



Midsona

Interim Report
Quarter 3, 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 2022 annual and sustainability report for a better understanding of these risks and uncertainties.

Summary of Q3 2023 and financial highlights

Summary

- **Net Sales negatively impacted by discontinued distribution agreements.**
- **Improved EBITDA by 16%.**
- **Record strong q3 free cash flow**
- **Gross Profit % strengthened considerably**
- **Reduction of debt by 95 Mkr vs q2**

Financial highlights

Net sales SEK 923 m (SEK 944 m) <i>-2,2% change</i>	EBITDA¹ SEK 58 m (SEK 50 m) <i>+16%</i>	EBITDA¹ margin 6,3% (5,3%) <i>+1,0 p.p.</i>
Gross margin¹ 25,7% (23,6%) <i>+2,1 p.p.</i>	Net debt / Adj. EBITDA² 4,0x (7,4) <i>Improved 3,4x</i>	Free cash flow SEK 80 m (SEK 20 m) <i>+60m</i>



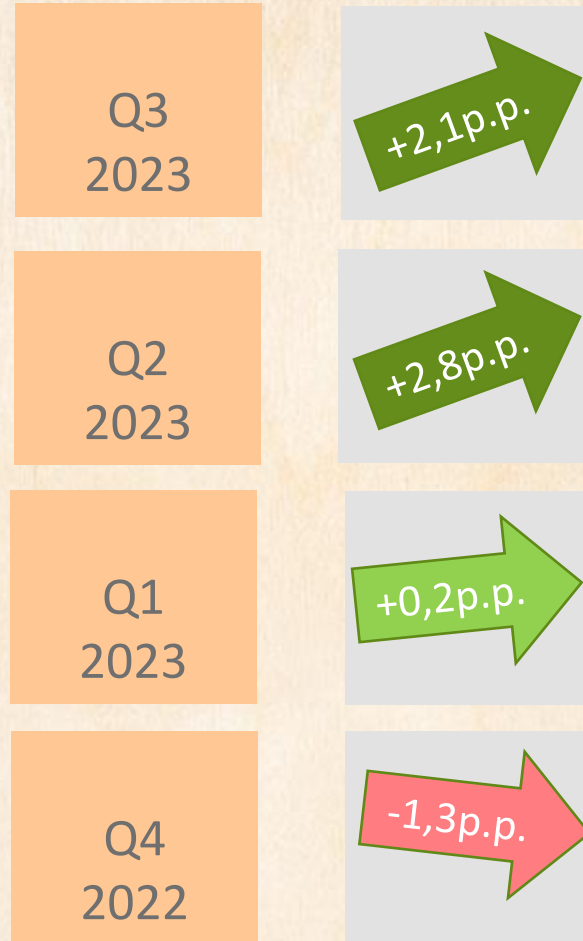
1) Before items affecting comparability. 2) EBITDA rolling 12-months, adjusted for transaction related costs

Price management: Back to pre-war levels



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GM Gap Closing (vs YA)



2023 status

Pricing summary

Gross margin clearly up vs PY, but still not at target levels
Active price management will continue

Cost of goods

- Volatile raw material prices. Both ups and downs
- Fx
 - EUR/SEK and USD/SEK negative effects
 - EUR/NOK and USD/NOK negative effects

Other cost

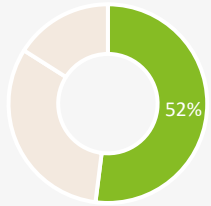
- Energy cost trending down

Portfolio highlights



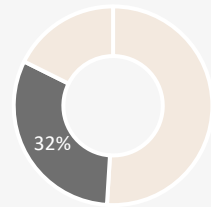
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Organic products



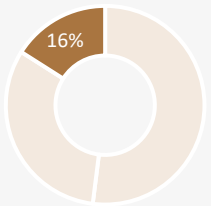
- Growth +5%
- Stabilization for own brands
- Private label continues to grow strongly driven by buoyed customer and consumer demand.

Healthfoods



- Growth +1%
- 16% growth for Friggs.
- Stable demand for other key brands
- Private label decline due to exit of low margin contracts

Consumer health products



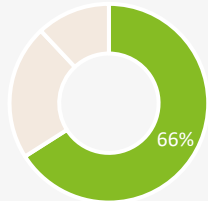
- Growth -24%
- Growth for own brands
- Decline completely related to discontinued licensed brands.

Division Highlights



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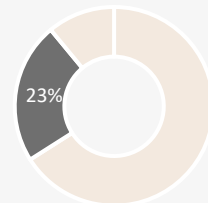
Division Nordics



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	618	656	-6%
EBITDA**	63	63	+0%

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

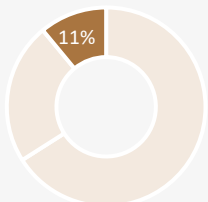
Division North



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	214	211	+1%
EBITDA**	2	-1	n/a

- Weak demand for organic products in the German market
- Minor gross profit improvements despite price increases. Negative mix effects. More private label and food service products.
- Focus on new volumes in the grocery trade and cost savings

Division South



	<u>23</u>	<u>22</u>	<u>vs PY</u>
Net Sales	102	88	+16%
EBITDA*	-3	-8	n/a

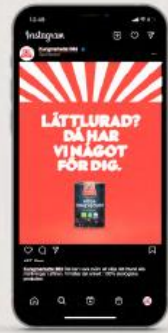
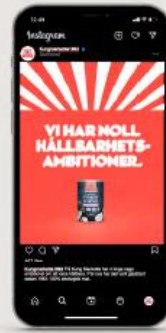
- Net Sales growth mainly comes from Private Label
- Early signs of turn-around in France
- Certain production related issues remain in Spain

New cut-through concept for our organic brands

Kung Markatta launched in Q3



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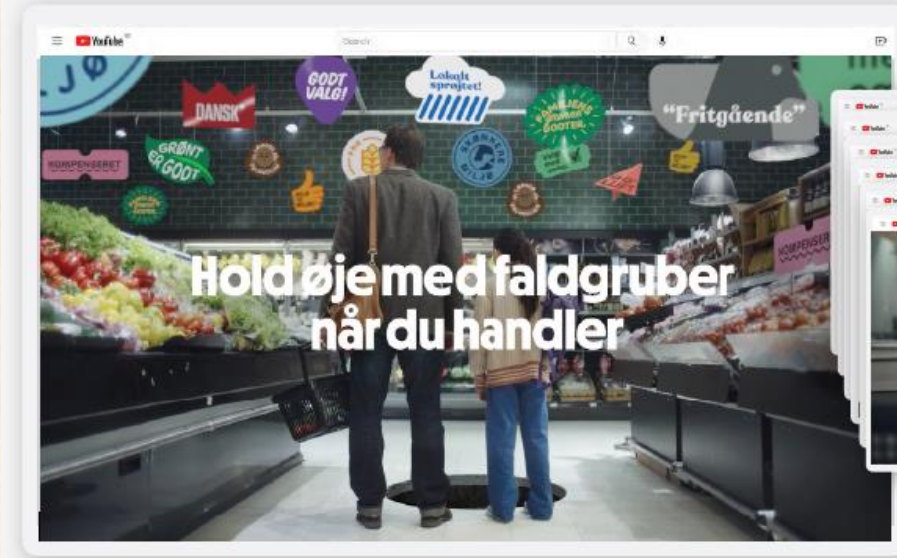


New cut-through concept for our organic brands

Urtekram follows in q4



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Continued success for Friggs

Growth of +16% in q3 2023



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1. Expansion into new markets

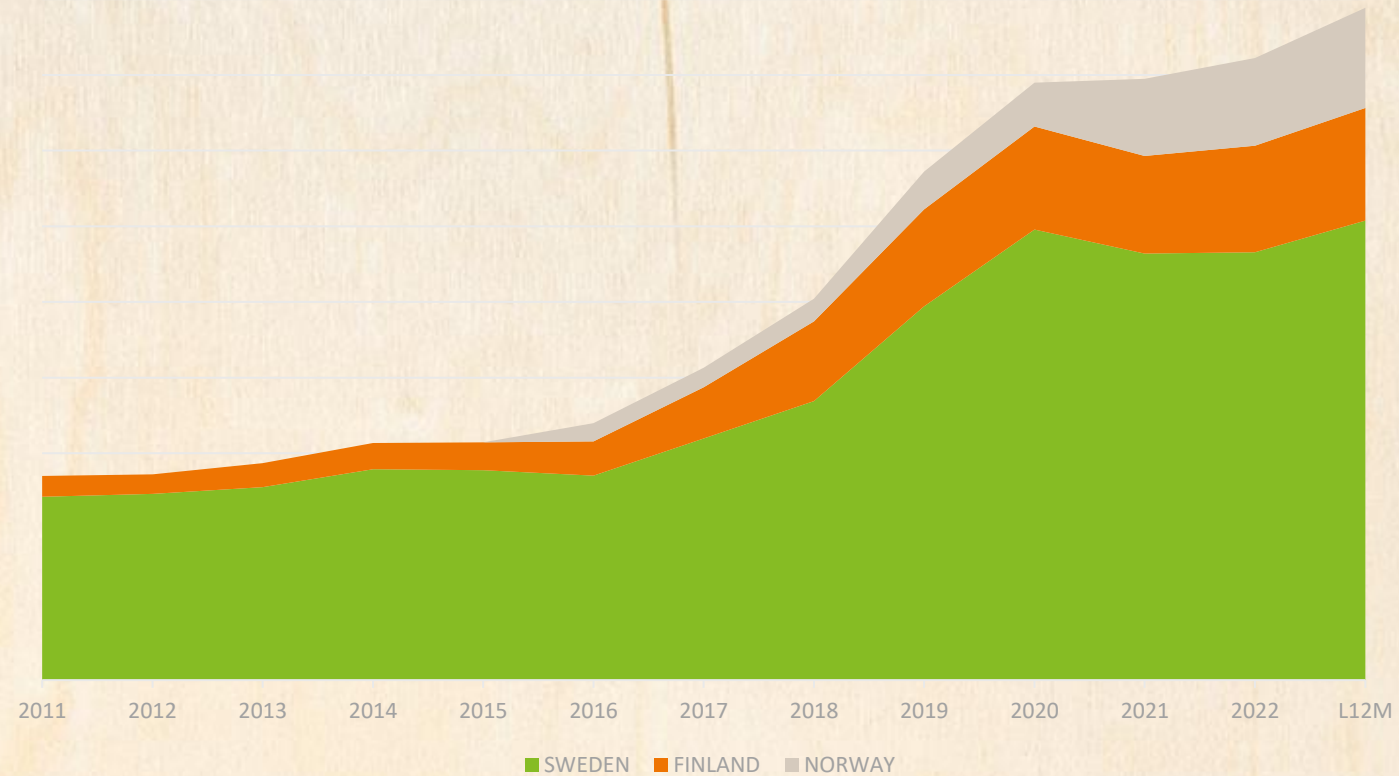
- Sweden
- Finland
- Norway

2. Consumer meaningful innovation

- Chili Cheese (q3 2023)
- Popcorn
- Chia Seasalt



3. Digital marketing approach



Forward 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

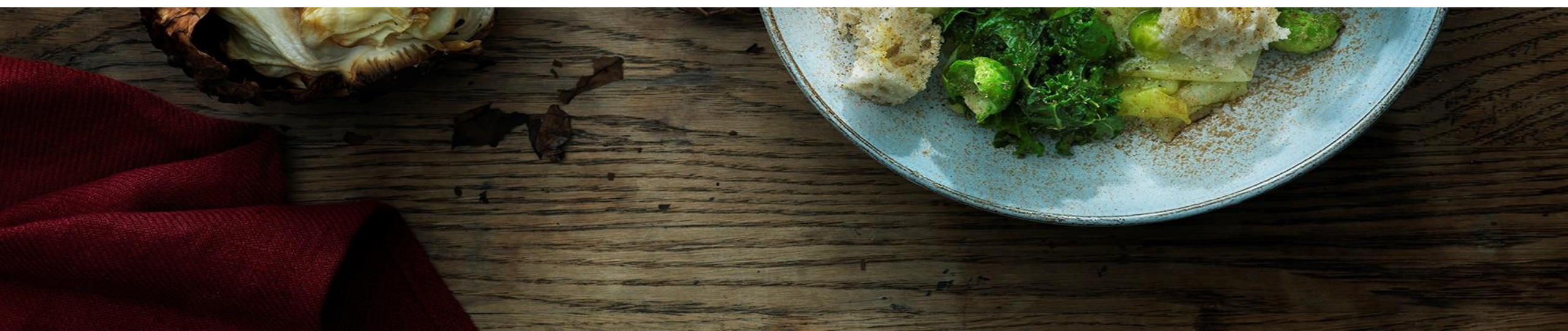
3. EBITDA and Cash before Net Sales

- Further cost savings
- Continued inventory focus over the year





Financial review
CFO Max Bokander



Financial Summary



MSEK	Q3 2023	Q3 2022	YTD 2023	YTD 2022
Net Sales	923	944	2 790	2 872
GM%*	25,7	23,6	26,1	24,5
EBITDA*	58	50	157	146
EBITDA%*	6,3	5,3	5,6	5,1
IAC**	-9	-478	-28	-484
Net financing costs	-20	-15	-49	-37
Net tax costs	-7	5	-17	10
Net result	-18	-478	-56	-486
Free Cashflow	80	22	164	60

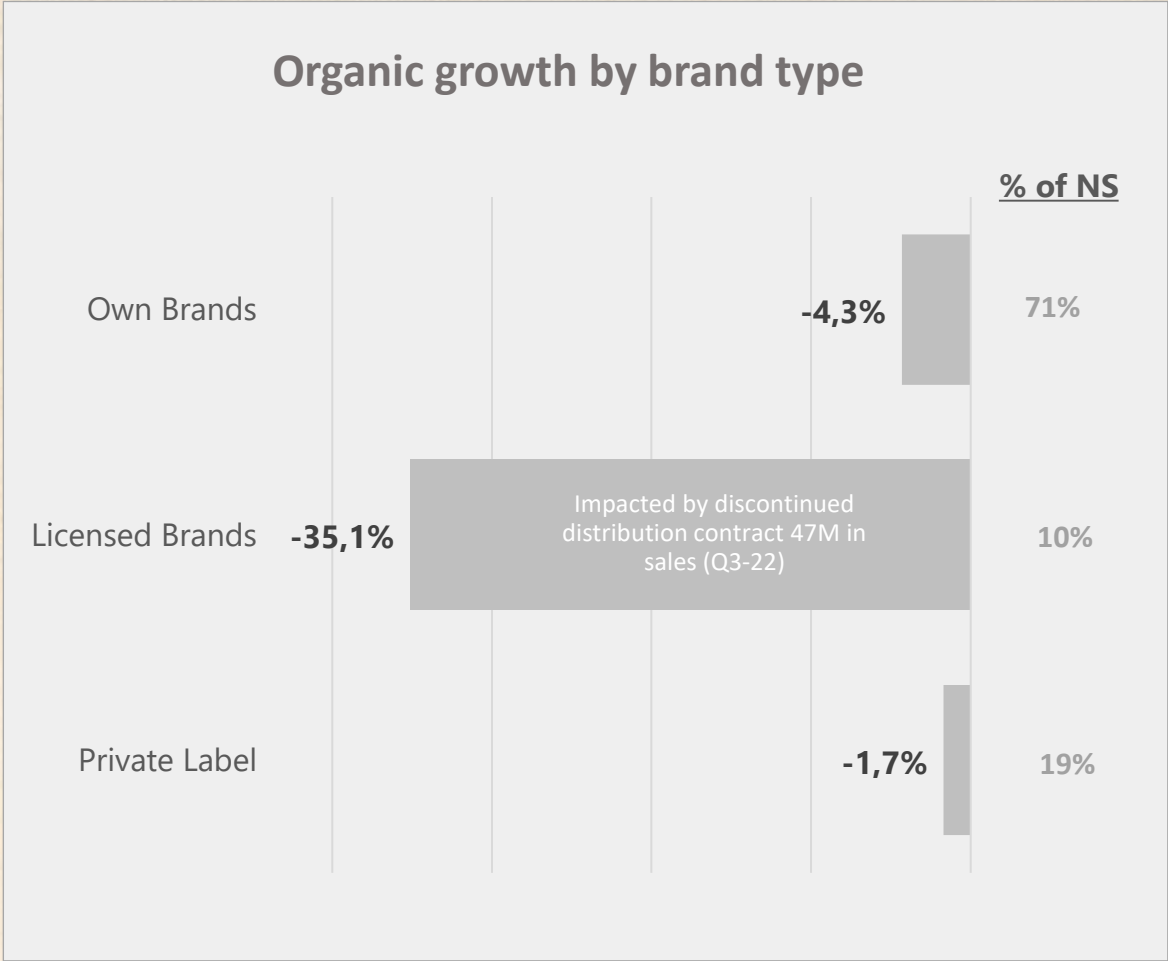
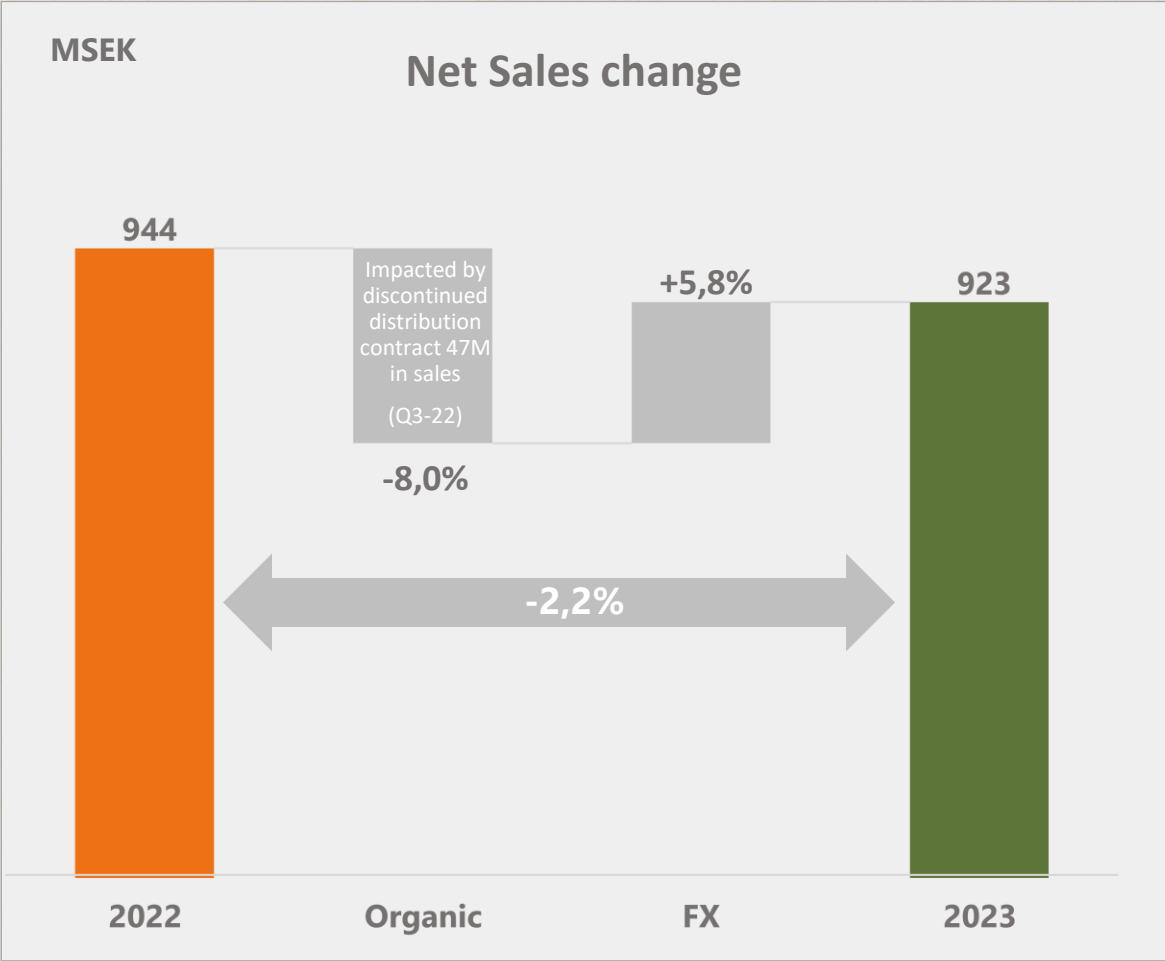
Comments QTD

- Net Sales -2,2%
- GM +2,1 p.p.
- EBITDA* +8M
- IAC; QTD restructuring cost gM mainly linked to restructuring Danish organization
- 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.

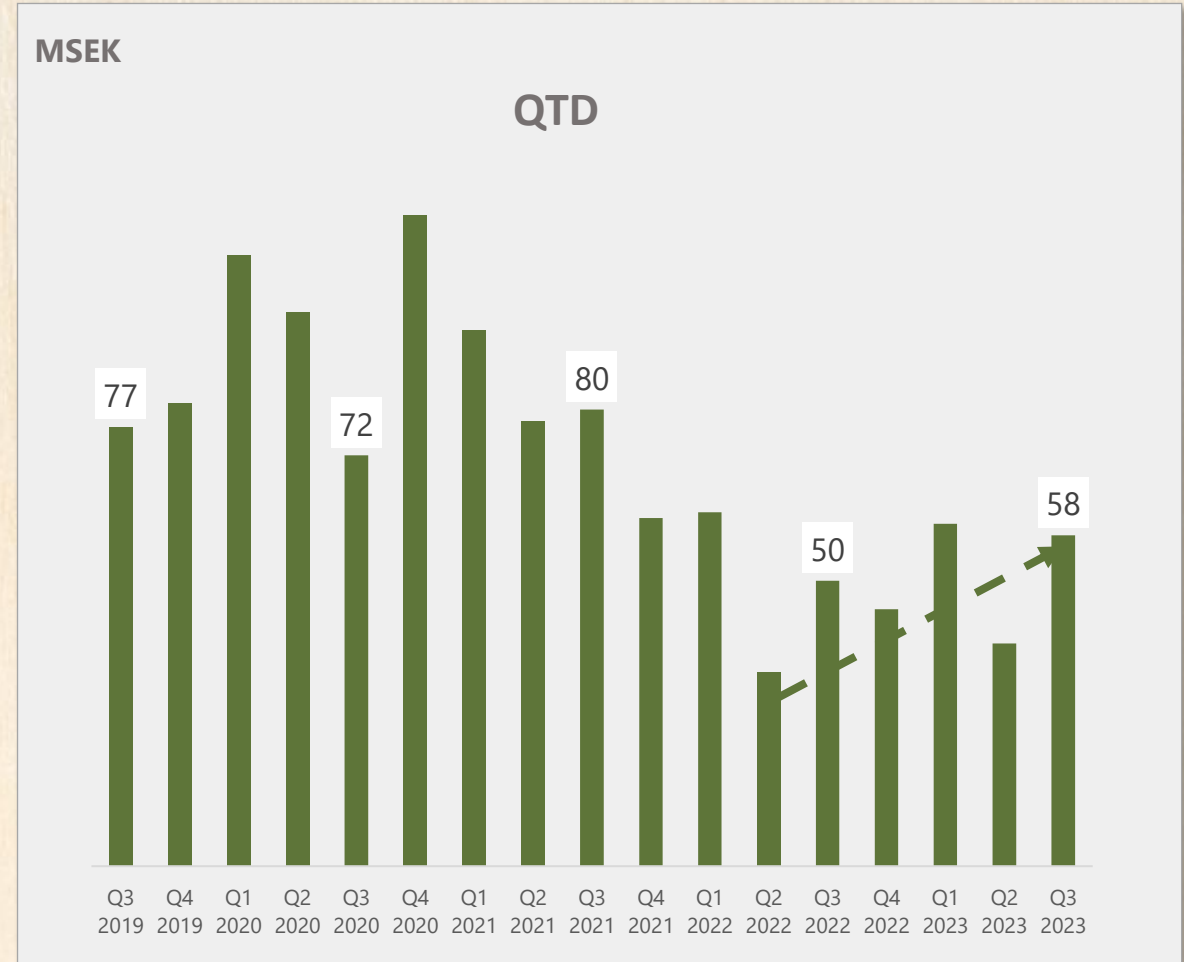
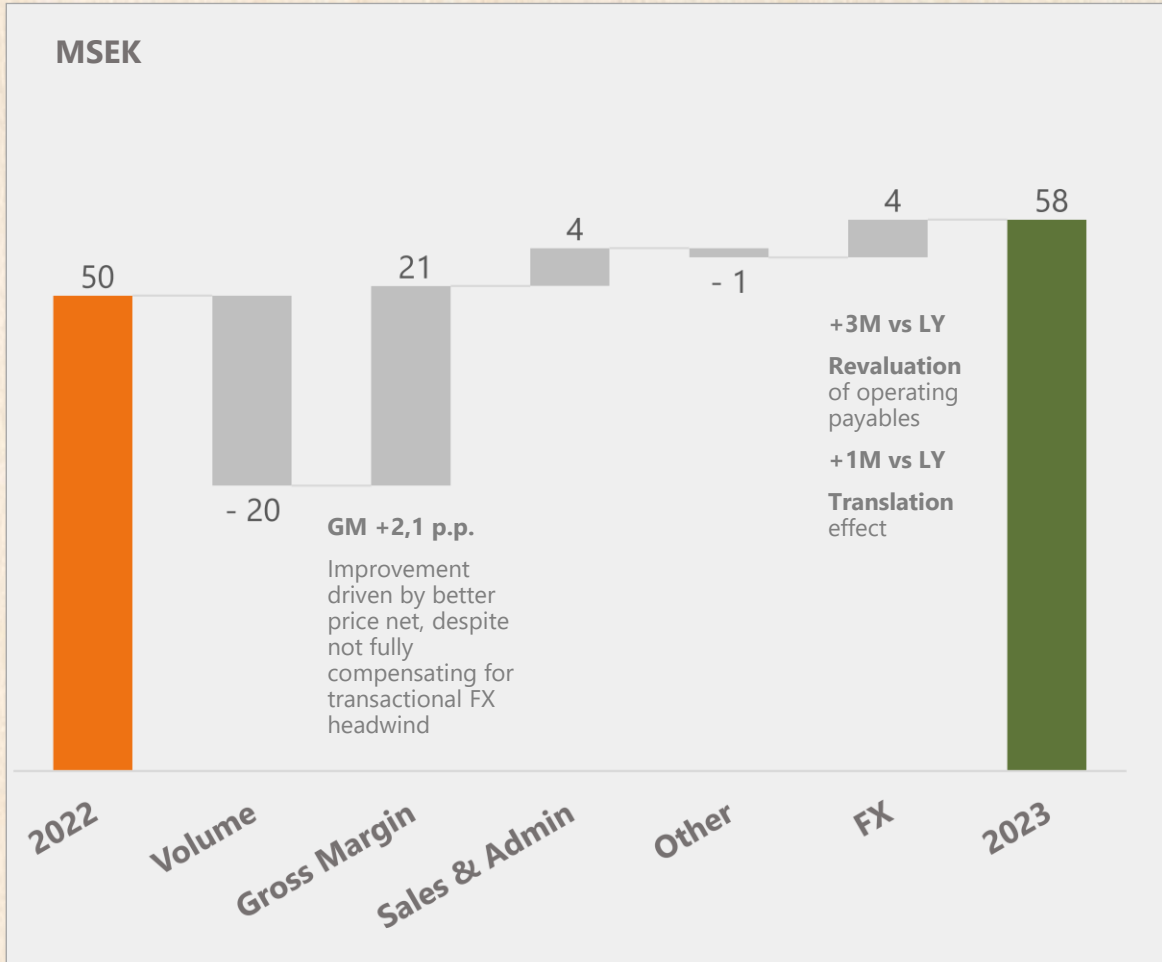
* Before Items Affecting Comparability

** IAC including one off costs for impairment if applicable

Q3 - Net sales

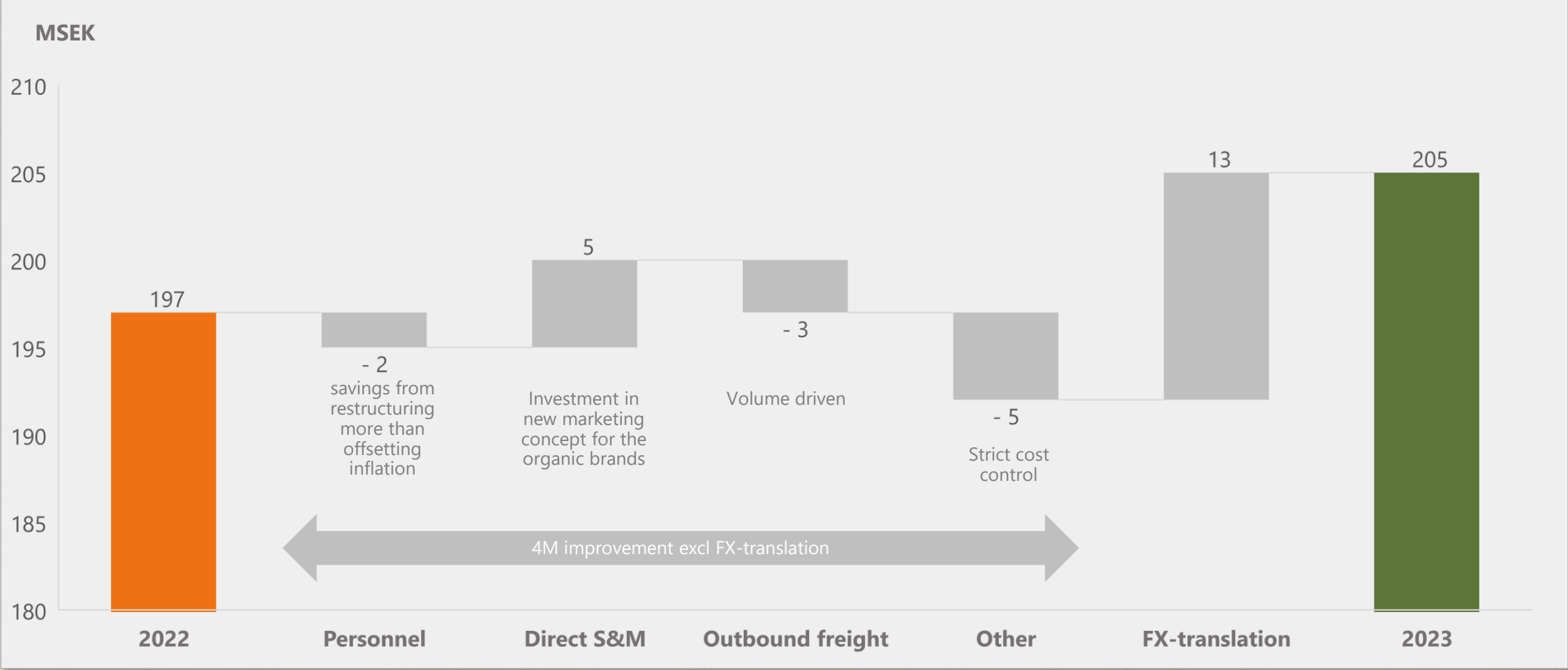


Q3 - EBITDA *



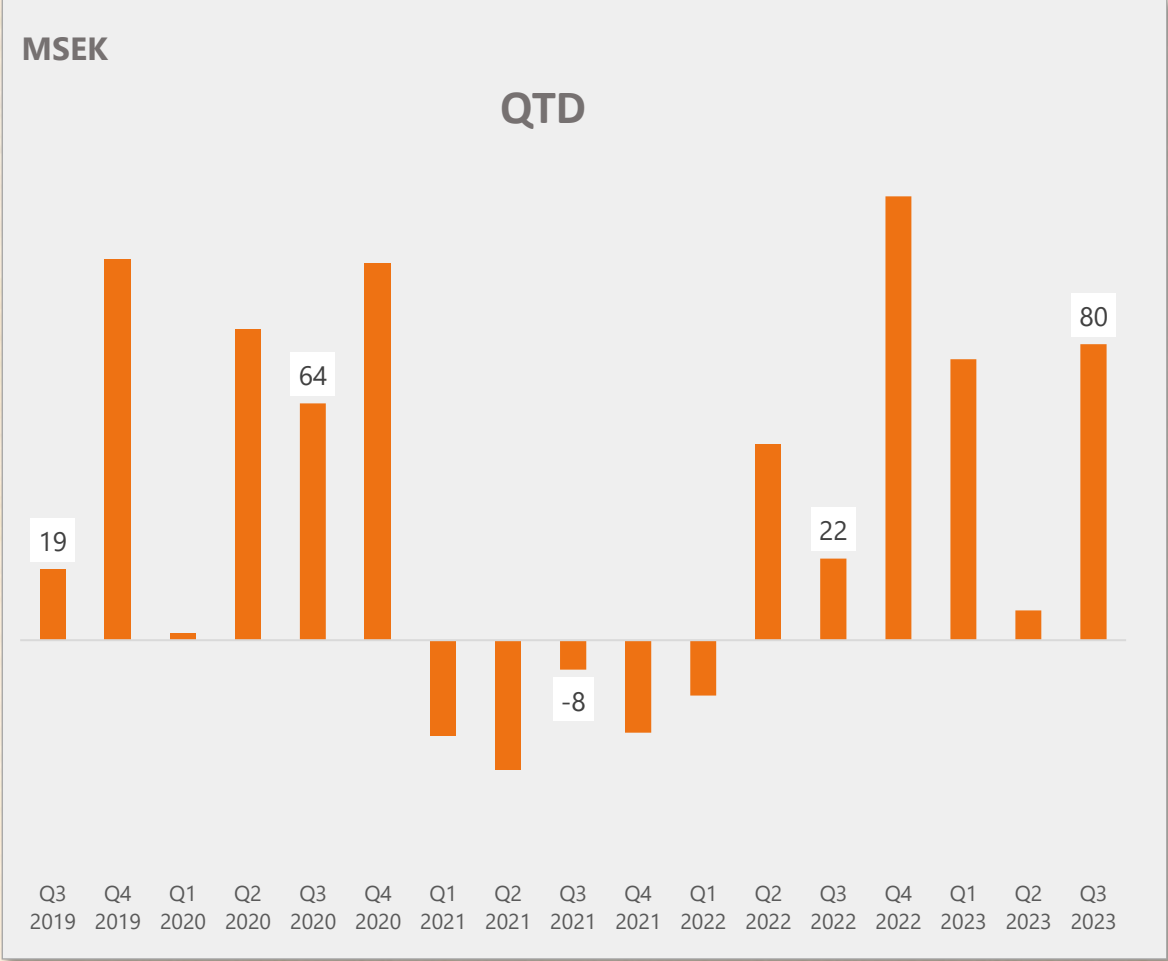
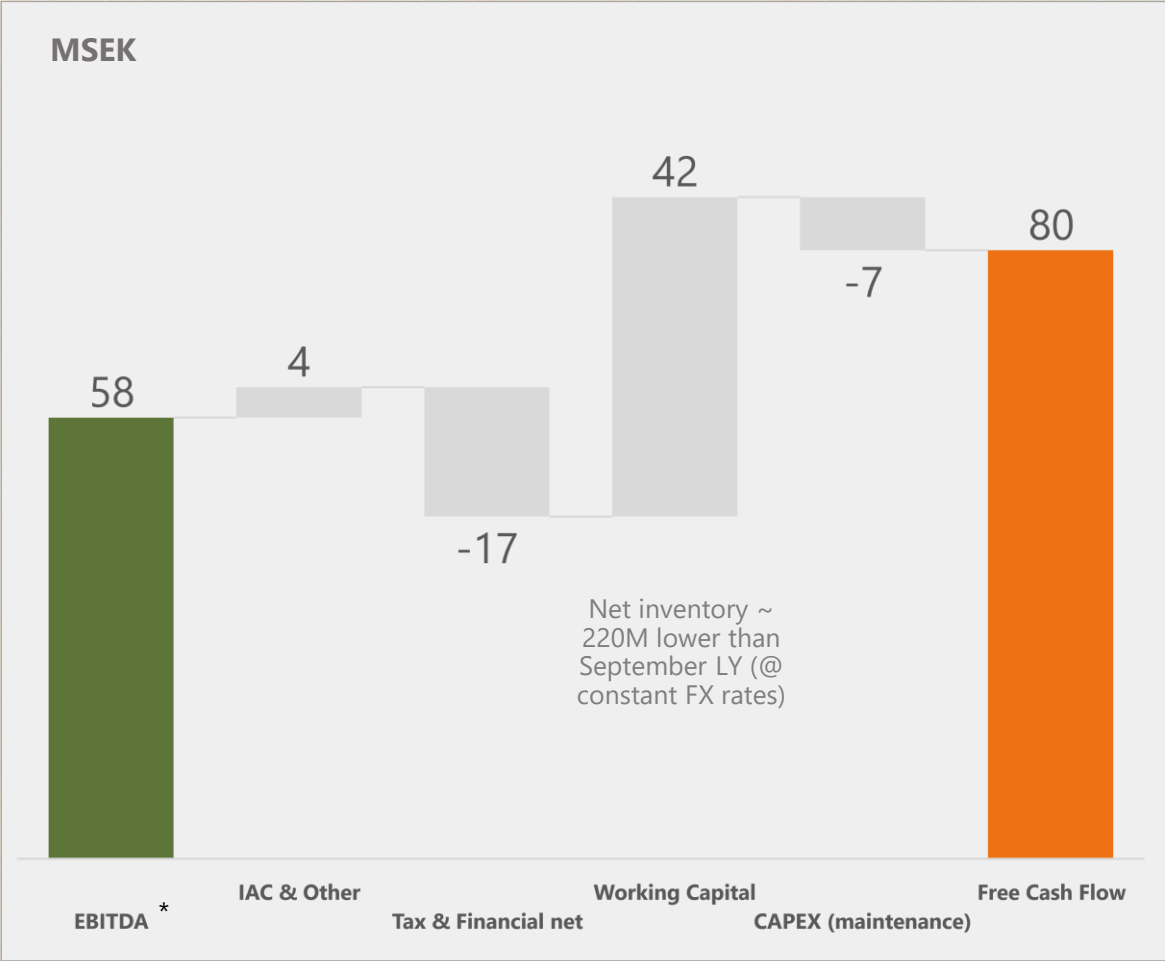
* Before Items Affecting Comparability

Q3 - Sales, Marketing & Admin Expenses*



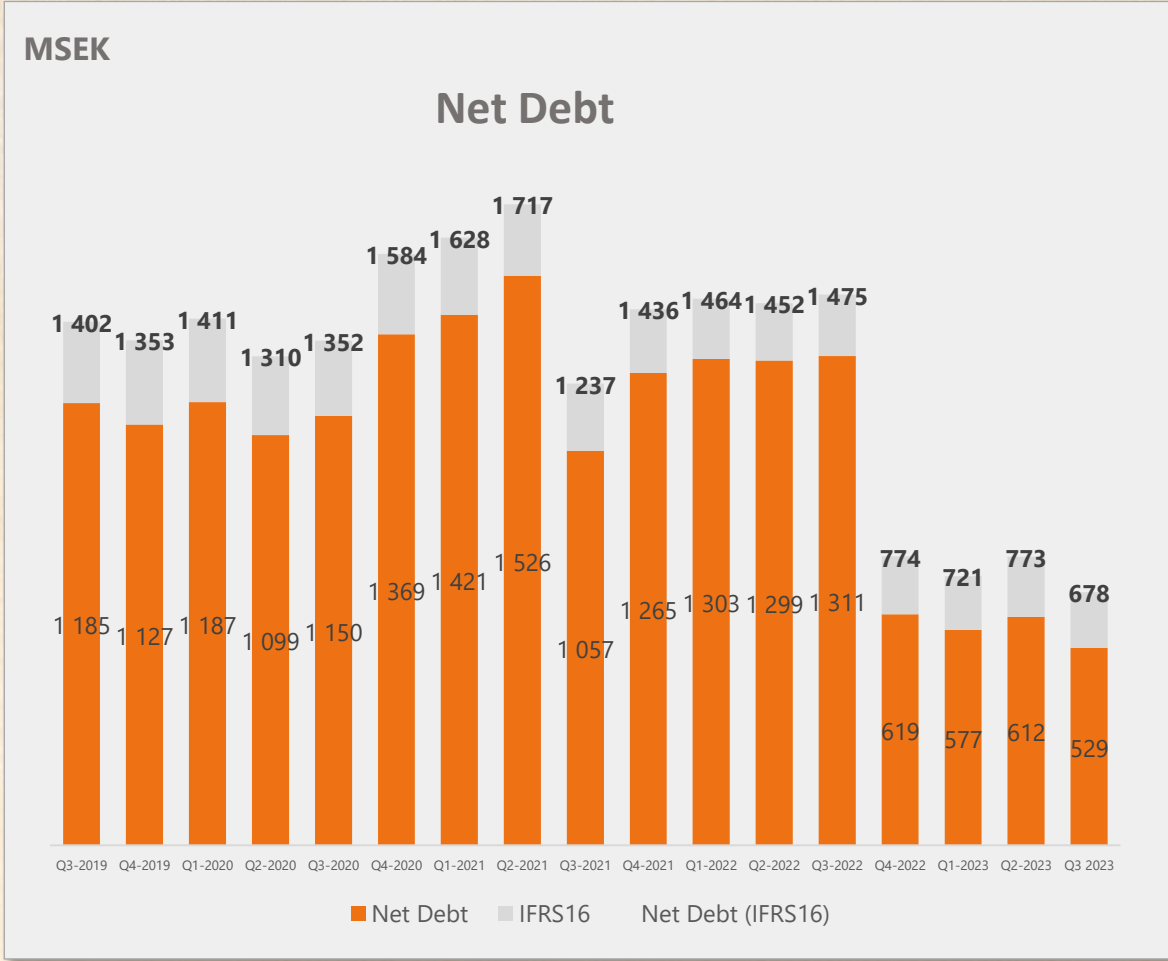
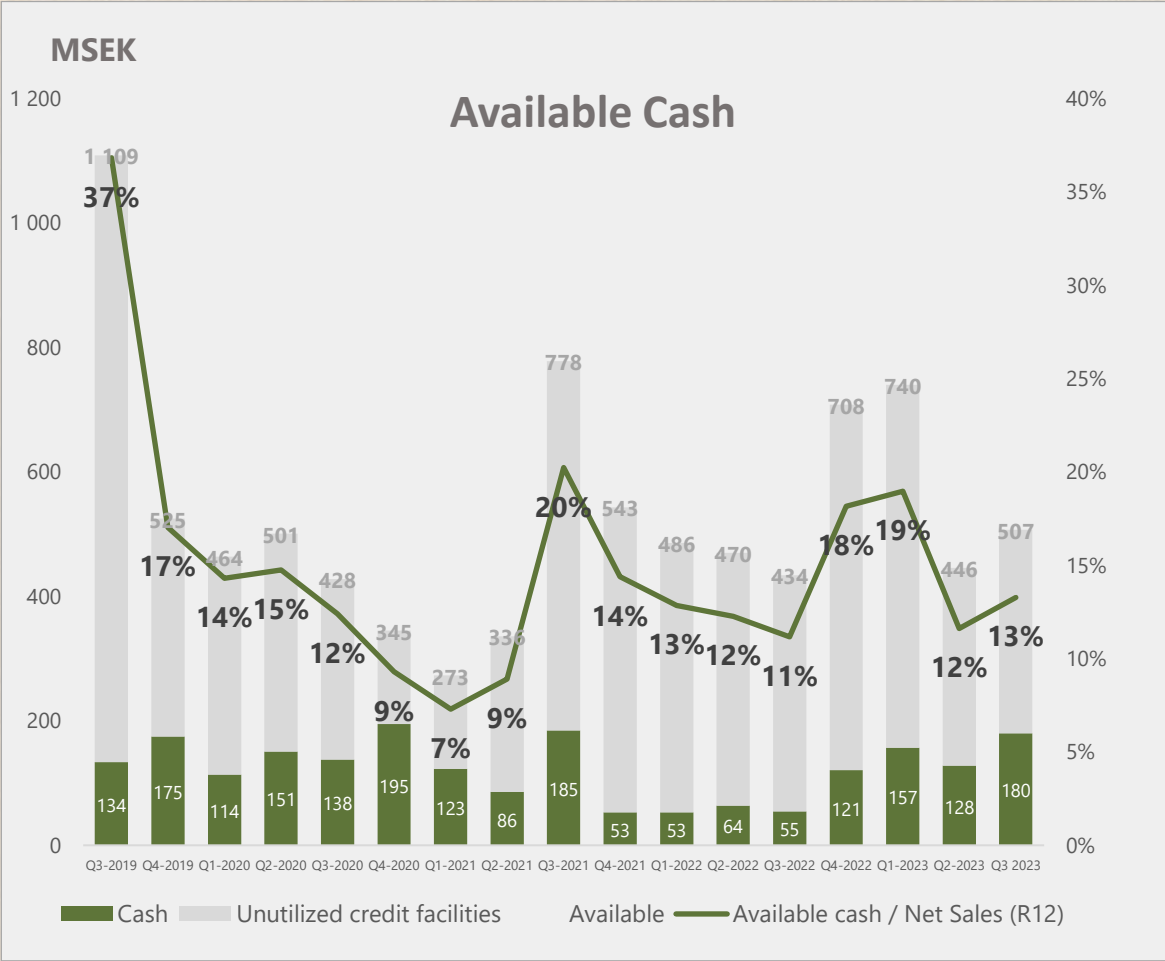
* Before Items Affecting Comparability and excluding depreciation

Q3 - 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

- Improvement in quarter 3
 - Improved EBITDA
 - Strong Cash Flow
- Drive profitable sales
 - Getting key brands back on the growth track
 - Secure profitable Private Label contracts
- Continued cost savings
- Complexity reduction



