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GEORG JENSEN

ESTABLISHED 1904

2018: Georg Jensen delivers a stable topline and an improved cash flow

Frederiksberg, 30 April, 2019

Georg Jensen A/S today presents the 2018 annual report showing stable sales and an improved profitability and cash flow. Like for like revenue growth of 1% helped deliver an operating profit increase of DKK 18.5 million.

"Overall, 2018 was a good year for the business. One of the highlights was the strong performance of our E-commerce channel that grew 28% and now makes up for 8% of total sales. This is impressive, and it is a channel we expect further growth from in 2019 and beyond. We have supplemented our digital distribution by actively engaging with marketplaces and we are preparing to establish a significant presence in this area from 2019 onwards", says Francesco Pesci, CEO, Georg Jensen.

Beside the strong performance in the E-commerce channel, Georg Jensen also grew the B2B channel by 21% and mature markets such as Sweden, Germany and US all delivered solid performances growing with respectively 12%, 6 % and 5 % compared to last year.

Home products grew by 5% in 2018, which was supported by the celebration of Henning Koppel's 100 years birthday throughout 2018. The celebration culminated with the revival of a beautiful silver masterpiece - 1041 designed back in 1954. The process of recreating 1041 with the expertise of our silver smithy embodies all of the qualities that make a piece of Georg Jensen silver truly unique.

Georg Jensen launched the most successful jewellery collection ever in 2018: the Offspring series developed in close collaboration with American designer, Jacqueline Rabun. The sculptural jewellery pieces have been very well received by women in all ages all over the world, and Offspring is already on the way to become a jewellery icon of the house. Overall the category was flat in 2018.

2018 was also the year where Georg Jensen successfully issued a corporate bond to provide the company with a capital structure which supports the cyclical nature of our business. The bonds issue is part of the good housekeeping initiatives that have been set in motion to build a stronger business. The new financial set-up provides Georg Jensen with greater flexibility to be proactive and to invest in the company in order to secure sustainable growth over the coming years.

The improved profitability resulted in an improved net profit before extraordinary tax adjustments of DKK 41.1 million. The extra ordinary tax adjustment related to a decision to write off deferred tax assets. Cash flow from operations improved by DKK 46 million compared to last year, primarily driven by a reduction in inventory and the total cash flow was positive by DKK 2.4 million.

"In 2018, Georg Jensen continued its journey towards a better economic foundation for future growth. We are satisfied with the initial results and look forward to the next steps", says Francesco Pesci, CEO, Georg Jensen.

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Georg Jensen is a Danish design house renowned for artistic boldness, superior craftsmanship and visionary collaborations with leading artists and designers. Founded in 1904 by master silversmith Georg Jensen, the company creates Scandinavian designed products including a home collection, jewellery, sterling silverware and watches. Globally, Georg Jensen has more than 120 stores in 13 countries.