

A collage of various beauty and lifestyle products. In the top left, there's a white mug with a pink tag that says 'mother baby' and a pink packet labeled 'pukia'. Next to it is a perfume bottle with a gold cap. A black hairbrush with a yellow handle is in the middle left. A pair of black sunglasses is on the right. A white smartphone is at the bottom center. A jar of 'CLINIQUE' lip balm is on the left, and a jar of 'LAUDER' cream is below it. A clear compact with red blush is on the right. Several yellow capsules are scattered at the bottom. The background is a light-colored surface with some green flowers.

MATAS Q2 2018/19

GUIDANCE UPGRADE: STABLE EARNINGS AND RECORD GROWTH IN ONLINE SALES

RESULTS UPDATE 8 NOVEMBER 2018

Forward Looking Statements

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.

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CEO comment: Q2 2018/19 in numbers

Revenue

DKK **777,2** million

Q2 2017/18: DKK 789,9 m

EBITDA before special items

DKK **108,6** million

Q2 2017/18: DKK 107,5 m

Underlying (like-for-like) growth of

-1.9%

Guidance: Unchanged (-1 to +1%)

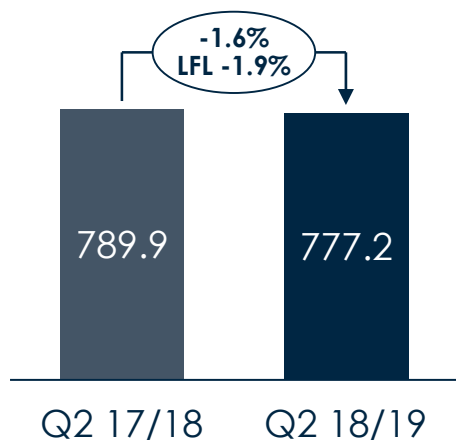
EBITDA margin before special items

14,0%

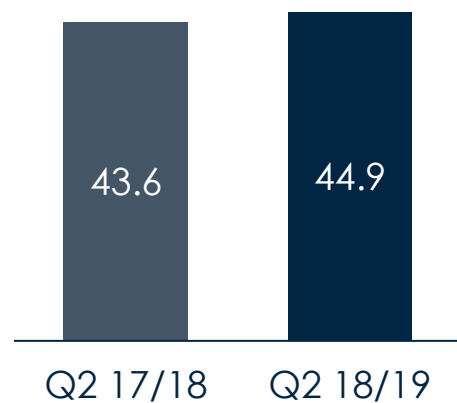
Guidance: Increased to more than 15%

Overview: Q2 2018/19 vs. Q2 2017/18

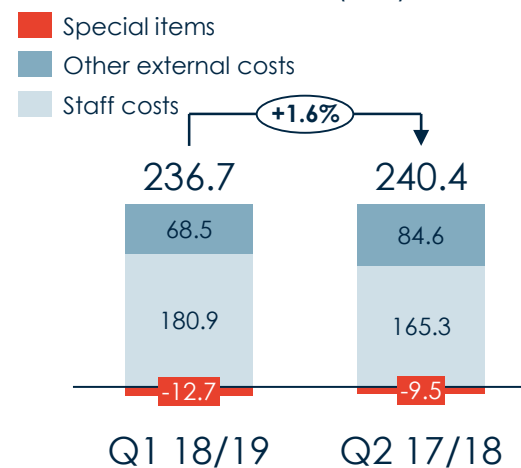
Revenue (DKK m)



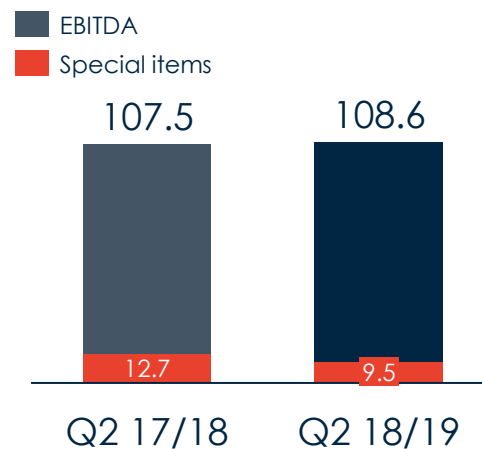
Gross margin (%)



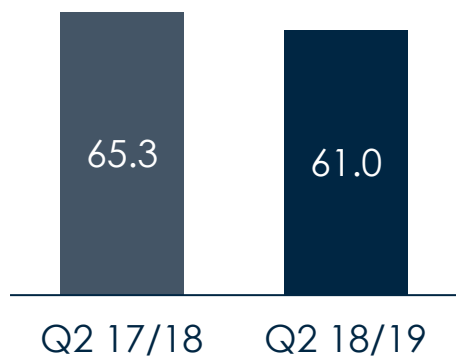
Cost (DKK)



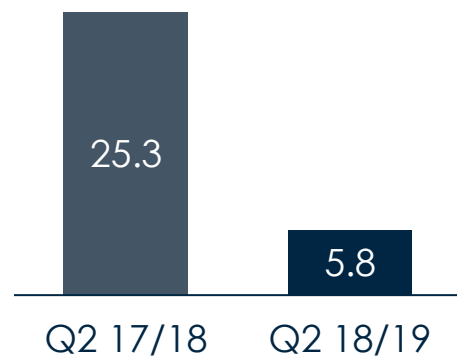
EBITDA BEFORE SPECIAL ITEMS (DKK m)



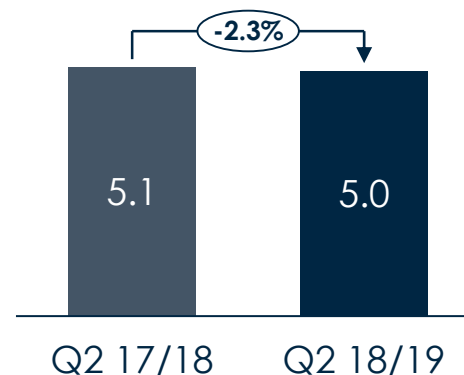
Adj. net profit (DKK m)



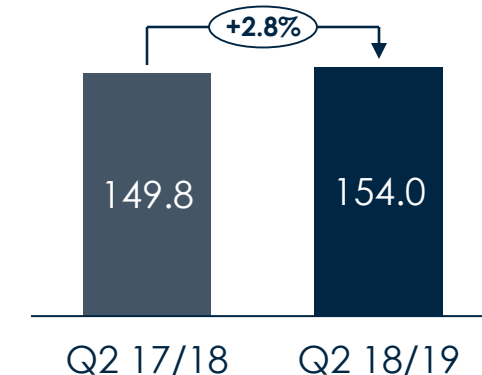
Free cash flow (DKK m)



Transactions (# m)

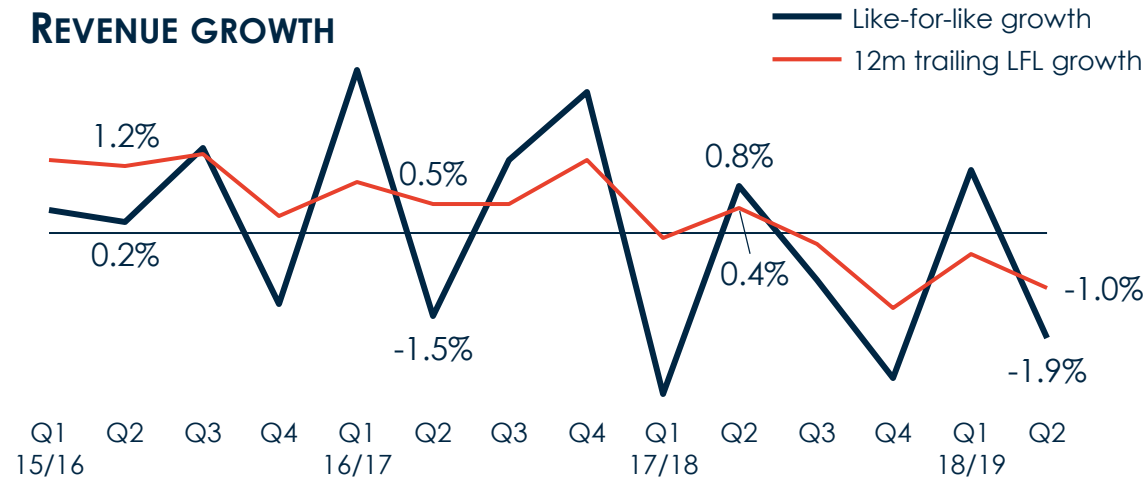


Basket size (DKK)

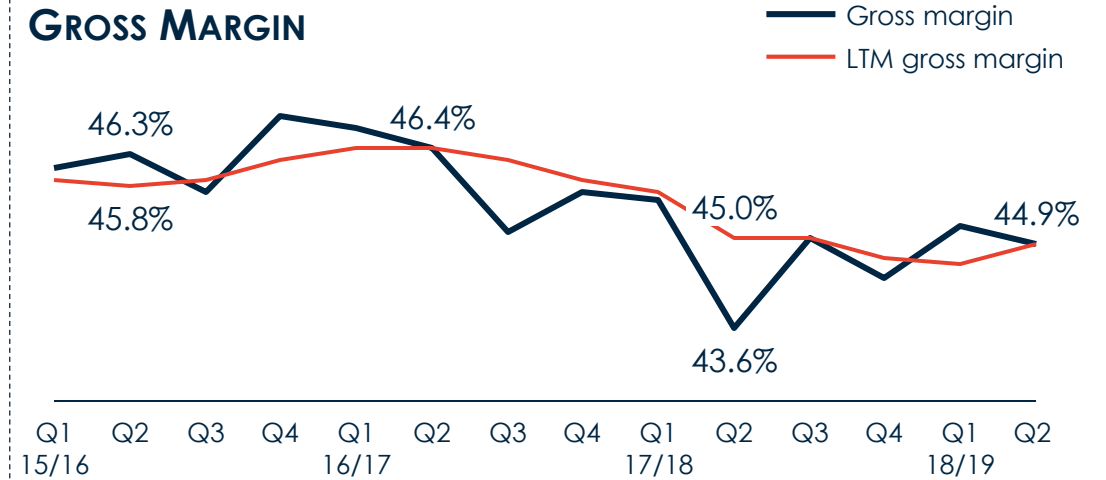


Quarterly developments from Q1 2015/16 to Q2 2018/19

REVENUE GROWTH

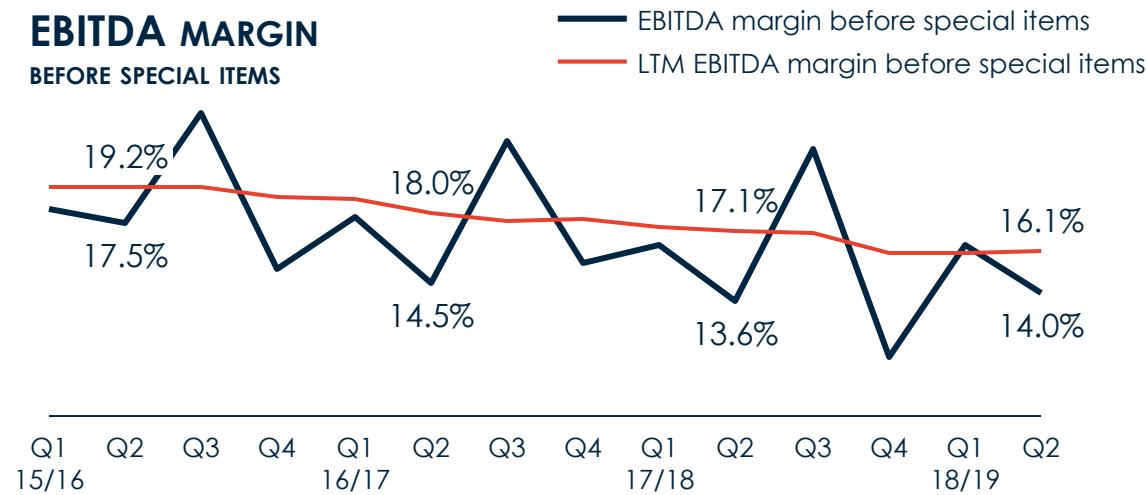


GROSS MARGIN

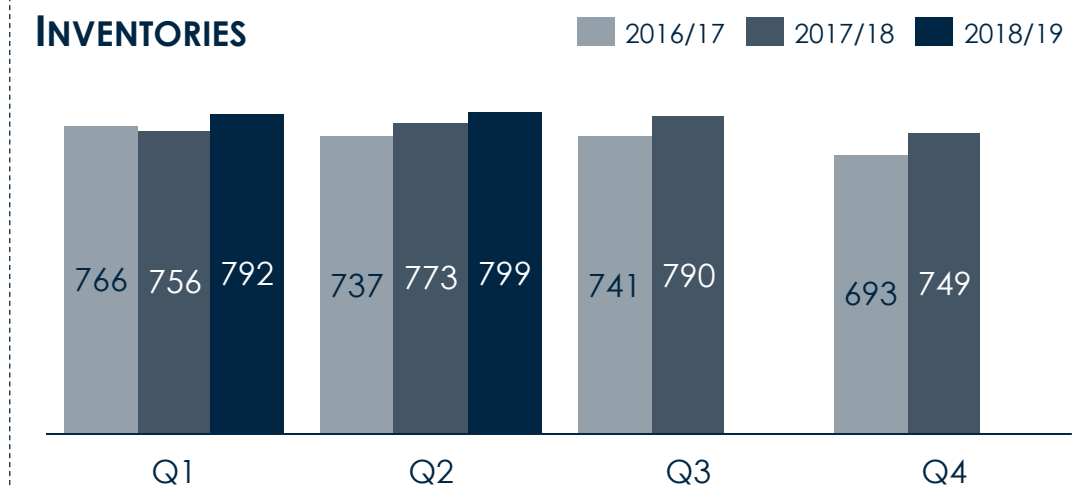


EBITDA MARGIN

BEFORE SPECIAL ITEMS



INVENTORIES



Income statement for Q2 2018/19 vs. Q2 2017/18

DKK million	2018/19 Q2	2018/19 Q1	2017/18 Q4	2017/18 Q3	2017/18 Q2	Growth Q2 vs Q2
Revenue	777	844	769	1,075	790	-1.6%
Gross profit	349	382	342	484	344	1.4%
<i>Gross margin</i>	44.9%	45.2%	44.4%	45.0%	43.6%	
Other external costs	85	74	93	88	69	23.5%
Staff costs	165	175	167	175	181	-8.6%
EBITDA	99	133	82	221	95	4.5%
Amortisation and depreciation	43	38	47	44	38	14.3%
Operating profit	56	95	35	177	57	-1.9%
Net financials	5	4	4	5	5	-6.1%
Profit before tax	51	91	31	172	52	-1.5%
Tax on profit for the period	14	20	-1	38	11	26.0%
Profit for the period	37	71	32	134	40	-9.2%
Diluted Earnings per share, DKK	0.97	1.87	0.84	3.55	1.07	-9.4%
EBITDA margin	12.8%	15.8%	10.6%	20.6%	12.0%	
Special items	9	5	2	5	13	
EBITDA before special items	109	138	84	227	107	
EBITDA margin before special items	14.0%	16.4%	10.9%	21.1%	13.6%	
Tax rate	28.1%	22.0%	-3.9%	22.0%	22.0%	
Adjusted net profit	61	90	47	155	65	-6.6%

Cash flow development

CASH FLOW OPERATING ACT.

- DKK 6 m lower than Q2 last year

INVESTMENTS

- CAPEX excl. acquisitions DKK 18 m higher than Q2 last year; no completed acquisitions

FREE CASH FLOW

- Free cash flow of DKK 6 m compared to DKK 25 m in the same period last year

CASH FLOW FINANCING ACT.

- Cash flow from financing activities was DKK 48 m lower impacted by the timing of the financing of part of the dividend payment, which was paid out in July 2018

	2018/19	2018/19	2017/18	2017/18	2017/18
DKK million	Q2	Q1	Q4	Q3	Q2
Cash generated from operations*	47	105	46	329	54
Paid interest and taxes	5	7	40	69	6
Cash flow from operating activities	42	98	6	261	48
Acquisition of PPE and intangibles	36	25	20	21	18
Acquisition of subsidiaries and activities	0	0	0	2	5
Free cash flow	6	73	-15	237	25
Cash flow from financing activities	-145	35	49	-237	-193
Net cash flow from operating, investing and financing activities	-139	108	34	0	-168

* Including changes to working capital.

Our 2023 strategy: 'Renewing Matas'

STRATEGIC TRACKS

1

Live our purpose:
Beauty & Wellbeing for life



2

Win online

3

Reignite store
growth

4

Open new
growth paths

5

Change how we work

BREAKTHROUGHS IN Q2 2018/19

1

New marketing campaign 'More Beautiful Together' ('Skønnere sammen')

2

Record high organic online growth rate
Acquisition of Firtal Group ApS

3

Development of new store concept

4

Strengthened position on the green
market

5

The new management team
Staff cost inflation more than neutralised

Online growth of 61% in Q2 2018/19 driven by





INCREASED UNDERLYING CAMPAIGN EFFICIENCY

INCREASED NON CAMPAIGN FROM IMPROVED CONVERSION

FAST DELIVERY (DAY-TO-DAY AND SAME-DAY)




The screenshot shows the Matas website interface. At the top, there's a navigation bar with the Matas logo and search bar. Below that, a large banner features a 25% discount on all gifts, with a 'SHOP HER >' button. The banner also includes a 'SLUTTER SØNDAG D. 4. NOV.' (Ends Sunday Nov 4) badge. Below the banner, there are three smaller product bundles: 'DE SKØNNESTE Julekalendere' (The most beautiful Christmas calendars), 'SKØNNE MATAS Pakkekalendere' (Beautiful Matas gift calendars), and 'SKØNNE MATAS Gaveæsker' (Beautiful Matas gift sets). Each bundle has a 'SHOP HER' button. The website also displays various brand logos like Striberne, Clinique, MAC, Lancôme, Estée Lauder, NYX, Biotherm, Dior, La Mer, Boss, and Sisley.

Guidance: Financial targets for 2018/19

 REVENUE	Unchanged level for underlying revenue (LFL between -1 and 1%)
 EBITDA MARGIN BEFORE SPECIAL ITEMS¹	Above 15%
 CAPEX TOTAL INVESTMENTS	DKK 110 – 130 m DKK 240 – 260 m
 DIVIDENDS	Despite the acquisition, Matas A/S still expects to be able to pay a dividend for the financial year 2018/19

1. Based on existing IFRS rules (IFRS16 not included).

Performance: Ambitions towards 2022/23

	2019/20 to 2022/23	2022/23
 CUSTOMER ENGAGEMENT¹	Continuous improvement	Index 110
 REVENUE²	Positive LFL from 2020/21	Around DKK 4 bn
 EBITDA MARGIN³	Harvest scale benefits online Change how we work	Above 14%

1. Measured by Matas Net Promotor Score (M-NPS). 2. Total revenue from existing business, Matas Natur and Firtal Group. 3. Based on existing IFRS rules (IFRS16 not included).

Q&A

