



Institutional Investors  
Conference  
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WHO WE ARE

STRATEGY & TARGETS

FINANCIALS

SUMMARY & OUTLOOK

THE WOLFORD SHARE





WHO WE ARE



# Strong brand in transition

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

- Presence in about 60 countries
- 262 monobrand POS globally
- 2 production facilities in Austria and Slovenia (only Europe!)

## ► **Prominent brand with loyal customers**

- Wolford ranks among the “Top 100 global luxury brands” in terms of revenue according to the Deloitte report “Global power of luxury goods”

## ► **Relaunch of brand and market profile**

- On the way to become more relevant for the target group of the “millennials”
- Need to tap into new markets

## ► **Shareholder structure**

- Fosun Industrial Holding Limited ~58%
- Ralph Bartel ~30%
- Treasury stock ~2%
- Freefloat <10%



# Newsflow since August 2018



New visual language  
presented at brand event in  
London

Forecast adjustment after  
weak Christmas sales



New Partner in China  
announced

**Aug 18**

**Nov18**

**Jan19**

**Feb19**

New window concept  
introduced worldwide



Presentation of the new pilot store  
concept in Amsterdam



Continuation of  
restructuring program  
announced





## STRATEGY & TARGETS

We've built a „Where to play?“ and  
„How to win?“ strategy  
to restart our business and fuel growth

## **TRANSFORM WOLFORD TO A CONSUMER- AND RETAIL-CENTRIC BUSINESS MODEL**

Pivot to become consumer- and retail-centric to meet and exceed consumers' needs across all channels (DTC and wholesale). Operate our business differently – from the design studio to the factory floor to the point of sale – by thinking and acting more like a vertical retailer.





## Capability choices



Design & Innovation inspired by creative vision, that is the talk of the (social) town.



Focused global MKT stories, amplified by collabs.



Budget and organizational restructuring  
Channel segmentation and marketing investments



Revamp brand experience  
instore (F/P) and .com



Instal GTM process powered by a clear innovation pipeline



Establish strong commercial platforms for EMEA, Asia and the Americas



International talent in key areas  
sales, digital, design and marketing functions

Collecting customer data and gain knowledge about behavior

## Major challenges



### Lead time / effectiveness of measures

- Weak SS18 collection and AW18/19 collection under old creative direction and branding
- Brand re-launch not yet visible enough for revised target consumers – launch limited to Europe
- New campaign together with new collections from new designer require lead time

### Operational issues

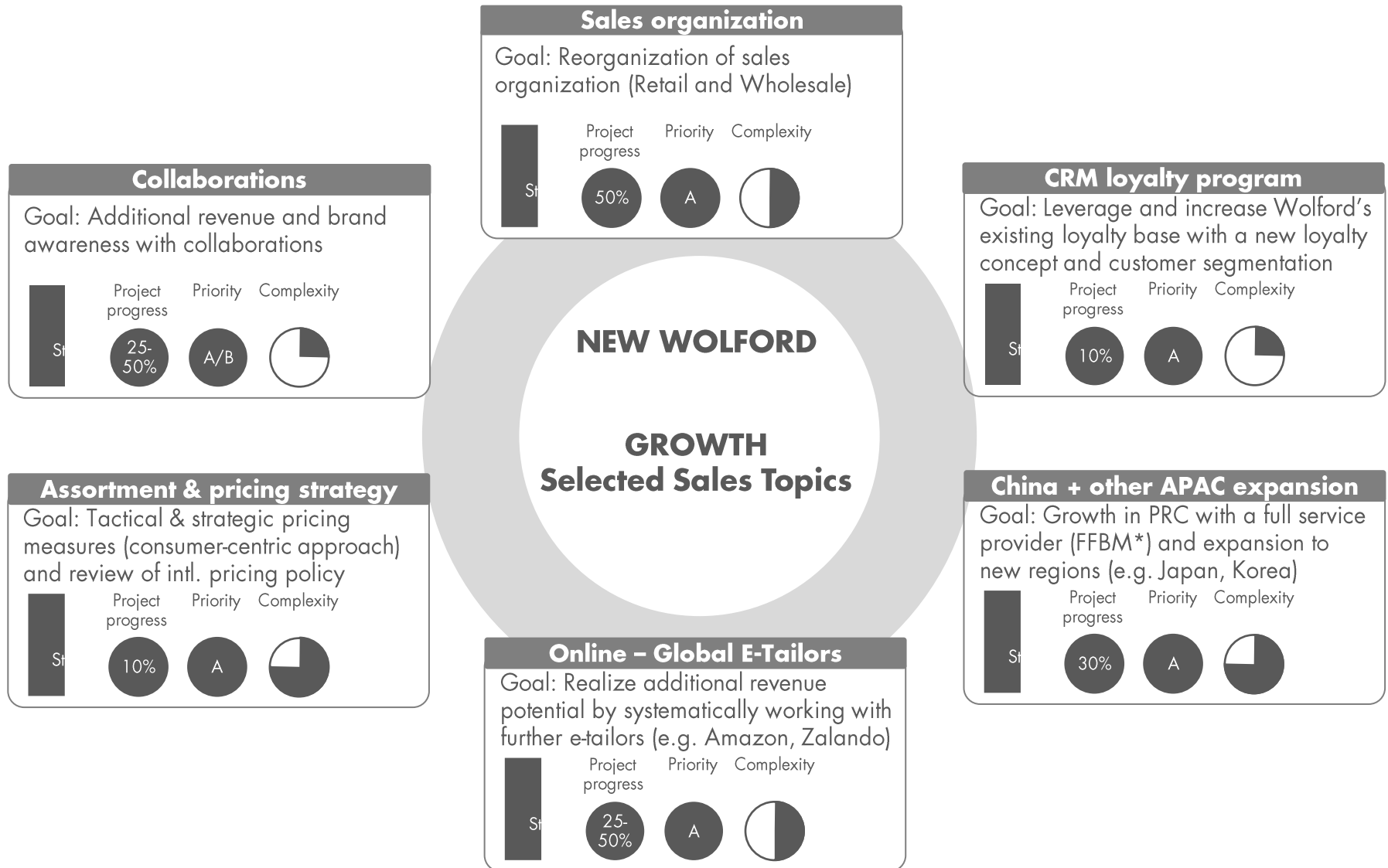
- Complex sales organization and partly “old-school” sales approach
- Significant structural changes in sales organization in execution: implementation of new sales director and changes of MDs
- Transformation to consumer-centric sales approach across channels ongoing

### Overall market environment

- Changing consumer behavior leads to declining frequency in shops
- Boom in e-commerce challenges retail business
- European wholesalers still struggling



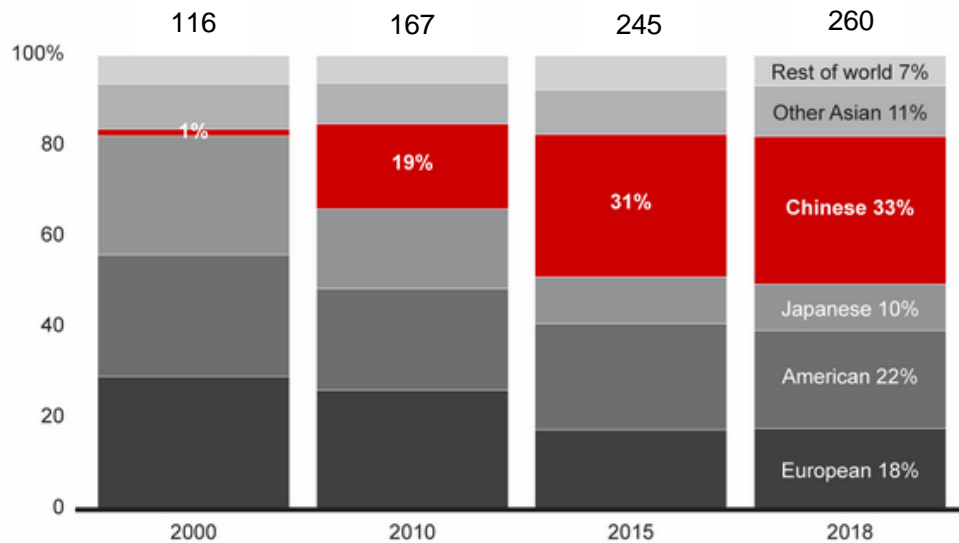
# Increase top line (selected measures)



Notes: \*) Fosun Fashion Brand Management

# China offers huge potential for WOLFORD

Global luxury market by consumer nationality (€ billions)



Note: Segments do not add up to 100% due to rounding

Sources: Bain Luxury Goods Worldwide Market Study, 2018; Bain analysis

- ▶ Chinese consumers dominate the global luxury goods market
- ▶ Chinese customers will make up at least 45% in 2025 and they will make half of their luxury purchases in China
- ▶ Right positioning plus right marketing approach will create a new „blue ocean“ for luxury „Skinwear“



# Systematic market penetration planned with new partner



Business level	Key Services	Description
Top line	Business plan	-China market entry strategy
		-Channel mapping
Store level	Retail staff	-Product and merchandising analysis
	Merchandising	-Sales staff management and training
		-Store visual merchandising
Back Office	Logistics	-Shipment
		-Allocation
	Marketing	-Replenishment
Back Office	Office management	-Social Media
		-e-CRM platform management
	Human resources	-Retail shop leasing contracts
		-Franchisee contracts
		HR for brand retail shop staff

## Overview

- Fosun Fashion Brand Management (FFBM) selected as partner to support and manage the Wolford China expansion
- Full service provider under Fosun Fashion Group with focus on Greater China territory
- Specialized in retail and wholesale operation, offers know-how on localized merchandizing and will ensure the cultural "fit"
- Responsible for executing the Wolford expansion plan in China based on a commission fee model

Expansion via all channels

Retail

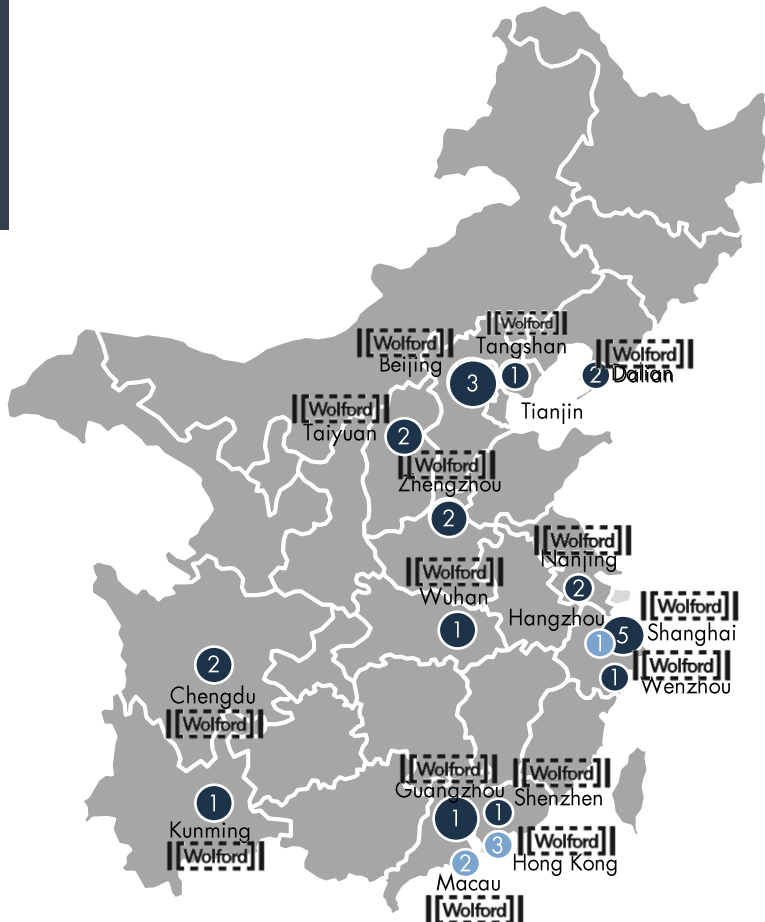
Wholesale

Online  
(e.g. Tmall)

# Planned expansion step by step

## Current Situation

- 6 retail stores
- 26 wholesale stores\*



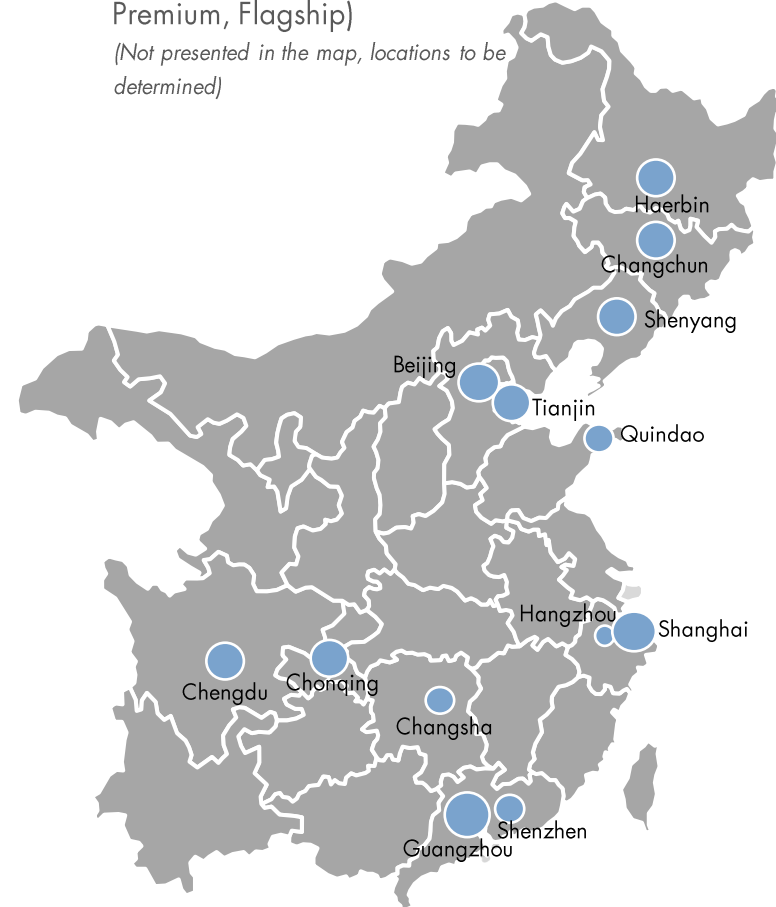
\*Number acc. to Wolford's website; the business plan of the local management shows 18 WS stores

# Wholesale stores # Retail stores

## Planned expansion by 2024

- 20 new retail locations (stores + outlets)
- 75 new wholesale locations (Department Stores, Medium, Premium, Flagship)

(Not presented in the map, locations to be determined)



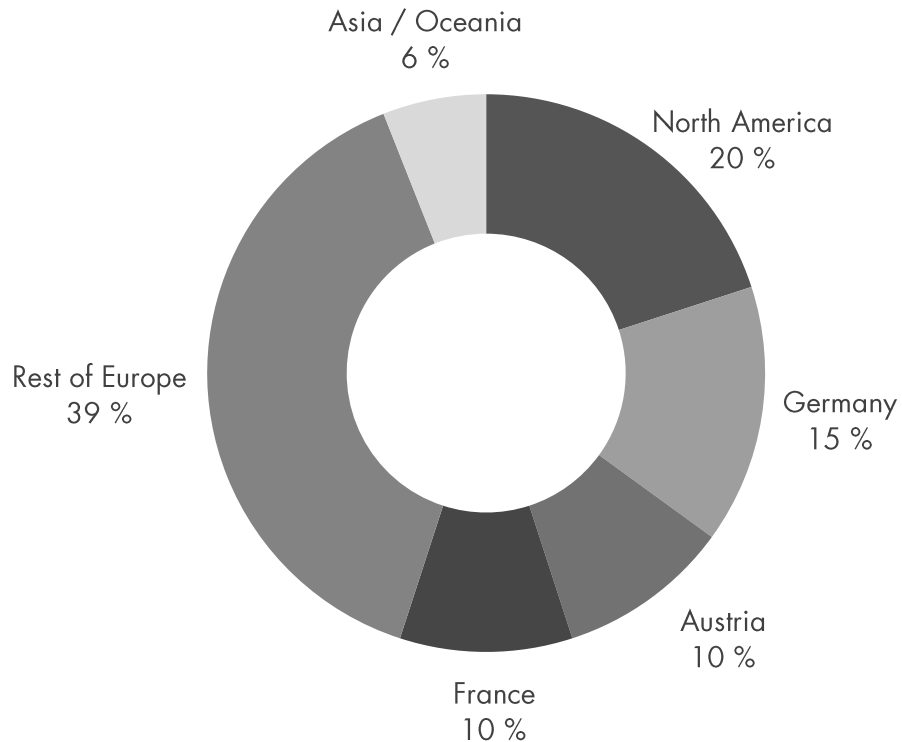
● New retail openings planned in next 5 years (locations might be subject to changes)



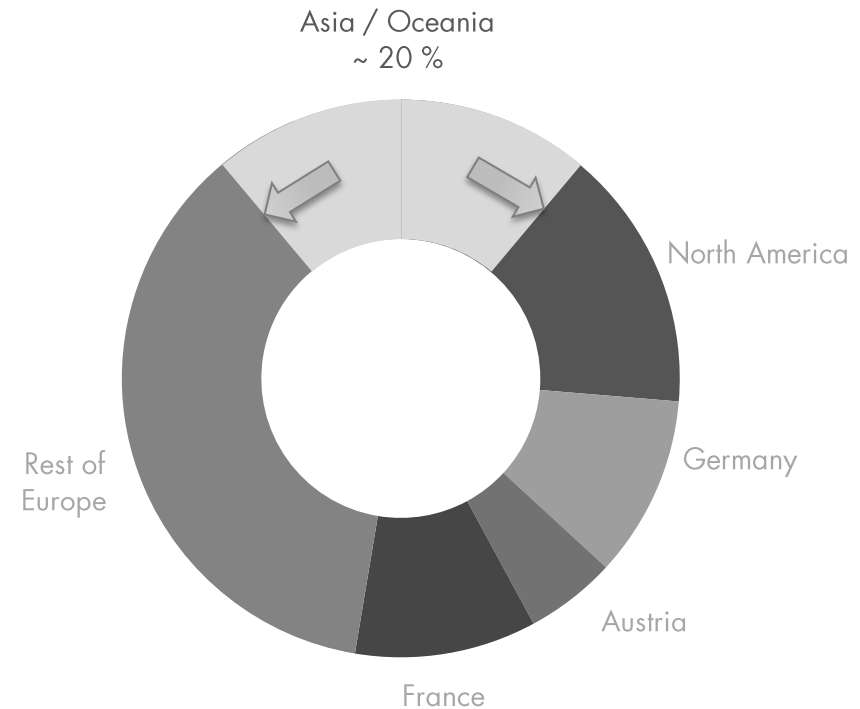
# Our target: Substantial relevance of the Chinese market

May 2018 – January 2019

## Present



## 2024





# FINANCIALS

## 9 MONTHS 2018/19

# Group earnings

		05/18 - 01/19	05/17 - 01/18	Chg. in %	2017/18
Revenues	in € mill.	108,15	119,36	-9	149,07
EBITDA	in € mill.	3,13	4,35	-39	-2,47
EBIT	in € mill.	-2,31	-1,36	-70	-9,22
Earnings before tax	in € mill.	-3,30	-2,97	-11	-11,43
Earnings after tax	in € mill.	-4,22	-2,57	-64	-11,54
Cash flow from operating activities	in € mill.	-3,57	4,24	<100	4,89
Employees (on average)	FTE	1,354	1,456	-7	1,433

# Balance sheet – selected data

		<b>31.01.2019</b>	<b>31.01.2018</b>	<b>Chg. in %</b>	<b>30.04.2018</b>
Equity	in € mill.	51,38	42,90	20	33,90
Net Debt	in € mill.	20,19	28,97	-30	30,09
Working Capital	in € mill.	37,55	42,78	-12	34,59
Balance sheet total	in € mill.	125,75	128,97	-3	114,33
Equity Ratio	in %	41	33	24	30
Gearing	in %	39	68	-42	89



# Cash flow – selected data

		05/18 - 01/19	05/17 - 01/18	2017/18
Net Cash flow from operating activities	in TEUR	-4,780	3,236	3,199
Investments in property, plant equipment and other intangible assets	in TEUR	-6,833	-1,199	-1,401
Proceeds from the sale of property, plant equipment and other intangible assets	in TEUR	0	389	29
Cash flow from investing activities	in TEUR	-6,833	-810	-1,372
Free Cash flow	in TEUR	-11,61	2,43	1,83
Cash flow from financing activities	in TEUR	20,112	318	-9,274
Cash and cash equivalents at the end of the period	in TEUR	11,291	12,921	2,729



## SUMMARY & OUTLOOK

# Summary & outlook

## ► **Clear execution Roadmap**

- RESET & GROWTH measures already set up

## ► **RESET: Continuation of restructuring program**

- Cost cutting measures with more than 10 Mio. € saving potential

## ► **GROWTH: Initiatives to grow top line**

E.g.

- New Partner in China
- Step by Step expansion in China
- Systematically cooperation's with E-tailors

## ► **Return to profitability not later than in 2020/21 financial year**

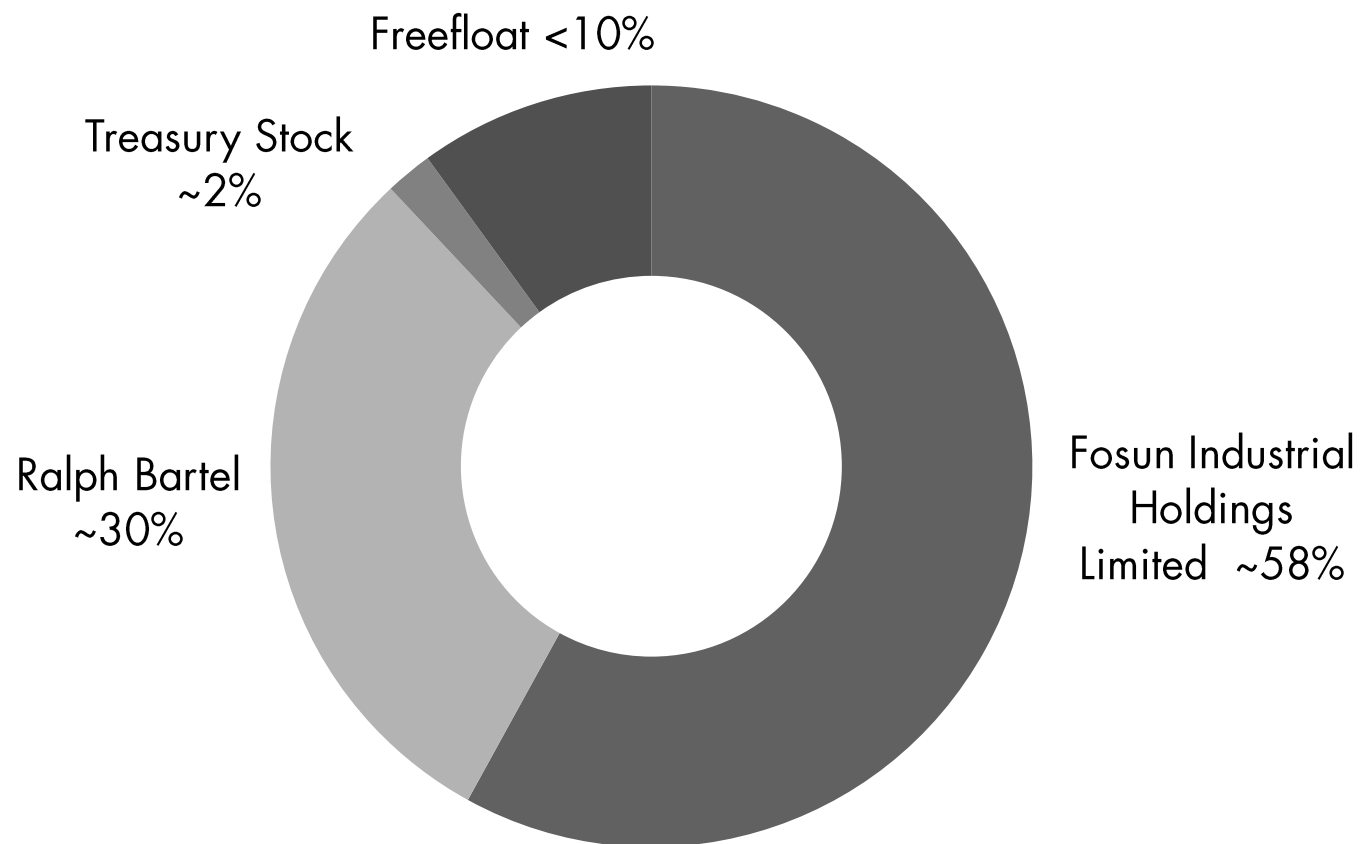




## THE WOLFORD SHARE

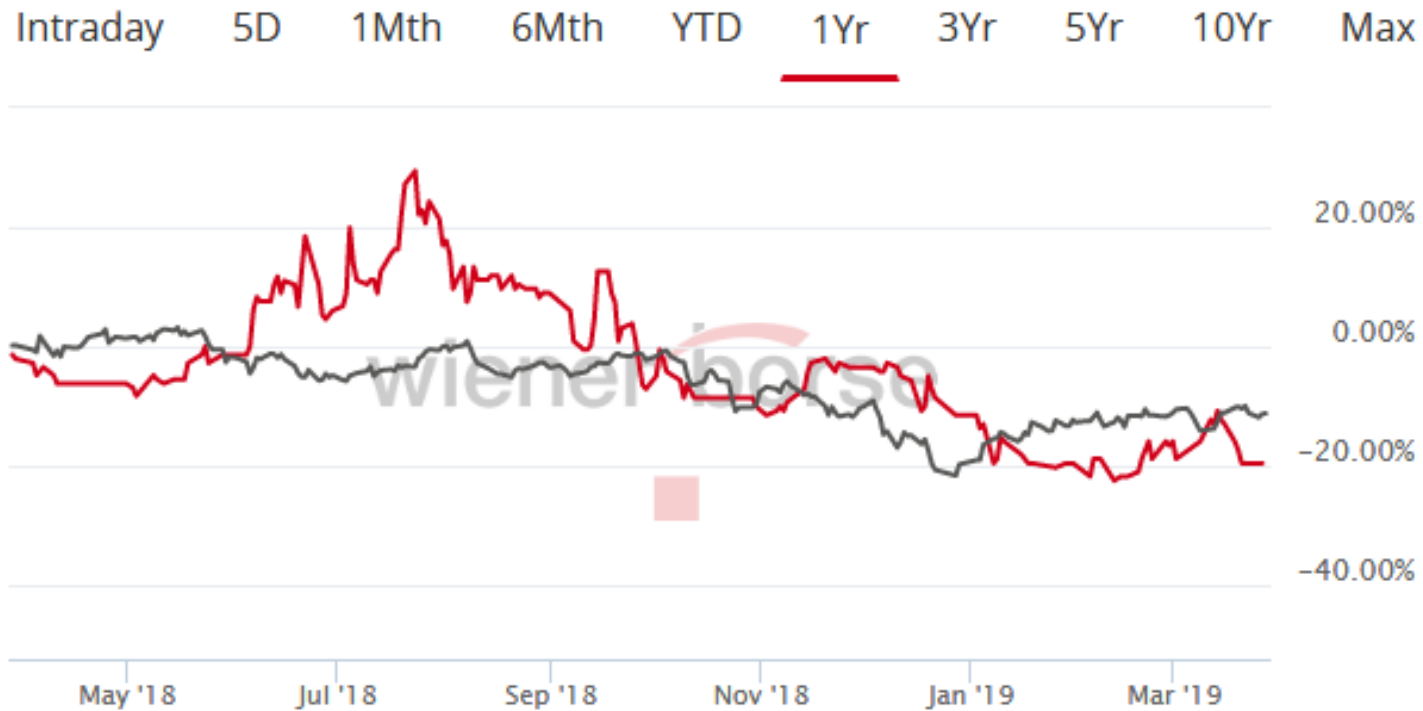


# Shareholder structure



# Share performance

May 2018 – Mid of March 2019



Performance Comparison: **Wolford -19.56%** and **ATX -11.88%**

# Financial calendar and IR information

Date	Event
July 19, 2019	Annual Press Conference Vienna
September 20, 2019	Report on the 1st quarter 2019/20
September 25, 2019	13:00 h: Annual General Meeting in Bregenz
December 13, 2019	Report on the 1st half of 2019/20
March 20, 2020	Report on the 3rd quarter 2019/20

## IR-Information

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