



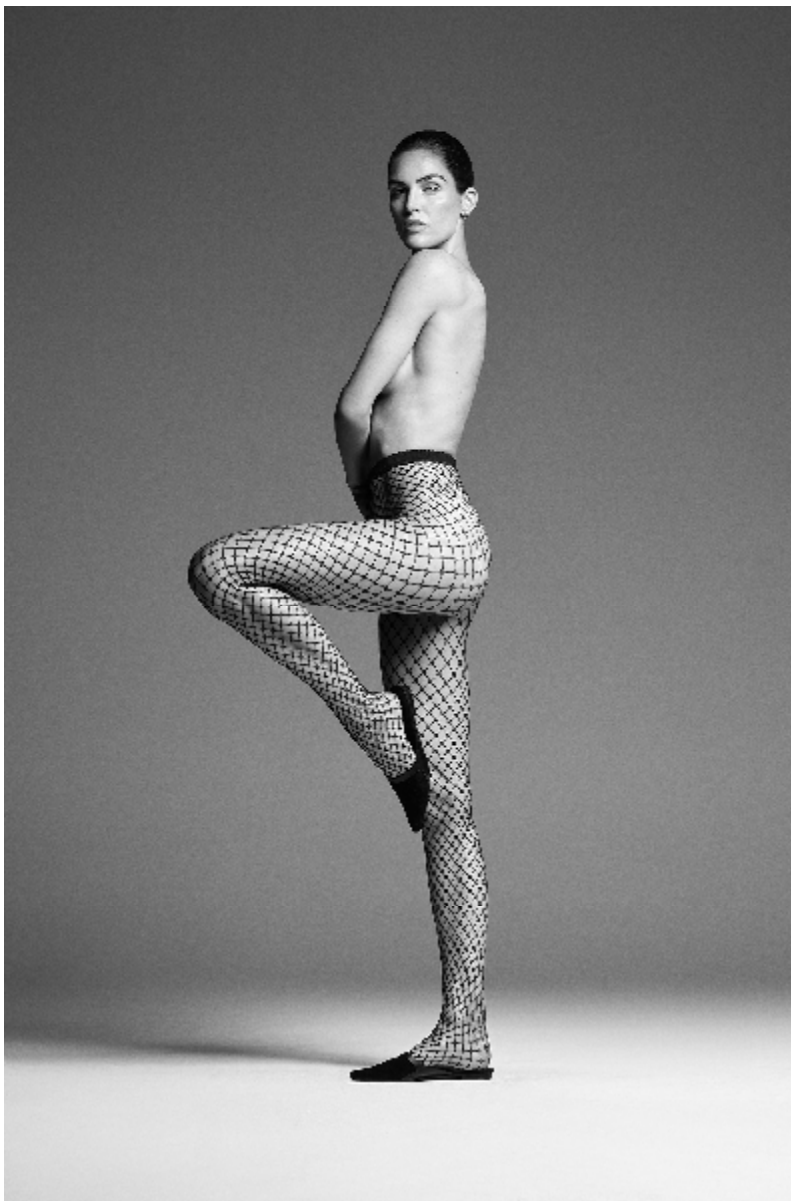
RCB Investor's Lunch Wolford AG

Axel Dreher
CEO

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CFO

August 24, 2017

Content



THE 2016/17 FINANCIAL YEAR

UPDATE CORPORATE STRATEGY

OUTLOOK 2017/18 AND TARGETS

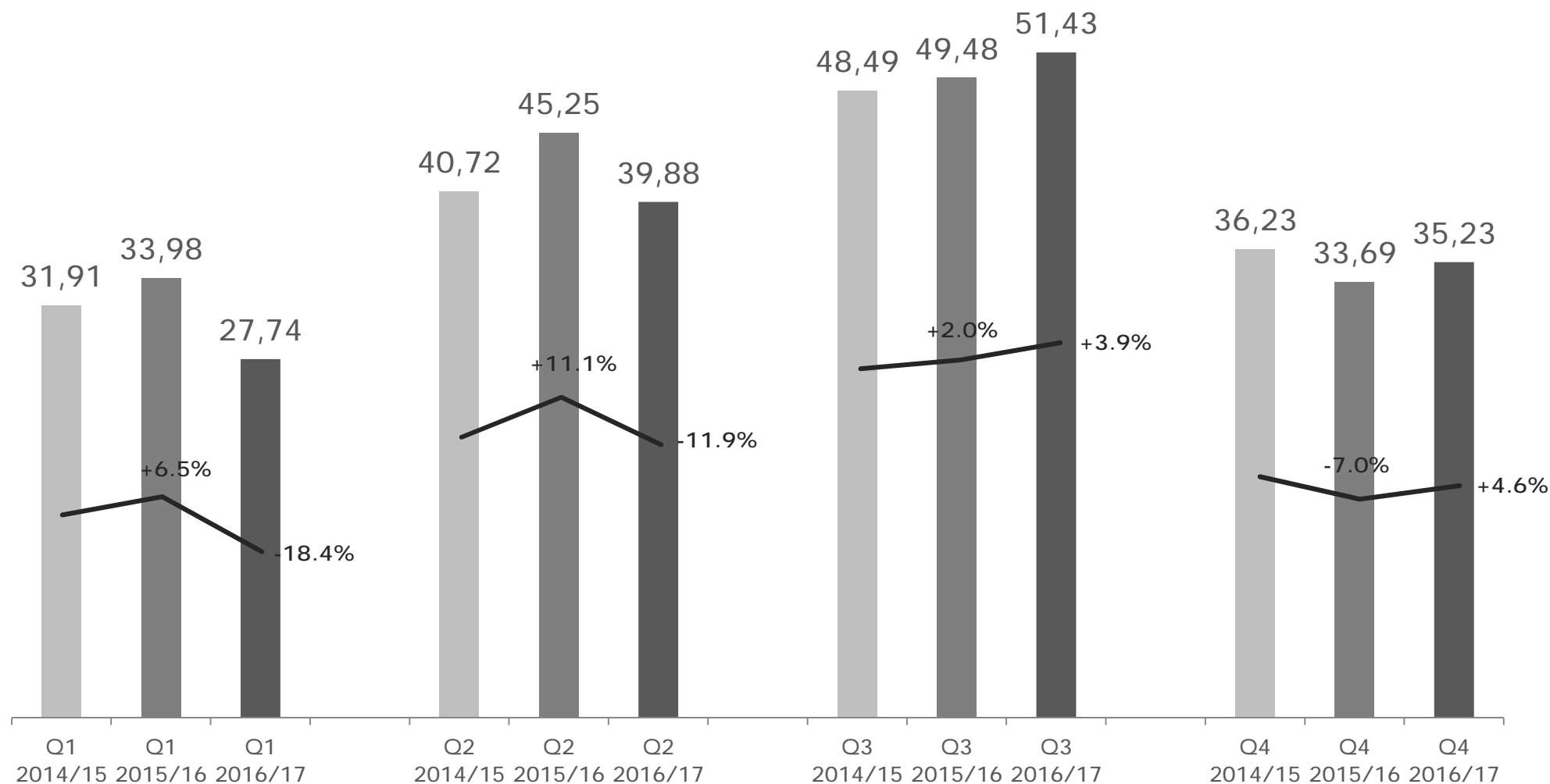
THE WOLFORD SHARE



The 2016/17 Financial Year

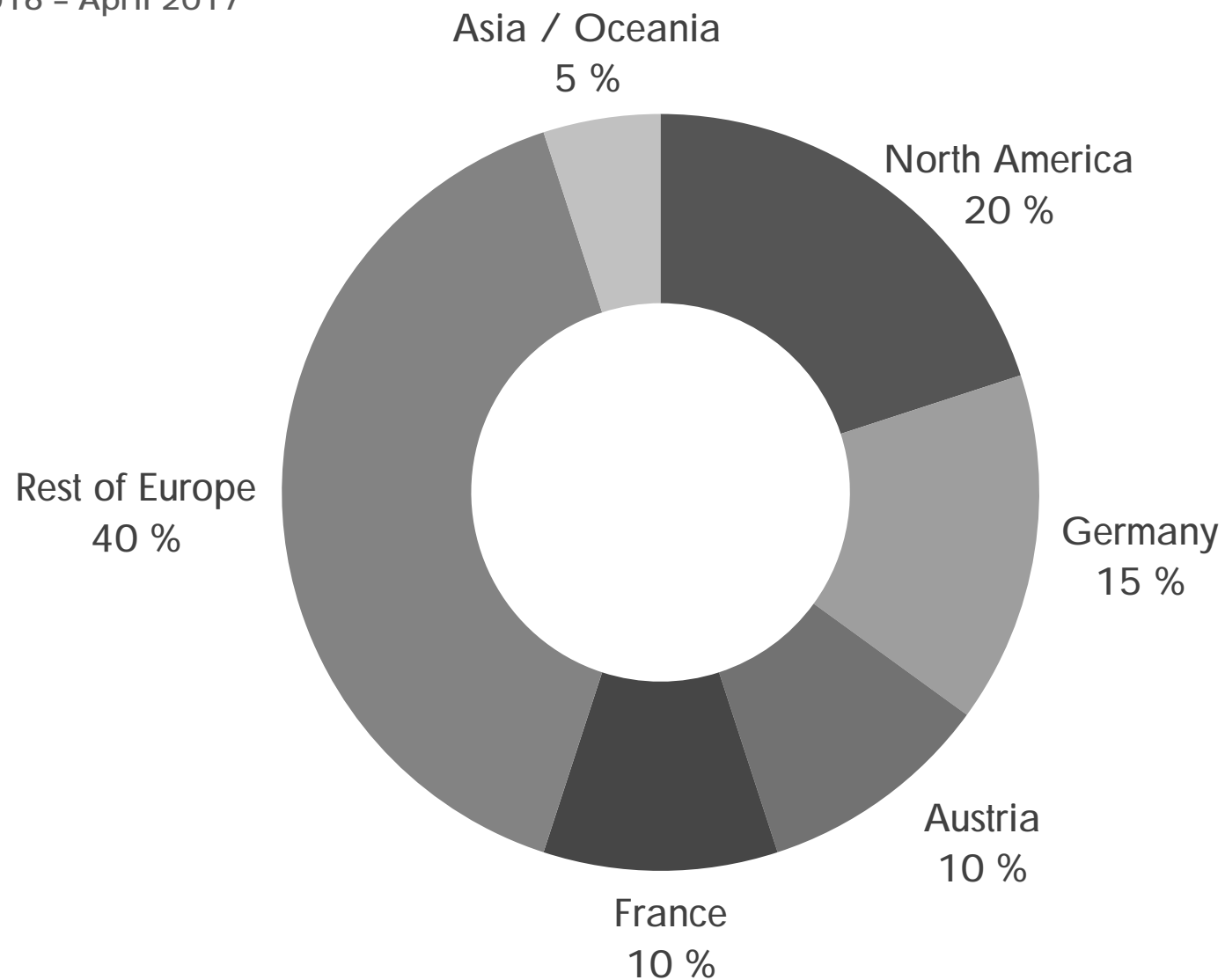
Revenue development shaped by weak first half-year

In Mio. €



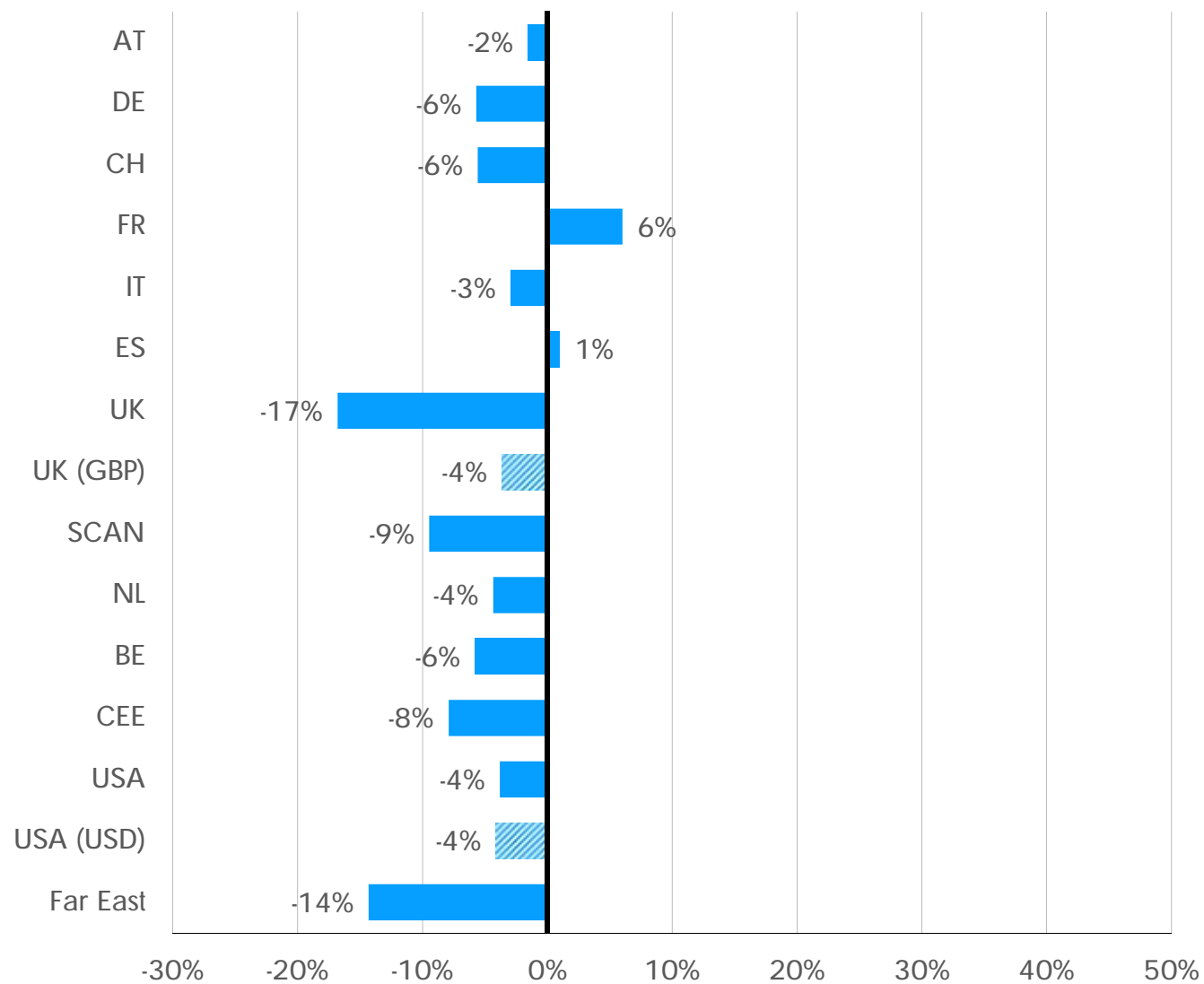
Key markets Europe and USA

May 2016 – April 2017



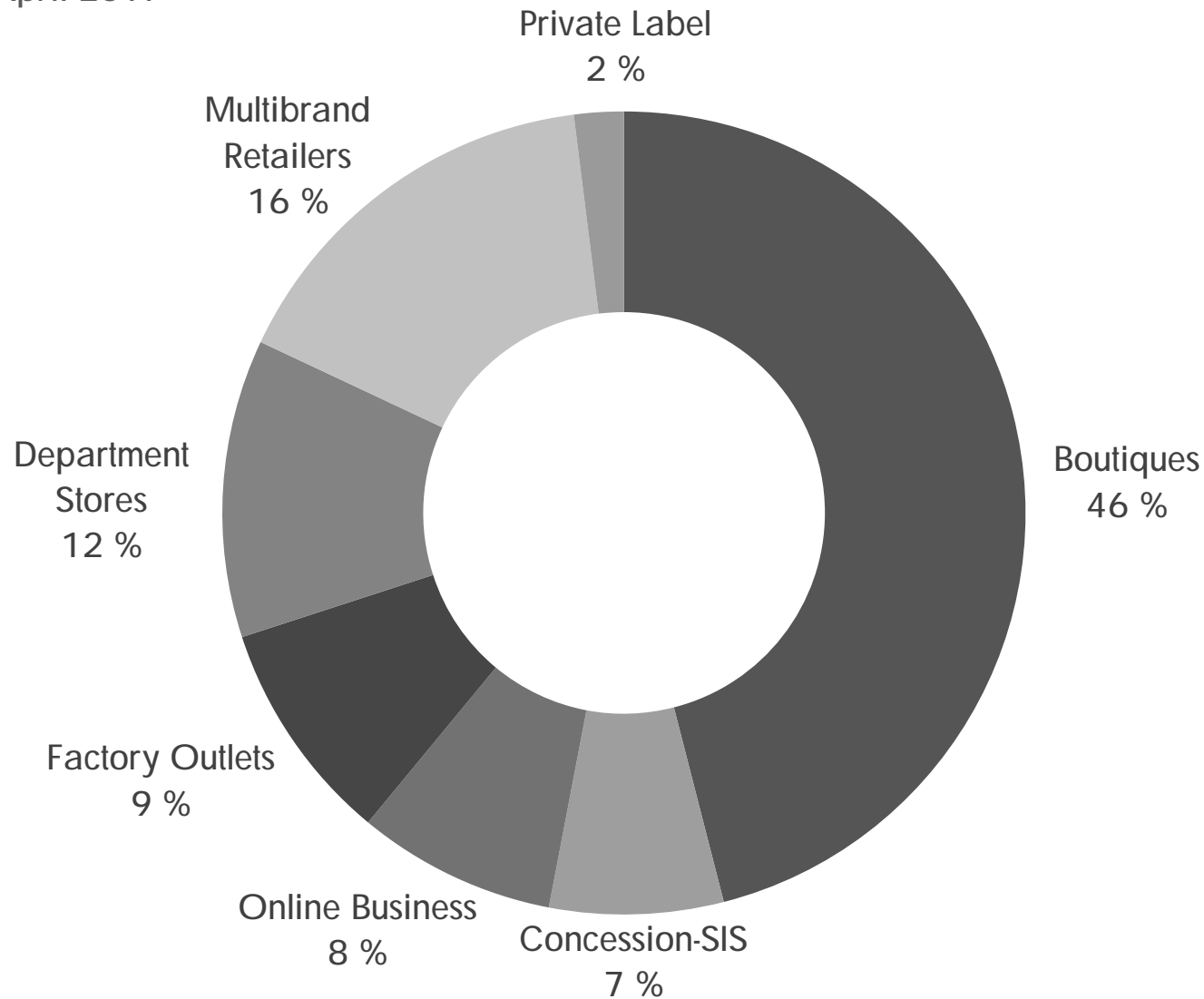
Market development

May 2015 – April 2016 vs. PY



70% of revenue with monobrand POS

May 2016 – April 2017



Growing Online Business

May 2016 – April 2017 vs. PY

all Dist. Channels

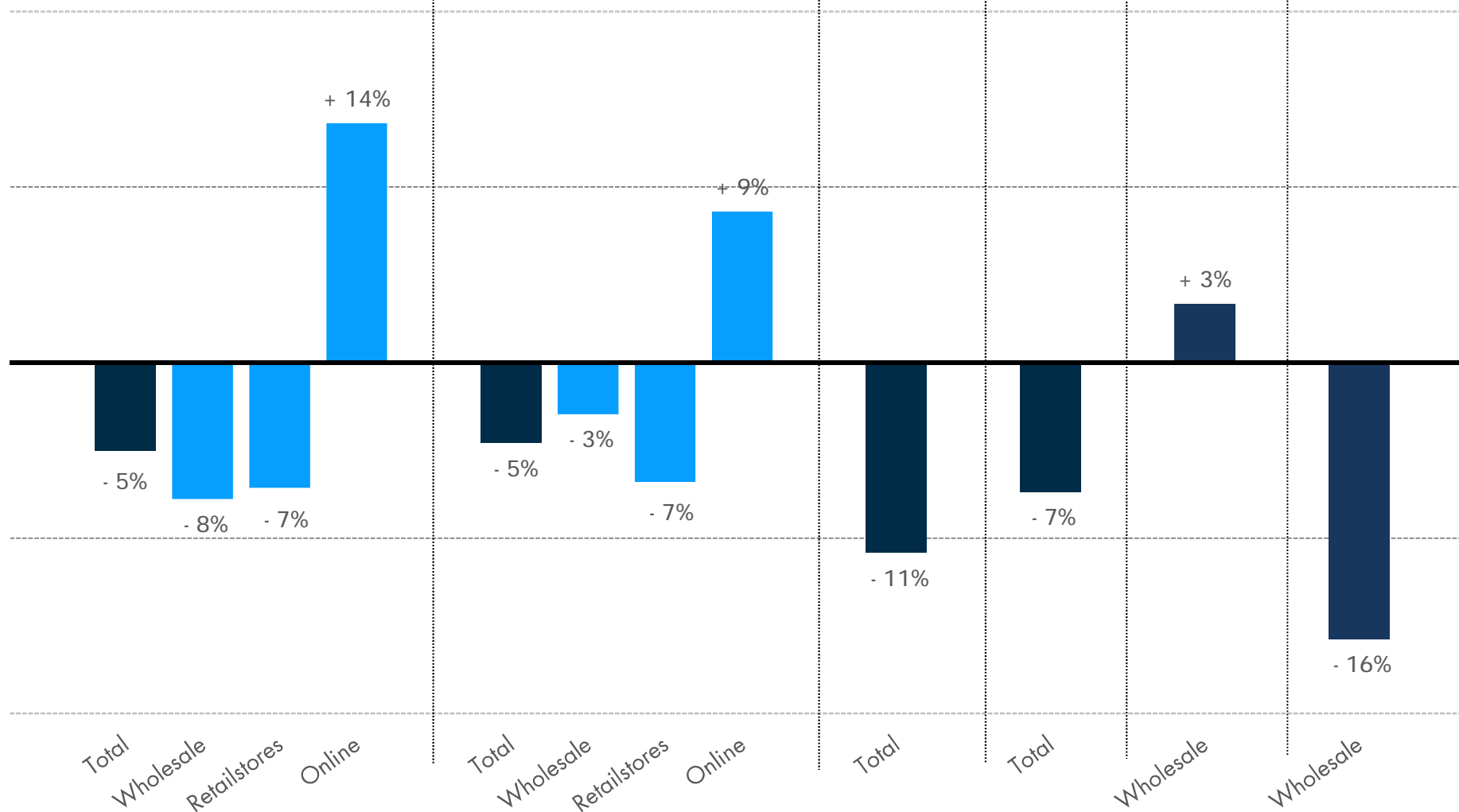
Boutiques

Department
Stores

Factory
Outlets

Multi-
brands

Private
Label



Group earnings 2016/17

		2016/17	2015/16 ¹⁾	Chg. in %
Revenues	in € mill.	154.28	162.40	-5
EBITDA	in € mill.	-3.39	8.38	>100
EBIT	in € mill.	-15.72	-2.92	>100
Earnings before tax	in € mill.	-16.57	-3.85	->100
Earnings after tax	in € mill.	-17.88	-10.66	+68
Cash flow from operating activities	in € mill.	-2.94	2.96	>100
Employees (on average)	FTE	1,544	1,571	-2

¹⁾ Adjusted

Balance sheet – selected data (30.04.17)

		30.04.2017	30.04.2016 ¹⁾	Chg. in %
Equity	in € mill.	44,88	63,81	-30
Net Debt	in € mill.	31,27	20,86	+50
Working Capital	in € mill.	45,73	43,15	+6
Equity Ratio	in %	32	46	-
Gearing	in %	70	33	-

¹⁾ Adjusted

Cash flow – Selected Data

		2016/17	2015/16 ¹⁾
Net Cash flow from operating activities	in TEUR	-2.94	2.96
Investments in property, plant equipment and other intangible assets	in TEUR	-6.66	-7.67
Proceeds from the sale of property, plant equipment and other intangible assets	in TEUR	153	1.47
Cash flow from investing activities	in TEUR	-6.51	-5.94
Free Cash flow	in TEUR	-9.45	-2.98
Cash flow from financing activities	in TEUR	15.84	1.79
Cash and cash equivalents at the end of the period	in TEUR	10.31	3.87
Dividend per share (pay out following year)		0.00 €	0.20 €

¹⁾ Adjusted

Current developments

- ▶ **Losses lead to corresponding balance sheet consequences**
 - ▶ Net debt rose 50% (increase in current financial liabilities by € 17.59 million)
 - ▶ Equity ratio of 32% (previous year: 46%)

- ▶ **Bank agreement secures liquidity**
 - ▶ Financing secured for the time being until June 31, 2018
 - ▶ Repayment of bridge financing planned by beginning of 2018
 - ▶ Financing structure to be renegotiated in Q4
 - ▶ Alternative: capital injection within the context of possible takeover of foundation's shares

- ▶ **Official investors-dialogue since the beginning of August**
 - ▶ After publication of earnings for the 2016/17 financial year
 - ▶ Global bidder interest (prospective investors from 15 countries)
 - ▶ Decision expected this year

A reminder: who we are

- ▶ **Leading brand in luxury legwear with established positions in exclusive lingerie and bodywear**
 - ▶ Presence in about 60 countries
 - ▶ 267 monobrand POS globally
 - ▶ 2 production facilities in Austria and Slovenia (only Europe!)
- ▶ **Prominent brand**
 - ▶ Wolford ranks among the top 100 global Luxury brands in terms of revenue according to the Deloitte report "Global power of luxury goods"
- ▶ **Loyal customers**
 - ▶ 470,000 regular customers across the globe, numerous trend-independent classics
- ▶ **Majority of shares held by founding families**
 - ▶ Founder family holds >40% via 2 private foundations
 - ▶ Investor Ralph Bartel owns >25%
 - ▶ Erste Asset Management GmbH >4%
 - ▶ ~ 2% of treasury stock
 - ▶ <29% free float





Update Corporate Strategy

Corporate strategy at a glance

Key objective	Return to profitability (based on actual revenues)	Increasing revenues
Strategic milestones to achieve key objectives	<ul style="list-style-type: none"> § Reorganization of sales & marketing § Optimizing R&D, production and supply chain § Increasing profitability of the retail network § Restructuring of administration 	<ul style="list-style-type: none"> § Renewal of the product portfolio and focus on innovation (products and processes) § Refocusing market communication § Strengthening online business
Selected operational measures	<ul style="list-style-type: none"> § 3 regional sales & marketing platforms in Europe, America and Asia § More Master-Franchise solutions, e.g. in China § Optimisation of purchasing § Re-negotiation of lease agreements § Reduction of costs in the headquarter 	<ul style="list-style-type: none"> § Harmonization of all product groups § New Beachwear § New shop / window concept § New B2C platform § New B2B platform

Strategy implementation – actual Status

Revenue growth	1. Renewal of product portfolio	
	2. Refocusing of market communication	
	3. Strengthening online business	
Increasing profitability	4. Reorganisation of sales & marketing	
	5. Optimising R&D, production and supply chain	
	6. Increasing profitability of the retail network	
	7. Restructuring of administrations	

Example: renewal of product portfolio



- Focus on core expertise (figure-embracing, circular-knitted products)
- Harmonization of all product groups and collections
- New 3D-technology introduced
- Development of recyclable products (Cradle to Cradle®)
- New product category (Beachwear) brought to market

Example: restructuring of sales and marketing

► Establishment of an EMEA sales platform

- Centralised sales platform instead of previous structure of nine independent sales and marketing organisations with accompanying administration
- Annual cost savings of about € 1.4 million (as of 2017/18 financial year)

► Transfer of labour-intensive production steps to Slovenia

- Manufacturing and sorting in Slovenia
- Savings of € 0.7 million in 2016/17 financial year

Example: refocusing of market communications

- ▶ Close coordination – from product communications to window displays
 - ▶ 3W Skin Bra #engineeredforlife



Window display on the issue 3W Skin Bra #engineeredforlife

Example: refocusing of market communications

- ▶ Intensified storytelling and increased use of social media
 - ▶ Partnership with European influencers - 3W Skin Bra #engineeredforlife



Example: increasing profitability of the retail network

▶ Streamlining of product portfolio in boutiques

- ▶ Rationalised offering (with software support)
- ▶ Depth instead of breadth
- ▶ Strengthening of product category "Essentials"

▶ Germany as an example of success

- ▶ Revenue growth (like-for-like)
 - ▶ 2016/17: +1.5%
 - ▶ Q1 2017/18: +9.7%
- ▶ Measures
 - ▶ StoreForce programme
 - ▶ Replenishment

▶ Successful launch of the new shop concept

- ▶ 13% revenue increase at the Kurfürstendamm store in Berlin (since Sept. 2016)
- ▶ Gradual implementation of the concept at selected sites



Outlook 2017/18 and Targets

Environment with moderate growth perspectives

- ▶ Moderate growth of global economy expected
 - ▶ Revival in global trading volumes (2017: +3.5%)
- ▶ Recovery tendencies in the market for personal luxury goods
 - ▶ Slight growth in the global market for personal luxury goods expected for 2017 (2 to 4%), not at least driven by an improvement in consumer confidence in Europe
- ▶ Transformation from offline to online
- ▶ Conditions remain difficult in fashion retail sector
 - ▶ Revenues in the German textile and fashion market fell by 3,2% in May and 0,9% in June
 - ▶ Decrease in revenue also in the French fashion market (-1,4% in the first half-year 2017)
 - ▶ Declining numbers of customers across retailers in Europe (in Germany, the number of walk-in customers fell by 7,1%)

(Sources: Textilwirtschaft, IFM, Bain & Company and Altagamma, OECD)

Conservative planning

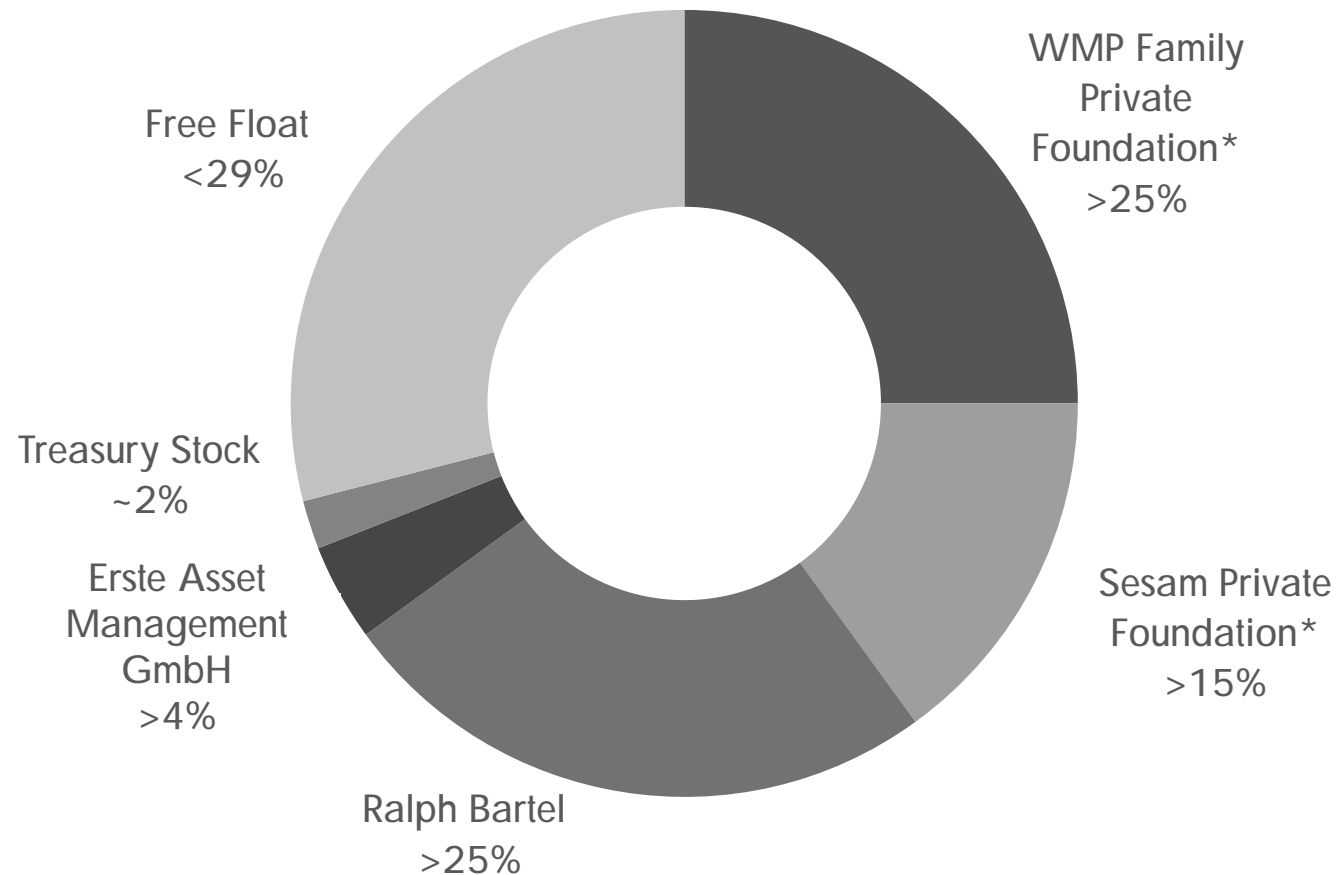
- ▶ Slight growth in revenues expected for the current 2017/18 financial year
 - ▶ 5% revenue increase (currency-adjusted) in Q1 based on weak performance in the prior-year period
 - ▶ Limited leeway for investments in the market presence (e.g. roll-out Shop-Concept)
- ▶ Negative operative earnings in the 2017/18 financial year
 - ▶ Measures to improve the company's earnings will only take full effect in the 2018/19 financial year
 - ▶ Further restructuring costs expected
 - ▶ Financing for the current financial year is secure
- ▶ Management focus on returning to profitability on its own
 - ▶ Identification of further restructuring measures with external support
- ▶ Positive operative earnings once again from the 2018/19 financial year



The 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

RCB Investor's Lunch, Vienna, 24.08.2017

Share Performance

May 2016 – Mid of August 2017



Performance Comparison: **Wolford -30.44%** and **ATX +35.37%**

Financial Calendar and IR Information

Date	Event
September 04, 2017	Record date AGM
September 08, 2017	Q1 Report 2016/17
September 14, 2017	30th Annual General Meeting
September 19, 2017	Deduction of dividends (ex-day)
September 20, 2017	Record date dividend
September 21, 2017	First day of dividend payment
December 15, 2017	Half-Year Report 2016/17
March 16, 2018	Q3 Report 2016/17

IR-Information

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Bloomberg: WOL:AV, WLFDY:US, WOF:GR

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