

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statements for the period ended 31 Dec 2023

Fourth quarter 2023-10-01 – 2023-12-31

- The total income of the Group was TEUR 184,302 (TEUR: 206,494), a decrease of 10.7%.
- The EBITDA of the Group was TEUR 17,538 (TEUR: 28,585).
- The operating result of the Group was TEUR 413 (TEUR: 12,545).
- The result before tax of the Group was TEUR -7,111 (TEUR: 8,828).
- A major FX loss in the quarter is related to a holding company equity position in SEK. The effect is neutralized by a positive change of the translation reserve.
- The result after tax of the Group was TEUR -6,841 (TEUR: 6,045).
- Earnings per share amounted to EUR -0.51 (EUR: 0.45).

Period 2023-01-01 – 2023-12-31

- The total income of the Group was TEUR: 750,165 (TEUR: 770,143), a decrease of 2.6%.
- The EBITDA of the Group was TEUR: 113,675 (TEUR: 138,627).
- The operating profit of the Group was TEUR 54,978 (TEUR: 83,473).
- The profit before tax of the Group was TEUR 47,574 (TEUR: 82,773).
- The profit after tax of the Group was TEUR 31,970 (TEUR: 60,926).
- Earnings per share amounted to EUR 2.40 (EUR: 4.57).

Dividend proposal

The Board proposes a dividend of 15,00 (15,00) Swedish Kronor, “SEK”, per B-share and 1,5 (1,5) SEK per A-share.

Events after period closing

No significant events after period close are noted.

Holding of own shares

As per 2023-12-31 the company holds 132,337 B-shares representing 0.38 % of the capital of A-shares and B-shares.

Financial information www.fenixoutdoor.se/investerare/rapporter

The report contains information which Fenix Outdoor International AG is obliged to publish under the EU Market Abuse Regulation rules. The information was provided by the contact person stated below, for publication February 13 2024 at 08 00.

Contact person Martin Nordin, Executive Chairman +41 797 99 27 58

COMMENTS BY THE EXECUTIVE CHAIRMAN

Another quarter with COVID hangover?

We have ended another quarter of strange trading. The quarter started in the same way Q3 ended. There was a very warm weather in Europe, which meant that a major part of the seasonal sales was lost. It is obvious that the trading in the industry was driven by large inventories in the retail part of the business, general liquidity problem, and heavy discounts again. As usual Christmas sales were hurt by people shopping on discount during Black Friday and Cyber-Monday. However, this year there was a slower than usual lead in of full price sales due to early discounting and a greater hangover to full price sales as Cyber 5 turned into weeks of promotional sales. As usual we did not really participate in this in any major way which protected our margin, but with a very high likelihood hurt our sale. We also need to note that the last years the 4th quarter has shown very good sales. It is not very unlikely growth expectations were set to high.

This led to a drop in 4th quarter sales to 180.2 MEUR, -11.6 %. What is encouraging is that the Friluft group only decreased by 2.9%. Most of the drop in sales came from our wholesale business in Brands and Global Sales. A very encouraging fact is that, in comparison to last year, the direct-to-consumer sales, of especially Fjallraven, was better than the average of competing brands in our DTC channels. This leads us to believe that the inventory/liquidity problem among the retail businesses hampered the wholesale business quite a bit.

This led to an operating result close to zero, +0.4 MEUR.

Based on the insecurity in the market as well as after having analyzed our cost structure we decided to lower our cost through savings measures. In total we have taken onetime costs during Q4 of 10.3 MEUR. This includes the following: extraordinary write down of inventory in our North American business of 3.2 MEUR, 1.85 MEUR in restructuring of shop network including closures, write down of IT investments deemed out of life prematurely 2.5 MEUR and other costs for restructuring of 2.3 MEUR. We expect these measures will lower our cost with about 7 MEUR for 2024 and onwards.

In terms of sales in the Americas the development was also affected by the weaker dollar. The market still showed a slight growth for the whole year in local currency. The US was, in Q4, more hit by large inventory and a sluggish retail trade which has been confirmed in the reports of other companies operating in our industry.

There are some exceptions to the generally bad trading climate. Canada kept on recovering showing healthy growth. The JV in China continued its recovery after Covid-19 and showed a record Q4 sales and profit, as well as for the whole year.

Brands

Our Brands segment had sales of 47.3 (55.4) MEUR. A decrease of 14.8%. The result was -1.5 MEUR down from 4.6 MEUR. The Brands segment has taken almost 5.5 MEUR of the extraordinary expenses, but it is also related to the increase we have been facing in other areas such as IT and digital projects. In terms of Brand performance, Hanwag is still feeling the decrease in volume in their key product segments as well as the high inventory in the retail leg. Fjallraven is still experiencing the effect of high inventory in retail, but when we are watching the direct-to-consumer channels it still shows a growth for the year even though the tough fourth quarter.

Global Sales

Global Sales reached external net sales of 34.4 MEUR (47.1). The operating profit was 0.6 (3.9) MEUR. The bottom line was positively driven by the Asian business in particular the Chinese JV. The North American and the European part of Global Sales was hit in the same way as the Brands business.

Frilufts

Our Frilufts operation had a mediocre Q4 and did not reach last year's numbers. Globetrotter was hit more than the Nordics. Sweden did beat last year's number in local currency, as did the rest of the Nordics. This means that the Frilufts group came in at 98.5 MEUR a decrease of 2.9% and that EBIT was 5.7 MEUR. The Norwegian operation showed a positive development but is still losing money. The small UK operation also struggled in the tough market but is still profitable. For the full year this means that the Frilufts sales were 352.1 MEUR, which meant a growth of 1.2%. It should also be noted that in terms of channels the brick-and-mortar sales performed better than the digital channels both in the quarter as well as for the year.

Digital/Direct to Consumer

In Q4 our direct-to-consumer sales was 136.1 (139.3) MEUR, down 2.3%. Our digital direct to consumer sales was 45.2 MEUR (47.2), down 4.4% and brick and mortar 91.0 (92.1) MEUR, down 1.2%. This means that of our direct-to-consumer sales 33.2 % (33.9%) is digital. On the year our total direct-to-consumer sales were 461.9 (455.6) MEUR up 1.6% of which 146.9 (146.3) MEUR, up 0.4%, was digital and 315.1 (308.3) MEUR, up 2.2%, was brick and mortar. The proportion of direct-to-consumer sale that was digital was 31.8% (32.2%) vs 68.2% (67.8%) for brick and mortar.

As I wrote last year “these numbers indicate a new balance in the retail area, and it seems that the new proportions lay somewhere around 30-35% digital vs brick and mortar”. It should however be said that there is a difference between markets as well a type of stores and retail.

2024 and forward

We are facing a very challenging market in 2024. A lot of retailers have financial challenges, which means somewhat lower preorders than normal. They are counting more on reorders from the brands. There are also some larger retailers that have been sold and have gone into reconstruction. The order books are OK, but growth will have to come from reorders as well as our own DTC channels. We believe that the Q1 2024 will be a bit tougher for the wholesale part of our business, as the retailers are less inclined on taking on inventory. The retail on the other hand has started quite well in 2024 especially has the cold weather in the Nordics had a positive effect on sales during January.

We do strongly believe that the over inventory situation in the retail leg will have improved during Q2 and will mean an improvement in sales for wholesale during Q2. We saw that our reorder rate during July and August in 2023 was greatly improved compared to 2022, which means there is a possible shortage of goods in the market. We also need to keep in mind that there also is a possibility of a hang over for the industry in general due to the excessive growth experienced during Covid. There is also like mentioned earlier the issue of financial health among the retailers.

In terms of trends there are several brands that are outperforming others at this stage. Those brands are focusing more on outdoor as a lifestyle in general so called “outdoor fashion”. If this will be a paradigm shift for the industry is still to be seen. Another type brands that are probably outperforming, at least from growth in percentage, are some direct-to-consumer brands that are purely digital. Their complete control of their channels gives them an advantage from some perspective. For example, they do not have to worry about their retailers reaction to price changes etc. This gives them more price flexibility. We are NOT intending to go only digital as we still believe a real outdoor brand needs to be able to face full comparative and physical competition. We will however, while being respectful of our retailers, put more focus on our brand store concepts and direct to consumer channels as a complement to our retail customers.

As our result for the last few quarters indicate we have been somewhat frivolous with our investment and costs. We have therefor, as mentioned earlier, taken measures and costs in Q4 for measures to enable us to rectify these mistakes. We believe that the measures taken will decrease our costs already in 2024 with 7 MEUR. The new climate, with real interest rates again, also means that we have launched higher hurdles for investments. We are also refining our operations by investing in ERP system for the Brands and Global Sales

segments, which we think will finetune and make our operation more efficient. The automation of our new warehouse operation in Ludwigslust is proceeding according to plan, but we do not believe we will reap the benefits from it until earliest late 2024.

I also must mention our inventory situation, which is still too high. I believe we will see start to see a decrease in inventory measured on same time of year levels for the group starting end of Q1.

So, our focus this year again will be sales and cost control.

I also, once again, want to take this opportunity to thank our management, ALL employees, board, shareholders and not the least customers for their efforts and loyalty in helping us. But I, once again, want to specially thank our workers in the stores, warehouses, and manufacturing. These groups are seldom receiving the praise they should, but they are vital to our business, making sure that we sell and are able to deliver.

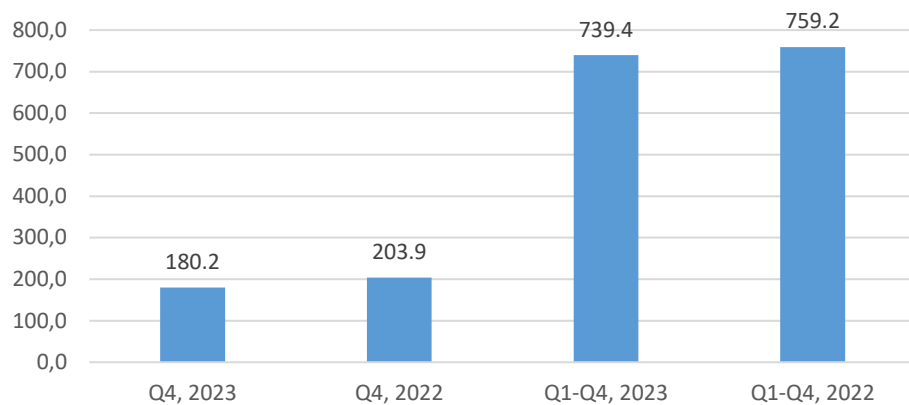
All the best

Martin Nordin, Chairman of the Board

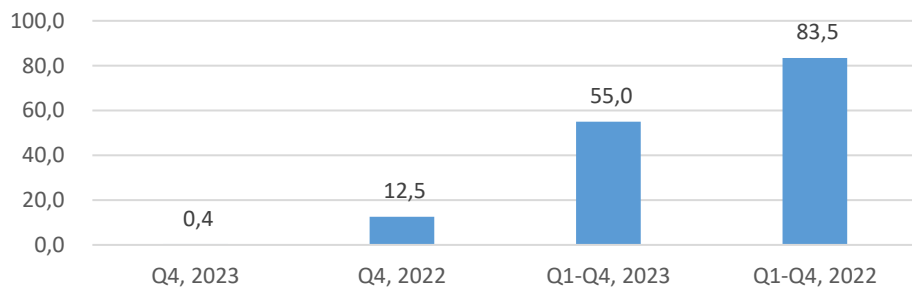
MEUR	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	180.2	203.9	739.4	759.2
EBITDA	17.5	28.6	113.7	138.6
Operating result	0.4	12.5	55.0	83.5
Profit margin, %	0.2%	6.2%	7.4%	11.0%
Result before tax	-7.1	8.8	47.6	82.8
Net result for the period	-6.8	6.0	32.0	60.9
Earnings per B-share, EUR *)	-0.51	0.45	2.40	4.57
Solvency rate, % *)			57.2%	60.0%

*) Earnings per share are calculated on outstanding shares. Solvency rate are calculated as Equity as a percent of total assets.

Net sales, MEUR



Operating profit, MEUR



THE OPERATION

The Group is organized in three business segments: Brands, Friluftts and Global sales.

- Brands includes the brands Fjällräven, Tierra, Hanwag and Royal Robbins. It also includes Brand Retail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand.
- In Friluftts, the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH, Friluftslund A/S, Naturkompaniet AS, Trekitt and Exist Internet AS are included.
- Global sales include distribution companies selling more than one Fenix Outdoor brand.

The three business segments are supported by common functions for Management, CSR/CSO, Finance, HR, Legal, IT and Logistics.

Fourth quarter 2023-10-01 – 2023-12-31

	Brands		Friluftts		Global sales		Common		Group	
	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	47.3	55.4	98.5	101.4	34.4	47.1	0.1		180.2	203.9
EBITDA, MEUR	3.0	9.9	13.3	13.6	1.0	4.4	0.1	0.6	17.5	28.6
Operating profit, MEUR	-1,5	4.6	5.7	6.0	0.6	3.9	-4.4	-1.9	0.4	12.5

External sales per market, MEUR	Brands		Friluftts		Global sales		Common		Total	
	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	0.3				1.8	1.8			1.2%	0.9%
Sweden	2.6	4.6	23.7	24.4					14.6%	14.2%
Other Nordic countries	0.6	0.7	20.4	19.2	6.1	7.8			15.0%	13.6%
Germany	11.4	14.2	47.4	52.0			0.1		32.7%	32.5%
Benelux	2.2	2.8	0.1	0.1	1.0	1.7			1.8%	2.3%
Other Europé	6.1	5.9	6.9	5.7	5.8	10.6			10.4%	10.9%
Americas	23.3	26.8			11.5	16.0			19.3%	21.0%
Other World	0.8	0.5			8.2	9.2			5.0%	4.8%
Total	47.3	55.5	98.5	101.4	34.4	47.1	0.1	0.0	100%	100%

Period 2023-01-01 – 2023-12-31

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	198.3	206.0	352.1	347.7	188.5	205.5	0.6		739.4	759.2
EBITDA, MEUR	53.0	72.9	30.7	35.0	27.9	33.3	2.0	-2.6	113.7	138.6
Operating profit, MEUR	38.0	58.7	0.4	6.4	25.7	31.0	-9.2	-12.6	55.0	83.5
Number of Stores	48	39	106	101	36	32			190	172
of which are franchise			2	2					2	2
Non-current assets	66.0	64.0	127.6	131.6	14.9	11.0	69.2	58.4	277.2	265.0
Cap. Expenditures	7.8	7.3	3.7	6.9	1.1	1.1	14.4	11.8	27.0	27.1

External sales per market, MEUR	Brands		Frilufts		Global sales		Common		Total	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	0.7				10.7	11.2			1.5%	1.5%
Sweden	11.4	18.3	73.9	74.7					11.5%	12.4%
Other Nordic countries	2.4	2.1	60.5	59.5	33.2	40.6			13.0%	13.5%
Germany	64.1	67.4	197.1	193.8			0.5		35.4%	34.4%
Benelux	17.0	18.4	0.3	0.4	10.8	11.6			3.8%	4.0%
Other Europé	20.0	17.3	20.3	19.3	42.2	45.4	0.1		11.2%	10.8%
Americas	80.3	79.9			54.8	55.9			18.3%	17.9%
Other World	2.4	2.6			36.8	40.7			5.3%	5.7%
Total	198.3	206.0	352.1	347.7	188.5	205.5	0.6	0.0	100%	100%

Fenix Outdoor's use of alternative key figures:

Fenix Outdoor provides a number of key figures in the summary on the front page of the interim report. The Group defines earnings before interest, tax, depreciation and amortization (EBITDA) as operating profit excluding depreciation and write-downs of tangible, intangible assets and Right-of-use assets. As EBITDA is affected by IFRS 16 the Group has decided to include it as an alternative key figure.

THE OPERATION

Brands

		2023 (2022)		2023 (2022)
External net sales	Q4	47.3 (55.4) - 14.8%	Q1-Q4	198.3 (206.0) - 3.8%
Operating profit	Q4	-1.5 (4.6)	Q1-Q4	38.0 (58.7)

Lower sales in all major markets. Gross margin hit by stock write downs and higher customs affected by shift in product mix. There are also costs taken to restructure parts of the shop network.

Frilufts

		2023 (2022)		2023 (2022)
External net sales	Q4	98.5 (101.4) - 2.9%	Q1-Q4	352.1 (347.7) + 1.2%
Operating result	Q4	5.7 (6.0)	Q1-Q4	0.4 (6.4)

The lower sales can be referred to the German market. The annual result was affected by higher costs for internal services, salary increases, and slightly lower gross margins compared to the year before.

Global sales

		2023 (2022)		2023 (2022)
External net sales	Q4	34.4 (47.1) - 26.9%	Q1-Q4	188.5 (205.5) - 8.3%
Operating result	Q4	0.6 (3.9)	Q1-Q4	25.7 (31.0)

As for Brands lower sales in most markets. USA hardest hit, but shows increase in sales, in local currency, on annual basis. There is a positive support from the Canadian market and good performance by our Chinese JV. The relative low effect, from the lower Q4 sales, can be referred to good cost control and higher margins.

Common, Liquidity and financial standing

		2023 (2022)		2023 (2022)
Operating profit	Q4	-4.4 (-1.9)	Q1-Q4	-9.2 (-12.6)

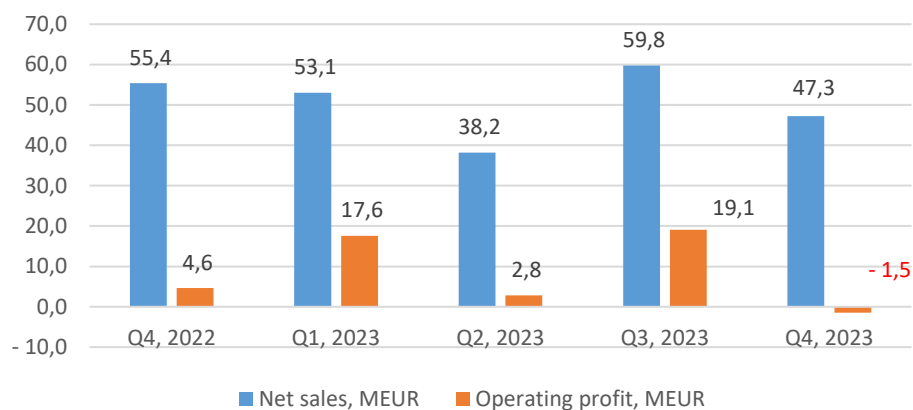
The lower result is mainly explained by write offs of IT investments.

The Group's financial position remains strong. Consolidated cash and cash equivalents amounted to MEUR 119.1 (MEUR: 81.0) per the end of the period. The Group's interest-bearing liabilities amounted to MEUR 71.6 (MEUR: 27.0). In December a loan from Svensk Exportkredit was increased by 24.0 MUSD. Lease liabilities amounted to MEUR 120.6 (MEUR: 122.7). Consolidated equity attributable to shareholders was MEUR 417.2 (MEUR: 405.0), corresponding to a solvency rate of 57.2% (60.0%).

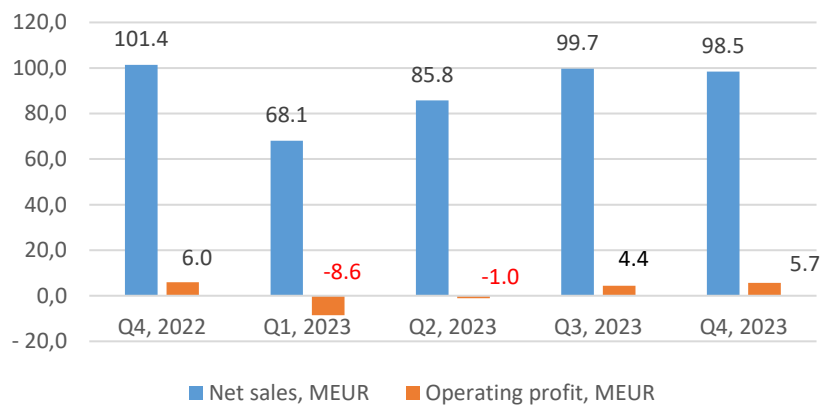
THE OPERATION

Net sales and operating result per segment

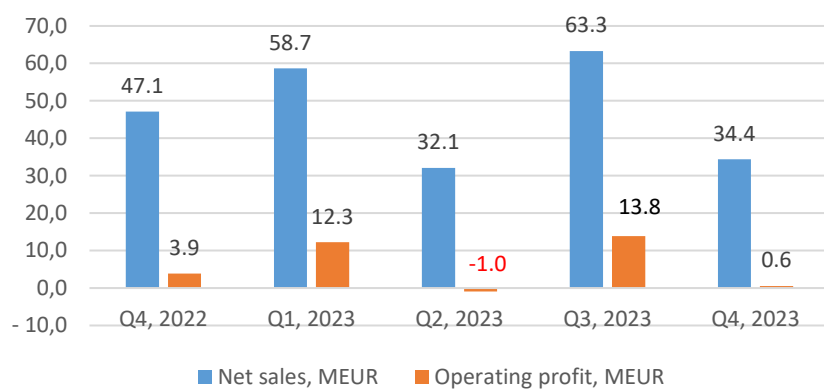
Brands



Friluft



Global sales



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT	3 months		12 months	
	Oct- Dec	Oct- Dec	Jan-Dec	Jan-Dec
MEUR	2023	2022	2023	2022
Net sales	180.2	203.9	739.4	759.2
Other operating income	4.1	2.6	10.7	10.9
Total income	184.3	206.5	750.2	770.1
Cost of goods	-78.6	-84.4	-318.6	-322.6
Other external expenses	-47.2	-50.2	-164.7	-163.7
Personnel expenses	-41.4	-43.2	-154.4	-145.6
Depreciation/amortisation	-17.1	-16.0	-58.7	-55.2
Result from investments in joint ventures	0.4	-0.1	1.2	0.4
Operating expenses	-183.9	-193.9	-695.2	-686.7
Operating profit	0.4	12.5	55.0	83.5
Financial income	-3.1	-2.9	1.0	2.1
Financial expenses	-4.4	-0.8	-8.4	-2.8
Profit before tax	-7.1	8.8	47.6	82.8
Income tax expense	0.4	-2.8	-15.5	-21.8
Net profit for the period	-6.8	6.0	32.0	60.9
Net profit for the period attributable to:				
Parent Company's shareholders	-7.0	5.8	31.6	60.6
Non-controlling interests	0.1	0.2	0.4	0.3
Earnings per A share, EUR	-0.051	0.045	0.240	0.457
Earnings per B share, EUR	-0.51	0.45	2.40	4.57
Weighted average of outstanding shares, B, thousands	10,928	10,928	10,928	10,933
Weighted average of outstanding shares, A, thousands	24,000	24,000	24,000	24,000

Earnings per share calculated as, number of B-shares + 24,000,000/10 A-shares, as A-shares only qualify to a tenth of the dividend compared to B-shares. There are no outstanding options or convertibles which would result in a dilution.

Consolidated Statement of	3 months		12 months	
	Oct- Dec	Oct- Dec	Jan-Dec	Jan-Dec
Comprehensive Income				
MEUR	2023	2022	2023	2022
Net profit for the period	-6.8	6.0	32.0	60.9
Not to be reclassified in the income statement in the future				
Remeasurements of post employment benefit obligations	-0.1	0.3	-0.1	0.3
Taxes	0.0	-0.1	0.0	-0.1
To be reclassified to the income statement in the future				
Change in translation reserve during the period	6.1	-3.5	-1.0	-9.0
Cash flow hedges	-1.6	0.0	-0.8	0.0
Taxes	0.4	0.0	0.2	0.0
Total other comprehensive income for the period	4.9	-3.2	-1.6	-8.7
Total comprehensive income for the period	-2.1	2.8	30.3	52.3
Total comprehensive income attributable to:				
Parent Company's shareholders	-2.2	2.6	29.9	52.0
Non-controlling interests	0.1	0.2	0.4	0.3

FINANCIAL REPORT

	31 Dec 2023	31 Dec 2022
CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR		
Assets		
Non-current assets		
Intangible fixed assets	44.6	47.1
Tangible fixed assets	84.6	79.8
Right-of-use assets	117.2	119.2
Other non-current assets	30.9	18.9
Total non-current assets	277.3	265.0
Current assets		
Inventories	272.6	246.5
Accounts receivable trade and other receivables	51.6	55.8
Tax receivables	2.1	7.1
Prepaid expenses and accrued income	7.2	5.9
Cash and cash equivalents	119.1	81.0
Total current assets excl. current assets held for sale	452.6	396.3
Assets held for sale	-	13.3
Total current assets	452.6	409.6
Total assets	729.9	674.6
Equity and liabilities		
Equity and reserves attributable to the Parent Company's shareholders	417.2	405.0
Non-controlling interests	-	-
Total equity	417.2	405.0
Liabilities		
Non-current liabilities		
Other non-current liabilities	11.7	13.8
Lease liabilities	90.1	91.3
Interest bearing liabilities	36.4	18.0
Total non-current liabilities	138.2	123.1
Current liabilities		
Other current liabilities	71.9	72.8
Lease liabilities	30.5	31.4
Interest bearing liabilities	35.2	9.0
Accrued expenses and deferred income	36.9	31.1
Current liabilities excl. liabilities directly associated with assets held for sale	174.5	144.3
Liabilities directly associated with assets held for sale	-	2.2
Total current liabilities	174.5	146.5
Total liabilities	312.7	269.6
Total equity and liabilities	729.9	674.6

FINANCIAL REPORT

Consolidated statement of changes in equity

Amounts in MEUR	Share capital	Other contributed capital	Cash flow hedge reserve	Foreign currency translation reserve	Treasury shares *)	Retained earnings	Total	Non-controlling interests	Total Equity
01-01-2022	12.4	39.8	1.4	-2.7	-10.2	340.8	381.5	0.0	381.4
Net Profit for the period						60.6	60.6	0.3	60.9
Other comprehensive income for the period				-8.9		0.3	-8.6	-0.1	-8.7
Total comprehensive income for the period	0.0	0.0	0.0	-8.9	0.0	60.9	52.0	0.2	52.2
Transactions with non-controlling interests **)						-1.0	-1.0	-0.2	-1.2
Share based payments ***)							0,0		0,0
Purchase of own shares *)					-1.0		-1.0		-1.0
Dividends resolved at Annual General Meeting						-25.7	-25.7		-25.7
Transfer of cash flow hedge reserve to inventories			0.7				0.7		0.7
31-12-2022	12.4	39.8	0.6	-11.6	-11.2	375.0	405.0	0.0	405.0

Amounts in MEUR	Share capital	Other contributed capital	Cash flow hedge reserve	Foreign currency translation reserve	Treasury shares *)	Retained earnings	Total	Non-controlling interests	Total Equity
01-01-2023	12.4	39.8	0.6	-11.6	-11.2	375.0	405.0	0.0	405.0
Net Profit for the period						31.6	31.6	0.4	32.0
Other comprehensive income for the period			-0.6	-1.0		-0.1	-1.6	-0.1	-1.6
Total comprehensive income for the period	0.0	0.0	-0.6	-1.0	0.0	31.5	29.9	0.3	30.3
Transactions with non-controlling interests **)						0.2	0.2	-0.3	-0.1
Share based payments ***)							0,0		0,0
Dividends resolved at Annual General Meeting						-17.7	-17.7		-17.7
Transfer of cash flow hedge reserve to inventories			-0.2				-0.2		-0.2
31-12-2023	12.4	39.8	-0.2	-12.5	-11.2	389.1	417.2	0.0	417.2

*) Per 31-12-2023 the company held 132,337 B-shares and per 31-12-2022 the company held 132,337 of B-shares.

**) Change in put option, liability, Alpen International and Fenix Outdoor Taiwan Co Ltd.

***) Options program for Senior Managers has been released in 2022 and 2023. The amount related to the remunerated value was zero as per the year end closing.

FINANCIAL REPORT

Consolidated statement of cash flows	Jan-Dec	Jan - Dec
MEUR	2023	2022
OPERATING ACTIVITIES		
Net profit for the period	32.0	60.9
Income tax	15.6	21.8
Financial result net	7.4	0.7
Depreciation for right-of-use assets	34.2	33.9
Depreciation/amortisation tangible and intangible assets	24.5	21.2
Adjustment for non cash items	-0.5	-5.8
Interest received	1.0	-0.2
Interest paid	-4.9	-2.8
Income tax paid	-18.4	-37.4
Cash flow from operating activities before changes in working capital	90.9	92.3
Change in inventories	-24.4	-105.3
Change in operating receivables	-2.1	2.6
Change in operating liabilities	11.3	3.4
Cash flow from operating activities	75.7	-7.0
INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-5.5	-5.6
Purchase of tangible fixed assets	-21.5	-21.5
Sale of tangible fixed assets	0.1	0.2
Change in non-current receivables	0.2	-0.2
Acquisition of subsidiaries, net of cash acquired	-1.7	-
Sale of business (net of cash disposed)	3.7	-
Cash flow from investing activities	-24.7	-27.1
FINANCING ACTIVITIES		
Increase in borrowings	101.5	-
Repaid borrowings	-59.7	-8.7
Payment of lease liabilities	-34.4	-33.7
Purchase of own shares	-	-1.0
Dividends paid	-17.7	-25.7
Cash flow from financing activities	-10.3	-69.1
Change in cash and cash equivalents	40.7	-103.2
Cash and cash equivalents at beginning of year	81.0	181.9
Effect of exchange rate differences on cash and cash equivalents	-2.6	2.3
Cash and cash equivalents at period-end	119.1	81.0

Notes to the financial report

Note 1 Accounting principles

Fenix Outdoor International AG is a listed company with its registered office in Zug, Switzerland.

This quarterly report is prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies adopted are consistent with those applied in the Annual Report for the year ended 31 December 2022 with the exception of new and revised standards and interpretations that become effective January 2023 which did not have an impact on these condensed consolidated interim financial statement. The Group has also applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (amendment to IAS 12 income taxes).

Note 2 Right of use assets

31.12.2023, MEUR	Brands	Frilufts	Global			31.12.2022, MEUR	Brands	Frilufts	Global		
			sales	Common	Total				sales	Common	Total
Right-of use assets	30.3	84.9	1.4	0.6	117.2	Right-of-use assets	29.5	86.9	1.5	1.2	119.1
Lease liabilities	-32.6	-86.3	-1.3	-0.5	-120.7	Lease liabilities	-31.5	-88.6	-1.5	-1.1	-122.7

	Brands	Frilufts	Global				Brands	Frilufts	Global		
			sales	Common	Total				sales	Common	Total
Depreciation	-9.0	-23.2	-1.2	-0.8	-34.2	Depreciation	-10.0	-21.7	-1.1	-1.1	-33.9
Interest cost	-0.8	-1.5	0.0	0.0	-2.3	Interest cost	-0.7	-1.4	0.0	0.0	-2.1

Note 3 Exchange rates

	Average rate		Balance sheet closing rate	
	Jan-Dec 2023	Jan - Dec 2022	2023-12-31	2022-12-31
EUR/SEK	11.4842	10.6571	11.0960	11.1218
EUR/CHF	0.9712	1.0006	0.9260	0.9847
EUR/USD	1.0826	1.0474	1.1050	1.0666
CHF/SEK	11.8253	10.6503	11.9827	11.2946

Note 4 Risks

The risk factors of the Group, presented in the last published annual report 2022, page 26, are still valid.

Note 5 Hedge accounting

	2023-12-31	2022-12-31
Market value, TEUR	-667	424
FX Forwards		
Purchased TUSD	40,000	21,500
Sold TEUR	36,688	19,847
Rate	1.090	1.083
Purchased TUSD	-	1,400
Sold TNOK	-	12,289
Rate	-	8.778

Note 6 Segment reporting – sales and operating result

The Group is organized in three business segments: Brands, Frilufths and Global sales. Fenix Outdoor International AG reports sales and operating result for the segments Brands, Frilufths and Global Sales. The internal monitoring of the operations takes place in this segmentation. Additionally, sales are divided into geographical areas.

	Brands		Frilufths		Global sales		Common		Group	
	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	47.3	55.4	98.5	101.4	34.4	47.1	0.1		180.2	203.9
EBITDA, MEUR	3.0	9.9	13.3	13.6	1.0	4.4	0.1	0.6	17.5	28.6
Operating profit, MEUR	-1.5	4.6	5.7	6.0	0.6	3.9	-4.4	-1.9	0.4	12.5

	Brands		Frilufths		Global sales		Common		Group	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	198.3	206.0	352.1	347.7	188.5	205.5	0.6		739.4	759.2
EBITDA, MEUR	53.0	72.9	30.7	35.0	27.9	33.3	2.0	-2.6	113.7	138.6
Operating profit, MEUR	38.0	58.7	0.4	6.4	25.7	31.0	-9.2	-12.6	55.0	83.5
Number of Stores	48	39	106	101	36	32			190	172
of which are franchise			2	2					2	2
Non-current assets	66.0	64.0	127.6	131.6	14.9	11.0	69.2	58.4	277.2	265.0
Cap. Expenditures	7.8	7.3	3.7	6.9	1.1	1.1	14.4	11.8	27.0	27.1

External sales per market, MEUR	Brands		Frilufths		Global sales		Common		Total	
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	0.7				10.7	11.2			11.4	11.2
Sweden	11.4	18.3	73.9	74.7					85.3	93.0
Other Nordic countries	2.4	2.1	60.5	59.5	33.2	40.6			96.1	102.2
Germany	64.1	67.4	197.1	193.8			0.5		261.6	261.2
Benelux	17.0	18.4	0.3	0.4	10.8	11.6			28.1	30.4
Other Europe	20.0	17.3	20.3	19.3	42.2	45.4	0.1		82.6	82.0
Americas	80.3	79.9			54.8	55.9			135.1	135.8
Other World	2.4	2.6			36.8	40.7			39.2	43.3
Total	198.3	206.0	352.1	347.7	188.5	205.5	0.6	0.0	739.4	759.1

Note 7 Outstanding options from acquisitions

From the acquisition of the Taiwanese distributor, Fenix Outdoor International AG has a right and an obligation through a put and call arrangement, where the price is based on a profit multiple, to acquire the remaining 30% of the company. The exercise period started on 30 June 2022 and ends 30 June 2027. The present value of the redemption amount is recognized as a short-term liability for the amount of MEUR 2.3 and the non-controlling interests are derecognized. The position is valued at each quarter closing.

Fenix Outdoor International AG acquired 2017 Alpen International. The agreement from 2017 includes put/call arrangements for the 25% non-controlling interests, exercisable in the period between 2020 and 2029 whereof 16.8 % were exercised in June 2020. The present value of the redemption amount is recognized as a short-term liability for the amount of MEUR 0.7 and the non-controlling interests are derecognized. The position is valued at each quarter closing.

The periods change of option liabilities MEUR 0.2 are recognized in equity.

Note 8 Sale of business

In December 2022 Fenix Outdoor signed an agreement to divest Primus AB and its subsidiary Primus Eesti Ou to Silva Sweden AB. Fenix Outdoor will, during a transition period, continue to sell Primus in certain markets, through our Global Sales organization, the products will also continue to be an obvious part of Friluftss Retail Europe's product assortment.

The divest of Primus AB and its subsidiary Primus Eesti Ou that was signed in December 2022 have no significant effect on Fenix Outdoor's consolidated income statements. Primus AB and Primus Eesti Ou had EUR as functional currency and was consolidated as a subgroup in Fenix.

The final part of the closing was set during 2023 and has been calculated to a salesprice of MEUR 6.9. MEUR 3.7 are paid in net of cash as repayment of Group internal loans and payment of salesprice. MEUR 6,1 of the purchase price are reported as Non-current receivables (interest-bearing) as it will be paid according to a payment plan the coming three years, 1/3 of the loan due 28.04.2025, 28.04.2026 and 28.04.2027.

	2023-12-31	2022-12-31
Tangible assets	0.3	0.3
Goodwill	0.3	0.0
Inventory	9.6	11.4
Accounts receivable trade and other receivables	3.2	1.5
Prepaid expenses and accrued income	0.7	0.1
Cash and cash equivalents	1.8	0.0
Total assets, classified as held for sale 31.12.2022	16.0	13.3
Other current liabilities	7.5	1.5
Current tax liabilities	0.4	0.0
Accrued expenses and deferred income	0.2	0.3
Total liabilities, classified as held for sale 31.12.2022	8.2	1.8
Net assets disposed of	7.8	11.5
Sales price	6.9	
Result recognised in Financial income P/L	-0.9	
Sales proceeds		
Sales price	6.9	
Sales price as Non-current receivables	6.1	
Short term liability for reduction of sales price	0.1	
Received payment for part of sales price	0.8	
Cash disposed of	-1.8	
Settlements of loans to Primus	4.6	
Cash flow from Sale of business	3.7	

Note 9 Acquisition of Exist

In June 2023 Naturkompaniet AS, a subsidiary within the Fenix Group acquired the Norwegian e-commerce site Exist Internet AS and its two subsidiaries Fjellshop AS and Fjellshop Tromsø AS, including two stores, one in Lillehammer and one in Tromsø. The consideration amounted to MEUR 2.0 and net cash acquired of MEUR 0.3 resulted in a cash outflow of MEUR 1.7. The provisional acquisition resulted in a preliminary goodwill position of MEUR 1.1 and is not expected to be tax deductible. The acquisition has a limited effect on the total financial figures of the Group.

Note 10 Transactions with related parties

There have been no major changes in relations to transactions with related parties compared to 2022.

Note 11 Events after period closing

No significant events after period close are noted.

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Zug, February 13, 2024

The President certifies that this report gives a true and fair view of the Group's operations, position and results and describes the principal risks and uncertainties that the Company and the companies in the group are exposed to.

Alexander Koska
President

Calendarium

Q1 report, May 2, 2024
Q2 report, July 22, 2024