matas

"Good advice makes the difference"

Matas | Q2 2013/14 results

Forward looking statements

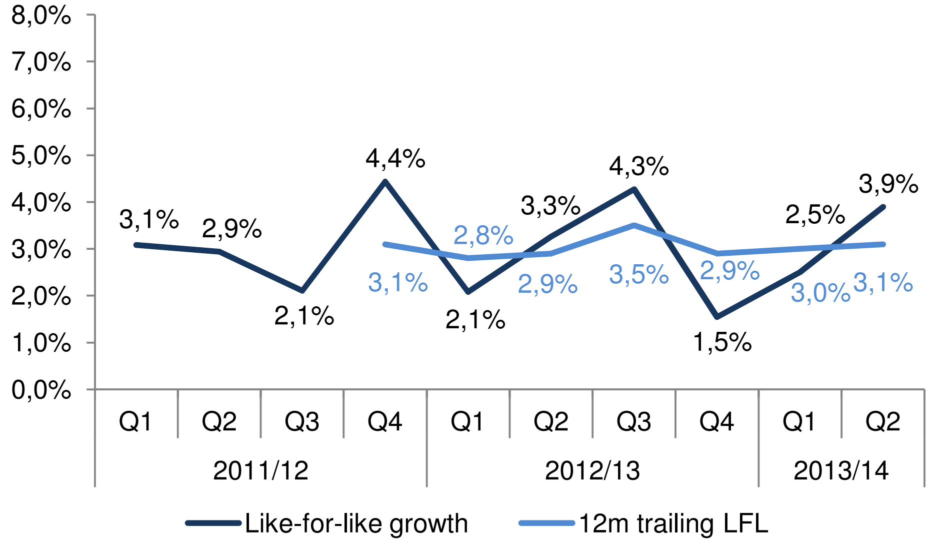
This presentation contains statements relating to the future, including statements regarding Matas A/S' future operating results, financial position, cash flows, business strategy and plans for the future. The statements can be identified by the use of words such as "believes", "expects", "estimates", "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.

Highlights - Q2 2013/14

- Increase in net revenues of 5.2% in Q2 2013/14
- Like-for-like growth of 3.9%
- Gross margin unchanged at 44.7% compared to Q2 2012/13
- Adjusted EBIT realised at DKK 116m (+6.7%) equal to an Adjusted EBIT margin of 14.9%
- Adjusted profit after tax for the period of DKK 81m (+5%)
- Free cash flow was DKK 71m compared to DKK 56m in Q2 2012/13.
- NIBD of DKK 1,719m 30 September, corresponding to 2.8x 12m trailing Adjusted EBITDA
- Unfavourable development in the two tax cases in September
- 2013/14 guidance for sales growth and Adjusted EBIT margin reiterated
- 6 associated stores were acquired 1 November and the terms of trading with certain amendments were extended to 2025 for 28 of 29 of the owners of associated stores

Sales development in Q2 2013/14

- Revenues in own retail stores increased 6.6% with like-for-like growth of 3.9%
- Continued positive development in sales density and sale per transaction
- Online sales up 50% y/y in Q2
- Sales in Beauty increased by 7% with approx. 1%-point stemming from acquisitions
- Solid and broad based sales performance in mass beauty
- Improved sales in high-end beauty in Q2 means that H1 2013/14 sales up y/y
- Flat MediCare sales
- Wholesale to associated stores down 10% due to the acquisition of stores

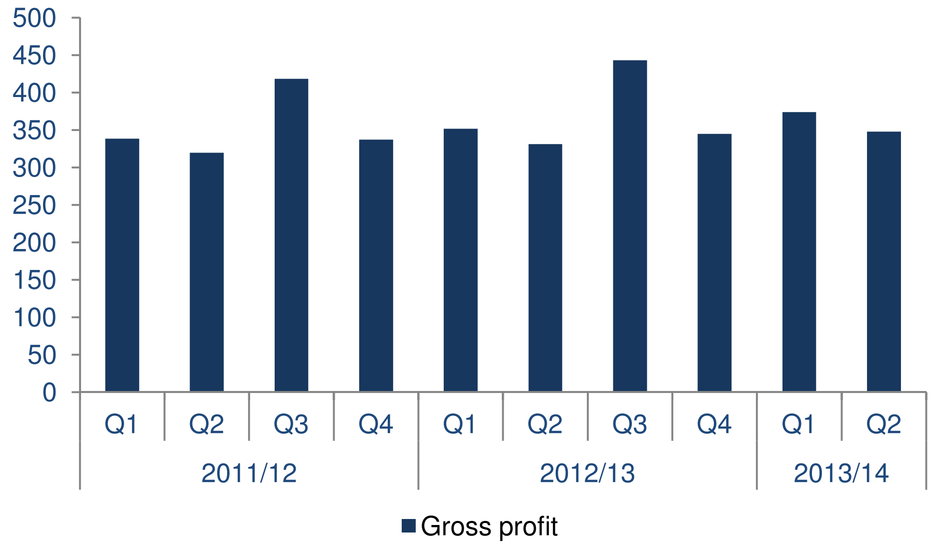


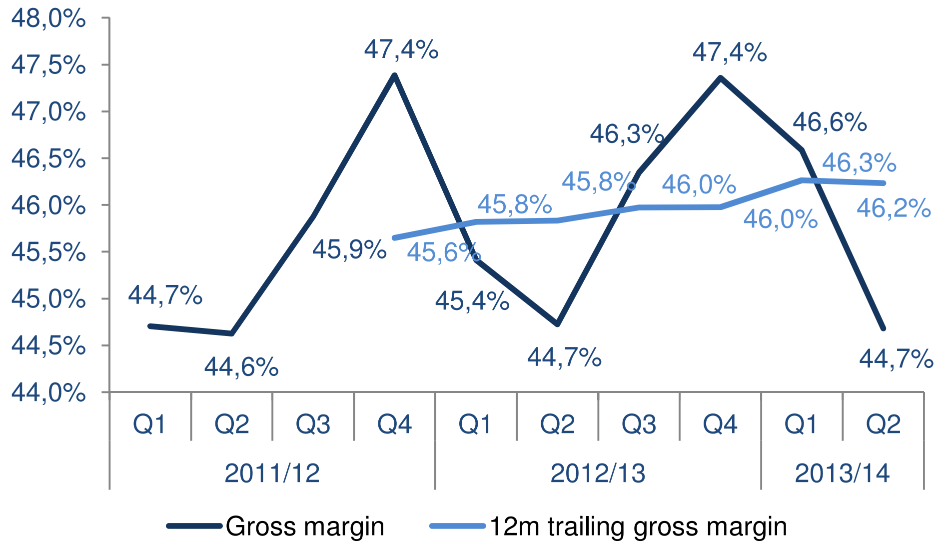
DKK million	2013/14 Q2	2012/13 Q2	Growth
Beauty	522	487	7,1%
Vital	78	74	4,6%
Material	71	66	6,8%
MediCare	44	44	0,0%
Other including Sweden	9	7	33,8%
Total revenue from own retail stores	723	678	6,6%
Sales of goods to associated stores	56	62	-9,8%
Total revenue	779	741	5,2%

matas

Gross margin unchanged in Q2 2013/14

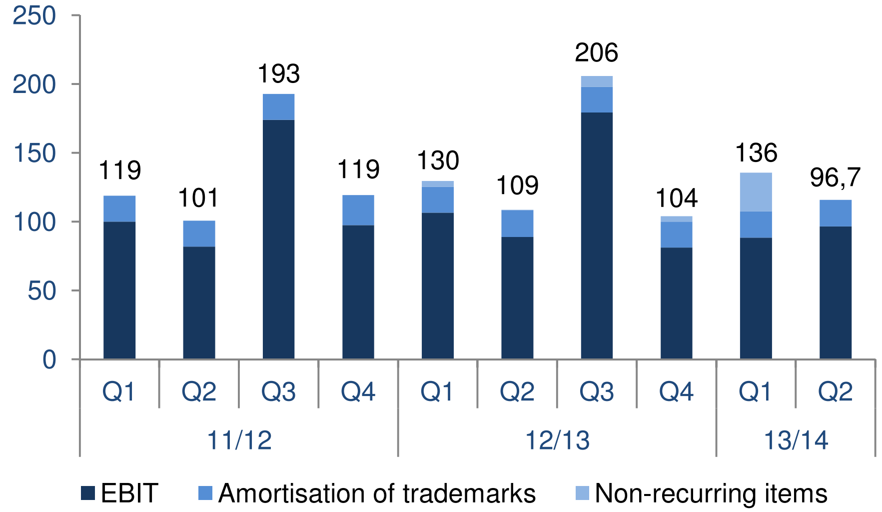
- Gross profit increased 5% y/y to DKK 348m
- Flat gross margin compared to Q2 2012/13
- Underlying positive effect from new high-end distribution set-up offset by normal fluctuations
- 12m trailing gross profit margin unchanged compared to Q1 2013/14

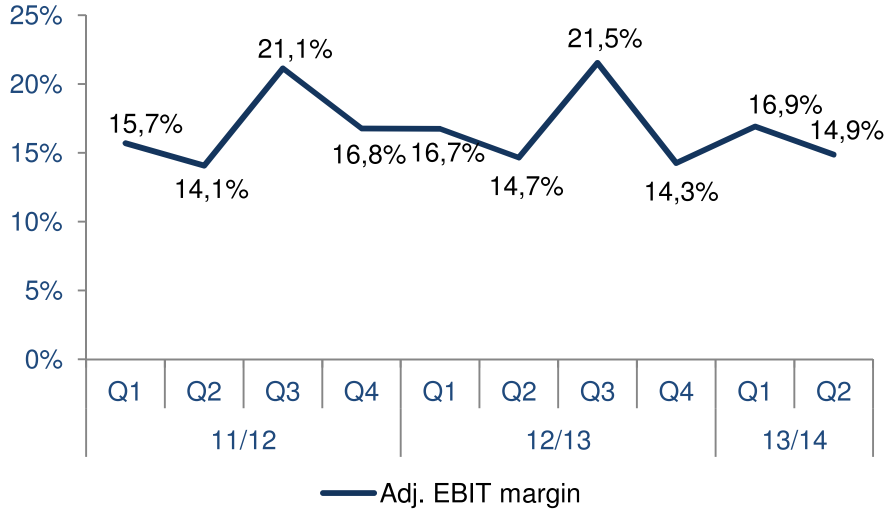




Adjusted EBIT margin of 14.9% in Q2 2013/14

- Reported EBIT increased 9% y/y in Q2 and included no extraordinary items
- Adjusted EBIT increased 7% y/y to DKK 116m with the margin up 20bp to 14.9%
- Other external costs fell DKK 2m y/y and dropped to 8.1% in percentage of sales versus 8.7% in Q2 2012/13. Compared to Q1 2013/14 Other external costs (excluding IPO costs) dropped 10m related to marketing.
- Staff costs increased 8% y/y to 19.9% of sales compared to 19.4% last year. The underlying increase q/q excluding IPO cost was 4m or 2.7%.





matas

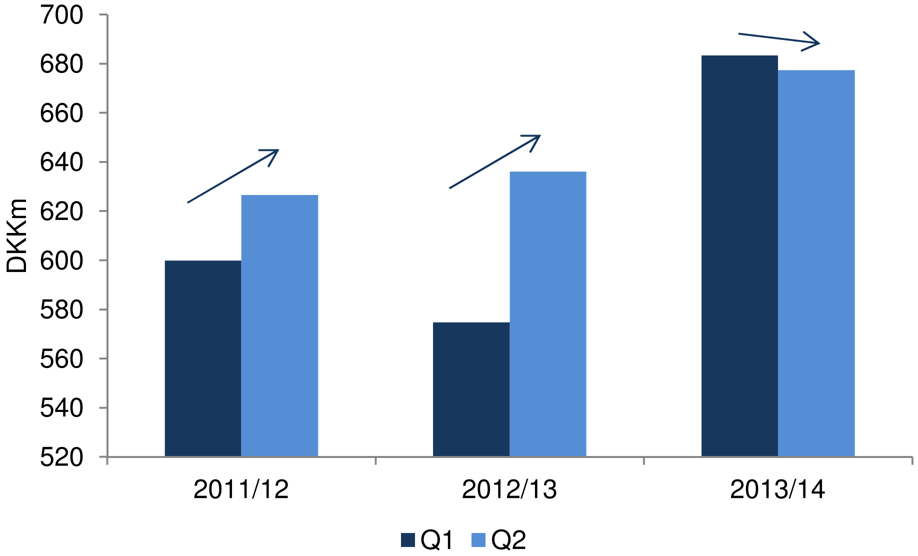
Income statement – Q2 2013/14

DKK million	2013/14 Q2	2012/13 Q2	Growth
Revenue	**779**	**741**	**5%**
Gross profit	**348**	**331**	**5%**
Gross margin	44,7%	44,7%	
Other external costs	-63	-64	-2%
- of which non-recurring costs	**0**	**0**	**-**
Staff costs	-155	-144	8%
EBITDA	**130**	**123**	**6%**
Amortisation, depreciation and impairment losses	-34	-34	-1%
Operating profit	**97**	**89**	**9%**
Net financials	-11	-20	-43%
Profit before tax	85	69	24%
Tax on profit for the period	-19	-23	-19%
Profit for the period	**66**	**46**	**45%**
Earnings per share, DKK	**1,63**	**1,12**	**46%**
Adjusted EBITDA	**130**	**123**	**6%**
Adjusted EBIT	**116**	**109**	**7%**
Adjusted profit after tax	**81**	**60**	**34%**

matas

Update on inventories and net working capital

- Inventories decreased 30 September 2013 compared to a seasonally based increase seen in previous years
- Inventories are still too high following the new high-end distribution change
- Ambition to reduce inventories over the coming quarters
- Payables fell during Q2 due to payment of IPO costs and focus on inventory reduction



	2013/14 Q1	2013/14 Q2	2013/14 H1
Change in inventories	-68	6	-62
Change in receivables	-4	8	4
Change in trade and other payables	-5	-48	-53
- trade payables	-1	-24	-24
- other payables	-4	-25	-29
Total change in net working capital	**-77**	**-34**	**-111**

Cash flow development

- Free cash flow increased to DKK 71m compared to 56m in Q2 2012/13
- Capex of DKK 14m unchanged
- Financing activities includes the purchase of DKK15m of own shares in the IPO and the net effect from the new loan facility
- Six associated stores acquired for approx. DKK77m after the end of the quarter

Cash flow statement (DKK million)	2013/14 6M	2013/14 Q2	2013/14 Q1	2012/13 6M	2012/13 Q2	2012/13 Q1
Operating cash flow before change in net working capital	226	119	107	215	98	117
Changes in net working capital	-111	-34	-77	-39	-24	-15
Cash flow from operating activities	115	85	30	176	74	102
Acquisition of property, plant and equipment etc.	-30	-14	-16	-27	-15	-12
Acquisition of subsidiaries and activities	-11	0	-11	-3	-3	0
Free cash flow	74	71	3	146	56	90
Cash flow from financing activities	-369	-40	-329	-87	0	-87
Net cash flow from operating , inv. and fin. activities	-294	31	-325	59	56	3

Update on the two tax cases

The withholding tax case

- Matas was informed by the Danish tax authorities in September that Matas should have withheld taxes on accrued interest on certain shareholder loans in 2006-2009.
- The decision resulted in a tax claim of approximately DKK 86m which Matas for interest reasons subsequently decided to pay while at the same time appealing the decision to the Danish Tax Tribunal.

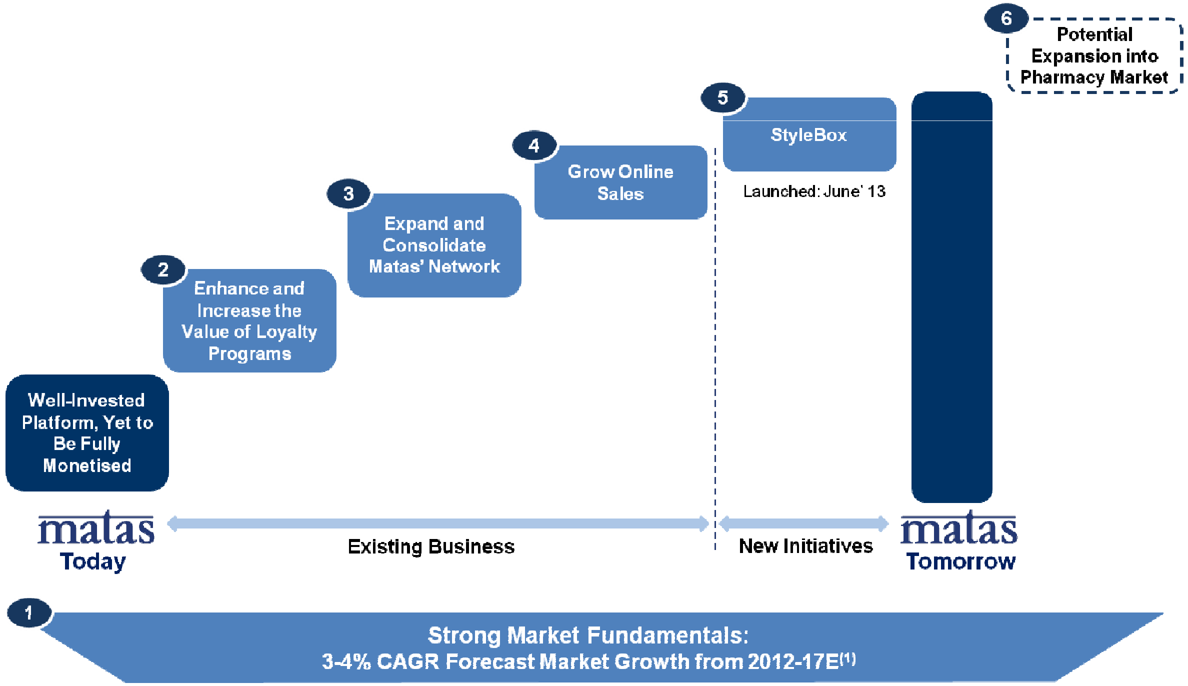
The transaction cost case

- The Danish Tax Tribunal upheld in September the decision by the Danish tax authorities denying Matas A/S deductibility on certain transaction costs related to the CVC led acquisition in 2007
- The taxable income for the years 2006-2009 will consequently be raised by DKK126m
- Matas has decided to take the decision to the court system

matas

Update on strategic priorities for 2013/14

2. Continue the development of Club Matas and unlocking the full commercial potential
3. Integration of the acquired six associated stores
4. Focus on developing the online platform with more new product categories and opening of the StyleBox webshop
5. Continue the roll-out/test of the StyleBox concept
6. Prepare to act if the pharmacy market will be deregulated in March 2014



Outlook for 2013/14 , Capital Structure and Dividend Policy

FY2013/14 Outlook	■ Revenue growth is expected to be **slightly higher** than the growth in the last financial year ■ Adjusted EBIT margin **expected to be in line with or slightly above** margin in the last financial year ■ Above excludes impact of i) StyleBox[(1)] ii) any potential acquisition of Associated Stores, iii) IPO costs
StyleBox	■ Total investment of up to approx. DKK 25m in FY13/14 ■ Within that, includes DKK 14m related to capital expenditure, working capital and inventory building ■ Net negative impact on Adjusted EBIT of approx. **DKK 7-10m** due to start-up costs in FY13/14 ■ Up to 7 of 9 acquired stores expected to be rebranded and reopened under “StyleBox” during FY13/14
Capital Structure	■ Targeted leverage ratio of ~2x Net Debt / EBITDA in the near-to-medium term
Dividend Policy	■ At least 60% of Adjusted Profit After Tax[(2)], to be distributed through dividends or share buybacks ■ Further excess capital is intended to be distributed once target leverage ratio reached

1. Net impact of the launch and roll-out of StyleBox and related Esthetique acquisition costs
2. Adjusted Profit After Tax is IFRS profit for the year plus the tax-adjusted impact of amortisation of intangibles and impairment losses and Offering-related costs in FY2013/14