

Trading update for Q3 2019/20

(1 April – 31 December 2019)

Matas reports strong Christmas season quarter with more customers, strong growth and record-high online sales. Guidance revised upwards.

Matas A/S generated revenue of DKK 1,173 million in Q3 2019/20 (1 October 2019 - 31 December 2019), up 7.4% on the DKK 1,093 million reported for Q3 2018/19.

Underlying like-for-like sales, i.e. sales in stores operated by the Group in both Q3 2019/20 and Q3 2018/19, were up by 4.7% in Q3 2019/20.

Gregers Wedell-Wedellsborg, CEO of Matas A/S: *"We had a stellar Christmas season quarter. The interaction between the online channel and our physical stores was impeccable, and with a higher number of customers spending more on average, we recorded historically high revenue, the strongest organic growth for 24 quarters and a new online sales record"*.

As was expected, Black Friday was Matas' biggest shopping day in the Group's 71-year history. The Group recorded positive like-for-like growth in every single month of the quarter. The number of transactions was up by 2.2% over the year-earlier period, and the average basket size grew by 2.0% to DKK 183 in Q3 2019/20. A total of 6.1 million transactions were completed in the third quarter of the financial year in a market characterised by continued tough competition for customers and high campaign activity.

The Group's digital transformation continued at full speed with sales on matas.dk surging by a record-high 83.9% in Q3 2019/20. Factoring in Firtal's revenue, 16.2% of sales were completed online, compared with 8.5% in the year-earlier period.

"We aim to be the customer's first choice, online as well as in our stores. Online sales are generally less profitable than physical store sales, but the key is in the interaction between the channels – in the Christmas season quarter alone, matas.dk generated a footfall of more than 250,000", says Gregers Wedell-Wedellsborg.

Revenue for the first nine months of 2019/20 was DKK 2,871 million, an increase of 5.8% on the DKK 2,714 million reported for the year-earlier period. Like-for-like sales were up by 1.6% compared with the same period of 2018/19, and sales via matas.dk grew by 72.1%.

Against the background of the stronger than expected sales in Q3 2019/20, the Group has revised upwards its financial targets for financial year 2019/20 on two counts (overall revenue growth and underlying revenue growth) relative to the targets announced in the interim report for H1 2019/20 (see company announcement no. 10 2019/20).

The Group is now expecting overall revenue growth of around 5% (revised from 3.5-5.5%) and underlying like-for-like revenue growth of around 1.5% (revised from 0.5-1.5%).

The CAPEX forecast is unchanged at DKK 150-170 million, and the EBITDA margin before exceptional items is still expected to be in the 14-15% range (before effects of IFRS 16).

The interim report for the first nine months of 2019/20 will be released on 27 February 2020.

Matas A/S

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