



Midsona

Interim Report
Quarter 1, 2023



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 2021 annual and sustainability report for a better understanding of these risks and uncertainties.

Summary of Q1 2023 and financial highlights



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Summary of Q1 2023

- Total net sales grew despite discontinued distribution agreement
- Stable to good demand for Own Brands and Private Label
- Price increases implemented according to plan
- Gross Profit % back at pre-war-levels
- Record strong q1 free cash flow

Financial highlights

<p>Net sales</p> <p>SEK 974 m (SEK 972 m)</p> <p>+0,2% change</p>	<p>EBITDA¹</p> <p>SEK 60 m (SEK 62 m)</p> <p>-3%</p>	<p>EBITDA¹ margin</p> <p>6,2% (6,4%)</p> <p>-0,2p.p.</p>
<p>Gross margin¹</p> <p>26,3% (26,1%)</p> <p>+0,2 p.p.</p>	<p>Net debt / Adj. EBITDA²</p> <p>4,3x (5,1)</p> <p>Improved 0,8x</p>	<p>Free cash flow</p> <p>SEK 76 m (SEK -15 m)</p> <p>+SEK 91m</p>



1) Before items affecting comparability. 2) EBITDA rolling 12-months, adjusted for transaction related costs
Source: Company information

Vigorous measures to turn around



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... and create opportunities ahead

Price Increases

- Further accelerated price increases implemented in first quarter 2023
- Fully offset cost inflation by passing on increased costs to the next level, however with a certain lagging effect
- Increases have generally been well-received



Cost savings

- Cost saving programme aiming to reduce the cost base by SEK 40 million on an annual basis initiated in April 2022
- Extension with additionally SEK 20 million cost savings on an annual basis
- On track to deliver during 2023



Supply chain Improvements

- Supply chain improvements and operational measures undertaken
- Enhanced reliability in supply chain
- Significant reduction of inventory results in record strong free cash flow (two quarters in a row).



Balance sheet Improvements

- Financing agreement with Danske Bank and Svensk Exportkredit extended until September 2025
- Cash focus. Net debt continues down in q1.



Source: Company information

Price management: Back to pre-war levels



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GM Gap Closing (vs YA)

Q1
2023

+0,2p.p.

Q4
2022

-1,3p.p.

Q3
2022

-3,9p.p.

Q2
2022

-4,7p.p.

2023 status

Pricing initiatives

- New price increases implemented in all markets
- Implementation from mid February to end April
- Closing the gap

Cost of goods

- Stabilization of raw materials prices
- Fx
 - USD/DKK and EUR/USD slightly positive effects
 - EUR/SEK and USD/SEK negative effects

Other cost

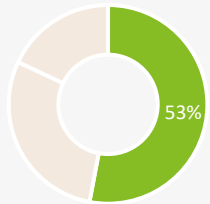
- Energy cost trending down
- Additional cost for water and energy in division South

Portfolio highlights



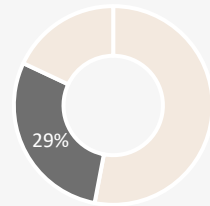
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Organic products



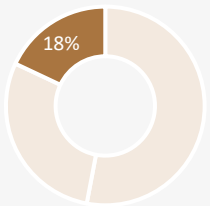
- Growth +2,3%
- Stabilization for own brands supported by price increases
- Private label continues to grow strongly driven by buoyed customer and consumer demand.

Healthfoods



- Growth +4,3%
- Double-digit growth for Friggs. Supply situation now better.
- Challenges for sports nutrition brands Gainomax and Swebar

Consumer health products



- Growth -12,4%
- Growth for own brands
- Decline completely related to discontinued licensed brand.

Forward focus



1. Maintain pricing as our recent price increase can be fully justified

We see margin improvement in Q1, but we are still not back to 2021 levels. Accordingly, there currently are no plans for price decreases.

2. Volume focus

- Activate our brands with focus on high profit items
- Find new business opportunities for our core brands (listings, new customers)
- Private Label is booming. Leverage buoyed demand, but only at right margins.

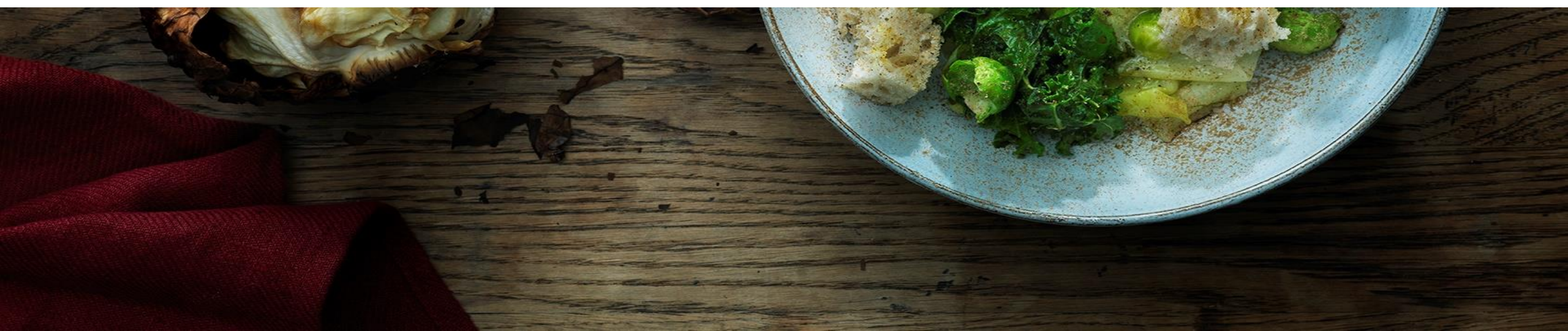
3. EBITDA and Cash before Net Sales

- Complexity reduction project. Will discontinue nonperforming brands and products
- Continued inventory reduction over the year





Financial review
CFO Max Bokander



Financial Summary

MSEK	Q1 2023	Q1 2022
Net Sales	974	972
GM%*	26,3	26,1
EBITDA*	60	62
EBITDA%*	6,2	6,4
IAC**	-5	0
Net financing costs	-14	-8
Net tax costs	-8	-2
Net result	-6	12
Free Cashflow	76	-15

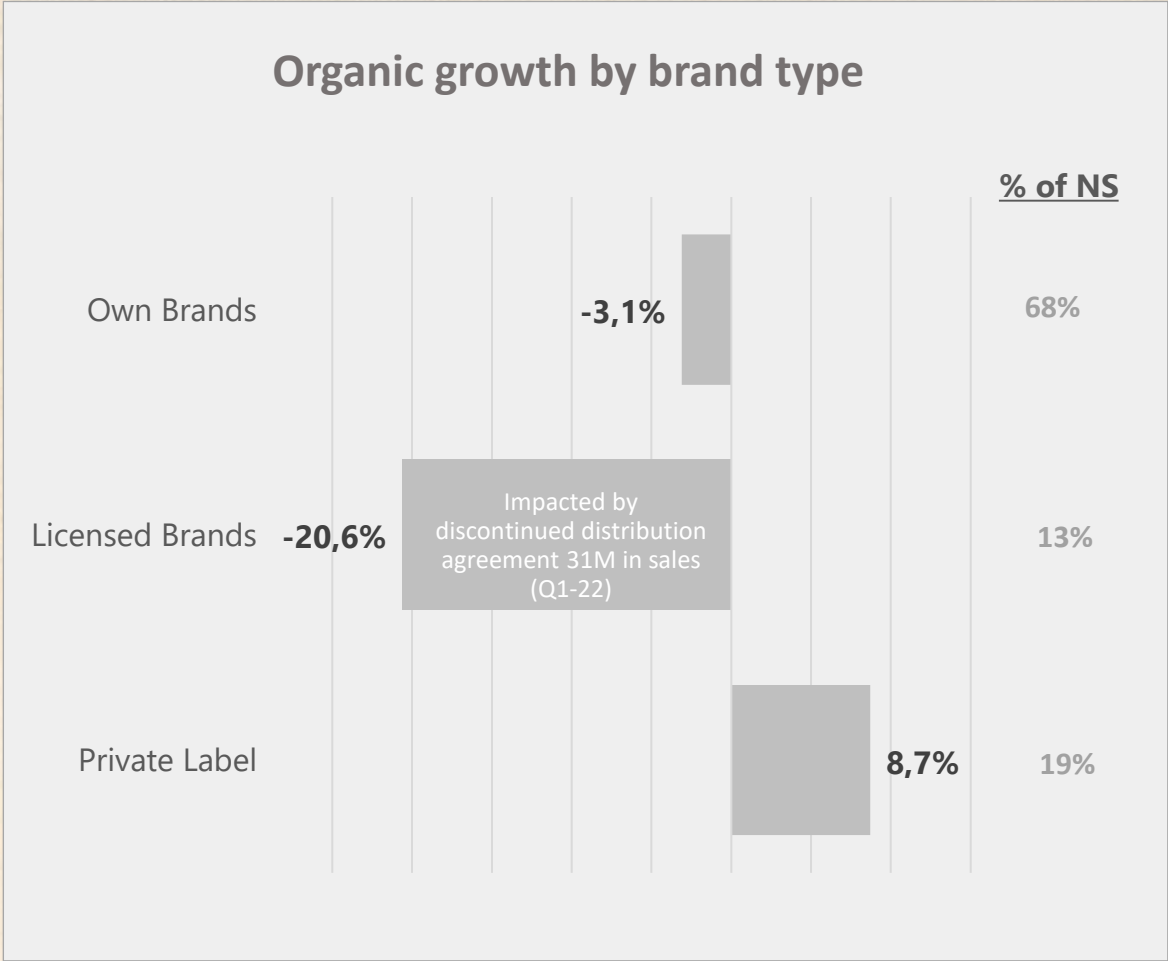
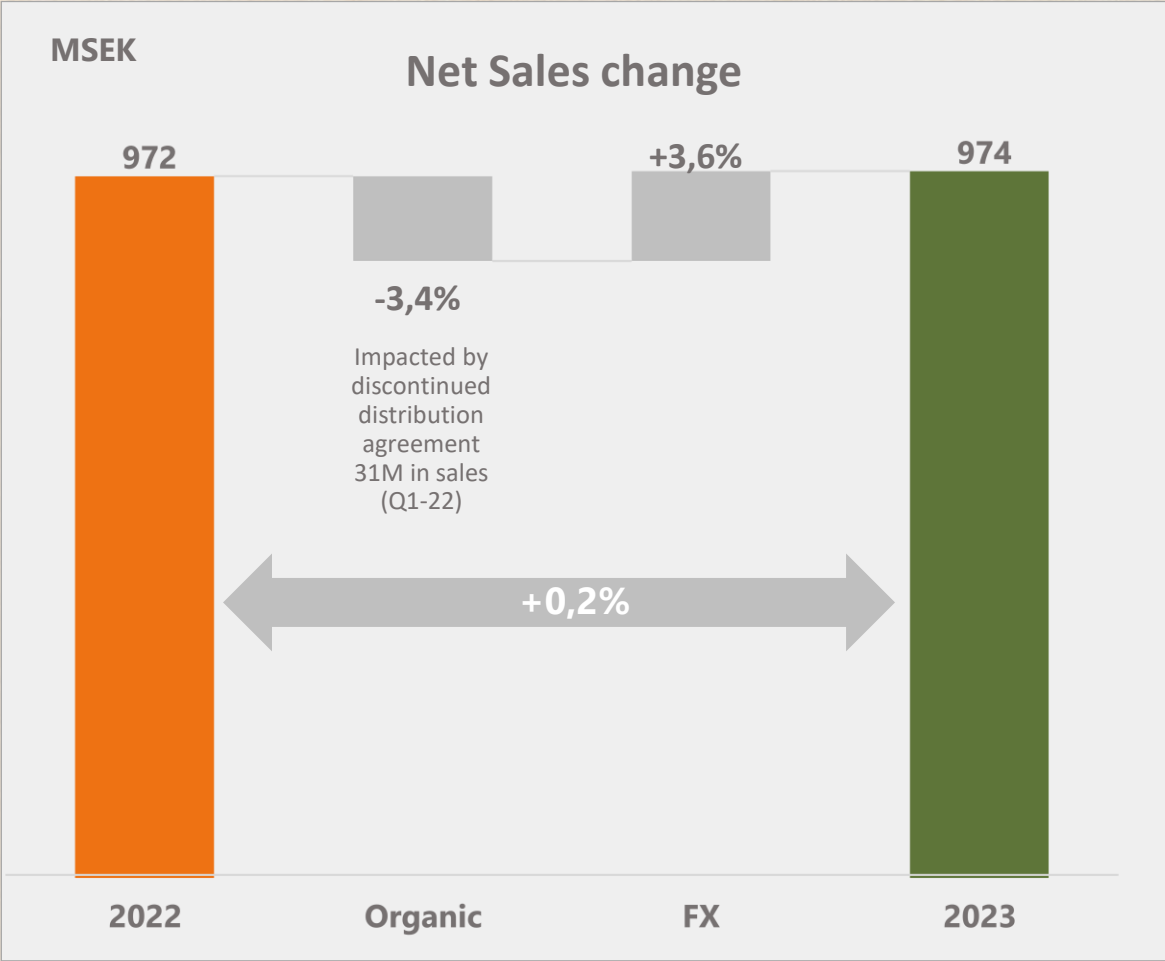
Comments QTD

- Net Sales +0,2 p.p.
- GM +0,2 p.p.
- EBITDA -2M
- IAC; QTD restructuring cost -5M related to earlier announced restructuring program
- Net financing; despite 731M lower net debt, the higher interest rates leads to higher financing costs than LY
- Net tax; higher than LY, due to good taxable results in some countries , but continued losses for some countries without activating these losses during the quarter.

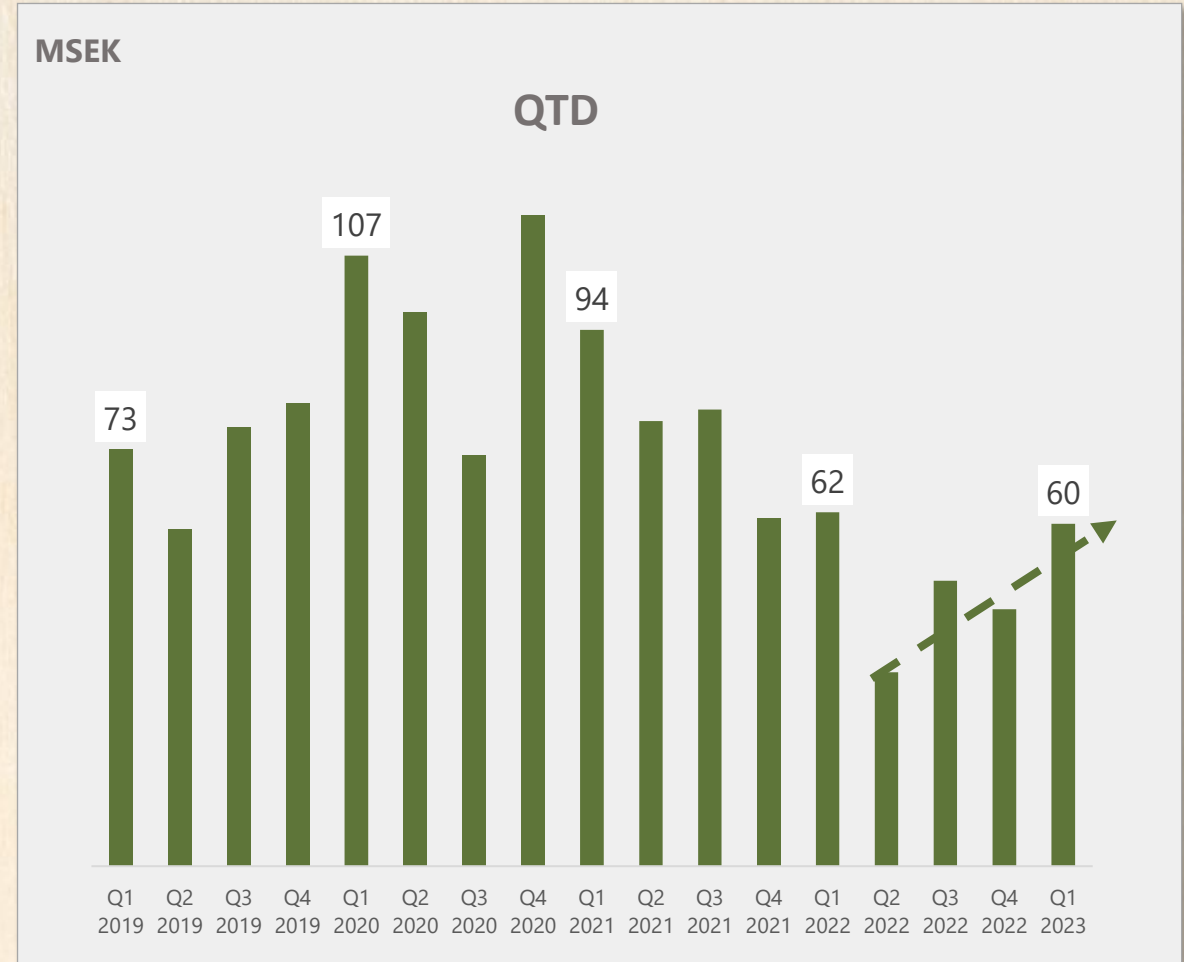
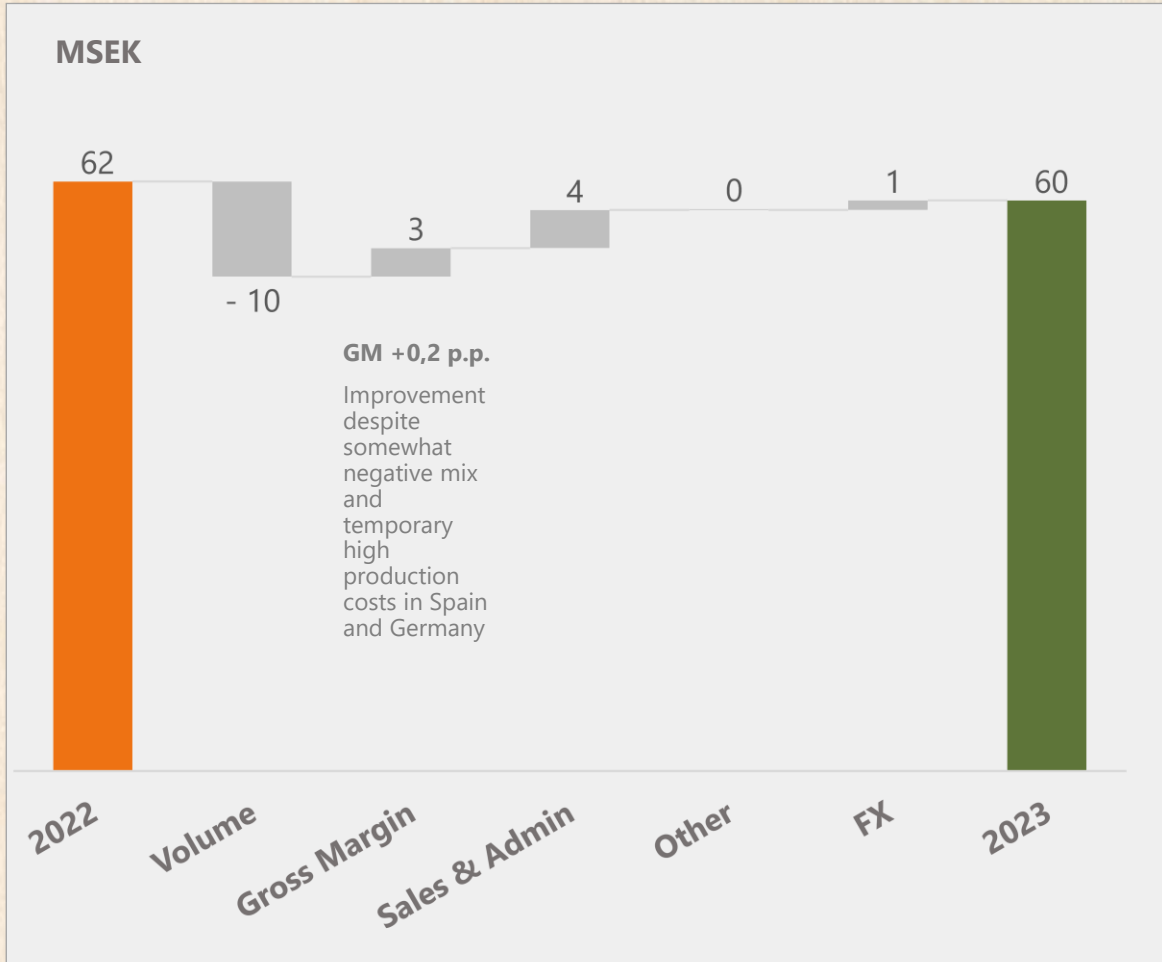
* Before Items Affecting Comparability

** IAC including one off costs for impairment if applicable

Q1 - Net sales



Q1 - EBITDA *



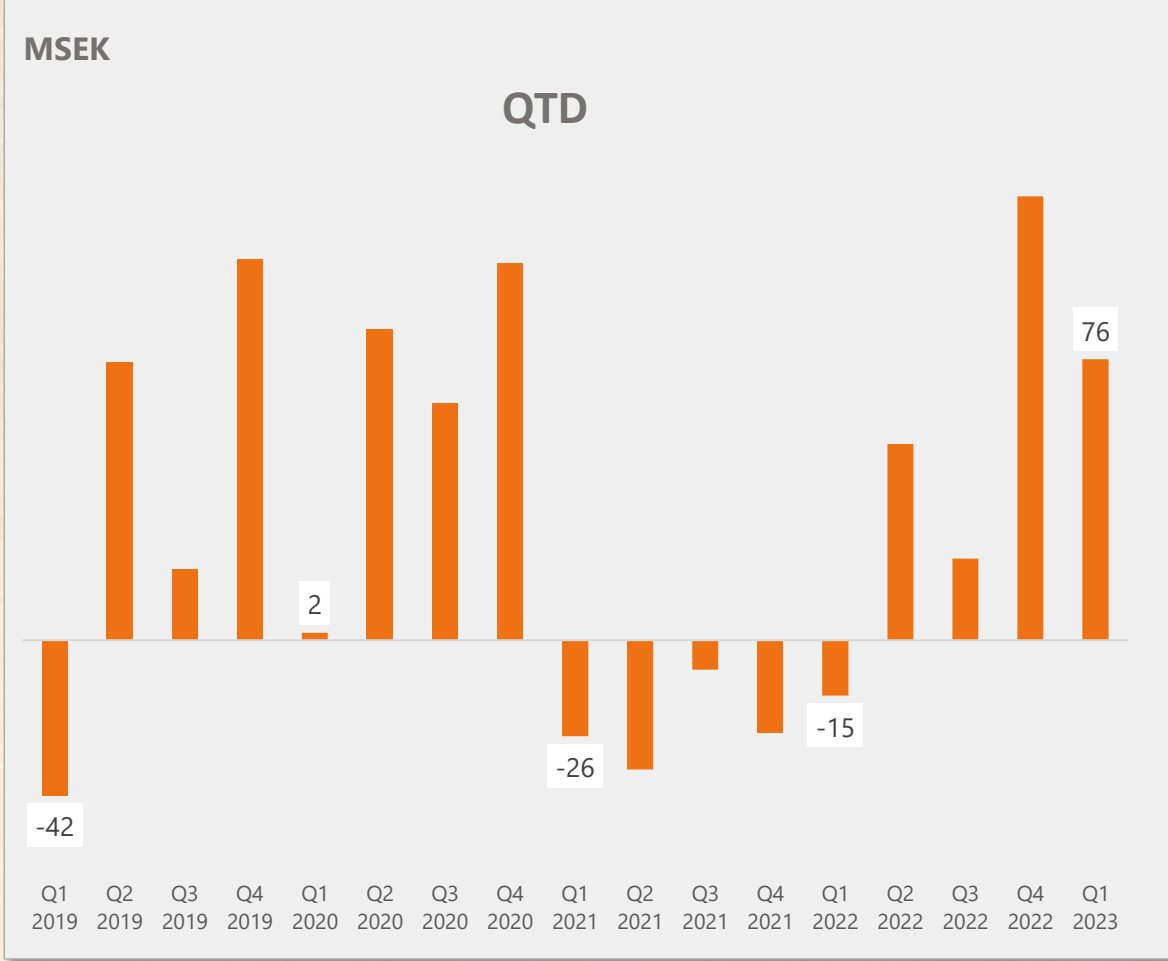
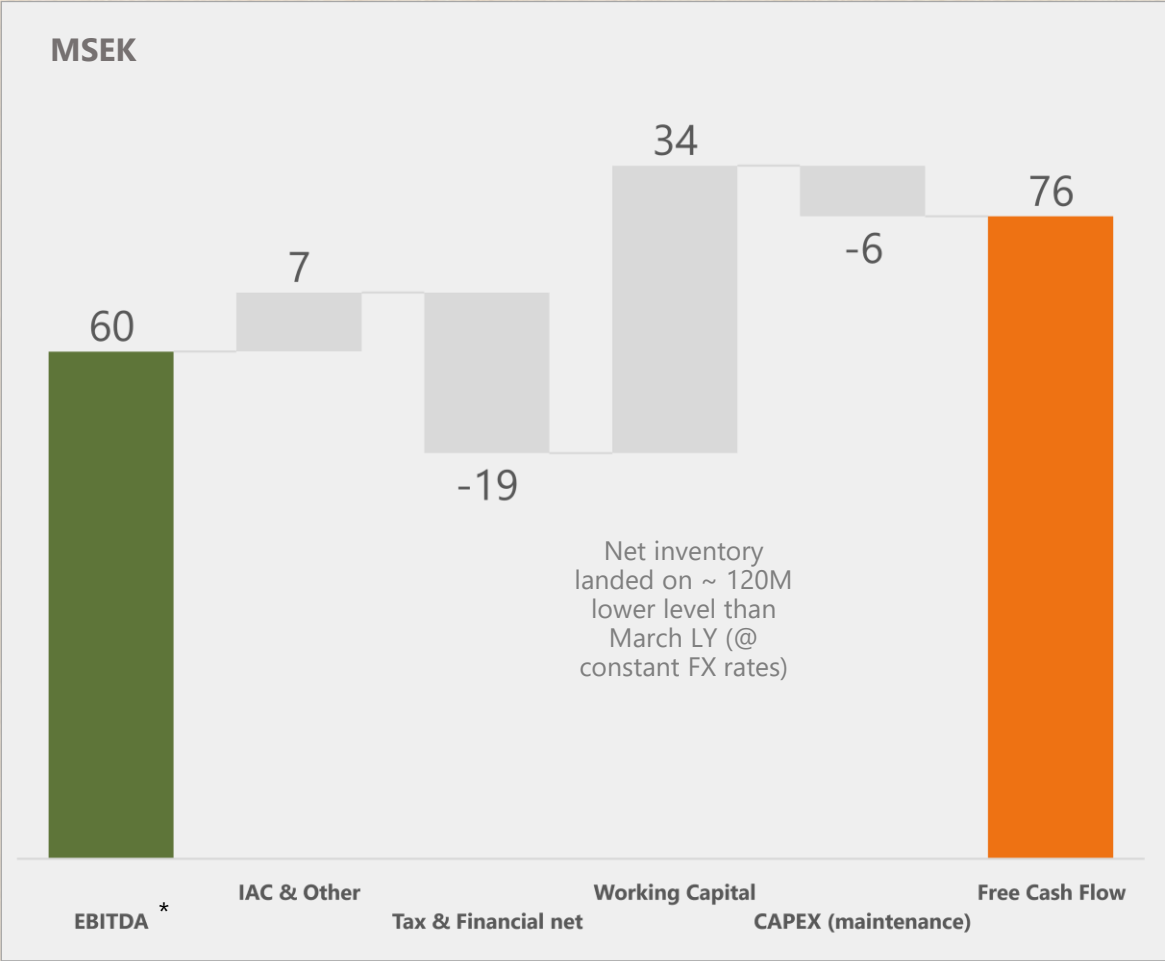
* Before Items Affecting Comparability

Q1 - Sales, Marketing & Admin Expenses*



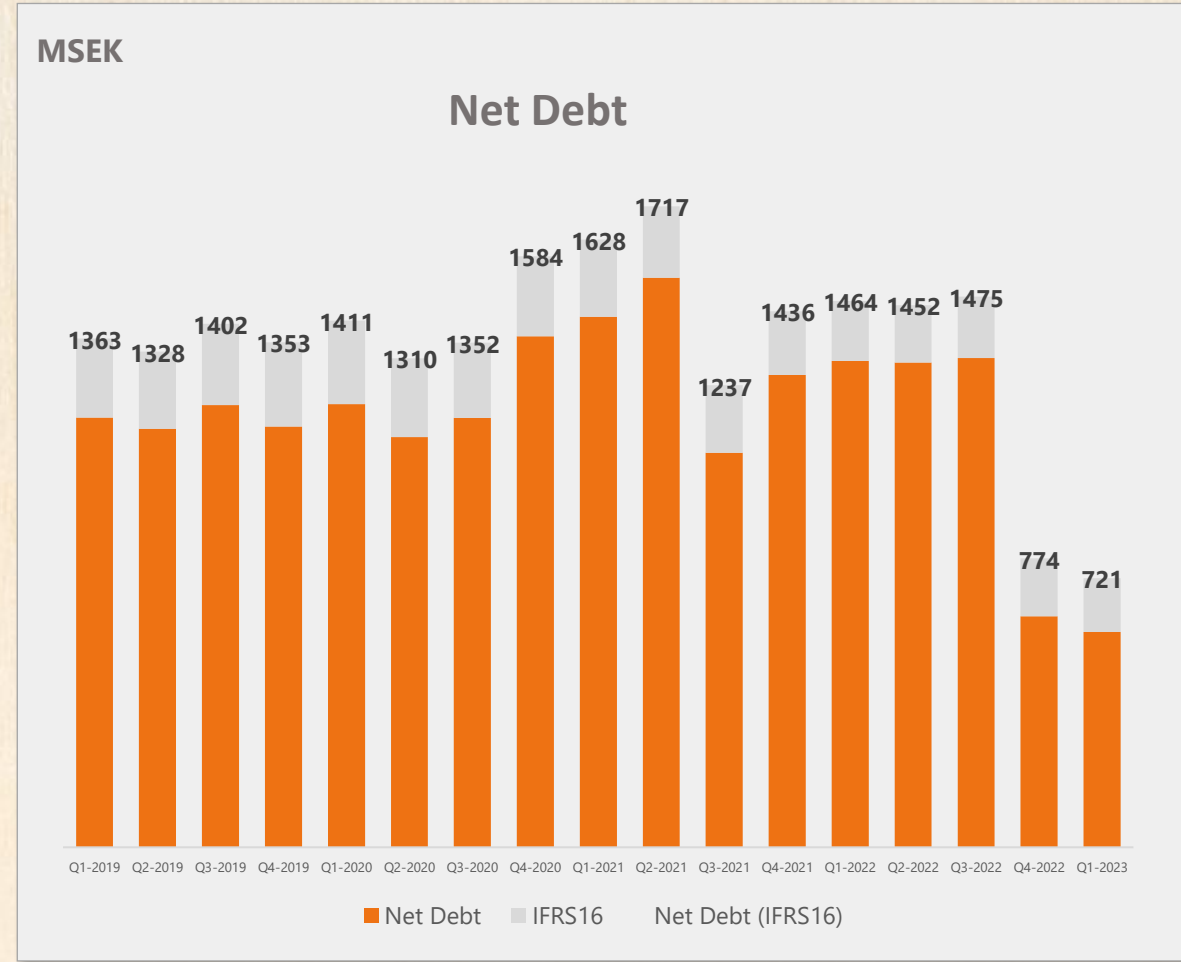
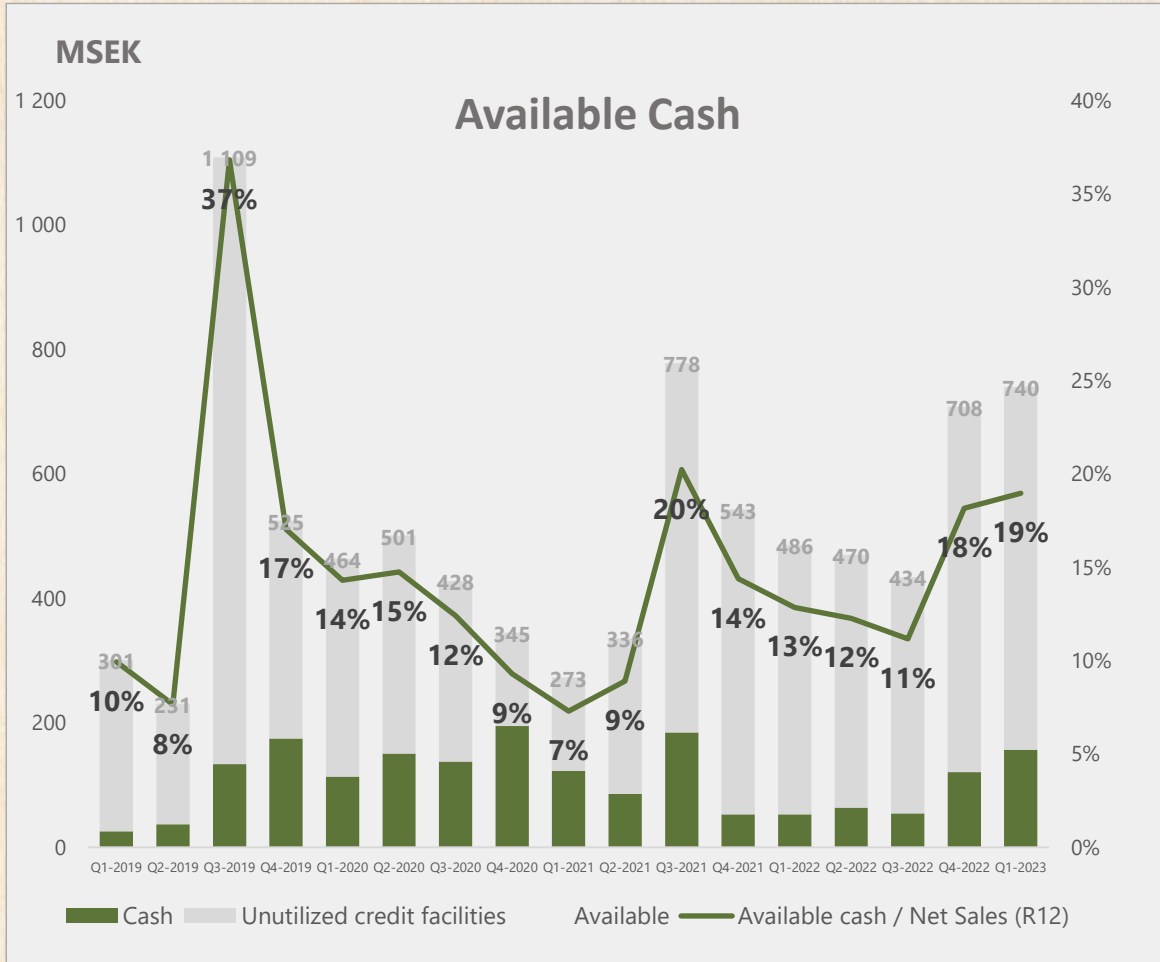
* Before Items Affecting Comparability

Q1 - Free Cash Flow



* Before Items Affecting Comparability

Available cash and Net Debt



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

Outlook 2023

Reaching higher

- Price increases implemented in q1.
- Stabilization of raw materials prices and energy.
- Continued cost savings
- Brand focus
- Complexity reduction







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