



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

September 2022

January 1 – September 30, 2022

(9 months)

GEORG JENSEN A/S, SDR. FASANVEJ 7, DK-2000 FREDERIKSBERG

COMPANY REG.NO.: 26573645

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MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q3			9 MONTHS		
	DKK million, except for number of stores	2022	2021	Change	2022	2021
Revenue	291.9	242.7	20%	765.8	649.7	18%
EBITDA	49.0	39.7	23%	103.0	83.2	24%
EBIT	20.7	11.0		15.4	-8.9	
Profit before tax	21.6	8.0		5.4	-27.5	
Profit for the period	19.9	7.3		99.6	-29.4	
Cash flow from operating activities	-19.4	5.5		-58.0	13.8	
Total cash flow	-45.2	-35.2		-147.2	-92.3	
Number of stores*	94	92		94	92	

*Number of stores is from Q3 2021 and going forward calculated without pop-up stores.

MANAGEMENT'S COMMENTARY

- Q3 2022 was the 8th consecutive quarter of growth with sales increasing 20% to last year. Growth is widely anchored across the business, being delivered in both B2C and B2B as well as Home and Jewellery.
- EBITDA-margin increased to 16.8% in Q3 2022 from 16.4% in Q3 2021 driven by operating leverage. Absolute-EBITDA grew 23% to last year and amounted to DKK 49 million for the quarter.
- Additional investments were made into inventory in order to improve product availability, cater for increased lead times, and support overall growth, the impacts of which were compounded by a strengthening USD.

Georg Jensen remains on a growth track. Despite adverse developments in consumer sentiment across the key markets we are encouraged to report growth across all regions and categories. As anticipated and similar to previous quarter, growth in Q3 2022 has been delivered from core markets and strong continuing momentum in growth markets.

For B2C we are encouraged by the revenue growing by 32% compared to last year. Growth is driven by Retail as we continue to see the impact from channel shift, whereby sales are driven by in-store transactions. For B2B, sales growth of 9% is driven by a strong quarter from the European and North American markets.

Revenue in the Home category increased by 26% impacted by sales of new seasonal products and Jewellery increased by 8% in Q3 2022 compared to Q3 2021. Based on a 2019 comparison, Home grew by 37% and Jewellery by 5% compared to Q3 2019.

Gross margin decreased to 59.1% in Q3 2022 from 60.5% in Q3 2021. The decrease in gross margin is mainly triggered by the USD strengthening and associated increase in costs of sales. In addition, North America was adversely impacted by higher freight and duty costs for Q3 as we have been increasing inventory levels for Q3.

Operating costs in Q3 2022 increased by 15% (DKK 16 million) compared to last year mainly due to higher staff costs, as last year was impacted by lockdowns for which government support was made available, lower variable rent expense for shop-in-shops due to lower sales and increased investments in marketing this year. Overall operating leverage continued to improve with operating costs as a percentage of revenue decreasing to 42% in Q3 2022 from 44% in Q3 2021.

Thus, EBITDA increased to DKK 49 million in Q3 2022 from DKK 40 million in Q3 2021, driven by increased revenue.

Net cash flow from operating activities was DKK -19 million for Q3 2022 mainly due to seasonal inventory build-up and strengthening of the USD.

Net interest-bearing debt decreased to DKK 394 million in Q3 2022 from DKK 454 million in Q3 2021 driven by a decrease in IFRS16 lease liabilities but also increase in cash and cash equivalents.

New product launches in Q3

Jewellery:

In August we launched a line extension to the new collection Reflect launched in spring 2022, consisting of silver pieces mixed with 18 karat gold parts as well as a suite of 18 karat gold designs. In September we added new styles in silver as well as 18 karat gold to our bestselling Icon collection Moonlight Grapes.

Home

The fall launch consisted of a collection of picture frames and boxes focusing on the American and Australian markets as well as very commercial candlesticks for the Scandinavian market. The Cafu vase collection was extended to include a range of clear vases and we leveraged the best-selling Copenhagen cutlery in a gold PVD¹ version picking up on the “gold trend” in various markets. Furthermore, we launched line extensions of cobra and bloom candle holders.

OUTLOOK 2022

Overall for 2022 we expect to deliver topline growth while EBITDA is expected to be around the same level as in 2021.

¹ Physical vapor deposition (PVD), a process used for coating metals

MANAGEMENT STATEMENT

The Board of Directors and Executive Management have reviewed and approved the consolidated interim financial report of Georg Jensen A/S for the period January to September 2022. The consolidated interim financial report has not been audited or reviewed by the company's independent auditors.

The consolidated interim financial report for the period January to September 2022 has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in the preparation are consistent with those applied in the Annual Report 2021 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report for January to September 2022 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 15th of November 2022

Executive Board

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CEO

Board of Directors

Andrea Jayne Davis
Chairman

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Celine Infeld

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Karl Sebastian Inger

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Adnan Hadzihasanovic

Ida Heiberg Bøttiger

DISCLAIMER

This company announcement contains forward looking statements, which include estimates of financial performance and targets. These statements are not guarantees of future performance and involve certain risks and uncertainties. Therefore, actual future results and trends may differ from what is forecasted in this report due to a variety of factors.

CONSOLIDATED INCOME AND COMPREHENSIVE INCOME STATEMENT

INCOME STATEMENT	Q3		September (YTD)	
DKK million	2022	2021	2022	2021
Revenue	291.9	242.7	765.8	649.7
Cost of sales	-119.5	-95.9	-298.8	-249.4
Gross profit	172.4	146.8	467.0	400.3
Other external costs	-55.6	-48.0	-168.0	-130.6
Staff costs	-68.1	-61.2	-204.3	-193.4
Other operating income and costs	0.3	2.1	8.3	6.9
Operating profit before depreciation and amortization	49.0	39.7	103.0	83.2
Depreciation, amortization and impairment losses	-28.3	-28.7	-87.6	-92.2
Operating profit	20.7	11.0	15.4	-8.9
Financial items, net	0.9	-3.0	-10.0	-18.6
Profit before tax	21.6	8.0	5.4	-27.5
Tax on profit for the year	-1.7	-0.7	94.2	-1.9
Profit for the period	19.9	7.3	99.6	-29.4

OTHER COMPREHENSIVE INCOME	Q3		September (YTD)	
	2022	2021	2022	2021
Profit for the year	19.9	7.3	99.6	-29.4
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit pension plans	0.0	0.0	0.0	0.0
<i>Items that will be reclassified to profit or loss</i>				
Adjustment Cash flow hedges	-1.3	0.0	-3.5	0.0
Exchange differences on foreign operations	-4.2	-4.8	-11.6	-11.0
Other comprehensive income after tax	-5.5	-4.8	-15.1	-11.0
Total comprehensive income for the period	14.4	2.5	84.5	-40.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	30/09 2022	30/09 2021	31/12 2021
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	46.6	50.7	49.5
Tangible assets	232.2	273.0	259.5
Financial Assets	43.3	47.4	46.5
Deferred tax	101.3	0.0	0.0
Total non-current assets	423.4	371.1	355.5
CURRENT ASSETS			
Inventories	446.1	352.6	285.1
Trade receivables	130.9	109.8	127.2
Other receivables	13.9	7.6	5.6
Receivable from group enterprises	20.3	15.8	16.4
Prepayments	21.2	26.1	12.9
Cash and cash equivalents	74.5	56.1	221.7
Total current assets	706.9	568.0	668.9
TOTAL ASSETS	1,130.3	939.1	1,024.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	30/09 2022	30/09 2021	31/12 2021
EQUITY AND LIABILITIES			
EQUITY			
Share capital	139.6	139.6	139.6
Share premium	488.3	488.3	488.3
Hedging reserve	-3.3	1.2	0.2
Translation reserve	-4.6	-7.7	7.0
Retained earnings	-294.3	-490.3	-393.9
Total equity	325.7	131.1	241.2
LIABILITIES			
NON-CURRENT LIABILITIES			
Bond*	298.0	298.0	298.0
Credit institutions	0.0	0.0	0.0
Lease liabilities	113.7	152.6	139.9
Provisions	13.6	14.5	11.8
Deferred tax	0.0	0.4	0.7
Retirement benefit obligation	9.2	8.1	8.5
Other Payables	9.9	10.1	10.2
Total non-current liabilities	444.4	483.7	469.1
CURRENT LIABILITIES			
Credit institutions	4.4	2.7	2.8
Trade Payables	172.2	118.4	83.6
Other Payables	102.2	127.8	143.3
Payable to group enterprises	5.0	1.0	0.0
Lease liabilities	67.5	71.8	73.9
Tax payables	8.9	-0.3	7.5
Provisions	0.0	3.0	3.0
Total current liabilities	360.2	324.4	314.1
Total liabilities	804.6	808.0	783.2
TOTAL EQUITY AND LIABILITIES	1,130.3	939.1	1,024.4

* The Bond will expire 15 May 2023, but management expects to secure further long-term financing

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q3		9 MONTHS	
DKK million	2022	2021	2022	2021
Net profit for the period	19.9	7.3	99.6	-29.4
Non-cash items	27.1	34.9	-1.4	116.8
Change in working capital	-59.5	-29.0	-134.8	-49.8
Cash flows from operating activities before financial income and expenses	-12.5	13.2	-36.6	37.6
Financial cost, paid	-6.9	-7.7	-21.4	-23.8
Cash flows from ordinary activities	-19.4	5.5	-58.0	13.8
Income taxes paid	0.0	0.0	0.0	0.0
Net cash flow from operating activities	-19.4	5.5	-58.0	13.8
Purchase of tangible and intangible assets	-6.4	-15.1	-20.5	-30.3
Change in other financial assets	0.0	-3.6	0.0	-3.7
Net cash flow from investing activities	-6.4	-18.7	-20.5	-34.0
Changes in credit institutions	4.3	0.1	1.6	-2.9
Repayment of loans from credit institutions	0.0	0.0	0.0	0.0
Repayment of lease liabilities	-23.7	-22.1	-70.3	-69.2
Cash flow from financing activities	-19.4	-22.0	-68.7	-72.1
Net cash flow for the period	-45.2	-35.2	-147.2	-92.3
Cash and cash equivalents, beginning of the period	119.7	91.3	221.7	148.4
Cash and cash equivalents, end of the period	74.5	56.1	74.5	56.1

STATEMENT OF CHANGES IN EQUITY

30 September 2022

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	0.2	7.0	-393.9	241.2
Profit for the period	0.0	0.0	0.0	0.0	99.6	99.6
<i>Other comprehensive income</i>						
Remeasurement of defined Benefit pension plans	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment cash flow hedges	0.0	0.0	-3.5	0.0	0.0	-3.5
Exchange adjustment	0.0	0.0	0.0	-11.6	0.0	-11.6
Total other comprehensive income	0.0	0.0	-3.5	-11.6	0.0	-15.1
Balance at the end of the period	139.6	488.3	-3.3	-4.6	-294.3	325.7

30 September 2021

DKK million	Share capital	Share premium	Reserve for hedging transaction	Translation reserve	Retained earnings	Total Equity
Balance at the beginning of the period	139.6	488.3	1.2	3.3	-460.9	171.5
Profit for the period	0.0	0.0	0.0	0.0	-29.4	-29.4
<i>Other comprehensive income</i>						
Remeasurement of defined Benefit pension plans	0.0	0.0	0.0	0.0	0.0	0.0
Adjustment cash flow hedges	0.0	0.0	0.0	0.0	0.0	0.0
Exchange adjustment	0.0	0.0	0.0	-11.0	0.0	-11.0
Total other comprehensive income	0.0	0.0	0.0	-11.0	0.0	-11.0
Balance at the end of the period	139.6	488.3	1.2	-7.7	-490.3	131.1

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to September 2022 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies and significant accounting estimates adopted in the preparation are consistent with those applied in the Annual Report 2021 of Georg Jensen A/S.

Furthermore, the consolidated interim financial report including the consolidated financial statements for the period January to September of 2022 and Management's review have been prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

2 SEGMENT INFORMATION

Q3 2022					
DKK million	Europe	APAC	North America	Other	Total
Revenue	162.4	110.3	18.9	0.3	291.9
Gross Profit	53.1	64.8	4.2	50.3	172.4
OPEX	-20.7	-49.2	-4.3	-49.2	-123.4
EBITDA	32.4	15.6	-0.1	1.1	49.0
Amortizations & depreciations					-28.3
EBIT					20.7
Financial items, net					0.9
Profit before tax					21.6

September 2022 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	399.6	317.3	49.9	-1.0	765.8
Gross Profit	138.0	189.3	13.2	126.5	467.0
OPEX	-61.9	-139.1	-12.5	-150.5	-364.0
EBITDA	76.1	50.2	0.7	-24.0	103.0
Amortizations & depreciations					-87.6
EBIT					15.4
Financial items, net					-10.0
Profit before tax					5.4

Q3 2021

DKK million	Europe	APAC	North America	Other	Total
Revenue	138.7	86.0	17.7	0.3	242.7
Gross Profit	49.6	50.0	6.6	40.6	146.8
OPEX	-17.9	-36.5	-4.3	-48.4	-107.1
EBITDA	31.7	13.5	2.3	-7.8	39.7
Amortizations & depreciations					-28.7
EBIT					11.0
Financial items, net					-3.0
Profit before tax					8.0

September 2021 (YTD)

DKK million	Europe	APAC	North America	Other	Total
Revenue	342.6	265.6	41.6	-0.1	649.7
Gross Profit	121.7	158.6	15.0	105.0	400.3
OPEX	-47.2	-115.1	-11.0	-143.8	-317.1
EBITDA	74.5	43.5	4.0	-38.8	83.2
Amortizations & depreciations					-92.2
EBIT					-8.9
Financial items, net					-18.6
Profit before tax					-27.5

3 REVENUE

PRIMARY SALES CHANNELS	Q3 2022	September 2022 (YTD)
B2B	131.8	322.4
B2C	148.7	415.5
Other	11.4	27.9
Total	291.9	765.8

PRIMARY SALES CHANNELS	Q3 2021	September 2021 (YTD)
B2B	121.8	283.7
B2C	114.1	348.9
Other	6.8	17.1
Total	242.7	649.7

PRIMARY PRODUCT LINES	Q3 2022	September 2022 (YTD)
Jewellery	132.6	381.1
Home	131.0	319.7
Other	28.3	65.0
Total	291.9	765.8

PRIMARY PRODUCT LINES	Q3 2021	September 2021 (YTD)
Jewellery	122.9	333.6
Home	104.1	271.3
Other	15.7	44.8
Total	242.7	649.7

4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received government support of DKK 0.4 million in Q3 2022 and DKK 4.4 million for the period January to September 2022. In Q3 2021 Georg Jensen received DKK 1.2 million and DKK 6.1m for the period January to September 2021. The government support relates to staff costs and other external costs.

5 NET INTEREST-BEARING DEBT

DKK million	30/09 2022	30/09 2021	31/12 2021
Net interest-bearing debt comprises:			
Credit institutions (current)	4.4	2.7	2.8
Payable to group enterprises	5.0	1.0	-
Lease liabilities	181.2	224.3	213.8
Issued bond	298.0	298.0	298.0
Gross interest-bearing debt	488.6	526.0	514.6
Receivable from group enterprises	-20.3	-15.8	-16.4
Cash and cash equivalents	-74.5	-56.1	-221.7
Gross interest-bearing receivables	-94.8	-71.9	-238.1
Net interest-bearing debt	393.8	454.1	276.5

6 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, no other events that could significantly affect the consolidated interim financial statements as of 30 September 2022 have occurred.