

A milestone and a record year

A new beginning

**M A T A S**  
**G R O U P**

Annual Report  
2023/24 presentation

28 May 2024



# Disclaimer

## **Forward-looking statements**

The annual 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

- |           |  |  |
|-----------|--|--|
| <b>01</b> | Group CEO comments and strategy update | Gregers Wedell-Wedellsborg                         |
| <b>02</b> | Financial results for 2023/24          | Per Johannesen Madsen                              |
| <b>03</b> | Guidance for 2024/25                   | Gregers Wedell-Wedellsborg                         |
| <b>04</b> | Q&A                                    | Gregers Wedell-Wedellsborg & Per Johannesen Madsen |

M

A

T

A

S



# 01 Group CEO comment and strategy update

Gregers Wedell-Wedellsborg

Group CEO

G

R

O

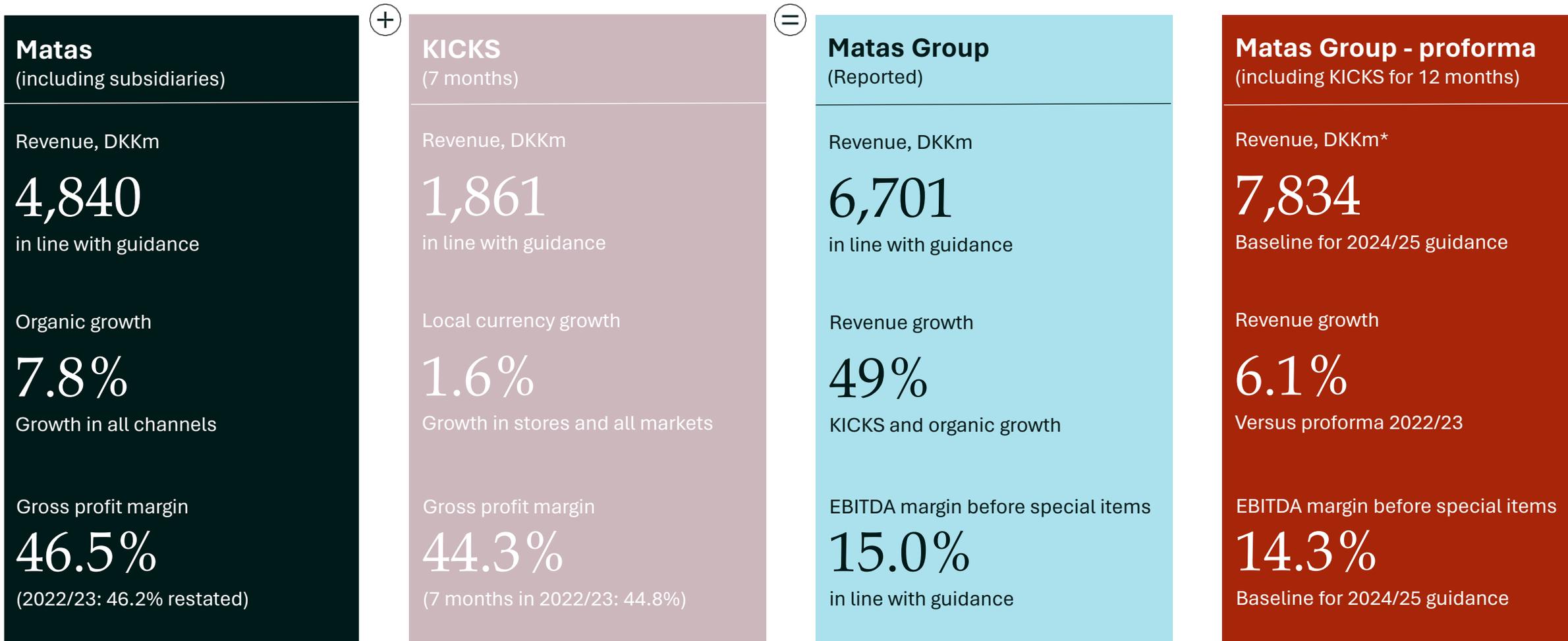
U

P

# A milestone year, a record year and a new beginning

Milestone year	Record year	New beginning
<b>Nordic #1</b>	<b>6.1% org. growth</b> (Proforma YoY)	<b>Win the Nordics</b>
Q2: Acquisition of KICKS Q3: Christmas success in Q3 Q4: Restructured organisation and supply chain	<b>DKK &gt;1 billion</b> EBITDA before special items <b>EBITDA margin 15%</b>	<ul style="list-style-type: none"><li>✓ Outgrow the market<ul style="list-style-type: none"><li>- revenue synergies and expansion</li></ul></li><li>✓ Margin improvement<ul style="list-style-type: none"><li>- cost synergies and scale</li></ul></li><li>✓ Capacity investments<ul style="list-style-type: none"><li>- automated warehouses</li></ul></li></ul>

# Financial highlights 2023/24: Matas Group proforma revenue of almost DKK 8 billion



\* Based on actual monthly exchange rates for 2023/24

# An eventful Q4 following the Christmas success in Q3



## Q4 2023/24 highlights

- **Organic growth of 4.4%** - in line with guidance
- KICKS, excluding Skincity, grew 2.3% in local currency while Skincity revenues came down in line with expectations
- **Nordic reorganisation** completed
- **Synergy realisation** on track
- **Skincity:** culled loss-making topline
- **KICKS warehouse** ramp-up, with temporary impact on stock supply/operations
- **Matas Logistics Center** construction on track and on budget



## A strong starting point: Proven track record of successful strategy execution

### Strategy 'Renewing Matas' 2017/18 – 2020/21

#### Successful digital transformation

- Improved brand to **3<sup>rd</sup> best brand in Denmark**
- **600% growth on matas.dk** in 3 years to become 2<sup>nd</sup> most used webshop in Denmark
- **Online grew from 4% to 26%** of revenues
- **Upgraded 49 of 264 stores** of which all but two were profitable despite COVID-19
- Added 11 digital verticals through **acquisition of Firtal** and acquired **#1 Danish makeup brand, Nilens Jord**

### Strategy 'Growing Matas Group' 2021/22 – 2023/24

#### Successful assortment expansion

- Assortment expanded with **>1,100 new brands, driving 50% of revenue growth**
- **Club Matas reached 1.9 million club members**, of which 100,000 are paying members
- **Comeback for physical stores** after COVID-19 lockdowns
- **Online grew to ~30%** of revenues
- **8% organic growth** across four consecutive financial quarters
- **Acquisition of KICKS Group**, the largest Nordic peer

### Strategy 'Win the Nordics' 2024/25 –

#### Starting from 'pole position'

- **#1 in Beauty and Wellbeing** across Nordics, with more than twice the size of #2 in the market
- **Significant headroom for growth** with 11% market share
- Strongest **top-of-mind retail banners**
- Direct access to and 1<sup>st</sup> party data from **+5 million loyalty club members**
- Nordic structure with **local market facing functions** and group functions to **leverage synergies and scale**
- On track to **deliver DKK >140 million in EBITDA synergies** by 2025/26

# The KICKS acquisition unlocks a long-term profitable growth opportunity for Matas Group

- A **big and attractive unconsolidated Nordic Beauty and Wellbeing market** with underlying growth above GDP
- A vision to **strengthen our leading market position** across markets, channels and core categories
- A **strong starting point** with a hard-to-copy business model that can be scaled across all Nordic markets
- **Six Group strategic priorities** to outgrow the market while realising synergies and scale effects to improve margins
- A **seasoned Nordic Executive Team** with a proven track record

## Mid-term financial ambition

>10 billion

DKK, in 2027/28. Organic growth fuelled by continued assortment expansion and e-commerce proposition, improving the customer experience both in store and online

15% – 16%

**EBITDA margin<sup>1</sup> between 15%-16%** in 2027/28, supported by operating leverage, synergies and automated logistic centres

2 – 3x

**Gearing** will remain between **2-3x of EBITDA**

>20%

**Dividend and share buy-back** of minimum **20%** of adjusted net profit



Leading to annual **double-digit earnings per share growth**

M A T A S



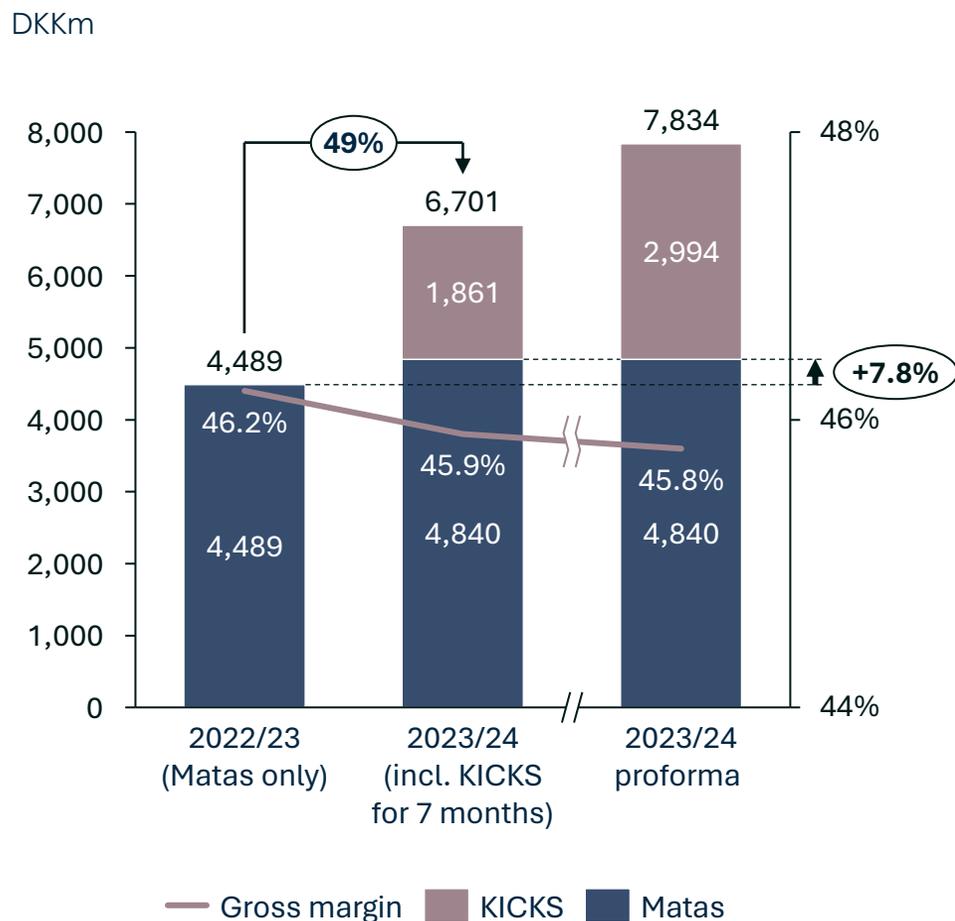
## 02 Financial results 2023/24

Per Johannesen Madsen  
Group CFO

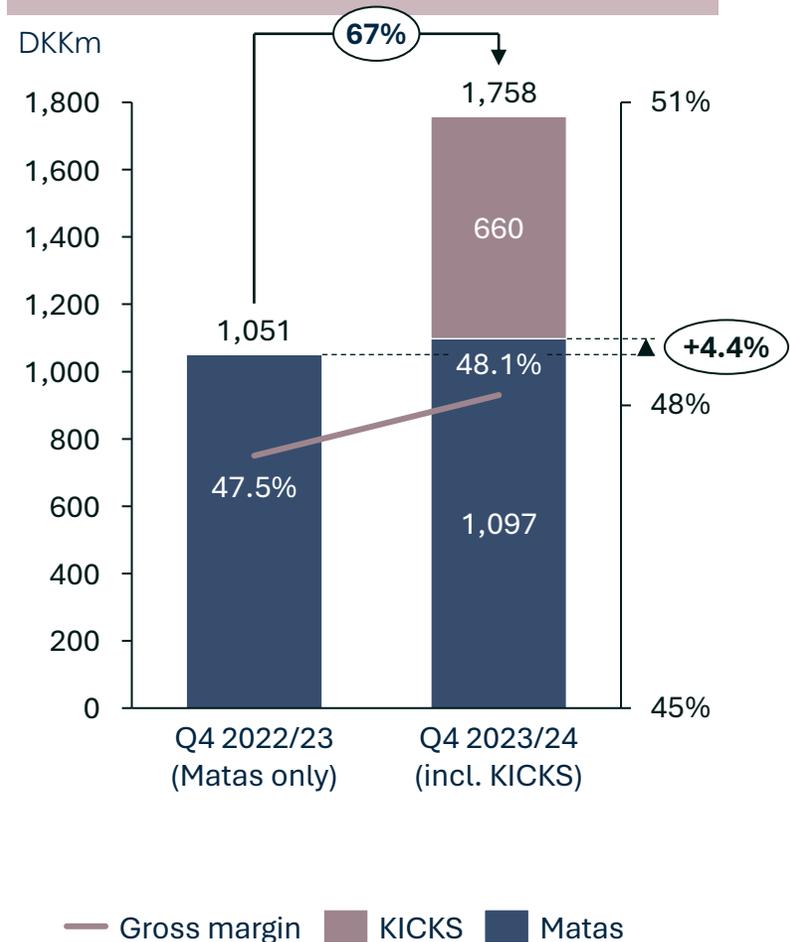
G R O U P

Revenue in line with guidance and organic growth of 7.8% with growth in all channels.  
 Proforma revenue of DKK 7.8 billion forms the baseline for 2024/25 guidance

### Revenue & Gross margin – full year



### Revenue & Gross margin – Q4



### Full year performance

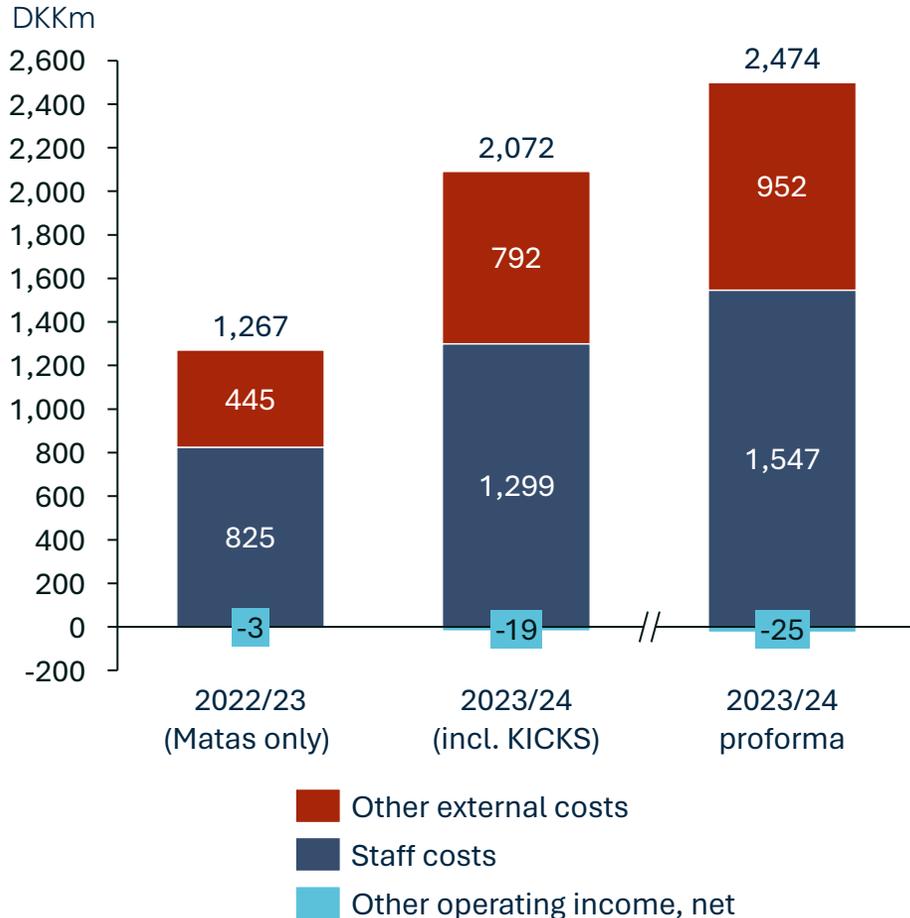
- Reported revenue of DKK 6.7 billion in line with upgraded guidance from 9 January 2024
- Organic growth of 7.8%
- Online organic growth of 23.8%
- KICKS grew ~2% in local currency
- Proforma revenue (had we owned KICKS for 12 months) was DKK 7.8 billion and forms the baseline for 2024/25 revenue guidance

### Q4 performance

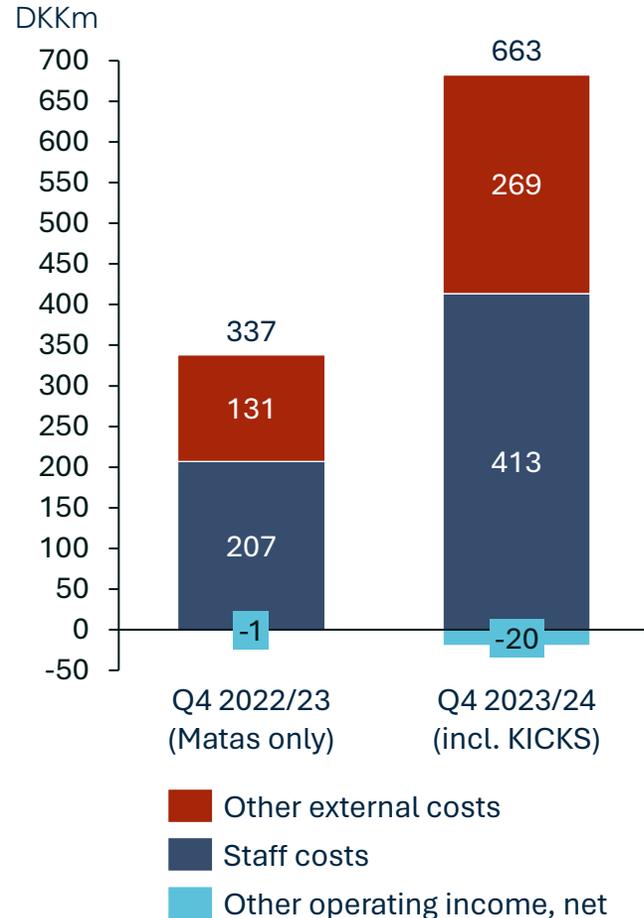
- Organic growth of 4.4%
- Gross profit margin improved due to product mix and lower campaign pressure

# Costs driven by adding KICKS as well as increased online sales and continued assortment expansion

## New cost split – full year



## Costs – Q4



### Full-year costs

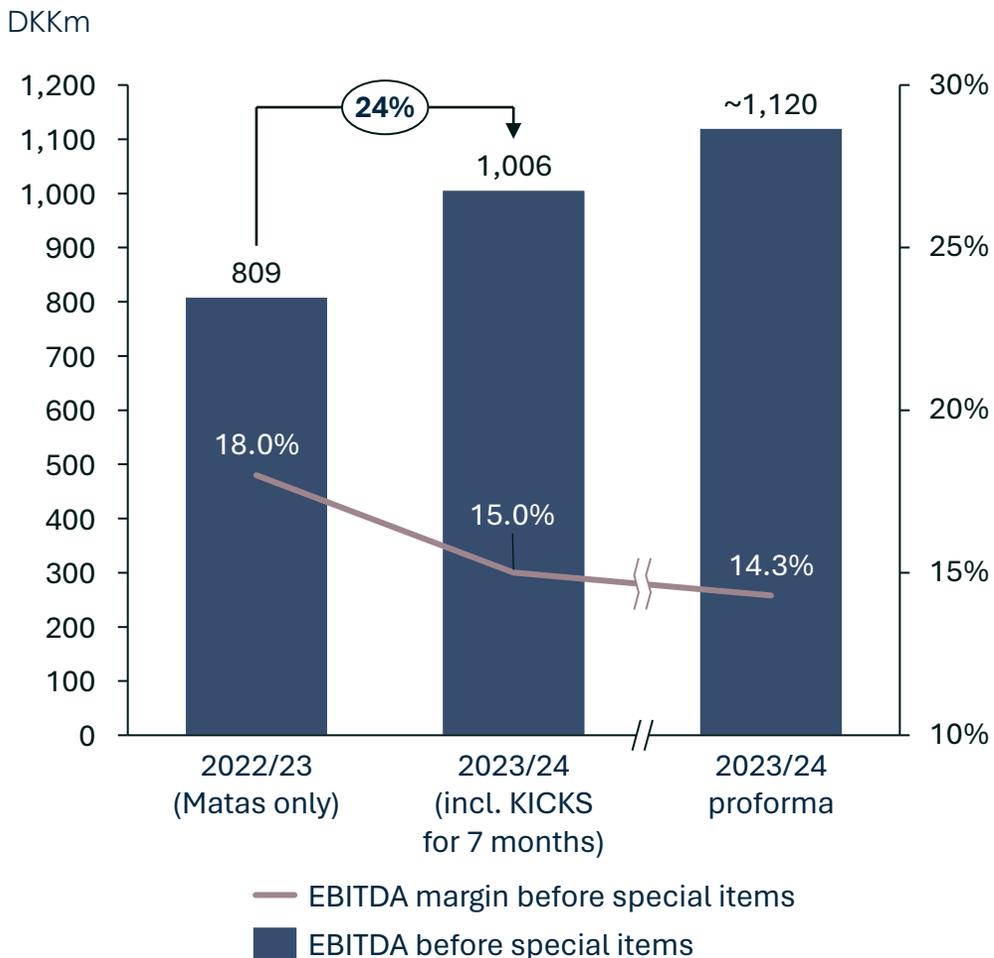
- Costs in 2023/24 include KICKS for 7 months of ownership, impacting both staff costs and other external costs
- Further drivers for staff costs include recruitment of new competencies and increased online sales
- Further drivers for other external costs include assortment expansion and digital growth
- Other operating income, net was driven by income from merchandising and promotions for suppliers in stores at KICKS and insurance compensation in Matas

### Q4 costs

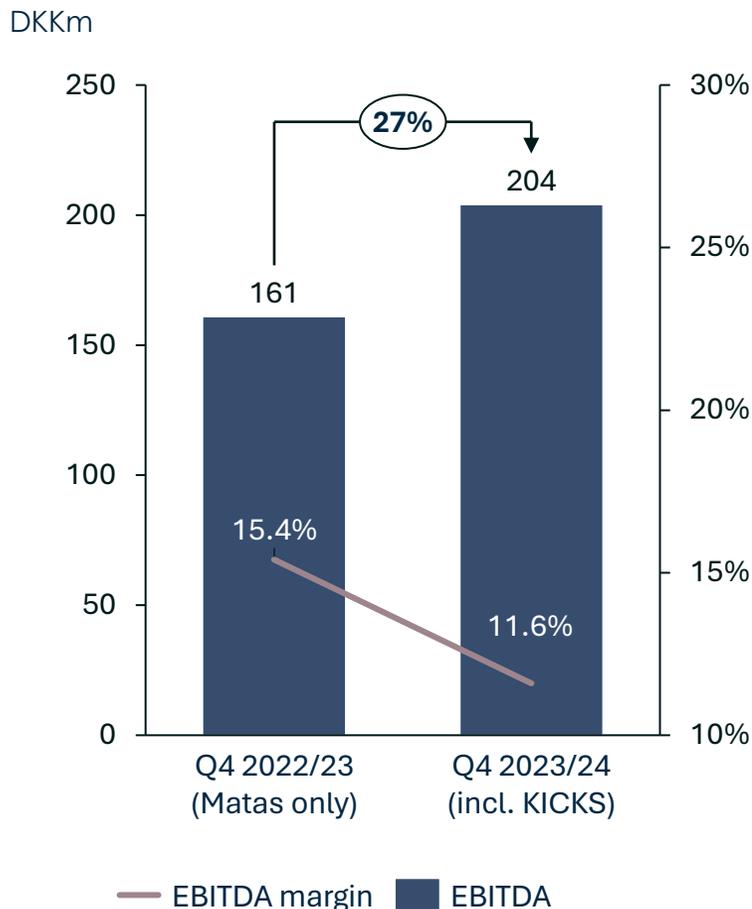
- Other external costs driven by adding KICKS, ongoing digitalisation, assortment expansion and digital growth
- Q4 staff costs driven by adding KICKS, recruitment and increased online sales

EBITDA margin before special items of 15.0% in 2023/24 in line with guidance.  
 Proforma EBITDA of 14.3% forms the baseline for 2024/25 guidance

**EBITDA & EBITDA margin before special items – full year**



**EBITDA & EBITDA margin before special items – Q4**



**Full-year EBITDA**

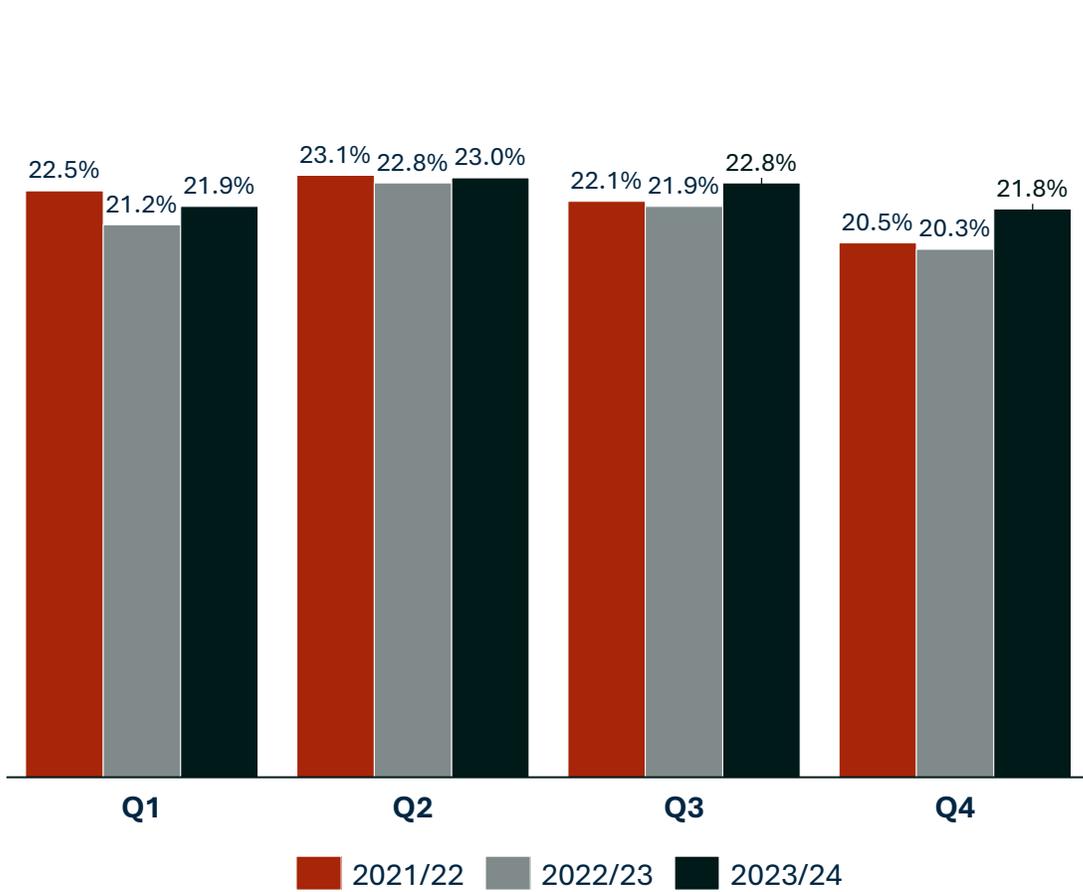
- Reported EBITDA before special items passed the DKK 1 billion mark for the first time
- EBITDA margin before special items of 15.0% - in line with guidance
- Proforma EBITDA margin before special items (had we owned KICKS for 12 months) was 14.3% and forms the baseline for 2024/25 revenue guidance

**Q4 EBITDA**

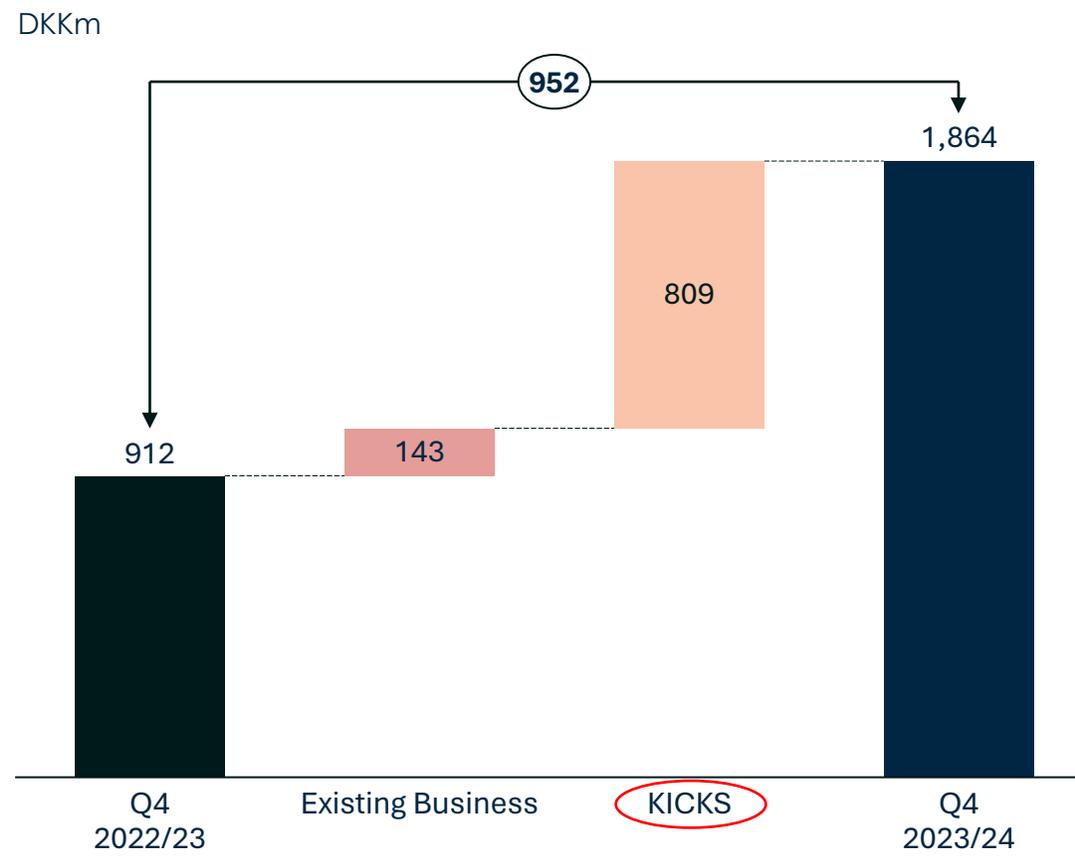
- Q4 EBITDA margin before special items in line with implied guidance for Q4
- Q4 is the seasonally lowest EBITDA quarter for KICKS

# Inventories increased by DKK 952 million from 31 March 2023, driven by adding KICKS inventory and continued assortment expansion

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

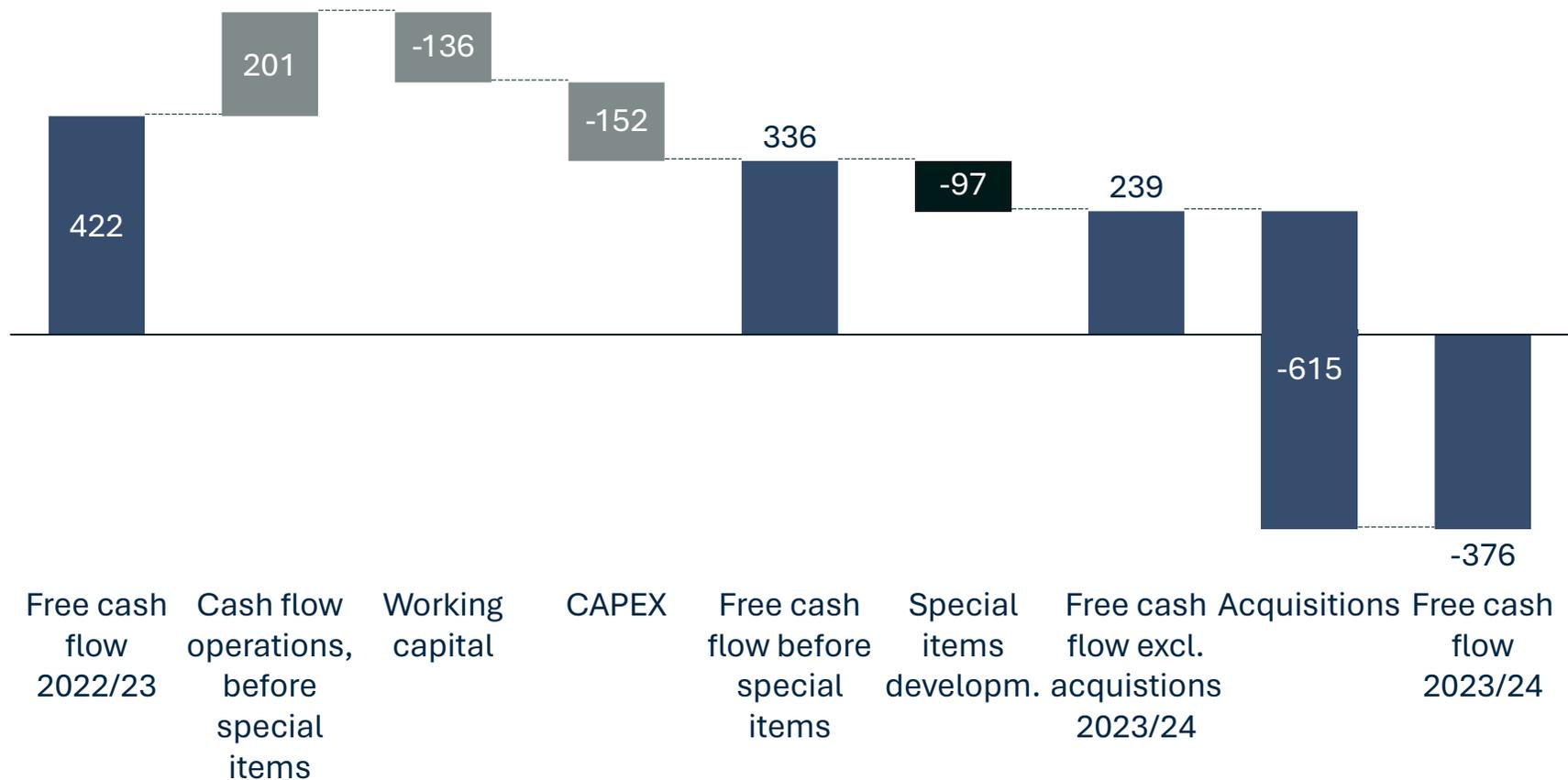


**Change in inventories DKKm**



# Free cash flow from operations improved. Working capital impacted by adding KICKS inventory and receivables

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

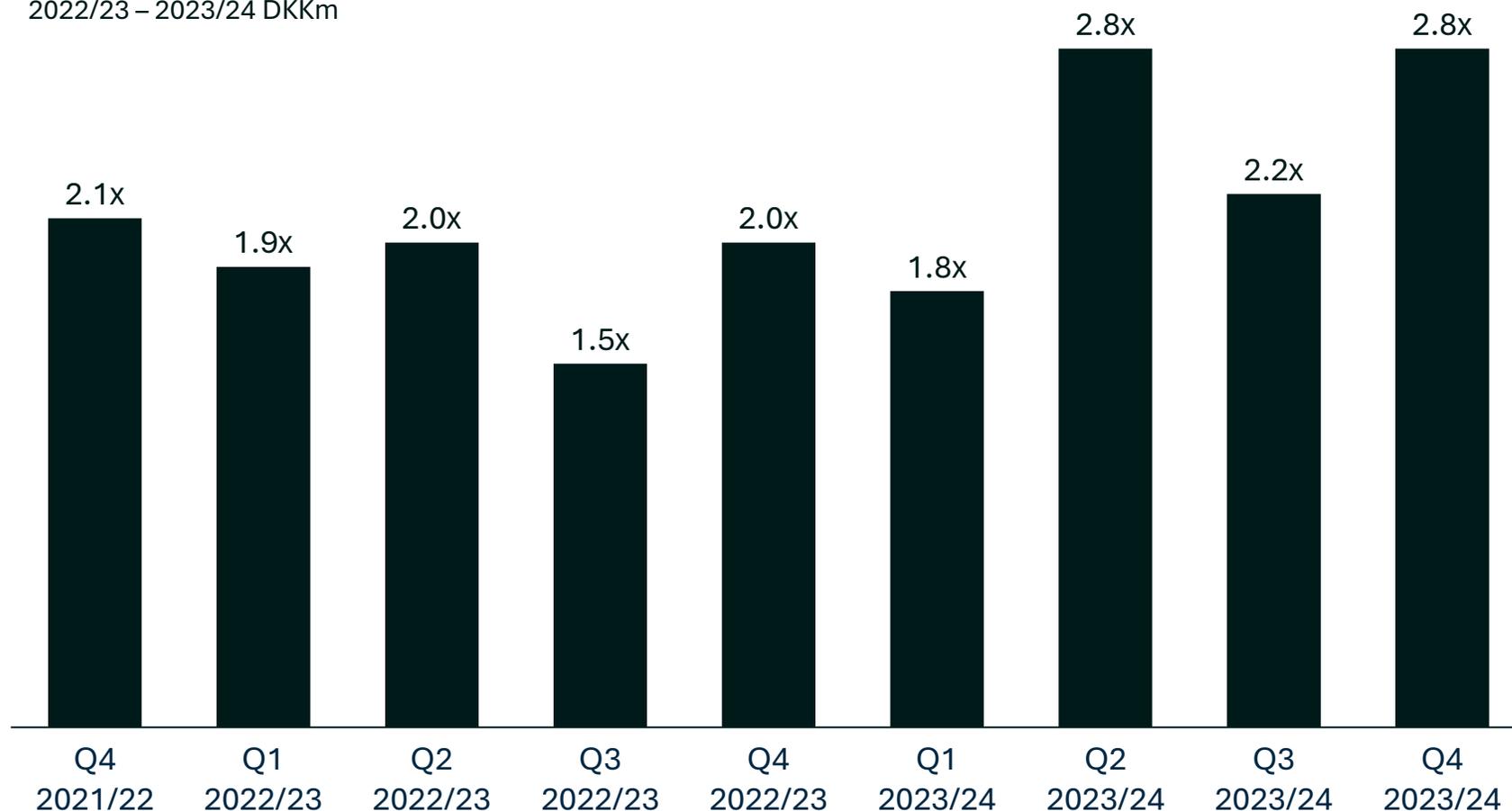


- Cash flow from operations before special items improved by DKK 201 million
- Net change in working capital was driven mainly by increased inventory and increased receivables from adding KICKS
- CAPEX spend was below guidance, mainly due to timing of Matas Logistics Center (MLC)
- MLC is progressing according to plan and original estimate for MLC is unchanged, however with some CAPEX spend moved from 2023/24 to 2024/25
- Net cash outflow in 2023/24 due to acquisition of KICKS and higher working capital

# Gearing

## Matas Group NIBD / LTM EBITDA before special items

2022/23 – 2023/24 DKKm



- Gearing increased to 2.8x in Q4 2023/24, due to higher net interest-bearing debt including the Q4 adjustment of lease liabilities
- 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
- In Q4, Matas refinanced the acquisition bridge facility and increased the amount available in the Revolving Credit Facility

M A T A S



03  
Guidance for  
2024/25

Gregers Wedell-Wedellsborg  
Group CEO

G R O U P

# Financial guidance 2024/25: The baseline is 2023/24 proforma

## 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%**

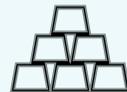


EBITDA margin (before special items)



**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 forwards 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.

CMD today at 13.00 CET livestreamed on our website

# WIN THE NORDICS

Presentations will be available on:  
[www.matasgroup.com](http://www.matasgroup.com)



**M**

**A**

**T**

**A**

**S**



04  
Q&A

**G**

**R**

**O**

**U**

**P**

M A T A S

Thank you!

G R O U P