

Q3 2012/13
Information Meeting

May 16, 2013

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Financial achievements Q3 2012/13

	Q3 2012/13	Q3 2011/12
Revenue up by 1% to	DKK 906 m	DKK 895m
Gross Margin up by 3.0pp to	57.0%	54.0%
Costs up by 4% to	DKK 437 m	DKK 420m
EBIT up by 24% to	DKK 79 m	DKK 64m
Free cash flow up by DKK 15m to	DKK (53)m	DKK (68m)

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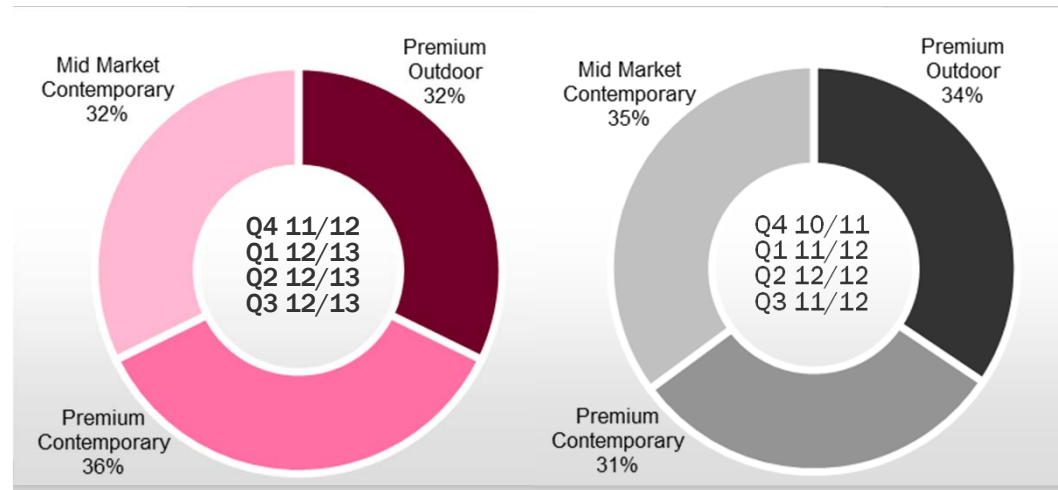
Niels Mikkelsen, CEO

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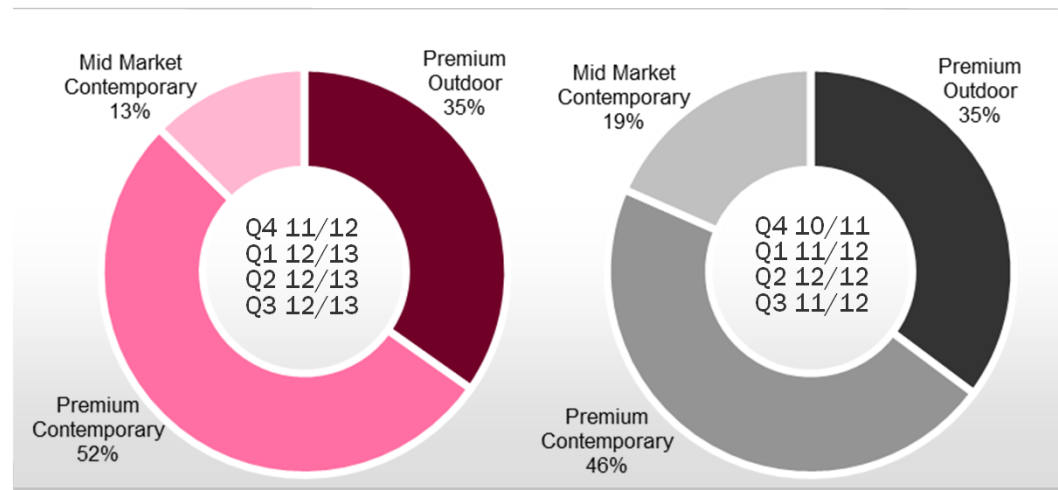
Core business segments

- **Premium Outdoor** and **Premium Contemporary**: Generate growth and earnings through enhanced market penetration and internationalisation
- **Mid Market Contemporary**: Generate earnings through optimisation and strengthened position in core markets
- **Premium Outdoor** constitutes 32% (34%) of revenue and 35% (35%) of EBIT
- **Premium Contemporary** constitutes 36% (31%) of revenue and 52% (46%) of EBIT
- **Mid Market Contemporary** constitutes 32% (35%) of revenue and 13% (19%) of EBIT

Segment revenue, ttm



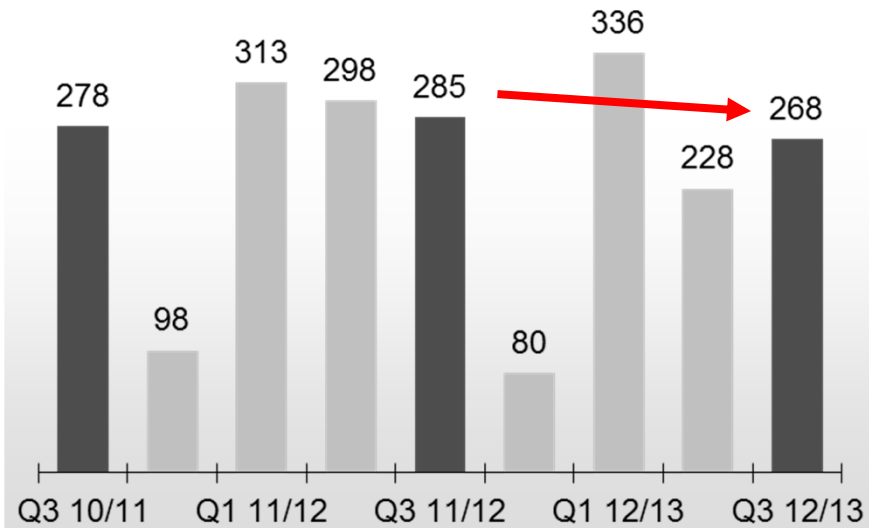
Segment earnings, ttm



Premium Outdoor – Q3 2012/13

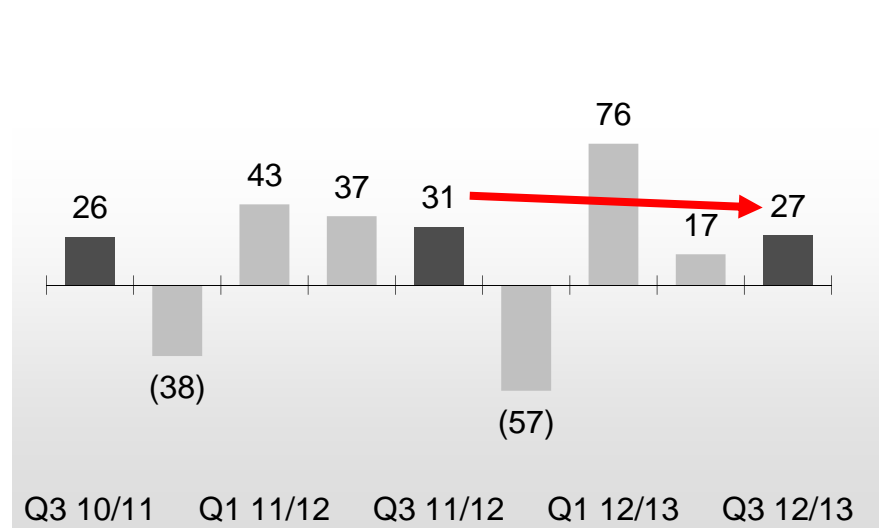


Quarterly revenue, DKKm



- Revenue down by 6% to DKK 268m
- Same-store set-back of 10%
- Strong development in e-commerce

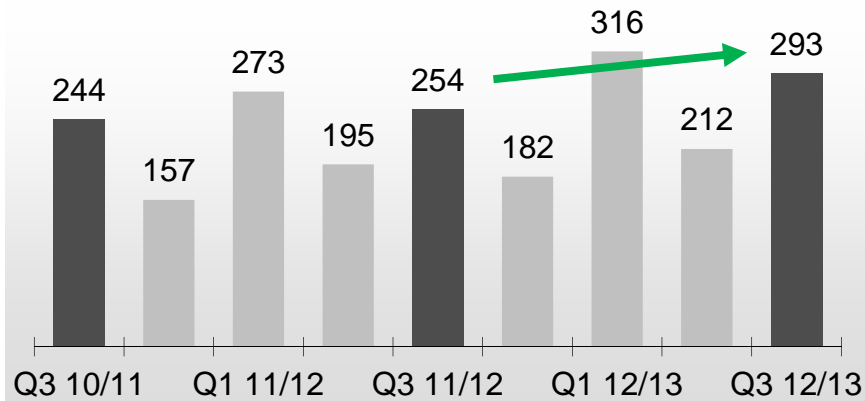
Quarterly EBIT, DKKm



- EBIT down by DKK 4m to DKK 27m
- EBIT margin down by 1.0pp to 10%

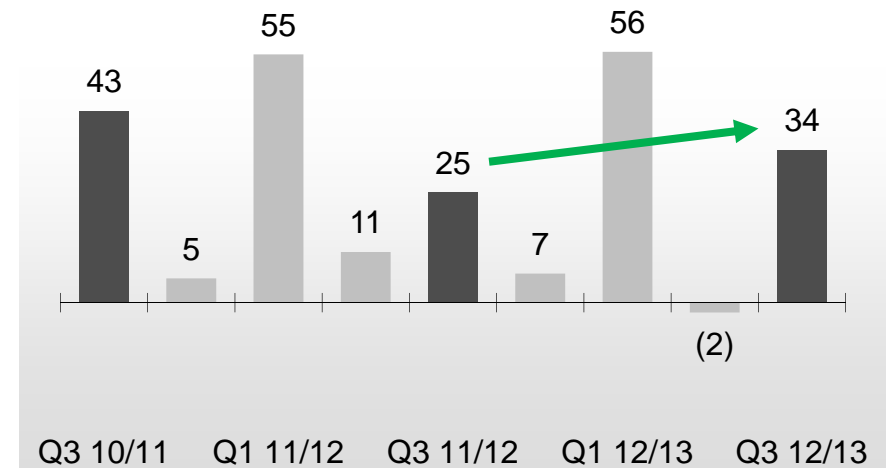
Premium Contemporary – Q3 2012/13

Quarterly revenue, DKKm



- Revenue up by 15% to DKK 293m
- Same-store sales almost unchanged
- Strong development in e-commerce

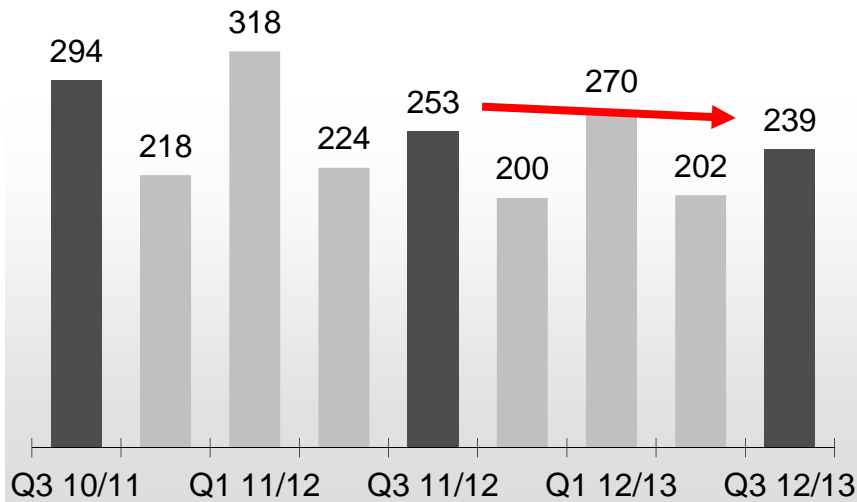
Quarterly EBIT, DKKm



- Increased costs in Tiger of Sweden due to growth
- EBIT up by DKK 9m to DKK 34m
- EBIT margin up 1.9pp to 11.6%

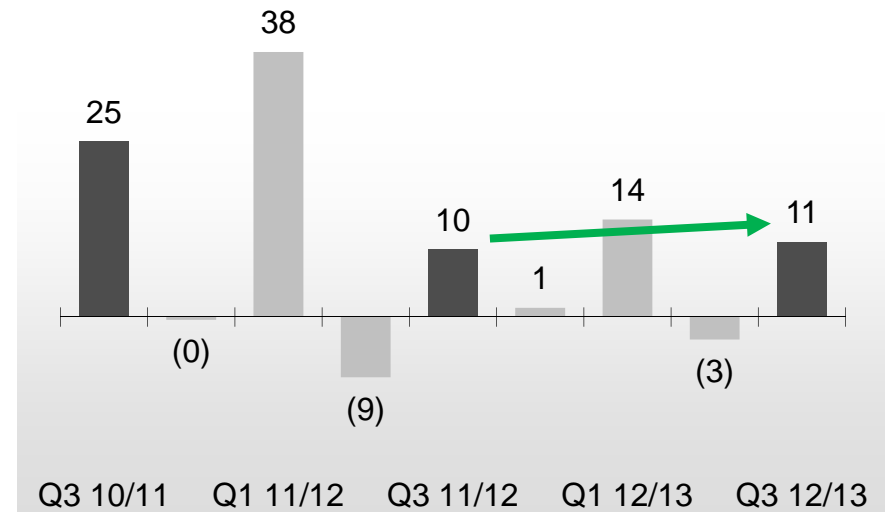
Mid Market Contemporary – Q3 2012/13

Quarterly revenue, DKKm



- Revenue down by 6% to DKK 239m
- Same-store set-back of 12%
- Set-back in both retail and e-commerce

Quarterly EBIT, DKKm



- Earnings improvement despite one-offs during the period
- EBIT up by DKK 1m to DKK 11m
- EBIT margin up by 0.7pp to 4.5%

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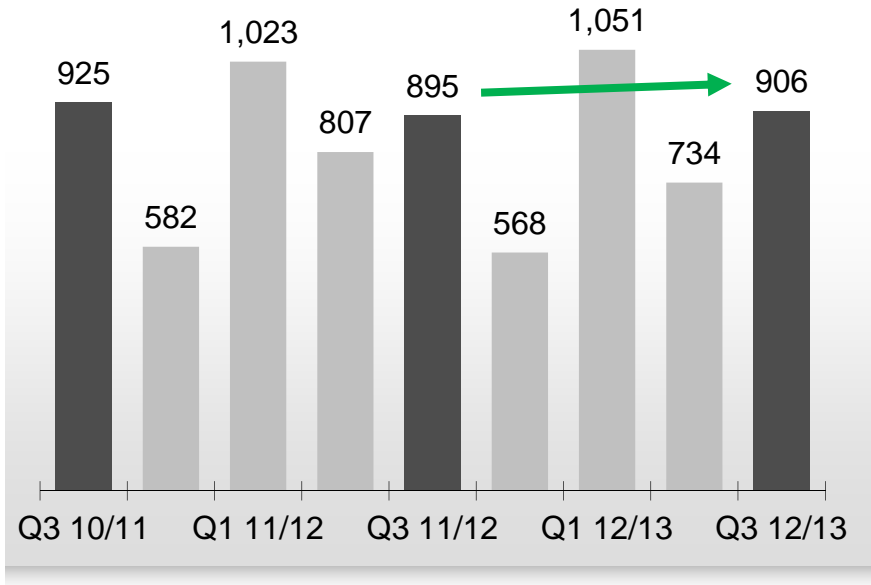
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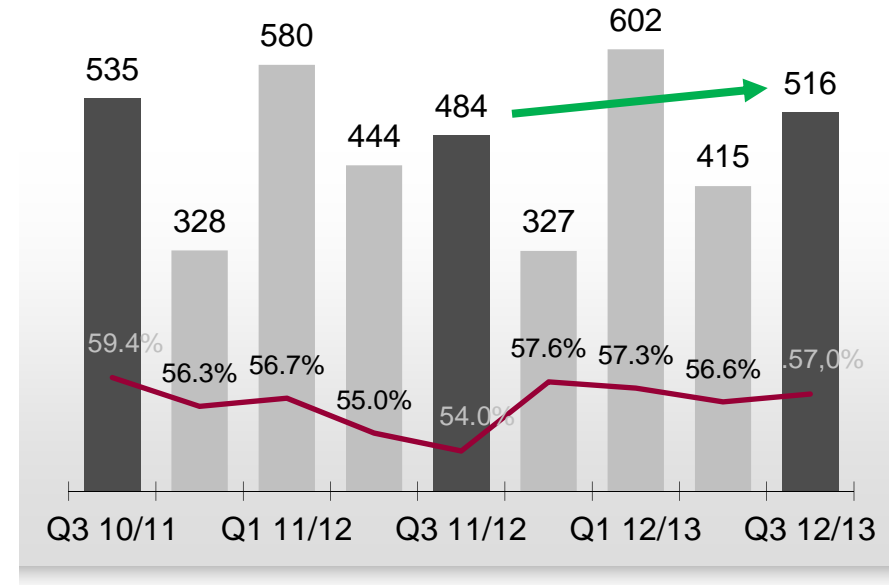
Moderate growth driven by Premium Contemporary while gross margin improved due to better discount levels

Quarterly revenue, DKKm



- Revenue up by 1% to DKK 906m
- Positive currency effect of DKK 13m

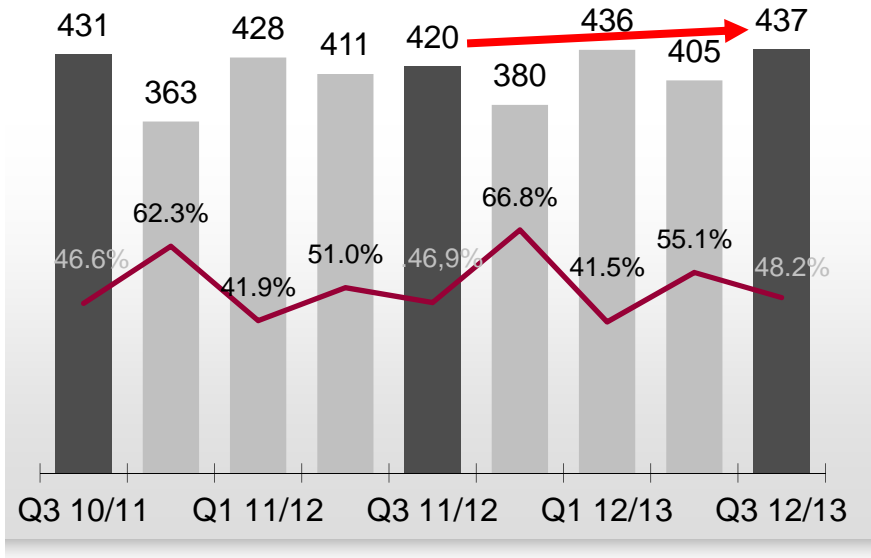
Quarterly gross profit, DKKm and gross margin, %



- Gross profit up by 7% to DKK 516m
- Gross margin up by 3.0pp to 57%
- Lower stock write downs
- Easing sourcing pressure

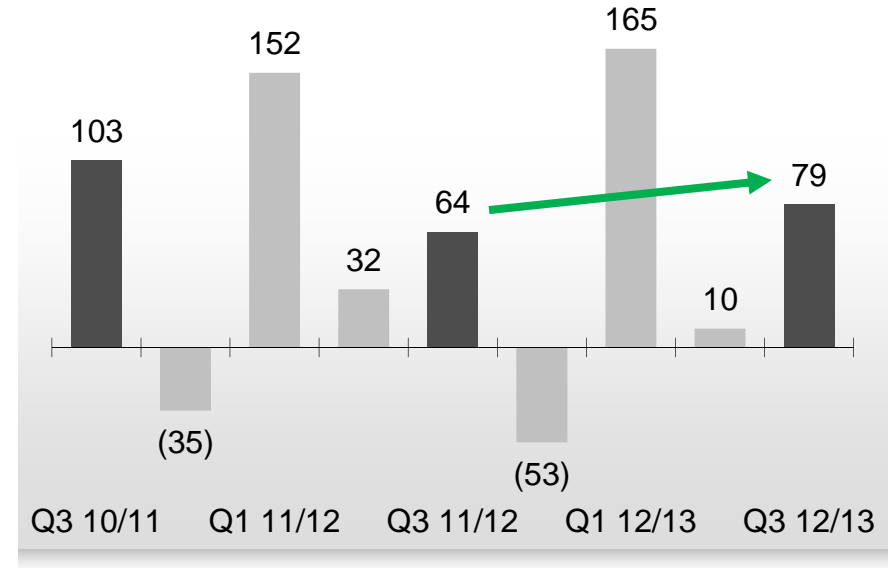
Positive EBIT development from improved gross margin and despite OPEX one-offs

Quarterly OPEX, DKKm and OPEX efficiency, %



- OPEX up by 4% to DKK 437m
- Negative currency effect of DKK 7m
- Increased costs in Premium Contemporary in line with strategy
- One-off costs of DKK 8m primarily related to Mid Market Contemporary

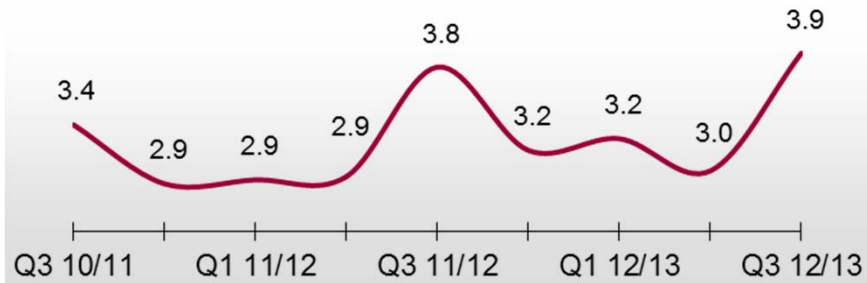
Quarterly EBIT, DKKm



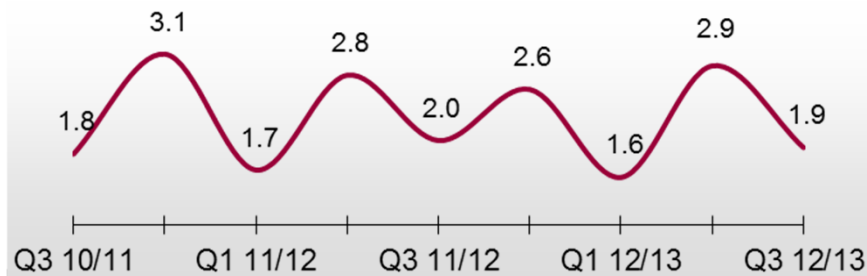
- EBIT up by DKK 15m to DKK 79m
- Improvement primarily driven by gross margin improvement

Working capital and turnover rates improved

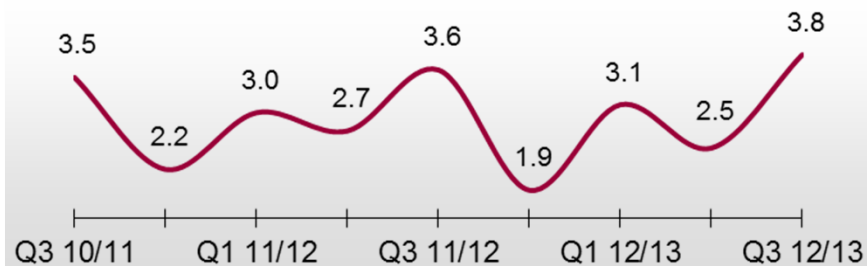
End of quarter inventory turnover rate



End of quarter debtor turnover rate



End of quarter creditor turnover rate



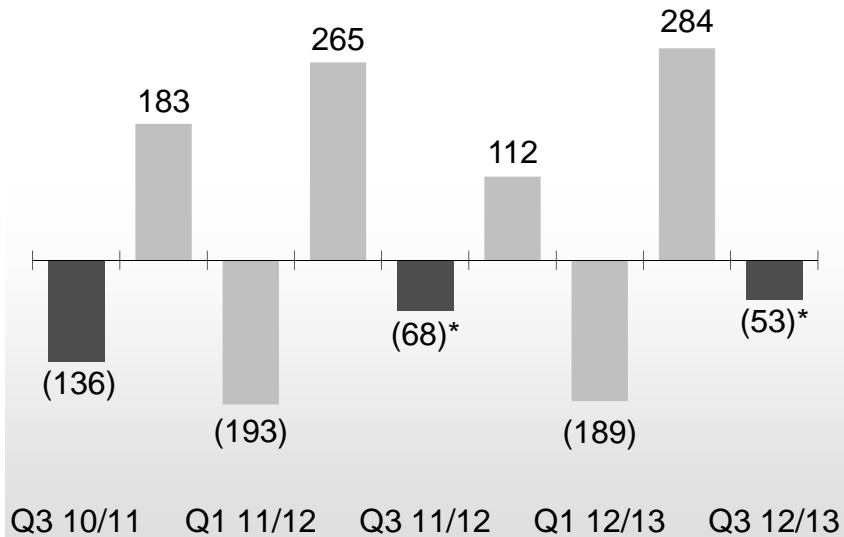
- Inventories reduced by DKK 85m primarily due to reclassification of assets held for sale of DKK 82m
- Inventory turnover in line with Q3 2011/12

- Trade receivables reduced by DKK 65m
- Hereof DKK 47m relates to reclassification of assets held for sale
- Debtors turnover rate in line with historical level

- Trade payables reduced by DKK 58m
- Hereof DKK 19m relates to reclassification of assets held for sale
- Creditor turnover rate in line with historical level

Cash flow improvement and debt reductions continue

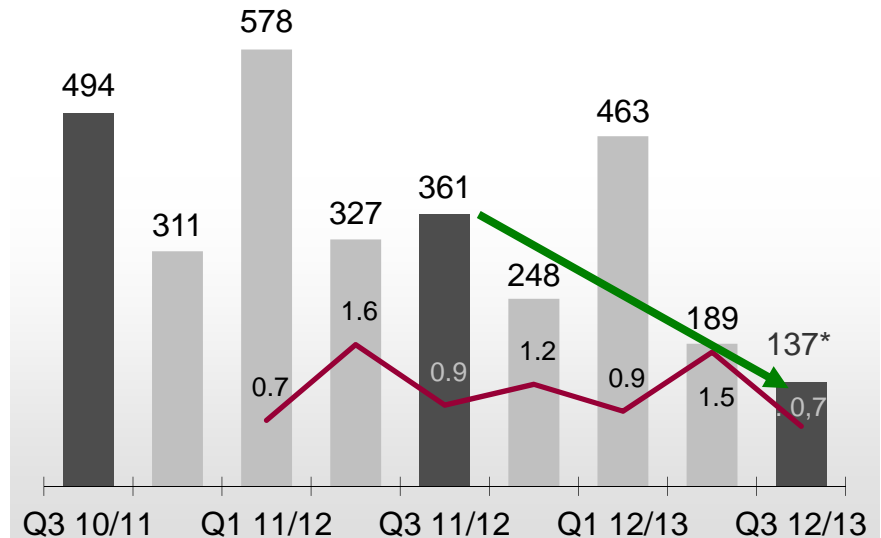
Free cash flow, DKKm



*: Figures adjusted for discontinuing business i.e. cash flow from continuing business only

- After adjustment for impact from discontinuing activities free cash flow is up by DKK 15m to a net outflow of DKK 53m

End of quarter NIBD, DKKm and NIBD/EBITDA



*: Figures adjusted for discontinuing business

- NIBD reduction of 62% to DKK 137
- Reduction of DKK 140m due reclassification of mortgage loan in corporate HQ as assets for sale
- NIBD/EBITDA of 0.7
- Reduction of NIBD level continues

Unchanged outlook for continuing activities

- Previously announced outlook for continuing activities is confirmed

Revenue for continuing activities of DKK **3,250 – 3,300m**

- Unchanged for continuing activities

EBIT for continuing activities DKK **170 – 200m**

- Unchanged for continuing activities

Investments on the same level as 2011/12

- Primarily for expansion of distribution in the Premium segment
- Unchanged for continuing activities

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Confidence in continuing business

- Premium brands performing **according to strategy**
- Corporate shared services **adapted** and **optimised** for defined **future scope** of continuing business
- **Order intake** for autumn collections as expected with overall growth for continuing activities

- New **divisional HQ** established and utilised during Q3
 - New HQ facilitates optimisation of synergy potential
- Divisional **management** in place
- Focus on **near term targets**
- **One-offs** during establishment

Discontinuing activities

Selling process for **Jackpot and Cottonfield** running as planned

- Expected clarification within this financial year

Raffinaderivej 10 sales process

- Sales process well under way
- Expected clarification within the calendar year 2013

New CFO

- **Chris Bigler will resign** his position by the end of October at the latest
- Search for **new CFO** initiated



Key take-aways

Topline and earnings improved



Establishment of **Mid Market Contemporary** on-going

Premium segments performing **in line with strategy**

Selling process for **Jackpot and Cottonfield** running as planned

Full-year guidance for continuing activities unchanged

Questions

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