Q1 2021

Henrik Bunge, CEO
Jens Nyström, CFO
Q1 2021 SUMMARY

- Online sales continue to show strong growth and represents more than 50% of the turnover in the first quarter of 2021, including own e-commerce, e-tailers in wholesale and wholesalers own e-commerce.

- The first quarter was however, continuously negatively impacted by Covid-19/Corona, with lockdown in the Netherlands, Germany and the UK, resulting in challenges in own retail.

- Overall, net sales increased with +7.4% in the quarter
  - Strong quarter for the wholesale channel, predominantly driven by e-tailers growing +68%.
  - Own e-commerce growing +40% and having a good momentum.
  - Own retail decline -44% mainly due to lockdown in the Netherlands.
  - External distributors grow +103% in the quarter, main increase in Norway showing a strong recovery and in the UK which has shifted from an integrated part of the operations to an external distributor as of 2021.
  - The licence business decline -32% in the quarter, where mainly bags are representing the decrease as it is a category brought inhouse during end of 2020.
  - Currency neutral the net sales increase is +14.6%.

- Gross profit margin decrease -0.8 ppt vs last year, mainly due to inventory write-down as a consequence of lockdown in own retail channels. Currency neutral the decrease is -4.3 ppt.

- Operating profit increased to SEK +22.4 million (+7.2) due to increased focus on profitability in the gross margin and the measures the company has taken to reduce operational expenses.
Q1 2021 show an increase in sales and EBIT vs last year, mainly due to good OPEX cost control.

- Net sales and operating profit development by quarter

**NET SALES**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Sales (MSEK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '19</td>
<td>188.2</td>
</tr>
<tr>
<td>Q1 '20</td>
<td>172.0</td>
</tr>
<tr>
<td>Q1 '21</td>
<td>184.7</td>
</tr>
</tbody>
</table>

Net sales development:
- +11%
- -9%
- +7%

**PROFIT**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBIT (MSEK)</th>
<th>EBIT%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '19</td>
<td>19.0</td>
<td>10%</td>
</tr>
<tr>
<td>Q1 '20</td>
<td>7.0</td>
<td>4%</td>
</tr>
<tr>
<td>Q1 '21</td>
<td>22.4</td>
<td>12%</td>
</tr>
</tbody>
</table>

**NET SALES SEK 184.7 million (172.0)**

+ Own e-commerce (+40%)
+ Distributors (+103%)
+ E-tail wholesale business (+68%)
- Own Retail (-44%)

**OPERATING PROFIT SEK 22.4 million (7.2)**

+ General control of OPEX
+ Less wholesale discounts
- Inventory write-off
# Key financials YTD Q1 2021 vs 2020

<table>
<thead>
<tr>
<th>MSEK</th>
<th>YTD Q1 2020</th>
<th>YTD Q1 2021</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>172.0</td>
<td>184.7</td>
<td>+7.4%</td>
</tr>
<tr>
<td>Gross profit margin %</td>
<td>54.1%</td>
<td>53.3%</td>
<td>-0.8 ppt</td>
</tr>
<tr>
<td>Operating expenses ¹)</td>
<td>96.2</td>
<td>86.8</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.2</td>
<td>22.4</td>
<td>+209.6%</td>
</tr>
<tr>
<td>Operating margin %</td>
<td>4.2%</td>
<td>12.1%</td>
<td>+7.9 ppt</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>0.42</td>
<td>0.85</td>
<td></td>
</tr>
</tbody>
</table>

¹) *Excluding goods*

- The gross profit margin is positively affected with +3.5 ppt due to fx effects.
Sales increase mainly related to online business, both in wholesale and own e-commerce. EBIT increase due to good OPEX control.

- Full year revenue and operating profit by segment

- Wholesale; strong growth with e-tailers (+68%), offset by a decline in Footwear.
  - Operating profit increasing due increased sales with online retailers with improved gross margin and reduced OPEX.
- DTC; e-com +40% vs last year while own retail decrease in total stores with -44% because of the lockdown in the Netherlands.
  - Operating profit decline due to lower sales with lower gross margin and only slightly lower OPEX.
- Distributor sales increase (+103%) due to strong development mainly in Norway and the UK.
- The licensing business decrease vs last year mainly related to bags (brought inhouse).
Opportunity

Emerging trends shows that training in many ways is turning from a one-sided body-focus towards a new understanding of health.

Properly utilized these insights will give us an opportunity to build a strong position for Björn Borg as a sports brand with a fashion edge that capitalize on the growing health trend and the public interest in wellbeing.

That is why we train to live, and as a brand will offer multiple categories enabling anyone to be their best versions of themselves.
People listen to people
Our brand has never been this strong and our apparel collection is showing impressive growth numbers.
The plan to turn Björn Borg digital is progressing very well
- Share of online sales 2017-2021

During the Corona pandemic online sales has increased and there is a clear momentum it will continue.

Clear focus on profitability – cleaning up customer base in order to increase profitability had a negative impact on sales growth.

E-com; 8,1
E-tailer; 17,1
Marketplace; 15%
Share online; 15%

E-com; 12,1
E-tailer; 22,8
Marketplace; 21%
Share online; 21%

E-com; 14,2
E-tailer; 39,0
Marketplace; 29%
Share online; 29%

E-com; 17,4
E-tailer; 34,7
Marketplace; 31%
Share online; 31%

E-com; 24,3
E-tailer; 58,3
Marketplace; 46%
Share online; 46%
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
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