

Interim Results Presentation

12th December 2012`

Superdry

Superdry

Shaun Wills

Chief Financial Officer



Financial summary

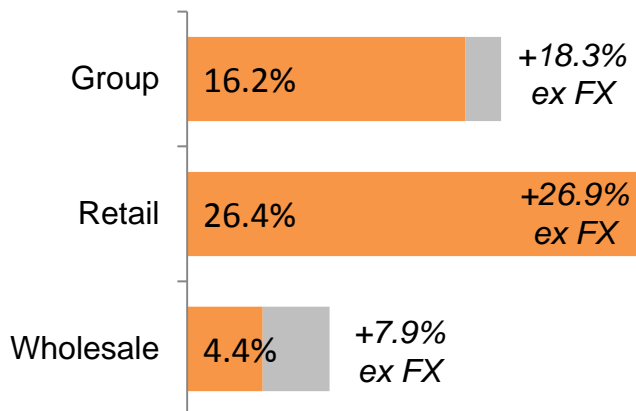


- Group sales growth of +16.2%
- Group gross margin percentage improved by 90 basis points
- Underlying profit before tax £14.7m +13.1%
- Underlying basic earnings per share 12.7 pence +8.5%
- Capital expenditure of £8.9m
- Half year end net cash balance of £16.9m (v. £8.2m LY)

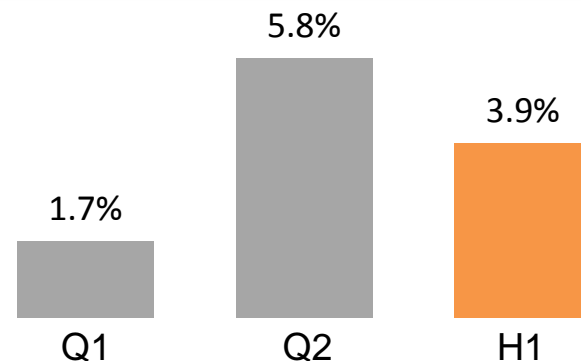
Profit and loss account

£m		2012	2011	Growth
Sales		158.2	136.1	+16.2%
Gross profit	- £m	89.0	75.4	+18.0%
	- %	56.3%	55.4%	+0.9%
Costs / Other		(74.4)	(62.4)	+19.2%
Underlying operating profit		14.6	13.0	+12.3%
Finance income and other gains		0.1	-	-
Underlying profit before tax		14.7	13.0	+13.1%
Reported profit before tax		13.9	20.3	-31.5%
Tax on underlying PBT		(4.4)	(3.6)	+22.2%
Underlying profit after tax		10.3	9.4	+9.6%
Underlying EPS (p)	- basic	12.7	11.7	8.5%
	- diluted	12.6	11.7	7.7%

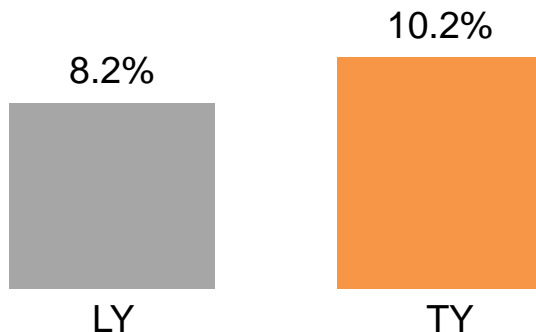
Divisional sales growth



Like-for-like sales growth



12 month internet penetration



- Consistent with many other retailers, reported LFL's include online sales
- Online sales include sales to UK and global customers, historically the latter has not had a material impact on LFL's
- In H1 online sales to overseas customers contributed approximately two and a half points to LFL's

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Gross margin



Impact on
Margin

LY gross margin

55.4%

Underlying margin improvement

1.4%

Impact of clearance operations

-0.9%

Other

0.4%

TY gross margin

56.3%

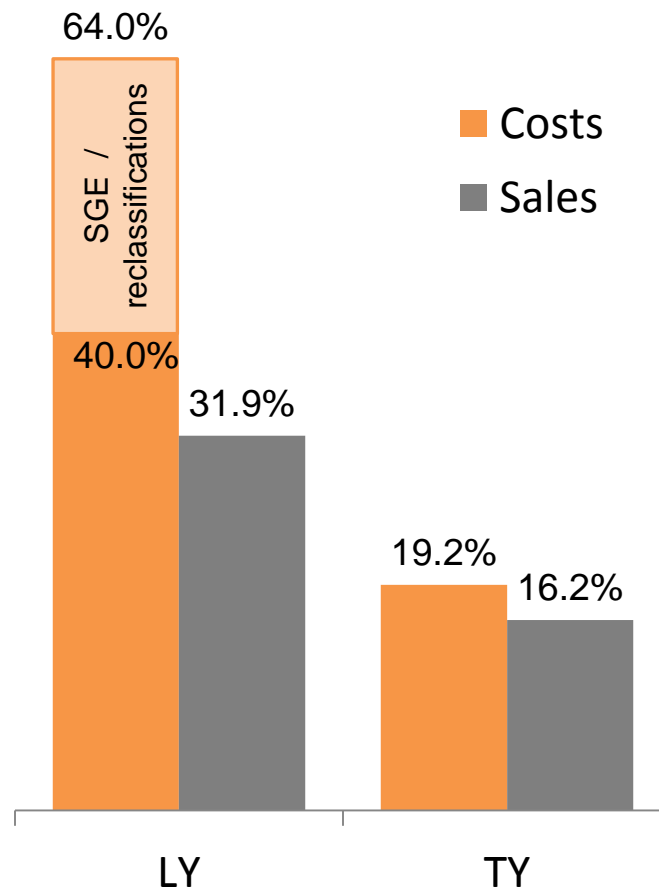
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Costs

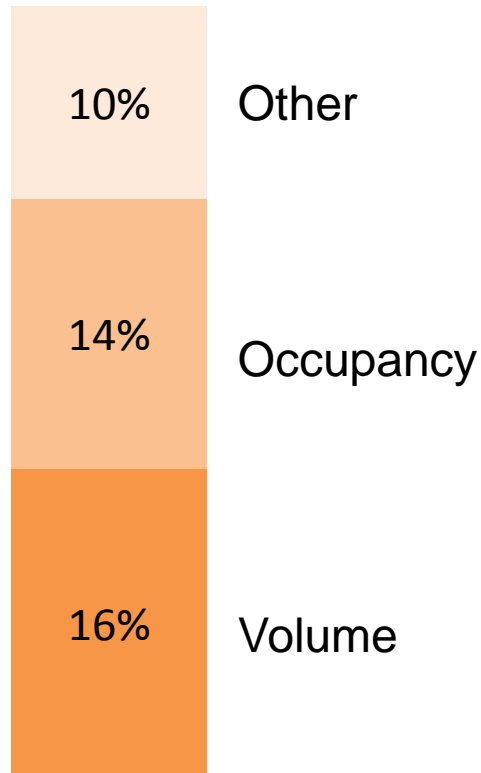
Cost growth more in line with sales growth than at year-end



- Cost management a key focus
- LFL store payroll savings under new management
- Head office costs well controlled
- Costs in warehousing & distribution +40% YOY
- Other costs have grown in line with sales or space growth

Distribution costs

Scope for efficiency gains in warehouse & distribution costs



- Volume driven increase of around 16%
- 3 DC's this year vs 2 last year, driving increased occupancy costs
- Additional investment to safeguard Christmas trading
- Current cost per unit sub-optimal



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Factors affecting H1 profit

There are a number of factors affecting the profit split in FY2013, including:

 Distribution costs	c£2.0m
 Half term shifted week 26 to week 27	c£1.2m
 Euro devaluation	c£1.4m
 Regent Street profitability weighted towards H2	c£0.5m
 Contribution from partners for stock management	c£1.0m

The Group is on track to deliver full year profit targets

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Fair value impact on profit

The acquisition of SuperGroup Europe included 662,876 deferred shares

£m	2012	2011	Growth
Underlying profit before tax	14.7	13.0	+13.1%
Deferred consideration	(2.1)	6.1	
Foreign exchange contracts	1.3	1.2	
Reported profit before tax	13.9	20.3	-31.5%
Fair value at April (£3.50/£15.86 per share)	(2.3)	(10.7)	
Fair value at October (£6.70/£6.24 per share)	(4.4)	(4.6)	
Fair value (loss)/gain	(2.1)	6.1	

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Taxation

£m	2012	Tax rate
Underlying profit before tax	14.7	
Profit multiplied by the hybrid UK rate - 23.9%	3.5	23.9%
<i>Tax impact of:</i>		
Non qualifying depreciation and expenditure	0.4	26.6%
Amortisation of Regent Street lease premium	0.1	27.3%
Overseas profits taxed at a higher rate (34%)	0.2	28.7%
Tax adjustment relating to the prior year	0.2	29.9%
Underlying income tax expense	4.4	29.9%
Reduction in cash tax due to deferred tax	(1.7)	18.4%
Cash tax for the period	2.7	18.4%

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Cash flow

£m	2012	2011
Cash inflow from operating activities	22.3	18.3
Change in working capital	(26.9)	(9.4)
Tax paid	(1.9)	(4.5)
Purchase of property, plant and equipment	(8.9)	(17.9)
Purchase of intangible assets	(0.3)	(15.2)
Landlord contributions	1.9	4.9
Other	(0.1)	(0.4)
Cash outflow	(13.9)	(24.2)



Current segmental analysis



	Retail	Wholesale	Group costs
Sales & gross profit	UK & ROI stores Online (UK and ROW) Outlets and eBay Trade sales	Wholesale Franchise SGE Retail (Benelux stores) Trade sales	NA
Direct costs	Store costs Distribution costs	Store costs Distribution costs	NA
Central overheads	Retail operations Merchandising E-commerce Finance	Sales & customer services Sourcing Design Marketing Finance	PLC costs IT HR Legal Property Finance

Revised segmental analysis

	Retail	Wholesale	Group costs
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Revised segmental analysis - revenue

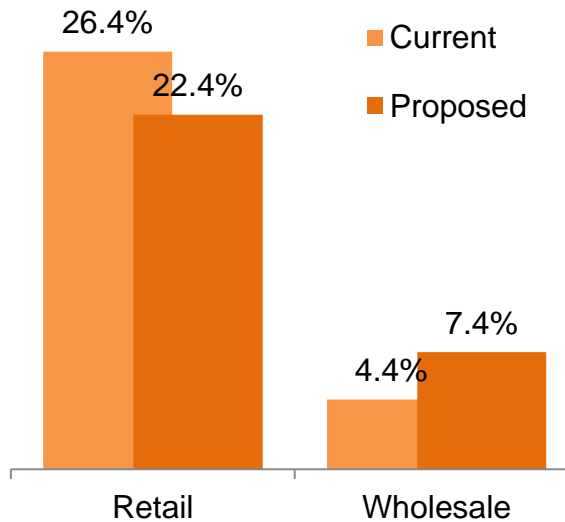


Sales

Current		
£m	TY	LY
Retail	92.4	73.1
W'sale	65.8	63.0
Total	158.2	136.1

Proposed		
£m	TY	LY
Retail	98.5	80.5
W'sale	59.7	55.6
Total	158.2	136.1

Sales growth



Profit


£m	Curr.	Pro.
Retail	7.1	11.4
W'sale	15.1	18.2
Costs	(7.5)	(14.9)
Total	14.7	14.7

Geographic segmentation



- No change to current reporting but guidance on how international e-commerce is affecting LFL numbers
- Mid-term (when material) split into UK and Rest of World retail and wholesale
- Longer term (when material) split into UK, Europe and Rest of World retail and wholesale



A close-up photograph of a blue denim garment. A metal button is visible, embossed with the text "SUPERDRY UNION FOUNDRY" and a small logo. Below the button, there is red embroidery on the fabric. The denim has yellow stitching.

Susanne Given

Chief Operating Officer

Key areas of focus

- Store operations
- Merchandising
- Infrastructure
- Sourcing
- Real estate
- E & M-commerce



IT development

2012

2016

Short- to mid-term

Merchandise Management

UK Point of Sale

Finance System

H.R. System

Longer term

Merchandise Planning

Europe PoS

Wholesale System

Multi Channel Developments

Supply Chain Systems



Logistics and distribution - future



- Tender of UK third party logistics (3PL) contract implemented through a ***staged, risk-managed approach***
- Tender of UK carrier service contract - will be fully implemented by Q4 FY13
- Existing SuperGroup Europe and Wholesale 3PL has capacity for 3 years of current projected growth

Key areas of focus

- Store operations
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- Real estate
- E & M-commerce



First half store openings

Owned and franchise

UK

+2

Europe

+21

Rest of the World

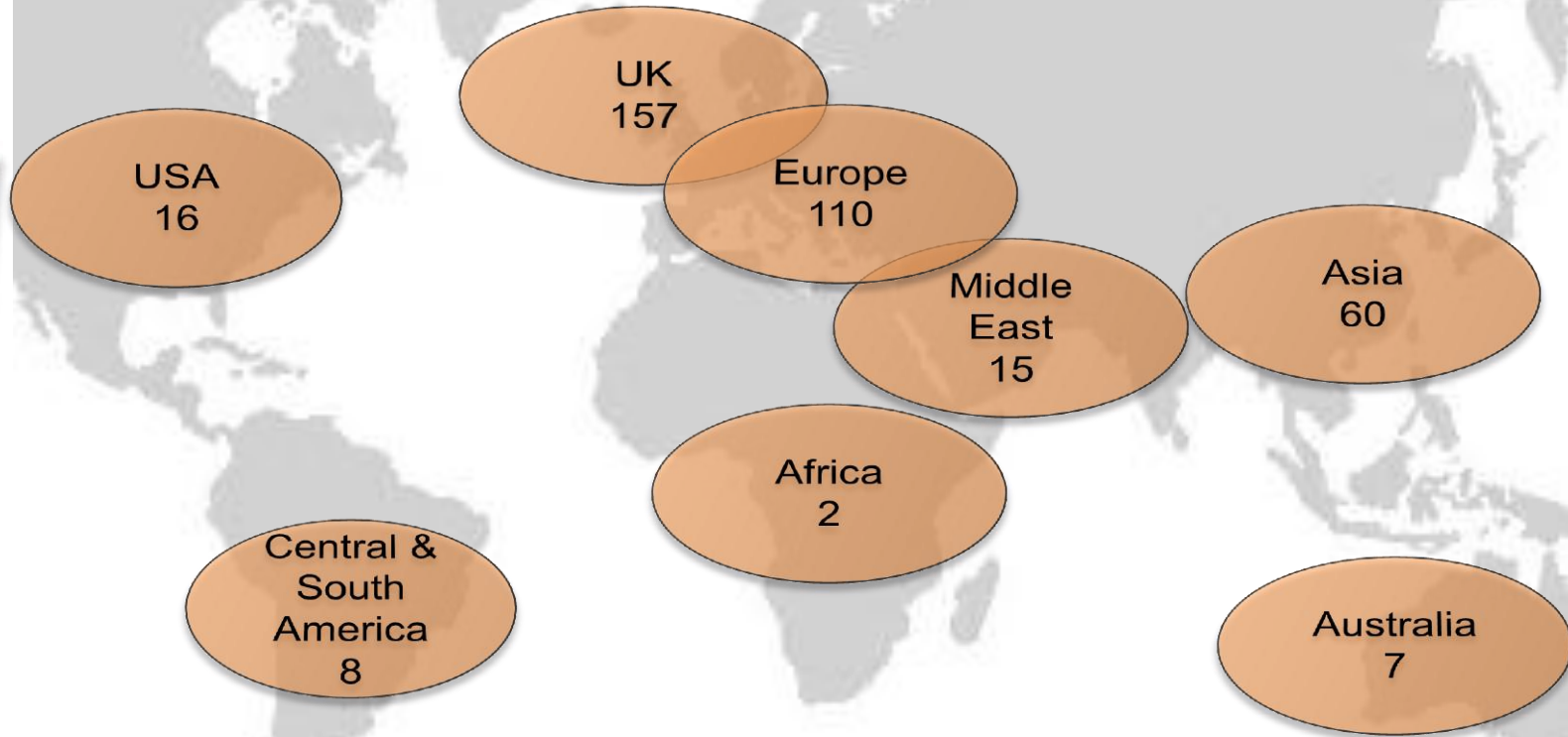
+14



World wide Superdry coverage



375 retail locations*



93 shops added in last 12 months; 45 since year end

* Includes licensed stores and concessions

Stores



- Little owned space opened in the first half as we take stock of expansion opportunities
- Quality European locations being sought; progress made on larger UK-style footprint stores: Oberhausen opened in November in Germany



Oberhausen, Germany



Stores

- Franchise openings ahead of expectations – 35 in the first half versus 'minimum of 30' planned for the full year



極度乾燥(しなさい)
SuperdryStore.
india

Julian Dunkerton

Chief Executive Officer



Still getting strong UK coverage...



Anna Friel



Molly King from The Saturdays



Pippa Middleton



Feame Cotton



Chris Hemsworth, Hollywood actor



Kate Winslet



Union J from X Factor



Tom Daley

...but remember the brand is global



Danii Minogue



Marc Márquez; winner of the Moto 2 championship 2012.



Lewis Hamilton



Nicole Scherzinger



Real Madrid F.C.



Felix Baumgartner; space jumper

2012

Product



Summary

- Significant sales and profit growth in a difficult economic environment
- Fundamentals of business and brand robust
- Continuing focus on operational capability and efficiencies
- Well positioned for Christmas trading
- On track to deliver full-year targets



Questions



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