



# BJÖRN BORG

Björn Borg AB • Interim report  
January-June 2023

# Strengthened operating profit and continued very strong growth in own e-commerce

## APRIL 1 - JUNE 30, 2023

- Group net sales amounted to SEK 165.6 million (161.5), an increase of 3 percent. Currency-neutral, net sales decreased by 2 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 76.5 million (52.0), an increase of 47 percent. Sales for own e-commerce increased by 39 percent to SEK 37.5 million (27.0).
- The gross profit margin amounted to 55.6 percent (54.5). Currency-neutral, the gross profit margin amounted to 56.7 percent, an increase of 2.2 percentage points.
- Operating profit amounted to SEK 8.1 million (5.2), an increase of 55 percent. Currency-neutral, the operating profit amounted to SEK 7.8 million, an increase of 50 percent.
- Profit after tax amounted to SEK 4.2 million (0.3).
- Earnings per share before and after dilution amounted to SEK 0.17 (0.01).

## JANUARY 1 - JUNE 30, 2023

- Group's net sales amounted to SEK 412.5 million (388.2), an increase of 6 percent. Currency-neutral, net sales increased by 2 percent.
- Net sales for own e-commerce and e-tailers amounted to SEK 169.3 million (145.5), an increase of 16 percent. Sales for own e-commerce increased by 36 percent to SEK 70.9 million (52.2).
- The gross profit margin amounted to 53.6 percent (51.9). Currency-neutral, the gross profit margin amounted to 55.3 percent, an increase of 3.4 percentage points.
- Operating profit amounted to SEK 39.5 million (34.5), an increase of 14 percent. Currency-neutral, operating profit amounted to SEK 41.5 million, an increase of 20 percent.
- Profit after tax amounted to SEK 29.0 million (23.4), an increase of 24 percent.
- Earnings per share before and after dilution amounted to SEK 1.15 (0.93).

## QUOTE FROM THE CEO

**"Above all, it's our sports collection that makes me extremely proud, with an incredible development in our own e-commerce - not only during the second quarter of the year with an increase of 98 percent, but for the entire first half of the year with an increase of 100 percent,"** comments CEO, Henrik Bunge.

SEK million	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Full year 2022
Net sales	165.6	161.5	412.5	388.2	859.5	835.2
Gross profit margin, %	55.6	54.5	53.6	51.9	51.7	50.8
Operating profit	8.1	5.2	39.5	34.5	77.9	72.9
Operating margin, %	4.9	3.2	9.6	8.9	9.1	8.7
Profit after tax	4.2	0.3	29.0	23.4	56.5	50.9
Earnings per share before dilution, SEK	0.17	0.01	1.15	0.93	2.24	2.02
Earnings per share after dilution, SEK	0.17	0.01	1.15	0.93	2.24	2.02

## CEO comments

We started the year strongly, and that trend continued into the second quarter of the year when both sales and operating profit increased. The fact that we managed to increase the operating profit by 50 percent compared to the corresponding quarter last year was one of the many highlights of the quarter. Another was the continued strong growth for our own e-commerce, which grew by 39 percent.

Net sales during the quarter amounted to SEK 165.6 million (161.5), an increase of 3 percent compared to the previous year. Currency-neutral, our turnover decreased by 2 percent.

Our channels develop very differently in the quarter, where our wholesale channel grew by 7 percent despite high inventory levels at several customers. It is in particular our external e-tailers within the wholesale channel that develop very strongly with an increase of 57 percent. Both our own e-commerce and our own stores are developing very well, a sign of the strength of our brand, where our own e-commerce grew by 39 percent and our own comparable stores grew by 21 percent. In total, however, our own stores decline 2 percent in the quarter due to planned store closures. Our distributors decline significantly compared to the previous year, which can be derived both from the timing of deliveries and large stocks with our distributors' customers.

When reviewing our various markets, we see a very strong recovery in Germany, which is growing by 39 percent. The Netherlands, Denmark and Finland are also developing well. At the same time, our sales in Sweden decrease slightly during the quarter, which is explained by challenges with our physical wholesale customers. Belgium also has a weak development in the quarter. There we see that several external e-tailers based mainly in Germany and the Netherlands focus on the Belgian market and successfully sell our products to Belgian consumers, which to some extent explains our strong decline of our Belgian wholesale customers.

Regarding our product areas, the sports apparel category continues to develop very well and increased by 14 percent, and bags grew by 3 percent. Both underwear and footwear decreased by 4 percent in the quarter. The decrease for underwear is solely a result of the timing of our distributor sales. Other categories grew by a total of 19 percent in the quarter. Above all, it is our sports collection that makes me extremely proud, with an incredible development in our own e-commerce, not only during the second quarter of the year with an increase of 98 percent, but for the entire first half of the year with an increase of 100 percent.

The gross profit margin increased to 55.6 percent (54.5). Adjusted for currency effects, the gross profit margin would have been 56.7 percent, an increase of 2.2 percentage points. A result of a continued focus on profitability, and reduced discounts both at the wholesale level, in our own stores and our own e-commerce. In addition, the planned closures of our own stores had a positive impact on our operating profit. Other planned costs were at the level of the previous year.

Increased sales with increased gross profit margin meant that we increased our operating profit by 55 percent to SEK 8.1 million from SEK 5.2 million.



With the second quarter behind us, I can conclude that our strong start to 2023 has continued, with growth, increased profitability and a brand that is constantly being strengthened. I am humbled by all the challenges in the world around us, but strengthened in my conviction that for our team, all our employees, nothing is impossible. During the quarter, we see in our anonymous employee survey that we who work at Björn Borg feel very good, and when we feel good, we perform well. During the quarter we saw the evidence of this high performance; a sports collection that continued to develop very well, very strong growth for own e-commerce, an improvement in earnings and the continued strengthening of the brand. Recession or not, based on our second quarter performance, I can now state that we are one step closer to our dream to build a global sports fashion brand.

So, let's go!

Head coach,  
Henrik Bunge



## The Group's development

### OPERATING REVENUE SECOND QUARTER 2023

The second quarter of the year showed an improvement in total operating revenue, including other revenue, of 1.7 percent to SEK 169.9 million (167.0). Adjusted for currency effects, the operating revenue decreased by 2.5 percent for the quarter.

### PRODUCT AREAS SECOND QUARTER 2023

The underwear product area showed reduced sales of 4 percent for the second quarter of 2023, where primarily sales to external distributors decreased by 47 percent due to the timing of distribution between the different quarters. Other channels increased by a total of 4 percent. Sportswear increased by 14 percent, where sales to own e-commerce in particular continued to grow strongly, with an increase of 98 percent.

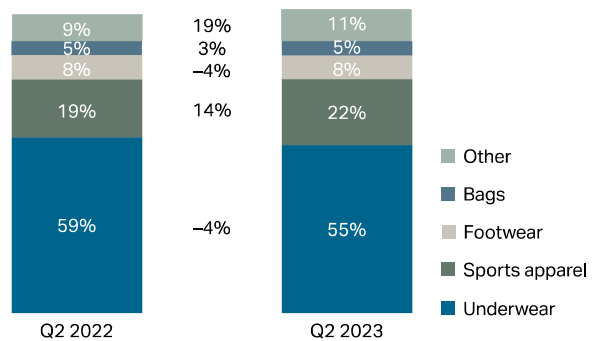
Sales for footwear decreased by 4 percent compared to the previous year's second quarter, while bags continued to grow with an increase of 3 percent. For other product areas, sales increased by 19 percent.

### MARKETS SECOND QUARTER 2023

The largest market, Sweden, decreased during the second quarter of the year by 6 percent. Wholesale operations decreased by 13 percent while own e-commerce increased by 28 percent. The second largest market, the Netherlands, increased by 13 percent. Here too, own e-commerce grew strongly with an increase of 50 percent. Finland increased by 12 percent and Germany increased by 39 percent due to strong development of the German

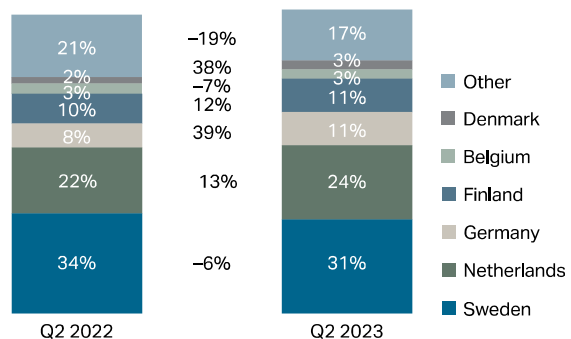
### PRODUCT AREAS – SHARE OF TOTAL SALES

SEK 167 million – Growth 2% – SEK 170 million



### MARKETS – SHARE OF TOTAL SALES

SEK 167 million – Growth 2% – SEK 170 million

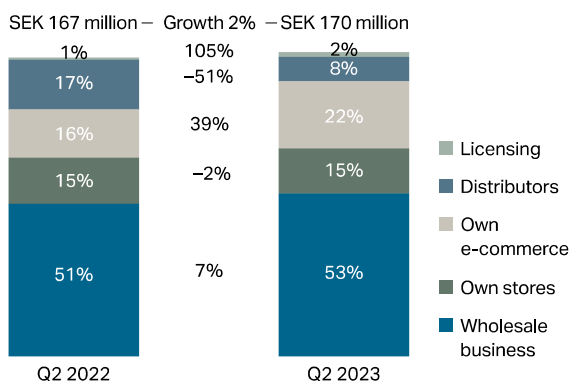


e-tailers. Denmark showed growth of 38 percent, while Belgium decreased by 7 percent. Other smaller markets decreased by a total of 19 percent.

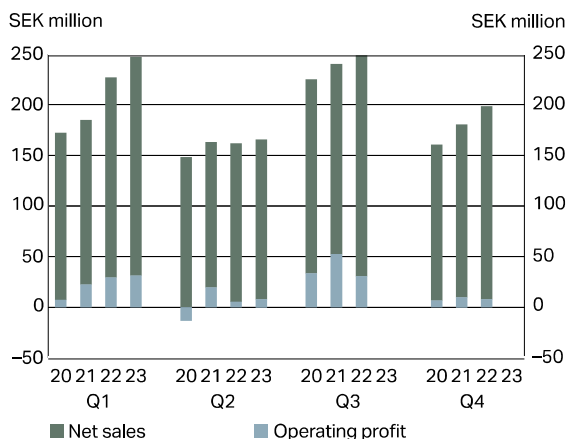
### CHANNELS SECOND QUARTER 2023

The largest channel, the wholesale business, showed an increase of 7 percent in the second quarter of 2023, where e-tailers in the wholesale business increased by 57 percent, mainly due to the aforementioned development in the German market, while physical stores decreased by 14 percent. Own stores decreased by 2 percent compared to the previous year. Own e-commerce continued to show strong growth and increased by 39 percent. Distributors decreased by 51 percent compared to the previous year, mainly due to the timing of the distribution.

### CHANNELS – SHARE OF TOTAL SALES



### QUARTERLY NET SALES AND OPERATING PROFIT, 2020-2023



### NET SALES

#### Second quarter, April-June 2023

Group net sales during the second quarter amounted to SEK 165.6 million (161.5), an increase of 2.5 percent. The currency effect on sales was positive in the quarter, and adjusted for currency effects, net sales decreased by 1.9 percent.

The main explanation for the variance between the quarters was that the company experienced increased demand within its own e-commerce, which grew by 39 percent, while external distributors showed the opposite effect and decreased by 51 percent due to timing in distribution. For further details, see below under "Development by segment".

#### First half of the year, January-June 2023

Group net sales during the first half of the year amounted to SEK 412.5 million (388.2), an increase of 6.3 percent. The currency effect on sales was positive and, adjusted for currency effects, turnover increased by 2.3 percent.

The main explanation for the increase during the first half of the year was that the company saw increased demand within the Consumer Direct segment, where sales in its own physical stores increased by 5 percent and its own e-commerce increased by 36 percent. For further details, see below under "Development by segment".

### RESULTS

#### Second quarter, April-June 2023

The gross profit margin for the second quarter increased to 55.6 percent (54.5). Adjusted for currency effects, the gross profit margin would have been 56.7 percent. It was, above all, a generally greater focus on profitability in its wholesale operations, and reduced discounts in own stores and in own e-commerce, that contributed to the positive effect.

Other operating income amounted to SEK 4.2 million (5.4) and mainly refers to unrealized gains on accounts receivable in foreign currency.

Operating costs in the quarter were at the same level compared to the previous year's second quarter.

Increased sales, higher gross profit margins as well as planned operating costs meant that the operating profit increased to SEK 8.1 million (5.2).

Net financial items amounted to -2.7 MSEK (-0.9). The deterioration of net financial items compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 4.2 million (0.3).

#### First half of the year, January-June 2023

The gross profit margin for the first half of the year increased to 53.6 percent (51.9). Adjusted for currency effects, the gross profit margin would have been 55.3 percent. It was, above all, a generally greater focus on profitability in wholesale operations, and reduced discounts in own stores and in own e-commerce, that contributed to the positive effect.

Other operating income amounted to SEK 7.6 million (15.4) and mainly refers to unrealized gains on accounts receivables in foreign currency.

Operating costs increased as planned for the first half of the year by SEK 6.9 million compared to the previous year's first half-year, primarily through increased marketing activities. However, lower personnel costs had the opposite positive effect on operating costs.

Increased sales, higher gross profit margins as well as planned increased operating costs compared to the previous year, resulted in the operating profit increasing to SEK 39.5 million (34.5).

Net financial items amounted to SEK -3.4 million (-1.0). The deterioration of net financial items compared to the previous year was mainly attributable to the revaluation of financial assets and liabilities in foreign currency.

The period's profit after tax increased to SEK 29.0 million (23.4).

### Development by segment

Björn Borg's segment reporting consists of the company's main revenue streams, which are divided into Wholesale, Own e-commerce, Own stores, Distributors and Licensing, which is also how the business is monitored internally in the Group.

## Wholesale

The segment consists of revenues and costs associated with the Björn Borg Group's wholesale operations. The Group conducts wholesale operations in Sweden, the Netherlands, Finland, Germany, Belgium and Denmark for underwear, sports apparel, and bags and in Sweden, Finland and Denmark for footwear.

The segment's external operating income amounted to SEK 272.9 million (262.8), which was an increase of 4 percent. One explanation for the increase was that the company experienced increased demand from e-tailers within the segment, players who primarily sell online, where growth for the first half of the year was 5 percent, up to SEK 99 million (95). Physical stores within the segment also showed growth and increased by 3 percent, amounting to SEK 174 million (168). Within wholesale operations, Sweden, the largest market, showed a decrease of 3 percent while the second largest market, the Netherlands, showed corresponding growth of 3 percent. The Finnish market increased by 13 percent, while Germany decreased by 2 percent.

Operating profit amounted to SEK 26.1 million (31.7), a decrease of 17 percent. The deterioration in operating profit was primarily due to higher operating costs compared to the previous year, in the form of higher reserves for possible customer losses.

## Own e-commerce

The segment consists of revenues and costs associated with the Björn Borg Group's sales of underwear, sports apparel, footwear, bags and complementary products, directly to consumers via own e-commerce at [www.bjornborg.com](http://www.bjornborg.com).

Own e-commerce continued to grow strongly. During the first half of the year, own e-commerce increased by 36 percent to SEK 70.9 million (52.2). The increase was mainly due to strong growth in the sports apparel product area, which was up 100 percent compared to the previous year's first half-year. The underwear product area also increased strongly and grew by 16 percent. Bags continued to show strong momentum and grew by 56 percent.

The operating profit for the first half of 2023 amounted to SEK 11.2 million (6.8), an increase of 65 percent. The improvement came primarily from significantly increased sales combined with unchanged high gross margins.

## Own stores

The segment consists of revenues and costs associated with the Björn Borg Group's sales directly to consumers via its own physical stores. The Björn Borg Group owns and operates a total of 16 (21) stores and factory outlet stores in Sweden, the Netherlands, Finland and Belgium, selling underwear, sports apparel, footwear, bags and complementary products.

Our own physical stores developed strongly compared to the first half of last year. In total, the increase was 5 percent despite the company choosing to close five stores in accordance with the company's strategy to close unprofitable stores. This was offset by the fact that the stores in the Netherlands were closed for parts of the first half of last year because of the pandemic. For comparable stores, i.e., stores that were also open in the corresponding period of the previous year, the increase was 27 percent.

In the Netherlands, sales in own stores increased by 20 percent, mainly because the stores were closed for part of the first half of 2022. In Sweden, sales in own stores increased by 5 percent in connection with the increased traffic to the stores, and also the fact that the average receipt was higher than in previous years. Sales in Finland and Belgium were down by 9 and 13 percent respectively as a result of the fewer number of stores this year compared to last year's first quarter. For comparable stores, Finland and Belgium increased by 53 and 8 percent respectively.

The operating profit for the first half of 2023 amounted to -6.9 MSEK (-15.6). The improvement in operating profit was mainly explained by the increased sales and significantly improved gross profit margins, as well as reduced operating costs resulting from fewer stores.

## Distributors

The distributor segment mainly consists of income and costs associated with sales to distributors of product groups that are developed in-house by the company.

The segment's external operating income decreased during the first half of the year 2023 compared to 2022, and amounted to SEK 23.1 million (38.8). Sales to the two major distributor markets, Norway and Great Britain, decreased compared to the previous year by 30 and 56 percent respectively, mainly due to the timing of the distribution. For the other distributor markets, sales decreased by a total of 46 percent.

Operating profit decreased to SEK 2.9 million (7.1) as a result of the lower sales.

Segment	Revenue type	Operating income, SEK thousands January-June		Operating profit, SEK thousands January-June		Operating margin,% January-June	
		2023	2022	2023	2022	2023	2022
Wholesale	Products	272,919	262,786	26,114	31,650	10	12
Own e-commerce	Products	70,890	52,156	11,162	6,759	16	13
Own stores	Products	46,252	44,150	-6,852	-15,586	-15	-35
Distributors	Products	23,058	38,786	2,947	7,096	13	18
Licensing	Royalties	6,971	5,654	6,116	4,624	88	82
<b>Total</b>		<b>420,091</b>	<b>403,532</b>	<b>39,486</b>	<b>34,543</b>	<b>9</b>	<b>9</b>

## Licensing

The licensing segment mainly consists of royalty income from licensees and costs for the Group associated with the licensing operations.

The segment's external operating income increased slightly during the first half of the year 2023 compared to 2022, and amounted to SEK 7.0 million (5.7). It was, above all, within the footwear category that royalty income increased during the first half of the year.

The operating profit amounted to SEK 6.1 million (4.6) for the first half of 2023.

## Intra-Group sales

Intra-Group sales for the first half of 2023 amounted to SEK 274.2 million (225.8).

## SEASONAL VARIATIONS

The Björn Borg Group operates in an industry with seasonal variations. The different quarters vary in terms of sales and profits. See diagram on 'Quarterly net sales and operating profit' on page 5.

## INVESTMENTS AND CASH FLOW

The cash flow from the ongoing operations in the Group during the first half of 2023 amounted to SEK 50.5 million (53.1).

Cash flow from investment activities was negative at SEK -5.4 million (-4.6). The larger investments related to the remodeling of the head office's showroom. Cash flow from financing activities amounted to SEK -54.0 million (-134.7). The improvement compared to the previous year was due to the net effect of increased utilization rate of bank facilities, lower loan repayments, and lower distribution to shareholders -50.3 MSEK (-62.9).

## FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash and cash equivalents at the end of the period amounted to SEK 10.1 million (14.4), plus unused bank facilities of SEK 114.1 million (131.2). At the end of the second quarter of the year, the company had a net debt, excluding lease liabilities, of SEK 25.8 million (4.4). The company continued to have strong liquidity due mainly to increased earnings and reduced long-term debt. Total interest-bearing liabilities amounted to SEK 82.3 million (65.3), where the total leasing debt amounted to SEK 46.4 million (46.5), of which SEK 27.1 million was the long-term share and SEK 19.3 million was the short-term share.

The Björn Borg Group has SEK 150 million in bank facilities, of which SEK 35.9 million was utilized as of June 30, 2023. The fair value of financial instruments corresponded in all material respects to the book value.

## COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment to the overdraft facility, the company has undertaken to ensure that the ratio of the Group's net debt and 12-month rolling operating profit before depreciation, as of the last day of each quarter, does not exceed 3.00. Furthermore, the Group must at all times maintain an equity ratio of at least 35 percent.

As of June 30, 2023, the ratio was 0.29 (0.04) and the equity ratio amounted to 53.5 percent (53.3).

There have been no significant changes in collateral and contingent liabilities compared to 31 December 2022.

## PERSONNEL

The average number of employees in the Group for the twelve-month period ending June 30, 2023, was 151 (157), of which 68 percent (66) were women. The reduction in personnel compared to the previous year was due to store closures.

## TRANSACTIONS WITH RELATED PARTIES

Following a decision at the annual general meeting, the Björn Borg Group has introduced an incentive program under which the company offers persons in group management and certain additional key persons within the Group, the opportunity to acquire warrants in the company at market value. The incentive program involves the issue of a total of 300,000 warrants, where each warrant entitles the holder to subscribe for one new share in the company. A total of 290,000 warrants were subscribed, remaining 10,000 warrants are kept for future key persons. For further information on the incentive program and its design, please refer to the company's website and the documentation regarding the 2023 annual general meeting.

In addition to the customary remuneration (salary, fees and other benefits) to the CEO, senior executives and the Board of Directors, as well as Intra-Group sales, no transactions with related parties were carried out during the period.

## MATERIAL RISKS AND UNCERTAINTIES

Through its operations, the Björn Borg Group is exposed to risks and uncertainties. Information about the Group's risks and uncertainties is given on page 61 of the Annual Report for 2022.

The company notes, however, that Russia's war against Ukraine continues. It is currently difficult to determine how the war will affect the Björn Borg Group's operations financially. The fact that the company does not do business in either Russia or Ukraine will minimize any risk of business impact, although declining consumer confidence in the future may have an indirect, negative effect.

Furthermore, the company notes that inflation in the markets in which the Björn Borg Group operates continues to be at high levels, that interest rates on bank loans have risen sharply, and that the currencies in which the company trades have had an unfavorable development. Taken together, these macro-economic effects could have a further impact on consumer purchasing behavior.

## THE PARENT COMPANY

Björn Borg AB (publ) mainly conducts Intra-Group operations. As of June 30, 2023, the company owned 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Inc, Björn Borg Services AB, Björn Borg Ltd, Baseline BV, Belgian Brand Management BVBA, Björn Borg Finland Oy and Björn Borg Denmark ApS. Furthermore, the company owned 75 percent of the shares in Björn Borg (China) Ltd.

The parent company's net sales for the first half of 2023 amounted to SEK 50.5 million (50.3).

Profit before tax amounted to -7.6 MSEK (-5.1) for the first half of 2023. Cash and cash equivalents at the end of the period amounted to 0 MSEK (0).

#### **EVENTS AFTER THE END OF THE REPORTING PERIOD**

There have been no significant events to report since the end of the reporting period.

#### **NUMBER OF SHARES**

The number of shares in Björn Borg amounts to 25,148,384 shares.

#### **FINANCIAL GOALS**

Björn Borg's long-term financial goals for the business, which were most recently established in 2019 for a five-year period until 2023, are:

- Annual sales growth of at least 5 percent.
- An annual operating margin of at least 10 percent.
- An annual dividend of at least 50 percent of net profit after tax.
- An equity/assets ratio of not less than 35 percent.

The company retains the above goals despite the ongoing unrest in the outside world.

**Comments on the financial targets:** Comments on the financial targets: The growth in sales is expected to come mainly from growth in sports apparel, although other product groups are also expected to grow.

#### **ANNUAL GENERAL MEETING**

The annual general meeting held on 17 May 2023 decided on a distribution of 2.00 (2.50) per share to the shareholders for the financial year 2022. Fredrik Lövestedt, Mats H Nilsson, Heiner Olbrich, Alessandra Cama, Anette Klintfeldt, Jens Høgsted and Johanna Schottenius were re-elected to the Board. The total number of members is seven. The meeting decided that Heiner Olbrich should be re-elected as the Board's Chair.

The meeting also adopted the Board's proposal for a long-term incentive program including the issuance of warrants. For further information on the incentive program, see above under "Transactions with related parties".

#### **ACCOUNTING PRINCIPLES**

This interim report in summary for the Group has been prepared in accordance with IAS 34 *Interim reporting* and applicable regulations in the *Annual Accounts Act*. The interim report for the parent company has been prepared in accordance with *Annual Accounts Act* 9 chapters, *Interim report* and RFR 2 *Accounting for legal entities*. The accounting principles applied in the interim report are consistent with the accounting principles that were applied when preparing the Group and Annual Report for 2022 (see page 56 of the Annual Report for 2022). New and amended standards and new interpretations that apply from 1 January 2023 have not had any significant impact on the Group's financial reports. Changes in RFR 2 that apply from 1 January 2023 have not had any significant impact on the parent company's financial reports.

#### **IMPORTANT JUDGMENTS AND ASSESSMENTS**

When preparing an interim report, management is required to make judgments and assessments regarding the assumptions that affect the application of the Group's (and the parent company's) accounting principles, as well as the reported amounts for assets, liabilities, income, and expenses. The effects of the negative financial impact of the Corona virus have been taken into account, as have any possible negative financial effects relating to the war in Ukraine. The outcomes of these judgements and assessments have not had any significant impact on the Group's financial reports. Important judgments and assessments appear in the Annual Report for 2022. No other significantly changed assessments or judgments have taken place compared to the Annual Report for 2022.

#### **AUDIT**

This interim report has not been the subject of a general review by the company's auditors.

#### **OUTLOOK 2023**

The company's policy is not to provide forecasts.



# Consolidated income statement

## IN SUMMARY

SEK thousands	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Full year 2022
Net sales	1	165,631	161,544	412,523	388,164	859,532	835,173
Other operating revenue		4,239	5,419	7,568	15,368	18,035	25,835
<b>Operating revenue</b>		<b>169,870</b>	<b>166,963</b>	<b>420,091</b>	<b>403,532</b>	<b>877,567</b>	<b>861,008</b>
Goods for resale		-73,576	-73,575	-191,536	-186,809	-415,387	-410,660
Other external expenses	2	-41,218	-37,204	-96,237	-78,028	-199,620	-181,411
Personnel costs		-33,952	-37,878	-67,910	-72,836	-136,521	-141,447
Depreciation/amortization of tangible/ intangible non-current assets		-8,182	-8,835	-16,805	-17,600	-33,944	-34,739
Other operating expenses		-4,842	-4,238	-8,117	-13,716	-14,243	-19,842
<b>Operating profit</b>		<b>8,100</b>	<b>5,233</b>	<b>39,486</b>	<b>34,543</b>	<b>77,852</b>	<b>72,909</b>
Net financial items		-2,699	-889	-3,420	-1,032	-4,852	-2,465
<b>Profit before tax</b>		<b>5,401</b>	<b>4,344</b>	<b>36,066</b>	<b>33,511</b>	<b>73,000</b>	<b>70,444</b>
Tax		-1,212	-4,082	-7,092	-10,117	-16,545	-19,571
<b>Profit for the period</b>		<b>4,189</b>	<b>262</b>	<b>28,974</b>	<b>23,394</b>	<b>56,455</b>	<b>50,873</b>
<b>Profit for the period attributable to</b>							
Parent Company shareholders		4,189	262	28,974	23,394	56,455	50,873
Non-controlling interests		-	-	-	-	-	-
Earnings per share before dilution, SEK		0.17	0.01	1.15	0.93	2.24	2.02
Earnings per share after dilution, SEK		0.17	0.01	1.15	0.93	2.24	2.02
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

# Consolidated statement of comprehensive income

## IN SUMMARY

SEK thousands	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Full year 2022
<b>Profit/loss for the period</b>		<b>4,189</b>	<b>262</b>	<b>28,974</b>	<b>23,394</b>	<b>56,455</b>	<b>50,873</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Components that may be reclassified to profit or loss for the period</b>							
Translation difference for the period		5,591	1,495	7,297	1,678	8,392	2,590
<b>Total other comprehensive income for the period</b>		<b>5,591</b>	<b>1,495</b>	<b>7,297</b>	<b>1,678</b>	<b>8,392</b>	<b>2,590</b>
<b>Total comprehensive income for the period</b>		<b>9,780</b>	<b>1,757</b>	<b>36,271</b>	<b>25,072</b>	<b>64,847</b>	<b>53,463</b>
<b>Total comprehensive income attributable to</b>							
Parent Company shareholders		9,780	1,757	36,271	25,072	64,847	53,463
Non-controlling interests		-	-	-	-	-	-

# Consolidated statement of financial position

## IN SUMMARY

SEK thousands	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>Non-current assets</b>				
Goodwill		37,813	35,591	36,486
Trademarks		187,532	187,532	187,532
Other intangible assets		7,003	9,408	7,561
Tangible non-current assets		18,250	16,726	16,195
Deferred tax assets		13,139	11,707	12,575
Right-of-use assets		46,537	46,201	52,571
<b>Total non-current assets</b>		<b>310,274</b>	<b>307,166</b>	<b>312,920</b>
<b>Current assets</b>				
Inventory		182,399	167,561	201,136
Accounts receivable		101,276	87,686	104,212
Other current receivables		24,506	24,812	19,094
Cash and cash equivalents		10,115	14,365	16,032
<b>Total current assets</b>		<b>318,296</b>	<b>294,424</b>	<b>340,474</b>
<b>Total assets</b>		<b>628,570</b>	<b>601,590</b>	<b>653,394</b>
<b>Equity and liabilities</b>				
Equity		311,686	296,417	324,809
Deferred tax liabilities		39,747	39,593	39,877
Other non-current liabilities		–	7,851	–
Long-term lease liabilities		27,064	28,694	32,386
Current liability to credit institution		35,897	18,793	30,000
Accounts payable		127,828	117,529	106,021
Short-term lease liabilities		19,315	17,800	19,265
Other current liabilities		67,033	74,913	101,036
<b>Total equity and liabilities</b>		<b>628,570</b>	<b>601,590</b>	<b>653,394</b>

# Consolidated statement of changes in equity

## IN SUMMARY

SEK thousands	Note	Equity attributable to the parent company's shareholders	Possession without controlling influence	Total equity
<b>Opening balance, January 1, 2022</b>				
Total comprehensive income for the period		340,084	–5,867	334,217
Distribution for 2021		25,713	–641	25,072
		–62,871	–	–62,871
<b>Closing balance, June 30, 2022</b>		<b>302,926</b>	<b>–6,508</b>	<b>296,417</b>
<b>Opening balance, January 1, 2022</b>				
Total comprehensive income for the period		340,084	–5,867	334,217
Distribution for 2021		54,198	–735	53,463
		–62,871	–	–62,871
<b>Closing balance, December 31, 2022</b>		<b>331,411</b>	<b>–6,602</b>	<b>324,809</b>
<b>Opening balance, January 1, 2023</b>				
Total comprehensive income for the period		331,411	–6,602	324,809
Distribution for 2022		36,424	–153	36,271
Warrant premium		–50,297	–	–50,297
		903	–	903
<b>Closing balance, June 30, 2023</b>		<b>318,441</b>	<b>–6,755</b>	<b>311,686</b>

# Consolidated statement of cash flows

## IN SUMMARY

SEK thousands	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
<b>Cash flow from operating activities</b>					
Before changes in working capital	12,091	17,104	31,179	55,339	108,024
Changes in working capital	65,495	93,128	19,342	-2,218	-47,524
<b>Cash flow from operating activities</b>	<b>77,586</b>	<b>110,232</b>	<b>50,521</b>	<b>53,121</b>	<b>60,500</b>
Investments in intangible non-current assets	-679	-	-679	-311	-265
Investments in tangible non-current assets	-1,983	-2,483	-4,672	-4,263	-8,059
<b>Cash flow from investing activities</b>	<b>-2,662</b>	<b>-2,483</b>	<b>-5,351</b>	<b>-4,574</b>	<b>-8,324</b>
Distribution	-50,297	-62,871	-50,297	-62,871	-62,871
Warrant premium	903	-	903	-	-
Amortization of loans	-	-49,000	-30,000	-80,000	-80,000
Amortization of lease liabilities	-4,851	-5,183	-10,458	-10,578	-23,068
Newly-raised loans	-	-	-	-	30,000
Overdraft facility	-22,401	8,166	35,897	18,793	-
<b>Cash flow from financing activities</b>	<b>-76,646</b>	<b>-108,888</b>	<b>-53,955</b>	<b>-134,656</b>	<b>-135,939</b>
<b>Cash flow for the period</b>	<b>-1,722</b>	<b>-1,139</b>	<b>-8,785</b>	<b>-86,109</b>	<b>-83,763</b>
Cash and cash equivalents at the beginning of the period	10,244	13,499	16,032	96,743	96,743
Translation difference in cash and cash equivalents	1,593	2,005	2,868	3,731	3,052
<b>Cash and cash equivalents at the end of the period</b>	<b>10,115</b>	<b>14,365</b>	<b>10,115</b>	<b>14,365</b>	<b>16,032</b>

## Key figures

### GROUP

SEK thousands	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Full year 2022
Gross profit margin,% *	55.6	54.5	53.6	51.9	51.7	50.8
Operating margin,%	4.9	3.2	9.6	8.9	9.1	8.7
Profit margin,%	3.3	2.7	8.7	8.6	8.5	8.4
Return on capital employed,%	20.8	24.8	20.8	24.8	20.8	17.1
Return on average equity,%	18.6	25.7	18.6	25.7	18.6	15.4
Profit attributable to the Parent Company's shareholders	4,189	262	28,974	23,394	56,455	50,873
Equity/assets ratio,% *	53.5	53.3	53.5	53.3	53.5	54.0
Equity per share, SEK	12.39	11.79	12.39	11.79	12.39	12.92
Investments in intangible non-current assets	679	-	679	311	679	265
Investments tangible non-current assets	1,983	2,483	4,672	4,263	8,422	8,059
Depreciation, amortization and impairment losses for the period	-8,182	-8,835	-16,805	-17,600	-33,944	-34,739
Average number of employees	150	157	151	157	151	151

\* The figure is an alternative performance measure (APM) and not (IFRS). It is described under definitions and explained on page 15.

# Summary per segment

## GROUP

SEK thousands	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022-Jun 2023	Full year 2022
<b>Operating revenue</b>						
<b>Wholesale business</b>						
External revenue	90,748	85,075	272,919	262,786	550,007	539,871
Internal revenue	16,702	876	18,598	1,891	21,578	4,870
	<b>107,450</b>	<b>85,951</b>	<b>291,517</b>	<b>264,677</b>	<b>571,585</b>	<b>544,741</b>
<b>Own e-commerce</b>						
External revenue	37,487	27,021	70,890	52,156	132,146	113,411
Internal revenue	9	291	1,148	291	1,106	250
	<b>37,496</b>	<b>27,312</b>	<b>72,038</b>	<b>52,447</b>	<b>133,252</b>	<b>113,661</b>
<b>Own stores</b>						
External revenue	25,378	25,877	46,252	44,150	108,667	106,566
Internal revenue	-	-229	-	-	128	128
	<b>25,378</b>	<b>25,648</b>	<b>46,252</b>	<b>44,150</b>	<b>108,795</b>	<b>106,694</b>
<b>Distributors</b>						
External revenue	13,692	27,738	23,058	38,786	76,569	92,298
Internal revenue	83,863	72,512	239,643	189,434	529,984	479,774
	<b>97,555</b>	<b>100,250</b>	<b>262,701</b>	<b>228,220</b>	<b>606,553</b>	<b>572,072</b>
<b>Licensing</b>						
External revenue	2,565	1,253	6,971	5,654	10,178	8,862
Internal revenue	4,617	13,709	14,820	34,215	13,891	33,286
	<b>7,182</b>	<b>14,962</b>	<b>21,791</b>	<b>39,869</b>	<b>24,069</b>	<b>42,148</b>
Less internal sales	-105,191	-87,160	-274,208	-225,831	-566,687	-518,309
<b>Operating revenue</b>	<b>169,870</b>	<b>166,963</b>	<b>420,091</b>	<b>403,532</b>	<b>877,567</b>	<b>861,008</b>
<b>Operating profit</b>						
Wholesale business	980	-880	26,114	31,650	47,288	52,824
Own e-commerce	4,244	4,131	11,162	6,759	22,072	17,669
Own stores	-1,037	-4,258	-6,852	-15,586	-15,590	-24,324
Distributors	1,681	5,397	2,947	7,096	15,409	19,558
Licensing	2,232	843	6,115	4,624	8,673	7,182
<b>Operating profit</b>	<b>8,100</b>	<b>5,233</b>	<b>39,486</b>	<b>34,543</b>	<b>77,852</b>	<b>72,909</b>

### Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be provided SEK 8,100 thousand (5,233) and profit before tax SEK 5,401 thousand (4,344) are financial net items, SEK -2,699 thousand (-889).

# Quarterly data

## GROUP

SEK thousands	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Net sales	165,631	246,893	198,420	248,590	161,544	226,620	180,576	240,141
Gross profit margin,%	55.6	52.2	52.1	48.2	54.5	50.0	53.1	54.4
Operating profit/loss	8,100	31,385	7,770	30,597	5,233	29,309	10,020	52,357
Operating margin,%	4.9	12.7	3.9	12.3	3.2	12.9	5.5	21.8
Profit/loss after net financial items	5,401	30,665	6,389	30,545	4,344	29,166	12,030	50,937
Profit margin,%	3.3	12.4	3.2	12.3	2.7	12.9	6.7	21.2
Earnings per share, before dilution, SEK	0.17	0.99	0.21	0.88	0.01	0.92	0.44	1.59
Earnings per share, after dilution, SEK	0.17	0.99	0.21	0.88	0.01	0.92	0.44	1.59
Number of Björn Borg retail stores at the end of the period	17	19	19	19	24	26	26	27
of which Group-owned Björn Borg retail stores	16	18	18	18	21	23	23	24

# Parent company income statement

## IN SUMMARY

SEK thousands	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jul 2022- Jun 2023	Full year 2022
Net sales		25,426	25,168	50,528	50,338	101,395	101,205
Other operating revenue		421	445	569	1,010	733	1,174
<b>Operating revenue</b>		<b>25,847</b>	<b>25,613</b>	<b>51,097</b>	<b>51,348</b>	<b>102,128</b>	<b>102,379</b>
Goods for resale		-	-153	-	-153	-	-153
Other external expenses	2	-12,322	-13,353	-28,764	-26,481	-58,540	-56,256
Personnel costs		-10,779	-14,528	-21,342	-26,505	-46,343	-51,506
Depreciation/amortization of intangible and tangible non-current assets		-739	-611	-1,382	-1,240	-2,628	-2,486
Other operating expenses		-91	-162	-140	-663	-345	-869
<b>Operating profit</b>		<b>1,916</b>	<b>-3,194</b>	<b>-531</b>	<b>-3,694</b>	<b>-5,728</b>	<b>-8,892</b>
Result from shares in subsidiaries		-	-	-	-	4,493	4,493
Net financial items		-4,357	-3,396	-7,099	-1,435	-11,614	-5,950
<b>Profit/loss after financial items</b>		<b>-2,441</b>	<b>-6,590</b>	<b>-7,630</b>	<b>-5,129</b>	<b>-12,849</b>	<b>-10,348</b>
Group contributions received/paid		-	-	-	-	52,538	52,538
Appropriations		-	-	-	-	-360	-360
<b>Profit/loss before tax</b>		<b>-2,441</b>	<b>-6,590</b>	<b>-7,630</b>	<b>-5,129</b>	<b>39,329</b>	<b>41,830</b>
Tax		-	-	-	-	-9,512	-9,512
<b>Profit/loss for the period</b>		<b>-2,441</b>	<b>-6,590</b>	<b>-7,630</b>	<b>-5,129</b>	<b>29,817</b>	<b>32,318</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-2,441</b>	<b>-6,590</b>	<b>-7,630</b>	<b>-5,129</b>	<b>29,817</b>	<b>32,318</b>

# Parent company balance sheet

## IN SUMMARY

SEK thousands	Note	Jun 30, 2023	Jun 30, 2022	Dec 31, 2022
<b>Non-current assets</b>				
Intangible assets		1,499	3,146	2,323
Tangible non-current assets		4,595	2,149	2,510
Deferred tax		-	4	-
Shares in Group companies		371,813	279,956	371,813
<b>Total non-current assets</b>		<b>377,907</b>	<b>285,255</b>	<b>376,646</b>
<b>Current assets</b>				
Receivables from Group companies		435,372	1,031,101	891,508
Current receivables		6,079	5,473	3,669
Cash and cash equivalents		-	-	1,558
<b>Total current assets</b>		<b>441,451</b>	<b>1,036,574</b>	<b>896,735</b>
<b>Total assets</b>		<b>819,358</b>	<b>1,321,829</b>	<b>1,273,381</b>
<b>Equity and liabilities</b>				
Equity		79,215	88,029	136,239
Untaxed reserves		1,616	1,256	1,616
Other non-current liabilities		-	7,851	-
Current liabilities credit institutions		35,897	18,793	30,000
Due to Group companies		681,401	1,175,929	1,049,151
Accounts payable		9,449	6,346	9,782
Other current liabilities		11,780	23,625	46,593
<b>Total equity and liabilities</b>		<b>819,358</b>	<b>1,321,829</b>	<b>1,273,381</b>

# Parent company statement of changes in equity

## IN SUMMARY

SEK thousands	Jan-Jun 2023	Jan-Jun 2022	Full year 2022
<b>Opening balance</b>	<b>136,239</b>	<b>156,029</b>	<b>166,792</b>
Distribution	-50,297	-62,871	-62,871
Warrant premium	903	-	-
Total comprehensive income for the period	-7,630	-5,129	32,318
<b>Closing balance</b>	<b>79,215</b>	<b>88,029</b>	<b>136,239</b>

## Supplementary disclosures

### NOTE 1 NET SALES

The Group's net sales consist of sales of products and royalties for the use of the company's brand. Transfers of goods/royalties are made at fixed points in time. Listed in the table below are markets with a net sales above 10 percent of the total.

SEK thousands	The group	
	Jan-Jun 2023	Jan-Jun 2022
Sweden	136,621	136,856
Netherlands	98,688	83,710
Finland	56,115	49,791
Germany	42,769	44,272
Others	78,330	73,535
<b>Total net sales</b>	<b>412,523</b>	<b>388,164</b>

### NOTE 2 OTHER EXTERNAL EXPENSES

SEK thousands	The group		Parent Company	
	Jan-Jun 2023	Jan-Jun 2022	Jan-Jun 2023	Jan-Jun 2022
Cost of premises	5,02	5,971	3,344	3,489
Sales expenses	31,196	27,372	622	2,364
Marketing expenses	35,958	30,016	17,084	13,058
Administrative expenses	20,168	12,042	7,186	7,188
Other	3,613	2,627	528	382
	<b>96,237</b>	<b>78,028</b>	<b>28,764</b>	<b>26,481</b>

# Definitions

The company presents certain financial measures in this year-end report that are not defined in accordance with IFRS. The company considers these measures to be valuable complementary information for investors and the company's management. Since not all companies calculate financial measures in the same way, they are not always comparable with measures used by other companies. Consequently, these financial measures should not be seen as a substitute for measures defined in accordance with IFRS. For more on the calculation of these key figures see:

<https://corporate.bjornborg.com/en/section/investors/interim-reports/>

<https://corporate.bjornborg.com/en/financial-definitions/>

<https://corporate.bjornborg.com/en/financial-data/>

## CAPITAL EMPLOYED

Total assets less non-interest-bearing liabilities and provisions.

**Purpose:** Capital employed measures capital use and efficiency.

## COMPARABLE STORE SALES

Sales for own retail stores that were also open in the previous period.

**Purpose:** To obtain comparable sales between periods for own retail stores.

## EARNINGS PER SHARE (DEFINED ACCORDING TO IFRS)

Profit after tax in relation to the weighted average number of shares during the period.

**Purpose:** This indicator is used to assess an investment from an owner's perspective.

## EARNINGS PER SHARE AFTER DILUTION (DEFINED ACCORDING TO IFRS)

Earnings per share adjusted for any dilution effect.

**Purpose:** This indicator is used to assess the investment from an owner's perspective.

## EQUITY/ASSETS RATIO

Equity as a percentage of total assets adjusted for lease liabilities.

**Purpose:** This indicator shows financial risk, expressed as a share of the total restricted equity financed by the owners.

## GROSS PROFIT MARGIN

Net sales less costs of goods sold divided by net sales.

**Purpose:** Gross margin is used to measure operating profitability.

## GROSS PROFIT MARGIN BEFORE ACQUISITIONS

Net sales less cost of goods sold divided by net sales.

**Purpose:** Gross profit margin before acquisitions is used to measure operating profitability adjusted for acquisition effects.

## GROSS PROFIT MARGIN EXCLUDING CURRENCY EFFECTS

Gross profit margin calculated using the previous year's exchange rate.

**Purpose:** To obtain a currency-neutral gross profit margin.

## GROUP NET SALES EXCLUDING CURRENCY EFFECTS

Net sales calculated using the previous year's exchange rate.

**Purpose:** To obtain comparable and currency-neutral net sales.

## NET DEBT

Interest-bearing liabilities excluding leasing liabilities less investments and cash and cash equivalents.

**Purpose:** Net debt reflects the company's total debt situation.

## NET DEBT TO EBITDA RATIO

Interest-bearing liabilities excluding lease liabilities less investments and cash and cash equivalents divided by operating profit before depreciation/amortization.

**Purpose:** To show the company's ability to pay debts.

## NET FINANCIAL ITEMS

Financial income less financial expenses.

**Purpose:** To describe the company's financial activities.

## OPERATING MARGIN

Operating profit as a percentage of net sales.

**Purpose:** The operating margin is used to measure operating profitability.

## OPERATING PROFIT

Profit before tax plus net financial items.

**Purpose:** This indicator facilitates comparisons of profitability regardless of the company's tax rate and independent of the company's financing structure.

## PROFIT MARGIN

Profit before tax as a percentage of net sales.

**Purpose:** Profit margin shows the company's profit in relation to its sales.

## RETURN ON CAPITAL EMPLOYED

Profit before tax (per rolling 12-month period) plus financial expenses as a percentage of average capital employed. Average capital employed is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

**Purpose:** This indicator is the key measure to quantify the return on all the capital used in operations.

## RETURN ON EQUITY

Profit for the period/year attributable to the Parent Company's shareholders (for rolling 12 months) according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

**Purpose:** This indicator shows, from an owner's perspective, the return generated on the owners' invested capital.

The Board of Directors and the CEO certify that the interim report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, August 18, 2023

Heiner Olbrich  
Chairman of the Board

Alessandra Cama  
Board member

Jens Högsted  
Board member

Johanna Schottenius  
Board member

Anette Klintfeldt  
Board member

Fredrik Lövstedt  
Board member

Mats H Nilsson  
Board member

Henrik Bunge  
CEO



**CALENDAR 2023**

The Interim report January-September 2023 will be issued at 07:30 on November 17, 2023.

The Year-end report 2023 will be issued at 07:30 on February 23, 2024.

**FINANCIAL REPORTS**

Financial reports can be downloaded from the company's website, [www.bjornborg.com](http://www.bjornborg.com) or ordered by phone +46 8 506 33 700, or by e-mail [info@bjornborg.com](mailto:info@bjornborg.com).

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**THE BJÖRN BORG GROUP IN BRIEF**

The Björn Borg Group owns the Björn Borg brand, and the focus of the business is sports apparel, underwear and bags. In addition, footwear and glasses are also offered via licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has its own operations at all levels, from brand development to consumer sales in its own Björn Borg stores. In total, the Group's net sales in 2022 amounted to SEK 835.2 million and the average number of employees was 151. Björn Borg has been listed on Nasdaq Stockholm since 2007.

**THE PICTURES IN THE INTERIM REPORT**

The images in the interim report are taken from Björn Borg's high summer 2023 kollektion.

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This information is such information that Björn Borg AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was submitted, through the care of the above contact person, for publication on August 18, 2023 kl 07.30.