極度乾燥(しなさい)

Superdry plc

Interim Results

26 Weeks ended

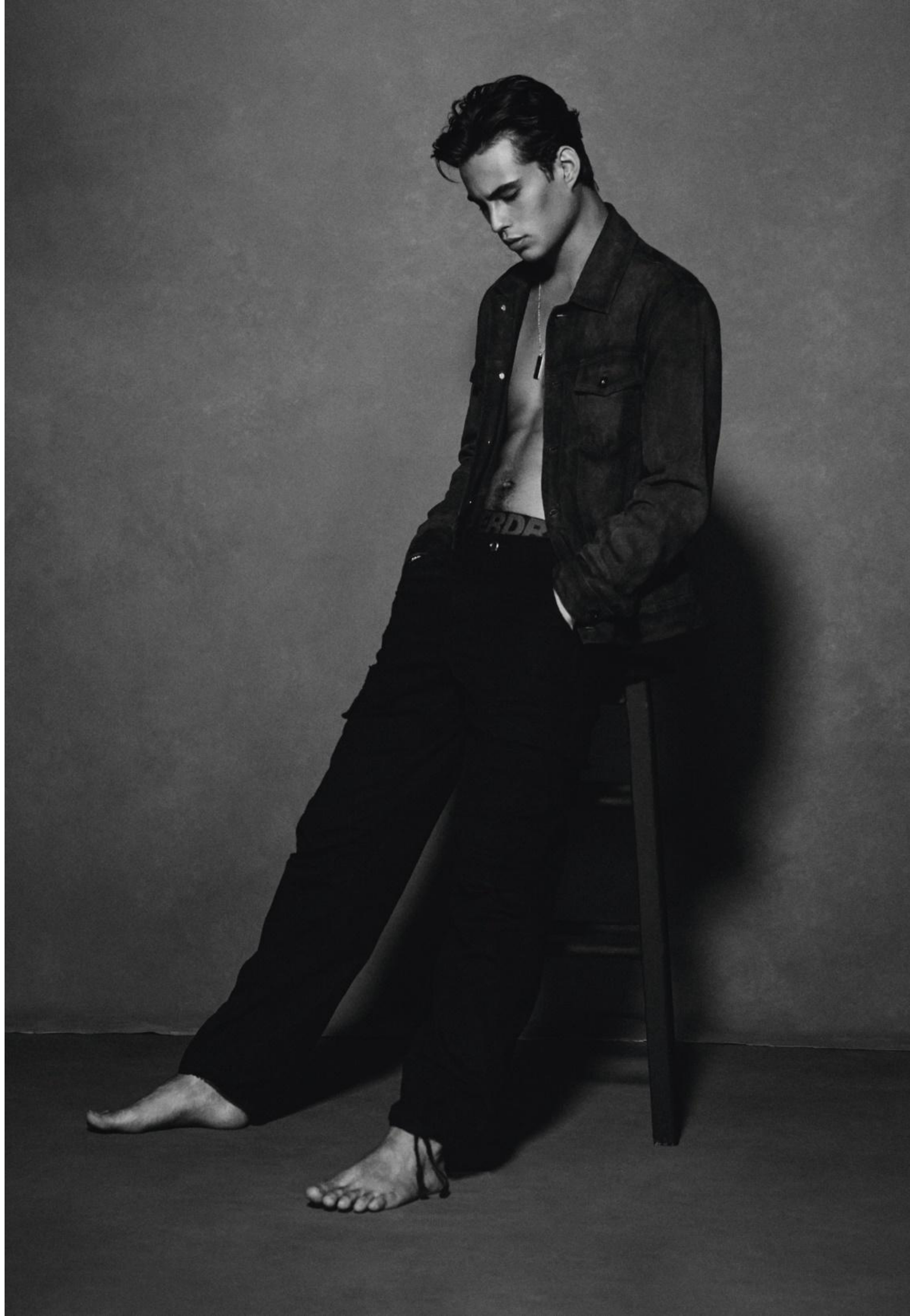
26 October 2019

12 December 2019

Half Year Review

Decisive action and progress in addressing legacy issues

- Solid financial performance, in line with expectations before one-offs and accounting adjustments
- Full price stance improving margin and protecting brand
- Great progress on product design; increasing impact on new ranges – new design philosophy to be substantially implemented by AW20
- Improvements across all channels and all regions; decisive action being taken in China and USA
- Brand health increasing as a result of improving social media content and delivery
- Tight control of buying supports 13% reduction in stock yoy
- Strengthened Executive team focussed on stabilising business



Half Year Review

Delivering against operational milestones set out in July 2019

Key Operational Milestones: Pre-Xmas - Delivered

- ✔ Design Lab injections: 400 new options in store and online
- ✔ Store options: +25% across the estate since start FY20
- ✔ Ecommerce options: +8,000 legacy options online
- ✔ Ecommerce fulfilment: live in 20 stores
- ✔ Wholesale range: 40% increase in range for AW20
- ✔ Reduction in air freighted stock: >50% reduction
- ✔ Store rental review: 6 renewals, saving c30%
- ✔ Close excess US warehouses: 2 closed, 1 agreed July 2020
- ✔ Black Friday promotion: biggest ever online day
- ✔ New team recruitment: key senior roles filled

Black Friday

Strong 8 day event, although substantial amount of peak trading period still to come

- **Expanding the sales opportunity:** c.12k options listed online vs c.4k LY and c5% more stock in stores
- **Expanding the customer reach:** Social and online activities driving c.7m visitors to site over 50% up on LY
- **Protecting full price stock:** Online selected products 20%-50% off vs 20% off everything LY. Return spend voucher in store driving ABV vs 20% off everything LY
- **Delivering great efficiency:** ½ million packages dispatched in 8-day period at CPU 20% lower than LY
- **Supporting stock reduction:** 0.6m units of clearance stock sold vs predominantly current season LY
- **Results in:** biggest online trading day ever and supports increase in cash contribution YOY

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Financial Overview

Nick Gresham, CFO

FY20 Half Year - Financial Overview

Addressing legacy issues across the business reflected in results

£m	FY20	FY19	%
Underlying Results (pre-IFRS 16)			
Group revenue	£369.1m	£414.6m	(11.0)%
Gross margin	56.3%	56.4%	(10)bps
Underlying profit before tax*	£0.2m^	£12.9m	(98.4)%
Basic EPS	0.2p^	11.9p	(98.3)%
Dividend per share	2.0p	9.3p	(78.5)%
Net (debt) / cash position	£(9.3)m	£19.2m	-
Statutory Results (post-IFRS 16)			
IFRS 16 adjustment	£(2.5)m	-	-
Other (debits)/credits excluded from underlying results	£(1.9)m	£13.5m	-
(Loss) / profit before tax	£(4.2)m	£26.4m	-
Statutory basic earnings/(loss) per share	(7.9)p	24.7p	-

* Underlying profit before tax includes an expected £15.9m benefit from lower depreciation and the utilisation of the onerous lease provision

^ See note 20 in RNS for APMs.

Note: Following an internal review, we have booked one-off charges in the period of £3.1m relating to accounting estimates for inventory and £6.9m in relation to debt recoverability. In addition a prior year, non-cash adjustment to stock of £3.9m has been recognised impacting H219 profit

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Group Revenue

H1 revenue decline of 11.0% reflects reset and full price stance, protecting margin and brand

Owned stores (11.7)%

- LFL declines of (11.8)% as we lap non-comparable promotional periods
- Impact of store density and option count initiatives driving improving Q2 vs Q1 performance
- Full price sales mix in stores averaging 70% versus 52% in H119

Ecommerce (10.7)%

- Declines from full price trading stance on owned sites offsetting benefits from increased online options
- Site developments improving customer experience and supporting stronger Q2 trading
- Third party performance improved, as a result of better product ranking and the introduction of new platforms (including Next and Shop Direct)

Wholesale (10.3)%

- Timing impact of delaying deliveries of forward order product to align to wholesale customers needs
- 13 net franchise openings in H1 20; ~60 expected for the FY

Channel	Q1	Q2	H1
Stores	(14.0)%	(9.4)%	(11.7)%
Ecommerce	(12.2)%	(9.5)%	(10.7)%
Wholesale	(1.9)%	(13.6)%	(10.4)%
Total	(10.2)%	(11.5)%	(11.0)%

Note: Revenue figures include a £1.3m adjustment relating to IFRS 15 (Revenue), which was not included in the pre-close trading update on the 7 November 2019

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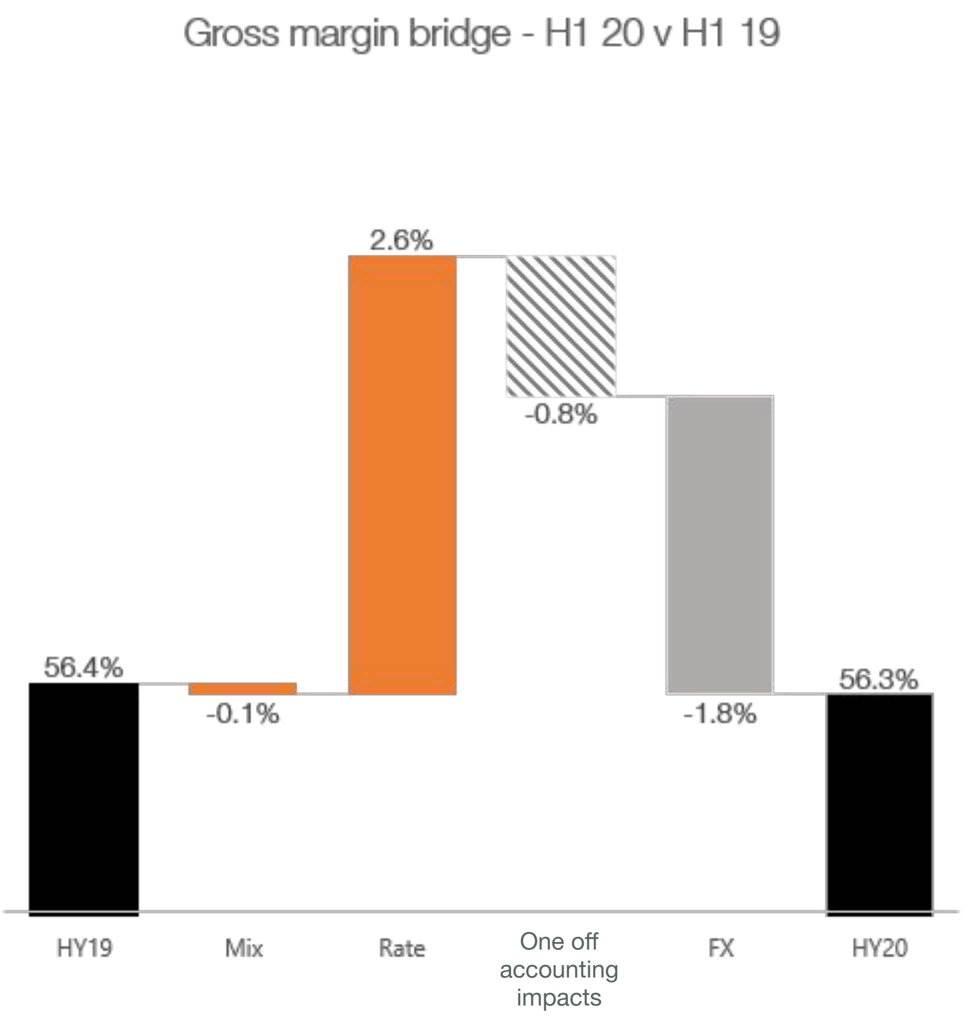
Gross Margin

Strong underlying gross margin growth across all channels, benefitting from full price stance

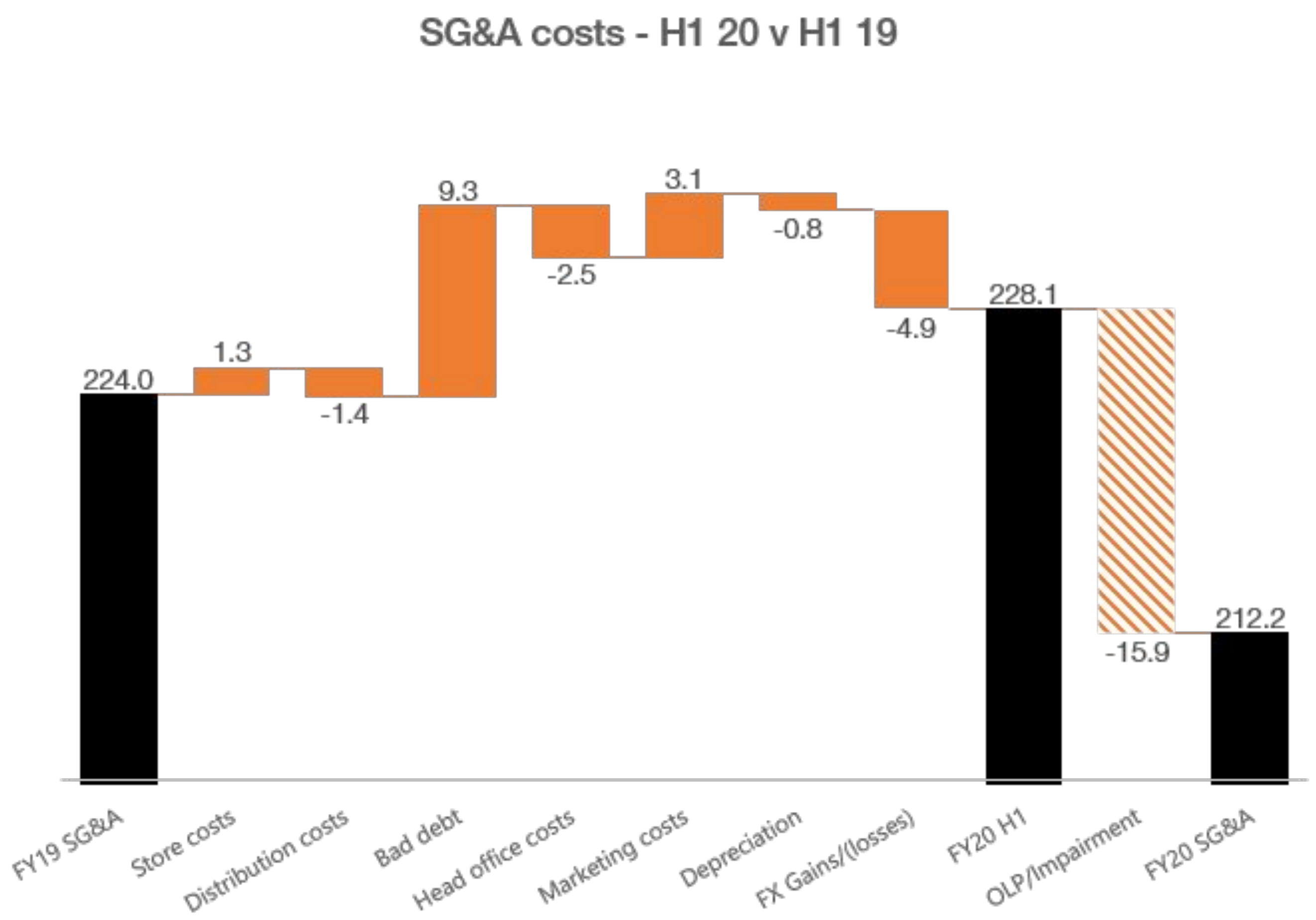


Gross Margin By Channel	FY20	FY19	Change (AER)	Change (CER)
Retail	66.3%	65.5%	+80bps	+200bps
Stores	*68.9%*	*66.5%*	*+230bps*	*+350bps*
Ecommerce	*59.4%*	*62.8%*	*-340bps*	*-220bps*
Wholesale	42.3%	43.4%	-110bps	+150bps
Total Gross margin	56.3%	56.4%	-10bps	+170bps

- Underlying gross margin increase of 250bps, driven by full price participation in owned channels, particularly stores which grew 230bps
- Ecommerce margins -340bps as a consequence of 3rd party mix at a lower margin, exacerbated by new operating models with Next and Shop Direct
- Wholesale margin decreased -110bps reflecting trading pressures
- Strong FX headwind (-180bps), driven by increased cost of sales due to stronger USD
- Stock accounting adjustments dilute total gross margin by 80bps, affecting all channels

SG&A Cost

Cost efficiencies and FX benefits more than offset by specific bad debts

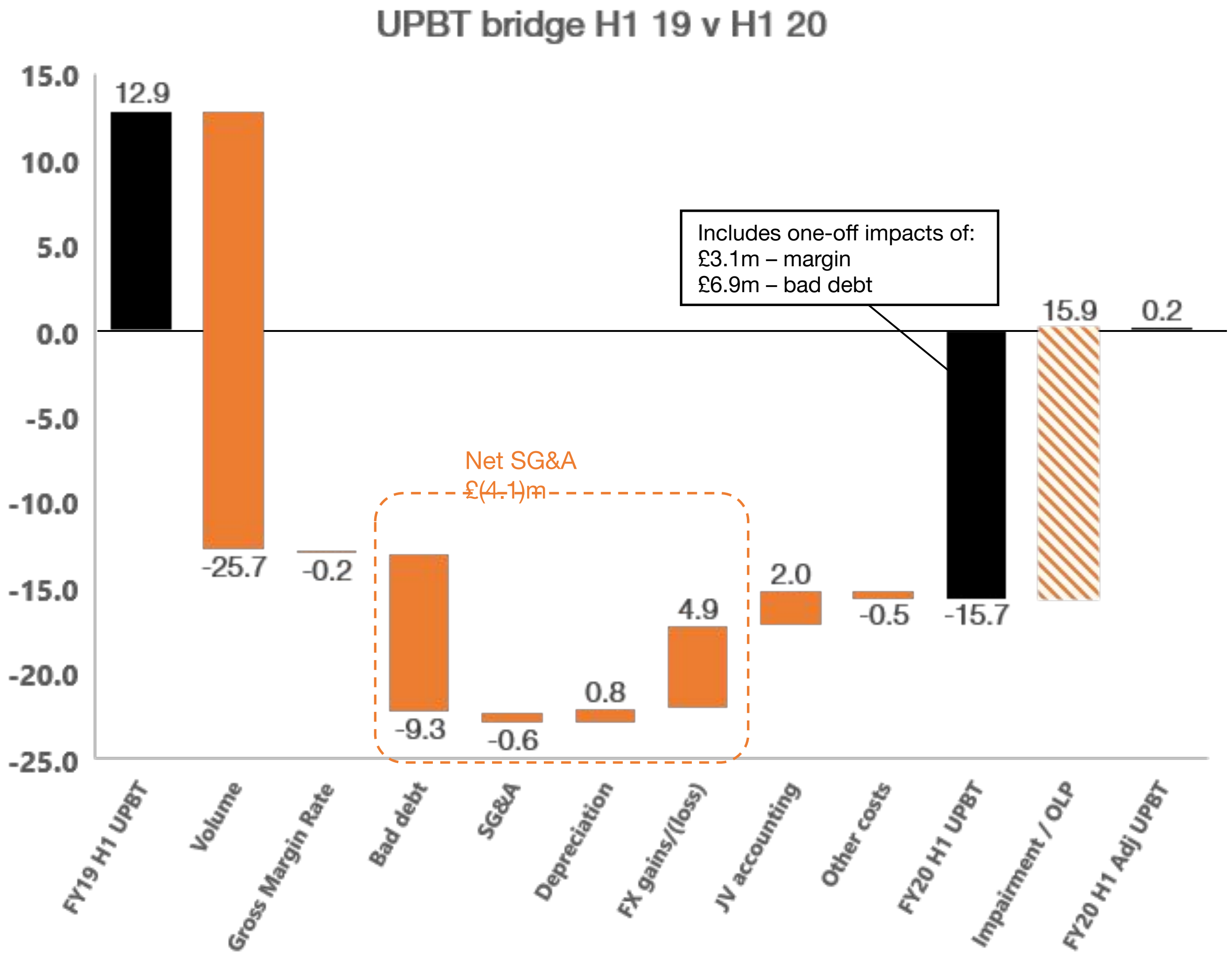


FY20 H1 Performance

- Net SG&A costs increased 1.8% (£4.1m)
- Store costs increased reflecting annualisation of FY19 openings and inflationary impacts
- Reduced distribution costs predominantly from volume driven savings
- Bad debt increased £9.3m including £6.9m relating to specific large foreign accounts, and receivables due from our China JV
- Central cost efficiencies benefitting H1, offsetting an increase in marketing costs (+£3.1m yoy)
- Depreciation down 27.5% due to the unwind of the store impairment in Q4 FY19 (£5.4m benefit) plus reduced capex spend since start of FY19
- No impact from FX in H1 20, compared to a £4.9m drag last year

Underlying Profit Before Tax

Year on year profit decline as a result of sales declines



Margin Drivers

- Underlying rate improvement from reduced promotion offset by FX headwinds and accounting adjustments
- Revenue declines of 11.0% driving £25.7m margin shortfall year on year

SG&A Drivers

- Specific bad debts relating to large foreign accounts
- Store cost increases from new openings in FY19, and inflationary pressures (payroll, utilities), more than offset by onerous lease provision utilisation
- Decreased distribution costs from Ecommerce volumes and US DC closures

Other Impacts – (inc Depn, Other, Imp/OL)

- Reduced impact from FX in H1 20
- JV accounting benefits due to full write down of investment at FY19

Accounting impacts

- Release of onerous lease provision and impairment totalling £15.9m

Note: projected release for FY20 was £15.1m at constant currency, updating for actual rates has resulted in a £0.8m gain

IFRS 16 impact

Limited impact on P&L and Balance Sheet

- Adopted from 27 April 2019 using the modified retrospective transition approach applying all relevant practical expedients
- Discount rates ranging between 0.1% and 8.5%, derived using BBB rated corporate bonds
- £33.7m reduction in rental charge (£44.4m) offset by reduction in onerous lease provision utilisation (-£6.0m)
- £(27.3)m additional depreciation on Right Of Use asset
- H1 UPBT +£3.5m, though a net £(2.5)m impact after adjusting for the onerous lease provision utilisation (due to practical expedient)
- Immaterial impact on net assets (-£0.1m)

Full year guidance

- Expect full year P&L drag of ~£4.0m

P&L	H1 20 pre-adj	IFRS 16 adj	H1 20 post-adj
Sales	369.1	-	369.1
Gross margin	207.8	-	207.8
Rental charge	(40.6)	*33.7*	(6.9)
Depreciation	(21.8)	*(27.3)*	(49.1)
Other costs	(160.4)	-	(160.4)
FX and Interest	(0.7)	*(2.9)*	(3.6)
Underlying PBT	**(15.7)**	***3.5***	**(12.2)**
OLP utilisation	10.5	*(6.0)*	4.5
Impairment release	5.4	-	5.4
Adjusted PBT	**0.2**	***(2.5)***	**(2.3)**
Non-IFRS16 exceptionals	(1.9)	-	(1.9)
Adjusted PBT	**(1.7)**	***(2.5)***	**(4.2)**

Balance Sheet	H1 20 pre-adj	IFRS 16 adj	H1 20 post-adj
Non-current assets	151.2	*254.6*	405.8
Current assets	380.2	*0.2*	380.4
Total assets	**531.4**	*254.8*	786.2
Other liabilities	(166.7)	*(339.0)*	(505.7)
Onerous lease provision	(69.4)	*42.4*	(27.0)
Lease incentives	(42.4)	*41.6*	(0.8)
Deferred liability	-	*(1.7)*	(1.7)
Total liabilities	**(278.5)**	*(256.7)*	(535.2)
Net assets	**252.9**	*(1.9)*	251.0

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Working Capital

Significant reduction in inventories, offsetting an improvement in supplier payment practices

Inventories down £28.9m yoy

- Significant 13.0% decrease in inventories yoy, despite lower sales and inherited stock position
- Driven by disciplined forward season buy, and targeted clearance activity
- Includes £3.1m one-off charge relating to accounting estimates for inventory

Trade receivables down £8.6m

- 6.2% reduction in receivables, given decrease wholesale revenues (-10.4%)
- Additional challenges on bad debt predominantly from previous season sales to large foreign accounts and China debtors (of which £6.9m are one-off in nature)

Trade payables down £(21.4)m

- 16.0% reduction in trade payables following substantially improved payment practices yoy

£m	H1 FY20 £m	H1 FY19 £m	*YoY £m*	*YoY %*
Inventories	193.0	221.9	*(28.9)*	*(13.0)%*
Trade & other receivables	130.5	139.1	*(8.6)*	*(6.2)%*
Trade & other payables	(112.6)	(134.0)	*(21.4)*	*(16.0)%*
Working capital investment	**210.9**	**227.0**	***(16.1)***	***(7.1)%***

* A prior year adjustment has been made to closing inventory for H2 FY19. The total amount written off was £3.9m.

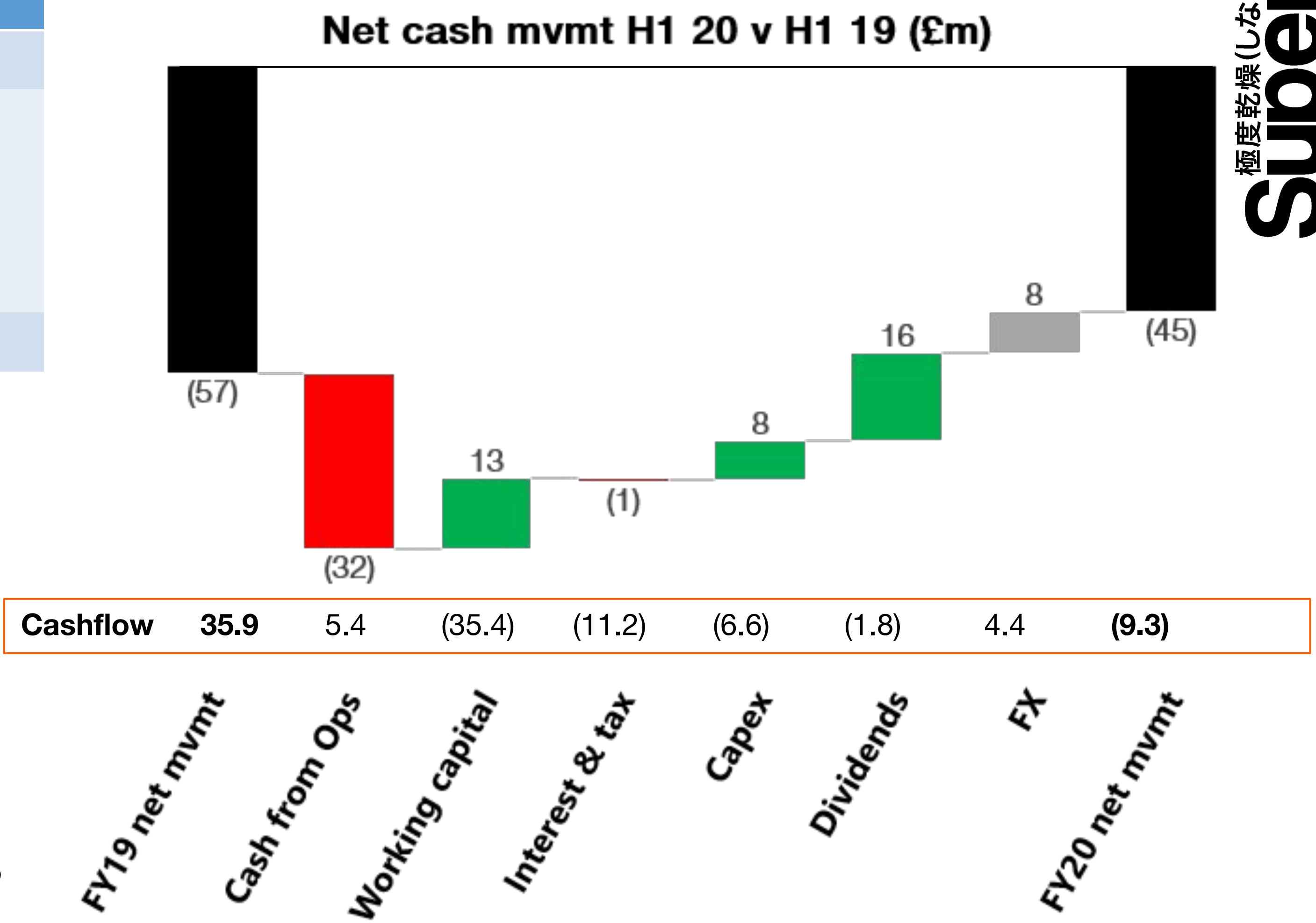
Cash Flow

Tight control of cash and borrowing offsetting shortfall in trading cash flows

£m	FY20	FY19
Opening net cash	**35.9**	**75.8**
Net increase/(decrease) in cash	(4.3)	(56.6)
RCF drawdown	(30.0)	-
Overdraft	(10.9)	-
Closing net cash	**(9.3)**	**19.2**
Average borrowing	**(27.2)**	**(4.6)**

Cash movement drivers

- Lower cash from operations £5.4m (FY19: 37.7m) from lower sales receipts as we transition to full price
- Working capital +£13m yoy, with significantly reduced inventory growth offset by improved payables practices, and increased trade and other receivables
- +£8m yoy benefit from disciplined capex management, driven by capital light store improvements, and fewer infrastructure projects
- +£16m benefit from lower FY19 full year dividend v FY18
- Net cash position of £12.3m as at end of November 2019



Financial Guidance

Revenues – sequential improvement on H1, but still yoy decreases in H2

- Expect H2 to decline low single digits, leading to mid-single digit FY declines
- H2 a sequential improvement, particularly in Ecommerce channel, as product, marketing and consumer demand accumulate

Gross margin – H2 underlying margin in line with H1

- Full price stance to continue improving retail margins, accelerating in H2
- Limited drag from channel mix, but Ecommerce 3rd party dilution to continue

Costs - Reduce slightly year on year

- Savings from store costs (rent renegotiations), logistics and central office efficiencies
- Mitigating investments being made in focus areas such as Marketing, Design and Ecommerce

Profits

- We expect forecast estimates for FY20 to reflect the one-off charges taken in H1 20, totalling £10m
- Profitability dependent on remainder of peak trading, and end of season sale performance

Cashflow

- Tight control on capex and working capital; expect year end closing cash to be above FY19

Strategy Update

Julian Dunkerton, CEO

Strategic & Operational Review

Strategic Imperatives

Strengthened Executive Leadership

Team substantially in place, with Retail Director and General Counsel to be announced shortly

Julian Dunkerton,
Chief Executive

Cofounded SDRY in 2003

Largest shareholder (18%)

After stepping down from the CEO position in 2015 Julian was reinstated in October 2019 to reignite the original passion of the brand.

Committed to restoring Superdry to growth and to fulfil Superdry's potential as a global retail phenomenon

Nick Gresham,
Chief Financial Officer

Joined in June 2019
30 years' of retail experience (Debenhams, Virgin Retail, HRG, Homebase, WiggleCRC)

Phil Dickinson,
Creative Director

Joined in January 2019
Over 20 years' experience of creative leadership (Nike) and establishing SOME IDEAS (a London-based creative agency)

Lucy Maitland Walker
Global Merchandising Director

Joined in January 2019
Over 25 years' experience of international buying and merchandising

Jon Wragg
Wholesale & E-commerce Director

Joined in April 2014
30 years' of retail experience of which 20 years are held in ecommerce (Asda/ Walmart, ShopDirect Group)

Shaun Packe
Global Sourcing & Sustainability Director

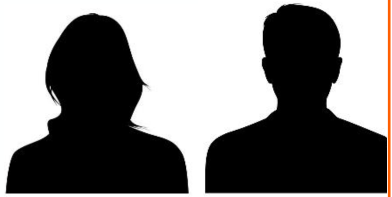
Joined Executive Team in August 2019 (SDRY, 2011)
25 years' experience in retail apparel

Guy Youll
Group Human Resources Director

Joined Executive Team in August 2019 (SDRY, 2015)
10 years' experience in the HR profession (Whitbread Plc)

Gordon Knox
Logistics Director

Joined Executive Team in August 2019 (SDRY, 2013)
Over 30 years' of logistics and multi-channel retail experience (Burberry, Argos)



Retail Director

General Counsel & Company Secretary

CIO (TBC)

Joining Executive Team in early 2020

H1 Progress:

Product and Design

- Positive impact of new internal design process led by Julian, Phil and Design Lab
- Injecting constant flow of new product by AW20, accelerating frequency through FY21 - driving customer excitement and expectation
- Strengthening the Superdry brand identity, through 4 style choices and 9 consumer types
- Jackets remain key category for SDRY – represent c60% of sales; First updated design jacket landed and already a top 5 rate of sale
- On track to achieve full design influence of product for AW2020; 4,450 options for September '20 vs 2,850 November '19
- Accelerating our sustainability goals; All cotton apparel will be Organic by 2030; 10% of cotton product organic for SS20

1 BRAND
4,000+ OPTIONS
4 STYLE CHOICES
9 CONSUMER TYPES

OUR CONSUMERS

THE PEOPLE WE NEED
TO INSPIRE AND ENGAGE

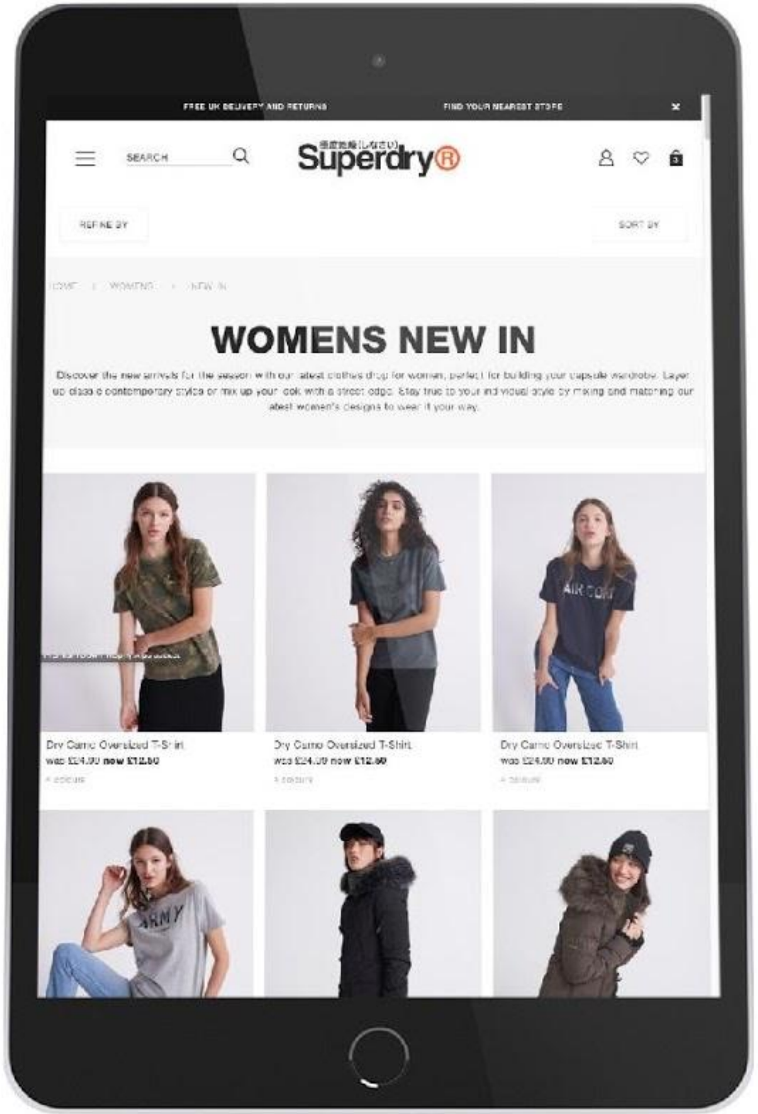
CHANNELS - STORE

H1 Progress:
Stores

- Momentum building, with Q2 sales stronger than Q1
- First round of fixture density now complete across entire estate; incremental phases being rolled through rest of FY20
- Store stock now +3% on last year, having been down -14%
- Full Price sales in Full Price stores 70% H1 vs 52% H119
- Fulfil From Stores launched in 20 stores – after 3 weeks: over 10k orders, representing c5% of online orders
- Rent negotiation success across first 6 stores – average 30% reductions

H1 Progress:
Ecommerce

- Improving customer choice and experience driving brand health
- Full Price sales on Full Price sites 49% H120 vs 38% H119
- Limited Edition emails 3x as effective as the average email
- 3rd party sites – Zalando, Next and ShopDirect – continuing to ensure product is available to a new customer base
- Important Site developments delivered pre-peak:
    - Redesigned Home and Category pages
    - Klarna payments
    - FitAnalytics
    - ZigZag (paperless) returns portal
    - Fulfil From Store



CHANNELS - WHOLESALE

H1 Progress:
Wholesale

- Full Price stance in our Retail business, and new exciting AW20 product continuing to strengthen Wholesale partnerships
- Reviewing all loss making accounts, action taken to exit from unprofitable US contracts
- Timing impact of AW19 shipments to align to customers' needs – Q3 will benefit from these sales being despatched later yoy
- Net 13 franchise store openings in H1, including strategic UK and Benelux partners expanding in secondary cities
- Tactical Black Friday planning driving strong H1 Promo sales

Epinal, France

Sydney, Australia

V-City, Hong Kong

H1 Progress:

Brand & Marketing

- Increasing content to ensure social first lens is adopted to optimise engagement results
- Increasing volume of posts to drive interest and traffic
- Social and YouTube advertising approach for AW19 (My Way campaign in UK, Germany and France)
  - 3x increase in ecommerce traffic from social and associated sales
- AW19 SDRY Different Campaign Approach: Worked with leading influencers to support the campaign, a combined reach of 2.5m+ Instagram followers with pulsed activity from each influencer over a 4 month period
- Number of platforms and accounts being amalgamated to improve brand content and reach

3.5 MILLION

SDRY followers across all social platforms

50.5%

IG followers have grown 50.5% YoY

1.5%

Engagements in posts has increased 1.5% YoY

H1 Progress:

Continuing to evaluate the positioning and possible scale of key international markets

USA – To be successful, we need to capitalise on a landlord-funded, owned retail estate opportunity

- Tackling costs and unprofitable activity: Reducing HO cost, exiting loss making contracts, negotiating with landlords
- Enhancing the customer experience, as per UK/Europe actions
- Two excess warehouses now closed, third to close in July 2020
- Optimising pricing structure to improve margins

China – To be successful, we need a profitable franchise model, supported by tailored product

- Local manufacturing: reducing lead time from 10 to 2 months, improving margins
- Focus on graphic product, local design, fit and weight
- Tackling costs: Reducing HO costs, logistics savings
- Reviewing store performance: 2 closed, 5 reduced in size

H2 Focus

Accelerating the reset of the business

Brand

- Brand launch of SS20 and arrival in store / online
- Amplification of social media marketing strategy through collaborations and influencers

Product and Design

- Increasing impact of the new design philosophy, supported by short-lead time product
- Intense Forward sales drive of new AW20 product

Channels

- Finalise roll out of fixture density across Europe and USA; acceleration of lease negotiations
- UK rollout of Fulfil From Store, European and USA trials
- Real estate review and acceleration of lease negotiations
- Continuation of ecommerce developments, including launch of new App, with pre-order functionality

Operations

- Single stock location in USA and preparations for closure of 3rd warehouse in July 2020
- Completion of strategic review of growth opportunities in USA and China

Corporate

- Completion of executive team appointments
- Completion of 3-year strategic plan and SG&A spending review

Appendix

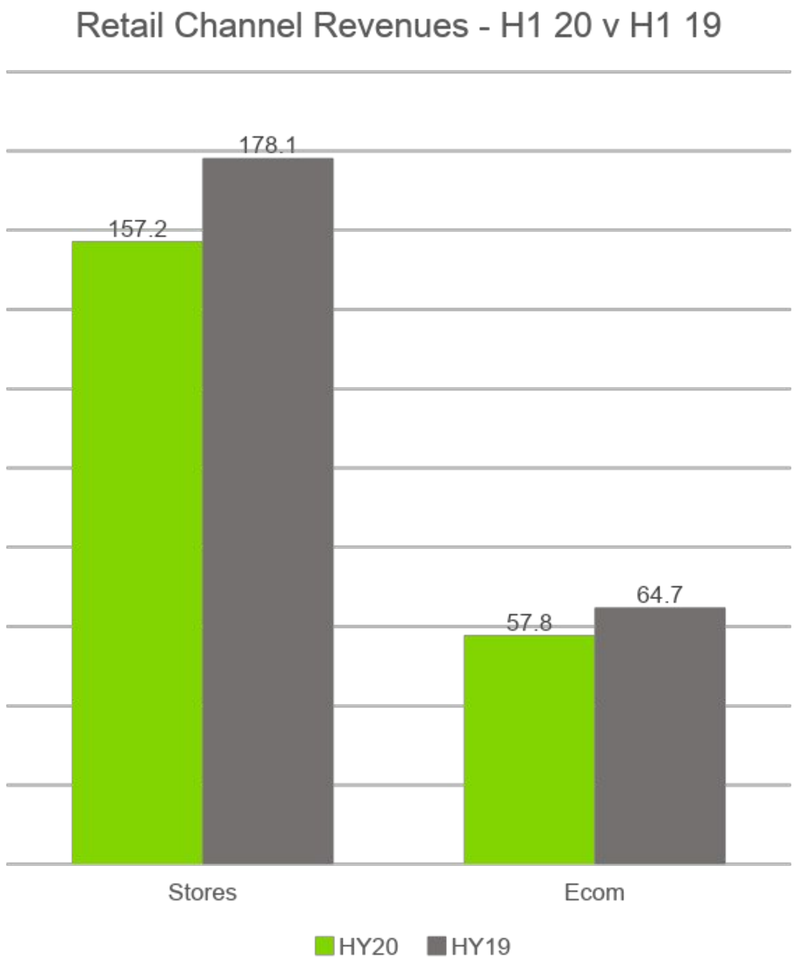
Retail

Declining revenues as we lap non-comparable promotional periods; Good growth in underlying margin, particularly in owned channels

Retail Performance	FY20	FY19	%
External revenues	£215.0m	£242.8m	*(11.4)%*
Gross margin	66.3%	65.5%	*80bps*
Underlying operating profit	£5.1m	£5.9m	*(8.9)%*
Underlying profit margin	2.4%	2.4%	-
Average space growth	0.1%	9.4%	*(9.3)%pts*
Store LFL	(11.8)%	(6.2)%	*(5.6)%pts*

H1 FY20 Performance

- Store revenues down 11.7% in H1 20, improving to 9.4% in Q2. LFLs of 11.8% in line with total revenue growth due to flat average space growth (+0.1%)
- Ecommerce declines of 10.7% as we transition to a full price stance, with significant periods of non-comparable promotional activity.
- Full price participation 70% in H1 FY20 (versus 52% H1 FY19)
- Gross margin up 80bps driven by:
  - Strong growth in store margin, up +230bps
  - Ecommerce margins down (340)bps, with increases in owned sites offset by both channel mix (with lower margin 3rd party channels growing faster), and the introduction of new, lower margin operating models with Next and Shop Direct



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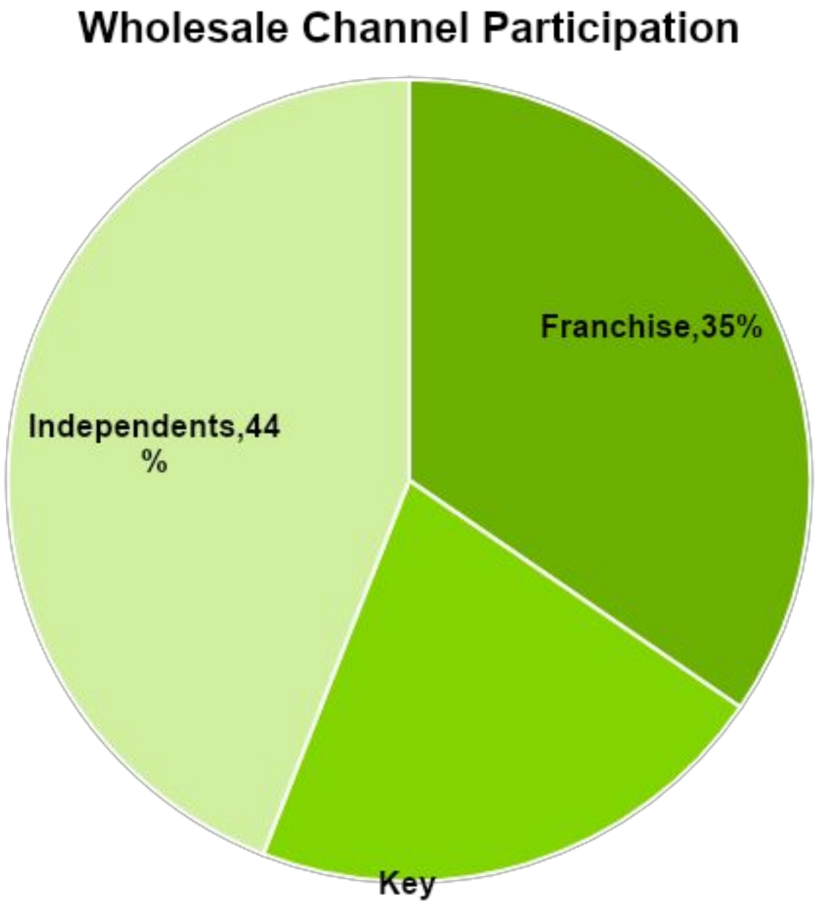
Wholesale

H1 performance impacted by realignment of deliveries to customers, and weak forward orders following sustained FY19 discounting

Wholesale Performance	FY20	FY19	%
External revenues (£m)	154.0	171.8	*(10.4)%*
Gross margin (%)	42.3%	43.4%	*(110)bps*
Underlying operating profit (£m)	£42.0m	£52.3m	*(19.7)%*
Underlying profit margin	27.3%	30.4%	*(310)bps*



H1 FY20 Performance

- Revenue down 10.4% yoy, with forward order sales impacted by weak FY19 performance following sustained discounting in the retail channel
- Strong in-season order growth along with targeted promotional sales, partially offset by the timing of clearance activity
- Gross margin impacted by accounting adjustments and FX headwinds
- Operating margin negatively impacted by increased distribution costs, including rationalisation of DCs in the US, plus increased marketing spend yoy
- 13 net franchise openings, including openings in India (5), UK (3) and Germany (2), offsetting closures in Norway (9) and Russia (4)]

Capital Investment

Continued discipline on capital expenditure, with reductions in both store and infrastructure spend

Owned store portfolio

- Significantly reduced space growth in FY20 results in a further decrease of £2.6m in owned store capex vs FY19.
- Consistent level of spend to support franchise store growth

Infrastructure investment

- Reduction in overall infrastructure investment, but with a focus on technology:
  - RFID
  - Modular automation
  - Ecommerce developments
  - IT systems

£m	FY20 £m	FY19 £m
Store portfolio		
New stores	0.0	1.9
Existing stores	1.4	2.1
Franchise stores	1.1	0.9
Total store portfolio	**2.5**	**4.9**
Infrastructure		
IT and Digital	4.8	5.2
Distribution	1.3	2.0
Head office	0.2	2.2
Total infrastructure	**6.2**	**9.4**
Total capital investment	**8.7**	**14.3**
Capital creditor	(1.8)	(0.2)
Per cash flow	**6.9**	**14.1**

Impairment and onerous lease provision

Profile for the provision release adjusted following IFRS16 adoption

Practical expedients

On transition to IFRS16, SDRY elected to apply the following practical expedients:

- Applying the low value exemptions and short term exemptions for leases <12mths remaining
- Exclusion of initial direct costs for the measurement of the ROU asset at initial application
- Use of hindsight in determining the lease term where the contract contains options to extend or terminate
- Utilise the onerous lease provision to reduce the ROU asset rather than undertaking an impairment review

- As a consequence of this final expedient, we update the forecast release profile for the provision unwind.
- Post-IFRS16 implementation, the remaining Onerous Lease Provision relates to lease obligations which are outside the scope of the new standard, including variable turnover-linked rental charges, leases expiring in fewer than 12mths, service charges and rates:

Updated exceptional unwind profile (post-IFRS16):

Post-IFRS 16 release profile	H1 20 UPBT (£m)	H2 20 UPBT (£m)	FY20 UPBT (£m)	FY21 UPBT (£m)	FY22 UPBT (£m)	FY23 UPBT (£m)
Impairment	5.4	5.1	10.5	9.1	7.5	5.7
OLP utilisation	4.5	1.9	6.4	5.4	4.6	4.6
Total	**9.9**	**7.0**	**16.9**	**14.5**	**12.1**	**10.3**
Previously	***15.1***	***11.5***	***26.6***	***24.8***	***19.6***	***16.5***

Notes: The actual figure for H1 20 was £15.9m, figures in table at constant currency, the £0.8m gain is FX driven.

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Thank you