

ODD MOLLY Q3 2018

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AGENDA


- I. Q3 2018
- II. 9M 2018
- III. *Way forward*

THIRD QUARTER AND NINE MONTHS 2018



Q3 2018 OPERATIONAL HIGHLIGHTS

- Comprehensive action plan to reduce complexity, capital tied-up and operating costs by around SEK 50 million
 - Increased pace of reducing amount of own stores
 - Significant reduction of product range
 - Licensing model gradually implemented in a number of international markets, agreement signed with an operator in Portugal and Spain
- Sales down by 26 percent in a market where physical stores struggle
- New CEO, deputy CEO and head of business development



-11%

RETAIL SALES




-38%

WHOLESALE SALES

Q3 2018 IN BRIEF

- Total operating revenue SEK 99.5 million (134.5)
- Gross profit margin 51.0 (53.0) impacted by 120 bps one-off effect for accrual of bonuses earned by customer club members
- Operating profit SEK -19.3 million (6.6)
 - Restructuring costs of SEK 5.8 million (4.8)
 - Other one-off costs SEK 3 million (incl. effect on gross profit above)
- Operating margin -19.4 percent (4.9)
- Net profit SEK -15.7 million (4.9)
- EPS SEK -1.87 (0.85)



-26%

SALES DEVELOPMENT



51.0%

GROSS MARGIN

JANUARY – SEPTEMBER 2018 IN BRIEF

- Total operating revenue SEK 281.2 million (342.6)
- Gross profit margin 54.0 percent (54.5)
- Operating profit SEK -38.0 million (6.6), negatively affected by restructuring costs of SEK 5.8 million (4.8) and other one-off costs of SEK 3 million
- Operating margin -13.5 percent (1.9)
- Net profit SEK -32.8 million (2.9)
- EPS SEK -4.91 (0,51)
- Cash flow from operating activities SEK -21.2 million (-14.2)
- Investments SEK 0.5 million (4.2)



-18%

SALES DEVELOPMENT



54.0%

GROSS MARGIN

FINANCIALS

CASH FLOW JANUARY-SEPTEMBER 2018

Cash flow components Jan-Sep 2018

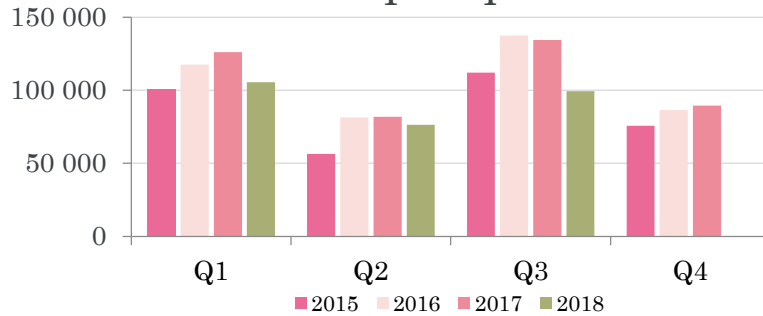


Cash flow from operating activities Jan-Sep 2017	-14,2
Lower operating profit	-44,6
Adjustments	+4,7
Finance net and taxes	-6,0
Change in inventory	+14,3
Change in receivables	+21,3
Change in current liabilities	+3,4
	-7,0
Cash flow from operating activities Jan-Sep 2018	-21,2

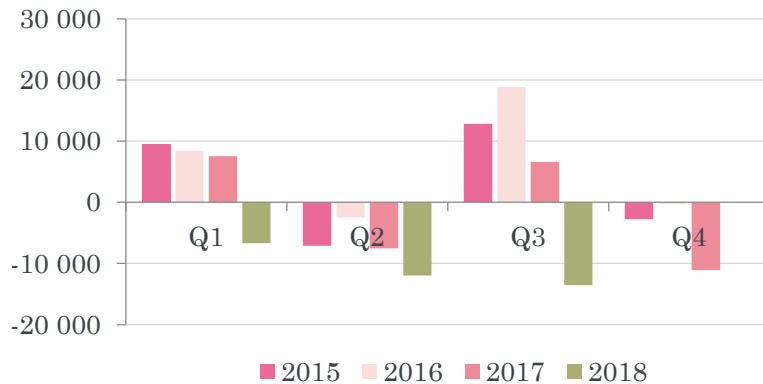
FINANCIALS

QUARTERLY DEVELOPMENT

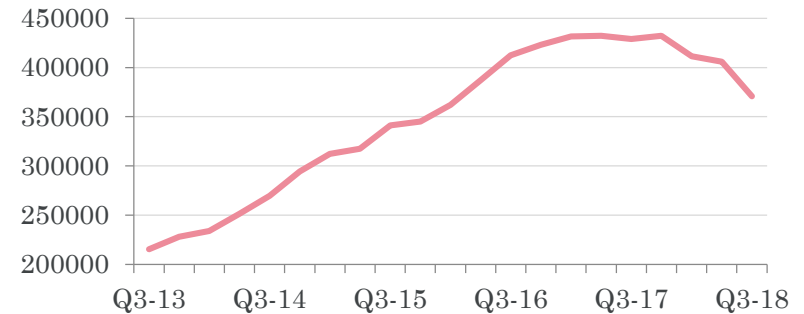
Sales per quarter



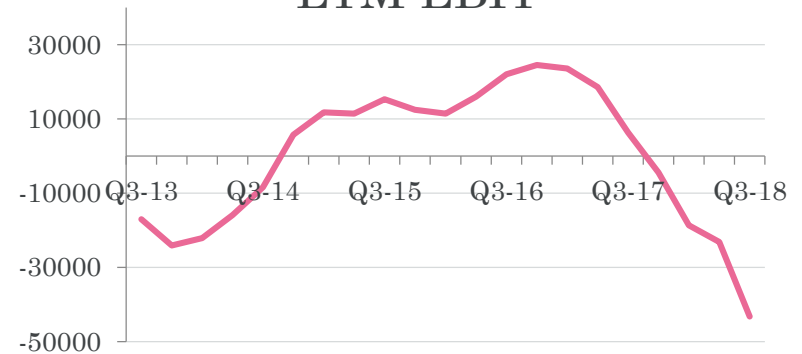
EBIT per quarter



LTM sales



LTM EBIT





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WAY FORWARD



COMPREHENSIVE ACTION PLAN

- **Reduction of physical stores** – only a few stores in strategic locations will be kept, decrease from 17 to six. Focus instead of strong resellers.
- **Optimize and reduce** the product range – focus on categories and products that make the most sales and profitability.
- **Licensing model** will be gradually implemented in most international markets – agreement signed with Spain/Portugal operator, agents terminated.
- **Additional measures** to reduce complexity, release costs and reduce capital tied-up.
- All in all, these initiatives and measures will reduce yearly operating cost of about **SEK 50 million**, with gradual impact in **2019**.

FOCUS

Build up our customer offer

Strong Sweden focus

E-com following traditional retail

Starting up many new things

- Roll out our customer offer
- International focus
- E-com focus and omni focus
- Optimize our internal processes

Best customer offer at all times for each channel



THANK YOU!

