

Press release 23 August 2024

Synsam Group's Q2 report 2024

Record second quarter earnings - "Continued strong growth and profitability in all countries"

1 April - 30 June 2024

- Net sales increased to SEK 1,723 million (1,566), up 10.0 percent. Organic growth totalled 9.5 percent (10.2)
- Net sales from spectacles subscriptions increased 15.1 percent (14.2)
- The gross margin increased to 74.3 percent (74.0)
- EBITDA increased to SEK 469 million (401) and the EBITDA margin increased to 26.9 percent (25.3)
- EBITA increased to SEK 312 million (257) and the EBITA margin increased to 17.9 percent (16.2)
- EBIT increased to SEK 275 million (218) and the EBIT margin increased to 15.8 percent (13.8)
- Cash flow from operating activities increased to SEK 435 million (386)
- Net debt amounted to SEK 2,753 million (2,985) at the end of the period, compared with SEK 2,720 million at year-end 2023
- Profit after tax increased to SEK 168 million (140)
- Earnings per share before and after dilution increased to SEK 1.14 (0.94)

1 January - 30 June 2024

- Net sales increased to SEK 3,244 million (2,977), up 9.0 percent. Organic growth totalled 8.7 percent (13.6)
- Net sales from spectacles subscriptions increased 13.4 percent (20.4)
- The gross margin was 74.9 percent (75.2)
- EBITDA increased to SEK 828 million (719) and the EBITDA margin increased to 25.2 percent (23.9)
- EBITA increased to SEK 518 million (428) and the EBITA margin increased to 15.8 percent (14.2)

- EBIT increased to SEK 446 million (352) and the EBIT margin increased to 13.6 percent (11.7)
- Cash flow from operating activities increased to SEK 653 million (642)
- Profit after tax increased to SEK 224 million (159)
- Earnings per share before and after dilution increased to SEK 1.52 (1.07)

President and CEO Håkan Lundstedt comments:

"Synsam reported the strongest earnings ever for a single quarter. EBITDA increased approximately 17 percent to SEK 469 million (401), EBITA increased approximately 22 percent to SEK 312 million (257) and EBIT increased approximately 26 percent to SEK 275 million (218). The EBITDA margin, EBITA margin and EBIT margin improved considerably compared with the year-earlier quarter. The gross margin also improved. Net sales increased 10 percent in the second quarter of 2024 and organic growth amounted to 9.5 percent.

Synsam has a successful organic growth strategy and since 2020, Synsam's sales have increased more than 60 percent and EBIT has doubled in a market that faced weak economic conditions for much of this time.

Successful subscription business

Synsam's subscription business for spectacles, Synsam Lifestyle, provides added value for our customers. This is clear from its continued strong performance, with approximately 22,000 new customers in the active customer base in the second quarter.

Sales from subscription renewals are becoming increasingly important compared with revenue from new sales and there is potential for recurring sales to our 667,000 Synsam Lifestyle customers. Lifestyle 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 stable in the second quarter and amounted to 2.51 percent. 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 30 June 2024, this figure was about 799,000.

Rate of new establishments higher than planned

Our goal for 2024–2026 is to establish 90 new stores, and Synsam established 22 new stores during the first half of 2024, of which 13 were established during the quarter. Our new stores are quickly achieving profitability thanks to our strong concepts and our effective analysis and method for establishments. 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 third quarter of 2024, Synsam will establish between 9 and 11 new stores, including new hearing units. Upgrades and relocations are also an essential part of our establishment strategy.

Strong performance in every country

Every country posted an improved EBITDA for the quarter compared with the year-earlier quarter. Organic growth was approximately 8 percent in Sweden, approximately 11 percent in Norway and approximately 24 percent in Finland during the quarter. In Denmark organic growth was approximately 2 percent, which is a strong performance compared with the year-earlier quarter when the new Danish Credit Agreement Act had yet to enter force. Every country posted growth despite a weak consumer market.

The cost programmes introduced in 2023 have had a positive effect, primarily in Sweden and Norway. The strong growth in Finland was a result of like-for-like growth as well as the successful establishment of new stores. Efforts to increase the proportion of EyeView examinations and to expand Synsam EyeView to more stores are continuing according to plan.

Our strategy – based on making the right types of establishments, focusing on Synsam Lifestyle, creating an efficient organisation, being highly innovative and having a strong service offering – contributed to these record earnings during the second quarter. Over the last 12 months, we also achieved our growth target and closed in on our medium-term profitability target of an EBITDA margin of 25 percent or more. Our continued priority going forward will be profitable growth with focus on the customer.”

Live Q&A in Swedish, with possibility to ask questions

- **Date and time:** 23 August 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 Q2](#)

Live Q&A in English, with possibility to ask questions

- **Date and time:** 23 August 2024, at 10.30 CEST.
- **Place:** Webcast.
- **Link** to participate in the Q&A session: [SynsamGroup Q2](#)

For further information, please contact:

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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 approximately SEK 6.2 billion (rolling twelve months until June 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