

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2017	2016	DKK million	Notes	2017	2016
CONSOLIDATED INCOME STATEMENT				CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Revenue	2.1, 2.2	22,781	20,281	Net profit for the year		5,768	6,025
Cost of sales	2.3	-5,815	-5,058	Other comprehensive income:			
Gross profit		16,966	15,223	Items that may be reclassified to profit/loss for the year			
Sales, distribution and marketing expenses	2.3	-7,045	-5,838	Exchange rate adjustments of investments in subsidiaries		-343	121
Administrative expenses	2.3	-2,137	-1,981	Commodity hedging instruments:			
Operating profit	2.2	7,784	7,404	- Realised in net financials		7	-21
Finance income	4.6	198	328	- Realised in inventories		43	-145
Finance costs	4.6	-315	-82	- Fair value adjustments		75	144
Profit before tax		7,667	7,650	Foreign exchange hedging instruments:			
Income tax expense	2.5	-1,899	-1,625	- Realised in net financials		-117	-167
Net profit for the year		5,768	6,025	- Fair value adjustments		101	236
Earnings per share, basic (DKK)	4.2	52.0	52.8	Tax on other comprehensive income, hedging instruments, income/expense	2.5	-25	-10
Earnings per share, diluted (DKK)	4.2	51.8	52.5	Items that may be reclassified to profit/loss for the year, net of tax		-259	158
				Items not to be reclassified to profit/loss for the year			
				Actuarial gain/loss on defined benefit plans, net of tax	2.3	-2	-
				Items not to be reclassified to profit/loss for the year, net of tax		-2	-
				Other comprehensive income, net of tax		-261	158
				Total comprehensive income for the year		5,507	6,183

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER

DKK million	Notes	2017	2016
ASSETS			
Goodwill		3,522	2,571
Brand		1,057	1,057
Distribution network		154	184
Distribution rights		1,153	1,061
Other intangible assets		1,113	893
Total intangible assets	3.1	6,999	5,766
Property, plant and equipment	3.2	2,324	1,767
Deferred tax assets	2.5	884	946
Other financial assets		289	250
Total non-current assets		10,496	8,729
Inventories	3.4	2,729	2,729
Derivative financial instruments	4.4, 4.5	153	161
Trade receivables	3.5	1,954	1,673
Income tax receivable		143	142
Other receivables		772	754
Cash	4.3	993	897
Total current assets		6,744	6,356
Total assets		17,240	15,085

DKK million	Notes	2017	2016
EQUITY AND LIABILITIES			
Share capital	4.1	113	117
Treasury shares		-1,999	-4,334
Reserves		922	1,181
Dividend proposed		987	1,007
Retained earnings		6,491	8,823
Total equity		6,514	6,794
Provisions	3.6	150	101
Loans and borrowings	4.3, 4.4	5,283	3,008
Deferred tax liabilities	2.5	501	393
Other payables		481	393
Total non-current liabilities		6,415	3,895
Provisions	3.6	649	1,004
Loans and borrowings	4.3, 4.4	164	3
Derivative financial instruments	4.4, 4.5	143	256
Trade payables	4.4	1,706	1,622
Income tax payable		572	547
Other payables		1,077	964
Total current liabilities		4,311	4,396
Total liabilities		10,726	8,291
Total equity and liabilities		17,240	15,085

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	Share capital	Treasury shares	Translation reserve	Hedging reserve	Dividend proposed	Retained earnings	Total equity
2017								
Equity at 1 January		117	-4,334	1,255	-74	1,007	8,823	6,794
Net profit for the year		-	-	-	-	-	5,768	5,768
Exchange rate adjustments of investments in subsidiaries		-	-	-343	-	-	-	-343
Fair value adjustment of hedging instruments		-	-	-	109	-	-	109
Actuarial gain/loss	2.3	-	-	-	-	-	-2	-2
Tax on other comprehensive income	2.5	-	-	-	-25	-	-	-25
Other comprehensive income, net of tax		-	-	-343	84	-	-2	-261
Total comprehensive income for the year		-	-	-343	84	-	5,766	5,507
Fair value adjustments of obligation to acquire non-controlling interests		-	-	-	-	-	-126	-126
Share-based payments	2.3, 2.4	-	-	-	-	-	66	66
Share-based payments (exercised)		-	217	-	-	-	-215	2
Share-based payments (tax)		-	-	-	-	-	-13	-13
Purchase of treasury shares		-	-1,721	-	-	-	-	-1,721
Reduction of share capital		-4	3,839	-	-	-	-3,835	-
Dividend paid	4.2	-	-	-	-	-4,004	9	-3,995
Dividend proposed	4.2	-	-	-	-	3,984	-3,984	-
Equity at 31 December		113	-1,999	912	10	987	6,491	6,514
2016								
Equity at 1 January		122	-4,152	1,134	-111	1,511	7,635	6,139
Net profit for the year		-	-	-	-	-	6,025	6,025
Exchange rate adjustments of investments in subsidiaries		-	-	121	-	-	-	121
Fair value adjustment of hedging instruments		-	-	-	47	-	-	47
Tax on other comprehensive income	2.5	-	-	-	-10	-	-	-10
Other comprehensive income, net of tax		-	-	121	37	-	-	158
Total comprehensive income for the year		-	-	121	37	-	6,025	6,183
Fair value adjustments of obligation to acquire non-controlling interests		-	-	-	-	-	-123	-123
Share-based payments	2.3, 2.4	-	-	-	-	-	76	76
Share-based payments (exercised)		-	230	-	-	-	-229	1
Share-based payments (tax)		-	-	-	-	-	25	25
Purchase of treasury shares		-	-4,000	-	-	-	-	-4,000
Reduction of share capital		-5	3,588	-	-	-	-3,583	-
Dividend paid	4.2	-	-	-	-	-1,511	4	-1,507
Dividend proposed	4.2	-	-	-	-	1,007	-1,007	-
Equity at 31 December		117	-4,334	1,255	-74	1,007	8,823	6,794

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2017	2016
Profit before tax		7,667	7,650
Finance income	4.6	-198	-328
Finance costs	4.6	315	82
Depreciation and amortisation		721	518
Share-based payments	2.4	66	76
Change in inventories		145	-206
Change in receivables		-285	-327
Change in payables and other liabilities		-118	327
Other non-cash adjustments	4.7	102	241
Interest etc. received		3	3
Interest etc. paid		-44	-43
Income taxes paid		-1,768	-1,462
Cash flows from operating activities, net		6,606	6,531
Acquisition of subsidiaries and activities, net of cash acquired	3.3	-1,843	-210
Purchase of intangible assets		-427	-344
Purchase of property, plant and equipment		-890	-825
Change in other non-current assets		-48	-75
Proceeds from sale of property, plant and equipment		12	31
Cash flows from investing activities, net		-3,196	-1,423
Dividend paid	4.2	-3,995	-1,507
Purchase of treasury shares	4.1	-1,721	-4,000
Proceeds from loans and borrowings	4.3	4,981	3,777
Repayment of loans and borrowings	4.3	-2,542	-3,373
Cash flows from financing activities, net		-3,277	-5,103
Net increase/decrease in cash		133	5
Cash at 1 January ¹		897	889
Exchange gains/losses on cash		-37	3
Net increase/decrease in cash		133	5
Cash at 31 December¹		993	897

DKK million	Notes	2017	2016
Cash flows from operating activities, net		6,606	6,531
- Interest etc. received		-3	-3
- Interest etc. paid		44	43
Cash flows from investing activities, net		-3,196	-1,423
- Acquisition of subsidiaries and activities, net of cash acquired		1,843	210
Free cash flow		5,294	5,358
Unutilised credit facilities		3,085	5,120

The above cannot be derived directly from the income statement and the balance sheet.

¹ Cash comprises cash at bank and in hand.

FINANCIAL HIGHLIGHTS

DKK million	2017	2016	2015	2014	2013
Consolidated income statement					
Revenue	22,781	20,281	16,737	11,942	9,010
Gross profit	16,966	15,223	12,193	8,423	5,999
Earnings before interest, tax, depreciation and amortisation (EBITDA)	8,505	7,922	6,214	4,294	2,881
Operating profit (EBIT)	7,784	7,404	5,814	4,072	2,681
Net financials	-117	246	-469	-200	61
Net profit for the year	5,768	6,025	3,674	3,098	2,220
Consolidated balance sheet					
Total assets	17,240	15,085	13,311	10,556	9,275
Invested capital	11,439	9,396	8,255	6,080	5,976
Operating working capital	2,977	2,780	2,388	1,990	1,846
Net interest-bearing debt (NIBD)	4,855	2,448	1,921	-1,121	-637
Equity	6,514	6,794	6,139	7,032	6,462
Consolidated cash flow statement					
Net increase/decrease in cash	133	5	-245	431	361
Free cash flow	5,294	5,358	2,449	3,868	1,956
Cash conversion, %	68.0%	72.4%	42.1%	95.0%	73.0%
Growth ratios					
Revenue growth, %	12%	21%	40%	33%	35%
Gross profit growth, %	11%	25%	45%	40%	35%
EBITDA growth, %	7%	27%	45%	49%	74%
EBIT growth, %	5%	27%	43%	52%	82%
Net profit growth, %	-4%	64%	19%	40%	85%
Margins					
Gross margin, %	74.5%	75.1%	72.9%	70.5%	66.6%
EBITDA margin, %	37.3%	39.1%	37.1%	36.0%	32.0%
EBIT margin, %	34.2%	36.5%	34.7%	34.1%	29.8%

DKK million	2017	2016	2015	2014	2013
Other ratios					
Effective tax rate, %	24.8%	21.2%	31.3%	20.0%	19.0%
Equity ratio, %	37.8%	45.0%	46.1%	66.6%	69.7%
NIBD to EBITDA	0.6x	0.3x	0.3x	-0.3x	-0.2x
Return on invested capital (ROIC), %	68.0%	78.8%	70.4%	67.0%	44.9%
Share information					
Number of shares	112,507,391	117,056,821	122,297,169	128,115,820	130,143,258
Nominal value, DKK	1	1	1	1	1
Share capital, DKK million	112,507,391	117,056,821	122,297,169	128,115,820	130,143,258
Treasury shares	2,891,926	5,130,682	6,063,915	7,216,058	3,539,023
Share options outstanding	413,538	581,252	823,567	1,382,800	1,511,585
Share options granted	104,470	105,665	171,678	227,555	437,228
Share options exercised	256,212	334,877	718,165	170,784	-
Dividend per share ¹ , DKK	9.00	9.00	13.00	9.00	6.50
Quarterly dividend per share ² , DKK	27.00	-	-	-	-
Total payout ratio (incl. share buyback), %	99.1%	91.5%	135.8%	104.1%	63.7%
Earnings per share, basic, DKK	52.0	52.8	30.9	25.0	17.2
Earnings per share, diluted, DKK	51.8	52.5	30.7	24.7	17.0
Share price at year-end, DKK	675.5	924.0	872.0	504.5	294.0
Other key figures					
Capital expenditure (CAPEX)	1,388	1,199	1,109	455	490
Capital expenditure, tangible assets (CAPEX)	946	828	06	297	182
Store network, total number of points of sale	7,794	8,131	9,271	9,906	10,279
Store network, total number of concept stores	2,446	2,138	1,802	1,410	1,100
Average number of full-time employees	20,904	17,770	13,971	9,957	6,910

¹ Proposed dividend per share for 2017.

² Quarterly dividend per share for 2017, paid in 2017.