

matas

Company announcement no. 14 2023/24, Allerød, 10 November 2023

Interim report

H1 2023/24

(1 April – 30 September 2023)

Revenue and earnings growth continued
as Matas and KICKS joined forces

Matas A/S | Rørmosevej 1, DK-3450 Allerød | CVR no. 27 52 84 06



Contents

- 3 Revenue and earnings growth continued as Matas and KICKS joined forces
- 4 Q2 2023/24 highlights
- 5 H1 2023/24 highlights
- 6 Key financials
- 7 Management's review
- 10 Q2 and H1 2023/24 performance
- 13 Costs and operating performance
- 16 Statement by the Board of Directors and the Executive Management
- 17 Statement of comprehensive income
- 18 Statement of cash flows
- 19 Statement of financial position
- 20 Statement of changes in equity
- 22 Notes
- 29 Interim financial highlights
- 30 Additional information

Webcast

Matas Group will host a webcast for investors and analysts on Friday, 10 November at 10:00 a.m. CET. The webcast and the presentation can be accessed from Matas' investor website: <https://investor.matas.dk>.

Webcast access numbers

for investors and analysts:

DK: +45 78 76 84 90

UK: +44 203 769 6819

US: +1 646 787 0157 PIN for all countries: 915912

Link to webcast:

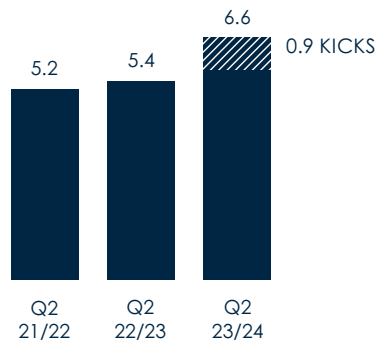
<https://matas-events.eventcdn.net/events/h1-interim-report-202324>



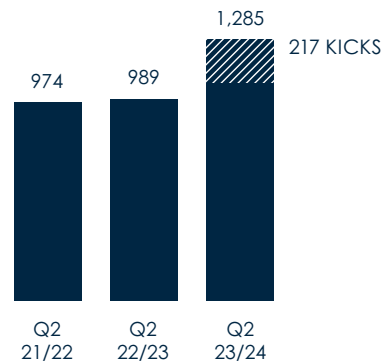
Revenue and earnings growth continued as Matas and KICKS joined forces

- Q2 2023/24 includes KICKS Group AB ("KICKS") from completion of the acquisition on 31 August 2023, hence one month of financial performance. All numbers for Q2 2023/24 reflect the combined business, Matas Group, unless stated otherwise.
- Matas Group generated a total revenue of DKK 1,285 million in Q2 2023/24 corresponding to a year-on-year increase of 29.9% from DKK 989 million in Q2 2022/23. Organic growth in Q2 was 8.0%.
- Gross margin was 44.5% in the quarter, in line with expectations and 0.3 percentage points below last year.
- EBITDA before special items came to DKK 177 million in Q2 2023/24 compared to DKK 160 million last year, and the EBITDA margin before special items was 13.8% in the quarter against 16.2% last year.
- Profit for the period amounted to DKK 2 million after tax compared to DKK 47 million last year, impacted by higher interest costs and special items of DKK 39 million related to the acquisition of KICKS.
- Matas Group maintains its guidance for the financial year 2023/24 to revenue in the range of DKK 6,400-6,600 million. Expectation to EBITDA margin before special items is maintained at around 15%, and CAPEX, excl. M&A, is maintained at DKK 500-525 million. Please see company announcement no. 12 2023/24 for assumptions related to the guidance.

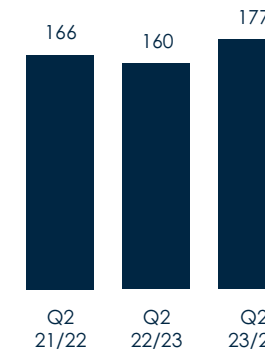
Customer transactions
Millions



Revenue
DKKm



EBITDA before special items
DKKm



“The summer quarter was a milestone in Matas' history. We joined forces with KICKS to create the Nordic market leader, and we are off to a good start with close collaboration and first synergies delivered. At the same time, our organic growth strategy delivered 8.0% growth despite a wet July and macroeconomic uncertainty. Sales were up across all channels with standout online growth of 33% in Matas. Our investment in assortment expansion continued with 44 new brands introduced in the quarter. Finally, we broke ground for Matas Logistics Center and took final steps towards the opening of KICKS' Logistics Center, creating a platform for long-term growth across the Nordics.”

Gregers Wedell-Wedellsborg, Matas Group CEO

Q2 2023/24 highlights

- Matas Group generated a total revenue of DKK 1,285 million in Q2 2023/24 corresponding to a year-on-year increase of 29.9% from DKK 989 million in Q2 2022/23. Retail sales increased by 30.2%, while organic growth was 8.0%.
- Online sales grew by 60.9%. Overall, online sales accounted for 29%. Physical stores reported sales up by 20.5% compared to Q2 last year. Organic growth online was 33%.
- Customer traffic was strong, and the number of transactions increased by 23.6% to 6.6 million, and the average basket size grew by 1.8% to DKK 183 per transaction compared to Q2 last year.
- Gross profit for Q2 2023/24 amounted to DKK 573 million, up from DKK 443 million in Q2 2022/23. The gross margin was 44.5%, down from 44.8% in Q2 2022/23 due to product mix and assortment expansion.
- Other external costs amounted to DKK 152 million in Q2 2023/24, up from DKK 86 million in Q2 2022/23. Other external cost include special items of DKK 27 million in Q2 2023/24, attributable to the KICKS transaction.
- Q2 2023/24 staff costs amounted to DKK 282 million, up by DKK 86 million from DKK 197 million in Q2 2022/23. Staff costs include special items of DKK 12 million in Q2 2023/24 attributable to the KICKS transaction.
- EBITDA before special items came to DKK 177 million up from DKK 160 million in Q2 2022/23 resulting in an EBITDA margin before special items of 13.8% in Q2 2023/24.
- The total amortisation, depreciation and impairment charges were up by DKK 26 million to DKK 113 million in Q2 2023/24, whereof DKK 21 million derives from KICKS.
- Profit for the period amounted to DKK 2 million after tax against DKK 47 million in Q2 2022/23, impacted by the higher interest costs and special items of DKK 39 million related to the acquisition of KICKS.
- Free cash flow was an outflow of DKK 779 million in Q2 2023/24 compared with an inflow of DKK 60 million in Q2 2022/23, primarily driven by the acquisition of KICKS of DKK 692 million, net DKK 617 million less KICKS' own cash at the time of the acquisition DKK 75 million.



H1 2023/24 highlights

- Matas Group generated a total revenue of DKK 2,435 million in H1 2023/24 corresponding to a year-on-year increase of 19.2% from DKK 2,043 million in H1 2022/23. Retail sales increased by 19.2%, while organic growth was 8.6%.
- Online sales grew by 42.6%. Overall, online sales accounted for 29%. Physical stores reported sales up by 11.6% compared to H1 last year. Organic growth online was 29%.
- Customer traffic was strong, and the number of transactions increased by 15.6% to 12.6 million, and the average basket size grew by 1.1% to DKK 185 per transaction.
- Gross profit for H1 2023/24 amounted to DKK 1,079 million, up from DKK 909 million in H1 2022/23. The gross margin was 44.3%, down from 44.5% in H1 2022/23 due to product mix and assortment expansion.
- Other external costs amounted to DKK 264 million in H1 2023/24, up from DKK 164 million in H1 2022/23. Excluding special items, other external cost increased by DKK 56 million compared to H1 2022/23, including KICKS and continued investment in assortment expansion.
- Staff costs amounted to DKK 497 million in H1 2023/24, up from DKK 398 million in H1 2022/23.
- EBITDA before special items came to DKK 378 million up from DKK 352 million in H1 2022/23 resulting in an EBITDA margin before special items of 15.5% in H1 2023/24.
- The total amortisation, depreciation and impairment charges were up by DKK 28 million to DKK 204 million in H1 2023/24, whereof DKK 21 million derives from KICKS.
- Profit for the period amounted to DKK 51 million after tax against DKK 116 million in H1 2022/23, impacted by the higher interest costs and special items of DKK 60 million related to the acquisition of KICKS.
- Free cash flow was an outflow of DKK 578 million in H1 2023/24, compared with an inflow of DKK 159 million in H1 2022/23, primarily driven by the acquisition of KICKS of DKK 692 million, net DKK 617 million less KICKS' own cash at the time of the acquisition DKK 75 million.



Key financials

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23	(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Statement of comprehensive income					Ratios				
Revenue	1,285.4	989.2	2,435.4	2,042.7	Revenue growth	29.9%	1.6%	19.2%	2.4%
Gross profit	572.6	442.9	1,078.7	909.0	Organic growth	8.0%	1.6%	8.6%	2.4%
EBITDA	138.1	160.0	317.9	346.7	Gross margin	44.5%	44.8%	44.3%	44.5%
EBIT	25.0	73.3	113.7	170.9	EBITDA margin	10.7%	16.2%	13.1%	17.0%
Net financials	(21.4)	(13.3)	(44.7)	(22.3)	EBITDA margin before special items	13.8%	16.2%	15.5%	17.2%
Profit before tax	3.6	60.0	69.0	148.6	EBIT margin	1.9%	7.4%	4.7%	8.4%
Profit for the period after tax	1.6	46.7	50.6	115.8	Cash conversion	(72.5)%	37.2%	24.2%	45.9%
Special items	39.1	-	60.3	4.8	Earnings per share, DKK	0.04	1.23	1.33	3.06
EBITDA before special items	177.2	160.0	378.2	351.5	Diluted earnings per share, DKK	0.04	1.22	1.32	3.04
Adjusted profit after tax	47.0	55.6	124.9	137.2	Share price, end of period, DKK			97.6	67.5
Statement of financial position					ROIC before tax including goodwill			8.3%	9.9%
Total assets			8,624.9	6,111.2	ROIC before tax excluding goodwill			28.0%	50.5%
Total equity			3,364.4	3,195.8	Net working capital as a percentage of LTM revenue			5.4%	1.1%
Net working capital			261.2	47.6	Investments as a percentage of revenue	55.0%	8.6%	31.1%	6.4%
Net interest-bearing debt			3,003.3	1,583.7	Net interest-bearing debt/EBITDA before special items **			2.8	2.0
Statement of cash flows					Number of transactions (millions)*	6.64	5.37	12.59	10.89
Cash flow from operating activities	(71.2)	145.7	180.3	290.2	Average basket size (DKK)*	182.7	179.4	185.4	183.3
Cash flow from investing activities	(707.4)	(85.5)	(758.0)	(131.4)	Number of stores			488	261
Free cash flow	(778.6)	60.2	(577.7)	158.8	Club members Matas and KICKS (millions)			5.52	1.79
					Club Matas Plus members (thousands)			85.7	60.6
					Average number of employees (FTE)	2,620	2,140	2,337	2,105

* For definitions of key financials, see page 95 of the 2022/23 Annual Report.

** LTM EBITDA includes pro forma financials of KICKS LTM.

Management's review

Acquisition of KICKS

On 31 August 2023, the acquisition of KICKS was completed, creating the #1 Beauty omnichannel retail business in the Nordics, with Matas leading Denmark and KICKS leading in Sweden and Norway. KICKS is a contender for market leadership in Finland.

Through the combination, Matas and KICKS will be able to better serve customer demand for larger assortment, new brands, access to stores, fast, convenient and inspiring online shopping and keep a continued focus on personal and expert advisory and service. Matas and KICKS will serve +5 million club members across the four Nordic markets with almost 500 stores, leading web shops, +3,800 skilled colleagues, and offer a category leading portfolio of third party brands, own brands, and services

The H1 report only includes the performance in KICKS for the month of September, but otherwise fully consolidated into the H1 statement.

The following section primarily focus on the execution of the Matas strategy in Denmark, with a brief update on KICKS.

Strategic tracks



Commercial: Matas offers the broadest and most attractive health and beauty assortment to the Danish consumers. Going forward to 2025/26, Matas will continually expand its online assortment with new brands, products and categories.



E-commerce: matas.dk is the second most visited web shop in Denmark and the number one online destination for health and beauty in Denmark. Furthermore, Matas runs a number of niche web shops operated by Firtal and Web Sundhed, an online pharmacy service platform. Going forward to 2025/26, Matas aims to strengthen its market leadership through continuous customer satisfaction improvements.



Connected retail: With 262 stores nationwide and more than 2,000 trained beauty and health advisors, Matas has the most accessible network and a value-adding service concept. Matas aims to offer personalised advice and seamless shopping across all channels by strengthening its in-store digital services and adapting the network to market demands.



Brands: As the owner of a category-leading brand portfolio, Matas offers distinctive and unique branded products with national recognition. Going forward to 2025/26, Matas will expand its House of Brand portfolio and grow the Matas Brands business via own channels and through wholesale.



Logistics: With in-house logistics, Matas delivers a fast and consistent experience to both customers and suppliers. Going forward to 2025/26, Matas will invest in a new Matas Logistics Centre (MLC) with automated logistics to enhance effectiveness and enable assortment expansion.



Internationalisation: A selection of Matas' own brands including Matas Striberne, Matas Natur and My Moments, is available at 225 stores in Germany.



ESG: As one of the most wellknown brands in Denmark, Matas is recognised as a responsible company by consumers. Going forward to 2025/26, Matas aims to make continued progress on its ESG focus areas: Reducing climate footprint, contributing to public health and championing inclusion.

Management's review

Strong progress continued in Q2 across the seven tracks of the Growing Matas strategy

Matas

Strategic initiatives in Q2 2023/24

In August 2021, Matas launched its five-year Growing Matas strategy. Based on the purpose 'Health and Beauty for Life', Matas will grow by selling more to existing customers – especially the 1.9 million Club Matas members – driven by an expansion of the assortment.

Commercial: Expand assortment

- Continued the fast assortment expansion with addition of 44 new brands and 1,200 new SKUs online during Q2.
- The more than 200 new brands launched during 2022/23 contributed to approximately half of the Q2 2023/24 revenue growth.

E-commerce: Extend market leadership

- Following revenue growth of 26% in Q1, Matas online had even stronger revenue growth of 33% in Q2, mainly driven by the continued assortment expansion and increase in number of transactions as seen over the last quarters.

Connected retail: Consolidate and connect stores

- During the quarter, one new Life concept store was opened at Islands Brygge, Copenhagen, which was off to a good start. This took the total number of stores to 262. The store NPS has never been higher.
- In September, we rolled out "endless aisles" (sale of products from matas.dk through the stores) on mobile POS, with great success.
- In Q2, 98 events for customers were held across Denmark where 2,200 customers participated.

Brands: Grow portfolio of House Brands

- A new communication platform for Matas Striberne, targeting the young consumer, was launched. In September, a new sub-category in Health was entered into with the launch of Matas Striberne Gummies.
- Private label brands grew 10% in Q2 and accounted for 18% of retail revenues.

Logistics: Automate logistics

- The construction of Matas Logistics Center (MLC), which will more than double Matas overall capacity of web orders when fully operational in 2025, is progressing

according to plan. The land is ready for construction, which will start in November.

- The existing webshop facilities in Humlebæk continue to offer adequate room for further assortment expansion in the years to come.

Internationalisation: Geographical expansion

- In Germany, selected products from Matas Striberne, Matas Natur and My Moments are now available at 225 doors, while Nilens Jord will be available in 70 doors by October 2023.

ESG/CSR: Impact society in a positive way

- During Q2, Matas has continued its focus on the social aspect. In August, Matas was official partner to Copenhagen Pride and, apart from various events and fundraising activities, Matas launched a major campaign focusing on supporting awareness on inclusion. Furthermore, Matas supported the Danish Cancer Society with fundraising activities linked to breast and skin cancer.



Management's review

KICKS

- KICKS operates in Sweden, Norway and Finland with 226 stores and online. The online business consists of two concepts KICKS and Skincity.
- Skincity is an online skincare clinic that offers a premium range of professional skincare and skincare infused makeup. Skincity was acquired by KICKS in January 2023 and will be fully integrated into KICKS platforms and operations by end of year.
- A key priority for KICKS is to ensure a relevant and competitive customer offer in all channels with the ability to order online, and pick up in store within less than 4 hours as a pillar (Click Express). In September, the share of Click Express reached an all-time high with 18% share of orders.
- When you become a member of KICKS Club in Sweden, you also get access to the community KICKS Beauty Talks. In KICKS Beauty Talks you can ask questions, exchange experiences, share your favourites and participate in competitions with other beauty lovers. Plans to launch KICKS Beauty Talks in Norway are being finalised.
- KICKS is opening a central Nordic omni warehouse located outside Stockholm, Sweden. The warehouse will serve both stores and e-commerce customers across the markets and enable both cost and capital efficiencies. The warehouse is designed to meet high sustainability ambitions and will be using a highly automated shuttle technology. The new omni warehouse will handle part of the production during autumn 2023 and will then be fully ramped up after the Christmas sales, during Q4 2023/24.



Q2 and H1 2023/24 performance

Revenue

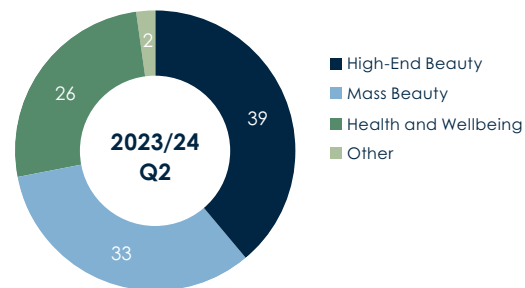
Matas Group generated total revenue of DKK 1,285 million in Q2 2023/24, a year-on-year increase of 29.9% from DKK 989 million in Q2 2022/23. Retail sales were up by 30.2% to DKK 1,256 million. The increase was mainly due to the acquisition of KICKS on 31 August 2023 which has been included in Q2 2023/24, reflecting one month of KICKS revenue in Q2.

Total revenue grew DKK 296 million compared to Q2 2022/23 whereof organic revenue growth was 8.0% or DKK 79 million and the remaining 21.9% or DKK 217 million related to KICKS.

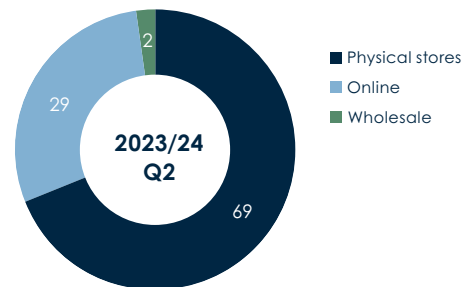
Most of the KICKS revenue was generated within the High-End Beauty category and the rest in Mass Beauty thus reflecting the significant growth in both categories in Q2 2023/24 compared to last year.

Revenue was up across all sales channels. Growing sales by DKK 150 million, the physical stores recorded the largest absolute increase, mainly due to the acquisition of KICKS. Organic revenue in stores was a decline of 0.3%. Online grew 61% with an organic growth of 33%.

Retail revenue by category (%)



Revenue by sales channel (%)



Revenue by categories and sales channels

(DKKm)	Q2 2023/24	Q2 2022/23	Growth (%)	H1 2023/24	H1 2022/23	Growth (%)
Categories						
High-End Beauty	491.8	315.2	56.0%	863.1	675.8	27.7%
Mass Beauty	415.2	345.7	20.1%	826.5	718.0	15.1%
Health and Wellbeing	322.5	272.5	18.4%	635.5	542.0	17.3%
Other	26.8	31.3	(14.5)%	52.0	57.8	(10.1)%
Retail revenue	1,256.3	964.7	30.2%	2,377.1	1,993.6	19.2%
Retail revenue by category (%)						
High-End Beauty	39%	33%		36%	34%	
Mass Beauty	33%	36%		35%	36%	
Health and Wellbeing	26%	28%		27%	27%	
Other	2%	3%		2%	3%	
Sales channels						
Physical stores	881.7	731.9	20.5%	1,676.6	1,502.3	11.6%
Online	374.6	232.8	60.9%	700.5	491.3	42.6%
Wholesale	29.1	24.5	18.9%	58.3	49.1	18.7%
Total revenue	1,285.4	989.2	29.9%	2,435.4	2,042.7	19.2%
Revenue by sales channel (%)						
Physical stores	69%	74%		69%	74%	
Online	29%	24%		29%	24%	
Wholesale	2%	2%		2%	2%	

Q2 and H1 2023/24 performance

In Q2 the number of transactions increased by 23.6% to 6.6 million and the average basket size increased by 1.8% to DKK 183 per transaction. The organic number of transactions increased by 6.7% to 5.7 million and the average basket size increased by 1.0% to DKK 181 per transaction. The strong customer traffic was driven by online.

Revenue for H1 2023/24 amounted to DKK 2,435 million corresponding to an increase of 19.2% from the year earlier period, while organic sales grew by 8.6%. Revenue was up across all sales channels.

In H1 2023/24 the number of transactions increased by 15.6%, while the average basket size grew 1.1%. The increase was mainly attributable to the KICKS transaction. The organic number of transactions increased by 7.3% to 11.7 million in H1 and the average basket size increased by 0.9% to DKK 185 per transaction.



Q2 and H1 2023/24 performance

Performance by category

Both High-End and Mass Beauty reported significantly higher sales in Q2 2023/24 compared to Q2 2022/23 mainly due to the acquisition of KICKS. The Beauty segment accounted for 72.2% of the retail revenue compared to 68.5% in Q2 2022/23.

Health and Wellbeing was the primary growth driver in both absolute and relative terms when looking at the organic performance. Sales of special skincare and health products recorded ongoing significant growth during the quarter, the latter supported by the Fixed Low Price programme.

Private labels (mainly in Mass Beauty) sales, including Nilens Jord and Miild, accounted for 18.3% of the revenue generated by Matas stores and matas.dk in Q2 2023/24, an increase of 0.5 percentage points compared to Q2 2022/23.

In H1, the Beauty categories had the highest absolute growth partly due to the acquisition of KICKS. Organically, Health and Wellbeing was the primary growth driver in H1 and sales grew significantly compared to H1 2022/23.

Performance by sales channel

Physical stores grew revenue by 20.5% or DKK 150 million to DKK 882 million compared to Q2 2022/23. Organic revenue declined by 0.3% in stores. The number of Matas stores at 30 September 2023 amounted to 262, a year-on-year increase of one, while KICKS added 226 physical stores at 30 September 2023.

Online sales were up by 60.9% or DKK 142 million to DKK 375 million. The organic online business grew 33%. Overall, online sales accounted for 29.1% of Q2 2023/24 revenue against 23.5% in Q2 2022/23.

In Q2 2023/24, wholesale grew by DKK 4.6 million to DKK 29 million driven by an increase in wholesale from Web Sundhed.

Revenue for H1 2023/24 amounted to DKK 2,435 million, an increase of 19.2% from the year earlier period. Physical stores grew revenue by 11.6%, while online sales were up by 42.6%. The increase was mainly attributable to the KICKS transaction.

Wholesale reported revenue growth of DKK 9.2 million to DKK 58 million in H1 2023/24.

Categories

Matas Group is characterised by its wide assortment of beauty, personal care, health, wellbeing and problem-solving household products. This broad product range creates a unique one-stop retail value proposition for Matas Group's customers in the shape of four categories:

High-End Beauty: Luxury beauty products, including cosmetics, skincare and haircare products and fragrances.

Mass Beauty: Everyday beauty products and personal care, including cosmetics, skincare and haircare products.

Health and Wellbeing: MediCare (OTC medicine and nursing products). Vitamins, minerals, health supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Personal care products (oral, foot and intimate care and hair removal) and special skincare.

Other: Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and gardening (cleaning and maintenance, electrical products, interior decoration and textiles) and other.

Sales channels

At 30 September 2023, Matas consisted of 262 physical stores – 261 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS added 226 physical stores at 30 September 2023. 69% of Q2 2023/24 revenue was generated by Matas Groups' physical stores.

In addition, Matas was present online through matas.dk, matas.no, matas.se, kicks.se, skincity.com and several web shops operated by Firtal. 29% of revenue was generated through Matas' online channels.

Wholesale mainly consists of wholesale from Web Sundhed, Kosmolet, Miild and international wholesale of Matas' house brands in Germany, but it also includes value adjustments of Club Matas points. Wholesale accounted for 2% of revenue in the quarter.



Costs and operating performance

Gross profit for Q2 2023/24 amounted to DKK 573 million, up from DKK 443 million in Q2 2022/23.

The gross margin for Q2 2023/24 was 44.5%, down from 44.8% in the same period last year due to product mix and assortment expansion.

Gross profit for H1 2023/24 amounted to DKK 1,079 million, up by DKK 170 million from DKK 909 in H1 2022/23. The gross margin was 44.3%, down from 44.5%.

Adjusted for special items, overall costs (other external costs and staff costs) amounted to 30.8% of revenue in Q2 2023/24 against 28.6% the year before. Reported costs in the quarter amounted to 33.8% of revenue and were up by DKK 152 million compared to Q2 2022/23.

Other external costs amounted to DKK 152 million in Q2 2023/24, up by DKK 66 million from DKK 86 million in Q2 2022/23.

Adjusted for special items of DKK 27 million related to the KICKS transaction, other external costs increased by DKK 39 million reflecting KICKS' and Matas' continuing digital

growth and execution of the Growing Matas assortment expansion.

Other external costs adjusted for special items accounted for 9.7% of revenue in Q2 against 8.7% the year before. Reported other external costs accounted for 11.8% of revenue in the quarter.

Other external costs amounted to DKK 264 million in H1 2023/24, up by DKK 100 million from DKK 164 million in H1 2022/23.

Q2 2023/24 staff costs amounted to DKK 282 million, up by DKK 86 million from DKK 197 million in the year earlier period. Staff costs include special items of DKK 12 million in Q2 2023/24 attributable to KICKS. There were no special items in Q2 2022/23.

The increase in staff costs was, besides KICKS, related to executing the Growing Matas strategy and increased online sales.

Staff costs adjusted for special items accounted for 21.0% of revenue in Q2 against 19.9% in the year earlier period. Reported staff costs accounted for 22.0% of revenue in Q2 2023/24.

Costs (DKKm)	Q2 2023/24	Q2 2022/23	Growth
Other external costs	152.2	86.4	76.2%
- of which special items	27.1	-	
As a percentage of revenue	11.8%	8.7%	
Staff costs	282.3	196.5	43.7%
- of which special items	12.1	-	
As a percentage of revenue	22.0%	19.9%	

Costs (DKKm)	H1 2023/24	H1 2022/23	Growth
Other external costs	263.6	163.9	60.8%
- of which special items	48.2	4.8	
As a percentage of revenue	10.8%	8.0%	
Staff costs	497.2	398.4	24.8%
- of which special items	12.1	-	
As a percentage of revenue	20.4%	19.5%	

Staff costs amounted to DKK 497 million in H1 2023/24, up from DKK 398 million in H1 2022/23.

At 30 September 2023, Matas Group had 2,337 full-time employees, against 2,105 at 30

September 2022. The addition mainly relates to one month average of KICKS employees.

EBITDA before special items came to DKK 177 million against DKK 160 million in Q2 2022/23 and EBITDA margin before special items was

Costs and operating performance

13.8%, against 16.2% in the year earlier period. Q2 2023/24 reported EBITDA was DKK 138 million.

H1 2023/24 EBITDA before special items amounted to DKK 378 million compared to DKK 352 million in H1 2022/23. The EBITDA margin before special items was 15.5% against 17.2% in H1 2022/23.

Amortisation, depreciation and impairment

The total amortisation, depreciation and impairment charges were up by DKK 26 million to DKK 113 million in Q2 2023/24, mainly attributable to KICKS.

Net financials

Net financial expenses were up by DKK 8 million to DKK 21 million in Q2 2023/24 due to interest rate increase.

Profit for the period

Profit for the period amounted to DKK 2 million after tax, against DKK 47 million in Q2 2022/23. Adjusted profit after tax amounted to DKK 47 million in Q2 2023/24 compared to DKK 56 million in the year earlier period.

In H1 2023/24, adjusted profit after tax amounted to DKK 125 million against DKK 137 million in H1 2022/23.

Statement of financial position

Total assets amounted to DKK 8,625 million on 30 September 2023, up from DKK 6,111 million at 30 September 2022.

Non-current assets increased by DKK 1,400 million to DKK 6,381 million.

Current assets totalled DKK 2,230 million, a year-on-year rise of DKK 1,102 million.

Inventories amounted to DKK 1,755 million at 30 September 2023 which is an increase of DKK 756 million compared to the end of Q2 2022/23. KICKS accounted for DKK 683 million. Inventories, excluding KICKS, accounted for 23.0% of LTM revenue at 30 September 2023 compared to 22.8% at 30 September 2022.

Trade receivables increased by DKK 64 million to DKK 98 million. KICKS accounted for DKK 51 million. Trade payables increased by DKK 379 million year-on-year. KICKS accounted for DKK 397 million.

Cash flows (DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Cash generated from operations	(71.2)	145.7	180.3	290.2
Cash flow from investing activities	(707.4)	(85.5)	(758.0)	(131.4)
Free cash flow	(778.6)	60.2	(577.7)	158.8
Cash flows from financing activities	971.5	(63.2)	800.4	(143.9)

Net working capital excluding deposits amounted to DKK 261 million at 30 September 2023 against DKK 48 million at 30 September 2022.

Cash and cash equivalents amounted to DKK 262 million, up from DKK 43 million the year before.

Equity amounted to DKK 3,364 million at 30 September 2023 compared to DKK 3,196 million at 30 September 2022.

Net interest-bearing debt amounted to DKK 3,003 million at 30 September 2023, a year-on-year increase of DKK 1,420 million. Of this increase, DKK 786 million was attributable to higher lease liabilities. The gearing ratio was 2.8 times LTM EBITDA before special items,

which is in line with our long-term target of a level between 2 and 3.

Gross interest-bearing debt stood at DKK 3,265 million at 30 September 2023, including lease liabilities of DKK 1,226 million. At 30 September 2022 gross interest-bearing debt stood at DKK 1,627 million, including lease liabilities of DKK 440 million.

At 30 September 2023, the Company's share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. After disposing of 185,442 shares in the period under review in connection with the exercise of the 2020/21 incentive programme, Matas held 172,981 treasury shares at 30 September 2023.

Costs and operating performance

Statement of cash flows

Cash generated from operations was an outflow of DKK 74 million in Q2 2023/24 against an inflow of DKK 146 million in Q2 2022/23 corresponding to a decrease of DKK 220 million.

Cash generated from operations was an inflow of DKK 178 million in H1 2023/24 against an inflow of DKK 290 million in H1 2022/23.

For Q2 2023/24, cash flows from investing activities were an outflow of DKK 707 million against an outflow of DKK 85 million in Q2 2022/23. The increase of DKK 622 million was mainly attributable to the acquisition of KICKS.

For H1 2023/24, cash flows from investing activities were an outflow of DKK 758 million against an outflow of DKK 131 million in H1 2022/23.

The Q2 2023/24 free cash flow was an outflow of DKK 779 million compared to an inflow of DKK 60 million in Q2 2022/23.

The H1 2023/24 free cash flow was an outflow of DKK 578 million, compared to an inflow of DKK 159 million in H1 2022/23.

Return on invested capital

The return on LTM invested capital before tax was 8.3% at 30 September 2023 against 9.9% at 30 September 2022. ROIC before tax excluding goodwill was 28.3% at 30 September 2023 against 50.5% at 30 September 2022.

Events after the date of the statement of financial position

No subsequent events have occurred that materially affect the Matas Group's financial position.

Significant risks

Matas Group is exposed to operational risks affecting the retail industry in general as well as in the Health and Beauty industry. If the current macroeconomic crisis leads to a recession and thereby slowing down the economic activity further, Matas Group's business could suffer. In addition, Matas Group is to some extent exposed to financial risks such as interest rate, liquidity, and credit risk.



Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim report of Matas A/S for the period 1 April to 30 September 2023.

The interim report, which has been neither audited nor reviewed by the Company's auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 September 2023 and of the results of the Group's operations and cash flows for the period 1 April to 30 September 2023.

Furthermore, in our opinion, the management's review includes a fair review of the development and performance of the business, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that the Group faces.

Allerød, 10 November 2023

Executive Management

Gregers Wedell-Wedellsborg
Group CEO

Per Johannesen Madsen
Group CFO

Board of Directors

Lars Vinge Frederiksen
Chairman

Mette Maix
Deputy Chairman

Birgitte Nielsen

Henrik Taudorf Lorensen

Kenneth Melchior

Malou Aamund

Statement of comprehensive income

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Revenue	1,285.4	989.2	2,435.4	2,042.7
Cost of goods sold	(712.8)	(546.3)	(1,356.7)	(1,133.7)
Gross profit	572.6	442.9	1,078.7	909.0
Other external costs	(152.2)	(86.4)	(263.6)	(163.9)
Staff costs	(282.3)	(196.5)	(497.2)	(398.4)
Amortisation, depreciation and impairment	(113.1)	(86.7)	(204.2)	(175.8)
EBIT	25.0	73.3	113.7	170.9
Share of profit or loss after tax of associates	0.1	(5.3)	0.2	(5.1)
Financial income	2.7	-	2.7	-
Financial expenses	(24.2)	(8.0)	(47.6)	(17.2)
Profit before tax	3.6	60.0	69.0	148.6
Tax on profit for the period	(2.0)	(13.3)	(18.4)	(32.8)
Profit for the period	1.6	46.7	50.6	115.8
Other comprehensive income	21.6	-	21.6	-
Total comprehensive income	23.2	46.7	72.2	115.8
Distributed as follows:				
Shareholders of Matas A/S	23.2	46.7	72.2	115.8
Minority shareholders	-	-	-	-
	23.2	46.7	72.2	115.8
Earnings per share				
Earnings per share, DKK	0.04	1.23	1.33	3.06
Diluted earnings per share, DKK	0.04	1.22	1.32	3.04



Statement of cash flows

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Profit before tax	3.6	60.0	69.0	148.6
Adjustment for non-cash operating items etc.:				
Amortisation, depreciation and impairment	113.1	86.7	204.2	175.8
Other non-cash operating items, net	3.4	2.2	5.4	3.7
Share of profit or loss after tax of associates	(0.1)	5.3	(0.2)	5.1
Financial income	(2.7)	-	(2.7)	-
Financial expenses	24.2	8.0	47.6	17.2
Cash generated from operations before changes in working capital	141.5	162.2	323.3	350.4
Changes in working capital	(215.4)	(16.5)	(145.7)	(60.2)
Cash generated from operations	(73.9)	145.7	177.6	290.2
Interest received	2.7	-	2.7	-
Cash flow from operating activities	(71.2)	145.7	180.3	290.2
Acquisition of intangible assets	(39.4)	(36.1)	(74.3)	(68.2)
Acquisition of property, plant and equipment	(50.9)	(47.9)	(66.6)	(61.7)
Acquisition of subsidiaries and operations	(617.1)	(1.5)	(617.1)	(1.5)
Cash flow from investing activities	(707.4)	(85.5)	(758.0)	(131.4)
Free cash flow	(778.6)	60.2	(577.7)	158.8

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Debt raised with credit institutions	1,121.3	-	1,121.3	-
Debt settled with credit institutions	-	62.6	(110.4)	32.7
Interest paid	(21.6)	(6.9)	(43.5)	(14.6)
Repayment of lease liabilities	(51.6)	(42.3)	(90.4)	(85.4)
Dividend paid	(76.6)	(76.6)	(76.6)	(76.6)
Cash flow from financing activities	971.5	(63.2)	800.4	(143.9)
Net cash flow from operating, investing and financing activities	192.8	(2.9)	222.6	15.0
Currency adjustment	2.2	-	2.2	-
Cash and cash equivalents, beginning of period	66.5	46.1	36.7	28.2
Cash and cash equivalents, end of period	261.5	43.2	261.5	43.2

The above cannot be derived directly from the statement of comprehensive income and the statement of financial position.

Statement of financial position

(DKKm)	30 Sept. 2023	30 Sept. 2022	31 March 2023
ASSETS			
Non-current assets			
Goodwill	4,093.9	3,999.4	3,999.4
Trademarks and trade names	188.7	62.9	58.1
Other intangible assets	403.3	203.6	235.8
Total intangible assets	4,685.9	4,265.9	4,293.3
Property, plant and equipment			
Lease assets	1,190.1	417.1	622.3
Land and buildings	93.4	89.0	87.5
Other fixtures and fittings, tools and equipment	79.3	74.8	65.2
Leasehold improvements	69.9	35.3	27.3
Plant in progress	206.7	51.7	59.7
Total property, plant and equipment	1,639.4	667.9	862.0
Investments in associates	0.9	1.2	1.4
Deferred tax	8.6	-	-
Deposits	47.6	47.5	44.3
Other securities and equity investments	0.7	0.6	0.7
Total other non-current assets	57.8	49.3	46.4
Total non-current assets	6,383.1	4,983.1	5,201.7
Current assets			
Inventories	1,755.3	999.3	911.8
Trade receivables	97.6	33.8	43.7
Corporation tax receivable	2.4	13.1	20.6
Other receivables	48.7	7.8	24.9
Prepayments	76.3	30.9	40.8
Cash and cash equivalents	261.5	43.2	36.7
Total current assets	2,241.8	1,128.1	1,078.5
Total assets	8,624.9	6,111.2	6,280.2

(DKKm)	30 Sept. 2023	30 Sept. 2022	31 March 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	95.7	95.7	95.7
Translation reserve	21.9	0.3	0.3
Treasury share reserve	(20.9)	(43.5)	(43.5)
Retained earnings	3,267.2	3,142.8	3,233.5
Dividend proposed for the financial year	-	-	76.6
Matas A/S' share of equity	3,363.9	3,195.3	3,362.6
Minority interests	0.5	0.5	0.5
Total equity	3,364.4	3,195.8	3,363.1
Liabilities			
Deferred tax	239.1	193.1	198.8
Lease liabilities	876.7	264.2	462.6
Provisions	28.0	28.1	28.0
Credit institutions	1,848.3	1,096.9	917.7
Other payables	11.9	43.1	13.0
Total non-current liabilities	3,004.0	1,625.4	1,620.1
Credit institutions	190.8	89.8	110.4
Lease liabilities	349.0	176.0	188.4
Prepayments from customers	191.4	150.3	161.4
Trade payables	1,136.9	757.7	634.1
Other payables	388.4	116.2	202.7
Total current liabilities	2,256.5	1,290.0	1,297.0
Total liabilities	5,260.5	2,915.4	2,917.1
Total equity and liabilities	8,624.9	6,111.2	6,280.2

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
Equity at 1 April 2023	95.7	0.3	(43.5)	76.6	3,233.5	3,362.6	0.5	3,363.1
Other comprehensive income	-	21.6	-	-	-	21.6	-	21.6
Profit for the period	-	-	-	-	50.6	50.6	-	50.6
Total comprehensive income	-	21.6	-	-	50.6	72.2	-	72.2
Transactions with owners								
Dividend paid	-	-	-	(76.3)	-	(76.3)	-	(76.3)
Dividend on treasury shares	-	-	-	(0.3)	0.3	-	-	-
Exercise of incentive programme	-	-	22.6	-	(22.6)	-	-	-
Share-based payment	-	-	-	-	5.4	5.4	-	5.4
Total transactions with owners	-	-	22.6	(76.6)	(16.9)	(70.9)	-	(70.9)
Equity at 30 September 2023	95.7	21.9	(20.9)	-	3,267.2	3,363.9	0.5	3,364.4

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
Equity at 1 April 2022	95.7	0.3	(76.0)	76.6	3,055.2	3,151.8	0.5	3,152.3
Other comprehensive income	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	115.8	115.8	-	115.8
Total comprehensive income	-	-	-	-	115.8	115.8	-	115.8
Transactions with owners								
Dividend paid	-	-	-	(75.9)	-	(75.9)	-	(75.9)
Dividend on treasury shares	-	-	-	(0.7)	0.7	-	-	-
Exercise of incentive programme	-	-	32.5	-	(32.5)	-	-	-
Share-based payment	-	-	-	-	3.6	3.6	-	3.6
Total transactions with owners	-	-	32.5	(76.6)	(28.2)	(72.3)	-	(72.3)
Equity at 30 September 2022	95.7	0.3	(43.5)	-	3,142.8	3,195.3	0.5	3,195.8

Notes



Notes

Note 1 – Accounting policies

This interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Except as set out below, the accounting policies are consistent with the accounting policies applied in the consolidated financial statements for 2022/23, to which reference is made.

Changes of accounting policies

Matas Group has implemented the latest IFRS amendments, which took effect on 1 April 2023 and have been approved by the EU.

None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect on Matas Group in the near future.

Note 2 – Accounting estimates and judgments

The preparation of interim financial statements requires Management to make accounting judgments and estimates that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgments applied are consistent with those applied in the consolidated financial statements for 2022/23.

Note 3 – Seasonality

Matas Group's activities in the interim period were only to a limited extent affected by seasonal fluctuations.

Note 4 – Revenue

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Retail sales, physical stores	881.7	731.9	1,676.6	1,502.3
Retail sales, online	374.6	232.8	700.5	491.3
Wholesale	29.1	24.5	58.3	49.1
Total revenue	1,285.4	989.2	2,435.4	2,042.7

In Q2 2023/24, 29.1% of Matas Group's revenue was generated by its online channels, compared to 23.5% in the year earlier period.

Revenue break down by product groups as follows:

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
High-End Beauty	491.8	315.2	863.1	675.8
Mass Beauty	415.2	345.7	826.5	718.0
Health and Wellbeing	322.5	272.5	635.5	542.0
Other	26.8	31.3	52.0	57.8
Wholesale sales etc.	29.1	24.5	58.3	49.1
Total revenue	1,285.4	989.2	2,435.4	2,042.7

Notes

Note 4 – Revenue continued

(DKKm)	Q2 2023/24	Q2 2022/23	H1 2023/24	H1 2022/23
Sale of goods	1,285.4	989.2	2,435.4	2,042.7
Sale of services	-	-	-	-
Total revenue	1,285.4	989.2	2,435.4	2,042.7

Revenue from sales of products through Matas Group stores is recognised when a store sells the product to the customer. Payment is usually received when the customer receives the product, or, if the customer pays by credit card, a few days later. Revenue from sales through Matas Group web shops is recognised and payment is received when the product is sent to the customer.

A small proportion of Matas Group's revenue is invoiced, e.g. wholesale sales, in which connection a receivable is recognised.

For the customer loyalty programme at Matas and KICKS, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of loyalty points. The performance obligation is measured at the estimated fair value of the points allocated and amounted to DKK 68.1 million at 30 September 2023 (30 September 2022: DKK 56.9 million). The estimated fair value is inherently subject to some uncertainty with respect to actual future redemption and considering the flexibility of the customer loyalty programme. Revenue is recognised when the customer uses points, usually over an average period of three months. Customers have the option of returning products, but the volume of returns at the end of Q2 was insignificant, as was the amount of guarantee commitments.

Note 5 – Segment information

Matas Group is segmented in two reportable segments Matas and KICKS. Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment results are measured at gross profit as presented in the table below.

Q2 (DKKm)	Matas 2023/24	KICKS 2023/24	Total 2023/24	Matas 2022/23	KICKS 2022/23	Total 2022/23
Revenue	1,068.3	217.1	1,285.4	989.2	-	989.2
Cost of goods sold	(597.8)	(115.0)	(712.8)	(546.3)	-	(546.3)
Gross profit	470.5	102.1	572.6	442.9	-	442.9

H1 (DKKm)	Matas 2023/24	KICKS 2023/24	Total 2023/24	Matas 2022/23	KICKS 2022/23	Total 2022/23
Revenue	2,218.3	217.1	2,435.4	2,042.7	-	2,042.7
Cost of goods sold	(1,241.7)	(115.0)	(1,356.7)	(1,133.7)	-	(1,133.7)
Gross profit	976.6	102.1	1,078.7	909.0	-	909.0

Notes

Note 6 – Business combinations

Acquisitions in 2023/24

On 31 August 2023, Matas A/S acquired 100% of the shares in KICKS Group AB, including the subsidiaries KICKS Norge AS, Skincity Sweden AB, Skincity Finland OY, Skincity Norway AS, KICKS Kosmetikkedjan OY, Axbeautyhouse AB, Myself & Friends AB (together "KICKS"). KICKS was acquired through Matas Sverige AB.

The total purchase price for the shares amounted to SEK 1,100 million, equivalent to DKK 692 million, paid fully upon closing of the transaction.

Jointly, the combined entity will operate the market leading beauty and wellbeing omnichannel retail concept in the Nordics. Through the combination, Matas and KICKS will be able to better serve customer demand for larger assortment, new brands, access to stores, fast, convenient and inspiring online shopping and keep a continued focus on personal and expert advisory and service. Matas and KICKS will serve +5 million club members across the four Nordic markets with almost 500 stores, leading web shops, +3,800 skilled colleagues, and offer a category leading portfolio of third party brands, own brands, and services.

Management expects that the acquisition of KICKS will bring synergies of minimum DKK 100 million in EBITDA once fully phased in by 2025/26. The synergies are expected from increased operating leverage, customer loyalty, similarities and overlaps in business models, services and marketing strategies, as well as IT and digitalisation agendas.

The transaction and synergies are expected to provide EPS percentage accretion by 2024/25 and double-digit EPS percentage accretion by 2025/26.

Revenue

Since the acquisition, KICKS has contributed with DKK 217.1 million in revenues. If KICKS had been acquired at 1 April 2023, the consolidated revenue H1 2023/24 would have amounted to DKK 3,591.4 million¹ compared to actual DKK 2,435.4 million.

Acquisition and integration related costs

Total special items in H1 2023/24 amounted to DKK 60.3 million, hereof DKK 39.1 million in Q2 2023/24. Special items are related to acquisition of KICKS, amounting to DKK 48.5 million and initiation of the integration DKK 11.8 million.

For the periods to come, up to DKK 100 million is expected in integration costs, with the majority expected within the first financial year.

Completion of pre-acquisition balance sheet

The purchase price allocation of the fair value of the identified assets, liabilities and contingent liabilities is ongoing. Adjustments are therefore expected to be made to items in the opening balance included below, including the trademark, software, and membership programs. The purchase price allocation related to the acquisition will be completed within the 12-month period as mandated by IFRS.

Goodwill

The DKK 92 million in goodwill arising from the acquisition comes primarily from the minimum DKK 100 million in EBITDA synergies, as well as from the expected approximately DKK 40 million standalone improvement to KICKS' EBITDA, from already invested and executed initiatives. None of the goodwill is tax deductible.

¹ Based on a SEK/DKK exchange rate of 0.6535, NOK/DKK exchange rate of 0.6582, and EUR/DKK exchange rate of 7.4528 (average of April 2023 – September 2023).

Notes

Note 6 – Business combinations continued

Purchase Price Allocation

(DKKm)	30 Sept. 2023	30 Sept. 2022
Cash	75.1	-
Trade receivables	29.6	-
Other receivables and deposits	30.2	-
Prepaid expenses and deferred income	16.5	-
Inventories	626.0	-
Deposits	8.3	-
Plant and equipment and right-of-use assets	684.2	-
Intangible assets, software	87.4	-
Intangible assets, trademarks	131.9	-
Intangible assets, member program	68.3	-
Assets acquired	1,757.5	-
Trade payables	(287.8)	-
Credit institutions	(100.7)	-
Lease liability	(504.8)	-
Deferred tax liability	(39.3)	-
Other payables	(130.2)	-
Prepaid income and deferred expenses	(94.4)	-
Liabilities assumed	(1,157.2)	-
Net identifiable assets acquired	600.3	-
Goodwill arising on acquisitions	91.9	5.8
Purchase consideration	692.2	5.8
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	(692.2)	(5.8)
Less balances acquired	75.1	-
Contingent liabilities	-	4.3
Net outflow of cash - investing activities	(617.1)	(1.5)

Acquisitions in 2022/23

Having acquired the remaining 60% of the shares in Miild A/S at 30 September 2022, Matas A/S now owns all the shares in the company.

Miild A/S is a Danish beauty brand focusing on allergy-friendly cosmetics.

The consideration amounts to DKK 1.5 million in cash, to which should be added a potential earn-out payment of an estimated DKK 4.3 million. The provisional purchase price allocation shows values added on acquisition in the form of goodwill of DKK 5.8 million.

Transaction costs in the amount of DKK 0.8 million were incurred in connection with the acquisition. The transaction costs have been recognised under other external costs for H1 2022/23. Other than this, the acquisition did not affect activities in the first half of 2022/23.

Revenue and profit contribution

Revenue and profit for the first half of 2022/23, calculated as if Miild A/S had been acquired at 1 April 2022, amounted to DKK 3.7 million and DKK 0.7 million, respectively.

Acquisitions after the reporting period

No acquisition took place after the reporting period

Notes

Note 7 – Leases

Matas Group's lease assets are as follows:

(DKKm)	30 Sept. 2023	30 Sept. 2022	31 March 2023
Store leases	1,005.0	363.2	571.0
Administration and warehouse buildings etc.	179.0	50.6	45.4
Cars and other leases	6.1	3.3	5.9
Total lease assets	1,190.1	417.1	622.3

An addition of DKK 513.2 million was recognised as right-of-use assets in connection with the acquisition of KICKS 31 August 2023, cf. note 5. Further an addition of DKK 122 million was recognised in September primarily regarding KICKS' central warehouse in Rosersberg Stockholm.

Matas Group's lease liabilities are as follows:

(DKKm)	30 Sept. 2023	30 Sept. 2022	31 March 2023
Non-current liabilities	876.7	264.2	462.6
Current liabilities	349.0	176.0	188.4
Total lease liabilities	1,225.7	440.2	651.0

An addition of DKK 504.8 million was recognised as lease liabilities in connection with the acquisition of KICKS 31 August 2023, cf. note 5.

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months. Commercial renting of shops etc. in the other Nordic countries are not similar to the practice in Denmark, as extensions take place at fixed intervals and with fixed deadlines for termination/extension. This has been accounted for in recognising the KICKS leases.

Depreciation as set out below is recognised in the statement of comprehensive income:

(DKKm)	H1 2023/24	H1 2022/23
Store leases etc.	87.4	81.0
Administration and warehouse buildings etc.	9.6	4.8
Cars and other leases	1.0	0.8
Total depreciation of lease assets	98.0	86.6

Lease payments in the amount of DKK 107.1 million were made in H1 2023/24 (H1 2022/23: DKK 90.9 million).

Interest in the amount of DKK 16.7 million was expensed in H1 2023/24 (H1 2022/23: DKK 4.2 million).

Matas Group is the lessee of a limited number of premises. For some of these leases, the rent is fully or partially based on revenue.

Revenue-based rent is not comprised by IFRS 16 and is therefore not included in the above tables. Revenue-based rent is, as before, recognised under other external costs and amounted to DKK 4.7 million in H1 2023/24 (H1 2022/23: DKK 1.8 million).

Notes

Note 8 – Other payables

(DKKm)	30 Sept. 2023	30 Sept. 2022	31 March 2023
Other non-current payables			
Contingent consideration and deferred purchase price	11.9	43.1	13.0
Total other non-current payables	11.9	43.1	13.0
Other current payables			
VAT payable	50.2	17,1	41.0
Holiday pay obligations etc.	112.3	67,9	65.1
Pay-related liabilities (A tax/social security contributions)	171.1	30,1	52.8
Contingent consideration and deferred purchase price	34.8	-	33.4
Other creditors	20.0	1.1	10.4
Total other current payables	388.4	116,2	202.7

An addition of DKK 130.2 million was recognised as other payables in connection with the acquisition of KICKS 31 August 2023, cf. note 5.

Note 9 – Transactions with related parties

Pursuant to Matas A/S' Remuneration Policy, a total of 185,442 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2020/21 were vested at 23 June 2023.

PSUs were vested at 150% of the original grant. Based on a closing price at 22 June 2023 of DKK 83.5, the total value of vested PSUs amounted to DKK 15.5 million.

On 30 June 2023, a total of 158,696 PSUs have been granted related to the long-term incentive programme for 2023/24. A total of 61,726 PSUs were granted to Group CEO Gregers Wedell-Wedellsborg and a total of 36,307 PSUs have been granted to Group CFO Per Johannesen Madsen.

Note 10 – Subsequent events

No subsequent events have occurred that materially affect the Matas Group's financial position.

Interim financial highlights

(DKKm)	Q2 2023/24	Q1 2023/24	Q4 2022/23	Q3 2022/23	Q2 2022/23
Statement of comprehensive income					
Revenue	1,285.4	1,150.0	1,150.7	1,396.2	989.2
Gross profit	572.6	506.1	484.5	620.9	442.9
EBITDA	138.1	179.8	161.6	295.9	160.0
EBIT	25.0	88.7	50.8	201.4	73.3
Net financials	(21.4)	(23.3)	(15.5)	(12.6)	(13.3)
Profit before tax	3.6	65.4	35.4	188.8	60.0
Profit for the period	1.6	49.0	17.6	147.3	46.7
Statement of financial position					
Total assets	8,624.9	6,378.0	6,280.2	6,149.0	6,111.2
Total equity	3,364.4	3,337.4	3,363.1	3,345.2	3,195.8
Net working capital	261.2	(50.0)	23.0	(119.4)	47.6
Net interest-bearing debt	3,003.3	1,482.8	1,642.4	1,235.0	1,583.7
Statement of cash flows					
Cash flow from operating activities	(71.2).	251.5	(45.2)	433.9	145.7
Cash flow from investing activities	(707.4)	(50.6)	(72.9)	(51.5)	(85.5)
Free cash flow	(778.6)	200.9	(118.1)	382.4	60.2
Net cash flow from operating, investing and financing activities	192.8	29.8	(94.9)	88.5	(2.9)

(DKKm)	Q2 2023/24	Q1 2023/24	Q4 2022/23	Q3 2022/23	Q2 2022/23
Key performance indicators					
Number of transactions (millions)	6.6	6.0	5.5	6.8	5.4
Average basket size (DKK)	182.7	188.2	182.3	202.8	179.4
Total retail floor space (thousands of square metres)	104.1	53.7	53.3	53.7	53.5
Avg. revenue per square metre (DKK thousands) - LTM	82.7	83.6	81.9	80.6	80.3
Organic growth	8.0%	9.2%	8.3%	1.3%	1.6%
Adjusted figures					
EBITDA	138.1	179.8	161.6	295.9	160.0
Special items	39.1	21.1	-	-	-
EBITDA before special items	177.2	200.9	161.6	295.9	160.0
Depreciation and amortisation of software	(96.2)	(81.2)	(97.8)	(81.9)	(75.3)
EBITA	81.0	119.7	63.8	214.0	84.7
Adjusted profit after tax	47.0	77.9	27.8	157.1	55.6
Gross margin	44.5%	44.0%	46.1%	44.5%	44.8%
EBITDA margin	10.7%	15.6%	15.4%	21.2%	16.2%
EBITDA margin before special items	13.8%	17.5%	15.4%	21.2%	16.2%
EBITA margin	6.3%	10.4%	6.1%	15.3%	8.6%
EBIT margin	1.9%	7.7%	4.8%	14.4%	7.4%

Additional information

Contacts

Gregers Wedell-Wedellsborg

Group CEO, phone +45 48 16 55 55

Per Johannesen Madsen

Group CFO, phone +45 48 16 55 55

Klaus Fridorf

Head of Communication,
phone +45 61 20 19 97

John Bäckman

Head of Investor Relations & Treasury,
phone +45 22 43 12 54

Company information

Matas A/S
Rørmosevej 1
3450 Allerød,
Denmark

Phone: +45 48 16 55 55
www.matas.dk
investor.matas.dk
Company reg. (CVR) no. 27 52 84 06

Financial calendar 2023/24

The financial calendar for the remaining part of the 2023/24 financial year is as follows:

9 January 2024

Trading update for Q3 2023/24

2 February 2024

Interim report – Q3 2023/24

7 May 2024

Deadline for the Company's shareholders to submit in writing requests for specific proposals to be included on the agenda for the annual general meeting

28 May 2024

Annual report 2023/24

19 June 2024

Annual general meeting for 2023/24

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.



matas

Matas A/S

Rørmosevej 1
3450 Allerød

Phone: +45 48 16 55 55
www.matas.dk
investor.matas.dk
CVR no.: 27 52 84 06