



NEWS RELEASE

# KITS Eyecare Records Over One Million Virtual Shopping Sessions for Eyecare in the First Quarter of 2024

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KITS Observes Optical Category Moving Online as KITS Eyeglasses Revenue Grows +36% YOY in Q1 2024, While Marketing Costs as a Percentage of Revenue Declined in the Quarter

Avoiding the Costly Buildout of Brick-and-Mortar Stores Often Saves Customers Hundreds of Dollars a Pair

VANCOUVER, BC, May 16, 2024 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("KITS" or the "Company"), the leading vertically integrated eyecare provider, is providing supplementary data on the growth of its online eyeglasses business and the KITS online vision tool platform for the first quarter ended March 31, 2024.

During the first quarter of 2024, KITS increased its Virtual Try-On (VTO) sessions by 96% to over one million sessions compared to approximately 510,000 in the same prior-year period. These sessions accounted for over 1.35 million frames tried on in the first quarter of 2024 compared to approximately 646,000 frames in the same prior-year period. This contributed to category-leading eyeglasses revenue growth of +36% in Q1, compared to the same prior-year period. Growth occurred with a decline in marketing costs as a percent of sales.

The online growth in optical appears to mirror the broader retail market. BCG recently estimated that e-commerce is poised to capture 41% of global retail sales by 2027—up from just 18% in 2017 <sup>(1)</sup>, a 9% compounded annual growth rate.

"The optical consumer is rapidly moving online," said Roger Hardy, Co-Founder and CEO of KITS. "Just as many other categories from beauty to grocery to electronics have before it. Online vision tools like our VTO platform



make it easier for consumers to explore new styles and new materials at their convenience. In particular, we see the millennial consumer, 25-45 years old, shifting their optical purchases from storefront to online. As they do, KITS will ensure that our category-leading value, +2,100 style selection, and delivery in as little as 1-2 days is there to meet this growing need. Avoiding the need for a costly physical retail footprint also allows us to pass cost savings onto our customers, often saving them hundreds of dollars a pair. It's clear to us that companies that invest in the online experience will continue to grow at the expense of the brick-and-mortar incumbents."

"We've heard others say that growth in our category requires an increase in marketing spend, but that has not been our experience at KITS," said Joseph Thompson, Co-Founder and COO of KITS. "While experiencing growth at over five times the rate of the industry, our marketing costs have declined as a percentage of revenue. We've found that when customers have a great experience and see how easy it is to shop for optical online, they tell their friends and family about it. They also return faster, with KITS retention levels on 100% of revenue repeating within 24 months, roughly twice as fast as brick-and-mortar competitors."

At the end of the first quarter of 2024, KITS offered over 2,100 unique styles of eyeglasses with over 305,000 frames in stock. Eyeglasses are designed and made at the Company's onshore, automated optical lab in Vancouver and shipped out to customers throughout North America, often in one day.

<sup>(1)</sup> <https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales>

## About KITS

KITS makes eyecare easy. KITS is a leading vertically integrated digital eyecare brand providing eyewear for eyes everywhere. We offer customers access to a vast selection of contact lenses and eyeglasses, including our own exclusive KITS designed products, as well as a robust suite of online vision tools. Our efficient digital platform, backed by our industry-leading manufacturing and designs, removes intermediaries, and enables us to offer great prices and deliver made to order personalized products with incredible care and accuracy. We are creating disruption in the industry by constantly pursuing cutting-edge technologies to enable the best customer experience, including online eyewear fitting tools, and virtual try-on for glasses. We strive to delight our customers with our competitive prices, a convenient digital shopping experience, fast and reliable delivery options, and an unrelenting focus on earning our customers' lifelong trust. For more information on KITS, visit: [www.kits.com](http://www.kits.com).

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