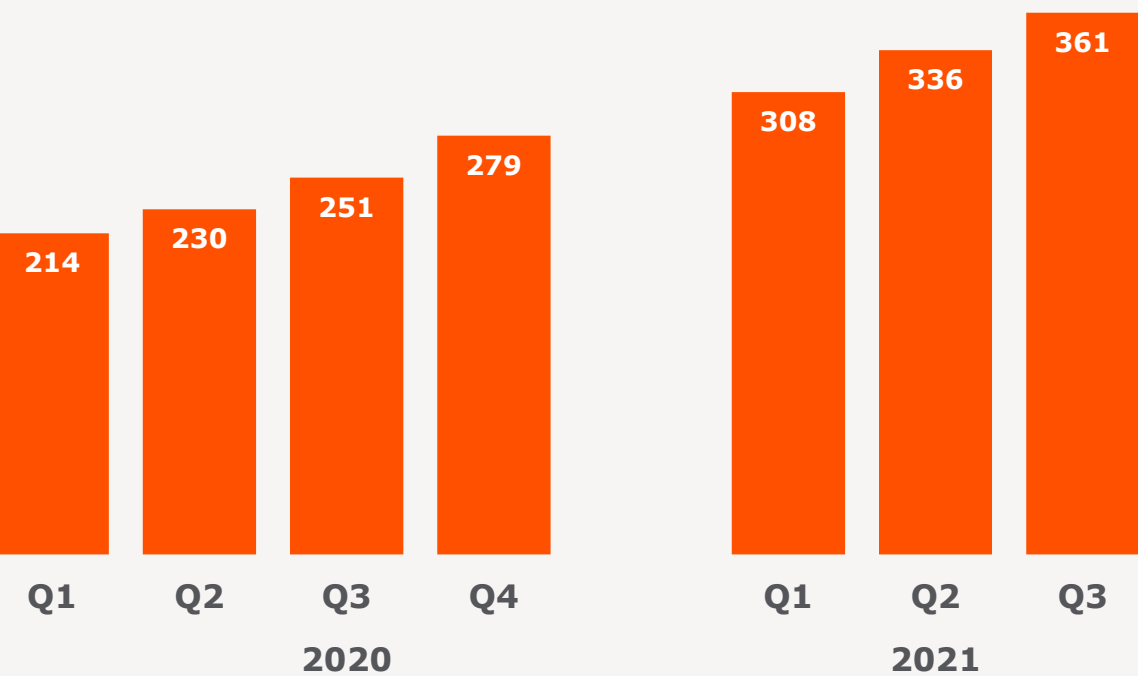
- Net sales for the Lifestyle subscription in Q3 amounted to **520 MSEK** (388)
- Net sales YTD September was **1536 MSEK** (1075)
- **Recent sales development:**
 - Lifestyle subscription increased in all segments during the quarter:
 - Sweden 257 MSEK (186)
 - Denmark 117 MSEK (90)
 - Norway 100 MSEK (79)
 - Finland 31 MSEK (22)

Lifestyle Represents An Increasing % Of Total Net Sales

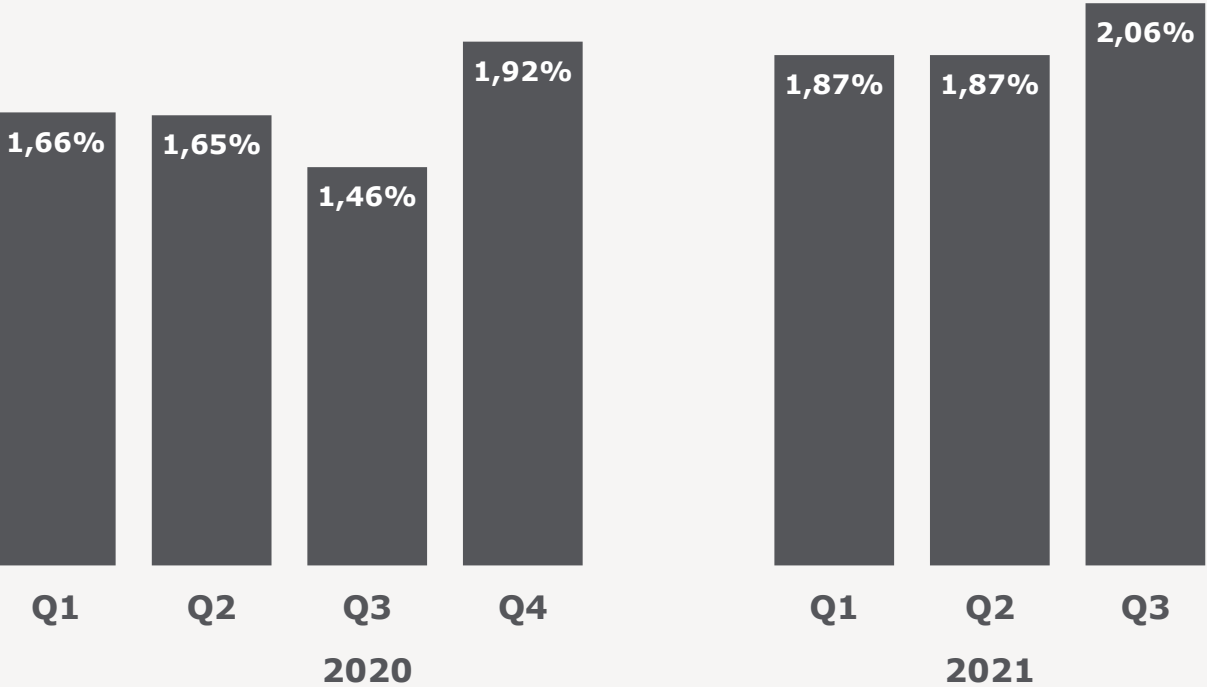


Development Of The Synsam Lifestyle™ Customer Base

Active Customer Base Synsam Lifestyle™
(Thousands), At End Of Period



Synsam Group Quarterly Churn - Synsam Lifestyle™

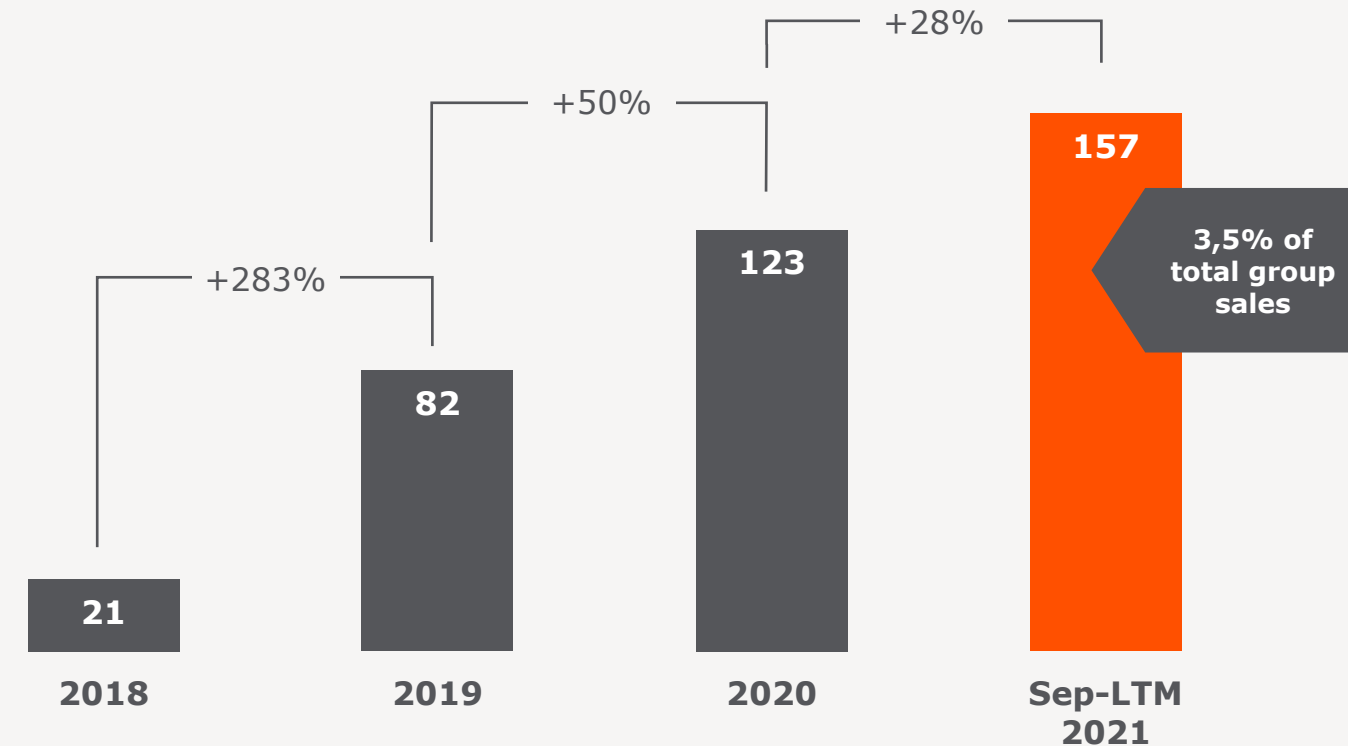


Development Of Contact Lens Subscription

Synsam Contact Lens Subscription

- Net sales for contact lens subscription in Q3 amounted to **45 MSEK** (30)
- Net sales YTD September was **121 MSEK** (86)
- The active customer base was **91 thousand customers** at the end of the quarter (59 thousand customers)
- **Recent development:**
 - The EyeQ private label product range has been broadened, which strengthens contact lens subscription offering
 - Through the launch of the MiSight lens, which slows the progression of nearsightedness in children, contact lens subscription now offers a product for children

Fast Growing Lens Subscription Sales (MSEK)



Omni-Channel And Digital Development

- Synsam has an industry leading digital proposition and is at the forefront of integrating digital solutions in the customer journey
- Digital development is a prioritised area of growth, and examples of launches on the Synsam websites during the first half of 2021 are:
 - Online sales of prescription eyewear (all four countries)
 - An upgraded virtual try-on function (all four countries)
 - Online eye test on the Ai Eyewear website, enabling a complete customer journey online

Recent development:

- "Mina sidor" ("my pages") was launched in Sweden, Denmark and Finland, which gives the subscription customers an improved digital user experience
- Synsam Friends membership program was launched online in Sweden, which enables customers to sign up online

Our sustainability initiatives drives our profitability

- Our sustainability initiatives drives our profitability, attracts new customers and creates loyalty towards Synsam
- **Recent development:**
 - Approx. 32.000 free activity glasses distributed to children through "Alla ska se!" initiative
 - Made in Sweden project ongoing, production expected to start Q2 2022
 - Two new Recycling Outlet stores opened during the quarter



COMMUNITY

Alla ska se!

Initiative in which Synsam in partnership with Essilor provides free activity glasses for approx. 32.000 children (and counting), between the ages of 5-12 years old. Translated as "Everyone should see!" in English.



ASSORTMENT & FOOTPRINT

Fellepini x Sea2See

Frames made with 100% recycled marine plastic.



ASSORTMENT & FOOTPRINT

Synsam Circular Collection

Collection made out of customers' old recycled spectacles received through recycling initiative.

ASSORTMENT & FOOTPRINT

Synsam Recycling Outlet

Store concept focused on recycling and circularity, e.g. selling spectacles with used frames, second-hand from subscription users



SOURCING

Made in Sweden

Move the production of House Brands from China to a brand new Synsam-owned factory in Sweden. The new factory is expected to be completed during 2022. House Brands 2.0 will be produced here, made out of locally sourced and more sustainable materials.



A
Responsible
Approach To
Business

FINANCIAL DEVELOPMENT

Performance By Segment



1
SWEDEN

Organic growth Q3
+27,2%
Organic growth YTD
+27,7%

Like for like Q3
+23,1%
Like for like YTD
+23,5%

Adjusted EBITDA Q3
202 MSEK (133)
Adjusted EBITDA YTD
549 MSEK (387)



2
DENMARK

Organic growth Q3
+9,1%
Organic growth YTD
+16,2%

Like for like Q3
+7,5%
Like for like YTD
+15,2%

Adjusted EBITDA Q3
78 MSEK (83)
Adjusted EBITDA YTD
207 MSEK (180)



2
NORWAY

Organic growth Q3
+20,7%
Organic growth YTD
+32,3%

Like for like Q3
+18,7%
Like for like YTD
+30,0%

Adjusted EBITDA Q3
67 MSEK (41)
Adjusted EBITDA YTD
212 MSEK (114)

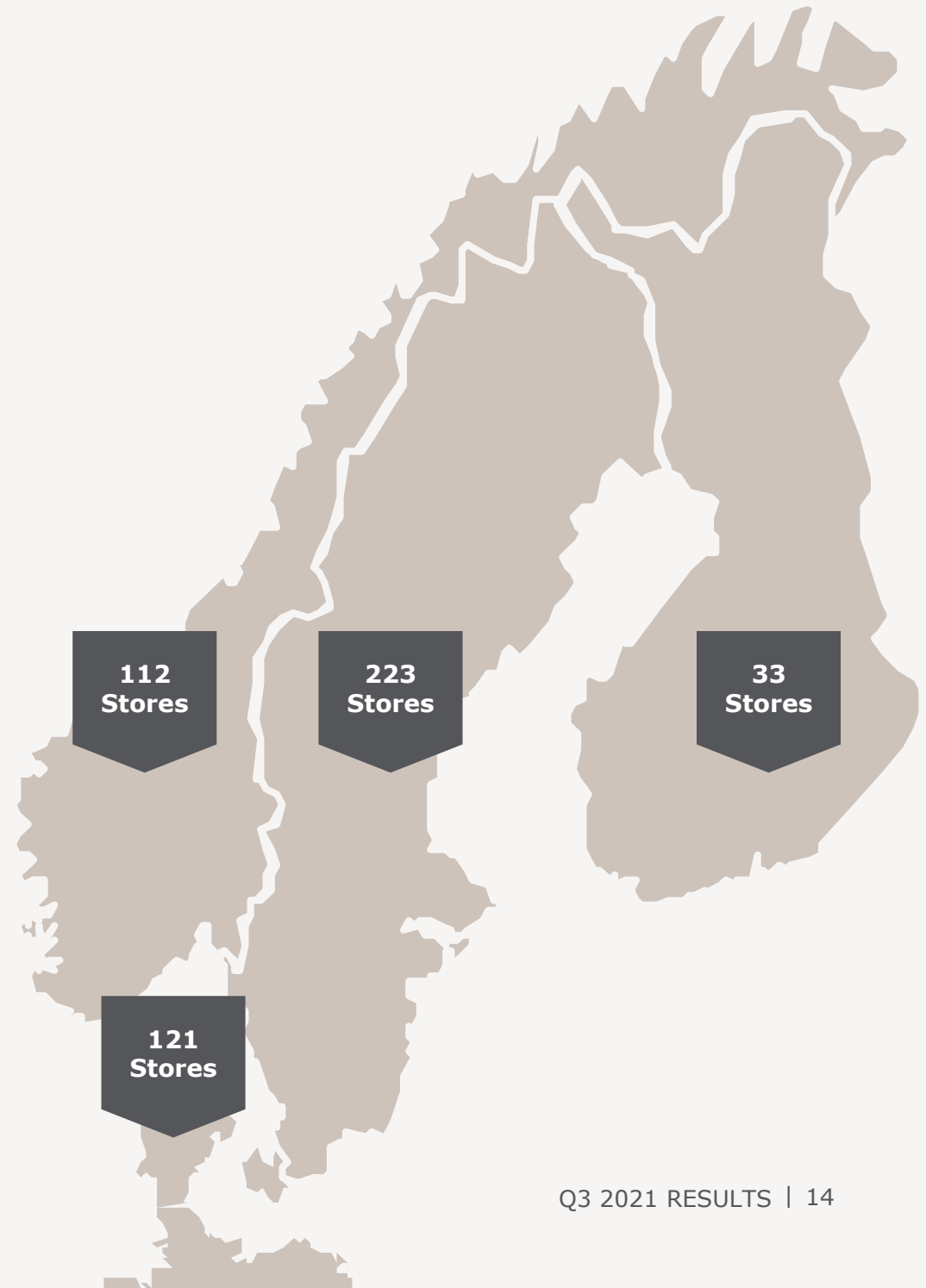


5
FINLAND

Organic growth Q3
+20,6%
Organic growth YTD
+35,5%

Like for like Q3
+16,8%
Like for like YTD
+32,2%

Adjusted EBITDA Q3
12 MSEK (12)
Adjusted EBITDA YTD
30 MSEK (19)



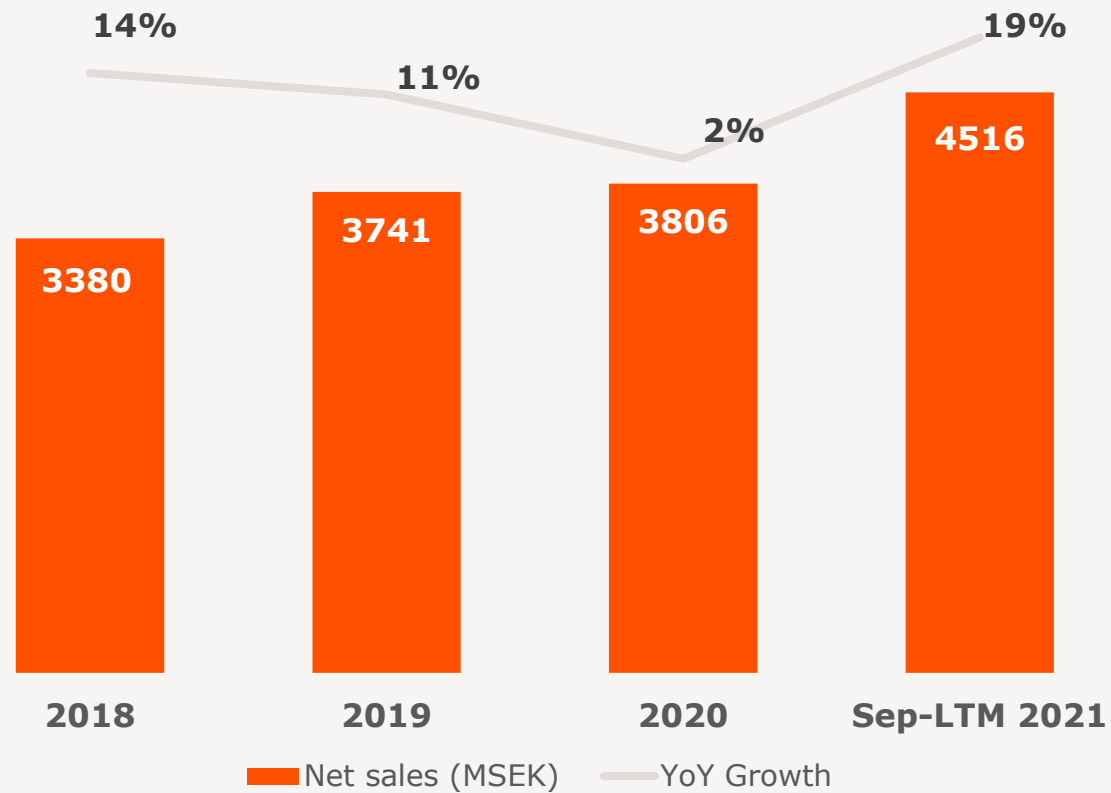
Q3 Financial Highlights

MSEK	Q3		
	2021	2020	Δ%
Net sales	1,176	972	21.0
Organic growth, % ¹	21.0	8.5	
Gross margin, % ¹	75.8	75.4	
EBITDA ¹	314	272	15.1
Adjusted EBITDA ¹	337	272	23.6
EBITDA margin, % ¹	26.3	27.7	
Adjusted EBITDA margin, % ¹	28.3	27.7	
EBITA ¹	206	173	18.7
Adjusted EBITA ¹	229	173	32.0
EBITA margin, % ¹	17.3	17.6	
Adjusted EBITA margin, % ¹	19.2	17.6	

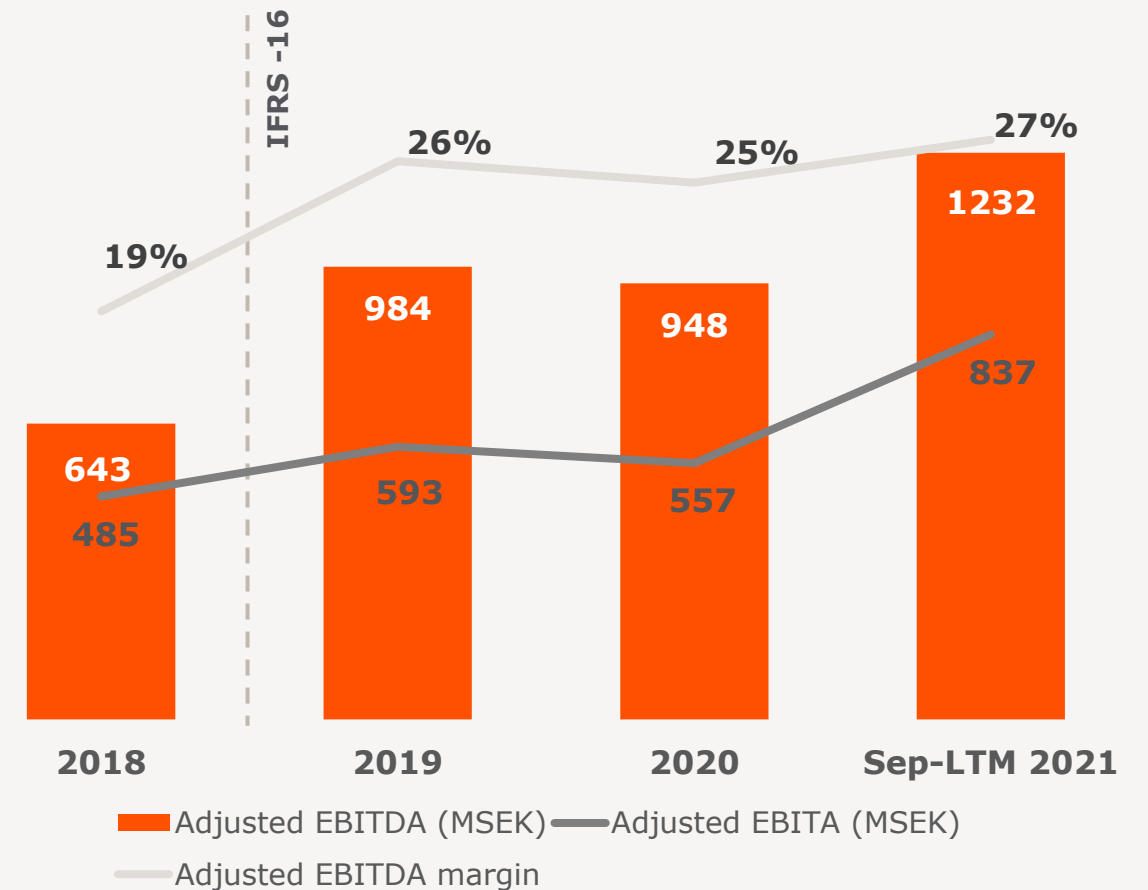
- Like-for-like growth in Q3 2021: **18,1%**
- Number of stores in Q3 2021: **495** (475) of which **456** (437) directly owned stores and **39** (38) franchise
- Lifestyle sales in Q3 2021: **520 MSEK** (388)
- Gross margin increase as a result of an increased share of prolongings within Synsam Lifestyle™ and favourable supplier negotiations
- Opex affected by IPO process related costs of 23 MSEK

Long Term Financial development

Net Sales Development



Adjusted EBITDA And EBITA Development



Cash Flow and Financial Position

- Improvement in cash flow from operating activities in Q3, 252 MSEK (121). Stable development January to September.
- Change in working capital during the nine month period 2021 was affected by repayment of government loans, where the total liability of 196 MSEK from December 31 2020 has been repaid in total during the first and second quarter 2021.
- Total amortisation of loans to credit institutions for the first nine months amounted to 295 MSEK (-).
- New financing in place after the period as an effect of the IPO.
- Reduction in debt. External net debt at the end of the quarter amounted to 2 535 MSEK (2 888) and Net Debt / adjusted EBITDA amounted to 2,06 (3,22) and the company hence has a low debt level compared to its financial targets.

MSEK	Q3		Jan-Sep		Jan-Dec
	2021	2020	2021	2020	2020
Operating activities					
Profit/loss before tax	31	-5	72	-137	-136
Adjusted for other non-cash items	92	71	259	233	336
Depreciation and amortisation	142	134	410	408	532
Income taxes paid	-11	-3	-76	-7	-19
Cash flow from operating activities before changes in working capital	254	197	666	498	713
Cash flow from changes in working capital:					
Change in inventories	-5	-9	-55	-71	-56
Change in operating receivables	42	-99	-31	-116	-81
Change in operating liabilities	-39	32	8	264	323
<i>Increased (-) / Decreased (+) funds tied up in working capital</i>	<i>-2</i>	<i>-76</i>	<i>-78</i>	<i>77</i>	<i>185</i>
Cash flow from operating activities	252	121	587	576	898
Investments in intangible non-current assets	-4	-4	-14	-16	-23
Investments in tangible non-current assets	-53	-20	-144	-98	-137
Other investing activities	-0	0	-7	-5	-5
Cash flow from investing activities	-58	-24	-166	-119	-165
Amortisation of liabilities ¹	-71	-65	-497	-199	-342
Borrowings	-	-	-	210	210
Cash flow from financing activities	-71	-65	-497	11	-132
CASH FLOW FOR THE PERIOD	124	31	-76	468	601
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	623	647	809	223	223
Exchange rate differences in cash and cash equivalents	6	-3	19	-16	-16
CASH AND CASH EQUIVALENTS AT END OF PERIOD	752	675	752	675	809

¹Amortisation of liabilities includes repayment of bank loans and payment of lease liabilities.



SUMMARY



Summary

- **Very strong growth and profitability in the third quarter**
- **Organic growth of 21,0%**
- **Positive development of Lifestyle subscription**
- Our strategy and concept development with a focus on an expanded store network featuring a broader range with greater customer appeal, a high degree of innovation both in terms of digitalisation and competitive House Brands as well as the launch of a subscription business unique in the industry – have been effective

Q & A



SYNSAM GROUP