

BJÖRN BORG 



Q3 2018

HENRIK BUNGE CEO
DANIEL GROHMAN CFO

Q3 2018 SUMMARY

- Net sales decline with 1,3 percent however **growing slightly** if sales is adjusted with Footwear distribution in Denmark that from 1st of January is handled by License partner.
- Wholesales business is growing in Finland, UK and Footwear while holding LY level in Sweden. Benelux show low single digit decline. E-Tail customers developing well, growing 13 percent in the quarter vs LY
- Own retail sales in Sweden and Finland developing well with comp growth 1% and 17% respectively. Benelux and UK store have a comp decline.
- E-commerce sales strong growth of 51% in the quarter.
- Externa distributors decline, especially in Denmark.
- Strong gross profit margins.
- Operating profit increased to 37,0 MSEK (32,0) due to strong GP margins and lower costs compared to LY.
- Brand sales decline 6%. Minor decline in UW and Apparel while larger decline for licensed product groups.



BJÖRN BORG 

Q3 2018

NET SALES 203,1 MSEK (205,7)

- + Wholesale business in Finland, UK and Footwear
- + E-Tail wholesales business
- + Own E-Com
- + Retail comp growth in Sweden and Finland
- Benelux WHS and Retail
- Distributor sales to Denmark

OPERATING PROFIT 37,0 MSEK (32,0)

- + Higher Gross Profit margin
- + Lower OPEX

ACCOUNTS 2018–2017

MSEK	Q3/18	Q2/17	+/-	9M-18	9M-17	+/-
Net sales	203,1	205,7	-1,3%	512,7	526,2	-2,6%
<i>Gross profit margin %</i>	<i>57,7</i>	<i>56,3</i>		<i>58,1</i>	<i>52,6</i>	
Operating expences ¹⁾	80,9	85,0	-4,8%	250,0	244,4	+2,3%
Operating profit	37,0	32,0		55,0	38,5	
<i>Operating margin %</i>	<i>18,2</i>	<i>15,6</i>		<i>10,7</i>	<i>7,3</i>	
Earnings per share, SEK	1,15	0,98		1,81	1,04	

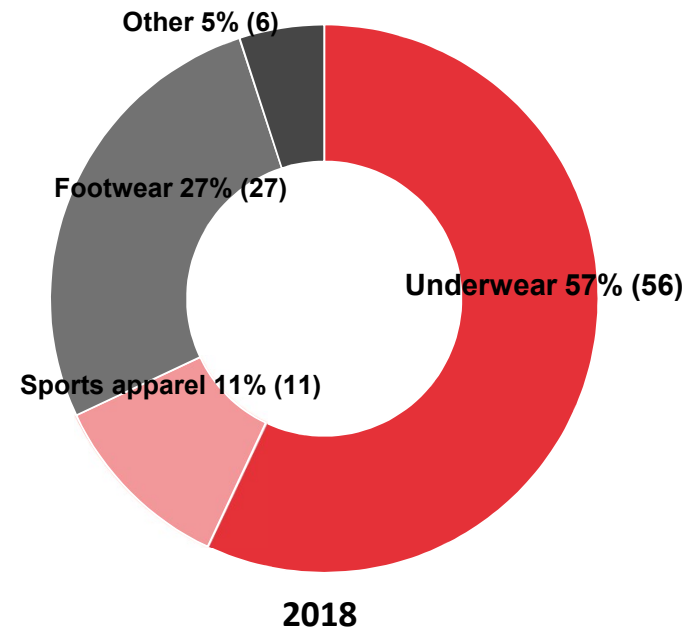
¹⁾ Excluding goods

Accumulated, the operating expences decreased 2,3% excluding fx effects and re-classification of costs from COGS to OPEX.

DEVELOPMENT BY PRODUCT AREA

YTD Q3

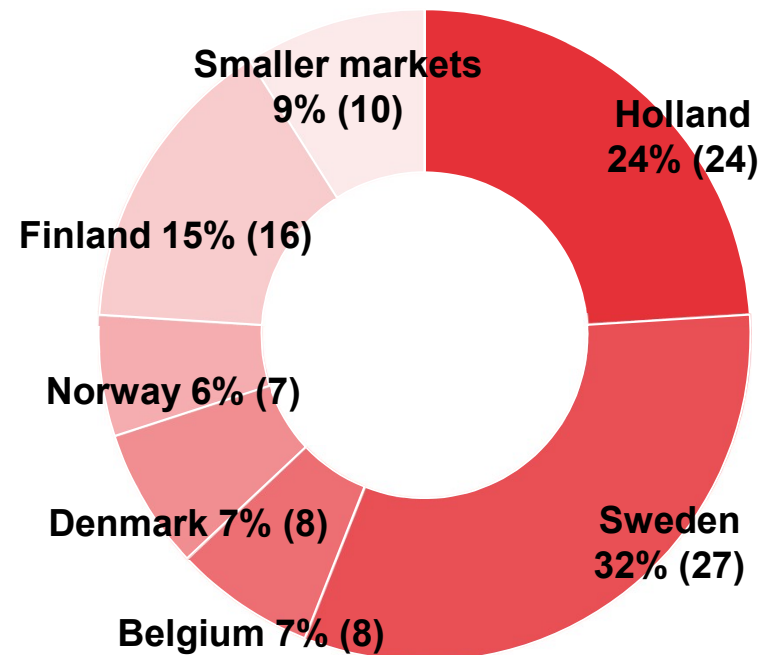
- Brand sales declined with 3% for the first nine months.
- Excluding currency effects brand sales decline 7%.
- Smaller decline in UW and Apparel while larger decline for licensed product groups. .



BRAND SALES PER MARKET

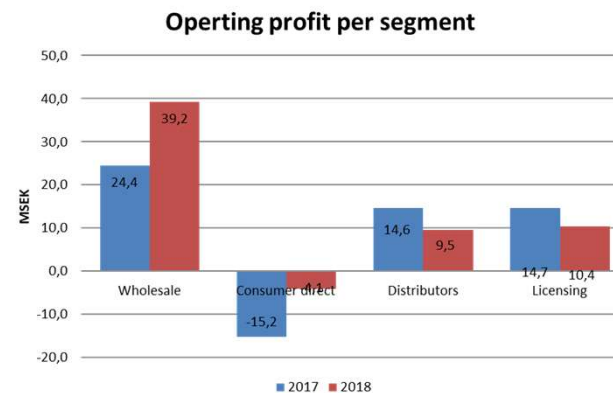
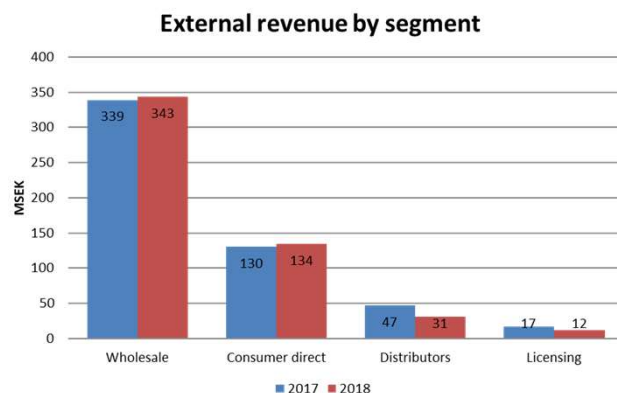
BRAND SALES DEVELOPMENT 2018

- Sweden is showing strong growth.
- UK showing moderate growth.
- Other main markets are declining vs LY.
- Norway and Denmark large decline.



NEW SEGMENT REPORTING FROM 2018

The new segments correspond to the company's primary revenue sources: Licensing, Distributors, Wholesale and Consumer Direct. Comparable figures for 2017 have been restated and are comparable with the new segmentation.



- In the Wholesales segment one non-comparable effect is that the group handed back distribution of Footwear in Denmark to the licensee from Jan 2018. Excluding this, the segment rose 4 percent. Growth driven by sports retail in Sweden and e-tailer customers across all markets. E-tailer growth is 20% for the first nine months.
- Consumer direct growth (+3%) is related to a strong own E-Com development of +35%. Own retail business is declining with 6 percent and 4 percent for comparable stores. The comparable development by market is positive in Sweden and Finland growing 3 and 6 percent respectively while Benelux stores declined with 10 percent. Also the UK store declined.
- Distributor sales decline (-34%) due to a steep reduction of sales to Denmark and Norway.
- Licensing business declined vs LY due to that last year included a one-off revenue of approx. 4,1 MSEK. Adjusted for the on-off, sales decline 6 percent due the lower brand sales in licensed product groups.

INCREASED FOCUS ON BRANDED SPACES



Clear Channel



CHASE THE
EXERHIGHS

BJÖRN BORG

What happens in your brain when you work out? bjornborg.com/exerhighs

Clear Channel



CHASE THE
EXERHIGHS

BJÖRN BORG

What happens in your brain when you work out? bjornborg.com/exerhighs

Clear Channel

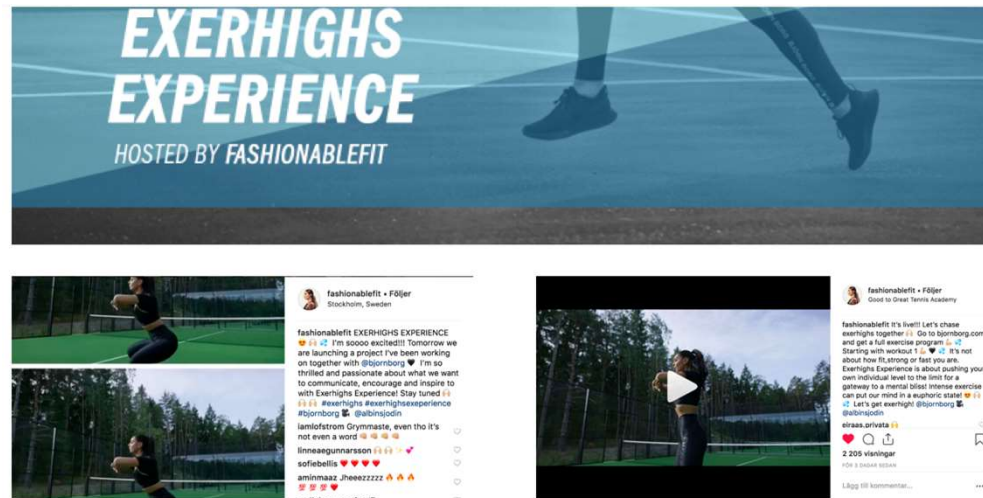


CHASE THE
EXERHIGHS

BJÖRN BORG

What happens in your brain when you work out? bjornborg.com/exerhighs

CONTINUED SOCIAL MEDIA PUSH TO DRIVE THE BRAND



We are now live with the digital bootcamp "Exerhighs Experience by Fashionablefit". We offer three different training programs, tailored for high intensity training to get that exerhigh. Images and videos will roll in our [social media channels](#) and we have also printed folders that are now available in our stores as of this week. Fashionablefit, or Hannah as her real name is, is a leading sports fashion profile.

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



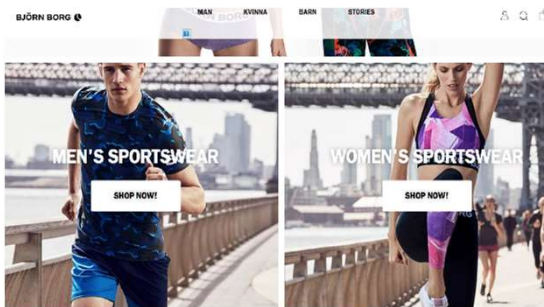
SYSTEM
EXCELLENCE



ONLINE
ATTACK

ONLINE ATTACK IS DIVIDED IN THREE DIFFERENT FOCUS AREAS

E-com



Compound Annual Growth Rate 2013-2017

+29%

YTD 2018 +35%

Market places



Untapped potential

Good start with Afound.

Market place model with amazon live.

E-tailers



Compound Annual Growth Rate 2013-2017

+27%

YTD 2018 +20%

Underlying online market growth 2013-2017 20%

THANK YOU