

TOM TAILOR GROUP

#TTG-
NEUSTART

28 March 2017

ANALYST CONFERENCE CALL FULL YEAR 2016

TOM TAILOR GROUP

DISCLAIMER

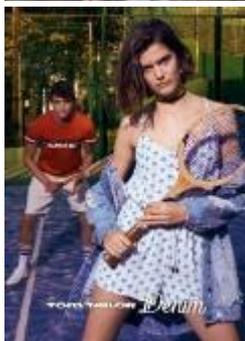
This document contains forward-looking statements, which are based on the current estimates and assumptions by the management of TOM TAILOR Holding AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by TOM TAILOR Holding AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside TOM TAILOR Holding AG's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. TOM TAILOR Holding AG neither plans nor undertakes to update any forward-looking statements.

EXECUTIVE SUMMARY FY 2016



- Adjusted guidance of Q4' 2016 fulfilled:
 - Group sales up **1.3% to € 968.5m**
 - Group EBITDA of **€ 10.3m**

- Reported net income at - € 73.0m (PY: € 0.1m)



- Reducing level of net debt since June '16 by **€ 44.3m to € 194.7m**

- Decreasing inventories since June '16 by **€ 44.2m to € 159.1m**

- Free Cash Flow increased to **€ 20.0m** (PY: € 13.1m)



- **“RESET”** program to adapt to textile industry's structural change by increasing efficiency and reducing cost
- Three key priorities: Refocus on **healthy core**, cut back internal complexity and **deleverage balance sheet**

AGENDA

2016 – Market context, selected achievements

2016 – TOM TAILOR GROUP financials

2017 – Outlook



2016 WAS A TOUGH YEAR ...

Hintergrund von Steilmann
Insolvenz sorgt für Unruhe in Textilbranche

SinnLeffers meldet Insolvenz an

Jetzt ist auch Escadas Ex-Tochter
Laurel insolvent

Insolvenz in Eigen-Verwaltung
Neuer Eigentümer für Rudolf Wöhrl
AG gefunden

TEXTILBRANCHE IN NOT
**Pleitegehen
kommt in Mode**

Läden vor dem Aus
Mode-Kette Promod ist insolvent

Die deutsche
Modeindustrie steckt in
der Krise

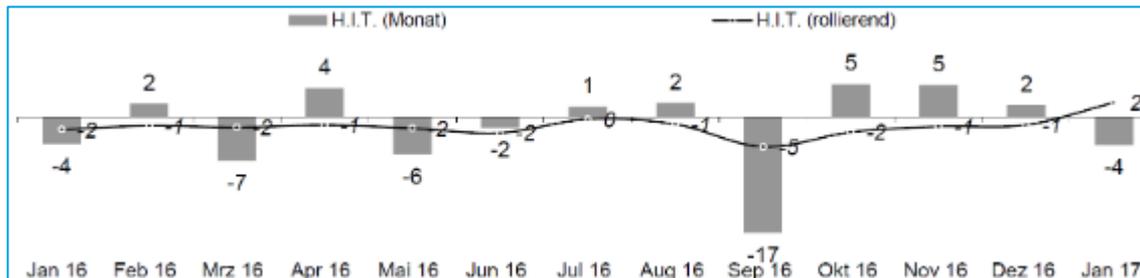
MS Mode Niederlande schliddert in die Pleite

René Lezard ist pleite

WIRTSCHAFTSNACHRICHTEN | Montag, 15. März 2016, 08:46 Uhr
Firmenpleiten auf 17-Jahres-Tief - aber
Modebranche leidet

McGregor macht als Doniger Fashion Group
weiter

Mode-Imperium insolvent - der Niedergang der Steilmann-Gruppe



Comments

- Change in sales over the past 13 months and rolling average over the past 4 months
- Volatile
- No growth

TEXTILE MARKET REMAINS CHALLENGING

Stagnating market

Change in sales yoy in %

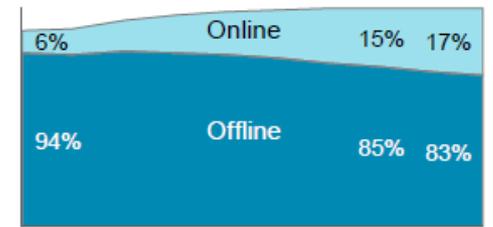


Price challengers



Channel mix shift

Textile volume in Germany (% of pieces)

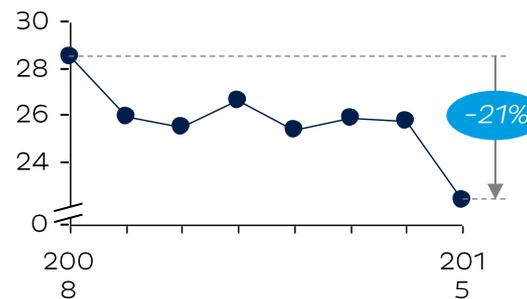


Promotion craze

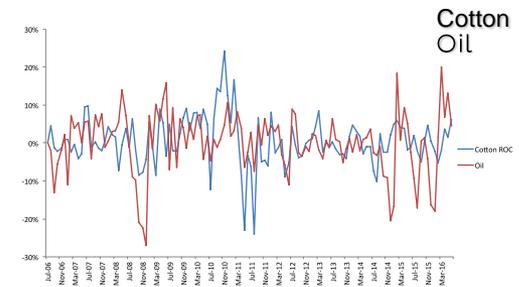


Retail price erosion

Apparel value in EU (\$) / Apparel volume in EU (pcs)



Volatile commodities



TTG AT THE TURNING POINT: EXAMPLES

Won market shares (TT)

Supplier	Percentage	% change to PY
Total		
S.Oliver		
Tom Tailor		
Bestseller		
Esprit		
Street One		
Opus		
comma		
Cecil		

Sanitized

Increased understanding of customers



Significantly cut costs

~€8m

Bonita operating cost

>€30m

FOB cost avoidance

~€5m

Freight cost

~€2m

Indirect material
...and more

Wiser price management

+1.7%pt

Bonita gross margin

-2.8%pt

Retail D markdowns

+6%

Retail D €-gross profit Q4

+300%

eCom EBIT

Strengthening brands



Implementing culture change

Neuer Blickwinkel

Ownership mindset
(„Aus Sicht des Unternehmens“)



Freut Euch selbst...
Was würde für tun, wenn es Euer Unternehmen wäre?
(Mitarbeiterbefähigend, kostenbewusst)

Consumer centricity
(„Kundenfokus“)



Was würden unsere Kunden danken?

Commit & deliver
(„Gesagt, getan“)



Wir sagen es, wir tun es
(Ausführungskultur, Leistungswille)

Seek simplicity
(„Keep it simple“)



Was brauchen wir, um vernünftig arbeiten zu können?
(Meeting Kultur, Reporting, ...)

GIVING OUR BRANDS A NEW APPEAL



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2016 AT A GLANCE

GROUP Operations

- New Executive Board has initiated cost and process optimizing program “RESET” in Q3 2016
- First “clean up” phase accomplished until year-end 2016
- 2017 to focus on finalizing RESET and (re-)building key assets



GROUP Financials

- TTG grows despite challenging textile market
- Earnings development impacted by RESET (~€ 80.9m, mainly non-cash related write offs and accruals)
- Positive increase in operating cash flow (+ € 1.1m) and free cash flow (+ € 6.9m)
- Reduction of net debt by € 22.7m and inventories by € 35.4m since December '15



REFOCUSING ON THE HEALTHY CORE

Brands

Contemporary Men	already closed in 2016
TT Polo	already closed in 2016
Contemporary Women	closed by end of May 2017
Bonita Men	closed by end of June 2017

Countries

South Africa	already closed in 2016
China	closed by end of March 2017
USA	closed by end of June 2017
France	closed by end of March 2018

Stores

Tom Tailor	closing on track
Bonita Men	all 86 near to closure
Bonita Women	90% near to closure

Operation

Organization	TT executed, Bonita on track
Product Range	number of articles reduced by 30%
Logistic Costs	initiatives on track
Inventory	focused sale of old inventories

2016 AT A GLANCE. GROUP

FY 2016

Sales

€ 968.5m

(PY: € 955.9m)

Reported
gross profit

€ 527.5m

(PY: € 535.3m)

Reported
gross profit margin

54.5%

(PY: 56.0%)

Reported EBITDA

€ 10.3m

(PY: € 67.6m)

Q4 2016

Sales

€ 273.5m

(PY: € 266.3m)

Reported
gross profit

€ 154.7m

(PY: € 149.4m)

Reported
gross profit margin

56.6%

(PY: 56.1%)

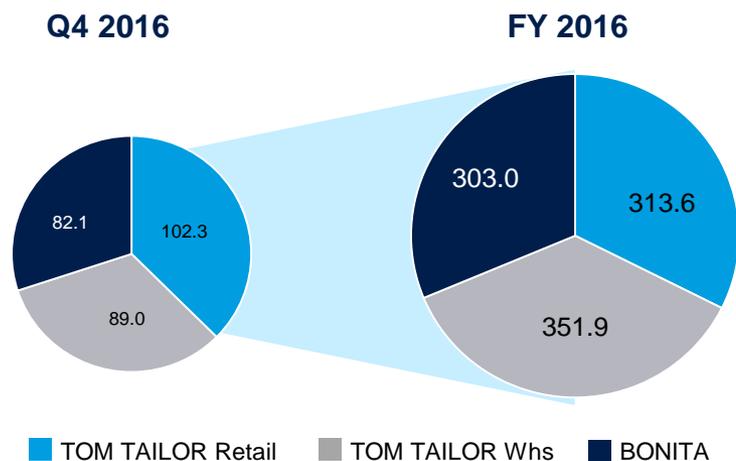
Reported EBITDA

€ 27.6m

(PY: € 31.1m)

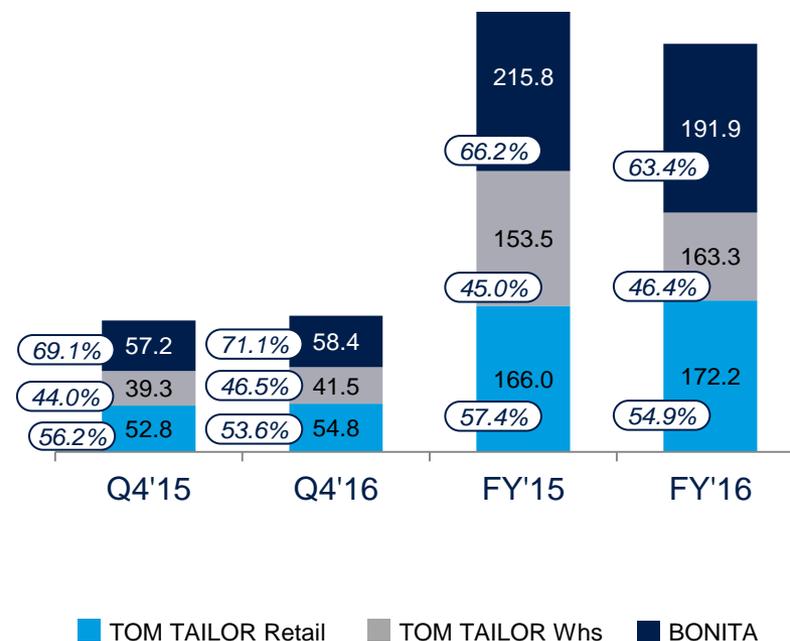
2016 AT A GLANCE. SEGMENT

Revenue by segment [€ m]



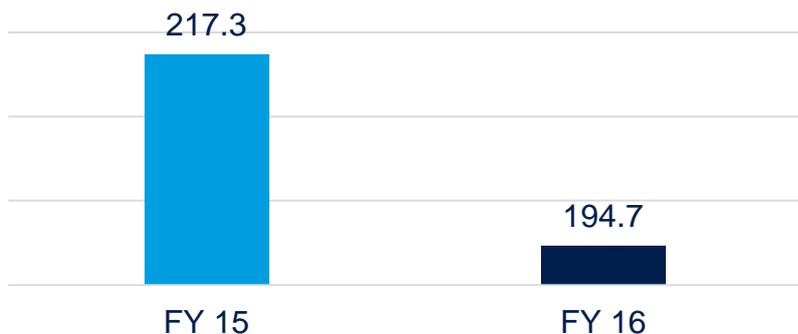
€ m	Q4'15	Q4'16	yoy	FY'15	FY'16	yoy
TT Retail	94.1	102.3	8.8%	289.1	313.6	8.5%
TT Whs	89.4	89.0	(0.5%)	341.0	351.9	3.2%
BONITA	82.8	82.1	(0.8%)	325.8	303.0	(7.0%)

Gross profit by segment [€ m]

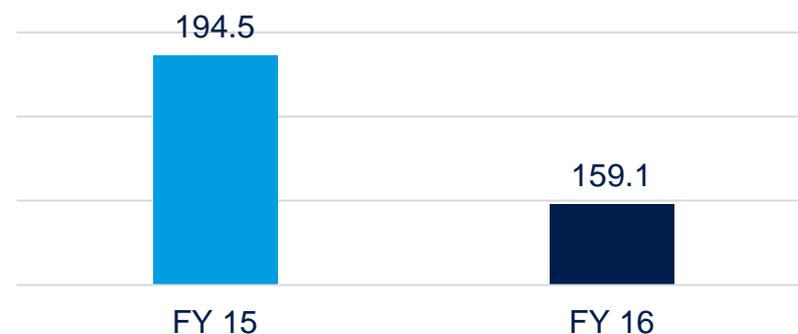


STRENGTHENING FINANCIAL POSITION

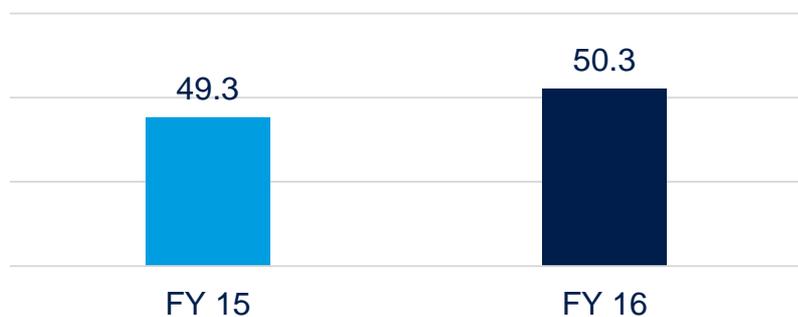
Net debt [€ m]



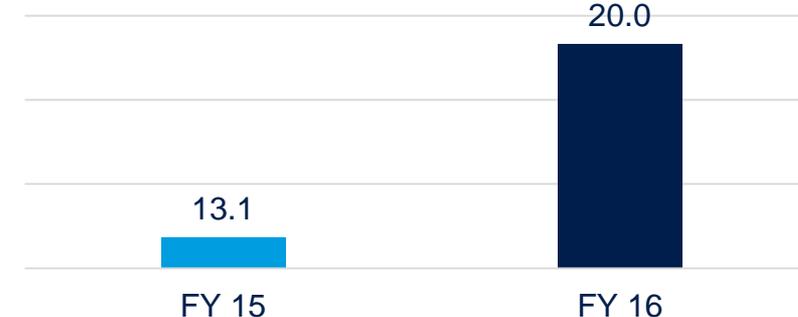
Inventories [€ m]



Operating Cash Flow [€ m]



Free Cash Flow [€ m]



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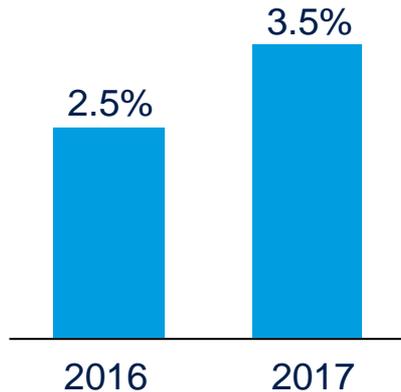


OUR SECTOR REMAINS CHALLENGING



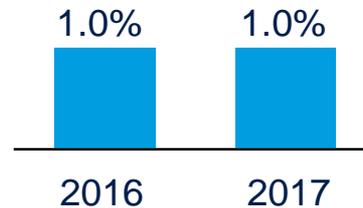
Textile worldwide

[Growth per year]

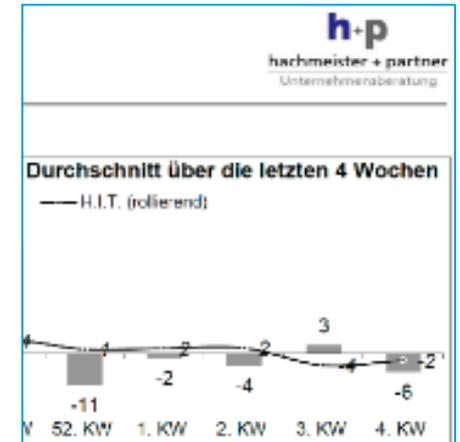


Textile Germany

[Growth per year]

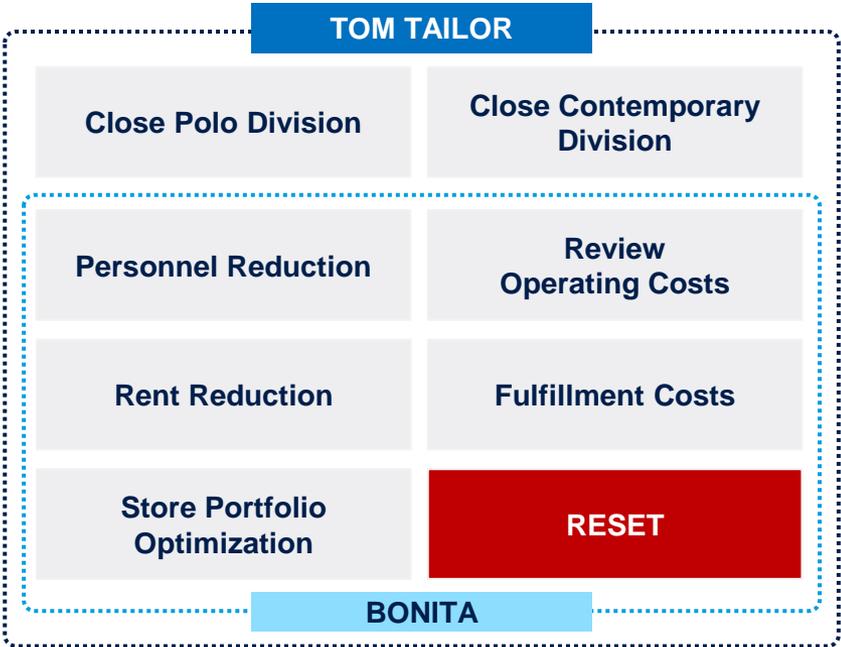


Textile January Germany



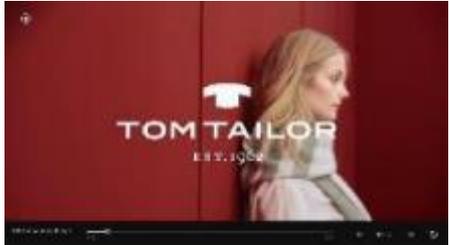
2017: STILL FOLLOWING “INVEST & DIVEST” LOGIC

Divest – Projects RESET / CORE



Invest – Brand & technology

Brand equity



eCom & Omni-channel



Data / IT platform



2017: SIX KEY PRIORITIES

BONITA



Finish RESET



TT German Retail



eCom growth (platform)



Brand equity & differentiate TTD



Deliver SAP Phase 1



BEYOND 2017: CURRENTLY FINALIZING 3-YEAR PLAN



2017: TRANSITION YEAR WITH RESET IMPACT

Group sales	Slight increase compared to previous year
Gross profit margin	Moderate increase compared to previous year
Reported EBITDA	Strong increase compared to previous year
Reported EBITDA margin	Strong increase compared to previous year

MANAGEMENT EXPECTATIONS FOR 2018

Target/comments

Sales reduced by unprofitable units/brands but partly offset by profitable growth initiatives

Improve reported EBITDA by €30 - 40m

Reported EBITDA margin above 10%

Net debt / EBITDA ratio < 2.0

CONTACT DETAILS INVESTOR RELATIONS

Financial calendar 2017

March 28, 2017	Annual Report 2016
May 2, 2017	Interim Report Q1 2017
May 31, 2017	Annual General Meeting
May 2017 (tba)	Analyst Conference Hamburg
Aug 10, 2017	Interim Report Q2 2017
Nov 2, 2017	Interim Report Q3 2017

EVENT (preliminary)

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