RCB Investor’s Lunch
Wolford AG

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CEO

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CFO

23.07.2019
Content

FINANCIAL YEAR 18/19

STRATEGY

OUTLOOK

WOLFORD SHARE

RCB Investor’s Lunch, 23.07.2019
FINANCIAL YEAR 2018/19
Challenging conditions in the FY 2018/19

- Difficult market conditions
- New brand strategy needs time to take effect
- Restructuring of the sales organization
## Group earnings 2018/19

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th>2017/18</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>in € mill.</td>
<td>137.22</td>
<td>149.07</td>
</tr>
<tr>
<td>EBITDA</td>
<td>in € mill.</td>
<td>-1.40</td>
<td>-2.47</td>
</tr>
<tr>
<td>EBIT</td>
<td>in € mill.</td>
<td>-8.98</td>
<td>-9.22</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>in € mill.</td>
<td>-10.11</td>
<td>-11.43</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>in € mill.</td>
<td>-11.10</td>
<td>-11.53</td>
</tr>
<tr>
<td>Cash flow from operating activites</td>
<td>in € mill.</td>
<td>-4.12</td>
<td>3.20</td>
</tr>
<tr>
<td>Employees (on average)</td>
<td>FTE</td>
<td>1,347</td>
<td>1,433</td>
</tr>
</tbody>
</table>
Key product group: Legwear

May 2018 – April 2019

- Legwear: 50%
- Ready-to-wear: 32%
- Lingerie: 15%
- Beachwear: 1%
- Accessories: 1%
- Trading goods: 1%
70% of revenue with monobrand POS

May 2018 – April 2019

- Private Label: 1%
- Multi-brand retailers: 15%
- Department stores: 11%
- Factory outlets: 8%
- Online business: 13%
- Concession-SIS: 7%
- Boutiques: 45%

Controlled Distribution: 70%
Restructuring shows results

- Personnel costs reduced by EUR 1.5 million since FY 16/17
- Stock reduced by 13%
- Capacities in production adjusted

Sales decline of 12 million euros could be compensated
Balance sheet 30.04.2019

<table>
<thead>
<tr>
<th></th>
<th>30.04.2019</th>
<th>30.04.2018</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>in € mill.</td>
<td>42.72</td>
<td>33.90</td>
</tr>
<tr>
<td>Net Debt</td>
<td>in € mill.</td>
<td>19.62</td>
<td>30.09</td>
</tr>
<tr>
<td>Working Capital</td>
<td>in € mill.</td>
<td>31.07</td>
<td>34.59</td>
</tr>
<tr>
<td>Equity Ratio</td>
<td>in %</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>Gearing</td>
<td>in %</td>
<td>46</td>
<td>89</td>
</tr>
</tbody>
</table>
We've built a „Where to play?“ and „How to win?“ strategy to restart our business and fuel growth
Highlights FY 2018/19

Wolford is the first – and still the only – company in the apparel and textile industry to receive “Gold” certification from “Cradle to Cradle” for developing environmentally compatible products.

Aug 18  |  Sept 18  |  Nov 18  |  Jan 19  |  Feb 19  |  April 19

New window concept introduced worldwide  |  New visual language presented  |  New partner in China announced
Key strategic initiatives

**Intensify collabs & private label**
- Acquisition of new private label accounts
- Collaborations / co-branding projects with other fashion players

**Development with e-tailors**
- Enter into strategic partnerships with global digital players (E-Tailors)
- Gain further consumer insights

**Improve consumer experience**
- Upgrade of existing retail & global rollout of new store concept
- Leverage Omni-Channel possibilities
- New packaging concept rollout
- Improve look-and-feel of online shop

**Increase brand collaborations**

**Focus on younger consumers**
- Focus on younger consumers (millenials) via investments in brand marketing, CRM and digital
- Supported by adoption of digital first strategy with new online appearance + look-and-feel (technical redesign)

**Reshaping product portfolio**

**Leverage e-Tailers**

**Elevate Direct-to-Consumer**

**Channel & geographic expansion**

**Innovate & cut complexity**
- Expansion into new growth categories (e.g. athleisure)
- Reduction of complexity in current portfolio

**Segment channels & expand**
- Opening of new POS in major urban clusters
- Focus on China expansion with Fosun Fashion Brand Management
- Further expansion in other APAC

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Key strategic initiatives | Reshaping product portfolio
Ex cursus: Ath_W
Key strategic initiatives | Reshaping product portfolio

Excursus: Cradle to Cradle®
Key strategic initiatives | Elevate DTC experience

Excursus: New Store Concept
Key strategic initiatives | Elevate DTC experience
Excursus: New Store Concept
Key strategic initiatives | Elevate DTC experience

Excursus: New Store Concept
Key strategic initiatives | Elevate DTC experience

Excursus: New Store Concept
Key strategic initiatives | Channel & geographic expans. 
Excursus: China (1/2)

### 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“.
Key strategic initiatives | Channel & geographic expans. Excursus: China (2/2)

**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)

*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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Key strategic initiatives | Channel & geographic expans.
Excursus: Asien

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

**2024**
- Asia / Oceania: ~20%
- North America
- Germany
- Austria
- France
- Rest von Europa

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We have responded to the challenging market environment and laid the foundation for future growth.
Shareholder structure

- Freefloat: <10%
- Treasury Stock: ~2%
- Ralph Bartel: ~30%
- FFG Wisdom (Luxembourg) S.à.r.l.: ~58%
## Key data on Wolford shares

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers of shares</td>
<td>6,719,151</td>
<td>5,000,000</td>
</tr>
<tr>
<td>in psc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares outstanding (weighted)</td>
<td>6,631,011</td>
<td>4,911,860</td>
</tr>
<tr>
<td>in psc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>88,140</td>
<td>88,140</td>
</tr>
<tr>
<td>in psc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>48,848,227.77</td>
<td>36,350,000</td>
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<tr>
<td>in €</td>
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<td></td>
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</tbody>
</table>

**Market capitalization (16 July 2019)** in € mill. 72.6
Share performance

May 2018 – Mid of July 2019

Intraday  5T   1M   6M   YTD   1J   3J   5J  10J   Max

Performance comparison: Wolford -15.80% and ATX Prime -13.24%
Thank you

Exceptional European skinwear

[Wolford]