

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 31 March 2023

First quarter 2023-01-01 – 2023-03-31

- The total income of the Group was TEUR 181,860 (TEUR: 167,125), an increase of 8.8%.
- The EBITDA of the Group was TEUR 31,236 (TEUR: 30,753).
- The operating profit of the Group was TEUR 17,093 (TEUR:17,737).
- The profit before tax of the Group was TEUR 16,302 (TEUR: 18,114).
- The profit after tax of the Group was TEUR 10,570 (TEUR: 12,656).
- Earnings per share amounted to EUR 0.79 (EUR: 0.95).

Events after period closing:

No significant events after period close are noted.

Holding of own shares

As per 2023-03-31 the company holds 132,337 B-shares representing 0.98 % of the capital.

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 April 21 2023 at 13 00.

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

COMMENTS BY THE EXECUTIVE CHAIRMAN

A challenging start

We entered Q1 with a reasonable orderbook. There was however a question of how much we could realize given the development in the market. Another concern was how the political and economic situation was going to affect the retail business. We can now say that it went all right. The trading for Frilufts has been a bit volatile between the weeks but ended up ahead of last year. For Brands and Global sales we were able to realize sales according to plan without any major hiccups. Due to the inventory situation, we did however face some extra logistic costs of around 800 KEUR to enable us to deliver goods. In terms of costs, we are still fighting increases in the same way as in the last quarters. We do however believe that we have it under control. The gross margin is stable on consolidated basis, due to substantially lower transportation costs of goods as well as more sales directly to consumer.

In terms of geographical development, the Nordics was not showing any growth, whereas the rest of Europe did. The Americas showed the highest growth. Our operations in Korea and Taiwan did show a slowdown due to opening borders in Taiwan (which meant people started to travel) and that one of our shops in Korea is still being renovated after a fire in end of last year. The Joint Venture in China had a very good quarter as China domestic movement restrictions were lifted.

Group total

Total sales increased to 180.0 (165.2) MEUR, which is a new record for the first quarter. All segments contributed to the growth. The operating profit ended on 17.1 (17.7) MEUR . We are however still facing increases in our structural costs such as salaries and energy, even though lower than expected.

Brands

Good development in all major markets, except Sweden. The largest growth is shown in the Americas and in Germany. In America the Brands segment is present through a network of brand retail shops as well as through online business. All channels showed reasonable growth. Overall, most of the brands showed a nice growth. Compared to last year Brands external net sales increased by 12.8% to 53.1 (47.0) MEUR. The operating profit was stable at 17.6 (18.3) MEUR.

Global sales

As for Brands, we saw a good development in most markets, except the Nordics. There was an increase in net sales from 53.6 to 58.7 MEUR. The strongest growth was shown in the US and Other Europe. The operating profit increased to 12.3 (9.7) MEUR.

Frilufts

For the first time in years, we now have comparable numbers for Q1. The positive development for the brick-and-mortar sales continued, but the digital business was slower. In terms of sales Germany and Denmark grew on comparable numbers. The other markets had minor decreases of sales. Trekit in the UK, which predominately is a digital player was hit the hardest, but they were still profitable. In total, the Net sales for Frilufts increased by 5.4% to 68.1 (64.6) MEUR. Q1 is by tradition a weak quarter for Retail. The operating profit was -8.6 (6.7) MEUR due to a slightly lower gross margin, inflation driven costs and higher costs for internal IT services.

Sales channels

Brick and Mortar performed better in sales vs the digital channels. This seems to be a market trend. Some digital competitors in our niche has also exited the market. The digital sales were 16.8% of total sales of the quarter, which is a decrease from 18.1% in Q1 2022.

Q2 sales

In terms of our expectations for Q2 it is hard to predict. We have indications that there are high inventory levels both in retail as well as in wholesale. Given the potential recession and the security situation the coming

demand is hard to predict. There is a definite risk for discounting in the market, as well as risk of dealers, pure digital, ending up in financial distress. I do however believe that North America will continue to perform well.

Going forward

As I have mentioned earlier, we are facing an inventory situation which is not satisfactory. On the retail side we are potentially facing heavy discounting which means we might have to answer in a limited way. On the brands side, which also has a large inventory, we are not as sensitive as most of our products have a long lifetime/are running styles. This means than nonordinary discounting is not really an option as it potentially decreases the ability to gain full pricing. We believe that we will see a decrease in our inventory during Q3 given that we have been able to adjust purchasing, furthermore we will be depending upon the economic development in most of our markets. The upwards cost pressure has lightened in some areas, like transport and manufacturing, but there is still pressure in IT and salaries etc. This means that I/we expect a recovery in gross margin probably spring 2024. The general inflationary pressures in Europe and North America are however hard to predict. So, I/we believe that a full recovery will be 2024.

I am positive in terms of the long-term future as I believe that our business model has and will continue to show its robustness. Furthermore, I believe our investments in automated logistics, and IT will start influencing our costs in 2024.

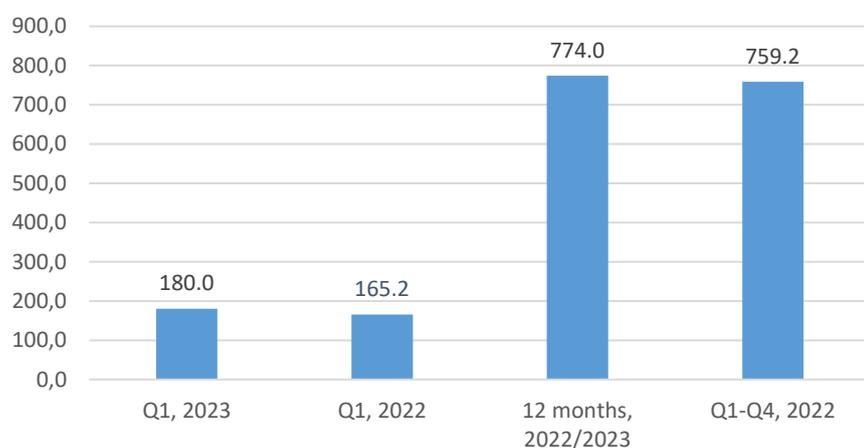
We can however not relax and stay sharp for further new changes/developments.

Martin Nordin, Chairman of the Board

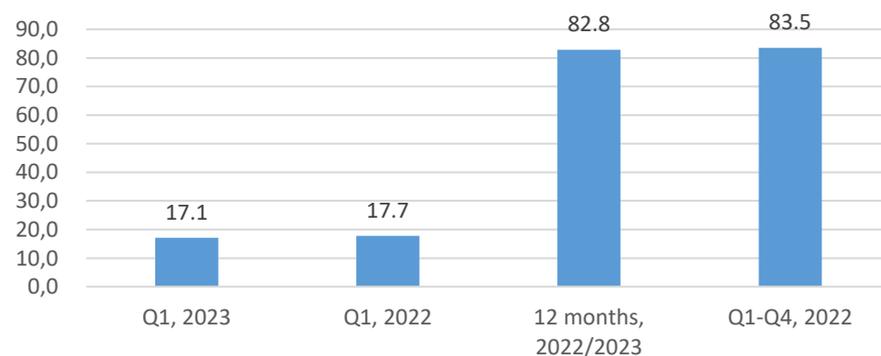
MEUR	Jan-Mar 2023	Jan-Mar 2022	Apr-Mar 2022/2023	Jan-Dec 2022
Net sales	180.0	165.2	774.0	759.2
EBITDA	31.2	30.8	139.1	138.7
Operating profit	17.1	17.7	82.8	83.5
Profit margin, %	9.5%	10.7%	10.7%	11.0%
Profit before tax	16.3	18.1	81.0	82.8
Net profit for the period	10.6	12.7	58.9	60.9
Earnings per share, EUR *)	0.79	0.95	4.41	4.57
Solvency rate, % *)	60.9%	60.1%		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, Frilufts and Global sales.

- Brands includes the brands Fjällräven, Tierra, Primus, 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 Frilufts, the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH, Friluftsland A/S, Naturkompaniet AS and Trekitt 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.

First quarter 2023-01-01 – 2023-03-31

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	53.1	47.0	68.1	64.6	58.7	53.6	0.2	-	180.0	165.2
EBITDA, MEUR	21.0	21.2	-1.0	0.3	12.8	10.3	-1.5	-1.0	31.2	30.8
Operating profit, MEUR	17.6	18.3	-8.6	-6.7	12.3	9.7	-4.2	-3.5	17.1	17.7
Number of Stores	39	38	101	96	32	32	-	-	172	166
of which are franchise	-	-	1	2	-	-	-	-	1	2
Non-current assets	62.3	52.2	129.6	140.2	11.2	12.1	62.0	56.8	265.1	261.3
Cap. Expenditures	1.8	1.0	1.6	2.4	0.3	0.3	4.6	2.0	8.3	5.7

External sales per market, MEUR	Brands		Frilufts		Global sales		Common		Total	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	-	-	-	-	3.9	3.6	-	-	2.2%	2.2%
Sweden	3.5	4.0	12.7	13.2	-	-	-	-	9.0%	10.4%
Other Nordic countries	0.4	0.3	11.4	11.0	9.7	10.6	-	-	11.9%	13.3%
Germany	20.2	17.6	39.6	35.6	-	-	0.1	-	33.3%	32.2%
Benelux	6.0	4.9	0.1	0.1	4.9	4.0	-	-	6.1%	5.5%
Other Europe	5.0	3.3	4.3	4.7	15.8	11.6	-	-	13.9%	11.9%
Americas	17.7	15.7	-	-	12.3	10.9	-	-	16.7%	16.1%
Other World	0.2	1.2	-	-	12.2	12.9	-	-	6.9%	8.5%
Total	53.0	47.0	68.1	64.6	58.8	53.6	0.1	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)
External net sales	Q1	53.1 (47.0) + 12.8%
Operating profit	Q1	17.6 (18.3)

Good development of sales in all major markets, except for Sweden. Fjällräven and Hanwag showed the largest growth. As expected, the costs were above last year, but still lower than budgeted.

Friluftis

		2023 (2022)
External net sales	Q1	68.1 (64.6) + 5.4%
Operating result	Q1	-8.6 (-6.7)

The positive development for the brick-and-mortar sales continued. The digital business remained stable. In terms of markets Germany and Denmark grew on comparable numbers. The result was hit by slightly lower gross margin and higher costs.

Global sales

		2023 (2022)
External net sales	Q1	58.7 (53.6) + 9.5%
Operating result	Q1	12.3 (9.7)

As for Brands, we saw a good development in most markets, except the Nordics.

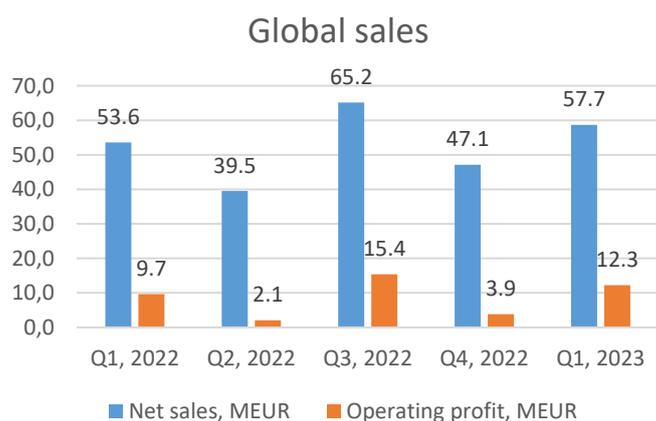
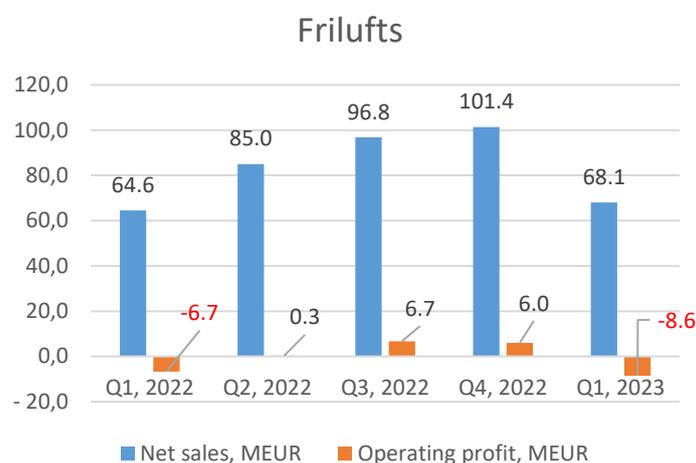
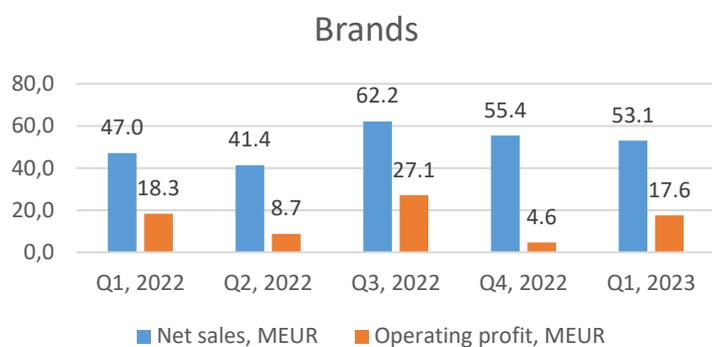
Common, Liquidity and financial standing

		2023 (2022)
Operating profit	Q1	-4.2 (-3.5)

The Group's financial position remains strong. Consolidated cash and cash equivalents amounted to MEUR 37.7 (MEUR: 137.6) per the end of the period. The Group's interest-bearing liabilities amounted to MEUR 34.8 (MEUR: 33.9). Lease liabilities amounted to MEUR 120.8 (MEUR: 123.0). Consolidated equity attributable to shareholders was MEUR 411.1 (MEUR: 393.5), corresponding to a solvency rate of 60.9% (60.1%).

THE OPERATION

Net sales and operating result per segment



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2023	2022	2022/2023	2022
Net sales	180.0	165.2	774.0	759.2
Other operating income	1.8	1.9	10.8	10.9
Total income	181.9	167.1	784.9	770.1
Cost of goods	-77.7	-72.3	-328.0	-322.6
Other external expenses	-36.2	-31.2	-168.7	-163.7
Personnel expenses	-37.0	-33.0	-149.7	-145.6
Depreciation/amortisation	-14.1	-13.0	-56.3	-55.2
Result from participations in joint ventures	0.3	0.1	0.6	0.4
Operating expenses	-164.8	-149.4	-702.0	-686.7
Operating profit	17.1	17.7	82.8	83.5
Financial income	0.8	1.0	1.9	2.1
Financial expenses	-1.6	-0.7	-3.8	-2.8
Profit before tax	16.3	18.1	81.0	82.8
Income tax	-5.7	-5.5	-22.1	-21.8
Net profit for the period	10.6	12.7	58.9	60.9
Net profit for the period attributable to:				
Parent Company's shareholders	10.7	12.7	58.2	60.6
Non-controlling interests	-0.1	0.0	0.7	0.3
Earnings per B share, EUR	0.79	0.95	4.41	4.57
Weighted average of outstanding shares, B, thousands	10,933	10,940	10,940	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.

Consolidated Statement of Comprehensive Income	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2023	2022	2022/2023	2022
MEUR				
Net profit for the period	10.6	12.7	58.9	60.9
Not to be reclassified in the income statement in the future				
Remeasurements of post employment benefit obligations	-	-	0.4	0.3
Taxes	-	-	-0.1	-0.1
To be reclassified to the income statement in the future				
Change in translation reserve during the period	-3.0	-0.5	2.7	-9.0
Hedge accounting	-0.7	-	0.4	4.0
Taxes	0.1	-	-0.1	-0.9
Total other comprehensive income for the period	-3.6	-0.5	3.3	-5.6
Total comprehensive income for the period	7.1	12.2	62.1	55.3
Total comprehensive income attributable to:				
Parent Company's shareholders	7.3	12.2	61.4	55.1
Non-controlling interests	-0.2	0,0	0.7	0,2

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR	31 Mar 2023	31 Mar 2022	31 Dec 2022
Assets			
Non-current assets			
Intangible fixed assets	45.6	49.4	47.1
Tangible fixed assets	82.8	74.7	79.8
Right-of-use assets	117.3	120.1	119.2
Other non-current assets	19.4	17.1	18.9
Total non-current assets	265.1	261.3	265.0
Current assets			
Inventories	271.1	182.2	246.5
Accounts receivable trade and other receivables	82.4	67.8	63.0
Prepaid expenses and accrued income	5.6	6.1	5.8
Cash and cash equivalents	37.7	137.6	81.0
Total current assets excl. Current assets held for sale	396.8	393.7	396.2
Assets held for sale	13.3	-	13.3
Total current assets	410.1	393.7	409.5
Total assets	675.2	655.0	674.6
Equity and liabilities			
Equity and reserves attributable to the Parent Company's shareholders	411.1	393.5	405.0
Non-controlling interest	-	-	-
Total equity	411.1	393.5	405.0
Liabilities			
Non-current liabilities			
Other non-current liabilities	13.8	15.4	13.8
Lease liabilities	90.0	94.0	91.3
Interest bearing liabilities	25.8	24.8	18.0
Total non-current liabilities	129.6	134.2	123.1
Current liabilities			
Other current liabilities	64.7	62.7	72.8
Lease liabilities	30.8	29.0	31.4
Interest bearing liabilities	9.0	9.1	9.0
Accrued expenses and deferred income	28.7	26.5	31.1
Current liabilities excl. liabilities directly associated with assets held for sale	133.2	127.3	144.2
Liabilities directly associated with assets held for sale	1.2	-	2.2
Total current liabilities	134.4	127.3	146.5
Total Liabilities	264.0	261.6	269.6
Total equity and liabilities	675.2	655.0	674.6

FINANCIAL REPORT

Statement of changes in Equity MEUR	Share capital	Other contributed capital	Cash flow hedge reserve	Foreign currency translation reserve	Treasury shares *)	Retained earnings	Total	Non-controlling interest	Total Equity
01-01-2022	12.4	39.8	1.4	-2.7	-10.2	340.8	381.5	0.0	381.5
Net Profit for the period						12.6	12.6	-	12.7
Other comprehensive income for the period				-0.5			-0.5	-	-0.5
Total comprehensive income for the period				-0.5		12.6	12.1	-	12.1
Transactions with non-controlling interests						-0.2	-0.2	-	-0.2
Transfer of cash flow hedge reserve to inventories			0.1				0.1	-	0.1
31-03-2022	12.4	39.8	1.5	-3.2	-10.2	353.3	393.5	0.0	393.5
01-01-2023	12.4	39.8	0.6	-11.6	-11.2	375.0	405.0	0.0	404.9
Net Profit for the period						10.6	10.6	-0.1	10.6
Other comprehensive income for the period			-0.6	-3.0			-3.4	-0.1	-3.6
Total comprehensive income for the period			-0.6	-3.0		10.6	7.3	-0.2	7.1
Transactions with non-controlling interests						-0.5	-0.5	0.2	-0.3
Transfer of cash flow hedge reserve to inventories			-0.7				-0.7	-	-0.7
31-03-2023	12.4	39.8	-0.6	-14.5	-11.2	385.2	411.1	0.0	411.1

*) As per 2023-03-31 the company owned 132 337 of own B-shares and as per 2022-03-31 the company owned 119 598 of own B-shares.

FINANCIAL REPORT

Consolidated statement of cash flows	3 months		12 months
	Jan-Mar	Jan-Mar	Jan – Dec
	2023	2022	2022
MEUR			
OPERATING ACTIVITIES			
Net profit for the period	10.6	12.7	60.9
Income tax	5.7	5.5	21.8
Financial result net	0.8	-0.4	0.7
Depreciation for right-of-use assets	8.4	7.9	33.9
Depreciation/amortisation tangible and intangible assets	5.8	5.2	21.2
Adjustment for non cash items	-3.2	-0.5	-5.8
Interest received	0.8	-0.1	-0.2
Interest paid	-1.2	-0.7	-2.8
Income tax paid	-8.2	-15.1	-37.4
Cash flow from operating activities before changes in working capital	19.5	14.5	92.4
Change in inventories	-24.6	-29.5	-105.3
Change in operating receivables	-20.5	-5.0	2.6
Change in operating liabilities	-8.0	-9.3	3.4
Cash flow from operating activities	-33.6	-29.3	-6.9
INVESTING ACTIVITIES			
Purchase of intangible fixed assets	-0.7	-1.7	-5.6
Purchase of tangible fixed assets	-7.6	-4.0	-21.5
Sale of tangible fixed assets	0.1	-	0.2
Change in non-current receivables	-	-	-0.2
Cash flow from investing activities	-8.2	-5.7	-27.0
FINANCING ACTIVITIES			
Increase in borrowings	10.0	-	-
Repaid borrowings	-2.2	-2.3	-8.7
Payment of lease liabilities	-8.8	-8.1	-33.7
Repayment of other long term liabilities	-	-0.1	-
Purchase of own shares	-	-	-1.0
Dividends paid	-	-	-25.7
Cash flow from financing activities	-1.0	-10.5	-69.2
Change in cash and cash equivalents	-42.8	-45.5	-103.2
Cash and cash equivalents at beginning of year	81.0	181.9	181.9
Effect of exchange rate differences on cash and cash equivalents	-0.5	1.2	2.3
Cash and cash equivalents at period-end	37.7	137.6	81.0

Note 4 Risks

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

Note 5 Segment reporting – sales and operating result

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

First quarter 2023-01-01 – 2023-03-31

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External sales, MEUR	53.1	47.0	68.1	64.6	58.7	53.6	0.2	0.0	180.0	165.2
EBITDA, MEUR	21.0	21.2	-1.0	0.3	12.8	10.3	-1.5	-1.0	31.2	30.8
Operating profit, MEUR	17.6	18.3	-8.6	-6.7	12.3	9.7	-4.2	-3.5	17.1	17.7
Number of Stores	39	38	101	96	32	32	-	-	172	166
of which are franchise	-	-	1	2	-	-	-	-	1	2
Non-current assets	62.3	52.2	129.6	140.2	11.2	12.1	62.0	56.8	265.1	261.3
Cap. Expenditures	1.8	1.0	1.6	2.4	0.3	0.3	4.6	2.0	8.3	5.7

External sales per market, MEUR	Brands		Frilufts		Global sales		Common		Total	
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	-	-	-	-	3.9	3.6	-	-	3.9	3.6
Sweden	3.5	4.0	12.7	13.2	-	-	-	-	16.2	17.2
Other Nordic countries	0.4	0.3	11.4	11.0	9.7	10.6	-	-	21.5	21.9
Germany	20.2	17.6	39.6	35.6	-	-	0,1	-	60.1	53.2
Benelux	6.0	4.9	0.1	0.1	4.9	4.0	-	-	11.0	9.0
Other Europe	5.0	3.3	4.3	4.7	15.8	11.6	-	-	25.0	19.6
Americas	17.7	15.7	-	-	12.3	10.9	-	-	30.0	26.6
Other World	0.2	1.2	-	-	12.2	12.9	-	-	12.4	14.1
Total	53.0	47.0	68.1	64.6	58.8	53.6	0,1	0.0	180.0	165.2

Note 6 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 2.6 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 0.6 and the non-controlling interests are derecognized. The position is valued at each quarter closing.

Future changes in the options liabilities will be recognized in equity.

Note 7 Option program to Senior managers

An option program was released in late 2022. In 2022 22,000 options were granted to some defined Senior managers. In quarter one 2023 further 44,000 options were granted. The average exercise price was set to SEK 877 and was equal to the market price of the shares on the days of the grant. Exercise starts in November 2025 and ends in March 2030. The options vest if the person is still employed on such date. If this is not met, the options lapse.

Note 8 Events after period closing

In December 2022 Fenix Outdoor signed an agreement to divest Primus AB and its subsidiary Primus Eesti Ou to Silva Sweden AB. The closing is planned to take place in the spring of 2023. 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 Frilufts Retail Europe's product assortment.

The divest of Primus AB and its subsidiary Primus Eesti Ou that was signed in December will have no significant effect on Fenix Outdoor's consolidated income statements and related assets and liabilities are reported as assets held for sale and liabilities directly associated with the assets held for sale.

Except the mentioned above, no significant events after period close are noted.

Note 9 Transactions with related parties

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

.....
Zug, April 21, 2023

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

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Calendarium

Q2 report, July 21, 2023

