

GBG

GLOBAL BRANDS GROUP

INTERIM RESULTS FY2020 | 14 NOVEMBER 2019





GOATS



KATY PERRY



ELY CATTLEMAN



B-NEW YORK



SPYDER



FRYE & CO.

IMPACT THE WORLD WITH BRANDS PEOPLE LOVE



FRYE



DIRK BIKKEMBERGS



AQUATALIA



ALL SAINTS



FIORELLI



CALVIN KLEIN

1H HIGHLIGHTS

- 1H 2020 performance exceeds plan and shows improvement from 1H 2019
- Restructuring effort on track to exceed previously set goals of Opex reduction of US\$140 million
- Opex reduced by approximately US\$70 million for the half with greater reduction set for 2H
- Committed bank debt reduced to less than US\$175 million
- Total margin improved by 600BPS
- New management team in place in Europe
- EBITDA returns to positive position



GBG CURRENT STRUCTURE

NORTH AMERICAN BUSINESSES

**FASHION APPAREL
FOOTWEAR & ACCESSORIES
SPORTS & LIFESTYLE**

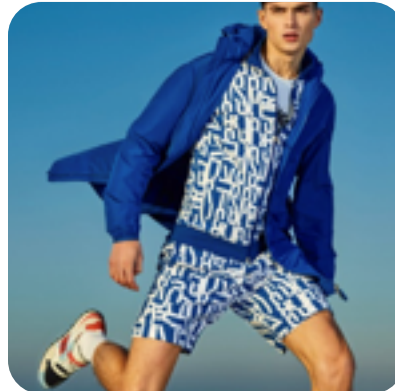


SIZE OF BUSINESS - 1H FY2020

US\$432 Million

EUROPEAN BUSINESSES

**FOOTWEAR,
APPAREL & ACCESSORIES**



SIZE OF BUSINESS - 1H FY2020

US\$171 Million

BRAND MANAGEMENT BUSINESSES

CAA-GBG & Seven Global



SIZE OF BUSINESS - 1H FY2020

US\$38 Million



1H HIGHLIGHTS

Account Description (US\$mm)	1H FY19	1H FY20	Change 1H FY20 vs 1H FY19
Revenue	675.7	640.8	-5.2%
Total Margin	183.6	214.2	+16.7%
% of Revenue	27.2%	33.4%	
Operating Profit / (Loss)	(105.4)	(50.0)	+52.6%
% of Revenue	-15.6%	-7.8%	
Net Loss Attributable to Shareholders from Continuing Operations	(136.4)	(89.7)	+34.3%
% of Revenue	-20.2%	-14.0%	
Net Profit / (Loss) Attributable to Shareholders	(284.1)	(89.7)	+68.4%
% of Revenue	-42.0%	-14.0%	
EBITDA ⁽¹⁾	(38.9)	79.5	-
% of Revenue	-5.8%	12.4%	

(1) EBITDA is defined as net profit / (loss) before net interest expenses, tax, depreciation and amortization. This also excludes share of results of joint ventures, material gains or losses which are of capital nature or non-operational related, acquisition related costs, discontinued operations and non-cash (loss) / gain on remeasurement of contingent consideration payable.

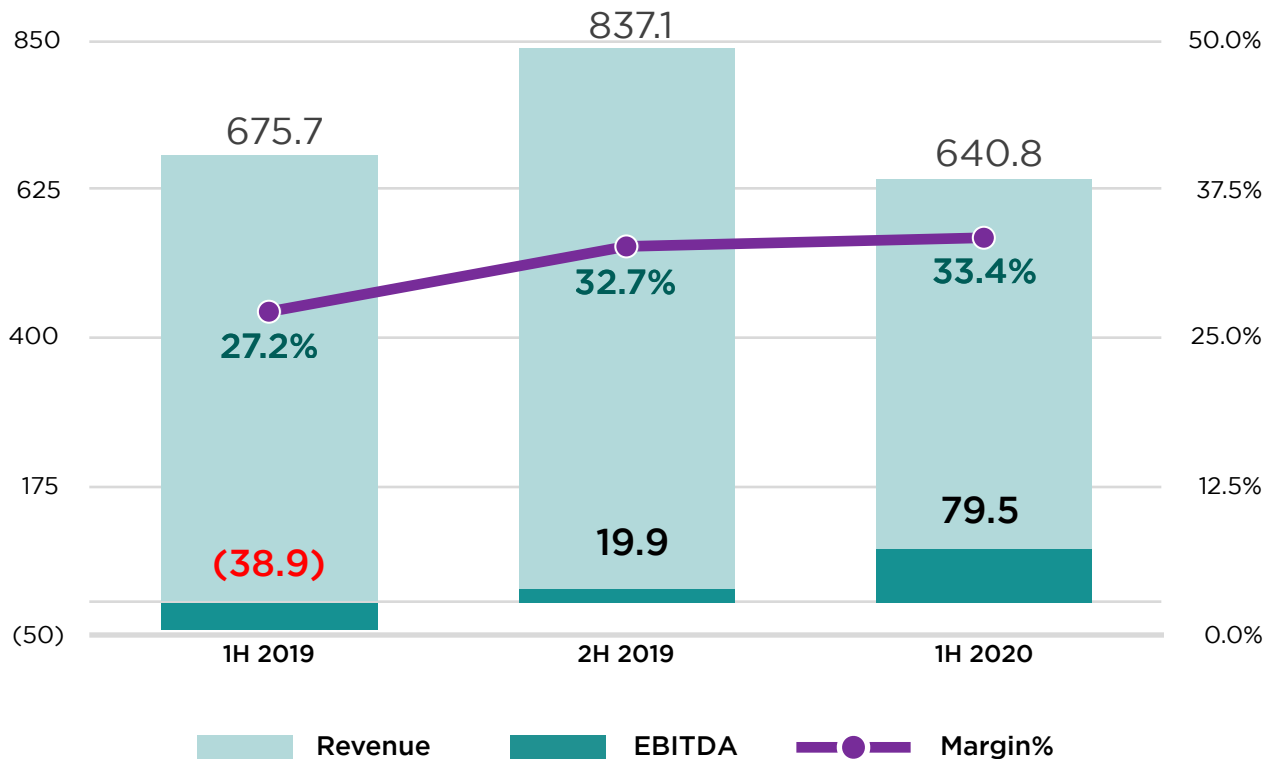
Significant Improvement in 1H 2020 vs 1H 2019

- Total margin increased 600 basis points as the Company focused on merchandising and sourcing
- Restructuring plan on target with operating expenses reduced US\$68 million less in 1H 2020
- Operating profit improved by US\$55 million
- Net loss attributable to shareholders improved by US\$194 million, includes one-time expenses
- EBITDA increased by US\$118 million



FINANCIAL STATEMENTS HIGHLIGHTS

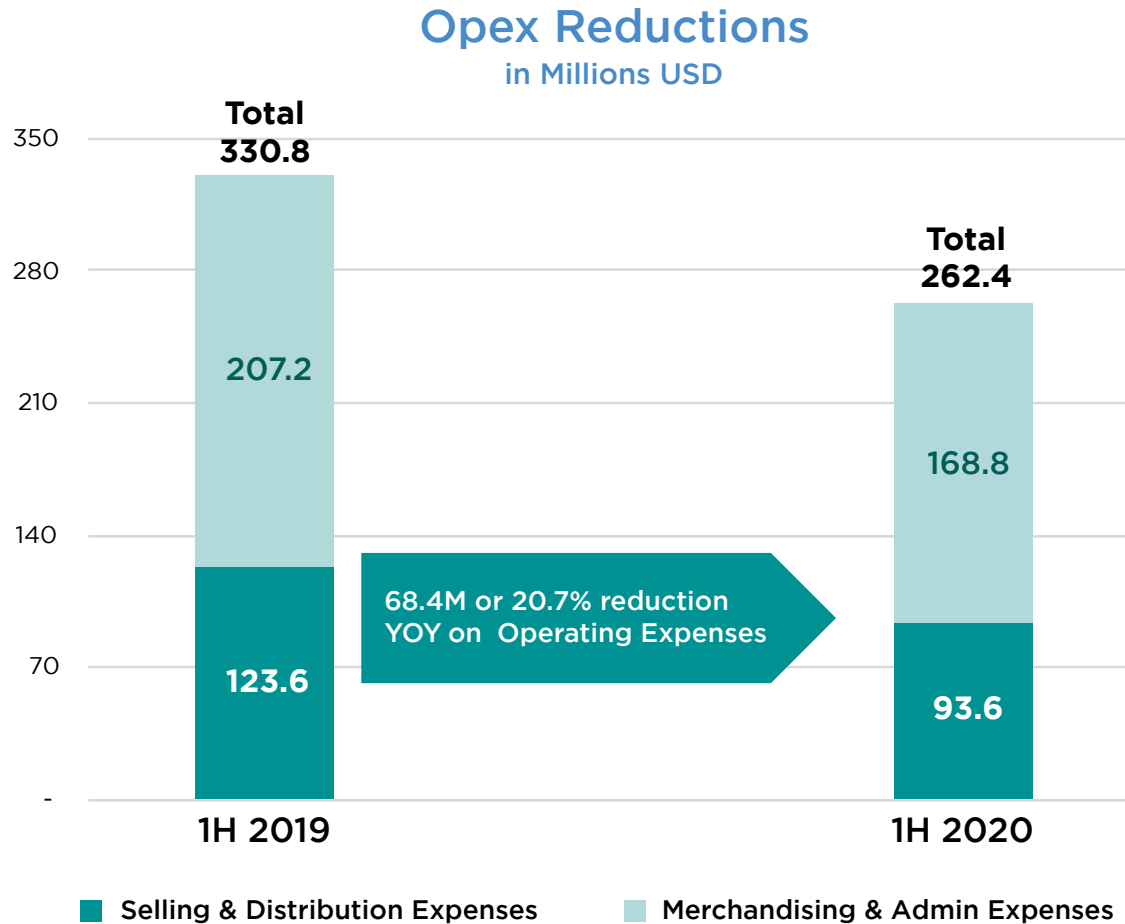
18 Months Continuous Improvement in Millions USD



- Continued momentum experienced in 2H 2019 with higher margins and cost reduction
- Focused on regular price sales & not chasing lower discounted sales
- Almost US\$70 million Opex savings in 1H



FINANCIAL STATEMENTS HIGHLIGHTS



*Excludes other (losses) / gains which are one-time in nature

- Historical Infrastructure was built for a US\$4 billion organization
- Reductions are on-going
- Management focus to further reduce operating expenses



MACRO ENVIRONMENT

- While political environment in U.S. is volatile, overall economy to remain strong in election year
- Retail sales have softened in the U.S. over the last 3 months
- Migration to E-commerce purchasing continues with 9,000 brick and mortar store closings
- Progress appears to be made in U.S. and China trade negotiations with possible tariff relief in sight
- UK & Europe trading environment remains weak
- Uncertainty on BREXIT continues



2H INITIATIVES

- Continue Opex reductions for the rest of the year and setup FY 2021
- Further reduce working capital requirements
- Rationalize existing brand portfolio
- Add strong strategic consumer brands
- Establish greater integration of U.S. and European businesses



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