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NONI B GROUP

1H17

Results Overview

28th February 2017



Agenda

- 1H17 Financial Overview
- 1H17 Operational Overview
- Growth Plan
- Appendices



1H17

Financial Overview

- Noni B Group delivered a strong result for the half year ended 25 December 2016, which included a four month contribution from the Pretty Girl business, acquired in September 2016:
 - Group total revenue increased 142% to \$143m for the half (reflecting a four month contribution from the Pretty Girl business)
 - LFL sales were positive for the half, notwithstanding the exclusion of Boxing Day from the half, the challenging post-winter trading period and Pretty Girl inventory issues at the time of acquisition
 - Total Gross Margin of \$92.4m, reflecting 64.6% of sales
 - Underlying EBITDA increased 138% to \$14.3m and underlying pre-tax profit increased 149% to \$10.1m for the half, before transaction and restructuring costs relating to the acquisition of Pretty Girl totalling \$5.4m.
- Statutory NPAT of \$2.5m reflecting the after-tax impact of one-off transaction and restructuring costs.
 - The bulk of transaction and restructuring costs have been incurred in 1HFY17
- Subject to trade in the remainder of the financial year, Noni B Group is on track to achieve or exceed combined pro forma revenue and underlying EBITDA consistent with its disclosure in the entitlement offer document at the time of the Pretty Girl acquisition:
 - \$334m Revenue⁽¹⁾
 - \$21m EBITDA⁽¹⁾

⁽¹⁾ Entitlement offer document lodged with ASX on 22 August 2016

1H17 Financial Overview

| | 1HFY17 | 1HFY16 | % |
|--|------------------|------------------|-------|
| Revenue | \$143.0m | \$59.1m | +142% |
| GM | \$92.4m 64.6% | \$40.9m 69.2% | +126% |
| Underlying EBITDA | \$14.3m | \$6.0m | +138% |
| Underlying PBT | \$10.1m | \$4.1m | +149% |
| NPAT (includes Restructuring Costs) | \$2.5m | \$2.8m | -11% |
| Restructuring Costs (Pre-Tax) | \$5.4m | \$0.0m | NA |

Noni B Group incurred one-off transaction and restructuring costs totalling \$5.4m in relation to the acquisition of Pretty Girl.

1H17

Financial Overview

- The Noni B brand continued its turnaround and achieved a significantly improved result for the third half in a row:
 - Positive like-for-like sales growth of 1.5% for the half show a reversal of last year's flat and previous year's declining trends.
 - Gross margin continued to improve, at 71% for the half year compared to 69% for the prior corresponding period, reflecting the outcomes of Noni B's key business improvement strategies.
 - EBITDA showed significant improvement against the same period last year.
- The transition of the Pretty Girl brands delivered a credible result for the first four months under Noni B Group ownership:
 - The businesses delivered a modest like-for-like sales improvement over the period.
 - Gross margin achieved for the Pretty Girl brands was 59% in the half and this is expected to improve, as key strategies which have been successfully implemented within Noni B are deployed across the full suite of brands.
 - Whilst Pretty Girl EBITDA was below the previous corresponding period, the factors adversely impacting profitability have been largely addressed.

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Financial Overview

- Online sales continued to grow, but still a strong opportunity.
 - Noni B Group will invest in digital and online across the group including, the recent hire of a Group GM for e-commerce
 - This is expected to be a significant growth opportunity going forward
- Continual pursuit of cost-of-doing-business (CODB) efficiencies
 - A number of post-acquisition initiatives have been implemented or are in the planning/implementation stage – discussed in more detail within this presentation
- Strong balance sheet
 - Noni B Group closed the half with total cash-on-hand of \$27.8m and total bank debt of \$30.0m
 - The stronger-than-expected cash position is, in part, due to the impact of key strategies delivered ahead of expectation, resulting in a significant improvement in the group's working capital position
- Subject to trade in the second half of the financial year, the group anticipates the resumption of dividends at the announcement of its full-year 2017 financial results. Noni B last paid a dividend in the first half of the 2014 financial year.

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Operational Overview

- Successful completion of the Pretty Girl acquisition to create a leading business in the Australian womenswear market, with a network of over 600 stores
 - Four complementary standalone brands, being Noni B, Rockmans, W.Lane and BeMe
 - Three owned brands sold through the boutique network, being Table Eight, Amber Rose, Liz Jordan
- Whilst the acquisition was only completed 6 months ago, it is pleasing to report the results have been in-line with or ahead of our expectations
 - A number of key areas of the integration are ahead of plan and largely complete – addressed in subsequent slides
 - The financial benefits of the above initiatives will gradually be realised through the second half and are expected to be fully achieved by the commencement of next financial year
 - Full-year run-rate cost savings in the order of \$8m (excluding margin improvements from the restructured supply chain), consistent with management expectations, are projected to be realised in the 2018 financial year
- The combined team is energised and working together well to deliver a successful outcome for all stakeholders.

1H17

Operational Overview

- The Group also continues to invest in expanding and improving its store portfolio
 - 24 net stores opened across the group in 1H17 taking the total continuing store portfolio to 620

| Brand | Starting | Closed | Opened | 1/2 Year |
|----------|----------|--------|--------|----------|
| Rockmans | 278 | 2 | 7 | 283 |
| NoniB | 217 | 4 | 19 | 232 |
| Wlane | 77 | 1 | 2 | 78 |
| BeMe | 24 | 0 | 3 | 27 |

** Includes online stores*

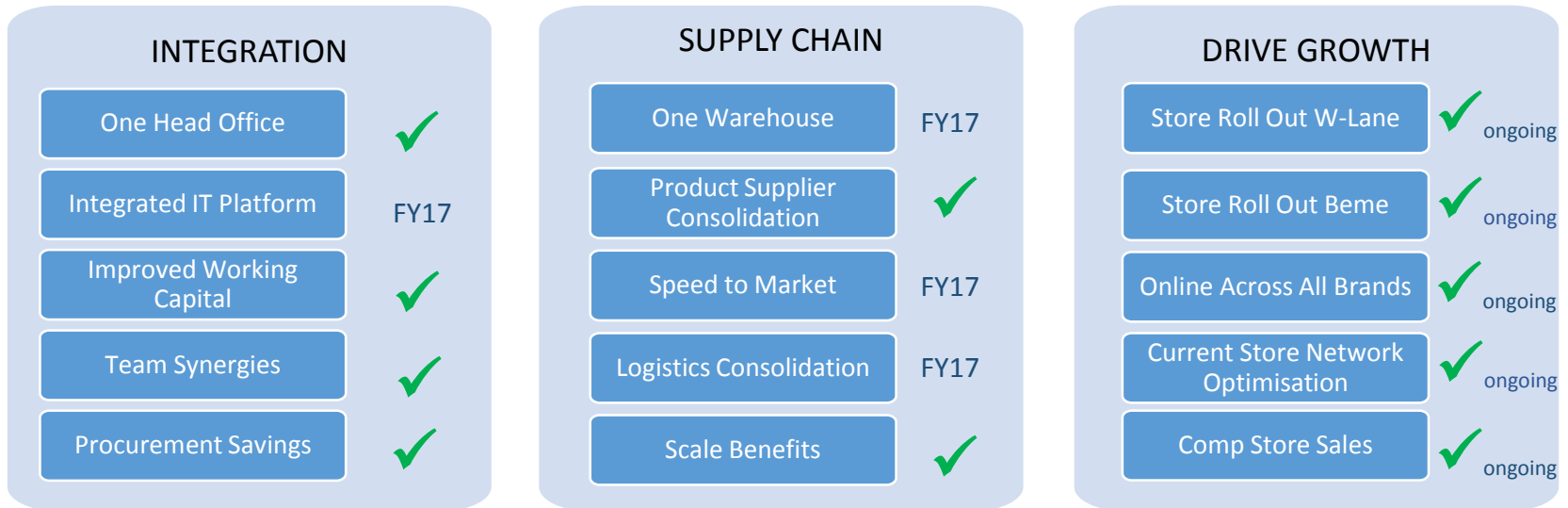
- In-store experience and service
 - Significant improvements in store look and feel – recent examples below:



- Investment in sales training for our stores team allowing for continual building of our customer service proposition.

Growth Plan

- As outlined in the 2016 AGM, Noni B Group stated that the next stage of its development following the Pretty Girl acquisition would focus on three key areas:



- The overall full-year run-rate cost savings, excluding anticipated margin improvements from the restructured supply chain, are projected to be consistent with management expectations, in the order of \$8 million.

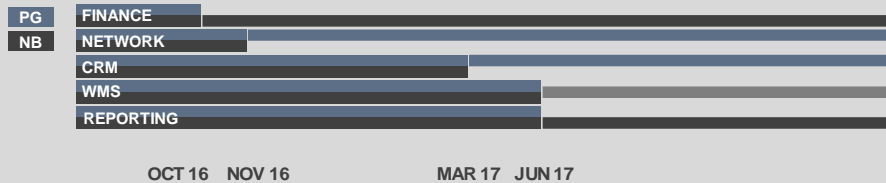
Note: Expected Completion refers to timing for implementation of the initiatives, not the realisation of full run-rate benefits

Integration

One Head Office



Integrated IT Platform



Team Synergies

TEAM BEFORE/AFTER ACQUISITION (excludes store team and sourcing office closed post-balance date)

| Category | Entity | Before | After | Change |
|------------|--------|--------|-------|--------|
| OPERATIONS | NB | 28 | 106 | -78 |
| | PG | 123 | 49 | -74 |
| SUPPORT | NB | 20 | 57 | -37 |
| | PG | 49 | 12 | -37 |

Total reduction 26%

Procurement Savings

- CONSOLIDATED SUPPLIERS ✓
- VOLUME PURCHASING ✓
- ACHIEVED OPERATIONAL SUPPLIER BENEFITS ✓

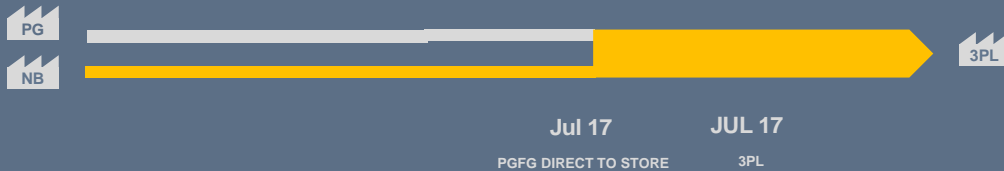
Improved Working Capital



Cash delivered through execution of key strategies ahead of schedule ✓

Supply Chain

One Warehouse



Speed to Market

ACTIONS TO SHORTEN LEAD TIME

- DIRECT TO STORE ✓
- STRATEGIES ON OPERATOINAL PROCESSES UNDERWAY

Logistics Consolidation



Scale Benefits

SUPPLIER PURCHASING POWER ✓

REDUCED SHIPPING & DISTRIBUTION COSTS ✓

DIRECT TO STORE JUL 17

SINGLE 3PL WAREHOUSE JUL 17

Product Supplier Consolidation



Drive Growth

Comp Store Sales

- 2016 DEC ½ LFL GROWTH +0.5% ✓
- Continued focus on in store customer experience
- Initiatives to address seasonality and climatic impacts

Committed Stores

MAR 17 JUN 17 SEP 17

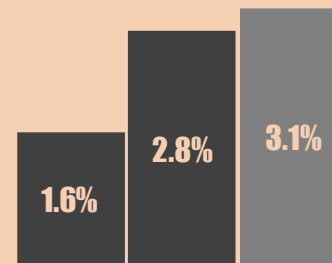
| | | | |
|------------|---|----|----|
| Rollout | 3 | 9 | 3 |
| Cumulative | 3 | 12 | 15 |

- New store location plan now in execution phase

Note: Store committed as at Feb 27th

Online all brands

AS % OF TOTAL SALES



FY 2015 FY 2016 ½ FY 2017

- Hired Group GM e-commerce
- Optimised logistics

Store Network Optimisation

- Key locations for large store format (combined brands) identified
- Portfolio efficiency review completed in Jan, opportunity identified, execution now underway

Note: Includes Pretty Girl for the four month period ending 25 December 2016

Noni B Income Statement

NONI B LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 25 December 2016

| | | 25 December 2016 | 27 December 2015 |
|--|------|------------------|------------------|
| | Note | \$'000 | \$'000 |
| Continuing Operations | | | |
| Sales revenue | 3 | 140,537 | 57,546 |
| Cost of goods sold | | (50,628) | (18,204) |
| Other revenues | 3 | 2,460 | 1,600 |
| Expenses, excluding finance costs | 4 | (87,254) | (36,889) |
| Finance costs | | (447) | (3) |
| Profit before income tax | | 4,668 | 4,050 |
| Income tax | | (2,208) | (1,274) |
| Profit attributed to members of the parent entity | | 2,460 | 2,776 |
| Other comprehensive income, net of tax | | - | - |
| Total comprehensive income for the half-year attributed to members of the parent entity | | 2,460 | 2,776 |
| Earnings per share | | | |
| Basic earnings per share (cents per share) | 12 | 4.0 | 8.5 |
| Diluted earnings per share (cents per share) | 12 | 4.0 | 8.5 |

Note: Refer to Appendix 4D for notes to the financial statements

NONI B GROUP

Noni B Balance Sheet

NONI B LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 25 December 2016

| ASSETS | Note | 25 December 2016 | 26 June 2016 | LIABILITIES | |
|---------------------------------|------|------------------|---------------|--------------------------------------|----------------|
| | | \$'000 | \$'000 | | |
| CURRENT ASSETS | | | | CURRENT LIABILITIES | |
| Cash and cash equivalents | | 27,769 | 12,919 | Trade and other payables | 49,043 |
| Trade and other receivables | | 5,552 | 1,506 | Loans and Borrowings | 4,479 |
| Inventories | | 30,431 | 11,419 | Provisions | 9,897 |
| Derivative financial asset | | 79 | - | Derivative financial liability | 615 |
| Other current assets | | 889 | 327 | Tax liabilities | 3,990 |
| TOTAL CURRENT ASSETS | | 64,720 | 26,171 | Other current liabilities | 4,079 |
| NON-CURRENT ASSETS | | | | TOTAL CURRENT LIABILITIES | 72,103 |
| Property, plant and equipment | | 30,036 | 6,416 | NON-CURRENT LIABILITIES | |
| Intangible assets | | 74,798 | 494 | Loans and Borrowings | 24,798 |
| Deferred tax assets | | 12,755 | 3,737 | Provisions | 1,418 |
| Other non-current assets | | 137 | 153 | Deferred tax liabilities | 11,114 |
| TOTAL NON-CURRENT ASSETS | | 117,726 | 10,800 | Other non-current liabilities | 11,691 |
| TOTAL ASSETS | | 182,446 | 36,971 | TOTAL NON-CURRENT LIABILITIES | 49,021 |
| | | | | TOTAL LIABILITIES | 121,124 |
| | | | | NET ASSETS | 61,322 |
| | | | | EQUITY | |
| | | | | Issued capital | 68,340 |
| | | | | Reserves | 1,426 |
| | | | | Accumulated losses | (8,444) |
| | | | | TOTAL EQUITY | 61,322 |
| | | | | | 11,950 |

Note: Refer to Appendix 4D for notes to the financial statements

Noni B Cash Flow

For the half-year ended 25 December 2016

| | 25 December 2016 | 27 December 2015 |
|--|------------------|------------------|
| Note | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 153,265 | 65,995 |
| Payments to suppliers and employees (inclusive of GST) | (125,108) | (57,359) |
| Transaction and restructuring costs paid | (5,432) | - |
| Interest received | 17 | 47 |
| Interest and other finance costs paid | (418) | (3) |
| Income taxes paid | (22) | - |
| Net cash provided by operating activities | 22,302 | 8,680 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (7,338) | (1,739) |
| Purchase of software assets | (215) | - |
| Payment for purchase of business, net of cash acquired | (65,529) | - |
| Proceeds from sale of property, plant and equipment | 10 | 66 |
| Net cash used in investing activities | (73,072) | (1,673) |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | 36,467 | 956 |
| Proceeds from borrowings | 30,000 | - |
| Payment of borrowing costs | (814) | - |
| Payments on finance lease and other liabilities | (33) | (149) |
| Net cash provided by financing activities | 65,620 | 807 |
| Net increase in cash and cash equivalents | 14,850 | 7,814 |
| Cash and cash equivalents at the beginning of the half-year | 12,919 | 8,493 |
| Cash and cash equivalents at the end of the half-year | 27,769 | 16,307 |

Note: Refer to Appendix 4D for notes to the financial statements

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