

M A T A S

A good start to the year with continued profitable growth

Interim report Q1 2024/25

(1 APRIL - 30 JUNE 2024)

G R O U P

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Webcast

Matas Group will host a webcast for investors and analysts on Wednesday, 14 August at 10:00 a.m. CEST. The webcast and the presentation can be accessed from Matas' investor website: <https://matasgroup.com/investors>.

Webcast access numbers for investors and analysts

DK: +45 78 76 84 90

SE: +46 8 1241 0952

NO: +47 2195 6342

UK: +44 203 769 6819

US: +1 646 787 0157

PIN for all countries: 915912

Link to webcast

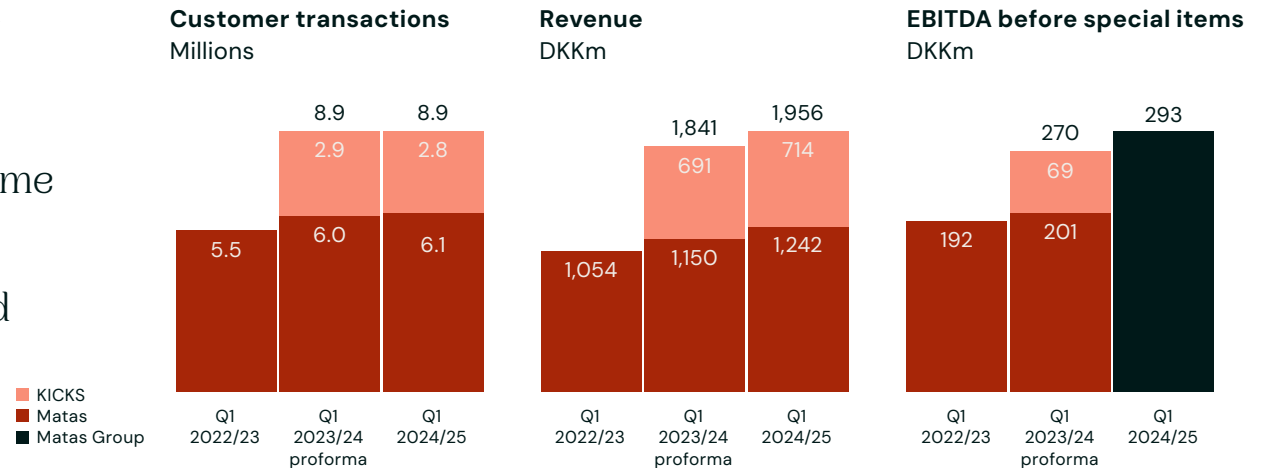
<https://matas-events.eventcdn.net/events/q1-report-2024>

A good start to the year as profitable growth continued

- Matas Group generated a total revenue of DKK 1,956 million in Q1 2024/25 corresponding to a year-on-year increase of 70% from DKK 1,150 million in Q1 2023/24. Organic growth in Matas in Q1 was 8% and KICKS 2.9% currency neutral (6.9% excluding Skincity). Group proforma growth was 6.2% and currency neutral growth of 6.1%.
- Gross margin was 46.1% in the quarter, up from 45.4% last year (45.6% proforma) due to mix and higher subsidies from suppliers.
- EBITDA before special items came to DKK 293 million in Q1 2024/25 compared to DKK 201 million (proforma DKK 270 million) last year, and the EBITDA margin before special items was 15.0% in the quarter against 17.5% last year (14.7% proforma).
- Profit for the period amounted to DKK 59 million after tax compared to DKK 49 million last year (proforma DKK 43 million). Q1 2024/25 was impacted by special items of DKK 17 million.
- Free cash flow was an inflow of DKK 32 million in Q1 2024/25 compared with an inflow of DKK 201 million in Q1 2023/24, primarily reflecting investments in Matas Logistics Center.
- Matas Group maintain its guidance for the financial year 2024/25. Group revenue is expected to grow between 4% and 7% currency neutral, ~3.2% to 6.2% exchange rate adjusted, from the proforma revenue for 2023/24 of DKK 7.8 billion. The EBITDA margin before special items in 2024/25 is expected to be in the range of 14.5% and 15.5% (from proforma base of 14.3% in 2023/24). Investments, excluding M&A, are expected to be DKK ~650 million, including approximately DKK 325 million for Matas Logistics Center. Please see company announcement no. 1 2024/25 for assumptions related to the guidance.

“We have had a good start to the year with growth in underlying sales and earnings. Our strategy to Win the Nordics is progressing as planned, with continued assortment expansion, faster delivery, store upgrades and membership growth. At the same time, we continue to see gains from being a Nordic group. Operations in our new automated KICKS Logistics Center improved through the quarter and construction of Matas Logistics Center is on plan. We maintain our guidance for the financial year.”

Gregers Wedell-Wedellsborg, Group CEO



Q1 2024/25 highlights

- Matas Group's strategy to Win the Nordics is delivering as expected with proforma revenue growth of 6.2% and proforma EBITDA before special items growth of 8.6%.
- Organic growth in Matas in Q1 was 8%. Organic growth online was 21% and stores grew 3%. KICKS grew 2.9% currency neutral. Growth picked up in the later part of the quarter. KICKS excluding Skincity grew 6.9% currency neutral, and KICKS online excluding Skincity grew 20.5% and stores grew 3.2%.
- Customer traffic was strong, and the organic number of transactions increased by 2.1% to 6.1 million, and the organic average basket size grew by 5.9% to DKK 199 per transaction compared to Q1 last year.
- Gross profit for Q1 2024/25 amounted to DKK 903 million, up from DKK 522 million in Q1 2023/24 (proforma gross profit in Q1 2023/24 amounted to DKK 839 million). The gross margin was 46.1%, up from 45.4% in Q1 2023/24 (45.6% proforma) due to mix and higher subsidies from suppliers.
- Other external costs amounted to DKK 216 million in Q1 2024/25, up from DKK 107 million in Q1 2023/24, driven by the KICKS acquisition and increased online sales.
- Q1 2024/25 staff costs amounted to DKK 399 million, up from DKK 215 million in Q1 2023/24 driven by the KICKS acquisition and increased online sales.
- Special items amounted to DKK 17 million in Q1 2024/25, compared to DKK 21 million in Q1 2023/24.
- EBITDA before special items came to DKK 293 million in Q1 2024/25 compared to DKK 201 million last year (proforma DKK 270 million), and the EBITDA margin before special items was 15.0% in the quarter against 17.5% (14.7% proforma) last year.
- The total depreciation, amortisation and impairment charges were DKK 158 million in Q1 2024/25, up by DKK 67 million and mainly attributable to the acquisition of KICKS.
- Profit for the period amounted to DKK 59 million after tax compared to DKK 49 million last year (proforma DKK 43 million). The increase reflects the continued growth of Matas Group and the improved gross margin.
- Free cash flow was an inflow of DKK 32 million in Q1 2024/25 compared with an inflow of DKK 201 million in Q1 2023/24, primarily reflecting investments in Matas Logistics Center and partly due to timing effects.



Key financials

(DKKm)	Q1 2024/25	Q1 2023/24	Growth (%)	Proforma Q1 2023/24	Proforma growth (%)
Statement of comprehensive income					
Revenue	1,956	1,150	70.1	1,841	6.2
Gross profit *	903	522	72.8	839	7.6
EBITDA	276	180	53.7	249	11.0
EBIT	118	89	32.7	93	26.6
Net financials	(42)	(23)	79.4	(36)	16.1
Profit before tax	76	66	16.1	57	33.2
Profit for the period	59	49	20.8	43	37.7
Special items included in EBITDA	(17)	(21)	(19.6)	(21)	(19.6)
EBITDA before special items	293	201	46.0	270	8.6
Adjusted profit after tax	85	78	8.6	72	17.5
Statement of financial position					
Total assets	8,943	6,378			
Total equity	3,462	3,338			
Net working capital	441	(50)			
Net interest-bearing debt	3,262	1,483			
Statement of cash flows					
Cash flow from operating activities	241	252			
Cash flow from investing activities	(209)	(51)			
Free cash flow	32	201			

Q1 2023/24 does not include KICKS acquired and consolidated as of 1 September 2023, but Proforma Q1 2023/24 include KICKS as if Matas Group had owned KICKS since 1 April 2023.

* Gross profit and other external costs for Q1 2023/24 have been restated in accordance with the change in accounting policies in 2023/24 as described in the Annual Report for 2023/24 note 1.

(DKKm)	Q1 2024/25	Q1 2023/24	Proforma Q1 2023/24
Ratios			
Revenue growth	70.1%	9.2%	
Organic growth	8.0%	9.2%	
Gross margin	46.1%	45.4%	45.6%
EBITDA margin	14.1%	15.6%	13.5%
EBITDA margin before special items	15.0%	17.5%	14.7%
EBIT margin	6.0%	7.7%	5.1%
Cash conversion	20.7%	109.5%	
Earnings per share, DKK	1.56	1.29	1.13
Diluted earnings per share, DKK	1.55	1.28	1.12
Share price, end of period, DKK	116.0	100.6	100.6
ROIC before tax including goodwill **	10.2%	9.6%	
ROIC before tax excluding goodwill **	31.6%	47.6%	
Net working capital as a percentage of LTM revenue	5.5%	(1.1)%	
Investments as a percentage of revenue	9.9%	4.4%	
Net interest-bearing debt/EBITDA before special items **	2.9	1.8	
Number of transactions (millions)*	8.9	6.0	8.9
Average basket size (DKK)*	217	188	203
Number of stores	494	261	488
Club members Matas and KICKS (millions)	5.8	1.9	5.4
Club Matas Plus members (thousands)	108.2	77.1	77.1
Average number of employees (FTE)	3,389	2,054	3,215

* For definitions of key financials, see page 106 of the 2023/24 Annual Report.

** LTM EBITDA includes pro forma financials of KICKS LTM.

Management's review

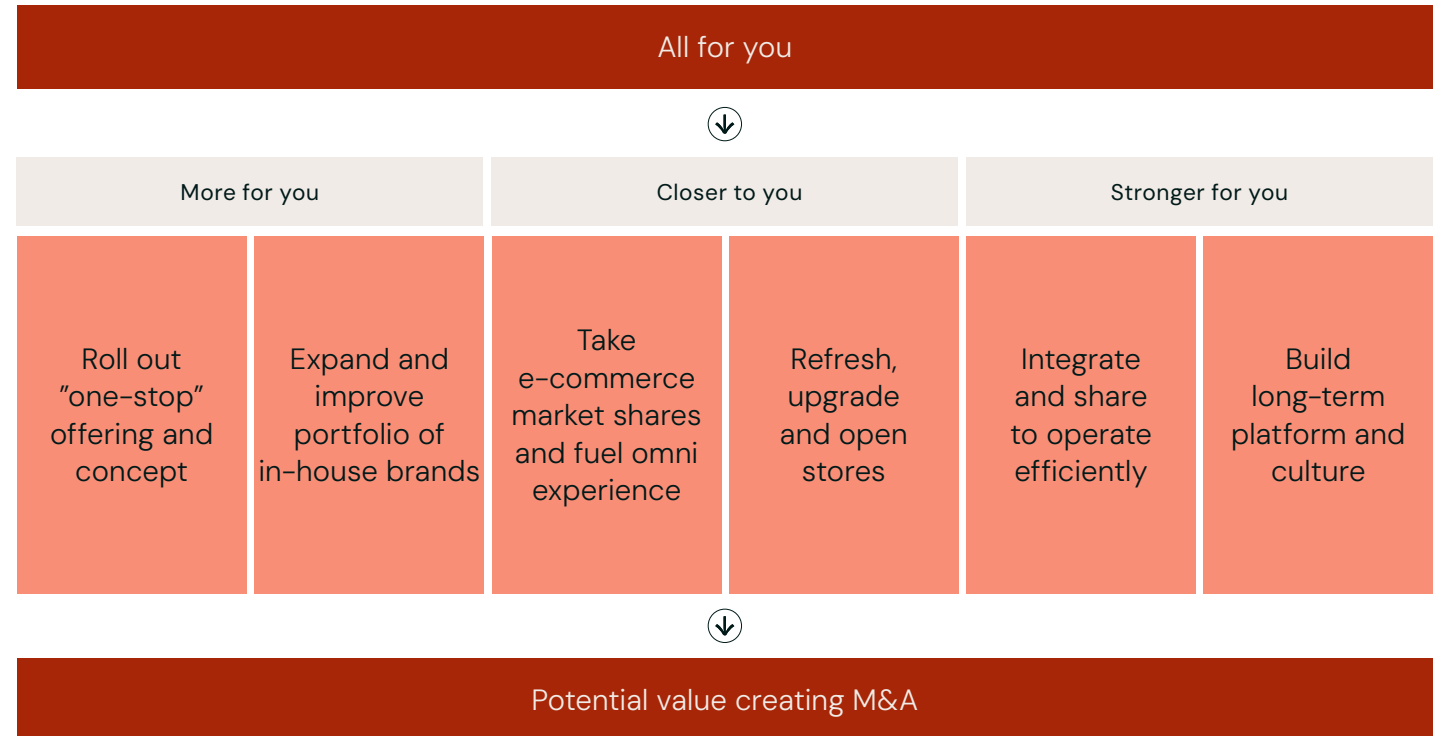
On 28 May 2024, Matas Group announced its new strategy, Win the Nordics, in connection with the Annual Report for 2023/24 and the Capital Markets Day.

Win the Nordics is a growth strategy with six customer centric strategic priorities for the mid-term to outgrow the market while improving margins and building the long-term platform. The strategy is progressing as planned.

Synergies are on track to deliver improvements of DKK >100 million fully phased in by 2025/26. The implementation of a new Nordic organisation was completed in April 2024, while synergies from the Group sourcing setup and other effects from scale and best practice sharing are on track. Matas Group is re-investing in growth and capabilities, as well as in Matas Logistics Center (MLC) and IT to support future growth and margins.



Matas Group strategic priorities



Win the Nordics – Strategic initiatives in Q1 2024/25

More for you

01 Roll out "one-stop" offering and concept

- Matas created hype among the Gen Z consumers with the launch of the Matas exclusive brand 'Tessa Beauty' in collaboration with Tessa. Matas further launched the important skincare pharmacy brand Faaborg Pharma. In total, Matas launched 75 new brands in Q1 2024/25.
- KICKS successfully launched Beauty Pharmacy (dermatological skincare) in Sweden in Q1 2024/25, establishing an online presence and opening the concept in our three flagship stores. KICKS successfully launched ProSkin by Skincity in all three countries with key professional skincare brands. In total, KICKS launched 30 new brands in Q1 2024/25.

02 Expand and improve portfolio of in-house brands

- Matas in-house brands delivered growth compared to a strong Q1 last year, driven by 16% growth in Matas Striberne Vital (Vitamins and Supplements) whereas Suncare was down compared to Q1 last year due to less sunny weather. Key brand Nilens Jord delivered growth of 19% in Q1 2024/25. Matas in-house brands accounted for 17.6% of revenues from stores and matas.dk.
- KICKS in-house brands sales improved from new innovations but were overall down compared to Q1 last year due to discontinued brands and decrease in Skincity brands.

Closer to you

03 Take e-commerce market shares and fuel omni experience

- Group proforma online growth was 15%, despite continued integration of Skincity into KICKS online offering. Organic online growth in Matas was 21%. KICKS online excluding Skincity grew 20.5%.
- Matas.dk Net Promoter Score remained high and improved from Q1 last year. Matas won two major e-commerce awards from the Danish Chamber of Commerce; best omnichannel solution and best B2C with turnover above DKK 100 million.

04 Refresh, upgrade and open stores

- The stores play an important role in the omni-channel and still account for two thirds of revenues. With ~500 stores across Denmark, Sweden, Norway and Finland.
- During the quarter, Matas opened one new store and renewed five stores, including one relocation. Store NPS improved from Q1 last year.
- Store turnover from "endless aisles" (sale of products from matas.dk through the stores) increased significantly in Q1 compared to the same period last year.
- KICKS opened two new stores in Q1, in Norway and Finland, while one store was closed in Norway.

Stronger for you

05 Integrate and share to operate efficiently

- As of 1 April 2024, our new organisational structure was implemented with focus on closeness to the markets and with three Nordic Groupwide functions to drive efficiency, synergies and leverage our scale.
- Our new automated distribution centers are a platform for long-term profitable growth across the Nordics. The two logistics centers will facilitate expanded assortment, strengthen fast and efficient deliveries and contribute to reducing overall logistic costs.
- The new KICKS Logistics Center outside of Stockholm is in operation and volumes were further ramped up during Q1 2024/25 and with improved operation in the later part of Q1.
- The construction of Matas Logistics Center (MLC), which will more than double Matas overall capacity of web orders when fully operational in 2025, is progressing according to plan.

06 Build long-term platform and culture

- We are building a long-term platform and culture. This includes a consolidated Group IT platform to foster collaboration and scale benefits to among others drive enhanced investments in AI and analytics, both in the front-end and back-end as this is fundamental to maintain a competitive advantage.

Q1 2024/25 performance

Revenue

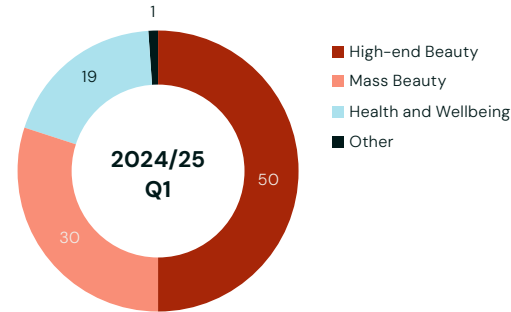
Matas Group generated total revenue of DKK 1.956 million in Q1 2024/25, a year-on-year increase of 70% from DKK 1,150 million in Q1 2023/24. Retail sales were up by 72% to DKK 1,926 million.

Total revenue grew DKK 806 million compared to Q1 2023/24, Matas grew DKK 92 million or organically 8.0%. The remaining growth of DKK 714 million reflects KICKS, and KICKS grew 2.9% currency neutral. KICKS growth was impacted by both the continued ramp-up of volumes in the new logistics center and the integration of Skincity into KICKS, especially in the beginning of the quarter. KICKS growth picked up in the later part of the quarter. KICKS excluding Skincity grew 6.9% currency neutral, and KICKS online excluding Skincity grew 20.5%.

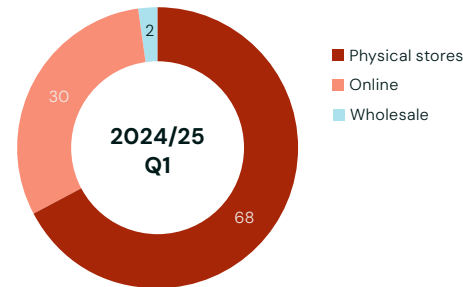
DKK 545 million of the KICKS revenue was within the High-end Beauty category in Q1 2024/25 and the rest in Mass Beauty thus reflecting the significant growth in both categories in Q1 2024/25 compared to last year.

Growing sales by DKK 532 million, the physical stores recorded the largest absolute increase and online grew sales by DKK 273 mainly due to the acquisition of KICKS.

Retail revenue by category (%)



Revenue by sales channel (%)



Revenue by categories and sales channels

(DKKm)	Q1 2024/25	Q1 2023/24	Growth (%)	Proforma Q1 2023/24	Proforma growth (%)
Categories					
High-end Beauty	958	372	158.0%	880	8.9%
Mass Beauty	581	411	41.2%	585	(0.6)%
Health and Wellbeing	361	313	15.4%	313	15.1%
Other	26	25	3.3%	34	(23.5)%
Retail revenue	1,926	1,121	71.8%	1,812	6.3%
Retail revenue by category (%)					
High-end Beauty	50	33		49	
Mass Beauty	30	37		32	
Health and Wellbeing	19	28		17	
Other	1	2		2	
	100	100		100	
Sales channels					
Physical stores	1,327	795	66.9%	1,289	2.9%
Online	599	326	83.8%	523	14.5%
Wholesale	30	29	1.5%	29	1.5%
Total revenue	1,956	1,150	70.1%	1,841	6.2%
Revenue by sales channel (%)					
Physical stores	68	69		70	
Online	30	28		28	
Wholesale	2	3		2	
	100	100		100	

Organic revenue in stores grew by 2.7%, while online had an organic growth of 21.3% compared to Q1 2023/24.

The number of transactions increased by 49.3% to 8.9 million compared to 6.0 million in Q1 2023/24, while the average basket size increased by 15.1% to DKK 217 per transaction in the quarter compared to DKK 188 in Q1 2023/24. The increase was mainly attributable to the KICKS transaction. The organic number of transactions increased by 2.1% to 6.1 million in Q1 2024/25 and the organic average basket size increased by 5.9% to DKK 199 per transaction compared to Q1 2023/24.

Performance by category

Both High-end and Mass Beauty reported significantly higher sales in Q1 2024/25 compared to Q1 2023/24 mainly due to the acquisition of KICKS. The Beauty segment accounted for 80.0% of the retail revenue, compared to 70.0% in Q1 2023/24.

Health and Wellbeing was the primary growth driver when looking at the organic performance. Sales of special skincare, MediCare and Mother and child products recorded ongoing significant growth during the quarter.

For Matas, the private label sales, including Nilens Jord and Miild, accounted for 17.6% of the revenue generated by Matas stores and matas.dk in Q1 2024/25, a decrease of 0.7% compared to Q1 2023/24 due to less sold sun care products.

Categories

Matas Group is characterised by its wide assortment of beauty, personal care, health, wellbeing and problem-solving household products. This broad product range creates a unique one-stop retail value proposition for the Group's customers in the shape of four categories.

High-end Beauty

Luxury beauty products, including cosmetics, skin and haircare products and fragrances. High-end beauty is the largest category in KICKS.

Mass Beauty

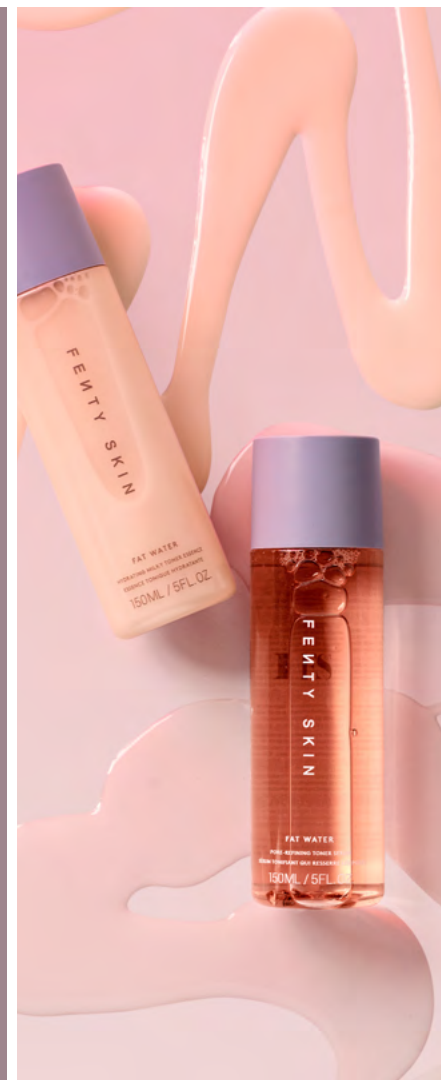
Everyday beauty products and personal care, including cosmetics, skin and haircare products.

Health and Wellbeing

MediCare (OTC medicine and nursing products). Vitamins, minerals, health supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Sexual wellness, Personal care products (oral, foot and intimate care and hair removal) and special skincare.

Other

Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and gardening (cleaning and maintenance, electrical products, interior decoration and textiles) and other.



Performance by sales channel

Physical stores grew revenue by 66.9% or DKK 532 million to DKK 1,327 million compared to Q1 2023/24. Organic revenue in stores increased by 2.7%. The number of Matas stores at 30 June 2024 amounted to 265, a year-on-year increase of four, while KICKS had 229 physical stores at 30 June 2024, bringing the Group to a total of 494 stores.

Like-for-like Matas stores grew 1.5% and KICKS stores grew 2.7%.

Online sales were up by 83.8% or DKK 273 million to DKK 599 million. The organic online business grew 21.3%. Overall, online sales accounted for 30% of Q1 2024/25 revenue against 28% in Q1 2023/24.

In Q1 2024/25, wholesale grew by DKK 0.4 million to DKK 30 million.

Sales channels

At 30 June 2024, Matas consisted of 265 physical stores – 264 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS added 229 physical stores at 30 June 2024. 68% of Q1 2024/25 revenue was generated by the Group's 494 physical stores.

In addition, the Group was present online through matas.dk, nilensjord.dk and several web shops operated by Firtal. KICKS is present online through kicks.se/no/fi and skincity.com/se/no/fi. 31% of consolidated revenue was generated through Matas Group's online channels.

Wholesale mainly consists of wholesale from Web Sundhed, Grænn and international wholesale of Matas' house brands in Germany. Wholesale accounted for 1% of revenue for the year.



Costs and operating performance

Gross profit for Q1 2024/25 amounted to DKK 903 million, up from DKK 522 million in Q1 2023/24. KICKS contributed with DKK 323 million of the total increase of DKK 381 million.

The gross margin for Q1 2024/25 was 46.1%, up from 45.4% (45.6% proforma) in the year-earlier period due to mix and higher subsidies from suppliers.

Other external costs excluding special items amounted to DKK 216 million in Q1 2024/25, up by DKK 109 million from DKK 107 million in Q1 2023/24. The increase was mainly driven by the acquisition of KICKS as well as execution of Win the Nordics Group strategy and continuing digital growth.

Other external costs accounted for 11.0% of revenue in Q1 against 9.3% the year before and 11.0% proforma Q1 2023/24.

Q1 2024/25 staff costs amounted to DKK 399 million, up by DKK 184 million from DKK 215 million in Q1 2023/24.

The increase in staff costs was besides the KICKS acquisition related to salary increases (collective wage agreements), supply chain transformation

at KICKS and increased online sales as well as recruitment of new competencies to execute the Win the Nordics Matas Group strategy.

Staff costs accounted for 20.4% of revenue in Q1 2024/25 against 18.7% in Q1 2023/24 and 20.2% proforma Q1 2023/24.

At 30 June 2024, Matas Group had an average of 3,389 full-time employees, against 2,054 at 30 June 2023. The addition mainly relates to KICKS acquisition.

EBITDA before special items came to DKK 293 million in Q1 2024/25 compared to DKK 201 million (DKK 270 million proforma) last year, and the EBITDA margin before special items was 15.0% in the quarter against 17.5% last year (14.7% proforma).

Special items amounted to DKK 17 million in Q1 2024/25 whereof DKK 7 million related to integration cost and DKK 10 million to celebrating Matas 75-year anniversary. In Q1 2023/24, special items amounted to DKK 21 million related to the KICKS acquisition.

Since the acquisition of KICKS, DKK 70 million of integration cost has been expensed and up to

DKK 30 million is expected as integration cost in the remaining of the financial year 2024/25.

Q1 2024/25 reported EBITDA amounted to DKK 276 million against DKK 249 million proforma in Q1 2023/24, and the EBITDA margin was 14.1% against 13.5% proforma in the year-earlier period. EBITDA margin excluding KICKS was 15.6% in Q1 2023/24.

Depreciation, amortisation and impairment

The total depreciation, amortisation and impairment charges were up by DKK 67 million to DKK 158 million in Q1 2024/25. The increase was mainly attributable to KICKS.

Net financials

Net financial expenses increased by DKK 19 million to a net expense of DKK 42 million in Q1 2024/25, mainly driven by higher interest-bearing debt.

Profit for the period

Profit for the period amounted to DKK 59 million after tax, against DKK 49 million in Q1 2023/24. Adjusted profit after tax amounted to DKK 85 million in Q1 2024/25 compared to DKK 78 million in Q1 2023/24.

Costs (DKKm)	Q1 2024/25	Q1 2023/24	Growth (%)	Proforma Q1 2023/24	Proforma growth (%)
Other external costs	216	107	100.8	202	6.9
As a percentage of revenue	11.0%	9.3%		11.0%	
Staff costs	399	215	85.6	372	7.3
As a percentage of revenue	20.4%	18.7%		20.2%	

Statement of financial position

Total assets amounted to DKK 8,943 million at 30 June 2024, up from DKK 6,378 million at 30 June 2023.

Non-current assets increased by DKK 1,353 million to DKK 6,534.

Current assets totalled DKK 2,409 million, a year-on-year increase of DKK 1,212 million.

Inventories amounted to DKK 2,034 million at 30 June 2024, which is an increase of DKK 1,028 million compared to end Q1 2023/24. KICKS accounted for DKK 895 million at 30 June 2024. Inventories accounted for 25.6% of LTM revenue at 30 June 2024 compared to 21.9% at 30 June 2023. Excluding KICKS, inventories accounted for 23.1% of LTM revenue. The increase was mostly due to timing of deliveries around quarter end and assortment expansion.

Trade receivables increased by DKK 35 million to DKK 100 million. KICKS accounted for DKK 49 million. Trade payables increased by DKK 438 million year-on-year. KICKS accounted for DKK 397 million.

Net working capital excluding deposits amounted to DKK 441 million at 30 June 2024 against a negative amount of DKK 50 million at 30 June 2023.

Cash and cash equivalents amounted to DKK 154 million, up from DKK 67 million the year before.

Dividend of DKK 76 million was paid out during the quarter. Last year, the dividend was paid out in Q2.

Equity amounted to DKK 3,462 million at 30 June 2024, compared to DKK 3,338 million at 30 June 2023.

Net interest-bearing debt amounted to DKK 3,262 million at 30 June 2024, a year-on-year increase of DKK 1,779 million. Of this increase, DKK 528 million was attributable to higher lease liabilities. The gearing ratio was 2.9 times LTM EBITDA before special items, which is in line with our long-term target between 2 and 3. Credit facilities are subject to covenants. Matas Group was compliant with these covenants as of 30 June 2024.

Gross interest-bearing debt stood at DKK 3,416 million at 30 June 2024, including lease liabilities of DKK 1,159 million. At 30 June 2023 gross interest-bearing debt stood at DKK 1,549 million, including lease liabilities of DKK 631 million.

At 30 June 2024, the Company's share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. 190,241 treasury shares were vested in the period under review in connection with the exercise of the 2021/22 incentive programme. Matas held 107,474 treasury shares at 30 June 2024.

Cash flows (DKKm)	Q1 2024/25	Q1 2023/24	Growth (%)
Cash generated from operations	241	252	(4.4)
Cash flow from investing activities	(209)	(51)	309.8
Free cash flow excl. acquisitions of subs.	47	201	(76.6)
Acquisition of subsidiaries and operations	(15)	-	-
Free cash flow	32	201	(84.1)
Cash flows from financing activities	(10)	(171)	(94.2)

Statement of cash flows

Cash generated from operations was an inflow of DKK 241 million in Q1 2024/25 against an inflow of DKK 252 million in Q1 2023/24 corresponding to a decrease of DKK 11 million.

Settlement of deferred acquisition cost with former owners of Web Sundhed was partly settled with cash of DKK 15 million and partly with treasury shares of DKK 10 million.

For Q1 2024/25, cash flows from investing activities were an outflow of DKK 209 million against an outflow of DKK 51 million in Q1 2023/24. The increase of DKK 158 million was mainly attributable to Matas Logistics Center.

The Q1 2024/25, free cash flow excluding acquisition of subsidiaries and operations was an inflow of DKK 47 million compared to an inflow of DKK 201 million in Q1 2023/24.

Return on invested capital

The return on LTM invested capital before tax was 10.2% at 30 June 2024 against 9.6% at 30 June 2023. ROIC before tax excluding goodwill was 31.6% at 30 June 2024 against 47.6% at 30 June 2023.

Events after the date of the statement of financial position

No subsequent events have occurred that materially affect the Matas Group's financial position.

Significant risks

Matas Group is exposed to operational risks affecting the retail industry in general as well as in the health and beauty industry. If the current macroeconomic environment leads to a slowing down of the economic activity, Matas Group's business could suffer. In addition, Matas Group is to some extent exposed to financial risks such as interest rate, liquidity, currency and credit risk.

Statement by the Board of Directors and the Executive Committee

The Board of Directors and the Executive Committee have today considered and approved the interim report of Matas A/S for the period 1 April to 30 June 2024.

The interim report, which has been neither audited nor reviewed by the Company's auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 June 2024 and of the results of the Group's operations and cash flows for the period 1 April to 30 June 2024.

Furthermore, in our opinion, the management's review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that the Group faces.

Allerød, 14 August 2024

Executive Committee

Gregers Wedell-Wedellsborg
Group CEO

Per Johannesen Madsen
Group CFO

Board of Directors

Lars Vinge Frederiksen
Chair

Mette Maix
Deputy Chair

Kenneth Melchior

Barbara Plucnar Jensen

Malou Aamund

Henrik Taudorf Lorensen

Espen Eldal

Statement of comprehensive income

(DKK)m	Note	Q1 2024/25	Q1 2023/24
Revenue	4, 5	1,956	1,150
Cost of goods sold		(1,053)	(628)
Gross profit		903	522
Other external costs		(216)	(107)
Staff costs		(399)	(215)
Other operating income and expenses, net		5	1
EBITDA before special items		293	201
Special items		(17)	(21)
EBITDA		276	180
Depreciation, amortisation and impairment		(158)	(91)
EBIT		118	89
Share of profit or loss after tax of associates		0	0
Financial income		2	0
Financial expenses		(44)	(23)
Profit before tax		76	66
Tax on profit for the period		(17)	(17)
Profit for the period		59	49
Currency adjustment of foreign entities and loan		(8)	-
Tax on currency adjustment of foreign entities and loan		2	-
Other comprehensive income after tax		(6)	-
Total comprehensive income		53	49
Distributed as follows:			
Shareholders of Matas A/S		53	49
Minority shareholders		-	-
		53	49
Earnings per share			
Earnings per share, DKK		1.56	1.29
Diluted earnings per share, DKK		1.55	1.28



Statement of cash flows

(DKKm)	Note	Q1 2024/25	Q1 2023/24
Profit before tax		76	66
Depreciation, amortisations and impairment		158	91
Other non-cash operating items, net		3	2
Share of profit or loss after tax of associates		(0)	(0)
Financial income		(2)	(0)
Financial expenses		44	23
Cash generated from operations before changes in working capital		279	182
Changes in working capital		(38)	70
Cash generated from operations		241	252
Corporation tax paid		-	-
Cash flow from operating activities		241	252
Acquisition of intangible assets		(45)	(35)
Acquisition of property, plant and equipment		(149)	(16)
Acquisition of subsidiaries and operations		(15)	-
Cash flow from investing activities		(209)	(51)
Free cash flow		32	201

(DKKm)	Note	Q1 2024/25	Q1 2023/24
Debt raised with credit institutions		195	-
Debt settled with credit institutions		-	(110)
Interest received		2	0
Interest paid		(44)	(22)
Repayment of lease liabilities		(97)	(39)
Dividend paid		(76)	-
Option agreement, received		10	-
Cash flow from financing activities		(10)	(171)
Net cash flow from operating, investing and financing activities		22	30
Currency adjustment		1	-
Cash and cash equivalents, beginning of period		131	37
Cash and cash equivalents, end of period		154	67

The above cannot be derived directly from the statement of comprehensive income and the statement of financial position.

Statement of financial position

(DKKm)	Note	30 June 2024	30 June 2023	31 March 2024
ASSETS				
Non-current assets				
Goodwill		4,097	3,999	4,096
Trademarks and trade names		183	56	184
Software		261	168	258
Other intangible assets		112	69	132
Total intangible assets		4,653	4,292	4,670
Property, plant and equipment				
Lease assets		1,101	600	1,157
Land and buildings		107	86	108
Other fixtures and fittings, tools and equipment		133	62	89
Leasehold improvements		212	28	208
Plant in progress		264	64	170
Total property, plant and equipment		1,817	840	1,732
Investments in associates		1	1	1
Deferred tax		16	-	17
Deposits		46	48	47
Other securities and equity investments		1	0	1
Total other non-current assets		64	49	66
Total non-current assets		6,534	5,181	6,468
Current assets				
Inventories		2,034	1,006	1,864
Trade receivables		100	65	76
Corporation tax receivable		7	5	17
Other receivables		34	12	38
Prepayments		80	42	74
Cash and cash equivalents		154	67	131
Total current assets		2,409	1,197	2,200
Total assets		8,943	6,378	8,668

(DKKm)	Note	30 June 2024	30 June 2023	31 March 2024
EQUITY AND LIABILITIES				
Equity				
Share capital		96	96	96
Translation reserve		11	0	17
Treasury share reserve		(12)	(21)	(43)
Retained earnings		3,366	3,262	3,315
Dividend proposed for the financial year		-	-	76
Equity, shareholders in Matas A/S		3,461	3,337	3,461
Non-controlling interests		1	1	1
Total equity		3,462	3,338	3,462
Liabilities				
Deferred tax		225	198	227
Lease liabilities	6	795	439	850
Provisions	7	28	28	28
Credit institutions		2,257	918	2,007
Other payables	8	5	13	5
Total non-current liabilities		3,310	1,596	3,117
Credit institutions		-	-	55
Lease liabilities	6	364	192	360
Provisions	7	8	-	19
Prepayments from customers		216	159	221
Dividend		-	76	-
Trade payables		1,253	847	1,070
Corporation tax payable		1	-	-
Other payables	8	329	170	364
Total current liabilities		2,171	1,444	2,089
Total liabilities		5,481	3,040	5,206
Total equity and liabilities		8,943	6,378	8,668

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
Equity at 1 April 2024	96	17	(43)	76	3,315	3,461	1	3,462
Currency adjustment of foreign entities and loan	-	(8)	-	-	-	(8)	-	(8)
Tax on currency adjustment of foreign entities and loan	-	2	-	-	-	2	-	2
Other comprehensive income	-	(6)	-	-	-	(6)	-	(6)
Profit for the period	-	-	-	-	59	59	-	59
Total comprehensive income	-	(6)	-	-	59	53	-	53
Transactions with owners								
Dividend paid	-	-	-	(76)	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	(0)	0	-	-	-
Exercise of incentive programme	-	-	21	-	(21)	-	-	-
Option agreement *	-	-	-	-	10	10	-	10
Deferred acquisition **	-	-	10	-	-	10	-	10
Share-based payment	-	-	-	-	3	3	-	3
Total transactions with owners	-	-	31	(76)	(8)	(53)	-	(53)
Equity at 30 June 2024	96	11	(12)	-	3,366	3,461	1	3,462

* In april, Matas completed an option agreement with the former owners of Firtal Group ApS and received an option premium payment of DKK 10 million which is recognised in the equity. The option allows the former owners to acquire 20% of the shares in Firtal Group ApS for a predetermined amount. The option can be exercised from 1 May 2024 and expires 31 March 2029. After the option has been exercised, Matas has a right to acquire the shares at a consideration calculated based on a predetermined formula with a cap. There will not be any impact on the Matas Group profit and loss accounts from the option agreement nor the shareholder agreement.

** Related to Web Sundhed.

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
1 April 2023	96	0	(44)	76	3,234	3,362	1	3,363
Other comprehensive income	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	49	49	-	49
Total comprehensive income	-	-	-	-	49	49	-	49
Transactions with owners								
Dividend paid	-	-	-	(76)	-	(76)	-	(76)
Dividend on treasury shares	-	-	-	(0)	0	-	-	-
Exercise of incentive programme	-	-	23	-	(23)	-	-	-
Share-based payment	-	-	-	-	2.0	2.0	-	2.0
Total transactions with owners	-	-	23	(76)	(21)	(74.7)	-	(74)
Equity at 30 June 2023	96	0	(21)	-	3,262	3,337	1	3,338

Notes

Note 1 – Accounting policies

This interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and additional disclosure requirements under the Danish Financial Statements Act.

Matas Group supports its suppliers with a range of activities, such as marketing of brands, advertising and promotions etc. These costs have previously been deducted in other external cost. Support from suppliers not directly linked to a specific activity was in the consolidated financial statements for 2023/24 reclassified to a reduction in cost of goods sold in accordance with the standards.

This change has resulted in a reallocation of the comparison figures in the statement of comprehensive income decreasing cost of goods sold for Q1 2023/24 by DKK 16 million and increasing other external cost with the same amount. Consequently, gross profit for Q1 2023/24 improved by DKK 16 million increasing the gross margin by 1.4 percentage points, but there is no impact on EBITDA for Q1 2023/24.

Except as set out below, the accounting policies are consistent with the accounting policies applied in the Annual Report for 2023/24 to which reference is made.

Changes of accounting policies

Matas Group has implemented amendments to the IFRS accounting standards effective as of 1 April 2024 as adopted by the EU.

None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect on Matas Group's financial statements in the near future.

Note 2 – Accounting estimates and judgments

The preparation of interim financial statements requires Management to make accounting judgments and estimates that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgments applied are consistent with those applied in the Annual Report for 2023/24.

Note 3 – Seasonality

The Group's activities in the interim period were only to a limited extent affected by seasonal fluctuations.

Note 4 – Segment information

Matas Group is segmented in two reportable segments Matas and KICKS. Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Management has aggregated the operational segments Matas, Firtal, Grænn and Web Sundhed as one reportable segment due to similarities in operations. Segment results are measured at gross profit as presented in the table below. Group costs are currently not separated from the segments below gross profit, why management when looking at financial performance below gross profit are looking at the consolidated Group figures.

(DKKm)	Matas Q1 2024/25	KICKS Q1 2024/25	Total Q1 2024/25	Matas Q1 2023/24	KICKS Q1 2023/24	Total Q1 2023/24
Revenue	1,242	714	1,956	1,150	-	1,150
Cost of goods sold	(662)	(391)	(1,053)	(628)	-	(628)
Gross profit	580	323	903	522	-	522
Gross margin	46.7%	45.3%	46.1%	45.4%	-	45.4%
Other external costs			(216)			(107)
Staff costs			(399)			(215)
Other operating income and expenses, net			5			1
EBITDA before special items			293			201
Special items			(17)			(21)
EBITDA			276			180

Notes

Note 5 – Revenue

(DKKm)	Q1 2024/25	Q1 2023/24
Retail sales, physical stores	1,327	795
Retail sales, online	599	326
Wholesale	30	29
Total revenue	1,956	1,150

In Q1 2024/25, 31% of Matas Group's revenue was generated by its online channels, compared to 28% in the year-earlier period.

Revenue break-down by product groups is as follows:

(DKKm)	Q1 2024/25	Q1 2023/24
High-end Beauty	958	372
Mass Beauty	581	411
Health and Wellbeing	361	313
Other	26	25
Wholesale sales, etc.	30	29
Total revenue	1,956	1,150

Revenue from sales of products through Matas Group stores is recognised when a store sells the product to the customer. Payment is usually received when the customer receives the product, or, if the customer pays by credit card, a few days later. Revenue from sales through web shops is recognised and payment is received when the product is sent to the customer.

A small proportion of Matas Group's revenue is invoiced, e.g. wholesale sales, in which connection a receivable is recognised.

Note 5 – Revenue continued

Income from the sale of gift vouchers is recognised as revenue upon redemption, alternatively upon expiry of the validity period. In estimating the redemption rate, Matas Group considers breakage which represents the portion of gift vouchers issued that will never be redeemed.

For the customer loyalty programme at Matas and KICKS, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of loyalty points. The performance obligation is measured at the estimated fair value of the points allocated and amounted to DKK 69 million at 30 June 2024 (30 June 2023: DKK 58 million). The estimated fair value is inherently subject to some uncertainty with respect to actual future redemption and considering the flexibility of the customer loyalty programme. Revenue is recognised when the customer uses points, usually over an average period of three months.

Customers have the option of returning products, but the volume of returns at 30 June 2024 was insignificant as was the amount of guarantee commitments, similar to last year.

Notes

Note 6 – Leases

Matas Group's lease assets are as follows:

(DKKm)	30 June 2024	30 June 2023	31 March 2024
Store leases	934	551	986
Administration and warehouse buildings, etc.	160	43	164
Cars and other leases	7	6	7
Total lease assets	1,101	600	1,157

Matas Group's lease liabilities are as follows:

(DKKm)	30 June 2024	30 June 2023	31 March 2024
Non-current liabilities	795	439	850
Current liabilities	364	192	360
Total lease liabilities	1,159	631	1,210

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months. Commercial renting of shops, etc., in the other Nordic countries are not similar to the practice in Denmark, as extensions take place at fixed intervals and with fixed deadlines for termination/extension. This has been accounted for in recognising the KICKS leases.

Depreciation as set out below is recognised in the statement of comprehensive income:

(DKKm)	Q1 2024/25	Q1 2023/24
Store leases, etc.	79	37
Administration and warehouse buildings, etc.	9	4
Cars and other leases	1	1
Total depreciation of lease assets	89	42

Lease payments in the amount of DKK 97 million were made in Q1 2024/25 (Q1 2023/24: DKK 46 million).

Interest in the amount of DKK 13 million was expensed in Q1 2024/25 (Q1 2023/24: DKK 7 million).

Matas Group is the lessee of a limited number of premises. For some of these leases, the rent is fully or partially based on revenue.

Revenue-based rent is not comprised by IFRS 16 and is therefore not included in the above tables. Revenue-based rent is, as before, recognised under other external costs and amounted to DKK 22 million in Q1 2024/25 (Q1 2023/24: DKK 2 million).

A total of DKK zero million in Q1 2024/25 (Q1 2023/24: DKK zero million) was recognised in the statement of comprehensive income regarding short-term, leases and leases of low-value assets. Lease liabilities relating to non-recognised short-term leases and leases of low-value assets amounted to DKK zero at 30 June 2024 (30 June 2023: DKK zero million).

Notes

Note 7 – Provisions

(DKKm)	30 June 2024	30 June 2023	31 March 2024
Included in non-current liabilities			
Obligation for reinstatement of tenancies	28	28	28
Total provision, non-current	28	28	28
Included in current liabilities			
Restructuring provisions	8	-	19
Total provision, current	8	-	19

Note 8 – Other payables

(DKKm)	30 June 2024	30 June 2023	31 March 2024
Other non-current payables			
Contingent consideration and deferred purchase price	5	13	5
Total other non-current payables	5	13	5
Other current payables			
VAT payable	83	42	56
Holiday pay obligations etc.	127	51	122
Pay-related liabilities (A tax/social security contributions)	103	31	136
Contingent consideration and deferred purchase price	10	35	34
Other creditors	6	11	16
Total other current payables	329	170	364

Note 9 – Transactions with related parties

Matas Group's related parties comprise the companies' board of directors and executive boards and their related family members. Further, related parties comprise companies in which the above-mentioned persons have significant interest as well as associates.

Pursuant to Matas A/S' Remuneration Policy, a total of 190,241 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2021/22 were vested at 14 June 2024.

PSUs were vested at 150% of the original grant. Based on a closing price at 13 June 2024 of DKK 121.4, the total value of vested PSUs amounted to DKK 23.1 million.

On 30 June 2024, a total of 181,823 PSUs have been granted related to the long-term incentive programme for 2024/25. A total of 53,196 PSUs were granted to Group CEO Gregers Wedell-Wedellsborg and a total of 29,258 PSUs were granted to Group CFO Per Johannesen Madsen.

Related party transactions with associates recognised in the income statement and the statement of financial position.

(DKKm)	Q1 2024/25	Q1 2023/24
Revenue	0	0
Other external costs	(3)	(3)
Receivables	1	1
Trade payables	0	0

Note 10 – Subsequent events

No subsequent events have occurred that materially affect the Matas Group's financial position.

Interim financial highlights

(DKKm)	Q1 2024/25	Q4 2023/24	Q3 2023/24	Q2 2023/24	Q1 2023/24
Statement of comprehensive income					
Revenue	1,956	1,758	2,508	1,285	1,150
Gross profit	903	845	1,115	596	522
EBITDA	276	182	404	138	180
EBIT	118	16	249	25	89
Net financials	(42)	(58)	(29)	(21)	(23)
Profit before tax	76	(42)	220	4	66
Profit for the period	59	(45)	163	2	49
Statement of financial position					
Total assets	8,943	8,668	8,879	8,625	6,378
Total equity	3,462	3,462	3,527	3,364	3,337
Net working capital	441	378	(46)	261	(50)
Net interest-bearing debt	3,262	3,140	2,490	3,003	1,483
Statement of cash flows					
Cash flow from operating activities	241	(235)	702	(74)	252
Investments in tangible assets	(149)	(75)	(109)	(51)	(16)
Cash flow from investing activities	(209)	(121)	(142)	(707)	(51)
Free cash flow	32	(356)	560	(781)	201
Acquisitions of subsidiaries and operations	(15)	2	-	(617)	-
Free cash flow excl. acquisitions of subsidiaries and operations	47	(358)	560	(164)	201
Net cash flow from operating, investing and financing activities	22	(282)	149	193	30

(DKKm)	Q1 2024/25	Q4 2023/24	Q3 2023/24	Q2 2023/24	Q1 2023/24
Key performance indicators					
Number of transactions (millions)	8.9	8.2	11.1	6.6	6.0
Average basket size (DKK)	216.5	210.6	222.9	182.7	188.2
Total retail floor space (thousands of square metres)	106.1	105.2	104.9	104.1	53.7
Avg. revenue per square metre (DKK thousands) - LTM	74.9	79.7	83.3	82.7	83.6
Organic growth	8.0%	4.4%	9.2%	8.0%	9.2%
Adjusted figures					
EBITDA	276	182	404	138	180
Special items included in EBITDA	(17)	(22)	(20)	(39)	(21)
EBITDA before special items	293	204	424	177	201
Depreciation of property, plant and equipment	(148)	(43)	(136)	(96)	(81)
EBITA before special items	145	161	288	81	120
Adjusted profit after tax	85	(13)	190	47	78
Gross margin	46.1%	48.0%	44.5%	46.5%	45.4%
EBITDA margin	14.1%	10.3%	16.1%	10.7%	15.6%
EBITDA margin before special items	15.0%	11.6%	16.9%	13.8%	17.5%
EBITA margin	7.4%	2.8%	11.5%	6.3%	10.4%
EBIT margin	6.0%	0.9%	9.9%	1.9%	7.7%

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Forward-looking statements

This interim report contains statements relating to the future, including statements regarding Matas Group's future operating results, financial position, cash flows, business strategy and future targets. Such statements are based on Management's reasonable expectations and forecasts at the time of release of this report.

Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond Matas Group's control. This may have the effect that actual results may differ significantly from the expectations expressed in the report. Without being exhaustive, such factors include general economic and commercial factors, including market and competitive conditions, supplier issues and financial and regulatory issues, IT failures as well as any effects of healthcare measures that are not specifically mentioned above.

Financial calendar 2024/25

15 November 2024	Interim report – Q2 2024/25
7 January 2025	Trading update for Q3 2024/25
5 February 2025	Interim report – Q3 2024/25
2 May 2025	Deadline for the Company's shareholders to submit in writing requests for specific proposals to be included on the agenda for the Annual General Meeting
23 May 2025	Annual Report 2024/25
16 June 2025	Annual General Meeting for 2024/25



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