

INTERIM REPORT FOR THE PERIOD 1 JULY 2018 TO 30 SEPTEMBER 2018

Revenue of the Group's continuing operations for Q1 2018/19 amounted to DKK 379 million (DKK 464 million) corresponding to a reduction of 18.3% (15.8% measured in local currency). The operating profit amounted to DKK 14 million (DKK 69 million) before non-recurring costs in respect of the transformation of IC Group resulting in an EBIT margin of 3.7% compared to 14.9% last financial year. When including the above-mentioned non-recurring costs, the operating profit amounted to DKK 8 million corresponding to an EBIT margin of 2.1%.

Tiger of Sweden is executing in line with its present strategic business plan which is, inter alia, reflected in growth reported for the coming collections as well as a strengthened visual identity towards the consumer. By Malene Birger is working determinedly on bringing the brand in a more international direction while Saint Tropez' performance in physical retail is challenged by a difficult retail environment, and the brand is thus focusing on consolidating its store portfolio.

The Group's expectations for the financial year 2018/19 as a whole are unchanged in spite of the weak performance in physical retail reported by all Group brands during Q1 2018/19 where the weather conditions have had a negative impact.

Financial performance for Q1

	Revenue DKK million		Revenue growth		Operating profit DKK million		EBIT margin	
	Q1 2018/19	Q1 2017/18	Growth in local currency	Reported growth	Q1 2018/19	Q1 2017/18	Q1 2018/19	Q1 2017/18
Tiger of Sweden	226	266	(11.5)%	(15.0)%	28	47	12.4%	17.7%
By Malene Birger	81	96	(14.0)%	(15.6)%	(3)	8	(3.7)%	8.3%
Saint Tropez	51	76	(31.7)%	(32.9)%	(8)	(3)	(15.7)%	(3.9)%
Designers Remix	21	26	(19.2)%	(19.2)%	3	6	14.3%	23.1%
Reportable segments	379	464	(15.8)%	(18.3)%	20	58	5.3%	12.5%
Central functions etc.	-	-	n.m	n.m	(6)	11	n.m	n.m
Continuing operations before non-recurring costs	379	464	(15.8)%	(18.3)%	14	69	3.7%	14.9%
Non-recurring costs	-	-	-	-	(6)	-	-	-
Total	379	464	(15.8)%	n.m	8	69	2.1%	14.9%

Peak Performance has been presented as discontinued operations in a separate item in the income statement under "Profit of discontinued operations". The comparative figures have been adjusted.

Financial performance of continuing operations for Q1

- Consolidated revenue amounted to DKK 379 million (DKK 464 million) corresponding to a reduction of 18.3% (15.8% measured in local currency) driven equally by the wholesale channel as well as the retail channel – in particular the physical stores. During Q1 2018/19, no changes have been made to the total number of stores.
- The gross profit amounted to DKK 205 million (DKK 287 million), and the gross margin declined by 7.8 percentage points to 54.1%. A part of this gross margin decline is attributable to the implemented structural changes as well as the divestment of Peak Performance in 2017/18. After having adjusted for the implemented structural changes as well as the divestment of Peak Performance in 2017/18, the gross margin would have amounted to 59.1%. The remaining gross margin decline is attributable to higher discounts and inventory write-downs compared to Q1 2017/18.
- Capacity costs declined by DKK 21 million to DKK 197 million compared to Q1 2017/18. This decline is partly attributable to the fact that approx. DKK 10 million in fee income in respect of logistics services to Peak Performance during Q1 2018/19 has been included under 'Other operating income' while this fee income was included under the gross profit last financial year. The remaining part of the decline is attributable to lower distribution-related costs as well as cost savings in Saint Tropez. However, as a consequence of the reduced revenue, the cost ratio increased to 52.0% compared to 47.0% last financial year.
- The operating profit amounted to DKK 14 million (DKK 69 million) before non-recurring costs in respect of the transformation of IC Group resulting in an EBIT margin of 3.7% compared to 14.9% last financial year. When including the above-mentioned non-recurring costs, the operating profit amounted to DKK 8 million corresponding to an EBIT margin of 2.1%.
- As at 30 September 2018, the working capital amounted to DKK 246 million corresponding to a decline of DKK 319 million compared to last financial year primarily driven by the divestment of Peak Performance. The working capital constituted 17.0% of the trailing twelve months revenue compared to 20.9% for the same period last financial year.

Unchanged outlook for the financial year 2018/19 for the Group as a whole

The Group's expectations for the financial year 2018/19 as a whole are unchanged in spite of the weak performance in physical retail reported by all Group brands in Q1 2018/19 where the weather conditions have had a negative impact. The outlook has, inter alia, been based on present knowledge gained from pre-order sales in respect of the remainder of the financial year as well as the planned and commenced initiatives in order to improve the revenue development.

For the financial year 2018/19, a flat revenue development for the Group brands in total, measured in local currency, is expected. The EBIT margin is expected to be realized at a level of 0-1% prior to the below-mentioned non-recurring costs.

In Tiger of Sweden, revenue is expected to increase while the nominal earnings are expected at the same level as last financial year. Growth will primarily be driven by international wholesale revenue and e-commerce, while higher costs for staff and marketing will have a negative impact on earnings.

In By Malene Birger, revenue is also expected to increase while the nominal earnings are expected at the same level as last financial year. Growth will primarily be driven by wholesale (previously "pre-order") and e-commerce, while higher staff costs will have a negative impact on earnings.

In Saint Tropez, revenue is expected to still decline while the nominal earnings are expected to improve compared to last financial year. The lower revenue will be driven by both the wholesale channel as well as the retail channel where a number of stores have been and will be closed. Cost-cutting measures implemented during the financial year 2017/18 will have a positive impact on earnings.

Finally, in Designers Remix, both revenue and nominal earnings are expected to be reduced. The setback will primarily be driven by a lower wholesale revenue.

The line item "Central functions etc." will be negative as it will be affected negatively by changed allocation principles in respect of costs in the Group's central functions as well as idle costs in respect of the head office after the divestment of Peak Performance. Combined, these amount to approx. DKK 30 million.

Non-recurring costs in relation to the transformation of the Group structure are still expected to amount to a total of approx. DKK 55 million of which DKK 35 million relates to the financial year 2018/19 and approx. DKK 20 million relates to the financial year 2019/20. As of the financial year 2020/21, the annual savings are expected to be in the region of DKK 25 million. The exact amounts as well as the distribution between the individual financial years will depend on the implementation of the transformation.

Investments for the financial year 2018/19 are expected to amount to approx. 4% of annual revenue primarily driven by Tiger of Sweden.

Outlook overview (before non-recurring costs)

DKK million	Realized 2017/18	Original outlook 2018/19	Current outlook	Status
Revenue growth (local currency)	(3.9)%	flat revenue development	flat revenue development	Unchanged
Tiger of Sweden	(9.0)%	revenue growth	revenue growth	Unchanged
By Malene Birger	(4.0)%	revenue growth	revenue growth	Unchanged
Saint Tropez	(15.3)%	revenue decline	revenue decline	Unchanged
Designers Remix	(14.1)%	revenue decline	revenue decline	Unchanged
EBIT margin	7.1%	0-1%	0-1%	Unchanged
Tiger of Sweden	47	nominal earnings at same level	nominal earnings at same level	Unchanged
By Malene Birger	18	nominal earnings at same level	nominal earnings at same level	Unchanged
Saint Tropez	(20)	improved nominal earnings	improved nominal earnings	Unchanged
Designers Remix	5	reduced nominal earnings	reduced nominal earnings	Unchanged
Investments	2.3%	approx. 4%	approx. 4%	Unchanged

Copenhagen, 6 November 2018

IC Group A/S

Alexander Martensen-Larsen

CEO

Forward-looking statements

This interim report contains forward-looking statements, including statements regarding the Group's future operating profit, financial position, inventory, cash flows, Group and brand strategies as well as plans for the future. Forward-looking statements include, without limitation, any statement that may predict, indicate or imply future results, performance or achievements, and may contain the words "believes", "expects", "estimates", "projects", "plans", "anticipates", "continues" and "intends" or any variations of such words or other words with similar meaning. The statements are based on Management's reasonable expectations and forecasts at the time of disclosure of the interim report. Any such statements are subject to risks and uncertainties, and a number of different factors of which many are beyond IC Group A/S' control can mean that the actual development and actual result will differ significantly from the expectations contained in the interim report. Without being exhaustive, such factors include general economics and commercial factors, including market and competitive matters, supplier issues and financial issues. Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

This announcement is a translation from the Danish language. In the event of any discrepancy between the Danish and English versions, the Danish version shall prevail.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Year 2017/18 12 months
INCOME STATEMENT ¹⁾			
Revenue	379	464	1,535
Gross profit	205	287	912
Operating profit before depreciation and amortization (EBITDA)	18	82	115
Operating profit (EBIT)	8	69	57
Net financials	(1)	7	(10)
Profit for the period before tax	7	76	47
Profit for the period of continuing operations	6	59	36
Profit for the period of discontinued operations	-	54	1,570
Profit for the period	6	113	1,606
STATEMENT OF FINANCIAL POSITION			
Total assets	1,075	1,594	2,755
Average invested capital including goodwill	786	1,042	614
Net working capital	246	565	135
Total equity	460	718	2,294
Non-controlling interest	13	13	12
Net interest-bearing debt, end of period	(68)	141	(1,873)
STATEMENT OF CASH FLOW			
Cash flow from operating activities	(90)	(108)	277
Cash flow from investing activities	(35)	(16)	1,692
Investments in property, plant and equipment	(7)	(14)	(53)
Free cash flow	(125)	(124)	1,969
Cash flow from financing activities	(1,680)	-	(79)
Net cash flow for the period	(1,805)	(124)	1,890
KEY RATIOS (%)			
Revenue growth	(18.3)	(7.8)	(10.4)
Gross margin	54.1	61.9	59.4
Cost ratio	52.0	47.0	55.7
EBITDA margin	4.7	17.7	7.5
EBIT margin	2.1	14.9	3.7
Tax rate	23.0	23.1	23.0
Return on equity	0.9	15.5	2.3
Equity ratio	42.8	45.0	83.3
Return on invested capital ²⁾	(0.5)	12.5	9.3
Net working capital in proportion to revenue ³⁾	17.0	20.9	8.8
Cash conversion	(15.6)	(0.9)	34.5
Financial gearing	(14.8)	19.6	(81.6)
SHARE-BASED RATIOS			
Average number of shares excluding treasury shares, diluted (1,000)	15,555	16,648	16,648
Share price, end of period, DKK	62.9	136.5	160.2
Earnings per share, DKK	0.3	6.6	96.3
Diluted earnings per share, DKK	0.3	6.6	96.3
Diluted cash flow per share, DKK	(5.8)	(6.5)	16.6
Diluted net asset value per share, DKK	28.7	42.3	137.1
Diluted price/earnings, DKK	209.7	20.7	1.7
EMPLOYEES			
Number of employees (calculated as FTEs, end of period)	833	1,197	831
NUMBER OF STORES (OWN STORES)			
Retail stores	67	120	67
Concessions	43	43	43

- 1) Comparative figures and key figures in the income statement have been adjusted to take into account Peak Performance being presented as discontinued operations.
- 2) Return on invested capital has been calculated as EBIT's share of invested capital (key figure has not been adjusted to take into account Peak Performance being presented as discontinued operations).
- 3) Trailing 12 months revenue (key figure has not been adjusted to take into account Peak Performance being presented as discontinued operations).

The key ratios have been calculated according to the recommendations issued by the Danish Society of Financial Analysts.

FINANCIAL PERFORMANCE

TIGER OF SWEDEN



Tiger of Sweden is strongly rooted in the classic tailoring traditions, manufacturing fashion wear for men and women with a strong and confident profile. Learn more about Tiger of Sweden at: tigerofsweden.com

Financial performance of Tiger of Sweden

The execution of Tiger of Sweden's strategic business plan as mentioned in the Annual Report 2017/18 continues with full focus, and the first positive indications show, among others, that the order intakes for the coming collections indicate growth compared to last financial year. The brand's visual identity has been redesigned with large exposure on the brand's webpage which has also had a functional update in order to facilitate the buying process. The brand has opened a new store based on this new visual identity at Kastrup (Copenhagen) airport, and the brand's other stores will gradually be redesigned in the same way as well. In order to ensure the best possible international strategy as well as execution hereof, the management of Tiger of Sweden has engaged the consulting company McKinsey & Company.

Revenue from Tiger of Sweden declined by 15.0% (11.5% measured in local currency) for Q1 2018/19 and amounted to DKK 226 million compared to DKK 266 million in Q1 2017/18. Revenue from the wholesale channel declined by 13.6% as a consequence of lower order intake on the autumn collection which was realized during the beginning of the calendar year 2018. Subsequent order intake data confirms that Tiger of Sweden is heading in the right direction reporting growth for the coming collections. Revenue from the retail channel declined by 17.3%, and the same-store revenue declined by 18.9% driven by lower traffic to physical stores while e-commerce revenue increased. No changes have been made to the store portfolio during Q1 2018/19.

Geographically, the revenue decline for Q1 2018/19 was driven by the Nordic region. Outside the Nordic region, revenue increased which is primarily attributable to the considerable growth reported in Germany.

The gross margin for Q1 2018/19 was lower compared to last financial year primarily attributable to a higher discount level. Costs declined as a consequence of lower distribution costs during the quarter under review which more than compensated for the higher staff costs in the brand's head office as well as increased marketing activities. However, the decline was not enough to compensate for the revenue development for which reason the cost ratio increased.

The operating profit for Q1 2018/19 amounted to DKK 28 million compared to DKK 47 million for Q1 2017/18 corresponding to an EBIT margin of 12.4% compared to an EBIT margin of 17.7% for Q1 2017/18.

For the financial year 2018/19 as a whole, Tiger of Sweden is expected to increase its revenue while the nominal earnings are expected at the same level as last financial year. Growth will primarily be driven by international wholesale revenue and e-commerce, while higher costs for staff and marketing will have a negative impact on earnings.

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Change, %
Revenue	226	266	(15.0)
Wholesale and franchise	140	162	(13.6)
Retail, e-commerce and outlets	86	104	(17.3)
Revenue growth in local currency (%)	(11.5)		
Same-store growth (%)	(18.9)		
Operating profit before depreciation and amortization (EBITDA)	31	52	(40.4)
EBITDA margin (%)	13.7	19.5	
Depreciations, amortization and impairment losses	(3)	(5)	(40.0)
Operating profit (EBIT)	28	47	(40.4)
EBIT margin (%)	12.4	17.7	

* Revenue from Vinåker Factory Outlet (multibrand outlet) accounted for DKK 41 million in Q1 2018/19 (DKK 48 million).

Own stores	Number of stores 30 Sep. 2018	Number of stores 30 Sep. 2017	Change	Number of stores 30 June 2018
Retail stores	18	21	(3)	18
Concessions	19	19	-	19
Total	37	40	(3)	37

BY MALENE BIRGER

By Malene Birger is a Danish high-profile design brand with an international appeal offering affordable luxury to women. Learn more about By Malene Birger at: bymalenebirger.com

Financial performance of By Malene Birger

By Malene Birger continues to work on bringing the brand in a more international direction. In particular, this plays a role in production where several initiatives have and will be implemented, just as the expression of the collections will generally have a more international twist. This also applies to distribution where focus is on strengthening the cooperation and increasing sales to By Malene Birger's largest and most important wholesale customers as well as improve performance and the consumer's brand experience in own channels.

Revenue for Q1 2018/19 declined by 15.6% (14.0% measured in local currency) to DKK 81 million (DKK 96 million). This development was driven by both the wholesale channel which reported a revenue decline of 16.2% due to lower order intake and in-season selling as well as the retail channel which reported a revenue decline of 14.3% driven by physical stores and e-commerce. The same-store revenue declined by 19.1%. No changes have been made to the store portfolio during Q1 2018/19.

The reduced revenue from the Nordic region was primarily driven by Sweden and Norway. Revenue from Rest of Europe also declined primarily attributable to the Benelux region. Revenue from outside Europe primarily declined as a consequence of the terminated agency agreement in Japan.

The gross margin was at the same level as last financial year while the costs increased as a consequence of higher staff costs. The last-mentioned factor combined with lower reported revenue resulted in a cost ratio increase.

The operating loss for Q1 2018/19 amounted to DKK 3 million (profit of DKK 8 million) resulting in a negative EBIT margin of 3.7% (positive EBIT margin of 8.3%).

For the financial year 2018/19 as a whole, By Malene Birger is expected to increase its revenue while the nominal earnings are expected at the same level as last financial year. Growth will primarily be driven by wholesale and e-commerce, while higher staff costs will have a negative impact on earnings.

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Change, %
Revenue	81	96	(15.6)
Wholesale and franchise	57	68	(16.2)
Retail, e-commerce and outlets	24	28	(14.3)
Revenue growth in local currency (%)	(14.0)		
Same-store growth (%)	(19.1)		
Operating profit/loss before depreciation and amortization (EBITDA)	(1)	10	(110.0)
EBITDA margin (%)	(1.2)	10.4	
Depreciations, amortization and impairment losses	(2)	(2)	-
Operating profit/loss (EBIT)	(3)	8	(137.5)
EBIT margin (%)	(3.7)	8.3	

Own stores	Number of stores 30 Sep. 2018	Number of stores 30 Sep. 2017	Change	Number of stores 30 June 2018
Retail stores	9	9	-	9
Concessions	6	6	-	6
Total	15	15	-	15

Saint Tropez is a dynamic fast fashion brand for women which was founded in Hornbæk in 1984. Learn more about Saint Tropez at: sainttropez.com

Financial performance of Saint Tropez

Saint Tropez has redesigned its visual identity and is still working on strengthening the products. In the wholesale distribution, the brand is working on increasing the share deriving from third party e-commerce in order to reach more of its core consumers. The brand continues to be challenged in physical retail, and Saint Tropez is working on consolidating its store portfolio, just as general cost-cutting measures have and will be implemented in the entire business.

Revenue from Saint Tropez in Q1 2018/19 declined by 32.9% (31.7% measured in local currency) to DKK 51 million (DKK 76 million). This development was equally driven by both the wholesale channel which reported a revenue decline of 32.6% as well as the retail channel which reported a revenue decline of 33.3%. Approx. half of the retail decline is attributable to the effect of store closures which were carried out during the end of Q1 2017/18. The same-store revenue declined by 27.9%. Saint Tropez did neither open nor close any stores during Q1 2018/19.

The revenue reduction was primarily driven by the Nordic region in which the majority of the brand's revenue is realized. Revenue from Rest of Europe declined in all markets, except for Germany.

The gross margin for Q1 2018/19 declined compared to last financial year which is attributable to a higher discount level. The brand's management has implemented cost-cutting measures which started to show an impact in Q1 2018/19. However, this was not enough to compensate for the revenue reduction for which reason the cost ratio increased.

The operating loss for Q1 2018/19 amounted to DKK 8 million (loss of DKK 3 million) resulting in a negative EBIT margin of 15.7% (negative EBIT margin of 3.9%).

For the financial year 2018/19 as a whole, revenue from Saint Tropez is expected to still decline while the nominal earnings are expected to improve compared to last financial year. The lower revenue will be driven by both the wholesale channel as well as the retail channel where a number of stores have been and will be closed. Cost-cutting measures implemented during the financial year 2017/18 will have a positive impact on earnings.

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Change, %
Revenue	51	76	(32.9)
Wholesale and franchise	29	43	(32.6)
Retail, e-commerce and outlets	22	33	(33.3)
Revenue growth in local currency (%)	(31.7)		
Same-store growth (%)	(27.9)		
Operating loss before depreciation and amortization (EBITDA)	(7)	(2)	250.0
EBITDA margin (%)	(13.7)	(2.6)	-
Depreciations, amortization and impairment losses	(1)	(1)	-
Operating loss (EBIT)	(8)	(3)	166.7
EBIT margin (%)	(15.7)	(3.9)	-

Own stores	Number of stores 30 Sep. 2018	Number of stores 30 Sep. 2017	Change	Number of stores 30 June 2018
Retail stores	38	39	(1)	38
Concessions	6	5	1	6
Total	44	44	-	44

Designers Remix was founded in 2002 and develops female fashion characterized by abstract minimalism and elegance. Learn more about Designers Remix at: designersremix.com

Financial performance of Designers Remix

Revenue for Q1 2018/19 declined by 19.2% (19.2% measured in local currency) to DKK 21 million (DKK 26 million). This development was driven by the wholesale channel which reported a revenue decline of 26.3% due to lower order intake. Revenue from the retail channel remained at the same level as Q1 2017/18. However, the same-store revenue declined by 4.5% due to lower revenue from physical stores. The total number of stores remained unchanged.

Geographically, the revenue decline for Q1 2018/19 was primarily driven by the Nordic region while revenue from Rest of Europe was at the same level as last financial year. Revenue from outside of Europe also declined.

The gross margin declined as a consequence of a higher discount level while the cost ratio increased marginally. The operating profit for Q1 2018/19 amounted to DKK 3 million (DKK 6 million) corresponding to an EBIT margin of 14.3% compared to 23.1% reported in Q1 2017/18.

For the financial year 2018/19 as a whole, both revenue and nominal earnings are expected to be reduced in Designers Remix. The setback will primarily be driven by a lower wholesale revenue.

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Change, %
Revenue	21	26	(19.2)
Wholesale and franchise	14	19	(26.3)
Retail, e-commerce and outlets	7	7	-
Revenue growth in local currency (%)	(19.2)		
Same-store growth (%)	(4.5)		
Operating profit before depreciation and amortization (EBITDA)	3	6	(50.0)
EBITDA margin (%)	14.3	23.1	-
Depreciations, amortization and impairment losses	-	-	n.m.
Operating profit (EBIT)	3	6	(50.0)
EBIT margin (%)	14.3	23.1	-

Own stores	Number of stores 30 Sep. 2018	Number of stores 30 Sep. 2017	Change	Number of stores 30 June 2018
Retail stores	2	2	-	2
Concessions	12	12	-	12
Total	14	14	-	14

The Group

Revenue

Consolidated revenue of continuing operations for Q1 2018/19 amounted to DKK 379 million (DKK 464 million) corresponding to a reduction of 18.3% (15.8% measured in local currency). This development was primarily driven by the wholesale channel due to lower order intake across all Group brands as well as reduced revenue from physical stores. Revenue from the wholesale channel amounted to DKK 240 million compared to DKK 292 million last financial year corresponding to a reduction of 17.8%. Revenue from the retail channel declined by 19.2% to DKK 139 million (DKK 172 million) driven by the physical stores while revenue from the e-commerce channel remained unchanged. The same-store revenue declined by 20.6%. During Q1 2018/19, no changes have been made to the total number of stores.

Gross profit

The gross profit amounted to DKK 205 million (DKK 287 million), and the gross margin declined by 7.8 percentage points to 54.1%. A part of this gross margin decline is attributable to the implemented structural changes as well as the divestment of Peak Performance in 2017/18. After having adjusted for the implemented structural changes as well as the divestment of Peak Performance in 2017/18, the gross margin would have amounted to 59.1%. The remaining gross margin decline is attributable to higher discounts and inventory write-downs compared to Q1 2017/18.

Capacity costs

Capacity costs declined by DKK 21 million to DKK 197 million compared to Q1 2017/18. This decline is partly attributable to the fact that approx. DKK 10 million in fee income in respect of logistics services to Peak Performance during Q1 2018/19 has been included under 'Other operating income' while this fee income was included under the gross profit last financial year. The remaining part of the decline is attributable to lower distribution-related costs as well as cost savings in Saint Tropez. However, as a consequence of the revenue reduction, the cost ratio increased to 52.0% compared to 47.0% last financial year.

Costs in respect of the Group's central functions declined which is primarily attributable to the implemented structural changes as well as the divestment of Peak Performance in 2017/18 as described above. These reduced costs were partly offset by non-recurring costs in relation to the transformation of IC Group amounting to approx. DKK 6 million as well as changed allocation principles in respect of costs in the Group's central functions.

Other operating income of DKK 19 million is primarily attributable to income in respect of providing certain services to Peak Performance.

Operating profit (EBIT)

The operating profit amounted to DKK 14 million (DKK 69 million) before non-recurring costs in respect of the transformation of IC Group resulting in an EBIT margin of 3.7% compared to 14.9% last financial year. When including the above-mentioned non-recurring costs, the operating profit amounted to DKK 8 million corresponding to an EBIT margin of 2.1%.

Profit for the period of continuing operations

Profit of continuing operations for Q1 2018/19 amounted to DKK 6 million (DKK 59 million).

Profit for the period of discontinued operations

Profit of discontinued operations for Q1 2018/19 amounted to DKK nil (DKK 54 million). For further information, please see note 4.

Statement of financial position

The development of the consolidated financial position as at 30 September 2018 compared to 30 September 2017 is generally impacted by the sale of Peak Performance to Amer Sports Corporation which was completed on 29 June 2018. The disposal of net assets in connection with the divestment primarily affects inventories, trade receivables, trade payables as well as provisions deriving from discontinued operations.

Net working capital

As at 30 September 2018, the working capital amounted to DKK 246 million corresponding to a decline of DKK 319 million compared to the same period last financial year primarily driven by the divestment of Peak Performance. The working capital constituted 17.0% of the trailing twelve months revenue compared to 20.9% for the same period last financial year.

Statement of cash flows

Consolidated cash flow from operating activities for Q1 2018/19 amounted to an outflow of DKK 90 million which is an improvement of DKK 18 million compared to the same period last financial year. The development is primarily attributable to the divestment of Peak Performance which has had a positive impact on the tied-up working capital partly compensated by the reduced operating profit for the period. Cash flow from investing activities amounted to an outflow of DKK 35 million (an outflow of DKK 16 million) of which DKK 28 million relates to the divestment of Peak Performance (payment of transaction costs). Consolidated free cash flow thus amounted to an outflow of DKK 125 million (outflow of DKK 124 million).

As previously communicated (Company Announcement 20/2018), the Company completed a share buy-back programme in September 2018 under which it bought back 1,448,494 shares at DKK 159 per share with a nominal value of DKK 10 each corresponding to a total acquisition price of DKK 230 million and to 8.5% of the Company's total share capital. The remaining net proceeds from the divestment of Peak Performance of DKK 1,520 million were distributed to the shareholders as extraordinary dividend in September 2018. As at 30 September 2018, an amount of DKK 70 million remained unsettled which relates to dividend tax payable in respect of the extraordinary dividend distribution. The amount was settled in October 2018.

Payment of extraordinary dividend and share buy-back have been completed on those terms which the Board of Directors communicated in Company Announcement no. 18/2018.

Changes in equity and equity ratio

Equity as at 30 September 2018 amounted to DKK 460 million (30 June 2018: DKK 2,294 million). This development was primarily driven by payment of extraordinary dividend of DKK 1,520 million, share buy-back amounting to DKK 230 million as well as declared ordinary dividend of DKK 83 million. Subsequently, the equity ratio as at 30 September 2018 amounted to 42.8% (30 June 2018: 83.3%).

CONSOLIDATED INCOME STATEMENT

Note	DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Year 2017/18 12 months
3	Revenue	379	464	1,535
	Cost of sales	(174)	(177)	(623)
	Gross profit	205	287	912
	Other external costs	(102)	(98)	(373)
	Staff costs	(104)	(108)	(426)
	Other operating income	19	1	2
	Operating profit before depreciation and amortization (EBITDA)	18	82	115
	Depreciation, amortization and impairment losses	(10)	(13)	(58)
	Operating profit (EBIT)	8	69	57
	Financial income	2	7	25
	Financial costs	(3)	-	(35)
	Profit before tax of continuing operations	7	76	47
	Tax on profit for the period of continuing operations	(1)	(17)	(11)
	Profit for the period of continuing operations	6	59	36
4	Profit for the period of discontinued operations	-	54	1,570
	Profit for the period	6	113	1,606
	Profit allocation:			
	Shareholders of IC Group A/S	5	110	1,604
	Non-controlling interests	1	3	2
	Profit for the period	6	113	1,606
	Earnings per share, DKK	0.3	6.6	96.3
	Diluted earnings per share, DKK	0.3	6.6	96.3
	Earnings per share of continuing operations, DKK	0.3	3.3	2.0
	Diluted earnings per share of continuing operations, DKK	0.3	3.3	2.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Year 2017/18 12 months
	Profit for the period	6	113	1,606
	OTHER COMPREHENSIVE INCOME			
	<i>Items to be reclassified to the income statement when certain conditions are met:</i>			
	<i>Hedging transactions:</i>			
	Fair value adjustments, gain/loss on financial instruments related to cash flow hedges	(6)	(26)	38
	Reclassification to income statement, gains/loss on financial instruments related to realized cash flow hedges	(4)	(10)	(1)
	Tax on hedging transactions which may be reclassified to the income statement	2	8	(8)
	<i>Foreign currency translation adjustments:</i>			
	Foreign currency translation adjustments, foreign subsidiaries and intercompany loans	1	(5)	20
	Actuarial adjustments	-	-	(1)
	Other comprehensive income after tax	(7)	(33)	48
	Total comprehensive income	(1)	80	1,654
	Allocation of comprehensive income for the period:			
	Shareholders of IC Group A/S	(2)	77	1,652
	Non-controlling interests	1	3	2
	Total	(1)	80	1,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note	DKK million	30 Sep. 2018	30 Sep. 2017	30 June 2018
	ASSETS			
	NON-CURRENT ASSETS			
	Intangible assets	136	243	139
	Property, plant and equipment	86	150	86
	Financial assets	11	22	11
	Deferred tax	40	69	38
	Total non-current assets	273	484	274
	CURRENT ASSETS			
5	Inventories	212	406	211
6	Trade receivables	244	496	178
	Tax receivable	39	65	32
	Other receivables	72	20	75
	Prepayments	43	56	44
7	Cash and cash equivalents	192	67	1,941
	Total current assets	802	1,110	2,481
	TOTAL ASSETS	1,075	1,594	2,755

Note	DKK million	30 Sep. 2018	30 Sep. 2017	30 June 2018
	EQUITY AND LIABILITIES			
	EQUITY			
	Share capital	171	171	171
	Reserve for hedging transactions	12	(37)	20
	Translation reserve	(49)	(73)	(50)
	Retained earnings	313	644	2,141
	Equity attributable to shareholders of the Parent Company	447	705	2,282
	Equity attributable to non-controlling interests	13	13	12
	Total equity	460	718	2,294
	LIABILITIES			
	Retirement benefit obligations	-	8	-
	Deferred tax	3	7	3
	Provisions	5	7	5
	Other liabilities	3	2	4
	Total non-current liabilities	11	24	12
7	Current liabilities to credit institutions	124	208	68
	Trade payables	150	194	177
	Tax payable	7	40	6
	Other liabilities	214	278	183
	Provisions	26	47	15
	Declared dividend	83	85	-
	Total current liabilities	604	852	449
	Total liabilities	615	876	461
	TOTAL EQUITY AND LIABILITIES	1,075	1,594	2,755

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DKK million	Share capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2018	171	20	(50)	2,058	83	2,282	12	2,294
Profit for the period	-	-	-	5	-	5	1	6
Other comprehensive income after tax	-	(8)	1	-	-	(7)	-	(7)
Total comprehensive income	-	(8)	1	5	-	(2)	1	(1)
Transactions with owners:								
Share buy-back	-	-	-	(230)	-	(230)	-	(230)
Declared dividend	-	-	-	-	(83)	(83)	-	(83)
Extraordinary dividend, treasury shares	-	-	-	189	-	189	-	189
Extraordinary dividend paid	-	-	-	(1,709)	-	(1,709)	-	(1,709)
Changes in equity during the period	-	(8)	1	(1,745)	(83)	(1,835)	1	(1,834)
Equity at 30 September 2018	171	12	(49)	313	-	447	13	460

DKK million	Share capital	Reserve for hedging transactions	Translation reserve	Retained earnings	Proposed dividend	Equity owned by shareholders of ICG A/S	Equity owned by non-controlling interests	Total equity
Equity at 1 July 2017	171	(9)	(68)	534	85	713	10	723
Profit for the period	-	-	-	110	-	110	3	113
Other comprehensive income after tax	-	(28)	(5)	-	-	(33)	-	(33)
Total comprehensive income	-	(28)	(5)	110	-	77	3	80
Transactions with owners:								
Declared dividend	-	-	-	-	(85)	(85)	-	(85)
Changes in equity during the period	-	(28)	(5)	110	(85)	(8)	3	(5)
Equity at 30 September 2017	171	(37)	(73)	644	-	705	13	718

DKK million	Shares
DEVELOPMENT IN TREASURY SHARES	
Treasury shares at 1 July 2018	442,572
Addition	1,454,979
Treasury shares at 30 September 2018	1,897,551

In September 2018, IC Group completed a share buy-back of 1,448,494 shares corresponding to DKK 230 million as communicated in Company Announcement no. 20/2018. Furthermore, an extraordinary dividend of DKK 1,520 million was distributed in September 2018 as communicated in Company Announcement no. 18/2018. In October 2018, an ordinary dividend of DKK 83 million (DKK 85 million) was distributed.

For technical reasons, it is required that dividend is distributed on the Company's treasury shares, however, this will not have any accounting effect on the Company other than a dividend payment made out to the Company itself.

Upon completion of the share buy-back, the Company holds 1,897,551 treasury shares corresponding to 11.1% of the Company's total share capital. At the Company's Annual General Meeting held on 26 September 2018, it was resolved to cancel the Group's treasury shares through a capital reduction. The capital reduction has been finalized on 5 November 2018.

NOTES

1. Accounting policies

This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied in this interim report are unchanged as compared to the accounting policies applied in the Annual Report 2017/18 and are in accordance with the International Financial Reporting Standard (IFRS) as adopted by the EU. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description of the accounting policies.

As communicated in Company Announcement no. 6/2018 dated 30 April 2018, IC Group A/S entered into an agreement to sell Peak Performance to Amer Sports Corporation. Final closing of the transaction took place on 29 June 2018. Consequently, the assets relating to Peak Performance are now presented as discontinued operations. Operating profit after tax of discontinued operations is presented as a separate item in the income statement under "Profit for the period of discontinued operations" with adjusted comparative figures. The comparative figures for the statement of financial position have not been adjusted. For further information, please see note 4.

IC Group has implemented all new and amended standards (IFRS) and interpretations (IFRIC) as endorsed by the EU and which are effective for the financial year 1 July 2017 – 30 June 2018. This implementation has had no impact on the recognition and measurement of the Group's assets and liabilities besides as described below.

IFRS 15 'Revenue from Contracts with Customers'

IC Group has implemented IFRS 15 as at 1 July 2018. The accounting policies applied have not been changed significantly as a consequence of the implementation as the accounting policies applied by the Group according to the existing standards and interpretations for recognition of revenue have essentially been in accordance with the principles of IFRS 15. The implementation has no impact on the income statement and no material impact on the statement of financial position. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

IFRS 9 'Financial Instruments'

IC Group has implemented IFRS 9 as at 1 July 2018 by applying the simplified method, and, consequently, the Group registers expected losses during the life-span of all trade receivables. Based on the portfolio of financial assets and liabilities as well as the historically low realized losses on loans and receivables, the implementation of the new standard has not had any material impact on IC Group's interim report. Furthermore, no elements of the implementation of this standard have had any impact on recognition and measurement. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

Furthermore, IASB has issued IFRS 16 "Leases" which is effective for annual periods beginning on or after 1 January 2019 and which has been adopted by the EU on 31 October 2017. IC Group is currently assessing the impact of this new standard but has already assessed that particularly the lease terms will have an impact on the income statement, cash flow as well as statement of financial position when lease assets and lease liabilities are recognized. We refer to the Annual Report 2017/18 (chapter 1) for a detailed description.

Significant accounting estimates and assumptions

In the preparation of this interim report, the Management of IC Group makes a number of significant accounting estimates and assumptions that may affect the reported values of assets, liabilities, income, costs, cash flows and related information at the reporting date. The accounting estimates and assumptions which Management considers to be material for the preparation and understanding of the interim report appear from chapter 1 of the Annual Report 2017/18 and relate to, e.g., intangible assets including impairment test, inventories, trade receivables, provisions as well as tax.

2. Seasonality

The Group's business segments are to a certain degree influenced by seasonal fluctuations relating to seasonal deliveries to wholesale customers as well as a sales season of the Group's products that varies during the course of the year in the retail channel. Revenue and operating profit before tax thus vary in the various reporting periods for which reason they are not necessarily indicative of future trends. The results of the individual quarters are therefore not reliable sources in terms of projecting the Group's development.

3. Segment information

Business segments

Reporting to the Executive Board, which is considered to be the Chief Operating Decision Maker, is based on the separate reporting of each of the Group's four continuing business units (brands). Segments have been adjusted after the divestment of Peak Performance. Comparative figures for 2017/18 have been adjusted for the new business segments.

As mentioned in note 1, the financial performance in respect of Peak Performance is classified as discontinued operations. Please see note 4 for further information.

Central functions, etc.

In all material respects, "Central functions, etc." include;

- income and costs in Group functions which are not allocated to the Group's business segments;
- intercompany eliminations; and
- any differences arising between costs invoiced to Group brands and realized costs in the Group's service functions.

	Tiger of Sweden	By Malene Birger	Saint Tropez	Designers Remix	Continuing operations	Discontinued operations	Group Total
	Q1	Q1	Q1	Q1	Q1	Q1	Q1
DKK million	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19
	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Total revenue	226	81	51	21	379	-	379
Wholesale and franchise	140	57	29	14	240	-	240
Retail, e-commerce and outlets	86	24	22	7	139	-	139
Growth compared to 2017/18 (%)	(15.0)	(15.6)	(32.9)	(19.2)	(18.3)	-	(18.3)
Growth in local currency compared to 2017/18 (%)	(11.5)	(14.0)	(31.7)	(19.2)	(15.8)	-	(15.8)
Operating profit/loss before depreciation and amortization (EBITDA)	31	(1)	(7)	3	26	-	26
EBITDA margin (%)	13.7	(1.2)	(13.7)	14.3	6.9	-	6.9
Depreciations, amortization and impairment losses	(3)	(2)	(1)	-	(6)	-	(6)
Operating profit/loss (EBIT)	28	(3)	(8)	3	20	-	20
EBIT margin (%)	12.4	(3.7)	(15.7)	14.3	5.3	-	5.3
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					20		
Central functions etc.*					(12)		
Operating profit (EBIT)					8		
Financial income					2		
Financial costs					(3)		
Profit before tax					7		
Tax on profit for the period					(1)		
Profit for the period					6		

* Including non-recurring costs of DKK 6 million relating to the transformation of IC Group.

	Tiger of Sweden	By Malene Birger	Saint Tropez	Designers Remix	Continuing operations	Discontinued operations	Group Total
	Q1	Q1	Q1	Q1	Q1	Q1	Q1
DKK million	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Total revenue	266	96	76	26	464	346	810
Wholesale and franchise	162	68	43	19	292	254	546
Retail, e-commerce and outlets	104	28	33	7	172	92	264
Operating profit/loss before depreciation and amortization (EBITDA)	52	10	(2)	6	66	76	142
EBITDA margin (%)	19.5	10.4	(2.6)	23.1	14.2	22.0	17.5
Depreciations, amortization and impairment losses	(5)	(2)	(1)	-	(8)	(5)	(13)
Operating profit/loss (EBIT)	47	8	(3)	6	58	71	129
EBIT margin (%)	17.7	8.3	(3.9)	23.1	12.5	20.5	15.9
Reconciliation of segment information of continuing operations							
Operating profit (EBIT), reportable segments					58		
Central functions etc.*					11		
Operating profit (EBIT)					69		
Financial income					7		
Financial costs					-		
Profit before tax					76		
Tax on profit for the period					(17)		
Profit for the period					59		

4. Discontinued operations

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Year 2017/18 12 months
Revenue	-	346	1,067
Cost of sales	-	(161)	(508)
Gross profit	-	185	559
Other external costs	-	(66)	(241)
Staff costs	-	(43)	(176)
Operating profit before depreciation and amortization (EBITDA)	-	76	142
Depreciation, amortization and impairment losses	-	(5)	(15)
Operating profit (EBIT)	-	71	127
Financial income	-	-	3
Gain on sale of businesses	-	-	1,475
Profit before tax	-	71	1,605
Tax on profit for the period	-	(17)	(35)
Profit for the period of discontinued operations	-	54	1,570
Earnings per share, DKK	-	3.3	94.3
Diluted earnings per share, DKK	-	3.3	94.3

Cash flow from discontinued operations*

DKK million	Q1 2018/19 3 months	Q1 2017/18 3 months	Year 2017/18 12 months
Statement of cash flow:			
Cash flow from operating activities	-	(140)	128
Cash flow from investing activities	-	(9)	(25)
Total cash flow	-	(149)	103

*Excluding sales proceeds, transaction costs, etc. Please see statement of cash flows.

5. Inventories

DKK million	30 Sep. 2018	30 Sep. 2017	30 June 2018
Raw material and consumables	37	34	41
Finished goods and goods for resale	185	389	180
Goods in transit	23	43	28
Total inventories, gross	245	466	249
Changes in inventory write-downs for the period:			
Write-downs at 1 July	38	90	90
Write-downs for the period, addition (recognized in the income statement)	4	4	34
Write-downs for the period, reversals (utilized)	(9)	(31)	(56)
Write-downs for the period, reversals (not utilized)	-	(3)	(5)
Disposal in connection with sale of businesses for the period	-	-	(25)
Total inventory write-downs	33	60	38
Total inventories, net	212	406	211

6. Trade receivables

DKK million	30 Sep. 2018	30 Sep. 2017	30 June 2018
Not yet due	181	432	147
Due, 1-60 days	45	44	19
Due, 61-120 days	12	4	5
Due more than 120 days	6	16	7
Total trade receivables, net	244	496	178
Change in trade receivables write-downs for the period:			
Write-downs at 1 July	21	29	29
Change in write-downs for the period	3	-	1
Realized loss for the period	(1)	(1)	(5)
Disposal in connection with sale of businesses for the period	-	-	(4)
Total write-downs	23	28	21

7. Net interest-bearing debt

DKK million	30 Sep. 2018	30 Sep. 2017	30 June 2018
Net interest-bearing debt comprises:			
Current liabilities to credit institutions	124	208	68
Interest-bearing debt, gross	124	208	68
Cash	192	67	1,941
Net interest-bearing debt	(68)	141	(1,873)

8. Events after the reporting period

After closure of the reporting period, the Board of Directors made the final decision to carry out the capital reduction which was resolved on the Company's Annual General Meeting held on 26 September 2018, cf. Company Announcement no. 28/2018. The capital reduction was completed conclusively on 5 November 2018. Subsequently, the Company's registered share capital amounts to DKK 151,933,070 corresponding to 15,193,307 shares with a nominal value of DKK 10 each.

Besides the above, no material events have taken place after the reporting period that have not been recognized or otherwise included in this interim report.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the interim report of IC Group A/S for the period 1 July 2018 – 30 September 2018. This interim financial report is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU, cf. chapter on accounting policies and additional Danish disclosure requirements for interim reports of listed companies. This interim report is unaudited and has not been reviewed by the Group's auditors.

In our opinion, we consider the applied accounting policies to be appropriate to the effect that this interim report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2018 and of the results of the Group's operations and cash flows for the period 1 July 2018 – 30 September 2018.

Furthermore, we consider the Management Commentary (on page 1-8) to give a true and fair review of the development of the Group's operations and financial affairs, profit for the period and of the Group's financial position for the period as a whole as well as a description of the most significant risks and uncertainty factors that the Group is facing.

Apart from the information set out in this interim report, there have been no changes to the Group's significant risks and uncertainties that have not been disclosed in the Annual Report 2017/18.

Copenhagen, 6 November 2018

The Executive Board:

ALEXANDER MARTENSEN-LARSEN
CEO

The Board of Directors:

PETER THORSEN
Chairman

HENRIK HEIDEBY
Deputy Chairman

NIELS ERIK MARTINSEN
Board Member

MICHAEL HAUGE SØRENSEN
Board member

JÓN BJÖRNSSON
Board member

CONNOR KALCHER
Board member

CORPORATE INFORMATION

IC GROUP'S CORPORATE INFORMATION

Share capital	151,933,070	Address	IC Group A/S
Number of shares	15,193,307		12 Adelgade
Share class	One class		1304 Copenhagen K
ISIN code	DK0010221803		Denmark
Business Reg. No. (CVR)	62816414		
Reuter ticker	IC.CO	Phone:	+45 32 66 77 88
Bloomberg ticker	IC DC	E-mail:	info@icgroup.net
		Homepage:	icgroup.net

FINANCIAL CALENDAR



6 February
2019



14 May
2019



29 August
2019

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