



## RESULTS UPDATE

Consumer Discretionary &amp; Staples

Fair value: SEK62.0–77.0

Share price: SEK57.9

# Björn Borg

## Strong sports, gross margin to be monitored – Q2 review

## Research analysts:

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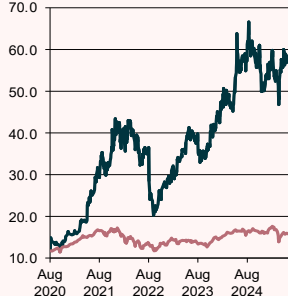
**Björn Borg had a mixed Q2. Growth was solid despite tough comparisons, as emphasised by sports apparel at +45% Y/Y, but discounts and the channel mix brought the gross margin down by 1.2%-points Y/Y. Despite this, Q2 EBIT was +12% Y/Y, meaning sales growth offset the margin pressure in Q2, and we maintain our margin expansion outlook for H2. FX one-offs put EPS below our expectations.**

**Strong growth suggests current emphasis on growth over margins.** Q2 organic growth was 6% (10% adjusted for FX), with sales 1% above our estimates. Wholesale was +9% Y/Y with physical wholesale growing, while e-tailers was -4% Y/Y. Own stores were down 20%, underpinned by a net reduction of 3 stores to a total of 11. Own online reported strong growth at 26%, taking rolling twelve-month growth to 23%. Sports apparel was +45% Y/Y, marking the first time it accounted for over 30% of total group sales.

**EBIT growing despite gross margin pressure, FX one-offs impact EPS.** The gross margin was down 1.2%-points Y/Y to 50.6% in Q2 (47.5% on a FX neutral basis). This was underpinned by a reduction in own online gross margin, while management also blamed increased discounts to larger customers. The reduction was offset by the topline growth, bringing reported EBIT up 12% Y/Y. FX items in the net financials pushed EPS below our estimates, but the full-year impact is mitigated by Q2 comprising on average just 5% of full-year EPS for the last three years.

**We maintain our margin expansion outlook in H2.** While we will monitor indications regarding the gross margin development ahead, we maintain our positive margin outlook for H2. We estimate a group gross margin improvement, underpinned by FX tailwinds benefiting purchase terms, lifting the H2 2025e EBIT margin by 1.9%-points Y/Y.

**Minor adjustments to 2026–27e EPS.** We adjust EPS down by -1% for 2026–2027e, while the FX one-off cuts EPS 2025e by -5%. We reiterate our fair value range of SEK62–77/share.

Changes in this report				Key figures (SEK)					Share price – 5-year																			
	From	To	Chg		2024	2025e	2026e	2027e																				
EPS adj. 2025e	3.8	3.6	-5%	Sales (m)	990	1,038	1,094	1,149																				
EPS adj. 2026e	4.4	4.3	-1%	EBITDA (m)	134	145	173	178																				
EPS adj. 2027e	4.5	4.5	-1%	EBIT (m)	102	115	141	147																				
Upcoming events				EPS	2.89	3.60	4.31	4.47																				
Q3 Report		14 Nov 2025		EPS adj.	2.89	3.60	4.31	4.47																				
				DPS	3.00	3.20	3.30	3.30																				
				Sales growth Y/Y	13%	5%	5%	5%																				
				EPS adj. growth Y/Y	-5%	25%	20%	4%																				
				EBIT margin	10.3%	11.0%	12.9%	12.8%																				
				P/E adj.	20.0	16.1	13.4	13.0																				
Key facts				EV/EBIT	13.0	12.7	10.0	9.5	<div><div></div> Björn Borg</div> <div><div></div> OMX Stockholm_PI (Se) (Rebased)</div> <div><b>High/Low (12M)</b>      <b>SEK66.6/46.8</b></div> <table><tr><td>Perf.</td><td>3M</td><td>6M</td><td>12M</td><td>YTD</td></tr><tr><td>Abs.</td><td>0.17</td><td>-1.90</td><td>-0.22</td><td>12.19</td></tr><tr><td>Rel.</td><td>-1.19</td><td>4.17</td><td>-1.18</td><td>9.25</td></tr></table>					Perf.	3M	6M	12M	YTD	Abs.	0.17	-1.90	-0.22	12.19	Rel.	-1.19	4.17	-1.18	9.25
Perf.	3M	6M	12M	YTD																								
Abs.	0.17	-1.90	-0.22	12.19																								
Rel.	-1.19	4.17	-1.18	9.25																								
No. shares (m)		25.1		EV/EBITA	13.0	12.7	10.0	9.5																				
Market cap. (USDm)		152		EV/EBITDA	9.9	10.0	8.2	7.8																				
Market cap. (SEKm)		1,456		P/BV	4.1	4.0	3.7	3.4																				
Net IB Debt. (SEKm)		4		Dividend yield	5.2%	5.5%	5.7%	5.7%																				
Adjustments (SEKm)		0		FCF yield	2.9%	5.7%	7.3%	6.3%																				
EV (2025e) (SEKm)		1,460		Equity/Total Assets	49.7%	52.5%	55.2%	56.8%																				
Free float		87.2%		ROCE	23.5%	28.5%	33.2%	33.8%																				
Avg. daily vol. ('000)		15		ROE adj.	20.4%	25.2%	28.6%	27.5%																				
BBG		BORG SS		Net IB debt/EBITDA	0.2	0.0	-0.2	-0.4																				
Fiscal year end		December																										
Share price as of (CET)	15 Aug 2025 14:29																											

Source: DNB Carnegie (estimates), FactSet, Infront &amp; company data

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Please see the last two pages for important disclosures. This report was completed and disseminated at 15 August 2025, 17:13 CET

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## Equity story

### Near term: within 12M

Björn Borg's own online sales channel has been a strong driver of the group's growth and profitability, with a 2018–24 CAGR of 29% and average EBIT margins since 2020 of 17%. We estimate that key drivers of the development include fast sports apparel segment growth, along with stronger pricing power for the Björn Borg group and consumer preferences that keep shifting towards online channels. A key factor for the near-term equity story is maintained online growth, which we believe will be underpinned by product segments such as sports apparel, footwear and/or bags.

### Long-term outlook: 5Y+

We argue that long-term growth is determined by segments outside the traditional underwear categories, such as sports apparel, footwear and bags. We estimate that long-term revenue growth could go beyond the 2014–24 CAGR of 6% if Björn Borg manages to utilise its brand strength to drive growth in these segments. In addition, Björn Borg can add growth through continued expansion in markets such as Germany and the US, which currently only make up a small part of total sales. Succeeding in these product and geographical segments is key for Björn Borg to achieve its objective of 10% annual sales growth, in our view.

### Key risks:

- Consumer spending is dependent on inflation, interest rates, income levels and unemployment rates
- Björn Borg is impacted by currency fluctuations, mainly USD/SEK and EUR/SEK
- The retail apparel market is competitive, with many competitors both online and in physical stores

## Company description

Björn Borg designs and sells underwear, shoes, sports apparel, and accessories under the brand Björn Borg. Sweden and the Netherlands are Björn Borg's largest markets, together accounting for 58% of 2024 revenue. Underwear is the largest product segment, at 52% of 2024 revenue, while the sports apparel segment made up 25% of revenue in 2024.

### Key industry drivers

- Consumer spending levels, impacted by inflation, interest rates, income levels and employment rates
- Structural shift among customers towards online sales channels

### Industry outlook

- Swedish consumer confidence is down year to date. Currently it is below the historical average of 100, implying weak current sentiment.

### Largest shareholders, capital

Nordnet Pensionförsäkring	15.8%
Martin Bjäringer	9.9%
Mats Nilsson	6.5%

### Cyclicality

Cyclicality: Yes  
Early

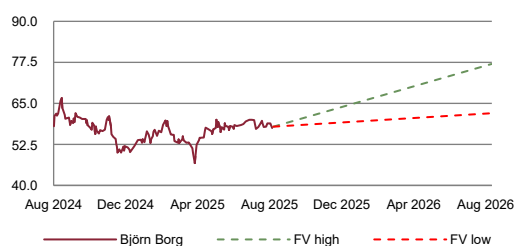
### Key peers

PVH, RVRC Holding, Foot Locker, Nike, Adidas, Under Armour

## Valuation and methodology

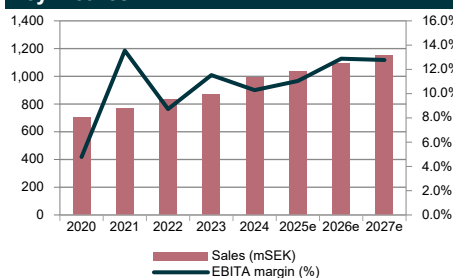
We value Björn Borg using a peer-based method. Considering the strong historical growth and margin profile of the group's own online channel (2018–24 CAGR of 29% and average EBIT margins since 2020 of 17%), we argue that this channel can be valued separately based on a set of fast-growing, strong-margin retail companies.

### Fair value range 12M

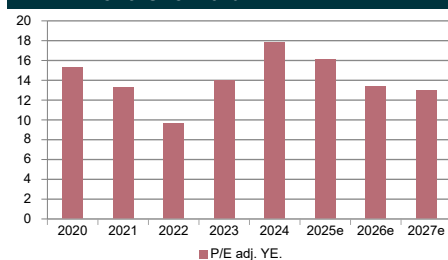


To arrive at the lower end of fair value range, we apply a 2026e EV/EBIT of 13x for the own online segment, and 2026e EV/EBIT of 10x for the rest of the group. The upper end of the fair value range is reached using a 2026e EV/EBIT multiple of 15x for the own online segment, and 2026e EV/EBIT of 13x for the rest of the group. We arrive at these multiples applying a multiple discount of 0–13% to peers for the upper part of the range, and 13–40% for the lower end.

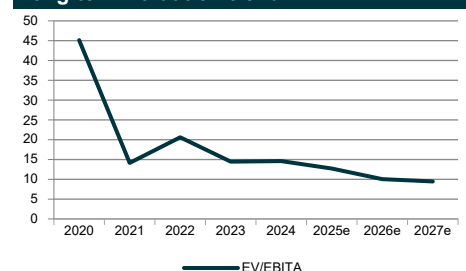
### Key metrics



### P/E 12-months forward



### Long-term valuation trend

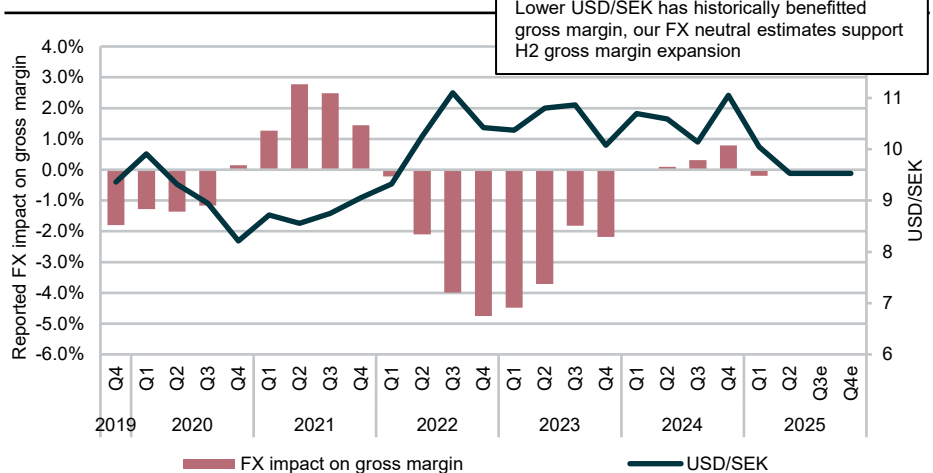


Source: DNB Carnegie (estimates) & company data

## Key charts

Historically, lower USD/SEK has improved group gross margin through favourable purchasing terms as purchases are done in USD, with no offset from sales. We estimate the FX impact with a lag of up to 6–9 months, depending on sales channels. On a FX neutral basis, we therefore project H2 gross margin improvement through growth in margin-accretive channels combined with a USD/SEK at its lowest levels since Q1 2022.

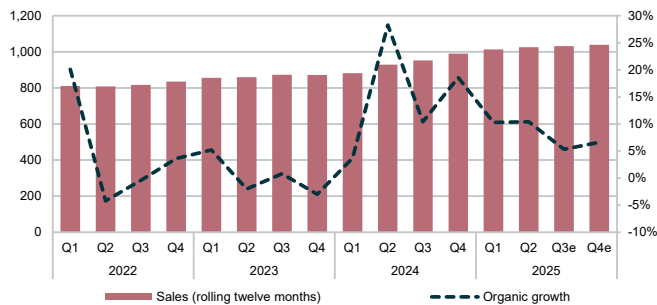
USD/SEK and FX impact on gross margin



Source: DNE Carnegie (estimates) & company data

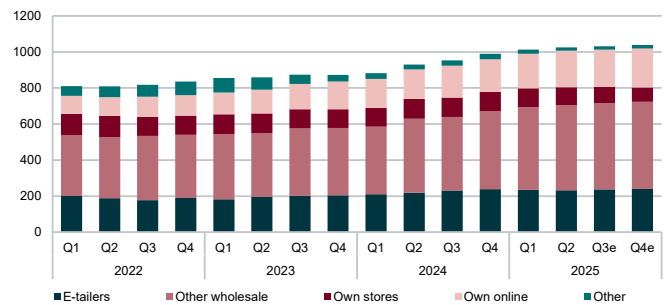
Growth in Q2 was good in our view, considering an underlying market that remains muted in key geographies, along with some FX headwinds. The FX adjusted growth was 10% in Q2, on the back of 29% growth in Q2 2024. The group will continue to face tough comparisons during 2025, but we find the solid Q2 growth as underpinning our sales for H2 2025e.

Sales rolling twelve months and organic growth



Source: DNE Carnegie (estimates) & company data

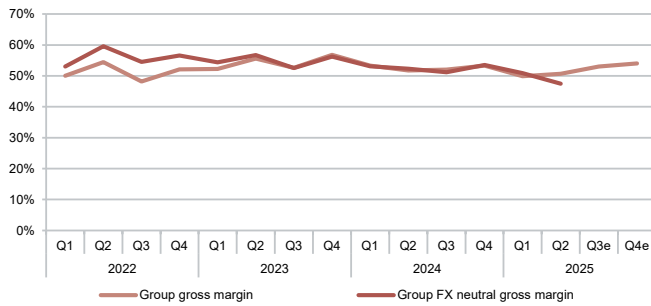
Sales rolling twelve months per channel



Source: DNE Carnegie (estimates) & company data

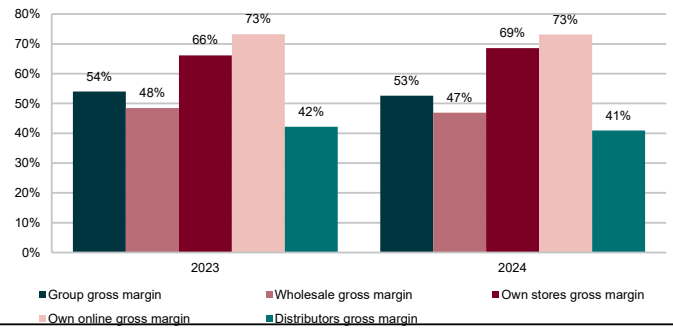
We project a H2 gross margin expansion underpinned by favourable purchasing terms relating to FX. While Q2 reported pressure on gross margin, this was underpinned by discounts to large customers and geographical mix, while the own online also reported a reduced gross margin. We project these effects to be offset, resulting in a Q2 gross margin and operating margin expansion.

Gross margin and FX neutral gross margin



Source: DNB Carnegie (estimates) & company

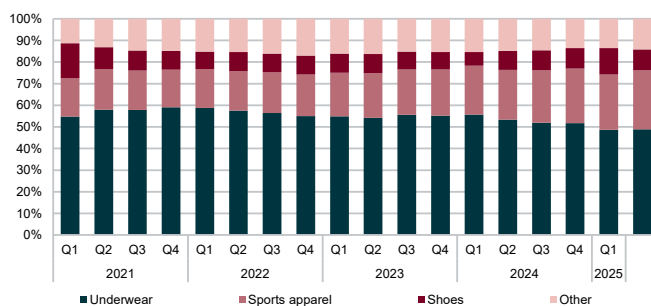
Gross margin per operating segment



Source: Björn Borg

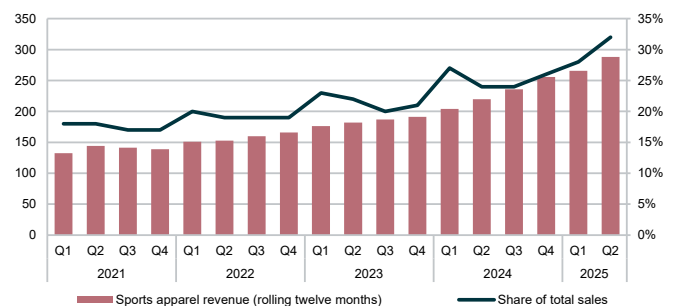
The long-term trend of growth in segments outside of the traditional underwear segment was clearly marked, with underwear reaching more than 30% share in Q2. These segments are in our view key in driving growth long term.

Revenue split per product segment



Source: DNB Carnegie (estimates) & company data

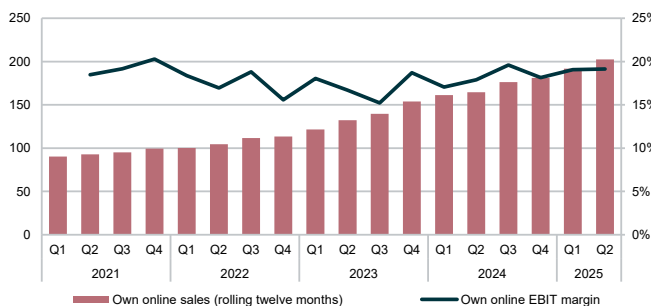
Sports apparel revenue and share of total revenue (last twelve months)



Source: DNB Carnegie (estimates) & company data

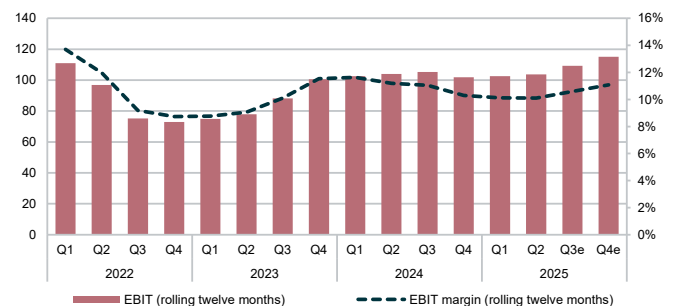
Own online reported strong growth +26% Y/Y, and expanding the operating margin to 16% (+ 1.1%-points Y/Y), offsetting a decrease in gross margin (71% in Q2, -3.6%-points Y/Y). We project EBIT margin expansion in H2, underpinned by growth and improving gross margin.

Own online sales and EBIT margin (rolling twelve months)



Source: DNB Carnegie (estimates) & company data

EBIT (rolling twelve months)



Source: DNB Carnegie (estimates) & company data

## Estimate changes

We make only minor adjustments to sales 2025–27e, with sales -1% for all years. We adjust EPS 2025e down 5%, mainly through the FX one-offs on net financials for Q2. EPS 2026–27e is down 1%. We reiterate our view that margins in H2 should benefit from FX tailwinds relating to purchases, supporting the gross margin.

	2025e			2026e			2027e		
Björn Borg - Estimate changes	Old	New	Chg	Old	New	Chg	Old	New	Chg
Sales	1,047	1,038	-1%	1,103	1,094	-1%	1,158	1,149	-1%
Growth	6%	5%	-87 bps	5%	5%	-2 bps	5%	5%	+0 bps
Organic	8%	8%	-43 bps	6%	6%	-2 bps	5%	5%	+0 bps
Currency	-3%	-3%	-45 bps	0%	0%	-0 bps	0%	0%	+0 bps
<b>Segments</b>									
<b>Wholesale</b>	<b>715</b>	<b>723</b>	<b>1%</b>	<b>750</b>	<b>759</b>	<b>1%</b>	<b>788</b>	<b>797</b>	<b>1%</b>
Growth Y/Y	6%	8%	+128 bps	5%	5%	-0 bps	5%	5%	+0 bps
E-tailers	244	240	-2%	256	252	-2%	269	265	-2%
Growth Y/Y	2%	1%	-157 bps	5%	5%	+0 bps	5%	5%	-0 bps
Other wholesale	471	483	3%	494	507	3%	519	533	3%
Growth Y/Y	9%	12%	+285 bps	5%	5%	+0 bps	5%	5%	+0 bps
<b>Own e-commerce</b>	<b>211</b>	<b>215</b>	<b>2%</b>	<b>223</b>	<b>228</b>	<b>2%</b>	<b>235</b>	<b>240</b>	<b>2%</b>
Growth Y/Y	16%	19%	+254 bps	6%	6%	-0 bps	5%	5%	+0 bps
<b>Own stores</b>	<b>95</b>	<b>80</b>	<b>-16%</b>	<b>100</b>	<b>78</b>	<b>-21%</b>	<b>105</b>	<b>82</b>	<b>-21%</b>
Growth Y/Y	-11%	-25%	-1410 bps	5%	-2%	-690 bps	5%	5%	+0 bps
<b>Distributors</b>	<b>50</b>	<b>48</b>	<b>-4%</b>	<b>52</b>	<b>50</b>	<b>-4%</b>	<b>53</b>	<b>51</b>	<b>-4%</b>
Growth Y/Y	0%	0%	+0 bps	3%	3%	-0 bps	3%	3%	+0 bps
<b>Licensing</b>	<b>1</b>	<b>1</b>	<b>8%</b>	<b>1</b>	<b>1</b>	<b>8%</b>	<b>1</b>	<b>1</b>	<b>8%</b>
Growth Y/Y	-51%	-47%	+395 bps	4%	4%	+0 bps	4%	4%	+0 bps
EBIT	115	115	0%	142	141	-1%	148	147	-1%
EBIT margin	11%	11%	+7 bps	13%	13%	-1 bps	13%	13%	-2 bps
EO	0	0	n.m	0	0	n.m	0	0	n.m
Adj EBIT	115	115	0%	142	141	-1%	148	147	-1%
Adj EBIT margin	11%	11%	+7 bps	13%	13%	-1 bps	13%	13%	-2 bps
Pre-tax profit	125	119	-4%	139	137	-1%	144	142	-1%
Net profit	98	94	-4%	110	108	-1%	114	112	-1%
EPS	3.8	3.6	-5%	4.4	4.3	-1%	4.5	4.5	-1%
EPS adj	3.8	3.6	-5%	4.4	4.3	-1%	4.5	4.5	-1%

Source: DNB Carnegie

## Valuation and risks

We value Björn Borg using a peer-based method. Considering the strong historical growth and margin profile of the group's own online channel (2018–24 CAGR of 29% and average EBIT margins since 2020 of 17%), we argue that the channel can be valued separately based on a set of fast-growing, strong-margin retail companies. To arrive at the lower end of fair value range, we apply a 2026e EV/EBIT multiple of 13x for the own online segment, and 2026e EV/EBIT of 10x for the rest of the group. The upper end of the fair value range is reached using an EV/EBIT 2026e multiple of 15x for the own online segment, and EV/EBIT 2026e of 13x for the rest of the group. This valuation method leads to a fair value range of SEK62–77 per share (unchanged).

Our valuation assumes 2026e EBIT for the own online segment of SEK41m and 2026e EBIT for the rest of the group of SEK100m. The own online valuation is, in our view, underpinned by the margin and growth estimates for Björn Borg's own online segment, which is well above the peer group's average.

### Valuation

Own online segment EBIT SEKm (26e)	41
Rest of the group EBIT SEKm (26e)	100
Net debt SEKm	111
Shares m	25

### Peer multiples

Average apparel peers (EV/EBIT(26e))	17x
Average online retail peers (EV/EBIT(26e))	15x

### Applied multiples

Upper range EV/EBIT(26e) own online segment	15x
Upper range EV/EBIT(26e) rest of the group	13x
Lower range EV/EBIT(26e) own online segment	13x
Lower range EV/EBIT(26e) rest of the group	10x

### Implied discounts/premiums to peers

Upper range EV/EBIT(26e) own online segment	1%
Upper range EV/EBIT(26e) rest of the group	-13%
Lower range EV/EBIT(26e) own online segment	-13%
Lower range EV/EBIT(26e) rest of the group	-40%

Fair value lower range (SEK/share)	62
Fair value upper range (SEK/share)	77

Source: Factset, DNB Carnegie

## Retail &amp; online – Peer group multiples

Company	Estimate	Mkt cap	EV / Sales			EV / EBIT			Price / Earnings		
	source	EURm	LTM	2025e	2026e	LTM	2025e	2026e	LTM	2025e	2026e
Retail peers											
Under Armour	FS	2,449	0.6x	0.6x	0.6x	4x	29x	17x	21x	79x	21x
NIKE	FS	98,395	2.5x	2.5x	2.4x	32x	39x	27x	35x	46x	31x
PVH	FS	6,250	0.8x	0.8x	0.8x	9x	9x	9x	11x	7x	6x
Foot Locker	FS	4,289	0.6x	0.6x	0.6x	15x	27x	25x	-7x	21x	18x
PUMA	FS	4,826	0.6x	0.6x	0.6x	13x	n.a.	19x	n.a.	n.a.	n.a.
Columbia Sportswear	FS	2,393	0.8x	0.8x	0.8x	9x	13x	14x	13x	17x	17x
Average		19,767	1x	1x	1x	14x	24x	18x	15x	34x	19x
Online consumer peers											
Apotea	FS	1,068	1.9x	1.6x	1.4x	48x	37x	30x	n.a.	48x	38x
BHG Group	FS	394	0.6x	0.6x	0.6x	n.a.	17x	12x	-11x	22x	14x
Boozt	FS	513	0.7x	0.7x	0.7x	13x	14x	12x	17x	18x	15x
Lyko Group	FS	193	0.9x	0.8x	0.7x	23x	20x	15x	34x	29x	17x
Rugvista Group	FS	136	2x	1.9x	1.8x	20x	16x	13x	25x	20x	16x
Haypp Group	FS	411	1.3x	1.2x	1x	41x	34x	16x	63x	36x	23x
RVRC Holding	FS	446	2.5x	2.5x	2.3x	13x	13x	11x	18x	17x	14x
Zalando	FS	6,200	0.5x	0.5x	0.4x	14x	12x	10x	23x	19x	16x
Average		1,170	1.3x	1.2x	1.1x	25x	20x	15x	24x	26x	19x
Björn Borg	DNB CAR	134	1.5x	1.5x	1.4x	15x	14x	11x	15x	15x	13x
Average excl. Björn Borg		19,767	1x	1x	1x	14x	24x	18x	15x	34x	19x
Average		17,313	1x	1.1x	1x	14x	22x	17x	15x	31x	18x
Median		4,557	0.8x	0.8x	0.8x	13x	24x	18x	15x	21x	18x

Source: Factset, DNB Carnegie

Price data updated on 15 August 2025 12:00 CET

## Retail &amp; online – Peer group financials

Company	Estimate	Mkt cap	Sales growth			EBIT growth			EBIT margins		
	source		EURm	LTM	2025e	2026e	LTM	2025e	2026e	LTM	2025e
Retail peers											
Under Armour	FS	2,449	-8%	-4%	3%	133%	-51%	74%	10%	2%	3%
NIKE	FS	98,395	-10%	-1%	5%	-42%	-20%	43%	8%	6%	9%
PVH	FS	6,250	-4%	2%	2%	-33%	-12%	4%	8%	9%	9%
Foot Locker	FS	4,289	-3%	-1%	2%	24%	-8%	8%	2%	2%	3%
PUMA	FS	4,826	1%	-15%	3%	-33%	n.a.	n.a.	4%	0%	3%
Columbia Sportswear	FS	2,393	1%	0%	2%	-3%	-23%	-1%	8%	6%	6%
Average	FS	19,767	-4%	-3%	3%	8%	-23%	26%	7%	4%	5%
Online consumer peers											
Apotea	FS	1,068	-2%	4%	7%	27%	48%	40%	-2%	4%	5%
BHG Group	FS	394	6%	2%	7%	49%	-11%	18%	6%	5%	6%
Boozt	FS	513	11%	12%	14%	71%	31%	38%	4%	4%	5%
Lyko Group	FS	193	6%	11%	9%	1%	40%	25%	10%	12%	14%
Rugvista Group	FS	136	8%	4%	21%	89%	39%	112%	3%	4%	6%
Haypp Group	FS	411	5%	5%	9%	-6%	-2%	13%	19%	20%	20%
RVRC Holding	FS	446	7%	16%	15%	43%	18%	23%	4%	4%	4%
Zalando	FS	6,200	6%	8%	12%	39%	23%	36%	6%	7%	8%
Average		1,170	6%	8%	12%	39%	23%	38%	6%	8%	9%
Björn Borg	DNB CAR	134	10%	5%	5%	0%	13%	22%	10%	11%	13%
Average excl. Björn Borg		9,849	1%	3%	8%	23%	4%	32%	6%	6%	7%
Average		9,242	2%	3%	8%	22%	4%	31%	7%	6%	7%
Median		1,731	1%	3%	6%	8%	-2%	23%	7%	4%	5%

Source: Factset, DNB Carnegie

Price data updated on 15 August 2025 12:00 CET



## Björn Borg

DNB Carnegie estim:	2023		2024		2025		2025		2025		2025		2025	
SEKm	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3e	Q4e	2024	2025e	2026e	2027e
Sales	262	198	257	213	285	235	280	226	291	242	990	1,038	1,094	1,149
Growth	5%	0%	4%	29%	9%	19%	9%	6%	2%	3%	13%	5%	5%	5%
Organic	1%	-3%	4%	28%	10%	19%	10%	10%	5%	7%	14%	8%	6%	5%
<b>Segments</b>														
<b>Wholesale</b>	<b>188</b>	<b>116</b>	<b>190</b>	<b>136</b>	<b>197</b>	<b>149</b>	<b>211</b>	<b>148</b>	<b>208</b>	<b>156</b>	<b>672</b>	<b>723</b>	<b>759</b>	<b>797</b>
Growth Y/Y	15%	2%	4%	50%	5%	28%	11%	9%	5%	5%	16%	8%	5%	5%
E-tailers	58	47	67	47	70	55	63	45	74	58	239	240	252	265
Growth Y/Y	11%	3%	12%	21%	21%	16%	-6%	-4%	6%	5%	17%	1%	5%	5%
Other wholesale	130	69	123	89	127	94	148	103	134	99	433	483	507	533
Growth Y/Y	17%	1%	0%	71%	-2%	36%	20%	16%	5%	5%	16%	12%	5%	5%
<b>Own e-commerce</b>	<b>38</b>	<b>46</b>	<b>41</b>	<b>41</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>55</b>	<b>58</b>	<b>181</b>	<b>215</b>	<b>228</b>	<b>240</b>
Growth Y/Y	25%	46%	21%	9%	32%	10%	26%	26%	11%	15%	18%	19%	6%	5%
<b>Own stores</b>	<b>30</b>	<b>29</b>	<b>21</b>	<b>30</b>	<b>29</b>	<b>28</b>	<b>19</b>	<b>24</b>	<b>19</b>	<b>19</b>	<b>107</b>	<b>80</b>	<b>78</b>	<b>82</b>
Growth Y/Y	-4%	-8%	0%	17%	-5%	-2%	-12%	-20%	3%	3%	2%	-25%	-2%	5%
<b>Distributors</b>	<b>11</b>	<b>13</b>	<b>8</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>7</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>51</b>	<b>48</b>	<b>50</b>	<b>51</b>
Growth Y/Y	-62%	-49%	-11%	4%	31%	13%	-21%	-11%	2%	2%	0%	0%	3%	3%
<b>Licensing</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
Growth Y/Y	-18%	-51%	-68%	-89%	-88%	-50%	-81%	37%	4%	4%	-76%	-47%	4%	4%
<b>Gross profit</b>	<b>138</b>	<b>112</b>	<b>137</b>	<b>110</b>	<b>148</b>	<b>125</b>	<b>140</b>	<b>114</b>	<b>154</b>	<b>131</b>	<b>521</b>	<b>539</b>	<b>594</b>	<b>632</b>
Gross margin (%)	53%	57%	53%	52%	52%	53%	50%	51%	53%	54%	53%	52%	54%	55%
<b>Adj EBIT</b>	<b>41</b>	<b>20</b>	<b>33</b>	<b>10</b>	<b>42</b>	<b>17</b>	<b>34</b>	<b>11</b>	<b>48</b>	<b>23</b>	<b>102</b>	<b>115</b>	<b>141</b>	<b>147</b>
Adj EBIT margin	15.6%	10.2%	13.0%	4.5%	14.7%	7.2%	12.2%	4.7%	16.4%	9.4%	10.3%	11.1%	12.9%	12.8%
EO	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	41	20	33	10	42	17	34	11	48	23	102	115	141	147
EBIT margin	15.6%	10.2%	13.0%	4.5%	14.7%	7.2%	12.2%	4.7%	16.4%	9.4%	10.3%	11.1%	12.9%	12.8%
Net financials	-0	1	-7	-0	2	-7	12	-6	-1	-0	-11	4	-4	-5
Pre-tax Profit	41	21	27	9	44	10	46	5	46	22	90	119	137	142
Tax	-9	-6	-6	-3	-9	-0	-10	-1	-10	-5	-18	-25	-29	-30
Tax rate	21%	29%	21%	28%	21%	3%	22%	21%	21%	21%	20%	21%	21%	21%
Net profit	32	15	21	7	35	10	36	4	37	18	73	94	108	112
EPS (SEK)	1.27	0.59	0.84	0.26	1.39	0.40	1.43	0.16	1.45	0.70	2.89	3.60	4.31	4.47
<b>EPS Adj (SEK)</b>	<b>1.27</b>	<b>0.59</b>	<b>0.84</b>	<b>0.26</b>	<b>1.39</b>	<b>0.40</b>	<b>1.43</b>	<b>0.16</b>	<b>1.45</b>	<b>0.70</b>	<b>2.89</b>	<b>3.60</b>	<b>4.31</b>	<b>4.47</b>

Source: Company data, DNB Carnegie

## Risks

### Exposure to cyclical markets

The consumer discretionary market is highly cyclical and dependent on employment rates, interest levels, disposable income and inflation, among other items. Changes in these factors may impact consumer spending and Björn Borg's growth prospects.

### Competitive industry

The retail apparel industry is competitive, and Björn Borg faces competition from established brands and new entrants due to low barriers of entry. Failure to keep up with quick shifts in market trends or consumer preferences may negatively impact group sales.

### Brand value and reputation

Customer perception and company reputation are critical to the value of the Björn Borg brand, which in turn is an important driver of pricing power. Negative publicity and/or a shift in customer perception may negatively impact sales and/or group margins.

### Supply chains

Björn Borg is exposed to risks relating to trade restrictions, raw material availability, shipping availability and costs. Disruptions in the supply chain may negatively impact Björn Borg's product input prices and put pressure on group margins.

### Currency risk

Björn Borg is exposed to currency exchange risk. The group's main currency exposure is USD/SEK and EUR/SEK, as sales are mainly in EUR and SEK, while purchases mainly are in USD and SEK. For this reason, USD/SEK affects the cost of goods sold while EUR/SEK mainly impacts sales and overhead costs.

Financial statements										
Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	757	705	768	835	872	990	1,038	1,094	1,149
COGS	0	-351	-335	-352	-411	-401	-469	-500	-500	-517
<b>Gross profit</b>	<b>0</b>	<b>406</b>	<b>370</b>	<b>417</b>	<b>425</b>	<b>471</b>	<b>521</b>	<b>538</b>	<b>594</b>	<b>632</b>
Other income & costs	0	-298	-295	-277	-317	-338	-386	-393	-421	-454
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>0</b>	<b>109</b>	<b>75</b>	<b>140</b>	<b>108</b>	<b>134</b>	<b>134</b>	<b>145</b>	<b>173</b>	<b>178</b>
Depreciation PPE	0	-6	-7	-7	-8	-8	-8	-7	-8	-8
Depreciation lease assets	0	-47	-31	-24	-23	-22	-22	-21	-21	-20
Amortisation development costs	0	-4	-4	-3	-3	-3	-3	-3	-3	-3
Amortisation other intangibles	0	0	0	-1	-1	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>0</b>	<b>51</b>	<b>34</b>	<b>104</b>	<b>73</b>	<b>101</b>	<b>102</b>	<b>115</b>	<b>141</b>	<b>147</b>
Amortization acquisition related	0	0	0	0	0	0	0	0	0	0
Impairment acquisition related	0	0	0	0	0	0	0	0	0	0
<b>EBIT</b>	<b>0</b>	<b>51</b>	<b>34</b>	<b>104</b>	<b>73</b>	<b>101</b>	<b>102</b>	<b>115</b>	<b>141</b>	<b>147</b>
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	-3	-16	3	-2	-3	-11	1	-4	-5
of which interest income/expenses	0	-4	-4	-3	-2	-4	-6	-3	-3	-3
of which interest on lease liabilities	0	-4	-3	-2	-1	-1	-1	-1	-1	-1
of which other items	0	5	-10	8	2	3	-4	6	0	0
<b>Pre-tax profit</b>	<b>0</b>	<b>49</b>	<b>18</b>	<b>107</b>	<b>71</b>	<b>98</b>	<b>90</b>	<b>116</b>	<b>137</b>	<b>142</b>
Taxes	0	-4	-1	-19	-17	-21	-19	-25	-29	-30
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>0</b>	<b>45</b>	<b>17</b>	<b>88</b>	<b>54</b>	<b>76</b>	<b>72</b>	<b>91</b>	<b>108</b>	<b>112</b>
Adjusted EBITDA	0	109	75	140	108	134	134	145	173	178
Adjusted EBITA	0	51	34	104	73	101	102	115	141	147
Adjusted EBIT	0	51	43	97	92	101	102	115	141	147
Adjusted net profit	0	45	26	81	73	76	72	91	108	112
Sales growth Y/Y	na	+chg	-6.8%	8.9%	8.7%	4.4%	13.5%	4.9%	5.4%	5.0%
EBITDA growth Y/Y	na	+chg	-31.4%	87.3%	-22.9%	24.1%	0.5%	8.4%	18.6%	2.9%
EBITA growth Y/Y	na	+chg	-34.4%	208.9%	-30.0%	37.9%	1.3%	12.6%	22.9%	4.1%
EBIT growth Y/Y	na	+chg	-34.4%	208.9%	-30.0%	37.9%	1.3%	12.6%	22.9%	4.1%
EBITDA margin	nm	14.3%	10.6%	18.2%	12.9%	15.3%	13.6%	14.0%	15.8%	15.5%
EBITA margin	nm	6.8%	4.8%	13.5%	8.7%	11.5%	10.3%	11.0%	12.9%	12.8%
EBIT margin	nm	6.8%	4.8%	13.5%	8.7%	11.5%	10.3%	11.0%	12.9%	12.8%
Tax rate	na	20.0%	-7.1%	19.5%	27.8%	22.2%	19.6%	21.3%	21.0%	21.0%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	109	75	140	108	134	134	145	173	178
Paid taxes	0	-11	-13	-3	-9	-35	-27	-23	-28	-34
Change in NWC	0	21	89	-23	-48	27	-25	-1	-4	-11
Interests paid	0	-1	-8	-2	-4	-4	-6	-7	-1	-6
Actual lease payments	0	-47	-28	-23	-23	-22	-20	-19	-20	-20
Non cash adjustments	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
<b>Total operating activities</b>	<b>0</b>	<b>70</b>	<b>114</b>	<b>89</b>	<b>24</b>	<b>99</b>	<b>56</b>	<b>95</b>	<b>120</b>	<b>107</b>
Capex tangible assets	0	-4	-3	-5	0	-2	-3	-2	-2	-2
Capitalised development costs	0	na	na	na	na	na	na	na	na	na
Capex - other intangible assets	0	-9	-5	-6	-8	-9	-11	-9	-12	-12
Acquisitions/divestments	0	na	na	na	na	na	na	na	na	na
Other non-cash adjustments	0	na	na	na	na	na	na	na	na	na
<b>Total investing activities</b>	<b>0</b>	<b>-13</b>	<b>-9</b>	<b>-11</b>	<b>-8</b>	<b>-11</b>	<b>-14</b>	<b>-12</b>	<b>-14</b>	<b>-15</b>
Dividend paid and received	0	na	na	na	na	na	na	na	na	na
Share issues & buybacks	0	0	0	0	0	1	0	0	0	0
Change in bank debt	0	-18	-55	-19	-50	-30	-125	1	-6	5
Other cash flow items	0	na	na	na	na	na	na	na	na	na
<b>Total financing activities</b>	<b>0</b>	<b>-61</b>	<b>-62</b>	<b>-57</b>	<b>-113</b>	<b>-79</b>	<b>-58</b>	<b>-74</b>	<b>-86</b>	<b>-78</b>
Operating cash flow	0	70	114	89	24	99	56	95	120	107
Free cash flow	0	58	105	78	15	88	42	84	106	92
Net cash flow	0	43	85	40	-74	32	15	26	42	37
Change in net IB debt	0	12	91	41	-46	39	105	5	23	8
Capex / Sales	nm	0.5%	0.5%	0.6%	0.0%	0.2%	0.3%	0.2%	0.2%	0.2%
NWC / Sales	nm	14.4%	26.0%	20.8%	23.2%	22.0%	18.7%	20.8%	20.6%	20.3%

Source: DNB Carnegie (estimates) &amp; company data

## Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	35	34	35	36	36	37	37	37	37
Other fixed intangible assets	0	197	198	198	195	194	194	193	190	190
Capitalised development	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	18	17	15	16	18	21	23	27	32
Lease assets	0	131	57	55	53	44	42	21	0	-20
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	15	16	14	13	12	12	10	10	10
<b>Fixed assets</b>	<b>0</b>	<b>397</b>	<b>322</b>	<b>317</b>	<b>313</b>	<b>304</b>	<b>307</b>	<b>283</b>	<b>263</b>	<b>248</b>
Inventories (2)	0	128	123	152	201	184	259	247	259	282
Receivables (2)	0	125	84	92	104	99	111	122	125	132
Prepaid exp. & other NWC items (2)	0	20	20	23	19	17	23	22	23	25
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	29	70	97	16	27	9	22	42	56
<b>Current assets</b>	<b>0</b>	<b>302</b>	<b>297</b>	<b>363</b>	<b>340</b>	<b>327</b>	<b>402</b>	<b>413</b>	<b>450</b>	<b>495</b>
<b>Total assets</b>	<b>0</b>	<b>699</b>	<b>619</b>	<b>681</b>	<b>653</b>	<b>632</b>	<b>709</b>	<b>697</b>	<b>713</b>	<b>744</b>
Shareholders' equity	0	271	291	334	325	351	352	365	394	423
Minorities	0	-6	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
<b>Total equity</b>	<b>0</b>	<b>265</b>	<b>291</b>	<b>334</b>	<b>325</b>	<b>351</b>	<b>352</b>	<b>365</b>	<b>394</b>	<b>423</b>
Deferred tax	0	40	39	40	40	40	39	38	39	35
LT IB debt (1)	0	150	99	80	0	0	0	0	0	0
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	96	36	34	32	25	23	7	-11	-29
Other non-IB liabilities	0	0	0	2	0	0	0	0	0	0
<b>LT liabilities</b>	<b>0</b>	<b>287</b>	<b>174</b>	<b>155</b>	<b>72</b>	<b>65</b>	<b>62</b>	<b>45</b>	<b>28</b>	<b>6</b>
ST IB debt (1)	0	7	0	0	30	0	17	18	13	18
Payables (2)	0	56	77	97	106	136	189	164	184	198
Accrued exp. & other NWC items (2)	0	0	0	0	0	0	0	0	0	0
Other ST non-IB liabilities	0	85	77	94	120	80	88	104	95	99
Liabilities - assets held for sale	0	na	na	na	na	na	na	na	na	na
<b>Current liabilities</b>	<b>0</b>	<b>148</b>	<b>154</b>	<b>191</b>	<b>256</b>	<b>216</b>	<b>294</b>	<b>287</b>	<b>292</b>	<b>315</b>
<b>Total equity and liabilities</b>	<b>0</b>	<b>699</b>	<b>619</b>	<b>681</b>	<b>653</b>	<b>632</b>	<b>709</b>	<b>697</b>	<b>713</b>	<b>744</b>
Net IB debt (=1)	0	224	64	17	46	-1	31	4	-40	-67
Net working capital (NWC) (=2)	0	217	150	169	218	165	204	227	224	241
Capital employed (CE)	0	544	449	474	414	404	420	419	425	437
Capital invested (CI)	0	599	456	473	519	457	499	501	477	480
Equity / Total assets	nm	38%	47%	49%	50%	56%	50%	52%	55%	57%
Net IB debt / EBITDA	nm	2.1	0.9	0.1	0.4	0.0	0.2	0.0	-0.2	-0.4
<b>Per share data (SEK)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Adj. no. of shares in issue YE (m)	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15
Diluted no. of Shares YE (m)	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15	25.15
EPS	0.00	1.78	0.66	3.51	2.14	3.03	2.89	3.60	4.31	4.47
EPS adj.	0.00	1.78	1.05	3.22	2.89	3.03	2.89	3.60	4.31	4.47
CEPS	0.00	2.33	1.26	4.06	2.66	3.52	3.38	4.12	4.83	4.95
DPS	0.00	0.00	1.50	2.50	2.00	3.00	3.00	3.20	3.30	3.30
BVPS	0.00	10.8	11.6	13.3	12.9	13.9	14.0	14.5	15.6	16.8
<b>Performance measures</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
ROE	nm	33.0%	5.9%	28.2%	16.3%	22.6%	20.4%	25.2%	28.6%	27.5%
Adj. ROCE pre-tax	na	na	4.3%	23.8%	16.5%	25.0%	23.5%	28.5%	33.2%	33.8%
Adj. ROIC after-tax	na	na	6.8%	18.0%	10.6%	16.0%	17.1%	18.1%	22.8%	24.2%
<b>Valuation</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
FCF yield	0.0%	4.0%	7.2%	5.4%	1.1%	6.0%	2.9%	5.7%	7.3%	6.3%
Dividend yield YE	0.0%	0.0%	9.4%	5.8%	7.2%	7.1%	5.8%	5.5%	5.7%	5.7%
Dividend payout ratio	nm	0.0%	228.2%	71.3%	93.4%	99.0%	103.8%	88.9%	76.5%	73.9%
Dividend + buy backs yield YE	13.7%	0.0%	9.4%	5.8%	7.2%	7.1%	5.8%	5.5%	5.7%	5.7%
EV/Sales YE	nm	0.97	0.66	1.43	0.89	1.22	1.34	1.41	1.29	1.21
EV/EBITDA YE	nm	6.8	6.3	7.9	6.9	7.9	9.9	10.0	8.2	7.8
EV/EBITA YE	nm	14.3	13.8	10.5	10.2	10.6	13.0	12.7	10.0	9.5
EV/EBITA adj. YE	nm	14.3	13.8	10.5	10.2	10.6	13.0	12.7	10.0	9.5
EV/EBIT YE	nm	14.3	13.8	10.5	10.2	10.6	13.0	12.7	10.0	9.5
P/E YE	nm	11.5	24.3	12.2	13.0	13.9	17.9	16.1	13.4	13.0
P/E adj. YE	nm	11.5	15.3	13.3	9.6	13.9	17.9	16.1	13.4	13.0
P/BV YE	nm	1.89	1.38	3.23	2.15	3.03	3.68	3.98	3.70	3.44
Share price YE (SEK)	14.6	20.4	16.0	42.9	27.8	42.3	51.6	57.9		

Source: DNB Carnegie (estimates) &amp; company data

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