AFFLELOU

Press release

Paris, December 18, 2020

Afflelou's first quarter results for the 2020/2021 fiscal year, as of and for the three months ended October 31, 2020

- **Strong recovery of network sales[1] reaching €219.7 million, with 14.3% like-for-like network sales growth[2] for the quarter**
- **Adjusted EBITDA[3] at €26.2 million for the quarter, up 25% as compared to the same quarter in the 2019/2020 fiscal year**

Afflelou and its subsidiaries (the "**Group**") publishes its first quarter results for the fiscal year ended July 31, 2021, as of and for the three months ended October 31, 2020.

Commercial performance of AFFLELOU

Network sales reached €219.7 million in the first quarter of the current fiscal year, up by 14.7% from the first quarter of the prior fiscal year, including 14.3% growth in the Group's like-for-like network sales as compared to the first quarter of the prior fiscal year.

The historical ALAIN AFFLELOU banner demonstrated strong recovery in our main geographical areas, with especially good performance in France in September and in October, in both the optical and hearing aid activities. We believe this performance demonstrates the resilience of our sector, with a strong catch-up effect corresponding to pent up demand created by almost zero sales between March and May 2020 due to the COVID-19 crisis and related confinement measures.

The Group had 1,430 stores as of October 31, 2020, a net increase of six stores as compared to October 31, 2019 and net increase of one store as compared to July 31, 2020.

Afflelou's financial performance

Adjusted EBITDA (post-IFRS 16) grew significantly in the first quarter of the current fiscal year to €26.2 million (or 25.1%) as compared to €21.0 million for the same period in the prior fiscal year, mainly due to the strong network sales performance.

In France, which outperformed the rest of our geographies, Adjusted EBITDA grew to €20.8 million (or 29.8%) in the first quarter of the current fiscal year as compared with €16.0 million in the first quarter of the prior fiscal year,

[1] Network sales comprise sales (excluding VAT) to end customers by all of the Group's distribution channels, including directly-owned stores. Sales of the franchisees are based on monthly sales reports provided by the franchisees pursuant to their reporting obligations under the franchise agreements.
[2] Like-for-like network sales growth is based on sales of stores that were open through the periods under consideration, based on a full fiscal year, and which did not undergo any substantial changes during those periods (such as construction or refurbishment work of a duration of more than one month), so that sales performance in a period may be comparable to that of the prior period. Like-for-like network sales are calculated at current exchange rates as a very small portion of network sales are currently exposed to currency risk.
[3] Adjusted EBITDA is defined as operating income from ordinary activities as presented in the Group's consolidated financial statements, before (i) depreciation and amortization of property, plant and equipment, and intangible assets, (ii) changes in provisions for trade receivables and inventories, and (iii) management fees, management long term incentives and acquisition price supplements, if applicable in each case.

reflecting the aforementioned sales growth, and in spite of lower growth in our directly owned stores perimeter, part of which remains impacted by a reduced foot traffic in large malls and tourist areas such as the Champs Elysées. In Spain, Adjusted EBITDA grew to €4.6 million (4.8%) as compared with €4.4 million in the first quarter of the prior fiscal year, mainly for the same reasons as our French business and due to a comparatively lighter impact of the pandemic environment on our own perimeter. Finally, Adjusted EBITDA in our Other countries segment rose by €0.3 million to €4.6 million during the quarter.

The cash flows generated over the quarter allowed us to reduce our net debt adjusted from sublease liabilities at €414.0 million as of October 31, 2020, as compared to €426.4 million and €436.6 million, respectively, as of October 31, 2019 and July 31, 2020.

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About Afflelou:

Founded in Bordeaux in 1972 by Alain Afflelou, the Group is one of Europe's leading franchisors of optical products and hearing aids. In 2018, the Group operated the largest franchise network of optical products (in terms of store numbers) and the Alain Afflelou banner ranked third in France, in a historically fragmented market that includes many independent retailers. The Group has a long-standing presence in France, but also a strong foothold in Spain, where it operates the largest banner of optical products (in terms of store numbers) and the fourth largest (in terms of revenue). The Group, which is continuing its global expansion, is present worldwide, with 1,429 stores in 19 countries as of July 31, 2020.

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Forward Looking Statements and non-IFRS Financial Measures

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