Institutional Investors Conference
Zürs, 01.04.2019

Axel Dreher
CEO

Brigitte Kurz
CFO

April, 2019
Content

WHO WE ARE

STRATEGY & TARGETS

FINANCIALS

SUMMARY & OUTLOOK

THE WOLFORD SHARE
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

Aug 18
- New window concept introduced worldwide

Nov 18
- New visual language presented at brand event in London
- Forecast adjustment after weak Christmas sales

Jan 19
- Presentation of the new pilot store concept in Amsterdam

Feb 19
- New Partner in China announced
- Continuation of restructuring program announced
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.
Establish strong commercial platforms for EMEA, Asia and the Americas

Instal GTM process powered by a clear innovation pipeline

Focused global MKT stories, amplified by collabs.

Budget and organizational restructuring Channel segmentation and marketing investments

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

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

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

Collecting customer data and gain knowledge about behavior

Focus on younger consumer target (<30y)

Global channel, product and experience segmentation Grounded in brand architecture

Win with digital Titans and new equity building distribution

Regional expansion focus on China

Elevate DTC as The pinnacle expression of our brand. Digital and offline
Background of current performance

**Major challenges**

**Lead time / effectiveness of measures**
- Weak SS18 collection and AW18/19 collection under old creative direction and branding
- Brand relaunch 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 “oldschool” 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)

Sales organization
Goal: Reorganization of sales organization (Retail and Wholesale)

<table>
<thead>
<tr>
<th>Project progress</th>
<th>Priority</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>A</td>
<td></td>
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</tbody>
</table>

Collaborations
Goal: Additional revenue and brand awareness with collaborations

<table>
<thead>
<tr>
<th>Project progress</th>
<th>Priority</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-50%</td>
<td>A/B</td>
<td></td>
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</tbody>
</table>

CRM loyalty program
Goal: Leverage and increase Wolford’s existing loyalty base with a new loyalty concept and customer segmentation

<table>
<thead>
<tr>
<th>Project progress</th>
<th>Priority</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>A</td>
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</table>

Assortment & pricing strategy
Goal: Tactical & strategic pricing measures (consumer-centric approach) and review of intl. pricing policy

<table>
<thead>
<tr>
<th>Project progress</th>
<th>Priority</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>A</td>
<td></td>
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</tbody>
</table>

Online - Global E-Tailors
Goal: Realize additional revenue potential by systematically working with further e-tailors (e.g. Amazon, Zalando)

<table>
<thead>
<tr>
<th>Project progress</th>
<th>Priority</th>
<th>Complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-50%</td>
<td>A</td>
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</tbody>
</table>

Notes: *) Fosun Fashion Brand Management

Institutional Investors Conference, Zürs, 01.04.2019
China offers huge potential for Wolford

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

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

**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*

**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)*

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

# Wholesale stores  # Retail stores

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Our target: Substantial relevance of the Chinese market

May 2018 – January 2019

Present

- Asia / Oceania: 6%
- North America: 20%
- Germany: 15%
- Austria: 10%
- Rest of Europe: 39%

2024

- Asia / Oceania: ~20%
- North America
- Germany
- Austria
- Rest of Europe
- France
FINANCIALS
9 MONTHS 2018/19
## Group earnings

<table>
<thead>
<tr>
<th>Category</th>
<th>05/18 - 01/19</th>
<th>05/17 - 01/18</th>
<th>Chg. in %</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>in € mill.</td>
<td>108,15</td>
<td>119,36</td>
<td>-9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>in € mill.</td>
<td>3,13</td>
<td>4,35</td>
<td>-39</td>
</tr>
<tr>
<td>EBIT</td>
<td>in € mill.</td>
<td>-2,31</td>
<td>-1,36</td>
<td>-70</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>in € mill.</td>
<td>-3,30</td>
<td>-2,97</td>
<td>-11</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>in € mill.</td>
<td>-4,22</td>
<td>-2,57</td>
<td>-64</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>in € mill.</td>
<td>-3,57</td>
<td>4,24</td>
<td>&lt;100</td>
</tr>
<tr>
<td>Employees (on average)</td>
<td>FTE</td>
<td>1,354</td>
<td>1,456</td>
<td>-7</td>
</tr>
</tbody>
</table>
## Balance sheet – selected data

<table>
<thead>
<tr>
<th></th>
<th>31.01.2019</th>
<th>31.01.2018</th>
<th>Chg. in %</th>
<th>30.04.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>in € mill.</td>
<td>51,38</td>
<td>42,90</td>
<td>20</td>
</tr>
<tr>
<td>Net Debt</td>
<td>in € mill.</td>
<td>20,19</td>
<td>28,97</td>
<td>-30</td>
</tr>
<tr>
<td>Working Capital</td>
<td>in € mill.</td>
<td>37,55</td>
<td>42,78</td>
<td>-12</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>in € mill.</td>
<td>125,75</td>
<td>128,97</td>
<td>-3</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>in %</td>
<td>41</td>
<td>33</td>
<td>24</td>
</tr>
<tr>
<td>Gearing</td>
<td>in %</td>
<td>39</td>
<td>68</td>
<td>-42</td>
</tr>
</tbody>
</table>
## Cash flow – selected data

<table>
<thead>
<tr>
<th></th>
<th>05/18 - 01/19</th>
<th>05/17 - 01/18</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash flow from operating activities</td>
<td>-4,780</td>
<td>3,236</td>
<td>3,199</td>
</tr>
<tr>
<td>Investments in property, plant equipment and other intangible assets</td>
<td>-6,833</td>
<td>-1,199</td>
<td>-1,401</td>
</tr>
<tr>
<td>Proceeds from the sale of property, plant equipment and other intangible assets</td>
<td>0</td>
<td>389</td>
<td>29</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-6,833</td>
<td>-810</td>
<td>-1,372</td>
</tr>
<tr>
<td>Free Cash flow</td>
<td>-11,61</td>
<td>2,43</td>
<td>1,83</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>20,112</td>
<td>318</td>
<td>-9,274</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the period</td>
<td>11,291</td>
<td>12,921</td>
<td>2,729</td>
</tr>
</tbody>
</table>
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 profitabilty not later than in 2020/21 financial year**
Shareholder structure

- Fosun Industrial Holdings Limited ~58%
- Ralph Bartel ~30%
- Treasury Stock ~2%
- Freefloat <10%
Share performance

May 2018 – Mid of March 2019

Performance Comparison: Wolford -19.56% and ATX -11.88%
## Financial calendar and IR information

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 19, 2019</td>
<td>Annual Press Conference Vienna</td>
</tr>
<tr>
<td>September 25, 2019</td>
<td>13:00 h: Annual General Meeting in Bregenz</td>
</tr>
<tr>
<td>December 13, 2019</td>
<td>Report on the 1st half of 2019/20</td>
</tr>
</tbody>
</table>

## IR-Information

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Reuters: WLFD.VI  
Bloomberg: WOL:AV, WLFDY:US, WOF:GR  
ISIN: AT0000834007
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