



RCB Investor's Lunch Wolford AG

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CEO**

**Axel Dreher
CFO/COO**

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Who is Woford?



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

- ▶ Founded 1950 in Bregenz, Austria
- ▶ Present in 63 countries
- ▶ 262 monobrand POS globally
- ▶ 2 production facilities in Austria and Slovenia (only Europe!)

- ▶ **€ 162,4 million revenues with 1,571 employees in FY 2015/16**

- ▶ **Stable shareholder structure**

- ▶ ~ 33% free float
- ▶ Founder family holds >40% via 2 private foundations
- ▶ Investor Ralph Bartel owns >25%
- ▶ 2% of treasury stock



Woford Models in 1997, Photo: Helmut Newton

Monobrand locations worldwide: 262*

- **Thereof Wolford-owned Points of sale:**

113 boutiques

39 concession shop-in-shops

23 factory outlets

Online shops in 16 countries

- **Thereof partner-operated Points of sale**

87 boutiques

and about 3.000 other distribution partners

North America: 36



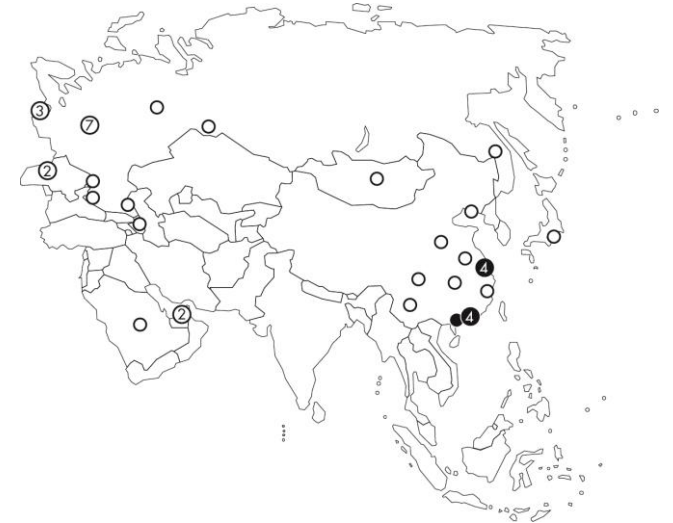
Europe: 184

excl. Russia, Ukraine



Asia: 36

incl. Russia, Ukraine



* Including 6 partner-operated boutiques in Africa, Australia and South America

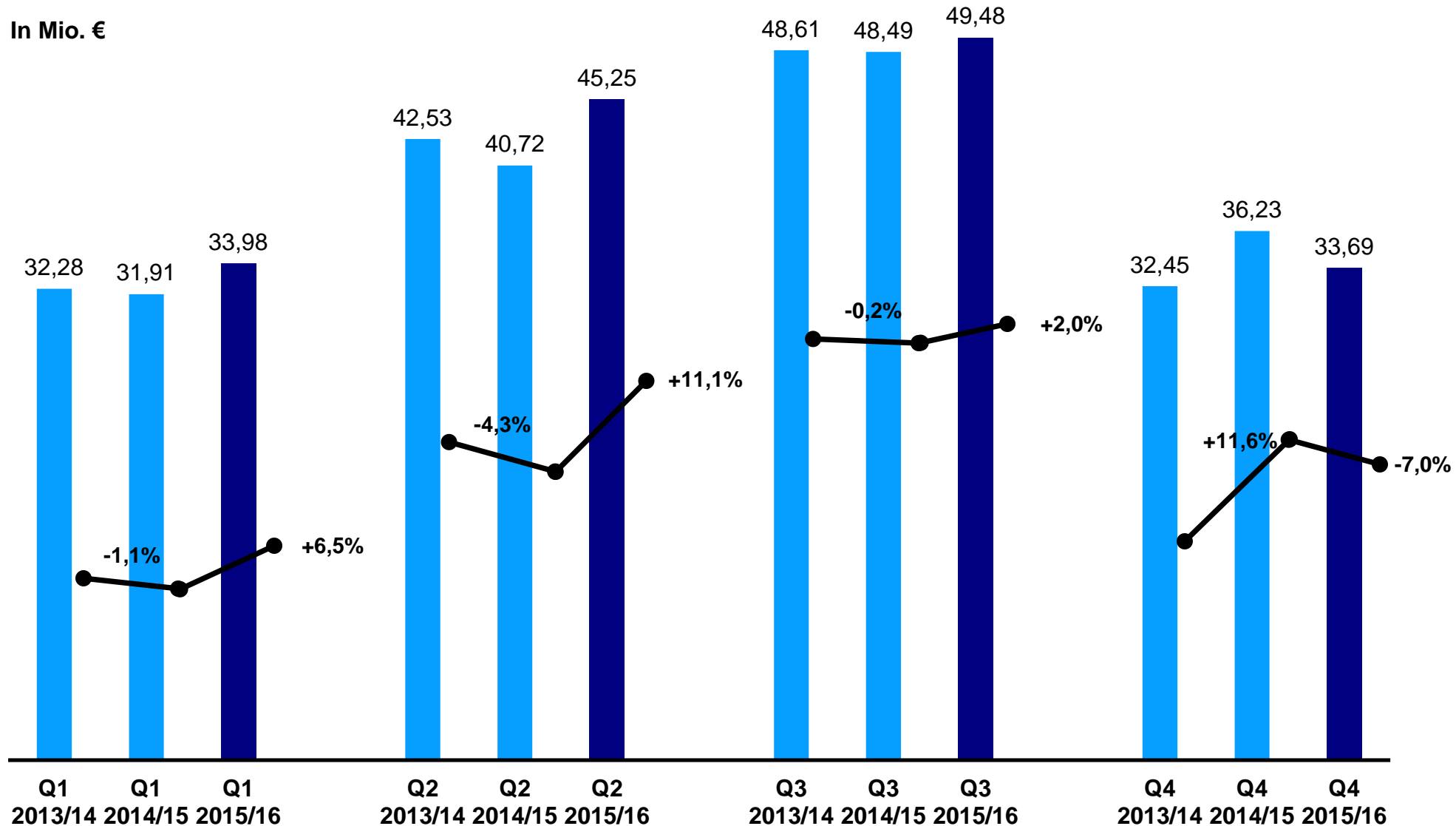


The 2015/16 Financial Year

Strong Q2, weak 4th Quarter



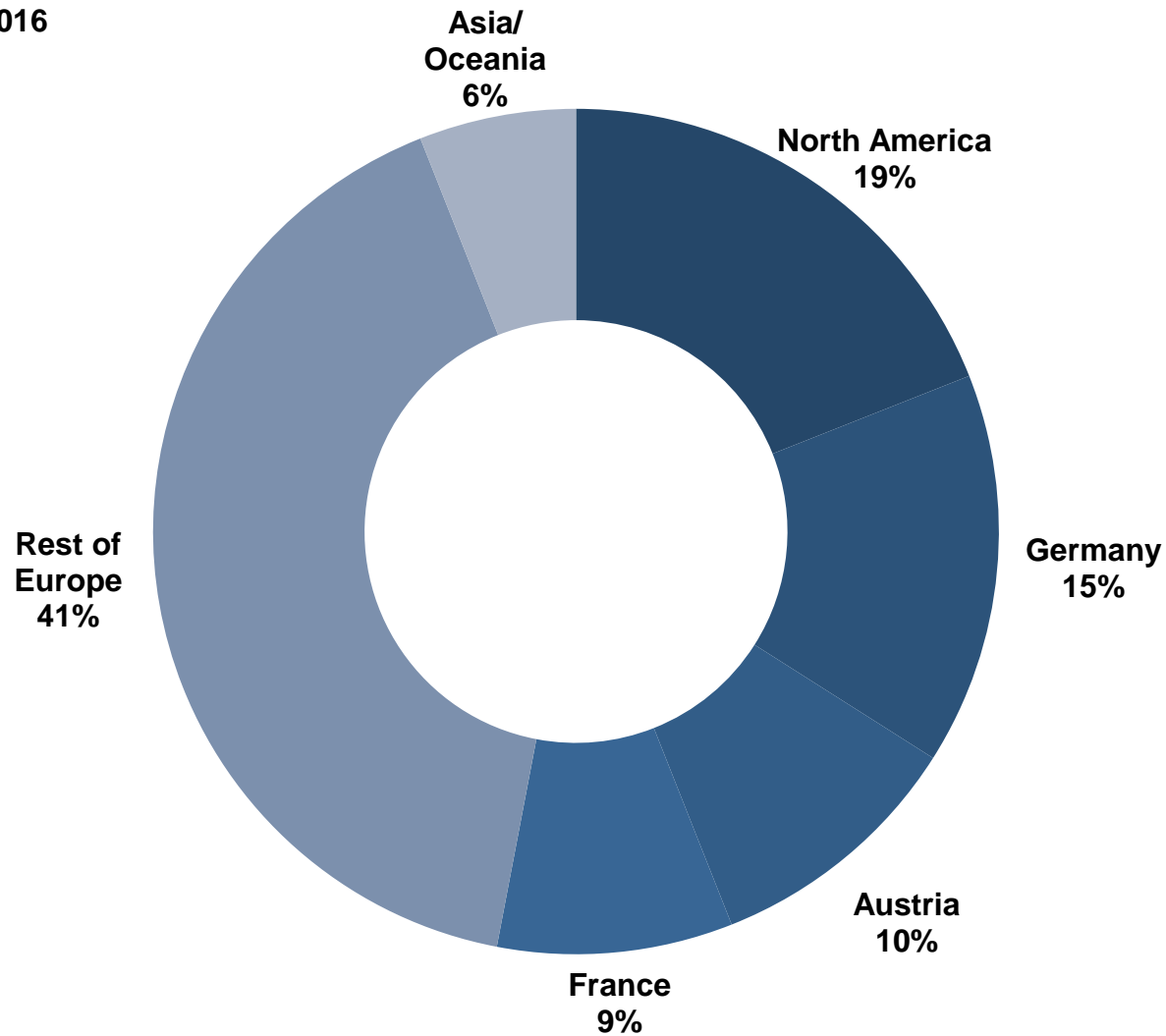
In Mio. €



Key markets Europe and USA

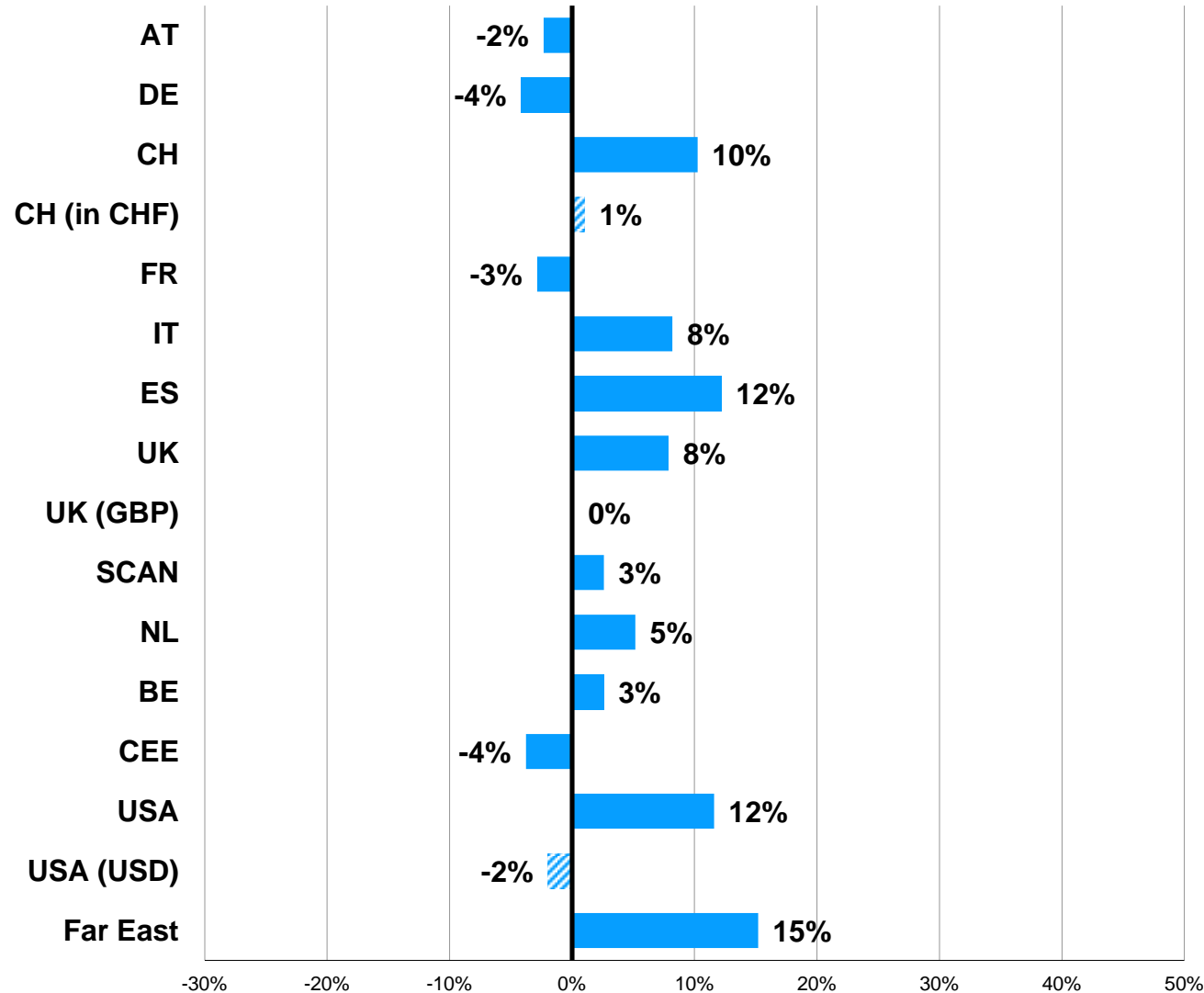


May 2015 – April 2016



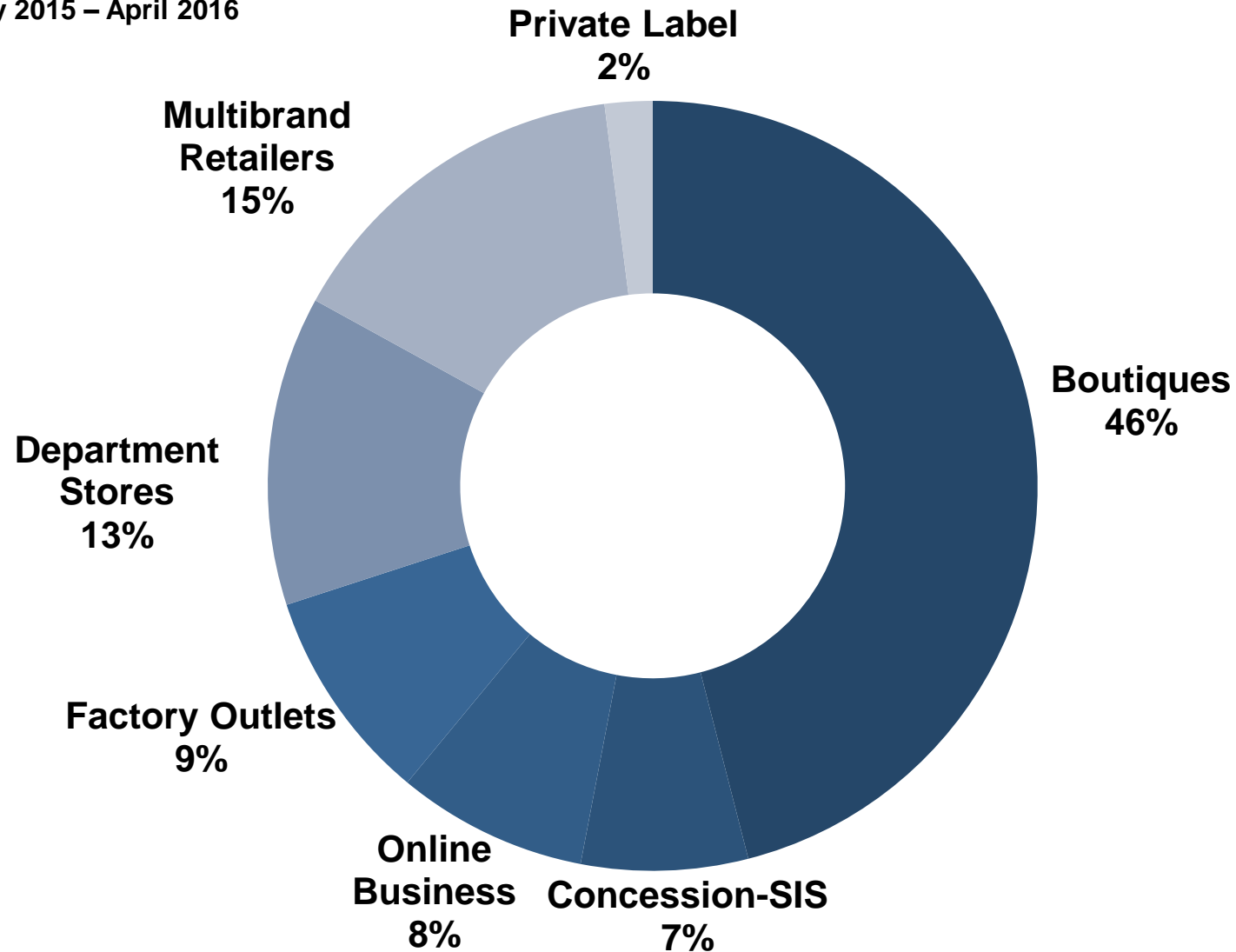
Market development

May 2015 – April 2016 vs. PY



70% of Revenues with Monobrand-POS

May 2015 – April 2016

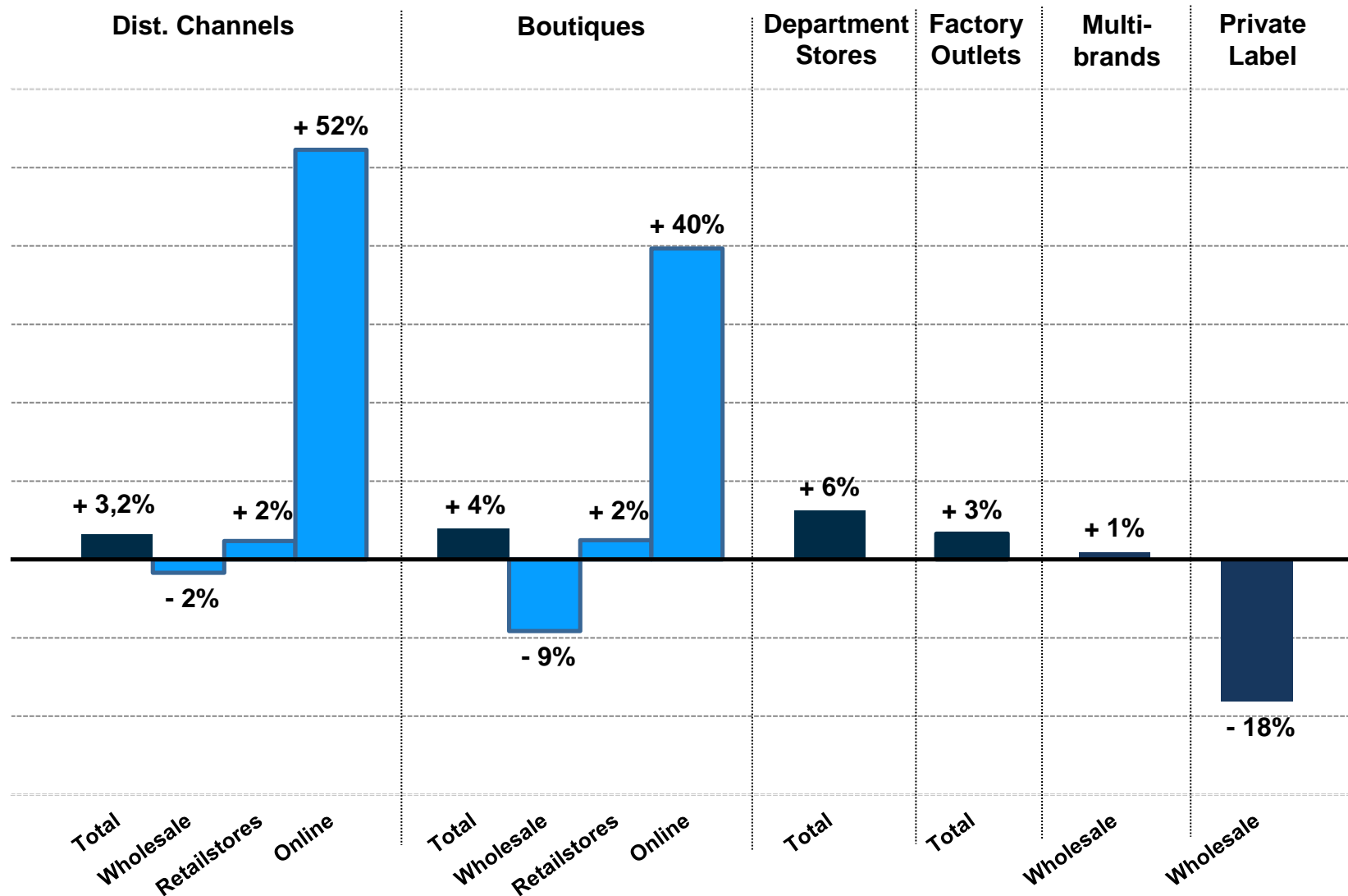


**Controlled
Distribution:
70%**

Growing Online Business



May 2015 – April 2016 vs. PY



Group Earnings 2015/16



		2015/16	2014/15	Chg. in %
Revenues	in € mill.	162.40	157.35	+3
EBIT ¹⁾	in € mill.	1.55	2.17	-29
EBIT margin ¹⁾	in %	1,00	1,40	-
Earnings before tax	in € mill.	0.62	1.21	-49
Earnings after tax	in € mill.	-6.19	1.03	>100
Cash flow from operating activities	in € mill.	3.38	3.61	-6
Employees (on average)	FTE	1,571	1,574	-1

¹⁾ The previous year's EBIT and EBIT margin are not directly comparable. In the previous year, EBIT was influenced by other operating income of € 12.8 million chiefly resulting from the sale of one piece of land and two lease options (in 2015/16 other operating income only amounted to € 2.3 million). It should also be noted that from the 2015/16 financial year "adjusted EBIT" has no long been reported in the statement of comprehensive income. This is due to amended reporting intended to enhance comparability.

Balance Sheet – Selected Data (30.04.16)



		30.04.2016	30.04.2015	Chg. in %
Equity	in € mill.	68,15	74,83	-9
Net Debt	in € mill.	20,86	17,12	+22
Working Capital	in € mill.	43,15	38,14	+13
Equity Ratio	in %	49	51	-
Gearing	in %	31	23	-
Debt Repayment Period ¹⁾		1,9	1,7	-

¹⁾ Net Debt to EBITDA

Cash Flow – Selected Data



		2015/16	2014/15
Cash flow from operating activities	in TEUR	3.379	3.607
Investments in property, plant equipment and other intangible assets	in TEUR	-7.110	-11.113
Proceeds from the sale of property, plant equipment and other intangible assets	in TEUR	1.117	6.959
Cash flow from investing activities	in TEUR	-5.735	-4.154
Free Cashflow	in TEUR	-2.356	-547
Cash flow from financing activities	in TEUR	1.225	334
Cash and cash equivalents at the end of the period	in TEUR	3.870	4.785
Dividend per share (pay out following year)		0.20 €	0.20 €*



Corporate Strategy



Our Vision:

„To be the leading global brand in the aspirational luxury segment of legwear, lingerie & bodywear by providing the consumer with an unforgettable experience“

Strategic Goals:

- ▶ Reach every potential consumer in the world via controlled multi-channel distribution
 - ▶ Tap the full potential of retail stores
- ▶ Generate profitable growth (EBIT margin of 10% by 2019/20)

Corporate Strategy at a Glance



	Revitalization & Globalization of the Brand	Project NOW
Key Objective	Revenue Growth	Increasing Profitability
Strategic Milestones to achieve Key Objectives	<ul style="list-style-type: none"> Modernization of the product portfolio following in depth analysis and redefinition of brand DNA Refocusing market communication Optimization of controlled multi-channel distribution and globalization New go-to-market model 	<ul style="list-style-type: none"> Reorganization and centralization of sales & marketing Optimizing R&D, production and supply chain Increasing profitability of the retail network Increasing gross margin
Selected operational Measures	<ul style="list-style-type: none"> Focus on core expertise (figure-embracing, circular-knitted products) and corresponding innovations New Shop / window concept, new B2C platform, 360° marketing campaigns New B2B platform, expansion of retail business Constant delivery of new merchandise to the POS 	<ul style="list-style-type: none"> 3 regional sales & marketing platforms in Europe, America and Asia with centralized support functions Strategic partnership with suppliers e.g. for lingerie Strict performance check (internal benchmarking) Optimized product mix

Example: New Shop-Concept



- New Concept developed – for shop interior and windows
- For the first time presented in september 2016 – starting in the Wolford locations in Berlin, Los Angeles and Shanghai









Example: Renewed Product Portfolio



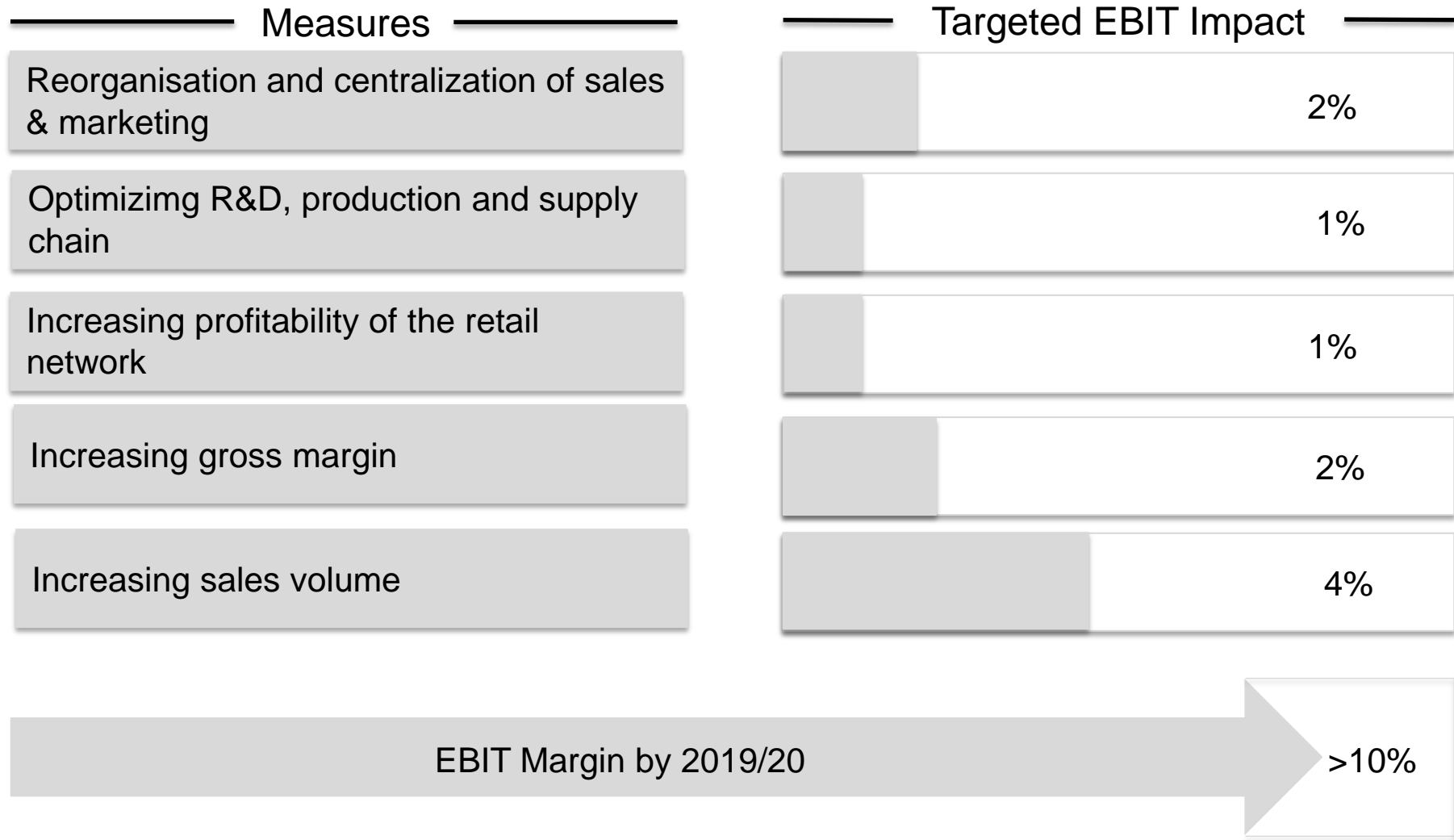
- Clear definition of Brand DNA
(Holistic Comfort, Effortless Sophistication, True Confidence, Multifunctionality)
- Focus on core expertise (figure-embracing, circular-knitted products)
- Harmonization of all product groups as well as between trend and essential collections
- Innovative products congenial to brand DNA
– and a new product category (Beachwear)

Implementation of the Strategy – actual Status



Revenue growth	1. Renewed product portfolio	
	2. Refocusing of market communication	
	3. Optimization of controlled multi-channel distribution and globalization	
	4. New Go-to-Market model	
Increasing profitability	5. Reorganization and centralization of sales & marketing	
	6. Optimizing R&D, production and supply chain	
	7. Increasing profitability of the retail network	
	8. Increasing gross margin	

Roadmap to Profitability clearly defined





Wolford

Outlook 2016/17 and Targets

- ▶ **Moderate growth of global economy expected (+2,4% in 2016)**
 - ▶ Cautious upswing in the euro zone (2016: +1,5%, 2017: +1,6%)

- ▶ **Slowly growing market for personal luxury goods**
 - ▶ Flagging growth momentum in the market for personal luxury goods, i.a. following the decline in number of tourists (+1% without FX effects in 2015 after +3% in 2014 and +7% in 2013)
 - ▶ Mid-term prospects (2-3% until 2020) still good compared with other industries
 - ▶ In 2016 slow growth predicted for personal luxury goods (around 1%) / Stagnation in the US and Asia, but growth in Europe and Japan

- ▶ **Conservative forecasts for the garment industry**
 - ▶ Expected growth of +1% in 2016 (without FX effects)
 - ▶ Fashion retail revenues in key European markets (D, F, UK) slightly declined in the first five months of 2016 – in Germany for example -1% in the first half year

(Quellen: Bain&Company and Altagamma, IWF-Outlook, April 2016, Textilwirtschaft)

In the current financial year 2016/17:

▶ **Slight growth in revenues**

Despite a weak start to the year:

- ▶ Strategic measures to increase revenues are taking hold
(Example: new summer collection well received in the market)
- ▶ Foundations laid for a holistic brand experience

▶ **Positive earnings (operating and after tax) and FCF**

- ▶ Various measures initiated to secure earnings (Example: new B2B platform)
- ▶ Positive free cashflow i.a. following working capital optimization

Mid-/long term:

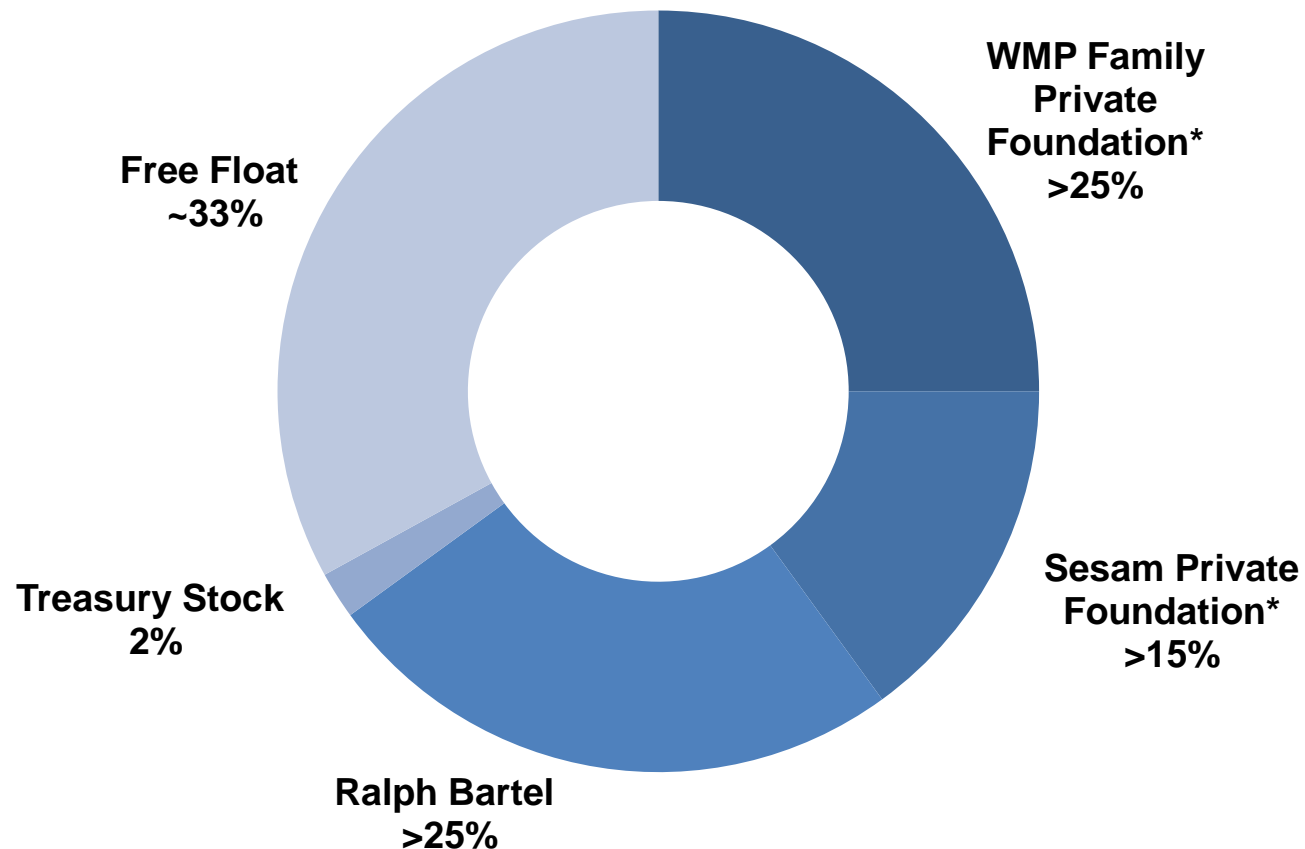
▶ **Sustainable revenue growth / EBIT margin of 10% until BY 2019/20**

- ▶ Concrete roadmap to profitability prepared



The Wolford Share





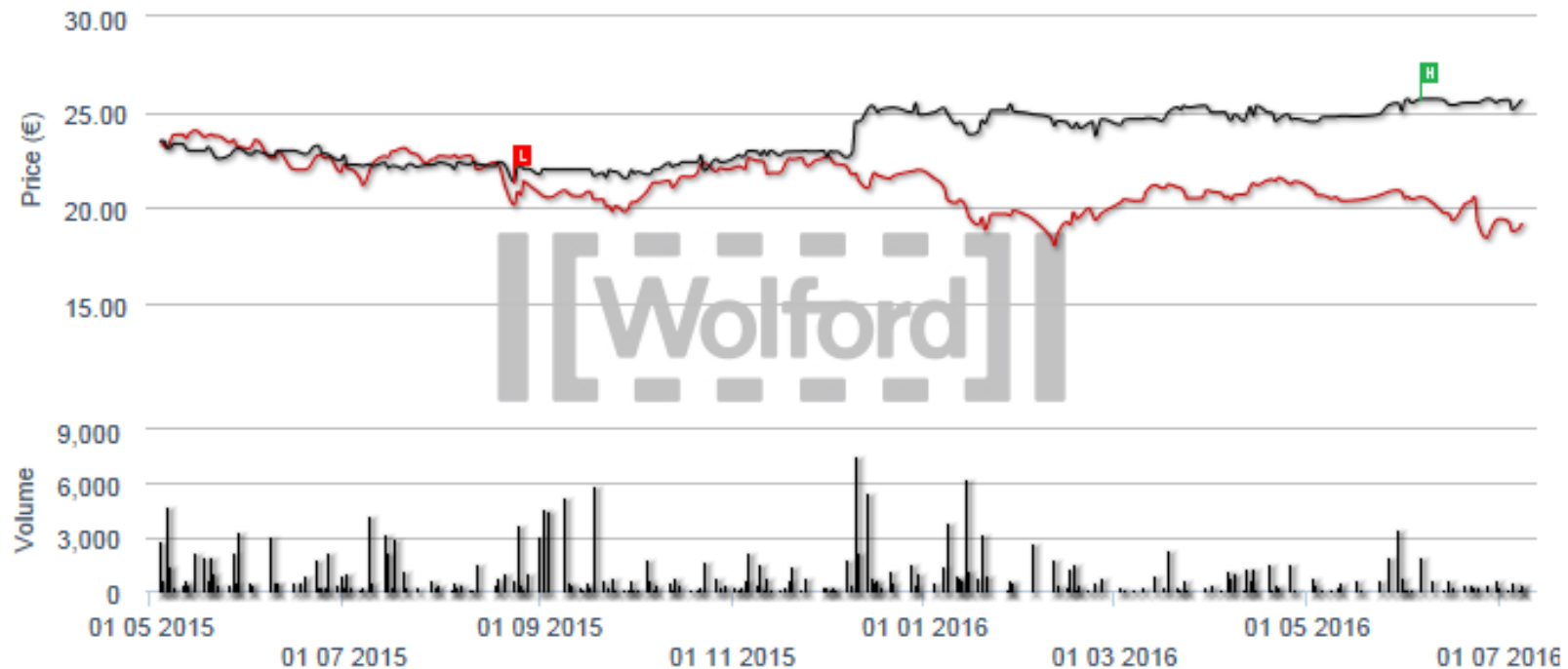
* Private foundations and its subsidiary M. Erthal GmbH are jointly acting legal entities, which exercise their voting rights by mutual agreement.

Based on available investment reports

Share Performance



1 DAY	1 M	3 M	6 M	1 Y	3 Y	5 Y	ALL
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Share

Benchmark

■ Wolford AG *

☒ ■ ATX Prime *

* Performance Comparison: Wolford +9,04 % und ATX -17,35%

Financial Calendar and IR Information



Date	Event
September 04, 2016	Record date AGM
September 09, 2016	Q1 Report 2016/17
September 14, 2016	29th Annual General Meeting
September 19, 2016	Deduction of dividends (ex-day)
September 20, 2016	Record date dividend
September 21, 2016	First day of dividend payment
December 16, 2016	Half-Year Report 2016/17
March 17, 2017	Q3 Report 2016/17
July 14, 2017	Press conference on 2016/17 annual results in Vienna

IR-Information

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