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FY 23 Prelim Results
52 Weeks ended 29 April 2023

1 September 2023

AGENDA

WELCOME

JULIAN DUNKERTON, CEO

FINANCIAL PERFORMANCE, OUTLOOK &TRADING UPDATE

SHAUN WILLS, CFO

STRATEGY UPDATE

JULIAN DUNKERTON, CEO

Q&A

JULIAN DUNKERTON, CEO
SHAUN WILLS, CFO

JULIAN DUNKERTON
FOUNDER AND CEO

SHAUN WILLS
CFO

OVERVIEW

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Challenging retail environment and lagged Wholesale recovery putting pressure on liquidity, but turnaround programme continues:

- Brand and business recovery ongoing
- Retail sales have proven robust, with footfall returning to high street and good third-party Ecommerce sales
- Wholesale performance lagging own channels, steps taken to reset our strategy, returning to agency model
- Adjusted Loss before Tax £(21.7)m
- First in-person Global Sales Meeting since Covid, well received by Wholesale partners
- Refinancing, equity raise and APAC IP sale complete, with proceeds received
- Continuing to prioritise sustainability agenda – maintained CDP 'A-List'

Q1 Trading Update:

- Retail revenues down c.7%, Wholesale down c.50%; total Group Revenue down c.18%
- Unseasonable weather impacting Retail, with Wholesale partially impacted by timing differences and operational changes – adjusting for these the decline is closer to c.30%[1]

1 - Over short trading periods, wholesale is always subject to material timing differences year-on-year and the longer-term trends are more indicative of overall performance.

FINANCIAL PERFORMANCE & OUTLOOK

SHAUN WILLS, CFO

FY 23 FINANCIAL OVERVIEW

COST NORMALISATION, INFLATION AND WHOLESALE UNDERPERFORMANCE IMPACT PROFIT

£m	FY 23	FY 22[1]	Mvmt
Group Revenue	622.5	609.6	2.1%
Gross Margin (%)	52.8	56.0	(3.2)% pts
Adjusted (Loss) / Profit before tax	(21.7)	21.6	-
Adjusting Items	(56.8)	(4.0)	-
Tax (Expense) / Credit	(69.6)	4.8	-
Statutory (Loss) / Profit after tax	(148.1)	22.4	-
Adjusted basic (loss) / earnings per share (p)	(111.8)	36.0	-
Statutory basic (loss) / earnings per share (p)	(181.3)	27.4	-
Net Working Capital	73.9	116.1	(42.2)m
Net Debt	(25.6)	(1.0)	(24.6)m

1 - The financial statements for the prior financial year have been restated to incorporate the impact of mis-statements to balances at the year-end and in the brought forward balance sheet position at the end of FY21. The mis-statements impact the values of Other debtors and the presentation of Property, plant and equipment and Intangible assets. Full detail of the changes and impact across the income statement and balance sheet can be found in Note 37: Prior-Year Adjustments of the Annual Report and Accounts

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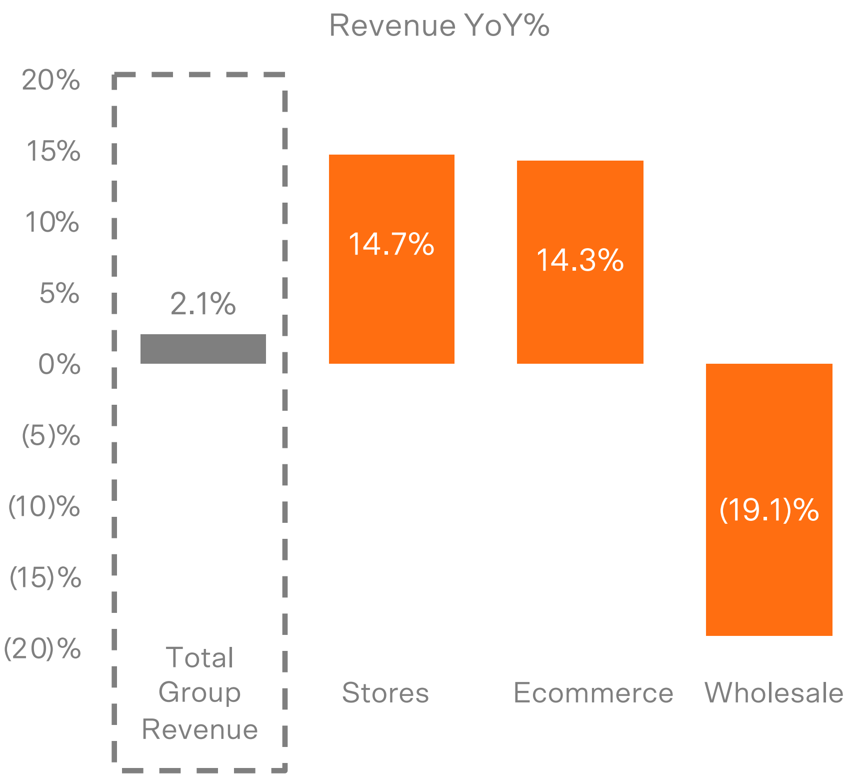
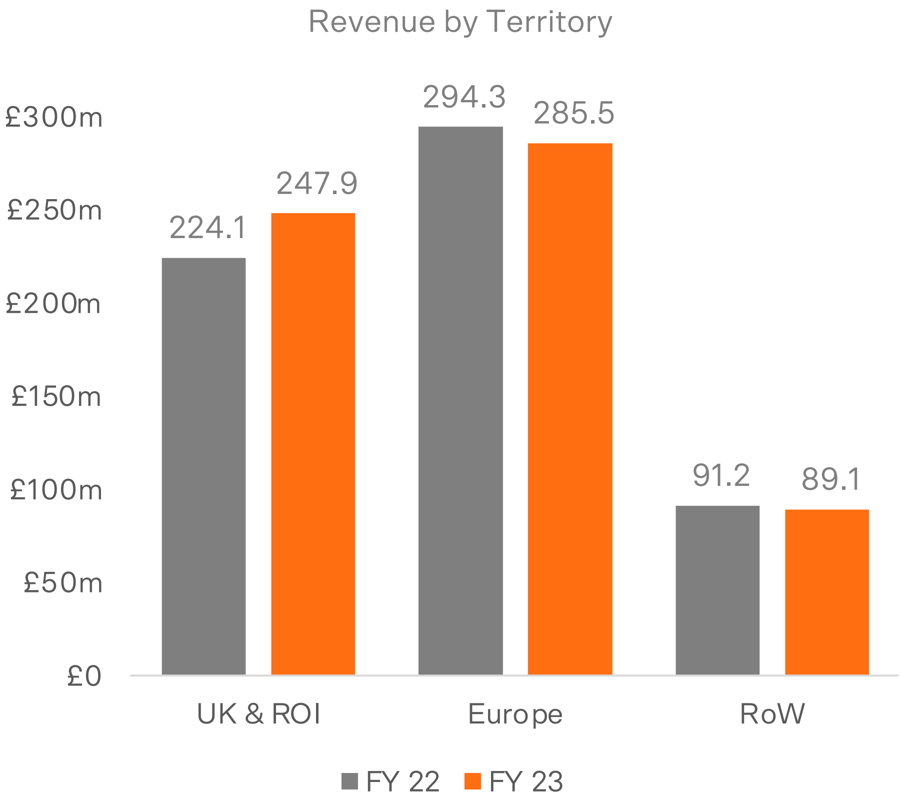
REVENUE

STRONGER PERFORMANCE IN OWN CHANNELS OFFSET BY LAGGED RECOVERY IN WHOLESALE





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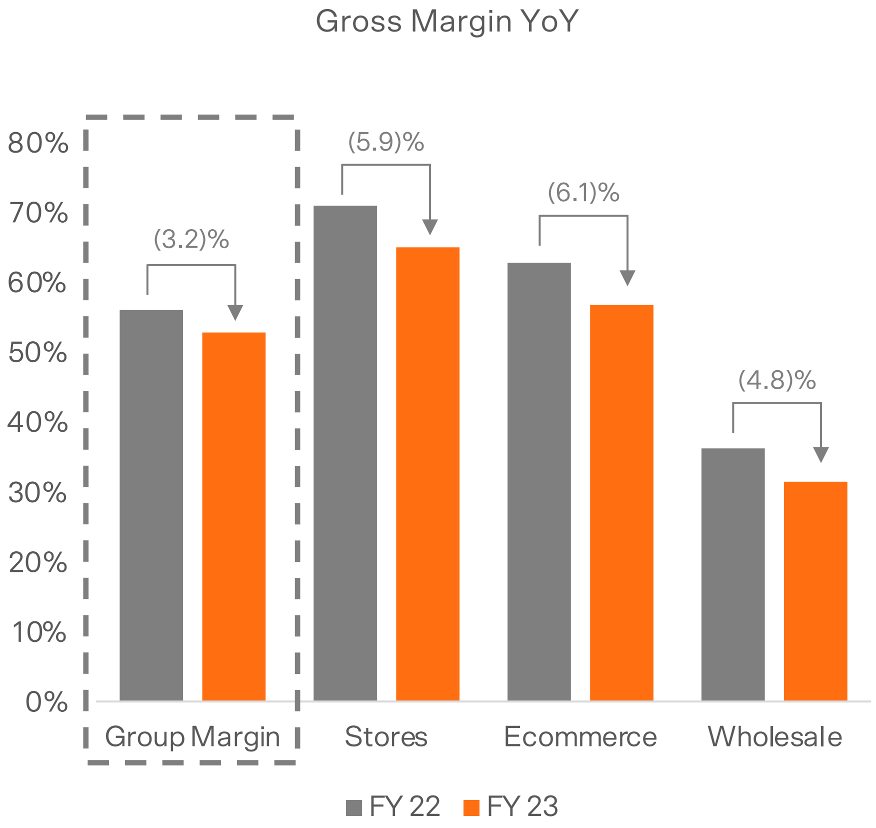
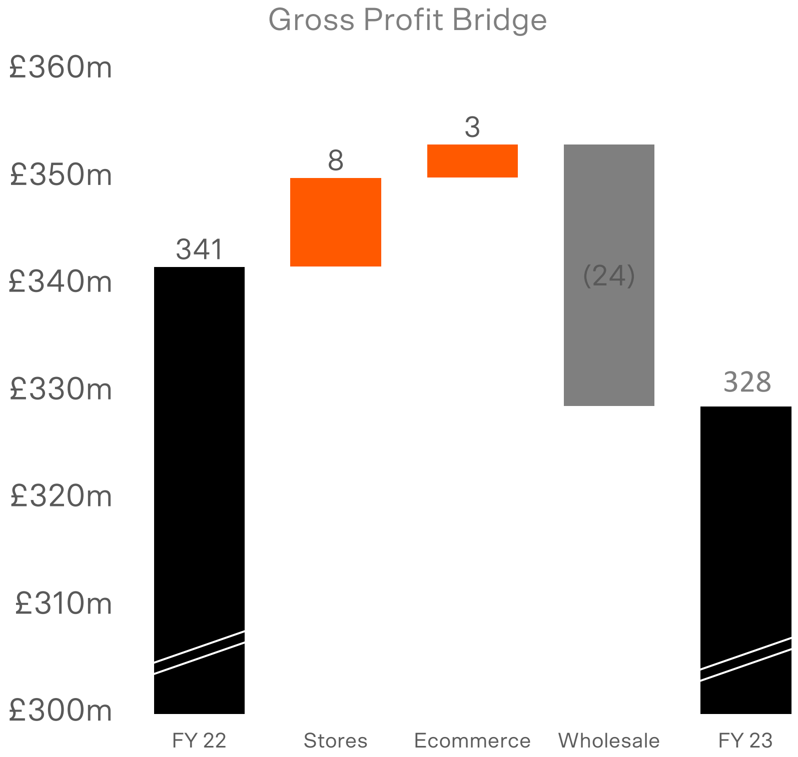
GROSS MARGIN

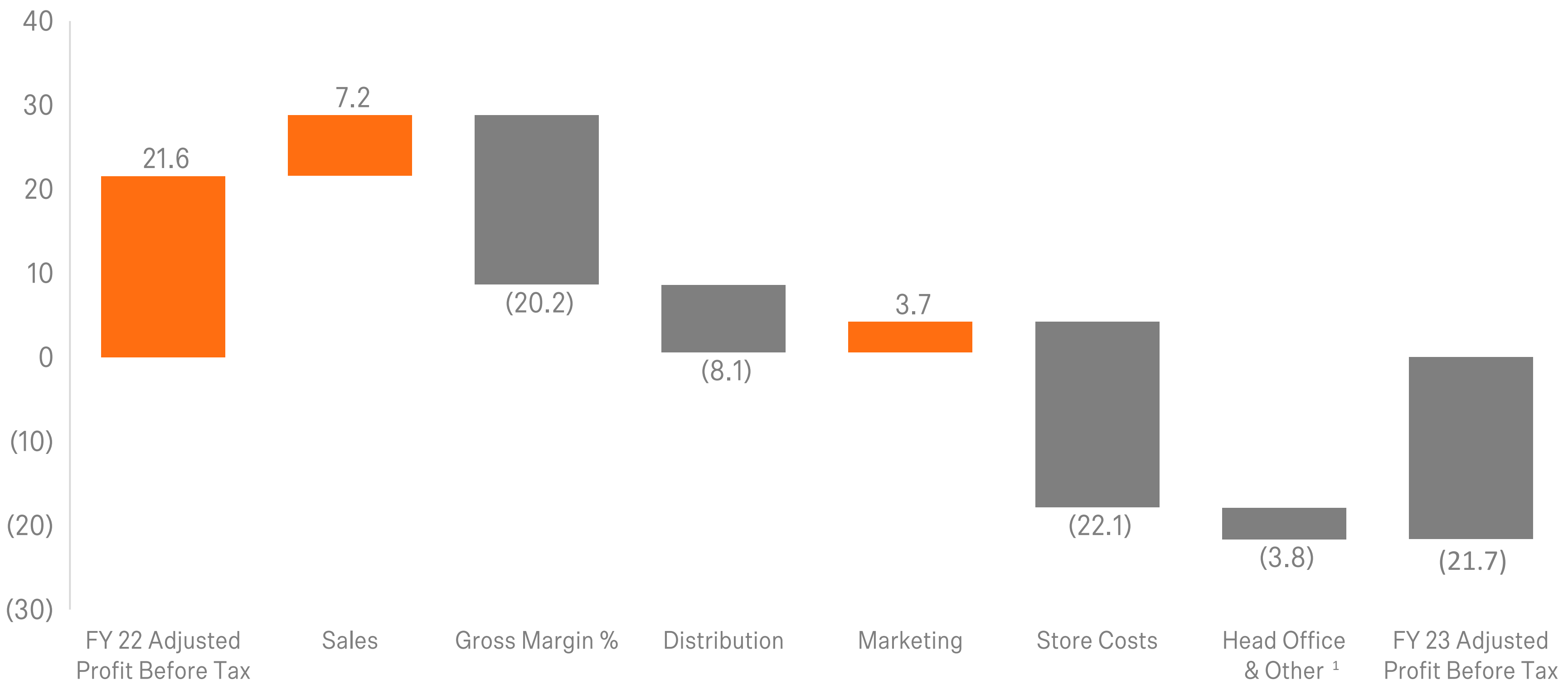
LAGGED RECOVERY IN WHOLESALE AND ONGOING CLEARANCE ACTIVITY IMPACTING MARGIN





ADJUSTED PROFIT BEFORE TAX FY 23 vs FY 22

WEAKER TRADING ENVIRONMENT, MARGIN DEPRECIATION AND LAGGED RECOVERY IN WHOLESALE IMPACTING PROFITS



1 - Includes Operational Support Costs, Non-IFRS 16 rent and Other Income.

FY 23 FINANCIAL OVERVIEW

IMPAIRMENT, ONEROUS LEASE PROVISION AND TAX CHARGE ARE NON-CASH ITEMS IMPACTING STATUTORY LOSS

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SIGNIFICANT NON-CASH ITEMS IMPACTING STATUTORY NUMBERS

Impairment and Onerous Lease Provision

- Volatility in trading and cost-of-living crisis means we are taking additional charges for impairment and onerous lease provisions against our store estate
- Net impairment charge of £(41.0)m, primarily driven by UK and Germany
- Further charge of £(2.3)m in respect of Onerous Lease Provisions
- Results in an exceptional charge of £(43.3)m being recognised in the year

Deferred Tax Asset

- A change in our outlook resulting in a reduction in the recognition of the deferred tax asset on the balance sheet and an in-year tax charge of £69.6m
- Balance sheet deferred tax asset reduces from £66.3m at FY22 to £nil in the current year

FY 23 FINANCIAL OVERVIEW

NET DEBT POSITION IMPACTED BY DRAWDOWN OF ASSET BACKED LENDING FACILITY

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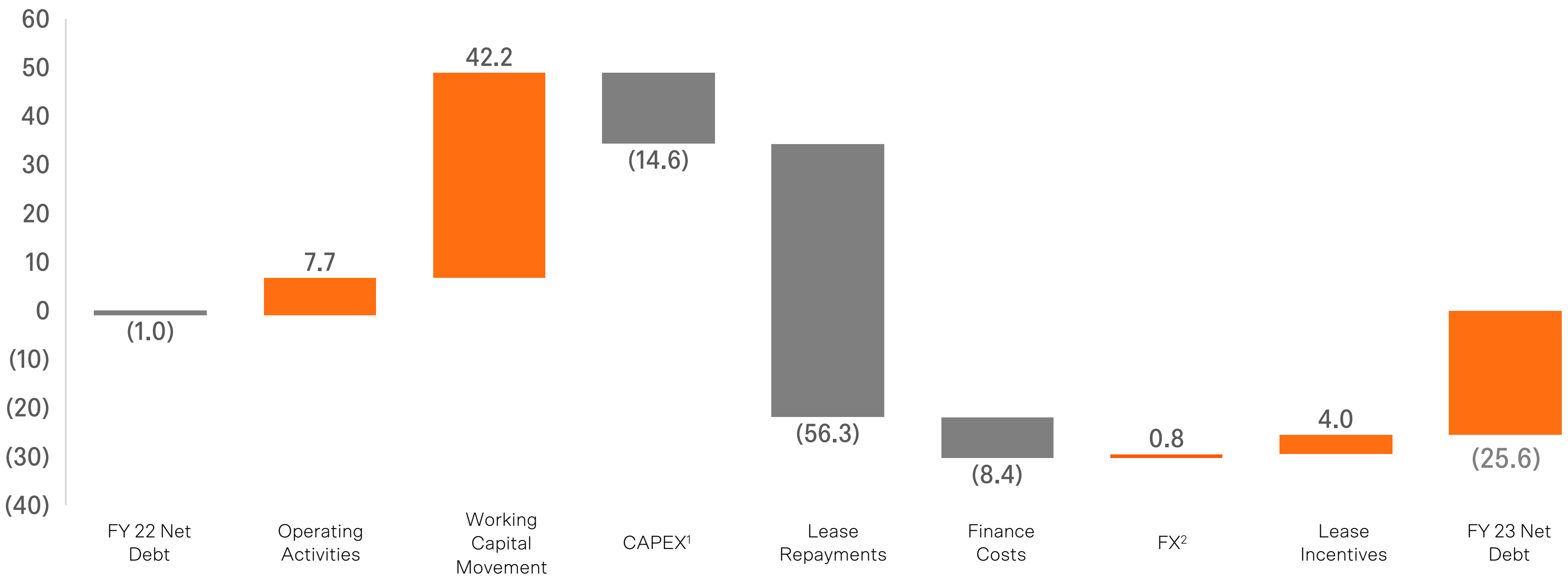
NET DEBT

NET DEBT INCREASES TO £25.6M DRIVEN BY LEASE REPAYMENTS, CAPEX INVESTMENT AND FINANCE COSTS



1 – CAPEX consists of purchases of property, plant and equipment and the purchase of intangible assets.
2 – Change in FX value of cash held.

BALANCE SHEET RECAPITALISATION

IMPORTANT STEPS TAKEN IN THE YEAR TO REBUILD LIQUIDITY AND RECAPITALISE BALANCE SHEET

BANTRY BAY & HILCO FACILITIES

- Facility of up to £80m, including a £30m term loan, agreed for three years with an option to extend with Bantry Bay Capital in December 2022
- Unlocked further £25m of borrowing following agreement announced in August with Hilco Capital – this facility helps mitigate the headroom cap on our Bantry Bay agreement

IP SALES

- APAC deal agreed in March, and approved by shareholders in May with Cowell Fashion Company
- Net proceeds from APAC deal of approximately £34m received following shareholder approval
- Continue to actively assess further opportunities

EQUITY RAISE

- 19.1% equity raise fully supported by CEO and generated net proceeds of just over £11m

BALANCE SHEET

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£m	FY 23	FY 22[1]	Mvmt
Fixed assets	16.3	23.4	(30.3)%
Right of use assets	48.5	80.2	(39.5)%
Inventory	112.5	132.7	(15.2)%
Receivables	82.2	112.6	(27.0)%
Payables	(120.8)	(129.2)	(6.5)%
Net Working Capital	*73.9*	*116.1*	*(36.3)%*
Net cash	22.4	17.4	28.7%
Lease liabilities (Current and Non-Current)	(188.1)	(217.3)	(15.5)%
Other[2]	(26.1)	79.5	n/a
Net (liabilities) / assets	(53.1)	100.2	n/a

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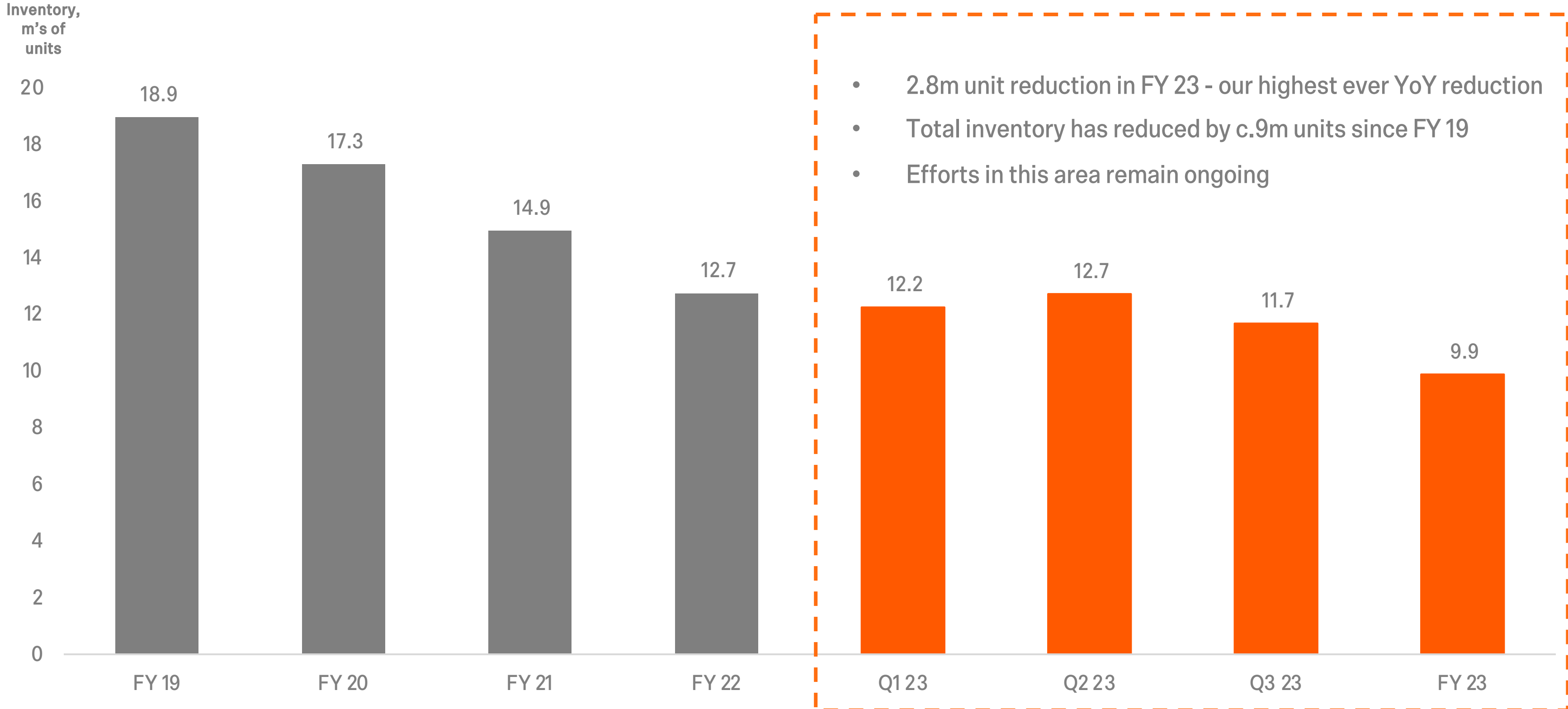
2 - Other includes intangible assets, deferred income tax asset, borrowings: ABL, provisions, non-current liabilities excl. lease liabilities and derivative financial instruments

INVENTORY

STRONG PROGRESS ON INVENTORY REDUCTION PLANS



- 2.8m unit reduction in FY 23 - our highest ever YoY reduction
- Total inventory has reduced by c.9m units since FY 19
- Efforts in this area remain ongoing

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TRADING
UPDATE
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Q1 TRADING UPDATE AND OUTLOOK

CHALLENGING TRADING ENVIRONMENT HAS CONTINUED INTO FY24

£m	vs. FY 23 (13 Wks)
Stores	(3.7)%
Ecommerce	(12.6)%
Retail	*(6.6)%*
Wholesale[1]	(50.3)%
Group Revenue	(18.4)%

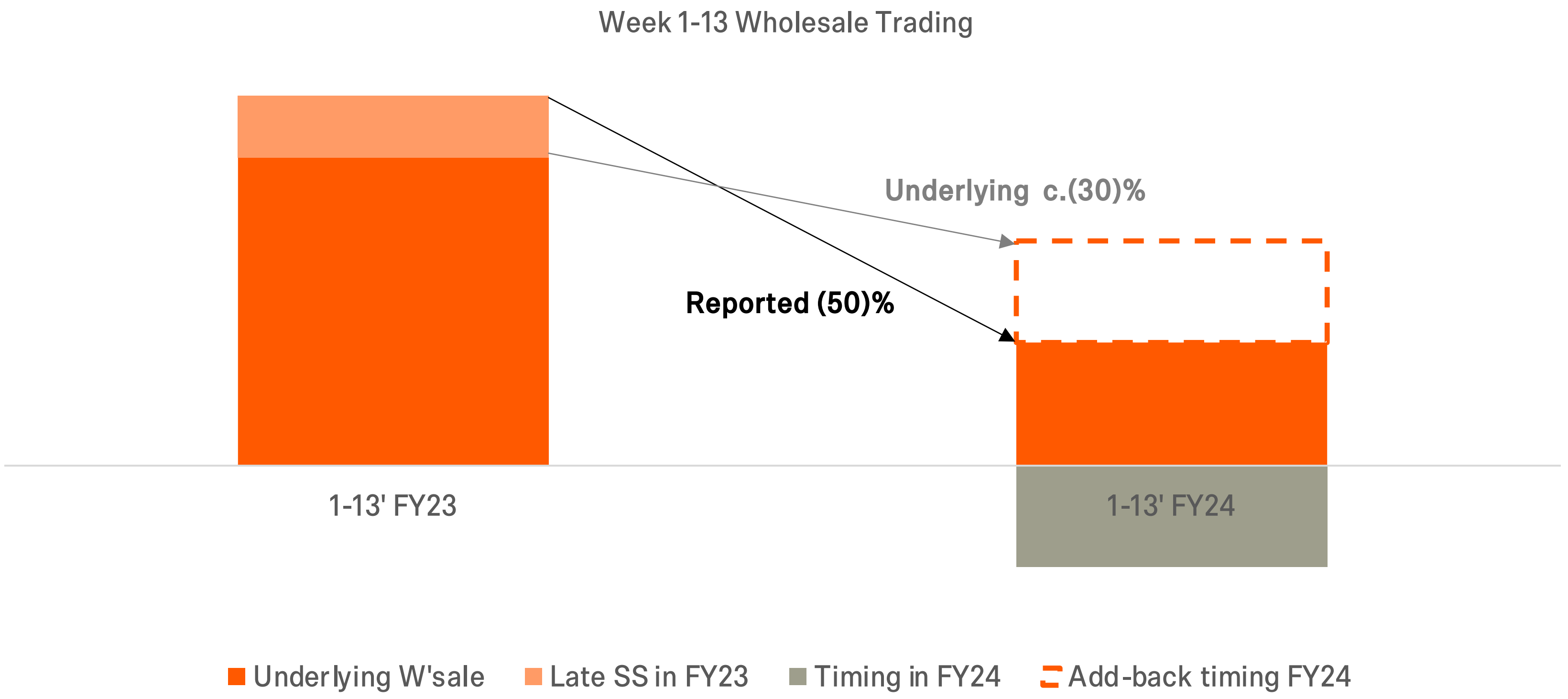
Outlook

- Consumer retail market continues to remain challenging and unpredictable
- For the full year, we do not expect to see significant revenue growth as we focus on cost savings and margin improvement
- £35m cost savings programme should be fully realised during FY24

1 - Over short trading periods, wholesale is always subject to material timing differences year-on-year and the longer-term trends are more indicative of overall performance.

WHOLESALE TRADING IMPACTED BY TIMING

ADJUSTING FOR SHIPMENT TIMING, UNDERLYING WHOLESALE DECLINE CLOSER TO 30%



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STRATEGY UPDATE

JULIAN DUNKERTON, CEO

STRATEGIC UPDATE

CONTINUED FOCUS ON BECOMING THE #1 PREMIUM SUSTAINABLE STYLE DESTINATION

"TO BE THE #1 PREMIUM SUSTAINABLE STYLE DESTINATION"

INSPIRE THROUGH PRODUCT & STYLE

- Raising short-order sales mix from 0.6% to 5.3%
- More gender-balanced sales mix, with womenswear rising to 43%, from 39%

ENGAGE THROUGH SOCIAL

- Brand Heat continues to build on our FY22 momentum, increasing to 32.4, from 31.4
- Increased social following by over 400k, with TikTok becoming a new leading social channel

LEAD THROUGH SUSTAINABILITY

- One of only two British fashion brands to have an 'A' CDP rating
- Successfully launched pre-loved clothing donation boxes in the UK & Ireland

MAKE IT HAPPEN

Balance Sheet Recapitalisation

Cost Optimisation

Inventory Reduction

Key Executive Hires

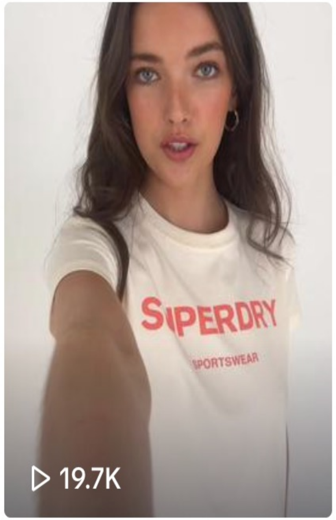
INSPIRE THROUGH PRODUCT & STYLE
DELIVERING HIGH QUALITY AT GREAT VALUE

Our AW22 and SS23 ranges have been well received, with notable highlights:

- Afghan jackets among our bestsellers, with our range sold out just eight weeks after launch in October 2022;
- Women's wear, including party dresses and teenage product, excelled;
- New range of women's cargo pants were a great success, selling out in just four weeks;
- A staple of the Superdry stable, our menswear jackets continued to perform well.

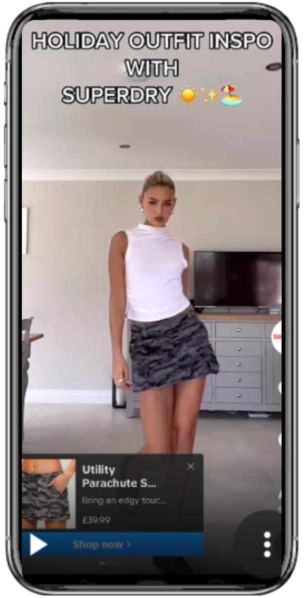
ENGAGE THROUGH SOCIAL

INFLUENCER DRIVEN CONTENT DELIVERING VIRAL RESULTS, ESPECIALLY ON TIKTOK, WHERE OUR CHANNEL HAS c.650K FOLLOWERS AND OVER 6M LIKES ACROSS OUR VIDEOS



- Recent targeted campaign to drive awareness of our 90s t-shirt collection for younger female consumers
- Results were positive 1.3m views, over 48k likes and ER[1] was higher at 4.3-6.4% per video, where the average is typically around 4.0%

- Trials of commerce ads in key campaigns, testing various content methods to better understand impact
- New ad formats allow product to appear whilst video is playing and take consumers to our website to check out

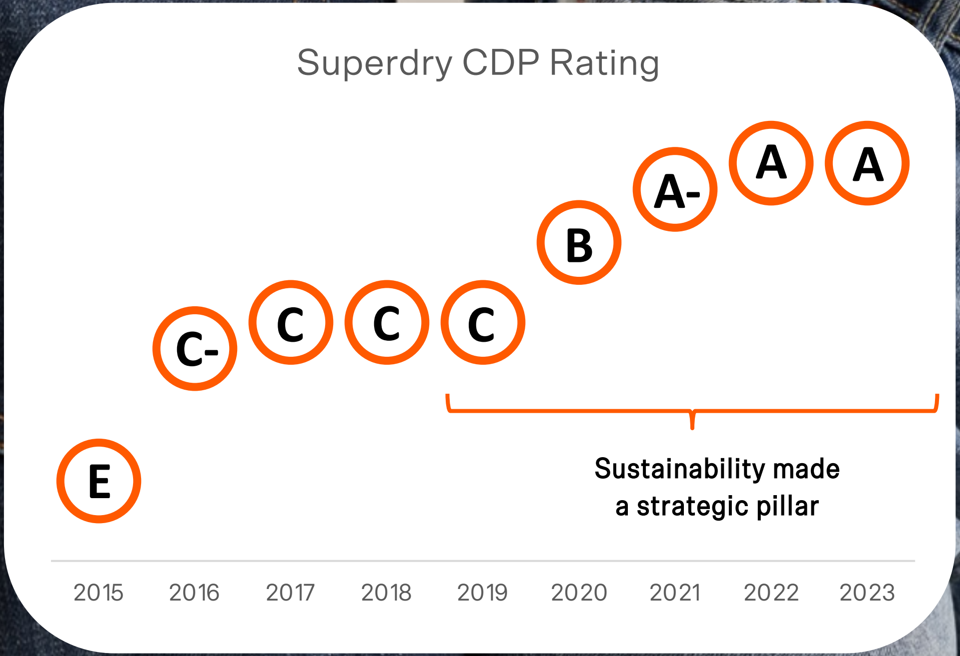


1 – Engagement Rate

LEAD THROUGH SUSTAINABILITY

SUSTAINABILITY FOCUS UNDERPINNING EVERYTHING WE DO

Being recognised for our ongoing improvement



MAKE IT HAPPEN

THIS YEAR WE HAVE TAKEN A NUMBER OF CRITICAL STEPS IN SHAPING THE ORGANISATION FOR THE FUTURE

Balance Sheet Recapitalisation

- Facility agreed in Dec 22' with Bantry Bay; further capital unlocked following Hilco agreement in August
- APAC deal approved by shareholders in May with net proceeds of approximately £34m
- Equity raise fully supported by CEO and generated net proceeds of just over £11m

Cost Optimisation

- Initial cost savings of £35m identified which we expect to fully realise in FY24
- Efforts remain ongoing as we continue to examine the likely shape of the business going forward

Inventory Reduction

- Total inventory has reduced from over 18.9m units at FY19 to under 10m units as at FY23
- Decrease of 2.8m inventory units in FY23 alone, with targeted clearance of older stock
- Range reduction on new lines helping to prevent unnecessary build-up

Key Executive Hires & Promotions

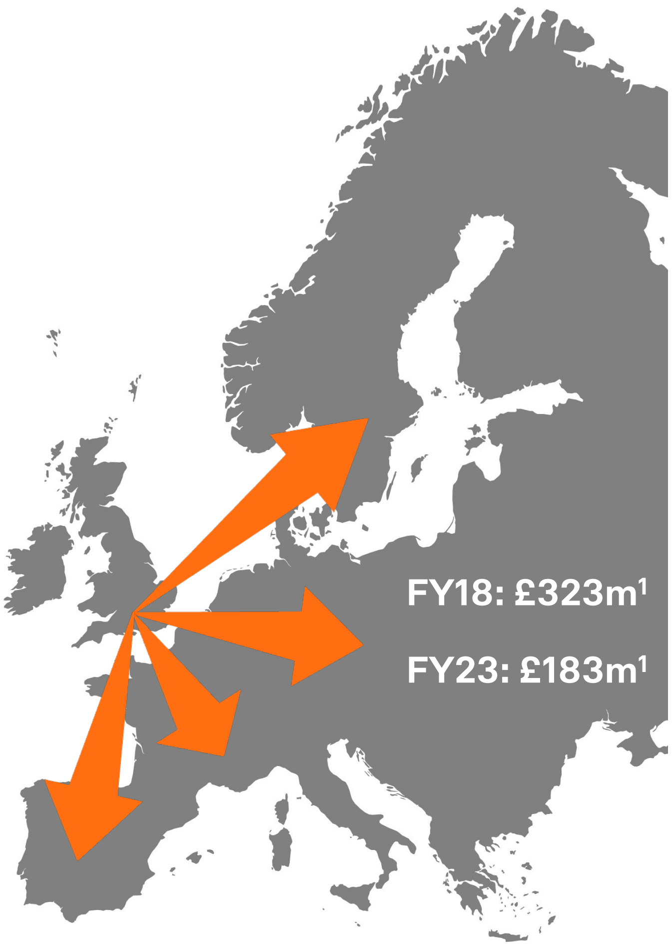
- Denise Posner (Marketing Director), Tom Hutt (Head of Marketing Creative) hired during the year, with Craig McGregor's role expanded to Global Commercial Director
- Brought Stores and Ecommerce together under one Director to provide more holistic view

MAKE IT HAPPEN

WHOLESALE RESET PROGRAMME DESIGNED TO REINVIGORAT

Returning to the Agency model

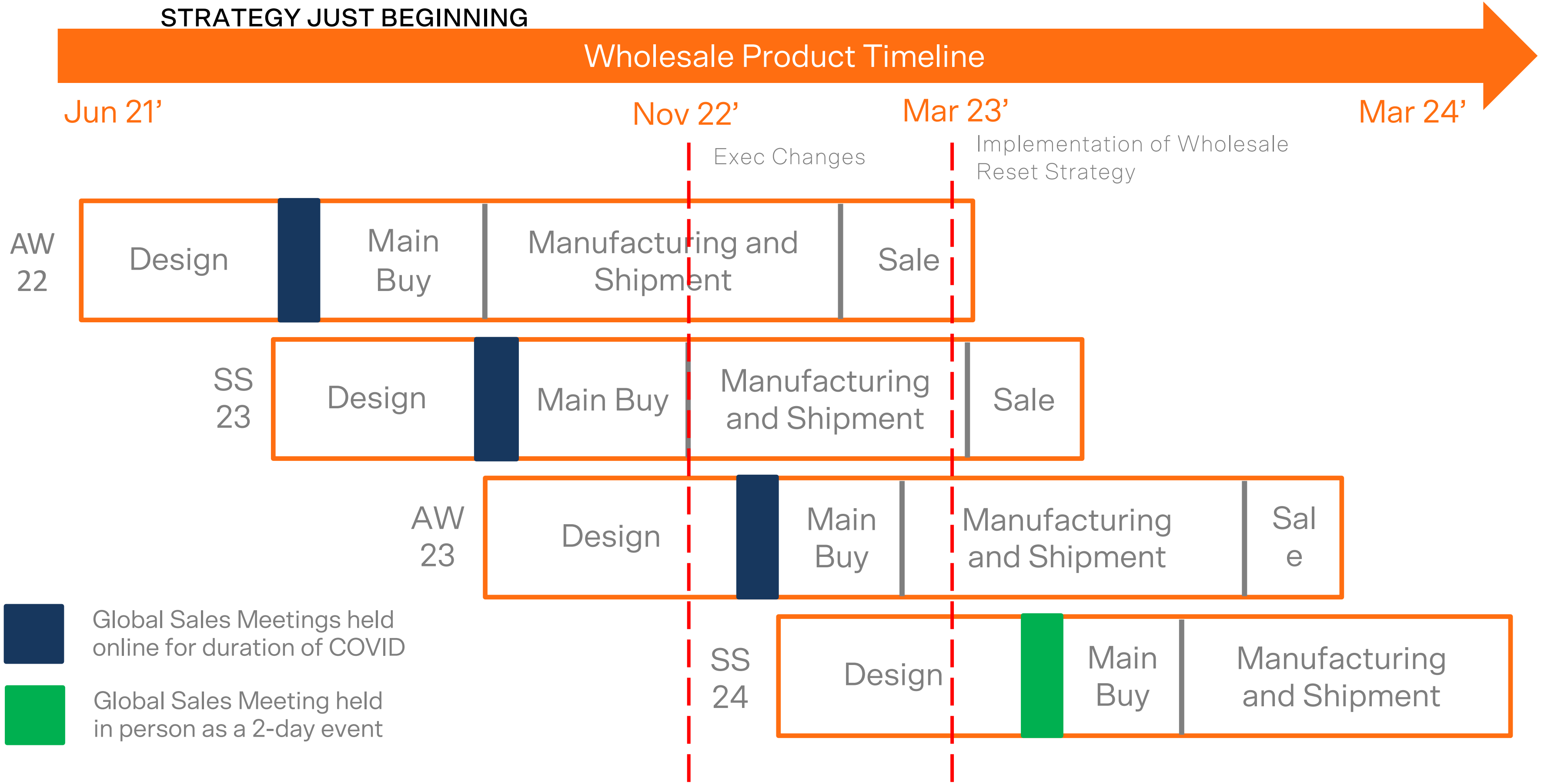
- Traditional Wholesale model has enabled brands to reach consumers outside their home markets
- Partnering with leading local entrepreneurs or 'Agents' to drive brand forward
- At its height, Wholesale revenue totalled over £300m, 70% of EBITDA with minimal investment needed for expansion
- COVID has impacted Wholesale channels with D2C becoming a priority as it offers more control and flexibility
- Wholesale Reset Programme designed to stabilise core business and revitalise our route to market in underperforming areas



1 – Total Revenue for Wholesale segment

MAKE IT HAPPEN

LONG LEAD TIMES PROVIDES CONTEXT TO WHOLESALE UNDERPERFORMANCE AS RESET STRATEGY JUST BEGINNING



WRAP-UP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Q&A


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