



FY18 Full Year Results

5th July 2018

極度乾燥(しなさい)
Superdryplc

Introduction

Euan Sutherland, CEO

**We Design & Make
Clothes For Everyone
To Help Them Look &
Feel Amazing.**

Our Purpose...

***“We create the clothes,
you create the stories”***

Our Mission...



An Item Of Superdry In Every Wardrobe

Estimated 3bn Global Consumer Opportunity

Our Intent...

Deliver Sustainable Double Digit Profit Growth

FY18 Performance Overview

Multi-Channel Strategy Delivering Double Digit Growth

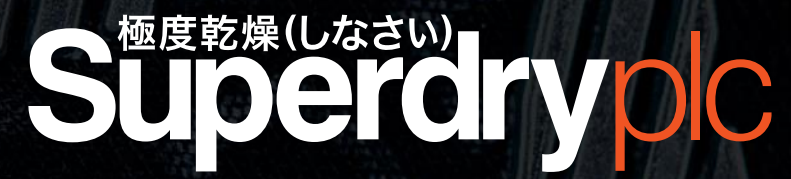
Financials

- Global brand revenue **+22.1%**
- Underlying profit before tax **+11.5%**
- 31.2p per share full year ordinary dividend **+11.4%**
- 2nd special dividend, 25.0p per share **£20.5m**

Operational and strategic progress:

- Strong growth powered by capital-light channels
- Global multi-channel operating model
- Clear brand positioning and unique product DNA

Growth In All Key Territories In FY18



Financial Overview

Ed Barker, CFO

FY18 Financial Overview

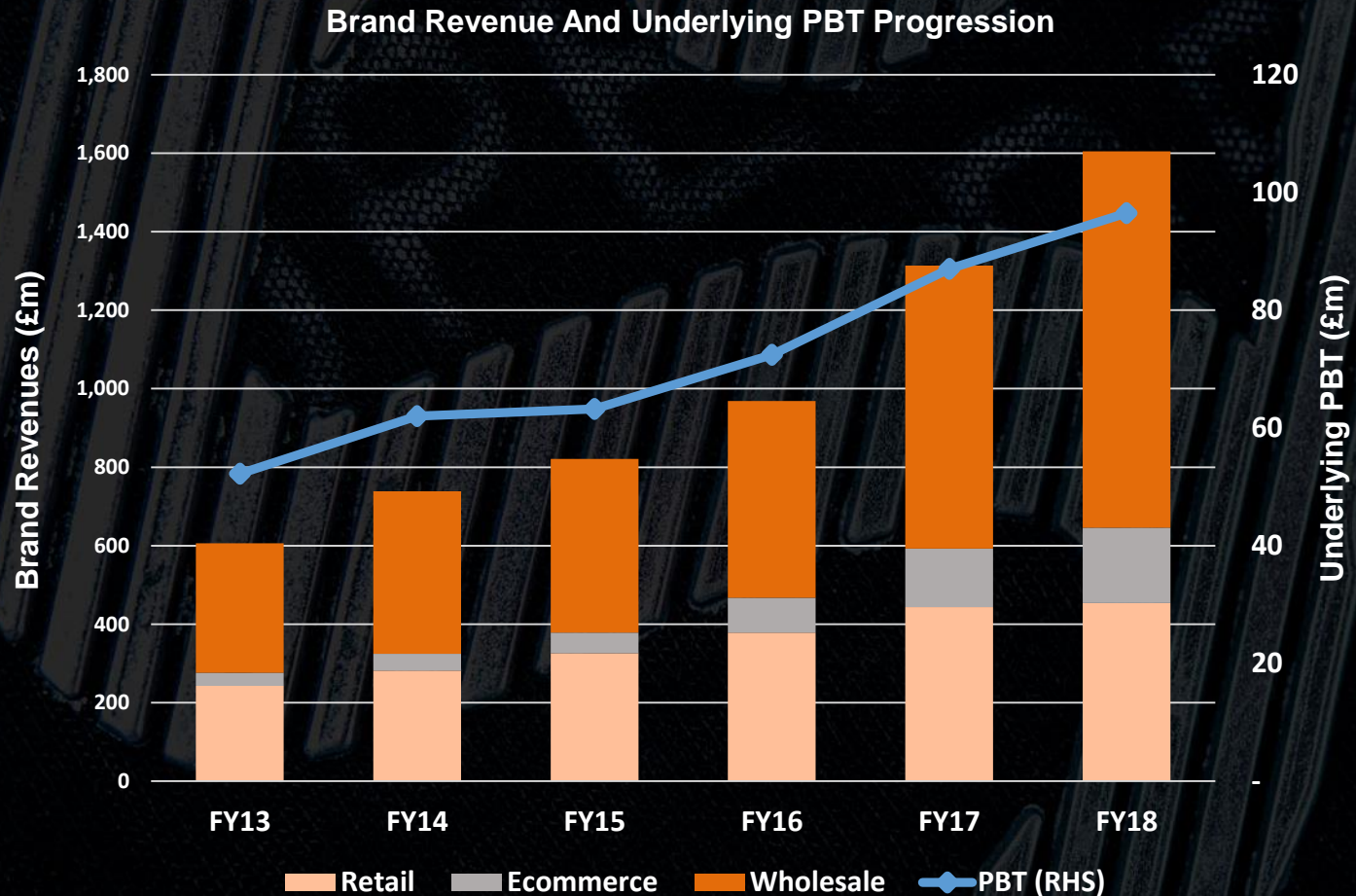
Another Year Of Double Digit Growth In Sales And Profit

£m	FY18	FY17	%
Underlying results			
Global brand revenue ¹	1,604.2	1,313.7	22.1%
Group revenue	872.0	752.0	16.0%
Operating margin ²	11.5%	11.9%	(40)bps
Profit before tax	97.0	87.0	11.5%
Basic EPS	93.6p	84.5p	10.8%
Dividend per share	31.2p	28.0p	11.4%
Special dividend per share	25.0p	-	-
Statutory results			
Exceptional and other items	(31.7)	(2.2)	-
Profit before tax	65.3	84.8	(23.0)%

¹ Brand revenue equivalent to the Group statutory revenue at the prices paid by consumer, calculated by uplifting all revenues by the applicable sales tax, and wholesale revenues by a factor representing the applicable mark-up to consumer prices. ² Operating margin defined as Underlying Operating Profit / Group revenue

Consistent 5-year growth

Rapid Brand Revenue Expansion Delivering Sustained Double Digit Profit Growth



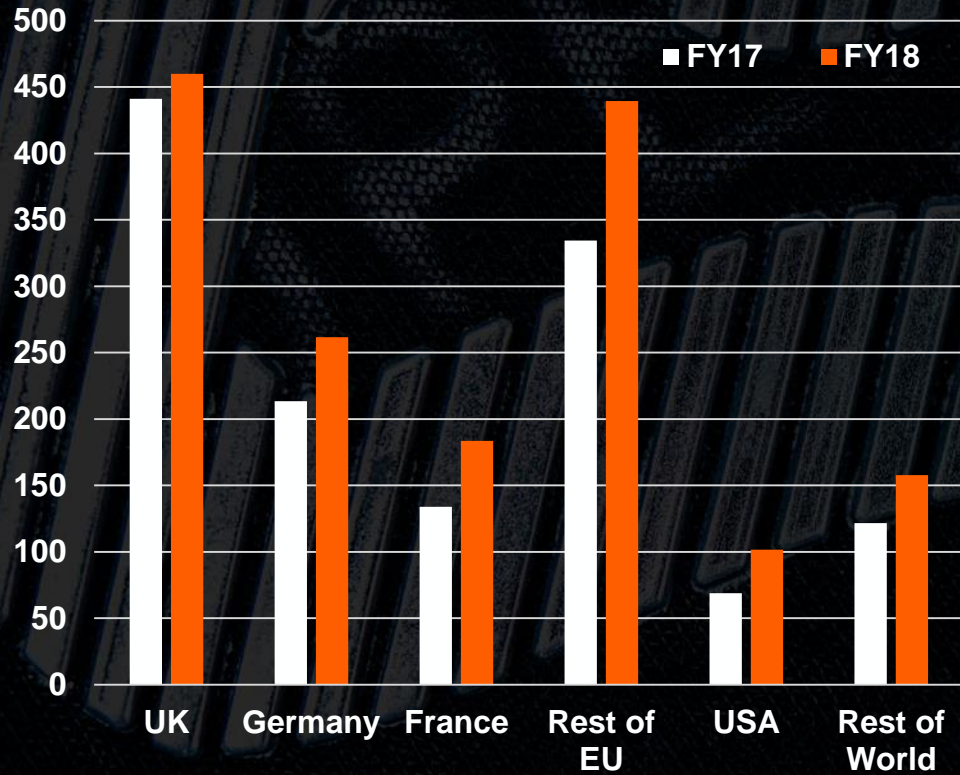
- **Brand revenues up +£1bn** from £600m in FY13 to **£1.6bn today**, driven by capital light channels
- **Wholesale** brand revenues of **£960m, up nearly 3x** from £330m in FY13
- **Ecommerce** brand revenues of **almost £200m, up nearly 6x** from £33m in FY13
- **International contribution** has **grown from 43%** in FY13 **to 71%** today
- **Double digit underlying PBT growth** for 3rd consecutive year

Note: FY16 PBT on a 53-week basis (£72.4m)

Global Brand Revenue

Sales Growth In All Key Territories

Brand revenue by territory (£m)

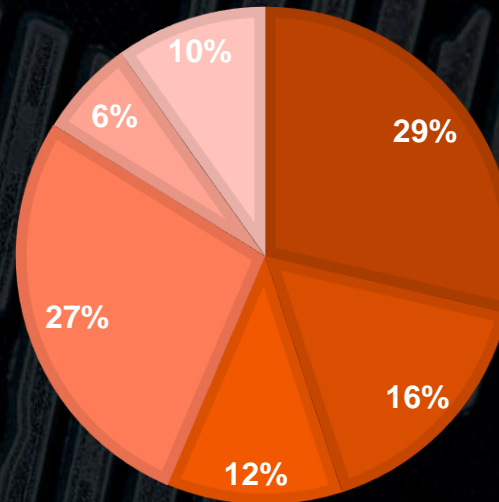


Growth: UK 4%, Germany 23%, France 37%, Rest of EU 31%, USA 47%, Rest of World 30%

FY19 Guidance

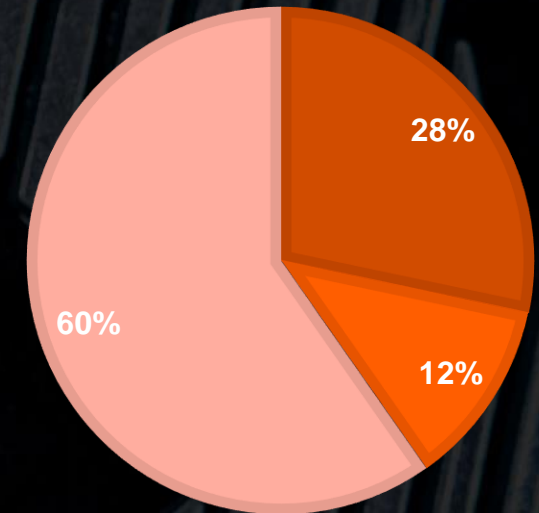
- Low double digit brand revenue growth
- Expect to be driven by:
 - Key EU and US markets, plus ROW
 - Capital light channels

Brand Revenue By Territory (FY18)



UK
Germany
France
Rest of EU
USA
Rest of World

Brand Revenue By Channel (FY18)



Owned stores
Ecommerce
Wholesale

Group Revenue

Strong Growth Driven By Capital Light Channels

Wholesale (+29.6%)

- 75 additional franchise stores, in 33 countries
- Relationships in 8 new markets

Ecommerce (+25.8%)

- EU fulfilment launched; US in H1 FY19
- Continual improvement driving customer experience; e.g. product videos

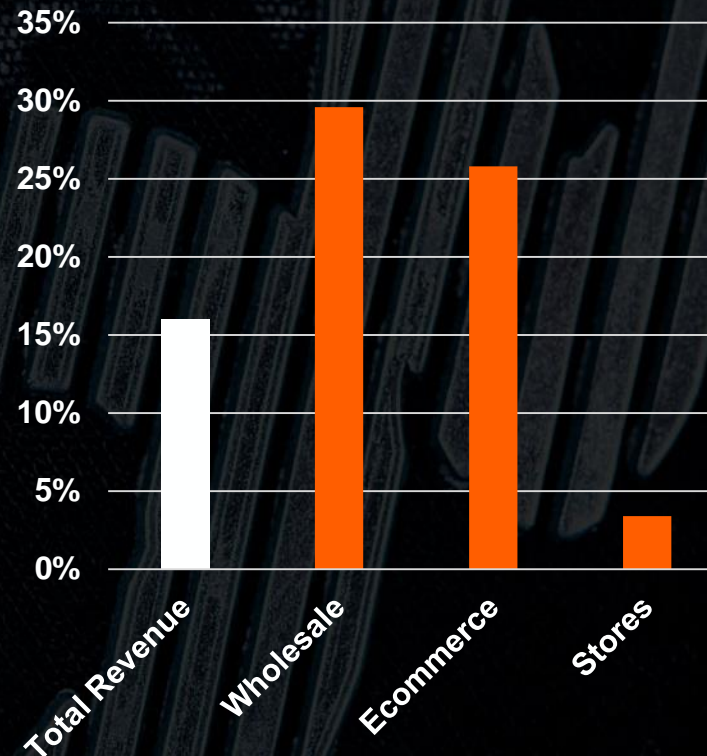
Owned Stores (+3.4%)

- 14.8% average space increase
- 1,179k sq.ft. total closing space

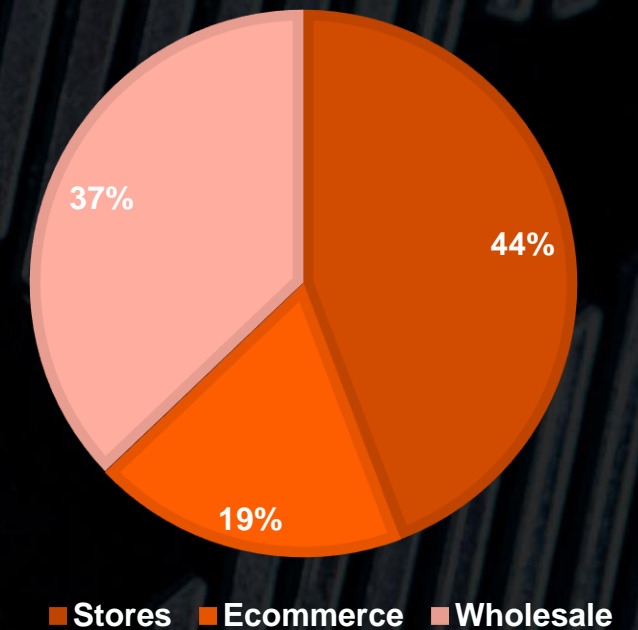
FY19 Guidance

- High single digit group revenue growth

FY18 Revenue Growth



FY18 Revenue By Channel



Wholesale

Strong Growth Across All Channels And Key Territories

Wholesale performance	FY18	FY17	%
External revenues	323.4	249.5	29.6%
Underlying operating profit	106.1	84.8	25.1%
Underlying profit margin	32.8%	34.0%	(120)bps

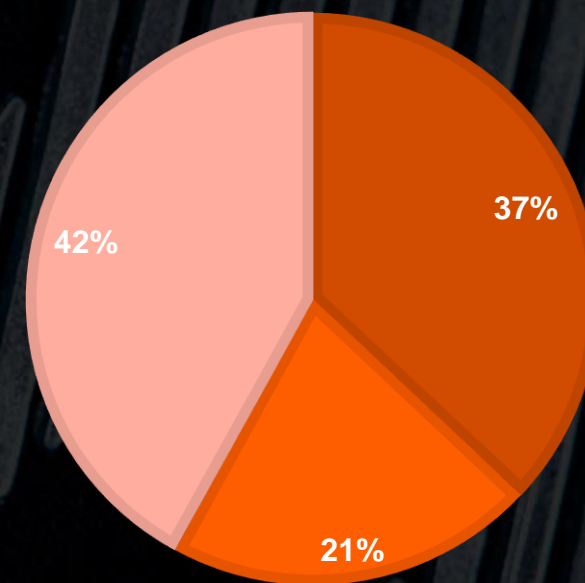
FY18 Performance

- Wholesale revenues +29.6% year on year, with strong growth across all 3 routes to market
- Operating margin impacted by inventory rebase and new territory investment

FY19 Guidance

- Wholesale revenue growth in mid-teens
- ~60 branded franchise store openings

FY18 Wholesale Channel Participation



■ Franchise ■ Key account ■ Independent

Retail

Strong Ecommerce Performance Underpins Retail Trading

Retail performance	FY18	FY17	%
External revenues	548.6	502.5	9.2%
Underlying operating profit	66.3	68.9	(3.8)%
Underlying profit margin	12.1%	13.7%	(160)bps

FY18 Performance

- Ecommerce revenues +25.8%, driven by strong growth in EU owned sites & 3rd party
- Store space +14.8% year on year
- Operating margin negatively impacted due to:
 - Store LFL trading and US one-offs in H2
 - Input inflation not passed on to customers
 - Inventory rebase programme

FY19 Guidance

- Ecommerce revenue growth at mid- to high-teens
- Net store space growth at 4-5%, predominantly in EU
- Anticipate ongoing challenging conditions in stores

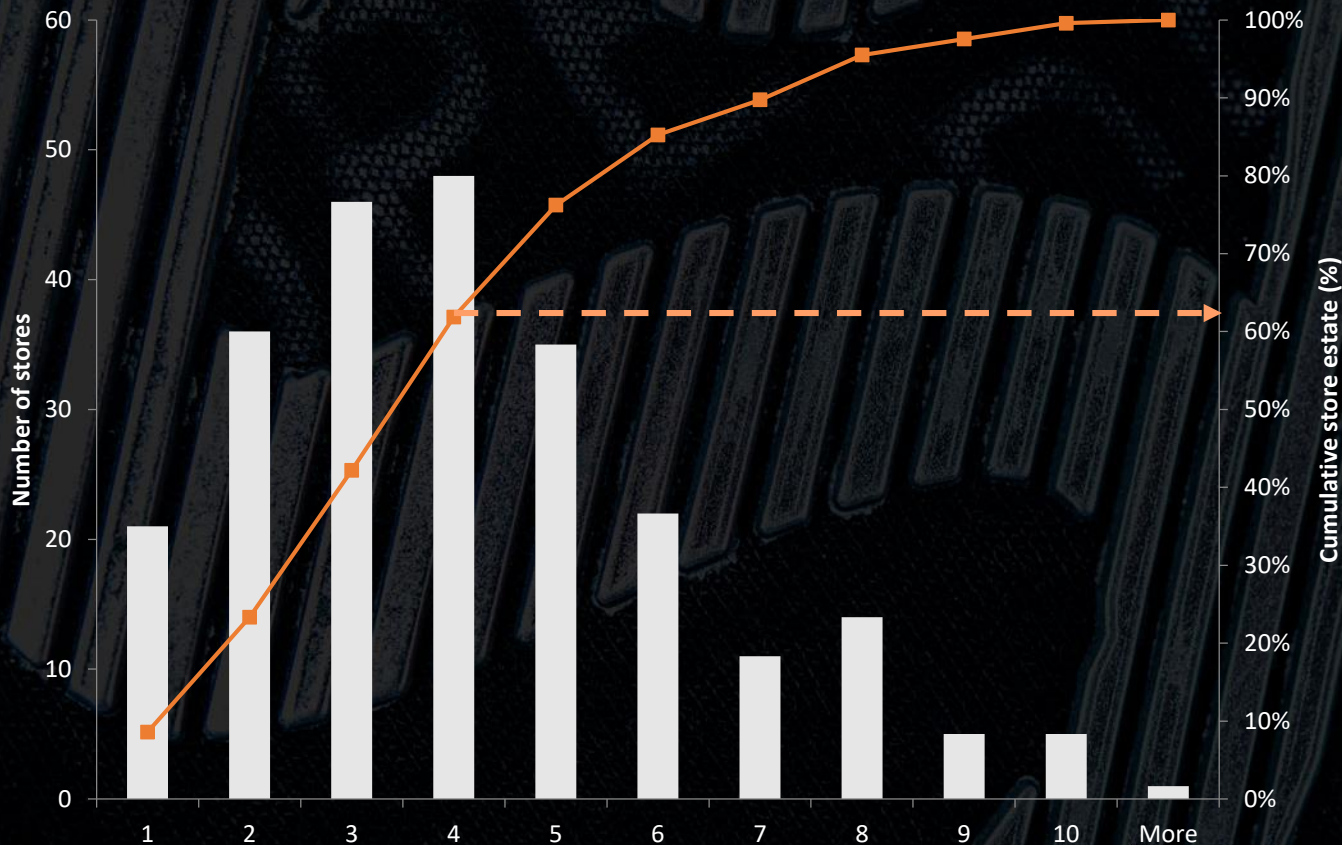
Retail channel revenues – FY17 v FY18



Retail

A Flexible Store Portfolio For A Multi-Channel World

Store estate - lease exit profile

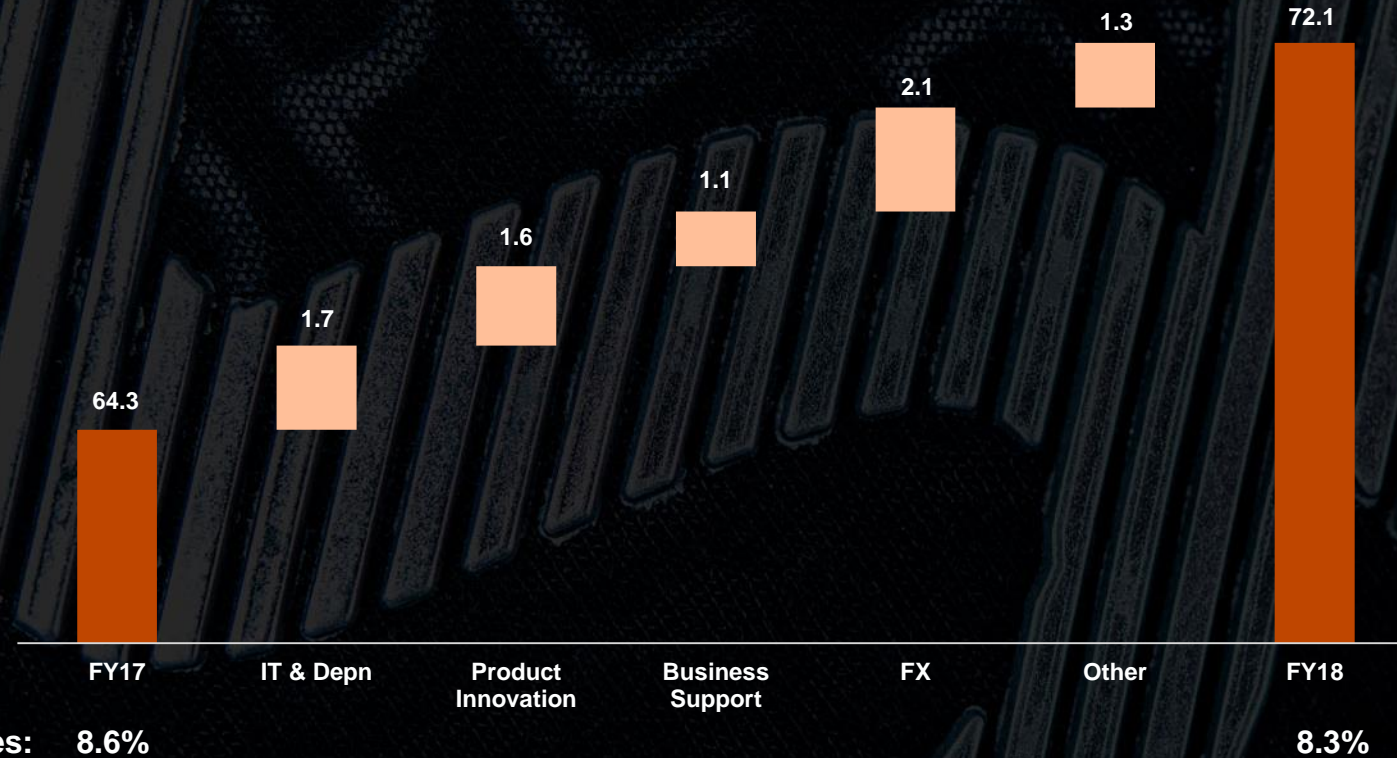


- **Strict investment criteria:**
 - 5-year maximum break / expiry
 - Turnover based rent
 - Capital contribution from lessor
- **Flexible estate:** able to review >60% of the estate over the next 4 years
- **Consistently strong return on capital,** up +50bps to 24.9%

Central Costs

Disciplined Approach To Cost Investment

Central costs - FY17 to FY18 movement



FY18 Performance

- Central costs increased by 12.1%, slower than group revenues
- Investment behind digital and design team capability to support growth

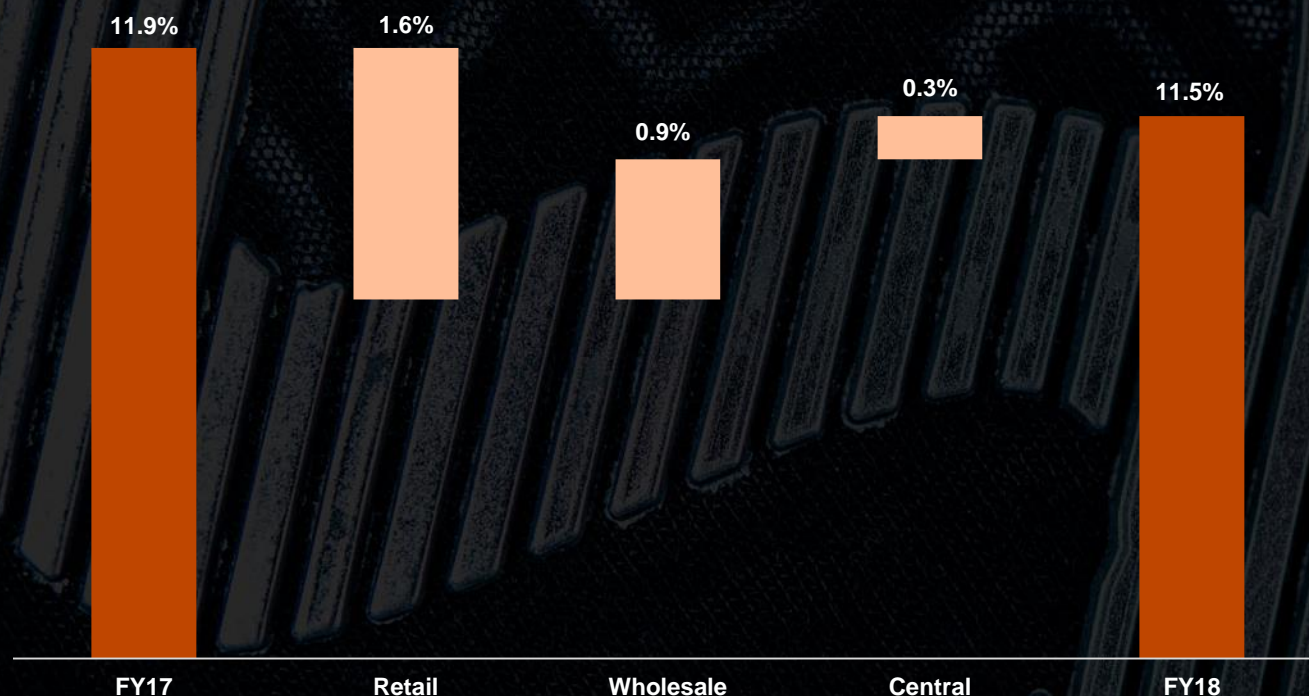
FY19 Guidance

- Central costs growing slower than revenues

Underlying Operating Margin¹

Retail Performance Partly Offset By Positive Channel Mix And Cost Discipline

FY17 to FY18 Operating Margin Bridge



Gross margin drivers

- Continuing dilution from Wholesale participation
- Inventory rebase investment driving ~100bp dilution

Operating margin drivers

- Channel mix benefit
- Central cost control driving operating leverage

FY19 Guidance

- Moderate operating margin expansion, +20-50bps
- North America recovery to breakeven PBT

¹ Underlying Operating Profit / Revenue

Cash Flow

Strong Cash Generation To Fund Investment And Capital Returns



£m	FY18	FY17	%
Cash generated from operations	135.2	118.7	13.9%
Working capital movement	(30.9)	(36.7)	
Income taxes paid	(23.9)	(19.9)	
Net interest (paid)/received	(0.3)	0.2	
Underlying cash generation	80.1	62.3	28.6%
Capital expenditure	(55.7)	(56.3)	
Ordinary dividends	(24.0)	(20.2)	
Special dividends	-	(16.3)	
Investment and loans to JVs	(6.5)	(5.6)	
Other (including FX)	16.5	0.8	
Net increase/(decrease) in cash	10.4	(35.3)	
Opening net cash	65.4	100.7	
Closing net cash	75.8	65.4	15.9%

Working Capital

Inventory Rebased In Line With Guidance

Inventories

Successful inventory re-base offsetting inflationary factors:

- Total revenue up 16.0%
- New store injections (+14.8% average space)

Trade receivables

- Increase reflects wholesale growth (+29.6%)

Trade payables

- Reflects reduced inventory growth as a consequence of the rebase programme
- Alignment of supplier payment terms

£m	FY18	FY17	(%)
Inventories	162.3	157.2	3.2
Trade & similar receivables*	129.5	99.9	29.6
Trade & similar payables*	(108.5)	(109.0)	0.5
Working Capital Investment	183.3	148.1	23.8

* Includes similar payables and receivables considered to be working capital

Capital Investment

Continued Rebalancing Towards Capital Light Channels

Owned Store Portfolio

- 26% reduction on new store portfolio spend, driven by:
 - Moderated pace of owned store openings
 - Improved cost-efficiency per sqft
- Next Generation format introduced to 11 stores

Infrastructure Investment

- Multi-channel capability in US/EU warehouses
- New order management system
- B2B website development

FY19 Guidance

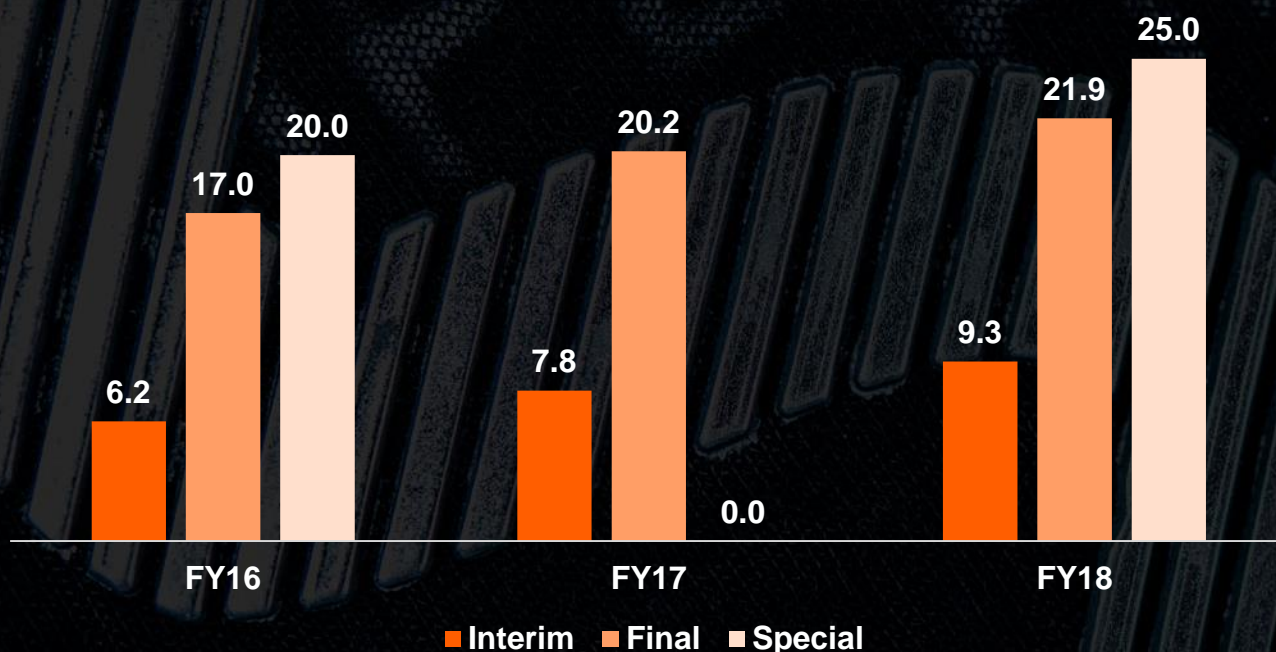
- 4-5% space growth
- c.£50-60m capital investment
- Continuing strict investment criteria

£m	FY18	FY17
Owned Store Portfolio		
New stores	26.8	36.0
Existing stores	7.7	6.4
Franchise contribution	2.6	2.4
Total store portfolio	37.1	44.8
Infrastructure		
IT (incl. software dev)	12.7	10.2
Warehousing & Distribution	4.1	3.6
Head office	3.7	2.3
Total infrastructure	20.5	16.1
Total capital investment	57.6	60.9
Capital creditor	(1.9)	(4.6)
Per cash flow	55.7	56.3

Capital Returns

Strong Cash Generation Delivering Attractive, Sustainably Growing Returns

Dividend history* (pence per share)



Capital Allocation Policy

- Value enhancing investment in the business
- Attractive, progressive ordinary dividend
- Surplus capital returned to shareholders

Consistent Dividend Policy

- Payout policy reflecting confidence in the business and strong cash generation
- Maintaining dividend cover of 3.0x-3.5x

FY18

- Final dividend of 21.9p per share
- Special dividend of 25.0p per share payable December 2018

* Relates to the FY declared (not cash basis)

Financial Summary

Strong Performance In FY18, With Efficiencies To Drive Margin In FY19

- **Strong financial performance:**
 - **+22.1%** brand revenue, with growth across all key territories
 - **+16.0%** group revenue growth, driven by capital light channels
 - **+11.5%** underlying PBT growth
- **Operating efficiency delivered across key cost areas**
- **Strong cash generation funding ongoing investment, progressive ordinary dividends and returns of surplus capital**
- **ROCE +50bps to 24.9%**; will accelerate in FY19
- **FY19 Guidance**
 - High single digit statutory revenue growth
 - Moderate operating margin expansion of 20-50bps





Strategic Overview

Euan Sutherland, CEO

Superdry: Global Digital Brand

Consistent Growth Against Clear Strategy

- A transformed business
- Experienced management team
- Global, multi-channel operating model
- Clear brand positioning and unique product DNA
- Double-digit underlying PBT growth for 3 years
- Compelling vision for continued growth



The Four Pillars Of Our Strategy

Focused Approach To Driving Growth





Global Digital Brand

Enhancing Digital As Our Core Capability

FY18 Progress

- Strong global brand health
- Fully integrated digital and social marketing campaigns
- Continued growth in engaged consumer base

FY19 Priorities:

- Global consumer perspective
- Global brand platform
- Precise design DNA

Brand Health Remains Strong

Outperforming Peers In Key Markets

Market:



Brand Awareness:

69%

53%

10%

YoY versus competitors:

↑ 1.3%

↑ 5.3%

↑ 1.5%

Brand Perceptions:



A Broad Customer Base

Enhancing Our Range To Appeal To All Superdry Wearers



Year	Male	Female	Av. Age	0-15yrs	16-24yrs	25-34yrs	35+ yrs
2015	60%	40%	29	19%	25%	22%	34%
2016	60%	40%	29	18%	25%	23%	34%
2017	56%	44%	30	16%	27%	20%	38%
Trend	↓	↑	↔	↓	↑	↓	↑



Relentless Innovation

Using Design And Technology To Drive Incremental Sales

FY18 Progress

- Launch of Superdry Sport standalone store format
- Reinforced category ownership with premium down range
- UK Invictus Games partnership driving sport credibility

FY19 Priorities:

- Amplifying core design innovation
- Demonstrating value for money
- Extending into new consumer segments

Core Design DNA

Amplifying Innovation Throughout Our Range



Quality

- Handmade – 7 separate people working on just the garment logo

360° design

- Every single detail, inside and out, is designed to create a uniquely branded product

Value for money

- Premium quality product retailing at an exceptionally competitive price point (£44.99)

Value For Money

Reinforcing Our Category Leadership

Product

- Comparable quality* to market leader
- Competitive price of £195-250 versus market leader (~£775 entry)
- Sustainable materials (faux fur)
- Leverage and extend Superdry's heritage in jackets

Performance

- £1.6m sales in AW17;
 Expecting >2x in AW18
- Featured in GQ (Mens) and Vogue (Womens) articles



SUPERDRY PREMIUM DOWN



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*Down fill power = Superdry ~600, versus market leader 625-850

The
SUPERDRY
[Edit]

Consumer-Based Range Extension



[Sage
& Pink]

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The
SUPERDRY[Edit]

- Discrete logo, premium product, positioned at high end of price architecture
- Curated, limited piece collection



Helena Top - Blue Acid Wash
Super Vintage - Paris Sky Blue
Maya Espadrille Slide - Rose Gold Crackle

31

[Modern
Monochrome]

The
SUPERDRY [Edit]

- Discrete logo, premium product, positioned at high end of price architecture
- Curated, limited piece collection
- Opportunity to target higher demographic markets



Denim Long Line Jacket - Acid Light Wash
Premium Crew Tee - Black Mini Stripe
Super Crafted - Smokey Light Grey
Erin Elastic Espadrille - Optic White/Black





**[KEY
PIECES]**

The
SUPERDRY [Edit]

- Discrete logo, premium product, positioned at high end of price architecture
- Curated, limited piece collection
- Opportunity to target higher demographic markets
- Further evolves our womenswear offer, capturing unmet demand from a core customer segment

Zahra Lace Panel Top - Pebble Grey Marl
Shay Tee Dress - Vacation Blue
Premium Brand Luxe Portland Tee - Grey Marl

Denim Long Line Jacket - Acid Light Wash
Premium Crew Tee - Bright White
Phoebe Wide Leg - Granite Blue

Premium LS Top - Black Mini Stripe
Crop Makai Jacket - Super Dark Navy
Alice BF Hood - Sand Grey Marl

**[Modern
Monochrome]**

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Operational Excellence

Recent Investment Gives Us Platform To Accelerate

D2C Initiative	Before D2C	Today
# Options	~5,800	~3,900
On Time In Full	70%	89%
Joint buy	0%	67%
Range overlap	29%	66%
Multi-channel DCs	1 (UK)	3 (UK, EU, US)
Direct sourcing	55%	73%
Store replen. time	Up to 8 days	Max 72 hours
⋮	⋮	⋮

FY19 Priorities:

- Continued progress against key D2C initiatives
- Globally aligned, multi-channel retail & wholesale sales teams
- The future of our stores
- Quality and efficiency through automation

Adapting stores for a multi-channel world

Listening to our customers

FY19 Priorities

Scale of opportunity

"I can't find what I want"
"You don't have my size"

- Linear option count (planogramming)
- Super-fast replenishment
- Drop and lock
- RFID roll-out



"There is nothing in store for me"

- Granular ranging by market & customer type



"I'm not inspired to go in"

- Globally aligned promotions
- Targeted in-store marketing (e.g. Edit)



"Store staff aren't able to help me get the product that I want"

- iKiosk (US roll-out)
- Click & Collect / Reserve & Collect
- Mobile technology



"You've run out of bestsellers"

- Single stock pool (Autumn 2018)
- Inter-store transfers reinstated



Quality Delivered Through Automation

Enhancing Our Product With New Design & Manufacturing Approaches



Develop

Move to 3D design on graphic Tee's & Sweats

- ✓ Developed in hours rather than weeks
- ✓ Review from 3D images for graphic product
- ✓ Use as selling tool to drive speed to market



Make

Evolve and automate to deliver speed, consistency and cost

- ✓ 'Best in Market' manufacturing facilities
- ✓ Future proof against labour inflation and skilled shortage
- ✓ Opportunity to drive closer to market manufacturing

QUALITY

Automated machines that improve quality and reduce defects

DESKILL OPERATION

Reduced requirement for highly skilled operators

SPEED

Improved speed and efficiency

WORKER ENVIRONMENT

Delivering better working conditions for the workforce

CONSISTENCY

Same high quality finish every time



World Market Opportunity

Multi-Channel Platform Supporting Continued Growth

FY18 Progress

- Entry into 8 new markets, driven by 75 franchise openings
 - 30 local language websites driving Ecommerce growth of +25.8%
 - Development markets continue to be significant opportunity
-

FY19 Priorities:

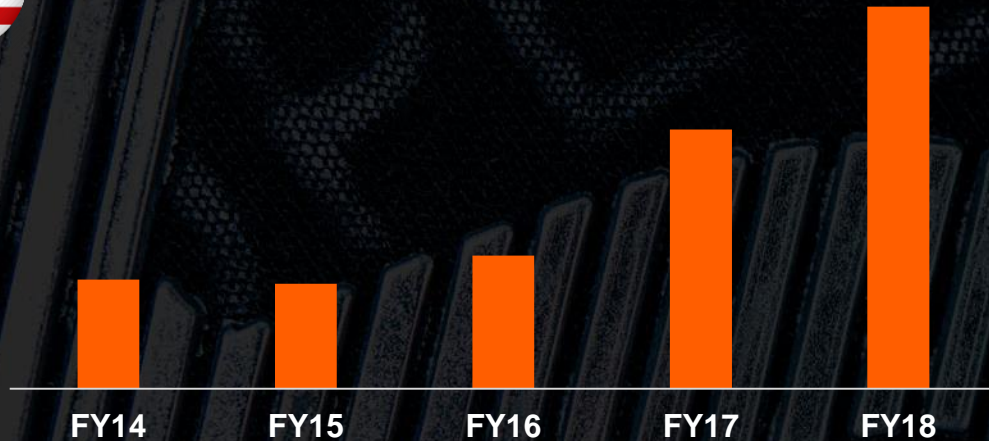
- Global capital-light channel growth
- USA
- China

Development Markets Opportunity

Capital Light Channels Underpin Future Sales Growth In US And China



US brand revenue growth

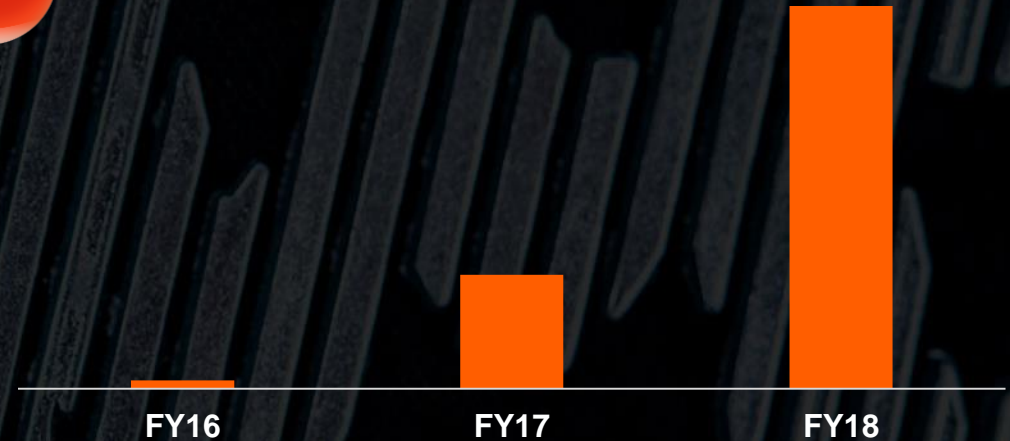


US

- Brand revenues nearly trebled in last 2 years
- Wholesale to grow by double digits in FY19
- Strong Ecommerce expansion in FY19 driven by infrastructure investments in FY18



China brand revenue growth



China

- Sales up +c300% in FY18
- Doubling of franchise store base in FY19
- Continued investment in infrastructure to support rapid growth in all channels

Strategy Underpinned By Our Values And Sustainability Plan

<p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>CREATIVITY</p> <p>Our own blend of creativity and innovation. We push the boundaries of what's possible, are bold and always coming up with new ways of doing things.</p> <p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>QUALITY</p> <p>We're obsessed with quality in everything we do. It's what makes us unique.</p> <p>極度乾燥(しなさい)</p>	<p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>FAMILY</p> <p>We're in this together as part of one big Superdry global family, always looking out for each other.</p> <p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>PASSION</p> <p>We love Superdry, love what we do and go above and beyond to be the best.</p> <p>極度乾燥(しなさい)</p>	<p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>FUN</p> <p>We're true professionals but more than anything we believe work is to be enjoyed.</p> <p>極度乾燥(しなさい) Superdry®</p> <p>OUR VALUES</p> <p>INDIVIDUALITY</p> <p>We always bring our unique self to work, let people be who they want to be and accept everyone for who they are. We love people not stereotypes.</p> <p>極度乾燥(しなさい)</p>
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INVICTUS GAMES FOUNDATION



SuperDry Sport®

PRODUCT
100% Organic Cotton Used in Superdry garments by 2040



PLANET
100% Renewable Electricity in ours and our main direct supplier's businesses by 2040

PEOPLE
Enable 100,000 young people around the world to make a positive contribution to their local economy

Summary

Another Strong Year Of Delivery

1. Double-digit growth in sales, profits and dividends
2. Success driven by continued execution of our Global Digital Brand strategy
3. Transformed business ready to further leverage platforms and capabilities
4. Opportunity-rich and focused on executing against clear growth opportunities
5. Confident Superdry is well placed to continue to deliver sustainable, double-digit profit growth



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Superdryplc

Appendix

FY19 Guidance

Efficiencies Driving Margin Expansion

Revenues

- Low double digit brand growth
- High single digit statutory revenue growth
 - Wholesale – mid-teens growth
 - Ecommerce – mid- to high-teens growth
 - Stores – anticipate ongoing challenging conditions

Costs

- Development markets
 - North America: recovery to break even
 - China: similar losses to FY18, breakeven by FY21
- Operating efficiencies
 - Automation and technology benefits
 - Disciplined cost management, growing slower than revenues

Operating margin

- Moderate operating margin expansion, of +20-50bps

Disciplined Investment Continues

Focus on capital light growth

- Disciplined approach to owned store investment
 - 4-5% owned store space growth
- Increased confidence in franchise expansion
 - ~60 branded store openings

Capital expenditure

- c.£50m - £60m investment; in line with FY18
 - Reduced investment in new store space
 - Increased investment in E-commerce, distribution network, IT and Head Office

Capital returns policy

- Progressive ordinary dividend at 3.0x – 3.5x cover
- Continued return of surplus capital

Exceptional And Other Items

Items Excluded From Underlying Results

Exceptional and other items (£m)	FY18	FY17
Unrealised losses on financial derivatives	(20.8)	(2.2)
Store asset impairment and onerous lease provision	(7.2)	-
Buy out of Netherlands agent	(1.6)	-
IFRS2 charge on Founder Share Plan	(2.1)	-
Total exceptional and other items	(31.7)	(2.2)