

# 'Renewing Matas'

DNB NORDIC CONSUMER CONFERENCE - OSLO 3 SEPTEMBER 2019

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SKØNNERE SAMMEN





# The Matas Group – the No 1 Danish Health & Beauty retailer

2,149

FTE'S IN  
2018/19

21 million  
TRANSACTIONS  
IN 2018/19

275

STORES IN  
DENMARK\*

DKK 163.5  
BASKET SIZE

7.1 % OF  
2018/19 REVENUE  
FROM ONLINE\*\*



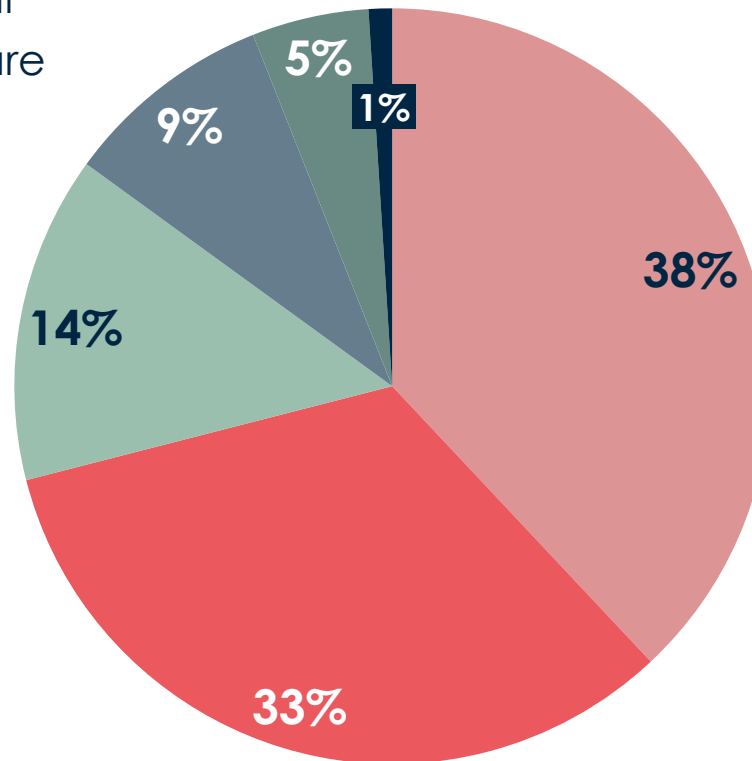
\* Includes one store in Greenland. \*\* Includes revenue from Firtal for the period 13 November 2018 to 30 June 2019.

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# Distribution of turnover by category in 2018/19



- High End Beauty
- Mass Beauty
- Vital
- Material
- Medicare
- Other



## BEAUTY

Everyday (mass) and luxury (high end) beauty products and personal care, including cosmetics, fragrances, skincare and haircare products.

## VITAL

Vitamins, minerals, supplements, specialty foods and herbal medicinal products.

## MATERIAL

Household and personal care products, including household cleaning and maintenance products, baby care, foot care and sports-related products.

## MEDICARE

OTC medicine, nursing products, etc.

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## 2018/19 in numbers

Revenue

DKK **3,541** million

2017/18: DKK 3,465 m

EBITDA before special items

DKK **549** million

2017/18: DKK 555 m

Underlying (like-for-like) growth of

**0.5%**

2017/18: -1.4%

EBITDA margin before special items

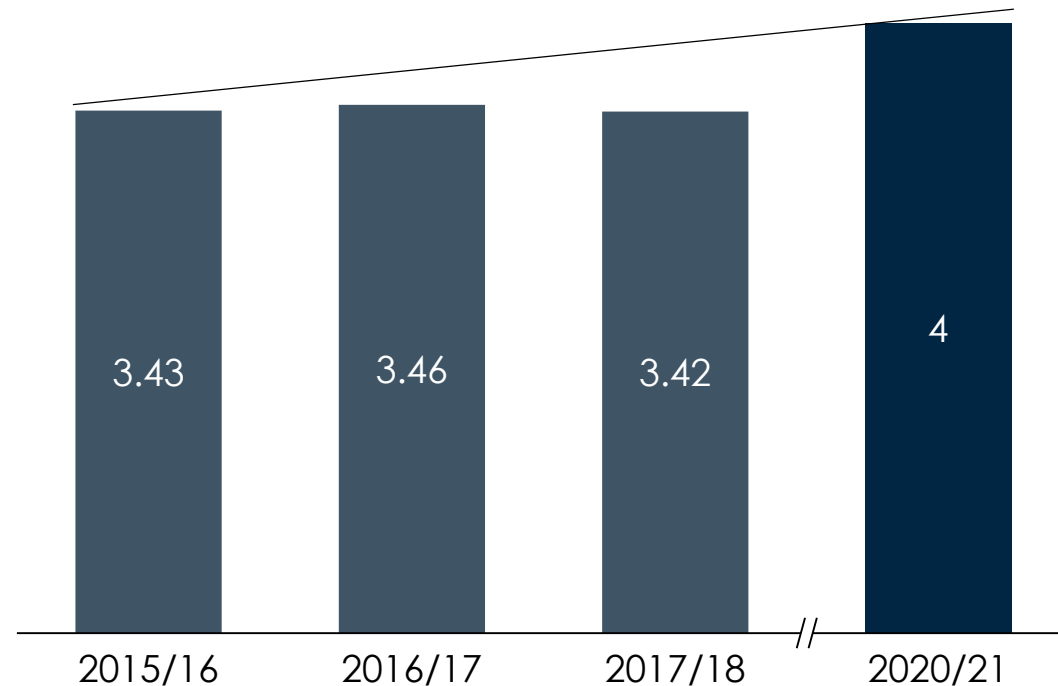
**15.5%**

2017/18: 16.0%

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# Summer 2017: Revenue development fell short of growth ambitions in the 2020 strategy

## 2020/21 REVENUE AMBITION (DKK bn)



## CAUSES OF SHORTFALL

**GENERAL DROP IN RETAIL FOOTFALL**  
MIGRATION TO ONLINE SHOPPING

**PRICE COMPETITION**  
INTENSIFIED COMPETITION, PARTICULARLY IN MASS BEAUTY

**INSUFFICIENT INVESTMENT**  
STORE NETWORK, STORE CONCEPT AND ONLINE

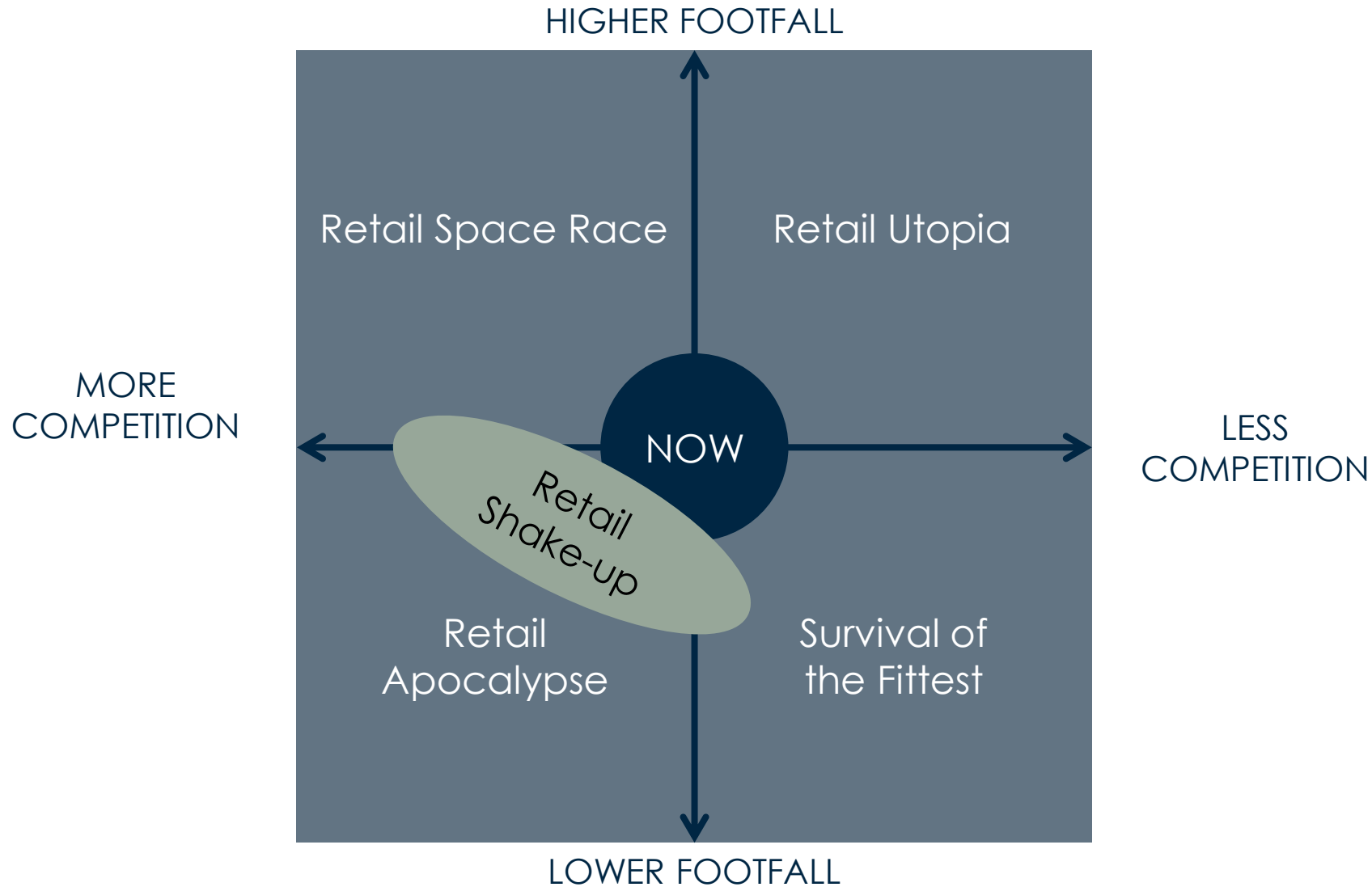
THERE IS A NEED FOR RENEWING AND CHANGING MATAS IN ORDER TO DELIVER GROWTH AND ENSURE PROFITABILITY

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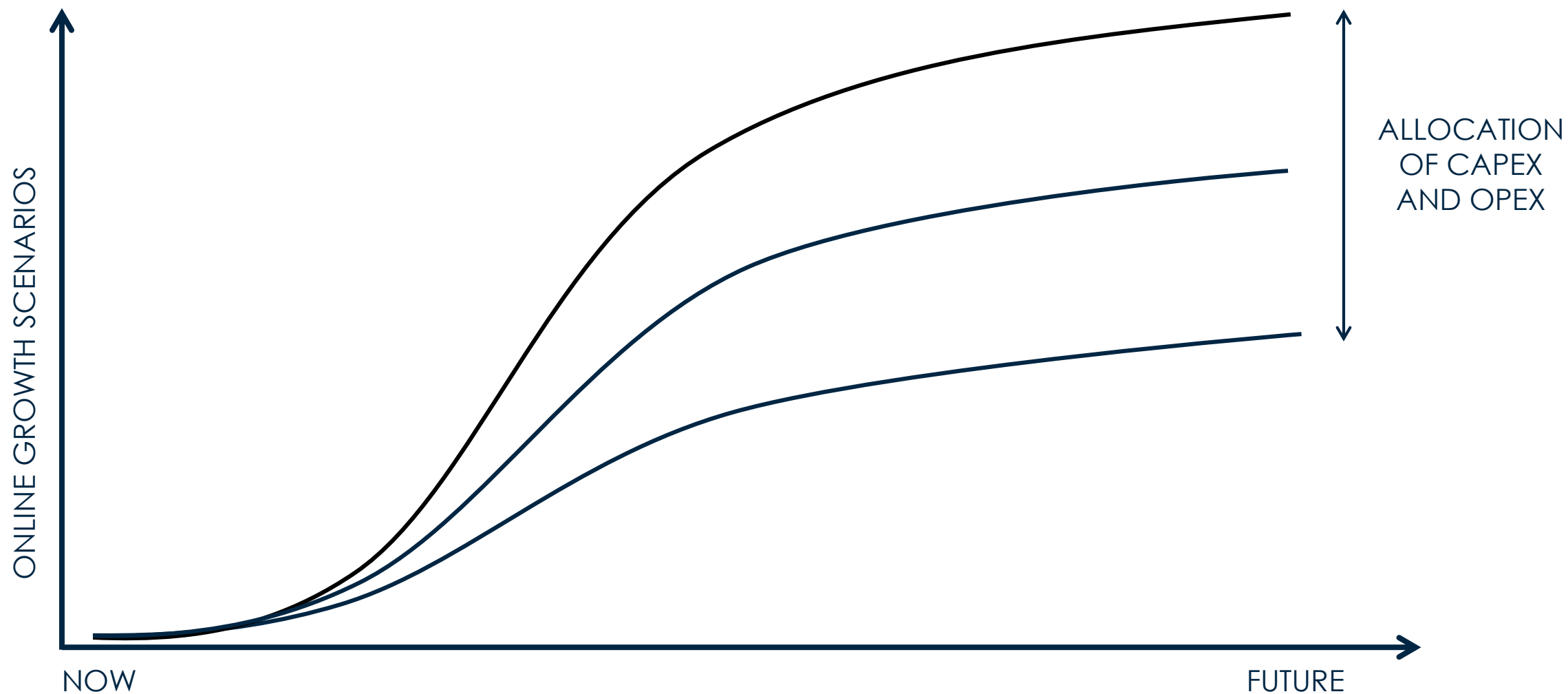
# Our reality: In the coming years, we expect four shifts to impact Matas

	SHIFT	IMPACT	
①	Consumer	➤ Rising expectations and altered shopping behaviour	
②	Health & Beauty	➤ New ways of playing in the core categories and brands	
③	Channel	➤ Continued migration to online shopping	
④	Tech	➤ Continued tech advancements will change how retailers operate	
		➤ Combined, we call these shifts <b>The Retail Shake-up</b>	

Strategic flexibility: We have explored a number of scenarios



# Channel shift scenarios





# Our 2023 strategy: 'Renewing Matas'

1

LIVE OUR PURPOSE:  
BEAUTY & WELLBEING FOR LIFE

2

WIN  
ONLINE

3

REIGNITE STORE  
GROWTH

4

OPEN NEW  
GROWTH PATHS

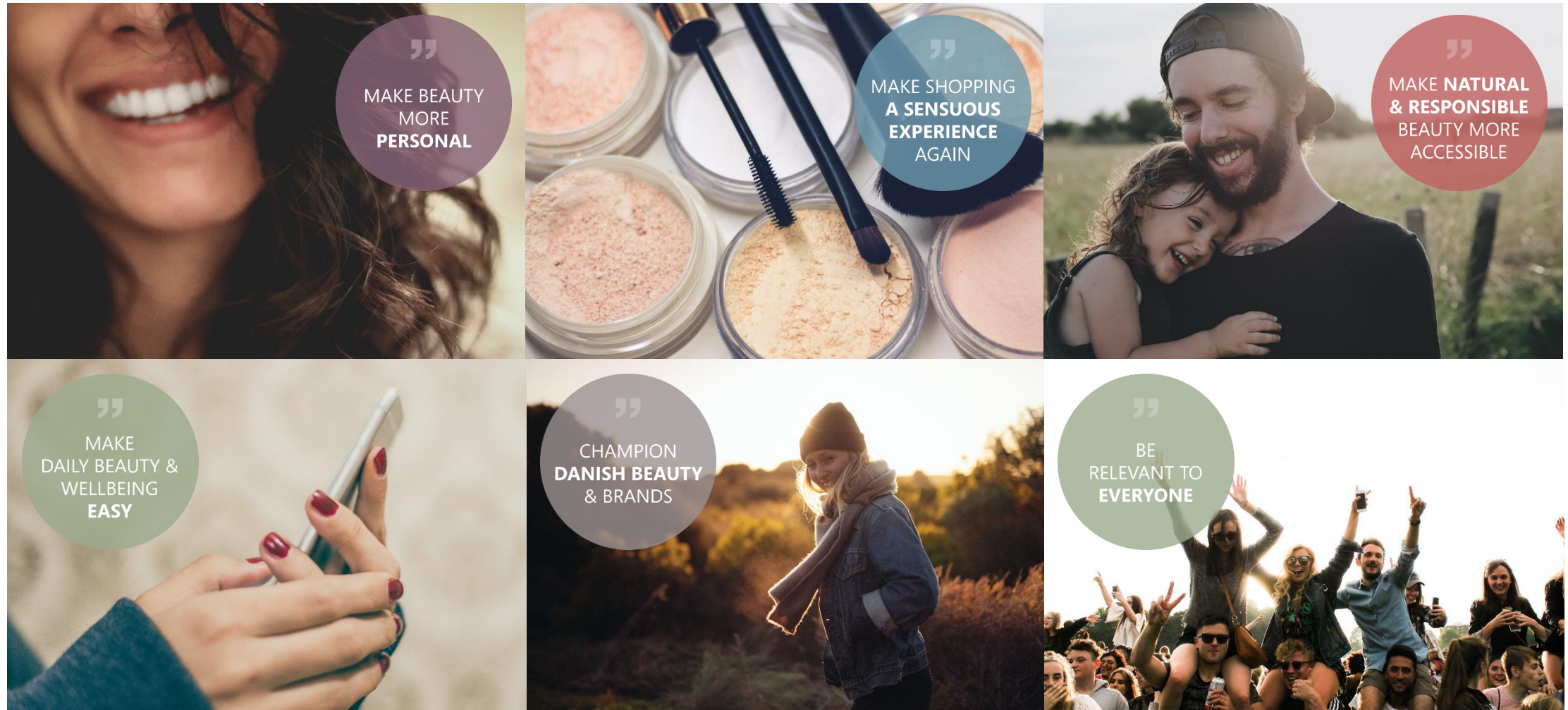
5

CHANGE HOW WE WORK



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# 1 | Live our purpose: Beauty and wellbeing for life



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## 2 | Win online: 54% growth in 2018/19 and 67% in Q1 2019/20

**MATAS.DK IN 2018/19**

**54%**  
**5%**

**GROWTH FROM 2017/18**  
**OF 2018/19 REVENUE**

**MATAS.DK IN Q1 2019/20**

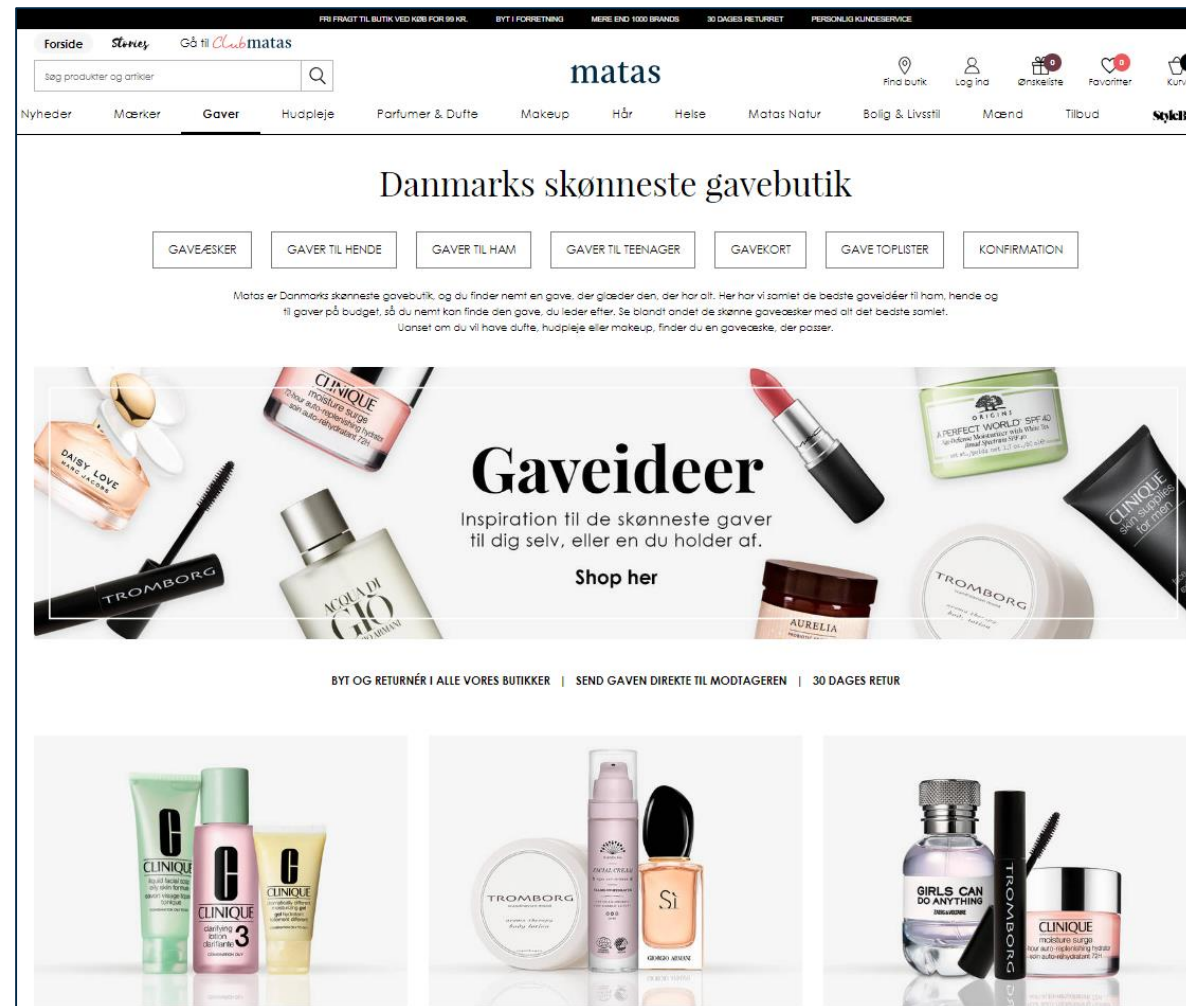
**67%**  
**5.9%**

**GROWTH FROM Q1 2018/19**  
**OF TOTAL REVENUE**

**ANNUAL ONLINE\* REVENUE IN % OF TOTAL REVENUE**

**4%** IN 2017/18  
**7%** IN 2018/19

\* Includes revenue from Firtal for the period 13 November 2018 to 30 June 2019.

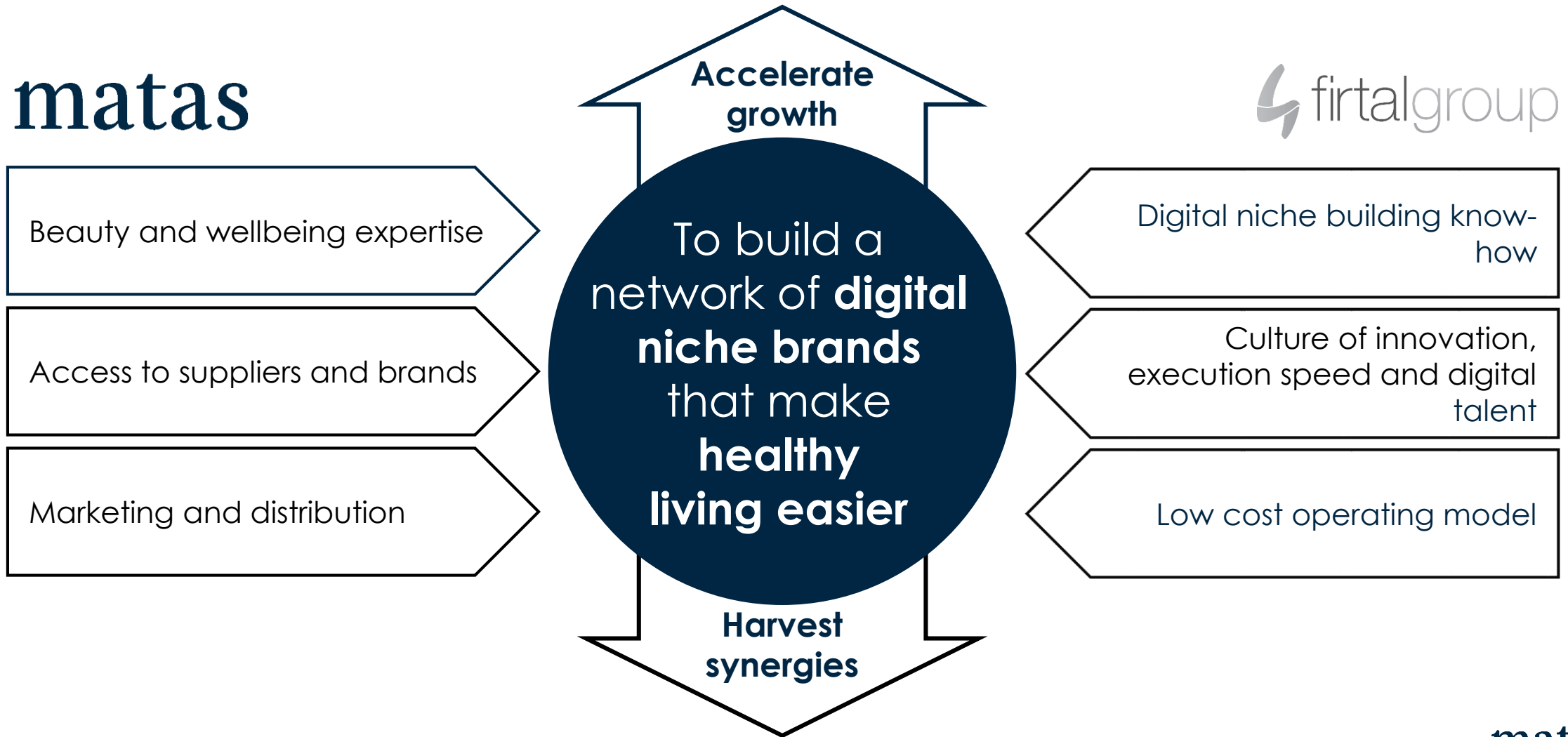


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## 2 | Matas x Firtal: Joining forces around a shared vision

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firtalgroup



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### 3 | Reignite store growth: Matas Life and store network developments

#### MATAS LIFE

**10** STORES UPGRADED FROM MARCH TO JULY

**16** FURTHER UPGRADES PLANNED IN 2019

#### NEW PRODUCTS & BRANDS\* IN 2018/19

**14%** BRAND ROTATION

**125** NEW BRANDS WITH **3,100** NEW PRODUCTS



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KERTEMINDE MATERIALHANDEL

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MATERIALISTEN

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MATERIALISTEN

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MATERIALISTEN



TILBUD  
VARMETÆPPE

00-  
21.00





MAKE-UP

SUNDHED  
&  
VELVÆRE

KASSE

Be your  
own kind  
of beautiful  
♡

had met manner  
of glad

## 4 | Open new growth paths step one: The green market

### **THE GREEN WAVE**

A GROWING DKK 1.6 BN UNCONSOLIDATED MARKET

### **INTRODUCING MATAS NATUR**

TO BE THE NATURAL CHOICE FOR CUSTOMERS SEEKING A GREENER AND HEALTHIER LIFE

### **THE FIRTAL ACQUISITION**

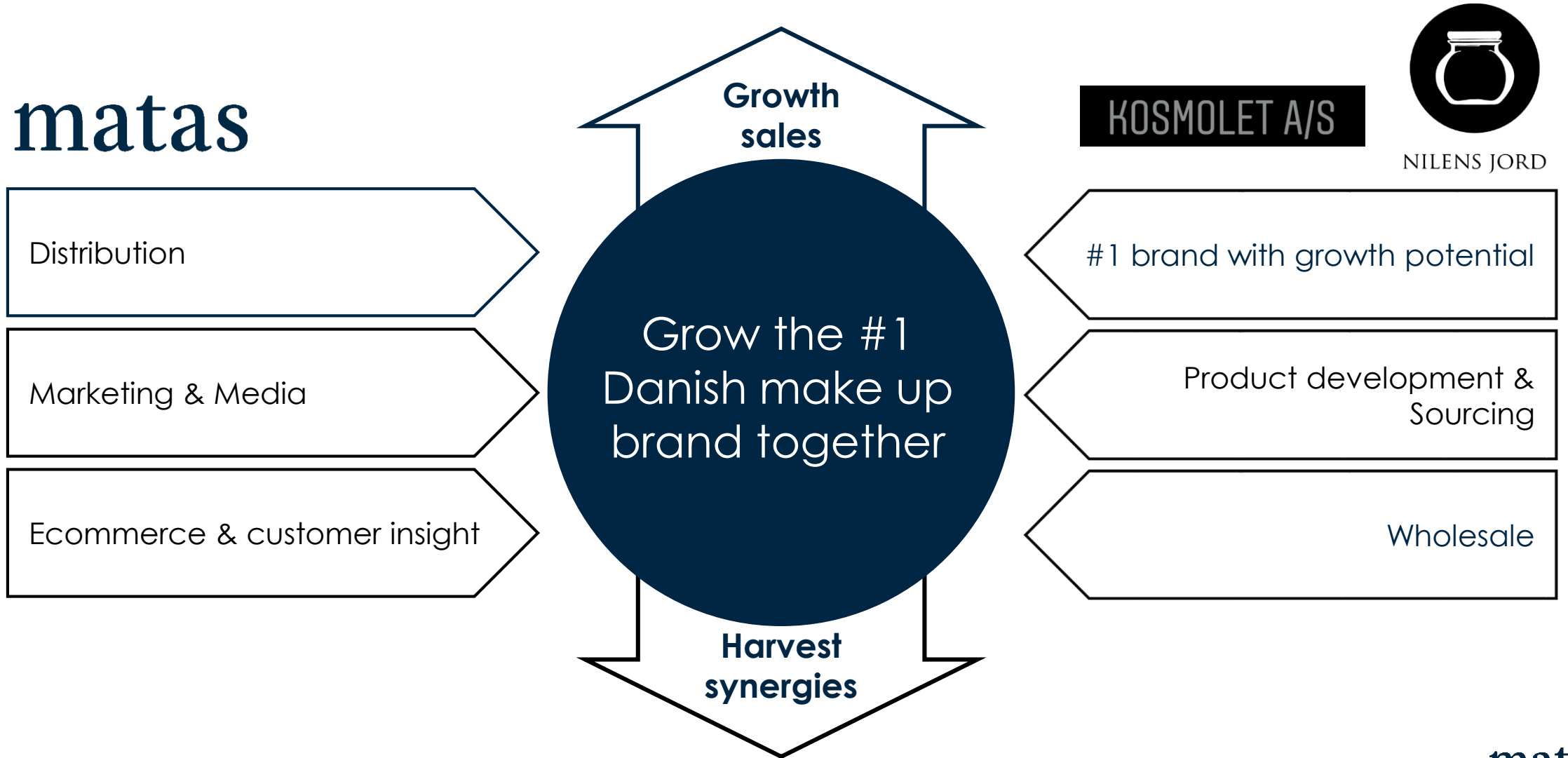
PURCHASE OF HELSEBIXEN.DK AND JALA-HELSEKOST.DK,  
TWO ONLINE PURE PLAYERS IN THE GREEN MARKET



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## 4 | Matas x Kosmolet A/S: Strengthening Matas' own brand portfolio



## 5 | Change how we work

**SUPPLIER ALIGNMENT**

**PROMOTIONAL EFFECTIVENESS**

**DATA AND DIGITAL COMPETENCIES**



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# Strategic ambitions towards 2022/23



LIFT CUSTOMER ENGAGEMENT  
INDEX 110



GROW REVENUE  
AROUND DKK 4 BN



SECURE EARNINGS  
EBITDA MARGIN ABOVE 14%



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# Where we are going: Renewing Matas

## Our strong foundation



Top 3 in E-commerce



National network with 275 stores



1.4 mio. active Club Matas members



Long-term supplier partnerships and strong house brands (PL & exclusive brands)



Strong own-print media portfolio



One business model

## Aspiration in five years

Undisputed online market leader

Upgraded store network with newer, fewer and larger stores

Second-to-none membership engagement

Faster rotation of range and wider brand 'ownership'

Unrivalled SoMe reach & relevance

More revenue streams

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# Matas 2023 Strategy: Renewing Matas



**Matas will emerge stronger and more valuable to investors,  
consumers, partners and society**

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# Q&A



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# Forward Looking Statements

This presentation contains statements relating to the future, including statements regarding Matas A/S' future operating results, financial position, cash flows, business strategy and plans for the future. The statements can be identified by the use of words such as "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on management's reasonable expectations and forecasts at the time of the disclosure of the interim report. Any such statements are subject to risks and uncertainties and a number of different factors, of which many are beyond Matas A/S' control, can mean that the actual development and the actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues.