



Q1 2024 Results Presentation

8 May 2024





Looking ahead

Agenda of today

- ① **Strategic update**
Areas of focus in 2024
- ② **Financial update**
Q1 2024 highlights and financial outlook
- ③ **Q&A**

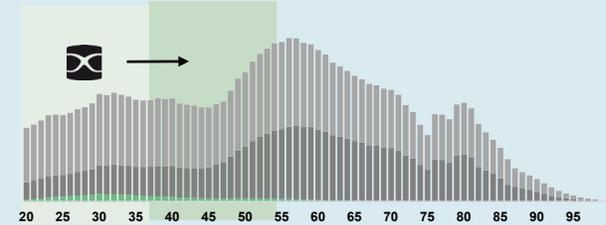
Areas of Focus in 2024



Creating value for the customers

Improving Gross Profit

Broadening the customer base
Extending to **existing assortment**, providing additional services online and offline
Sharpening the **brand image**

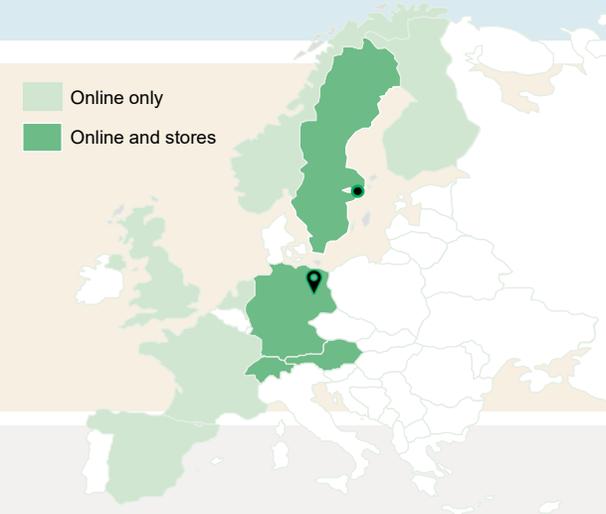


Rationalizing and optimizing store portfolio

Reducing the number unprofitable stores

Selected **store closures** in Germany and International

Up to **5 additional stores (net)** in 2024



Maintaining Cost Structure

(incl. overhead)

Maintain the same cost structure, the organization needs to **adapt** to the new organizational setup

Lean processes are continuously improved

Focus of 2023:
Lean 4 Leverage



Strategic and Financial Progress

Q1 2024

Strategic progress:

- Expanded our **eyewear frames** portfolio with more brands and collaborations, available already online and in our stores
- Introduced a **broader range of lens options**, complementing our already strong portfolio of beloved brands
- **Weak consumer sentiment** in Germany continues to persist. In January and February, we once again outperformed the **optical market in Germany**, which increased by 3%¹ in prescription glasses and sunglasses. Mister Spex grew by 4% in the same period

Financial progress:

- A **slow start in January** was followed by acceleration in February. March was impacted by an earlier Easter, resulting in a net revenue growth of 2% (2M: 4% growth)
- **Improvement in cash flow** of ~ €12 million was driven by better inventory management and a reduction in the number of store openings

1. Market data for independent optical retail of prescription glasses and sunglasses. Based on GfK Panel Report Optics Total DE (Last Update February 2024)



Customer focus: broadening assortment



Ray-Ban Authentic

Ray-Ban glazing for sunglasses

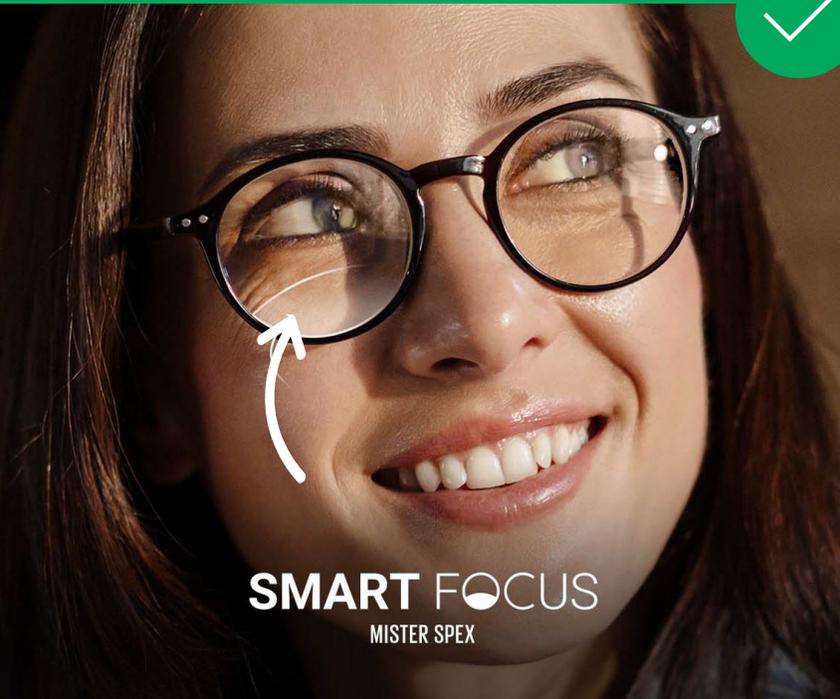
Mister Spex EyeD

Rolled out in 75
2024: New **Bold** Collection

New Brands and Collaborations

... with more to come

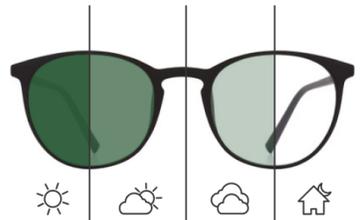
Customer focus: deepening lens portfolio



Tints



Self-tinting lenses



Gradient Tints



Mirror tint
Sunglasses and
Prescription Glasses



New



Polarized Lenses



Smart Focus Mister Spex

Single-vision lens with a slight addition in the lower part of the lens

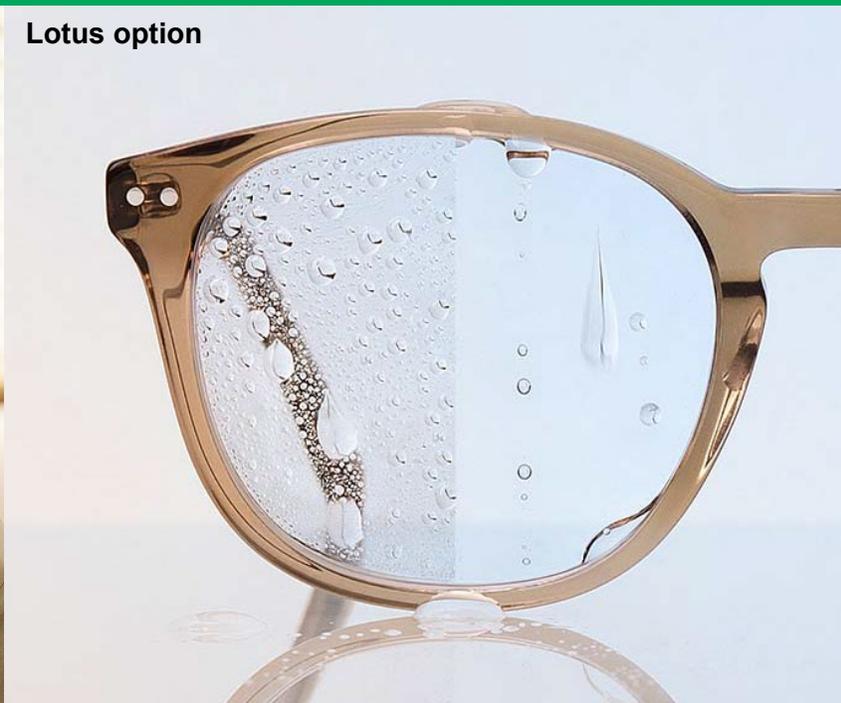
Extending lens portfolio

Tints, Self-tinting lenses, Gradient tints, Polarized lenses etc...

Customer focus: improving communication



Optical Training for Store employees



Lotus option



Insurance for Prescription glasses and Sunglasses

Optical recommendations

Optical training: empowering staff to tailor lens recommendations to each customer's needs

Options and adjustments

Enhanced customer communication: clearer presentation of lens options incl. Lotus

Enhanced Insurance Coverage

Available across all stores, elevating customer loyalty



Looking ahead

Agenda of today

① **Strategic update**

Areas of focus for 2024

② **Financial update**

Q1 2024 highlights and financial outlook

③ **Q&A**

Moderate improvements despite low consumer confidence



NET REVENUE
GROWTH

+2%

Germany: +5%
+1 new store and 1 closure



FREE CASH
FLOW

-€ 5m

€ 12m Improvement vs
Q1'23

Improved inventory
management and lower
investments into new store
openings



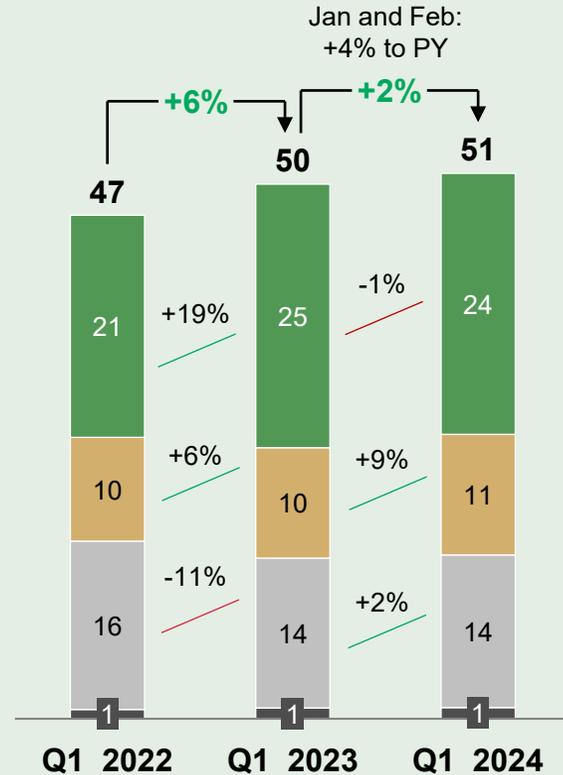
CASH & CASH
EQUIVALENTS

€ 106m

Continuously healthy
liquidity

Q1 revenue growth supported by sunglasses

Net revenue



What we have delivered

- **Prescription glasses:** earlier Easter impacting March sales led to -1% in Q1
- **Sunglasses:** strong double-digit growth in February and March
- Online channel was flat year-on-year, while offline delivered mid-single digit growth
- LFL¹ sales: 0%

What is ahead of us

- April: prescription glasses recover following earlier Easter, while sunglasses benefit from favorable weather

■ Prescription glasses (PG) ■ Sunglasses (SG) ■ Contact lenses (CL) ■ Miscellaneous services

1. LFL: Store cohort '16 – '22

Germany drives the overall improvement

Net revenue

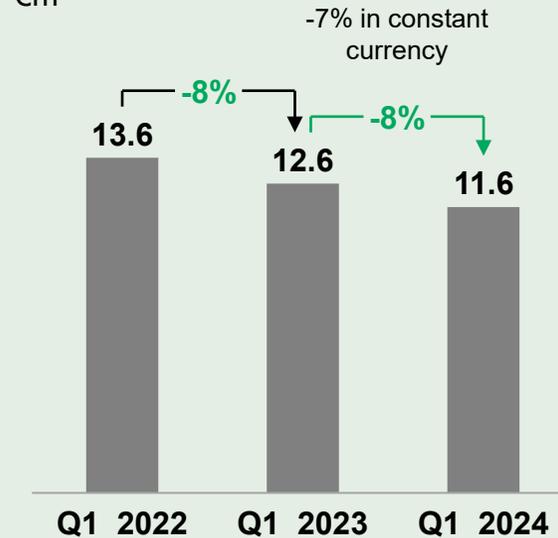
Germany €m



Stores

46 63 66¹

International €m



Total:	6	9	9
Austria	4	5	5
Sweden	2	3	3
Switzerland	0	1	1

What we have delivered

- Germany: opened a store in Rostock and closed a store in Saarbrücken
- International: revenues impacted especially by Swedish entity and Lensit coming from lower contribution in contact lenses

What is ahead of us

- Further store closures are planned for Q2 and Q3 2024
- International portfolio will be continuously reviewed and analyzed

1. One store closure on 1 Jan in Saarbrücken

Stable profitability despite a negative product mix

	Q1 2023	Q1 2024	Change
Gross Profit Margin	53.6%	52.0%	(1.6)pp
Personnel expense	(30.5)%	(29.8)%	0.7pp
Marketing expense	(12.9)%	(10.9)%	1.7pp
Other operating expense	(18.1)%	(18.9)%	(0.5)pp
EBITDA	(3.9)%	(5.2)%	(1.3)pp
Adjusted EBITDA	(3.3)%	(3.2)%	0.1pp

Q1 2023

Gross profit: lower contribution from margin-accretive prescription glasses to the overall product mix

Personnel: includes ~€ 700k non-cash IFRS2 charge. Once adjusted personnel expenses improved by 5% despite 6 new stores¹ vs Q1'23

Marketing: strong improvement carried from 2023. The costs decreased by 14% in absolute terms

Other operating expenses: increased due to higher cost for external services and price increases from logistics partners impacting freight and fulfillment costs

Adjusted EBITDA: roughly flat year-on-year

!: 6 New stores and 2 closures since Q1 2023

Improved free cash flow in Q1 2024

(In €m)



- Strong improvement in operating cash flow. Supported by improved inventory management and lower investments into new store openings
- There are no new store openings planned for Q2 2024

Q&A



Looking ahead

Reporting

- 7 June** AGM (Virtual)
- 29 August** H1 2024 financial results
- 14 November** Q3 2024 financial results

Conferences and roadshows

- 8 May** Post Q1 roadshow (Virtual)
- 6 June** 13th ODDO BHF Nextcap Forum (Virtual)



Growing margins and improving cash generation profile

Financial ratios	FY 2022	FY 2023	FY 2024	Comments
Revenue	€ 210m	€ 223m	Low to mid-single digit percentage range	<ul style="list-style-type: none"> Germany will be the primary driver of sales growth. International segment, is expected to be roughly at the level of 2023 overall.
Gross profit	48.5%	50.6%	Improve	<ul style="list-style-type: none"> Driven by pricing, product mix as well as boutique and own brand assortment
Personnel expense	-27.5%	-27.7%	Improve	<ul style="list-style-type: none"> Striking balance between expansion and store portfolio rationalization while continuing to increase staffing efficiencies
Marketing expense	-12.5%	-11.1%	Roughly flat	<ul style="list-style-type: none"> Focus on improving marketing efficiency while continuing to grow
Other operating expense	-18.5%	-16.7%	Roughly flat	<ul style="list-style-type: none"> Revenue growth combined with strict cost consciousness to drive operating leverage
Adjusted EBITDA	-3.9%	0.4%	Low single-digit percentage range	<ul style="list-style-type: none"> All measures above and Lean 4 Leverage will continue to improve profitability
Free Cash Flow	€ -25m	€ -18m	Improve	<ul style="list-style-type: none"> Aiming for sustainable positive free cash flow generation // Approaching positive FCF in the next two years
Capex	~19	~15	~13	<ul style="list-style-type: none"> Up to 5 new stores in 2024 and selective store closures Reduced CAPEX Intensity
Inventory	30	32	~27	<ul style="list-style-type: none"> Further optimization
Cash and cash equivalents	128	111	>90	

Outlook is based on constant currency and no changes to the portfolio

Appendix |



Latest store opening



Rostock - Kröpelin Str. 57



Consolidated statement of profit or loss

Consolidated statement of profit and loss

in € k	Q1 (1 Jan – 31 Mar)		
	2024	2023	Change
Revenue	51,115	50,099	2%
Other own work capitalized	1,076	1,495	-28%
Other operating income	163	465	-65%
Total operating performance	52,354	52,060	1%
Cost of materials	-24,533	-23,240	6%
Personnel expenses	-15,239	-15,270	0%
Other operating expenses	-15,234	-15,508	-2%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-2,652	-1,958	35%
Depreciation, amortization and impairment	-6,647	-5,721	16%
Earnings before interest and taxes (EBIT)	-9,299	-7,679	21%
Finance income	949	746	27%
Finance costs	-1,097	-931	18%
Financial result	-149	-185	-20%
Earnings before taxes (EBT)	-9,447	-7,864	20%
Income taxes	-271	-306	-11%
Loss for the period	-9,719	-8,170	19%
Thereof loss attributable to the shareholders of Mister Spex SE	-9,719	-8,170	19%
Basic and diluted earnings per share (in €)	-0.29	-0.24	21%

Consolidated statement of other comprehensive income and loss

in € k	Q1 (1 Jan – 31 Mar)		
	2024	2023	Change
Loss for the period	-9,719	-8,170	19%
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign financial statements	109	-185	< 100 %
Other comprehensive income / loss	109	-185	-159%
Total comprehensive loss	-9,610	-8,356	15%
Thereof loss attributable to the shareholders of Mister Spex SE	-9,610	-8,356	15%



Consolidated statement of cash flows

Consolidated statement of cash flows (for the three months ended 31 March)

in € k	3M (1 Jan – 31 March)		in € k	3M (1 Jan – 31 March)	
	2024	2023		2024	2023
Operating activities			Investing activities		
Loss for the period	-9,719	-8,170	Investments in property, plant and equipment	-315	-2,658
Adjustments for:			Investments in intangible assets	-1,410	-1,940
Finance income	-949	-746	Cash flow from investing activities	-1,725	-4,598
Finance cost	1,097	931	Financing activities		
Income tax expense	271	306	Cash received from borrowings	0	1,941
Amortization of intangible assets	1,838	1,866	Cash outflows from repayment of borrowings	-309	-191
Depreciation of property, plant and equipment	1,365	1,099	Payment of principal portion of lease liabilities	-2,687	-2,525
Depreciation of right-of-use assets	3,444	2,756	Cash flow from financing activities	-2,996	-776
Non-cash expenses for share-based payments	674	-48			
Increase (+)/decrease (-) in non-current provisions	26	128	Net increase (+)/decrease (-) in cash and cash equivalents	-5,048	-14,533
Increase (-)/decrease (+) in inventories	-6,907	-13,654	Cash and cash equivalents at the beginning of the period	110,654	127,792
Increase (-)/decrease (+) in other assets	2,061	1,721	Cash and cash equivalents at the end of the period	105,606	113,259
Increase (+)/decrease (-) in trade payables and other liabilities	6,830	4,971			
Income taxes paid	-274	-223			
Interest paid	-903	-632			
Interest received	818	537			
Cash flows from operating activities	-327	-9,159			



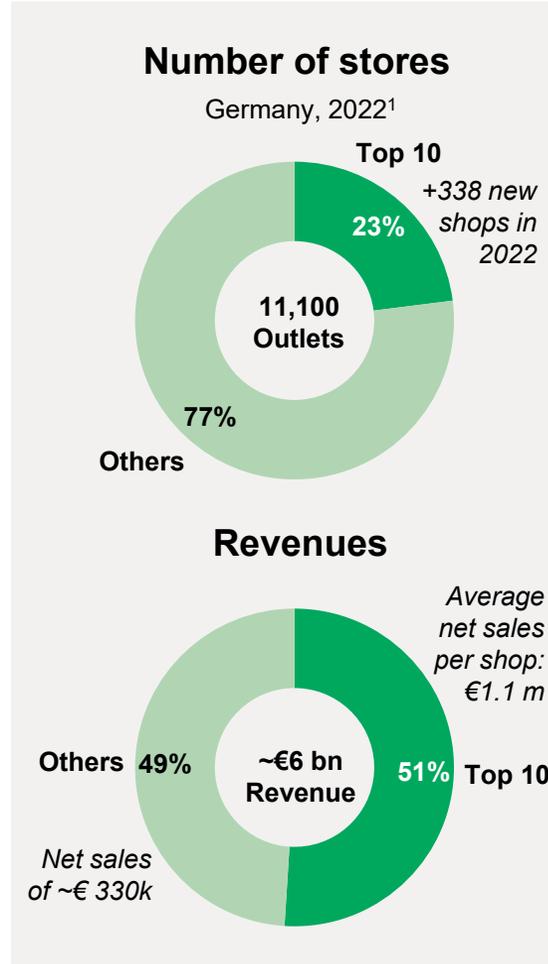
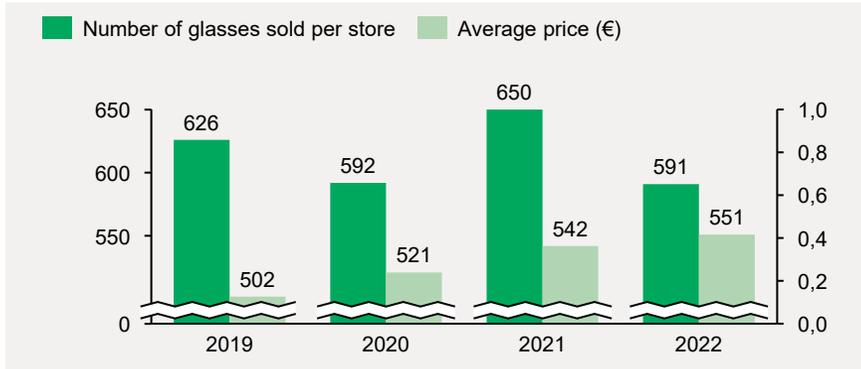
Consolidated statement of financial position

Consolidated statement of financial position

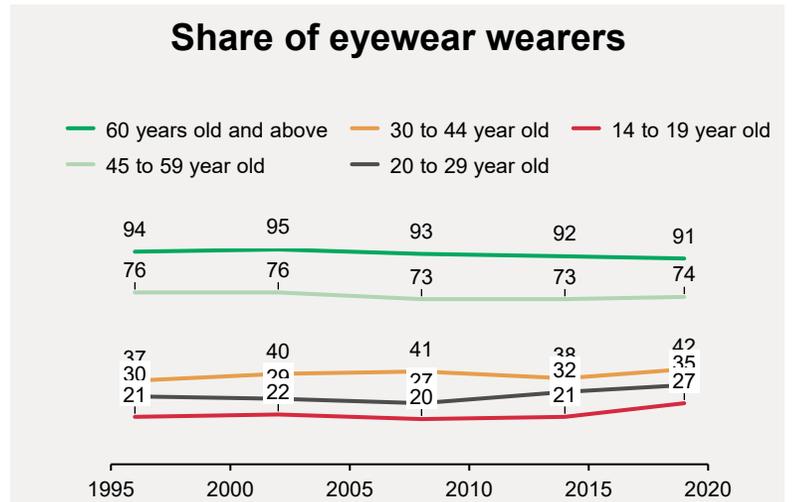
Assets			Equity and liabilities		
in € k	31.03.2024	31.12.2023	in € k	31.03.2024	31.12.2023
Non-current assets	116,169	122,673	Equity	146,517	155,453
Goodwill	4,669	4,669	Subscribed capital	34,075	34,075
Intangible assets	20,985	21,412	Capital reserves	330,625	329,951
Property, plant and equipment	21,735	22,845	Other reserves	-1,145	-1,254
Right-of-use assets	65,174	69,126	Accumulated loss	-217,038	-207,319
Other financial assets	3,606	4,620	Non-current liabilities	73,856	77,168
Current assets	158,729	157,751	Provisions	1,865	1,839
Inventories	39,405	32,498	Lease liabilities	66,837	70,161
Right of return assets	2,028	783	Liabilities to banks	1,060	1,120
Trade receivables	849	2,213	Other financial liabilities	2,835	3,059
Other financial assets	3,145	975	Other non-financial liabilities	21	21
Other non-financial assets	6,649	9,790	Deferred tax liabilities	1,239	969
Tax refund claims	1,047	838	Current liabilities	54,526	47,803
Cash and cash equivalents	105,606	110,654	Provisions	994	1,006
			Trade payables	20,133	17,935
			Refund liabilities	4,159	1,974
			Lease liabilities	15,452	15,328
			Other financial liabilities	1,874	2,157
			Contract liabilities	2,650	1,821
			Other non-financial liabilities	9,263	7,582
Total assets	274,898	280,424	Total equity and liabilities	274,898	280,424



Market data

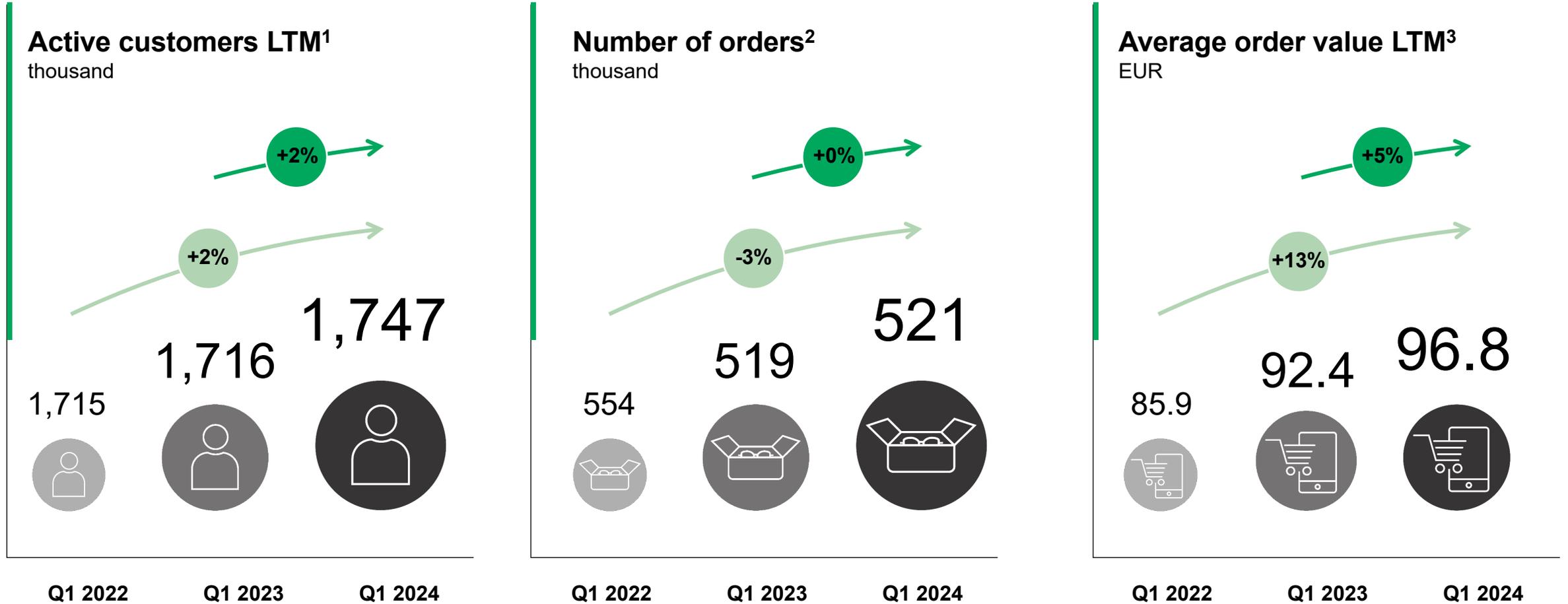


Myopia management is increasingly important
2010: 28% of the population has myopia
By 2050 it is expected to be ~50%



¹ Source: ZVA Branchereport Augernoptik: Märkte, Consumer und Trends 2022|2023

Revenue supported by resilient unit economics



¹ Customers who ordered in the last 12 months excluding cancellations ² Orders after cancellations and after returns ³ Calculated as revenues divided by number of orders over the last 12 months

