

# Annual Report **2013/14**

*Investor meetings*

Nordea, August 22, 2014



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# Highlights for 2013/14

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**Growth** in **Premium** brands

Significant **EBIT growth**

**More simple** and **focused** business

New management set-up with **focus on operations**

**New name** but same strategic focus



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## Summary of financial results 2013/14 – continuing operations

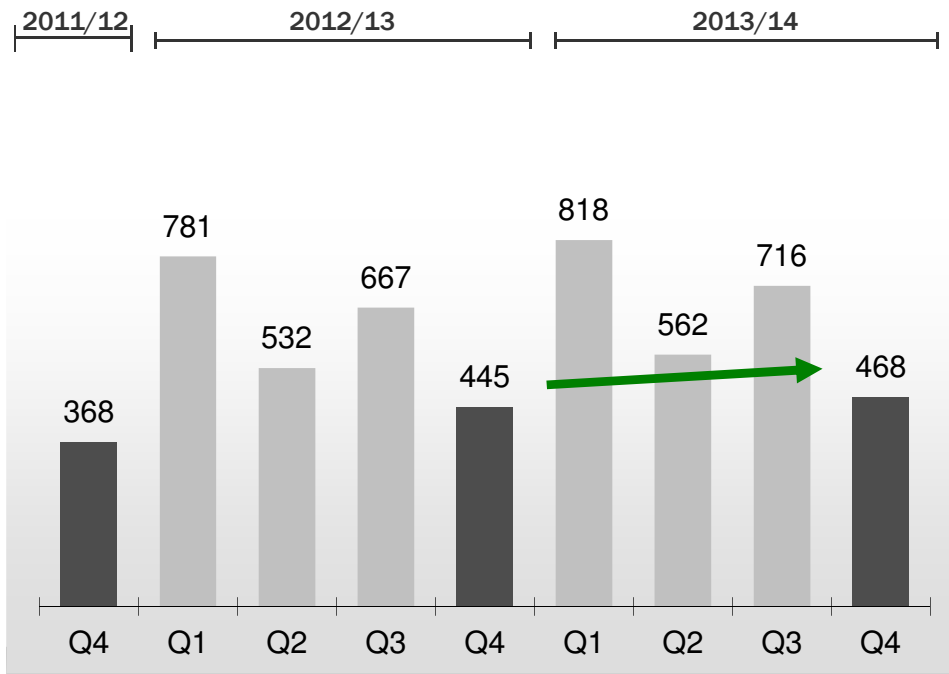
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	2013/14	2012/13
<b>Revenue</b> up by 6% to	DKK <b>2,563</b> m	DKK 2,424m
<b>Gross margin</b> up by 0.7 pp to	<b>57.3%</b>	56.6%
<b>Costs</b> up by 6% to	DKK <b>1,249</b> m	DKK 1,180m
<b>EBIT</b> up by 16% to	DKK <b>221</b> m	DKK 191m
<b>Free cash flow</b> up by DKK 106m to	DKK <b>165</b> m	DKK 59m
<b>NIBD</b> reduced by DKK 66m to	DKK <b>(88)</b> m	DKK (22)m

# Revenue growth and improved gross margin

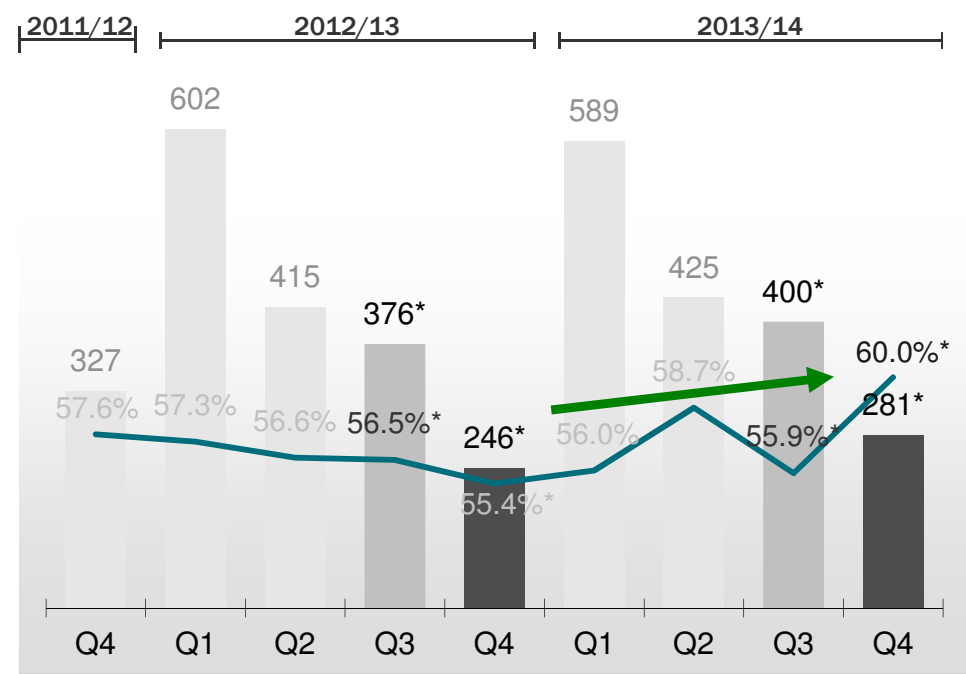
## Quarterly revenue, DKKm

Continuing operations



- Q4 revenue up by 5% to DKK 468m
- Growth driven by Tiger of Sweden and By Malene Birger
- FY revenue growth of 6% to DKK 2,563m
- Negative currency effect of DKK 59m

## Quarterly gross margin, %

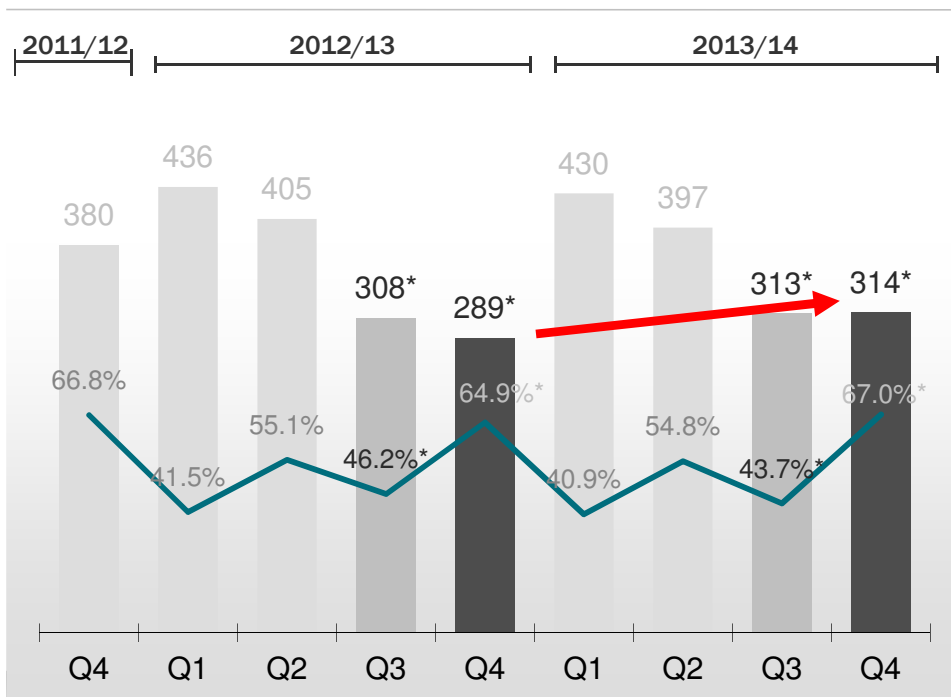


\* Gross profit and Gross margin for continuing operations alone

- Gross profit up by DKK 35m for continuing operations
- Gross margin down by 4.6pp in Q4
- FY gross margin slightly improved by 0.7pp
- FY negative net currency effect of DKK 31m

# EBIT improved by improved gross margin

## Quarterly OPEX efficiency, %

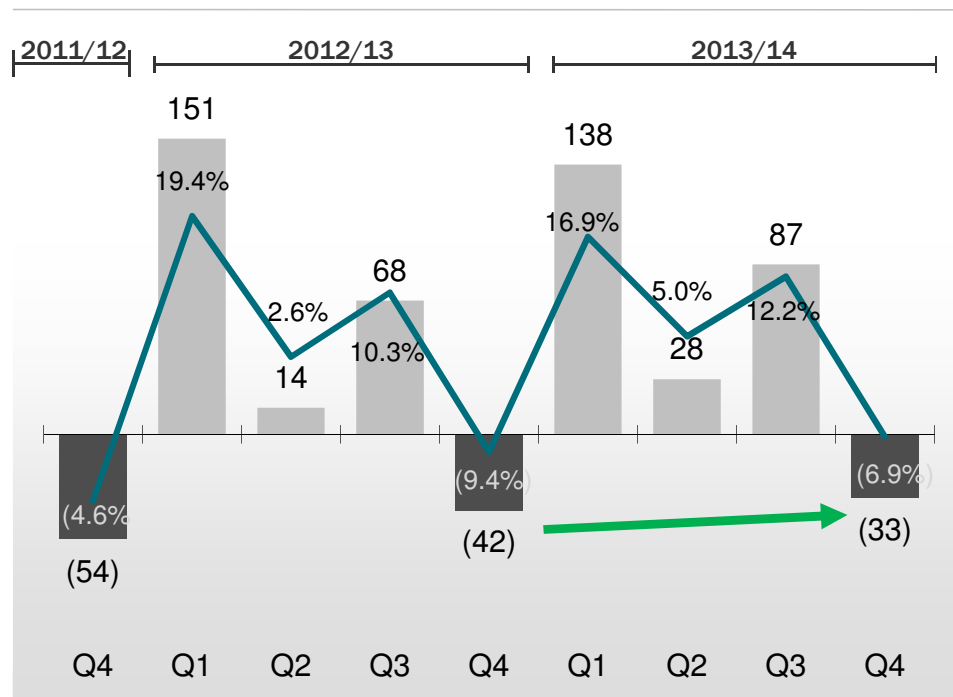


\* OPEX and OPEX efficiency for continuing operations alone

- Q4 OPEX increased by DKK 25m for continuing operations
- OPEX ratio increased by 2.1pp
- FY OPEX development in line with revenue development
- Positive FY currency effect of DKK 28m

## Quarterly EBIT, DKKm

Continuing operations

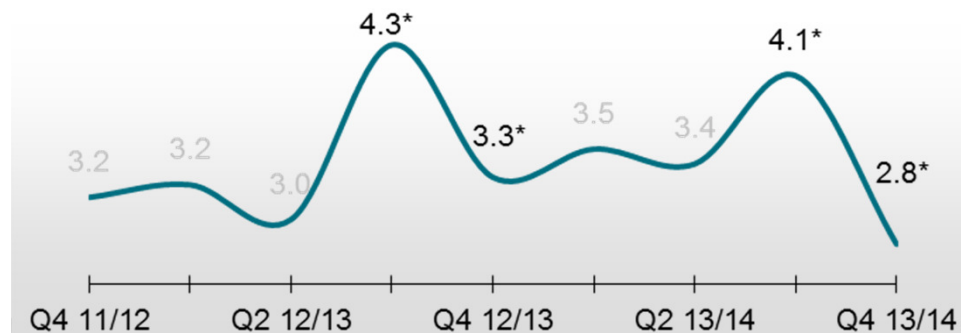


- Q4 EBIT improved by DKK 9m to a deficit of DKK 33m
- FY EBIT improved by 16% to DKK 221m
- FY EBIT margin improved by 0.7pp to 8.6%



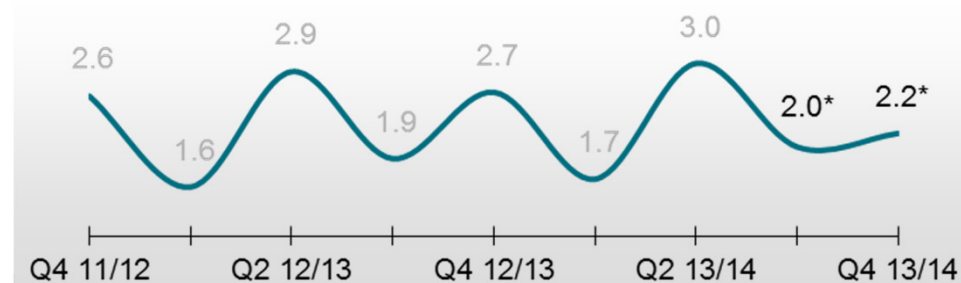
# Working capital turnover rates

## End of quarter, inventory turnover rate



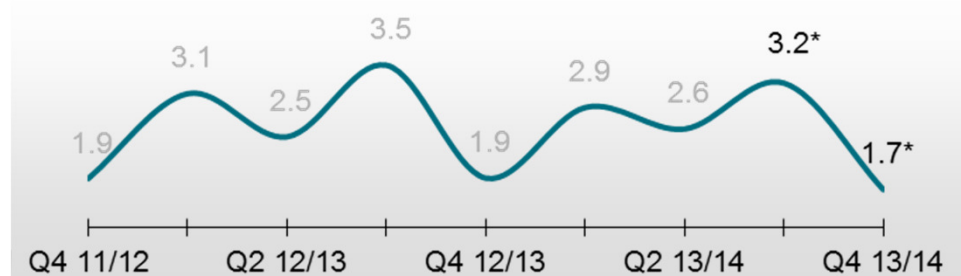
\* Inventory turnover rate for continuing operations alone

## End of quarter, debtor turnover rate



\*Debtor turnover rate for continuing operations alone

## End of quarter, creditor turnover rate



\*Creditor turnover rate for continuing operations alone

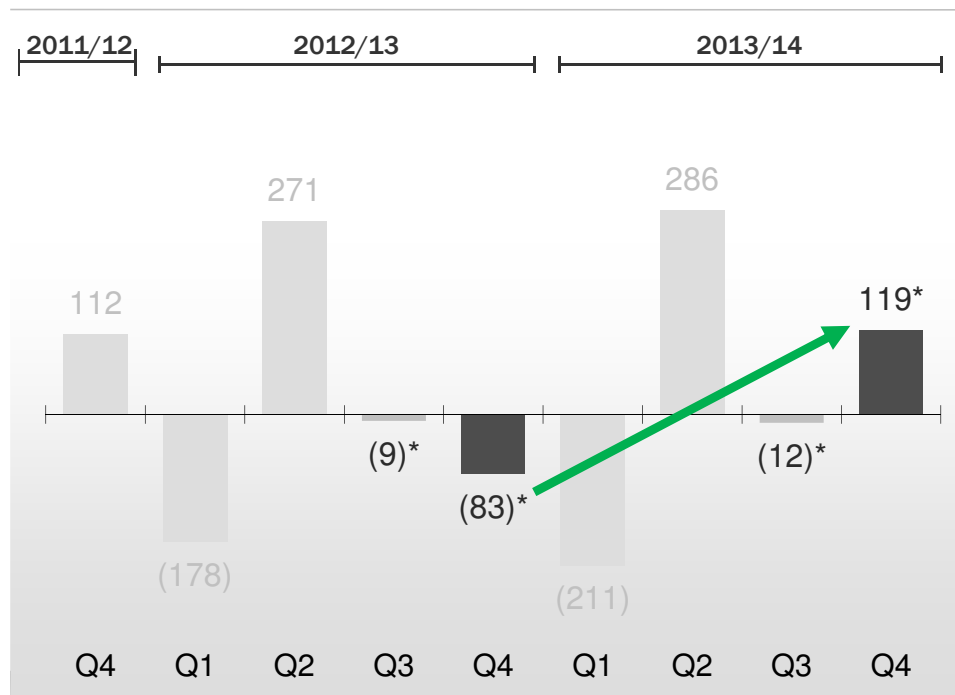
- Inventory turn for continuing operations down in Q4

- Debtors turnover rate in line with historical level
- Age distribution slightly improved in Q4 2013/14

- Creditor turnover rate in line with historical level

# Strong cash flow and net debt converted to net deposit

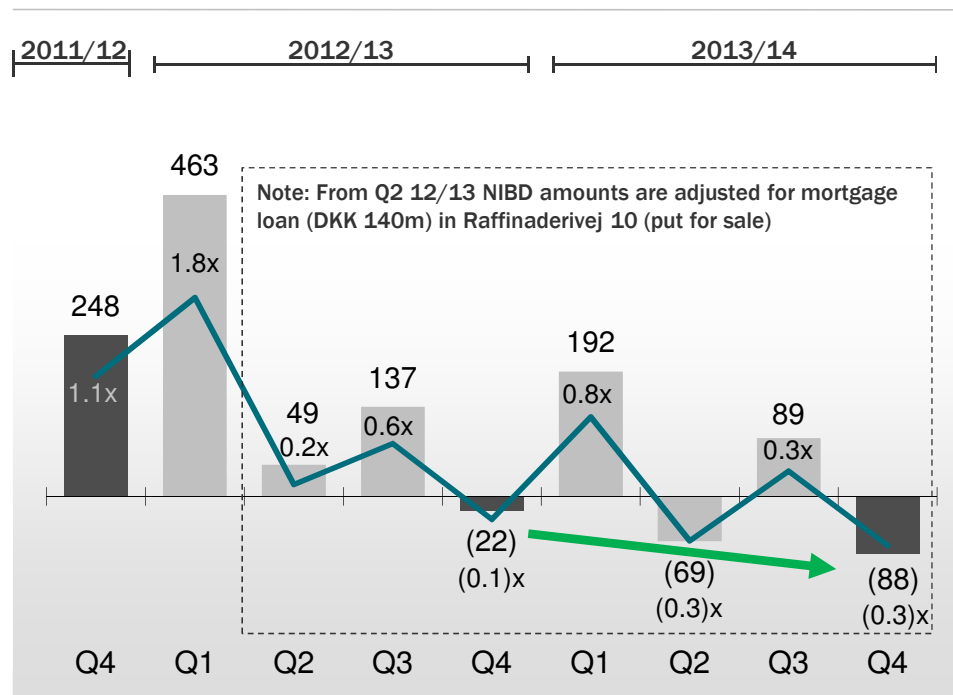
## Free cash flow, DKKm



\* Free cash flow from Premium and non-core segments only

- Q4 cash flow for continuing operations up by DKK 202m to a net inflow of DKK 119m
- Higher EBIT in Q4 2013/14
- Investments in securities in Q4 2012/13
- Working capital investments almost unchanged
- FY cash flow of DKK 165m (DKK 59m)

## End of quarter NIBD, DKKm and NIBD/EBITDA



- NIBD reduced by DKK 66 DKKm in Q4
- Short-term NIBD equals a net deposit of 88 DKKm
- NIBD/EBITDA of (0.3)x

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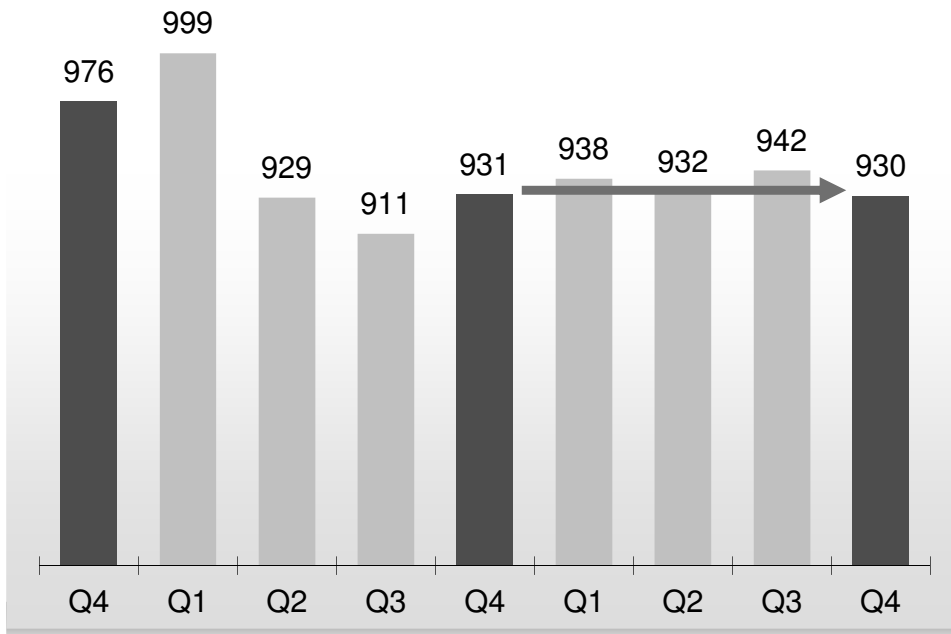
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# Peak Performance

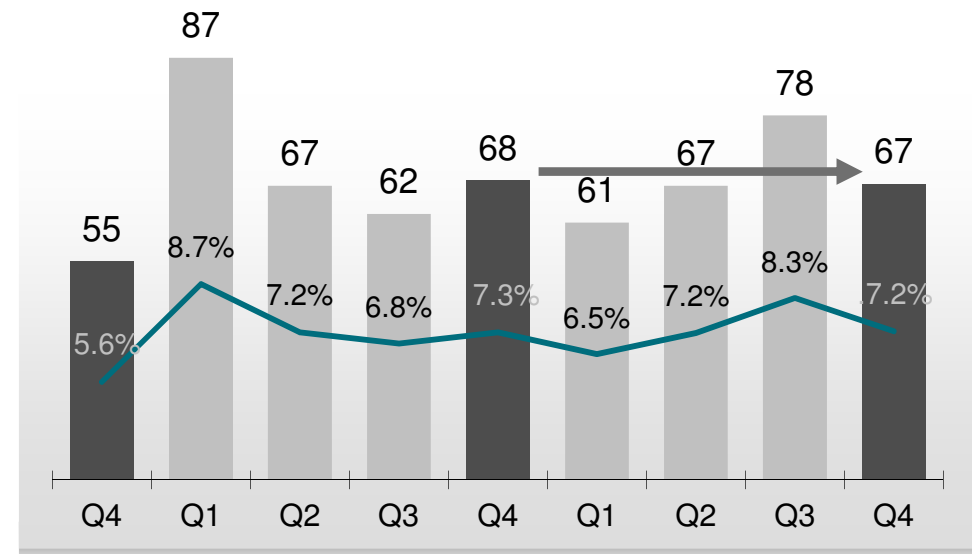


Trailing 12 months revenue, DKKm



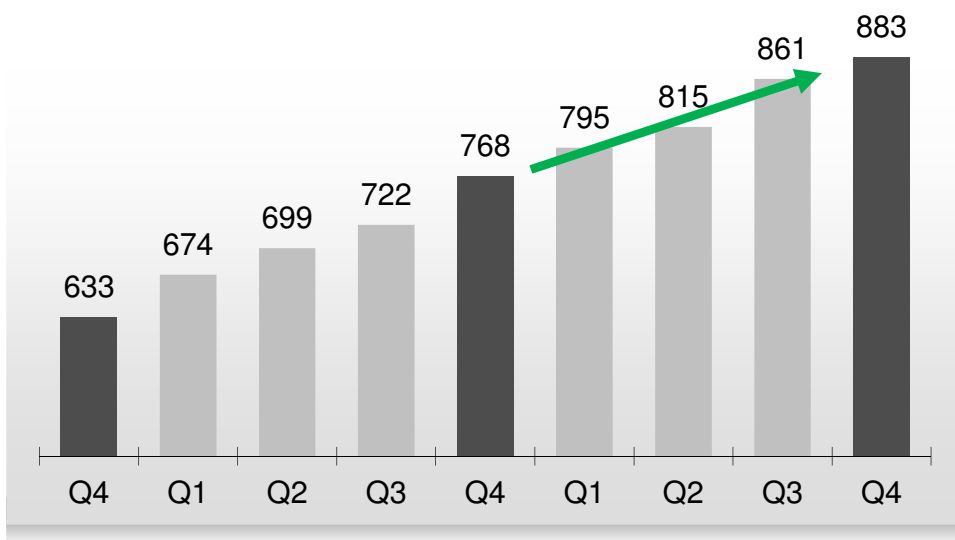
- FY revenue unchanged at DKK 930m
- Strong wholesale performance
- Disappointing retail performance

Trailing 12 months EBIT, DKKm



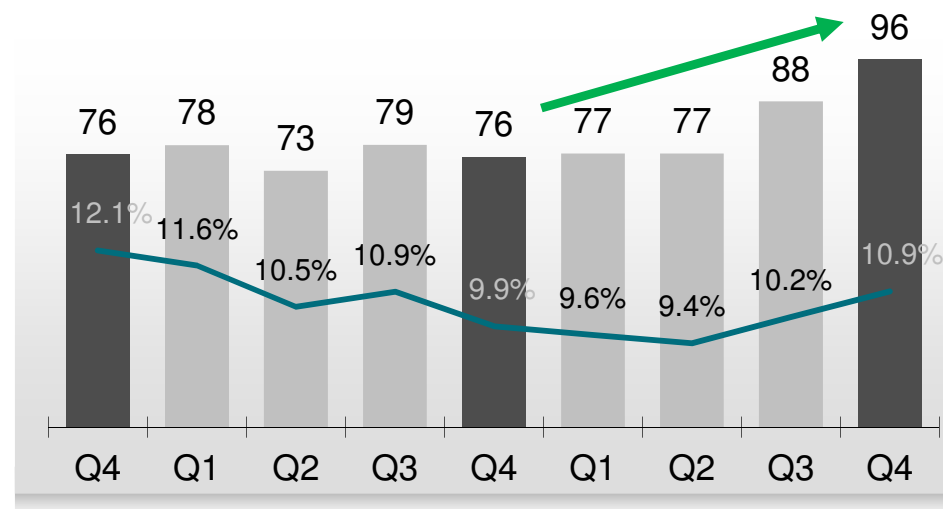
- FY EBIT unchanged at DKK 67m
- FY EBIT margin unchanged at 7.2%
- Gross margin slightly improved while OPEX efficiency was reduced

## Trailing 12 months revenue, DKKm



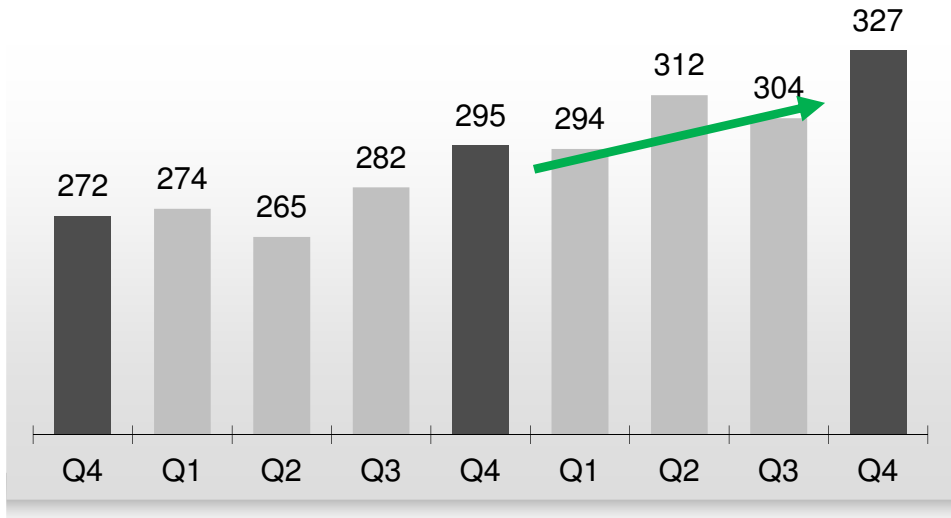
- FY revenue growth of 15% to DKK 883m
- Strong wholesale development
- Insourcing of accessories contributes significantly

## Trailing 12 months EBIT, DKKm



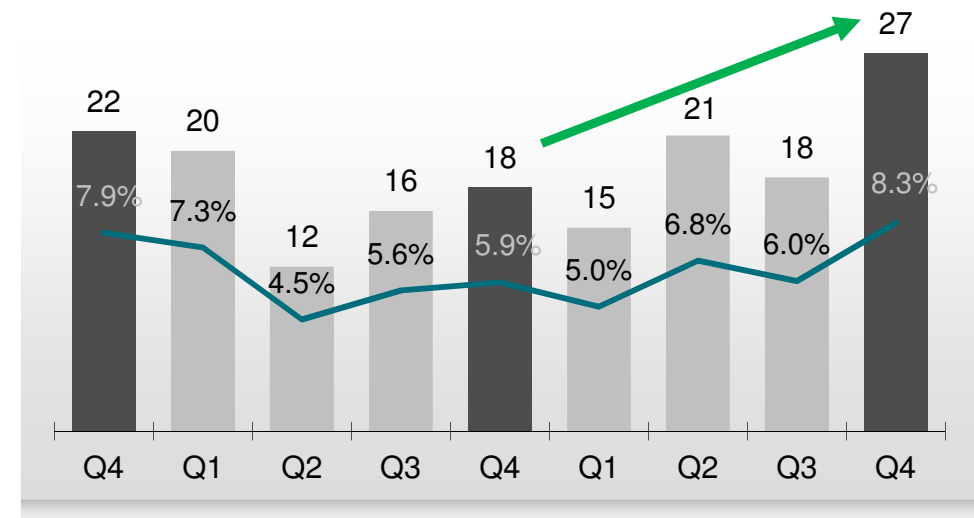
- FY EBIT up by DKK 20m to DKK 96m
- FY EBIT margin improved by 1.0pp to 10.9%
- Gross margin unchanged, slightly improved OPEX efficiency

## Trailing 12 months revenue, DKKm



- FY revenue up by 11% to DKK 327m
- Strong full year retail development
- Nordic markets contribute significantly

## Trailing 12 months EBIT, DKKm



- FY EBIT up by DKK 9m to DKK 27m
- FY EBIT margin up by 2.4pp to 8.3%
- Gross margin unchanged, improved OPEX efficiency

# None-core business and discontinued operations

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## Non-core business

FY **revenue slightly reduced** at DKK 425m (DKK 430m)

FY **EBIT unchanged** at DKK 30m (DKK 30m)

- EBIT margin unchanged at 7.1% (7.0%)
- Revenue set-back but earnings growth in Saint Tropez
- Revenue and earnings set-backs in Designers Remix

## Discontinued operations

**Sale of Mid Market finalised** by June 30, 2014

All **Jackpot** and **Cottonfield** retail stores have been closed

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# Key take-aways for 2013/14

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Positive **growth** and **earnings** development in **Tiger of Sweden** and **By Malene Birger**

Challenging year for **Peak Performance** but **results unchanged**

Continued **growth** and **earnings** expected from **Premium brands**



# Guidance for continuing operations FY 2014/15

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**Premium brands** are expected to maintain **positive development**  
- especially Tiger of Sweden and By Malene Birger

**Group revenue expected to grow**

**Premium brands** expected to **improve EBIT**. Non-core segments expected to maintain profitability.

Group EBIT will be affected by **idle costs** of DKK 45m that will be **addressed during the year**

**Investments** at a level of 3-5% of annual revenue

**Extraordinary dividend** in the range of **DKK 100m** expected during **2014/15**

Questions

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