



50 YEARS OF
FIELMANN

fielmann

FINANCIAL REPORT
AS AT 30 JUNE 2022

Fielmann Group: Financial report as at 30 June 2022

Dear Shareholders, Dear Friends of the Company,

The first six months of 2022 were marked by the continuing coronavirus pandemic and the effects of the war in Ukraine. In a challenging environment, the Fielmann Group recorded a strong sales increase of +8% over last year, a figure that is in line with our Vision 2025 growth path.

Interim company report

The global economic environment has deteriorated considerably after Russia's war against Ukraine began in February 2022. Sanctions, supply chain disruptions and price increases, especially for energy and food, are having negative impacts on economic activities. In addition, several central banks have raised the base interest rates to counteract record inflation levels. This makes, in turn, loans more expensive and curbs demand.

Germany's foreign trade initially fell in March due to the war. Despite the cessation of exports to Russia, however, export levels recovered overall. Nevertheless, investment activities slowed down as a result of material shortages, price increases for energy and raw materials, and uncertainty regarding the future development, especially of gas supplies. The assessment of the situation by capital goods producers worsened somewhat in July month on month. As Covid-related restrictions were removed during spring, consumption subsequently rose again. The hospitality market, for example, saw real and seasonally-adjusted sales increases of 8.5% month on month. It fell short of the pre-pandemic level, however. Although there is pent-up demand in the consumer sector after the Covid-related restraints, the significant price increases across major product categories negatively affect consumer spending.

Report on financial performance, cash flows and financial position

Units sold and sales revenue

Fielmann sold 4.2 million glasses in the first six months (previous year: 3.9 million). The Fielmann Group's external sales incl. VAT and changes in inventories increased in the same period to €993.9 million (previous year: €919.8 million), while consolidated sales rose to €854.5 million (previous year: €789.6 million). Unit sales in the second quarter amounted to 2.2 million (previous year: 2.0 million). Over the same period, external sales

grew to € 509.5 million (previous year: € 474.9 million) and consolidated sales rose to € 440.1 million (previous year: € 407.7 million).

Earnings and investments

Pre-tax profit amounted to € 89.1 million in the first half of the year (previous year: € 96.0 million) and net income was € 62.3 million (previous year: € 66.2 million). EBITDA reached € 171.4 million (previous year: € 186.6 million).

From April to June, pre-tax profit amounted to € 39.4 million (previous year: € 54.2 million) and net income stood at € 28.2 million (previous year: € 37.4 million).

While the 8% sales increase is in line with the growth path of our Vision 2025, our cost structure for 2022 had been prepared for more dynamic growth.

Although the pandemic continues to have a negative effect on our sales levels, we have increased and adjusted our employees' salaries in several markets in an effort to counteract the shortage of skilled workers. This led to additional personnel expenses across all divisions of approximately € 23,3 million in the first half of 2022. In a competitive market, Fielmann not only offers exciting career opportunities but also provides attractive salaries.

With regard to the most important product groups, prescription glasses and hearing aids recorded strong single-digit growth, while sunglasses and contact lenses experienced growth rates of well over 20% year on year thanks to the development of our omnichannel platform. As the margins for contact lenses and sunglasses are lower, however, the changed product mix corresponded to a negative effect of approximately € 13 million. Increased marketing activities and a solidarity campaign for refugees from Ukraine had a total impact of € 11 million on profitability.

In the first six months, investments totaled € 30.9 million (previous year: € 37.1 million). All investments were financed from our cash flow. The main focus of the investments was on the digitalisation of the business model as well as on the modernisation and expansion of the store network.

As at 30 June 2022, the Fielmann Group operated an omnichannel business model with digital sales channels in all major markets as well as 931 stores (previous year: 885), of which 325 also had hearing aid studios (previous year: 298).

Earnings per share

Earnings per share stand at € 0.71 (previous year: € 0.75). There were no circumstances which could have diluted earnings per share during the period under review or comparable periods.

Earnings per share

in €000s	30 June 2022	30 June 2021
Earnings before taxes	89,062	95,985
Taxes on income and earnings	-26,719	-29,820
Consolidated net income for the period	62,343	66,165
Income attributable to minority interests	-2,988	-3,417
Profits attributable to parent company shareholders	59,355	62,748
Number of shares in '000 units	84,000	84,000
Own shares in '000 units	-13	-38
Number of shares in '000 units	83,987	83,962
Earnings per share in €	0.71	0.75

Dividend per share

Fielmann is maintaining its long-standing shareholder-friendly dividend policy. The Annual General Meeting of 14 July 2022 accepted the proposal made by the Management Board and the Supervisory Board. Considering the company's positive development in the 2021 financial year, a dividend payout of € 1.50 per share was agreed and paid on 19 July. This corresponds to a total dividend payout from our cash flow of € 126.0 million and a payout ratio of 92%.

Employees

Fielmann is one of the largest employers and training providers in the European optical industry, with 21,597 employees as at 30 June (previous year: 21,427), of whom 3,746 are apprentices (previous year: 4,126).

Forecast, opportunities and risk report

The statements provided in the Annual Report 2021 on the opportunities and risks of the business model remain unchanged. The forecast for the year as a whole was updated in July 2022 and is taken into consideration in the Outlook section of this report.

Outlook

As a consequence of the war in Ukraine, persistently high inflation levels are affecting consumer behaviour. At the same time, the coronavirus pandemic

continues to have an adverse impact on the sick rates among our employees. As a consequence of the war in Ukraine, we expect external sales for 2022 as a whole of around €2 billion (previous year: €1.94 billion), consolidated sales of approximately €1.8 billion (previous year: €1.68 billion) and EBT of more than €190 million (previous year: €209.7 million). We remain optimistic regarding the long term: in uncertain times, people buy from companies that offer excellent services and guaranteed quality at the best prices – in the optical industry that means the Fielmann Group. We remain committed to our Vision 2025 that envisages significant growth in unit sales, sales and profitability.

To support the rapid expansion, the Fielmann Group is upgrading and extending its manufacturing and logistics network in Europe. With an investment program amounting to €100 million over the next four years, we re-define the product availability, delivery times and prices our 27 million customers can expect. By growing our manufacturing footprint in Europe, we also reduce costs as well as CO₂ emissions, bolster our strategic independence and improve our profitability.

At its meeting on 7 July, the Supervisory Board of the Fielmann Group approved the investment in an additional production and logistics site in Chomutov, Czech Republic. Furthermore, the existing production and fulfilment facility in Rathenow will be modernised.

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 Fielmann Group's financial position, cash flows and financial performance that is true and fair and that business development including business results and the position of the Fielmann Group are presented in the Management Report for the Fielmann 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.

There was no review or full audit of the interim report corresponding to the year-end audit.

Hamburg, 25 August 2022 Fielmann Aktiengesellschaft
The Management Board

Explanatory notes on the financial result as at 30 June 2022

The figures for the previous year are indicated in parentheses:

in € 000s	Expenses		Income		Balance	
Result from liquid funds and financial assets	-495	(-368)	219	(329)	-276	(-39)
Result from other on-balance sheet transactions	-3,134	(-6,303)	4,749	(89)	1,615	(-6,214)
Interest result	-3,629	(-6,671)	4,968	(418)	1,339	(-6,253)
Result from shares in associates	-196	(-156)	0	(0)	-196	(-156)
Financial result	-3,825	(-6,827)	4,968	(418)	1,143	(-6,409)

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 2021 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€ 337 (previous year: T€ 435) and the expenses to T€ 1,657 (previous year: T€ 1,747). The balances have been offset as at the reporting date.

Other information

The holding of 13,202 units of own shares was deducted from the item "Securities" (previous year: 38,396). The book value as at 30 June 2022 is € 686 million (previous year: € 2.625 million). The Fielmann shares shown were acquired within the meaning of section 71(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 2022

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 financial position, cash flows and financial performance of the Fielmann Aktiengesellschaft and Fielmann Group.

Explanatory notes on the cash flow statement

Cash and cash equivalents totaling € 159.4 million (previous year: € 165.1 million) include liquid funds as well as securities with a fixed term of up to three months. Changes relate to the deferral of maturities.

Accounting and valuation principles

The same accounting and valuation principles apply to the interim report of 30 June 2022 as to the annual financial statement of 31 December 2021, 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 2021.

For Fielmann, the effects of the war in Ukraine represent a "triggering event" as per IAS 36. Value adjustments for the affected cash generating units (CGU) and individual assets were already carried out in previous years as part of impairment tests, so there are no further effects here. The write-off of stocks and financial assets in Ukraine amounts to costs of € 1.4 million as at 30 June 2022. This is reported in "Cost of materials" in the amount of € 1.3 million and in "Other operating expenses" in the amount of € 0.1 million.

Furthermore, the increase in the capitalisation rate is classified as a "triggering event" as per IAS 36. An impairment test conducted using the latest country-specific capitalisation rates did not entail the need for significant write-down, however.

Income attributable to minority interests

The income attributable to minority interests amounts to € 2.988 million (previous year: € 3.417 million) as at 30 June.

Statement of the overall result

For the period from 1 January to 30 June	2022 in € 000s	2021 in € 000s	Change from previous year in %
Consolidated net income for the period	62,343	66,165	-5.8
Items which are reclassified under certain conditions and reported in the profit and loss statement			
Earnings from foreign exchange conversion, reported under equity	3,828	-1,174	-426.1
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	1,407	435	223.4
Other profit/loss after tax	5,235	-739	-808.4
Overall result	67,578	65,426	3.3
of which attributable to minority interests	2,988	3,417	-12.6
of which attributable to parent company shareholders	64,590	62,009	4.2

Summary of financial assets

in € 000s	30 June 2022	30 June 2021	Change on the previous year in € 000s
Liquid funds	149,696	136,044	13,652
Financial assets with a specific maturity of up to 3 months	9,689	29,065	-19,376
Cash and cash equivalents	159,385	165,109	-5,724
Non-current financial assets	2,023	2,063	-40
Other non-current financial assets	58,892	20,983	37,909
Financial assets with a specific maturity of more than 3 months	97,032	95,477	1,555
Financial assets	317,332	283,632	33,700

Financial calendar 2022/2023

Analysts' conference	26 August 2022
Interim report	10 November 2022
Preliminary figures 2022	February 2023
Interim report	27 April 2023
Bloomberg code	FIE
Reuters code	FIEG.DE
Securities ID number/ISIN	DE0005772206

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Segment reporting 1 January to 30 June 2022 The previous year's figures are stated in parentheses.

in € million	Germany	Switzerland	Austria	Spain	Other	Consolidation	Consolidated value
Sales revenues from the segment	655.5 (611.8)	98.5 (90.5)	41.2 (40.0)	58.6 (52.9)	47.7 (36.7)	-47.0 (-42.3)	854.5 (789.6)
Sales revenues from other segments	42.6 (39.3)		0.1 (0.2)		4.3 (2.8)		
	612.9 (572.5)	98.5 (90.5)	41.1 (39.8)	58.6 (52.9)	43.4 (33.9)		854.5 (789.6)
External sales	156.7 (137.0)	19.9 (18.0)	8.9 (8.6)	20.7 (19.3)	18.2 (11.6)	-40.5 (-37.1)	183.9 (157.4)
Cost of materials	279.3 (265.1)	38.7 (37.3)	17.6 (17.4)	18.8 (16.0)	17.6 (12.9)		372.0 (348.7)
Personnel costs	52.9 (54.3)	8.8 (7.9)	3.6 (3.3)	8.7 (8.3)	10.2 (10.4)		84.2 (84.2)
Scheduled depreciation	2.0 (5.6)	0.3 (0.1)	0.2 (0.1)	0.9 (0.8)	0.5 (0.3)	-0.1 (-0.1)	3.8 (6.8)
Expenses in the financial result	4.9 (0.4)	0.2 (0.1)				-0.1 (-0.1)	5.0 (0.4)
Income in the financial result							
Earnings before tax - in segments excl. investment income	77.9 (78.6)	13.9 (15.6)	4.8 (5.0)	4.8 (5.1)	-12.1 (-8.3)	-0.2 (0.0)	89.1 (96.0)
Taxes on income and earnings	22.9 (25.4)	2.1 (2.4)	0.5 (0.6)	1.2 (1.3)	0.1 (0.1)	-0.1 (0.1)	26.7 (29.8)
Consolidated net income for the period	55.0 (53.2)	11.8 (13.2)	4.3 (4.4)	3.6 (3.8)	-12.2 (-8.4)	-0.2 (0.0)	62.3 (66.2)
Non-current segment assets excluding financial instruments and deferred tax assets	555.9 (577.3)	89.8 (72.3)	40.4 (35.3)	328.8 (331.9)	114.2 (91.1)		1,129.1 (1,107.9)
of which non-current segment assets excluding right-of-use assets	323.6 (343.3)	34.4 (29.3)	11.2 (8.3)	251.6 (258.2)	58.8 (48.9)		679.6 (688.0)
of which right-of-use assets	232.3 (234.0)	55.4 (43.0)	29.2 (27.0)	77.2 (73.7)	55.4 (42.2)		449.5 (419.9)
Additions to non-current segment assets excluding financial instruments and deferred tax assets	43.7 (51.1)	3.8 (9.4)	4.7 (5.0)	6.4 (3.3)	17.2 (15.8)		75.8 (84.6)
of which additions to non-current segment assets excluding right-of-use assets	17.8 (25.6)	3.2 (2.8)	1.3 (2.0)	1.9 (1.5)	6.7 (5.2)		30.9 (37.1)
of which additions to right-of-use assets	25.9 (25.5)	0.6 (6.6)	3.4 (3.0)	4.5 (1.8)	10.5 (10.6)		44.9 (47.5)
Shares in associates	4.8 (4.8)						4.8 (4.8)
Deferred tax assets	13.8 (12.1)	0.4 (-0.1)	0.4 (0.3)	0.5 (0.1)	1.9 (0.9)		17.0 (13.3)

Cash flow statement

according to IAS 7 for the period from
1 January to 30 June in € 000s

	2022	2021	Change
Earnings before taxes (EBT)	89,062	95,985	-6,923
-/+ Profit shares of associates	196	156	40
+ Interest expenditure from leases recognised in profit or loss	2,676	1,797	879
+ Other expenses in the financial result recognised in profit or loss	953	4,874	-3,921
- Income in the financial result recognised in profit or loss	-4,968	-418	-4,550
+ Depreciation on tangible assets and intangible assets	38,055	40,133	-2,078
+ Depreciation of right-of-use assets	45,454	44,073	1,381
- Taxes on income paid	-32,772	-26,648	-6,124
+/- Other non-cash income/expenditure	5,800	-204	6,004
+/- Increase/decrease in accruals	-17,913	-7,984	-9,929
-/+ Profit/loss on disposal of tangible assets, properties kept as financial investments and intangible assets	-16	10	-26
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-27,805	-1,644	-26,161
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	20,664	12,757	7,907
- Interest paid	-857	-587	-270
+ Interest received	449	-294	743
= Cash flow from operating activities	118,978	162,006	-43,028
Receipts from the disposal of tangible assets	460	361	99
- Payments for tangible assets	-29,933	-26,772	-3,161
- Payments for intangible assets	-954	-8,261	7,307
+ Receipts from the disposal of financial assets	23	32	-9
- Payments for the acquisition of subsidiaries	0	-21,881	21,881
+ Receipts from the disposal of securities and other investments	21,459	50,100	-28,641
- Payments for the acquisition of securities and other investments	-71,720	-40,600	-31,120
= Cash flow from investment activities	-80,665	-47,021	-33,644
- Payments to non-controlling shareholders	-5,815	-7,997	2,182
+/- Sale/Acquisition of own shares	-707	-2,196	1,489
+ Receipts from loans raised	69	15	54
- Repayment of loans	-99	-73	-26
- Payments for liabilities from leases	-47,068	-43,196	-3,872
- Payments for the acquisition of additional shares in subsidiaries	-894	0	-894
= Cash flow from financing activities	-54,514	-53,447	-1,067
Changes in cash and equivalents	-16,201	61,538	-77,739
+/- Changes in cash and equivalents due to exchange rates	697	-151	848
+ Cash and equivalents at the beginning of the period	174,889	103,722	71,167
= Cash and equivalents at the end of the period	159,385	165,109	-5,724

in €000s	Subscribed capital	Capital reserves
Position as at 1 January 2022	84,000	92,652
Consolidated net income for the period		
Other comprehensive income		
Overall result		
Dividends/profit shares ¹		
Share-based remuneration		
Own shares		
Other changes		
Acquisition of non-controlling interests		
Position as at 30 June 2022	84,000	92,652

in €000s	Subscribed capital	Capital reserves
Position as at 1 January 2021	84,000	92,652
Consolidated net income for the period		
Other comprehensive income		
Overall result		
Dividends/profit shares ¹		
Share-based remuneration		
Own shares		
Other changes		
Acquisition of non-controlling interests		
Position as at 30 June 2021	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
620,003	24,001	-2,924	0	2,097
59,355				
	3,828	1,407		
59,355	3,828	1,407		
			-707	
-231				
679,127	27,829	-1,517	-707	2,097

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
583,902	20,092	-3,236	-429	2,221
62,748				
	-1,174	435		
62,748	-1,174	435		
			-2,196	-1
-42				
646,608	18,918	-2,801	-2,625	2,220

			Equity
Total	Total	Non-controlling interests	
23,174	819,829	52,962	872,791
	59,355	2,988	62,343
5,235	5,235		5,235
5,235	64,590	2,988	67,578
		-4,824	-4,824
			0
-707	-707		-707
		44	44
	-231		-231
27,702	883,481	51,170	934,651

			Equity
Total	Total	Non-controlling interests	
18,648	779,202	57,156	836,358
	62,748	3,417	66,165
-739	-739		-739
-739	62,009	3,417	65,426
		-7,603	-7,603
-1	-1		-1
-2,196	-2,196		-2,196
	-42	42	0
			0
15,712	838,972	53,012	891,984

Consolidated profit and loss account

For the period from 1 April to 30 June	2nd Quarter 2022 in €000s	2nd quarter 2021 in €000s	Change from pre- vious year in %
1. Consolidated sales	440,119	407,657	8.0
2. Changes in inventories	1,401	4,145	-66.2
Total consolidated sales	441,520	411,802	7.2
3. Other operating income	1,640	3,327	-50.7
4. Cost of materials	-98,371	-82,751	18.9
5. Personnel costs	-186,135	-172,305	8.0
6. Other operating expenses	-76,779	-57,575	33.4
7. Result before interest, taxes and depreciation	81,875	102,498	-20.1
8. Depreciation of right-of-use assets	-22,771	-23,079	-1.3
9. Other depreciation	-19,064	-20,862	-8.6
10. Interest expenditure from leases	-1,430	-925	54.6
11. Other expenses in the financial result	-727	-3,740	-80.6
12. Income in the financial result	1,530	311	392.0
13. Earnings before taxes	39,413	54,203	-27.3
14. Taxes on income and earnings	-11,250	-16,840	-33.2
15. Net income for the quarter	28,163	37,363	-24.6
16. Income attributable to minority interests	-1,671	-1,961	-14.8
17. Profits attributable to parent company shareholders	26,492	35,402	-25.2
Earnings per share in € (basic)	0.32	0.42	

Consolidated profit and loss account

For the period from 1 January to 30 June	2022 in €000s	2021 in €000s	Change from pre- vious year in %
1. Consolidated sales	854,545	789,639	8.2
2. Changes in inventories	8,790	9,804	-10.3
Total consolidated sales	863,335	799,443	8.0
3. Other operating income	6,747	7,736	-12.8
4. Cost of materials	-183,895	-157,383	16.8
5. Personnel costs	-371,966	-348,653	6.7
6. Other operating expenses	-142,793	-114,543	24.7
7. Result before interest, taxes and depreciation	171,428	186,600	-8.1
8. Depreciation of right-of-use assets	-45,454	-44,073	3.1
9. Other depreciation	-38,055	-40,133	-5.2
10. Interest expenditure from leases	-2,676	-1,797	48.9
11. Other expenses in the financial result	-1,149	-5,030	-77.2
12. Income in the financial result	4,968	418	1,088.5
13. Earnings before taxes	89,062	95,985	-7.2
14. Taxes on income and earnings	-26,719	-29,820	-10.4
15. Net income for the period	62,343	66,165	-5.8
16. Income attributable to minority interests	-2,988	-3,417	-12.6
17. Profits attributable to parent company shareholders	59,355	62,748	-5.4
Earnings per share in € (basic)	0.71	0.75	

Consolidated balance sheet

Assets	Position as at 30 June 2022 in € 000s	Position as at 31 December 2021 in € 000s
A. Non-current fixed assets		
I. Intangible assets	153,475	164,224
II. Goodwill	176,803	176,410
III. Tangible assets	337,264	334,800
IV. Investment property	12,006	12,051
V. Right-of-use assets	449,544	448,213
VI. Shares in associates	4,827	5,023
VII. Other financial assets	2,023	2,046
VIII. Deferred tax assets	17,033	14,418
IX. Other financial assets	58,892	40,363
X. Receivables from leases	276	12
	1,212,143	1,197,560
B. Current assets		
I. Inventories	174,399	153,063
II. Trade receivables	42,002	39,014
III. Other financial assets	57,727	60,595
IV. Non-financial assets	33,174	39,076
V. Tax assets	10,897	11,033
VI. Financial assets	97,032	60,648
VII. Cash and cash equivalents	159,385	174,889
	574,616	538,318
	1,786,759	1,735,878
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Retained earnings	679,127	620,003
IV. Other reserves	27,702	23,174
Consolidated equity of the parent company's shareholders	883,481	819,829
V. Non-controlling interests	51,170	52,962
	934,651	872,791
B. Non-current liabilities		
I. Accruals	27,713	28,923
II. Financial liabilities	58,237	62,741
III. Deferred tax liabilities	35,758	37,648
IV. Liabilities from leases	368,277	367,487
	489,985	496,799
C. Current liabilities		
I. Accruals	53,748	70,451
II. Financial liabilities	205	135
III. Liabilities from leases	92,127	89,864
IV. Trade creditors	92,381	79,615
V. Other financial liabilities	28,446	34,838
VI. Non-financial liabilities	77,027	69,460
VII. Income tax liabilities	18,189	21,925
	362,123	366,288
	1,786,759	1,735,878