

# **Preliminary Results Presentation**

52 weeks to 2 May 2010.

July 2010.

**SuperGroup Plc**

# SuperGroup.Plc

## Preliminary Results Presentation Agenda

- > **Strategic Overview**  
Peter Bamford, Chairman
- > **Business and Financial Review**  
Julian Dunkerton, CEO/Chas Howes, CFO
- > **Questions and Answers**

## > Group Strategy

- > Drive UK retail roll out
  - 20 stores opened in the year, 42 at year end
- > Density improvement
  - Focus on own brand - AW10 range over 2,000 pieces
  - New shop fit delivering excellent results
  - Womenswear now 34.4% of retail revenue
- > Extend product range
- > Drive development of online offer
  - 4.4% of total Group revenue
- > Accelerate international roll-out via franchisee model
  - 14 stores opened since flotation on 24 March 2010
- > Develop organic growth with the existing customers
  - Wholesale key accounts grown +111.0%

# > Financial Highlights

## > A record year financially

- Group revenue of £139.4m, up +83.1% (FY09: £76.1m)
- Profit before tax\* of £26.5m, up £18.9m (FY09: £7.6m)
- Gross margin - 52.6% (FY09: 47.6%)
- Working capital 12.9% of sales (FY09: 20.8%)
- Cash net of overdraft at year end of £28.0m (FY09: £1.7m overdraft)
- Sub normal tax rate – intangible asset tax credit £52.4m

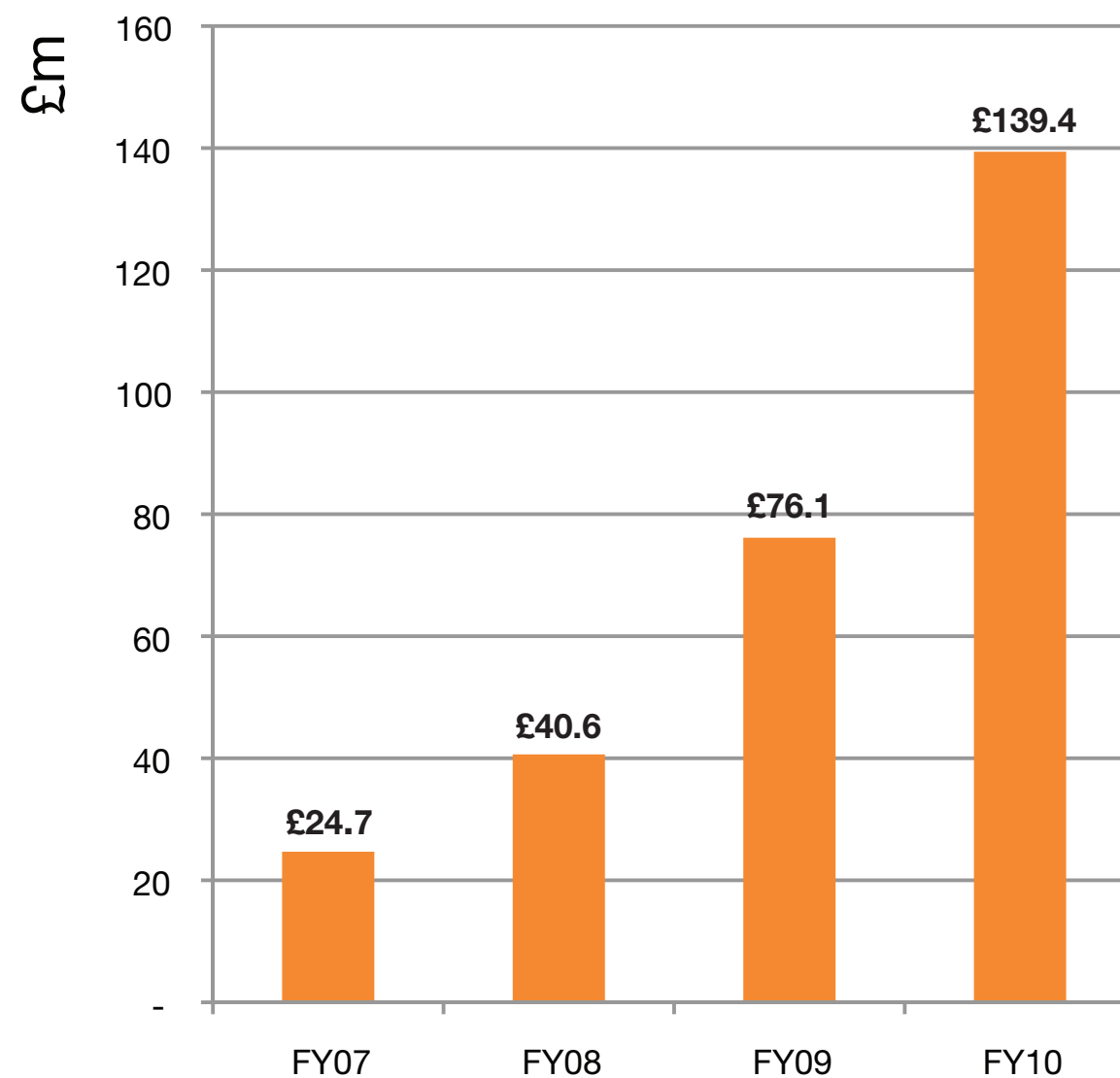
\* Stated before exceptional items and the impact of financial derivatives

# > Summarised Income Statement

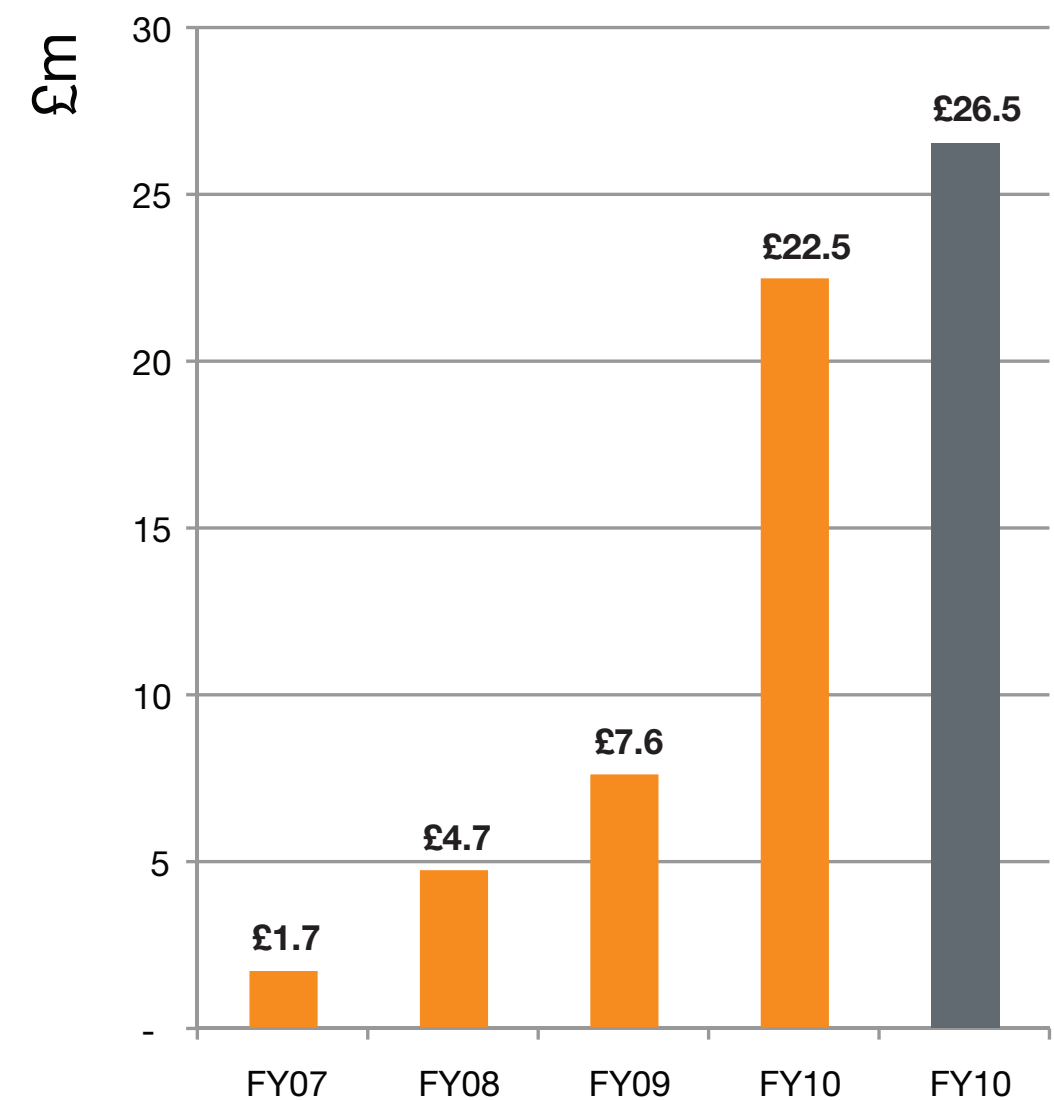
		FY10	FY09	+/- £m	+/- %
Group Revenue	£m	139.4	76.1	+63.3	+83.1%
Gross Profit	£m	73.3	36.3	+37.0	+102.0%
<b>Gross Margin</b>	<b>%</b>	<b>52.6%</b>	<b>47.6%</b>	-	<b>+5.0 pts</b>
Operating Profit	£m	22.6	7.9	+14.7	+185.8%
<b>Operating Margin</b>	<b>%</b>	<b>16.2%</b>	<b>10.4%</b>	-	<b>+5.8 pts</b>
Finance Costs	£m	(0.1)	(0.3)	- 0.2	-48.5%
Profit Before Tax	£m	22.5	7.6	+14.9	+196.0%
Exceptionals/Deratives	£m	4.0	0.3	+3.7	-
<b>Adjusted Profit Before Tax</b>	<b>£m</b>	<b>26.5</b>	<b>7.9</b>	<b>+18.6</b>	<b>+234.8%</b>
<b>Adjusted Operating Margin</b>	<b>%</b>	<b>19.1%</b>	<b>10.8%</b>	-	<b>+8.3 pts</b>
Sales Growth p.a.	%	+83.1%	+87.4%	-	-
PBT Growth	%	+196.0%	+60.8%	-	-

# > Financial Track Record

## > Group consolidated revenue

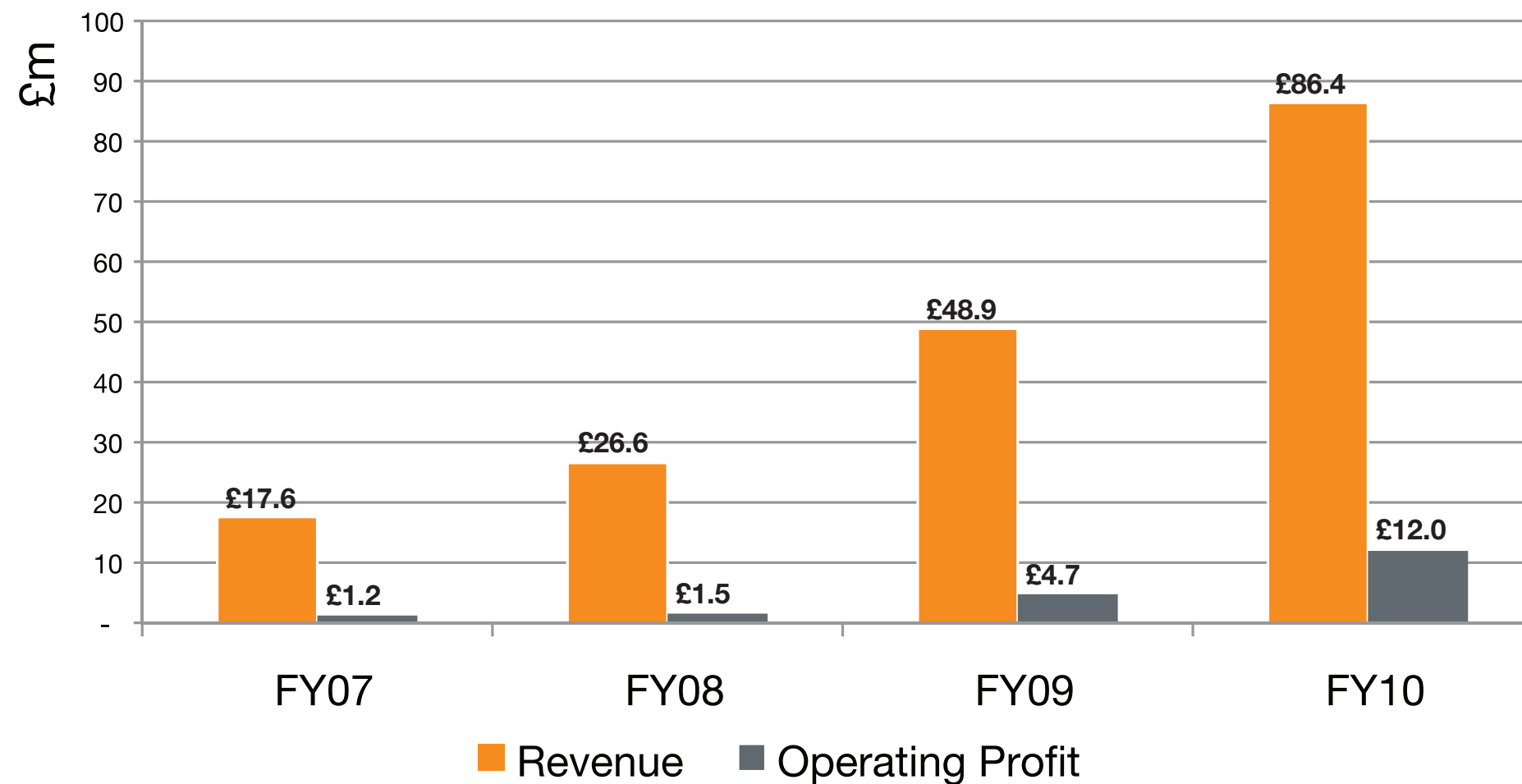


## > Group consolidated PBT



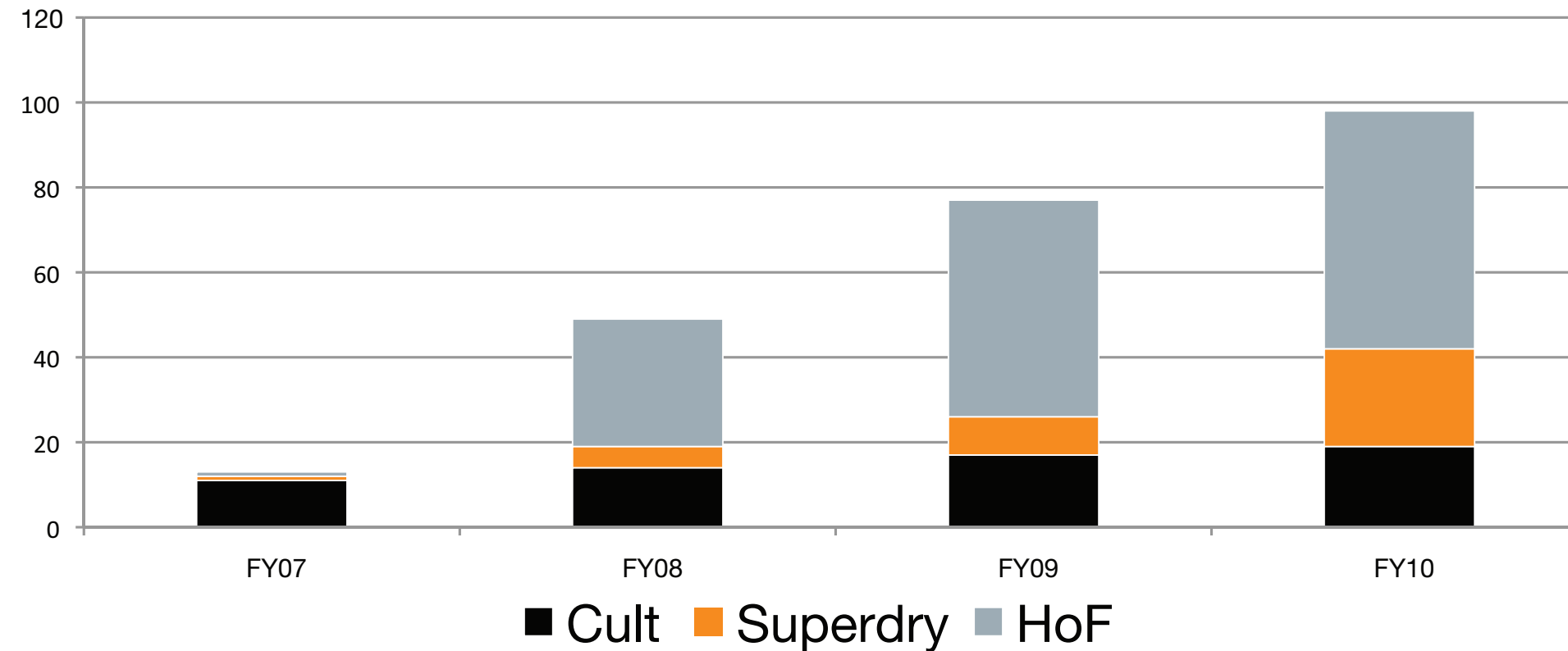
■ Profit before tax, exceptional items and impact of financial derivatives

## > Sales and Profit Growth Retail



	FY07	FY08	FY09	FY10
Operating Margin	6.9%	5.8%	9.7%	13.9%
Operating Margin pre Exceptionals, Derivatives and Group Overheads				20.8%

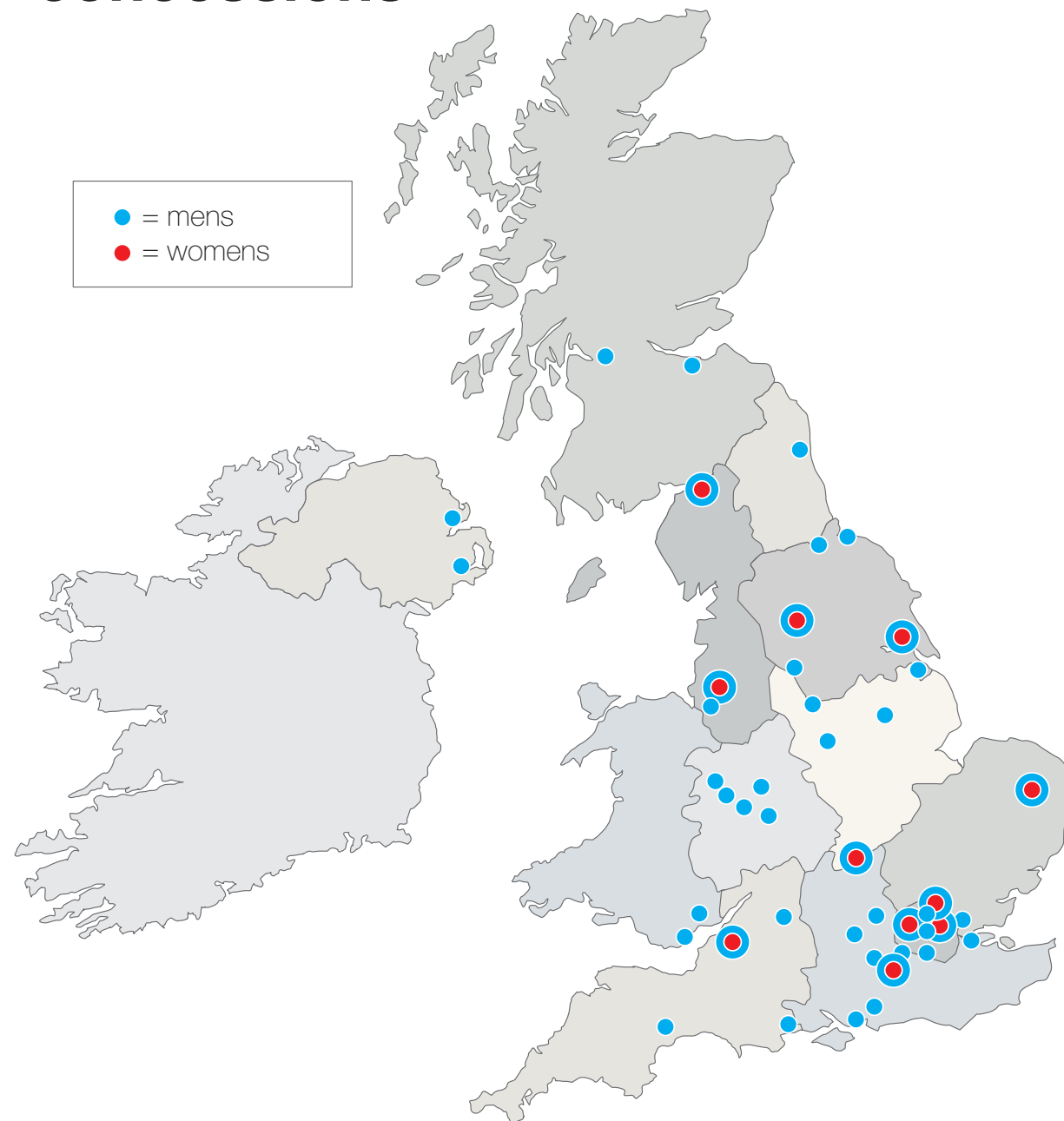
## > Store and Concession Numbers (at year end)



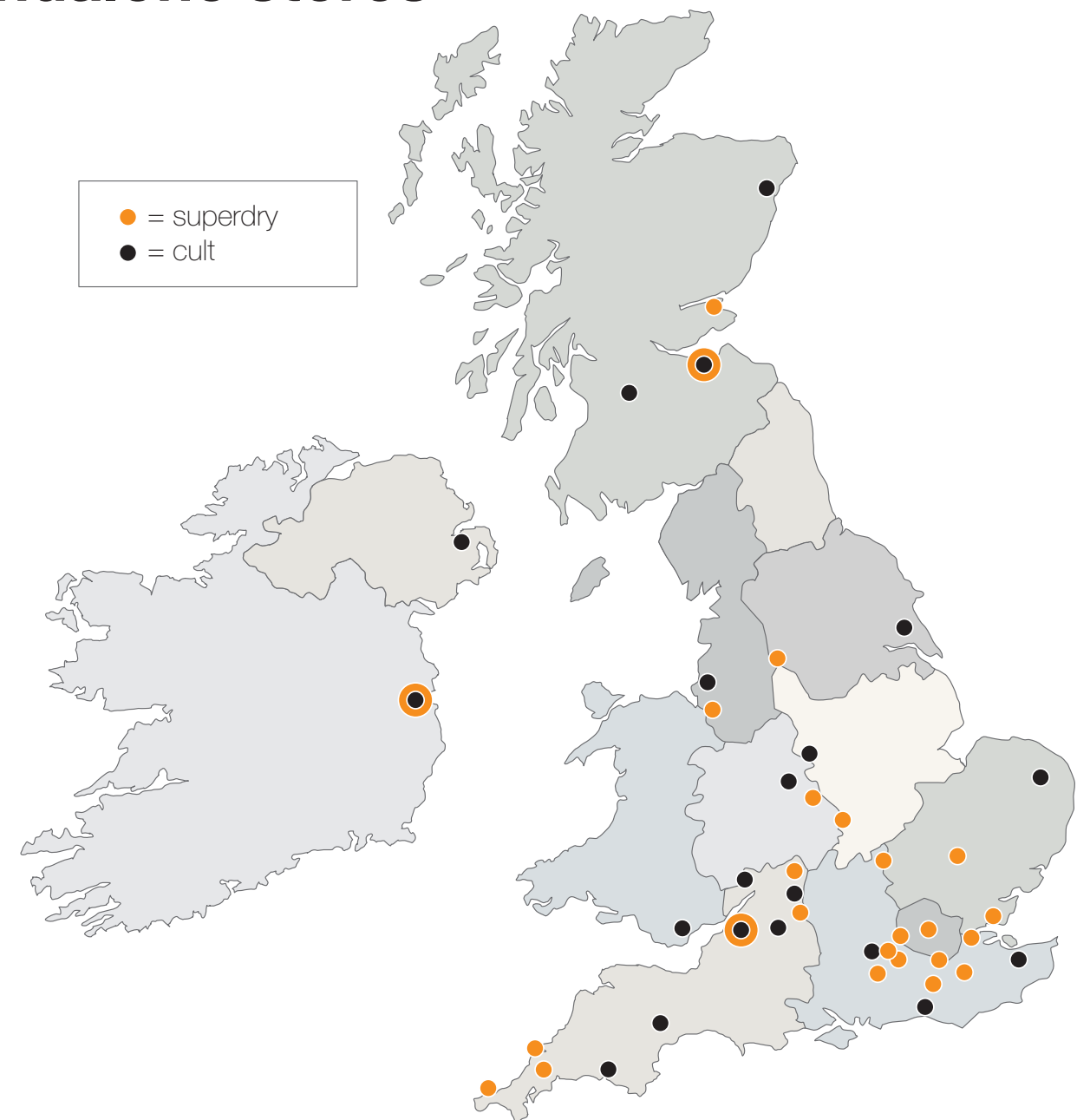
Store Format	FY07	FY08	FY09	FY10
Cult	11	13	16	20
Superdry/Outlets	1	5	9	22
Concessions	1	30	51	56
Standalone Stores - Sales Sq ft	58,254	88,939	126,704	211,680
Average	4,845	4,941	5,068	5,040

# > Retail Store and Concession Map

## concessions



## standalone stores



## > Retail Key Performance Indicators

			FY07	FY08	FY09	FY10
Sales densities						
Standalone stores*	£/sq ft		288	298	307	377
HoF	£/sq ft		n/a	282	466	497
Own brand mix	%		33.1	68.5	86.0	94.1

\* Based on total revenue and average selling space.

### > Ave density for new stores +67.8% ahead of stores opened prior to FY09

		AW08	SS09	AW09	SS10	AW10
Superdry Range	pcs	700	1,000	1,300	1,400	2000+

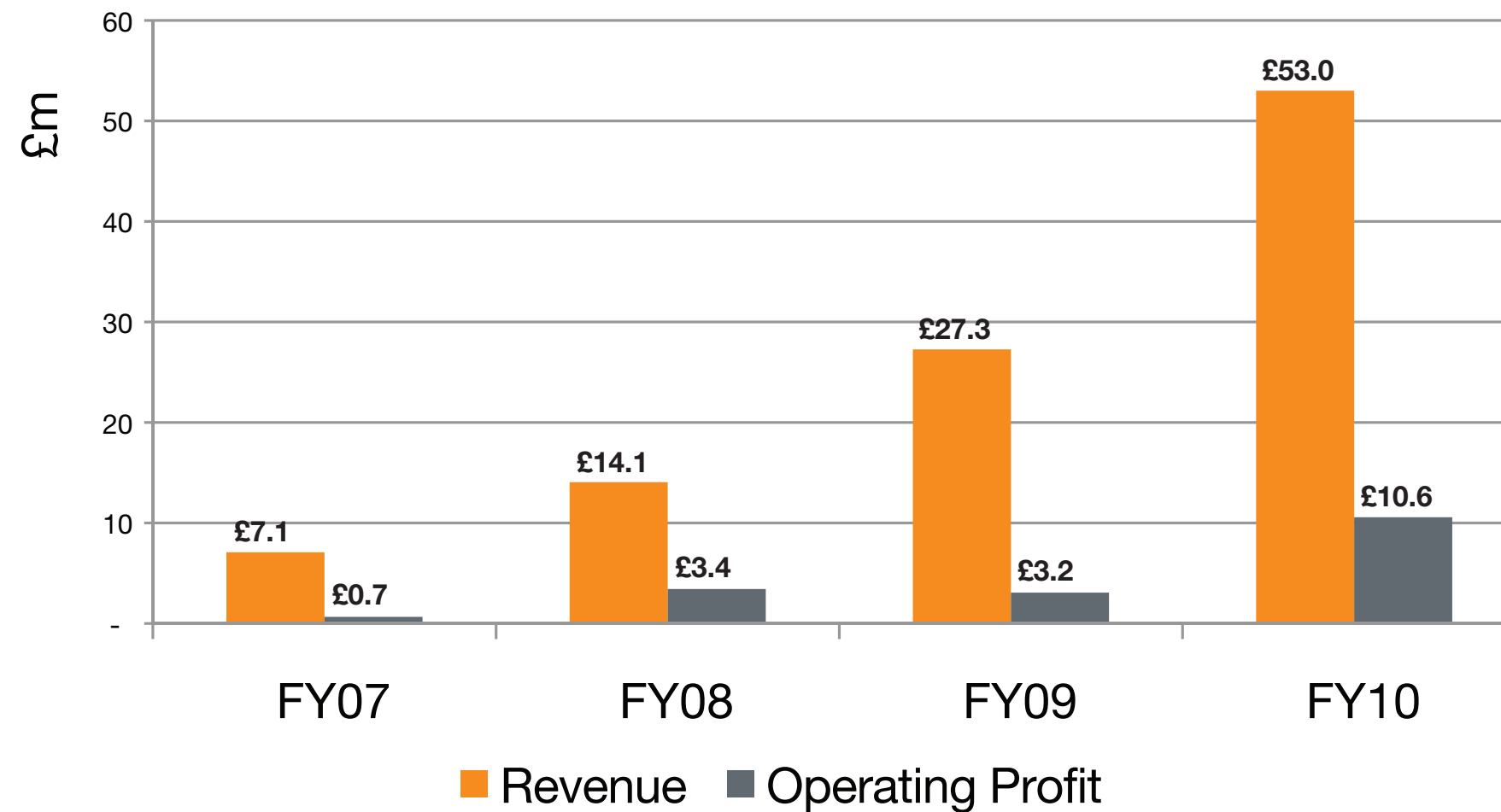
### > Womenswear represents 34.4% sales, (FY09: 32.0%)

### > Internet represents 4.4% of Group sales - selling to 72 countries

			FY08	FY09	FY10
Like-for-Like (stores open 12 months including internet and HoF)					
	%		16.8	8.9	17.1

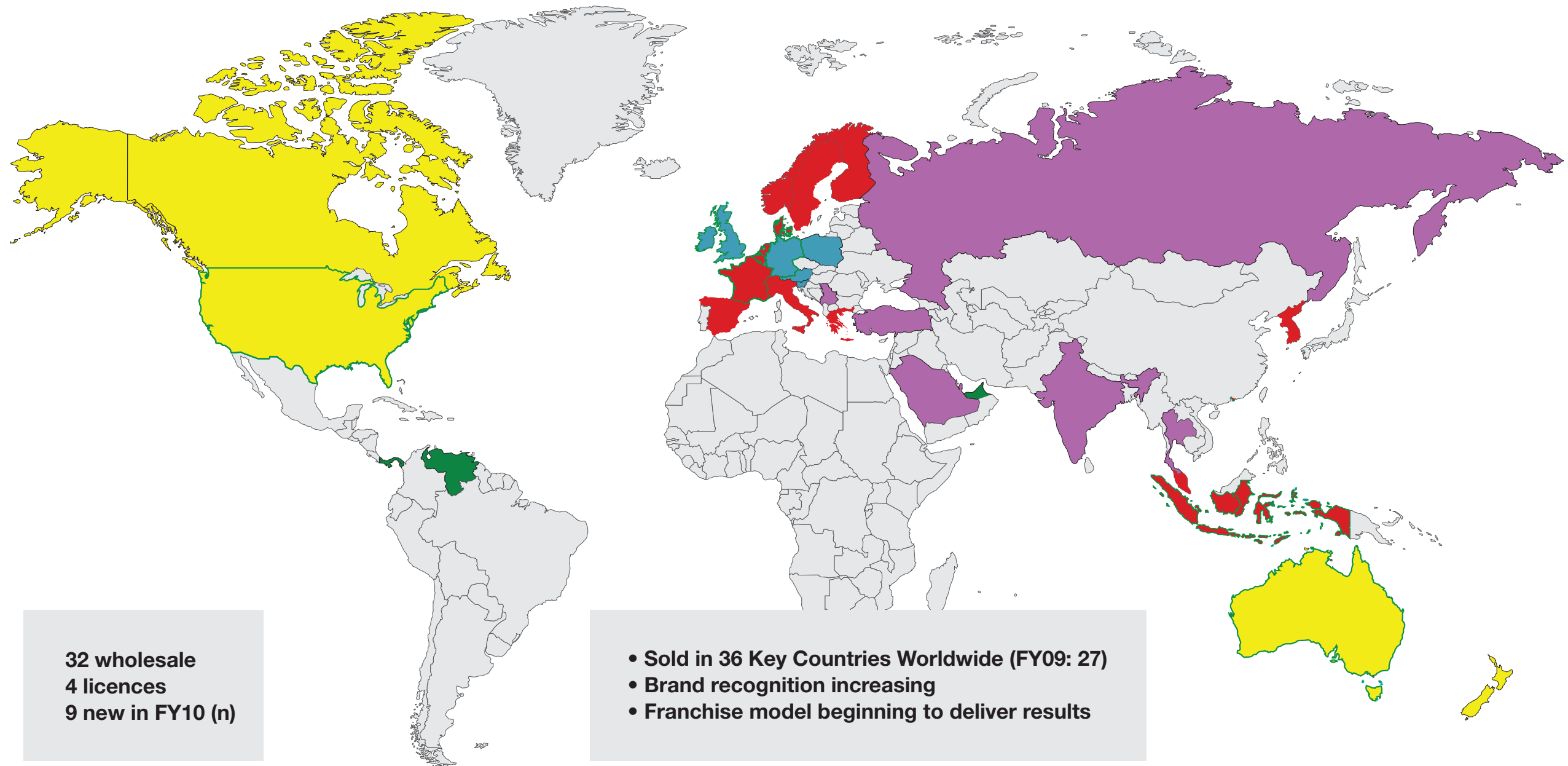
Note: data supplied by SuperGroup Ltd

# > Sales and Profit Growth Wholesale



	%	FY07	FY08	FY09	FY10
Operating margin		9.3%	24.4%	11.6%	20.1%
Overseas mix		34%	20%	33%	49%

# > Wholesale – Worldwide Partners/Presence

**distributor**

spain  
norway  
sweden  
finland  
switzerland  
italy  
san marino  
greece  
malaysia (n)  
korea

**distributor / franchisee**

france  
belgium  
holland  
denmark  
luxembourg  
indonesia (n)  
hong kong

**franchisee**

uae  
panama (n)  
venezuela (n)

**licensee**

new zealand  
canada

**licensee / franchisee**

australia  
usa

**agent**

austria  
poland

**agent / franchisee**

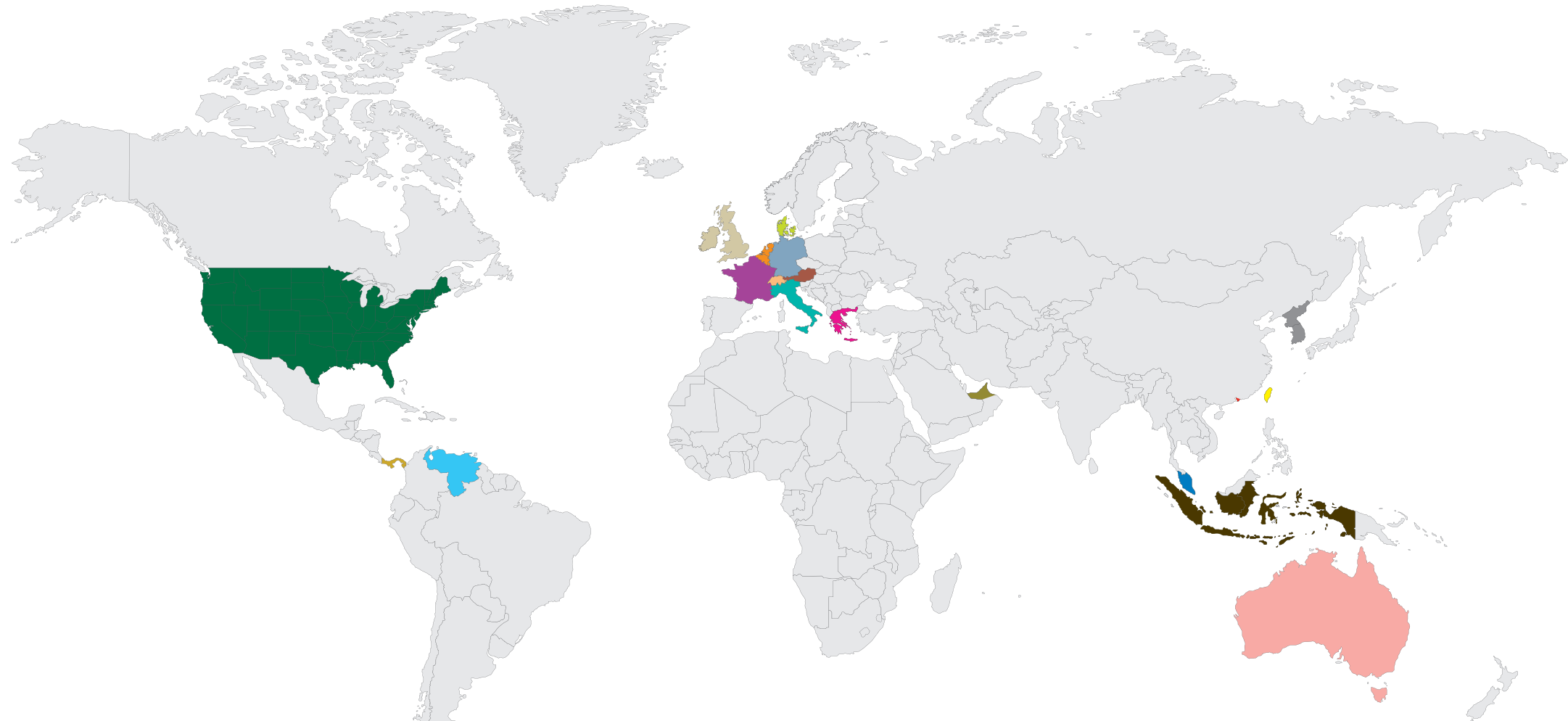
uk  
ireland  
germany

**independant**

russia  
malta (n)  
serbia (n)  
turkey  
saudi arabia  
thailand (n)  
india (n)  
slovenia (n)

# > Wholesale – Franchise Stores

## 39 Stores in 14 Countries



europa	open	to open	total
uk	9		9
ireland	1		1
benelux	10	5	15
france	6	4	10
denmark	1		1
germany	2	1	3
austria		1	1
switzerland		1	1
italy		2	2
greece		2	2
<b>total</b>	<b>29</b>	<b>16</b>	<b>45</b>

americas	open	to open	total
usa	1	4	5
venezuela	3	1	4
panama	2		2
<b>total</b>	<b>6</b>	<b>5</b>	<b>11</b>

middle east	open	to open	total
uae		5	5
<b>total</b>	<b>0</b>	<b>5</b>	<b>5</b>

asis pacific	open	to open	total
australia	2	5	7
singapore		1	1
indonesia	1	2	3
hong kong	1		1
korea		4	4
<b>total</b>	<b>4</b>	<b>12</b>	<b>16</b>

concessions	open	to open	total
korea		10	10
taiwan		4	4
other	3	2	5
<b>total</b>	<b>3</b>	<b>16</b>	<b>19</b>

# > Berlin Trade Show - New Contacts



## New Contacts

Russian Federation -

Potential multi-store franchise agreement

Columbia -

Existing partner in South America looking to expand into this territory

India -

Potential franchise

Kazakhstan -

Potential franchise

Korea -

Potential master franchise agreement with existing distribution partner

- **Strong Suppliers & Cost Effective Support**
- Sources of Supply
  - 33 factories located in Turkey, China, India and Peru
    - focus on quality improvements through collaborative relationships
  - Purchases denominated in Sterling apart from China (US\$) - c.30% of purchases
- Warehousing and fulfillment
  - UK DC commissioned improving store replenishment
    - Greater efficiencies to come, focusing on customer service
- IT
  - IT platform reviewed and will support business into FY11
  - Ongoing process improvements / investment plans in place

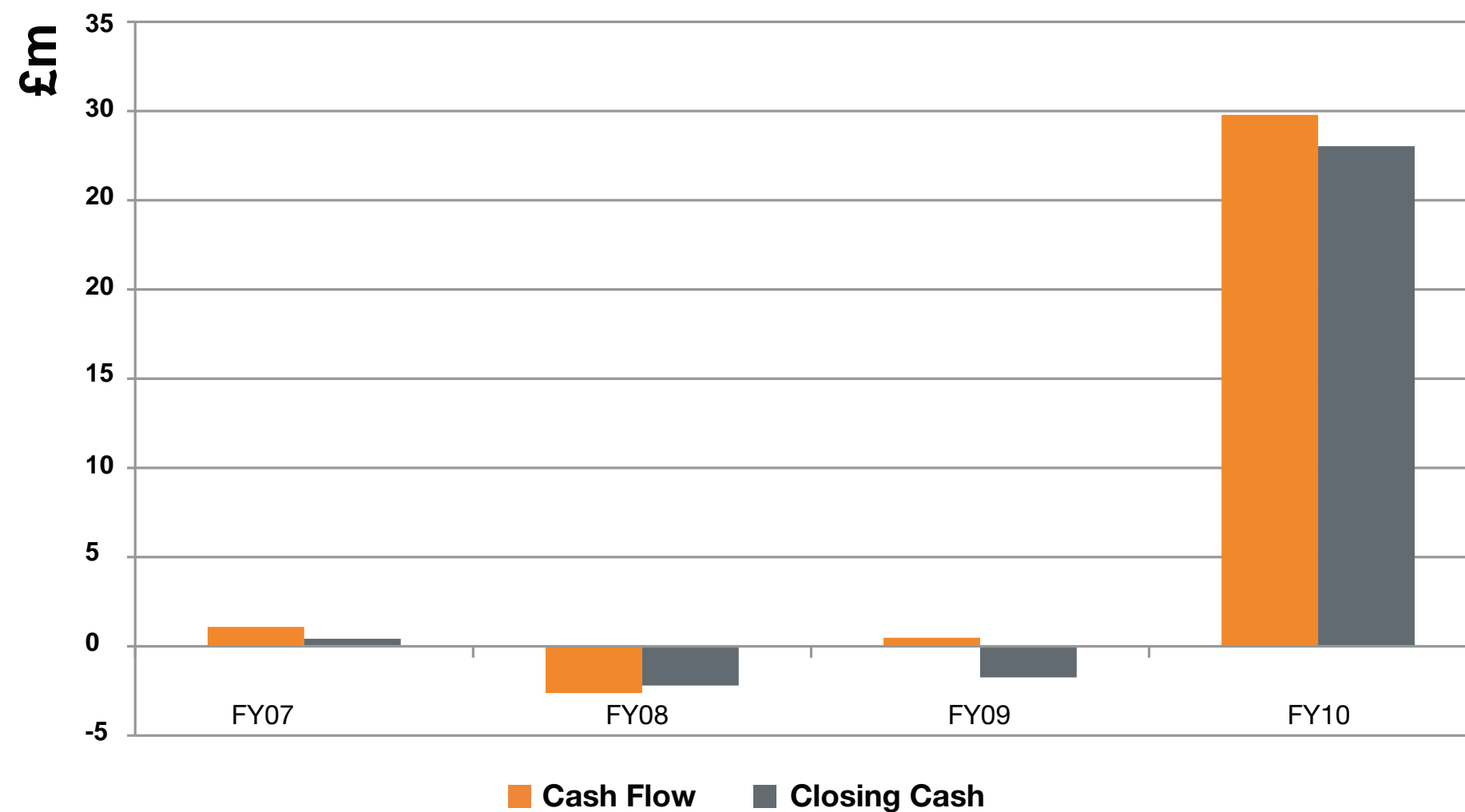
## > Group Operating Expenses

		FY07	FY08	FY09	FY10
Store Costs	£m	5.1	8.3	17.3	27.0
Group Overheads	£m	3.3	4.8	8.0	16.5
Depreciation	£m	0.6	1.9	3.3	4.1
<b>SG&amp;A Expenses</b>	<b>£m</b>	<b>9.0</b>	<b>15.0</b>	<b>28.6</b>	<b>47.6</b>
<b><i>Ratios</i></b>					
Store Costs : Retail Revenue	%	28.7%	31.3%	35.3%	31.3%
Group Overheads : Group Revenue	%	13.4%	11.9%	10.6%	11.9%
<b>Total SG&amp;A Expenses : Group Revenue</b>	<b>%</b>	<b>36.3%</b>	<b>36.9%</b>	<b>37.6%</b>	<b>33.8%</b>

# > Balance Sheet

	£m	FY10	FY09	+/- £m
PPE / Intangibles		24.4	12.9	+11.5
Deferred Income Tax Credit		49.7	-	+49.7
<b>Total Non Current Assets</b>		<b>74.1</b>	<b>12.9</b>	<b>+61.2</b>
Inventories		21.1	17.5	+3.6
Trade Receivables		16.4	9.3	+7.1
Cash		29.4	0.8	+28.6
<b>Current Assets</b>		<b>66.9</b>	<b>27.6</b>	<b>+39.3</b>
Borrowings		1.3	5.4	-4.1
Trade Payables		21.6	11.7	+9.9
Derivatives		0.3	0.3	-
Other		0.8	-	+0.8
<b>Current Liabilities</b>		<b>24.0</b>	<b>17.4</b>	<b>+6.6</b>
Borrowings		-	2.6	-2.6
Trade and Other Payables		16.5	4.8	+11.7
<b>Non Current Liabilities</b>		<b>16.5</b>	<b>7.4</b>	<b>+9.1</b>
<b>NET ASSETS</b>		<b>100.5</b>	<b>15.7</b>	<b>84.8</b>

# > Cash Flow Track Record



Cash Flow and Closing Cash	FY07	FY08	FY09	FY10
Cash Flow	1.1	-2.6	0.5	29.7
Closing Cash	0.4	-2.2	-1.7	28.0

## > **Strong Balance Sheet and Cash Generative**

- > The Group is debt free with a net cash position of £28.0m at year end (FY09: £1.7m overdraft)
- > Significant improvement in working capital controls
  - > Working capital 12.9% of Group revenue (FY09 : 20.8%)
- > £4m annual cash benefit derived from amortisation of Intangible assets and goodwill
- > Dividends
  - > No dividend for FY10
  - > The Board expect to pay a dividend subject to
    - > Profitability, growth and available cash/distributable reserves
    - > Maintaining a suitable dividend cover

## > **Current Trading and Outlook**

- > All channels started well in line with expectations
- > UK retail roll-out on track – committed to 20 stores per year
- > Re-launched customer facing website, new head of E-commerce appointed
- > Wholesale open order book for Autumn/Winter 2010 indicates revenue at record levels
- > International roll-out just beginning to realise its true potential
- > Opportunity for womenswear to increase participation





# Appendices

Preliminary Results Presentation

52 weeks to 2 May 2010

July 2010

# > The Retail Estate

## Appendix 1

	FY09 Year End				FY10 Year End		
Fascia	No. Stores	Sq Ft (k)	Ave sq ft		No. Stores	Sq Ft (k)	Ave sq ft
Cult	16	99.2	85.7		20	104.6	119.9
Superdry	8	25.2	21.0		18	62.1	43.7
Breed*	-	-	-		-	-	0.7
Outlet	1	2.3	1.1		4	9.0	5.6
<b>Total Standalone</b>	<b>25</b>	<b>126.7</b>	<b>107.8</b>		<b>42</b>	<b>211.7</b>	<b>169.9</b>
Concessions	51	32.0	26.1		56	34.4	33.2
<b>Total Estate</b>	<b>76</b>	<b>158.7</b>	<b>133.9</b>		<b>98</b>	<b>246.1</b>	<b>203.1</b>

\* Breed opened and closed during FY10

# > Top Shopping Centres with No Owned Presence

## Appendix 2

(Advanced Pipeline Stores – Board Approved / Non Approved)

(Based on CACI “total comparison good expenditure”)			
> £500m	> £500m	£400m - £500m	
Oxford St / Regent St	Bromley	Solihull	
Manchester Arndale	Cribbs	Ipswich	
Leeds	Chester	Chelmsford	
Nottingham	Merry Hill	Preston	
White City	Watford	Maidstone	
Newcastle	York	Doncaster	
Southampton	Brent Cross	Peterborough	
Manchester Trafford	Preston	Huddersfield	
Lakeside	Colchester	Worcester	
Gateshead	Coventry	Bradford	
Sheffield City	Watford	Middlesbrough	
Derby		Bolton	
Croydon		Bournemouth	

# > Wholesale – Routes to Market

## Appendix 3

- > UK
  - > Key Accounts
  - > Independent retailers sold via agents
- > Europe
  - > Distributors, some of which are franchisees
  - > Independent retailers sold via agents
  - > Franchisees
- > N. America / Australasia
  - > Territory Licensees/Franchises
- > Rest of World
  - > Franchisees

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