



# BJÖRN BORG AB – Investor Presentation Q3 2023

Stockholm, November 17<sup>th</sup>, 2023





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## A. Executive Summary



A man is seen from the back, wearing a white t-shirt with the text "HEALTHY BODY AND SPIRIT" on the back. He is holding a white hoodie up with both arms, displaying it against a dark, geometric metal structure. The background is a bright, slightly hazy outdoor setting with some greenery visible in the distance.

“Continuous growth both year to date and Q3 isolated and very strong gross margin improvements”

Henrik Bunge, CEO BJÖRN BORG AB



# Björn Borg Q3 2023 – Executive summary

- Overall Net Sales in Q3 2023 increased by 5% to SEK 262 m, which is the strongest quarter BJÖRN BORG has ever realized.
  - By channel Net Sales to WHS increased by 15%. Own Retail stores decreased overall by -4% (however with an increase of 16% excluding store closures), while own e-commerce continued very strongly with an increased sales of 25%. Distributors decline by -62% due to large inventories and hence less purchases.
  - By category Net Sales increased by 11% for sports apparel, and 15% for underwear.
- Gross profit margin increased by 4.4 ppt to 52.6% vs PY. Currency neutral the gross profit margin has been 52.5%, an increase by 4.3 ppt.
- Operating profit increased by 34% to SEK 41 m. Currency neutral the operating profit has increased by 23% to SEK 37 m.
- The financial solidity remains strong, showing in an equity ratio of 55.4% and a net debt of SEK 93 m.





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 Q3 2023





## C1. Brand heat



# Our brand journey continues in the right direction with very strong awareness increases in Sweden

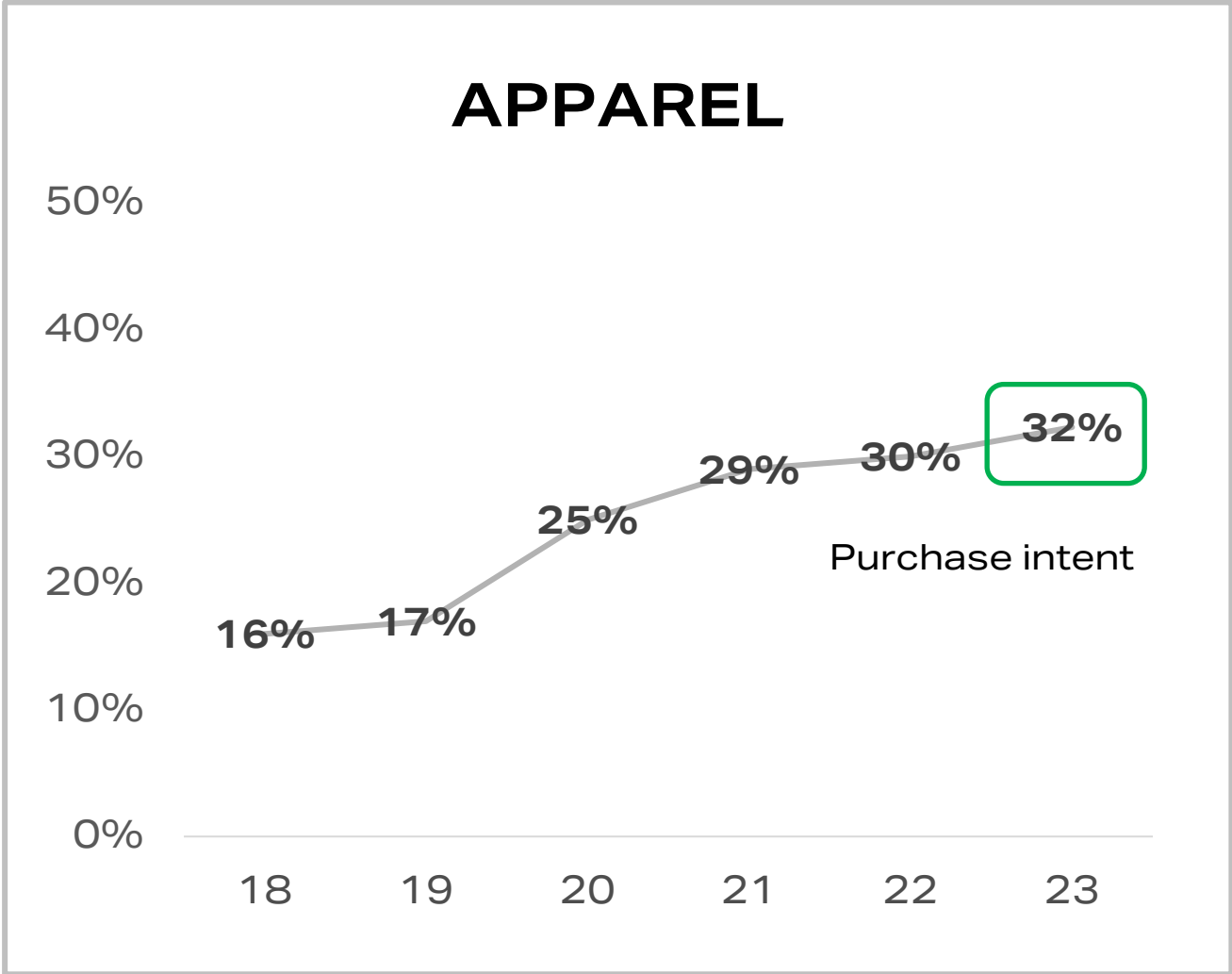
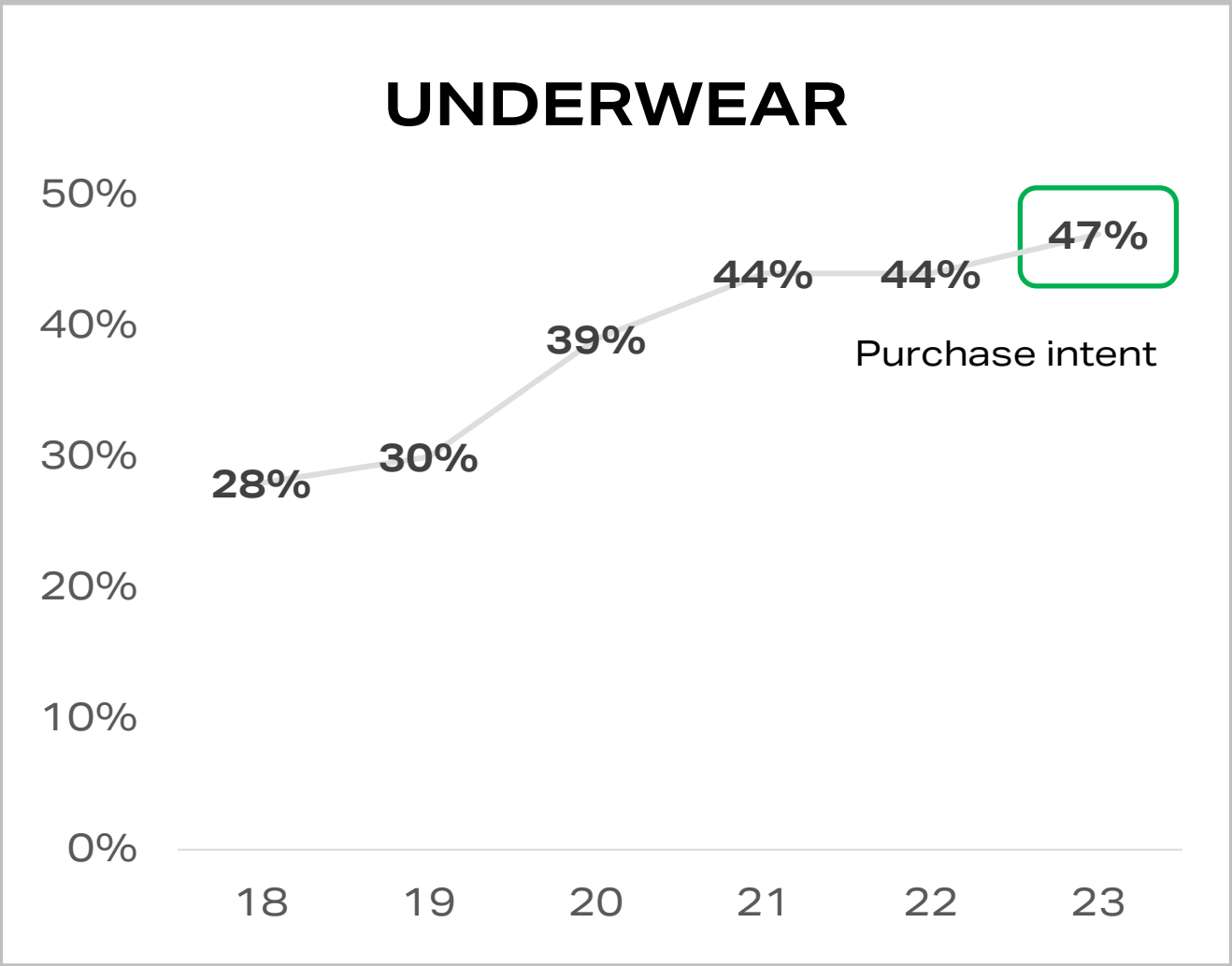
## BJÖRN BORG AB – Sports brand KPIs Q3 2023 highlights



- 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 partnerships with Barry's, Tough Viking etc.
- Our message "Train To Live" is resonating well with our target group
- A strong online and influencer focus is clearly working
- Own Tik Tok channel, ads and influencers is a great mix

# Increasing our strong market position in men's underwear and at the same time strengthening our apparel position

BJÖRN BORG AB – Brand heat KPIs Q3 2023 all countries



Source: Brand Track Data from weekly end consumer surveys done by XTREME. 22k people/year. Markets: SE, NO, FI, DK, NL, BE, DE.

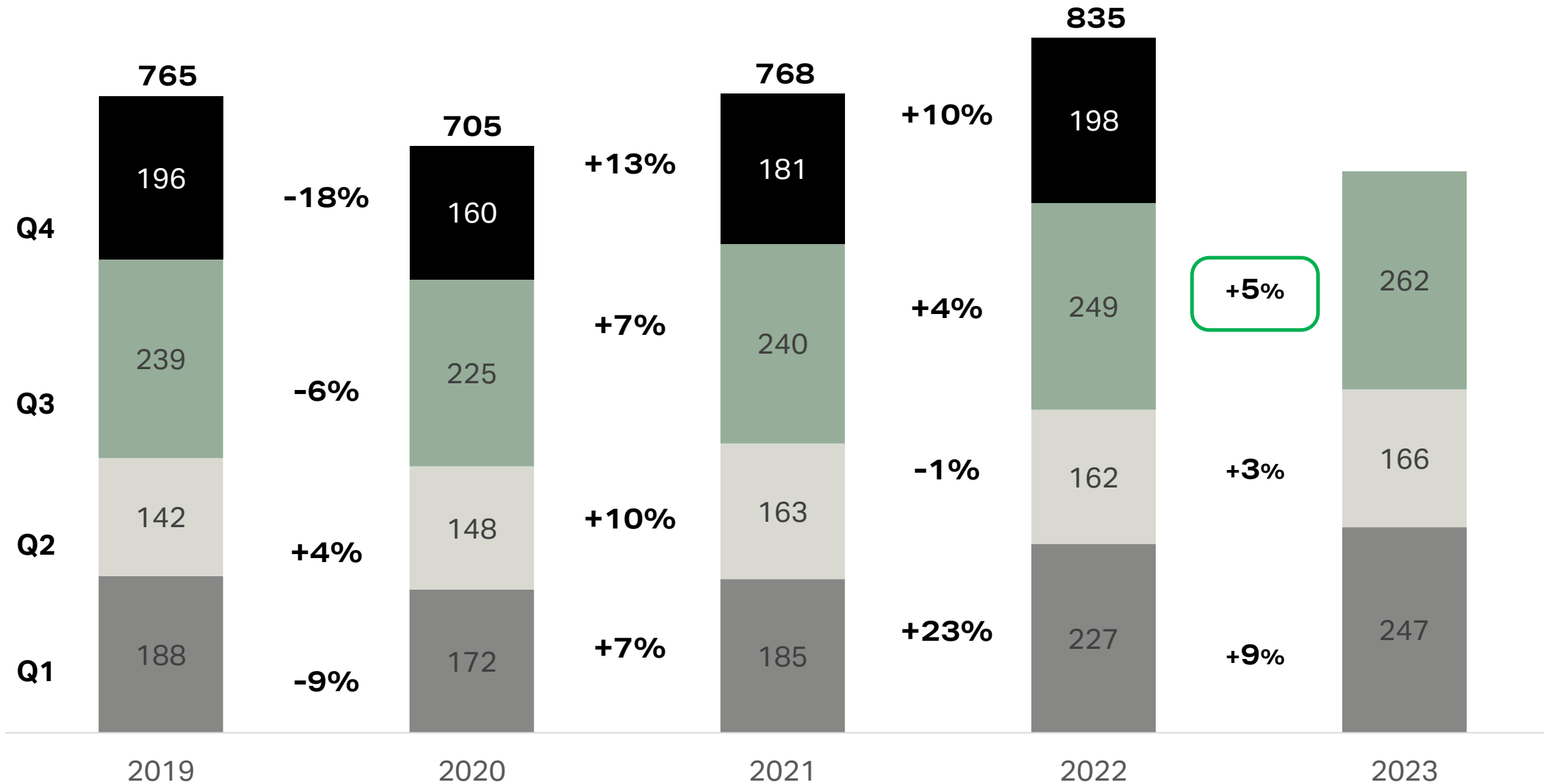




## C2. Top line

# Record sales by Björn Borg – highest sales ever recorded in any quarter.

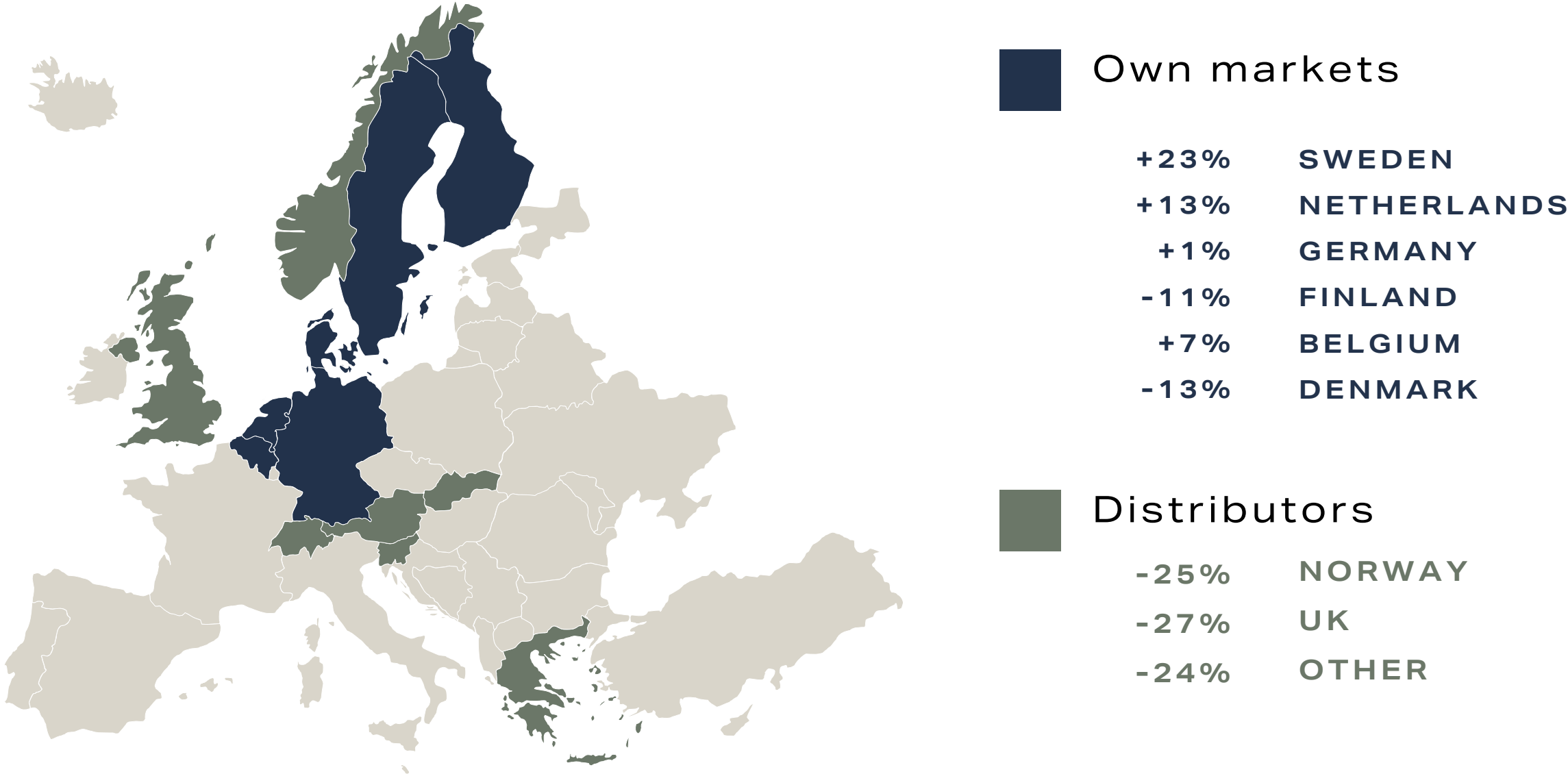
## BJÖRN BORG AB – Net Sales development by quarter [SEK m]





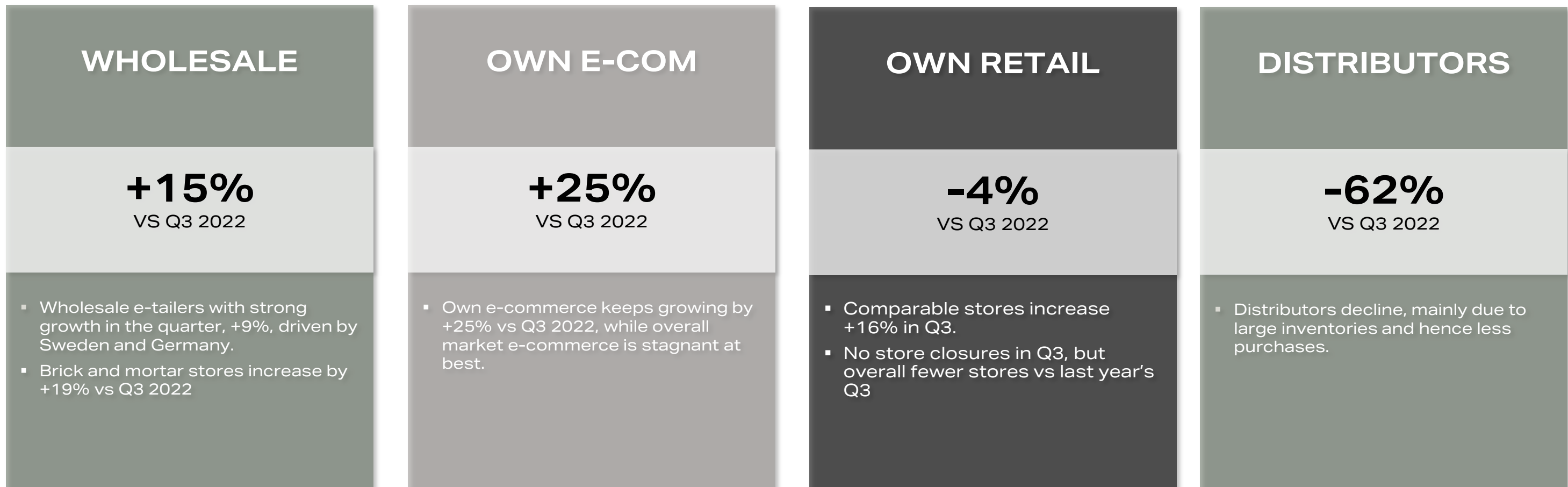
Very strong recovery in Sweden with 23 percent growth in the quarter.

### BJÖRN BORG AB - Total Sales development Q3 2023 by country



Continuously strong momentum in own e-commerce and strong recovery in physical wholesale.

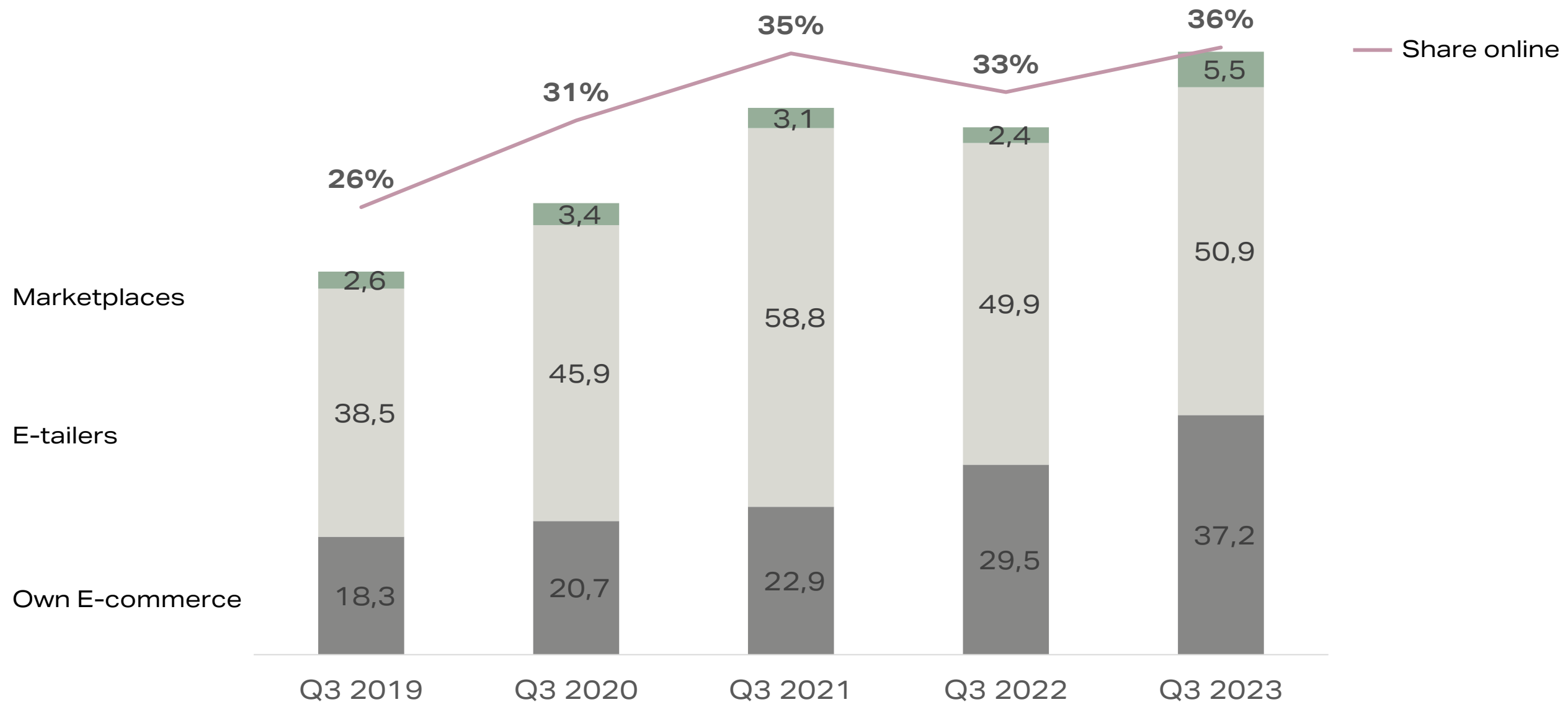
## BJÖRN BORG AB – Channel development Q3 2023





Strong online development in the quarter,  
predominantly driven by own e-commerce.

## BJÖRN BORG AB – Share of online sales 2019-2023



Double digit Sports apparel growth, while maintaining a very strong growth in underwear.

BJÖRN BORG AB – Category development Q3 2023



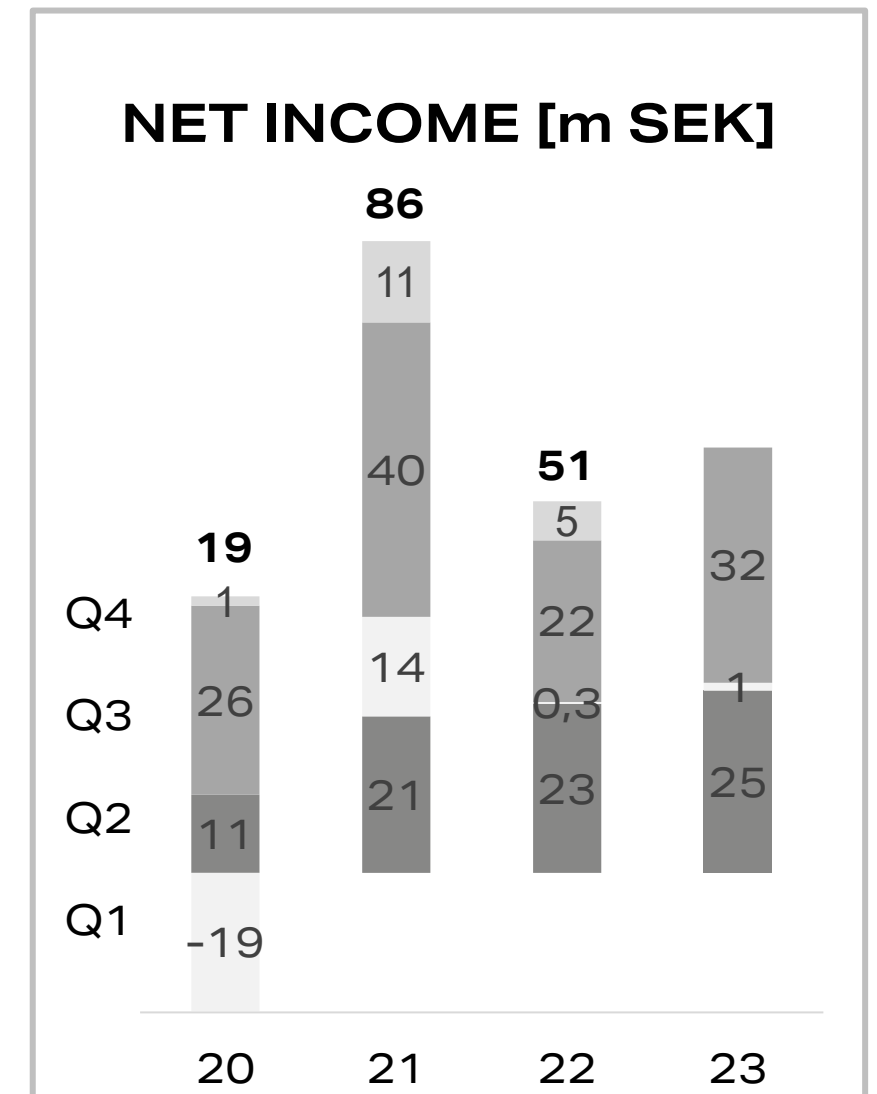
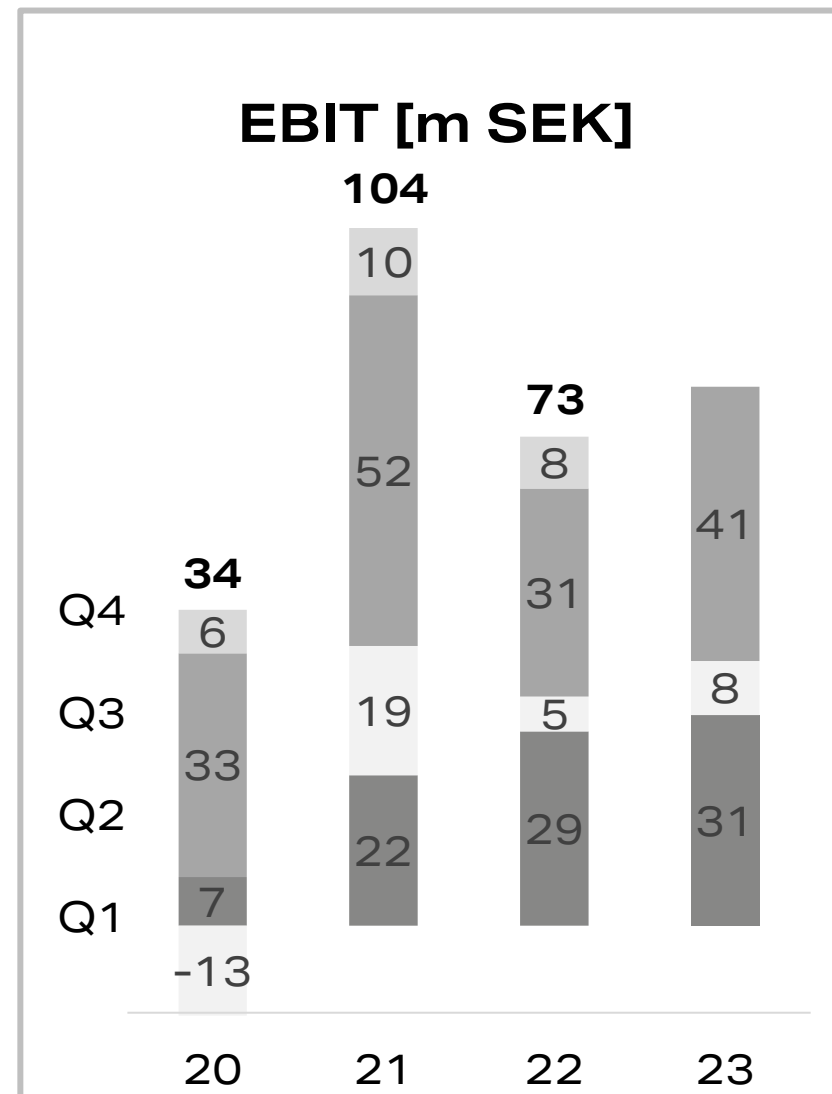
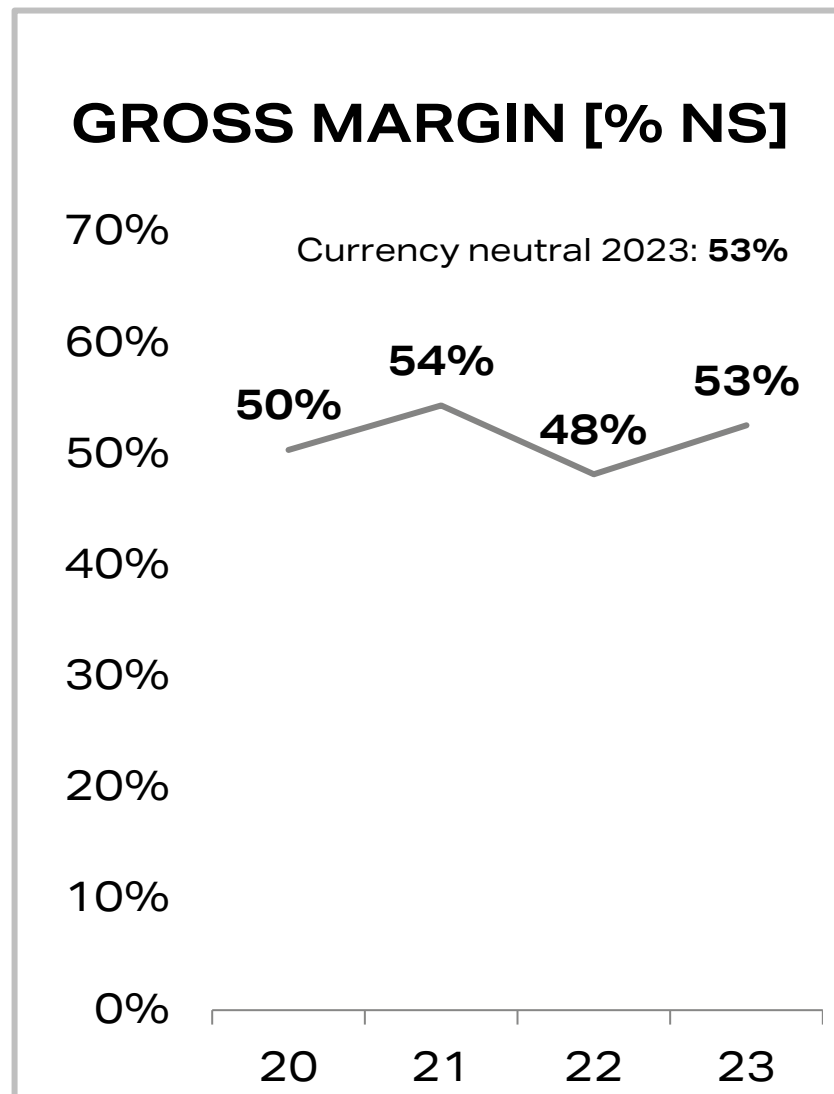




## C3. Bottom line

Gross profit margin, operating income as well as net income show improvement vs last year.

BJÖRN BORG AB – Bottom line KPIs Q3 2023



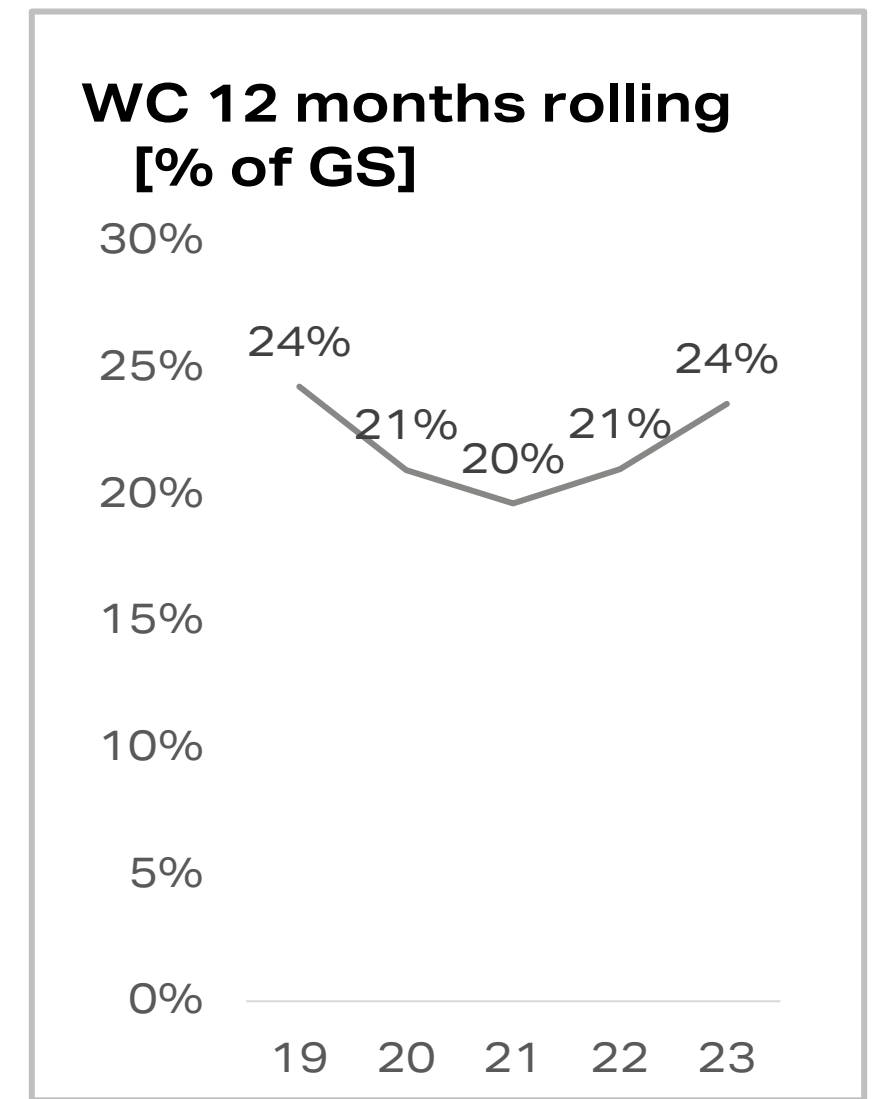
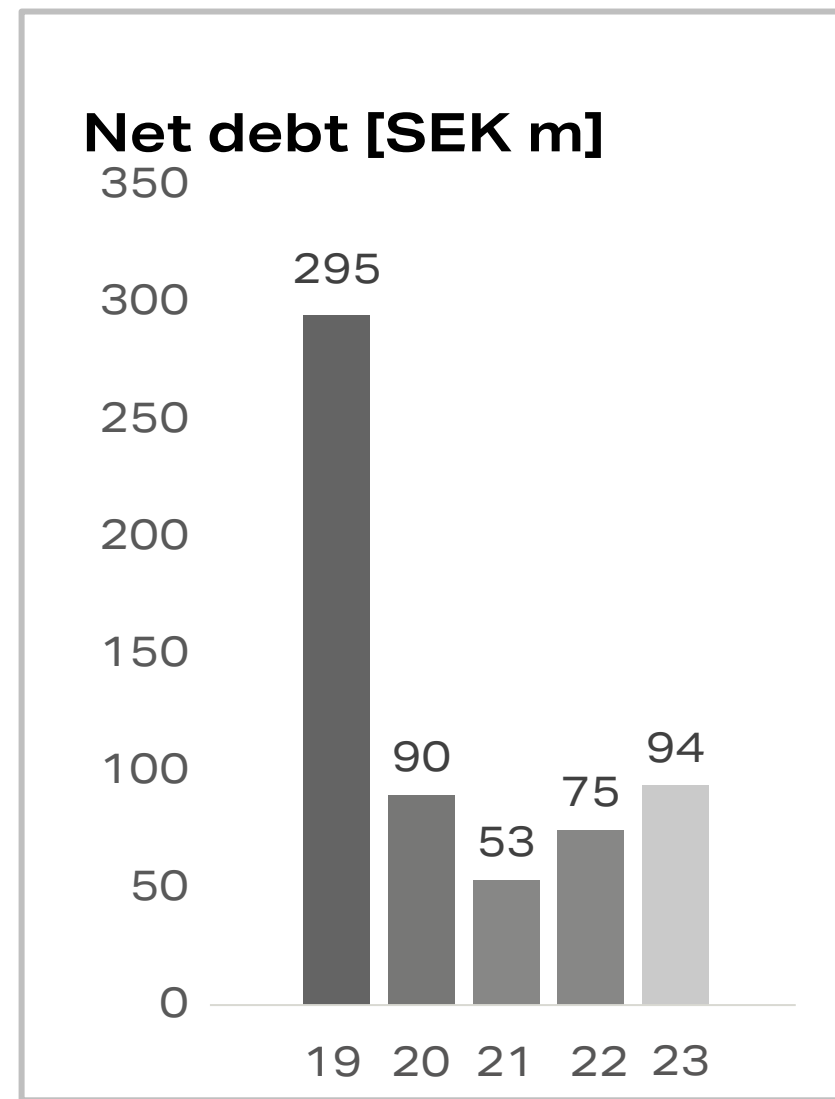
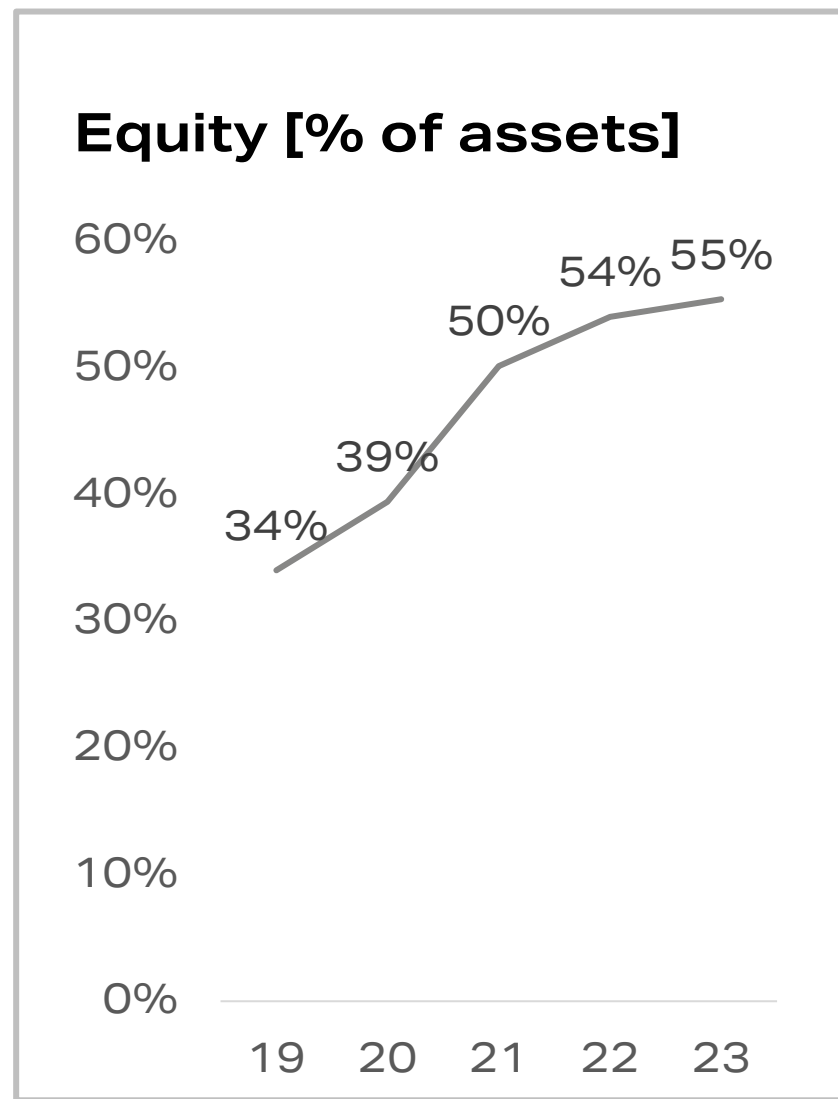




## C4. Balance sheet

The equity ratio remains at a solid level of 55%, while working capital increase due to higher e-commerce share.

BJÖRN BORG AB – Balance sheet KPIs as per Q3 2023







## D. Key take-aways



A quarter with strong own e-commerce sales, very strong wholesales growth and improved profit.

BJÖRN BORG AB – Key take-aways Q2 2023

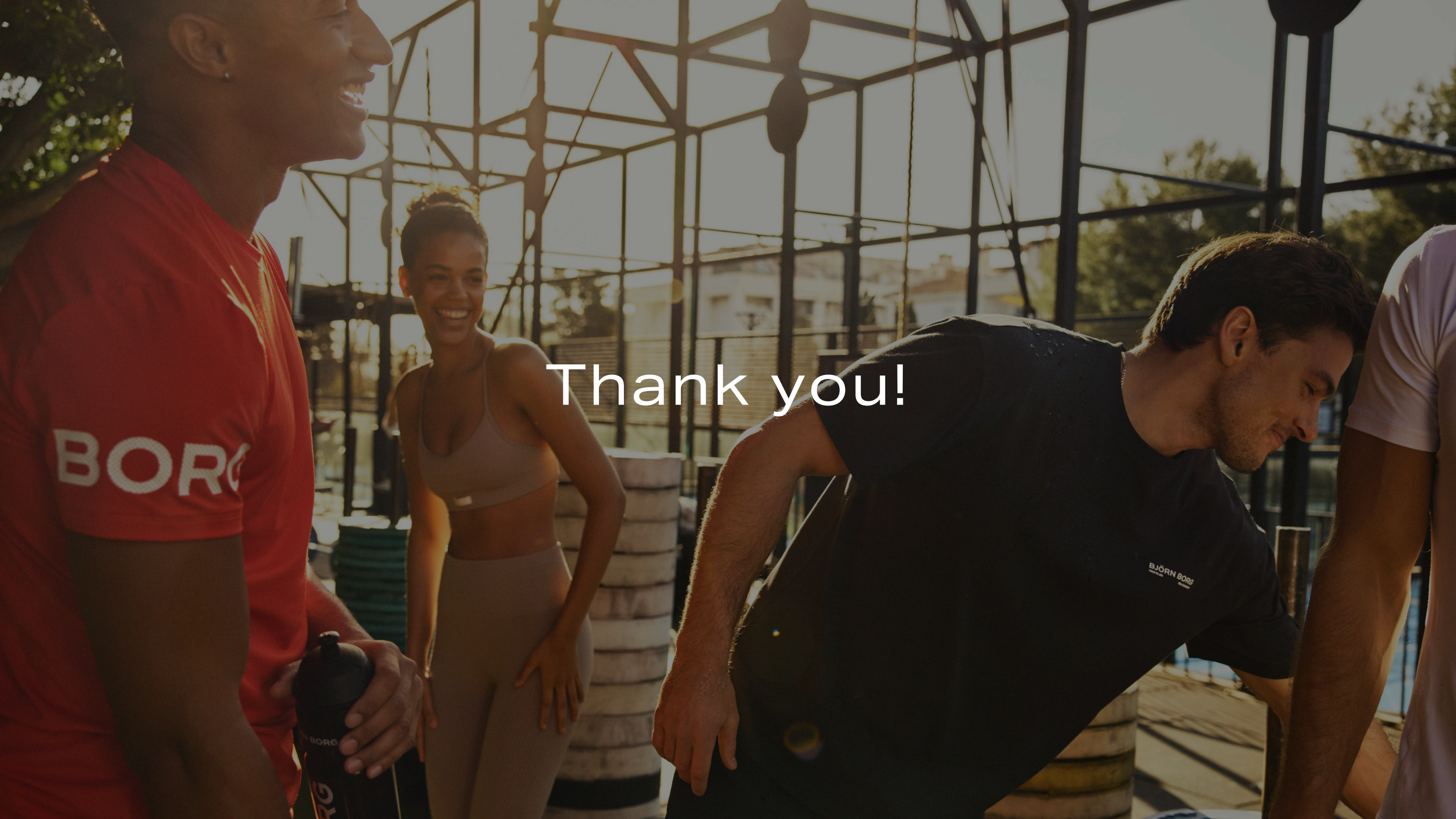


**1** Brand gaining significant traction in all markets

**2** Record sales driven by own e-commerce and very good growth in WHS, together with improved gross margins.

**3** Sports apparel continues to grow double digits and strong underwear development in the quarter





Thank you!