



fielmann

INTERIM REPORT
AS AT 31 MARCH 2019

Fielmann Group: Interim Report as at 31 March 2019

Dear Shareholders, Dear Friends of the Company,

Our expectations for the first quarter of 2019 have been met. Fielmann increased the number of units sold, sales revenue and profits to last year.

Units sold and sales revenue

The number of glasses sold in the first quarter of 2019 rose by 3.4% to 1.99 million (previous year: 1.92 million). External sales incl. VAT and changes in inventories increased by 8.9% to €437.6 million (previous year: €401.7 million) and consolidated sales rose by 6.3% to €371.8 million (previous year: €349.9 million).

Earnings and investments

Fielmann generated a pre-tax profit of €67.2 million (previous year: €61.4 million) and the net income for the quarter amounted to €46.6 million (previous year: €42.5 million). The additions for non-current segment assets without rights of usufruct from leases (leasing rights) amounted to €12.9 million in the first quarter and were financed from our cash flow (previous year: €14.6 million). As at 31 March 2019, Fielmann operated 737 stores (previous year: 724), 198 of which also contained hearing aid studios (previous year: 184).

Earnings per share

The earnings per share were €0.54 (previous year: €0.49). There were no circumstances which could have diluted earnings per share during the period under review or comparable periods.

Dividend

The Supervisory Board and Management Board of Fielmann Aktiengesellschaft will recommend to the Annual General Meeting on 11 July 2019 that a dividend of €1.90 per share be paid out. This represents an increase of 2.7% over the previous year. The total dividend payout amounts to € 159.6 million (previous year: € 155.4 million). The dividend will be paid out after the approval by the Annual General Meeting on 16 July 2019.

Employees

Fielmann is Germany's largest employer in the optical industry, with a total of 19,274 employees in the Group as at 31 March (previous year: 18,368), of which 3,676 are apprentices (previous year: 3,243). Fielmann is also the biggest training provider and accounts for more than 40% of all apprentices in Germany. National awards testify to the high

standard of our training. In the German optical industry competition, Fielmann accounted for all national winners over the last eight years.

IFRS 16 “Leasing” is mandatory for the reporting periods beginning as of 1.1.2019. This standard sets out the principles for the recognition, measurement and disclosure of leases in the Notes, and has an impact on the presentation of assets, financial position and earnings as well as on the scope of the disclosures required in the Notes. Fielmann is a lessee in the sense that it uses leases to rent business premises. Leasing also plays a minor role in the financing of cars. In the reporting period, the impact on net income of the first application of IFRS 16 at Fielmann amounted to additional costs of only €0.3 million. A significant increase to the balance sheet total has resulted from taking the rights of usufruct from leases (leasing rights) into account. This has an impact on the Fielmann Group’s key figures. The Fielmann Group’s equity ratio fell due to the significant increase to the balance sheet total from 75.1% as at 31 December 2018 to 53.8% as at 31 March 2019.

To the Company’s knowledge, there is no information necessitating changes to the main forecasts or other expectations formulated in the last Group Management Report. The statements provided in the Annual Report 2018 on the opportunities and risks of the business model remain unchanged, too.

With its Vision 2025, Fielmann is shaping the optical industry in Europe for the benefit of customers. The main focus is on the German-speaking regions and the neighbouring countries. Over the long term, Fielmann aims to sell one in four glasses in continental Europe and generate external sales of €2.3 billion.

Fielmann is the market leader and uses its liquidity to ensure sustained long-term growth. In the years 2019 and 2020 alone, Fielmann will invest a total of more than €200 million in the modernisation of its store network, the digitisation of its business model and the international expansion of the Group. The first two months of the current financial year support our optimistic expectations.

Hamburg, April 2019

Fielmann Aktiengesellschaft
The Management Board

Change to the accounting principles

Forecast, opportunities and risk report

Outlook

4 First quarter 2019

Cash flow statement

| Cash flow statement according to IAS 7 for the period from 1 January to 31 March | 2019 €000s | 2018 €000s | Change €000s |
|---|-----------------------|-----------------------|-------------------------|
| Earnings before taxes (EBT) | 67,161 | 61,377 | 5,784 |
| -/+ Profit shares of associates | 97 | 0 | 97 |
| + Statement-related interest expenditure from leases | 561 | 0 | 561 |
| + Statement-related other expenditure in the final result | 276 | 262 | 14 |
| - Statement-related income in the final result | -578 | -235 | -343 |
| + Write-downs on tangible assets and intangible assets | 11,623 | 11,051 | 572 |
| + Write-downs on rights of usufruct from leases | 19,185 | 0 | 19,185 |
| - Taxes on income paid | -22,246 | -21,341 | -905 |
| +/- Other non-cash income/expenditure | 1,714 | 5,045 | -3,331 |
| +/- Increase/decrease in accruals | 9,531 | 10,027 | -496 |
| -/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets | -6 | -3,297 | 3,291 |
| -/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations | -421,557 | -20,962 | -400,595 |
| +/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations | 402,582 | 8,670 | 393,912 |
| - Interest paid | -164 | -183 | 19 |
| + Interest received | 212 | 215 | -3 |
| -/+ Increase/decrease in other non-current financial assets and capital investments with a term of over three months | -26,248 | 10,321 | -36,569 |
| = Cash flow from operating activities | 42,143 | 60,950 | -18,807 |
| Receipts from the disposal of tangible assets | 35 | 41 | -6 |
| - Payments for tangible assets | -6,853 | -12,610 | 5,757 |
| - Payments for intangible assets | -6,071 | -1,754 | -4,317 |
| + Receipts from the disposal of financial assets | 39 | 35 | 4 |
| - Payments for financial assets | 0 | -220 | 220 |
| = Cash flow from investment activities | -12,850 | -14,508 | 1,658 |
| Payments to company owners and non-controlling shareholders | -1,153 | -1,008 | -145 |
| +/- Sale/Acquisition of own shares | -1,126 | -842 | -284 |
| + Receipts from loans raised | 20 | 8 | 12 |
| - Repayment of loans | -61 | -356 | 295 |
| - Payments for liabilities from leases | -19,490 | 0 | -19,490 |
| = Cash flow from financing activities | -21,810 | -2,198 | -19,612 |
| Changes in cash and equivalents | 7,483 | 44,244 | -36,761 |
| +/- Changes in cash and equivalents due to exchange rates | 8 | -77 | 85 |
| + Cash and equivalents at the beginning of the period | 138,557 | 172,131 | -33,574 |
| = Cash and equivalents at the end of the period | 146,048 | 216,298 | -70,250 |

Summary of financial assets

| | 31 March 2019 €000s | 31 March 2018 €000s | Change €000s |
|--|------------------------|------------------------|-----------------|
| Liquid funds | 98,623 | 148,496 | -49,873 |
| Capital investments with a specific maturity of up to 3 months | 47,425 | 67,802 | -20,377 |
| Cash and cash equivalents | 146,048 | 216,298 | -70,250 |
| Non-current financial assets | 2,276 | 2,891 | -615 |
| Other non-current financial assets | 57,354 | 45,321 | 12,033 |
| Capital investments with a specific maturity of more than 3 months | 161,981 | 118,795 | 43,186 |
| Financial assets | 367,659 | 383,305 | -15,646 |

Financial calendar 2019

| | |
|---------------------------|-----------------|
| Annual General Meeting | 11 July 2019 |
| Dividend payout | 16 July 2019 |
| Half-year report | 29 August 2019 |
| Analyst conference | 30 August 2019 |
| Quarterly report | 7 November 2019 |
| Preliminary figures 2019 | February 2020 |
| Bloomberg code | FIE |
| Reuters code | FIEG.DE |
| Securities ID number/ISIN | DE0005772206 |

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Segment reporting 1.1 to 31.3.2019 The figures for the previous year are indicated in parentheses.

| in € million | Germany | Switzerland | Austria | Other | Consolidation | Consolidated value |
|---|----------------------|--------------------|--------------------|--------------------|------------------|----------------------|
| Sales revenues from the segment | 313.8 (296.5) | 43.9 (41.5) | 22.3 (20.4) | 12.4 (10.5) | -20.6 (-19.0) | 371.8 (349.9) |
| Sales revenues from other segments | 20.5 (18.9) | | 0.1 (0.1) | | | |
| Outside sales revenues | 293.3 (277.6) | 43.9 (41.5) | 22.2 (20.3) | 12.4 (10.5) | | 371.8 (349.9) |
| Cost of materials | 73.1 (66.9) | 9.4 (8.2) | 5.0 (4.8) | 3.7 (3.2) | -18.1 (-16.7) | 73.1 (66.4) |
| Personnel costs | 127.0 (119.2) | 18.0 (16.6) | 8.2 (7.7) | 4.7 (3.8) | | 157.9 (147.3) |
| Scheduled depreciation | 23.0 (9.1) | 3.7 (1.1) | 1.7 (0.4) | 2.4 (0.5) | | 30.8 (11.1) |
| Expenses in the financial result | 0.7 (0.3) | 0.1 (0.0) | 0.1 (0.0) | 0.2 (0.1) | -0.2 (-0.1) | 0.9 (0.3) |
| Income in the financial result | 0.7 (0.2) | 0.1 (0.1) | | | -0.2 (-0.1) | 0.6 (0.2) |
| Earnings before tax | | | | | | |
| - in segments excl. investment income | 57.8 (52.4) | 6.6 (6.7) | 4.3 (3.0) | -1.5 (-0.7) | | 67.2 (61.4) |
| Taxes on income and earnings | 18.3 (17.4) | 1.2 (1.3) | 0.8 (0.4) | 0.3 (-0.1) | 0.0 (-0.1) | 20.6 (18.9) |
| Consolidated net income for the period | 39.5 (35.0) | 5.4 (5.4) | 3.5 (2.6) | -1.8 (-0.6) | 0.0 (0.1) | 46.6 (42.5) |
| Non-current segment assets excluding financial instruments and deferred tax assets | 555.7 (276.4) | 82.0 (28.4) | 40.0 (6.1) | 58.2 (17.2) | | 735.9 (328.1) |
| Additions to non-current segment assets excluding financial instruments and deferred tax assets | 283.2 (12.6) | 53.9 (1.0) | 35.9 (0.1) | 36.9 (0.9) | | 409.9 (14.6) |
| Shares in associates | 5.1 (0.0) | | | | | 5.1 (0.0) |
| Deferred tax assets | 10.5 (10.4) | | 0.3 (0.3) | 0.9 (2.3) | | 11.7 (13.0) |

Consolidated profit and loss account

| For the period from 1 January to 31 March | 2019 in €000s | 2018 in €000s | Change in % |
|---|------------------|------------------|-------------|
| 1. Consolidated sales | 371,758 | 349,850 | 6.3 |
| 2. Changes in inventories | 7,638 | -2,027 | -476.8 |
| Total consolidated sales | 379,396 | 347,823 | 9.1 |
| 3. Other operating income | 3,744 | 5,730 | -34.7 |
| 4. Cost of materials | -73,115 | -66,396 | 10.1 |
| 5. Personnel costs | -157,855 | -147,337 | 7.1 |
| 6. Write-downs on rights of usufruct from leases | -19,185 | 0 | |
| 7. Other write-downs | -11,623 | -11,051 | 5.2 |
| 8. Other operating expenses | -53,845 | -67,365 | -20.1 |
| 9. Interest expenditure from leases | -561 | 0 | |
| 10. Other expenses in the financial result | -373 | -262 | 42.4 |
| 11. Income in the financial result | 578 | 235 | 146.0 |
| 12. Result before taxes | 67,161 | 61,377 | 9.4 |
| 13. Taxes on income and earnings | -20,523 | -18,903 | 8.6 |
| 14. Consolidated net income for the period | 46,638 | 42,474 | 9.8 |
| 15. Income attributable to minority interests | -1,202 | -1,044 | 15.1 |
| 16. Profits to be allocated to parent company shareholders | 45,436 | 41,430 | 9.7 |
| Earnings per share in € (diluted/basic) | 0.54 | 0.49 | |

Consolidated balance sheet

| Assets | Position as at 31 March 2019 in €000s | Position as at 31 December 2018 in €000s |
|---|---|--|
| A. Non-current fixed assets | | |
| I. Intangible assets | 38,269 | 33,987 |
| II. Goodwill | 47,558 | 47,509 |
| III. Tangible assets | 258,499 | 262,253 |
| IV. Investment property | 13,531 | 13,639 |
| V. Rights of usufruct from leases | 378,004 | 0 |
| VI. Shares in associates | 5,139 | 5,218 |
| VII. Other financial assets | 2,276 | 2,315 |
| VIII. Deferred tax assets | 11,726 | 12,276 |
| IX. Other financial assets | 57,354 | 61,574 |
| X. Receivables from leases | 1,337 | 0 |
| | 813,693 | 438,771 |
| B. Current assets | | |
| I. Inventories | 150,183 | 136,307 |
| II. Trade debtors | 45,064 | 38,579 |
| III. Other financial assets | 52,248 | 55,473 |
| IV. Non-financial assets | 21,999 | 19,241 |
| V. Tax assets | 10,093 | 8,062 |
| VI. Financial assets | 161,981 | 109,803 |
| VII. Cash and cash equivalents | 146,048 | 138,557 |
| | 587,616 | 506,022 |
| | 1,401,309 | 944,793 |
| Liabilities | | |
| A. Equity | | |
| I. Subscribed capital | 84,000 | 84,000 |
| II. Capital reserves | 92,652 | 92,652 |
| III. Profit reserves | 559,827 | 514,391 |
| IV. Other reserves | 16,963 | 17,966 |
| Consolidated equity of the parent company's shareholders | 753,442 | 709,009 |
| V. Non-controlling interests | 256 | 207 |
| | 753,698 | 709,216 |
| B. Non-current liabilities | | |
| I. Accruals | 26,527 | 25,482 |
| II. Financial liabilities | 1,313 | 1,363 |
| III. Deferred tax liabilities | 13,043 | 12,135 |
| IV. Liabilities from leases | 304,345 | 0 |
| | 345,228 | 38,980 |
| C. Current liabilities | | |
| I. Accruals | 57,271 | 48,784 |
| II. Financial liabilities | 124 | 115 |
| III. Liabilities from leases | 75,376 | 0 |
| IV. Trade creditors | 70,149 | 56,337 |
| V. Other financial liabilities | 20,715 | 21,843 |
| VI. Non-financial liabilities | 68,790 | 58,544 |
| VII. Income tax liabilities | 9,958 | 10,974 |
| | 302,383 | 196,597 |
| | 1,401,309 | 944,793 |