

# Björn Borg

## Q2 2009



"JUMPING"



JUNE 2009  
"THE LOVE OF MY LIFE"  
PHOTO BY JOYCE, NETHERLANDS



AUGUST 2008  
"A TRULY CLASSIC VIEW"  
ANDREW, UNITED STATES



# To become the champion of **fashion** **underwear**



APRIL 2009  
"FROM PARIS WITH LOVE"  
GIJIS & EVA, HOLLAND

# Quarter highlights

- Continued tough market
- Strong currency effects
- Good cost control
- Implementation of new strategy – strengthened organisation
- New distributor in Germany – cancelled agreement in England, expires 2011
- Broadened product offering



JUNE 2009  
"UNDERWEAREVOLUTION"  
FLORIAN, FRANCE



*JUNE 2009*  
*"THE LOVE OF MY LIFE"*  
*PHOTO BY JOYCE, NETHERLANDS*

# Financials

## Q2 2009





# Q2 Financials in brief

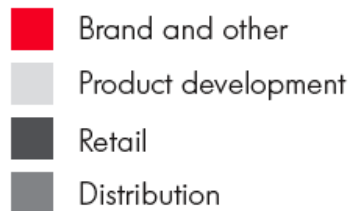
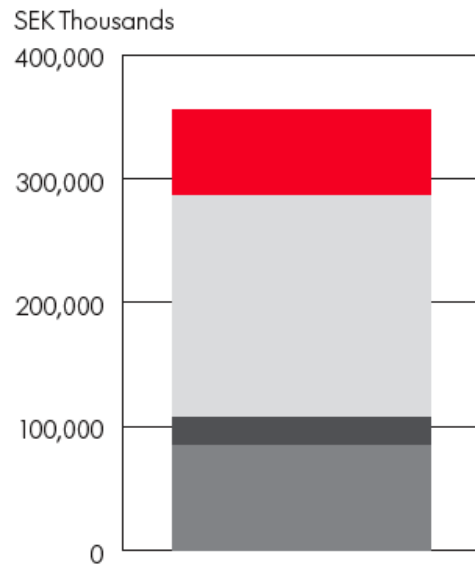
- **Strong currency effects**
  - **Net sales** up 2% to 97.8 MSEK due to strong currency effects
  - **Operating profit** decreased from 16.5 MSEK to 12.1 MSEK, due to investments in US, lower gross profit margin and lower sales
- **Brand sales stable**
  - Up 1% to 386 MSEK – growth mainly in recently established markets

# Group development 2009

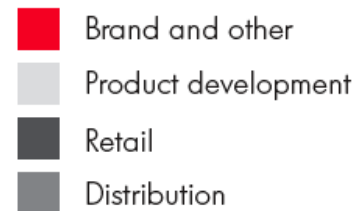
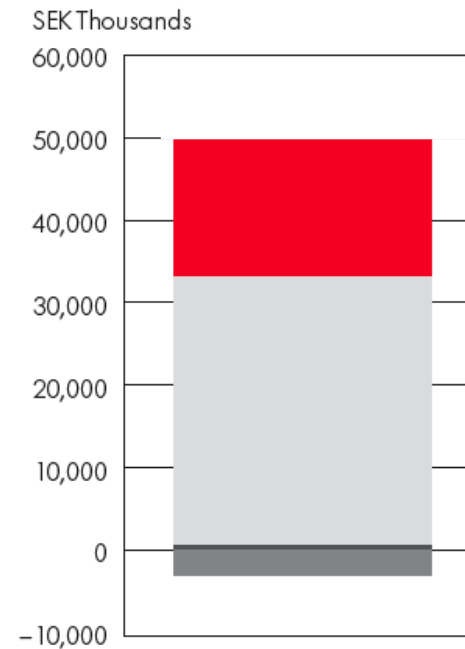
	Q2 09	Q2 08	+/-	H1 09	H1 08	+/-
• <b>Brand sales</b> SEK M	386	382	+1%	988	932	+6%
• <b>Net sales</b> SEK M	98	96	+2%	262	235	+12%
• <b>Gross profit margin</b> %	50.9	55.9		49.9	53.5	
• <b>Operating expenses</b> SEK M	37.7	37.0	+2%	81.3	72.5	+12%
• <b>Operating profit</b> SEK M	12.1	16.5	-27%	49.7	53.0	-6%
• <b>Operating margin</b> %	12.4	17.2		18.9	22.6	
• <b>Earnings per share</b> SEK	0.34	0.48	-29%	1.49	1.55	-4%

# Segments januari–juni 2009

Net sales by segment  
before eliminations regarding internal sales



Profit by segment



# Segment **Brand and other**

**Primarily royalty revenues, sales of services within the Björn Borg network and intra-group services**

**6 months 2009**

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Net sales	SEK 68.3 M (53.9)	+27%
Operating profit	SEK 18.9 M (13.6)	+39%

- Net sales growth driven by currency effects, internal sales and increased brand sales in the network
- Rise in profit from higher networksales
- Costs for market investments according to plan
- Currency: Costs of goods sold in SEK, Euro, NOK, DKK etc, invoicing in the same currency



# Segment **Product development**

**Development, design and production for the underwear, adjacent products and footwear product areas**

## **6 months 2009**

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Net sales	SEK 178.7 M (140.8)	+27%
Operating profit	SEK 32.5 M (21.7)	+50%

- Rise in sales and profit from strong currency effects and export growth in footwear during first quarter
- Currency: Costs of goods sold in USD/HKD/Euro, invoicing in USD/HKD/Euro,

# Segment Distribution

**Exclusive distributor of underwear, adjacent products and footwear in Sweden and the US**

**6 months 2009**

---

Net sales	SEK 86.8 M (89.8)	–3%
Operating profit	SEK –2.3 M (17.4)	n.a

- Sales decrease mainly in Swedish underwear distribution
- Profit decrease primarily due to market investments in the US, lower sales in Swedish distribution and higher USD rate
- *Currency:* Costs of goods sold in USD/HKD/Euro, invoicing in SEK

# Segment **Retail**

**Björn Borg owns and operates 10 Björn Borg stores in Sweden, selling underwear, adjacent products, footwear and licensed products**

## **6 months 2009**

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Net sales	SEK 22.5 M (22.0)	+2%
Operating profit	SEK 0.6 M (0.4)	+50%

- Net sales like for like +2%
- Currency: Costs of goods sold in SEK, invoicing in SEK

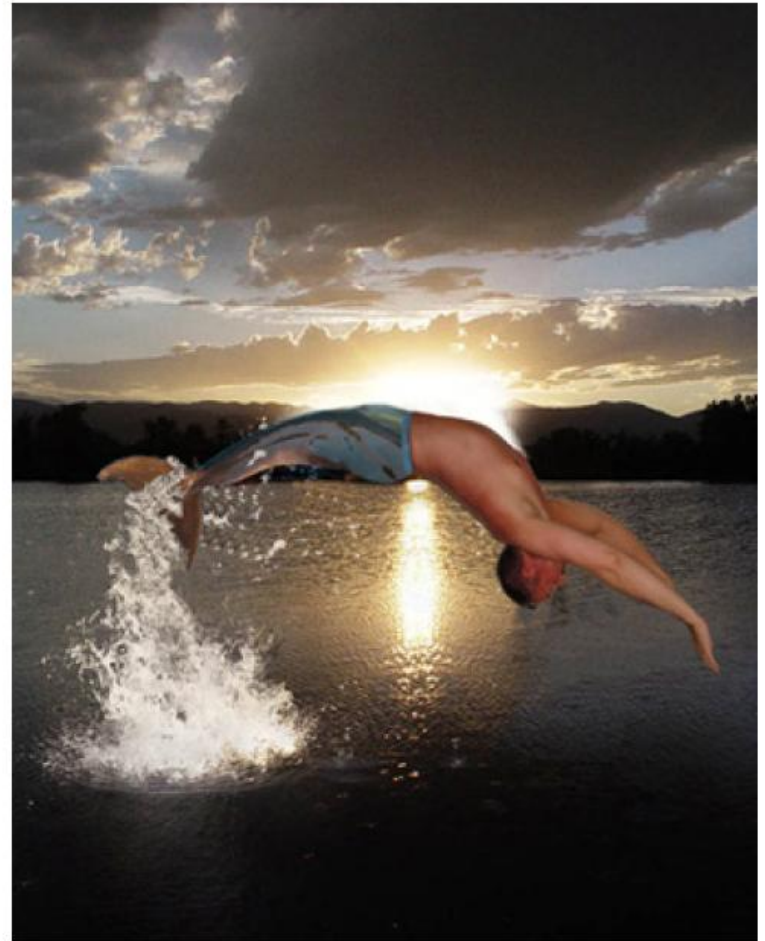
Going from  
good to great  
with a strategy  
for **growth**  
**and prosperity**



NOVEMBER 2007  
"DOWN UNDER(WEAR) RULES"  
DARREN, AUSTRALIA

# Strong platform

- The brand
- Business model
- Organisation
- Financial strength



OCTOBER 2007

"WHEN BJÖRN AND I TOUCH WATER"

RICHARD, HOLLAND

 **BJÖRN BORG**

# Two key components

- Product development
- Distribution



DECEMBER 2008

"CRAZY ABOUT BJÖRN BORG UNDERWEAR"

JOLIEN & CELIEN, BELGIUM

 BJÖRN BORG



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- Product development
- Distribution



DECEMBER 2008

"CRAZY ABOUT BJÖRN BORG UNDERWEAR"

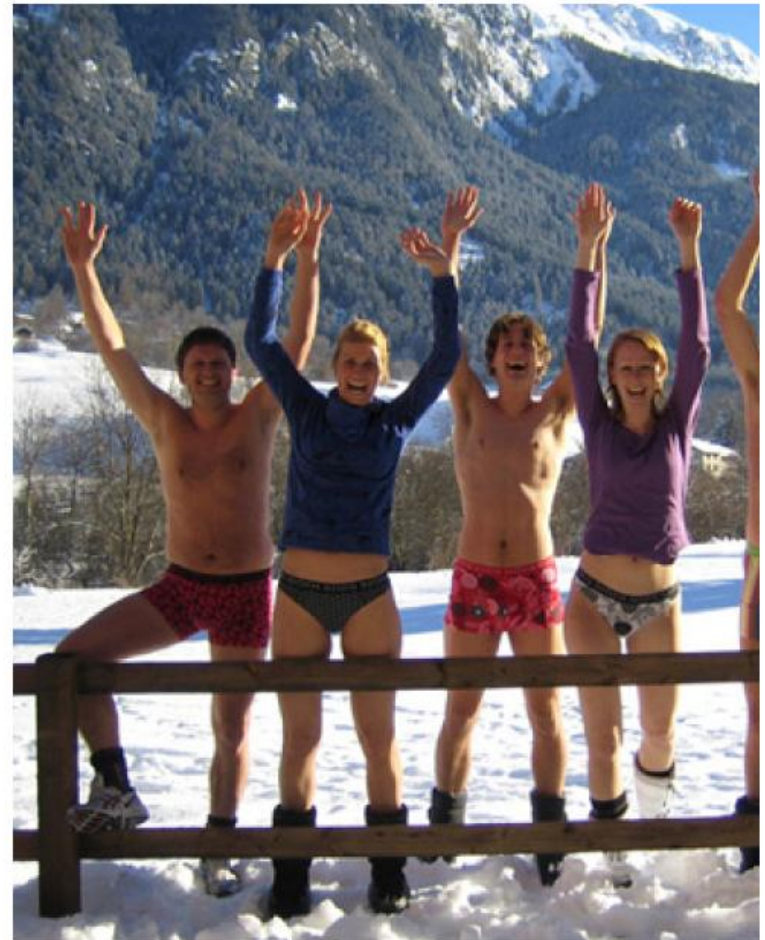
JOLIEN & CELIEN, BELGIUM

 BJÖRN BORG

# Innovation

## the fundamental driver

- Innovative products important for main target group – young people
- Continuously reinvent ourselves and the underwear category
- Passion for challenging and exceeding expectations
- Innovative and systematic product development



*JANUARY 2009*

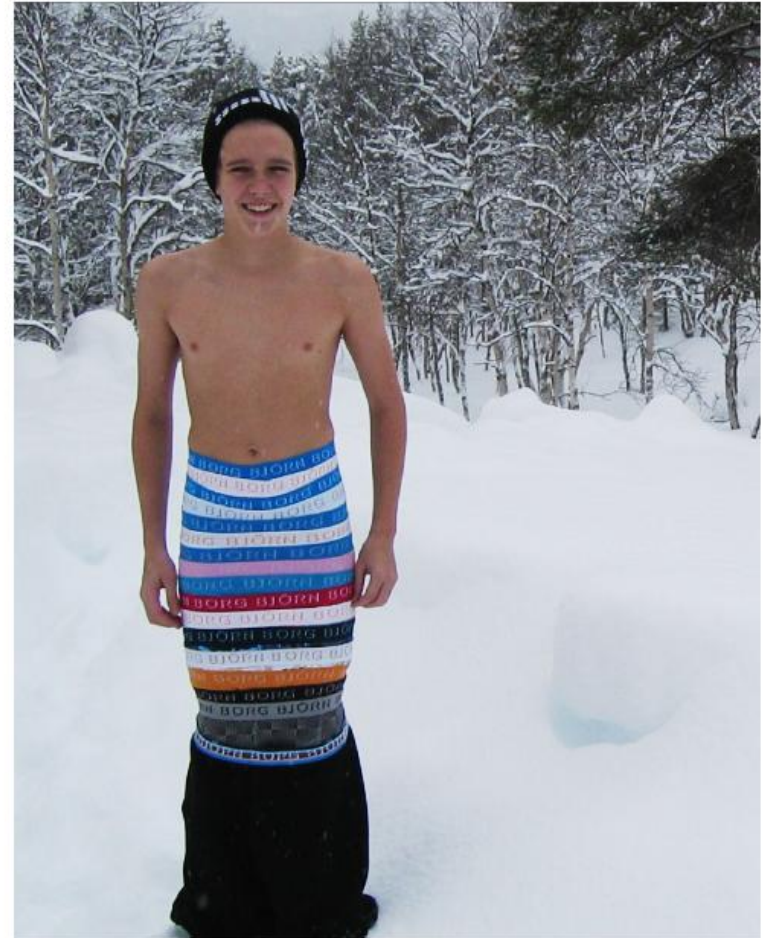
*"OUR WHOLE HAPPY FAMILY!"*

*DAVID, ILJA, IVO, IRIS & HANS, HOLLAND*

 **BJÖRN BORG**

# Creative in all aspects

- New underwear concepts
  - **Sport** – function for men
  - **Love all** – volume concept for women
- Packaging and exposure important
- Creative and cost efficient marketing concepts –  
"Swedish exports"



MARCH 2009

"I HAVE 25 DIFFERENT BOXERS"

KRISTOFFER, NORWAY

 **BJÖRN BORG**



# Swedish exports

GP GÖTEBORGS-POSTEN | Måndag 17 augusti 2009

Sök på gp.se

BLOGGAR TV Bildgalleri Bildspel Prenumeration Läsvaldet

GP LÄSVÄR

GP TV PÅ WOW

Teckenstorie sponsrad av: smarteyes

Uppdaterat: 2009-08-10 16:40

STARTSIDA

NYHETER

Göteborg

Bohuslän

Halland

Lerum/Alingsås

Molndal/Härryda

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Ekonomi & Politik

Trafik

Väder

NYHETER

SPORT

NÖJE

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Dej

Familj

Jobb

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Kultur

Björn Borg vill se dig i kallingarna

Björn Borg letar kalsongmodeller från hela världen

Av: Martin Schori

Publicerat 10 augusti 2009 09:54

Senaste av BB 10 augusti 2009 16:07

3 kommentarer

Björn Borgs tid tillbaka kallas för en av de mest intressanta i sportvärlden. För drygt ett år sedan skänktes till honom ett kläddes utifrån utmärkelserna.

Drinksplanen i Stockholm (Absolut Vodka)

greatworks.se (Great Works)

Stimulanspaketresan (P)

comhem.se (Com Hem)

Sveriges största fotboll (Svenska Spel)

Absolut No Label (Absolut Company)

Smärtpunkten (Mylan)

laredoute.se (La Redoute)

Litteraturpriset till Astrid Lindgrens minne

fjaraskupan.se (Fjärask)

Online as it happens (N)

UPPMÄRKSAM: Underklädde Björn Borgs PR-kupp går ut på att få människor att skicka in bilder på sig själva i bara kalsongerna, skriver Dagens Media.

talentum

Affärsvärlden | Arbetsmarknad | Byggnads | Dagens Media | Lag & Avtal | Miljörapporten | Ily Teknik | Talentum HR

affärsvärlden

Gör till startside Prenumerera Annonsera Bil mediet Logga in Glöm lösenord E-postadress Logga in

AFGX -1,90% 17:28 1 år +29,85%

Dow Jones -1,77% 17:53 1 år +4,33%

JAEGGER-LECOULTRE STOCKHOLM POLO INTERNATIONAL INVITATIONAL THE KING OF SPORTS

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Nyhetsdygnet Kommentarer Aktieanalyser Silly Season Gräddfilen Börsintervju Vintspet Kalendariet Spartips

Skriv in ditt sökord

Nyheter Aktier/Instrument Sökhelp Sök

Skriv ut Tipsa en vän

Björn Borgs avklädda PR-kupp

2009-08-10 17:14 Affärsvärlden.se

Underkläddestillverkaren Björn Borgs PR-kupp går ut på att få människor att skicka in bilder på sig själva i bara kalsongerna, skriver Dagens Media.

Senaste nytt Mest läst Mest kommenterat

Senaste timmen 1 dag Senaste veckan

Avinje dumpar aktier för 6 miljoner

Varningsklockor från fastighetsbolag

De sänker Wall Street

Jävig rikturs

Brallorna nere,

Endagskonferens

Kapellskär-Mariehamn

Pris ex 270 kr/person

# Adaption of organisation

- Open, flat and creative
- New creative director
- New head of underwear
- New head of store concept



NOVEMBER 2007  
"JUMPING LIKE THERE'S NO TOMORROW"  
CAMILLA, DENMARK

# Two key components

- Product development
- **Distribution**



DECEMBER 2008

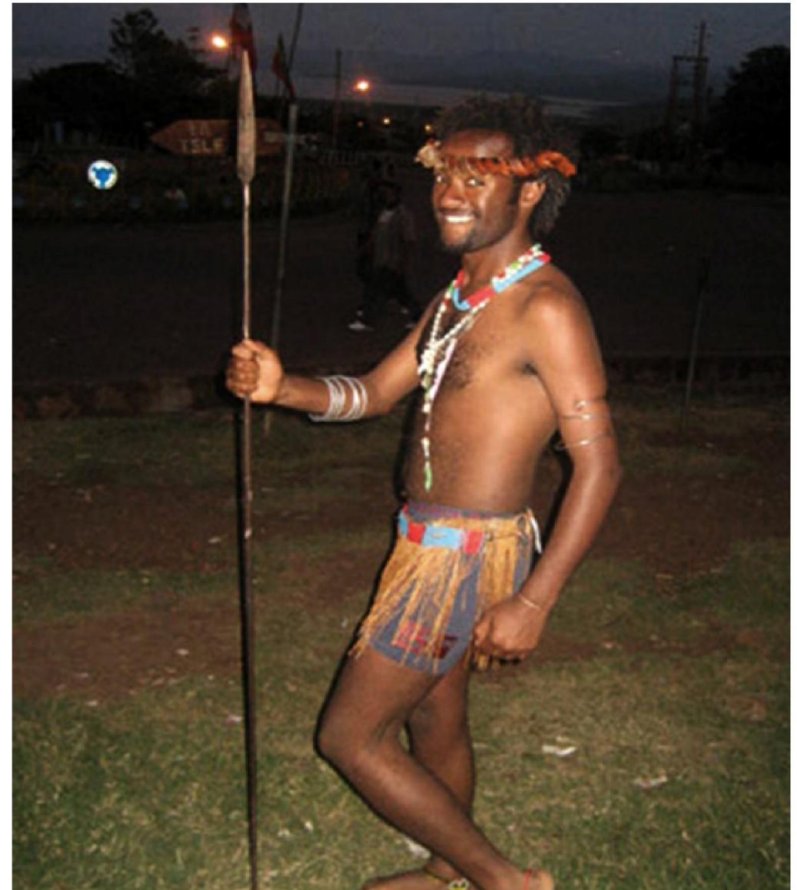
"CRAZY ABOUT BJÖRN BORG UNDERWEAR"

JOLIEN & CELIEN, BELGIUM



# Continued expansion

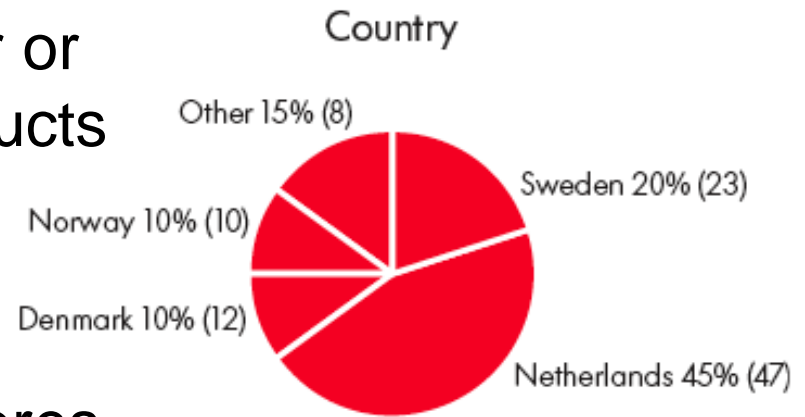
- Established business model
- Local knowledge and investments in each market
- Attracting and securing best in class distributors



NOVEMBER 2007  
"NEO-TRIBAL STYLE"  
ISRAEL, ETHIOPIA

# Clear criterias for distributors

- Experience from underwear or fast moving consumer products
- Existing network
- Resources for investments
- Expansion of Björn Borg stores
- Sharing passion and values on how to build the brand long-term



# Optimized retail environment

- Developing a new store concept
- Right mix of retailers
- Over time increase number of Björn Borg stores opened by distributors



DECEMBER 2007  
"WEIRD BUT WONDERFUL!"  
MEIKO, JAPAN

# Actions taken

- Broader underwear offering
- New distributor in Germany
- End of agreement in UK by 2011
- Strengthened organisation

# Challenges ahead

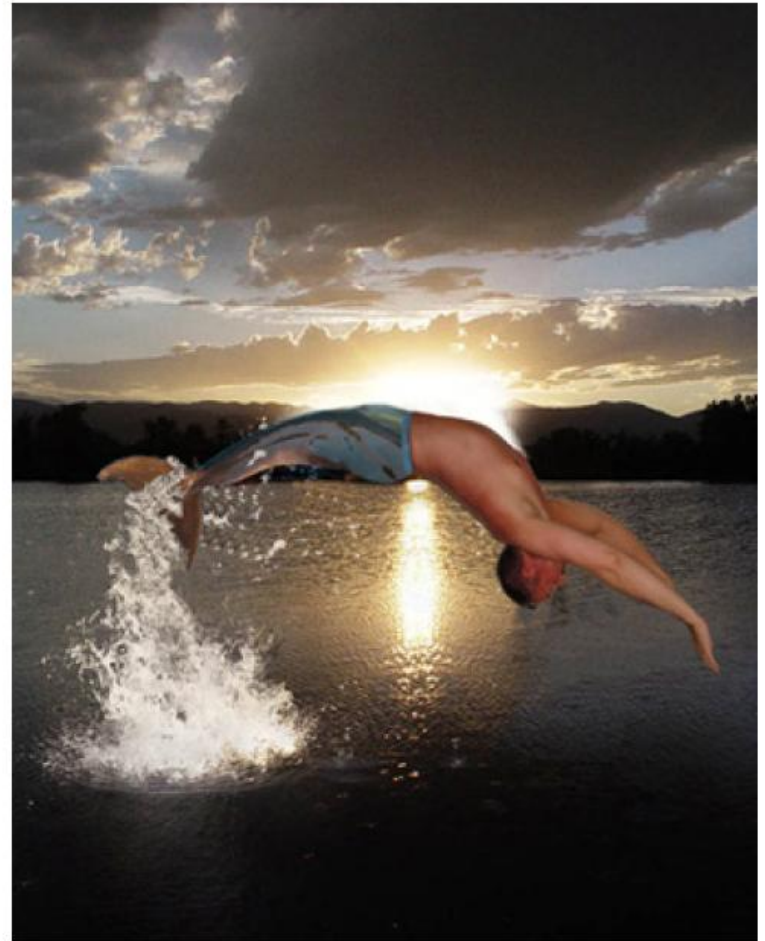
- Tough market conditions
- Continued evaluation of distributors and product companies
- It takes time to penetrate new markets



MAY 2009  
"SUNRISE AT AYER'S ROCK"  
ANDERS, DENMARK

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 **BJÖRN BORG**



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# Thank you!



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