



Q3 2013/14

Investor meetings

Handelsbanken, May 19, 2014

IC  MPANYS
HOME OF FASHION BRANDS

Contents

Section 1 – HIGHLIGHTS	
Section 2 – GROUP FINANCIALS	
Section 3 – SEGMENT PERFORMANCE	
Section 4 – CLOSING REMARKS	
Section 5 – Q&A	

Highlights for Q3 2013/14

- Malene exits **By Malene Birger** as planned
- Sell-in to **new markets** (US and France) provides strong **confidence** in these market
- Head of **Operations** function hired
 - Lotte Franch Wamberg joins IC Companys in June 2014
- **Mid Market** division **divested** successfully
 - Closing expected by end-June 2014



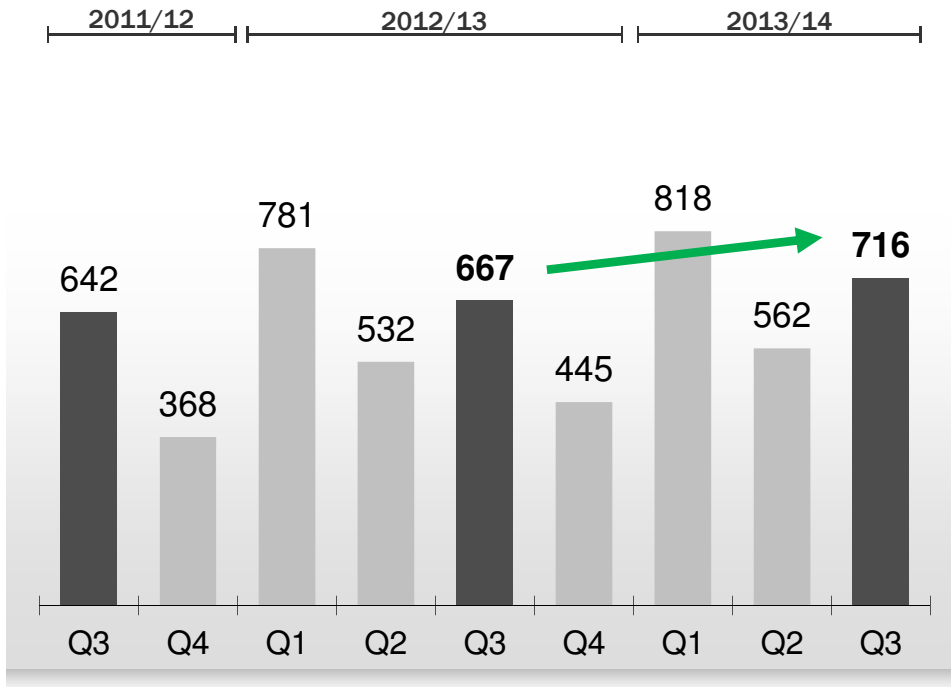
Contents

Section 1 – HIGHLIGHTS	
Section 2 – GROUP FINANCIALS	
Section 3 – SEGMENT PERFORMANCE	
Section 4 – CLOSING REMARKS	
Section 5 – Q&A	

Revenue up – gross margin slightly down

Quarterly revenue, DKKm

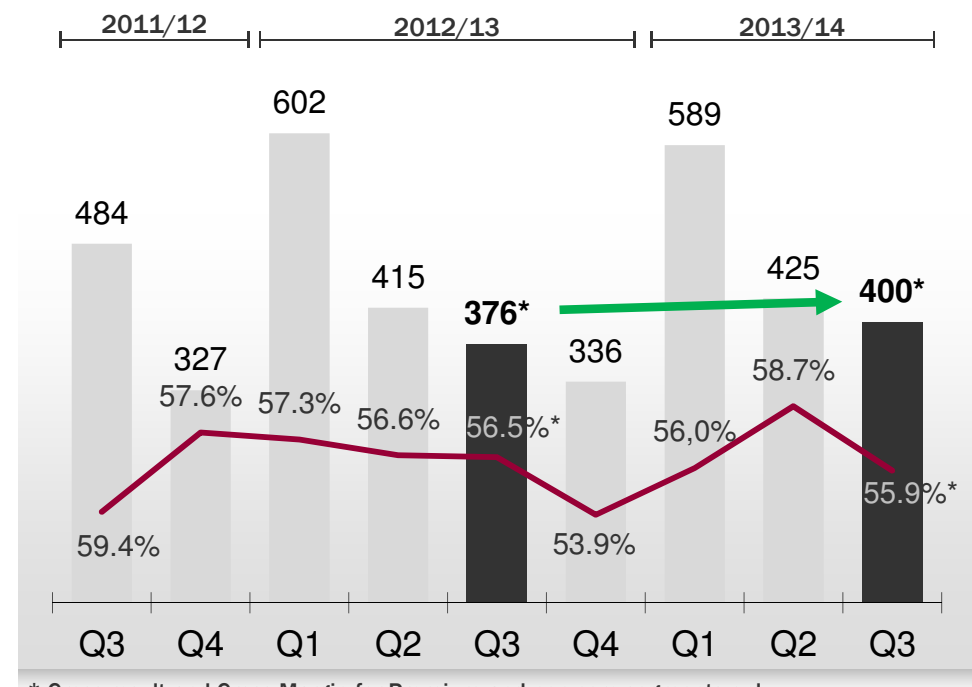
Continuing operations



- Q3 revenue up by 7% to DKK 716m
- Revenue growth in all segments but Premium Contemporary in particular
- Strong development in the wholesale channel
- Negative currency effect of DKK 18m in Q3

Quarterly gross margin, %

Before and after sale of Mid Market division

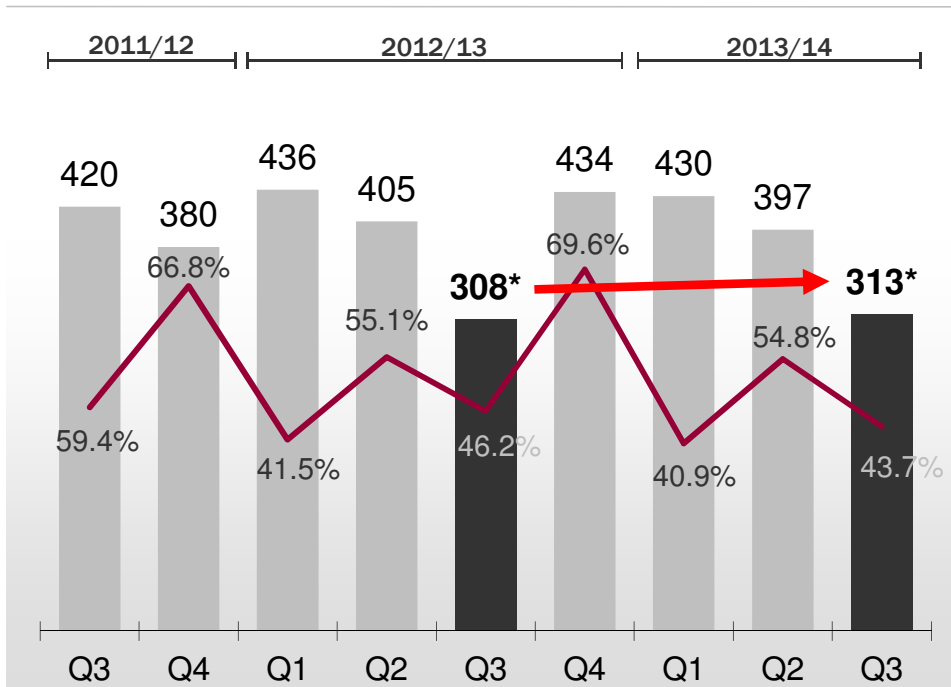


* Gross result and Gross Margin for Premium and non-core segments only

- Gross profit up by DKK 24m for continuing operations
- Gross margin down by 0.6pp in Q3
- Negative net currency effect of DKK 9m

EBIT improved through lower OPEX and improved gross margin

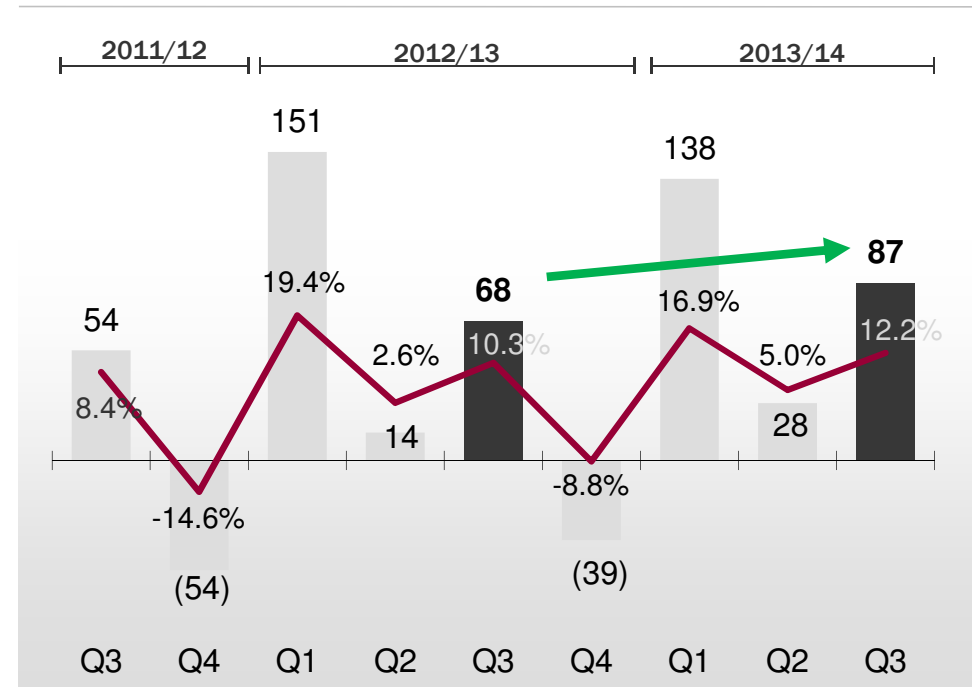
Quarterly OPEX efficiency, %
Before and after sale of Mid Market division



* OPEX and OPEX-efficiency for Premium and non-core segments only

- Q3 OPEX up by DKK 5m for continuing operations
- OPEX efficiency improved by 2.5pp
- Positive currency effect of DKK 8m in Q3

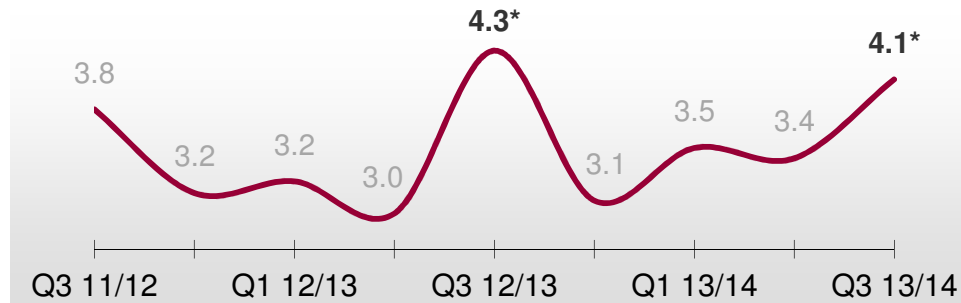
Quarterly EBIT, DKKm
Continuing operations



- Q3 EBIT up by DKK 19m to DKK 87m
- Improved OPEX efficiency contributes to development
- Q3 EBIT margin improved by 1.9pp to 12.2%

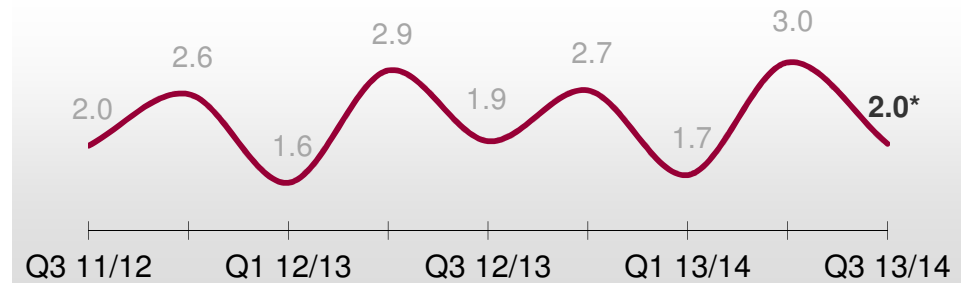
Working capital and turnover rates

End of quarter, inventory turnover rate



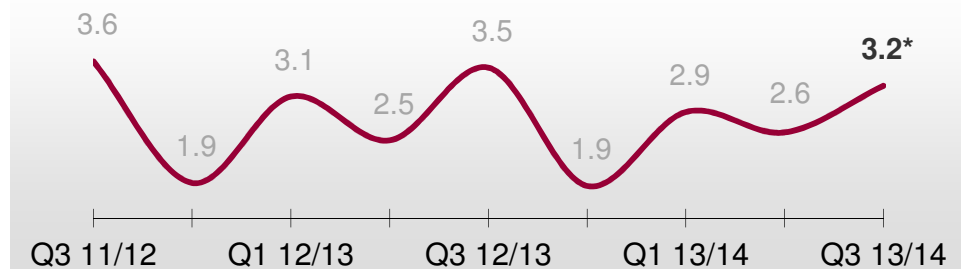
* Inventory turnover rate for continuing operations alone

End of quarter, debtor turnover rate



*Debtor turnover rate for continuing operations alone

End of quarter, creditor turnover rate



*Creditor turnover rate for continuing operations alone

- Inventory turn for continuing operations slightly down in Q3
- In general inventory turn slightly up after the sale of Mid Market division

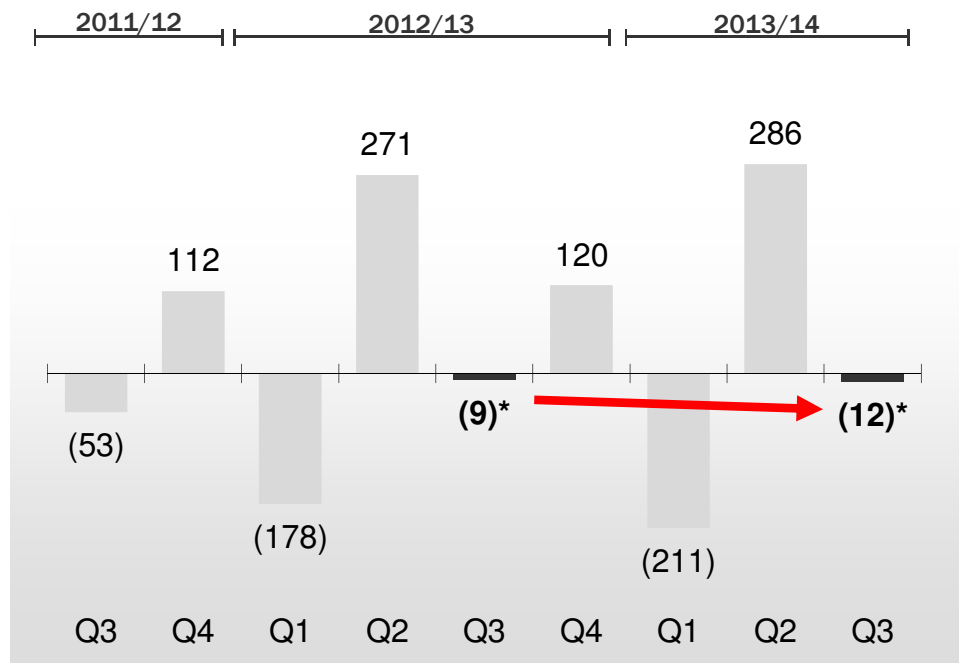
- Debtors turnover rate in line with historical level
- Age distribution improved in Q3 2013/14

- Creditor turnover down in Q3 13/14

Strong cash flow and net debt converted to net deposit

Free cash flow, DKKm

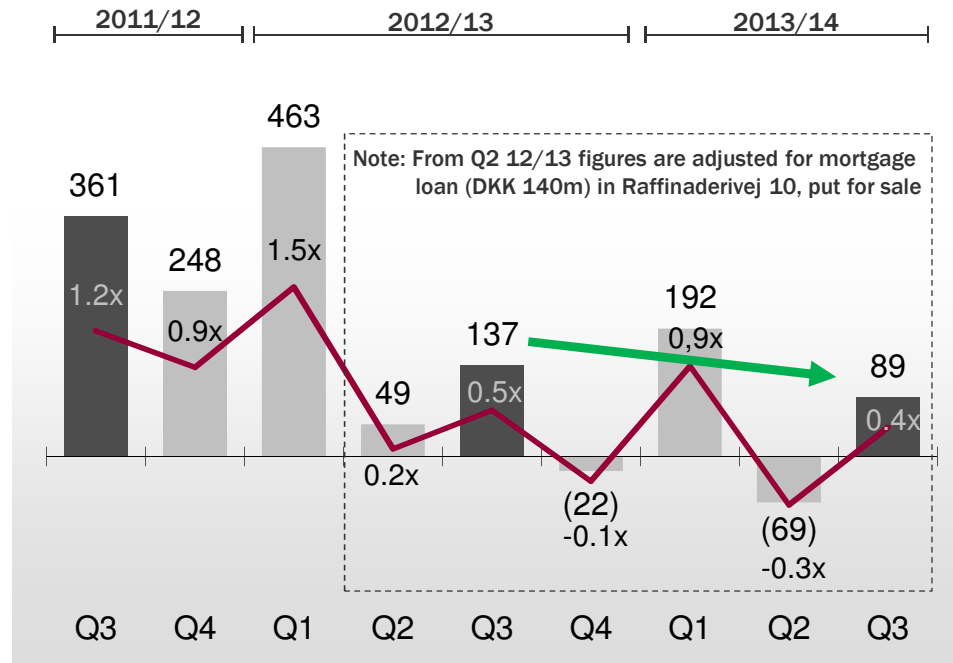
Before and after sale of Mid Market division



* Free cash flow from Premium and non-core segments only

- Q3 cash flow for continuing operations down by DKK 3m to a net outflow of DKK 12m
- Higher EBIT but increased CAPEX
- Working capital investments almost unchanged

End of quarter NIBD, DKKm and NIBD/EBITDA



- NIBD lowered by DKK 48m in Q3
- NIBD/EBITDA of 0.4x

Summary of financial results Q3 2013/14 – continuing operations

	Q3 2013/14	Q3 2012/13
Revenue up by 7% to	DKK 716 m	DKK 667m
Gross margin down by 0.6 pp to	55.9%	56.5%
Costs up by 2% to	DKK 313 m	DKK 308m
EBIT up by 28% to	DKK 87 m	DKK 68m
Free cash flow down by DKK 3m to	DKK (12) m	DKK (9)m
NIBD reduced by DKK 48m to	DKK 89 m	DKK 137m

Guidance for continuing operations FY 2013/14

Continuing operations include the three **Premium brands** and the **non-core** business

Revenue of DKK **2,560 – 2,580m**

EBIT of DKK **195 – 215m**

Investments at a level of DKK 70 – 90m

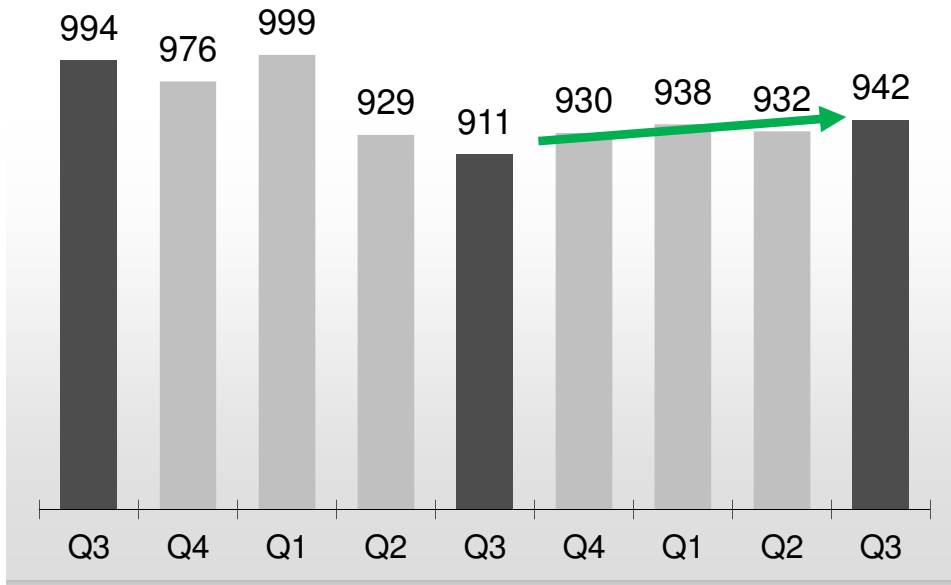
Guidance for 2014/15 will be announced with the full year results for 2013/14

Contents

Section 1 – INTRODUCTION	
Section 2 –GROUP FINANCIALS	
Section 3 –SEGMENT PERFORMANCE	
Section 4 – CLOSING REMARKS	
Section 5 – Q&A	

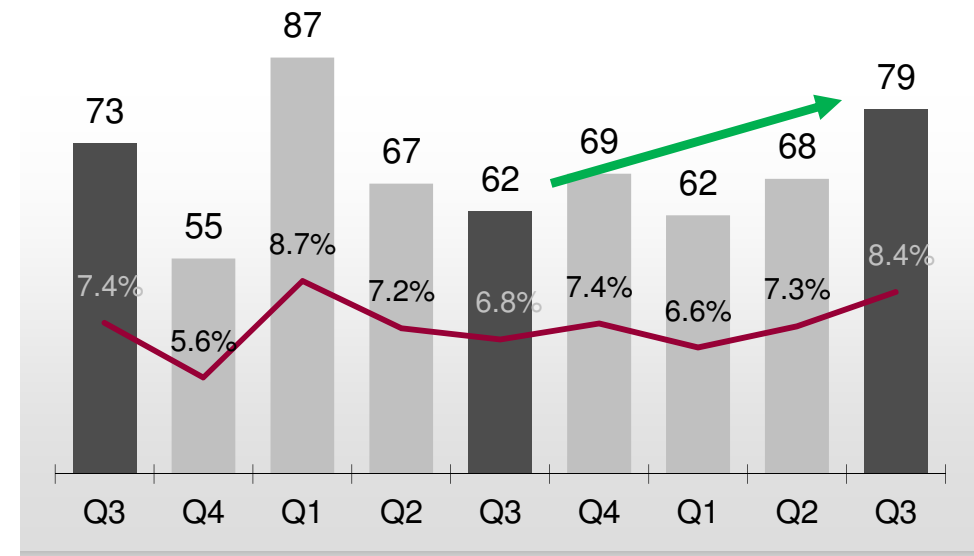
Premium Outdoor

Trailing 12 months revenue, DKKm



- Q3 revenue up by DKK 10m to DKK 278m
- Trailing 12 months revenue up by DKK 31m
- Strong wholesale performance
- Disappointing retail performance

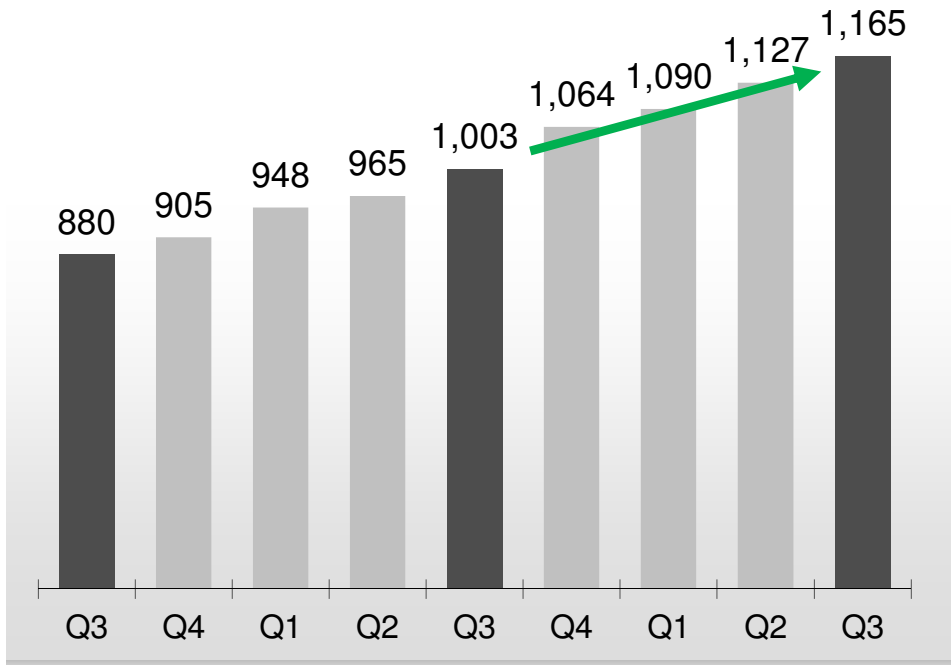
Trailing 12 months EBIT, DKKm



- Q3 EBIT up by DKK 11m to DKK 38m
- Trailing 12 months EBIT up by DKK 17m
- Trailing 12 months EBIT margin up by 1.6pp

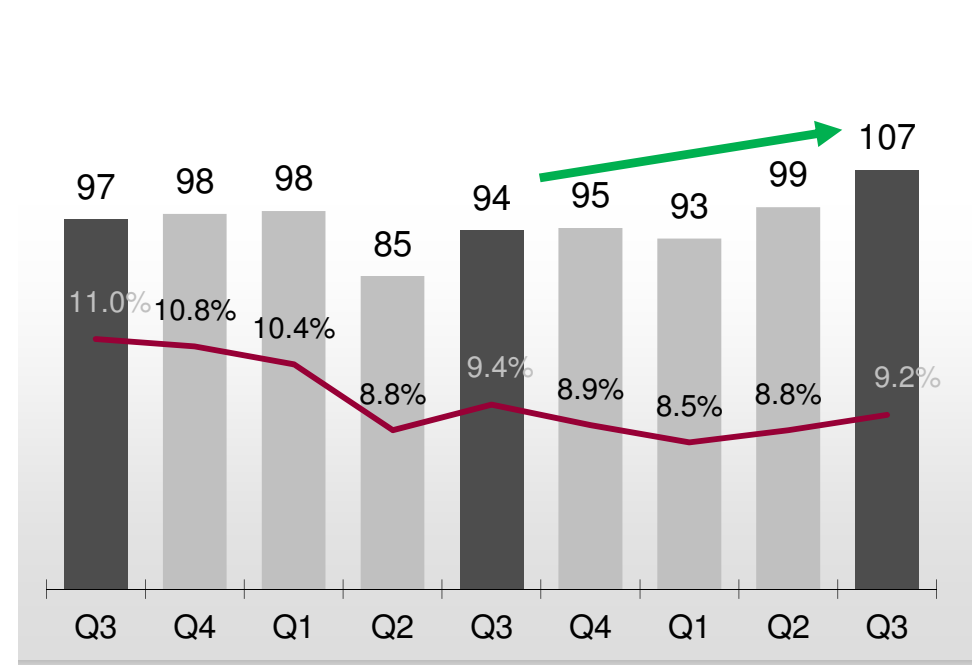
Premium Contemporary

Trailing 12 months revenue, DKKm



- Q3 revenue up by DKK 38m to DKK 331m
- Trailing 12 months revenue up by DKK 162m
- Strong wholesale development
- Tiger of Sweden's insourcing of accessories contributes significantly

EBIT, ttm, DKKm



- Q3 EBIT up by DKK 8m to DKK 42m
- Trailing 12 months EBIT up by DKK 13m
- Q3 EBIT margin up by 1.0pp to 12.6%
- Trailing 12 months EBIT margin slightly down by 0.2pp

None-core business and discontinuing operations

Non-core business

Q3 **revenue unchanged** at DKK 107m (DKK 106m)

Q3 **EBIT unchanged** at DKK 7m (DKK 8m)

- EBIT margin unchanged at 6.9% (7.1%)
- Revenue and earnings growth in Saint Tropez
- Revenue and earnings set back in Designers Remix

Discontinuing operations

Earnings improved

- Earnings improved in Mid Market division
- Better than expected development in Jackpot & Cottonfield run-off

Closing preparations on **Mid Market activities**

- Expected closing by end-June 2014
- Transition periode of 6 - 12 months

Phasing out **Jackpot** and **Cottonfield** retail stores

- Retail operations fully phased out during 2013/14
- Full-year cash flow effect ahead of expectations

Contents

Section 1 – INTRODUCTION	
Section 2 –GROUP FINANCIALS	
Section 3 –SEGMENT PERFORMANCE	
Section 4 – CLOSING REMARKS	
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Key take-aways



Mid Market Contemporary sold

Improved results in **Peak Performance** but still challenges to be addressed

Strong growth and expansion potential for **Tiger of Sweden.**
Harvesting earnings from revenue growth is key focus

By Malene Birger successfully through transition facing international growth opportunities

Guidance for full year **unchanged**

Questions

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