



INTERIM REPORT Q2 2015/16

ROAD SHOW PRESENTATION

SEB
Copenhagen
February 8, 2016



FORWARD-LOOKING STATEMENTS

This presentation 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

Alexander Martensen-Larsen, Group CFO

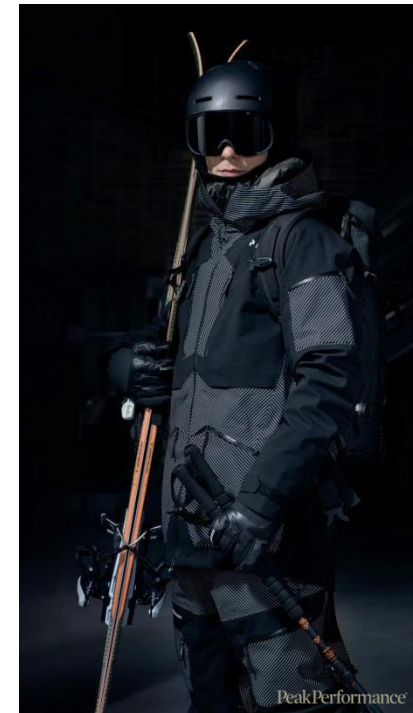
Section 3 – Segment performance

Mads Ryder, Group CEO

Section 4 – Guidance

Mads Ryder, Group CEO

Section 5 – Q&A



HIGHLIGHTS

Overall Group **results in line with expectations**

Strong retail performance across all brands - especially in **e-commerce**

Group **gross margin improved**

Positive cash flow effects from stronger focus on **net working capital**

Equity stake in DK Company sold for a consideration of **DKK 137m**

Extraordinary dividend of DKK 250m expected in Q3

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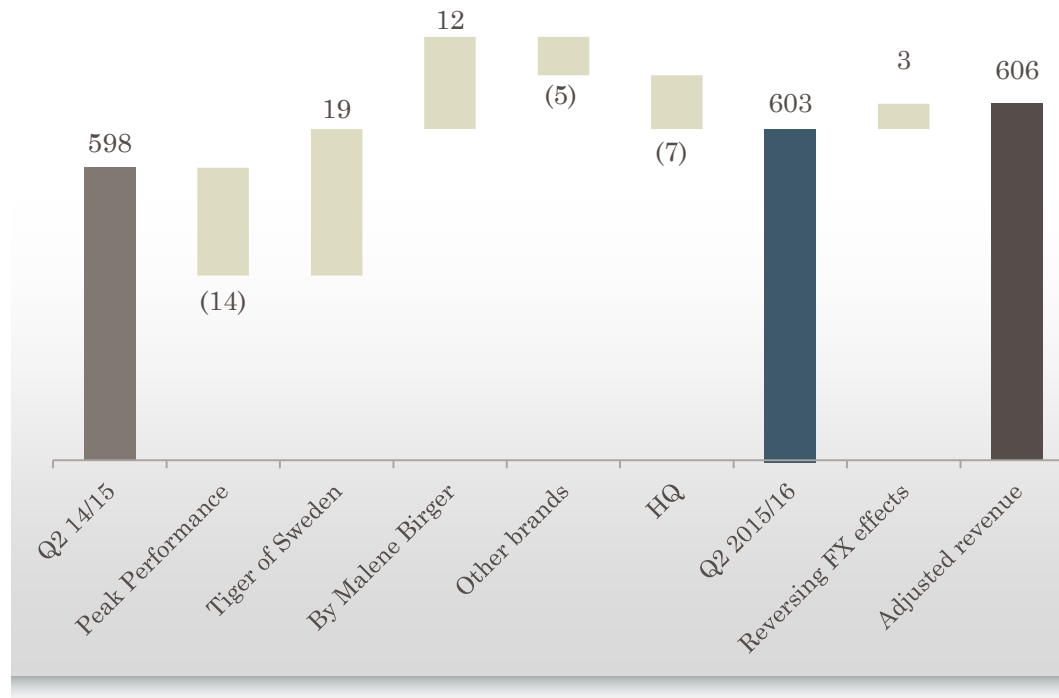
Mads Ryder, Group CEO

Section 5 – Q&A



Q2 REVENUE GROWTH

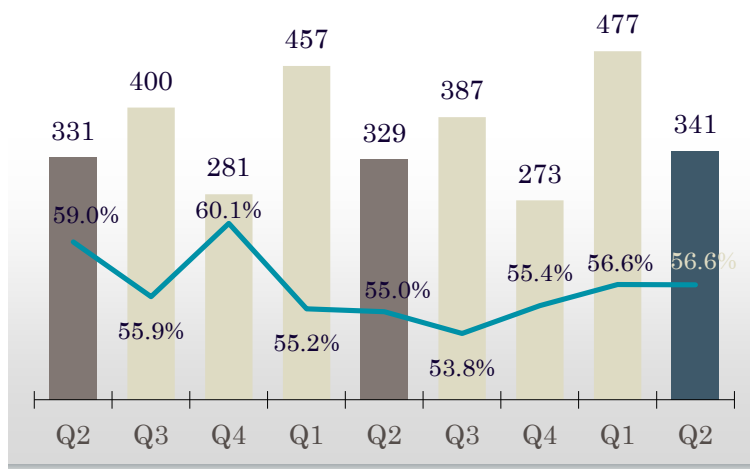
Revenue bridge Q2 14/15 vs. Q2 15/16, DKKm



- Wholesale revenue at Peak Performance negatively affected by conservative wholesale customers
- Strong growth at Tiger of Sweden in all channels and markets
- Strong retail performance and nice wholesale growth at By Malene Birger
- Total Premium brand revenue growth of 4% in local currency
- Reduced revenue from other brands
- Negative net currency effects of DKK 3m
- Total Group revenue growth of 1.4% in local currency

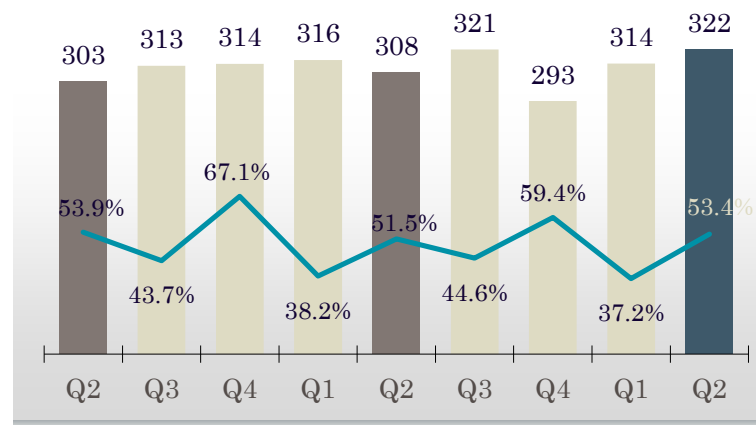
Q2 GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q2 gross margin up by 1.6pp to 56.6%
- Improved margins on products sold
- Higher write-downs but lower freight and handling costs

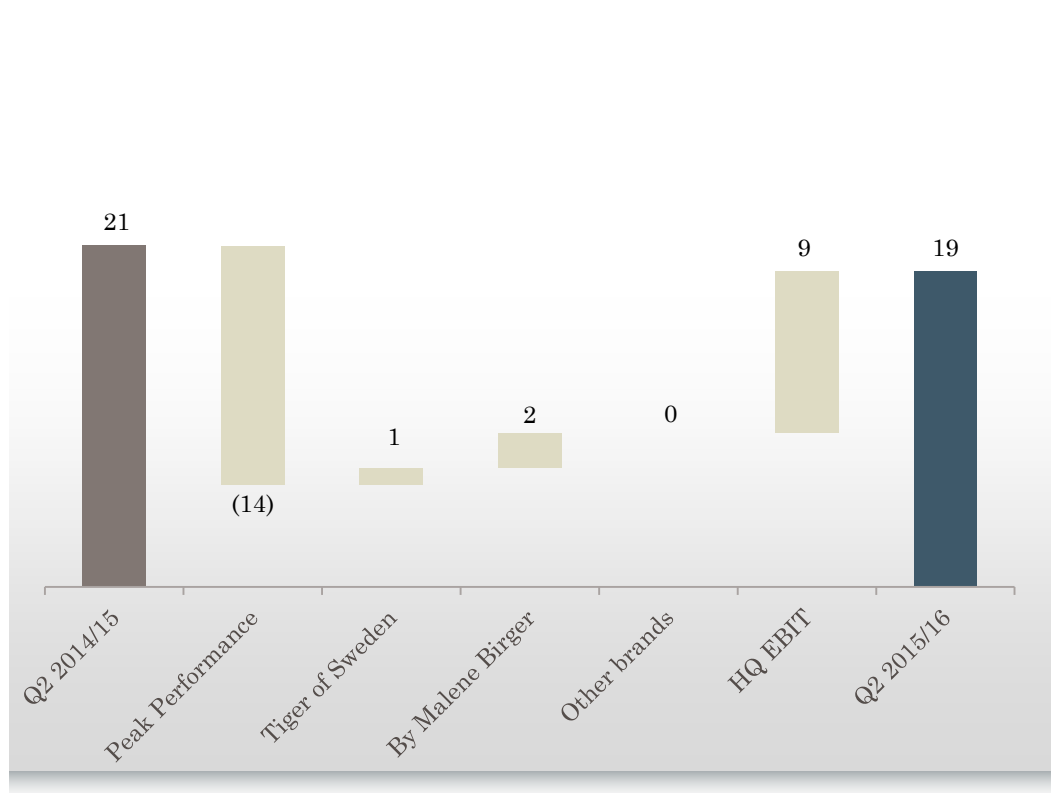
Quarterly OPEX and OPEX ratio, DKKm / %



- Q2 OPEX up by DKK 13m to DKK 322m
- Development mainly driven by timing between Q1 and Q2
- OPEX ratio for H1 unchanged at 44.0%

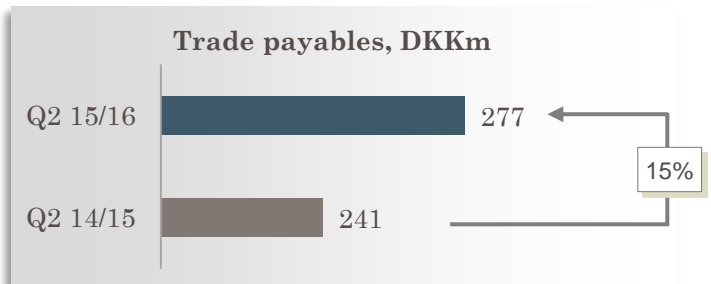
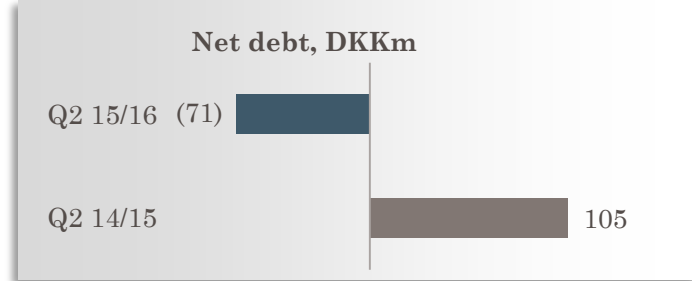
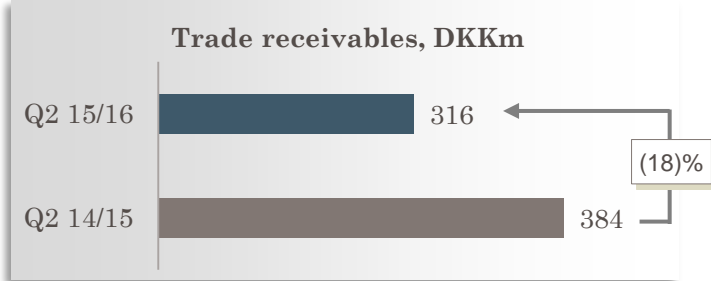
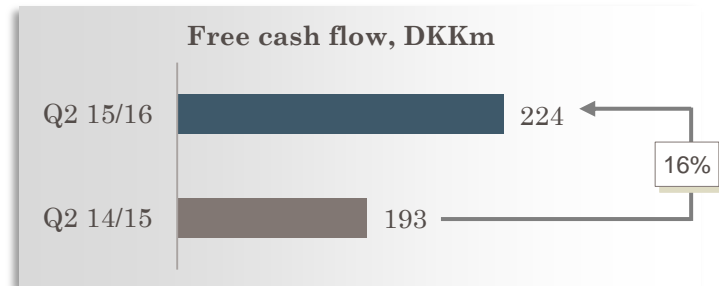
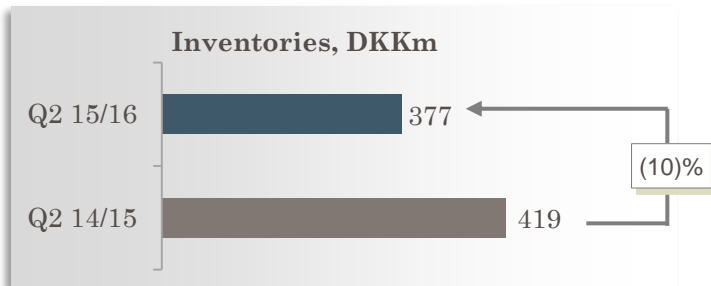
EBIT DEVELOPMENT IN Q2

EBIT bridge Q2 14/15 vs. Q2 15/16, DKKm



- Peak Performance negatively affected by OPEX timing between Q1 and Q2
- EBIT and EBIT margins improved at both Tiger of Sweden and By Malene Birger
- HQ EBIT in Q2 last year was negatively affected by provisions related to the case on indirect taxes as well as idle costs
- Group EBIT slightly down to DKK 19m
- Group EBIT margin slightly down at 3.2%

WORKING CAPITAL, NET DEBT AND CASH FLOW



H1 SUMMARY OF FINANCIAL RESULTS

	H1 2015/16	H1 2014/15	Change	Q2 2015/16	Q2 2014/15	Change
Revenue	DKK 1,446m	DKK 1,426m	DKK 20m	DKK 603m	DKK 598m	DKK 5m
Gross margin	56.6%	55.1%	1.5pp	56.6%	55.0%	1.6pp
OPEX	DKK 636m	DKK 624m	DKK 12m	DKK 322m	DKK 308m	DKK 14m
EBIT	DKK 182m	DKK 162m	DKK 20m	DKK 19m	DKK 21 m	DKK (2)m
EBIT margin	12.6%	11.4%	1.2pp	3.2%	3.5%	(0.3)pp
Free cash flow	DKK 89m	DKK 70m	DKK 19m	DKK 224m	DKK 193m	DKK 31m
NWC %	12.6%	17.5%	(4.9)pp			
NIBD	DKK (71)m	DKK 105m	DKK (176)m			

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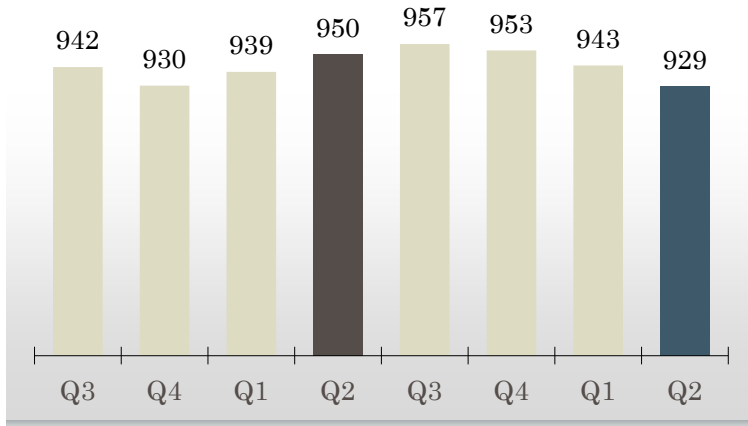
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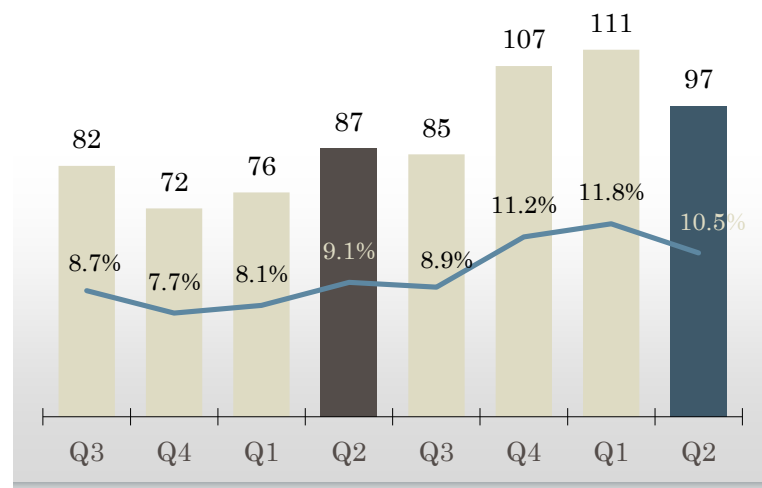
PEAK PERFORMANCE

Trailing 12 months revenue, DKKm



- Q2 revenue down by 6.0% to DKK 219m (down by 6.3% in local currency)
- Wholesale channel affected by cautious customer behaviour in the Nordic region
- Strong growth in retail – both physical stores and e-commerce

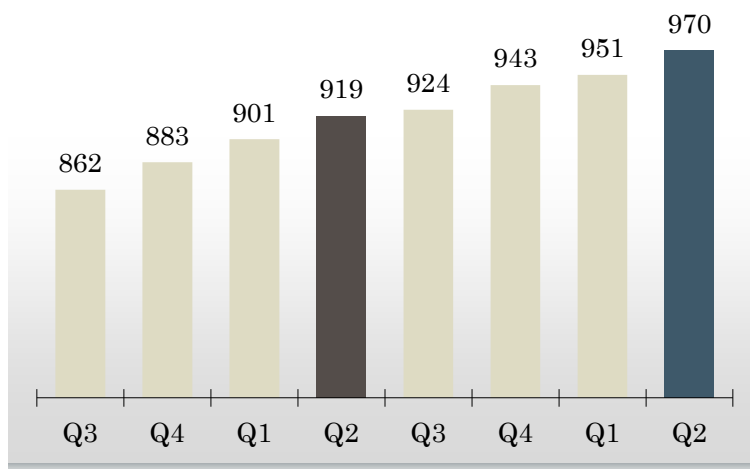
Trailing 12 months EBIT, DKKm



- Q2 EBIT down by DKK 14m to DKK 21m
- Q2 EBIT margin down by 5.4pp to 9.6%
- Gross margin slightly up compared to Q2 14/15
- OPEX negatively affected by timing between Q1 and Q2

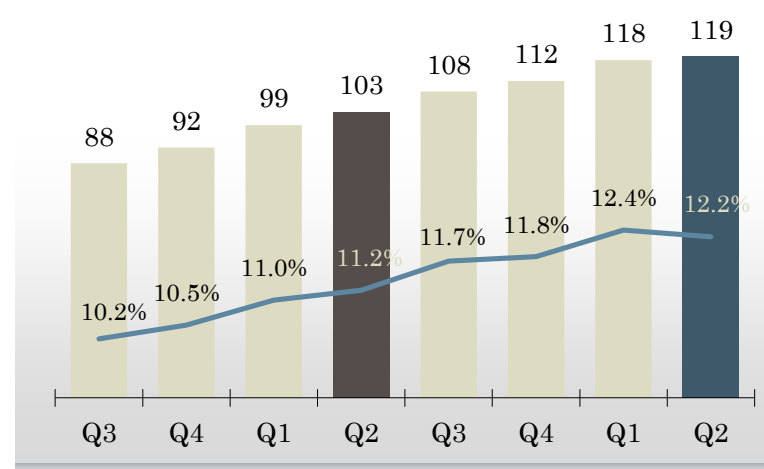
TIGER OF SWEDEN

Trailing 12 months revenue, DKKm



- Q2 revenue up by 9.5% to DKK 218m (up by 11.0% in local currency)
- Good performance across channels and markets
- Revenue in Germany up by 58% in Q2

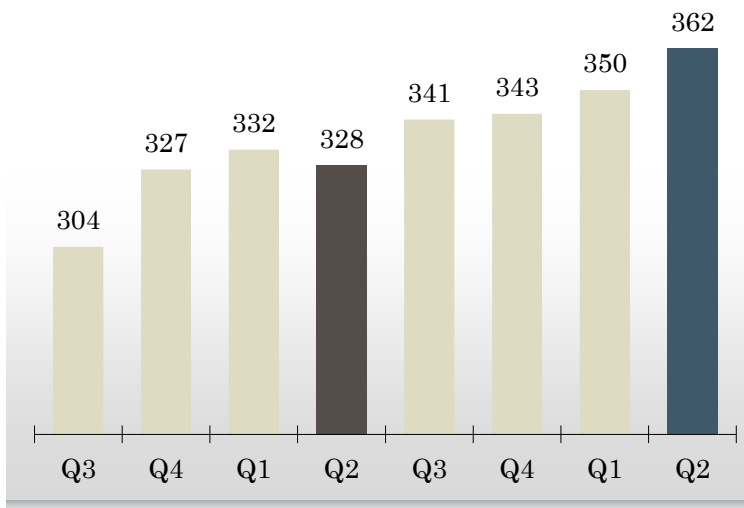
Trailing 12 months EBIT, DKKm



- Q2 EBIT unchanged at DKK 7m
- Q2 EBIT margin unchanged at 3.2%
- Slightly improved gross margin due to higher margins on goods sold
- OPEX ratio slightly up

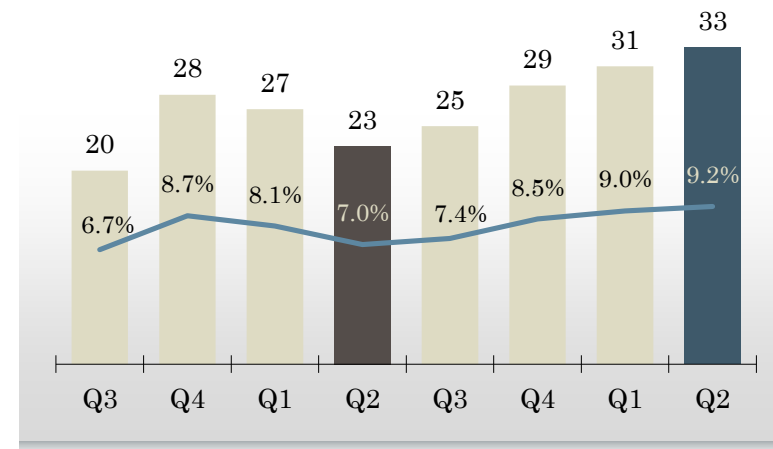
BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q2 revenue up by 18.8% to DKK 76m (up by 20.1% in local currency)
- Strong retail performance – both e-commerce and physical stores
- Good wholesale growth – especially in the Nordic region

Trailing 12 months EBIT, DKKm



- Q2 EBIT up by DKK 2m to DKK 0m
- Q2 EBIT margin improved by 3.1pp to 0.0%
- Gross margin improvement from higher margins on goods sold
- OPEX up but OPEX ratio improved

OTHER BRANDS

Q2 2015/16 revenue down by 5% to DKK 94m (DKK 99m)

- Revenue down at both Saint Tropez and Designers Remix

Q2 2015/16 EBIT unchanged at DKK 4m

- Gross margin improved while OPEX ratio was slightly down
- EBIT margin slightly up to 4.3%

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GUIDANCE UNCHANGED

Premium brands expected to drive **positive revenue and earnings growth**

Group revenue growth expected in **the region of 4%**

EBIT margin for continuing operations expected in **the region of 10%**

Investments expected at **3-4% of annual revenue**