



ANNUAL REPORT 2014/15

INVESTOR ROADSHOW

Nordea
Copenhagen
September 3, 2015



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 Annual 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 Annual 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 2014/15	Mads Ryder, Group CEO	
Section 2 – Group financials	Rud Pedersen, Group CFO	
Section 3 – Segment performance	Mads Ryder, Group CEO	
Section 4 – Guidance for 2015/16	Rud Pedersen, Group CFO	
Section 4 – Key take-aways	Mads Ryder, Group CEO	
Section 5 – Q&A		

HIGHLIGHTS FOR THE YEAR 2014/15

Revenue and earnings growth in line with expectations

Premium brands performed well and in line with expectations

Disappointing performance at **non-core business**

Organisational right-sizing implemented in H1

Sale of Group HQ completed in Q4

Tightened **operational focus**

- Improving **internal efficiencies** in product development, sourcing and wholesale trade terms
- **Price increases** to offset the increase in the USD level

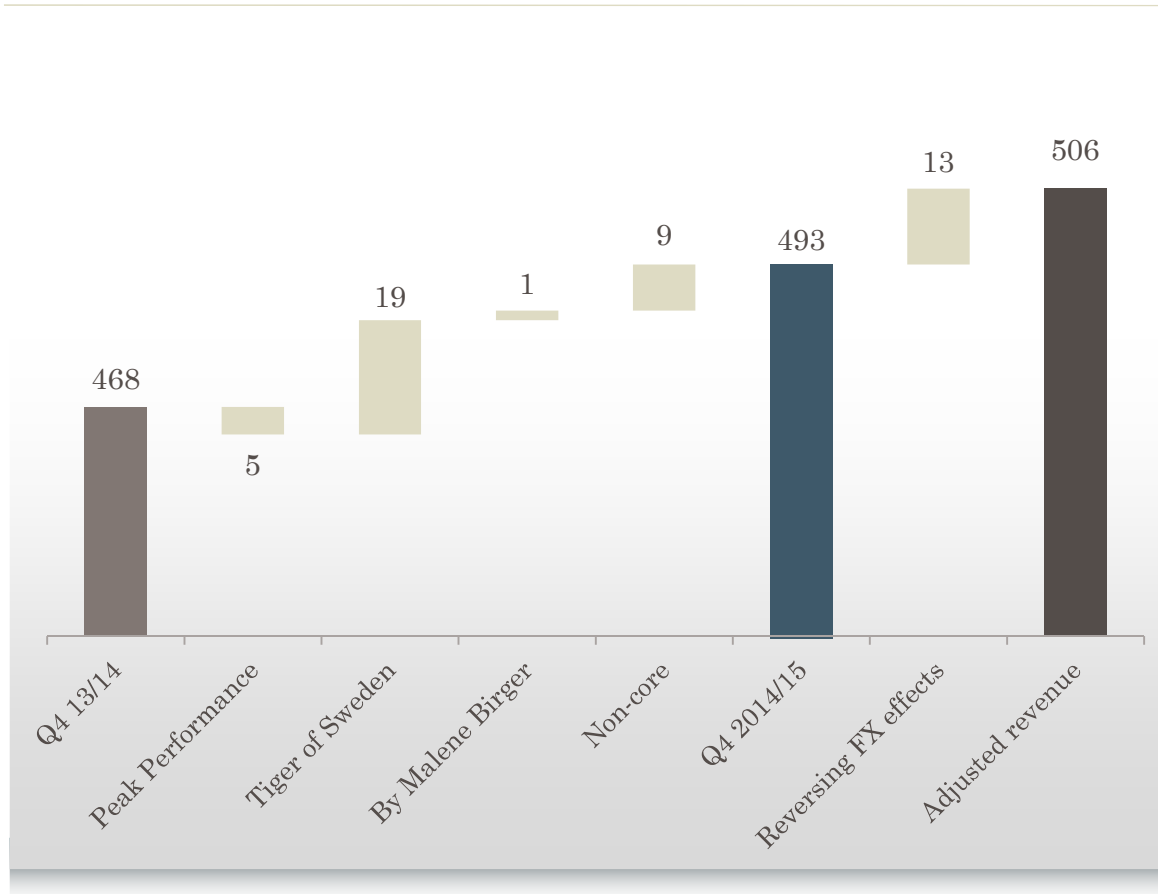


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Q4 REVENUE GROWTH

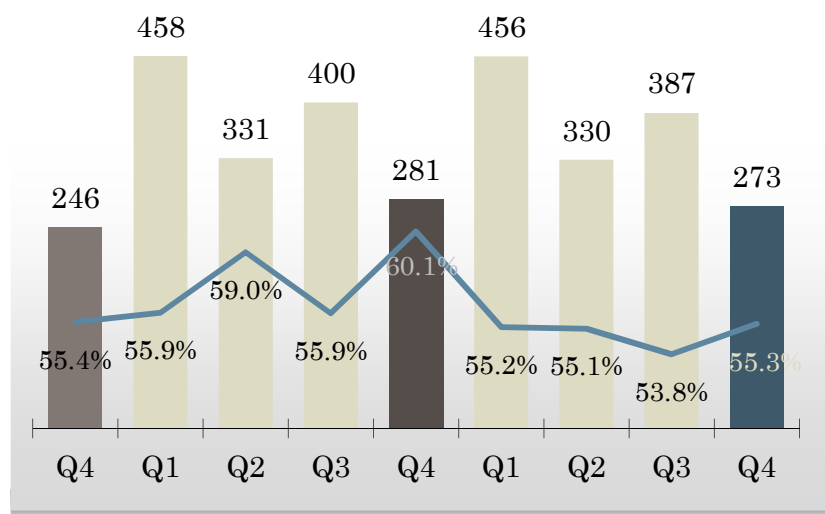
Revenue bridge Q4 13/14 vs. Q4 14/15, DKKm



- Revenue up by DKK 25m corresponding to reported growth of 5.3%
- Peak Performance affected by cautious wholesale customers
- Strong growth at Tiger of Sweden
- Good performance when adjusting for new collection timing at By Malene Birger
- Total Premium business growth of 6.2% in local currency
- Revenue growth of 8.5% at Non-core business
- Negative currency effect of DKK 13m
- Total Group revenue growth of 8.1% in local currency

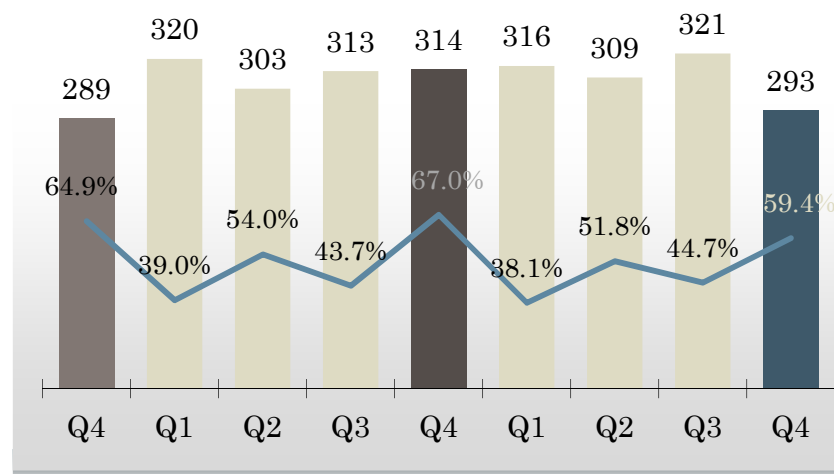
GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q4 gross margin down by 4.8 pp to 55.3%
- Focus on Net Working Capital efficiency
- Unfavourable comparison due to reversal of intra-group eliminations in Q4 13/14
- Negative net currency effect of DKK 2m

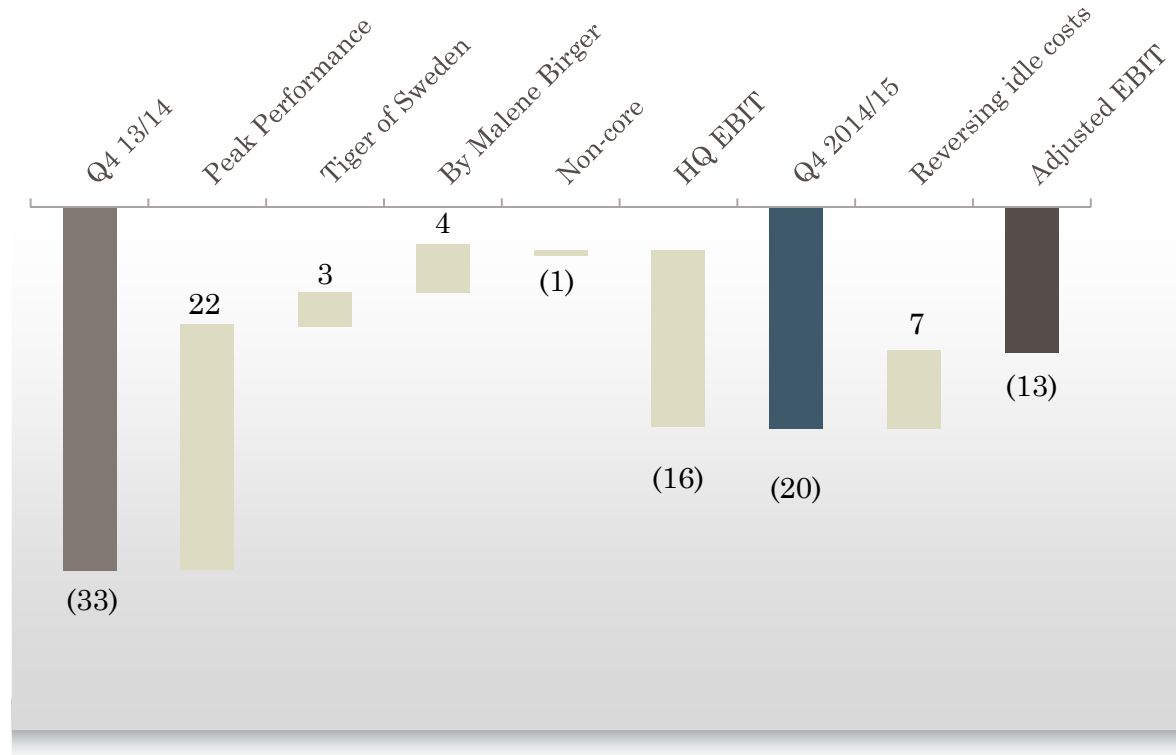
Quarterly OPEX and OPEX ratio, DKKm / %



- Q4 OPEX down by DKK 21m to DKK 293m
- Strict OPEX control
- Idle costs of DKK 7m in Q4
- Insignificant currency effect

EBIT DEVELOPMENT IN Q4

EBIT bridge Q4 13/14 vs. Q4 14/15, DKKm



- EBIT up by DKK 20m in Q4 14/15
- EBIT margin up by 2.8 pp to (4.1)%
- Positive effect from lower provisions at Peak Performance
- HQ EBIT includes Idle costs of DKK 7m in Q4
- Insignificant net currency effect
- Adjusted EBIT margin of (2.6)%

FULL YEAR FINANCIAL PERFORMANCE

2014/15

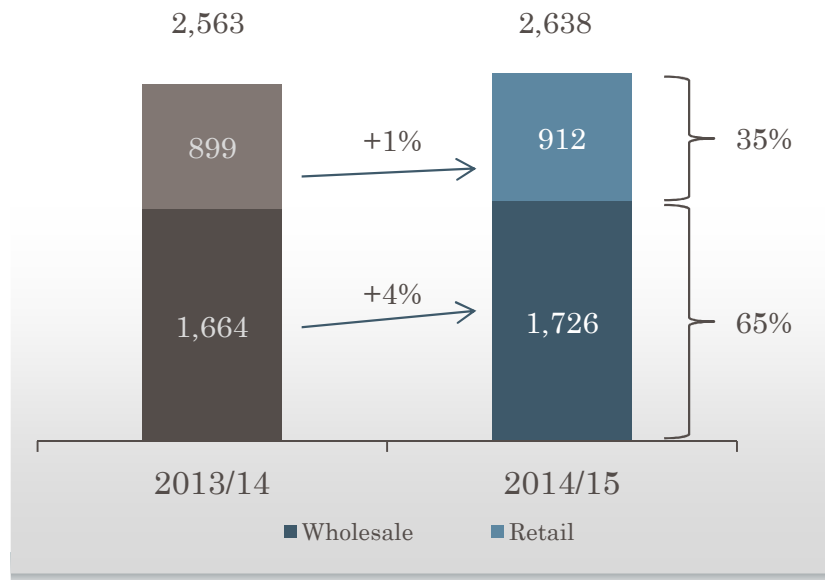
Revenue, DKKm	Revenue growth	Growth in local currency	Gross margin	Free cash flow, DKKm
2,638	2.9%	4.9%	54.8	241
EBIT, DKKm	EBIT margin	Adjusted EBIT margin	OPEX ratio	Proposed dividend, DKKm
207	7.8%	9.3%	47.0	68

2013/14

Revenue, DKKm	Revenue growth	Growth in local currency	Gross margin	Free cash flow, DKKm
2,563	5.7%	8.1%	57.3	173
EBIT, DKKm	EBIT margin	Adjusted EBIT margin	OPEX ratio	Ordinary dividend, DKKm
221	8.6%	8.6%	48.7	49

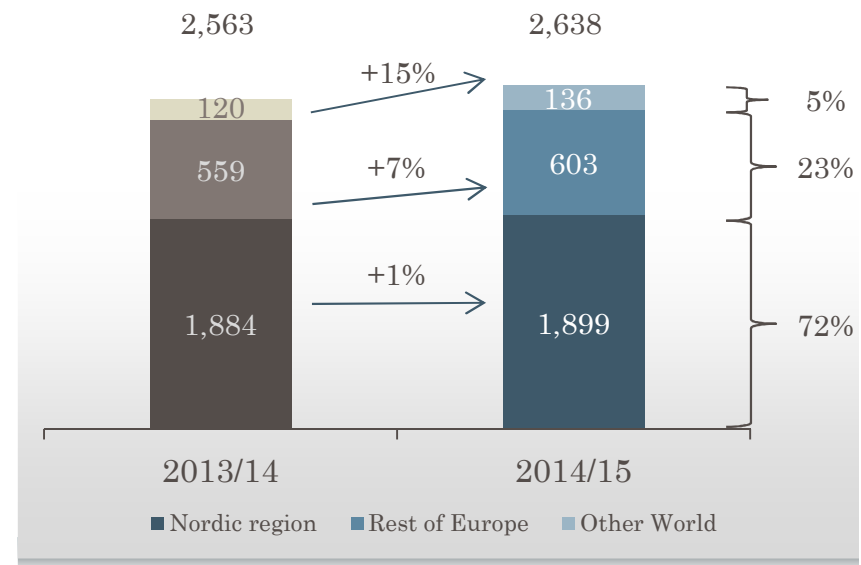
GROUP REVENUE BREAKDOWN

Revenue by channel, DKKm



- Wholesale revenue growth driven especially by Tiger of Sweden and By Malene Birger
- Good retail performance of all Premium brands
- Revenue down at Non-core business - both in respect of wholesale and retail
- Wholesale/retail split unchanged from last year

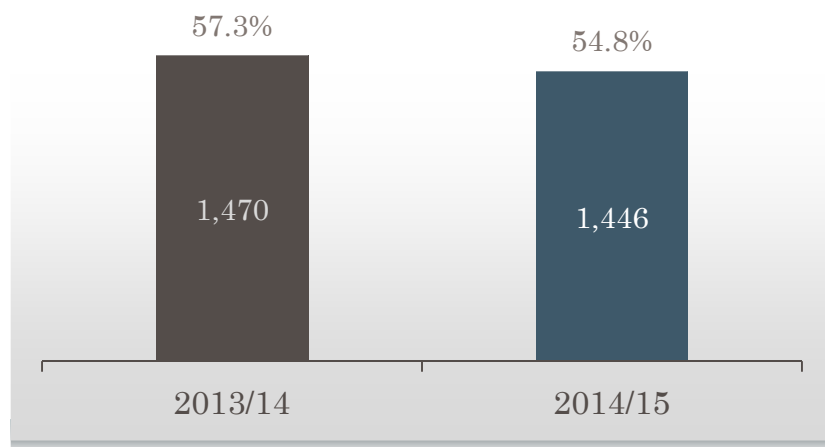
Revenue by geography, DKKm



- Nordic region revenue negatively impacted by net currency effects (lower SEK and NOK) and sluggish economic environment in Finland
- Underlying growth in the Nordic region driven by Tiger of Sweden and By Malene Birger
- Growth in Rest of Europe driven mainly by Tiger of Sweden and to a lesser extent Peak Performance
- Growth outside Europe driven by Tiger of Sweden and By Malene Birger

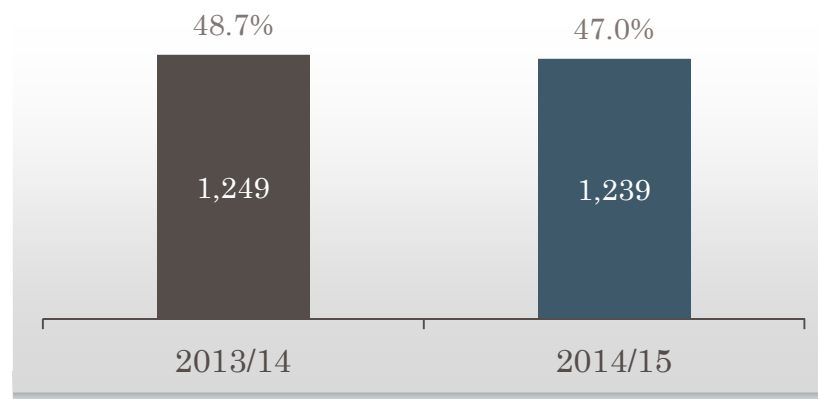
GROSS MARGIN AND OPEX

Gross profit and gross margin, DKKm



- Gross margin down by 2.5pp to 54.8%
- Negative effect from one-off of DKK 8m and net currency effect of DKK 24m equal to 1.2pp
- Margin affected by increased focus on working capital - primarily in H2

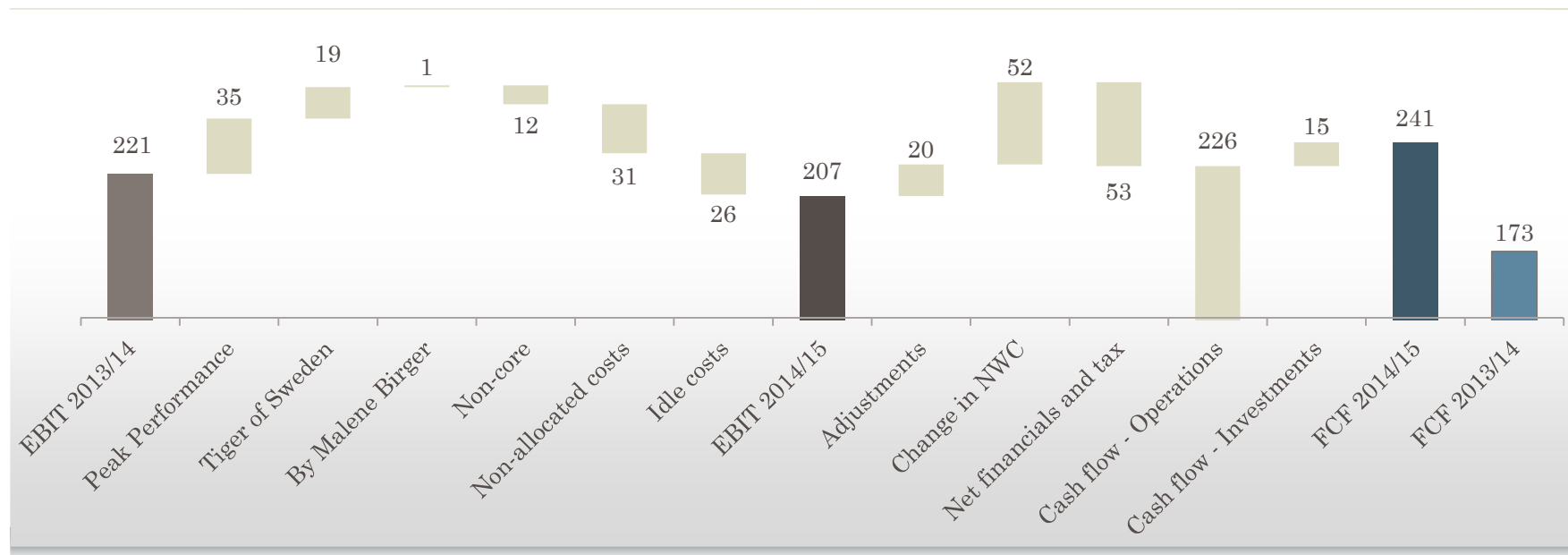
OPEX and OPEX ratio, DKKm



- OPEX ratio down by 1.7pp to 47.0%
- Tight OPEX control across the Group
- Negative effect of Idle costs of DKK 26m
- Negative effect of one-off of DKK 4m
- Positive currency effect of DKK 20m

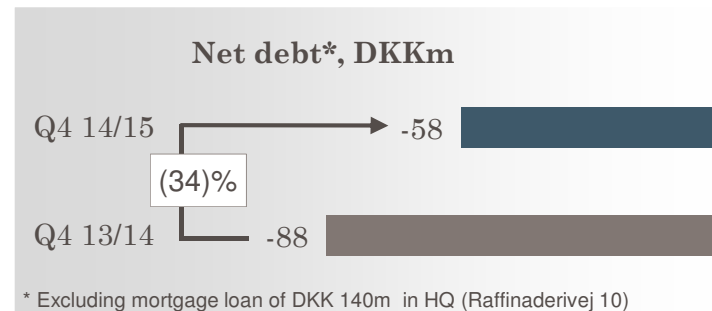
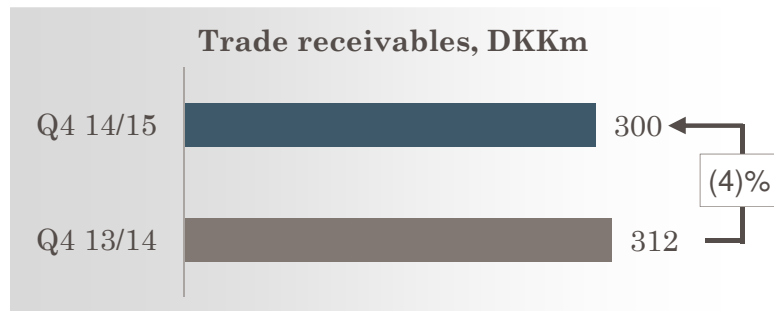
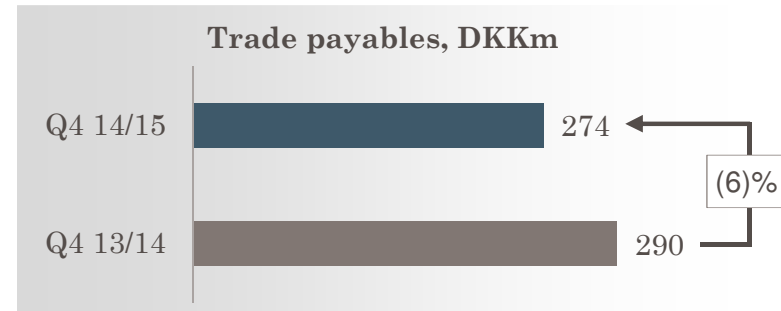
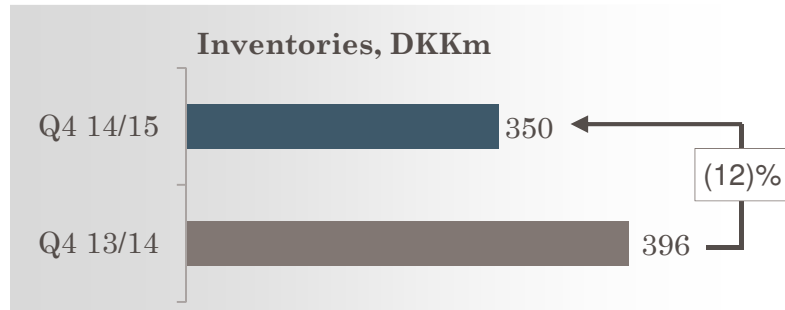
EBIT AND CASH FLOW

EBIT development and cash-flow bridge, DKKm



- Significant earnings improvement at Tiger of Sweden and Peak Performance
- By Malene Birger affected by lower gross margin and higher OPEX.
- EBIT down by DKK 12m at Non-core business
- Non-allocated costs affected by DKK 12m in one-offs
- Total idle costs of DKK 26m
- Positive cash effect from reduced NWC level
- CAPEX of DKK 87m more than off-set by sale of securities of DKK 101m
- Total free cash flow improved by DKK 68m compared to last year

WORKING CAPITAL AND NET DEBT



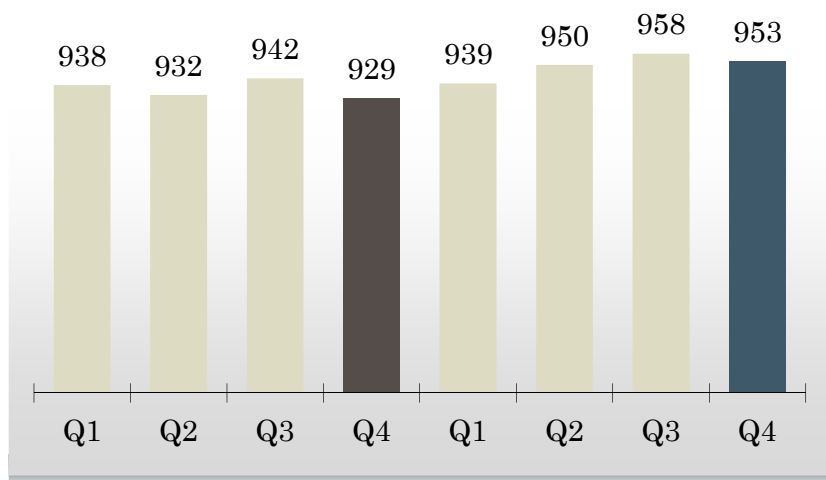


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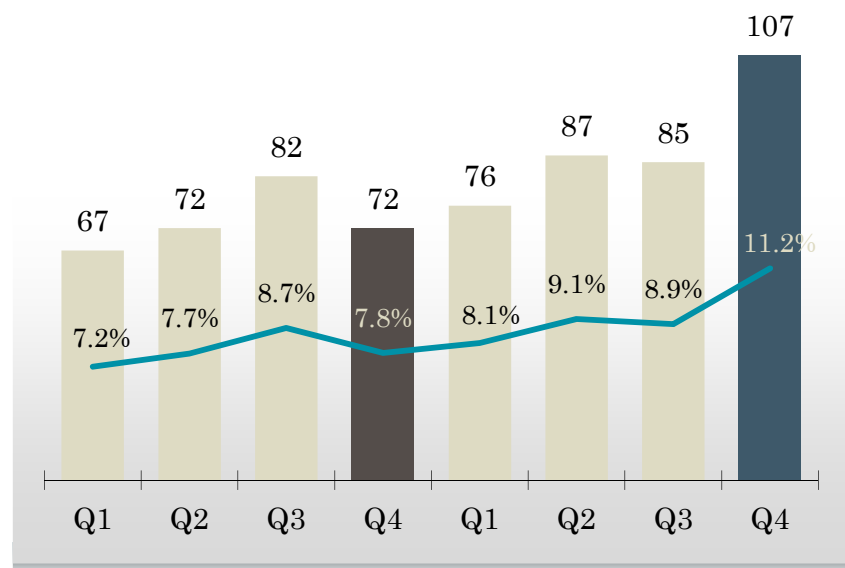
Q4 FINANCIALS AND Q-BY-Q TREND

Trailing 12 months' revenue, DKKm



- Q4 revenue down by 5% to DKK 82m
- Revenue down by 4% in local currencies
- Wholesale channel performance affected by cautious customer

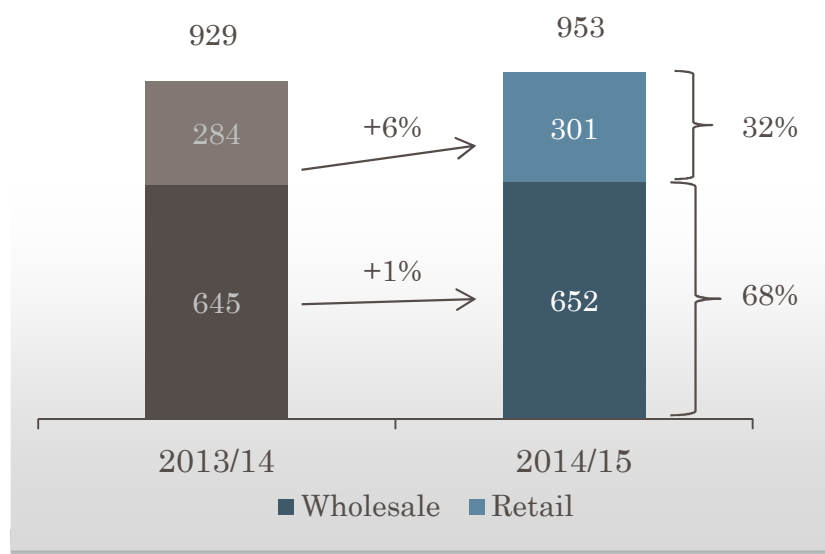
Trailing 12 months' EBIT, DKKm



- Q4 EBIT up by DKK 22m to DKK (38)m
- Q4 EBIT margin up by 23.2pp to (46.1)%
- Lower gross margin but tighter OPEX control
- Provisions and higher OPEX in Q4 2013/14

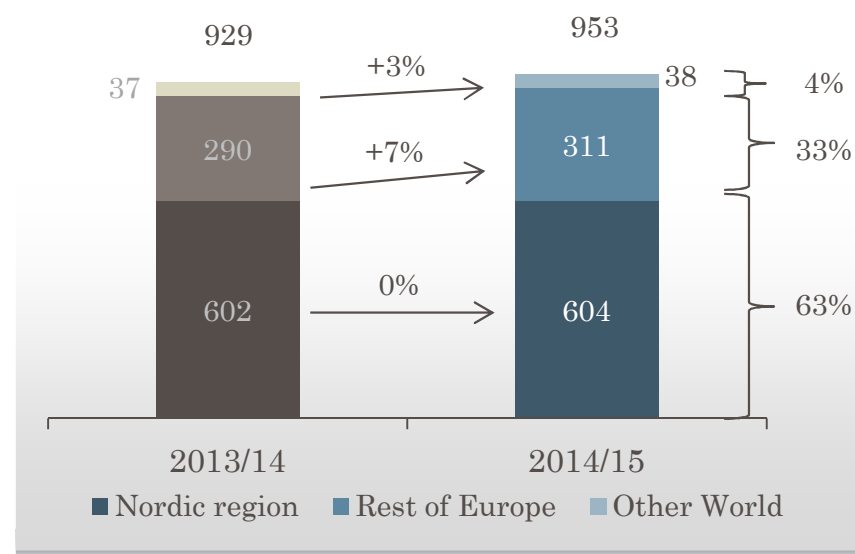
FULL-YEAR REVENUE BREAKDOWN

Revenue growth by channel, DKKm



- Retail revenue affected by store closures in 13/14 and Q1 14/15
- Underlying same-store revenue increased by 13%
- Wholesale/retail split unchanged compared to last year

Revenue growth by geography, DKKm



- Nordic region revenue growth negatively impacted by currency effects (lower SEK and NOK) and sluggish economic environment in Finland
- Strong growth in the Alp region; Germany, France and Switzerland

FULL YEAR PERFORMANCE

2014/15 - financial highlights

Revenue, DKKm	Growth in local currency
953	4.1%

EBIT, DKKm	EBIT margin
107	11.2%

Operational highlights

- Focus on revitalising the brand and improving market positioning
- Continued product improvements on non-active wear - visible in stores from Autumn 2015
- Review and improvement of store portfolio completed
- Continued focus on improving wholesale distribution channels

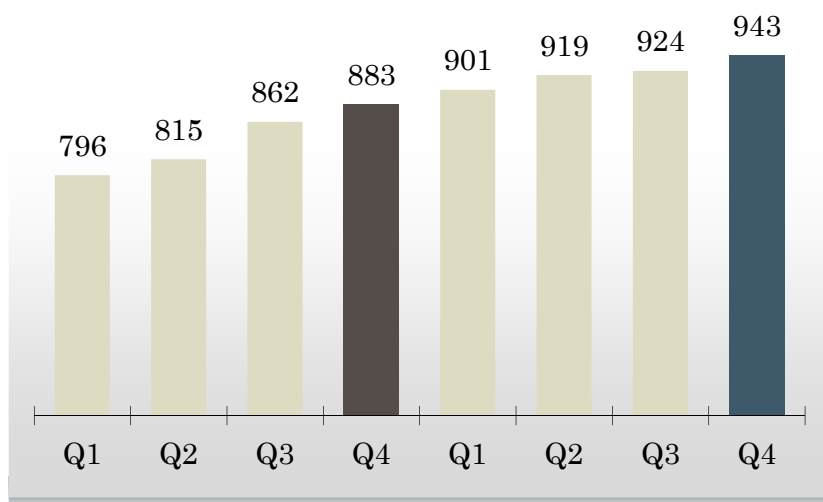
2013/14

Revenue, DKKm	Growth in local currency
929	2.2%

EBIT, DKKm	EBIT margin
72	7.8%

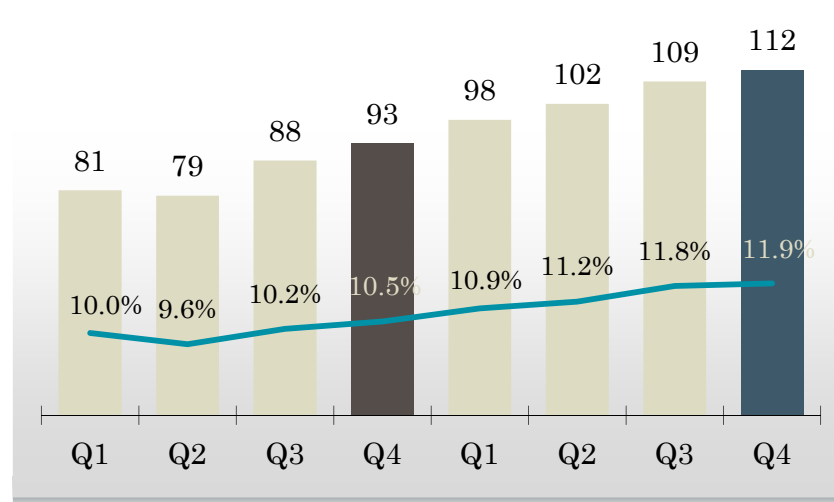
Q4 FINANCIALS AND Q-BY-Q TREND

Trailing 12 months' revenue, DKKm



- Q4 revenue up by 9% to DKK 231m
- Revenue up by 12% growth in local currencies
- Strong growth in wholesale channel
- Modest retail growth driven by e-commerce

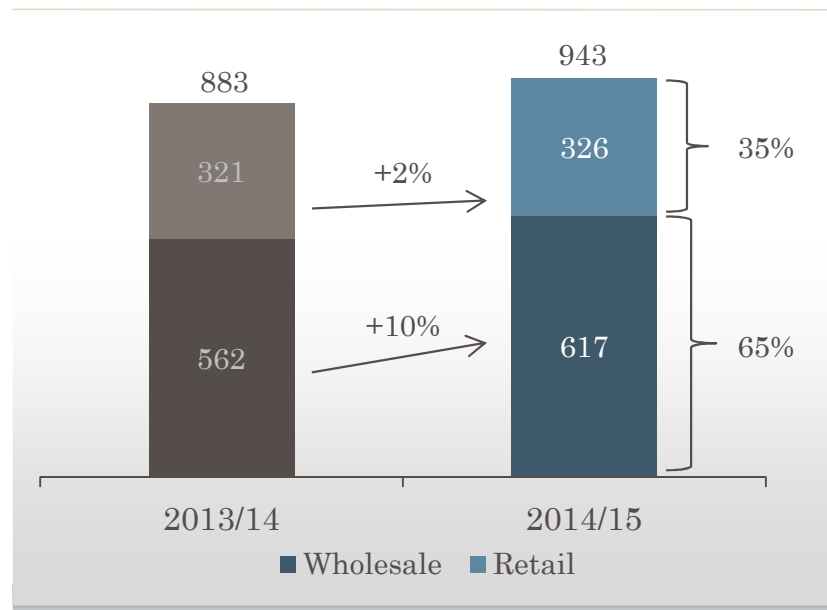
Trailing 12 months' EBIT, DKKm



- Q4 EBIT up by 15% to DKK 24m
- Q4 EBIT margin up by 0.5pp to 10.4%
- OPEX negatively affected by provisions

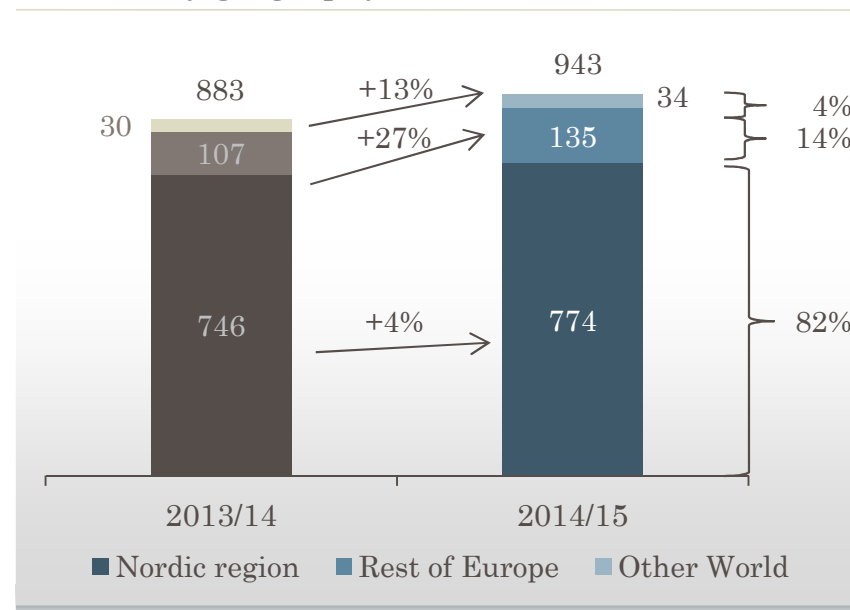
FULL-YEAR REVENUE BREAKDOWN

Revenue by channel, DKKm



- Strong wholesale performance driven by both collections and SSP goods
- Store closures affecting retail performance negatively
- Underlying same-store revenue increased by 8%

Revenue by geography, DKKm



- Solid growth in Denmark, Norway and Sweden. Sluggish economic environment in Finland
- Nordic region revenue negatively affected by net currency effects (lower SEK and NOK)
- Revenue up by almost 40% in Germany
- Significant growth in both France and USA (from a low base)
- Increasing Non-Nordic revenue

FULL YEAR PERFORMANCE

2014/15 - financial highlights

Revenue, DKKm	Growth in local currency
943	10.1%

EBIT, DKKm	EBIT margin
112	11.9%

2013/14

Revenue, DKKm	Growth in local currency
883	18.9%

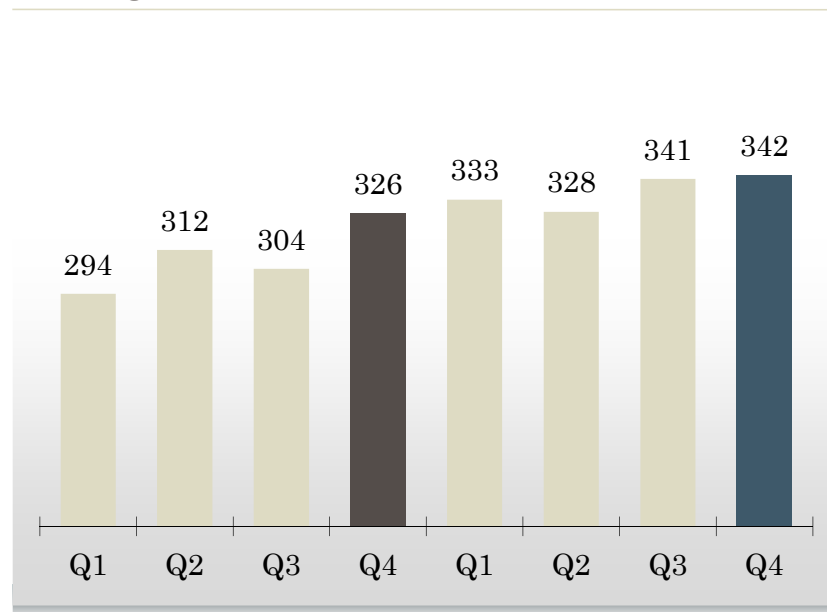
EBIT, DKKm	EBIT margin
93	10.5%

Operational highlights

- Expansion progress in both Germany, France and the US
- All preparations in place - several store openings expected in Germany
- Several important sales points opened in France
- First indications of great potential in the US
- Tiger of Sweden awarded “Best Menswear Designer of the Year” at the WGSN Global Fashion Awards.
- Tiger Jeans being developed and tested as a stand-alone brand

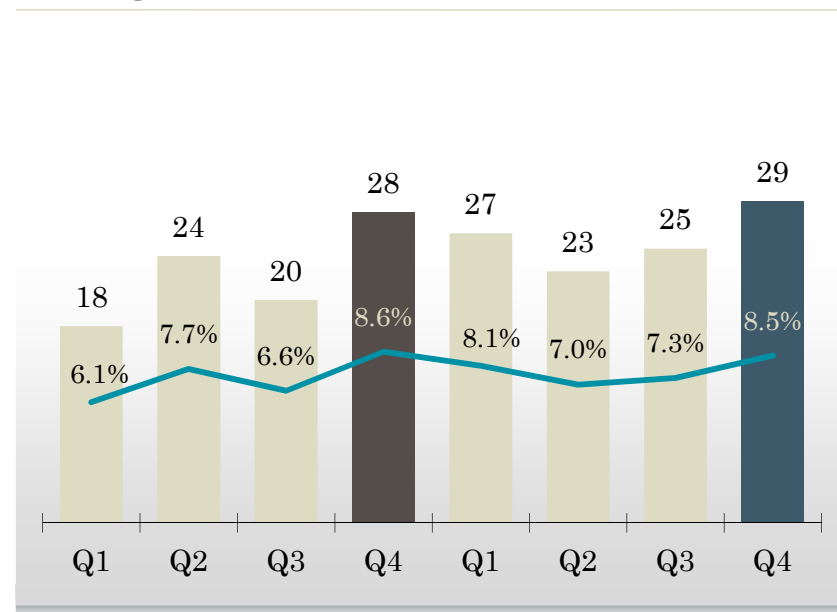
Q4 FINANCIALS AND Q-BY-Q TREND

Trailing 12 months revenue, DKKm



- Q4 revenue up by 2% to DKK 75m
- Growth of 3% in local currencies
- Collection timing affecting like-for-like comparison negatively
- Good same-store growth and positive effect from the new London shop

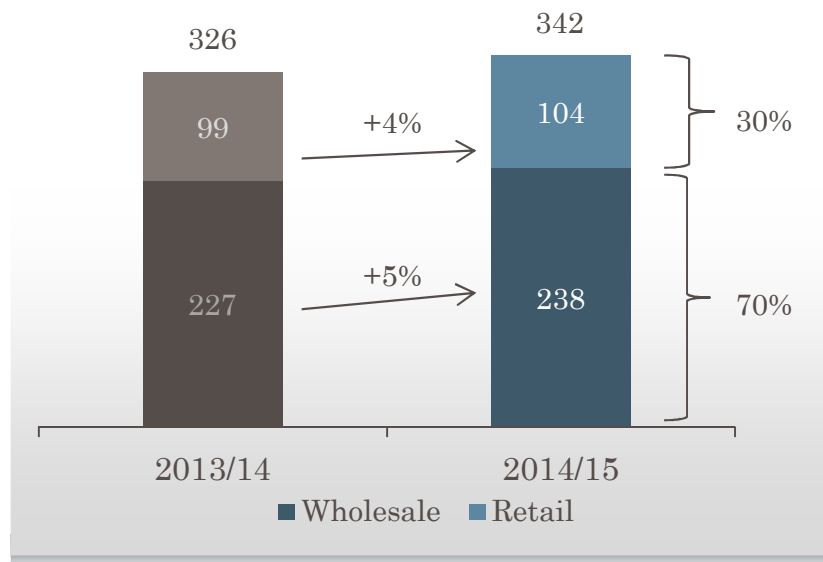
Trailing 12 months EBIT, DKKm



- Q4 EBIT up by DKK 4m to DKK 8m
- Q4 EBIT margin improved by 5.4pp to 10.5%
- Gross margin slightly down but OPEX ratio improved

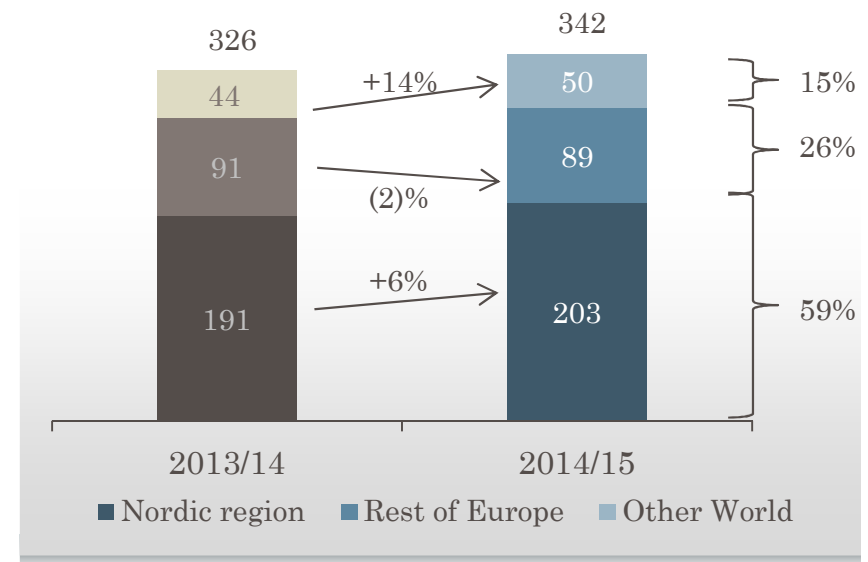
FULL-YEAR REVENUE BREAKDOWN

Revenue by channel, DKKm



- Good growth in both wholesale and retail
- Same-store revenue up by 3%
- Physical stores performed well while e-commerce channel struggled

Revenue by geography, DKKm



- Good performance in Nordic markets – especially Sweden and Norway
- Revenue down in Great Britain and Russia
- Strong growth in France and Japan
- Geographic revenue split almost unchanged

FULL YEAR PERFORMANCE

2014/15 - financial highlights

Revenue, DKKm	Growth in local currency
342	6.0%

EBIT, DKKm	EBIT margin
29	8.5%

Operational highlights

- London market acquired from former agent
- Timing of collections changed resulting in positive customer feedback
- New store concept introduced - positive response from both regional and international customers
- Shaping the organisation for international competition affects profitability
- Economies of scale is the key focus going forward

2013/14

Revenue, DKKm	Growth in local currency
326	11.5%

EBIT, DKKm	EBIT margin
28	8.6%

NON-CORE BUSINESS

FY 2014/15 revenue down by 6% to DKK 400m (DKK 425m)

- Poorly performing collections at Saint Tropez is the main driver
- Necessary measures taken to improve performance at Saint Tropez
- Revenue slightly down at Designers Remix

FY 2014/15 EBIT down by 36% to DKK 22m

- EBIT margin down by 2.5 pp to 5.5%
- Earnings and margin decline driven by disappointing revenue at Saint Tropez



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GUIDANCE FOR FULL YEAR 2015/16

Premium brands expected to drive **positive revenue and earnings growth**

Group revenue growth expected in **the region of 4%**

EBIT margin for continuing operations expected in **the region of 10%**

Investments expected at **3-4% of annual revenue**

Extraordinary dividend in the range of **DKK 75m** expected during 2015/16



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KEY TAKE-AWAYS



Good Premium business growth and earnings in line with expectations

- Focus for Peak Performance is revitalising the brand to improve market positioning and ensure long term target of international expansion
- Strong momentum for Tiger of Sweden - focus on further expansion in Germany and other non-Nordic markets
- By Malene Birger shaping the business for increased international expansion - focus on increasing economies of scale and profitability

Disappointing performance at **non-core business**

- Measures taken to improve performance at Saint Tropez

Group **cost base scaled and adapted** for future level of activity

Initiatives launched to **improve gross margin**

Price increases initiated to off-set negative USD effect

Ordinary **dividend of DKK 68m** proposed



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QUESTIONS?