

BJÖRN BORG 



Q4 2018

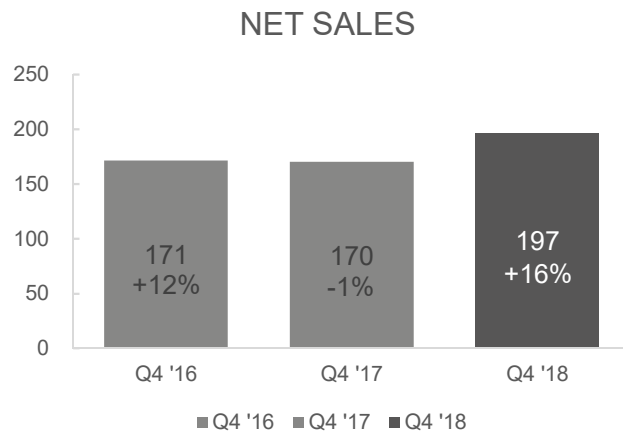
HENRIK BUNGE CEO
JENS NYSTRÖM CFO

Q4 2018 SUMMARY

- Net sales increase with 16% mainly driven by a strong quarter in Sweden where sports apparel is growing.
- Wholesale business is growing 20% in the quarter. Sweden, Benelux and England is growing vs LY, while Finland show a decline. Primarily the growth is coming from e-tail customers where we see an increase of 54% vs same quarter LY.
- Own retail sales in Sweden, England and Finland developing well with comp growth 3%, 23% and 6% respectively. Benelux has a comp decline in the quarter.
- E-commerce sales decline 9% in the quarter due to an order backlog at the warehouse during end of year. Order intake during December show a 6% increase.
- External distributors increase due to a strong quarter in Norway, but also Denmark increase.
- Gross profit margin decrease vs last quarter mainly due to currency effects.
- Operating profit decreased to 16,0 MSEK (16,9) due to increased brand awareness activities and currency effects compared to LY.
- Brand sales increase 26%. Large increase in Apparel, but also in UW we see a positive development.

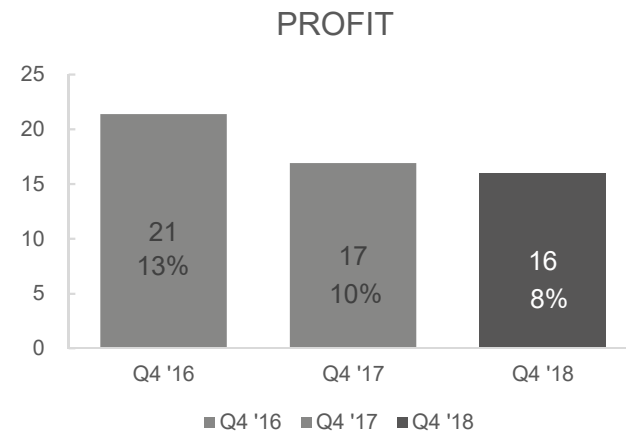


Q4 2018 show positive sales development but profit declines with planned increased marketing



NET SALES 196,9 MSEK (170,3)

- + Wholesale business in Sweden, Benelux and UK
- + E-tail wholesale business
- + Distributor sales
- + Retail comp growth in Sweden, Finland and England
- Finland wholesale, Benelux retail
- Own e-com



OPERATING PROFIT 16,0 MSEK (16,9)

- Negative FX effects
- Higher OPEX; increased brand awareness activities

ACCOUNTS Q4 2017 – Q4 2018

MSEK	Q4 2017	Q4 2018	+/-
Net sales	170,3	196,9	+15,6%
Gross profit margin %	58,3%	55,5%	
Operating expenses ¹⁾	84,3	93,3	+10,7%
Operating profit	16,9	16,0	
Operating margin %	9,9%	8,1%	
Earnings per share, SEK	0,43	0,58	

¹⁾ Excluding goods

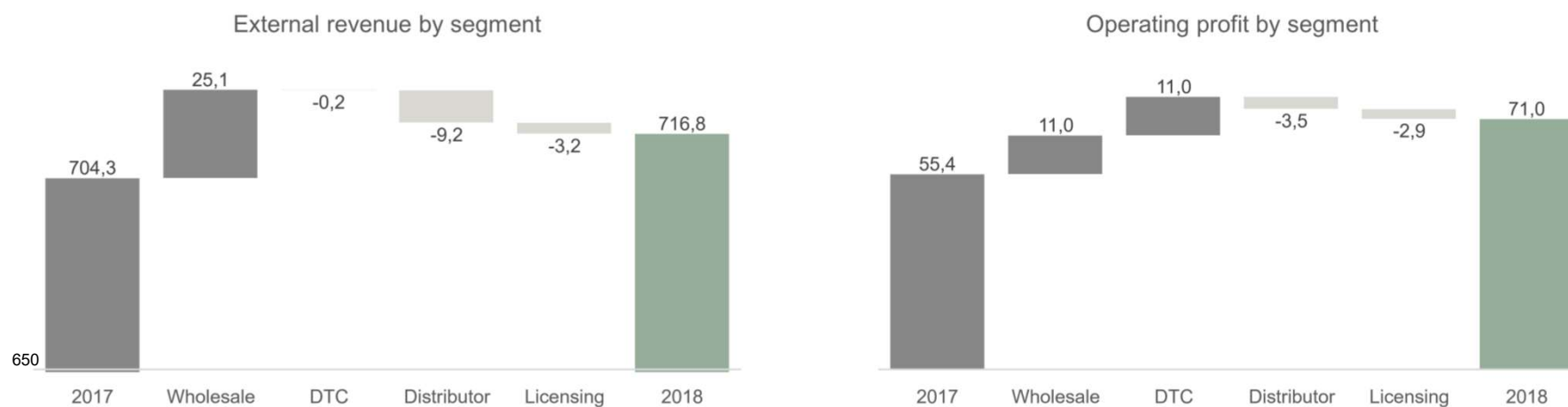
ACCOUNTS 2017–2018

MSEK	Full year 2017	Full year 2018	+/-
Net sales	696,5	709,6	+1,9%
Gross profit margin %	54,0%	57,4%	
Operating expenses ¹⁾	328,7	343,2	+4,4%
Operating profit	55,4	71,0	
Operating margin %	7,9%	10,0%	
Earnings per share, SEK	1,48	2,39	

¹⁾ Excluding goods

Accumulated, the operating expenses decreased 0,3% excluding fx effects and re-classification of costs from COGS to OPEX.

Strong growth in wholesale and large profit increase in DTC

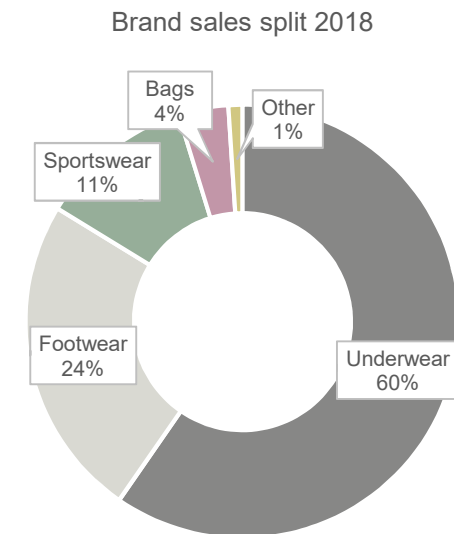
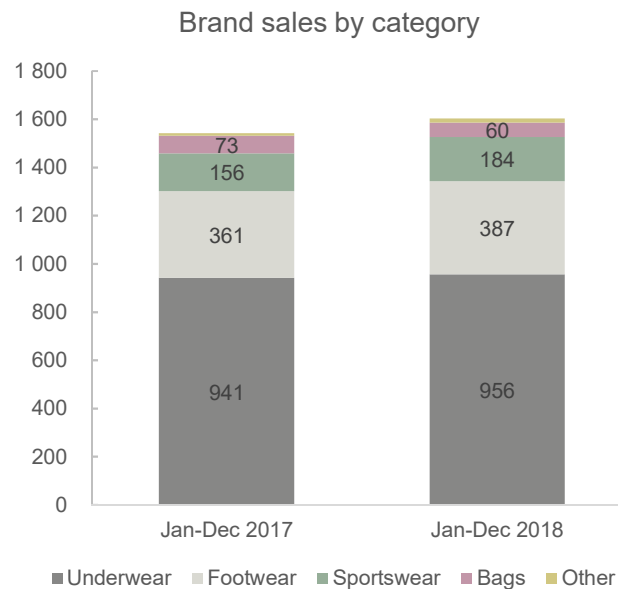


- Wholesale; growth driven by sports retail in Sweden and e-tailer customers across all markets (+27%).
- DTC: flat vs last year, but strong development in own E-Com (+21%), while own retail declining -6% (-1% for comparable stores). Sweden and Finland growing Benelux stores declined. Operating profit is showing a large increase due to improved gross margins.
- Distributor sales decline (-16%) due to a reduction of sales to Denmark and Norway.
- Licensing business declined since last year included a one-off revenue item. Adjusted for this item, sales increase 6% (shoes and eyewear).

Increased brand sales with sportswear showing strong growth

BRAND SALES DEVELOPMENT YTD 2018

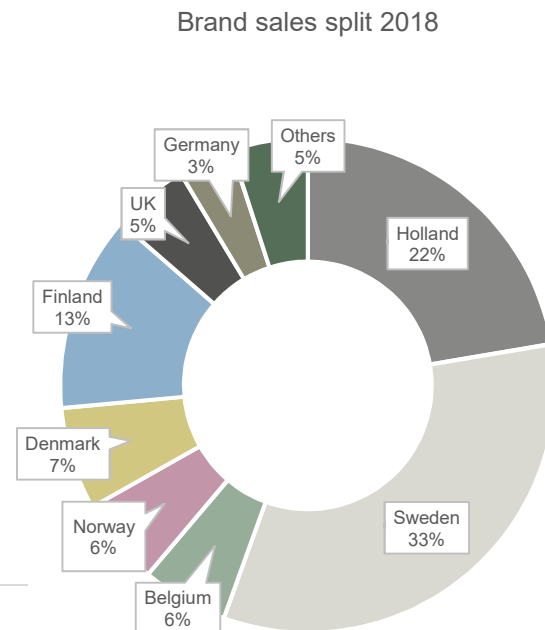
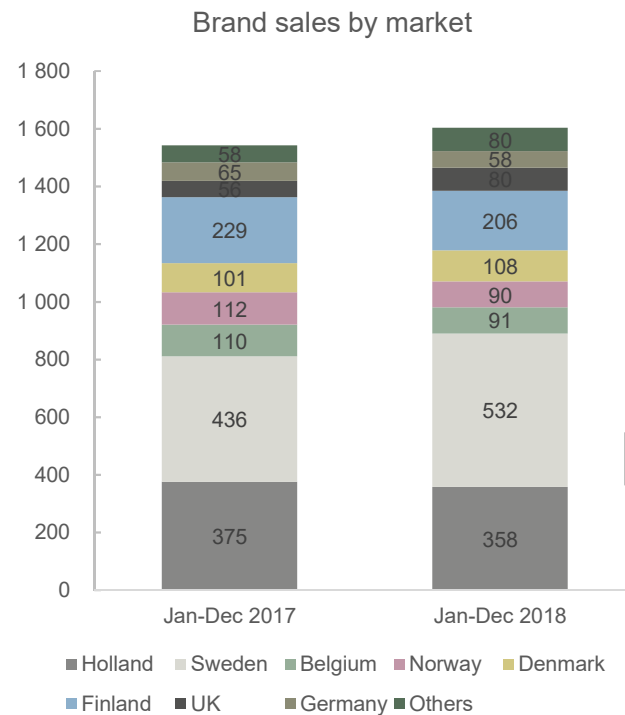
- Brand sales increased with 4% for the year.
- Excluding currency effects brand sales show only a slight increase.
- Increase of 2% in UW, 18% in sportswear and 7% in footwear. Other licensed product groups decline with 9%, where bags show a decrease, while eyewear increase.



Brand sales by market with Sweden showing strong growth

BRAND SALES DEVELOPMENT YTD 2018

- Sweden is showing a strong growth.
- UK and Denmark showing moderate growth.
- Other main markets are declining vs LY.
- Smaller markets show growth.



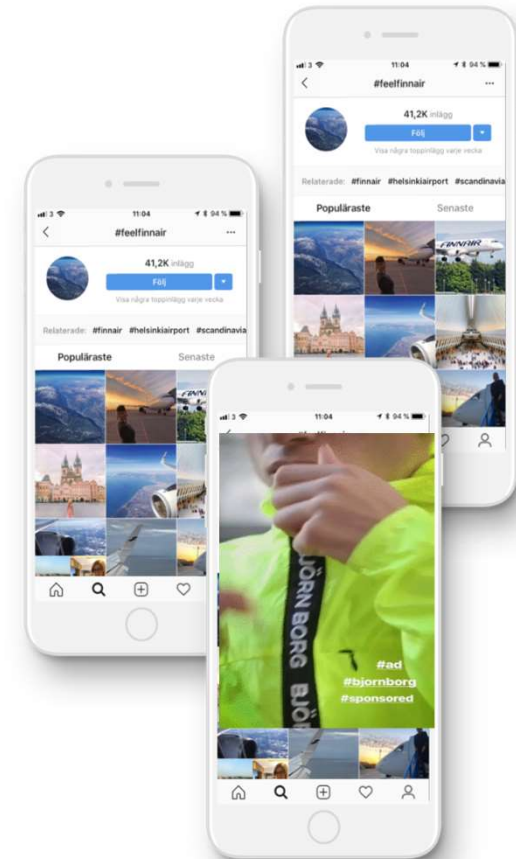
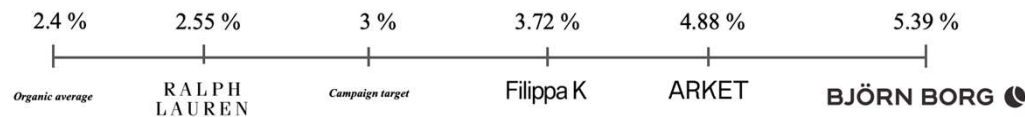
CONSISTENT BRANDING AND INCREASED FOCUS ON BRANDED SPACES



INFLUENCER DRIVE – AW18 COLLECTION

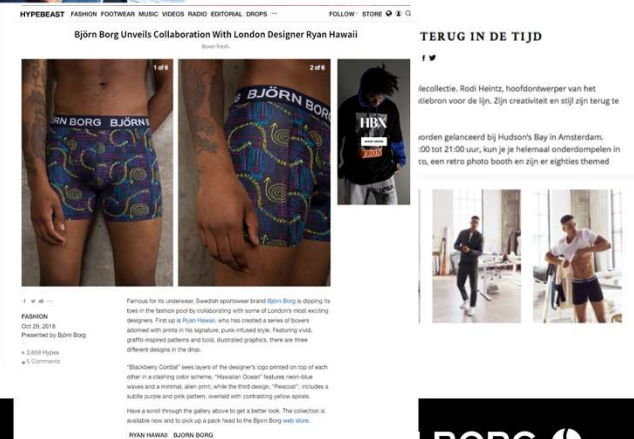
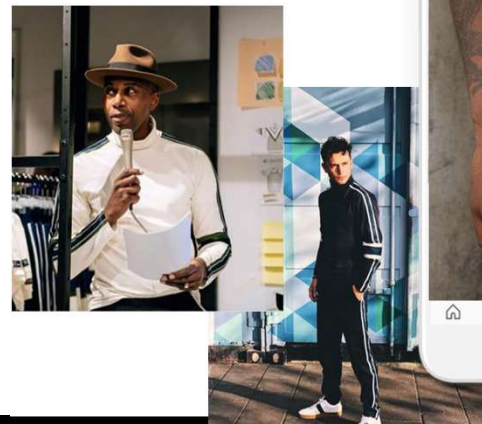
We teamed up with 19 local and highly engaging influencers within sports/lifestyle in Sweden and BLX. Giving us great content and creating buzz about our AW18 performance collection.

High engagement rate (5.39 %) - The results were impressive – the campaign delivered an engagement rate of 5.39 % (vs an Instagram average of 2.4%). Compared to similar campaigns – Filippa K Soft Sport and RL – 3,7% and 2.55%.



HYPEBEAST & ARCHIVE LAUNCH

We launched two strong initiatives for men - The Archive collection and our first Hypebeast collaboration featuring Ryan Hawaii – Both resulted in great PR and influencer coverage.



BJÖRN BORG

TOP 10 PRIORITIES 2019

1
**BRAND
HEAT**

2
**ATTACK SPORTS
APPAREL**

3
**PERFORMANCE
MANAGEMENT**
Create a winning team.



**WORLD CLASS
COLLECTION**
CONSUMER DESIRABLE
COLLECTION



**WHOLESALE
EXCELLENCE**
INCL. OMNICHANNEL
& TRADE



**ONLINE ATTACK
– E-COM EXCELLENCE**
INCL. OMNICHANNEL



**RETAIL
EXCELLENCE**
INCL. OMNICHANNEL



**CITY
ATTACK**
ALL CHANNELS



**BLX
RESTRICTION**
INCL. ONE STOCK

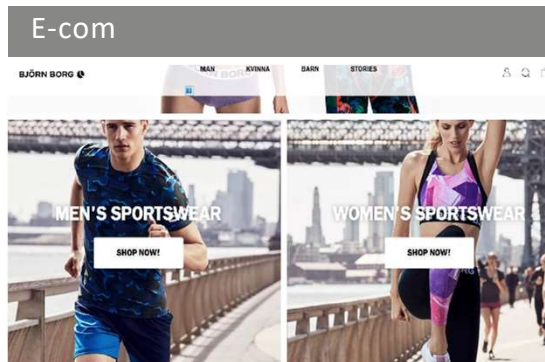


**SYSTEM
EXCELLENCE**



ONLINE
ATTACK

ONLINE ATTACK IS DIVIDED IN THREE DIFFERENT FOCUS AREAS



Compound Annual Growth Rate 2013-2017

+29%

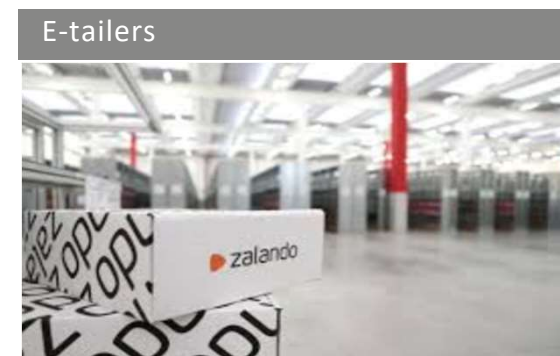
YTD 2018 +20%



Untapped potential

Good start with Afound.

Market place model with amazon live.



Compound Annual Growth Rate 2013-2017

+27%

YTD 2018 +27%

Underlying online market growth 2013-2017 20%

THANK YOU