



Midsona Presentation, Q3 2021

Company presentation

CEO Peter Åsberg and CFO Max Bokander



midsona

Key developments Q3

Summary

- Increased net sales and improved margins
- Negative organic growth but own brands do comparatively better
- Key issue: disruptions in the supply chain
 - Bad crops effect raw materials availability
 - Delays in deliveries of pack materials
 - Transport delays
- Sales increases in pharmacy trade and food service could not compensate for severe drop in health food stores.
- First signs of price inflation



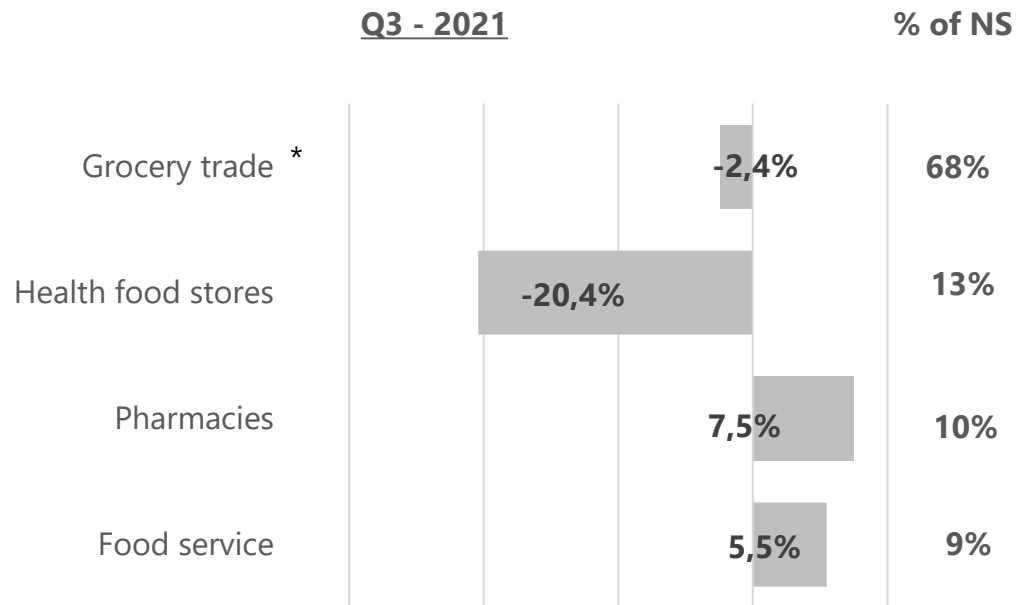
- **Nordic**
 - Growth in pharmacy and food service
 - Supply issues effecting System Frugt Christmas in-selling
- **North**
 - Growth in grocery trade and food service
 - Weak sales in health food stores
- **South**
 - Significant growth in grocery trade
 - Weak sales in health food stores

Q3 highlights

Net sales amounted to:	893 MSEK (821)
EBITDA before one off items amounted to:	80 MSEK (72)
Corresponding EBITDA-margin amounted to:	9,0% (8,8%)
Net result amounted to	31 MSEK (34)
Free Cashflow amounted to:	-8 MSEK (64)



Organic growth by channel



Highlights Q3

- Branded business grows in grocery trade, but private label is down
- Major market decline in health food stores
- Pharmacies and food service benefit from societies reopening

* Includes other sales channels

Narcissa A new skin care routine for a younger target group

- Detox and Glow is a complete vegan face care routine for the conscious and younger target group
- Recyclable plastic in all packaging
- All packaging raw materials are produced in EU – no long shipment
- Great results and functionality in a beautiful, playful packaging – what the consumer wants



Detox & Glow
Cleansing Gel



Detox & Glow
Micellar Water



Detox & Glow
Essence



Detox & Glow
Day Cream



Detox & Glow
Night Mask

Kung Markatta

New design and product innovation for Sweden's greenest brands



Roll-out in the grocery trade in Europe continued

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



Recent directed new share issue to drive M&A-agenda

- Raised approximately SEK 500 million
- Largest shareholder, Stena Adactum, and other large shareholders participated
- New Swedish and international institutional investors
- Fund M&A agenda
 - Recent Vitality acquisition
 - Future M&A-activities

Vitality

Taking Midsona Finland to the next level

- With the acquisition of Vitality and OY Midsona takes an important step to gain desired size and win scale in Finland.
- Further it will provide Midsona Finland with stronger position and muscles within Pharmacy channel specifically.
- The acquisition of Vitality and OY builds size and strengthens the total Consumer Health business in Nordics.
- Provides greater capabilities for innovation within Vitamins & Minerals across Nordic.
- By taking the best from two worlds we believe that we together will become one stronger and better company.
- We believe that there are growth potential for us to build an even stronger Consumer Health business in both Finland and Nordics in the future.

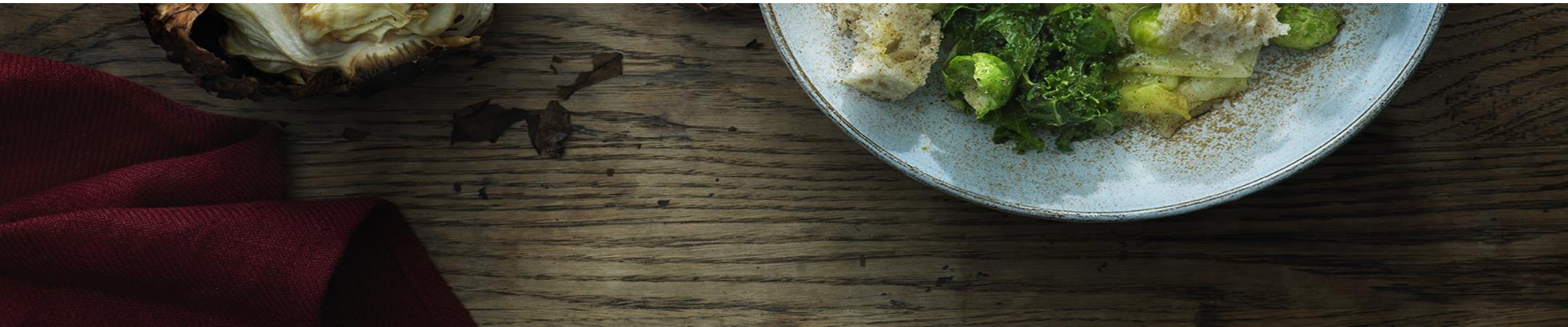


Helping People to Find Wellbeing





Financial review
CFO Max Bokander



Financial executive summary

Structural growth with improved margins

MSEK	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net Sales	893	821	2 761	2 626
GP%*	27,5	27,2	28,1	28,1
EBITDA*	80	72	252	276
EBITDA%*	9,0	8,8	9,1	10,5
D&A*	-38	-35	-115	-106
IAC	6	10	7	21
Net financing costs	-12	-7	-35	-38
Net tax costs	-5	-6	-21	-32
Net result	31	34	88	121
Earnings per share	0,45	0,52	1,33	1,85
Free Cashflow	-8	64	-69	150

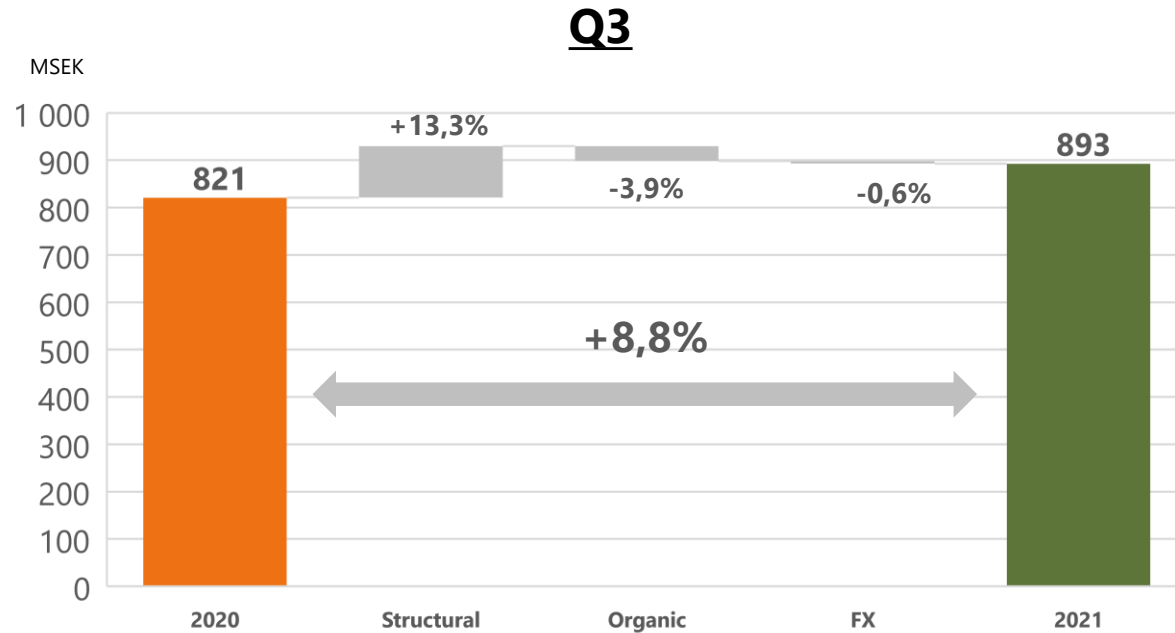
* Before Items Affecting Comparability (IAC)

Highlights – Q3

- Net Sales growth of 8,8%,
 - but with 3,9% organic decline
- Improved Gross Margin mainly from favorable mix
- Improved EBITDA vs. LY; driven by structural growth, improved margins and synergies
- Free Cashflow impacted by seasonal build of inventory and timing of payments

Net sales development vs LY

Structural growth



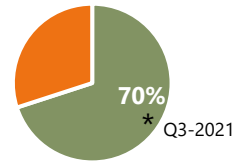
Highlights Q3

- Structural growth
 - System Frugt added
- Organic decline
 - limited availability of certain raw materials
 - Consumers prioritizing restaurant visits at the expense of lower household consumption

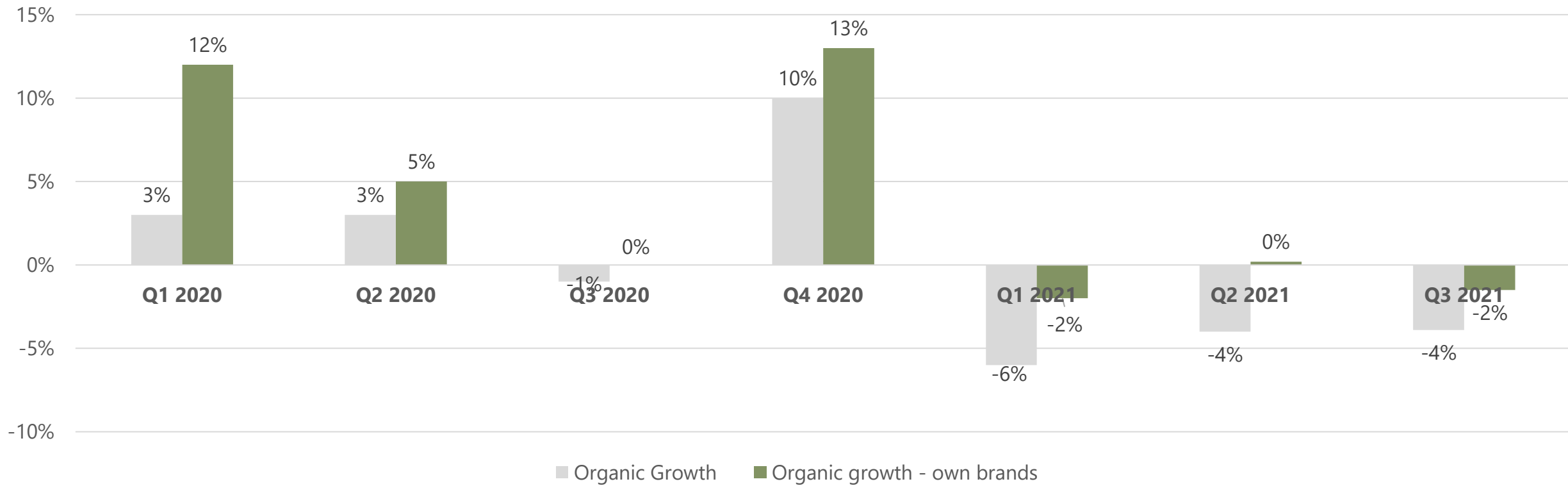
Structural effects

System Frugt included from Q4-20

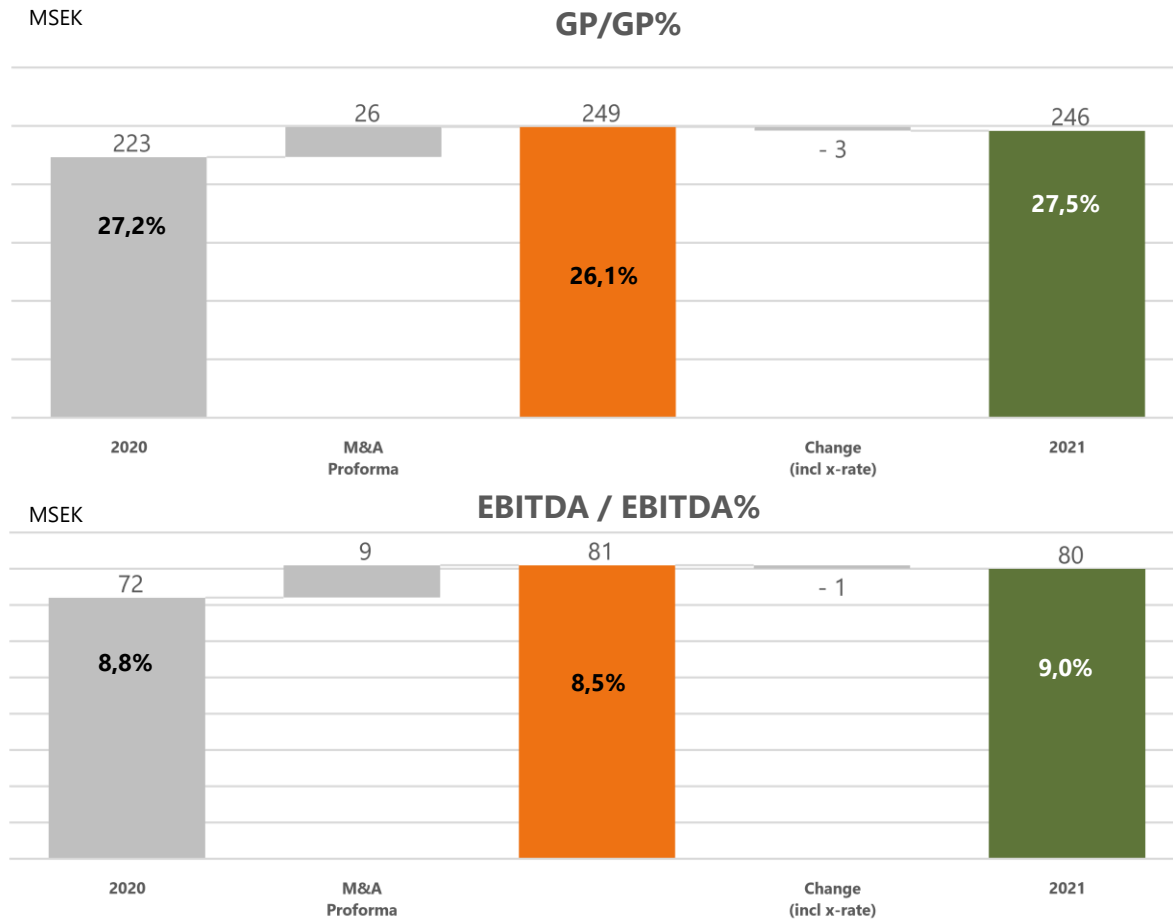
Net Sales development Q1 2020 to Q3 2021



Net Sales of products from own brands continue to develop better



GP and EBITDA development - Q3



Note! numbers presented on this slide are excluding IAC

Highlights

GP% improved with 1,4 p.p. vs LY Proforma

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

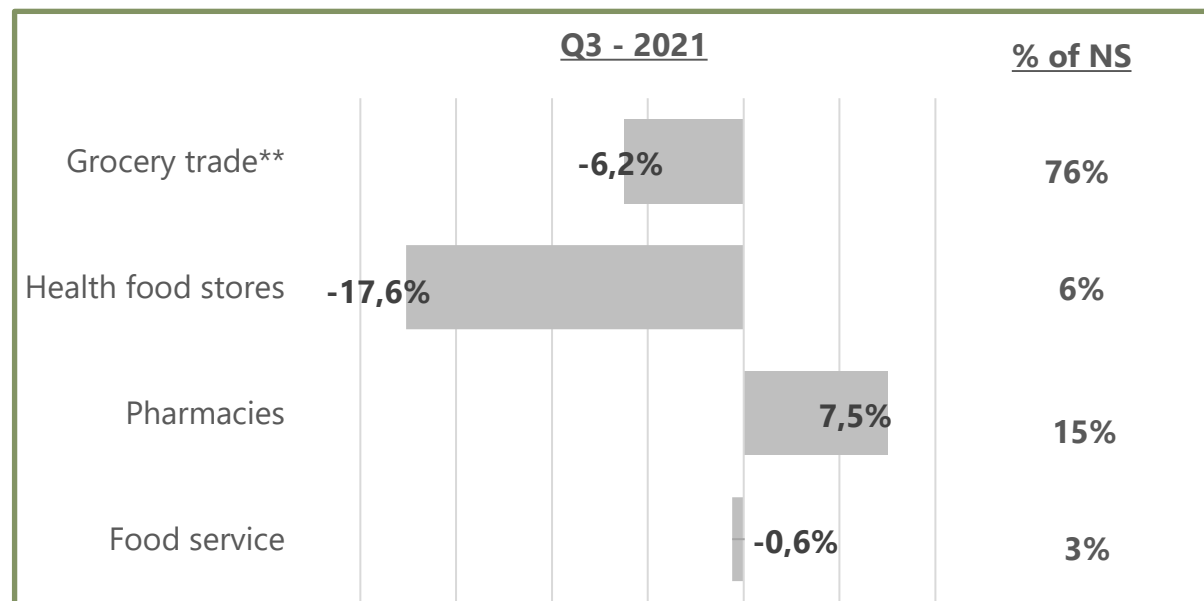
EBITDA vs LY Proforma

- Improved EBITDA margin and despite 62M lower sales than Proforma LY, the EBITDA almost came in on same level as Proforma LY

Nordics

EBITDA increased with 11% vs Q3 LY

MSEK	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net Sales	620	537	1 885	1 667
GM%*	31,1	31,9	31,7	31,5
EBITDA*	69	62	198	198
EBITDA%*	11,1	11,6	10,5	11,9



Highlights – Q3

- Net Sales growth of 15,5%
 - Currency; -0,3% Structural; +20,3%
 - Organic growth -4,5%
 - Approx. 2 p.p. negative effect from exited low margin contract for a licensed brand
 - Global supply chain constraints impacting deliveries mainly to Grocery Trade and Food service where demand was higher than actual deliveries
- EBITDA vs LY
 - Improved with 7M, driven by System Frugt addition, and realized synergies, substantially offsetting 4M negative variance from difference in x-rate revaluation

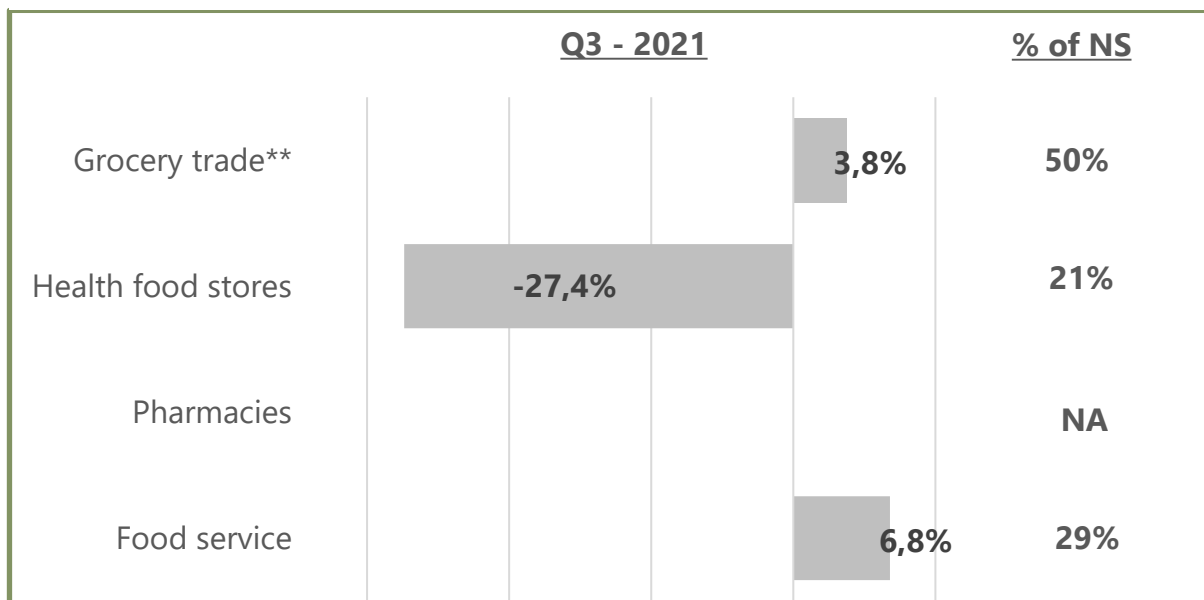
* Before IAC

** Includes other sales channels

North Europe

Good growth for sales of own brand products

MSEK	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net Sales	195	197	623	668
GM%*	18,5	15,8	18,8	19,0
EBITDA*	13	8	50	58
EBITDA%*	6,5	4,2	8,0	8,7



Highlights – Q3

- Net Sales decline of 0,8%
 - Currency translation -1,2%
 - Organic growth of 0,4%
 - And despite constraints in global supply chain, sales of product from own brands demonstrated a strong growth of 4,7%
- EBITDA vs LY
 - Driven by improved gross margin,
 - However, it can be noted that Q3 during LY included extra temporary production costs

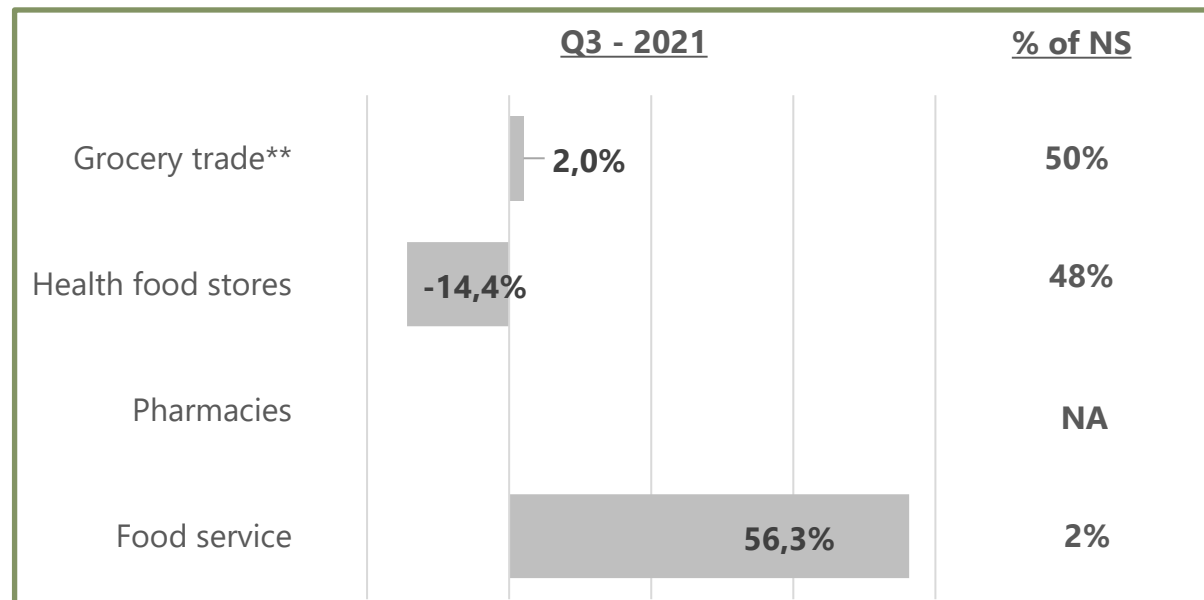
* Before IAC

** Includes other sales channels

South Europe

Continued strong growth with Happy Bio

MSEK	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Net Sales	86	93	283	310
GM%*	18,7	21,3	22,2	23,7
EBITDA*	3	8	22	39
EBITDA%*	3,5	8,7	7,8	12,5



Highlights – Q3

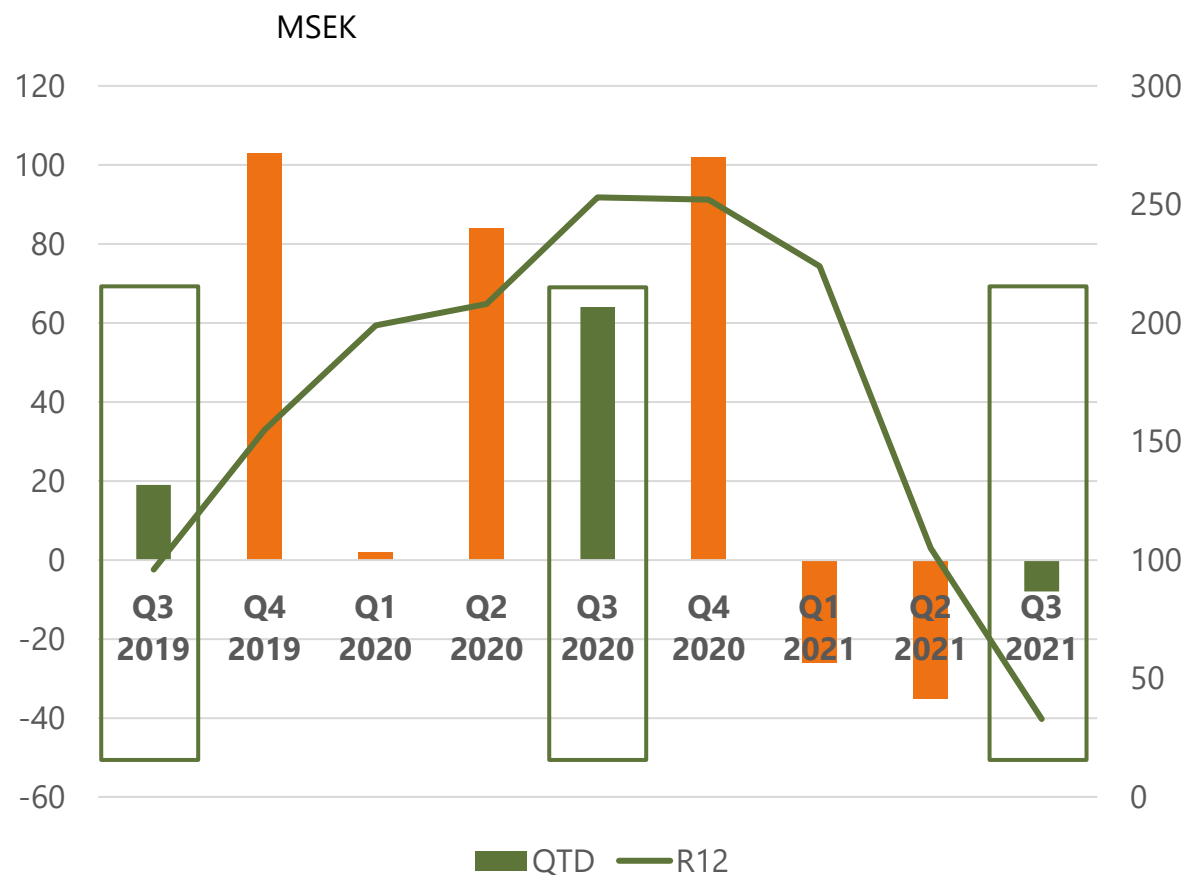
- Net Sales decline of 6,7%
 - Currency translation -1,0%
 - Organic decline of 5,7%
 - The brand Happy Bio however continued to grow strong, this quarter with 38%
- EBITDA vs LY
 - Decreased due to lower volumes and the same time higher structural costs

* Before IAC

** Includes other sales channels, Grocery trade excluding other representing 33% of sales grew 15,8%

Free Cash Flow

Free cashflow impacted by seasonal stock build within System Frugt



Q3 vs LY

- Worse WC effect vs LY,
 - driven by System Frugt seasonal building inventory (44M) for high season during Q4
 - Timing of customer payments

YTD vs LY

- Lower EBITDA and negatively impacted by
 - Q1 discontinued factoring (67M)
 - Q2-Q3 System Frugt building inventory (52M)

FY Outlook

- In Q4 Midsona will have a negative effect from new UTP regulations with e.g., Sweden implementing payment terms limited to 30 days for companies in food sector

Summary and outlook

- Increased net sales and improved margins
- Continued roll-out in the grocery trade in Europe
- Supply chain challenges
- Preparation for price increases
- M&A focus
- Uncertain q4 but supply situation should gradually improve





Q & A