



Results presentation Q4 & 2022



SYNSAM GROUP

AGENDA



Business
update




Summary



Financial
Development



Q&A

The background image shows an optical store with multiple shelves of eyeglasses. Promotional signs are visible, including "OUTLET COLLECTION" with a large percentage symbol, "VÄLJ GLAS", and "300kr" and "100kr" price tags. A sign on the right says "UPPTILL".

Synsam Group Q4 & 2022 in summary



100kr%%

Strong growth and increased market shares in a weaker market

- Nominal growth 10.3% Q4
- Organic growth 6.8% Q4, 10.6% 2022
- EBITDA margin 19.6% Q4, 22.8% 2022

During the year, a cost and restructuring program has been implemented to strengthen the EBITDA margin to be in line with Synsam's financial targets

- The cost base for operating costs is estimated to decrease with 102 MSEK during 2023 and 129 MSEK 2024, compared to 2022

Another strong quarter for the subscription business

- The number of active customers increased by approx. 33,000 – New record in a single quarter
- Churn decreased to 2.11%

The gross margin was strengthened compared to Q3

- Simultaneously, our affordable solutions are even more important in this market and our price guarantee makes the customers feel assured

Synsam EyeView

- We increase optician capacity, improve customer accessibility, decrease waiting times and reduce the need for and costs associated with consultants

The Board of Directors proposes a share dividend of SEK 1.70 (1.70)

BUSINESS UPDATE

The Market Situation

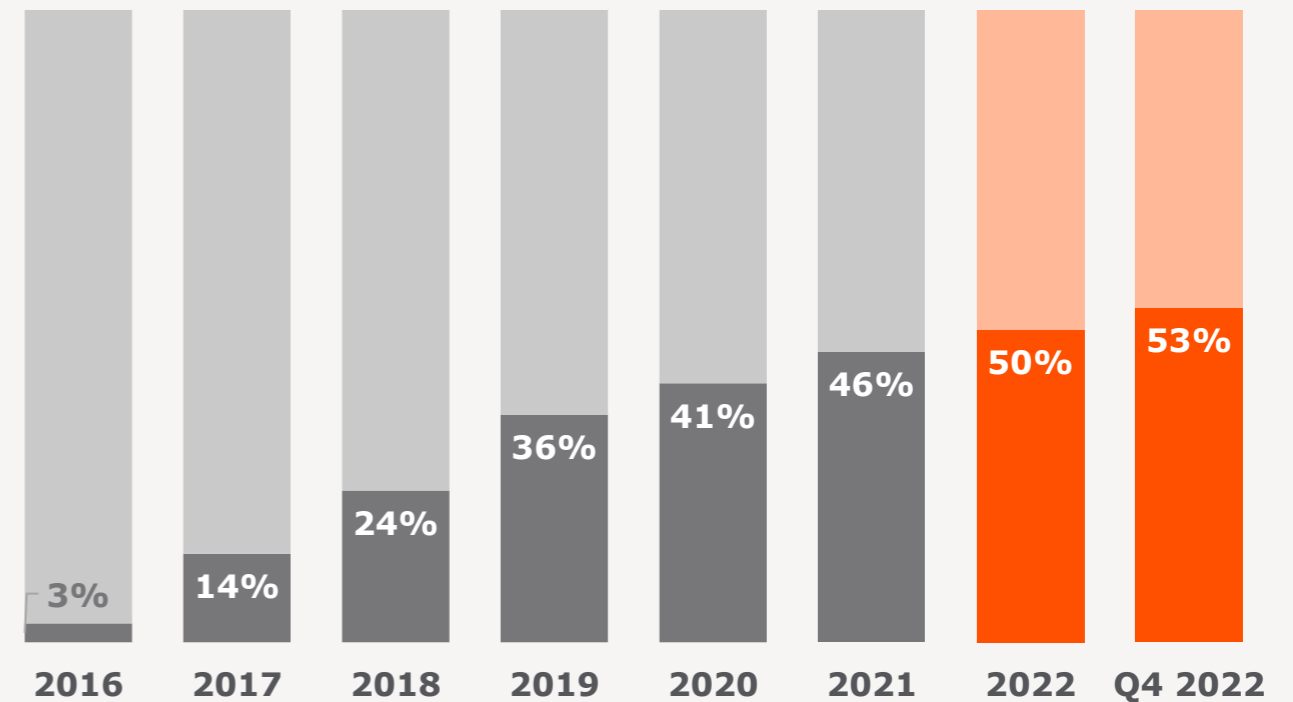
- The market is characterized by uncertainties such as war and macroeconomic turbulence
- Optics and eye health are need driven and acyclic
- High inflation contributes to price awareness among customers and a desire to distribute costs
- The consumers are more thorough when making decisions
- Distinct offers are more important during uncertain times



Continued strong development of Synsam Lifestyle subscription

- Net sales for the Lifestyle Subscription in Q4 2022 amounted to **728 MSEK** (600), an increase of 21%. All segments contributed to the development.
- **Lifestyle subscription increased in all segments during the quarter:**
 - Sweden 396 MSEK (315), +26%
 - Denmark 126 MSEK (112), +13%
 - Norway 143 MSEK (116), +24%
 - Finland 55 MSEK (40), +37%
- **The subscription is even more attractive and adds extra value for the customer in times of larger economic uncertainty, where consumers distributes their costs over time**

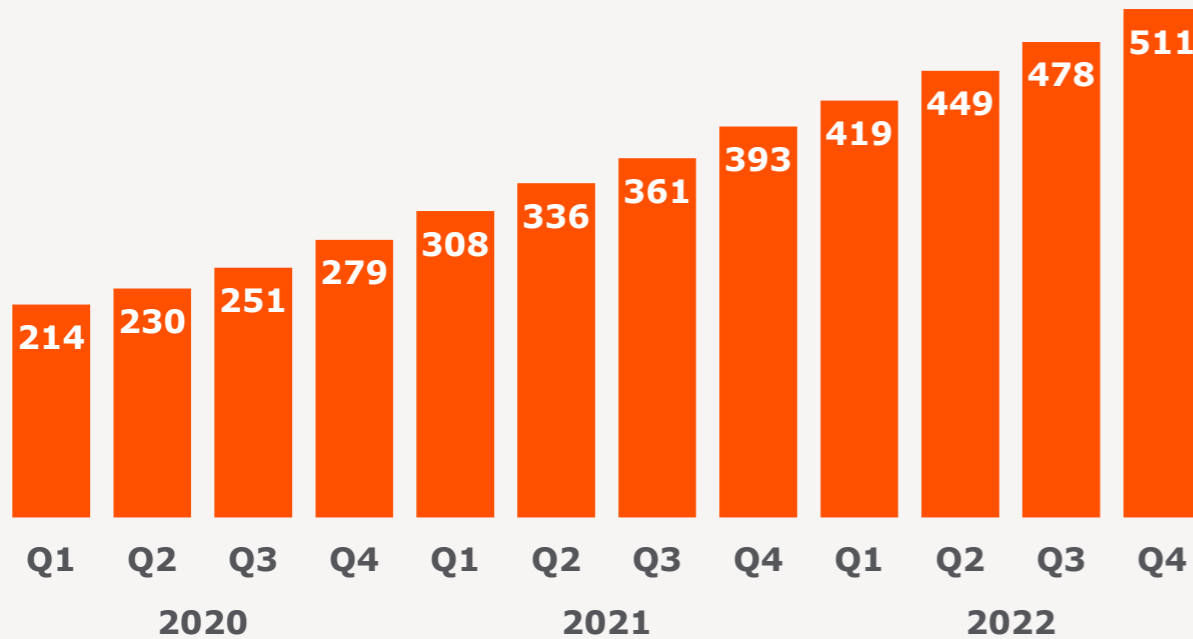
Lifestyle represents an increasing % of total Net Sales



Record quarter for the subscription business

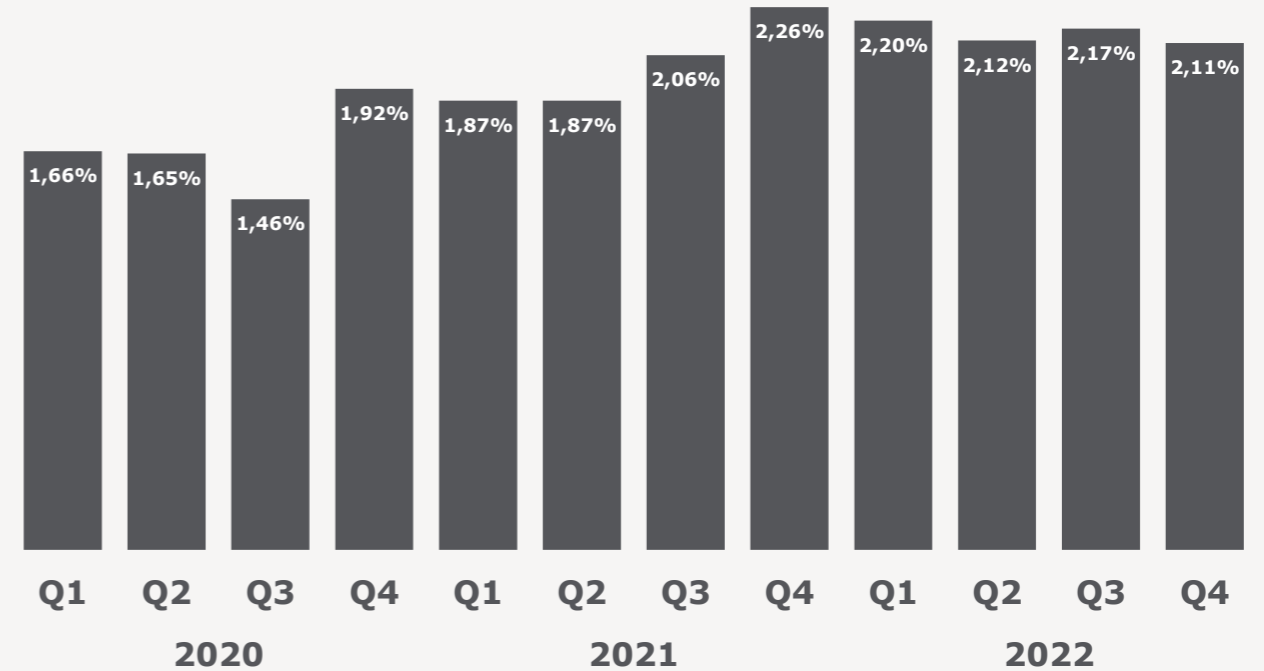
Active customer base Synsam Lifestyle (thousands), at the end of the period

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



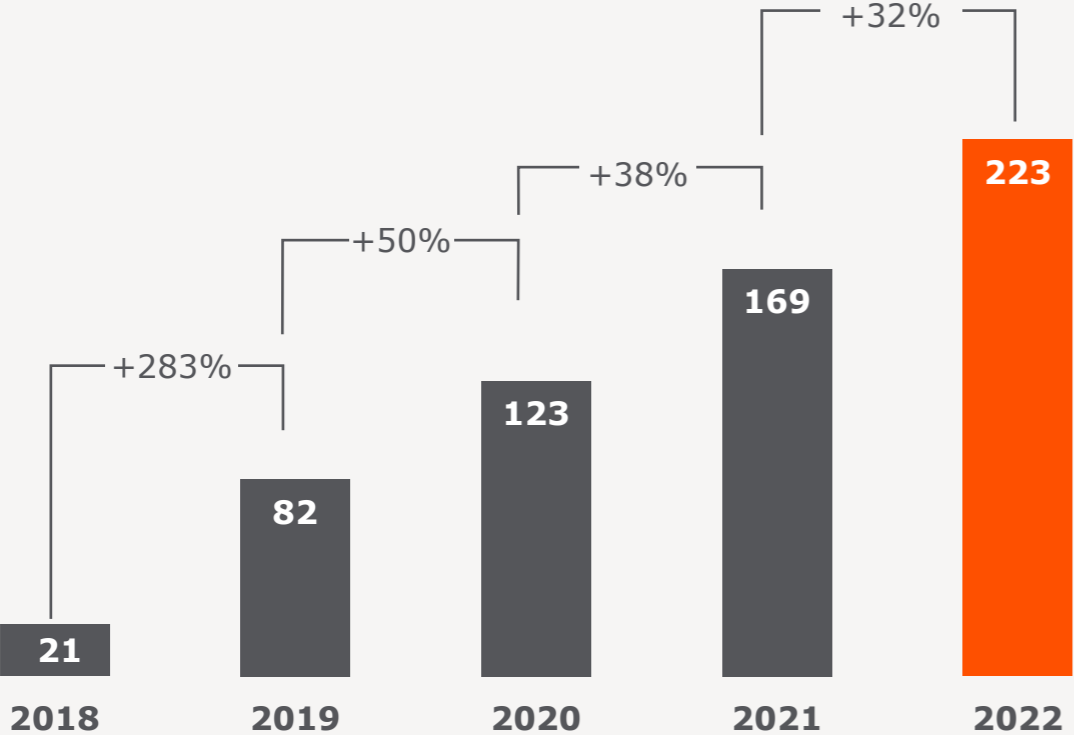
Synsam Group quarterly churn – Synsam Lifestyle is a measure of the proportion of customers who leave the spectacles subscription

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



Synsam Contact Lens Subscription – the success continues

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



Jämtö – Synsam's best launch ever

- **The new collection from our factory in Frösön, Jämtö, is the best launch ever and sells more than twice as much as other premium brands**
- The Swedish-made Jämtö frame from Östersund reduces CO2e-emissions with 30 percent compared to a matching spectacle frame manufactured in Asia





Summary

- Strong growth and increased market shares in a weaker market
- A cost and restructuring program is carried out to strengthen profitability and increase efficiency
- Record quarter for the subscription business
- Affordable solutions are even more important in this market and our price guarantee is a safety for our customers
- Synsam EyeView increases optician capacity, improves customer accessibility and decreases waiting times

FINANCIAL DEVELOPMENT

Q4 Overview

- Net sales amounted to **1,373 MSEK** (1,245), an increase of **10.3%**
- Gross margin amounted to **76.7%** (79.2)
- Organic growth during Q4 was **6.8%** and growth like-for-like was **4.0%**
- EBITDA margin for the quarter amounted to **19.6%** (26.5)*
- Earnings per share, before and after dilution, totalled **0.34 SEK (0.38)** in Q4**



Q4

**Net sales
MSEK**

1,373



Q4

Gross margin

76.7%



Q4

Organic growth

+6.8%



Q4

EBITDA margin

+19.6%

2022 Overview

- Net sales amounted to **5,277 MSEK** (4,669), and increase of **13.0%**
- Gross margin amounted to **75.8%** (76.7)
- Organic growth was **10.6%** and growth like-for-like was **6.7%**
- EBITDA margin amounted to **22.8%** (26.9)*
- Earnings per share, before and after dilution, increased to **2.19 SEK (0.60)****



2022

**Net sales
MSEK**

5,277



2022

Gross margin

75.8%



2022

Organic growth

+10.6%



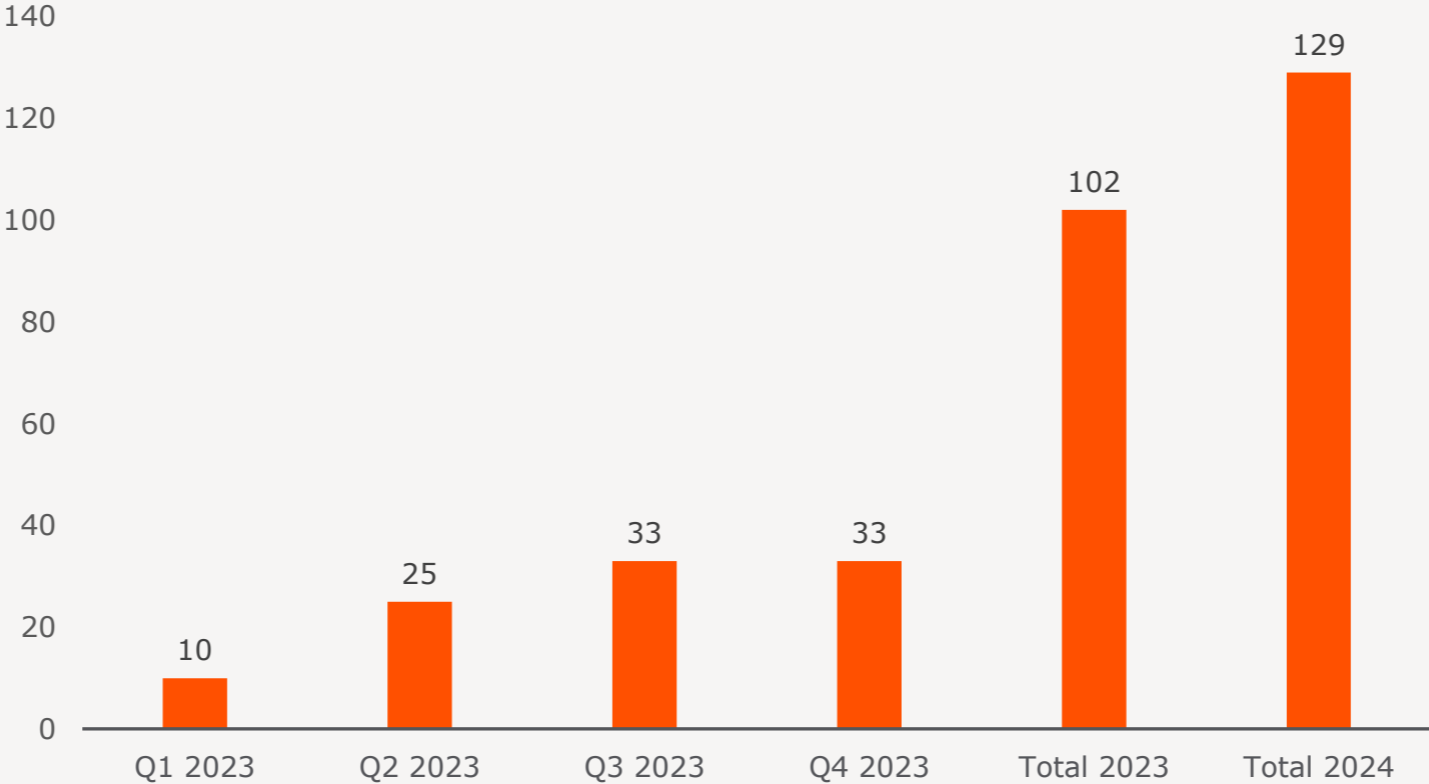
2022

EBITDA margin

+22.8%

Cost and restructuring program allocation per quarter

Reduced operating costs (MSEK)



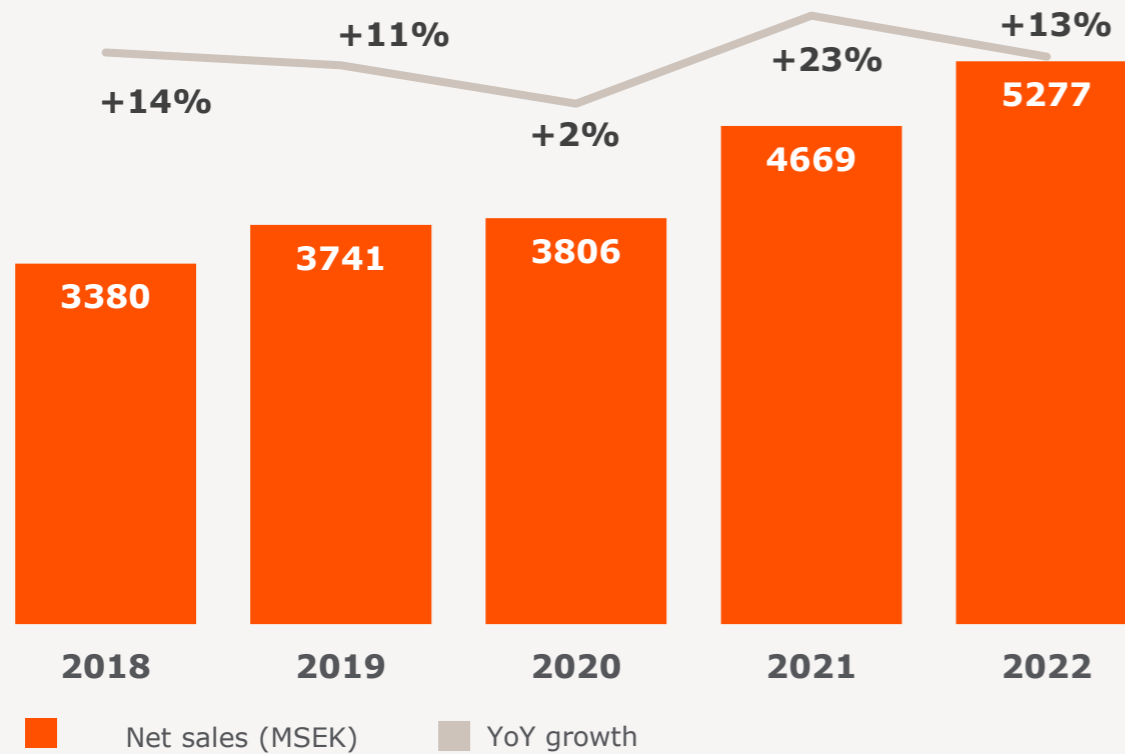
Q4 Financial Overview – Continued strong turnover growth

MSEK	Q4		
	2022	2021	Δ%
Net sales	1,373	1,245	10.3
Organic growth, % ¹	6.8	13.8	
Gross margin, % ¹	76.7	79.2	
Result (EBITDA) ¹	273	296	-7.7
Adjusted EBITDA ¹	273	333	-18.0
EBITDA margin, % ¹	19.6	23.5	
Adjusted EBITDA margin, % ¹	19.6	26.5	
Result (EBITA) ¹	127	186	-31.5
Adjusted EBITA ¹	127	223	-42.9
EBITA margin, % ¹	9.1	14.8	
Adjusted EBITA margin, % ¹	9.1	17.7	

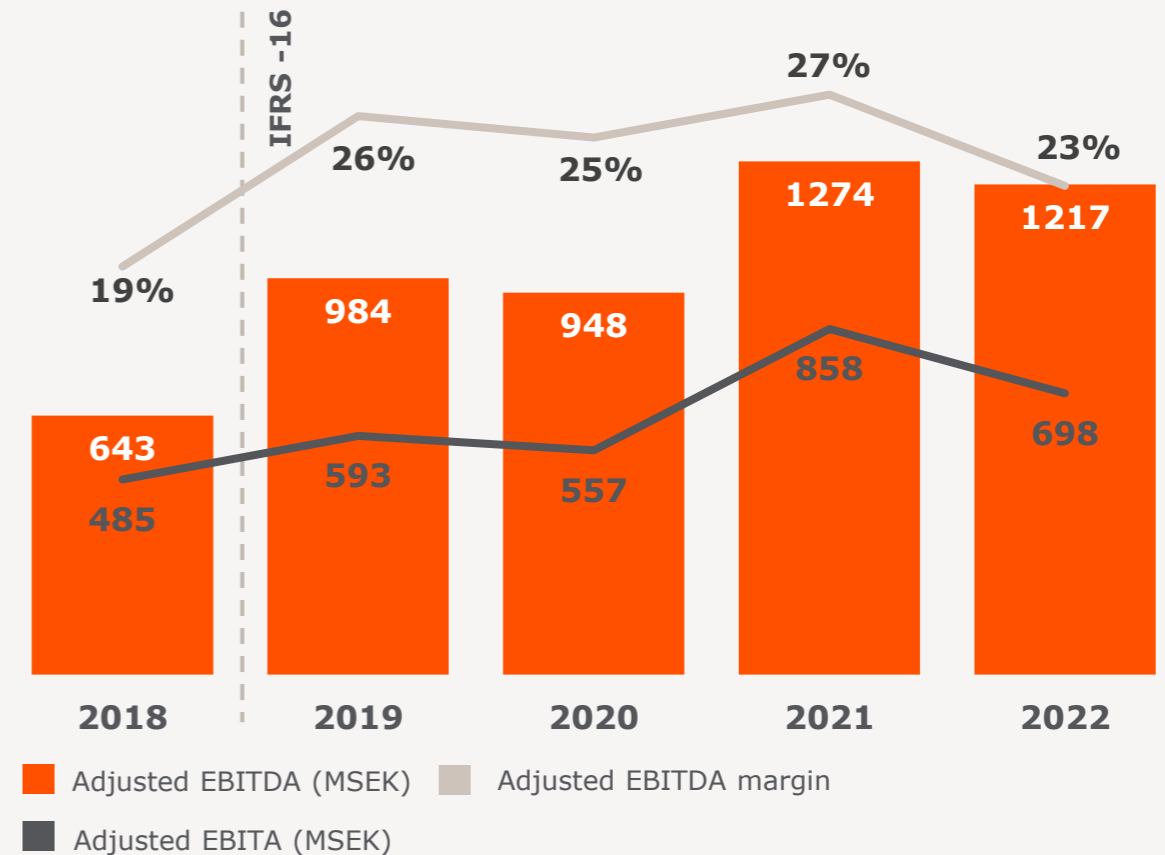
- **Organic growth: 6.8%**
- **Like-for-like growth: 4.0%**
- Increased operating costs due to the high store expansion rate, increased personnel costs partly as a result of the optician shortage, the start-up of our production facility and increased inflation
- In addition, the result for the fourth quarter has also been charged with costs of approx. 34 MSEK related to a cost and restructuring program and to extra costs incurred to directly or indirectly enable the program to be implemented
- The gross margin has been strengthened sequentially compared to the third quarter 2022. Measures taken have had effect.
- **EBITDA 273 MSEK and EBITDA margin 19.6%**

Long term financial development

Net sales development



Adjusted EBITDA and EBITA development



Cash Flow and Financial Position

- Cash flow from operating activities amounted to 185 MSEK (392) for Q4
- Cash flow is, among other things, affected by increased inventory for 2022 and reduced accounts payable for Q4
- Cash flow from investing activities in 2022 is affected by increased investments in tangible fixed assets
- Cash flow from financing activities in 2022 is affected by, among other things, dividend to Synsam's shareholders of 255 MSEK and a buy-back of own shares of 47 MSEK
- Net debt for 2022 amounted to 2,969 MSEK (2,390). It was affected by leases with associated lease liabilities, which increase when the number of stores increases. During the full year 2022, leasing liabilities have increased by 199 MSEK. During 2022, the net debt has also been affected by a negative currency effect on liabilities to credit institutes of 65 MSEK due to loans taken out in currencies other than SEK.
- Net debt without regards to IFRS 16 amounts to 2,073 MSEK (1,697)

MSEK	Q4		jan-dec	
	2022	2021	2022	2021
Operating activities				
Profit/loss before tax	59	91	415	163
Adjustments for other non-cash items	-4	12	-34	271
Depreciation and amortisation	183	145	665	555
Income taxes paid	8	-10	-153	-86
Cash flow from operating activities before changes in working capital	246	237	893	903
Cash flow from changes in working capital:				
Change in inventories	3	-5	-148	-60
Change in operating receivables	21	90	20	59
Change in operating liabilities	-85	69	-75	78
<i>Increased (-) / Decreased (+) funds tied up in working capital</i>	<i>-61</i>	<i>155</i>	<i>-203</i>	<i>76</i>
Cash flow from operating activities	185	392	690	980
Investments in intangible non-current assets	-11	-12	-30	-26
Investments in tangible non-current assets	-96	-102	-352	-246
Other investing activities	0	-4	-3	-11
Cash flow from investing activities	-107	-117	-385	-283
Repurchase of own shares	-47	0	-47	0
Amortisation of debts to credit institutions	0	-2 606	0	-2 901
Amortisation of leasing debts	-100	-69	-328	-271
Borrowings	0	2 392	0	2 392
Dividends	0	0	-255	0
Cash flow from financing activities	-147	-283	-631	-780
CASH FLOW FOR THE PERIOD	-69	-8	-326	-83
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	508	752	755	809
Exchange rate differences in cash and cash equivalents	4	11	14	30
CASH AND CASH EQUIVALENTS AT END OF PERIOD	444	755	444	755

Growth and result per segment



1
SWEDEN

Organic growth Q4
+8.7%
Organic growth YTD
+11.6%

Like for like Q4
+6.7%
Like for like YTD
+8.5%

Adjusted EBITDA Q4
213 MSEK (209)
Adjusted EBITDA YTD
758 MSEK (758)



2
DENMARK

Organic growth Q4
-5.3%
Organic growth YTD
+3.9%

Like for like Q4
-5.9%
Like for like YTD
+2.8%

Adjusted EBITDA Q4
58 MSEK (74)
Adjusted EBITDA YTD
277 MSEK (280)



2
NORWAY

Organic growth Q4
+5.6%
Organic growth YTD
+4.9%

Like for like Q4
+4.2%
Like for like YTD
+3.6%

Adjusted EBITDA Q4
53 MSEK (62)
Adjusted EBITDA YTD
239 MSEK (274)

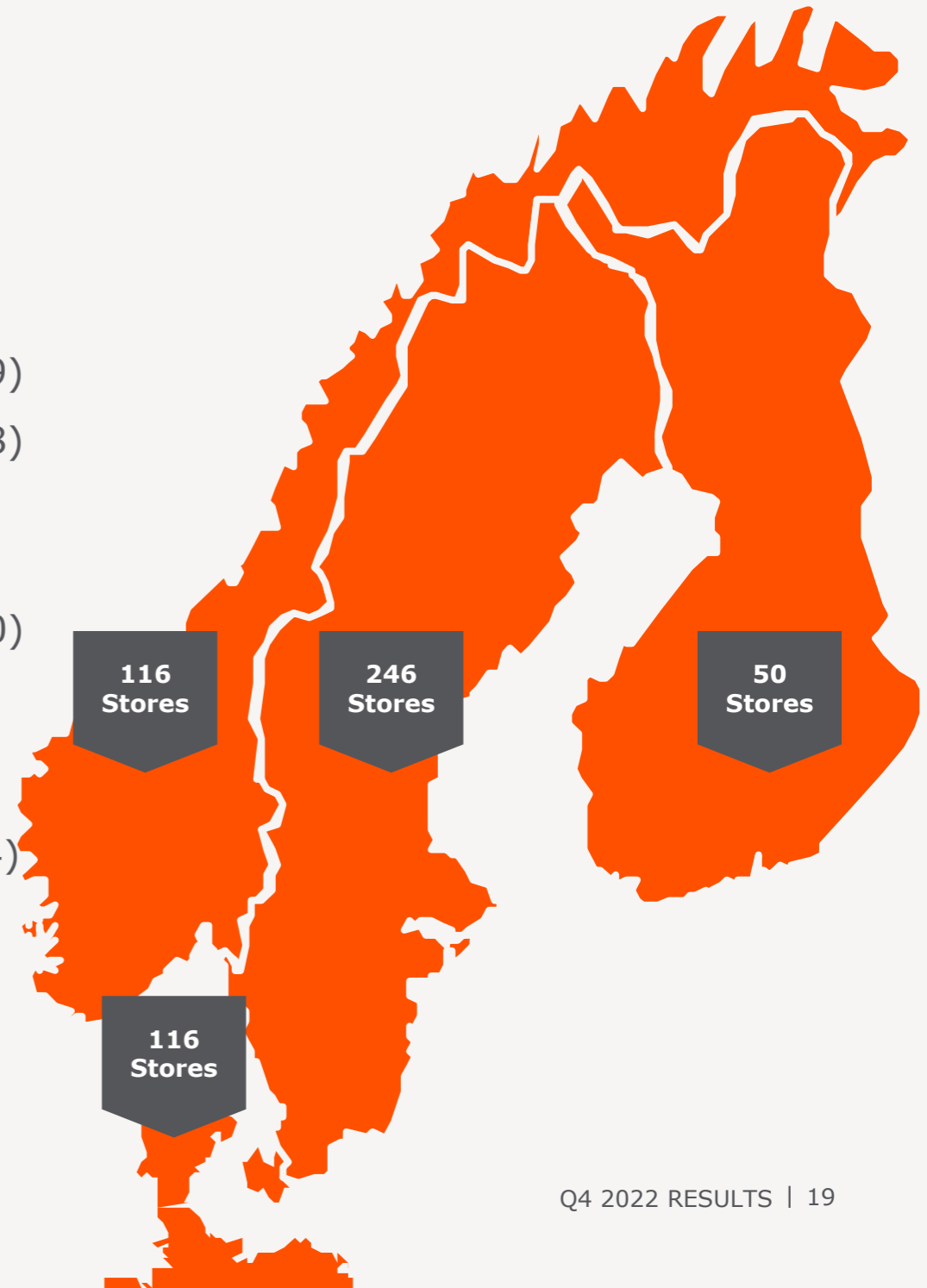


4
FINLAND

Organic growth Q4
+32.6%
Organic growth YTD
+41.0%

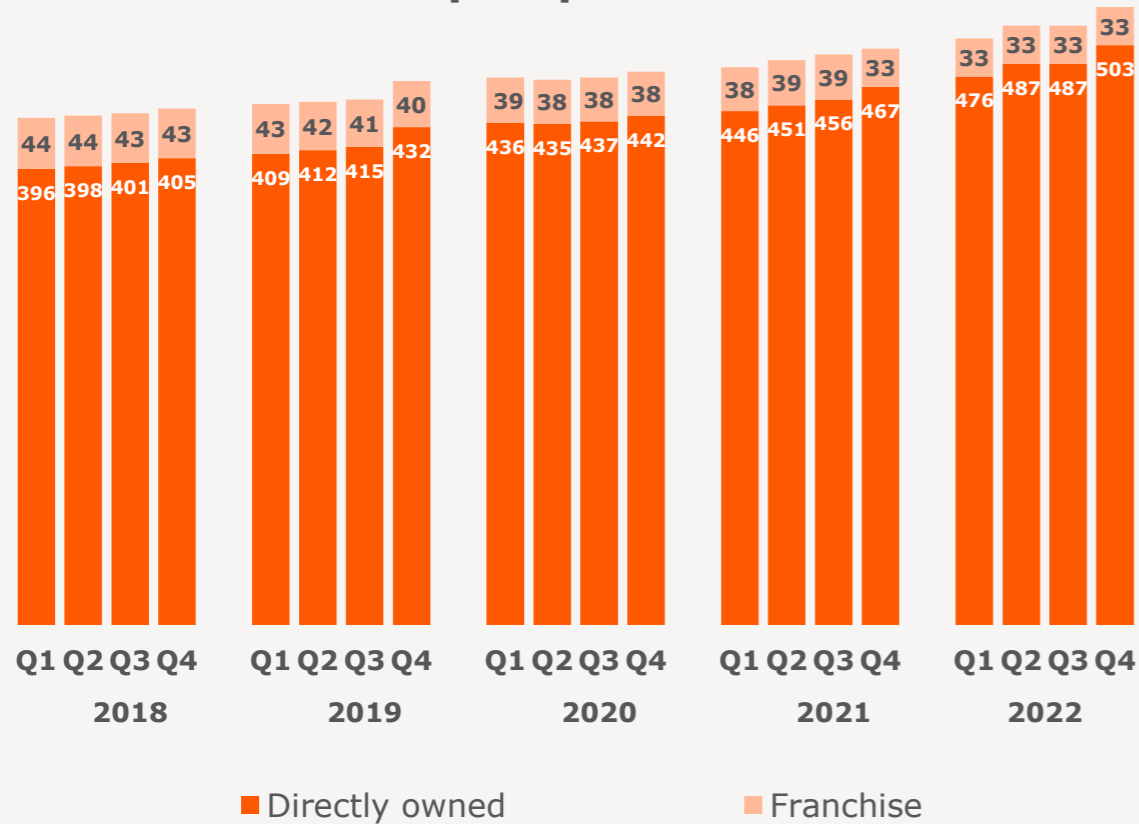
Like for like Q4
+10.1%
Like for like YTD
+11.0%

Adjusted EBITDA Q4
5 MSEK (7)
Adjusted EBITDA YTD
35 MSEK (37)

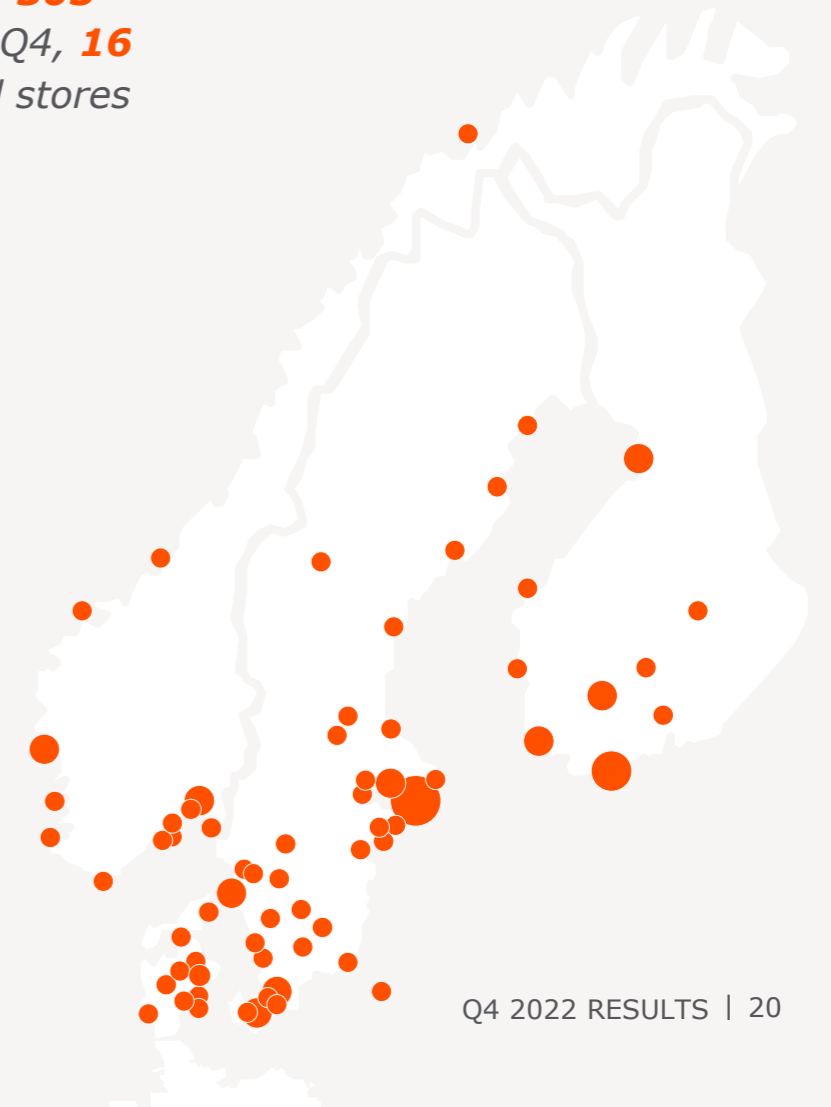


Store Network Overview

Number of stores per quarter



Total number of stores at the end of 2022 was **536** (500), of which directly owned **503** (467). During Q4, **16** directly owned stores were opened





Q & A



SYNSAM GROUP