



Q2 2014/15  
INFORMATION MEETING

Copenhagen  
February 5, 2015  
10.00 a.m. CET



## FORWARD-LOOKING STATEMENTS

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This presentation contains forward looking statements, including statements regarding the Group's future operating results, financial position, inventory, cash flows, group and brand strategies as well as plans for the future. Forward looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on Management's reasonable expectations and forecasts at the time of the disclosure of the Interim Report. Any such statements are subject to risks and uncertainties and a number of different factors, of which many are beyond the Group's control, can mean that the actual development and the actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward looking-statements should not be relied on as a prediction of actual results.

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# AGENDA

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Section 1 – Highlights H1 14/15

Mads Ryder, Group CEO

Section 2 – Group Q2 financials

Rud Pedersen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Closing remarks

Mads Ryder, Group CEO

Section 5 – Q&A

## HIGHLIGHTS FOR H1 2014/15

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Total **revenue growth** from **premium brands** of **8%** in local currencies

Revenue from **Non-core** business **down 5%** in local currencies

– Lost Q1 revenue partially regained in Q2

**Group EBIT** affected by idle costs and on-offs – **underlying EBIT** development was good

**Transitional services** to DK Company **concluded** in all material respects

**Extraordinary dividend** paid out late **December 2014**



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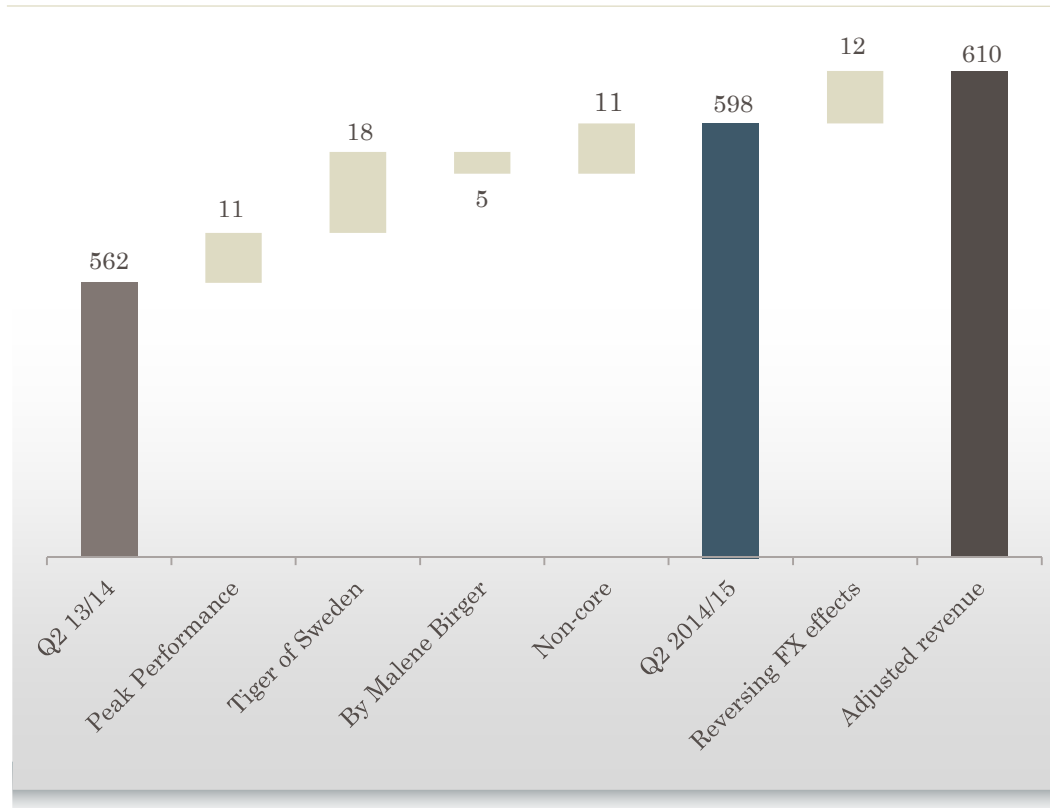
Section 5 – Q&A

## SUMMARY OF FINANCIAL RESULTS Q2 2014/15

	<b>Q2 2014/15</b>	Q2 2013/14	<b>Change</b>	H1 2014/15	H1 2013/14
<b>Revenue</b>	<b>DKK 598m</b>	DKK 562m	<b>6%</b>	DKK 1,426m	DKK 1,380m
<b>Gross margin</b>	<b>55.1%</b>	59.0%	<b>(3.9)pp</b>	55.1%	57.2%
<b>Costs</b>	<b>DKK 309m</b>	DKK 304m	<b>2%</b>	DKK 625m	DKK 623m
<b>EBIT</b>	<b>DKK 20m</b>	DKK 28m	<b>(28)%</b>	DKK 162m	DKK 166m
<b>EBIT margin</b>	<b>3.4%</b>	5.0%	<b>(1.6)pp</b>	11.3%	12.0%
<b>Adjusted EBIT margin</b>	<b>5.9%</b>	5.0%	<b>0.9pp</b>	12.7%	12.0%
<b>Free cash flow</b>	<b>DKK 193m</b>	DKK 304m	<b>DKK (111)m</b>	DKK 52m	DKK 89m

# REVENUE GROWTH IN Q2

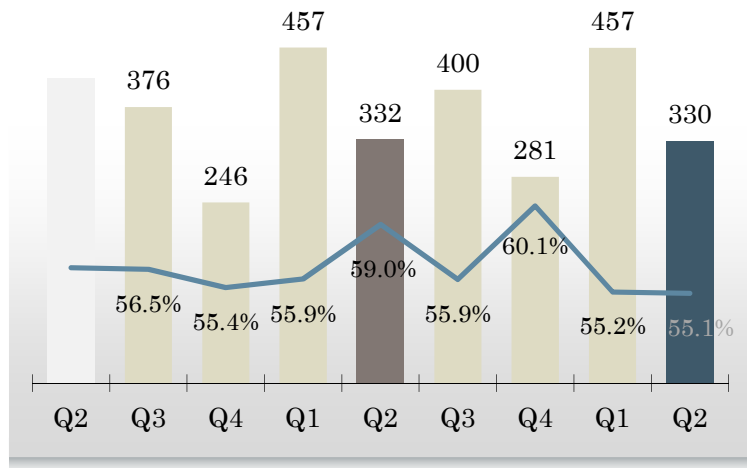
Revenue bridge Q2 13/14 vs. Q2 14/15, DKKm



- Revenue growth of DKK 36m
- Solid growth at both Peak Performance and Tiger of Sweden
- Negative timing effect at By Malene Birger
- Total premium segment growth of 8% in local currencies
- Non-core business partially regained lost Q1 revenue
- Negative currency effect of DKK 12m
- Revenue growth of 9% in local currencies

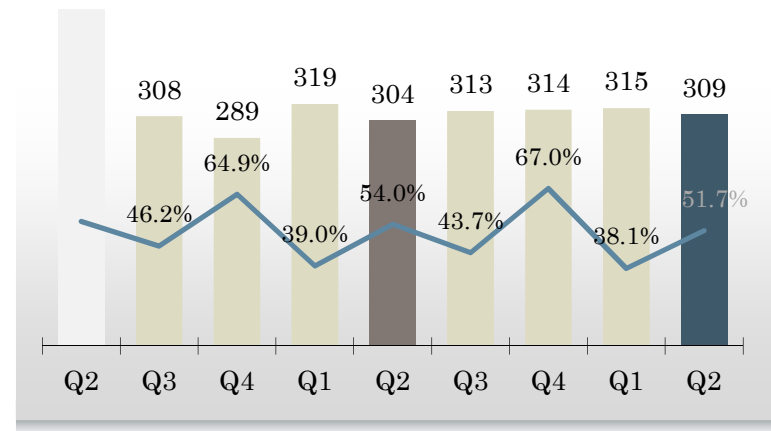
# GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q2 gross margin down by 3.9 pp to 55.1%
- Negative impact of DKK 8m from non-recurring costs
- Increased commercial discounts, country and channel mix as well as mix effects from goods sold
- Negative net currency effect of DKK 6m

Quarterly OPEX and OPEX ratio, DKKm / %

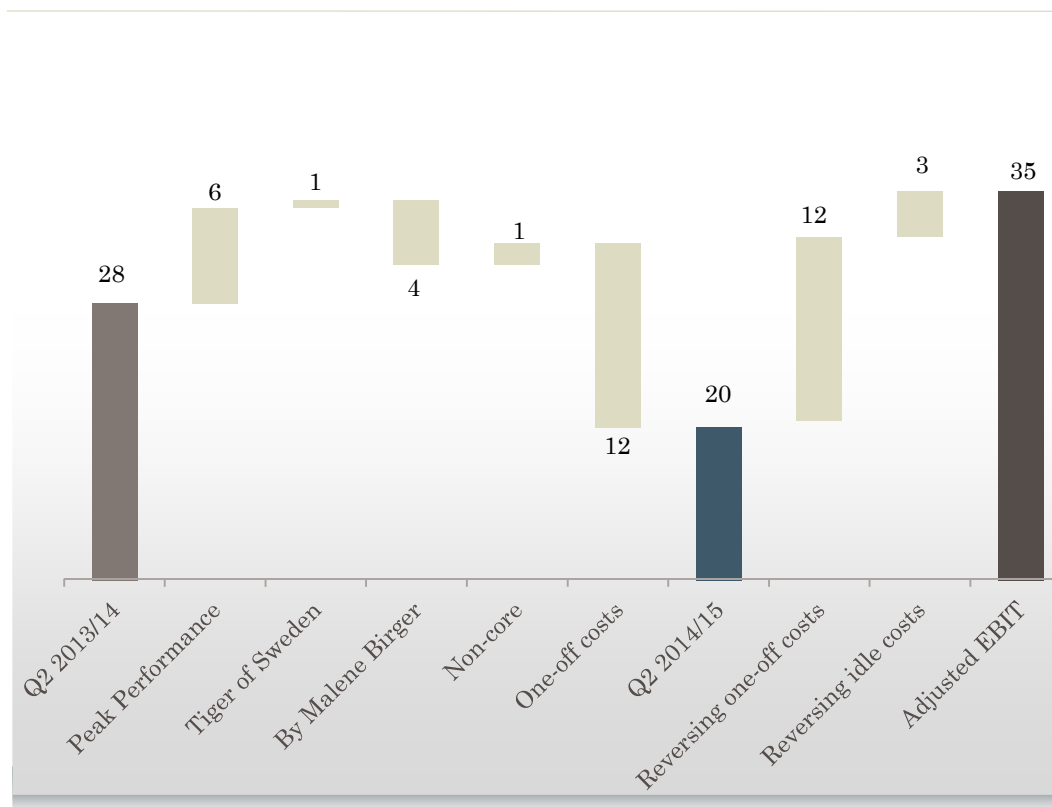


- Q2 OPEX up by DKK 5m to DKK 309m
- OPEX ratio improved by of 2.3 pp
- Negative impact of DKK 4m from non-recurring costs
- Positive currency effect of DKK 6m
- Idle costs constitute DKK 3m in Q2



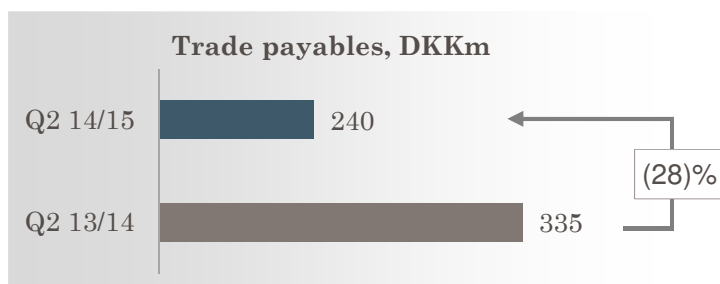
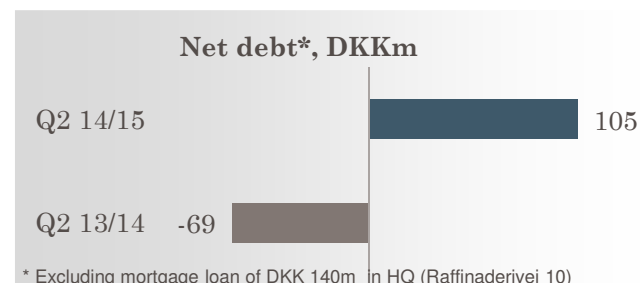
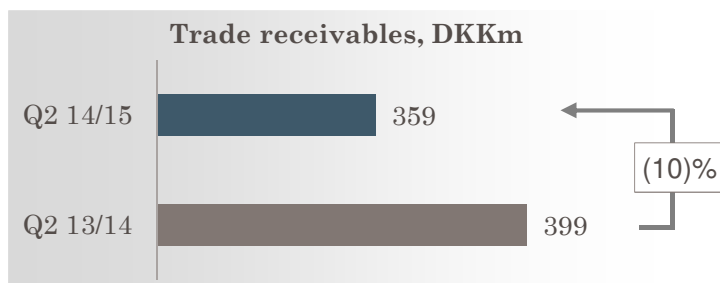
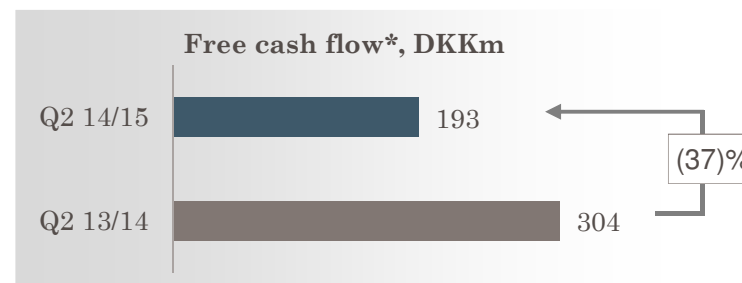
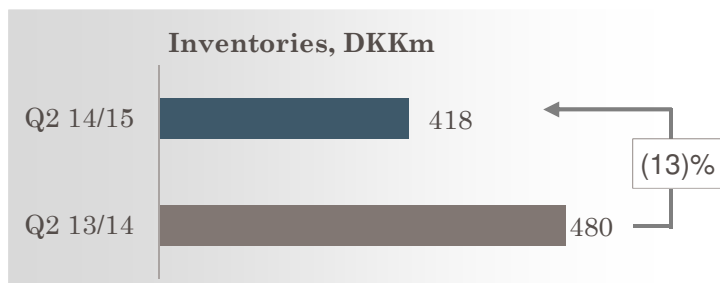
# EBIT AFFECTED BY ONE-OFF'S

EBIT bridge Q2 13/14 vs. Q2 14/15, DKKm



- EBIT down by DKK 8m in Q2 14/15
- Negative timing effects at By Malene Birger
- EBIT margin down by 1.3 pp to 3.7% (5.0%)
- Marginal negative net currency effect
- Negative effect of DKK 12m from provision of for potential case regarding indirect taxes.
- Idle costs (net of transition fees) of DKK 3m in Q2 2014/15
- Adjusted EBIT margin of 5.9%

# WORKING CAPITAL, NET DEBT AND CASH FLOW





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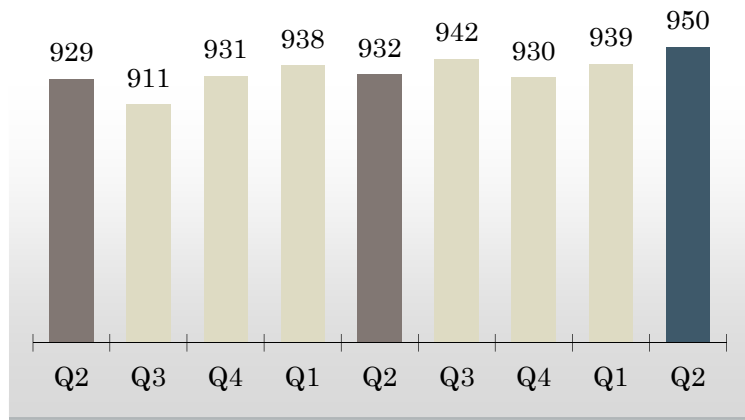
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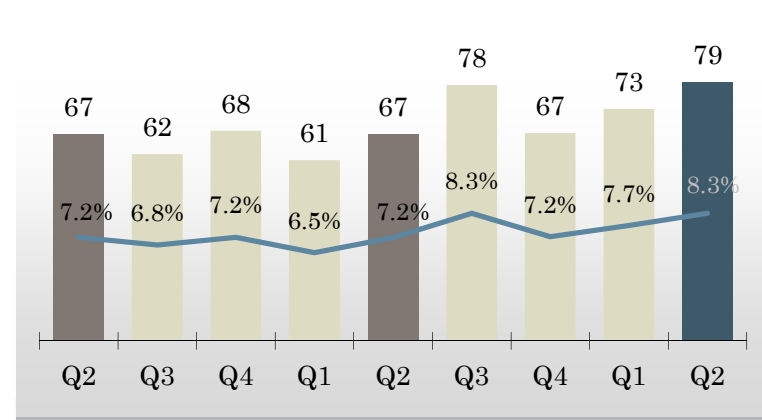
# PEAK PERFORMANCE

Trailing 12 months' revenue, DKKm



- Q2 revenue up by 5% to DKK 233m
- Revenue growth of 7% in local currencies
- Strong wholesale development despite negative timing effects compared to Q2 13/14
- Retail challenged by tough market conditions
- Ttm revenue up by DKK 18m to DKK 950m

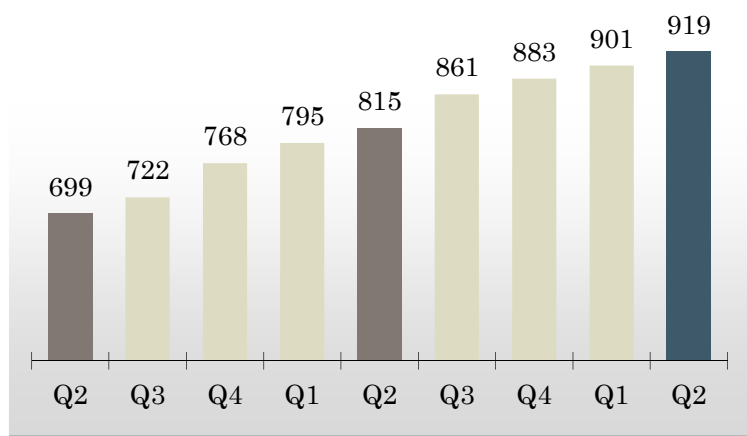
Trailing 12 months' EBIT, DKKm



- Q2 EBIT up by 28% to DKK 29m
- Q2 EBIT margin up by 2.2 pp to 12.3%
- Gross margin negatively affected by commercial discounts and channel mix
- Positive OPEX development outweighing negative gross margin development
- Ttm EBIT up by 18% to DKK 79m
- Ttm EBIT margin improved by 1.1 pp

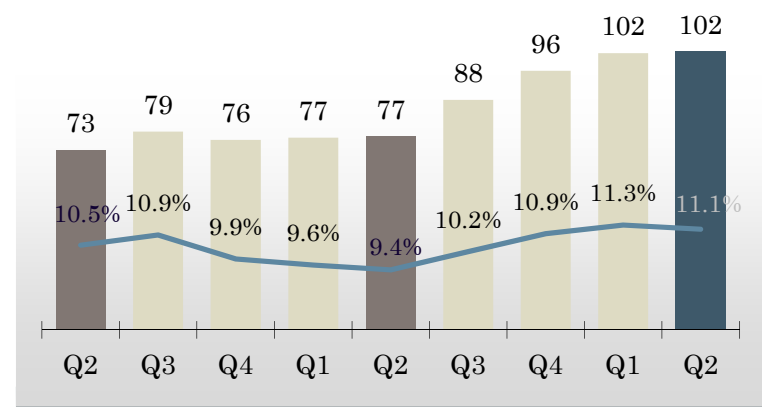
## TIGER OF SWEDEN

Trailing 12 months' revenue, DKKm



- Q2 revenue up by 10% to DKK 199m
- Revenue growth of 14% in local currencies
- Growth in all sales channels
- Continued strong growth in Germany
- Ttm revenue up by 13% to DKK 919m

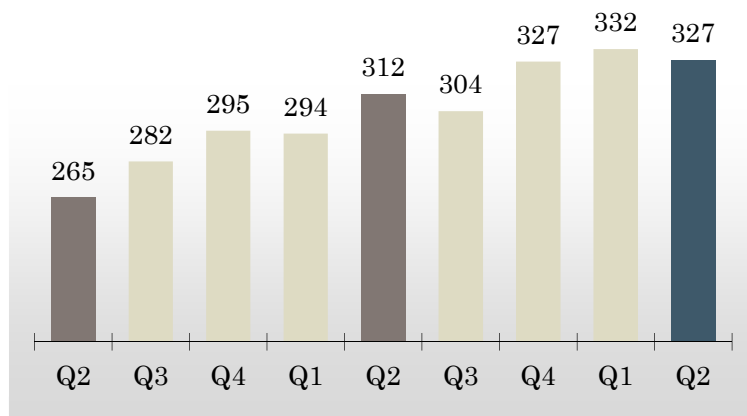
Trailing 12 months' EBIT, DKKm



- Q2 EBIT up by 16% to DKK 4m
- Q2 EBIT margin unchanged at 1.9%
- Negative gross margin effect from commercial discounts and clearance of old stock
- Improved OPEX-ratio due to focus on operational leverage
- Insignificant net currency effect on EBIT
- Ttm EBIT and EBIT margin significantly improved

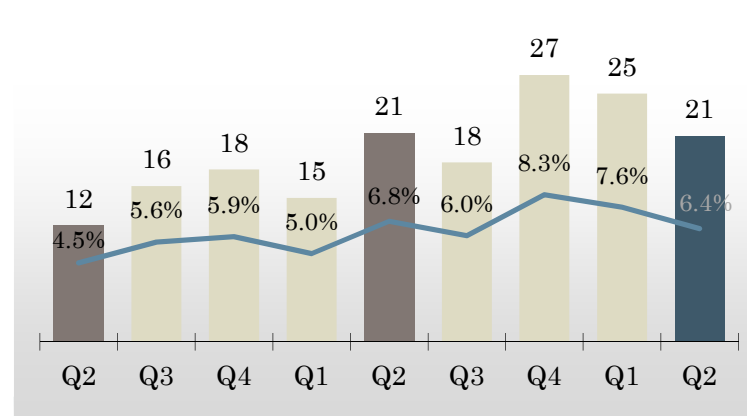
## BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q2 revenue down by 7% to DKK 64m
- Revenue down by 6% in local currencies
- Revenue affected by negative delivery timing and poor e-commerce performance
- Ttm revenue up by 5% to DKK 327m

Trailing 12 months EBIT, DKKm



- Q2 EBIT down by DKK 4m to DKK (3)m
- Gross margin reduced due to higher commercial discounts and write-downs
- Net currency effect slightly negative
- Ttm EBIT unchanged at DKK 21m
- Ttm EBIT margin down by 0.4 pp

## NON-CORE BUSINESS

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**Revenue up** by 12% to DKK 103m (DKK 91m)

- Revenue growth at Saint Tropez
- Revenue unchanged at Designers Remix

**EBIT up** by DKK 1m to DKK 1m

- EBIT margin up by 1.3 pp to 2.7%
- Earnings and margin improvement driven by Saint Tropez



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## KEY TAKE-AWAYS

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**Satisfactory growth** in Q2 – **9%** in local currencies

- Tiger of Sweden drives the growth

**Gross margin** negatively affected by **non-recurring costs**

**Transitional services** to DK Company **concluded**

**Idle cost effect** on Q2 EBIT negative by **DKK 3m**

**Non-recurring costs** of **DKK 12m** affecting Q2 EBIT

**Good underlying EBIT** development

## GUIDANCE FOR FULL YEAR 2014/15 - UPDATED

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**Premium brands** are expected to maintain **positive revenue growth**

**Group revenue** expected at a level of DKK **2,600 – 2,650m**

**Non-recurring costs** of **DKK 12m** and **idle cost** of **DKK 30m** for continuing operations

**Adjusted** for idle and non-recurring costs **Premium brands** expected to improve EBIT to **DKK 200 – 230m** while EBIT for the **non-core** business is expected at **DKK 15 – 25m**

**EBIT for continuing operations** expected at **DKK 170 – 210m**

Adjusted EBIT for continuing operations expected at DKK 215 – 255m

**Investments** in the range of 3-5% of annual revenue



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Questions

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