



Interim Report

1 October 2023–30 June 2024

30 July 2024

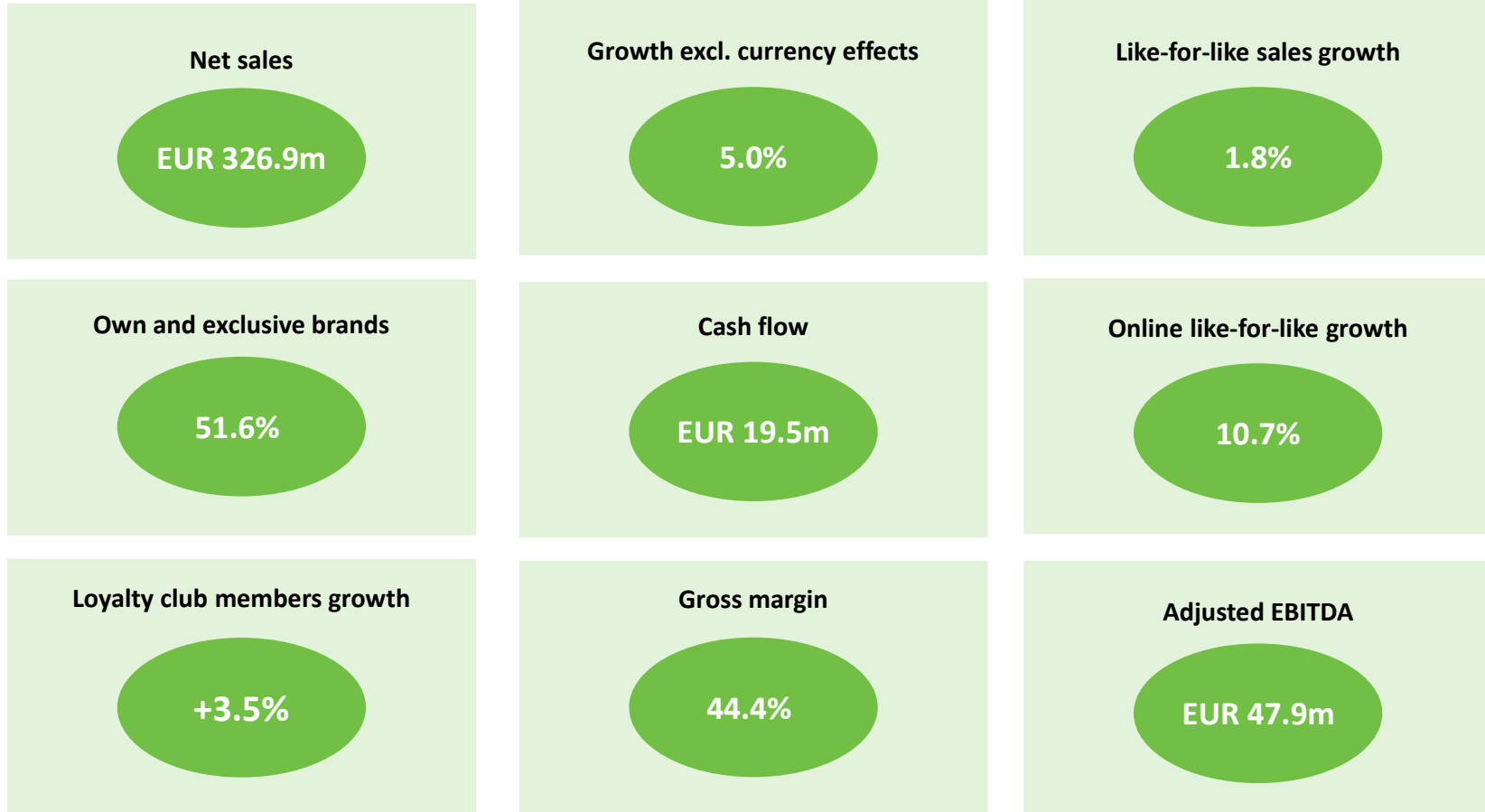
CEO David Rönnerberg

CFO Robert Berglund



Summary Q3/2024

October 2023 – June 2024

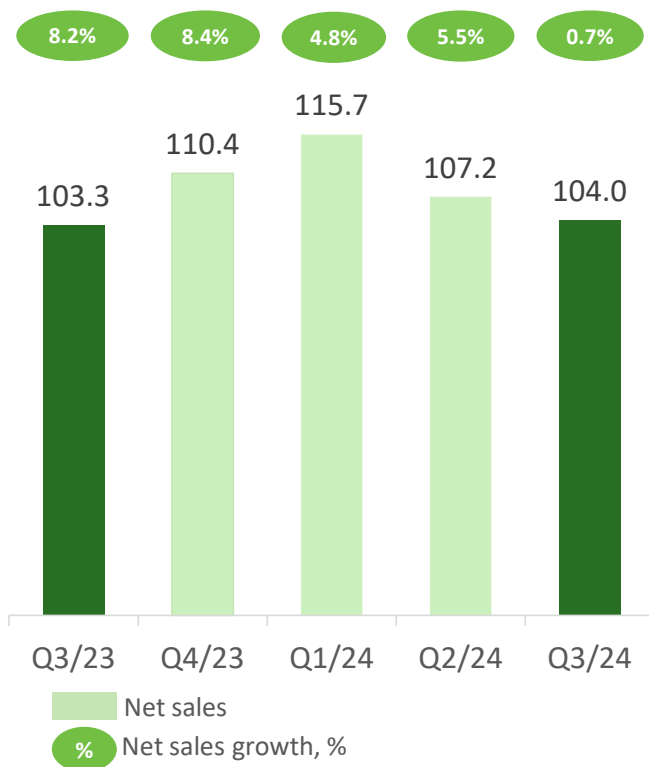




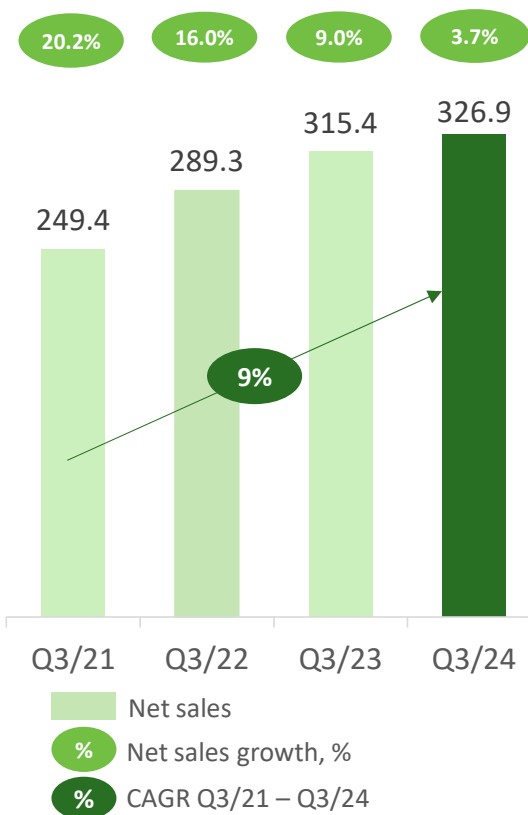
Key topics of Q3

Q3 net sales grew 0.7% to EUR 104.0 million

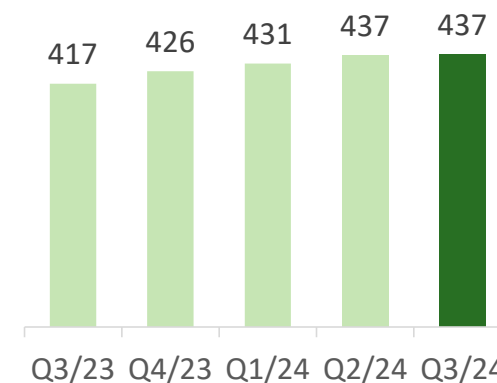
Quarterly net sales, EUR million



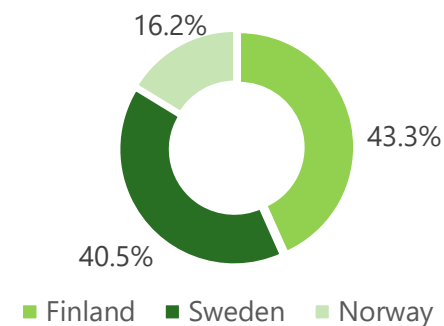
9 months net sales, EUR million



Net sales: rolling 12 months



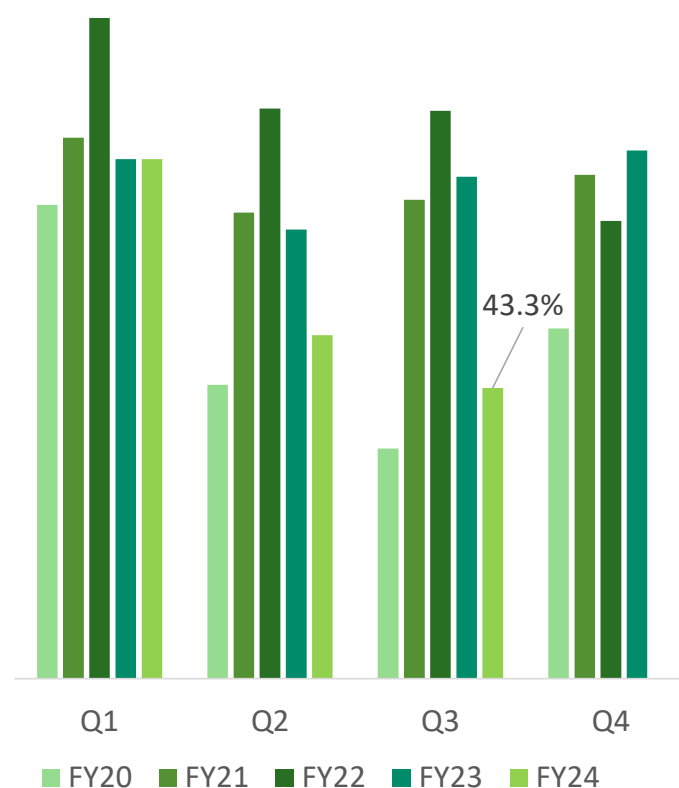
Net sales by segment in Q3/2024



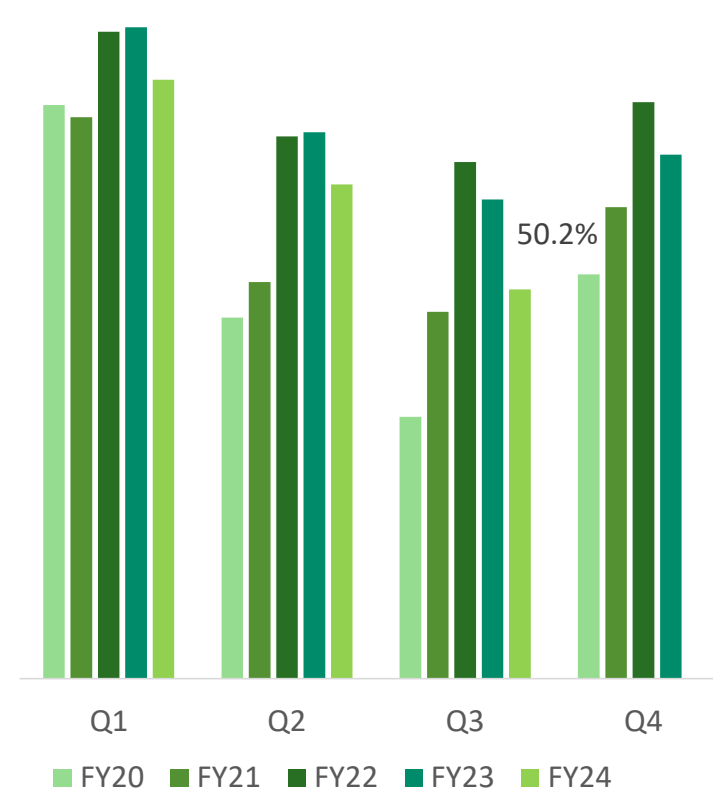
Gross margin facing temporary pressure

- Gross margin was 43.3% (45.7%).
- Gross margin was negatively affected by targeted investment in price and campaign activities and a slight decrease in the share of sales of own and exclusive brands to 50.2% (51.4%).

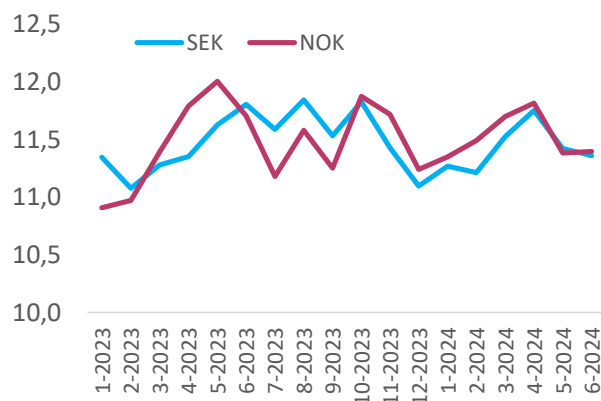
Gross margin %



O&E %



EUR/SEK and EUR/NOK exchange rates



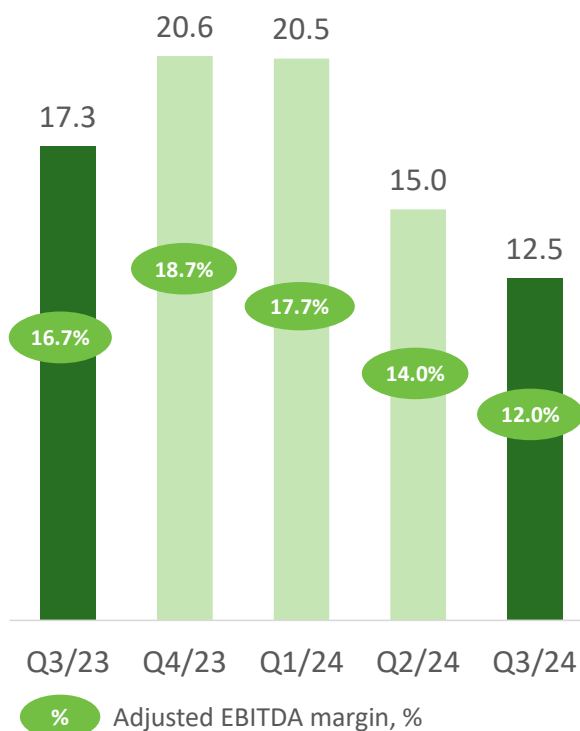
Source: ECB, monthly closing rate



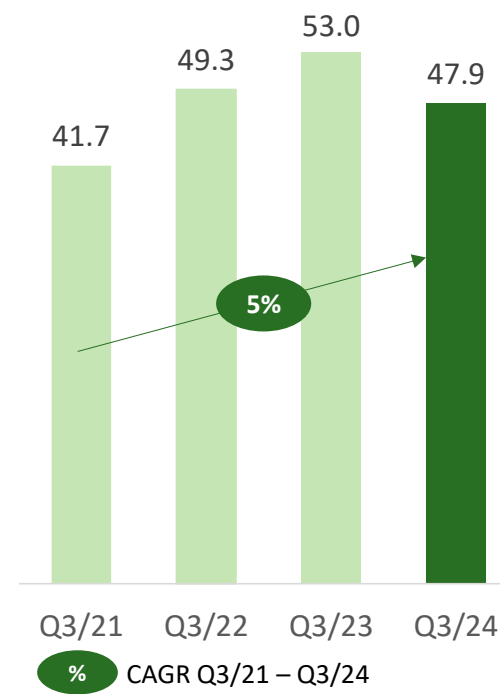
Group adjusted EBITDA decreased by 27.8% to EUR 12.5 million in Q3/24

- Group adjusted EBITDA decreased by 27.8% to EUR 12.5 (17.3) million.
- The decrease was due to continuous weak consumer climate and pressure in gross profit.
- Recent movements of the local currencies SEK and NOK had a negative impact of EUR 0.1 million on adjusted EBITDA.
- Adjusted EBITDA margin was 12.0% (16.7%).
- Adjusted Group functions cost in relation to group net sales was 9.6% (8.2%). Costs increased mainly in central warehouses and various group functions.

Quarterly adjusted EBITDA, EUR million



9 months adjusted EBITDA, EUR million



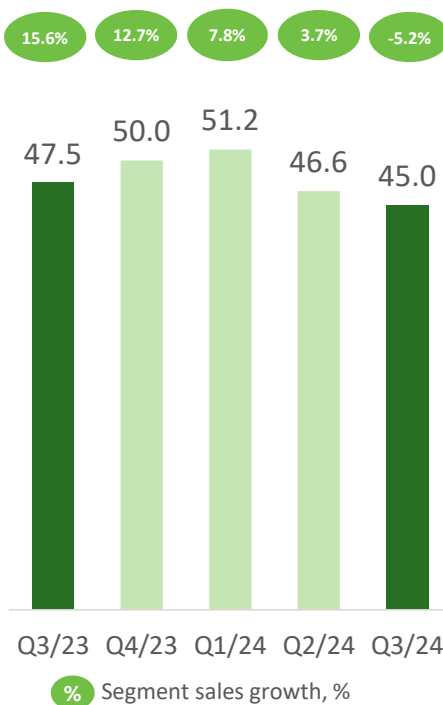


Segments

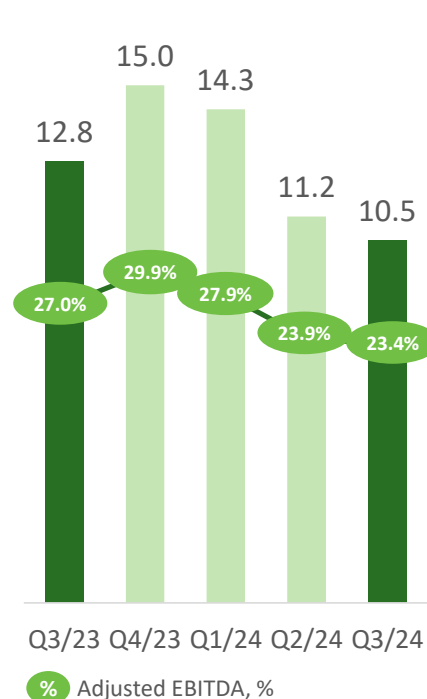
Net sales in Finland decreased by 5.2% to EUR 45.0 million in Q3/24

- Net sales in Finland decreased by 5.2% to EUR 45.0 (47.5) million.
- Sales were still negatively affected by weak consumer climate and the product recall made in November.
- Like-for-like growth was -6.5%.
- Adjusted EBITDA decreased by 17.9% to EUR 10.5 (12.8) million.
- Adjusted EBITDA margin was 23.4% (27.0%).
- The decrease in profitability was due to pressure in gross margin arising from targeted investment in price and campaign activities, and weak consumer climate.
- During Q3, one third party store was acquired.

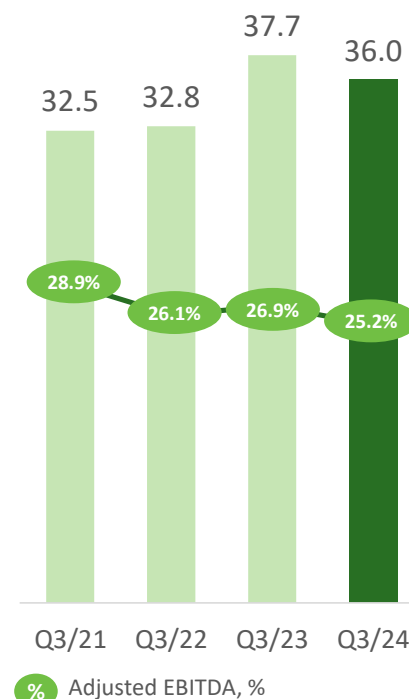
Net sales, EUR million



Quarterly adjusted EBITDA, EUR million



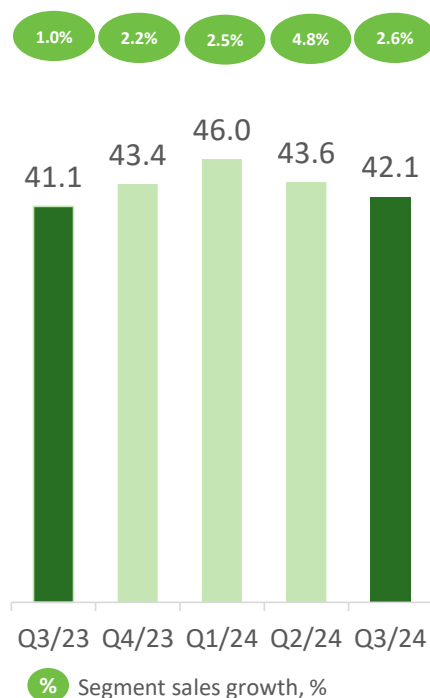
9 months adjusted EBITDA, EUR million



Net sales in Sweden increased by 2.6% to EUR 42.1 million in Q3/24

- Net sales in Sweden increased by 2.6% to EUR 42.1 (41.1) million.
- The weakened SEK exchange rate decreased sales by EUR 0.7 million in Q3.
- Like-for-like growth, which is calculated in local currencies, was -1.4%.
- Adjusted EBITDA decreased by 18.6% to EUR 7.0 (8.6) million.
- Adjusted EBITDA margin decreased to 16.6% (21.0%).
- During Q3, two third party stores were acquired.

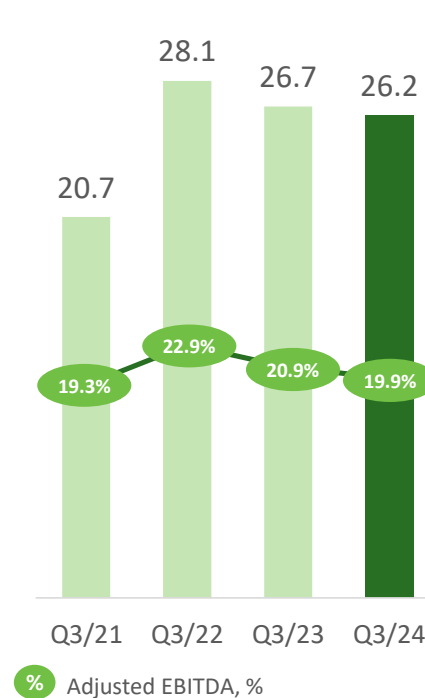
Net sales, EUR million



Quarterly adjusted EBITDA, EUR million



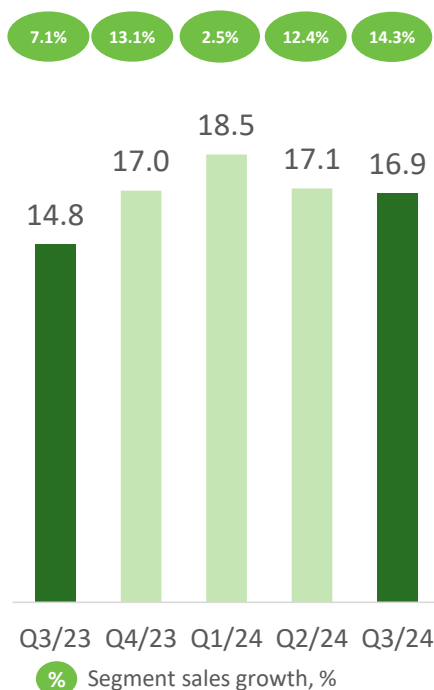
9 months adjusted EBITDA, EUR million



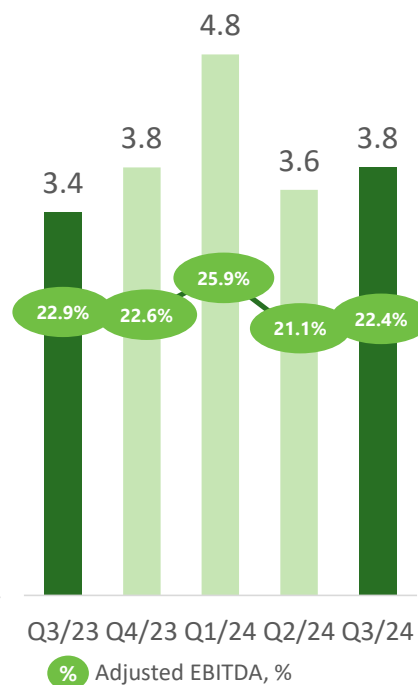
Net sales in Norway increased by 14.3% to EUR 16.9 million in Q3/24

- Net sales in Norway increased by 14.3% to EUR 16.9 (14.8) million, driven by like-for-like growth of 6.2% and ramp-up of the stores opened during the latest twelve months.
- The NOK exchange rate in Q3 had a EUR 0.7 million negative impact on net sales.
- Adjusted EBITDA increased by 11.8% to EUR 3.8 (3.4) million supported by good sales and disciplined cost control, despite adverse development of currency exchange rates.
- Adjusted EBITDA margin was 22.4% (22.9%).
- During Q3, three new directly operated stores were opened.

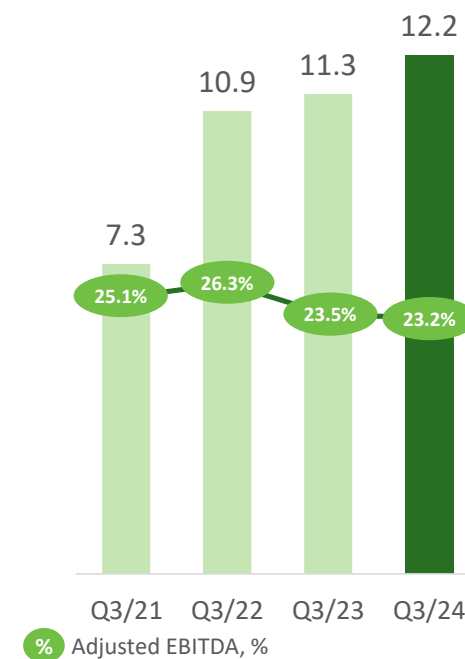
Net sales, EUR million



Quarterly adjusted EBITDA, EUR million



9 months adjusted EBITDA, EUR million



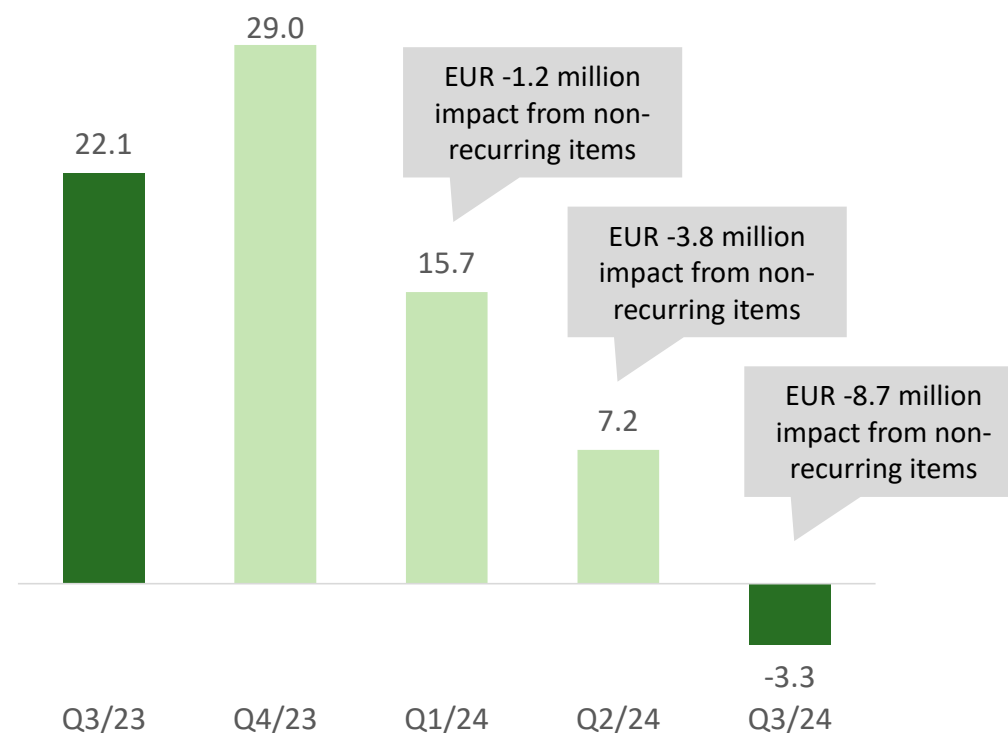


Financial position

Cash flow impacted temporarily by non-recurring items

- In Q3, the net cash flow from operating activities totaled EUR -3.3 (22.1) million and was negatively affected by EUR 8.7 million non-recurring cost items. Change in net working capital had an impact of EUR -13.2 (6.2) million to the cash flow during the quarter.
- In October 2023 - June 2024, the net cash flow from operating activities totaled EUR 19.5 (50.5) million.
- Gearing at the end of the reporting period was 99.9% (30 September 2023: 83.9%).
- Net debt amounted to EUR 161.6 million (30 September 2023: EUR 137.9 million). At the end of the period:
 - interest-bearing loans and commercial papers included in net debt amounted to EUR 89.8 million (30 September 2023: EUR 79.4 million).
 - lease liabilities EUR 82.7 million (30 September 2023: EUR 79.8 million).
- Net debt in relation to LTM adjusted EBITDA was 2.4x.
- Cash and cash equivalents at the end of the period amounted to EUR 12.7 million (30 September 2023: EUR 22.0 million).
- In Q3, investments in tangible and intangible assets amounted to EUR 3.7 (2.9) million.

Cash flow from operating activities, EUR million



Financial targets

- In April, the Board of Directors decided to withdraw the company's long-term financial targets.
- With the new majority owner, Musti Group is now in a new strategic phase with need to focus on sustainable growth to create value to its pet parent customers, owners and other stakeholders.
- Updated dividend policy: The company's net profit shall be used towards financing the company's growth and investments, and the company does not expect to distribute dividends. The Board of Directors may however assess dividend distribution annually.

Summary of Q3/24

- Group net sales totaled EUR 104.0 (103.3) million, an increase of 0.7%.
- Like-for-like growth, which is calculated in local currencies, amounted to -2.6% (10.2%).
- Online like-for-like growth was 6.6% (19.9%).
- Gross margin was 43.3% (45.7%) due to targeted investments in price and campaign activities and a slight decrease in the share of sales of own and exclusive brands.
- Adjusted EBITDA decreased 27.8% to EUR 12.5 (17.3) million.
- Adjusted EBITDA margin decreased to 12.0% (16.7%).
- The number of loyal customers increased by 3.5% to 1,575 thousand (1,522 thousand on 30 June 2023).
- Net cash flow from operating activities was EUR -3.3 (22.1) million, including a negative impact of EUR 8.7 million by non-recurring items.



More information

David Rönnerberg, CEO
+46 70 896 6552
david.ronnerberg@mustigroup.com

www.mustigroup.com/investors

X [@MustiGroup](https://twitter.com/MustiGroup)

Interim Report for October
2023 – September 2024
will be published on **7
November 2024.**



Thank you!
