

Consolidated statement of comprehensive income

(For the year ended 31 December)

CONSOLIDATED INCOME STATEMENT (DKK million)				CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (DKK million)			
	Notes	2018	2017		Notes	2018	2017
Revenue	2.1, 2.2	22,806	22,781	Net profit for the year		5,045	5,768
Cost of sales	2.3, 3.1, 3.2	-5,864	-5,815	Other comprehensive income:			
Gross profit		16,942	16,966	Items that may be reclassified to profit/loss for the year			
Sales, distribution and marketing expenses	2.3, 3.1, 3.2	-8,222	-7,045	Exchange rate adjustments of investments in subsidiaries		1	-343
Administrative expenses	2.3, 3.1, 3.2	-2,289	-2,137	Commodity hedging instruments:			
Operating profit	2.2	6,431	7,784	- Realised in net cost of sales		-6	-
Finance income	4.6	533	198	- Realised in net financials		-3	7
Finance costs	4.6	-382	-315	- Realised in inventories		117	43
Profit before tax		6,582	7,667	- Fair value adjustments		-84	75
Income tax expense	2.5	-1,537	-1,899	Foreign exchange hedging instruments:			
Net profit for the year		5,045	5,768	- Realised in net financials		-97	-117
Earnings per share, basic (DKK)	4.2	47.2	52.0	- Fair value adjustments		129	101
Earnings per share, diluted (DKK)	4.2	47.0	51.8	Tax on other comprehensive income, hedging instruments, income/expense	2.5	-12	-25
				Items that may be reclassified to profit/loss for the year, net of tax		45	-259
				Items not to be reclassified to profit/loss for the year			
				Actuarial gain/loss on defined benefit plans, net of tax	2.3	12	-2
				Items not to be reclassified to profit/loss for the year, net of tax		12	-2
				Other comprehensive income, net of tax		57	-261
				Total comprehensive income for the year		5,102	5,507

Consolidated balance sheet

(At 31 December)

ASSETS (DKK million)	Notes	2018	2017 ¹	EQUITY AND LIABILITIES (DKK million)	Notes	2018	2017 ¹
Goodwill		4,278	3,522	Share capital	4.1	110	113
Brand		1,057	1,057	Treasury shares	4.1	-3,469	-1,999
Distribution network		124	154	Reserves		967	922
Distribution rights		1,047	1,153	Dividend proposed		920	987
Other intangible assets		1,272	1,113	Retained earnings		7,891	6,491
Total intangible assets	3.1	7,778	6,999	Total equity		6,419	6,514
Property, plant and equipment	3.2	2,634	2,324	Provisions	3.6	279	150
Deferred tax assets	2.5	1,050	884	Loans and borrowings	4.3, 4.4	6,421	5,283
Other financial assets		323	289	Deferred tax liabilities	2.5	461	501
Total non-current assets		11,785	10,496	Other payables	4.4	172	481
Inventories	3.4	3,158	2,729	Total non-current liabilities		7,333	6,415
Trade receivables	3.5	1,650	1,954	Provisions	3.6	28	47
Right-of-return assets	3.7	94	188	Refund liabilities	3.7	869	791
Derivative financial instruments	4.4, 4.5	162	153	Contract liabilities	3.7	66	64
Income tax receivable		86	143	Loans and borrowings	4.3, 4.4	248	164
Other receivables		922	772	Derivative financial instruments	4.4, 4.5	83	143
Cash	4.3	1,387	993	Trade payables	4.4	2,253	1,695
Total current assets		7,459	6,932	Income tax payable		543	572
Total assets		19,244	17,428	Other payables	4.4	1,402	1,023
				Total current liabilities		5,492	4,499
				Total liabilities		12,825	10,914
				Total equity and liabilities		19,244	17,428

¹ Figures have been restated to reflect the adoption of IFRS 15.

Consolidated statement of changes in equity

(For the year ended 31 December)

(DKK million)	Notes	Share capital	Treasury shares	Translation reserve	Hedging reserve	Dividend proposed	Retained earnings	Total equity
2018								
Equity at 1 January		113	-1,999	912	10	987	6,491	6,514
Net profit for the year		-	-	-	-	-	5,045	5,045
Exchange rate adjustments of investments in subsidiaries		-	-	1	-	-	-	1
Fair value adjustments of hedging instruments		-	-	-	56	-	-	56
Actuarial gain/loss	2.3	-	-	-	-	-	12	12
Tax on other comprehensive income	2.5	-	-	-	-12	-	-	-12
Other comprehensive income, net of tax		-	-	1	44	-	12	57
Total comprehensive income for the year		-	-	1	44	-	5,057	5,102
Fair value adjustments of obligation to acquire non-controlling interests		-	-	-	-	-	77	77
Share-based payments	2.3, 2.4	-	-	-	-	-	-31	-31
Share-based payments (exercised)		-	105	-	-	-	-105	-
Share-based payments (tax)		-	-	-	-	-	-11	-11
Purchase of treasury shares		-	-3,289	-	-	-	-	-3,289
Reduction of share capital		-3	1,714	-	-	-	-1,711	-
Dividend paid	4.2	-	-	-	-	-1,954	11	-1,943
Dividend proposed	4.2	-	-	-	-	1,887	-1,887	-
Equity at 31 December		110	-3,469	913	54	920	7,891	6,419
2017								
Equity at 1 January		117	-4,334	1,255	-74	1,007	8,823	6,794
Net profit for the year		-	-	-	-	-	5,768	5,768
Exchange rate adjustments of investments in subsidiaries		-	-	-343	-	-	-	-343
Fair value adjustments of hedging instruments		-	-	-	109	-	-	109
Actuarial gain/loss	2.3	-	-	-	-	-	-2	-2
Tax on other comprehensive income	2.5	-	-	-	-25	-	-	-25
Other comprehensive income, net of tax		-	-	-343	84	-	-2	-261
Total comprehensive income for the year		-	-	-343	84	-	5,766	5,507
Fair value adjustments of obligation to acquire non-controlling interests		-	-	-	-	-	-126	-126
Share-based payments	2.3, 2.4	-	-	-	-	-	66	66
Share-based payments (exercised)		-	217	-	-	-	-215	2
Share-based payments (tax)		-	-	-	-	-	-13	-13
Purchase of treasury shares		-	-1,721	-	-	-	-	-1,721
Reduction of share capital		-4	3,839	-	-	-	-3,835	-
Dividend paid	4.2	-	-	-	-	-4,004	9	-3,995
Dividend proposed	4.2	-	-	-	-	3,984	-3,984	-
Equity at 31 December		113	-1,999	912	10	987	6,491	6,514

Consolidated statement of cash flows

(For the year ended 31 December)

(DKK million)	Notes	2018	2017 ¹
Profit before tax		6,582	7,667
Finance income	4.6	-533	-198
Finance costs	4.6	382	315
Depreciation and amortisation		990	721
Share-based payments	2.4	-31	66
Change in inventories		-18	145
Change in receivables		224	-237
Change in payables and other liabilities		762	-166
Other non-cash adjustments	4.7	59	102
Interest etc. received		4	3
Interest etc. paid		-58	-44
Income taxes paid		-1,739	-1,768
Cash flows from operating activities, net		6,624	6,606
Acquisition of subsidiaries and activities, net of cash acquired	3.3	-1,071	-1,843
Purchase of intangible assets		-380	-427
Purchase of property, plant and equipment		-727	-890
Change in other non-current assets		-23	-48
Proceeds from sale of property, plant and equipment		10	12
Cash flows from investing activities, net		-2,191	-3,196
Dividend paid	4.2	-1,943	-3,995
Purchase of treasury shares	4.1	-3,289	-1,721
Proceeds from loans and borrowings	4.3	4,413	4,981
Repayment of loans and borrowings	4.3	-3,191	-2,542
Cash flows from financing activities, net		-4,010	-3,277
Net increase/decrease in cash		423	133
Cash at 1 January ²		993	897
Exchange gains/losses on cash		-29	-37
Net increase/decrease in cash		423	133
Cash at 31 December²		1,387	993

(DKK million)	Notes	2018	2017 ¹
Cash flows from operating activities, net		6,624	6,606
- Interest etc. received		-4	-3
- Interest etc. paid		58	44
Cash flows from investing activities, net		-2,191	-3,196
- Acquisition of subsidiaries and activities, net of cash acquired		1,071	1,843
Free cash flow		5,558	5,294
Unutilised credit facilities		1,833	3,085

The above cannot be derived directly from the income statement and the balance sheet.

¹ Figures have been restated to reflect the adoption of IFRS 15.

² Cash comprises cash at bank and in hand.

Five-Year Summary

(DKK million)	2018	2017 ¹	2016 ¹	2015	2014
Consolidated income statement					
Revenue	22,806	22,781	20,281	16,737	11,942
Gross profit	16,942	16,966	15,223	12,193	8,423
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7,421	8,505	7,922	6,214	4,294
Operating profit (EBIT)	6,431	7,784	7,404	5,814	4,072
Net financials	151	-117	246	-469	-200
Net profit for the year	5,045	5,768	6,025	3,674	3,098
Consolidated balance sheet					
Total assets	19,244	17,428	15,321	13,311	10,556
Invested capital ²	12,071	11,369	9,242	8,047	5,911
Operating working capital	2,555	2,988	2,782	2,388	1,990
Net interest-bearing debt (NIBD) ²	5,652	4,855	2,448	1,909	-1,121
Equity	6,419	6,514	6,794	6,139	7,032
Consolidated cash flow statement					
Cash flow related to mergers and acquisitions	-1,071	-1,843	-210	-260	-155
Free cash flow	5,558	5,294	5,358	2,449	3,868
Cash conversion, %	86.4%	68.0%	72.4%	42.1%	95.0%
Ratios					
Revenue growth, %	0%	12%	21%	40%	33%
Revenue growth, local currency, %	3%	15%	24%	29%	33%
Total like-for-like sales-out, %	-4%	0%	8%	15%	20%
Retail like-for-like sales-out, %	0%	10%	16%	29%	35%
Effective tax rate, %	23.4%	24.8%	21.2%	31.3%	20.0%
Equity ratio, %	33.4%	37.4%	44.3%	46.1%	66.6%
NIBD to EBITDA ² , x	0.8x	0.6x	0.3x	0.3x	-0.3x
Return on invested capital (ROIC) ² , %	53.3%	68.5%	80.1%	72.3%	68.9%
Days sales outstanding	50	47	37	32	32

(DKK million)	2018	2017 ¹	2016 ¹	2015	2014
Margins					
Gross margin, %	74.3%	74.5%	75.1%	72.9%	70.5%
EBITDA margin, %	32.5%	37.3%	39.1%	37.1%	36.0%
EBIT margin, %	28.2%	34.2%	36.5%	34.7%	34.1%
Share information					
Number of shares	110,029,003	112,507,391	117,056,821	122,297,169	128,115,820
Nominal value, DKK	1	1	1	1	1
Share capital, DKK million	110,029,003	112,507,391	117,056,821	122,297,169	128,115,820
Treasury shares	7,825,553	2,891,926	5,130,682	6,063,915	7,216,058
Share options outstanding	272,971	413,538	581,252	823,567	1,382,800
Share options granted	139,478	104,470	105,665	171,678	227,555
Share options exercised	152,510	256,212	334,877	718,165	170,784
Share options lapsed	127,535	15,972	13,103	12,746	185,556
Dividend per share ³ , DKK	9.00	9.00	9.00	13.00	9.00
Quarterly dividend per share ⁴ , DKK	9.00	27.00	-	-	-
Total payout ratio (incl. share buyback), %	103.7%	99.1%	91.5%	135.8%	104.1%
Earnings per share, basic, DKK	47.2	52.0	52.8	30.9	25.0
Earnings per share, diluted, DKK	47.0	51.8	52.5	30.7	24.7
Share price at year-end, DKK	265.3	675.5	924.0	872.0	504.5
Other key figures					
Capital expenditure (CAPEX)	1,129	1,388	1,199	1,109	455
Capital expenditure, tangible assets (CAPEX)	753	946	828	706	297
Store network, total number of concept stores	2,705	2,446	2,138	1,802	1,410
Average number of full-time employees	24,030	20,904	17,770	13,971	9,957

¹ Figures have been restated to reflect the adoption of IFRS 15.

² For 2014, 2015, 2016 and 2017, Invested capital and NIBD have been restated due to immaterial reclassifications. Consequently, NIBD to EBITDA and ROIC have been recalculated.

³ Proposed dividend per share for 2018.

⁴ Quarterly dividend per share for 2018, paid in 2018.