**DISCLAIMER: This is not Investment Advice. PLEASE DO YOUR OWN RESEARCH !!!!**



**Soundtrack:**

There were quite a few songs that fit the topic, but in the end I really like Disco so"Sexy Eyes" from Dr. Hook is my favorite;

Dr. Hook - Sexy Eyes • TopPop

**Editorial Notes on AI use:**

I do use AI tools (Gemini, Claude, NotebookLM) extensively during the research but I write everything "by hand". In some cases, I will however copy & paste a summary or result table from a query after checking that the content is plausible. But I will always explicitly mention if I do this explicitly.

**Management Summary:**

Fielmann Group, the majority family owned German optical retailer has seen a significant multiple compression over the past 10 years despite a very decent operational performance since the Covid lows.

Based on a credible 5 year plan laid out in 2025, Fielmann is attractively priced and if they continue to execute under the leadership of the second generation family CEO, the stock offers significant potential over the next 4-5 years.

For this high margin, high return on capital business with a rock solid balance sheet and strong cashflow generation,  the current valuation of ~15 NTM P/E and ~3% dividend yield looks attractive.

**Content:**





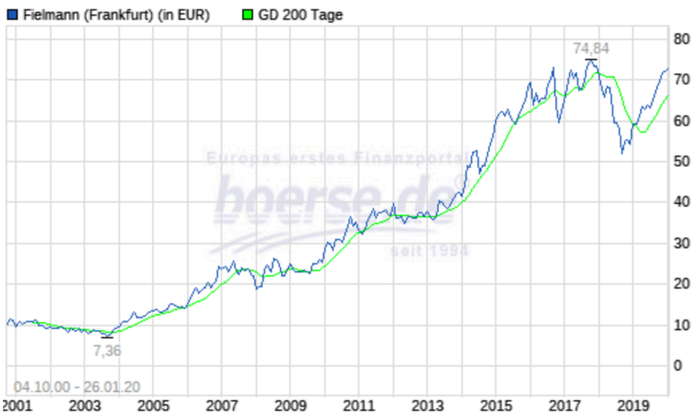
# 1. Introduction:

On the V&O blog, for some reason, retail stocks never played a big role. Here and then I had some of them in the portfolio, but never for long and without big success either. However one retail stock that I was following for some time was Fielmann AG.

This is what I wrote during my "All German Shares" Series in 2020 about Fielmann:

**305. Fielmann AG**

Fielmann is one of the stocks where I could always hit myself not to have invested despite being a loyal client for a long time. Fielmann with a market cap of ~6 bn is one of the typical family owned and run “hidden champions” dominating the German market for prescription glasses. Fielmann has been a great long term compounder, increasing over 10x over the last 15 years:




These days however, the company trades at an P/E of around 35 and grows only very little (Profit growth ~5%) which in my opinion does not leave a lot of upside for shareholders at current prices. As a quality stock it will however still go on my **“watch”** list.

Fast forward to today and Fielmann is now only a 3,6 bn EUR market cap company trading at 14,7x NTM P/E.

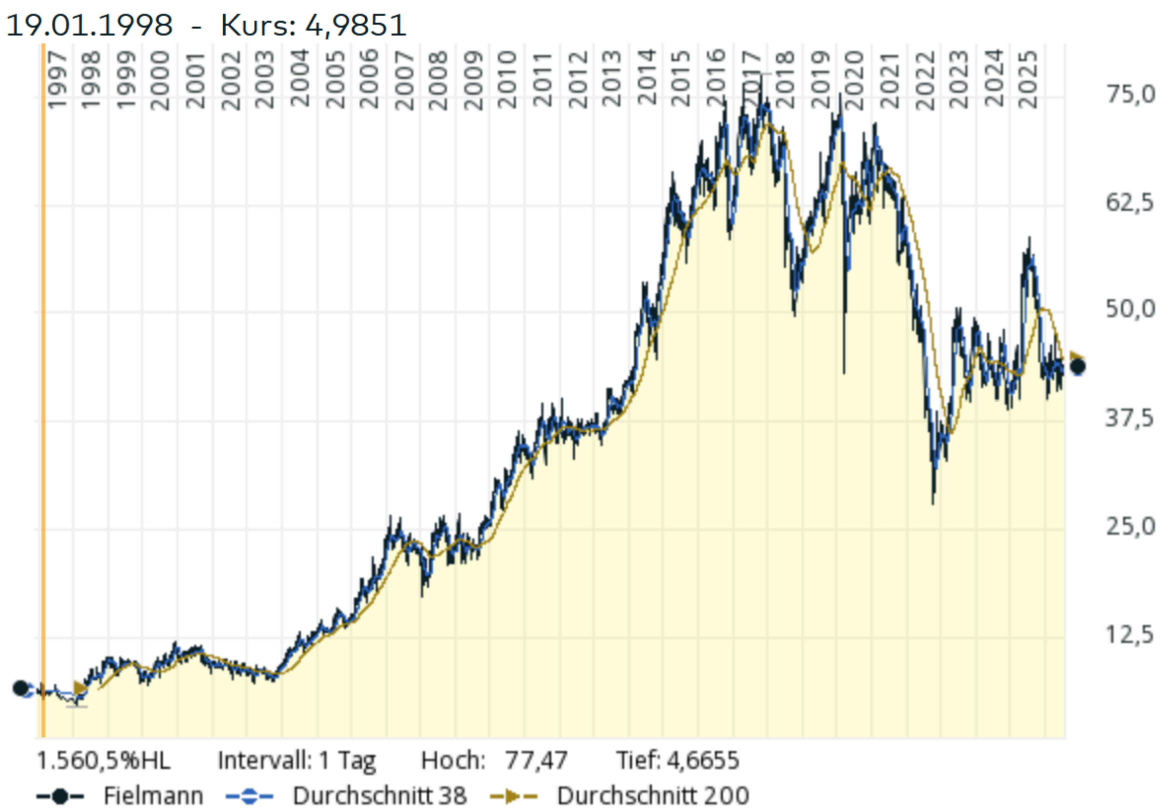
Interestingly EPS has increased by a total of ~20% from 2019 to 2025 after steep drops during Corona and after the Ukraine invasion:

| Income Statement \| TIKR.com | 31.12.19 | 31.12.20 | 31.12.21 | 31.12.22 | 31.12.23 | 31.12.24 | 31.12.25 |
|---|---|---|---|---|---|---|---|
| **Earnings From Continuing Operations** | **177,29** | **120,81** | **144,58** | **109,74** | **127,78** | **154,53** | **205,49** |
| **Net Income to Company** | **177,29** | **120,81** | **144,58** | **109,74** | **127,78** | **154,53** | **205,49** |
| Minority Interest | (5,09) | (4,40) | (7,72) | (6,08) | (3,00) | (2,09) | (1,76) |
| **Net Income** | **172,20** | **116,41** | **136,86** | **103,66** | **124,79** | **152,43** | **203,73** |
| Preferred Dividend and Other Adjustments | | | | | | | |
| **Net Income to Common Incl Extra Items** | **172,20** | **116,41** | **136,86** | **103,66** | **124,79** | **152,43** | **203,73** |
| ***% Net Income to Common Incl Extra Items Margins*** | ***11,3 %*** | ***8,1 %*** | ***8,2 %*** | ***5,9 %*** | ***6,3 %*** | ***6,7 %*** | ***8,4 %*** |
| **Net Income to Common Excl. Extra Items** | **172,20** | **116,41** | **136,86** | **103,66** | **124,79** | **152,43** | **203,73** |
| ***% Net Income to Common Excl. Extra Items Margins*** | ***11,3 %*** | ***8,1 %*** | ***8,2 %*** | ***5,9 %*** | ***6,3 %*** | ***6,7 %*** | ***8,4 %*** |
| ***Supplementary Data:*** | | | | | | | |
| Diluted EPS Excl Extra Items | 2,05 | 1,39 | 1,63 | 1,23 | 1,49 | 1,81 | 2,43 |
| *% Change YoY* | *2,0 %* | *(32,4 %)* | *17,6 %* | *(24,3 %)* | *20,4 %* | *22,2 %* | *33,7 %* |

So what we have seen is a massive multiple compression over the past 6 years on the back of recovering earnings which is always a good starting point.

# 2. Stock chart

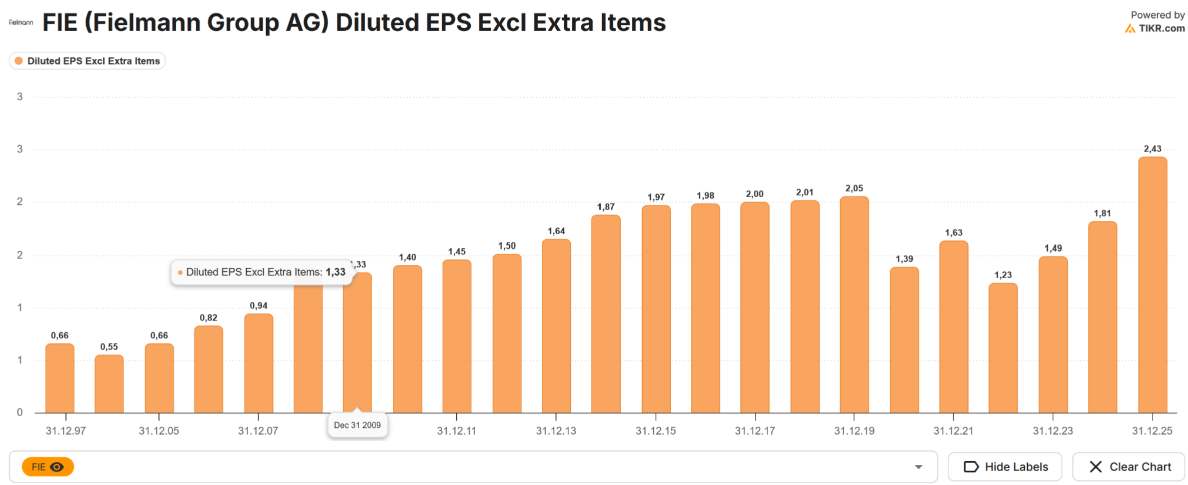
The long term stock chart shows that until 2017, Fielmann was your typical “Compounder”:




Then however, the story broke down. There was some smaller excitement in 2025 but right now, the stock trades at a level similar to 2013.

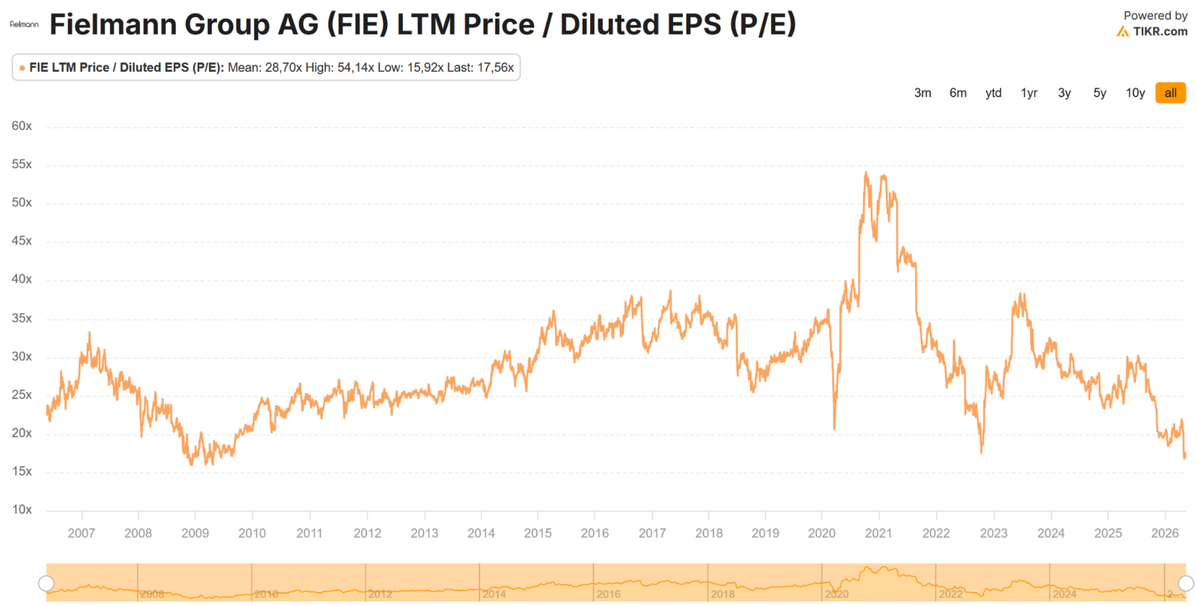
# 3. Multiple compression

If we look at the long term EPS development, we can see that until around 2015, earnings increased steadily before plateauing for some years and then dropping off during and after Covid. However, Fielmann made a remarkable comeback and EPS in 2025 is at an all time high:

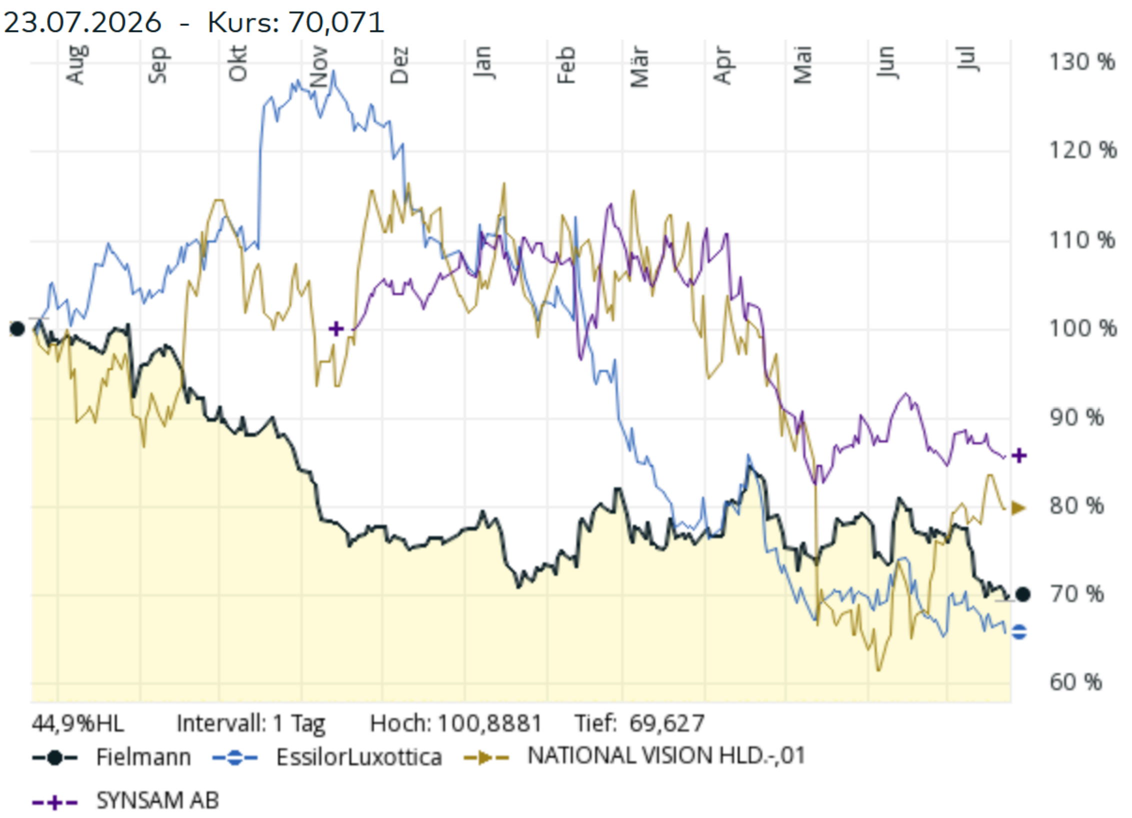



However, investors don’t seem super convinced that the good old times will come back and pushed the trailing 12 month P/E ratio very close to the long term lows of the GFC in 2008/2009.

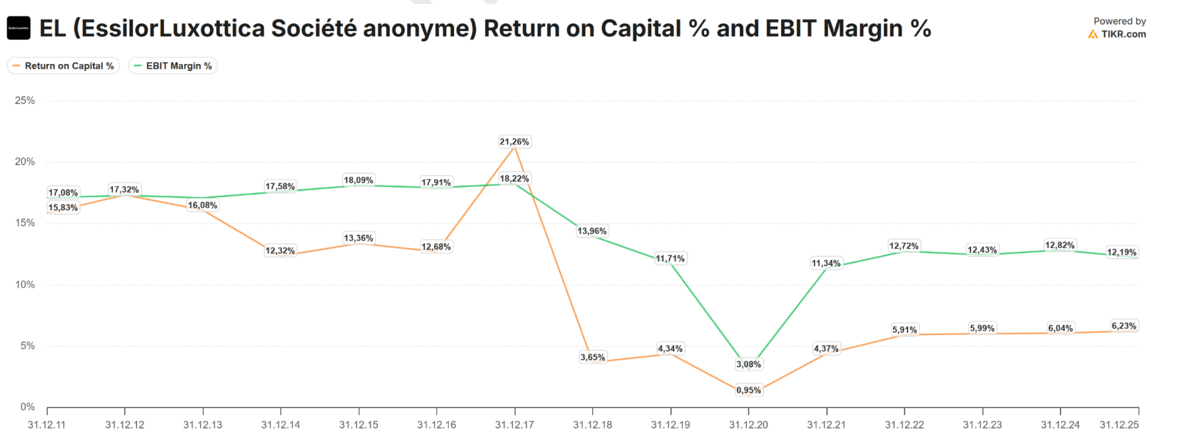
I don’t think that this is justified but more on this later.



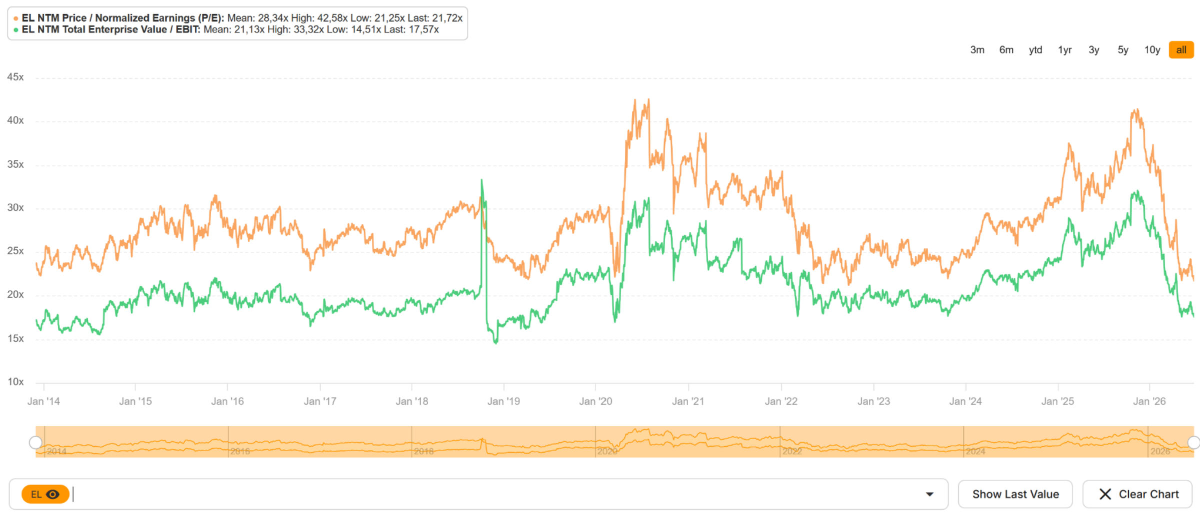

As the next chart shows, Fielmann is not alone in having lost investor confidence in this sector. The two major listed competitors, National Vision from the US and “one stop shop” EssilorLuxottica have been struggling lately, too. Only the smaller Swedish player Synsam AB has been doing a little better but is still down over 1 year:




EssilorLuxottica is interesting because the combination of Essilor and Luxottica was supposed to create the absolute market leader. But interestingly, after the merger in 2017, neither margins nor returns on capital reached the pre merger numbers.




The valuation of Essilor Luxottica however held up for some time, the draw down only happened recently:




Despite the decreasing margins and returns on capital, 2 times the PE reached a level of more than 40x NTM earnings, which is very rich for a slowly growing company.

Essilor was part of the group of stocks that “quality investor” Terry Smith sold recently. According to a recent FT article, [Luxottica is also struggling from major conflicts among the heirs] of founder Del Vecchio who died in 2022.

**Now the question is clearly: Where does this multiple compression come from ? Are there any very obvious reasons for this ?**

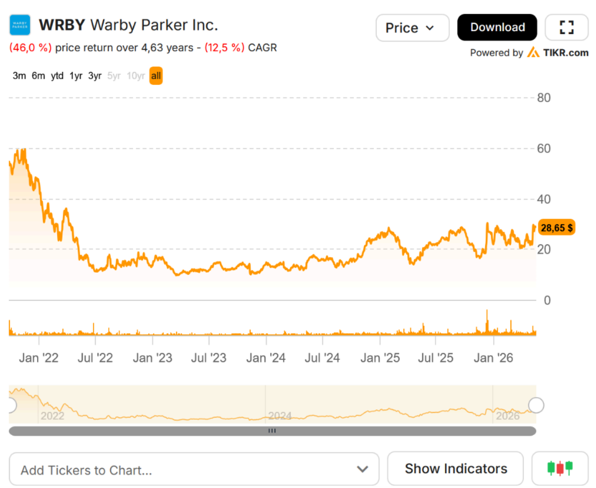
# 5. The main risk factors facing Fielmann

## 5.1. The impact of E-Commerce / Online competition

Many classical retail chains have been utterly disrupted through E-Commerce. In the Optical retail space it doesn’t seem to be the case.

Interestingly there are two online players listed: US based Warby Parker and its German Copycat Mr. Spex. As we can see in the stock charts, both are not overly successful:


Warby Parker numbers:




| Market Data | |
|---|---|
| 52 Week High | 31,00 $ |
| 52 Week Low | 14,96 $ |
| Avg. 3 Month Volume | 2,93 MM |
| 5 Yr Beta | 1,96 |
| Float % | 75,3 % |

| Capital Structure | |
|---|---|
| Market Cap (MM) | 3.515,79 $ |
| Enterprise Value (MM) | 3.465,18 $ |
| Shares Outstanding | 122,72 MM |
| LTM Net Debt (MM) | (50,61 $) |
| LTM Net Debt/EBITDA | (0,58x) |

| Efficiency | |
|---|---|
| LTM Gross Margin | 53,4 % |
| LTM EBIT Margin | (0,6 %) |
| LTM ROA | (0,5 %) |
| LTM ROE | 0,4 % |
| LTM ROIC | (0,9 %) |
| LTM ROCE | (1,0 %) |

| Growth | |
|---|---|
| Fwd 2-Yr Rev. CAGR | 14,3 % |
| Fwd 2-Yr EBITDA CAGR | 27,6 % |
| Fwd 2-Yr EPS CAGR | 78,0 % |
| Last 3-Yr Rev. CAGR | 13,4 % |
| Last 3-Yr EBITDA CAGR | 51,8 % |
| Last 3-Yr EPS CAGR | - |

| Valuation | | | |
|---|---|---|---|
| Street Target Price | 29,92 $ | LTM EV/Gross Profit | 7,29x |
| NTM EV/Revenues | 3,40x | LTM P/E | 2.808,00x |
| NTM EV/EBITDA | 26,79x | LTM P/BV | 9,36x |
| NTM P/E | 55,34x | LTM P/NCAV | (1.233,51x) |
| NTM MC/FCF | 64,16x | Dividend Yield | - |
| LTM EV/Revenues | 3,89x | Payout Ratio | - |

Interestingly, Warby Parker is valued quite richly despite never having been able to show a profit.

| Income Statement \| TIKR.com | 31.12.19 | 31.12.20 | 31.12.21 | 31.12.22 | 31.12.23 | 31.12.24 | 31.12.25 | LTM |
|---|---|---|---|---|---|---|---|---|
| Revenues | 370,46 | 393,72 | 540,80 | 598,11 | 669,77 | 771,32 | 871,91 | 890,57 |
| **Total Revenues** | **370,46** | **393,72** | **540,80** | **598,11** | **669,77** | **771,32** | **871,91** | **890,57** |
| ***% Change YoY*** | | ***6,3 %*** | ***37,4 %*** | ***10,6 %*** | ***12,0 %*** | ***15,2 %*** | ***13,0 %*** | |
| Cost of Goods Sold | (147,36) | (161,78) | (223,05) | (257,05) | (304,54) | (344,48) | (401,33) | (414,93) |
| **Gross Profit** | **223,11** | **231,94** | **317,75** | **341,06** | **365,22** | **426,83** | **470,58** | **475,64** |
| ***% Change YoY*** | | ***4,0 %*** | ***37,0 %*** | ***7,3 %*** | ***7,1 %*** | ***16,9 %*** | ***10,2 %*** | |
| ***% Gross Margins*** | ***60,2 %*** | ***58,9 %*** | ***58,8 %*** | ***57,0 %*** | ***54,5 %*** | ***55,3 %*** | ***54,0 %*** | ***53,4 %*** |
| Selling General & Admin Expenses | (220,66) | (282,73) | (426,74) | (437,94) | (433,99) | (456,13) | (475,36) | (480,69) |
| Depreciation & Amortization | (4,12) | (4,84) | (6,05) | (11,18) | | | | (0,44) |
| Amortization of Goodwill and Intangible Assets | | | | | | | | (0,29) |
| **Total Operating Expenses** | **(224,77)** | **(287,57)** | **(432,79)** | **(449,12)** | **(433,99)** | **(456,13)** | **(475,36)** | **(481,42)** |
| **Operating Income** | **(1,66)** | **(55,63)** | **(115,04)** | **(108,06)** | **(68,77)** | **(29,30)** | **(4,78)** | **(5,78)** |
| ***% Change YoY*** | | ***3.245,3 %*** | ***106,8 %*** | ***6,1 %*** | ***36,4 %*** | ***57,4 %*** | ***83,7 %*** | |
| ***% Operating Margins*** | ***(0,4 %)*** | ***(14,1 %)*** | ***(21,3 %)*** | ***(18,1 %)*** | ***(10,3 %)*** | ***(3,8 %)*** | ***(0,5 %)*** | ***(0,6 %)*** |
| Interest Expense | | (0,10) | (0,35) | | | | | |
| Interest And Investment Income | 1,94 | | | 1,31 | 9,23 | 10,60 | 8,38 | 8,26 |
| Other Non Operating Income (Expenses) | | | (28,30) | | | | | |
| **EBT Excl. Unusual Items** | **0,28** | **(55,73)** | **(143,69)** | **(106,75)** | **(59,53)** | **(18,70)** | **3,60** | **2,47** |
| Merger & Restructuring Charges | | | | (1,50) | | | | |
| Asset Writedown | | | (0,32) | (1,65) | (3,23) | (0,82) | (0,56) | (0,71) |
| Other Unusual Items | | | | | | | | 0,36 |
| **EBT Incl. Unusual Items** | **0,28** | **(55,73)** | **(144,01)** | **(109,90)** | **(62,76)** | **(19,52)** | **3,04** | **2,12** |
| Income Tax Expense | (0,28) | (0,19) | (0,26) | (0,50) | (0,43) | (0,88) | (1,40) | (0,77) |
| **Earnings From Continuing Operations** | | **(55,92)** | **(144,27)** | **(110,39)** | **(63,20)** | **(20,39)** | **1,64** | **1,35** |
| **Net Income to Company** | | **(55,92)** | **(144,27)** | **(110,39)** | **(63,20)** | **(20,39)** | **1,64** | **1,35** |
| **Net Income** | | **(55,92)** | **(144,27)** | **(110,39)** | **(63,20)** | **(20,39)** | **1,64** | **1,35** |
| Preferred Dividend and Other Adjustments | (57,54) | | (13,14) | | | | | |
| **Net Income to Common Incl Extra Items** | **(57,54)** | **(55,92)** | **(157,41)** | **(110,39)** | **(63,20)** | **(20,39)** | **1,64** | **1,35** |

Also growth has been slowing down substantially and gross margins have been trending lower since 2019.

Warby Parker (as Mr. Spex) started to open physical stores several years ago. Warby Parker now has around 330 stores and is currently opening ~40 physical stores per year. Initially a pure E-Commerce play, now the share of its sales via physical stores is ~¾.

So in essence, Optical retail  seems to be one of those few retail businesses where E-Commerce didn't have a big effect and physical retail is THE way to do this.

Overall, neither in the US nor in Europe, E-Commerce has made a big impact into sales of prescription glasses. Contact lenses yes, as they are standardized, but not glasses. It seems that customers really value the in person experience.

## 5.2. Potential AI disruption

As E-Commerce doesn't play such a big role, "Agentic E-Commerce" might not be such a big game changer at all, at least when it comes to the main retail channel.

## 5.3. Smart Glasses & Self adjusting Glasses

A big buzzword currently is (once again) the topic Smart Glasses. Those are glasses (usually sun glasses) that include cameras, sensors and displays that the user can read by looking through his/her glasses.

Initially introduced (and flopped) as "Google Glasses" in 2014:

Now Meta has launched a new attempt together with Luxottica's RayBan Brand. They seemed to have sold 7 mn units in 2025, however with a lot of competitors looking to introduce their own models.

There are clearly privacy issues with these glasses, but 7 mn units sold is clearly something. My current understanding is that they mostly function as a kind of add-on gadget but do not clearly replace the normal prescription glasses for users.

There also seems a larger backlash against these devices as they seem to be often used to film and publish content on Social Media without the permission of people on the other side of the observer. Just yesterday there was a report in the German Press that the German Data protection agency is considering an outright ban of Meta's Smart Glasses.

An NGO called HateAid has even started to sue Essilor, Fielmann and others for selling Smart Glasses. Not sure how far that one goes, but it clearly shows that Smart Glasses are maybe not that easy to sell in large volumes.

EssilorLuxottica clearly has had a head start, but I guess once there are more offers and you want to add prescription lenses, all optical retailers will just sell this products if customers want them and, even more important, it is legally possible to sell them.

So Smart Glasses in my opinion are not really a disruption so far and it will need to be seen how this will develop going forward.

Maybe EssilorLuxottica's very high valuation until year end was including very optimistic assumptions on these smart glasses that have been now reduced a little bit.

## 5.4. Corrective Eye Surgery and Corrective Lens Replacement

One argument I heard is that with the advance of Corrective Eye surgeries, people might need less and less corrective glasses. However a few facts clearly speak against this:

- corrective Eye surgery is still very expensive (on average 2000-3000 USD per eye in the US)
- Many patients are actually not suited for this. The estimation is that only for 20-30% Corrective Eye surgery will lead to a more permanent improvement
- In most cases, the improvement is temporary in any case and after 10 or 20 years people will need to start wearing glasses or contact lenses again
- finally, old age will also impact corrected eyes and require glasses

Interestingly, just a few days ago, Marc Fielmann was quoted in Handelsblatt that he doesn't see corrective Eye surgery as a big competitor, mainly because the surgery is still very expensive.

One big risk for optical retailers would be if corrective eye surgery would become super cheap.

But according to some sources, prices for these procedures have been staying more or less stable in nominal terms in the last 20 years. In the US, the procedure seems to cost somewhere between 4000-6000 USD (for both eyes), in Germany the price tag is a bit lower at 3000 EUR.

This compares to 200-300 USD for average prescription glasses in the US vs. around 500 EUR in Germany (that includes the very expensive "boutiques", Fielmann sells its glasses on average at a much lower price point , maybe 200-300 EUR).

Another issue is that corrective eye surgery does not completely heal Myopia. So it is not uncommon, that after a few years, patients might need to wear glasses again for perfect eye sight. Of course thinner glasses than before bit still glasses.

## 5.5. Management Change: Second Generation Marc Fielmann

With an age of only 29 years, Marc Fielmann, the son of founder Günther Fielmann took over in November 2019 after 47 years of leadership from the ffather. The timing was anything but great as soon after that Covid hit. Guenther Fielmann died in 2024.

While Marc still looks like a college boy, I have seen some videos with him and I have to say that I am genuinely positively impressed. He is communicating very clearly and has clearly changed a lot within the company.

Here is a very good interview from 2025 and here one from 4 years ago.

What is clearly extremely remarkable is that he delivered on Fielmann's 5 year plan from 2020 almost to the point despite significant headwinds (Covid, Iran, Tariffs etc). But more on this later.

## 5.6. US Expansion: Another German company trying to make it in the US

Fielmann has clearly stated that the US is one of their main growth engines and they have acquired several businesses in the past years in order to make this happen.

The track record of German companies with US acquisitions is “mixed” to put it politely. There are some spectacular failures like Daimler/Chrysler or Bayer / Monsanto.

On the other side, especially German discount retailers like Aldi or more recently Lidl have been quite successfully in growing their Grocery discount footprint in the US despite significant competition.

What I like is that they have hired a US person into the Fielmann board to oversee the business.

On the negative side, Russ Steinhorst, the CEO of acquired US optics retailer Shopko, who became CEO of the Americas business in 2025, seems to have "retired" by June 2026 and replaced by a German. According to Linkedin, Hehenkamp worked 25 years for Nike in many international roles but not in the US.

When I look into Steinhorst's Linkedin profile, I guess he is around the same age as Hehenkamp.
So 3 management changes in Fielmann's US business in less than 2 years is clearly not something that looks extremely good at the moment.

On the other hand, they did improve profitability a lot. According to their Q1 report, adjusted EBITDA margins in the US reached 13,8% in Q1 in the US vs -14% in Q1 2025.

So overall, the US expansion seems on track but it is clearly one risk factor that needs to be considered.

## 5.7. Summary of the main risks to Fielmann's business:

I think from the risk factors that I identified, I think the most important ones are indeed the ultimate success of the US expansion and a potentially large drop in prices for corrective eye surgery.

Personally, I do think that eye surgery costs will not drop much (at least they didn't do a lot in the past 20 years) so the main risk is the US expansion which in my opinion is balanced with the upside potential if they continue to execute this well.

# 6. The two big "secular" Tailwinds:

## 6.1. Increased mobile phone screentime leads to increased Myopia

Here is one summary I found on the Web, outlining especially the impact on Children:

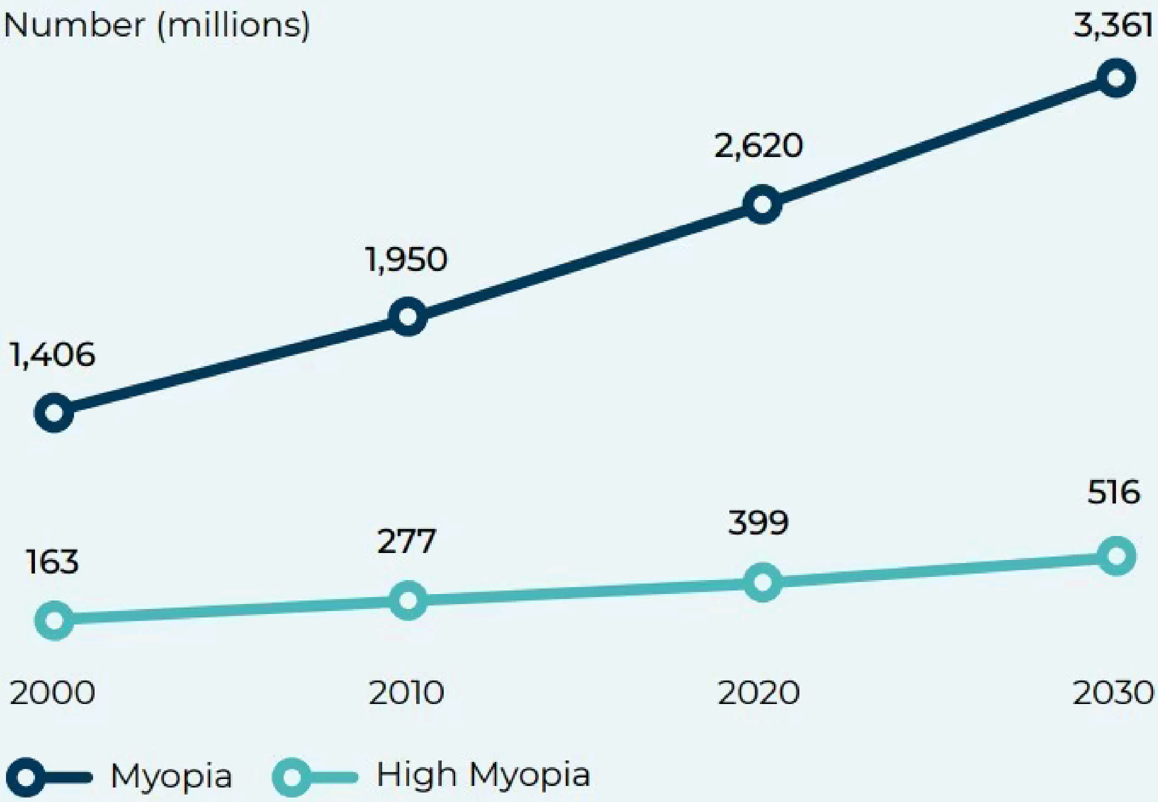
***Rising Myopia Prevalence and Increased Digital Screen Exposure***

*The unprecedented surge in myopia among global populations, particularly in school-age children aged 6 to 18 years, is fundamentally reshaping optical lens demand across all regions. Scientific research published in prestigious ophthalmology journals demonstrates that increased near work activities and digital device usage have intensified myopia development, with studies showing that children spending more than* ***3 hours*** *daily on digital devices face* ***2.5 times*** *higher myopia risk compared to those with limited screen exposure. The International Myopia Institute estimates that myopia will affect* ***5 billion*** *people globally by 2050, representing nearly* ***49.8%*** *of the world population, compelling optical manufacturers to develop specialized myopia control lens technologies including multifocal contact lenses and orthokeratology solutions that can slow myopia progression by* ***30 to 60%*** *compared to conventional single vision lenses, driving innovation and premium pricing across the corrective lens industry.*

There are many more studies on this topic like here or here.

The trend and the percentage of myopic people only knows one direction: Up. This is one graph I found:

**Figure 1:**
**Projected number of people estimated to have myopia and high myopia for each decade, 2000–2030***




**Source*: Holden BA, Fricke TR, Wilson DA, Jong M, Naidoo KS, Sankaridurg P, et al. Global prevalence of myopia and high myopia and temporal trends from 2000 through 2050. Ophthalmology. 2016; 123(5):1036–42.

This is clearly bad for those affected but on the other hand naturally increases the potential customer base for the optical industry massively.

## 6.2. Increased life expectancy leads also to increased “old age” driven demand for Special glasses (Presbyopie)

From the age of 40 or 45 onwards, for (almost) every human, the natural lens of the eye gets less flexible which makes it much more difficult to see well at close distance. Some people with perfect eye sight suddenly need reading glasses. But for many others, whose eyes are already myopic from too much screen time, the only solution are either two sets of glasses or one set of specialized glasses that help both, for reading and longer distances.

These special glasses are quite expensive and usually contain “fat margins” for the sellers as the have to be adjusted very carefully to each patient.

Some analysts think that the portion of the general population that needs those kind of glasses will double over the next 25 years:

*The dramatic global aging phenomenon is creating unprecedented demand for presbyopia-correcting optical solutions, with the World Health Organization projecting that the global population aged 60 years and above will reach* ***2.1 billion*** *by 2050, up from approximately* ***1.1 billion*** *in 2025. Presbyopia, the age-related loss of lens elasticity that impairs near vision focusing ability, affects nearly all individuals beginning at age* ***40 to 45*** *years, necessitating either bifocal lenses with distinct optical zones for distance and near vision correction or progressive lenses featuring a seamless gradient of optical power across the lens surface.*

Taken together, t**hese two developments prove a pretty significant fundamental tailwind for the optical industry for many years to come.**

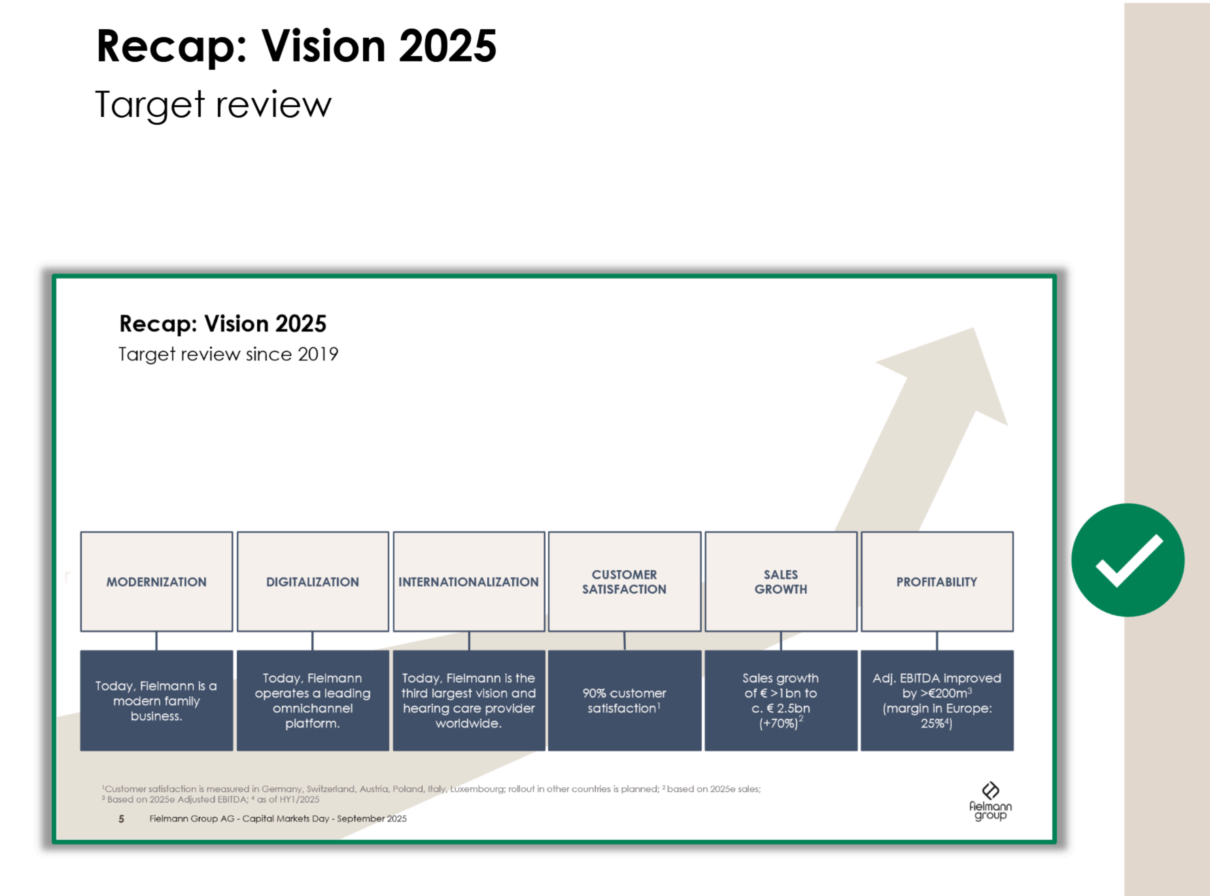
Although this clearly doesn’t guarantee great short term stock returns, it clearly helps the dominating players in this market in the mid and long term. It’s always better to have such tailwinds than headwinds.

## 6.3. Summary of tailwinds:

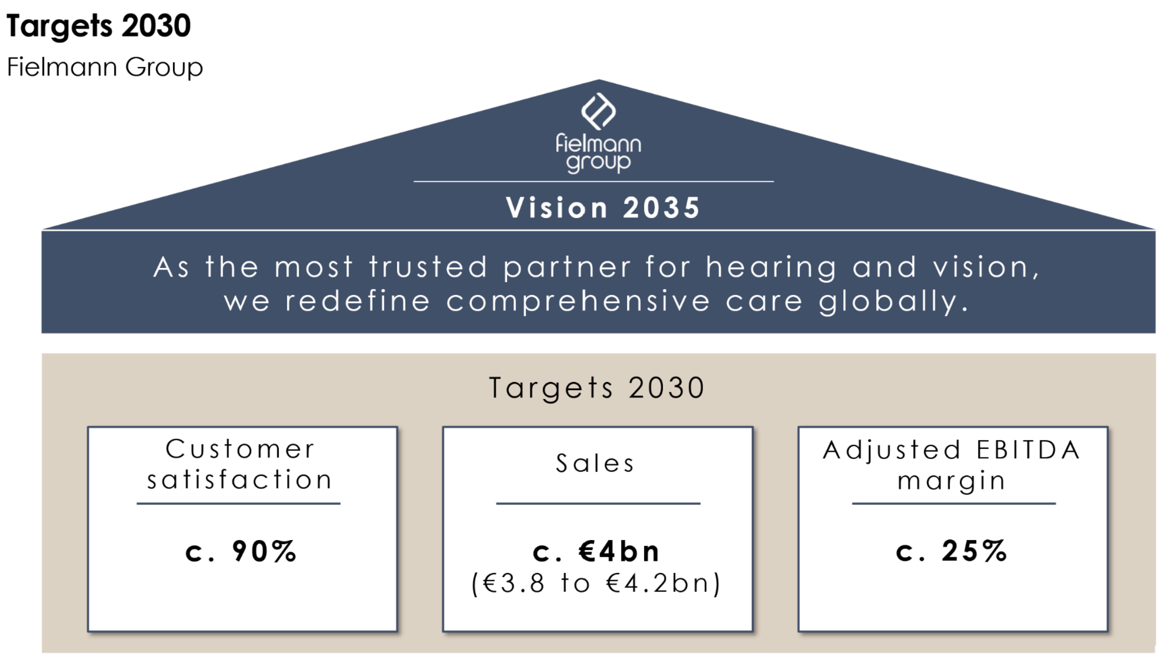
Although demographic expectations are rarely good short or mid term predictors for successful stock investments, having these tailwinds is clearly positive for the industry and Fielmann. Short term, other factors might counter this developments, but long term the demand only goes up.

# 7. The mid term target

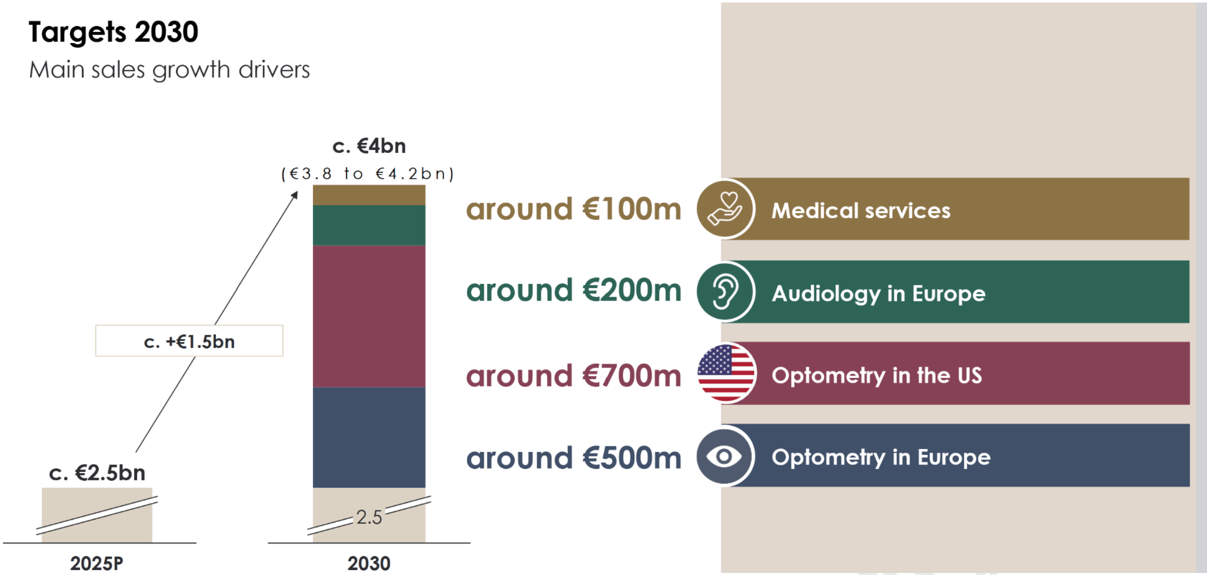
[In 2025, Fielmann published a new 5 year plan](), after successfully delivering on the previous 5 year plan from 2020. This was the 2020 plan:




The new plan looks like this:




What I really like about the “Vision 2035” is that they break down the growth target into its components with trackable KPIs for each component. Here the high level overview:




As we can see, the biggest growth contributor is the US business, followed by the core business in Europe, hearing aids in Europe and Medical services.

The US growth plan most likely includes larger scale M&A, the others seem to be achievable through mostly organic growth and smaller acquisitions.

With the target sales figure and the target EBITDA margin, one can also calculate a target EPS (ceteris paribus), which I will do in the valuation section.

Clearly, the US business is responsible for almost 50% of the growth targets. In any case, I find it hugely positive that Filemann releases these targets. They don't have to. Like other companies they could give a less granular view and/or just give some vague ranges.

Publishing something like this takes a certain courage in my opinion.

# 8. Deep Dive Optical Retail US and Hearing Aids

With regard to the growth drivers, I want to dive deeper into two aspects:

Optical Retail US
Audiology (hearing aids) in Europe

## 8.1. Optical Retail US

IThe following table has been prepared by AI (Gemini in this case) but I have checked the numbers and they seem to be realistic. These are currently the top 5 optical retailers in the US:

### The Core Retail Powerhouse: Top 5 Corporate Entities

Excluding alliance networks, the top five corporate entities dominating U.S. optical retail operations are ranked below:

| Rank | Retail Entity | Estimated Annual U.S. Optical Revenue | Estimated U.S. Locations | Dominant Retail Banners & Footprint |
|---|---|---|---|---|
| 1 | **EssilorLuxottica (Luxottica Retail)** | **$2.8B – $3.2B** | ~4,200+ | **LensCrafters**, **Pearle Vision**, **Target Optical**, **Sunglass Hut** |
| 2 | **Walmart Inc.** | **$2.22 Billion** | ~3,600+ | **Walmart Vision Center**, Sam's Club Optical |
| 3 | **National Vision Holdings, Inc.** | **$1.95 Billion** | ~1,240 | **America's Best Contacts & Eyeglasses**, **Eyeglass World** |
| 4 | **EyeCare Partners LLC** | **$1.4B – $1.6B** | ~700 | **Integrated medical-optometry** and ophthalmology practices |
| 5 | **Costco Optical** | **$1.30 Billio** | 588 | **Costco Wholesale** in-club optical departments |

The total optical US market is estimated to be around 70 bn USD in 2025, meaning that the top 5 only account for 1/7th of the market. The rest of the market is split into smaller independent shops.

For comparison: In Germany for instance, Fielmann sells ~55% of all prescription glasses that account for 25% of the value of all prescription glasses.

So market concentration in the US is quite low, which in theory should allow Fielmann to reach their target which would be "only" 1% of the market by 2030.

Fielmann acquired the following US companies so far (overview by NotebookLM):

**1. Eyevious Style / Befitting (2023)**

- **Acquisition Date:** June 7, 2023 [3].
- **Company Overview:** Fielmann acquired Eyevious Style Inc. (Canada) and its US subsidiary, which operates the optical e-commerce and insurance platform **Befitting** [3] [4].
- **Cost:** The purchase price was **€ 28.2 million** [5] [6]. *(Note: Fielmann also repaid € 2.5 million in shareholder loans upon acquisition* [5] *).*

**2. SVS Vision (2023)**

- **Acquisition Date:** September 1, 2023 [7] [8].
- **Company Overview:** SVS Vision is an optical retailer based in Mt. Clemens, Michigan, operating over 80 stores across nine US states. The company also operates its own optical laboratory and a vision insurance provider [7] [...].
- **Cost:** The purchase price for SVS Vision was **€ 103.0 million** [5] [10].

**3. Shopko Optical (2024)**

- **Acquisition Date:** July 1, 2024 [11] [12].
- **Company Overview:** To further solidify its market-leading position in the Upper Midwest, Fielmann acquired Shopko Optical (parent company Shoptikal Topco, Inc.), based in Green Bay, Wisconsin [9] [12]. Shopko Optical operates over 140 stores across 13 US states [9].
- **Cost:** The purchase price was **€ 278.5 million** (equivalent to approximately US$ 287.5 million) [13] [...].

So they have spent ~400 mn EUR so far for which they got an annualized run rate of 280 mn EUR in sales and 39 mn of adj. EBITDA (based on Q1 numbers). Not bad, but also not a slam dunk either so far.

I found an interesting back story to Shopko. This company, which Fielmann bought for 287 mn USD was bought by a PE out of a bankruptcy case in 2019 for only 8,5 mn USD. Although I do not know how much they invested on top of that into the turn-around, but it looks like a pretty smart deal for the PE.

So my “verdict” for the US expansion is: Yes, there is clearly a place for a smart “Fielmann style” player in the US, but it is clearly not a walk in the park to get there,

## 8.2. Hearing aids retailing

One of the growth drivers is also the sale of hearing aids. Fielmann exclusively focuses on “shop in shop” selling, i.e. offering hearing aids within existing optical stores instead of opening new separate stores.

So far, growth has been good, but it has been slowing a bit as this table (Created by NotebookLM from annual reports) shows:

| Year | Hearing Aids Revenue (in € m) | YoY Growth |
|---|---|---|
| 2019 | 71.7 [1] | - |
| 2020 | 80.7 [2] | + 12.6 % |
| 2021 | 93.3 [3] | + 15.6 % |
| 2022 | 99.8 [3] | + 7.0 % |
| 2023 | 128.8 [4] | + 29.1 % |
| 2024 | 141.5 [5] | + 9.9 % |
| 2025 | 153.0 [6] | + 8.1 % |

The European and German market is dominated by the big Hearing aid manufacturers like Demand which recently took over the large German retail chain Kind and big retail chains like Amplifon which itself just took over the hearing aid division from GN Store nord

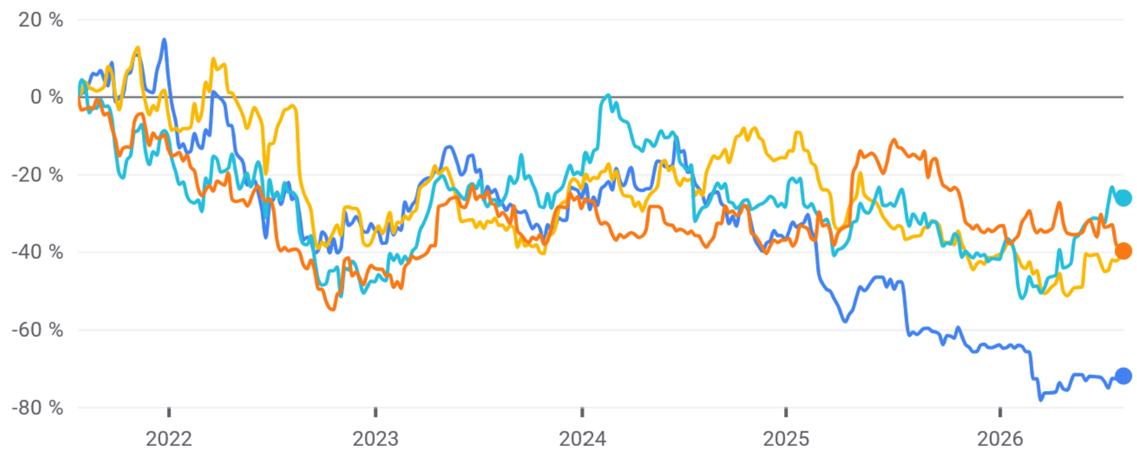
Amplifon itself has been struggling a little as we can see in the shareprice, as Demand and Sonova:

## Amplifon

**10,80 €** ↓72,07 % -27,87 5 J.

22. Juli, 17:40:00 UTC+2 · EUR · BIT · Haftungsausschluss

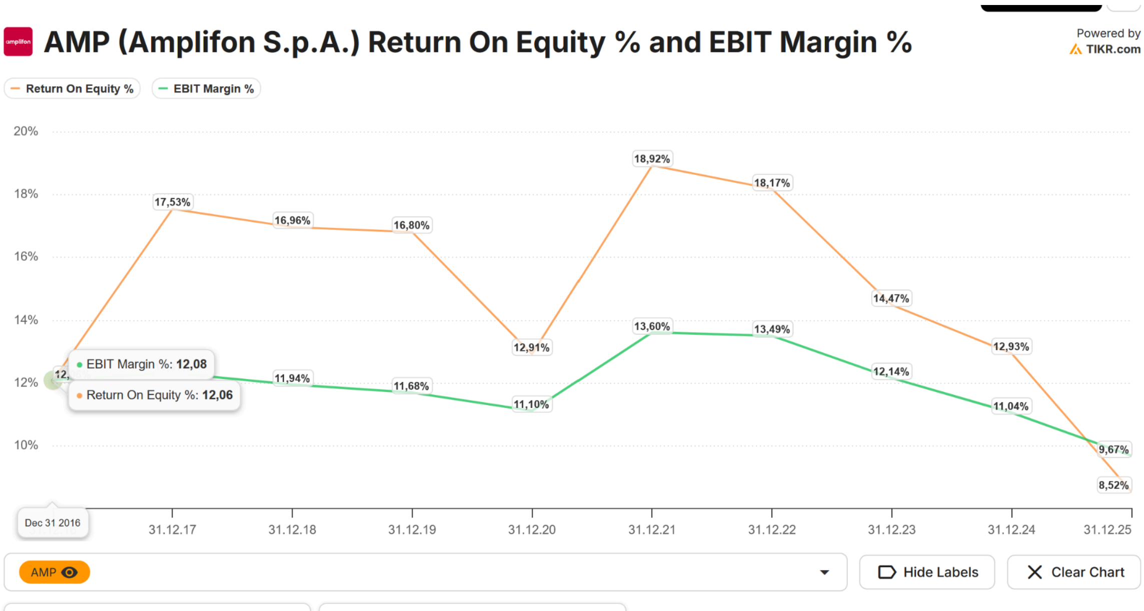
1 T. 5 T. 1 M. 6 M. YTD 1 J. 5 J. MAX




| | | | |
|---|---|---|---|
| Amplifon | 10,80 € | -27,87 € | ↓72,07 % |
| Sonova | 212,00 CHF | -140,20 CHF | ↓39,81 % |
| William Demant Ho... | 271,40 kr. | -96,30 kr. | ↓26,19 % |
| Fielmann | 39,45 € | -26,15 € | ↓39,86 % |



For Sonova and Demant, the US market has become harder in the past years. For Amplifon, if we look at the financials we can see that sales stagnated and profitability declined:




Even [before their intent to take over GN Store's hearing aid division for over 2 bn EUR,](#) Amplifon was already significantly more indebted than Fielmann. Part of the transaction is paid in shares, but leverage will further increase after that transaction.

Interestingly, at least in the past, EBITDA margins at Amplifon had been quite similar to Fielmann in the range of 24% of sales and only declined to 22,6% in 2025. So structurally, the profitability seems to be very comparable to Fielmann's core business.

I could even imagine that without the need to establish separate branches, profitability could be similar or even better at Fielmann despite the much smaller footprint.

At least from my personal observation, Amplifon stores are also usually in less attractive parts of the cities compared to Fielmann which often occupies relatively central retail spaces.

We will need to see if and how Fielmann executes here but overall it seems to make sense to offer this service, too, especially as hearing aids and glasses need to fit together if you need them both.

# 9. Other aspects at Fielmann

## 9.1. Board & Board compensation

Fielmann pays a short term bonus and a longer term bonus. Both use net income and customer satisfaction as an input. It is also not 1:1 aligned with the 5 year targets.

While not 100% ideal, there is little risk of dilution as the CEO is the largest shareholder.

Total board compensation was 7 mn EUR in 2025 (thereof 3 mn for Marc) which is around 3,5% of Group net income. In my opinion this is adequate and not excessive.

What I really like is that they have actually hired an US board member in 2025 as mentioned before. With their ambitions in the US, it is really important to have at least one “local” guy in the Management Board.

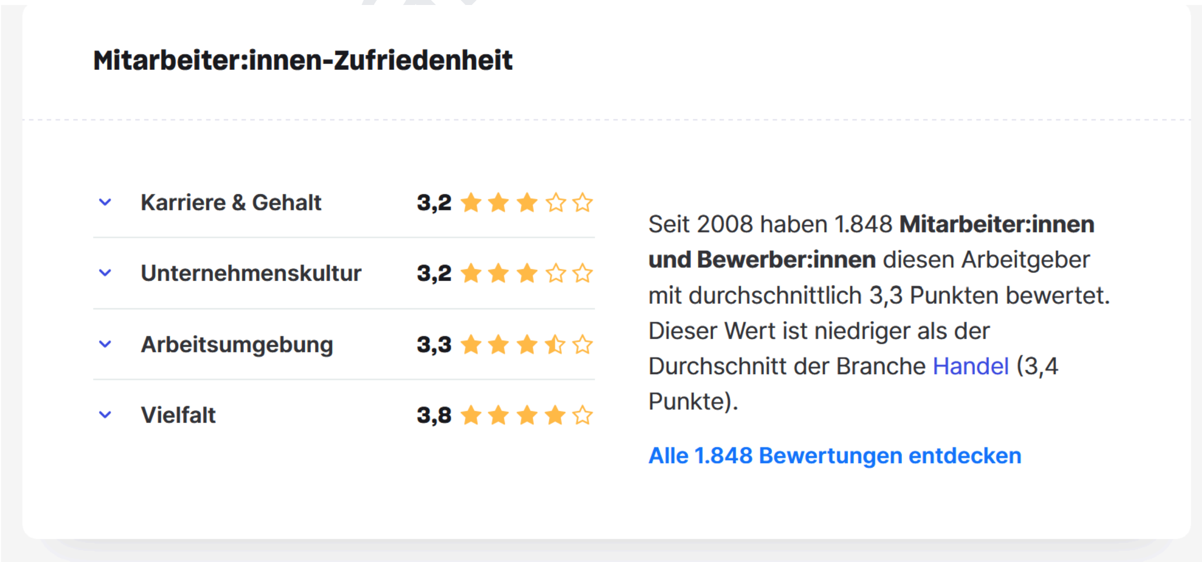
## 9.2. Supervisory board

The Supervisory board is dominated by a number of “family entrepreneurs”, mostly from Germany. The current Chairman is quite old with 77 years. For an international company like Fielmann, the Supervisory board could be a little bit more international.

## 9.3. Employee satisfaction

I am a little bit surprised how low employee satisfaction is at Fielmann in the large portals (Kununu, Glassdoor). Considering how important especially the sales staff is for the business, I would have assumed that they manage this more actively.

They are rated pretty much in line with all retail and slightly better as for instance Apollo Optik, but still this is not so great.



3,4 ★★★☆☆

**46 % würden das Unternehmen weiterempfehlen**
(133 Bewertungen insgesamt)

Marc Fielmann
78 % befürworten CEO

**49 % positive Geschäftsprognose**

**Bewertungen nach Kategorie**

Vielfalt & Inklusion
Karrieremöglichkeiten
Vergütung & Zusatzleistungen
Kultur & Werte
Führungskräfte
Work-Life-Balance

FIELMANN hat eine Mitarbeiterbewertung von 3,4 von 5 Sternen, basierend auf...
Mehr lesen

## 9.4. Balance Sheet & Cash flow generation

Up until the US acquisitions, Filemann was virtually debt free and only had the lease liabilities from its retail outlets.

They financed the most recent US acquisition with initially around 300 mn in debt, but at year end, net debt was already down to around 60 mn Euros net of 220 mn in Cash.

Fielmann's business is very cash generative.

Operating cashflow in 2025 was 495 mn EUR. Capex around 112 Euros and Lease Payments which are shown in IFRS under Financing CF are around 133 mn (including interest).

So "free cash flow" to the firm is around (495-245)=240 mn EUR or ~1,2x net income which is quite remarkable.

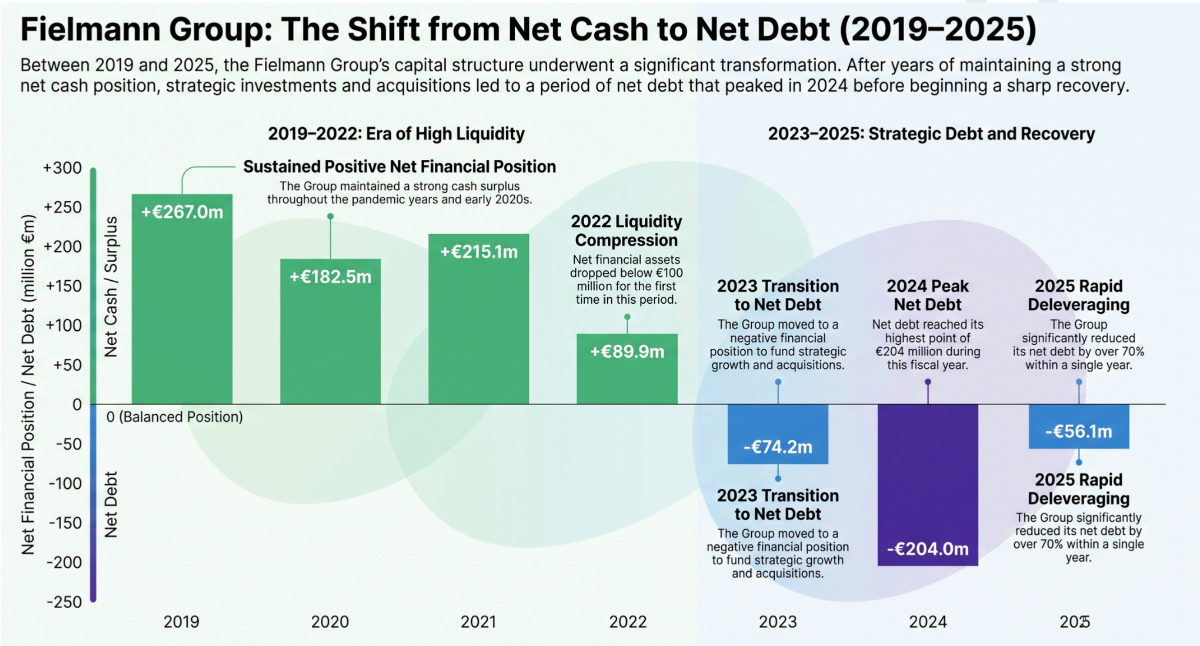
Two relevant factors are:

- Fielmann writes down significant parts of the Goodwill of Acquisitions as they allocate significant amounts to "Customer lists"

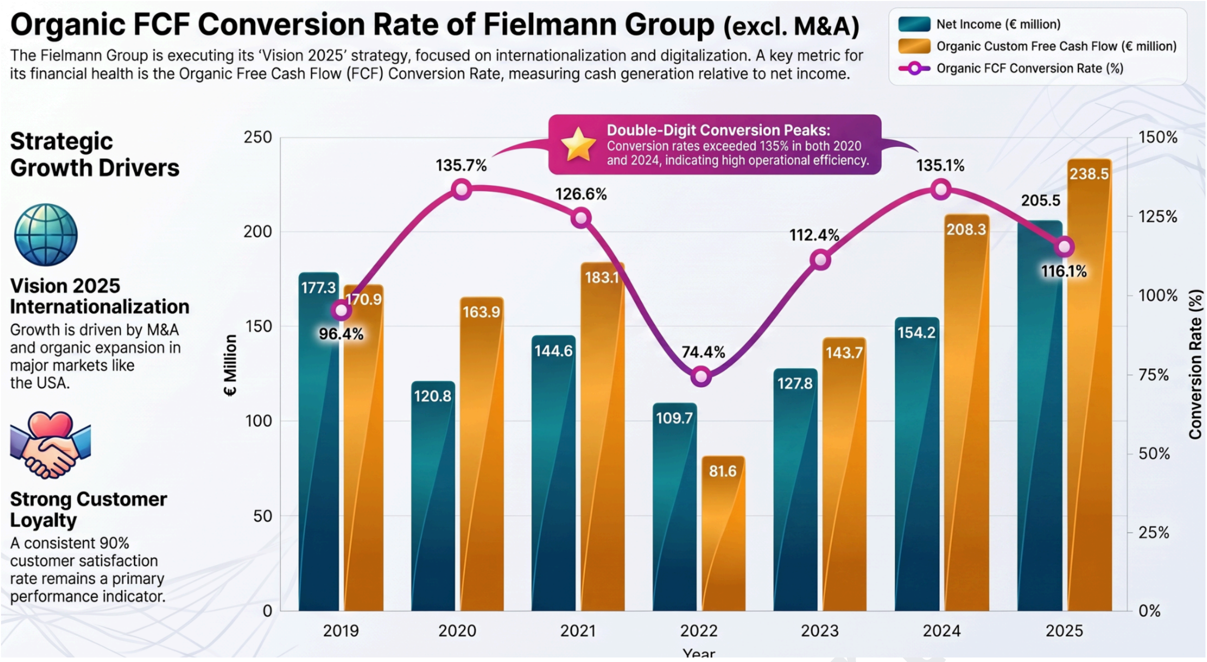
- As many good retailers, they are able to grow without a significantly increased amount in Working capital. In 2025, the positive effect from Working capital was +16 mn EUR (after +6 mn in 2024).

Other than many other German companies, there are virtually no pension liabilities.

So from a balance sheet quality perspective, this looks very good. For illustration purposes only, here is an info graphic that NotebookLM generated based on annual report data:




and here another one with FCF conversion since 2019:






## 9.5. Portfolio view

Fielmann is in my opinion a combination of Health care/Consumer/retail stock. Traditionally it has a relatively low beta.

So far I have a very limited exposure to the retail/healthcare sector in my portfolio. So from that perspective, it looks like a pretty good diversifier.

## 9.6. Momentum

I had explained my "momentum score" already [in the recent post about Terry Smith](#).

From a pure "momentum" perspective, Fielmann looks a little weak. From a maximum of 4 points (min -2), Fielmann only gets -1 points. EPS goes up, but 1 year and 6M momentum are currently negative. The stock also trades below the 200 day average .

Although this doesn't kill the investment due to the high quality and the valuation, I will use this information for sizing the initial position

# 9.7. Why is the stock "cheap" ?

As I have now discussed at length, the stock seems to be too cheap. So once again it makes sense to summarize why it is cheap form my perspective:

- it was too expensive for a long time
- subdued start into 2026 (second half must improve to reach guidance)
- investors are suspicious of US expansion (2 Managers echanged in short time)
- cooling climate for consumers in the main German market

I think especially the very slow start into 2026 has cooled of some investor's appetite to buy the stock.

This is from the Q1 presentation:

**Business Performance: Q1/2026**
Summary Key Data

| | Q1/2026 | Q1/2025 | yoy |
|---|---|---|---|
| **# of stores[1]** | **1,284** | 1,241 | +43 stores |
| **Total Consolidated Sales** | **€613m** | €605m | +1.3% |
| **Adj. EBITDA** | **€149m** | €148m | +1.0% |
| **Adj. EBITDA margin** | **24.3%** | 24.4% | -0.1%pts. |

25.7% 13.8%

So sales and EBITDA only rose by ~1% in Q1.

The preliminary results for 6M 2026 showed a slightly better Q2 with 6M sales growth increasing to 2%:

**Preliminary financials of HY1/2026**
According to preliminary figures, Fielmann Group consolidated sales reached € 1.25bn in HY1/2026. This corresponds to a +2% increase over the same period of the previous year (€ 1.23bn). International sales growth significantly accelerated from +1% in Q1 to +6% in Q2 year-over-year, complemented by Fielmann Germany which continued to grow modestly. Constant currency growth of our international markets stood at +6% in Q2 as well. Spain and Poland led international performance with +10% and +7% constant currency growth, respectively, in Q2 over the previous year's quarter.

Fielmann Group's Adjusted EBITDA was approximately € 296m in the first half of the year (previous year: € 292m). The Adjusted EBITDA margin was 24% at Group level, showcasing the company's resilience and cost discipline. Final numbers and additional details will be published in our HY1/2026 financial report on August 27, 2026.

But still, the second half needs to be a lot better in order to hit the 5-7% growth target for this year.

So I think there are clearly some concerns here that are justified, but in my opinion, with the exception of the US business, those are rather shorter term issues although in the next 6 months there is clearly some risk for a reduced target for 2026.

# 10. Pro's & Con's

As always, before coming to a decision, now is a good time to list some pros and cons for the stock:

+ Family owned, family run. Transition to second generation seems to have been successful
+ Credible Management (delivered on 2020 5 year plan despite several disruptions)
+ Good market position in Europe, growing outside home market in Germany
+ Strong balance sheet & Excellent Cash conversion
+ several growth drivers (US, hearing aids, medical services)
+ good V&O portfolio fit
+ little Risk of E-Commerce/AI Disruption
+ Very good return potential if Mid term target is hit
+ Sector is currently quite unpopular despite good long term tailwinds

+/- no clear Stock price momentum (neutral)
- still the majority of sales and profit come from Germany
- Slow growth so far in 2026
- to a certain extent cyclical based on consumer sentiment
- below average rating employee satisfaction (Kununu, Glassdoor)
- Board compensation not fully aligned with targets
- Supervisory Board is very German



# 11. Valuation / Return expectation:

As my readers may know, the older I get, the simpler I keep this section.

If we take the numbers from the 2030 plan, we can estimate EPS in 2030 which should be around 4,76 EUR per share.

| | 2025 | 2030 | CAGR |
|---|---|---|---|
| Sales | 2435 | 4000 | 10,44% |
| EBITDA | 581 | 1000 | 11,47% |
| Net income | 205 | 400 | 14,30% |
| EPS | 2,43 | 4,76 | 14,41% |
| | | | |
| EBITDA Margin | 23,86% | 25,00% | |
| NI Margin | 8,42% | 10% | |
| Share Price | 44,05 | | |
| Dividend | 1,4 | | |
| Dividend Yield | 3,2% | | |

If we use these numbers, our expected return would be the growth rate of 14,4% plus the current dividend yield of ~3,2% which would result in an expected total return of 17,6% p.a. without any multiple expansion.

If Fielmann is able to pull this off, I am pretty sure that the PE multiple would be higher than the current 15x NTM.

Even if we assume “only” 10% EPS growth, we would still get a 14% expected return, which I think is still very attractive.

So overall, based on their plan I would consider the current price level as attractive and my return expectation would be somewhere between 14-20% p.a. for the next 4-5 years.

# 12. Conclusion

After regretting for many years not owning Fielmann, I think the valuation and growth prospects are now attractive enough to justify an investment.

I therefore decided to allocate 3% of the portfolio into Fielmann at current prices (~41 EUR) per share.

It will be very interesting to see how the second half of the year develops for Fielmann. If they stay below expectations, I could imagine even a lower stock price.

For increasing the position, I would need to see continued traction in the US business.