



**Institutional Investors  
Conference  
Zürs**

**WOLFORD AG**

**Ashish Sensarma (CEO)**

**Axel Dreher (COO/CFO)**

**Zürs, 11. – 13. April 2016**

The Wolford Group at a Glance

9 months 2015/16

Strategy & Targets

Outlook 2015/16

The Wolford Share



**[[Wolford]]**

**The 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 over 60 countries
- ▶ 269 monobrand POS globally
- ▶ 2 production facilities in Austria and Slovenia (only Europe!)

- ▶ **€ 157.35 million revenues with 1,574 employees in FY 2014/15**

- ▶ **Stable shareholder structure**

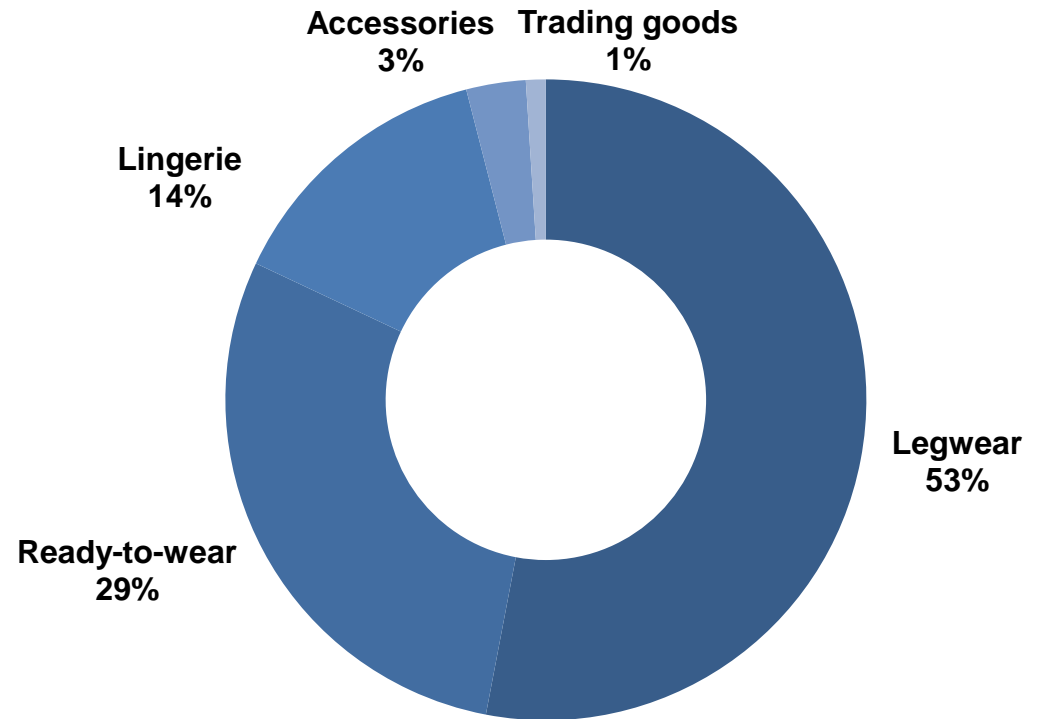
- ▶ ~33% free float
- ▶ Founder family holds >40% via 2 private foundations
- ▶ Investor Ralph Bartel owns >25%
- ▶ 2% of treasury stock



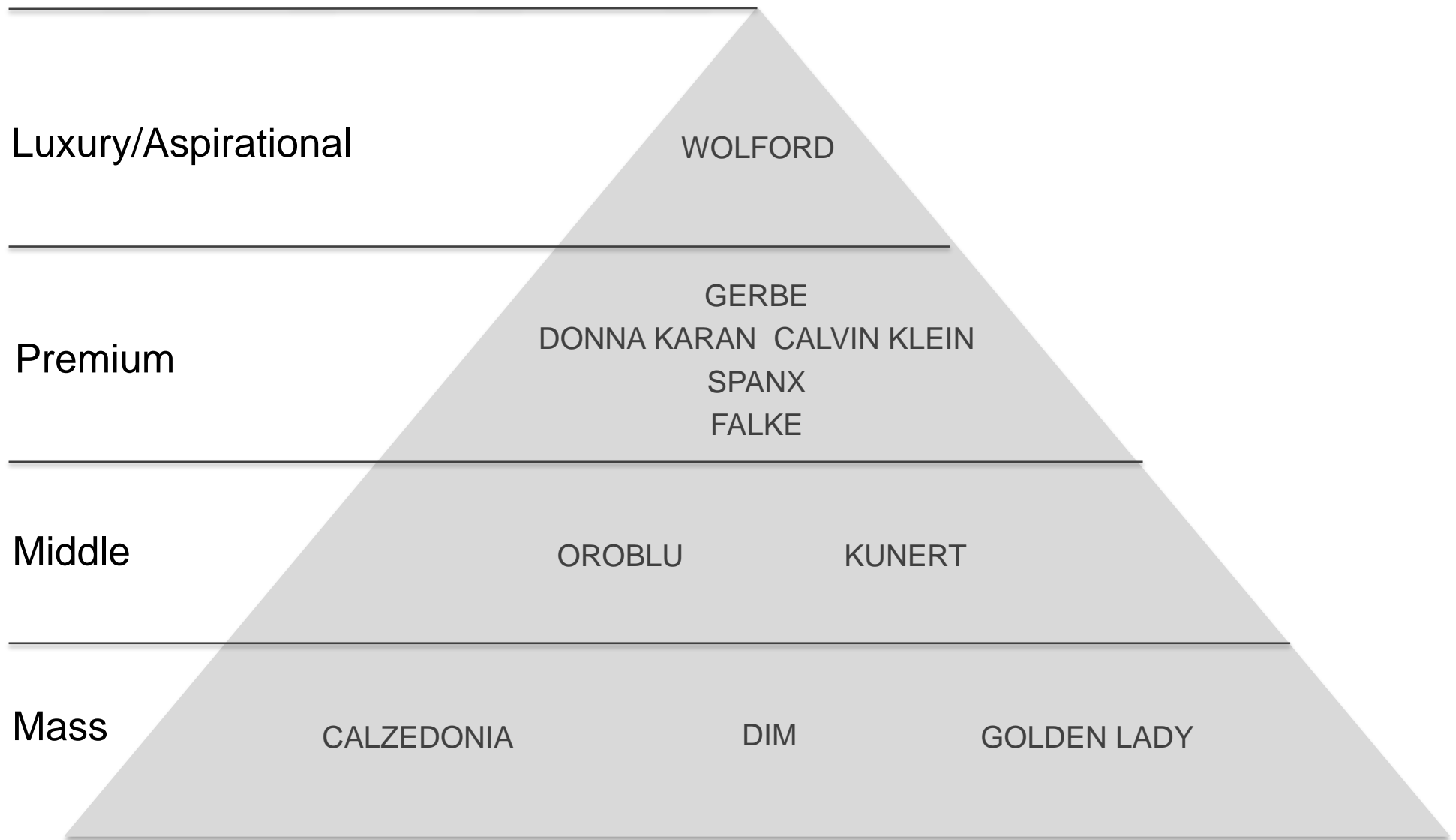
Wolford Models in 1997, Photo: Helmut Newton

# Legwear as the Core Product

May 2015 – January 2016



# Number One Position in Legwear Worldwide



# Global Presence



**Monobrand locations worldwide: 269\***

● **Thereof Wolford-owned points of Sale:**

113 boutiques

41 concession shop-in-shops

24 factory Outlets

○ **Thereof partner-operated points of Sale:**

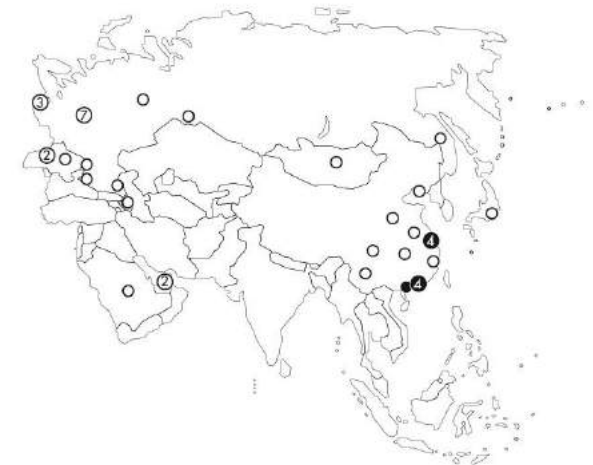
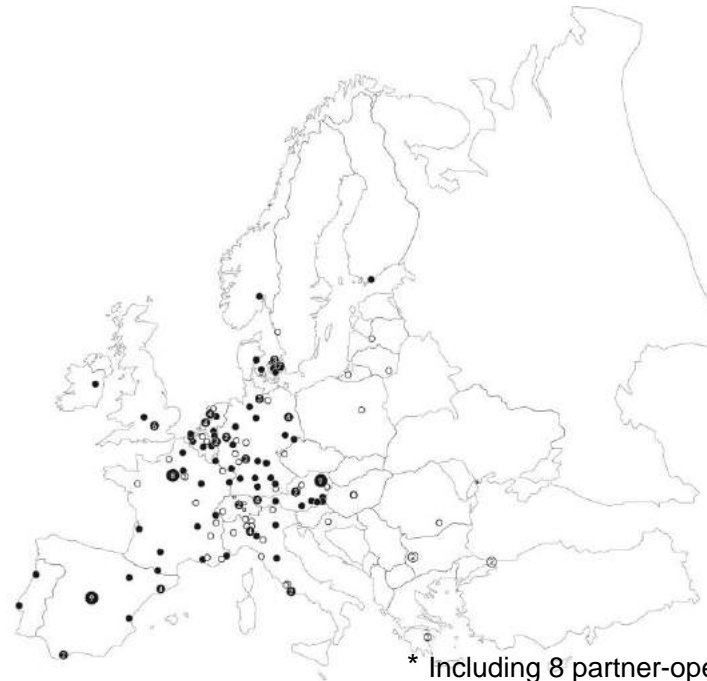
91 boutiques

and about 3,000 other distribution partners

**North America: 35**

**Europe: 189**  
excl. Russia, Ukraine

**Asia: 37**  
incl. Russia, Ukraine

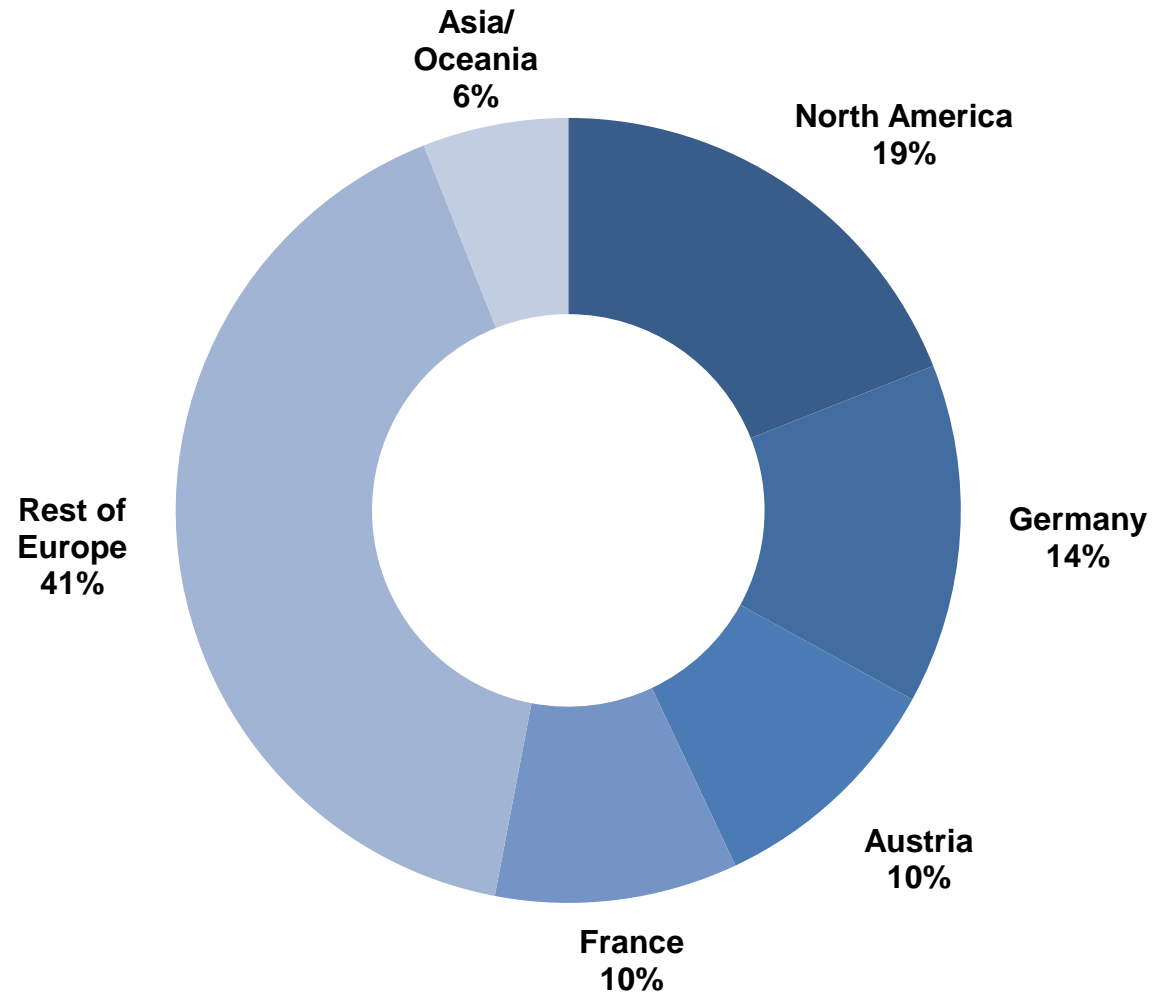


\* Including 8 partner-operated Boutiques in Africa, Australia and South America

# Key Markets Europe and USA



May 2015 – January 2016

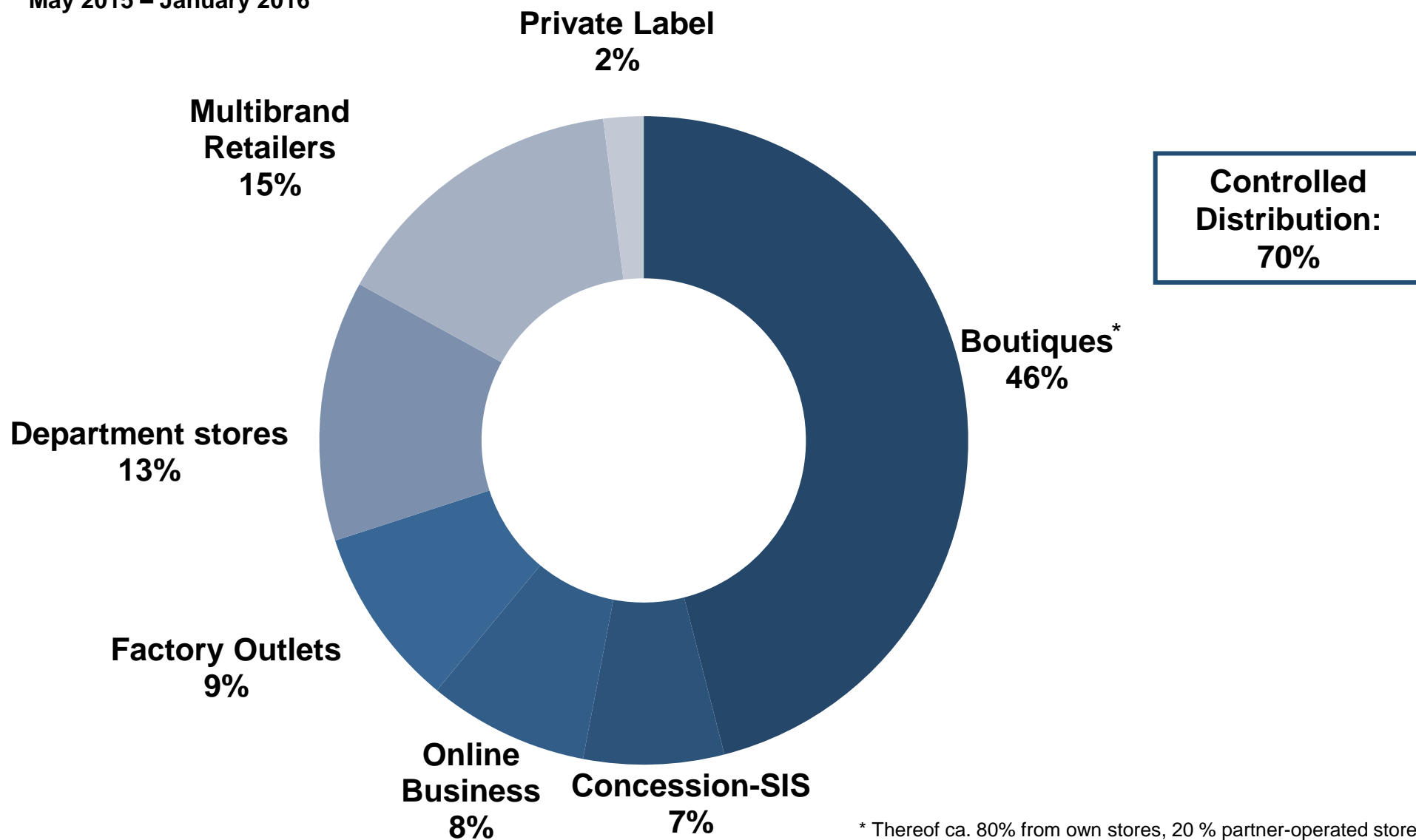




# Strong own Retail Network



May 2015 – January 2016



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



**Wolford**

**9 months 2015/16**

# Group Earnings May 2015 – January 2016



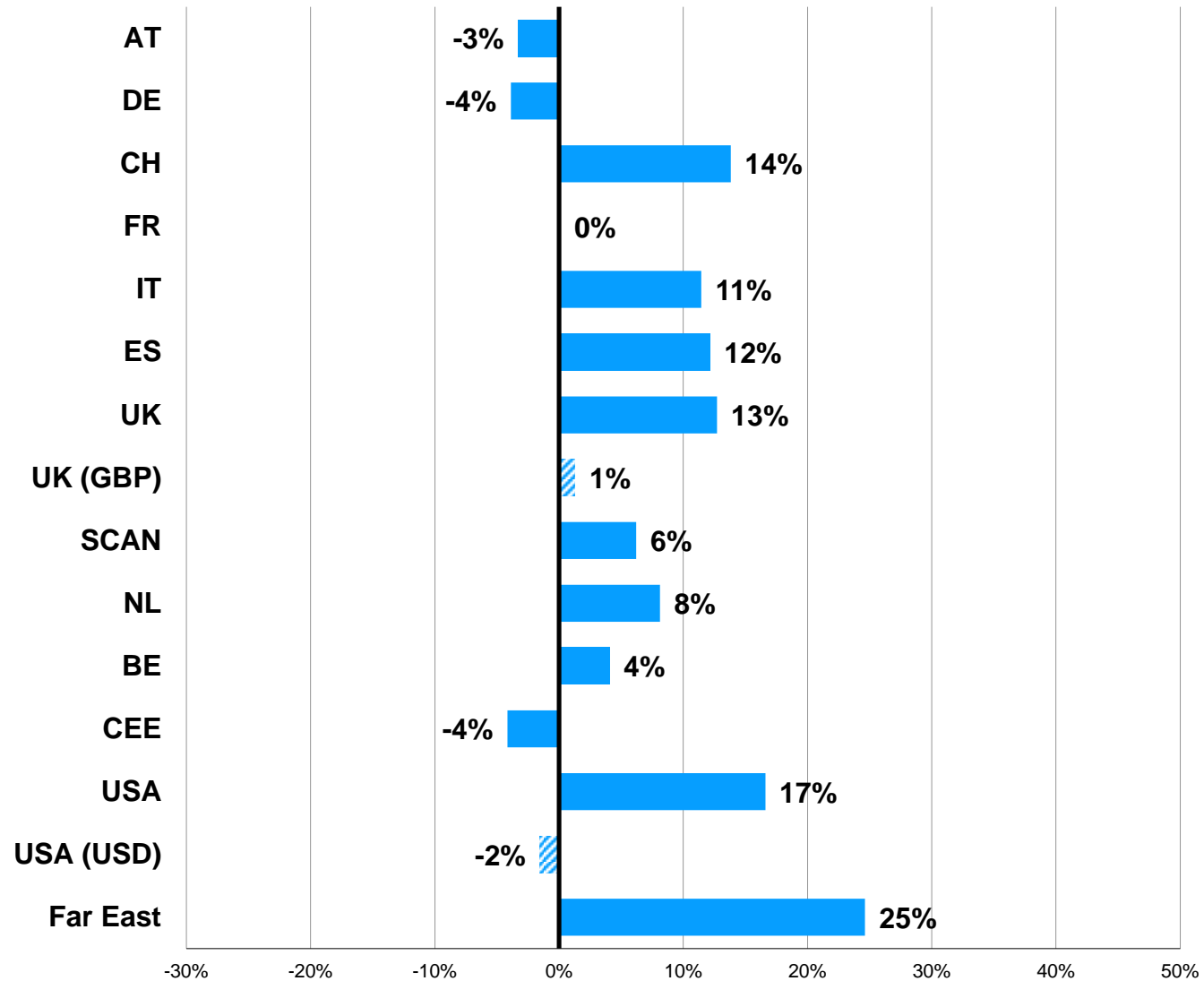
		9 months 05/15 – 01/16	9 months 05/14 – 01/15	Chg. in %
Revenues	in € mill.	128.71	121.13	+6
EBIT adjusted <sup>1)</sup>	in € mill.	2.16	4.09	-47
EBIT	in € mill.	2.16	7.08	-70
Earnings before tax	in € mill.	1.39	6.39	-78
Earnings after tax	in € mill.	0.70	4.46	-84
Employees (on average)	FTE	1,574	1,567	+1

1) Adjusted for non-recurring income of € 3.37 million and non-recurring expenses of € 0.38 million in the first nine months of 2014/15, but still including the proceeds from the sale of a lease option in July 2014. There will be no „non-recurring items“ recognized in the 2015/16 financial year, but will only be included in the comparison to the previous year.

# Mixed picture in the Markets



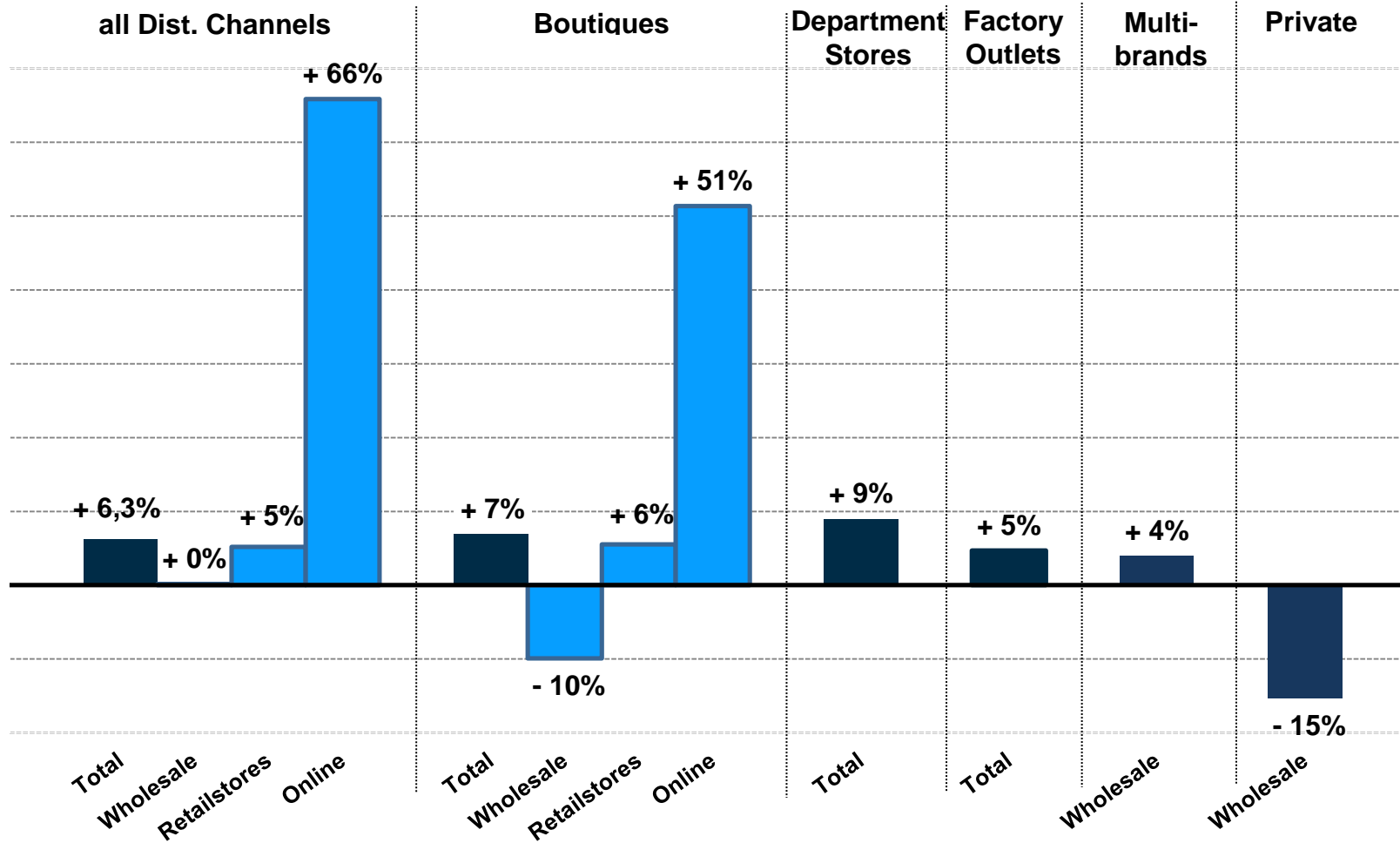
May 2015 – January 2016



# Growing Online Business



May 2015 – January 2016



# Group Balance Sheet



		31.01.2016	31.01.2015	Chg. in %
Equity	in € mill.	75.21	79.22	-5
Net Debt	in € mill.	17.37	15.76	+10
Working Capital	in € mill.	38.97	39.14	-1
Balance Sheet Total	in € mill.	145.91	150.51	-3
Equity Ratio	in %	52	53	-2
Gearing	in %	23	20	+15



**[[Wolford]]**

## **Strategy & Targets**






## The Wolford Vision:

We want to be the leading global brand in the aspirational luxury segment of legwear, lingerie and bodywear by offering our consumer an unforgettable experience: „The Unforgettable Touch of Wolford.“

## Strategic Goals:





- ▶ Reach every potential consumer in the world via controlled multi-channel distribution
- ▶ Tap the full potential of retail stores (average productivity of  $> \text{€ } 10.000 / \text{m}^2$ )
  - ▶ Generate profitable growth (EBIT margin of 10%)



Key elements	Status
1. <b>Brand experience</b> – Modernization of a strong heritage	
2. Renewed <b>product portfolio</b> – Innovation is key	
3. Reorientation of <b>market communication</b> – online and offline	
4. Optimization of controlled <b>multi-channel distribution</b> and <b>globalization</b>	
5. <b>New go-to-market model</b>	

→ ...to fuel sales volume!

# ... and Internal Reorganisation

Key elements	Status
6. Increasing profitability of the retail network	
7. Optimizing development & production process and supply chain	
<b>New efficiency program “NOW”</b>	
8. Reorganisation of sales and marketing (new platform model)	
9. Increase (gross) margin	

**→ ... to fuel profitability!**

## ▶ **Renewed product portfolio**

- ▶ Focus on “Brand DNA“:  
Multifunctionality, effortless sophistication, true confidence, holistic comfort
- ▶ Full pipeline of innovations (creation of product icons in Wolford-Look & Feel)
- ▶ Harmonization of collections (Essentials and Trends) and product groups
- ▶ Reduction of time to market

## ▶ **Refocused market communication**

- ▶ New shop concept and optimized product presentation
- ▶ Appealing display windows
- ▶ Marketing using all communication channels (omni-channel marketing)
- ▶ Creation of “soulful” marketing content (“storytelling”, partnering with artists, ...)



**Consistent brand experience: from the product to the shopping experience online and offline!**

## 4. Optimization of Multi-Channel Distribution...

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### **Retail**

- ▶ Increase of floor space profitability
- ▶ Opening of flagship stores in megacities
- ▶ Expansion of Wolford-owned retail business in A cities
- ▶ Expansion of Wolford-controlled points of sale in B & C cities

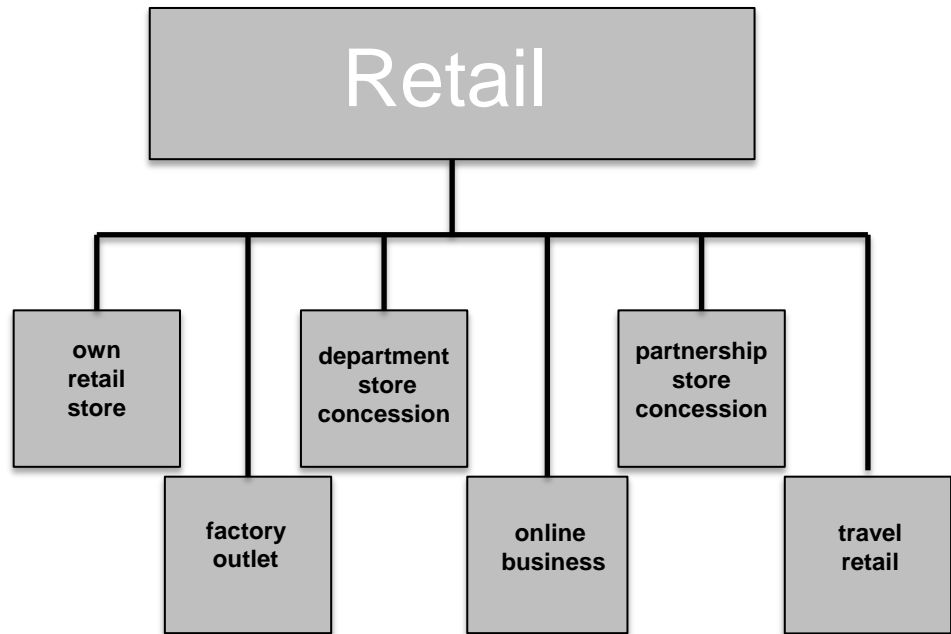
### **Wholesale**

- ▶ Expansion of multi-brand distribution with a focus on premium stores
- ▶ Implementation of B2B platform
- ▶ Launch of master franchise business models in emerging markets

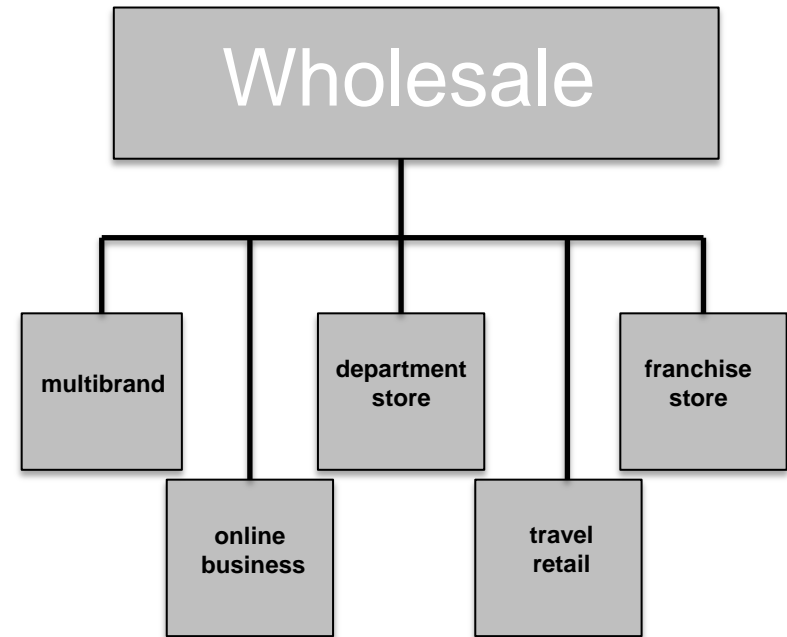
### **Online business**

- ▶ Expansion of the online business (omni-channel approach)
- ▶ Uncomplicated access to the entire production portfolio

# Balanced Mix of Retail and Wholesale Business...

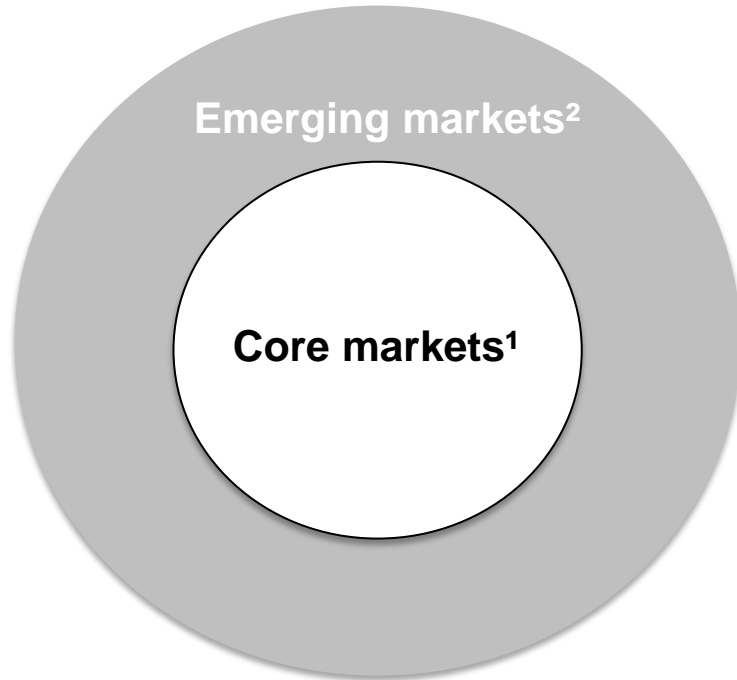


we own inventory



we invoice partner

# ...and Global Expansion



Push floor space profitability  
in Europe

Grow business in the Americas

Grow business in Asia

Mexico, Brazil,  
other Latin America

Greece, Eastern Europe,  
Russia, Turkey, Middle  
East, South Africa

South East Asia, Japan,  
Korea, Australia

**E-Commerce**

**Travel Retail**

<sup>1</sup> Company owned subsidiaries

<sup>2</sup> Master franchise

## 5. New Go-to-Market Model

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- ▶ Consistent orientation of all processes to needs at the point of sale  
(Wolford leverages its network of monobrand stores as a “real retailer” with own production!)
- ▶ New products for retail space five times per year  
(“fresh drops for consumer excitement”)
- ▶ Strict timing of advance orders, 99% on schedule
- ▶ New system to plan requirements and manage product availability
- ▶ Launch of a never out of stock (NOOS) system for top sellers and gradual reduction of SKUs

### ▶ **Increasing profitability of the retail network**

- ▶ Closing of unprofitable stores already saved 6 mio. € in 2014/15
- ▶ Further stores under review

### ▶ **Optimizing R&D, production and supply chain**

- ▶ Continuous optimization in production and logistics created savings > 3 mio. € in the last two years
- ▶ Further concentration on key competencies in production development also with partially new cooperation partners
- ▶ Finalizing overall production structure



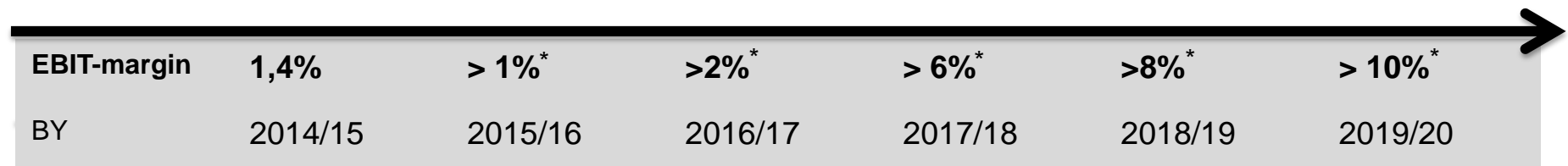
## 8 - 9: New Efficiency Program NOW

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- ▶ **New sales & marketing platforms in US, EU and Asia**
  - ▶ 3 regional platforms instead of 9 complete sales & marketing organizations
  
- ▶ **Reorganisation of Headquarter in Bregenz**
  - ▶ Centralized Accounting/Finance, HR and customer service in Bregenz and in Antwerp
  - ▶ Strengthened corporate marketing
  
- ▶ **Increasing gross margin**
  - ▶ Optimized product mix
  - ▶ Optimized sales channel with focus on own retail

# Roadmap to Profitability



\* planned



**[[Wolford]]**

**Outlook 2015/16**

# Differentiated Signals from the Market

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## ▶ **Medium-/long-term: Growing global market for luxury goods**

- ▶ Market for personal luxury items expected to grow by 3% in 2016 (4% in Europe) – after roughly 2% in 2015 (without FX effects)
- ▶ Number of worldwide consumers of luxury goods expected to rise from 390 mio. to 465 mio. until 2021

## ▶ **Medium-term: Slight growth in key regions**

- ▶ Slight economic upswing in the Eurozone (2016: +1.7%), stronger growth in the US (2016: +2,6%)

## ▶ **Short-term: Weak fashion retail business in core markets**

- ▶ Disappointing winter season due to warm weather and especially weak December business for fashion retailers after the terror attacks in Paris
- ▶ In January fashion retail sales dropped in Germany (- 4%) and UK (-1,4%). February showed moderate growth in Germany (+3%), UK decreased by - 3,6 %
- ▶ Moderate global market growth expected in 2016

Sources: Boston Consulting Group, Bain&Company and Altagamma, IMF Outlook (Jan 2016), textile industry

## ▶ **Growing revenues**

- ▶ Strategic measures beginning to have a positive impact
- ▶ Very positive feedback to the new spring/summer collection 2016
- ▶ Tailwinds thanks to currency effects in the first three quarters, Headwinds in the fourth quarter

## ▶ **Transformation process ongoing**

- ▶ Clear roadmap to profitability defined
- ▶ Investments in IT (incl. new ERP system), logistics and retail business (Capex of approx. 10 mio. €)

## ▶ **Positive operating results as challenging target**

- ▶ Last year's results heavily influenced by one-off effects
- ▶ Difficult market environment since end of 3<sup>rd</sup> Quarter

# Why to Invest in Wolford?

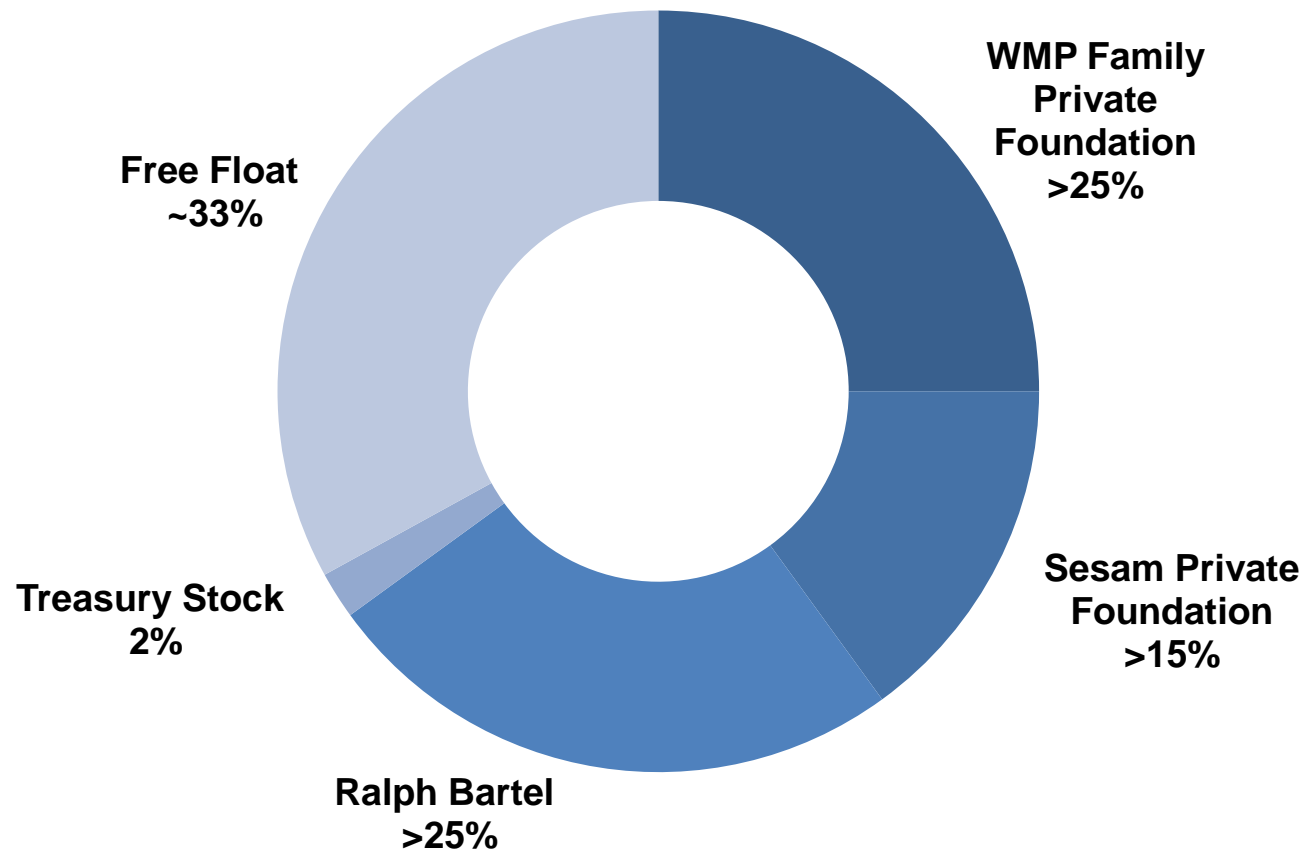
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- ▶ Strong player in an attractive market niche of the growing market for luxury goods
- ▶ Beloved brand based on strong image, high quality products, continuous innovation and high CSR standards
- ▶ Turnaround story with a new management refocusing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



**Wolford**

**The Wolford Share**



Auf Basis vorliegender Beteiligungsmeldung



# Share Performance



Share

Benchmark

■ Wolford AG

■ ATX Prime

# Financial Calendar and IR Information



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<b>Date</b>	<b>Event</b>
July 15, 2016	Press conference on 2015/16 annual results in Vienna
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-Informationen**

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