



fielmann

FINANCIAL REPORT
AS AT 30 JUNE 2020

Fielmann Group: Financial Report as at 30 June 2020

Dear Shareholders, Dear Friends of the Company,

As a result of the coronavirus pandemic, Fielmann AG's business operations have been significantly affected in the first half of 2020. Nonetheless, thanks to our robust business model, outstanding work by our employees and rigorous cost reductions, Fielmann recorded a positive result for the second quarter as well as for the first half of the year.

Interim company report

The economy is currently in a global recession as a result of the coronavirus pandemic. The economic output fell by 9.7% in the second quarter compared to the previous quarter. This represents the biggest decrease since quarterly reporting began in 1970. According to preliminary indications from the Federal Statistical Office, incoming orders in the manufacturing sector rose by 10.4% in May 2020 compared to the previous month, adjusted to season and calendar.

The use of the short-time work scheme in response to the coronavirus pandemic increased significantly. In April, 6.8 million employees in Germany were affected by the short-time work scheme. In addition, there was a noticeable increase in unemployment. Whereas the unemployment rate amounted to 5.0% in March, it increased to 6.4% in June. As at the reporting date, 2.94 million people are registered as unemployed.

The rate of inflation grew to 0.9% compared to the corresponding month of the previous year.

Report on the revenue, financial and assets situation

Units sold and sales revenue

Fielmann sold 3.1 million glasses in the first six months (previous year: 4.1 million). The Fielmann Group's external sales incl. VAT and changes in inventories fell in the same period to €712.7 million (previous year: €884.4 million), while consolidated sales dropped to €610.8 million (previous year: €758.2 million).

Unit sales in the second quarter fell to 1.4 million (previous year: 2.1 million). Over the same period, external sales fell to €305.3 million (previous year: €446.8 million) and consolidated sales to €255.6 million (previous year: €386.4 million).

Earnings and investments

Thanks to our robust business model, outstanding work by our employees and rigorous cost reductions, Fielmann recorded a positive result for the second quarter as well as for the first half of the year 2020 despite the coronavirus pandemic. The pre-tax profit amounted to € 37.5 million in the first half of the year (previous year: € 127.6 million) and the net income was € 25.1 million (previous year: € 89.2 million). The EBITDA fell to € 107.5 million (previous year: € 191.7 million).

From April to June, the pre-tax profit amounted to € 19.9 million (previous year: € 60.5 million) and the net income stood at € 13.2 million (previous year: € 42.2 million).

In the first six months, investments totalled € 31.4 million (previous year: € 35.8 million). All investments were financed from our cash flow. The main focus of the investments was on the digitisation of the business model. As at 30 June, Fielmann operated 779 stores (previous year: 743), 212 of which also contained hearing aid studios (previous year: 202).

Earnings per share

in €000s	30 June 2020	30 June 2019
Consolidated net income for the period	25,065	89,158
Income attributable to other shareholders	-770	-2,499
Profits to be allocated to parent company shareholders	24,295	86,659
Number of shares in '000 units	84,000	84,000
Own shares in '000 units	-45	-45
Number of shares in '000 units	83,955	83,955
Earnings per share	0.29	1.03

Dividend per share

Fielmann acted early to take the necessary measures shortly after the onset of the crisis in order to secure the liquidity and jobs. For this purpose, wide-ranging cost savings were implemented. To strengthen the liquidity, the Management Board and Supervisory Board proposed to the Annual General Meeting that the 2019 year-end result be carried forward, thereby maintaining company independence. The Annual General Meeting approved this application from the Management Board and Supervisory Board with 99.93%.

Information on the bodies of the Company

The period of office of the previous members of the Supervisory Board came to an end upon the closure of the Annual General Meeting 2020. The employee representatives were elected by vote on 29 June, while the shareholder representatives were appointed by resolution at the Annual General Meeting on 9 July 2020. The Supervisory Board is now composed as follows:

Supervisory Board members among shareholders	Supervisory Board members among employees
Prof. Dr. Mark K. Binz (Chairman of the Supervisory Board)	Ralf Greve (Deputy Chairperson of the Supervisory Board)
Hans-Georg Frey	Heiko Diekhöner
Carolina Müller-Möhl	Jana Furcht
Hans Joachim Oltersdorf	Nathalie Hintz
Marie-Christine Ostermann	Eva Schleifenbaum
Pier Paolo Righi	Frank Schmiedecke
Sarna Marie Elisabeth Röser	Frank Schreckenberg
Hans-Otto Schrader	Mathias Thürnau

Employees

Fielmann is Germany's largest employer in the optical industry with a total of 19,872 employees in the Group as at 30 June (previous year: 19,172), of which 3,808 are apprentices (previous year: 3,346). Fielmann is also the biggest training provider and accounts for more than 40% of all apprentices in Germany.

Accounting and valuation principles

The same accounting and valuation principles apply to the interim report of 30 June 2020 as to the annual financial statement of 31 December 2019 which was compiled according to International Financial Reporting Standards (IFRS and IAS). The result for the comparative period takes into account the actual tax ratio of the financial year 2019.

Effects of the coronavirus pandemic on the accounting

For Fielmann, the effects of the COVID-19 pandemic represent a so-called "triggering event" as per IAS 36, so that an impairment test for the cash generating units (CGUs) and individual assets was conducted by the reporting date. The pre-tax capitalisation rate now amounts to 7.4% (previously: 4.0%).

Determined based on adjusted planning, the recoverable amounts for the individual assets result in write-downs of T€ 1,748 and are divided as follows:

Assets	in €000s
Tangible fixed assets	1,098
Rights of usufruct from leases	525
Intangible assets	125

The impairment costs are reported under "Other write-downs" and under "Write-downs on rights of usufruct from leases" and are divided between the segments according to the geographical location of the CGUs.

Segment	in €000s
Germany	780
Switzerland	470
Austria	162
Other	336

In the first six months, the reimbursements of € 27.0 million received from the short-time work scheme and comparable measures abroad were used for personnel expenses. The short-time allowance in Germany and Italy is to be assigned to the respective employee as the beneficiary.

For this reason, only the partial amount of € 17.0 million applies as reimbursement of social security contributions and salary costs as per IAS 20.

Forecast, opportunities and risk report

Since 27 April 2020, Fielmann has been providing regular service at all stores during the usual opening times, has drawn up science-based hygiene standards to protect employees and customers, and has equipped all stores with sufficient protective glasses, protective masks, and disinfectant. The number of customers inside the stores is currently still limited, and people are asked to make appointments in advance. People are asked to make appointments in advance. Appointments for the chosen store can be made by phone or online on the company's website.

There is still a wide range of restrictions to our business operations. Furthermore, a new wave of infections cannot be ruled out. This results in a negative impact on units sold, sales revenue and profits, which cannot be forecast precisely.

Coronavirus pandemic

The Management Board continuously monitors and evaluates the situation for the Fielmann Group and the development of the restrictions to public life caused by the coronavirus pandemic. The implemented measures and the company's current economic development are securing the company's continuation.

Outlook

Based on the visible recovery in the course of the second quarter, for the year as a whole we expect external sales of over €1.5 billion (previous year: €1.76 billion), group sales of over €1.3 billion (previous year: €1.52 billion) and a pre-tax profit of over €100 million (previous year: €253.8 million). This forecast applies on the proviso that there are no further significant restrictions due to the coronavirus pandemic this year, which compromise our business activities.

Balance sheet oath

We affirm that to the best of our knowledge the consolidated accounts prepared in accordance with the applicable accounting regulations convey a view of the Group's assets, finances and income that is true and fair and that business development including business results and the position of the Group are presented in the Management Report for the Group in such a way as to provide a true and fair view as well as to portray the opportunities and risks inherent in the future development of the Group accurately.

Hamburg, August 2020

Fielmann Aktiengesellschaft
The Management Board

Statement of the overall result

For the period from 1 January to 30 June	2020 in € 000s	2019 in € 000s	Change from previous year in %
Consolidated net income for the period	25,065	89,158	-71.9
Items which are reclassified under certain conditions and reported in the profit and loss account			
Earnings from foreign exchange conversion, reported under equity	244	670	-63.6
Items which will not be reclassified and reported in the profit and loss statement in future			
Valuation of employee benefits in accordance with IAS 19	-371	-778	-52.3
Other profit/loss after tax	-127	-108	17.6
Overall result	24,938	89,050	-72.0
of which attributable to minority interests	770	2,499	-69.2
of which attributable to parent company shareholders	24,168	86,551	-72.1

Explanatory notes on the financial result as at 30 June 2020

The figures for the previous year are indicated in parentheses:

in € 000s	Expenses	Income	Balance
Result from cash and capital investments	-181 (-105)	371 (620)	190 (515)
Result from on-balance sheet and other transactions not relating to financial assets	-1,715 (-1,629)	110 (58)	-1,605 (-1,571)
Interest result	-1,896 (-1,734)	481 (678)	-1,415 (-1,056)
Result from shares in associates	-202 (-296)	0 (0)	-202 (-296)
Write-ups and write-downs on financial assets and similar items	0 (0)	0 (0)	0 (0)
Financial result	-2,098 (-2,030)	481 (678)	-1,617 (-1,352)

Explanatory notes on the segment report

In accordance with the regional structure of the internal reporting system, Segment Reporting distinguishes between the geographic regions in which the Group offers and delivers products and services.

Information on related parties (IAS 24)

The contractual relations to the related parties described in the 2019 financial report continue in almost unchanged form. All transactions are made at the customary market prices and conditions and are of minor importance to the Fielmann Aktiengesellschaft.

After six months, the revenues amount to T€ 448 (previous year: T€ 505) and the expenses to T€ 1,553 (previous year: T€ 1,905). The balances have been offset as at the reporting date.

Other information

The amount of 45,079 units of own shares was offset from the item "Securities" (previous year: 45,183). The book value as at 30 June 2020 is T€ 3,084 (previous year: T€ 2,684). The quoted Fielmann shares were acquired within the meaning of § 71 Para. 1 No. 2 of the German Stock Corporation Act (AktG) in order to offer them to staff of Fielmann Aktiengesellschaft or its affiliated companies as employee shares.

Significant events after 30 June 2020

At the time of preparing the present report, there had been no significant events after the end of the second quarter which could have an effect on the assets, financial position and earnings of the Fielmann Aktiengesellschaft and Fielmann Group.

Explanatory notes on the cash flow statement

Cash and cash equivalents totaling € 130.6 million (previous year: € 218.7 million) include liquid funds as well as securities with a fixed term of up to three months. The development is in relation to the deferral of maturities as well as the temporary suspension of regular business operations due to the coronavirus pandemic.

Summary of financial assets

in €000s	30 June 2020	31 December 2019	30 June 2019
Liquid funds	107,220	100,818	165,462
Capital investments with a specific maturity of up to 3 months	23,373	29,905	53,236
Cash and cash equivalents	130,593	130,723	218,698
Non-current financial assets	2,163	2,033	2,241
Other non-current financial assets	27,479	28,966	51,884
Capital investments with a specific maturity of more than 3 months	112,752	105,837	116,439
Financial assets	272,987	267,559	389,262

Financial calendar 2020/21

Analyst conference	28 August 2020
Interim report	12 November 2020
Preliminary figures 2020	February 2021
Interim report	April 2021
Bloomberg code	FIE
Reuters code	FIEG.DE
Securities ID number/ISIN	DE0005772206

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Segment reporting 1 January to 30 June 2020 The previous year's figures are stated in parentheses.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Consolidated value
Sales revenues from the segment	511.9 (640.3)	70.8 (88.7)	34.2 (44.9)	24.2 (25.6)	-30.3 (-41.3)	610.8 (758.2)
Sales revenues from other segments	29.3 (41.1)		0.2 (0.2)	0.8 (0.0)		
Outside sales revenues	482.6 (599.2)	70.8 (88.7)	34.0 (44.7)	23.4 (25.6)		610.8 (758.2)
Cost of materials	125.0 (156.8)	15.0 (18.4)	7.3 (10.2)	7.4 (7.3)	-26.2 (-36.0)	128.5 (156.7)
Personnel costs	235.6 (253.4)	34.5 (35.8)	14.5 (16.3)	10.3 (9.7)		294.9 (315.2)
Scheduled depreciation	48.9 (47.2)	8.0 (7.3)	3.0 (3.2)	6.8 (5.0)		66.7 (62.7)
Expenses in the financial result	1.8 (1.5)	0.2 (0.3)	0.1 (0.2)	0.3 (0.4)	-0.3 (-0.4)	2.1 (2.0)
Income in the financial result	0.6 (0.9)	0.2 (0.2)			-0.3 (-0.4)	0.5 (0.7)
Earnings before tax - in segments excl. investment income	36.0 (107.9)	3.0 (14.1)	4.5 (8.2)	-6.0 (-2.6)	0.0 (0.0)	37.5 (127.6)
Taxes on income and earnings	12.4 (33.6)	-0.3 (2.5)	0.3 (1.4)	0.0 (1.0)		12.4 (38.5)
Consolidated net income for the period	23.6 (74.3)	3.3 (11.6)	4.2 (6.8)	-6.0 (-3.6)	0.0 (0.0)	25.1 (89.1)
Non-current segment assets excluding financial instruments and deferred tax assets	577.1 (563.5)	77.5 (80.4)	35.0 (40.5)	83.5 (62.2)		773.1 (746.6)
of which non-current segment assets excluding rights of usufruct from leases	342.4 (305.3)	29.2 (30.3)	5.4 (6.1)	45.0 (26.3)		422.0 (368.0)
of which rights of usufruct from leases	234.7 (258.2)	48.3 (50.1)	29.6 (34.4)	38.5 (35.9)		351.1 (378.6)
Additions to non-current segment assets excluding financial instruments and deferred tax assets	47.9 (315.5)	1.4 (55.7)	0.3 (37.9)	3.4 (43.5)		53.0 (452.6)
of which additions to non-current segment assets without rights of usufruct from leases	28.2 (29.9)	1.5 (0.4)	0.2 (1.1)	1.5 (4.4)		31.4 (35.8)
of which rights of usufruct from leases	19.7 (258.6)	-0.1 (55.3)	0.1 (36.8)	1.9 (39.1)		21.6 (416.8)
Shares in associates	4.7 (4.9)					4.7 (4.9)
Deferred tax assets	11.8 (10.6)	0.3 (0.0)	0.3 (0.3)	0.3 (0.8)		12.7 (11.7)

Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 June in €000s	2020	2019	Change
Earnings before taxes (EBT)	37,508	127,636	-90,128
-/+ Profit shares of associates	202	296	-94
+ Statement-related interest expenditure from leases	1,126	1,197	-71
+ Statement-related other expenditure in the final result	770	537	233
- Statement-related income in the final result	-481	-678	197
+ Write-downs on tangible assets and intangible assets	28,311	24,454	3,857
+ Write-downs on rights of usufruct from leases	40,066	38,289	1,777
- Taxes on income paid	-21,445	-40,822	19,377
+/- Other non-cash income/expenditure	-2,765	-1,047	-1,718
+/- Increase/decrease in accruals	-5,433	506	-5,939
-/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets	117	-48	165
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-32,562	-402,602	370,040
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	17,832	408,069	-390,237
- Interest paid	-399	-302	-97
+ Interest received	103	461	-358
= Cash flow from operating activities	62,950	155,946	-92,996
Receipts from the disposal of tangible assets	86	154	-68
- Payments for tangible assets	-16,696	-21,453	4,757
- Payments for intangible assets	-14,673	-14,304	-369
+ Receipts from the disposal of financial assets	67	74	-7
- Payments for financial assets	-197	0	-197
+ Receipts from the disposal of securities and other investments	77,830	73,522	4,308
- Payments for the acquisition of securities and other investments	-64,369	-70,758	6,389
= Cash flow from investment activities	-17,952	-32,765	14,813
Payments to company owners and non-controlling shareholders	-821	-2,390	1,569
+/- Sale/Acquisition of own shares	-2,319	-1,951	-368
+ Receipts from loans raised	141	59	82
- Repayment of loans	-93	-141	48
- Payments for liabilities from leases	-40,189	-38,715	-1,474
- Payments for the acquisition of additional shares in subsidiaries	-1,517	0	-1,517
= Cash flow from financing activities	-44,798	-43,138	-1,660
Changes in cash and equivalents	200	80,043	-79,843
+/- Changes in cash and equivalents due to exchange rates	-330	98	-428
+ Cash and equivalents at the beginning of the period	130,723	138,557	-7,834
= Cash and equivalents at the end of the period	130,593	218,698	-88,105

in €000s

Position as at 1 January 2020

Net profit for the year

Other profit

Overall result

Dividends/profit shares¹

Share-based remuneration

Own shares

Share changes in subsidiaries

Acquisition of non-controlling interests shares

Position as at 30 June 2020

Subscribed capital

Capital reserves

84,000

92,652

84,000

92,652

in €000s

Position as at 1 January 2019

Net profit for the year

Other profit

Overall result

Dividends/profit shares¹

Share-based remuneration

Own shares

Position as at 30 June 2019

Subscribed capital

Capital reserves

84,000

92,652

84,000

92,652

¹ Dividends paid and share of profit allocated to other shareholders

Consolidated equity of the parent company's shareholders

Retained earnings	Other reserves			
	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration
526,444	20,696	-2,948	-765	2,534
24,295				
	244	-371		
24,295	244	-371		
				-7
			-2,319	
-543				
550,196	20,940	-3,319	-3,084	2,527

Consolidated equity of the parent company's shareholders

Retained earnings	Other reserves			
	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration
514,391	18,726	-2,254	-733	2,227
86,659				
	670	-778		
86,659	670	-778		
				14
			-1,951	
601,050	19,396	-3,032	-2,684	2,241

Total	Total	Non-controlling interests	Equity
19,517	722,613	4,037	726,650
	24,295	770	25,065
-127	-127		-127
-127	24,168	770	24,938
		-821	-821
-7	-7		-7
-2,319	-2,319		-2,319
		262	262
	-543		-543
17,064	743,912	4,248	748,160

Total	Total	Non-controlling interests	Equity
17,966	709,009	207	709,216
	86,659	2,499	89,158
-108	-108		-108
-108	86,551	2,499	89,050
		-2,390	-2,390
14	14		14
-1,951	-1,951		-1,951
15,921	793,623	316	793,939

Consolidated profit and loss account

For the period from 1 April to 30 June 2020	II. Quarter 2020 in € 000s	II. Quarter 2019 in € 000s	Change from pre- vious year in %
1. Consolidated sales	255,582	386,438	-33.9
2. Changes in inventories	11,622	-1,200	-1068.5
Total consolidated sales	267,204	385,238	-30.6
3. Other operating income	3,863	5,958	-35.2
4. Cost of materials	-50,478	-83,578	-39.6
5. Personnel costs	-131,408	-157,378	-16.5
6. Write-downs on rights of usufruct from leases	-20,292	-19,104	6.2
7. Other write-downs	-14,935	-12,831	16.4
8. Other operating expenses	-33,430	-56,834	-41.2
9. Interest expenditure from leases	-550	-636	-13.5
10. Other expenses in the financial result	-322	-460	-30.0
11. Income in the financial result	211	100	111.0
12. Result before taxes	19,863	60,475	-67.2
13. Taxes on income and earnings	-6,631	-18,231	-63.6
14. Net income for the quarter	13,232	42,244	-68.7
15. Income attributable to minority interests	-658	-1,297	-49.3
16. Profits to be allocated to parent company shareholders	12,574	40,947	-69.3
Earnings per share in € (diluted/basic)	0.15	0.49	

Consolidated profit and loss account

For the period from 1 January to 30 June 2020	2020 in € 000s	2019 in € 000s	Change from pre- vious year in %
1. Consolidated sales	610,844	758,196	-19.4
2. Changes in inventories	9,281	6,438	44.2
Total consolidated sales	620,125	764,634	-18.9
3. Other operating income	7,976	9,702	-17.8
4. Cost of materials	-128,549	-156,693	-18.0
5. Personnel costs	-294,900	-315,233	-6.5
6. Write-downs on rights of usufruct from leases	-40,066	-38,289	4.6
7. Other write-downs	-28,311	-24,454	15.8
8. Other operating expenses	-97,150	-110,679	-12.2
9. Interest expenditure from leases	-1,126	-1,197	-5.9
10. Other expenses in the financial result	-972	-833	16.7
11. Income in the financial result	481	678	-29.1
12. Result before taxes	37,508	127,636	-70.6
13. Taxes on income and earnings	-12,443	-38,478	-67.7
14. Consolidated net income for the period	25,065	89,158	-71.9
15. Income attributable to minority interests	-770	-2,499	-69.2
16. Profits to be allocated to parent company shareholders	24,295	86,659	-72.0
Earnings per share in € (diluted/basic)	0.29	1.03	

Consolidated balance sheet

Assets	Position as at 30 June 2020 in € 000s	Position as at 31 December 2019 in € 000s
A. Non-current fixed assets		
I. Intangible assets	72,295	63,720
II. Goodwill	54,637	54,562
III. Tangible assets	283,650	288,999
IV. Investment property	11,450	11,649
V. Rights of usufruct from leases	351,053	370,630
VI. Shares in associates	4,743	4,945
VII. Other financial assets	2,163	2,033
VIII. Deferred tax assets	12,687	10,911
IX. Other financial assets	27,479	28,966
X. Receivables from leases	660	894
	820,817	837,309
B. Current assets		
I. Inventories	168,450	158,724
II. Trade debtors	36,604	38,910
III. Other financial assets	49,495	55,608
IV. Non-financial assets	34,921	24,796
V. Tax assets	17,793	14,678
VI. Financial assets	112,752	105,837
VII. Cash and cash equivalents	130,593	130,723
	550,608	529,276
	1,371,425	1,366,585
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	550,196	526,444
IV. Other reserves	17,064	19,517
Consolidated equity of the parent company's shareholders	743,912	722,613
V. Non-controlling interests	4,248	4,037
	748,160	726,650
B. Non-current liabilities		
I. Accruals	29,584	30,642
II. Financial liabilities	1,246	1,211
III. Deferred tax liabilities	16,201	17,601
IV. Liabilities from leases	275,511	296,001
	322,542	345,455
C. Current liabilities		
I. Accruals	42,289	46,663
II. Financial liabilities	96	83
III. Liabilities from leases	77,740	76,074
IV. Trade creditors	62,450	72,722
V. Other financial liabilities	23,684	24,931
VI. Non-financial liabilities	88,542	64,744
VII. Income tax liabilities	5,922	9,263
	300,723	294,480
	1,371,425	1,366,585