

AFFLELOU

Press release

Afflelou and its subsidiaries (the “Group”) publishes its first quarter results for the 2022/2023 fiscal year, as of and for the three months ended October 31, 2022.

Paris, December 19, 2022

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- Sales¹ at €213.3 million in first quarter of 2022/23 fiscal year, up 2.1% from the first quarter of the prior fiscal year, showing continued resilience in a troubled economic environment
 - Adjusted EBITDA² at €26.2 million for the quarter, up 2.5% from the prior comparable period
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Commercial performance of AFFLELOU

Network sales reached €213.3 million in the first quarter of the current fiscal year, versus €208.9 million from the first quarter of the prior fiscal year. The ALAIN AFFLELOU optical banner recorded a positive performance in each geographical areas, representing a total growth of 3.5% in the past quarter. Our optical business again proved its resilience in a period of strong inflation and recession threat. Our hearing aids banner also continued to grow its footprint in France and Spain, while sales slowed down in France after an exceptional calendar year 2021 marked by the 100% Santé regulation changes which disrupted the sector on medium and long term. Lastly, we've continued our program to progressively terminate our discount offer and shift some of the stores, where possible, into the ALAIN AFFLELOU banner.

The Group had 1,464 stores as of October 31, 2022, representing a net increase of 9 stores as compared to October 31, 2021 and three stores as compared to July 31, 2022, and a net increase, respectively, of 37 and 10 stores at the ALAIN AFFLELOU optical and hearing aid banners, excluding the discount banner reduction.

AFFLELOU's financial performance

Adjusted EBITDA grew at €26.2 million versus €25.6 million the year before, reaching the same level as two years before when the Group recorded a historical quarter thanks to the strong recovery of network sales after the COVID-19 related confinement in Spring 2020.

In France, Adjusted EBITDA grew to €21.1 million versus €20.5 million a year before. Our profitability recorded a 2.8% growth mostly due to the positive network activity at our historical optical banner, while attenuated by the hearing aids activity, the sales of which retracted in France after the exceptional growth in 2021. In Spain, Adjusted EBITDA was €4.2 million versus €4.3 million a year before. Our profitability was impacted this quarter by a lower performance at our directly owned structure and our continued effort to

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.

relaunch the hearing aids activity. Finally, Adjusted EBITDA in our Other countries segment recorded a €0.2 million growth to €0.9 million during the quarter, thanks to the performance in our border countries and the expansion in new territories, including Middle East.

The Group also continued to deliver strong cash flows over the quarter, thanks to its good performance, allowing us to reduce the net debt adjusted from sublease liabilities to €547.1 million as of October 31, 2022, as compared to €559.9 million as of July 31, 2022.

Anthony Afflelou, appointed Chief Executive Officer of AFFLELOU Group, stated: *“Despite a troubled political and economic environment, our optical network continued to show its resilience and dynamism with 3.5% of growth at our historical banner. We of course monitor closely the evolution of macro-economic conditions with a specific focus on price-oriented products and offers like our Magic collection in a context of purchase power concern for our end customers. We also demonstrated our renewed capacity to innovate and be first mover with the current deployment of tele-ophthalmology in our network bringing a solution to glasses wearers facing difficulties to accommodate appointments with ophthalmologists. Our international area recorded a strong performance and continued its expansion in new territories, showing the overall attractiveness of our brand and our products. Lastly, we also continued to expand our coverage of hearing aids business in France and Spain being a strong pillar of our future growth.”*

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 1,461 stores in 19 countries as of July 31, 2022

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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