

# ODD MOLLY Q4 2018

*Jennie Högstedt Björk, CEO*

*Johanna Palm, CFO*







## AGENDA

- I. Q4 2018
- II. *Full-year 2018*
- III. *Going forward*



# FOURTH QUARTER AND FULL-YEAR 2018



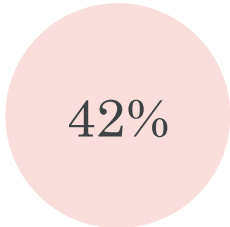
## Q4 2018 OPERATIONAL HIGHLIGHTS

- Strategic review of business model - more streamlined and efficient company with a focus on digital sales, branding and product range
  - Comprehensive action plan to reduce complexity, capital tied-up and operating costs
  - Development of a licensing model – implemented in Portugal, Spain, Czech Republic, Slovakia and Hungary
- Work initiated to revitalize the Odd Molly brand
- In February, an Odd Molly store was opened, operated by a reseller, in the luxury department store, NK (Stockholm)
- Management strengthened with new head of e-commerce



58%

RETAIL SALES



42%

WHOLESALE SALES

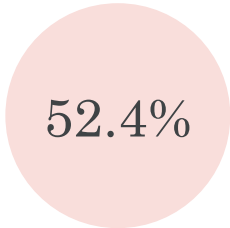
## Q4 2018 IN BRIEF

- Total operating revenue SEK 65.7 million (89.6)
- Gross profit margin 52.4 percent (51.6)  
impacted by lower share of discounted sales
- Operating profit SEK -22.6 million (-11.1)
- Operating margin -34.5 percent (-12.4)
- Net profit SEK -20.7 million (-9.2)
- EPS SEK -2.46 (-1.60)



-27%

SALES DEVELOPMENT



52.4%

GROSS MARGIN

# JANUARY – DECEMBER 2018 IN BRIEF

- Total operating revenue SEK 346.9 million (432.1)
- Gross profit margin 53.7 percent (53.9)
- Operating profit SEK -60.6 million (-4.5)  
negatively affected by lower sales and  
restructuring costs of SEK 5.8 million (4.8)
- Operating margin -17.5 percent (-1.0)
- Net profit SEK -53.5 million (-6.3)
- EPS SEK -7.52 (-1.09)
- Cash flow from operating activities SEK -30.6  
million (-0,5)
- Investments SEK 0.9 million (4.3)



-20%

SALES DEVELOPMENT

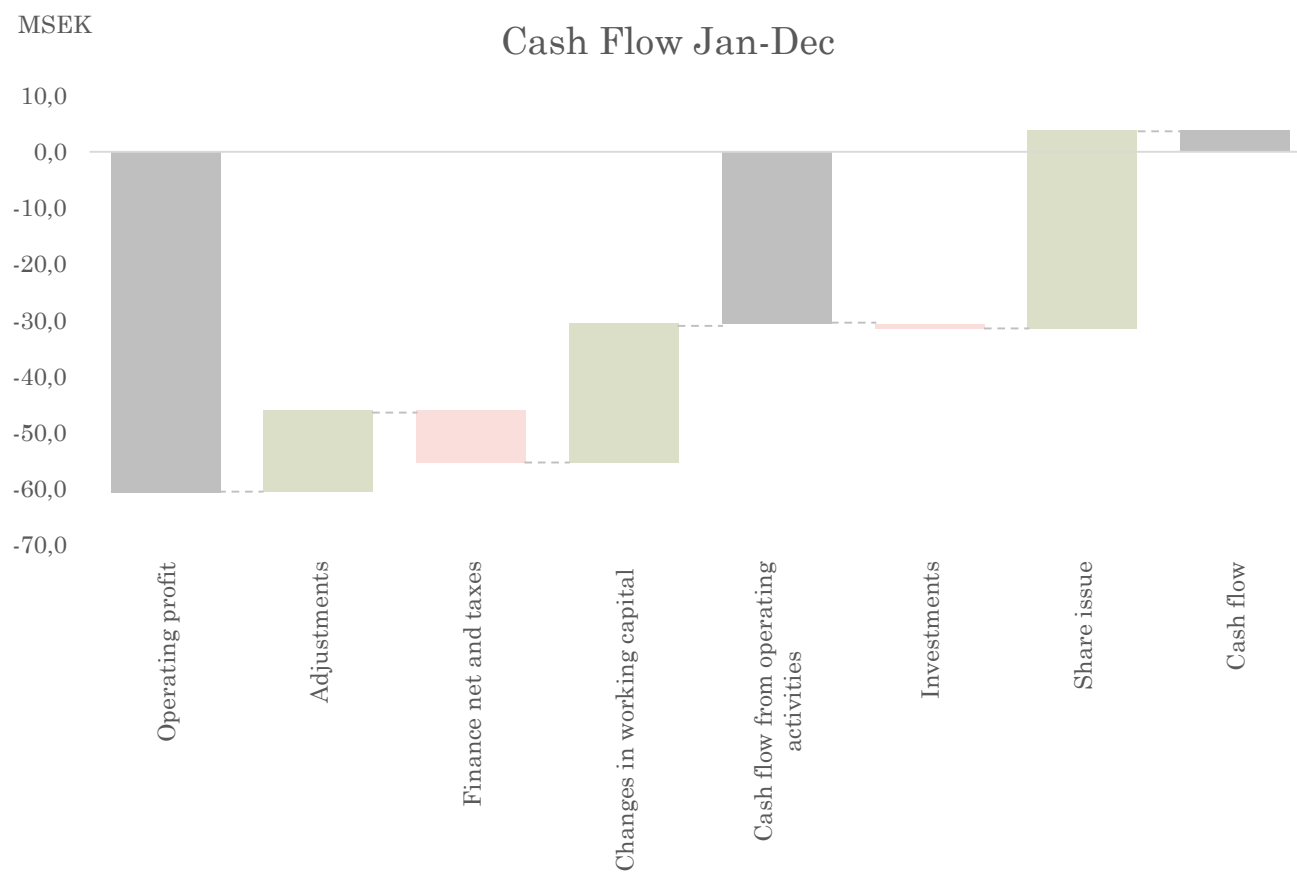


53.7%

GROSS MARGIN

## FINANCIALS

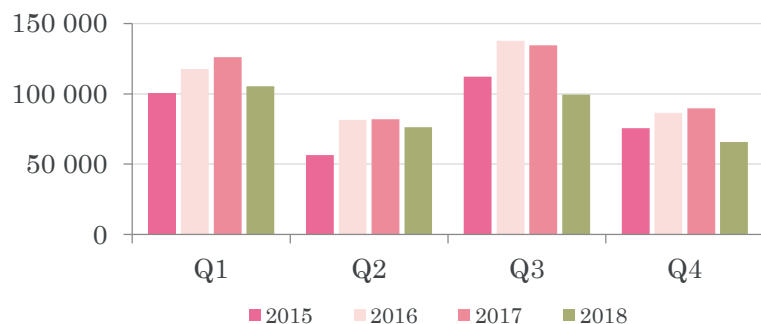
# CASH FLOW JANUARY-DECEMBER 2018



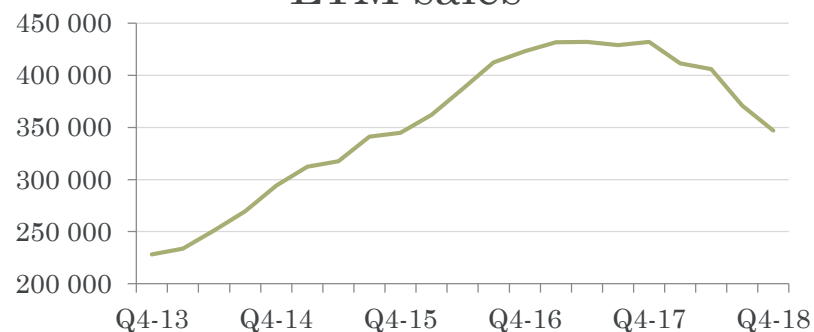
## FINANCIALS

# QUARTERLY DEVELOPMENT

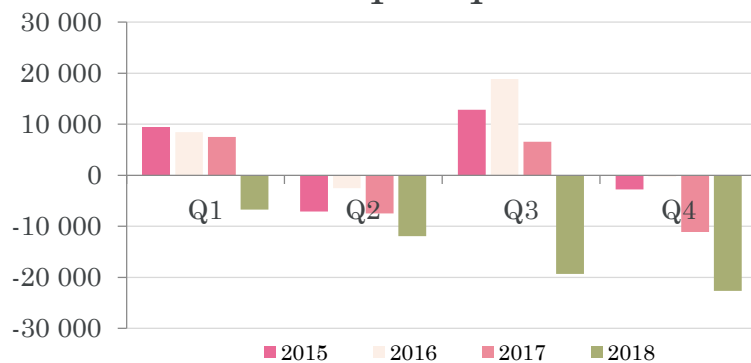
### Sales per quarter



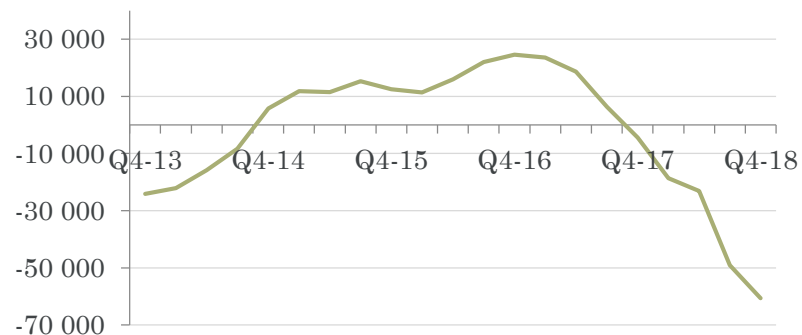
### LTM sales



### EBIT per quarter



### LTM EBIT







**WAY FORWARD**

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# A NEW STRATEGY

- New strategy formulated by the end of 2018:
- **Brand and assortment:** strengthen the brand position by revitalization and refining the assortment
- **Channels:** increased focus on online growth
- **Expansion:** international expansion licensing model
- **Sustainability:** with the highest quality and commitment, Odd Molly aims to contribute to a positive change



# COMPREHENSIVE ACTION PLAN

- Aimed at reducing **complexity, capital tied up** and **operating costs**
- **Reduction of physical stores** – only a few stores in strategic locations will be kept. 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.
- **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** with emphasis on the second half of the year.





**THANK YOU!**

