



The LEGO Group delivers double-digit growth in 1H 2020

Strong consumer demand drove consumer sales, revenue, operating profit and market share growth. Strategic investments positioned the Group well to navigate impact of COVID-19.

- **Consumer sales grew 14 percent in 1H 2020 compared with 1H 2019.**
- **Revenue grew 7 percent to DKK 15.7 billion compared with the same period in 2019.**
- **Operating profit grew 11 percent to DKK 3.9 billion, while investing in significant long-term growth initiatives.**
- **Free cash flow strong at DKK 4.1 billion.**
- **Market share grew in major countries, outpacing the toy industry.**

BILLUND, September 2, 2020: The LEGO Group today reported first half earnings for the six months ending June 30, 2020. Revenue for the period grew 7 percent to DKK 15.7 billion compared with the same period in 2019. Consumer sales grew 14 percent compared with 1H 2019 and the brand's global market share increased. Operating profit was DKK 3.9 billion, an increase of 11 percent compared with 2019.

The LEGO Group CEO, Niels B. Christiansen said: "The strong results are due to our incredible team. When COVID-19 closed stores and offices, our colleagues did everything they could to stay safe and bring play to children and families around the world. I would like to thank them for their extraordinary contribution and their continued fantastic efforts."

"During the first half, we saw the benefits of our investments in long-term growth initiatives such as e-commerce and product innovation. Our strong portfolio appealed to builders of all ages and our recently upgraded e-commerce platform and agile global supply chain allowed us to fulfil online demand. We also collaborated closely with our retail partners to ensure they could continue to supply their shoppers online."

The Group delivered double digit consumer sales growth in its major market groups including the Americas, Western Europe, Asia Pacific and China. Operating profit growth was driven by strong sales, offset by bold investments in long-term growth initiatives and higher freight costs associated with shipping products following temporary, government-mandated factory closures in Mexico and China. Underlying net profit grew 13 percent. Adjusted for the impact of foreign exchange on inter-company loans, which has no cash impact, net profit declined 1 percent to DKK 2.6 billion. Free cash flow was strong at DKK 4.1 billion.

A strong portfolio for builders of all ages

Across the portfolio, the top-performing themes in no particular order were LEGO® Technic, LEGO® *Star Wars*™, LEGO® Classic, LEGO® *Disney Princess*™, LEGO® Harry Potter™ and LEGO® Speed Champions, proving the appeal of LEGO play to fans of all ages and interests.

The LEGO Group also launched 'Let's Build Together' a digital initiative designed to bring learning through play to children whose education was disrupted due to the pandemic. Around 90 percent of school aged children were outside of their usual learning environments during the first half of the year. 'Let's Build Together' saw thousands of hours of online content and play ideas reach more than 80 million unique users around the world.

Christiansen: "We are very pleased to see the enduring appeal of the LEGO System in Play and strength of the LEGO brand. During the first half we attracted new builders of all ages who turned to LEGO play to help them through difficult times. More families are playing and learning together with LEGO bricks and we are seeing more adults than ever before enjoying building our more challenging sets."

Strategic investments in long-term growth

During the first half of 2020, the LEGO Group continued to invest in long-term growth initiatives designed to achieve its ambition to reach more children around the world.

Christiansen said: "Many of the major trends shaping our industry, such as digitalisation and e-commerce, are accelerating as a result of the pandemic. We saw strong growth in digital and traditional play, a rapid shift to e-commerce and the importance of having a truly global operating model."

During the first half of 2020, the Group unveiled LEGO® Super Mario™, an entirely new play experience which blends digital and physical play. It also launched LEGO® Monkie Kid™, the first theme designed around Chinese folklore.

There was a significant increase in engagement in the company's digital play experiences. In the first six months, downloads of LEGO digital building instructions doubled to two million and every two seconds a piece of content was shared on LEGO Life, a safe digital play app, which has more than 9 million users in 80 countries.

Visitors to the LEGO.com e-commerce platform doubled to more than 100 million in the first half of 2020, compared with the same period a year ago. The company also plans to continue creating unique physical brand experiences for shoppers and is on track to open around 120 new retail stores in 2020, 80 of those in China. During the first half, it opened 46 retail stores, 30 of those in China.

Christiansen said: "While retail has been transformed during the past six months, we continue to see great opportunity for an omnichannel model. We will continue to invest in upgrading our e-commerce capabilities to support both our retail partners and own platform and continue to invest in creating fantastic physical brand experiences for shoppers and fans."

Helping children learn through play

During the first six months of 2020, the LEGO Group supported those hit hardest by the pandemic. In partnership with the LEGO Foundation, it donated USD 50 million to a range of organisations that provide emergency relief to families and support for children in learning through play. It also donated more than 250,000 LEGO sets to children in need of play.

The Group re-purposed moulding machines in its factories in Denmark, Czech Republic, Hungary and Mexico to manufacture more than half a million visors for frontline health professionals who required personal protective equipment (PPE).

Christiansen said: "The first six months of 2020 have been unprecedented. I am incredibly proud of the team and how they responded. We kept each other safe, we took care of those most in need and we did everything we could to inspire children and families, whose lives were put on hold, to learn through play."

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About the LEGO Group

The LEGO Group is a privately held, family-owned company with headquarters in Billund, Denmark, and main offices in Enfield, USA, London, UK, Shanghai, China, and Singapore. Founded in 1932 by Ole Kirk Kristiansen, and based on the iconic LEGO® brick, it is one of the world's leading manufacturers of play materials. Guided by the company spirit: "Only the best is good enough", the company is committed to the development of children and aims to inspire and develop the builders of tomorrow through creative play and learning. LEGO products are sold worldwide and can be virtually explored at www.LEGO.com

For more news from the LEGO Group, information about our financial performance and responsibility engagement, please visit www.LEGO.com/aboutus