



# Denmark

# 50

# 2018

**The annual report on the most valuable Danish brands**  
June 2018

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# Foreword.

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**David Haigh**  
CEO, Brand Finance

What is the purpose of a strong brand: to attract customers, to build loyalty, to motivate staff? All true, but for a commercial brand at least, the first answer must always be ‘to make money’.

Huge investments are made in the design, launch, and ongoing promotion of brands. Given their potential financial value, this makes sense. Unfortunately, most organisations fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets. Monitoring of brand performance should be the next step, but is often sporadic. Where it does take place, it frequently lacks financial rigour and is heavily reliant on qualitative measures, poorly understood by non-marketers.

As a result, marketing teams struggle to communicate the value of their work and boards then underestimate the significance of their brands to the business. Sceptical finance teams, unconvinced by what they perceive as marketing mumbo jumbo, may fail to agree necessary investments. What marketing spend there is, can end up poorly directed as marketers are left to operate with insufficient financial guidance or accountability. The end result can be a slow but steady downward spiral of poor communication, wasted resources, and a negative impact on the bottom line.

Brand Finance bridges the gap between marketing and finance. Our teams have experience across a wide range of disciplines from market research and visual identity to tax and accounting. We understand the importance of design, advertising, and marketing, but we also believe that the ultimate and overriding purpose of brands is to make money. That is why we connect brands to the bottom line.

By valuing brands, we provide a mutually intelligible language for marketing and finance teams. Marketers then have the ability to communicate the significance of what they do, and boards can use the information to chart a course that maximises profits. Without knowing the precise, financial value of an asset, how can you know if you are maximising your returns? If you are intending to license a brand, how can you know you are getting a fair price? If you are intending to sell, how do you know what the right time is? How do you decide which brands to discontinue, whether to rebrand and how to arrange your brand architecture? Brand Finance has conducted thousands of brand and branded business valuations to help answer these questions.

Brand Finance’s research revealed the compelling link between strong brands and stock market performance. It was found that investing in highly-branded companies would lead to a return almost double that of the average for the S&P 500 as a whole.

Acknowledging and managing a company’s intangible assets taps into the hidden value that lies within it. The following report is a first step to understanding more about brands, how to value them and how to use that information to benefit the business.

The team and I look forward to continuing the conversation with you.

# About Brand Finance.

Brand Finance is the world’s leading independent brand valuation and strategy consultancy.

Brand Finance was set up in 1996 with the aim of ‘bridging the gap between marketing and finance’. For more than 20 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We pride ourselves on four key strengths:

- Independence
- Technical Credibility
- Transparency
- Expertise.

Brand Finance puts thousands of the world’s biggest brands to the test every year, evaluating which are the strongest and most valuable.

For more information, please visit our website:  
[www.brandfinance.com](http://www.brandfinance.com)

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For further information on Brand Finance®’s services and valuation experience, please contact your local representative:

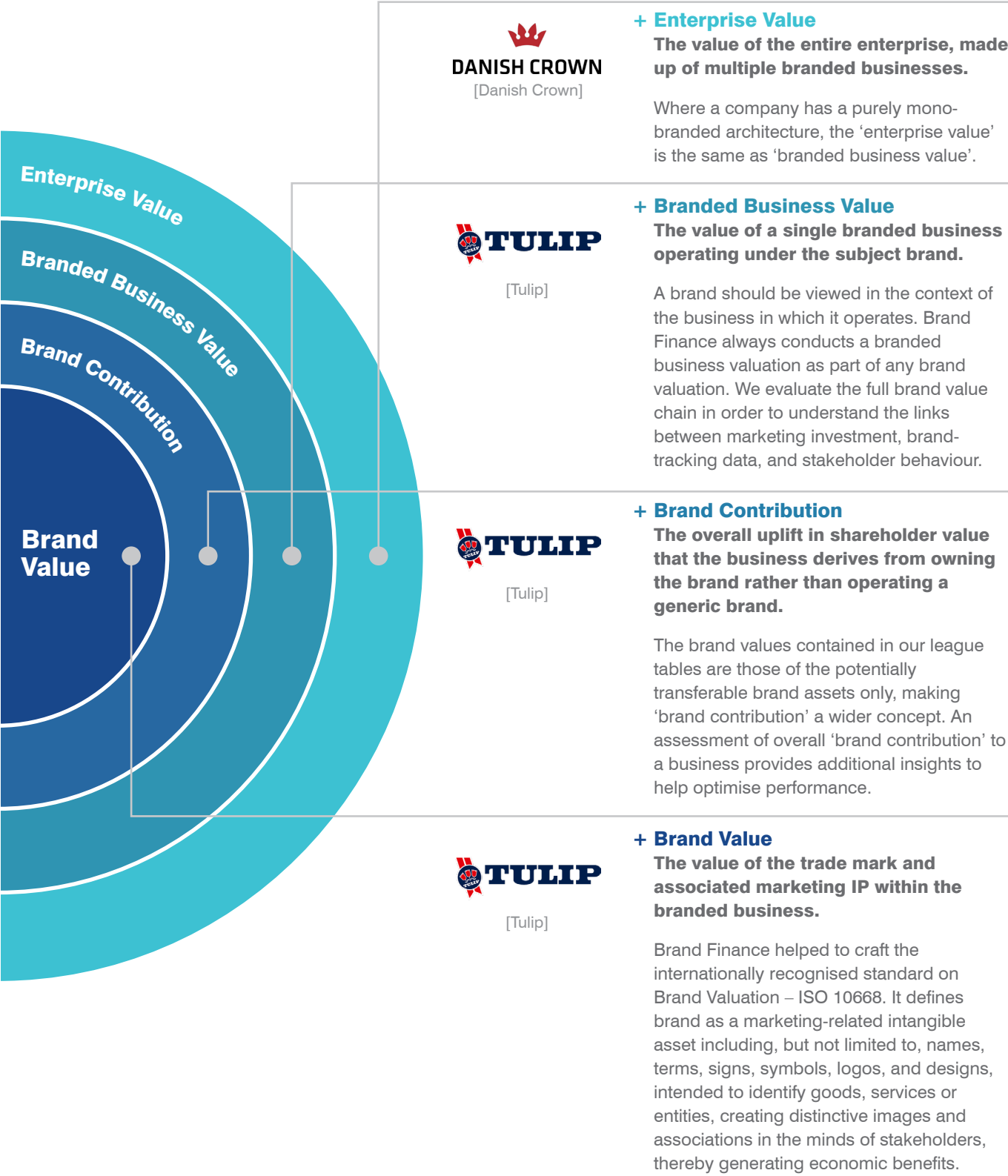
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# Definitions.

## Brand Value



## Brand Strength

**Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.**

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding rating up to AAA+ in a format similar to a credit rating.

In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.

Analysing the three brand strength measures helps inform managers of a brand's potential for future success.

Brand Strength Index	Marketing Investment	Widely recognised factors deployed by marketers to create brand loyalty and market share.
	Stakeholder Equity	Perceptions of the brand among different stakeholder groups, with customers being the most important.
	Business Performance	Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.





# Executive Summary.



## Lego remains on top

The five most valuable Danish brands each fell in value over the last year, but Lego remained on top as the most valuable and strongest Danish brand. Lego’s brand value dropped 5% over the last year to DKK47.9 billion, as the company’s signature product faces increasing global competition from digital entertainment.

Lego’s revenue for the full year declined 8% to DKK35.0 billion, down from DKK37.9 billion the previous year, with sales dropping in both North America and Europe. Two bright spots for the Lego brand were in China, where the company achieved significant sales growth, and in the brand’s ability to reduce inventory, which may allow the company to be nimbler in responding to customer needs in the future.

Lego is also Denmark’s strongest brand this year with a Brand Strength Index (BSI) score of 90.6 and a corresponding brand rating of AAA+. While the brand faces significant challenges from digital entertainment options, it continues to be extremely highly regarded by its key stakeholders – both children and their parents. This strength is based upon the brand’s long-term reputation as a wholesome and high-quality toy.

Lego remains Denmark’s most valuable and strongest brand because it is recognised by customers as a high-quality toy that stimulates creativity, learning, and fun. Lego’s brand strength will be particularly important as the rise of digital entertainment and a falling demand for their iconic bricks in the West continue to reshape the market. Building on the success of brand partnerships and on continued expansion in emerging markets, Lego still holds substantial potential as a brand.

David Haigh  
CEO, Brand Finance

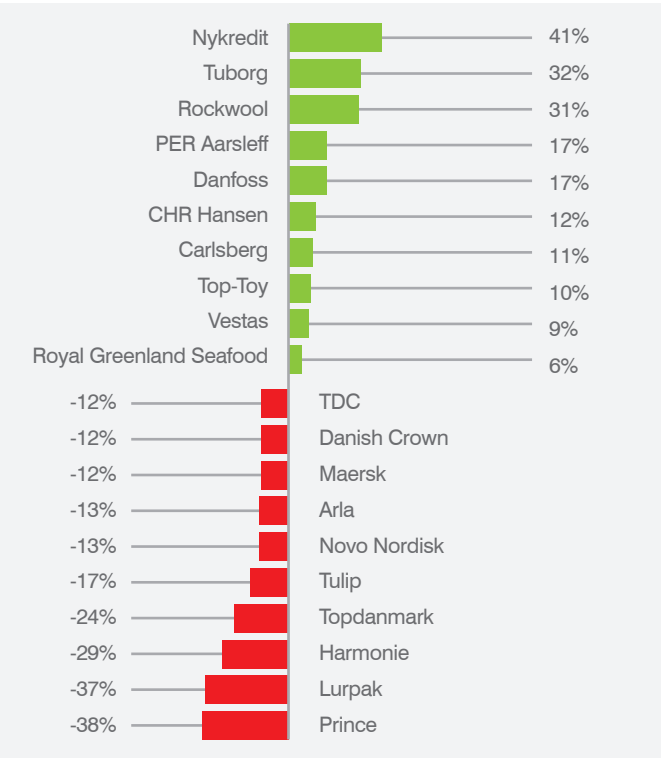
## Top 5 lose over DKK10 billion

Dairy cooperative Arla (brand value down 13% to DKK21.7 billion) remained the second-most valuable Danish brand, with projections of future milk prices subduing earning expectations. Arla-endorsed Lurpak (down 37% to DKK2.8 billion) and Harmonie (down 29% to DKK1.0 billion) also recorded significant drop of brand value. Another Arla brand, Cultura, entered the Brand Finance Denmark 50 league table ranked 46th.

Danske Bank (brand value down 10% to DKK21.6 billion) and Maersk (brand value down 12% to DKK19.7 billion) each retained their respective rankings. Danske Bank remains the market leader in banking in Denmark and Northern Ireland but is a smaller brand relative to competitors in Sweden, Norway, and Finland. In recent years, the challenging economic conditions have created a difficult environment, but the brand is refocusing on improving customer experience, especially through online digital services.

For Maersk, 2017 was a year of fast and significant change as it sought to deliver on a new strategy of

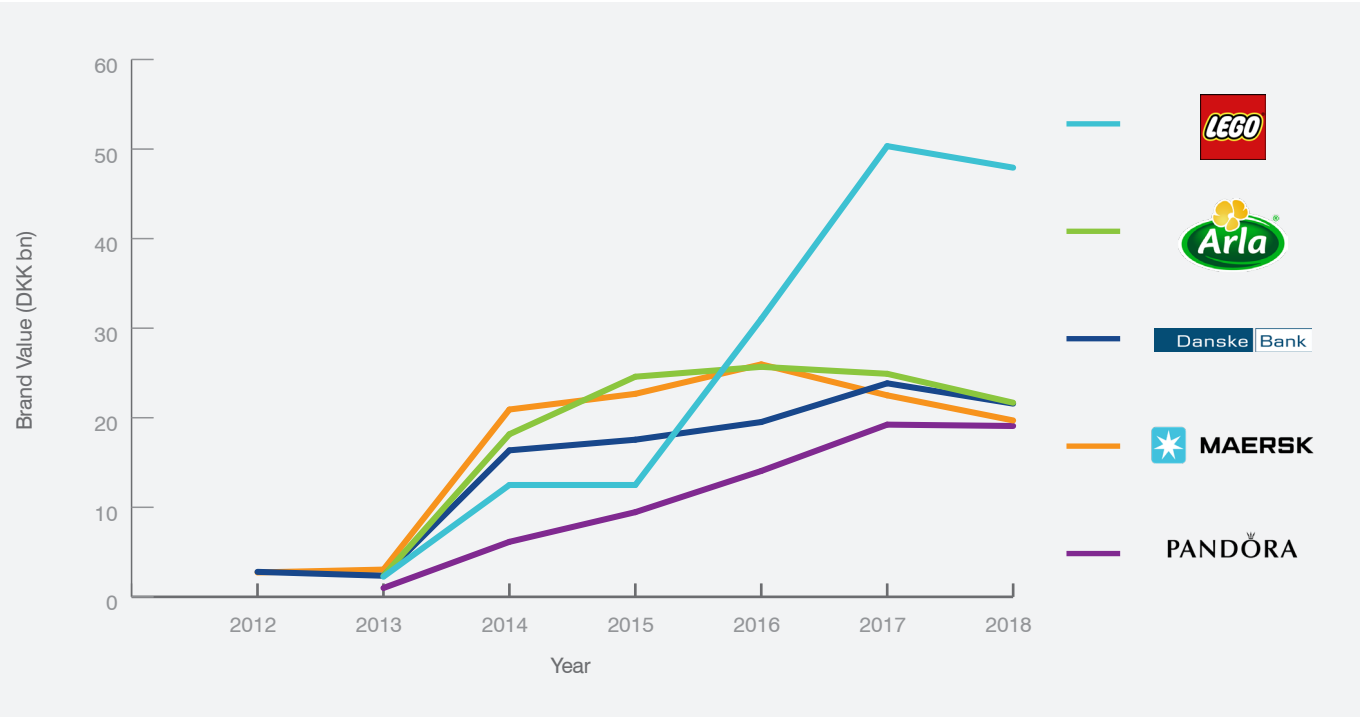
## Brand Value Change 2017-2018 (%)



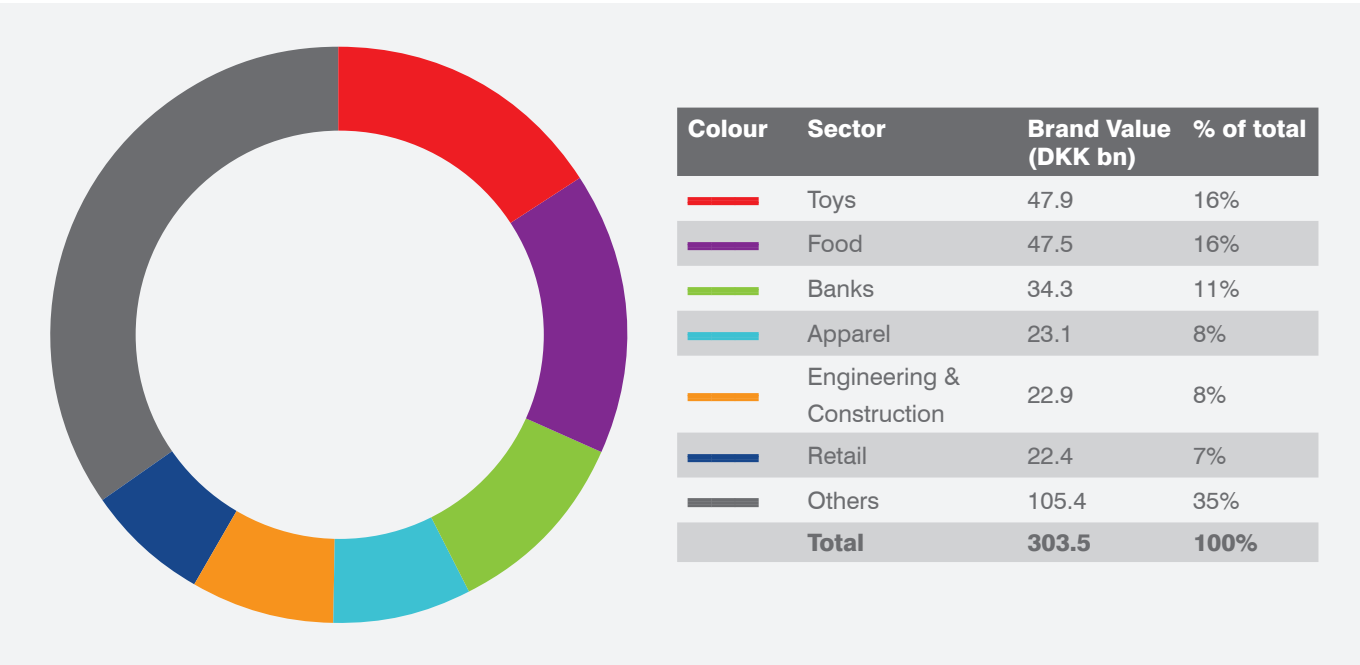
## Top 10 Most Valuable Brands

	1	Rank 2018: 1 2017: 1 → BV 2018: DKK47,920m BV 2017: DKK50,326m -5% Brand Rating: AAA+
	2	Rank 2018: 2 2017: 2 → BV 2018: DKK21,677m BV 2017: DKK24,905m -10% Brand Rating: A+
	3	Rank 2018: 3 2017: 3 → BV 2018: DKK21,575m BV 2017: DKK23,844m -13% Brand Rating: AA+
	4	Rank 2018: 4 2017: 4 → BV 2018: DKK19,696m BV 2017: DKK22,501m -12% Brand Rating: AA-
	5	Rank 2018: 5 2017: 5 → BV 2018: DKK19,078m BV 2017: DKK19,230m -1% Brand Rating: AA+
	6	Rank 2018: 6 2017: 6 → BV 2018: DKK14,897m BV 2017: DKK14,154m 5% Brand Rating: A
	7	Rank 2018: 7 2017: 7 → BV 2018: DKK11,040m BV 2017: DKK10,121m 9% Brand Rating: A+
	8	Rank 2018: 8 2017: 9 ↑ BV 2018: DKK10,454m BV 2017: DKK9,857m 6% Brand Rating: A+
	9	Rank 2018: 9 2017: 10 ↑ BV 2018: DKK9,212m BV 2017: DKK9,613m -4% Brand Rating: AA-
	10	Rank 2018: 10 2017: 8 ↓ BV 2018: DKK8,749m BV 2017: DKK10,068m -13% Brand Rating: AA-

Brand Value Over Time



Brand Value by Sector



finding new solutions for their energy businesses, while also integrating and transforming Maersk’s transport and logistics operations. In time, Maersk’s brand will be evaluated on whether it can successfully deliver integrated container shipping, ports, and logistics services, while creating value through the broader transport industry. Its recent acquisition of Hamburg Süd will be a key determinant in that strategy.

Denmark’s fifth most valuable brand, Pandora also followed the wider downward trend as its brand value fell 1% to DKK19.1 billion. Altogether, the top 5 most valuable Danish brands lost nearly DKK10.9 billion of brand value over the past year.

Although operating in different sectors, all top five Danish brands are coincidentally facing significant market challenges. Adjusting to adverse conditions can take a toll on a brand’s value and strength in the short run, but thanks to a smart transition strategy, those playing the long game can safeguard years of positive returns.

David Haigh  
CEO, Brand Finance

Nykredit bucks the trend

Bucking the downward trend among the country’s top brands, Nykredit’s brand value went up by 41% to DKK5.4 billion, earning it the title of Denmark’s fastest-growing brand of 2018. Well-regarded for its stable operations and responsible lending, the co-operative bank did not go into an IPO last year. Instead, in a cautious decision which better reflects Nykredit’s brand values, its owners decided to raise extra DKK11.6 billion cash by offering minority stakes to Danish pension funds, and in effect reassured stakeholders and analysts of the brand’s continued prospects of financial stability in the years to come.

Top 10 Strongest Brands

	BSI Score <b>90.6</b>
	BSI Score <b>78.8</b>
	BSI Score <b>76.8</b>
	BSI Score <b>76.3</b>
	BSI Score <b>74.7</b>
	BSI Score <b>73.1</b>
	BSI Score <b>72.9</b>
	BSI Score <b>71.9</b>
	BSI Score <b>70.8</b>
	BSI Score <b>68.5</b>



# Brand Finance

## Denmark 50 (DKK m).

Top 50 most valuable Danish brands 1-50

Rank 2018	Rank 2017	Brand name	Sector	Brand value (DKK m) 2018	% change	Brand value (DKK m) 2017	Brand rating 2018	Brand rating 2017
1	1	Lego	Toys	47,920	-5%	50,326	AAA+	AAA+
2	2	Arla	Food	21,677	-13%	24,905	A+	A+
3	3	Danske Bank	Banks	21,575	-10%	23,844	AA+	AA+
4	4	Maersk	Logistics	19,696	-12%	22,501	AA-	AA
5	5	Pandora	Apparel	19,078	-1%	19,230	AA+	AAA-
6	6	ISS	Commercial Services	14,897	+5%	14,154	A	A
7	7	Vestas	Engineering & Construction	11,040	+9%	10,121	A+	A+
8	9	DSV	Logistics	10,454	+6%	9,857	A+	A+
9	10	Coop Danmark	Retail	9,212	-4%	9,613	AA-	A+
10	8	Novo Nordisk	Pharma	8,749	-13%	10,068	AA-	AA-
11	13	Carlsberg	Beers	🔒	🔒	🔒	🔒	🔒
12	14	Danfoss	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
13	11	TDC	Telecoms	🔒	🔒	🔒	🔒	🔒
14	12	Dansk Supermarked	Retail	🔒	🔒	🔒	🔒	🔒
15	New	Ørsted	Utilities	🔒	🔒	🔒	🔒	🔒
16	21	Nykredit	Banks	🔒	🔒	🔒	🔒	🔒
17	15	Tulip	Food	🔒	🔒	🔒	🔒	🔒
18	16	Coloplast	Healthcare	🔒	🔒	🔒	🔒	🔒
19	23	Tuborg	Beers	🔒	🔒	🔒	🔒	🔒
20	20	Jyske Bank	Banks	🔒	🔒	🔒	🔒	🔒
21	22	ECCO	Apparel	🔒	🔒	🔒	🔒	🔒
22	17	Danish Crown	Food	🔒	🔒	🔒	🔒	🔒
23	19	Danepak	Food	🔒	🔒	🔒	🔒	🔒
24	24	Den Grønne Slagter	Food	🔒	🔒	🔒	🔒	🔒
25	26	Tryg	Insurance	🔒	🔒	🔒	🔒	🔒
26	18	Lurpak	Food	🔒	🔒	🔒	🔒	🔒
27	33	Rockwool	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
28	25	Topdanmark	Insurance	🔒	🔒	🔒	🔒	🔒
29	29	CHR Hansen	Food	🔒	🔒	🔒	🔒	🔒
30	27	GN	Tech	🔒	🔒	🔒	🔒	🔒
31	32	KMD	Tech	🔒	🔒	🔒	🔒	🔒
32	30	DFDS Seaways	Logistics	🔒	🔒	🔒	🔒	🔒
33	28	Fakta	Retail	🔒	🔒	🔒	🔒	🔒
34	34	Sydbank	Banks	🔒	🔒	🔒	🔒	🔒
35	36	Royal Greenland Seafood	Food	🔒	🔒	🔒	🔒	🔒
36	35	Novozymes	Pharma	🔒	🔒	🔒	🔒	🔒
37	41	Top-Toy	Retail	🔒	🔒	🔒	🔒	🔒
38	37	Rema 1000	Retail	🔒	🔒	🔒	🔒	🔒
39	New	NNIT	Commercial Services	🔒	🔒	🔒	🔒	🔒
40	40	Spar Nord Bank	Banks	🔒	🔒	🔒	🔒	🔒
41	46	PER Aarsleff	Engineering & Construction	🔒	🔒	🔒	🔒	🔒
42	42	Alm Brand	Insurance	🔒	🔒	🔒	🔒	🔒
43	45	Yousee	Telecoms	🔒	🔒	🔒	🔒	🔒
44	39	Harmonie	Food	🔒	🔒	🔒	🔒	🔒
45	43	Steff Houlberg	Food	🔒	🔒	🔒	🔒	🔒
46	New	Cultura	Food	🔒	🔒	🔒	🔒	🔒
47	48	Bang & Olufsen	Tech	🔒	🔒	🔒	🔒	🔒
48	47	Lundbeck	Pharma	🔒	🔒	🔒	🔒	🔒
49	38	Prince	Tobacco	🔒	🔒	🔒	🔒	🔒
50	NEW	Matas	Retail	🔒	🔒	🔒	🔒	🔒





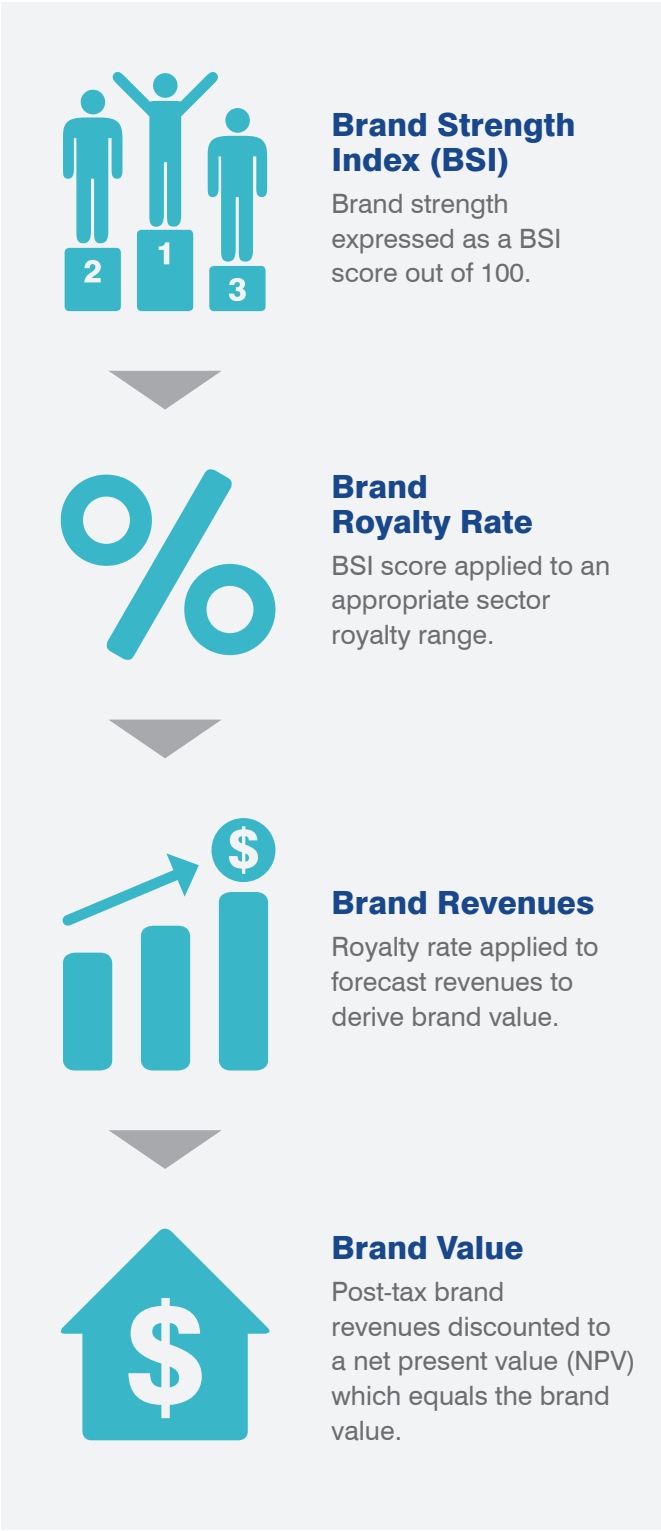
# Methodology.

Brand Finance calculates the values of the brands in its league tables using the Royalty Relief approach – a brand valuation method compliant with the industry standards set in ISO 10668.

This involves estimating the likely future revenues that are attributable to a brand by calculating a royalty rate that would be charged for its use, to arrive at a ‘brand value’ understood as a net economic benefit that a licensor would achieve by licensing the brand in the open market.

The steps in this process are as follows:

- 1 Calculate brand strength using a balanced scorecard of metrics assessing Marketing Investment, Stakeholder Equity, and Business Performance. Brand strength is expressed as a Brand Strength Index (BSI) score on a scale of 0 to 100.
- 2 Determine royalty range for each industry, reflecting the importance of brand to purchasing decisions. In luxury, the maximum percentage is high, in extractive industry, where goods are often commoditised, it is lower. This is done by reviewing comparable licensing agreements sourced from Brand Finance’s extensive database.
- 3 Calculate royalty rate. The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand-specific revenues by estimating a proportion of parent company revenues attributable to a brand.
- 5 Determine forecast revenues using a function of historic revenues, equity analyst forecasts, and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post-tax to a net present value which equals the brand value.



**Disclaimer**  
Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

# Understand Your Brand’s Value.

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand’s value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

What is a Brand Value Report?

Brand Valuation Summary

- + Internal understanding of brand
- + Brand value tracking
- + Competitor benchmarking
- + Historical brand value

Brand Strength Index

- + Brand strength tracking
- + Brand strength analysis
- + Management KPIs
- + Competitor benchmarking

Royalty Rates

- + Transfer pricing
- + Licensing/franchising negotiation
- + International licensing
- + Competitor benchmarking

Cost of Capital

- + Independent view of cost of capital for internal valuations and project appraisal exercises

Customer Research

- + Utilities
- + Insurance
- + Banks
- + Telecoms

For more information regarding our Brand Value Reports, please contact:

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What are the benefits of a Brand Value Report?



Insight

Provide insight as to how the brand is performing vs. key competitors on underlying measures and drivers of brand value and brand strength.



Strategy

Understand where brand value is being generated by region and channel in order to identify areas of opportunity that warrant further investigation.



Benchmarking

Track year-on-year changes to brand value and set long-term objectives against which high-level brand performance can be benchmarked.



Education

Provide a platform of understanding which the company can use to educate employees on the importance of the brand.



Communication

Communicate your brand’s success to shareholders, customers, and other strategically selected audiences.



Understanding

Understand and appreciate the value of your brand as an asset of the business.



# Consulting Services.





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# Brand Dialogue<sup>®</sup>



## Value-Based Communications

**We execute strategic communications programmes to optimise the value of your business and to enhance brand perception among stakeholders.**

### SERVICES

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- Project Management and Agency Steering
- Content and Channel Strategy
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- Communications Workshops

For more information, contact [enquiries@brand-dialogue.co.uk](mailto:enquiries@brand-dialogue.co.uk) or visit [www.brand-dialogue.co.uk](http://www.brand-dialogue.co.uk)

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