

**Q3 2012/13**  
*Information Meeting*

May 15, 2013

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## Financial achievements Q3 2012/13

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	Q3 2012/13	Q3 2011/12
<b>Revenue</b> up by 1% to	DKK <b>906</b> m	DKK 895m
<b>Gross Margin</b> up by 3.0pp to	<b>57.0%</b>	54.0%
<b>Costs</b> up by 4% to	DKK <b>437</b> m	DKK 420m
<b>EBIT</b> up by 24% to	DKK <b>79</b> m	DKK 64m
<b>Free cash flow</b> up by DKK 15m to	DKK ( <b>53</b> m)	DKK (68m)

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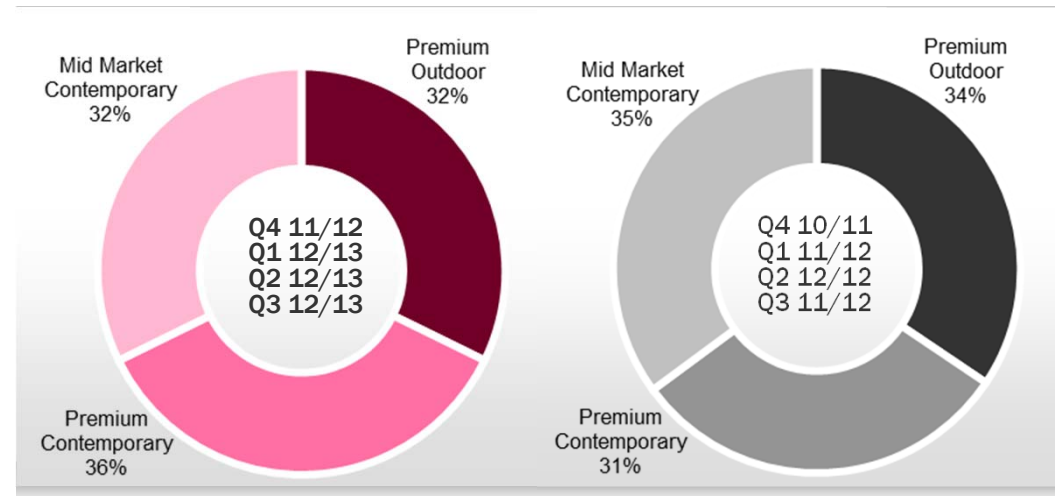
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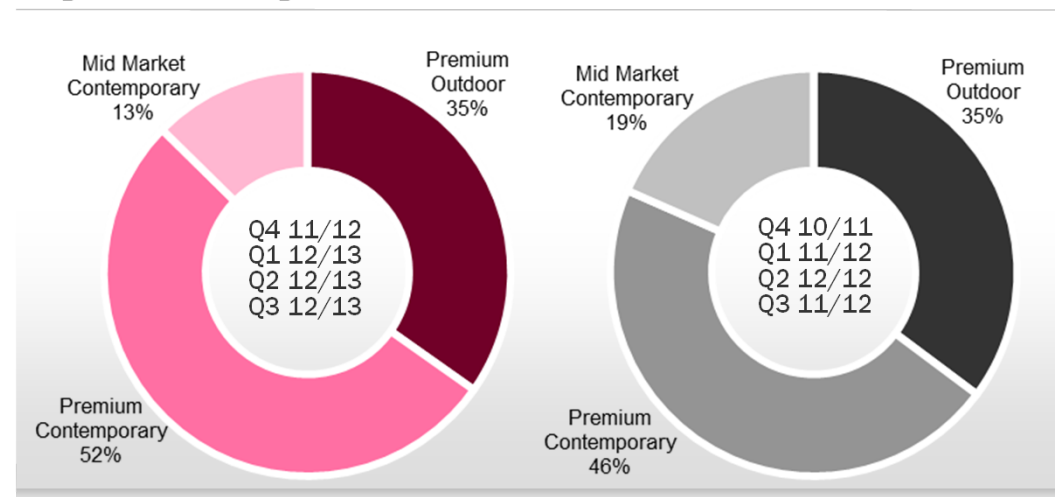
# Core business segments

- **Premium Outdoor** and **Premium Contemporary**: Generate growth and earnings through enhanced market penetration and internationalisation
- **Mid Market Contemporary**: Generate earnings through optimisation and strengthened position in core markets
- **Premium Outdoor** constitutes 32% (34%) of revenue and 35% (35%) of EBIT
- **Premium Contemporary** constitutes 36% (31%) of revenue and 52% (46%) of EBIT
- **Mid Market Contemporary** constitutes 32% (35%) of revenue and 13% (19%) of EBIT

Segment revenue, ttm



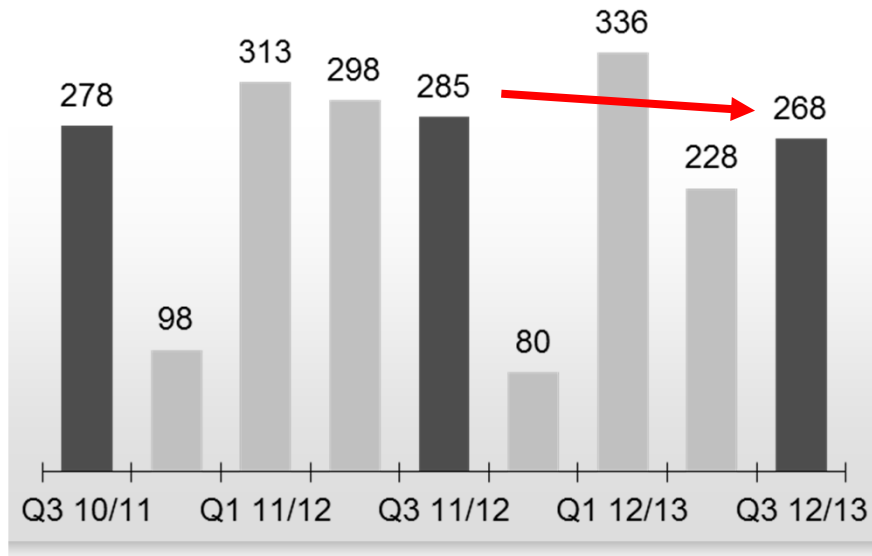
Segment earnings, ttm



# Premium Outdoor – Q3 2012/13

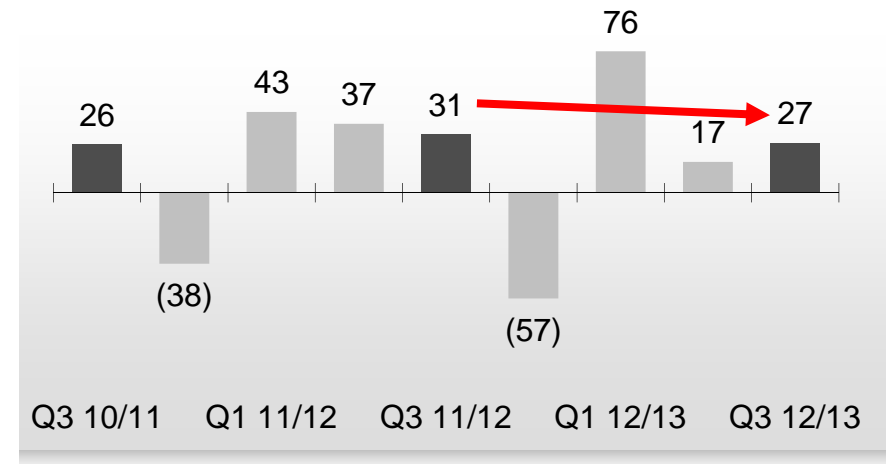


### Quarterly revenue, DKKm



- Revenue down by 6% to DKK 268m
- Same-store set-back of 10%
- Strong development in e-commerce

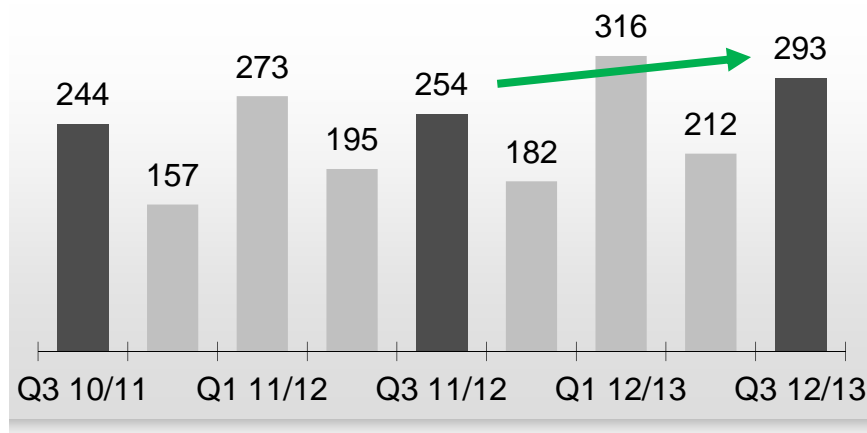
### Quarterly EBIT, DKKm



- EBIT down by DKK 4m to DKK 27m
- EBIT margin down by 1.0pp to 10%

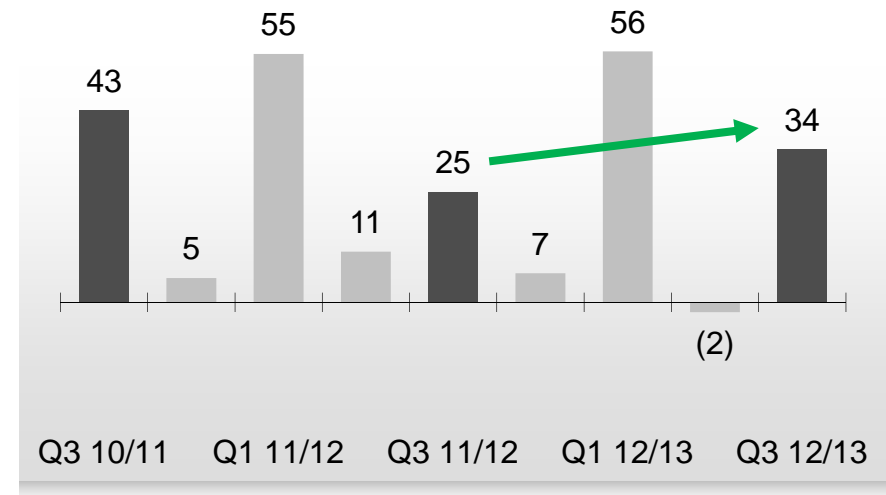
# Premium Contemporary – Q3 2012/13

Quarterly revenue, DKKm



- Revenue up by 15% to DKK 293m
- Same-store sales almost unchanged
- Strong development in e-commerce

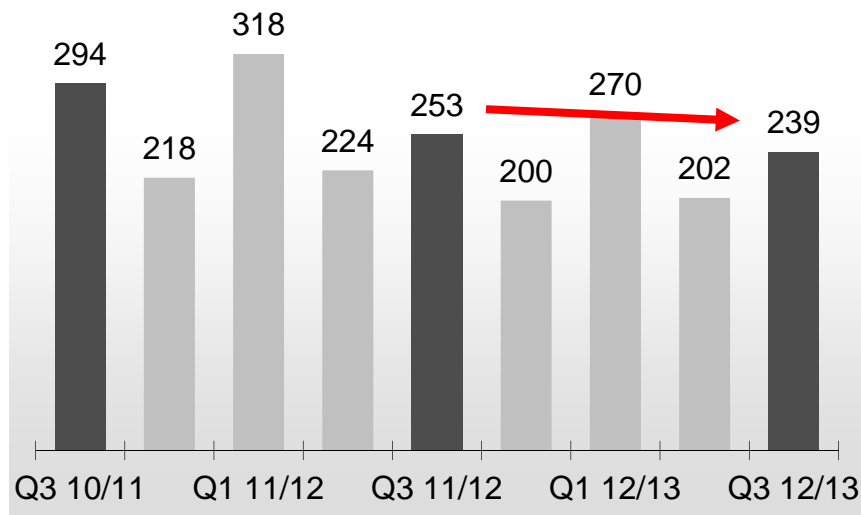
Quarterly EBIT, DKKm



- Increased costs in Tiger of Sweden due to growth
- EBIT up by DKK 9m to DKK 34m
- EBIT margin up 1.9pp to 11.6%

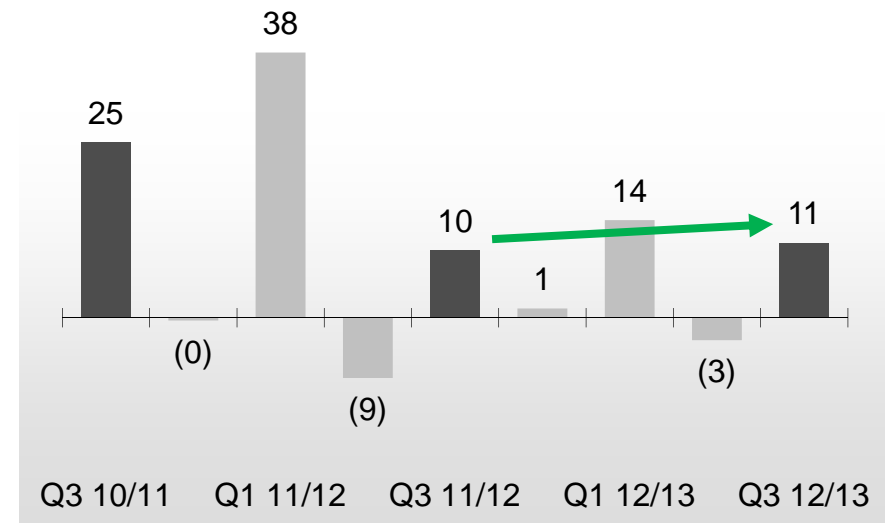
# Mid Market Contemporary – Q3 2012/13

Quarterly revenue, DKKm



- Revenue down by 6% to DKK 239m
- Same-store set-back of 12%
- Set-back in both retail and e-commerce

Quarterly EBIT, DKKm



- Earnings improvement despite one-offs during the period
- EBIT up by DKK 1m to DKK 11m
- EBIT margin up by 0.7pp to 4.5%



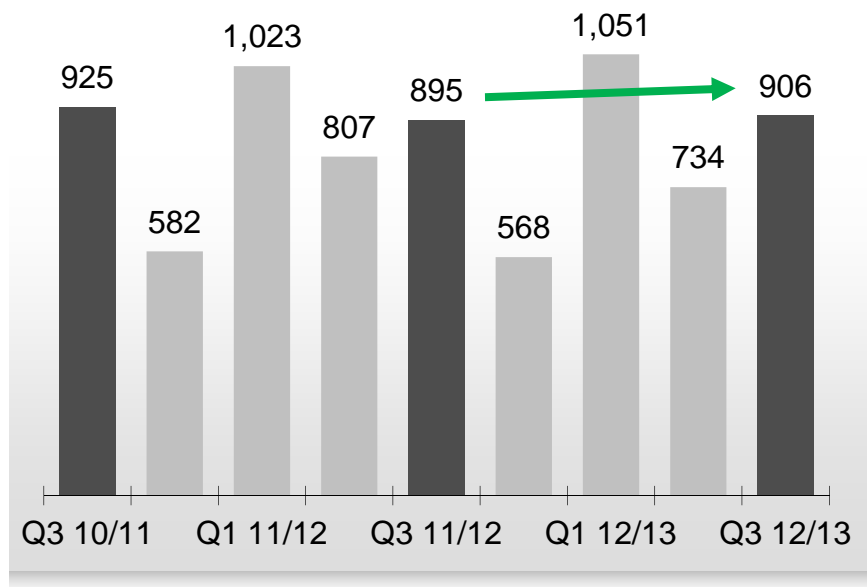
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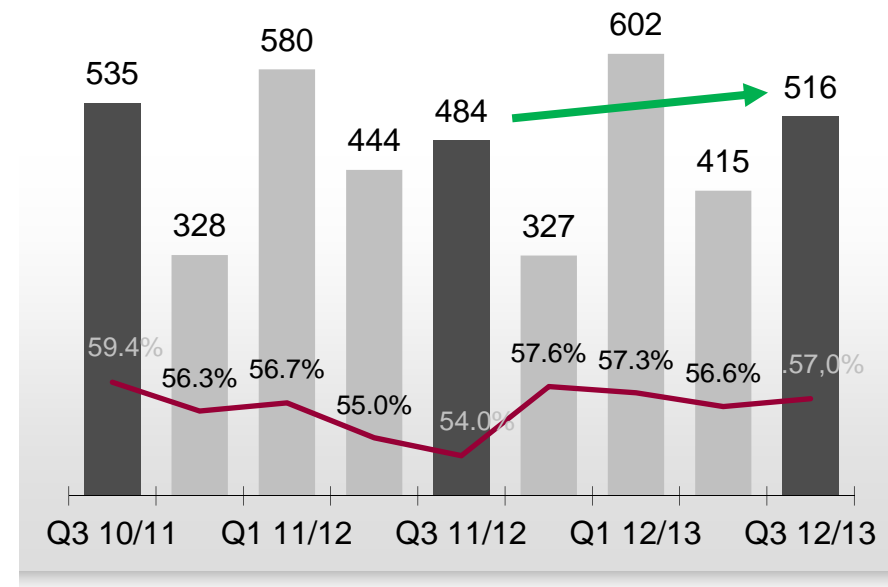
# Moderate growth driven by Premium Contemporary while gross margin improved due to better discount levels

Quarterly revenue, DKKm



- Revenue up by 1% to DKK 906m
- Positive currency effect of DKK 13m

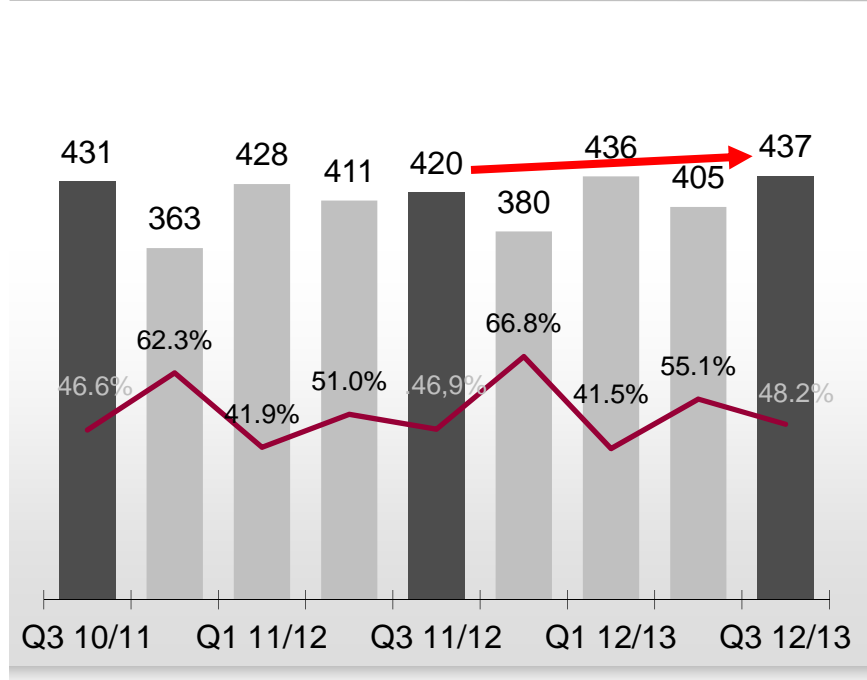
Quarterly gross profit, DKKm and gross margin, %



- Gross profit up by 7% to DKK 516m
- Gross margin up by 3.0pp to 57%
- Lower stock write downs
- Easing sourcing pressure

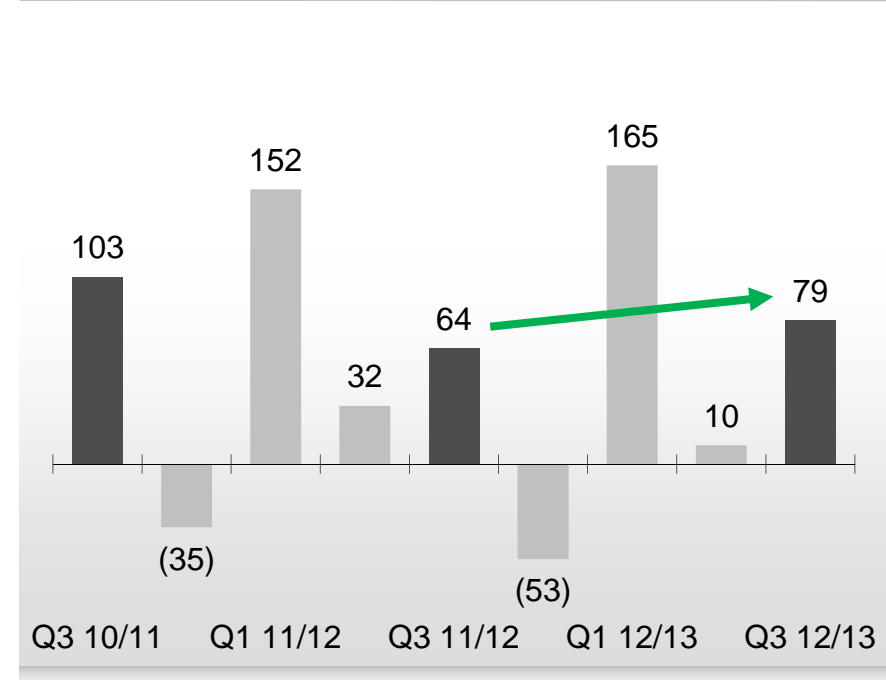
# Positive EBIT development from improved gross margin and despite OPEX one-offs

Quarterly OPEX, DKKm and OPEX efficiency, %



- OPEX up by 4% to DKK 437m
- Negative currency effect of DKK 7m
- Increased costs in Premium Contemporary in line with strategy
- One-off costs of DKK 8m primarily related to Mid Market Contemporary

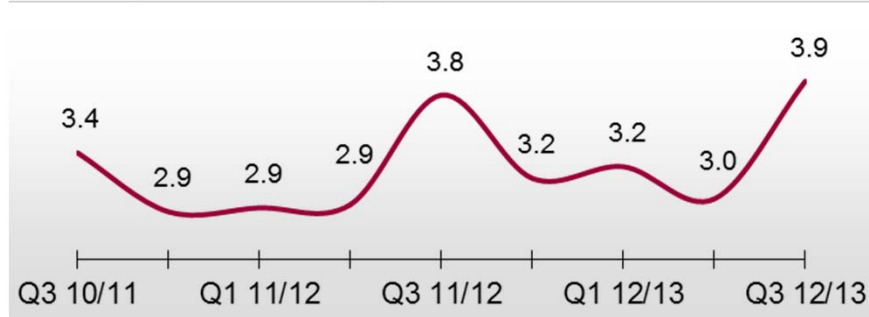
Quarterly EBIT, DKKm



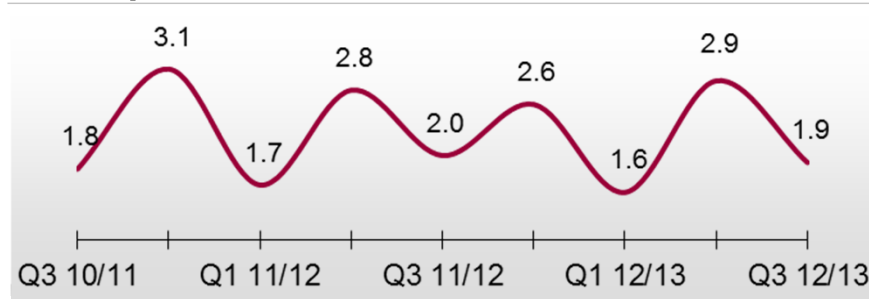
- EBIT up by DKK 15m to DKK 79m
- Improvement primarily driven by gross margin improvement

# Working capital and turnover rates improved

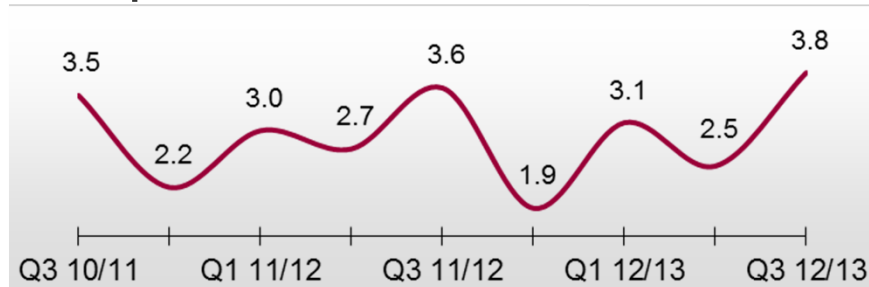
## End of quarter inventory turnover rate



## End of quarter debtor turnover rate



## End of quarter creditor turnover rate



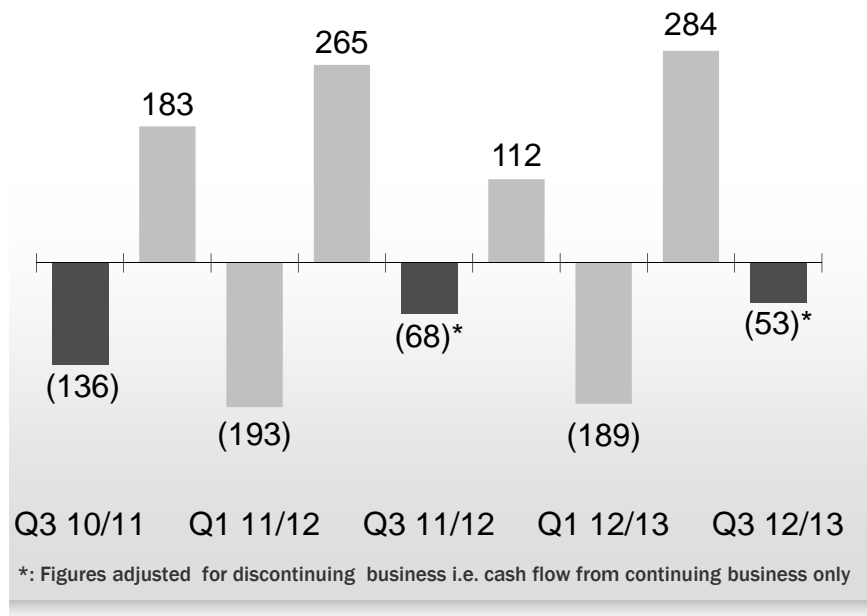
- Inventories reduced by DKK 85m primarily due to reclassification of assets held for sale of DKK 82m
- Inventory turnover in line with Q3 2011/12

- Trade receivables reduced by DKK 65m
- Hereof DKK 47m relates to reclassification of assets held for sale
- Debtors turnover rate in line with historical level

- Trade payables reduced by DKK 58m
- Hereof DKK 19m relates to reclassification of assets held for sale
- Creditor turnover rate in line with historical level

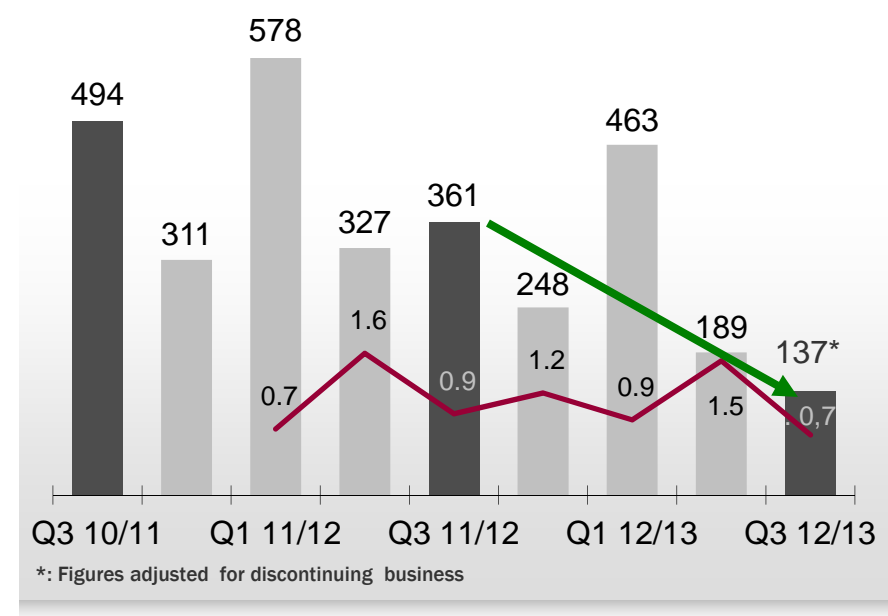
# Cash flow improvement and debt reductions continue

Free cash flow, DKKm



- After adjustment for impact from discontinuing activities free cash flow is up by DKK 15m to a net outflow of DKK 53m

End of quarter NIBD, DKKm and NIBD/EBITDA



- NIBD reduction of 62% to DKK 137
- Reduction of DKK 140m due reclassification of mortgage loan in corporate HQ as assets for sale
- NIBD/EBITDA of 0.7
- Reduction of NIBD level continues

## Guidance FY 2012/13

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### **Unchanged outlook for continuing activities**

- Previously announced outlook for continuing activities is confirmed

### **Revenue** for continuing activities of DKK **3,250 – 3,300m**

- Unchanged for continuing activities

### **EBIT** for continuing activities DKK **170 – 200m**

- Unchanged for continuing activities

### **Investments** on the same level as 2011/12

- Primarily for expansion of distribution in the Premium segment
- Unchanged for continuing activities

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## Confidence in continuing business

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- Premium brands performing **according to strategy**
- Corporate shared services **adapted** and **optimised** for defined **future scope** of continuing business
- **Order intake** for autumn collections as expected with overall growth for continuing activities



# The Original Group established

- New **divisional HQ** established and utilised during Q3
  - New HQ facilitates optimisation of synergy potential
- Divisional **management** in place
- Focus on **near term targets**
- **One-offs** during establishment

## Discontinuing activities

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Selling process for **Jackpot and Cottonfield** running as planned

- Expected clarification within this financial year

**Raffinaderivej 10** sales process

- Sales process well under way
- Expected clarification within the calendar year 2013

## New CFO

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- **Chris Bigler will resign** his position by the end of October at the latest
- Search for **new CFO** initiated



## Key take-aways

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**Topline and earnings** improved

Establishment of **Mid Market Contemporary** on-going

**Premium** segments performing **in line with strategy**

Selling process for **Jackpot and Cottonfield** running as planned

**Full-year guidance** for continuing activities unchanged



IC COMPANYYS  
HOME OF FASHION BRANDS

*InWear* Matinique PART TWO *Jackpot* COTTONFIELD ESTABLISHED 1986 DESIGNERS REMIX CHARLOTTE EKBLÖDEN SAINT TROPEZ TIGER OF SWEDEN MALENE BERGER *Copenhagen* PeakPerformance SOAKED IN LUXURY