

CCC
SHOES & BAGS



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SIGNING OF A CONDITIONAL AGREEMENT FOR THE ACQUISITION OF 70% OF SHARES IN KARL VÖGELE AG

**PARTNERSHIP WITH NO. 2 PLAYER IN SWITZERLAND, ONE OF
THE STRONGEST FOOTWEAR BRANDS IN THIS MARKET**

22.05.2018



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OPPORTUNITY FOR THE CCC TO ENTER THE MARKET NOT MUCH SMALLER THAN THE POLISH ONE

The Company

- **Karl Vögele AG** („Vögele“), the company owned by the Vögele family
- **#2 in the Swiss market**, nearly a 100-year tradition
- **CHF 172m** net sales (online: 3%)
- **219** stores: 161 Vögele Shoes and 58 Bingo (discount), total of 74k m2, **1.2k** employees
- **4.2m** footwear sales, (71% own brands volume)
- **59.7%** gross margin
- **Under restructuring**
 - 2017 results: EBITDA CHF -5.9 m, 2019 plan: CHF +0.7m
 - Solid balance sheet as of 30.04.2018: CHF 9m bank loans and positive cash balance of CHF 9m
 - Equity as of 30.04.2017: CHF 51.3m

Data for or at the end of 2017, if not stated otherwise estimation for 2019 according to Vögele, based on stand-alone, financials acc. to Swiss GAAP FER

Rationales

- ✓ Low purchase price of a substantial stake in the new market for CCC
- ✓ Capable organization and the strong brand
- ✓ Numerous synergies with CCC
- ✓ Competences in the areas of: customer, product and collection in the DACH region
- ✓ A large market, with strong potential within offline and online channels
- ✓ Favourable market conditions: no customs duties from China, VAT rate at only 7.7%

Transaction

- A total transaction value of **CHF 10m for an acquisition of 70%** stake by CCC*
- The sellers are members of the Vögele family
- Share increase from **10-30%** made by **Mr. Max Vögele**, current Chairman, active in the company for 30 years
- **PUT / CALL option** to buy a 30% package after 2021 (4x EV/EBITDA)
- **Closing:** Q2/Q3 2018

*The amount includes the acquisition of shareholders loans

VÖGELE SHOES

Vögele own brands:

ROBERTO SANTI

gosoft®

CUBE

EVEREST
OUTDOOR PERFORMANCE

MAX

twisty®

62%
of sales

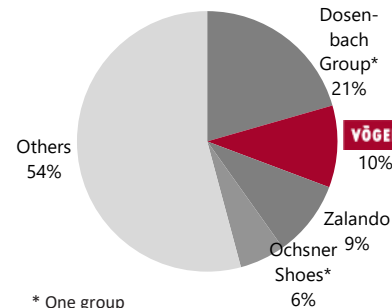
No. 2 in the market with a stable structure

CHF 1,8bn



MARKET VALUE

Source: 2017, GfK



* One group

98%



BRAND RECOGNITION

Source: Roland Berger, 2016 Aided recognition

MAIN SYNERGIES TO BE IMPLEMENTED FROM 2019

#	Selected synergies	Comment
1	Use of CCC production capacity for Vögele purchases, significant reduction of purchase costs of private brands (annual volume c. 3m pcs.)	First effects AW2018, fully from 2020
2	Joint purchases (together with eobuwie.pl) of foreign brands and assortment extension	From SS 2019
3	Using customer knowledge in the DACH countries to organize a joint stock purchasing department for the region; joint management of own brands portfolio	
4	Centralization of services purchasing (e.g. logistics, marketing, IT, financing)	From 2020
5	Opening of the new CCC concepts	
6	Online expansion of eobuwie.pl into the Swiss market	

- ⊕ **Goals for Vögele:**
1. Access to breakeven (stand-alone) 2019
 2. Additionally, targeted improvement of the gross margin by 5-7 p. p., (currently: 59.7%), from 2020 resulting from synergies with CCC
 3. Development and increase of sales from 2020

ADDING NEW MARKET TO THE CCC SALES NETWORK

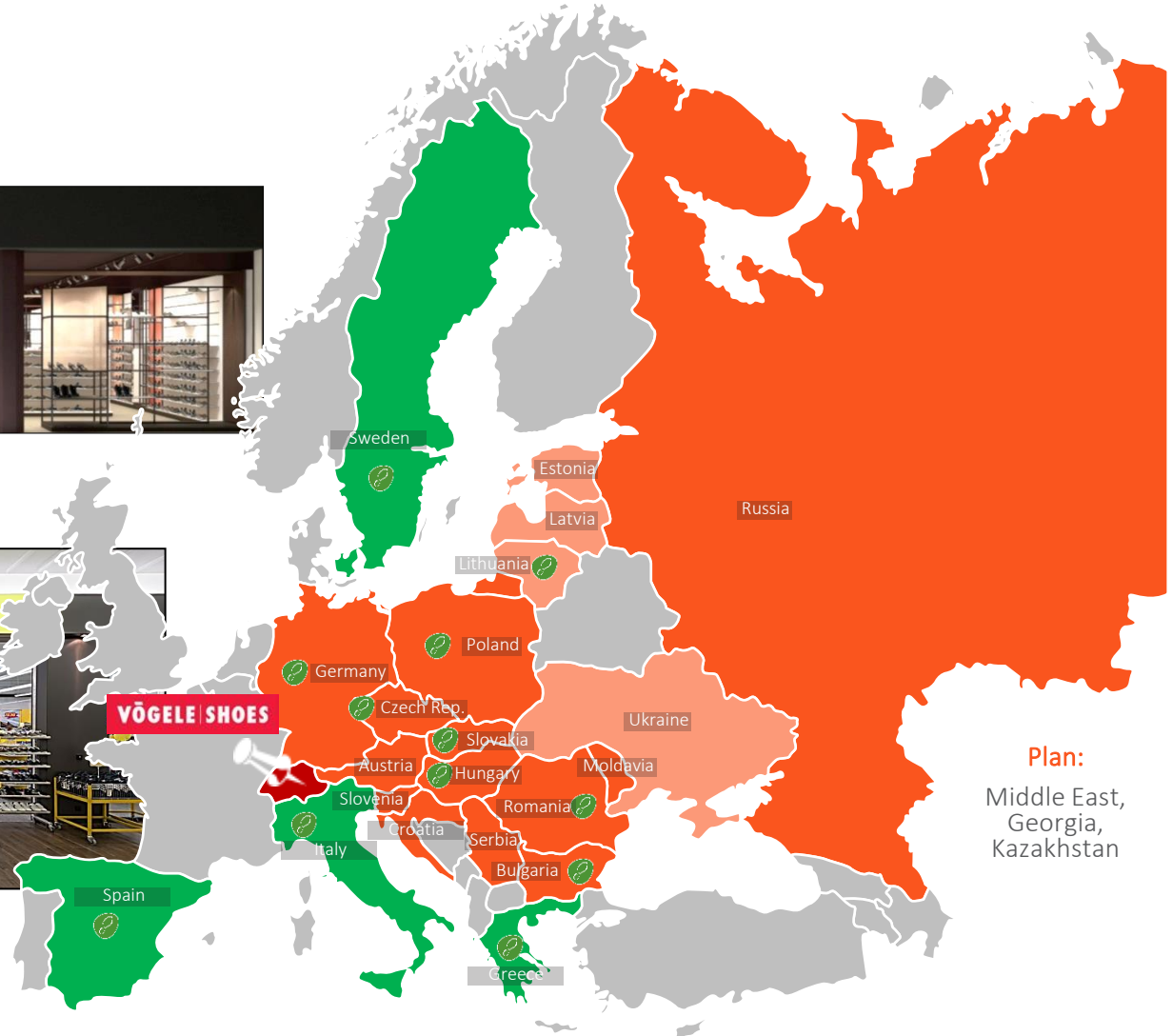
219

shops in Switzerland, as of 2017

VÖGELE SHOES 161



BINGO SHOE DISCOUNT 58



Plan:
Middle East,
Georgia,
Kazakhstan

COMPANY WITH A LONG TRADITION, IN FOUR YEARS CELEBRATING THE 100TH ANNIVERSARY





THANK YOU



TOP 500 CEE 2017