



# ODD MOLLY Q4 2017

Anna Attemark, CEO

Johanna Palm, CFO







## **AGENDA**

- I. Intro*
- II. Q4*
- III. Full year*
- IV. Going forward*



**RETAIL IS CHANGING**



# ...AND SO ARE WE

Design driven

100% wholesale

Deliveries 4 times / year

10% online selling 2012

✓ Customer focus

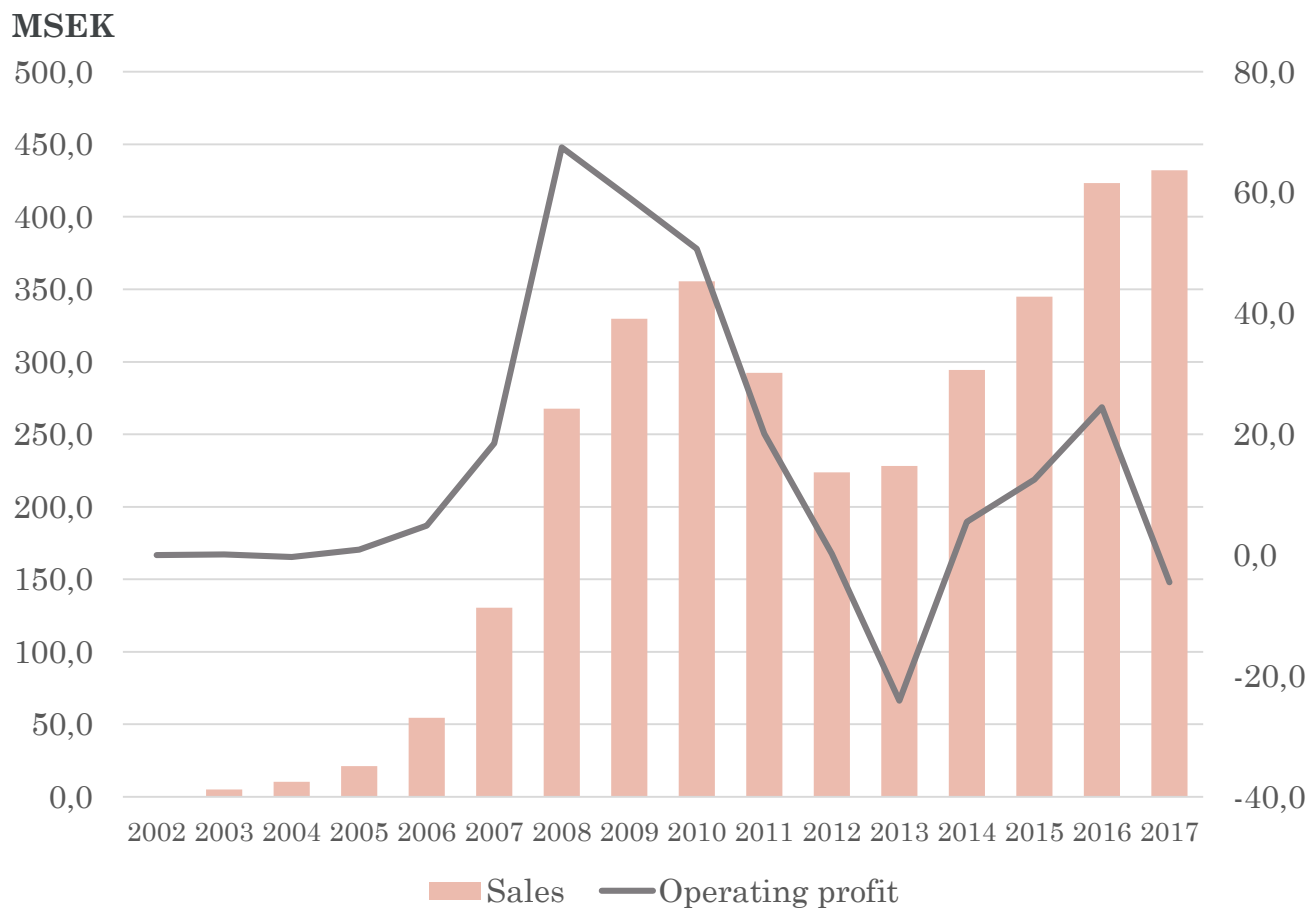
✓ 50% retail / 50% wholesale

✓ News every week

✓ 40% online selling 2017

## INTRODUCTION

# DEVELOPMENT OVER TIME



**432**  
MSEK

Sales 2017

**0.3**  
MSEK

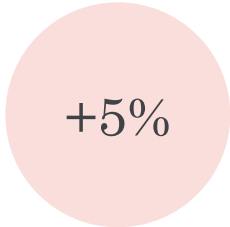
Adjusted  
Op. Margin 2017



# FOURTH QUARTER 2017

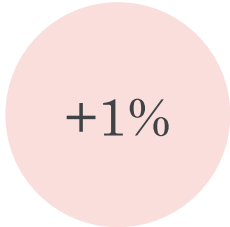
## Q4 2017 OPERATIONAL HIGHLIGHTS

- Market undergoing big transformation – requires adjustments
- Quarter marked by discounted sales periods
  - Mid-season sales October
  - Black Friday in November all time high
  - End-of-year sales from 25 December
- E-commerce continue to drive growth
- CEO announced resignation and deputy CEO appointed as successor – shift latest August 2018



+5%

RETAIL



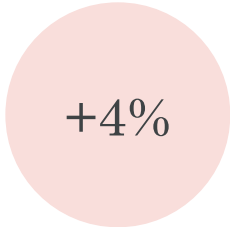
+1%

WHOLESALE

## FINANCIALS

# Q4 2017 FINANCIALS IN BRIEF

- Total operating revenue SEK 89.6 million (86.5)
- Gross profit margin 51.6 (60.0) impacted by sales periods
- Operating profit SEK -11.1 million (-0.3),
- Operating margin -12.4 percent (-0.3)
- Net profit SEK -9.2 million (0.8)
- EPS SEK -1.60 (0.14)



+4%

SALES GROWTH



51.6%

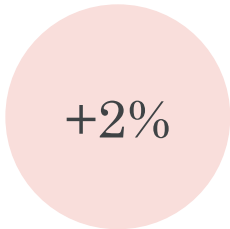
GROSS MARGIN



## FINANCIALS

# JANUARY – DECEMBER 2017 FINANCIALS IN BRIEF

- Total operating revenue SEK 432.1 million (423.2)
- Gross profit margin 53.9 percent (55.6)
- Operating profit SEK -4.5 million (24.5)
  - SEK 0.3 million before one-off costs
- Operating margin -1.0 percent (5.8)
- Net profit SEK -6.3 million (17.7)
- EPS SEK -1.09 (3.08)
- Cash flow from operating activities SEK -0.5 million (6.6)
- Investments SEK 4.3 million (22.0)
- Board proposes no dividend for 2017



+2%

SALES GROWTH

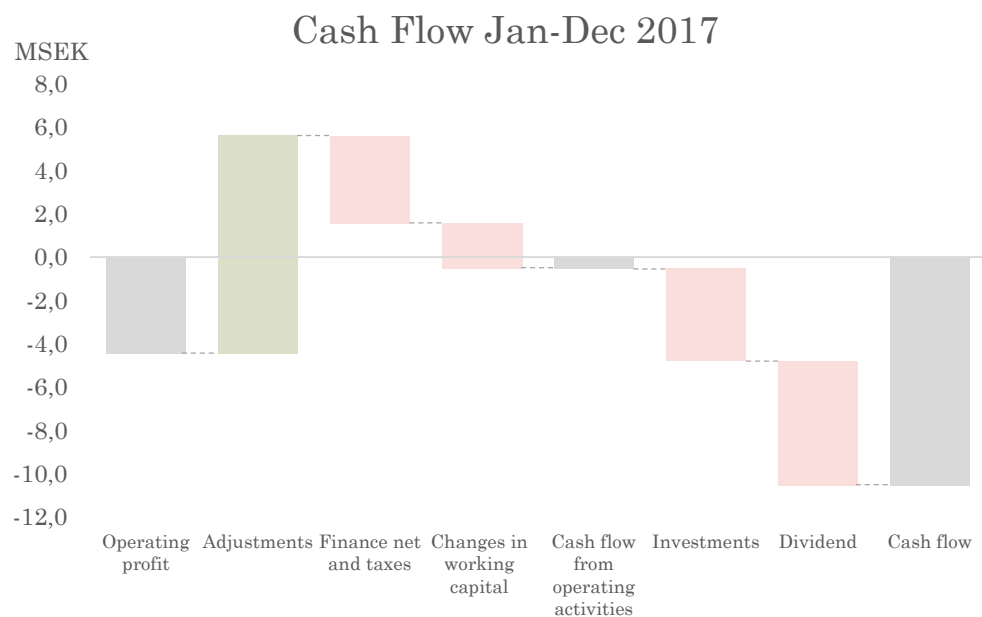


53.9%

GROSS MARGIN

## FINANCIALS

# CASH FLOW JANUARY-DECEMBER 2017



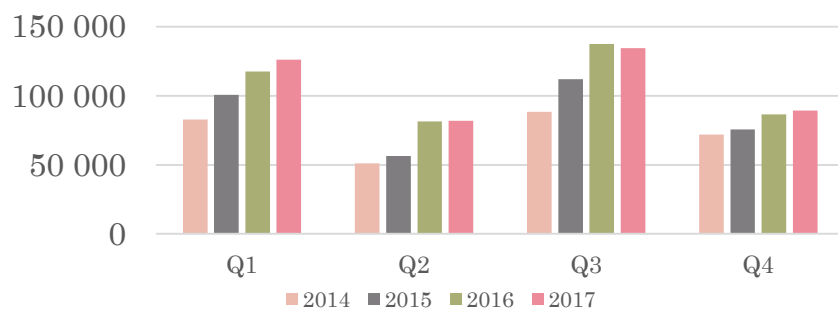
## Cash Flow Jan-Dec Year-over-Year Comparison

Cash flow from operating activities Jan-Dec 2016	6,6
Lower operating profit	-29,0
Adjustments	-0,5
Finance net and taxes	-0,6
Change in inventory	+0,0
Change in receivables	+25,4
Change in current liabilities	-2,4
	-7,2
Cash flow from operating activities Jan-Dec 2017	-0,5

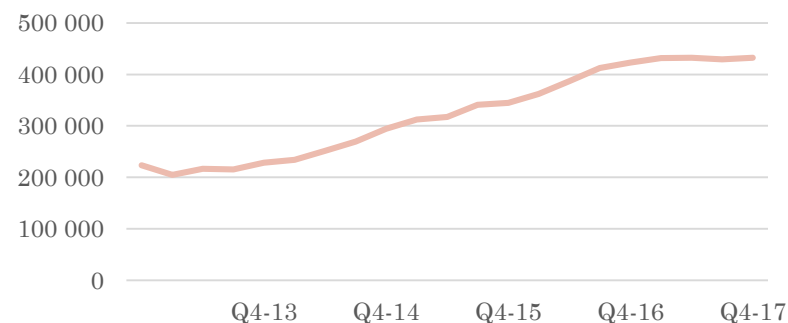
## FINANCIALS

# QUARTERLY DEVELOPMENT

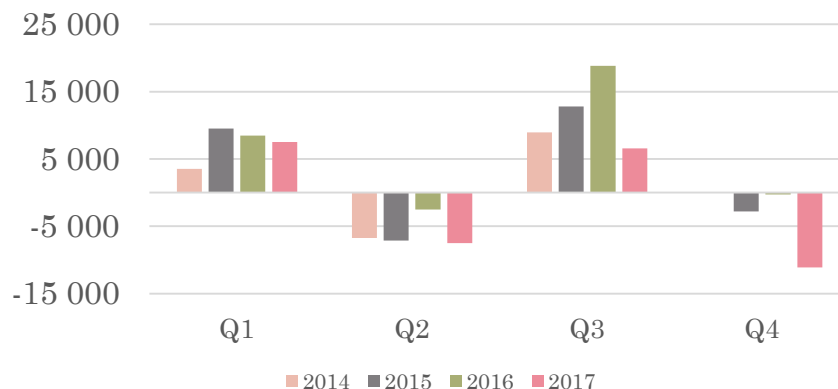
### Sales by Quarter



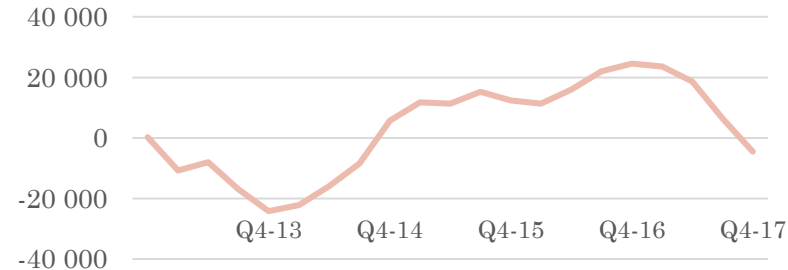
### LTM sales



### EBIT per quarter



### LTM EBIT





## FINANCIALS

# FINANCIAL TARGETS – JANUARY-DECEMBER 2017

ANNUAL AVERAGE GROWTH  
RATE EXCEEDING 20 PERCENT  
IN COMING YEARS

20%



2%

OPERATING MARGIN OF  
OVER 12 PERCENT OVER A  
BUSINESS CYCLE

12%



-1,0%

EQUITY/ASSET RATIO AT LEAST  
40 PERCENT OVER TIME

40%



50%



# **OUR SEGMENTS – RETAIL AND WHOLESALE**

## SEGMENTS

# AN INCREASED SHARE OF RETAIL OVER TIME

- Clear shift in consumer behavior
- Market - campaign driven
- E-commerce growth driver

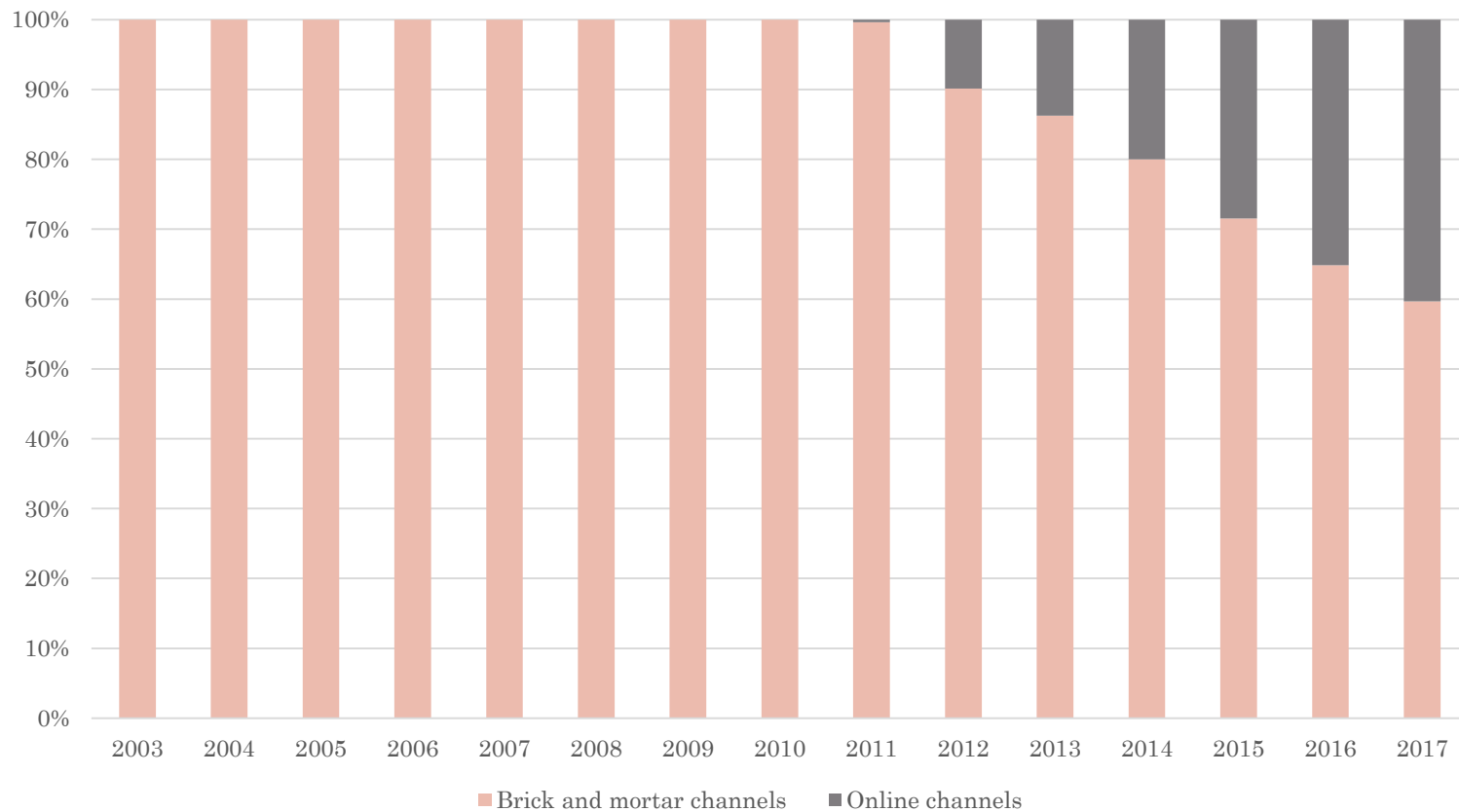




## SEGMENTS

# SALES SHIFT ONLINE

Total sales split



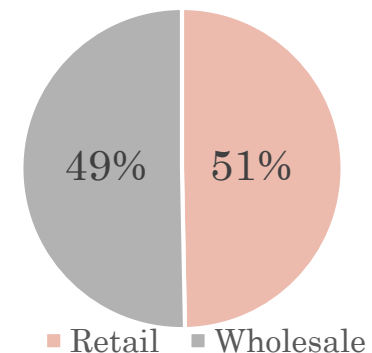
## SEGMENTS

# RETAIL

- Shops run by Odd Molly
- Stand-alone stores, shopping malls, shop-in-shops in department stores
  - Sweden, Norway, Finland
- Web shop
  - Sale in some 40 countries



2017 Sales



	Oct-Dec	Oct-Dec	Full year	Full year
	2017	2016	2017	2016
TSEK				
Sales	48,762	46,223	221,150	195,142
Operating profit	3,966	10,077	30,972	42,717
Operating margin, %	8.1	21.8	14.0	21.9

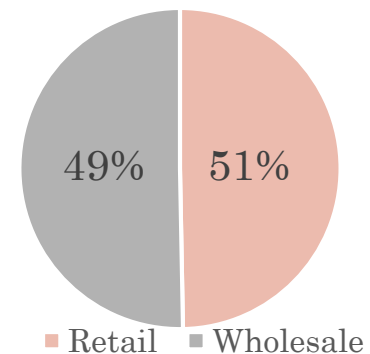
## SEGMENTS

# WHOLESALE

- Reseller (shops and web shops)
  - Some 30 countries
- Shop-in-shops with resellers
- Stores operated by resellers/partners



## 2017 Sales



	Oct-Dec	Oct-Dec	Full year	Full year
TSEK	2017	2016	2017	2016
Sales	40,797	40,235	210,968	228,022
Operating profit	3,123	7,467	34,458	53,435
Operating margin, %	7.7	18.6	16.3	23.4



# INTERNATIONAL EXPANSION AND DIGITAL FOCUS

- Increased focus on reaching new customers
- Online sales - no boundaries
- New agents in Germany, France and Austria
  - Covering omni-channel resellers
- New representation in Great Britain
- Profitability and cost review throughout organisation

**ASSORTMENT :**

# OUR ASSORTMENT STRATEGY



## NEWS

- Many deliveries
- Small clearcollections



## SELLING FOCUS

- Selling
- Inviting



## RIGHT GARMENT IN RIGHT TIME

- Maximum sellthrough



## PRICE = WITHIN REACH

- 85% <2000
- 95% "within reach"



## BALANCE

- Fashion triangle
- Tops/bottoms
- Simple/decorated
- Productgroups



## CUSTOMER FOCUS

- Bought lastseason?
- Want thisseason?

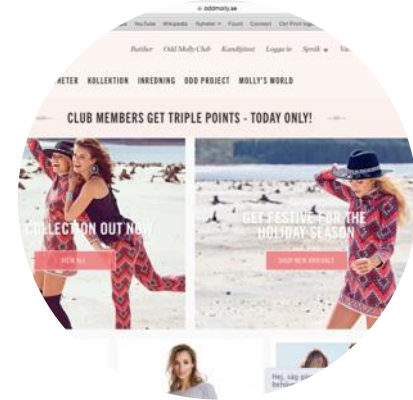
# SOLID PLATFORM



**COLLECTION STRATEGY –  
FANTASTIC CUSTOMER  
OFFER**

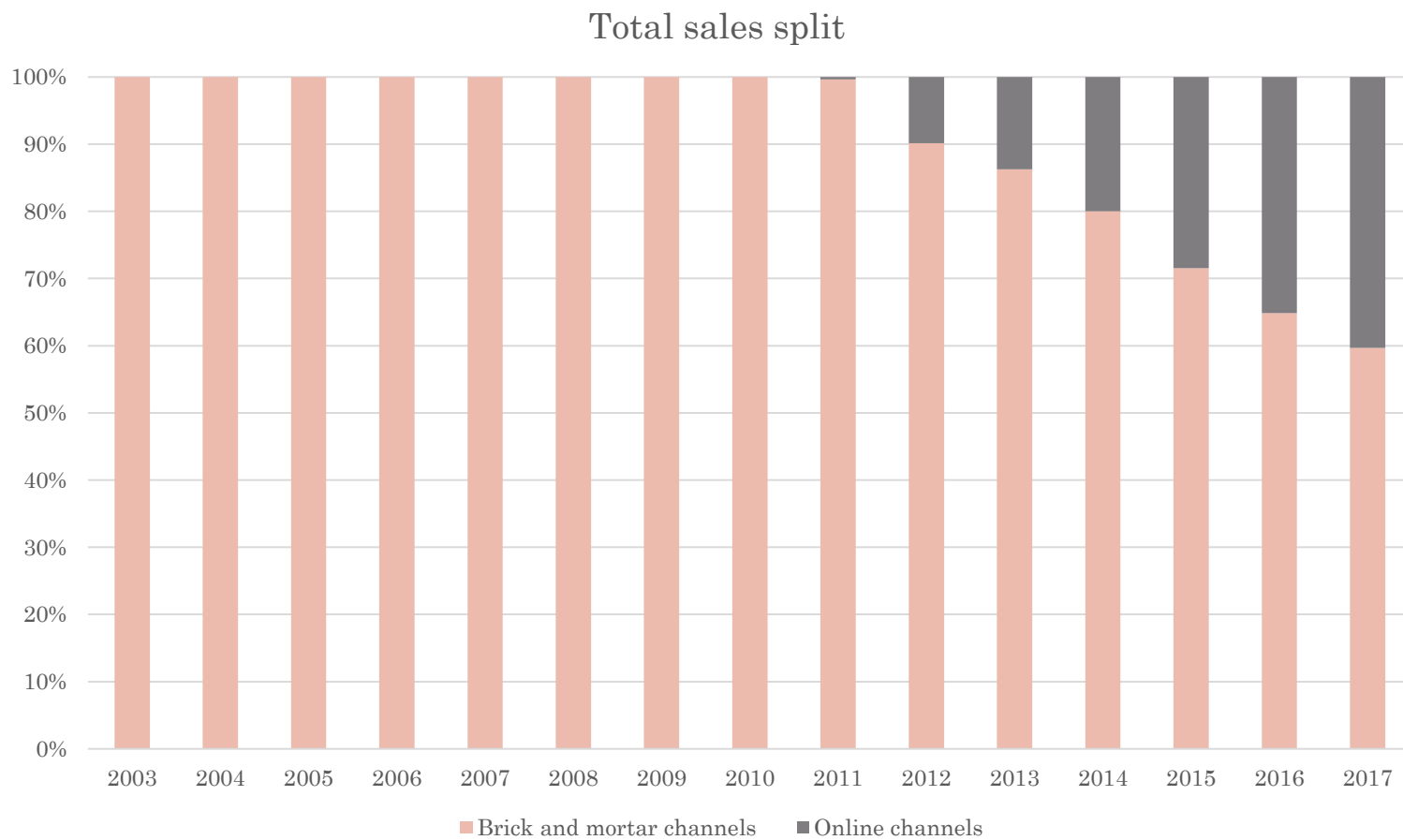


**FOCUSED EXPANSION –  
CLEAR CONCEPT THAT IS  
SUCCESSFUL IN NEW  
MARKETS**



**OMNI-CHANNEL  
OFFERING – CONCEPT THAT  
FITS ALL CHANNELS**

# SALES SHIFT ONLINE







**RETAIL IS  
CHANGING...  
AND SO ARE WE**





**THANK YOU!**

