

AFFLELOU

Press release

Afflelou and its subsidiaries (the “Group”) publishes its third quarter results for the 2023/2024 fiscal year, as of and for the nine months ended April 30, 2024.

Paris, June 26, 2024

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- Sales¹ at €229.4 million in third quarter of 2023/24 fiscal year, up 5.5% from the same quarter of the prior fiscal year
 - Adjusted EBITDA² at €29.0 million for the quarter, up 7.0% from the prior comparable period and up 3.8% at €86.1 million for the nine months ended April 30, 2024, as compared to the same period the year prior
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Commercial performance of AFFLELOU

Network sales reached €229.4 million in the third quarter of the current fiscal year, as compared to €217.5 million from the third quarter of the prior fiscal year. The ALAIN AFFLELOU optical banner recorded strong performance in each geographical area, resulting in 5.5% growth compared to the same quarter in the past fiscal year. The strong communication campaigns started in early April after months of lower presence in the media leave us confident to continue growth at our network, as observed so far. On a cumulative basis, network sales amounted to €677.7 million for the first nine months of the fiscal year ending July 31, 2024, 5.4% higher than the same period a year before.

The ALAIN AFFLELOU optical network continued to grow to 1,434 stores as of April 30, 2024, from 1,397 a year before, with expansion in each of its main geographical areas. Our hearing aid network also recorded a significant expansion, reaching 559 points of sale (including dedicated centers and corners inside optical stores) as at April 30, 2024, versus 480 a year before, with the start of our expansion in Switzerland and Belgium. On a whole, the Group recorded an increase of 37 stores compared to the year before.

AFFLELOU’s financial performance

Adjusted EBITDA grew at €29.0 million during the third quarter of the current fiscal year as compared to €27.1 million during the same period the year before, representing a growth of 7.0% and reached €86.1 million in the first nine months of the current fiscal year as compared to €83.0 million in the prior fiscal year, representing a 3.8% growth.

In France, Adjusted EBITDA was €24.6 million and 70.5 million, respectively for the third quarter and in the first nine month of the current fiscal year which was respectively 8.0% and 3.8% higher than in same period of the previous fiscal year, thanks to the continued growth of our ALAIN AFFLELOU optical

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.

network and a better orientation of our hearing aids network sales since a few months. Indeed, the hearing aid business showed a strong recovery of its profitability in the past quarter, resulting in a slight improvement of its profitability in the first nine month of the current fiscal year, after softer quarters. In Spain, Adjusted EBITDA grew by €0.1 million or 2.7% to €3.6 million in the third quarter of the current fiscal year, and respectively €0.7 million or 5.7% in the first nine month of the current fiscal year, as compared to same periods in the past fiscal year. Those performances have combined a growth at the optical business profitability, as is the case in France, with the continued improvement at our hearing aid network, thanks to the rapid development of network sales. Finally, Adjusted EBITDA in our Other countries recorded a slight decline of 3.6% in the past quarter, resulting in a total decline of 5.7% in the first nine month of the current fiscal year as compared to the year prior. As is the case in France and Spain, the Group profitability in the other Countries segment was impacted by the phasing of our communication, which will be compensated in the last quarter of this current fiscal year, considering, as is afore mentioned, the solid network sales in our two main countries in this geographical area, i.e. Belgium and Switzerland.

Cash flows in the first nine of the fiscal year, together with strong profitability and financial performance, resulted in the improvement of our net debt adjusted from sublease liabilities at €522.7 million as of April 30, 2024, compared to €550.0 million as of July 31, 2023.

Anthony Afflelou, appointed Chief Executive Officer of AFFLELOU Group, stated: *“We again delivered a growth of 5.5% of our network sales in the past quarter, and 5.4% since the start of our fiscal year, continuing the quite positive trend of our Group in past quarters. The dynamism of our network was reflected in our two businesses, with sales recovering at our hearing aids network in France from the slowdown after 100% Santé changes in 2021, while continuing to develop rapidly in Spain. Magic and our recent initiatives like Teleophthalmology also continued to fuel our growth in France, and leave us confident to maintain positive sales, through our current massive communication campaigns, after months of lower presence in the media which did not affect our solid performance.”*

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 1,418 stores in 19 countries as of July 31, 2023.

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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