



fielmann

INTERIM REPORT
AS AT 30 SEPTEMBER 2020

Fielmann Group: Interim report as at 30 September 2020

Dear Shareholders, Dear Friends of the Company,

While the coronavirus pandemic continues to have a substantial impact on daily life as well as economies across Europe, Fielmann has been able to record an economic recovery since May thanks to its robust business model, the outstanding work of its employees and appropriate cost reductions. This recovery already led to a positive result in the first half of the year and then accelerated from July to September.

3rd quarter 2020

The number of units sold in the third quarter of 2020 stood at 1.98 million pairs of glasses (previous year: 2.06 million). External sales grew by 4.0% to € 481.6 million (previous year: € 463.2 million) and consolidated sales rose by 5.2% to € 421.0 million (previous year: € 400.1 million). The pre-tax profit for the third quarter increased to € 81.4 million (previous year: € 78.5 million) and the net income to € 57.8 million (previous year: € 54.8 million).

1st – 3rd Quarter 2020

Unit sales in the first nine months of this financial year amounted to a total of 5.07 million pairs of glasses (previous year: 6.13 million). External sales fell by 11.4% to € 1,194.3 million (previous year: € 1,347.6 million) and consolidated sales decreased by 10.9% to € 1,031.8 million (previous year: € 1,158.3 million). In the same period, Fielmann generated a pre-tax profit of € 118.9 million (previous year: € 206.1 million), and the net income was € 82.8 million (previous year: € 144.0 million).

Investments

The investments in non-current segment assets without rights of usufruct from leases (particularly leasing rights) amounted to € 55.0 million after nine quarters and were financed from our cash flow (previous year: € 74.4 million). As at 30 September 2020, Fielmann operated 783 stores (previous year: 770), 216 of which also contained hearing aid studios (previous year: 206).

Earnings per share

Earnings per share stood at € 0.95 (previous year: € 1.66). There were no circumstances which could have diluted earnings per share during the period under review or comparable periods.

Dividend per share

On 9 July 2020, the Annual General Meeting of Fielmann AG followed the suggestion made by the Management Board and Supervisory Board not to pay out a dividend for the financial year 2019, thereby strengthening the

liquidity basis. The balance sheet profit of Fielmann Aktiengesellschaft in the financial year 2019 of € 163.8 will be carried forward as retained earnings.

Employees

As at 30 September 2020, Fielmann employed 21,031 members of staff (previous year: 20,519), of whom 4,687 were apprentices (previous year: 4,356). Fielmann is also the biggest training provider, accounting for more than 40% of all apprentices in Germany, and has recruited more than 1,700 apprentices during the corona pandemic.

Forecast, opportunities and risk report

With the consistent application of science-based hygiene standards Fielmann took responsibility for the health of its customers and employees from an early stage. All the stores are being continuously equipped with a sufficient amount of protective glasses, protective masks for the nose and mouth, disposable gloves, and disinfectant. These wide-ranging precautions enable us to offer our customers a safe implementation of our services at all times, even in the event of stricter distancing and protective measures.

Thanks to the consistent application of our hygiene standards, we safeguarded the health of our customers and employees alike. Many customers who originally postponed their purchase of glasses are now coming back to our stores. With our online appointment tool we allow our customers to plan their visit in advance. At the same time, we welcome spontaneous walk-ins using our digital time management tool. This way, Fielmann controls the footfall in the store, minimises waiting times and maximises productivity.

Outlook

As the market leader, Fielmann has used available liquidity to strengthen its position in the market, invest in digitisation and accelerate its expansion. With its Vision 2025, Fielmann is shaping the optical industry in Europe for the benefit of customers.

Based on the current situation, we expect external sales of over € 1.6 billion (previous year: € 1.76 billion), consolidated sales of over € 1.4 billion (previous year: € 1.52 billion) and earnings before taxes of over € 140 million (previous year: € 253.81 million). There may be a reassessment for the year as a whole due to the measures that have already been approved, implemented and are possibly still to come in an effort to contain the coronavirus pandemic. We are confident that we will emerge from this crisis stronger than before.

Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 September in €000s	2020	2019	Change
Earnings before taxes (EBT)	118,901	206,118	-87,217
-/+ Profit shares of associates	755	445	310
+ Statement-related interest expenditure from leases	1,655	1,801	-146
+ Statement-related other expenditure in the final result	1,033	849	184
- Statement-related income in the final result	-688	-1,299	611
+ Write-downs on tangible assets and intangible assets	58,274	37,287	20,987
+ Write-downs on rights of usufruct from leases	59,247	57,821	1,426
- Taxes on income paid	-40,825	-58,308	17,483
+/- Other non-cash income/expenditure	54	-911	965
+/- Increase/decrease in accruals	1,421	6,826	-5,405
-/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets	-640	-110	-530
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-19,986	-406,216	386,230
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	22,726	427,323	-404,597
- Interest paid	-711	-461	-250
+ Interest received	29	399	-370
= Cash flow from operating activities	201,245	271,564	-70,319
Receipts from the disposal of tangible assets	282	277	5
- Payments for tangible assets	-34,078	-38,404	4,326
- Payments for intangible assets	-18,849	-22,661	3,812
+ Receipts from the disposal of financial assets	101	110	-9
- Payments for financial assets	-197	0	-197
- Payouts for the purchase of subsidiaries	-2,033	-13,388	11,355
+ Receipts from the disposal of securities and other investments	105,611	88,772	16,839
- Payments for the acquisition of securities and other investments	-97,851	-25,508	-72,343
= Cash flow from investment activities	-47,014	-10,802	-36,212
Payments to company owners and non-controlling shareholders	-3,252	-163,952	160,700
+/- Sale/Acquisition of own shares	-3,098	-3,687	589
+ Receipts from loans raised	85	323	-238
- Repayment of loans	-145	-231	86
- Payments for liabilities from leases	-59,978	-58,345	-1,633
- Payments for the acquisition of additional shares in subsidiaries	-1,558	-650	-908
= Cash flow from financing activities	-67,946	-226,542	158,596
Changes in cash and equivalents	86,285	34,220	52,065
+/- Changes in cash and equivalents due to exchange rates	-415	-67	-348
+ Cash and equivalents at the beginning of the period	130,723	138,557	-7,834
= Cash and equivalents at the end of the period	216,593	172,710	43,883

Summary of financial assets

1 January to 30 September in €000s	2020	2019	Change
Liquid funds	171,463	118,334	53,129
Capital investments with a specific maturity of up to 3 months	45,130	54,376	-9,246
Cash and cash equivalents	216,593	172,710	43,883
Non-current financial assets	2,129	2,205	-76
Other non-current financial assets	3,815	34,847	-31,032
Capital investments with a specific maturity of more than 3 months	147,249	73,021	74,228
Financial assets	369,786	282,783	87,003

Financial calendar 2021

Preliminary figures	February 2021
Interim report	29 April 2021
Financial statement press conference	29 April 2021
Annual General Meeting	8 July 2021
Bloomberg code	FIE
Reuters code	FIEG.DE
Securities ID number/ISIN	DE0005772206

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

in € million	Germany	Switzerland	Austria	Other	Consolidation	Consolidated value
Sales revenues from the segment	863.3 (975.9)	119.7 (135.4)	56.5 (67.3)	42.7 (40.0)	-50.4 (-60.3)	1,031.8 (1,158.3)
Sales revenues from other segments	48.6 (60.0)		0.1 (0.3)	1.7 (0.0)		
Outside sales revenues	814.7(915.9)	119.7(135.4)	56.4 (67.0)	41.0 (40.0)		1,031.8 (1,158.3)
Cost of materials	204.1 (236.6)	25.8 (28.6)	12.7 (15.4)	14.6 (11.7)	-43.7 (-52.3)	213.5 (240.0)
Personnel costs	367.3 (379.4)	52.4 (53.7)	21.6 (23.8)	16.0 (14.9)		457.3 (471.8)
Scheduled depreciation	79.8 (71.1)	12.2 (11.2)	4.0 (4.8)	12.8 (8.0)		108.8 (95.1)
Expenses in the financial result	2.9 (2.4)	0.3 (0.4)	0.2 (0.3)	0.5 (0.6)	-0.5 (-0.6)	3.4 (3.1)
Income in the financial result	0.7 (1.5)	0.3 (0.3)		0.0 (0.1)	-0.3 (-0.6)	0.7 (1.3)
Earnings before tax						
– in segments excl. investment income	111.5 (175.6)	10.6 (20.9)	9.6 (13.4)	-12.8 (-3.8)		118.9 (206.1)
Taxes on income and earnings	34.4 (54.9)	0.8 (4.0)	1.4 (2.4)	-0.5 (0.8)		36.1 (62.1)
Consolidated net income for the period	77.1(120.7)	9.8 (16.9)	8.2 (11.0)	-12.3 (-4.6)		82.8 (144.0)
Non-current segment assets excluding financial instruments and deferred tax assets	572.9 (564.3)	74.0 (82.8)	34.2 (39.2)	80.5 (87.3)		761.6 (773.6)
of which non-current segment assets excluding rights of usufruct from leases	337.9 (314.3)	28.6 (29.9)	5.8 (6.0)	42.9 (43.4)		415.2 (393.6)
of which rights of usufruct from leases	235.0 (249.9)	45.4 (52.9)	28.4 (33.2)	37.6 (43.9)		346.4 (379.9)
Additions to non-current segment assets excluding financial instruments and deferred tax assets	78.6 (341.0)	3.3 (61.5)	1.2 (39.0)	8.8 (71.5)		91.9 (513.0)
of which additions to non-current segment assets excluding rights of usufruct from leases	45.5 (50.0)	2.9 (0.7)	1.0 (1.3)	5.6 (22.4)		55.0 (74.4)
of which additions to rights of usufruct from leases	33.1 (291.0)	0.4 (60.8)	0.2 (37.7)	3.2 (49.1)		36.9 (438.6)
Shares in associates	4.2 (4.8)					4.2 (4.8)
Deferred tax assets	11.4 (10.6)	0.2 (0.0)	0.3 (0.3)	0.1 (0.8)		12.9 (11.7)

Consolidated profit and loss account

For the period from 1 July to 30 September	III. Quarter 2020 in € 000s	III. Quarter 2019 in € 000s	Change from pre- vious year in %
1. Consolidated sales	420,995	400,057	5.2
2. Changes in inventories	3,055	-366	-934.7
Total consolidated sales	424,050	399,691	6.1
3. Other operating income	9,610	3,872	148.2
4. Cost of materials	-84,915	-83,344	1.9
5. Personnel costs	-162,430	-156,546	3.8
6. Write-downs on rights of usufruct from leases	-19,181	-19,532	-1.8
7. Other write-downs	-29,963	-12,833	133.5
8. Other operating expenses	-54,640	-52,382	4.3
9. Interest expenditure from leases	-529	-604	-12.4
10. Other expenses in the financial result	-816	-461	77.1
11. Income in the financial result	207	621	-66.7
12. Result before taxes	81,393	78,482	3.7
13. Taxes on income and earnings	-23,613	-23,660	-0.2
14. Net income for the quarter	57,780	54,822	5.4
15. Income attributable to minority interests	-2,473	-2,036	21.5
16. Profits to be allocated to parent company shareholders	55,307	52,786	4.8
Earnings per share in € (diluted/basic)	0.66	0.63	

Consolidated profit and loss account

For the period from 1 January to 30 September	2020 in € 000s	2019 in € 000s	Change from pre- vious year in %
1. Consolidated sales	1,031,839	1,158,253	-10.9
2. Changes in inventories	12,336	6,072	103.2
Total consolidated sales	1,044,175	1,164,325	-10.3
3. Other operating income	17,586	13,574	29.6
4. Cost of materials	-213,464	-240,037	-11.1
5. Personnel costs	-457,330	-471,779	-3.1
6. Write-downs on rights of usufruct from leases	-59,247	-57,821	2.5
7. Other write-downs	-58,274	-37,287	56.3
8. Other operating expenses	-151,790	-163,061	-6.9
9. Interest expenditure from leases	-1,655	-1,801	-8.1
10. Other expenses in the financial result	-1,788	-1,294	38.2
11. Income in the financial result	688	1,299	-47.0
12. Result before taxes	118,901	206,118	-42.3
13. Taxes on income and earnings	-36,056	-62,138	-42.0
14. Consolidated net income for the period	82,845	143,980	-42.5
15. Income attributable to minority interests	-3,243	-4,535	-28.5
16. Profits to be allocated to parent company shareholders	79,602	139,445	-42.9
Earnings per share in € (diluted/basic)	0.95	1.66	

Consolidated balance sheet

Assets	Position as at 30 September 2020 in € 000s	Position as at 31 December 2019 in € 000s
A. Non-current fixed assets		
I. Intangible assets	64,059	63,720
II. Goodwill	56,437	54,562
III. Tangible assets	283,321	288,999
IV. Investment property	11,350	11,649
V. Rights of usufruct from leases	346,441	370,630
VI. Shares in associates	4,190	4,945
VII. Other financial assets	2,129	2,033
VIII. Deferred tax assets	12,886	10,911
IX. Other financial assets	3,815	28,966
X. Receivables from leases	558	894
	785,186	837,309
B. Current assets		
I. Inventories	162,136	158,724
II. Trade debtors	39,668	38,910
III. Other financial assets	46,744	55,608
IV. Non-financial assets	22,650	24,796
V. Tax assets	16,548	14,678
VI. Financial assets	147,249	105,837
VII. Cash and cash equivalents	216,593	130,723
	651,588	529,276
	1,436,774	1,366,585
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	604,743	526,444
IV. Other reserves	15,328	19,517
Consolidated equity of the parent company's shareholders	796,723	722,613
V. Non-controlling interests	4,282	4,037
	801,005	726,650
B. Non-current liabilities		
I. Accruals	30,909	30,642
II. Financial liabilities	1,139	1,211
III. Deferred tax liabilities	17,971	17,601
IV. Liabilities from leases	269,674	296,001
	319,693	345,455
C. Current liabilities		
I. Accruals	47,816	46,663
II. Financial liabilities	97	83
III. Liabilities from leases	78,714	76,074
IV. Trade creditors	68,314	72,722
V. Other financial liabilities	25,841	24,931
VI. Non-financial liabilities	85,667	64,744
VII. Income tax liabilities	9,627	9,263
	316,076	294,480
	1,436,774	1,366,585