

# Profitability improved and free cash flow doubled

Interim report 9M 2022/23

8 February 2023



matas

## 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 as well as any effects of healthcare measures that are not specifically mentioned above.

# Agenda

- 01** CEO comments and strategy update  
Gregers Wedell-Wedellsborg
- 02** Financial results Q3 2022/23  
Per Johannesen Madsen
- 03** Q&A  
Gregers Wedell-Wedellsborg & Per Johannesen Madsen
- 04** Appendix



# 01

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## CEO comments and strategy update

**Gregers Wedell-Wedellsborg**  
CEO

matas



# Profitability improved and free cash flow doubled

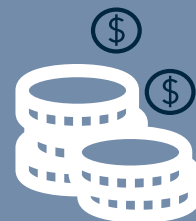


DKK

**1,396 M**

Revenue

Q3 2021/22: DKK 1,378 M, +1.3%



DKK

**296 M**

EBITDA before special items

Q3 2021/22: DKK 284 M



DKK

**382 M**

Free cash flow

Q3 2021/22: DKK 186 M



**21.2%**

EBITDA margin before special items

Q3 2021/22: 20.6%



**6.8 M**

Transactions

Q3 2021/22: 6.6 M

# The growing Matas Group Strategy is progressing according to plan

## Growing Matas Group: #1 for Health and Beauty

### STRATEGIC TRACKS



#### Commercial: # 1 offer

*Triple assortment and market broadened offer*



### STATUS Q3 2022/23

**Added 66 new brands online** during the quarter and reached more than 130 new brands in Matas' online assortment expansion year-to-date.



#### E-commerce: #1 online

*Double revenues by acquiring omni-customers and growing sales/customer*



Launched the web shops matas.no and matas.se. Matas.dk grew double-digit and maintained its **net promoter score of 75**.



#### Connected retail: #1 in store

*Consolidate and connect the stores*



Pick-in-store concept **rolled out in the entire store network**. 15% of all online orders during Black Week was executed through pick-in-store.



#### Brands: #1 products

*Widen "house brand" portfolio*



Selected products from Matas are now available **in more than 200 stores in Germany**.



#### Logistics: #1 operator

*Build Matas Logistics Center*



Black Week proceeded seamlessly, and all orders were fulfilled by Monday afternoon. A **tender for Matas Logistics Center** was sent out on 1 February 2023.



#### ESG: Health & Beauty for life

*Minimize climate footprint, contribute to public health, and secure inclusion*



Sourced **renewable energy certificates (REC) to cover 1,600 MWh** of energy use which equates to approximately 10% of the total expected consumption for FY 2022/23.

# Connected retail | Pick-in-store implemented in entire store network

## A customer experience second to none



Customer places an order on matas.dk and chooses delivery to their local Matas store

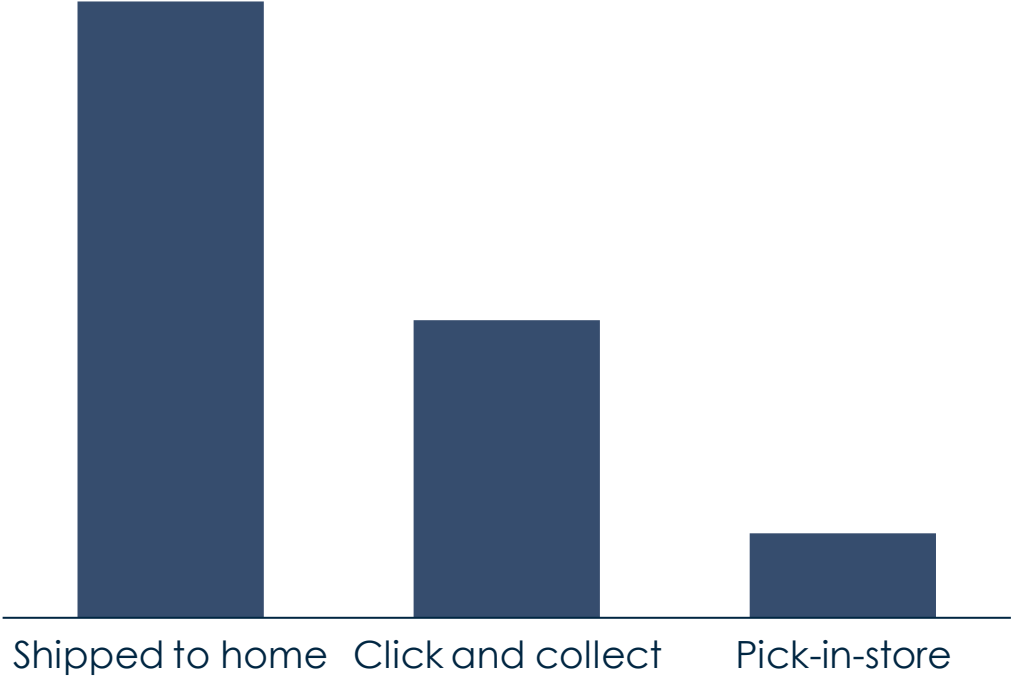


The local Matas store receives the order and fulfills it from its store inventory



Within one hour from placing the order, the customer receives a notice, that the order is ready for pick-up

## Reduction in costs from change in fulfillment method\*



\*For illustrative purposes only

# Commercial | Assortment expansion – Sports equipment and nutrition

## Nutrition



## Fitness equipment



## Sports Electronics



## Sports Accessories



## Estimated Danish market size in DKKm\*

■ Online market ■ Matas' online share





# Ecommerce | Launch of matas.no and matas.se



**Hyggelig å møte  
dere, Norge!**

Alt du trenger  
innen skjønnhet  
og velvære

**matas.no**  
Skjønn fornuft



**Trevligt att  
träffas, Sverige**

Allt du behöver  
inom skönhet och  
välbefinnande

**matas.se**  
Skönt förnuft

# 02

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## Financial results Q3 2022/23

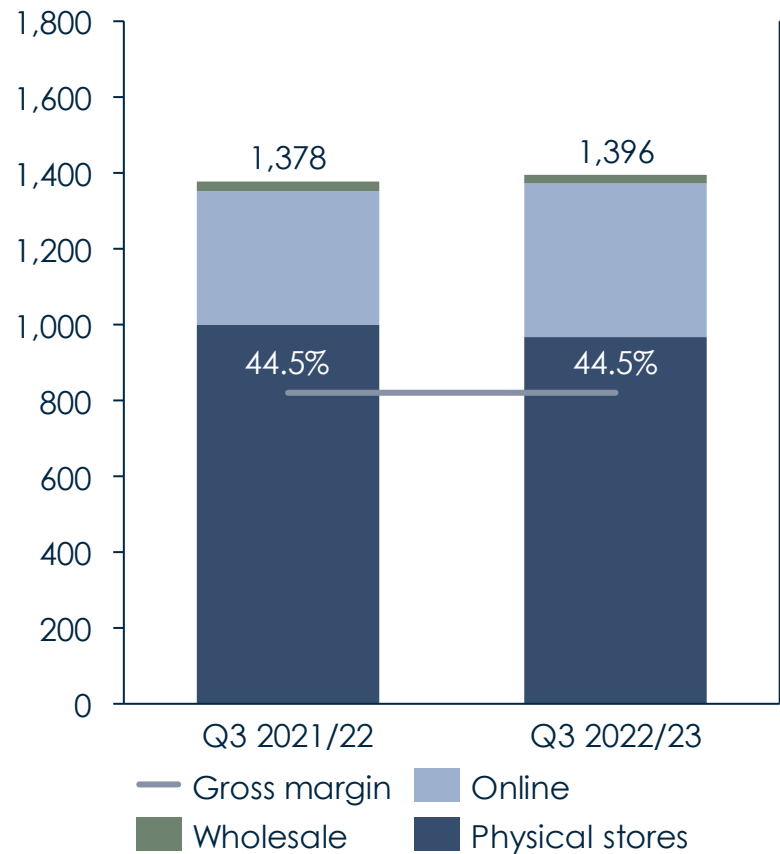
**Per Johannesen Madsen**  
CFO

matas

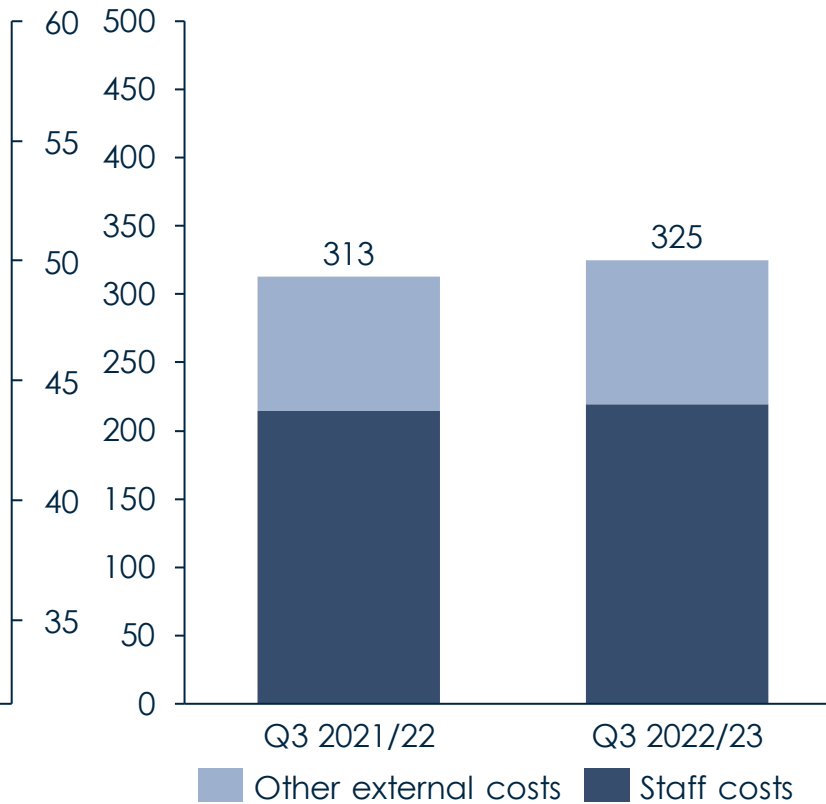


# Q3 results 2022/23

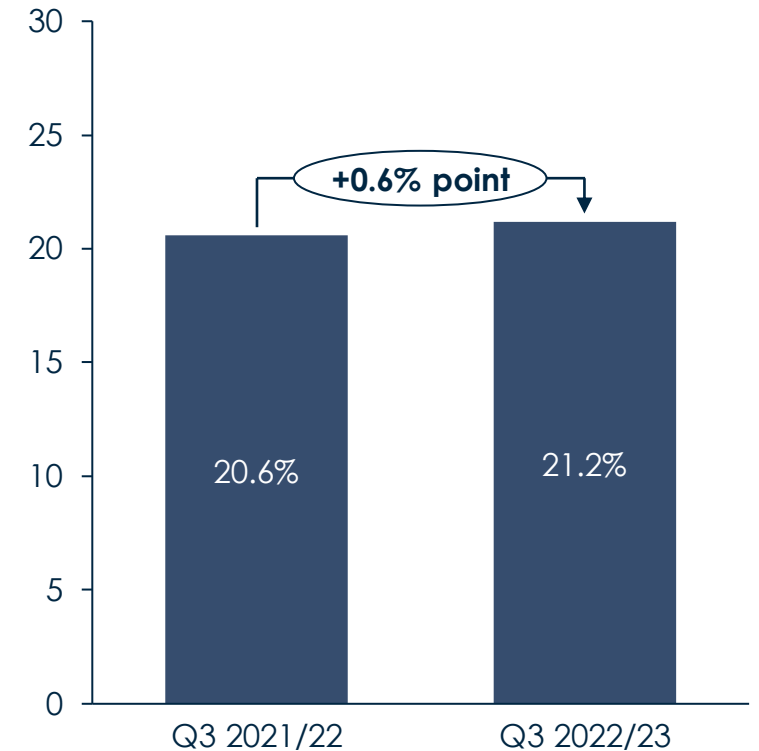
## Revenue and gross margin



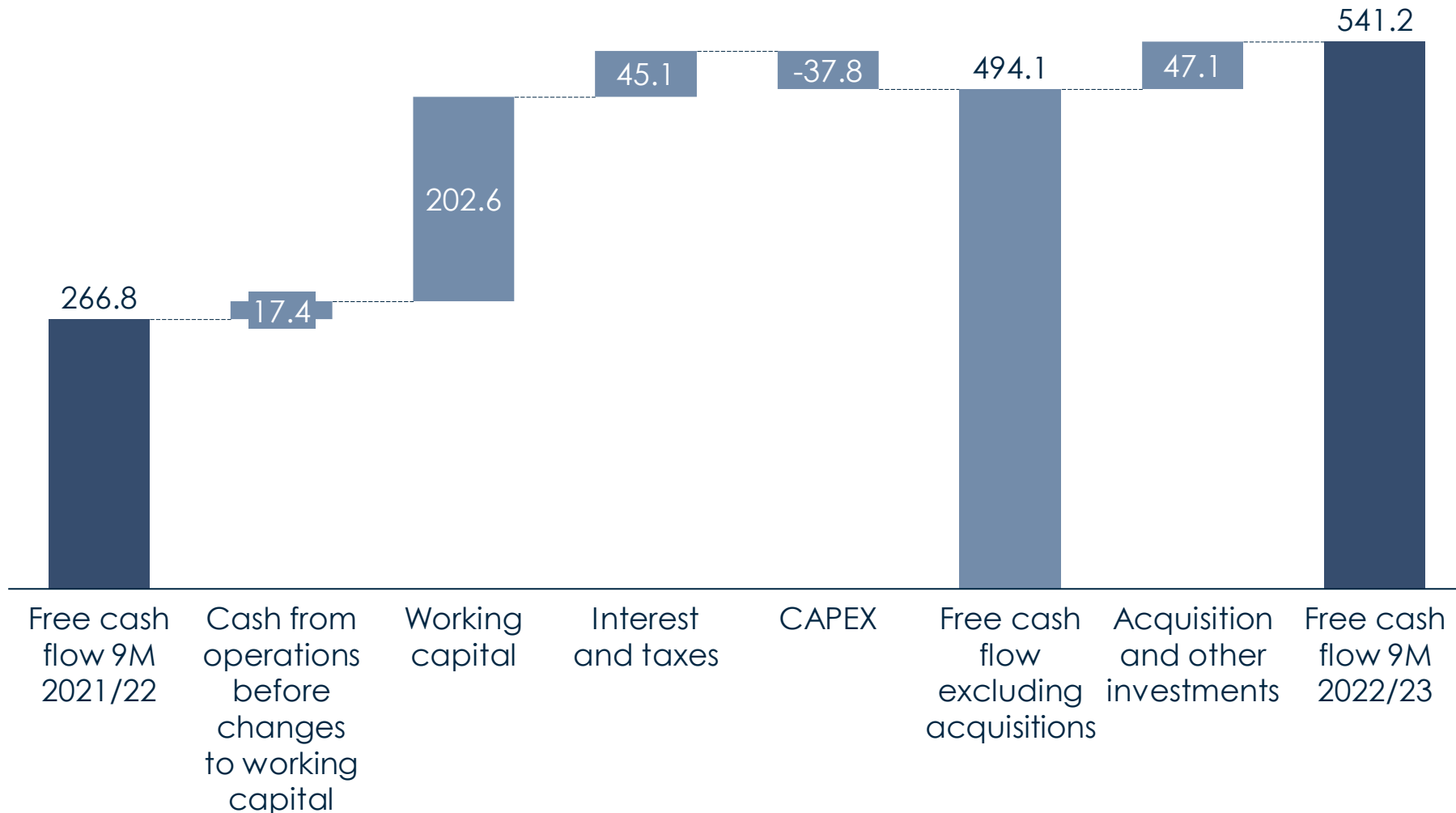
## Costs



## EBITDA margin before special items



# Free cash flow doubled and gearing temporarily below 2x

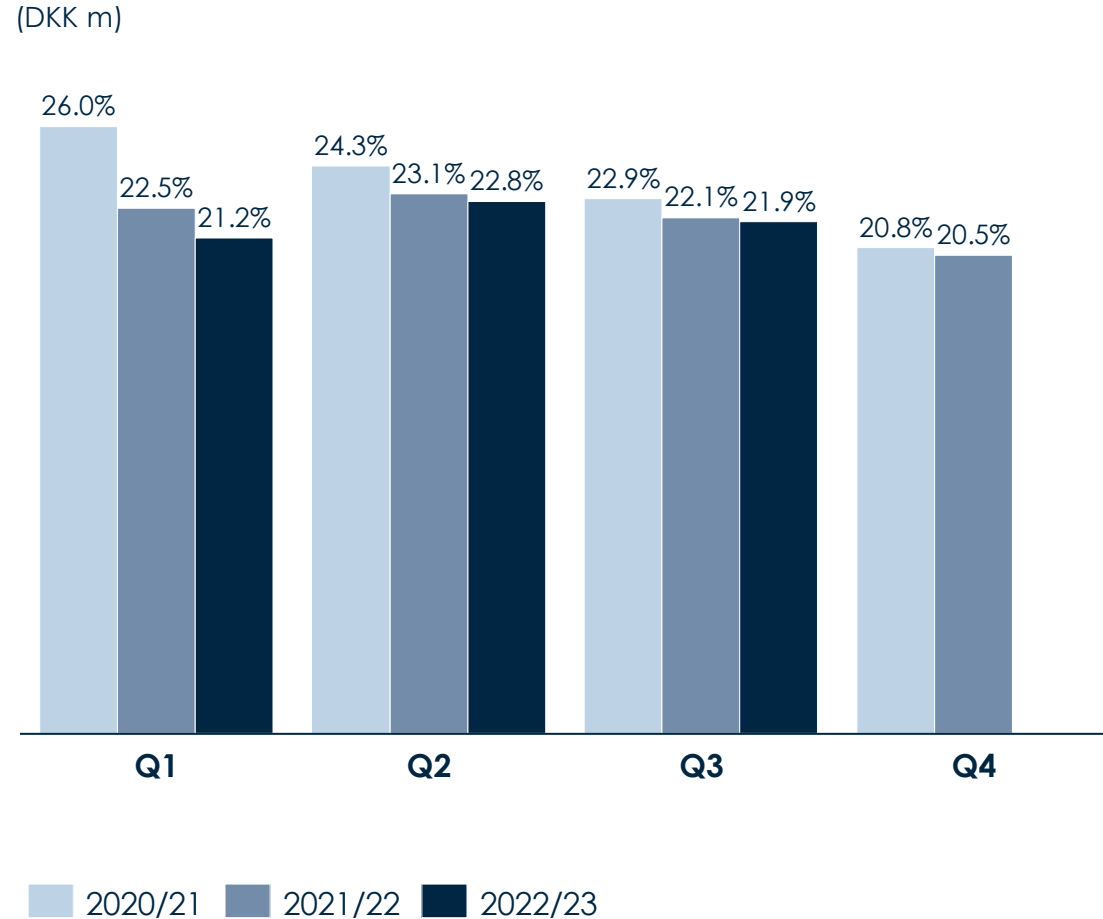


## Comments

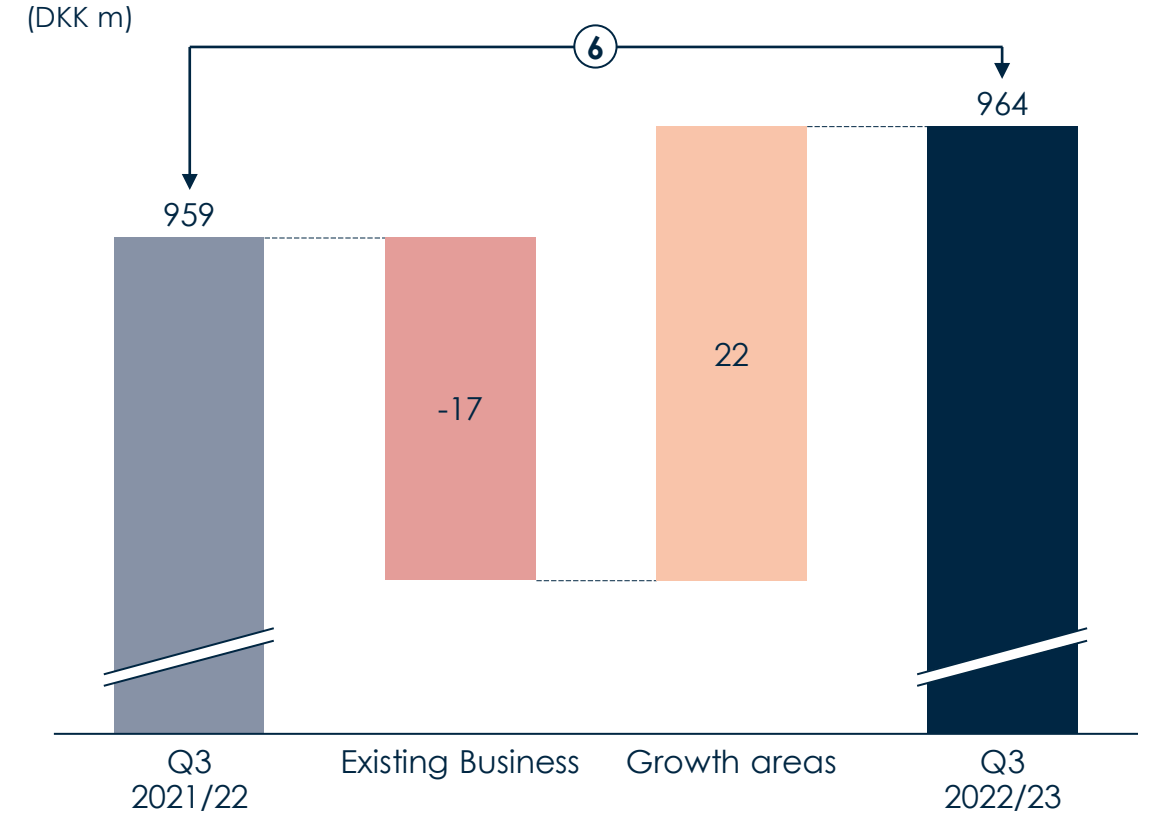
- Cash from operations increased due to fully amortized Matas Brand during Q4 2021/22.
- Net working capital was positively affected by the change in other debt and deferred tax payments due to COVID-19.
- CAPEX increased due to the purchase of land in Lynge for MLC.
- Acquisition and other investments in 9M 2021/22 included the acquisition of Web Sundhed.

# Continue focusing on optimising inventories

## Inventories per quarter in % of LTM revenue



## Changes in inventories





## Guidance for 2022/23

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Revenue

**4,390-4,475M**

equivalent to 1-3% growth



EBITDA margin before special items expects to reach the upper end of the range:

**17-18%**



CAPEX

**225-250M**

incl. DKK 100m to non-recurring projects

03

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Q&A



# 04

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## Appendix





# Our guidance rests on certain assumptions to **account for the greater macroeconomic uncertainty**

**Macroeconomic uncertainty** and the subsequent consequences make the **2022/23 guidance more uncertain than normal**. The guidance rests on the **following assumptions**



## Revenue

- Moderate growth in retail driven by price increases
- Limited impact by a potential recession on Health and Beauty
- Minimal supply chain disruptions
- Normalization of shopping and travel behavior in H2 2022
- Continued channel shift from physical to online retail
- Increased online competition
- No remarkable restrictions or lock-downs

## EBITDA margin

- Stable earnings online and in the stores
- Indirect production cost increases will not impact the EBITDA margin negatively by more than 0.2-0.3%
- International long-term growth initiatives will not impact the EBITDA margin negatively by more than 0.5% short-term
- Potential price increases will not have a negative impact on the gross margin
- Limited impact on salaries, as majority is covered by collective agreements

## CAPEX

- Underlying CAPEX level at 3.0-3.5% of revenue driven by the digital transformation
- DKK 100M in CAPEX one-off to cover for MLC, HQ expansion, internationalization, and ERP upgrade

Before  
**matas**  
Traditional Danish retailer

Markets



2025/26  
**matas**  
International omnichannel retailer and brand owner

Markets



From 2022

Assortment



Beauty



Health

Assortment



Beauty



Health



+100,000 SKUs in new and existing categories



Portfolio of own brands

Sales channels



262 stores



Matas.dk

Sales channels



262 stores



DE retailers



Matas.dk



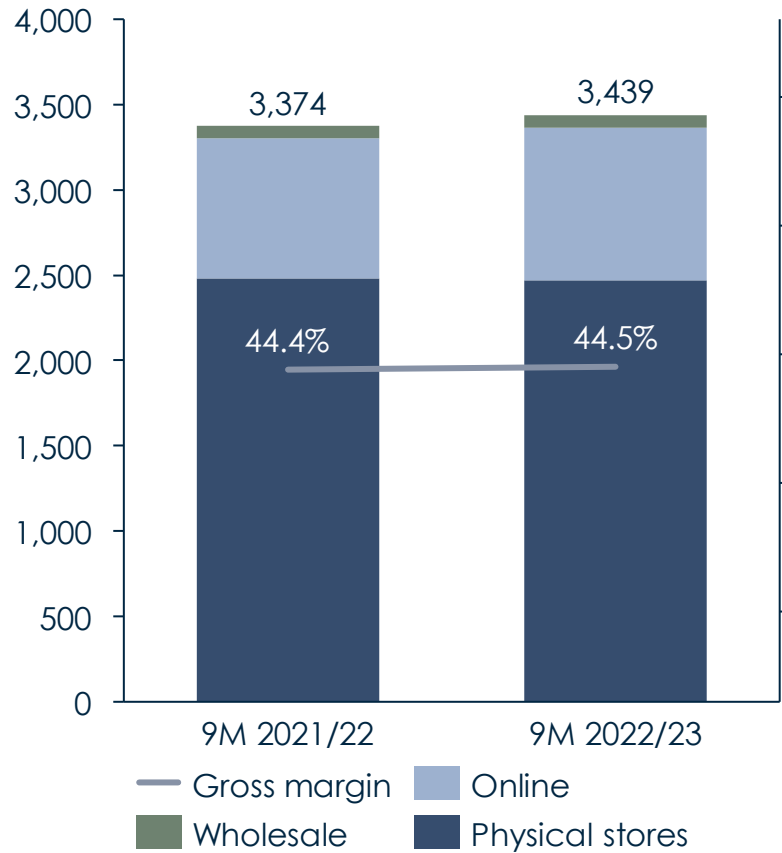
Matas.no



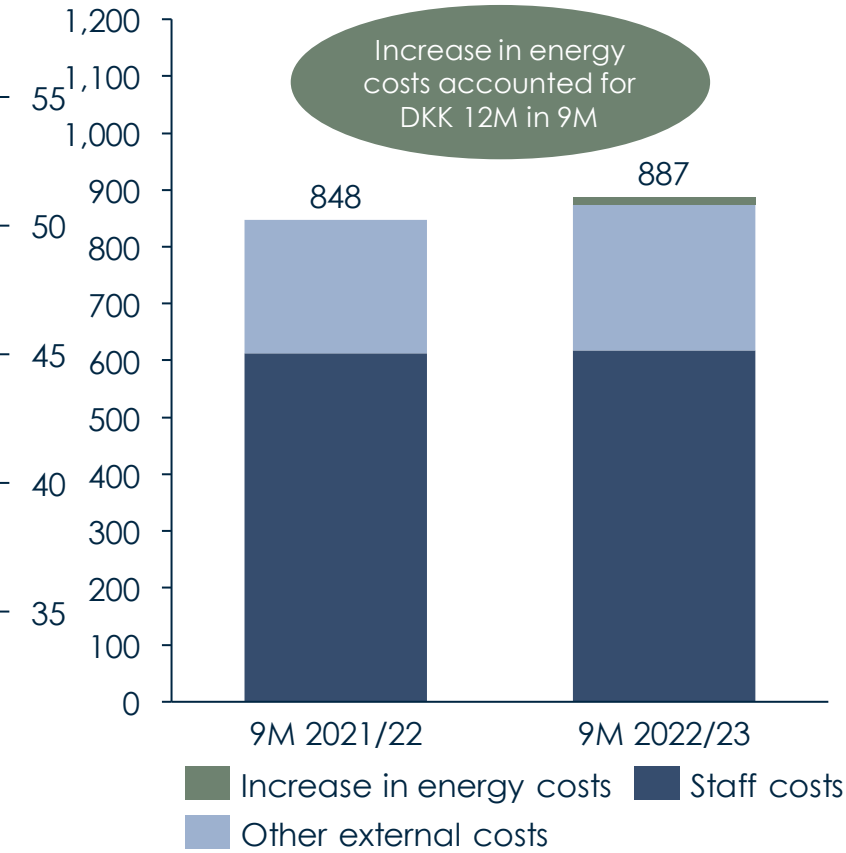
Matas.se

# 9M results

## Revenue and gross margin



## Costs



## EBITDA margin before special items



# Quarterly revenue and gross margin development

