



Results presentation Q3 2022

 SYNSAM GROUP

AGENDA



Business
Update



Summary



Financial
Development



Q&A

Synsam Group Q3 & 9M 2022 in summary



- **Increased market share in a weak consumer market, +12,2% in Q3 2022. Continued investments for future growth affect the result.**
 - Net sales 1,319 MSEK in Q3, 3,904 MSEK 9M
 - Organic growth 9,6% in Q3, 11,9% 9M
 - EBITDA margin 22,7% in Q3, 23,9% 9M
- The gross margin has been negatively affected by the mix effect and by increased purchasing costs – measures have been taken
- Continued strong increase in spectacle subscription services, + 23 percent
- A shortage of opticians has affected the operating expenses in the quarter, but the situation has stabilised
- Growth investments affects the result with 34 MSEK
- Synsam Recycling Outlet and Synsam Mega fills an important function in more challenging times
- Synsam’s own production strengthens the offering and profitability over the long term – customer reception of the Jämtö collection, manufactured in Östersund is a success

BUSINESS UPDATE



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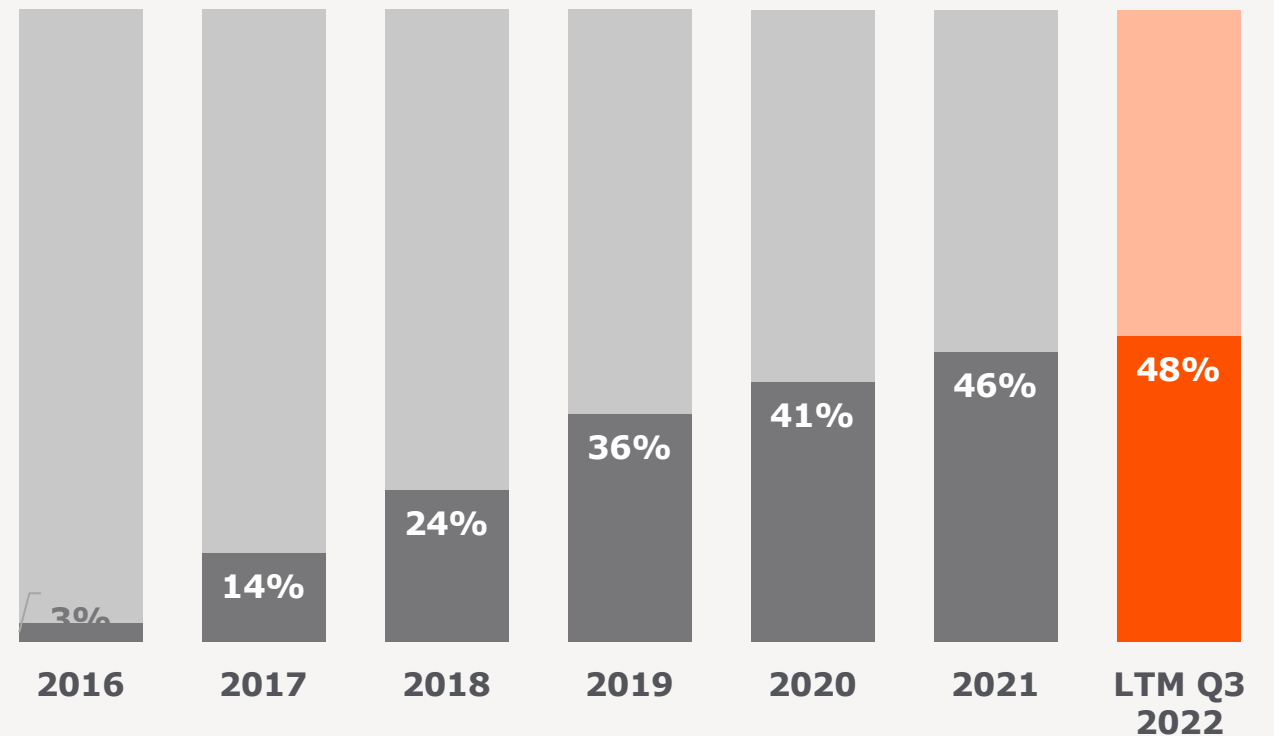
The Market Situation

- **The competition for consumers is more challenging**
- **The market is even more campaign-driven**
- **Consumers choose cheaper alternatives**
- **Consumers are more careful in their choices**
- **The purchase process becomes slightly longer**
- **Customers increasingly choose subscriptions**
- **Eye health continues to be needs-based, difficult to opt out**

Strong development of the Synsam Lifestyle Subscription

- Net sales for the Lifestyle Subscription in Q3 2022 amounted to **641 MSEK** (520), an increase of 23%. All segments contributed to the development.
- **Lifestyle Subscriptions increased in all segments during the quarter:**
 - Sweden 321 MSEK (257), +25%
 - Denmark 125 MSEK (117), +7%
 - Norway 131 MSEK (100), +30%
 - Finland 52 MSEK (31), +68%
- **The subscription is still the safest way for the customers to take care of their eye health**

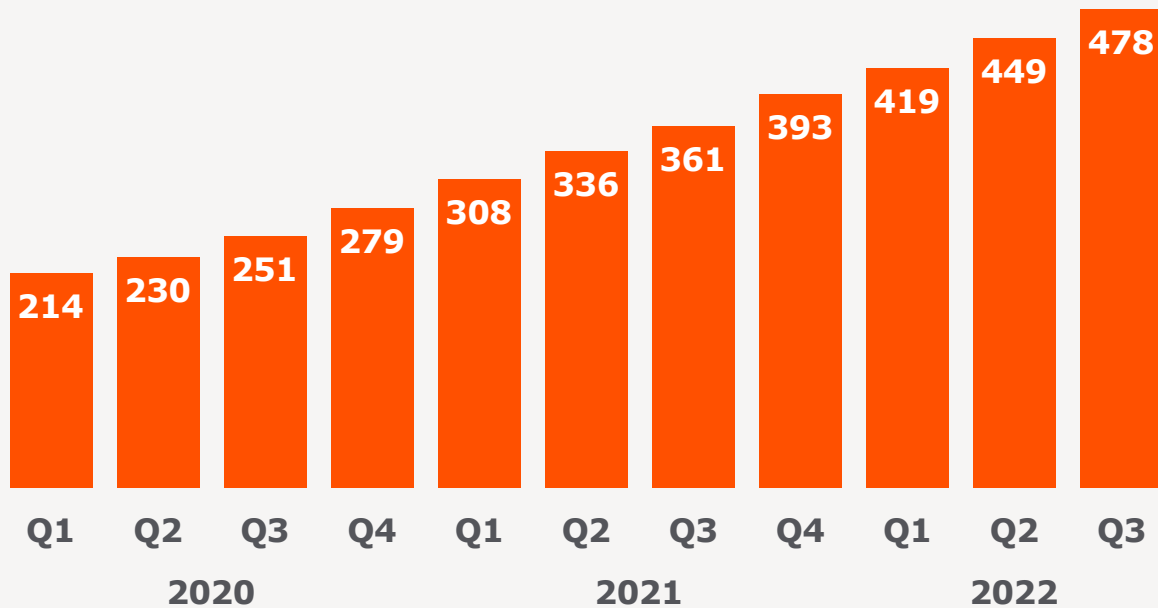
Lifestyle Represents An Increasing % Of Total Net Sales



Continued strong growth of the Synsam Lifestyle Customer Base

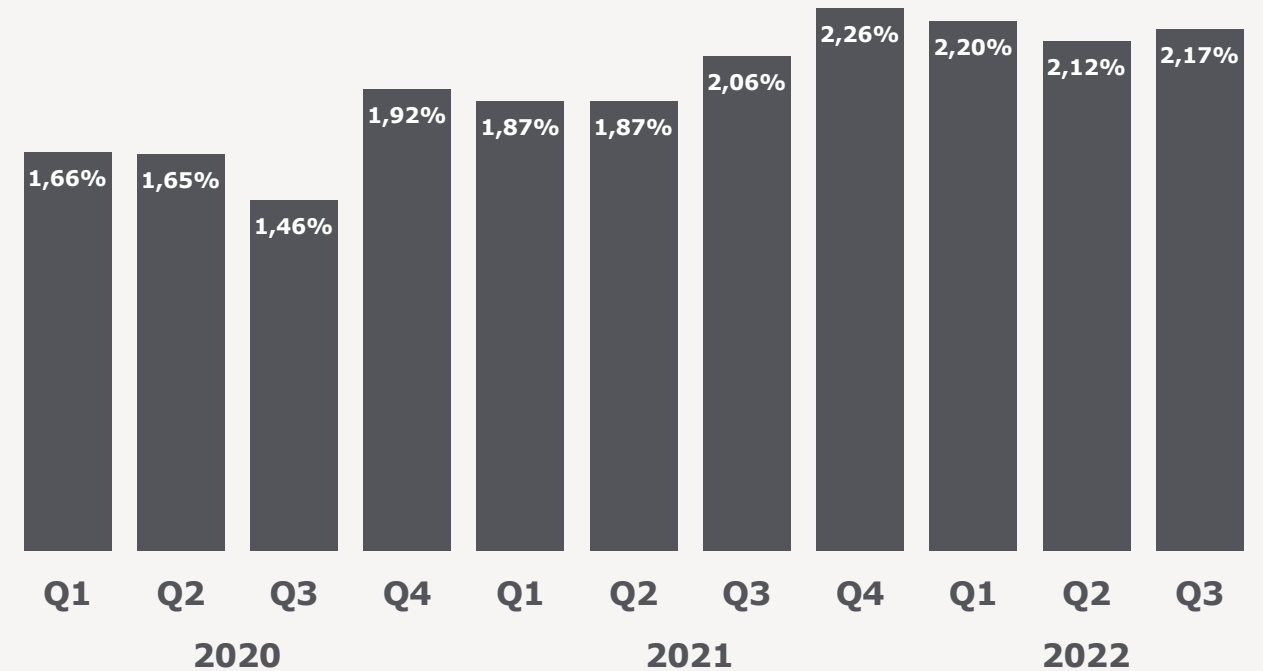
Active customer base Synsam Lifestyle (thousands), at the end of the period

- **Subscriptions provide customers with options at various price levels and allow them to have control over their monthly expenses**



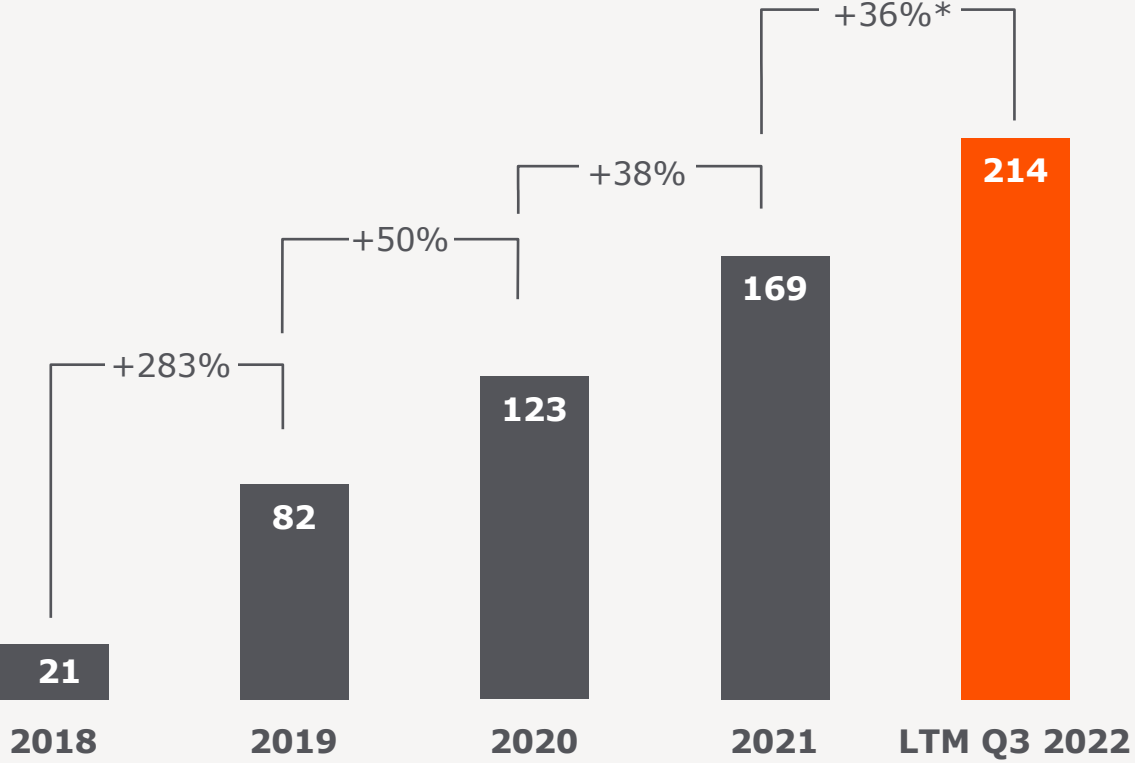
Synsam Group quarterly churn – Synsam Lifestyle is a measure of the proportion of customers who leave the spectacles subscription

- **Churn has been stable over the past eleven quarters**



Synsam Contact Lens Subscription – the success continues

Fast growing Lens Subscriptions Sales (MSEK).
Slightly lower gross margin in comparison to Synsam in total.

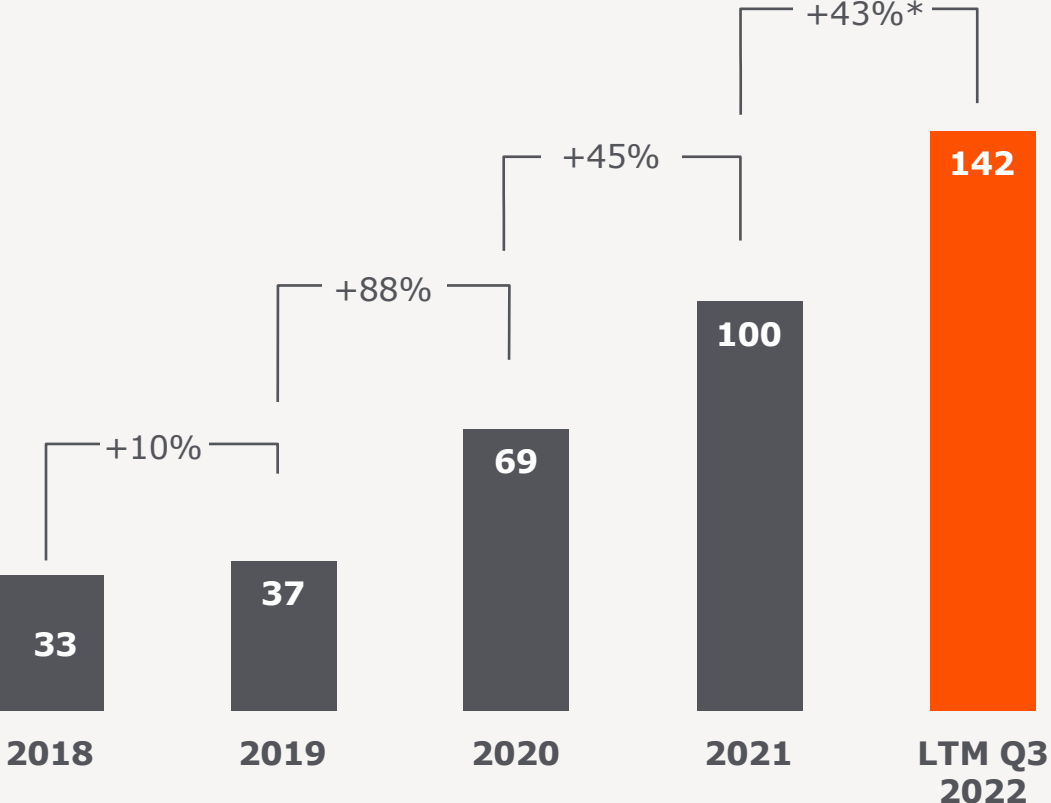


* LTM growth corresponds to growth compared to the previous year's LTM



Continued strong development of Online Sales

Stable growing revenue for Online Sales (MSEK). Slightly lower gross margin in comparison to Synsam in total.



* LTM growth corresponds to growth compared to the previous year's LTM



New Establishments so far in Q4 2022

- **October - 15 Nov 2022**
 - Synsam Recycling Outlet Göteborg Arkaden (Sweden)
 - Synsam Chydenia (Finland)
 - Synsam Carl Berner (Norway)
 - Synsam Recycling Outlet Itis (Finland)
 - Synsam Vennesla (Norway)



Synsam Chydenia, Kokkola, Finland



Synsam Recycling Outlet Itis, Helsinki, Finland



Synsam Carl Berner, Oslo, Norway



Synsam Vennesla, Vennesla, Norway



Synsam Recycling Outlet Göteborg Arkaden, Gothenburg, Sweden

On the 19th of October, Synsam won the award as Retail Company of the Year at the Market Awards

The jury's motivation: "This year's winner has developed the customer experience both when it comes to personal service and the experience in store. The sustainability work has been strengthened through several bold decisions and the company has taken great strides in terms of innovations, brand and assortment. The solid work has resulted in our winner hitting an "all time high" in terms of turnover and profitability."

But we are never satisfied – the journey continues!





Summary

- Synsam increased market shares in a weak consumer market through growth investments
- Synsam's total subscription business provides added value in uncertain times , strong increase of + 25 percent*
- A shortage of opticians has affected the quarter, but the situation has stabilised
- Synsam Recycling Outlet och Synsam Mega fill an important function in more challenging times
- Synsam's own production strengthens the offering and profitability over the long term – customer reception of the Jämtö collection, manufactured in Östersund is a success
- We assess that the market will be weak in the coming quarters

We see a continued weak market where the consumer will make active choices regarding eye health. Synsam is well positioned to face a weaker market and measures are taken on an ongoing basis.

FINANCIAL DEVELOPMENT

Q3 Overview

- Net sales amounted to **1,319 MSEK** (1,176), an increase of **12,2%**
- Gross margin amounted to **73,8%** (75,8)
- Organic growth during Q3 was **9,6%** and growth like-for-like was **5,5%**
- EBITDA margin for the quarter amounted to **22,7%** (28,3)*
- Earnings per share, before and after dilution, increased to **0.53 SEK (0.02)** in Q3



Q3

**Net sales
MSEK**

1,319



Q3

Gross margin

73,8%



Q3

Organic growth

+9,6%



Q3

EBITDA margin

+22,7%

9M 2022 Overview

- Net sales amounted to **3,904 MSEK** (3,423), an increase of **14,0%**
- Gross margin amounted to **75,4%** (75,8)
- Organic growth 9M was **11,9%** and growth like-for-like was **7,7%**
- EBITDA margin for the first nine months amounted to **23,9%** (27,1)*
- Earnings per share, before and after dilution, increased to **1.84 SEK (0.05)** 9M 2022



9M

Net sales
MSEK

3,904



9M

Gross margin

75,4%



9M

Organic growth

+11,9%



9M

EBITDA margin

+23,9%

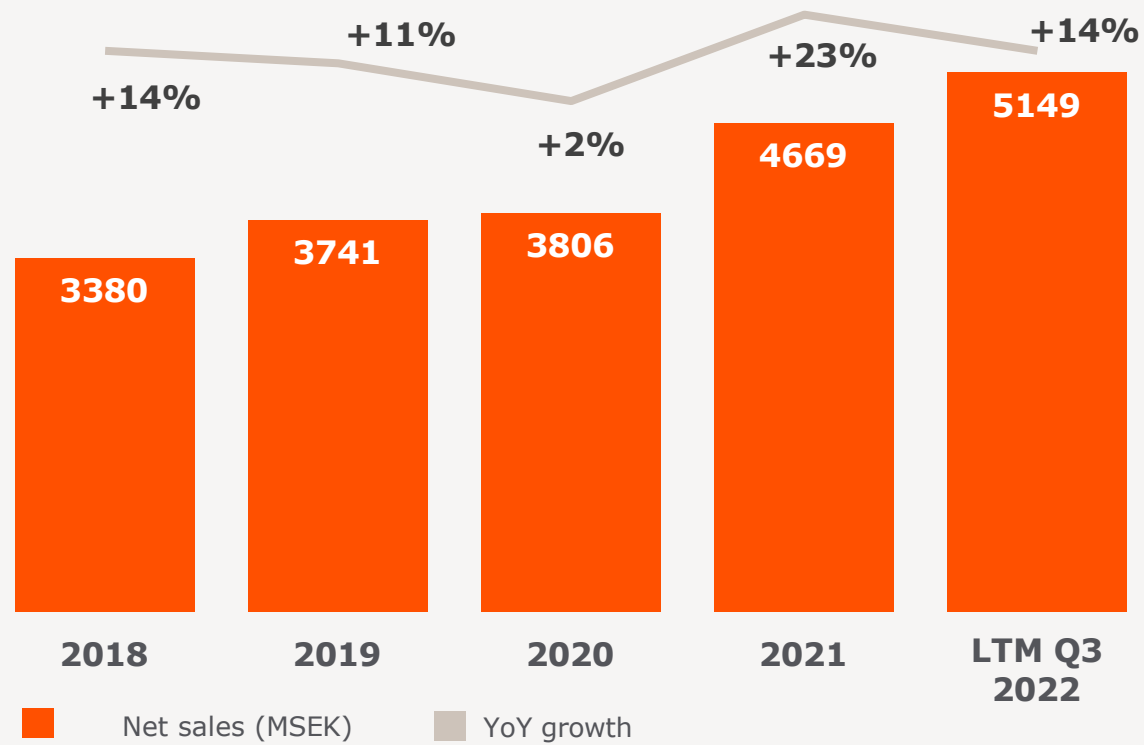
Q3 Financial Overview – Continued strong sales growth

MSEK	Q3		
	2022	2021	Δ%
Net Sales	1 319	1 176	12,2
Organic Growth, % ¹	9,6	21,0	
Gross margin, % ¹	73,8	75,8	
Result (EBITDA) ¹	303	314	-3,4
Adjusted EBITDA ¹	303	337	-10,1
EBITDA margin, % ¹	22,7	26,3	
Adjusted EBITDA margin, % ¹	22,7	28,3	
Result (EBITA) ¹	169	206	-17,8
Adjusted EBITA ¹	169	229	-26,1
EBITA margin, % ¹	12,7	17,3	
Adjusted EBITA marginal, % ¹	12,7	19,2	

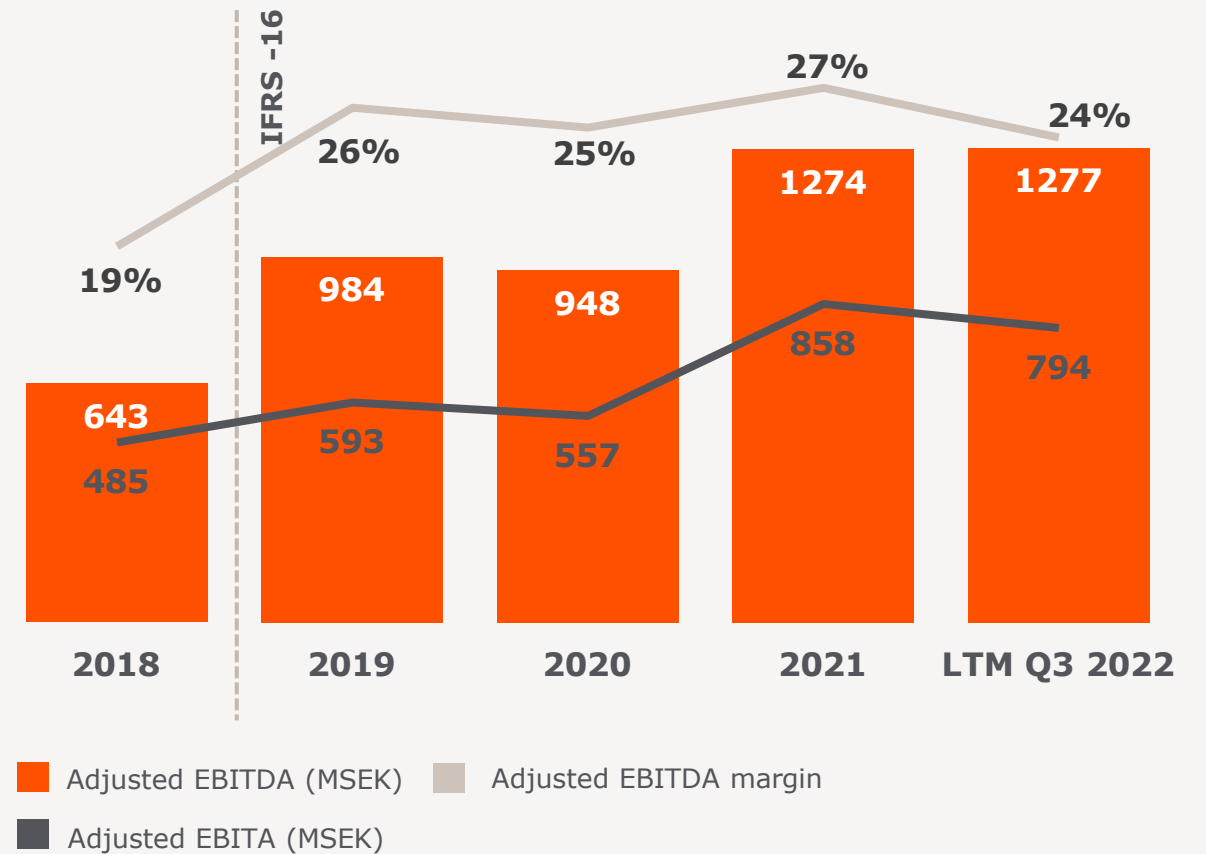
- **Organic growth: 9,6 percent**
- **Like-for-like growth: 5,5 percent**
- Investments have burdened EBITDA with 34 MSEK compared to the third quarter of 2021 and 82 MSEK compared to the nine-month period in 2021: the production and innovation centre, significant expansion of new stores, Recycling Outlet, Ai, Hearing and increased marketing efforts
- Increased operating expenses for opticians and increased costs as a result of rising inflation
- The gross margin has been negatively affected by the mix effect and by increased purchase prices
- **EBITDA 303 MSEK och EBITDA margin 22,7 percent**

Long term financial development

Net sales development



Adjusted EBITDA och EBITA development



Cash Flow and Financial Position

- Cash flow from operating activities amounted to 214 MSEK (252) for the third quarter
- The increase in inventories is a result of the Group's expansion and increased buffer inventory
- Net debt at the end of the quarter amounted to 2,864 MSEK (2,535) and at the end of 2021 to 2,390 MSEK
- Net debt was negatively impacted by leases with associated lease liabilities, which increase when the number of stores increases. Lease liabilities increased 176 MSEK during the nine-month period. During the nine-month period, net debt was also negatively impacted by a dividend paid to Synsam's shareholders of 255 MSEK and by negative currency effects on loans from financial institutions of 50 MSEK due to certain loans being raised in a currency other than SEK
- If net debt had been calculated not taking IFRS 16 in account, it would have amounted to 1,990 MSEK (1,909)

MSEK	Q3		jan-dec
	2022	2021	2021
Operating activities			
Profit/loss before tax	98	31	163
Adjusted for other non-cash items	-18	92	271
Depreciation and amortisation	170	142	555
Income taxes paid	-15	-11	-86
Cash flow from operating activities before changes in working capital	236	254	903
Cash flow from changes in working capital:			
Change in inventories	-32	-5	-60
Change in operating receivables	38	42	59
Change in operating liabilities	-28	-39	78
<i>Increased (-) / Decreased (+) funds tied up in working capital</i>	-22	-2	76
Cash flow from operating activities	214	252	980
Investments in intangible non-current assets	-3	-4	-26
Investments in tangible non-current assets	-47	-53	-246
Other investing activities	-2	-0	-11
Cash flow from investing activities	-51	-58	-283
Amortisation of liabilities ¹	-83	-71	-3 172
Borrowings	-	-	2 392
Dividend	-	-	-
Cash flow from financing activities	-83	-71	-780
CASH FLOW FOR THE PERIOD	80	124	-83
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	423	623	809
Exchange rate difference in cash and cash equivalents	6	6	30
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	508	752	755

Growth and result per segment



1
SWEDEN

Organic growth Q3
+10,7%
Organic growth 9M
+12,7%

Like for like Q3
+7,2%
Like for like 9M
+9,2%

Adjusted EBITDA Q3
191 MSEK (202)
Adjusted EBITDA 9M
545 MSEK (549)



2
DENMARK

Organic growth Q3
+3,2%
Organic growth 9M
+7,1%

Like for like Q3
+2,4%
Like for like 9M
+5,8%

Adjusted EBITDA Q3
80 MSEK (78)
Adjusted EBITDA 9M
218 MSEK (207)



2
NORWAY

Organic growth Q3
+3,6%
Organic growth 9M
+4,6%

Like for like Q3
+2,2%
Like for like 9M
+3,4%

Adjusted EBITDA Q3
55 MSEK (67)
Adjusted EBITDA 9M
186 MSEK (212)

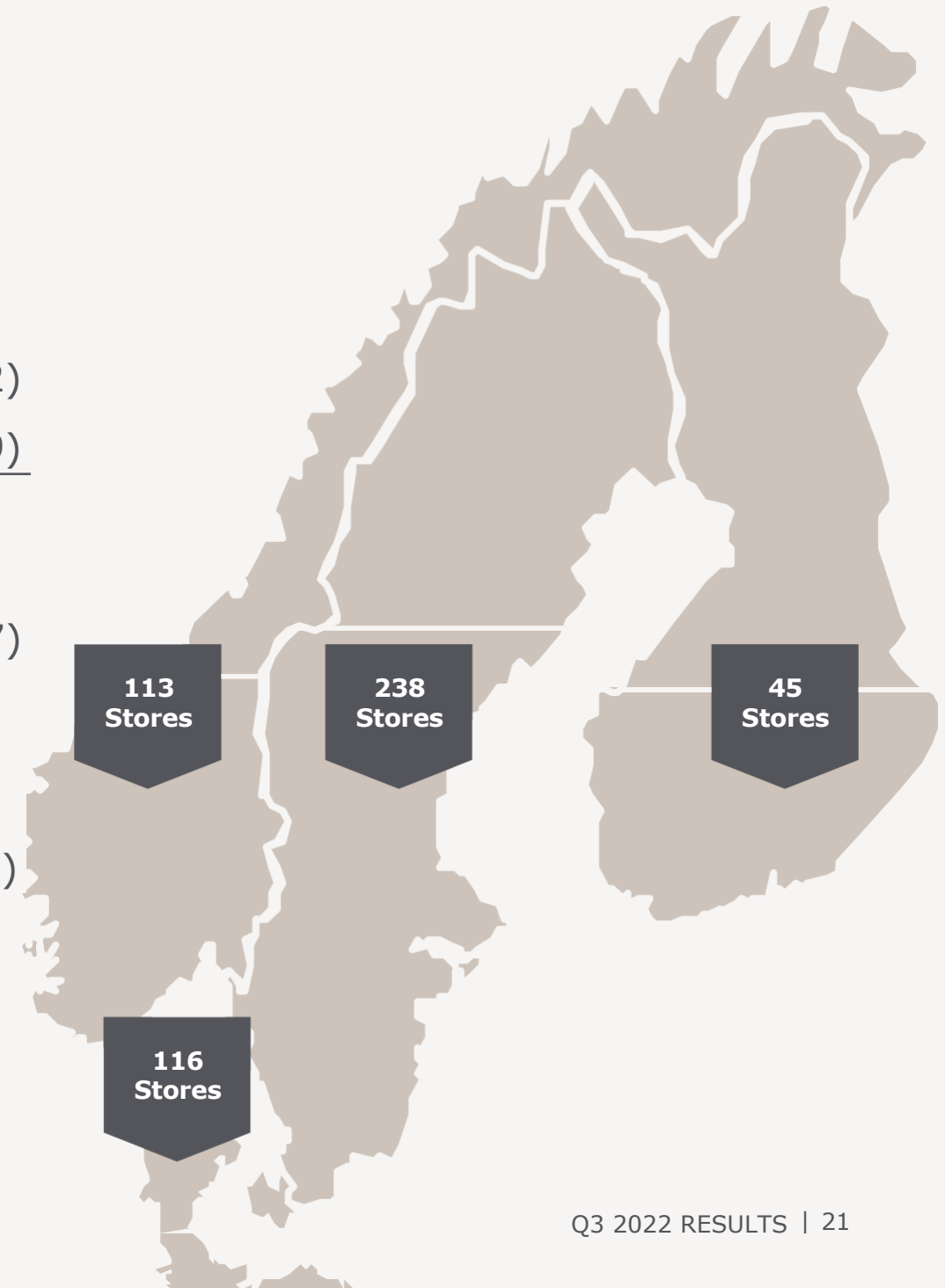


5
FINLAND

Organic growth Q3
+43,9%
Organic growth 9M
+44,3%

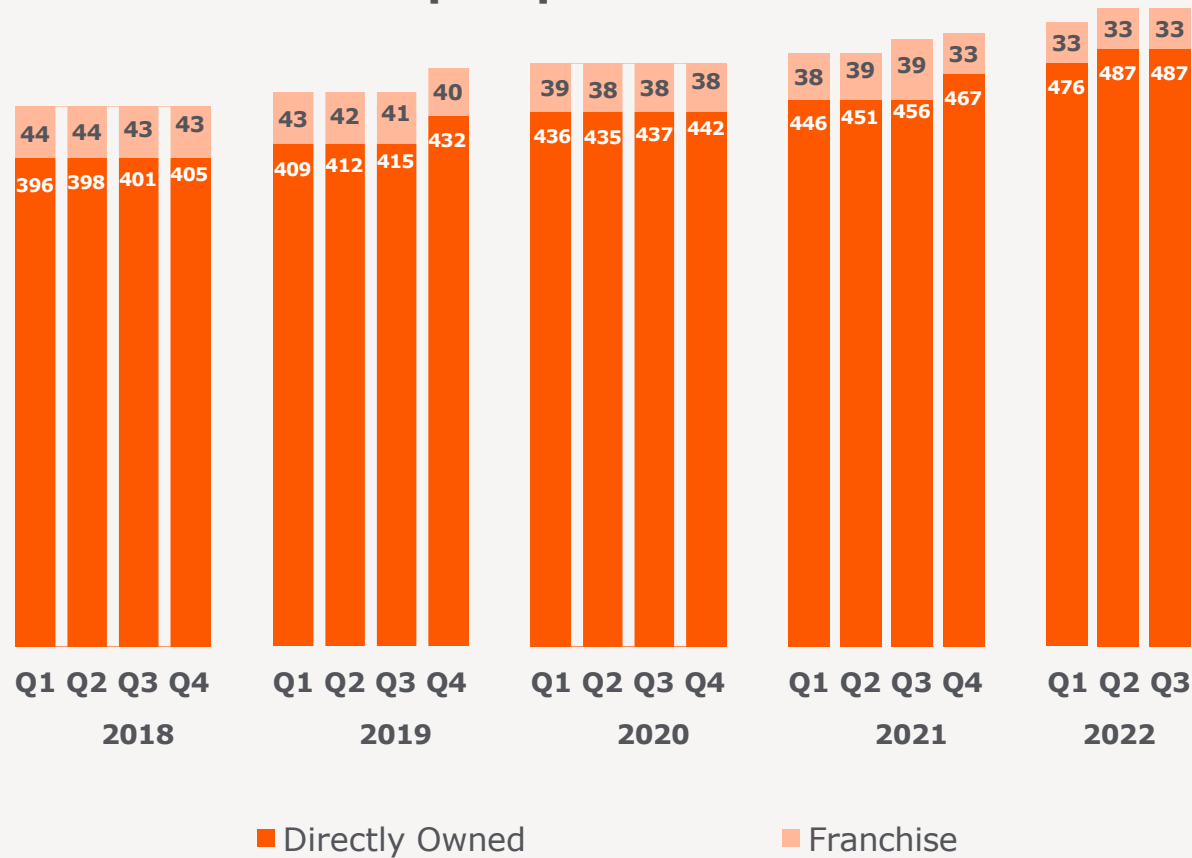
Like for like Q3
+11,1%
Like for like 9M
+11,4%

Adjusted EBITDA Q3
14 MSEK (12)
Adjusted EBITDA 9M
30 MSEK (30)



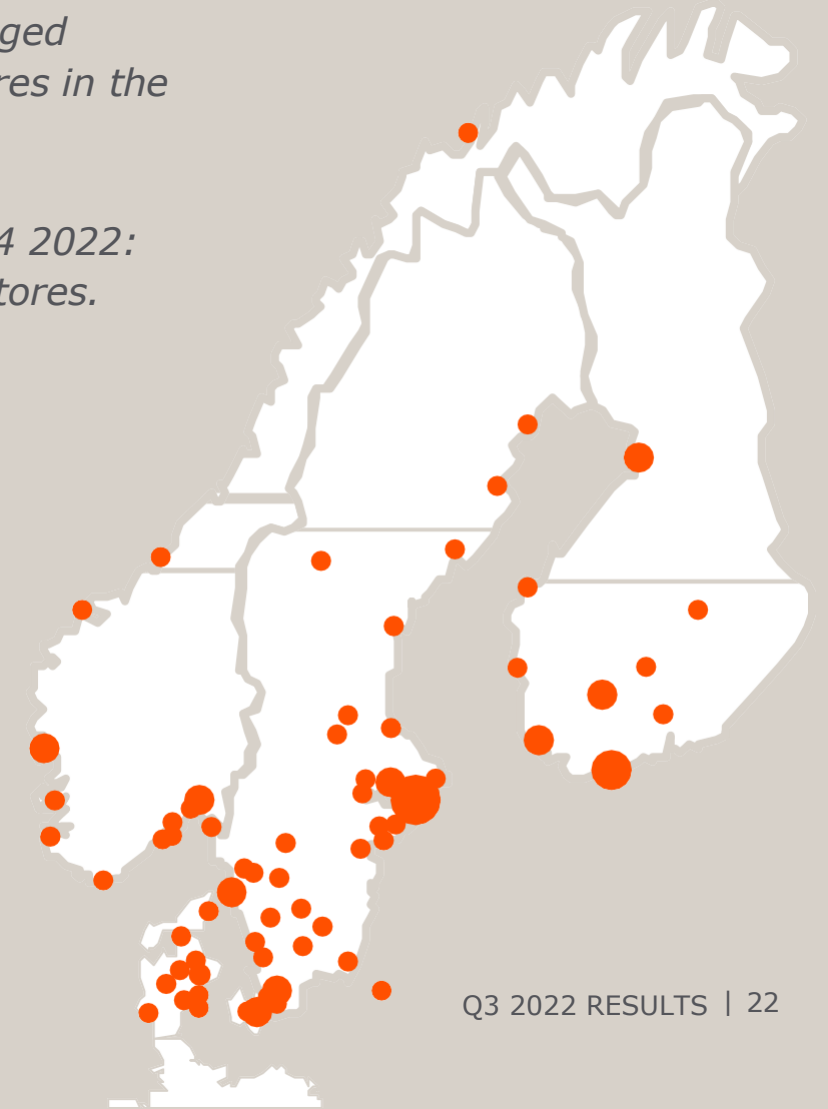
Store Network Overview

Number of stores per quarter



Total number of stores at the end of the quarter was **520** (495), of which directly owned **487** (456). Unchanged number of stores in the quarter.

Assessment Q4 2022:
11 – 14 new stores.





Q & A



SYNSAM GROUP