

Matas Group – Annual Report 2023/24

(1 April 2023 – 31 March 2024)

Matas Group launches new strategy after milestone year with record results

Today, after a year with record-setting underlying performance and the acquisition of KICKS Group, Matas Group announces a new growth strategy, Win the Nordics, and new long-term financial ambitions.

Matas Group results (EBITDA before special items) passed DKK 1 billion for the first time and both Matas and KICKS continued to deliver growth despite economic volatility.

- Matas Group generated total revenue of DKK 6,701 million for the financial year 2023/24, including KICKS revenue for the seven months of ownership. The revenue was in line with the revenue guidance for the full year, which was upgraded on 9 January. The year-on-year increase was 49.3% from DKK 4,489 million in 2022/23. Organic growth for Matas came to 7.8%, while KICKS grew 1.6% in local currency. Proforma revenue for 2023/24 was DKK 7,834 million (if KICKS was owned for the full year) and forms the baseline for the 2024/25 revenue guidance.
- EBITDA before special items rose to DKK 1,006 million (EBITDA margin 15.0% and in line with guidance) from DKK 809 million in 2022/23 (EBITDA margin 18.0%). Special items were DKK 102 million, mainly from the KICKS acquisition (2022/23: DKK 5 million). The proforma EBITDA margin before special items (including KICKS for the full year) was 14.3% and forms the baseline for the 2024/25 financial guidance.
- The Board of Directors proposes a dividend of DKK 2.00 per share, equivalent to 25% of Matas' adjusted profit after tax for 2023/24, be distributed to the Company's shareholders.
- Later today, Matas Group hosts a Capital Markets Day to present our new growth strategy; Win the Nordics. The new financial ambitions are: Revenue of DKK >10 billion in 2027/2028 and EBITDA margin before special items of 15.0-16.0% in 2027/28.
- For the financial year 2024/25, organic 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.

Gregers Wedell-Wedellsborg, Group CEO of Matas A/S:

“2023/24 was a milestone year for Matas Group. After 75 years of progress in Denmark, we acquired KICKS and became the Nordic market leader. It was also a record year. Customer satisfaction continued at a historically high level. Group EBITDA passed the DKK 1 billion mark for the first time. And Matas, excluding KICKS, is on track to reach our 2025/26 financial ambition almost two years ahead of time with revenue of DKK 4.8 billion and organic growth of almost 8%. Today marks a new beginning as we present our new long-term growth strategy, “Win the Nordics”, and new financial ambitions, where we see a higher than market growth trend ahead and a path to improving margins. Our starting point is strong, and we see headroom to expand our leadership in the Nordic market.”

Q4 and full year 2023/2024 Key Financials

DKKm	Q4 2023/24	Q4 2022/23	FY 2023/24*	FY 2022/23**
Statement of comprehensive income				
Revenue	1,758	1,051	6,701	4,489
Gross profit	845	498	3,078	2,076
EBITDA before special items	204	161	1,006	809
EBITDA	182	161	904	804
EBIT	16	51	379	423
Net financials	(58)	(15)	(131)	(50)
Profit before tax	(42)	36	248	373
Profit for the period after tax	(45)	18	169	281
Adjusted profit after tax	(13)	28	302	322
Statement of financial position				
Total assets			8,668	6,280
Total equity			3,462	3,363
Net working capital			378	23
Net interest-bearing debt			3,140	1,642
Statement of cash flows				
Cash flow from operating activities	(235)	(46)	645	678
Cash flow from investing activities	(121)	(73)	(1,021)	(256)
Free cash flow	(356)	(119)	(376)	422
Ratios				
Revenue growth	67.3%	8.3%	49.3%	3.3%
Organic revenue growth	4.4%	8.3%	7.8%	3.3%
Gross margin	48.0%	47.5%	45.9%	46.2%
EBITDA margin before special items	11.6%	15.4%	15.0%	18.0%
EBITDA margin	10.3%	15.4%	13.5%	17.9%
EBIT margin	0.9%	4.8%	5.7%	9.4%
Cash conversion			42.6%	59.9%
Adjusted earnings per share, DKK			7.94	8.50
Earnings per share, DKK			4.45	7.41
Diluted earnings per share, DKK			4.43	7.37
Share price, end of period, DKK			117	84.2
ROIC before tax including goodwill			11.3%	9.4%
ROIC before tax excluding goodwill			35.4%	45.0%
Net working capital as % of revenue			4.8%	0.5%
Investments as a percentage of revenue			15.2%	5.7%
Net interest-bearing debt/adjusted EBITDA			2.8	2.0
Number of transactions (millions)	8.2	5.5	31.9	23.2
Average basket size (DKK)	210.6	182.3	206.3	188.8
Number of stores			491	260
Club members Matas and KICKS (millions)			5.68	1.87
Average number of employees (FTE)			2,931	2,124

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

* Financial year 2023/24 including KICKS for 7 months of ownership **Reclassified, see note 1 to Annual Report 2023/24

Win the Nordics

Today, Matas Group launches a new long-term growth strategy, Win the Nordics. Following a successful execution of the “Growing Matas” strategy, performance ahead of plan, and the acquisition of KICKS, Matas Group is starting the next strategic growth phase from the number one position. Win the Nordics is a long-term growth journey to build the #1 Nordic Beauty and Wellbeing destination, based on customer-centric strategic priorities described in the attached Annual Report. The Executive Management Team will also present the strategy at the Capital Markets Day today (details below).

Financial guidance 2024/2025

Proforma revenue for 2023/24 amounted to DKK 7,834 million and forms the baseline for the 2024/25 revenue guidance.

The proforma EBITDA margin before special items for 2023/24 (including KICKS for the full year) was 14.3% and forms the baseline for the 2024/25 financial guidance.

For the financial year 2024/25, organic 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). The currency neutral guidance is based on a 0.648 SEK/DKK exchange rate and a 0.647 NOK/DKK exchange rate. The exchange rate adjusted guidance is based on forward rates for NOK/DKK of 0.626 and SEK/DKK of 0.638 as of 14 May 2024. As actual exchange rates will impact revenues, guidance is based on underlying growth assumptions in local currency. Investments, excluding M&A, are expected to be DKK ~650 million, including approximately DKK 325 million for Matas Logistics Center.

New financial ambitions 2027/2028

Later today, Matas Group will host a Capital Markets Day, where the Executive Management Team will provide a long-term view on Matas Group, including the new growth strategy “Win the Nordics” and the new financial ambitions; Revenue of DKK >10 billion in 2027/2028 and EBITDA margin before special items of 15.0-16.0% in 2027/28. CAPEX, excluding M&A, is expected to be 3-4% of revenue. Gearing policy is unchanged at 2-3x (Net interest-bearing debt / EBITDA). The policy for distribution by way of dividends and share buybacks is unchanged at minimum 20% of adjusted net profit.

Forward-looking statements

The annual 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.

Video conference

Matas Group will host a video conference regarding Q4 2023/24 and full-year results for investors and analysts on Tuesday, 28 May at 10:00 a.m. CEST. The video conference and the presentation can be accessed from Matas Groups’ investor website:

<https://matas-events.eventcdn.net/events/annual-report-for-the-financial-year-202324>

Video conference access numbers for investors and analysts:

DK: +45 7876 8490

SE: +46 8 1241 0952

NO: +47 2195 6342

UK: +44 203 769 6819

US: +1 646-787-0157

PIN for all countries: 915912

Capital Markets Day

Later today, Matas Group will host a Capital Markets Day, starting at 13.00 CEST and ending at 17.00 CEST at the latest. The Executive Management Team will provide a long-term view on Matas Group, including the new growth strategy to Win the Nordics. The presentations at the Capital Markets Day will be livestreamed here:

<https://matas-events.eventcdn.net/events/capital-markets-day-2024>

The presentation material will also be uploaded to the Matas Group Investor Relations website:

<https://www.matasgroup.com/>

Annual General Meeting

The Annual General Meeting will be held on Wednesday, 19 June 2024 at 15:00 CEST at Matas A/S' headquarters at Rørmosevej 1, 3450 Allerød, Denmark. Notice of the Annual General Meeting will be published on Matas Group Investor Relations website:

<https://www.matasgroup.com/>

Contacts

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About Matas Group

Matas Group is the Nordic leader in beauty and wellbeing, consisting of the banners Matas, KICKS and Skincity. With almost 500 stores and leading web shops across Denmark, Sweden, Norway, and Finland, we are the leading omnichannel player offering a curated portfolio of third-party brands, own brands and an emphasis on personal and expert advisory and service excellence. We have more than 5 million loyalty members across the Nordics. Matas Group is listed on Nasdaq OMX Copenhagen.

This information is information that Matas A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-05-28 08:00 CEST.