

Press Release, 11 March 2024 10:00:00 CET

## **Björn Borg integrates footwear into its own operations.**

**Björn Borg plans to fully integrate the footwear product category. This means that Björn Borg will design, develop and distribute products in the category in all markets. While the integration may imply some temporary risk for fully maintaining sales and margins, taking full control of the footwear business is expected to provide substantial future growth opportunities.**

As previously announced, Björn Borg's licence partner for the footwear product category, Serve & Volley B.V., has initiated a company reorganisation. Björn Borg has today decided to terminate the license agreement with Serve & Volley B.V. with immediate effect. The decision means that Björn Borg will bring all design, product development and distribution of footwear in-house. The decision will enable increased control over quality, innovation and design but also create synergies with other product categories in distribution. Björn Borg has a long history of developing and manufacturing high-performance products in the categories of underwear, sportswear and bags.

Björn Borg's assessment is that it will be a good transition from working with a licence partner to integration into its own operations. Björn Borg is now beginning the process of creating the 2025 collection in-house. Regarding the products that our former licensee has already produced (the Spring and Autumn collections for 2024), there is some risk that the situation regarding our former licensee may have a negative impact on Björn Borg's sales and delivery opportunities. It is difficult to estimate whether there will be any such negative impact, and if so, what it may amount to. Björn Borg's current assessment is that the maximum impact this could have on earnings is a negative impact of SEK 5 million on the Björn Borg Group's earnings (EBIT) in 2024.

Björn Borg believes that the integration of the footwear product category will contribute to increased growth without negatively affecting Björn Borg's ability to achieve the company's long-term financial target of at least 10 percent annual operating margin.

*Björn Borg's CEO Henrik Bunge states, "We already have footwear distribution in both Sweden, Denmark and Finland, and now including the rest of Europe while integrating design and product development is the next natural step in our journey to build a global sports fashion brand. My assessment is that the footwear category has a very high growth potential going forward."*

In 2023 the footwear product category accounted for sales for the Björn Borg Group of approximately SEK 73 million (SEK 76 million in 2022). Of the Björn Borg Group's earnings (EBIT) in 2023, approximately SEK 17 million (SEK 5.5 million in 2022) was attributable to the footwear product category.

**For further information, please contact**

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## About Björn Borg

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The Group owns the Björn Borg trademark and its core business is underwear, sportswear and bags. It also offers footwear and eyewear through licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Group net sales amounted to around SEK 835.2 million in 2022, with an average of 160 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

*This information is information that Björn Borg AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-03-11 10:00 CET.*

## Attachments

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