



fielmann

FINANCIAL REPORT
AS AT 30 JUNE 2021

Fielmann Group: Financial report as at 30 June 2021

Dear Shareholders, dear friends of the company,

The Fielmann Group has accelerated its recovery in HY1 2021. Increasing vaccination rates and decreasing coronavirus incidences coupled with a continued rollout of our omnichannel platform have contributed to a positive development across all major markets. Compared to the same period last year, sales revenues grew by double digits while profits even reached triple-digit growth over the same period last year.

Interim Report HY1 2021

After a slight recovery at the end of last year, the first quarter of 2021 was marked by increasing infection rates. As a consequence, hard lockdowns were enforced in many countries with related measures and restrictions, particularly for public events, in the hospitality and retail industries. The economy recovered significantly during the second quarter, thanks to accelerated vaccination campaigns and associated reductions in the rate of new infections.

The retail industry posted revenue increases in the first half of the year and has confirmed a positive outlook considering the effective measures to contain the pandemic. The German inflation rate increased steeply to 2.3% in June because of specific factors relating to the VAT and the increase in prices for raw materials.

As restrictions were lifted, unemployment in Germany fell considerably to 2.61 million. Compared to the previous month, the unemployment rate decreased by 0.2 percentage points to 5.7%. The number of unemployed people fell by 239,000 compared to June of the previous year. In comparison to the previous year, the unemployment rate has fallen by 0.5 percentage points.

Report on the revenue, financial and assets situation

Units sold and sales revenue

Fielmann sold 3.9 million glasses in the first six months (previous year: 3.1 million). The Fielmann Group's external sales incl. VAT and changes in inventories increased in the same period to €919.8 million (previous year: €712.7 million), while consolidated sales rose to €789.6 million (previous year: €610.8 million).

Unit sales in the second quarter amounted to 2.0 million (previous year: 1.4 million). Over the same period, external sales grew to €474.9 million (previous year: €305.3 million) and consolidated sales rose to €407.7 million (previous year: €255.6 million).

Earnings and investments

The pre-tax profit amounted to €96.0 million in the first half of the year (previous year: €37.5 million) and the net income was €64.5 million (previous year: €25.8 million). The EBITDA increased to €186.6 million (previous year: €107.5 million).

From April to June, the pre-tax profit was €54.2 million (previous year: €19.9 million) and the net income stood at €36.0 million (previous year: €13.7 million).

In the first six months, the reimbursements of €7.8 million (previous year: €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 €3.8 million (previous year: €17.0 million) applies as reimbursement of social security contributions and salary costs as per IAS 20.

In the first six months, investments totalled €37.1 million (previous year: €31.4 million). All investments were financed from our cash flow. The main focus of the investments was on the digitisation of the business model as well as on the modernisation and expansion of the store network.

As at 30 June 2021, the Fielmann Group operated an omnichannel business model with digital sales channels across all major markets as well as 885 stores (previous year: 779), 298 of which also contained hearing aid studios (previous year: 212). By launching our omnichannel sales platform with an online shop and our first retail store in Prague, Fielmann entered the 16th European market.

Earnings per share

Earnings per share stand at €0.73 (previous year: €0.30). 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 2021	30 June 2020
Consolidated net income for the period	64,502	25,822
Income attributable to other shareholders	-3,417	-770
Profits to be allocated to parent company shareholders	61,085	25,052
Number of shares in '000 units	84,000	84,000
Own shares in '000 units	-38	-45
Number of shares in '000 units	83,962	83,955
Earnings per share in €	0.73	0.30

Dividend per share

Fielmann is maintaining its long-standing shareholder-friendly dividend policy. The Annual General Meeting of 8 July 2021 followed the proposal made by the Management Board and the Supervisory Board. Considering the company's positive development, a dividend payout of € 1.20 per share was agreed and paid on 13 July. This corresponds to a total dividend payout from our cash flow of € 100.8 million and a payout ratio of 87%.

Employees

Fielmann is one of the largest employers in the optical industry in Europe, with 21,427 employees as at 30 June (previous year: 19,872), of whom 4,126 are apprentices (previous year: 3,808). As a family business, the Fielmann Group supports all its employees in difficult times. As heavy rain-falls and floods affected large parts of Germany and Belgium, Fielmann set up a relief fund for all victims of this natural disaster. Fielmann employees donated € 180,000 for their affected colleagues and the Group tripled this sum. In this way, more than half a million euros were collected to support those in need.

Forecast, opportunities and risk report

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 2020 on the opportunities and risks of the business model remain unchanged, too.

Outlook

In pursuit of its Vision 2025, the Fielmann Group continues to invest more than € 100 million per year in the extension of its omnichannel platform, its retail store network and its international expansion. For the full year 2021 we plan to deploy digital sales channels in additional countries and to open a total of 45 new optical retail stores across Europe.

Based on the considerable recovery during the first half of the year 2021, we expect external sales of more than € 1.9 billion (previous year: € 1.6 billion), Group sales of € 1.7 billion (previous year: € 1.4 billion) and a pre-tax profit of more than € 200 million (previous year: € 175.5 million) for the year as a whole. This prognosis applies on the proviso that no further restrictions due to the coronavirus pandemic occur during the year.

Responsibility statement

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.

There was no review or full revision of the interim report based on the year-end audit.

Hamburg, August 2021

Fielmann Aktiengesellschaft
The Management Board

Explanatory notes on the financial result as at 30 June 2021

The figures for the previous year are indicated in parentheses:

in € 000s	Expenses		Income		Balance	
Result from liquid funds and financial assets	-368	(-181)	329	(371)	-39	(190)
Result from other on-balance sheet transactions	-6,303	(-1,715)	89	(110)	-6,214	(-1,605)
Interest result	-6,671	(-1,896)	418	(481)	-6,253	(-1,415)
Result from shares in associates	-156	(-202)	0	(0)	-156	(-202)
Financial result	-6,827	(-2,098)	418	(481)	-6,409	(-1,617)

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 2020 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€ 435 (previous year: T€ 448) and the expenses to T€ 1,747 (previous year: T€ 1,553). The balances have been offset as at the reporting date.

Other information

The amount of 38,396 units of own shares was offset from the item "Securities" (previous year: 45,079). The book value as at 30 June 2021 is T€ 2,625 (previous year: T€ 3,084). 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 2021

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 amounting to € 165.1 million (previous year: € 130.6 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. For a more transparent representation in the cash flow statement, the dividend payment to minority shareholders from the first quarter was reclassified.

Income attributable to minority interests

The income attributable to minority interests amounts to T€ 3,417 as at 30 June and includes all contractual components as well as the payout to minority shareholders in the first quarter of 2021.

Accounting and valuation principles

The same accounting and valuation principles apply to the interim report of 30 June 2021 as to the annual financial statement of 31 December 2020 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 2020.

Financial calendar 2021/2022

Analyst conference	27 August 2021
Interim report	11 November 2021
Preliminary figures 2021	February 2022
Interim report	28 April 2022
Bloomberg code	FIE
Reuters code	FIEG.DE
Securities ID number/ISIN	DE0005772206

Statement of the overall result

	2021 in € 000s	2020 in € 000s	Change from previous year in %
For the period from 1 January to 30 June			
Consolidated net income for the period	64,502	25,822	149.8%
Items which are reclassified under certain conditions and reported in the profit and loss account			
Earnings from foreign exchange conversion, reported under equity	-1,174	244	-581.1%
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	435	-371	-217.3%
Other profit/loss after tax	-739	-127	481.9%
Overall result	63,763	25,695	148.2%
of which attributable to minority interests	3,417	770	343.8%
of which attributable to parent company shareholders	60,346	24,925	142.1%

Summary of financial assets

in € 000s	30 June 2021	30 June 2020	Change from previous year in € 000s
Liquid funds	136,044	107,220	28,824
Financial assets with a specific maturity of up to 3 months	29,065	23,373	5,692
Cash and cash equivalents	165,109	130,593	34,516
Non-current financial assets	2,063	2,163	-100
Other non-current financial assets	20,983	27,479	-6,496
Financial assets with a specific maturity of more than 3 months	95,477	112,752	-17,275
Financial assets	283,632	272,987	10,645

Further information:

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Segment reporting 1 January to 30 June 2021 The previous year's figures are stated in parentheses.

in € million	Germany	Switzerland	Austria	Spain	Other	Consolidation	Consolidated value
Sales revenues from the segment	611.8 (511.9)	90.5 (70.8)	40.0 (34.2)	52.9 (0.0)	36.7 (24.2)	-42.3 (-30.3)	789.6 (610.8)
Sales revenues from other segments	39.3 (29.3)		0.2 (0.2)		2.8 (0.8)		
Outside sales revenues	572.5 (482.6)	90.5 (70.8)	39.8 (34.0)	52.9 (0.0)	33.9 (23.4)		789.6 (610.8)
Cost of materials	137.0 (125.0)	18.0 (15.0)	8.6 (7.3)	19.3 (0.0)	11.6 (7.4)	-37.1 (-26.2)	157.4 (128.5)
Personnel costs	265.1 (235.6)	37.3 (34.5)	17.4 (14.5)	16.0 (0.0)	12.9 (10.3)		348.7 (294.9)
Scheduled depreciation	54.3 (48.9)	7.9 (8.0)	3.3 (3.0)	8.3 (0.0)	10.4 (6.8)		84.2 (66.7)
Expenses in the financial result	5.6 (1.8)	0.1 (0.2)	0.1 (0.1)	0.8 (0.0)	0.3 (0.3)	-0.1 (-0.3)	6.8 (2.1)
Income in the financial result	0.4 (0.6)	0.1 (0.2)				-0.1 (-0.3)	0.4 (0.5)
Earnings before tax – in segments excl. investment income	78.6 (36.0)	15.6 (3.0)	5.0 (4.5)	5.1 (0.0)	-8.3 (-6.0)	0.0 (0.0)	96.0 (37.5)
Taxes on income and earnings	27.1 (11.7)	2.4 (-0.3)	0.6 (0.3)	1.3 (0.0)	0.1 (0.0)		31.5 (11.7)
Consolidated net income for the period	51.5 (24.3)	13.2 (3.3)	4.4 (4.2)	3.8 (0.0)	-8.4 (-6.0)	0.0 (0.0)	64.5 (25.8)
Non-current segment assets excluding financial instruments and deferred tax assets	577.3 (577.1)	72.3 (77.5)	35.3 (35.0)	331.9 (0.0)	91.1 (83.5)		1,107.9 (773.1)
of which non-current segment assets excluding rights of usufruct from leases	343.3 (342.4)	29.3 (29.2)	8.3 (5.4)	258.2 (0.0)	48.9 (45.0)		688.0 (422.0)
of which rights of usufruct from leases	234.0 (234.7)	43.0 (48.3)	27.0 (29.6)	73.7 (0.0)	42.2 (38.5)		419.9 (351.1)
Additions to non-current segment assets excluding financial instruments and deferred tax assets	51.1 (47.9)	9.4 (1.4)	5.0 (0.3)	3.3 (0.0)	15.8 (3.4)		84.6 (53.0)
of which additions to non-current segment assets excluding rights of usufruct from leases	25.6 (28.2)	2.8 (1.5)	2.0 (0.2)	1.5 (0.0)	5.2 (1.5)		37.1 (31.4)
of which additions to rights of usufruct from leases	25.5 (19.7)	6.6 (-0.1)	3.0 (0.1)	1.8 (0.0)	10.6 (1.9)		47.5 (21.6)
Shares in associates	4.8 (4.9)						4.8 (4.9)
Deferred tax assets	12.1 (11.8)	-0.1 (0.3)	0.3 (0.3)	0.1 (0.0)	0.9 (0.3)		13.3 (12.7)

Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 June in €000s	2021	2020	Change
Earnings before taxes (EBT)	95,985	37,508	58,477
-/+ Profit shares of associates	156	202	-46
+ Statement-related interest expenditure from leases	1,797	1,126	671
+ Statement-related other expenditure in the final result	4,874	770	4,104
- Statement-related income in the final result	-418	-481	63
+ Write-downs on tangible assets and intangible assets	40,133	28,311	11,822
+ Write-downs on rights of usufruct from leases	44,073	40,066	4,007
- Taxes on income paid	-26,648	-21,445	-5,203
+/- Other non-cash income/expenditure	-204	-2,765	2,561
+/- Increase/decrease in accruals	-7,984	-5,433	-2,551
-/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets	10	117	-107
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-1,644	-32,562	30,918
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	12,757	17,832	-6,268
- Interest paid	-587	-399	-188
+ Interest received	-294	103	-397
= Cash flow from operating activities	162,006	62,950	97,863
Receipts from the disposal of tangible assets	361	86	275
- Payments for tangible assets	-26,772	-16,696	-10,076
- Payments for intangible assets	-8,261	-14,673	6,412
+ Receipts from the disposal of financial assets	32	67	-35
- Payments for financial assets	0	-197	197
- Payments for the acquisition of subsidiaries	-21,881	0	-21,881
+ Receipts from the disposal of securities and other investments	50,100	77,830	-27,730
- Payments for the acquisition of securities and other investments	-40,600	-64,369	23,769
= Cash flow from investment activities	-47,021	-17,952	-29,069
Payments to non-controlling shareholders	-7,997	-821	-7,176
+/- Sale/Acquisition of own shares	-2,196	-2,319	123
+ Receipts from loans raised	15	141	-126
- Repayment of loans	-73	-93	20
- Payments for liabilities from leases	-43,196	-40,189	-3,007
- Payments for the acquisition of additional shares in subsidiaries	0	-1,517	1,517
= Cash flow from financing activities	-53,447	-44,798	-8,649
Changes in cash and equivalents	61,538	200	61,338
+/- Changes in cash and equivalents due to exchange rates	-151	-330	179
+ Cash and equivalents at the beginning of the period	103,722	130,723	-27,001
= Cash and equivalents at the end of the period	165,109	130,593	34,516

Consolidated equity of the parent company's shareholders

in €000s	Other reserves							Total	Non-controlling interests	Equity	
	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration				
Position as at 1 January 2021	84,000	92,652	583,902	20,092	-3,236	-429	2,221	18,648	779,202	57,156	836,358
Consolidated net income for the period			61,085						61,085	3,417	64,502
Other profit				-1,174	435			-739	-739		-739
Overall result			61,085	-1,174	435			-739	60,346	3,417	63,763
Dividends/profit shares ¹										-7,603	-7,603
Share-based remuneration								-1	-1		-1
Own shares						-2,196		-2,196	-2,196		-2,196
Other changes			-42					-42	-42	42	0
Acquisition of non-controlling interests											0
Position as at 30 June 2021	84,000	92,652	644,945	18,918	-2,801	-2,625	2,220	15,712	837,309	53,012	890,321

Consolidated equity of the parent company's shareholders

in €000s	Other reserves							Total	Non-controlling interests	Equity	
	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration				
Position as at 1 January 2020	84,000	92,652	526,444	20,696	-2,948	-765	2,534	19,517	722,613	4,037	726,650
Consolidated net income for the period			25,052						25,052	770	25,822
Other profit				244	-371			-127	-127		-127
Overall result			25,052	244	-371			-127	24,925	770	25,695
Dividends/profit shares ¹										-821	-821
Share-based remuneration								-7	-7		-7
Own shares						-2,319		-2,319	-2,319		-2,319
Share changes in subsidiaries										262	262
Acquisition of non-controlling interests			-543					-543	-543		-543
Position as at 30 June 2020	84,000	92,652	550,953	20,940	-3,319	-3,084	2,527	17,064	744,669	4,248	748,917

¹ Dividends paid and share of profit allocated to other shareholders

Consolidated profit and loss account

For the period from 1 April to 30 June	II. Quarter 2021 in € 000s	II. Quarter 2020 in € 000s	Change from pre- vious year in %
1. Consolidated sales	407,657	255,582	59.5
2. Changes in inventories	4,145	11,622	-64.3
Total consolidated sales	411,802	267,204	54.1
3. Other operating income	3,327	3,863	-13.9
4. Cost of materials	-82,751	-50,478	63.9
5. Personnel costs	-172,305	-131,408	31.1
6. Other operating expenses	-57,575	-33,430	72.2
7. Result before interest, taxes and write-downs	102,498	55,751	83.8
8. Write-downs on rights of usufruct from leases	-23,079	-20,292	13.7
9. Other write-downs	-20,862	-14,935	39.7
10. Interest expenditure from leases	-925	-550	68.2
11. Other expenses in the financial result	-3,740	-322	1061.5
12. Income in the financial result	311	211	47.4
13. Result before taxes	54,203	19,863	172.9
14. Taxes on income and earnings	-18,197	-6,188	194.1
15. Net income for the quarter	36,006	13,675	163.3
16. Income attributable to minority interests	-1,961	-658	198.0
17. Profits to be allocated to parent company shareholders	34,045	13,017	161.5
Earnings per share in € (diluted/basic)	0.41	0.16	

Consolidated profit and loss account

For the period from 1 January to 30 June	2021 in € 000s	2020 in € 000s	Change from pre- vious year in %
1. Consolidated sales	789,639	610,844	29.3
2. Changes in inventories	9,804	9,281	5.6
Total consolidated sales	799,443	620,125	28.9
3. Other operating income	7,736	7,976	-3.0
4. Cost of materials	-157,383	-128,549	22.4
5. Personnel costs	-348,653	-294,900	18.2
6. Other operating expenses	-114,543	-97,150	17.9
7. Result before interest, taxes and write-downs	186,600	107,502	73.6
8. Write-downs on rights of usufruct from leases	-44,073	-40,066	10.0
9. Other write-downs	-40,133	-28,311	41.8
10. Interest expenditure from leases	-1,797	-1,126	59.6
11. Other expenses in the financial result	-5,030	-972	417.5
12. Income in the financial result	418	481	-13.1
13. Result before taxes	95,985	37,508	155.9
14. Taxes on income and earnings	-31,483	-11,686	169.4
15. Consolidated net income for the period	64,502	25,822	149.8
16. Income attributable to minority interests	-3,417	-770	343.8
17. Profits to be allocated to parent company shareholders	61,085	25,052	143.8
Earnings per share in € (diluted/basic)	0.73	0.30	

Consolidated balance sheet

Assets	Position as at 30 June 2021 in € 000s	Position as at 31 December 2020 in € 000s
A. Non-current fixed assets		
I. Intangible assets	189,503	195,255
II. Goodwill	175,367	173,459
III. Tangible assets	311,425	313,146
IV. Investment property	11,743	11,961
V. Rights of usufruct from leases	419,872	418,076
VI. Shares in associates	4,756	4,912
VII. Other financial assets	2,063	2,095
VIII. Deferred tax assets	13,315	13,595
IX. Other financial assets	20,983	18,070
X. Receivables from leases	275	465
	1,149,302	1,151,034
B. Current assets		
I. Inventories	158,724	147,076
II. Trade debtors	39,498	38,523
III. Other financial assets	55,609	60,759
IV. Non-financial assets	36,942	34,241
V. Tax assets	9,674	16,345
VI. Financial assets	95,477	117,517
VII. Cash and cash equivalents	165,109	103,722
	561,033	518,183
	1,710,335	1,669,217
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	644,945	583,902
IV. Other reserves	15,712	18,648
Consolidated equity of the parent company's shareholders	837,309	779,202
V. Non-controlling interests	53,012	57,156
	890,321	836,358
B. Non-current liabilities		
I. Accruals	27,602	28,038
II. Financial liabilities	67,288	58,755
III. Deferred tax liabilities	46,929	48,084
IV. Liabilities from leases	343,212	341,683
	485,031	476,560
C. Current liabilities		
I. Accruals	50,858	58,406
II. Financial liabilities	126	129
III. Liabilities from leases	85,689	82,852
IV. Trade creditors	83,054	75,319
V. Other financial liabilities	26,770	50,092
VI. Non-financial liabilities	76,218	74,735
VII. Income tax liabilities	12,268	14,766
	334,983	356,299
	1,710,335	1,669,217