



MATAS Q3 2018/19

GROWTH IN THE CHRISTMAS QUARTER AND ACCELERATED DIGITAL BUILD-UP

RESULTS UPDATE 7 FEBRUARY 2019

CEO comment: Q3 2018/19 in numbers

Revenue

DKK **1,092.6** million

Q3 2017/18: DKK 1,074.8m

EBITDA before special items

DKK **206.0** million

Q3 2017/18: DKK 227.0 m

Underlying (like-for-like) growth of

0.5%

Q3 2017/18: -0.8%

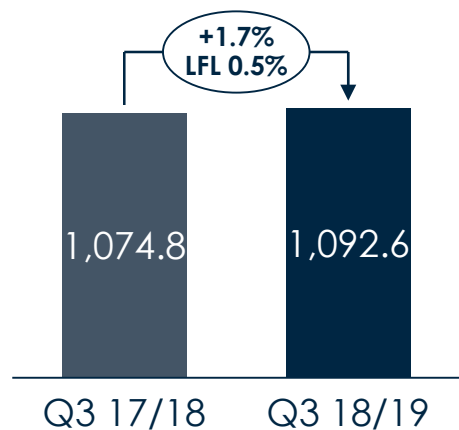
EBITDA margin before special items

18.8%

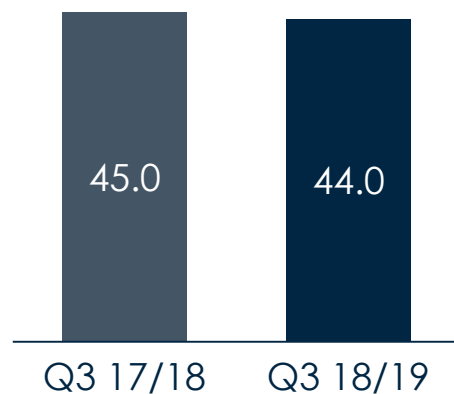
Q3 2017/18: 21.1%

Overview: Q3 2018/19 vs. Q3 2017/18

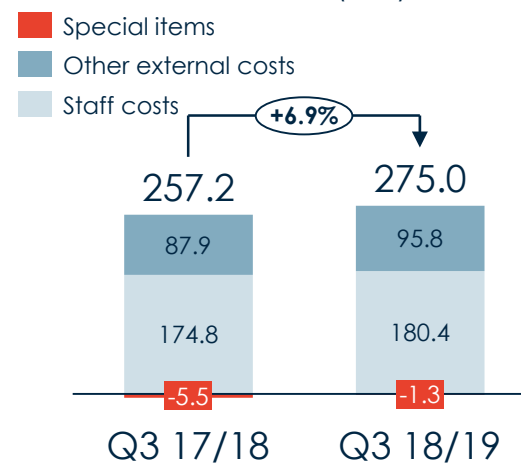
Revenue (DKK m)



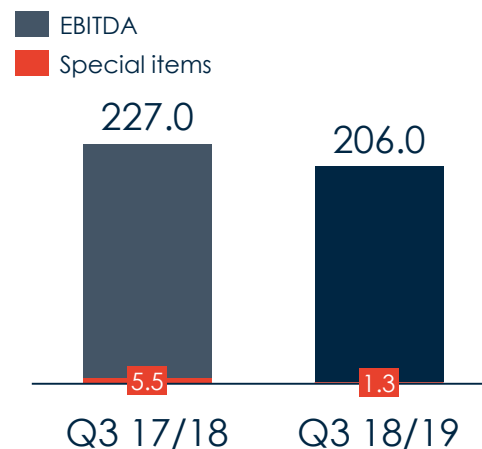
Gross margin (%)



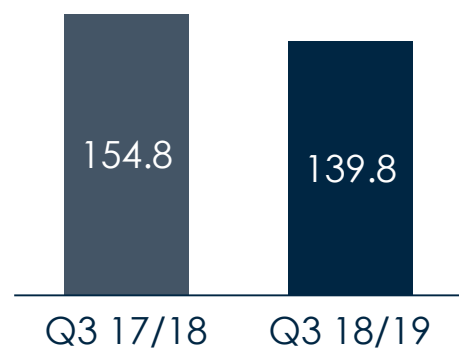
Cost (DKK)



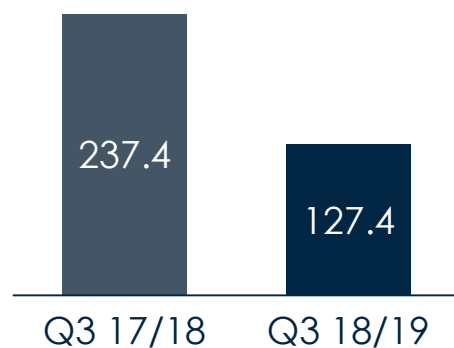
EBITDA BEFORE SPECIAL ITEMS (DKK m)



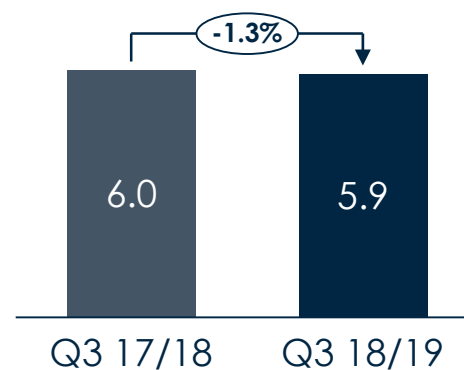
Adj. net profit (DKK m)



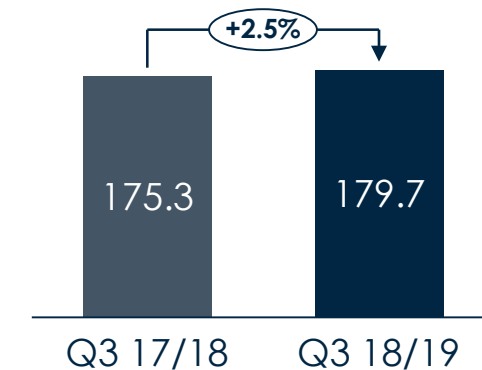
Free cash flow (DKK m)



Transactions (# m)

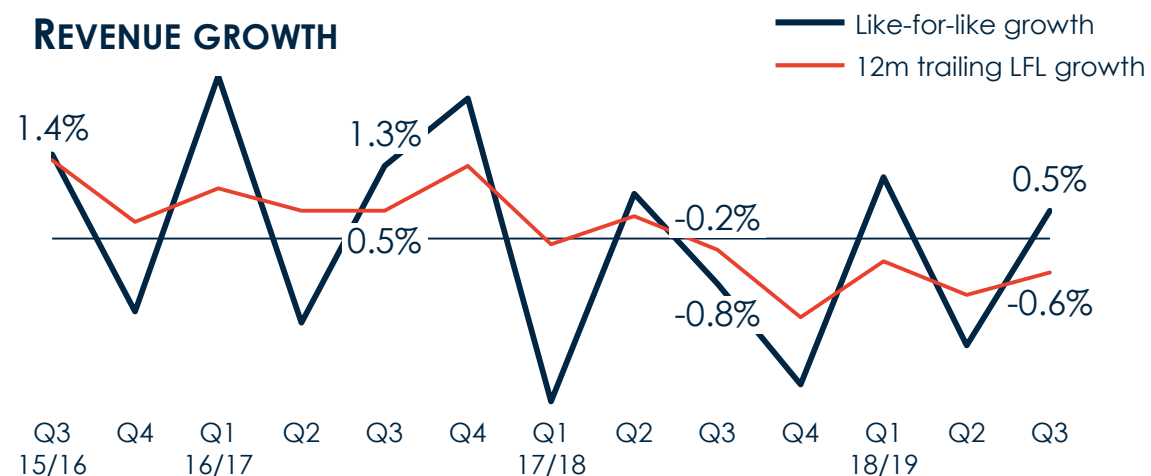


Basket size (DKK)

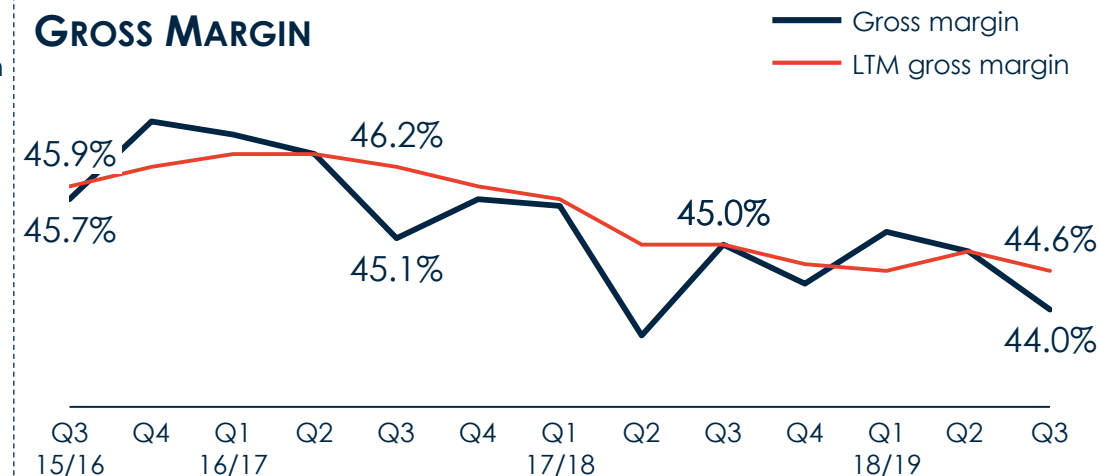


Quarterly developments from Q3 2015/16 to Q3 2018/19

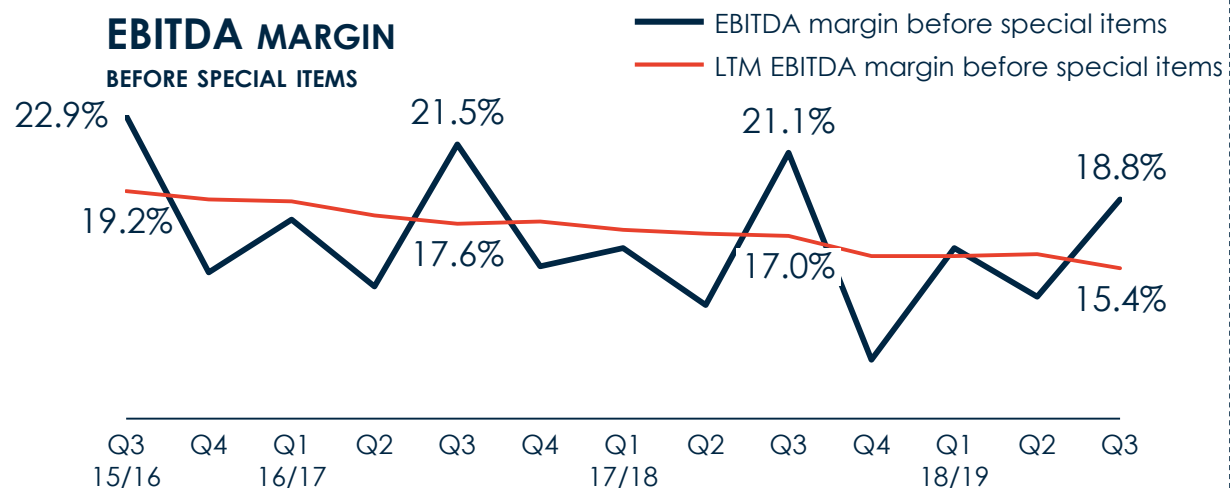
REVENUE GROWTH



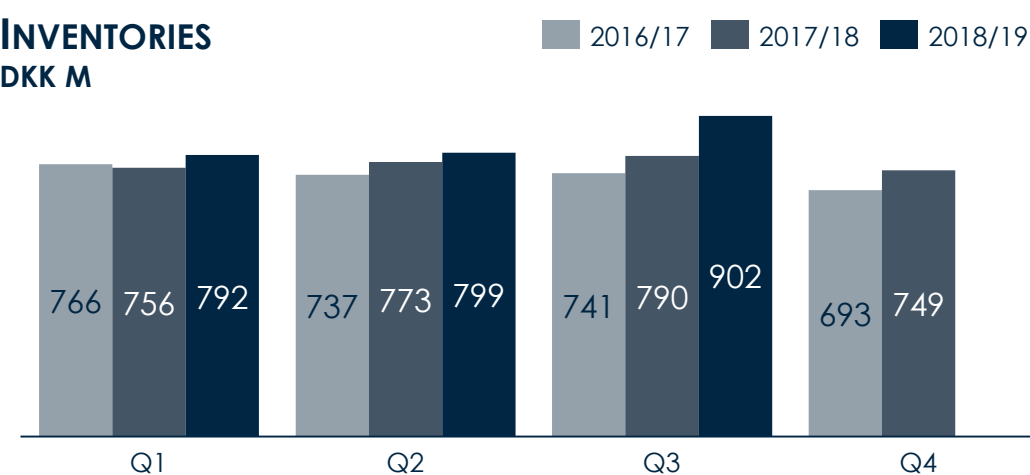
GROSS MARGIN



EBITDA MARGIN



INVENTORIES DKK M



Income statement for Q3 2018/19 vs. Q3 2017/18

DKK million	2018/19 Q3	2018/19 Q2	2018/19 Q1	2017/18 Q4	2017/18 Q3	Growth Q3 vs Q3
Revenue	1,093	777	844	769	1,075	1.7%
Gross profit	481	349	382	342	484	-0.7%
<i>Gross margin</i>	44.0%	44.9%	45.2%	44.4%	45.0%	
Other external costs	96	85	74	93	88	9.0%
Staff costs	180	165	175	167	175	3.2%
EBITDA	205	99	133	82	221	-7.6%
Amortisation and depreciation	42	43	38	47	44	-5.4%
Operating profit	163	56	95	35	177	-8.1%
Net financials	6	5	4	4	5	16.5%
Profit before tax	157	51	91	31	172	-8.9%
Tax on profit for the period	35	14	20	-1	38	-9.0%
Profit for the period	122	37	71	32	134	-8.8%
Diluted Earnings per share, DKK	3.21	0.97	1.87	0.84	3.55	-9.6%
EBITDA margin	18.7%	12.8%	15.8%	10.6%	20.6%	
Special items	1	9	5	2	5	
EBITDA before special items	206	109	138	84	227	
EBITDA margin before special items	18.8%	14.0%	16.4%	10.9%	21.1%	
Tax rate	22.0%	28.1%	22.0%	-3.9%	22.0%	
Adjusted net profit	140	61	90	47	155	-9.7%

Cash flow development

CASH FLOW OPERATING ACT.	<ul style="list-style-type: none"> • DKK 6 m higher than Q3 last year
INVESTMENTS	<ul style="list-style-type: none"> • CAPEX and acquisitions DKK 116 m higher than Q3 last year due to the acquisition of Firtal Group ApS (DKK 110.7 m in Q3 2018/19)
FREE CASH FLOW	<ul style="list-style-type: none"> • Free cash flow of DKK 127 m compared to DKK 237 m in the same period last year
CASH FLOW FINANCING ACT.	<ul style="list-style-type: none"> • Cash flow from financing activities was DKK 121 m lower than the same period last year due to the acquisition of Firtal Group

DKK million	2018/19 Q3	2018/19 Q2	2018/19 Q1	2017/18 Q4	2017/18 Q3
Cash generated from operations*	337	47	105	46	329
Paid interest and taxes	71	5	7	40	69
Cash flow from operating activities	266	42	98	6	261
Acquisition of PPE and intangibles	28	36	25	20	21
Acquisition of subsidiaries and activities	111	0	0	0	2
Free cash flow	127	6	73	-15	237
Cash flow from financing activities	-116	-145	35	49	-237
Net cash flow from operating, investing and financing activities	11	-139	108	34	0

* 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 Q3 2018/19

1

Execution of 'More Beautiful Together' and preparation of Matas 70 years anniversary

2

Market share gain online with matas.dk
Acquisition of Firtal Group ApS completed

3

Record high Black Friday sales
Development of new store concept

4

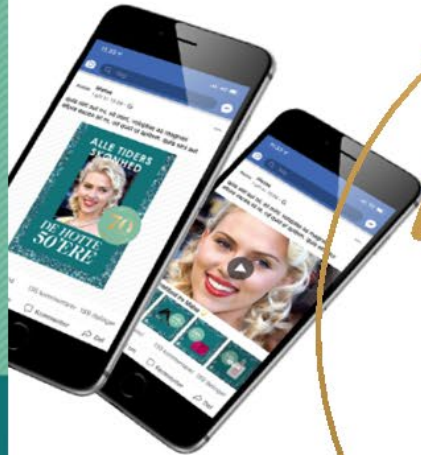
19% growth in Vital driven by the Firtal acquisition, campaigns and Matas Natur

5

Strengthening of the management team with CCO and Supply Chain Director

1 | Live our purpose: Celebrating 'Matas since 1949'

NEW MEDIA



NEW STRIPES



NEW STORE CONCEPT



2 | Win online: Fuelling the momentum with continued strong growth

MATAS.DK GREW 51% IN Q3 2018/19 AND 54% FOR 9M 2018/19

INCREASED INVESTMENT IN MARKETING, ORGANISATION AND FULFILMENT IN Q3 2018/19

CONTINUED STRONG GROWTH LEADS TO CLEAR MARKET SHARE GAINS

The screenshot displays the Matas website interface. At the top, there is a navigation bar with the Matas logo, a search bar, and various utility links like 'GÅ TIL CLUBMATA.DK', 'LOGIN', 'HJÆLP', 'FIND BUTIK', and 'MATA PÅ...'. Below the navigation bar, there are several promotional banners. The main banner features a 25% discount on all gift sets, with a 'SHOP HER >' button. Below this, there are two smaller banners for 'GAVEÆSKER TIL HENDE >' and 'GAVEÆSKER TIL HAM >'. At the bottom of the page, there are three product category banners: 'DE SKØNNESTE Julekalendere', 'SKØNNE MATAS Pakkekalendere', and 'SKØNNE MATAS Gaveæsker', each with a 'SHOP HER' button. The website also features a footer with various brand logos like STRIBERNE, CLINIQUE, MAC, LANCÔME, ESTÉE LAUDER, NYX, BIODERMA, Dior, LA MER, BOSS, and sisley.

3 | Reignite store growth: Synergies between online and stores – and the development of a new store concept and service model

NEW ASSORTMENT: CATEGORY MANAGEMENT

STORE NETWORK: STORE SIZE, ROLE AND LOCATION

CONCEPT DEVELOPMENT AND NEW SERVICE MODEL



4 | The green market: 19% growth in Vital in Q3 2018/19 incl. Firtal

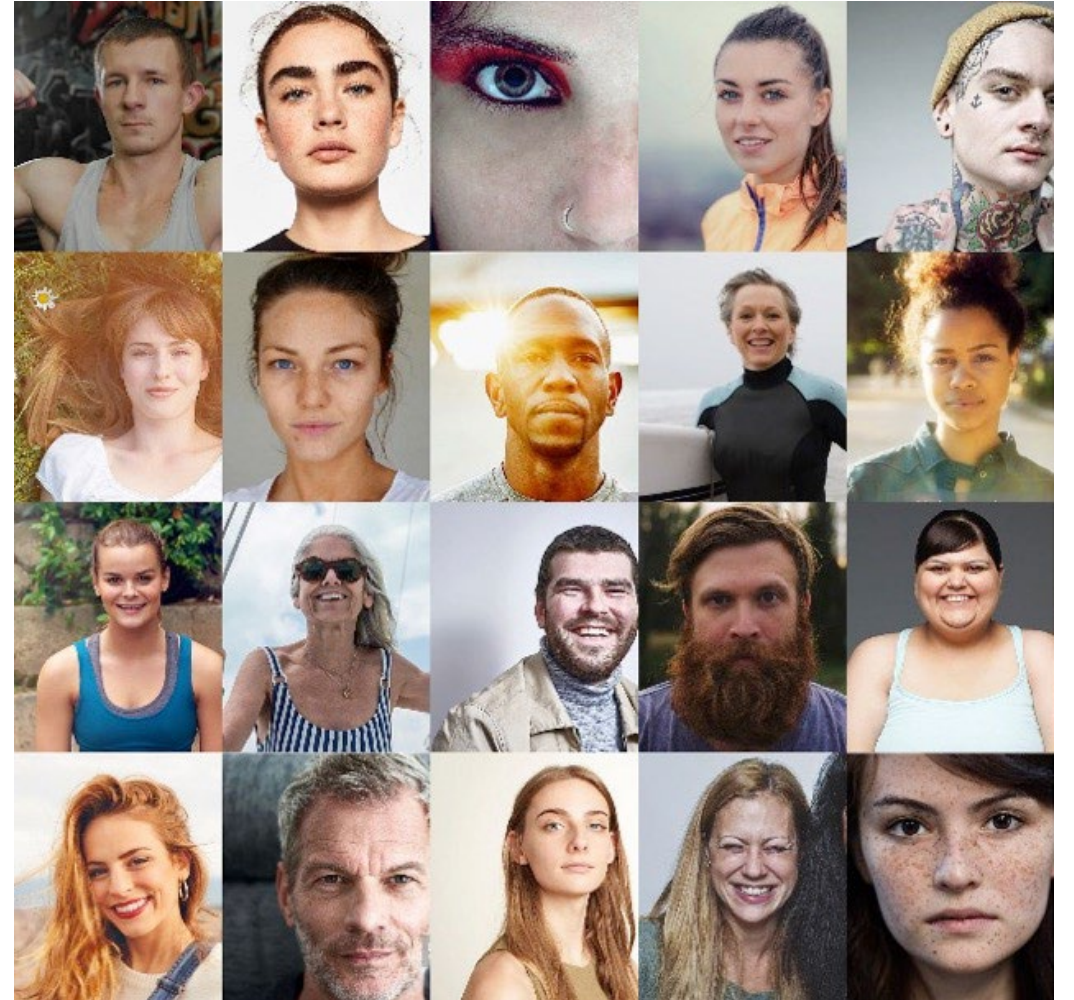


5 | Change how we work





CCO ON BOARD FROM 1 OCTOBER 2018
FOCUS ON CATEGORY MANAGEMENT, PRICE AND
PROMO, AND PROCESS OPTIMISATION

NEW SUPPLY CHAIN DIRECTOR FROM 1 JANUARY
2019
FOCUS ON OMNICHANNEL FULFILMENT

CONTINUED FOCUS ON LEAN STORE OPERATIONS



Guidance: Financial targets for 2018/19




 REVENUE	Unchanged level for underlying revenue (LFL between -0.5 and 0.5%)
 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).

Q&A






Resources: Capital allocation towards 2022/23

	2019/20 to 2022/23	2022/23
 GEARING¹	Not materially exceeding 3	Between 2.5 and 3
 CAPEX	DKK 120 – 140 m average frontloaded	Below DKK 90 m
 DISTRIBUTION POLICY	Distribute excess capital	Distribute excess capital

1. Net interest bearing debt to EBITDA.

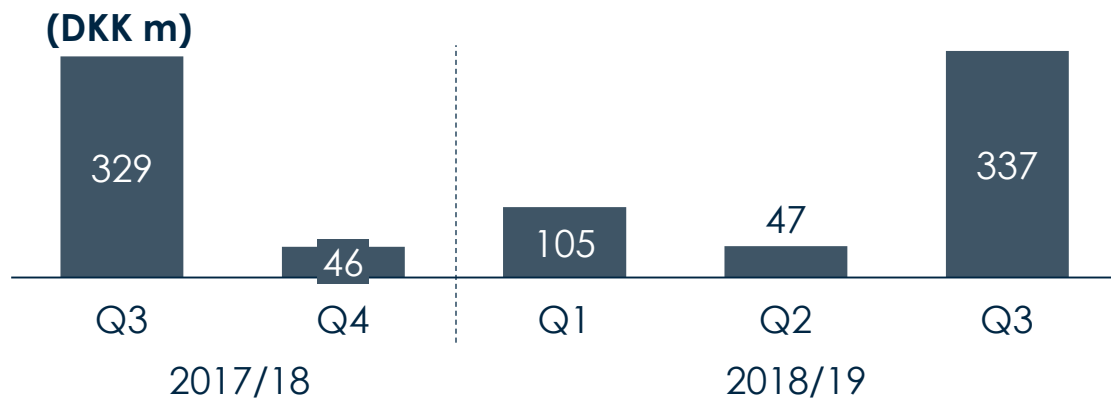
Performance: Ambitions towards 2022/23

	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%

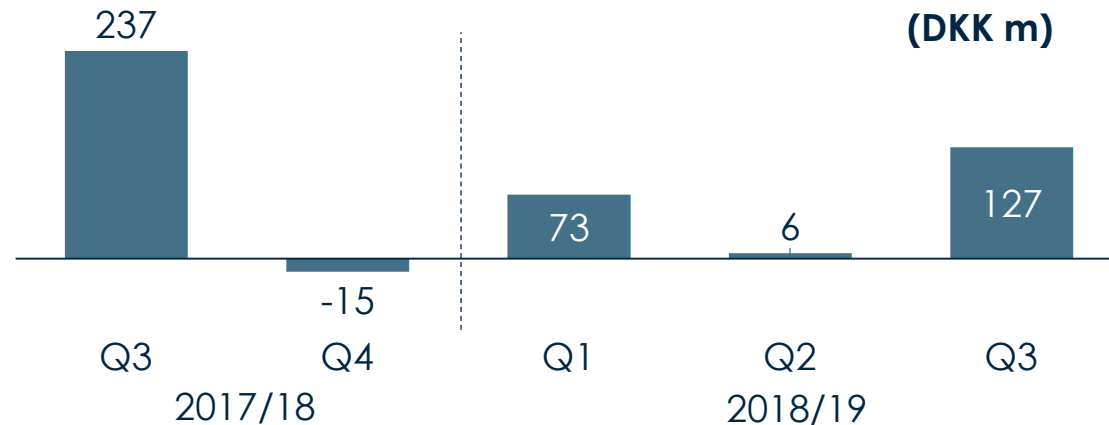
1. Measured by Matas Net Promotor Score (M-NPS). 2. Total revenue from existing business, Matas Natur and Firtal Group. 3. Based on existing IFRS rules (IFRS16 not included).

Cash flow 2017 - 2019

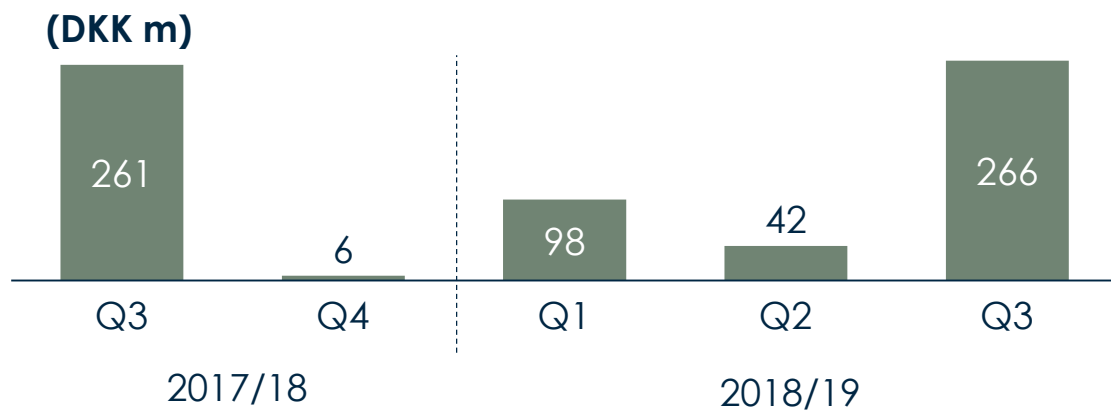
Cash generated from operations



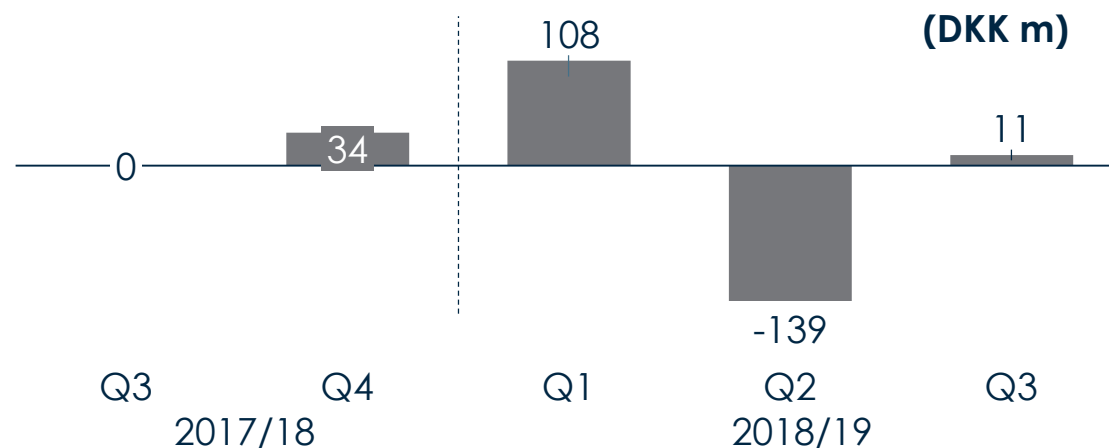
Free cash flow



Cash flow from operating activities



Net cash flow from operating, investing and financial activities



The Matas share

”
LISTED ON
NASDAQ
OMX
28 JUNE 2013

”
100%
FREE FLOAT

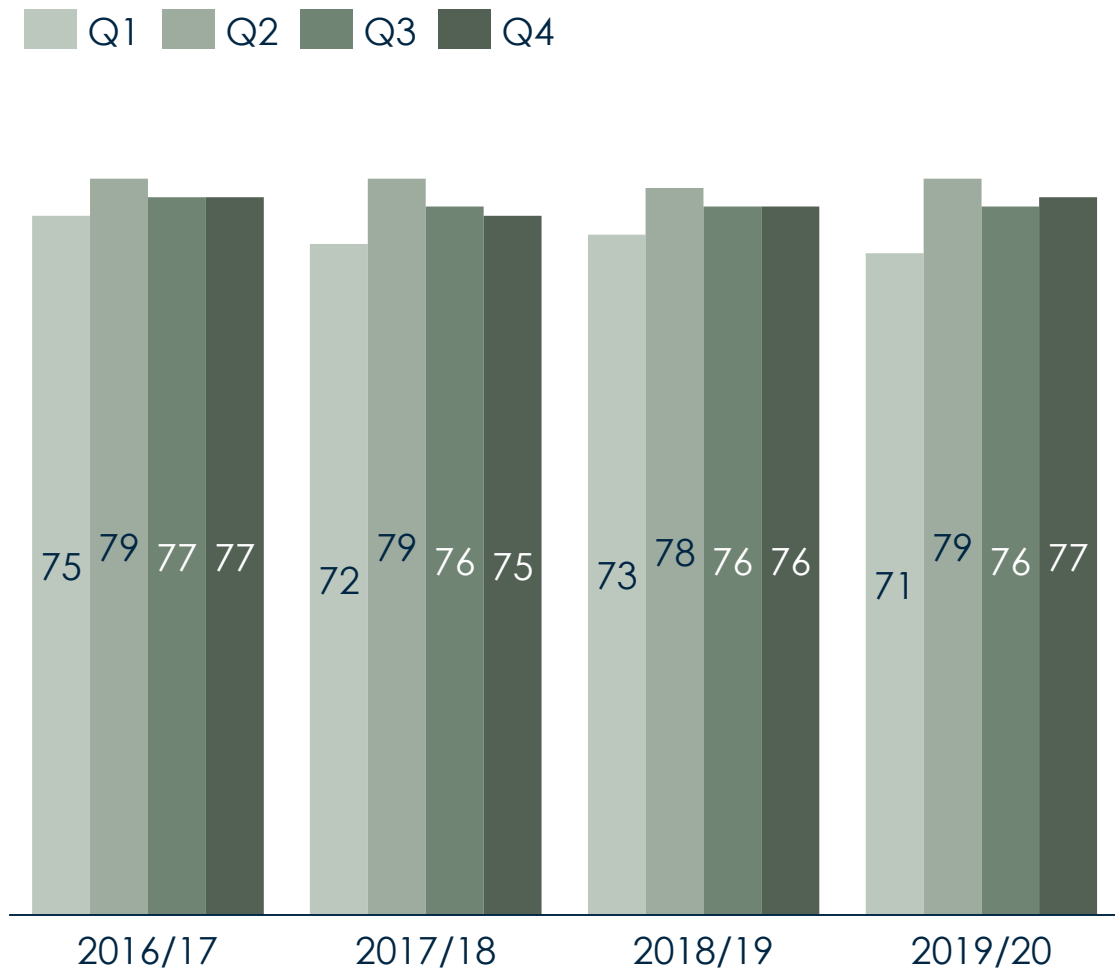
”
~56%
DOMESTIC
SHAREHOLDERS

”
38.3 m
SHARES IN ONE
SHARE CLASS

”
DKK 2.8
BN MARKET CAP



Trading days 2016/17 to 2019/20



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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.