



Matas

Q1 2018/19

This presentation contains statements relating to the future, including statements regarding Matas A/S' future operating results, financial position, cash flows, business strategy and plans for the future. The statements can be identified by the use of words such as "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the interim report. Any such statements are subject to risks and uncertainties and a number of different factors, of which many are beyond Matas A/S' control, can mean that the actual development and the actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues.

Revenue

DKK **844** million
Q1 2017/18: DKK 831 m

EBITDA

DKK **133** million
Q1 2017/18: DKK 137 m

Underlying (like-for-like) growth of

+1.1%

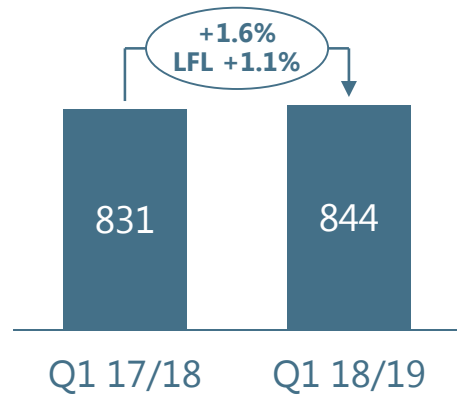
Guidance: Unchanged (-1 to +1%)

Before exceptional items

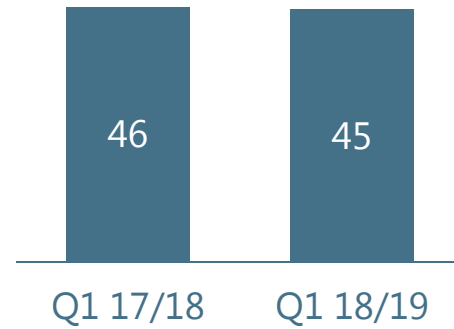
DKK **138** million
Q1 2017/18: DKK 137 m

Overview: Q1 2018/19 vs. Q1 2017/18

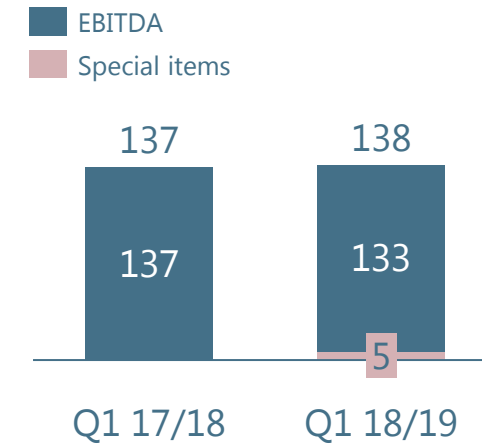
Revenue (DKK m)



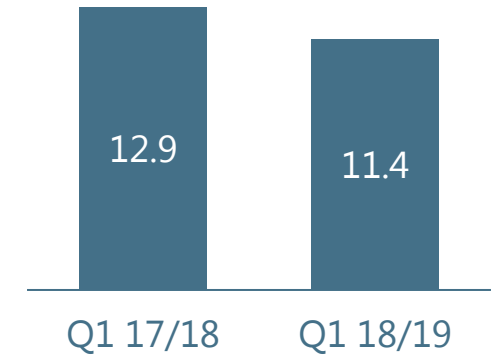
Gross margin (%)



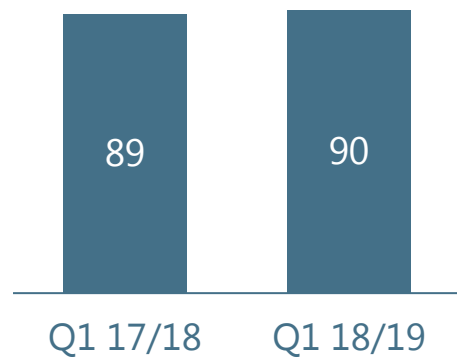
EBITDA BEFORE SPECIAL ITEMS (DKK m)



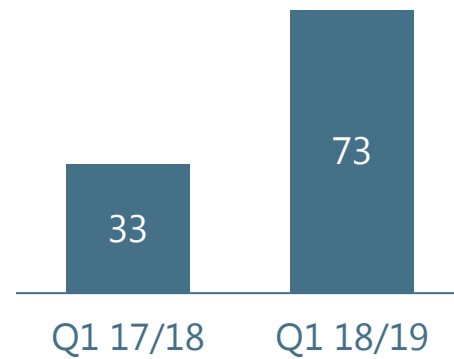
ROIC (%)



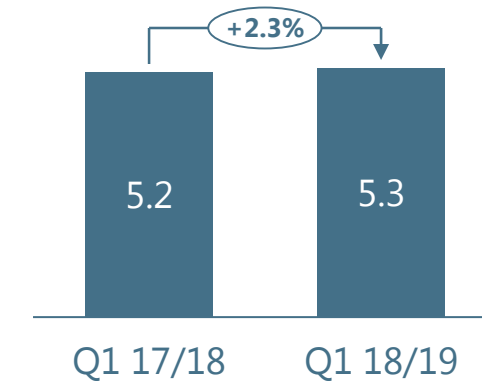
Adj. net profit (DKK m)



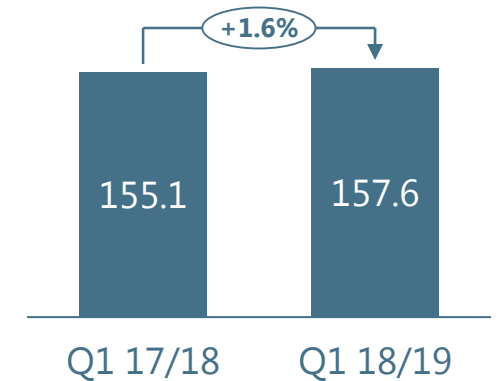
Free cash flow (DKK m)



Transactions (# m)

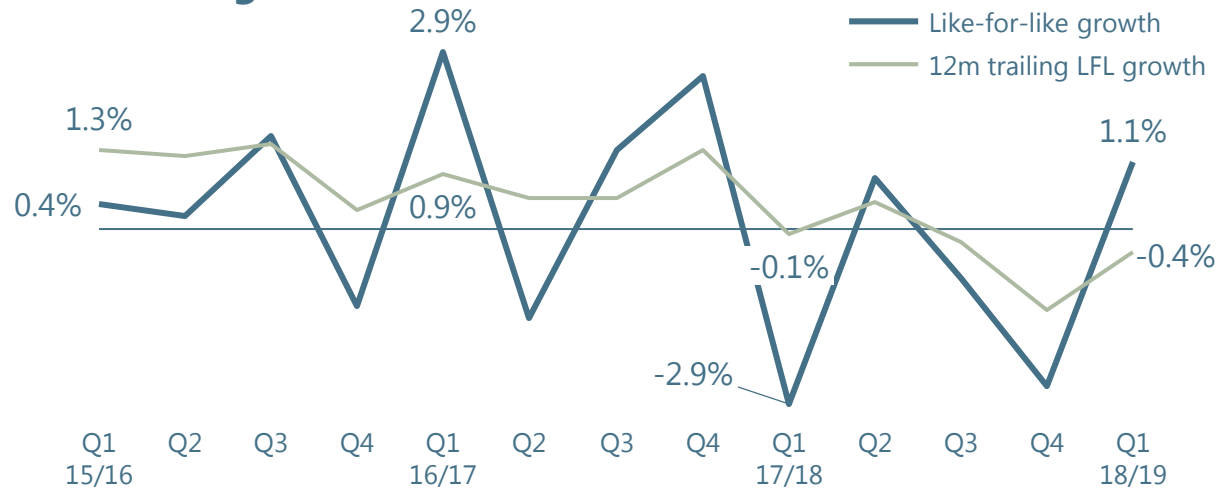


Basket size (DKK)

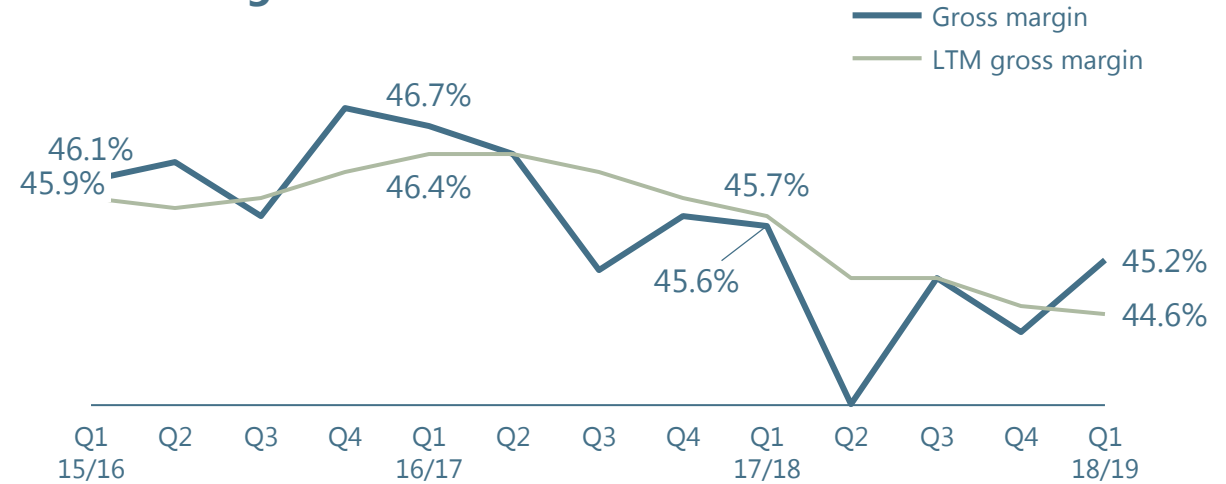


Quarterly developments 2015/16 to Q1 2018/19

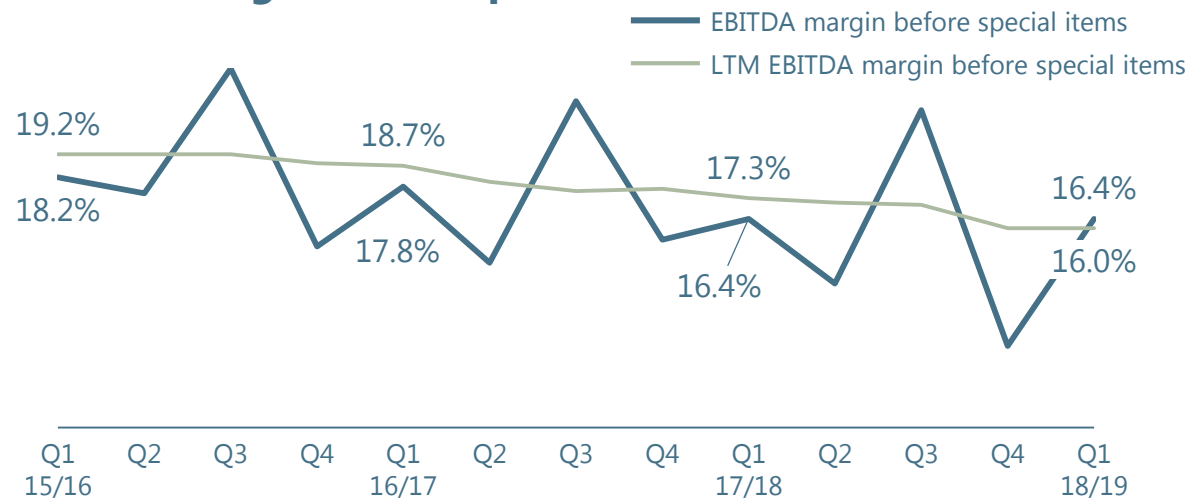
Revenue growth



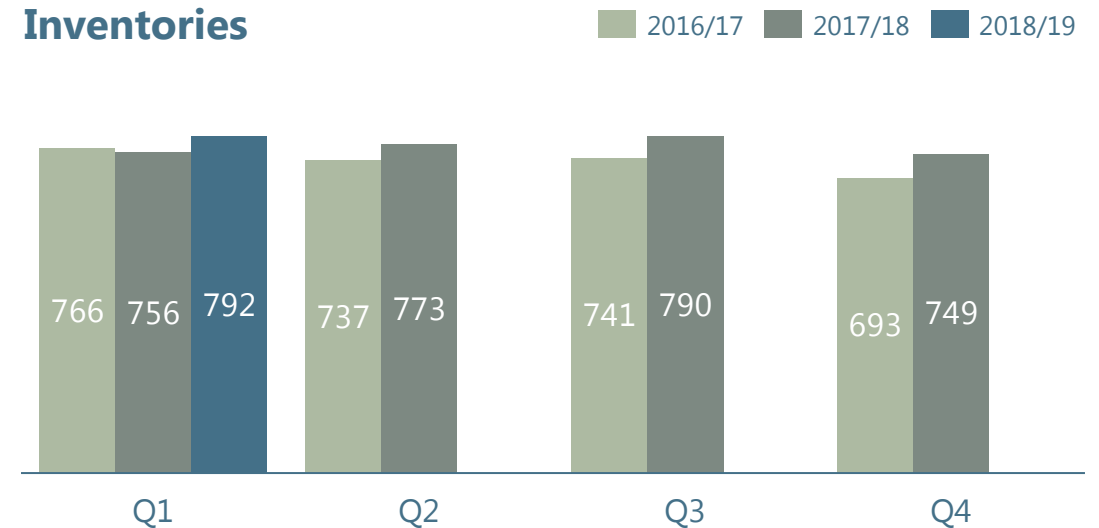
Gross Margin



EBITDA margin before special items



Inventories



Income statement for Q1 2018/19 vs. Q1 2017/18

DKK million	2018/19 Q1	2017/18 Q4	2017/18 Q3	2017/18 Q2	2017/18 Q1	Growth Q1 vs Q1
Revenue	844	769	1,075	790	831	1.6%
Gross profit	382	342	484	344	379	0.7%
<i>Gross margin</i>	45.2%	44.4%	45.0%	43,6%	45.6%	
Other external costs	74	93	88	69	70	5.2%
Staff costs	175	167	175	181	173	1.3%
EBITDA	133	82	222	95	137	-2.3%
Amortisation and depreciation	38	47	44	38	37	4.4%
Operating profit	95	35	177	57	100	-4.8%
Net financials	4	4	5	5	5	-13.6%
Profit before tax	91	31	172	52	95	-4.3%
Tax on profit for the period	20	-1	38	11	21	-4.3%
Profit for the period	71	32	134	40	74	-4.4%
Diluted Earnings per share, DKK	1.87	0.84	3.55	1.07	1.96	-4.5%
EBITDA margin	15,8%	10,6%	20,6%	12,0%	16,4%	
Special items	5	2	5	13	0	
EBITDA before special items	138	84	227	107	137	
EBITDA margin before special items	16,4%	10,9%	21,1%	13,6%	16,4%	
Tax rate	22,0%	-3.9%	22.0%	22.0%	22.0%	
Adjusted net profit	90	47	155	65	89	0.9%

Cash flow development

Cash Flow operating act.

- DKK 29 m higher than same quarter last year due to less negative NWC development

Investments

- CAPEX 7 m lower than same quarter last year and no acquisitions

Free cash flow

- Free cash flow of DKK 73 m compared to DKK 33 m in the same period last year

Cash flow financing act.

- Less new debt added than in Q1 last year

DKK million	2018/19 Q1	2017/18 Q4	2017/18 Q3	2017/18 Q2	2017/18 Q1
Cash generated from operations*	105	46	329	54	77
Paid interest and taxes	7	40	69	6	7
Cash flow from operating activities	98	6	261	48	69
Acquisition of PPE and intangibles	25	20	21	18	33
Acquisition of subsidiaries and activities	0	0	2	5	3
Free cash flow	73	-15	237	25	33
Cash flow from financing activities	35	49	-237	-193	154
Net cash flow from operating, investing and financing activities	108	34	0	-168	187

STRATEGIC TRACKS



STRATEGIC AMBITIONS TOWARDS 2022/23



1 | Live our purpose through six guideposts to drive differentiation and customer value



”
MAKE BEAUTY
MORE
PERSONAL

Beauty &
Wellbeing
for life

”
MAKE SHOPPING
A SENSUOUS
EXPERIENCE
AGAIN

”
MAKE NATURAL
& RESPONSIBLE
BEAUTY MORE
ACCESSIBLE

”
MAKE
DAILY BEAUTY &
WELLBEING
EASY

”
CHAMPION
DANISH BEAUTY
& BRANDS

”
BE
RELEVANT TO
EVERYONE

Ticket to play

Best practice online to achieve **customer experience** in line with the **best**

Q1 2018/19 initiatives

- **Day to day** delivery
- **Same day** delivery

Creating differentiation

More guidance & community

True **omnichannel**

New **brands**

Q1 2018/19 initiatives

- **Chanel** Brandstore
- Step change in **SoMe**

Best of breed technology

New **partnerships**

New **tech solutions**


Q1 2018/19 partnerships

- **Rich Relevance** (real time personalisation)
- **Olaptic** (social media integration)
- **Empathy Broker** (product search)
- **Content Square** (usability optimization)

3 | Reignite store growth by renewing and adapting our store network



CONCEPT ROLL-OUT
> 150 STORES TO BE RENEWED



NEW OPENINGS

- 5-15 new openings in white spots



STORE EXPANSIONS

- 10-20 store expansions



STORE CONSOLIDATIONS

- 10-20 store consolidations (both with and without a pharmacy)



STORE CLOSURES

- We will continue to close stores if they become unprofitable and cannot be turned around or consolidated

What recent concept has fixed

New **modern design**

Improved sensation via make-up tables and high-end products on open shelves

Improved **navigation**

We can do better!

Sense - smell, touch, try and match

Own the **categories & inspire** via news, trends & user generated content in store

Easy store and shelf **navigation**

Easy check out without queuing

Strong omnichannel integration

One-stop-shop for Beauty & Wellbeing

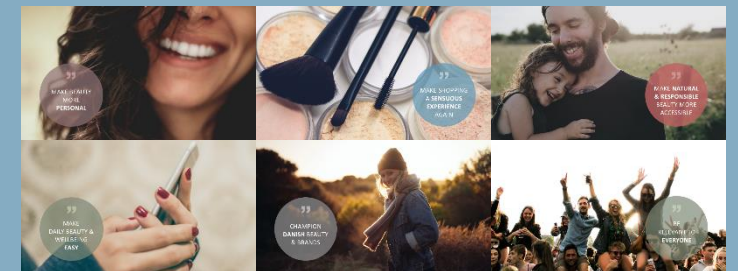
Democratic, warm & inclusive atmosphere with **personality**

Future concept will include

New **assortment**

New **price and promo**

New differentiated **service model**



The green wave

A **growing 1.6 bn unconsolidated** market

42 RAW



Natural
Beauty &
Wellbeing
for life

GO
GREEN DAN
MARK



Introducing Matas Natur

To be the **natural choice** for customers seeking a **greener and healthier life**

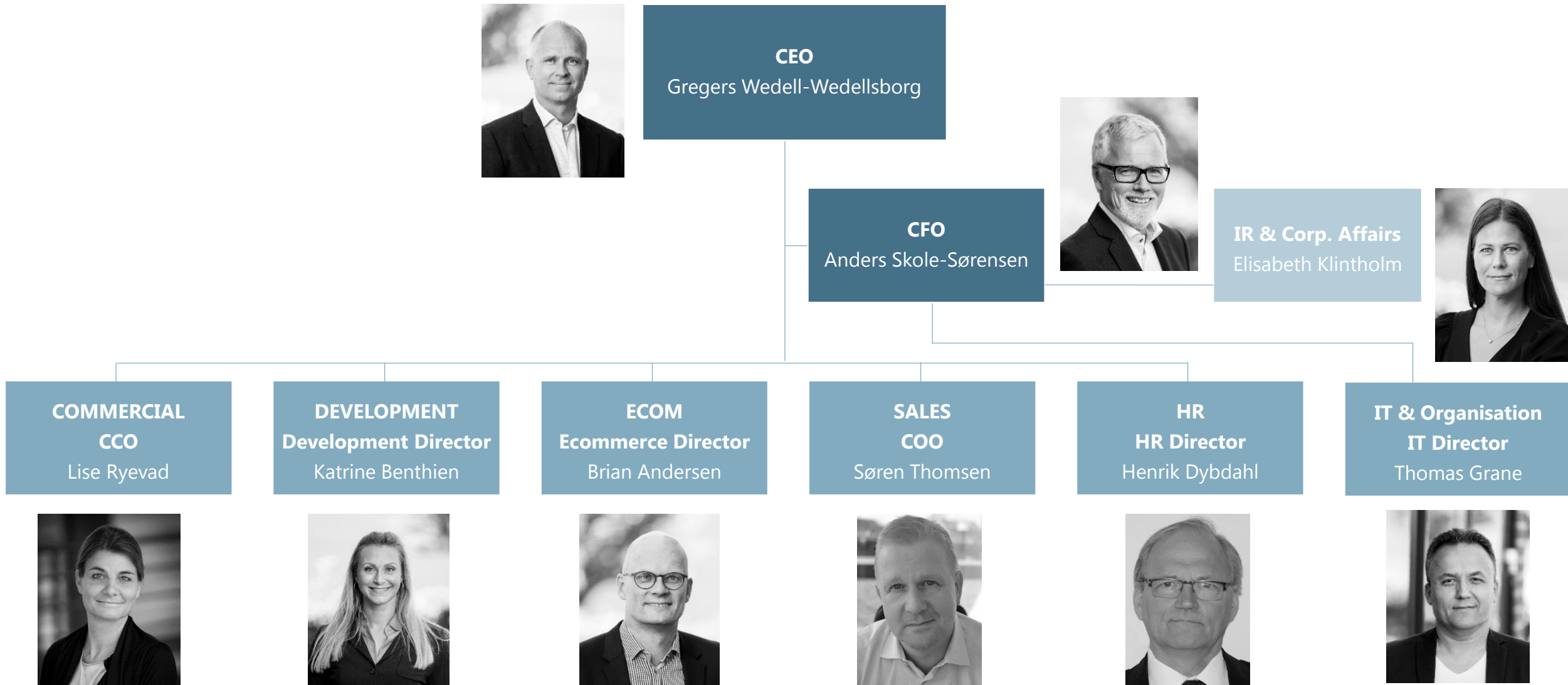


A born omnichannel concept





5 | Change how we work step one is the new management team



Guidance: Financial targets for 2018/19



REVENUE

Unchanged level for underlying revenue
(LFL between -1 and 1%)



EBITDA MARGIN¹

Above 14.5%



CAPEX

DKK 110 – 130 m

Questions & Answers



Performance: Ambitions towards 2022/23

2019/20 to 2022/23

2022/23



CUSTOMER ENGAGEMENT¹

Continuous improvement

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REVENUE²

Positive LFL from 2020/21

DKK 3.7 to 3.9 bn



EBITDA MARGIN³

Harvest scale benefits online
Change how we work

Above 14%

Resources: Capital allocation towards 2022/23

2019/20 to 2022/23

2022/23



GEARING¹

Not materially exceeding 3

Between 2.5 and 3



CAPEX

DKK 120 – 140 m average
frontloaded

Below DKK 90 m



DISTRIBUTION POLICY

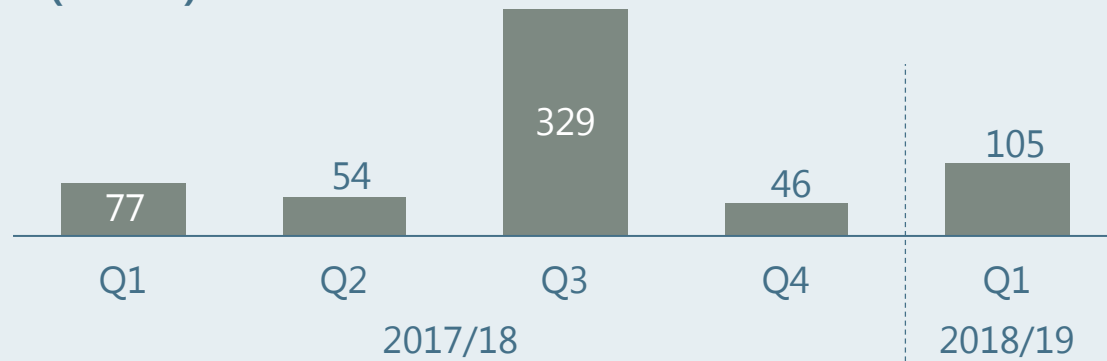
Distribute excess capital

Distribute excess capital

Cash flow 2017/18

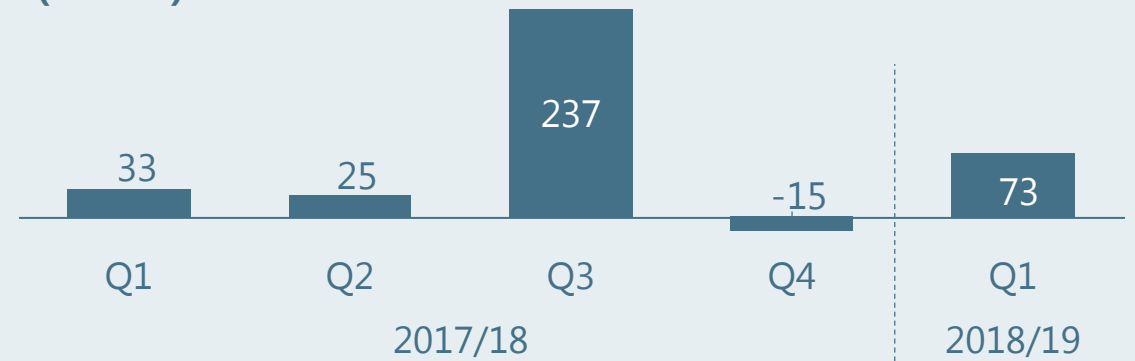
Cash generated from operations

(DKK m)



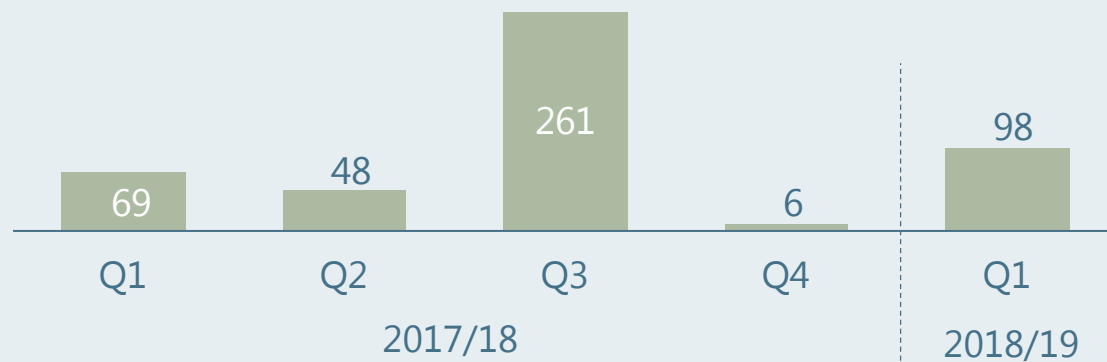
Free cash flow

(DKK m)



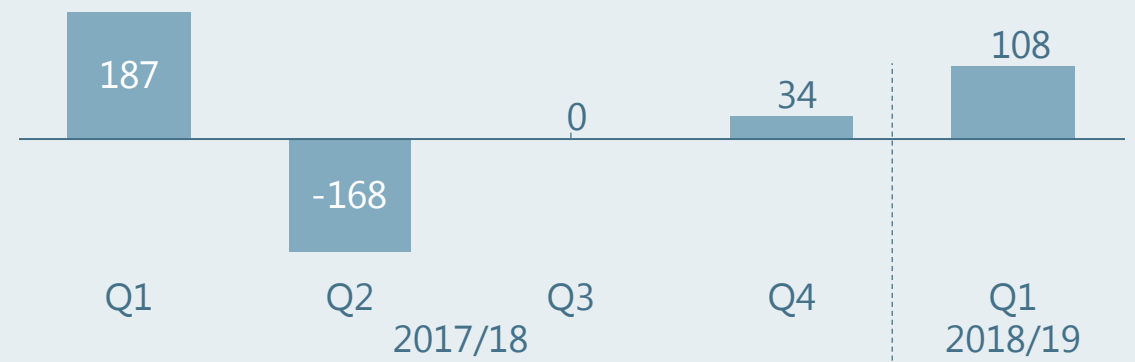
Cash flow from operating activities

(DKK m)



Net cash flow from operating, investing and financial activities

(DKK m)



The Matas share

”
LISTED ON
NASDAQ
OMX
28 JUNE 2013

”
12.7%
OWNED BY KIRKBI
INVEST A/S

”
100%
FREE FLOAT

”
~56%
DOMESTIC
SHAREHOLDERS

”
38.3 m
SHARES IN ONE
SHARE CLASS

”
DKK 1.9
BN MARKET CAP



Team



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