



**MISTER SPEX**

# Q1 2023 Results Presentation

11 May 2023



# Looking ahead

## Agenda for today

### 15 years

Industry and Mister Spex development

### Strategic update

on already visible impacts from Lean 4 Leverage

### Financial update

on non-financial metrics and Q1 financial performance

### Q&A



# How has the industry evolved in the last 15 years...



Evolving beyond being a **pure medical device** to accentuate and complete one's look with an accessory

»» Shorter replacement cycle and increasing number of purchases



Innovative **digital solutions** and enhanced **service quality**

»» Accelerating the e-commerce segment of the industry and increasing market penetration



# ... and last 15 years at Mister Spex

**15 years of market outperformance<sup>1</sup>** and 14 years of double-digit growth

**Re-inventing optical retail** and Winning “Store of the Year” for Mister Spex Boutique

**Spearheading the German optical industry** with advanced face scanning technology, paving the way for new innovations

Mister Spex Boutique (Köln) – “Store of the Year”, based on Handelsverband Deutschland e.V. (HDE)



1. Based on Euromonitor and GfK data

# Strategic update



**Improved consumer sentiment**



**Continuous market outperformance**



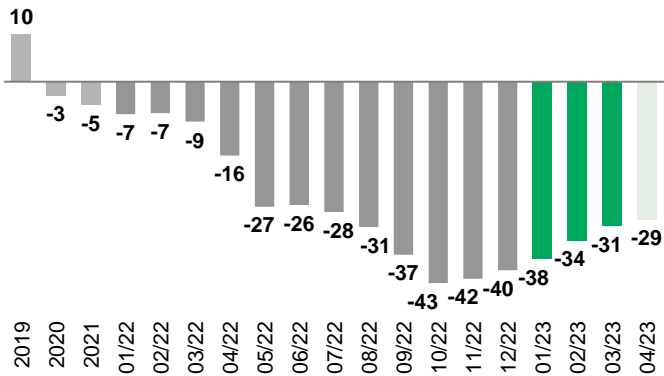
**Lean 4 Leverage update**



# Continuous market outperformance

The recovery of **consumer sentiment**<sup>1</sup> from its lowest point...

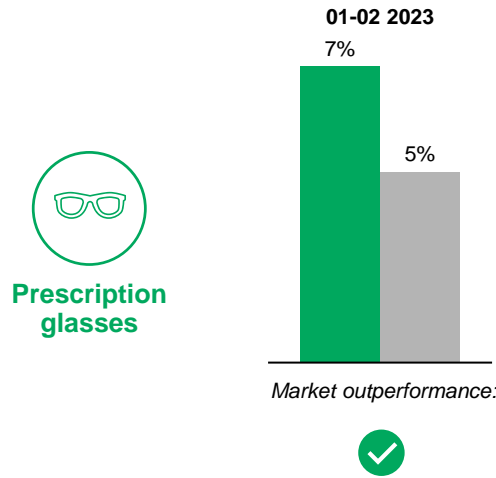
■ GfK Consumer Confidence (index points)



... has supported the materialization of **pent-up demand**...

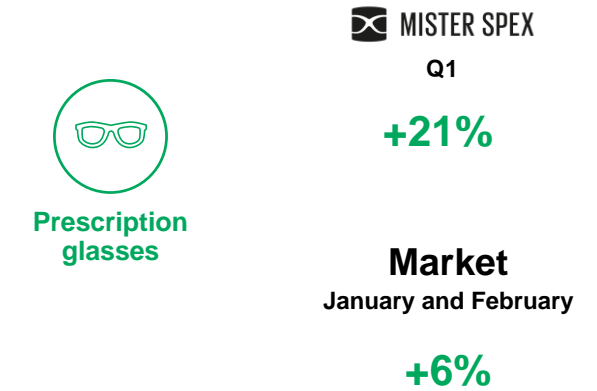
■ MSX (growth YoY) ■ Market (growth YoY)

Germany - Unit growth<sup>2</sup>



... resulting in a strong development in **Germany**

Germany – Sales growth<sup>2</sup>



1. GfK; average of monthly development for 2019-2021

2. Market data for independent optical retail of frames, excluding lenses; MSX data including lenses. Based on GfK Panel Report Optics Total DE

# Lean 4 Leverage: Q1

## Areas of focus for 2023

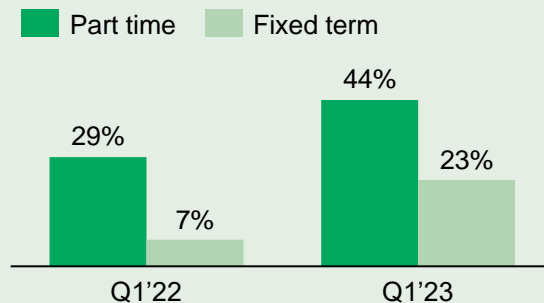
### Concentrate on the core



19% **LFL growth**<sup>1</sup> in Q1, growth in every store cohort




Labor **flexibilization** and increase of part-time employees



### Optimise price, mix and product margin



+440bps improvement in **Gross Margin** YoY  *Next slide*



-320bps improvement in **Marketing** as %oS YoY



€ 10m in **contact lenses inventory** (+€ 6.5m in Q1 in ahead of price increases in 2023)

### Lean for operational leverage



**Transformation office** with direct report to the CEO is set up



**Lean management** philosophy and implementation with external support

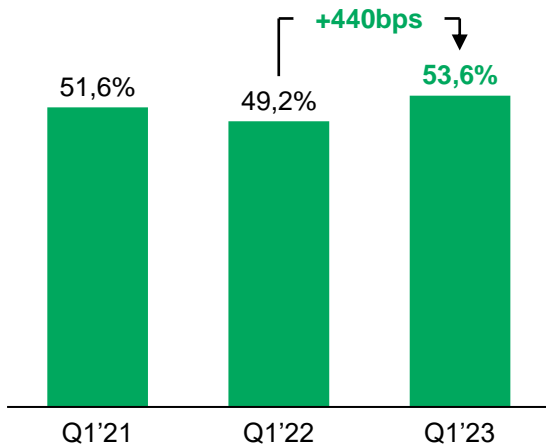
Q2 >>>

In April, Mister Spex refined its **price proposition** for 1.5 single vision lens

# Lean 4 Leverage: “optimising margin”

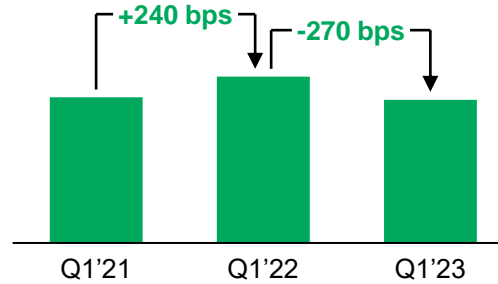
Solid improvement in Q1 **gross margin** was supported by ...

Gross margin (%)



... reduced **discount rates** as a result of lower voucher discounts and higher targeted campaigns

Discount rates (%)

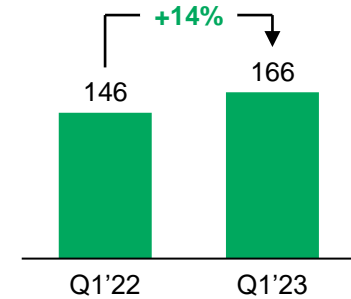


... as well as growing AOV for **prescription glasses** and sunglasses

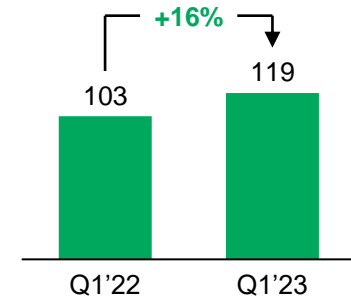
AOV (€)



Prescription glasses



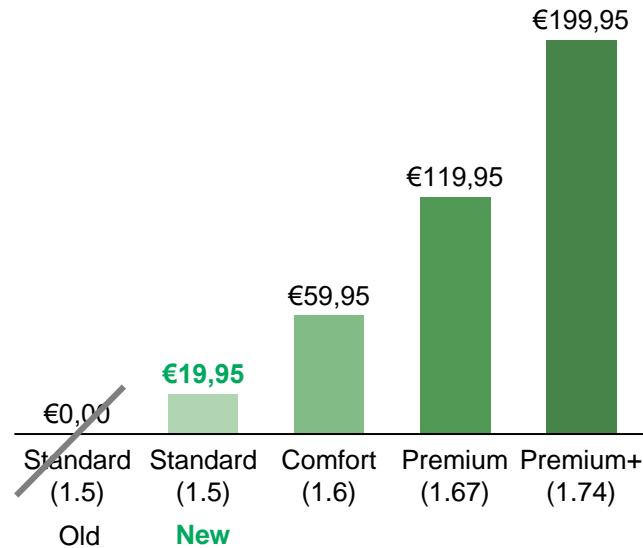
Sunglasses





# “optimising price” - refining our price proposition

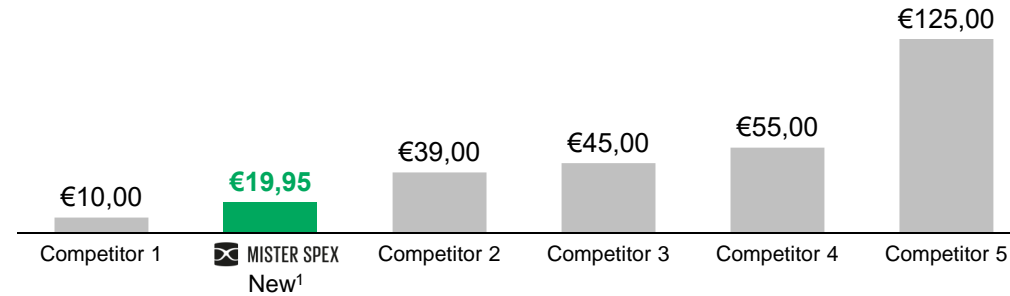
As of April, Mister Spex refined its pricing proposition to start charging **€19.95** for previously free 1.5<sup>1</sup> single vision lens



1. 1.5 index single vision up to +/- 6dpt

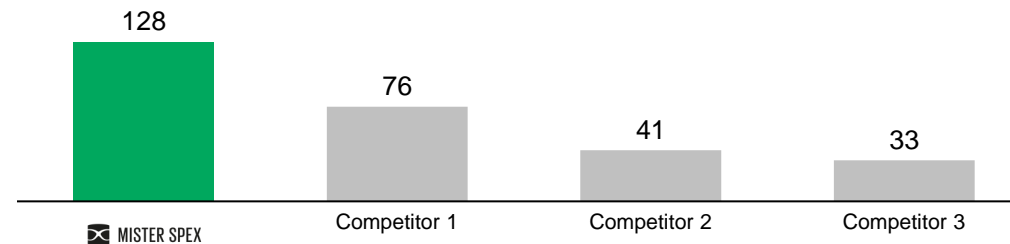
Mister Spex maintains one of the **best price propositions** in the market...

Comparable pricing for a similar 1.5 lens (including monobrand DTC competitors)



... and continues to offer its customers with one of the **widest brand selections**

Number of brands for prescription glasses



# Financial update



**Strong development in key categories**  
and in the key region



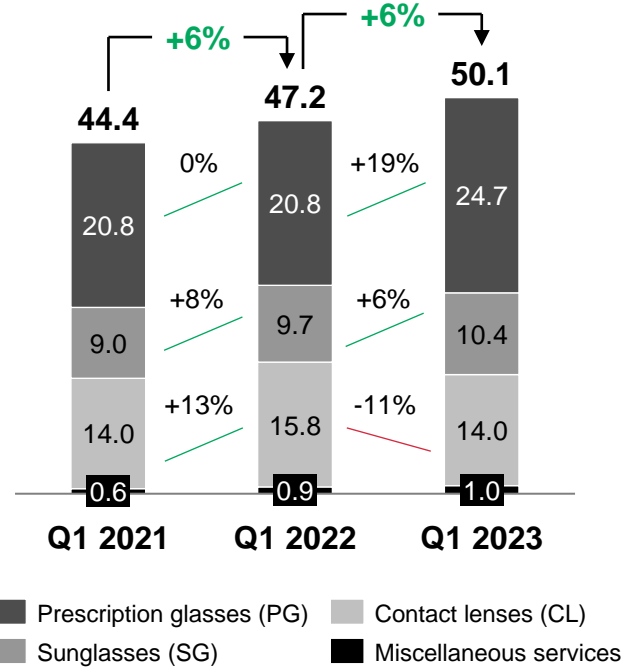
**Sequential improvement Adj EBITDA**  
Supported by improved profitability and lower cost base



# Revenue – category development

## Q1 Revenue

€m



## Q1 2023

**Prescription glasses:** materialization of pent-up demand, as well as opening of new stores

**Sunglasses:** slowdown due to poor weather conditions that affected consumer demand for outdoor activities and products

**Contact lenses:** deliberate decision to reduce marketing and promotion activity and negative currency development in the Nordics

**Boutique** revenue increased by 39%

**Own brand** revenue increased by 13%

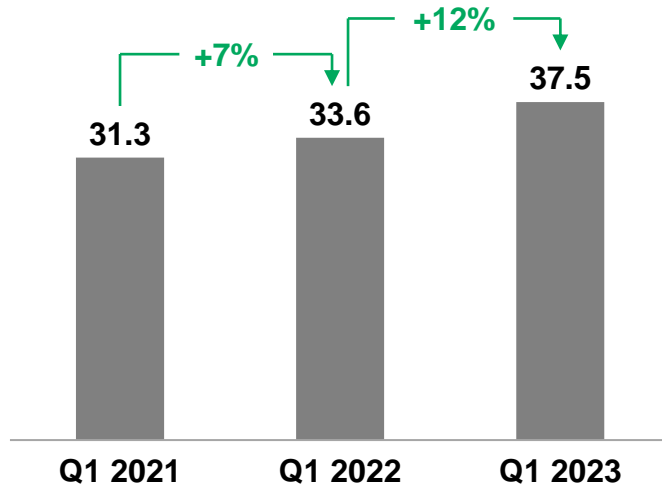
+3 stores in Q1, ending the quarter with 71 stores



# Revenue – segments development

## Net Revenue – Germany

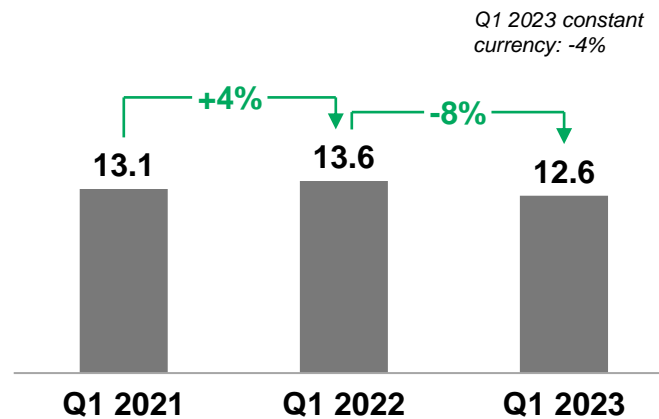
€m



+3 new stores in Germany. All new store openings are in new cities

## Net Revenue – International

€m



The marketing budget has been reallocated towards Germany, as part of Lean 4 Leverage efficiency program  
No new stores in International segment



# Financial performance in Q1 2023

	Q1 2022	Q1 2023	Change
<b>Gross Profit Margin</b>	49.2%	53.6%	4.4pp
Personnel expense	(29.9)%	(30.5)%	(0.5)pp
Marketing expense	(16.1)%	(12.9)%	3.2pp
Other operating expense	(17.9)%	(18.1)%	(0.2)pp
EBITDA	(10.9)%	(3.9)%	7.0pp
<b>Adjusted EBITDA</b>	<b>(9.7)%</b>	<b>(3.3)%</b>	<b>6.4pp</b>

*In Q1 adjusted and reported EBITDA improved significantly from month to month*

## Q1

**Gross profit:** reduced discounts and shift in the product mix with a higher share of prescription glasses

**Personnel expense:** roughly flat despite additional 19 stores YoY. Store personnel expense decreased by 6%

**Marketing expense:** result of efficiency program Lean 4 Leverage

**Other operating expenses:** roughly flat

**Adjusted EBITDA:** strong improvement in gross profit and marketing expense overcompensating for a small increase in personnel expenses and other operating expenses



# Guidance 2023

## Net revenue (€ m)

Mid to high single digit growth



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## Adjusted EBITDA margin (%)

Low single digit percentage margin



### »» Q2

Impact from lens price change, 3 store openings, different product mix



# Q&A



# Looking ahead

## Reporting

<b>26 May</b>	Annual General Meeting (virtual)
<b>31 August</b>	H1 2023 financial results
<b>9 November</b>	Q3 2023 financial results

## Conferences and roadshows

<b>11 May</b>	Company roadshow (virtual)
<b>25 May</b>	Bank of America Virtual e-commerce fieldtrip (virtual)
<b>31 May</b>	Quirin champions conference - Frankfurt








Appendix |





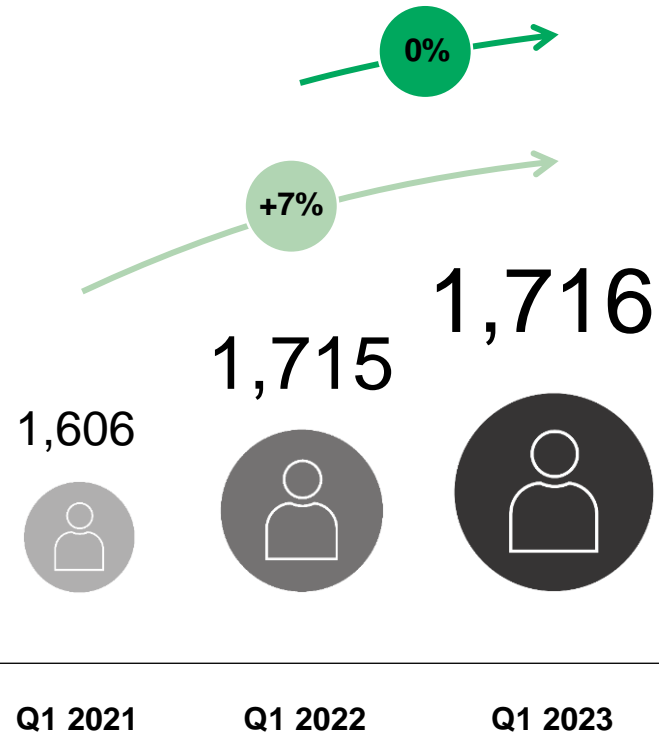
## Augsburg - Willy-Brandt-Platz 1

# Guidance 2023

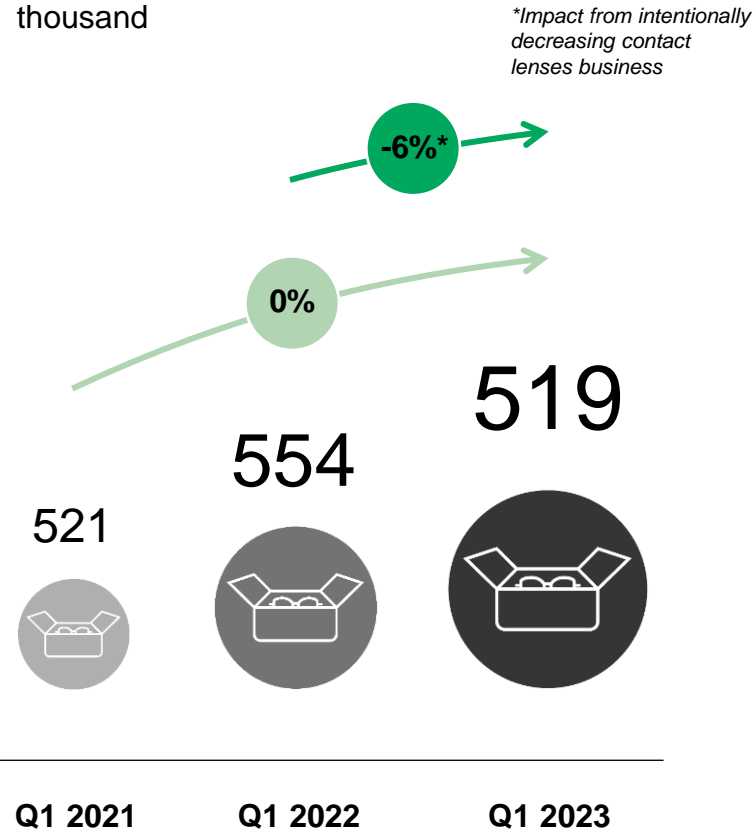
	2022	Guidance 2023	Comments
<b>Net revenue (€ m)</b>	<b>210</b>	<b>Mid to high single digit growth</b>	Supported by price increases and volume growth
Prescription share (%)	39%		Increasing due to further store roll out and maturing store portfolio
Gross profit margin (%)	48.5%		Increases due to reduced discounts and favorable product mix
<b>Adjusted EBITDA margin (%)</b>	<b>-4%</b>	<b>Low single digit percentage margin</b>	Driven by margin improvement, cost consciousness and operating leverage
Capex (€ m)	~19	Flat	Up to 10 new stores in 2023
Inventory (€ m)	30		Strategic buying in contact lenses ahead of price increases. + € 4.5m in Q1'23
End cash and cash equivalents balance (€ m)	128	105 - 110	Better operational performance and cost consciousness

# Resilient unit economics

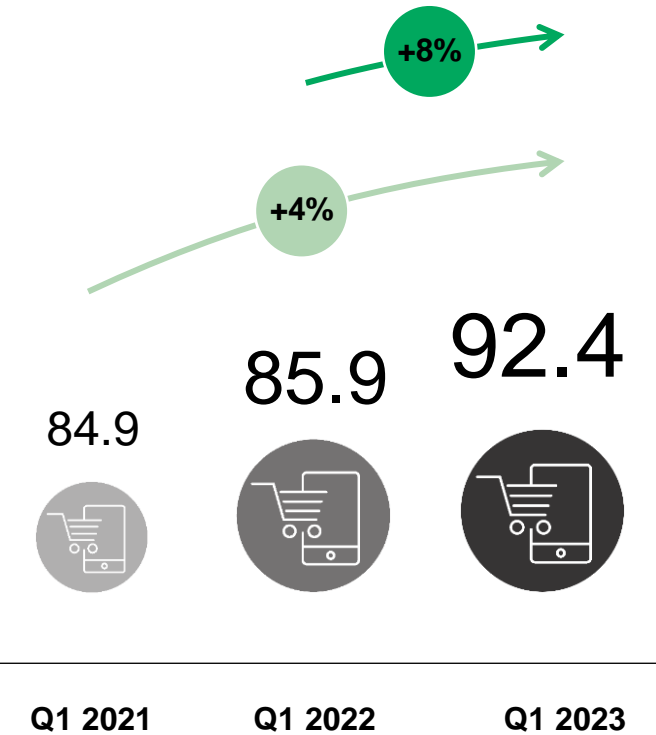
## Active customers LTM<sup>1</sup> thousand



## Number of orders<sup>2</sup> thousand



## Average order value LTM<sup>3</sup> EUR



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

# Consolidated statement of profit or loss

## Consolidated statement of profit and loss

in € k	Q1 (1.01. – 31.03.)		
	2023	2022	Change
Revenue	50,099	47,186	6%
Other own work capitalized	1,495	1,602	-7%
Other operating income	485	171	>100%
<b>Total operating performance</b>	<b>52,060</b>	<b>48,959</b>	<b>6%</b>
Cost of materials	-23,240	-23,955	-3%
Personnel expenses	-15,270	-14,124	8%
Other operating expenses	-15,508	-16,032	-3%
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>-1,958</b>	<b>-5,152</b>	<b>-62%</b>
Depreciation, amortization and impairment	-5,721	-4,083	41%
<b>Earnings before interest and taxes (EBIT)</b>	<b>-7,679</b>	<b>-9,215</b>	<b>-17%</b>
Financial result	-185	-782	-76%
Share of results of associates	-	5	-100%
<b>Earnings before taxes (EBT)</b>	<b>-7,864</b>	<b>-9,992</b>	<b>21%</b>
Income taxes	-306	-294	4%
<b>Loss for the period</b>	<b>-8,170</b>	<b>-10,286</b>	<b>-21%</b>
Thereof loss attributable to the shareholders of Mister Spex SE	-8,170	-10,286	-21%
<b>Basic and diluted earnings per share (in EUR)</b>	<b>-0.24</b>	<b>-0.30</b>	<b>-20%</b>

## Consolidated statement of other comprehensive income and loss

in € k	Q1 (1.01. - 31.03.)		
	2023	2022	Change
<b>Loss for the period</b>	<b>-8,170</b>	<b>-10,286</b>	<b>-21%</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Exchange differences on translation of foreign financial statements	-185	82	>100%
<b>Other comprehensive income / loss</b>	<b>-185</b>	<b>82</b>	<b>&gt;100%</b>
<b>Total comprehensive loss</b>	<b>-8,356</b>	<b>-10,204</b>	<b>-18%</b>
Thereof loss attributable to the shareholders of Mister Spex SE	-8,356	-10,204	-18%



# Consolidated statement of cash flows

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

in € k	3M (1.01.- 31.03.)		in € k	3M (1.01 – 31.03.)	
	2023	2022		2023	2022
<b>Operating activities</b>			<b>Investing activities</b>		
Loss for the period	-8,170	-10,286	Investments in property, plant and equipment	-2,658	-2,113
Adjustments for:			Investments in intangible assets	-1,940	-2,326
Finance income	-746	-295	<b>Cash flow from investing activities</b>	<b>-4,598</b>	<b>-4,439</b>
Finance cost	931	1,077	<b>Financing activities</b>		
Income tax expense	306	294	Cash received from capital increases, net of transaction costs	-	428
Amortization of intangible assets	1,866	1,219	Cash received from borrowings	1,941	-
Depreciation of property, plant and equipment	1,099	745	Cash outflows from repayment of borrowings	-191	-
Depreciation of right-of-use assets	2,756	2,099	Payment of principal portion of lease liabilities	-2,525	-1,873
Non-cash expenses for share-based payments	-48	166	<b>Cash flow from financing activities</b>	<b>-776</b>	<b>-1,445</b>
Increase (+)/decrease (-) in non-current provisions	128	25	<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>	<b>-14,533</b>	<b>-7,246</b>
Increase (-)/decrease (+) in inventories	-13,654	-6,453	Cash and cash equivalents at the beginning of the period	127,792	149,644
Increase (-)/decrease (+) in other assets	1,721	-351	<b>Cash and cash equivalents at the end of the period</b>	<b>113,259</b>	<b>142,398</b>
Increase (+)/decrease (-) in trade payables and other liabilities	4,971	10,882			
Share of results of associates	-	-5			
Income tax paid	-223	-			
Interest paid	-832	-493			
Interest received	537	14			
<b>Cash flows from operating activities</b>	<b>-9,159</b>	<b>-1,362</b>			



# Consolidated statement of financial position

## Consolidated statement of financial position

Assets			Equity and liabilities		
in €k	31.03.2023	31.12.2022	in €k	31.03.2023	31.12.2022
<b>Non-current assets</b>	<b>124,246</b>	<b>120,411</b>	<b>Equity</b>	<b>192,601</b>	<b>201,005</b>
Goodwill	12,829	12,829	Subscribed capital	33,866	33,866
Intangible assets	21,811	21,738	Capital reserves	327,620	327,668
Property, plant and equipment	25,466	23,922	Other reserves	-1,279	-1,094
Right-of-use assets	54,899	53,193	Accumulated loss	-167,605	-159,435
Investments in associates	-	-	<b>Non-current liabilities</b>	<b>59,781</b>	<b>56,736</b>
Other financial assets	9,240	8,729	Provisions	1,692	1,563
<b>Current assets</b>	<b>169,587</b>	<b>172,821</b>	Liabilities to banks	1,120	1,120
Inventories	43,695	30,041	Lease liabilities	51,745	50,376
Right of return assets	2,145	759	Other financial liabilities	3,854	2,462
Trade receivables	455	2,742	Other non-financial liabilities	33	42
Other financial assets	1,877	868	Deferred tax liabilities	1,337	1,173
Other non-financial assets	8,156	10,619	<b>Current liabilities</b>	<b>41,451</b>	<b>35,491</b>
Cash and cash equivalents	113,259	127,792	Provisions	1,106	1,054
			Trade payables	10,559	12,857
			Refund liabilities	4,424	2,166
			Lease liabilities	10,773	10,159
			Other financial liabilities	1,798	1,433
			Contract liabilities	1,272	1,121
			Other non-financial liabilities	11,520	6,700
<b>Total assets</b>	<b>293,833</b>	<b>293,232</b>	<b>Total equity and liabilities</b>	<b>293,833</b>	<b>293,232</b>



### Inventory development in Q1

- Strong increase in **contact lenses** (€6.5k)
- Late start of spring/summer season impacted **sunglasses**

