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## **Wolford Centralizes European Marketing and Sales and Strengthens its Headquarters in Bregenz**

### **Strategic management decisions/Company Information**

Bregenz, May 24, 2016. Wolford is centralizing its sales and marketing organization. There will be one central sales and marketing platform for the Europe, Middle East and Africa (EMEA) Region located at corporate headquarters in Bregenz instead of nine sales organizations throughout Europe. The company is also focusing on the platform strategy in America and Asia through its business hubs in New York and Hong Kong.

The headquarters in Bregenz is being strengthened by this reorganization. A central sales and marketing organization for the EMEA region is being set up to provide comprehensive online and offline support for the activities of all company sales channels. Furthermore marketing at headquarters is being expanded. It encompasses trade marketing, visual merchandizing, marketing communications and art direction, and is responsible for the entire organization. Wolford will create about 20 new jobs in Bregenz in the current 2016/17 financial year within the context of implementing these measures.

The relocation of sewing operations to the Wolford site in Slovenia as initiated in 2014 and the related concentration of textile production in Bregenz will finally be concluded in the current financial year. Local administrative structures are also being streamlined as a consequence of the further optimization of production and logistics processes and the consistent review of all support functions.

### **Clear focus on the end customer**

"The far-reaching reorganization of marketing and sales is the logical result of the resolute orientation of the entire company to retail requirements and thus to the end customer, regardless through which sales channel they are reached", states Ashish Sensarma, CEO of Wolford since the beginning of 2015. These measures go hand in hand with the systematic optimization of the online and offline sales experience, including implementation of a new shop concept and the redesigning of the window concept as of September 2016 as well as a new appearance for the 16 global online boutiques. At the same time, the profitability of Wolford's own retail operations is being continually increased. Retail Stores with expiring lease agreements are subject to a fundamental review and may be discontinued where appropriate. Significantly lower discounts on Wolford products will be granted as a means of further increasing their profit contributions.

"Wolford's gross margin is comparable to other global luxury brands", emphasizes Axel Dreher, COO/CFO of Wolford. "However, structural measures are also necessary in order to

sustainably strengthen profitability and resolutely orient the company to market requirements. We are now specifically focusing on doing this."

As part of its strategic objectives, Woford AG has set a goal of gradually increasing its EBIT margin to 10 percent in order to match the performance of other luxury brands. Corresponding measures already partly initiated in 2014 to increase revenue and reduce costs were intensified and expanded in the past financial year.