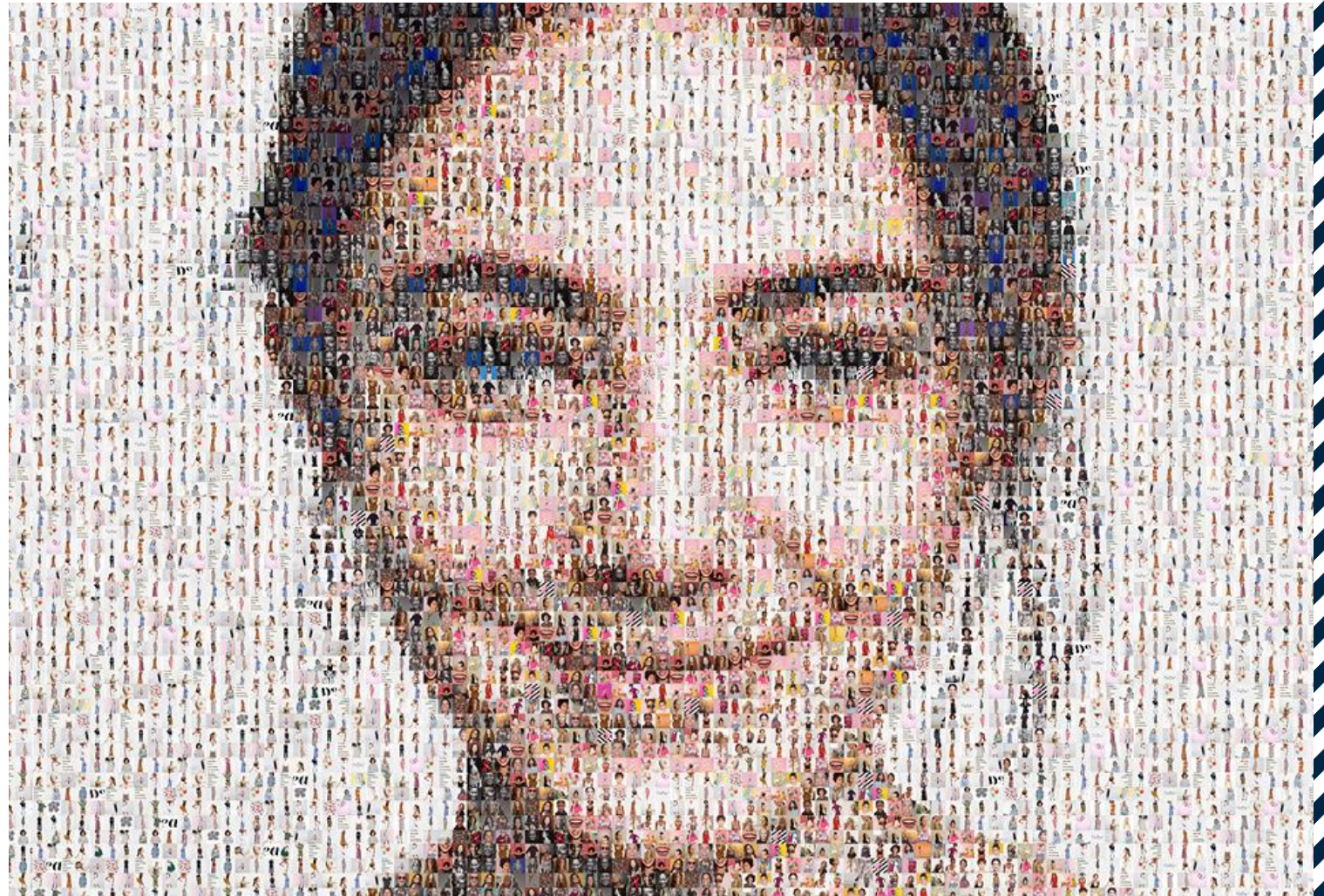


'Renewing Matas' – progress year one

COPENHAGEN INVESTOR ROADSHOW
CEO GREGER S WEDELL-WEDELLSBORG
29 MAY 2019

matas
SKØNNERE SAMMEN



Highlights

- ✓ Q4 2018/19 results with **positive like-for-like** (2.1%) and continued **gross margin stabilisation**
- ✓ FY 2018/19 **results in line with guidance**
- ✓ Progress on all strategic tracks – **online sales at 11%** in Q4 2018/19 of group sales up from 4% a year earlier
- ✓ **Acquisition of Kosmolet A/S** – adding the leading make-up brand to our own brand portfolio
- ✓ Dividend per share of **DKK 3.00** reflecting acquisitions and investment ramp-up
- ✓ Guidance FY 2019/20 with **topline growth, positive LFL and planned CAPEX ramp-up**
- ✓ Margin contraction due to **dilutive effect of online** and “investment” in resources to drive growth
- ✓ Dividend **pay-out ratio of minimum 30%** of adjusted net profit after tax

Q4 2018/19 in numbers

Revenue

DKK **828** million

Q4 2017/18: DKK 769 m

EBITDA before special items

DKK **96** million

Q4 2017/18: DKK 84 m

Underlying (like-for-like) growth of

2.1%

Q4 2017/18: -2.6%

EBITDA margin before special items

11.6%

Q4 2017/18: 10.9%

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%

matas

Strong online progress in 2018/19

Q4 ONLINE REVENUE* IN % OF TOTAL REVENUE

4% IN Q4 2017/18

11% IN Q4 2018/19

MATAS.DK IN 2018/19

54% GROWTH FROM 2017/18

5% OF 2018/19 TOTAL REVENUE

ANNUAL ONLINE REVENUE IN % OF TOTAL REVENUE

4% IN 2017/18

7% IN 2018/19

ONLINE GROWTH FUELLED BY

- INVESTMENTS IN MATAS.DK INCLUDING
 - INCREASED MARKETING AND SOCIAL MEDIA EFFORTS
 - FASTER DELIVERY
 - NEW SUBSCRIPTION FEATURE
- PURCHASE OF FIRTAL INCLUDING HELSEBIXEN.DK, JALA-HELSEKOST.DK AND MADE4MEN.DK

Online revenue* (% of total revenue)	2018/19	2017/18	YoY growth	Q4 2018/19	Q4 2017/18
matas.dk	5.3%	3.5%	54%	6.0%	4.1%
Firtal Group	1.8%	-	-	5,3%	-
Matas Group	7.1%	3.5%	106%	11.2%	4.1%

* Includes revenue from Firtal Group for the period 13 November 2018 to 31 March 2019.

2018/19 has been a year of continued progress

UNDERLYING PHYSICAL STORE REVENUE DEVELOPMENT
MORE **POSITIVE** THAN IN 2017/18

STORE NETWORK

11

UPGRADES, MERGERS AND NEW LOCATIONS

4

MATAS LIFE CONCEPT STORES

NEW PRODUCTS & BRANDS*

14% BRAND ROTATION

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

* Matas only.



#	2018/19	2017/18	New	Removed
Brands*	900	875	125	100
Products* (SKU)	33,500	33,300	8,600	8,400
- from new brands			3,100	
- from existing brands			5,500	

matas

Strengthening Matas' position in the green market

Green shop-in-shop in Matas

matas natur

FORDI NATUREN GIVER OS SÅ MANGE SKØNNE GAVER

I Matas Natur universet har vi fokus på essensen af sundhed og naturlig skønhed. Og der tilføjer vi ekstra krav til de produkter, du finder på hylderne – blandt andet dem på siden her. Nuk, af alle de grønne produkter også fås på matas.dk/natur

125,-

CLEAN BEAUTY P-15 COLLAGEN GEL
30 ml
Clean Beauty Moisture Bloom 50 ml
Clean Beauty Serum Collagen 30 ml
Beauty Serum 30 ml

199,-

RENOVING & REJUVENATE
Skin-rejuvenating moisture product
with 10% of Retinol-microspheres of high
purity. Lotion 30 ml
Body Serum 30 ml
Night Cream 30 ml

225,-

RECOGNIZING GAYEVE
Hydrating cream 30 ml
Body Serum 30 ml

64%*

MATAS NATUR RÅBØRSTEN
Skin-rejuvenating cream with 10% Retinol-microspheres
of high purity. Lotion 30 ml
Body Serum 30 ml
Night Cream 30 ml

VÆRTINDEGAVER MED VELVÆRE

En god gave har naturligvis hukendt værditilgæver.
Og hvorfor ikke prøve at skille den traditionelle blomst ud med lidt velkomsthæder?
Hvis du selv ville blive glad for gaven, bliver modtageren det sikkert også...

99,-

SHED OF 10.000

NUTRIENT LIPID FOR HAIR
Lipid-rich cream for
shampooing and
conditioning hair.
Shampoo 300 ml
Body Serum 30 ml
Night Cream 30 ml

129,-

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Partnerships


Partnerships

Firtal Group



Søg efter produkter her...





Gå til kurv

Nyheder

Kundeservice

Om os

Magasin

Log ind

Kosttilskud

Fødevarer

Personlig pleje


Medicin & Medicare

Træning


Mor & Barn

Hjem

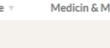
Brands



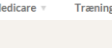
Helsekost & Kosttilskud



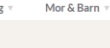
Homeopati



Fødevarer



Non-Food



Naturlægemidler

Natural
Beauty &
Wellbeing
for life

**2018/19 VITAL
GROWTH OF
12.6%**

2 Matas Natur Concept Stores



Matas.dk/natur

- Nyheder
- Gaver
- Hudpleje
- Dufte
- Makeup
- Hår
- Helse
- Matas Natur
- Bolg & Livsstil
- Mænd
- Tilbud

25%

på naturlige dufte her →

*Gælder ikke gavevarer og deodoranter

20%

REN - EVERCALM SERIEN

20% på hele EVERCALM serien*

En videnskabelig bevist serie
mod rødme og sensitivitet.

Shop her →

*Gælder ikke i forenet kongeriget og grønland

DR. SCHELLER

Ansigtsscreener og serum.
100% fri for parabener,
silikone, mineraliske olier og
syntetiske farvestoffer.

Shop her →

**FRIE VALG
99,95,-**

matas

Change how we work

SUPPLIER ALIGNMENT

PROMOTIONAL EFFECTIVENESS

DATA AND DIGITAL COMPETENCIES



matas

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



matas

matas

KERTEMINDE MATERIALHANDEL

matas

MATERIALISTEN

matas

MATERIALISTEN

matas

MATERIALISTEN





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

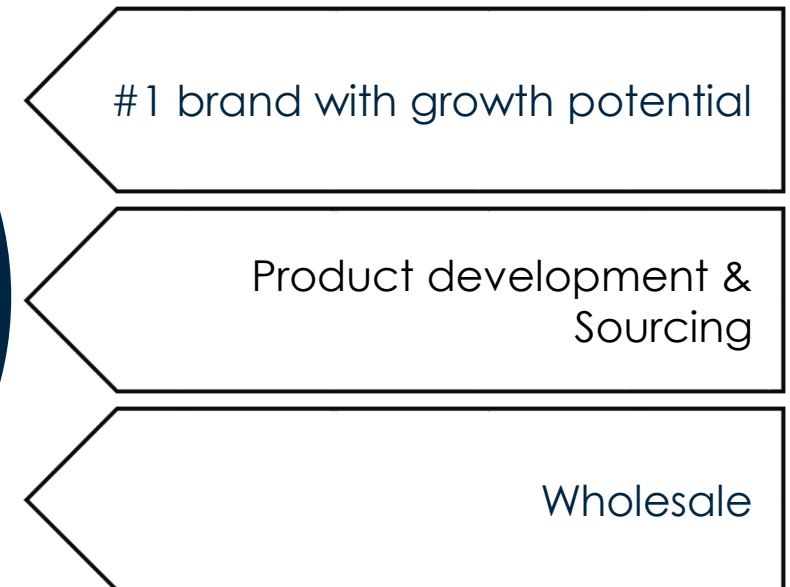
matas



KOSMOLET A/S



NILENS JORD



matas

Strategic, low-risk acquisition with tangible synergies and additional growth potential

INVESTMENT RATIONALE

- ✓ #1 make-up brand in Matas with consistent growth
- ✓ Strengthen Matas' own brand portfolio in key category (Beauty)
- ✓ Increase own brand share of sales
- ✓ Margin expansive: access to larger part of value chain
- ✓ Additional growth potential in Nilens Jord
- ✓ Low-risk acquisition due to simple company structure and Matas' position as largest customer and 27 yr. track record with Matas
- ✓ Limited integration issues and fast realisation of synergies (12 months)

DEAL HIGHLIGHTS

- ✓ 2017/18 EBITDA of DKK 19.4 m
- ✓ Annual sales and cost synergies of DKK more than 5 m
- ✓ Enterprise value for Nilens Jord of DKK 145 m
- ✓ DKK 135 m in cash at closing
- ✓ DKK 10 m in shares
- ✓ 2017/18 EV/EBITDA multiple of 7.5x pre-synergies and 5.8x post-synergies
- ✓ Earn-out agreement of up to DKK 20 m based on short term financial performance
- ✓ Deal contingent on confirmatory due diligence – expected closing in June
- ✓ Continued operation as stand alone company

Financial targets for 2019/20



REVENUE GROWTH

3.5% – 6.5%



UNDERLYING REVENUE GROWTH (LFL)

0.5 – 2.5%



EBITDA MARGIN BEFORE SPECIAL ITEMS

14 – 15%*







CAPEX

DKK 200 – 220 m

* The effect of IFRS 16 on the EBITDA margin is expected to be an increase of around 4 %-point.

Financial targets for 2019/20, continued

	Tailwinds	Headwinds
 UNDERLYING REVENUE GROWTH (LFL)	<ul style="list-style-type: none">• Omni-channel growth	<ul style="list-style-type: none">• Declining footfall• Price competition
 TOPLINE REVENUE	<ul style="list-style-type: none">• FY effect of Firtal• One more trading day• Potential opening of stores• Minimal effect of Kosmolet A/S	<ul style="list-style-type: none">• Potential closure of stores• Online competition
 EBITDA MARGIN BEFORE SPECIAL ITEMS	<ul style="list-style-type: none">• Supplier alignment• Promotional effectiveness• Data and digital competencies• Kosmolet A/S acquisition	<ul style="list-style-type: none">• Short term margin dilution from online growth
 CAPEX	Increase to fuel investments in store network & Matas Life, online growth and IT to ensure longer term financial ambitions	

Capital allocation

Matas' capital allocation principles are unchanged

- A gearing of between 2.5 and 3 times EBITDA to net interest bearing debt. The gearing ratio should not materially exceed 3 for longer periods of time
- Investments including CAPEX
- Distribution

Dividends, gearing and total investments for 2018/19

- A proposed dividend of DKK 3.00 per share, equivalent to 33% of adjusted net profit or DKK 115 m
- A gearing of 2.7 at end 2018/19 within financial ambitions
- Total investments of DKK 239.0 m, incl. CAPEX of DKK 128.3 m and the acquisition of Firtal of DKK 110.7 in line with financial targets for 2018/19
- Matas' loan agreements are based on pre-IFRS 16 net interest bearing debt and EBITDA definitions

Going forward, a **payout ratio of minimum 30% of adjusted net profit** is expected.

1



GEARING

2



INVESTMENTS

3



DISTRIBUTION

matas



MAKE-UP

SUNDHED
&
VELVÆRE

KASSE

Be your
own kind
of beautiful
♡

had met manner
of glad

SUB CATEGORY

SUB CATEGORY

Appendix



Key figures for 2018/19 and 2017/18

Comments

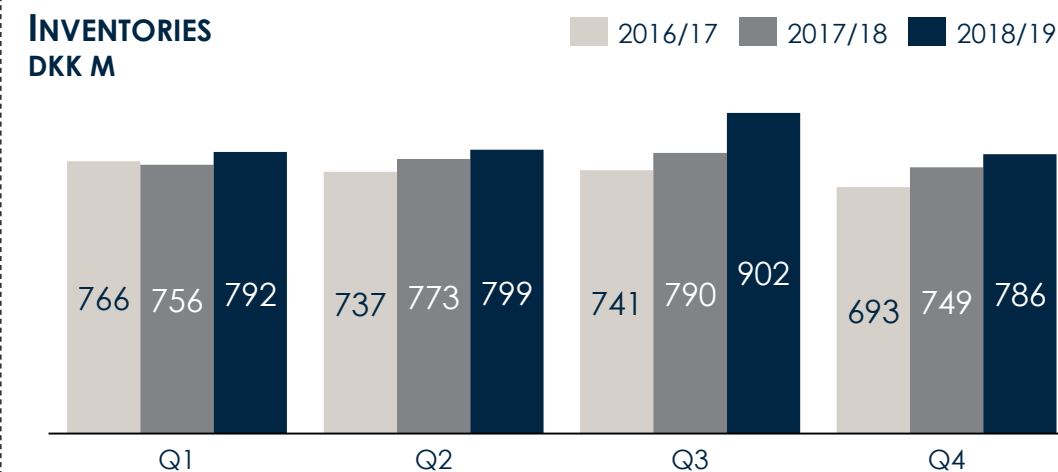
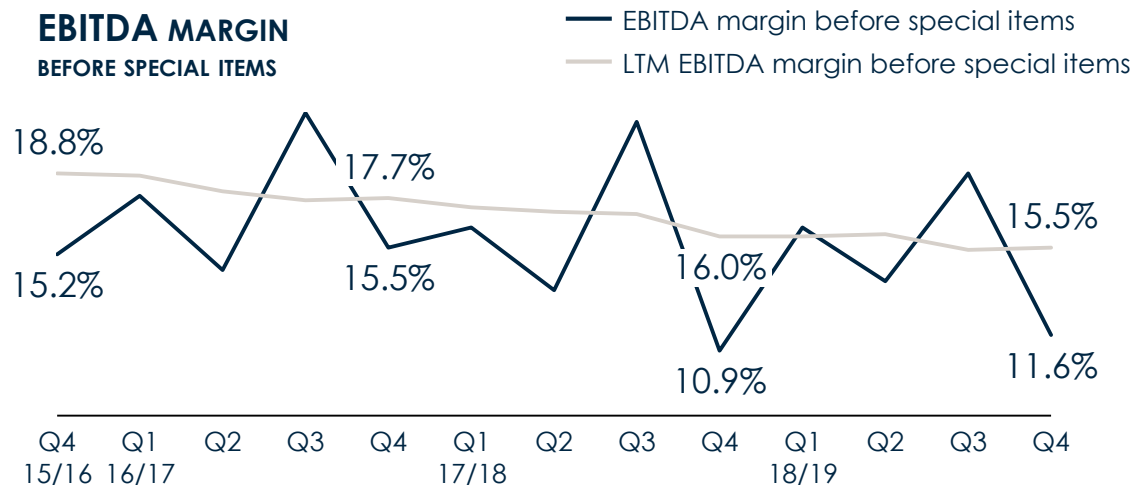
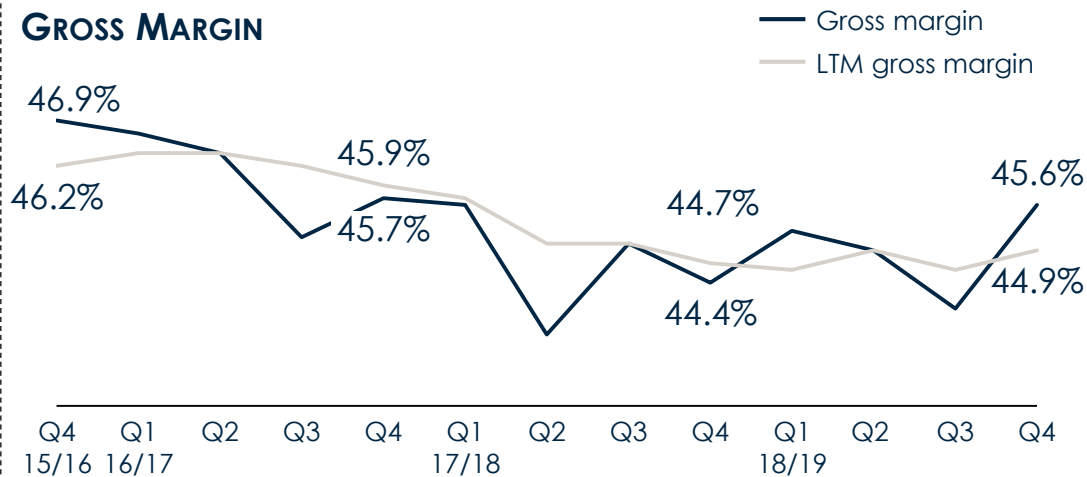
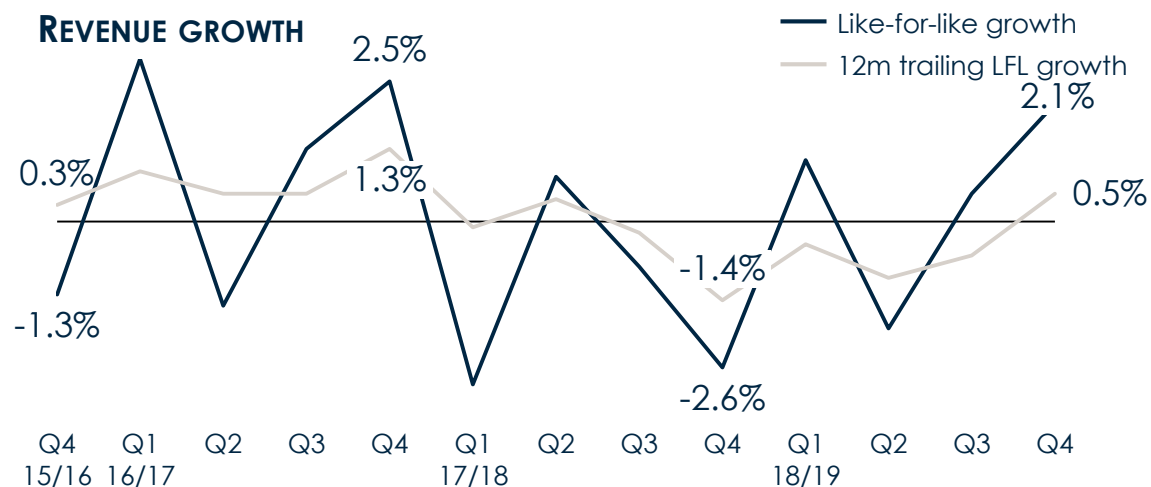
- 2.2% revenue growth
 - **Beauty** (71.3% of total sales) increased 1.7%
 - High-end beauty (38.0% of total sales) increased 3.5%
 - Mass beauty (33.3% of total sales) decreased 0.2%
 - **Vital** increased 12.6%
 - **Material** increased 1.2%
 - **Medicare** decreased 0.7%
 - **Other** and **Wholesale etc.** decreased
- Gross profit increase of DKK 40 m or 2.6% driven by higher sales and a marginal increase in GM due to smarter campaigns and improved price management

	2018/19	2017/18	Growth YoY
DKK million			
Revenue	3,541	3,465	2.2%
Gross profit	1,589	1,549	2.6%
Other external costs	355	320	11.0%
Staff costs	704	695	1.3%
EBITDA	530	535	-0.9%
Amortisation and depreciation	166	166	0.5%
Operating profit (EBIT)	363	369	-1.5%
Net financials	22	20	9.0%
Profit before tax	342	349	-2.1%
Tax on profit for the period	79	69	14.4%
Profit for the period	263	280	-6.2%
Special items	19	20	
EBITDA before special items	549	555	-1.1%
Adjusted net profit	343	356	-3.6%
Gross margin	44.9%	44.7%	
EBITDA margin	15.0%	15.4%	
EBITDA margin before special items	15.5%	16.0%	
Diluted earnings per share, DKK	6.93	7.43	
Tax rate	23.0%	19.7%	

Income statement for Q4 2018/19 vs. Q4 2017/18

DKK million	2018/19 Q4	2018/19 Q3	2018/19 Q2	2018/19 Q1	2017/18 Q4	Growth Q4 vs Q4
Revenue	828	1,093	777	844	769	7.6%
Gross profit	377	481	349	382	342	10.4%
<i>Gross margin</i>	45.6%	44.0%	44.9%	45.2%	44.4%	
Other external costs	101	96	85	74	93	8.3%
Staff costs	184	180	165	175	167	10.1%
EBITDA	93	205	99	133	82	13.3%
Amortisation and depreciation	43	42	43	38	47	-8.1%
Operating profit	49	163	56	95	35	42.4%
Net financials	6	6	5	4	4	45.2%
Profit before tax	43	157	51	91	31	42.0%
Tax on profit for the period	10	35	14	20	-1	-933.3%
Profit for the period	33	122	37	71	32	5.0%
Diluted Earnings per share, DKK	0.87	3.21	0.97	1.87	0.84	3.7%
EBITDA margin	11.2%	18.7%	12.8%	15.8%	10.6%	
Special items	3	1	9	5	2	
EBITDA before special items	96	206	109	138	84	
EBITDA margin before special items	11.6%	18.8%	14.0%	16.4%	10.9%	
Tax rate	23.1%	22.0%	28.1%	22.0%	-3.9%	
Adjusted net profit	53	140	61	90	47	12.1%

Long term trends in Sales, Gross Margin and EBITDA margin



Cost development in 2018/19

Other external costs up DKK 35 m YoY:

- Operating costs from Firtal Group from 13 November 2018 to 31 March 2019, including marketing expenses
- Higher activity on matas.dk, including costs relating to webshop operations, freight and logistics
- Transaction costs in connection with the acquisition of Firtal Group.

Staff costs up DKK 9 m YoY:

- Non-recurring costs fell DKK 9 m compared to 17/18
 - For 2018/19, DKK 5 m were related to executive changes in Matas
 - For 2017/18 DKK 14 m were related primarily to the change of CEO
- Staff costs rose by DKK 6 m from The Firtal Group acquisition
- Underlying staff costs (LFL) up by DKK 12 m or 1.8% primarily due to collective wage agreements

	2018/19	2017/18	Growth YoY
DKK million			
Other external costs (OEC)	355	320	11%
OEC as a percentage of revenue	10%	9%	
Staff costs	704	695	1%
Non-recurring staff costs	5	14	
Staff costs as a percentage of revenue	20%	20%	
Total costs	1,059	1,015	4%

Cash flow and working capital in 2018/19 and 2017/18

Cash flow and working capital developments

- Cash generated from operations, including changes to working capital, increased DKK 60 m
 - Net working capital rose DKK 68 m due to the reclassification of a DKK 79.6 m receivable from Corporation tax receivable to Other receivables.
 - Underlying NWC actually fell marginally as increased inventories were financed by higher debt to suppliers
- Paid Taxes and interest fell marginally to DKK 115 m from DKK 123 m in 2017/18
- CAPEX increased DKK 36 m due to increased investments in stores and online
- Acquisitions jumped DKK 101 m due to the Firtal acquisition
- In consequence Free cash was DKK 212 m, down DKK 69 m.

DKK million	2018/19	2017/18	Change YoY
Cash generated from operations*	566	506	60
Paid interest and taxes	115	123	8
Cash flow from operating activities	451	384	68
CAPEX	128	93	-36
Acquisition of subsidiaries and operations	111	10	-101
Cash flow from investing activities	239	102	-137
Free cash flow	212	282	-69

* Including changes to working capital.

IFRS 16 effects

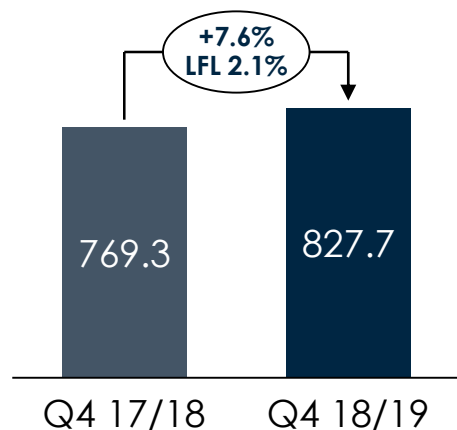
IFRS 16 effects on EBITDA margin and balance sheet

- The introduction of IFRS 16 is expected to increase the EBITDA margin by about 4 percentage points.
- For 2018/19 the EBITDA margin before exceptional items is expected between 18 and 19 % after effects from IFRS 16
- In addition IFRS 16 will lead to a technical increase in Matas' debt of around DKK 950 m, while increasing assets by the same amount

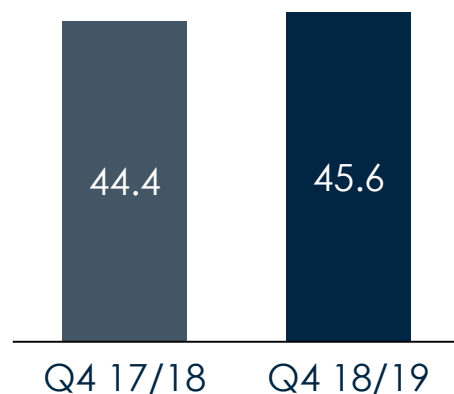
DKK million	2018/19	IFRS 16	2018/19 Adjusted
Lease assets (right of use assets)	-	950	950
Total property, plant and equipment	0	950	950
Total assets	5,539	950	6,489
Equity and liabilities			
Total equity	2,621	0	2,621
Lease liability	-	798	798
Total non-current liabilities	0	798	798
Lease liability		152	152
Total current liabilities		152	152
Total liabilities	0	950	950
Total equity and liabilities	5,539	950	6,489

Overview: Q4 2018/19 vs. Q4 2017/18

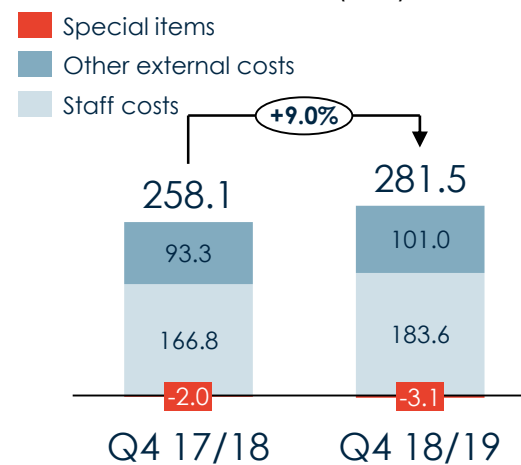
Revenue (DKK m)



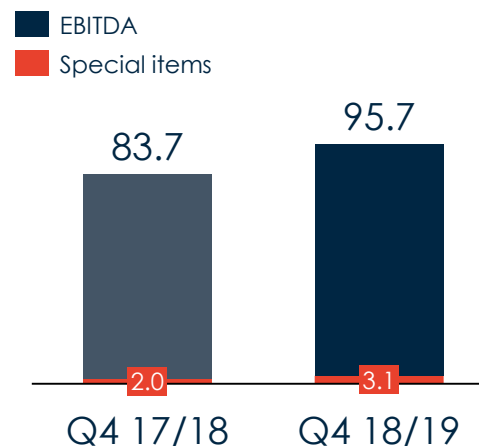
Gross margin (%)



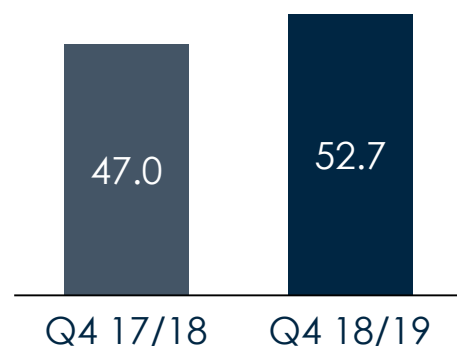
Cost (DKK)



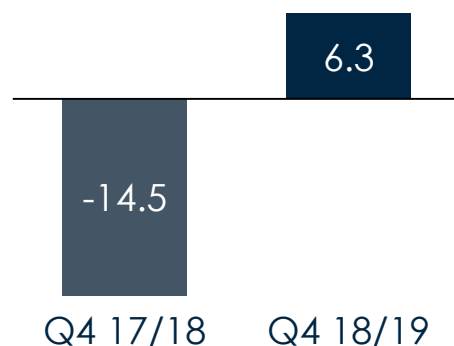
EBITDA BEFORE SPECIAL ITEMS (DKK m)



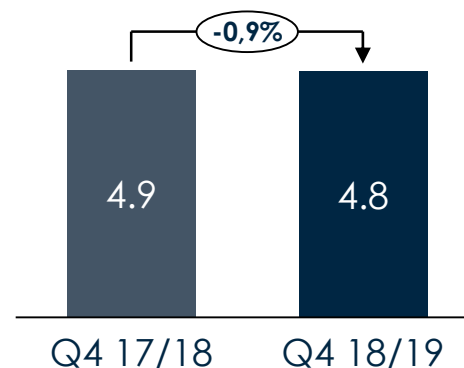
Adj. net profit (DKK m)



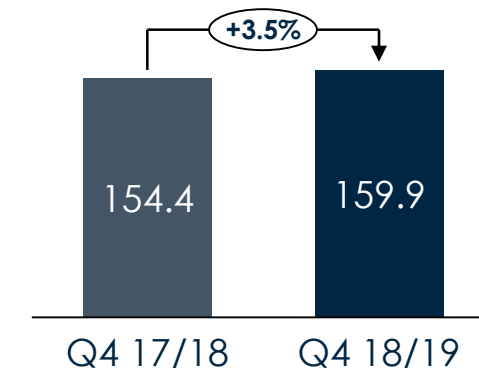
Free cash flow (DKK m)



Transactions (# m)



Basket size (DKK)



Underlying revenue (like for like) calculations

Like for like assumptions

- A store is part of the LFL calculation after 13 months
- matas.dk is counted as one store in LFL
- Merged stores and new stores are included in LFL after 13 months
- Firtal Group will be included in LFL from December 2019 (4 months of 2019/20)
- Kosmolet A/S will not be included in LFL in 2019/20

	2018/19	2017/18	Q4 2018/19	Q4 2017/18
Revenue growth	2.2%	-1.3%	7.6%	-2.7%
Underlying revenue growth (LFL)	0.5%	-1.4%	2.1%	-2.6%
Stores in LFL calculation* (#)	273	270	-	-
Stores in total* (#)	280	281	-	-

* Number of stores end of period incl. matas.dk. Excluding Firtal Group.

The Matas share

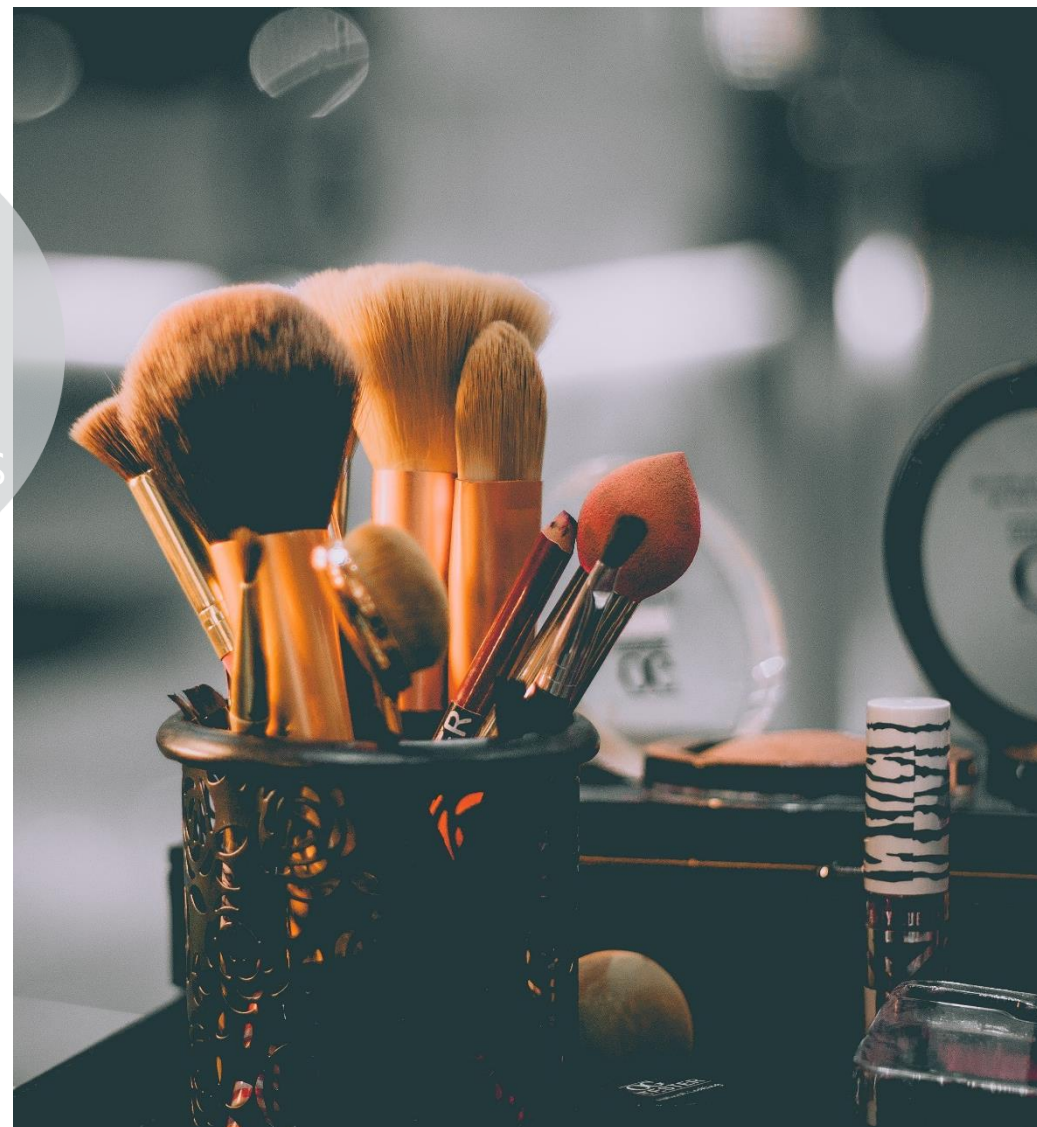
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LISTED ON
NASDAQ
OMX
28 JUNE 2013

”
100%
FREE FLOAT

”
~39%
DOMESTIC
SHAREHOLDERS

”
38.3 m
SHARES IN ONE
SHARE CLASS

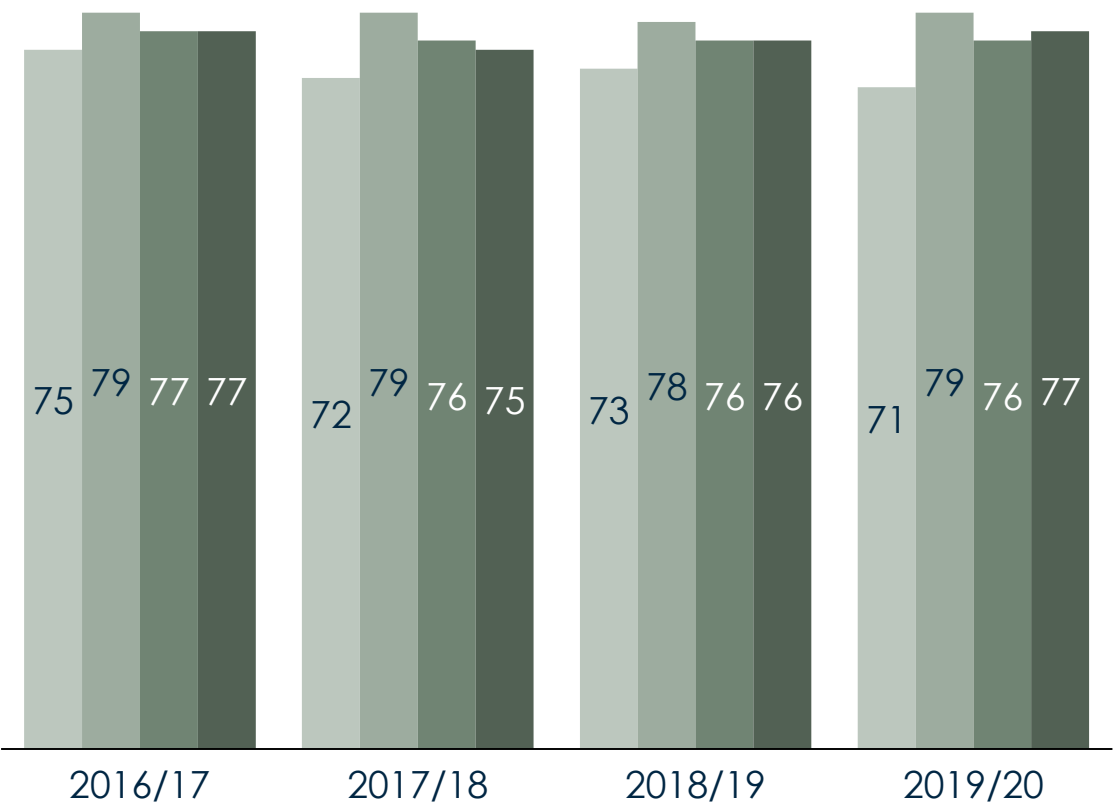
”
DKK 2.6
BN MARKET CAP



matas

Trading days 2016/17 to 2019/20

Q1 Q2 Q3 Q4



matas

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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.