

BJÖRN BORG 



Q3 2019

HENRIK BUNGE CEO

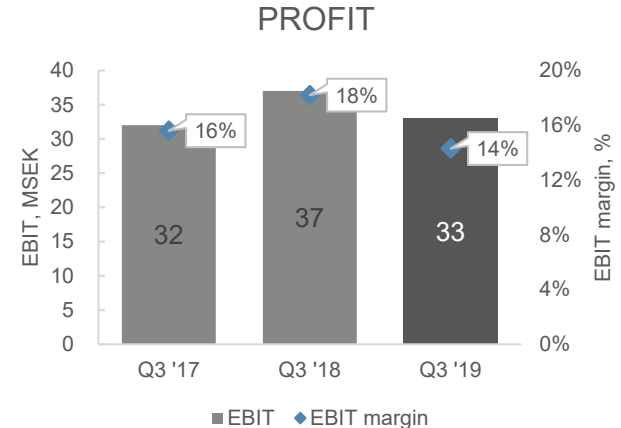
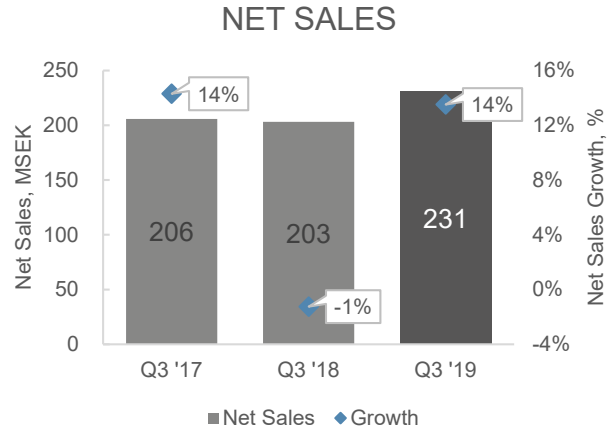
JENS NYSTRÖM CFO

Q3 2019 SUMMARY

- Net sales increase with +14% in the quarter mainly driven by a strong quarter in our wholesale business offset by a decline in the distributor business. Currency neutral the growth is +11%
- Wholesale business is growing +21% in the quarter, driven by strong development in the Netherlands and Sweden, growing +64% and +54% respectively.
- Own retail sales is growing with +8% in total and +3% in comparable stores.
- Own e-commerce sales increase +32% in the quarter, where sports apparel grow +100%.
- External distributors decline with -23% in the quarter where the larger distributors in Norway and Denmark show a weak quarter, while the smaller distributors grow +64%.
- Gross profit margin decrease with -5,2 ppt vs LY mainly due to currency effects and clearance of inventory. Currency neutral the decrease is -3,4 ppt.
- Operating profit decreased to 33,1 MSEK (37,0) mainly due to the low gross margin.
- Brand sales increase +11%, coming mainly from the larger categories of sports apparel (+48%) and UW (+13%). Also Bags show an increase during the quarter (+22%), while footwear decrease -7%.



Q3 2019 show strong increase in sales, offset by negative FX effects on gross profit margin and OPEX.



NET SALES 230,6 MSEK (203,1)

- + Wholesale sales
- + Own e-commerce
- + Own retail
- + E-tail wholesale business
- Distributor business

OPERATING PROFIT 33,1 MSEK (37,0)

- Negative FX effects
- Higher OPEX

ACCOUNTS Q3 2018 – Q3 2019

MSEK	Q3 2018	Q3 2019	+/-
Net sales	203,1	230,6	+13,5%
Gross profit margin %	57,7%	52,5%	-5,2 ppt
Operating expenses ¹⁾	80,9	94,3	+14,2%
Operating profit	37,0	33,1	
Operating margin %	18,2%	14,3%	
Earnings per share, SEK	1,15	1,07	

¹⁾ Excluding goods

- The operating expenses are negatively affected with 1,0 MSEK due to fx effects.
- The gross profit margin is negatively affected with 1,9 ppt due to fx effects.

ACCOUNTS YTD Q3 2018 – YTD Q3 2019

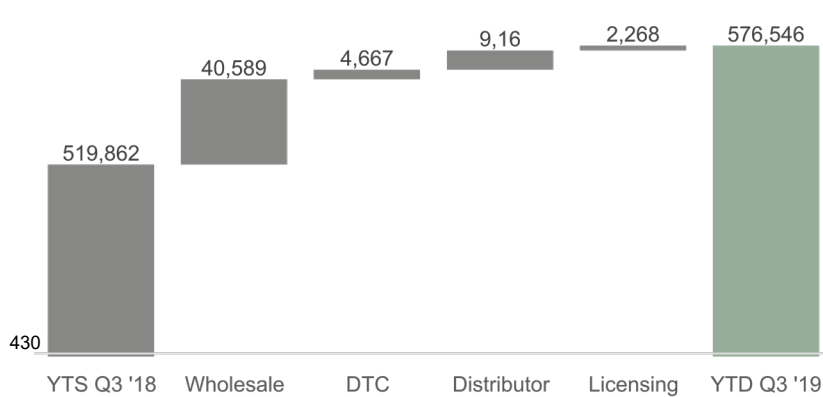
MSEK	YTD 2018	YTD 2019	+/-
Net sales	512,7	560,4	+9,3%
Gross profit margin %	58,1%	54,7%	-3,4
Operating expenses ¹⁾	250,0	272,6	+8,3%
Operating profit	55,0	49,9	
Operating margin %	10,7%	8,9%	
Earnings per share, SEK	1,81	1,66	

¹⁾ Excluding goods

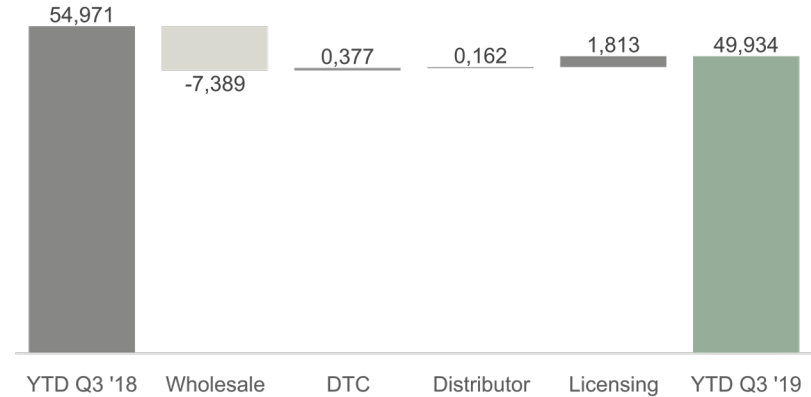
- The operating expenses are negatively affected with 2,9 MSEK due to fx effects.
- The gross profit margin is negatively affected with 2,4 ppt due to fx effects.

Sales growth in all segments, offset by negative FX effects on operating profit.

External revenue by segment, MSEK



Operating profit by segment, MSEK

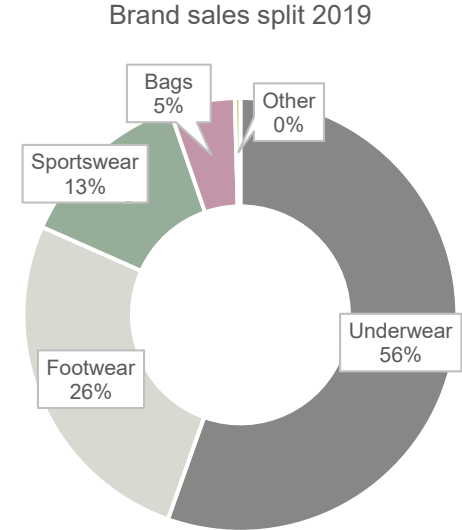
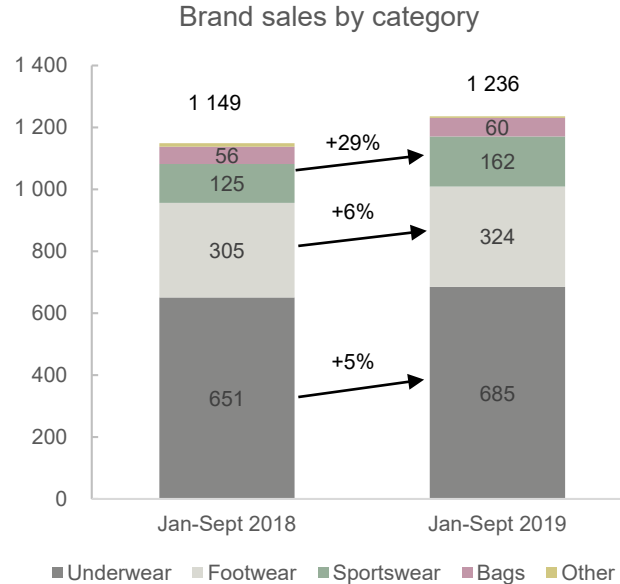


- Wholesale; growth in all markets except Finland and Footwear, as well as e-tailer customers across all markets (+24%).
 - Operating profit declining due to negative FX effects on gross margin
- DTC; e-com +20% vs last year while own retail declines in total stores with -2%. Comparable stores is up +1% vs last year
 - Operating profit is showing slight increase due to sales increase and good cost control, offset by slightly lower margins.
- Distributor sales increase (+30%) due to strong development mainly in Norway.
- The licensing business increased vs last year mainly due to strong sales of footwear.

Increased brand sales where all larger areas show growth, driven by sportswear and footwear

BRAND SALES DEVELOPMENT YTD Sep 2019

- Brand sales increased with 8% YTD Sep vs last year 1 236 MSEK (1 149).
- Increase of +5% in UW, increase +29% in sportswear and +6% in footwear.
- Other licensed product groups decline with -3%, where smaller groups decline -57% while bags now show an increase of +8%.



BRAND SALES

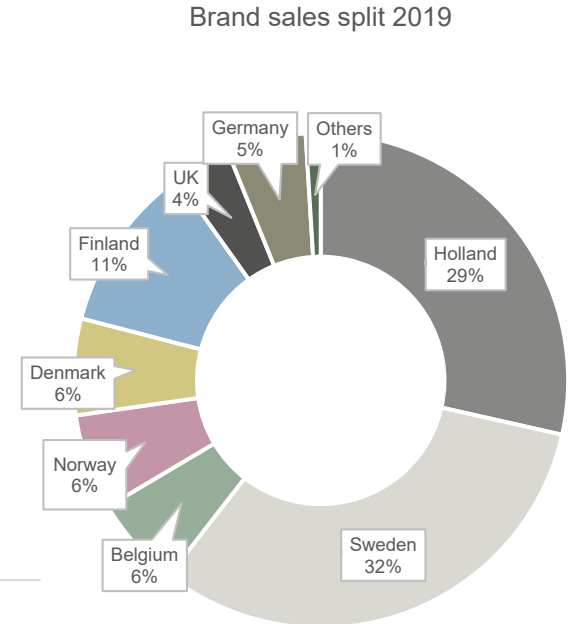
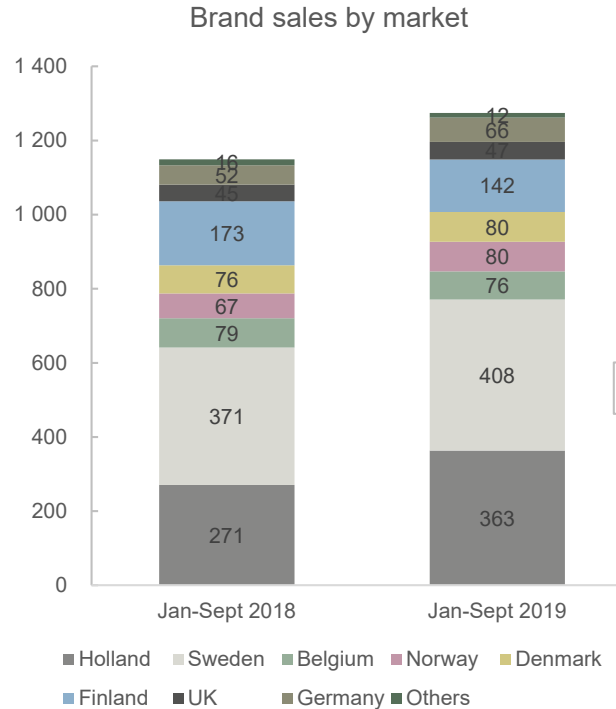
Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.

Purpose: Shows the sales trend measured as retail value excluding VAT.

Brand sales by market with Sweden and Holland showing strong growth

BRAND SALES DEVELOPMENT YTD 2019

- Sweden and Holland showing strong growth.
- Norway, Denmark and Germany showing moderate growth.
- Other main markets are declining vs LY.





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

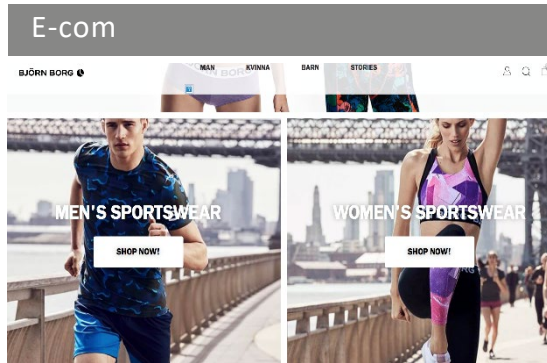


SYSTEM
EXCELLENCE



ONLINE
ATTACK

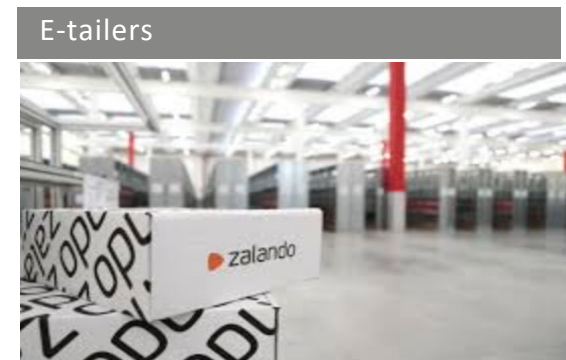
ONLINE ATTACK IS DIVIDED IN THREE DIFFERENT FOCUS AREAS



Compound Annual Growth Rate 2013-2018
+32%
YTD 2019 +20%



Untapped potential
Good start with Afound.
Market place model with amazon live.



Compound Annual Growth Rate 2013-2018
+27%
YTD 2019 +24%

Underlying online market growth 2013-2018 18%

THANK YOU