



Roadshow
Raiffeisen Centrobank

Wolford AG

Thomas Melzer, CFO

Zurich, 5.2.2015



company.wolford.com

Content



Wolford Group at a Glance

1st Half-Year 2014/15

Strategy

Outlook 2014/15 and Targets

Wolford Share



**Wolford Group
at a Glance**

Who is Wolford?



► **Leading brand in luxury legwear with established positions in exclusive lingerie and bodywear**

- Founded 1950 in Bregenz, Austria
- Present in about 60 countries
- 267 monobrand stores globally
- 2 production facilities in Austria and Slovenia

► **€156 million revenues with 1,562 employees in FY 2013/14**

► **Stable shareholder structure**

- 33% free float
- Family holds over 40% via 2 private foundations
- Investor Ralph Bartel owns 25%
- 2% of treasury stock



Wolford Models in 1997, Photo: Helmut Newton

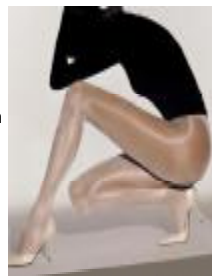
65 Years of History with Pioneering Innovations



1977

Miss Wolford

The first transparent support stockings with a shaping panty area and knitted-in compression



1988

Satin Touch

Transparent and glistering tights, which became top-seller and one of the Wolford classics



1994

Fatal Tights

The first completely seamless tights – a revolution in legwear

Photo: Helmut Newton

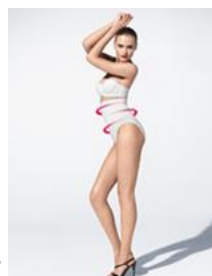


1999

Star[c]k Naked

An innovative combination of tights and tube dress - developed in cooperation with star designer Philippe Starck

Photo: Jean-Baptiste Mondino



2011

Shape & Control

Body shaping lingerie for the perfect feminine silhouette

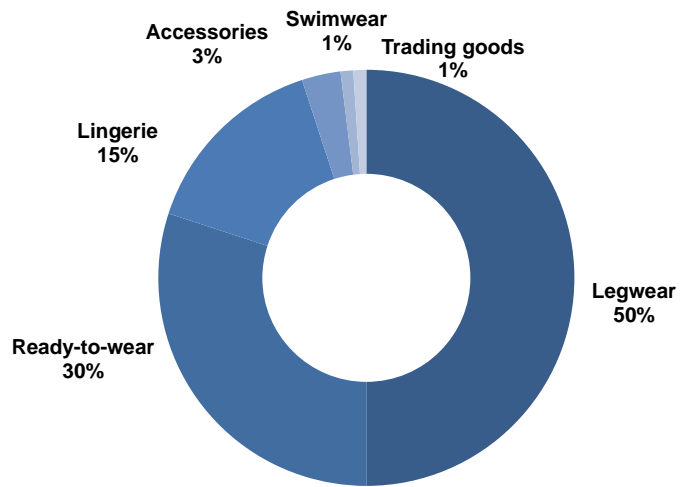
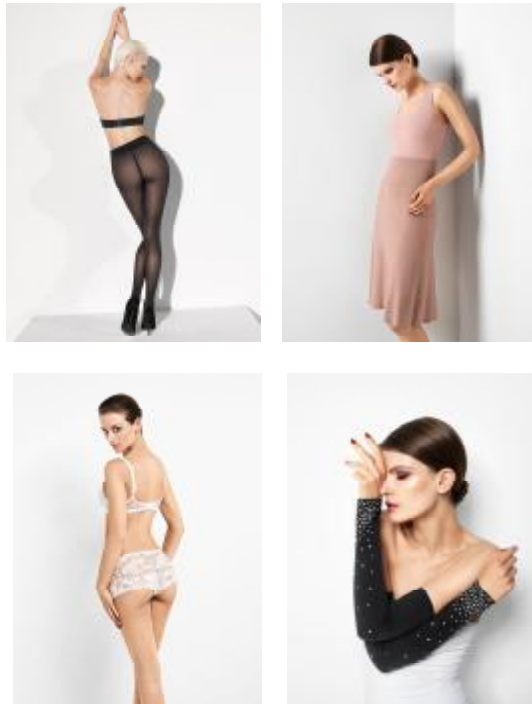


2014

Pure 50 Tights

Award-winning world innovation with new adhesive technology - even under tight clothing completely invisible

Legwear as Core Product



May - October 2014

Global Presence



Monobrand locations worldwide: 267*

- **Thereof Wolford-owned Points of sale:**
 - 115 boutiques
 - 32 concession shop-in-shops
 - 26 factory outlets

Online Shops in 15 countries

- **Thereof partner-operated Points of sale**
 - 94 boutiques
 - and about 3,000 other distribution partners

North America: 30



Europe: 190



Asia: 39



* Including 8 partner-operated Boutiques in Africa, Australia and South America



1st Half-Year 2014/15

Group Earnings Data May – October 2014



		1st half-year 05 – 10/2014	1st half-year 05 – 10/2013	Chg. in %
Revenues	in € mill.	72,63	74,81	-3
EBITDA adjusted ¹⁾	in € mill.	4,23	1,64	>100
EBIT adjusted ¹⁾	in € mill.	0,04	-2,30	>100
EBIT	in € mill.	3,17	-2,30	>100
Earnings before tax	in € mill.	2,72	-2,90	>100
Earnings after tax	in € mill.	1,38	-1,96	>100
Employees (on average)	FTE	1.567	1.562	0

1) Adjusted for non-recurring income of €3.37 million and non-recurring expenses of €0.25 million in the 1st half-year 2014/15

Group Balance Sheet Data



		31.10.2014	31.10.2013	Chg. in %
Equity	in € mill.	76,22	75,90	0
Net Debt	in € mill.	20,66	25,64	-19
Working Capital	in € mill.	39,97	43,00	-7
Balance Sheet Total	in € mill.	148,14	150,91	-2
Equity Ratio	in %	51	50	-
Gearing	in %	27	34	-

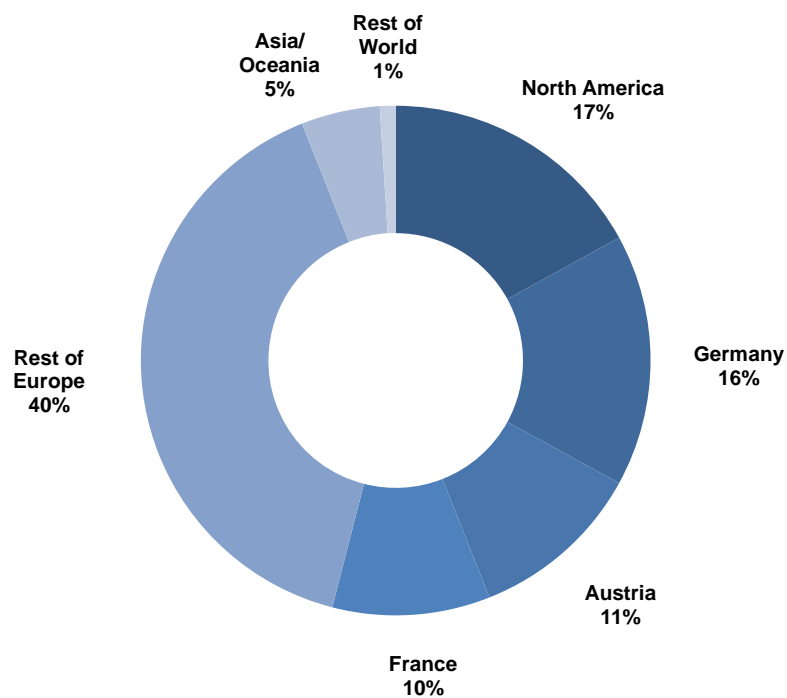
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Key Markets Europe and US



May – October 2014



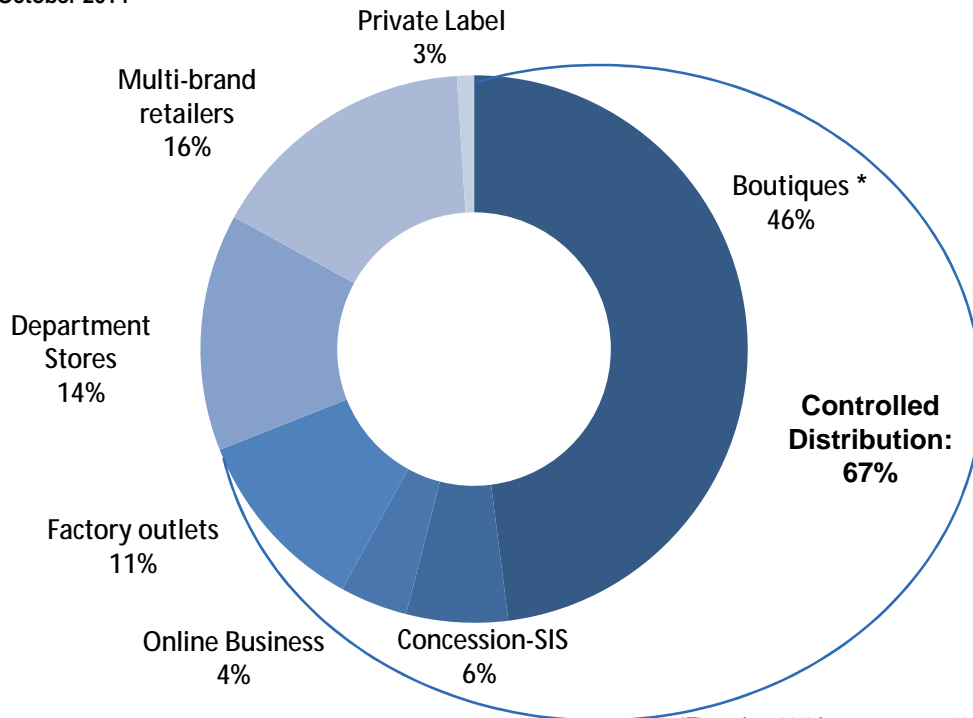
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Strong own Retail Network



May – October 2014

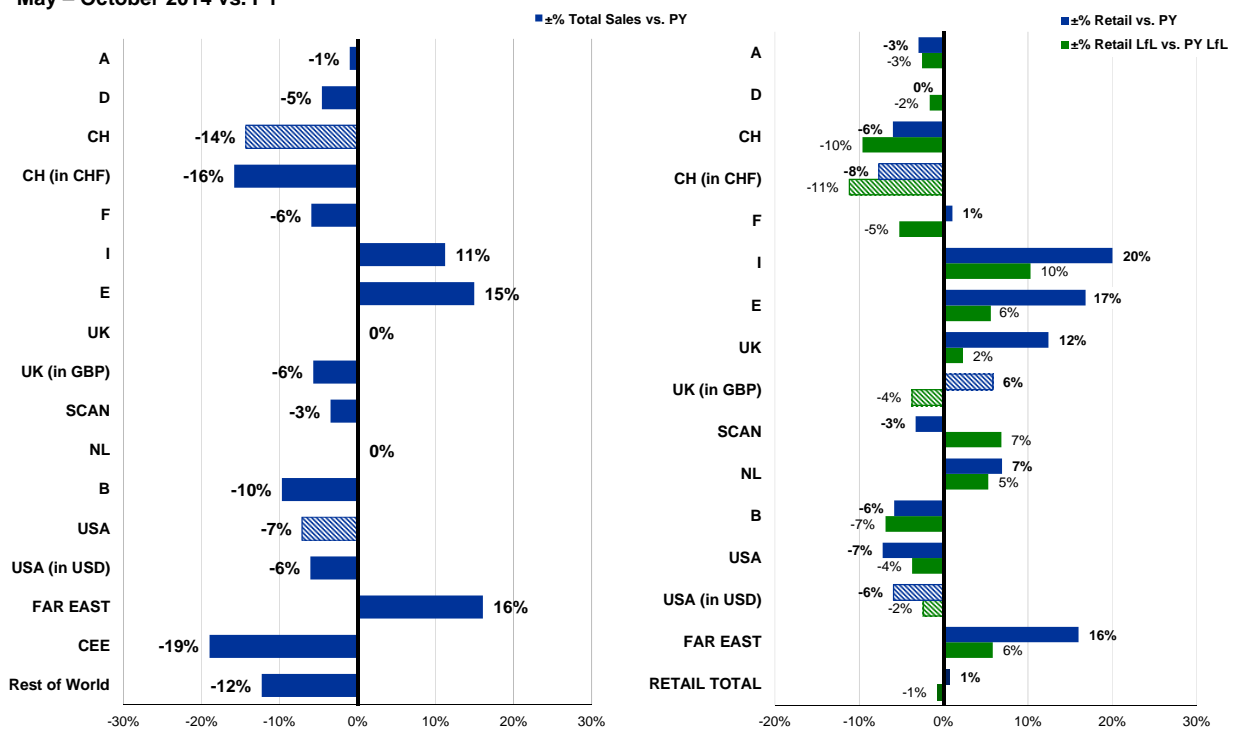


*Thereof ca. 80% from own stores, 20% partner-operated stores

Mixed picture in the markets



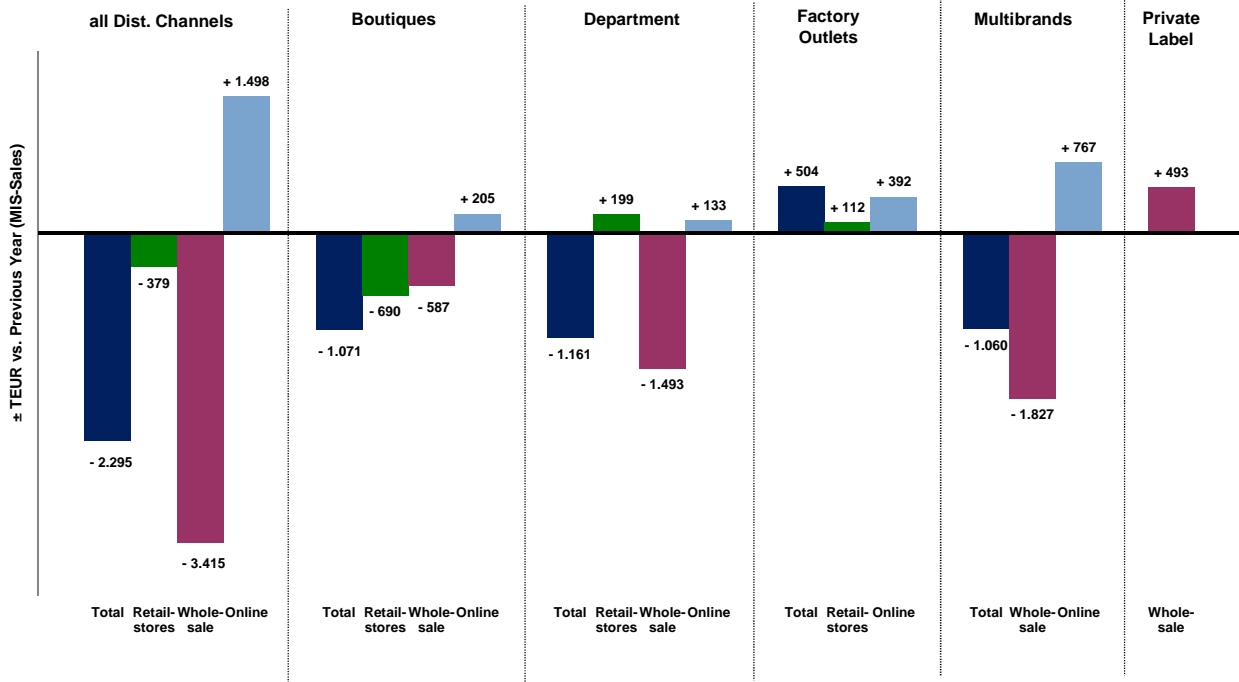
May – October 2014 vs. PY



Retail is stable, Wholesale is weak, Online grows



May – October 2014 vs. PY



Strategy

Essential elements of the strategic refocusing	Status
1. Adjustment of product portfolio and sharpening of collection statement by concentration on core competencies	
2. Reorientation of market communications in all areas and focus on markets with the best cost/benefit ratios	
3. Optimization of Monobrand Distribution , relaunch of Wholesale and strengthening of Online Business	
4. Strengthening of innovation and creation of agile, market-oriented organization	
5. Establishment of new management culture and incentive system	

► **Financing from internal sources!**

1. Adjustment of Product Portfolio ...

- **Adjustment of the product portfolio to create stronger ties to Legwear (see company's DNA) and to the target group based on the USPs of the brand**
 - Expansion of Lingerie and Bodywear product lines (above all Shapewear), reduction of Clothing (Ready-to-wear) and exit from Swimwear with Spring-Summer 2015
 - Continuous updating of Essential collection with focus on functional and innovative products
 - Homogeneous style across all product groups taking into account the USPs of the brand

- **Maintain basic price positioning and introduce modern products at attractive prices to address new target groups**

- **Volume growth to improve utilization of existing capacity and increase profitability**

FORMER



NEW



USPs



New Collection Approach with a clear Profile ...



- ▶ **Harmonization of product groups**
- ▶ **Harmonization of essential and trend collection**
- ▶ **The “Unforgettable Touch” is communicated via strong concepts**
 - ▶ Collection themes
 - ▶ Products themes
 - ▶ Marketing themes

...and strong Themes



*Dates for changing window decorations

2. Reorientation of Market Communications



Goal: Modernization of the brand and increase in appeal

- ▶ Positioning of Wolford as a producer and brand in the niche of luxury legwear and figure-embracing products with a unique wearing experience
- ▶ Focus on markets with the best cost-benefit ratios
- ▶ Steady focus on the target group ("The Wolford Woman") through specially designed communication measures and the collection's unmistakable Wolford style
- ▶ Use of strong, target group-oriented imagery
- ▶ New shop concept and professional visual merchandising



Pop-up Store, Milan



Bus Campaign, Paris



Billboard in Time Square, New York



Social Media Presence (Ballerina Project)

3. Optimized Distribution

Retail

- ▶ Increase in floor space profitability and closing of unprofitable locations
- ▶ Further growth in Retail business with focus on top locations and expansion of Online Business
- ▶ Boutique openings at strategic locations (this business year: London, Hongkong, New York, Barcelona, Florence, Frankfurt)

Wholesale

- ▶ Expansion of Wolford-supplied points of sale, e.g. through
 - ▶ Concession shop-in-shops
 - ▶ CoAff partners (partner operated boutiques where Wolford owns the merchandise)
- ▶ Expansion of Travel Retail
- ▶ Establishment of tailored merchandising concepts by distribution model
- ▶ Expansion of multi-brand distribution with a focus on premium stores

4. Innovation and Market Orientation



- ▶ Focus of internal resources on core competences, investment in product development and establishment of structured innovation process
- ▶ Creation of agile, market-oriented organization
 - ▶ Finalization of location concept in Bregenz (AT) and Murska Sobota (SL)
 - ▶ Creation and occupation of Creative Director Position
 - ▶ Clear focus of sales organization on relevant channels
 - ▶ Strengthening of marketing organization



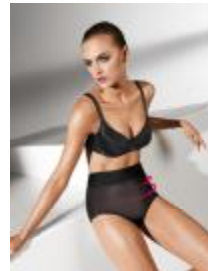
Pure Pullover



Pure 50 Tights



Sheer Touch



Shape & Control



Fatal Wool Dress



Jewellery Tights

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5. Establishment of new management culture



- ▶ **Change of the hierarchical management structure**
 - ▶ Establishment of new management structure with definite process orientation
 - ▶ Strengthening of personal responsibility by management and employees
 - ▶ Development of new corporate guidelines
 - ▶ Worldwide Roll-out of Mission/Vision/Values in the Half-Year 2014 to support the identification of all employees with new corporate guidelines
- ▶ **Elaboration and introduction of new group-wide incentive-system**
Objective: to create value for the company

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Outlook 2014/15 and Targets

Longterm Growth Perspectives



- ▶ **Medium-/long-term: Growing global market for luxury goods**
 - ▶ Number of luxury consumers worldwide expected to increase by 10 million annually in the coming years (Source: Bain&Company 2014)
 - ▶ Market for luxury goods tripled to €223 billion in the last 20 years (+5% in 2014)
- ▶ **Short-/medium-term: Mixed perspectives in the key markets**
 - ▶ Weak growth in the Eurozone (2015:+1,2% / 2016:+1,4%)
 - ▶ Positive expectations for growth in the US (2015: +3,6% / 2016: +3,3%)
- ▶ **Difficult environment in fashion retail in our main markets**
 - ▶ Weak winter sales in German fashion retail (-4% in December, with persistently negative tendency in January)
 - ▶ Declining sales in US retail (-6,5% in December), but generally satisfactory Christmas business in fashion industry
 - ▶ Good Christmas business in French clothing sector (+2,6%), but again declining sales in January

Source: Global Luxury Study 2014 (Bain&Company), IWF Statistics Jan.2015, Textilwirtschaft, RetailNext, Institut Francais de la Mode

Clear Corporate Targets



In the current financial year 2014/15:

- ▶ **Return to profitability as a top priority**
 - ▶ Optimization of internal processes and cost reduction
- ▶ **Operative Turnaround (positive EBIT)**
 - ▶ Earnings target confirmed following sale of real estate and lease option

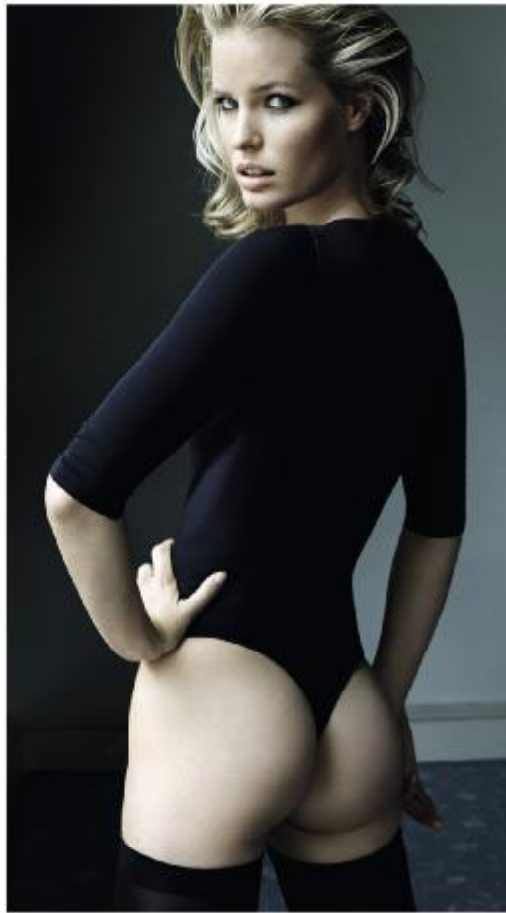
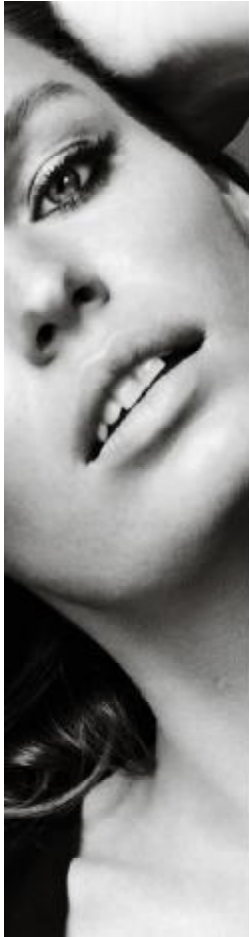
Long-term:

- ▶ **Sustainable and profitable revenue growth**
 - ▶ Increase in floor space profitability in own retail business
 - ▶ Relaunch of wholesale business
 - ▶ Utilization of existing capacities (operative leverage)
- ▶ **EBIT margin: 10%**

Why to Invest in Wolfford?

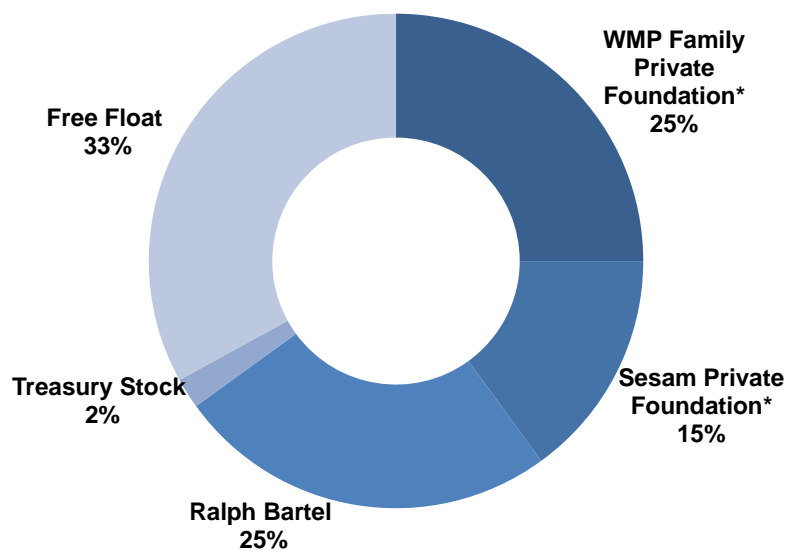


- ▶ Strong player in an attractive market niche of **the growing market for luxury products**
- ▶ Beloved **brand based on strong image**, high quality products, continuous innovation and high CSR standards
- ▶ **Turnaround story** with a „new“ management refocusing on the core competences of the company
- ▶ Direct **access to end consumer** through **own retail chain with significant potential for leverage**
- ▶ **Strong financial profile** and sufficient **idle capacity to fuel future growth**



Wolford Share

Shareholder Structure



* Private foundations and its subsidiary M. Erthal GmbH are jointly acting legal entities, which exercise their voting rights by mutual agreement.

Based on available investment reports



Actual Market Capitalization: € 105 million

Financial Calender and IR-Information

Date	Event
March 13, 2015	Q3 Report 2014/15
July 17, 2015	Publication of consolidated financial statements for 2014/15 and press conference
September 14, 2015	Q1 Report 2015/16
September 17, 2015	28 th Annual General Meeting
September 22, 2015	Ex-dividend day
September 24, 2015	First day of dividend payment
December 14, 2015	Half-Year Report 2015/16
March 18, 2016	Q3 Report 2015/16

IR-Information

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