

Press release 22 August 2023

Synsam Group's Q2 report 2023

Record earnings and sales for a single quarter - "Strong profitability in all segments"

1 April - 30 June 2023

- Net sales amounted to SEK 1,566 million (1,399), up 12.0 percent. Organic growth totalled 10.2 percent (13.7)
- Net sales from spectacles subscriptions increased 14.2 percent (26.7)
- The gross margin increased to 74.0 percent (73.7)
- EBITDA rose to SEK 401 million (347) and the EBITDA margin was 25.3 percent (24.5)
- EBITA increased to SEK 257 million (224) and the EBITA margin was 16.2 percent (15.8)
- EBIT increased to SEK 218 million (188) and the EBIT margin was 13.8 percent (13.3)
- Cash flow from operating activities increased to SEK 386 million (345)
- Net debt amounted to SEK 2,985 million (2,931) at the end of the period, compared with SEK 2,969 million at year-end 2022
- Profit after tax increased to SEK 140 million (97)
- Earnings per share before and after dilution increased to SEK 0.94 (0.65)

1 January - 30 June 2023

- Net sales amounted to SEK 2,977 million (2,585), up 15.2 percent. Organic growth increased to 13.6 percent (13.1)
- Net sales from spectacles subscriptions increased 20.4 percent (22.5)
- The gross margin was 75.2 percent (76.2)
- EBITDA rose to SEK 719 million (641) and the EBITDA margin was 23.9 percent (24.5)
- EBITA increased to SEK 428 million (401) and the EBITA margin was 14.2 percent (15.3)
- EBIT increased to SEK 352 million (330) and the EBIT margin was 11.7 percent (12.6)
- Cash flow from operating activities increased to SEK 642 million (291)
- Profit after tax amounted to SEK 159 million (196)
- Earnings per share before and after dilution totalled SEK 1.07 (1.31)

President and CEO Håkan Lundstedt comments:

"Synsam can report its highest ever sales for a single quarter. Net sales increased 12 percent in the second quarter of 2023, organic growth amounted to 10 percent and like-for-like growth totalled 7 percent. At the same time, the EBITDA margin and EBITA margin improved compared with the year-earlier quarter and amounted to 25.3 percent (24.5) and 16.2 percent (15.8), respectively. The gross margin also improved compared with the year-earlier quarter.

Synsam's spectacles subscription, Synsam Lifestyle, has continued its popularity in the market with a 14 percent increase in sales compared with the year-earlier period. At the same time, the churn rate declined to 1.86 percent for the second quarter, which was the lowest rate since the third quarter of 2020. The business provides added value for our customers, in particular during these times of economic uncertainty, since the service provides customers with options at several price levels and predictable monthly fees, enabling consumers to spread their costs out over time. Synsam Lifestyle represents a unique CRM tool that creates long-term customer relationships and frequent customer contact, since customers are notified annually for eye examinations and given the opportunity to exchange their frames. Synsam Group's contact lens subscription was also successful, with net sales of SEK 92 million (56) in the second quarter.

Profitability – EBITDA – increased in all of Synsam's four segments in the second quarter. In Sweden, Synsam further increased its market share with organic growth of 10 percent while the EBITDA margin strengthened. Norway is on the right path and posted an improvement, with organic growth of 10 percent and a stronger EBITDA margin. The cost and restructuring programme 1.0 is proceeding according to plan and has had the greatest impact in Sweden and Norway. A cost and restructuring programme 2.0 with effect from the year 2024 has begun. The Danish market remains highly competitive and challenging and it is gratifying to be able to confirm that Synsam Denmark has maintained a continued stable performance and profitability. Synsam's strong growth in Finland continued and Synsam Finland increased its market shares in the quarter at the same time as profitability improved. Synsam's offering is attractive to customers even in times of economic uncertainty, and Synsam's focus on lower price points and its price guarantee are successful.

The establishment of new, innovative technological solutions to create greater business value, known as Synsam EyeView, is establishing the prerequisites for further growth, increased availability and more satisfied customers. New innovative technological solutions and changed processes and ways of working are increasing optician capacity and reducing the need for consultants, and therefore, expenses. Synsam EyeView also means that we can continue to expand into areas where the lack of opticians had previously been an obstacle to store establishments.

As in the first quarter, our rate of investment was lower in the second quarter compared with the preceding year. Many growth opportunities were created in 2022 for Synsam to expand operations in locations that have previously lacked attractive store locations, and Synsam established 37 stores. We chose to reduce our rate of establishment in the first half of 2023 and instead focus on upgrades and relocations of existing stores. Combined

with a lower rate of investment in the production facility in Östersund compared with 2022, this resulted in lower overall investments and improved cash flow for the quarter and the first half of the year compared with last year. The goal of establishing an additional 90 new stores between 2024 and 2026 remains firm.

The production facility in Östersund is performing according to plan and, following the successful launch of the first collection, Jämtö, at the end of 2022, a new collection will be launched in autumn 2023.

In the second quarter of 2023, we achieved our medium-term growth target of organic growth of 8–12 percent and our profitability target of achieving an EBITDA margin of 25 percent or higher. I would like to thank our employees for their hard work in this quarter in meeting our customers and successfully providing for their needs. Synsam's position in the market has never been stronger, but we are taking additional measures to strengthen it even further."

Presentation of the report in Swedish at 09.00 CEST today

- **Place:** Webcast with teleconference.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.
- Registration for participation in webcast with teleconference:
<https://financialhearings.com/event/46150>

Presentation of the report in English at 10.30 CEST today

- **Place:** Webcast with teleconference.
- Registration for participation in webcast with teleconference:
<https://financialhearings.com/event/46779>

The presentation material will be available on the website at 08.00 CEST today.
www.synsamgroup.com/en/investor-relations/

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This information is such that Synsam AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 a.m. on 22 August 2023.

This interim report is published in Swedish and English. The Swedish version represents the original version, and has been translated into English.



Synsam Group is a leading optician group in the Nordic region, with a differentiated and affordable subscription offering. Synsam Group offers a wide range of products and services for eye health and eye fashion, catering to the customer's different lifestyles and needs. The group has approximately 4,000 employees, net sales of more than SEK 5.5 billion (rolling twelve months until June 2023) and has approximately 500 stores in the Nordics, operating under the brands Synsam, Synsam Recycling Outlet and Profil Optik in Denmark. Through digitalization, subscription services and other innovative concepts, Synsam Group is at the forefront of innovation in the Nordic optical retail market across multiple dimensions including customer journey, product offering and ESG. Synsam Group's share is traded on Nasdaq Stockholm (SYNSAM). www.synsamgroup.com