



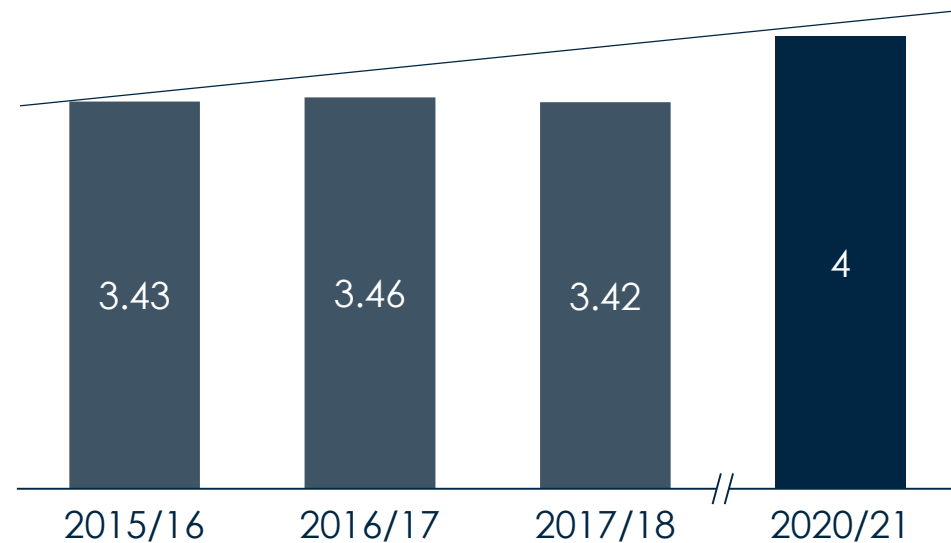
SEB NORDIC SEMINAR 2019
9 JANUARY 2019

RENEWING MATAS ONE YEAR DOWN THE ROAD

GREGERS WEDELL-WEDELLSBORG, CEO MATAS A/S

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

November 2017: Strategy update initiated

How can Matas emerge stronger and more valuable to investors, consumers, partners and society?



November 2017: Measures to enhance performance

CLOSURE OF STYLEBOX
HQ SAVINGS
4 STORE CLOSURES

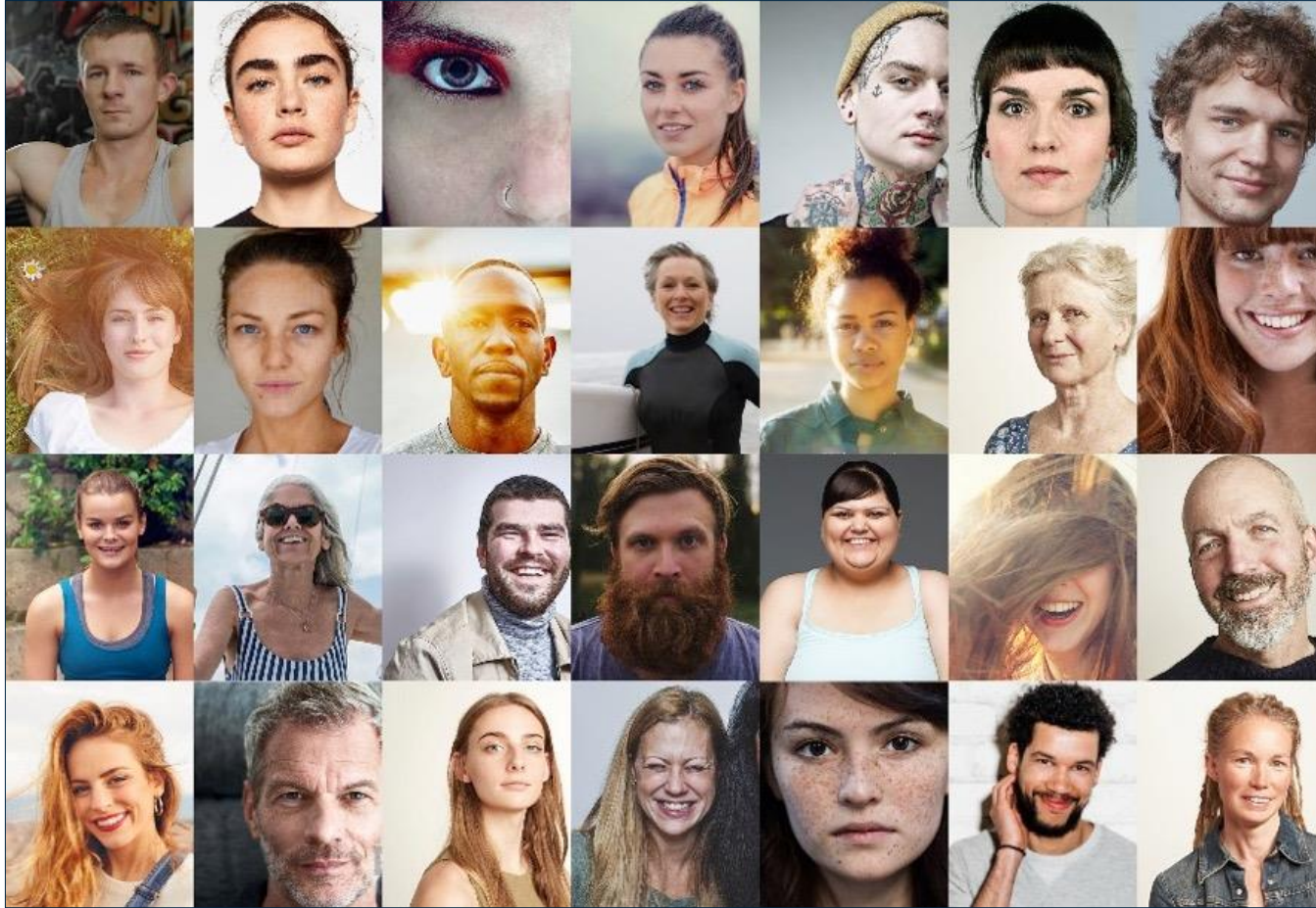
COMPETITIVE STRENGTH
LOWER PRICES ON MASS BEAUTY

STRENGTHENED E-COMMERCE



EBITDA effect of DKK 30 to 40 m in 2018/19, most of which will be reinvested in growth initiatives

The strategic starting point: We turned to our customers for answers



Customer research

In-depth interviews with

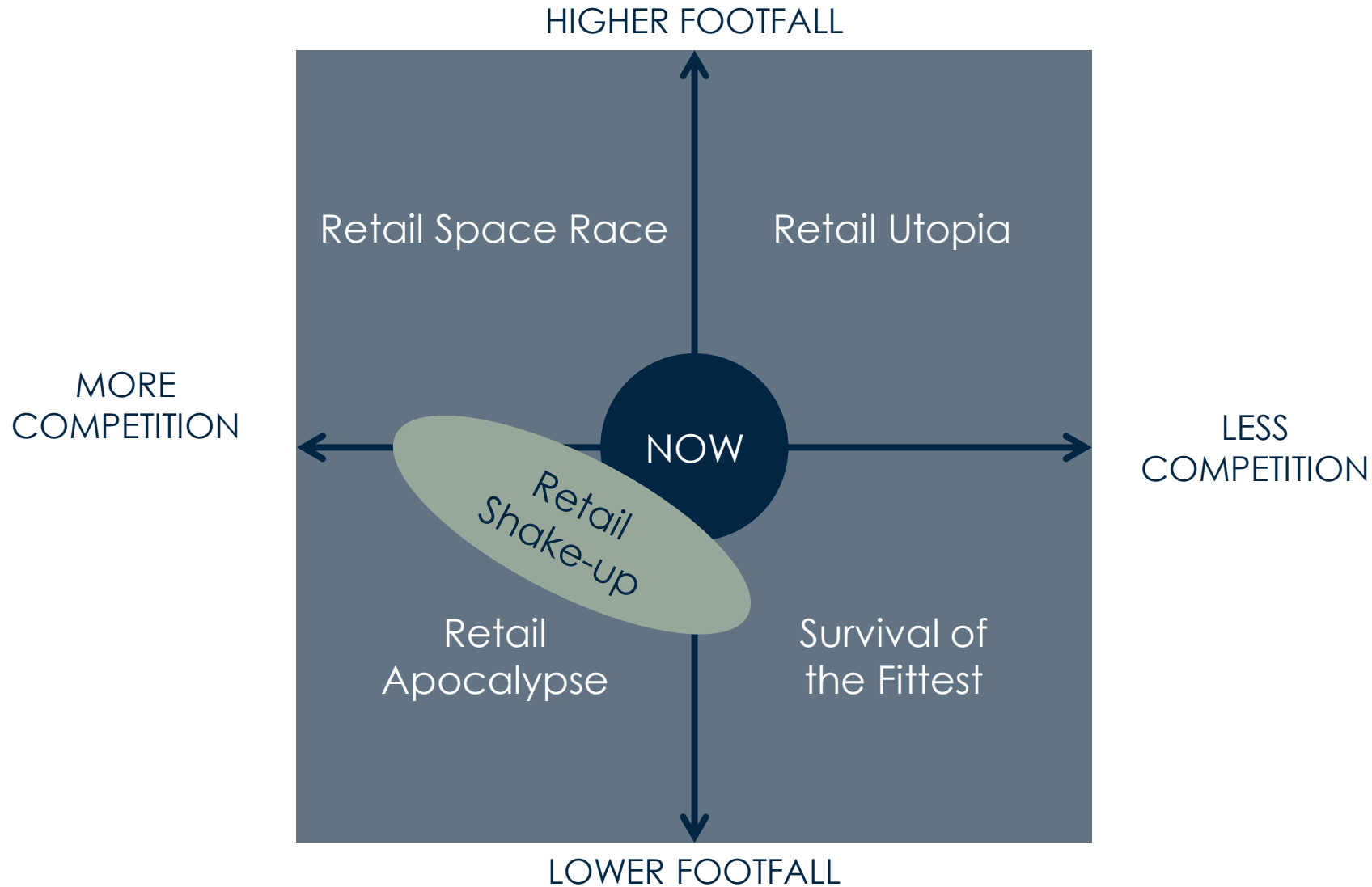
- Customers
- Suppliers & Employees
- Influencers & Industry experts
- **Extensive shopper study**
(more than 200 customers)
- **Club Matas member analyses**
- **Transaction and basket analyses**
- **International best practice cases**
- **Synthesis** of existing customer **studies**
(more than 20 studies)

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

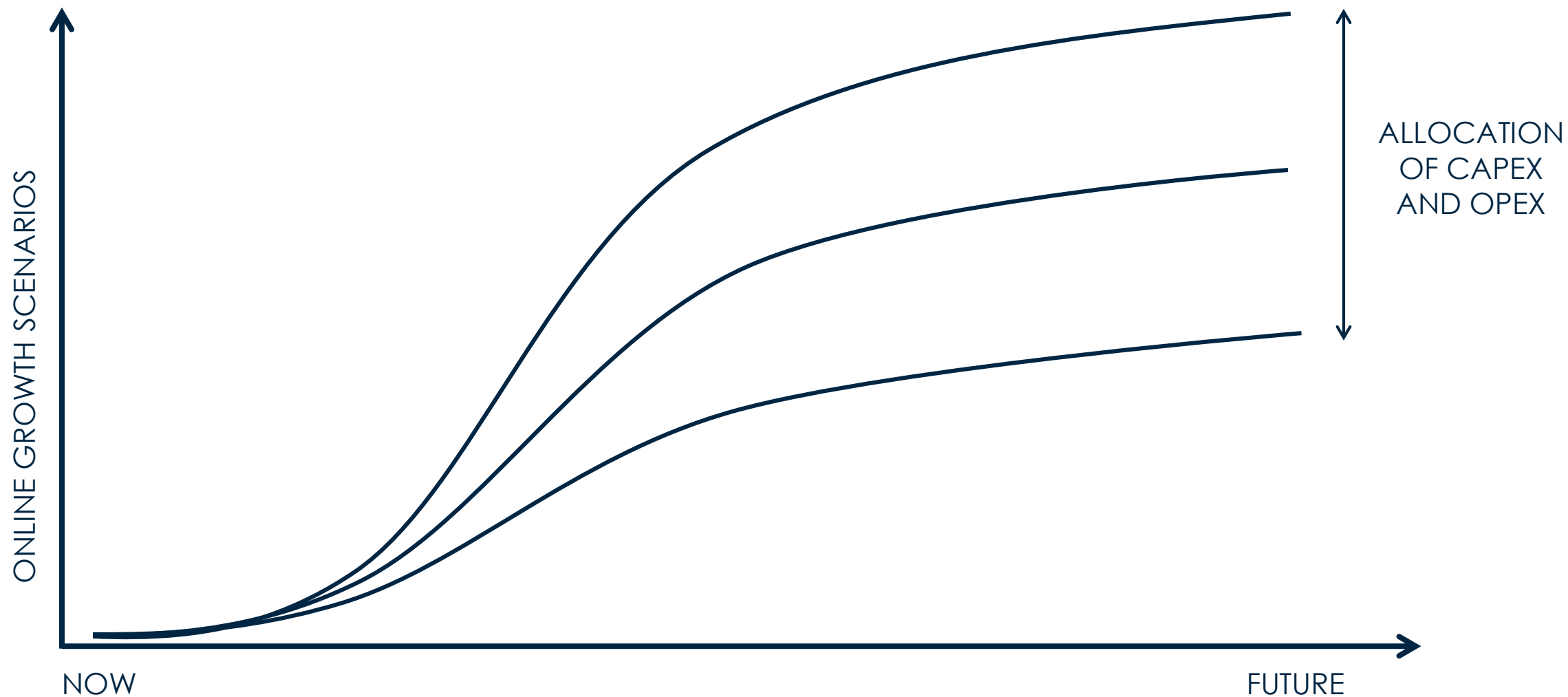
	SHIFT	IMPACT	
①	Consumer	➤ Rising expectations and altered shopping behaviour	
②	Health & Beauty	➤ New ways of playing in the core categories and brands	
③	Channel	➤ Continued migration to online shopping	
④	Tech	➤ Continued tech advancements will change how retailers operate	

➤ Combined, we call these shifts **The Retail Shake-up**

Strategic flexibility: We have explored a number of scenarios



Channel shift scenarios



Our 2023 strategy: 'Renewing Matas'

STRATEGIC TRACKS

1

Live our purpose:
Beauty & Wellbeing for life



2

Win online

3

Reignite store
growth

4

Open new
growth paths

5

Change how we work

STRATEGIC AMBITIONS TOWARDS 2022/23

Lift customer engagement



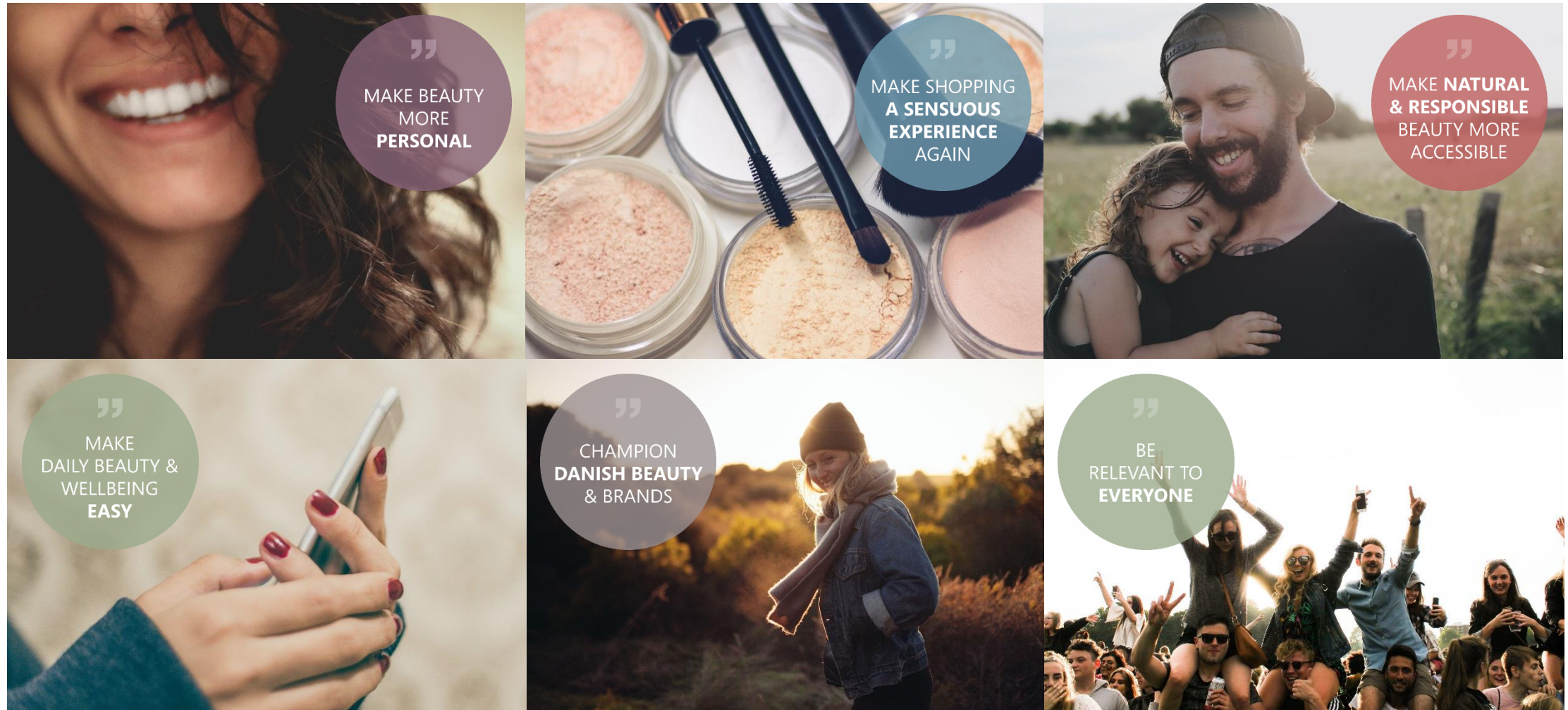
Grow revenue



Secure earnings



1 | Live our purpose: Beauty and wellbeing for life



1 | Live our purpose: Beauty and wellbeing for life

BEAUTY & WELLBEING FOR LIFE

CONSUMER CAMPAIGN – “SKØNNERE SAMMEN”
(BEAUTIFUL TOGETHER)

LAUNCH OF PURPOSE TOWARDS THE BEAUTY
INDUSTRY, E.G. PARTNERS AND INFLUENCERS



”
*Sammen kan vi skabe
et nyt skønhedsbegreb.
Vil du være med?*

KÆRE DU
Jeg hedder Hella. Jeg er på en mission sammen med Matas, og vi vil gerne have dig med.
Det handler om at skabe et nyt skønhedsbegreb, og det kan sagtens lade sig gøre, hvis vi gør det sammen.
Der er nemlig for mange, der tror, at skønhed kun handler om at se ud på en bestemt måde - og det synes jeg, vi skal lave om på. For skønhed er en følelse, der er for alle, og som vi kan være fælles om. For mig er følelsen af skønhed at være god ved min krop, så min sjæl har et godt sted at bo. Men du har sikkert et andet bud, og det vil jeg godt høre.
Du må også gerne sende et foto af dig selv, så laver vi Danmarks største mosaik af skønne mennesker.
Jeg håber, du vil være med!

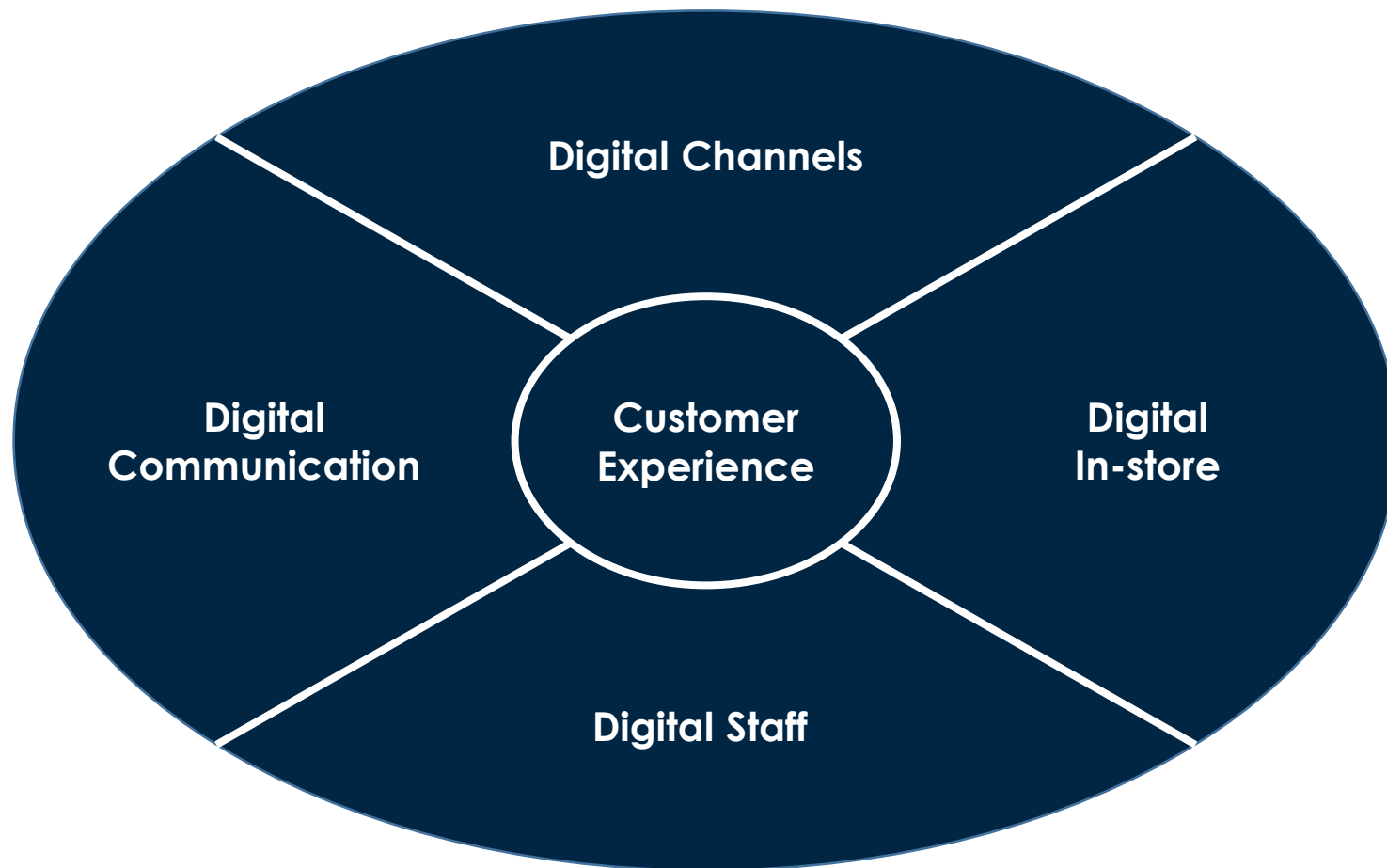
Hella Jøf
Hella Jøf

P.S: På skønneresammen.dk kan du se en lille film, der fortæller om det hele. Har kan du også se, hvordan du selv bliver en del af Mission skønnere sammen.

FÅ DIN EGEN MOSAIK
Upload et billede af dig selv på skønneresammen.dk. Så får du din egen mosaik, bygget op af ca. 3000 billeder af andre dejlige mennesker.
Hvis du har lyst, kan du være med til at sprede budskabet ved at uploade din mosaik på Facebook eller Instagram på [#skønneresammen](https://skønneresammen.dk).



2 | Visible results of Matas 4D and our strengthened E-commerce efforts



54%
ONLINE GROWTH
9M 2018/19

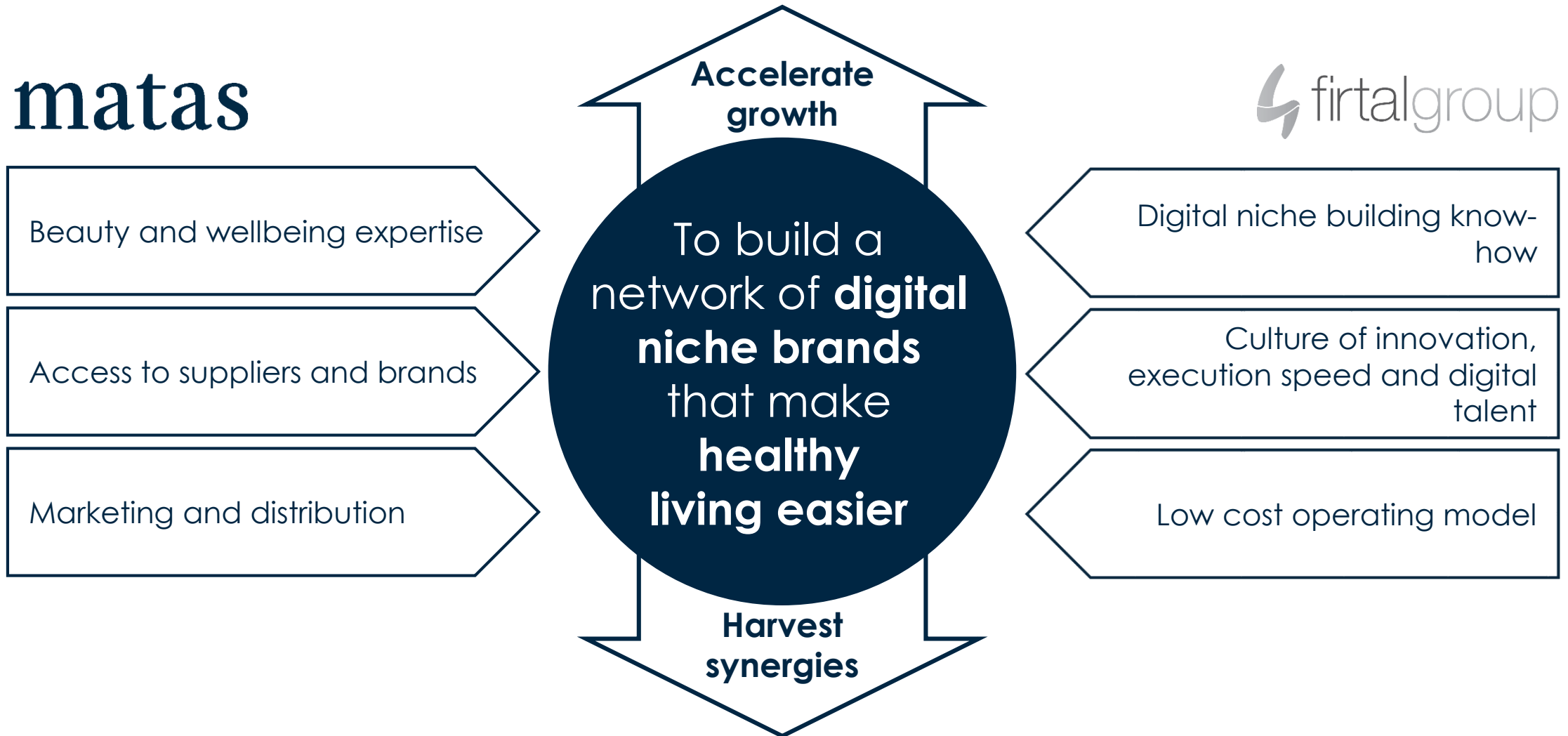
2 | Acquisition of Firtal Group ApS



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

matas

firtalgroup



3 | Reignite store growth by developing a new concept

NEW ASSORTMENT

STORE NETWORK

CONCEPT DEVELOPMENT



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



4 | Strengthening Matas position in the green market

Green shop-in-shop in Matas

FORDI NATUREN GIVER OS SÅ MANGE SKØNNE GAVER

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

125,-
Værdi 179,-

CLEAN ESSENCE 3 PCS. BOLDERSKAL SET
3 x 30 ml
Clean Essence Balm, Soap & Oil
Clean Essence Serum, Cream & Oil
Clean Essence Body Lotion
(Balm, Soap & Oil)

199,-
Værdi 279,-

BANINGSSERUM
Gæstebog
Baningsserum med 100% naturlige ingredienser, der giver dig en frisk hud uden at tørre ud. Baningsserum med 100% naturlige ingredienser, der giver dig en frisk hud uden at tørre ud.

225,-
Værdi 299,-

SCORING GAVEKORT
100% naturlige ingredienser
100% naturlige ingredienser

64% OFF

ALT DET NATURELLE
Alt det naturlige i dit liv. Alt det naturlige i dit liv.

VÆRTINDEGAVER MED VELVÆRE

En god gæst har naturligvis husket værdigaven. Og hvorfor ikke prøve at skifte den traditionelle blomst ud med lidt selvforkælelse? Hvis du selv ville blive glad for gaven, bliver modtageren det sikkert også...

GIV DIG SELV ET ØJEBLIK

...med My Moments, der er skabt til at genbringe energien og belysningen. My Moments er en kærlig blomst, der er skabt til at genbringe energien og belysningen. My Moments er en kærlig blomst, der er skabt til at genbringe energien og belysningen.

ALT MY MOMENTS 30% OFF

My Moments er en kærlig blomst, der er skabt til at genbringe energien og belysningen. My Moments er en kærlig blomst, der er skabt til at genbringe energien og belysningen.

Partnerships

Partnerships

Firtal Group ApS

Søg efter produkter her...

Gå til kurv

Kosttilskud Fødevarer Personlig pleje Medicin & Medicare Træning Mor & Barn Hjem Brands

Produkt kategorier

Helsekost & Kosttilskud Homsopati Fødevarer Non-Food Naturlægemidler

Natural Beauty & Wellbeing for life

Two Matas Natur Concept Stores



Matas.dk/natur

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

25%
på naturlige dufte her

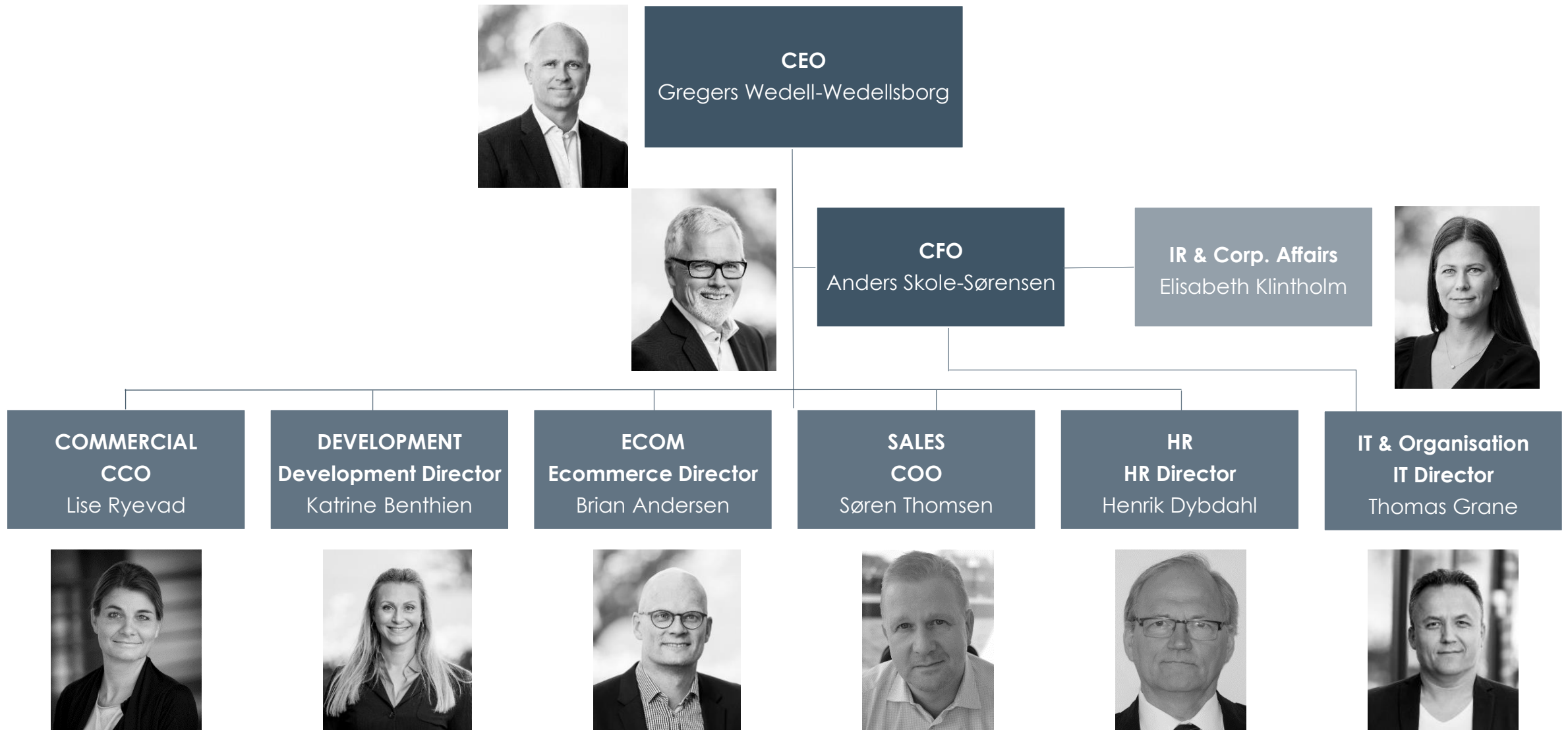
CLEAN
Santal, lavendel og deodorant

20%
REN - EVERCALM SERIEN
20% på hele EVERCALM serien*
En videnskabelig bevist serie
mod rødme og sensitivitet.
Shop her

DR. SCHELLER
Ansigtsserum og serum.
100% fri for parabener,
silikone, minerale olier og
syntetiske farvestoffer.
Shop her

FRIT VALG 99,95,-

5 | Change how we work step one is the new management team



Sustainability as a business opportunity

1997: MATAS STRIBES BECOMES FIRST PERSONAL CARE SERIES MARKED WITH THE NORDIC SWAN ECOLABEL

2004: MATAS SOLSTRIBER BECOMES FIRST SUNCARE SERIES MARKED WITH THE NORDIC SWAN ECOLABEL

FROM '00 TILL TODAY

GROWTH IN PRIVATE LABEL PRODUCTS WITH NORDIC SWAN ECOLABEL, THE BLUE LABEL, RSPO CERTIFICATE

FOCUS ON RECYCLING AND REDUCED USE OF PLASTIC

2019

INCREASED FOCUS ON IMPACT; E.G. CUSTOMERS EXPECT SAFE AND CLEAN PRODUCTS

NEW VALUE DRIVEN PURPOSE & UPDATED CSR STRATEGY TO DRIVE CUSTOMER ENGAGEMENT



H1 2018/19 in numbers: Stable revenue and earnings

Revenue

DKK **1,621** million

H1 2017/18: DKK 1,621 m

EBITDA before special items

DKK **247** million

H1 2017/18: DKK 244 m

Underlying (like-for-like) growth of

-0.3%

H1 2017/18: -1.1%

EBITDA margin before special items

15.2%

H1 2017/18: 15.1%

9M 2018/19 and Q3 2018/19 in numbers: Topline growth

9M 2018/19

Revenue 9M 2018/19

DKK **2,714** million

9M 2017/18: DKK 2,695 m

Q3 2018/19

Revenue Q3 2018/19

DKK **1,093** million

Q3 2017/18: DKK 1,075 m

Underlying (like-for-like) growth of

0.0%

9M 2017/18: -1.0%

Underlying (like-for-like) growth of

0.5%

Q3 2017/18: -0.8%

Where we are going: Renewing Matas

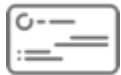
Our current solid foundation



Top 3 in E-commerce



National network with 279 stores



1.55 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

Matas 2023 Strategy: Renewing Matas






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

Q&A






Performance: Ambitions towards 2022/23

	2019/20 to 2022/23	2022/23
 CUSTOMER ENGAGEMENT¹	Continuous improvement	Index 110
 REVENUE²	Positive LFL from 2020/21	Around DKK 4 bn
 EBITDA MARGIN³	Harvest scale benefits online Change how we work	Above 14%

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

Resources: Capital allocation towards 2022/23

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

1. Net interest bearing debt to EBITDA before special items. Based on existing IFRS rules (IFRS 16 not included).

Q2 2018/19 in numbers

Revenue

DKK **777.2** million

Q2 2017/18: DKK 789.9 m

EBITDA before special items

DKK **108.6** million

Q2 2017/18: DKK 107.5 m

Underlying (like-for-like) growth of

-1.9%

Guidance: Unchanged (-1 to +1%)

EBITDA margin before special items

14.0%

Guidance: Increased to more than 15%

Guidance: Financial targets for 2018/19



REVENUE

Unchanged level for underlying revenue
(LFL between -1 and 1%)



EBITDA MARGIN BEFORE SPECIAL ITEMS¹

Above 15%



CAPEX

TOTAL INVESTMENTS

DKK 110 – 130 m

DKK 240 – 260 m



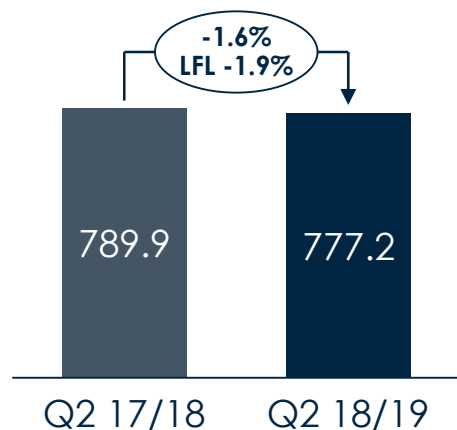
DIVIDENDS

Despite the acquisition, Matas A/S still expects to
be able to pay a dividend for the financial year
2018/19

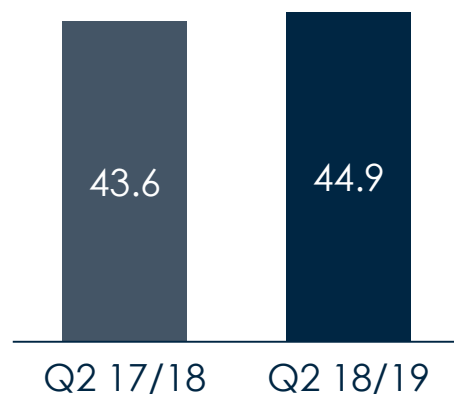
1. Based on existing IFRS rules (IFRS16 not included).

Overview: Q2 2018/19 vs. Q2 2017/18

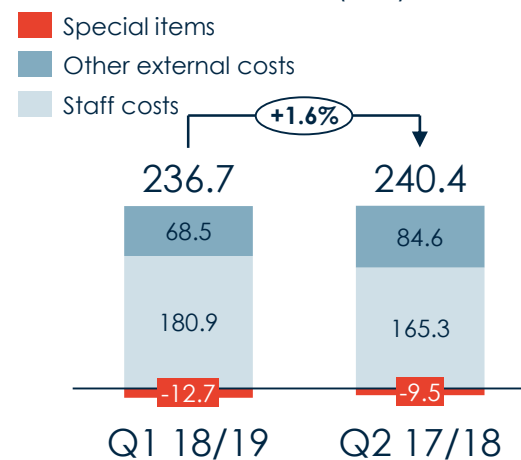
Revenue (DKK m)



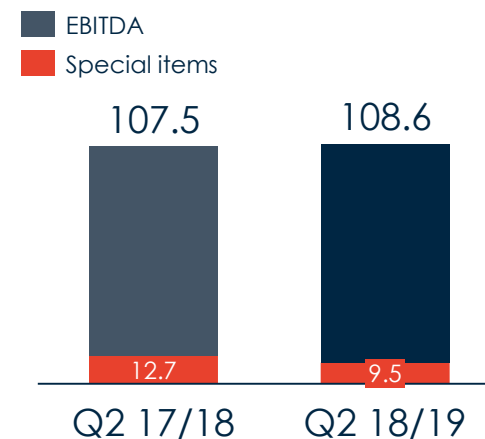
Gross margin (%)



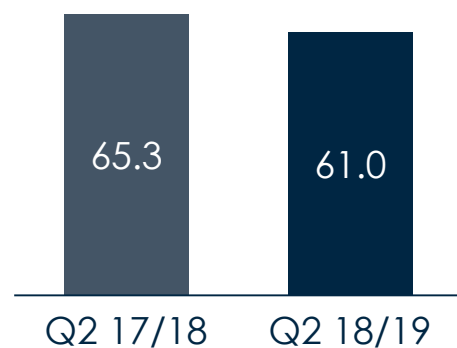
Cost (DKK)



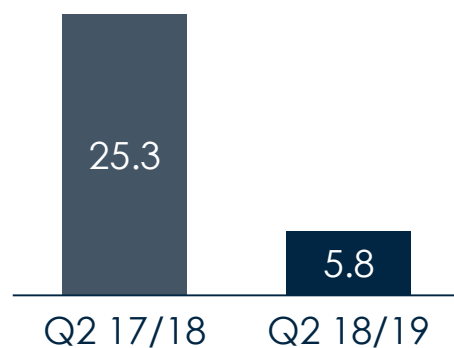
EBITDA BEFORE SPECIAL ITEMS (DKK m)



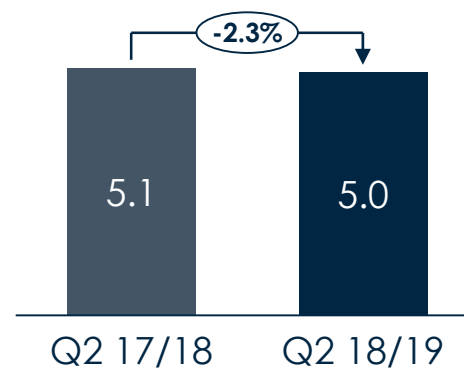
Adj. net profit (DKK m)



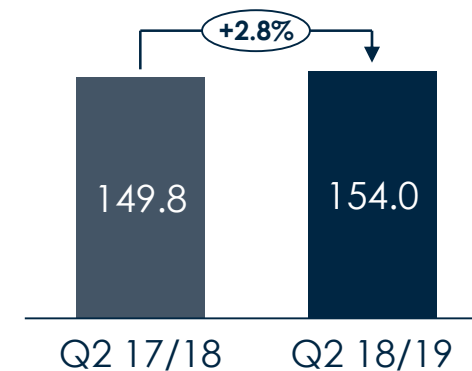
Free cash flow (DKK m)



Transactions (# m)

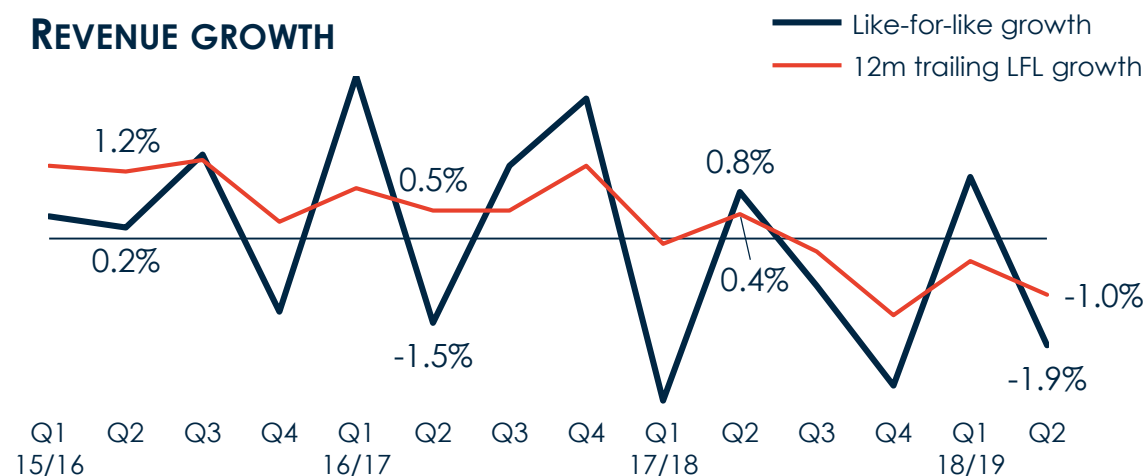


Basket size (DKK)

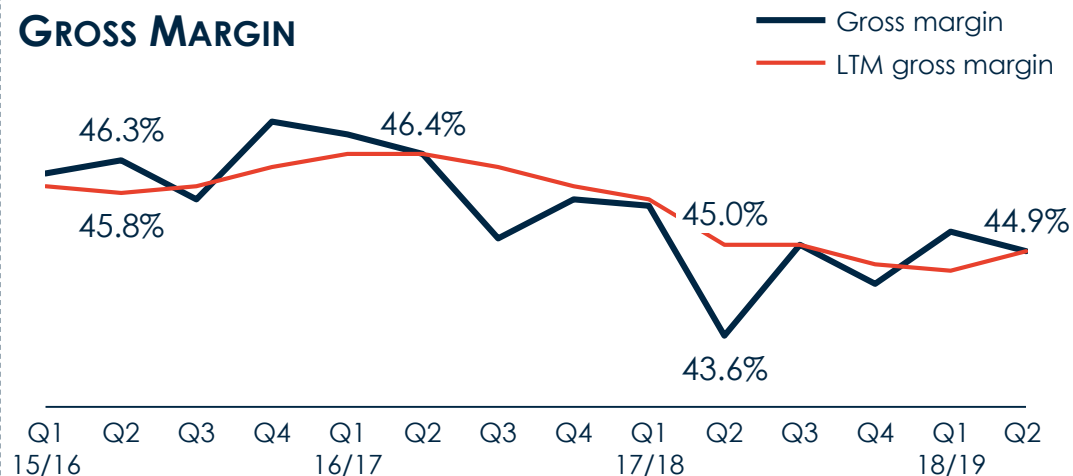


Quarterly developments from Q1 2015/16 to Q2 2018/19

REVENUE GROWTH

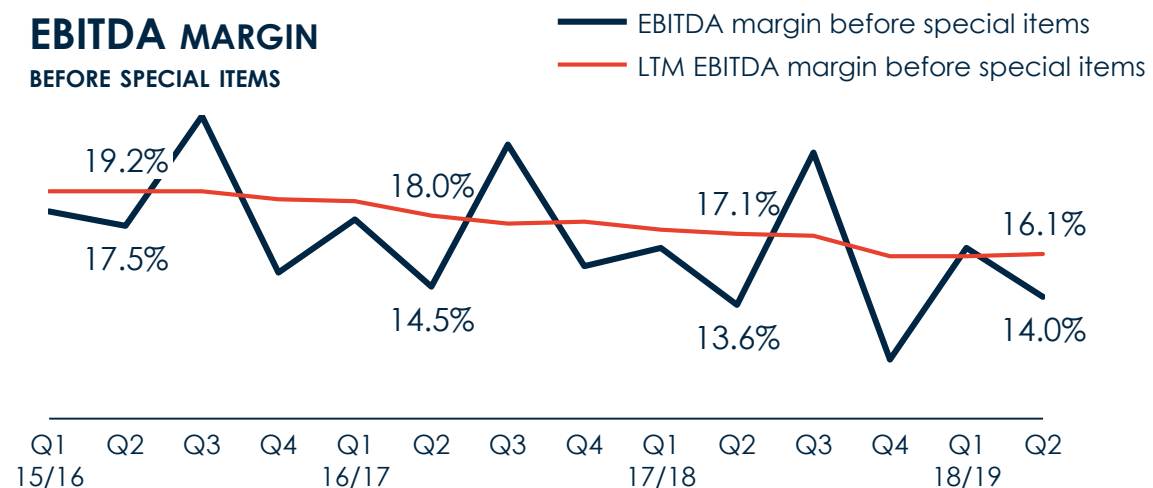


GROSS MARGIN

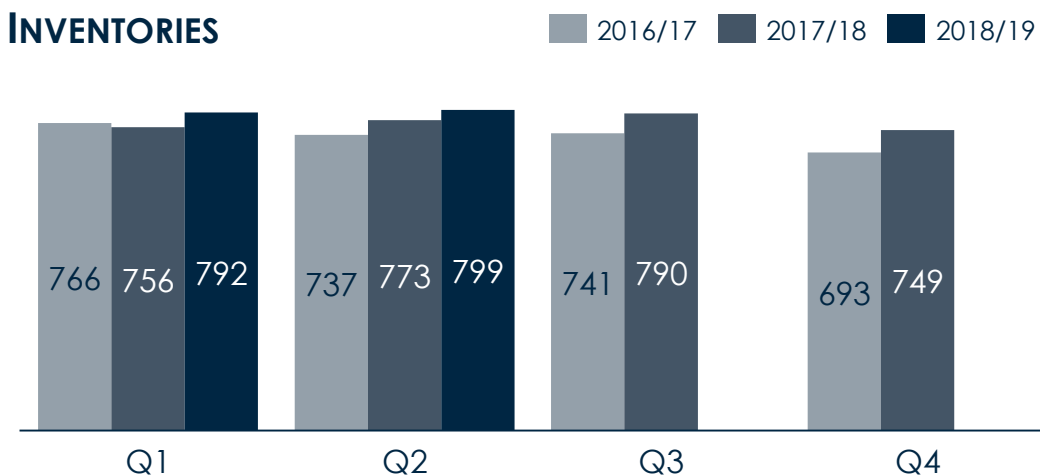


EBITDA MARGIN

BEFORE SPECIAL ITEMS



INVENTORIES



The Matas share

”
LISTED ON
NASDAQ
OMX
28 JUNE 2013

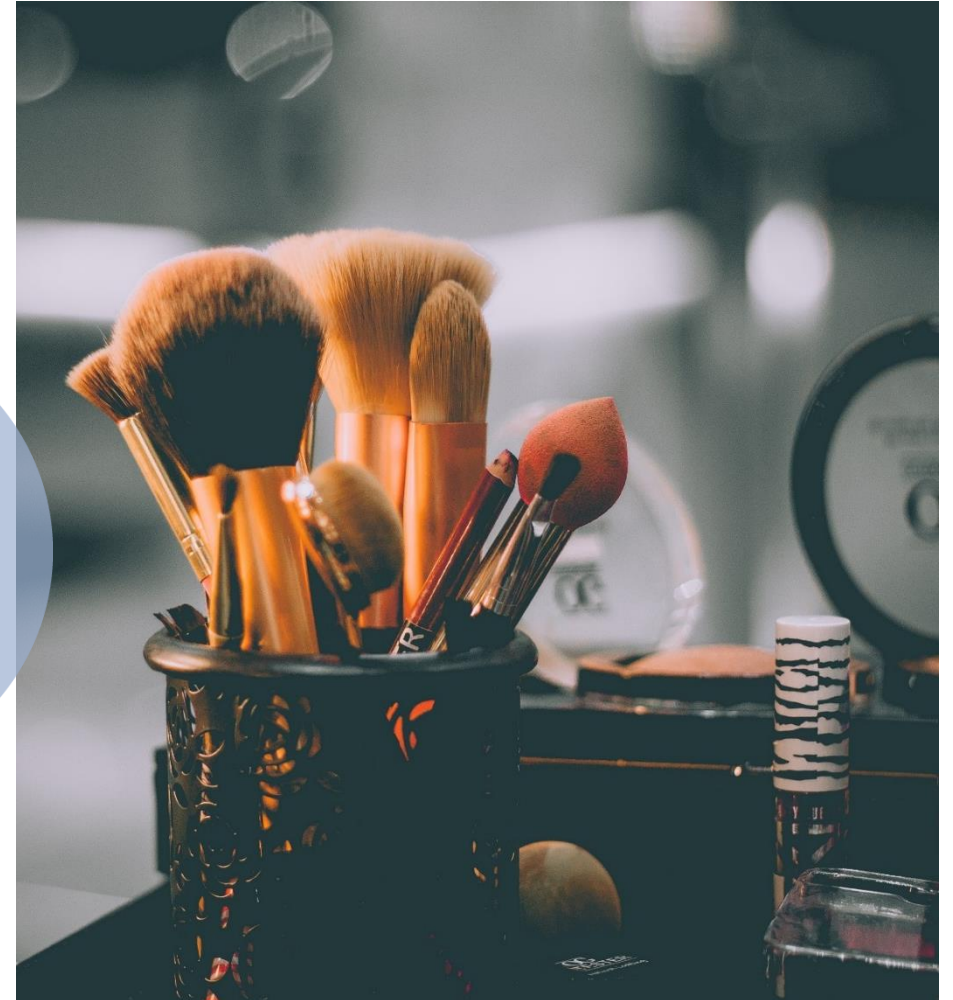
”
7.8%
OWNED BY KIRKBI
INVEST A/S

”
100%
FREE FLOAT

”
~56%
DOMESTIC
SHAREHOLDERS

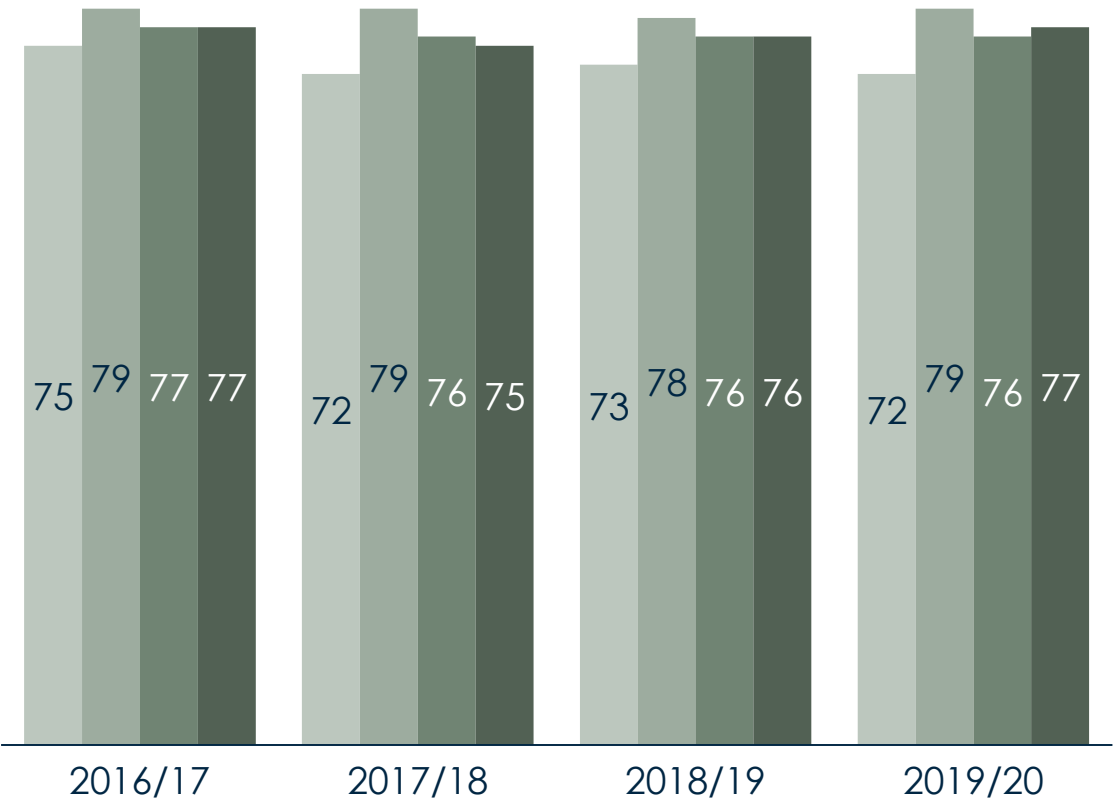
”
38.3 m
SHARES IN ONE
SHARE CLASS

”
DKK 2.6
BN MARKET CAP



Trading days 2016/17 to 2019/20

Q1 Q2 Q3 Q4



Team



Gregers Wedell-Wedellsborg
CEO

gww@matas.dk
+45 4816 5555



Anders Skole-Sørensen
CFO

as@matas.dk
+45 4816 5555



Elisabeth Toftmann Klintholm
Head of IR & Corporate Affairs

etk@matas.dk
+45 4816 5548

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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.