



CORPORATE PRESENTATION

DANSKE BANK WINTER SEMINAR

Copenhagen
3 December 2014



FORWARD-LOOKING STATEMENTS

The Q1 2014/2015 IC Group interim report 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 meanings. The statements are based on Management's reasonable expectations and forecasts at the time of disclosure of the Interim Report. The fact that any such statements are subject to risks and uncertainties and various different factors, of which many are beyond the control of the Group, implies that the actual development and the actual result may 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. Forward-looking statements should therefore not be relied on as a forecast of actual results.

IC GROUP IN BRIEF

SIZE OF OPERATIONS

- Revenue of DKK 2.6b and approx. 1,000 employees

BRAND PORTFOLIO

- Core business: 3 **Premium brands** in the fashion and active wear segments
- Non-core operations: 2 female fashion brands

STRATEGIC TARGETS

- Premium segment targeting **sustainable revenue growth** by further expansion in core markets and entering into new markets
- Leverage on revenue growth **improve EBIT margin**

OPERATIONAL PLATFORM

- Operations centre: Sourcing, Logistics, CR, best practice sharing
- Shared services: IT, Finance, HR, Legal & Real estate

DISTRIBUTION CHANNELS

- Wholesale, own retail, franchise, e-commerce and outlets

BUSINESS SEGMENTS

IC GROUP

Core business



BY
MALENE BIRGER



Non-Core

SAINT
TROPEZ

DESIGNERS REMIX
CHARLOTTE ESKILDSEN

Sustainable **revenue and earnings growth** - continuously improve **EBIT margin**

Divestment or change of ownership when the timing is right

PEAK PERFORMANCE

THE BRAND

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

STRATEGIC FOCUS AREAS

- Sustainable growth and improved earnings through increased market penetration in the Nordics and in Central Europe
- Sharpen and enhance brand DNA
- Selective distribution development

REVENUE BY MARKET

- Nordic region 65%
- Rest of Europe 31%
- Rest of world 4%

SELLING POINTS

Wholesale customers (including 3rd party e-com.)	2,031
Franchise stores	46
Retail stores (own-and-operated)	40
Concessions	0

FINANCIALS

	2013/14	2012/13
Revenue	DKK 930m	DKK 931m
EBIT	DKK 67m	DKK 68m
EBIT-margin	7.2%	7.3%



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

- Growth and improved earnings through increased market penetration in the Nordics as well as in the near European markets (UK, Germany, France)
- Fuel growth in certain markets
- Repeatable model in distribution development

REVENUE BY MARKET

- Nordic region 85%
- Rest of Europe 12%
- Rest of world 3%

SELLING POINTS

Wholesale customers (including 3rd party e-com.)	1,130
Franchise stores	14
Retail stores (own-and-operated)	40
Concessions	11

FINANCIALS	2013/14	2012/13
Revenue	DKK 883m	DKK 768m
EBIT	DKK 96m	DKK 76m
EBIT margin	10.9%	9.9%



BY MALENE BIRGER

THE BRAND

- Founded in 2003 based on a design-driven passion to become a female fashion brand with true international potential

STRATEGIC FOCUS AREAS

- Growth and improved earnings through increased market penetration in the Nordics as well as in the international fashion hubs (i.a. Paris, Tokyo, London)
- Continue brand building activities
- Improve international skills across the organisation

REVENUE BY MARKET

- Nordic region 58%
- Rest of Europe 28%
- Rest of world 14%

SELLING POINTS

Wholesale customers (including 3rd party e-com.)	994
Franchise stores	16
Retail stores (own-and-operated)	7
Concessions	8

FINANCIALS

	2013/14	2012/13
Revenue	DKK 327m	DKK 295m
EBIT	DKK 27m	DKK 18m
EBIT margin	8.3%	5.9%



NON-CORE OPERATIONS

SAINT TROPEZ

- Female fast-fashion brand founded in 1986, focusing on young, independent femininity
- Not integrated into IC Group's operational platform

DESIGNERS REMIX

- Female Premium brand founded in 2002 on minimalistic elegance
- 51% ownership
- Not integrated into IC Group's operational platform

STRATEGIC FOCUS

- Saint Tropez: Continued full ownership and divest when possible
- Designers Remix: Develop and grow through shared ownership

FINANCIALS

	2013/14	2012/13
Revenue	DKK 425m	DKK 430m
EBIT	DKK 30m	DKK 30m
EBIT-margin	7.1%	7.0%



CORPORATE STRATEGY

PORTFOLIO STRATEGY

- Focus on Premium apparel brands - i.e. brands that live up to distinct criterias in terms of origin, size, geographic focus, growth and earnings potential
- Value creation through continued development and investment in our brands as well as our portfolio (acquisitions and divestments)

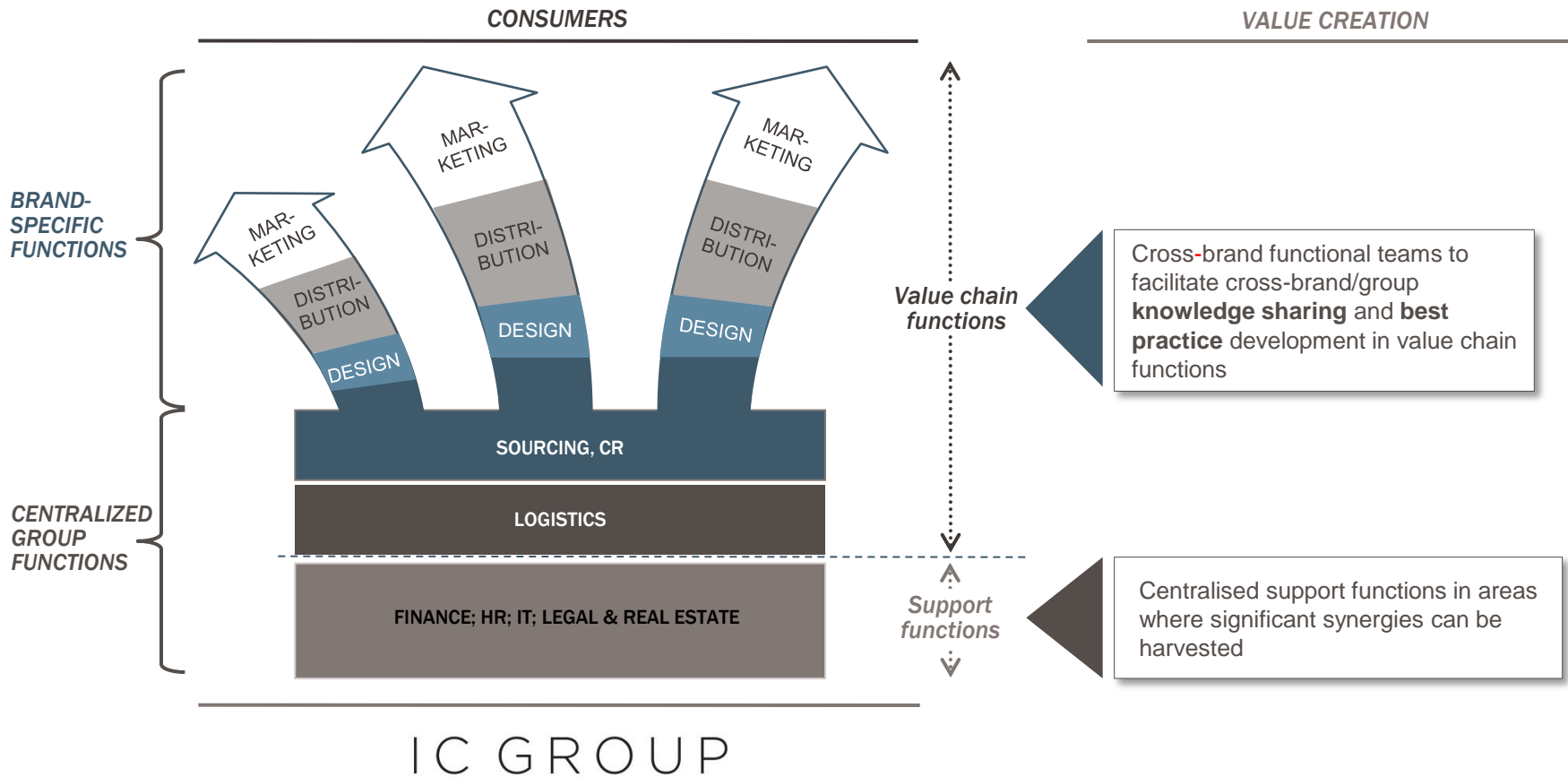
BUSINESS MODEL PILLARS

- Respect of each individual brand DNA, entrusting brand organisations with ownership of customer faced value chain elements (design, marketing, distribution)
- Shared operational platform to secure lean supply chain operations and synergies through shared centralised support functions
- Group wide best practice sharing in key areas of the value chain

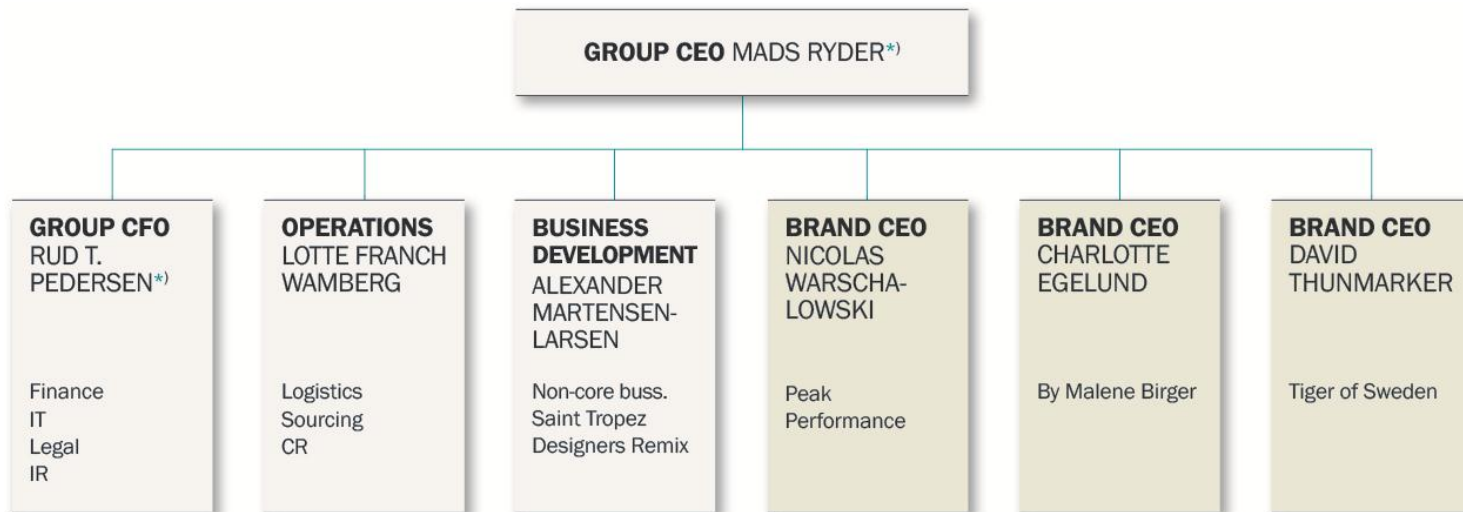
THE GROUP'S OVERALL STRATEGIC TARGETS

- Sustainable revenue and earnings growth
- Continuously improve EBIT margin

CORPORATE BUSINESS MODEL



GROUP ORGANISATION



 Operational platform

 Business units

*) Executive Board of IC Group A/S

CORPORATE RESPONSIBILITY

WE SUPPORT THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

Based on internationally adopted declarations and conventions on:

- human rights, labor rights (**People**),
- environmental protection (**Planet**) and
- anti-corruption (**Profit**)

INTEGRATED THROUGHOUT THE ORGANISATION

Responsibility for issues and targets are assigned to the relevant internal functions for them to take action



PEOPLE



PLANET



PROFIT

FINANCIALS AT A GLANCE

REVENUE AND PROFIT IN 2013/14

- Revenue of DKK 2.6b
- EBIT of DKK 221m
- EBIT margin of 8.6%

STEADY CASH FLOW

- Strong operating cash flow averaging DKK 150m over the last five years
- Investments expected at around 3-5% of annual revenue

WORKING CAPITAL MANAGEMENT

- Strict credit control to ensure sound customer base
- High inventory turnover to reduce tied-up capital
- Working capital expected in the range of 10-12% of annual revenue

CAPITAL STRUCTURE

- Financial gearing of 6% as at 30 June 2014
- Current net debt policy of zero and maximum limit of 3 x EBITDA

DIVIDEND POLICY

- 30% of net profit to be distributed as ordinary dividend
- Surplus cash to be distributed as extraordinary pay-out



LATEST FULL-YEAR RESULTS

	2013/14	2012/13
Revenue up 6% to	DKK 2,564 m	DKK 2,424m
Gross margin up 0.7 pp to	57.3%	56.6%
Costs up 6% to	DKK 1,249 m	DKK 1,180m
EBIT up 16% to	DKK 221 m	DKK 191m
EBIT margin up 0.7 pp to	8.6%	7.9%
Free cash flow up DKK 106m to	DKK 165 m	DKK 59m

GUIDANCE FOR FULL YEAR 2014/15

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

Group revenue expected to grow

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

Group EBIT will be affected by **idle costs**, net of transition fee from DK Company, of **DKK 45m**. Idle costs will be **addressed during the year**

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

Extraordinary dividends in the region of **DKK 100m** expected to be distributed in Q2 2014/15



THE IC GROUP SHARE

Listed on **Nasdaq OMX Copenhagen**

ISIN Code: DK0010221803

Tickers: Bloomberg IC:DC, Reuters IC.CO

Member of the OMX Copenhagen **Mid Cap index**

Latest share price: **148 DKK**

Latest market cap: **2.5 DKKbn**

Current **analyst coverage:**

- Danske Bank – Kristian Tornøe Johansen
- Nordea Markets – Patrik Setterberg
- SEB Equities – Kristian Godiksen (initiating coverage in 2015)

Investor relations contact:

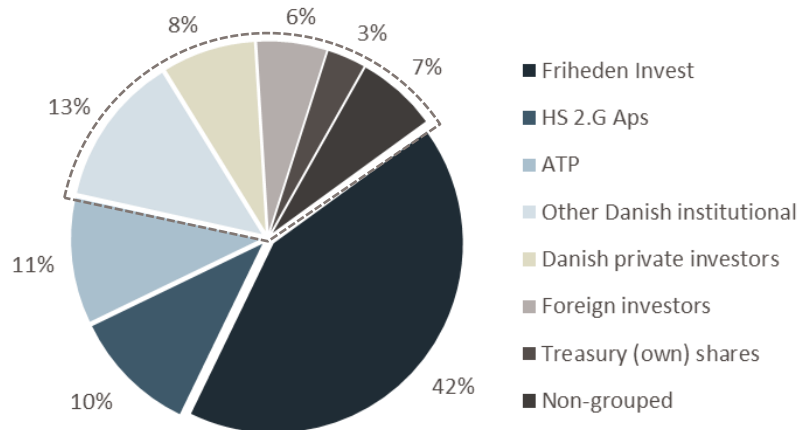
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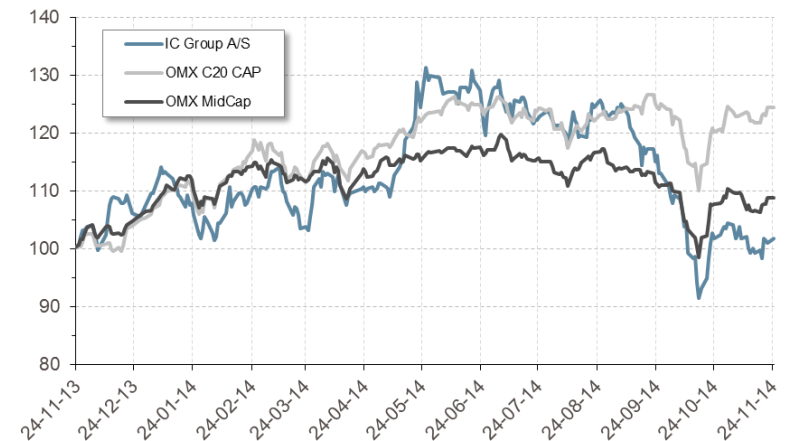
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Ownership structure (free float \approx 39%):



Indexed 12 months performance





IC GROUP