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Trading update for Q2 2017/18 and adjusted expectations for 2017/18

Matas A/S has produced preliminarily figures for sales from its stores for Q2 2017/18 (1 July – 30 September 2017). The underlying (like-for-like) growth rate for owned stores was 0.8% in Q2 2017/18.

Underlying revenue in the first six months of 2017/18 was down by 1.1%.

As a consequence of the lower than anticipated revenue, the unsatisfactory result for Q1 2017/18 and the view that the current pressure on the gross margin will continue in the second half of the financial year, expectations for 2017/18 are adjusted.

The revised expectations for 2017/18 are:

- A decline in the underlying (like-for-like) revenue of between 0 and 2% after taking a negative calendar effect into account.
- EBITA to be realised at a level between DKK 440-470 million.
- Investments of around DKK 90-100 million (excluding store acquisitions).

The above includes non-recurring costs in connection with the change of CEO at Matas A/S.

The previous expectations for 2017/18 were:

- An underlying (like-for-like) revenue growth of 1-3 % after taking a negative calendar effect into account.
- Improved EBITA relative to financial year 2016/17.
- Investments of around DKK 90-100 million (excluding store acquisitions).

The Group's policy remains to distribute surplus capital to shareholders through a combination of dividends, of a minimum of 60% of adjusted profit after tax, and share buybacks. For 2017/18 the following applies:

- A share buyback program will not be initiated.
- Matas A/S will pursue a dividend payment in DKK at the same level as for 2015/16 and 2016/17 (DKK 6.30 per share).

The interim report for the first six months of 2017/18 will be published on 8 November 2017.

Matas A/S

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