



50 YEARS OF
FIELMANN

fielmann

GROUP QUARTERLY REPORT
AS AT 31 MARCH 2022

Fielmann Group: Interim report as at 31 March 2022

Dear shareholders and friends of the company,

The first quarter of the financial year was challenging. In this environment, the Fielmann Group's business model has proven to be resilient: Thanks to our omnichannel business model, we started the 2022 financial year with a significant increase in sales revenues and earnings. The leading eyewear provider in Central Europe is therefore on course to achieve its targets for the year as a whole. Compared with the first quarter of 2021, unit sales increased by 6.2%, while external sales rose by 8.9%, consolidated sales by 8.5% and earnings by 18.8%.

Economic conditions

According to the International Monetary Fund (IMF), the war in Ukraine will have a serious impact on the global economy and simultaneously cause inflation to rise due to higher prices for raw materials and energy. The IMF announced a revision of its global growth projection for 2022, which stood at 4.4% in January. At the moment, however, there is no expectation of another slide into recession as seen at the peak of the coronavirus pandemic.

The raw materials markets have again come under pressure as a result of the war in Ukraine and the sanctions imposed on Russia by the West. The Fielmann Group still has extensive inventories of its core products and was therefore practically unaffected by supply shortages. However, transport and energy costs were significantly above the previous year's level.

Business situation and financial performance

In the first quarter of 2022, Fielmann recorded an increase in unit sales of 6.2% to reach 1.98 million glasses (previous year: 1.86 million). The Fielmann Group's external sales incl. VAT and changes in inventories increased by 8.9% to € 484.4 million (previous year: € 444.9 million). Consolidated sales rose by 8.5% to € 414.4 million (previous year: € 382.0 million).

Fielmann succeeded in increasing its sales revenues in all segments compared with the previous year. The pre-crisis level was also surpassed in all major markets with the exception of Austria, where significant coronavirus-related restrictions were still in place.

Sales revenues for the quarter rose in Germany to € 299.9 million (previous year: € 277.9 million). Besides the increase in footfall, the main reason for this was the expansion and modernisation of the stores last year.

In Switzerland, sales revenues increased to € 47.6 million (previous year: € 44.5 million), in Austria to € 19.8 million (previous year: € 19.3 million) and in Spain to € 27.7 million (previous year: € 25.4 million). The other markets contributed sales revenues of € 19.4 million (previous year: € 14.9 million).

EBITDA increased by 6.5% to € 89.6 million (previous year: € 84.1 million). Earnings before taxes (EBT) of € 49.6 million exceeded the previous year's

level (€ 41.8 million) by 18.8%. This corresponds to a pre-tax margin on consolidated sales of 11.8% (previous year: 10.8%). Net income for the quarter amounted to € 34.2 million (previous year: € 28.8 million). Earnings per share rose to € 0.39 (previous year: € 0.33). As in the previous year, there were no circumstances which could have diluted earnings per share.

A changed sales structure, reduced prices, a complete value adjustment of stocks in Ukraine and considerably higher transport costs led to a disproportionate increase in cost of materials of 14.6% to € 85.5 million (previous year: € 74.6 million). By contrast, personnel expenses rose at a comparatively low rate by 5.4% to € 185.8 million (previous year: € 176.3 million). The number of employees stood at 21,676 which is slightly above the figure at the previous year's reporting date (previous year: 21,582).

Report on financial performance, cash flows and financial position

During the reporting quarter, the Fielmann Group continued its roll-out of the omnichannel business model, its investments in the stores and the expansion of the hearing aid studios. Investment in non-current assets without rights of usufruct from leases (leasing rights) amounted to € 11.3 million in the first quarter (previous year: € 14.2 million. This compares with write-downs of € 19.0 million, so that tangible assets decreased moderately compared with the 2021 reporting date. Changes in current assets were mainly the result of increases in inventories to safeguard the company against continuing supply chain disruptions. As at 31 March 2021, Fielmann operated 922 stores (previous year: 875), 318 of which also contained hearing aid studios (previous year: 288). There was only a negligible change in cash flows compared with the 2021 reporting date. Consolidated equity attributable to the owners of the parent company grew by 4.1%, or € 853.1 million, compared with the end of 2021, and the Group equity ratio stood at 50.7% (end of 2021: 50.3%).

Dividend

Fielmann is maintaining its long-standing shareholder-friendly dividend policy. Considering the company's highly positive development, the Management Board and the Supervisory Board will recommend a dividend payout of € 1.50 per share to the Annual General Meeting on 14 July 2022. This corresponds to a total dividend payout of € 126.0 million and payout ratio of 92.0%.

Further significant developments

The first quarter of 2022 was characterised by the continuing coronavirus pandemic with record numbers of infections in Central Europe and the outbreak of war in Ukraine. The Fielmann Group has been serving Ukrainian customers since 1999. With 269 employees, we generated sales revenues of around € 4 million in 2021. As a family business, the Fielmann Group has given job

guarantees to all our Ukrainian colleagues and is also helping dozens of them who have fled abroad. Our employees remaining in Ukraine will continue to receive their full salaries, despite a 90% decline in sales revenues in March 2022. We will continue to support our Ukrainian customers and employees. At the moment, the aid we provide amounts to more than €100,000 per month. For Fielmann, the effects of the war in Ukraine represent a “triggering event” as per IAS 36. Value adjustments for the affected cash generating units (CGU) and individual assets were already carried out in previous years as part of impairment tests, so there are no further effects here. The adjusted valuation of the stocks and financial assets in Ukraine amounts to costs of €1.4 million as at 31 March 2022. This is reported in “Cost of materials” in the amount of €1.3 million and in “Other operating expenses” in the amount of €0.1 million.

Outlook, forecast, opportunities and risk report

Our Vision 2025 is the basis of our forecast for the 2022 financial year. The challenges in international supply chains, the war in Ukraine, waves of coronavirus infections and rising inflation may impact the economy over the course of the year. For this reason, a forecast for the coming months and the year as a whole is still subject to great uncertainty. There are no changes to the main forecasts or other expectations regarding the Fielmann Group’s performance in the financial year formulated in the 2021 Group Management Report.

Scenario 1) (optimistic) With sales to increase by around 10% on the previous year to € 1.85 billion, we anticipate unit sales of 9.2 million and an earnings before taxes (EBT) margin of 13%.

Scenario 2) (conservative) With sales to increase by around 7% to €1.80 billion and unit sales of 8.9 million, the EBT margin will be around 12%.

Scenario 3) (pessimistic) With sales to increase by around 4% to € 1.75 billion on the previous year, unit sales are estimated to reach 8.6 million with an EBT margin of 10%.

To accelerate organic growth in the financial year 2022, Fielmann still plans to invest around €100 million from its own funds in the expansion, modernisation and maintenance of the store network, as well as in the development of its digital sales channels, and in production and infrastructure. We will open or acquire more than 40 new stores across all markets in 2022. In addition, Fielmann will renovate or extend over 40 other stores.

Hamburg, April 2022

Fielmann Aktiengesellschaft

The Management Board

Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 31 March in €000s	2022	2021	Change
Earnings before taxes (EBT)	49,649	41,782	7,867
-/+ Profit shares of associates	120	51	69
+ Statement-related interest expenditure from leases	1,246	872	374
+ Statement-related other expenditure in the final result	302	1,239	-937
- Statement-related income in the final result	-3,438	-107	-3,331
+ Write-downs on tangible assets and intangible assets	18,991	19,271	-280
+ Write-downs on rights of usufruct from leases	22,683	20,994	1,689
- Taxes on income paid	-12,708	-17,714	5,006
+/- Other non-cash income/expenditure	5,494	3,463	2,031
+/- Increase/decrease in accruals	6,175	11,170	-4,995
-/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets	-79	-118	39
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-26,117	-12,216	-13,901
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	16,607	19,434	-2,827
- Interest paid	-311	-249	-62
+ Interest received	158	-412	570
= Cash flow from operating activities	78,772	87,460	-8,688
Receipts from the disposal of tangible assets	356	260	96
- Payments for tangible assets	-10,858	-10,132	-726
- Payments for intangible assets	-438	-3,678	3,240
+ Receipts from the disposal of financial assets	12	25	-13
- Payments for the acquisition of subsidiaries	0	-20,000	20,000
+ Receipts from the disposal of securities and other investments	11,459	28,700	-17,241
- Payments for the acquisition of securities and other investments	-59,697	0	-59,697
= Cash flow from investment activities	-59,166	-4,825	-54,341
- Payments to company owners and non-controlling shareholders	-3,487	-6,209	2,722
+/- Sale/Acquisition of own shares	-464	-1,562	1,098
+ Receipts from loans raised	29	12	17
- Repayment of loans	-42	-41	-1
- Payments for liabilities from leases	-23,381	-21,870	-1,511
- Payments for the acquisition of additional shares in subsidiaries	-894	0	-894
= Cash flow from financing activities	-28,239	-29,670	1,431
Changes in cash and equivalents	-8,633	52,965	-61,598
+/- Changes in cash and equivalents due to exchange rates	116	-311	427
+ Cash and equivalents at the beginning of the period	174,889	103,722	71,167
= Cash and equivalents at the end of the period	166,372	156,376	9,996

Segment reporting 1 January to 31 March 2022 The previous year's figures are stated in parentheses.

in € million	Germany		Switzerland		Austria	
Sales revenues from the segment	320.9	(295.6)	47.6	(44.5)	19.8	(19.4)
Sales revenues from other segments	21.0	(17.7)			0.0	(0.1)
Outside sales revenues	299.9	(277.9)	47.6	(44.5)	19.8	(19.3)
Cost of materials	73.8	(63.2)	9.9	(9.3)	4.2	(4.2)
Personnel costs	140.8	(135.1)	18.9	(18.8)	9.0	(8.7)
Scheduled depreciation	26.6	(26.9)	4.3	(4.0)	1.8	(1.6)
Expenses in the financial result	0.9	(1.5)	0.1	(0.1)	0.1	(0.1)
Income in the financial result	3.4	(0.2)				
Earnings before tax – in segments excl. investment income	43.6	(32.7)	6.9	(7.6)	2.3	(2.5)
Taxes on income and earnings	13.6	(11.3)	1.1	(1.2)	0.2	(0.3)
Consolidated net income	30.1	(21.4)	5.8	(6.4)	2.2	(2.2)
Non-current segment assets excluding financial instruments and deferred tax assets	556.6	(577.6)	90.7	(68.9)	39.9	(35.2)
of which non-current segment assets excluding rights of usufruct from leases	325.1	(342.1)	33.8	(28.7)	10.4	(6.8)
of which rights of usufruct from leases	231.5	(235.6)	56.9	(40.2)	29.5	(28.4)
Additions to non-current segment assets excluding financial instruments and deferred tax assets	17.8	(22.8)	3.1	(2.8)	2.4	(3.2)
of which additions to non-current segment assets excluding rights of usufruct from leases	6.2	(10.1)	2.4	(1.3)	0.1	(0.1)
of which additions to rights of usufruct from leases	11.6	(12.7)	0.7	(1.5)	2.3	(3.1)
Shares in associates	4.9	(4.9)				
Deferred tax assets	11.9	(11.3)	0.1	(–0.2)	0.4	(0.3)

Financial calendar 2022

Financial statement press conference	28 April 2022
Annual General Meeting	14 July 2022
Half-year report	25 August 2022
Analysts' conference	26 August 2022
Bloomberg code	FIE
Reuters code	FIEG.DE
Securities ID number/ISIN	DE0005772206

Spain		Other		Consolidation		Consolidated value	
27.7	(25.4)	21.4	(16.0)	-23.0	(-18.9)	414.4	(382.0)
		2.0	(1.1)				
27.7	(25.4)	19.4	(14.9)			414.4	(382.0)
9.2	(9.7)	8.4	(4.6)	-20.0	(-16.4)	85.5	(74.6)
9.0	(7.7)	8.1	(6.0)			185.8	(176.3)
4.3	(4.1)	5.1	(3.7)			42.1	(40.3)
0.4	(0.4)	0.2	(0.2)	0.0	(-0.1)	1.7	(2.2)
				0.0	(-0.1)	3.4	(0.1)
2.6	(2.0)	-5.5	(-3.0)	-0.3	(0.0)	49.6	(41.8)
0.6	(0.5)	0.1	(-0.3)	-0.1	(0.0)	15.5	(13.0)
1.9	(1.5)	-5.6	(-2.7)	-0.2	(0.0)	34.2	(28.8)
331.5	(333.5)	105.6	(88.9)			1,124.3	(1,104.1)
253.3	(260.0)	55.4	(48.2)			678.0	(685.8)
78.2	(73.5)	50.2	(40.7)			446.3	(418.4)
4.8	(0.8)	6.0	(6.9)			34.1	(36.5)
0.9	(0.6)	1.7	(2.1)			11.3	(14.2)
3.9	(0.2)	4.3	(4.8)			22.8	(22.3)
						4.9	(4.9)
0.3	(0.1)	1.6	(0.7)			14.3	(12.2)

Summary of financial assets

31 March in €000s	2022	2021	Change
Liquid funds	151,236	132,714	18,522
Capital investments with a specific maturity of up to 3 months	15,136	23,662	-8,526
Cash and cash equivalents	166,372	156,376	9,996
Non-current financial assets	2,035	2,070	-35
Other non-current financial assets	59,647	16,980	42,667
Capital investments with a specific maturity of more than 3 months	99,120	90,191	8,929
Financial assets	327,174	265,617	61,557

Consolidated balance sheet

Assets	Position as at 31 March 2022 in € 000s	Position as at 31 December 2021 in € 000s
A. Non-current fixed assets		
I. Intangible assets	158,118	164,224
II. Goodwill	176,450	176,410
III. Tangible assets	331,444	334,800
IV. Investment property	12,028	12,051
V. Rights of usufruct from leases	446,287	448,212
VI. Shares in associates	4,903	5,023
VII. Other financial assets	2,035	2,046
VIII. Deferred tax assets	14,314	14,418
IX. Other financial assets	59,647	40,363
X. Receivables from leases	-86	12
	1,205,140	1,197,559
B. Current assets		
I. Inventories	169,986	153,063
II. Trade debtors	42,792	39,015
III. Other financial assets	56,835	60,595
IV. Non-financial assets	36,472	39,076
V. Tax assets	8,135	11,033
VI. Financial assets	99,120	60,648
VII. Cash and cash equivalents	166,372	174,889
	579,712	538,319
	1,784,852	1,735,878
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	652,636	620,003
IV. Other reserves	23,826	23,174
Consolidated equity of the parent company's shareholders	853,114	819,829
V. Non-controlling interests	51,513	52,962
	904,627	872,791
B. Non-current liabilities		
I. Accruals	28,409	28,923
II. Financial liabilities	59,407	62,741
III. Deferred tax liabilities	36,018	37,648
IV. Liabilities from leases	366,048	367,488
	489,882	496,800
C. Current liabilities		
I. Accruals	77,140	70,451
II. Financial liabilities	174	135
III. Liabilities from leases	89,893	89,864
IV. Trade creditors	91,713	79,615
V. Other financial liabilities	27,376	34,837
VI. Non-financial liabilities	82,595	69,460
VII. Income tax liabilities	21,452	21,925
	390,343	366,287
	1,784,852	1,735,878

Consolidated profit and loss account

For the period from 1 January to 31 March	2022 in € 000s	2021 in € 000s	Change from pre- vious year in %
1. Consolidated sales	414,426	381,982	8.5
2. Changes in inventories	7,389	5,659	30.6
3. Total consolidated sales	421,815	387,641	8.8
4. Other operating income	5,107	4,409	15.8
5. Cost of materials	-85,524	-74,632	14.6
6. Personnel costs	-185,831	-176,348	5.4
7. Other operating expenses	-66,014	-56,968	15.9
8. Earnings before interest, taxes and write-downs	89,553	84,102	6.5
9. Write-downs on rights of usufruct from leases	-22,683	-20,994	8.0
10. Other write-downs	-18,991	-19,271	-1.5
11. Interest expenditure from leases	-1,246	-872	42.9
12. Other expenses in the financial result	-422	-1,290	-67.3
13. Income in the financial result	3,438	107	3,113.1
14. Earnings before taxes	49,649	41,782	18.8
15. Taxes on income and earnings	-15,469	-12,980	19.2
16. Net income for the quarter	34,180	28,802	18.7
17. Income attributable to minority interests	-1,317	-1,456	-9.5
18. Profits to be allocated to parent company shareholders	32,863	27,346	20.2
Earnings per share in € (diluted)	0.39	0.33	

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Environmental Pledge (1986)

The Fielmann Group plants a tree for each employee every year and is committed to protecting nature and the environment. To date, we have already planted more than 1.6 million trees and bushes.
