

AFFLELOU

Press release

Afflelou and its subsidiaries (the “Group”) publishes its first quarter results for the 2024/2025 fiscal year, as of and for the three months ended October 31, 2024.

Courbevoie, December 18, 2024

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- **Sales¹ reached €229.7 million in the first quarter of 2024/25 fiscal year, up 5.8% from the first quarter of the prior fiscal year, reflecting the continuation of solid growth from past quarters**
 - **Adjusted EBITDA² for the quarter was €29.2 million, representing a 6.9% increase from the prior comparable period**
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Commercial performance of AFFLELOU

Network sales reached €229.7 million in the first quarter of the current fiscal year, versus €217.2 million in the first quarter of the prior fiscal year. The ALAIN AFFLELOU optical banner recorded a positive performance in each geographical area, representing a total growth of 5.8% in the past quarter. Our optical business continued to show a solid growth at comparable levels to past quarters. On the other side, our hearing aid banner recorded double-digit growth which was driven by the rapid growth in Spain and the gradual recovery of the French market which had been stagnant for two years due to disruptions caused by the 100% Santé regulation changes that were introduced in 2021.

The Group had 1,462 stores as of October 31, 2024, representing an increase of 42 stores compared to October 31, 2023 and six stores compared to July 31, 2024.

AFFLELOU’s financial performance

Adjusted EBITDA grew at €29.2 million versus €27.3 million the year before.

In France, Adjusted EBITDA grew to €23.7 million versus €22.0 million a year before. Our profitability recorded a 7.7% growth thanks to positive network activity at our historical optical banner and high single-digit growth at our hearing aid business. In Spain, Adjusted EBITDA was €4.6 million versus €4.5 million a year before. Our profitability remained strong despite higher operational expenses at our directly owned stores. In our Other countries segment, Adjusted EBITDA rose to €0.9 million from €0.8 million during the previous quarter. This growth was positively influenced by strong network sales recorded in our two most mature markets Belgium and Switzerland.

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 also continued to generate strong cash flows during the quarter due to its solid performance, allowing us to reduce the net debt adjusted from sublease liabilities to €596.4 million as of October 31, 2024, compared to €608.3 million as of July 31, 2024.

Anthony Afflelou, appointed Chief Executive Officer of AFFLELOU Group, stated: *“We delivered 6% growth in our network in the past quarter, above the recent quarters which were already quite positive. Our profitability also reflected the positive trend at our network with a comparable growth in EBITDA. The expansion of both optical and hearing aid business, not only in our mature areas like France and Spain, but also in other European countries should continue in future months with solid prospects in terms of points of sales openings. Our focus on our historical brand has been a quite positive turnaround allowing us to foster synergies between our two businesses and grow our attractiveness towards end customers and also opticians and hearing aid specialists willing to join us. This positive outcome is of course supported by our commercial initiatives like our Magic collection or, in France, the rapid spread of our teleophthalmology solution, which provides comfort and simplicity to glasses wearers, together with maximum health requirements, aligning with the health authorities framework. The continued positive evolution of our network since numerous quarters makes us confident to continue to deliver our 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. The Group operates 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 and 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 franchise banner of optical products (in terms of store numbers) and the fourth largest (in terms of network revenue). The Group, which is continuing its global expansion, is present worldwide, with 1,456 stores in 20 countries as of July 31, 2024.

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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