



# Midsona presentation, Q2 2021

CEO Peter Åsberg and CFO Max Bokander







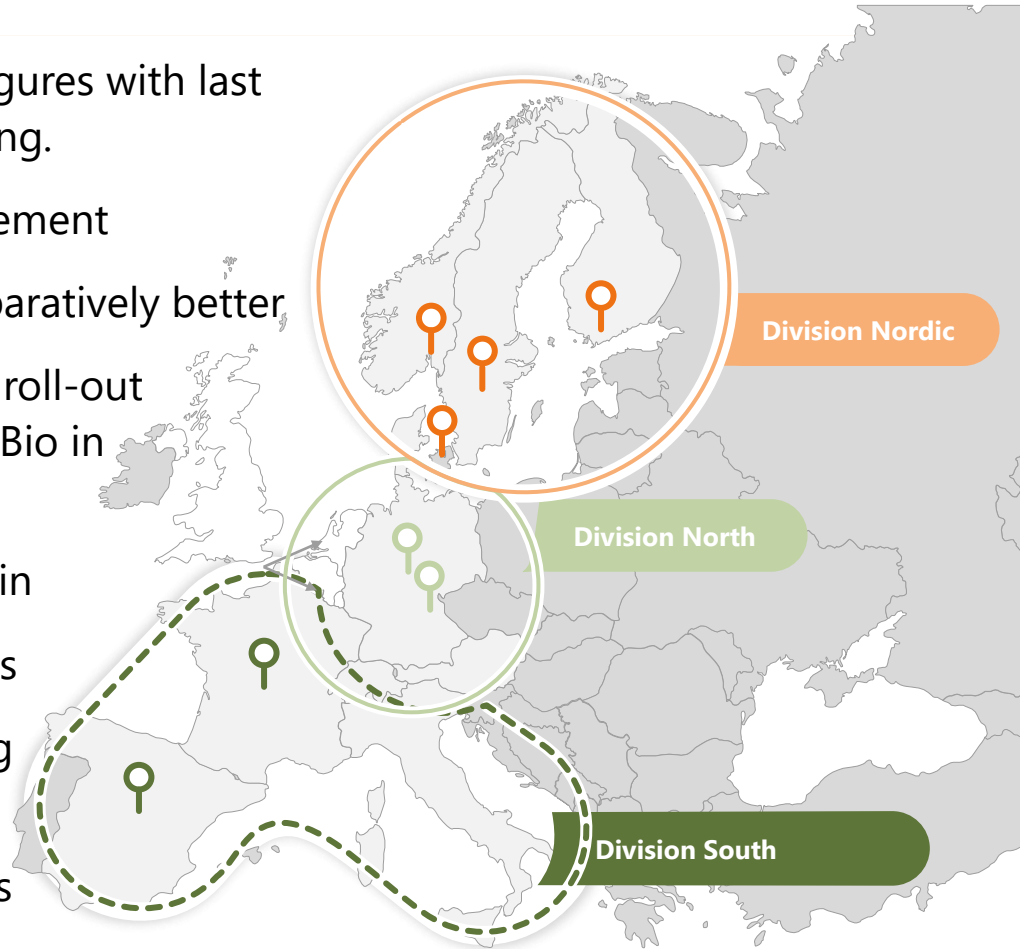
## Highlights CEO Peter Åsberg



# Key developments Q2

## Summary

- Tough comparative figures with last year's product hoarding.
- Gradual sales improvement
- Own brands do comparatively better
- Continued successful roll-out of Davert and Happy Bio in the grocery trade
- Improved gross margin
- Food service improves
- Stepped up marketing investment
- Unfavorable Fx effects



- **Nordic**
  - Growth own brands
  - Weak development for organic brands
  - New launches

- **North**
  - Growth own brands
  - Service level issues

- **South**
  - Growth Happy Bio
  - Service level issues

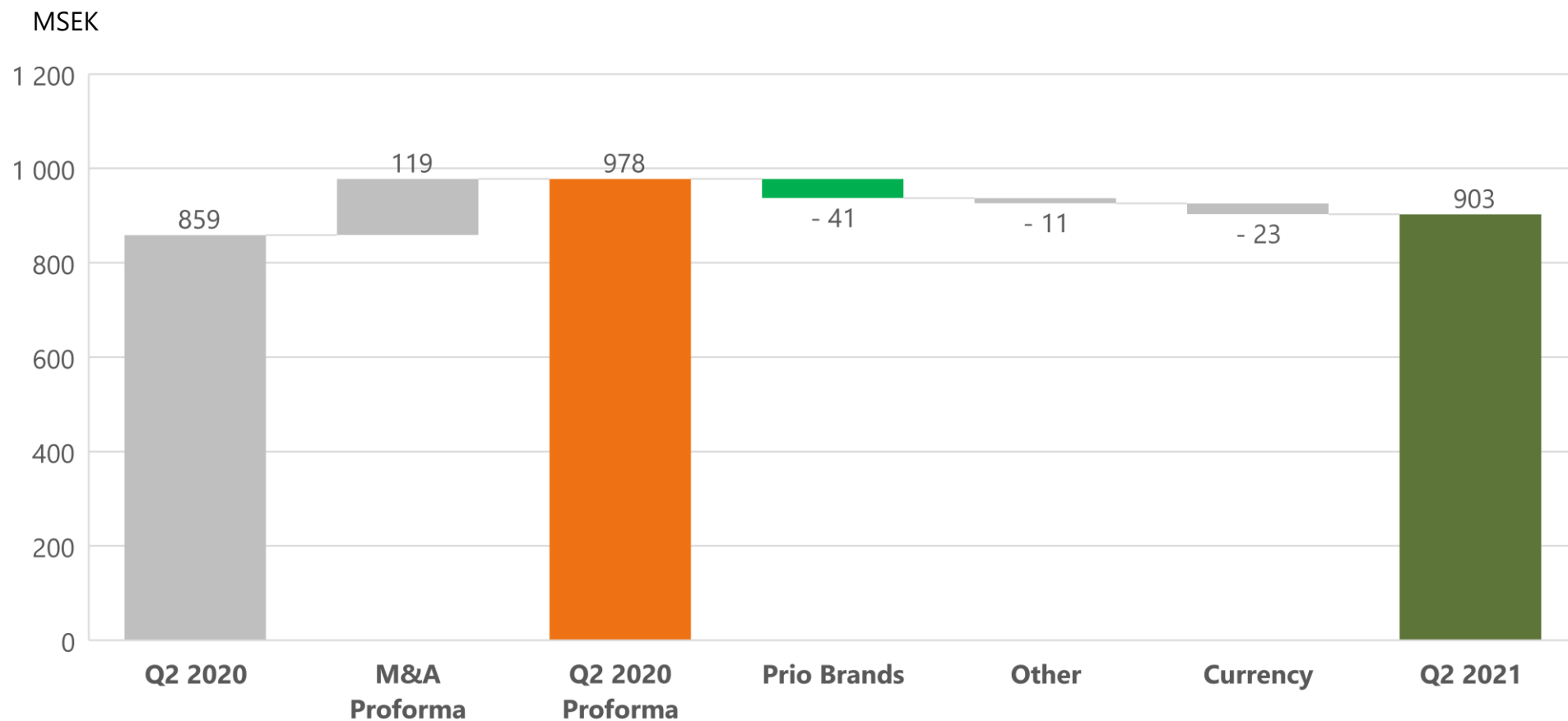


## Q2 Highlights

Net sales amounted to:	903 MSEK (859)
EBITDA before one off items amounted to:	78 MSEK (97)
Corresponding EBITDA-margin amounted to:	8,6% (11,3)
Net result amounted to	24 MSEK (40)
Free Cashflow amounted to:	-35 MSEK (84)



# Revenue development Q2



# Organic growth by channel

## Food Service benefit from society opening after lockdown



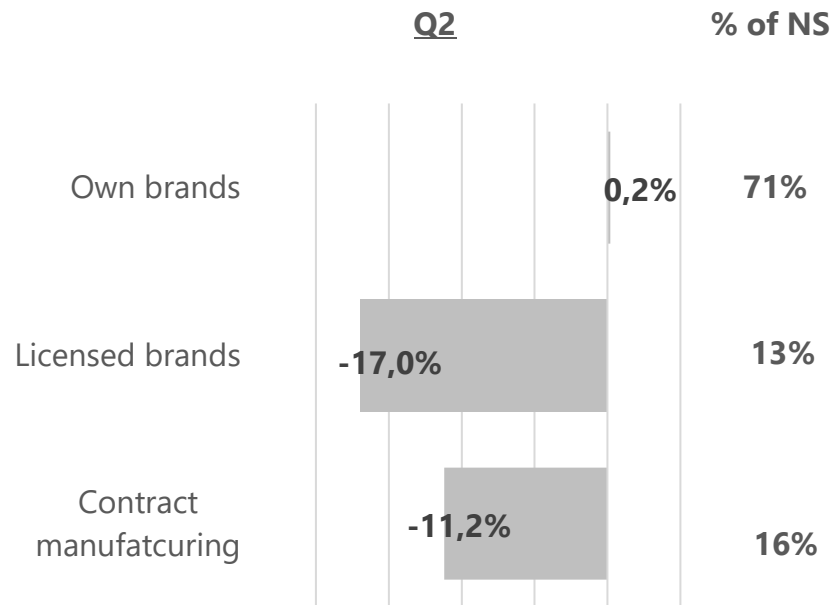
### Highlights Q2

- LY strong sales in Grocery trade and Health food stores due to hoarding and increased household consumption were challenging to match
- Bounce back for food service and pharmacies

\* Includes other sales channels

# Organic growth by sales type

**Our core business, i.e. own brands grow**



## Highlights Q2

- Own brands grow despite hoarding last year
- Licensed brands decline. Stopped low margin contracts.
- Decline in contract manufacturing as we cycle hoarding effect from last year

# Roll-out in the grocery trade in Europe continued

Continued investment and roll-out for Davert and Happy Bio in the grocery trade





# Mivitotal launches

## Broadening of Mivitotal to tablets



### Mivitotal

- Traditionally liquid multivitamins
- Launched a range of in total 10 new products
- Good listings in Sweden and Finland

# Eskio-3 relaunch

## New design and product offering



## Eskio-3

- Design update
- New products
- New marketing concept

# Midsona's ambitious climate targets approved

## New greenhouse gas emission reduction targets

- Midsona has been actively been working with emission reduction since 2019 and sustainability is an important part of our strategy
- During 2020 we adopted new ambitious climate targets and committed to:
  - reduce absolute scope 1 and 2 GHG emissions 38% by 2034 from a 2019 base year
  - reduce absolute scope 3 GHG emissions 38% within the same timeframe
- Our climate targets have now been approved by SBTi







## Financial review CFO Max Bokander



# Financial executive summary – Q2 2021

## Structural growth with improved Gross Margin

MSEK	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Net Sales	903	859	1 868	1 805
GM%*	28,3	27,9	28,4	28,5
EBITDA*	78	97	172	204
EBITDA%*	8,6	11,3	9,2	11,3
D&A*	-39	-35	-77	-71
IAC	3	11	1	11
Net financing costs	-12	-21	-23	-31
Net tax costs	-6	-12	-16	-26
<b>Net result</b>	<b>24</b>	<b>40</b>	<b>57</b>	<b>87</b>
Earnings per share	0,37	0,62	0,88	1,34
<b>Free Cashflow</b>	<b>-35</b>	<b>84</b>	<b>-61</b>	<b>86</b>

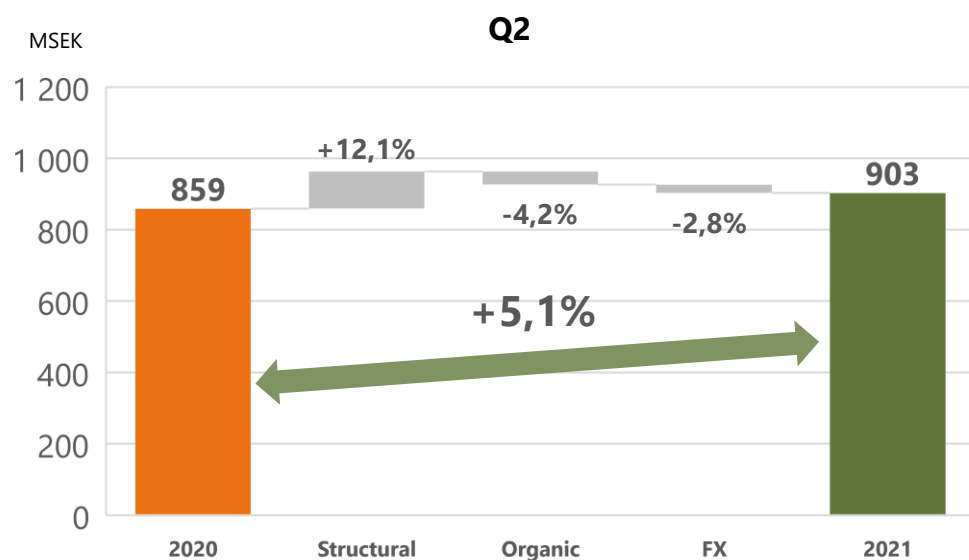
## Highlights Q2

- Net Sale growth of 5,1%,  
– but with 4,2% organic decline
- Improved Gross Margin mainly from favorable mix
- Lower EBITDA vs. LY; higher investment in Sales & Marketing, additionally LY included a positive X-rate revaluation effect
- Free Cashflow impacted by seasonal build of inventory and timing of payments

\* Before Items Affecting Comparability (IAC)

# Net sales development

**Structural growth off-setting last year positive hoarding effects during April LY**



## Highlights Q2

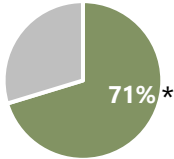
- Structural growth
  - System Frugt added
- Organic decline
  - LY strong sales in April due to hoarding and increased household consumption were challenging to match

## Structural effects

System Frugt included from Q4-20

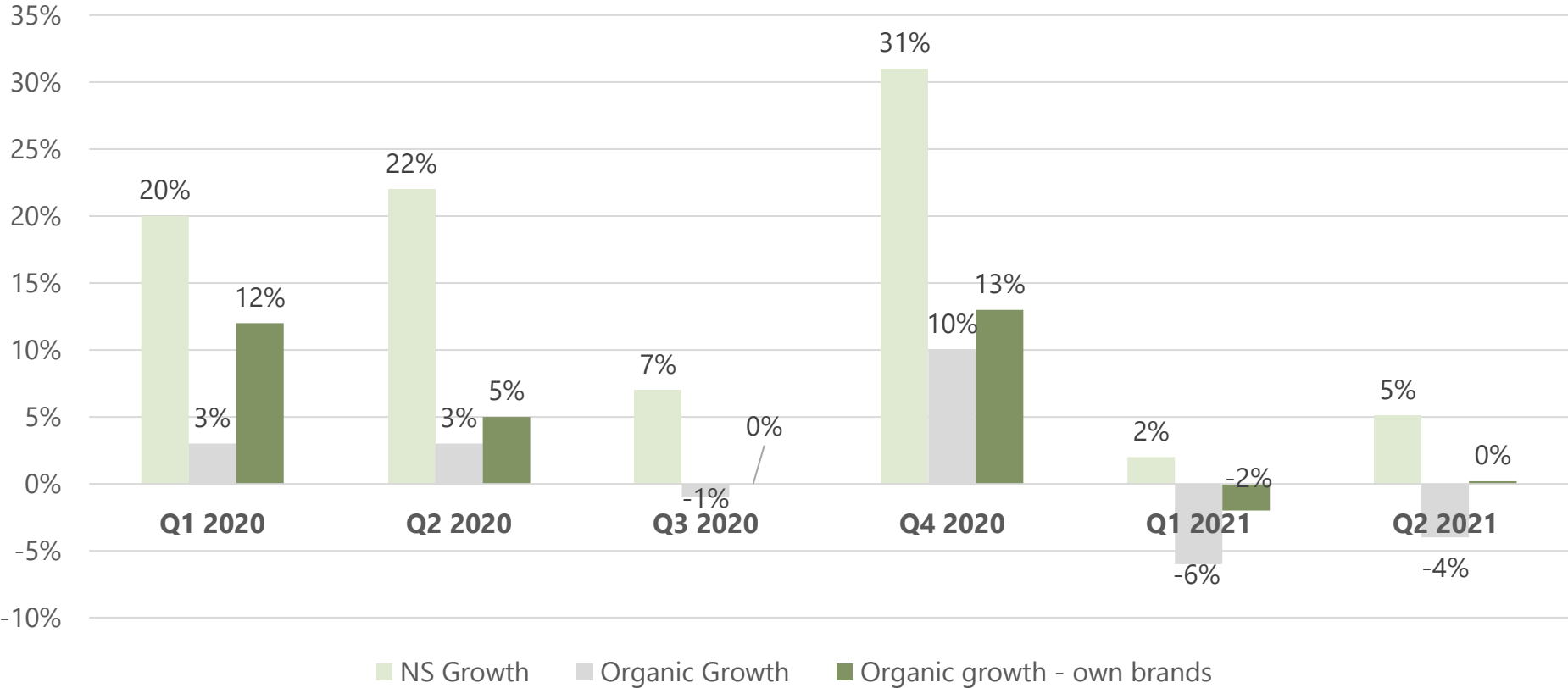


# Net Sales development

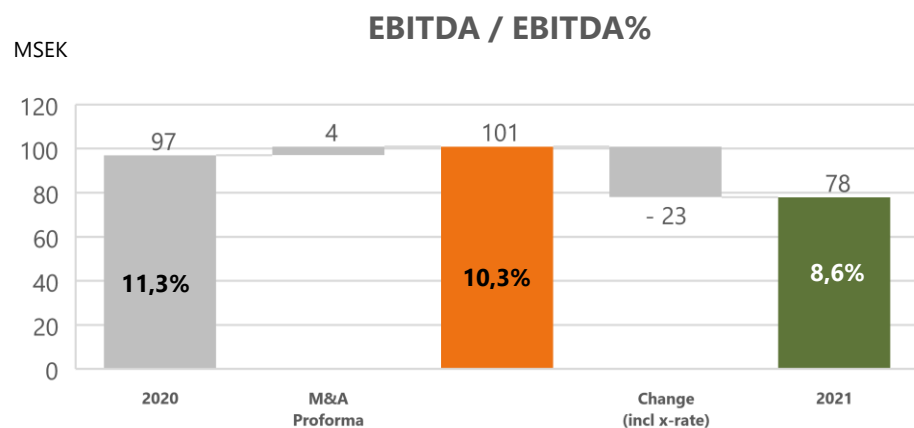
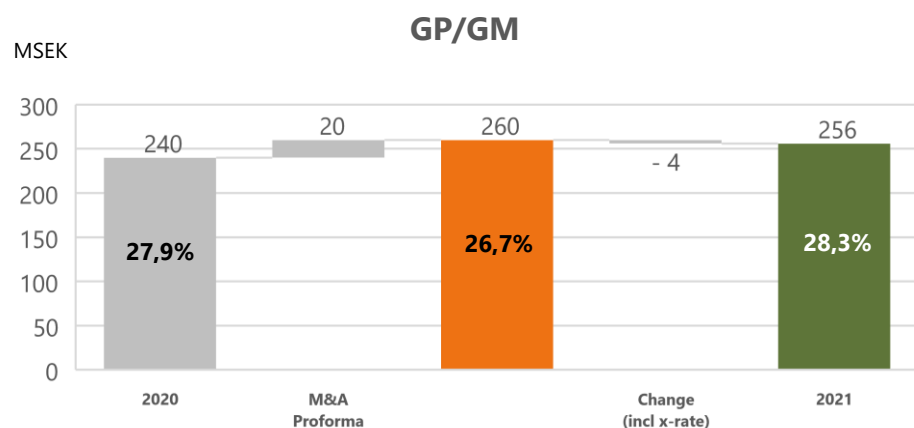


## Net Sales of own brands continue to develop better than total

■ Own Brands ■ Other  
\* Q2-2021



# GP and EBITDA development - Q2 2021



Note! numbers presented on this slide are excluding IAC

## Highlights – Q2

GM improved with 1,6 p.p. vs Proforma LY

- driven by favorable mix, selective price increases and a favorable transactional exchange rate effects

## EBITDA vs LY Proforma

- 4M Lower GP from lower volumes
- 12 M higher investment in S&M
- LY incl. 8M positive x-rate revaluation
- The integration of System Frugt was completed 1<sup>st</sup> of June
  - The realized synergies during the quarter (5M) was to a large extent offset by the integration costs during the quarter

# Nordics – Q2

## Improved Gross Margin

MSEK	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Net Sales	606	524	1 265	1 130
GM%*	32,2	31,6	32,0	32,4
EBITDA*	56	64	129	136
EBITDA%*	9,3	12,3	10,2	12,0



## Highlights

- Net Sales growth of 15,7%
  - Currency translation -1,5%
  - Structural growth of 19,8%
  - Organic decline of 2,6%
    - LY strong sales in Grocery Trade were challenging to match
- EBITDA vs LY (-8M)
  - Deviation mainly explained by higher investment in direct S&M, positive currency item LY (8M)

\* Before IAC



# North Europe – Q2

## Struggling with service level due to disruption in supply chain

MSEK	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Net Sales	204	227	428	472
GM%*	18,9	20,8	18,9	20,3
EBITDA*	19	24	37	50
EBITDA%*	9,2	10,7	8,7	10,6



## Highlights

- Net Sales decline of 10,2%
  - Currency translation -4,5%
  - Organic decline of 5,7%
    - LY strong sales in Grocery Trade and Health food stores were challenging to match
- EBITDA vs LY
  - Driven by weaker GP from lower volumes

\* Before IAC

# South Europe - Q2

## Continued growth with Happy Bio

MSEK	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Net Sales	100	114	197	217
GM%*	23,4	24,2	23,8	24,7
EBITDA*	10	16	9	31
EBITDA%*	10,0	13,9	9,7	14,1



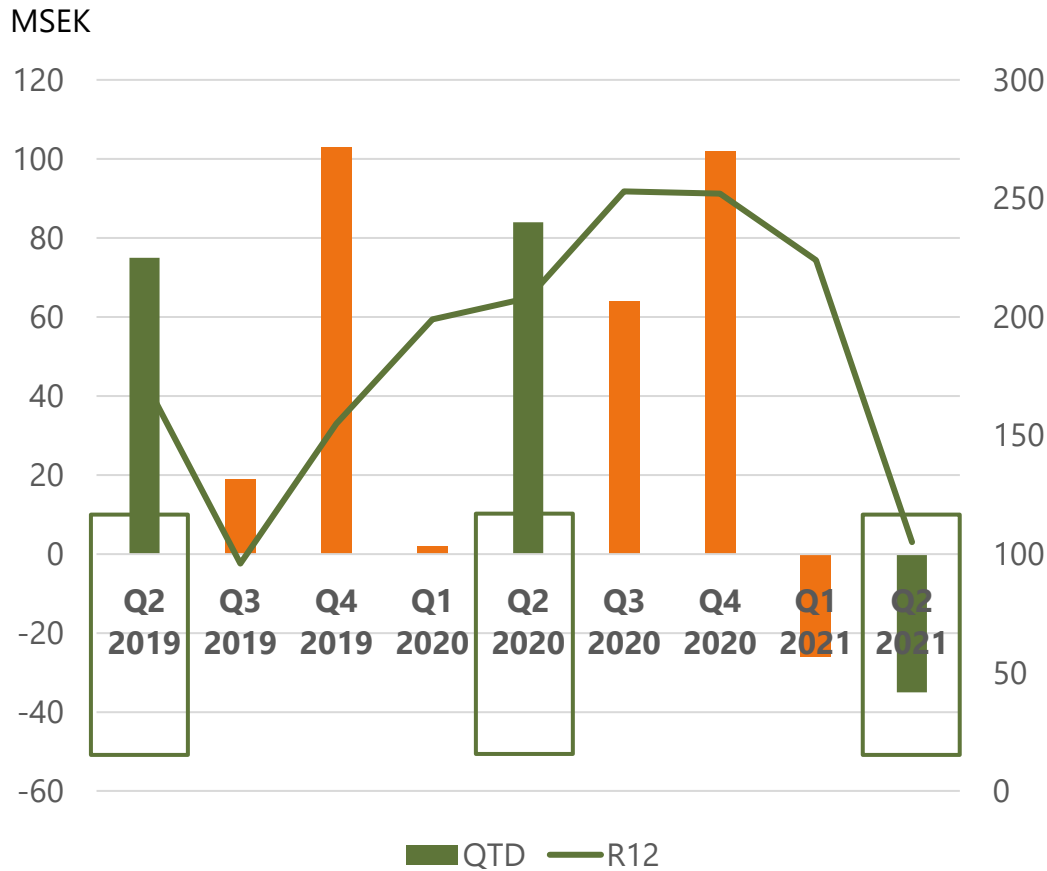
## Highlights

- Net Sales decline of 12,1%
  - Currency translation -4,4%
  - Organic decline of 7,7%
    - LY strong sales in Grocery Trade and Health food stores were challenging to match
- EBITDA vs LY
  - Decreased due to lower volumes and the same time higher structural costs

\* Before IAC

# Free Cash Flow

## Free cashflow impacted by System Frugt



### Q2

- System Frugt business deliver limited EBITDA at the same time as building inventory for high season during Q4
- This quarter was additionally negatively impacted by timing of payments to supplier to improve supply chain disruption

### YTD

- Negatively impacted by discontinued factoring (67M)

## Summary and outlook

- Tough comparative figures at the beginning of 2021. April 2020 was the last hoarding month
- Successful roll-out of Davert (Germany) and Happy Bio (France & Spain) in the mass market
- Stepped-up marketing investment in q1 and q2
- M&A focus
- Easier comparative figures and back to more normal marketing spend in q3







# Q & A