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A good start to the year with continued profitable growth

Interim report Q1 2024/25

14 August 2024

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Disclaimer

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.

Agenda

- | | | |
|-----------|--|--|
| 01 | Group CEO comments and strategy update | Gregers Wedell-Wedellsborg |
| 02 | Financial results for Q1 2024/25 | Per Johannesen Madsen |
| 03 | Q&A | Gregers Wedell-Wedellsborg & Per Johannesen Madsen |

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01 Group CEO comment and strategy update

Gregers Wedell-Wedellsborg

Group CEO

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A good start to the year

Profitable growth continued

6.2% growth

Group proforma YoY

15.0%

EBITDA margin before special items,
up from 14.7% proforma

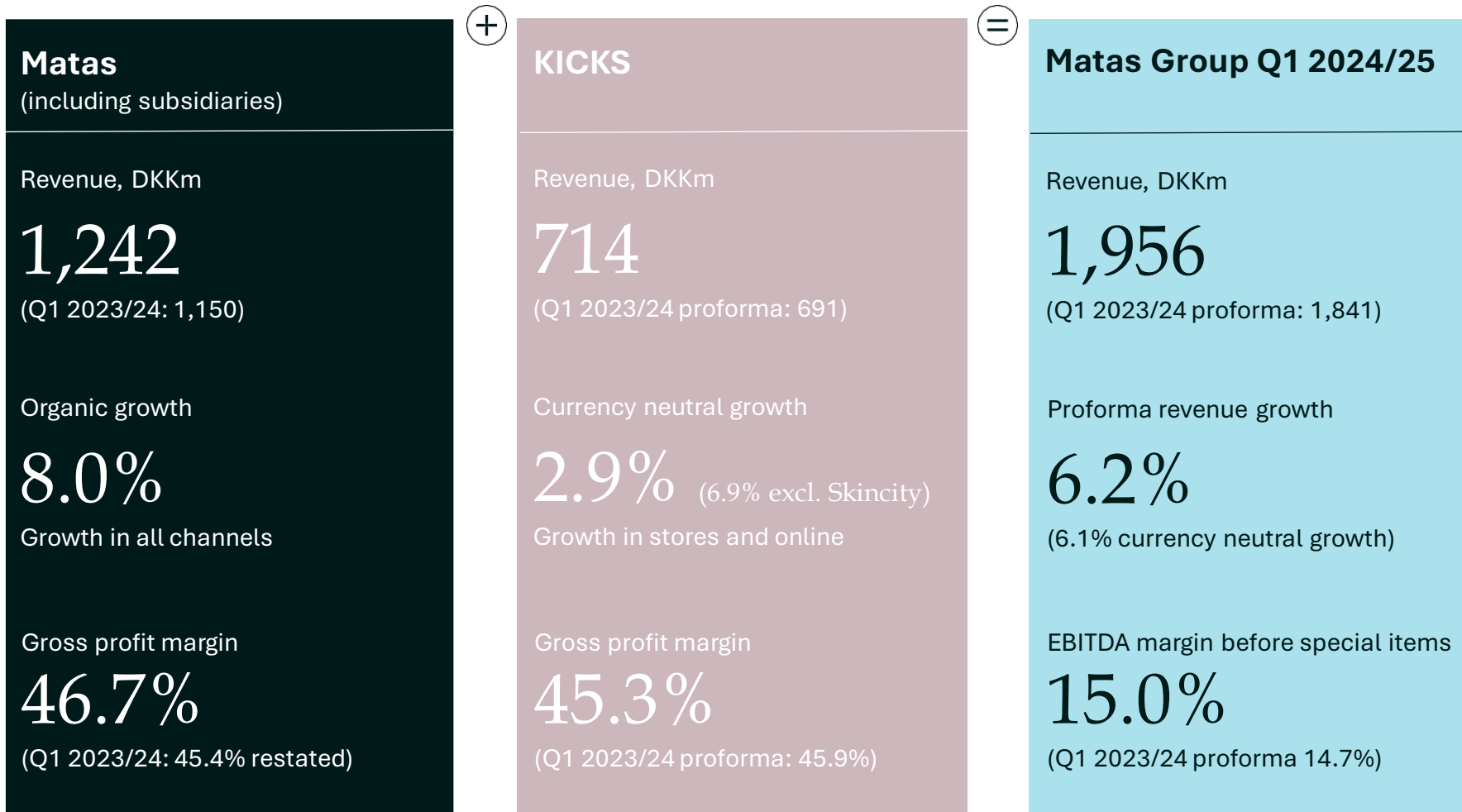
Q1 highlights

- ✓ Organic growth of 8.0% in Matas
- ✓ KICKS grew 2.9% currency neutral (6.9% excluding Skincity)
- ✓ KICKS warehouse ramp-up continued, with temporary impact in the beginning of the quarter
- ✓ Skincity: Integration continued, with short-term impact but long-term benefit
- ✓ KICKS growth picked up in the later part of the quarter
- ✓ Matas Logistics Center construction on track and on budget

Guidance maintained

- ✓ Revenue growth of 4% to 7%
~ 3.2% to 6.2% exchange rate adjusted
- ✓ 14.5% to 15.5% EBITDA margin before special items
- ✓ CAPEX of DKK ~650 million
- including DKK ~325 million for Matas Logistics Center

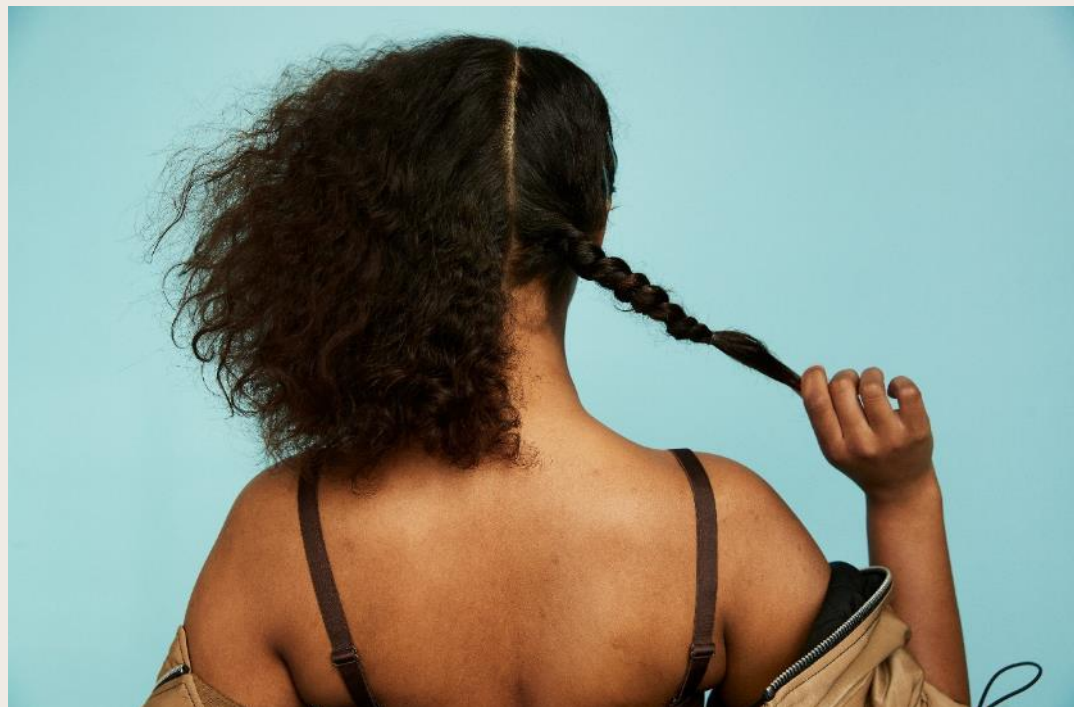
Financial highlights Q1 2024/25: Proforma growth of 6.2% and EBITDA margin improved to 15.0% before special items



Six strategic priorities to Win the Nordics: Progress in Q1 and synergies are on track

All for you					
More for you		Closer to you		Stronger for you	
Roll out "one-stop" offering and concept	Expand and improve portfolio of in-house brands	Take e-com market shares and fuel omni-experience	Refresh, upgrade and open stores	Integrate and share to operate efficiently	Build long-term platform and culture
<ul style="list-style-type: none"> ✓ Assortment expansion continued in both Matas and KICKS. Beauty Pharmacy (Dermatological skincare) launched in Sweden 	<ul style="list-style-type: none"> ✓ In-house brands driving growth: Vitamins & Supplements grew 16% in Q1 	<ul style="list-style-type: none"> ✓ Faster delivery ✓ Membership growth ✓ Online growth 	<ul style="list-style-type: none"> ✓ Store upgrades: 4 renewed, 2 opened, 1 relocated 	<ul style="list-style-type: none"> ✓ Synergy realisation on track ✓ Continued integration of Skincity into KICKS 	<ul style="list-style-type: none"> ✓ KICKS Logistics Center ramp-up ✓ Matas Logistics Center on plan ✓ High employee engagement

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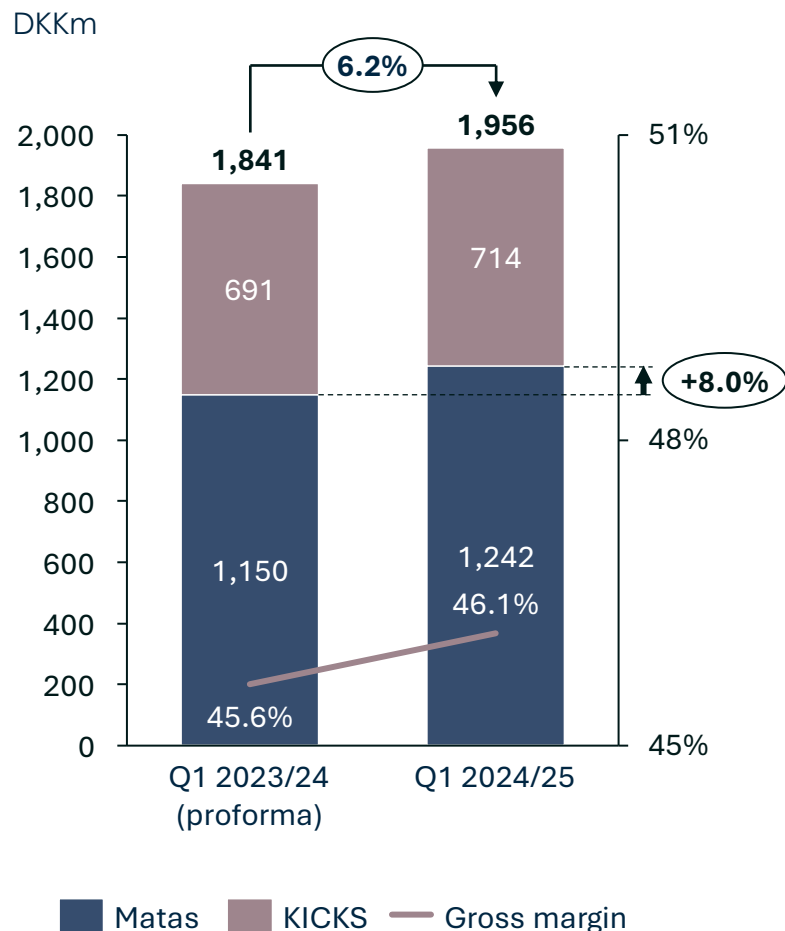
02 Financial results Q1 2024/25

Per Johannesen Madsen
Group CFO

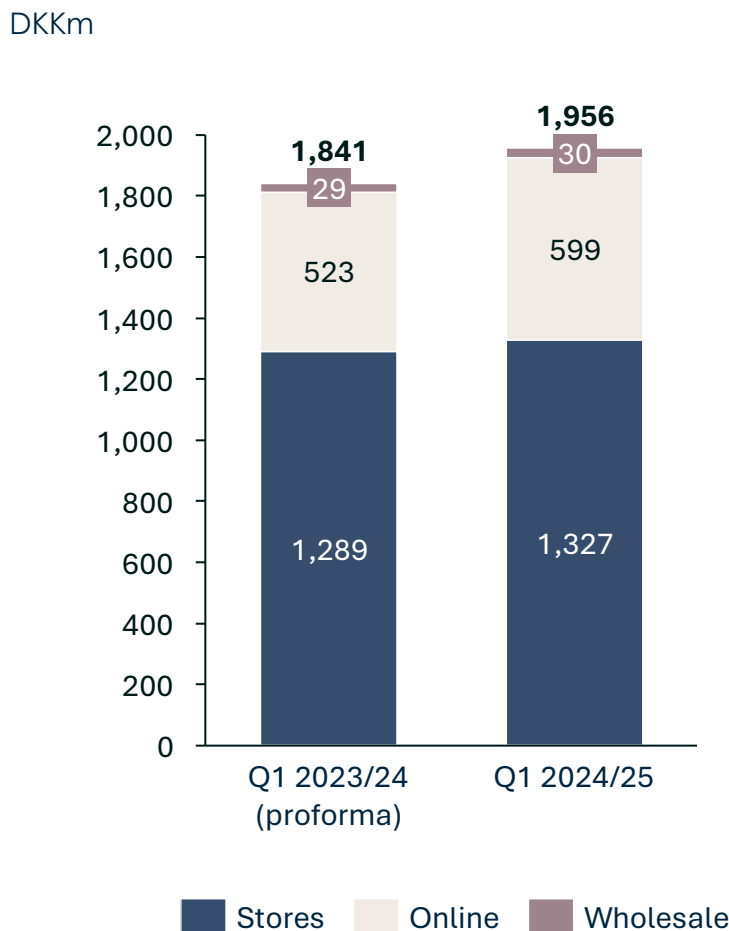
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Group revenue growth of 6.2% proforma, with growth in both Matas and KICKS across channels.
Gross margin improved due to mix and higher subsidies from suppliers

Revenue and gross margin



Revenue by channel

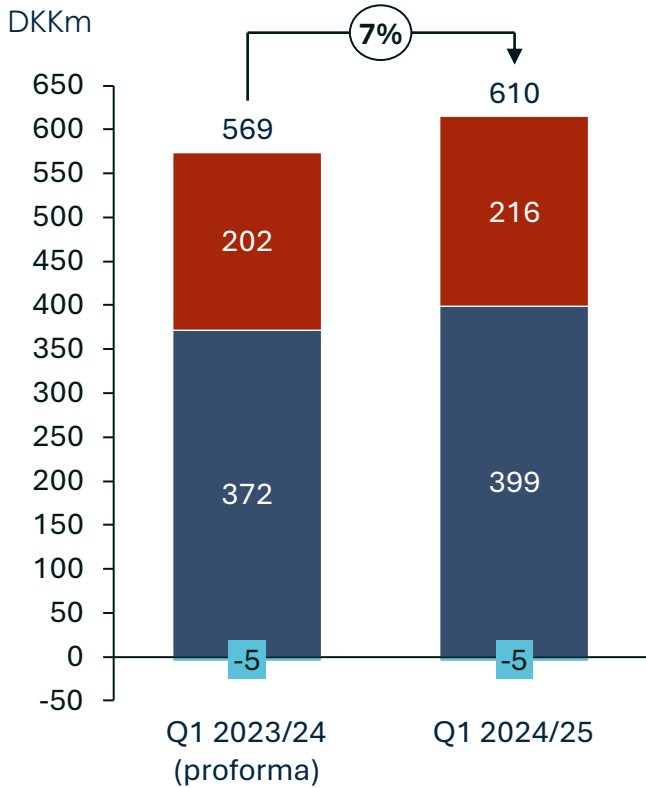


Q1 2024/25 performance

- Proforma Group revenue growth of 6.2%, with growth in all channels (currency neutral 6.1%)
- Organic growth of 8.0% in Matas
- Online organic growth in Matas of 21%, stores grew 3%
- KICKS grew 2.9% currency neutral. Excluding Skincity, KICKS grew 6.9% currency neutral, KICKS online grew 21% and stores grew 3%
- Ramp-up of volumes in new logistics center and Skincity integration continued. Growth picked up in the later part of the quarter
- Group gross profit margin improved due to mix and higher subsidies from suppliers

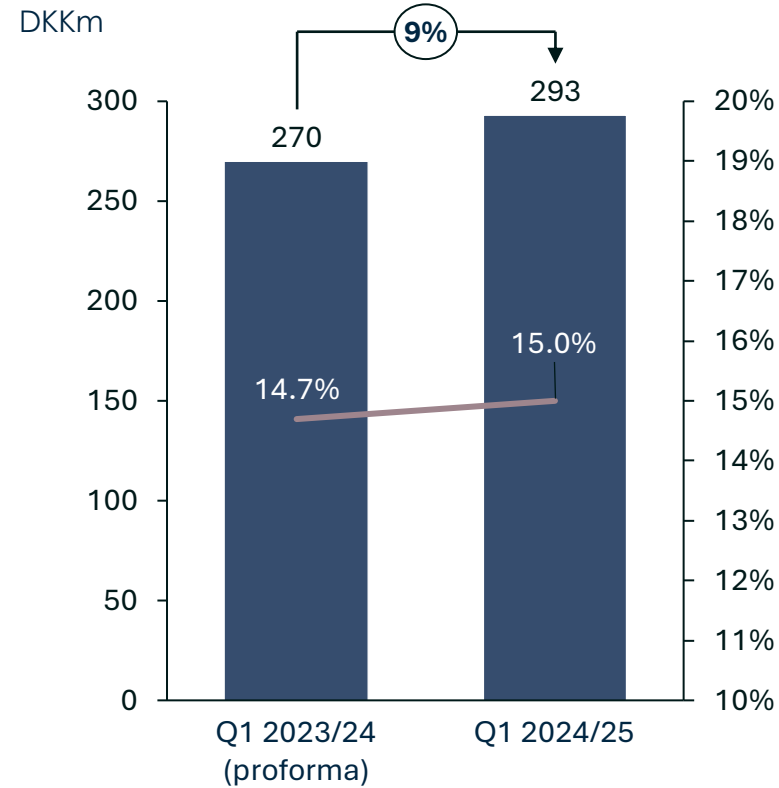
Costs mainly driven by increased online sales and supply chain transformation.
EBITDA margin before special items improved from proforma Q1 last year

Costs



- Other external costs
- Staff costs
- Other operating income, net

EBITDA and EBITDA margin before special items



- EBITDA margin before special items
- EBITDA before special items

Costs

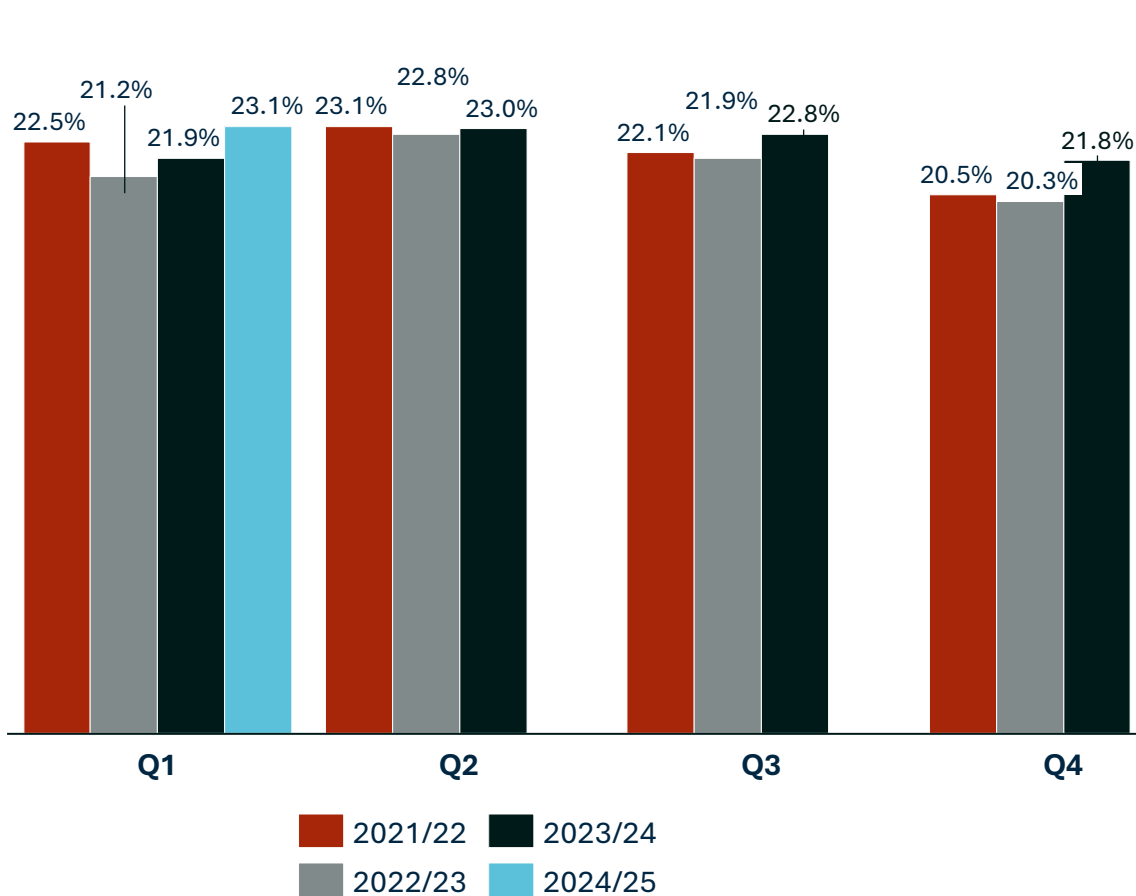
- Other external costs driven by increased online sales
- Staff costs driven by salary increases (collective wage agreements), supply chain transformation, increased online sales and recruitment of new capabilities to execute Win the Nordics strategy

EBITDA before special items

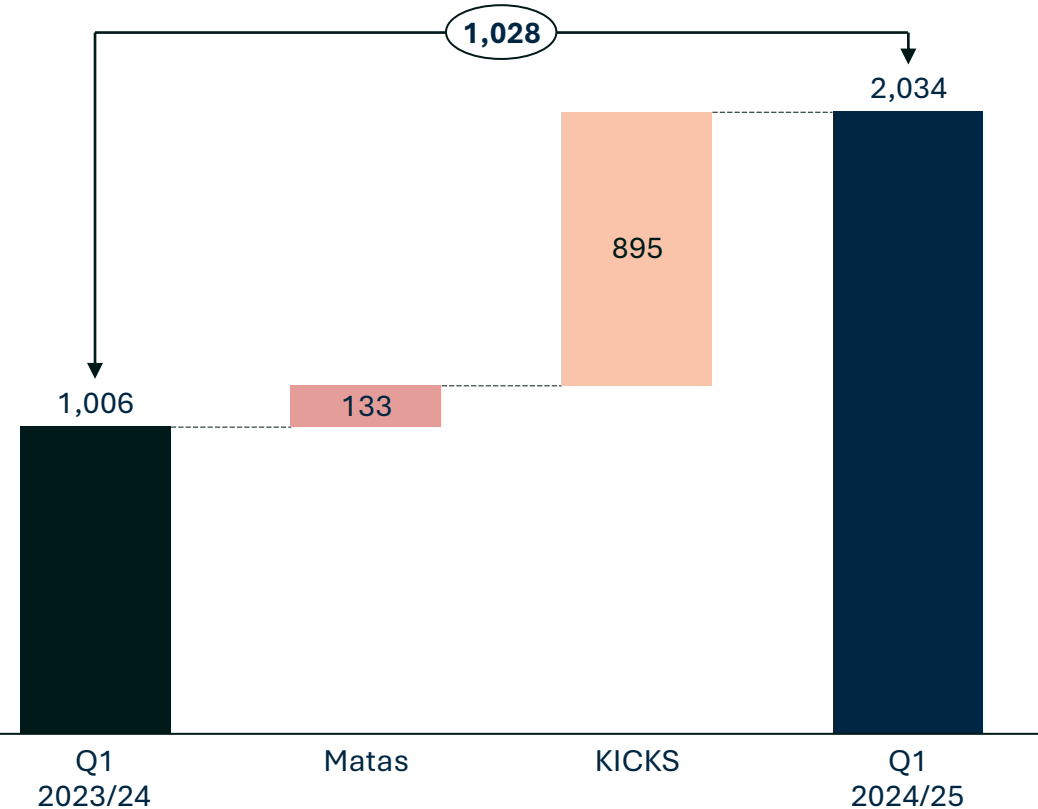
- EBITDA before special items grew 9% proforma in Q1
- The EBITDA margin before special items increased from 14.7% proforma to 15.0% in Q1, reflecting the continued growth of Matas Group and the improved gross margin (due to mix and higher subsidies from suppliers)

Inventories increased by DKK >1 billion from 30 June 2023, driven by adding KICKS inventory, continued assortment expansion and timing of deliveries around quarter end

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

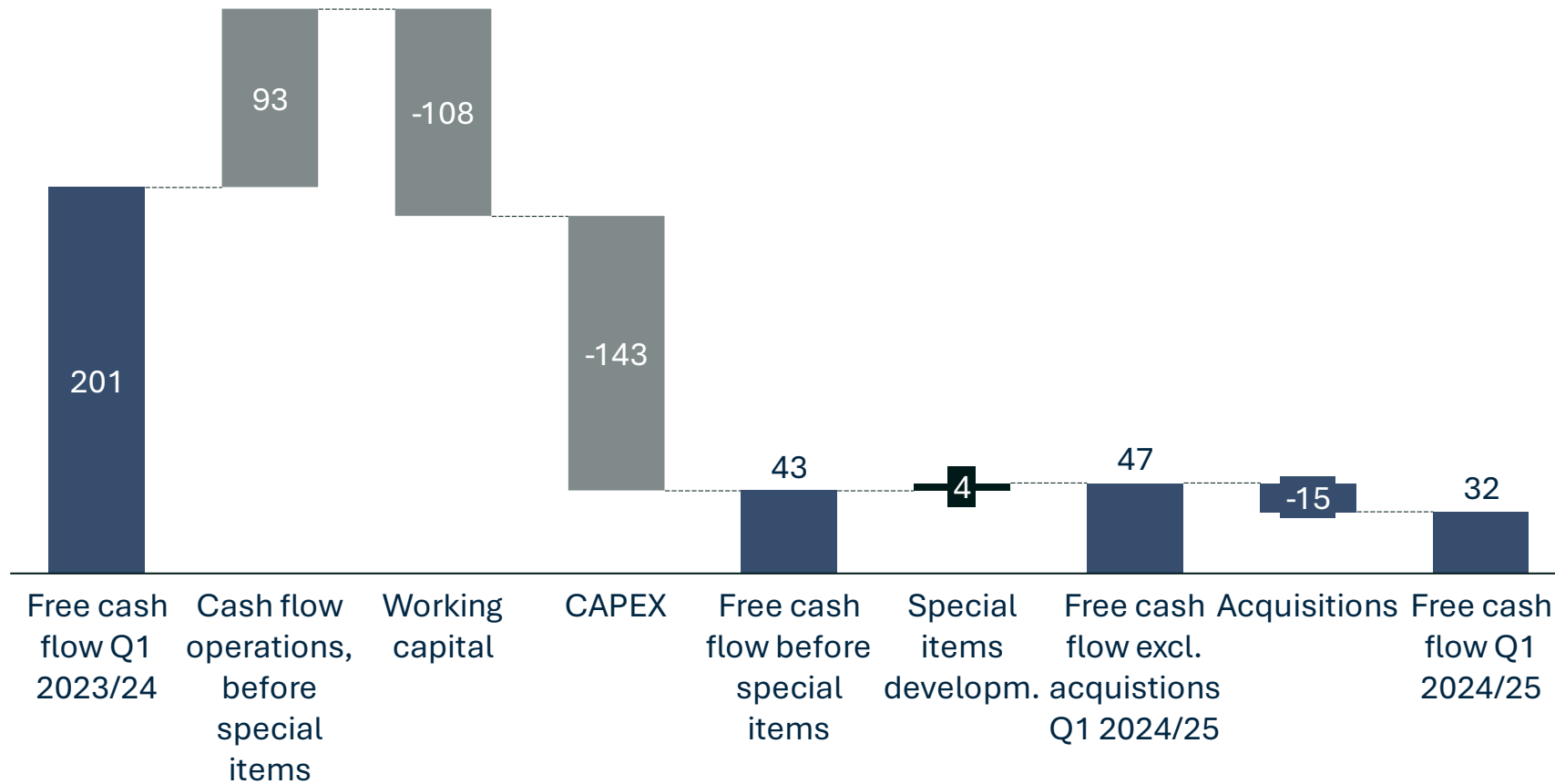


Change in inventories DKKm



Free cash flow from operations increased. Working capital impacted by increased inventory. CAPEX mainly reflecting investment in Matas Logistic Center

Matas Group free cash flow development Q1 2023/24 – Q1 2024/25 DKKm

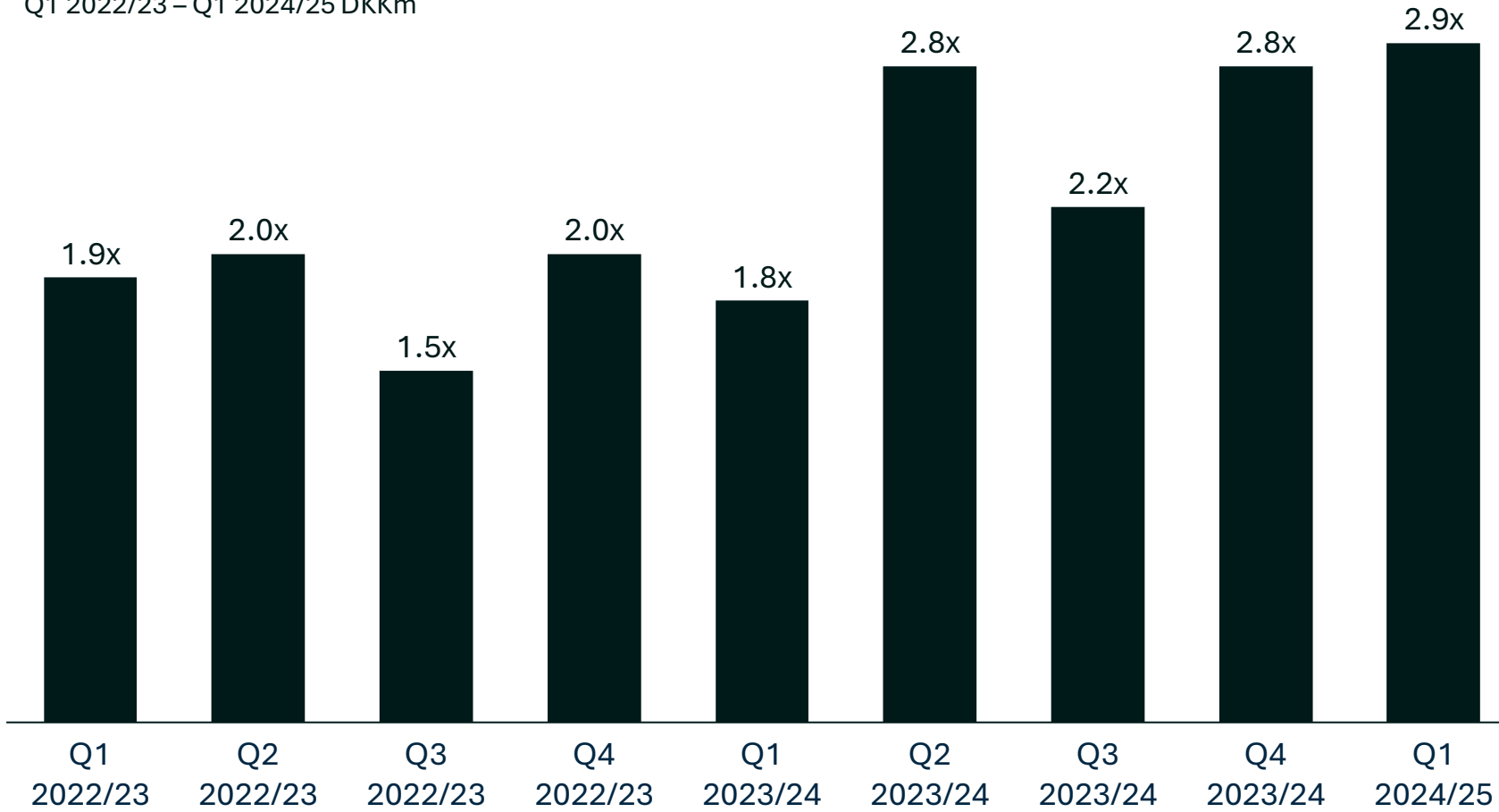


- Cash flow from operations before special items improved by DKK 93 million
- Net change in working capital was driven mainly by increased inventory and increased receivables from adding KICKS
- CAPEX spend mainly reflects investment in Matas Logistics Center (MLC), which is progressing according to plan and original estimate for MLC is unchanged

Gearing

Matas Group NIBD / LTM EBITDA before special items

Q1 2022/23 – Q1 2024/25 DKKm



- Gearing increased to 2.9x in Q1 2024/25, as expected with the investments in the Matas Logistic Center. Changes in NWC is mostly considered timing effects – inventory increase
- Long-term target remains unchanged with a gearing of between 2.0x and 3.0x
- In Q2 2023/24, the closing of the KICKS acquisition increased gearing as expected (guidance was 2.8-3.0x)
- In Q3 2023/24, the lower gearing was partly due to timing effects and seasonally stronger quarter as in previous years

Financial guidance for 2024/25 is maintained

Baseline: Proforma 2023/24

(if owned KICKS for the full year)

Proforma revenue, DKKm

7,834

Based on actual exchange rates

Proforma EBITDA margin
(before special items)

14.3%



Financial guidance 2024/25

Underlying revenue growth (currency neutral)



4-7%

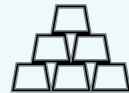


EBITDA margin (before special items)



14.5 - 15.5%

CAPEX, excluding M&A, of DKKm



~650

including DKKm ~325 for Matas Logistics Center

Exchange rate adjusted revenue growth



~3.2-6.2%

Assumptions:

The exchange rate adjusted financial guidance for 2024/25 is based on forward rates for NOK/DKK of 0.626 and SEK/DKK of 0.638 as of 14 May 2024.

The currency neutral financial guidance is based on actual rates in 2023/24 for NOK/DKK of 0.647 and SEK/DKK of 0.648.

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Q&A

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Thank you!

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