Q1 2013/14

Investor meeting, Nordea

November 14, 2013

IC COMPANYS
HOME OF FASHION BRANDS

Contents

First impressions

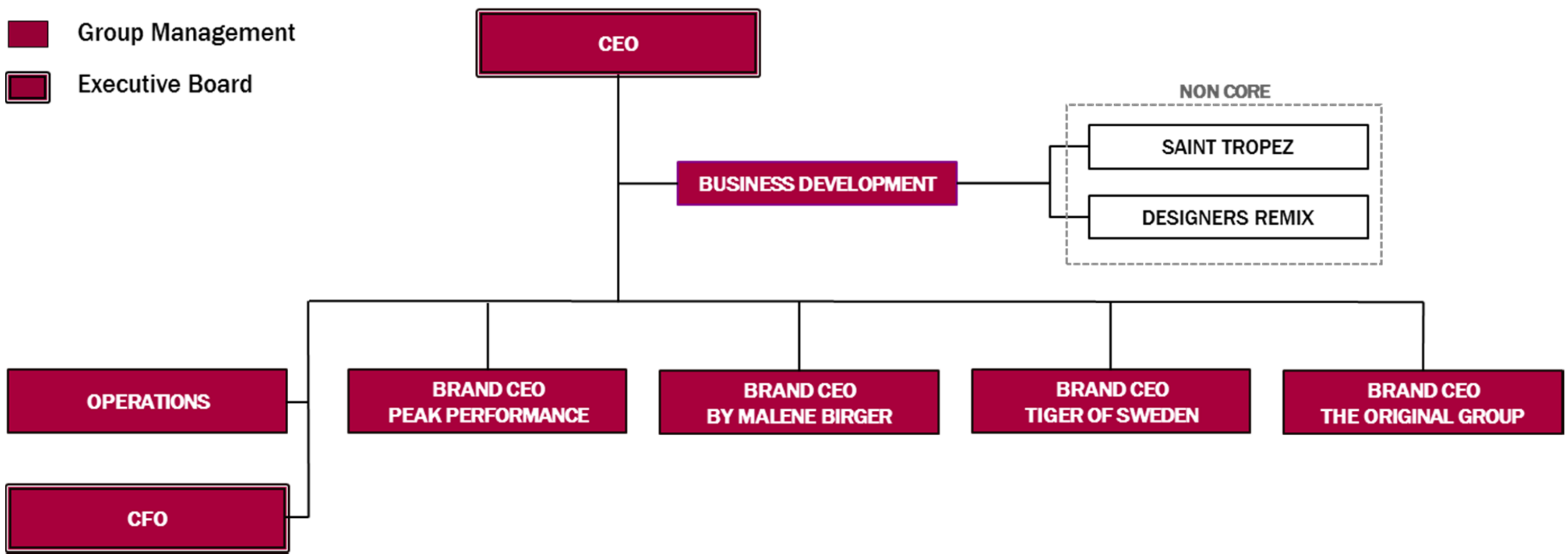
Tightening of operational platform

- Better utilisation to harvest full potential
- Improved operational performance of platform

Enhanced group wide focus on operational performance

Changes to Group Management

- Changes to Group Management announced in October:
  - Leaner decision structure to secure stronger focus on Premium brands in particular
  - New brand CEO in Peak Performance
  - Focus on optimisation and further development of operational platform
- New CFO, Rud T. Pedersen, joined as at 11 November 2013



Financial results Q1 2013/14 – continuing operations

	Q1 2013/14	Q1 2012/13
Revenue unchanged at	DKK **1,052**m	DKK 1,051m
Gross margin down by 1.3pp to	**56.0%**	57.3%
Costs down by 1% to	DKK **430**m	DKK 436m
EBIT down by 4% to	DKK **159**m	DKK 165m
Free cash flow down by DKK 33m to	DKK **(211)**m	DKK (178)m

Guidance FY 2013/14 - unchanged

Premium segments expected to increase revenues while a set-back is expected in the **Mid Market segment**

Consolidated **revenue expected to grow modestly**

Increased earnings expected in **all segments** implying **significant consolidated earnings improvements** compared to 2012/13

Investments at a level of DKK 70 – 90m

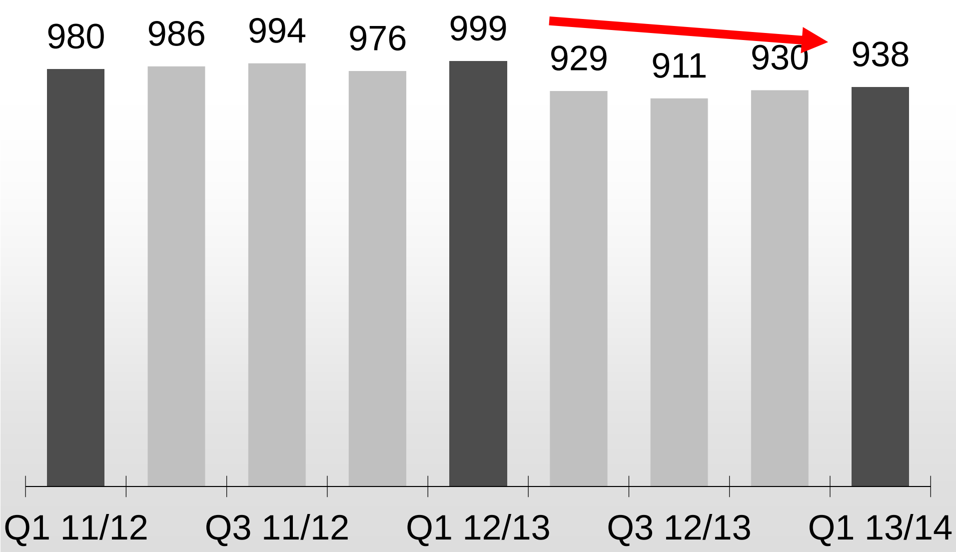
- Primarily for expansion of distribution in the Premium segments

Extraordinary pay-out of DKK 100m expected in 2013/14

Contents

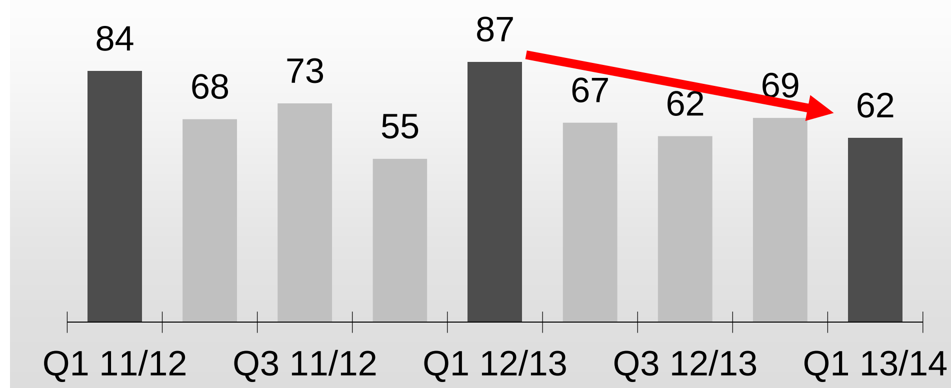
Premium Outdoor

Revenue, ttm, DKKm



- Q1 ttm revenue down by 6% to DKK 938m
- Revenue growth of 2% in Q1
- Strong wholesale growth
- Retail channel is struggling in certain markets

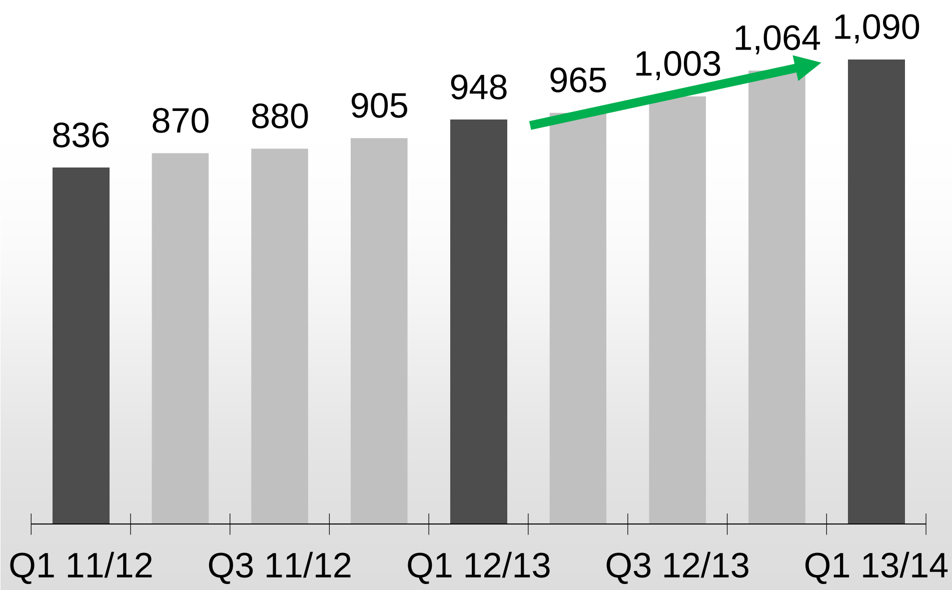
EBIT, ttm, DKKm



- Q1 ttm EBIT down by DKK 25m to DKK 62m
- Q1 EBIT margin down by 2.4pp to 20.1%
- Higher OPEX in the retail channel
- Gross margin worsened compared to Q1 2012/13

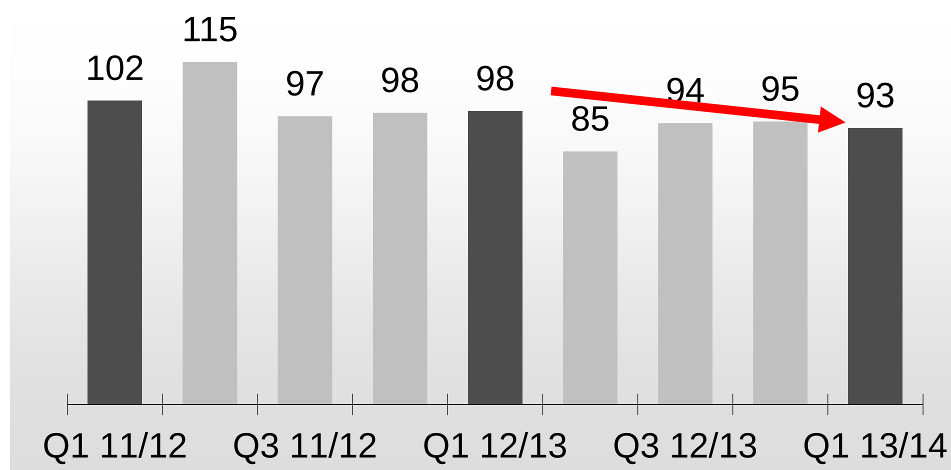
Premium Contemporary

Revenue, ttm, DKKm



- Q1 ttm revenue up by 15% to DKK 1,090m
- Revenue growth of 8% in Q1
- Strong wholesale development. Weaker retail performance.
- Insourcing of Tiger of Sweden accessories contributes significantly to Q1 growth

EBIT, ttm, DKKm

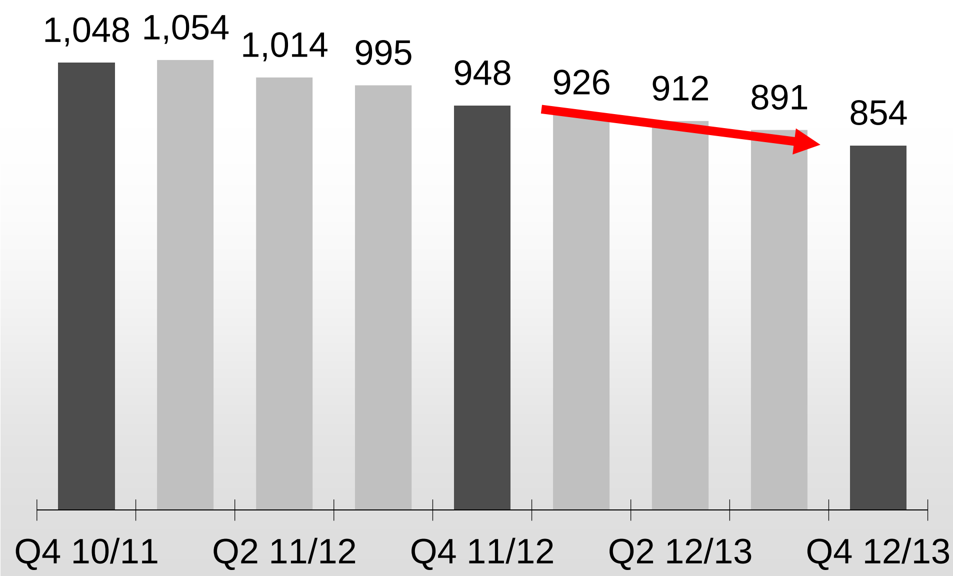


- Q1 ttm EBIT down by 5m to DKK 93m
- Q1 EBIT margin down by 2.0pp to 15.7%
- Increased costs to establish own and operated stores

Mid Market Contemporary

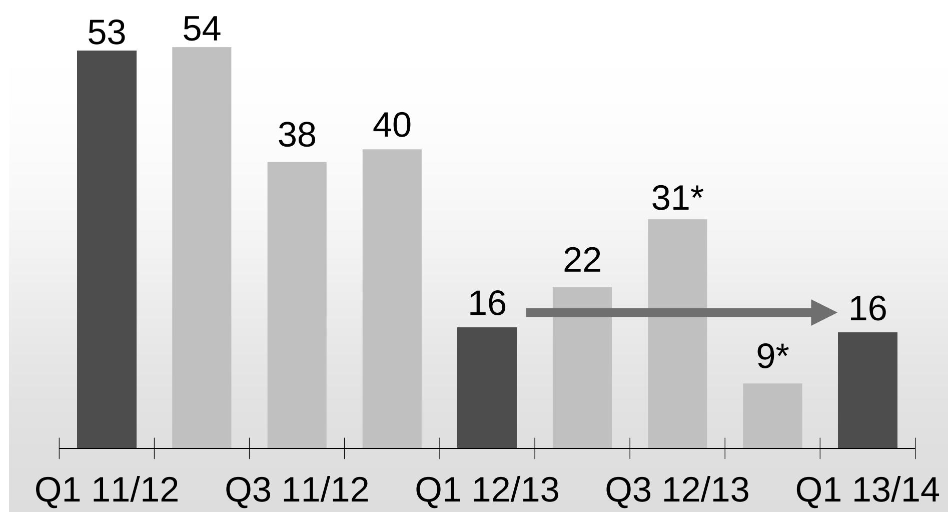
THE ORIGINAL GROUP
InWear PartTwo Matinique SOAKED COMPANYS

Revenue, ttm, DKKm



- Q1 ttm revenue down by 10% to DKK 854m
- Revenue down by 13% in Q1
- Lower wholesale revenue
- Several retail stores closed during Q1 - remaining retail stores perform satisfactory

EBIT, ttm, DKKm



*: EBIT adjusted for one-off costs

- Q1 ttm earnings stable
- Q1 EBIT margin up by 3.7pp to 8.9%
- Restructurings and OPEX reduction improves profitability

IC COMPANYS

None-core business and discontinued operations

Non-core business

Revenue growth of 3% to DKK 132m (DKK 128m)

EBIT down by 21% to DKK 15m

- EBIT margin worsened from 15,2% to 11,6%
- Unchanged profitability in Saint Tropez
- EBIT down in Designers Remix

Discontinued operations

Phasing out Jackpot and **Cottonfield** retail stores

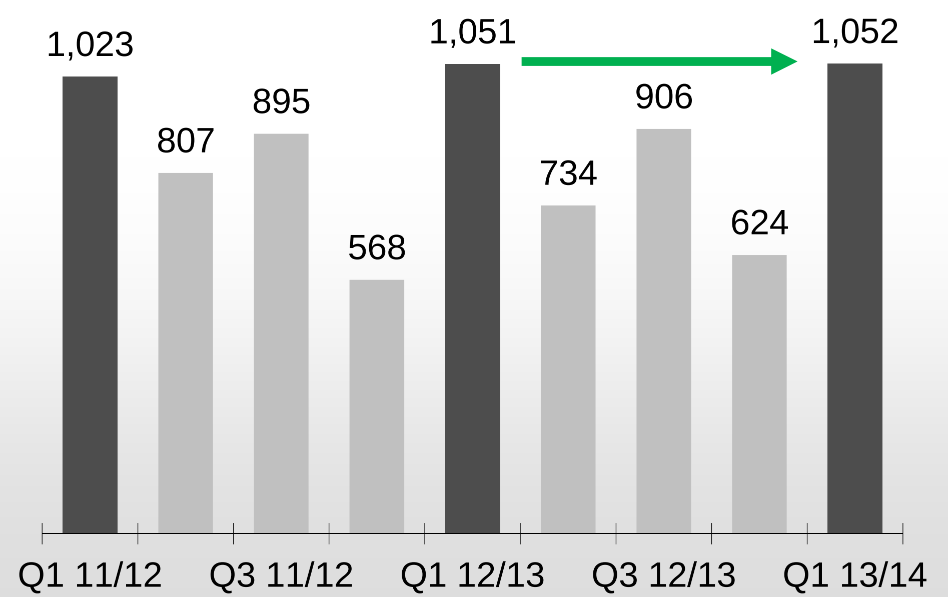
- Retail operations fully phased out during 2013/14
- Neutral full year cash flow effect expected

Contents

IC COMPANYS

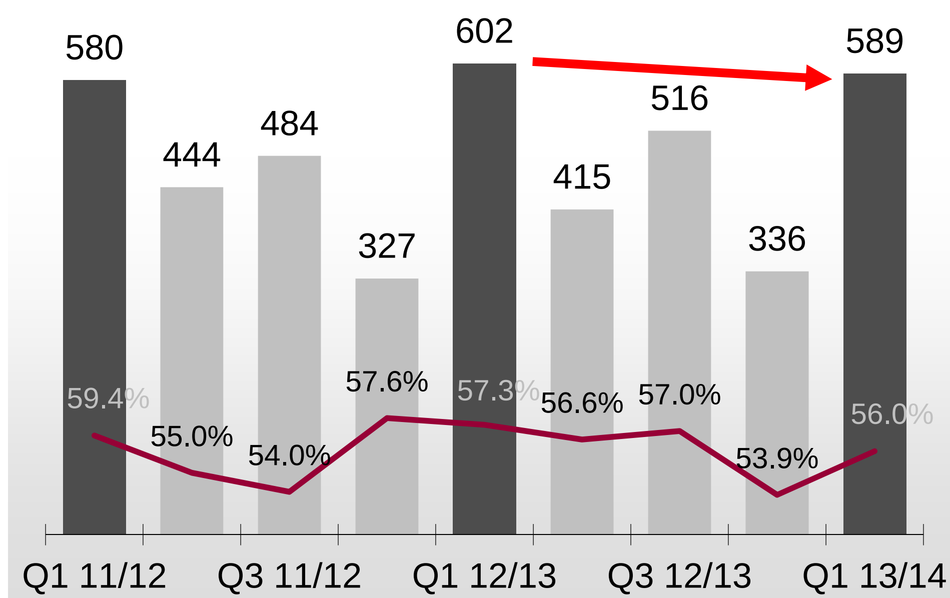
Opposite developments result in unchanged revenue

Quarterly revenue, DKKm
Continuing operations



- Revenue unchanged at DKK 1,052m
- Premium segments grow while Mid Market segment suffers from declining revenue
- Negative currency effect of DKK 22m

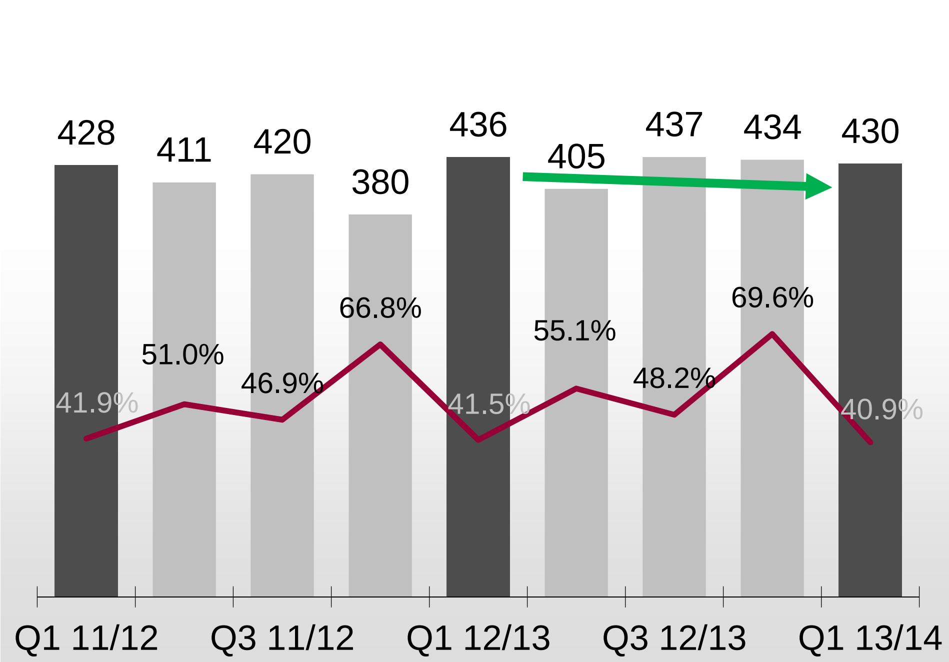
Quarterly gross profit, DKKm and gross margin, %
Continuing operations



- Gross profit down by 2% to DKK 589m
- Gross margin down by 1.3pp to 56.0%
- Higher USD affects gross margin significantly
- Gross margin in Q1 12/13 positively affected by clearing of old goods in stock

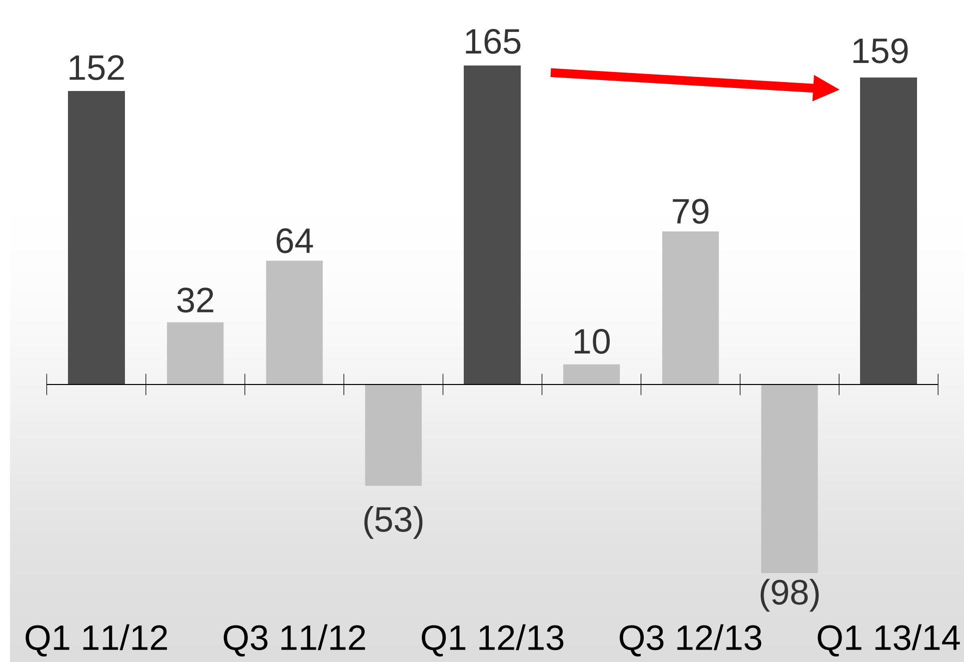
EBIT improved through lower cost base

Quarterly OPEX, DKKm and OPEX efficiency, %
Continuing operations



- OPEX down by 1% to DKK 430m
- Negative effect of DKK 10m in Q1 due to changes in Group Management
- Positive currency effect of DKK 7m

Quarterly EBIT, DKKm
Continuing operations



- EBIT down by DKK 6m to DKK 159m
- Lower gross margin explains EBIT development
- Adjusted for costs related to management change, EBIT was improved by DKK 4m

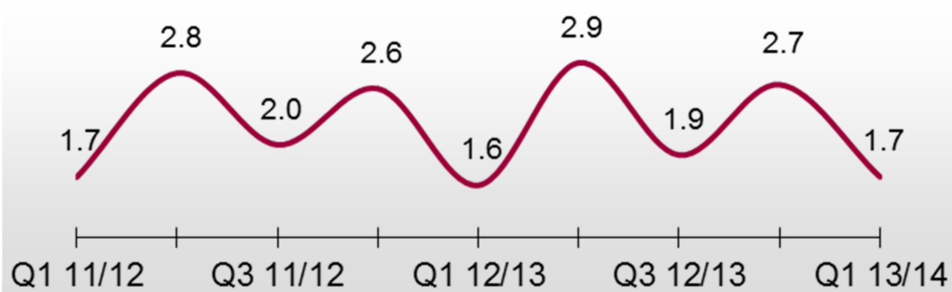
IC COMPANYS

Working capital and turnover rates

End of quarter, inventory turnover rate

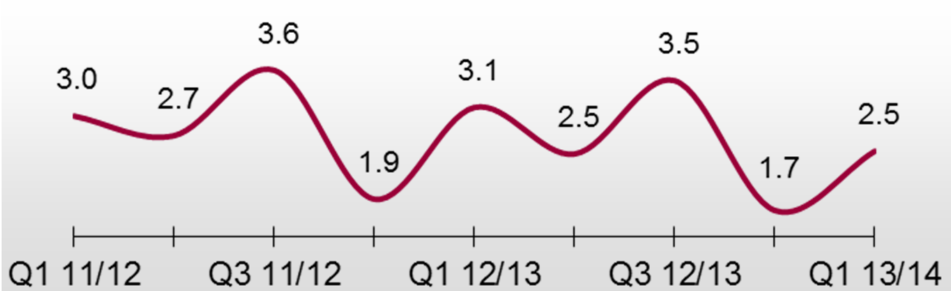
- Inventory turnover rate improved
- Enhanced focus on lower inventory levels

End of quarter, debtor turnover rate



- Debtors turnover rate in line with historical level
- Age distribution slightly worsened in Q1 2013/14

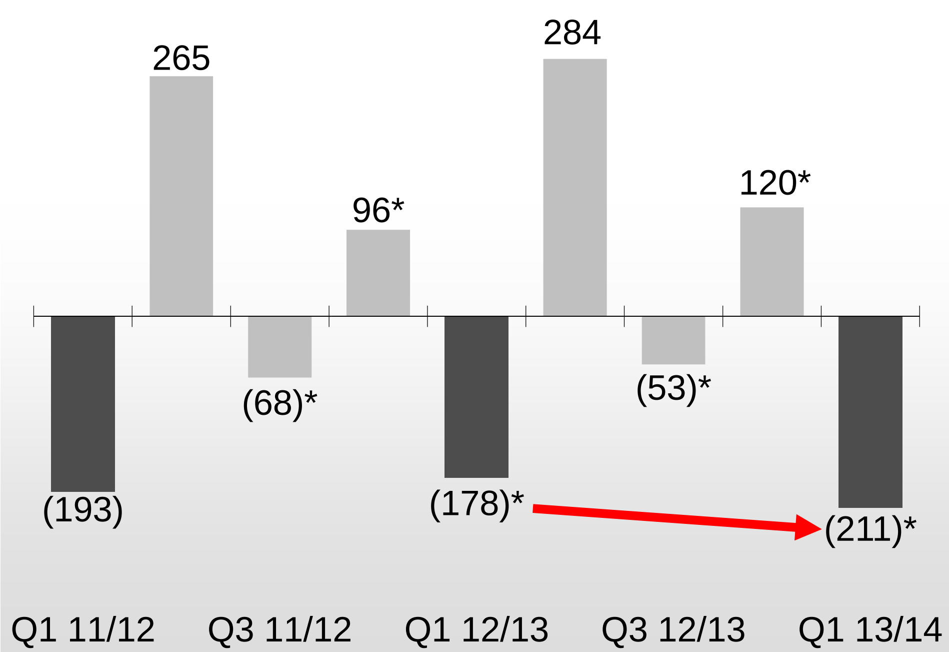
End of quarter, creditor turnover rate



- Creditor turnover rate lower than Q1 2012/13
- Increased level of trade payables

Strong cash flow and net debt converted to net deposit

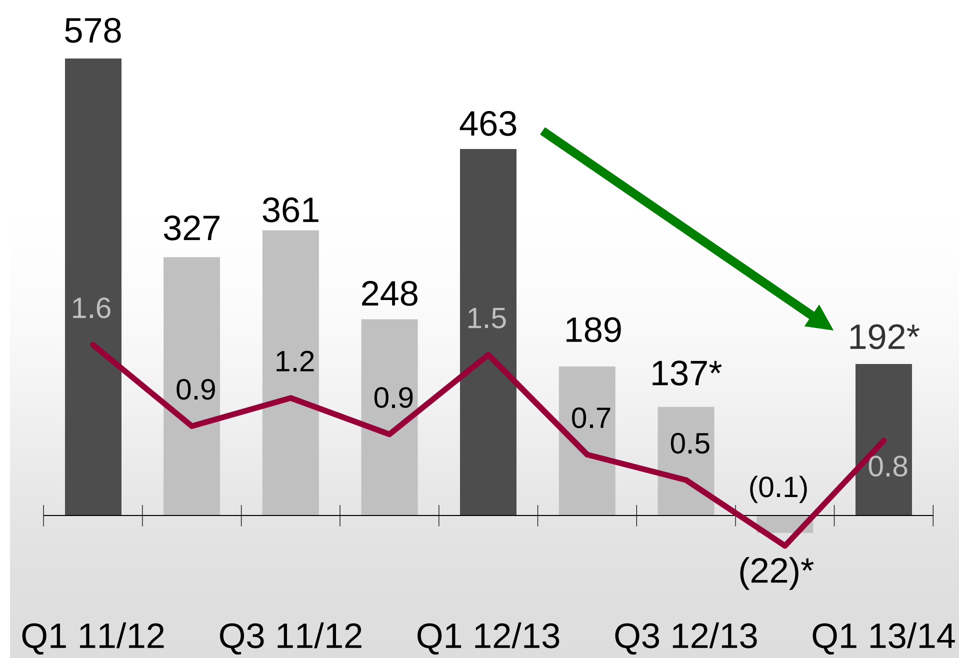
Free cash flow, DKKm



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

- After adjusting for impact from discontinued operations free cash flow in Q1 is down by DKK 33m to a net outflow of DKK 211m
- Higher level of investments and paid tax

End of quarter NIBD, DKKm and NIBD/EBITDA



*: Figures adjusted for mortgage loan in corporate HQ

- NIBD of DKK 192m in Q1
- NIBD/EBITDA of 0.8
- Reduction of DKK 140m due to reclassification of mortgage loan in corporate HQ as assets held-for-sale

IC COMPANYS

Contents

Key take-aways

Enhance utilisation of **operational platform**

Leaner Group **Management structure** in place

Premium segments performing **in line with strategy**

Mid Market Contemporary well on the way to secure **earnings** growth

Guidance for full year **unchanged**

Questions

Questions

Questions

Questions

IC COMPANYS

HOME OF FASHION BRANDS