



The LEGO Group achieves strong growth while investing to build for the future

*Consumer sales grew at strong levels in 2021.
Brought LEGO® play to more children around the world.*

- **Consumer sales grew 22 percent for the full year vs 2020.**
- **Revenue grew 27 percent to DKK 55.3 billion compared with 2020.**
- **Operating profit grew 32 percent to DKK 17.0 billion.**
- **Net profit was DKK 13.3 billion in 2021 against DKK 9.9 billion in 2020. Profit grew strongly while the Group continued strategic investments to meet long-term growth.**
- **Free cash flow was DKK 12.9 billion.**
- **Market share grew in largest markets.**

Billund, March 8th, 2022: The LEGO Group today reported earnings for the full year of 2021. Revenue for the year grew 27 percent versus 2020 to DKK 55.3 billion and consumer sales grew 22 percent over the same period, outpacing the toy industry and driving market share growth globally and in largest markets.

The LEGO Group CEO, Niels B. Christiansen said: "I am grateful for everything the LEGO Group was able to achieve in 2021. Our passionate and committed team of more than 24,000 colleagues showed tremendous dedication and resilience to keep the world playing. Meanwhile, our strong financial performance allows us to further accelerate strategic investments to help us reach more children in the long term."

All market groups delivered double-digit consumer sales growth thanks to strong execution and the largest and most diverse portfolio ever that brought families together and appealed to builders of all ages and interests. Top-selling themes included LEGO® City, LEGO® Technic, LEGO® Creator Expert, LEGO® Harry Potter™ and LEGO® Star Wars™.

The 2021 portfolio was awarded seven 'Toy of the Year Awards' from The Toy Association which recognises the year's top product launches. The recognition is a testament to the creativity and playfulness of the company's designers and the endless possibilities of the LEGO System in Play.

Operating profit was at DKK 17.0 billion, an increase of 32 percent compared with 2020, despite ambitious strategic investments and increased freight and raw materials costs. Net profit was at DKK 13.3 billion compared with DKK 9.9 billion in 2020, while free cash flow was at DKK 12.9 billion.

The company has delivered strong financial results while also delivering strong non-financial results such as consumer satisfaction (NPS) and people engagement that are both at record high levels.

Strategic investments drive in-year and long-term growth

The LEGO Group will continue to accelerate its strategic investments in product innovation, retail channels, production capacity, digitalization, and sustainability to drive in-year and long-term growth.

Christiansen said: "In 2021 we saw the benefits of strategic investments made over the past three years to innovate our portfolio, expand and evolve our retail experiences and increase capacity within our global supply chain network. I am excited about our ability to continue to invest against these priorities due to our strong financial results. Combined, these investments will allow us to bring LEGO play to many more children around the world now and for generations to come."

In 2022, the LEGO Group expects growth rates to normalize to long-term sustainable single-digit growth. This will be driven by a continued focus on product innovation and growth in established and newer markets.

Creating memorable retail experiences

The LEGO Group's significant investments to expand, innovate and transform its digital retail channels and brick and mortar stores paid off in 2021.

Sales across its own and partners' digital retail channels grew strong double digits, indicating the shift to online sales from 2020 continued.

Shoppers continue to seek meaningful and engaging brand experiences in physical stores. During the year, the company opened 165 new LEGO branded brick and mortar stores, with more than 90 in China. This brings the total number of stores globally to 832 as of December 31. 2021 also saw the introduction of a new retail store platform that is designed to create immersive, memorable brand experiences for shoppers. It will be introduced to more stores in 2022.

Expanding global capacity

The LEGO Group's five factories in three continents positioned the company well to navigate through shifting demand in its largest markets.

In 2021, the LEGO Group announced its plans to further expand its network of factories with a new USD 1 billion factory in Vietnam. Located near Ho Chi Minh City, the site will be the company's first operationally carbon neutral factory, constructed to support long term growth in the Asia-Pacific region.

Additionally, the company is expanding its capacity of existing manufacturing sites significantly over the next five years to meet immediate and longer-term demand in line with growth expectations.

Connecting with consumers through digital and physical play

The LEGO Group continued to provide playful digital experiences for builders, such as Digital Building Instructions which had 9.6 million downloads during the year and the LEGO Life app which has been downloaded by more than 33 million users since its launch in 2018.

To support the development of LEGO consumer experiences that blend digital and physical play, the LEGO Group significantly increased its digital capabilities recruiting colleagues to its Digital Hubs in Billund and Copenhagen in Denmark, London and Shanghai.

Building a sustainable future

In 2021, the LEGO Group successfully completed a trial to replace single-use plastic bags in boxes with sustainable packaging. The new packaging will be phased-in from mid-2022 putting the company on track to achieve its goal of having sustainable packaging by 2025. It also unveiled a prototype brick made from recycled plastic bottles and continued to expand its range of elements made from bio-PE, which are included in nearly half of all LEGO sets. The company was awarded an A rating for Climate by CDP in recognition of the introduction of a science based CO2 reduction target, supplier engagement and ramping up investments in renewable energy, which included increasing solar panel capacity at its factories by 98%.

Reaching more children

The LEGO Group believes that learning through play gives children the best opportunity to develop life-long skills that will help them achieve their potential. During 2021, the company reached more than 3.5 million children via donations and local community engagement activities. The LEGO Foundation, which owns 25 percent of the LEGO Group, also pledged DKK 2.8 billion in donations to programmes which give children and families, often those in need or facing crises, the chance to play and learn.

Christiansen said: "2022 marks the 90th anniversary of the LEGO Group. We are pleased that in this milestone year our strong financial foundations allow us to make such significant investments in building a business that will inspire and develop future builders for many generations to come."

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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 Leg Godt, which mean "Play Well".

Today, the LEGO Group remains a family-owned company headquartered in Billund. Its products are now sold in more than 130 countries worldwide. For more information:

www.LEGO.com.