



Q1 2014/15

ROAD SHOW, DANSKE BANK

Copenhagen  
November 17, 2014



## FORWARD-LOOKING STATEMENTS

---

This 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 meaning. The statements are based on Management's reasonable expectations and forecasts at the time of the disclosure of the Interim 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 interim 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	Mads Ryder, Group CEO	
Section 2 – Group financials	Rud Pedersen, Group CFO	
Section 3 – Segment performance	Mads Ryder, Group CEO	
Section 4 – Closing remarks	Mads Ryder, Group CEO	
Section 5 – Q&A		

## HIGHLIGHTS FOR Q1 2014/15

---

**Revenue growth** from **premium brands** - 7% in local currencies

- Despite prevailing low-growth market conditions and adverse weather in Q1

**Improved EBIT** driven by Peak Performance and Tiger of Sweden

Significant **Management focus** on **reducing of idle costs** after Mid Market divestment



# AGENDA

---

Section 1 – Highlights

Mads Ryder, Group CEO

Section 2 – Group Financials

Rud Pedersen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Closing remarks

Mads Ryder, Group CEO

Section 5 – Q&A

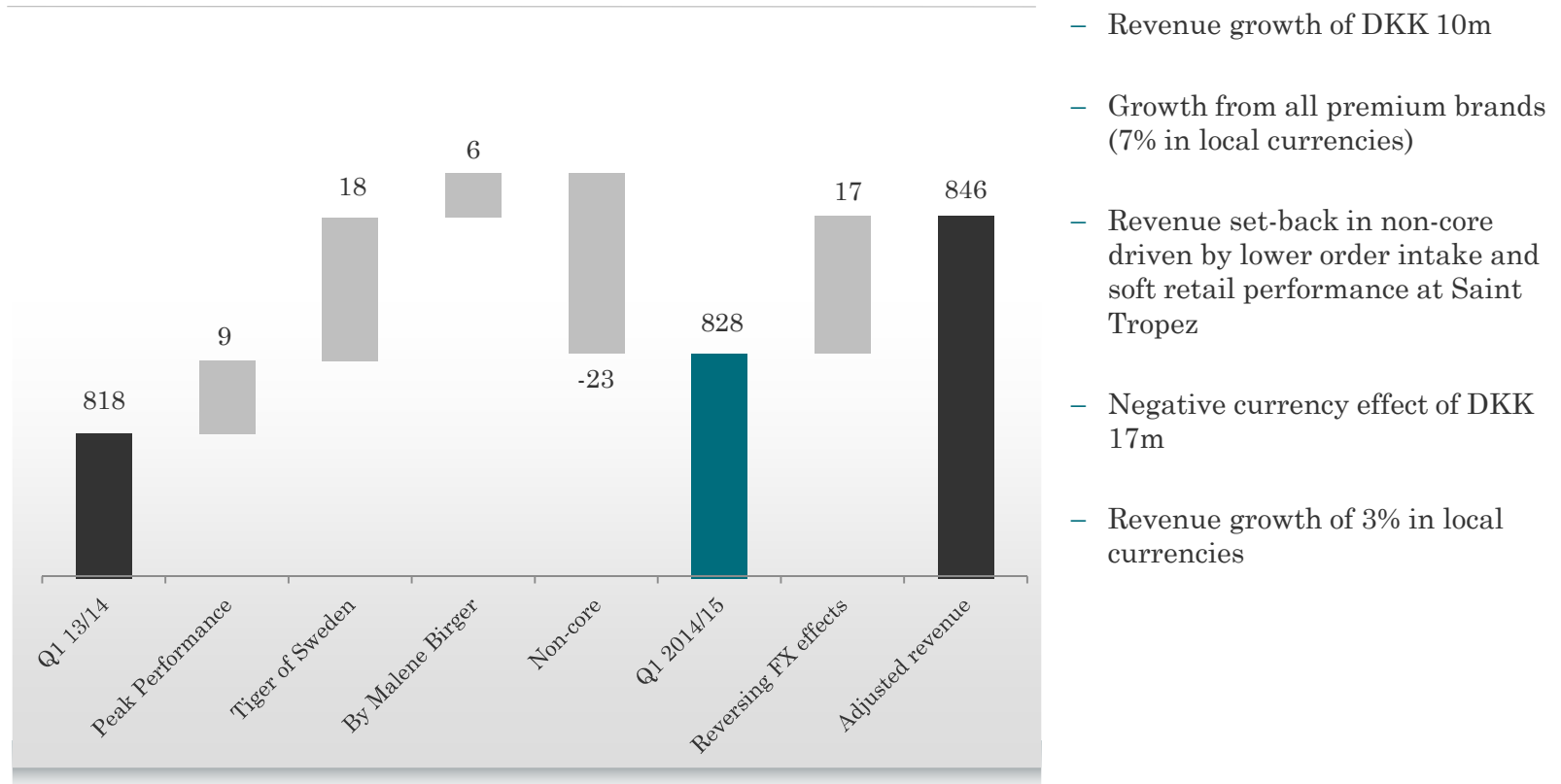
## SUMMARY OF FINANCIAL RESULTS Q1 2014/15

---

	Q1 2014/15	Q1 2013/14
<b>Revenue</b> up 1% to	DKK <b>828</b> m	DKK 818m
<b>Gross margin</b> down 0.7 pp to	<b>55.2%</b>	55.9%
<b>Costs</b> down 1% to	DKK <b>315</b> m	DKK 319m
<b>EBIT</b> up 2% to	DKK <b>141</b> m	DKK 138m
<b>EBIT margin</b> unchanged at	<b>17.1%</b>	16.9%
<b>Free cash flow</b> up DKK 72m to	DKK <b>(141)</b> m	DKK (213)m

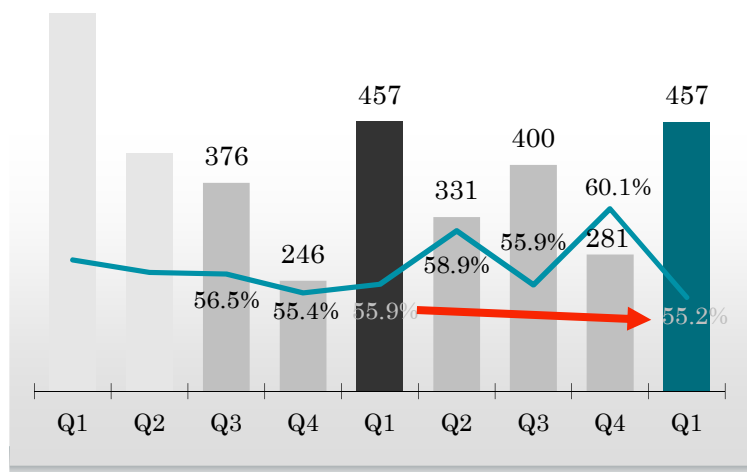
# REVENUE GROWTH FROM ALL PREMIUM BRANDS

Revenue bridge Q1 13/14 vs. Q1 14/15, DKKm



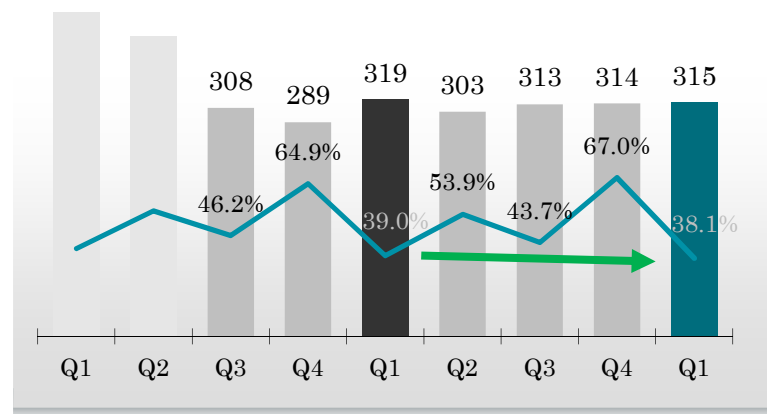
# GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q1 gross profit unchanged at DKK 457m
- Gross margin down by 0.7 pp to 55.2%
- Product mix effects and changed distribution set-up contributory factors
- Negative net currency effect of DKK 9m

Quarterly OPEX and OPEX ratio, DKKm / %

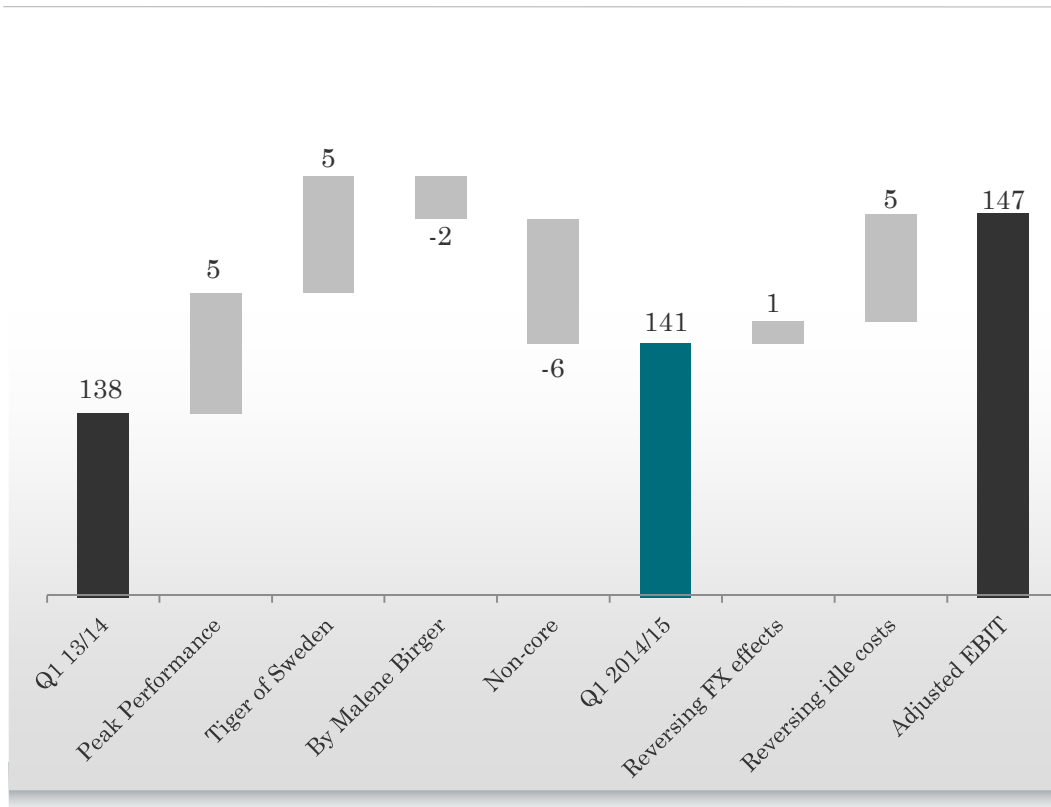


- OPEX reduced by DKK 4m
- OPEX ratio improved by of 0.9 pp
- Positive currency effect of DKK 8m
- Negative impact from idle costs of DKK 5m



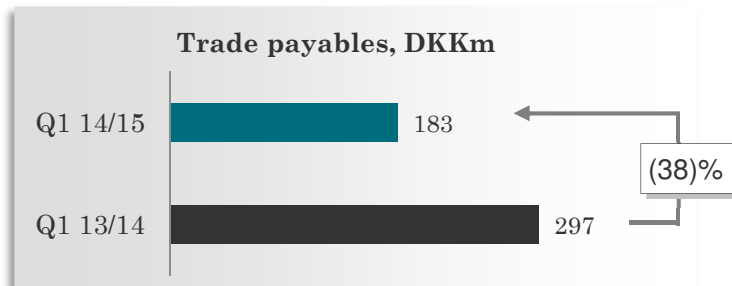
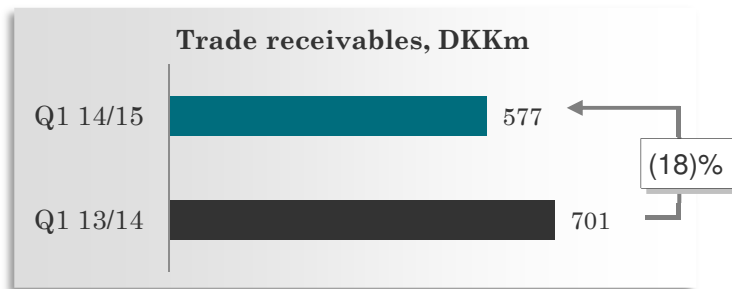
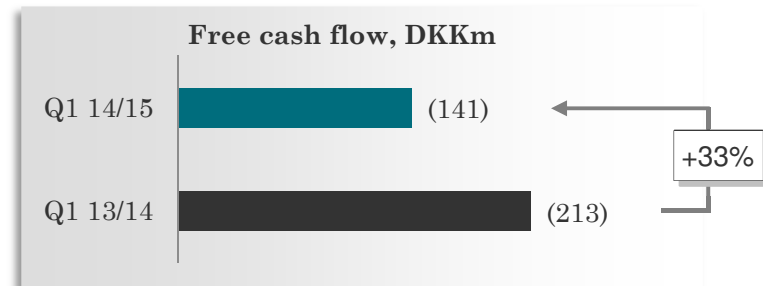
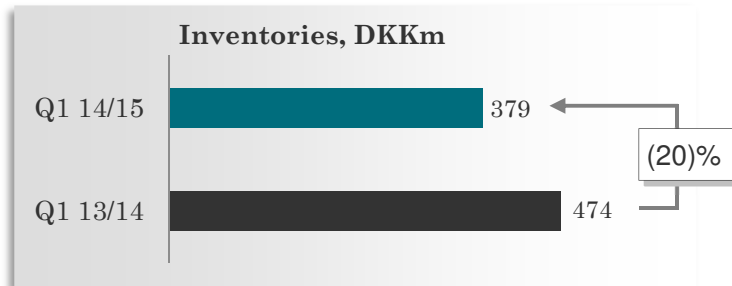
# POSITIVE EBIT DEVELOPMENT

EBIT bridge Q1 13/14 vs. Q1 14/15, DKKm



- EBIT up by DKK 3m in Q1 14/15
- EBIT set back at By Malene Birger and Saint Tropez
- EBIT margin of 17.1% (16.9%)
- Marginal net currency effect of DKK 1m
- Idle costs (net of transition fees) of DKK 5m in Q1 2014/15
- Adjusted EBIT margin of 17.7%

# WORKING CAPITAL, NET DEBT AND CASH FLOW





# AGENDA

---

Section 1 – Highlights

Mads Ryder, Group CEO

Section 2 – Group Financials

Rud Pedersen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

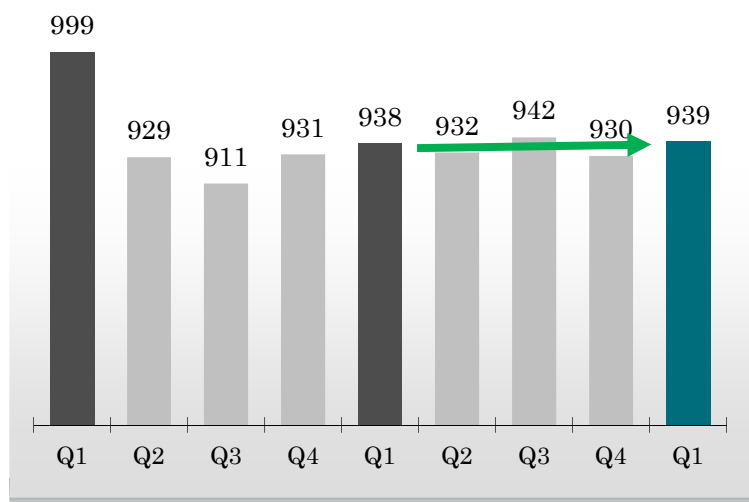
Section 4 – Closing remarks

Mads Ryder, Group CEO

Section 5 – Q&A

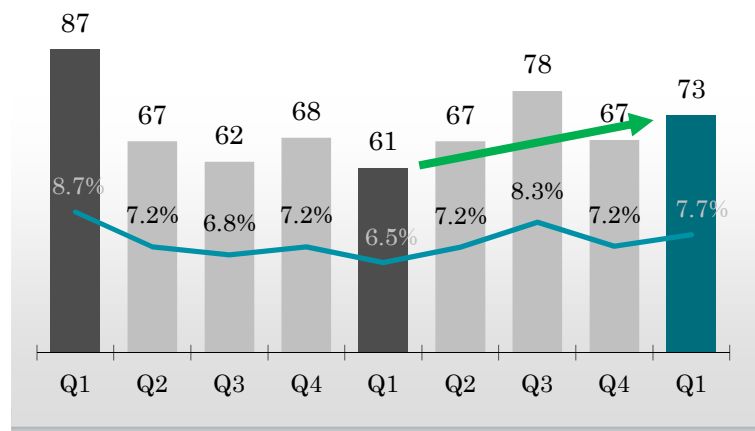
# PEAK PERFORMANCE

Trailing 12 months' revenue, DKKm



- Q1 revenue up by 3% to DKK 353m
- Revenue growth of 5% in local currencies
- Good wholesale development despite negative timing effects compared to Q1 13/14
- Retail development affected by store closures
- Ttm revenue unchanged at 939

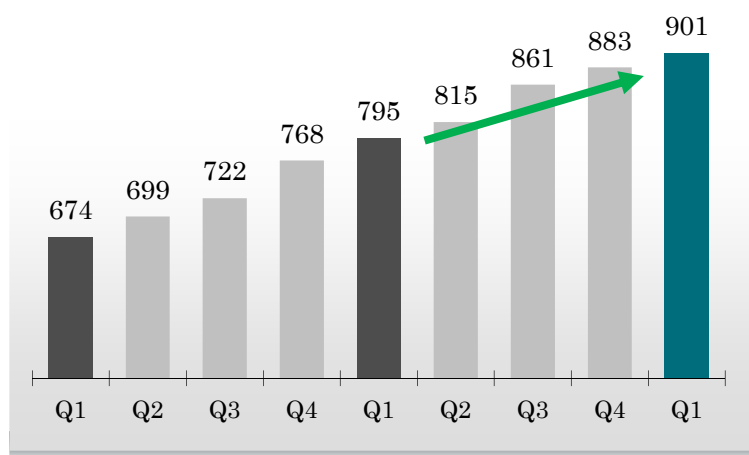
Trailing 12 months' EBIT, DKKm



- Q1 EBIT up by 8% to DKK 75m
- Q1 EBIT margin up by 1.0 pp to 21.1%
- Positive OPEX development outweighs negative gross margin development
- Currency effect insignificant
- Improved ttm EBIT and EBIT margin

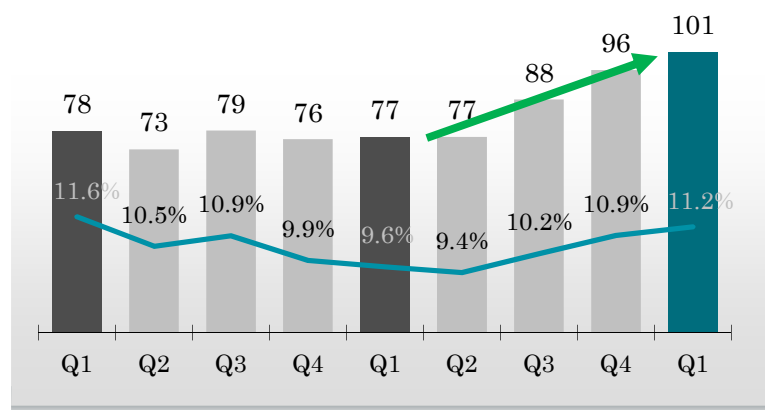
## TIGER OF SWEDEN

Trailing 12 months' revenue, DKKm



- Q1 revenue up by 7% to DKK 269m
- Revenue growth of 11% in local currencies
- Growth in all channels and European markets
- Germany now fourth largest market
- Ttm revenue up by 13% to DKK 901m

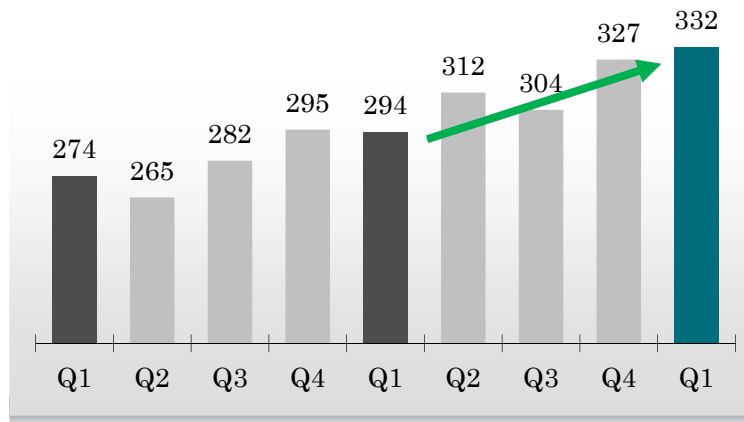
Trailing 12 months' EBIT, DKKm



- Q1 EBIT up by 12% to DKK 47m
- Q1 EBIT margin up by 0.8 pp to 17.4%
- New distribution set-up in Canada: negative gross margin effect, positive OPEX effect
- Net currency effect slightly negative
- Ttm EBIT and EBIT margin significantly improved

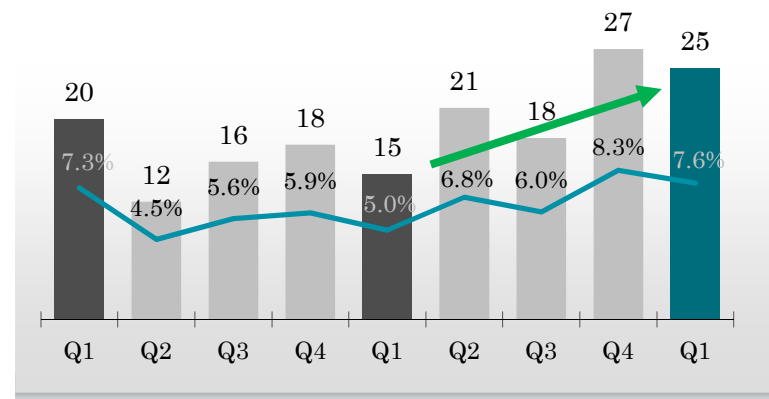
## BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q1 revenue up by 6% to DKK 97m
- Revenue growth of 7% in local currencies
- Strong growth in wholesale channel and Nordic markets
- Ttm revenue up by 13% to DKK 332m

Trailing 12 months EBIT, DKKm



- Q1 EBIT down by 16% to DKK 10m
- Q1 EBIT margin down by 2.8 pp to 10.5%
- Full-year OPEX effect from new Paris stores compared to Q1 13/14
- Net currency effect slightly negative
- Ttm EBIT and EBIT margin improved

## NON-CORE BUSINESS

---

**Revenue declined** by 17% to DKK 109m (DKK 132m)

**EBIT down** by DKK 5m to DKK 10m

- EBIT margin down by 2.7 pp to 8.9%
- Revenue and earnings set-back at Saint Tropez
- Improved revenue and earnings at Designers Remix



## AGENDA

---

Section 1 – Highlights

Mads Ryder, Group CEO

Section 2 – Group Financials

Rud Pedersen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Closing remarks

Mads Ryder, Group CEO

Section 5 – Q&A



## KEY TAKE-AWAYS

---

**Satisfactory growth** in all **premium brands** – 7% in local currencies.



**Set-back in non-core** business driven by lower order-intake and soft retail performance at Saint Tropez

**EBIT improvement** driven by Tiger of Sweden and Peak Performance

**Idle costs effect** on Q1 EBIT negatively by **DKK 5m**

**Significant step** taken towards **fully reducing idle cost** after Mid Market divestment

## GUIDANCE FOR FULL YEAR 2014/15 - UNCHANGED

---

**Premium brands** are expected to maintain **positive revenue development** - 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 dividend** in the region of **DKK 100m** expected in Q2 2014/15



## AGENDA

---

Section 1 – Highlights

Mads Ryder, Group CEO

Section 2 – Group Financials

Rud Pedersen, Group CFO

Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Closing remarks

Mads Ryder, Group CEO

Section 5 – Q&A

Questions

Questions

# Questions

Questions





IC GROUP