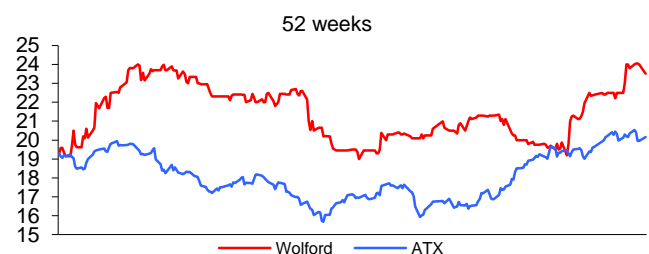


Wolford

Hold

EUR mn	2014	2015e	2016e	2017e
Net sales	155.9	155.1	163.5	170.0
EBITDA	3.4	12.0	11.4	13.4
EBIT	-4.7	3.6	2.9	5.0
Net result after min.	-2.8	1.8	1.4	2.9
EPS (EUR)	-0.57	0.36	0.29	0.59
CEPS (EUR)	0.25	2.42	1.95	2.28
BVPS (EUR)	15.18	15.54	15.63	16.02
Div./share (EUR)	0.00	0.20	0.20	0.25
EV/EBITDA (x)	37.6	11.8	12.5	10.6
P/E (x)	nm	65.5	82.0	39.6
P/CE (x)	77.0	9.7	12.1	10.3
Dividend Yield	0.0%	0.9%	0.9%	1.1%
Share price (EUR) close as of 04/05/2015				23.5
Number of shares (mn)				4.9
Market capitalization (EUR mn)				115.2
Enterprise value (EUR mn)				141.6



Performance	12M	6M	3M	1M
in EUR	25.3%	20.5%	11.4%	5.0%
Reuters	WLFD.VI	Free float		33.0%
Bloomberg	WOL AV	Shareholders	Wilhelm Family (40.0%)	
Div. Ex-date	22/09/15		Ralph Bartel (25%)	
Target price	25.5	Homepage:	http://company.wolford.com	

New CEO to add fresh drive to turnaround

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We keep our Hold recommendation with a new target price of EUR 25.50 (was EUR 21). We have increased our profitability assumptions over the medium term and in the TV on the turnaround strategy and tailwind from positive retail sales in Europe.

New CEO Sensarma should add fresh momentum to the refocusing strategy, pushing the evolution from a wholesale-oriented business model to that of a retailer. Shorter cycle times (from two to six deliveries a year) and a cut in stock-keeping units focusing on legwear and figure-embracing products are among the key elements. Long-term, the 10% EBIT margin target was confirmed.

Despite lackluster 9M figures, the share price has jumped around 20% since mid-March, not leaving enough upside for a positive change in recommendation. Also, **in a peer group comparison, the currently very low profitability distorts the valuation, resulting in premiums on many multiples.**

Tailwind from improving retail sales and weak Euro expected

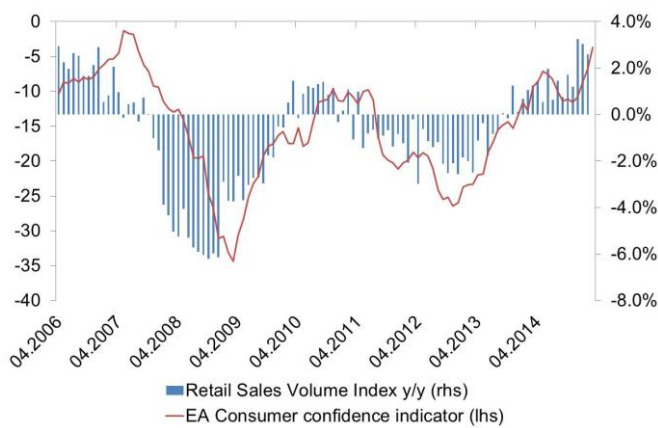
Europe: Consumers out on shopping spree

The overall picture on the development of retail sales and consumer confidence looks pretty encouraging. In Europe, retail sales started to pick up in the Christmas season, after a very lackluster fall, and have kept their momentum in the first two months of the year.

US: Consumers not in a rush to spend windfall from cheaper fuel prices

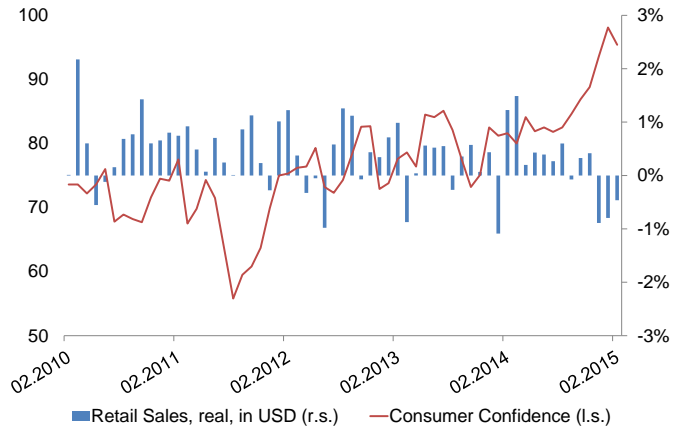
The US shows a more mixed development, with consumer sentiment running ahead of sales development. Economists suggest that US consumers are first shoring up personal finances and paying down debt. The harsh winter was another reason for the slow start to the year. A further improving job market, however, should help underpin demand in the coming quarters.

Euro area retail sales and consumer confidence



Source: Datastream

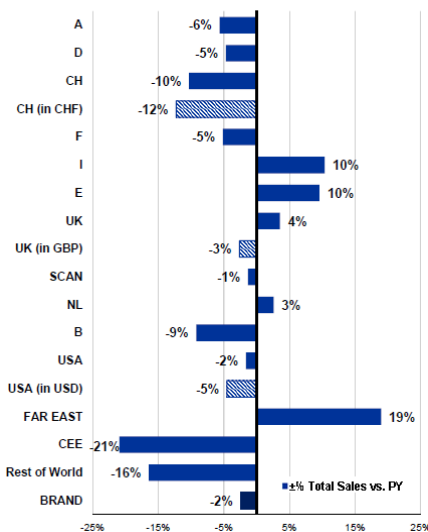
US sales woman clothing stores and cons. conf.



Source: Bloomberg

Wolford sales development 9M 2014/15 by country

May 2014 – January 2015 vs. PY



Source: Company data

Wolford generates **close to 80% of sales in Europe**, with half coming from the top three markets Germany, Austria and France. North America accounts for around 18%. We have shown Wolford's development in the first nine months by country in the graph to the left.

We want to point out, though, that due to the **closure of around 20 unprofitable stores, Wolford lacked almost EUR 5mn in sales** (4% of 9M sales), which was reflected in sales declines in some countries. With the store network clean-up finished, there should be no further sales drain in 2015/16.

Also, the **Ukraine crisis** clearly impacted CEE sales, although these make up only 3% of sales. The absence of Russian tourists had a negative effect on Western European sales as well. Exposure to currently flagging Asian markets (especially Hong Kong) is negligible, with only around 5% of sales.

Positive support came from the strong USD and GBP (EUR 1.2mn), which should support sales in the coming quarters as well.

Strategy update by new CEO

Mr. Sensarma to add his retail experience and strong track record as new Wolford CEO

In January this year, Mr. Sensarma joined Wolford as CEO, bringing more than 30 years of experience in the apparel industry, especially in branded retailing in the mid and luxury segments. Previous positions include at fashion retailer Mexx, luxury swimwear producer Vilebrequin and cosmetics company Rituals. Current CFO Mr. Melzer will leave the board end of July and his agenda will be split among CEO Sensarma and COO Dreher who will be responsible for finance and IR.

Strengthen ties to Wolford's "DNA" legwear and figure-embracing products

Basically, the refocusing strategy, with the product focus shifting back towards legwear and figure-embracing products, will be continued, but will get fresh momentum and additions by the new CEO. We highlight the main points taken from the latest investor presentation available on Wolford's web page ([link to presentation](#)):

LT 10% EBIT-margin target confirmed

Long-term targets:

- Sustainable and profitable revenue growth
- **Increase in floor space profitability in retail business** to EUR 10,000/m² (from currently roughly EUR 8,500/m²)
- Utilization of existing manufacturing capacities (operating leverage)
- **EBIT margin target: 10% (confirmed)**

Cut in stock keeping units, reduction in cycle times

Product portfolio:

- **Reduce cycle times** (currently 15 months from idea to POS)
- Expansion of lingerie and bodywear (above all Shapewear), reduction of clothing
- **Reduce number of stock keeping units from around 5,500 to 3,000**

Marketing: Shop windows as key marketing tool

Marketing:

- **Focus on shop windows**
- New shop concept and visual merchandising

From wholesale to retail

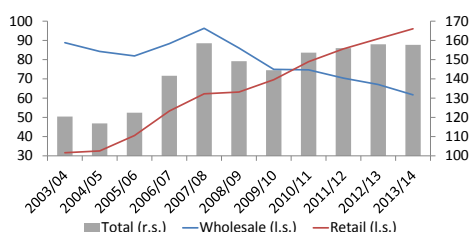
New go-to-market model:

- **Wolford evolving from wholesaler to real retailer**
- **Fresh merchandise drops every two months**
- **Shorter cycle times** (from two collections per year to six deliveries)

Challenge and opportunity: Evolve from wholesaler to retailer

We see the new go-to-market model with Wolford evolving from a wholesaler to a retailer as the key point. The chart to the left shows that Wolford's own stores have been the growth driver of the last 10 years, with the wholesale share dropping continuously.

Sales by distribution channel



Source: Company data

This will entail a major change in the production workflow, shifting from two collections a year to six deliveries and fresh merchandise drops every two months. This should lure customers into shops more often and help to bring down the inventory levels currently in the range of one quarter of sales. This would be a strong FCF and thus valuation trigger in addition to improving the results. However, given the currently still long lead times, it will likely still take another year until the change in the collection is implemented.

However, no concrete near-term financial goals were given at this stage.

Change in estimates

2014/15: transition year

As mentioned in our previous report, the current fiscal year is a transition year until the refocusing strategy gains full traction. Following the 3Q results, we had to lower our profitability estimates for this fiscal year as well as our dividend estimates.

2015/16: “Real” turnaround on operating level expected

For the next fiscal year, we have not materially changed our assumptions, as it is hard to assess how quickly the new strategy will bear fruit. We also have to keep in mind the positive one-offs of more than EUR 7mn from the sale of land and a lease option this fiscal year. Therefore, the ‘real’ turnaround of results on an adj. basis will take place next year, from an adj. EBIT of around EUR -4mn in 2014/15 to our estimate of EUR 2.9mn.

Change in estimates

Consolidated, IFRS

(EUR mn)	2013/14			2014/15e			2015/16e			2016/17e		
	Now	Before	Change	Now	Before	Change	Now	Before	Change	Now	Before	Change
Sales	155.87	155.07	155.52	-0.3%	163.54	163.26	0.2%	169.99	169.62	0.2%		
EBITDA	3.36	12.00	13.63	-11.9%	11.37	11.55	-1.6%	13.42	13.35	0.5%		
EBIT	-4.72	3.59	5.21	-31.1%	2.92	3.36	-13.0%	4.99	5.04	-1.1%		
Net result	-2.81	1.76	3.02	-41.8%	1.40	1.87	-24.9%	2.91	3.06	-4.9%		
EBIT margin	-3.0%	2.3%	3.4%	-1.0%p	1.8%	2.1%	-0.3%p	2.9%	3.0%	0.0%p		
Net margin	-1.8%	1.1%	1.9%	-0.8%p	0.9%	1.1%	-0.3%p	1.7%	1.8%	-0.1%p		
DPS	0.00	0.20	0.30	-33.3%	0.20	0.30	-33.3%	0.25	0.35	-28.6%		

Source: Company Data, Erste Group estimates

2016/17ff: Further improving profitability expected on new strategy

For the years after 2015/16, we modeled sales growth of around 3.2% and improving EBIT margins of 2.9% to close to 7%. Looking back, this is around the EBIT margin level generated at the last cycle peak in 2007/08 of 7.2%, but still below the company’s 10% EBIT margin target.

Valuation

Target price upped to EUR 25.5 with Hold recommendation

We raise our target price to EUR 25.5 (from EUR 21) on the following:

- higher profitability estimates in the TV (from 5.8% to 6.8%)
- and lower risk-free rate (from 2% to 1.5%)

but leave our recommendation at Hold.

Profitability improvement as key valuation driver as well as inventory reduction

We expect Wolford to benefit from the improving consumer sentiment and retail sales development, as well as the progress on its refocusing strategy. The improvement in profitability is the key valuation driver. Setting the TV EBIT margin at the targeted 10% would kick the target price up to EUR 40. Another strong valuation driver would be any reduction in inventory levels, which were around 25% of sales (around EUR 40mn) over the last couple of years. A reduction in the inventory position by EUR 10mn would add EUR 2 to the valuation.

Low profitability spoils peer group comparison

Due to the still low profitability, the valuation of the Wolford share in a peer group comparison still looks stretched. On the other hand, private equity is in a spending mode as last week’s acquisition of Roberto Cavalli for EUR 340mn (16x EBITDA, 1.7x sales) shows.

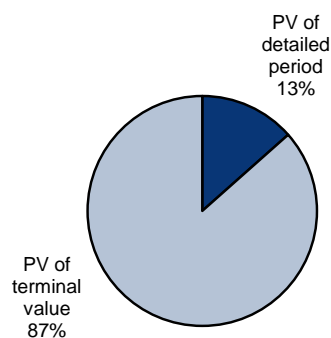
WACC calculation

	2015/16e	2016/17e	2017/18e	2018/19e	2019/20e	TV
Risk free rate	1.5%	1.5%	1.5%	1.5%	1.5%	4.0%
Equity risk premium	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Beta	1.1	1.1	1.1	1.1	1.1	1.1
Cost of equity	6.8%	6.8%	6.8%	6.8%	6.8%	9.3%
Cost of debt	3.0%	3.0%	3.0%	3.0%	3.0%	5.5%
Effective tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
After-tax cost of debt	2.3%	2.3%	2.3%	2.3%	2.3%	4.1%
Equity weight	60%	60%	60%	60%	60%	60%
WACC	5.0%	5.0%	5.0%	5.0%	5.0%	7.2%

DCF valuation

(EUR mn)	2015/16e	2016/17e	2017/18e	2018/19e	2019/20e	TV
<i>Sales growth</i>	5.5%	3.9%	2.5%	3.2%	3.4%	3.0%
EBIT	2.9	5.0	7.4	10.5	12.2	12.5
<i>EBIT margin</i>	1.8%	2.9%	4.2%	5.8%	6.6%	6.6%
<i>Tax rate</i>	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Taxes on EBIT	-0.7	-1.2	-1.8	-2.6	-3.0	-3.1
NOPLAT	2.2	3.7	5.5	7.8	9.1	9.4
+ Depreciation	8.4	8.4	8.4	8.4	8.4	8.5
<i>Capital expenditures / Depreciation</i>	100.7%	112.6%	101.1%	101.1%	101.0%	100.0%
+/- Change in working capital	0.6	-0.8	-0.6	0.0	-0.2	-0.3
<i>Chg. working capital / chg. Sales</i>	7.3%	-11.8%	-14.3%	0.6%	-2.6%	-5.5%
- Capital expenditures	-8.5	-9.5	-8.5	-8.5	-8.5	-8.5
Free cash flow to the firm	2.8	1.9	4.8	7.8	8.9	9.1
<i>Terminal value growth</i>						2.0%
Terminal value						179.6
Discounted free cash flow - April 30 2015	2.6	1.7	4.2	6.4	7.0	140.9
Enterprise value - April 30 2015	162.8					
Minorities	0.0					
Non-operating assets	0.0					
Net debt	32.7					
Other adjustments	0.0					
Equity value - April 30 2015	130.1					
Number of shares outstanding (mn)	4.9					
Cost of equity	6.8%					
NPV per share - April 2016	28.4					
Liquidity discount of 10%	-2.8					
12M target price per share (EUR)	25.5					
Current share price (EUR)	23.5					
<i>Up/Downside</i>	8.7%					

Enterprise value breakdown



Source: Erste Group Research

Sensitivity (per share)

		Terminal value EBIT margin				
		5.6%	6.1%	6.6%	7.1%	7.6%
WACC	6.2%	26.7	29.4	32.1	34.8	37.5
	6.7%	23.7	26.1	28.5	30.9	33.3
	7.2%	21.2	23.4	25.5	27.7	29.9
	7.7%	19.1	21.1	23.1	25.1	27.1
	8.2%	17.4	19.3	21.1	22.9	24.8
		Terminal value growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	6.2%	25.5	28.5	32.1	36.7	42.7
	6.7%	23.1	25.5	28.5	32.1	36.7
	7.2%	21.1	23.1	25.5	28.5	32.1
	7.7%	19.4	21.1	23.1	25.5	28.5
	8.2%	17.9	19.4	21.1	23.1	25.5

Erste Group Research – Company Report

Wolford | Luxury Goods | Austria

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Peer group comparison

EUR mn except share price	Country	Share Price	Market Cap	Sales			EBIT		
				2014e	2015e	2016e	2014e	2015e	2016e
Calida	Switzerland	32	257	340	346	362	22	23	28
Gerry Weber*	Germany	30	1,393	852	987	1,074	109	122	141
Hugo Boss	Germany	113	7,938	2,572	2,824	3,019	449	504	561
Van de Velde	Belgium	52	695	198	209	218	n.a.	n.a.	n.a.
Burberry	UK	1,796	6,225	3,212	3,855	4,230	578	693	773
Brunello Cucinelli	Italy	17	1,153	357	400	445	49	52	58
Wolford**	Austria	24	115	155	164	170	4	3	5

	Sales growth			EBIT-Margin			ROE		
	2014e	2015e	2016e	2014e	2015e	2016e	2014e	2015e	2016e
Calida	102%	2%	5%	6.6%	6.6%	7.9%	14.9%	10.3%	12.1%
Gerry Weber*	0%	16%	9%	12.8%	12.4%	13.1%	15.8%	15.8%	17.0%
Hugo Boss	6%	10%	7%	17.5%	17.8%	18.6%	39.7%	39.8%	38.7%
Van de Velde	9%	5%	4%	n.a.	n.a.	n.a.	17.8%	20.7%	19.1%
Burberry	16%	20%	10%	18.0%	18.0%	18.3%	24.8%	23.8%	23.0%
Brunello Cucinelli	11%	12%	11%	13.8%	13.0%	13.1%	20.1%	18.2%	17.6%
Median	9.8%	10.9%	7.8%	13.8%	13.0%	13.1%	18.9%	19.5%	18.3%
Wolford**	-0.5%	5.5%	3.9%	2.3%	1.8%	2.9%	2.3%	1.8%	3.8%

	P/BV			P/E			Dividend Yield		
	2014e	2015e	2016e	2014e	2015e	2016e	2014e	2015e	2016e
Calida	2.1 x	2.1 x	1.9 x	14.1 x	20.1 x	15.7 x	2.1%	2.1%	2.1%
Gerry Weber*	3.1 x	2.8 x	2.5 x	19.5 x	17.7 x	14.9 x	2.5%	2.7%	3.1%
Hugo Boss	9.2 x	8.1 x	7.1 x	23.2 x	20.4 x	18.3 x	3.2%	3.5%	4.0%
Van de Velde	4.2 x	3.6 x	3.1 x	23.7 x	17.5 x	16.4 x	6.7%	6.7%	6.7%
Burberry	5.8 x	5.1 x	4.5 x	23.5 x	21.2 x	19.4 x	1.9%	2.2%	2.6%
Brunello Cucinelli	7.0 x	6.1 x	5.2 x	34.8 x	33.3 x	29.7 x	0.7%	0.8%	0.8%
Median	5.0 x	4.3 x	3.8 x	23.4 x	20.2 x	17.4 x	2.3%	2.5%	2.9%
Wolford**	1.5 x	1.5 x	1.5 x	65.5 x	82.0 x	39.6 x	0.9%	0.9%	1.1%
<i>Premium / Discount</i>	<i>-70%</i>	<i>-65%</i>	<i>-61%</i>	<i>180%</i>	<i>305%</i>	<i>128%</i>			

	EV/Sales			EV/EBITDA			EV/EBIT		
	2014e	2015e	2016e	2014e	2015e	2016e	2014e	2015e	2016e
Calida	0.7 x	0.7 x	0.7 x	6.9 x	7.2 x	5.9 x	10.3 x	11.0 x	8.5 x
Gerry Weber*	1.6 x	1.4 x	1.3 x	10.2 x	9.0 x	8.0 x	12.6 x	11.2 x	9.8 x
Hugo Boss	3.1 x	2.8 x	2.6 x	13.5 x	12.5 x	11.2 x	17.8 x	15.8 x	14.1 x
Van de Velde	3.3 x	3.1 x	2.9 x	15.8 x	10.6 x	9.8 x	n.a.	n.a.	n.a.
Burberry	3.0 x	2.6 x	2.4 x	12.6 x	11.2 x	10.2 x	16.5 x	14.6 x	13.0 x
Brunello Cucinelli	3.3 x	3.0 x	2.7 x	19.0 x	17.7 x	15.6 x	24.3 x	23.2 x	20.6 x
Median	3.0 x	2.7 x	2.5 x	13.1 x	10.9 x	10.0 x	16.5 x	14.6 x	13.0 x
Wolford**	0.9 x	0.9 x	0.9 x	11.8 x	12.5 x	10.6 x	39.4 x	48.6 x	28.5 x
<i>Premium / Discount</i>	<i>-70%</i>	<i>-67%</i>	<i>-64%</i>	<i>-10%</i>	<i>15%</i>	<i>6%</i>	<i>139%</i>	<i>232%</i>	<i>119%</i>

* Fiscal year from Nov.-Oct.: 2013/14e = 2014e, etc.; ** Fiscal year from May-Apr.: 2014/15e = 2014e, etc.

Source: Factset, Erste Group Research

Erste Group Research – Company Report
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Income Statement	2012	2013	2014	2015e	2016e	2017e
(IAS, EUR mn, 30/04)	30/04/2012	30/04/2013	30/04/2014	30/04/2015	30/04/2016	30/04/2017
Net sales	154.06	156.47	155.87	155.07	163.54	169.99
Invent. changes + capitalized costs	3.42	-0.37	-1.83	0.99	0.93	0.99
Total revenues	157.48	156.09	154.05	156.06	164.47	170.97
Other operating revenues	3.97	3.52	1.35	6.41	1.64	1.70
Material costs	-28.52	-28.93	-25.62	-27.61	-28.27	-28.87
Personnel costs	-73.16	-74.23	-72.09	-71.37	-73.16	-75.14
Other operating expenses	-44.46	-48.55	-54.33	-51.48	-53.31	-55.25
EBITDA	15.32	7.90	3.36	12.00	11.37	13.42
Depreciation/amortization	-8.32	-8.80	-8.08	-8.41	-8.44	-8.44
EBIT	7.00	-0.91	-4.72	3.59	2.92	4.99
Financial result	-1.82	-1.34	-1.17	-0.89	-1.05	-1.11
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
EBT	5.17	-2.25	-5.89	2.70	1.87	3.88
Income taxes	-3.81	-0.51	3.07	-0.95	-0.47	-0.97
Result from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
Minorities and cost of hybrid capital	0.00	0.00	0.00	0.00	0.00	0.00
Net result after minorities	1.36	-2.76	-2.81	1.76	1.40	2.91
Balance Sheet	2012	2013	2014	2015e	2016e	2017e
(IAS, EUR mn, 30/04)						
Intangible assets	11.15	10.77	11.37	11.08	10.83	10.61
Tangible assets	62.41	59.68	53.01	54.88	55.19	56.47
Financial assets	1.49	1.53	1.47	1.47	1.47	1.47
Total fixed assets	75.05	71.99	65.85	67.44	67.49	68.56
Inventories	44.17	42.69	40.07	39.85	41.21	42.16
Receivables and other current assets	15.83	16.85	19.63	15.66	16.52	17.17
Other assets	5.21	5.57	7.92	6.20	6.54	6.80
Cash and cash equivalents	5.25	5.22	4.65	0.48	-0.77	-1.26
Total current assets	70.45	70.33	72.27	62.20	63.50	64.86
TOTAL ASSETS	145.50	142.32	138.12	129.64	130.99	133.42
Shareholders'equity	83.61	78.15	74.38	76.14	76.56	78.49
Minorities	0.00	0.00	0.00	0.00	0.00	0.00
Hybrid capital and other reserves	0.00	0.00	0.00	0.00	0.00	0.00
Pension and other LT personnel accruals	13.94	15.22	15.70	15.62	15.62	15.65
LT provisions	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing LT debts	18.05	19.15	6.39	6.39	6.09	5.79
Other LT liabilities	5.66	3.73	1.41	1.52	1.60	1.68
Total long-term liabilities	23.71	22.88	7.80	7.91	7.69	7.47
Interest-bearing ST debts	2.84	3.33	16.77	6.39	6.09	5.79
Other ST liabilities	21.41	22.74	23.47	23.57	25.02	26.01
Total short-term liabilities	24.25	26.07	40.24	29.96	31.11	31.80
TOTAL LIAB. , EQUITY	145.50	142.32	138.12	129.64	130.99	133.42
Cash Flow Statement	2012	2013	2014	2015e	2016e	2017e
(IAS, EUR mn, 30/04)						
Cash flow from operating activities	7.27	6.31	6.30	9.14	8.83	10.59
Cash flow from investing activities	-6.90	-5.83	-7.27	-2.94	-8.50	-9.50
Cash flow from financing activities	0.31	-0.38	0.68	-10.38	-1.58	-1.58
CHANGE IN CASH , CASH EQU.	0.87	0.08	-0.34	-4.17	-1.25	-0.49
Margins & Ratios	2012	2013	2014	2015e	2016e	2017e
Sales growth	1.3%	1.6%	-0.4%	-0.5%	5.5%	3.9%
EBITDA margin	9.7%	5.1%	2.2%	7.7%	6.9%	7.8%
EBIT margin	4.4%	-0.6%	-3.1%	2.3%	1.8%	2.9%
Net profit margin	0.9%	-1.8%	-1.8%	1.1%	0.9%	1.7%
ROE	1.6%	-3.4%	-3.7%	2.3%	1.8%	3.8%
ROCE	1.4%	-1.6%	-2.3%	1.9%	1.7%	3.1%
Equity ratio	57.5%	54.9%	53.9%	58.7%	58.4%	58.8%
Net debt	28.1	30.9	32.7	26.5	27.1	27.0
Working capital	41.0	38.7	24.1	26.0	25.8	26.3
Capital employed	117.4	112.8	108.5	104.1	105.3	107.2
Inventory turnover	0.7	0.7	0.6	0.7	0.7	0.7

Source: Company data, Erste Group estimates

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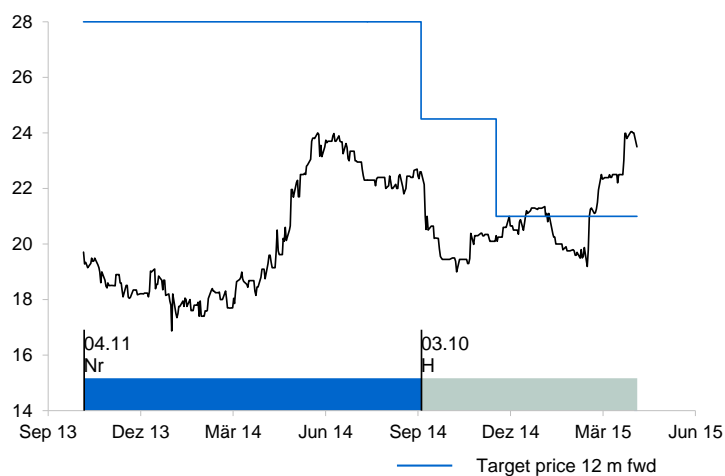
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Rating history

Date	Rating	Price	Target Price
03. Oct 14	Hold	22.60	24.50
29. Feb 12	Not rated	23.50	28.00
12. Oct 11	Accumulate	24.03	28.00
21. Mar 11	Buy	24.10	30.00
21. Dec 10	Hold	25.16	26.00
15. Feb 10	Accumulate	12.54	14.30
11. Dec 08	Hold	11.94	16.00
30. Jul 08	Accumulate	22.00	25.90
17. Apr 08	Hold	24.00	27.60
03. Apr 07	Accumulate	36.06	44.00
21. Dec 06	Buy	34.00	42.00
03. Aug 06	Accumulate	21.22	23.50
10. Nov 04	Hold	18.46	20.00
04. Aug 04	Buy	22.44	28.00
28. Jun 04	Accumulate	28.25	30.00
22. Jul 03	Buy		17.00

Company description

Wolford has established itself worldwide as a luxury brand for high quality hosiery, exclusive lingerie and high-quality body-wear for women. With more than 260 own and partner-led mono-brand boutiques, factory outlets, concession shop-in-shops as well as 3,000 retail partners, Wolford can rely on a strong retail network and sells its products in over 60 countries. The excellent product quality is unique and the company has demonstrated its innovative potential for new products numerous times.

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Company	ISIN	Disclosure
Wolford	AT0000834007	

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Buy	> +20% to target price
Accumulate	+10% < target price < +20%
Hold	0% < target price < +10%
Reduce	-10% < target price < 0%
Sell	< -10% to target price

Our target prices are established by determining the fair value of stocks, taking into account additional fundamental factors and news of relevance for the stock price (such as M&A activities, major forthcoming share deals, positive/negative share/sector sentiment, news) and refer to 12 months from now. All recommendations are to be understood relative to our current fundamental valuation of the stock. The recommendation does not indicate any relative performance of the stock vs. a regional or sector benchmark.

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Recommendation	Coverage universe		Inv. banking-relationship	
	No.	in %	No.	in %
Buy	49	24.7	9	27.3
Accumulate	49	24.7	14	42.4
Hold	54	27.3	8	24.2
Reduce	19	9.6	1	3.0
Sell	14	7.1	1	3.0
N.R./UND.REV./RESTR.	13	6.6	0	0.0
Total	198	100.0	33	100.0

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