



Results presentation Q4 and full year 2023



SYNSAM GROUP

Q4 and full year 2023 in summary

- **Synsam Group shows record in sales and operating profit**
- **Strong profitability measures in Q4 and full year 2023:**
 - In Q4, **EBITDA** increased **27.3%**, **EBITA** increased **56.5%** & **EBIT** increased **78.6%**
 - In 2023, **EBITDA** increased **18.4%**, **EBITA** increased **21.7%** & **EBIT** increased **26.0%**
 - In 2023, **EBITDA margin** was **24.1%** (22,8%), **EBITA margin** was **14.2%** (13.1%) & **EBIT margin** was **11.6%** (10.3%)
- **Synsam Lifestyle subscription business** reached SEK **3 billion** in sales 2023, corresponding to **15%** increase in sales
- **The contact lens subscription** delivers high growth and **net sales** of SEK **375 million** (223) in 2023
- **New cost program** with expected annual savings of an additional SEK **106 million**, of which an effect of SEK 94 million in 2024
- **High rate of establishment** – 22 new stores in 2023 and our new stores are quickly becoming profitable
- The Board of Directors proposed **dividend** of SEK **1.80 per share** (1.70)

Q4 Overview

- Net sales amounted to **1 479 MSEK** (1 373), an increase of **7.7%**
- Gross margin amounted to **76.6%** (76,7)
- Organic growth during Q4 was **7.4%** and growth like-for-like was **4.3%**
- EBITDA amounted to **348 MSEK** (273), an increase of **27.3%**
- EBITDA margin for the quarter amounted to **23.2%** (19.6)
- Earnings per share, before and after dilution, totalled **0.41 SEK** (0.34) in Q4

Full Year 2023



2023

**Net Sales
MSEK**

5 905



2023

Gross margin

75.5%



2023

Organic growth

+10.3%



2023

**EBITDA
MSEK**

1 440



2023

EBITDA margin

+24.1%

Positive organic growth in all segments in 2023



1
SWEDEN

Organic growth Q4
+7.8%
Organic growth FY
+11.5%

Like for like Q4
+5.6%
Like for like FY
+8.9%

EBITDA Q4
252 MSEK (213)
EBITDA FY
895 MSEK (758)



2
DENMARK

Organic growth Q4
-0.4%
Organic growth FY
+0.3%

Like for like Q4
-0.4%
Like for like FY
+0.2%

EBITDA Q4
51 MSEK (58)
EBITDA FY
281 MSEK (277)



2
NORWAY

Organic growth Q4
+3.8%
Organic growth FY
+8.9%

Like for like Q4
+1.2%
Like for like FY
+5.9%

EBITDA Q4
48 MSEK (53)
EBITDA FY
236 MSEK (239)

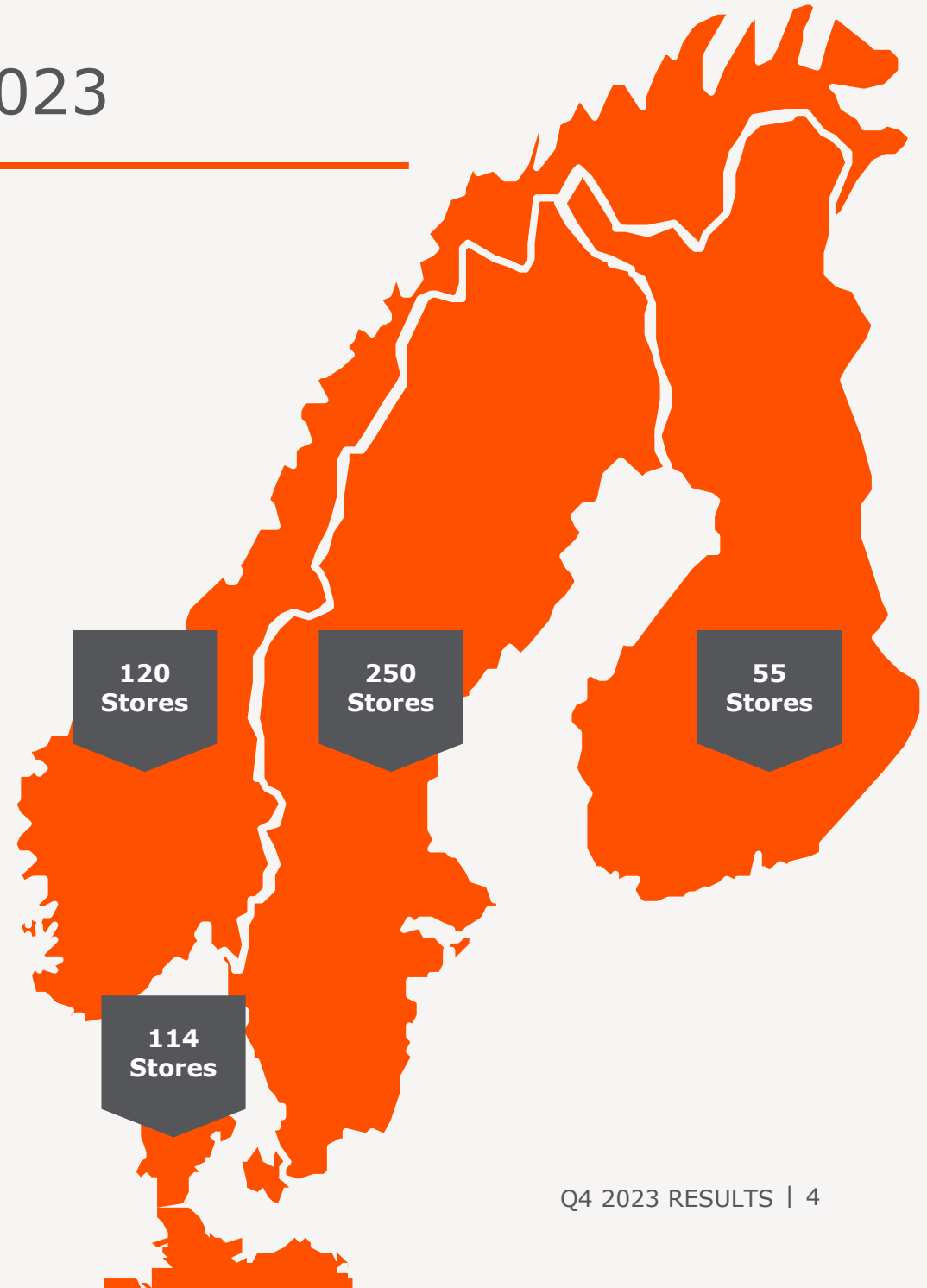


4
FINLAND

Organic growth Q4
+35.9%
Organic growth FY
+39.1%

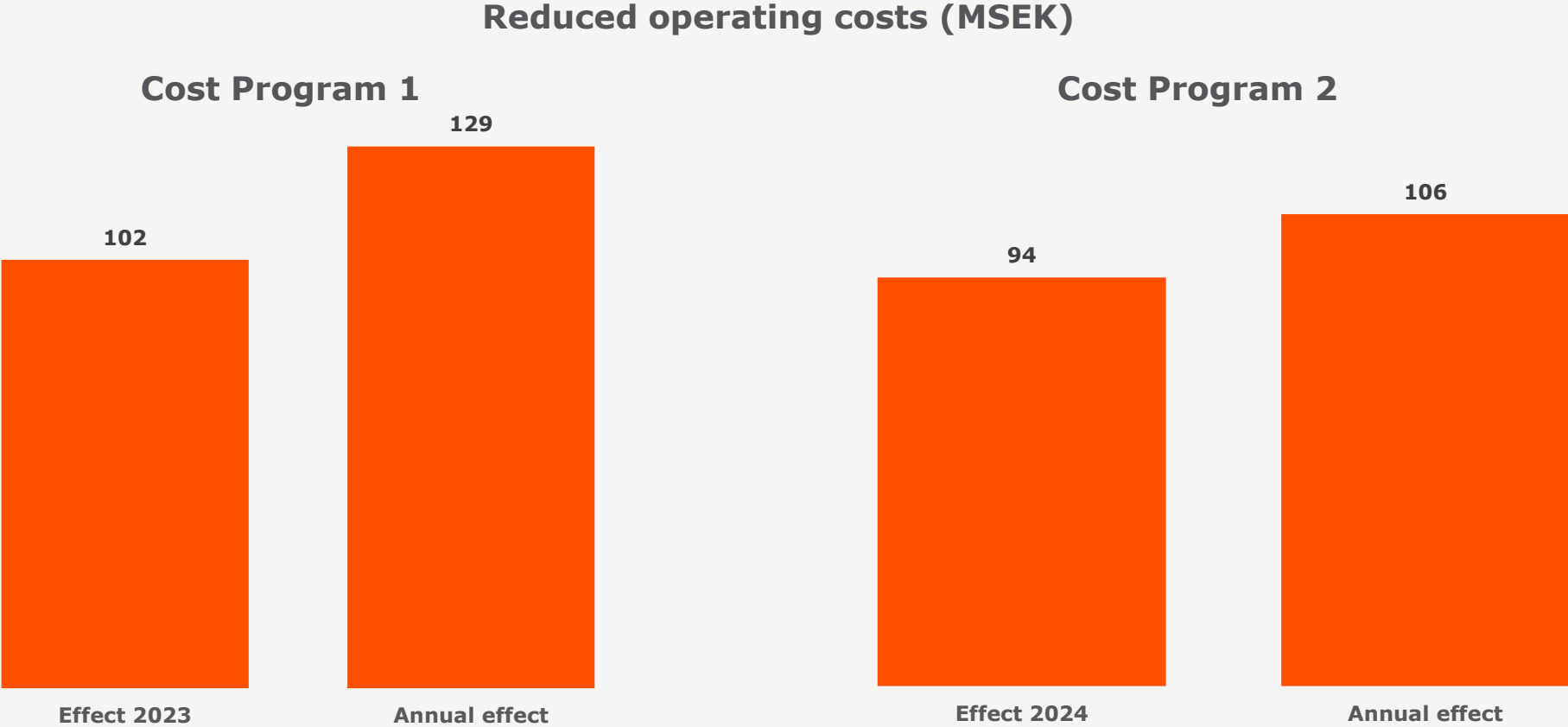
Like for like Q4
+18.9%
Like for like FY
+22.3%

EBITDA Q4
14 MSEK (5)
EBITDA FY
75 MSEK (35)



New cost program with expected annual savings of an additional SEK 106 million, of which an effect of SEK 94 million in 2024

In the fourth quarter of 2023, EBITDA was impacted with SEK 10 million in extra costs due to the implementation of the new cost program



Note: Both cost programs measured against baseline 2022

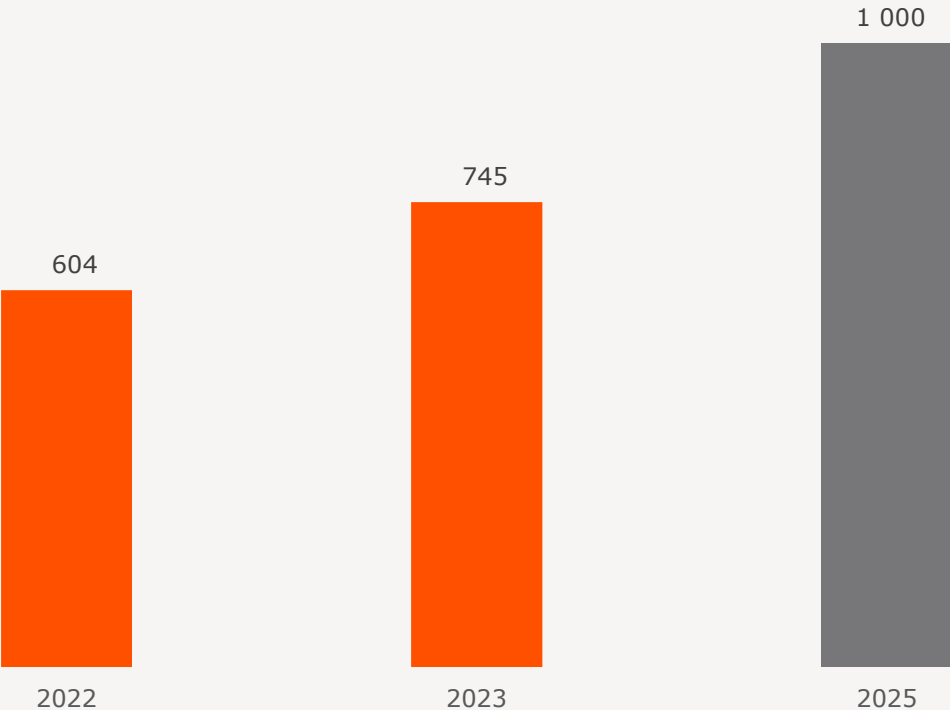
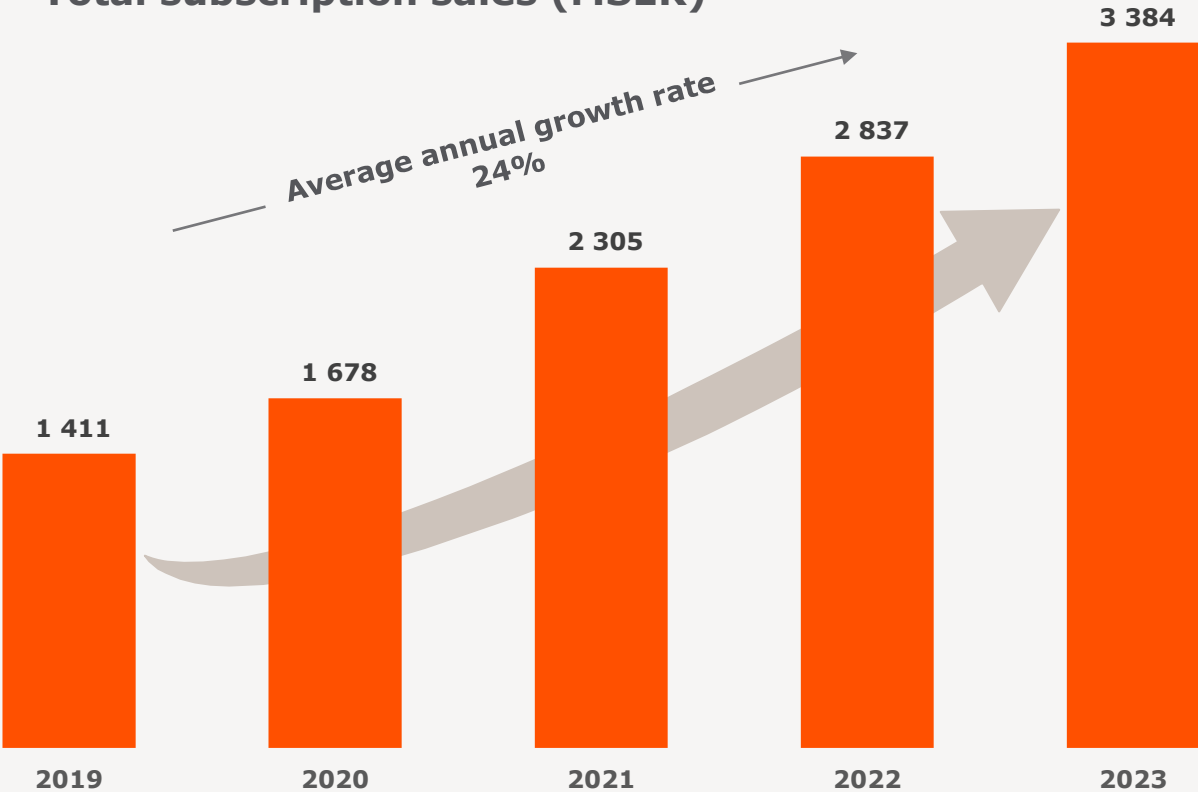
Strong development for Synsam's subscription services; Synsam Lifestyle & Synsam's contact lens subscription

Strong development in the total subscription turnover, which amounted to 3 384 MSEK in 2023

The total number of subscription customers amounted to 745 thousand in 2023. Goal 1 million subscription customers 2025

- **Total subscription sales (MSEK)**

- **Total number of subscription customers in thousands**



Synsam Lifestyle

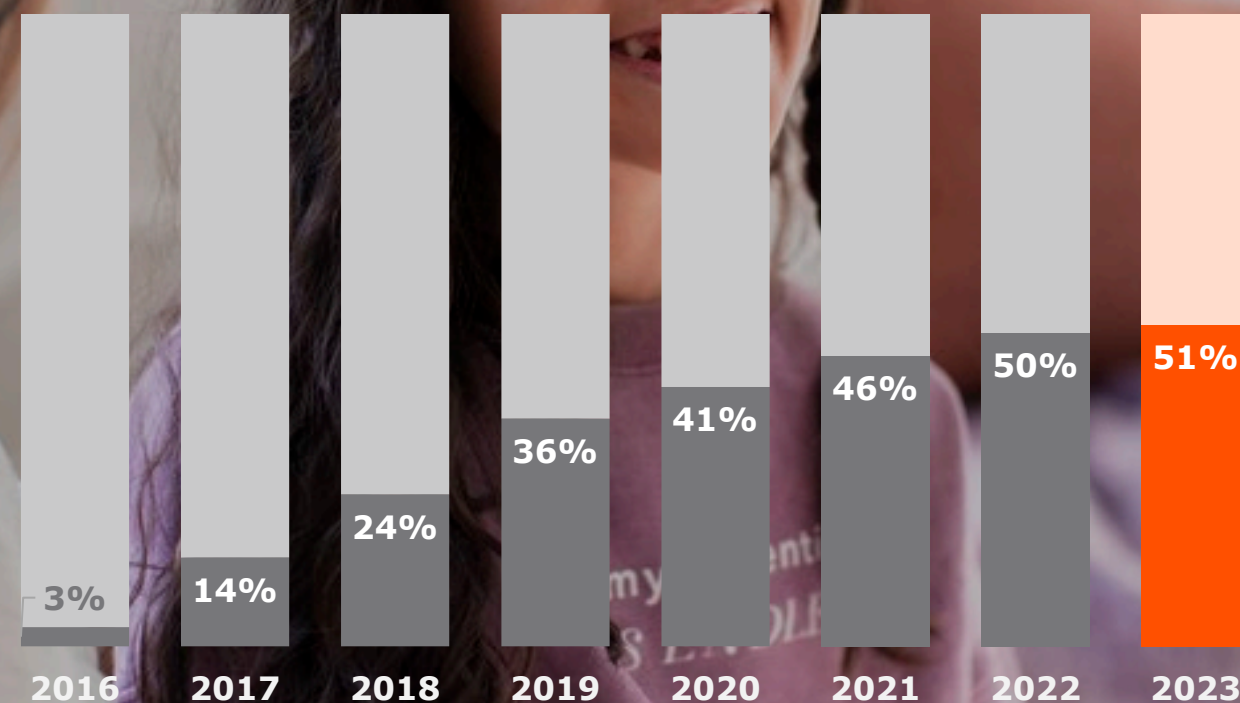
→ SEK 3 billion in sales 2023

- Net sales for Lifestyle subscription in Q4 2023 amounted to **780 MSEK** (728), an increase of 7%
- **Sales development within each segment in the quarter:**
 - Sweden 435 MSEK (396), +10%
 - Denmark 123 MSEK (126), -3%*
 - Norway 139 MSEK (143), -3%**
 - Finland 80 MSEK (55), +44%
- Net sales 2023 amounted to SEK **3 billion**, corresponding to **15% increase in sales**



Notes: ¹Denmark affected by the effect of changed regulations that entered into force on 1 July 2023, regarding the creditworthiness assessment for customers of the Danish Lifestyle offer. ²The currency effect against NOK has had a negative impact on sales development by SEK -9 million

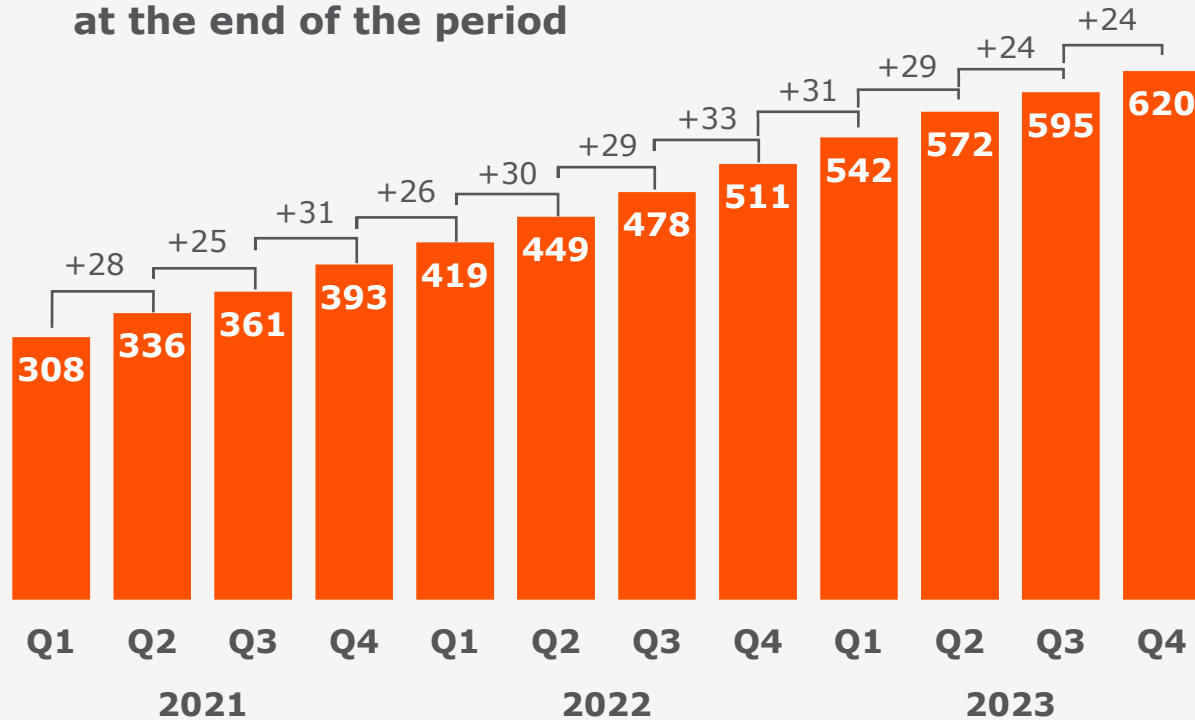
Synsam Lifestyle represents more than 50% of total net sales



Continued high loyalty in Synsam Lifestyle

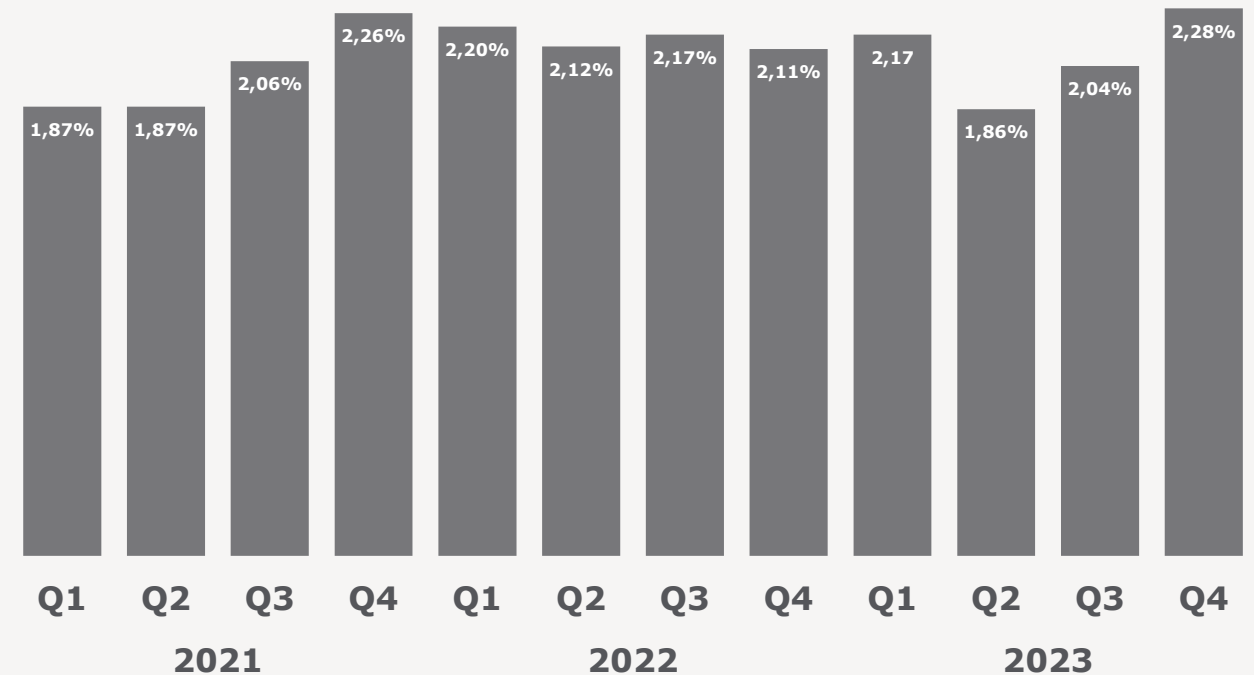
The subscription is still the safest way for the customers to take care of their eye health and allow them to control their monthly expenses

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



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

- Quarterly churn remains stable

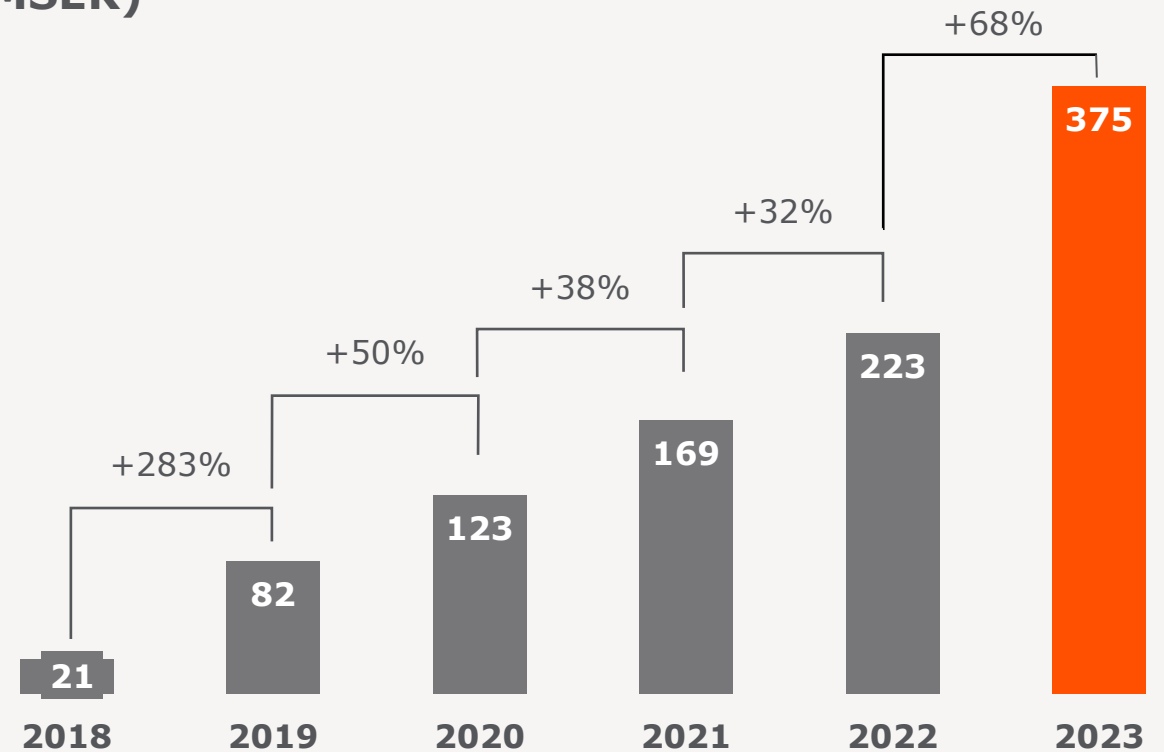




Synsam's contact lens subscription → 68% growth 2023








The launch of the contact lens subscription in Denmark has been very successful. The contact lens subscription shows a slightly lower gross margin than for Synsam as a whole

Fast growing contact lens subscription sales (MSEK)



New stores quickly become profitable

Rolling 12-months actuals – selected stores

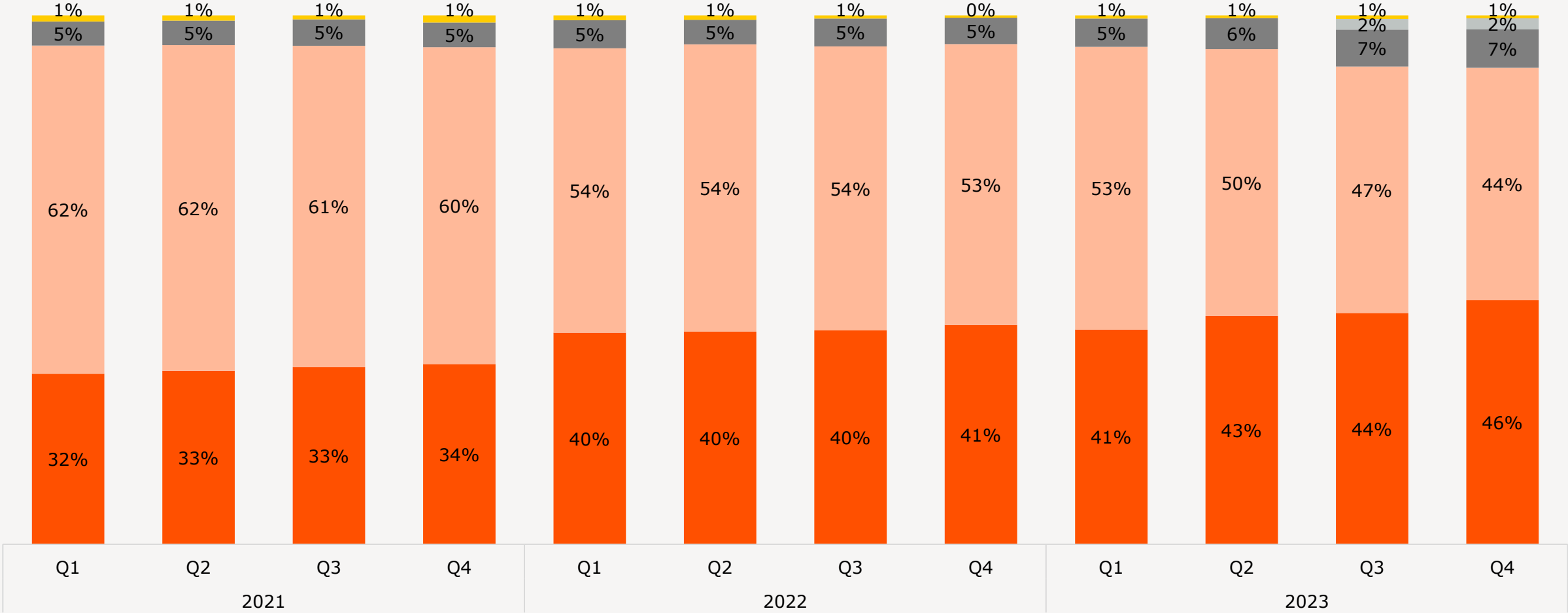
				Last twelve months (MSEK)		
				Sales	EBITDA*	Comment
	Store	Opening/Upgrade month				
B I G C I T Y	Synsam Norrmalmstorg	2019-03 		62	24	
	Synsam Hötorget	2021-12 		31	8	
	Profil Optik Odense	2021-04 		18	4	
	Synsam Aleksis	2021-08 		26	6	
	Synsam Täby	2021-04 		42	18	
S M A L L C I T Y	Profil Optik Roskilde	2022-12 		13	4	
	Synsam Söderköping	2023-03 		4	1	10 months
	Synsam Östersund	2021-04 		22	10	
	Synsam Tierp	2020-12 		9	3	
	Synsam Säffle	2022-12 		10	6	
	Synsam Kalix	2022-12 		5	1	
	Synsam Lycksele	2022-12 		7	3	
	Synsam Molde	2023-02 		7	2	11 months

* EBITDA measured including the effect of the IFRS16 standard. Includes a degree of estimates.

FINANCIAL DEVELOPMENT

Synsam Lifestyle – Renewals are becoming an increasingly important part of the total business

Synsam Lifestyle sales (% share of the Group's Lifestyle turnover in SEK) per quarter

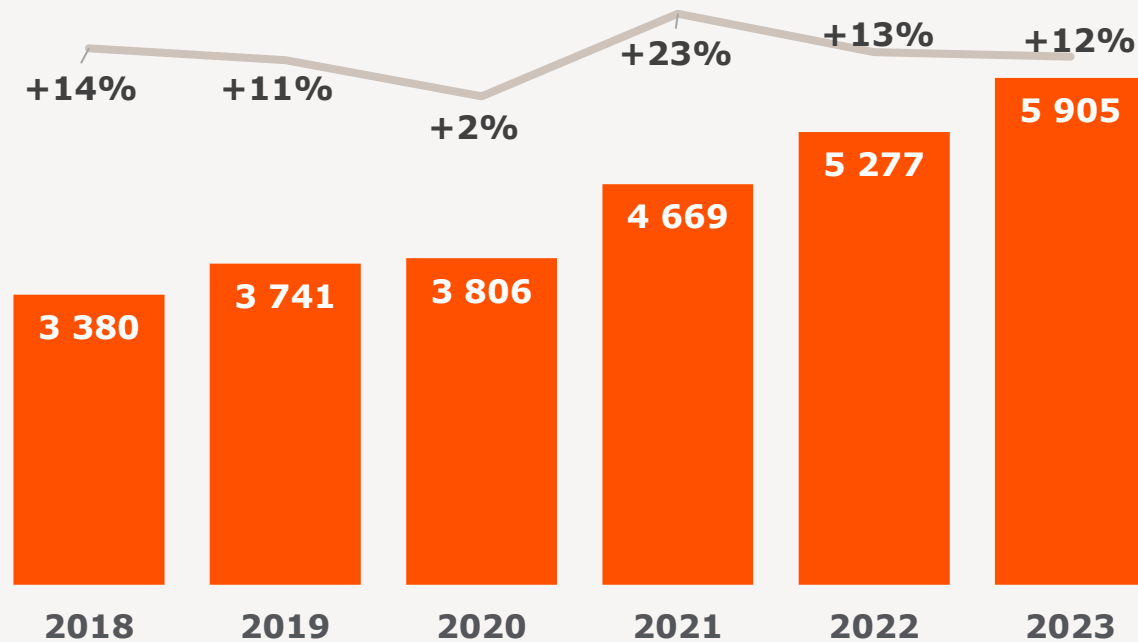


Renewals New Sales Evergreen Lifestyle Cash Other

Note: Since 1 July 2023, Synsam Lifestyle subscriptions are also sold in Denmark without instalment payments, known as 'Lifestyle Cash'. Revenues from Lifestyle Cash are recognized as regular merchandise sales

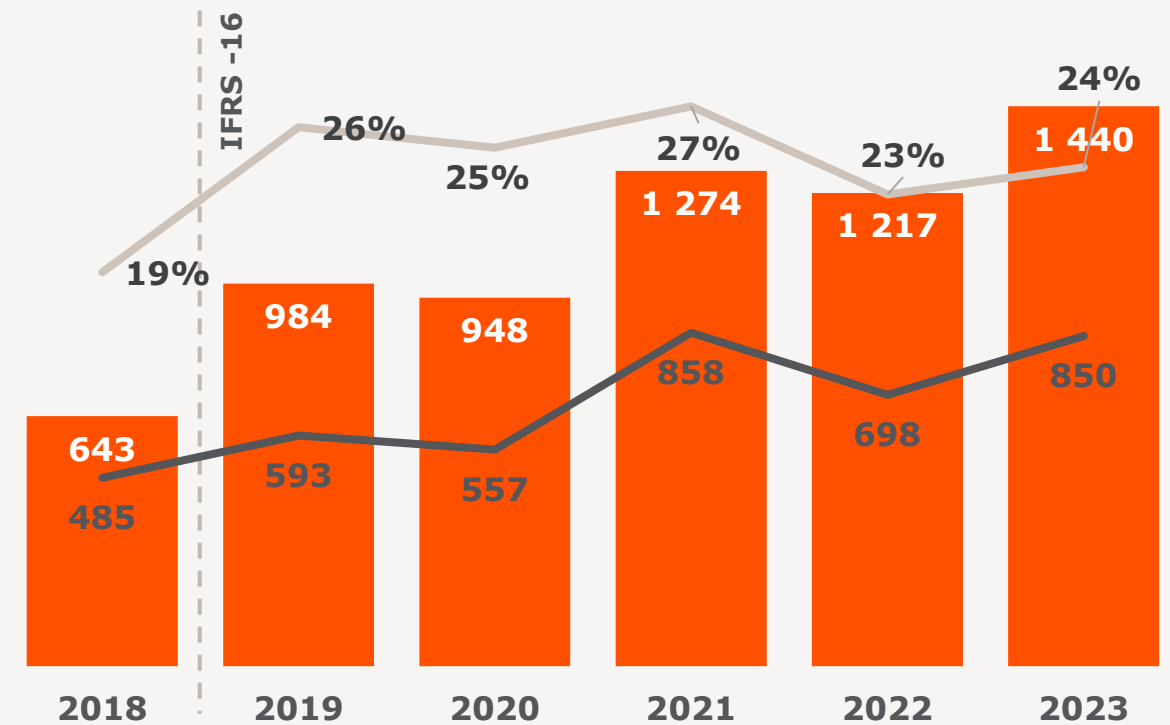
Long term financial development – strong trend

Net sales development



■ Net Sales (MSEK) ■ YoY growth

Adjusted EBITDA and EBITA development

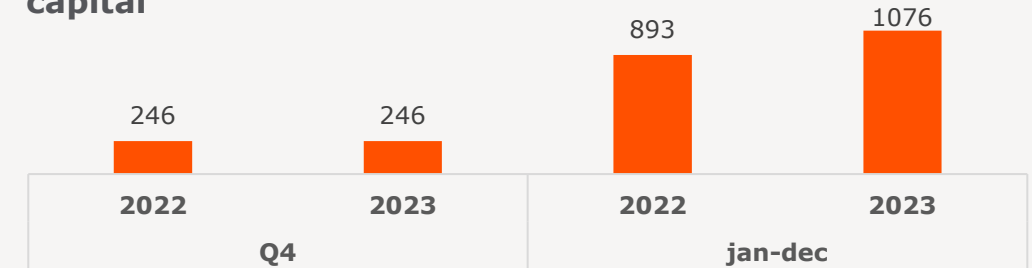


■ Adjusted EBITDA (MSEK) ■ Adjusted EBITDA margin
■ Adjusted EBITA (MSEK)

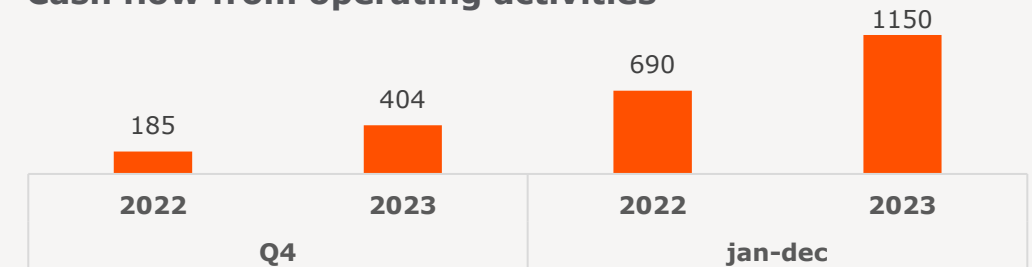
Very strong cash flow 2023. Lower Net debt/Adjusted EBITDA.

- Cash flow from operating activities before changes in working capital **amounted to 1076 MSEK (893)** for full year 2023
- Change in operating debts positively affected cash flow from operating activities in the fourth quarter, amounted to **404 MSEK (185)**
- **Strengthened cash flow** from operating activities for full year 2023, amounted to **1150 MSEK (690)**
- **Lower investment rate** in the quarter and for full year 2023
- Net debt/Adjusted EBITDA **was reduced to 1.89** from 2.44 at the year-end

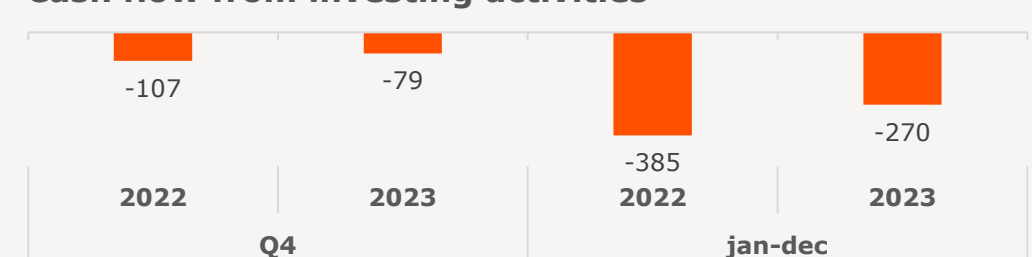
Cash flow from operating activities before changes in working capital



Cash flow from operating activities



Cash flow from investing activities



The financing fees from financial partners related to Synsam Lifestyle impact the entire income statement

Illustration of one percentage unit increase/decrease in the financial partners' fees, calculated pro forma on the 2023 outcome

MSEK

Reported Lifestyle sales 2023	3 008
Interest income Lifestyle 2023 due to NPV booking	249
<hr/>	
Lifestyle sales 2023 before NPV adjustment	3 257



MSEK

Net Sales ¹	-33/+33
Gross Profit ¹	-33/+33
EBITDA ¹	-33/+33
EBITA ¹	-33/+33
EBIT ¹	-33/+33
Interest income from Synsam Lifestyle ¹	+33/-33
Credit costs from Synsam Lifestyle ¹	-41/+41
Net financial items ¹	-8/+8
EBT ¹	-41/+41
<hr/>	
Profit after tax ¹	-32/+32

The production facility at Frösön – EBITDA better than planned, second collection is launched

- The production volume is **continuously increasing**
- EBITDA full year 2023 amounts to –19 MSEK, **better than planned**
- **The second collection, Oscar Eide, was launched in November.** The third collection is being prepared for launch in 2024
- The Oscar Eide collection stands out against traditional frames with **sustainable material choices**:
 - The frame consist primarily of bio-based material made from **wood pulp**
 - Wood pulp is a multi-faceted bio-product made from renewable **wood material**. The wood pulp we used in the material is **FSC certified** (the forest has been managed responsibly)



SUMMARY



SUMMARY

- Strong end to the year – record in sales and operating profit
- Strongly improved profitability within all margin measures in Q4 2023
 - EBITDA profitability increased 27.3%
 - EBITA profitability increased 56.5%
 - EBIT profitability increased 78.6%
- Synsam Lifestyle subscription business reached SEK 3 billion in sales 2023 and accounts for more than 50% of total net sales
- The contact lens subscription delivers high growth and net sales in 2023 of SEK 375 million (223)
- The cost and restructuring program 1.0 has improved our efficiency
- Very strong cash flow in 2023
- Synsam's journey continues, and the new year has started well

Good start of the new year 2024!

- **The interest-, inflation- and consumption situation – a possibility**
- **Access to good locations and easy to find good premises**
- **Goal of establishing 90 new stores 2024-2026**
- **+10 hearing pilots** will be opened in 2024
- Synsam is expected to be the **market leader in Finland 2026**
- **The market share in Sweden** is expected to increase to **45%** in 2026
- **New cost program** with expected annual savings of an additional SEK **106 million**, of which an effect of SEK 94 million in 2024
- **The number of active Lifestyle customers** has increased **21%** at the beginning of the year, increasing the potential amount of annual renewals
- **The number of subscription customers** is expected to increase to **one million** by the end of 2025
- **Synsam EyeView** is expanding according to plan – **customer reception is very positive**

Synsam has the leader's shirt, but we must never be satisfied. **The journey has just begun!**





SYNSAM GROUP