



Q3 2014/15
INFORMATION MEETING

Copenhagen
May 13, 2015
10.00 a.m. CET



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.



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Mads Ryder, Group CEO

Section 2 – Group Q3 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 9M 2014/15

Ready for next steps of **Tiger of Sweden's expansion** plan for **Germany**

Implementation of new **e-commerce platform** completed

Price increases to offset negative effect of higher USD level

Group EBIT for Q1-3 affected by idle costs and one-offs – **underlying EBIT in line with last year**



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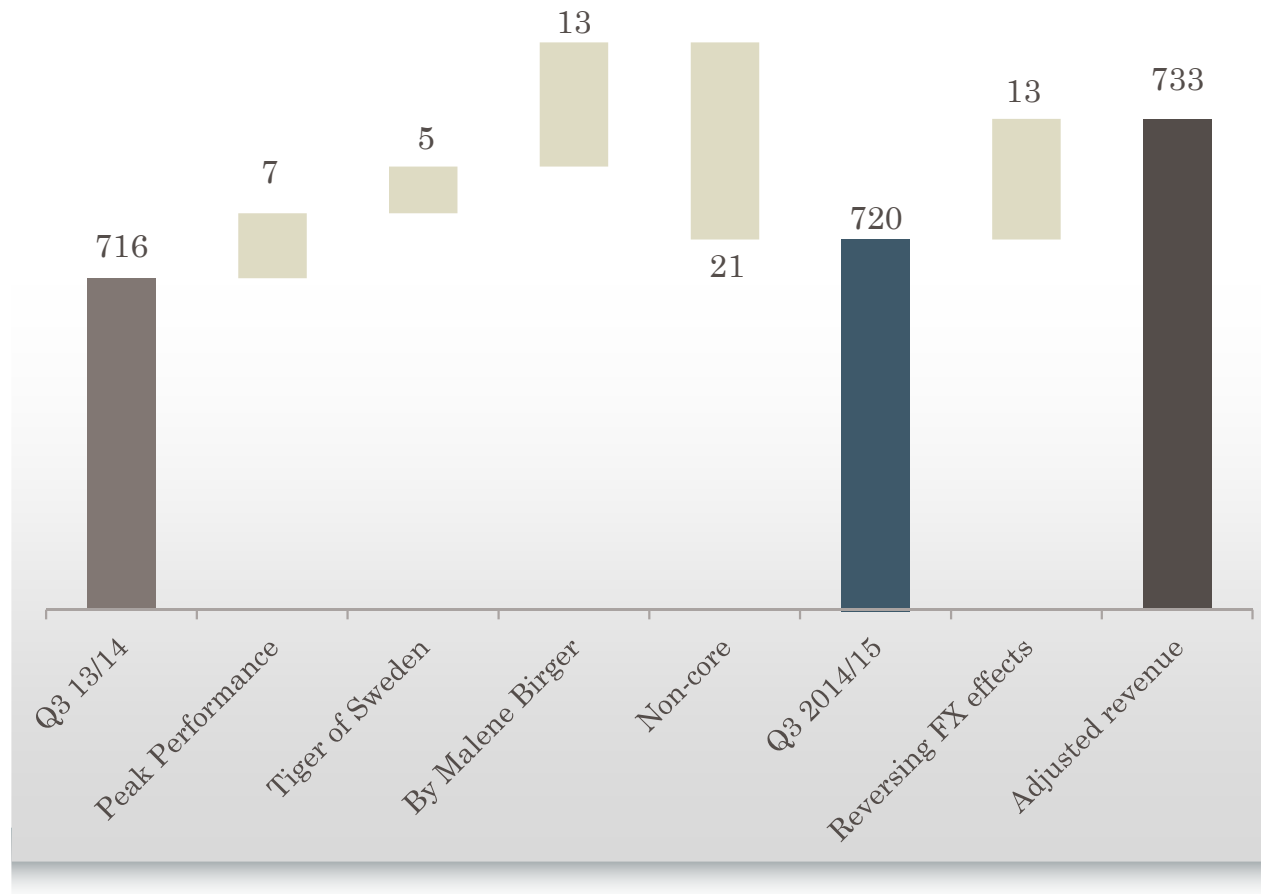
Section 5 – Q&A

SUMMARY OF FINANCIAL PERFORMANCE FOR Q3 2014/15

	Q3 2014/15	Q3 2013/14	Change	9M 2014/15	9M 2013/14
Revenue	DKK 720m	DKK 716m	1%	DKK 2,145m	DKK 2,095m
Gross margin	53.8%	55.9%	(2.1)pp	54.7%	56.7%
OPEX	DKK 322m	DKK 313m	3%	DKK 947m	DKK 936m
EBIT	DKK 65m	DKK 87m	(25)%	DKK 227m	DKK 253m
EBIT margin	9.1%	12.2%	(3.1)pp	10.6%	12.1%
Adjusted EBIT margin	10.6%	12.2%	(1.6)pp	12,0%	12.1%
Free cash flow	DKK 45m	DKK (60)m	DKK 105m	DKK 97m	DKK 129m

REVENUE GROWTH IN Q3

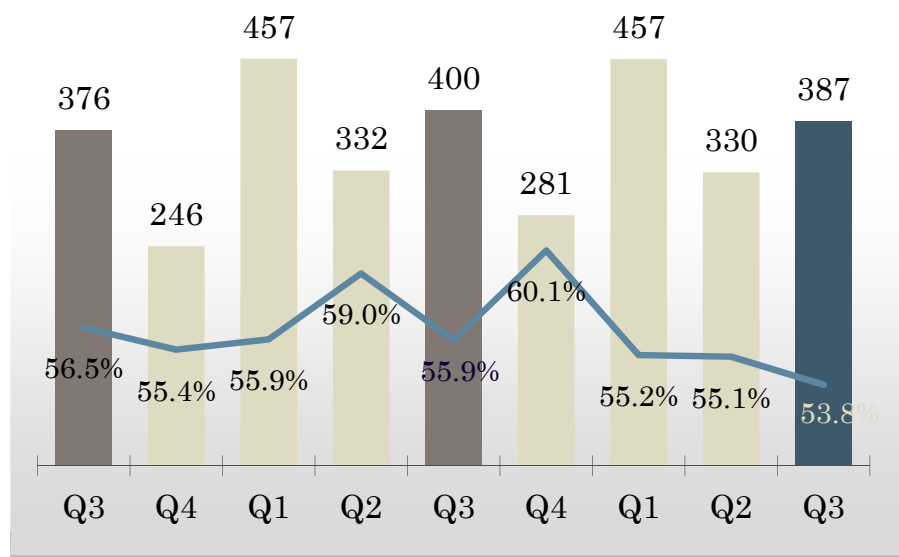
Revenue bridge Q3 13/14 vs. Q3 14/15, DKKm



- Revenue growth of DKK 4m corresponding to 0.6%
- Growth generated by all Premium brands – especially By Malene Birger
- Total Premium business growth of 6.2% in local currencies
- Revenue set-back for Non-core business
- Negative currency effect of DKK 13m
- Total Group revenue growth of 2.4% in local currencies

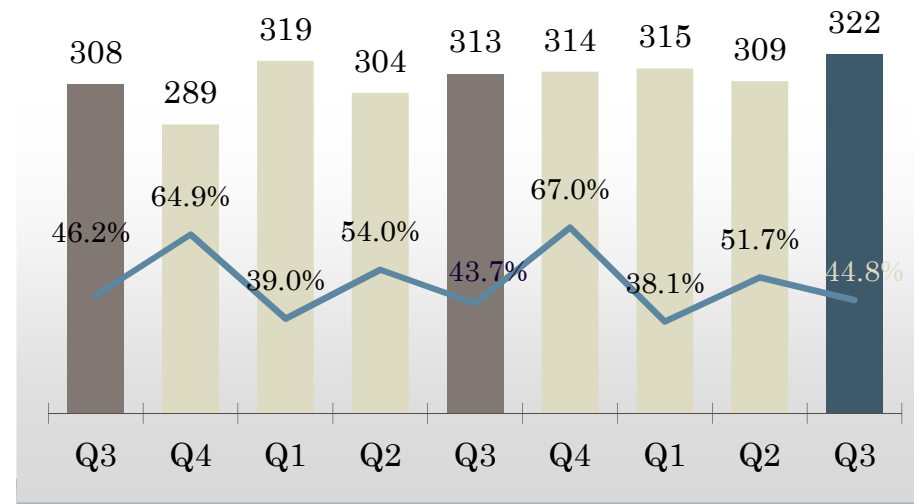
GROSS MARGIN AND OPEX DEVELOPMENT

Quarterly gross profit and margin, DKKm / %



- Q3 gross margin down by 2.1 pp to 53.8%
- Higher commercial discounts during Q3
- Negative net currency effect of DKK 3m

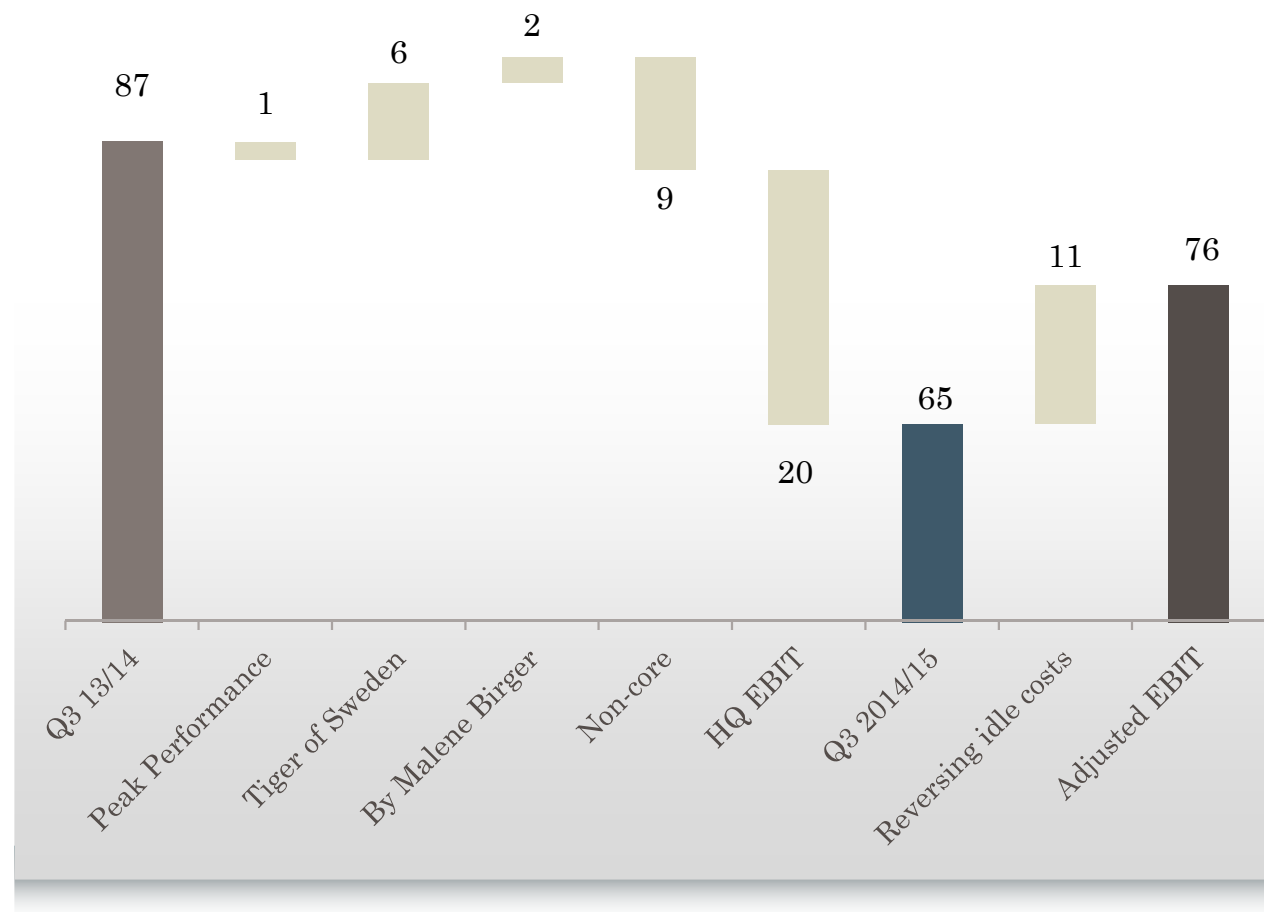
Quarterly OPEX and OPEX ratio, DKKm / %



- Q3 OPEX up by DKK 9m to DKK 322m
- Idle costs constitute DKK 11m in Q3
- Positive currency effect of DKK 2m
- Adjusted OPEX ratio in line with Q3 last year

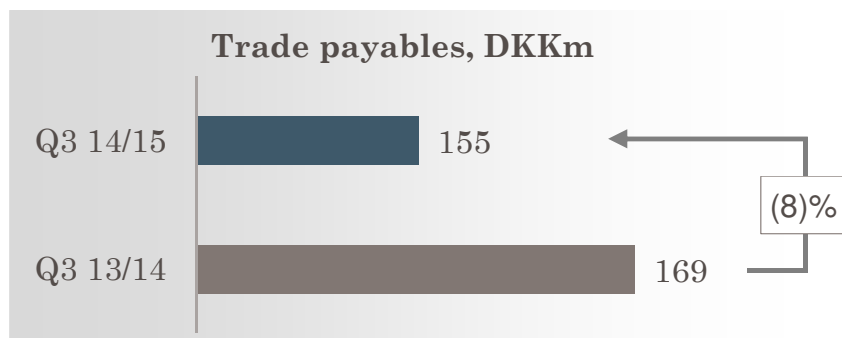
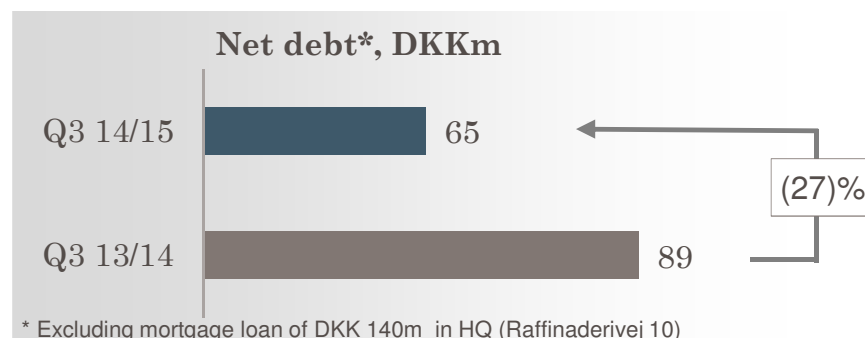
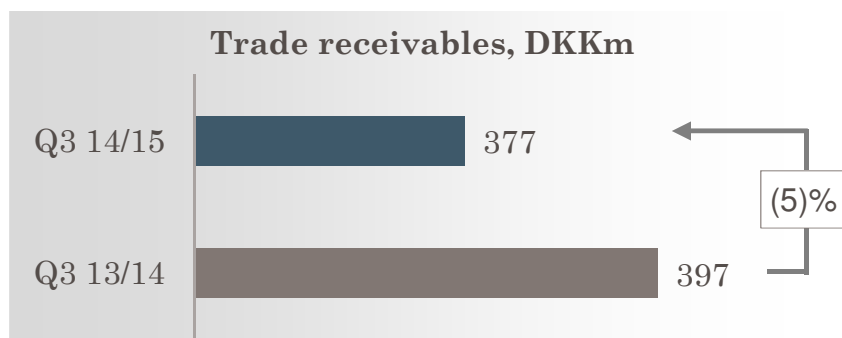
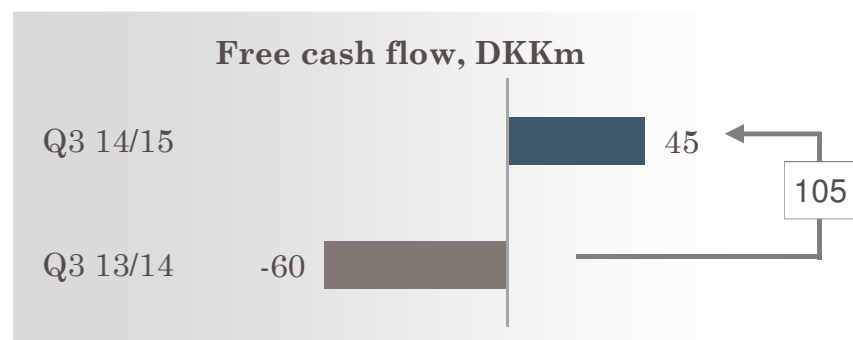
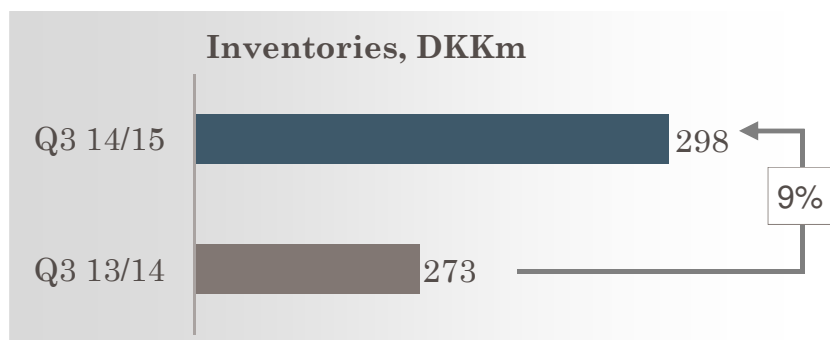
EBIT AFFECTED BY ONE-OFF'S

EBIT bridge Q3 13/14 vs. Q3 14/15, DKKm



- EBIT down by DKK 22m in Q3 14/15
- EBIT margin down by 3.1 pp to 9.1%
- Negative impact from lower GM
- Negative Non-core development due to decline in revenue
- HQ EBIT includes Idle costs of DKK 11m in Q3
- Adjusted EBIT margin of 10.6%

WORKING CAPITAL, NET DEBT AND CASH FLOW





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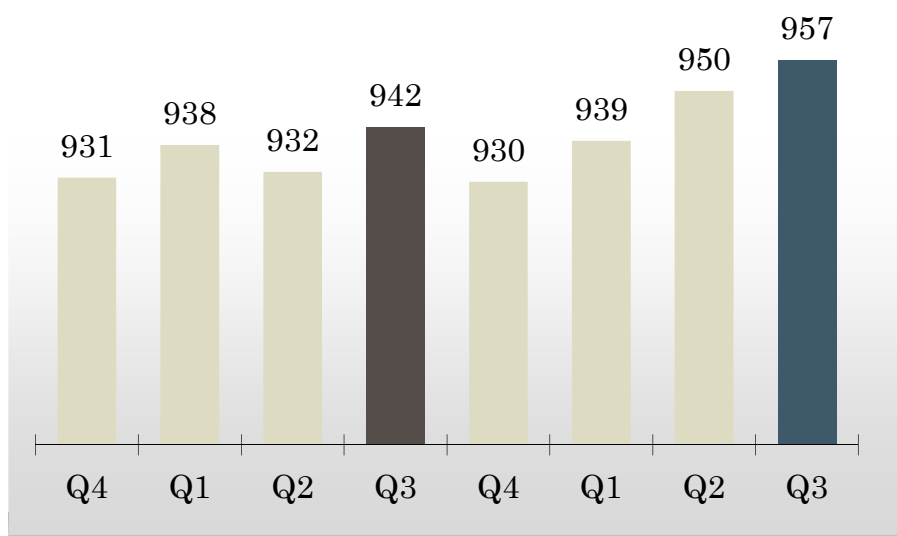
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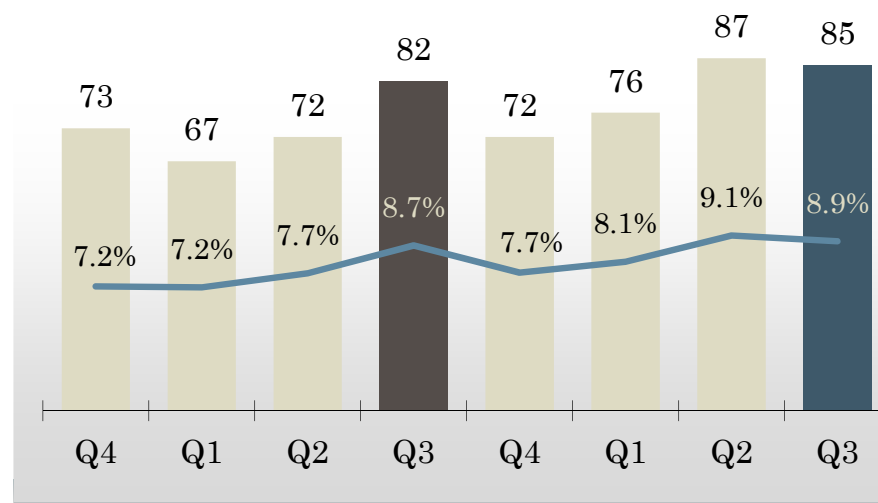
PEAK PERFORMANCE

Trailing 12 months' revenue, DKKm



- Q3 revenue up by 3% to DKK 285m
- 4% growth in local currencies
- Revenue development driven by higher sales through retail sales channel
- Ttm revenue up by DKK 15m to DKK 957m

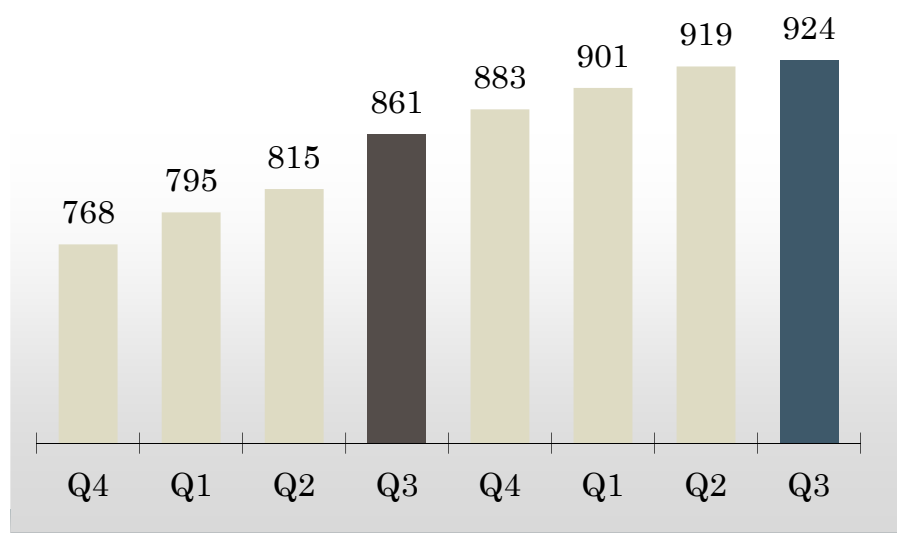
Trailing 12 months' EBIT, DKKm



- Q3 EBIT slightly down to DKK 36m
- Q3 EBIT margin down by 0.8 pp to 12.8%
- Gross margin negatively affected by commercial discounts and extended spring sales
- Reduced OPEX not outweighing negative gross margin effect
- Ttm EBIT up by DKK 3m to DKK 85m
- Ttm EBIT margin slightly improved

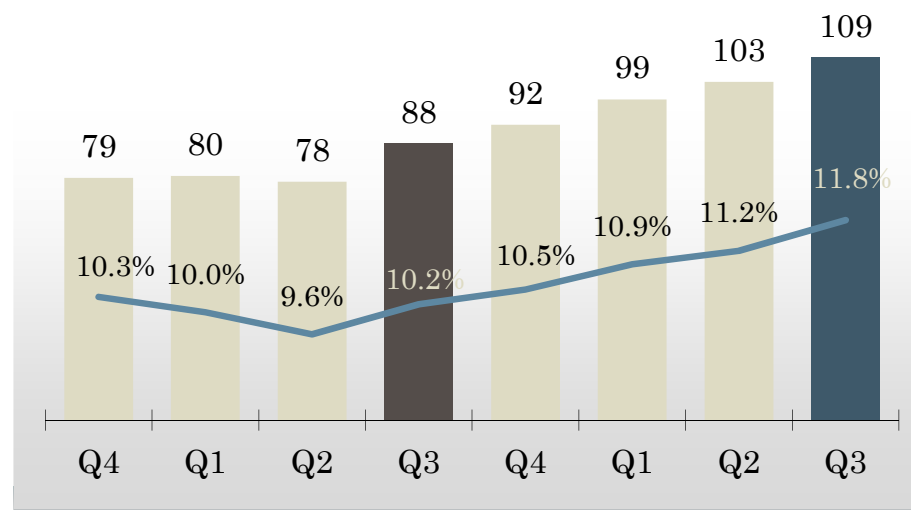
TIGER OF SWEDEN

Trailing 12 months' revenue, DKKm



- Q3 revenue up by 2% to DKK 244m
- Growth of 5% in local currencies
- Continued strong growth in Germany
- Set-back in Nordic region
- Ttm revenue up by 7% to DKK 924m

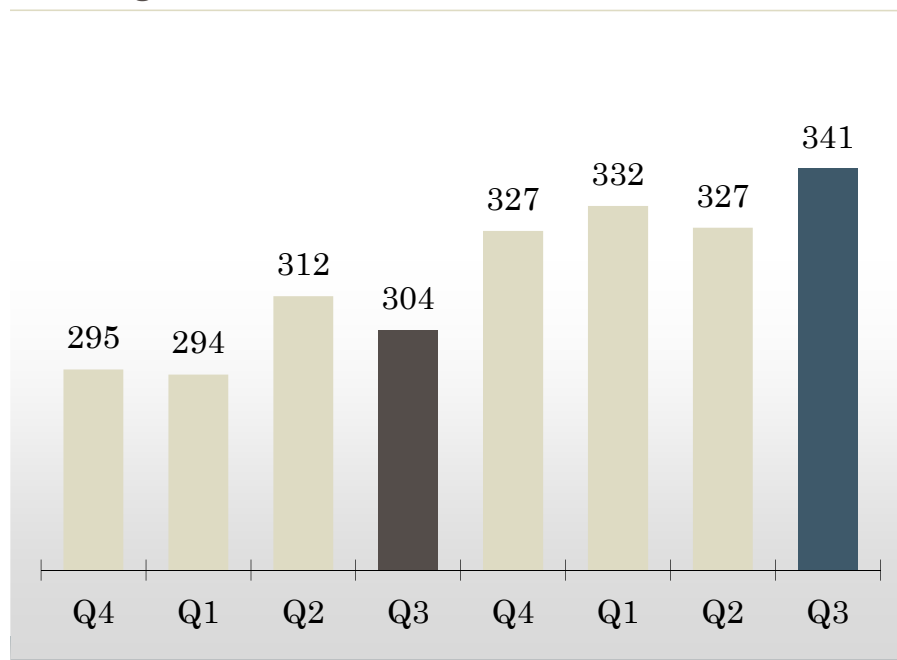
Trailing 12 months' EBIT, DKKm



- Q3 EBIT up by 24% to DKK 35m
- Q3 EBIT margin up by 2.1pp to 14.1%
- Negative gross margin effect from write-downs and discount terms for the US distributor.
- Improved OPEX-ratio due to focus on operational leverage
- Ttm EBIT and EBIT margin improved

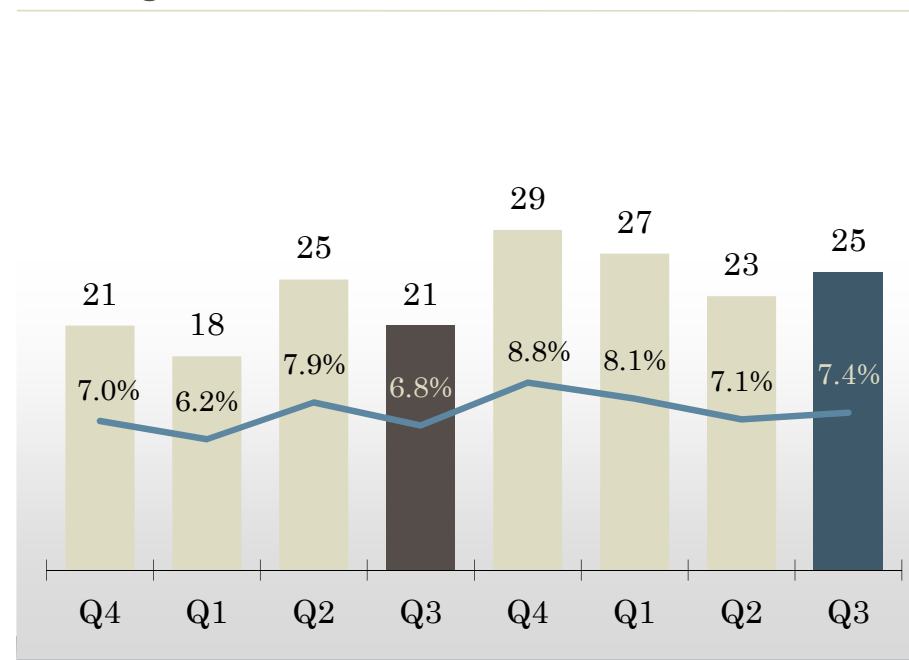
BY MALENE BIRGER

Trailing 12 months revenue, DKKm



- Q3 revenue up by 14% to DKK 106m
- Growth of 16% in local currencies
- Wholesale performed well and was affected by positive timing
- Strong same-store growth in retail channel and positive effect from the new London shop
- Ttm revenue up by 12% to DKK 341m

Trailing 12 months EBIT, DKKm



- Q3 EBIT up by 19% to DKK 12m
- Q3 EBIT improved by 0.4pp to 11.7%
- Gross margin reduced due to higher commercial discounts and timing of pre-spring sales
- OPEX ratio improved
- Ttm EBIT up by 19% to DKK 25m
- Ttm EBIT margin up by 0.6 pp to 7.4%

NON-CORE BUSINESS

Revenue down by 20% to DKK 85m (DKK 107m)

- Poorly performing collections at Saint Tropez is the main driver
- Revenue down at Designers Remix

EBIT down by DKK 9m to DKK (1)m

- EBIT margin down by 8.5 pp to (1.6)%
- Earnings and margin decline driven by disappointing revenue development



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KEY TAKE-AWAYS



Group revenue and earnings affected by negative performance in Non-core business

Premium business growth in Q3 of **6%** in local currencies

Ready for next steps of **Tiger of Sweden's expansion** plan in **Germany**

Operations focus:

- Increased leverage on cost base (OPEX control)
- Working capital efficiency
- Gross margin project

Price increases to offset **higher USD level**

GUIDANCE FOR FULL YEAR 2014/15 - CLARIFIED

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

Premium brands are expected to improve EBIT to **DKK 200–230m** while EBIT for the **non-core** business is expected at **DKK 15–25m**

Reported 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% of annual revenue**



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Questions ?

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