CAPITAL MARKETS EVENT

16th October 2018
Agenda.

4.30pm  
**Introduction** – Euan Sutherland

4.40pm  
**Adapting stores for a digital world** – Nick Tatum & Gordon Knox

4.55pm  
**Enhancing margins through automation** – Shaun Packe & Paula Kerrigan

5.10pm  
**Precise design DNA** – Alex McFarlane-Watts, Laura Hannam & Gemma Evans

5.30pm  
**Conclusion and Q&A**

6.15pm  
**Drinks & product showcase**
INTRODUCTION

Euan Sutherland
CEO
Purpose.
We design and make clothes for everyone to help them look and feel amazing.

Mission.
Get an item of Superdry in every wardrobe.

Intent.
Deliver brand growth.
- Global consumer perspective
- Precise design DNA
- Global brand platform
- Super Responsible 40

- Unleashing our design capabilities
- Collaborative innovations
- Extend to new categories

- Adapting our stores for a digital world
- Enhancing margins through automation
- Globally aligned, multi-channel retail and wholesale sales teams

- World leading Wholesale
- Accelerate Ecommerce
- US and China opportunities
Introducing: Brigitte Danielmeyer.
Chief Product Officer

- Brigitte brings with her a deep experience of brand, product, design and retail, built over a 22 year career in fashion
- At Tommy Hilfiger she defined the look of the brand’s womenswear globally, including the critically acclaimed capsule collections with super model Gigi Hadid
- Her role at Superdry will support our Global Digital Brand strategy by delivering innovation and creativity from our in-house design teams
ADAPTING STORES FOR A DIGITAL WORLD

Nick Tatum
Global Retail Director

Gordon Knox
Logistics Director
Adapting Stores For A Digital World.

**Listening to our customers**

- "I can’t find what I want"
- "You don’t have my size"
- "There is nothing in store for me"
- "I’m not inspired to go into Superdry"
- "You’ve run out of bestsellers"
- "Store staff aren’t able to help me get the product I want"

**FY19 Priorities**

- **RFID**
  - Linear and Grading
  - Superfast Replenishment
  - Drop and Lock
- **Globally Aligned Promotions**
  - (Student Event, Mid Season Sale, Black Friday)
  - Targeted In Store Marketing
- **Single Stock Pool**
  - ISTs Reinstated
- **IKiosk**
  - Click & Collect / Reserve & Collect
  - iPad

**Scale of opportunity**
RFID
Why RFID?

1. Greater Accuracy
2. Actionable Data
3. Mobile Access
4. Stock Reduction

- Improved Superdry customer experience – Revenue driving
- Lower costs
- Improved working capital efficiency
What is RFID?

• A small, unpowered chip embedded in the swing tag or in future, embedded in the garment

• Completely unique fingerprint for that specific single item
Where are we?

**Phase 1**
27 UK and 3 US stores before Peak 2018

**Phase 2**
All remaining own stores by Autumn 2019
What has it given us so far?

- ACCURACY
- DATA
- MOBILE ACCESS
- STOCK REDUCTION
What has it given us so far?

- 100% accuracy on outbound stock
- 99.5% accuracy on store stock
- 99.5% accuracy on location of store stock

(versus 72% pre RFID)
What has it given us so far?

We can count Bicester in 10 minutes versus 6 hours

Availability issues in real time
What has it given us so far?

Mobile Access
Live demonstration
What has it given us so far?

2016 – 36,000
2017 – 24,000
2018 – 13,000

(Cheltenham Store example)
Immediate Benefits.

- Local digital marketing
- Better availability
- Improved customer experience
Customer Experience.

Rich Davies, Store Manager at Trafford

And this is why we love RFID!!! A Young lad, with his family, gutted he lost his hoody in Ireland. In the UK to watch United tonight. 1 left in store, 1 Medium - the exact size and literally 1 left in Sale... couldn't find it... locator function on... found in ladies sale... obv! They were amazed and So happy 😊😊😊

Experience ✔️
Future Applications.

- Ecom Fulfilment
- Store of One Ranging
- Customer Self Serve

Accuracy + data = better decisions, faster
ENHANCING MARGINS THROUGH AUTOMATION

Paula Kerrigan
Transformation Director

Shaun Packe
Sourcing Director
Our Priorities

Background

- The apparel industry has been very slow to evolve
- Any advancements have been supplier lead and slow
- Main focus has been to move to lower cost sourcing regions
- The apparel industry is heading towards a big bang moment
Automation.

Our Strategy

1. 3 year project to transform our supply base
2. Become global leader by partnering suppliers and machine producers
3. Fully integrated, automated and cost optimised irrelevant of location
4. Creating a sustainable supply base for the long term future
Why 3D Design?

- Speed to Market
- Reduced Cost
- Improved Quality
3D Design.

- Designing product digitally
- Granular material visibility
- Automatic upload to suppliers
Opportunities.

Samples driving Wholesale

Digital Showrooms
Opportunities.

Sewing machines

Machines that sew
Precise Design DNA

Alex McFarlane Watts
Head of Category Management - Menswear

Laura Hannam
Senior Buyer - Womenswear

Gemma Evans
Head of Merchandising - Menswear
Quality Obsession.

• Premium base fabrics
• Direct relationships with best-in-class suppliers
• Superior quality control enabled by regional offices
360 Design Detail.

- In-house team of 50 designers
- Hand drawn graphics and unique prints
- Bespoke Superdry components and trim
Value for Money.

- Quality fabrics, materials and finishes
- Product elevation
- Value add innovative designs
CUSTOMER SEGMENTATION
Customer Segmentation.

“Heritage”
- Brand loyal / Less trend driven

“Current”
- Stylish / Trend aware

“Early Adopter”
- Fashion forward / Trend led

DISRUPTION

INNOVATION
“Heritage”

- Loves Superdry for our vintage Americana-Japanese inspired graphics

- Looking for Superdry’s updated iconic heritage pieces

Market leading garment print applications
“Current”

• Appreciates Superdry’s quality & attention to detail

• Looking for pared back, timeless pieces with subtle branding
“Early Adopter”

- Appreciates innovative disruptive designs
- Looking for statement pieces

"Preview" - our disruptive innovation
Invictus.

- An inspirational year working with the athletes to deliver full technical kit and athleisure wear for supporters

- Unveiled the first disabled mannequin in the West End in our Regent St Store window

- Significant brand enhancement; massive international reach; on track to hit targets:
  - 1bn opportunities to see Superdry Invictus Sports kit
  - 185,000 extra visits to superdry.com

- True partnership established with the athletes and Help for Heroes with excellent future partnership opportunities as well