



Analyst Presentation on the Q1 2017 results

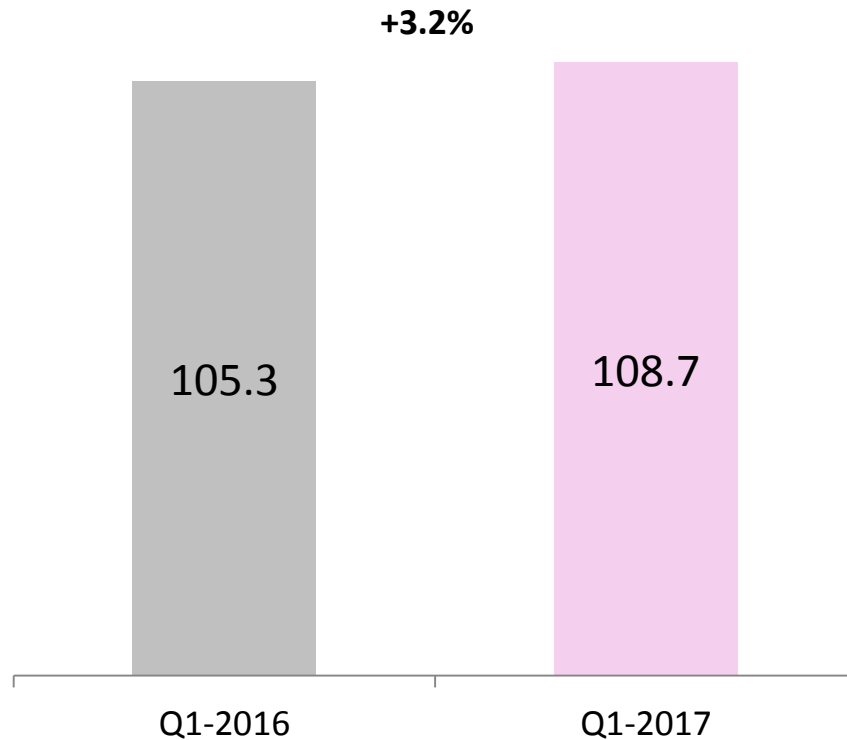
*“Significant positive impact from efficiency
and liquidity optimisation measures”*

Haibach, 11 May 2017

- Overall sector outperformed: Total revenue increases by 3.2% in the first three months of 2017 (like-for-like revenue up 1.5%)
- Working capital reduced by 15% year on year thanks to improved working capital management
- Non-recurring effect from sale of real estate bolsters cash flows from investing activities
- Positive outlook for 2017 confirmed



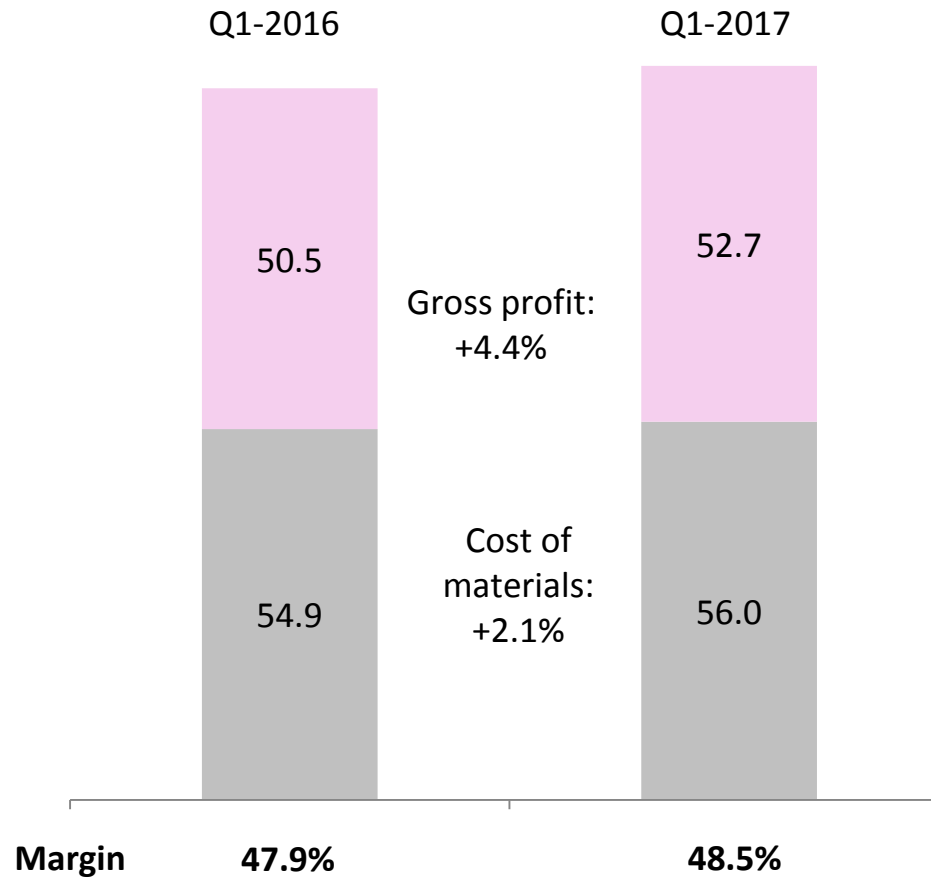
Revenue in m€



- ADLER was able to maintain the positive trend recorded in the fourth quarter of 2016
- Overall sector outperformed: revenue for brick-and-mortar textiles retailers in the first quarter of the year were down by 2% as compared to Q1 2016
- Like-for-like: +1.5%

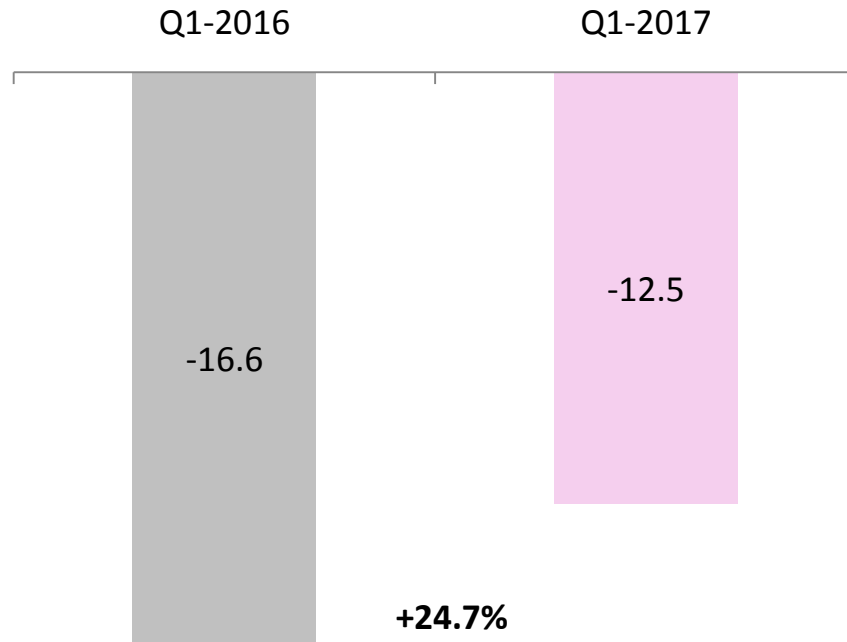
Gross margin up as cost of materials rise only disproportionately to sales

in m€



EBITDA is significantly above the prior-year figure as a result of an improved cost efficiency

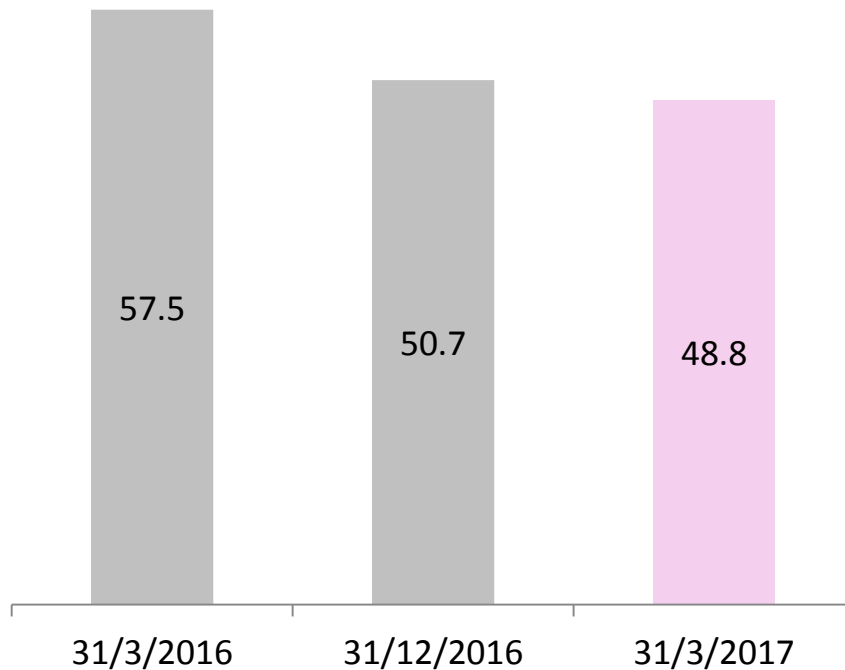
EBITDA in m€



- As typical of ADLER's business model, profitability will be reached in the second half of the year
- Improvement mainly due to optimisation of marketing spend and reduction of personnel expenses

Optimisation of working capital management results in reduction of Working Capital by 15%

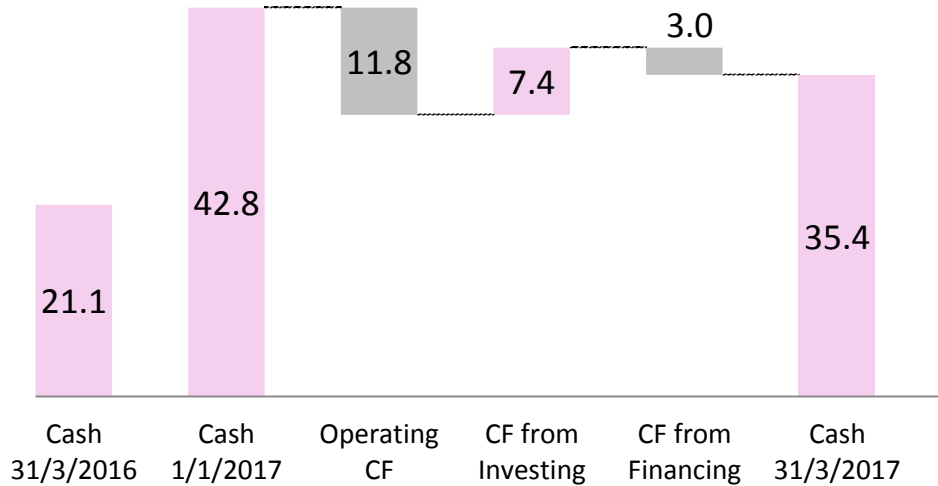
Working Capital in m€



- Working capital reduced by 15 % year-on-year
- Reduction even if compared to year-end 2016, despite of higher inventories due to seasonal effects

Cash outflows in Q1 2017 significantly reduced

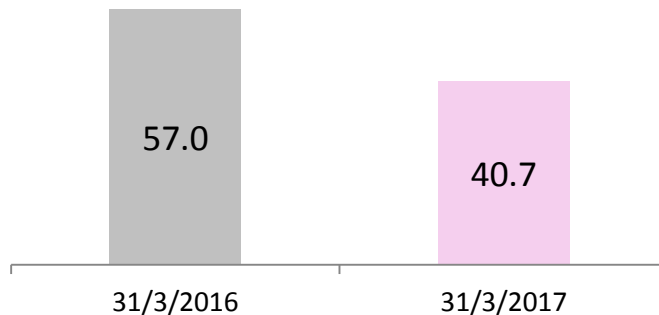
in m€



- Total cash outflows of only € 7.4 million in Q1 2017, compared to an outflow of € 31.0 million in Q1 2016 due to focus on cash flow management and optimisation of working capital
- Free cash flow of € -4.4 million, compared to € -28.1 million in Q1 2016;
- Free cash flow expected to be positive already in H1 2017 (H1 2016: € -8.2 million)

Net debt*

in m€



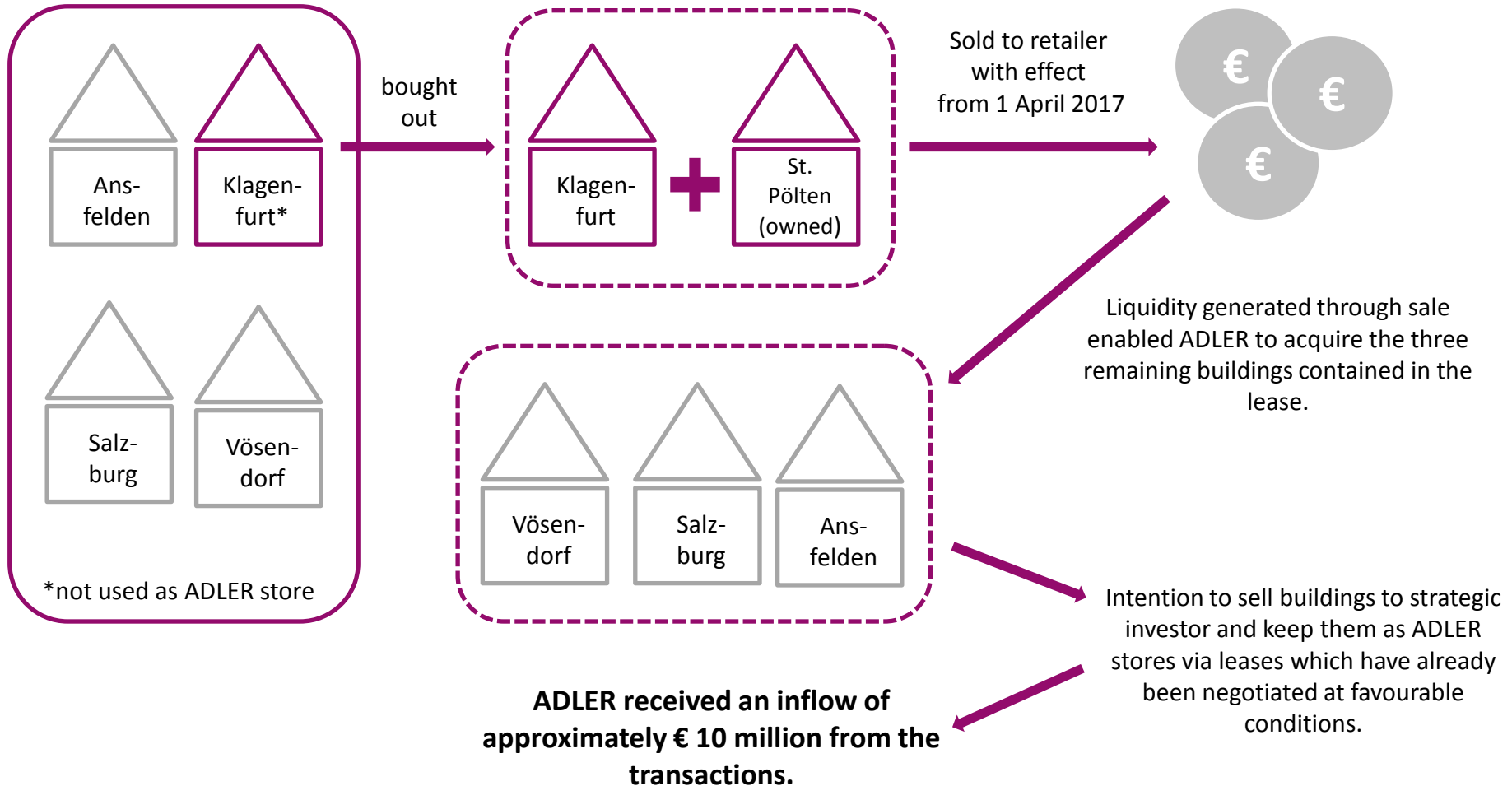
Net debt impacted by:

- Increase in cash and cash equivalents by € 14.3 million compared to 31 March 2016
- Decrease in finance lease obligations by € 1.0 million to € 56 million due to contract modifications
- Decrease in liabilities from customer card by € 0.7 million

* Including liabilities from customer card, pension provisions, finance lease liabilities ex assets held for sale, cash, other financial liabilities

Optimisation of real estate portfolio strengthen cash flows from investing activities









**Real estate portfolio
under lease
(exp. 30 April 2017)**



in m€	31 March 2016	31 March 2017	31 Dec 2016	Change
Total assets	240.5	238.7	222.6	7.2%
Inventories	99.7	87.1	75.4	15.5%
Trade receivables	0.6	0.4	0.6	-33.3%
Cash position	21.1	35.4	42.8	-17.3%
Equity	89.8	82.7	95.8	-13.7%
Equity ratio	37.4%	34.6%	42.8%	-8.4pp
Trade payables	42.8	38.6	25.3	+52,6%

- Costs across all group divisions under control
- All measures fully in line with schedule
- Re-adjustments where necessary
- Biggest savings in personnel expenses (> € 6 million), initial substantial savings already realised in Q1
- Successful cash generation measures are expected to be sustainable in the quarters to come
 - Focus on optimisation of inventories very successful -> to be continued
 - additional positive effect on gross margin
 - Additional potential for smaller savings starting from Q2
 - Sustainable positive effect on liquidity (plus proceeds from real estate in Q2)

Forecast FY 2017: EBITDA improvement to €27-30 million

Revenue		Revenue slightly below prior-year level
Revenue generated online		Significant increase
Gross profit margin		Slight increase
Personnel expenses		Slight decrease
Transport and logistics costs		Slight increase
EBITDA		€27-30 million
Free Cash Flow		At least level with 2016
Expansion		1 store opening in 2017

Equity story still intact: ADLER Modemärkte is well positioned to face short-term challenges and lift mid- to long-term potentials

Assets

- Growing target group 45+
- Very loyal customer base (90% of sales generated via customer card)
- Customer knowledge comparable to online retailers
- Lean and integrated business model
- Solid network of 180+ stores at attractive locations
- Sound balance sheet to finance future growth

Potential

- Numerous internal and external growth opportunities
 - New client wins & development of existing customers
 - M&A
 - Online-shop expansion
- Significant cost efficiency and profitability improvements
 - Optimisation of marketing spend
 - Introduction of new planning system
 - Restructuring of sales department



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Report on the first quarter 2017

Annual General Meeting, Aschaffenburg

Report on the first half 2017

Report on the first nine months 2017

German Equity Forum, Frankfurt

11 May 2017

24 May 2017

3 August 2017

9 November 2017

27-29 November 2017