



**Baltika Group**

# Q1 2014 results

April 2014

## NOTE FOR READING FINANCIAL DATA

In connection with Baltika's exit from the Ukrainian retail business, which represented a major line of business of the Group, the 2014 results of the Ukrainian entity are presented as discontinued operation. For comparability, the figures for 2013 have been adjusted accordingly.

# Group overview

- Baltika Group is fashion retailer in the Baltics and Eastern Europe
- Baltika employs vertically integrated business model
- Over 120 shops in six countries
- Baltika owns 5 brands and Blue Inc representation rights in Baltics
- Franchise partners in Belarus and in Ukraine
- Baltika's shares are listed on the Tallinn Stock Exchange, which is part of the NASDAQ OMX Group

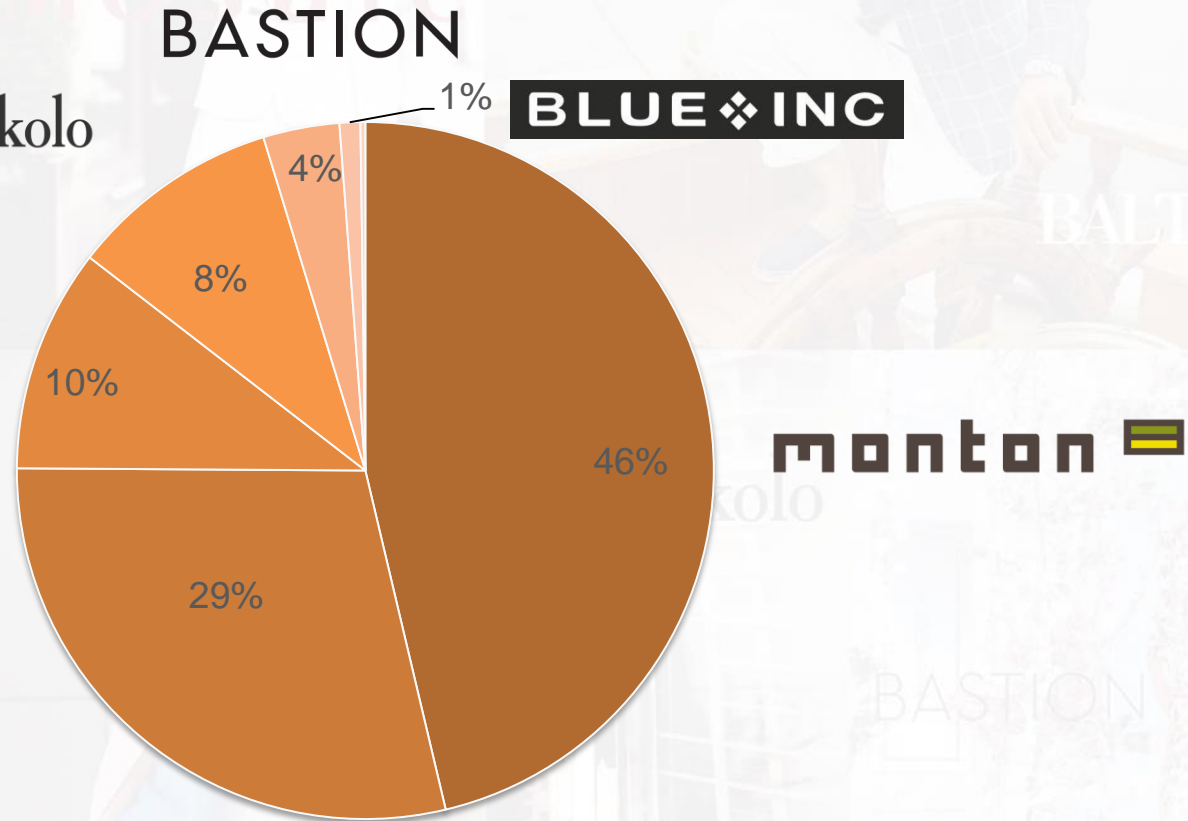


# Mission

- Baltika creates quality fashion that allows people to express themselves and feel great

# BALTIKA BRANDS

# Retail sales by brand, Q1 2014



# Shops network 31 March 2014

|                   | EE        | LV        | LT        | RU        | UA**      | BY*      | Total      |
|-------------------|-----------|-----------|-----------|-----------|-----------|----------|------------|
| Monton            | 6         | 5         | 8         | 13        | 10        | 2        | 44         |
| Monton Multibrand | 2         | 3         | 3         | 1         | 1         | 0        | 10         |
| Mosaic            | 11        | 4         | 9         | 5         | 6         | 0        | 35         |
| Baltman           | 5         | 2         | 6         | 0         | 0         | 0        | 13         |
| Ivo Nikkolo       | 5         | 4         | 2         | 0         | 0         | 0        | 11         |
| Bastion           | 6         | 1         | 0         | 0         | 0         | 0        | 7          |
| Blue Inc          | 1         | 2         | 0         | 0         | 0         | 0        | 3          |
| Fashion Outlet    | 1         | 0         | 0         | 1         | 0         | 0        | 2          |
| <b>Total</b>      | <b>37</b> | <b>21</b> | <b>28</b> | <b>20</b> | <b>17</b> | <b>2</b> | <b>125</b> |
| Sales area, sqm   | 6 337     | 3 829     | 5 650     | 4 204     | 3 335     | 380      | 23 735     |

\*Franchise shops in Belarus

\*\*Ukrainian shops are part of the discontinued operations

# monton

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Monton       | 5 143   | 5 084   | 1%  |

- Exciting fashion brand for men and women, reflecting global trends in its own unique way
- Stores in Estonia, Latvia, Lithuania, Ukraine and Russia



# MOSAIC

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Mosaic       | 3 200   | 3 351   | -5% |

- Mosaic is for women and men, who are practical, responsible and well-organized and have a need for uncomplicated and reliable fashion
- Stores in Estonia, Latvia, Lithuania, Ukraine and Russia

# BALTMAN

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Baltman      | 1 152   | 1 022   | 13% |

- Prestigious lifestyle brand for men offering stylish, classic and high-quality clothing, personal service and comfortable shopping environment
- Stores in Estonia, Latvia and Lithuania

BALTMAN

# Ivo Nikkolo

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Ivo Nikkolo  | 1 089   | 925     | 18% |

- Ivo Nikkolo is unique designer fashion brand for ladies, offering premium business outfit and occasion wear to express own individuality and unique style
- Acquired in September 2006
- Stores in Estonia, Latvia and Lithuania

# BASTION

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Bastion      | 393     | 334     | 18% |

- Designer fashion brand for ladies who values timeless fashion, quality and brand handwriting
- Acquired in December 2012
- Stores in Estonia and Latvia

# BLUE INC

| EUR thousand | 3m 2014 | 3m 2013 | +/- |
|--------------|---------|---------|-----|
| Blue Inc     | 107     | 0       | -   |

- Blue Inc trademark was launched in UK in 1997
- Baltika owns representation rights of Blue Inc trademarks in Baltic countries.
- Franchise contract was signed in May 2013 with A Levy & Son Ltd.
- Stores in Estonia and Latvia

# FINANCIAL REVIEW

# Key figures

| EUR thousand                              | 3m 2014     | 3m 2013     | +/-           |
|---|-------------|-------------|---------------|
| Revenue                                   | 12 171      | 11 675      | 4,2%          |
| Gross profit                              | 5 917       | 6 081       | -2,7%         |
| Operating profit                          | -826        | -363        | 127,5%        |
| <b>Net profit from continuing operat.</b> | <b>-910</b> | <b>-439</b> | <b>107,3%</b> |
| Gross margin                              | 48,6%       | 52,1%       |               |
| Operating margin                          | -6,8%       | -3,1%       |               |
| EBT margin                                | -7,4%       | -3,8%       |               |
| Net margin                                | -7,5%       | -3,8%       |               |
| Net profit from discontin. operat.        | -1 572      | -164        |               |
| Net profit (loss) for the period          | -2 708      | -583        | 364,5%        |

# Stores and sales area

|                              | 31.03.2014    | 31.03.2013    | +/-          |
|------------------------------|---------------|---------------|--------------|
| Estonia                      | 37            | 35            |              |
| Lithuania                    | 28            | 27            |              |
| Latvia                       | 21            | 16            |              |
| Russia                       | 20            | 18            |              |
| Ukraine**                    | 17            | 16            |              |
| Belarus*                     | 2             | 0             |              |
| <b>Total stores</b>          | <b>125</b>    | <b>112</b>    | <b>13</b>    |
| <b>Total sales area, sqm</b> | <b>23 735</b> | <b>22 193</b> | <b>1 542</b> |

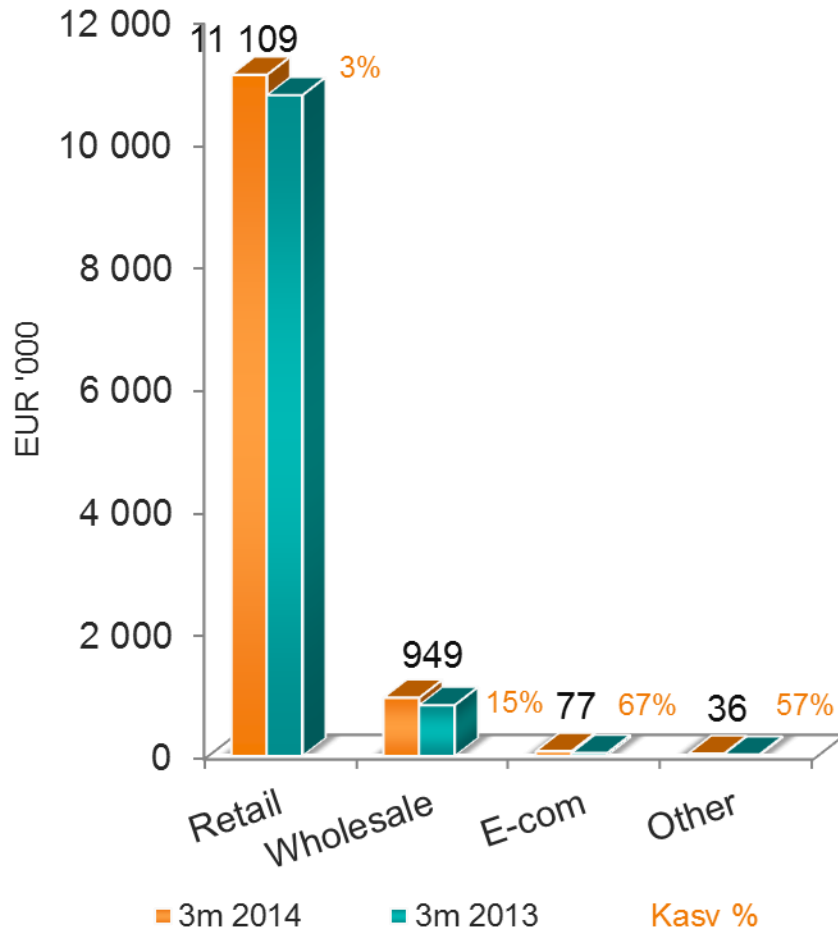
\*Franchise shops in Belarus

\*\*Ukrainian shops are part of the discontinued operations



# Sales development Q1

## Sales by segment YTD



## Sales growth breakdown

| Growth vs 2013               | Q2  |
|------------------------------|-----|
| Average sales area (sqm)     | 7%  |
| Sales per sqm                | -3% |
| Comparable store sales (LFL) | 0%  |
| Retail sales                 | 3%  |
| Wholesale                    | 15% |
| E-com sales                  | 67% |
| Total sales                  | 4%  |

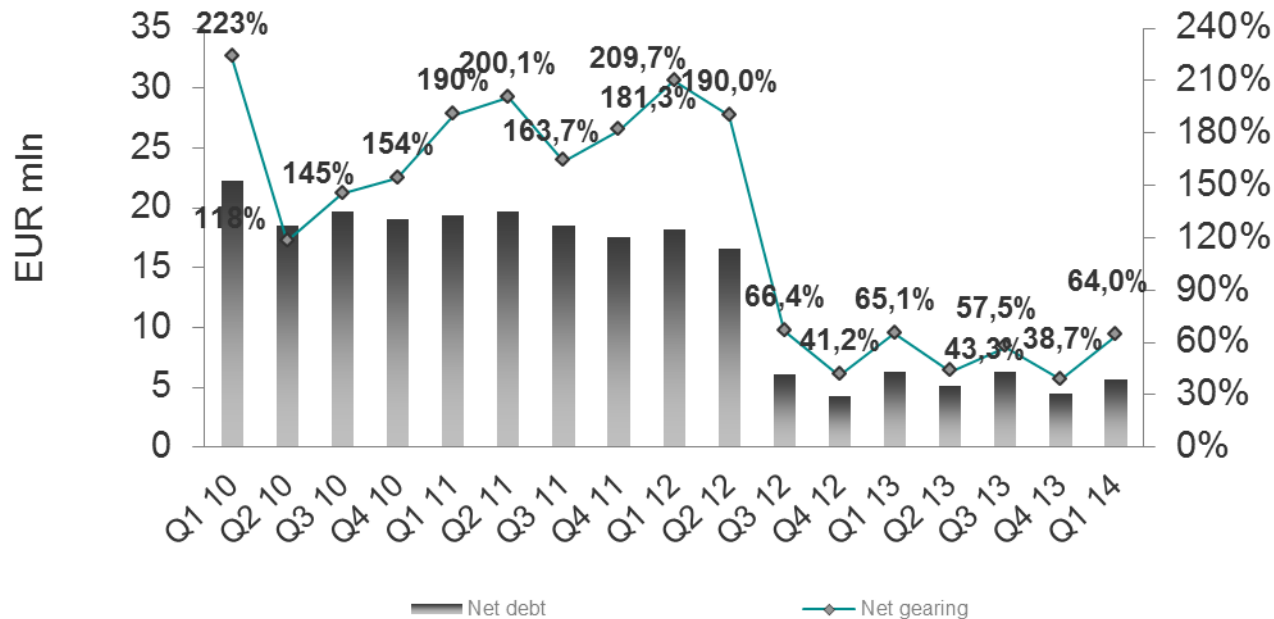
# Retail sales by markets

| EUR thousands | Q1 2014       | Q1 2013       | +/-       | Share       |
|---------------|---------------|---------------|-----------|-------------|
| Estonia       | 4 202         | 3 863         | 9%        | 38%         |
| Lithuania     | 2 663         | 2 464         | 8%        | 24%         |
| Latvia        | 2 408         | 2 072         | 16%       | 22%         |
| Russia        | 1 836         | 2 379         | -23%      | 17%         |
| <b>Total</b>  | <b>11 109</b> | <b>10 778</b> | <b>3%</b> | <b>100%</b> |
| Ukraine*      | 1 276         | 1 511         | -16%      | -           |

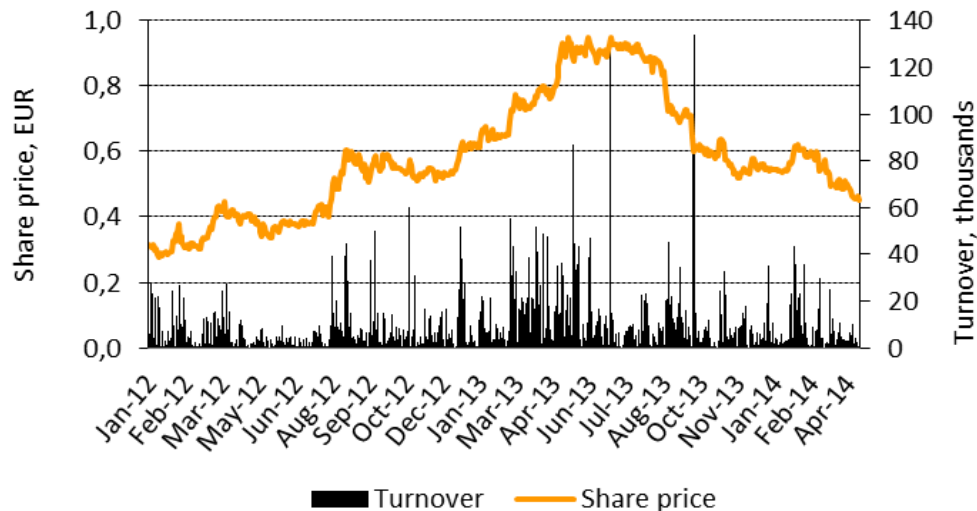
# Financial position

- Total borrowings at the end of Q1 2014 were 6,134 thousand euros

## Net debt and net gearing



# Share



## Information on listed ordinary shares

NASDAQ OMX symbol: BLT1T

ISIN number: EE3100003609

Minimum number of shares to trade: 1

Number of shares: 40,794,850

Nominal value of a share: 0.2 euros

## Largest shareholders as at 31 March 2014

|   | Holding     |
|---|-------------|
| ING Luxembourg S.A. client                  | 30.86%      |
| Clearstream Banking Luxembourg S.A. clients | 15.89%      |
| BMIG OÜ                                     | 11.64%      |
| Skandinaviska Enskilda Banken Ab clients    | 8.37%       |
| Other                                       | 33.24%      |
| <b>Total</b>                                | <b>100%</b> |

NASDAQ OMX | Baltic  
**BALTIC MARKET AWARDS 2013**

**BALTIKA**

BEST INVESTOR RELATIONS IN THE  
 BALTIC COUNTRIES - 3<sup>RD</sup> PLACE

BEST ANNUAL AND CORPORATE  
 GOVERNANCE REPORT - 3<sup>RD</sup> PLACE



# Baltika Group

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