

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 31 March 2018

First quarter 2018-01-01 – 2018-03-31

- The total income of the Group was TEUR 134 462 (127 153), an increase of 5,7 %.
- The operating profit of the Group was TEUR 21 609 (18 297), an increase of 18,1 %.
- The profit before tax of the Group was TEUR 21 498 (17 747).
- The profit after tax of the Group was TEUR 16 346 (13 838).
- Earnings per share amounted to EUR 1,21 (1,03).

Events after period closing

No significant events after period closing are noted.

This report contains information which Fenix Outdoor International AG is obliged to publish under the EU Market Abuse Regulation rules. The information was provided by the contact person stated below, for publication April 25 at 12 00, 2018.

CONTACTPERSON

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FINANCIAL INFORMATION

Actual financial information is available at www.fenixoutdoor.se under "Finansiellt"

CALENDARIUM FINANCIAL INFORMATION

Q2 report Jan-June, July 27, 2018
Q3 report Jan-Sept,

COMMENTS BY THE CEO

A quarter influenced by strange weather and changing retail.

Brands and Global sales had a very good start to the year in January and February, unfortunately that was followed by a March that was less than stellar. This meant that our external Brands and Global sales growth ended up at 3,8% in the quarter. Sales were negatively impacted by an overstock situation in Asia caused by late deliveries in 2017. Furthermore, we have implemented a stricter distribution policy in certain European markets to support long term growth and profitability, which also had some negative effect on sales. We also had a negative effect on sales in EUR by the weaker USD. The underlying growth in the North American market was 18%, compared to 2% reported in EUR.

As I have earlier stated the first quarter is traditionally the weakest quarter of the year for the Retail segment. Given the general retail climate we do however have to conclude that we did all right. We saw reasonable growth in the Nordic markets on like to like basis as well as a smaller growth in Germany. We believe that in especially Sweden the growth was due to the late spring and that we were able to supply winter merchandise to customers when most competitors already had switched to spring and summer merchandise in their stores.

Overall, we saw a growth of 6,3% and due to an increased part of our business having been in sales direct to consumers we saw an increase in operating margin from 14,8% to 16,4% and thereby an increased operating profit from MEUR 18,3 to MEUR 21,6. Our business to consumer share in Q1 was 49,9% compared to 46,7% last year. Our total part of business being done online increased from 9,8 % to 10,3% in the quarter.

During the first quarter we signed an agreement to acquire Royal Robbins, a company based in San Francisco, California, which was created by the iconic climber Royal Robbins. The brand has an amazing history and is today positioned in the outdoor travel segment. We believe that it will add tremendously to our portfolio of classic outdoor brands with a history. It will be consolidated from the second quarter and will not have any significant impact on our financials during 2018.

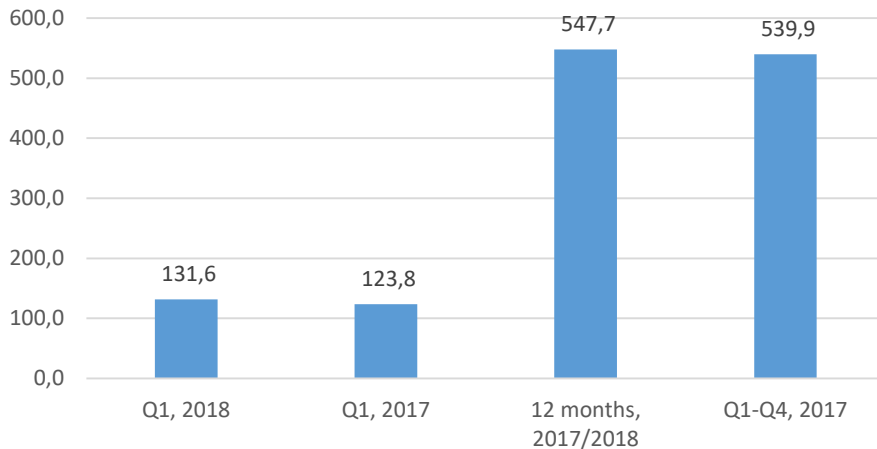
The delayed start of the sale of Spring/Summer merchandise due to the late spring gives an inherent risk for Q2 sales this year, making it hard to predict. We also expect the weakness in the Asian markets, except Korea, to continue for the whole year. The North American market looks very promising for the rest of the year. In general, the order book for Q3 is very promising compared to 2017 and we also believe the lower USD will have a positive effect on gross margin in the second half of the year.

Martin Nordin

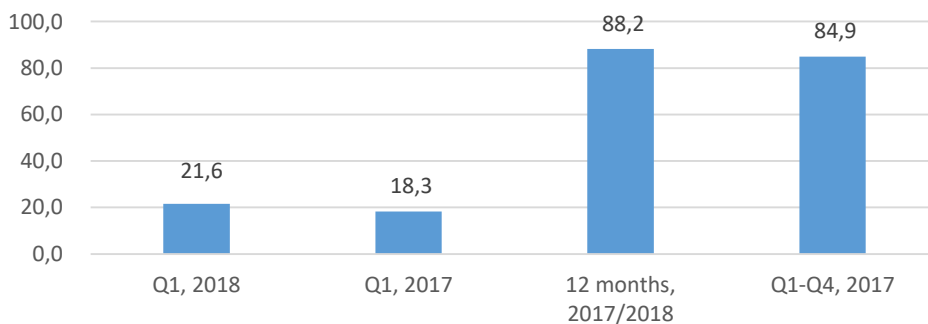
THE OPERATION

MEUR	Jan-Mar 2018	Jan-Mar 2017	Apr - Mar 2017/2018	Jan-Dec 2017
Net sales	131,6	123,8	547,7	539,9
Operating profit	21,6	18,3	88,2	84,9
Profit margin, %	16,4%	14,8%	16,1%	15,7%
Profit before tax	21,5	17,7	86,0	82,2
Net profit for the period	16,3	13,8	63,2	60,7
Earnings per B-share, EUR	1,21	1,03	4,70	4,51
Equity/assets ratio, %	67,2%	59,7%		62,1%

Net sales, MEUR



Operating profit, MEUR



THE OPERATION

The Group is organized in three business segments: Brands, Global sales and Friluftss.

- Brands includes the brands Fjällräven, Tierra, Primus, Hanwag and Brunton. It also includes Brandretail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand. The net sales from the new Brand Royal Robbins, will be added from April 2018.
- Global sales includes distribution companies selling more than one Fenix brand.
- In Friluftss the retailers Naturkompaniet AB, Partioaitta Oy, Globetrotter Ausrüstung GmbH and Friluftssland A/S are included.

The three business segments are supported by common functions for management, CSR/CSO, finance, legal, IT and logistics.

	Brands		Friluftss		Global sales		Common		Group	
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External sales, MEUR	30,2	31,4	56,3	51,5	44,8	40,8	0,3	0,1	131,6	123,8
Operating profit, MEUR	17,5	15,5	-1,9	-1,9	8,9	6,6	-2,8	-1,9	21,6	18,3
Number of Stores	26	23	69	60	14				109	83
of which are franchise			4	4					4	4
Fixed assets	21,3	22,6	36,6	34,6	12,8	12,8	33,9	11,1	104,6	81,1
Cap. Expenditures	0,6	0,4	1,1	2,1	0,5	0,1	4,8	1,0	7,0	3,6

External sales per market	Brands		Friluftss		Global sales		Common		Total	
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Switzerland					3,3	2,8			2,5%	2,3%
Sweden	3,4	5,3	10,9	10,4					10,9%	12,7%
Other Nordic countries	0,9	0,8	8,6	4,8	10,5	11,8			15,2%	14,1%
Germany	18,6	17,1	36,8	36,3			0,3	0,1	42,3%	43,2%
Benelux	0,5	2,5			7,2	4,1			5,9%	5,3%
Other Europe	1,1	0,4			13,2	10,1			10,9%	8,5%
North America	5,2	4,7			5,5	5,8			8,1%	8,5%
Other World	0,5	0,6			5,1	6,2			4,3%	5,5%
Total	30,2	31,4	56,3	51,5	44,8	40,8	0,3	0,1	100%	100%

THE OPERATION, three months

Brands

- The external net sales decreased to MEUR 30,2 (31,4), a decrease of 3,8%.
- The operating profit increased to MEUR 17,5 (15,5), an increase of 12,9 %

The major reasons for the lower sales are the transfer of the Benelux Hanwag sales to Global sales and the weak USD vs EUR reducing the sales increase for Brand Retail in North America when presented in EUR. A stricter distribution model is implemented to reach longterm growth. The Swedish sales is affected by this change, including cancelling of the contract with Intersport.

Global sales

- The external net sales increased to MEUR 44,8 (40,8), an increase of 9,8 %.
- The operating profit increased to MEUR 8,9 (6,6).

Global sales shows an increase in sales. The increase is largest in "other Europe", where a new sales company, Fenix Outdoor Czech and Slovakia, has been started up. The transferred sales of Hanwagproducts from Brands has affected the sales positively. The underlying sales in USA, at fixed FX rate, is increasing. The reported EUR amount is however impacted by the much depreciated USD.

Frilufts

- The net sales increased to MEUR 56,3 (51,5), an increase of 9,3%
- The operating result is the same as previous year MEUR -1,9 (-1,9).

All markets show increased net sales, but the targets effect can be attributed to the acquisition of Friluftsland Denmark, acquired in Q3 2017.

Liquidity and financial standing

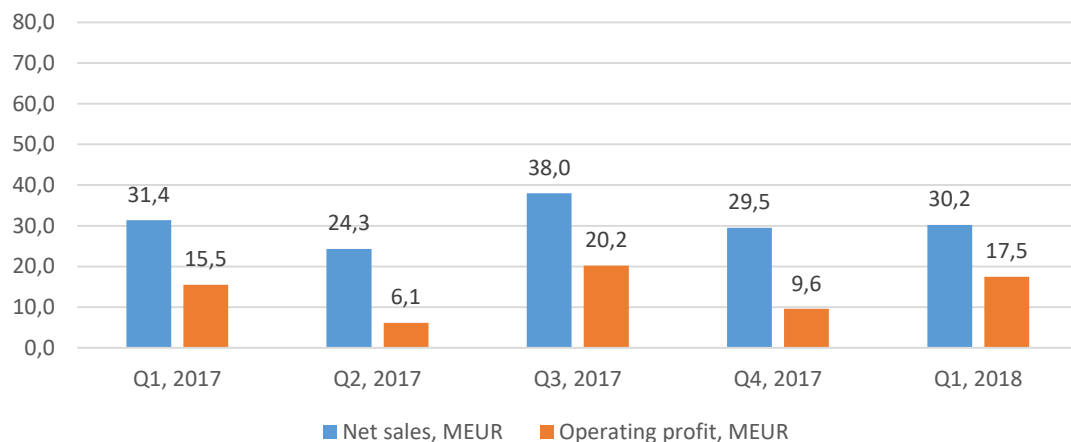
The Group's financial position remains strong. Consolidated cash and cash equivalents amounted to MEUR 69,2 (69,8). The Group's interest-bearing liabilities amounted to MEUR 38,4 (54,0). The higher capital expenditures are mainly related to the process of shifting the ERP systems in Globetrotter, an investment in a more efficient logistic software and the ongoing building of a European Business to Consumer warehouse in Ludwiglust in northern Germany. Consolidated equity attributable to shareholders was MEUR 242,3 (199,8), corresponding to an equity ratio of 67,2 (59,7)%.



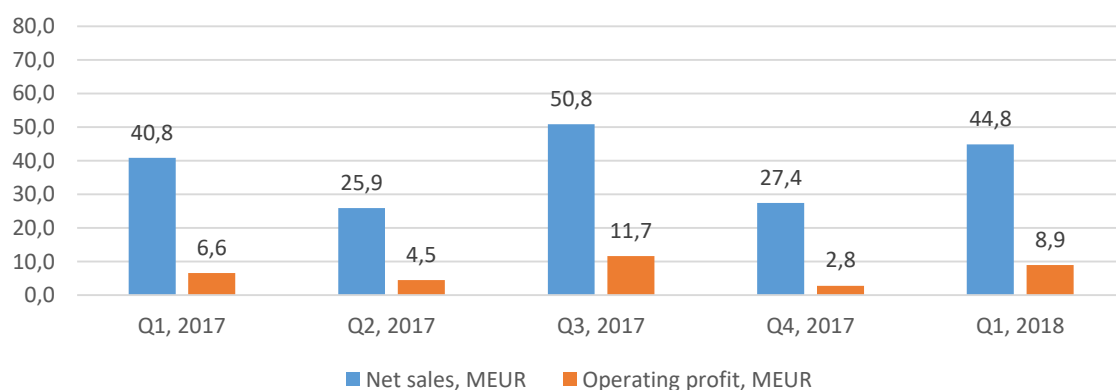
THE OPERATION

Net sales and operating result per segment

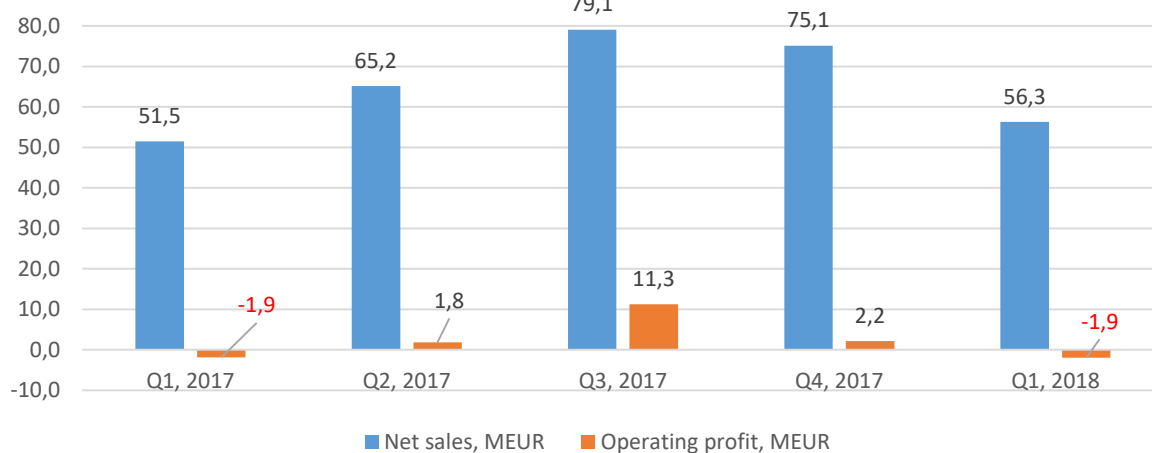
Brands



Global sales



Frilufts



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT MEUR	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2018	2017	2017/2018	2017
Net sales	131,6	123,8	547,7	539,9
Other operating income	2,9	3,4	12,2	12,7
Total income	134,5	127,2	559,9	552,6
Cost of goods	-58,0	-55,9	-241,3	-239,2
Other external expenses	-27,7	-27,5	-118,2	-118,0
Personnel expenses	-25,4	-23,0	-101,7	-99,3
Depreciation/amortisation	-2,9	-3,1	-12,5	-12,7
Result from participations in associated companies	1,2	0,6	2,8	2,2
Other operating expenses	-0,1		-0,8	-0,7
Operating expenses	-112,9	-108,9	-471,7	-467,7
Operating profit	21,6	18,3	88,2	84,9
Financial income	0,2		0,6	0,4
Financial expenses	-0,3	-0,6	-2,8	-3,1
Profit before tax	21,5	17,7	86,0	82,2
Income tax	-5,2	-3,9	-22,8	-21,5
Net profit	16,3	13,8	63,2	60,7
Net profit for the year attributable to:				
Parent Company's shareholders	16,3	13,7	16,3	60,5
Non-controlling interests		0,1	0,1	0,2
Earnings per share, EUR	1,21	1,03	4,70	4,51
Number of outstanding shares, B, thousands	11 060	11 060	11 060	11 060
Number of outstanding shares, A, thousands	24 000	24 000	24 000	24 000

Earnings per share calculated as, number of B-shares + 2 400 000 A-shares, as A-shares only qualify to a tenth of the dividend compared to B-shares. There are no outstanding options or convertibles which would result in a dilution.

FINANCIAL REPORT

Consolidated Statement of Comprehensive Income MEUR	3 months		12 months	
	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
	2018	2017	2017/2018	2017
Net profit	16,3	13,8	63,2	60,7
Not to be reclassified in the income statement in the future				
Remeasurements of post employment benefit obligations				
To be reclassified to the income statement in the future				
Change in translation reserve during the period	-5,4	0,1	-9,7	-4,2
Hedge accounting	0,8	-0,9	-1,6	-3,3
Taxes	-0,2	0,2	0,2	0,6
Total other comprehensive income for the period	-4,8	-0,6	-11,1	-6,9
Total comprehensive income for the period	11,5	13,2	52,0	53,8
Total comprehensive income attributable to:				
Parent Company's shareholders	11,5	13,1	51,9	53,6
Non-controlling interests		0,1	0,1	0,2

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR	31 March 2018	31 March 2017	31 Dec 2017
Assets			
Fixed assets			
Intangible fixed assets	31,9	18,3	29,0
Tangible fixed assets	54,1	41,9	52,3
Financial assets	18,6	20,9	19,3
Total fixed assets	104,6	81,1	100,6
Current assets			
Inventories	127,1	118,9	132,7
Accounts receivable trade and other receivables	55,4	61,3	39,8
Prepaid expenses and accrued income	4,2	3,7	4,9
Cash and cash equivalents	69,2	69,8	93,7
Total current assets	255,9	253,7	271,1
Total assets	360,5	334,8	371,7
Equity and liabilities			
Equity and reserves attributable to the Parent Company's shareholders	242,3	199,8	230,8
Non-controlling interest	-	2,7	-
Total equity	242,3	202,5	230,8
Liabilities			
Non-current liabilities			
Other non-current liabilities	13,9	10,0	14,8
Interest bearing liabilities	1,5	-	1,9
Total non-current liabilities	15,4	10,0	16,7
Current liabilities			
Other current liabilities	44,0	48,4	47,8
Interest bearing liabilities	37,0	54,0	50,7
Accrued expenses and deferred income	21,8	19,9	25,7
Total current liabilities	102,8	122,3	124,2
Total equity and liabilities	360,5	334,8	371,7

FINANCIAL REPORT

Statement of changes in Equity MEUR	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interest	Total Equity
01-01-2017	12,4	39,8	134,6	186,7	2,6	189,3
Net Profit for the year			13,7	13,7	0,1	13,8
Other comprehensive income for the year			-0,6	-0,6	-	-0,6
Total comprehensive income for the year	-	-	13,1	13,1	0,1	13,2
31-03-2017	12,4	39,8	147,6	199,8	2,7	202,5
01-01-2018	12,4	39,8	178,7	230,8	0,0	230,8
Net Profit for the year			16,3	16,3	0,0	16,2
Other comprehensive income for the year			-4,8	-4,8	-	-4,8
Total comprehensive income for the year	-	-	11,4	11,4	0,0	11,4
31-03-2018	12,4	39,8	190,1	242,2	0,0	242,3

FINANCIAL REPORT

Consolidated statement of cash flows	3 months		12 months
	Jan - Mar	Jan - Mar	Jan - Dec
	2018	2017	2017
MEUR			
OPERATING ACTIVITIES			
Net profit for the year	16,3	13,8	60,7
Tax expense in income statement	5,2	3,9	21,6
Financial result net in income statement	0,1	0,6	2,7
Depreciation/amortisation	2,9	3,1	12,7
Adjustment for non cash items	-2,5	0,4	-4,1
Interest and dividends received	0,1		0,4
Interest paid	-0,5	-0,5	-2,5
Income tax paid	-8,7	-8,5	-21,6
	12,9	12,8	69,9
Change in inventories	9,3	2,3	-3,6
Change in operating receivables	-12,9	-20,3	1,8
Change in operating liabilities	-11,6	1,5	0,5
Cash flow from operating activities	-2,3	-3,7	68,6
INVESTING ACTIVITIES			
Purchase of intangible assets	-3,2	-0,7	-7,1
Purchase of tangible fixed assets	-3,8	-2,9	-23,3
Sale of tangible fixed assets			0,4
Acquisition of subsidiaries, net of cash acquired	-1,2		-6,0
Settlement of loans	-0,9		-1,2
Financial assets		0,3	0,6
Cash flow from investing activities	-9,1	-3,3	-36,6
FINANCING ACTIVITIES			
Borrowings			10,2
Repaid borrowings	-13,1		-13,5
Acquisition of non-controlling interests			-1,3
Sale and purchase of own shares			0,4
Dividends paid			-11,1
Cash flow from financing activities	-13,1		-15,3
Change in cash and cash equivalents	-24,5	-7,0	16,7
Cash and cash equivalents at beginning of year	93,7	76,8	76,8
Effect of exchange rate differences on cash and cash equivalents			0,2
Cash and cash equivalents at period-end	69,2	69,8	93,7

Notes to the financial report

Note 1 Accounting principles

Fenix Outdoor International AG is a listed company with its registered office in Zug, Switzerland.

The Group applies the International Financial Reporting Standards (IFRS) issued by the IASB and is compliant with IFRS as adopted by the EU. This quarterly report is prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies adopted are consistent with those applied in the Annual Report for the year ended 31 December 2017 exception of new and revised standards and interpretations that become effective January 2018. The new additions and clarifications regarding IFRS, which become effective January 1, 2018, had no significant impact on the financial report.

IFRS 9 Financial instrument and IFRS 15 revenue from Contracts with customers become effective 1 January 2018, and had no significant impact on the financial performance.

IFRS 16 Leases will become effective 1 January 2019 and expects, given the operational lease contracts in the group, to have an impact of the balance sheet and income statement of the Group. The review of the impact is ongoing.

The Group presents consolidated financial data in EUR (conversion rates in accordance with Note 3).

The report is not audited by the Auditors of the Group.

Note 2 Risks

The risk factors of the Group are presented in the last published annual report 2017, page 24.

Note 3 Exchange rates

	Average rate			Balance sheet closing rate		
	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	2018-03-31	2017-03-31	2017-12-31
SEK/EUR	10,0470	9,5167	9,6464	10,2843	9,5322	9,8438
CHF/EUR	1,1643	1,0671	1,1152	1,1779	1,0696	1,1702
USD/EUR	1,2328	1,0680	1,1353	1,2321	1,0691	1,1993
SEK/CHF	8,6290	8,9186	8,6502	8,7310	8,9119	8,4121

Notes to the financial report

Note 4 Hedge accounting

	2018-03-31	2017-12-31	2017-03-31
Market value	-619	-1 455	1 220
FX Forwards			
Purchased TUSD	27 900	43 500	44 460
Sold TEUR	23 331	37 475	39 874
Rate	1,196	1,161	1,115
Purchased TUSD	-	1 500	-
Sold TNOK	-	12 736	-
Rate	-	8,491	-
Interest swap			
Paying long term due 2020-03-19, TUSD	15 000	15 000	15 000
Getting short term 3 months, TUSD	15 000	15 000	15 000
Paying long term due 2020-03-19, TEUR			10 000
Getting short term 3 months, TEUR			10 000

Accounting method

The market value is reported in full as a change in the hedging reserve in other comprehensive income in equity.

Notes to the financial report

Note 5 Segment reporting – sales and operating result

The Group is organized in three business segments: Brands, Global sales and Friluft. Fenix Outdoor International AG reports sales and operating result for the segments Brands, Global Sales, Friluft and Common. The internal monitoring of the operations takes place in this segmentation. Additionally sales is divided into geographical areas.

	Brands		Friluft		Global sales		Common		Group	
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External sales, MEUR	30,2	31,4	56,3	51,5	44,8	40,8	0,3	0,1	131,6	123,8
Operating profit, MEUR	17,5	15,5	-1,9	-1,9	8,9	6,6	-2,8	-1,9	21,6	18,3
Number of Stores	26	23	69	60	14				109	83
of which are franchise			4	4					4	4
Fixed assets	21,3	22,6	36,6	34,6	12,8	12,8	33,9	11,1	104,6	81,1
Cap. Expenditures	0,6	0,4	1,1	2,1	0,5	0,1	4,8	1,0	7,0	3,6

External sales per market	Brands		Friluft		Global sales		Common		Total	
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Switzerland					3,3	2,8			3,3	2,8
Sweden	3,4	5,3	10,9	10,4					14,3	15,7
Other Nordic countries	0,9	0,8	8,6	4,8	10,5	11,8			20,0	17,4
Germany	18,6	17,1	36,8	36,3			0,3	0,1	55,7	53,5
Benelux	0,5	2,5			7,2	4,1			7,7	6,6
Other Europe	1,1	0,4			13,2	10,1			14,3	10,5
North America	5,2	4,7			5,5	5,8			10,7	10,5
Other World	0,5	0,6			5,1	6,2			5,6	6,8
Total	30,2	31,4	56,3	51,5	44,8	40,8	0,3	0,1	131,6	123,8

Note 6 Acquisition of Royal Robbins

On March 28, 2018, Fenix Outdoor International AG acquired 100 % in Royal Robbins. The purchase analysis is started. The price of the shares is basically equal to net asset value.

Notes to the financial report

Note 7 Events after period closing

No major events after period closing

Note 8 Transactions with related parties

There have been no major changes in relations to transactions with related parties compared to 2017.

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Zug April 25, 2018

The CEO certifies that this report gives a true and fair view of the Group's operations, position and results and describes the principal risks and uncertainties that the Company and the companies in the group are exposed to.

MARTIN NORDIN
CEO

This three months report is not audited by the Auditors of the Group.

