



# **BJÖRN BORG AB**

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## **Investor Presentation Q2 2022**

**Stockholm, August 19th, 2022**





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## A. Executive Summary



A man is lying on his back on a wooden deck next to a swimming pool. He is wearing green and white striped swim trunks with yellow buttons and a white swim cap. He is holding an open book in his hands and looking at it. The background shows the dark water of the pool.

**"Strong own online growth and currency neutral gross margin increase of 3.3% two highlights from the past quarter"**

Henrik Bunge, CEO BJÖRN BORG AB



# Björn Borg Q2 2022 report – executive summary

- In Q2 2022 we decreased net sales by 0.8% to SEK 161.5 m vs. the same quarter last year that closed at SEK 162.8 m.
- Currency neutral gross margin improvement with 3.3% from 56.35 to 59.6%
- The EBIT margin decreased to 3.2% vs. 11.8% the same quarter last year.
- Our sports apparel category developed very well with an increase of 9% vs the same quarter last year.
- Our business in Denmark and Finland, improved by 29% and 23% respectively.
- Our own e-commerce continues to grow, however we see a drop in e-tailers and a temporary bounce back of brick and mortar.
- Growth was driven by increasing brand heat showing in improved brand awareness and preference.
- Our financial solidity improved showing in a higher equity ratio of now 53%.
- We closed the quarter at a Net Debt position of SEK 4 m vs SEK 68 m same quarter last year.





**B. Where we want to go**



# **Our mission, our business strategy and our long-term financial objectives are clearly set**

## **BJÖRN BORG AB – Where we want to go**

### **OUR MISSION**

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

### **OUR LONG-TERM FINANCIAL OBJECTIVES**

- **Annual sales growth of min 5%**
- **Annual operating margin of min 10%**
- **Annual dividend of min 50% of net profit**
- **An equity/assets ratio of min 35%**

### **OUR BUSINESS STRATEGY**

- **Increase share of on-line and business with e-tailers.**
- **Grow business share and preference in sports apparel.**
- **Expand geographically focused on Europe**





**C. How far we got  
in Q2 2022**





## C1. Brand heat



**Our brand journey continues in the right direction with strong brand heat numbers, showing that our apparel focus resonates well with target consumer groups**

**BJÖRN BORG AB – Brand heat KPIs Q2 2022 highlights**



- Our message “Train To Live together with the products we show is resonating well with our target group



- A variety of touchpoints gives us a great reach and with that an increased awareness
- Offline activations works well among our male target group, such as Tough Viking

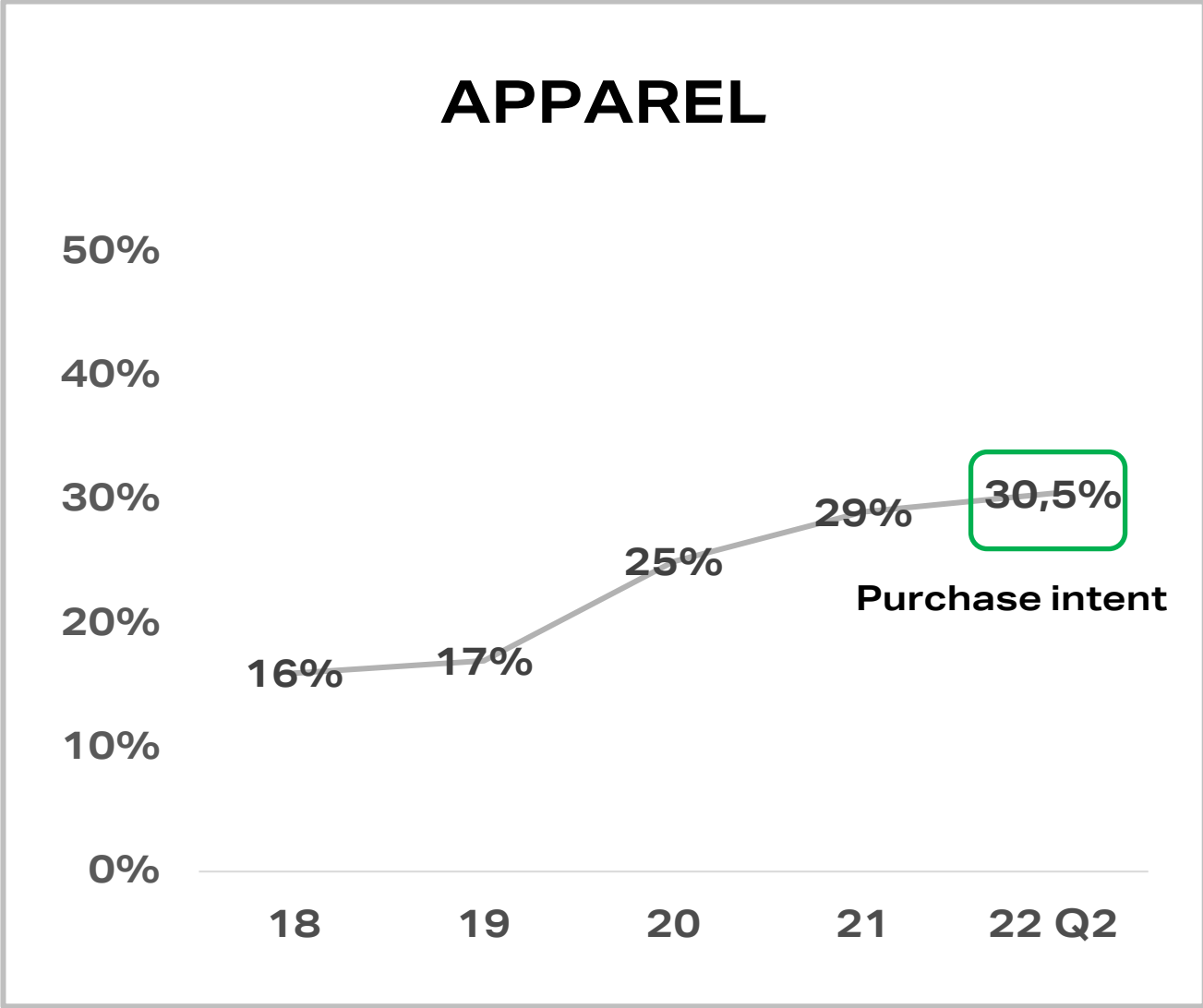
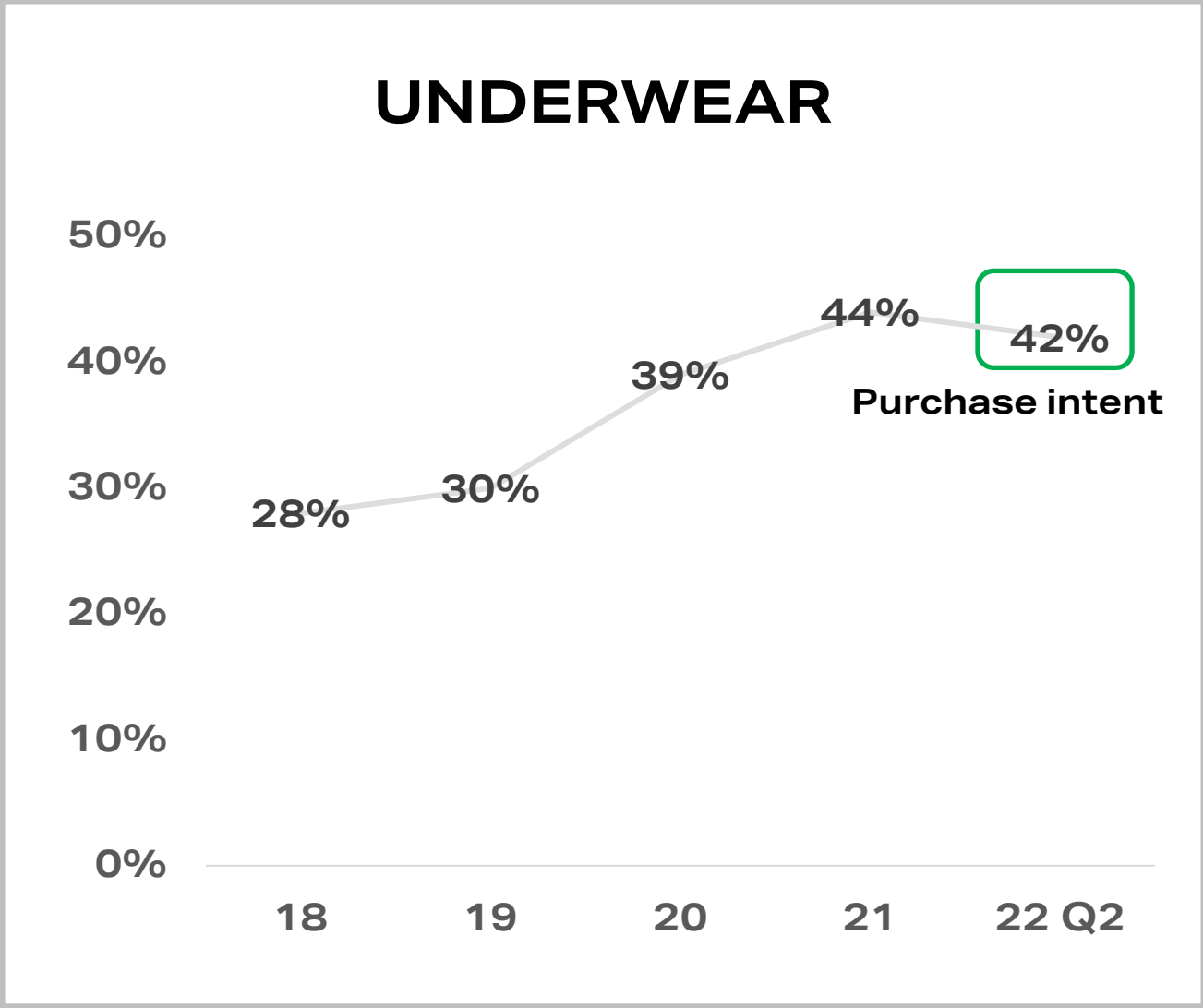


- A strong online and influencer focus is clearly working



We are maintaining our market leader position in mens underwear and increasing our strengths as an apparel brand.

BJÖRN BORG AB – Brand heat KPIs Q2 2022 all countries





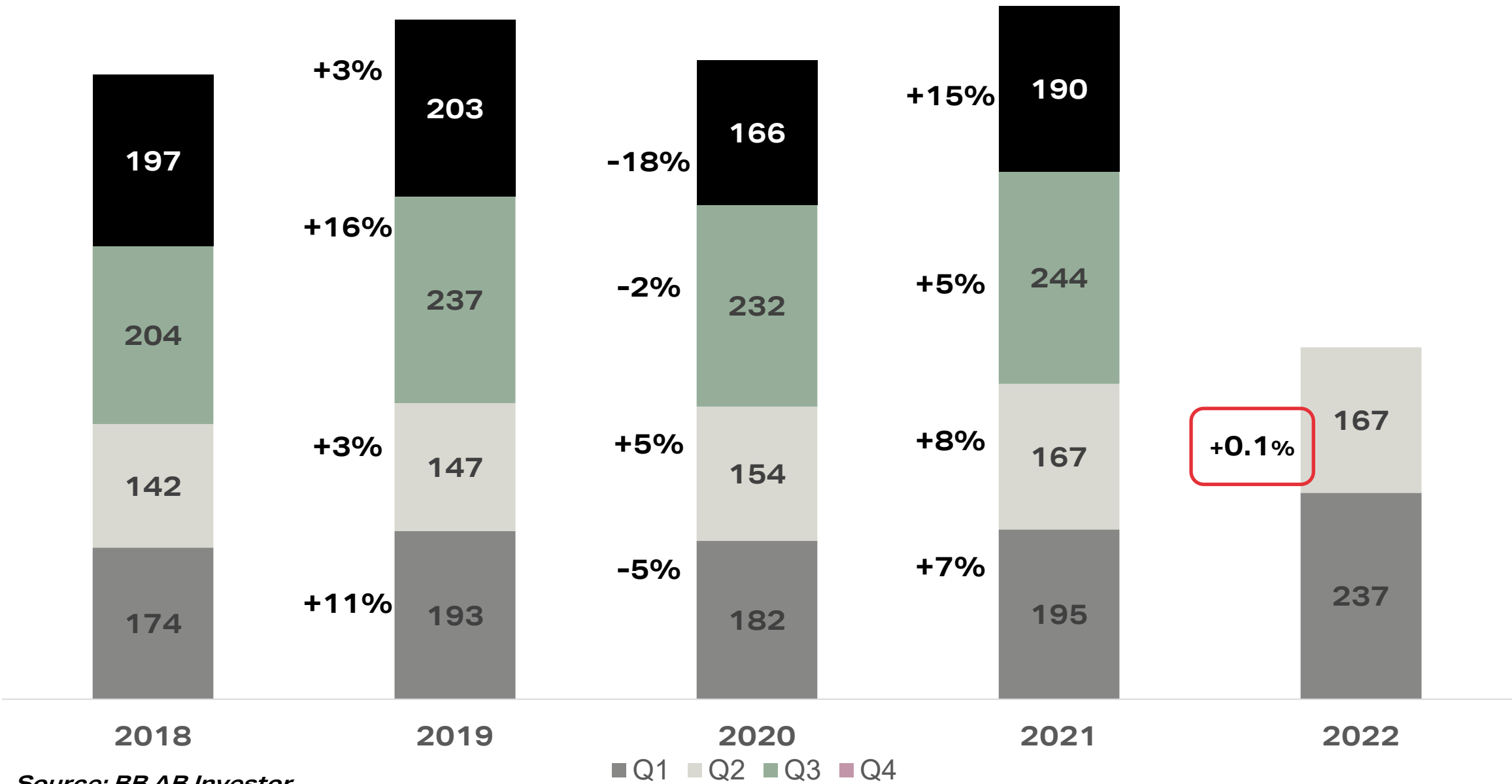


## C2. Top line



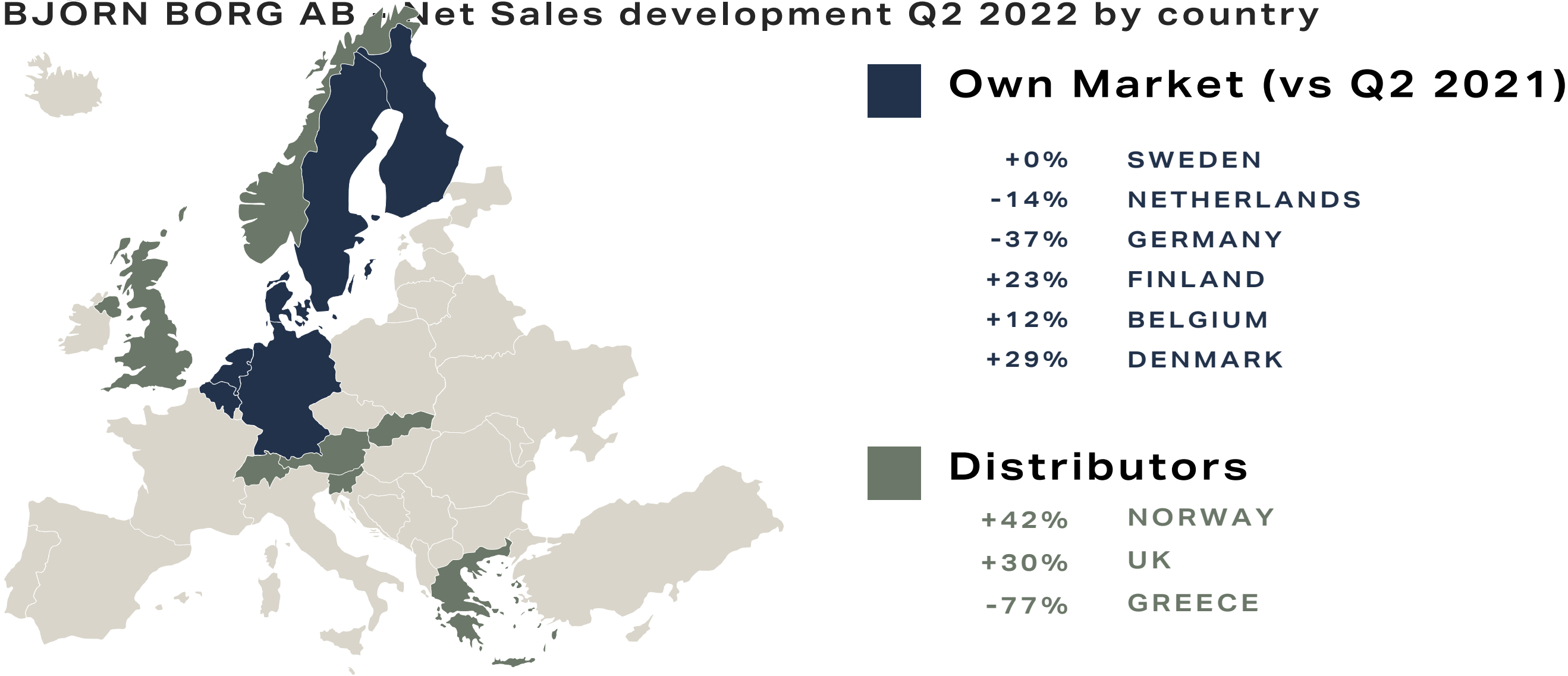
# Flat sales development in the quarter but full year growth of 11.7%

BJÖRN BORG AB - Total Sales development by quarter as per Q2 2022 [SEK m]



Top line growth in brick and mortar dominated markets but e-tailer dominated markets such as Germany and Netherlands are impacted heavily by the decline across most European e-tailers.

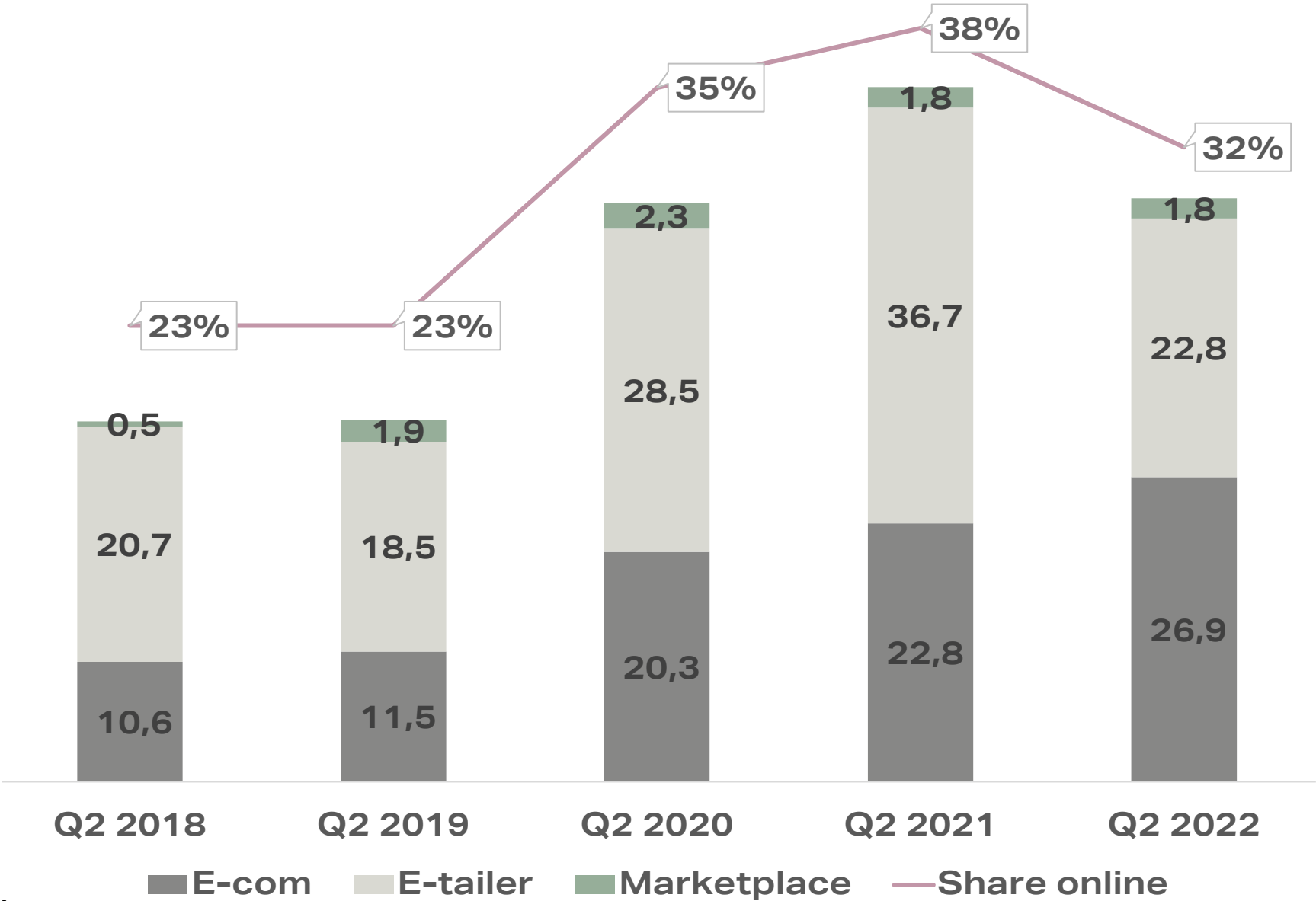
BJÖRN BORG AB Net Sales development Q2 2022 by country





Strong own online development in the quarter,  
however external e-tailers dropping versus last year.

BJÖRN BORG AB – Share of online sales 2018-2022



Source: BB AB Investor Relations

# Good momentum in wholesale brick and mortar, as well as external distributors and own e-commerce.

## BJÖRN BORG AB – Channel development Q2 2022

### OWN RETAIL

**-3%**      **+30%**  
VS Q2 2021      VS Q2 2020

- Own retail keep a good momentum, comparable stores increase +11% in Q2.
- All stores open again after previous lockdown.

### ONLINE

**-16%**      **+3%**  
VS Q2 2021      VS Q2 2020

- Own e-commerce keep growing, but e-tailers suffering in Q2.

### WHOLESALE AND DISTRIBUTORS

**-3%**      **+1%**  
VS Q2 2021      VS Q2 2020

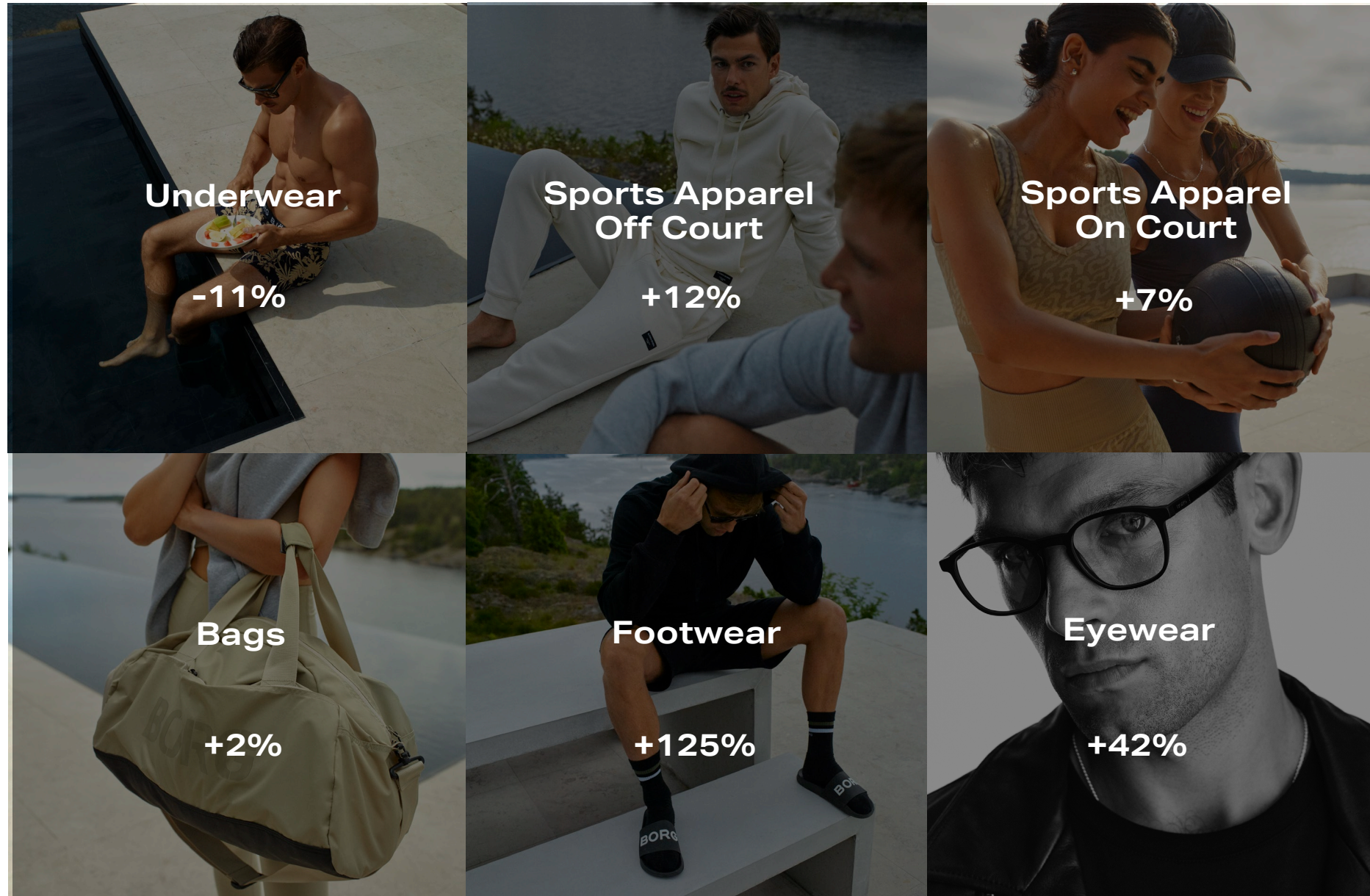
- Wholesale brick and mortar with strong growth in the quarter, driven by Denmark and Finland.
- Distributors with good momentum, main driver in Norway.





**Overall flat sales vs last year due to challenges in e-tailers channel. Footwear and eyewear on good trend.**

## **BJÖRN BORG AB – Category development Q2 2022**





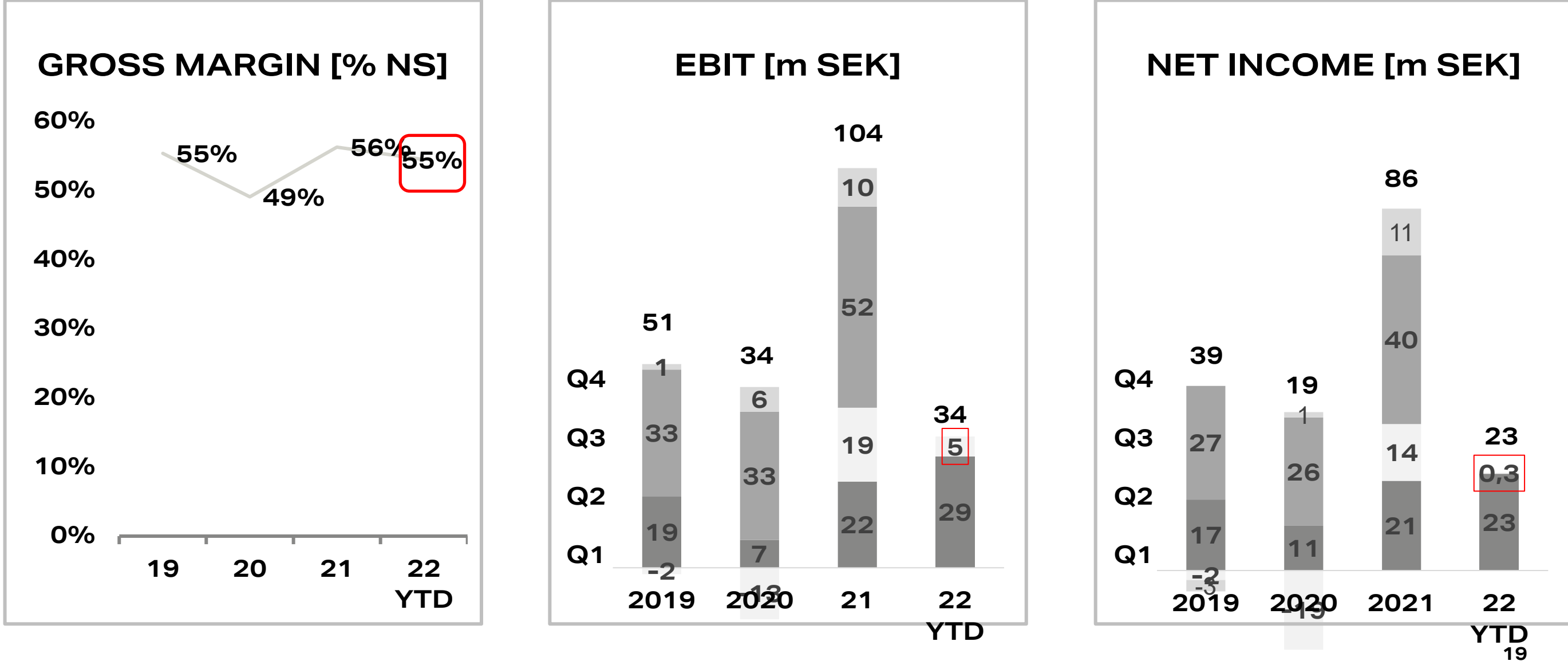


## C.3 Bottom line



Despite lower than last year, net income and EBIT show good levels in Q2 2022 versus the same quarters in previous years

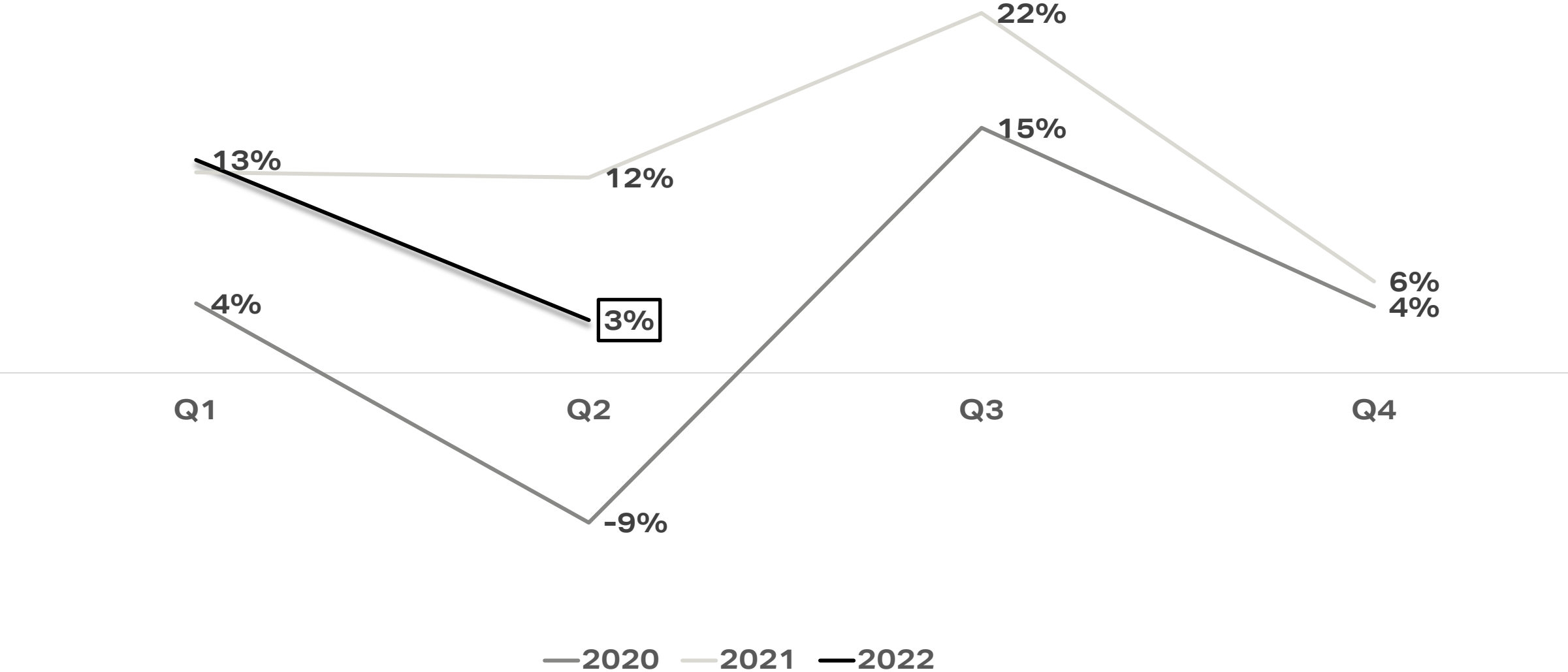
BJÖRN BORG AB – Bottom line KPIs Q2 2022





The EBIT margin in Q2 2022 dropped vs last year, but still outperform previous years' second quarters

BJÖRN BORG AB – EBIT margin development Q2 2022 [% of NS]



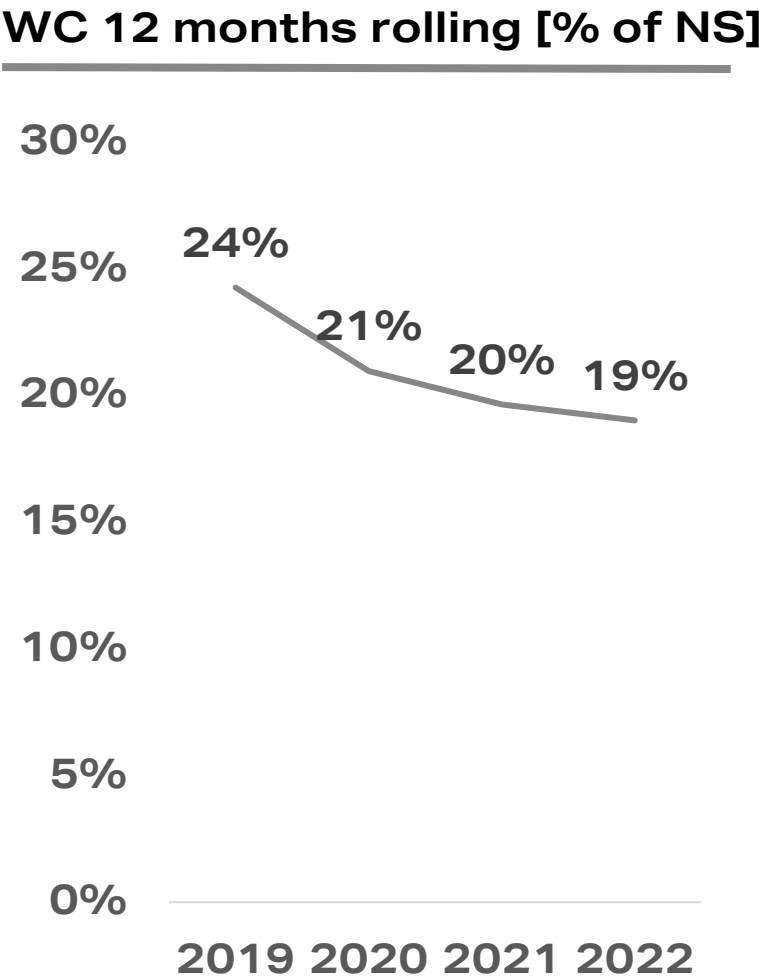
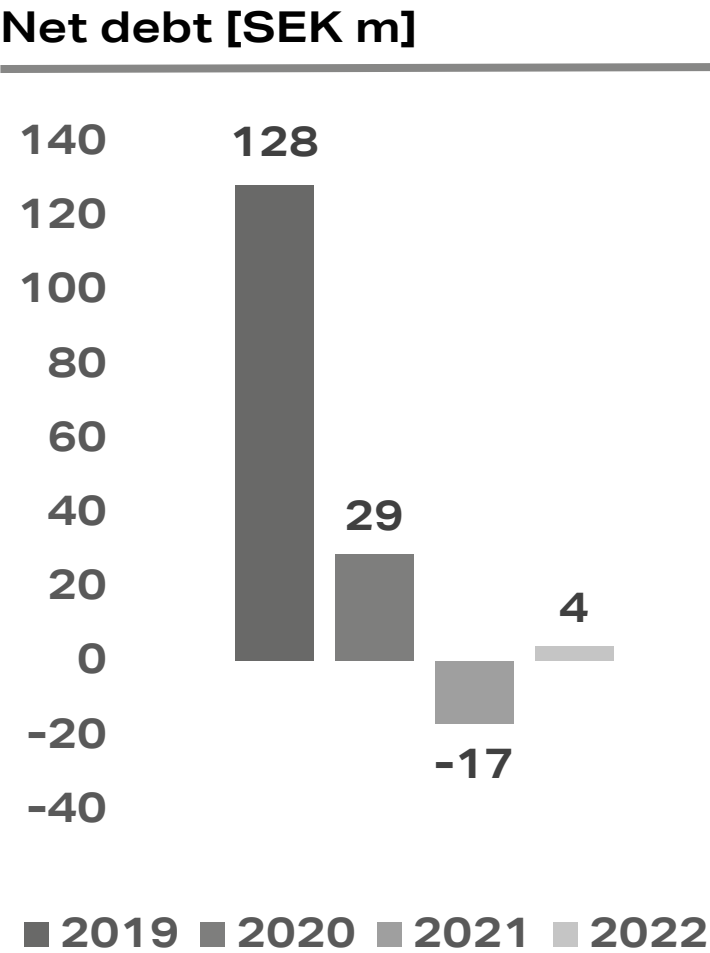
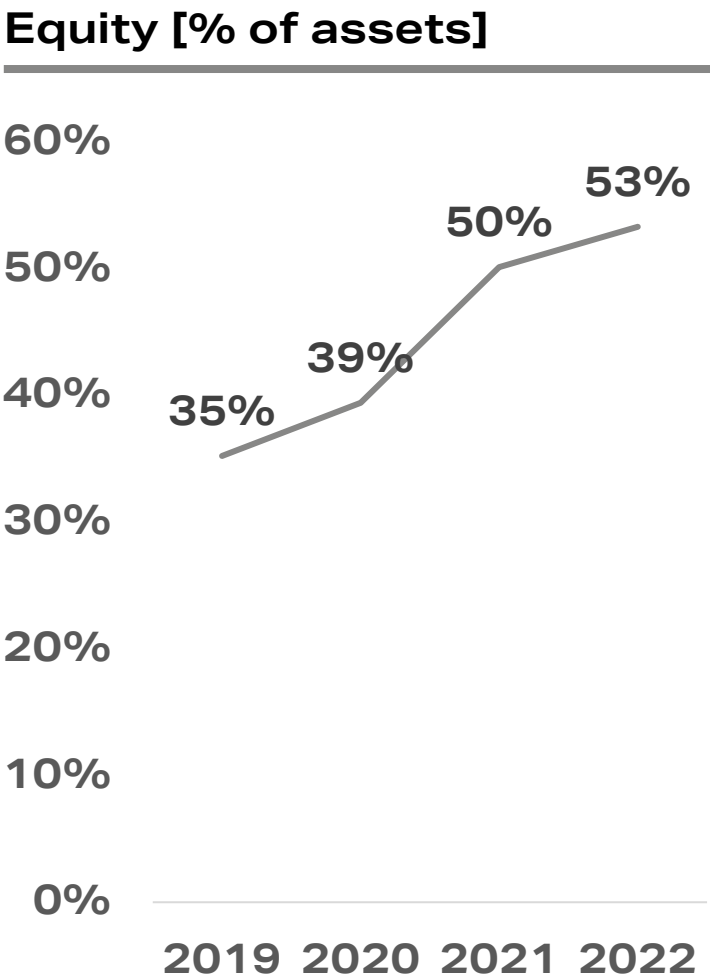


## C.4 Balance sheet



# In 2022 we maintain a strong equity ratio above 50% and keep net debt and core working capital low

## BJÖRN BORG AB - KPIS Year on Year trend





## D. Key take-aways



# The highlights clearly growing own online sales, continues growth for apparel and currency neutral gross margin improvements

## BJÖRN BORG AB – Key take-aways Q2 2022



**1** Brand gaining significant traction both regarding awareness and preference



**2** Strong growth in own online and own retail comp growth together with very strong currency neutral gross margin development +3.3%



**3** Sports apparel is growing and increasing its share of our overall business





Thank you!