



## Analyst presentation

### First nine months results 2017

*“Fully on track to reach FY-targets –  
substantial improvements  
in earnings and free cashflow”*

Haibach, 9 November 2017



Thomas Freude, new CEO

- Analysis of status quo started immediately, from September 11
- Intensive management discussions during numerous shop visits (target >50 until year-end 2017)

## First impressions and perspectives

- Unique market position and substantial upside based on established ADLER customer card and new client potential
- Optimisation potential for collection management, store format, omni channel approach, CRM, digitalisation, leadership and operative excellence

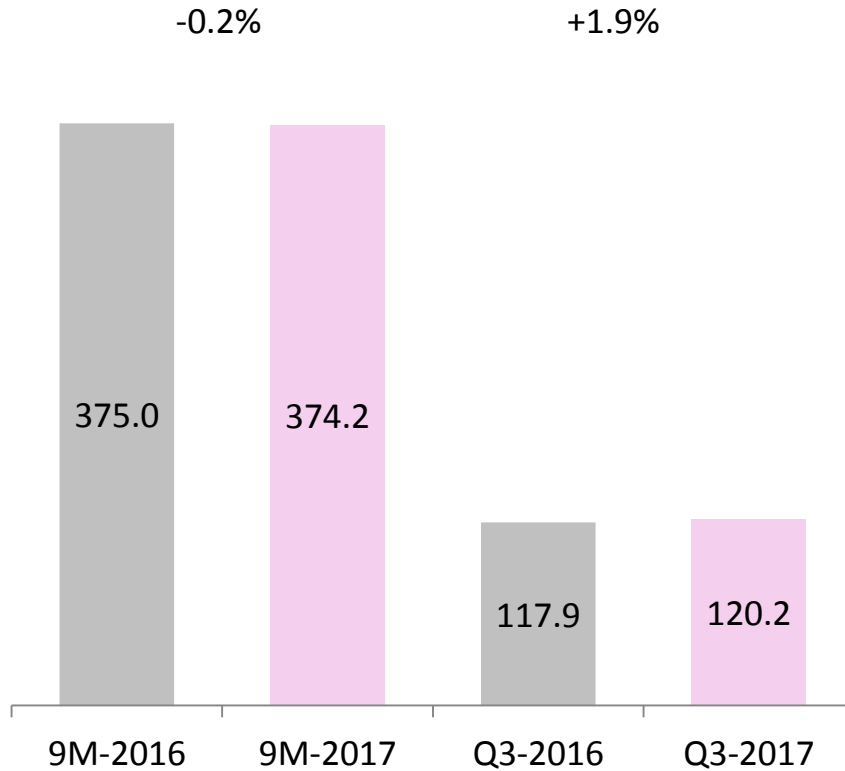
## Next steps:

We want to bring ADLER back to a sustainable growth track

- ▶ Definition and communication of new strategic set-up until year-end result presentation **mid March 2018**

- Q3 revenues up 2% / like-for-like revenue virtually in line with industry level after nine months
- Substantial EBITDA growth by €14.3 million to €6.6 million due to improved profitability and non-recurring effects – operating result reaches €0.4 million (up €8.1 million)
- Free cash flow improved by more than €26 million to €6.4 million, thanks to stringent cash flow management
- Outlook for FY 2017 confirmed
  - Increase of operating EBITDA to €27-30 million
  - Plus substantial one-off impact from real estate transactions

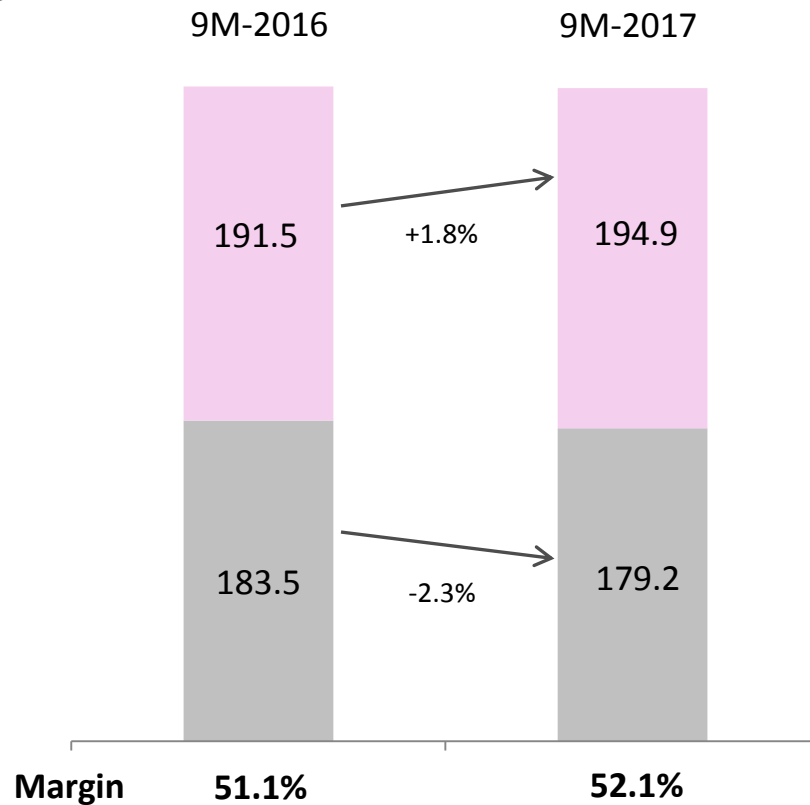
Revenue in m€



- Like-for-like 9M: -1.9%;  
Like-for-like Q3: +0.3%
- Online revenues 9M: € 7.5 million (+25%)
  - ▶ On track to achieve FY target > € 10 million

# Gross profit margin increased to >50% in Q3

in m€

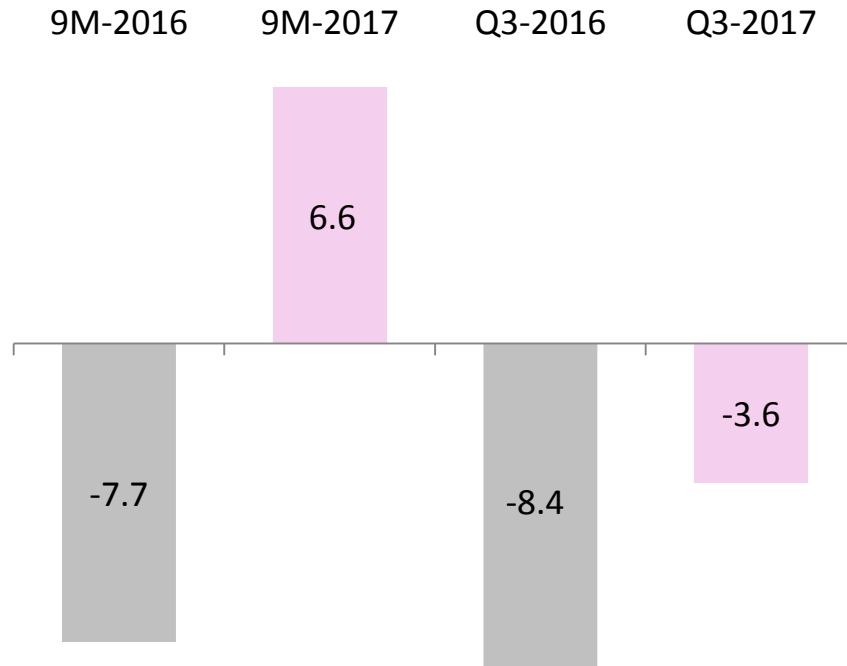


- Gross Profit
- Cost of Goods Sold

- Gross margin
  - Q3-2017: 50.3% (Q3 2016: 47.7%)
  - 9M-2017: 52.1% unchanged
- Reduction of cost of materials due to adjustments in purchasing volumes

# EBITDA significantly increased due to operating improvements and one-off effects

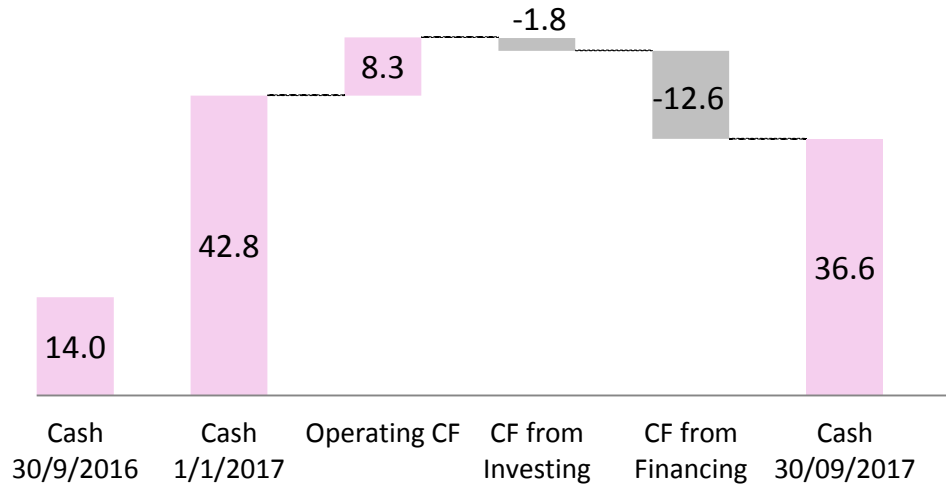
EBITDA in m€



- Increase in EBITDA due to operating improvements and non-recurring effect resulting from the sale of two buildings in Austria in the first quarter of 2017
- Operating EBITDA reached €+0.4 million in 9M-2017, up €8.1 million
  - Personnel costs down 6% as indicated
  - FY savings of €6 million confirmed
  - All efficiency measures in line with schedule

# Decline of cash substantially less pronounced than in previous years

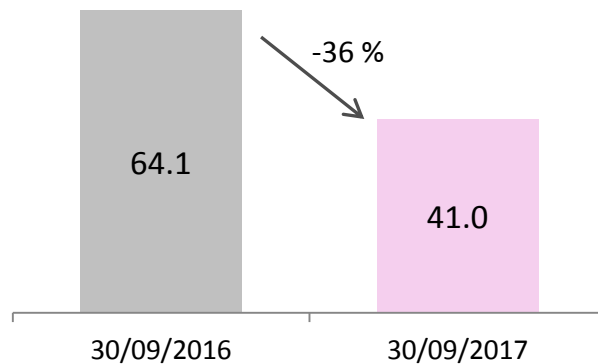
in m€



- Cash and cash equivalents at €36.6 million as of 30/09/2017
  - 30/09/2016: €14.0 million
  - 30/12/2016: €42.8 million
- Free cash flow: €+6.4 million in 9M-2017 (9M-2016: €-20.2 million)

## Net debt\*

in m€



## Net debt impacted by:

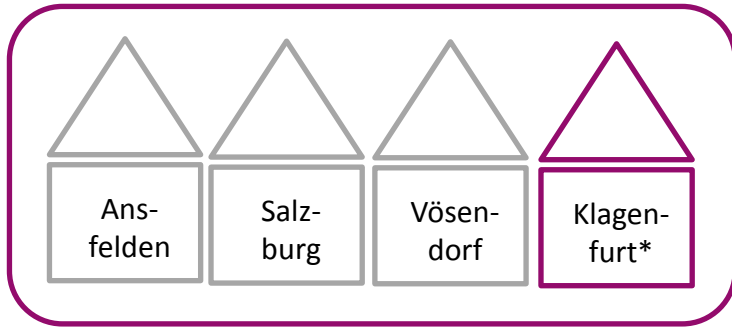
- Increase in cash and cash equivalents by €22.6 million to €36.6 million (9M-2016: 14.0 million)
- Unchanged assets held for sale (€0.3 million)
- Increase in finance lease obligations from €52.2 million to €54.9 million
- Financial debt of €17.5 million (9M: €13.5 million)
- Reduction of pension provisions by €0.4 million to €5.4 million
- Leverage declines from 1.98 to 1.80 (yoy)

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

in m€	30 Sept. 2016	30 Sept. 2017	31 Dec. 2016
Total assets	230.2	249.6	222.6
Inventories	101.8	93.3	75.4
Trade receivables	0.3	0.4	0.6
Cash position	14.0	36.6	42.8
Equity	77.2	89.1	95.8
Equity ratio	33.5%	35.7%	43.1%
Trade payables	46.9	51.2	25.3

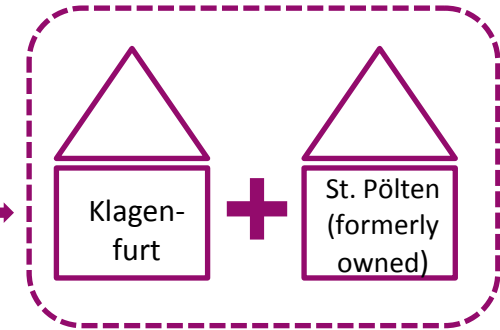


Real estate portfolio under lease  
(exp. 30 April 2017)



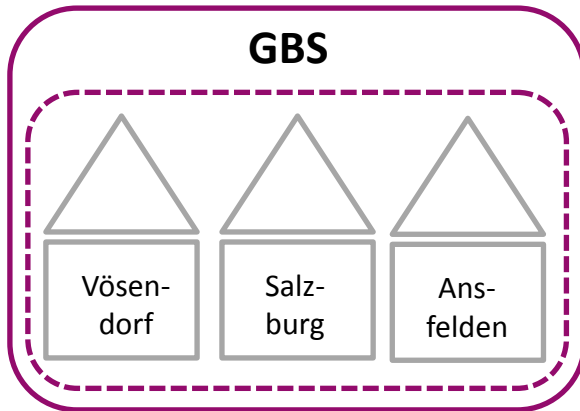
\*not used as ADLER store

bought  
out at purchase price  
of € 1.3 million



Sold to retailer  
with effect from  
1 April 2017









Sales revenue: € 9 million,  
€ 7.5 million recognized  
as non-recurring effect  
in Q2



Liquidity generated enabled ADLER to acquire  
GBS Grundstücksverwaltungsgesellschaft  
m.b.H. with effect from 3 May 2017;  
purchase price: € 6.7 million

Resale to strategic investor expected in  
November 2017; **additional substantial  
positive effect on EBITDA and cash flow**

# Forecast FY 2017 fully confirmed: substantially higher profitability despite continued market weakness

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 plus non-recurring effect which cannot be quantified yet
Free Cash Flow		Above level of 2016
Expansion		1 store opening in 2017

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## FINANCIAL CALENDAR

Report on the first nine months 2017

9 November 2017

German Equity Forum

27-29 November 2017

2017 Annual Report

15 March 2018

Report on the first quarter of 2018

8 May 2018

2018 Annual General Meeting

9 May 2018