

Press release 17 November 2023

Synsam Group's Q3 report 2023

Focus on profitable growth yields results - "EBIT increased 38 percent in the third quarter"

1 July - 30 September 2023

- Net sales amounted to SEK 1,450 million (1,319), up 9.9 percent. Organic growth totalled 7.0 percent (9.6)
- Net sales from spectacles subscriptions increased 13.7 percent (23.4)
- The gross margin increased to 74.9 percent (73.8)
- EBITDA¹ rose to SEK 373 million (303) and the EBITDA margin was 25.2 percent (22.7)
- EBITA increased to SEK 222 million (169) and the EBITA margin was 15.0 percent (12.7)
- EBIT increased to SEK 184 million (133) and the EBIT margin was 12.4 percent (9.9)
- Cash flow from operating activities amounted to SEK 104 million (214)
- Net debt amounted to SEK 2,953 million (2,864) at the end of the period, compared with SEK 2,969 million at year-end 2022
- Profit after tax increased to SEK 90 million (80)
- Earnings per share before and after dilution increased to SEK 0.61 (0.53)

1 January - 30 September 2023

- Net sales amounted to SEK 4,427 million (3,904), up 13.4 percent. Organic growth totalled 11.4 percent (11.9)
- Net sales from spectacles subscriptions increased 18.1 percent (22.8)
- The gross margin was 75.1 percent (75.4)
- EBITDA¹ rose to SEK 1,092 million (944) and the EBITDA margin was 24.3 percent (23.9)
- EBITA increased to SEK 650 million (571) and the EBITA margin was 14.5 percent (14.4)
- EBIT increased to SEK 535 million (462) and the EBIT margin was 11.9 percent (11.7)
- Cash flow from operating activities increased to SEK 746 million (505)
- Profit after tax amounted to SEK 249 million (277)
- Earnings per share before and after dilution totalled SEK 1.67 (1.84)

President and CEO Håkan Lundstedt comments:

"In the third quarter of 2023, Synsam delivered improved earnings in three of its four markets, which is satisfactory. The cost programme is also having an effect and is proceeding according to plan. Earnings for the third quarter improved across the entire income statement, all the way through to net profit for the period, and the improvement in earnings performance we have seen since the second quarter continued. EBITDA increased 23.3 percent and EBIT rose 38.5 percent. The EBITDA margin and EBIT margin also improved considerably compared with the year-earlier quarter and amounted to 25.2 percent (22.7) and 12.4 percent (9.9), respectively. EBITDA for the nine-month period rose to SEK 1,092 million (944). The gross margin also improved compared with the year-earlier quarter.

We once again advanced our market position in three of four countries during the quarter. Net sales increased 10 percent in the quarter and organic growth amounted to 7 percent. Our strategy yields results, with the right type of establishments, focus on Synsam Lifestyle, and a strong service offering. Consumers are prioritising eye health even in more challenging times, and there is a strong need despite the weak economic situation.

Continued success for subscription model

Synsam's spectacles subscription, Synsam Lifestyle, posted a 14 percent increase in sales compared with the year-earlier period. The active customer base increased by 24 thousand customers in the quarter, a somewhat lower increase than in the previous quarters, as a result of optician capacity.

The churn rate remained low during the quarter and amounted to 2.04 percent. 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 costs to be spread out over time. Synsam Group's contact lens subscription was also successful, with high growth and net sales of SEK 106 million (64).

Continued strong performance in three of four segments. Measures being taken in Denmark

Profitability – EBITDA – increased in three of Synsam's four segments in the third quarter. In Sweden, Synsam further increased its market share with organic growth of 10 percent while the EBITDA margin strengthened.

Norway continued to improve, with organic growth of 8 percent and a stronger EBITDA margin.

Synsam's strong growth in Finland continued and its profitability improved. Synsam's concept is successful and appreciated by customers, which is the basis for the strong organic growth in Finland, where we take significant market shares.

The Danish market continued to face a great deal of competition and challenges, which affected Synsam Denmark's performance in the quarter. Organic growth amounted to negative 10 percent and the EBITDA margin declined. The Danish Credit Agreement Act

was also amended in the third quarter, impacting creditworthiness assessments for customers of the Danish Lifestyle offering. Measures are being taken.

Cost and restructuring programme phase 1 is having the intended effect. Cost and restructuring programme phase 2 is now being implemented and is expected to take effect starting in 2024.

High innovation rate

The rate of establishment is in line with the established plans. Optician capacity has been a limiting factor for growth in our industry. The introduction of Synsam EyeView in Synsam's stores creates the prerequisites for further growth, increased availability and more satisfied customers. Synsam EyeView combines new innovative technological solutions and changed processes and ways of working, resulting in higher optician capacity while at the same time 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. The project to introduce Synsam EyeView has continued throughout the entire year, and the success of this project has been evident in the stores where the solution has been introduced. The goal is for all stores in Sweden and Norway to use Synsam EyeView. Implementation will also begin in Denmark.

The production facility on Frösön in Östersund is proceeding according to plan and it is with great satisfaction and pride that we have now launched a new collection, Oscar Eide, in our stores, our second collection produced at this facility. With this collection, we can now offer even more locally produced frames for our customers in the Nordic market. Bringing production from Asia and closer to the end customer is an important part of Synsam's sustainability strategy. It also shortens lead times, which makes it possible to meet customer needs and demands more quickly.

In the third quarter of 2023, we achieved our medium-term profitability target of an EBITDA margin of 25 percent or higher, continuing on from the improvement in earnings performance we have seen since the second quarter. Our focus on meeting our customers' needs is the foundation of our success, and thanks to the outstanding work of our employees, Synsam is strengthening its position in the market."

Presentation in Swedish, with possibility to ask questions at 09.00 CET today

- **Place:** Webcast.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.
- **Link** to participate in the Q&A session: [SynsamGroup_Q3](#)

The presentation material will be available on the website at 07.30 CET today.
www.synsamgroup.com/en/investor-relations/



For more information, please contact:

Per Hedblom, Chief Financial Officer Synsam AB (publ)

+46 (0)8 619 28 60, per.hedblom@synsam.com

Website: www.synsamgroup.com

This information is such that Synsam AB (publ) is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 7:30 a.m. CET on 17 November 2023.

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 September 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