



Q2 2014/15
INVESTOR MEETINGS

Nordea Markets
February 6, 2015



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Mads Ryder, Group CEO

Section 2 – Group Q2 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 H1 2014/15

Total **revenue growth** from **premium brands** of **8%** in local currencies

Revenue from **Non-core** business **down 5%** in local currencies

– Lost Q1 revenue partially regained in Q2

Group EBIT affected by idle costs and on-offs – **underlying EBIT** development was good

Transitional services to DK Company **concluded** in all material respects

Extraordinary dividend paid out late **December 2014**



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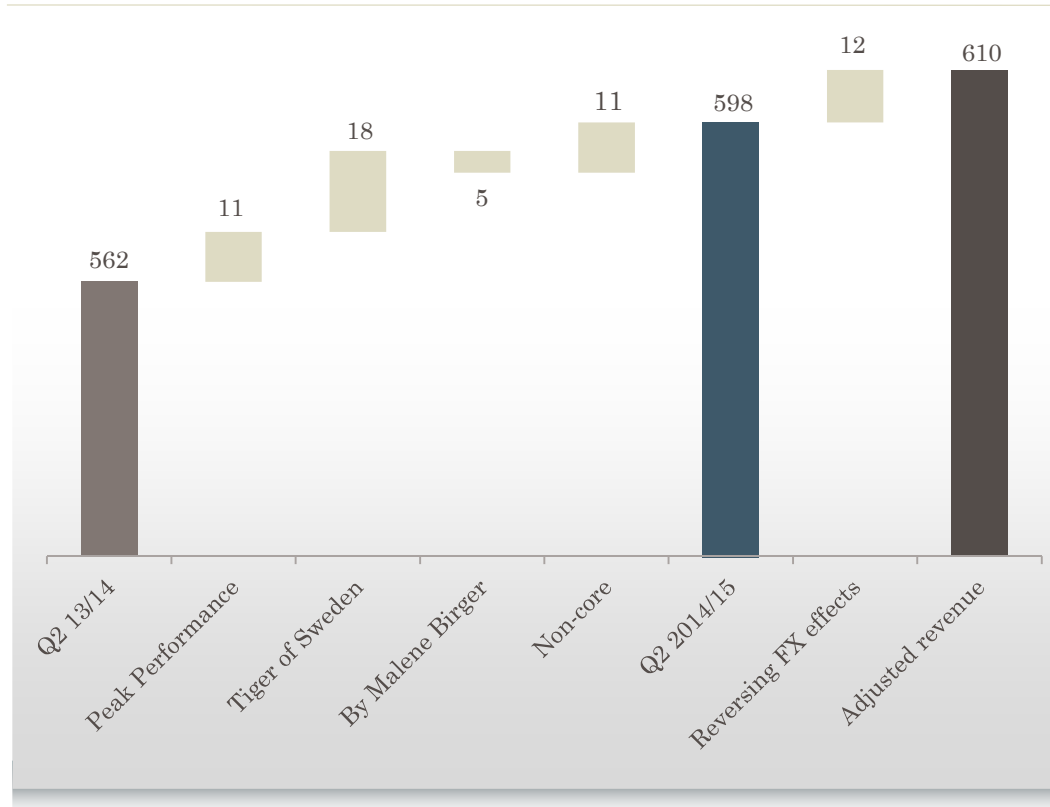
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SUMMARY OF FINANCIAL RESULTS Q2 2014/15

	Q2 2014/15	Q2 2013/14	Change	H1 2014/15	H1 2013/14
Revenue	DKK 598m	DKK 562m	6%	DKK 1,426m	DKK 1,380m
Gross margin	55.1%	59.0%	(3.9)pp	55.1%	57.2%
Costs	DKK 309m	DKK 304m	2%	DKK 625m	DKK 623m
EBIT	DKK 20m	DKK 28m	(28)%	DKK 162m	DKK 166m
EBIT margin	3.4%	5.0%	(1.6)pp	11.3%	12.0%
Adjusted EBIT margin	5.9%	5.0%	0.9pp	12.7%	12.0%
Free cash flow	DKK 193m	DKK 304m	DKK (111)m	DKK 52m	DKK 89m

REVENUE GROWTH IN Q2

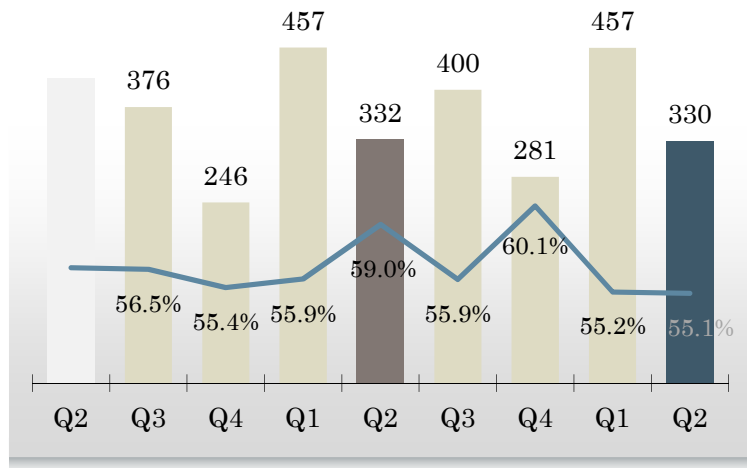
Revenue bridge Q2 13/14 vs. Q2 14/15, DKKm



- Revenue growth of DKK 36m
- Solid growth at both Peak Performance and Tiger of Sweden
- Negative timing effect at By Malene Birger
- Total premium segment growth of 8% in local currencies
- Non-core business partially regained lost Q1 revenue
- Negative currency effect of DKK 12m
- Revenue growth of 9% in local currencies

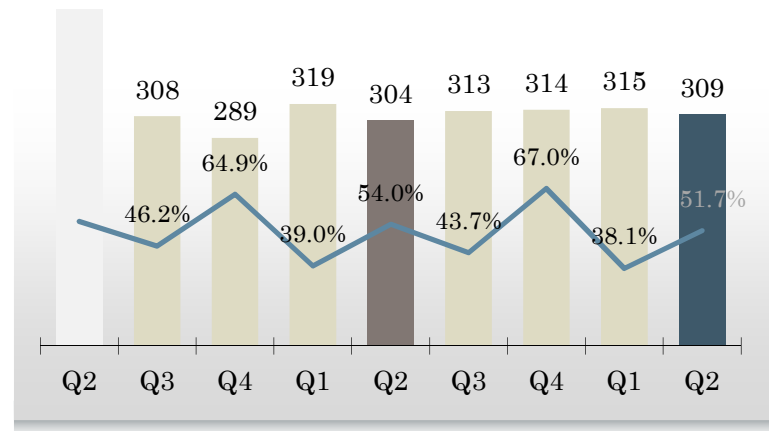
GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q2 gross margin down by 3.9 pp to 55.1%
- Negative impact of DKK 8m from non-recurring costs
- Increased commercial discounts, country and channel mix as well as mix effects from goods sold
- Negative net currency effect of DKK 6m

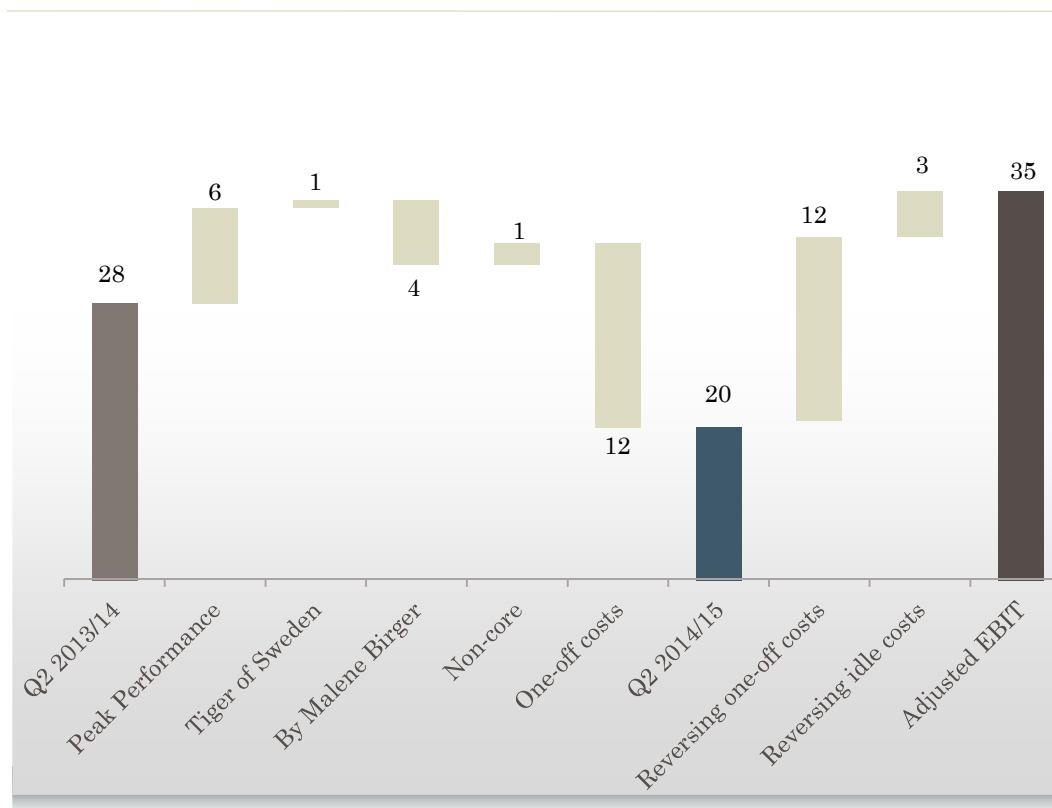
Quarterly OPEX and OPEX ratio, DKKm / %



- Q2 OPEX up by DKK 5m to DKK 309m
- OPEX ratio improved by of 2.3 pp
- Negative impact of DKK 4m from non-recurring costs
- Positive currency effect of DKK 6m
- Idle costs constitute DKK 3m in Q2

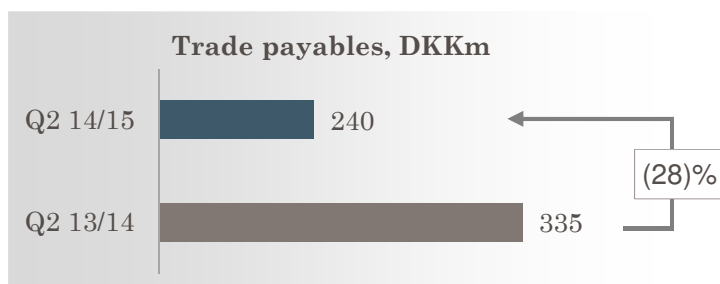
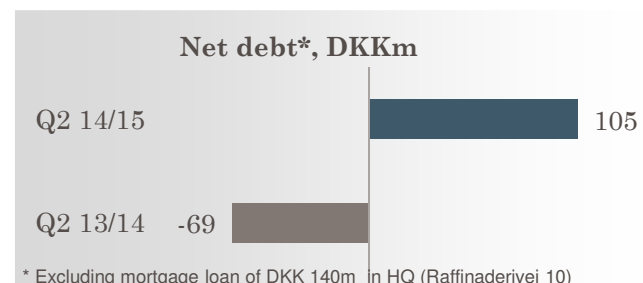
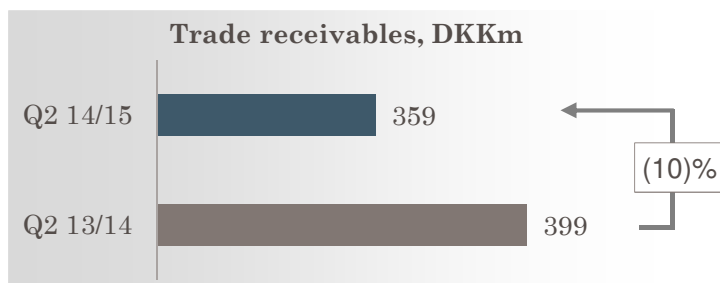
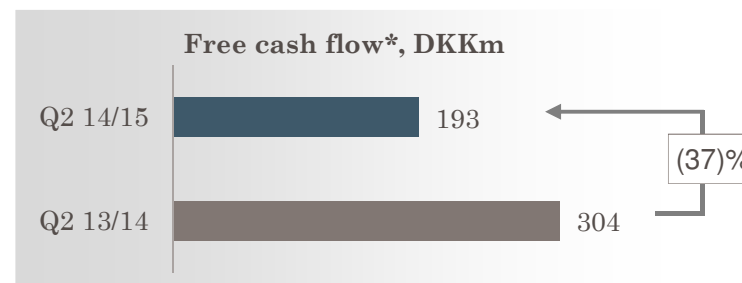
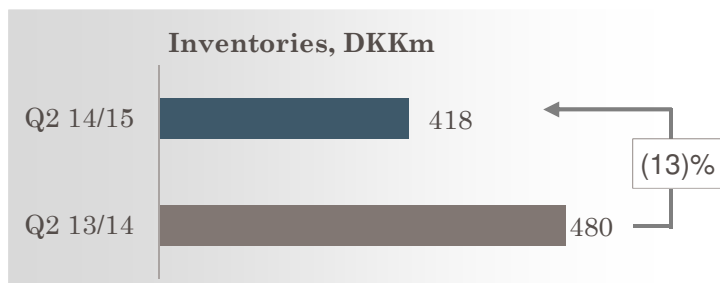
EBIT AFFECTED BY ONE-OFF'S

EBIT bridge Q2 13/14 vs. Q2 14/15, DKKm



- EBIT down by DKK 8m in Q2 14/15
- Negative timing effects at By Malene Birger
- EBIT margin down by 1.3 pp to 3.7% (5.0%)
- Marginal negative net currency effect
- Negative effect of DKK 12m from provision of for potential case regarding indirect taxes.
- Idle costs (net of transition fees) of DKK 3m in Q2 2014/15
- Adjusted EBIT margin of 5.9%

WORKING CAPITAL, NET DEBT AND CASH FLOW





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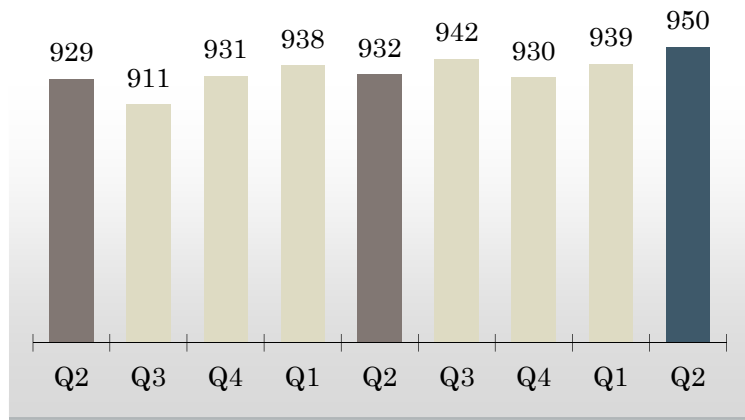
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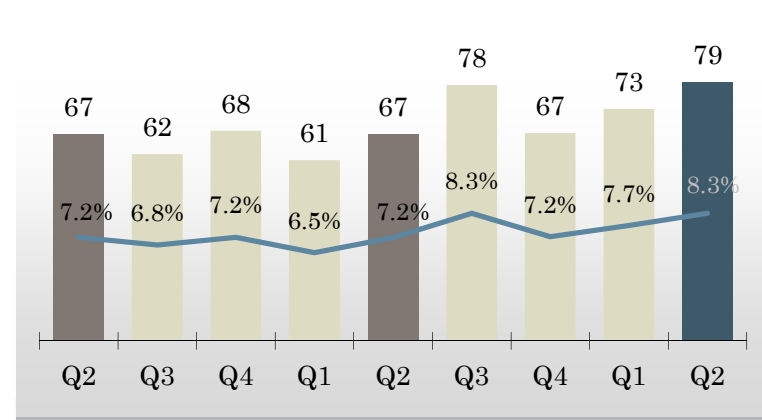
PEAK PERFORMANCE

Trailing 12 months' revenue, DKKm



- Q2 revenue up by 5% to DKK 233m
- Revenue growth of 7% in local currencies
- Strong wholesale development despite negative timing effects compared to Q2 13/14
- Retail challenged by tough market conditions
- Ttm revenue up by DKK 18m to DKK 950m

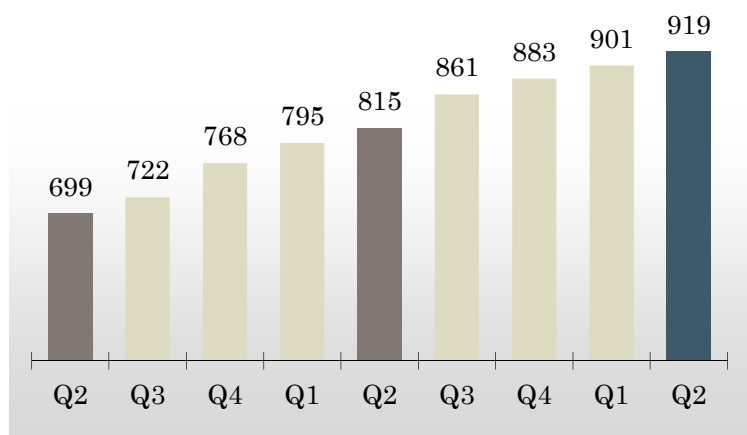
Trailing 12 months' EBIT, DKKm



- Q2 EBIT up by 28% to DKK 29m
- Q2 EBIT margin up by 2.2 pp to 12.3%
- Gross margin negatively affected by commercial discounts and channel mix
- Positive OPEX development outweighing negative gross margin development
- Ttm EBIT up by 18% to DKK 79m
- Ttm EBIT margin improved by 1.1 pp

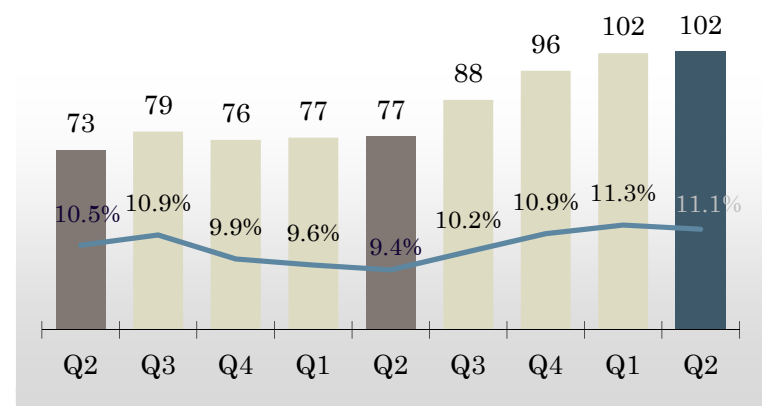
TIGER OF SWEDEN

Trailing 12 months' revenue, DKKm



- Q2 revenue up by 10% to DKK 199m
- Revenue growth of 14% in local currencies
- Growth in all sales channels
- Continued strong growth in Germany
- Ttm revenue up by 13% to DKK 919m

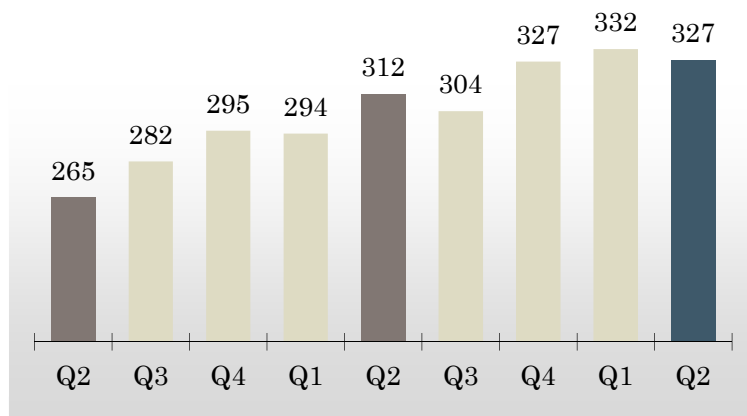
Trailing 12 months' EBIT, DKKm



- Q2 EBIT up by 16% to DKK 4m
- Q2 EBIT margin unchanged at 1.9%
- Negative gross margin effect from commercial discounts and clearance of old stock
- Improved OPEX-ratio due to focus on operational leverage
- Insignificant net currency effect on EBIT
- Ttm EBIT and EBIT margin significantly improved

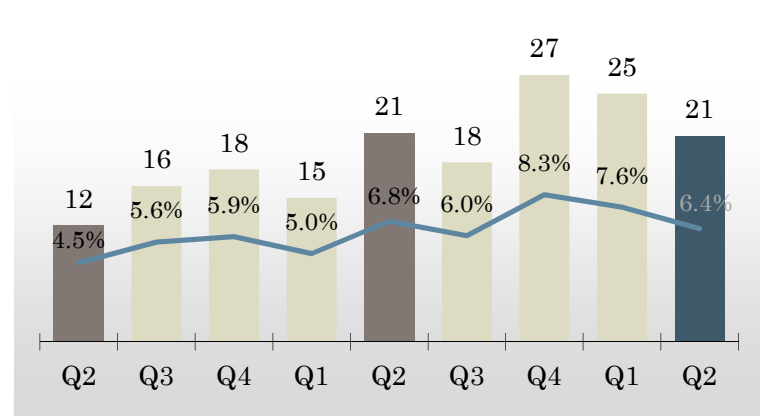
BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q2 revenue down by 7% to DKK 64m
- Revenue down by 6% in local currencies
- Revenue affected by negative delivery timing and poor e-commerce performance
- Ttm revenue up by 5% to DKK 327m

Trailing 12 months EBIT, DKKm



- Q2 EBIT down by DKK 4m to DKK (3)m
- Gross margin reduced due to higher commercial discounts and write-downs
- Net currency effect slightly negative
- Ttm EBIT unchanged at DKK 21m
- Ttm EBIT margin down by 0.4 pp

NON-CORE BUSINESS

Revenue up by 12% to DKK 103m (DKK 91m)

- Revenue growth at Saint Tropez
- Revenue unchanged at Designers Remix

EBIT up by DKK 1m to DKK 1m

- EBIT margin up by 1.3 pp to 2.7%
- Earnings and margin improvement driven by Saint Tropez



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KEY TAKE-AWAYS



Satisfactory growth in Q2 – **9%** in local currencies

- Tiger of Sweden drives the growth

Gross margin negatively affected by **non-recurring costs**

Transitional services to DK Company **concluded**

Idle cost effect on Q2 EBIT negative by **DKK 3m**

Non-recurring costs of **DKK 12m** affecting Q2 EBIT

Good underlying EBIT development

GUIDANCE FOR FULL YEAR 2014/15 - UPDATED

Premium brands are expected to maintain **positive revenue growth**

Group revenue expected at a level of DKK **2,600 – 2,650m**

Non-recurring costs of **DKK 12m** and **idle cost** of **DKK 30m** for continuing operations

Adjusted for idle and non-recurring costs **Premium brands** expected to improve EBIT to **DKK 200 – 230m** while EBIT for the **non-core** business is expected at **DKK 15 – 25m**

EBIT for continuing operations expected at **DKK 170 – 210m**

Adjusted EBIT for continuing operations expected at DKK 215 – 255m

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



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