

Press release 17 May 2024

Synsam Group's Q1 report 2024

Continued strong growth and further improvement in profitability - *Improved operating margins in a challenging economic climate*

1 January - 31 March 2024

- Net sales amounted to SEK 1,521 million (1,411), up 7.8 percent. Organic growth totalled 7.7 percent (17.5)
- Net sales from spectacles subscriptions increased 11.6 percent (27.5)
- The gross margin was 75.7 percent (76.6)
- EBITDA rose to SEK 358 million (318) and the EBITDA margin was 23.3 percent (22.3)
- EBITA increased to SEK 205 million (171) and the EBITA margin was 13.4 percent (12.0)
- EBIT increased to SEK 171 million (133) and the EBIT margin was 11.1 percent (9.4)
- Cash flow from operating activities amounted to SEK 218 million (257)
- Net debt amounted to SEK 2,756 million (2,919) at the end of the period, compared with SEK 2,720 million at year-end 2023
- Profit after tax increased to SEK 56 million (19)
- Earnings per share before and after dilution increased to SEK 0.38 (0.13)

President and CEO Håkan Lundstedt comments:

“Our strategy – based on the right types of establishments, focusing on Synsam Lifestyle, ensuring an efficient organisation, and having a high level of innovation and strong service offering – contributed to a strong first quarter in 2024, with increased profitability and good growth, in a market characterised by a challenging economic climate. Organic growth increased 8 percent in the first quarter of 2024 despite the negative impact of Easter, and the EBITDA margin and EBIT margin improved significantly. Our improved profitability was a clear result of the two cost and restructuring programmes that we launched previously and of Synsam’s strong customer focus and innovative capacity.

Continued strong growth in number of subscription customers

Synsam’s subscription business for spectacles, Synsam Lifestyle, is continuing to perform well, with an increase of approximately 25,000 customers in the active customer base in the first quarter. We also see that sales from subscription renewals are becoming

increasingly important compared with revenue from new sales. With around 645,000 Synsam Lifestyle customers, we have a major advantage. These customers return every year to replace their frames, and thus extend their agreement, which is not the case with in-store sales. The churn rate was low in the first quarter and amounted to 2.33 percent. The subscription business provides added value for our customers, particularly during these times of economic uncertainty.

Synsam Group's contact lens subscription was also successful, with strong growth in the first quarter.

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 March 2024, this figure was about 774,000.

High rate of establishment continues

Our goal for 2024–2026 is to establish 90 new stores, and Synsam established nine new stores during the first quarter of 2024. Our new stores are quickly becoming profitable thanks to our strong concepts and our effective analyses and establishment methods. Through our focus on establishing a greater presence in smaller towns, we are also achieving very strong demand directly and benefitting from lower rents. In the second quarter of 2024, Synsam will establish between 12 and 14 new stores, including new hearing units. Upgrades and relocations are also an essential part of our establishment strategy.

Very strong sales trend in Sweden and Finland. Norway in particular negatively impacted by the timing of Easter. Measures continued to be implemented in Denmark.

In Sweden, Synsam further increased its market share with organic growth of 11 percent in the first quarter of 2024 and a significantly stronger EBITDA margin.

Synsam's strong growth in Finland continued in the first quarter, with stable EBITDA. The EBITDA margin was impacted to a certain degree by the establishment of new stores. 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.

Of the four segments, Norway experienced the largest negative effect due the fact that Easter fell in the first quarter of 2024, and its organic growth amounted to 4 percent. The cost programmes introduced in 2023 have had a positive effect, strengthening the EBITDA margin despite a lower gross margin in the first quarter of 2024 compared with the corresponding quarter last year.

Organic growth in Denmark was negative in the first quarter, in a deeply competitive and weaker consumer market. The Danish Credit Agreement Act was amended in the third quarter of 2023, which negatively impacted sales both directly and indirectly compared with the first quarter last year. 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 have started to have a positive impact in Denmark. These measures include the introduction of Lifestyle Cash, where the customer receives the benefits of the Lifestyle solution without making partial payments.

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 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. In addition to full-scale implementation in Sweden and Norway, pilot tests are being carried out in Denmark and Finland. Synsam EyeView has been introduced in around 200 of our stores. Efforts to increase the proportion of EyeView examinations in these stores, and to expand Synsam EyeView to more stores, are continuing.

We achieve profitable growth through innovative and effective solutions and by meeting our customers' needs. Synsam further strengthened its position in the Nordic region during the first quarter and has significant potential for continued profitable growth."

Live Q&A in Swedish, with possibility to ask questions at 09.30 CEST today

- **Date and time:** 17 May 2024, at 09.30 CEST.
- **Place:** Webcast.
- **Speakers:** President and CEO Håkan Lundstedt and CFO Per Hedblom.
- **Link** to participate in the Q&A session: [SynsamGroup Q1](#)

Live Q&A in English, with possibility to ask questions at 10.30 CEST today

- **Date and time:** 17 May 2024, at 10.30 CEST.
- **Place:** Webcast.
- **Link** to participate in the Q&A session: [SynsamGroup Q1](#)

For further information, please contact:

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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 6.0 billion (rolling twelve months until March 2024) 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