



## Analyst Presentation on the H1 2017 results

*“Positive development continues – earnings  
and cashflow improved significantly”*

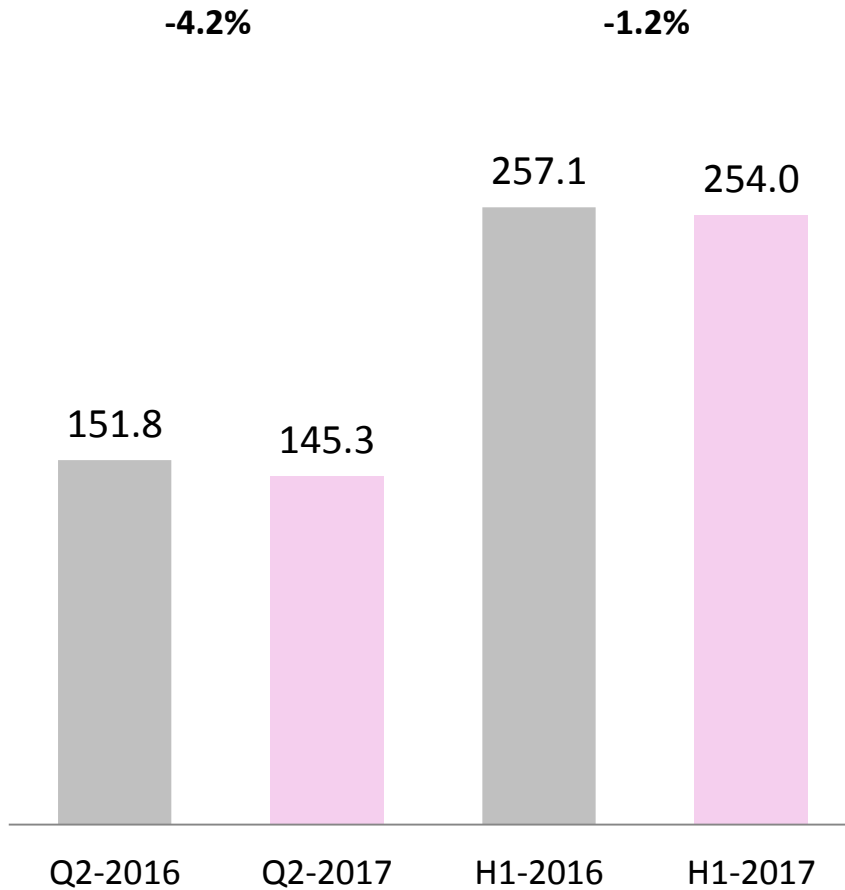
Haibach, 3 August 2017

- Expected slight drop in revenue;  
like-for-like revenue in line with industry
- Significant EBITDA growth to €10.2 million from €0.7 million in H1 2016  
due to improved profitability and non-recurring effect
- Working capital reduced markedly thanks to improved cash flow  
management
  - Positive free cash flow of €8.0 million (up more than €16 Mio.  
compared to H1 2016)
- Outlook for 2017 confirmed

### Events after the end of the reporting period

- Thomas Freude appointed as new CEO with effect of 11 September  
2017

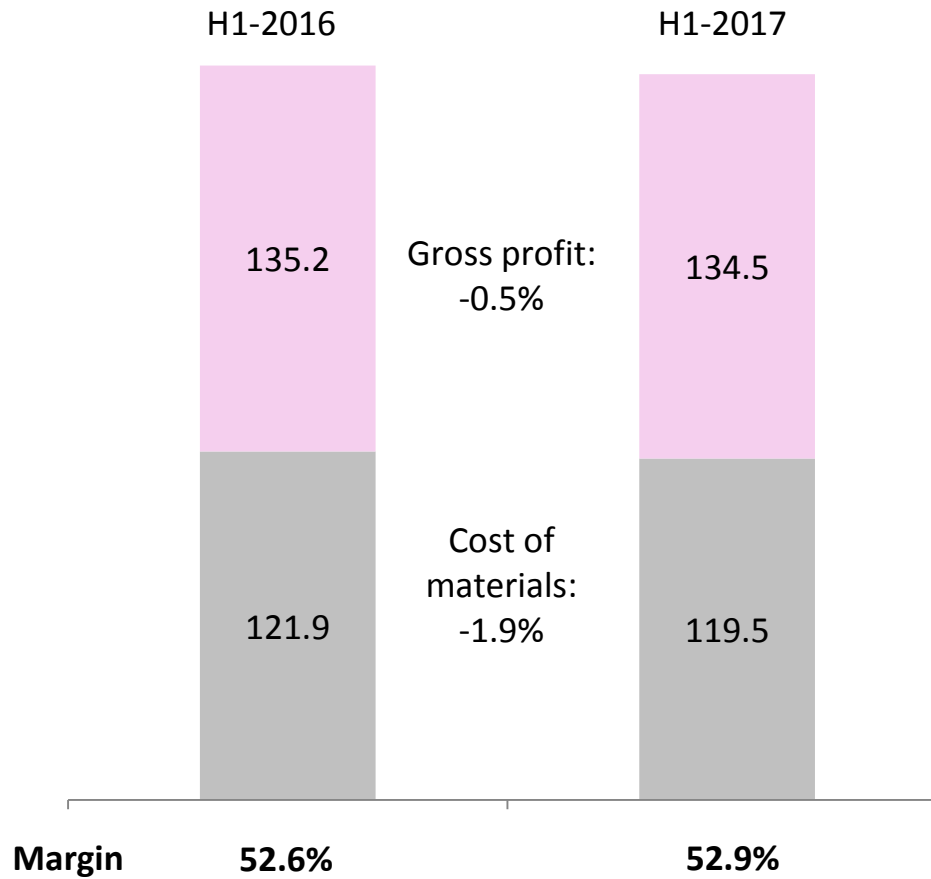
## Revenue in m€



- Like-for-like development -2.9 % (H1) in line with industry
- Development of revenue in Q2 hampered by seasonal holidays

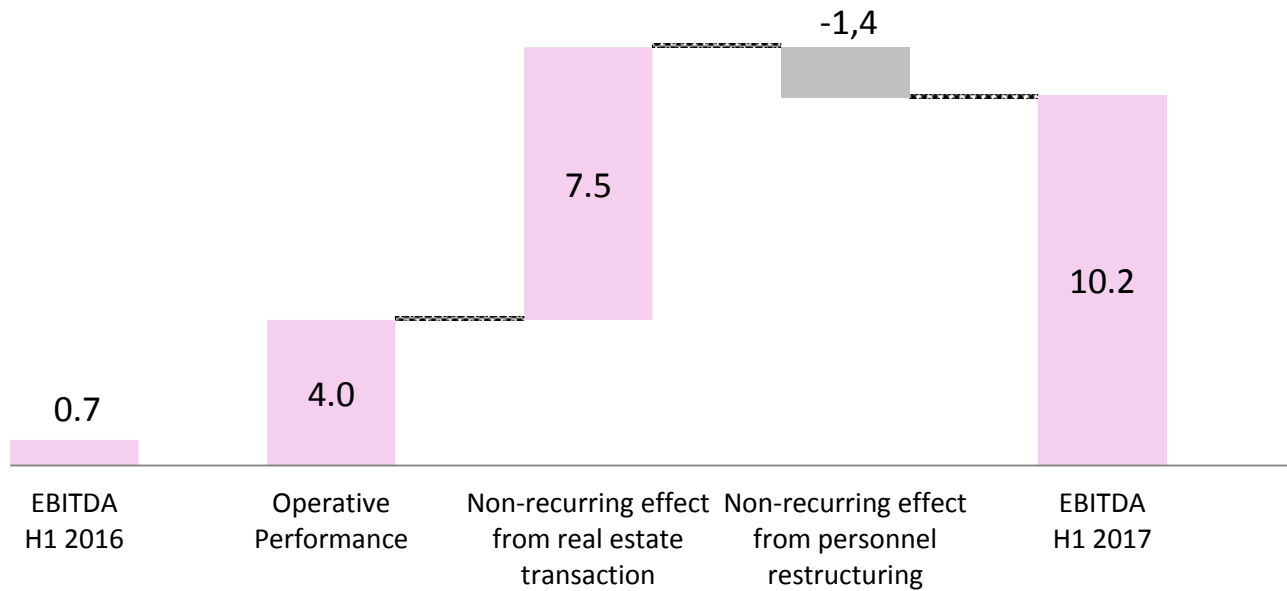
# Gross margin up as cost of materials decreased at faster pace than revenue

in m€

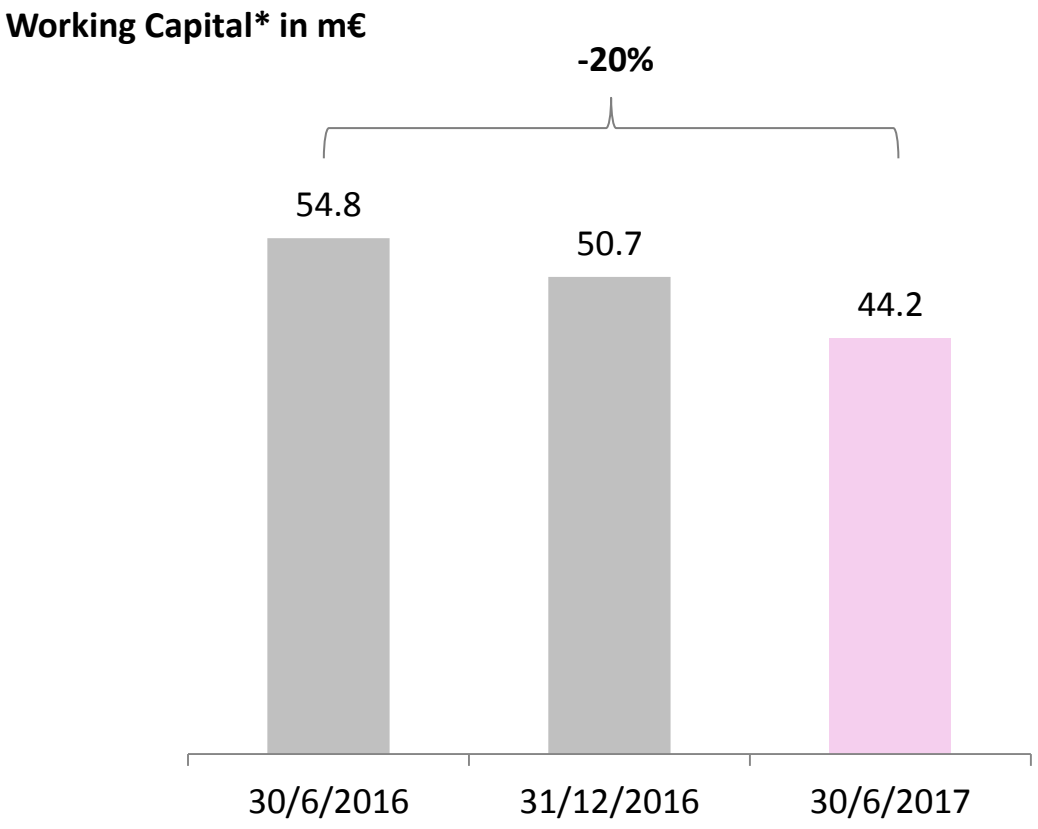


# EBITDA boosted by improved operative performance and non-recurring effect from real estate transaction

in m€



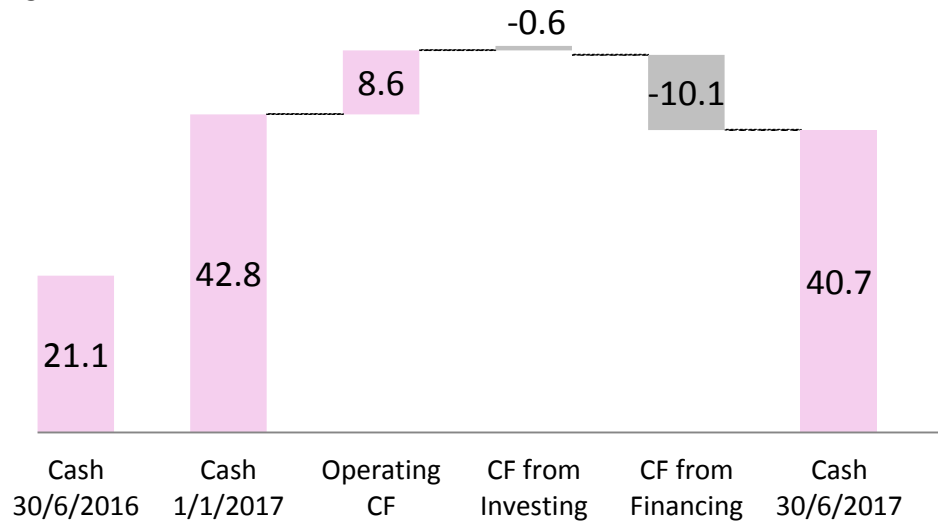
# Optimisation of working capital management results in reduction of Working Capital by almost 20%



\*Inventories plus trade receivables less trade payables

# Cash outflows in H1 2017 reduced substantially

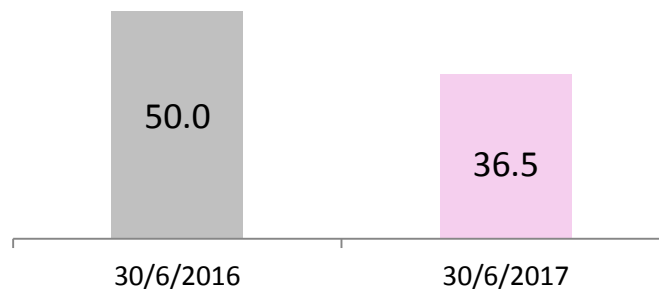
in m€



- Total cash outflows of only € 2.1 million in H1 2017, compared to an outflow of € 23.2 million in H1 2016 due to focus on cash flow management and optimisation of working capital
- Investment discipline continues as communicated
- Free cash flow of € 8.0 million, compared to € -8.2 million in H1 2016

## Net debt\*

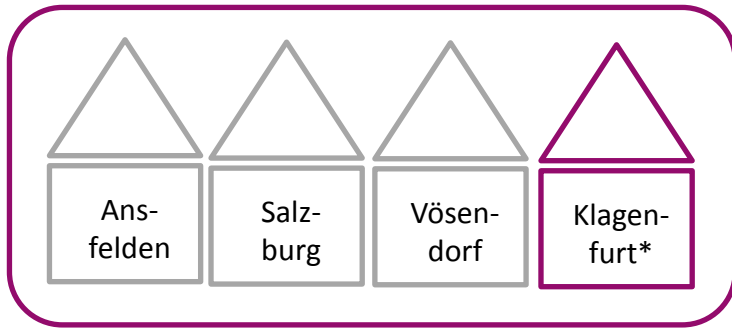
in m€



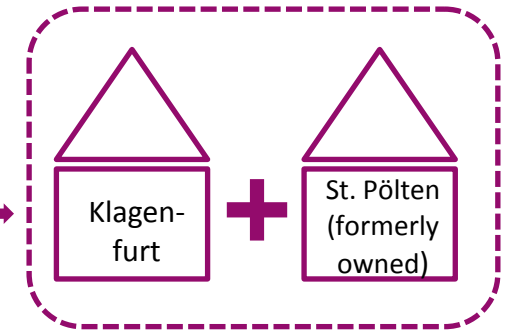
- Net debt mainly impacted by significant increase in cash and cash equivalents from €28.3 million to €40.7 million

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

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



bought  
out at purchase price  
of € 1.3 million



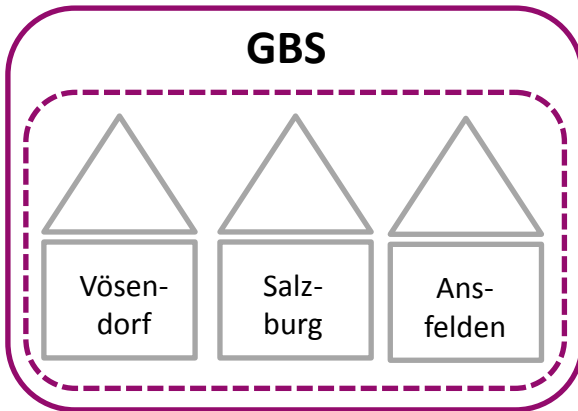
\*not used as ADLER store

Sold to retailer  
with effect from  
1 April 2017

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



**GBS**



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 pending;  
**additional positive effect on EBITDA  
expected for 2nd half year 2017**, which  
cannot be quantified yet



<b>in m€</b>	30 June 2016	30 June 2017	31 Dec 2016	Change
Total assets	222.1	231.6	222.6	+4.3%
Inventories	79.4	72.0	75.4	-4.5%
Trade receivables	0.3	0.4	0.6	-33.3%
Cash position	28.9	40.7	42.8	-4.9%
Equity	87.6	95.2	95.8	-0.6%
Equity ratio	39.5%	41.1%	42.8%	43.1%
Trade payables	25.0	28.2	25.3	11.5%

- Personnel restructuring largely completed, head count reduction of ~8% or almost 350 employees:
  - Substantial positive impact on cost structures in H2-2017
  - Full-year savings in personnel expenses of more than € 6 million
- All other efficiency measures fully in line with schedule
- Re-adjustments where necessary
- Substantial additional savings potential with medium- to long-term impact:
  - Optimisation of purchase agreements
  - Renegotiation of logistic contracts initiated

# Forecast FY 2017 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 yet be quantified yet
Free Cash Flow		At least level with 2016
Expansion		1 store opening in 2017

## Target

- Increase of footfall and revenue through
  - Activation of existing clients
  - New client wins
- Add emotions to the brand by linking it with appealing content („Great appreciation of and compliments for our clients“)
- Boost brand awareness

## Implementation

- Focus on ADLER`s core brand value „Mode ist für Menschen da“ („Fashion is for people“)
- Deployment of authentic, charismatic self-confident people (instead of models)
- 360-degree-implemenation across all channels (TV, Mailings, Digital, PoS)
- Adressing of clients and employees at the same time

## Timing

- CW 36 – CW 49



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## FINANCIAL CALENDER

Report on the first half 2017

3 August 2017

Baader Investment Conference, Munich

19-20 September, 2017

Report on the first nine months 2017

9 November 2017

German Equity Forum, Frankfurt

27-29 November 2017