

A man and a woman are standing side-by-side against a dark, textured background. The woman on the left has long, wavy brown hair and is wearing a white long-sleeved top under a black fur vest, paired with dark jeans. The man on the right has short dark hair and a beard, wearing a dark blue leather jacket over a dark shirt and dark jeans. The text 'SuperGroup.Plc' is overlaid in large white letters across the center of the image.

SuperGroup.Plc

Capital Markets Day – Arndale Store, Manchester

29 September 2016

A photograph of a modern shopping mall interior. The scene features a large, multi-story building with a prominent glass facade on the left side, reflecting the interior lights. The ground floor is a wide, open space with a light-colored tiled floor. In the background, a Superdry store is visible, with its logo and branding clearly displayed. Above the store, a sign for 'WINTER GARDEN' is visible. The overall atmosphere is bright and modern.

Welcome

Agenda.

- **Welcome**
- **Introduction** **Euan Sutherland**, Chief Executive Officer
- **Multi-channel Strategy** **Jon Wragg**, E-commerce & Wholesale Director
- **Next Generation Store** **Nick Tatum**, Global Retail Director
- **Financial Opportunity** **Nick Wharton**, Chief Financial Officer
- **Summary** **Euan Sutherland**
- **Q&A**
- **Store Tour**

Introduction - Euan Sutherland



Creating a Global Lifestyle Brand.

Objectives for today

- Multiple sequenced global growth opportunities
- Customer insight led offer development
- Multi-channel emphasis in everything we do
- Next Generation Store enhances brand & LFL
- Enhanced infrastructure and experienced management team

Arndale Objectives:

- Update brand delivery in-store
- Showcase the breadth of the range
- Improve sales density through flexible fixturation
- Reduce the capital cost of new and refurbished stores
- Reduce operating costs

Introductions.



Jon Wragg, E-commerce & Wholesale Director

Joined SuperGroup April 2014

- Asda
 - Multi-Channel Director
 - Commercial Director
- George at Asda
 - Business Development Director
- Shop Direct



Nick Tatum, Global Retail Director

Joined SuperGroup November 2015

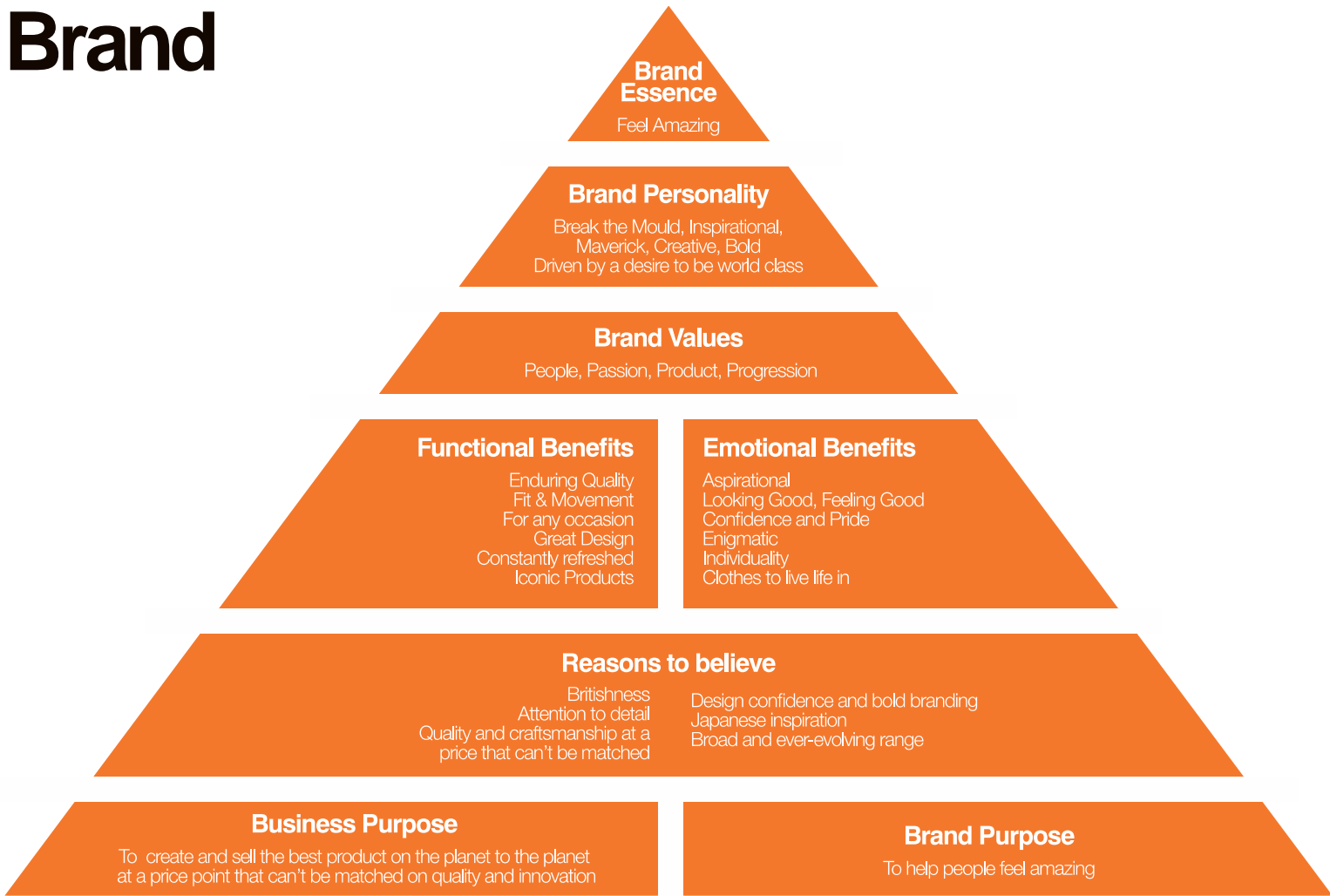
- Tesco
 - Food: Change & Operations Director
 - Bakery: Category Director
 - Produce: Commercial Operations Director



Our Purpose

Helping People
Feel Amazing.

Our Brand



Our Ambition.



Our Plan.

Creating a Global Lifestyle Brand

Embed



Our brand values for long term sustainable growth

Enable



Investment in people, systems & infrastructure

Extend



Achieving growth potential in key categories

Execute



Growth opportunities in new markets and online

Emphasis today on extend and execute strategies

2015 Customer Findings Further Validated in 2016.



**The brand remains
relevant in its core
UK market**

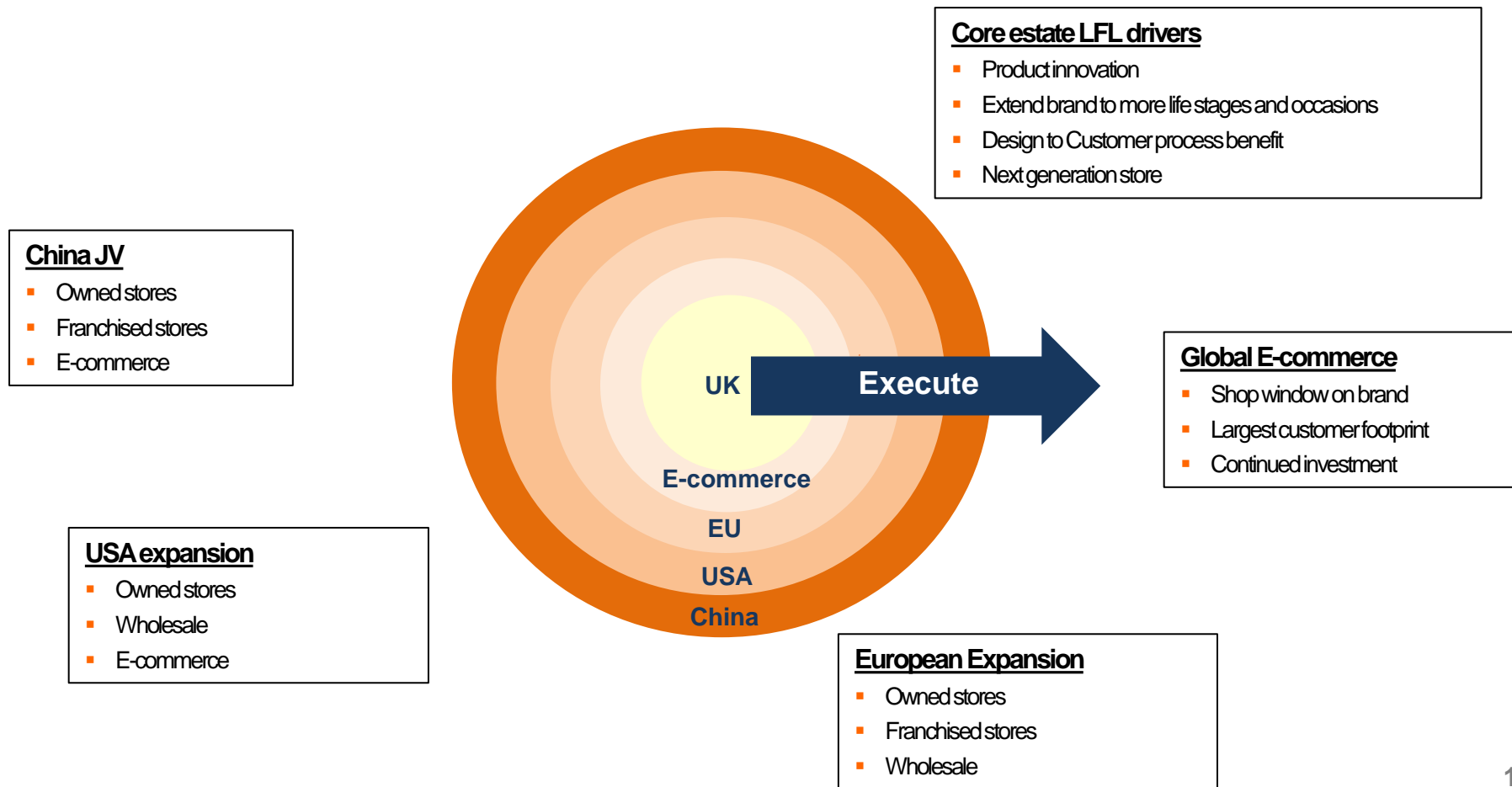


**Superdry has broad
democratic appeal, and
a consistent brand
perception centred on
cool and quality**



**There are opportunities
to better communicate
the breadth of our product
range and to grow our
womenswear business**

Sequenced Global Growth Over Time.



Growth Strategies Tailored to Each Market.

Bespoke route to market strategies optimise returns and minimise risk

Six vertical routes to customer give significant offer flexibility

- **Owned stores**
 - Primary catchments
- **Franchise stores**
 - Developing markets
 - Secondary catchments
- **Owned websites**
- **Partner websites**
 - Access different customers
 - Build brand awareness
- **Department stores**
- **Multi-brand Independents**

Example Considerations

- Market size/development
- Operational complexity
- Brand awareness
- Partner availability
- Local legislation
- Market economics (eg; space)
- Capital requirements (Incl lease flexibility)

Individual Market Strategy

Multi-channel Strategy Jon Wragg



Our E-commerce Objective

**Make It Inspiring And Easy For
People Across The Planet To Buy
Superdry Products, And Deliver An
Amazing End To End Experience**

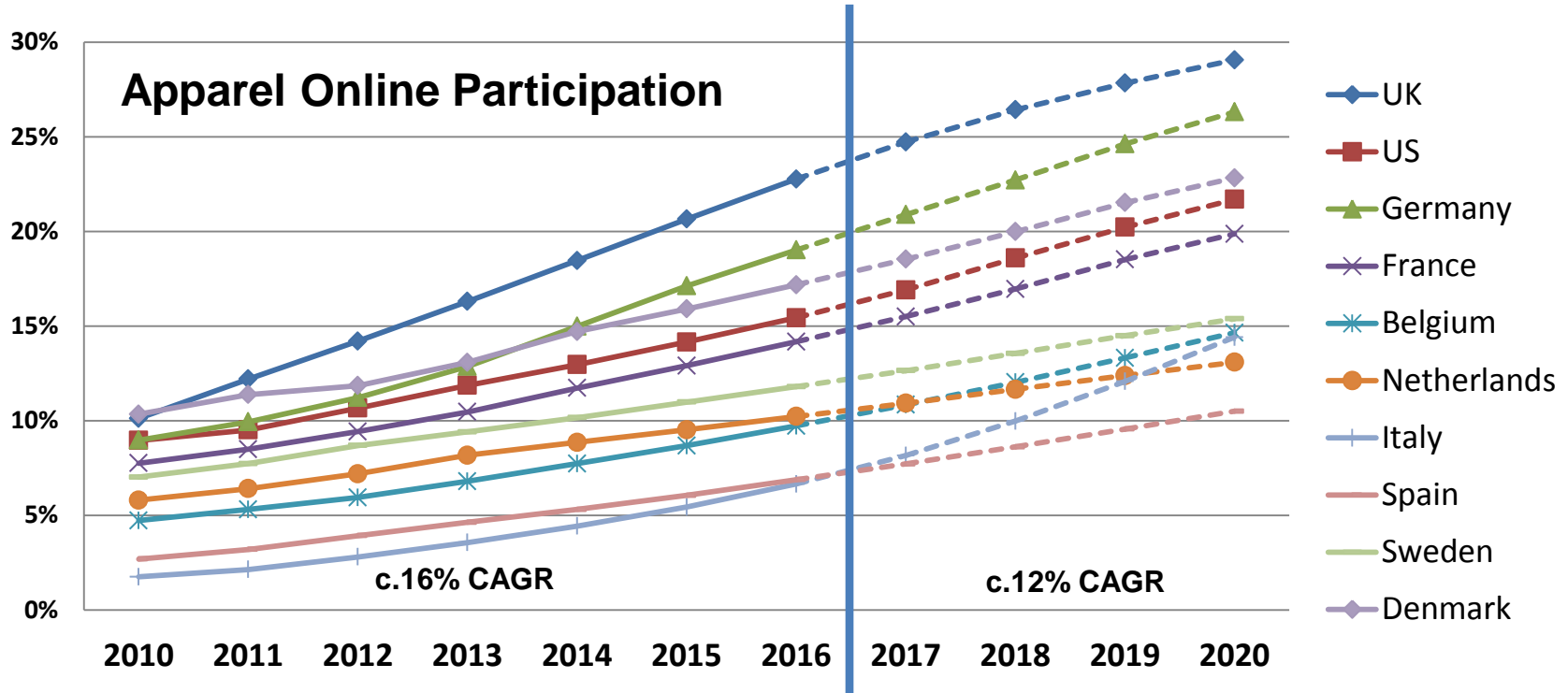
Our Philosophy

Order **Anywhere**
Any Device
Any Payment Method
Delivered **Anywhere**



Market Overview.

On-line fastest growing route to customer in core and developing markets



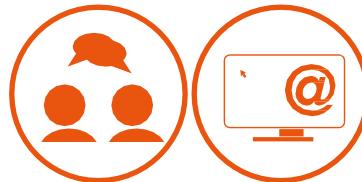
Source: Verdict. CAGR = growth in markets where SGP participates

Multi Channel Customers Are Increasingly Valuable.

Multichannel customers spend more often than single channel customers, are more Brand loyal and are much more valuable



Frequency Index
Share of Wallet Index
Value Index



Single Channel
Shopper

100

100

100



Multichannel
Shopper

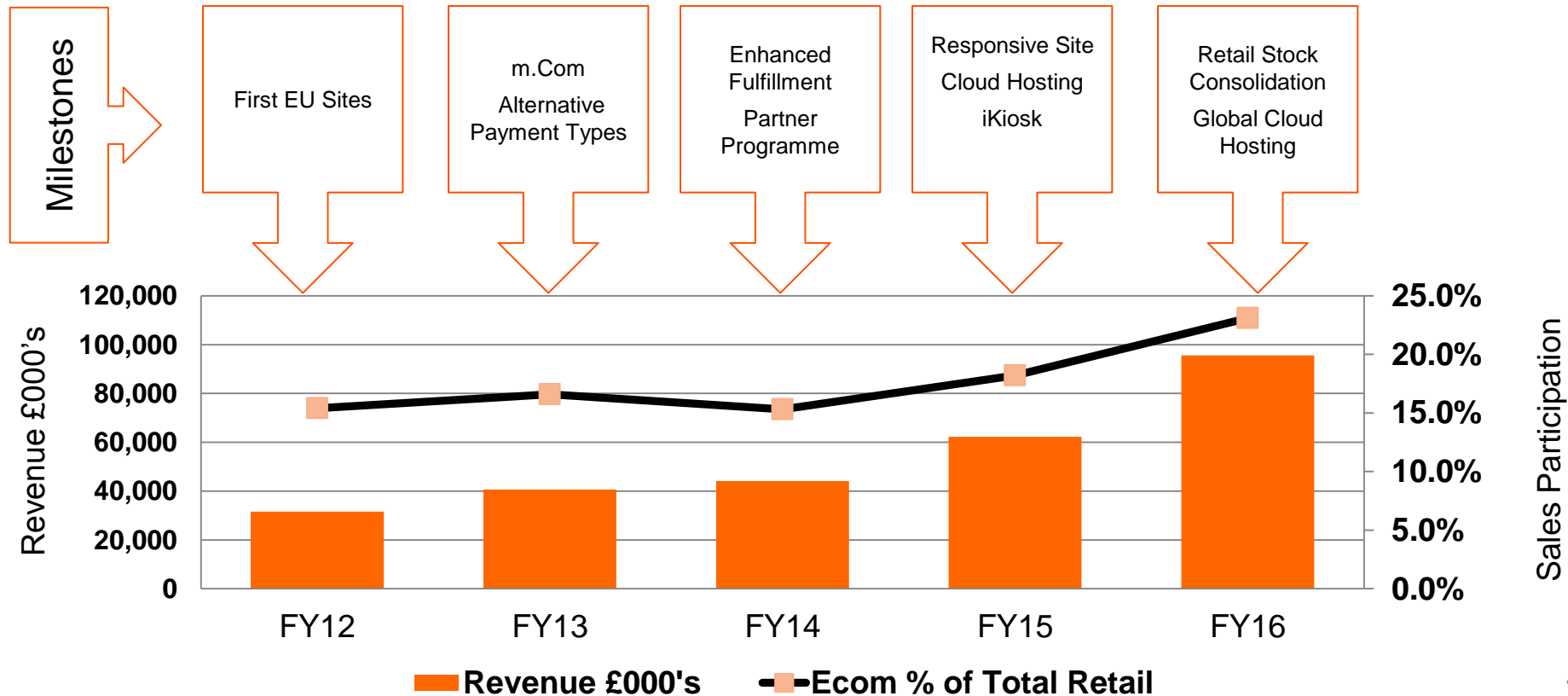
250 (250)

224 (188)

284 (254)

E-commerce Growth Profile.

E-commerce growth supported by consistent investment in customer journey



Customer Led Development Principles.

Progress reflects the accumulation of many marginal gains

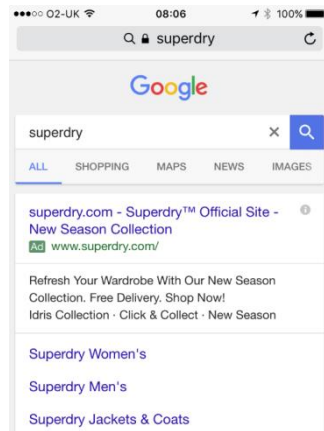


Customer Acquisition & Retention.

Constantly adapting to the new opportunities for customer acquisition

Case Study – Paid Search

Before



Text based search
'Exact match' criteria

Now

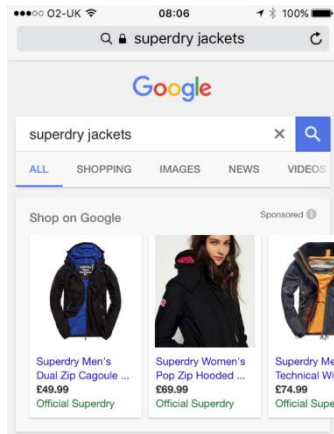
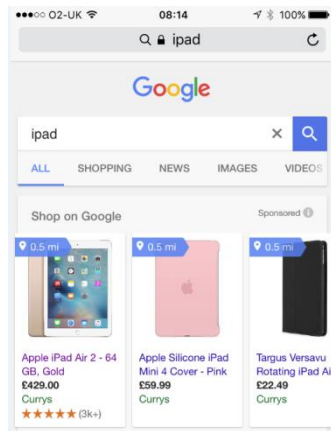


Image based search
Google shopping
Creates store footfall
Twice market average ROI

Future



Localised search
Real time store stock check

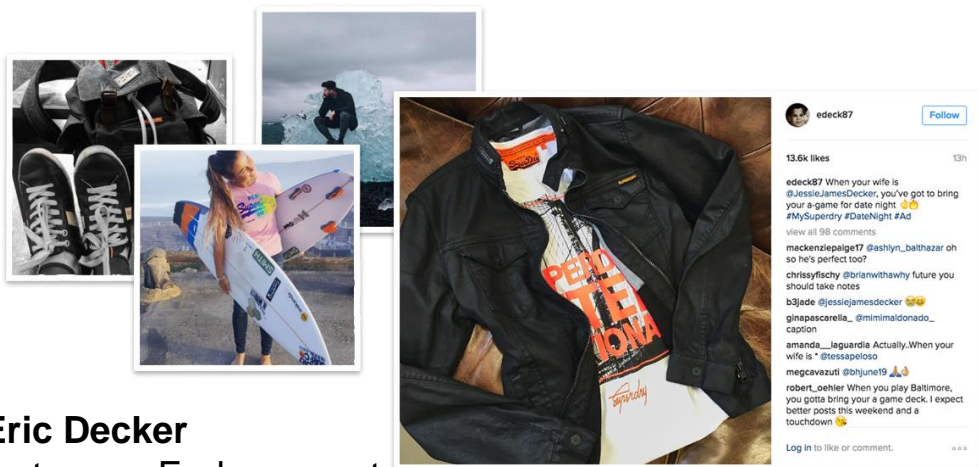
Customer Acquisition & Retention. Social Media



#SDYOGANIGHT

Engage with customers by promoting events
via social channels.
Encourages discussion around new collections
& Superdry Stories

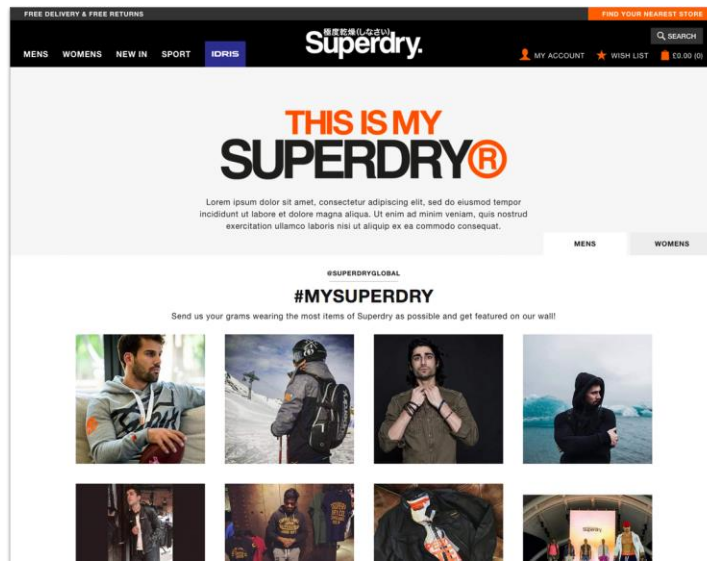
Helped to raise Superdry Sport awareness



Eric Decker
Instagram Endorsement

#MYSUPERDRY

Introducing #MYSUPERDRY to Superdry.com
Increase awareness and keep customers engaged

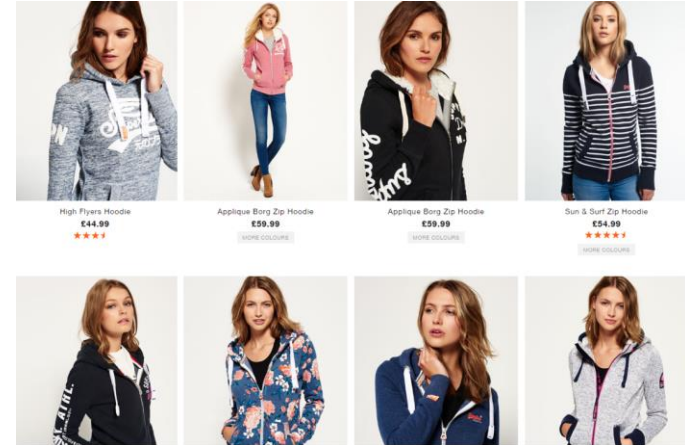


Amazing Product.

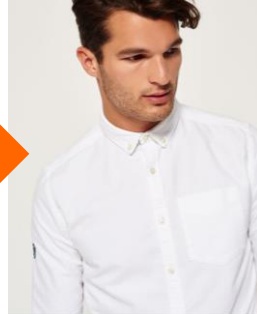
Changes in creative style materially increase Product Views and Sales



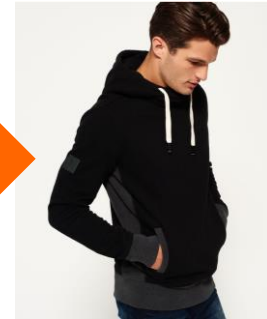
+64%



+39%



+122%



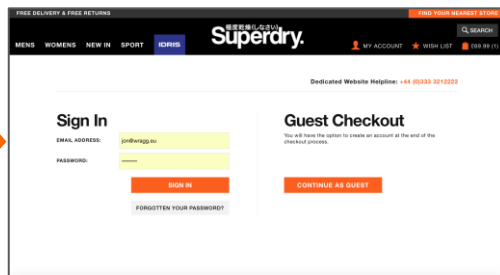
Customer Experience.

SessionCam technology identifies multiple opportunities to improve customer experience

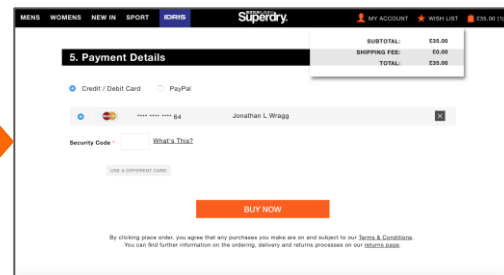
Case Study – 3 Clicks To Buy



Add To Bag



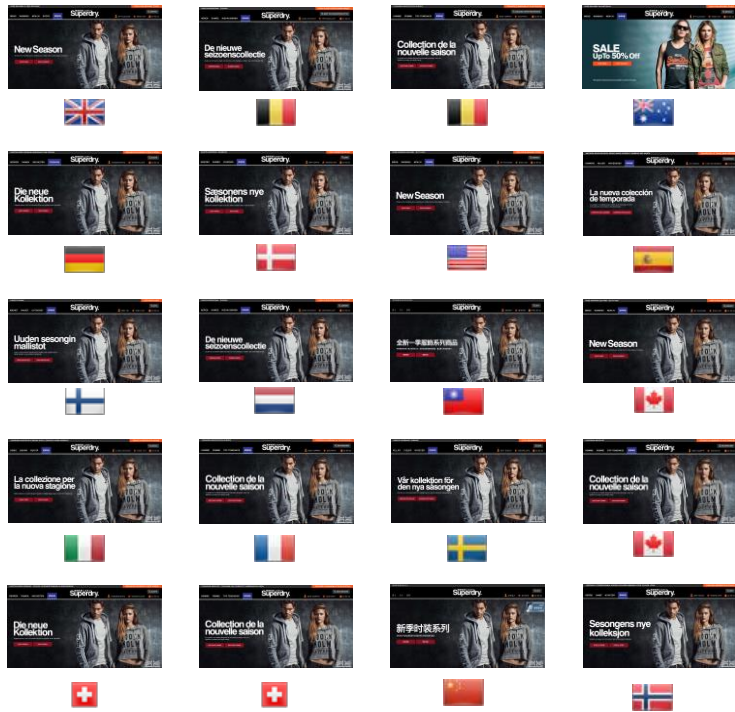
Sign In



Hit Buy Now

Customer Experience.

20 truly localised sites serving priority markets



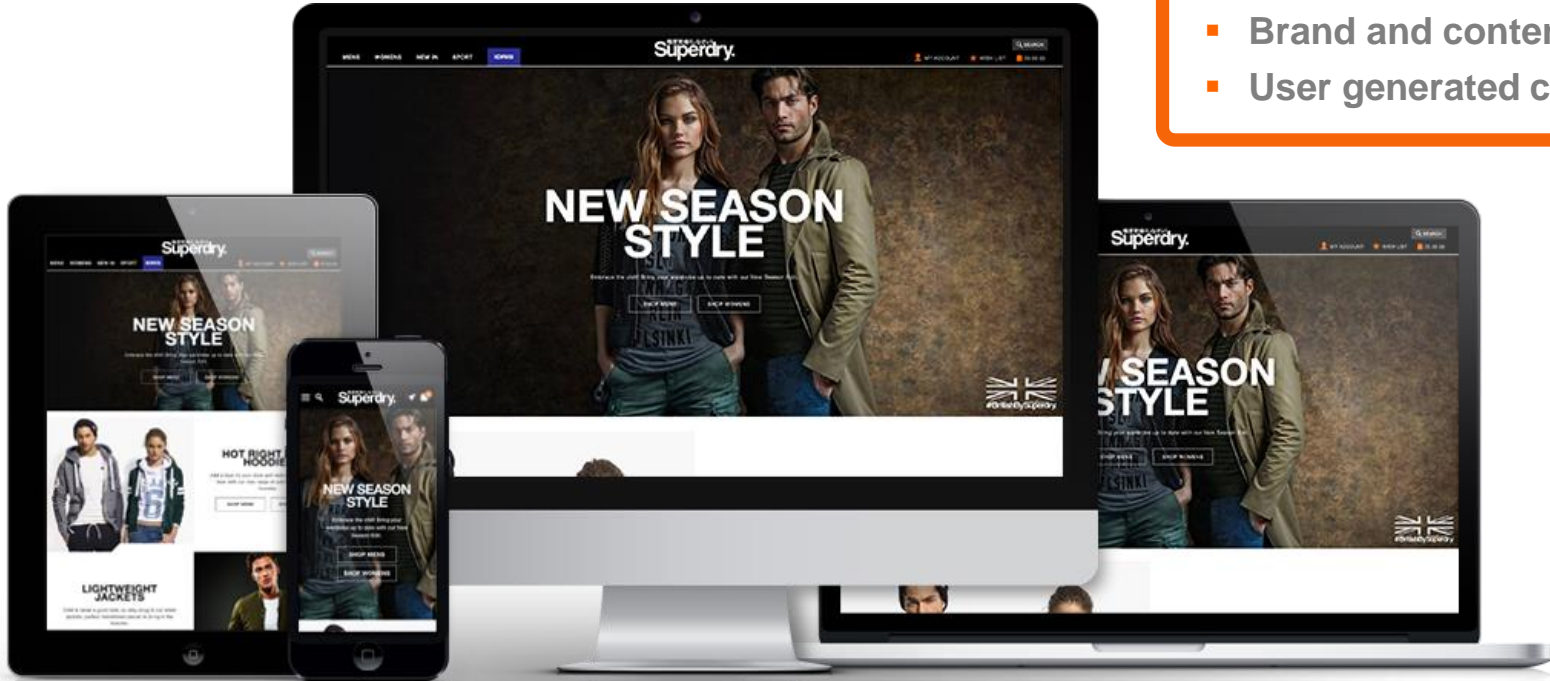
True Localisation

- Free Delivery
- Local Returns
- Local (and contextual) Language
- Local Domain
- Legally Compliant Locally
- Local Currency
- Local Payment Methods
- Local Marketing
- Mobile Optimised

Customer Experience.

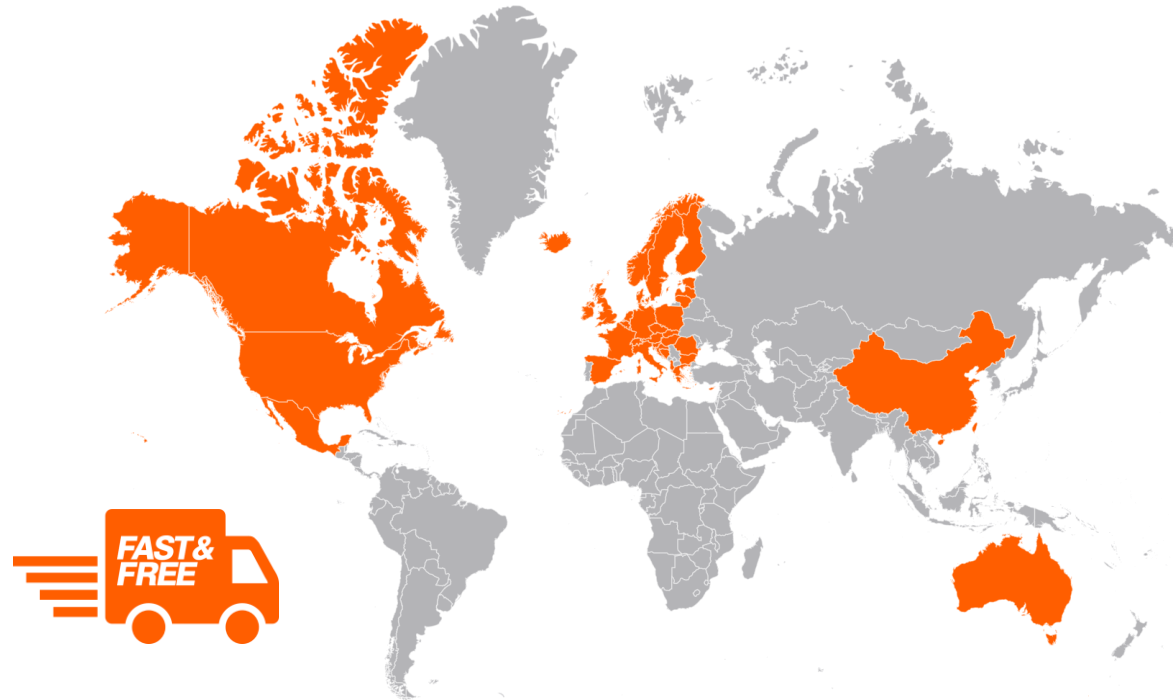
Fully responsive technology implemented throughout the site, Home page relaunch

- SEO optimised
- Brand and content rich
- User generated content



Customer Promise.

Sector leading delivery proposition as key point of difference



UK DELIVERY

Free & Fast UK Delivery
48hr Standard Delivery



Next Day Delivery
Order before 10pm For NDD

Sunday & Evening Delivery
(Coming Soon)

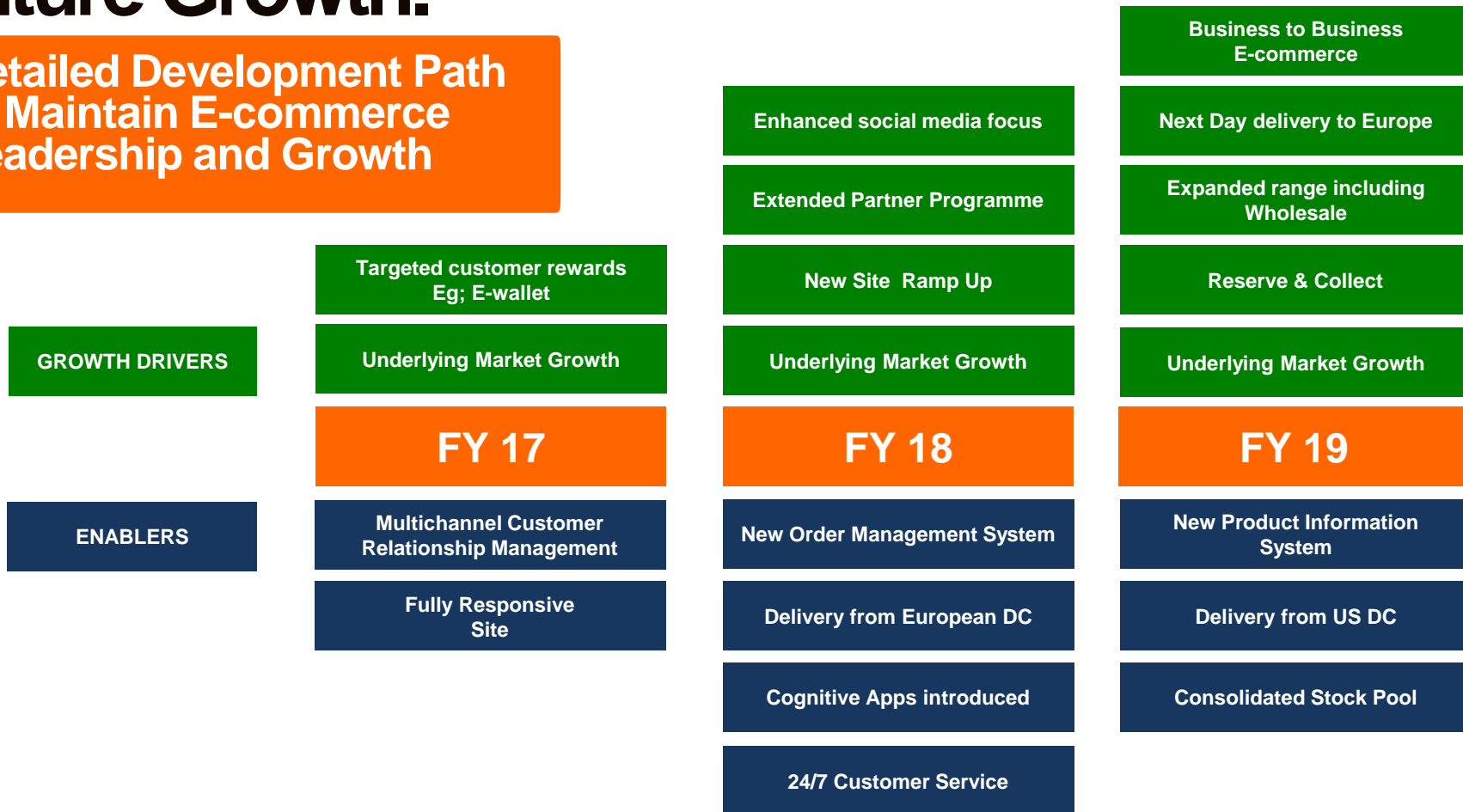


Click & Collect
Instore Before 12pm Next Day

Customer experience underpinned by strong cyber security profile

Future Growth.

Detailed Development Path to Maintain E-commerce Leadership and Growth



Store Concept Nick Tatum



UK Store Estate: Next Generation.

Objectives:

- Update brand delivery in-store
- Showcase the breadth of the range
- Improve sales density through flexible fixturation
- Reduce the capital cost of new and refurbished stores
- Reduce operating costs

Iterative & disciplined approach:

- Customer research led
- Store of concepts not concept store
- Further trials scheduled
- Cost engineering opportunity

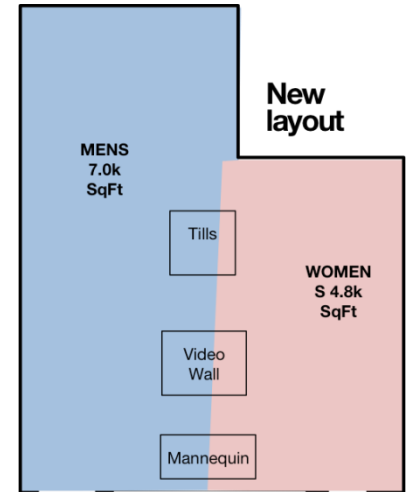
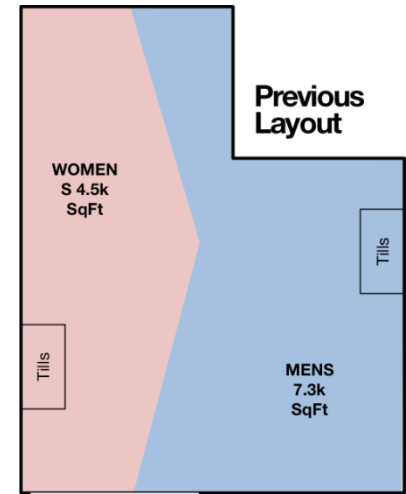
Arndale Store Overview.

Large store with representative operational metrics

Store opened (No subsequent refit)	April 2012
Trading footprint	12,900 sq.ft.
	UK Portfolio Ranking
Trading footprint	7 th
Customers per annum	8 th
Performance metrics <ul style="list-style-type: none">Customer satisfactionSales densityInnovation category salesCustomer conversionAverage basket valueAverage basket size	<div>66th</div> <div>78th</div> <div>32nd</div> <div>35th</div> <div>30th</div> <div>39th</div>

Arndale Store - Concept.

- Increased option density
- Expanded circulation space
- Enhanced music and multi-media experience
- Layout emphasises inspiration and enhances category clarity



Arndale Store - Before.



Arndale Store - Concept.



Arndale Front of Store Innovation.



Wider store opening encourages visit and showcases breadth of offer



High impact mannequins create front of store interest

Arndale Core Development



‘Power displays’ illustrates category ownership in key product segments

Polo Shirts / Denim / Graphic T-shirts

Arndale Womenswear Innovation



Flexed colour pallet introduced



Womenswear collection displays illustrate complete 'look'. Product adjacency encourages purchase.

Accessory browsing proposition adjacent to female changing

Arndale Menswear Innovation



Superdry Sport credibility enhanced by dedicated space and action mannequins



Dedicated premium shop-in-shop with distinct look and feel

Arndale Fixture Development

New fixtures increase linear density,
offer flexibility and circulation space



Arndale Service & Operation Efficiency

- Modular racking reduces storage requirement
- New operating processes reduce product handling ('one touch' approach) and rework
- Integrated till encourages customer interaction and acts as central hub for management



Sales and service

Four step approach to develop a stronger service based sales culture



Achievements To Date

Payback in line with target with clear opportunities to enhance returns

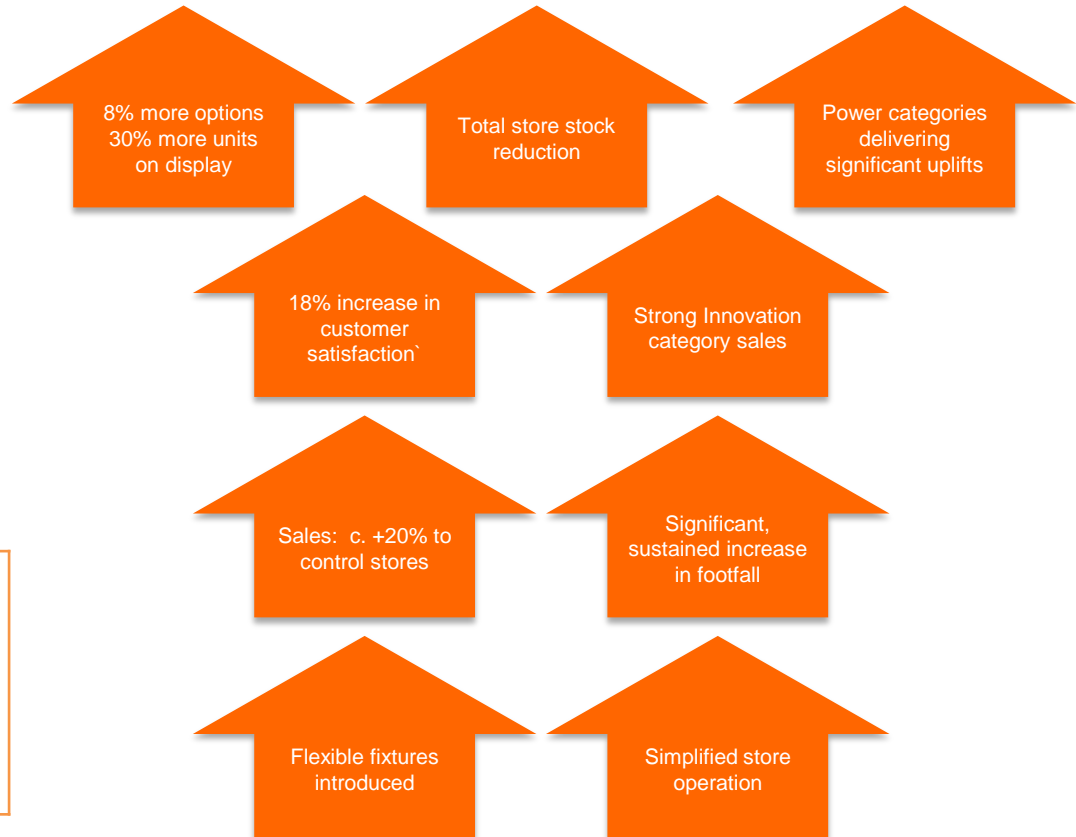
Showcase breadth of range

Update brand delivery

Shareholder value

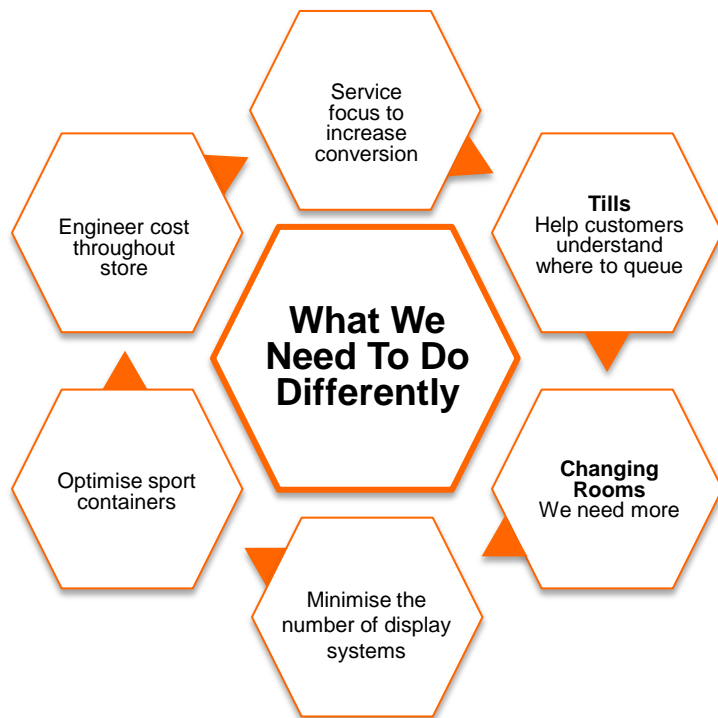
- Improve sales intensity
- Reduce costs

Performance Metrics	Before	After
• Customer Satisfaction	66 th	24 th
• Innovation category sales	32 nd	3 rd
• Sales density	78 th	66 th
• Customer conversion	35 th	32 nd
• Average basket value	30 th	20 th
• Average basket size	39 th	24 th



Further Opportunities

Payback in line with target with clear opportunities to enhance returns



Disciplined approach

- Two additional trial stores pre-peak
- Three further stores Q4
- FY18 Roll out opportunity

Financial Opportunity Nick Wharton



Multi-Channel.

Clear Multi-channel Opportunity in Attractive Market

- **Absolute earnings maximised by targeting multi-channel penetration**
 - Low capital investment drives highest channel contribution
- **Strong route to establish brand awareness in new markets**
 - Partner sites target incremental customers
- **E-commerce growth continually built into store capacity thinking**
 - UK (Capacity c.100 stores)
 - EU (eg; Germany c.60 stores)
 - USA
- **Higher cost to serve reflected in existing cost guidance**
 - Marginal cost drivers:
 - Higher warehousing and distribution costs
 - Variable cost model e.g. marketing, hosting
 - Offset by:
 - Design to Customer efficiencies
 - Ongoing scale efficiency

Store Concept

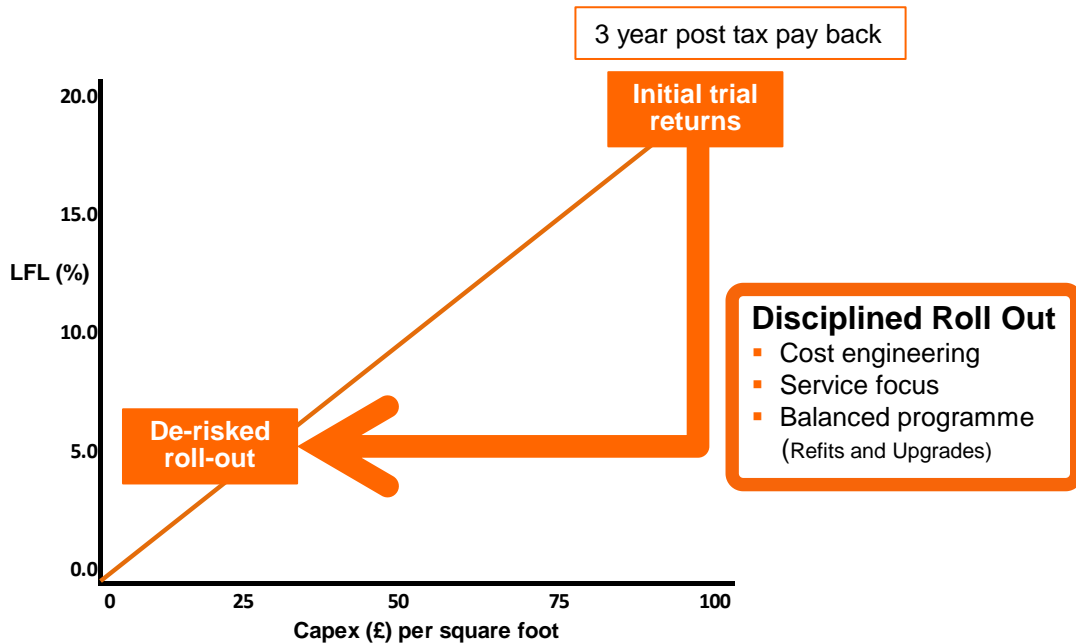
Clear Multi-dimensional opportunity to drive improved returns across the business

	Value Drivers			
Opportunities	Capital Cost	Density	Operating Cost	Multi Channel
UK/EU Owned Store Estate:				
Full offer refreshment	↓	↑	↓	↑
Low investment density upgrades	↓	↑	↓	
New Stores: Enhanced Payback	↓	↑	↓	↑
Franchise Estate: Enhanced Economics	↓	↑		

EU Estate Refreshment

Significant opportunity for large scale programme at attractive returns

Age of Existing Portfolio				
	UK	EU	Total	Programme phases
FY07	12	-	12	103 ¹
FY08	6	-	6	
FY09	7	-	7	
FY10	17	-	17	
FY11	18	18	36	
FY12	19	6	25	
FY13	6	4	10	36 ²
FY14	11	15	26	
FY15	4	23	27	48 ³
FY16	0	21	21	
	100	87	187	



Annual re-fit opportunity of similar scale to EU new store programme

Summary

Building LFL opportunity within extend strategy to compliment execution

- **Strategy remains on track – Focus on LFL & new growth**
- **Growing importance of multi-channel customer**
- **Winning E-commerce formula in Attractive Market**
 - Advantaged customer proposition
 - Detailed programme to maintain leadership and growth
- **Next Generation Store**
 - Positive customer response and progress versus all objectives
 - Further trials scheduled to prove concept
 - Significant medium term opportunity to refit UK/EU stores
 - Clear opportunity to apply learning to new and existing owned and franchised stores

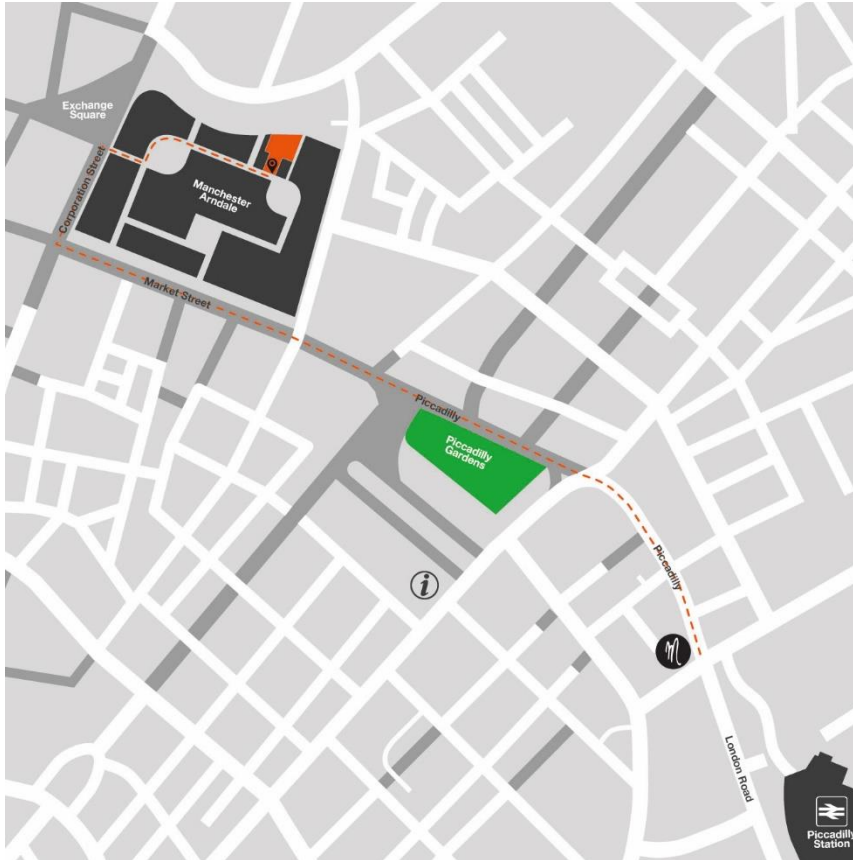
Q&A

Appendix

Store Tour

Euan Sutherland Julian Dunkerton Jon Wragg	Nick Wharton Nick Tatum Tony Newbould
Dan Green – Franklin Templeton	Ambrose Faulks – Artemis
David Jeary – Canaccord	Andy Wade – Numis
Freddie George – Cantor	Conrad Bartos – Berenberg
Frederik Nassauer – Standard Life	Eleonora Dani - Stifel
Jean Roche – Schroders	Faris Rahman - Fidelity
John Stevenson – Peel Hunt	Graham Renwick - Exane
Lauren Casey - BNP	James Taylor – M&G
Rupert Woolfenden - Macquarie	Kate Calvert – Investec
Shelly Xie - BAML	Richard Chamberlain - RBC
	Sharon Daw - HSBC

Map to Arndale Store.



Malmaison – 1 Gore St, Piccadilly, Manchester, M1 3AQ

Arndale Centre - Manchester, M4 3AQ

Key Contact

Tony Newbould: 07717 497566

Stacy Reynolds: 07788 318968

A man and a woman are standing side-by-side against a dark, textured background. The woman on the left has long, wavy brown hair and is wearing a white long-sleeved top under a black and grey fur vest, paired with dark jeans. The man on the right has short dark hair and a beard, wearing a dark blue denim jacket over a dark shirt and dark jeans. He has his left hand on his hip. The text "Thank You" is overlaid in the center in a large, white, sans-serif font.

Thank You

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