



# Midsona

Interim Report  
Quarter 4, 2022





midsona



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



# Summary of Q4 2022 and financial highlights

## Summary of Q4 2022

- Total net sales growth of 1,5 per cent for the quarter
- Sales increase serves as proof that consumers want to continue eating healthily
- Challenging quarter characterised by high inflationary pressures and unfavourable currency trend for both EUR and USD
- New rights issue
- Record strong free cash flow
- To meet the cost inflation, Midsona is implementing a number of further measures with the ambition of fully offsetting the increased costs



## Financial highlights

Net sales	Adj. EBITDA <sup>1</sup>	Adj. EBITDA <sup>1</sup> margin
SEK 1027 m (SEK 1012 m)	SEK 45 m (SEK 61 m)	4,4% (6,0%)
+1,5% change	-26%	-1,6 p.p.
Adj. Gross margin <sup>1</sup>	Net debt / Adj. EBITDA <sup>2</sup>	Free cash flow
22,6% (23,9%)	4,4x (4,4x)	SEK 120 m (SEK -25 m)
-1,3 p.p.	+0,0x	+SEK 145 m



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

# Vigorous measures to fight cost inflation



midsona

... and create opportunities ahead

## Price Increases

- Further accelerated price increases implemented since first quarter 2022
- 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



## Supply chain Improvements

- Supply chain improvements and operational measures undertaken
- Enhanced reliability in supply chain by e.g. early delivery of raw materials ahead of Christmas season
- Significant reduction of inventory results in record strong free cash flow



## Long term financing

- New rights issue. Proceeds 585 MSEK.
- Financing agreement with Danske Bank and Svensk Exportkredit extended until September 2025
- Repayment of loans of at least SEK 350 million of the issue proceeds



Source: Company information



# Price management – Light at the end of the tunnel



midsona

## GM Gap Closing

Q4

-1,3p.p.

Q3

-3,9p.p.

Q2

-4,7p.p.

Q1

-2,4p.p.

## 2023 status

### Pricing initiatives

- New price increases confirmed in all markets
- Implementation from mid February to end April
- Will – all else equal – cover the gap

### Cost of goods

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

### Other cost

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

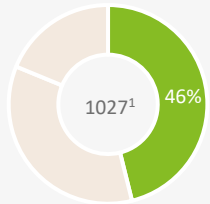
# Portfolio highlights



midsona

## Organic products

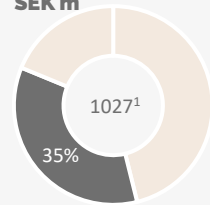
SEK m



- Growth 0,5%
- Strong growth for Helios (Norway)
- Kung Markatta (Sweden) and Utrekram (Denmark/Finland) in decline. Action plan is being implemented
- Private label continues to grow

## Healthfoods

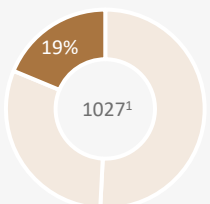
SEK m



- Growth 4,1%
- Continued growth for Friggs, Gainomax and Swebar
- Decline for licensed brands

## Consumer health products

SEK m



- Growth -1,6%
- Growth for own brands
- Decline for licensed brands



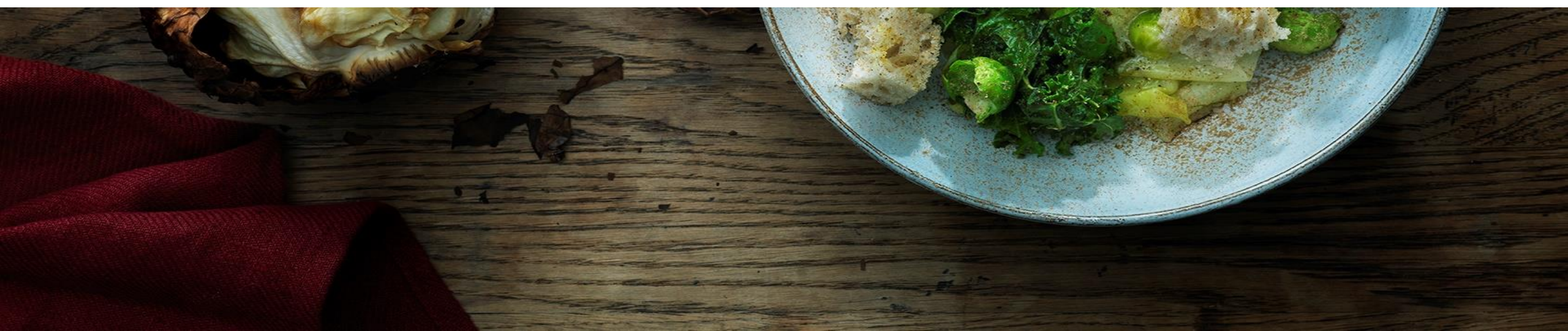
- Midsona AB has once again has been recognized for its climate change strategy and leadership by the global environmental non-profit initiative CDP.
- For the second year in a row, Midsona achieves the rating A-, placing Midsona among the best listed companies in the world.
- Midsona shares detailed information about its climate change leadership and business strategy, climate impact and environmental activities including climate-related scenario analysis and carbon transition plan which aligns with a 1.5°C world to reach Science Based targets and Net-Zero target 2045.







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





# Financial Summary



MSEK	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Net Sales</b>	<b>1 027</b>	<b>1 012</b>	<b>3 899</b>	<b>3 773</b>
GM%*	22,6	23,9	24,0	27,0
<b>EBITDA*</b>	<b>45</b>	<b>61</b>	<b>191</b>	<b>313</b>
<b>EBITDA%*</b>	<b>4,4</b>	<b>6,0</b>	<b>4,9</b>	<b>8,3</b>
IAC**	-11	-3	-495	4
Net financing costs	-27	-11	-64	-46
Net tax costs	18	-16	28	-26
<b>Net result</b>	<b>-15</b>	<b>1</b>	<b>-501</b>	<b>89</b>
<b>Free Cashflow</b>	<b>120</b>	<b>-25</b>	<b>180</b>	<b>-94</b>

## Comments QTD

- **Net Sales +1,5 p.p.**
- **GM -1,3 p.p.**
- **EBITDA -16M**
- **IAC**; -6M restructuring cost -5M write-down goodwill (FY -15M restructuring - 480M write-down IA)
- **Net financing**; includes -8M FX-effect related to the extra amortization of the loans
- **Net Tax**; includes positive impact from deferred tax income related to capitalized losses

\* Before Items Affecting Comparability

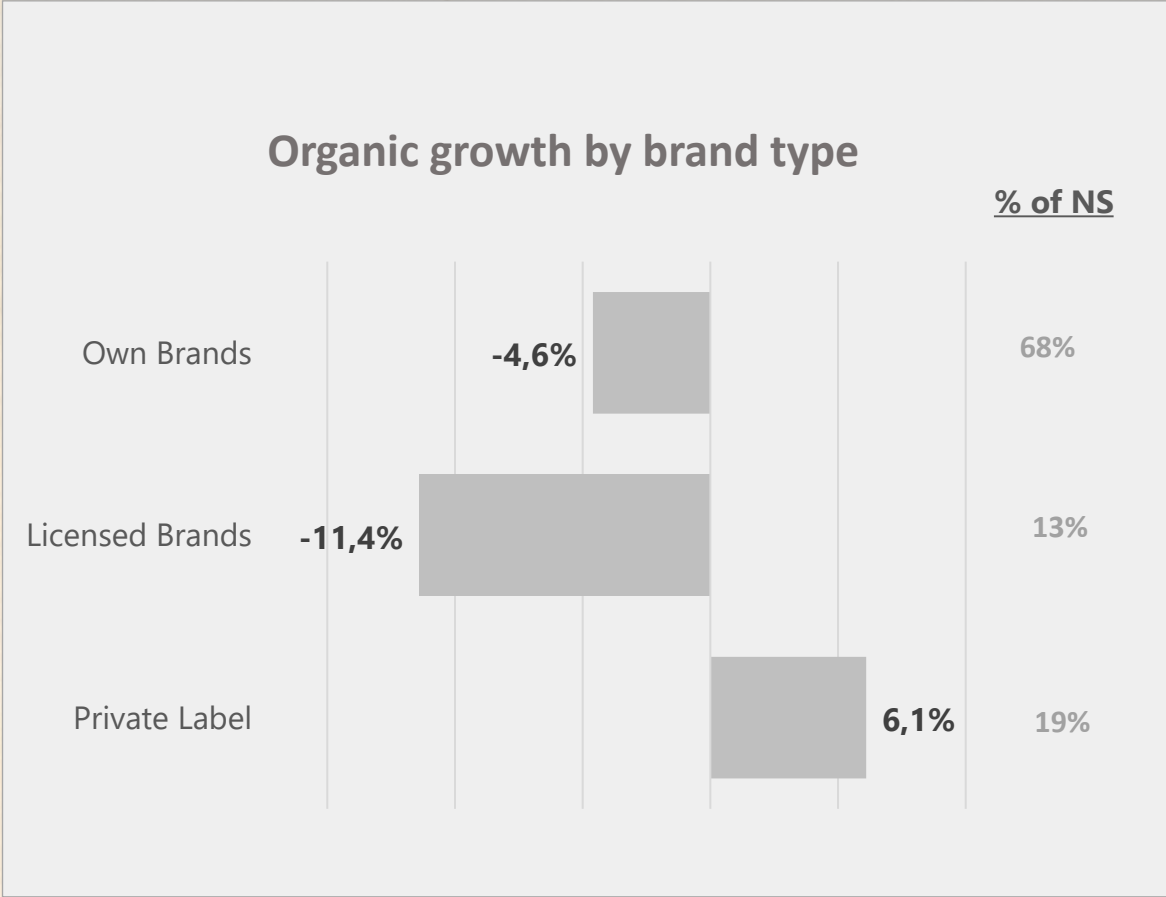
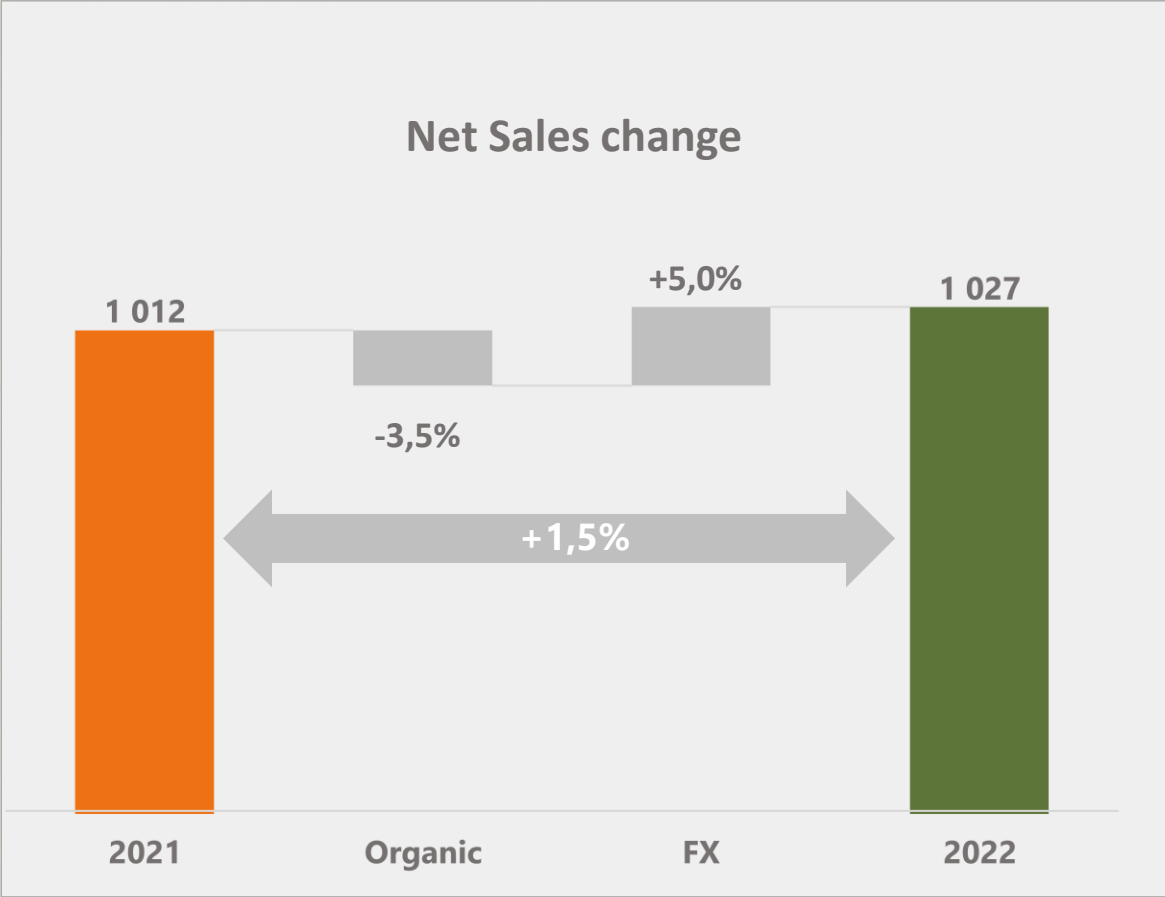
\*\* IAC including one off costs for impairment if applicable



# Q4 - Net sales



MSEK

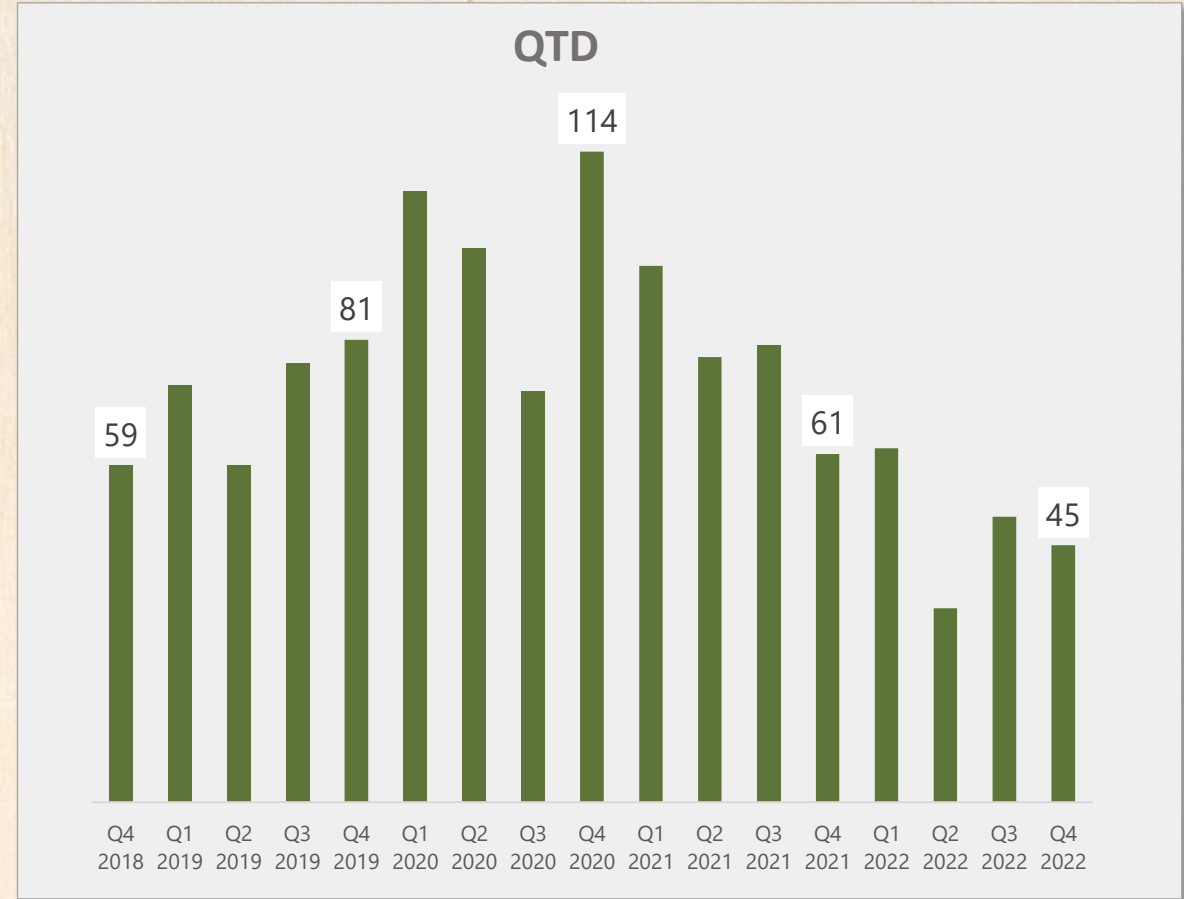
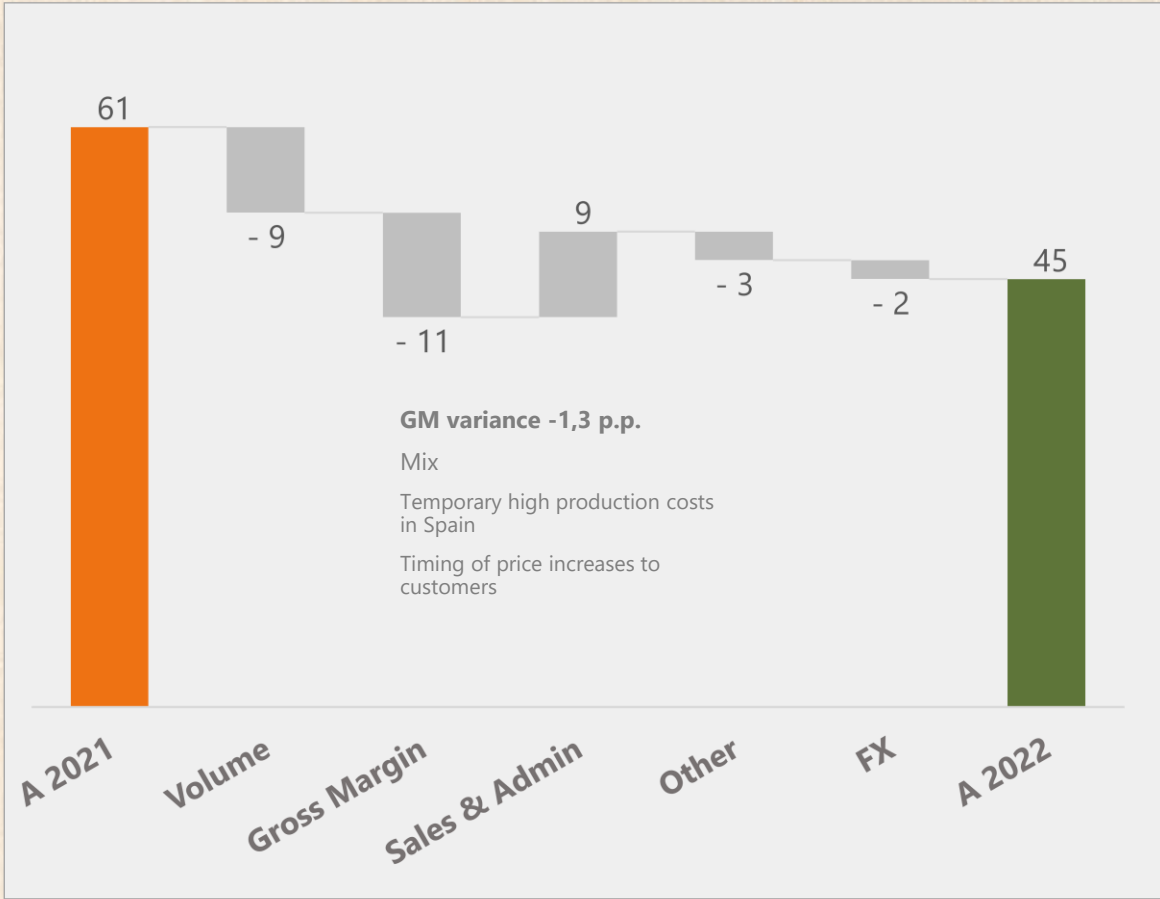




# Q4 - EBITDA \*



MSEK



\* Before Items Affecting Comparability



# Q4 - Sales, Marketing & Admin Expenses\*



MSEK

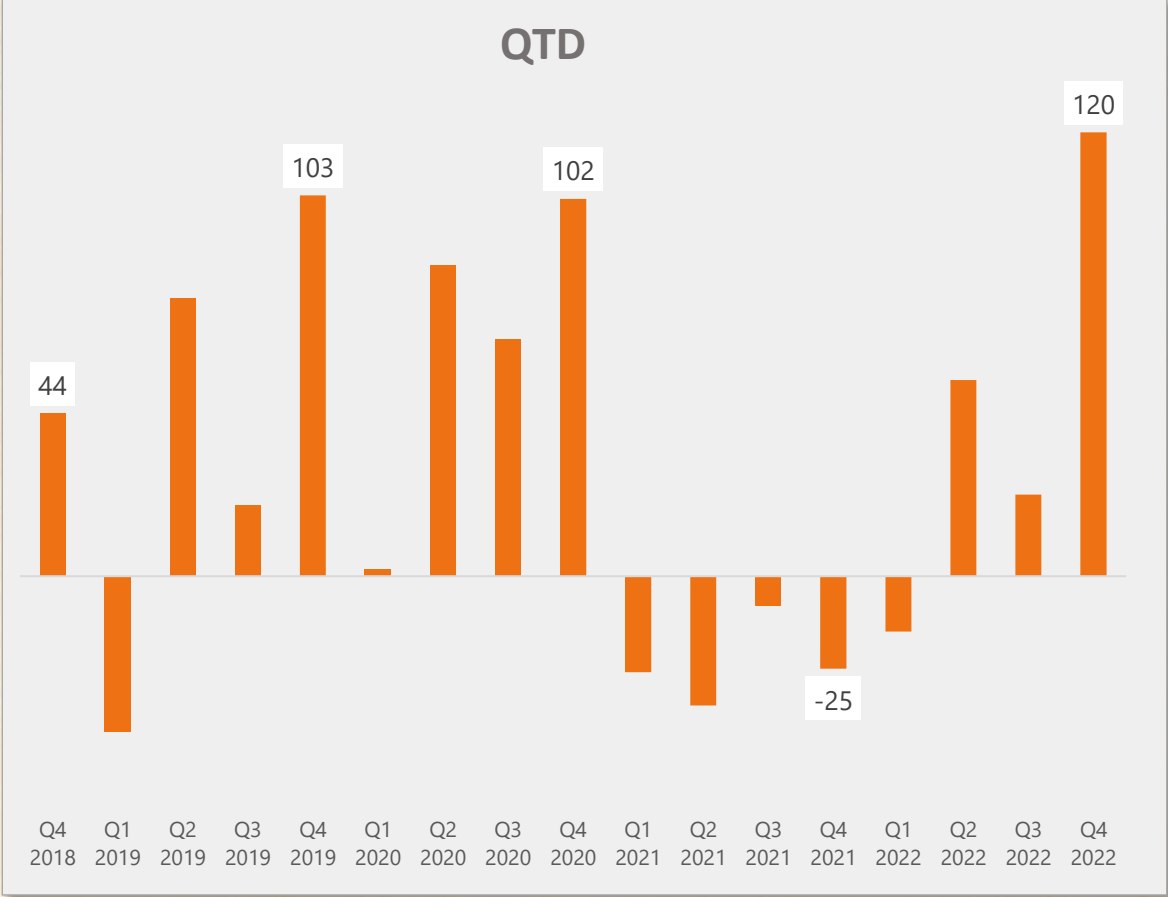
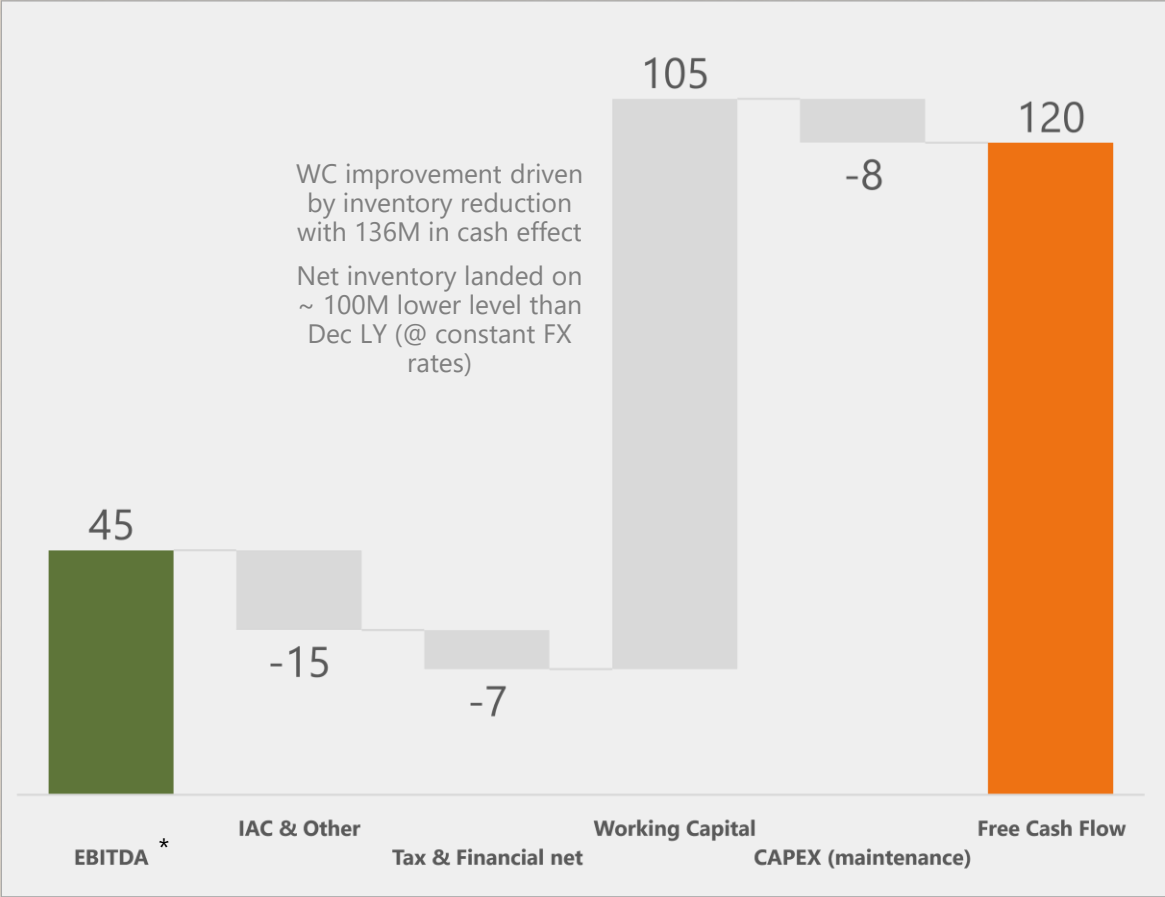


\* Before Items Affecting Comparability

# Q4 - Free Cash Flow



MSEK

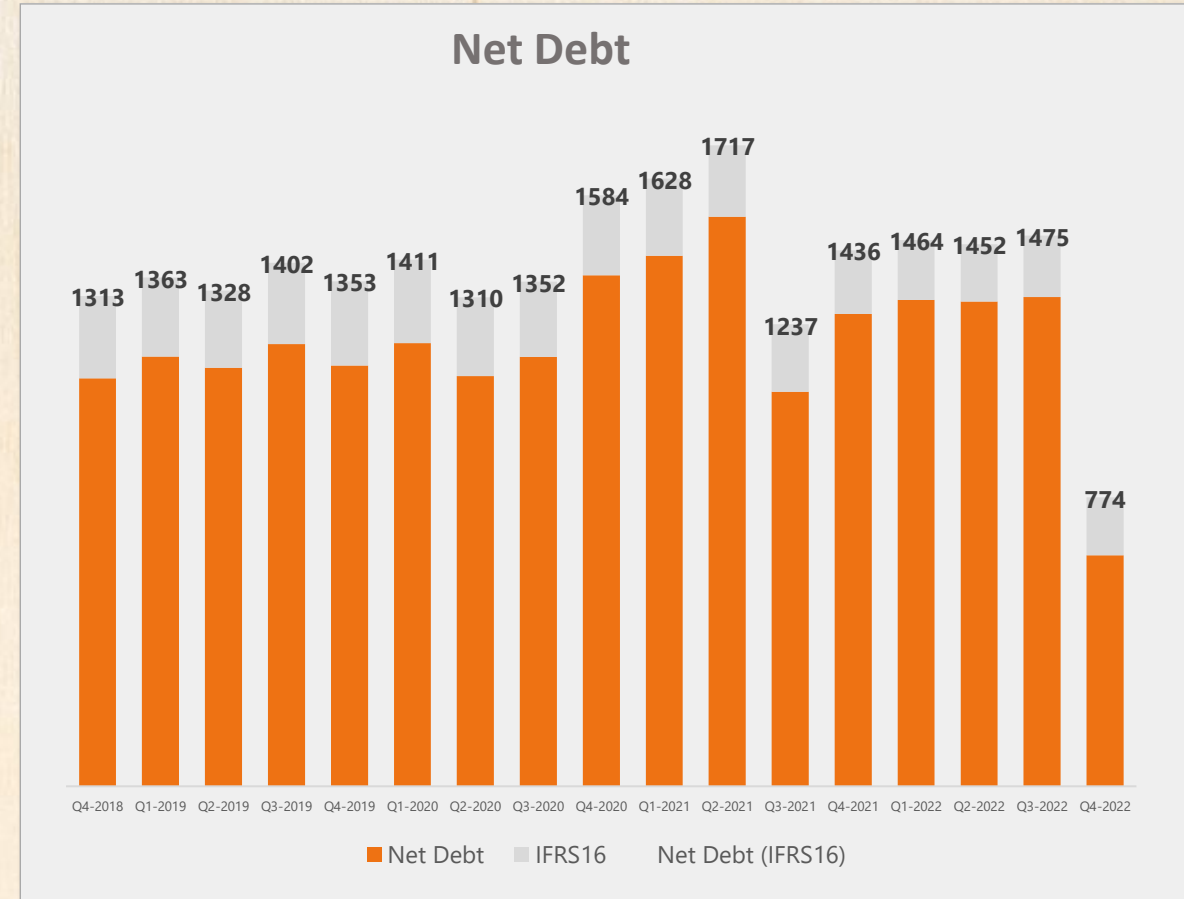
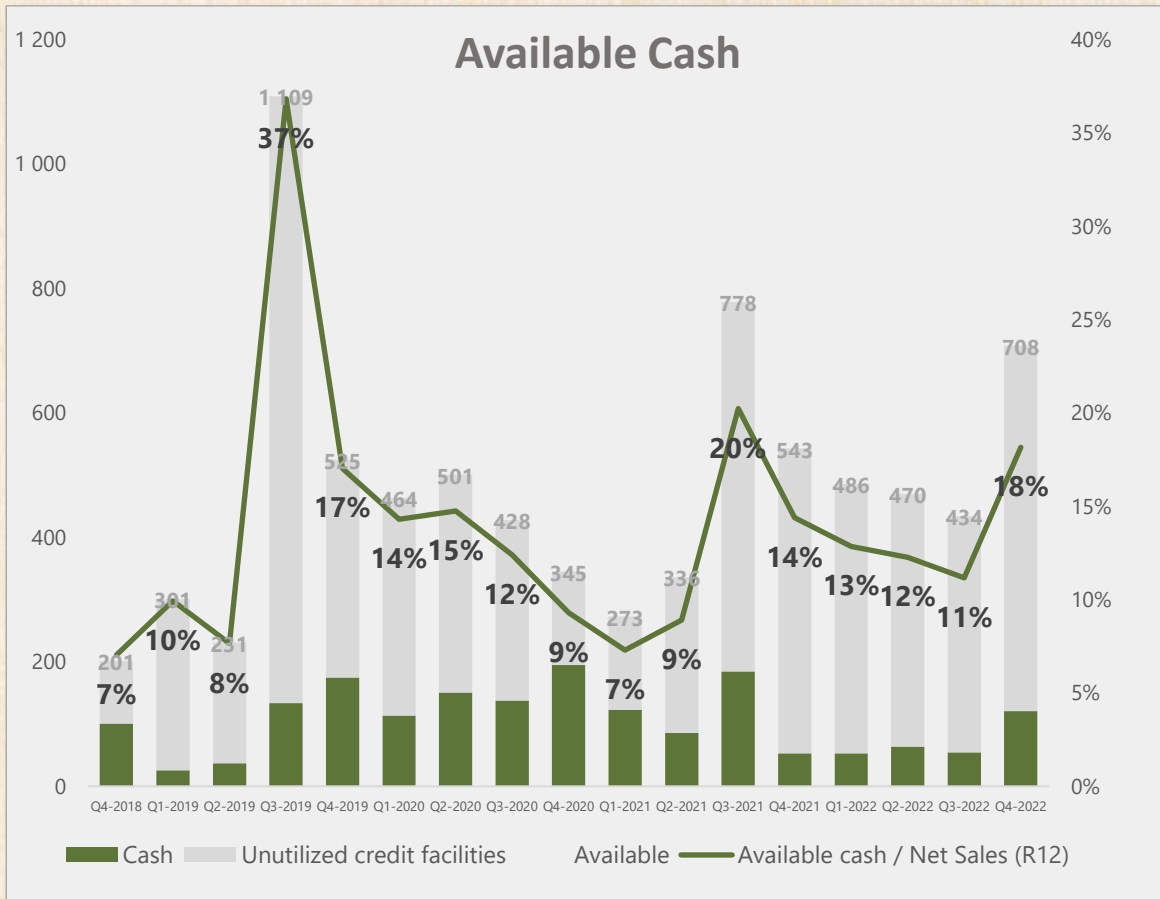


\* Before Items Affecting Comparability



# Available cash and Net Debt

MSEK



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



# Outlook 2023

## Reaching higher

- Significant price increases under implementation in q1.
- Stabilization of raw materials prices and energy. Net improvement of Fx.
- Continued cost savings
- Brand focus
- Sustainability agenda









midsona

