

70

JAHRE ADLER

WIR FEIERN  
DAS LEBEN.

ADLER

ALLES PASST



Analyst Presentation  
on the Q1 2018 results:

Full-year guidance  
confirmed despite  
restrained start into  
2018

Haibach, 8 May 2018

# Changes in the Management Board of Adler Modemärkte AG



**Thomas Freude**  
CEO

In office since: 09/2017  
Appointed until: 09/2022

Responsible: Strategy  
for Marketing  
Purchasing  
Logistic  
Personnel  
M&A  
Public Relations



**Karsten Odemann**  
CFO

In office since: 12/2011  
Appointed until: 12/2021

Responsible: Finance  
for Controlling  
Legal  
Revision  
IT  
Investor Relations  
Technical Purchasing



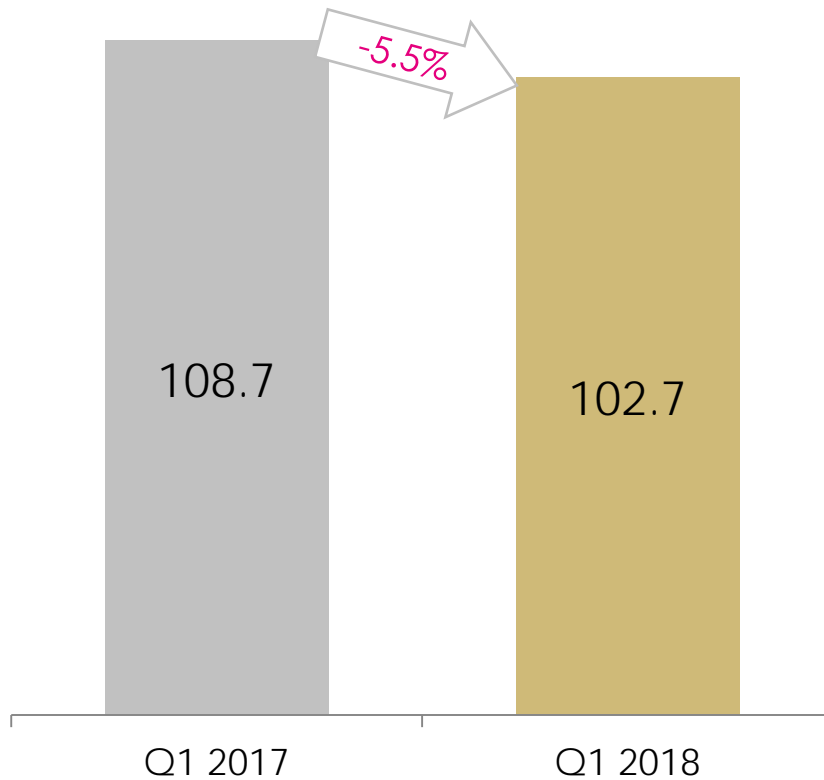
**Carmine Petraglia**  
CCO

In office since: 06/2018  
Appointed until: 12/2022

Responsible: Sales  
for E-Commerce

## Decrease in sales as anticipated in the typically weakest quarter of the year

Sales in mEUR



... the first quarter is traditionally the weakest due to selling off winter merchandise

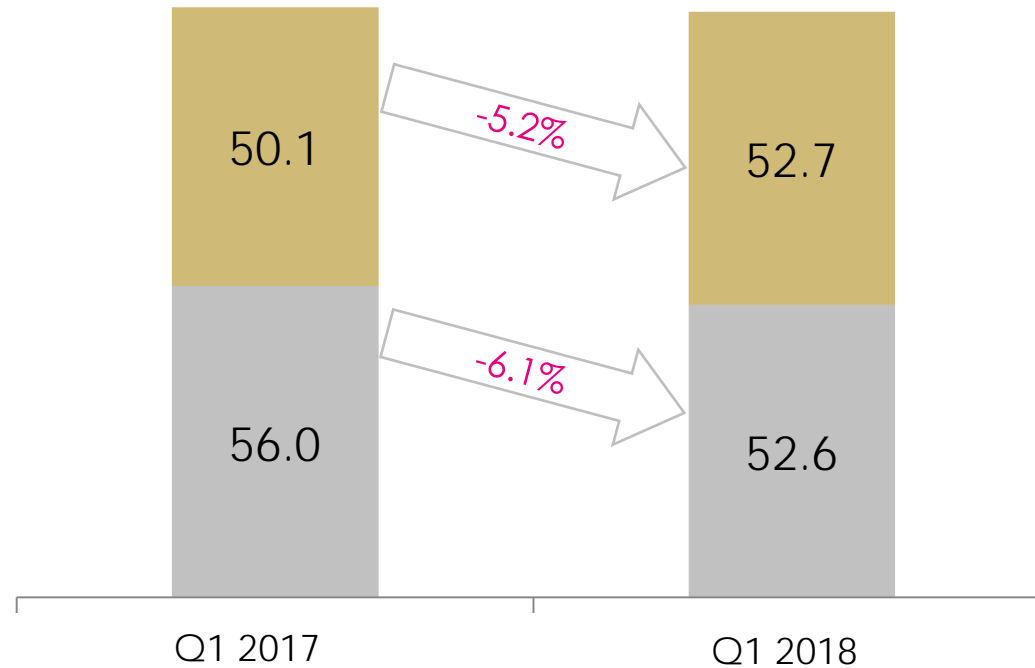
... Like-for-Like: -6.2%

... Overall development for the German textile industry: -3%

## Slight improvement in gross profit on goods sold

in mEUR

■ Gross Profit  
■ Cost of Materials



Gross profit on goods sold 48.5%

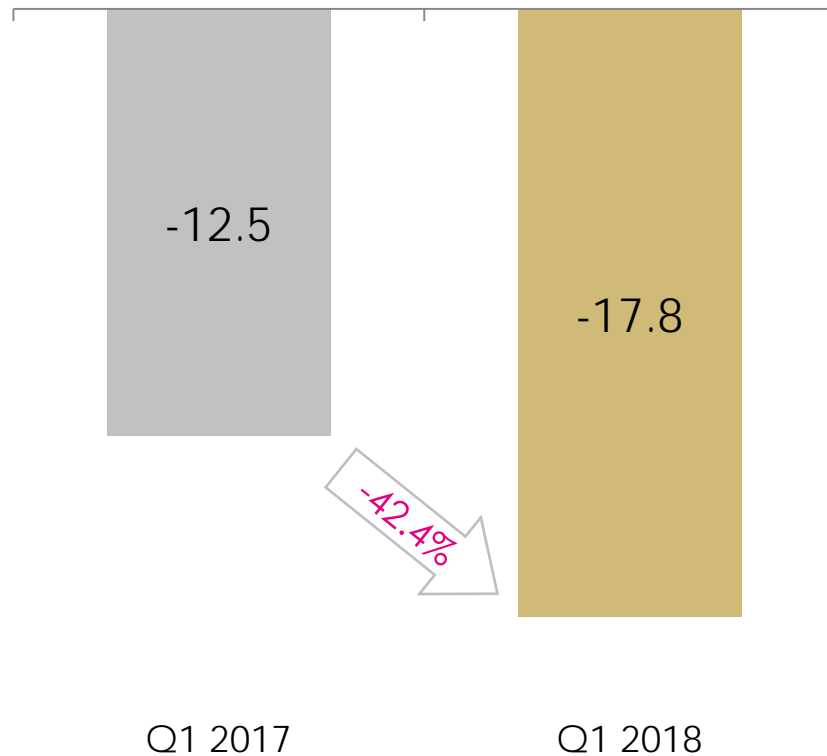
48.8%

... adjustment of purchasing volumes resulted in a reduction of cost of materials

... gross profit decreased at a slower pace than revenue, causing a slight improvement in gross profit on goods sold

## EBITDA down due to sales decline and higher costs (partly non-recurring)

EBITDA in mEUR

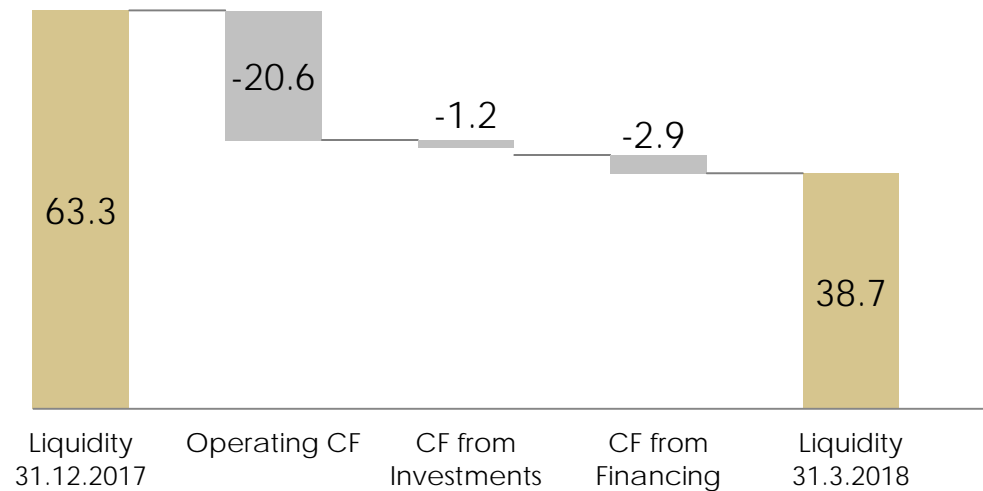


... EBITDA effected by

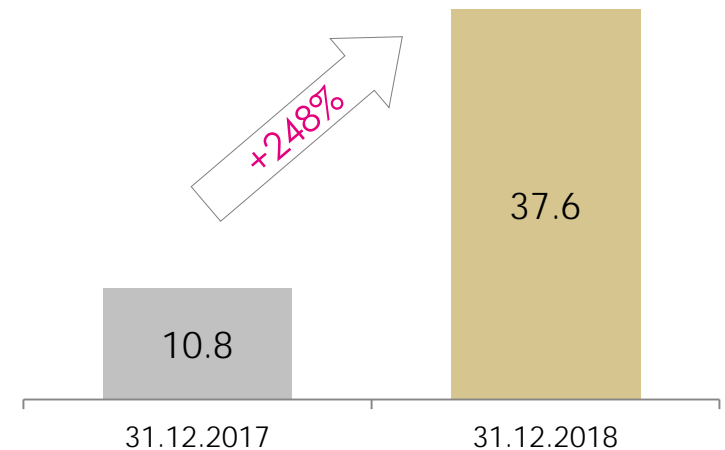
- ... Higher personnel expenses due to higher wages
- ... Increase in marketing expenses
- ... Consulting fees connected to strategic realignment
- ... Set-up costs associated with onboarding of Meyer&Meyer

## Typical outflow of cash and cash equivalents in the first three months

in mEUR



Net debt in mEUR



- ... Procurement of new merchandise leads to decline in cash and cash equivalents
- ... Liquidity remains a very healthy figure given the typical decline seen in the first quarter

- ... Debt / equity ratio of 1.80 was above the figure for the end of 2017 (1.41) but below the 1.89 recorded as at 31 March 2017
- ... Equity ratio at 35.8%

# High quality of balance sheet to implement strategic realignment

in m€	31 March 2017	31 March 2018	31 Dec. 2017	Change
Total assets	238.7	231.1	241.1	-4.1%
Inventories	87.1	83.5	73.7	13.3%
Trade receivables	0.4	0.5	0.6	-16.7%
Cash & cash equivalents	35.4	38.7	63.3	-38.9%
Equity	82.7	82.7	99.9	-17.2%
Equity ratio	34.6%	35.8%	41.5 %	-5.7pp
Trade payables	38.6	38.9	27.6	40.9%



With our high liquidity and our healthy balance sheet structure, we are well prepared to finance our strategic realignment by ourselves.

## New strategic partners to implement Strategy 2020 defined

### ■ New sourcing partner:



- ... create fresh momentum for production, quality and social responsibility
- ... boost the efficiency and flexibility of procurement workflows
- ... wide range of digital product development and 3D fit solutions



### ■ New logistics partner:



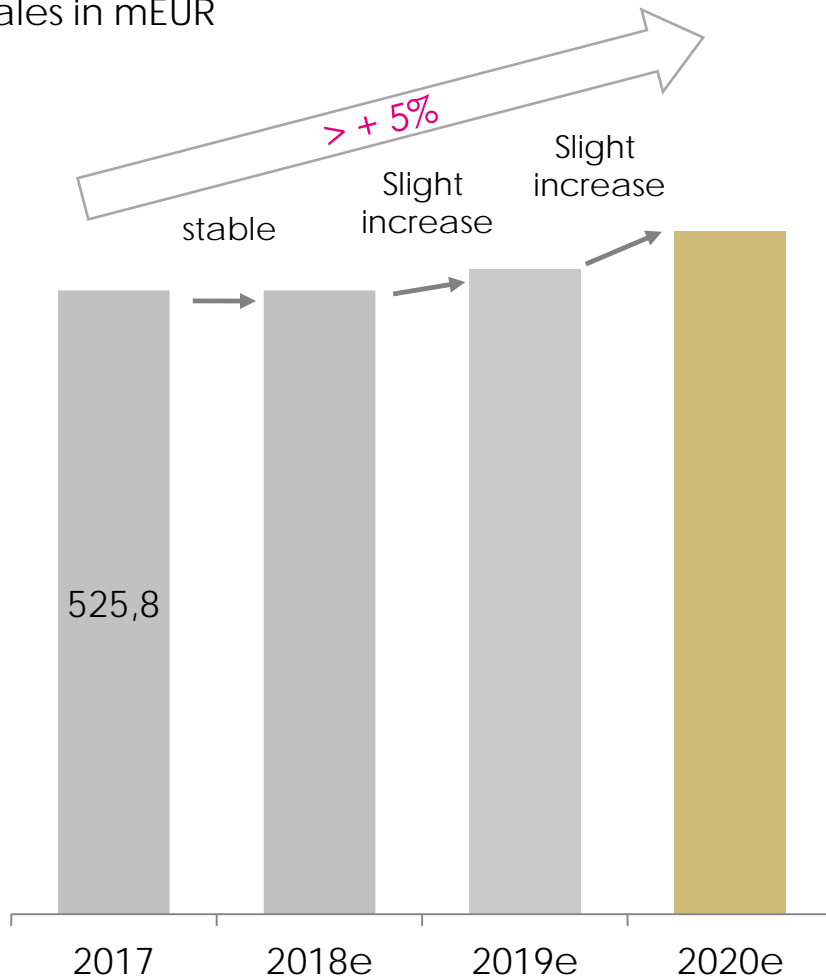
- ... delivery and distribution of goods easier to plan and more cost effective
- ... cost savings in the low- to mid-seven-figure range starting in 2019



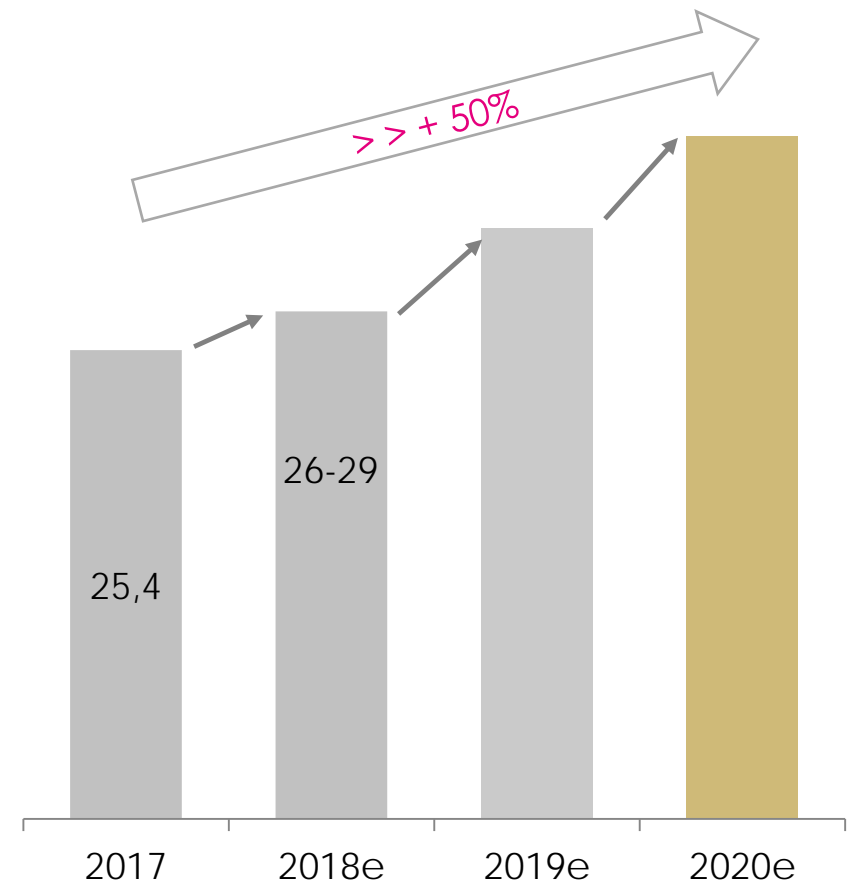


With the initiatives defined by our Strategy 2020, we expect to deliver topline growth and disproportionate growth in EBITDA by 2020 at the latest

Sales in mEUR



Operating EBITDA in mEUR



# Confidence for 2018 in spite of weak Q1 – full-year guidance confirmed

Revenue	→	on prior-year level
Revenue generated online	↗	Significant increase
Gross profit margin	↗	Slight improvement
Personnel expenses	↗	Slight increase
Transport and logistics costs	↗	Slight increase
Operating EBITDA	↗	€26-29 million
Free cash flow	↘	Below prior-year level due to special effect in 2017

... Increased marketing activities are expected to take effect in H2-2018 and for the rest of the year

... Focus on increased share of wallet from existing clients

... Substantial revenue and earnings potential defined according to ADLER strategy 2020

... Majority of positive effects from ADLER strategy 2020 and the change of logistics provider will start to be felt in financial year 2019

## Financial Calendar & Contact



Annual General Meeting	9 May 2018
Report on the First Half Year	2 August 2018
Report on the First Nine Months	8 November 2018
German Equity Forum, Frankfurt	26-28 November 2018

### Adler Modemärkte AG

Investor Relations  
Industriestraße Ost 1 – 7  
63808 Haibach/Germany

Phone: +49 6021 633-1828  
Fax: +49 6021 633-1417  
eMail: [InvestorRelations@adler.de](mailto:InvestorRelations@adler.de)