



Midsona

Interim Report
Quarter 4, 2023



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This presentation may contain forward-looking statements. Such statements are based on current expectations and are subject to risks and uncertainties that could negatively affect our business. Please refer to our 2022 annual and sustainability report for a better understanding of these risks and uncertainties.

Summary 2023

Reaching higher

- Improved EBITDA
 - 217 MSEK (191)
- Record free cash flow
 - 315 MSEK (180)
- Significant net debt reduction
 - By 278 MSEK to 496 MSEK
- We started to grow organic again
- Record sales for Friggs
- Complexity reduction



Summary of Q4 2023 and financial highlights

Summary

- **Net Sales negatively impacted by discontinued distribution agreements.**
- **Improved EBITDA by 33%.**
- **Record strong free cash flow for a quarter**
- **Gross Profit % strengthened considerably**
- **Continued reduction of debt**

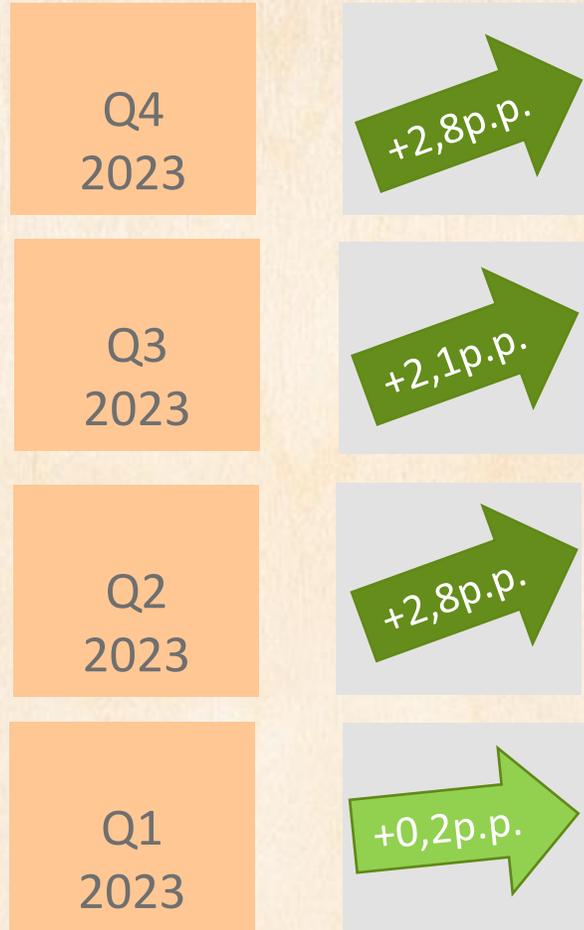
Financial highlights

Net sales SEK 1 003 m (SEK 1 027 m) -2,3% change	EBITDA¹ SEK 60 m (SEK 45 m) +33%	EBITDA¹ margin 6,0% (4,4%) +1,6 p.p.
Gross margin¹ 25,4% (22,6%) +2,8 p.p.	Net debt / Adj. EBITDA² 2,7x (4,4) Improved 1,7x	Free cash flow SEK 151 m (SEK 120 m) +31m





GM Gap Closing (vs YA)



2023 status

Pricing summary

Gross margin clearly up vs PY, getting closer to target levels
Active price management will continue

Cost of goods

- Volatile raw material prices. Both ups and downs
- Fx
 - Negative Fx effect also in quarter 4
 - Strengthening of SEK and NOK vs EUR and USD towards end of q4

Other cost

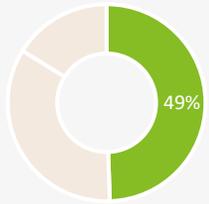
- Energy cost trending down

Portfolio highlights



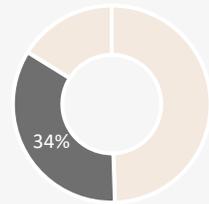
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Organic products



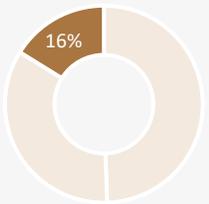
- Growth +5%
- Strong growth for brand Davert
- Private label continues to grow strongly driven by buoyed customer and consumer demand.

Healthfoods



- Growth -4%
- Strong growth for Friggs.
- Supply issues for sports nutrition products
- Private label decline due to exit of low margin contracts

Consumer health products



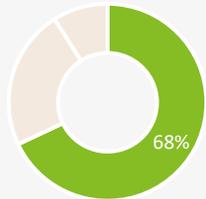
- Growth -17%
- Growth for own brands
- Decline completely related to discontinued licensed brands.

Division Highlights



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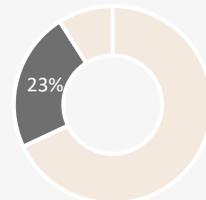
Division Nordics



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	686	732	-6%
EBITDA**	67	60	+12%

- Division Nordic stays strong
- Increased EBITDA margin
- Net Sales decline solely explained by discontinued licensed brands
- Gross profit improvements but off target due to negative Fx effects

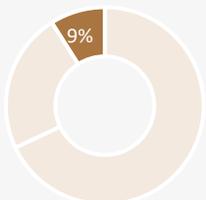
Division North



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	232	212	+9%
EBITDA**	6	2	+200%

- Breakthrough for brand Davert. New listings in a still weak market
- Solid gross profit improvements despite negative mix effects.
- Continued focus on new volumes and cost savings

Division South



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	93	90	+3%
EBITDA*	-5	-10	n/a

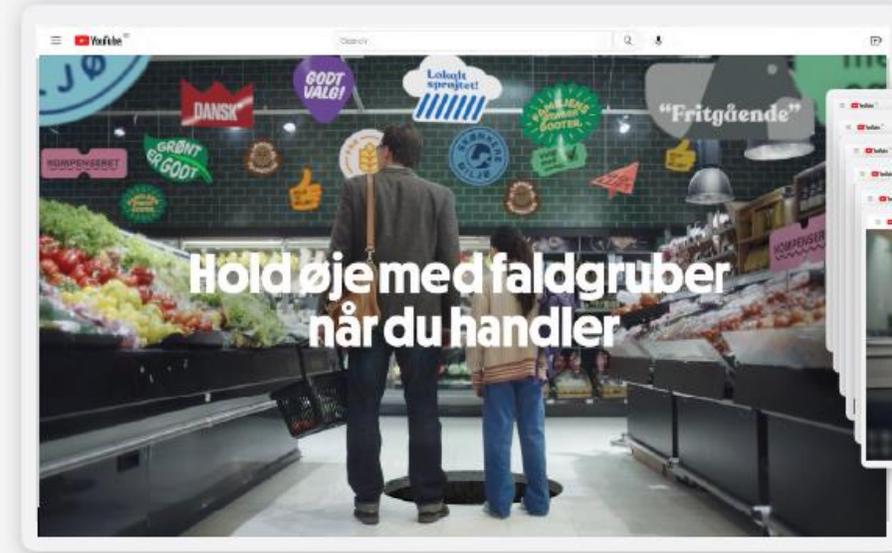
- Net Sales growth mainly comes from Private Label
- Early signs of turn-around in France
- Improved production efficiency in Spain

New cut-through concept for our organic brands

Urtekram launch in quarter 4

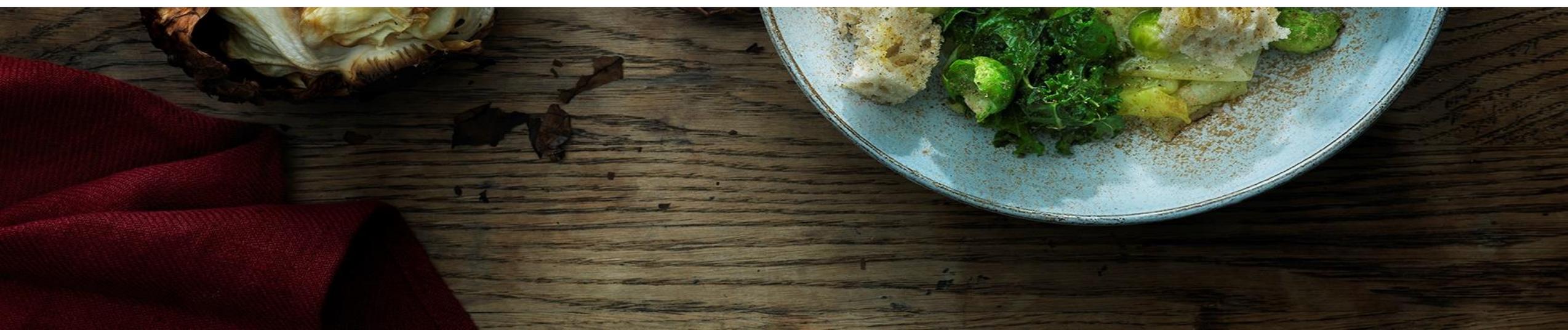


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Financial review
CFO Max Bokander



Financial Summary



MSEK	Q4 2023	Q4 2022	FY 2023	FY2022
Net Sales	1 003	1 027	3 793	3 899
GM%*	25,4	22,6	25,9	24,0
EBITDA*	60	45	217	191
EBITDA%*	6,0	4,4	5,7	4,9
IAC**	-3	-11	-31	-495
Net financing costs	-15	-27	-64	-64
Net tax costs	-1	18	-18	28
Net result	3	-15	-53	-501
Free Cashflow	151	120	315	180
Net Debt			496	774

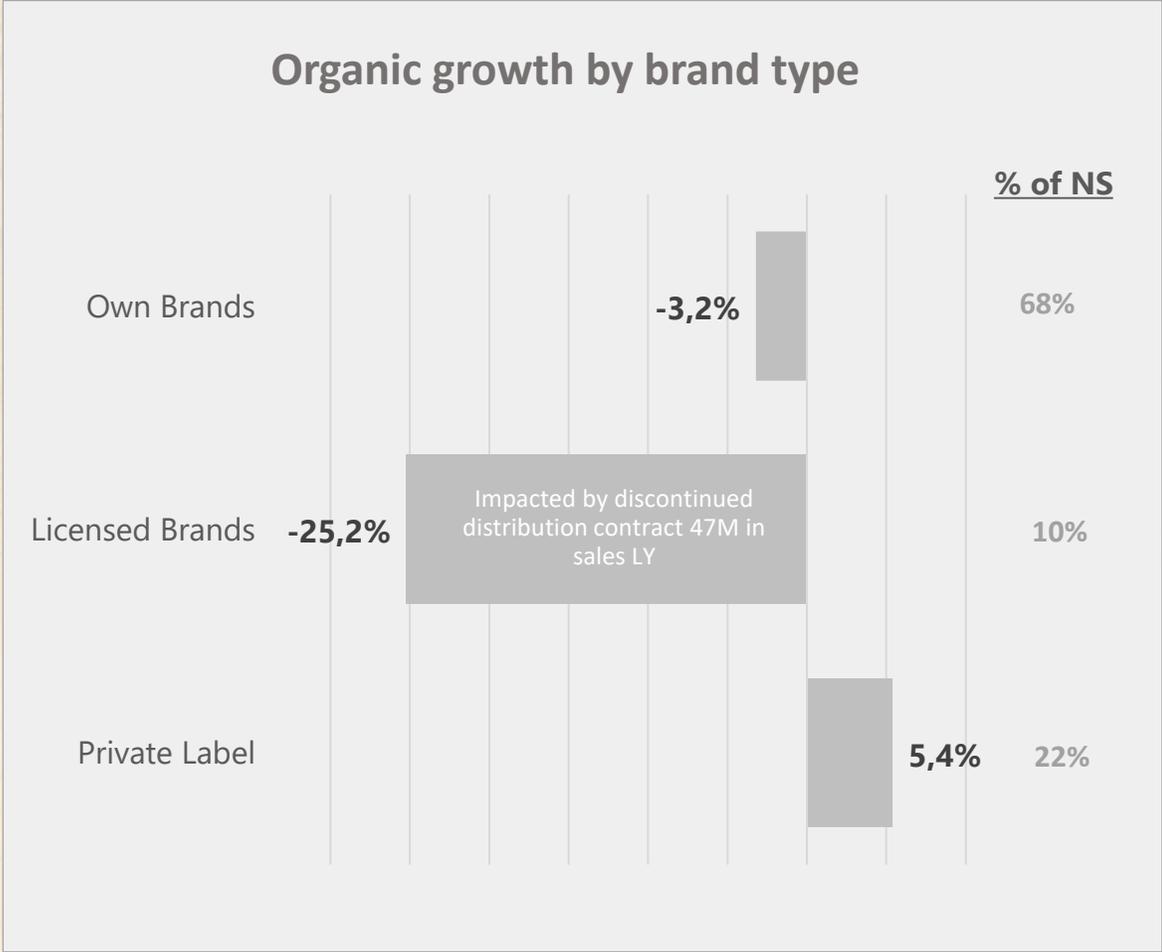
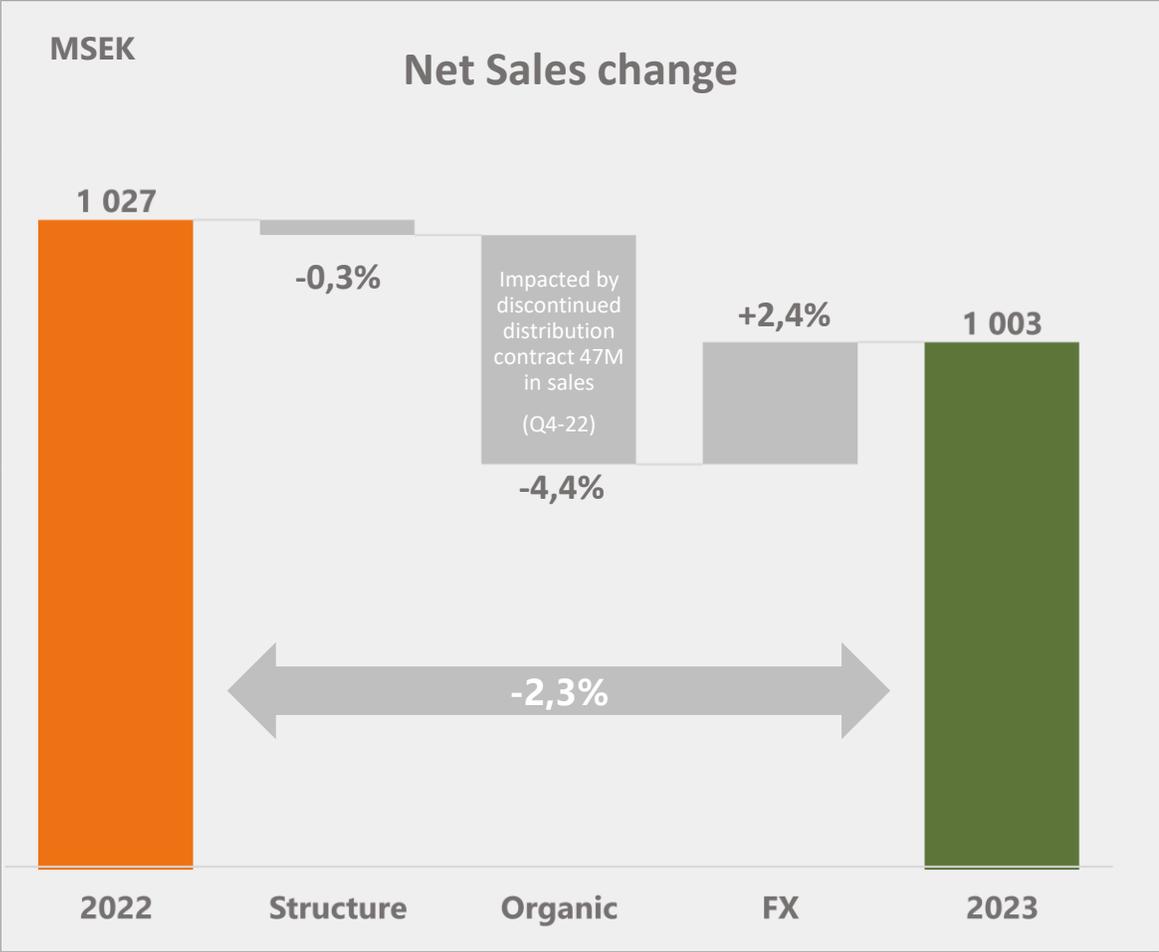
Comments QTD

- Net Sales -2,3%
- GM +2,8 p.p.
- EBITDA* +15M (+33%)
- IAC; QTD restructuring cost 9M and 6M in profit from the divestment of the brands KanJang and Artic Root

* Before Items Affecting Comparability

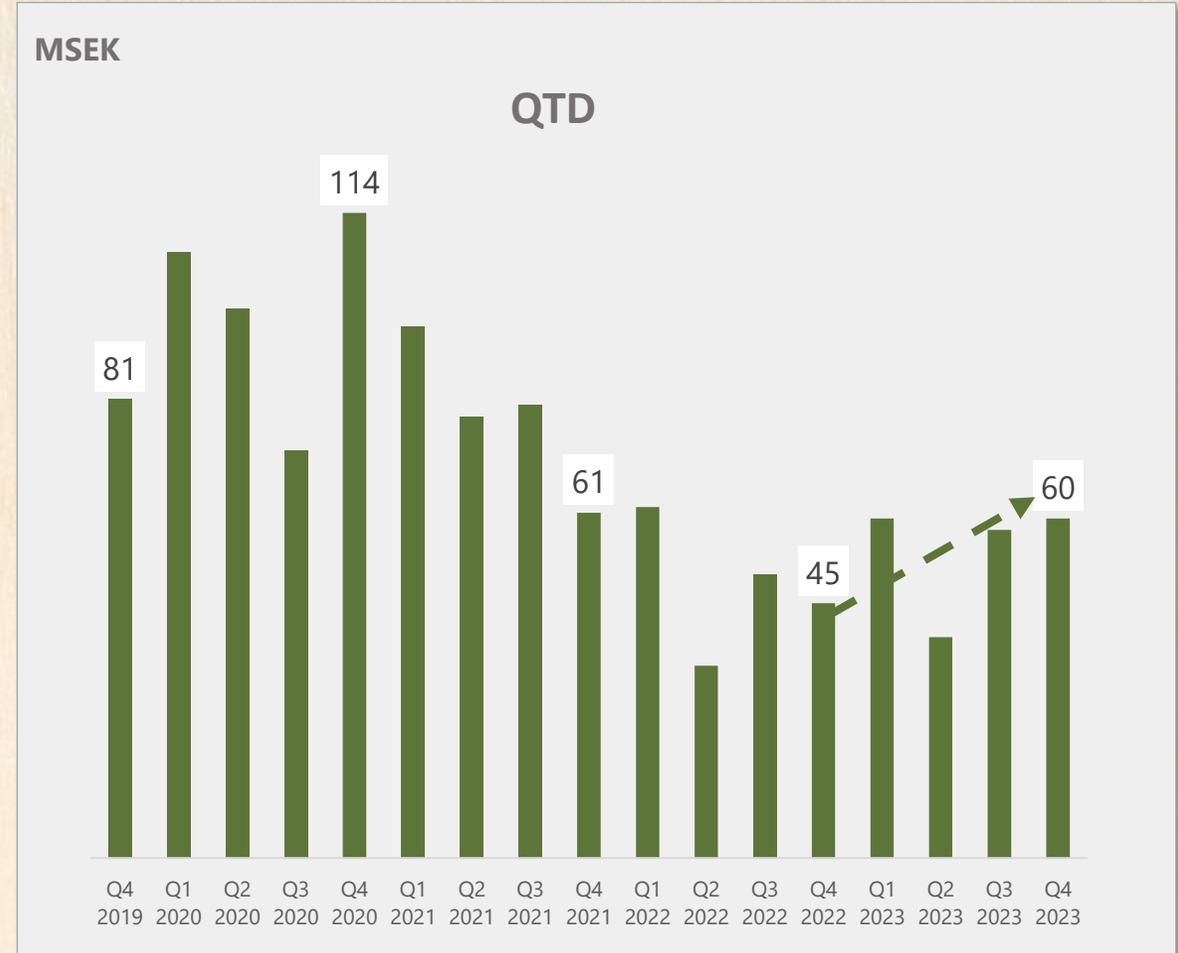
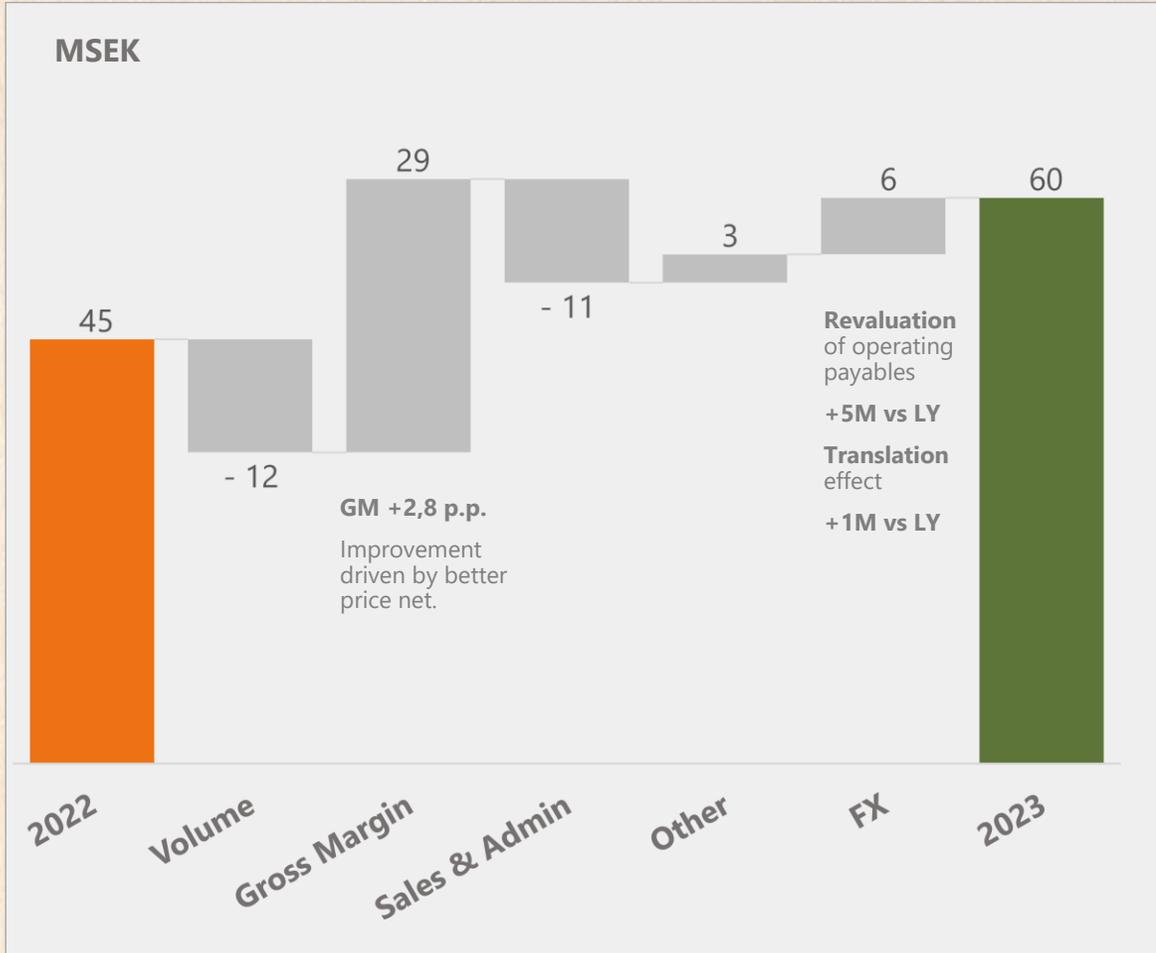
** IAC including one off costs for impairment if applicable

Q4 - Net sales



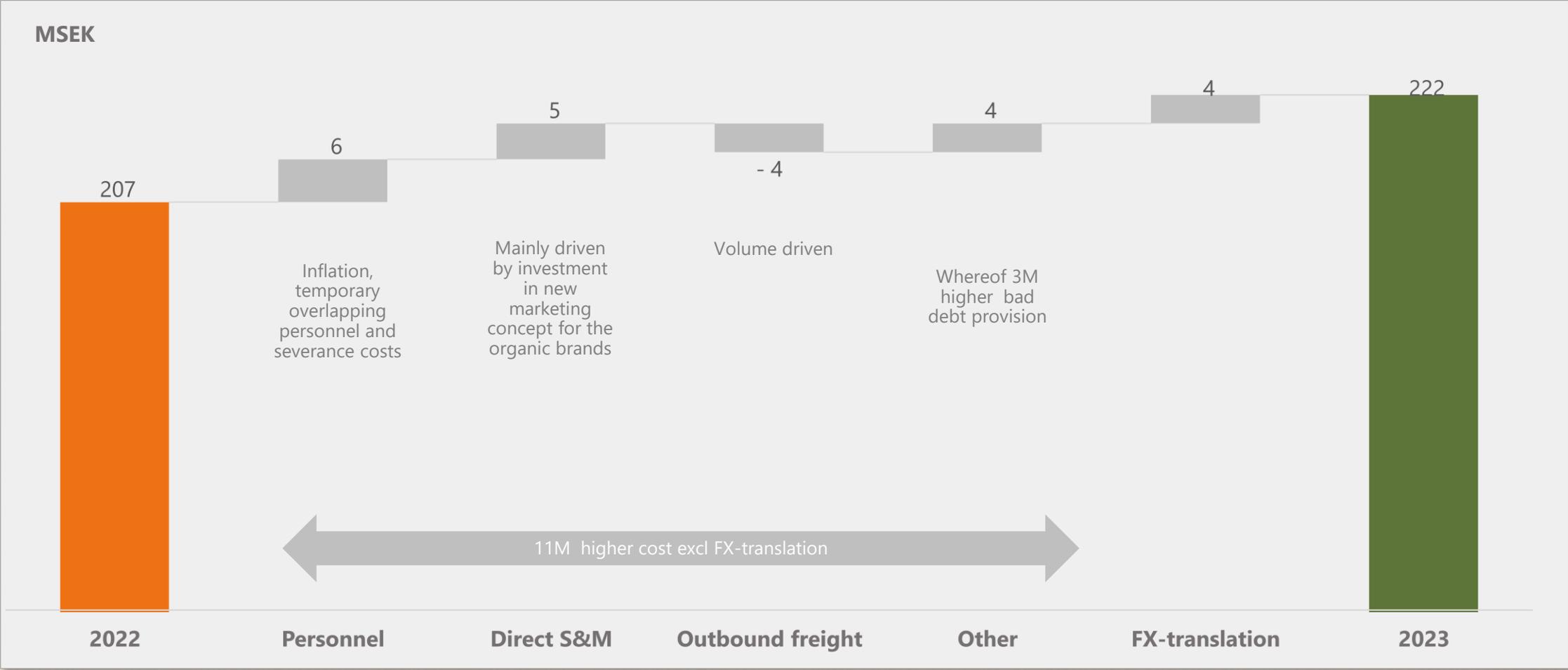
* Divested brands Kan Jang and Artic Root

Q4 - EBITDA *



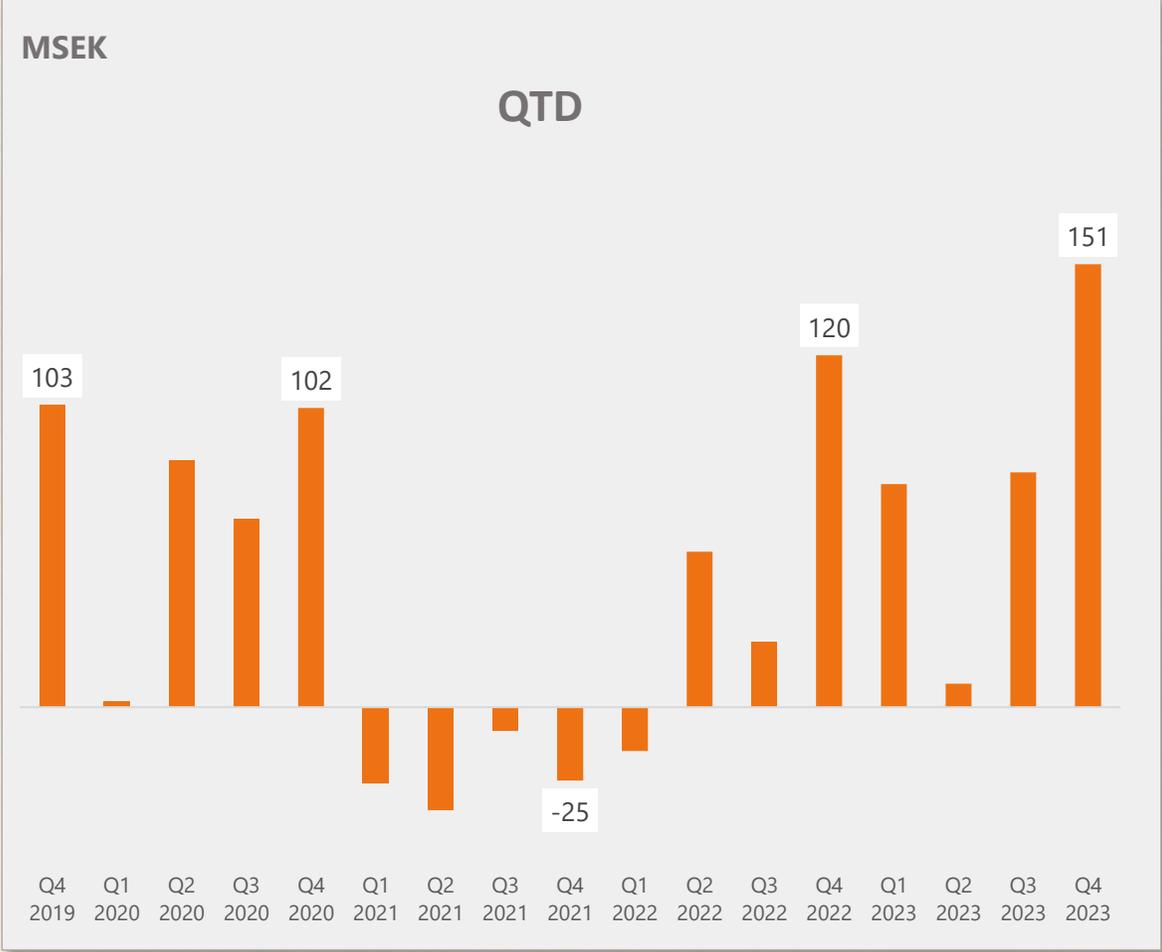
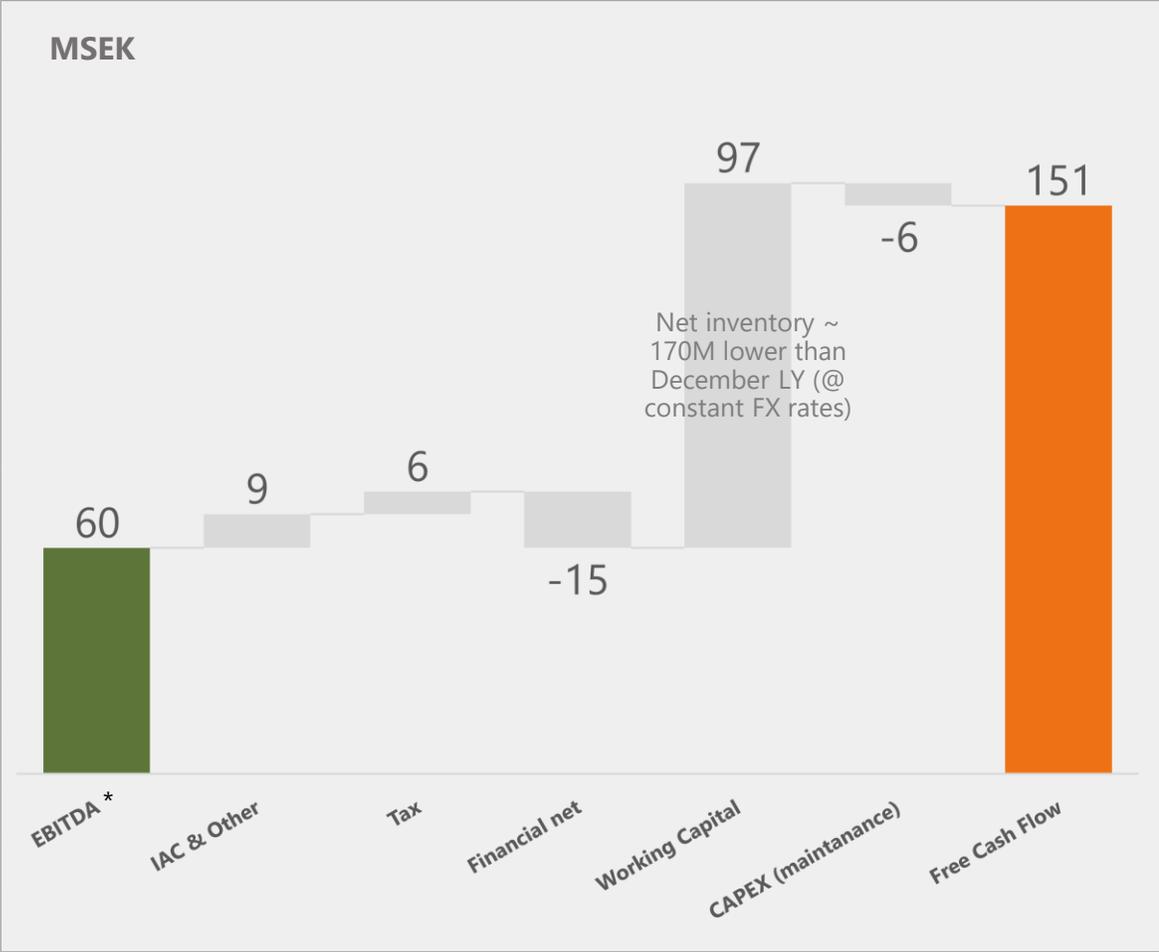
* Before Items Affecting Comparability

Q4 - Sales, Marketing & Admin Expenses*



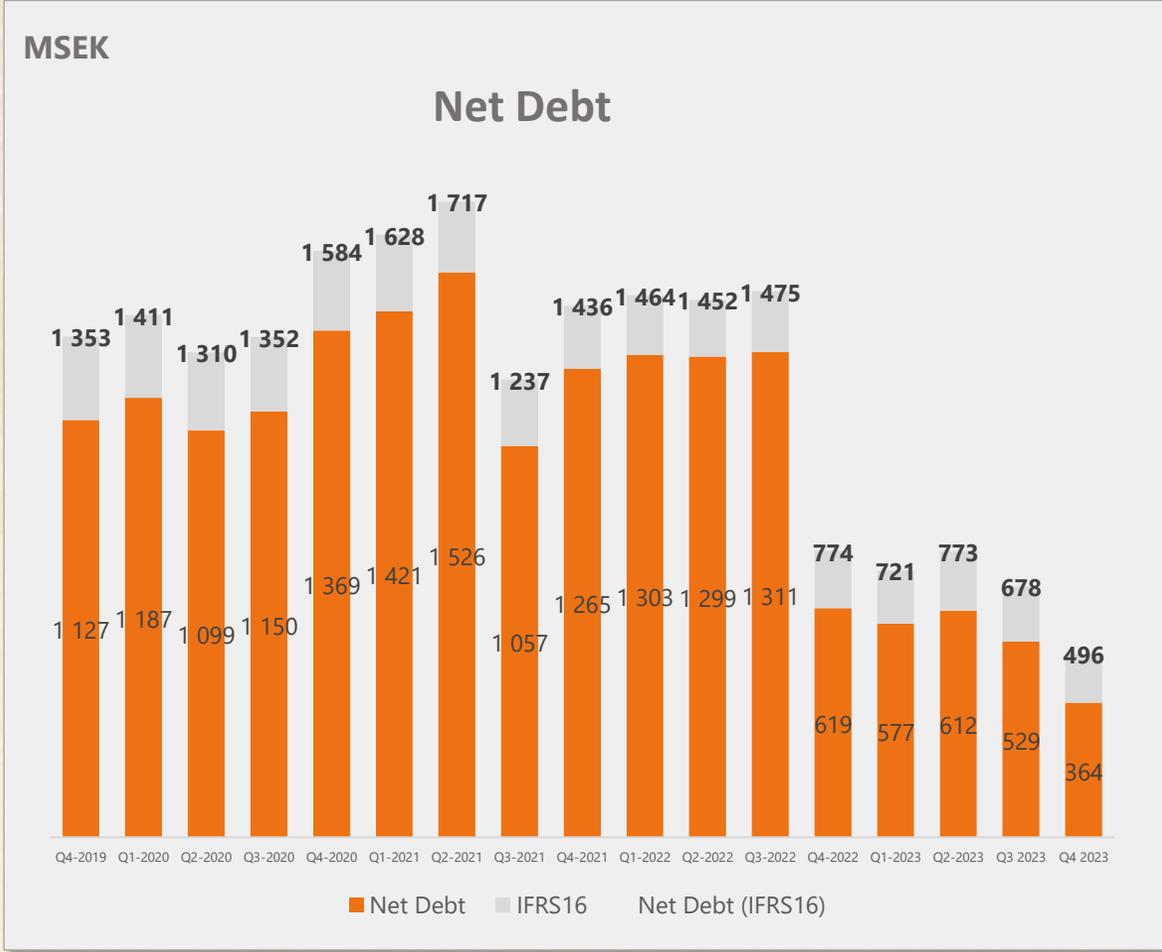
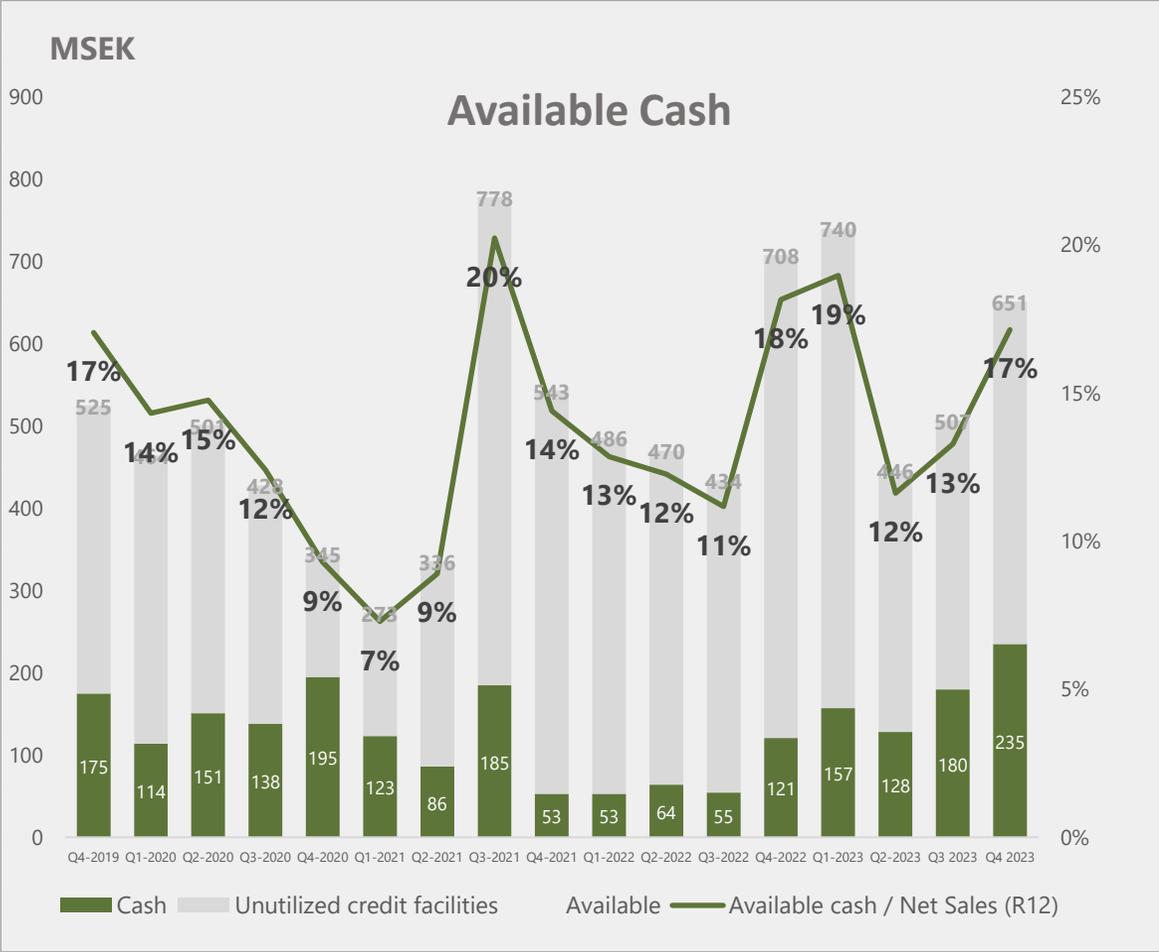
* Before Items Affecting Comparability and excluding depreciation

Q4 - Free Cash Flow



* Before Items Affecting Comparability

Available cash and Net Debt



Available Cash = Cash + available overdraft and unutilized contracted bank credit facilities

2024 focus

1. Drive our core brands

- Activate our brands with focus on high profit items
- Find new business opportunities for our core brands (listings, new customers)

2. Simplification via SKU reduction

- Complexity reduction project. Will discontinue nonperforming brands and products

3. EBITDA and Cash before Net Sales

- Further cost savings
- Continued inventory focus

4. Continued progress on sustainability



