

# Revenue and earnings growth continued as Matas and KICKS joined forces

Interim report H1 2023/24

10 November 2023

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## Forward-looking statements

The 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.

# Agenda

- 01** Group CEO comments and strategy update  
Gregers Wedell-Wedellsborg
- 02** Acquisition of KICKS Group  
Gregers Wedell-Wedellsborg
- 03** Financial results for Q2 2023/24  
Per Johannesen Madsen
- 04** Q&A  
Gregers Wedell-Wedellsborg & Per Johannesen Madsen



# 01

## Group CEO comments & strategy update

**Gregers Wedell-Wedellsborg**  
Group CEO

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Q2 performance including KICKS was as expected.  
Revenue and earnings growth continued as Matas and KICKS joined forces



DKKm

**1,285**

(KICKS: DKKm 217 - one month)

Revenue

Q2 2022/23: DKKm 989



DKKm

**177**

EBITDA before special items

Q2 2022/23: DKKm 160



**8.0%**

Organic revenue growth

Q2 2022/23: 1.6%



**13.8%**

EBITDA margin before special items

Q2 2022/23: 16.2%



**6.6M**

(KICKS: 0.9M - one month)

Transactions

Q2 2022/23: 5.4M



## Financial guidance for 2023/24 maintained from closing of KICKS transaction at 31 August 2023



Revenue in the range of  
**DKKm 6,400-6,600**

Including KICKS revenue of DKKm 1,731-1,796 (for the seven-month period in 2023/24)



EBITDA margin before special  
items around

**15%**



CAPEX, excl. M&A, of DKKm

**500-525**

incl. DKKm 250 to Matas Logistics Center and DKKm 45  
to the finalisation of the new KICKS Logistics Center

# A milestone quarter in Matas' 74-year history as we joined forces with KICKS to create the #1 Beauty omnichannel retail business in the Nordics



**+5M club members**

Across the Nordics



**~500 stores**

Across the Nordics



**> 30% online share**  
through leading  
webshops



**+60,000 SKU**  
Category leading  
portfolio of third  
party and own  
brands



**+3,800 skilled colleagues** with  
continued focus on  
personal and expert  
advisory and service

# Continued strong progress across the Growing Matas Group strategy. Organic growth of 8% in Q2 and compelling strategic fit with KICKS

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

### STRATEGIC TRACKS

**Commercial: # 1 offer**

### STATUS AS OF Q2 2023/24

Assortment expansion continued with **addition of 44 new brands online during Q2**  
Around **half of Q2's revenue growth is from the >200 new brands** launched 2022/23

**E-commerce: #1 online**

Organic online revenue **growth of 33%**, driven mainly by the strong performance of matas.dk  
KICKS Click Express (order online, pickup in store within 4 hours) reached all-time high at 18% share

**Connected retail: #1 in store**

"**Endless aisles**" (sale of products from matas.dk through the stores) was rolled out with great success on mobile POS in September. Store NPS has never been higher

**Brands: #1 products**

Private label brands grew 10% in Q2 and accounted for **18% of retail revenues in Matas**  
**Striberne** private label available at **225 doors in Germany**, while **Nilens Jord** now in **70 doors**

**Logistics: #1 operator**

The construction of **Matas Logistics Center (MLC)** is progressing according to the timeline  
Final steps were taken towards opening **KICKS' new Logistics Center** outside of Stockholm



# Commercial | Introduced 44 new brands

**44** new brands were listed in Matas online during Q2 2023/24, among others:



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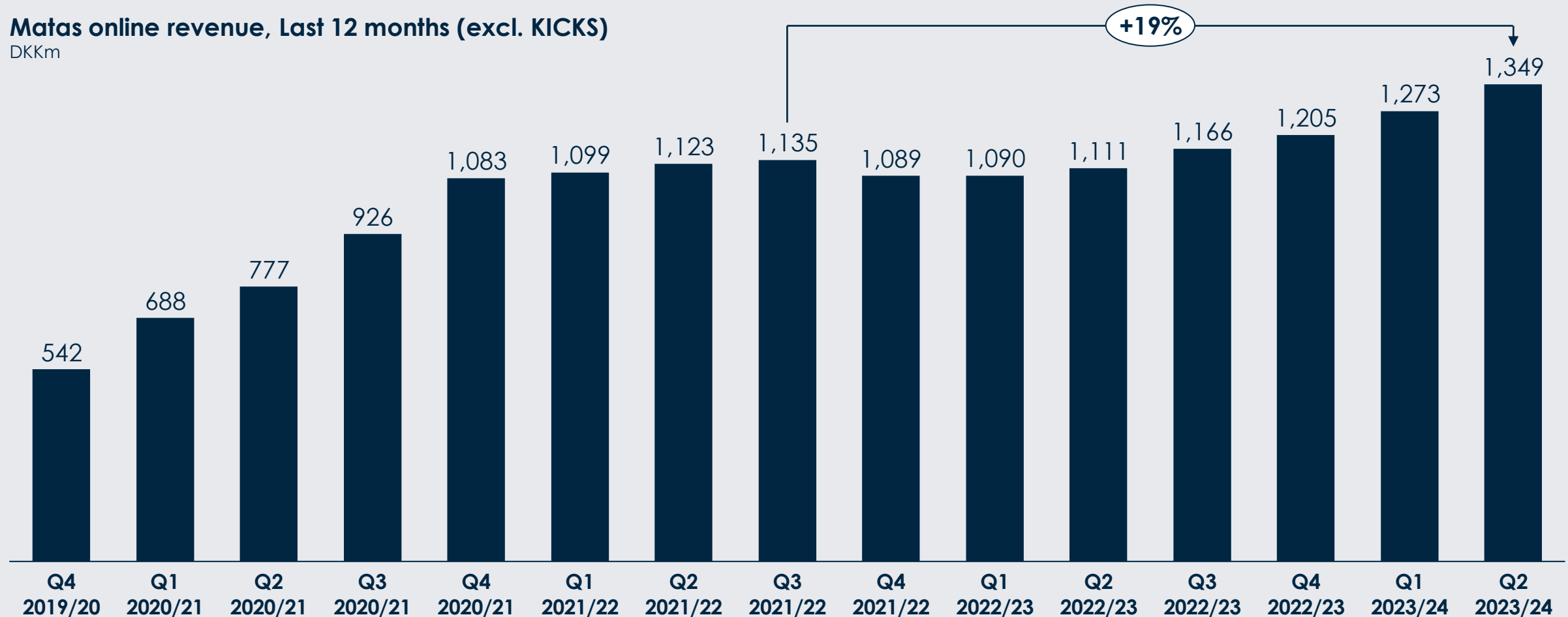
Approximately **half of Q2's revenue growth is attributable to >200 new brands** that were launched during 2022/23



# E-commerce | Online organic revenue growth of 33% in Q2 2023/24 drives LTM revenues +19% above COVID-peak driven by assortment expansion

Matas online revenue, Last 12 months (excl. KICKS)

DKKm



02

# KICKS

## Acquisition of KICKS Group

**Gregers Wedell-Wedellsborg**  
Group CEO

# The acquisition of KICKS Group completed on 31 August to create the Nordic market leader, off to a good start and first synergies delivered



**DKKm 692**

Equity purchase price on closing<sup>1</sup>



**DKKm ~140**

EBITDA effect from DKKm ~40 in standalone improvement and min. DKKm 100 in synergies<sup>1</sup>

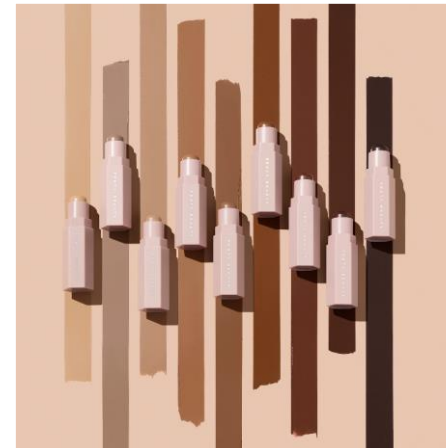


**Creating the Nordic leader in beauty and wellbeing**



**4.7x**

2022/23 EV/EBITDA<sup>2</sup>



**Deal was fully debt financed**

# KICKS Group acquisition and integration off to a good start

- ✓ Core performance in line with expectations
- ✓ New KICKS Management appointed
- ✓ New KICKS Logistics Center in Rosersberg opening according to plan
- ✓ Integration Office established
- ✓ First synergies and improvements delivered: Skincity integration, Supply Chain Transformation
- ✓ No major surprises



# 03

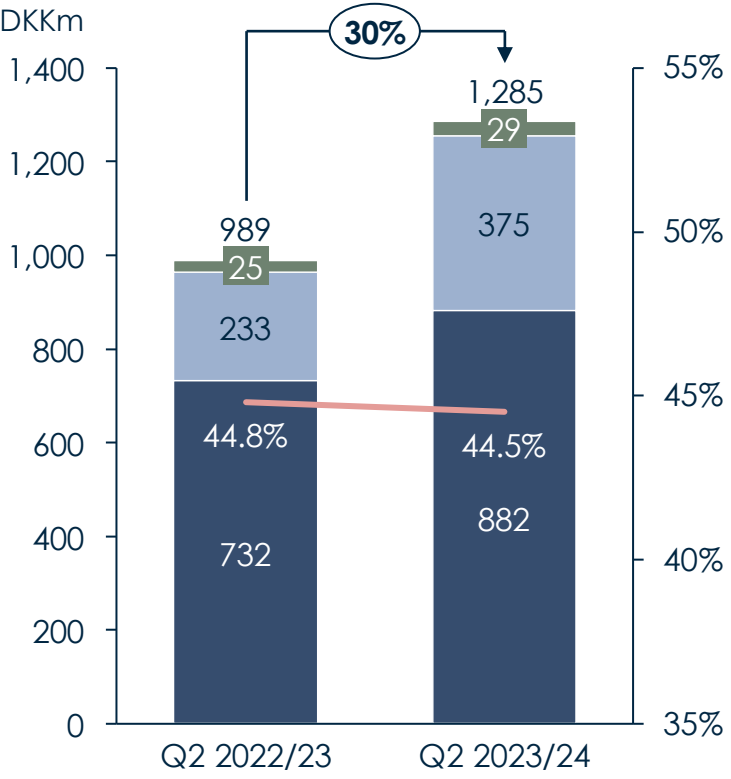
## Financial results Q2 2023/24

Per Johannesen Madsen  
Group CFO



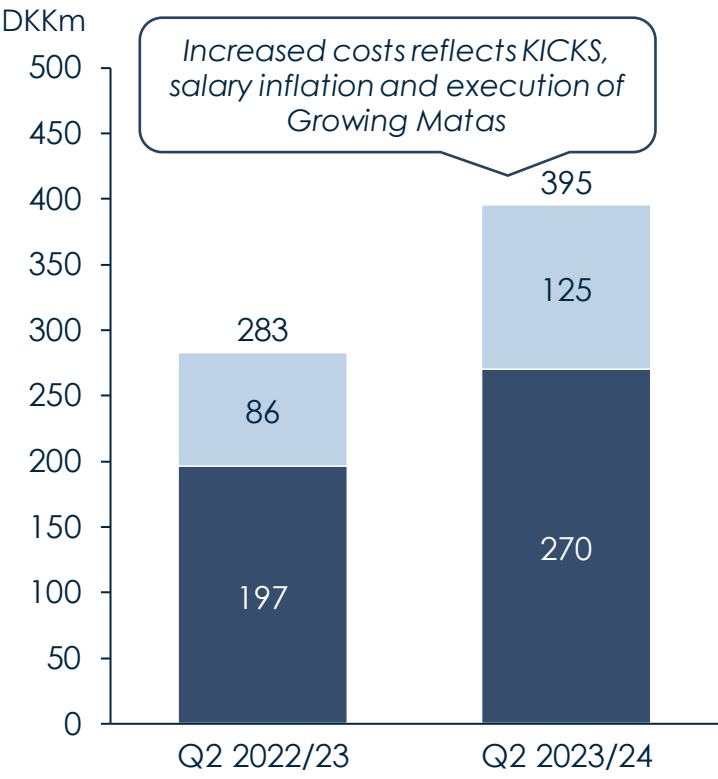
Q2 performance including KICKS was as expected. Revenue and earnings growth continued. Investing in Growing Matas continued and guidance unchanged

### REVENUE & GROSS MARGIN



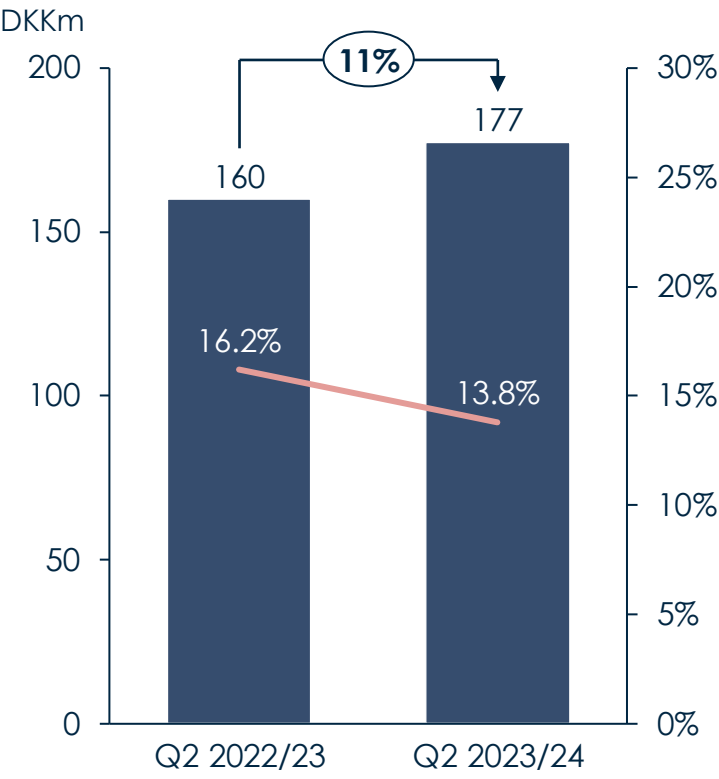
— Gross margin  
■ Online  
■ Wholesale  
■ Physical stores

### COSTS BEFORE SPECIAL ITEMS



■ Other external costs  
■ Staff costs

### EBITDA & EBITDA MARGIN BEFORE SPECIAL ITEMS

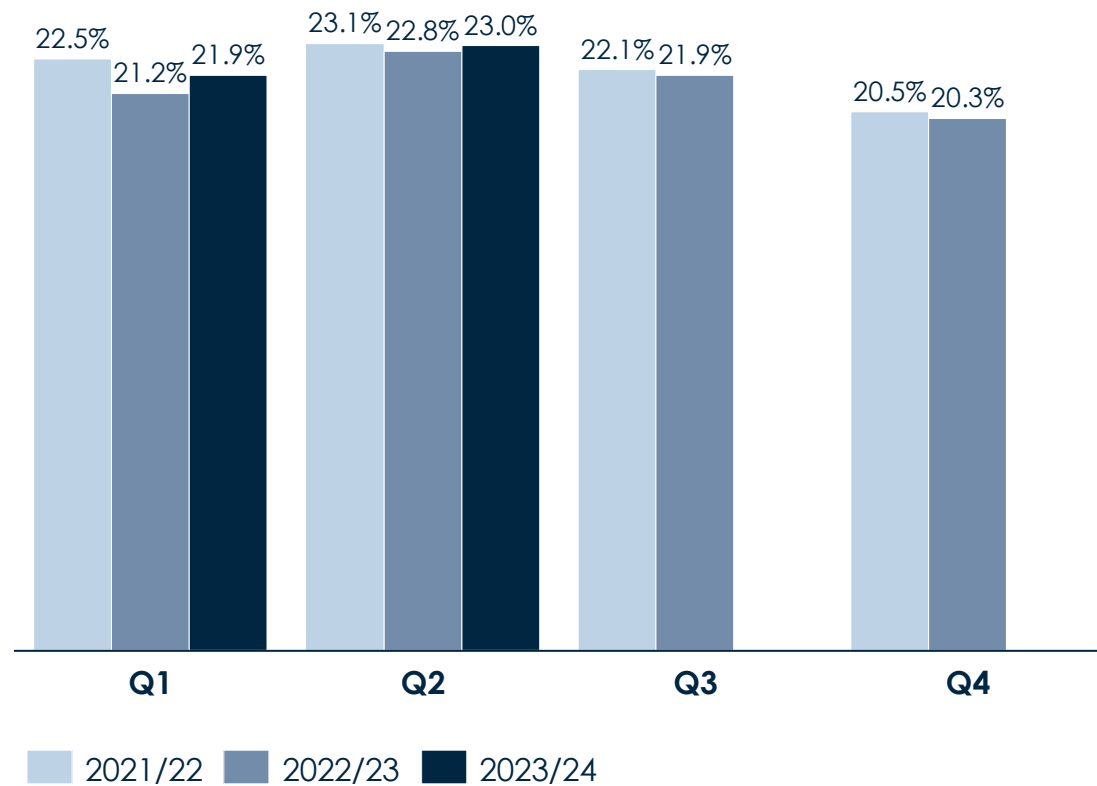


— EBITDA margin  
■ EBITDA

Inventories increased by DKKm 756 versus 30 September 2022, driven by the KICKS acquisition, revenue growth and continued assortment expansion

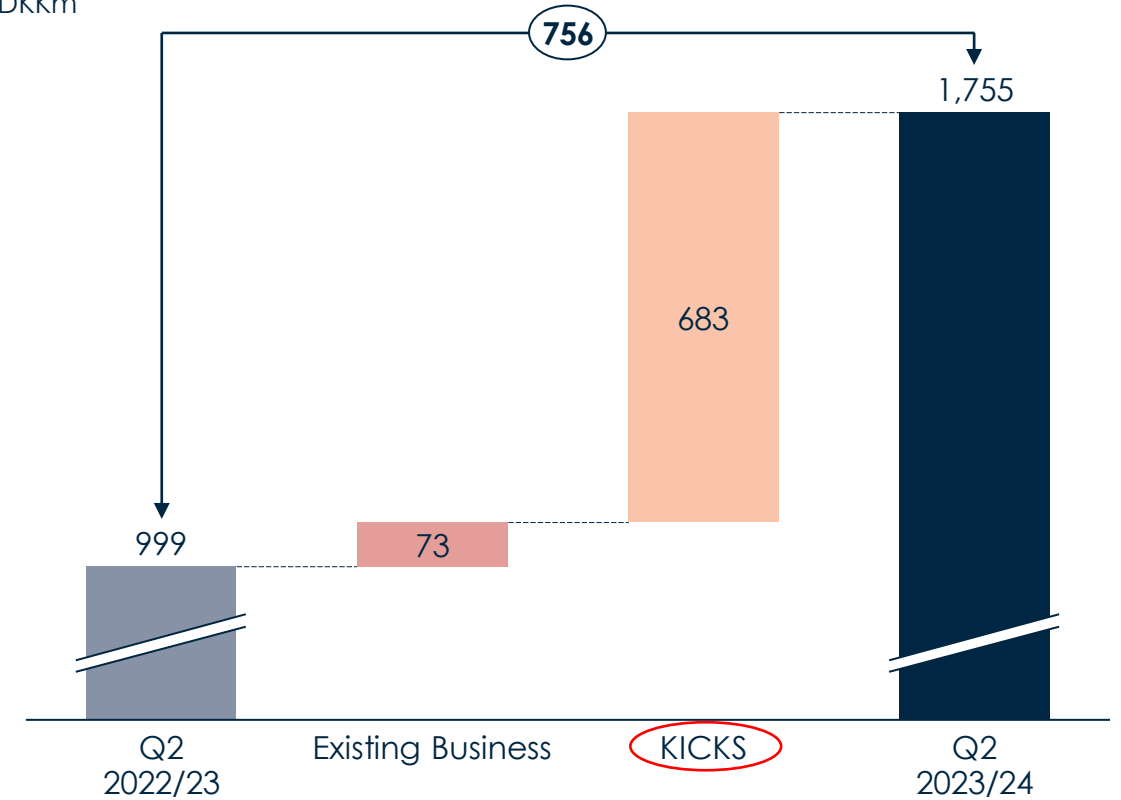
### Inventories per quarter in % of LTM revenue (excl. KICKS)

DKKkm



### Changes in inventories

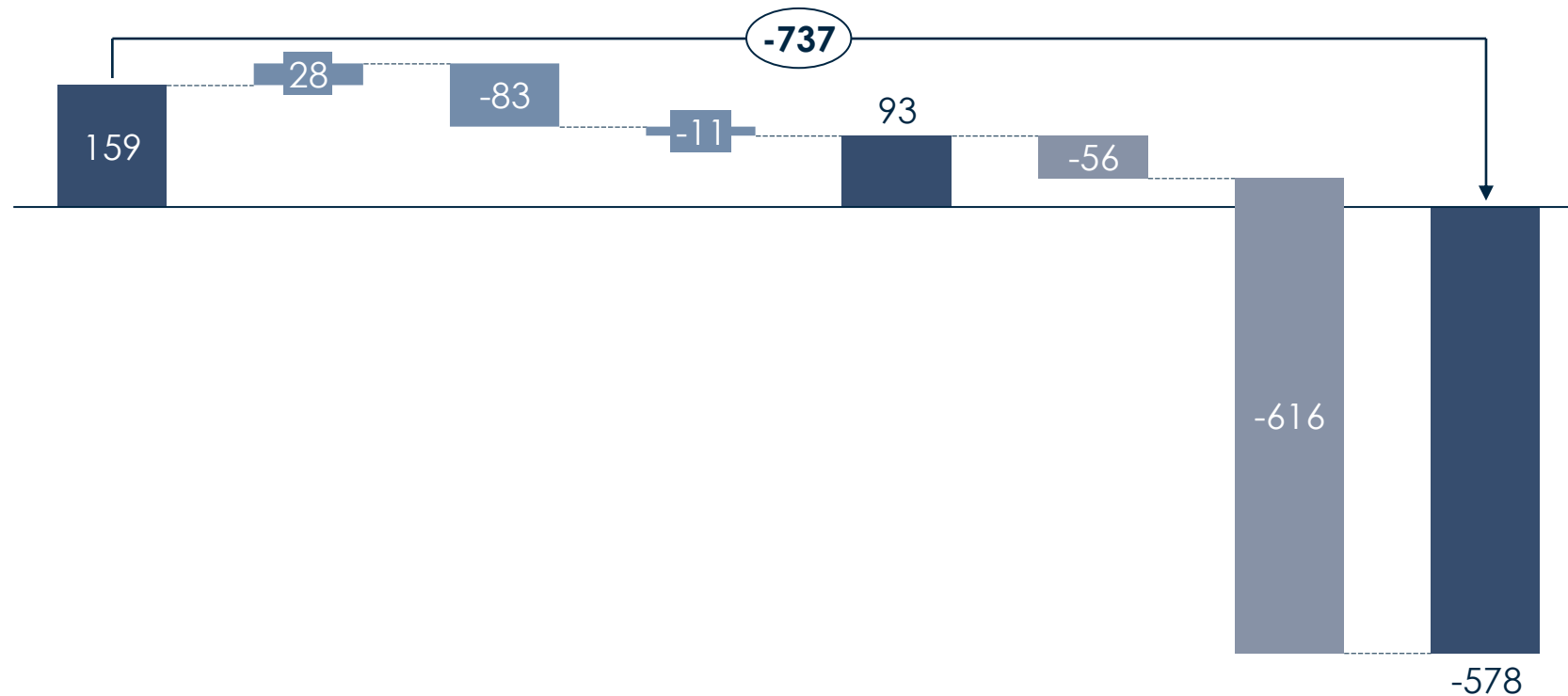
DKKkm





# Free cash flow before special items impacted by inventory build-up for Q3. Free cash outflow in H1 reflects KICKS acquisition

Matas Group free cash flow development  
H1 2022/23 – H1 2023/24, DKKm



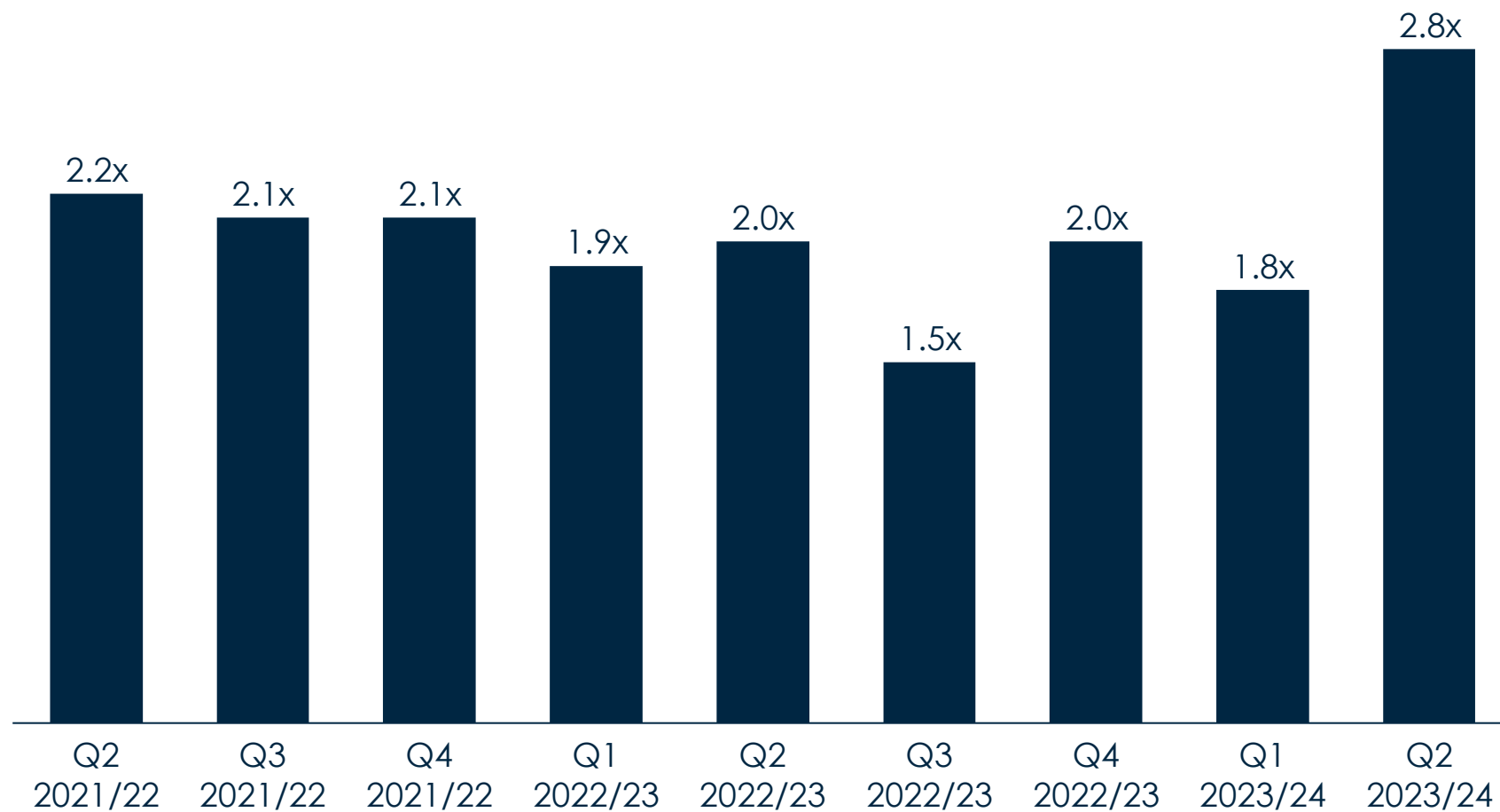
- Cash flow from operations before special items improved by DKKm 28 million due to **underlying EBITDA improvement in H1**
  - Special items development had a negative net effect of DKKm 56 vs. H1 2022/23
- Working capital reflects increase in inventory from assortment expansion and the build-up for Q3
- Free cash outflow in H1 is driven by the **KICKS acquisition**

Free cash flow H1 2022/23	Cash flow operations, before special items	Working capital	CAPEX	Free cash flow before special items	Special items development	KICKS acquisition	Free cash flow H1 2023/24
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# Gearing increased to 2.8x LTM EBITDA as expected due to closing of the KICKS acquisition

Matas Group NIBD / LTM EBITDA before special items  
Q2 2021/22 – Q2 2023/24, DKKm



- Closing of the **KICKS acquisition increased gearing in Q2** as expected (guidance was 2.8-3.0x)
- **Long-term target remains unchanged** with a gearing between 2.0x and 3.0x

04

Q&A



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