

Media Release

The LEGO Group delivered top and bottom line growth in 2019

Consumer sales, revenue and profit grew, outpacing the industry. The LEGO Group made bold, significant investments in initiatives to drive future growth.

- **Global consumer sales grew 5.6 percent in 2019 compared with 2018.**
- **Revenue for the full year grew 6 percent to DKK 38.5 billion.**
- **Operating profit grew 1 percent to DKK 10.8 billion. Net profit was DKK 8.3 billion, an increase of 3 percent despite significant investments in long-term growth initiatives**
- **Cash flow from operating activities is a strong DKK 9.6 billion.**
- **Market share grew in all major markets.**

BILLUND, March 4, 2020: The LEGO Group today reported earnings for the full year ending December 2019. Revenue for the period grew 6 percent to DKK 38.5 billion compared with 2018. Consumer sales grew 5.6 percent compared with 2018 and overall global market share increased.

Operating profit was DKK 10.8 billion, an increase of 1 percent compared with 2018, while net profit grew 3 percent to DKK 8.3 billion. This growth was achieved alongside the Group's bold investments in a range of initiatives designed to deliver growth in the long term.

The LEGO Group CEO, Niels B Christiansen said: "We are very pleased with this result and I would like to thank our dedicated colleagues for their amazing contribution. It was a strong year where we outperformed the toy industry and grew consumer sales and market share in all our largest markets. We also expanded our presence in newer markets which helped us achieve our ambition of introducing learning through LEGO® play to many children for the first time.

"Our industry, like many others, is being redrawn by digitalisation and global socio-economic shifts. We're leveraging our strong financial foundation to invest in initiatives that will allow us to keep ahead of these trends and enable growth in the long term. This includes innovating play, innovating our retail ecosystem and investing in new market entries so that we are well positioned to inspire young builders for generations to come."

The Group grew consumer sales in all market groups. The Americas and Western Europe grew single digits, while China grew strong double-digits.

Innovating the portfolio

Top selling themes in no particular order were LEGO® City, LEGO® Creator, LEGO® Friends, LEGO® Technic, LEGO® Classic and LEGO® *Star Wars*™. The LEGO® Harry Potter™, LEGO Super Heroes (Marvel Avengers) and LEGO® *Disney*™ Princess themes also performed strongly.

Christiansen said: "We are very pleased with the popularity of our core products such as LEGO City and LEGO Creator, which, like all our products, provide children with endless possibilities to build and rebuild. We are also satisfied with the performance of our IP sets and our new theme LEGO Hidden Side which seamlessly blends building and augmented reality."

Engaging new consumers & adult fans

In 2019, the Group also launched its first integrated global brand advertising campaign in more than 30 years, Rebuild the World, which attracted new consumers to the brand.

It also acquired BrickLink, the world's largest digital platform for adult fans of LEGO building. The platform boasts more than one million members and features a marketplace, design software and a community where fans can share their latest builds.

Innovating retail

The Group expanded its global retail ecosystem opening 150 LEGO branded stores; upgrading its e-commerce site; and strengthening its collaboration with retail partners. It now has 570 stores around the world, with plans to open approximately 150 more in 2020, the majority in mainland China. Visitors to the company's revamped LEGO.com e-commerce site increased by 27% in 2019 and positive progress with retail partners contributed to consumer sales growth.

Christiansen said: "The retail environment is constantly changing. Consumers are looking for immersive brand experiences instore, and value and convenience online. We are stepping up investment in all our retail channels and working closely with our partners to connect with people wherever and however they want to shop."

Geographic expansion

China remains a strategic growth market for the LEGO Group. In 2019 it expanded its presence in tier three and four cities and now has 140 retail stores in 35 cities, including flagship stores in Beijing and Shanghai. During 2020, the Group plans to open an additional 80 stores in around 20 new cities. It also developed its e-commerce presence on partner platforms and recently renewed its partnership with Tencent as part of plans to engage consumers and shoppers through unique digital experiences.

Stepping up investment in sustainability

In 2019, the LEGO Group continued its efforts to create a positive impact on society and the planet. Through its local community engagement programmes, partnerships and outreach programmes it provided learning through play experiences to more than 1.8 million children across 26 countries. It continued to balance 100% of its energy use through renewable sources via investments in solar and wind power and launched Replay, a trial programme to encourage the circular use of LEGO bricks.

In 2020 and beyond, the Group will significantly step up investments in sustainability initiatives focussed on children and the environment. It will implement programmes in its local communities to bring learning through play to millions more children. Many of these initiatives will use play to inspire children about sustainability. It also will make products and packaging more sustainable and by 2025 will use only sustainable packaging, including phasing out single-use plastic packaging.

Christiansen said: "It's more urgent and important than ever that we all help children shape a sustainable future. For more than 80 years we've seen how play can help children develop the skills to solve the most complex problems and build bright futures. We know play is a powerful force so we will step up investments in learning through play projects to help children understand and explore ways to tackle sustainability issues now and in the future."

...ends

About the LEGO Group:

The LEGO Group's mission is to inspire and develop the builders of tomorrow through the power of play. The LEGO System in Play, with its foundation in LEGO bricks, allows children and fans to build and rebuild anything they can imagine.

The LEGO Group was founded in Billund, Denmark in 1932 by Ole Kirk Kristiansen, its name derived from the two Danish words LÉg GÓdt, which mean "Play Well". Today, the LEGO Group remains a family-owned company headquartered in Billund. However, its products are now sold in more than 130 countries worldwide. For more information: www.LEGO.com