



Musti
— GROUP —

Half-year Financial Report Q2/2020

1 October 2019 – 31 March 2020



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Strong growth in net sales across channels and segments

January–March 2020

- Group net sales totalled EUR 68.4 million (59.0 million), an increase of 15.9%.
- Like-for-like sales growth was 14.8%.
- Adjusted EBITA was EUR 5.5 (4.8) million, up by 15.8%.
- Adjusted EBITA margin was 8.1% (8.1%).
- Operating profit decreased by 10.3% to EUR 2.1 (2.4) million, representing 3.1% (4.1%) of net revenue.
- Profit for the period totalled EUR -2.7 (0.1) million.
- Earnings per share was EUR -0.09 (0.00).
- Four new directly operated stores were opened during Q2.

October 2019 – March 2020

- Group net sales totalled EUR 138.7 million (123.1 million), an increase of 12.7%.
- Like-for-like sales growth was 11.1%.
- Adjusted EBITA was EUR 13.3 (10.8) million, up by 23.7%.
- Adjusted EBITA margin was 9.6% (8.7%).
- Operating profit increased by 31.2% to EUR 7.5 (5.7) million, representing 5.4% (4.7%) of net revenue.
- Profit for the period totalled EUR 1.0 (1.2) million.
- Earnings per share was EUR 0.03 (0.04).
- Number of stores grew to 287 (271 at 31 March 2019).
- Number of loyal customers grew to 1,076 thousand (949 thousand).

The figures in parentheses refer to the comparison period, i.e. the same period in the previous year, unless stated otherwise. Musti's financial year is from 1 October to 30 September.

Key figures

EUR million or as indicated	1–3/2020	1–3/2019	Change %	10/2019–3/2020	10/2018–3/2019	Change %	FY2019
Net sales	68.4	59.0	15.9	138.7	123.1	12.7	246.6
Net sales growth, %	15.9%	10.8%		12.7%	15.5%		14.1%
LFL sales growth, %	14.8%	10.8%		11.1%	10.5%		11.2%
LFL store sales growth, %	10.0%	6.8%		8.5%	6.7%		7.8%
Online share, %	23.7%	21.7%		21.6%	20.7%		20.7%
Gross margin, %	43.3%	43.9%		44.4%	44.2%		44.3%
EBITA	3.6	3.8	-4.1	10.5	8.5	23.4	18.1
Adjusted EBITA	5.5	4.8	15.8	13.3	10.8	23.7	21.9
Adjusted EBITA margin, %	8.1%	8.1%		9.6%	8.7%		8.9%
Operating profit	2.1	2.4	-10.3	7.5	5.7	31.2	12.5
Operating profit margin, %	3.1%	4.1%		5.4%	4.7%		5.1%
Profit/loss for the period	-2.7	0.1	n.m.	1.0	1.2	-14.4	3.0
Earnings per share, basic and diluted, EUR	-0.09	0.00		0.03	0.04		0.10
Net cash flow from operating activities	4.8	3.5	36.5	19.5	18.3	6.1	39.5
Investments	2.4	1.5	59.3	4.9	3.1	57.5	6.4
Gearing, %				67.8%	147.0%		135.4%
Net debt / LTM adjusted EBITDA				2.3	4.4		3.5
Number of loyal customers, thousands	1,076	949	13.3	1,076	949	13.3	1,018
Number of stores at the end of the period	287	271	5.9	287	271	5.9	277
of which directly operated	218	198	10.1	218	198	10.1	206

CEO's comments

We are pleased with Musti's strong second quarter of the financial year 2020. Amid the disruptions caused by the coronavirus pandemic, our net sales grew by 15.9 per cent to EUR 68.4 million compared to the corresponding period last year and our like-for-like sales growth was 14.8 per cent. The growth was mainly driven by the increased number of new customers. The strong performance showed both in the like-for-like store sales growth of 10.0 per cent and the online growth of 31.0 per cent.

In Q2, we continued to focus on growth and gaining market share especially in online channels. We won new customers by investing in growth and offering good availability of products and fast local deliveries. Our strong omnichannel strategy and scalable platform have served us well, as we have seen a strong shift from stores to online channels due to the pandemic. This has been clearly visible in all of our online channels. After its online platform change in Q1, Peten Koiratarvike performed strongly in Q2 supported by marketing efforts and increased online demand.

Similar to groceries, there was a spike also in pet food demand when the coronavirus restrictions were implemented across the Nordics, but its effect on our total quarterly growth was limited, as it only impacted the last two weeks of the quarter. Musti's underlying growth has continued strong after Q2.

Musti is focusing on profitable growth, supported by the scalable platform and efficient cost control. This work was evident in the profitability development in Q2 as Musti's adjusted EBITA increased by 15.8% to EUR 5.5 million and adjusted EBITA margin was on par with the comparison period at 8.1%. The adjusted EBITA improvement was mainly due to increase in sales, partly offset by a slightly lower gross margin due to the increased share of online sales. Our operating profit decreased by 10.3% to EUR 2.1 million due to costs related to the IPO in Q2.

We continued to have a strong cash flow from operating activities, growing by 36.5% to EUR 4.8 million.

All three segments – Finland, Sweden and Norway – showed strong like-for-like sales growth in Q2. Adjusted EBITA margins in Sweden and Norway continued to converge towards Finland's level, in line with our objectives.

During the pandemic, our top priorities have been to keep our staff and customers safe and to maintain our ability to deliver high-quality service to our customers even under exceptional circumstances. We have paid rigorous attention to store hygiene and employee health, adjusted our store opening hours and strengthened our online capacity and warehouse functions to deliver the increased number of online purchases quickly and reliably. We are happy that during March we reached our all-time high Net Promoter Score in customer satisfaction feedback.

The pet care market has proven to be resilient to economic downturns in the past. Non-discretionary categories such as food, cat litter and veterinary services make up approximately 76 per cent of total market spend. During the coronavirus pandemic, the resilience of our business, comparable to grocery stores, has been apparent. We will continue to take operational actions and adjust cost base while we aim to serve our customers according to their channel preference, win new customers and keep our staff and customers safe.

We believe the trends driving the pet care market, such as the pet parenting megatrend and pet population growth, will remain robust also during and after the pandemic. Historically, the amount of puppy registrations has increased during economic downturns. This has been evident for example in Finland in the 1990s recession and during the financial crisis in 2008–2009.

Finally, I want to take this opportunity to thank everyone at Musti for their dedication and efforts during this difficult time. I am extremely proud of our work. Our mission is to make the life of pets and their parents easier, safer and more fun, and we have been able to do that even under these exceptional circumstances.

David Rönnerberg
CEO

Financial targets and outlook

Musti Group does not publish its short-term outlook. However, Musti Group's Board of Directors has set the following long-term financial targets:

Growth	Sales to reach at least EUR 350 million by the financial year 2023 by continuation of strong customer acquisition momentum.
Profitability	Mid- to long-term adjusted EBITA margin of 10-12 per cent with steadily improving profile. Margin increase is expected to be realised through steady gross margin and improving operating leverage.
Capital structure	Maintain net debt in relation to adjusted EBITDA below 2.5x in the long term.
Dividend policy	To pay a dividend corresponding to 60-80 per cent of net profit. Any potential dividend shall take into account acquisitions, the company's financial position, cash flow and future growth opportunities.

Market outlook

Musti Group (Musti) operates in the Nordic pet care market, broadly defined as the sale of pet food, treats, products, services and veterinary care across Finland, Sweden and Norway. According to Euromonitor, the market is estimated to be worth approximately EUR 2.8 billion, with Sweden as the largest market, accounting for approximately EUR 1.2 billion, and Finland and Norway estimated to be similar in size, at approximately EUR 820 million and approximately EUR 790 million respectively.

The rise of "Pet Parenting" refers to the increasing tendency of people to treat their pets like family members. As a result of this trend, people are spending more on higher quality and more premium food, as well as a more diverse range of products and services. Musti believes it is able to continue its strong performance, as it is focused on the high-quality products and services the Pet Parents seek.

The pet care market is resilient, underpinned by non-discretionary purchasing behaviour. Non-discretionary categories such as food, cat litter and veterinary services make up approximately 76 per cent of total market spend and are characterised by repeat purchasing behaviour that is consistent through the cycle. Consumers display a willingness to sustain spending on pet care through economic downturns, preferring to cut expenditure on alternative spend categories.

Regarding the effects of the coronavirus, Musti believes that the trends driving the pet care market, such as the pet parenting megatrend and pet population growth, will remain robust also during and after the coronavirus pandemic. It has been proven that historically, the amount of puppy registrations has increased during economic downturns. This has been evident for example in Finland in the 1990s recession and during the financial crisis in 2008–2009.

Group performance

Net sales

EUR million	1-3/2020	1-3/2019	Change %	10/2019-3/2020	10/2018-3/2019	Change %	FY2019
Net sales							
Group	68.4	59.0	15.9	138.7	123.1	12.7	246.6
Finland	33.2	29.3	13.3	67.8	61.4	10.4	122.8
Sweden	29.8	25.9	14.8	59.7	54.1	10.3	107.5
Norway	5.5	3.8	43.7	11.3	7.7	47.0	16.4

January–March 2020

The Group's net sales increased by 15.9% to EUR 68.4 million (EUR 59.0 million). The increase was largely due to like-for-like growth in all countries, mainly driven by the increasing number of new customers. Like-for-like growth amounted to 14.8% (10.8%).

Store sales increased by 13.1% to EUR 48.8 million (EUR 43.2 million), driven by like-for-like store sales growth in all countries, including a spike in demand in March due to the coronavirus epidemic. Like-for-like store sales growth amounted to 10.0% (6.8%).

Online sales increased by 26.3% to EUR 16.2 million (EUR 12.8 million). Online sales accounted for 23.7% (21.7%) of total net sales. Online sales growth was driven by marketing efforts, Peten Koiratarvike's recovery after the online platform change in Q1 and, during March, a channel shift towards online sales due to the coronavirus epidemic.

Net sales in Finland increased by 13.3% driven by like-for-like growth of 9.7% and growth from the new stores opened and acquired during the latest twelve months. Net sales in Sweden increased by 14.8% driven by strong like-for-like growth of 19.0%. The weakened SEK rate and closure of three stores during FY19 had a negative impact on growth. Four stores were opened and one franchise store was closed in Sweden during the reporting period. Net sales in Norway increased by 43.7% driven by strong like-for-like growth of 30.2% and ramp-up of the stores opened during the latest twelve months. Three stores were opened and one store was closed in Norway during the reporting period.

Number of loyal customers increased to 1,076 thousand during the reporting period (949 thousand on 31 March 2019). Rolling 12 months average spend per loyal customer increased to EUR 174.3 on 31 March 2020 (EUR 173.9 on 31 March 2019), driven by increased average order value.

October 2019 – March 2020

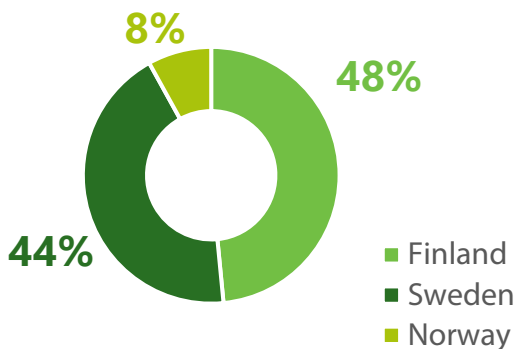
The Group's net sales increased by 12.7% to EUR 138.7 million (EUR 123.1 million). The increase was largely due to like-for-like growth in all countries, mainly driven by the increasing number of new customers. Like-for-like growth amounted to 11.1% (10.5%).

Store sales increased by 11.7% to EUR 101.8 million (EUR 91.2 million), driven by like-for-like store sales growth in all countries. Like-for-like store sales growth amounted to 8.5% (6.7%). Online sales increased by 17.3% to EUR 29.9 million (EUR 25.5 million). Online sales growth recovered during Q2 after the platform change in Peten Koiratarvike in Q1. In addition, the coronavirus epidemic had a positive impact on the share of online sales in March. Online sales accounted for 21.6% (20.7%) of total net sales.

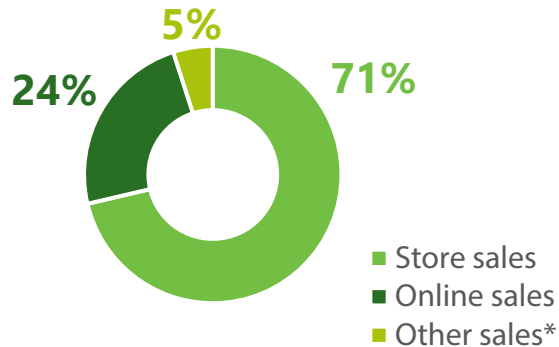
Net sales in Finland increased by 10.4% driven by like-for-like growth of 6.7% and growth from new stores opened during the latest twelve months. Net sales in Sweden increased by 10.3% driven by strong like-for-like growth of 14.6%. Five stores were opened, one franchise store was acquired and one franchise store was closed in Sweden during the reporting period. The weakened SEK rate and closure of three stores during FY19 had a negative impact on growth. Net sales in Norway increased by 47.0% driven by strong like-for-like growth of 26.0% and ramp-up of stores opened during the latest twelve months. Five stores were opened in Norway during the reporting period.

Number of loyal customers increased to 1,076 thousand during the reporting period (949 thousand on 31 March 2019). Rolling 12 months average spend per loyal customer increased to EUR 174.3 on 31 March 2020 (EUR 173.9 on 31 March 2019), driven by increased average order value.

Q2: Net sales by segment



Q2: Net sales by channel



*Other sales include franchise fees and wholesale.

Result

January–March 2020

The Group's adjusted EBITA increased by 15.8% to EUR 5.5 million (EUR 4.8 million). Adjusted EBITA margin was 8.1% (8.1%). The improvement was mainly due to an increase in sales, partly offset by slightly lower gross margin. Gross margin decreased to 43.3% (43.9%) due to the increased share of online sales. The share of employee benefits and other operating expenses as percentage of sales increased to 31.9% (31.3%), mainly driven by higher marketing expenses and higher share of online sales.

Depreciation amounted to EUR 4.4 million (EUR 4.0 million) and amortisation amounted to EUR 1.5 million (EUR 1.4 million).

Adjustments to EBITA were EUR 1.9 million (EUR 1.0 million). The adjustments were related to the IPO process.

Operating profit decreased by 10.3% to EUR 2.1 million (EUR 2.4 million) due to costs related to the IPO.

Profit before taxes decreased to EUR -3.4 million (EUR 0.1 million). Financial income and expenses (net) decreased from EUR -2.3 million to EUR -5.6 million mainly due to unrealised foreign exchange losses related to weakened SEK rate and realised exchange losses due to repayments of SEK loans to credit institutions in February.

Profit for the period was EUR -2.7 million (EUR 0.1 million) and earnings per share was -0.09 (0.00).

October 2019 – March 2020

The Group's adjusted EBITA increased by 23.7% to EUR 13.3 million (EUR 10.8 million). Adjusted EBITA margin was 9.6% (8.7%). The improvement was mainly due to an increase in sales combined with slightly higher gross margin and operating leverage. Gross margin increased to 44.4% (44.2%) due to more efficient campaigning and supply chain management, offset by higher share of online sales. The share of employee benefit and other operating expenses as percentage of sales decreased to 30.9% (31.3%) driven by operating leverage.

Depreciation amounted to EUR 8.6 million (EUR 8.0 million) and amortisation amounted to EUR 2.9 million (EUR 2.7 million).

Adjustments to EBITA were EUR 2.9 million (EUR 2.3 million). The adjustments were related to the IPO process.

Operating profit increased by 31.2% to EUR 7.5 million (EUR 5.7 million).

Profit before taxes decreased to EUR 1.2 million (EUR 1.5 million). Financial income and expenses (net) decreased from EUR -4.2 million to EUR -6.3 million mainly due to unrealised foreign exchange losses related to weakening SEK rate and realised exchange losses due to repayments of SEK loans to credit institutions in February.

Profit for the period was EUR 1.0 million (EUR 1.2 million) and earnings per share was 0.03 (0.04).

Financial position and cash flow

In January–March, net cash flow from operating activities totalled EUR 4.8 million (EUR 3.5 million). In October–March, net cash flow from operating activities totalled EUR 19.5 million (EUR 18.3 million). Cash and cash equivalents at the end of the period amounted to EUR 14.5 million (30 September 2019: EUR 8.7 million). Total consolidated assets amounted to EUR 299.9 million (30 September 2019: EUR 279.5 million). The increase was due to increased right-of-use assets from increased number of rental contracts as well as increased cash and cash equivalents driven by strong cash flow and refinancing in connection with the IPO.

Equity attributable to owners of the parent company totalled EUR 141.7 million (30 September 2019: EUR 98.3 million). The increase was mainly due to the share issue in connection with the IPO. The net impact of the share issue was EUR [42.9] million.

Gearing at the end of the reporting period was 67.8% (30 September 2019: 135.4%) and net debt amounted to EUR 96.1 million (30 September 2019: EUR 133.3 million). The decrease was mainly due to the refinancing in connection with the IPO, partly offset by increased lease liability due to adjusted rental periods and increased number of rental contracts. At the end of the period, the lease liability included in net debt amounted to EUR 61.1 million (30 September 2019: EUR 52.0 million).

In connection with the IPO, Musti refinanced its existing loans with the share issue of EUR 45 million and a new loan agreement of EUR 60 million, consisting of a EUR 50 million term loan and a EUR 10 million revolving credit facility. The repayment date of the facilities is in 2023. The loan agreement contains two financial covenants: leverage and gearing. The EUR 50 million term loan was drawn to refinance the existing loans. The revolving credit facility has not yet been drawn.

Investments

In January–March investments amounted to EUR 2.4 million (EUR 1.5 million). In October–March investments amounted to EUR 4.9 million (EUR 3.1 million). The investments were mainly related to new and relocated stores including services, especially in Sweden and Norway, as well as IT and digital platform development projects.

Business segment performance

Musti Group's reporting segments are based on geographical regions, and they are Finland, Sweden and Norway. The segment structure is based on geographical division where Finland, Sweden and Norway are separated to individual operating segments based on how the chief operating decision-maker monitors the business operations. In other items, Musti Group reports the Group functions, including the operations of the headquarters and the central warehouse.

Finland

Finland is Musti's most mature country. Musti held a 32 per cent of the total pet food and products market share in 2018. Regardless of the strong market presence in Finland, the company's management continues to see opportunities to expand the store network in selected locations, such as new hypermarkets and malls. Musti's brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online).

In Finland, Musti will continue to focus on serving existing customers better in order to increase share of wallet and winning new customers, both of which will support positive like-for-like development.

EUR million or as indicated	1-3/2020	1-3/2019	Change %	10/2019-3/2020	10/2018-3/2019	Change %	FY2019
Net sales	33.2	29.3	13.3	67.8	61.4	10.4	122.8
Net sales growth, %	13.3%	8.9%		10.4%	9.6%		10.8%
LFL segment sales growth, %	9.7%	8.5%		6.7%	8.8%		8.8%
EBITA	7.6	6.9	10.5	16.3	14.8	10.3	29.8
EBITA margin, %	22.9%	23.5%		24.0%	24.0%		24.2%
Adjusted EBITA	7.6	6.9	10.8	16.3	14.7	10.3	29.7
Adjusted EBITA margin, %	22.9%	23.4%		24.0%	24.0%		24.2%
Number of stores	128	125	2.4	128	125	2.4	126
of which directly operated	110	106	3.8	110	106	3.8	108

January–March 2020

Net sales in Finland increased by 13.3% to EUR 33.2 million (EUR 29.3 million) driven by like-for-like growth of 9.7% and growth from the stores opened or acquired during the latest twelve months. Online sales growth was positively impacted by marketing efforts and the recovery of the growth of Peten Koiratarvike after the platform change in Q1, as well as focus on growth.

EBITA increased by 10.5% to EUR 7.6 million (EUR 6.9 million). Adjusted EBITA increased by 10.8% to EUR 7.6 million (EUR 6.9 million). This was due to increase in sales. However, due to the increased share of online sales, adjusted EBITA margin decreased to 22.9% (23.4%).

One new franchise store was opened in Finland during Q2.

October 2019 – March 2020

Net sales in Finland increased by 10.4% to EUR 67.8 million (EUR 61.4 million) driven by like-for-like growth of 6.7% and growth from the stores opened or acquired during the latest twelve months.

EBITA increased by 10.3% to EUR 16.3 million (EUR 14.8 million). Adjusted EBITA increased by 10.3% to EUR 16.3 million (EUR 14.7 million). This was due to more efficient campaigning and supply chain management, offset by the increased share of online sales. Adjusted EBITA margin was 24.0% (24.0%).

One new directly operated store and one new franchise store were opened in Finland during the reporting period, and one franchise store was acquired.

Sweden

In Sweden, Musti's focus is on further expansion and convergence in efficiency towards Finnish levels. Musti, through its multiple brands, is the overall market leader with a combined 28 per cent market share (2018). Through VetZoo and Animail, Musti has a strong online presence in Sweden with a 56 per cent market share in online sales. Musti's store and omnichannel brands in Sweden are Arken Zoo and Djurmagazinet.

Musti's goal in Sweden is to continue strong like-for-like growth across all channels, store network expansion and strong margin improvement momentum. Regarding the store network expansion, focus will be turned towards store roll-out especially in big cities, where Musti is currently under-represented. Key growth and margin drivers in Sweden include increasing O&E share of sales towards Finnish levels through staff promotion and educational marketing, converging store cost-efficiency towards Finnish levels by store personnel efficiency measures and being selective in network expansion while acquiring selected franchised stores.

EUR million or as indicated	1-3/2020	1-3/2019	Change %	10/2019-3/2020	10/2018-3/2019	Change %	FY2019
Net sales	29.8	25.9	14.8	59.7	54.1	10.3	107.5
Net sales growth, %	14.8%	6.0%		10.3%	14.4%		10.9%
LFL segment sales growth, %	19.0%	12.0%		14.6%	11.1%		12.4%
EBITA	2.9	2.1	37.6	6.8	4.5	49.4	9.0
EBITA margin, %	9.8%	8.1%		11.3%	8.4%		8.4%
Adjusted EBITA	2.9	2.4	21.5	6.8	5.1	33.6	9.9
Adjusted EBITA margin, %	9.8%	9.2%		11.3%	9.4%		9.2%
Number of stores	124	120	3.3	124	120	3.3	121
of which directly operated	73	66	10.6	73	66	10.6	68

January–March 2020

Net sales in Sweden increased by 14.8% to EUR 29.8 million (EUR 25.9 million) driven by like-for-like growth of 19.0%, partly offset by the weakened SEK rate and closure of three stores during FY19. Both stores and online generated strong like-for-like growth driven by the increased number of customers.

EBITA increased by 37.6% to EUR 2.9 million (EUR 2.1 million). Adjusted EBITA increased by 21.5% to EUR 2.9 million (EUR 2.4 million). This was due to more efficient campaigning and supply chain management, partly offset by the increased share of online sales. Adjusted EBITA margin was 9.8% (9.2%).

During Q2, four new stores were opened in Sweden and one franchise store was closed.

October 2019 – March 2020

Net sales in Sweden increased by 10.3% to EUR 59.7 million (EUR 54.1 million) driven by like-for-like growth of 14.6%, partly offset by the weakened SEK rate and closure of three stores during FY19. The sales growth was strong in both stores and online, driven by the increased number of customers.

EBITA increased by 49.4% to EUR 6.8 million (EUR 4.5 million). Adjusted EBITA increased by 33.6% to EUR 6.8 million (EUR 5.1 million). This was due to more efficient campaigning and supply chain management, partly offset by the increased share of online sales. Adjusted EBITA margin was 11.3% (9.4%).

During the reporting period, five new stores were opened in Sweden, one directly operated store was closed, one franchise store was closed and one franchise store was acquired.

Norway

In Norway, Musti's focus is on store rollout and on increasing country profitability. Unlike in Finland and Sweden, there are no clear dominant players within the pet specialty segment, with Musti, Buddy, Zoo-1 and Pets all accounting for roughly 5–10 per cent of specialty share (including online) in 2018. Musti's brands in Norway are Musti (store and omnichannel) and VetZoo and Animail (online).

In Norway, the focus is on continuing the expansion of store network and store ramp-up in line with their historical development, as well as on the strong margin improvement momentum as 31 stores are still in ramp-up phase. Ramp-up of the Norwegian stores has progressed according to Musti's plans and the profitability development of new stores has followed similar patterns as observed e.g. in Finland.

EUR million or as indicated	1–3/2020	1–3/2019	Change %	10/2019–3/2020	10/2018–3/2019	Change %	FY2019
Net sales	5.5	3.8	43.7	11.3	7.7	47.0	16.4
Net sales growth, %	43.7%	98.6%		47.0%	134.9%		97.0%
LFL segment sales growth, %	30.2%	40.3%		26.0%	37.7%		30.7%
EBITA	0.1	-0.2	n.m.	0.7	-0.1	n.m.	0.4
EBITA margin, %	2.5%	-5.1%		6.5%	-1.3%		2.6%
Adjusted EBITA	0.1	0.0	n.m.	0.7	0.1	844.9	0.6
Adjusted EBITA margin, %	2.5%	-1.3%		6.5%	1.0%		3.8%
Number of stores	35	26	34.6	35	26	34.6	30
of which directly operated	35	26	34.6	35	26	34.6	30

January–March 2020

Net sales in Norway increased by 43.7% to EUR 5.5 million (EUR 3.8 million), driven by strong like-for-like growth of 30.2% and ramp-up of the stores opened during the latest twelve months. Three new stores were opened and one store was closed in Norway during Q2.

EBITA amounted to EUR 0.1 million (EUR -0.2 million). Adjusted EBITA amounted to EUR 0.1 million (EUR 0.0 million). This was driven by operating leverage of the increasing net sales and increased store efficiency, as stores are starting to reach the mature phase or the end of the ramp-up curve. Adjusted EBITA margin was 2.5% (-1.3%).

October 2019 – March 2020

Net sales in Norway increased by 47.0% to EUR 11.3 million (EUR 7.7 million), driven by strong like-for-like growth of 26.0% and ramp-up of the stores opened during the latest twelve months. Six new stores were opened and one store was closed in Norway during the reporting period.

EBITA amounted to EUR 0.7 million (EUR -0.1 million). Adjusted EBITA amounted to EUR 0.7 million (EUR 0.1 million). This was driven by operating leverage of the increasing net sales and increased store efficiency, as stores are starting to reach the mature phase or the end of the ramp-up curve. Adjusted EBITA margin was 6.5% (1.0%).

Group functions

January–March 2020

Group functions consist of costs relating to head office and central warehouse operations. EBITA was EUR -7.0 million (EUR -5.0 million). Adjusted EBITA was EUR -5.1 million (EUR -4.4 million). The decrease was due to higher personnel and other costs in the head office and, driven by higher volumes, in the central warehouse.

October 2019 – March 2020

EBITA impact of Group functions was EUR -13.3 million (EUR -10.7 million). Adjusted EBITA was EUR -10.5 million (EUR -9.1 million). The decrease was due to higher personnel and other costs in the head office and, driven by higher volumes, in the central warehouse.

Personnel

In October 2019 – March 2020, the average number of personnel was 1,129 (1,065). At the end of the reporting period, the number of personnel was 1,162 (1,029), of whom 608 (551) were employed in Finland and 555 (478) outside Finland.

Governance

Musti held an Extraordinary General Meeting (EGM) on 30 October 2019 in Helsinki. The EGM resolved to transfer the company's shares to the book-entry system maintained by Euroclear Finland Ltd. The EGM also resolved to amend Musti's Articles of Association and to notify the amendments for registration immediately after the EGM. In connection with the amendment of the Articles of Association, the EGM resolved to amend some of the company's share classes.

In December 2019, Jarkko Murtoaro and Alex Lindbom resigned as members of the Board of Directors. On 13 December 2019, by a unanimous resolution of all shareholders, Jeffrey David, Lisa Farrar, Ingrid Jonasson Blank and Vesa Koskinen were elected as new members of the Board.

In its meeting on 13 December 2019, Musti's Board of Directors appointed an Audit Committee from among its members, with Ingrid Jonasson Blank as its Chairman and Lisa Farrar and Juho Frilander as the other members of the Audit Committee, as well as a Remuneration Committee with Jeffrey David as its Chairman and Vesa Koskinen and Juho Frilander as the other members of the Remuneration Committee. The Board of Directors also approved certain corporate governance documentation, conditional upon the IPO, including the Charters of the Board of Directors, the Remuneration Committee and Internal Audit Policy, as well as the company's insider guidelines and disclosure policy. The Board of Directors also resolved to establish a long-term incentive plan, and to define and confirm the detailed content and terms at a later stage.

On 16 January 2020, the Board of Directors approved certain corporate governance documents, including the company's risk management policy, principles of internal audit, whistleblowing policy and conduct for reporting on related party transactions.

Musti Group's Annual General Meeting (AGM) was held on 23 January 2020. The AGM resolved to adopt the company's annual accounts for the financial period 1 October 2018 – 30 September 2019, not to distribute a dividend, and to discharge the members of the Board of Directors from liability. The AGM also resolved that the remuneration of the Chairman of the Board is EUR 60,000 per year and the remuneration of other members of the Board is EUR 30,000 per year. However, Board members Juho Frilander and Vesa Koskinen shall not be paid any fees for their Board activities. If the listing was not carried out, the remuneration would have remained as it was. The AGM resolved that the number of Board members shall be five (5) and resolved to re-elect Jeffrey David, Juho Frilander, Lisa Farrar, Ingrid Johansson Blank and Vesa Koskinen as members of the Board of Directors. Ernst & Young Oy was elected as the company's auditor, with Johanna Winqvist-Ilkka as the auditor with principal responsibility.

Conditional upon the execution of Musti's listing. The AGM resolved to authorise the Board of Directors to amend the company's Articles of Association, decide on a share issue without consideration to combine all share classes into a share class, decide on the issuance of shares in the IPO as well as other measures in connection with the listing of the company.

Shares and shareholders

Initial Public Offering

On 20 January, 2020 Musti Group Holding Oy (which was renamed Musti Group Oyj), announced that it is planning an initial public offering (IPO) and a listing of its shares on the official list of Nasdaq Helsinki.

The IPO of Musti Group was oversubscribed and the listing was completed as planned. The listing consisted of a share issue and a share sale. Musti Group raised approximately EUR 45 million in gross proceeds by issuing a total of 5,159,672 new shares in the share issue. In addition, Millan Holding S.à.r.l (EQT Mid Market Fund) and certain other shareholders of the company sold a total of 12,949,476 company shares (excluding the over-allotment option of 2,716,372 shares granted by Millan Holding S.à.r.l (EQT Mid Market Fund)). The final subscription price per share was EUR 8.75 per share in the institutional offering and the public offering, and 10 per cent lower in the personnel offering at EUR 7.88 per share, which in total corresponds to a market capitalisation of the company of approximately EUR 293 million immediately following the offering. Demand in the offering was strong from both Finnish and international investors and the offering was oversubscribed multiple times. Trading of the company's share commenced

on the Prelist of Nasdaq Helsinki Ltd on 13 February 2020 and on the Official List on 17 February 2020. The trading code of the shares in Musti Group is MUSTI. Musti Group has been classified as a mid-cap company in the retail sector.

19,656,401 shares were allocated to institutional investors in Finland and internationally in the institutional offering, with the over-allotment option exercised in full, and 1,000,000 shares were allocated to private individuals and entities in Finland in the public offering. In addition, 169,119 shares were allocated in the personnel offering to employees who were in full- or part-time permanent employment with Musti or its subsidiaries as well as employees with a fixed-term employment relationship with Musti or its subsidiaries at the start of the subscription period on 3 February 2020 in Finland, Sweden and Norway, as well as to the management team and CEO of the company. The total number of shareholders rose to more than 4,000 shareholders.

Issued shares and share capital

In connection with Musti Group's IPO and listing of its shares on the official list of Nasdaq Helsinki Ltd, the company's share classes were combined and the total number of outstanding shares in the company increased to 33,535,453.

At the end of the reporting period on 31 March 2020, Musti Group's share capital was EUR 11,001,853.68 and total number of shares outstanding was 33,535,453. The company has one share class. Each share carries one vote and entitles to the same dividend. At the end of the first quarter on 31 December 2019, Musti had twenty-one share classes which carried different voting rights in the company and different rights to distributions of funds, and 1,300,737 fully paid shares.

Trading on shares

Trading of Musti Group's share commenced on the Prelist of Nasdaq Helsinki Ltd on 13 February 2020 and on the Official List on 17 February 2020.

The opening price of the share was EUR 11.00 on the first trading day on 13 February 2020. The closing price of the share on the last trading day of the reporting period on 31 March 2020 was EUR 8.30. The highest price of the share during the reporting period was EUR 11.18, the lowest EUR 7.00 and the average price was EUR 9.07. Share turnover on Nasdaq Helsinki during the reporting period was approximately 20.9 million shares. The value of the share turnover was approximately EUR 189.6 million.

Musti Group's market capitalization was EUR 278.3 million on 31 March 2020.

Treasury shares and authorisations of the Board of Directors

The company does not hold any treasury shares.

Conditional upon the execution of Musti's listing, Musti Group's Annual General Meeting (AGM) held on 23 January 2020 resolved to authorise the Board of Directors to amend the company's Articles of Association, decide on a share issue without consideration to combine all share classes into a share class, decide on the issuance of shares in the IPO as well as other measures in connection with the listing of the company.

As part of the execution of Musti Group's initial public offering (IPO) and listing of its shares on the official list of Nasdaq Helsinki Ltd, the Board of Directors of Musti Group resolved on 6 February 2020 on a directed share issue without consideration of 10,511,039 new shares based on the authorisation granted by Musti's AGM held on 23 January 2020. In connection with the completion of the IPO, the Board of Directors of the company decided on 12 February 2020 on the execution of the combination of the company's share classes. In addition, the Board of Directors resolved on a share issue without consideration of 16,564,005 new A3 share class shares to the shareholders owning P share class shares prior to the combination of the shares in deviation from the shareholders' pre-emptive right to new shares.

The AGM also resolved to authorise the Board of Directors to decide on a share issue as well as the issuance of special rights entitling to shares. The Board of Directors may, based on the authorisation, decide on the issuance of shares and the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act. The authorisation concerns both the issuance of new shares as well as the transfer of treasury shares. The total number of shares to be issued shall not exceed 1,500,000 shares. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 23 July 2021.

The AGM resolved to authorise the Board of Directors to decide on the acquisition of the company's own shares. Based on the authorisation, the total number of shares to be acquired may not exceed 1,500,000 shares. The authorisation will be effective until the end of the next Annual General Meeting, however no longer than until 23 July 2021.

Shareholders and flagging notifications

At the end of the review period, the number of registered shareholders was 4,729. The proportion of nominee-registered and foreign shareholders was 72.5 per cent of the company's shares. The ten largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 37.6% of Musti Group's shares and votes at the end of the review period.

In January 2020, Millan Holding S.à.r.l notified the company about converting 387,977 of its shares in accordance with the Articles of Association. The conversion was registered on 20 January 2020.

During the review period, Musti Group received the following announcements under Chapter 9, Section 5 of the Securities Markets Act: EQT's indirect holding of the shares and votes of Musti Group decreased to 24.10 per cent and EQT's holding through financial instruments increased above the threshold of 5 per cent on 17 February 2020. SMALLCAP World Fund, Inc's holding of the shares

and votes of Musti Group increased above the threshold of 5 per cent on 13 February 2020. The Capital Group Companies, Inc's indirect holding of the shares and votes of the Musti Group increased above the threshold of 5 per cent on 13 February 2020. EQT's indirect holding of the shares and votes of Musti Group totals 24.10 per cent and EQT's holding through financial instruments decreased below the threshold of 5 per cent (21 February 2020).

A list of the largest shareholders is available on the company's website at www.mustigroup.com.

Managers' transactions

Musti Group's managers' transactions as of the listing have been published as stock exchange releases, and they are available on the company's website at www.mustigroup.com

Current incentive schemes

The Board of Directors decides on Musti Group's remuneration schemes and plans, such as short- and long-term incentive schemes as well as pension arrangements, upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. Musti will present a remuneration policy for approval to the shareholders for the first time at the Annual General Meeting 2021.

Bonus scheme

The company operates a bonus scheme, which is determined by the Board of Directors of the company upon the recommendation of the Remuneration Committee and in accordance with the company's effective remuneration policy. The CEO and the members of the management team are eligible to participate in the bonus scheme in accordance with the company's bonus policy. The payment of annual bonuses is conditional upon attainment of key performance targets of the company.

The bonuses of the CEO and the management team are based on personal targets and certain profitability targets set for the financial year. The maximum performance bonus is equivalent to an eight months' full salary for the CEO and a four months' full salary for the management team.

Long-term incentives

The company values competitive compensation for management and employees and it will further develop the compensation and incentive schemes as a part of the company's everyday business. The Board of Directors of the company has discussed a long-term incentive scheme and has decided to establish a long-term incentive programme after the IPO. The incentive programme is expected to correspond with market practices of listed companies of Musti's size and business profile.

Responsibility

Musti is committed to developing its responsibility policies and best practices on a long-term basis, and it is committed to being a responsible forerunner in its industry. Musti is the only pet specialty company to have committed to the United Nations Global Compact. The company is in the process of building a robust responsibility foundation and setting targets and key performance indicators to measure the results.

Conducting operations in a sustainable, responsible and environmentally friendly way requires focused and purposeful actions at all levels of the organization. The basis of all Musti's social responsibility is a responsible supply chain, diminishing environmental impact and good governance and high ethics. In addition, the company has identified three particular focus areas in order to communicate with its stakeholders: pets and their parents, employees and communities. The most important themes under pets and their parents are high-quality and safe products and services as well as satisfied and loyal customers. Under employees, the most important themes are thriving experts and well-being at work, and under communities, working for the common good and openness for new inventions.

Musti sets high standards for quality, safety and expertise, putting the welfare of pets, people and the environment first. The company has already taken concrete actions to this end, having been a member of amfori Business Social Compliance Initiative (amfori BSCI) since 2017. The company also expects its suppliers to commit to Musti's requirements on responsible business practices. Following the Musti Supplier Code of Conduct and all national laws and regulations is imperative. The company's dedicated employee team visits the supplier sites in Europe, and also the BSCI visits the company's supplier sites. Furthermore, the company has a third-party partner in China who visits and audits the sites in Asia. The company has initiated more systematic processes for supply chain sustainability especially in high-risk countries and set the target of having all tier one suppliers in high-risk countries audited.

Risks and uncertainties

Musti's risk profile follows the general risk level of the retail and grocery trade. The industry is not particularly cyclical and not subject to rapid changes. The company regularly monitors changes in the risks and their impact on the business. The company implements risk management continuously and systematically according to a scheduled process. The risk management process ensures that risks related to the Group are identified, estimated and controlled in a proactive way and the management of risks is monitored. The company's risk management includes, among others: identification and review of risks, risk assessment, determining and implementing control measures for the identified risks, and monitoring and reporting of risks.

The most material risks to Musti's business, results of operations, financial position and future prospects are risks related to macroeconomic developments, Musti's operations and business activities, the pet products and services industry, IT systems and intellectual property, management and employees, compliance, taxes as well as certain financial risks. Financial risks include the risk of currency fluctuations that could have a material adverse effect on Musti's results.

The coronavirus pandemic has exposed Musti's risk management to a new challenge. The company is actively working on minimising disruptions on a longer term and implementing precautionary measures to be able to manage diverse future scenarios. To date, the pandemic has not had any significant negative impacts on Musti, as the company has successfully managed the risks related to e.g. disruptions in the logistics chain, suppliers and employees. However, the pandemic can result in long-term effects with risks related to higher unemployment and recession in the society. As Musti's net sales and operating profits are generated in Finland, Sweden and Norway, the company is vulnerable to negative economic developments in these core markets. Although the pet care market has proven to be resilient to economic downturns in the past, this may not be the case in the future.

Musti's risk management and risks related to the company's operations are described in more detail in the company listing prospectus and on the company website at <https://www.mustigroup.com/investors/corporate-governance/risk-management/>.

Seasonality

Musti's business is characterised by a generally limited seasonality effect, with the high share of recurring food and stable products of net sales translating into low seasonality within years. However, there are certain intra-year fluctuations that affect cash flows, sales and profitability, which are made evident by Musti's financial year being from 1 October to 30 September. Usually, the period between July to December has higher sales compared to January to June, driven by higher sales of accessories and other seasonal products. There are no significant quarterly differences in profitability margins.

The volumes and timing of Musti's sales may somewhat vary due to weather conditions, with sales of pet clothing being primarily impacted. Cold winters and rainy weather generally result in higher sales of coats and shoes for pets.

Significant events after the reporting period

There were no significant events after the review period.

Financial calendar

Interim Report October–June

4 August 2020

Webcast for analysts and media

A live webcast for analysts and media will be arranged on 6 May 2020 at 10:00 EEST. The event will be held in English. The report will be presented by CEO David Rönnerberg and CFO Robert Berglund.

The webcast can be followed at <https://mustigroup.videosync.fi/2020-q2-results>. A recording of the webcast will be available later at the company's website at www.mustigroup.com/investors/reports-and-presentations/.

You can participate in the telephone conference by calling:

FI: +358981710310
SE: +46 856642651
UK: +44 3333000804
US: +1 6319131422

The participants will be asked to provide the following PIN code: 18879685#.

Helsinki, 5 May 2020

Board of Directors

The information in this half-year financial report is unaudited.

Further information:

David Rönnerberg, CEO, tel. +46 70 896 6552
Robert Berglund, CFO, tel. +358 50 534 8657

Distribution:

Nasdaq Helsinki
Main media
www.mustigroup.com

Musti Group in brief

Musti makes the life of pets and their owners easier, safer and more fun. We are the leading Nordic pet care company and we operate an omnichannel business model to cater for the needs of pets and their owners across Finland, Sweden and Norway. We offer a wide, curated assortment of pet products. We also provide pet care services such as grooming, training and veterinary services in selected locations.

Musti Group's net sales were EUR 247 million in the financial year 2019. At the end of the financial year 2019, the company had 1,100 employees, over one million loyal customers and 277 stores.

Condensed financial information

Condensed consolidated statement of income

EUR thousand	1-3/2020	1-3/2019	10/2019-3/2020	10/2018-3/2019	FY2019
Net sales	68 409	59 017	138 728	123 142	246 648
Other operating income	196	384	393	632	1 126
Share of profit of a joint venture	0	0	0	0	118
Materials and services	-38 762	-33 107	-77 170	-68 727	-137 266
Employee benefit expenses	-12 190	-11 341	-24 726	-22 798	-45 573
Other operating expenses	-9 649	-7 150	-18 166	-15 747	-30 726
Depreciation, amortisation and impairment	-5 856	-5 409	-11 526	-10 758	-21 830
Operating profit	2 148	2 394	7 533	5 744	12 496
Financial income and expenses, net	-5 576	-2 281	-6 285	-4 225	-8 492
Profit before taxes	-3 427	113	1 248	1 519	4 004
Income tax expense	744	-34	-263	-368	-988
Profit/loss for the period	-2 683	79	984	1 150	3 016
Attributable to:					
Owners of the parent	-2 687	52	970	1 109	2 971
Non-controlling interest	4	27	14	42	45
Earnings per share (EUR) for profit attributable to owners of the parent					
Basic and diluted EPS (EUR)	-0.09	0.00	0.03	0.04	0.10

Consolidated statement of comprehensive income

EUR thousand	1-3/2020	1-3/2019	10/2019-3/2020	10/2018-3/2019	FY2019
Profit/loss for the period	-2 683	79	984	1 150	3 016
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences	-479	71	-475	24	76
Other comprehensive income, net of tax					
Total comprehensive income	-3 162	150	510	1 175	3 092
Attributable to:					
Owners of the parent	-3 167	123	496	1 133	3 048
Non-controlling interest	4	27	14	42	45

Consolidated statement of financial position

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sept 2019
ASSETS			
Non-current assets			
Goodwill	142 836	144 830	143 995
Other intangible assets	21 192	24 362	22 668
Right-of-use assets	56 875	47 939	47 296
Property, plant and equipment	10 456	8 899	9 608
Investments in joint ventures	320	202	320
Deferred tax assets	8 274	7 895	7 271
Other non-current receivables	256	175	218
Total non-current assets	240 207	234 302	231 377
Current assets			
Inventories	35 167	31 897	32 533
Trade and other receivables	6 259	8 493	5 733
Loan receivables	16	11	4
Derivative financial instruments	271	152	179
Income tax receivables	3 518	2 440	1 057
Cash and cash equivalents	14 463	2 601	8 629
Total current assets	59 695	45 592	48 134
TOTAL ASSETS	299 902	279 895	279 511
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11 002	11 002	11 002
Other reserves	167 412	122 412	122 412
Translation differences	-558	-135	-83
Retained earnings	-36 181	-36 886	-35 012
Total equity attributable to owners of the parent	141 675	96 393	98 319
Equity attributable to non-controlling interest	125	110	101
Total equity	141 800	96 502	98 420
Non-current liabilities			
Loans from credit institutions	49 735	70 130	74 800
Lease liability	46 634	39 235	37 969
Deferred tax liabilities	3 455	2 159	2 179
Other non-current interest-bearing liabilities	0	9 867	10 574
Total non-current liabilities	99 825	121 392	125 522
Current liabilities			
Loans from credit institutions	0	11 906	4 697
Lease liability	14 487	13 493	14 013
Trade and other payables	40 946	33 612	36 364
Derivative financial instruments	77	149	61
Income tax liabilities	2 748	2 841	305
Provisions	20	0	129
Total current liabilities	58 278	62 001	55 569
Total liabilities	158 103	183 392	181 091
TOTAL EQUITY AND LIABILITIES	299 902	279 895	279 511

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent					Non-controlling interest	Total equity
	Share capital	Other reserves	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2019	11 022	122 412	-83	-35 012	98 319	101	98 420
Other changes				-12	-12	12	0
Profit/loss for the period				970	970	14	984
Translation differences			-475		-475	-3	-477
Total comprehensive income	0	0	-470	970	496	14	510
Share issue		45 000			45 000		45 000
Expenses related to the share issue				-2 275	-2 275		-2 275
Discount related to the personnel				147	147		147
Equity at 31 Mar 2020	11 002	167 412	-558	-36 181	141 675	125	141 800

EUR thousand	Attributable to owners of the parent					Non-controlling interest	Total equity
	Share capital	Other reserves	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2018	11 002	122 412	-159	-38 163	95 091	74	95 165
Other changes				168	168	-6	163
Profit/loss for the period				1 109	1 109	42	1 150
Translation differences			24		24	0	24
Total comprehensive income	0	0	24	1 109	1 133	42	1 175
Share issue							
Equity at 31 Mar 2019	11 002	122 412	-135	-36 886	96 393	110	96 502

Consolidated statement of cash flows

EUR thousand	1-3/2020	1-3/2019	10/2019- 3/2020	10/2018- 3/2019	FY2019
Cash flows from operating activities					
Profit before taxes	-3 427	113	1 248	1 519	4 004
Adjustments					
Depreciation, amortisation and impairment	5 856	5 409	11 526	10 758	21 830
Financial income and expenses, net	5 576	2 281	6 285	4 225	8 492
Other adjustments	-66	42	230	-371	1 574
Cash flows before changes in working capital	7 938	7 844	19 290	16 132	35 900
Change in working capital					
Increase (-) / decrease (+) in trade and other receivables	-54	493	-526	602	3 362
Increase (-) / decrease (+) in inventories	-1 415	2 104	-1 936	5 499	4 885
Increase (+) / decrease (-) in trade and other payables	-1 337	-6 893	2 387	-3 887	-3 815
Cash flows from operating activities before financial items and taxes	5 132	3 549	19 215	18 346	40 332
Interest and other financial income received	65	41	115	85	441
Received dividend	0	67	0	67	67
Income taxes paid	-411	-149	119	-167	-1 345
Net cash flow from operating activities	4 787	3 508	19 450	18 331	39 495
Cash flows from investing activities					
Investments in tangible and intangible assets	-2 397	-1 505	-4 869	-3 092	-6 369
Acquisition of subsidiaries and business acquisitions, net of cash acquired	10	0	-178	0	-183
Net cash flow from investing activities	-2 387	-1 505	-5 047	-3 092	-6 552
Cash flows from financing activities					
Proceeds from share issues	45 000	0	45 000	0	0
Costs from share issue recognised in equity	-2 696	0	-2 696	0	0
Proceeds from non-current loans	50 000	0	50 000	0	0
Repayments of non-current loans	-84 630	0	-84 630	0	0
Repayments of current loans	-2 420	-1 030	-4 880	-3 920	-5 270
Repayments of lease liabilities	-3 720	-3 388	-7 287	-6 640	-13 468
Interest and other financial expenses paid	-2 430	-2 213	-4 075	-4 042	-7 540
Net cash flow from financing activities	-896	-6 631	-8 568	-14 602	-26 278
Net change in cash and cash equivalents	1 503	-4 628	5 835	638	6 666
Cash and cash equivalents at start of period	12 960	7 228	8 629	1 963	1 963
Cash and cash equivalents at end of period	14 463	2 601	14 463	2 601	8 629

Basis of preparation and accounting policies

The Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as implemented within the EU.

The half-year financial report of 1 October 2019 – 31 March 2020 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the accounting principles applied in the half-year financial report are the same as in the financial statement of 2019.

The figures of the half-year financial report have not been audited.

The Group's consolidated financial statements are prepared in euros, which is the company's operating currency and the company's and the Group's reporting currency. The half-year financial report is presented in thousand euros unless otherwise stated.

Critical accounting estimates and judgments

An IFRS-compliant interim report requires the Group's management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and other information such as the amounts of income and expense. Although these estimates are based on the management's best knowledge at the time, it is possible that actual results differ from the estimates used in the interim reports.

There have not been any major changes regarding the uncertainty requiring the Group's management to exercise judgment and make estimates and assumptions compared to the financial statement of 2019.

Events after the reporting period

No significant events after the reporting period.

Segments

EUR thousand	Finland	Sweden	Norway	Group functions	Group
1/2020–3/2020					
Net sales *	33 176	29 779	5 454	0	68 409
% split of net sales between segments	48%	44%	8%	0%	100%
EBITDA	9 473	4 452	724	-6 644	8 004
Adjustments	-1	0	0	1 919	1 918
Adjusted EBITDA	9 472	4 452	724	-4 726	9 922
Depreciation and impairment of right-of-use assets and tangible assets	-1 870	-1 543	-587	-386	-4 386
EBITA	7 603	2 909	136	-7 030	3 618
Adjustments	-1	0	0	1 919	1 918
Adjusted EBITA	7 602	2 909	136	-5 111	5 536
Amortisation and impairment of intangible assets					-1 470
Operating profit					2 148
Financial income and expenses, net					-5 576
Profit before taxes					-3 427
Income tax expense					744
Profit/loss for the period					-2 683

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
1/2019–3/2019					
Net sales *	29 283	25 939	3 795	0	59 017
% split of net sales between segments	50%	44%	6%	0%	100%
EBITDA	8 559	3 659	255	-4 671	7 803
Adjustments	-19	281	144	605	1 011
Adjusted EBITDA	8 540	3 939	399	-4 066	8 813
Depreciation and impairment of right-of-use assets and tangible assets	-1 679	-1 545	-448	-360	-4 031
EBITA	6 881	2 114	-192	-5 031	3 771
Adjustments	-19	281	144	605	1 011
Adjusted EBITA	6 862	2 394	-49	-4 425	4 782
Amortisation and impairment of intangible assets					-1 377
Operating profit					2 394
Financial income and expenses, net					-2 281
Profit before taxes					113
Income tax expense					-34
Profit/loss for the period					79

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.

EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2019–3/2020					
Net sales *	67 782	59 670	11 275	0	138 728
% split of net sales between segments	49%	43%	8%	0%	100%
EBITDA	19 971	9 799	1 860	-12 571	19 059
Adjustments	-1	0	0	2 861	2 860
Adjusted EBITDA	19 970	9 799	1 860	-9 710	21 919
Depreciation and impairment of right-of-use assets and tangible assets	-3 695	-3 033	-1 125	-750	-8 603
EBITA	16 276	6 766	735	-13 321	10 456
Adjustments	-1	0	0	2 861	2 860
Adjusted EBITA	16 275	6 766	735	-10 460	13 316
Amortisation and impairment of intangible assets					-2 923
Operating profit					7 533
Financial income and expenses, net					-6 285
Profit before taxes					1 248
Income tax expense					-263
Profit/loss for the period					984
* Net sales include sales of products and services to external customers. There are no internal net sales between the segments.					
EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2018–3/2019					
Net sales *	61 375	54 095	7 672	0	123 142
% split of net sales between segments	50%	44%	6%	0%	100%
EBITDA	18 090	7 670	736	-9 994	16 502
Adjustments	-11	495	181	1 590	2 255
Adjusted EBITDA	18 079	8 165	917	-8 404	18 757
Depreciation and impairment of right-of-use assets and tangible assets	-3 330	-3 142	-839	-720	-8 032
EBITA	14 760	4 529	-103	-10 714	8 471
Adjustments	-11	535	181	1 590	2 295
Adjusted EBITA	14 748	5 064	78	-9 124	10 765
Amortisation and impairment of intangible assets					-2 727
Operating profit					5 744
Financial income and expenses, net					-4 225
Profit before taxes					1 519
Income tax expense					-368
Profit/loss for the period					1 150
* Net sales comprise sales of goods and services to external customers. There are no internal net sales between segments.					

EUR thousand	Finland	Sweden	Norway	Group functions	Group
10/2018–9/2019					
Net sales *	122 780	107 463	16 406	0	246 648
% split of net sales between segment	50%	44%	7%	0%	100%
EBITDA	36 631	15 124	2 241	-19 670	34 326
Adjustments	-30	833	188	2 790	3 779
Adjusted EBITDA	36 600	15 956	2 429	-16 880	38 106
Depreciation and impairment of right-of-use assets and tangible assets	-6 859	-6 143	-1 812	-1 434	-16 249
EBITA	29 771	8 980	429	-21 104	18 077
Adjustments	-30	873	188	2 790	3 819
Adjusted EBITA	29 741	9 853	617	-18 314	21 897
Amortisation and impairment of intangible assets					-5 581
Operating profit					12 496
Financial income and expenses, net					-8 492
Profit before taxes					4 004
Income tax expense					-988
Profit/loss for the period					3 016

* Net sales include sales of products and services to external customers. There are no internal net sales between the segments

Business combinations and changes in Group composition

During the reporting period, Musti Group acquired two pet stores, one in Finland and one in Sweden. The acquisitions were not material to the Group. Musti Group also sold one subsidiary, Djurfriskvård Västerås AB in Sweden. The change was not material to the Group.

Personnel on average and at the end of the reporting period

Personnel	31 Mar 2020	31 Mar 2019	30 Sep 2019
Personnel on average	1 129	1 065	1 084
Personnel at the end of period	1 162	1 029	1 120

Goodwill, intangible assets and property, plant and equipment

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sep 2019
Acquisition cost at beginning of reporting period	176 272	179 486	179 486
Amortisation and depreciation	-4 441	-3 952	-8 087
Additions	4 869	3 092	6 976
Disposals and closing of stores	-172	-65	-230
Exchange differences	-2 045	-469	-1 873
Acquisition cost at end of reporting period	174 483	178 092	176 272

Leases

Right-of-use assets

EUR thousand	Buildings and structures	Machinery and equipment	Total
31 Mar 2020			
Net book value at 1 Oct 2019	46 816	481	47 296
Net increases	16 545	119	16 664
Depreciation	-7 001	-84	-7 085
Net book value at 31 Mar 2020	56 360	515	56 875
31 Mar 2019			
Net book value at 1 Oct 2018	44 525	783	45 309
Net increases	9 442	-6	9 436
Depreciation	-6 647	-159	-6 806
Net book value at 31 Mar 2019	47 321	618	47 939
30 Sep 2019			
Net book value at 1 Oct 2018	44 525	783	45 309
Net increases	15 751	-20	15 731
Depreciations	-13 461	-282	-13 743
Net book value at 30 Sep 2019	46 816	481	47 296

Lease liability

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sep 2019
Lease liability at the beginning of the reporting period	51 982	50 188	50 188
Net increases	16 338	9 354	15 510
Rent expenses	-8 422	-8 087	-16 262
Interest expense	1 223	1 273	2 546
Lease liability at the end of the reporting period	61 120	52 729	51 982
Non-current lease liability	46 634	39 235	37 969
Current lease liability	14 487	13 493	14 013
Total	61 120	52 729	51 982

Lease contracts in the income statement

EUR thousand	10/2019-3/2020	10/2018-3/2019	FY2019
Expenses from short-term and rental agreements with minor value	-1 201	-1 333	-2 600
Depreciation of right-of-use assets	-7 085	-6 806	-13 743
Interest expenses from lease liability	-1 224	-1 273	-2 546
Total	-9 511	-9 412	-18 889

Financial assets and liabilities and fair value hierarchy

Financial assets

EUR thousand	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Book value	Fair value	Fair value hierarchy
31 Mar 2020						
Non-current assets						
Other non-current assets			256	256	256	Level 2
Total			256	256	256	
Current assets						
Trade and other receivables			3 797	3 797	3 797	Level 2
Loan receivables			16	16	16	Level 2
Derivative financial instruments	271			271	271	Level 2
Cash and cash equivalents			14 463	14 463	14 463	Level 2
Total	271		18 277	18 547	18 547	
Financial assets, total	271		18 532	18 803	18 803	
31 Mar 2019						
Non-current assets						
Other non-current assets			175	175	175	Level 2
Total			175	175	175	
Current assets						
Trade and other receivables			5 288	5 288	5 288	Level 2
Loan receivables			11	11	11	Level 2
Derivative financial instruments	152			152	152	Level 2
Cash and cash equivalents			2 601	2 601	2 601	Level 2
Total	152		7 900	8 052	8 052	
Financial assets, total	152		8 074	8 227	8 227	
30 Sep 2019						
Non-current assets						
Other non-current assets			218	218	218	Level 2
Total			218	218	218	
Current assets						
Trade and other receivables			3 890	3 890	3 890	Level 2
Loan receivables			4	4	4	Level 2
Derivative financial instruments	179			179	179	Level 2
Cash and cash equivalents			8 629	8 629	8 629	Level 2
Total	179		12 523	12 701	12 701	
Financial assets, total	179		12 741	12 920	12 920	

Financial liabilities

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Financial liabilities at amortised cost	Book value	Fair value	Fair value hierarchy
31 Mar 2020						
Non-current liabilities						
Loans from credit institutions			49 735	49 735	49 735	Level 2
Lease liability			46 634	46 634	46 634	Level 2
Other non-current liabilities			0	0	0	Level 2
Total			96 369	96 369	96 369	
Current liabilities						
Loans from credit institutions			0	0	0	Level 2
Lease liability			14 487	14 487	14 487	Level 2
Trade and other payables			24 586	24 586	24 586	Level 2
Derivative financial instruments	77			77	77	Level 2
Total	77		39 073	39 150	39 150	
Financial liabilities total	77		135 442	135 519	135 519	
31 Mar 2019						
Non-current liabilities						
Loans from credit institutions			70 130	70 130	70 130	Level 2
Lease liability			39 235	39 235	39 235	Level 2
Other non-current liabilities			9 867	9 867	9 867	Level 2
Total			119 233	119 233	119 233	
Current liabilities						
Loans from credit institutions			11 906	11 906	11 906	Level 2
Lease liability			13 493	13 493	13 493	Level 2
Trade and other payables			22 472	22 472	22 472	Level 2
Derivative financial instruments	149			149	149	Level 2
Total	149		47 871	48 020	48 020	
Financial liabilities total	149		167 103	167 252	167 252	
30 Sep 2019						
Non-current liabilities						
Loans from credit institutions			74 800	74 800	74 800	Level 2
Lease liability			37 969	37 969	37 969	Level 2
Other non-current liabilities			10 574	10 574	10 574	Level 2
Total			123 343	123 343	123 343	
Current liabilities						
Loans from credit institutions			4 697	4 697	4 697	Level 2
Lease liability			14 013	14 013	14 013	Level 2
Trade and other payables			25 245	25 245	25 245	Level 2
Derivative financial instruments	61			61	61	Level 2
Total	61		43 955	44 016	44 016	
Financial liabilities, total	61		167 298	167 359	167 359	

Level 1: Quoted unadjusted prices at the balance sheet date in active markets. The market prices are readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. The quoted

market price used for financial assets is the current bid price. Level 1 financial instruments include investments in funds classified as financial instruments at fair value through profit and loss. Musti Group does not have Level 1 financial instruments.

Level 2: The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize observable market data readily and regularly available from an exchange, dealer, broker, market information service system, pricing service or regulatory agency. Musti Group has classified derivatives at fair value according to the Level 2.

Level 3: A financial instrument is categorized into Level 3, if the calculation of the fair value cannot be based on observable market data. Musti Group has no such financial instruments.

During the reporting period there has not been any transfers between the levels of the fair value hierarchy.

Group's commitments

In connection with the IPO in February 2020, Musti refinanced its existing loans with the share issue and a new loan agreement of EUR 60 million, which consists of an EUR 50 million term loan and an EUR 10 million revolving credit facility. The repayment date of the facilities is in 2023. The loan agreement contains two financial covenants: leverage and gearing. In connection with the repayments of the loans enterprise mortgages and pledges were released. The EUR 50 million term loan was drawn to refinance the existing loans. The revolving credit facility has not yet been drawn.

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sep 2019
Pledges given on own behalf			
Collateral relating to rental payments	136	144	140
Guarantees relating to rental payments	4 008	3 328	4 456
Other commitments	397	610	315
Total	4 541	4 082	4 911

Related party transactions

Musti Group's related parties include its subsidiaries, joint venture, Board of Directors and the members of the management team, including the CEO, as well as their family members. Until the IPO in February the related parties also included its owners EQT Mid Market Fund, Vaaka Partners, Braganza AB and Ludv. G Braathens Rederi AS as well as Musti Group Finland Oy's (previously named Musti Group Oy's) (operating) Board of Directors. EQT Mid Market Fund has still significant influence over Musti Group.

Loans from the owners

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sep 2019
Other non-current interest-bearing liabilities	0	9 830	10 225

Other related party transactions

EUR thousand	31 Mar 2020	31 Mar 2019	30 Sep 2019
Purchases of goods and services	1 416	1 471	3 133
Receivables	0	0	0
Payables	614	280	174

Related party transactions are executed with the arms-length principle, and their terms and conditions correspond to transactions carried out with independent parties. No loans have been granted to the management, and no other transactions have been conducted with the management.

Financial ratios and alternative performance measures

EUR million or as indicated	1-3/2020	1-3/2019	Change %	10/2019-3/2020	10/2018-3/2019	Change %	FY2019
Net sales	68.4	59.0	15.9	138.7	123.1	12.7	246.6
Net sales growth, %	15.9%	10.8%		12.7%	15.5%		14.1%
LFL sales growth, %	14.8%	10.8%		11.1%	10.5%		11.2%
LFL store sales growth, %	10.0%	6.8%		8.5%	6.7%		7.8%
Online share of net sales, %	23.7%	21.7%		21.6%	20.7%		20.7%
Gross margin, %	43.3%	43.9%		44.4%	44.2%		44.3%
EBITDA	8.0	7.8	2.6	19.1	16.5	15.5	34.3
EBITDA margin	11.7%	13.2%		13.7%	13.4%		13.9%
Adjusted EBITDA	9.9	8.8	12.6	21.9	18.8	16.9	38.1
Adjusted EBITDA margin, %	14.5%	14.9%		15.8%	15.2%		15.4%
EBITA	3.6	3.8	-4.1	10.5	8.5	23.4	18.1
EBITA margin	5.3%	6.4%		7.5%	6.9%		7.3%
Adjusted EBITA	5.5	4.8	15.8	13.3	10.8	23.7	21.9
Adjusted EBITA margin, %	8.1%	8.1%		9.6%	8.7%		8.9%
Operating profit	2.1	2.4	-10.3	7.5	5.7	31.2	12.5
Operating profit margin, %	3.1%	4.1%		5.4%	4.7%		5.1%
Profit/loss for the period	-2.7	0.1	n.m.	1.0	1.2	-14.4	3.0
Earnings per share, EUR	-0.09	0.00		0.03	0.04		0.10
Cash flows from operating activities	4.8	3.5	36.5	19.5	18.3	6.1	39.5
Investments	2.4	1.5	59.3	4.9	3.1	57.5	6.4
Net debt				96.1	141.9	-32.3	133.3
Gearing, %				67.8%	147.0%		135.4%
Net debt / LTM Adjusted EBITDA				2.3	4.4	-47.1	3.5
Equity ratio, %				47.3%	34.5%		35.2%
Number of loyal customers, thousands	1,076	949	13.3	1,076	949	13.3	1,018
Number of stores at end of period	287	271	5.9	287	271	5.9	277
of which directly operated	218	198	10.1	218	198	10.1	206
Own & Exclusive share, %	49.8%	51.3%		51.1%	52.2%		51.7%

EUR million or as indicated	1-3/2020	1-3/2019	Change %	10/2019-3/2020	10/2018-3/2019	Change %	FY2019
Finland							
Net sales	33.2	29.3	13.3	67.8	61.4	10.4	122.8
Net sales growth, %	13.3%	8.9%		10.4%	9.6%		10.8%
LFL sales growth, %	9.7%	8.5%		6.7%	8.8%		8.8%
EBITDA	9.5	8.6	10.7	20.0	18.1	10.4	36.6
EBITDA margin, %	28.6%	29.2%		29.5%	29.5%		29.8%
Adjusted EBITDA	9.5	8.5	10.9	20.0	18.1	10.5	36.6
Adjusted EBITDA margin, %	28.5%	29.2%		29.5%	29.5%		29.8%
EBITA	7.6	6.9	10.5	16.3	14.8	10.3	29.8
EBITA margin, %	22.9%	23.5%		24.0%	24.0%		24.2%
Adjusted EBITA	7.6	6.9	10.8	16.3	14.7	10.3	29.7
Adjusted EBITA margin, %	22.9%	23.4%		24.0%	24.0%		24.2%
Number of stores at end of period	128	125	2.4	128	125	2.4	126
of which directly operated	110	106	3.8	110	106	3.8	108
Sweden							
Net sales	29.8	25.9	14.8	59.7	54.1	10.3	107.5
Net sales growth, %	14.8%	6.0%		10.3%	14.4%		10.9%
LFL sales growth, %	19.0%	12.0%		14.6%	11.1%		12.4%
EBITDA	4.5	3.7	21.7	9.8	7.7	27.8	15.1
EBITDA margin, %	15.0%	14.1%		16.4%	14.2%		14.1%
Adjusted EBITDA	4.5	3.9	13.0	9.8	8.2	20.0	16.0
Adjusted EBITDA margin, %	15.0%	15.2%		16.4%	15.1%		14.8%
EBITA	2.9	2.1	37.6	6.8	4.5	49.4	9.0
EBITA margin, %	9.8%	8.1%		11.3%	8.4%		8.4%
Adjusted EBITA	2.9	2.4	21.5	6.8	5.1	33.6	9.9
Adjusted EBITA margin, %	9.8%	9.2%		11.3%	9.4%		9.2%
Number of stores at end of period	124	120	3.3	124	120	3.3	121
of which directly operated	73	66	10.6	73	66	10.6	68
Norway							
Net sales	5.5	3.8	43.7	11.3	7.7	47.0	16.4
Net sales growth, %	43.7%	98.6%		47.0%	134.9%		97.0%
LFL sales growth, %	30.2%	40.3%		26.0%	37.7%		30.7%
EBITDA	0.7	0.3	183.3	1.9	0.7	152.8	2.2
EBITDA margin, %	13.3%	6.7%		16.5%	9.6%		13.7%
Adjusted EBITDA	0.7	0.4	81.4	1.9	0.9	102.8	2.4
Adjusted EBITDA margin, %	13.3%	10.5%		16.5%	12.0%		14.8%
EBITA	0.1	-0.2	-170.9	0.7	-0.1	-810.8	0.4
EBITA margin, %	2.5%	-5.1%		6.5%	-1.3%		2.6%
Adjusted EBITA	0.1	0.0	-380.4	0.7	0.1	844.9	0.6
Adjusted EBITA margin, %	2.5%	-1.3%		6.5%	1.0%		3.8%
Number of stores at end of period	35	26	34.6	35	26	34.6	30
of which directly operated	35	26	34.6	35	26	34.6	30

Calculation of financial ratios and alternative performance measures

Measure	Calculation
Gross profit	Net sales - Materials and services
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	Operating profit + Depreciation, amortisation and impairment
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)	Operating profit + Depreciation, amortisation and impairment + adjustments
Earnings before interest, taxes and amortisation (EBITA)	Operating profit + Amortisation and impairment of intangible assets
Adjusted earnings before interest, taxes and amortisation (Adjusted EBITA)	Operating profit + Amortisation and impairment of intangible assets + Adjustments
Earnings per share, basic	$\frac{\text{Profit/loss for the period} - \text{Non-controlling interests}}{\text{Average number of shares}}$
Earnings per share, diluted	$\frac{\text{Profit/loss for the period} - \text{Non-controlling interests}}{\text{Average diluted number of shares}}$
Net Debt	Interest bearing liabilities - Loan receivables - Derivative financial instruments - Cash and cash equivalents
Gearing, %	$\frac{\text{Net debt}}{\text{Equity}}$
Net debt/LTM (last twelve months) Adjusted EBITDA	$\frac{\text{Net Debt}}{\text{LTM adjusted EBITDA}}$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets} - \text{Advances received}}$
LFL (Like-for-like) sales growth, %	$\frac{\text{Sales of online channels and stores that have been open more than 13 months}}{\text{Sales from corresponding online channels and stores in the same time period}}$
Own & Exclusive share, %	$\frac{\text{Sales of own and exclusive product sales}}{\text{Product sales in own channels}}$
Online share, %	$\frac{\text{Online sales}}{\text{Net sales}}$

Reconciliation of key performance indicators

EUR million or as indicated	1-3/2020	1-3/2019	10/2019-3/2020	10/2018-3/2019	FY2019
Gross profit					
Net sales	68.4	59.0	138.7	123.1	246.6
Material and services	-38.8	-33.1	-77.2	-68.7	-137.3
Gross profit	29.6	25.9	61.6	54.4	109.4
Gross margin, %	43.3 %	43.9 %	44.4 %	44.2 %	44.3 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)					
Operating profit	2.1	2.4	7.5	5.7	12.5
Depreciation, Amortisation and Impairment	5.9	5.4	11.5	10.8	21.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	8.0	7.8	19.1	16.5	34.3
EBITDA margin, %	11.7 %	13.2 %	13.7 %	13.4 %	13.9 %
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)					
Operating profit	2.1	2.4	7.5	5.7	12.5
Depreciation, Amortisation and Impairment	5.9	5.4	11.5	10.8	21.8
Adjustments	1.9	1.0	2.9	2.3	3.8
Adjusted earnings before interest, taxes, depreciation and amortisation (Adjusted EBITDA)	9.9	8.8	21.9	18.8	38.1
Adjusted EBITDA margin, %	14.5 %	14.9 %	15.8 %	15.2 %	15.4 %
Adjustments (EBITDA)					
Restructuring related expenses	0.0	0.1	0.0	0.1	0.3
Acquisition/IPO related expenses	1.9	0.5	2.9	1.4	2.2
Other items affecting comparability	0.0	0.4	0.0	0.8	1.3
Adjustments (EBITDA)	1.9	1.0	2.9	2.3	3.8
Earnings before interest, taxes and amortisation (EBITA)					
Operating profit	2.1	2.4	7.5	5.7	12.5
Amortisation and impairment of intangible assets	1.5	1.4	2.9	2.7	5.6
Earnings before interest, taxes and amortisation (EBITA)	3.6	3.8	10.5	8.5	18.1
EBITA margin, %	5.3 %	6.4 %	7.5 %	6.9 %	7.3 %
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)					
Operating profit/loss	2.1	2.4	7.5	5.7	12.5
Amortisation and impairment of intangible assets	1.5	1.4	2.9	2.7	5.6
Adjustments total	1.9	1.0	2.9	2.3	3.8
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)	5.5	4.8	13.3	10.8	21.9
Adjusted EBITA margin, %	8.1 %	8.1 %	9.6 %	8.7 %	8.9 %
Adjustments (Operating profit)					
Restructuring related expenses	0.0	0.1	0.0	0.1	0.4
Acquisition/IPO related expenses	1.9	0.5	2.9	1.4	2.2

Other items affecting comparability	0.0	0.4	0.0	0.8	1.3
Adjustments (Operating profit)	1.9	1.0	2.9	2.3	3.8
Earnings per share, basic (and diluted)					
Profit/loss for the period	-2.7	0.1	1.0	1.2	3.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Average number of shares *)	31.2	28.4	29.1	28.4	28.4
Earnings per share, basic (and diluted)	-0.09	0.00	0.03	0.04	0.10
*) Number of shares before share issue of February 2020 was 28,375,781 and after share issue 33,535,453					
Net debt					
Interest bearing liabilities			110.9	144.6	142.1
Loan receivables			0.0	0.0	0.0
Derivative financial instruments			0.3	0.2	0.2
Cash and cash equivalents			14.5	2.6	8.6
Net debt			96.1	141.9	133.3
Gearing, %					
Net Debt			96.1	141.9	133.3
Equity			141.8	96.5	98.4
Gearing, %			67.8 %	147.0 %	135.4 %
Net debt/LTM Adjusted EBITDA					
Net debt			96.1	141.9	133.3
LTM adjusted EBITDA			41.3	32.2	38.1
Net debt/LTM Adjusted EBITDA			2.3	4.4	3.5
Equity ratio, %					
Total equity			141.8	96.5	98.4
Total assets			299.4	279.9	279.5
Advances received			0.2	0.1	0.1
Equity ratio, %			47.3 %	34.5 %	35.2 %
LFL sales growth, %					
Net sales	68.4	59.0	138.7	123.1	246.6
Net sales growth, %	15.9 %	10.8 %	12.7 %	15.5 %	14.1 %
Other growth, %	1.1 %	0.0 %	1.6 %	5.0 %	3.0 %
LFL sales growth, %	14.8 %	10.8 %	11.1 %	10.5 %	11.2 %
LFL store sales growth, %					
Store sales	48.8	43.2	101.8	91.2	182.4
Store sales total growth, %	13.1 %	7.9 %	11.7 %	8.3 %	10.0 %
Other growth, %	3.0 %	1.1 %	3.1 %	1.6 %	2.2 %
LFL store sales growth, %	10.0 %	6.8 %	8.5 %	6.7 %	7.8 %
Net sales					
Store sales	48.8	43.2	101.8	91.2	182.4
Online sales	16.2	12.8	29.9	25.5	51.1
Other sales	3.4	3.0	7.0	6.4	13.1
Net sales	68.4	59.0	138.7	123.1	246.6
Online share, %					
Net sales	68.4	59.0	138.7	123.1	246.6
Online sales	16.2	12.8	29.9	25.5	51.1
Online share, %	23.7 %	21.7 %	21.6 %	20.7 %	20.7 %