



August 2017

ANALYST & INVESTOR PRESENTATION H1 2017

TOM TAILOR GROUP

H1 2017 AT A GLANCE



- With “**RESET**” **almost concluded successfully**, TOM TAILOR GROUP undergoes the most comprehensive restructuring program in the company’s history
 - Smooth and effective **capital increase** paves the way for sustainable future growth
 - **Completed new Board teams** set forth to phase 3, focusing on (re-)building key assets
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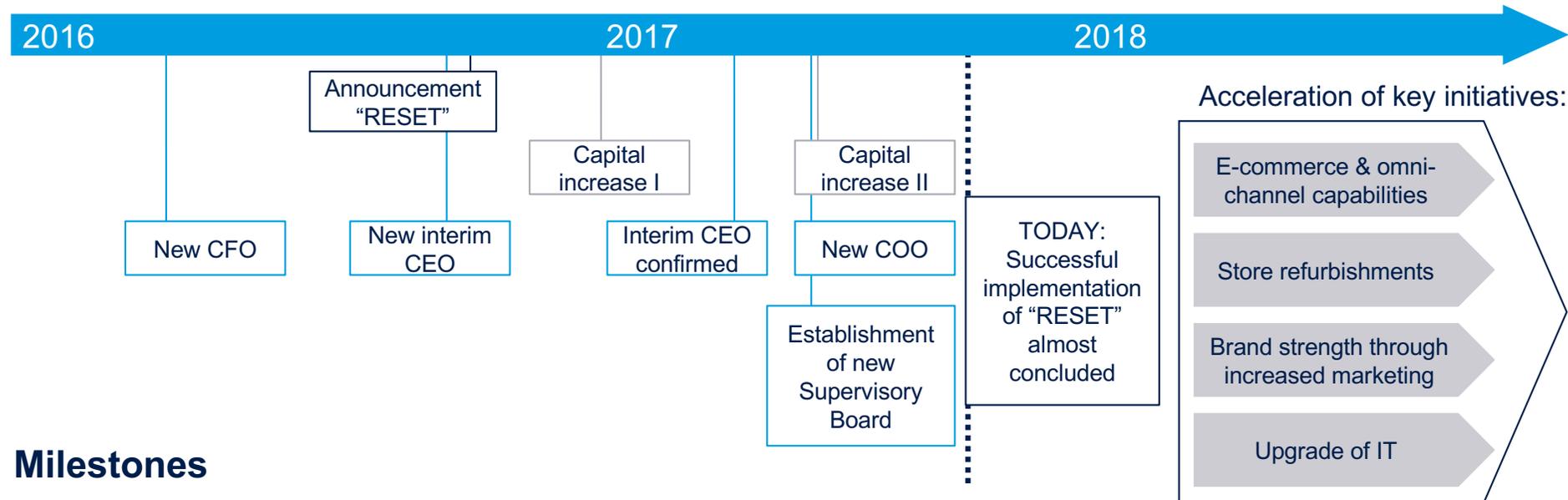
- Fortified position esp. in **German Wholesale with strong performance** of TT Denim & crowding out competition
 - **International:** growth markets (esp., Russia, SEE, Benelux) with strong sales momentum (+23%)
 - **eCom:** focus on profitable growth – HY1 sales +6%
 - **Consumer engagement:** growing fan base in social media & loyalty club; insourcing & new campaign yield results
-



- Group **EBITDA** surges +62.6%; Group **EBIT** up by around €17 mn on track for “RESET” saving target
 - Wholesale drives profitable **Group sales** with +3.9%
 - TOM TAILOR Retail improves **gross margin** by 150 bp
 - **Free cash flow** strongly reversed from €-20.0 mn in H1 2016 to €14.4 mn in H1 2017
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“RESET” ON TRACK – 2017: BUILDING THE PLATFORM FOR HEALTHY GROWTH

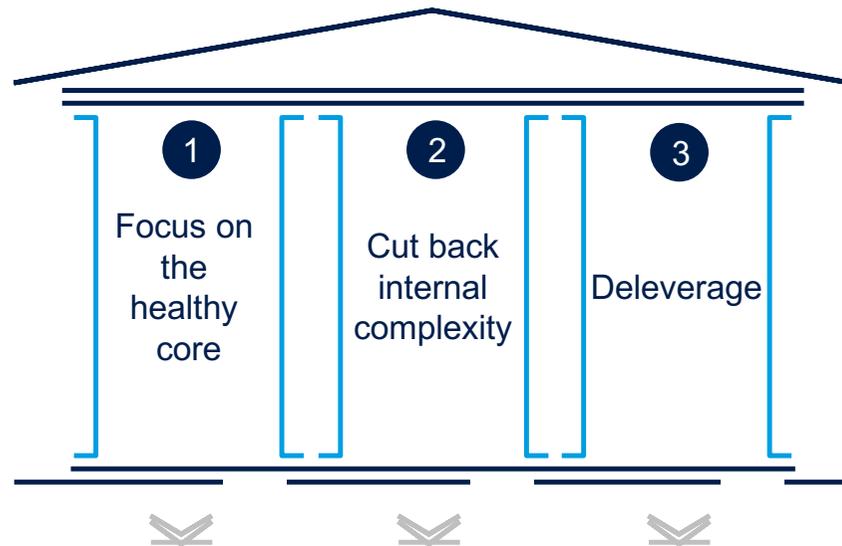
Restructuring phases



Milestones

“RESET” ALMOST CONCLUDED

Key principles of “RESET”



Discontinue unprofitable business

- Geographies
- Sales channels & stores
- Product divisions
- Inventories

Process improvement

- Product range
- Organizational setup

Increase profitability

- Improve free cash flow to reduce net debt
- Medium term goal: net debt/EBITDA < 2.0x

Status Quo – H1 2017

Brands 	Contemp Men	Discontinued in 2016
	TT Polo	Discontinued in 2016
	Contemp Women	Discontinued by mid 2017
	BONITA Men	Discontinued by mid 2017
Countries 	South Africa	Discontinued in 2016
	China	Discontinued in March, 2017
	USA	Discontinued by mid 2017
	France	Discontinued beginning 2018
Stores 	TOM TAILOR	End of June 2017: 31 stores closed and 34 stores contractually agreed to be closed
	BONITA Men	End of June 2017: all 86 stores closed
	BONITA Women	End of June 2017: 92 stores closed and 89 stores contractually agreed to be closed
Operations 	Organisation	TT completed, BONITA in process
	Logistic costs	Initiatives on the way
	Product portfolio	Ongoing complexity reduction at -30%
	Inventory	Old BONITA inventory mainly written down

A young man with short brown hair, wearing a blue denim jacket over a black hoodie, is smiling and looking upwards. He is balancing a stack of five pizza boxes on his head. The boxes are stacked with the top one being red and white, and the others being green and white. The text on the boxes includes 'A EMPORER', 'PARA LLEVAR', and 'ZUM MITNEHMEN'. The background is a storage unit with metal shelves and a textured wall. There are blue lightning bolt graphics on either side of the man's head.

ARE YOU READY TO
**BE SOMEONE'S
HERO?**

BUSINESS HIGHLIGHTS

TOM TAILOR *Denim* H1 2017

TOM TAILOR GROUP

BUSINESS HIGHLIGHTS: TRANSFORMATION WITH FULL STEAM

Sales (Germany)

"Push TT Denim"



- New POS: >40
- New SiS: >40
- TT Denim peer group rank¹: #2

Sales (international)

"Focus Markets"



- Russia: >+60%
- Benelux: +7%
- SEE Retail: +4%

Product / Creation

"Fashion Pyramid"



- Strong emphasis on "Fashion Statement" & design collabs

eCom expansion

"Profitable Growth"



- Sales growth: +6%
- Untapped potential – key area for new investments

Digitalization/Omni-channel

"Replatforming"



- eShop insourcing on track
- Order-in-Store adoption on track

Consumer engagement

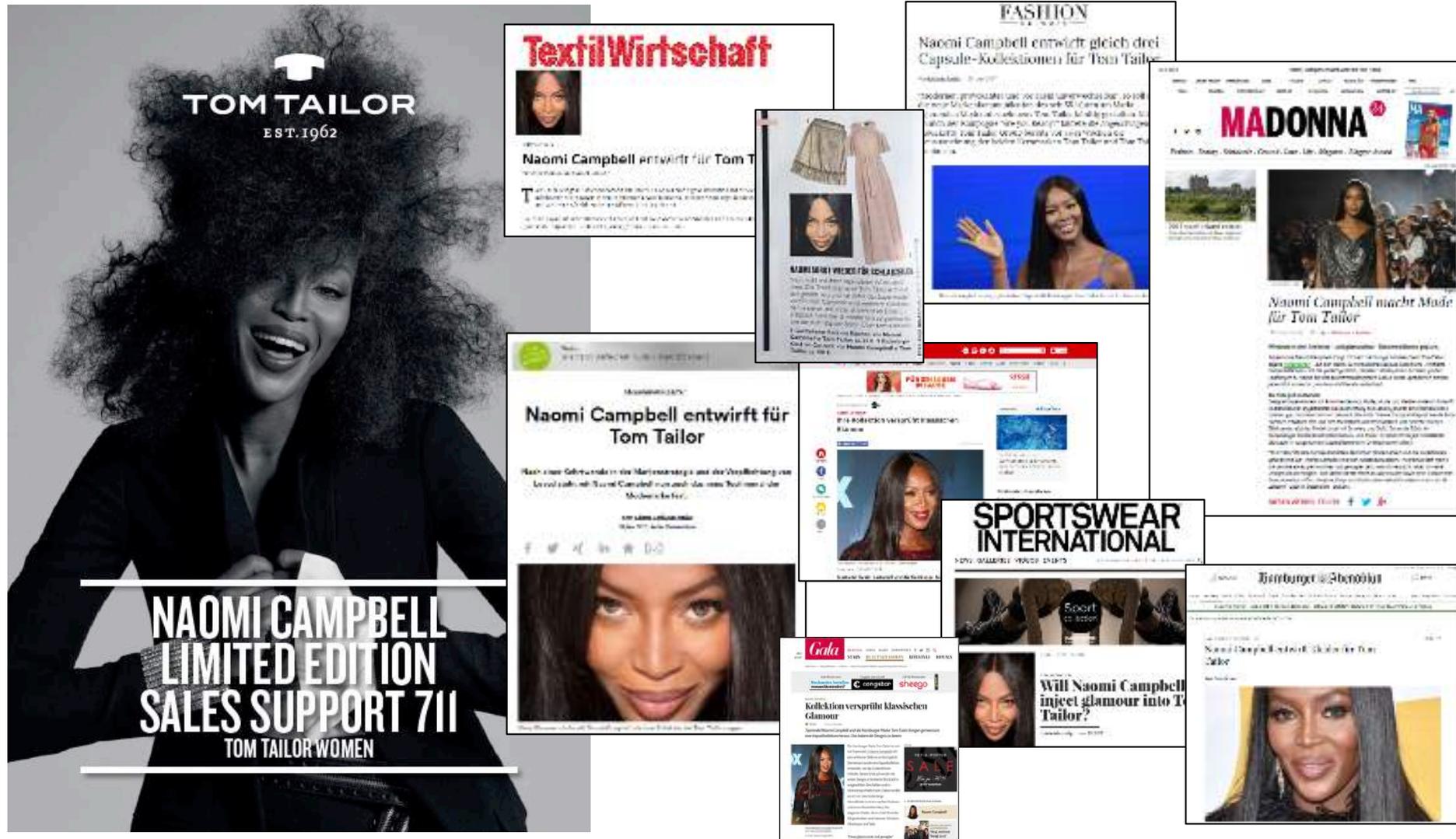
"Social Media Push"



- Facebook fans: +39%
- Instagram: +35%
- TTG loyalty club members: +17%

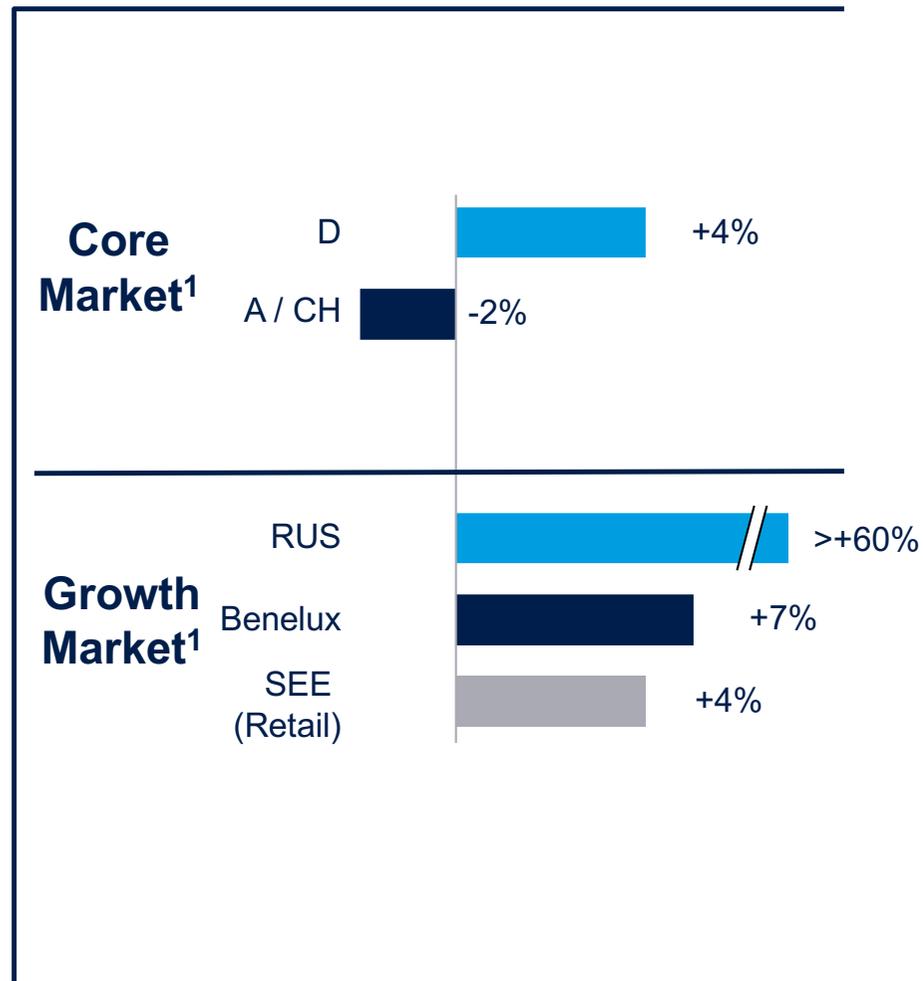
¹) According to Hachmeister & Partner market data for HY1 2017 (compared to key competitors in segment "Trendy")

GOOD PRESS & COMMERCIAL RESPONSE ON 1ST NAOMI CAMPBELL CAPSULE



TOM TAILOR BRAND SALES DEVELOPING WELL ACROSS ALL KEY MARKETS

H1 Y-o-Y change in %



Germany, biggest market, driven by...

- Strong performance of TT Denim division, esp. Q2
- Expansion w/ existing accounts; crowding out competitors
- Rollout of >40 new Shop-in-Shops
- Good performance of Franchise network

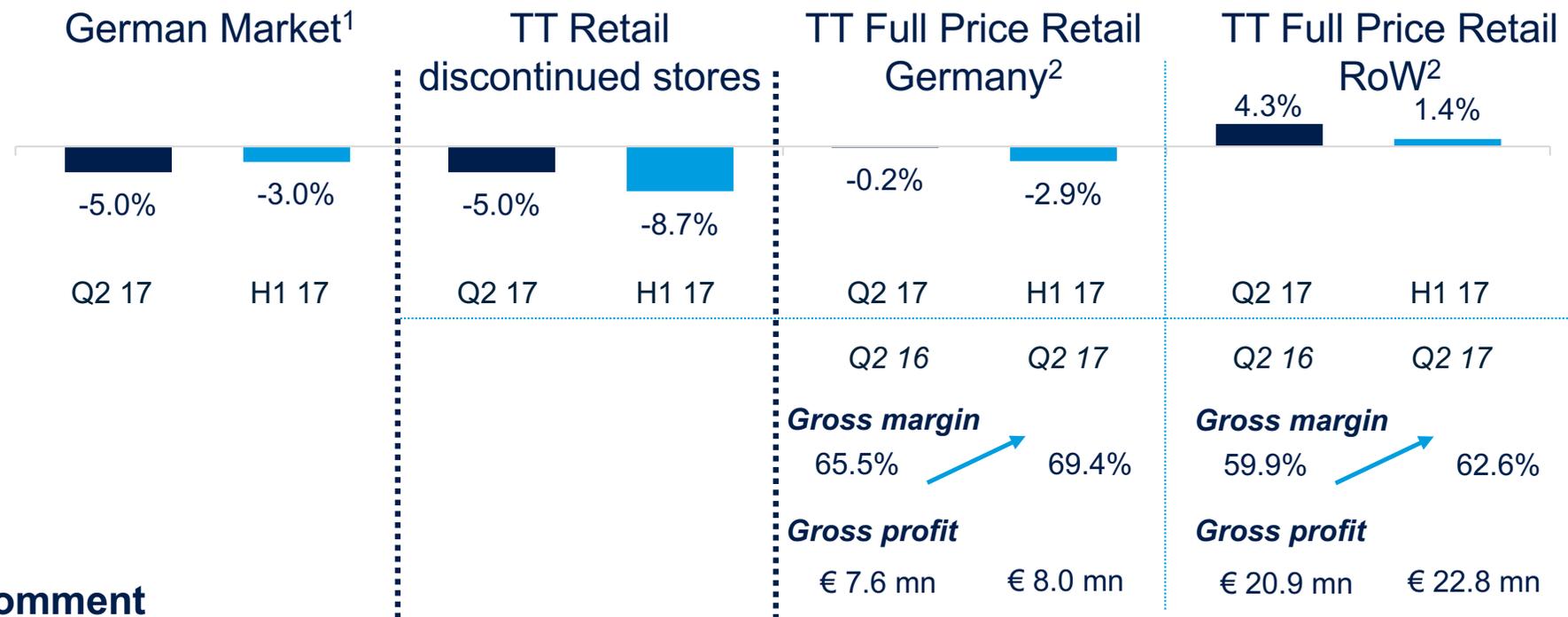
Russia with big push in H1 2017

- Expansion with existing key accounts & franchise
- Started strategic partnership with Alibaba
- Strong brand building – no. 1 brand equity growth in TNS Gallup's fashion segment
- Awarded "Best Fashion Market Franchise" model

1) Including discontinued stores ("RESET" projects)

TT RETAIL: STORE EFFICIENCY IMPROVING

Like-for-Like development in sales; Q2 2017 and H1 2017 in %



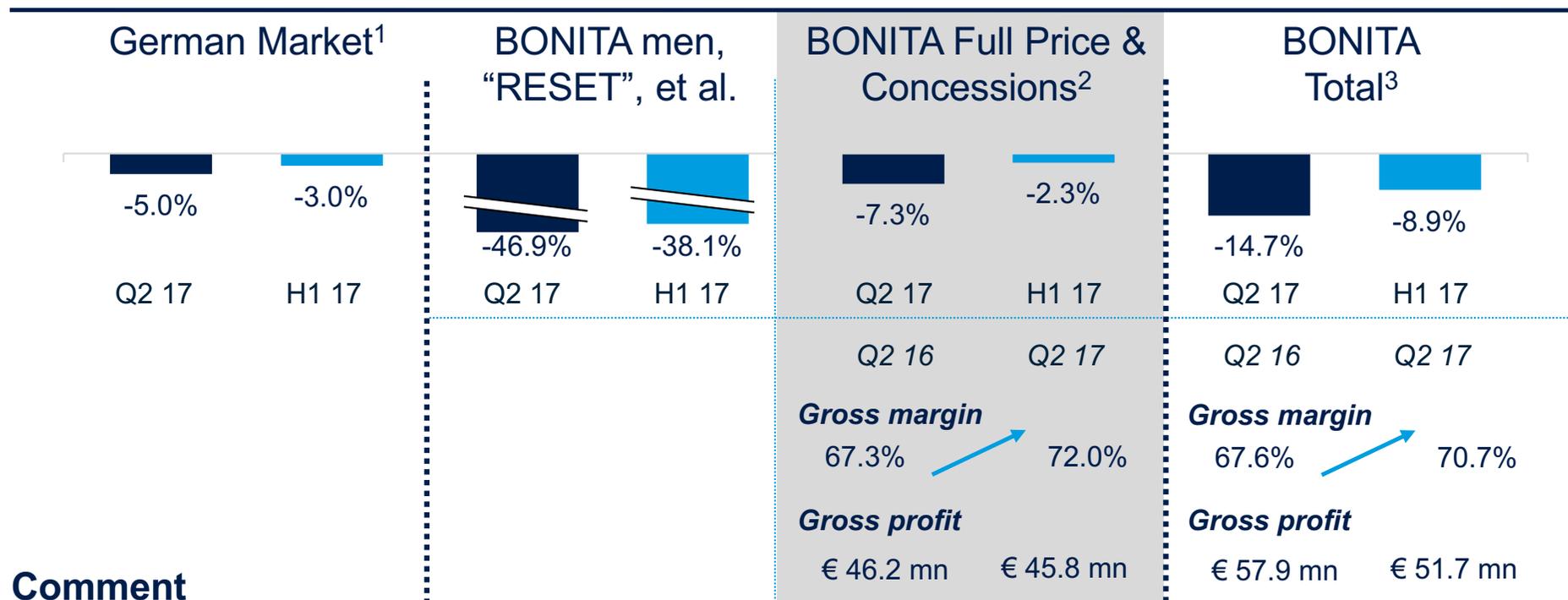
Comment

- TOM TAILOR Retail weathered market trend, particularly in Q2
- Gross margins significantly uplifted; gross profit improvement compensated for slight sales decrease

1) According to TextilWirtschaft-Testclub; 2) Excluding discontinued stores ("RESET" projects)

BONITA: TRANSFORMATION OFF TO A GOOD START, BUT CONTINUES

Like-for-Like development in sales



Comment

- Performance still impacted by sale of BONITA Men and old BONITA inventories
- More focus in full-price stores on new collection drives gross margin improvement to 70.7 % in Q2 (+310 bp)

1) According to TextilWirtschaft-Testclub; 2) Excluding discontinued stores ("RESET" projects); 3) Reported figures



FINANCIAL FIGURES
H1 2017

TOM TAILOR GROUP

KEY FINANCIAL TAKEAWAYS H1 2017



- **TOM TAILOR GROUP** – EBITDA surges by +62.6%; EBIT back in the black, up by ~ €17 mn

- **TOM TAILOR GROUP** – Net income turns positive to €0.1 mn (2016: €-10.7 mn)



- **TOM TAILOR GROUP** – smooth capital increase amplifies scope for action

- **TOM TAILOR Wholesale** – drives profitable Group sales with +3.9%

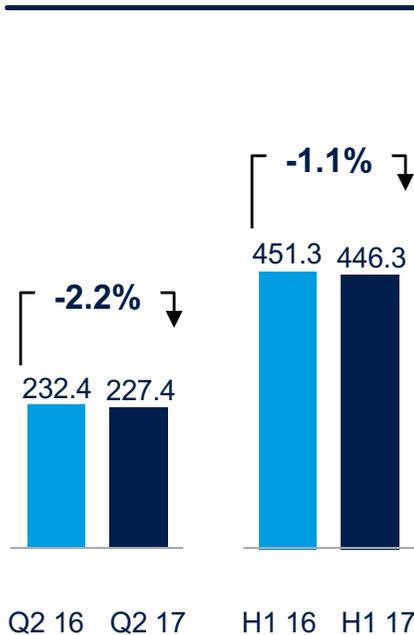


- **TOM TAILOR Retail** – strong gross margin development

- **BONITA** – transformation off to a good start, but continues

TOM TAILOR GROUP: EBIT AND EBITDA SURGE DUE TO “RESET”

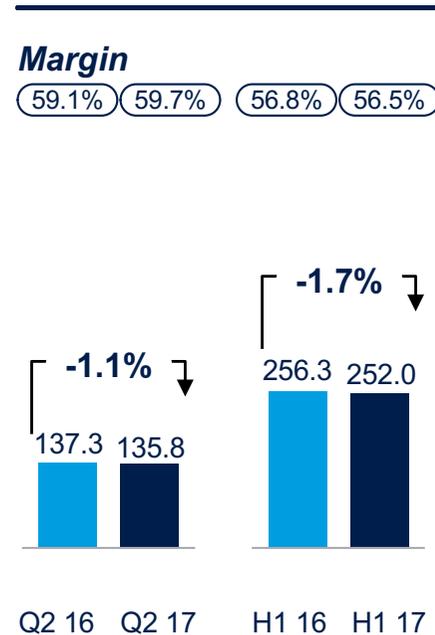
Sales [€ mn]



Comment

- Group sales affected by divestures
 - TOM TAILOR Wholesale and TOM TAILOR Retail up despite shop closures
 - BONITA drags overall performance

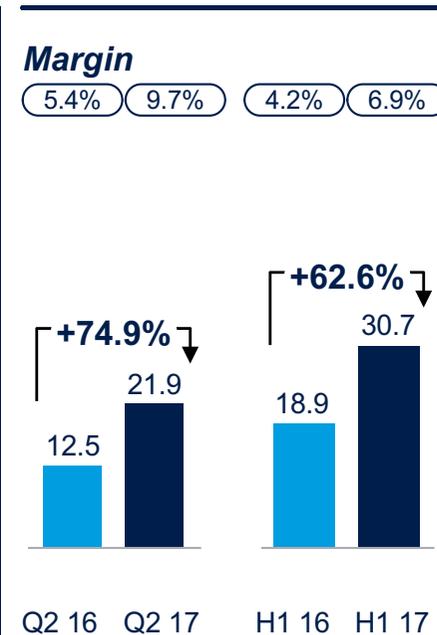
Gross Profit [€ mn]



Comment

- Group gross profit
 - slightly down due to divestures, but
 - gross margin up in Q2

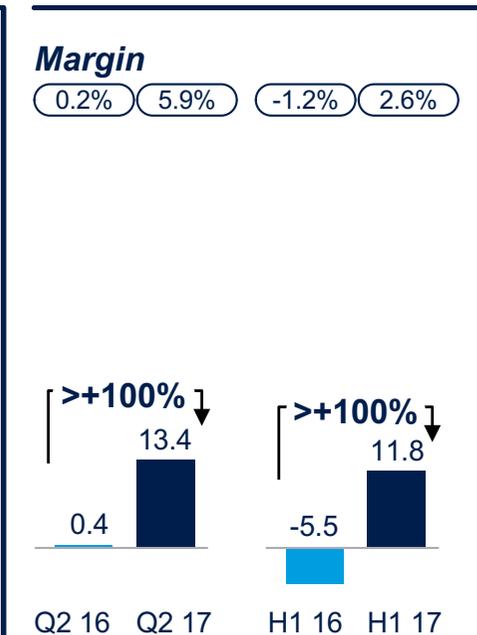
EBITDA [€ mn]



Comment

- Group EBITDA surges due to
 - lower rental payments
 - decreased personnel expenses and
 - HQ streamlining

EBIT [€ mn]

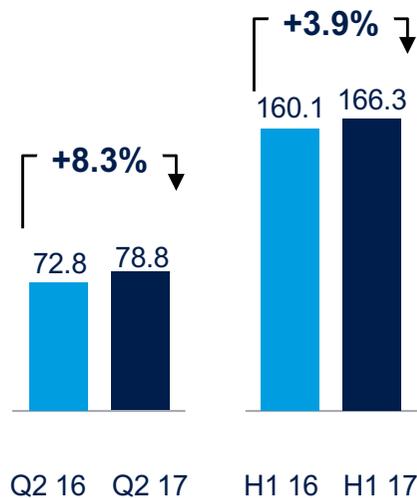


Comment

- Group EBIT
 - with increase of €17.3 mn on track for “RESET” saving target

TOM TAILOR WHOLESALE: PRECEDING WITH STRONG PERFORMANCE

Sales [€ mn]



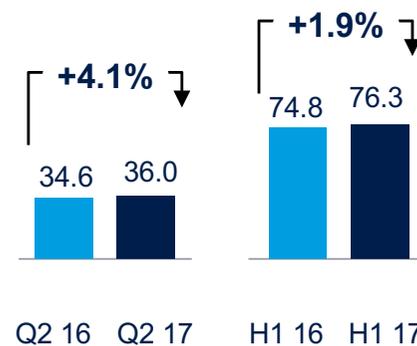
Comment

- Good WHS Sales development in difficult market
- Germany and Russia key growth drives
- Divestures in France and Canada

Gross Profit [€ mn]

Margin

(47.5%) (45.7%) (46.7%) (45.9%)



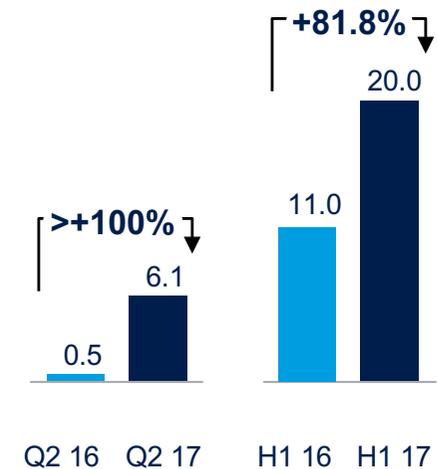
Comment

- Improved discount policy and product mix support gross margin increase

EBITDA [€ mn]

Margin

(0.7%) (7.8%) (6.9%) (12.0%)

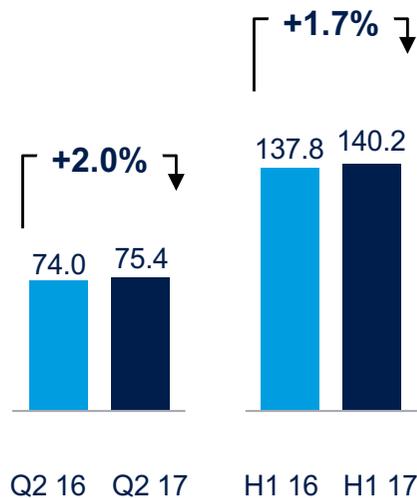


Comment

- RESET saving projects e.g. sub brand divestitures complexity reduction, etc. boosts EBITDA
- Reallocation of TT Retail staff to the Retail division

TOM TAILOR RETAIL: GOOD RESULT IN DIFFICULT MARKET

Sales [€ mn]



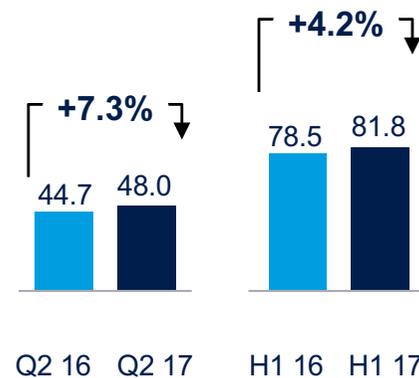
Comment

- Sales growth in Russia and SEE
- DACH countries flat

Gross Profit [€ mn]

Margin

60.4% 63.6% 56.9% 58.4%



Comment

- Gross Margin improvement due to better merchandising and discount policy

EBITDA [€ mn]

Margin

7.8% 9.7% 2.7% 1.9%

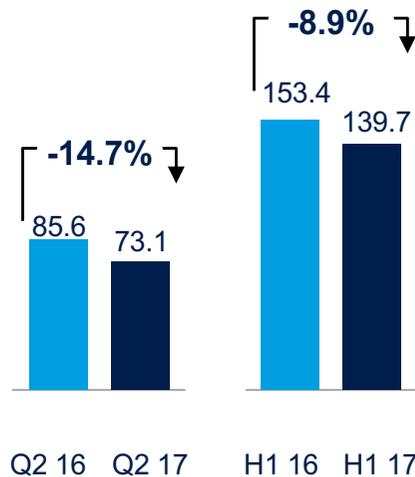


Comment

- EBITDA impacted by full year effect of store openings 1 HY 2016
- Reallocation from TT Retail staff from WHS

BONITA: TRANSFORMATION LIFTS MARGINS

Sales [€ mn]

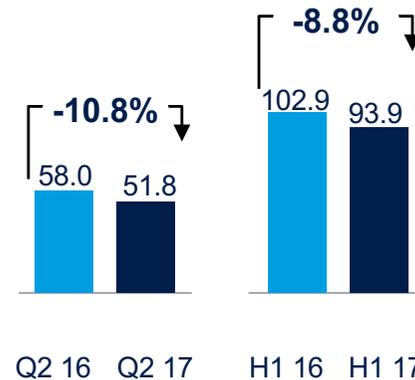


Comment

- Sales impacted by divestiture of Bonita Men and inventory sell-off
- New Collection with lower initial sales

Gross Profit [€ mn]

Margin

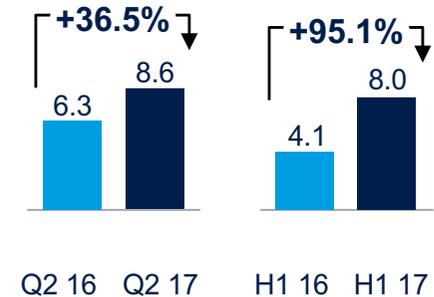


Comment

- Gross margin heavily impacted by divestiture of Bonita Men and inventory sell-off
- New collection with a >70+% gross margin

EBITDA [€ mn]

Margin

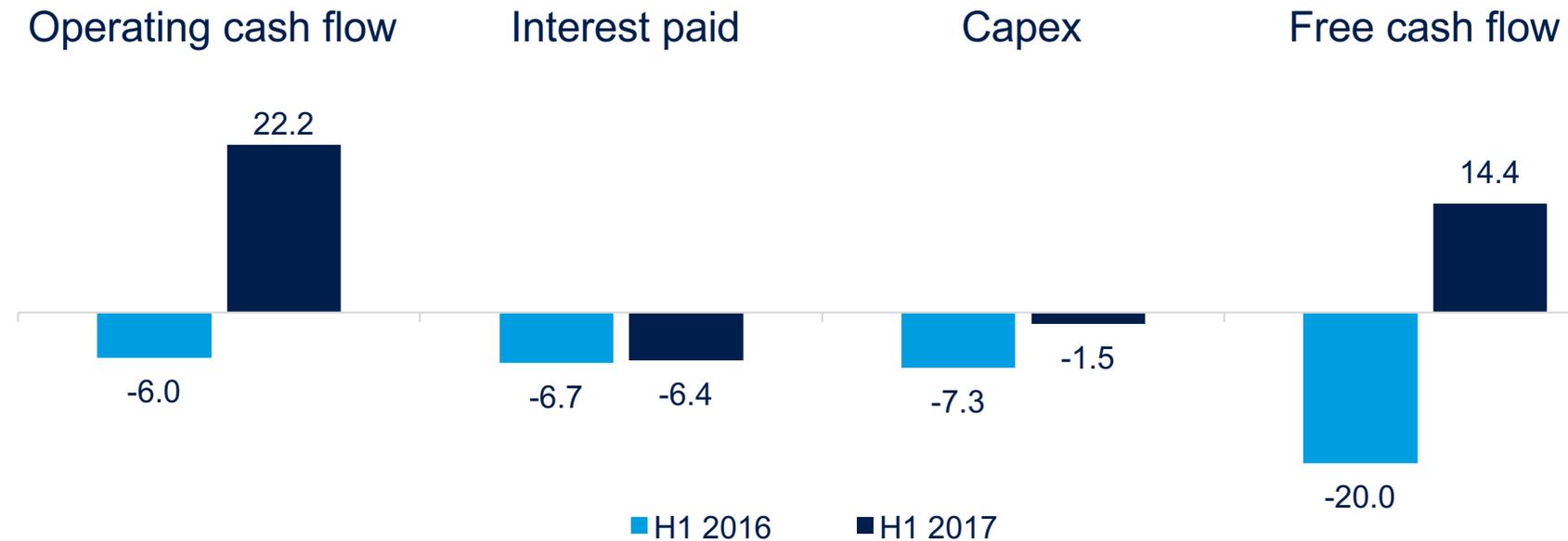


Comment

- Gross margin decline more than offset by EBITDA increase via OPEX savings and HQ streamlining

CASH FLOW: “RESET” DRIVES TREND REVERSAL

Cash flow development H1 2016 – H1 2017



- Strong earnings improvement and strict NWC management as result of “RESET” pushes operating cash flow
- Free cash flow further supported by lower capex
- Investments to pick up in H2

KEY FINANCIAL FIGURES

Key figures	31 Dec 16	30 June 17	Comment
Equity ratio [%]	23.4	31.7	<ul style="list-style-type: none"> ▪ Net debt substantially down because of strict NWC management ▪ Smooth and effective capital increase boosts equity further ▪ Significant cutback of inventories
Net debt [€ mn]	194.7	124.6	
Net working capital, thereof:	72.0	63.5	
▪ Inventories	159.1	136.3	
▪ Trade receivables	41.2	41.4	
▪ Trade payables	128.3	114.2	
▪ Net working capital / sales based on LTM	7.4%	6.6%	



ARE YOU READY TO
**MAKE NEW
MEMORIES?**

OUTLOOK AND SUMMARY
H1 2017

TOM TAILOR GROUP

2017: SIX KEY PRIORITIES

BONITA



Finish “Reset”



TT German Retail



eCom growth (platform)



Brand equity



Deliver SAP phase 1



GUIDANCE AFFIRMED

Guidance for 2017

Guiding comments for 2018

Group Sales Slight decrease compared to previous year due to Kids license model and “RESET” projects

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

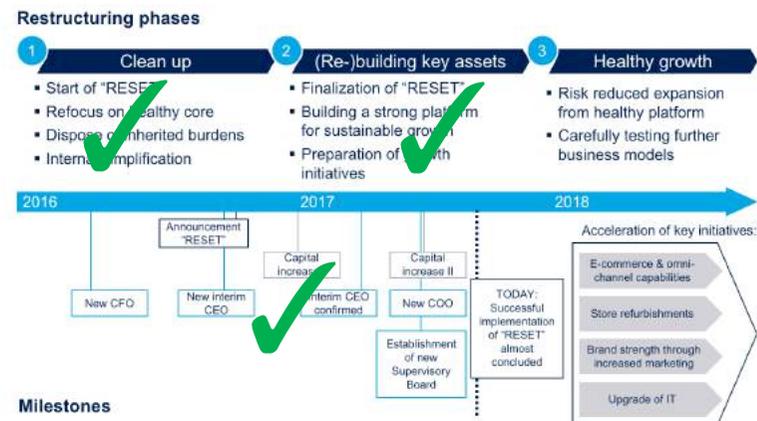
Building blocks for future growth to be communicated along with Q3 figures on November 9, 2017

Reported EBITDA margin above 10%

Net debt / EBITDA ratio <2.0

WRAP-UP H1 2017

- **TOM TAILOR** is undergoing the most comprehensive restructuring program in the company history, building the platform for healthy growth
- **“RESET”** fully on track and almost concluded successfully with smooth and effective capital increase setting the stage for phase 2 & 3
- **Increase in EBIT** of around €17 mn puts Group on track for **“RESET”** saving target
- Convincing performance with **TOM TAILOR Wholesale driving profitable sales** and **TOM TAILOR Retail improving gross margin**
- **BONITA** off to a good start in **transformation process**, but it will continue



CONTACT DETAILS INVESTOR RELATIONS

Financial Calendar 2017

Events

Nov 9, 2017

Release of the Interim Q3 Report 2017 and update strategy

Nov 29, 2017

Analyst Conference, German Equity Forum, Frankfurt



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