

Press release 21 February 2024

## **Synsam Group's Year-end report 2023**

**Record sales and EBIT in 2023 - Significant increase in the EBIT margin**

### **1 OCTOBER – 31 DECEMBER 2023**

- Net sales amounted to SEK 1,479 million (1,373), up 7.7 percent.  
Organic growth totalled 7.4 percent (6.8)
- Net sales from spectacles subscriptions increased 7.2 percent (21.3)
- The gross margin was 76.6 percent (76.7)
- EBITDA rose to SEK 348 million (273) and the EBITDA margin was 23.2 percent (19.6)
- EBITA increased to SEK 200 million (127) and the EBITA margin was 13.3 percent (9.1)
- EBIT increased to SEK 161 million (90) and the EBIT margin was 10.7 percent (6.5)
- Cash flow from operating activities increased to SEK 404 million (185)
- Net debt amounted to SEK 2,720 million at the end of the period, compared with SEK 2,969 million at year-end 2022
- Profit after tax increased to SEK 61 million (51)
- Earnings per share before and after dilution increased to SEK 0.41 (0.34)

### **1 JANUARY – 31 DECEMBER 2023**

- Net sales amounted to SEK 5,905 million (5,277), up 11.9 percent.  
Organic growth totalled 10.3 percent (10.6)
- Net sales from spectacles subscriptions increased 15.1 percent (22.4)
- The gross margin was 75.5 percent (75.8)
- EBITDA rose to SEK 1,440 million (1,217) and the EBITDA margin was 24.1 percent (22.8)
- EBITA increased to SEK 850 million (698) and the EBITA margin was 14.2 percent (13.1)
- EBIT increased to SEK 696 million (552) and the EBIT margin was 11.6 percent (10.3)
- Cash flow from operating activities increased to SEK 1,150 million (690)
- Profit after tax amounted to SEK 311 million (328)
- Earnings per share before and after dilution totalled SEK 2.08 (2.19)
- The Board of Directors proposes a dividend of SEK 1.80 (1.70) per share

**President and CEO Håkan Lundstedt comments:**

"2023 was a record year for Synsam, with strong growth, increased profitability, and an improved market position. Synsam generated organic growth of 10 percent and like-for-like growth of 7 percent in 2023 in a market in which consumers have generally refrained from spending. Earnings improved in 2023, with EBITDA up 18 percent and EBIT up 26 percent. The EBITDA margin and EBIT margin also improved considerably and amounted to 24.1 percent (22.8) and 11.6 percent (10.3), respectively. EBITDA increased 27 percent in the fourth quarter, and our increase in EBIT was significantly higher than our sales growth for both full-year 2023 and the fourth quarter. Our strategy – based on establishing the right types of stores, focusing on Synsam Lifestyle, an efficient organisation and having a strong service offering – is yielding results.

**Subscription business reaches SEK 3 billion in sales**

Synsam's spectacles subscription, Synsam Lifestyle, posted a 15 percent increase in sales in 2023 and reached SEK 3 billion in sales. The active customer base increased by 109 thousand customers during the year and by 24 thousand customers in the fourth quarter. We also see that sales from subscription renewals are becoming increasingly important compared with revenue from new sales. The churn rate (a measure used to express the share of customers who terminated their spectacles subscriptions) was stable in the fourth quarter at 2.28 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 strong growth and net sales of SEK 375 million (223) in 2023.

Synsam's goal is for the total number of subscription customers (those who either have a Lifestyle subscription or who only subscribe for contact lenses) to amount to one million by the end of 2025. As of 31 December 2023, this figure was about 745 thousand.

**High rate of establishment**

Synsam established 22 new stores in 2023 and has thus established 85 new stores during the 2021– 2023 period, in line with our previously communicated target. Our new stores are quickly becoming profitable thanks to our strong concepts and our effective analyses and establishment methods. We also saw an increase in in-store traffic in the fourth quarter of 2023 and the full year. As of 31 December 2023, Synsam had 547 stores. In the first quarter of 2024, Synsam will establish between eight and ten new stores and the goal is to establish 90 new stores during the 2024–2026 period. Synsam sees great potential to continue increasing the number of stores in existing markets in the Nordics, which will also include continued investments in Synsam Hearing, with more than ten new hearing units opened in 2024 as part of our continued assessment of this business as a complement to our optical retail business.

## **Continued strong performance in Sweden and Finland. New management team in Norway and results beginning to emerge. Measures being taken in Denmark**

In Sweden, Synsam further increased its market share with organic growth of 11 percent and a stronger EBITDA margin in 2023.

Synsam's strong growth in Finland continued in 2023 at the same time as its profitability improved. During the 2021–2023 period, 26 new stores were established in Finland. Synsam has a successful concept that is appreciated by customers. This was the foundation for the strong organic growth in Finland, where we are capturing significant market share.

Norway posted organic growth of 9 percent in 2023, but the EBITDA margin declined as a result of a lower gross margin. We strengthened our market position in 2023 and are now focusing on improving our efficiency. A new management has been in place for a year and the results of this are beginning to emerge.

Organic growth in Denmark was negative in the fourth quarter, in a deeply competitive and weaker consumer market. The Danish Credit Agreement Act was amended in the third quarter, impacting credit rating assessments for customers of the Danish Lifestyle offering, which negatively impacted sales both directly and indirectly during the second half of 2023. As a result of the weaker sales trend combined with cost increases due to inflation, the EBITDA margin was lower. Measures have been taken and are expected to have an effect over both the short and long term, such as the introduction of Lifestyle Cash, where the customer receives the benefits of the Lifestyle solution without making partial payments. The measures taken have started to have a positive impact in Denmark.

### **Strong customer offering**

In our stores, customers should always be able to find frames that suit their look and style. We are constantly improving our stores and concepts to enhance our availability and customer service.

Synsam's own House Brands also play an important role in differentiating and strengthening our customer offering, attract new customers with unique products, creating attractive prices at various price points, and helping to improve the profitability as well as conversion rate of the Synsam Lifestyle subscription service. Since 2022, we also have our own production operations in Sweden for certain House Brand frames, Jämtö and Oscar Eide, which means that we can offer locally produced frames to our customers in the Nordic market. Moving part of our production from Asia and closer to the end customer in this way 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.

### **Continued focus on efficiency**

Our stronger EBITDA margin, despite continued cost inflation, is partly a result of the cost and restructuring programme initiated ahead of 2023. As previously announced, the aim of this programme is to reduce the cost base for operating expenses by SEK 102 million in 2023 and by SEK 129 million in 2024, compared with 2022. A new cost programme is now being implemented in order to counteract cost increases as a result of inflation and is expected to have an additional annual effect of SEK 106 million, of which an effect of SEK 94 million on full-year 2024. In the fourth quarter of 2023, EBITDA was charged with SEK 10 million in extra costs due to the implementation of the new cost programme.

### **Increased optician capacity – Synsam EyeView**

Optician capacity has been a limiting factor for growth and availability in our industry for a long time. The introduction of Synsam EyeView in Synsam's stores creates the prerequisites for further growth, increased availability and more satisfied customers. The project to introduce Synsam EyeView continued throughout 2023, and the success of this project has been evident in the stores where the solution has been introduced, where it has been very positively received by our customers.

We achieved our growth target in 2023 and closed in on our medium-term profitability target of an EBITDA margin of 25 percent or higher. We are never satisfied and are focusing on creating profitable growth through innovative solutions and meeting our customers' needs while ensuring efficiency. Thanks to the outstanding work of our employees, Synsam is strengthening its position in the market."

### **Presentation in Swedish, with possibility to ask questions**

- **Date and time:** 21 February 2024, at 09.30 CET.
- **Place:** Webcast.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.

**Link** to participate in the Q&A session: [SynsamGroup Q4](#)

The presentation material will be available on the website at 07.30 CET today.  
[www.synsamgroup.com/en/investor-relations/](http://www.synsamgroup.com/en/investor-relations/)

### **For more information, please contact:**

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*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 21 February 2024.*



*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 approximately SEK 5.9 billion (2023) and has approximately 500 stores in the Nordics, operating under the brands Synsam, Synsam 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](http://www.synsamgroup.com)*