

# AFFLELOU

## *Press release*

*Afflelou and its subsidiaries (the “Group”) publishes its first quarter results for the 2023/2024 fiscal year, as of and for the three months ended October 31, 2023.*

Paris, December 20, 2023

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- Sales<sup>1</sup> at €217.2 million in first quarter of 2023/24 fiscal year, up 5.1% from the first quarter of the prior fiscal year, maintaining a solid growth since past quarters
  - Adjusted EBITDA<sup>2</sup> at €27.3 million for the quarter, up 4.3% from the prior comparable period
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### Commercial performance of AFFLELOU

Network sales reached €217.2 million in the first quarter of the current fiscal year, as compared to €206.7 million from the first quarter of the prior fiscal year. The ALAIN AFFLELOU optical banner recorded positive performance in each of its geographical areas, representing a total growth of 5.1% in the past quarter. Our optical business continued to show solid growth, at comparable levels with the past quarters. On the other hand, our hearing aid banner recorded a slight growth, with the continued rapid rise of hearing aid activity in Spain being attenuated by the French market slowdown after the significant growth introduced in 2021 with the 100% Santé regulation changes.

The Group had 1,420 stores as of October 31, 2023, representing a net increase of 37 stores as compared to October 31, 2022 and two stores as compared to July 31, 2023.

### AFFLELOU’s financial performance

Adjusted EBITDA grew to €27.3 million as compared to €26.2 million the year before.

In France, Adjusted EBITDA grew to €22.0 million as compared to €21.1 million a year prior. Our profitability recorded a 4.4% growth due to the positive network activity at our historical optical banner, while attenuated by the hearing aid market slowdown. In Spain, Adjusted EBITDA represented €4.5 million as compared to €4.2 million a year before. We had strong performance over the period, with the fast growing hearing aid business, only two years after having relaunched this activity in Spain. Finally, Adjusted EBITDA in our Other countries segment stood at €0.8 million as compared to €0.9 million during the prior comparable quarter, due to a technical impact on communication expenses, and the reinforcement of our local teams in Belgium and Switzerland.

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<sup>1</sup> 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.

<sup>2</sup> 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 deliver strong cash flows over the quarter, thanks to its strong overall performance, allowing us to reduce our net debt adjusted from sublease liabilities to €537.2 million as of October 31, 2023, as compared to €547.1 million as of July 31, 2023.

**Anthony Afflelou, Chief Executive Officer of AFFLELOU Group, stated:** *“We continued in the past quarter to deliver 5% growth in our network, and enjoyed a same evolution of our profitability. The focus on our historical brand allows us to concentrate our efforts in communication and benefit from strong synergies between the hearing aid business and the optical activity. We are currently deploying the digital transformation aiming at optimizing the customer’s journey at ALAIN AFFLELOU in both businesses. Initiatives like the Magic collection, and our tele-ophthalmology innovation strongly differentiate ALAIN AFFLELOU in its sector. The continued positive evolution of our network since end of October 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 1,418 stores in 19 countries as of July 31, 2023.

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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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