



matas

Company announcement no. 17 2023/24, Allerød, 2 February 2024

Interim report

9M 2023/24

(1 April – 31 December 2023)

All-time high revenue and improved earnings in Q3

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Webcast

Matas Group will host a webcast for investors and analysts on Friday, 2 February at 10:00 a.m. CET. The webcast and the presentation can be accessed from Matas' investor website: <https://investor.matas.dk>.

Webcast access numbers for investors and analysts:

DK: +45 78 76 84 90
SE: +46 8 1241 0952
NO: +47 2195 6342
UK: +44 203 769 6819
US: +1 646 787 0157 PIN for all countries: 915912

Link to webcast:

<https://matas-events.eventcdn.net/events/q3-interim-report-202324>



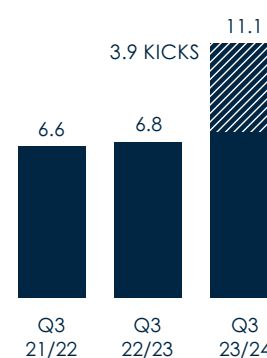
All-time high revenue and improved earnings in Q3

- 9M 2023/24 includes KICKS Group AB ("KICKS") from completion of the acquisition on 31 August 2023, hence four months of financial performance. All numbers for 9M and Q3 2023/24 reflect the combined business for four months, Matas Group, unless stated otherwise.
- Matas Group generated a total revenue of DKK 2,508 million in Q3 2023/24 corresponding to a year-on-year increase of 80% from DKK 1,396 million in Q3 2022/23. Organic growth in Q3 was 9%.
- Gross margin was 43.7% in the quarter, in line with expectations and 0.8 percentage points below last year due to KICKS acquisition, channel mix and assortment expansion.
- EBITDA before special items came to DKK 424 million in Q3 2023/24 compared to DKK 296 million last year, and the EBITDA margin before special items was 16.9% in the quarter against 21.2% last year, primarily reflecting the KICKS acquisition.
- Profit for the period amounted to DKK 163 million after tax compared to DKK 147 million last year. Q3 2023/24 was impacted by

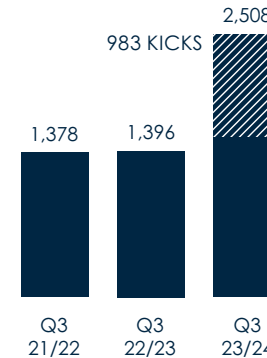
special items of DKK 20 million related to the integration of KICKS.

- Free cash flow was an inflow of DKK 560 million in Q3 2023/24 compared with an inflow of DKK 382 million in Q3 2022/23, primarily driven by cash flow from operations from KICKS.
- On 9 January 2024, Matas Group upgraded its guidance for the financial year 2023/24 to revenue in the range of DKK 6,650-6,750 million (previously DKK 6,400-6,600 million). Expectation to EBITDA margin before special items was maintained at around 15%, and CAPEX, excl. M&A, was maintained at DKK 500-525 million. Please see company announcement no. 16 2023/24 for assumptions related to the guidance.

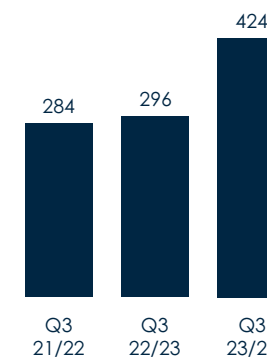
Customer transactions
Millions



Revenue
DKKm



EBITDA before special items
DKKm



“Matas and KICKS' first Christmas as one Nordic company was a rock-solid success. Despite macroeconomic uncertainty and ongoing integration work, the Group executed flawlessly, grew sales in all markets and channels and improved underlying earnings. Given the strong Q3, we upgraded our revenue guidance on 9 January.”

Gregers Wedell-Wedellsborg, Matas Group CEO

Q3 2023/24 highlights

- Matas Group generated a total revenue of DKK 2,508 million in Q3 2023/24 a year-on-year increase of 80% from DKK 1,396 million in Q3 2022/23. Organic growth was 9%. KICKS grew 3% in local currency.
- Organic growth online was 23% and stores grew 4%. KICKS grew both in stores and online. Both Matas and KICKS generated all-time high revenue in Q3.
- Customer traffic was strong, and the organic number of transactions increased by 7.6% to 7.3 million, and the organic average basket size grew by 1.8% to DKK 206 per transaction compared to Q3 last year.
- Gross profit for Q3 2023/24 amounted to DKK 1,096 million, up from DKK 621 million in Q3 2022/23. The gross margin was 43.7%, down from 44.5% in Q3 2022/23 due to acquisition of KICKS, channel mix and assortment expansion.
- Other external costs amounted to DKK 274 million in Q3 2023/24, up from DKK 105 million in Q3 2022/23, driven by KICKS acquisition and increased online sales. Other external costs include special items of DKK 17 million in Q3 2023/24, attributable to the KICKS integration.
- Q3 2023/24 staff costs amounted to DKK 417 million, up from DKK 220 million in Q3 2022/23 driven by KICKS and increased online sales. Staff costs include special items of DKK 3 million in Q3 2023/24 attributable to the KICKS integration.
- EBITDA before special items came to DKK 424 million in Q3 2023/24 compared to DKK 296 million last year, and the EBITDA margin before special items was 16.9% in the quarter against 21.2% last year, primarily reflecting the KICKS acquisition.
- The total amortisation, depreciation and impairment charges were DKK 155 million in Q3 2023/24, up by DKK 61 million and mainly attributable to KICKS.
- Profit for the period amounted to DKK 163 million after tax compared to DKK 147 million last year. Q3 2023/24 was impacted by special items of DKK 20 million related to the integration of KICKS and higher interest rates.
- Free cash flow was an inflow of DKK 560 million in Q3 2023/24 compared with an inflow of DKK 382 million in Q3 2022/23, primarily driven by performance and cash flow from KICKS, and partly due to timing effects.



9M 2023/24 highlights

- Matas Group generated a total revenue of DKK 4,943 million in 9M 2023/24 corresponding to a year-on-year increase of 43.8% from DKK 3,439 million in 9M 2022/23 when the Group did not own KICKS. Organic growth was 8.8%.
- Revenue was up across all sales channels.
- Customer traffic was strong, and the number of transactions increased by 34.5% to 23.7 million for the Group, and the average basket size grew by 7.4% to DKK 205 per transaction.
- Gross profit for 9M 2023/24 was DKK 2,174 million, up by DKK 644 million from DKK 1,530 in 9M 2022/23. The gross margin was 44.0% down from 44.5%.
- Other external costs amounted to DKK 538 million in 9M 2023/24, up by DKK 269 million from DKK 269 million in 9M 2022/23.
- Staff costs amounted to DKK 914 million in 9M 2023/24, up from DKK 618 million in 9M 2022/23.
- 9M 2023/24 EBITDA before special items amounted to DKK 802 million, against DKK 647 million in 9M 2022/23. The EBITDA margin before special items was 16.2% against 18.8% in 9M 2022/23.
- The total amortisation, depreciation and impairment charges were DKK 359 million in 9M 2023/24, up by DKK 89 million and mainly attributable to KICKS.
- In 9M 2023/24 adjusted profit after tax amounted to DKK 316 million against DKK 294 million in 9M 2022/23.
- Free cash flow excluding acquisition of subsidiaries and operations was an inflow of DKK 599 million in 9M 2023/24, compared with an inflow of DKK 543 million in 9M 2022/23.
- For 9M 2023/24 cash flow for acquisition of subsidiaries and operations were an outflow of DKK 692 million for KICKS, net DKK 617 million including KICKS' cash at the time of the acquisition of DKK 75 million. For 9M 2022/23 cash flow for acquisition of subsidiaries and operations were an outflow of net DKK 2 million for the remaining shares in Miild A/S.



Key financials

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23	(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Statement of comprehensive income					Ratios				
Revenue	2,508.0	1,396.2	4,943.5	3,438.9	Revenue growth	79.6%	1.3%	43.8%	1.9%
Gross profit	1,095.5	620.9	2,174.2	1,529.9	Organic growth	9.2%	1.2%	8.8%	1.8%
EBITDA	404.5	295.9	722.4	642.6	Gross margin	43.7%	44.5%	44.0%	44.5%
EBIT	249.4	201.4	363.1	372.3	EBITDA margin	16.1%	21.2%	14.6%	18.7%
Net financials	(29.3)	(12.6)	(74.0)	(34.9)	EBITDA margin before special items	16.9%	21.2%	16.2%	18.8%
Profit before tax	220.1	188.8	289.1	337.4	EBIT margin	9.9%	14.4%	7.3%	10.8%
Profit for the period after tax	163.2	147.3	213.8	263.1	Cash conversion	138.7%	139.7%	84.7%	88.8%
Special items included in EBITDA	19.6	-	79.9	4.8	Earnings per share, DKK	4.29	3.88	5.62	6.95
EBITDA before special items	424.1	295.9	802.3	647.4	Diluted earnings per share, DKK	4.25	3.85	5.56	6.89
Adjusted profit after tax	190.6	157.1	315.5	294.4	Share price, end of period, DKK			115.4	69.7
Statement of financial position					ROIC before tax including goodwill **			12.8%	10.3%
Total assets			8,878.6	6,149.0	ROIC before tax excluding goodwill **			48.0%	58.4%
Total equity			3,527.1	3,345.2	Net working capital as a percentage of LTM revenue			(0.8)%	(2.7)%
Net working capital			(46.3)	(119.4)	Investments as a percentage of revenue	5.7%	3.7%	5.7%	5.3%
Net interest-bearing debt			2,490.3	1,235.0	Net interest-bearing debt/EBITDA before special items **			2.2	1.5
Statement of cash flows					Number of transactions (millions)*	11.15	6.76	23.74	17.65
Cash flow from operating activities	701.9	433.9	882.1	724.1	Average basket size (DKK)*	222.9	202.8	204.8	190.8
Cash flow from investing activities	(142.3)	(51.5)	(283.1)	(181.4)	Number of stores			490	262
Free cash flow excl. acquisitions of subs.	559.6	382.4	599.0	542.7	Club members Matas and KICKS (millions)			5.72	1.84
Acquisition of subsidiaries and operations	-	-	(617.2)	(1.5)	Club Matas Plus members (thousands)			94.2	65.6
Free cash flow	559.6	382.4	(18.2)	541.2	Average number of employees (FTE)	3,614	2,215	2,766	2,142

* For definitions of key financials, see page 95 of the 2022/23 Annual Report.

** LTM EBITDA includes pro forma financials of KICKS LTM.

Management's review

Both Matas and KICKS have been focusing on delivering Q3, whilst working on integrating the two companies.

Q3 delivered all-time high revenue for both companies, strongly supported by the continued assortment expansion in Matas.

The 9M interim report includes the performance in KICKS from September to December, but otherwise fully consolidated into the 9M statement.

Matas

Strategic initiatives in Q3 2023/24

In August 2021, Matas launched its five-year Growing Matas strategy. Based on the purpose 'Health and Beauty for Life', Matas will grow by selling more to existing customers – especially the 2.0 million Club Matas members – driven by an expansion of the assortment.

Commercial: Expand assortment

- The fast assortment expansion continued with the addition of 86 new brands and 1,200 new SKUs online during Q3. Products were launched both within new and existing categories, some of the most important ones were Dr Jart+, The Body Shop, Moshi Moshi Mind and Womanizer. Out of the 86 brands, 28 brands were launched via dropship.

- The new brands launched during 2022/23 and 2023/24 contributed to approximately half of the Q3 2023/24 revenue growth.

E-commerce: Extend market leadership

- Matas online continued to grow at a high rate, with 23% revenue growth in Q3 (following 33% in Q2 and 26% in Q1), mainly driven by the continued assortment expansion and increase in number of transactions as seen over the last quarters.
- Matas.dk increased its position as the second most frequently visited web shop in Denmark in Q3 2023 (Dansk Industri e-commerce tracker).

Connected retail: Consolidate and connect stores

- During the quarter, we relocated one store in Hasseris to a significantly better location, extended our store in Kolding Storcenter and opened a new store located on Christianshavn in Copenhagen. The store NPS remained high and increased from Q3 last year.
- Store turnover from "endless aisles" (sale of products from matas.dk through the stores) increased significantly in Q3 compared to the same period last year.
- We tested "your digital colleague", AI at Mobil POS that can help employees answer questions from customers, in 5 stores in December with promising results.
- More than one million unique Club Matas members shopped with Matas during December.

Management's review

Brands: Grow portfolio of House Brands

- The KICKS owned makeup brand Beauty Act was launched on matas.dk and well received by customers.
- The two biggest brands in Matas, Matas Striberne and Nilens Jord, took market shares in Denmark with growth of 12% and 14% respectively following strong new launches.
- For Matas private label sales grew 8.9% in Q3 and accounted for 15.2% of retail revenues.

Logistics: Automate logistics

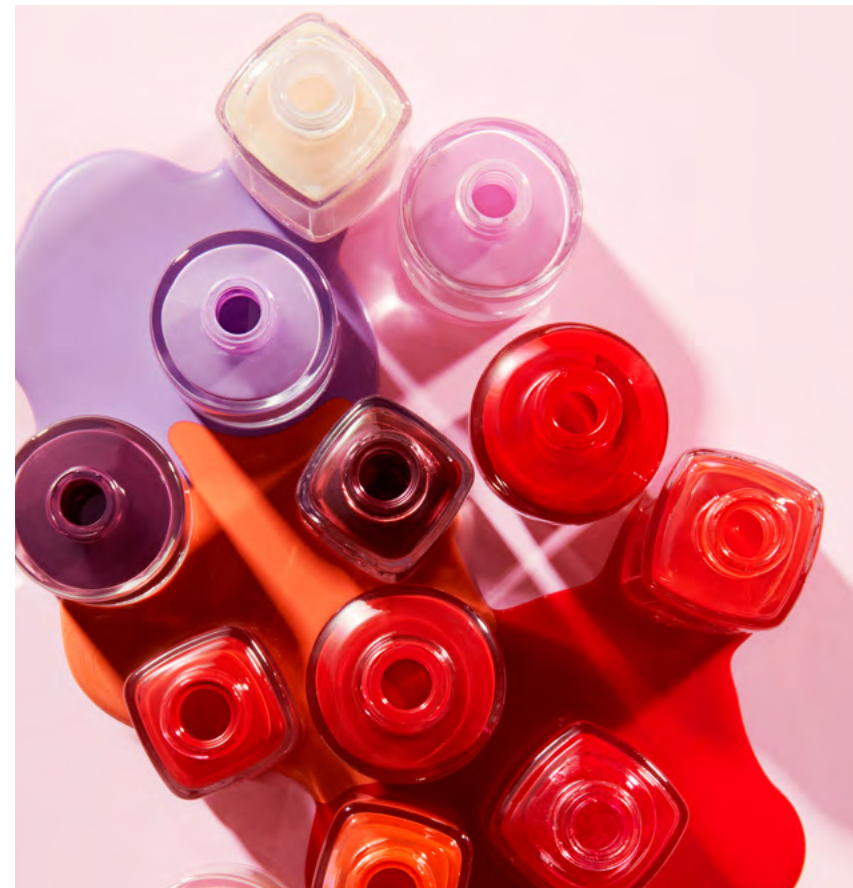
- The construction of Matas Logistics Center (MLC), which will more than double Matas overall capacity of web orders when fully operational in 2025, is progressing according to plan. The building permit from Allerød municipality was received and the construction of the building is well on its way.
- The existing webshop facilities in Humlebæk continue to offer adequate room for further assortment expansion in the years to come.

Internationalisation: Geographical expansion

- We are strengthening our presence of Matas Beauty brands in Germany, with listing agreements of 15 further doors secured, bringing the total store count to 240 doors by March 2024. Nilens Jord is available in 70 doors of which around one third are not selling Matas Beauty brands.

ESG/CSR: Impact society in a positive way

- During Q3, Matas has continued its focus on the social aspect. Matas continued the five-day intensive training program , partnering with True North, to give the next more than a 100 new Matas trainees better tools to deal with issues related to mental health and wellbeing. The programme is now an integrated part of the Matas trainee education going forward. Furthermore, Matas initiated a fundraiser in December among its Club Matas members to support the non-profit organisation GirlTalk.dk and signed a partnership agreement with the Hidden Disability Sunflower Scheme to support both customers and employees with hidden disabilities.



Management's review



KICKS

- KICKS operates in Sweden, Norway and Finland with 227 stores and online. The online business consists of two concepts within Beauty, KICKS and Skincity. Skincity, an online skincare clinic within the premium segment, was acquired by KICKS in January 2023 and is now fully integrated into KICKS platforms and operations.
- Q3 is the most important sales period of the year for KICKS. Record sales were achieved in Q3 both in stores and online, driven by a very successful execution of Black Week and Christmas shopping.

Seamless omni experience

- A key priority for KICKS is to ensure relevant and competitive customer offers in all channels with the ability to order online, and pick up in store within less than 4 hours as a pillar (Click Express).

Unique customer offering

- The customer offering was improved in Q3 with the roll-out of successful online brands Nars and Benefit to selected stores in all three markets and the launch of Too Faced in Finland and Norway. KICKS community Beauty Talks was also launched in Norway.

Supply Chain transformation

- In Q3, KICKS inaugurated the central Nordic omni warehouse located outside Stockholm, Sweden and successfully moved fulfillment of Skincity e-com orders. Renegotiations were finalised with suppliers, with additional support for new logistic flow of goods to our sales channels. The omni warehouse will be fully ramped up with KICKS volumes during Q4 2023/24.

ESG

- KICKS acknowledged the international mental health day with a “round-up” campaign in all stores during the month of October, where customers contributed to collaboration partners Tjejjonen, Mental Helse and Mieli.

Q3 and 9M 2023/24 performance

Revenue

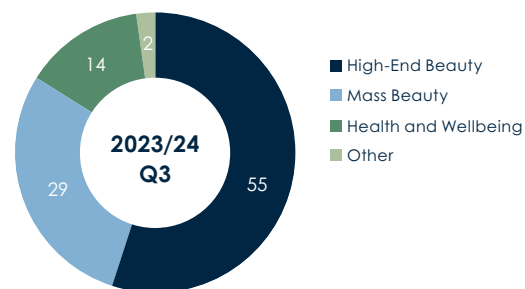
Matas Group generated total revenue of DKK 2.508 million in Q3 2023/24, a year-on-year increase of 80% from DKK 1,396 million in Q3 2022/23. Retail sales were up by 81.2% to DKK 2,484 million.

Total revenue grew DKK 1,112 million compared to Q3 2022/23, whereof organic revenue growth was 9.2% or DKK 129 million and the remaining 70.4% or DKK 983 million related to KICKS. KICKS grew 3% in local currency with growth in both stores and online. Both Matas and KICKS achieved an all-time high revenue for Q3.

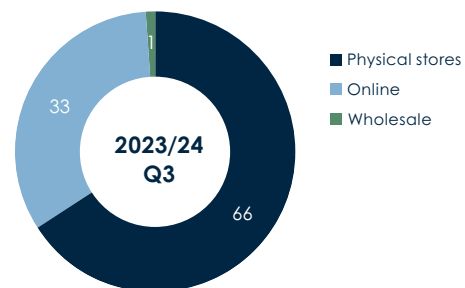
DKK 760.5 million of the KICKS revenue was generated within the High-End Beauty category in Q3 2023/24 and the rest in Mass Beauty thus reflecting the significant growth in both categories in Q3 2023/24 compared to last year.

Growing sales by DKK 702 million, the physical stores recorded the largest absolute increase and online grew sales by DKK 412 mainly due to the acquisition of KICKS Group AB. Organic revenue in stores grew by 3.8%, while online had an organic growth of 23.1% compared to Q3 2022/23.

Retail revenue by category (%)



Revenue by sales channel (%)



Revenue by categories and sales channels

(DKKm)	Q3 2023/24	Q3 2022/23	Growth (%)	9M 2023/24	9M 2022/23	Growth (%)
Categories						
High-End Beauty	1,366.4	575.3	138%	2,229.6	1,251.0	78%
Mass Beauty	717.5	455.8	57%	1,543.9	1,173.7	32%
Health and Wellbeing	357.0	301.5	18%	992.5	843.5	18%
Other	43.6	38.7	13%	95.6	96.6	(1%)
Retail revenue	2,484.5	1,371.3	81%	4,861.6	3,364.8	45%
Retail revenue by category (%)						
High-End Beauty	55%	42%		46%	37%	
Mass Beauty	29%	33%		32%	35%	
Health and Wellbeing	14%	22%		20%	25%	
Other	2%	3%		2%	3%	
Sales channels						
Physical stores	1,667.3	965.8	73%	3,343.9	2,468.1	36%
Online	817.1	405.5	102%	1,517.7	896.7	69%
Wholesale	23.6	24.9	(5%)	81.9	74.0	11%
Total revenue	2,508.0	1,396.2	80%	4,943.5	3,438.8	44%
Revenue by sales channel (%)						
Physical stores	66%	69%		67%	72%	
Online	33%	29%		31%	26%	
Wholesale	1%	2%		2%	2%	

Q3 and 9M 2023/24 performance

The number of transactions increased by 64.9% to 11.1 million compared to 6.8 million in Q3 2022/23, while the average basket size increased by 9.9% to DKK 223 per transaction in the quarter compared to DKK 203 in Q3 2022/23. The increase was mainly attributable to KICKS transaction. The organic number of transactions increased by 7.6% to 7.3 million in Q3 2023/24 and the organic average basket size increased by 1.8% to DKK 206 per transaction in compared to Q3 2022/23.

Revenue for 9M 2023/24 amounted to DKK 4,943 million corresponding to an increase of 43.8% from the year earlier period, while organic sales grew by 8.8%. Revenue was up across all sales channels.

In 9M 2023/24, the number of transactions increased by 34.5% to 23.7 million, while the average basket size grew 7.4% to DKK 205. The organic number of transactions increased by 7.4% to 19.0 million in 9M 2023/24 and the organic average basket size increased by 1.2% to DKK 193 per transaction in 9M 2023/24 compared to 9M 2022/23.



Q3 and 9M 2023/24 performance

Performance by category

Both High-End and Mass Beauty reported significantly higher sales in Q3 2023/24 compared to Q3 2022/23 mainly due to the acquisition of KICKS. The Beauty segment accounted for 83.9% of the retail revenue, compared to 75.2% in Q3 2022/23.

Health & Wellbeing was the primary growth driver in both absolute and relative terms when looking at the organic performance. Sales of special skincare and health products recorded ongoing significant growth during the quarter, the latter supported by the Fixed Low Price programme.

For Matas the private label sales, including Nilens Jord and Miild, accounted for 15.2% of the revenue generated by Matas stores and matas.dk in Q3 2023/24, same level as Q3 2022/23.

In 9M 2023/24, the Beauty categories had the highest absolute growth partly due to the acquisition of KICKS. Organically, Health & Wellbeing was the primary growth driver in 9M 2023/24 and sales grew significantly compared to 9M 2022/23.

Performance by sales channel

Physical stores grew revenue by 72,6% or DKK 702 million to DKK 1,667 million compared to Q3 2022/23. Organic revenue increased by 3,8% in stores. The number of Matas stores at 31 December 2023 amounted to 263, a year-on-year increase of one, while KICKS had 227 physical stores at 31 December 2023, bringing the Group to a total of 490 stores.

Online sales were up by 101.5% or DKK 412 million to DKK 817 million. The organic online business grew 23.1%. Overall, online sales accounted for 32.6% of Q3 2023/24 revenue against 29.0% in Q3 2022/23.

In Q3 2023/24, wholesale fell by DKK 1.3 million to DKK 24 million.

Revenue for 9M 2023/24 amounted to DKK 4,943 million, an increase of 43.8% from the year-earlier period. Physical stores grew revenue by 35.5%, while online sales were up by 69.3%. The increase was mainly attributable to the KICKS acquisition.

Wholesale reported revenue growth of DKK 7.9 million to DKK 82 million in 9M 2023/24.

Categories

Matas Group is characterised by its wide assortment of beauty, personal care, health, wellbeing and problem-solving household products. This broad product range creates a unique one-stop retail value proposition for Matas Group's customers in the shape of four categories:

High-End Beauty: Luxury beauty products, including cosmetics, skincare and haircare products and fragrances.

Mass Beauty: Everyday beauty products and personal care, including cosmetics, skincare and haircare products.

Health and Wellbeing: MediCare (OTC medicine and nursing products). Vitamins, minerals, health supplements, specialty foods and herbal medicinal products. Sports, nutrition and exercise. Mother and child. Personal care products (oral, foot and intimate care and hair removal) and special skincare.

Other: Clothing and accessories (footwear, hair ornaments, jewellery, toilet bags, etc.). House and gardening (cleaning and maintenance, electrical products, interior decoration and textiles) and other.

Sales channels

At 31 December 2023, Matas consisted of 263 physical stores – 262 stores in Denmark and one on the Faroe Islands. In addition, Matas has one associated store in Greenland. KICKS consisted of 227 physical stores at 31 December 2023. 66% of Q3 2023/24 revenue was generated by Matas Groups' 490 physical stores.

In addition, Matas was present online through matas.dk, nilensjord.dk and several web shops operated by Firtal. KICKS is present online through kicks.se/, no/.fi and skincity.com/se/no/fi. 33% of revenue was generated through Matas Groups' online channels.

Wholesale mainly consists of wholesale from Web Sundhed, Grænn and international wholesale of Matas' house brands in Germany, but it also includes value adjustments of Club Matas points. Wholesale accounted for 1% of revenue in the quarter.



Costs and operating performance

Gross profit for Q3 2023/24 amounted to DKK 1,095.5 million, up from DKK 620.9 million in Q3 2022/23. KICKS contributed with DKK 422 million of the total increase of DKK 475 million.

The gross margin for Q3 2023/24 was 43.7%, down from 44.5% in the year-earlier period due to KICKS acquisition, channel mix and assortment expansion.

Gross profit for 9M 2023/24 amounted to DKK 2,174 million, up by DKK 644 million from DKK 1,530 in 9M 2022/23. The gross margin was 44.0% down from 44.5%.

Adjusted for special items, overall costs (other external costs and staff costs) amounted to 26.8% of revenue in Q3 2023/24 against 23.3% the year before. Reported costs in the quarter amounted to 27.6% of revenue and were up by DKK 366 million compared to Q3 2022/23.

Other external costs amounted to DKK 274 million in Q3 2023/24, up by DKK 169 million from DKK 105 million in Q3 2022/23.

Adjusted for special items of DKK 17 million related to the KICKS integration, other external costs increased by DKK 152 million. The increase was mainly driven by the acquisition

of KICKS, as well as execution of the Growing Matas assortment expansion and KICKS' and Matas' continuing digital growth.

Other external costs adjusted for special items accounted for 10.3% of revenue in Q3 against 7.5% the year before. Reported other external costs accounted for 10.9% of revenue in the quarter.

Other external costs amounted to DKK 538 million in 9M 2023/24, up by DKK 269 million from DKK 269 million in 9M 2022/23.

Q3 2023/24 staff costs amounted to DKK 417 million, up by DKK 197 million from DKK 220 million in Q3 2022/23. Staff costs include special items of DKK 3 million in Q3 2023/24, attributable to the KICKS integration. There were no special items in Q3 2022/23.

The increase in staff costs was besides the KICKS acquisition related to increase in staff cost due to salary increases (collective wage agreements) and increased online sales as well as recruitment of new competencies to execute the Growing Matas Group strategy.

Staff costs adjusted for special items accounted for 16.5% of revenue in Q3 against

Costs (DKKm)	Q3 2023/24	Q3 2022/23	Growth
Other external costs	274.4	105.3	160.6%
- of which special items	17.0	-	
As a percentage of revenue	10.9%	7.5%	
Staff costs	416.6	219.7	89.6%
- of which special items	2.6	-	
As a percentage of revenue	16.6%	15.7%	

Costs (DKKm)	9M 2023/24	9M 2022/23	Growth
Other external costs	538.0	269.2	99.9%
- of which special items	65.3	4.8	
As a percentage of revenue	10.9%	7.8%	
Staff costs	913.8	618.1	47.8%
- of which special items	14.6	-	
As a percentage of revenue	18.5%	18.0%	

15.7% in Q3 2022/23. Reported staff costs accounted for 16.6% of revenue in Q3 2023/24.

Staff costs amounted to DKK 914 million in 9M 2023/24, up from DKK 618 million in 9M 2022/23.

At 31 December 2023, Matas Group had an average of 2,766 full-time employees, against 2,142 at 31 December 2022. The addition mainly relates to four months average of KICKS employees.

Costs and operating performance

EBITDA before special items came to DKK 424 million against DKK 296 million in Q3 2022/23 and EBITDA margin before special items was 16.9%, against 21.2% in the year-earlier period, primarily linked to KICKS acquisition. Q3 2023/24 reported EBITDA was DKK 405 million.

9M 2023/24 EBITDA before special items amounted to DKK 802 million, against DKK 647 million in 9M 2022/23. The EBITDA margin before special items was 16.2% against 18.8% in 9M 2022/23.

Amortisation, depreciation and impairment

The total amortisation, depreciation and impairment charges were up by DKK 61 million to DKK 155 million in Q3 2023/24, the increase was mainly attributable to KICKS.

Net financials

Net financial expenses increased by DKK 17 million to a net expense of DKK 29 million in Q3 2023/24, due to interest rate increase and higher interest bearing debt.

Profit for the period

Profit for the period amounted to DKK 163 million after tax, against DKK 147 million in Q3 2022/23. Adjusted profit after tax amounted

to DKK 191 million in Q3 2023/24 compared to DKK 157 million in Q3 2022/23.

In 9M 2023/24, adjusted profit after tax amounted to DKK 316 million against DKK 294 million in 9M 2022/23.

Statement of financial position

Total assets amounted to DKK 8.879 million on 31 December 2023, up from DKK 6,149 million at 31 December 2022.

Non-current assets increased by DKK 1.433 million to DKK 6.396.

Current assets totalled DKK 2,483 million, a year-on-year increase of DKK 1.297 million.

Inventories amounted to DKK 1.818 million at 31 December 2023 an increase of DKK 853 million compared to the end of Q3 2022/23. KICKS accounted for DKK 723 million at 31 December 2023. Inventories accounted for 30.3% of LTM revenue at 31 December 2023 compared to 21.9% at 31 December 2022. Excluding KICKS, inventories accounted for 22.8% of LTM revenue.

Trade receivables increased by DKK 97 million to DKK 143 million. KICKS accounted for DKK 57

Cash flows (DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Cash generated from operations	701.9	467.2	882.1	757.4
Cash flow from investing activities	(142.3)	(51.5)	(900.3)	(182.9)
Free cash flow excl. acquisitions of subs.	559.6	382.4	599.0	542.7
Acquisition of subsidiaries and operations	-	-	(617.2)	(1.5)
Free cash flow	559.6	382.4	(18.2)	541.2
Cash flows from financing activities	(410.3)	(293.9)	390.1	(437.8)

million. Trade payables increased by DKK 548 million year on year. KICKS accounted for DKK 452 million.

Net working capital excluding deposits was negative by DKK 46 million at 31 December 2023 against a negative amount of DKK 119 million at 31 December 2022.

Cash and cash equivalents amounted to DKK 421 million, up from DKK 132 million the year before.

Equity amounted to DKK 3,527 million at 31 December 2023, compared to DKK 3,345 million at 31 December 2022.

Net interest-bearing debt amounted to DKK 2,490 million at 31 December 2023, a year-

on-year increase of DKK 1,255 million. Of this increase DKK 719 million was attributable to higher lease liabilities. The gearing ratio was 2.2 times LTM EBITDA before special items, which is in line with our long-term target between 2 and 3.

Gross interest-bearing debt stood at DKK 2.912 million at 31 December 2023, including lease liabilities of DKK 1.155 million. At 31 December 2022 gross interest-bearing debt stood at DKK 1,367 million, including lease liabilities of DKK 419 million.

Costs and operating performance

At 31 December 2023, the Company's share capital consisted of 38,291,492 shares of DKK 2.50 each, corresponding to a share capital of DKK 95,728,730. 210,000 treasury shares was purchased for future incentive programmes and 185,442 shares were vested in the period under review in connection with the exercise of the 2020/21 incentive programme. Matas held 382,981 treasury shares at 31 December 2023.

Statement of cash flows

Cash generated from operations was an inflow of DKK 702 million in Q3 2023/24 against an inflow of DKK 434 million in Q2 2022/23 corresponding to an increase of DKK 268 million.

Cash generated from operations was an inflow of DKK 882 million in 9M 2023/24 against an inflow of DKK 724 million in 9M 2022/23.

For Q3 2023/24, cash flows from investing activities were an outflow of DKK 142 million against an outflow of DKK 52 million in Q3 2022/23. The increase of DKK 110 million was mainly attributable to MLC.

For 9M 2023/24, cash flows from investing activities excluding acquisition of subsidiaries

and operations were an outflow of DKK 283 million against an outflow of DKK 181 million in 9M 2022/23.

The Q3 2023/24, free cash flow excluding acquisition of subsidiaries and operations was an inflow of DKK 560 million compared to an inflow of DKK 382 million in Q3 2022/23.

The 9M 2023/24 free cash flow excluding acquisition of subsidiaries and operations was an inflow of DKK 599 million, compared to an inflow of DKK 543 million in 9M 2022/23.

For 9M 2023/24 cash flows for acquisition of subsidiaries and operations were an outflow of DKK 692 million for KICKS, net DKK 617 million including KICKS' cash at the time of the acquisition of DKK 75 million. For 9M 2022/23 cash flow for acquisition of subsidiaries and operations were an outflow of net DKK 2 million for the remaining shares in Miild A/S.

Return on invested capital

The return on LTM invested capital before tax was 12.8% at 31 December 2023 against 10.3% at 31 December 2022. ROIC before tax excluding goodwill was 48.1% at 31 December 2023 against 58.4% at 31 December 2022.

Events after the date of the statement of financial position

No subsequent events have occurred that materially affect the Matas Group's financial position.

In January 2024, Matas refinanced its acquisition bridge facility and increased its Revolving Credit Facility.

Significant risks

Matas Group is exposed to operational risks affecting the retail industry in general as well as in the Health and Beauty industry. If the current macroeconomic environment leads to a slowing down of the economic activity, Matas Group's business could suffer. In addition, Matas Group is to some extent exposed to financial risks such as interest rate, liquidity, currency and credit risk.



Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim report of Matas A/S for the period 1 April to 31 December 2023.

Allerød, 2 February 2024

The interim report, which has been neither audited nor reviewed by the Company's auditors, has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Executive Management

Gregers Wedell-Wedellsborg
Group CEO

Per Johannesen Madsen
Group CFO

In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities and financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the period 1 April to 31 December 2023.

Board of Directors

Lars Vinge Frederiksen
Chairman

Mette Maix
Deputy Chairman

Birgitte Nielsen

Henrik Taudorf Lorensen

Kenneth Melchior

Malou Aamund

Statement of comprehensive income

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Revenue	2,508.0	1,396.2	4,943.4	3,438.9
Cost of goods sold	(1,412.5)	(775.3)	(2,769.2)	(1,909.0)
Gross profit	1,095.5	620.9	2,174.2	1,529.9
Other external costs	(274.4)	(105.3)	(538.0)	(269.2)
Staff costs	(416.6)	(219.7)	(913.8)	(618.1)
Amortisation, depreciation and impairment	(155.1)	(94.5)	(359.3)	(270.3)
EBIT	249.4	201.4	363.1	372.3
Share of profit or loss after tax of associates	0.2	0.2	0.4	(4.9)
Financial income	4.9	0.1	7.6	0.1
Financial expenses	(34.4)	(12.9)	(82.0)	(30.1)
Profit before tax	220.1	188.8	289.1	337.4
Tax on profit for the period	(56.9)	(41.5)	(75.3)	(74.3)
Profit for the period	163.2	147.3	213.8	263.1
Value adjustment of foreign entities and loan after tax	18.4	-	40.0	-
Other comprehensive income	18.4	-	40.0	-
Total comprehensive income	181.6	147.3	253.8	263.1
Distributed as follows:				
Shareholders of Matas A/S	181.6	147.3	253.8	263.1
Minority shareholders	-	-	-	-
	181.6	147.3	253.8	263.1
Earnings per share				
Earnings per share, DKK	4.29	3.88	5.62	6.95
Diluted earnings per share, DKK	4.25	3.85	5.56	6.89



Statement of cash flows

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Profit before tax	220.1	188.8	289.1	337.4
Adjustment for non-cash operating items etc.:				
Amortisation, depreciation and impairment	155.1	94.5	359.3	270.3
Other non-cash operating items, net	2.6	2.1	8.0	5.8
Share of profit or loss after tax of associates	(0.3)	(0.2)	(0.5)	4.9
Financial income	(4.9)	-	(7.6)	-
Financial expenses	34.4	12.9	82.0	30.1
Cash generated from operations before changes in working capital	407.0	298.1	730.3	648.5
Changes in working capital	306.4	169.1	160.7	108.9
Cash generated from operations	713.4	467.2	891.0	757.4
Interest received	-	-	2.7	-
Corporation tax paid	(11.5)	(33.3)	(11.5)	(33.3)
Cash flow from operating activities	701.9	433.9	882.2	724.1
Acquisition of intangible assets	(33.0)	(35.0)	(107.3)	(103.2)
Acquisition of property, plant and equipment	(109.3)	(16.5)	(175.9)	(78.2)
Cash flow from investing activities	(142.3)	(51.5)	(283.2)	(181.4)
Free cash flow excl. acquisition of subs.	559.6	382.4	599.0	542.7
Acquisition of subsidiaries and operations	-	-	(617.2)	(1.5)
Free cash flow	559.6	382.4	(18.2)	541.2

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Debt raised with credit institutions	-	-	1,121.3	-
Debt settled with credit institutions	(282.7)	(238.7)	(393.1)	(206.0)
Interest paid	(35.9)	(11.8)	(79.4)	(26.4)
Repayment of lease liabilities	(70.2)	(43.4)	(160.6)	(128.8)
Dividend paid	-	-	(76.6)	(76.6)
Acquisition of treasury shares	(21.5)	-	(21.5)	-
Cash flow from financing activities	(410.3)	(293.9)	390.1	(437.8)
Net cash flow from operating, investing and financing activities	149.3	88.5	371.9	103.5
Currency adjustment	10.5	-	12.7	-
Cash and cash equivalents, beginning of period	261.5	43.2	36.7	28.2
Cash and cash equivalents, end of period	421.3	131.7	421.3	131.7

The above cannot be derived directly from the statement of comprehensive income and the statement of financial position.

Statement of financial position

(DKKm)	31 Dec. 2023	31 Dec. 2022	31 March 2023
ASSETS			
Non-current assets			
Goodwill	4,103.5	3,999.4	3,999.4
Trademarks and trade names	186.3	60.5	58.1
Other intangible assets	399.9	215.3	235.8
Total intangible assets	4,689.7	4,275.2	4,293.3
Property, plant and equipment			
Lease assets	1,115.7	396.7	622.3
Land and buildings	90.9	88.7	87.5
Other fixtures and fittings, tools and equipment	82.1	71.0	65.2
Leasehold improvements	71.5	32.0	27.3
Plant in progress	288.7	51.8	59.7
Total property, plant and equipment	1,648.9	640.2	862.0
Investments in associates	1.1	1.4	1.4
Deferred tax	8.6	-	-
Deposits	46.4	45.4	44.3
Other securities and equity investments	0.8	0.6	0.7
Total other non-current assets	56.9	47.4	46.4
Total non-current assets	6,395.5	4,962.8	5,201.7
Current assets			
Inventories	1,817.5	964.4	911.8
Trade receivables	143.2	46.1	43.7
Corporation tax receivable	-	4.7	20.6
Other receivables	32.5	10.0	24.9
Prepayments	68.6	29.3	40.8
Cash and cash equivalents	421.3	131.7	36.7
Total current assets	2,483.1	1,186.2	1,078.5
Total assets	8,878.6	6,149.0	6,280.2

(DKKm)	31 Dec. 2023	31 Dec. 2022	31 March 2023
EQUITY AND LIABILITIES			
Equity			
Share capital	95.7	95.7	95.7
Translation reserve	40.3	0.3	0.3
Treasury share reserve	(42.4)	(43.5)	(43.5)
Retained earnings	3,433.0	3,292.2	3,233.5
Dividend proposed for the financial year	-	-	76.6
Matas A/S' share of equity	3,526.6	3,344.7	3,362.6
Minority interests	0.5	0.5	0.5
Total equity	3,527.1	3,345.2	3,363.1
Liabilities			
Deferred tax	237.1	195.4	198.8
Lease liabilities	792.2	243.4	462.6
Provisions	28.0	28.2	28.0
Credit institutions	1,748.9	947.3	917.7
Other payables	13.0	44.3	13.0
Total non-current liabilities	2,819.2	1,458.6	1,620.1
Credit institutions	8.0	-	110.4
Lease liabilities	362.5	176.0	188.4
Prepayments from customers	275.5	203.4	161.4
Trade payables	1,309.8	762.3	634.1
Corporate tax payable	53.7	-	-
Other payables	522.8	203.5	202.7
Total current liabilities	2,532.3	1,345.2	1,297.0
Total liabilities	5,351.5	2,803.8	2,917.1
Total equity and liabilities	8,878.6	6,149.0	6,280.2

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
Equity at 1 April 2023	95.7	0.3	(43.5)	76.6	3,233.5	3,362.6	0.5	3,363.1
Value adjustment of foreign entities and loan after tax	-	40.0	-	-	-	40.0	-	40.0
Other comprehensive income	-	40.0	-	-	-	40.0	-	40.0
Profit for the period	-	-	-	-	213.8	213.8	-	213.8
Total comprehensive income	-	40.0	-	-	213.8	253.8	-	253.8
Transactions with owners								
Dividend paid	-	-	-	(76.3)	-	(76.3)	-	(76.3)
Dividend on treasury shares	-	-	-	(0.3)	0.3	-	-	-
Exercise of incentive programme	-	-	22.6	-	(22.6)	-	-	-
Acquisition of treasury shares	-	-	(21.5)	-	-	(21.5)	-	(21.5)
Share-based payment	-	-	-	-	8.0	8.0	-	8.0
Total transactions with owners	-	-	1.1	(76.6)	(14.3)	(89.8)	-	(89.8)
Equity at 31 December 2023	95.7	40.3	(42.4)	-	3,433.0	3,526.6	0.5	3,527.1

Statement of changes in equity

(DKKm)	Share capital	Translation reserve	Treasury share reserve	Proposed dividend	Retained earnings	Total	Minority interests	Total equity
Equity at 1 April 2022	95.7	0.3	(76.0)	76.6	3,055.2	3,151.8	0.5	3,152.3
Other comprehensive income	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	263.1	263.1	-	263.1
Total comprehensive income	-	-	-	-	263.1	263.1	-	263.1
Transactions with owners								
Dividend paid	-	-	-	(75.9)	-	(75.9)	-	(75.9)
Dividend on treasury shares	-	-	-	(0.7)	0.7	-	-	-
Exercise of incentive programme	-	-	32.5	-	(32.5)	-	-	-
Share-based payment	-	-	-	-	5.7	5.7	-	5.7
Total transactions with owners	-	-	32.5	(76.6)	(26.1)	(70.2)	-	(70.2)
Equity at 31 December 2022	95.7	0.3	(43.5)	-	3,292.2	3,344.7	0.5	3,345.2

Notes



Notes

Note 1 – Accounting policies

This interim report is presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Except as set out below, the accounting policies are consistent with the accounting policies applied in the consolidated financial statements for 2022/23, to which reference is made.

Changes of accounting policies

Matas Group has implemented the latest IFRS amendments, which took effect on 1 April 2023 and have been approved by the EU.

None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect on Matas Group in the near future.

Note 2 – Accounting estimates and judgments

The preparation of interim financial statements requires Management to make accounting judgments and estimates that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The critical accounting estimates and judgments applied are consistent with those applied in the consolidated financial statements for 2022/23.

Note 3 – Seasonality

The Group's activities in the interim period were affected by Black Week and Christmas shopping, which is material to the Group's overall financial performance.

Note 4 – Revenue

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Retail sales, physical stores	1,667.3	965.8	3,343.9	2,468.1
Retail sales, online	817.1	405.5	1,517.7	896.7
Wholesale	23.6	24.9	81.9	74.0
Total revenue	2,508.0	1,396.2	4,943.5	3,438.8

In Q3 2023/24, 32.6% of Matas Group's revenue was generated by its online channels, compared to 29.0% in the year earlier period.

Revenue break down by product groups as follows:

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
High-End Beauty	1,366.4	575.3	2,229.6	1,251.0
Mass Beauty	717.4	455.8	1,543.9	1,173.7
Health and Wellbeing	357.0	301.5	992.5	843.5
Other	43.6	38.7	95.6	96.6
Wholesale sales etc.	23.6	24.9	81.9	74.0
Total revenue	2,508.0	1,396.2	4,943.5	3,438.8

Notes

Note 4 – Revenue continued

(DKKm)	Q3 2023/24	Q3 2022/23	9M 2023/24	9M 2022/23
Sale of goods	2,508.0	1,396.2	4,943.5	3,438.8
Sale of services	-	-	-	-
Total revenue	2,508.0	1,396.2	4,943.5	3,438.8

Revenue from sales of products through Matas Group stores is recognised when a store sells the product to the customer. Payment is usually received when the customer receives the product, or, if the customer pays by credit card, a few days later. Revenue from sales through Matas Group web shops is recognised and payment is received when the product is sent to the customer.

A small proportion of Matas Group's revenue is invoiced, e.g. wholesale sales, in which connection a receivable is recognised.

For the customer loyalty programme at Matas and KICKS, a performance obligation is recognised at the date of recognition of the sale triggering the allocation of loyalty points. The performance obligation is measured at the estimated fair value of the points allocated and amounted to DKK 74.7 million at 31 December 2023 (31 December 2022: DKK 61.1 million). The estimated fair value is inherently subject to some uncertainty with respect to actual future redemption and considering the flexibility of the customer loyalty programme. Revenue is recognised when the customer uses points, usually over an average period of three months. Customers have the option of returning products, but the volume of returns at the end of Q3 was insignificant as was the amount of guarantee commitments.

Note 5 – Segment information

Matas Group is segmented in two reportable segments Matas and KICKS. Management monitors the profitability of the operating segments separately for the purpose of making decisions about resource allocation and performance management. Segment results are measured at gross profit as presented in the table below.

Q3 (DKKm)	Matas 2023/24	KICKS 2023/24	Total 2023/24	Matas 2022/23	KICKS 2022/23	Total 2022/23
Revenue	1,524.7	983.3	2,508.0	1,396.2	-	1,396.2
Cost of goods sold	(851.7)	(560.9)	(1,412.6)	(775.2)	-	(775.2)
Gross profit	673.0	422.4	1,095.4	620.9	-	620.9
Gross margin	44.1%	43.0%	43.7%	44.5%	-	44.5%

9M (DKKm)	Matas 2023/24	KICKS 2023/24	Total 2023/24	Matas 2022/23	KICKS 2022/23	Total 2022/23
Revenue	3,743.0	1,200.4	4,943.5	3,438.8	-	3,438.8
Cost of goods sold	(2,093.4)	(675.9)	(2,769.3)	(1,908.9)	-	(1,908.9)
Gross profit	1,649.6	524.5	2,174.2	1,529.9	-	1,529.9
Gross margin	44.1%	43.7%	44.0%	44.5%	-	44.5%

Notes

Note 6 – Business combinations

Acquisitions in 2023/24

On 31 August 2023, Matas A/S acquired 100% of the shares in KICKS Group AB, including the subsidiaries KICKS Norge AS, Skincity Sweden AB, Skincity Finland OY, Skincity Norway AS, KICKS Kosmetikkedjan OY, Axbeautyhouse AB, Myself & Friends AB (together "KICKS"). KICKS was acquired through Matas Sverige AB.

The total purchase price for the shares amounted to SEK 1,100 million, equivalent to DKK 692 million, paid fully upon closing of the transaction.

Jointly, the combined entity will operate the market leading beauty and wellbeing omnichannel retail concept in the Nordics. Through the combination, Matas and KICKS will be able to better serve customer demand for larger assortment, new brands, access to stores, fast, convenient and inspiring online shopping and keep a continued focus on personal and expert advisory and service. Matas and KICKS will serve +5 million club members across the four Nordic markets with almost 500 stores, leading web shops, +3,800 skilled colleagues, and offer a category leading portfolio of third party brands, own brands, and services.

Management expects that the acquisition of KICKS will bring synergies of minimum DKK 100 million in EBITDA once fully phased in by 2025/26. The synergies are expected from increased operating leverage, customer loyalty, similarities and overlaps in business models, services and marketing strategies, as well as IT and digitalisation agendas.

The transaction and synergies are expected to provide EPS percentage accretion by 2024/25 and double-digit EPS percentage accretion by 2025/26.

Revenue

Since the acquisition, KICKS has contributed with DKK 1,200.4 million in revenues. If KICKS had been acquired at 1 April 2023, the consolidated revenue 9M 2023/24 would have amounted to DKK 6,076.2 million¹ compared to actual DKK 4,943.5 million.

Acquisition and integration related costs

Special items included in EBITDA in 9M 2023/24 amounted to DKK 79,9 million, hereof DKK 19.6 million in Q3 2023/24. Special items are related to acquisition of KICKS amounting to DKK 49.1 million and initiation of the integration of DKK 34.4 million.

For the periods to come, up to DKK 100 million is expected in integration costs, with the majority expected within the first financial year.

Completion of pre-acquisition balance sheet

The purchase price allocation of the fair value of the identified assets, liabilities and contingent liabilities is ongoing. Adjustments are therefore expected to be made to items in the opening balance included below, including the trademark, software, and membership programs. The purchase price allocation related to the acquisition will be completed within the 12-month period as mandated by IFRS.

Goodwill

The DKK 92 million in goodwill arising from the acquisition derives primarily from the minimum DKK 100 million in EBITDA synergies, as well as from the expected approximately DKK 40 million standalone improvement to KICKS' EBITDA, from already invested and executed initiatives. None of the goodwill is tax deductible.

¹ Based on a SEK/DKK exchange rate of 0.6462, NOK/DKK exchange rate of 0.6443, and EUR/DKK exchange rate of 7.4532 (average of April 2023 – December 2023).

Notes

Note 6 – Business combinations continued

Purchase Price Allocation

(DKKm)	31 Dec. 2023	31 Dec.2022
Cash	75.1	-
Trade receivables	29.6	-
Other receivables and deposits	30.2	-
Prepaid expenses and deferred income	16.5	-
Inventories	626.0	-
Deposits	8.3	-
Plant and equipment and right-of-use assets	684.2	-
Intangible assets, software	87.4	-
Intangible assets, trademarks	131.9	-
Intangible assets, member program	68.3	-
Assets acquired	1,757.5	-
Trade payables	(287.8)	-
Credit institutions	(100.7)	-
Lease liability	(504.8)	-
Deferred tax liability	(39.3)	-
Other payables	(130.2)	-
Prepaid income and deferred expenses	(94.4)	-
Liabilities assumed	(1,157.2)	-
Net identifiable assets acquired	600.3	-
Goodwill arising on acquisitions	91.9	5.8
Purchase consideration	692.2	5.8
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	(692.2)	(5.8)
Less balances acquired	75.1	-
Contingent liabilities	-	4.3
Net outflow of cash - investing activities	(617.1)	(1.5)

Acquisitions in 2022/23

Having acquired the remaining 60% of the shares in Miild A/S at 30 September 2022, Matas A/S now owns all the shares in the company.

Miild A/S is a Danish beauty brand focusing on allergy-friendly cosmetics.

The consideration amounted to DKK 1.5 million in cash, to which should be added a potential earn-out payment of an estimated DKK 4.3 million. The provisional purchase price allocation shows values added on acquisition in the form of goodwill of DKK 5.8 million.

Transaction costs in the amount of DKK 0.8 million were incurred in connection with the acquisition. The transaction costs have been recognised under other external costs for H1 2022/23. Other than this, the acquisition did not affect activities in H1 2022/23.

Revenue and profit contribution

Revenue and profit for H1 2022/23, calculated as if Miild A/S had been acquired at 1 April 2022, amounted to DKK 3.7 million and DKK 0.7 million, respectively.

Acquisitions after the reporting period

No acquisition took place after the reporting period.

Notes

Note 7 – Leases

Matas Group's lease assets are as follows:

(DKKm)	31 Dec. 2023	31 Dec. 2022	31 March 2023
Store leases	928.3	345.0	571.0
Administration and warehouse buildings etc.	181.4	48.8	45.4
Cars and other leases	6.0	2.9	5.9
Total lease assets	1,115.7	396.7	622.3

An addition of DKK 513.2 million was recognised as right-of-use assets in connection with the acquisition of KICKS at 31 August 2023, cf. note 5. In 9M 2023/24 an addition of DKK 160.0 million was recognised of which DKK 122.0 million was attributable to KICKS' central warehouse in Rosersberg Stockholm in September.

Matas Group's lease liabilities are as follows:

(DKKm)	31 Dec. 2023	31 Dec. 2022	31 March 2023
Non-current liabilities	792.2	243.5	462.6
Current liabilities	362.5	177.7	188.4
Total lease liabilities	1,154.7	421.2	651.0

An addition of DKK 504.8 million was recognised as lease liabilities in connection with the acquisition of KICKS at 31 August 2023, cf. note 5.

Most store leases in Denmark are evergreen contracts as defined in the Danish Business Lease Act and are consequently subject to terms of notice of 3-12 months. Commercial renting of shops etc. in the other Nordic countries are not similar to the practice in Denmark, as extensions take place at fixed intervals and with fixed deadlines for termination/extension. This has been accounted for in recognising the KICKS leases.

Depreciation as set out below is recognised in the statement of comprehensive income:

(DKKm)	9M 2023/24	9M 2022/23
Store leases etc.	157.7	120.0
Administration and warehouse buildings etc.	20.1	10.6
Cars and other leases	1.7	1.2
Total depreciation of lease assets	179.5	131.8

Lease payments in the amount of DKK 190.8 million were made in 9M 2023/24 (9M 2022/23: DKK 136.8 million).

Interest in the amount of DKK 30.2 million was expensed in 9M 2023/24 (9M 2022/23: DKK 6.7 million).

Matas Group is the lessee of a limited number of premises. For some of these leases, the rent is fully or partially based on revenue.

Revenue-based rent is not comprised by IFRS 16 and is therefore not included in the above tables. Revenue-based rent is, as before, recognised under other external costs and amounted to DKK 10.2 million in 9M 2023/24 (9M 2022/23: DKK 3.1 million).

Notes

Note 8 – Other payables

(DKKm)	31 Dec. 2023	31 Dec. 2022	31 March 2023
Other non-current payables			
Contingent consideration and deferred purchase price	13.0	44.3	13.0
Total other non-current payables	13.0	44.3	13.0
Other current payables			
VAT payable	182.9	91.2	41.0
Holiday pay obligations etc.	123.0	103.4	65.1
Pay-related liabilities (A tax/social security contributions)	163.5	7.4	52.8
Contingent consideration and deferred purchase price	34.8	-	33.4
Other creditors	18.6	1.5	10.4
Total other current payables	522.8	203.5	202.7

An addition of DKK 130.2 million was recognised as other payables in connection with the acquisition of KICKS at 31 August 2023, cf. note 5.

Note 9 – Transactions with related parties

Pursuant to Matas A/S' Remuneration Policy, a total of 185,442 Performance Share Units (PSUs) related to the Company's long-term incentive programme (LTIP) for 2020/21 were vested at 23 June 2023.

PSUs were vested at 150% of the original grant. Based on a closing price at 22 June 2023 of DKK 83.5, the total value of vested PSUs amounted to DKK 15.5 million.

On 30 June 2023, a total of 158,696 PSUs have been granted related to the long-term incentive programme for 2023/24. A total of 61,726 PSUs were granted to Group CEO Gregers Wedell-Wedellsborg and a total of 36,307 PSUs have been granted to Group CFO Per Johannesen Madsen.

Note 10 – Subsequent events

No subsequent events have occurred that materially affect the Matas Group's financial position.

In January 2024, Matas refinanced its acquisition bridge facility and increased its Revolving Credit Facility.

Interim financial highlights

(DKKm)	Q3 2023/24	Q2 2023/24	Q1 2022/23	Q4 2022/23	Q3 2022/23	(DKKm)	Q3 2023/24	Q2 2023/24	Q1 2022/23	Q4 2022/23	Q3 2022/23
Statement of comprehensive income						Key performance indicators					
Revenue	2,508.0	1,285.4	1,150.0	1,150.7	1,396.2	Number of transactions (millions)	11.1	6.6	6.0	5.5	6.8
Gross profit	1,095.5	572.6	506.1	484.5	620.9	Average basket size (DKK)	222.9	182.7	188.2	182.3	202.8
EBITDA	404.5	138.1	179.8	161.6	295.9	Total retail floor space (thousands of square metres)	104.9	104.1	53.7	53.3	53.7
EBIT	249.4	25.0	88.7	50.8	201.4	Avg. revenue per square metre (DKK thousands) - LTM	83.3	82.7	83.6	81.9	80.6
Net financials	(29.3)	(21.4)	(23.3)	(15.5)	(12.6)	Organic growth	9.2%	8.0%	9.2%	8.3%	1.2%
Profit before tax	220.1	3.6	65.4	35.4	188.8	Adjusted figures					
Profit for the period	163.2	1.6	49.0	17.6	147.3	EBITDA	404.5	138.1	179.8	161.6	295.9
Statement of financial position						Special items included in EBITDA	19.6	39.1	21.1	-	-
Total assets	8,878.6	8,624.9	6,378.0	6,280.2	6,149.0	EBITDA before special items	424.1	177.2	200.9	161.6	295.9
Total equity	3,527.1	3,364.4	3,337.4	3,363.1	3,345.2	Depreciation and amortisation of software	(139.6)	(96.2)	(81.2)	(97.8)	(81.9)
Net working capital	(46.3)	261.2	(50.0)	23.0	(119.4)	EBITA	288.1	81.0	119.7	63.8	214.0
Net interest-bearing debt	2,490.3	3,003.3	1,482.8	1,642.4	1,235.0	Adjusted profit after tax	190.6	47.0	77.9	27.8	157.1
Statement of cash flows						Gross margin	43.7%	44.5%	44.0%	46.1%	44.5%
Cash flow from operating activities	701.9	(71.2)	251.5	(45.2)	433.9	EBITDA margin	16.1%	10.7%	15.6%	15.4%	21.2%
Cash flow from investing activities	(142.3)	(90.2)	(50.6)	(72.9)	(51.5)	EBITDA margin before special items	16.9%	13.8%	17.5%	15.4%	21.2%
Free cash flow excl. acquisitions of subsidiaries and operations	559.6	(161.4)	200.9	(118.1)	382.4	EBITA margin	11.5%	6.3%	10.4%	6.1%	15.3%
Acquisitions of subsidiaries and operations	-	(617.2)	-	-	-	EBIT margin	9.9%	1.9%	7.7%	4.8%	14.4%
Free cash flow	559.6	(778.6)	200.9	(118.1)	382.4						
Net cash flow from operating, investing and financing activities	149.3	192.8	29.8	(94.9)	88.5						

Additional information

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Financial calendar 2023/24

The financial calendar for the remaining part of the 2023/24 financial year is as follows:

7 May 2024

Deadline for the Company's shareholders to submit in writing requests for specific proposals to be included on the agenda for the annual general meeting

28 May 2024

Annual report 2023/24

19 June 2024

Annual General Meeting for 2023/24

Forward-looking statements

This interim report contains statements relating to the future, including statements regarding Matas Group's 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 Group's 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, IT failures as well as any effects of healthcare measures that are not specifically mentioned above.



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