

**BJÖRN BORG** 



Q4 2019

HENRIK BUNGE CEO  
JENS NYSTRÖM CFO

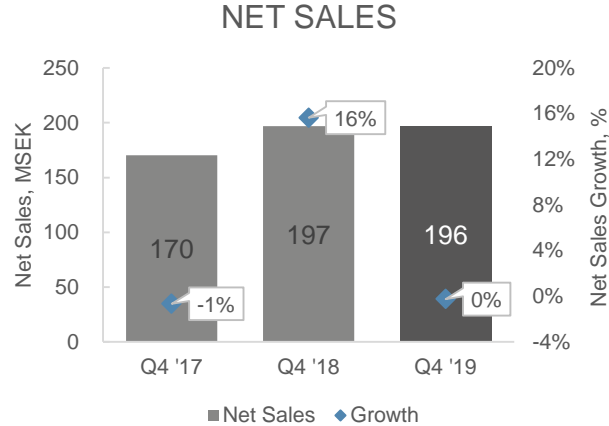
# Q4 2019 SUMMARY

- Net sales decrease with -0,2% in the quarter mainly driven by a weak quarter for our distributor and licence business, offset by wholesale and consumer direct showing growth. Currency neutral the decline is -3,1%
- Wholesale business is growing +7% in the quarter, driven by strong development in the Netherlands and Germany, offset by a decline in Sweden.
- Own retail sales is growing with +8% in total and +3% in comparable stores.
- Own e-commerce sales increase +27% in the quarter, where sports apparel grow +41%.
- External distributors decline with -44% in the quarter where the larger distributors in Norway and Denmark show a weak quarter, while the smaller distributors grow +71%.
- The licence business is declining -60% in the quarter, related to slower sales, hence less royalty in the footwear business, mainly in the Netherlands.
- Gross profit margin decrease with -4,7 ppt vs LY, mainly due to currency effects and clearance of inventory in the Netherlands due to a move of warehouse to a central stock location in Sweden. Currency neutral the decrease is -2,7 ppt.
- Operating profit decreased to 1,4 MSEK (16,0) mainly due to the low gross margin.



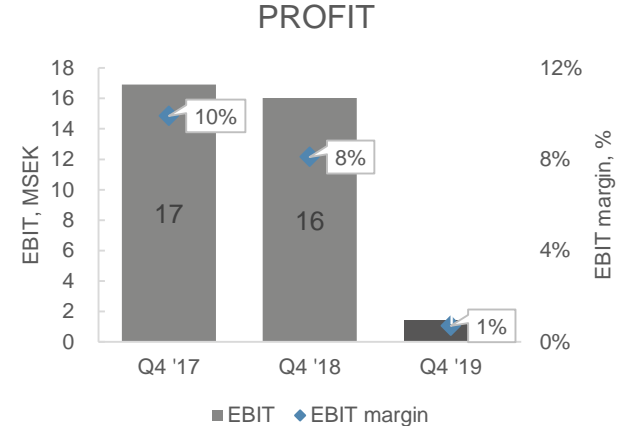
# Q4 2019 show sales in level with last year, while EBIT decline due to negative FX effects on gross profit margin and OPEX.

– Net sales and operating profit development by quarter



NET SALES 196,4 MSEK (196,9)

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



OPERATING PROFIT 1,4 MSEK (16,0)

- Negative FX effects
- Higher OPEX



# ACCOUNTS Q4 2018 – Q4 2019

MSEK	Q4 2018	Q4 2019	+/-
Net sales	196,9	196,4	-0,2%
Gross profit margin %	55,5%	50,8%	-4,7 ppt
Operating expenses <sup>1)</sup>	93,3	104,4	+11,9%
Operating profit	16,0	1,4	
Operating margin %	8,1%	0,7%	
Earnings per share, SEK	0,58	-0,11	

<sup>1)</sup> Excluding goods

- The operating expenses are negatively affected with 6,8 MSEK due to fx effects.
- The gross profit margin is negatively affected with 2,0 ppt due to fx effects.

# ACCOUNTS YTD Q4 2018 – YTD Q4 2019

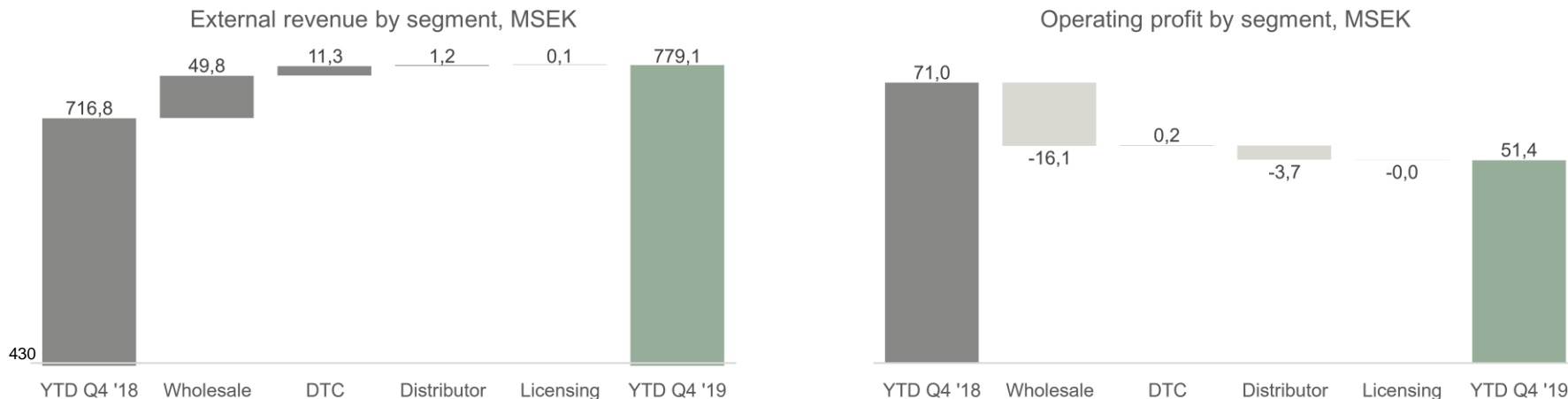
MSEK	YTD 2018	YTD 2019	+/-
Net sales	709,6	756,9	+6,7%
Gross profit margin %	57,4%	53,7%	-3,7
Operating expenses <sup>1)</sup>	343,2	377,0	+9,8%
Operating profit	71,0	51,4	
Operating margin %	10,0%	6,8%	
Earnings per share, SEK	2,39	1,55	

<sup>1)</sup> Excluding goods

- The operating expenses are negatively affected with 16,7 MSEK due to fx effects.
- The gross profit margin is negatively affected with 2,3 ppt due to fx effects.

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

## – Full year revenue and operating profit by segment



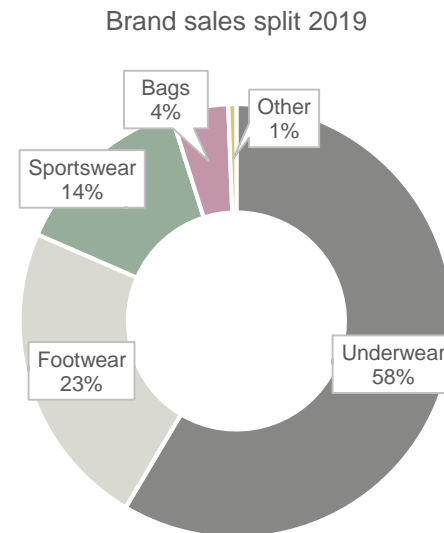
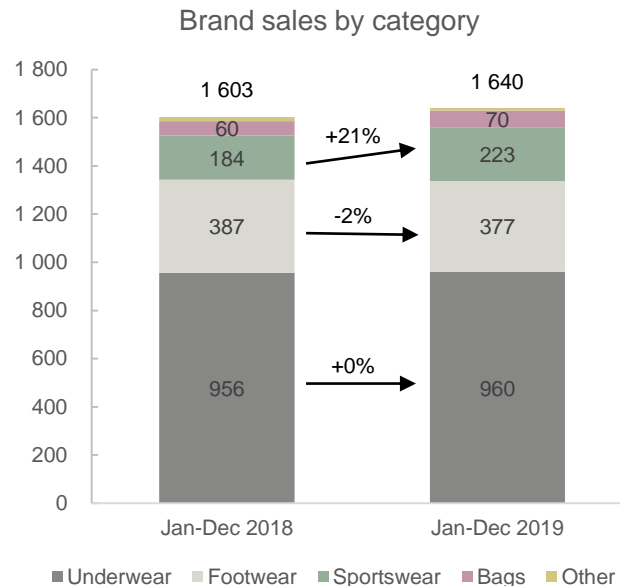
- Wholesale; growth in all markets except Finland and Footwear, as well as e-tailer customers across all markets (+21%).
  - Operating profit declining due to negative FX effects on gross margin and OPEX.
- DTC; e-com +22% vs last year and own retail grow in total stores with +1%. Comparable stores is up +2% vs last year.
  - Operating profit is showing slight increase due to sales increase with kept OPEX ratios, while gross margins increase slightly.
- Distributor sales increase (+2%) due to strong development mainly in Norway.
- The licensing business slightly increased vs last year mainly due to strong sales of bags.

# Increased brand sales where sportswear show strong growth, underwear is flat, while footwear decline.

## – Brand sales by category

### BRAND SALES DEVELOPMENT YTD Dec 2019

- Brand sales increased with +2% YTD Dec vs last year to 1 640 MSEK (1 603).
- UW flat vs last year, increase +21% in sportswear and decline of -2% in footwear.
- Other licensed product groups increase with +5%, where bags show an increase of +17% while the smaller groups decline -41%.



### 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.

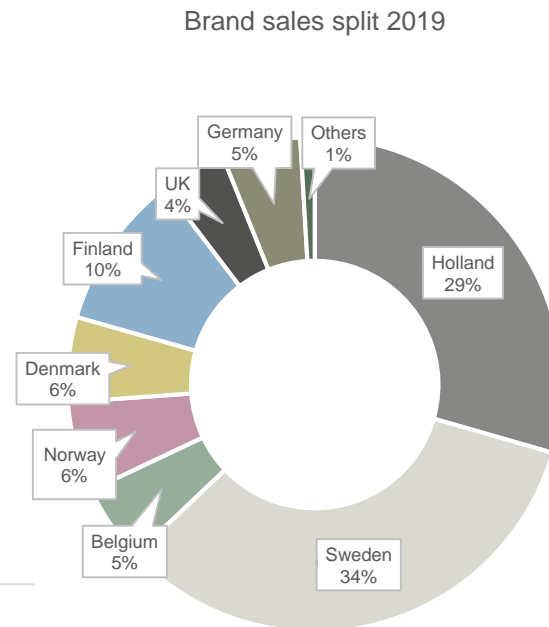
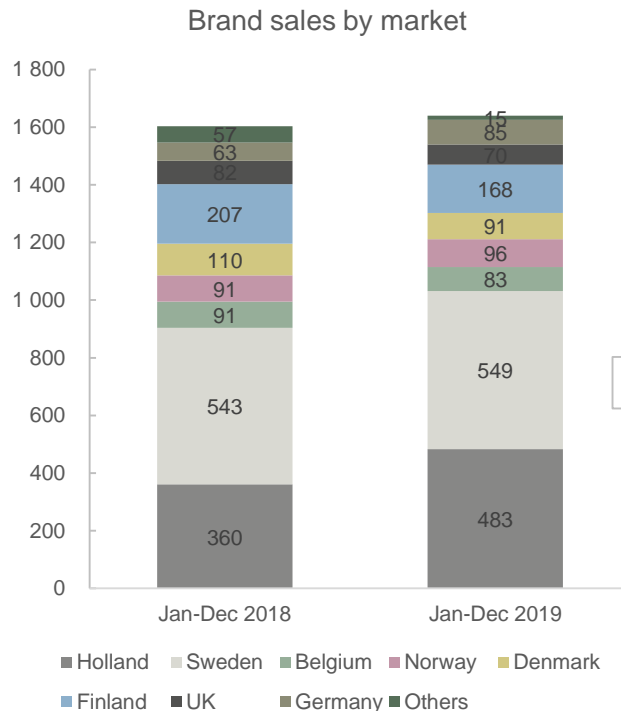


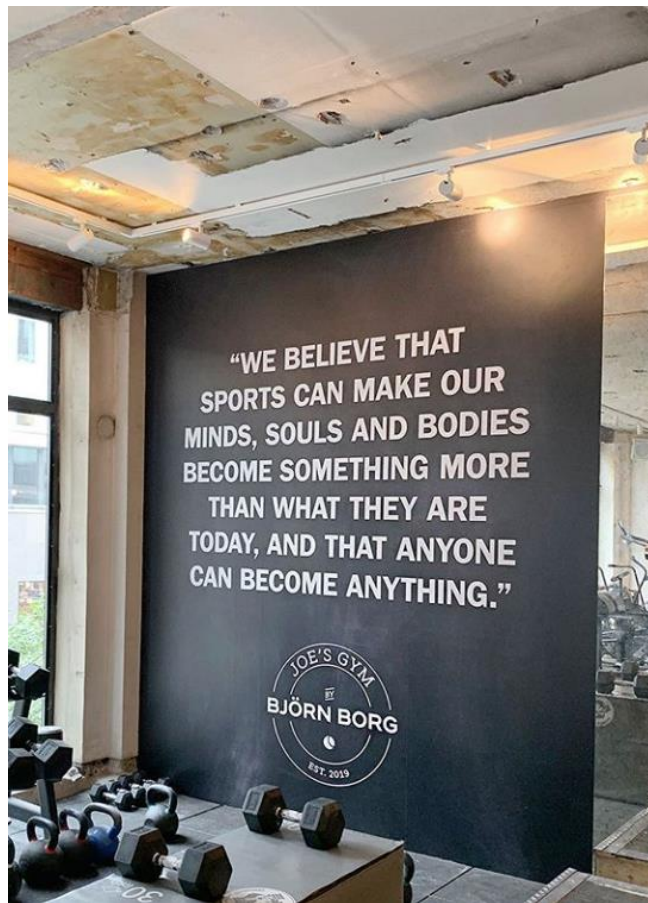
# Brand sales by market with the Netherlands and Germany showing strong growth.

## – Brand sales by market

### BRAND SALES DEVELOPMENT YTD 2019

- The Netherlands and Germany showing strong growth.
- Sweden and Norway showing moderate growth.
- Other main markets are declining vs LY.





# TOP 10 PRIORITIES 2019

1

## BRAND HEAT

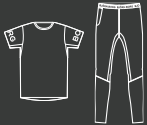
2

## 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  
RESTRUCTION

INCL. ONE STOCK



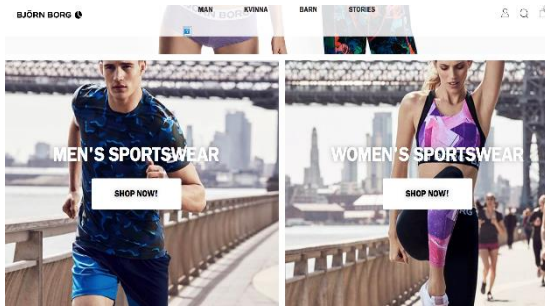
SYSTEM  
EXCELLENCE



ONLINE  
ATTACK

# ONLINE ATTACK IS DIVIDED IN THREE DIFFERENT FOCUS AREAS

## E-com



**Compound Annual Growth Rate 2013-2019**  
+30%  
YTD 2019 +22%

## Market places



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

## E-tailers



**Compound Annual Growth Rate 2013-2019**  
+26%  
YTD 2019 +21%

**Underlying online market growth 2013-2019 18%**



**THANK YOU**