



BY APPOINTMENT TO
HER MAJESTY THE QUEEN OF DENMARK

GEORG JENSEN

ESTABLISHED 1904

CONSOLIDATED INTERIM FINANCIAL REPORT

December 2022

January 1 – December 31, 2022

(12 months)

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

COMPANY REG.NO.: 26573645

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MANAGEMENT'S REVIEW

FINANCIAL HIGHLIGHTS	Q4			12 MONTHS		
DKK million, except for number of stores	2022	2021*	Change	2022	2021*	Change
Revenue	410.7	460.3	-11%	1,176.5	1,110.1	6%
EBITDA	124.5	147.6	-16%	227.5	231.3	-2%
EBIT	95.8	117.6		111.2	109.1	
Profit before tax	70.9	104.2		76.3	77.3	
Profit for the period	65.8	96.1		165.5	67.3	
Cash flow from operating activities	117.6	198.6		52.3	198.0	
Total cash flow	71.4	165.6		-75.8	73.3	
Number of stores	96	93		96	93	

*Restatement of 2021 numbers to reflect the inclusion of USD hedge impact in EBITDA (due to hedging policy amendment implemented in 2022)

MANAGEMENT'S COMMENTARY

- With Q4 reporting Georg Jensen delivered according to the full year outlook issued in Q3 – topline growth and sustaining profitability level from 2021. Profit for the year amounts to DKK 166 million (unaudited) and is the highest level in recent years¹.
- Driven by a challenging macroeconomic environment, impacting mainly Europe, revenue for Q4 2022 amounts to DKK 411 million and represents a decrease of 11% to 2021. In Q4 Europe revenue contracted 16%, while North America and APAC combined was down by only 1%. Despite the contraction to 2021, Q4 revenue exceeded 2019 level by 10% a benchmark for pre-corona trading
- Growth markets, such as North America and China, continue to deliver significant growth
- Favorable gross margin development influenced by tight discount management and price increases, favorable channel mix and execution of mitigating activities to reduce impacts from strengthened USD throughout 2022
- EBITDA-margin reached 30.3% in Q4 2022 compared to 32.1% 2021. The reduction in EBITDA-margin is driven by lower sales as OPEX costs were reduced by 4.6% in Q4 2022 (a reduction of DKK 6.5 million)
- In Q4 2022 operating cashflow amounted to DKK 118 million but adversely impacted by Q4 sales contraction which led to higher inventory, as well as non-trade related one-off payments

Compared to Q4 2019, revenue is increasing in all channels and product segments; Jewellery growing by 2% and Home by 19% while B2B revenue increased by 12% and B2C by 8%. In fourth quarter we saw higher resilience in Home vs. Jewellery, with revenue in Jewellery decreasing by 14% compared to a decrease in Home of 6%. B2B revenue decreased by 15% and B2C by 6% which is reflecting the geographic sales split as majority of revenue in Europe is generated via B2B.

Operating costs in Q4 decreased by 5% (DKK 6.5 million) compared to last year driven by variable rent expense for shop-in-shops decreasing due to lower revenue as well as cost containment activities such as lower external services, lower staff costs and decreased investments in marketing.

EBITDA amounts to DKK 124.5 million for Q4 2022, decreasing by 16%, and representing an EBITDA-margin decrease of 1.8 percentage points to reach 30.3% in Q4 2022.

Full year 2022 EBITDA amounted to DKK 227.5 million which is slightly lower (-1.6%) compared to 2021.

With significant investments in inventory and non-trade related one-off payments cash position in Q4 2022 decreased by DKK 75.8 million compared to Q4 2021.

Profit for the year amounts to DKK 166 million impacted by the recognition of a tax asset of DKK 96 million.

¹ 2012 is the earliest year disclosed on our [Investor Relation website](#).

New product launches in Q4

Jewellery:

In November we launched the 2023 Annual Heritage collection in sterling silver with gemstones. The collection will continue throughout 2023.

Home:

In October we launched our annual design collaboration with the Japanese Architect and Design studio Nendo. The Nendo collection in stainless steel. It is a capsule collection² consisting of 6 vases and 3 candleholders.

In November we launched 4 colors variants of the Iconic Koppel pitcher as part of the Icon rejuvenation strategy.

OUTLOOK 2022

To be released with issuance of Annual Report on April 28 2023.

² A condensed version of a designer's vision which transcends seasons and trends by being functional

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 December 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 December 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 December 2022 and Management's Review are prepared in accordance with additional Danish disclosure requirements for interim reports of listed companies.

Copenhagen, 28th of February 2023

Executive Board

Mehul Tank
CEO

Board of Directors

Andrea Jayne Davis
Chairman

David Ching Chi Chu

Robert W. Bostock

Celine Infeld

Duncan Zheng

Karl Sebastian Inger

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	Q4		December (YTD)	
DKK million	2022	2021*	2022	2021*
Revenue	410.7	460.3	1,176.5	1,110.1
Cost of sales	-150.1	-170.1	-448.9	-419.9
Gross profit	260.6	290.2	727.6	690.2
Other external costs	-64.7	-66.9	-232.8	-202.7
Staff costs	-72.3	-76.1	-276.5	-268.7
Other operating income and costs	0.9	0.4	9.2	12.5
Operating profit before depreciation and amortization	124.5	147.6	227.5	231.3
Depreciation, amortization and impairment losses	-28.7	-30.0	-116.3	-122.2
Operating profit	95.8	117.6	111.2	109.1
Financial items, net	-24.9	-13.4	-34.9	-31.8
Profit before tax	70.9	104.2	76.3	77.3
Tax on profit for the year	-5.1	-8.1	89.2	-10.0
Profit for the year	65.8	96.1	165.5	67.4

*Restatement of 2021 numbers to reflect the inclusion of USD hedge impact in EBITDA (due to hedging policy amendment implemented in 2022)

OTHER COMPREHENSIVE INCOME	Q4		December (YTD)	
	2022	2021	2022	2021
Profit for the year	65.8	96.1	165.5	67.3
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	-0.4
<i>Items that will be reclassified to profit or loss</i>				
Adjustment Cash flow hedges	1.9	0.0	0.6	-1.0
Exchange differences on foreign operations	-5.9	-4.8	-9.8	3.7
Other comprehensive income after tax	-4.0	-4.8	-9.2	2.3
Total comprehensive income for the year	61.8	91.3	156.3	69.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, ASSETS

DKK million	31/12 2022	31/12 2021
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	45.2	49.5
Tangible assets	187.7	259.5
Financial Assets	40.1	46.5
Deferred tax	98.6	0.0
Total non-current assets	371.6	355.5
CURRENT ASSETS		
Inventories	409.6	285.1
Trade receivables	105.3	127.2
Other receivables	15.7	5.6
Receivable from group enterprises	34.3	16.4
Prepayments	9.9	12.9
Cash and cash equivalents	145.9	221.7
Total current assets	720.7	668.9
TOTAL ASSETS	1,092.3	1,024.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, LIABILITIES

DKK million	31/12 2022	31/12 2021
EQUITY AND LIABILITIES		
EQUITY		
Share capital	139.6	139.6
Share premium	488.3	488.3
Hedging reserve	0.8	0.2
Translation reserve	-2.8	7.0
Retained earnings	-228.4	-393.9
Total equity	397.5	241.2
LIABILITIES		
NON-CURRENT LIABILITIES		
Bond*	0.0	298.0
Credit institutions	0.0	0.0
Lease liabilities	83.4	139.9
Provisions	13.4	11.8
Deferred tax	0.0	0.7
Retirement benefit obligation	8.1	8.5
Other Payables	10.1	10.2
Total non-current liabilities	115.0	469.1
CURRENT LIABILITIES		
Bond*	298.0	0.0
Credit institutions	4.3	2.8
Trade Payables	97.3	83.6
Other Payables	112.1	143.3
Payable to group enterprises	0.0	0.0
Lease liabilities	56.7	73.9
Tax payables	11.4	7.5
Provisions	0.0	3.0
Total current liabilities	579.8	314.1
Total liabilities	694.8	783.2
TOTAL EQUITY AND LIABILITIES	1,092.3	1,024.4

* The Bond redemption occurred in February 2023 see Subsequent events p14

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT	Q4		12 MONTHS	
DKK million	2022	2021	2022	2021
Net profit for the period	65.8	96.1	165.5	67.3
Non-cash items	49.7	55.6	48.3	164.0
Change in working capital	12.9	54.5	-129.3	2.2
Cash flows from operating activities before financial income and expenses	128.4	206.2	84.5	233.5
Financial cost, paid	-6.9	-7.6	-28.3	-31.5
Cash flows from ordinary activities	121.5	198.6	56.2	202.0
Income taxes paid	-3.9	0.0	-3.9	-4.0
Net cash flow from operating activities	117.6	198.6	52.3	298.0
Purchase of tangible and intangible assets	-8.5	-12.8	-29.0	-38.5
Change in other financial assets	0.0	0.0	0.0	-3.7
Net cash flow from investing activities	-8.5	-12.8	-29.0	-42.2
Changes in credit institutions	-0.1	0.1	1.5	-2.9
Repayment of loans from credit institutions	0.0	0.0	0.0	0.0
Repayment of lease liabilities	-19.6	-20.3	-82.6	-77.6
Transaction with Group companies	-18.0	0.0	-18.0	-2.0
Cash flow from financing activities	-37.7	-20.2	-99.1	-82.5
Net cash flow for the period	71.4	165.6	-75.8	73.3
Cash and cash equivalents, beginning of the period	74.5	56.1	221.7	148.4
Cash and cash equivalents, end of the period	145.9	221.7	145.9	221.7

STATEMENT OF CHANGES IN EQUITY

31 December 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	165.5	165.5
<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	0.6	0.0	0.0	0.6
Exchange adjustment	0.0	0.0	0.0	-9.8	0.0	-9.8
Total other comprehensive income	0.0	0.0	0.6	-9.8	0.0	-9.2
Balance at the end of the period	139.6	488.3	0.8	-2.8	-228.4	397.5

31 December 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	67.3	67.3
<i>Other comprehensive income</i>						
Remeasurement of defined Benefit pension plans	0.0	0.0	0.0	0.0	-0.3	-0.3
Adjustment cash flow hedges	0.0	0.0	-1.0	0.0	0.0	-1.0
Exchange adjustment	0.0	0.0	0.0	3.7	0.0	3.7
Total other comprehensive income	0.0	0.0	-1.0	3.7	-0.3	2.4
Balance at the end of the period	139.6	488.3	0.2	7.0	-393.9	241.2

NOTES

1 ACCOUNTING POLICIES

The unaudited consolidated interim financial statements for the period January to December 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 December 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

Q4 2022					
DKK million	Europe	APAC	North America	Other	Total
Revenue	216.1	170.6	23.7	0.3	410.7
Gross Profit	66.2	105.4	10.0	79.0	260.6
OPEX	-14.8	-63.9	-7.4	-50.0	-136.1
EBITDA	51.4	41.5	2.6	29.0	124.5
Amortizations & depreciations					-28.7
EBIT					95.8
Financial items, net					-24.9
Profit before tax					70.9

December 2022 (YTD)					
DKK million	Europe	APAC	North America	Other	Total
Revenue	615.7	487.9	73.6	-0.7	1,176.5
Gross Profit	204.2	294.7	23.2	205.5	727.6
OPEX	-76.7	-203.0	-19.9	-200.5	-500.1
EBITDA	127.5	91.7	3.3	5.0	227.5
Amortizations & depreciations					-116.3
EBIT					111.2
Financial items, net					-34.9
Profit before tax					76.3

Q4 2021

DKK million	Europe	APAC	North America	Other	Total
Revenue	257.7	177.1	19.8	5.7	460.3
Gross Profit	87.6	107.7	6.3	87.9	289.5
OPEX	-18.7	-59.5	-6.2	-58.2	-142.6
EBITDA	68.9	48.2	0.1	29.7	146.9
Amortizations & depreciations					-30.0
EBIT					116.9
Financial items, net					-12.7
Profit before tax					104.2

December 2021 (YTD)

DKK million	Europe	APAC	North America	Other	Total
Revenue	599.1	442.7	61.4	6.9	1,110.1
Gross Profit	208.2	266.4	21.3	194.0	689.9
OPEX	-65.9	-162.1	-17.2	-213.7	-458.9
EBITDA	142.3	104.3	4.1	-19.7	231.0
Amortizations & depreciations					-122.2
EBIT					108.8
Financial items, net					-31.5
Profit before tax					77.3

3 REVENUE

PRIMARY SALES CHANNELS	Q4 2022	December 2022 (YTD)
B2B	176.2	498.6
B2C	224.3	641.7
Other	10.1	36.2
Total	410.6	1,176.5

PRIMARY SALES CHANNELS	Q4 2021	December 2021 (YTD)
B2B	206.2	490.0
B2C	239.6	588.6
Other	14.5	31.5
Total	460.3	1,110.1

PRIMARY PRODUCT LINES	Q4 2022	December 2022 (YTD)
Jewellery	176.3	557.3
Home	212.4	532.1
Other	21.9	87.1
Total	410.6	1,176.5

PRIMARY PRODUCT LINES	Q4 2021	December 2021 (YTD)
Jewellery	204.6	538.1
Home	225.9	497.2
Other	29.8	74.8
Total	460.3	1,110.1

4 OTHER OPERATING INCOME AND COSTS

Globally, Georg Jensen has received DKK 0.9m from government support in Q4 2022 and DKK 5.3 million for the period January to December 2022. The government support relates to staff costs and other external costs.

5 NET INTEREST-BEARING DEBT

DKK million	31/12 2022	31/12 2021
Net interest-bearing debt comprises:		
Credit institutions	4.3	2.8
Payable to group enterprises	0.0	0.0
Lease liabilities	140.1	213.8
Issued bond	298.0	298.0
Gross interest-bearing debt	442.4	514.6
Receivable from group enterprises	-34.3	-16.3
Cash and cash equivalents	-145.9	-221.7
Gross interest-bearing receivables	-180.2	-238.0
Net interest-bearing debt	262.2	276.6

6 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, a refinancing arrangement has been implemented due to the redemption of the EUR 40m Senior Secured bond, initially expected in May 2023 and which successfully occurred in February 2023. A new EUR 40m Senior Secured bond has been issued with a final maturity date of 14 May 2025.