



INTERIM REPORT Q3 2015/16

INFORMATION MEETING

Copenhagen
May 18, 2016
10.00 a.m. CET



FORWARD-LOOKING STATEMENTS

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.

AGENDA

Section 1 – Highlights

Mads Ryder, Group CEO

Section 2 – Group financials

Alexander Martensen-Larsen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Guidance

Mads Ryder, Group CEO

Section 5 – Q&A





HIGHLIGHTS

Strong **retail performance** in H1 **reversed through Q3** – across all Group brands

Group revenue affected by accelerated distribution **clean-up at Peak Performance.**

Group **gross margin increased by 3.1pp** as a result of focused initiatives and price increases

Progress in **store openings**: 5 stores opened in Q3 and 17 year-to-date

Group **EBIT margin improved** – despite increased OPEX related to new stores

Full-year **guidance reduced**

Change of CEO at **Tiger of Sweden**

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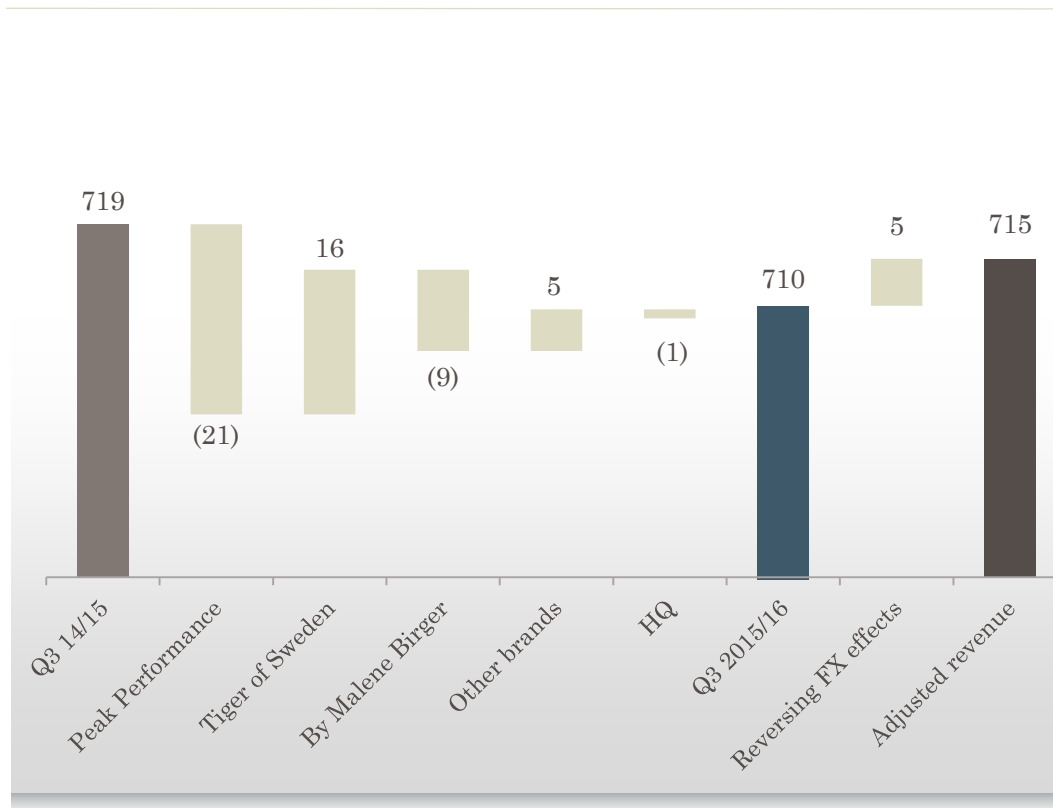
Mads Ryder, Group CEO

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Q3 REVENUE GROWTH

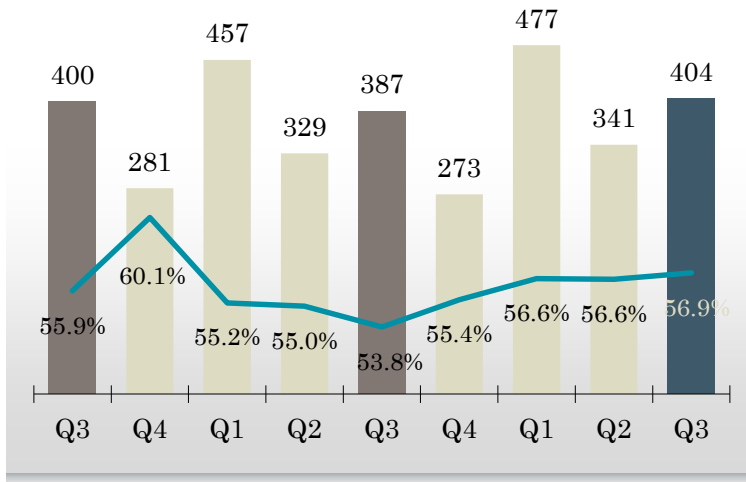
Revenue bridge Q3 14/15 vs. Q3 15/16, DKKm



- Wholesale revenue at Peak Performance negatively affected by clean-up in wholesale and tightened discount principles in retail
- Growth at Tiger of Sweden driven by Germany and the Nordics - with significant variations across channels
- Q3 revenue at By Malene Birger affected by poor retail performance
- Total Premium brand revenue set-back of 1.5% in local currency
- Revenue growth from other brands driven by Designers Remix
- Negative net currency effects of DKK 5m – primarily from NOK
- Total Group revenue set-back of 0.5% in local currency

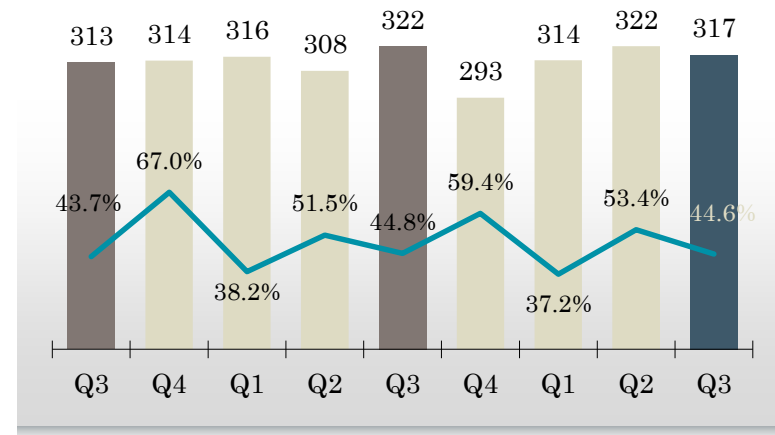
Q3 GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q3 gross margin up by 3.1pp to 56.9%
- Improved margins on products sold
- Positive FX effects

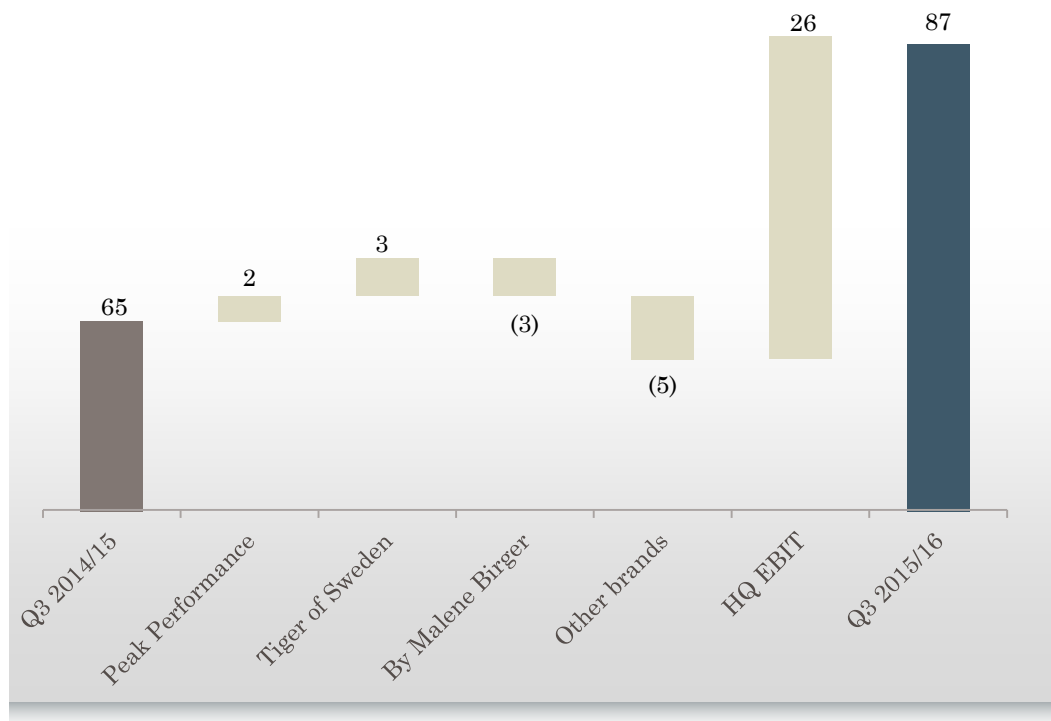
Quarterly OPEX and OPEX ratio, DKKm / %



- Q3 OPEX down by DKK 5m to DKK 317m
- OPEX increase related to store openings
- Idle costs of DKK 11m in Q3 14/15

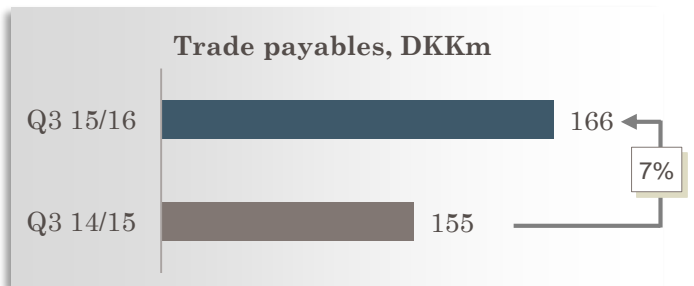
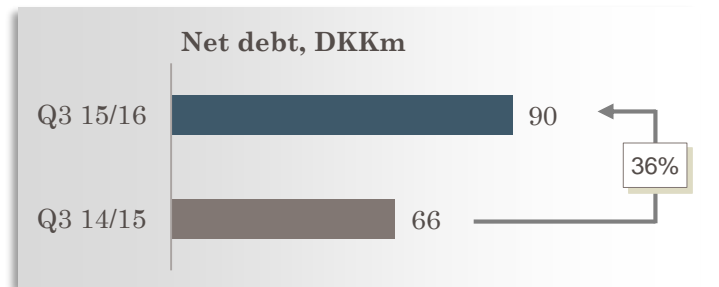
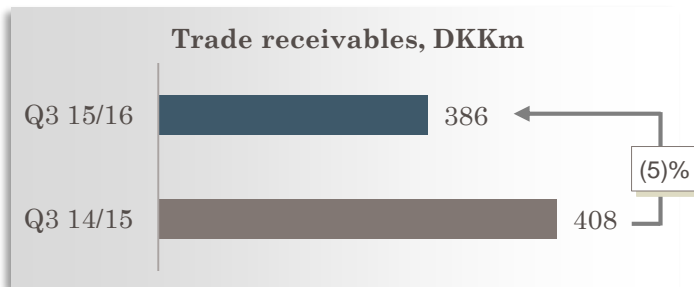
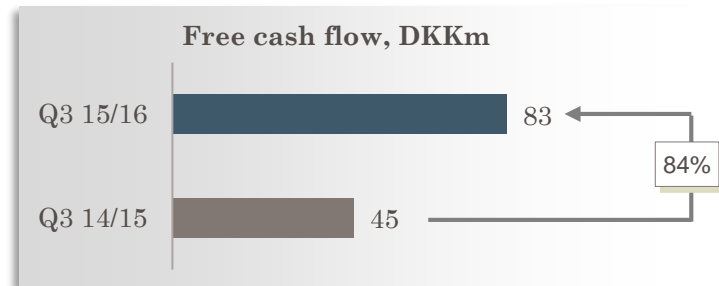
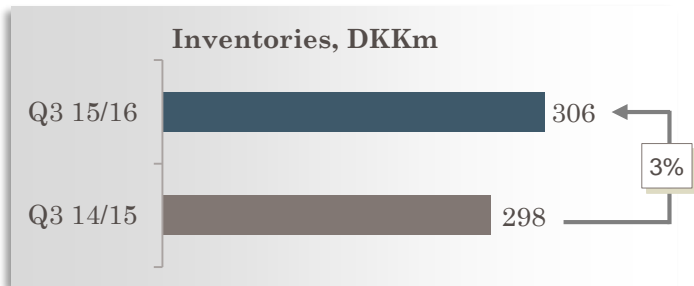
EBIT DEVELOPMENT IN Q3

EBIT bridge Q3 14/15 vs. Q3 15/16, DKKm



- Peak Performance and Tiger of Sweden improved both the EBIT and EBIT margins
- By Malene Birger improved its gross margin but OPEX ratio increased. EBIT and EBIT margin down in Q3
- HQ EBIT in Q3 last year was negatively affected by idle costs of DKK 11m. Q3 this year was positively affected by FX effects and the sale of Raffinaderivej 10
- Group EBIT up by DKK 22m and Group EBIT margin up by 3.3 pp to 12.3%
- Adjusted for idle costs in Q3 14/15 and the sale of Raffinaderivej 10 in Q3 15/16, the EBIT margin improved by 1.1 pp

WORKING CAPITAL, NET DEBT AND CASH FLOW





Q3 YTD SUMMARY OF FINANCIAL RESULTS

	Q3 YTD 2015/16	Q3 YTD 2014/15	Change	Q3 2015/16	Q3 2014/15	Change
Revenue	DKK 2,156m	DKK 2,145m	DKK 11m	DKK 710m	DKK 719m	DKK (9)m
Gross margin	56.7%	54.7%	2.0pp	56.9%	53.8%	3.1pp
OPEX	DKK 953m	DKK 946m	DKK 7m	DKK 317m	DKK 322m	DKK (5)m
EBIT	DKK 269m	DKK 227m	DKK 42m	DKK 87m	DKK 65 m	DKK 22m
EBIT margin	12.5%	10.6%	1.9pp	12.3%	9.0%	3.3pp
Free cash flow	DKK 172m	DKK 115m	DKK 57m	DKK 83m	DKK 45m	DKK 38m
NWC %	17.3%	16.9%	0.4pp			
NIBD	DKK 90m	DKK 66m	DKK 24m			

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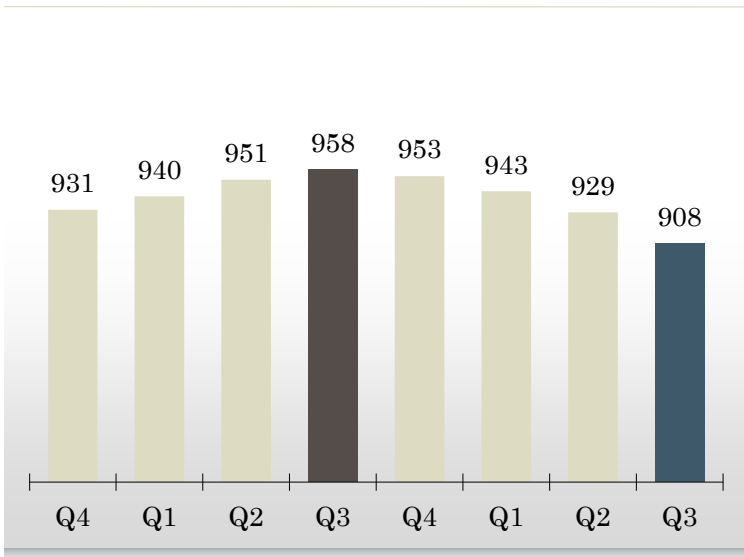
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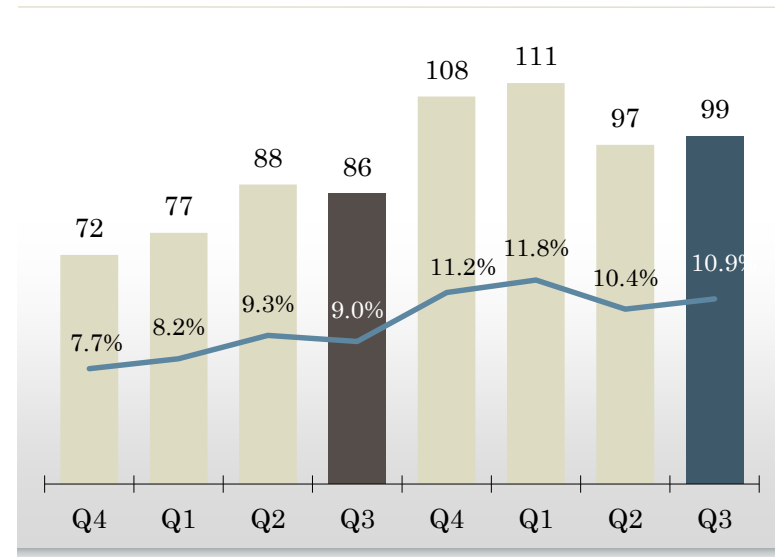
PEAK PERFORMANCE

Trailing 12 months revenue, DKKm



- Q3 revenue down by 7.4% to DKK 264m (down by 6.9% in local currency)
- Wholesale revenue affected by efforts to improve quality of distribution
- Retail revenue affected by tightened discount policy

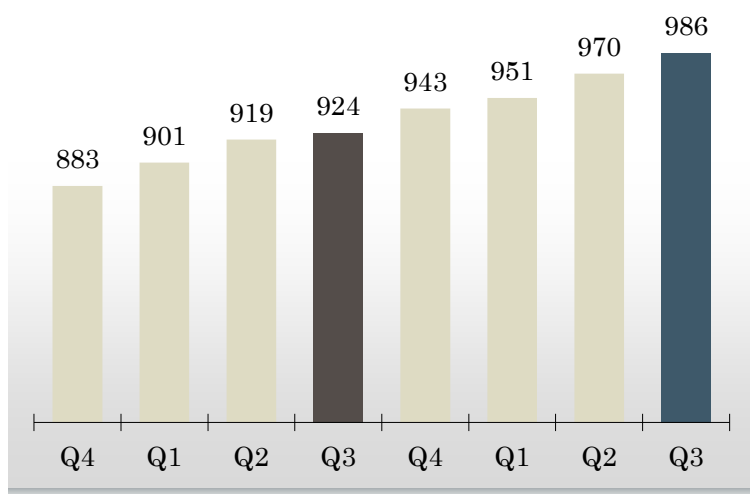
Trailing 12 months EBIT, DKKm



- Q3 EBIT up by DKK 2m to DKK 38m
- Q3 EBIT margin up by 1.8 pp to 14.4%
- Gross margin improved compared to Q3 14/15
- OPEX down driven by lower external costs and loss on bad debt

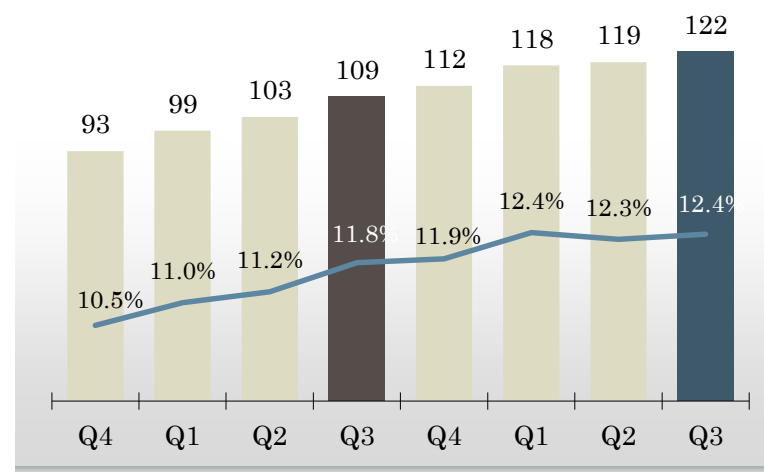
TIGER OF SWEDEN

Trailing 12 months revenue, DKKm



- Q3 revenue up by 6.6% to DKK 260m (up by 7.5% in local currency)
- Strong e-commerce performance while revenue from physical stores was slightly down
- Revenue up by 40% in Germany

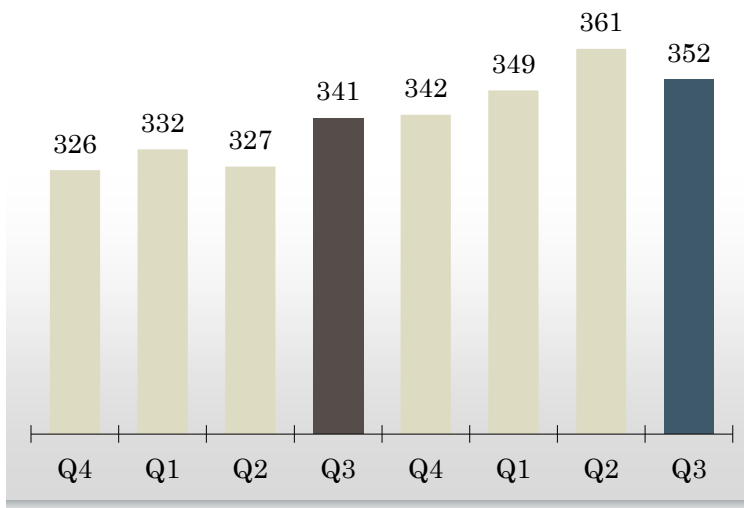
Trailing 12 months EBIT, DKKm



- Q3 EBIT up by DKK 3m to DKK 38m
- Q3 EBIT margin slightly up at 14.6%
- Significantly improved gross margin due to higher margins on goods sold
- OPEX and OPEX ratio increased

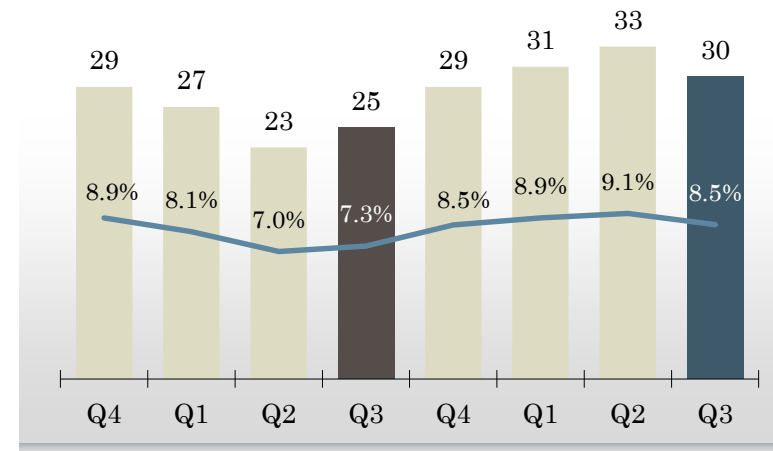
BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q3 down by 8.5% to DKK 97m (down by 7.7% in local currency)
- Wholesale revenue down in Q3.
- Retail performance down compared to last year - stock-sale in Q3 last year is a significant cause

Trailing 12 months EBIT, DKKm



- Q3 EBIT down by DKK 3m to DKK 9m
- Q3 EBIT margin down by 2.0pp to 9.3%
- Gross margin improvement from higher margins on goods sold
- OPEX down but not enough to offset revenue decline - OPEX ratio increased

OTHER BRANDS

Q3 2015/16 revenue up by 6.6% in local currency to DKK 90m (DKK 85m)

- Revenue significantly up at Designers Remix but slightly down at Saint Tropez

Q3 2015/16 EBIT down by DKK 5m to a loss of DKK 6m

- Earnings improved at Designers Remix
- Gross margin down and OPEX up at Saint Tropez
- EBIT margin down by 5.5 pp to (6.7)%

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GUIDANCE REDUCED

YTD revenue growth negatively impacted by a significant shift in the retail environment affecting **retail and OTB performance** (in-season sales) in Q3 and April

In addition, revenue is affected by **FX headwind** – primarily from NOK

We therefore expect **consolidated revenue at the same level as 2014/15**

As a consequence of the lower than expected top-line development, we expect a **Group EBIT margin of approx. 9%**

Investments expected at **3% of annual revenue**

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QUESTIONS ?