

BJÖRN BORG 

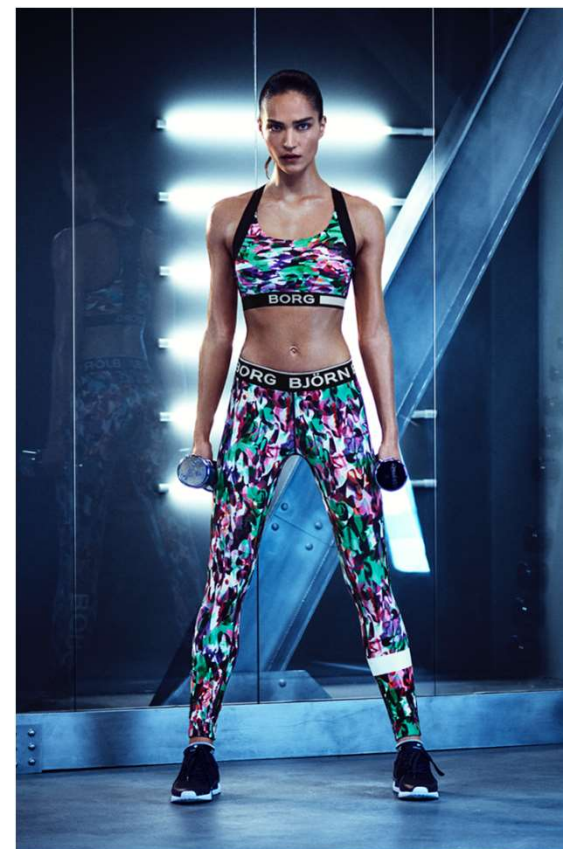
A photograph of a shirtless man with dark hair, looking off to the side with a serious expression. He is standing in front of a background of vertical blue light panels. A large, bold, white text overlay is centered over the image.

Q4 2017

HENRIK BUNGE CEO
DANIEL GROHMAN CFO

Q4 2017 SUMMARY

- Brand sales declined in the quarter, -3%. Product area underwear grew in the quarter, while sports apparel, footwear and bags declined.
- Net sales decreased slightly in the quarter with -1,1 MSEK, -0,7 percent. Excluding the effects of the acquisition of Benelux the decline was 7,2%. The lower sales is to a large extent related to lower sales to external distributed markets, Norway and Denmark.
- Finland continue to develop well and growing in the quarter both in wholesale and own retail.
- Retail operations in both Sweden and Benelux had a weak quarter with decline in both absolute terms as well as in comparable stores.
- E-commerce sales grew with 2% in the quarter and the technical problems that effected sales in Q3 is now behind us and solved.
- Strong gross profit margins due to weaker USD. The timing effect on GP margin is now washed out and only marginally effected the gross profit in the quarter.
- Operating profit decreased to 16,9 MSEK (21,4) as the higher GP margin did not compensate the higher OPEX with Benelux in the group fully.



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Q4 2017

NET SALES 170,3 MSEK (171,4)

- + Wholesale and retail business in Finland
- + Wholesale business in Sweden
- + E-COM
- Retail business in Sweden and Benelux
- Wholesales business in Benelux

OPERATING PROFIT 16,9 MSEK (21,4)

- + Higher Gross Profit margin
- Higher OPEX due to Benelux

ACCOUNTS 2017–2016

MSEK	Q4/17	Q4/16	+/-	2017	2016	+/-
Net sales	170,3	171,4	-0,7%	696,5	631,6	+10,3%
<i>Gross profit margin %</i>	<i>58,3</i>	<i>48,0</i>		<i>54,0</i>	<i>50,3</i>	
Operating expences ¹⁾	84,3	63,9	+31,9%	328,7	260,2	+26,3%
Operating profit	16,9	21,4		55,4	64,2	
<i>Operating margin %</i>	<i>9,9</i>	<i>12,5</i>		<i>7,9</i>	<i>10,2</i>	
Earnings per share, SEK	0,43	0,74		1,48	1,88	

¹⁾ Excluding goods

Accumulated the operating expenses decreased excluding Benelux equal to 7 MSEK or 2,5 percent.

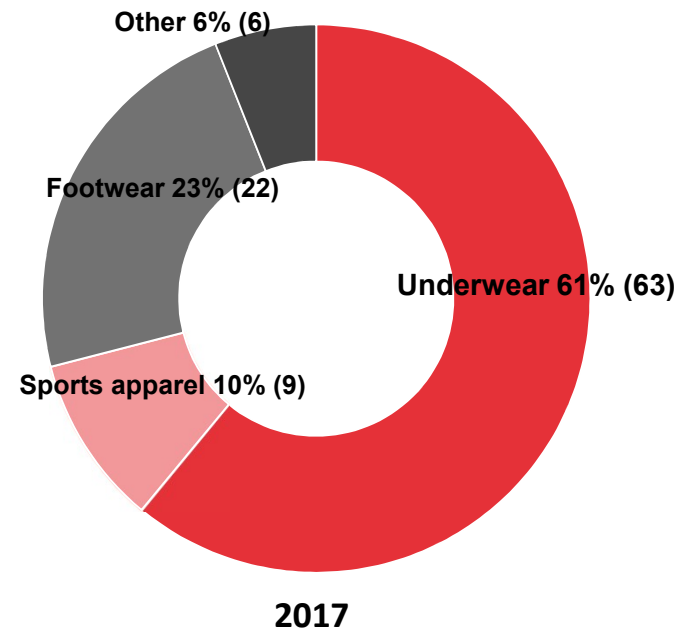
DEVELOPMENT BY PRODUCT AREA

Q4

- Brand sales declined in the quarter, -3%. Product area underwear product grew in the quarter, while sports apparel, footwear and bags declined.

2017

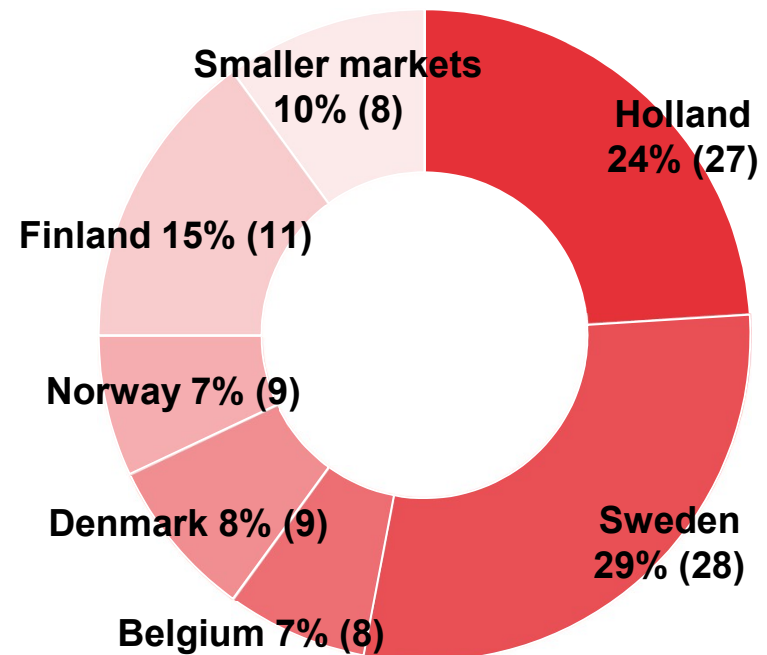
- Brand sales decreasing marginally to 1.542 MSEK (1.551), currency neutral Brand sales fell 2 percent.
- For the year product category Sports apparel and Footwear is growing with 9 and 7 percent respectively.
- Underwear decline with 4 percent vs LY. Also Bags and eyewear decline vs LY.



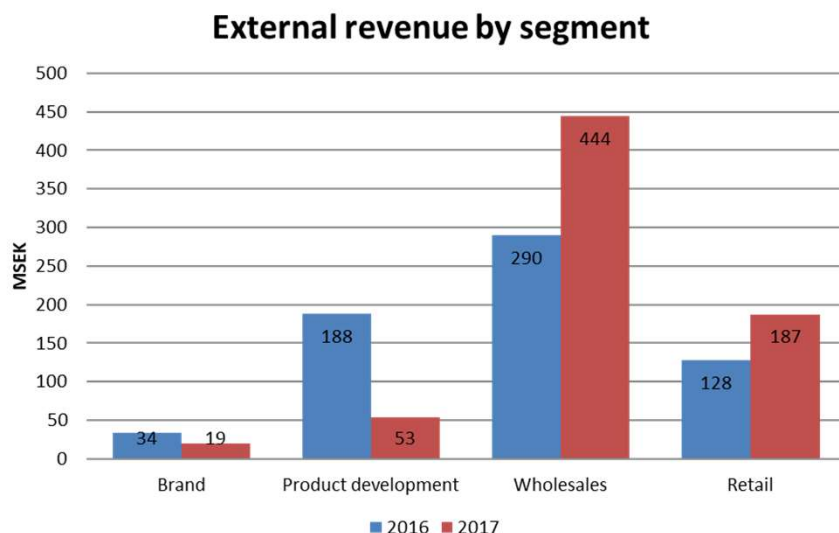
BRAND SALES PER MARKET

BRAND SALES DEVELOPMENT 2017

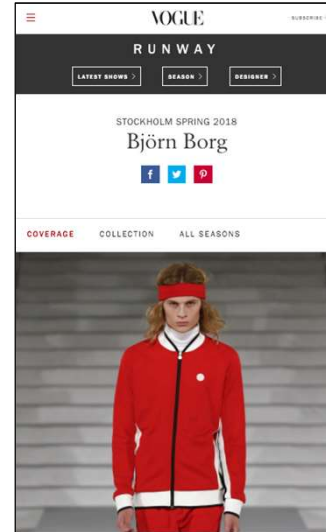
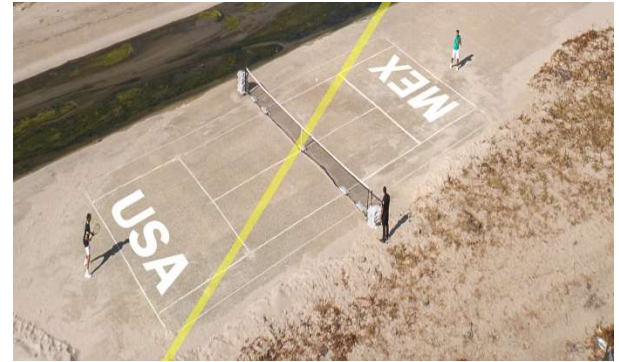
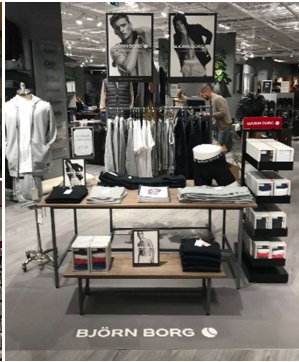
- Among larger markets Finland is growing significantly and Sweden is growing slightly. Other large markets decline vs 2016.
- Of the smaller markets, England and Germany is developing well.



SEGMENT EXTERNAL REVENUE 2017



- Brand segment decline to 19 MSEK mainly due to the acquisition of Benelux. Excluding Benelux the external revenue is increasing with 1,2 MSEK. The growth is related to higher sales to licensees and external distributors.
- Product development declined to 53 MSEK which is a result of Benelux being classified as internal sales. Excluding Benelux sales declined with approx 11 MSEK due to lower sales to Danmark and smaller distributors.
- Wholesales is growing to 444 MSEK, mainly due to the acquisition of Benelux. Excluding Benelux the segment is growing with 14 percent. Underlying growth is coming from Finland, Germany and UK together with own distribution of Footwear in Sweden and Finland.
- Retail sales is growing to 187 MSEK also related to Benelux. Excluding Benelux sales decline with 15 MSEK. The decline is coming from E-Com and Swedish own retail while Finnish retail is growing. For comparable stores Sweden decline with 16 percent, Finland grow with 5 percent and UK declined with 4 percent.



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TOP 10 PRIORITIES 2018

1
**BRAND
HEAT**

2
**PERFORMANCE
MANAGEMENT**

3
**WORLD CLASS
COLLECTION**



ONLINE
ATTACK



WHOLESAL
EXCELLENCE



CITY
ATTACK



RETAIL
EXCELLENCE



NO 1.
UNDERWEAR



SUPPLY CHAIN
EXCELLENCE



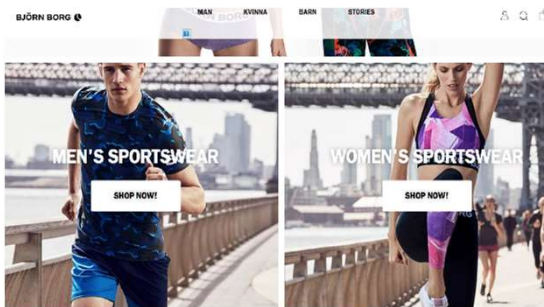
SYSTEM
EXCELLENCE



ONLINE
ATTACK

ONLINE ATTACK IS DIVIDED IN THREE DIFFERENT PROJECT, BUT WITH ONE CENTRALIZED STEERING GROUP

E-com



Compound Annual Growth Rate 2013-2017
+29%

Market places



Untapped potential

E-tailers



Compound Annual Growth Rate 2013-2017
+27%

Underlying online market growth 2013-2017 20%

MAINTAIN
NO 1. UNDERWEAR



DEVELOP
PERFORMANCE UNDERWEAR



ATTACK
SPORTS APPAREL



THANK YOU