SuperGroup Plc

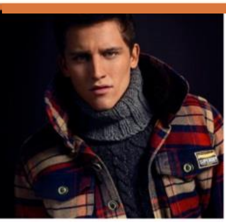
Preliminary Results Presentation

11th July 2013

Shaun Wills

Chief Financial Officer

Today's agenda



Introduction	
Financial results	Shaun Wills Chief Financial Officer
Business developments	Susanne Given Chief Operating Officer
Product development	
Summary	Julian Dunkerton Chief Executive Officer
Q&A	

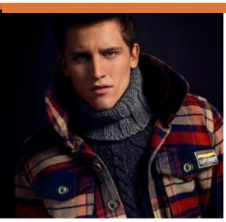
Introduction

- Year of transformation
- Strong growth in sales and profit
- European strategy developing
- Plans now in place to deliver required infrastructure
- Strong progress on product over the last 12 months
- Brand remains strong and desirable

Financial summary

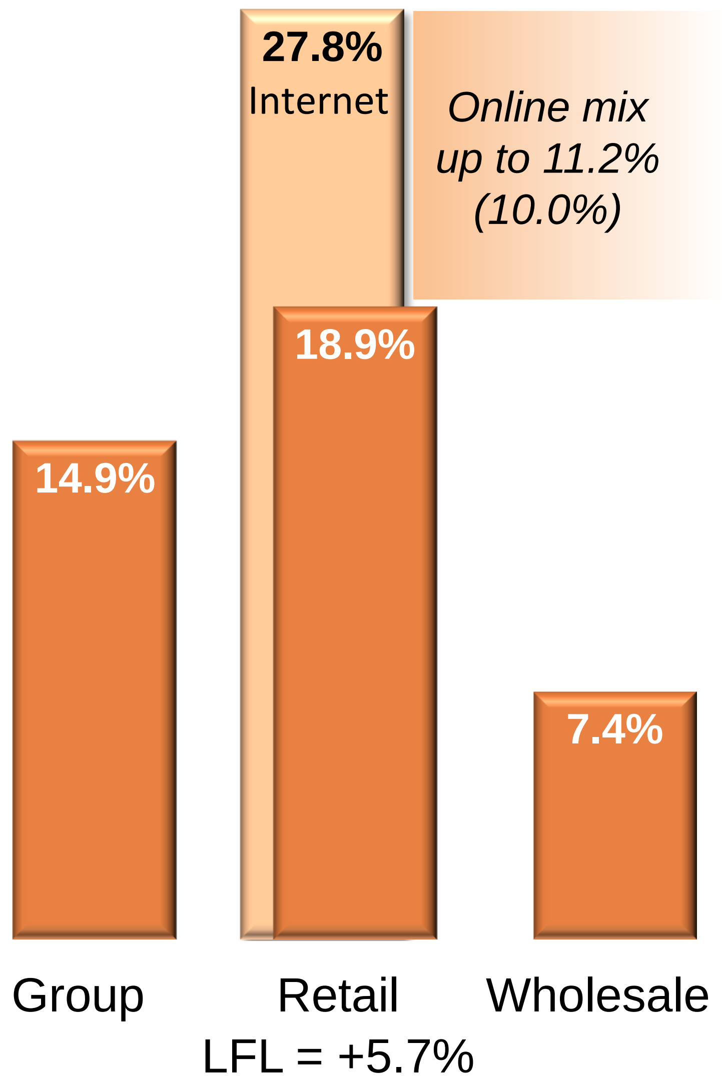
- Group sales growth of **+14.9%**
- LFL sales of **+5.7%** for the year
- Gross margin percentage improved by **+130 bps**
- Underlying profit before tax **+22.0%** at **£52.2m**
- Underlying operating margin up **80bps** to **14.4%**
- **66,000** square feet of new owned stores opened **(+14%)**
- **55** franchised and licensed stores opened
- ‘Free’ cash inflow **c.£24m** and year end cash **£54.5m**

Profit and loss account




£m		2013	2012	Growth
Sales		360.4	313.8	+14.9%
Gross profit	- £m	210.0	178.8	+17.4%
	- *%*	*58.3%*	*57.0%*	*+1.3%*
Costs / Other		(158.1)	(136.1)	+16.2%
Finance income		0.3	0.1	
Underlying profit		**52.2**	**42.8**	**+22.0%**
Tax		(13.4)	(12.2)	+9.8%
Underlying profit after tax		38.8	30.6	+26.8%
Underlying EPS (p)	- basic	47.8	38.1	+25.5%
	- diluted	47.4	37.9	+25.1%

Sales growth



Larger space dilutes densities allowing for future LFL growth

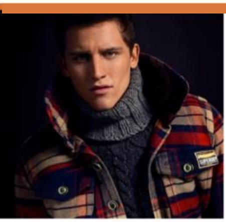
Like-for-like store portfolio

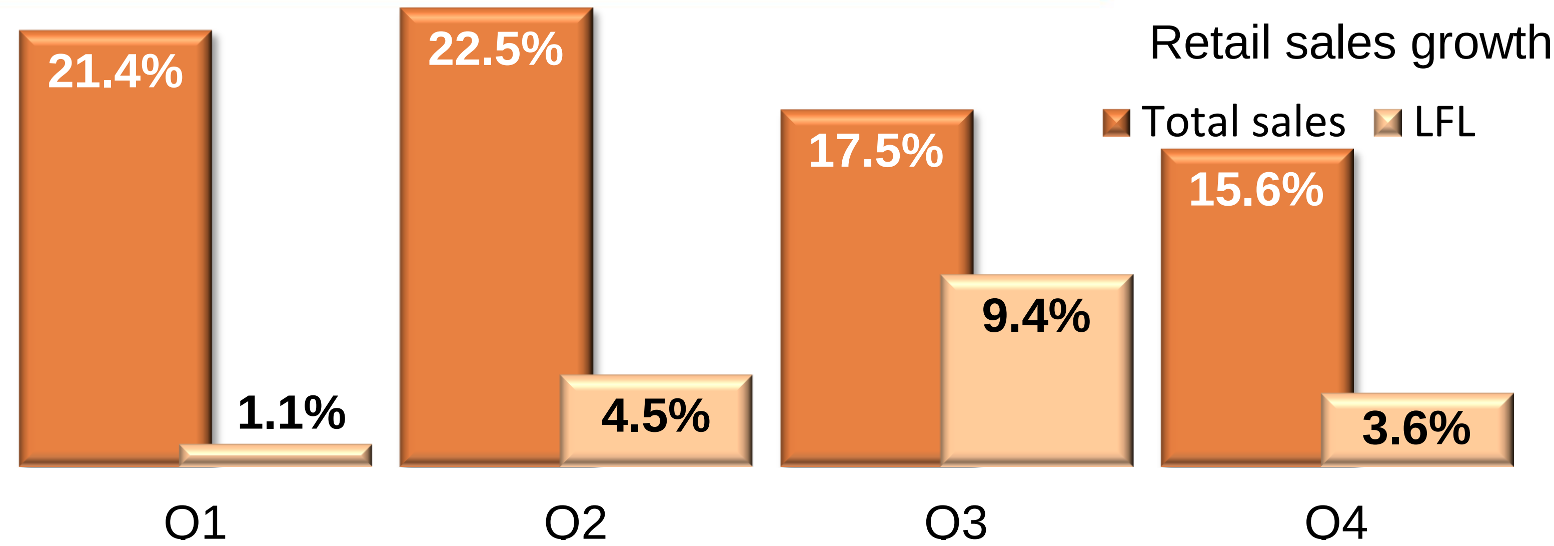
New space openings (larger stores)

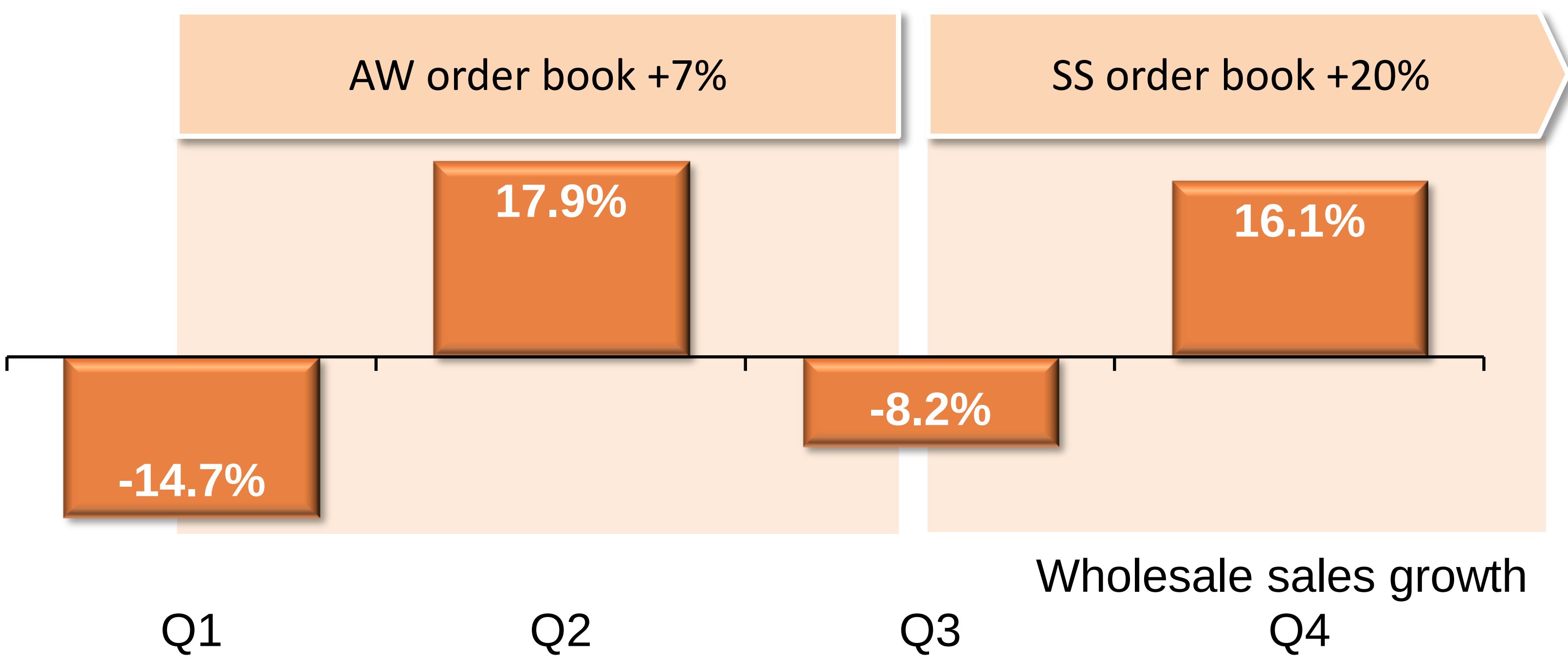
Total density dilution

-1.5%

Sales growth

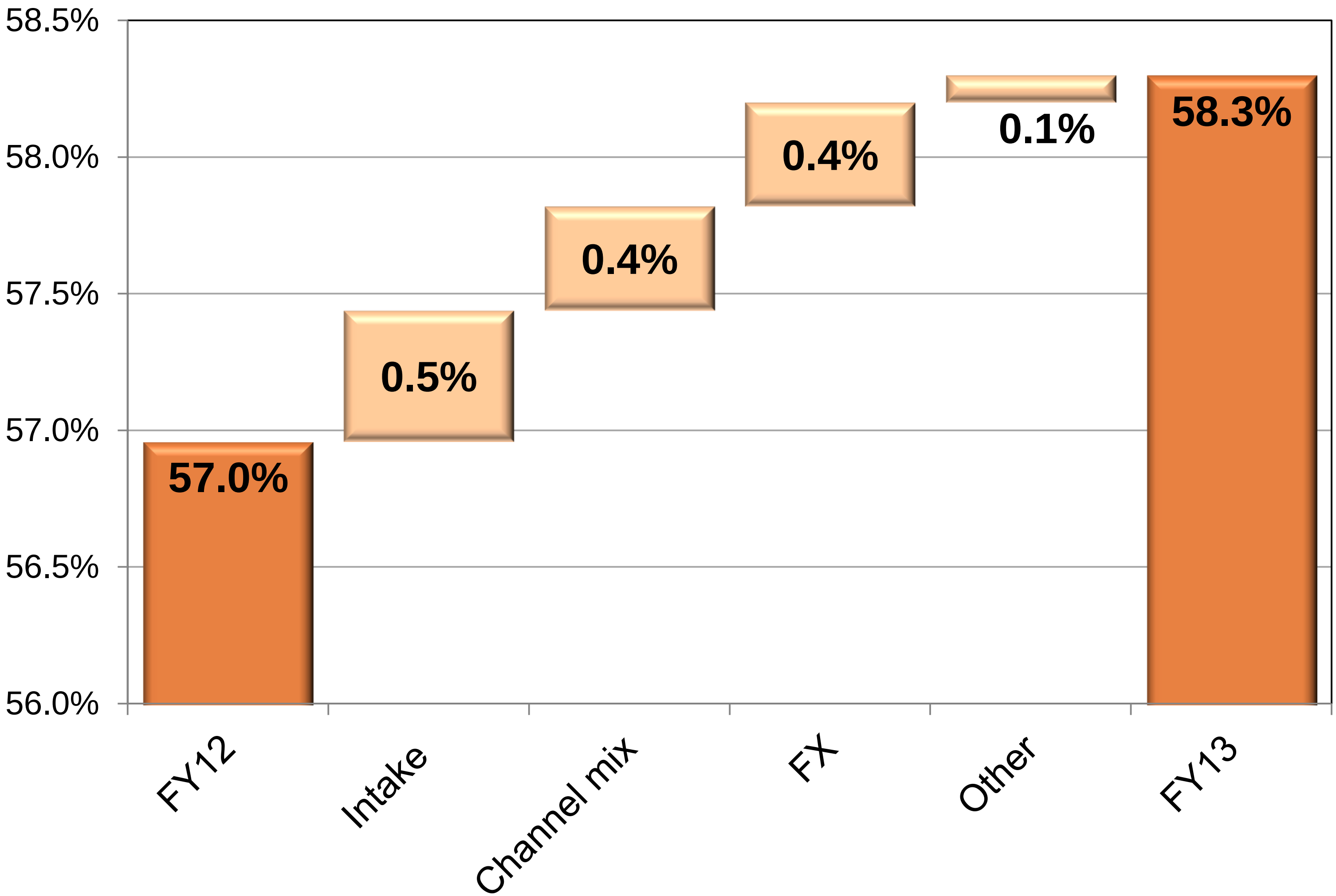






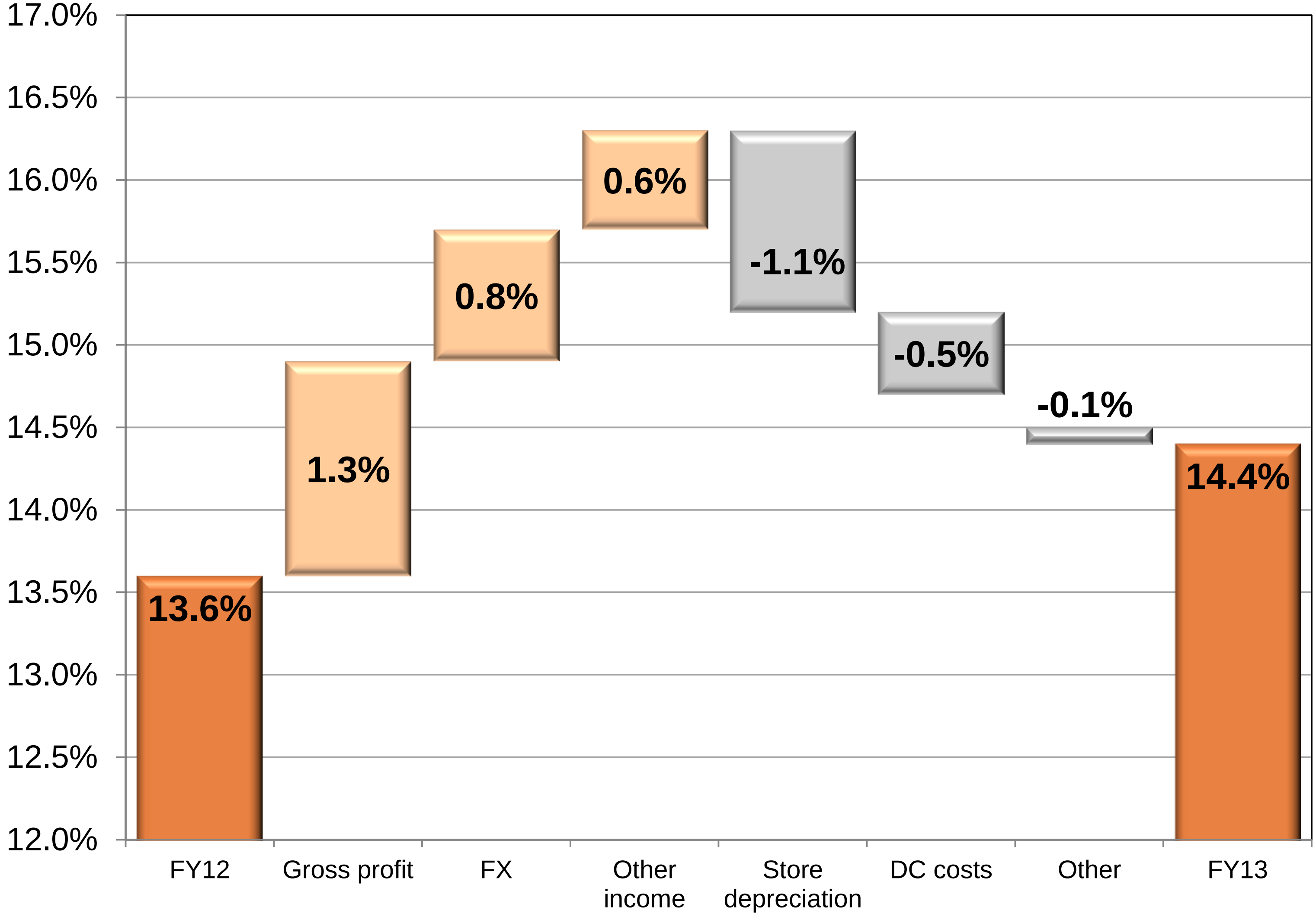
Gross profit margin

Gross margin has improved by 130 basis points mainly due to sourcing gains, a lower clearance mix than anticipated in the second half, and foreign exchange gains

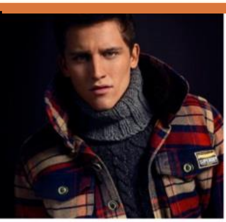


Underlying operating profit margin

Group operating margin has improved by 80 basis points from last year



Cash flow




£m	FY13	FY12
Cash generated from operations	46.5	56.5
Tax paid	(8.5)	(12.3)
Purchase of property, plant and equipment	(14.9)	(36.8)
Purchase of intangible assets	(2.9)	(15.6)
Landlord contributions	3.0	7.7
Other	0.4	(0.8)
Cash inflow / (outflow)	23.6	(1.3)
Cash and cash equivalents	54.5	30.9

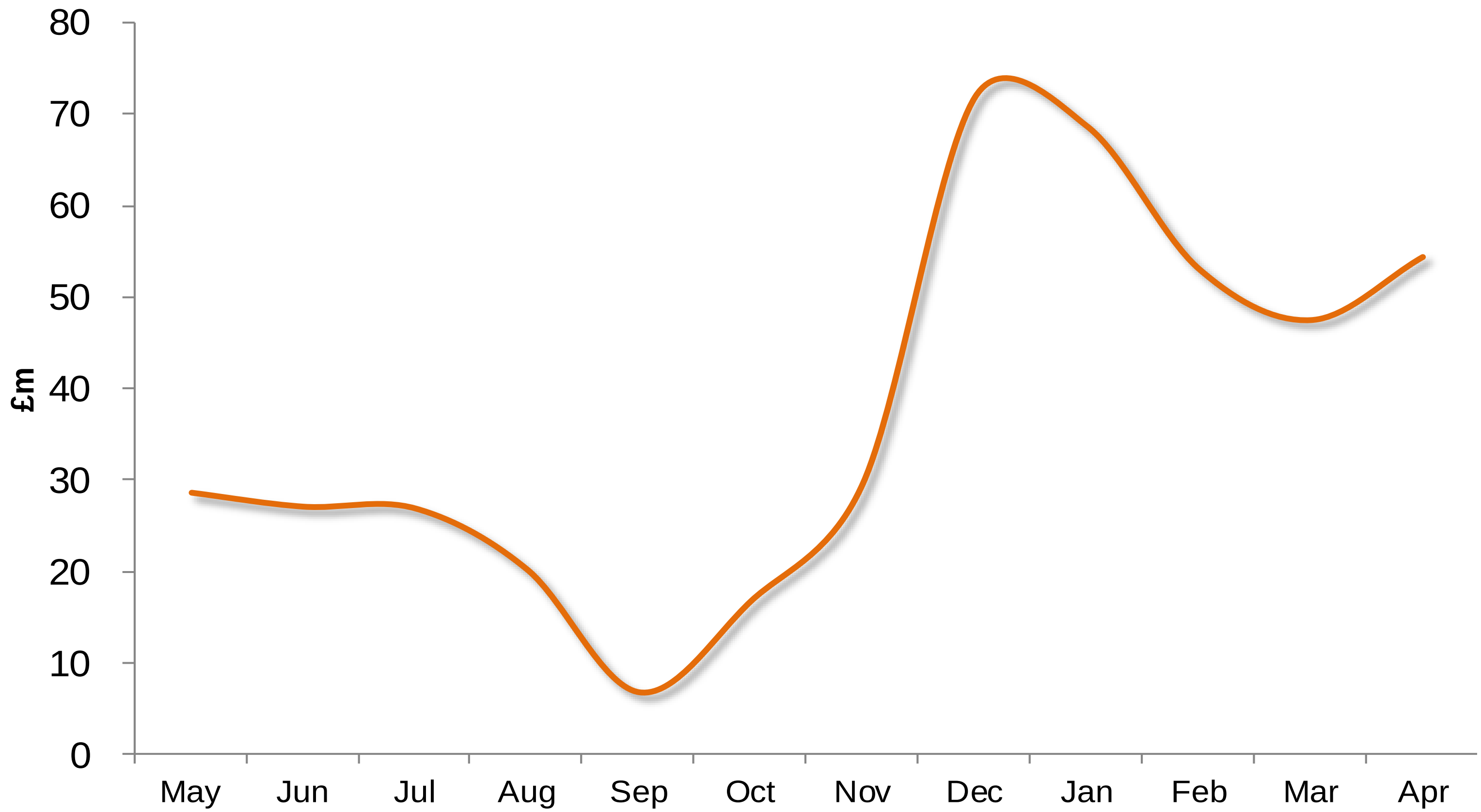
Balance sheet – working capital

£m	FY13	FY12	Change	YOY %
Inventories	72.5	55.5	17.0	30.6%
Trade receivables	28.3	23.5	4.8	20.4%
Trade payables	(32.4)	(36.2)	3.8	-10.5%
Working capital	68.4	42.8	25.6	59.8%

- Inventory growth represents the planned arrival of SS13 range during February and March, earlier than FY12 but more in line with FY11
- Trade receivables increase reflects the Q4 year-on-year growth in Wholesale revenue
- Trade payables impacted by an increase in payments in the final quarter compared to FY12, as a result of earlier stock intake.

Net cash balances

The year-end cash position is by no means the low point of the year, which falls during Autumn when cash is tied up in stock for peak trading



- Year end cash position not representative
- Cash peak following Christmas trading
- Average 2013 cash holding c.£37m

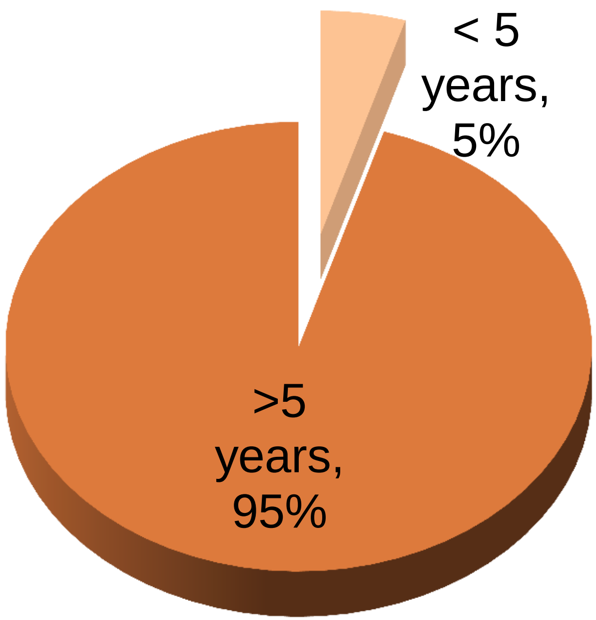
FY14: a year of investment

£m	Range	
New stores and refits	15.0	18.0
IT systems (inc. e-commerce)	6.0	8.0
Distribution centre	4.5	5.5
Other capex	0.5	0.5
Total capex	26.0	32.0
Investments in European partners	5.0	6.0
Total investment spend	31.0	38.0

Versus pure capital expenditure in FY13 of £18m

Rent and rent free periods

UK store lease expiry profile



Expressed as a percentage of UK rental costs

The total value of the benefit from rent-free periods, along with capital contributions, are capitalised and amortised evenly over the life of the lease.

	£m
Total rent including turnover rent	26.2
Amortised rent free / contributions	(4.4)
Net rent charge	21.8

The total rent charge of £26.2m is gross of £1.2m of rent free incentives received during the year, giving a net cash rent of £25.0m

FY14 guidance

> Space growth of 80,000 – 100,000 square feet

> Gross margins level as a result of clearance activity ahead of the warehouse move

> Costs tightly managed securing flat operating margins

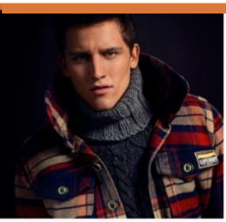
> Tax rates stable

> Significant investments in the DC, IT and Europe

Susanne Given

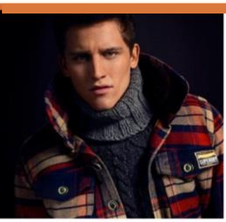
Chief Operating Officer

Business overview




- Business transformation and investment
- Future growth
- E-commerce and social media

Business transformation and investment




Claire Arksey
Head of UK/Ireland Retail
June 2012

Andrea Cartwright
Director of HR
November 2012

Keith Riley
Director of IT
February 2013

Gordon Knox
Head of Logistics
May 2013

Christina Lundberg
Head of Women's Design
June 2013

Hans Schmitt
MD International & Wholesale
June 2013

Lyndsey Beardsell
General Counsel
September 2013

Paula Bradshaw
Group Financial Controller
September 2013

Business transformation and investment

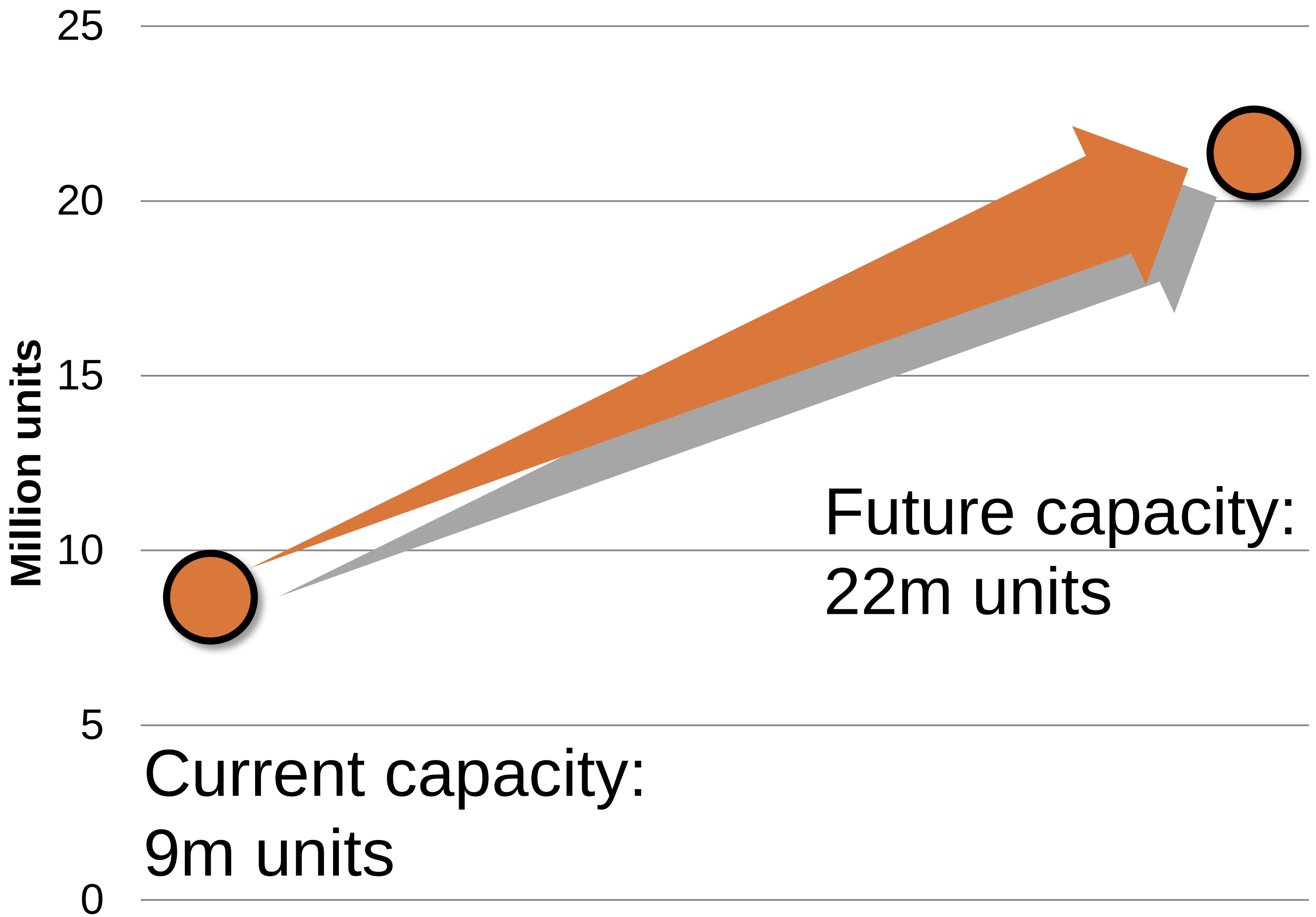
Distribution and logistics

Business transformation and investment

	FY13	FY14/15	+5 years
Retail	UK Retail DC (UK) E-commerce DC (UK)	Pan-European Retail & International E-Commerce DC (Burton Upon Trent UK)	European facility International E-Fulfilment facility
Wholesale	International Wholesale & Mainland Europe Retail DC (Belgium) European Outlet DC	International Wholesale DC (Belgium)	International Facility
Hubs	Asia Southern Europe	Asia Southern Europe	Asia Southern Europe

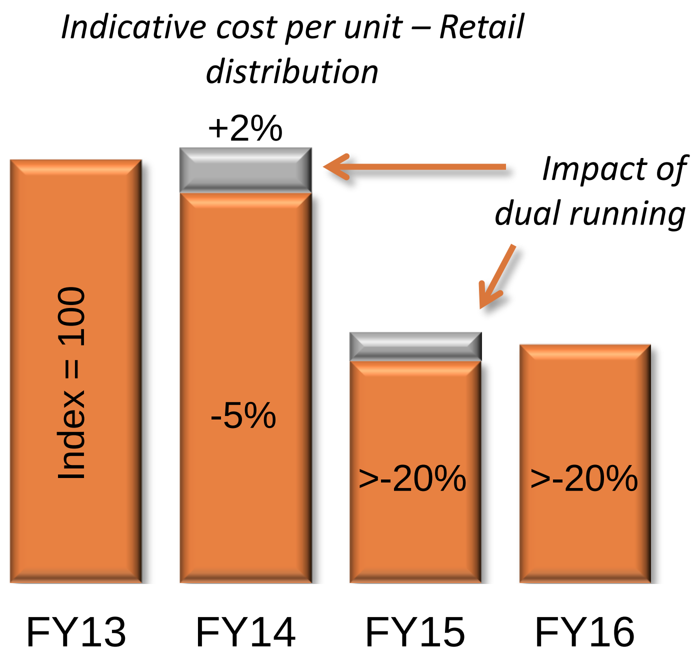
Business transformation and investment

Retail and E-commerce - capacities



Business transformation and investment

Leveraging distribution costs



- Significant efficiency gains in the medium term
- FY14: initial savings offset by transition costs
- FY15 onwards: significant operational efficiencies

Business transformation and investment

Core systems replacement

BT Expedite MMS Core System:

BT Expedite & Fresca
Multichannel Retail Specialists

> BT Expedite merchandise management system Mercatus

> Spring 2014 implementation

> BT Expedite POS System Store 6 - fully integrated with Mercatus

> Spring 2014 implementation

Essential for growth

Efficiency gains

Other Systems Changes FY14:

> MMS/POS core system replacement driving enhancements across all core systems

> HR/payroll replacement – summer 2013

> Finance system replacement – spring 2014 (estimate)

Essential for growth

Efficiency gains

Business transformation and investment

Store operations: investment driving LFL growth

Operational Investment

- Investment in leadership team
- Sales and service training programme
- Experian in-store technology

Sales growth & payroll leverage

Capital Investment

- Hardware & connectivity upgrade
- Superdry store refurbishment programme
- Concession fixture replacement

Sales growth

Future growth

International sales meeting and 10th anniversary party at Battersea Power Station

European expansion strategy

Expanding the store network

- Rolling out owned stores in priority markets/cities with larger “anchor” stores to build the brand (including online sales)
- Using franchises to penetrate secondary locations – support brand development and online sales while managing investment risk
- Develop the outlet channel to support the growing Western Europe business

Delivering omnichannel

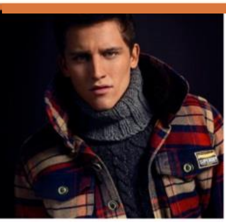
- Develop an integrated offer across online and stores to deliver a seamless customer experience across own retail and franchise operations
- Invest in online customer acquisition to enable direct marketing and extend social media reach

Rolling out concessions

- Roll-out concessions in key department stores to take greater control of the independent channel and drive brand awareness

Evolving new European business model

- Move away from the traditional distributor and agent model to drive immediate profit improvement from existing business and enable faster growth through accelerated capital investment




European expansion – immediate steps

European Business

- Negotiations underway with a number of partners
- Spain signed and agreed
- Germany in final negotiations
- Others in early stage negotiations

KOMETUNDHELDEN

OSAKA 68 S.L.

Market Investment

- Munich flagship store site
- Hamburg prime retail site
- New Munich showroom
- New Barcelona showroom
- El Corte Ingles concession launch AW13

Hamburg

Munich

El Corte Ingles

International

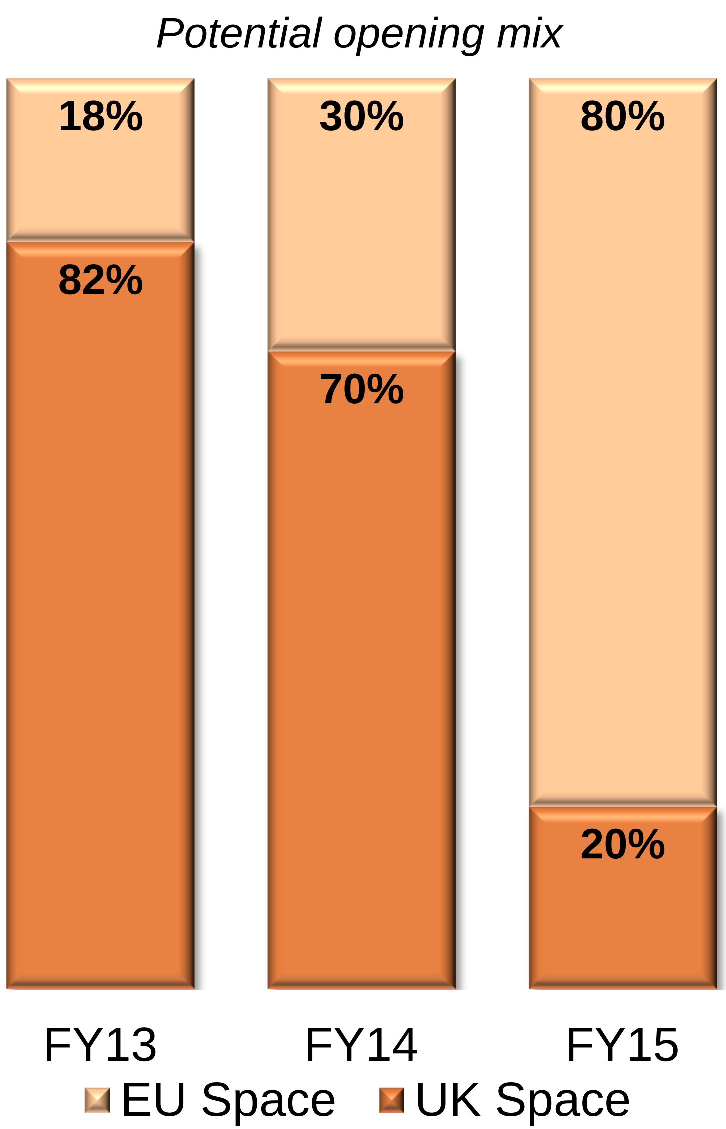
European expansion - Next steps

- Integration of German and Spanish territories
- Opening large format stores in high quality new shopping centres in France

  Aeroville, Les Halles (Paris), Marseille
- Review of other European agencies and distributor led countries

Property

European space growth



- Plan to open 80-100,000 square feet per annum
- FY14 UK bias
- FY15 onwards EU bias
- 34% increase in total space over the next 2 years
- FY15 estate will be approximately 720,000 square feet

International

Under the existing rest of the world franchise agreements the Group's partners are planning to operate from more than 200 franchised stores in 5 years

	Current	Planned
S. Europe	0	5-10
Middle East	15	50-60
Asia	17	90-130
Africa	3	20-30

Rest of the world business activity

New international business partnerships

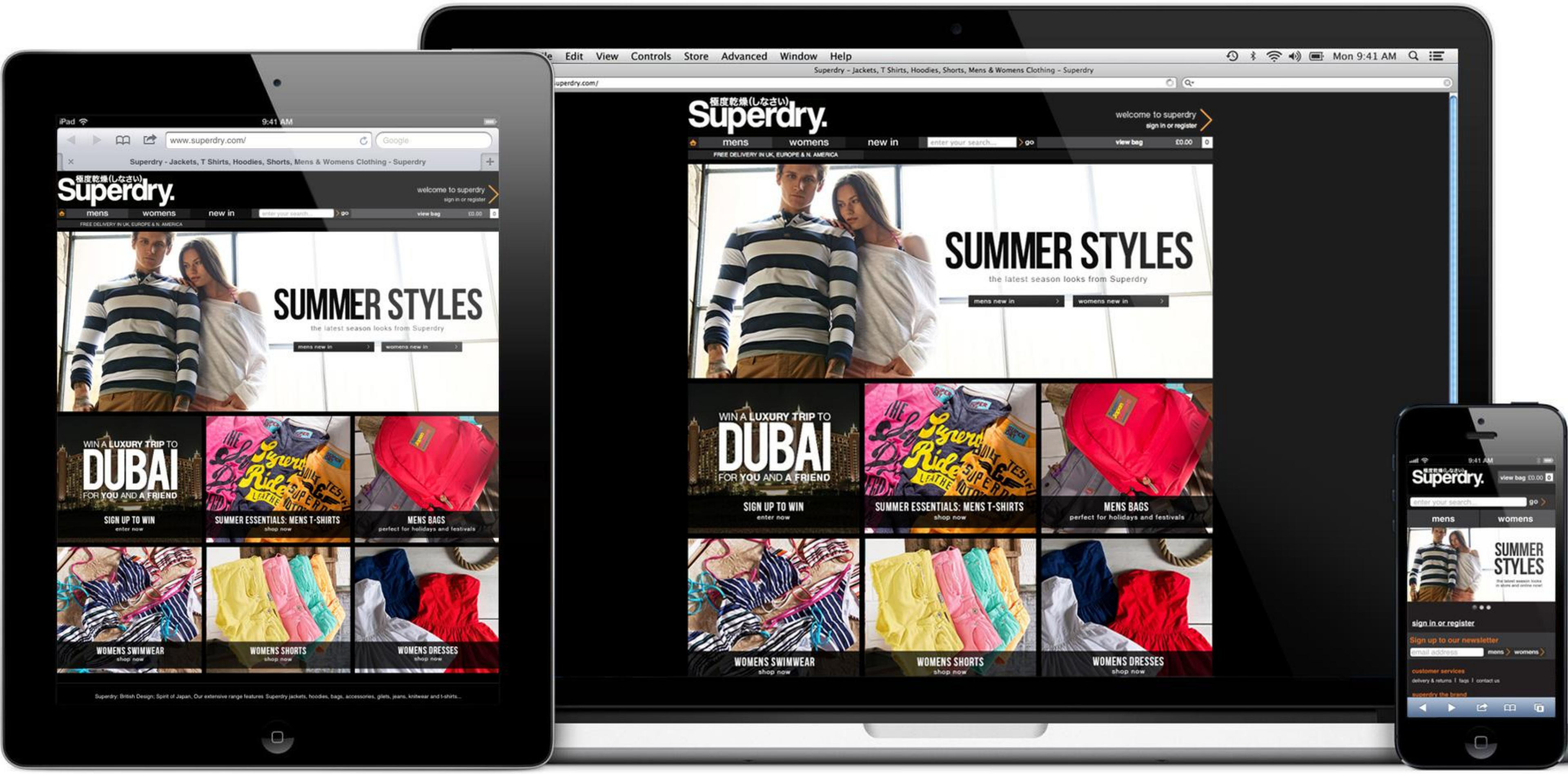
India	Reliance Brands Limited	*Trading since September 2012*
Turkey	DEMSA GROUP	*Starts September 2013*
Chile Peru	EUROFASHION cencosud	*Formal sign-off imminent*
Malaysia Singapore	FJB FJ BENJAMIN	*Heads of terms signed*

International

Rest of world - next steps

- New MD of International & Wholesale creating clear global expansion strategy
- Continue to identify potential high calibre key partnerships in new territories
- Increase number of franchise stores globally
- Explore and evaluate different business models for Chinese market and other BRIC markets

E-commerce and digital

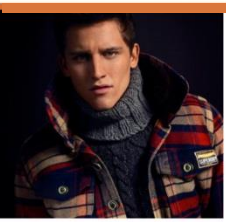


E-commerce

Global reach – 122 territories

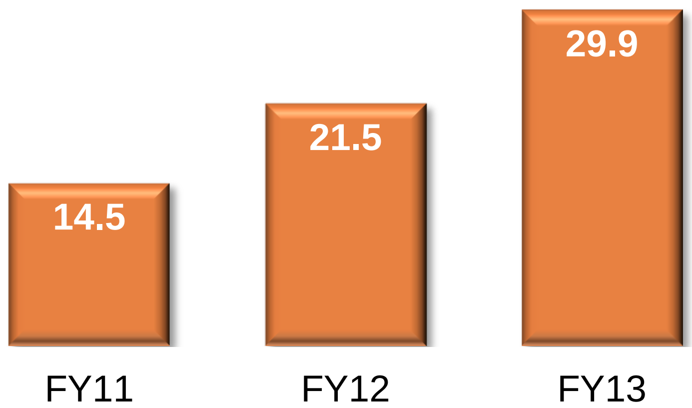
- 11.2% of total revenue
- E-commerce growth 28%
- 15 country specific sites
- Visitor numbers rose to 30m during FY13
- Tablet sales 14% of e-commerce sales
- Mobile sales 6% of e-commerce sales

E-commerce

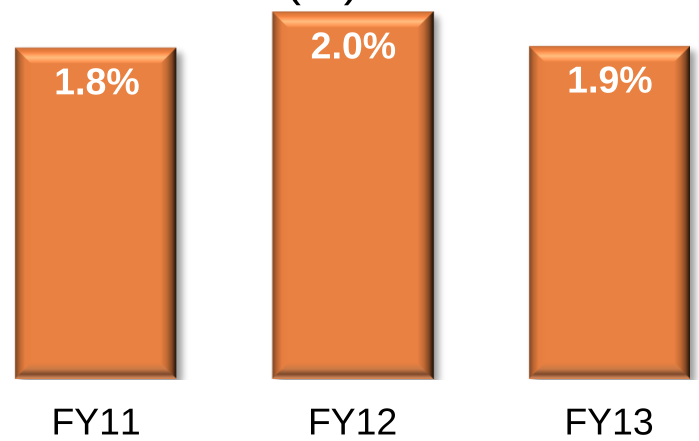


Key performance indicators

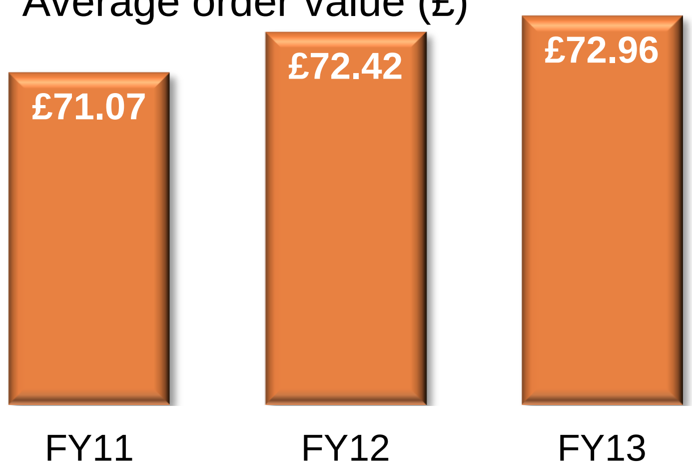
Visits (millions)



Conversion (%)



Average order value (£)



- Strong growth in traffic – increase in use of mobiles and tablets
- Affiliate discount offers removed, impacting FY13 conversion
- Broadening assortment driving higher average order value

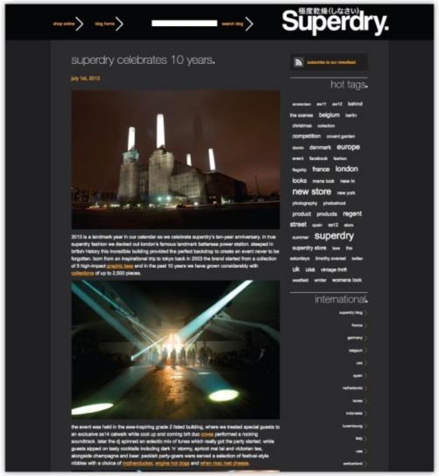
E-commerce developments

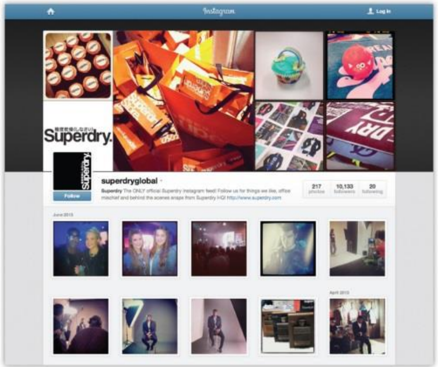
Never standing still

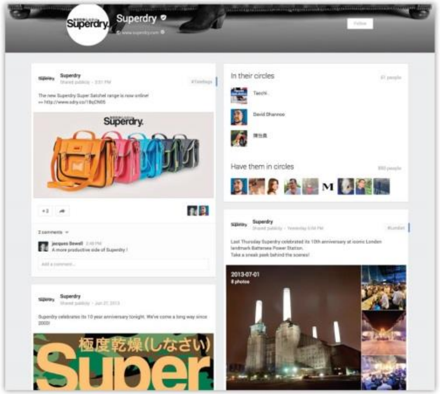
Visual	Video; Tablet specific site; Rich banner content; Enhanced photography; Improved zoom; Revised look and feel; Brand appropriate models
Communication	Localised e-mail campaigns; On-site reviews; Individual targeted e-mails
Omni-channel	Click and collect; In-store kiosks
Service	Single page checkout; Virtual fitting room; Faster delivery options; Site usability review; Collect + returns; Local return hubs
Merchandising	Personalised product recommendations; Online gift vouchers; 'Get the look'
International	South Korea; International mobile sites; International payment options; Australia; Chinese trial

Digital media

Superdry. target demographic: **15-25**







Most active age range per platform

Facebook	Twitter	Instagram	Pinterest	YouTube	Google+
18-29	18-25	18-29	18-29	18-34	20-29

Julian Dunkerton

Chief Executive Officer

Appendix

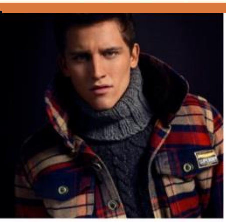
Non-underlying adjustments to profit

Deferred shares from the acquisition of SuperGroup Europe reduced to 441,917 shares

£m	**2013**	2012
Underlying profit before tax	**52.2**	42.8
Deferred consideration	**(2.5)**	8.3
Restructuring costs	**(0.5)**	-
Foreign exchange contracts	**2.6**	0.3
Reported profit before tax	**51.8**	51.4

Fair value movement		
At 29 April 12/1 May 11 (£3.50/£16.00 per share)	**(2.3)**	(10.6)
220,959 Shares issued 8 Feb 2013 (£6.93)	**1.5**	-
Fair value (loss)/gain	**(2.5)**	8.3
At 28 April 13/29 April 12 (£7.36/£3.50 per share)	**(3.3)**	(2.3)

Taxation




	Tax	
	Charge	Rate
Underlying profit before tax	52.2	
Profit multiplied by time weighted UK standard rate	12.5	23.9%
Tax impact of:		
Expenses/charges not deductible for tax purposes	1.1	26.1%
Prior year adjustment	(0.2)	25.7%
Underlying income tax expense	13.4	25.7%
Reduction in cash tax due to deferred tax	(2.0)	
Cash tax for the period	11.4	21.8%