

| SPORTINA GROUP

Sportina Group

**MERCHANDISE FINANCIAL
PLANNING**

Geographical FOOTPRINT



SVN
88 stores



ITA
3 stores



SRB
63 stores



HRV
104 stores



BGR
22 stores



MNE
7 stores



ROU
19 stores



BIH
22 stores



XKX
9 stores



MKD
5 stores



ALB
Wholesale

Development

MILESTONES

1990

FIRST STORE OPENED

Located in Bled, Slovenia

1993

FIRST DISTRIBUTION AGREEMENT SIGNED

With one of Europe's largest fashion corporations - VF Corporation Europe (Lee, Wrangler, Replay)

1996

INTERNATIONAL EXPANSION

Conquering the Balkans market

1997

ENTERING PREMIUM & LUXURY SEGMENT

Armani Collezioni, D&G - Dolce&Gabbana, VJC - Versace Jeans Couture,...

2000

FIRST PREMIUM STORE

Boss

2008

200 STORES OPENED

Sportina Group is present on six regional markets

2009

NEW STORE CONCEPT - XYZ

First Premium and Luxury store opened

INTRODUCING MARX

Official birth of MARX fashion brand

2010

JOINT VENTURE WITH TOM TAILOR

Introducing a new business model

2011

FIRST LUXURY MONO STORE

Burberry

2012

GROWING A FASHION COMMUNITY

Staying close to our customers, expanding Sportina Group loyalty club to the SEE region.

2017

340 STORES OPENED

Expansion to the Italian market

2018

SAP IMPLEMENTATION

2019

ORACLE E-COMMERCE IMPLEMENTATION

Sportina Group

IN NUMBERS

OPERATING
IN **11**
COUNTRIES

MORE THAN
90 BRANDS
ACROSS EVERY
PRICE RANGE

340 STORES
ON REGIONAL
MARKETS

REVENUES

85.040 M2
SALES AREA
IN TOTAL

MORE THAN
2.300
EMPLOYEES



5

EU countries

6

Non-EU countries



Luxury
brands

Premium
brands

Entry
brands



165

Sportina Group stores

107

Tom Tailor
joint venture

68

Tally Weijl, Orsay
service partner



111 mio EUR

Directly managed Sportina
Group stores

49 mio EUR

Tom Tailor
joint venture

29,5 mio EUR

Tally Weijl, Orsay
service partner



52.225 m2

Directly managed Sportina
Group stores

20.658 m2

Tom Tailor
joint venture

12.157 m2

Tally Weijl, Orsay
service partner

MISSION

A woman with long brown hair is shown from the waist up, wearing a light pink, long-sleeved dress with a delicate floral pattern of small white and yellow flowers. The dress has a ruffled neckline and a buttoned placket. She is standing in a city street with blurred buildings and other people in the background, suggesting an urban environment. The lighting is soft and natural, highlighting the texture of the dress.

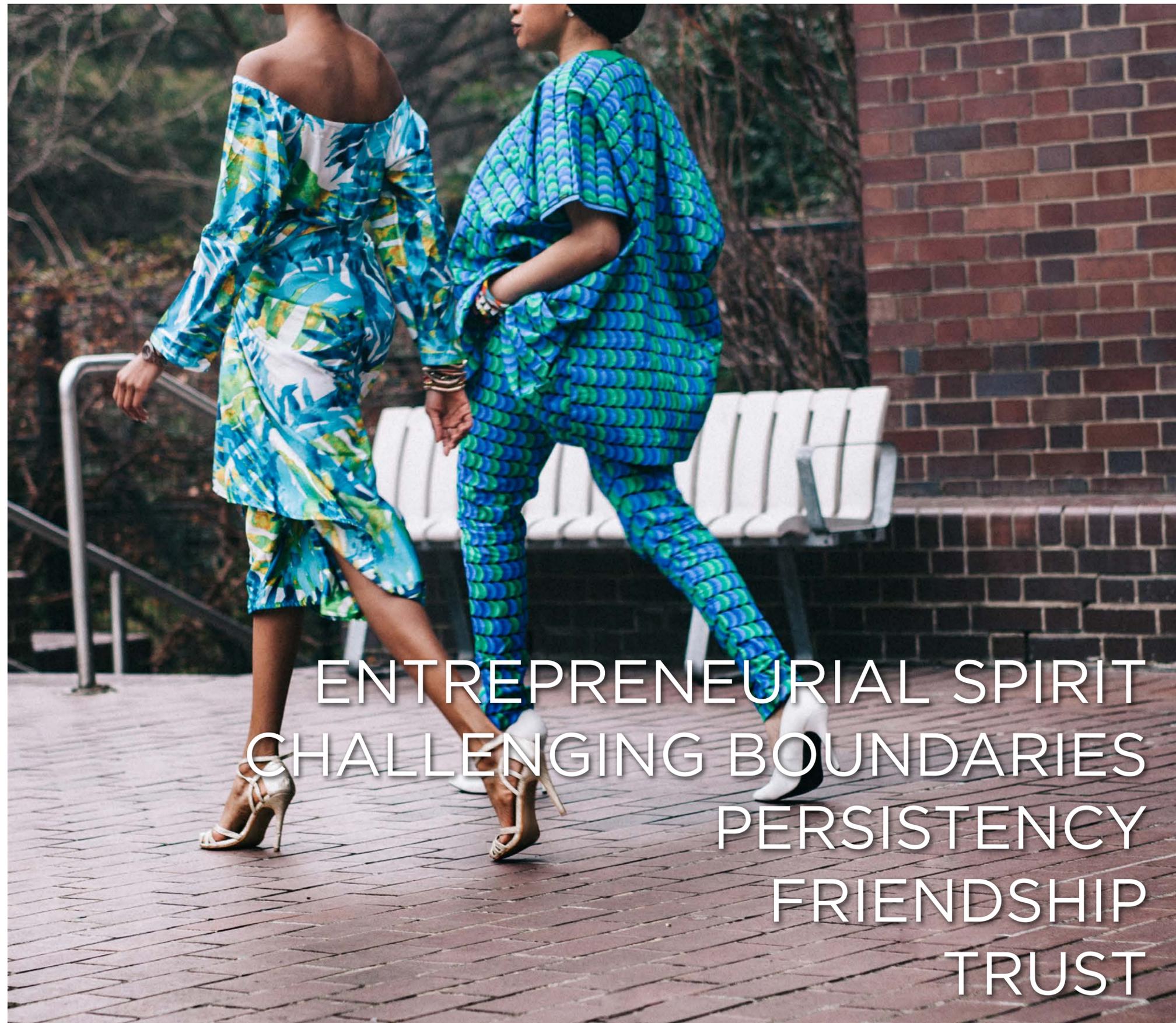
SPORTINA GROUP IS ON
A MISSION TO BRING
FASHION CLOSER TO THE
PEOPLE, TO MAKE THEM
FEEL BETTER
AND TO EVOQUE
“A SPECIAL ME” INSIDE.

VISION



SPORTINA GROUP IS
TO BECOME A HIGHLY
EFFECTIVE AND FAST
MOVING FASHION RETAILER.
TO INSPIRE CREATIVITY, FUN
AND PASSION, YES, THAT
IS HOW WE TREAT
FASHION.

VALUES



ENTREPRENEURIAL SPIRIT
CHALLENGING BOUNDARIES
PERSISTENCY
FRIENDSHIP
TRUST

Business **MODELS**



LUXURY
& PREMIUM
CONCEPT
STORE

SPORTINA

CASUAL
CONCEPT
STORE

FRANCHISE

MARX™
CLOTHES FOR THE PEOPLE

MARX

WHOLESALE

JOINT
VENTURE

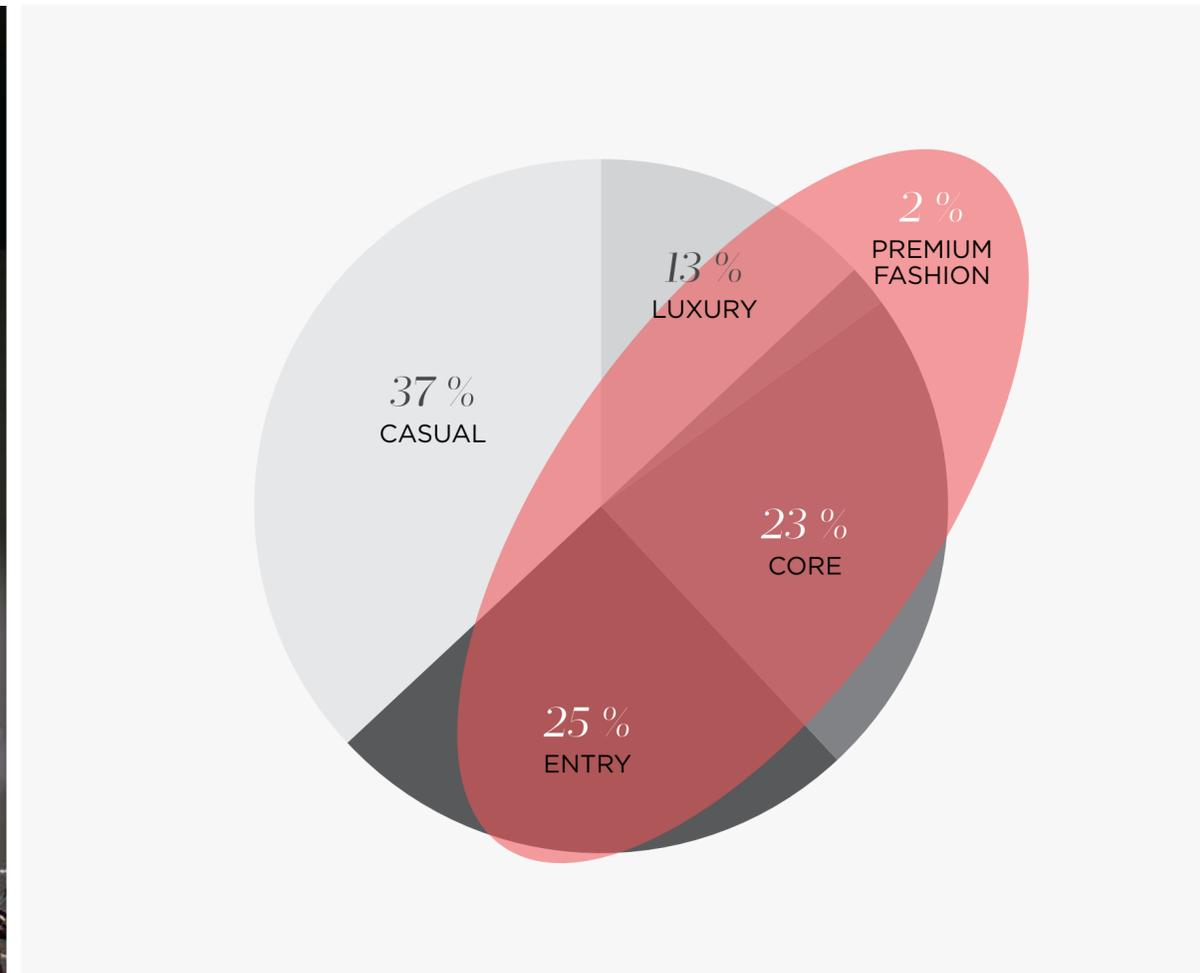
SERVICE
PARTNER

Sportina Group supports a range of different business models. We are partners and have strategic alliances to global fashion producers, when it comes to seeking proficiency in retail, distribution and branding.

We are constantly pushing the boundaries, setting the bar, and constantly evolving to take our business models further.

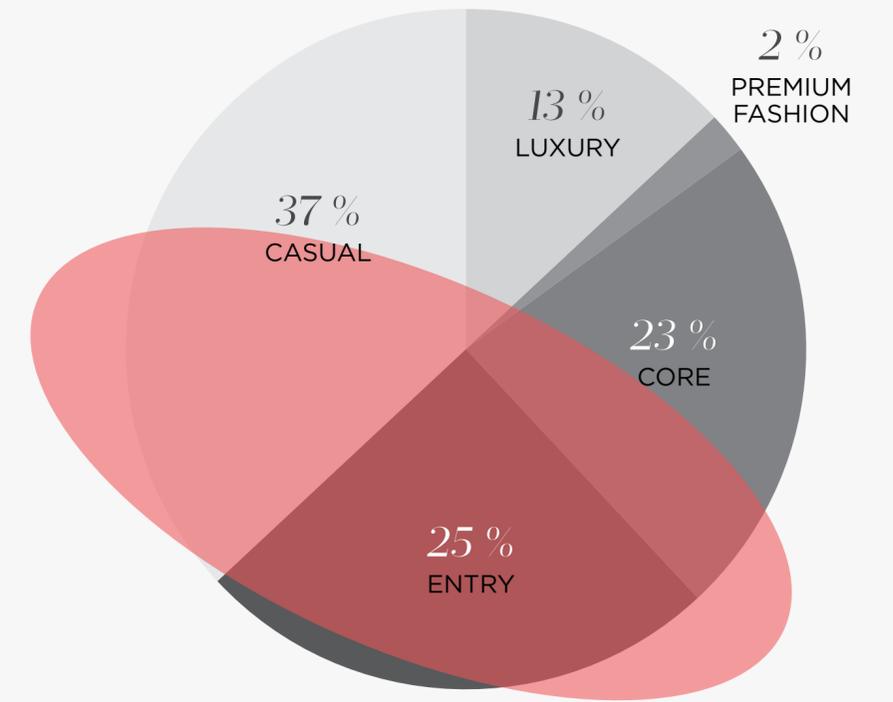
XYZ





SPORTINA





FRANCHISE





Brands that **TRUST US**

LUXURY



BALMAIN
VERSACE
VALENTINO GARAVANI
JIMMY CHOO
BURBERRY
SALVATORE FERRAGAMO
STELLA MCCARTNEY
TOD'S
HOGAN
DSQUARED2
PHILIPP PLEIN
GOLDEN GOOSE DELUXE BRAND

PREMIUM CORE



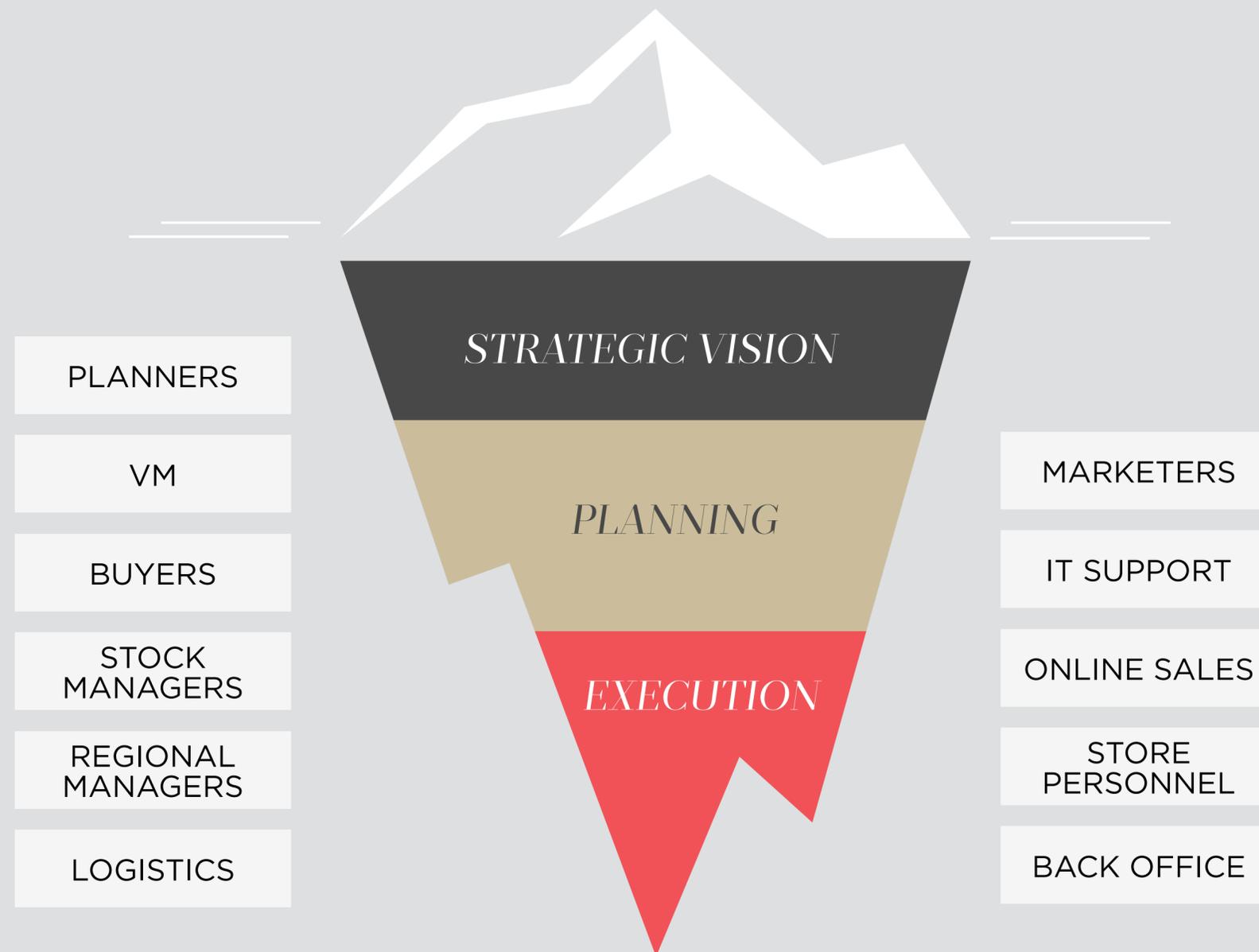
ELISABETTA FRANCHI
PINKO
KARL LAGERFELD
EMPORIO ARMANI
HUGO BOSS
POLO RALPH LAUREN
MICHAEL KORS
CANADIAN CLASSICS
DEXTERIOR
MARC CAIN
DIESEL
PLEIN SPORT
LOVE MOSCHINO
FURLA
BARLEYCORN
ISABEL GARCIA
KAREN MILLEN
LAUREN RALPH LAUREN
CECCILE
HUGO
MILESTONE
WELLENSTEYN
SCHUTZ
MOU
COCCINELLE
UGG
EMPORIO ARMANI UNDERWEAR
TOSCA BLU
LODI
TORAL
KURT GEIGER

ENTRY CASUAL



ARMANI EXCHANGE
ANTONY MORATO
TRUSSARDI JEANS
SILVIAN HEACH
SUPERDRY
FRACOMINA
MORGAN
MARCO POLO
SUPERGA
EXTON
883 POLICE
BRAVESOUL
JACK & JONES
MARX
ESPRIT
TOM TAILOR
ONLY
VERO MODA
CASUAL FRIDAY
GIOSEPPO
FUNKY BUDDHA
BJORN BORG
TOM TAILOR DENIM
ORSAY
EDC BY ESPRIT
TOM TAILOR KIDS
PARFOIS
SELECTED
ANNA MONTANA
HAWAIANAS
WIGGLESTEPS
BATA
TALLY WEIJL
SIX
TAMARIS
BASIC NET

Re-organization of **PLANNING MODEL**



Why and how transformation

WAS NEEDED / IMPLEMENTED



Diversified operations demanded centralized and consolidated processes



Necessity of transparent operations and clear responsibility of different management levels



Adoption of latest retail standards for medium and big retail companies



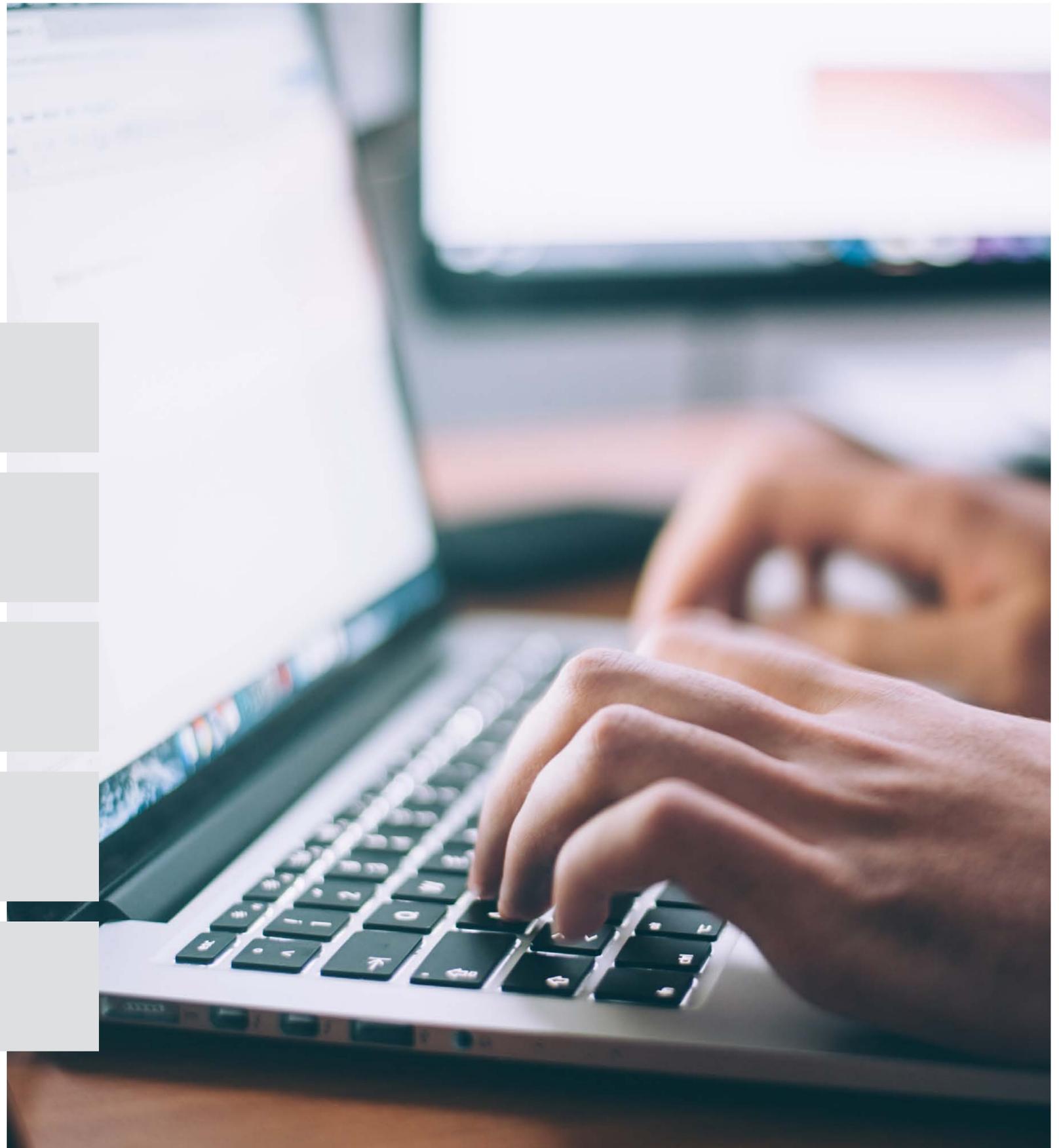
From brand focus towards omnichannel customer orientation



Change management was started and need of partner who would support transformation arised (technical and business support needed)

Key goals of **TRANSFORMATION**

- > *Working capital optimization*
- > *Decrease of markdowns and increase of gross margin*
- > *Improved process efficiency = increase of productivity*
- > *Increase of stock rotation and decrease of transfer costs
(implementing initial and replenishment order split)*
- > *Full stock availability throughout all channels
(B&M, e-comm, console sales, WHS)*



MFP

IMPLEMENTATION

Q2 2019

Q3 2019

Q4 2019

Q1 2020



APRIL 2019

*Optimize Planning
business processes*



JUNE 2019

*Roll-out new
Planning MFP
Solution*



**SEPTEMBER
2019**

*Allocation &
Replenishment
KICK-OFF*

TODAY



**OCTOBER
2019**

*First full cycle
of planning for
AW2020*

E-commerce roll-out



**FEBRUARY
2020**

ALO/REP roll-out



MARCH 2020

*Markdown
optimization
KICK-OFF*

> *Idea and software solution is not enough
Finding a proper partner was most difficult challenge (Oracle + implementation consultant)*

Before MFP



FINANCIAL BOUNDARIES OF BUYING BUDGETS

Buying budgets were derived out of financial store and Profit centre plan. Pressure on better sell-out's and faster stock rotation resulted in lowered sell-in's.



BUDGET ALLOCATION DEFINED BY POC'S/BRANDS AND CAPTIVATED IN PROFIT CENTRE FIELD OF ACTIONS

Buying budgets decomposition was solely in proprietary of each POC to meet there needs. Latter approach led to multiplied buying operations, buying strategies and one channel and one brand focus.



INCREASED BUYING COSTS, LIMITED FLEXIBILITY IN PURCHASE STRUCTURE AND LIMITED STOCK MANAGEMENT OPPORTUNITIES

Not aligned buying strategies brought more human force to be involved in assortment selection process. Dispersed selection limited opportunities to apply different distributors purchase possibilities and affected stock management.

After

MFP COMPONENTS AND OUTCOMES

1. STRATEGIC PLAN

Executive objectives

2. CHANNEL PLAN

Store / Retail Manager / eCom / Wholesale Objectives

3. CAPACITY PLAN

Depth & Width

4. ASSORTMENT STRATEGY

Product Mix

5. PRICE POLICY

Pricing structure of segments and products

6. BUDGET

Sales, Markdown Plan, Profitability, Open To Buy

7. OPTIONS PLAN

Number of Options, Allocation / Replenishment Targets

8. BUDGET SPLIT

Intake plan by brand and price levels (LIP, MIP, HIP)

After

COMPOUNDING FRAGILE PARTS TO BIG PICTURE

CHANNEL PLAN

Revenues based on KPIs:

*Entries
No. Of Bills
CR%
UPT
AVB
AUR*

*REVENUE &
TENDENCY*

*DEPTH &
WIDTH*



ASSORTMENT

CAPACITY PLAN

Capacity of each store and their corners is compounded from each furniture element in the store (width); and defined minimum display stock per segment (depth)

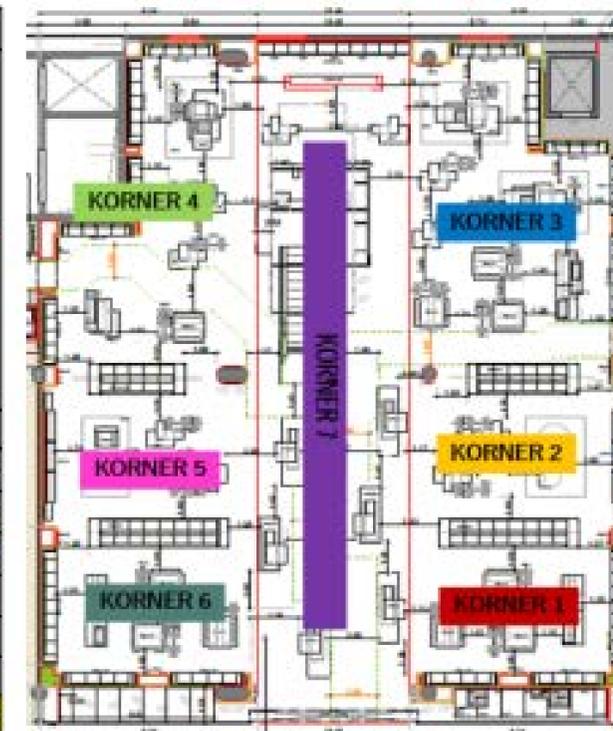
MINIMUM DISPLAY STANDARDS FOR CORE SEGMENT

<i>WALL</i>	<i>PRODUCT TABLE</i>	<i>COLLECTION TABLE</i>	<i>CATWALK</i>	<i>STAND</i>
TOPS - 4 Pcs	TOPS - 6 Pcs	TOPS - 6 Pcs	FOOTWEAR - 1 Pcs	TOPS - 4 Pcs
BOTTOMS - 4 Pcs	BOTTOMS - 6 Pcs	BOTTOMS - 6 Pcs	BAGS - 1 Pcs	BOTTOMS - 4 Pcs

TABLE 1			
			QTY CAPACITY
CAT.	SKU.	PCS.	TOTAL
TOP	4	3	12
BOTTOM	2	3	6
ACC	8	1	8
TOTAL	14		26
		NMB TABLE:	3

WALL 1			
			QTY CAPACITY
CAT.	ITEMS	PCS.	TOTAL
TOP	8	3	24
BOTTOM	4	3	12
TOP H.	10	3	30
BTTM H.	5	3	15
ACC	20	1	20
TOTAL	47		101
		NMB WALL:	9

RAIL 1			
			QTY CAPACITY
CAT.	ITEMS	PCS.	TOTAL
TOP H.	8	3	24
BTTM H.	2	3	6
TOTAL	10	6	30
		NMB TRAIL:	21



After

MFP PLAN OWNER STRUCTURE

EXECUTIVE
BOARDPLAN

1

Strategic Plan

CONTROLLING
DEPARTMENT

2

Channel Plan

RETAIL
DEPARTMENT
*(Regional Managers and
Market Directors)*

2.1

Retail managers Plan

BUYING
DEPARTMENT

5

Price policy

STOCK
MANAGEMENT/VM

3

Capacity Plan

6

MFP Budget

6

MFP Budget

7

Options plan

4

Assortment strategy

8

Budget split

Recommendations and **KEY LESSONS LEARNED**

- ✓ *Data legacy and data detoxification*
- ✓ *Importance of cascading responsibilities to lower levels*
- ✓ *"Stretched players" who concern over communication flow and mentor transformation of processes*
- ✓ *Commitment to project and respect of milestones*

ADDRESS



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