

BJÖRN BORG AB – Investor Presentation Q4 2023

Stockholm, February 23rd, 2024



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A. Executive Summary



“Closing the year with very strong gross
margin improvements”

Henrik Bunge, CEO BJÖRN BORG AB

Björn Borg Q4 2023 – Executive summary

- Overall Net sales in Q4 2023 decreased by 0.4% to SEK 198 m.
 - By channel NS to WHS increased by 2%. Own Retail stores decreased overall by -8% (however own retail was flat, excluding store closures), while own e-commerce continued very strongly with an increased sales of 46%. Distributors declined by -49% as they were reducing their inventories.
 - By category NS increased by 17% for sports apparel, while it declined with -4% for underwear.
- Gross profit margin increased by 4.7 ppt to 56.8% vs PY. Currency neutral the gross profit margin increased by 4.1 ppt to 56.2%.
- Operating profit increased by 160% to SEK 20 m. Currency neutral the operating profit increased by 126% to SEK 18 m.
- The financial solidity remains strong, showing in an equity ratio of 60% and a net cash position of SEK 27 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 Q4 2023



C1. Brand heat

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

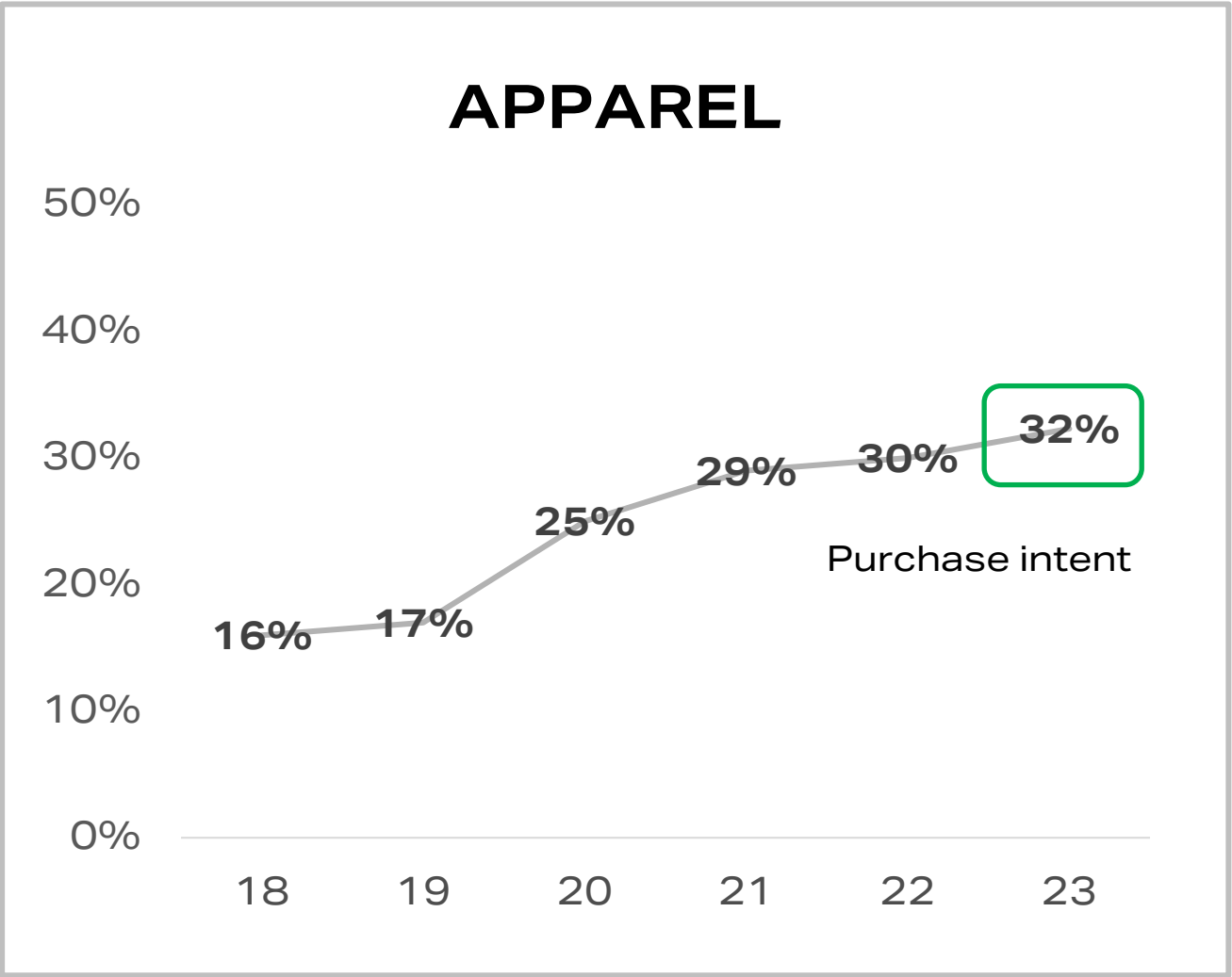
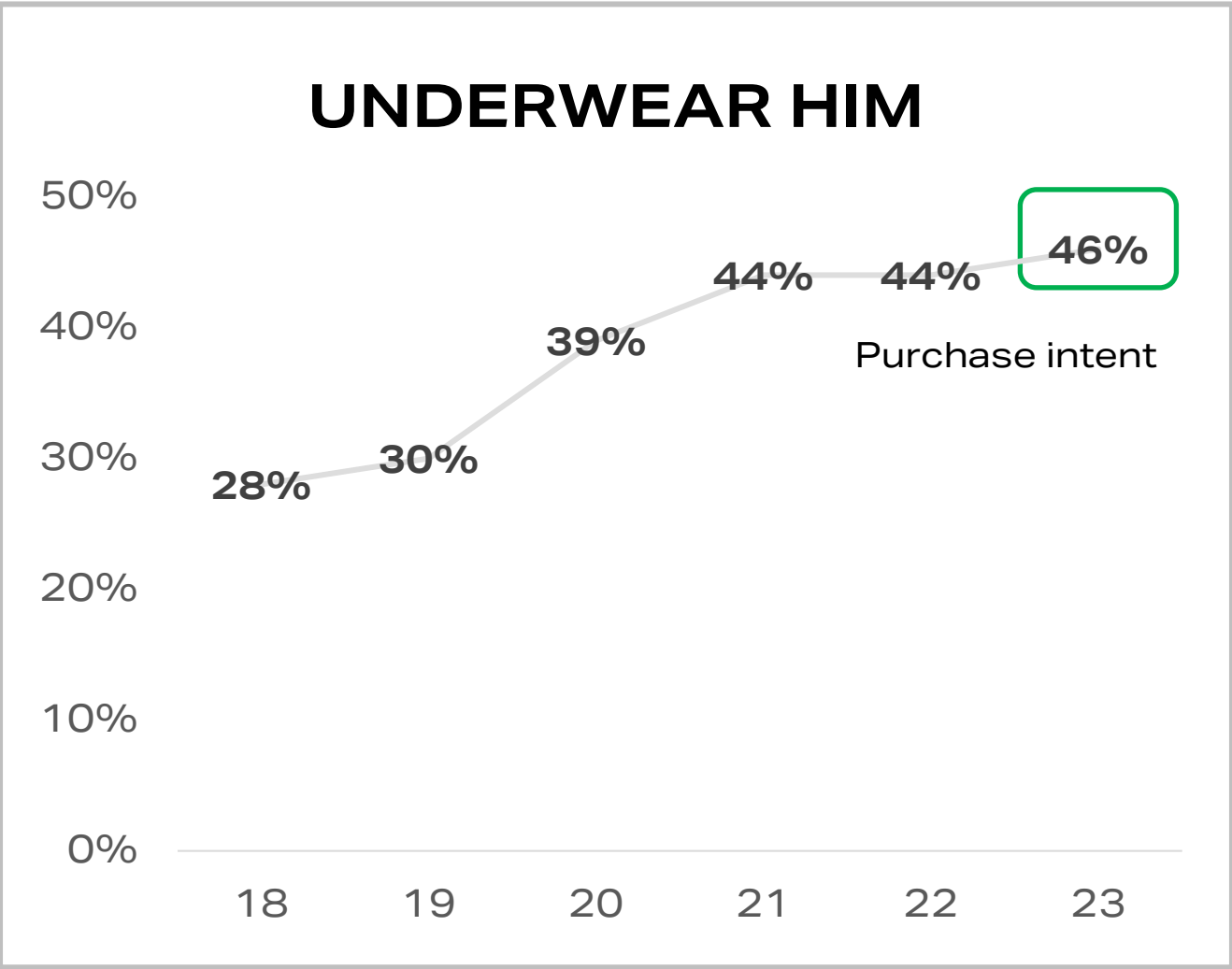
BJÖRN BORG AB – Sports brand KPIs Q4 2023 highlights



- 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 2018-2023 all countries



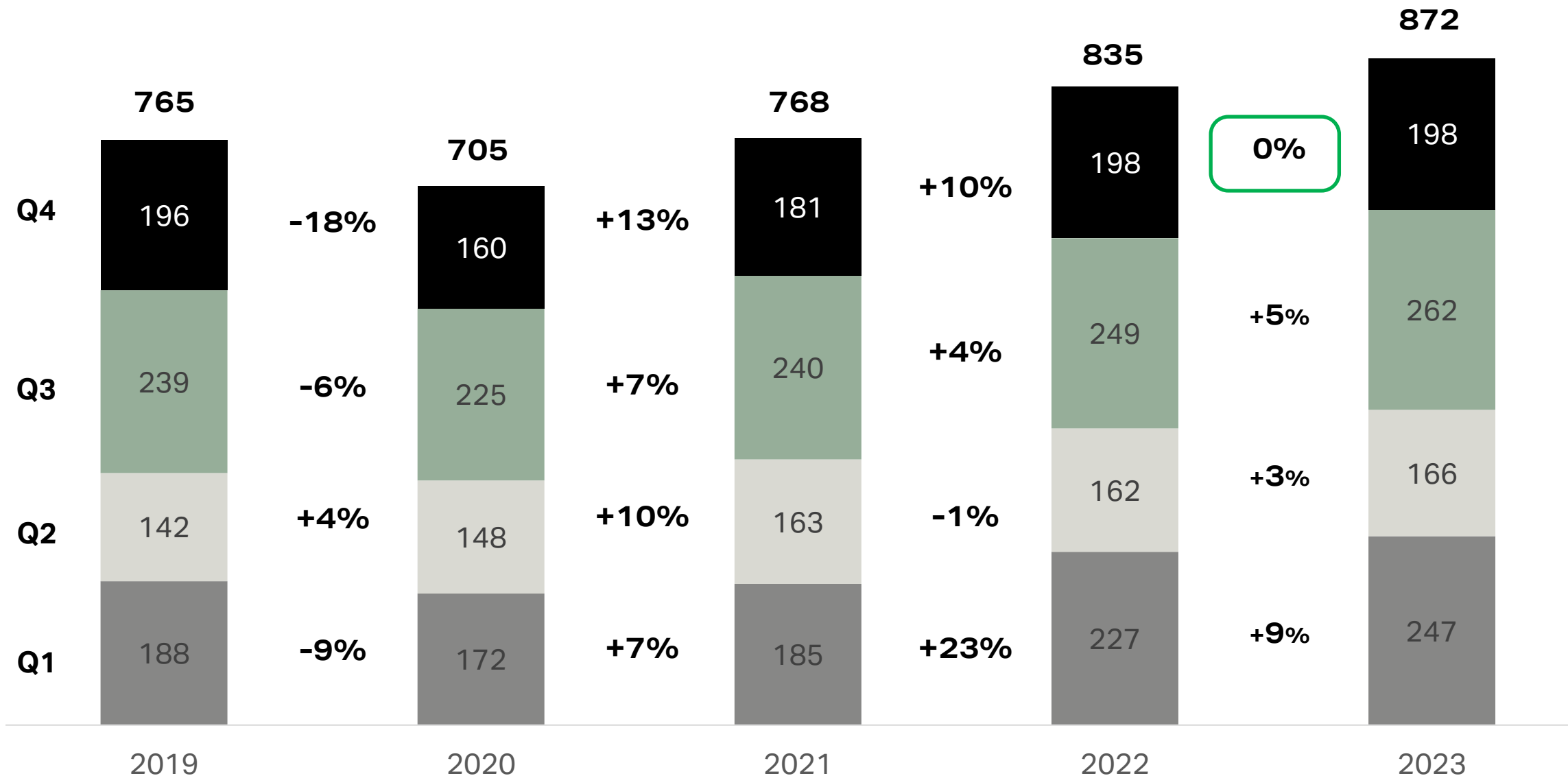
Source: Brand Track Data from weekly end consumer surveys done by XTREME. 22k people/year. Markets: SE, NO, FI, DK, NL, BE, DE .



C2. Top line

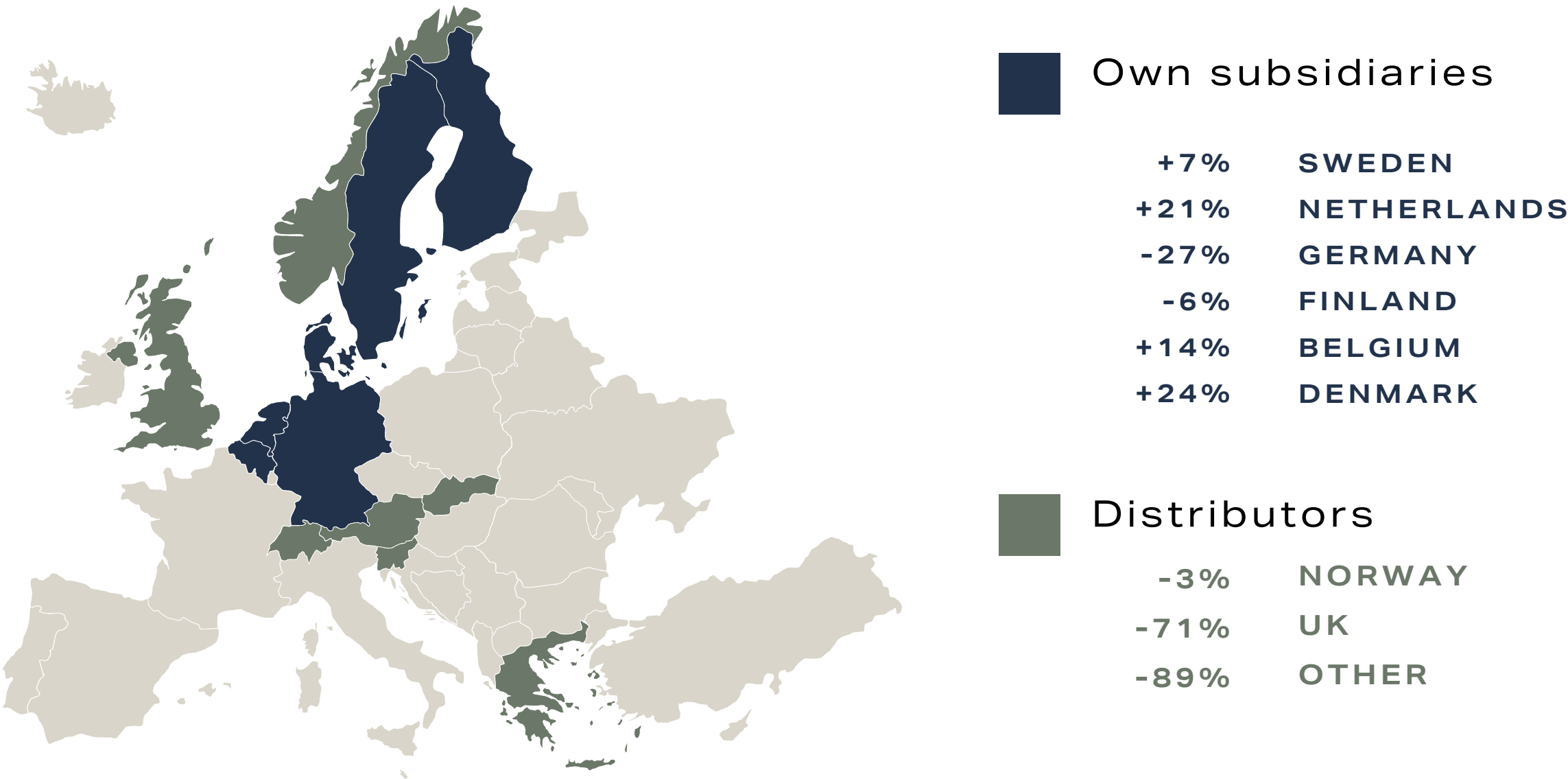
Full year growth but no growth in the fourth quarter 2023 vs previous year

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



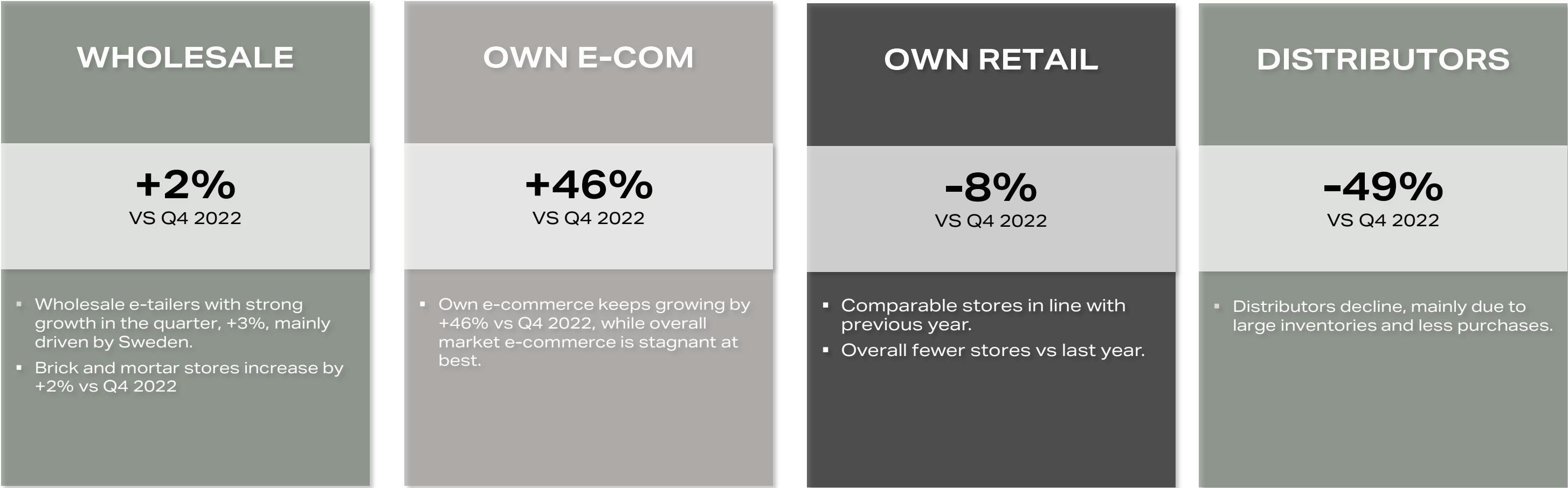
Very strong momentum in the Netherlands with +21% growth in the quarter

BJÖRN BORG AB - Total Sales development Q4 2023 by country



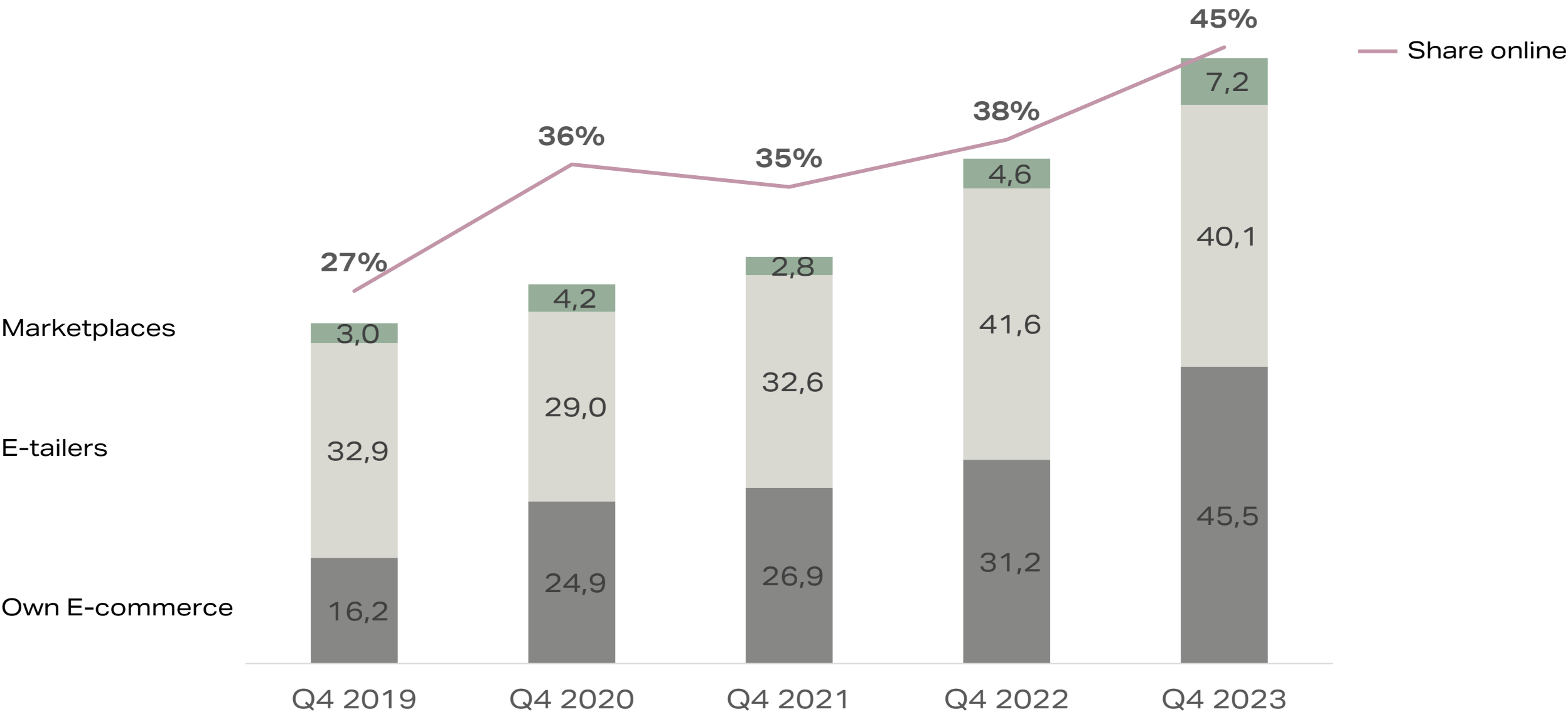
Continued strong momentum in own e-commerce and online wholesale partners

BJÖRN BORG AB – Channel development Q4 2023



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

BJÖRN BORG AB – Share of online sales 2019-2023



Source: BB AB Investor Relations

Double digit sports apparel growth, while underwear and footwear declined in the quarter

BJÖRN BORG AB – Category development Q4 2023

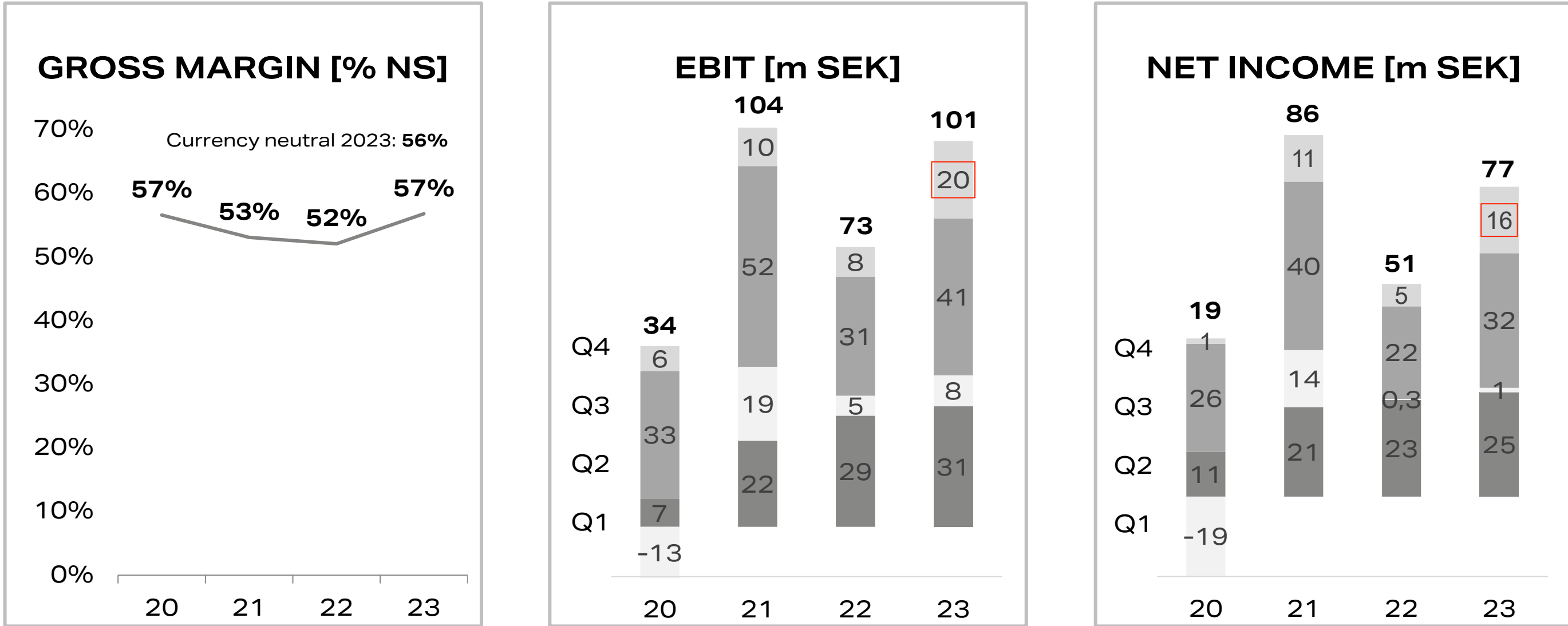




C3. Bottom line

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

BJÖRN BORG AB – Bottom line KPIs Q4 2023

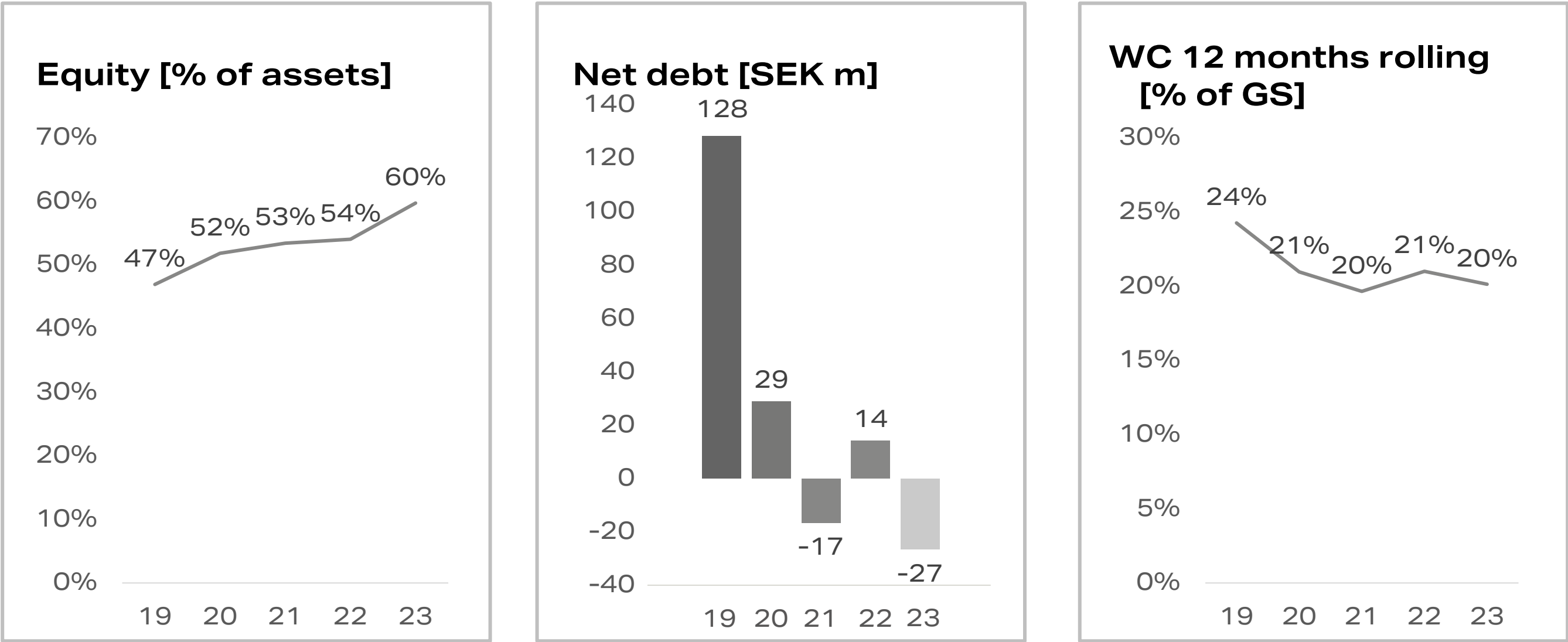




C4. Balance sheet

All balance sheet KPIs improving as of Q4 2023

BJÖRN BORG AB – Balance sheet KPIs as per Q4 2023





D. Key take-aways

A quarter with very strong own e-commerce sales and improved profit

BJÖRN BORG AB – Key take-aways Q4 2023



1 Brand gaining significant traction in all markets

2 Record sales for own e-commerce and ok growth in WHS, together with improved gross margins and very strong bottom line

3 Sports apparel continues to grow double digits.

Björn Borg is on a solid basis to show continued profitable growth

BJÖRN BORG AB – Key company facts



- 1 Proven track record of steady profitable growth since 2014.
- 2 Convincing strategy for continued profitable growth in the years to come.
- 3 Proven value creation, achieved 217% growth over the past 5 years, compared to OMX's 78%
- 4 Stable and high dividend payments.
- 5 Safe equity ratio of above 55% and decreasing net debt, way below bank covenant.
- 6 Strong, professional and committed management team.
- 7 Solid business foundation due to new ERP system, e.com platform, cyber security process and supply chain set-up.

A photograph of a smiling man in a gym setting. The man is shirtless and looking towards the right. In the foreground, the back of a white t-shirt is visible with the text 'HEALTH BODY' printed on it. The background shows a blue basketball court and a black metal fence.

Thank you!