

# SUPERDRY



# 冒險魂

H1 21 Interim Results  
26 Weeks ended 24 October 2020

19 January 2021

# INTRODUCTION

Julian Dunkerton, CEO



## KEY H1 21 OPERATIONAL MILESTONES

Continued progress despite Covid-19



### Brand Reset

- Product reset with full AW20 launch
- Social campaigns driving record engagement
- Key new signing
  - Neymar leading a portfolio of global influencers
- Sustainability focus in design-led products
- Strengthened leadership team



## H1 21 FINANCIAL OVERVIEW

Strong liquidity and disciplined inventory management



### Performance

- Maintained strong liquidity position
- Strong Ecommerce growth
- Significant rental savings:  
Covid-19 waivers and underlying lease renewals
- Disciplined cost management
- Gross margin impacted by clearance activity
- Closing inventory down YoY





# CURRENT TRADING FOR 11 WEEKS ENDING 9 JANUARY 2021

Further lockdowns continue to disrupt trading

## Owned Stores (52.1%)

- 38% of trading days lost to lockdowns
- LFL decline of 30.8% - social distancing impacting footfall
- As at 9 January, 173 stores closed (72% of our portfolio)

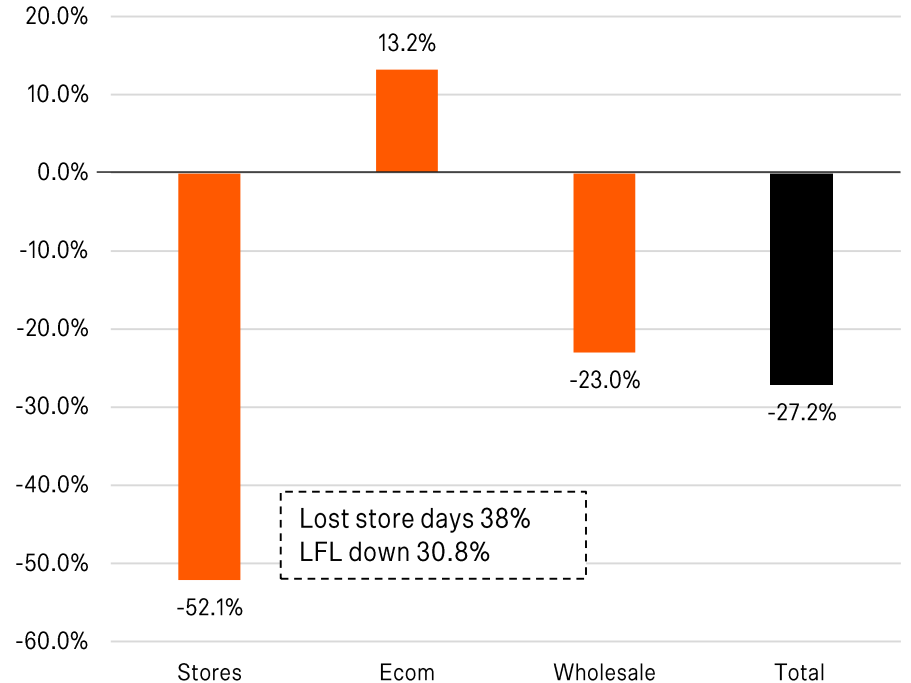
## Ecommerce 13.2%

- Owned sites strongest performance, up 25.7%
- Black Friday sales\* (9.8%), protecting core and current stock-improvement in gross profit and contribution YoY

## Wholesale (23.0%)

- Covid-19 driving lower forward orders and higher cancellations
- In Season Orders up 29%, driven by online partners

Revenue % YoY – 11 weeks ended 9 Jan



# FINANCIAL RESULTS

Benedict Smith, Interim CFO



# H1 21 FINANCIAL OVERVIEW

Trading performance significantly impacted by Covid-19

£m	H1 21	H1 20	%
Group revenue	£282.7m	£369.1m	(23.4)%
Gross margin (%)	51.7%	56.3%	(460)bps
Underlying loss before tax <sup>1</sup>	£(10.6)m	£(2.3)m	360.9%
Exceptional and other items excluded from underlying results	£(8.3)m	£(1.9)m	336.8%
Statutory loss before tax	£(18.9)m	£(4.2)m	350.0%
Underlying basic loss per share	(10.5)p	(5.7)p	84.2%
Statutory basic loss per share	(18.8)p	(7.9)p	138.0%
Proposed interim dividend per share	0.0p	2.0p	(100.0)%
Net cash/(debt) position	£34.1m	£(9.3)m	466.7%



# GROUP REVENUE

H1 revenue decline reflects challenging trading environment due to continued Covid-19 disruption

## Revenue Performance Q1 vs Q2 vs H1



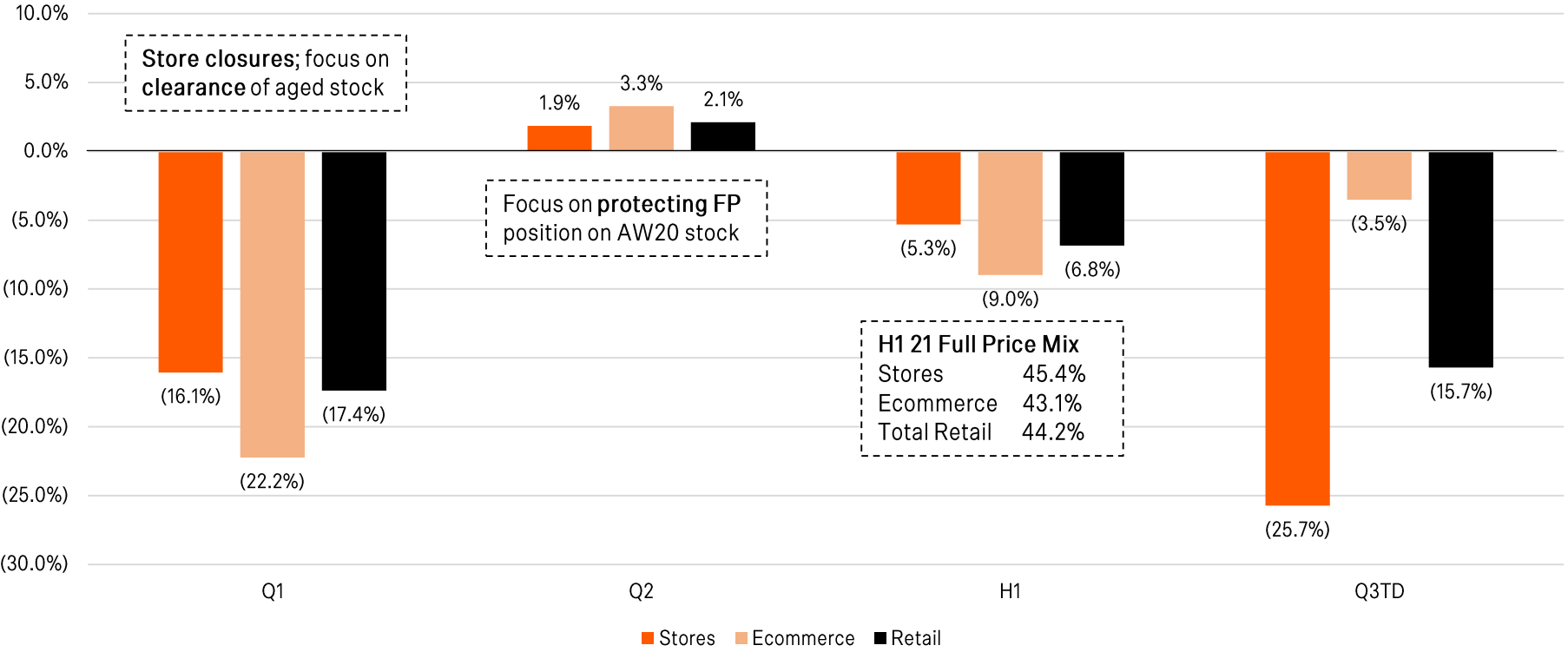




# GROSS MARGIN – FULL PRICE SALES MIX

Focus on reverting to full price for AW20 collection, following discounting to clear aged stock in Q1

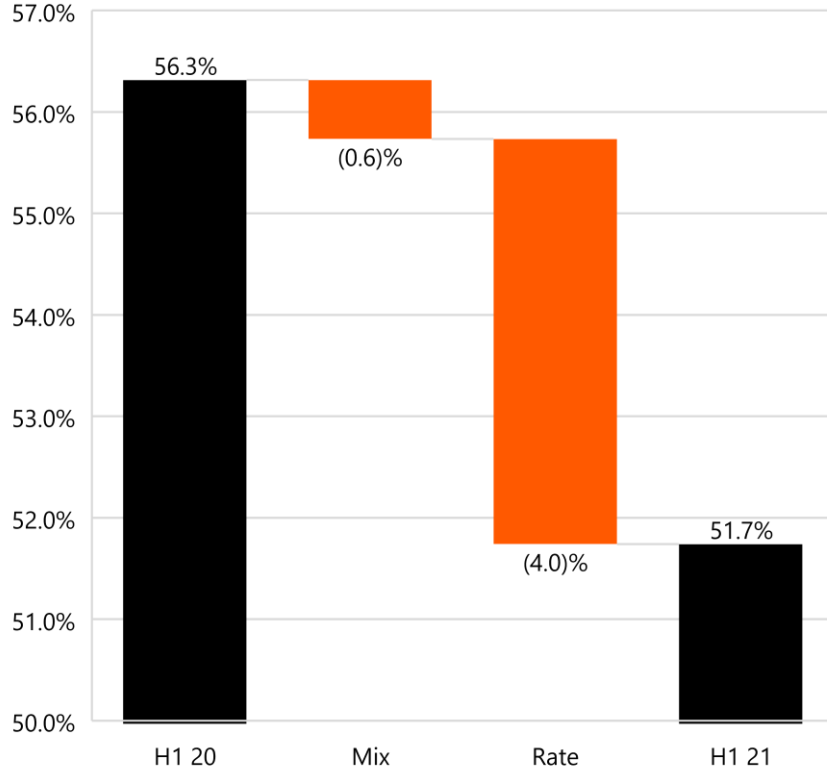
### Full Price Sales Mix %pts change YoY



# GROSS MARGIN

Margin decline due to Covid-19 related discounting to clear excess stock

GP % bridge H1 20 to H1 21



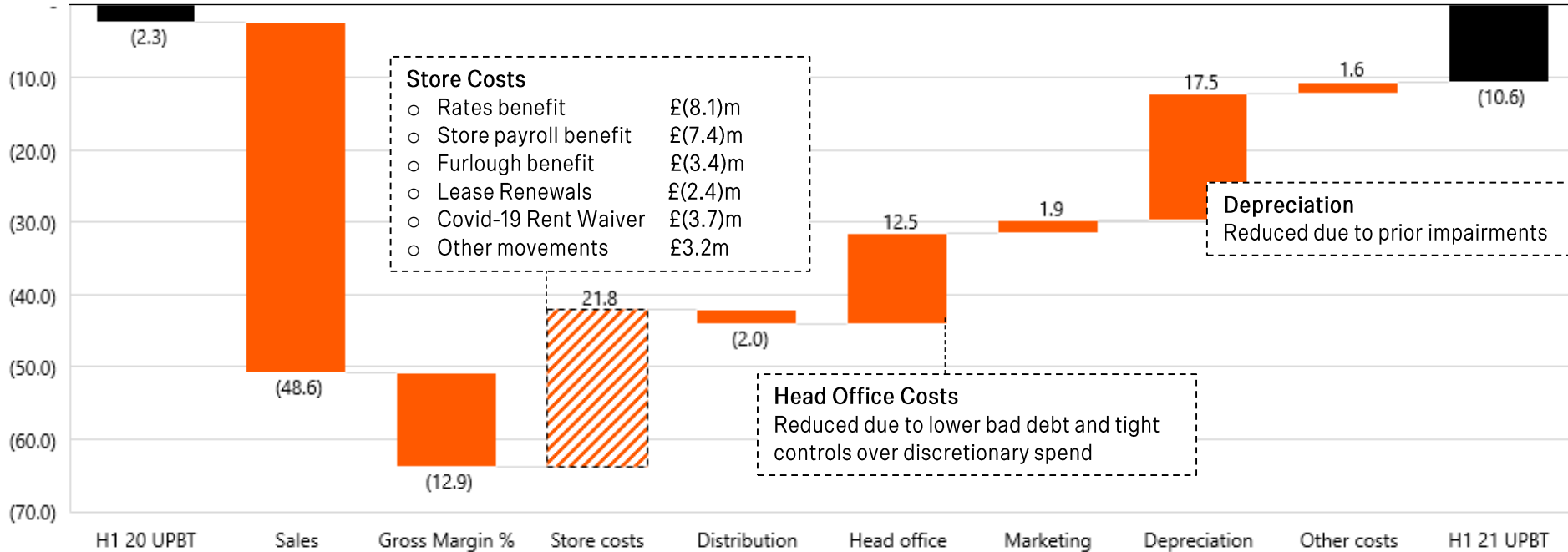
Gross Margin By Channel	HY21	HY20	Change
Retail	59.7%	66.3%	(6.6)%pts
Stores	64.3%	68.9%	(4.6)%pts
Ecommerce	55.2%	59.4%	(4.2)%pts
Wholesale	39.0%	42.3%	(3.3)%pts
<b>Total Gross margin</b>	<b>51.7%</b>	<b>56.3%</b>	<b>(4.6)%pts</b>

- Group margin deterioration of -460bps to 51.7%
- Full price mix down 6.8%pts YoY driving a reduction in rate of -400bps
- Modest impact of -60bps from channel mix as a result of increased Ecommerce offsetting a decrease in Store and Wholesale revenue
- Retail mix reduction of -660bps due to increased mix of lower margin Ecommerce sales in H1 21 vs H1 20

# UNDERLYING PROFIT BEFORE TAX

Continued difficult trading due to Covid-19 offset by reduction in Store costs and Depreciation

## UPBT Bridge H1 20 to H1 21



## STORE COST SAVINGS

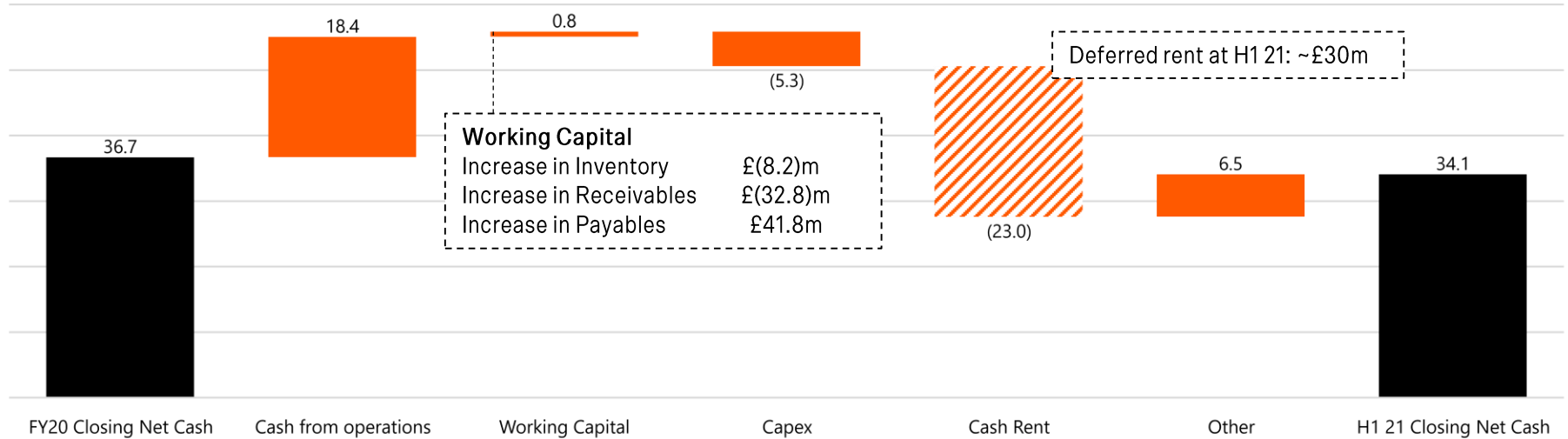
Decisive actions to preserve cash and access appropriate Government support

Savings	H1 21	H2 21e
Store payroll reduction	£7.4m	Additional £5.9m of payroll savings expected in H2 21
Lease renewals	£2.4m	Anticipated full year benefit ~£10m
Covid-19 H1 rent waiver	£3.7m	Expect further savings in H2+
<b>Total Superdry actioned savings</b>	<b>£13.5m</b>	
UK Rates benefit	£8.1m	One-off; currently expected to normalise from Apr-21 (£16m p.a.)
UK & EU Furlough benefit	£3.4m	One-off; expected to continue in line with lockdowns
<b>Total Government support savings</b>	<b>£11.5m</b>	
<b>Total H1 21 Savings</b>	<b>£25.0m</b>	
<i>One-off</i>	<i>£15.1m</i>	<i>Covid-19 waiver; Rates; Furlough</i>
<i>Recurring (v FY20)</i>	<i>£9.9m</i>	<i>Payroll savings (rebase costs); Lease Renewals</i>

# CASH FLOW PRE-IFRS 16

Relentless focus on cash preservation; significant inventory reduction year on year

## Net Cash FY 20 to H1 21

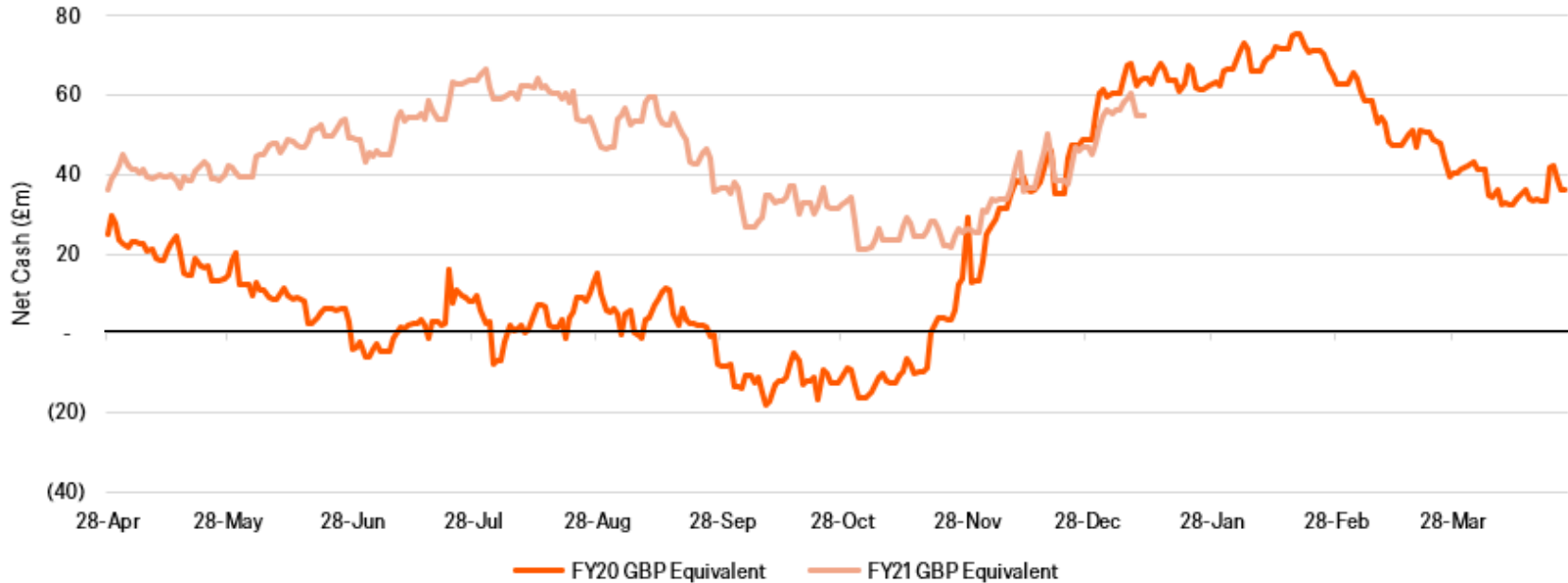


- Working capital improved £0.8m since FY20 y/e; inventory down £26.5m from H1 20 (£193.0m)
- Tax £4.5m, FX £2.6m and Interest £(0.6)m included within 'Other'
- No interim dividend proposed
- No drawdown on the ABL facility
- In line with closing FY20 cash and £43.4m ahead of H1 20 net debt £(9.3)m

# CASH MANAGEMENT

Remained net cash positive throughout pandemic

## Week ending cash FY21 vs FY20



- Net cash balance as at 9<sup>th</sup> January, £54.8m
- Total liquidity of £134.8m

## FY21 OUTLOOK

No formal guidance given unprecedented uncertainty

### In the balance of the year we anticipate:

#### Cash

- Positive closing net cash despite headwinds
- Closing inventory lower YoY

#### Owned Stores

- Prolonged closures and subdued footfall negatively impact revenue YoY
- Partial offset from rent waivers and furlough claims

#### Ecommerce

- Significant prior year promotional activity
- Decelerating revenue growth vs Q3 QTD

#### Wholesale

- Revenues broadly in line with market expectations



# STRATEGY OVERVIEW

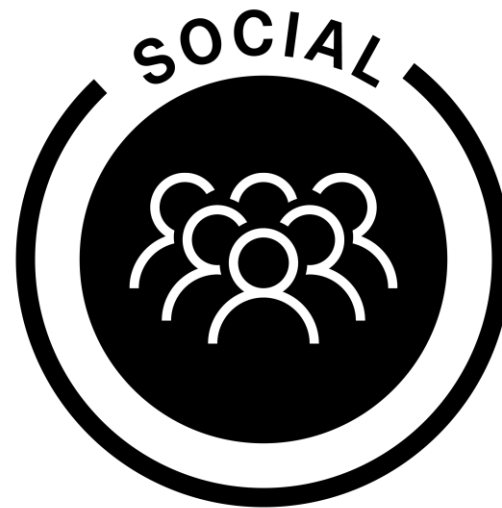
Julian Dunkerton, CEO





## STRATEGIC IMPERATIVES

Focus on three core priorities





## ORIGINAL & VINTAGE



Hero Campaign attracted record levels of engagement



Every AW20 padded outerwear jacket made from 100% recyclable materials



AW20 key trend: longline jackets  
Joggers +15% YoY – in line with lockdown trends





# SUPERDRY X



First TikTok campaigns launched  
- Zara Larsson & vegan trainers



Unisex offering  
- targeting younger demographic



Segmentation unlocking new opportunities – sold into Nordstrom





## SUPERDRY STUDIOS



Distinct collection targeting  
25-35+ year old consumer



Focus on quality, natural materials  
- Sustainability at heart of design



Plans for standalone pilot store in  
Cheltenham in FY22





## SPORT - PERFORMANCE



'Win Differently' Campaign  
video elevating sport credibility



New specialist sport Wholesale  
relationships

- Intersport in Scandinavia
- Kaiser Sport in Denmark
- JD Sport in Times Square, NY



New segmentation of Train /  
Run / Flex / Swim and Snow







## SPORT - CODE



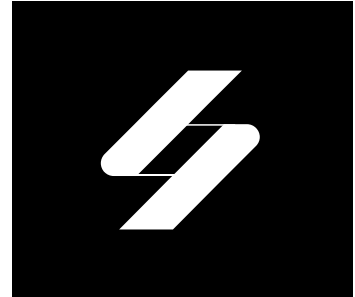
Product targeting key demographic  
<25 year old consumers



Strong demand in USA



Best AW20 Style within Code –  
'Sport Puffer' selling ~16k units



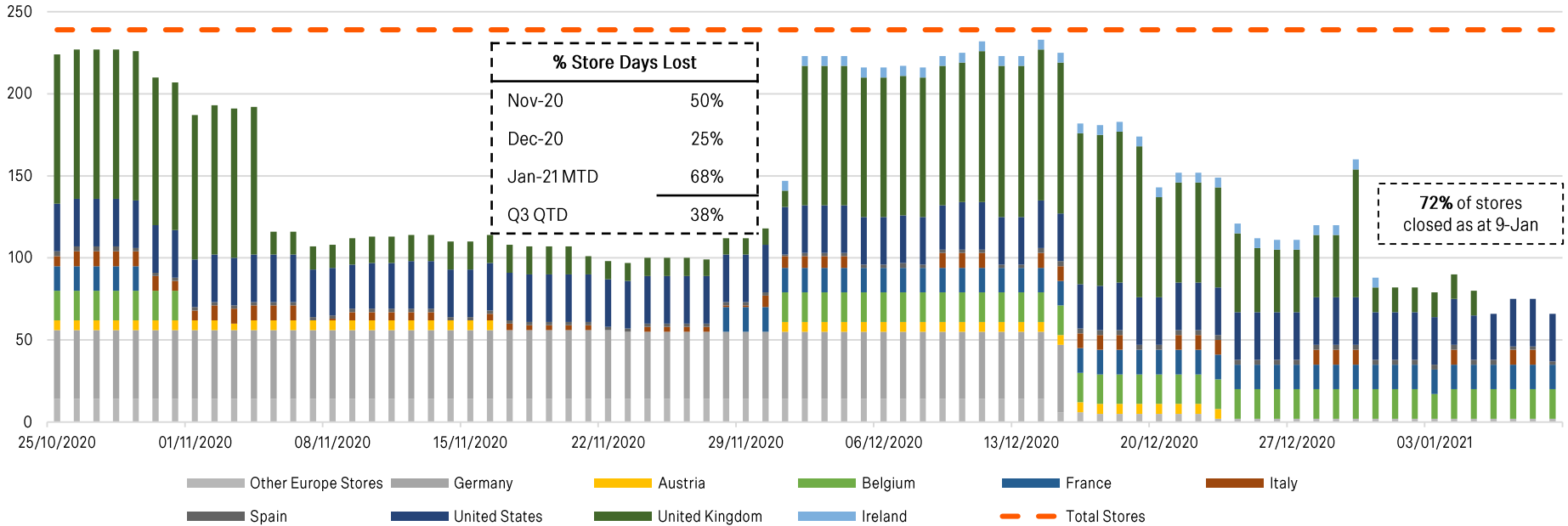


# RETAIL STORES

Continued focus on rent negotiations, store closures significant impact on performance



### Open Stores H2 21



- Peak trading materially impacted by lockdowns in key markets
- 53 rent negotiations completed for an average reduction 44%; 29 turnover-based
- FFS increased to 70 ahead of Black Friday
- Store resets continue, 33 completed

# CABOT CIRCUS STORE RESET VIDEO

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SOCIAL

NPS\* ahead of peers



+5.9 POINTS

MEN



+4.0 POINTS

WOMEN



INSTAGRAM FOLLOWERS UP

+7.8% SINCE AW20 LAUNCH with largest growth seen across key age demographic, 13-35 year olds

INCREASED FOLLOWERS TO

3.3M

+5%

GROWTH SINCE THE START OF FY21

ACTIVE CUSTOMERS INCREASED

+ 17% YOY

EXISTING CUSTOMERS ARE BUYING

+ 20% more YOY

OUR NEW CUSTOMERS ARE UP BY

+ 52% YOY



TRAFFIC VIA SOCIAL HAS INCREASED 60%,

DEMAND IS UP, RISING 50%YOY



ENGAGED 100+ INFLUENCERS 80M FOLLOWERS



UK



FRANCE



GERMANY



SWEDEN



USA



Rebels & Heroes

5.7M ENGAGEMENT



Icons of Style

3.0M ENGAGEMENT



Vegan Trainers

5.4M ENGAGEMENT



Black Friday

7.6M ENGAGEMENT





# DIGITAL

Ongoing journey to overhaul Ecommerce platform

## Visual and navigational improvement

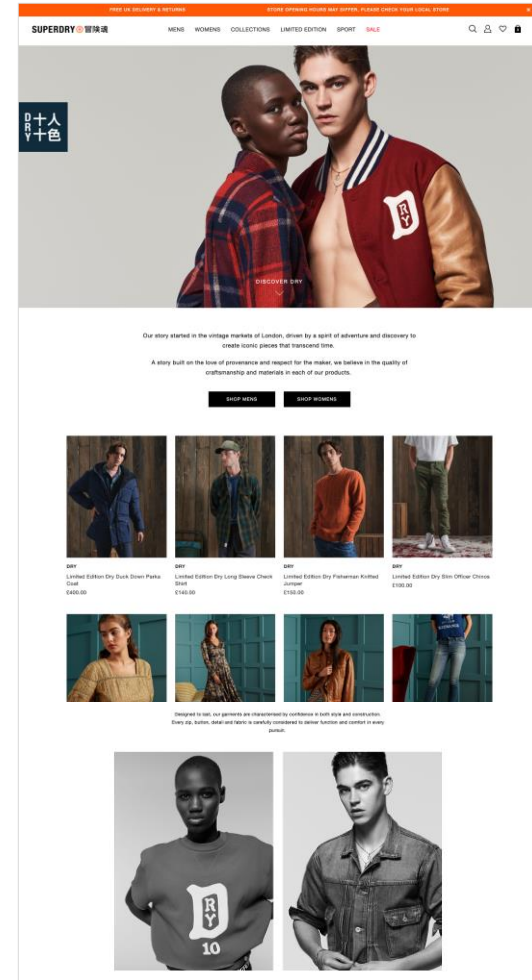
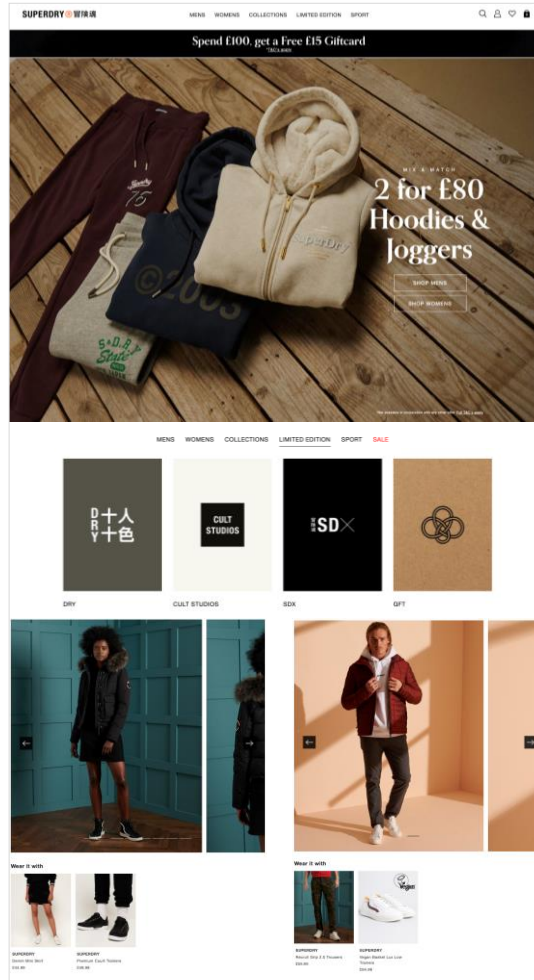
- Style choice segmentation
- Enhanced imagery, editorial content
- Intelligent search capability

## Performance

- Additional option capacity (+110%)
- Increased simultaneous visitor capacity (+100%)

## Commercial

- Promotional mechanics enabled
- Improved capability to re-target abandoned purchases





# SUSTAINABILITY

Our ambition is to become the most sustainable listed global fashion brand on the planet

## Organic and sustainable product

- Generating 38% of AW20 sales\*

## Zero waste

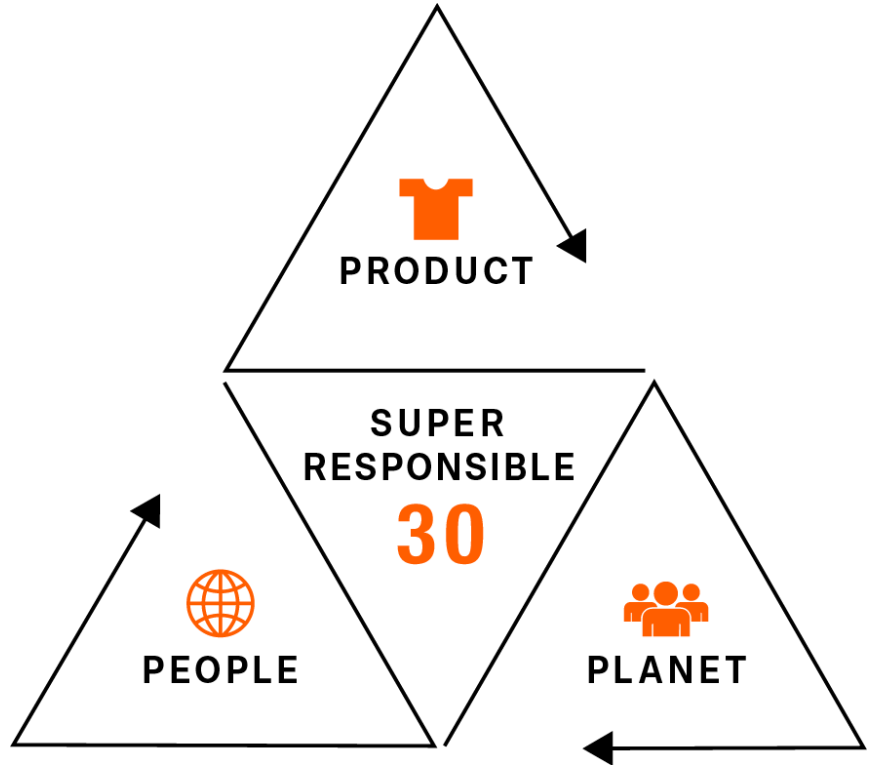
- New ecommerce and store bags

## Net zero carbon emissions

- Improved CDP score > industry average

## Respect and dignity

- Covid-19 support line for India factory workers





## H2 21 FOCUS

Brand reset journey continues despite Covid-19



- Launch SS21 – embed short-order



- Neymar Jr organic underwear campaign



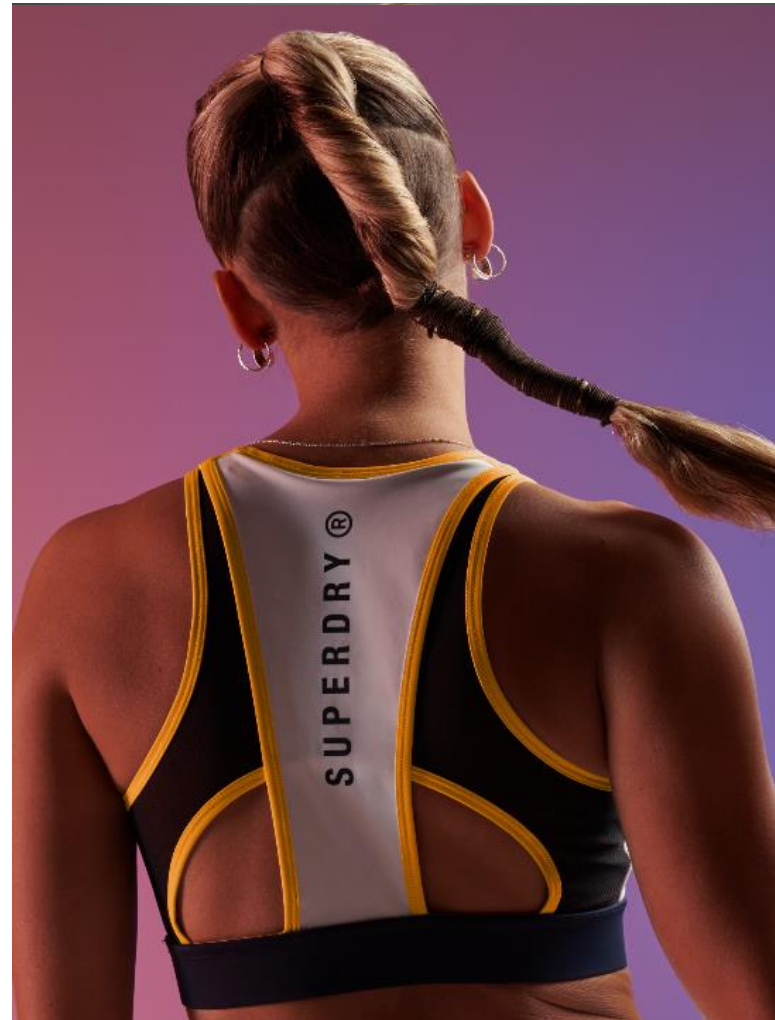
- Strategy led by sustainability



- Prioritised investment in digital activity and infrastructure



- Continued focus on cash preservation and working capital optimisation





THANK YOU

Q&A



# APPENDIX





# PRODUCT & DESIGN

1 brand  
4 style choices  
9 Consumer segments

- **4 style choices**
  - Mainline – majority of options; consistent price points
  - Pinnacle – limited units; elevated product
- **9 customer segments**
  - 2 dimension – age and fashion mindset
  - Each style choice designed and marketed specific demographics within this 9-box grid

Style Choice			
<b>01</b> Casual & Vintage	<b>02</b> Sophisticated & Minimal	<b>03</b> Sport	<b>04</b> Streetwear & Energy
Mainline Collection			
Original & Vintage	Superdry Studios	Sport Style	Superdry X
Pinnacle Concept			
DRY	Cult Studios	Sport Performance	SDX

## CASUAL & VINTAGE

Original & Vintage  
The Soul of the Brand



	THE GAP YEAR ADVENTURER	THE GRADUATE ADVENTURER	THE CULTURED ADVENTURER
TRENDSSETTER	16-24	25-34	35+
FASHION FOLLOWER	16-24	25-34	35+
MAINSTREAM	16-24	25-34	35+

## SOPHISTICATED & MINIMAL

Superdry Studios  
The Future Vision for Style & Sustainability



	THE GAP YEAR ADVENTURER	THE GRADUATE ADVENTURER	THE CULTURED ADVENTURER
TRENDSSETTER	16-24	25-34	35+
FASHION FOLLOWER	16-24	25-34	35+
MAINSTREAM	16-24	25-34	35+

## SPORT Sport Style

An Authentic Credible Premium Aesthetic



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TRENDSSETTER	16-24	25-34	35+
FASHION FOLLOWER	16-24	25-34	35+
MAINSTREAM	16-24	25-34	35+

## STREETWEAR & ENERGY

Superdry X  
A Culture Clash for the Next Generation



	THE GAP YEAR ADVENTURER	THE GRADUATE ADVENTURER	THE CULTURED ADVENTURER
TRENDSSETTER	16-24	25-34	35+
FASHION FOLLOWER	16-24	25-34	35+
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