

## Matas Group Annual Report 2022/23

### A strong finish to a year of progress and growth

- Matas Group generated total revenue of DKK 4,490 million for the financial year 2022/23, a year-on-year increase of 3.3% from DKK 4,344 million in 2021/22. Growth in the fourth quarter came to 8.3%.
- EBITDA before special items rose to DKK 809 million (18.0%) from DKK 803 million in 2021/22 (18.5%).
- Profit before tax amounted to DKK 373 million, an increase of DKK 22 million from DKK 351 million in 2021/22.
- For the financial year 2023/24, organic revenue is expected to grow between 3% and 6%. The EBITDA margin before special items is expected around 17%. Investments, excluding M&A, are expected in the DKK 425-450 million range, including approximately DKK 250 million for the Matas Logistics Center.
- Matas has signed an agreement to build a new logistics center which will be fully operational in the spring of 2025. In line with Matas' long-term financial ambitions, the total investment will amount to DKK 525-550 million covering acquisition of property, building and machines. Further information on the Matas Logistics Center may be found in company announcement no. 1.
- Based on the satisfactory financial results and in light of the logistics center investment, the Board of Directors proposes that DKK 77 million, equivalent to DKK 2.00 per share and 24% of Matas' adjusted profit after tax for 2022/23, be distributed to the Company's shareholders.

Gregers Wedell-Wedellsborg, CEO of Matas A/S: *"With more than 8% growth in the fourth quarter, Matas saw a strong finish to the financial year. In a rocky economic environment, Matas grew steadily through the year, and we saw further proof that our strategy of offering a bigger and broader assortment is working."*

*"Our earnings for the year improved slightly compared to previous years and profitability reached the top end of our guidance for the year. This reflects our ability to manage the inflationary pressure. We took certain cost measures throughout the year and still had room to continue our investment in initiatives that will drive long-term growth,"* said Gregers Wedell-Wedellsborg.

## Q4 and FY key financials

DKKm	Q4 2022/23	Q4 2021/22	FY 2022/23	FY 2021/22
<b>Statement of comprehensive income</b>				
Revenue	1,050.7	970.6	4,489.6	4,344.2
Gross profit	484.5	468.3	2,014.4	1,966.0
EBITDA	161.6	160.0	804.2	809.6
EBIT	50.8	59.9	423.1	388.3
Net financials	(15.5)	(12.2)	(50.3)	(37.3)
Profit before tax	35.4	47.7	372.8	351.1
Profit for the year	17.6	39.3	280.7	276.5
Special items	-	7.8	4.8	(7.0)
EBITDA before special items	161.6	167.8	809.0	802.6
Adjusted profit after tax	27.8	61.4	322.1	357.5
<b>Statement of financial position</b>				
Assets			6,280.2	6,055.3
Equity			3,363.1	3,152.3
Net working capital			23.0	(12.2)
Net interest-bearing debt			1,642.4	1,648.8
<b>Statement of cash flows</b>				
Cash flow from operating activities	(45.2)	51.5	679.0	510.5
Investments in property, plant and equipment	(72.9)	(39.4)	(92.2)	(50.5)
Free cash flow	(118.1)	12.1	423.2	278.9
<b>Ratios</b>				
Revenue growth	8.3%	(0.0)%	3.3%	4.3%
Underlying (like-for-like) revenue growth	7.5%	(2.3)%	3.1%	2.1%
Gross margin	46.1%	48.2%	44.9%	45.3%
EBITDA margin	15.4%	16.5%	17.9%	18.6%
EBITDA margin before special items	15.4%	17.3%	18.0%	18.5%
EBIT margin	4.8%	6.2%	9.4%	8.9%
Cash conversion			59.9%	54.5%
Earnings per share, DKK			7.41	7.27
Diluted earnings per share, DKK			7.35	7.20
Dividend per share (proposed), DKK			2.00	2.00
Share price, end of year, DKK			84.2	96.3
ROIC before tax including goodwill			9.4%	9.9%
Net working capital as a percentage of revenue			0.5%	(0.3)%
Investments as a percentage of revenue			5.7%	5.3%
Net interest-bearing debt/adjusted EBITDA			2.0	2.1
Number of transactions (millions)	5.5	5.1	23.2	22.0
Average basket size (DKK)	182.3	182.7	188.8	192.2
Average number of employees (FTE)			2,124	2,164

## Performance relative to 2022/23 financial guidance

Matas entered the financial year with guidance of revenue growth in the 1% to 4% range and an EBITDA margin before special items of between 17.0% and 18.0%. Based on a revenue and EBITDA margin performance, Matas subsequently adjusted its full-year guidance when it released the trading update for Q3.

Financial guidance for 2022/23 released in connection with	FY 2021/22	Trading Update Q3	Realised 2022/23
Revenue growth	1% to 4%	1% to 3%	3.3%
EBITDA margin before special items	17.0% to 18.0%	17.0% to 18.0%	18.0%

Revenue growth for the financial year 2022/23 came to 3.3%. EBITDA before special items as a percentage of revenue was 18.0%.

CAPEX guidance initially amounted to DKK 225–250 million. Realised CAPEX came to DKK 254 million exclusive of acquisitions.

The financial gearing ratio was 2.0 as at 31 March 2023, within the announced target interval of 2.0–3.0.

The Board of Directors recommends to the Annual General Meeting that a dividend of DKK 2.00 per share be declared and paid. The proposed dividend will be equivalent to 24% of the adjusted profit after tax for the year.

## Financial guidance for 2023/24

**Revenue is expected to grow between 3% and 6%. The EBITDA margin before special items is expected around 17%. Investments, excluding M&A, are expected in the DKK 425-450 million range, including approximately DKK 250 million for the Matas Logistics Center.**

Matas' commercial performance and strategic progress were strong in 2022/23. However, the financial year 2023/24 is expected to be volatile. Rising interest rates affect a great number of households, and combined with inflation and uncertainty around energy prices, there is still a risk of recession.

### Revenue

For the financial year 2023/24, Matas expects organic revenue to grow between 3% and 6% based on the following core assumptions:

- Moderate underlying market growth, driven by modest price increases below the levels of 2022/23
- Limited impact of a potential recession on the health and beauty market
- A continuing underlying channel shift from physical to online retail sales
- Increased competition in the online health and beauty market
- Continued progress of international sales will drive incremental growth

### EBITDA margin

Matas expects an EBITDA margin before special items around 17% based on the following assumptions:

- The OPEX commitments for strategic initiatives, including assortment expansion and international growth, will affect the 2023/24 EBITDA margin adversely by approximately 1 percentage point
- The impact from up to 6% wage growth related to the collective bargaining agreements can only be partly mitigated by efficiency measures in 2023/24
- Energy prices will be lower than the levels reported during 2022/23

## CAPEX

Matas expects investments, excluding M&A, in the DKK 425-450 million range for 2023/24, based on the following assumptions:

- Underlying CAPEX around 4% of revenue, driven in particular by the ongoing digital transformation, store network investments as well as the continued upgrade of the ERP system
- Investments in Matas Logistics Center of around DKK 250 million to support Matas' long-term growth and profitability

## Forward-looking statements

The Annual Report contains statements relating to the future, including statements regarding Matas' 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' 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.

## Video conference

Matas will host a video conference for investors and analysts on Wednesday, 31 May at 10:00 a.m. (CET). 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://matas-events.eventcdn.net/events/annual-report-2022-23>

## Annual General Meeting

The Annual General Meeting will be held on Thursday, 29 June 2023 at 3:00 p.m. (CET) at Scandic Spectrum, Kalvebod Brygge 10, 1568 Copenhagen V, Denmark.

## Contacts

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