

matas

Company announcement no. 08 2022/23, Allerød, 17 August 2022

# Interim report

## Q1 2022/23

(1 April – 30 June 2022)

Rising customer traffic drives revenue  
and earnings growth



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## Video conference

Matas will host a video conference for investors and analysts on Wednesday, 17 August at 10:00 a.m. CEST. The video conference and the presentation can be accessed from Matas' investor website: <https://investor.matas.dk>.

## Video conference 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://streams.eventcdn.net/matas/2022q1>

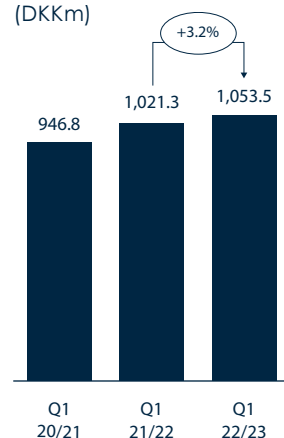




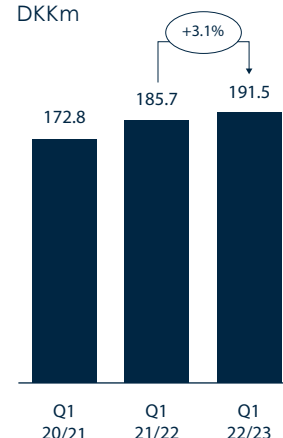
# Rising customer traffic drives revenue and earnings growth

- Matas grew revenue by 3.2% to DKK 1,054 million in Q1 2022/23.
- EBITDA before special items grew by 3.1% to DKK 192 million reflecting an unchanged EBITDA margin before special items of 18.2%.
- Profit after tax grew by 27.7% to DKK 69.1 million mainly due to a decline in amortisation, related to the fully amortised Matas Brand trademark.
- Matas maintains its guidance for the financial year 2022/23.

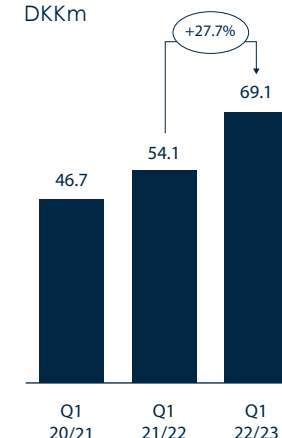
**Revenue**  
(DKKm)



**EBITDA before special items**  
DKKm



**Profit after tax**  
DKKm



*“We are pleased to see growth in Q1 driven by our customers shopping more frequently across all of our channels. We are pursuing a strategy of offering consumers a bigger and broader assortment. Accordingly, we introduced 21 new brands and expanded the assortment in both health and beauty with thousands of new products in the quarter.*

*At the same time, we are responding to changing consumer sentiments by providing more value and convenience to our 1.7 million Club Matas members and our 58,000 Club Matas Plus subscribers with faster delivery, more advantages and convenient shopping in the Club Matas app.”*

Gregers Wedell-Wedellsborg, CEO of Matas A/S

# Q1 2022/23 highlights

- Matas generated total revenue of DKK 1,053 million in Q1 2022/23, a year-on-year increase of 3.2% from DKK 1,021 million in Q1 2021/22. Retail sales were up by 2.9% to DKK 1,029 million, while underlying like-for-like sales grew by 2.9%.
- Revenue was up across all sales channels. Growing sales by DKK 28 million, the physical stores recorded the largest absolute increase, while wholesale delivered the largest relative increase at 16%. Online sales maintained the high level from Q1 2021/22.
- Footfall was strong, and the number of transactions increased by 8.3% to 5.5 million, while the average basket size fell by 4.7% to DKK 187 per transaction.
- Gross profit for Q1 2022/23 was DKK 466 million, up from DKK 453 million in Q1 2021/22. The gross margin for Q1 2022/23 was 44.2%, down from 44.4% in the year-earlier period due to changes in product mix and introduction of new brands.
- EBITDA before special items came to DKK 192 million and EBITDA margin before special items was 18.2%, unchanged from Q1 2021/22.
- The total amortisation, depreciation and impairment charges were down by DKK 19 million to DKK 89 million in Q1 2022/23. During Q4 of 2021/22 the Matas Brand trademark of approximately DKK 1.1 billion was fully amortised, reducing the quarterly amortisation and depreciation by DKK 18 million.
- Profit for the period was DKK 69 million after tax, against DKK 54 million in Q1 2021/22.
- Cash generated from operations was an inflow of DKK 145 million in Q1 2022/23 against an inflow of DKK 88 million in Q1 2021/22.



# Key financials

(DKKm)	2022/23 Q1	2021/22 Q1	Percentage growth	(DKKm)	2022/23 Q1	2021/22 Q1
<b>Statement of comprehensive income</b>				<b>Ratios</b>		
Revenue	1,053.5	1,021.3	3.2%	Revenue growth	3.2%	7.9%
Gross profit	466.1	453.1	2.9%	Underlying like-for-like revenue growth	2.9%	5.9%
EBITDA	186.7	185.7	0.5%	Gross margin	44.2%	44.4%
EBIT	97.6	78.0	25.1%	EBITDA margin	17.7%	18.2%
Net financials	(9.0)	(10.5)	(14.6)%	EBITDA margin before special items	18.2%	18.2%
Profit before tax	88.6	67.5	31.3%	EBIT margin	9.3%	7.6%
Profit for the period after tax	69.1	54.1	27.7%	Cash conversion	53.2%	35.7%
Special items	4.8	0.0		Earnings per share, DKK	1.83	1.41
EBITDA before special items	191.5	185.7	3.1%	Diluted earnings per share, DKK	1.81	1.40
Adjusted profit after tax	81.6	77.2	5.8%	Share price, end of period, DKK	74.1	113.6
<b>Statement of financial position</b>				ROIC before tax	10.0%	9.8%
Total assets	6,054.7	6,243.5		Net working capital as a percentage of LTM revenue	0.7%	(2.7)%
Total equity	3,147.0	2,993.5		Investments as a percentage of revenue	4.4%	9.2%
Net working capital	31.5	(113.1)		Net interest-bearing debt/EBITDA before special items	1.9	2.1
Net interest-bearing debt	1,561.7	1,739.5		Number of transactions (millions)*	5.5	5.1
<b>Statement of cash flows</b>				Average basket size (DKK)*	187	196
Cash flow from operating activities	144.5	88.2		Average no. of employees	2,071	2,084
Cash flow from investing activities	(45.9)	(93.6)				
Free cash flow	98.6	(5.4)				

\* For definitions of key financials, see page 99 of the 2021/22 Annual Report.

# Management's review

## Strategic initiatives in Q1 2022/23

In August 2021, Matas launched its five-year Growing Matas Group strategy. Based on the purpose 'Health and Beauty for Life', the Group will grow by selling more to existing customers – especially the 1.7 million Club Matas members – driven by an expansion of the assortment. The Group aim to grow revenues to more than DKK 5 billion with an EBITDA margin between 17% and 18% enabled by investments of DKK 1-1.3 billion by 2025/26.

### Matas has made progress across the six tracks of the Growing Matas Group strategy during Q1 2022/23:

#### Commercial: Expand assortment

- Introduced 21 new brands primarily in the Beauty categories. In total, Matas has launched 80 new brands since the introduction of Growing Matas Group in August 2021.
- Built a pipeline with approximately 20 new brands to be launched during Q2 2022/23, with a significant assortment expansion in the Health and Wellbeing category including OTC and Medicare products.

### Strategic tracks



**Commercial:** Matas offers the broadest and most attractive assortment within health and beauty to the Danish consumer. Towards 2025/26, Matas will continually expand its assortment with new brands, products and categories.



**Connected retail:** With 261 stores nationwide and approximately 2,500 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 digital services in-store and adapting the network to market demand.



**Logistics:** With in-house logistics, Matas delivers a fast and consistent experience to both customers and suppliers. Towards 2025/26, Matas will invest in a new Matas Logistics Center (MLC) with automated logistics to increase effectiveness and enable the assortment expansion.



**E-commerce:** matas.dk is the second most used web shop in Denmark, and the number one online destination for health and beauty in Denmark. Furthermore, Matas Group represents a number of niche web shops operated by Firtal and Web Sundhed's online pharmacy service platform. Towards 2025/26, Matas aims to extend the market leadership through continued improvement of customer satisfaction.



**Brands:** As the owner of a category-leading brand portfolio, Matas offers a distinctive and unique brand with national recognition. Towards 2025/26, Matas will expand its House Brand portfolio and grow the Matas brands business in own channels and through wholesale.



**ESG/CSR:** As one of the most well-known brands in Denmark, Matas is recognised as a responsible company by consumers. Towards 2025/26, Matas aims to make continued progress on its ESG/CSR focus areas: reducing climate footprint, contributing to public health, and championing inclusion.

# Management's review (continued)

## E-commerce: Extend market leadership

- Sustained the high level of online sales regardless of, an estimated decline in the general online market on the back of the elevated sales levels reported during the COVID-19 pandemic in 2021.
- Launched a new health-focused web shop, named well.dk, through Firtal Group.
- Record high customer satisfaction on matas.dk with net promoter scores (NPS) growing on top of last year's record levels.

## Connected retail: Consolidate and connect stores

- Rolled out more than 180 mobile POS units, which allows customers to skip the queue and make the payment directly to a shop assistant anywhere in the store. Thus enabling easier up-sell for the shop assistant.
- Rolled out Matas' booking module for customers to book health-, skin- and haircare consultations in 142 Matas stores in collaboration with suppliers. More than 4,000 bookings were reported in Q1 2022/23. The basket size is remarkably larger for customers adopting the

booking module compared to the basket size of regular customers.

- Expanded the pick-in-store concept to more than 100 stores, where orders placed online for 'pick-up at a Matas store' are packed in the selected store and ready to pick up by our customers only a few minutes after placing the order.

## Brands: Grow portfolio of House Brands

- Launched Matas Striber, Matas Natur and My Moments in 80 stores in Germany in June.
- Increased sales of private label brands and Nilens Jord by nearly DKK 6 million, to 17.1% of the revenue generated by Matas stores and matas.dk.

## Logistics: Automate logistics

- Continued optimization of manual processes at the Humlebæk warehouse without major disruptions despite the tight labour market.
- Received the final government approval for the land in Lynge, where MLC will be built. The acquisition of the land was finalised in July with a total price of DKK 48 million.

## ESG/CSR: Impact society in a positive way

- Tested solutions to reduce energy consumption in stores.
- Strengthened product safety, quality and procedures to support assortment expansion.
- Listed more products and brands with health benefits and a sustainable profile.



# Q1 2022/23 performance

## Revenue

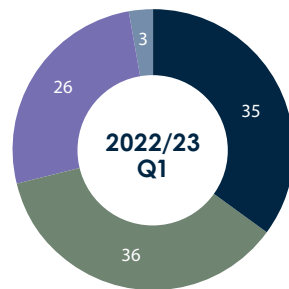
Matas generated total revenue of DKK 1,053 million in Q1 2022/23, a year-on-year increase of 3.2% from DKK 1,021 million in Q1 2021/22. Retail sales were up by 2.9% to DKK 1,029 million, while underlying like-for-like sales grew by 2.9%.

While revenue grew in all main categories, Mass Beauty was the primary growth driver in both absolute and relative terms.

Revenue was up across all sales channels. Growing sales by DKK 28 million, the physical stores recorded the largest absolute increase, while wholesale delivered the largest relative increase at 16%.

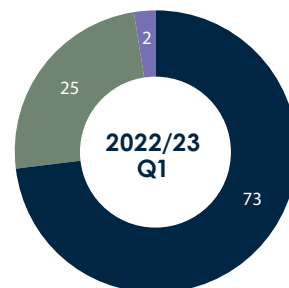
Footfall was strong, and the number of transactions increased by 8.3% to 5.5 million, while the average basket size fell by 4.7% to DKK 187 per transaction. The increase in the number of transactions and decrease in average basket size reflects the ongoing normalisation of the costumers shopping habits after COVID-19.

Retail revenue by category (%)



■ High-End Beauty
 ■ Mass Beauty
 ■ Health and Wellbeing
 ■ Other

Revenue by sales channel (%)



■ Physical stores
 ■ Online
 ■ Wholesale

Revenue by categories and sales channels (DKKm)

	2022/23 Q1	2021/22 Q1	Growth
<b>Categories</b>			
High-End Beauty	360.5	358.2	0.6%
Mass Beauty	372.4	351.3	6.0%
Health and Wellbeing	269.5	260.1	3.6%
Other	26.5	30.4	-12.5%
<b>Retail revenue</b>	<b>1,028.9</b>	<b>1,000.0</b>	<b>2.9%</b>
<b>Retail revenue by category (%)</b>			
High-End Beauty	35.0%	35.8%	
Mass Beauty	36.2%	35.1%	
Health and Wellbeing	26.2%	26.0%	
Other	2.6%	3.0%	
<b>Sales channels</b>			
Physical stores	770.5	742.4	3.8%
Online	258.4	257.6	0.3%
Wholesale	24.6	21.3	15.5%
<b>Total revenue</b>	<b>1,053.5</b>	<b>1,021.3</b>	<b>3.2%</b>
<b>Revenue by sales channel (%)</b>			
Physical stores	73.1%	72.7%	
Online	24.5%	25.2%	
Wholesale	2.3%	2.1%	



# Q1 2022/23 performance (continued)

## Performance by category

High-End Beauty grew sales by 0.6%.

Sales of professional haircare products more than doubled in the first quarter of 2022/23 mainly supported by the launch of the Professional Hair Care universe in Q2 2021/22. The largest product category – skincare – recorded a marginal decline in sales.

Mass Beauty grew sales by 6.0% supported mainly by higher makeup sales to maintain the strong momentum from 2021/22.

The Beauty segment accounted for 71.2% of the retail revenue, compared to 71.0% in Q1 2021/22.

Health and Wellbeing grew sales by 3.6%. Sales of dermatological and special skincare products recorded significant growth, supported by the launch of new brands in September 2021.

Overall private label sales, including Nilens Jord, accounted for 17.1% of the revenue generated by Matas stores and matas.dk in

Q1 2022/23, the same level as Q1 2021/22. Sales were up by DKK 5.8 million.

Wholesale grew by DKK 3.3 million to DKK 25 million, driven by an increase in wholesale from Kosmolet.

## Performance by sales channel

Matas' physical stores grew revenue by 3.8% or DKK 28 million to DKK 770 million.

The main growth driver was the number of transactions, which was up by 7%. The average basket size decreased by 3%. The number of Matas stores at 30 June 2022 was 261, a year-on-year decline of three due to ongoing store consolidation and adaption to market demand.

Online sales were up by 0.3%. Overall, online sales accounted for 24.5% of Q1 2022/23 revenue against 25.2% in Q1 2021/22. The number of transactions increased by 13%, while the average basket size fell by 10%.

## Categories

Matas 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 the Group's customers in the shape of four categories:

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

**Mass Beauty:** Everyday beauty products and personal care, including cosmetics, skin- 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 June 2022, Matas consisted of 261 physical stores – 260 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. 73% of Q1 2022/23 revenue was generated by Matas' physical stores.

In addition, Matas was present online through matas.dk and several web shops operated by Firtal, of which the most important ones are helsebixen.dk, jala-helsekost.dk and made4men.dk. 25% of revenue was generated through Matas' online channels.

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



# Costs and operating performance

Gross profit for Q1 2022/23 was DKK 466 million, up from DKK 453 million in Q1 2021/22.

The gross margin for Q1 2022/23 was 44.2%, down from 44.4% in the year-earlier period due to changes in product mix and introduction of new brands.

Adjusted for special items, overall costs (other external costs and staff costs) amounted to 26.1% of revenue in Q1 2022/23 against 26.2% the year before. Reported costs in the quarter amounted to 26.5% of revenue and were up by DKK 12 million compared to Q1 2021/22.

Other external costs adjusted for special items amounted to DKK 73 million in Q1 2022/23, against DKK 69 million in Q1 2021/22. Reported other external costs in the quarter amounted to DKK 78 million. Special items of DKK 4.8 million in Q1 2022/23, attributable to the Matas employee party, gathering all Matas employees for the first time in 15 years. Q1 2021/22 had no special items.

Other external costs adjusted for special items made up 6.9% of revenue in the first quarter against 6.7% the year before. Reported other external costs made up 7.4% of revenue in the quarter.

Adjusted for special items, other external costs increased by DKK 4 million, primarily driven by increase in energy prices and execution of Growing Matas Group, including the internationalisation of Matas' house brands (brands owned by the Group).

Q1 2022/23 staff costs amounted to DKK 202 million, up by DKK 3 million from DKK 199 million in the year-earlier period. There were no special items in either Q1 2022/23 or Q1 2021/22.

The increase in staff costs was mainly related to the recruitment of new competencies to execute the Growing Matas Group strategy.

Staff costs accounted for 19.2% of revenue in Q1 2022/23, against 19.5% in the year-earlier period.

EBITDA before special items came to DKK 192 million and EBITDA margin before special items was 18.2%, in line with Q1 2021/22. Q1 2022/23 reported EBITDA was DKK 187 million against DKK 186 million in Q1 2021/22.

## Amortisation, depreciation and impairment

The total amortisation, depreciation and impairment charges were down by DKK

Costs (DKKm)	2022/23 Q1	2021/22 Q1	Growth
Other external costs	77.5	68.5	13.1%
- of which special items	4.8	0.0	
As a percentage of revenue	7.4%	6.7%	
Staff costs	201.9	198.9	1.5%
- of which special items	0.0	0.0	
As a percentage of revenue	19.2%	19.5%	

19 million to DKK 89 million in Q1 2022/23. During Q4 2021/22 the Matas Brand trademark of approximately DKK 1.1 billion was fully amortised, reducing the quarterly amortisation and depreciation by DKK 18 million.

## Net financials

Net financial expenses were down by DKK 2 million to DKK 9 million in Q1 2022/23, due to lower debt.

## Profit for the period

The effective tax rate was 22.0% in Q1 2022/23, equivalent to a tax expense of DKK 20 million. Profit for the period was DKK 69 million after tax, against DKK 54 million in Q1 2021/22.

## Statement of financial position

Total assets amounted to DKK 6,055 million on 30 June 2022, down from DKK 6,244 million at 30 June 2021.

Non-current assets decreased by DKK 201 million, which is mainly due to depreciation of leased assets and a depreciation of trademarks and -names.

Current assets totalled DKK 1,068 million, a year-on-year rise of DKK 12 million.

Inventories were DKK 25 million lower at the end of Q1 2022/23 than at the end of Q1 2021/22, reflecting the Group's ongoing stock optimisation efforts.

Inventories accounted for 21.2% of LTM revenue at 30 June 2022 compared to 22.5% at 30 June 2021.

# Costs and operating performance (continued)

Trade receivables increased by DKK 13 million to DKK 31 million, while trade payables decreased by DKK 62 million year on year.

Net working capital excluding deposits was DKK 31 million at 30 June 2022 against minus DKK 113 million at 30 June 2021. The extraordinarily low level of net working capital at 30 June 2021, should be regarded as an effect of postponed payments of tax due to COVID-19 and frozen holiday pay.

Cash and cash equivalents amounted to DKK 46 million, up from DKK 36 million the year before.

Equity was DKK 3,147 million at 30 June 2022, compared to DKK 2,994 million at 30 June 2021.

Net interest-bearing debt was DKK 1,562 million at 30 June 2022, a year-on-year decline of DKK 178 million – equalling 1.9 times LTM EBITDA before special items, the long-term target of the financial gearing ratio is between 2 and 3. Of this decline, DKK 144 million was attributable to lower lease liabilities.

Gross interest-bearing debt stood at DKK 1,608 million at 30 June 2022, including lease liabilities of DKK 483 million.

At 30 June 2022, 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 268,162 shares in the period under review in connection with the exercise of the 2019/20 incentive programme, Matas held 358,423 treasury shares at 30 June 2022.

## Statement of cash flows

Cash generated from operations was an inflow of DKK 145 million in Q1 2022/23 against an inflow of DKK 88 million in Q1 2021/22.

For Q1 2022/23, cash flows from investing activities were an outflow of DKK 46 million against an outflow of DKK 94 million in Q1 2021/22. The decrease in investments was attributable to Web Sundhed's acquisition of Apo-Web ApS and Apo IT ApS in Q1 2021/22.

The Q1 2022/23 free cash flow was an inflow of DKK 99 million, compared to an outflow of DKK 5 million in Q1 2021/22.

## Return on invested capital

The return on LTM invested capital before tax was 10.0% at 30 June 2022 against 9.8% at 30 June 2021.

## Cash flows (DKKm)

	2022/23 Q1	2021/22 Q1
Cash generated from operations	144.5	88.2
Free cash flow	98.6	(5.4)
Free cash flow net of acquisitions	98.6	43.2
Cash flows from financing activities	(80.7)	0.4

## Events after the date of the statement of financial position

Matas paid a dividend of DKK 2.00 per share on 1 July.

On 15 July 2022 Matas paid DKK 48 million for the land in Lynge, where MLC is planned to be build.

## Significant risks

Matas Group is exposed to operational risks affecting the retail industry in general, and in particular, the Health and Beauty industry. If the COVID-19 pandemic leads to a substantial increase in infection rates, additional supply difficulties or labour shortages, Matas' business could suffer. In addition, Matas 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 today considered and approved the interim report of Matas A/S for the period 1 April to 30 June 2022.

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 June 2022 and of the results of the Group's operations and cash flows for the period 1 April to 30 June 2022.

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, 17 August 2022

## Executive Management

**Gregers Wedell-Wedellsborg**  
CEO

**Per Johannesen Madsen**  
CFO

## Board of Directors

**Lars Vinge Frederiksen**  
Chairman

**Mette Maix**  
Deputy Chairman

**Birgitte Nielsen**

**Henrik Taudorf Lorensen**

**Kenneth Melchior**

**Lars Jensen**



# Statement of comprehensive income

(DKKm)	2022/23 Q1	2021/22 Q1
Revenue	1,053.5	1,021.3
Cost of goods sold	(587.4)	(568.2)
<b>Gross profit</b>	<b>466.1</b>	<b>453.1</b>
Other external costs	(77.5)	(68.5)
Staff costs	(201.9)	(198.9)
Amortisation, depreciation and impairment	(89.1)	(107.7)
<b>EBIT</b>	<b>97.6</b>	<b>78.0</b>
Share of profit or loss after tax of associates	0.2	0.0
Financial income	0.0	0.0
Financial expenses	(9.2)	(10.5)
<b>Profit before tax</b>	<b>88.6</b>	<b>67.5</b>
Tax on profit for the period	(19.5)	(13.4)
<b>Profit for the period</b>	<b>69.1</b>	<b>54.1</b>
<b>Other comprehensive income</b>		
Value adjustment of hedging instrument	0.0	0.4
Tax on value adjustment	0.0	(0.1)
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.3</b>
<b>Total comprehensive income</b>	<b>69.1</b>	<b>54.4</b>
<b>Distributed as follows:</b>		
Shareholders of Matas A/S	69.1	54.4
Minority shareholders	0.0	0.0
	69.1	54.4
<b>Earnings per share</b>		
Earnings per share, DKK	1.83	1.41
Diluted earnings per share, DKK	1.81	1.40



# Statement of cash flows

(DKKm)	2022/23 Q1	2021/22 Q1
Profit before tax	88.6	67.5
Adjustment for non-cash operating items etc.:		
Amortisation, depreciation and impairment	89.1	107.7
Other non-cash operating items, net	1.5	(23.5)
Share of profit or loss after tax of associates	(0.2)	0.0
Financial income	0.0	0.0
Financial expenses	9.2	10.5
<b>Cash generated from operations before changes in working capital</b>	<b>188.2</b>	<b>162.2</b>
Changes in working capital	(43.7)	(74.0)
<b>Cash generated from operations</b>	<b>144.5</b>	<b>88.2</b>
Interest received	0.0	0.0
<b>Cash flow from operating activities</b>	<b>144.5</b>	<b>88.2</b>
Acquisition of intangible assets	(32.1)	(35.1)
Acquisition of property, plant and equipment	(13.8)	(10.3)
Disposal of investments in subsidiaries	0.0	0.4
Acquisition of subsidiaries and operations	0.0	(48.6)
<b>Cash flow from investing activities</b>	<b>(45.9)</b>	<b>(93.6)</b>
<b>Free cash flow</b>	<b>98.6</b>	<b>(5.4)</b>

(DKKm)	2022/23 Q1	2021/22 Q1
Debt raised and settled with credit institutions	(29.9)	51.2
Interest paid	(7.7)	(8.4)
Repayment of lease liabilities	(43.1)	(42.4)
<b>Cash flow from financing activities</b>	<b>(80.7)</b>	<b>0.4</b>
Net cash flow from operating, investing and financing activities	17.9	(5.0)
Cash and cash equivalents, beginning of period	28.2	40.7
Cash and cash equivalents, end of period	46.1	35.7

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

# Assets

(DKKm)	30.06 2022	30.06 2021	31.03 2022
<b>NON-CURRENT ASSETS</b>			
Goodwill	3,993.6	3,990.2	3,993.6
Trademarks and trade names	65.3	122.7	67.8
Other intangible assets	191.7	171.2	186.8
<b>Total intangible assets</b>	<b>4,250.6</b>	<b>4,284.1</b>	<b>4,248.2</b>
<b>Property, plant and equipment</b>			
Lease assets	460.4	608.3	500.2
Land and buildings	88.8	90.1	86.6
Other fixtures and fittings, tools and equipment	82.8	100.2	86.7
Leasehold improvements	37.5	46.8	40.3
Plant in progress	11.6	0.0	9.6
<b>Total property, plant and equipment</b>	<b>681.1</b>	<b>845.4</b>	<b>723.4</b>
Investments in associates	7.5	12.4	7.3
Deposits	47.0	45.0	46.8
Other securities and equity investments	0.6	0.6	0.6
<b>Total other non-current assets</b>	<b>55.1</b>	<b>58.0</b>	<b>54.7</b>
<b>Total non-current assets</b>	<b>4,986.8</b>	<b>5,187.5</b>	<b>5,026.3</b>
<b>CURRENT ASSETS</b>			
Inventories	928.9	954.2	890.1
Trade receivables	30.9	17.8	26.6
Corporation tax receivable	26.3	0.1	45.5
Other receivables	3.2	6.3	7.1
Prepayments	32.5	41.9	31.5
Cash and cash equivalents	46.1	35.7	28.2
<b>Total current assets</b>	<b>1,067.9</b>	<b>1,056.0</b>	<b>1,029.0</b>
<b>TOTAL ASSETS</b>	<b>6,054.7</b>	<b>6,243.5</b>	<b>6,055.3</b>

# Equity and liabilities

(DKKm)	30.06 2022	30.06 2021	31.03 2022
<b>EQUITY</b>			
Share capital	95.7	95.7	95.7
Hedging reserve	0.0	(1.0)	0.0
Translation reserve	0.3	0.3	0.3
Treasury share reserve	(43.5)	(1.0)	(76.0)
Retained earnings	3,094.0	2,899.1	3,055.2
Dividend proposed for the financial year	0.0	0.0	76.6
Matas A/S' share of equity	3,146.5	2,993.1	3,151.8
Minority interests	0.5	0.4	0.5
<b>Total equity</b>	<b>3,147.0</b>	<b>2,993.5</b>	<b>3,152.3</b>
<b>LIABILITIES</b>			
Deferred tax	193.2	199.7	192.8
Lease liabilities	306.6	447.2	343.5
Provisions	28.1	27.8	28.0
Credit institutions	996.5	0.0	996.1
Other payables	38.7	37.4	37.7
<b>Total non-current liabilities</b>	<b>1,563.1</b>	<b>712.1</b>	<b>1,598.1</b>
Credit institutions	128.0	1,148.2	157.9
Lease liabilities	176.7	179.8	179.5
Prepayments from customers	153.2	151.1	154.5
Trade payables	680.1	742.0	662.9
Dividend	75.9	76.6	0.0
Other payables	130.7	240.2	150.1
<b>Total current liabilities</b>	<b>1,344.6</b>	<b>2,537.9</b>	<b>1,304.9</b>
<b>Total liabilities</b>	<b>2,907.7</b>	<b>3,250.0</b>	<b>2,903.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,054.7</b>	<b>6,243.5</b>	<b>6,055.3</b>

# Statement of changes in equity

(DKKm)	Share capital	Hedging reserve	Trans-lation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
<b>Equity at 1 April 2022</b>	<b>95.7</b>	<b>0.0</b>	<b>0.3</b>	<b>(76.0)</b>	<b>76.6</b>	<b>3,055.2</b>	<b>3,151.8</b>	<b>0.5</b>	<b>3,152.3</b>
Value adjustment of hedging instrument	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax on value adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other comprehensive income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit for the period	0.0	0.0	0.0	0.0	0.0	69.1	69.1	0.0	69.1
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>69.1</b>	<b>69.1</b>	<b>0.0</b>	<b>69.1</b>
<b>Transactions with owners</b>									
Dividend transferred to other payables	0.0	0.0	0.0	0.0	(75.9)	0.0	(75.9)	0.0	(75.9)
Dividend on treasury shares	0.0	0.0	0.0	0.0	(0.7)	0.7	0.0	0.0	0.0
Addition of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exercise of incentive programme	0.0	0.0	0.0	32.5	0.0	(32.5)	0.0	0.0	0.0
Share-based payment	0.0	0.0	0.0	0.0	0.0	1.5	1.5	0.0	1.5
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>32.5</b>	<b>(76.6)</b>	<b>(30.3)</b>	<b>(74.4)</b>	<b>0.0</b>	<b>(74.4)</b>
<b>Equity at 30 June 2022</b>	<b>95.7</b>	<b>0.0</b>	<b>0.3</b>	<b>(43.5)</b>	<b>0.0</b>	<b>3,094.0</b>	<b>3,146.5</b>	<b>0.5</b>	<b>3,147.0</b>



# Statement of changes in equity (continued)

(DKKm)	Share capital	Hedging reserve	Trans-lation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
<b>Equity at 1 April 2021</b>	<b>95.7</b>	<b>(1.3)</b>	<b>0.3</b>	<b>(2.6)</b>	<b>76.6</b>	<b>2,870.2</b>	<b>3,038.9</b>	<b>0.0</b>	<b>3,038.9</b>
Value adjustment of hedging instrument	0.0	0.4	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Tax on value adjustment	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Other comprehensive income	0.0	0.3	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Profit for the period	0.0	0.0	0.0	0.0	0.0	54.1	54.1	0.0	54.1
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>54.1</b>	<b>54.4</b>	<b>0.0</b>	<b>54.4</b>
<b>Transactions with owners</b>									
Dividend transferred to other payables	0.0	0.0	0.0	0.0	(76.6)	0.0	(76.6)	0.0	(76.6)
Dividend on treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Addition of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Exercise of incentive programme	0.0	0.0	0.0	1.6	0.0	(26.7)	(25.1)	0.0	(25.1)
Share-based payment	0.0	0.0	0.0	0.0	0.0	1.5	1.5	0.0	1.5
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>(76.6)</b>	<b>(25.2)</b>	<b>(100.2)</b>	<b>0.4</b>	<b>(99.8)</b>
<b>Equity at 30 June 2021</b>	<b>95.7</b>	<b>(1.0)</b>	<b>0.3</b>	<b>(1.0)</b>	<b>0.0</b>	<b>2,899.1</b>	<b>2,993.1</b>	<b>0.4</b>	<b>2,993.5</b>

# Notes



# Notes

## Note 1 – Accounting policies

The 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 2021/22, to which reference is made.

### Changes of accounting policies

Matas has implemented the latest IFRS amendments, which took effect on 1 April 2022 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 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 2021/22.

## Note 3 – Seasonality

Except for fluctuations in the number of trading days, the Group's activities in the interim period were only to a limited extent affected by seasonal fluctuations.

## Note 4 – Revenue

(DKKm)	2022/23 Q1	2021/22 Q1
Retail sales, physical stores	770.5	742.4
Retail sales, online	258.4	257.6
Wholesale	24.6	21.3
<b>Total revenue</b>	<b>1,053.5</b>	<b>1,021.3</b>

In Q1 2022/23, 24.5% of Matas Group's revenue was generated by its online channels, compared to 25.2% in the year-earlier period.

Revenue breaks down by product groups as follows:

(DKKm)	2022/23 Q1	2021/22 Q1
High-End Beauty	360.5	358.2
Mass Beauty	372.4	351.3
Health and Wellbeing	269.5	260.1
Other	26.5	30.4
Wholesale sales etc.	24.6	21.3
<b>Total revenue</b>	<b>1,053.5</b>	<b>1,021.3</b>

# Notes

## Note 4 – Revenue continued

(DKKm)	2022/23 Q1	2021/22 Q1
Sale of goods	1,053.5	1,021.3
Sale of services	0.0	0.0
<b>Total revenue</b>	<b>1,053.5</b>	<b>1,021.3</b>

Revenue from sales of products through Matas 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 web shops is recognised and payment is received when the product is sent to the customer.

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

For the Club Matas customer loyalty programme, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of Club Matas points. The performance obligation is measured at the estimated fair value of the Club Matas points allocated and amounted to DKK 57.6 million at 30 June 2022 (30 June 2021: DKK 64.1 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 Q1 was insignificant, as was the amount of guarantee commitments.

### Geographical information

Sales through Danish retail stores, web shops and wholesale sales via Kosmolet and the Web Sundhed Group accounted for >98% (2021/22: 100.0%) of revenue in Q1 2022/23.

## Note 5 – Leases

Matas' lease assets are as follows:

(DKKm)	30/06/2022	30/06/2021	31/03/2022
Store leases	402.7	555.1	437.4
Administration and warehouse buildings etc.	54.0	50.5	60.1
Cars and other leases	3.7	2.7	2.7
<b>Total lease assets</b>	<b>460.4</b>	<b>608.3</b>	<b>500.2</b>

Matas' lease liabilities are as follows:

(DKKm)	30/06/2022	30/06/2021	31/03/2022
Non-current liabilities	306.6	447.2	343.5
Current liabilities	176.7	179.8	179.5
<b>Total lease liabilities</b>	<b>483.3</b>	<b>627.0</b>	<b>523.0</b>

Most store leases are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months.



# Notes

## Note 5 – Leases, continued

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

(DKKm)	Q1 2022/23	Q1 2021/22
Store leases etc.	39.4	39.7
Administration and warehouse buildings etc.	3.4	2.9
Cars and other leases	0.4	0.9
<b>Total depreciation of lease assets</b>	<b>43.2</b>	<b>43.5</b>

Lease payments in the amount of DKK 45.4 million were made in Q1 2022/23 (Q1 2021/22: DKK 45.3 million).

Interest in the amount of DKK 2.2 million was expensed in Q1 2022/23 (Q1 2021/22: DKK 3.2 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 0.9 million.

A total amount of DKK 1.0 million was recognised in the statement of comprehensive income for Q1 2022/23 regarding short-term leases and leases of low-value assets. Lease liabilities relating to non-recognised short-term leases and leases of low-value assets amounted to DKK 1.9 million at 30 June 2022.

## Note 6 – Other payables

(DKKm)	30/06/2022	30/06/2021	31/03/2022
<b>Other non-current payables</b>			
Contingent consideration and deferred purchase price	38.7	37.4	37.7
<b>Total other non-current payables</b>	<b>38.7</b>	<b>37.4</b>	<b>37.7</b>
<b>Other current payables</b>			
VAT payable	32.8	24.9	32.4
Holiday pay obligations etc.	69.5	116.8	66.9
Pay-related liabilities (A tax/social security contributions)	28.2	85.0	50.7
Other creditors	0.2	13.5	0.1
<b>Total other current payables</b>	<b>130.7</b>	<b>240.2</b>	<b>150.1</b>

# Notes

## Note 7 – Transactions with related parties

Pursuant to Matas A/S' Remuneration Policy, a total of 268,162 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2019 vested at 23 June 2022.

PSUs vested at 150% of the original grant. Based on a closing price at 23 June 2022 of DKK 79.9, the total value of vested PSUs was DKK 21.4 million.

A total of 152,079 PSUs have been granted 23 June 2022 related to the long-term incentive programme for 2022. A total of 55,700 PSUs were granted to CEO Gregers Wedell-Wedellsborg.

## Note 8 – Subsequent events

Matas paid out a dividend of DKK 2.00 per stock on 1 July 2022 in accordance with the decision on the General Assembly on 29 June 2022.

Matas completed the purchase of the land in Lynge in a final deed on 15 July 2022 for DKK 48 million. The land will be used to build Matas Logistic Center (MLC) in the coming years.

# Interim financial highlights

(DKKm)	2022/23 Q1	2021/22 Q4	2021/22 Q3	2021/22 Q2	2021/22 Q1	(DKKm)	2022/23 Q1	2021/22 Q4	2021/22 Q3	2021/22 Q2	2021/22 Q1
<b>Statement of comprehensive income</b>						<b>Key performance indicators</b>					
Revenue	1,053.5	970.6	1,378.4	973.9	1,021.3	Number of transactions (millions)*	5.5	5.1	6.6	5.2	5.1
Gross profit	466.1	468.3	613.7	430.9	453.1	Average basket size (DKK)*	187.1	182.7	204.5	181.9	196.4
EBITDA	186.7	160.0	300.9	163.0	185.7	Total retail floor space (thousands of square metres)	53.5	53.3	53.3	53.4	53.8
EBIT	97.6	59.9	193.7	56.7	78.0	Avg. revenue per square metre (DKK thousands) - LTM	79.9	79.3	79.5	78.7	78.5
Net financials	(9.0)	(12.2)	(4.2)	(10.3)	(10.5)	Like-for-like growth	2.9%	(2.3%)	2.8%	1.8%	5.9%
Profit before tax	88.6	47.7	189.5	46.4	67.5						
Profit for the period	69.1	39.3	146.7	36.4	54.1						
<b>Statement of financial position</b>						<b>Adjusted figures</b>					
Total assets	6,054.7	6,055.3	6,216.5	6,204.9	6,243.5	EBITDA	186.7	160.0	300.9	163.0	185.7
Total equity	3,147.0	3,152.3	3,107.6	3,012.2	2,993.5	Special items	4.8	7.8	(17.4)	2.6	0.0
Net working capital	31.5	(12.2)	(89.5)	(76.2)	(113.1)	EBITDA before special items	191.5	167.8	283.5	165.6	185.7
Net interest-bearing debt	1,561.7	1,648.8	1,660.5	1,766.0	1,739.5	Depreciation and amortisation of software	(77.8)	(79.5)	(77.5)	(75.5)	(78.2)
						EBITA	113.6	88.3	206.0	90.1	107.5
						Adjusted profit after tax	81.6	61.4	156.5	62.5	77.2
<b>Statement of cash flows</b>											
Cash flow from operating activities	144.5	51.5	241.2	129.6	88.2	Gross margin	44.2%	48.2%	44.5%	44.2%	44.4%
Cash flow from investing activities	(45.9)	(39.4)	(55.1)	(43.5)	(93.6)	EBITDA margin	17.7%	16.5%	21.8%	16.7%	18.2%
Free cash flow	98.6	12.1	186.1	86.1	(5.4)	EBITDA margin before special items	18.2%	17.3%	20.6%	17.0%	18.2%
Net cash flow from operating, investing and financing activities	17.9	(15.1)	16.8	(9.2)	(5.0)	EBITA margin	10.8%	9.1%	14.9%	9.3%	10.5%
						EBIT margin	9.3%	6.2%	14.1%	5.8%	7.6%

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## Financial calendar 2022/23

The financial calendar for the remaining part of the 2022/23 financial year is as follows:

### 10 November 2022

Interim report – Q2 2022/23

### 5 January 2023

Trading update for Q3 2022/23

### 8 February 2023

Interim report – Q3 2022/23

### 17 May 2023

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

### 31 May 2023

Annual report 2022/23

### 29 June 2023

Annual general meeting for 2022/23

## 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 as well as any effects of healthcare measures that are not specifically mentioned above.



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