

SPECIALTY FASHION | GROUP

Annual General Meeting

9 November 2018

city chic

LEADING A WORLD OF CURVES



CHAIR'S ADDRESS

Anne McDonald



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CEO'S ADDRESS

Phil Ryan

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FY18 RESULTS KEY HIGHLIGHTS

Successful Transaction Delivered

Completed Structural Review

Divested Millers, Katies, Autograph, Crossroads and Rivers to Noni B for \$31m¹ on 2 July 2018

Enables single focus on best performing brand, City Chic

Strong Results for City Chic

Continuing Operations (City Chic) Underlying EBITDA of \$19.9m vs \$11.1m in prior year – result is at upper end of guidance

Comparable sales growth of 12.9%

Underlying CODB as % of sales of 44.1% vs 48.9% in prior year

Strengthened Balance Sheet

YE net cash position of \$16.1m vs net debt of \$8.3m in prior year

\$31m of sales proceeds received on 2 July 2018 (post year end)

Debt facility fully repaid post year end; new \$15m facility to Feb 2021

Net cash post transaction settlement and separation costs of approximately \$25m

Well Positioned for Growth

Leading position in the attractive, fast growing plus size segment

Compelling range of strategic growth opportunities

Adjustment to share capital made to facilitate future franked dividend payments from retained earnings

Dividend expected to recommence in FY19 with a payout ratio representing a minimum 50% of NPAT²

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\$132m

Sales³
FY18

\$19.9m

Underlying
EBITDA FY18

12.9%

Comp Sales
Growth

15.1%

EBITDA
Margin



107
Stores⁴

12.1%

EBIT
Margin



36%
Online Sales



360K+ Active
Customers

1. Headline consideration before completion adjustments and transaction and separation costs.

2. Franking credit balance of \$46.0m as at 1 July 2018.

3. As a standalone business and in accordance with AASB 15, revenue relating to product sold to partners (wholesale and marketplace) are now presented net of vendor funded mark-downs (VFMD). Prior FY18 sales guidance of \$138m-\$140m included VFMD within gross profit.

4. Stores as at financial year end.



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Our customer is the heartbeat of our business

We engage, we listen, we learn, we create, we repeat

BOLD

We Are
Fearless

SEXY

We Fit for
Confidence

GLAM

We Are a
Sisterhood

CHIC

We Create
Unique
Experiences



36%
online sales



360k
active customers



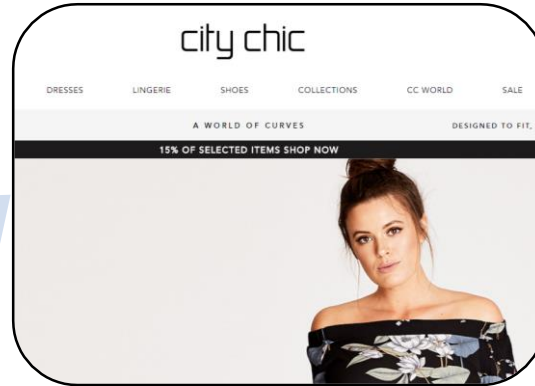
600k
e-mail database



350k
social media
followers

OMNI-CHANNEL STRATEGY

ONLINE
CITY CHIC



ONLINE
MARKETPLACES

Customer centric approach

Well presented and consistent customer touchpoints

Understand customer wants and spending behaviour

Align team incentives across channels

Broader ranges to better serve
our customer

Maintain nimble and responsive
supply chain

WHOLESALE



STORES



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GROWTH PRIORITIES

Drive Australian online sales growth

Acquisition of customers for our USA website

Grow USA marketplace business

New stores in Australia and New Zealand

Increasing number of larger format stores

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FY19 OUTLOOK

- Continuing our strong momentum from H2 FY18, trading for the FY19 year to date has been pleasing
- All channels are showing positive growth with online performing strongly
- With two of the biggest trading months in November and December still to come, we are on track to record high single digit comparable sales growth in H1 FY19



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