

NONI B NOW

Noni B Limited

Results presentation for FY 2012

22 August 2012



NONI B

About Noni B

- ❖ Leading fashion retailer for today's busy woman who wants to look great and feel special
- ❖ Recognised for a wide choice of career, casual and evening wear with great value, style and fit that our customers desire
- ❖ Two exclusive fashion labels: Noni B – our classic label; and Liz Jordan - our designer label, both targeting different customers
- ❖ 215 stores nationally in all states and territories
- ❖ Brand established for 35 years
- ❖ No direct competitor
- ❖ Designs to a quality standard, not to a price
- ❖ Differentiated through providing REAL service and specialised attention
- ❖ Management team who have experienced retail down-turns before and increased profits as demand recovered



NONI B

Key points

- ❖ Revenue \$119.7 million, up 2% (2011: \$117.3) (53 vs 52 weeks)
- ❖ Comparative store sales up 2%
- ❖ EBITDA \$6.9 million (2011: \$4.6 million)
- ❖ NPAT \$2.7 million (2011: \$0.2 million after goodwill impairment of \$0.4 million)
- ❖ EPS 8.4 cents (2011: 2.1 cents before goodwill impairment)
- ❖ Final dividend 3.5 cents fully franked (2011: nil)
- ❖ Total dividends for the year: 6 cents fully franked (2011: 1 cent)
- ❖ Cash of \$9.3 million; no bank debt
- ❖ Stores: 6 new - 3 VIC, 2 WA and 1 NSW; and 6 closed, all on east coast

Financial summary

Results summary for	FY 2012 \$'000	FY 2011 \$'000	% increase
Revenue	119,705	117,286	2.1
Earnings before interest, tax, depreciation and amortisation	6,926	4,636	49.4
Earnings before interest and tax	3,648	855	326.7
Profit before tax	3,883	1,026	278.5
Profit after tax	2,682	669*	300.9
Earnings per share (cents)	8.4	2.1*	300.0
Final dividend per share – fully franked (cents)	3.5	-	
Full year dividend per share – fully franked (cents)	6.0	1.0	
* Before goodwill impairment of \$438,000			

- ❖ NPAT compares with July 2012 guidance of \$2.5 - \$2.7 million
- ❖ Second half NPAT \$279,000 – highest since FY2007
- ❖ Fully franked 3.5 cent final dividend payable with a record date of 11 October 2012, payable to shareholders on 25 October 2012

Balance sheet

	FY 2012 \$'000	FY 2011 \$'000	% change
Cash	9,328	5,484	70.1%
Inventory	15,337	14,281	7.4%
Other current assets	1,550	1,453	6.7%
Current assets	26,215	21,218	23.5%
Fixed assets	7,871	9,188	(14.3%)
Intangibles	10,610	10,610	-
Other non current assets	2,465	2,390	3.1%
Non current assets	20,946	22,189	(5.6%)
Total assets	47,162	43,407	8.6%
Current payables	14,382	12,833	12.1%
Borrowings	159	176	(9.7%)
Other current liabilities	4,126	3,531	16.9%
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Borrowings	170	81	109.9%
Other non current liabilities	1,594	2,046	(22.1%)
Non current liabilities	1,764	2,129	(17.1%)
Total liabilities	20,431	18,668	9.4%
Net assets	26,730	24,739	8.1%

❖ No bank borrowings

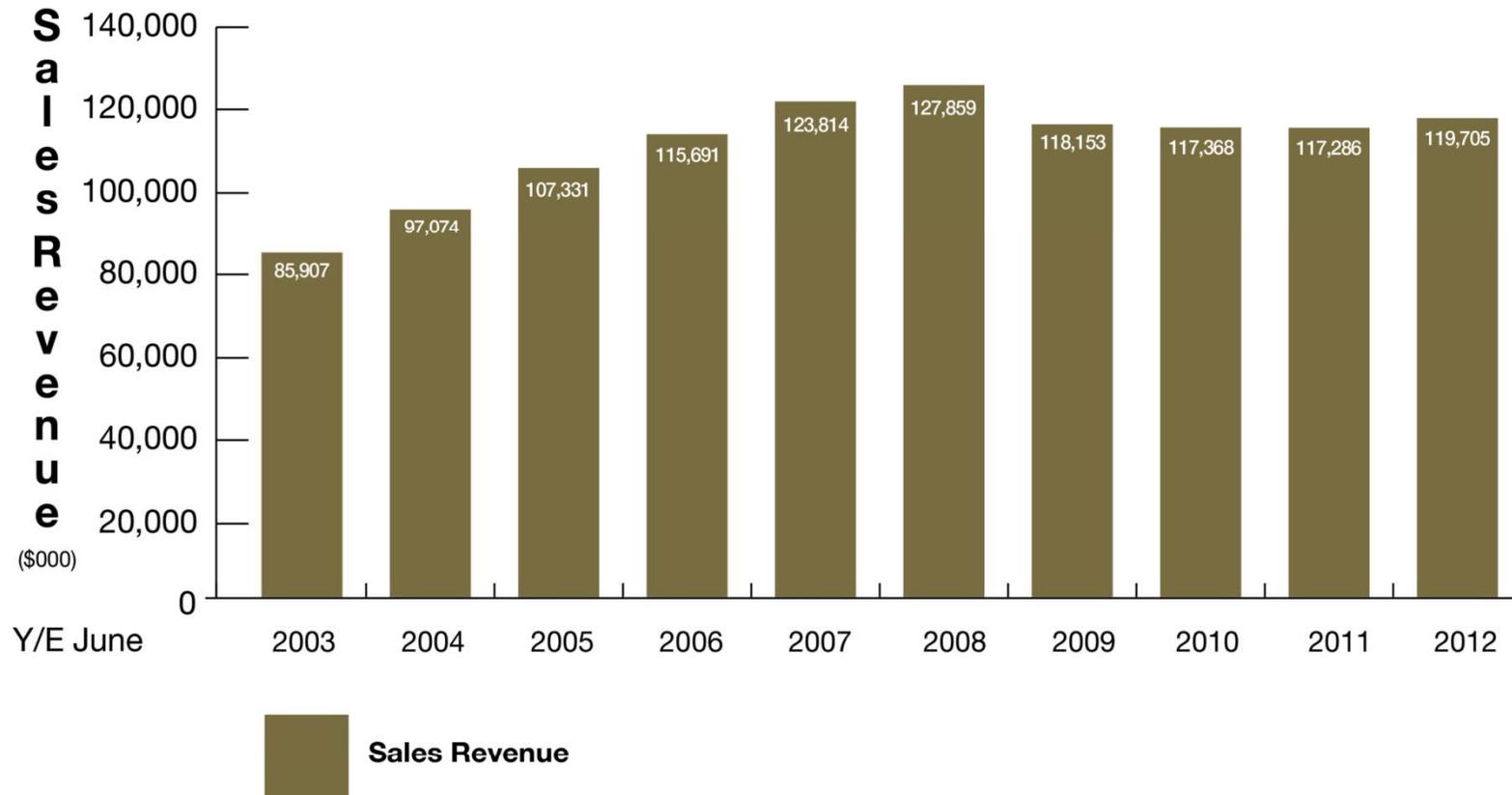
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Cash flow

	FY 2012 \$'000	FY 2011 \$'000	% change
Net cash from operating activities	7,029	5,207	35.0
Net cash used in investing activities	(2,269)	(2,694)	(15.8)
Net cash used in financing activities	(916)	(1,449)	(36.8)
Net increase in cash and cash equivalents	3,844	1,064	261.3
Cash and cash equivalents at beginning of year	5,484	4,420	24.1
Cash and cash equivalents at end of year	9,328	5,484	70.1

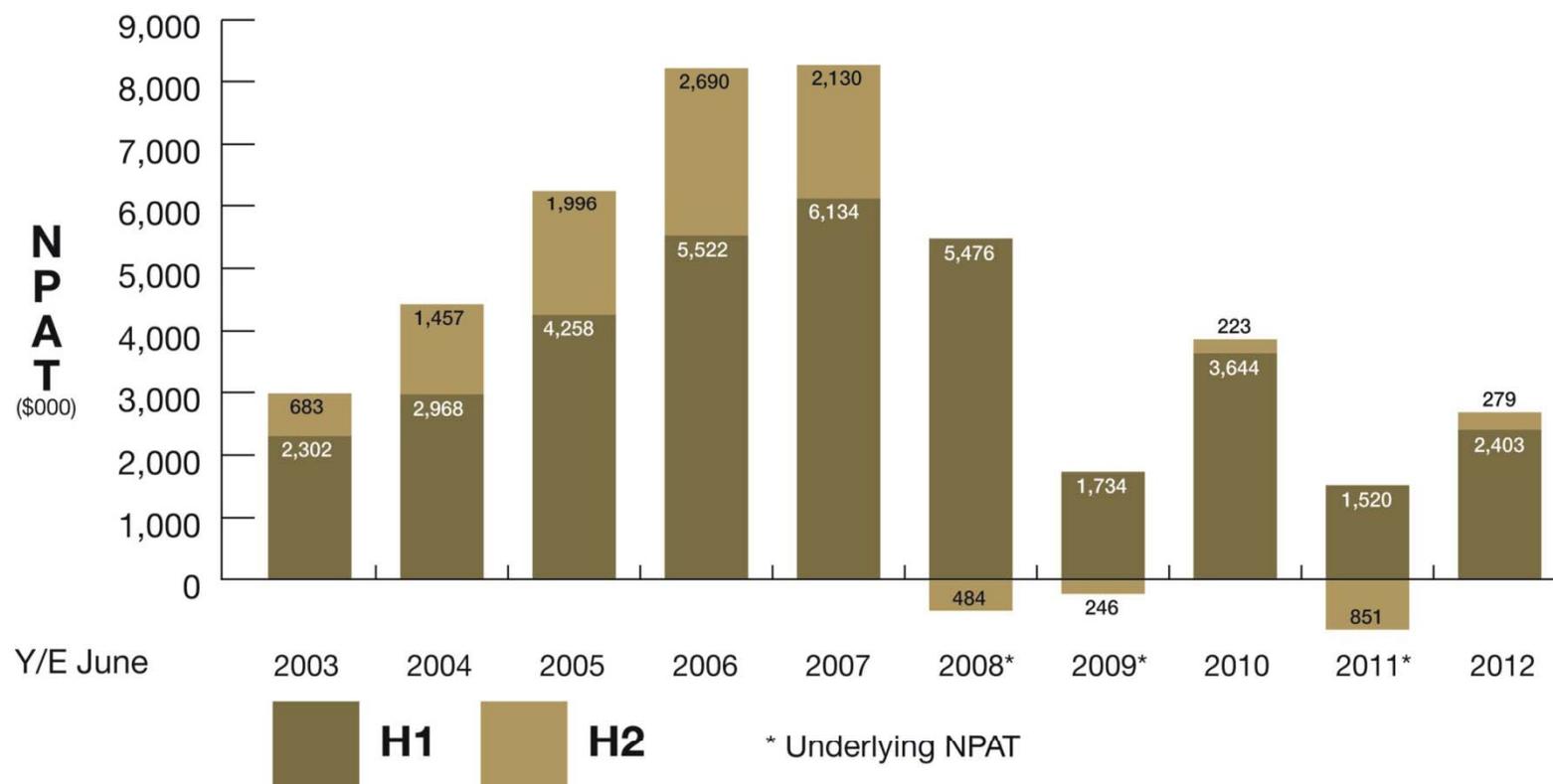
- ❖ Cash flow from operations \$7.0 million (2011: \$5.2 million)
- ❖ Opened 6 new stores, refurbished 11 stores, relocated 2 stores
- ❖ Change in financing cash flow due to no final dividend paid in October 2011

Sales history



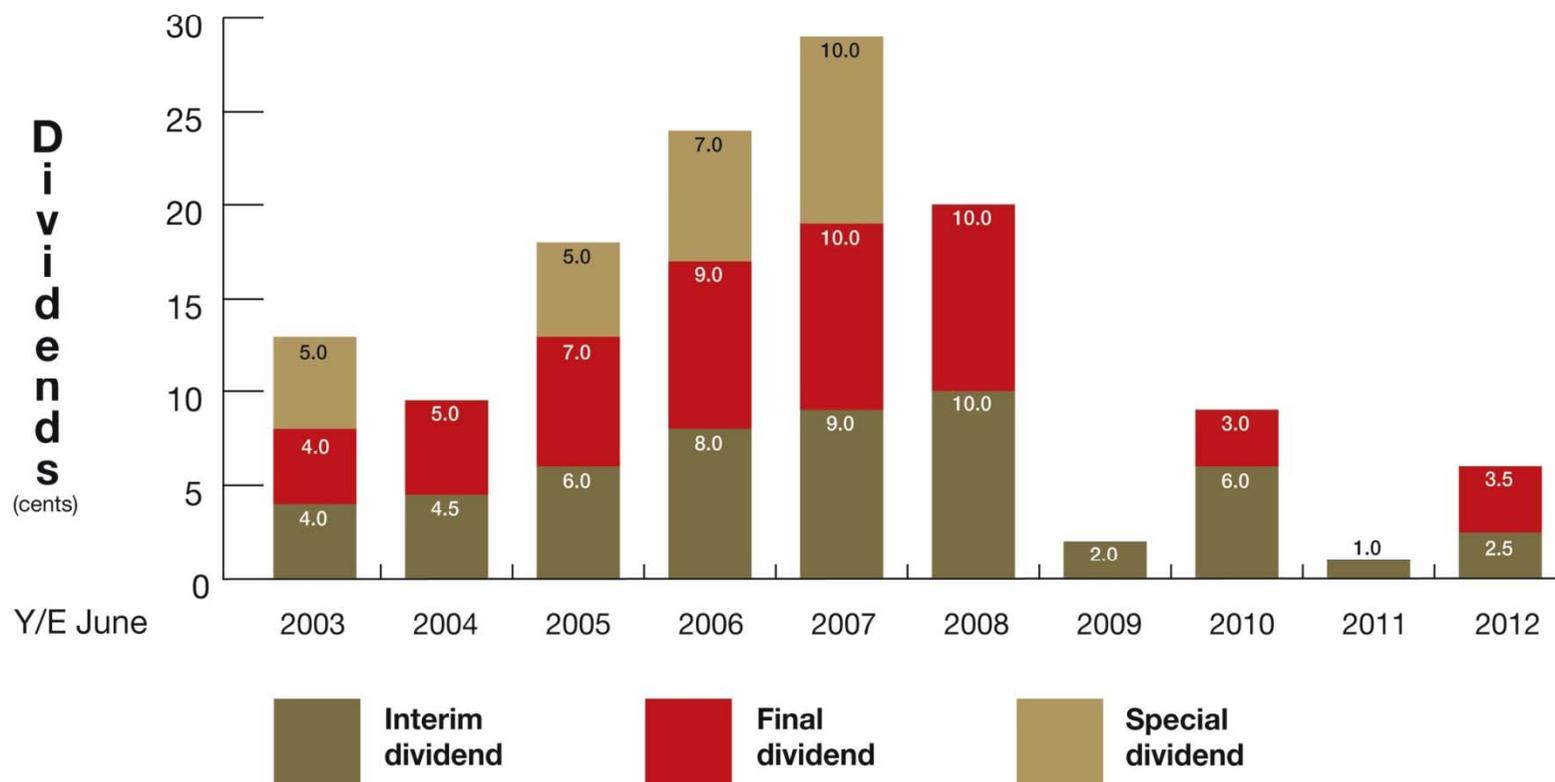
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NPAT history



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Dividend history



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Media coverage of July earnings guidance

Noni B bucks the post-Christmas retail blues

AS tough economic conditions left most retailers' coffers emptier than hoped, fashion chain Noni B has fared better.

The company yesterday announced it expected to lift its first-half profit by up to 60 per cent despite the slew of bad news emerging from other major retailers.

The nationwide women's fashion retailer said its net profit could rise to between \$2.1 million and \$2.4 million for the first half of 2012.

profit of \$1.5 million for the first half of 2011.

The chain is something of a diamond in the rough, with other major retailers reporting lukewarm post-Christmas figures, profit downgrades and falling share prices.

Joint managing director David Kindl said that while sales were in line with 2011, earnings had improved thanks to improved productivity, lower costs and better profit margins.

erations so we have a leaner structure where executives are closer to the shop floor and able to provide better support to the sales team," he said.

"We continued to invest in our sales team and increased training to improve service for our customers, including offering personal styling sessions."

Investors welcomed the good news, sending its shares 15 cents, or 37.5 per cent, higher to close at \$2.50.

first half earnings and sales downgrades from Billabong, Kathmandu and JB Hi-Fi.

Kathmandu, the outdoor clothing company, blaming everything from the global economic outlook and a cooler start to summer in NSW for its weak sales.

The Australian Retailers Association has described sales during the busy Christmas trading period as relatively flat compared to

Noni B gets an A for bucking the trend



Noni B defying gloom

RETAIL

JANE HARPER

WOMEN'S fashion chain Noni B gave shareholders a late Christmas present with a 60 per cent lift in its half-yearly profit guidance, defying the general gloom and gloom in the retail sector.

And investors rewarded the company by pushing its share price up 37.5 per cent yesterday - its biggest one-day rise ever.

An increased focus on improving productivity, cutting costs and lifting profit margins was credited with Noni B increasing its

return to form for Noni B, which blamed a focus on heavy discounting for net profit plummeting to \$22.8 million for the year to 30, from \$3.8 million previous 12 months.

Joint managing director David Kindl said that sales were in line with earnings had improved thanks to a major review of expenses, streamlining operations and investing in sales team training to improve customer service.

"We've made sure we spend less on staff on the shop floor," he

clothing ranges for women had also been well received by customers.

Looking to improve Noni B's

Noni B to lift profits

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Frocks and shocks: Noni B announces an upgrade

Michael Bleby

Noni B became that rare thing yesterday - a retailer announcing a profit upgrade.

The women's fashion chain, which has been described by its investors as a social underperformer, says it expects to report after-tax profit up to 60 per cent for the six months to December. The profit will be in the range of \$2.1 million to \$2.4 million, against \$1.5 million in the same period last year.

Director David Kindl said that Noni B's rebound came after the company had accurately forecast inventory and avoided the need for heavy discounting to get rid of unwanted stock.

Noni B dressed for more success

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Noni B will report its first-half results for 2011-2012 on February 15.

Noni B shares closed up 15c, or 37.5 per cent, at \$2.50.



Noni B profit gets A from investors

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Resurgent Noni B bucks retail blues

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profit falling to \$25,000 for the year to June 30, from \$39 million the previous year.

Joint managing director David Kindl said sales were in line with 2011, but earnings had improved thanks to a major review of expenses, streamlining operations and investing in sales team training to improve

service, but we've been able to improve margins by sourcing our stock better," he said.

Mr Kindl said December sales had been consistent with 2011, full details would be available when the company reported its first-half results on February 15, he said.

Noni B also sought to tap



Noni B shows stylish profits

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Noni B bucks trend to skirt profit downgrading

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Women's retailer defies the fashion of downgrades

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Noni B's upbeat news is in contrast to first-half earnings and sales downgrades from Billabong, Kathmandu and JB Hi-Fi.

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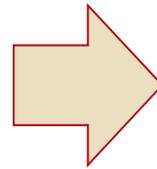


NONI B

Key drivers of the results

- ❖ Consumer confidence remained low, leading to flat sales
- ❖ Management focusing on what we can control:

1. Exceptional service in our stores
2. Creating great product
3. Tighter control of costs
4. Innovation
5. Engagement with staff and customers



Together these differentiate Noni B and attract customers, reducing the need to discount and increasing margins

NONI B

The changing retail world

- ❖ Rise in household expenses reducing discretionary expenditure
- ❖ Convenience of online purchasing
- ❖ Strong AUD diverting expenditure overseas
- ❖ Increase in international fashion retailers in Australia

Opportunity

- ❖ **Existing distribution channels** - Lack of personalised service by online retailers and staff reductions by bricks-and-mortar retailers give Noni B an opportunity to build on one of its key strengths: personal service and advice on style, colour and fit
- ❖ **New distribution channels** - Grow online sales and presence
- ❖ **We know our customers** – Our unique style and fit satisfy our customers' needs



NONI B

Our strategy for the changing retail world

- ❖ Ongoing review of all parts of the business to anticipate and adapt to changes in the retail sector
- ❖ Continue to introduce new and innovative product ranges
- ❖ Careful management of expenses
- ❖ Re-allocation of expenditure to customer-facing areas
- ❖ Increased investment in training, including retail qualifications for all store managers and assistant managers
- ❖ Maintain culture of staff ownership of their stores
- ❖ Grow online sales and use online presence as primary customer contact point for information about Noni B
- ❖ Continue to fine-tune store network, closing non-performing stores and expanding geographic coverage where attractive terms can be negotiated
- ❖ Focus marketing resources on low cost promotion to Noni B's loyalty club database

The logo for Noni B is displayed on a dark, textured background. The letters 'NONI B' are arranged in a horizontal line, with each letter being a simple, bold, sans-serif font. The 'N' and 'B' are larger than the 'O', 'N', and 'I' characters.

NONI B

Focus for FY 2013

- ❖ Business conditions will remain challenging
- ❖ Continue conservative management of inventory, expenses and cash
- ❖ Strengthen the brand and attract a broader customer base:
 - update fashions' styling
 - maintain quality standards
 - maintain high levels of personalised service and advice
 - engage directly with best customers using digital media
 - ensure consistency of branding both in-store and out
 - update store image
 - look after our staff and customers like family to grow brand trust and loyalty
- ❖ Introduce new product ranges to suit customers' changing lifestyle
- ❖ Increase stores in Victoria and Queensland, where we are under-represented
- ❖ Develop online environment further and grow online sales

Outlook

- ❖ Consumer confidence will remain challenging in FY 2013
- ❖ Continue to manage margins, reduce discounting, control costs and deliver personal customer service
- ❖ Plans to enable Noni B to prosper in the new retail environment will continue to be pursued
- ❖ Confident Noni B is well placed to improve performance as demand recovers



NONI B

Questions

“Our core value is customer service above all else.”



NONI B

Executive team

Joint managing directors

David Kindl

Strategy, finance,
administration, IT, distribution,
property and investor relations

James Kindl

Retail operations, HR,
buying and marketing

Chief financial officer
and company secretary

Ann Phillips

General manager
buying and marketing

Rhonda Kilpatrick

General manager
human resource
services

Philip Fickers

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