RCB Investor’s Lunch
Wolford AG

Axel Dreher
CEO

Brigitte Kurz
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. €

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>31.91</td>
<td>33.98</td>
<td>27.74</td>
</tr>
<tr>
<td>Q2</td>
<td>40.72</td>
<td>45.25</td>
<td>39.88</td>
</tr>
<tr>
<td>Q3</td>
<td>48.49</td>
<td>49.48</td>
<td>51.43</td>
</tr>
<tr>
<td>Q4</td>
<td>36.23</td>
<td>33.69</td>
<td>35.23</td>
</tr>
</tbody>
</table>

Yearly growth rates:

- Q1 2014/15: +6.5%
- Q2 2014/15: +11.1%
- Q3 2014/15: +11.1%
- Q4 2014/15: +2.0%
- Q1 2015/16: +4.6%
- Q2 2015/16: +3.9%
- Q3 2015/16: +3.9%
- Q4 2015/16: +4.6%
- Q1 2016/17: +6.5%
- Q2 2016/17: -11.9%
- Q3 2016/17: -7.0%
- Q4 2016/17: +4.6%
Key markets Europe and USA

May 2016 – April 2017

North America: 20%

Germany: 15%

Austria: 10%

France: 10%

Rest of Europe: 40%

Asia / Oceania: 5%
Market development

May 2015 – April 2016 vs. PY

<table>
<thead>
<tr>
<th>Country</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>-2%</td>
</tr>
<tr>
<td>DE</td>
<td>-6%</td>
</tr>
<tr>
<td>CH</td>
<td>-6%</td>
</tr>
<tr>
<td>FR</td>
<td>-3%</td>
</tr>
<tr>
<td>IT</td>
<td>1%</td>
</tr>
<tr>
<td>ES</td>
<td>6%</td>
</tr>
<tr>
<td>UK</td>
<td>-17%</td>
</tr>
<tr>
<td>UK (GBP)</td>
<td>-4%</td>
</tr>
<tr>
<td>SCAN</td>
<td>-9%</td>
</tr>
<tr>
<td>NL</td>
<td>-4%</td>
</tr>
<tr>
<td>BE</td>
<td>-6%</td>
</tr>
<tr>
<td>CEE</td>
<td>-8%</td>
</tr>
<tr>
<td>USA</td>
<td>-4%</td>
</tr>
<tr>
<td>USA (USD)</td>
<td>-4%</td>
</tr>
<tr>
<td>Far East</td>
<td>-14%</td>
</tr>
</tbody>
</table>
70% of revenue with monobrand POS

May 2016 – April 2017

Controlled Distribution: 70%

- Boutiques: 46%
- Factory Outlets: 9%
- Online Business: 8%
- Concession-SIS: 7%
- Department Stores: 12%
- Multibrand Retailers: 16%
- Private Label: 2%
Growing Online Business

May 2016 – April 2017 vs. PY

<table>
<thead>
<tr>
<th></th>
<th>all Dist. Channels</th>
<th>Boutiques</th>
<th>Department Stores</th>
<th>Factory Outlets</th>
<th>Multi-brands</th>
<th>Private Label</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+ 14%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Wholesale</td>
<td>- 5%</td>
<td>- 5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Retailstores</td>
<td>- 8%</td>
<td>- 3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Online</td>
<td>- 7%</td>
<td>- 7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-brands Private Label</td>
<td></td>
<td>+ 3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td></td>
<td></td>
<td></td>
<td>- 11%</td>
<td>- 7%</td>
<td>- 16%</td>
</tr>
<tr>
<td>Factory Outlets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-brands Wholesale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RCB Investor’s Lunch, Vienna, 24.08.2017
### Group earnings 2016/17

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

\(^1\) Adjusted
## Balance sheet - selected data (30.04.17)

<table>
<thead>
<tr>
<th></th>
<th>30.04.2017</th>
<th>30.04.2016&lt;sup&gt;1)&lt;/sup&gt;</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity</strong></td>
<td>in € mill.</td>
<td>44,88</td>
<td>63,81</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>in € mill.</td>
<td>31,27</td>
<td>20,86</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>in € mill.</td>
<td>45,73</td>
<td>43,15</td>
</tr>
<tr>
<td><strong>Equity Ratio</strong></td>
<td>in %</td>
<td>32</td>
<td>46</td>
</tr>
<tr>
<td><strong>Gearing</strong></td>
<td>in %</td>
<td>70</td>
<td>33</td>
</tr>
</tbody>
</table>

<sup>1)</sup> Adjusted
# Cash flow - Selected Data

<table>
<thead>
<tr>
<th>Description</th>
<th>2016/17</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash flow from operating activities</td>
<td>-2.94</td>
<td>2.96</td>
</tr>
<tr>
<td>Investments in property, plant equipment and other intangible assets</td>
<td>-6.66</td>
<td>-7.67</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant equipment and other intangible assets</td>
<td>153</td>
<td>1.47</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-6.51</td>
<td>-5.94</td>
</tr>
<tr>
<td>Free Cash flow</td>
<td>-9.45</td>
<td>-2.98</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>15.84</td>
<td>1.79</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>10.31</td>
<td>3.87</td>
</tr>
</tbody>
</table>

**Dividend per share (pay out following year)**

<table>
<thead>
<tr>
<th>2016/17</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00 €</td>
<td>0.20 €</td>
</tr>
</tbody>
</table>

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)

Strategic milestones to achieve key objectives
- Reorganization of sales & marketing
- Optimizing R&D, production and supply chain
- Increasing profitability of the retail network
- Restructuring of administration

Selected operational measures
- 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

Increasing revenues
- Renewal of the product portfolio and focus on innovation (products and processes)
- Refocusing market communication
- Strengthening online business
- Harmonization of all product groups
- New Beachwear
- New shop / window concept
- New B2C platform
- New B2B platform
# Strategy implementation - actual Status

<table>
<thead>
<tr>
<th>Revenue growth</th>
<th>Increasing profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Renewal of product portfolio</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>2. Refocusing of market communication</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>3. Strengthening online business</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>4. Reorganisation of sales &amp; marketing</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>5. Optimising R&amp;D, production and supply chain</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>6. Increasing profitability of the retail network</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
<tr>
<td>7. Restructuring of administrations</td>
<td><img src="placeholder" alt="status" /></td>
</tr>
</tbody>
</table>
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
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

- W M P Family Private Foundation* >25%
- Sesam Private Foundation* >15%
- Ralph Bartel >25%
- Erste Asset Management G mbH >4%
- Treasury Stock ~2%
- Free Float <29%

* Private foundations and its subsidiary M. Erthal G mbH 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 04, 2017</td>
<td>Record date AGM</td>
</tr>
<tr>
<td>September 08, 2017</td>
<td>Q1 Report 2016/17</td>
</tr>
<tr>
<td>September 14, 2017</td>
<td>30th Annual General Meeting</td>
</tr>
<tr>
<td>September 19, 2017</td>
<td>Deduction of dividends (ex-day)</td>
</tr>
<tr>
<td>September 20, 2017</td>
<td>Record date dividend</td>
</tr>
<tr>
<td>September 21, 2017</td>
<td>First day of dividend payment</td>
</tr>
<tr>
<td>March 16, 2018</td>
<td>Q3 Report 2016/17</td>
</tr>
</tbody>
</table>

## IR-Information

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