



COMPANY PRESENTATION

Copenhagen Winter Seminar

Danske Bank

11 December, 2017

THE GROUP IN SHORT

IC GROUP

- A Danish listed **apparel and fashion** portfolio company focusing on brands in the **Premium segment**

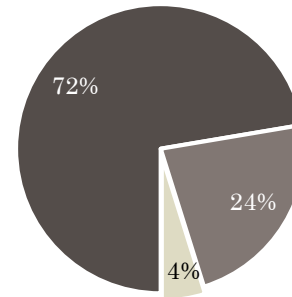
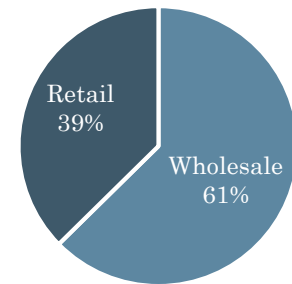
STRATEGIC AMBITION

- Value creation through **active ownership**
- **Increased revenue and earnings** through continued expansion in the Nordic region as well as selected international markets

BUSINESS MODEL

- Premium brands operated as **individual business units**
- **Shared infrastructure functions** provides **cost-effective** services
 - Logistics
 - IT
 - Financial Shared Services

Revenue
DKK 2,749m



- Nordic region
- Rest of Europe
- Rest of world

BUSINESS SEGMENTS



PEAK PERFORMANCE

THE BRAND

- Founded in 1986. Strongly rooted in alpine skiing, the brand develops high-quality products combining fashion and functionality

STRATEGIC FOCUS AREAS

- Increase market penetration in the Nordic Region and Central Europe (Alp Region)
- Leverage the brands unique selling point (“performance mixed with style”) in all product lines
- Increase brand control in all distribution channels

REVENUE BY CHANNEL AND GEOGRAPHY

- Retail (incl. outlet and e-com) 37%
- Wholesale & franchise 63%
- Nordic region 66%
- Rest of Europe 31%
- Rest of world 3%

SELLING POINTS

Retail stores	48
Franchise stores	32
Wholesale customers (incl. 3. party e-com.)	1,755

FINANCIALS

	2016/17	2015/16
Revenue	DKK 1,035m	DKK 936m
EBIT	DKK 101m	DKK 94m
EBIT margin	9.8%	10.0%



TIGER OF SWEDEN

THE BRAND

- Founded in 1903 on a strong tailoring tradition. A distinct alternative to established tailoring brands characterized by “a different cut”

STRATEGIC FOCUS AREAS

- Expand stronghold in Nordic region
- Further expansion in European focus markets (Germany, UK, France)
- Increase relative share of own controlled distribution (Retail and E-com)

REVENUE BY CHANNEL AND GEOGRAPHY

- | | |
|-----------------------------------|-----|
| • Retail (incl. outlet and e-com) | 40% |
| • Wholesale & franchise | 60% |
| • Nordic region | 79% |
| • Rest of Europe | 18% |
| • Rest of world | 3% |

SELLING POINTS

Retail stores	41
Franchise stores	9
Wholesale customers (incl. 3rd party e-com.)	951

FINANCIALS	2016/17	2015/16
Revenue	DKK 963m	DKK 972m
EBIT	DKK 67m	DKK 108m
EBIT margin	7%	11.1%



BY MALENE BIRGER

THE BRAND

- Founded in 2003 based on a design-driven passion to be a female fashion brand with an international appeal

STRATEGIC FOCUS AREAS

- Nordic Region and UK are top priority markets for expansion
- Increase relative share of own controlled distribution (Retail and E-com)

REVENUE BY CHANNEL AND GEOGRAPHY

- Retail (incl. outlet and e-com) 31%
- Wholesale & franchise 69%
- Nordic region 64%
- Rest of Europe 25%
- Rest of world 11%

SELLING POINTS

Retail stores	15
Franchise stores	7
Wholesale customers (incl. 3rd party e-com.)	796

FINANCIALS	2016/17	2015/16
Revenue	DKK 351m	DKK 357m
EBIT	DKK 3m	DKK 26m
EBIT margin	0.9%	7.3%



OTHER BRANDS

SAINT TROPEZ

- Female fast-fashion brand founded in 1986, focusing on young, independent femininity
- Not utilizing the Group's central infrastructure functions

DESIGNERS REMIX

- Female Premium brand founded in 2002 on minimalistic elegance
- 51% ownership
- Not utilizing the Group's central infrastructure functions

FINANCIALS

	2016/17	2015/16
Revenue	DKK 400m	DKK 398m
EBIT	DKK 10m	DKK 20m
EBIT margin	2.5%	5.0%



STRATEGIC POSITION AND VALUE DRIVERS

Ownership of strong brands and own controlled distribution

- Three strong Premium brands with solid positions in the core Nordic markets and expansion opportunities in international markets
- Own controlled distribution comprising physical stores on good locations and a best-in-class e-commerce platform
- Consistent positive combined same-store growth proves attractiveness in the eye of the consumer

Best-in-class e-commerce platform

- Through strong double-digit annual growth rates during the past 4 years, e-commerce now constitutes almost 8% of annual Group revenue and is close to being the most profitable channel
- The asset-light nature of the distribution channel makes it an attractive growth driver going forward
- Best-in-class e-commerce platform provides excellent opportunities for handling the migration as well as interdependency between physical retail and e-commerce

Physical retail

- Highest gross-margin and an almost 100% fixed cost base offers a significant earnings upside but also makes us vulnerable to migration from physical to online shopping
- Physical retail will not go away, though. But it's role will gradually change:
 - Smaller store formats
 - Carefully selected locations
 - Strong integration with e-commerce

LATEST FULL-YEAR RESULTS

	2016/17	2015/16
Revenue	DKK 2,749m	DKK 2,665m
Gross margin	55.3%	56.8%
EBIT	DKK 125m	DKK 243m
EBIT margin	4.5%	9.1%
Free cash flow	DKK 87m	DKK 94m*
NIBD	DKK 17m	DKK 25m
NWC-%	11.6%	11.8%
ROIC	16.2%	33.0%
Pay-out ratio	85%	100%*

* 2015/16 adjusted for the positive cash flow and extraordinary dividend pay-out of DKK 144m from sale of assets

GUIDANCE FOR 2017/18

For the Group as a whole, we expect to realize **a minor revenue reduction** compared 2016/17 and an **EBIT margin of approx. 5%**

- In Tiger of Sweden, revenue is expected to decline and earnings to decline significantly
- Moderate revenue and earnings growth is expected in Peak Performance
- Moderate revenue decline but significant earnings improvement expected in By Malene Birger

CAPEX expected in the region of **3-4% of annual revenue**



IC GROUP