



October 2022 –
March 2023
Half-Year
Financial Report
Q2/2023

1 October 2022 –
31 March 2023

Half-Year Financial Report 1 October 2022 – 31 March 2023

Solid first half of the financial year

January – March 2023

- Group net sales totaled EUR 101.7 (92.4) million, an increase of 10.0%.
- Group net sales growth excluding the changes in the currency exchange rates was 15.4%
- Like-for-like sales growth was 10.8%.
- Adjusted EBITDA was EUR 16.6 (14.0) million, up by 19.3%.
- Adjusted EBITDA margin was 16.4% (15.1%).
- Adjusted EBITA was EUR 8.9 (7.0) million, up by 27.1%.
- Adjusted EBITA margin was 8.7% (7.6%).
- Net cash flow from operating activities was EUR 9.7 (5.3) million, up by 83.9%.
- Operating profit increased by 30.6% to EUR 7.1 (5.4) million, representing 7.0% (5.9%) of net sales.
- Profit for the period totaled EUR 4.8 (3.8) million.
- Earnings per share, basic was EUR 0.14 (0.11).
- Number of stores grew to 342 (324).
- Number of loyal customers grew to 1,511 thousand (1,372 thousand).

October 2022 – March 2023

- Group net sales totaled EUR 212.1 (193.8) million, an increase of 9.4%.
- Group net sales growth excluding the changes in the currency exchange rates was 14.2%
- Like-for-like sales growth was 8.8%.
- Adjusted EBITDA was EUR 35.8 (33.8) million, up by 5.9%.
- Adjusted EBITDA margin was 16.9% (17.4%).
- Adjusted EBITA was EUR 20.6 (20.3) million, up by 1.3%.
- Adjusted EBITA margin was 9.7% (10.5%).
- Net cash flow from operating activities was EUR 28.4 (18.5) million, up by 53.5%.
- Operating profit increased by 10.1 % to EUR 17.2 (15.6) million, representing 8.1% (8.1%) of net sales.
- Profit for the period totaled EUR 11.8 (10.6) million.
- Earnings per share, basic was EUR 0.35 (0.32).

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

Key figures

EUR million or as indicated	1-3/2023	1-3/2022	Change %	10/2022-3/2023	10/2021-3/2022	Change %	FY2022
Net sales	101.7	92.4	10.0%	212.1	193.8	9.4%	391.1
Net sales growth, %	10.0%	12.1%		9.4%	16.2%		14.7%
LFL sales growth, %	10.8%	4.5%		8.8%	6.9%		6.7%
LFL store sales growth, %	9.0%	1.3%		6.2%	4.1%		4.2%
Online share, %	23.8%	23.6%		22.9%	22.5%		22.2%
Gross margin, %	45.1%	46.5%		45.5%	47.0%		46.4%
EBITDA	16.2	14.0	15.8%	35.3	32.3	9.2%	65.4
EBITDA margin, %	15.9%	15.1%		16.6%	16.7%		16.7%
Adjusted EBITDA	16.6	14.0	19.3%	35.8	33.8	5.9%	66.9
Adjusted EBITDA margin, %	16.4%	15.1%		16.9%	17.4%		17.1%
EBITA	8.4	7.0	20.1%	20.1	18.8	6.6%	37.3
EBITA margin, %	8.3%	7.6%		9.5%	9.7%		9.5%
Adjusted EBITA	8.9	7.0	27.1%	20.6	20.3	1.3%	38.8
Adjusted EBITA margin, %	8.7%	7.6%		9.7%	10.5%		9.9%
Operating profit	7.1	5.4	30.6%	17.2	15.6	10.1%	30.9
Operating profit margin, %	7.0%	5.9%		8.1%	8.1%		7.9%
Profit/loss for the period	4.8	3.8	26.2%	11.8	10.6	11.3%	22.3
Earnings per share, basic, EUR	0.14	0.11	25.6%	0.35	0.32	11.7%	0.67
Net cash flow from operating activities	9.7	5.3	83.9%	28.4	18.5	53.5%	46.1
Investments in tangible and intangible assets	3.1	3.6	-13.1%	6.1	8.2	-25.7	14.2
Net debt / LTM adjusted EBITDA	2.1	2.2	-2.5%	2.1	2.2	-2.5%	2.1
Number of loyal customers, thousands	1,511	1,372	10.1%	1,511	1,372	10.1%	1,454
Number of stores at the end of the period	342	324	5.6%	342	324	5.6%	335
of which directly operated	327	303	7.9%	327	303	7.9%	319

'The team and I are pleased with the Q2 results boosting H1 beyond last year's record level, with Q2 adjusted EBITA increasing by 27.1%. A very strong achievement given the macro-economic environment.' – David Rönnerberg, Musti Group CEO

Musti Group today reported our strongest ever second quarter, accelerating half-year sales growth to 14.2% (in local currencies). Services, store and online sales all grew double-digit. I am extremely proud of what we as a team have achieved, especially in the prevailing inflationary environment, where we have grown store traffic and customer spending in all markets in local currencies.

Food and consumables, that make up over 70% of our sales, remained strong sales pillars throughout the quarter. Pet Parents are not sacrificing their pets' needs by trading down, and we are maintaining a high level of new puppy customers coming to Musti for advice and support for their new family and adding to the membership numbers of our Musti loyalty program.

Group adjusted EBITA increased by a very pleasing 27.1% in the second quarter, boosting our results for the first half of the financial year beyond last year's record level. Recent movements of the local currencies SEK and NOK had a negative impact of EUR 0.6 million on adjusted EBITA. It is inspiring to see that our relentless focus and effort to improve the productivity and scalability of our operating model is bearing fruit. Group functions cost as a percentage of net sales continue to improve quarter after quarter. The Eskilstuna central warehouse is reaching the efficiency level set for it resulting in significant improvements in our end-to-end supply chain efficiency.

The demand for local and sustainable products continues to rise and in April we announced that we acquired full ownership of Premium Pet Food Suomi Oy in Lieto, Finland, our joint venture premium pet food manufacturing business. The transaction allows us to deepen our commitment to sustainably produced products given the manufacturing facility is optimized for raw material supply as the majority of ingredients come from local producers. We are excited about the possibilities this transaction brings to us; the ability to respond to the increased demand for locally and sustainably produced products and the opportunity to increase our profitability by insourcing the production of our own brands. It supports our strategy perfectly.

I am very pleased with the progress we are making. Our ability to combine a growing portfolio of products, services and advice into convenient propositions for Pet Parents is a key enabler of how we consistently outgrow the markets in which we operate. We would not have been able to support our customers and achieve such strong results without the dedication and skill of our incredible team.

Our primary focus is and always will be to provide the best possible advice and support to our Pet Parent customers. We recognize that without their trust and loyalty we would not be where we are today. So, to our almost 2,500 team members - on behalf of our shareholders, our Board, our Group management team and myself, thank you for your tireless commitment to our customers and their pets.

Musti Group has a resilient business model, and the Nordic societies are well positioned to weather the challenging economic conditions. The Q2 and H1 results demonstrate this, and we remain on track to achieve our stated financial targets.

David Rönnerberg,
CEO

Financial targets

The long-term financial targets updated by the Board of Directors on 3 May 2021 are:

Growth	Net sales to reach at least EUR 500 million by the financial year 2024 by continuation of strong customer acquisition momentum and increasing share of wallet.
Profitability	Mid- to long-term adjusted EBITA margin of at least 13 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.

The financial targets are forward-looking statements and are not guarantees of future financial performance.

Market outlook

Musti Group 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. The market was estimated to be worth approximately EUR 3.4 billion (in 2021), with Sweden as the largest market, accounting for approximately EUR 1.4 billion, Finland approximately EUR 1.0 billion and Norway approximately EUR 1.0 billion.

Pet Parenting refers to the 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. This underlying trend that drives the long-term structural growth of the pet care market remains robust, shifting spend towards higher quality nutrition, a more diverse range of accessories and wider adoption of services.

The pet care market was positively affected by the Covid pandemic over 2020 and 2021, mainly through increased adoption of puppies and kittens and to some extent higher spending on discretionary categories, such as accessories. Puppy adoption rates began normalizing from these peak levels over 2022, while still above long-term averages. The pandemic period resulted in a step-up of Nordic pet ownership rates which increases the addressable market size for future years as the pandemic gains are expected to have a long tail effect.

The pet care market is resilient, underpinned by non-discretionary purchasing behavior. Non-discretionary categories such as food, cat litter and veterinary services make up approximately 75% of total market spend and are characterized by repeat purchasing behavior that is consistent through the cycle. Consumers display willingness to sustain spending on non-discretionary pet care purchases even while expenditure on alternative categories has been affected.

Group Performance

Net sales

EUR million	1-3/2023	1-3/2022	Change %	10/2022-3/2023	10/2021-3/2022	Change %	FY2022
Net sales							
Group	101.7	92.4	10.0%	212.1	193.8	9.4%	391.1
Finland	44.9	40.5	10.9%	92.5	84.3	9.7%	169.7
Sweden	41.6	38.8	7.2%	86.4	81.8	5.7%	164.9
Norway	15.2	13.1	15.5%	33.2	27.7	19.8%	56.5

January – March 2023

Group net sales increased by 10.0% to EUR 101.7 million (EUR 92.4 million). The increase was largely due to the increasing number of customers together with price increases and an increased number of directly operated stores and was significantly affected negatively by currency exchange rate fluctuations. Currency exchange rate changes affected the growth negatively by 5.4%-points. Weakened SEK exchange rate decreased sales by EUR 3.1 million bringing 3.7 %-points headwind to growth. Weakened NOK exchange rate decreased sales by EUR 1.4 million bringing 1.7 %-points headwind to the growth. Group net sales growth excluding the changes in the currency exchange rates was 15.4%. The impact of price increases was 8%. Like-for-like growth, which is calculated in local currencies, amounted to 10.8% (4.5%), with higher growth in food and consumables than in discretionary categories.

Store sales increased by 10.8% to EUR 77.1 million (EUR 69.6 million). We added a net 2 directly operated stores during the quarter and 24 during the last 12 months to our network. Like-for-like store sales growth was 9.0% (1.3%). Online sales increased by 10.6% to EUR 24.1 million (EUR 21.8 million). Like-for-like online sales growth was 16.4% (14.1%). Online sales accounted for 23.8% (23.6%) of total net sales.

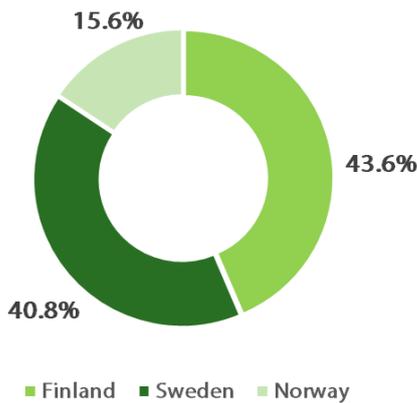
October 2022 – March 2023

Group net sales increased by 9.4% to EUR 212.1 million (EUR 193.8 million). The increase was largely due to the increasing number of customers together with an increased number of directly operated stores and was significantly affected negatively by currency exchange rate fluctuations. Currency exchange rate changes affected the growth negatively by 4.8%-points. Weakened SEK exchange rate decreased sales by EUR 6.4 million bringing 3.3 %-points headwind to growth. Weakened NOK exchange rate decreased sales by EUR 2.9 million bringing 1.5 %-points headwind to the growth. Group net sales growth excluding the changes in the currency exchange rates was 14.2%. The impact of price increases was 6%. Like-for-like growth, which is calculated in local currencies, amounted to 8.8% (6.9%), with higher growth in food and consumables than in discretionary categories.

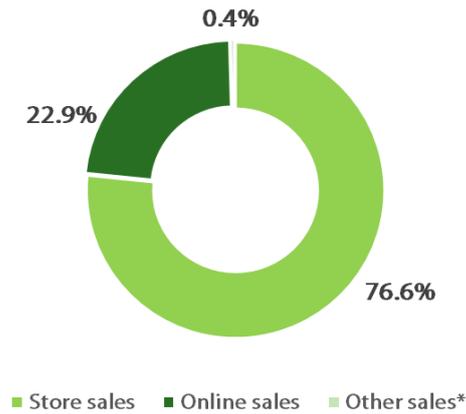
Store sales increased by 10.1% to EUR 162.5 million (EUR 147.6 million). We added a net 8 directly operated stores year to date and 24 during the last 12 months to our network. Like-for-like store sales growth was 6.2% (4.1%). Online sales increased by 11.5% to EUR 48.7 million (EUR 43.7 million). Like-for-like online sales growth was 17.7% (15.9%). Online sales accounted for 22.9% (22.5%) of total net sales.

The number of loyal customers increased by 10.1% to 1,511 thousand (1,372 thousand on 31 March 2022). Rolling 12 months average spend per loyal customer was EUR 180.8 as per 31 March 2023 (EUR 186.6 as per 31 March 2022). The decrease was due to currency exchange rate fluctuations. Excluding the currency exchange rate fluctuations, the development was slightly positive.

Net sales by segment 10/2022-3/2023



Net sales by channel 10/2022-3/2023



*Other sales include franchise fees and wholesale.

Result

January – March 2023

Group adjusted EBITA increased by 27.1% to EUR 8.9 million (EUR 7.0 million). The increase was due to good traffic, price increases mitigating the inflation and tight cost control, despite the inflationary environment. Recent movements of the local currencies SEK and NOK had a negative impact of EUR 0.6 million on adjusted EBITA. Adjusted EBITA margin was 8.7% (7.6%).

Gross margin decreased to 45.1% (46.5%). Gross margin was negatively impacted unfavorable currency exchange rate development. The share of sales of own and exclusive brands remained at a good level of 52.3% (52.2%). The share of employee benefits and other operating expenses as percentage of sales was 30.4% (32.1%).

Depreciation amounted to EUR 7.8 million (EUR 7.0 million) and amortization amounted to EUR 1.3 million (EUR 1.6 million). Main driver is the growing store network via IFRS 16 impact.

There were EUR 0.5 million (EUR 0.0 million) adjustments to EBITA in the reporting period.

Operating profit increased by 30.6% to EUR 7.1 million (EUR 5.4 million), affected negatively by EUR 0.5 million by the currency exchange rates.

Profit before taxes amounted to EUR 6.3 million (EUR 4.6 million). The impact of financial income and expenses (net) on profit before taxes was EUR 0.7 million negative (EUR 0.8 million negative), mainly due to interest expenses. Profit for the period was EUR 4.8 million (EUR 3.8 million) and basic earnings per share was 0.14 (0.11).

October 2022 – March 2023

Group adjusted EBITA increased by 1.3% to EUR 20.6 million (EUR 20.3 million). Recent movements of the local currencies SEK and NOK had a negative impact of EUR 1.3 million on adjusted EBITA (EUR 0.2 million positive in the comparison period). Adjusted EBITA margin was 9.7% (10.5%).

Gross margin decreased to 45.5% (47.0%). Gross margin was negatively impacted by increased inflation and unfavorable currency exchange rate development. The share of sales of own and exclusive brands was 53.0% (53.0%). The share of employee benefits and other operating expenses as percentage of sales was 29.6% (31.1%).

Depreciation amounted to EUR 15.2 million (EUR 13.5 million) and amortization amounted to EUR 2.9 million (EUR 3.2 million). Main driver is the growing store network via IFRS 16 impact.

There were EUR 0.5 million adjustments to EBITA in the reporting period (EUR 1.5 million in the comparison period related to our end-to-end supply chain development project together with other non-recurring costs related to structural changes).

Operating profit increased by 10.1% to EUR 17.2 million (EUR 15.6 million), affected negatively by EUR 1.2 million by the currency exchange rates.

Profit before taxes amounted to EUR 15.3 million (EUR 13.6 million). The impact of financial income and expenses (net) on profit before taxes was EUR 1.8 million negative (EUR 2.0 million negative), mainly due to interest expenses. Profit for the period was EUR 11.8 million (EUR 10.6 million) and basic earnings per share was 0.35 (0.32).

Financial position and cash flow

In January-March 2023, the net cash flow from operating activities totaled EUR 9.7 million (EUR 5.3 million). Increase in net working capital had an impact of EUR -2.8 million (EUR -8.9 million) to the cash flow during the quarter. Cash flow used in investing activities during the quarter amounted to EUR 3.2 million (EUR 6.3 million).

In October 2022 - March 2023, the net cash flow from operating activities totaled EUR 28.4 million (EUR 18.5 million). Increase in net working capital had an impact of EUR -1.6 million (EUR -14.3 million) to the cash flow during the period. Cash flow used in investing activities during the period amounted to EUR 8.7 million (EUR 17.2 million).

Cash and cash equivalents at the end of the period amounted to EUR 11.5 million (30 September 2022: EUR 10.0 million). Total consolidated assets amounted to EUR 376.8 million (30 September 2022: EUR 371.4 million).

Equity attributable to owners of the parent company totaled EUR 150.9 million (30 September 2022: EUR 160.3 million).

Gearing at the end of the reporting period was 97.9% (30 September 2022: 89.4%) and net debt amounted to EUR 147.9 million (30 September 2022: EUR 143.4 million). At the end of the period, the interest-bearing loans and commercial papers included in net debt amounted to EUR 78.3 million (30 September 2022: EUR 74.8 million) and lease liabilities EUR 81.4 million (30 September 2022: EUR 80.7 million).

Musti Group focuses on maintaining sufficient liquidity in the group. In addition to the cash and cash equivalents of EUR 11.5 million at the end of the period, Musti Group had an unutilized EUR 5.0 million credit limit, a EUR 50 million commercial paper program of which EUR 31.5 million undrawn and an undrawn EUR 40.0 million revolving credit facility.

Investments

In January-March investments in tangible and intangible assets amounted to EUR 3.1 million (EUR 3.6 million). Investments were mainly related to new and relocated stores, as well as IT and digital platform development projects. No acquisitions were made during the period.

In October 2022 – March 2023, investments in tangible and intangible assets amounted to EUR 6.1 million (EUR 8.2 million). Investments were mainly related to new and relocated stores, as well as IT and digital platform development projects. In addition, in October 2022 - March 2023 EUR 2.6 million were invested in business acquisitions of stores in Sweden and Norway. During the first half of the financial year, Musti Group acquired 4 pet stores, 3 in Sweden and one in Norway, as business acquisitions.

Business segment performance

Musti Group's reporting segments are based on geographical regions 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 Group's most mature market. Musti Group holds approximately 31% share of the total pet food and products market. Musti's network has nationwide coverage, and a vast majority of Finnish pet parents are within convenient reach of a Musti store, which are typically located at high traffic locations such as large hypermarkets and popular retail areas. Management continues to see opportunities in further optimizing the network to meet customer needs mainly through relocations, uplifts and adding service points, and through improved omnichannel features.

In Finland, Musti Group focus is both on serving existing customers better to increase share of wallet and to continue winning new customers, both of which support like-for-like growth. Musti's brands in Finland include Musti ja Mirri (store and omnichannel) and Peten Koiratarvike (online focus complemented by select stores).

EUR million or as indicated	1-3/2023	1-3/2022	Change %	10/2022-3/2023	10/2021-3/2022	Change %	FY2022
Net sales	44.9	40.5	10.9%	92.5	84.3	9.7%	169.7
Net sales growth, %	10.9%	9.1%		9.7%	10.6%		11.2%
LFL segment sales growth, %	11.8%	0.3%		9.3%	2.4%		2.7%
EBITDA	12.3	9.9	24.6%	24.9	22.6	10.0%	44.5
EBITDA margin, %	27.3%	24.3%		26.9%	26.8%		26.2%
Adjusted EBITDA	12.3	9.9	24.6%	24.9	22.7	9.8%	44.5
Adjusted EBITDA margin, %	27.3%	24.3%		26.9%	26.9%		26.2%
EBITA	9.5	7.3	30.1%	19.4	17.6	9.9%	34.2
EBITA margin, %	21.1%	18.0%		21.0%	20.9%		20.2%
Adjusted EBITA	9.5	7.3	30.1%	19.4	17.7	9.7%	34.3
Adjusted EBITA margin, %	21.1%	18.0%		21.0%	21.0%		20.2%
Number of stores	139	140	-0,7%	139	140	-0,7%	140
of which directly operated	139	140	-0,7%	139	140	-0,7%	140

January – March 2023

Net sales in Finland increased by 10.9% to EUR 44.9 million (EUR 40.5 million). Sales growth was a result of strong growth in both online channels and stores underpinned by good traffic and price increases. Like-for-like growth was 11.8%.

EBITA and adjusted EBITA increased by 30.1% to EUR 9.5 million (EUR 7.3 million). The increase in profitability was mainly due to healthy gross margin development and cost control, despite the inflationary environment. Adjusted EBITA margin was 21.1% (18.0%).

During Q2, no changes in the store network.

October 2022 – March 2023

Net sales in Finland increased by 9.7% to EUR 92.5 million (EUR 84.3 million). Sales growth was a result of strong growth in both online channels and stores underpinned by good traffic and price increases. Like-for-like growth was 9.3%.

EBITA increased by 9.9% to EUR 19.4 million (EUR 17.6 million). Adjusted EBITA increased by 9.7% to EUR 19.4 million (EUR 17.7 million). Adjusted EBITA margin was 21.0% (21.0%).

During H1, one directly operated store was merged to another store, no new stores were opened.

Sweden

In Sweden, Musti Group's focus is on further expansion and increasing efficiency. Musti is the overall market leader with approximately 29% market share. Musti Group's main store and omnichannel brand in Sweden is Arken Zoo, complemented by Djurmagazinet. Through VetZoo, Musti Group has a strong online presence in Sweden.

Musti's goal in Sweden is to continue strong like-for-like growth across all channels through customer acquisition and gaining share of wallet, continued network expansion and strong margin improvement. Significant network expansion has taken place in FY20 to FY22, taking directly operated store count from 68 at end of FY19 to 113 by end of FY22 and strengthening our position across Swedish cities. Ramping up newer store cohorts is a key growth and margin driver, along with increasing own and exclusive brands share of sales towards Finnish levels and cost efficiency measures.

EUR million or as indicated	1-3/2023	1-3/2022	Change %	10/2022-3/2023	10/2021-3/2022	Change %	FY2022
Net sales	41.6	38.8	7.2%	86.4	81.8	5.7%	164.9
Net sales growth, %	7.2%	8.9%		5.7%	14.7%		11.8%
LFL segment sales growth, %	9.5%	7.6%		8.3%	9.6%		8.9%
EBITDA	8.5	8.6	-0.9%	17.9	19.1	-5.9%	37.3

EBITDA margin, %	20.5%	22.2%		20.7%	23.3%		22.6%
Adjusted EBITDA	8.6	8.6	0.4%	18.0	19.1	-5.3%	37.3
Adjusted EBITDA margin, %	20.8%	22.2%		20.9%	23.3%		22.6%
EBITA	5.7	6.1	-5.4%	12.5	14.1	-11.5%	26.9
EBITA margin, %	13.8%	15.6%		14.4%	17.2%		16.3%
Adjusted EBITA	5.9	6.1	-3.5%	12.6	14.1	-10.7%	26.9
Adjusted EBITA margin, %	14.1%	15.6%		14.6%	17.2%		16.3%
Number of stores	131	128	2.3%	131	128	2.3%	129
of which directly operated	116	107	8.4%	116	107	8.4%	113

January – March 2023

Net sales in Sweden increased by 7.2% to EUR 41.6 million (EUR 38.8 million). The weakened SEK exchange rate decreased sales by EUR 3.2 million in Q2. The growth excluding the adverse effect from the currency exchange rate change was 14.8%. The like-for-like growth, which is calculated in local currencies, was 9.5%.

EBITA decreased by 5.4% to EUR 5.7 million (EUR 6.1 million). Adjusted EBITA decreased by 3.5% to EUR 5.9 million (EUR 6.1 million). The decrease was due to negative gross margin development caused by currency exchange rates. Adjusted EBITA margin decreased to 14.1% (15.6%).

During Q2, no changes in the store network.

October 2022 – March 2023

Net sales in Sweden increased by 5.7% to EUR 86.4 million (EUR 81.8 million). The weakened SEK exchange rate decreased sales by EUR 6.6 million in H1. The growth excluding the adverse effect from the currency exchange rate change was 13.8%. The like-for-like growth, which is calculated in local currencies, was 8.3%.

EBITA decreased by 11.5% to EUR 12.5 million (EUR 14.1 million). Adjusted EBITA decreased by 10.7% to EUR 12.6 million (EUR 14.1 million). The decrease was due to gross margin pressure and negative development of the currency exchange rate. Adjusted EBITA margin decreased to 14.6% (17.2%).

During H1, one franchise store and two third party stores were acquired in Sweden. No new stores were opened.

Norway

In Norway, Musti Group's focus is on market share gain through continued customer acquisition supported by store roll-out, and on increasing country profitability. Norway remains a more fragmented market compared to Finland and Sweden with Musti holding approximately 13% share of the total pet food and products market. Musti Group's brands in Norway are Musti (store and omnichannel) and VetZoo (online).

Musti entered Norway in October 2016, and majority of the 66 stores (at end of FY22) are still in ramp-up mode. Ramp-up has progressed according to Musti Group's plans and in line with historical patterns. Therefore, the maturation of the network continues to be a key driver of growth and country profitability.

EUR million or as indicated	1-3/2023	1-3/2022	Change %	10/2022-3/2023	10/2021-3/2022	Change %	FY2022
Net sales	15.2	13.1	15.5%	33.2	27.7	19.8%	56.5
Net sales growth, %	15.5%	35.7%		19.8%	43.9%		38.7%
LFL segment sales growth, %	11.2%	10.3%		8.7%	15.6%		13.9%
EBITDA	3.2	3.1	2.3%	7.9	7.1	10.5%	14.6
EBITDA margin, %	20.8%	23.5%		23.7%	25.7%		25.8%
Adjusted EBITDA	3.2	3.1	2.3%	7.9	7.1	10.5%	14.6
Adjusted EBITDA margin, %	20.8%	23.5%		23.7%	25.7%		25.8%

EBITA	1.7	1.9	-12.4%	5.0	5.0	1.1%	9.9
EBITA margin, %	11.2%	14.8%		15.1%	17.9%		17.6%
Adjusted EBITA	1.7	1.9	-12.4%	5.0	5.0	1.1%	9.9
Adjusted EBITA margin, %	11.2%	14.8%		15.1%	17.9%		17.6%
Number of stores	72	56	28.6%	72	56	28.6%	66
of which directly operated	72	56	28.6%	72	56	28.6%	66

January – March 2023

Net sales in Norway increased by 15.5% to EUR 15.2 million (EUR 13.1 million), driven by like-for-like growth of 11.2% and ramp-up of the stores opened during the latest twelve months. The NOK exchange rate in Q2 had a EUR 1.2 million negative impact on net sales. The growth excluding the adverse effect from the currency exchange rate change was 30.5%.

EBITA and adjusted EBITA decreased by 12.4% to EUR 1.7 million (EUR 1.9 million). The decrease was mainly driven by a negative gross margin development caused by currency exchange rates. Adjusted EBITA margin was 11.2% (14.8%).

During Q2, two directly operated stores were opened in Norway.

October 2022 – March 2023

Net sales in Norway increased by 19.8% to EUR 33.2 million (EUR 27.7 million), driven by like-for-like growth of 8.7% and ramp-up of the stores opened during the latest twelve months. The NOK exchange rate in H1 had a EUR 2.6 million negative impact on net sales. The growth excluding the adverse effect from the currency exchange rate change was 29.1%.

EBITA and adjusted EBITA increased by 1.1% to EUR 5.0 million (EUR 5.0 million). The modest increase was mainly due to a negative gross margin development caused by currency exchange rates with an increasing adverse impact towards the end of Q2. Adjusted EBITA margin was 15.1% (17.9%).

During H1, five directly operated stores were opened and one store was acquired in Norway.

Group functions

January – March 2023

The EBITA impact of the Group functions was EUR -8.5 million (EUR -7.6 million). Adjusted EBITA was EUR -8.2 million (EUR -7.6 million). Group functions cost in relation to group net sales improved to 8.0% (9.0%). The improvement was driven by the scalability achieved in the Group head office and the improved efficiency in the central warehouse.

October 2022 – March 2023

The EBITA impact of the Group functions was EUR -16.8 million (EUR -17.9 million). Adjusted EBITA was EUR -16.5 million (EUR -16.5 million). Group functions cost in relation to group net sales improved to 7.8% (8.5%). The improvement was driven by the scalability achieved in the Group head office and the improved efficiency in the central warehouse.

Personnel

At the end of the reporting period on 31 March 2023, the number of personnel was 1,580 (1,465) of whom 648 (631) were employed in Finland, 641 (614) in Sweden and 291 (220) in Norway.

Changes in Group structure

There were no changes in Group structure during October 2022 – March 2023.

Changes in Group management

There were no changes in Group management during October 2022 – March 2023.

Governance

Annual General Meeting

Musti Group plc's Annual General Meeting was held on 30 January 2023 at 1:00 p.m. at Pörssitalo in Helsinki, Finland. Shareholders could participate in the Annual General Meeting and exercise shareholder rights by attending the meeting, by voting in advance or by way of proxy representation.

The Annual General Meeting adopted the annual accounts for the financial year 1 October 2021 – 30 September 2022, discharged the persons who have acted as the members of the Board of Directors and CEO during the financial year from liability, and resolved to approve the remuneration report for the governing bodies.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, that the profit for the financial year 1 October 2021 – 30 September 2022 be added to retained earnings and that no dividend will be paid. In addition, the Annual General Meeting decided that shareholders will be paid a capital return of EUR 0.50 per share from the invested unrestricted equity reserve, and that the capital return will be paid in two instalments.

The first capital return instalment of EUR 0.25 per share will be paid to the shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the first capital return instalment on 1 February 2023. The first capital return instalment will be paid on 8 February 2023.

The second capital return instalment of EUR 0.25 per share will be paid in August 2023 to shareholders who are registered in the shareholders' register of the Company maintained by Euroclear Finland Oy on the record date of the second capital return instalment on 22 August 2023. The second capital return instalment will be paid on 29 August 2023.

The Annual General Meeting also authorized the Board of Directors to resolve, if necessary, on a new record date and date of payment for the second instalment of the capital return, should the rules of Euroclear Finland Oy or statutes applicable to the Finnish book-entry system change or otherwise so require.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors that the members of the Board of Directors be paid the following annual remuneration:

- Chair of the Board of Directors: EUR 65,000
- Other members of the Board of Directors: EUR 35,000

The Annual General Meeting also decided, in accordance with the proposal of the Board of Directors, that the annual remuneration for the members of the Board of Directors be paid in Company shares and cash so that 50 percent of the annual remuneration will be used to purchase Company shares in the name and on behalf of the members of the Board of Directors from the market at a price determined in public trading, and the rest of the annual remuneration will be paid in cash. The shares will be purchased within two weeks of the publication of the interim report for the period 1 October 2022 – 31 December 2022 or as soon as possible in accordance with applicable legislation. The Company will pay any costs and transfer tax related to the purchase of Company shares. In case the remuneration cannot be paid in Company shares due to legal or other regulatory restrictions or due to other reasons related to the Company or a member of the Board of Directors, the annual remuneration will be paid fully in cash. In addition, members of the Audit Committee and the Remuneration Committee of Board of Directors will be paid the following annual remuneration:

- Chair of the Committee: EUR 7,500
- Other Committee members: EUR 5,000

The Annual General Meeting decided that the number of members of the Board of Directors shall be five (5). Jeffrey David, Ingrid Jonasson Blank, Ilkka Laurila, Inka Mero and Johan Dettel were re-elected as members of the Board of Directors for a term of office expiring at the end of the next Annual General Meeting.

Ernst & Young Oy, Authorized Public Accountants, was re-elected as the auditor of the Company for a term of office ending at the end of the next Annual General Meeting. Ernst & Young Oy has notified the Company that Johanna Winqvist-Ilkka, Authorized Public Accountant, will act as the auditor with principal responsibility. The Annual General Meeting decided that the remuneration to the auditor shall be paid against a reasonable invoice approved by the Audit Committee.

The Annual General Meeting decided, in accordance with the proposal of the Board of Directors, that an addition will be made to section 7 § of the Articles of Association to include the possibility by the Board of Directors, at their discretion, to arrange a General Meeting as a hybrid meeting. In addition, the amendment will enable arranging a General Meeting as a virtual meeting without a meeting venue.

Shares and shareholders

Share capital

At the end of the reporting period on 31 March 2023, Musti Group's share capital was EUR 11,001,853.68 and the 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.

Trading of 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 15.61 on the first trading day of the second quarter on 2 January 2023. The closing price of the share on the last trading day of the reporting period on 31 March 2023 was EUR 16.11. The highest price of the share during January 2023 – March 2023 was EUR 18.81; the lowest EUR 14.92 and the average closing price was EUR 16.74. Share turnover on Nasdaq Helsinki during January 2023 – March 2023 was approximately 4.31 million shares.

Musti Group's market capitalization was EUR 540 million on 31 March 2023.

Own shares

On 31 March 2023 Musti Group held 147,566 (244,000) own shares representing 0.44% (0.73%) of the total number of shares and votes.

On 27 January 2023, 96,434 Musti Group plc shares held by the company were transferred gratuitously on to the participants who were entitled to reward on the basis of Performance Share Plan 2020–2024 performance period 2020–2022.

Musti Group did not purchase its own shares during the reporting period.

Authorizations of the Board of Directors

The Annual General Meeting authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The number of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 3,185,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company.

Own shares may be repurchased only using the unrestricted equity of the Company at a price formed in public trading on the date of the repurchase or otherwise at a price determined by the markets.

The Board of Directors was also authorized to decide on all other matters related to the repurchase and/or acceptance as pledge of own shares. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

This authorization cancels the authorization given by the Annual General Meeting held on 27 January 2022 to decide on the repurchase the Company's own shares and/or to accept the Company's own shares as pledge. This authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2024.

The Annual General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows. The number of shares to be issued based on this authorization shall not exceed 3,185,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in the Company. The authorization covers both the issuance of new shares as well as the transfer of treasury shares held by the Company.

The Board of Directors was authorized to decide on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

This authorization cancels the authorization given by the Annual General Meeting held on 27 January 2022 to decide on the issuance of shares as well as on the issuance of special rights entitling to shares. This authorization is effective until the conclusion of the next Annual General Meeting, however, no longer than until 31 March 2024.

Shareholders and flagging notifications

At the end of the reporting period, the number of registered shareholders was 11,950. The proportion of nominee-registered shareholders was 66.6% of the company's shares. The 20 largest shareholders registered in the book-entry register maintained by Euroclear Finland Oy held a total of 25.75% of Musti Group's shares and votes at the end of the reporting period.

During October 2022 - March 2023, Musti Group received the following announcement under Chapter 9, Section 5 of the Securities Markets Act:

- On 22 November 2022 Musti Group plc received a notification in accordance with the Chapter 9, Section 5 of the Finnish Securities Markets Act from Investment AB Öresund (publ), according to which Investment AB Öresund's holding of the shares and votes of the Company decreased below the threshold of 5 percent on 21 November 2022.

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

Managers' transactions

Musti Group's managers' transactions as of the listing have been published as stock exchange releases, and they are available at the company's website at <https://www.mustigroup.com/releases-and-publications/>.

Remuneration 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 Group presented 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 the 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 for financial year 2022 was equivalent to a six months' full salary for the CEO and a three months' full salary for the members of the management team.

Long-term incentives

The Board of Directors of Musti Group plc decided on 7 May 2020 on a long-term incentive plan for the management team and the key employees, the Performance Share Plan (PSP) 2020-2024.

On 16 December 2022, The Board of Directors of Musti Group plc decided to launch a new share-based incentive plan for Musti Group's key employees, the Performance Share Plan (PSP) 2023-2027.

The aim of a share-based compensation plans is to align the objectives of the shareholders and key employees for increasing the value of the company in the long-term. The plans are also to commit the key employees to the company and to offer them competitive incentive schemes that are based on earning and accumulating shares.

Performance Share Plan 2020–2024

The Performance Share Plan consists of three performance periods, covering the financial years of 2020–2022, 2021–2023 and 2022–2024. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period. The potential reward based on the plan will be paid partly in the company's shares and partly in cash after the end of each performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to a participant.

The company's management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member on the basis of the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the Management Team continues.

Performance Share Plan 2023–2027

The Performance Share Plan 2023–2027 consists of three consecutive performance periods, covering the financial years of 2023–2025, 2024–2026 and 2025–2027. The Board of Directors decides on the plan's performance criteria and targets to be set for each criterion at the beginning of each performance period. The potential reward based on the plan will be paid partly in the company's shares and partly in cash after the end of each performance period. The cash proportion is intended for covering taxes and tax-related costs arising from the reward to a participant.

The company's group management team member is obliged to hold at least 50 per cent of the net number of shares paid to the member on the basis of the plan, until the value of his or her total shareholding in the company equals to 50 per cent (100 per cent for the CEO) of his or her annual base salary. Such number of shares must be held as long as the membership in the group Management Team continues.

Responsibility

Musti Group 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 Group is the only pet specialty company to have committed to the United Nations Global Compact. The company has built a strong responsibility foundation and key performance indicators to measure the results and revises responsibility program and targets regularly as part of a continuous improvement to stay relevant in the responsibility work.

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 Group's responsibility approach is a responsible supply chain, reducing environmental impact as well as good governance and high ethics. In addition, the company has identified three particular focus areas, themes, 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 Group 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 major suppliers to commit to Musti Group's requirements regarding responsible business practices. Following the Musti Group Supplier Code of Conduct and all national laws and regulations is imperative. The company is conducting visits to the supplier sites in Europe, also the BSCI visits the company's supplier sites in high-risk countries. 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 in high-risk countries 100% of our tier one suppliers have been audited.

Musti Group's Non-Financial Information Report for the financial year 2022 was published on 16 December 2022 together with the Financial Statements and the Board of Directors' report. The report is available at <https://www.mustigroup.com/investors/reports-and-presentations/financial-year-2022/>.

Risks and uncertainties

Musti Group'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.

Musti Group's risk management and risks related to the company's operations are described in more detail in the Board of Directors' Report published on 16 December 2022 which is available at <https://www.mustigroup.com/investors/reports-and-presentations/financial-year-2022/>.

Seasonality

Musti Group's business is characterized 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 Group's financial year being from 1 October to 30 September. Usually, the period between July to December has higher sales and profitability margins compared to January to June, driven by higher sales of accessories and other seasonal products.

The volumes and timing of Musti Group's sales may vary somewhat 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 reporting period.

Financial calendar

Musti Group's Interim Report for October 2022-June 2023 will be published on 10 August 2023.

Webcast for analysts and media

A webcast and a teleconference for analysts and media will be arranged on 4 May 2023 at 14:00 EET. The event will be held in English. The report will be presented by CEO David Rönnerberg and CFO Toni Rannikko.

The webcast can be followed at <https://mustigroup.videosync.fi/2023-q2-results>. A recording of the webcast will be available later at the company's website at www.mustigroup.com/investors/reports-and-presentations/.

The teleconference can be accessed by registering at <http://palvelu.flik.fi/teleconference/?id=1009766>. After the registration, participants will be provided with phone numbers and a conference ID to access the conference. To ask a question, please dial *5 on your telephone keypad to enter the queue.

Helsinki, 4 May 2023

Board of Directors

The information in this Half-Year Financial Report is unaudited.

Further Information:

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Essi Nikitin, Head of IR and Communications, tel +358 50 581 1455

Distribution:

Nasdaq Helsinki
Principal media
www.mustigroup.com

Condensed financial information

Condensed consolidated statement of income

EUR thousand	1 Jan 2023 - 31 Mar 2023	1 Jan 2022 - 31 Mar 2022	1 Oct 2022 - 31 Mar 2023	1 Oct 2021 - 31 Mar 2022	1 Oct 2021 - 30 Sep 2022
Net sales	101 656	92 424	212 058	193 773	391 122
Other operating income	829	744	1 361	1 382	2 516
Share of profit of a joint venture	354	-37	324	90	84
Materials and services	-55 808	-49 469	-115 573	-102 674	-209 626
Employee benefit expenses	-19 597	-18 530	-39 262	-36 442	-72 592
Other operating expenses	-11 276	-11 180	-23 608	-23 812	-46 078
Depreciation, amortization and impairment	-9 089	-8 537	-18 103	-16 698	-34 542
Operating profit	7 070	5 415	17 196	15 619	30 882
Financial income and expenses, net	-728	-825	-1 835	-2 024	-2 443
Profit before taxes	6 342	4 591	15 361	13 595	28 440
Income tax expense	-1 545	-790	-3 524	-2 962	-6 109
Profit/loss for the period	4 797	3 800	11 838	10 634	22 330
Attributable to:					
Owners of the parent	4 766	3 794	11 822	10 621	22 328
Non-controlling interest	31	7	16	13	2
Earnings per share (EUR) for profit attributable to owners of the parent					
Basic EPS (EUR)	0,14	0,11	0,35	0,32	0,67
Diluted EPS (EUR)	0,14	0,11	0,35	0,32	0,66

Consolidated statement of comprehensive income, IFRS

Profit/loss for the period	4 797	3 800	11 838	10 634	22 330
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods:					
Translation differences	-1 953	-416	-3 778	-748	-6 148
Other comprehensive income, net of tax	-1 953	-416	-3 778	-748	-6 148
Tax on other comprehensive income	154	0	299	0	512
Total comprehensive income	2 999	3 385	8 359	9 886	16 695
Attributable to:					
Owners of the parent	2 968	3 378	8 045	9 874	16 705
Non-controlling interest	31	7	16	13	-10

Consolidated statement of financial position

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
ASSETS			
Non-current assets			
Goodwill	170 068	165 140	170 505
Other intangible assets	16 605	18 029	16 896
Right-of-use assets	77 345	78 416	76 227
Property, plant and equipment	18 073	18 468	18 538
Investments in joint ventures	1 398	1 080	1 074
Deferred tax assets	3 762	4 432	4 351
Derivative financial instruments	1 505	0	0
Other non-current receivables	153	109	154
Total non-current assets	288 909	285 675	287 744
Current assets			
Inventories	61 193	58 034	61 401
Trade and other receivables	11 314	10 077	9 486
Derivative financial instruments	607	384	2 135
Income tax receivables	3 293	2 662	625
Cash and cash equivalents	11 485	4 411	10 054
Total current asset	87 893	75 568	83 702
TOTAL ASSETS	376 803	361 242	371 446
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	11 002	11 002	11 002
Other reserves	123 349	139 936	140 043
Treasury shares	-5 340	-6 910	-6 910
Translation differences	-8 938	228	-5 161
Retained earnings	30 860	8 621	21 318
Total equity attributable to owners of the parent	150 934	152 876	160 292
Equity attributable to non-controlling interest	77	136	75
Total equity	151 011	153 012	160 367
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	59 921	59 880	59 898
Lease liability	57 209	60 457	57 776
Deferred tax liabilities	3 533	2 653	3 265
Total non-current liabilities	120 663	122 990	120 940
Current liabilities			
Commercial papers	18 391	0	14 950
Lease liability	24 239	22 701	22 905
Trade and other payables	57 946	53 970	48 571
Derivative financial instruments	231	240	73
Income tax liabilities	4 158	8 279	3 640
Provisions	163	50	0
Total current liabilities	105 129	85 240	90 139
Total liabilities	225 792	208 230	211 079
TOTAL EQUITY AND LIABILITIES	376 803	361 242	371 446

Consolidated statement of cash flows

EUR thousand	1 Jan 2023 - 31	1 Jan 2022 - 31	1 Oct 2022 - 31	1 Oct 2021 - 31	1 Oct 2021 - 30
	Mar 2023	Mar 2022	Mar 2023	Mar 2022	Sep 2022
Cash flows from operating activities					
Profit before income taxes	6 342	4 591	15 361	13 595	28 440
Adjustments					
Depreciation, amortization and impairment	9 089	8 537	18 103	16 698	34 542
Financial income and expenses, net	728	825	1 835	2 024	2 443
Other adjustments	-153	308	-66	1 114	1 296
Cash flows before changes in working capital	16 006	14 261	35 234	33 431	66 720
Change in working capital					
Increase (-) / decrease (+) in trade and other receivables	-108	1 244	-1 928	-755	-764
Increase (-) / decrease (+) in inventories	645	-5 422	-1 515	-13 393	-16 301
Increase (+) / decrease (-) in trade and other payables	-3 339	-4 749	1 840	-175	1 678
Cash flows from operating activities before financial items and taxes	13 205	5 334	33 631	19 107	51 333
Income taxes paid	-3 490	-50	-5 224	-603	-5 199
Net cash from operating activities	9 715	5 284	28 407	18 504	46 135
Cash flows from investing activities					
Investments in tangible and intangible assets	-3 099	-3 566	-6 108	-8 224	-14 216
Acquisition of subsidiaries and business acquisitions, net of cash acquired	-127	-2 768	-2 553	-8 935	-18 735
Net cash from investing activities	-3 225	-6 334	-8 661	-17 159	-32 951
Cash flows from financing activities					
Capital returns paid	-8 347	-7 316	-8 347	-7 316	-14 630
Dividends paid	0	0	0	0	-15
Proceeds from non-current loans	0	5 000	0	60 000	60 000
Repayments of non-current loans	0	0	0	-50 000	-50 000
Issuance of commercial papers	5 798	0	3 463	0	14 946
Repayments of lease liabilities	-6 186	-5 447	-12 175	-10 547	-22 114
Interest and other financial expenses paid	-1 148	-1 684	-1 908	-3 398	-7 089
Interest and other finance income received	196	844	651	1 312	2 759
Net cash flow from financing activities	-9 687	-8 603	-18 316	-9 948	-16 143
Net change in cash and cash equivalents	-3 197	-9 653	1 430	-8 602	-2 959
Cash and cash equivalents at the beginning of the period	14 682	14 064	10 054	13 013	13 013
Cash and cash equivalents at end of the period	11 485	4 411	11 485	4 411	10 054

Consolidated statement of changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2022	11 002	140 043	-6 910	-5 161	21 318	160 292	75	160 367
Profit/loss for the period					11 822	11 822	16	11 838
Translation differences				-3 777		-3 777	-1	-3 778
Tax on other comprehensive income					299	299		299
Comprehensive income	0	0	0	-3 777	12 121	8 344	15	8 359
Capital return		-16 694				-16 694		-16 694
Share-based incentive plan			1 570		-2 591	-1 021		-1 021
Other changes					12	12	-12	0
Equity at 31 Mar 2023	11 002	123 349	-5 340	-8 938	30 860	150 934	77	151 011

EUR thousand	Attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Other reserves	Own shares	Translation differences	Retained earnings	Total		
Equity at 1 Oct 2021	11 002	154 691	-6 910	975	-2 890	156 867	110	153 279
Profit/loss for the period					10 621	10 621	13	10 634
Translation differences				-747		-747	-1	-748
Comprehensive income	0	0	0	-747	10 621	9 874	12	9 886
Capital return		-14 756				-14 756		-14 756
Share-based incentive plan					893	893		893
Other changes							12	12
Equity at 31 Mar 2022	11 002	139 936	-6 910	228	8 623	152 878	134	153 012

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 interim report of 1 October 2022 – 31 March 2023 has been prepared in accordance with the IAS 34 Interim Financial Reporting standard and the accounting principles applied in the interim report are the same as in the financial statements.

The figures of the interim 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 interim report is presented in thousand euros unless otherwise stated.

Critical accounting estimates and judgements

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 report.

Key accounting considerations related to the war in Ukraine

The Group's management has assessed the impacts of the war in Ukraine in the business. The war does not have a direct impact on the business as the Group does not have business or suppliers in Russia or in Ukraine. The indirect impacts of the war include turbulence in global supply chain and risk on inbound delivery times as well as declining consumer confidence. The management has also reviewed the carrying values of the balance sheet items in relation to these, the review did not indicate need for asset impairments.

Segments

1/2023-3/2023

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	44 900	41 578	15 178	0	101 656
% split of net sales between segment	44 %	41 %	15 %	0 %	100 %
EBITDA	12 276	8 525	3 154	-7 796	16 159
Adjustments	0	117	0	369	485
Adjusted EBITDA	12 276	8 642	3 154	-7 427	16 644
Depreciation and impairment of right-of use assets and tangible assets	-2 800	-2 788	-1 454	-723	-7 765
EBITA	9 475	5 738	1 700	-8 519	8 394
Adjustments	0	117	0	369	485
Adjusted EBITA	9 475	5 854	1 700	-8 150	8 879
Amortization and impairment of intangible assets					-1 324
Operating profit					7 070
Financial income and expenses, net					-728
Profit before taxes					6 342
Income tax expense					-1 545
Profit/loss for the period					4 797

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

1/2022-3/2022

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	40 481	38 798	13 146	0	92 424
% split of net sales between segment	44 %	42 %	14 %	0 %	100 %
EBITDA	9 851	8 607	3 084	-7 589	13 953
Adjustments	0	0	0	0	0
Adjusted EBITDA	9 851	8 607	3 084	-7 589	13 953
Depreciation and impairment of right-of use assets and tangible assets	-2 568	-2 539	-1 143	-715	-6 964
EBITA	7 283	6 068	1 941	-8 304	6 988
Adjustments	0	0	0	0	0
Adjusted EBITA	7 283	6 068	1 941	-8 304	6 988
Amortization and impairment of intangible assets					-1 573
Operating profit					5 415
Financial income and expenses, net					-825
Profit before taxes					4 591
Income tax expense					-790
Profit/loss for the period					3 800

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

10/2022-3/2023

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	92 459	86 424	33 175	0	212 058
% split of net sales between segment	44 %	41 %	16 %	0 %	100 %
EBITDA	24 877	17 928	7 863	-15 369	35 300
Adjustments	0	117	0	369	485
Adjusted EBITDA	24 877	18 045	7 863	-15 000	35 785
Depreciation and impairment of right-of use assets and tangible assets	-5 481	-5 449	-2 838	-1 453	-15 220
EBITA	19 396	12 479	5 026	-16 821	20 079
Adjustments	0	117	0	369	485
Adjusted EBITA	19 396	12 596	5 026	-16 452	20 565
Amortization and impairment of intangible assets					-2 883
Operating profit					17 196
Financial income and expenses, net					-1 835
Profit before taxes					15 361
Income tax expense					-3 524
Profit/loss for the period					11 838

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

10/2021-3/2022

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	84 298	81 775	27 701	0	193 773
% split of net sales between segment	44 %	42 %	14 %	0 %	100 %
EBITDA	22 616	19 052	7 115	-16 466	32 317
Adjustments	39	0	0	1 424	1 463
Adjusted EBITDA	22 655	19 052	7 115	-15 042	33 780
Depreciation and impairment of right-of use assets and tangible assets	-4 966	-4 951	-2 147	-1 423	-13 487
EBITA	17 649	14 101	4 968	-17 889	18 830
Adjustments	39	0	0	1 424	1 463
Adjusted EBITA	17 688	14 101	4 968	-16 465	20 293
Amortization and impairment of intangible assets					-3 212
Operating profit					15 619
Financial income and expenses, net					-2 024
Profit before taxes					13 595
Income tax expense					-2 962
Profit/loss for the period					10 634

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

FY2022

EUR thousand	Finland	Sweden	Norway	Group functions	Group
Net sales *	169 704	164 905	56 512	0	391 122
% split of net sales between segment	43 %	42 %	14 %	0 %	100 %
EBITDA	44 486	37 273	14 586	-30 920	65 425
Adjustments	39	0	0	1 424	1 463
Adjusted EBITDA	44 525	37 273	14 586	-29 497	66 888
Depreciation and impairment of right-of use assets and tangible assets	-10 252	-10 335	-4 644	-2 892	-28 124
EBITA	34 234	26 938	9 941	-33 813	37 300
Adjustments	39	0	0	1 424	1 463
Adjusted EBITA	34 273	26 938	9 941	-32 389	38 763
Amortization and impairment of intangible assets					-6 418
Operating profit					30 882
Financial income and expenses, net					-2 443
Profit before taxes					28 440
Income tax expense					-6 109
Profit/loss for the period					22 330

Business combinations

During the period 1 October 2022 - 31 March 2023 Musti Group acquired three pet stores in Sweden and one in Norway as business acquisitions. The total purchase price for the stores was approximately EUR 2.6 million and the resulting goodwill EUR 2.3 million. Goodwill is based on synergies from the acquisitions. The acquisitions did not have a material impact on group's net sales or result.

After the reporting period, Musti Group acquired the full ownership of the pet food manufacturer Premium Pet Food Suomi Oy. From 3rd of April 2023 onwards the company has been a fully owned subsidiary of Musti Group. Prior to the transaction, Musti Group held 49.2% of the shares in the company. The company's net sales from its previous financial year July 2021 – June 2022 was EUR 7.7 million and FAS EBITDA EUR 1.4 million. Musti Group estimates that it will recognize a fair value gain of approximately EUR 2.4 million relating to the previously held share of the company during Q3 2023.

The preliminary purchase price allocation for the acquisition is presented below:

EUR thousand

Acquisition cost including the fair value gain on the previously held share	7 795
Fair value of net identifiable assets acquired	
Non-current assets	
Customer relationships	1 119
Trademarks	916
Other intangible assets	126
Property, plant and equipment	10 445
Current assets	
Inventories	1 462
Trade and other receivables	1 515
Cash and cash equivalents	-449
Total assets	15 134
Non-current liabilities	
Deferred tax liabilities	438
Loans from credit institutions	8 427
Lease liability	394
Current liabilities	
Loans from credit institutions	600
Lease liability	102
Trade and other payables	1 771
Total liabilities	11 731
Net assets acquired	3 403
Goodwill	4 392
Cash flow impact	
Purchase price paid in cash	-2 000
Cash and cash equivalents of the acquired company	-449
Expenses related to the acquisition	-70
Impact on cash flows	-2 519

Personnel

	31 Mar 2023	31 Mar 2022	30 Sep 2022
Personnel on average	1 600	1 446	1 523
Personnel at the end of period	1 580	1 465	1 587

Related party transactions

Parties are considered to be related if one party has the ability to control or exercise significant influence on the other party, or if the parties exercise joint control in making financial and operating decisions. 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.

The following transactions were carried out with joint ventures

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
Purchases of goods and services	4 638	1 990	4 430
Receivables	76	76	76
Payables	594	240	96
Other receivables	318	0	0
Guarantees given on behalf of joint ventures	5 177	2 891	5 177

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.

Goodwill, intangible assets and property, plant and equipment

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
Cost at the beginning of the period	205 937	192 294	192 294
Amortization, depreciation and impairment	-6 102	-6 211	-12 584
Additions	8 432	16 445	32 190
Disposals and closing of stores	0	0	-70
Exchange rate differences	-3 522	-893	-5 894
Cost at the end of the period	204 744	201 636	205 937

Leases

Right-of-use assets

EUR thousand	Buildings and structures	Machinery and equipment	Total
31 Mar 2023			
Cost at the beginning of the reporting period	75 604	623	76 227
New contracts	5 588	91	5 679
Contracts terminated prematurely	-1 223	-25	-1 247
Revaluations and modifications	10 952	31	10 982
Exchange rate differences	-2 281	-13	-2 294
Depreciation	-11 871	-130	-12 001
Cost at the end of the reporting period	76 768	577	77 345

EUR thousand	Buildings and structures	Machinery and equipment	Total
31 Mar 2022			
Cost at the beginning of the reporting period	71 225	520	71 745
New contracts	13 577	104	13 680
Contracts terminated prematurely	-346	-20	-366
Revaluations and modifications	4 028	4	4 032
Exchange rate differences	-65	-6	-71
Depreciation	-10 458	-145	-10 603
Cost at the end of the reporting period	77 960	456	78 416

EUR thousand	Buildings and structures	Machinery and equipment	Total
30 Sep 2022			
Cost at the beginning of the reporting period	71 225	520	71 745
New contracts	21 778	417	22 195
Contracts terminated prematurely	-1 396	-70	-1 466
Revaluations and modifications	8 715	63	8 778
Exchange rate differences	-3 029	-29	-3 058
Depreciation	-21 688	-278	-21 966
Cost at the end of the reporting period	75 604	623	76 227

Lease liability

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
Lease liability at the beginning of the reporting period	80 681	76 472	76 472
Net increases	13 464	17 238	26 173
Rent expenses	-13 259	-11 680	-24 197
Interest expense	562	1 128	2 233
Lease liability at the end of the reporting period	81 448	83 158	80 681

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
Non-current lease liability	57 209	60 457	57 776
Current lease liability	24 239	22 701	22 905
Total	81 448	83 158	80 681

Lease contracts in the income statement

EUR thousand	1 Jan 2023 - 31 Mar 2023	1 Jan 2022 - 31 Mar 2022	1 Oct 2022 - 31 Mar 2023	1 Oct 2021 - 31 Mar 2022	1 Oct 2021 - 30 Sep 2022
Expenses from rental agreements not included in lease liability	-271	-385	-547	-550	-1 181
Depreciation of right-of-use assets	-6 187	-5 456	-12 001	-10 603	-21 966
Interest expenses from lease liability	-562	-561	-1 092	-1 128	-2 233
Total	-7 020	-6 402	-13 640	-12 281	-25 380

Financial assets and liabilities

Financial assets

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Mar 2023					
Non-current assets					
Derivative financial instruments	1 505		1 505	1 505	Level 2
Other non-current assets		153	153	153	Level 2
Total	1 505	153	1 658	1 658	
Current assets					
Trade and other receivables*		2 503	2 503	2 503	Level 2
Derivative financial instruments	607		607	607	Level 2
Cash and cash equivalents		11 485	11 485	11 485	Level 2
Total	607	13 988	14 595	14 595	
Financial assets, total	2 112	14 142	16 253	16 253	

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
31 Mar 2022					
Non-current assets					
Other non-current assets		109	109	109	Level 2
Total		109	109	109	
Current assets					
Trade and other receivables*		3 035	3 035	3 035	Level 2
Derivative financial instruments	384		384	384	Level 2
Cash and cash equivalents		4 411	4 411	4 411	Level 2
Total	384	7 446	7 830	7 830	
Financial assets, total	384	7 555	7 939	7 939	

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Book value	Fair value	Fair value hierarchy
EUR thousand					
30 Sep 2022					
Non-current assets					
Other non-current assets		154	154	154	Level 2
Total		154	154	154	
Current assets					
Trade and other receivables*		2 660	2 660	2 660	Level 2
Derivative financial instruments	2 135		2 135	2 135	Level 2
Cash and cash equivalents		10 054	10 054	10 054	Level 2
Total	2 135	12 714	14 850	14 850	
Financial assets, total	2 135	12 869	15 004	15 004	

Financial liabilities

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
31 Mar 2023					
Non-current liabilities					
Loans from credit institutions		59 921	59 921	59 921	Level 2
Lease liability		57 209	57 209	57 209	Level 2
Total		117 129	117 129	117 129	
Current liabilities					
Commercial papers		18 391	18 391	18 391	Level 2
Lease liability		24 239	24 239	24 239	Level 2
Trade and other payables*		21 303	21 303	21 303	Level 2
Derivative financial instruments	231		231	231	Level 2
Total	231	63 933	64 165	64 165	
Financial liabilities, total	231	181 063	181 294	181 294	

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
31 Mar 2022					
Non-current liabilities					
Loans from credit institutions		59 880	59 880	59 880	Level 2
Lease liability		60 457	60 457	60 457	Level 2
Total		120 337	120 337	120 337	
Current liabilities					
Lease liability		22 701	22 701	22 701	Level 2
Trade and other payables*		21 596	21 596	21 596	Level 2
Derivative financial instruments	240		240	240	Level 2
Total	240	44 297	44 538	44 538	
Financial liabilities, total	240	164 635	164 875	164 875	

EUR thousand	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Book value	Fair value	Fair value hierarchy
30 Sep 2022					
Non-current liabilities					
Loans from credit institutions		59 898	59 898	59 898	Level 2
Lease liability		57 776	57 776	57 776	Level 2
Total		117 674	117 674	117 674	
Current liabilities					
Commercial papers		14 950	14 950	14 950	Level 2
Lease liability		22 905	22 905	22 905	Level 2
Trade and other payables*		24 386	24 386	24 386	Level 2
Derivative financial instruments	73		73	73	Level 2
Total	73	62 241	62 314	62 314	
Financial liabilities, total	73	179 915	179 989	179 989	

*) Other receivables and other payables include only items classified as financial assets or liabilities.

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 on 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 on level 2 of the fair value hierarchy.

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.

Derivative financial instruments

EUR thousand	Receivables at fair			
	Nominal value	value	Payables at fair value	Net fair value
31 Mar 2023				
Forward exchange contracts	30 378	607	-232	375
Interest rate swaps	30 000	1 505		1 505
Total	60 378	2 111	-232	1 880

EUR thousand	Receivables at fair			
	Nominal value	value	Payables at fair value	Net fair value
31 Mar 2022				
Forward exchange contracts	16 027	384	-240	143
Total	16 027	384	-240	143

EUR thousand	Receivables at fair			
	Nominal value	value	Payables at fair value	Net fair value
30 Sep 2022				
Forward exchange contracts	19 733	584	-73	511
Interest rate swaps	30 000	1 551		1 551
Total	49 733	2 135	-73	2 062

Group commitments

EUR thousand	31 Mar 2023	31 Mar 2022	30 Sep 2022
Pledges given on behalf of Group companies and joint ventures			
Guarantees relating to rental payments	4 105	3 060	4 455
Other commitments	23	86	43
Total	4 128	3 145	4 498

Other commitments

Other guarantees	5 177	2 891	5 177
Lease liabilities for leases not recognized in the balance sheet	1 004	6 188	2 766
Total	6 180	9 079	7 943

Lease liabilities not recognized in the balance sheet include the nominal amount of low-value and short-term lease liabilities and the liability for agreements that will enter into force in the future.

Contingent liabilities

Musti Group has been subject to a tax audit of Musti Group Oyj, Musti Group Finland Oy and Musti Group Nordic Oy regarding financial years 2018-2020. Musti Group Oyj has in October 2021 received a tax audit report from the Finnish tax authorities. The tax audit report included subsequent taxes and tax increases amounting to a total of EUR 0.9 million, relating to the VAT deductibility of IPO related costs. Tax and increases of EUR 0,9 million paid in November 2021. The company disagrees with the interpretation made in the tax audit. The company has been reassessed in accordance with the interpretations set out in the tax audit report but, the company has filed a claim for adjustment to the Finnish Tax Administration's Assessment Adjustment Board. There were no repercussions of the tax audit for the financial years 2018-2020 of Musti Group Finland Oy's and Musti Group Nordic Oy's.

Financial ratios and alternative performance measures

EUR millions or as indicated	1-3/2023	1-3/2022	Change %	YTD 2023	YTD 2022	Change %	FY2022
Net sales	101,7	92,4	10,0 %	212,1	193,8	9,4 %	391,1
Net sales growth, %	10,0 %	12,1 %		9,4 %	16,2 %		14,7 %
LFL sales growth, %	10,8 %	4,5 %		8,8 %	6,9 %		6,7 %
LFL store sales growth, %	9,0 %	1,3 %		6,2 %	4,1 %		4,2 %
LFL online sales growth, %	16,4 %	14,1 %		17,7 %	15,9 %		14,7 %
Store sales	77,1	69,6	10,8 %	162,5	147,6	10,1 %	300,3
Online sales	24,1	21,8	10,6 %	48,7	43,7	11,5 %	87,0
Online share of net sales, %	23,8 %	23,6 %		22,9 %	22,5 %		22,2 %
Gross margin, %	45,1 %	46,5 %		45,5 %	47,0 %		46,4 %
EBITDA	16,2	14,0	15,8 %	35,3	32,3	9,2 %	65,4
EBITDA margin, %	15,9 %	15,1 %		16,6 %	16,7 %		16,7 %
Adjusted EBITDA	16,6	14,0	19,3 %	35,8	33,8	5,9 %	66,9
Adjusted EBITDA margin, %	16,4 %	15,1 %		16,9 %	17,4 %		17,1 %
EBITA	8,4	7,0	20,1 %	20,1	18,8	6,6 %	37,3
EBITA margin, %	8,3 %	7,6 %		9,5 %	9,7 %		9,5 %
Adjusted EBITA	8,9	7,0	27,1 %	20,6	20,3	1,3 %	38,8
Adjusted EBITA margin, %	8,7 %	7,6 %		9,7 %	10,5 %		9,9 %
Operating Profit	7,1	5,4	30,6 %	17,2	15,6	10,1 %	30,9
Operating Profit margin, %	7,0 %	5,9 %		8,1 %	8,1 %		7,9 %
Profit/loss for the period	4,8	3,8	26,2 %	11,8	10,6	11,3 %	22,3
Earnings/Share, basic, EUR	0,14	0,11	25,6 %	0,35	0,32	11,7 %	0,67
Earnings/Share, diluted, EUR	0,14	0,11	25,7 %	0,35	0,32	11,7 %	0,66
Cash flow from operating activities	9,7	5,3	83,9 %	28,4	18,5	53,5 %	46,1
Investments in tangible and intangible assets	3,1	3,6	-13,1 %	6,1	8,2	-25,7 %	14,2
Net debt	147,9	138,5	6,8 %	147,9	138,5	6,8 %	143,4
Gearing, %	97,9 %	90,5 %		97,9 %	90,5 %		89,4 %
Net debt / LTM Adjusted EBITDA	2,1	2,2	-2,5 %	2,1	2,2	-2,5 %	2,1
Equity ratio %	40,1 %	42,4 %		40,1 %	42,4 %		43,2 %
Nr of loyal customers, thousands	1 511	1 372	10,1 %	1 511	1 372	10,1 %	1 454
Number of stores at end of period	342	324	5,6 %	342	324	5,6 %	335
of which directly operated	327	303	7,9 %	327	303	7,9 %	319
Own & Exclusive share, %	52,3 %	52,2 %		53,0 %	53,0 %		52,7 %

Finland							
Net sales	44,9	40,5	10,9 %	92,5	84,3	9,7 %	169,7
Net sales growth, %	10,9 %	9,1 %		9,7 %	10,6 %		11,2 %
LFL sales growth, %	11,8 %	0,3 %		9,3 %	2,4 %		2,7 %
EBITDA	12,3	9,9	24,6 %	24,9	22,6	10,0 %	44,5
EBITDA margin, %	27,3 %	24,3 %		26,9 %	26,8 %		26,2 %
Adjusted EBITDA	12,3	9,9	24,6 %	24,9	22,7	9,8 %	44,5
Adjusted EBITDA margin, %	27,3 %	24,3 %		26,9 %	26,9 %		26,2 %
EBITA	9,5	7,3	30,1 %	19,4	17,6	9,9 %	34,2
EBITA margin, %	21,1 %	18,0 %		21,0 %	20,9 %		20,2 %
Adjusted EBITA	9,5	7,3	30,1 %	19,4	17,7	9,7 %	34,3
Adjusted EBITA margin, %	21,1 %	18,0 %		21,0 %	21,0 %		20,2 %
Nr of loyal customers, thousands	531	507	4,6 %	531	507	4,6 %	524
Number of stores at end of period	139	140	-0,7 %	139	140	-0,7 %	140
of which directly operated	139	140	-0,7 %	139	140	-0,7 %	140
Own & Exclusive share, %	56,0 %	57,4 %		56,6 %	57,9 %		57,5 %
Sweden							
Net sales	41,6	38,8	7,2 %	86,4	81,8	5,7 %	164,9
Net sales growth, %	7,2 %	8,9 %		5,7 %	14,7 %		11,8 %
LFL sales growth, %	9,5 %	7,6 %		8,3 %	9,6 %		8,9 %
EBITDA	8,5	8,6	-0,9 %	17,9	19,1	-5,9 %	37,3
EBITDA margin, %	20,5 %	22,2 %		20,7 %	23,3 %		22,6 %
Adjusted EBITDA	8,6	8,6	0,4 %	18,0	19,1	-5,3 %	37,3
Adjusted EBITDA margin, %	20,8 %	22,2 %		20,9 %	23,3 %		22,6 %
EBITA	5,7	6,1	-5,4 %	12,5	14,1	-11,5 %	26,9
EBITA margin, %	13,8 %	15,6 %		14,4 %	17,2 %		16,3 %
Adjusted EBITA	5,9	6,1	-3,5 %	12,6	14,1	-10,7 %	26,9
Adjusted EBITA margin, %	14,1 %	15,6 %		14,6 %	17,2 %		16,3 %
Nr of loyal customers, thousands	692	631	9,6 %	692	631	9,6 %	669
Number of stores at end of period	131	128	2,3 %	131	128	2,3 %	129
of which directly operated	116	107	8,4 %	116	107	8,4 %	113
Own & Exclusive share, %	46,3 %	44,8 %		47,1 %	45,8 %		45,9 %
Norway							
Net sales	15,2	13,1	15,5 %	33,2	27,7	19,8 %	56,5
Net sales growth, %	15,5 %	35,7 %		19,8 %	43,9 %		38,7 %
LFL sales growth, %	11,2 %	10,3 %		8,7 %	15,6 %		13,9 %
EBITDA	3,2	3,1	2,3 %	7,9	7,1	10,5 %	14,6
EBITDA margin, %	20,8 %	23,5 %		23,7 %	25,7 %		25,8 %
Adjusted EBITDA	3,2	3,1	2,3 %	7,9	7,1	10,5 %	14,6
Adjusted EBITDA margin, %	20,8 %	23,5 %		23,7 %	25,7 %		25,8 %
EBITA	1,7	1,9	-12,4 %	5,0	5,0	1,1 %	9,9
EBITA margin, %	11,2 %	14,8 %		15,1 %	17,9 %		17,6 %
Adjusted EBITA	1,7	1,9	-12,4 %	5,0	5,0	1,1 %	9,9
Adjusted EBITA margin, %	11,2 %	14,8 %		15,1 %	17,9 %		17,6 %
Nr of loyal customers, thousands	288	233	23,6 %	288	233	23,6 %	261
Number of stores at end of period	72	56	28,6 %	72	56	28,6 %	66
of which directly operated	72	56	28,6 %	72	56	28,6 %	66
Own & Exclusive share, %	57,3 %	57,8 %		58,3 %	58,6 %		57,6 %

Calculation formulas of key performance indicators

Key Performance Indicator	Definition
Gross profit	Net sales - Material and services
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating profit + Depreciation, amortization and impairment
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	Operating profit + Depreciation, amortization and impairment + adjustments
Earnings before interest, taxes and amortization (EBITA)	Operating profit + amortization and impairment of intangible assets
Adjusted earnings before interest, taxes and amortization (Adjusted EBITA)	Operating profit + amortization 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 millions or as indicated	1 Jan 2023 - 31 Mar 2023	1 Jan 2022 - 31 Mar 2022	1 Oct 2022 - 31 Mar 2023	1 Oct 2021 - 31 Mar 2022	1 Oct 2021 - 30 Sep 2022
Gross profit					
Net sales	101,7	92,4	212,1	193,8	391,1
Material and services	-55,8	-49,5	-115,6	-102,7	-209,6
Gross profit	45,8	43,0	96,5	91,1	181,5
Gross margin (%)	45,1 %	46,5 %	45,5 %	47,0 %	46,4 %
Earnings before interest, taxes, depreciation and amortization (EBITDA)					
Operating profit	7,1	5,4	17,2	15,6	30,9
Depreciation, Amortization and Impairment	9,1	8,5	18,1	16,7	34,5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	16,2	14,0	35,3	32,3	65,4
EBITDA margin (%)	15,9 %	15,1 %	16,6 %	16,7 %	16,7 %
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)					
Operating profit	7,1	5,4	17,2	15,6	30,9
Depreciation, amortization and Impairment	9,1	8,5	18,1	16,7	34,5
Adjustments	0,5	0,0	0,5	1,5	1,5
Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)	16,6	14,0	35,8	33,8	66,9
Adjusted EBITDA margin (%)	16,4 %	15,1 %	16,9 %	17,4 %	17,1 %
Adjustments (EBITDA)					
Restructuring related expenses	0,0	0,0	0,0	0,0	0,0
Acquisition/IPO related expenses	0,0	0,0	0,0	0,0	0,0
Other items affecting comparability	0,5	0,0	0,5	0,0	1,5
Adjustments (EBITDA)	0,5	0,0	0,5	1,5	1,5
Earnings before interest, taxes and amortization (EBITA)					
Operating profit	7,1	5,4	17,2	15,6	30,9
amortization and impairment	1,3	1,6	2,9	3,2	6,4
Earnings before interest, taxes and amortization (EBITA)	8,4	7,0	20,1	18,8	37,3
EBITA margin (%)	8,3 %	7,6 %	9,5 %	9,7 %	9,5 %
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)					
Operating profit	7,1	5,4	17,2	15,6	30,9
amortization and impairment of intangible assets	1,3	1,6	2,9	3,2	6,4
Adjustments	0,5	0,0	0,5	1,5	1,5
Adjusted earnings before interest, taxes and depreciation (Adjusted EBITA)	8,9	7,0	20,6	20,3	38,8
Adjusted EBITA margin (%)	8,7 %	7,6 %	9,7 %	10,5 %	9,9 %
Adjustments (Operating profit)					
Restructuring related expenses	0,0	0,0	0,0	0,0	0,0
Acquisition/IPO related expenses	0,0	0,0	0,0	0,0	0,0
Other items affecting comparability	0,5	0,0	0,5	1,5	1,5
Adjustments (Operating profit)	0,5	0,0	0,5	1,5	1,5
Earnings per share, basic					
Profit/loss for the period	4,8	3,8	11,8	10,6	22,3
Non-controlling interest	0,0	0,0	0,0	0,0	0,0
Average number of shares	33,3	33,3	33,3	33,4	33,3
Earnings per share, basic	0,14	0,11	0,35	0,32	0,67
Earnings per share, diluted					
Profit/loss for the period	4,8	3,8	11,8	10,6	22,3
Non-controlling interest	0,0	0,0	0,0	0,0	0,0
Average number of shares, diluted	33,6	33,6	33,6	33,7	33,6
Earnings per share, diluted	0,14	0,11	0,35	0,32	0,66

Net debt					
Interest-bearing liabilities	159,8	143,0	159,8	143,0	155,5
Derivative financial instruments	-0,4	-0,1	-0,4	-0,1	-2,1
Cash and cash equivalents	11,5	4,4	11,5	4,4	10,1
Net debt	147,9	138,5	147,9	138,5	143,4
Gearing (%)					
Net Debt	147,9	138,5	147,9	138,5	143,4
Equity	151,0	153,0	151,0	153,0	160,4
Gearing (%)	97,9 %	90,5 %	97,9 %	90,5 %	89,4 %
Net debt/LTM Adjusted EBITDA					
Net debt	147,9	138,5	147,9	138,5	143,4
LTM adjusted EBITDA	69,0	63,0	69,0	63,0	66,9
Net debt/LTM adjusted EBITDA	2,1	2,2	2,1	2,2	2,1
Equity ratio (%)					
Total equity	151,0	153,0	151,0	153,0	160,4
Total assets	376,8	361,2	376,8	361,2	371,4
Advances received	0,3	0,5	0,3	0,5	0,3
Equity ratio (%)	40,1 %	42,4 %	40,1 %	42,4 %	43,2 %
LFL sales growth (%)					
Net sales	101,7	92,4	212,1	193,8	391,1
Net sales growth %	10,0 %	12,1 %	9,4 %	16,2 %	14,7 %
Other growth %	-0,8 %	7,6 %	0,6 %	9,3 %	8,1 %
LFL sales growth (%)	10,8 %	4,5 %	8,8 %	6,9 %	6,7 %
LFL store sales growth (%)					
Store sales	77,1	69,6	162,5	147,6	300,3
Store sales total growth %	10,8 %	17,4 %	10,1 %	21,3 %	20,1 %
Other growth %	1,8 %	16,1 %	3,9 %	17,1 %	15,9 %
LFL store sales growth (%)	9,0 %	1,3 %	6,2 %	4,1 %	4,2 %
Net sales					
Store sales	77,1	69,6	162,5	147,6	300,3
Online sales	24,1	21,8	48,7	43,7	87,0
Other sales	0,4	1,0	0,9	2,6	3,8
Net sales	101,7	92,4	212,1	193,8	391,1
Online share (%)					
Net sales	101,7	92,4	212,1	193,8	391,1
Online sales	24,1	21,8	48,7	43,7	87,0
Online share (%)	23,8 %	23,6 %	22,9 %	22,5 %	22,2 %