**Grene brothers boosting growth with new partners**, *Børsen*, *12 September 2018*

**The retail group Søstrene Grene has increased its sales of knick-knacks and design products by almost 50% to nearly DKK 900 million, while profits have more than doubled.**

The brothers Cresten and Mikkel Grene have given the family business Søstrene Grene a good kick up the backside. In the past year alone, revenue has grown by almost 50% to nearly DKK 900 million, and profit after tax has more than doubled to close on DKK 78 million. This is all described in detail in the as yet unpublished annual report for 2017/18, which was a record year. And the growth is continuing beyond the billion kroner mark.

In 2018/19, Cresten and Mikkel Grene expect the top line to increase 20-40% to DKK 1.1-1.25 billion, while profit after tax is expected to be in the region of DKK 100-120 million.

The impressive growth is down to the fact that Søstrene Grene has increased the rate at which it opens new shops selling home interior products, kitchenware, arts and crafts articles and much else besides.

The accelerating growth can largely be attributed to a change of tactics three years ago, when in some places the brothers started teaming up with locals and sharing the risk associated with opening new shops.

“The business is going extremely well. Much of the growth has come from new shops, and we believe we can maintain a high rate of growth for the next five years at least,” says CEO Mikkel Grene.

By taking on some of the financial ownership, Søstrene Grene is now finding it easier to bring local partners on board and thereby expand the retail chain, which today counts exactly 217 shops in 15 markets in Western Europe and Japan.

The CEO says that about a third of all the shops are now co-owned by the group, including a couple of handfuls of shops which are wholly-owned by the group.

Apart from the growth which newly opened shops bring to the group, developments in Søstrene Grene are rather more flat. Mikkel Grene says that one of the most important key figures in the retail trade – same-store sales – which shows the development in existing shops which have usually been operating for a year, was plus 7% in 2017.

“For 2018, we will be happy if we can surpass index 100. Generally speaking, these are challenging times for the retail trade. So the fact that we are able to grow is very satisfactory, and shows that we are doing better than our peers,” he says.

**Lots of impulse purchases**Bruno Christensen, a retail expert, is confident that Søstrene Grene can keep on growing for some time yet.

“The business holds lots of potential. Søstrene Grene has created what others in the industry only dream about: Shops which people flock to for an experience and to see what is on offer. Most customers don’t even know in advance what they’re going to buy. And the concept is not perceived in any way as being a discount operation. At Flying Tiger and Normal, for example, customers know exactly what they are going to buy when they step inside one of the shops. And they also know that it’s cheap,” he says.

Bruno Christensen also points out that customers make many more impulse purchases in more affluent areas. Here, of course, people can afford to buy things that they choose on a whim. Mikkel Grene confirms that shops are more successful in areas where consumers are generally prosperous. In other words, the shops in Frederiksberg and in Lyngby near Copenhagen are doing extremely well. And Søstrene Grene has also got off to a good start in the affluent part of southern Germany.