

BJÖRN BORG 

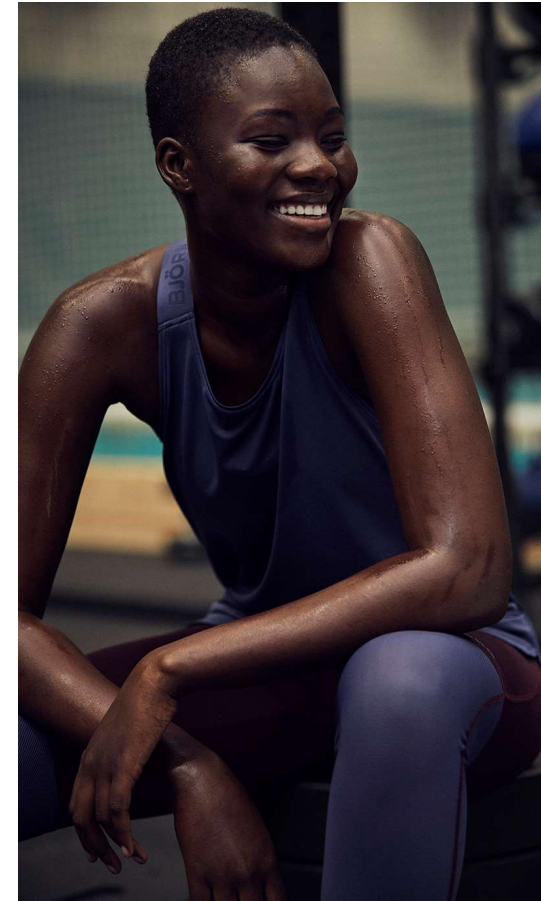


Q3 2020

Henrik Bunge, CEO
Jens Nyström, CFO

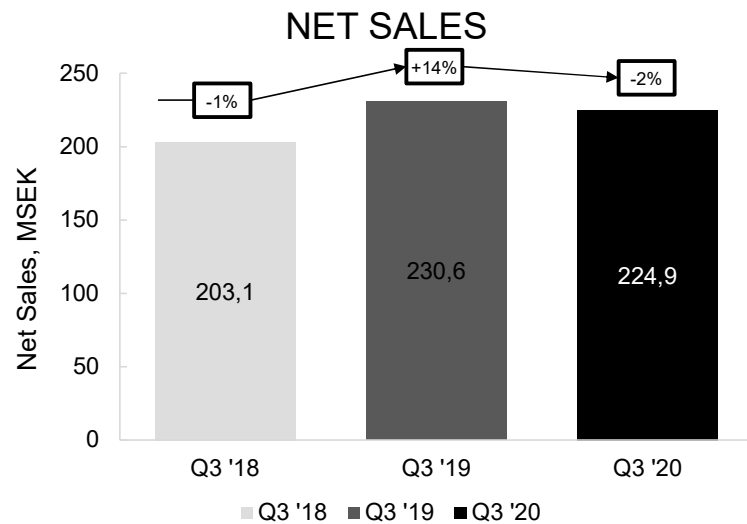
Q3 2020 SUMMARY

- The third quarter of 2020 was continuously negatively impacted by Covid-19/Corona, even though less than the second quarter of 2020.
- Net sales decreased with -2.5% in the quarter mainly driven by a weak quarter for our wholesale markets in Holland and Belgium, offset by the German wholesale market, as well as consumer direct (own e-commerce and own retail) which increase +23% in the quarter. Currency neutral the net sales decrease is -0.1%
- Wholesale business is overall decreasing -11% in the quarter, driven by the Benelux and Swedish markets, offset by positive developments in the German market (+130%).
- Own retail sales increase in total +31% despite pressure from effects of the Corona virus. Comparable stores decrease -5% due to the negative effects of the Corona virus.
- Own e-commerce continue to show strong development and increase with +13% in the quarter.
- External distributors increase +15% in the quarter with an increase in the smaller distributors.
- The licence business decline -27% in the quarter, where mainly bags are representing the decrease.
- Gross profit margin decrease -2.1 ppt vs LY, mainly due to increased discounts to wholesalers to mitigate the negative effects of the Covid-19. Currency neutral the decrease is -2.8 ppt.
- Operating profit increased to SEK +33.4 million (+33.1) due to measures the company has taken to reduce operational expenses.



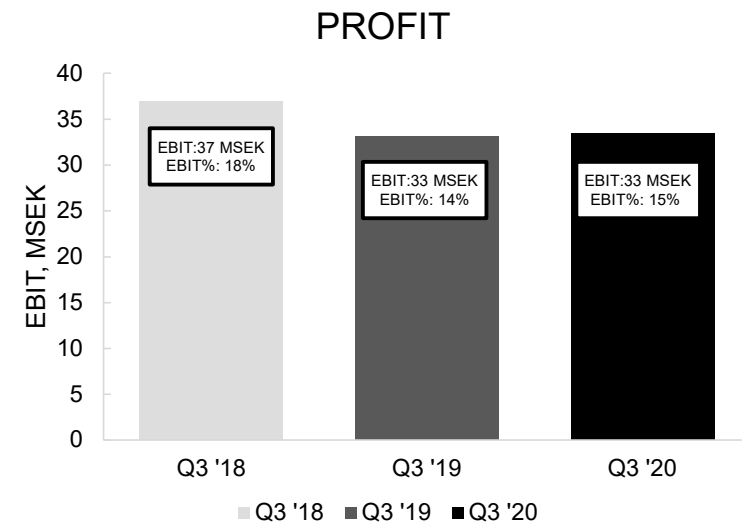
Q3 2020 show a decrease in sales vs last year (flat currency neutral), but EBIT increase due to good OPEX cost control.

– Net sales and operating profit development by quarter



NET SALES SEK 224.9 million (230.6)

- + Own e-commerce
- + Own retail
- + E-tail wholesale business
- Regular wholesale business



OPERATING PROFIT SEK 33.4 million (33.1)

- + General control of OPEX
- Higher wholesale discounts

Key financials YTD Q3 2020 vs 2019

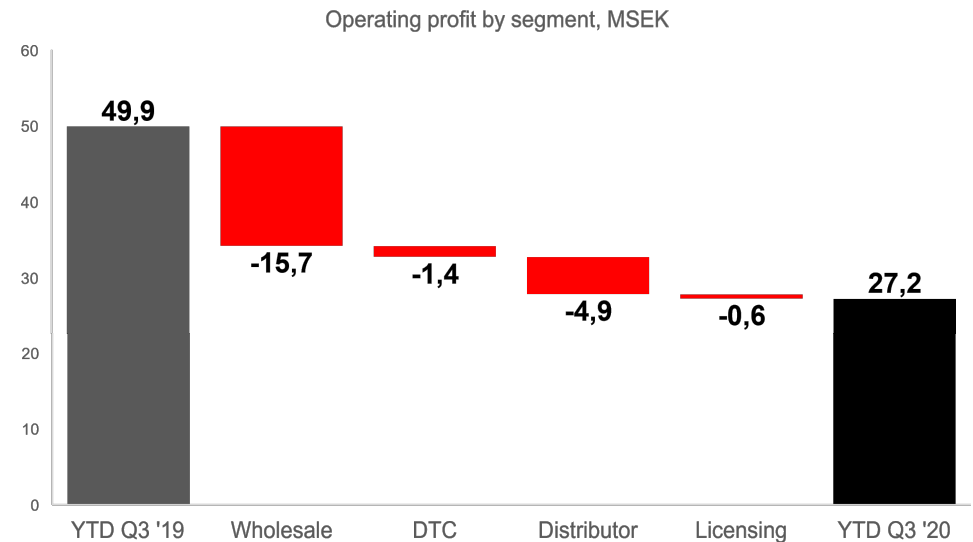
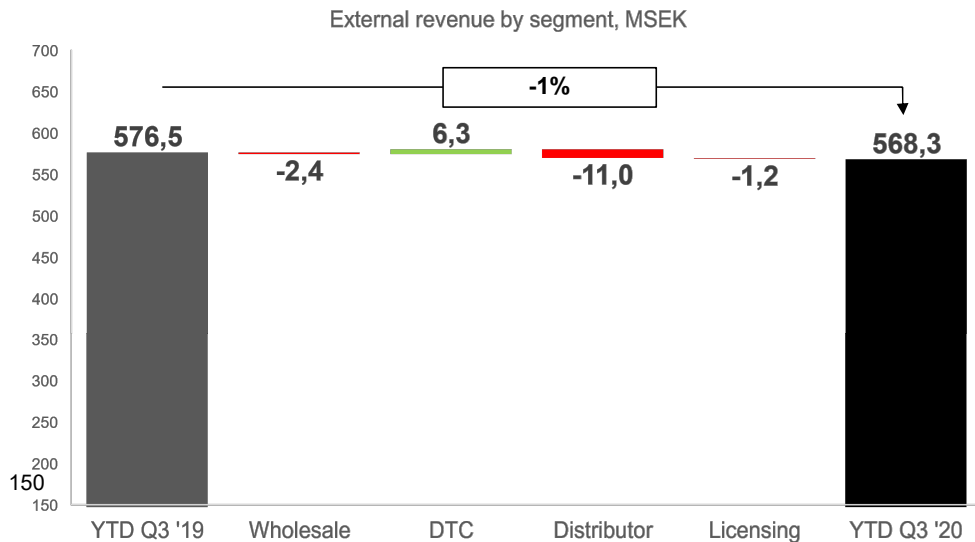
MSEK	YTD Q3 2019	YTD Q3 2020	+/-
Net sales	560.4	544.8	-2.8%
Gross profit margin %	54.7%	51.2%	-3.5 ppt
Operating expenses ¹⁾	272.6	275.4	+1.0%
Operating profit	49.9	27.2	-45.5%
Operating margin %	8.9%	5.0%	-3.9 ppt
Earnings per share, SEK	1.66	0.70	

¹⁾ *Excluding goods*

- The gross profit margin is negatively affected with -0.3 ppt due to fx effects.

Sales decrease mainly related to negative effects from Corona. Also EBIT decline due to increased customer discounts and bad debt losses.

– Full year revenue and operating profit by segment

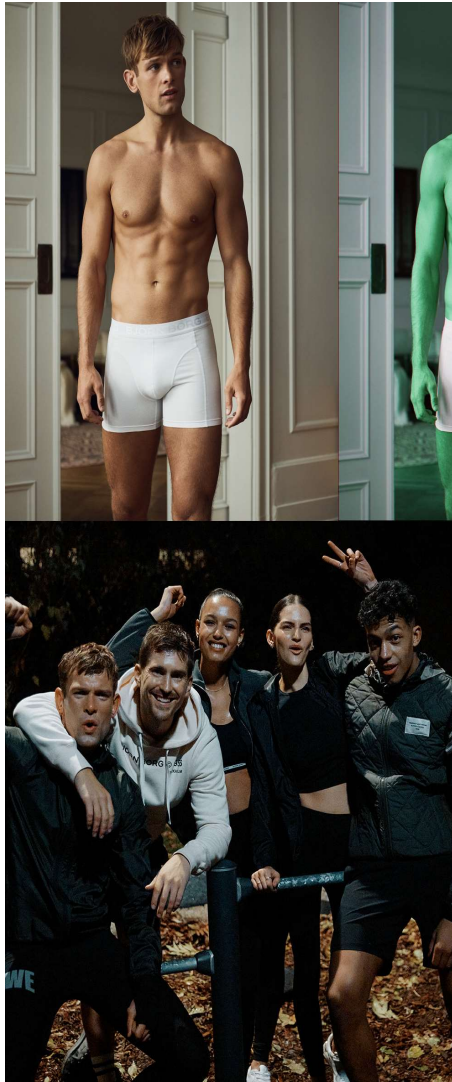


- Wholesale; growth in Finland, Germany and Footwear, offset by a decline in Benelux, Sweden and the UK.
 - Operating profit declining due sales decline, increased customer discounts and bad debt losses.
- DTC; e-com +33% vs last year and own retail increase in total stores with +2% while in comparable stores it decreases with -17% vs last year.
 - Operating profit is declining due to increased discounts.
- Distributor sales decrease (-27%) due to poor development mainly in the larger markets Norway and Denmark.
- The licensing business decrease vs last year mainly related to bags, offset by strong sales of footwear.

Initiatives taken between March – September to minimize the negative effects from the Corona virus have been tough and fast.

- Short term layoffs to all staff in own stores as well as in HQ for 6 months
- Large redundancy of HQ staff
- Staff bonus removed
- Travel freeze
- Renegotiated rent in all own retail stores
- Relocation of HQ premises
- Streamlined all planned Marketing activities and activations and increase focus online
- Cancelling all external consultants where possible
- Stopped planned capital investments where possible





SUSTAINABILITY AT BJÖRN BORG

We want to inspire people to lead a sustainable life. That includes offering Greener products, sourced in a responsible way and transported with greener alternatives.

- Target to be compliant with UN's Agenda 2030 and reduce our GHG emission by 30% to 2030.
- 45% of customers consider Björn Borg a sustainable brand
- Well ahead of Customer expectations
- AW 2021 100% of Clothing is classified Sustainably Sourced.
- All vendors enrolled in BSCI, Business social compliance initiative
- Effective buying processes & one central, green warehouse

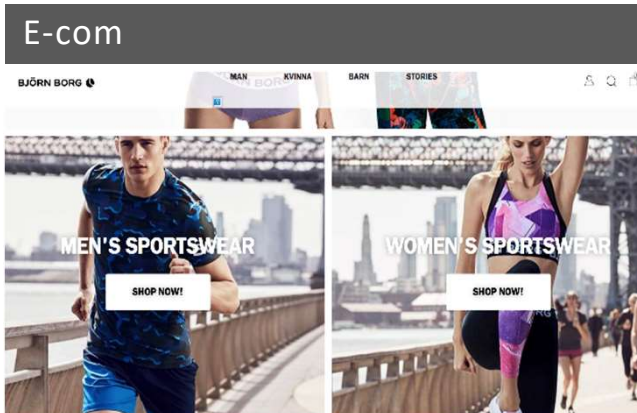
Reach is the key, and we doubled the visibly on social media during Q3





ONLINE
ATTACK

Online attack is divided in three different focus areas



Compound Annual Growth Rate 2013-2019

+30%

YTD 2020 +33% (+13% in Q3 2020)

Market places



Untapped potential

Market place model with amazon live,

YTD 2020 +165%.

E-tailers



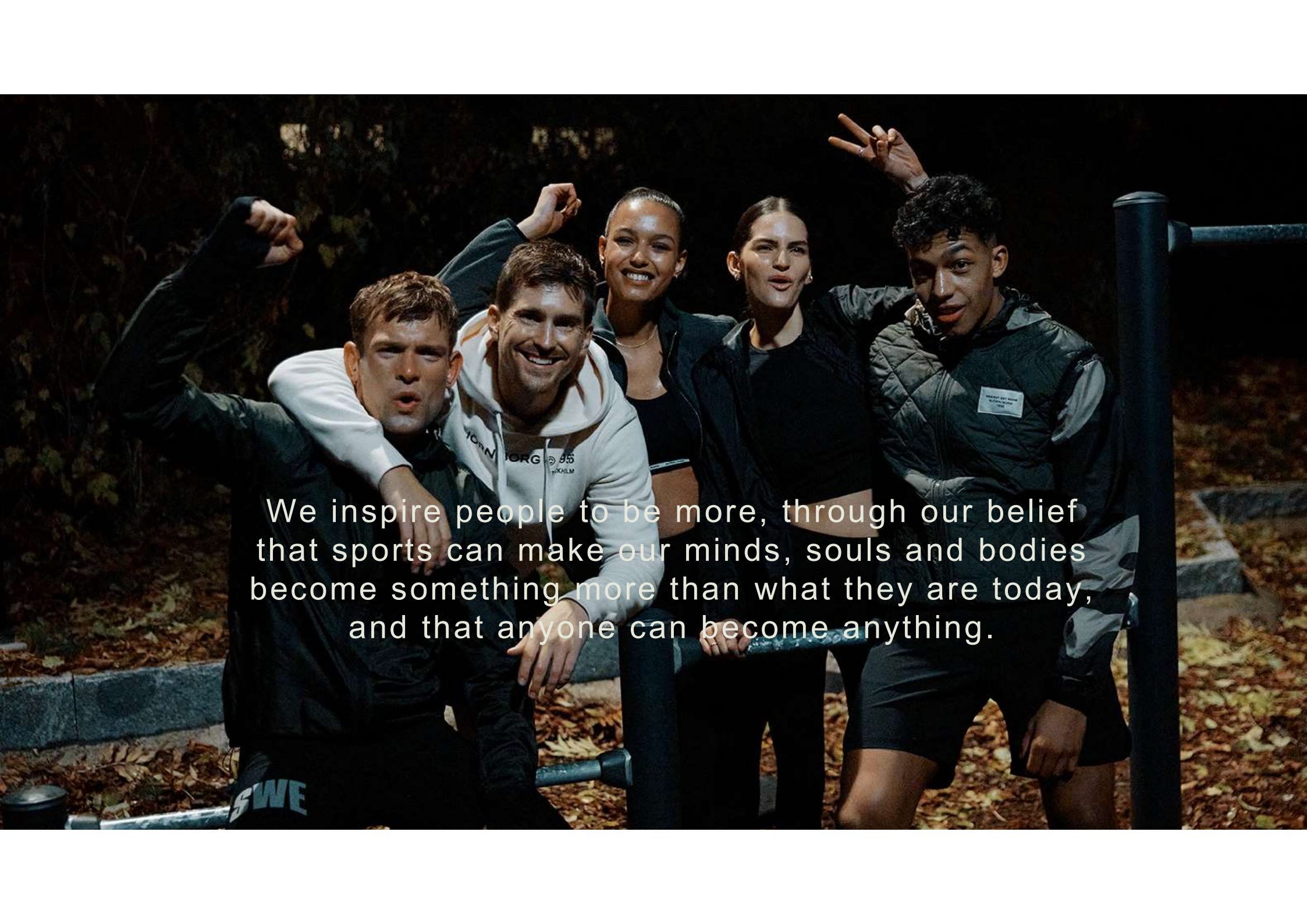
Compound Annual Growth Rate 2013-2019

+26%

YTD 2020 +13%

Best in class: YTD 2020 +65% (+170% in Q3 2020)

Underlying online market growth 2013-2019 18%

A group of five young adults, three men and two women, are posing together in a park at night. They are all wearing athletic or outdoor gear. The man on the far left is wearing a dark jacket and has his arm raised in a fist. The man next to him is wearing a white hoodie with 'JORN JORG 95' and 'KELM' printed on it. The woman in the back center is smiling. The woman next to her is also smiling. The man on the far right is wearing a quilted jacket and making a peace sign with his hand. They are standing in front of a dark background with some foliage and a metal railing. The ground is covered with fallen leaves.

We inspire people to be more, through our belief
that sports can make our minds, souls and bodies
become something more than what they are today,
and that anyone can become anything.

THANK YOU