

AFFLELOU

Press release

Afflelou and its subsidiaries (the “Group”) publishes its first quarter results for the 2021/2022 fiscal year, as of and for the three months ended October 31, 2021.

Paris, December 17, 2021

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- Sales¹ at €208.9 million in first quarter of 2021/22 fiscal year, up 9.1% versus same quarter in 2019, before pandemic spread
 - Adjusted EBITDA² at €25.6 million for the quarter, close to historical level in the same quarter in the 2020/2021 fiscal year after reopening of all stores in the network
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Commercial performance of AFFLELOU

Network sales reached €208.9 million in the first quarter of the current fiscal year, versus €219.7 million from the first quarter of the prior fiscal year which was marked by exceptional performance of 14.7% growth following the reopening of our network after first confinement in March to May 2020. Our optical and hearing aid activities in our historical ALAIN AFFLELOU banner posted satisfactory sales, reaching growth of 10.5% versus the same quarter two years before. The banner also benefitted notably from continued significant growth in the hearing aid segment in France and Spain.

The Group had 1,455 stores as of October 31, 2021, a net increase of 25 stores as compared to October 31, 2020 and net increase of six stores as compared to July 31, 2021.

Afflelou’s financial performance

Adjusted EBITDA was down slightly, at €25.6 million versus €26.2 million the year before, which again was a historical quarter for the Group thanks to the strong recovery of network sales.

In France, Adjusted EBITDA was almost stable, at €20.5 million versus 20.8 million a year before. This quarter, our network continued to be affected by reduced foot traffic in large malls and tourist areas, such as the Champs Elysées where the Group has numerous directly owned stores. In Spain, Adjusted EBITDA was €4.3 million versus €4.6 million a year before. As was the case in France, the decline versus the prior year was mainly due to the record level reached in the prior year, in terms of both network sales and profitability. Finally, Adjusted EBITDA in our Other countries segment declined by €0.1 million to €0.7 million during the quarter, for the same reasons as described above.

¹ Network sales comprise sales (excluding VAT) to end customers by all of the Group’s distribution channels, including directly-owned stores. Sales of the franchisees are based on monthly sales reports provided by the franchisees pursuant to their reporting obligations under franchise agreements.

² Adjusted EBITDA is defined as operating income from ordinary activities as presented in the Group’s consolidated financial statements, before (i) depreciation and amortization of property, plant and equipment, and intangible assets, (ii) changes in provisions for trade receivables and inventories, and (iii) management fees, management long term incentives and acquisition price supplements, if applicable in each case.

The Group continued to deliver strong cash flows over the quarter, allowing us to reduce our net debt adjusted from sublease liabilities to €505.3 million as of October 31, 2021, as compared to €524.0 million as of July 31, 2021.

Alain POURCELOT, Chief Executive Officer of Afflelou, stated: *“Network sales during the past quarter continued to perform well above the same period two years before. The Group has demonstrated its capacity in a troubled environment to improve its financial performance while continuing to focus on customer satisfaction, innovation and digital transformation for both optical and hearing aid businesses.”*

About Afflelou:

Founded in Bordeaux in 1972 by Alain Afflelou, the Group is one of Europe’s leading franchisors of optical products and hearing aids. In 2019, the Group operated the largest franchise network of optical products (in terms of store numbers) and the Alain Afflelou banner ranked third in France with a 10% market share (in terms of store numbers), in a historically fragmented market that includes many independent retailers. The Group has a long-standing presence in France, but also a strong foothold in Spain, where it operates the largest banner of optical products (in terms of store numbers) and the fourth largest (in terms of revenue). The Group, which is continuing its global expansion, is present worldwide, with 1,449 stores in 18 countries as of July 31, 2021

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Forward Looking Statements

This press release may include forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms as “believe”, “expect”, “anticipate”, “may”, “assume”, “plan”, “intend”, “will”, “should”, “estimate”, “risk” and or, in each case, their negative, or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts and include statements regarding the Company’s or any of its affiliates’ intentions, beliefs or current expectations concerning, among other things, the Company’s or any of its affiliates’ results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward looking statements are not guarantees of future performance and that the Company’s or any of its affiliates’ actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward looking statements contained in this press release. In addition, even if the Company’s or any of its affiliates’ results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

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