

# Matas suspends financial guidance for FY2019/20

## **In light of the current developments concerning the spread of COVID-19 and the Danish government's decision to shut down parts of the retail sector, Matas has suspended its financial guidance for 2019/20.**

Since Wednesday, 11 March 2020, a number of measures aimed at curbing the spread of COVID-19 have been implemented in Denmark. These measures have reduced footfall in the retail sector at large, and in turn also to Matas' physical stores, whereas the already strong online sales growth has gained additional momentum.

In light of the Danish prime minister's announcement on 17 March 2020 of the government's decision to ban large crowds and shut down large parts of the retail sector, except for supermarkets, pharmacies and specialist retailers offering medical equipment, the decline in footfall is expected to accelerate through March. Matas' retail network will generally continue to operate, albeit subject to adjustments during the remaining part of March.

The uncertainty surrounding the potential revenue impact of COVID-19 during the last weeks of the financial year is so great that the Group's financial guidance for financial year 2019/20 must be suspended.

Matas operates with two revenue and earnings scenarios (best-case and worst-case) for the remainder of March 2020. In the best-case scenario, most stores will remain open. In the worst-case scenario, a curfew or a temporary shutdown of all stores is imposed.

- In the best-case scenario, the Group expects underlying revenue growth for financial year 2019/20 of about 0.5% and an EBITDA margin before exceptional items and before IFRS 16 of above 13.5%.
- In the worst-case scenario, the Group expects underlying revenue growth for financial year 2019/20 of about minus 1% and an EBITDA margin before exceptional items and before IFRS 16 of above 13%.

CAPEX is still expected at a level between DKK 150 million and DKK 170 million.

Matas' liquidity position is currently stable, and the Company is at a reasonably safe distance from the covenants pertaining to its loan agreements. Matas is monitoring its liquidity position closely in order to ensure that the Group is able, in a timely manner, to take all necessary steps to maintain a healthy liquidity position in the current uncertain situation. Matas intends, to the extent that it is relevant, to make use of the Danish government's COVID-19 rescue packages in relation to liquidity, wage compensation and reimbursement of costs.

The Annual Report for 2019 will be released on 27 May 2020.

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## **Forward-looking statements**

*This announcement contains statements relating to the future, including statements regarding the Matas Group's future operating results, financial position and future targets. Such statements are based on management's reasonable expectations and forecasts at the time of release of the announcement. Forward-looking statements are subject to risks and uncertainties and a number of other factors, many of which are beyond the Matas Group's control. This may have the effect that actual results may differ significantly from the expectations expressed in the announcement. 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 measures to curb the spread of COVID-19 that are not specifically mentioned above.*