



# Midsona presentation, Q1 2021

CEO Peter Åsberg and CFO Max Bokander







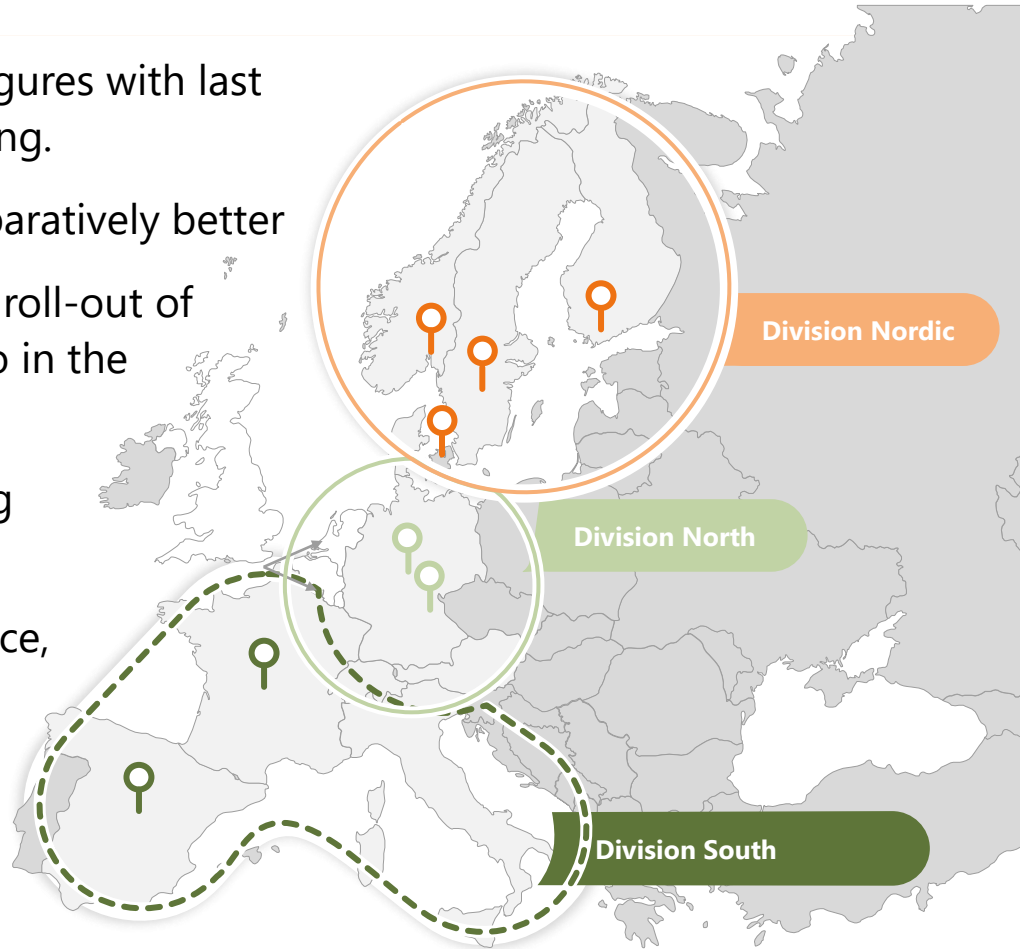
**Highlights**  
**CEO Peter Åsberg**



# Key developments Q1

## Summary

- Tough comparative figures with last year's product hoarding.
- Own brands do comparatively better
- Continued successful roll-out of Davert and Happy Bio in the grocery trade
- Stepped up marketing investment
- Declines in food service, private label and principal brands



- **Nordic**
  - Kung Markatta Sweden's greenest brand
  - Integration of System Frugt according to plan

- **North**
  - Double-digit growth for brand Davert driven by grocery trade roll-out

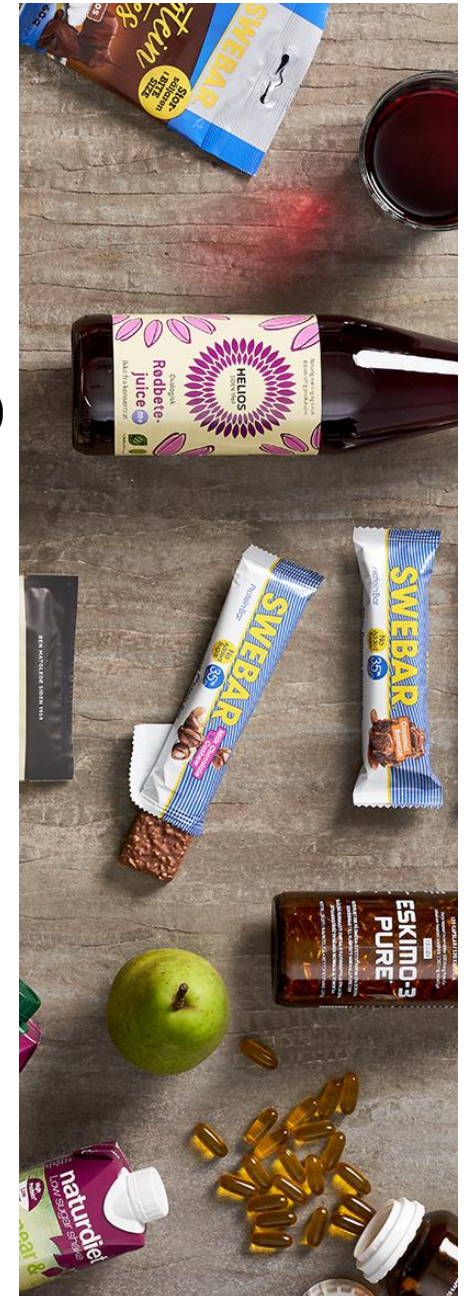
- **South**
  - Near triple-digit growth for happy Bio driven by grocery trade roll-out



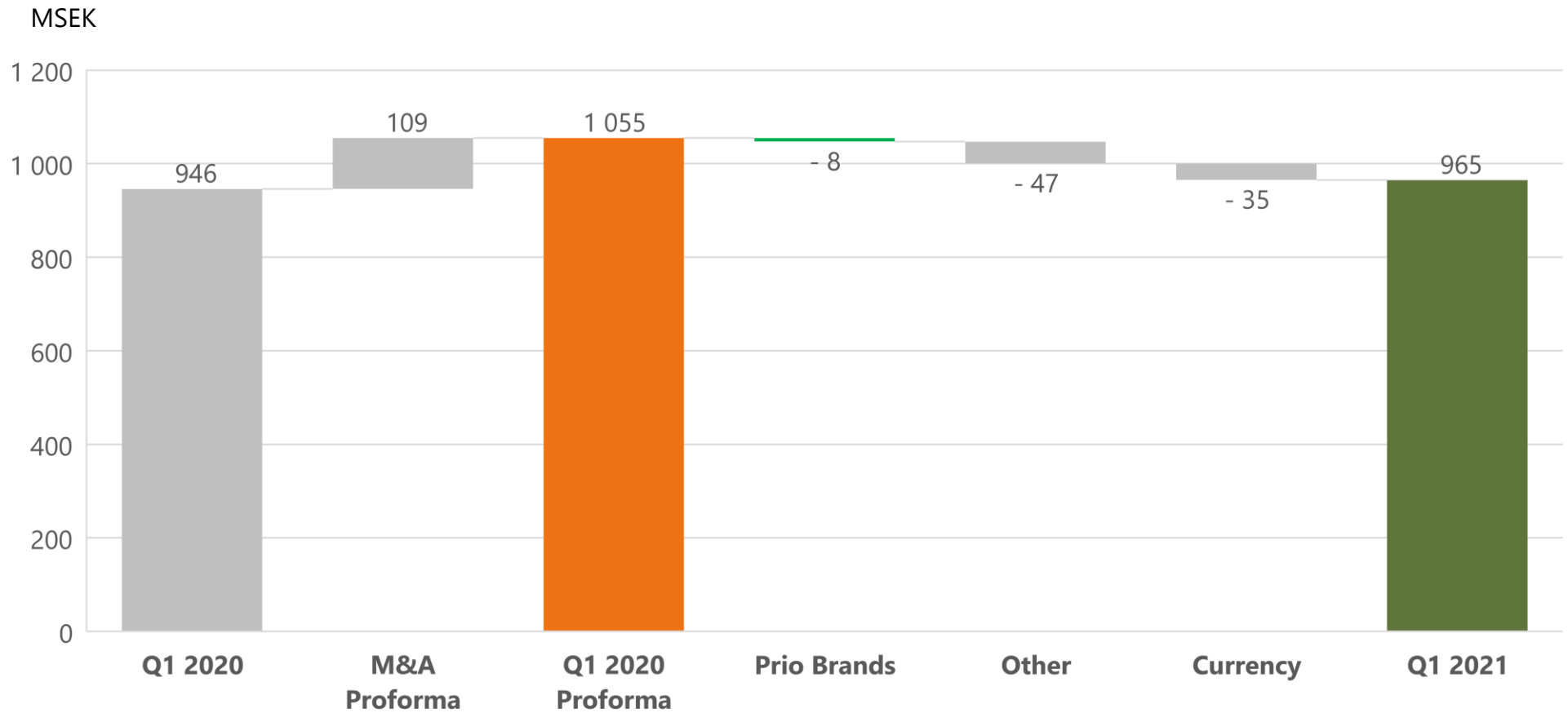
# Q1 Highlights

**Lower than last year but according to plan**

Net sales amounted to:	965 MSEK (946)
EBITDA before one off items amounted to:	94 MSEK (107)
Corresponding EBITDA-margin amounted to:	9,7% (11,3)
Net result amounted to	33 MSEK (47)
Free Cashflow amounted to:	-26 MSEK (2)

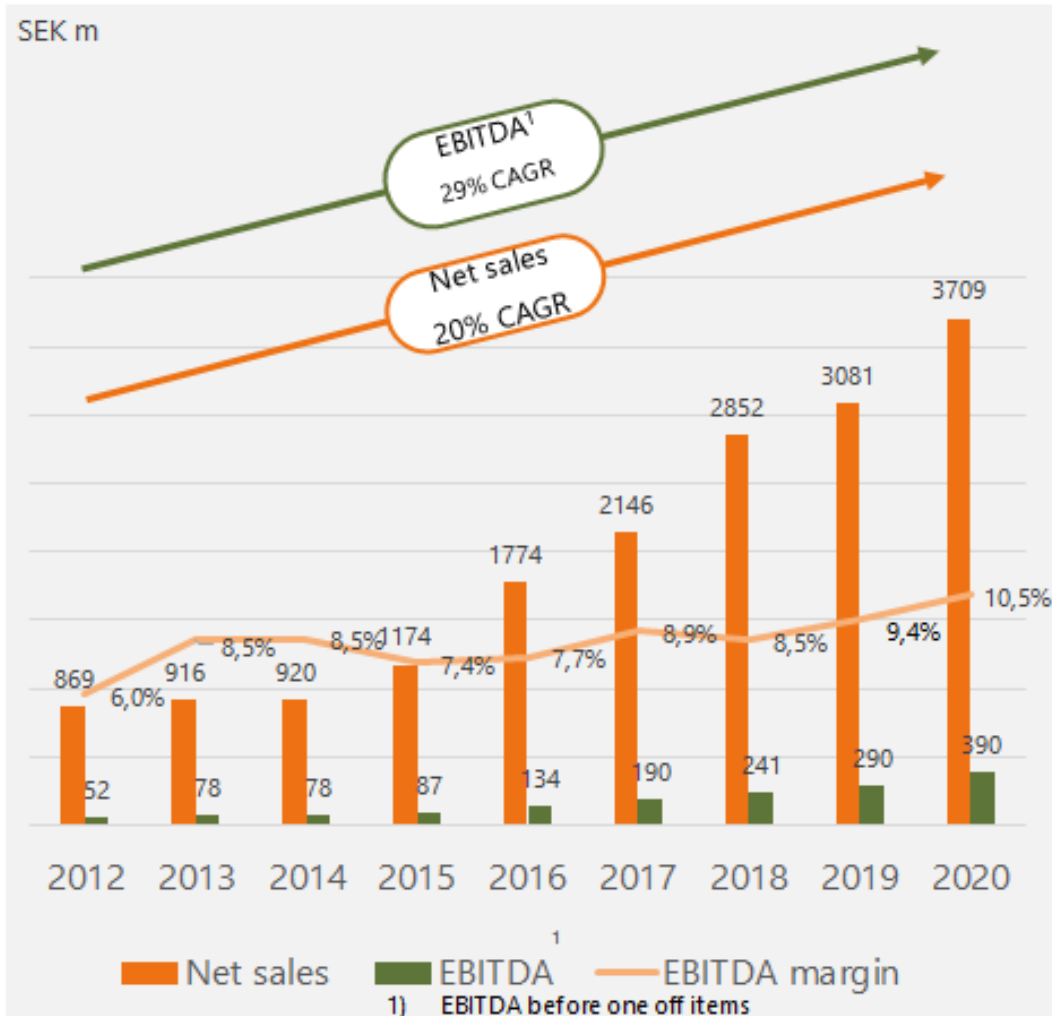


# Revenue development Q1



# Business model has delivered continuous growth

## Strong year-on-year growth



- **Net sales growth via:**

- Prioritized brands
- M&A

- **EBITDA ahead of net sales growth**

- M&A synergies
- Scale efficiencies

# Kung Markatta – Sweden’s greenest brand

## Continued brand building pays out

**KUNG MARKATTA**  
ALLTID EKOLOGISKT

Est. 2008  
**SVERIGES GRÖNASTE VARUMÄRKE**  
by Differ

*VI VANN!*

**Nu är blått den grönnaste färgen!**  
Våra hållbara och ekologiska produkter har varit gröna sedan 1983. Nu har Sveriges grönnaste konsumenter sagt sitt och utsett Kung Markatta till Sveriges grönnaste varumärke.  
Läs mer på [kungmarkatta.se](http://kungmarkatta.se)

**TACK!**

**midsone**  
Kung Markatta är en del av Midsone-koncernen





# Roll-out of Davert in the grocery trade

## Consumer take-off and stepped up marketing



1061 billboards





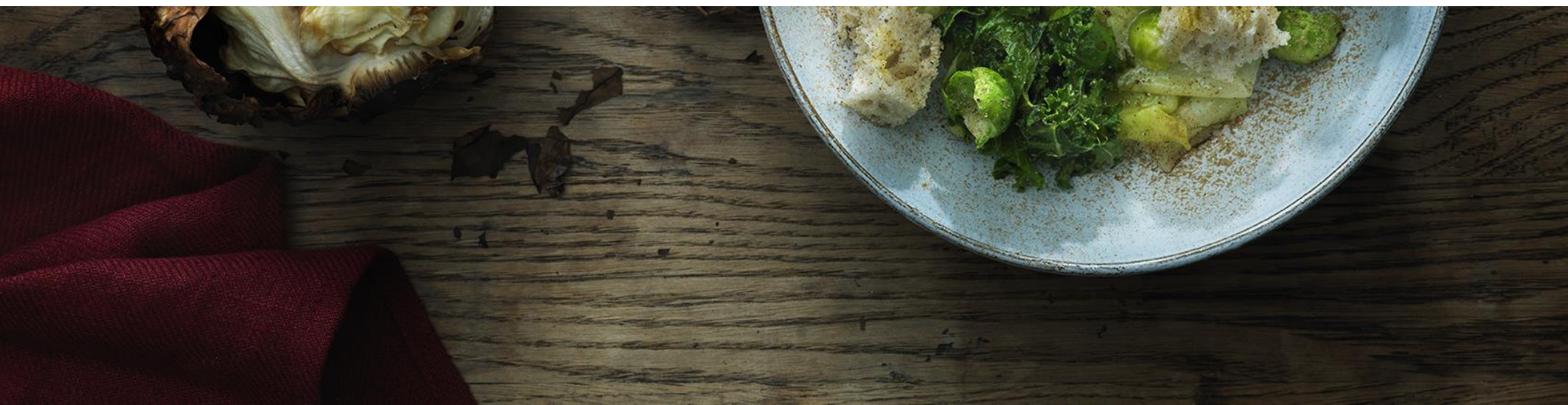
# Roll-out of Happy Bio

## New customers and innovation





**Financial review**  
**CFO Max Bokander**





# Financial executive summary - Q1 2021

## Stable profitability with structural growth

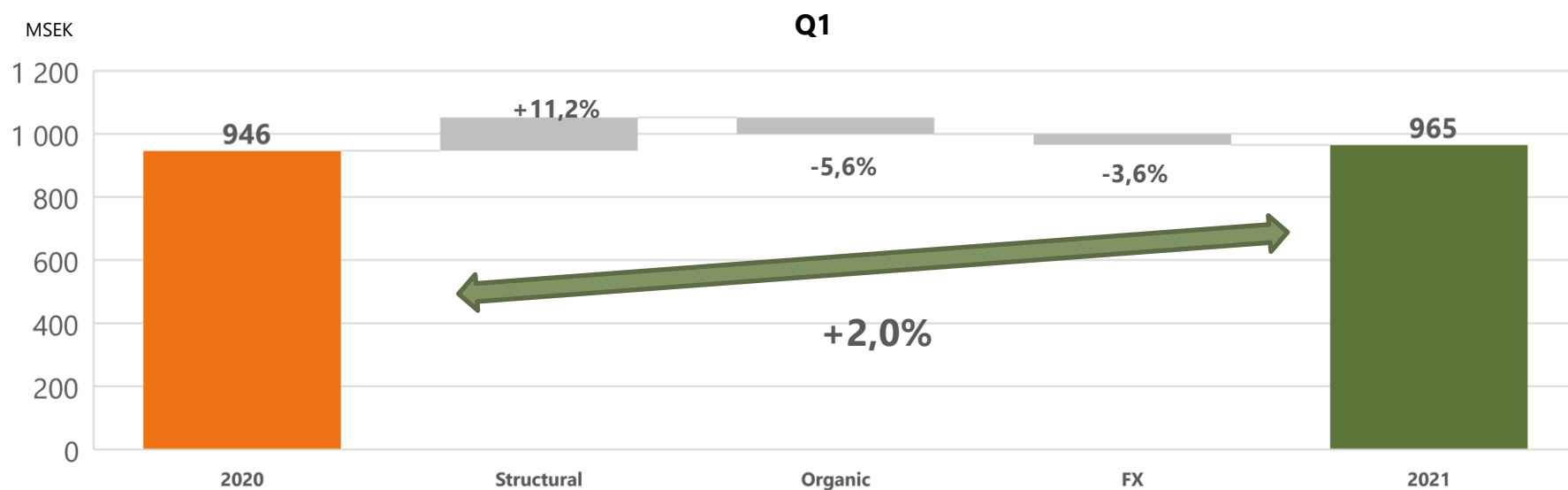
MSEK	Q1 2021	Q1 2020
<b>Net Sales</b>	<b>965</b>	<b>946</b>
GP% (before one off items)	28,5	29,1
<b>EBITDA</b> (before one off items)	<b>94</b>	<b>107</b>
<b>EBITDA%</b> (before one off items)	<b>9,7</b>	<b>11,3</b>
One off items	-2	0
D&A	-38	-36
Net financing costs	-11	-10
Income tax expenses	-10	-14
<b>Net result</b>	<b>33</b>	<b>47</b>
Earnings per share	0,50	0,72
<b>Free Cashflow</b>	<b>-26</b>	<b>2</b>

### Highlights Q1

- Net Sale growth at 2,0%, but with organic decline at 5,6%. Net Sales of own brands continue to develop better than net sales of other products.
- Gross Margin impacted by System Frugt which has a gross margin in the lower range of 20–30%
- Lower EBITDA vs LY from lower volumes, partly compensated by favorable mix, synergies and favorable x-rate
- Free Cashflow impacted by termination of a factoring agreement at System Frugt

# Net sales – Q1 2021

**Structural growth offsetting last year positive hoarding effects**



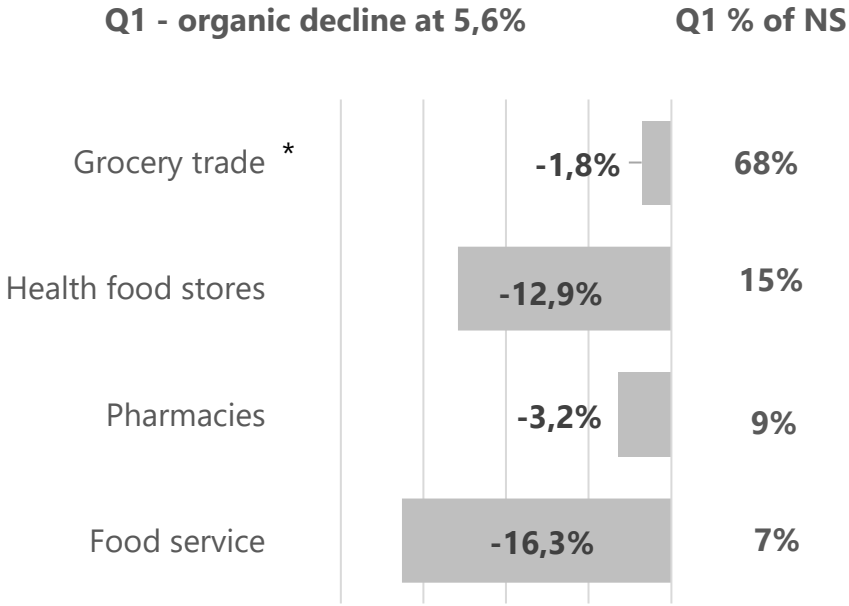
## Structural effects

System Frugt included from Q4-20



# Organic growth by channel – Q1 2021

Last year included positive hoarding effects

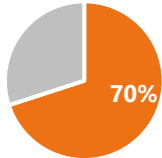


### Highlights

- LY included positive hoarding effects
- Food Service have had negative effects from lock downs during the quarter
- This year includes one less invoicing day (-1,6%), vs. Q1 LY
- Eastern do not have a positive impact on Midsona sales

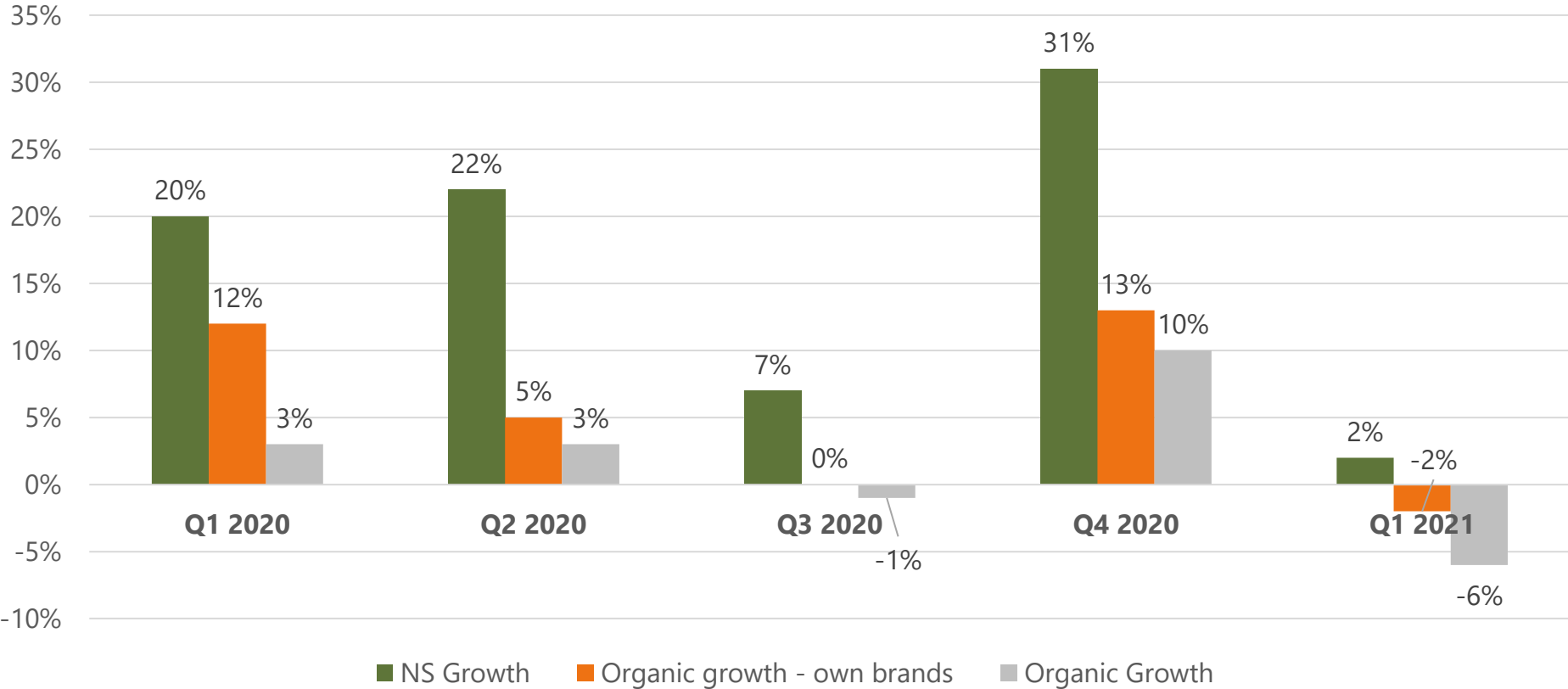
\* Includes other sales channels

# Net Sales development



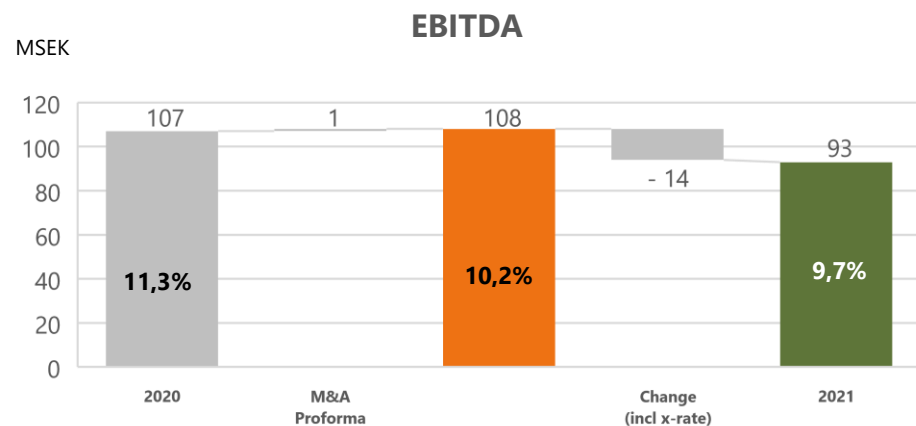
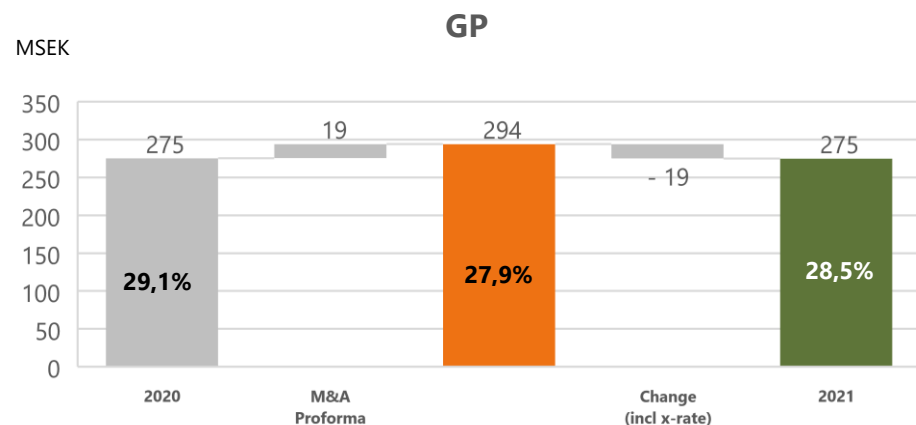
## Net Sales of own brands continue to develop better than total

Own Brands Other





# GP and EBITDA development - Q1 2021



## Highlights

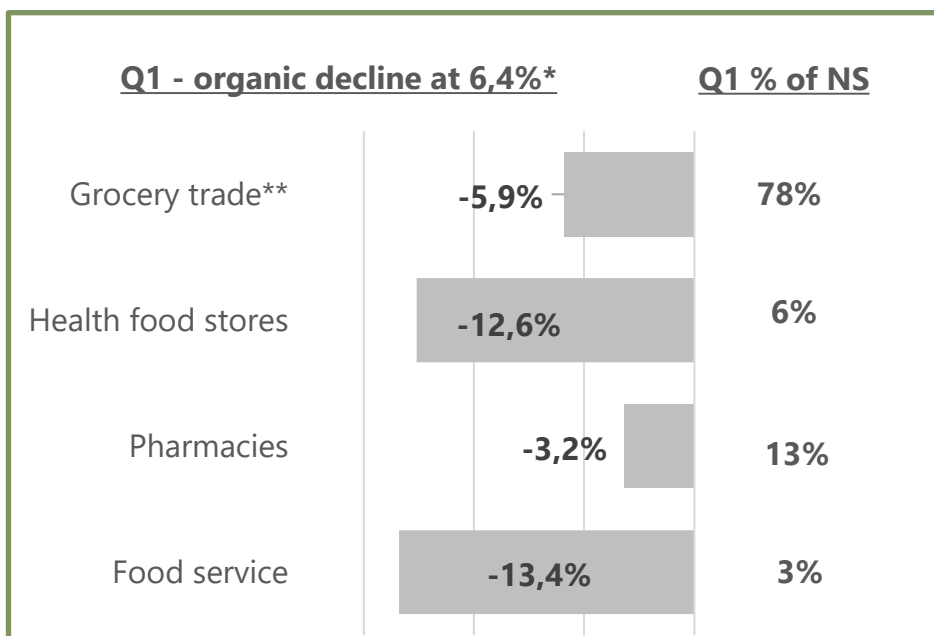
- M&A proforma; System Frugt has a gross margin in the lower range of 20–30%
- Gross Margin improved with 0,6 p.p. vs LY driven by favorable mix
- Lower Gross Profit vs LY (proforma), partly compensated by lower costs and favorable x-rate

Note! numbers presented on this slide are excluding one off items

# Nordics

## EBITDA growth

MSEK	Q1 2021	Q1 2020
Net Sales	658	606
EBITDA (before one off items)	73	72
EBITDA% (before one off items)	11,1	11,8



### Highlights

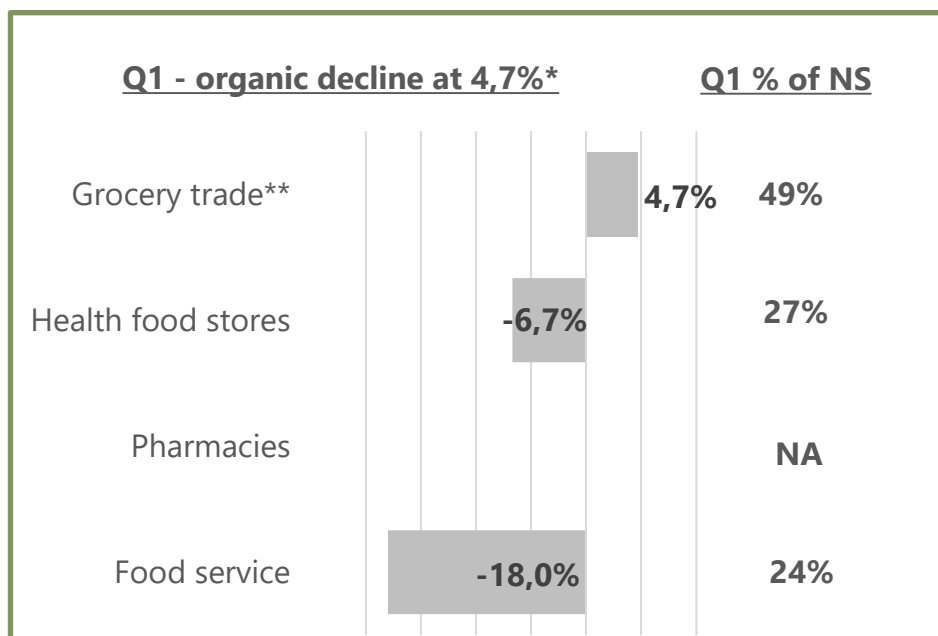
- Net Sales growth at 8,6% driven by structural growth at 17,5%
- Grocery trade include negative effect from discontinued sales of a low margin licensed brand
- Proforma System Frugt add 1M in EBITDA vs LY
- Favorable mix, synergies and favorable x-rate effects fully compensate for lower volumes and increased marketing of own brands

\* External Net Sales

# North Europe

## Continued good development with Davert

MSEK	Q1 2021	Q1 2020
Net Sales	224	244
EBITDA (before one off items)	19	26
EBITDA% (before one off items)	8,3	10,6



### Highlights

- Net Sales decline at 8,4% with -4,9% impact from x-rate translation
- Grocery trade continued to grow with the successful launch of Davert
- Food Service that historically have represented 30% of the total sales, have during this quarter been negatively impacted from lockdowns
- Lower EBITDA vs LY, mainly from lower volumes

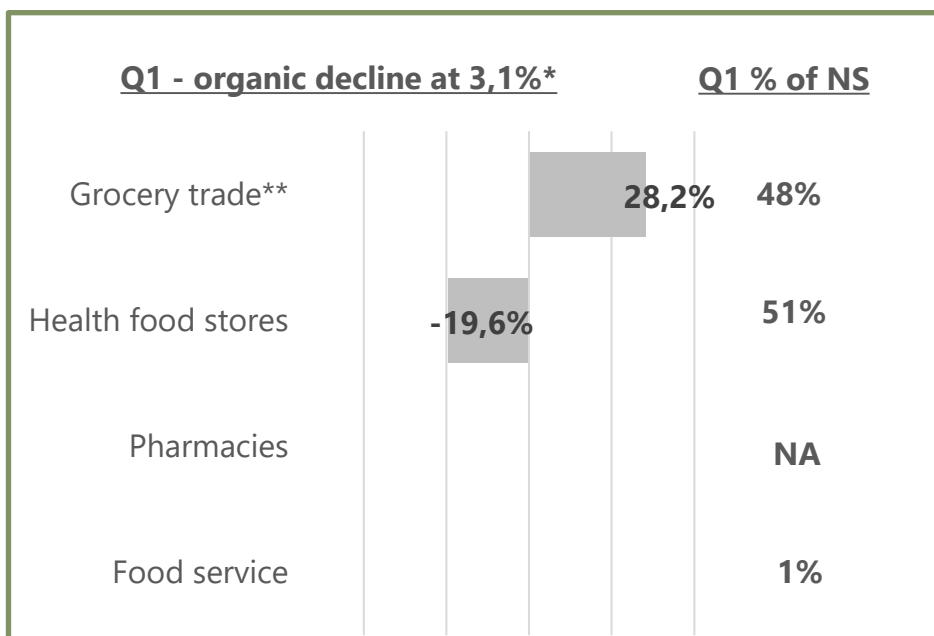
\* External Net Sales



# South Europe

## Continued strong growth with Happy Bio

MSEK	Q1 2021	Q1 2020
Net Sales	96	103
EBITDA (before one off items)	9	15
EBITDA% (before one off items)	9,3	14,4



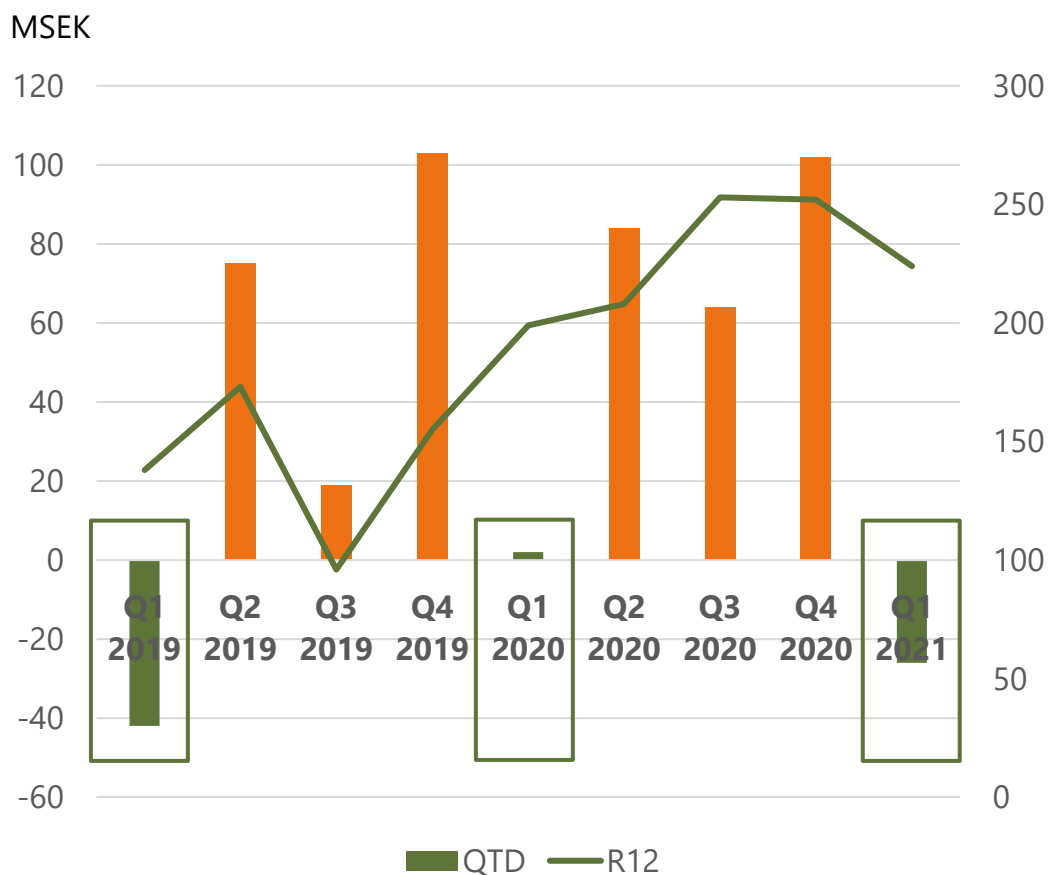
### Highlights

- Net Sales decline at 6,5% with -5,1% impact from x-rate translation
- Grocery trade continued to grow with the successful launch of Happy Bio
- Lower EBITDA vs LY, mainly from lower volumes

\* External Net Sales

# Free Cash Flow

## Free cashflow impacted by discontinued factoring at System Frugt



### Highlights

- Q1 with seasonal negative effect on working capital
- This quarter was additionally impacted negatively by a discontinued factoring at System Frugt

April-21

- Company credit frame was increased with 200MSEK (still not used)

# 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.
- Integration of acquired System Frugt continues
- M&A focus







# Q & A