

# ODD MOLLY

## Q2 2018

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## **AGENDA**

- I. Introduction*
- II. Q2 2018*
- III. H1 2018*
- IV. Digital transformation*
- V. Going forward*

**RETAIL.**  
**IS.**  
**CHANGING.**

# ...AND SO ARE WE

Odd Molly 2012

Design driven

100% wholesale

Deliveries 6 times / year

10% online selling 2012

Odd Molly today

✓ Customer focus

✓ 50% own sales / 50% wholesale

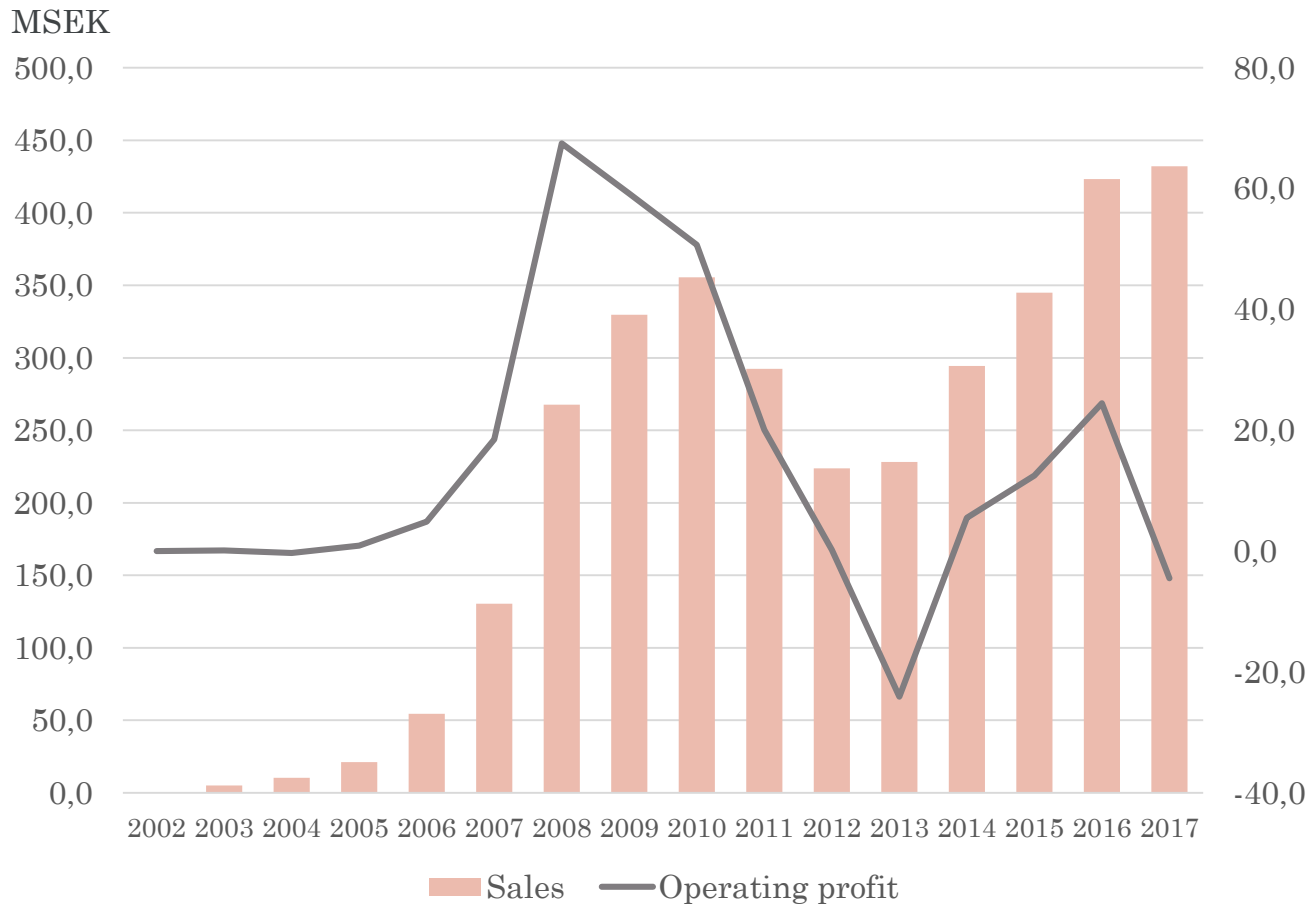
✓ News every week

✓ Over 40% online selling



## INTRODUCTION

# DEVELOPMENT OVER TIME



**432**  
MSEK

Sales 2017

**0.3**  
MSEK

Adjusted  
Op. Profit 2017

# SECOND QUARTER AND H1 2018



## FINANCIALS

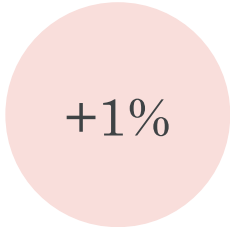
# Q2 2018 OPERATIONAL HIGHLIGHTS

- New management and new capital – ready for next steps
- Second quarter is Odd Molly's smallest
- Sales down by 7 percent largely due to own physical stores in Sweden
- Sales in digital channels amount to well over 40 percent
- Implemented several offensive marketing initiatives – with Queens of Pop as a highlight



-10%

RETAIL SALES



+1%

WHOLESALE SALES

## FINANCIALS

# Q2 2018 FINANCIALS IN BRIEF

- Total operating revenue SEK 76.3 million (82.0)
- Gross profit margin 57.6 (57.6) impacted by positive currency and channel mix effects but higher discounts
- Operating profit SEK -11.9 million (-7.5)
- Operating margin -15.6 percent (-9.2)
- Net profit SEK -10.3 million (-6.6)
- EPS SEK -1.78 (-1.15)
- Successfully completed new share issue providing funds amounting to SEK 35.3 million



-7%

SALES DEVELOPMENT



57.6%

GROSS MARGIN



## FINANCIALS

# JANUARY – JUNE 2018 FINANCIALS IN BRIEF

- Total operating revenue SEK 181.8 million (208.1)
- Gross profit margin 55.6 percent (55.4)
- Operating profit SEK -18.6 million (0.0)
- Operating margin -10.2 percent (0.0)
- Net profit SEK -17.0 million (-1.9)
- EPS SEK -2.95 (-0.34)
- Cash flow from operating activities SEK -0.6 million (14.3)
- Investments SEK 0.5 million (3.8)



-13%

SALES DEVELOPMENT

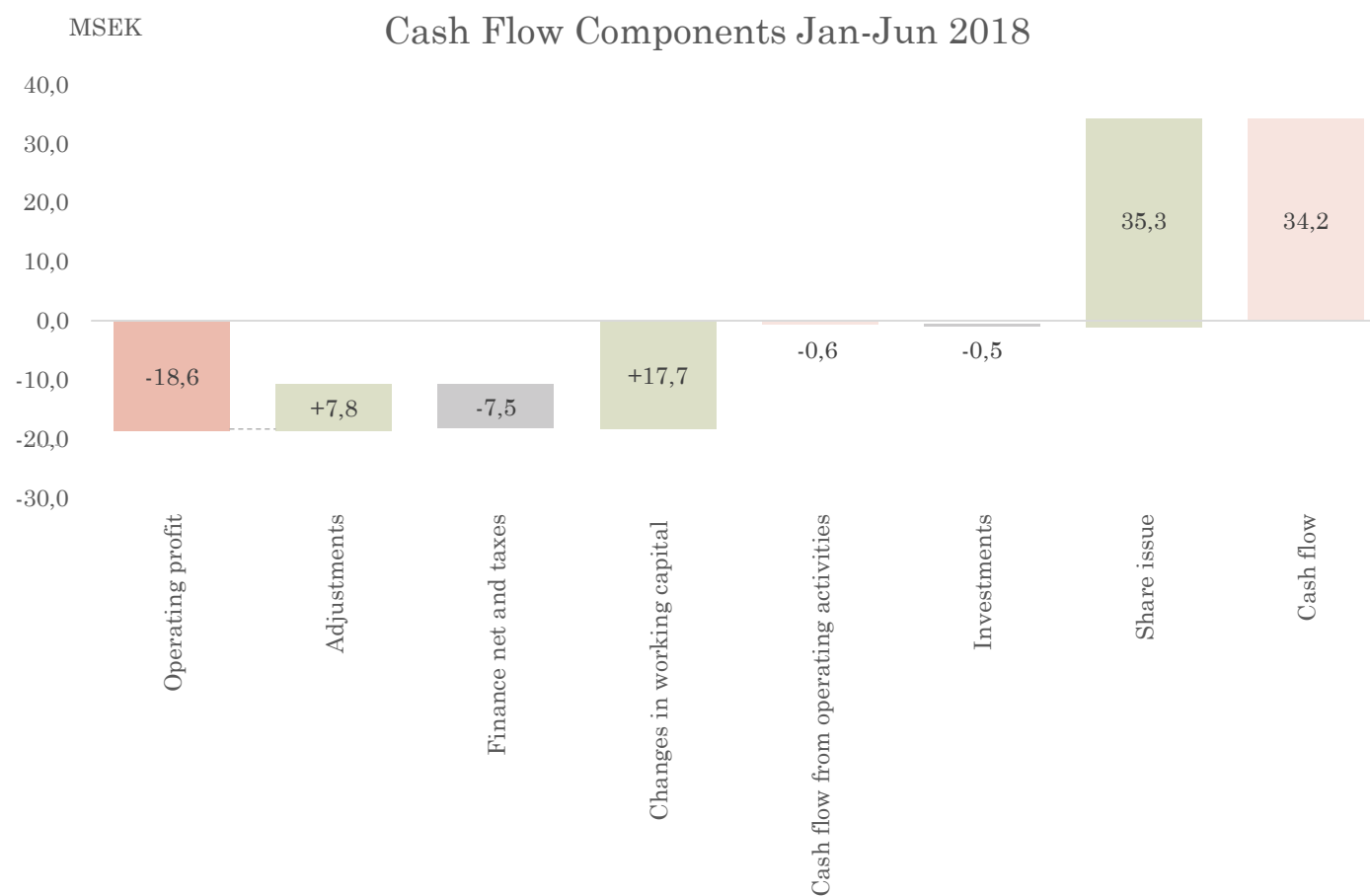


55.6%

GROSS MARGIN

## FINANCIALS

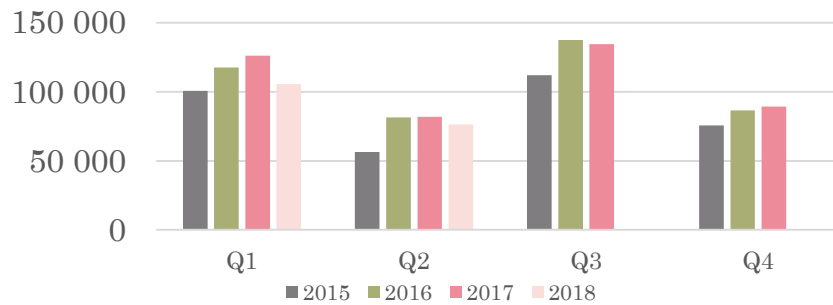
# CASH FLOW JANUARY-JUNE 2018



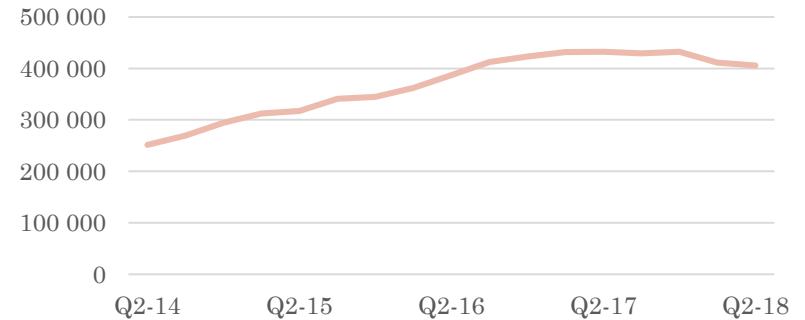
## FINANCIALS

# QUARTERLY DEVELOPMENT

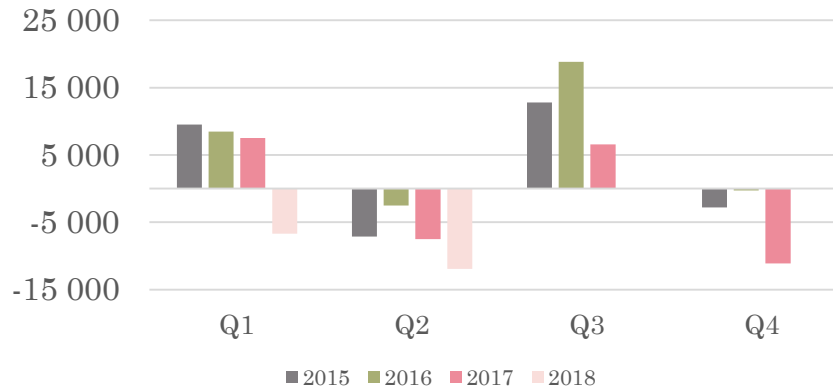
### Sales by Quarter



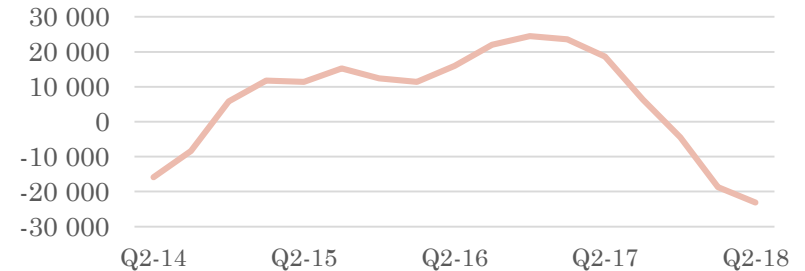
### LTM sales



### EBIT per quarter



### LTM EBIT





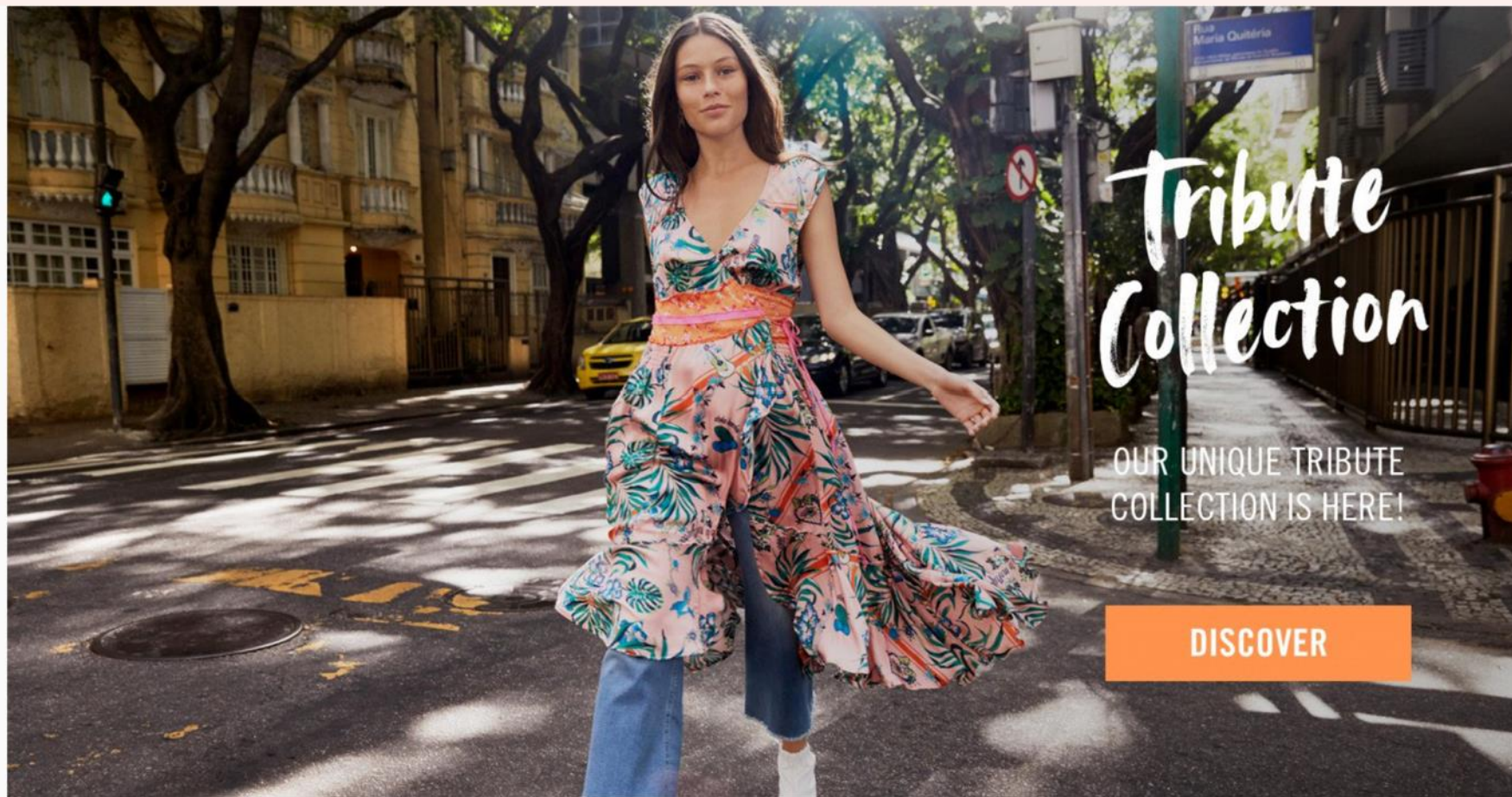


# THE DIGITAL TRANSFORMATION





←— ALWAYS FREE SHIPPING AND 30 DAYS RETURN POLICY! —→



DESIGNER'S PICK



# ODD MOLLY'S DIGITAL TRANSFORMATION

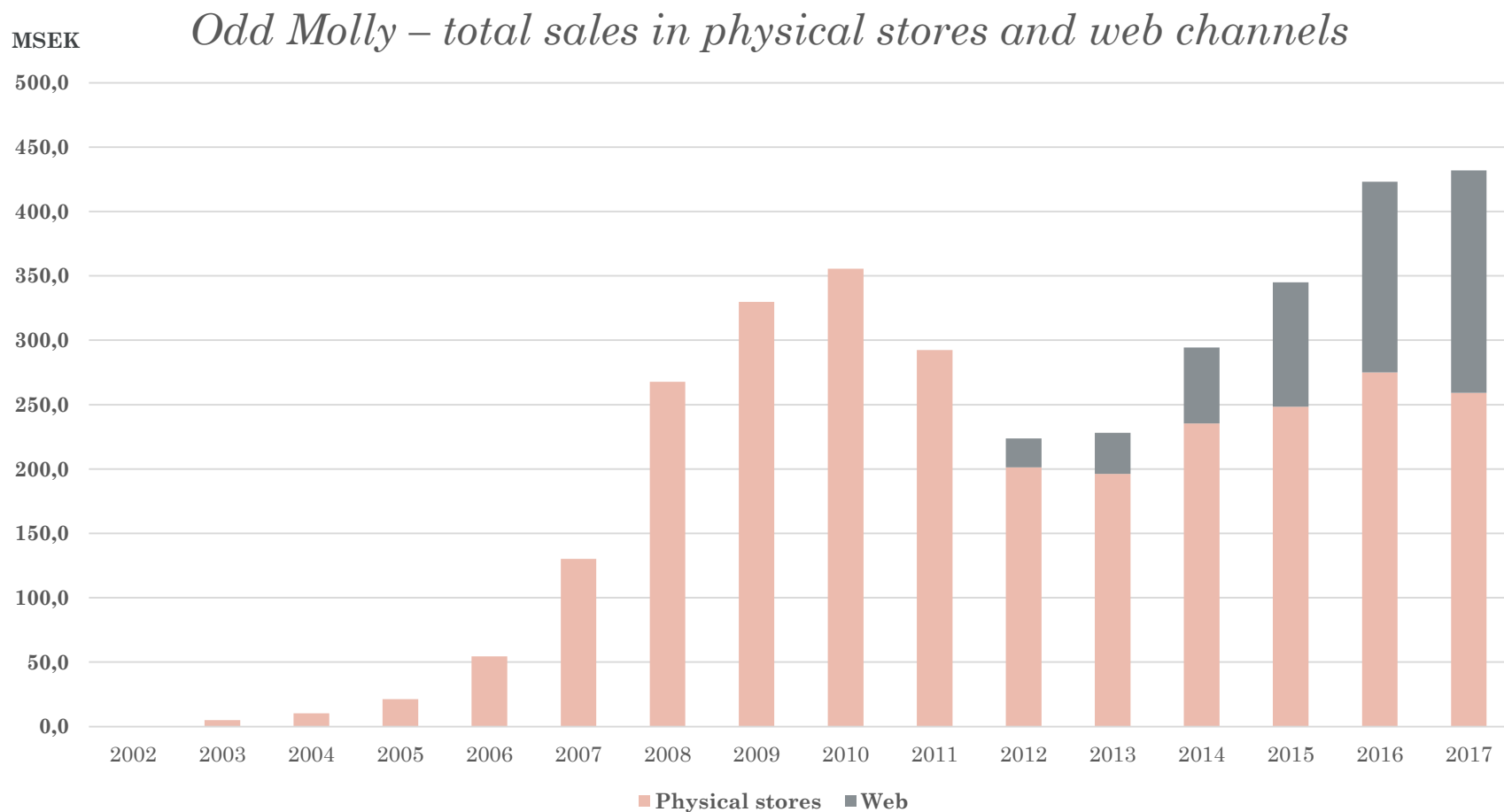
- Today – strong online position
- A journey from wholesale-focus to digital sales-focus – with support from selected physical distribution
- Concept and brand works very well for external multi-brand digital sales channels like Boozt.com
- New collection strategy – provides constant flow of news to drive online traffic and sales
- Well ahead regarding digital transformation



Online sales of total H1 2018

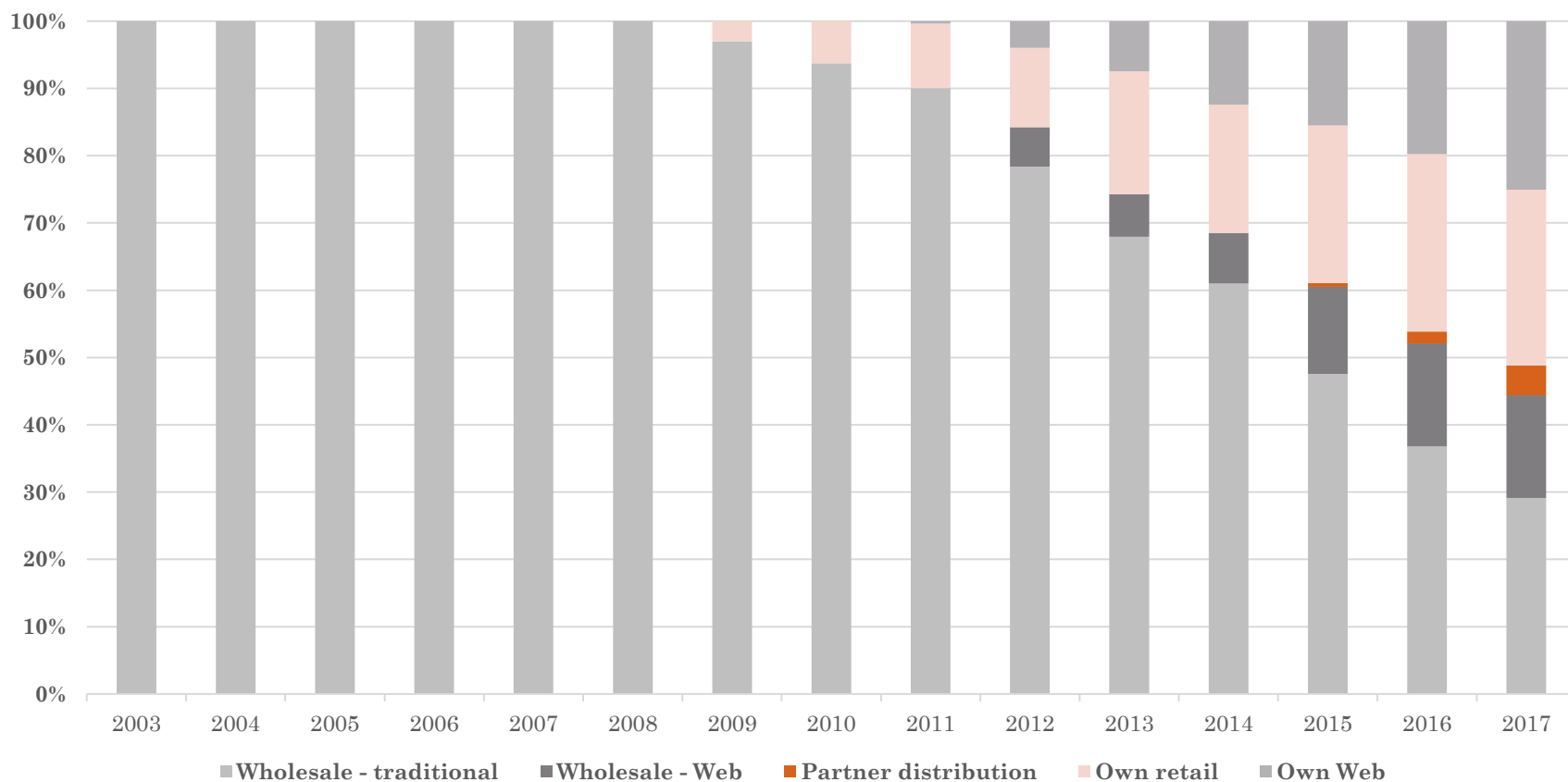


# SALES TRANSFORMING...



# ...TO DIGITAL SALES

*Odd Molly - share of total sales per distribution channel (%)*

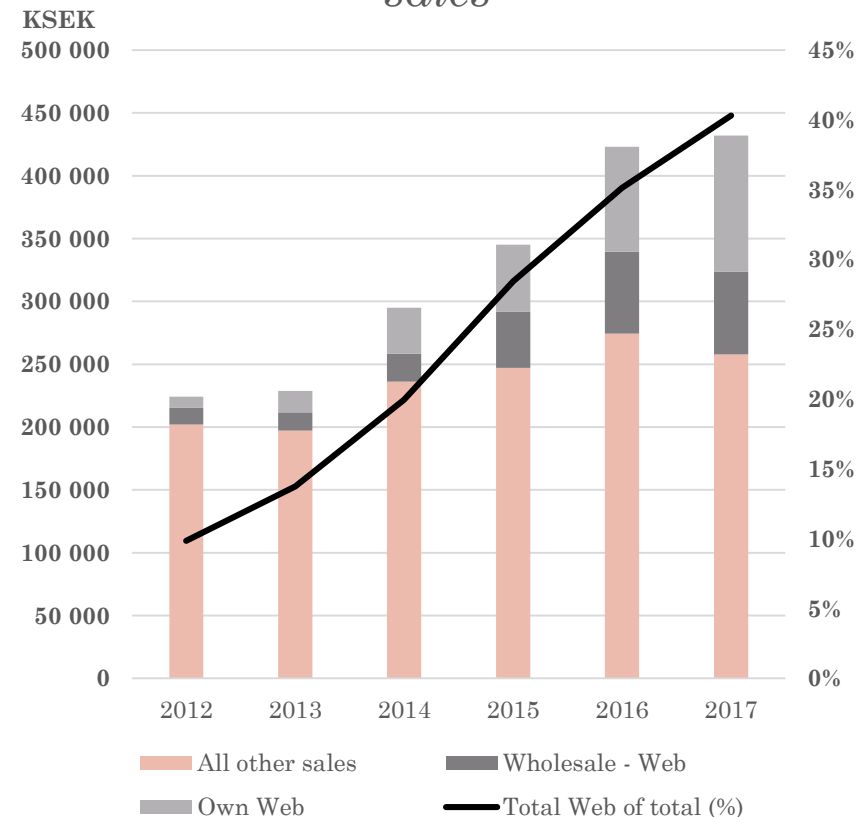


# WEB SALES (OWN WEB AND WHOLESALE WEB)

- Web sales reached 40 % of total sales during 2017
- Average yearly growth (CAGR) of 51% since 2012

Strong online footprint –  
transformation will continue

*Odd Molly – web sales of total sales*





# ODD MOLLY'S CURRENT POSITION

- Odd Molly is a **well known fashion brand** with strong own distribution to a broad target group – not a traditional retail company
- **International company** – the concept works in many different countries and climate zones. Today sales in some 40 countries
- Odd Molly has a **strong existing market position** in Sweden and trending strong in a handful of others countries
- The brand works **very well on external multi-brand digital sales channels** due to distinct collections and style combined with a strong brand
- Odd Molly has **proven its ability to transform** to meet the changing market and consumer shopping behavior



A woman with voluminous curly hair is smiling as she hikes down a dirt trail. She is wearing a dark blue, long-sleeved dress with a white floral pattern, white socks, and black boots. The trail is surrounded by lush green vegetation, including various shrubs and small white flowers. In the background, rolling green hills stretch towards a clear sky.

**WAY FORWARD**



# FOCUS – GLOBAL EXPANSION

- Priority to **grow brand through digital channels** - own web shop and selected multi-brand web shops
  - Invest and build additional competence and know-how
  - Odd Molly's own web shop already targeting some 40 countries
  - External platforms raise awareness and drive traffic to own web shop
- **Expand international wholesale** through partnerships and strong agents
- **Own retail stores still important** to Odd Molly's brand, but will see consolidation
- **Cost efficiencies, optimization** of processes and **reallocation** of resources



Platform

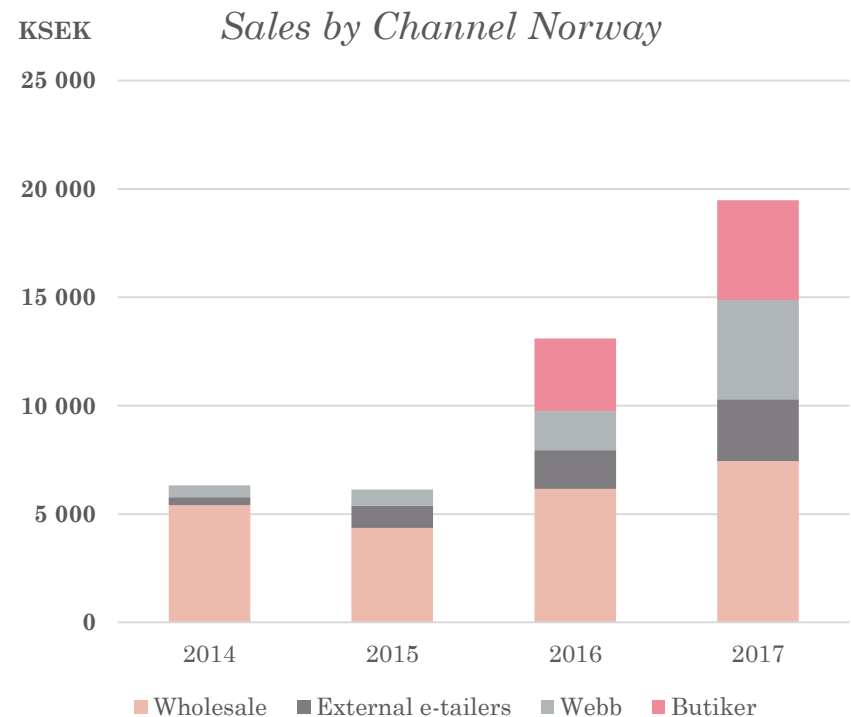
People

Capital

# FOCUS – OMNICHANNEL OFFERING (CASE NORWAY)

- Oslo store opened May 2016
- Odd Molly webstore grew by 138% in 2016 and by 161% in 2017. In 2015 the growth was 39%
- Positive development wholesale

Brand store fueling  
development in other  
channels



# NEXT PHASE – ROLL OUT

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*



**Focus on international  
growth och digital  
development!**







**THANK YOU!**

