



# OUR BRAND JOURNEY

hunkemöller





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# WE'RE HUNKEMÖLLER AND OUR JOURNEY CONTINUES



Hunkemöller growth strategy continues with its key focus on providing its Shero with inspiring environments, exceptional World Class Service, and all of this driven by design-led product strategy.

We now have over 800 stores in 24 countries, we opened 104 stores in 2016 and we will open 140 stores in 2017. Our strategic vision is to have in the next five years 1.600 stores, spread across the globe.

This year we became market leader in Germany, the Netherlands, Belgium and Luxembourg and in Austria, Denmark, Sweden, Spain and France, we are getting bigger and bigger.

The Hunkemöller success story continues with sales this year in excess of € 500 million (\$ 550 million), delivering best in class profit to sales ratio with profits growing 13% year on year.

Hunkemöller is a much loved global and social brand and this has been rewarded by being voted by our Shero's as No 1 lingerie brand in Germany, the Netherlands, Belgium, France and Spain. In addition, we also won Europe's Best Omni-Channel retailer and Multi-Channel retailer. Our management team won best Retail Management team of the Netherlands and two of our Directors have won Best in Class awards.

Our vision is to make Hunkemöller the first choice for women in Europe with our whole focus being on designing our vision and strategy around our Shero. This strategy is focused on providing product that inspires her and fulfills all of her lingerie needs and desires.

Technology is now a key driver to delivering our vision, not only in terms of creating the best omni-channel customer journey, but also integrating our customer app, and member card into all of our transactions. This data will allow us to build a stronger relationship with our Shero's and stimulate them in a way that is relevant to their needs and desires.

Building a brand that is truly social is a key part of our current and future strategy. We fully embrace social media when engaging with our Shero and have created an internal culture that encourages all of our employees to become really active across the digital landscape .

In order for all of this to happen we need to continue our strategy of hiring for attitude and training for skill in order for us to deliver exceptional product, services and environment. In terms of developing our teams we are also best in class with training, development, succession planning and new technology, which is at the forefront of recruitment and retention strategy.

**Great people power great brands.**

Philip Mountford  
C.E.O.



**PART 1**  
**OUR JOURNEY SO FAR**





# WE'RE HUNKEMÖLLER

We're Europe's fastest growing lingerie brand with over 800 stores in 24 countries.

Our customers are attracted by our distinct brand handwriting coupled with our broad fashionable appeal. We're growing rapidly and always evolving to ensure we excite and entice our customers every time.

Our goal is to make Hunkemöller the first choice for women across Europe and beyond by offering a combination of market-leading design led products, an inspiring customer journey, passionate staff delivering world class service, and clever use of new technology and social media to build lifetime loyalty.



## OUR VISION

We always stay in touch with our customers, offering passionate service and sexy products in an inspiring and fun environment!

## OUR VALUES



## KEY MILESTONES IN OUR HISTORY

**1886**

We're founded in Amsterdam

**1986**

We open our 100th store

**1987**

We open our 1st store in Germany

**2001**

We open our first stores in Denmark and France

**2005**

We open our first store in Spain

**2011**

We open our first store in Austria and Sweden

**2015**

We open our 700th store

**2016**

We open our 800th store



# GREAT PEOPLE POWER GREAT BRANDS

## MEET OUR TEAM

### EXECUTIVE BOARD



**Philip Mountford - CEO**

- Started with Hunkemöller in April 2009
- Former CEO of Moss Bros, MD at Versace, MD at Simpson, Sales and Marketing Director at Nautica
- Holds a diploma in Directorship (IOD)



**Ron Hemmer - CFO**

- Started with Hunkemöller in 2001
- Former CFO at Lampenier and Amici
- Holds a post-doctorate RC at the University of Maastricht



**Vi Patel - COO**

- Started with Hunkemöller in November 2009
- Former Managing Director at Own Label London, G. Fox & Co, and controller at Mulberry
- Holds a BA degree in Chemical Engineering

*“This amazing management team has grown the business with 300% within our strategic plan, both in terms of profit and size, and will deliver a billion business at the end of the next strategic plan.”*

Philip Mountford CEO

### TRADING BOARD



**Nick Bailey**  
*Global Merchandising, Planning and Distribution Director*

- Started with Hunkemöller in June 2016
- Former Director of Merchandising, Supply, International and Sourcing at George@Asda, Director of Merchandising and Business Transformation at Gap Inc. and Head of Merchandising at Marks and Spencer
- Holds a BA degree in Retail Marketing



**Alexandra Legro**  
*Global Marketing and Communications Director*

- Started with Hunkemöller in January 2014
- Held senior positions in marketing and communications at Mars, Mattel and Sara Lee, and is a former Marketing Director at Pearle Benelux
- Holds a BA degree in Business Administration and Marketing



**Zoe Price-Smith**  
*Design Director*

- Started with Hunkemöller in November 2011
- Former Head of Design at Fat Face and Crew Clothing & Co.
- Holds a BA Hons degree in Fashion Design



**Charlotte Davies**  
*Buying Director*

- Started with Hunkemöller in March 2015
- Former Trading Director at Zulily, Product Director for Irisa group and Head of Buying of Girlswear at Marks and Spencer
- Holds a BA degree in Business Studies



**Gijs van Engelen**  
*Omni-Channel Director*

- Started with Hunkemöller in October 2013
- Former EMEA E-commerce Manager at Dell
- Holds a BA degree in E-commerce



**Anne Jaakke**  
*Global HR Director*

- Started with Hunkemöller in August 2014
- Former HR Director at Fitness First Australia & Fitness First Europe and Global Head of Learning & Development at Whitbread plc.
- Holds a BA degree in Business Administration

## DIRECTORS



**Ronald Koenecke** - *Director of Finance*

- Started with Hunkemöller in July 2012
- Former Group Manager of Accounting at Booking.com & Group Manager on reporting & accounting policies at Heineken International
- Certified Public Auditor, with a Masters degree & post-Masters accountancy qualifications



**Mania Wermelskirchen** - *Managing Director Germany*

- Started with Hunkemöller in March 2001
- Former Regional \* Store Manager at Stephen Kelian
- Holds a Masters degree in History of Art, Archaeology & German Language



**Dimitri Broeren** - *Managing Director Netherlands and Belgium*

- Started with Hunkemöller in March 2010
- Former Sales Manager of retail at T-Mobile/ Deutsche Telecom and franchiser at Free Record Shop
- Holds a degree in Retail Management



**Marc van Maris** - *Director of Strategy, Business Development & Expansion*

- Started with Hunkemöller in July 2005
- Former Business Consultant at Ordina
- Holds a Masters degree in Accountancy and a BA degree in Economics



**Jennifer Crites** - *Director of IT*

- Started with Hunkemöller in July 2016
- Former Director IT at FrieslandCampina and Group Manager at Procter & Gamble
- Holds an MBA degree with a specialization in IT

## HEADS



**Stéphane Lalanne** - *Head of Retail France, Belgium and Luxembourg*

- Started with Hunkemöller in November 2009
- Former Regional Manager at Manfield-Bowen
- Holds a BA degree in Retail and Human Resources Management



**Laura Breuk** - *Head of Marketing and Communications*

- Started with Hunkemöller in 2002
- Internal career steps within Hunkemöller's marketing department
- Holds a Masters degree in Communications



**Søren Thomsen** - *Head of Retail Denmark and Sweden*

- Started with Hunkemöller in September 2009
- Former Wholesale Manager at Noa Noa and regional manager at Hunkemöller Denmark
- Holds a BA degree in Leadership and an MBA



**Ilonka Ederveen** - *Merchandise Manager*

- Started with Hunkemöller in July 2010
- Former Senior Merchandiser at Footlocker Europe
- Studied at the Institute for Management Fashion and Design at Amsterdam and holds a ING degree



**Mónica Cantor** - *Head of Retail Spain*

- Started with Hunkemöller in November 2008 as Regional Manager
- Former Store Manager at MUSGO
- Holds a Masters degree in Marketing, Distribution and Retail

## HEADS



**Rosmarie Rotter** - *Head of Retail Austria*

- Started with Hunkemöller in October 2011
- Former Regional Manager at Esprit
- Holds a Masters degree in Business and Economics



**Eric den Dulk** - *Head of International Franchise Manager*

- Started with Hunkemöller in 2006
- Internal career steps within Hunkemöller's sales department
- Pre-university secondary education



**Marc Holike** - *Expansion Manager Austria*

- Started with Hunkemöller in May 2014
- Former Head of Expansion at the Cecil GmbH, a brand in the CBR Fashion Group



**Michaela Liegel** - *Real Estate Manager South Germany*

- Started with Hunkemöller in August 2014
- Former employers German Highstreet broker Lüthmann and Cushman & Wakefield and Kemper's
- Holds a BA degree in Real Estate (Diplom-Betriebswirtin)



**Karen Hobson** - *Head of Buying*

- Started with Hunkemöller April 2016
- Former Senior Buyer at Dunnes Stores, Primark & Marks and Spencer.
- Holds a B.A Degree of Arts and a Graduate Diploma in Business Studies



**Marco van der Hulst** - *Head of Omni Channel*

- Re-started with Hunkemöller in June 2016
- Former Online Director @ McGregor Fashion Group, internal career steps within Hunkemöller e-commerce department
- Holds a BA degree in Industrial Engineering



**Marko Schönebeck** - *Head of Expansion and Real Estate Germany*

- Started with Hunkemöller in April 2011
- Former Senior Consultant in retail properties at Kemper's Jones Lang LaSalle
- Holds a Diploma in Architecture and Urban Planning



**Marcel Guldemond** - *Head of Logistics*

- Started with Hunkemöller in 2012
- Former global logistics director at Mexx, European Distribution Centre manager at Oakley Inc.
- Holds a BA degree in Chemistry





## MEET OUR SHERO

Our Shero is at the heart of everything we do. She helps us focus on delivering the right communication and services to our customers. She keeps us consistent and make sure we take the time to regularly check in with what our customers need.

So, who is she? In short, she's our muse. A character we created out of everything we know about our target market. Here's what we know about her:

*'Be your most beautiful self'*

This is the mantra for our Shero. She's 100% in touch with herself, she's fun and positive and lives her life to the fullest. She's health conscious and enjoys her social life but equally values her 'me time'. She's a real 'Generation Z' and is always online waking up with her smartphone in her hand. She always up to date with what's happening on Facebook, Instagram, Pinterest, WhatsApp, YouTube, Snapchat and Twitter. She shops in the city but also online and loves fashion. She values quality over quantity and is loyal to the brands that give her a great shopping experience both in terms of product and service. She responds better to messages from real people rather than real companies and social media is a key way for her to find out information.



# SHERO FACT FILE




## CAREER WOMAN

She's in her late twenties and is building a solid career



## IN A RELATIONSHIP

She lives with her boyfriend in a metropolitan city.



## LOVES SUMMER AND THE BEACH

She loves to travel. Preferably beach holidays.



## HEALTH AND BEAUTY CONSCIOUS

The Shero's favourite sports are Yoga, Fitness, Running, Dancing, Tennis and Hockey. She owns on average 5 sport bras



## FOLLOWER OF FASHION

She loves fashion and keeps an eye out for the latest trends.



## LOVES HER SMARTPHONE

50% of Sheros shop on a mobile phone. Average number of apps on phone is 30.



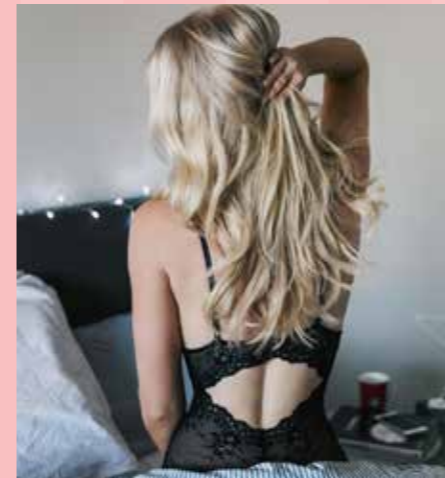
## ACTIVE ON SOCIAL MEDIA

Spends on average 1.5 hours a day on social media. She has an average of 400 Facebook friends.



## ONLINE SHOPPING

She loves online shopping and often checks online before visiting a Hunkemöller store.



## LOVES LINGERIE

Owens on average 16 bras, of which 4 are worn regularly.



## ACTIVE SOCIAL LIFE

Loves spending time with her boyfriend and friends but also appreciates time to herself.



## SEEKS INSPIRATION

Looks for inspiration on the internet. Regularly visiting blogs, magazines and Instagram.





# DESIGNING FOR OUR SHERO

## A DESIGN LED BUSINESS

Our team of international designers are passionate about creating the perfect products for our Shero. They travel the world to understand what the big trends are in fashion, lingerie, colour, fabric and innovation. The international fashion shows are a starting point for inspiration but our design team understand that trends can come from so many different aspects of life. That's why they keep a close eye on what's happening in the world of music, celebrities, festivals, social media, magazines but also on the street.

Every aspect of our products is carefully considered and reconsidered, from the initial design right through to the fabrics, components and of course the all-important details that really make the difference to the finished garment.

Leading the design process from the very beginning, our designers play a key role in developing strong, commercial yet fashionable products for our Shero. From sub brands, to designer collaborations and with the creation of their own 'designer capsule' collections, our design team have a clear goal in mind; to establish us as the leading fashion lingerie brand in Europe.

*Every aspect of our products is carefully considered and reconsidered*





# MEET OUR SUB-BRANDS

## *Private Collection*

by hunkemöller

Strictly for grownups, our ultra-sexy collection of seductive lingerie pieces is made to excite and empower our Shero. Beautiful bras and coordinating briefs are complemented by glamorous, super-sheer hosiery and jaw-dropping accessories that are almost too hot to handle.



# NOIR

exclusively by hunkemöller

Our premium collection of exquisite items across lingerie, nightwear and swimwear. These beautifully crafted lingerie pieces combine luxury fabrics and trims – wearing these items makes every occasion special.

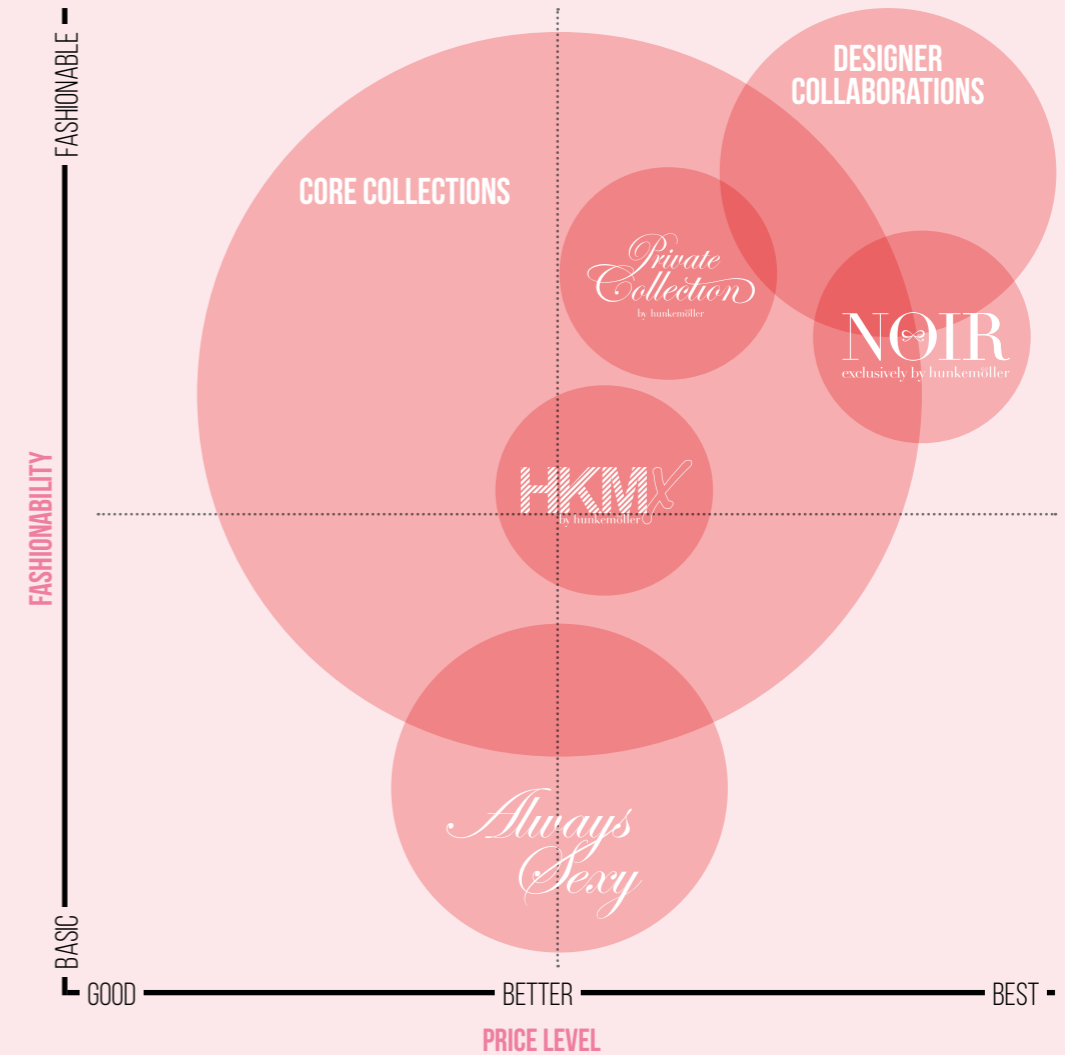


# Always Sexy

We want to offer our Shero the best everyday collection with a focus on great fit, perfect shape, comfortable materials, and competitive prices. Always Sexy is a wardrobe staple that is available in core colors and sizes all year round.



## SUB-BRAND SEGMENTATION GBB/FASHIONABILITY







## OUR COLLABORATIONS

Our Designer collaborations consist of the most fashionable trend driven collections. The collections are designed in close partnership with the brand ambassador and Hunkemöller design team. Our collaborations use premium and exclusive fabrics, details and colors.

As a social brand, we also collaborate with influencers such as bloggers and vloggers on key trend collections, as well as having designer ‘capsule’ collections created by our own in-house designers to showcase the talent we have internally through product, aimed at our flagship stores.



### MEET DOUTZEN — OUR PERFECT BRAND AMBASSADOR.

We announced our exciting new collaboration with Doutzen Kroes in August 2016. She became our second celebrity ambassador and brings to our collaboration real fashion credibility, as well as an army of loyal fans on social media. She’s followed by over 8 million people across the world and is a top model on an international scale.

Doutzen is a perfect fit for us, as a brand ambassador, she’s a true Shero and captures the essence of our brand values. As an Omni-channel brand, it’s important for us to work with people that are active on social media and with over 8 million followers,

Doutzen has a huge reach.

We’re really proud that Doutzen has joined us as a Brand Ambassador. Her credibility in the fashion world is helping to grow our brand internationally. Her personality and her passions inspire a whole new direction for our products, our marketing and create some truly unique campaigns.

The collections we’ve designed with her are called “Doutzen’s Stories” and each collection tells us a little bit about her whether through lingerie, swimwear or her dedicated sports collection, DK 1985





## MEET OUR BLOGGERS AND VLOGGERS

Our Shero loves fashion and social media and is likely to follow key influencers across her social channels. These bloggers and vloggers have real credibility with our Shero and she trusts and respects their opinion. They are real people rather than big companies and she relates to this, seeing them as a real source for fashion inspiration and direction.

We've teamed up with some big players in the world of social media and collaborate with them on collections that really capture the here and now. Our first and one of our most notable collaborations has been with Dutch blogger, vlogger, TV host and author, Anna Nooshin. The first lingerie collaboration with Anna launched in June 2016 and in February 2017, we followed up with an exciting new swimwear range.

For 2017, we're excited to be collaborating with two influential German bloggers, Caro-e and Pamela. They have a real passion for fashion, fitness and a healthy lifestyle and are real fans of our brand, making them truly aspirational for our Shero. Caro-e is 25 and has an Instagram following of over 1 million and will be collaborating with us on a sports collection. At 20 years old, Pamela boasts an impressive 3 million followers on Instagram and we're working together on an exciting new lingerie collection. Their social media presence offers a real opportunity for Hunkemöller, as both of these influencers not only have a significant following but also have great engagement rates. We've already experienced this first-hand through social posts they've created with us.

*We've teamed up with some big players in the world of social media and collaborate with them on collections that really capture the here and now.*





# DESIGNING A LIFESTYLE DESTINATION FOR OUR HKMX CUSTOMERS TO SHOP

Being fit and healthy is important to our Shero and having the right outfits to exercise in, whatever she chooses to do, allows her to look fashionable while she's doing it. Working out is a huge part of our Shero's lifestyle and our HKMX collection allows us to offer her a complete wardrobe to do this. A great fitting sports bra is key and our bra expertise gives us an advantage of being able to offer the function she needs with great fashionability too. This fashion forward collection is designed so that our Shero can create complete outfits that have created using the unique feminine yet sexy handwriting that she expects from us and give us a clear point of difference in a very function-led market.

Our HKMX collection gives our Shero more opportunities to shop with us both in-store and online and also attracts new customers to the brand as a whole. Having a strong HKMX collection shows our

versatility as a brand and strengthens overall brand image.

As well as specially designed areas within our existing stores, this year we'll open exciting new standalone HKMX stores that will really showcase our sports brand. To capture the essence of our sports brand, the design of these stores is urban, cool, fashionable, and fun whilst tailoring the digital and social aspects of the Hunkemöller brand, that are already so successful, to the HKMX lifestyle.

To further strengthen the HKMX brand, we're planning to build a real community of followers by having specific sports ambassadors and hosting in-store sports classes and events. Staff within these stores will not only have bra expertise that comes as standard at Hunkemöller but will be trained to be true sports experts, able to offer advice on the perfect workout wardrobe.



## OUR FIRST HKMX STORE

We opened our first ever standalone HKMX store in Berlin this year. Over the next 5 years, we'll open a further 50 stores and create clearly defined 'shop in shop' areas to enhance the brand and create a true sportswear destination. We'll target the HKMX brand DNA towards the athleisure fashionista whilst introducing technical capsule collections to appeal to the most professional sports women.







# DESIGNING THE PERFECT STORES FOR OUR SHERO TO SHOP

We now have over 800 stores in 24 countries and in 2016 we opened 104 stores. Quite an achievement when you consider it took us 100 years to open our first 100 stores.

Our stores are evolving too. To bring our customers a world-class shopping experience, we aim to deliver a multi-sensorial, fun and inspiring environment. We bring our brand values to life in our stores by using the most up to date and relevant technology, enhancing our shopping environment with scent and music and by offering our products in the most appealing way possible through creative VM and updated fixtures and furniture.

On average our stores are around 140m<sup>2</sup> but where there's a potential to take over €1 million per year, we're able to open stores between 200 – 300m<sup>2</sup>. We look for locations where we already have an established and successful store and have the opportunity to either refurbish or relocate to a larger space. In doing this, we offer our Shero a greater share of our collection to shop from, as well as increasing our sales. This has already proved successful in Oberhausen, Rotterdam and Gent and we've identified a further 50 stores suitable for relocation or refurbishment to extend their size. Growing the size of our stores,

doesn't stop with our ambition to expand or relocate to larger spaces. We're also aiming to have a Flagship store on every major high street, in our current markets. These stores sit on around 300- 500m<sup>2</sup> and not only offer our full collection but also the latest technology and most exciting shopping experience for our customer. Flagship stores offer the ultimate in concept, design, service and innovation, strengthening our brand as a whole and creating an aspirational benchmark for the rest of our store portfolio.



## DESIGNER AND FACTORY OUTLETS

As we grow our number of stores and the size of store we offer, we increasingly need to clear old stock in the most efficient way possible. Designer outlets offer the perfect solution to control how our old merchandise is sold in an 'on-brand' environment. We currently have 16 designer outlets and in the future, will grow this to have one outlet store for every 25 regular stores, using a mix of designer and factory outlets in highly residential areas .

*Designer outlets offer the perfect solution to control how our old merchandise is sold in an 'on-brand' environment.*





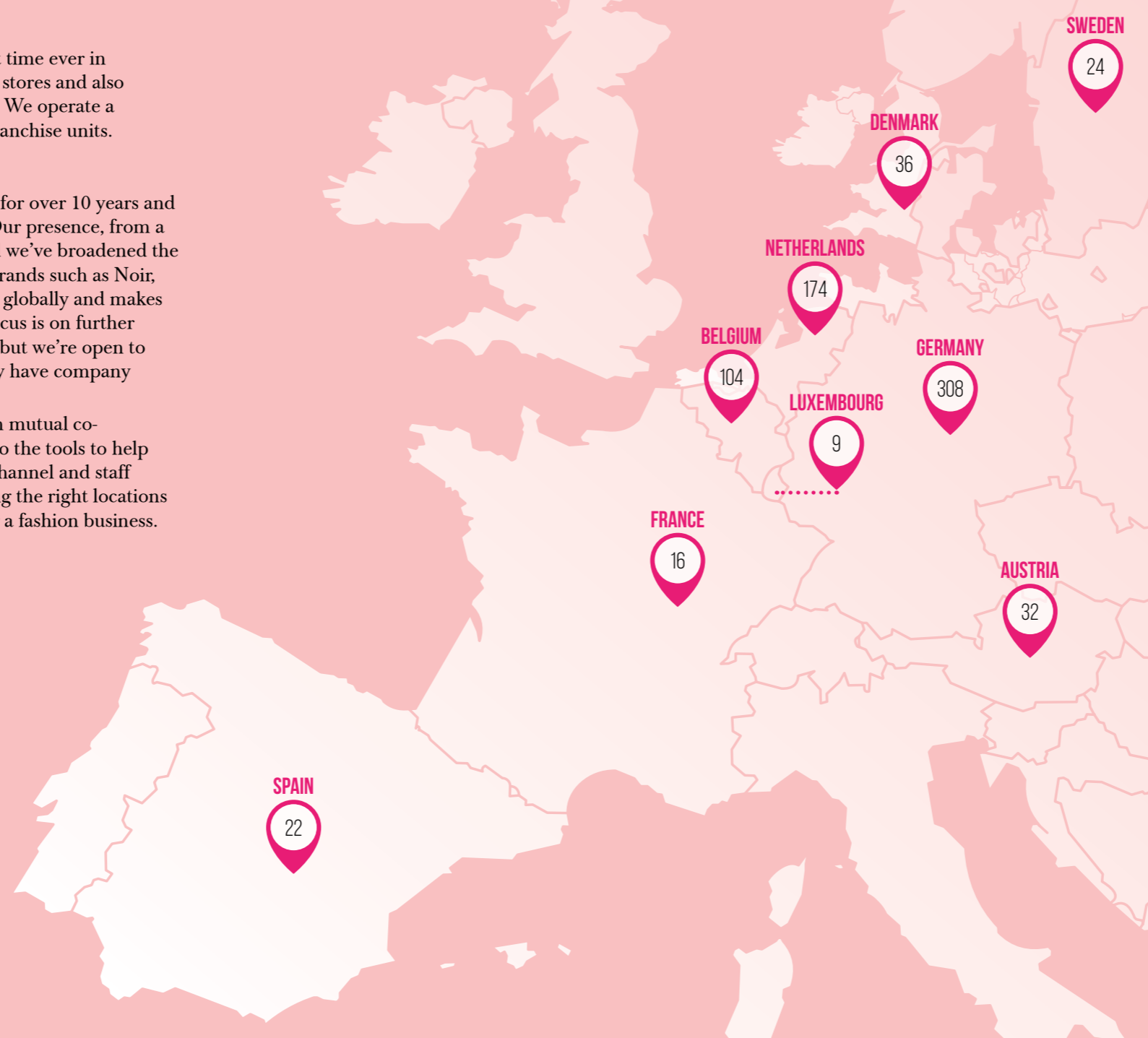
# EUROPE AND BEYOND

In 2016, we opened more than 100 new stores for the first time ever in one year. We grew our presence in Germany with 54 new stores and also strengthened our footprint in Spain, Sweden and Austria. We operate a combination of own-operated stores, shop-in-shops and franchise units.

## INTERNATIONAL FRANCHISES

We've had an active international franchise business now for over 10 years and last year opened more than 20 stores with our partners. Our presence, from a franchising point of view, spans 17 different countries and we've broadened the range of products our partners offer to now include sub brands such as Noir, HKMX and Private. Franchising helps to build our brand globally and makes it easier to expand into a wider range of countries. Our focus is on further expansion into the Middle East, North America and Asia but we're open to opportunities in other countries, where we don't currently have company owned stores.

Our partnerships in International Franchising are built on mutual co-operation. We offer a depth of product knowledge but also the tools to help maximise visual merchandising, online presence, Omni-channel and staff training. Our partners bring their local expertise in finding the right locations and people, as well as experience in running and growing a fashion business.



TOTAL OWN STORES	659
INTERNATIONAL FRANCHISE	52
TOTAL FRANCHISE	116
OF TOTAL # OF STORES FINAL FY 16	
TOTAL FRANCHISE (INT AND NATIONAL)	116
TOTAL INTERNATIONAL FRANCHISE	52
TOTAL OWN	631
TOTAL SHOP IN SHOP	28





# DESIGNING THE PERFECT OMNI-CHANNEL JOURNEY

In an Omni-channel world, it's increasingly important that we're able to interact with our Shero across all her favourite channels. Whilst we know that she likes to shop online via her laptop, computer or tablet, mobile shopping is fast becoming her preferred way of buying her favourite products. The sales generated by our online business are growing fast and we're committed to adapting and growing, as this evolution continues.

These days, it's not simply about channels. It's about using them to build relationships with customers across all of our touch points and then deliver relevant, personalised messaging so that they can enjoy a seamless experience that's tailored to their needs. We believe that making it easy for her to shop across all of our channels, not only improves her experience but also allows us to maximise sales opportunities.

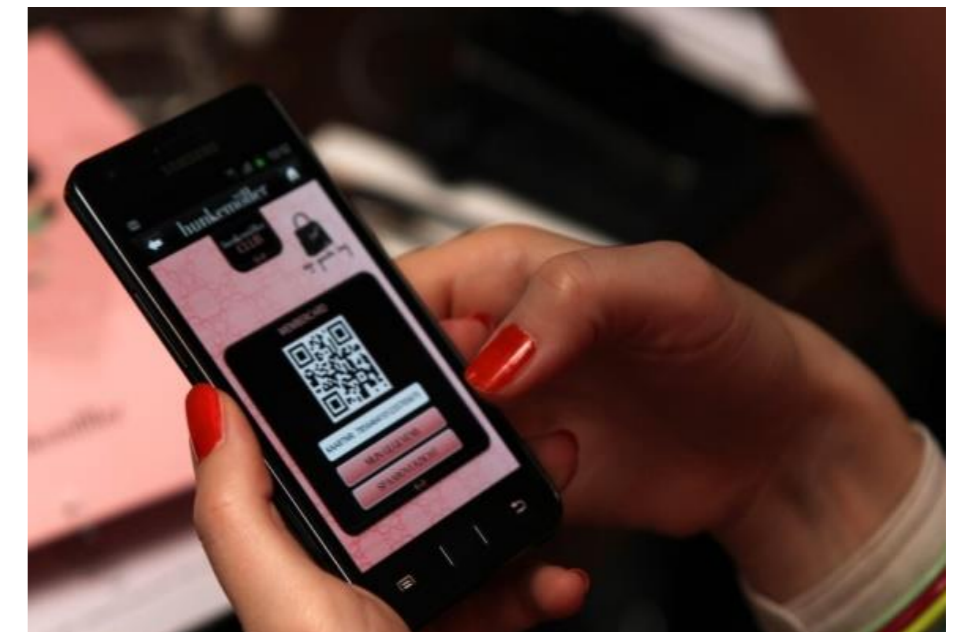
By offering easy to use click and collect, click and reserve and return to stores options, we encourage her to not limit her experience to online but to continue her journey in one of our stores. At this point, our passionate staff are able to impress her with World Class Service and offer their expertise to find the products she really wants. Click and collect and click and reserve give our store staff an insight into what our customer might like and help them to recommend alternatives or additional products that will complete her outfit. When customers are returning an item to a store, our team have a real opportunity to turn this back into a sale.

Order in store is a great tool for our store teams, allowing them to share the entire Hunkemöller collection

with their customer. In 2016, OIS generated a total of €6 million in sales. Knowing how our Shero loves her smartphone too, staff in stores are also trained to introduce and encourage her to download our app. We've come a long way since 2003, when our first website launched in The Netherlands. We now have websites and apps up and running all over Europe, while our shop-in-shop online partnerships with ASOS, Zalando, Amazon, Wehkamp and Nelly bring us even more reach in every market.

## AT A GLANCE

- 36 million website visits per year
- 2 million app users
- 68% browse online and buy offline
- 37% of orders are returned to store with 44% upsell
- OIS 12% of online orders and 1.4% of store sales
- 40% of all online orders are Click & Collect with 29% upselling
- My Hunkemöller has nearly 4 million active members with 86% registration



*mobile shopping is fast becoming her preferred way of buying her favourite products.*





# CREATING THE PERFECT CUSTOMER JOURNEY

Our aim is to offer a level of service that always exceeds our customer's expectations. We want to inspire our Shero to buy, return frequently and recommend us to her family and friends. For this to happen we need to offer the perfect customer journey. World Class Service is at the heart at delivering this perfect journey and we use the principles and 4 key steps to make sure our Shero is shown all the products that are relevant to her lifestyle. From welcoming her at the door to inspiring her on the sales floor and in the fitting room to the final kiss goodbye, we're focused on offering a service that's tailored to her. At the same time, we're focused on delivering our KPI's and making sure we leverage these at each step of her journey.

Our Shero makes no distinction between our stores and our online business and she switches between them depending on what she needs at the time. As she shops across channels, we make it as easy as possible for her continue to experience the perfect customer journey. By encouraging our Shero to use our app and OIS (order in store), we're able to offer her the entire Hunkemöller collection wherever and however she's shopping with us.







# DESIGNING MARKETING TO MAKE HER FALL IN LOVE WITH US

We're committed to becoming the most personal, inspiring and social lingerie brand. We want to capture the hearts and minds of our Shero in the most relevant, impactful and memorable way as this drives traffic, engagement and ultimately loyalty.

We know that by creating an emotional connection with our Shero that we can really engage with her and this ultimately leads to brand loyalty. By understanding her needs, we create a more personal experience in our communications, either via the app, email or on our social channels. We inspire her using a mix of media including our blog, events, our own social media content and that of the influencers we work with.

Our Shero is addicted to social media and prefers to follow real people. We know that influencers grow their fan bases much quicker than companies and organisations. Working with these influencers helps us to tell our story in a way that our Shero can really relate to from a source she trusts.

Our brand ambassador programme uses internal and external ambassadors to help us share content across social media. We now have over 70 ambassadors with over 1.3 million followers between them. They co-create with us and in return attend special events and get to try new products. Our internal ambassadors are real advocates of our brand values and share the latest news on our behalf across social media, reaching our customers, their colleagues and the wider internet audience.

Whilst our Shero loves her smartphone and social media, we recognise that generation Z are keen to shop in-stores but they're looking for more than just a store. The key to this is creating a multi-sensorial experience and with our newest flagships and brand new HKMX stores, we're focused on bringing her the latest technology. The introduction of our social wall, selfie wall and body scanner is exactly the kind of experience that our Shero will respond to and will then share with her friends and followers.



*Social wall in Kalverstraat store*

*By creating an emotional connection with our Shero we can really engage with her*







## MY HUNKEMÖLLER

Since 2007 we've been giving our customers the chance to get even closer to Hunkemöller by joining our loyalty program and getting exclusive access to a world of treats like discounts offers, pre-sale shopping and free gifts.

Not surprisingly, our customers love it and My Hunkemöller now has nearly 4 million members and is one of the largest and most active membercard club programmes in Europe.

It's a simple concept – customers who join, download the app, get a membercard and, when they use it in-store or online, they collect 10 Passion Points for every Euro they spend – and 500 Passion Points = a €5 discount.

In early 2017 our loyalty programme was enhanced with the release of Loyalty 3.0 on the Hunkemöller mobile app, which along with the digital Membercard, Passion Points balance, discount credit and 24/7 shopping now offers:

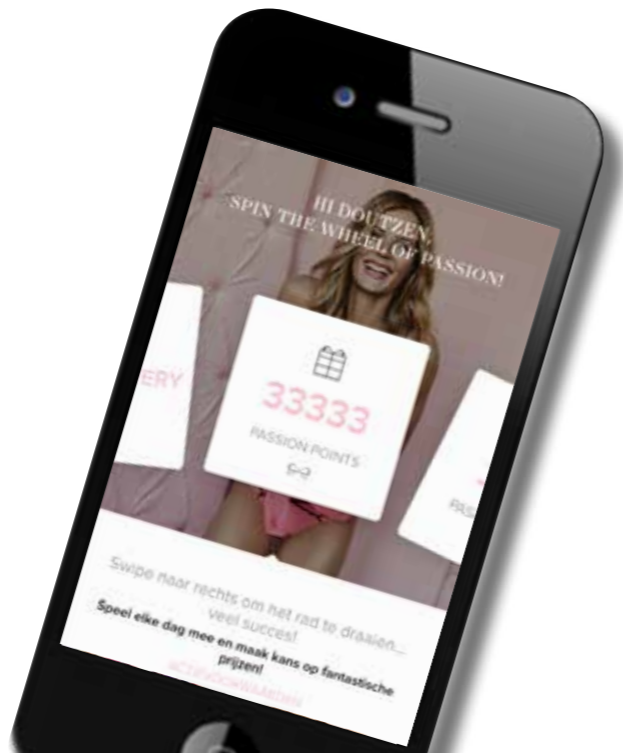
- 100 Passion Points for new Member registration
- New & Exclusive ways to earn points tailored to buying behaviour and location
- More ways to burn points instead of just changing to credit when you hit 500 passion points. Swap points for experiences, discounts and gifts
- Wheel of Passion - A daily game giving you the chance to win points, prizes and lots more.

## OUR MARKET SHARE

Our main markets are currently Germany, The Netherlands, and Belgium and in all three of these we have been consistently gaining market share. In the Netherlands and Belgium, we've retained our position as market leader and for the first time, have secured this spot in Germany too.

MARKET SHARE GFK					
	2012	2013	2014	2015	2016
NL	13.4%	14.0%	14.9%	15.1%	15.8%
BE	8.8%	9.5%	10.2%	11.7%	11.6%
DE	2.6%	3.4%	4.1%	5.7%	6.8%

MARKET POSITION					
	2012	2013	2014	2015	2016
NL	1	1	1	1	1
BE	1	1	1	1	1
DE	6	6	6	2	1



## OUR SOCIAL RESPONSIBILITIES

We love making beautiful products for our customers but we take our responsibilities as a global retailer seriously too. We're passionate about the supply chain we work with, our impact on the environment and how we get involved in the community.

We design, produce and sell all our own collections. The whole process from design to delivery in stores is managed with love from our Head Office. We offer such a variety of sexy looks, that we work with lots of different suppliers across the world, each with their own skills and talents.

We don't own the factories that make our products so it's crucial we work in partnership with our suppliers to bring you high quality products you can trust. We build long-term relationships that benefit both sides. All our suppliers, all over the world, follow the same social and environmental guidelines to make sure our products are up to our standards.

We care about the people who make our products and believe that everyone has the right to work in a safe and healthy environment.



We've put together a code of conduct that reflects these beliefs and is in line with local laws in the countries we source from, International Labour Organisation (ILO) conventions and the UN declaration on Human Rights, including:

- Protection against discrimination, child labour and bonded labour
- Fair pay and decent working hours
- Safe environment to work in
- The freedom of association and collective bargaining
- Protection of the environment
- Ethical business behaviour

On the 4th of July 2016, we signed a binding agreement for sustainable fashion and textiles. This is the first of its kind and is a Dutch covenant that follows on from the original Dutch National Action Plan, first presented in 2013. The aim is to bring positive and sustainable change to the textile and garment industry all over the world and it's supported by trade unions, industry organisations, civil-society organisations and the Dutch government. We're committed to working with our suppliers to solve sustainability challenges that are present within the countries they produce in.

We're also conscious that the materials we use in our products and stores need to have as minimal impact on the environment and nature as possible. As part of this we:

- Are on the fur-free list of Fur Free Retailers.
- Don't use real leather.
- Only use feathers with careful consideration.
- Charge for plastic bags in the Netherlands and Germany to reduce their usage and have already seen a 50% reduction.
- Replaced some plastic bags with papers ones and have introduced a reusable shopper.
- Introduced a 'Restricted Substances List' to help our suppliers understand which chemicals they are not allowed to use.
- All our home delivery packages are in boxes from recycled carton





# OUR PEOPLE

*Great people power great brands*

*Video recruitment*



*Social media recruitment*



Our people are what make Hunkemöller special. Attracting and retaining the best people is crucial to our continued success – we want enthusiastic staff who are as passionate about our products as we are. We hire for attitude and train for skill.

**HIRE FOR ATTITUDE**

We are proud of our brand and we only want to hire those who fit our brand and our brand values. This means we look beyond experience and are really interested in what drives our people and makes them tick. As we hire for attitude, we start by selecting on attitude and to bring this to life, we've introduced video recruitment to our selection process. Our state of the art global and mobile

job site ([hunkemoller.com/jobs](http://hunkemoller.com/jobs)) shares information on our brand, values and current vacancies. It also explains how we nurture and develop talent at Hunkemöller which is supported by testimonies from staff who've grown with our success, fun team pictures and our 'feel our vibe' page.

**TRAIN FOR SKILL**

When it comes to service, we want to exceed our customer's expectations every time. We start with a passionate welcome, making genuine contact with our Shero. We offer inspiring and expert advice on the sales floor and in the fitting room and finish with a 'unique kiss come back'. We encourage our staff to keep their skill and knowledge up to date and push

themselves to be the best they can be. We're passionate about supporting our staff in their learning and development and continue to make significant investment in this area. We want all our new employees to get off to a great start and launched our 'Welcome app' to help staff prepare for their first day, right from the moment they sign their contract. 'Live It Up' is our newest innovation in learning and development and is a global, social and interactive introduction programme that transforms our staff into brand ambassadors in just 10 days. In our view, training should be fun and accessible, so we use learning tablet's in stores to bring our video based training to life.



The Hunkemöller Academy is the heart and soul of our learning and development activities. It's our global online training tool – available in seven languages- and we use it to transform staff who are already engaged into true certified experts. It's important that alongside being true bra experts, our staff are also up to date with fashion trends so they can really inspire our customers and give them great advice on how to achieve the latest looks. The 8 product videos we release every year, really help with this, as well as being a great way to share selling tips. All these initiatives enable us to develop the confident, passionate and knowledgeable staff that Hunkemöller is famous for. Our USP is World-Class Service and the unrivalled lingerie expertise that our staff deliver.

### A GREAT PLACE TO WORK

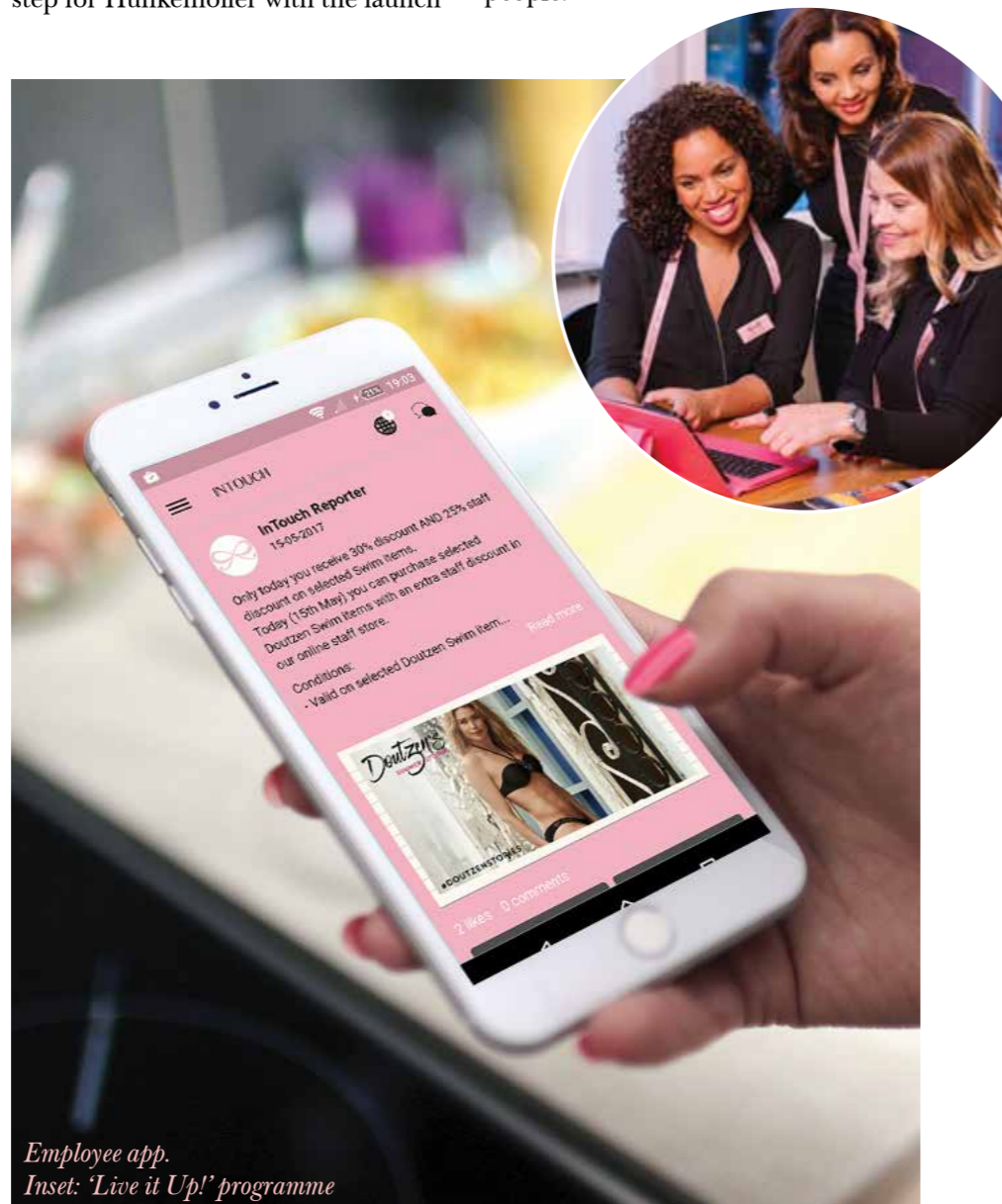
We want our employees to walk the talk and live the values. We want them to feel fit, energised, happy and to have fun at work. We strive to be a truly social business, both internally and externally, and believe that being fully In Touch with our employees makes all the difference.

*We want our employees to walk the talk and live the values.*



Our employee app is available on all mobile devices and learning tablets in store. It's become a social addiction amongst our teams and is totally interactive, giving our employees a voice. We're in touch 24/7 and are able to share fun and inspiring content quickly and direct to our staff. 2017 sees the launch of another huge step for Hunkemöller with the launch

of Workday, an innovative Global HR system which become the hub for all our people data and processes. Workday will bring efficiency globally and give us a greater depth of information. It brings us the opportunity to share accurate individual sales results which will help to further inspire and motivate our people.



*Employee app.  
Inset: 'Live it Up!' programme*

# WORLD CLASS MERCHANDISING



One-third of every Euro we spend is on product – and we always make sure that the money is well spent. Our merchandising skills have made us market leaders in mainland Europe and industry best practice supports our buying process – so we always deliver the products our customers need. With more than 4000 styles a year

in production and lead times of up to nine months, careful planning and detailed analysis are essential to get the right stock to the right place – and at the right price too. We're really proud of the availability we achieve on our core products, which consistently sat at 96% for 2016.

What's our secret? We make full

use of the Micros planning tool, which is used by leading retailers in the UK and throughout Europe.

It allows us to deliver market-leading margins through good stock control and careful markdowns. It also means that we can bring an assortment of products, in all sizes, to stores in all the countries we serve – from flagships to shop-in-shops, from Sweden to Spain.

Our replenishment programme ensures that stock reaches the best performing stores and therefore optimises full price sell-through. While our network of factory outlets manages and turns our old stock into cash, helping to fund further expansion of the business in the process.

As part of our customer first approach, we also plan and buy country specific and web only products to take into account the need for special products, different sizing offers/ratio packs and varying climates across our store and customer base.

Our current allocation and replenishment system is SAP based which allows us to manage and replenish our country specific assortment including the handling of different size ratio packs. We're able to manage and adjust stock levels at size level by store and as SAP is fully integrated into our NOS (Never out of Stock) ordering solution, we maintain availability at over 97%



**PART 2**  
**OUR JOURNEY**  
**CONTINUES**







# WHAT THE FUTURE LOOKS LIKE AT HUNKEMÖLLER

We've got ambitious plans in place to take us up to 2021. The overarching message of our strategy is that everything we do is designed for our Shero, to continue our journey to becoming a much-loved global and social brand.

As our Shero changes in the next 5 years, we'll adapt with her, ensuring that we completely understand her by analysing all of the information we have at our fingertips. This will allow us to offer products, stores, services and an online and in-store customer journey that caters for all her needs.

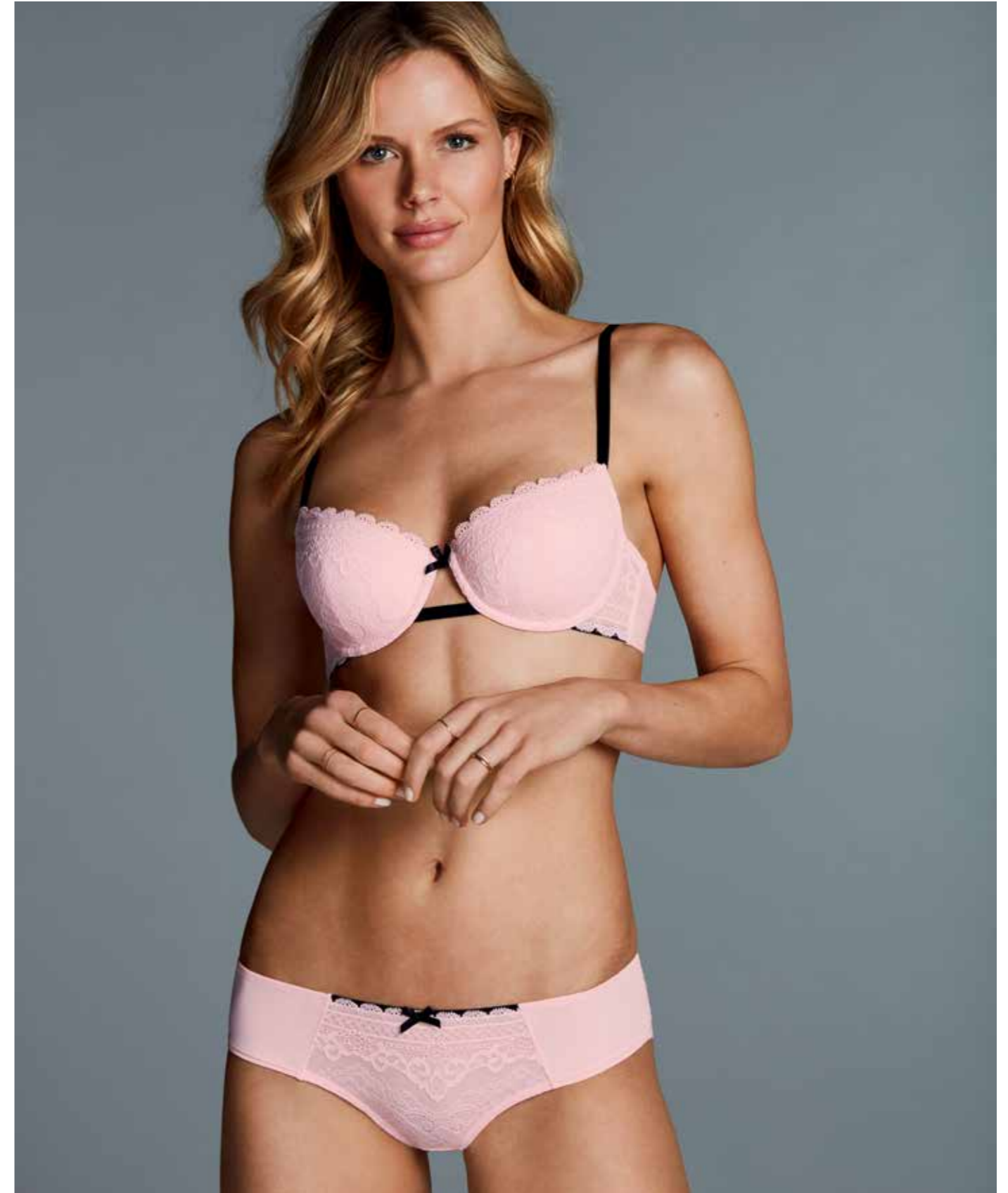
*Our business is set to grow both physical and digitally*



We have a wealth of data available to us from social media, our loyalty programme and our own app. Using this, we'll be able to offer a more personal approach to our Shero, tailoring the products and services to those that we know she is or may be interested in.

Our business is set to grow both physical and digitally and our aim is to have 1600 stores and an online business that will increase to €159m (net) and account for 16% of our total sales. To fulfil our growth ambitions, we'll build brand awareness by establishing flagship stores in all of our key markets and will offer a market-leading online customer experience.

Our goal is to be the No 1 lingerie brand in Europe with a significant presence in all the other countries we trade in.





# DESIGNING PRODUCTS THAT CONTINUE TO INSPIRE HER

By 2021 we want to reinforce our position as the leading lingerie brand in Europe and continue to grow our market share, wherever we have a presence. We're passionate about creating and delivering products that will excite and inspire our Shero. We'll lead the way in terms of lingerie fashion by delivering faster to market on trend collections and renew our products using our unique fashionable yet feminine brand handwriting.

## LEADING WITH DESIGN

We're a design-led business and aspire to become the leading fashion lingerie brand in Europe. Our international team of designers will continue to lead the design and development of strong fashionable collections and commercial sub-brands. We're passionate about creating the perfect products for our Shero and will strengthen our resources in fabric development and technical design whilst supporting our team with a brand new in-house creative room.



## DELIVERING PERFECT PRODUCT

Having the perfect product across our collections is what our Shero has come to expect from us. To continually meet and exceed these expectations, we're focused on bringing her the best fabrics possible and delivering well-designed high quality products. As an example, our core collections represent 81% of our total sales and are at the heart of our business. Our focus here is on bringing our Shero a wide range of colours, including the latest fashion shade, as well as having full size availability. We'll update this collection with new fabrics and offer a wider range of products online. Across our collections, from Always Sexy to Designer Collaborations, our Shero will see upgraded fabrics, true choice in colour and shape and inspiring fashion looks.



## PERFECT SIZE

Offering our Shero the perfect bra size, starts with her being able to confidently pick the style she wants knowing that it will fit her. We use Sexy Comes in All Shapes and Favourite Fits to help customers identify in-store and online which bra shape and size suits her best. Once she has this knowledge, we can build brand loyalty by making sure that every time she buys a bra in her size that it will fit her in the same way. To achieve this, consistency is important and we're working with our partners in the supply chain to develop bra components that will help deliver this. As well as building brand loyalty, having greater consistency of fit reduces the returns from our online business. With great availability of sizes and offering a wider range of bra sizes, we're aiming to offer every Shero her perfect size, whenever and however she shops with us.





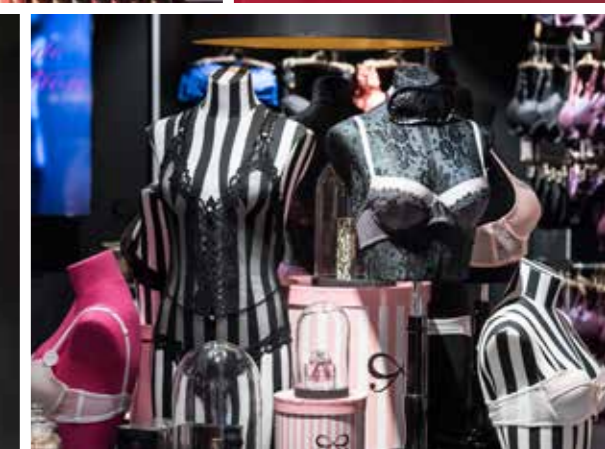
# HOW WE'LL GROW AND CREATE EXCITING NEW STORES

The future is exciting for our stores. We've got ambitious plans to grow by around 55% with our number of owned and franchised stores reaching 1600, by 2021. Of these, 75% will be based in Europe and wholly owned by us. We're focused on opening profitable stores and take a considered, professional approach to identifying the right locations to expand into. Germany and Spain are key areas for our expansion but we'll also build on our presence in Sweden, Austria, Denmark and will also open our first store in Norway. Expanding our number of stores, will not only help to bring better economies of scale but will also help drive our Omni-channel business by building awareness of our brand in new locations.

In the next five years, we won't just grow our number of stores, we'll also offer exciting new formats and continue open flagships and larger stores in key cities across Europe. Having larger stores and Flagships allows us to share more of our collection with our customers. These stores will benefit from new product categories such as Wellness, Spa and Loungewear. Flagships stores are also the perfect place for us to trial new initiatives and innovations, as well as acting as centres of excellence for service and visual merchandising.

We'll also be to extend the 'shop within shop' experience using key areas such as HKMX to create new lifestyle destination areas with our stores. We'll enhance the presence of our sub brands by surprising our Shero with scent, music and the most relevant technology. Using techniques such as heat mapping will enable us to extend the dwell time, get greater understanding of our customer's needs and ultimately increase sales.

*Having larger stores and Flagships allows us to share more of our collection with our customers.*







# CREATING AWARENESS, ENGAGING WITH OUR SHERO AND BUILDING LOYALTY

Customer loyalty drives repeat business, greater sales volume, cross selling opportunities, and word of mouth marketing. To build loyalty to our brand, we first have to establish awareness. We'll create compelling 360° marketing campaigns across multiple channels to reach our Sheroes. Whilst TV remains an important asset in our biggest markets, we also recognise that our millennials and generation Z customers prefer social channels and as such we'll place a greater emphasis on this part of our media spend.

P.R is another important tool to build awareness and we'll continue to use traditional press to reach our Shero. In a digital world, though, P.R is changing and everyone can become involved. We want people to talk about our brand in a positive way and using our network of brand ambassadors and influencers will help us to do this. Our aim is to have 150 ambassadors who will share content for us across social channels. The next step for us in the journey to building brand loyalty is to engage

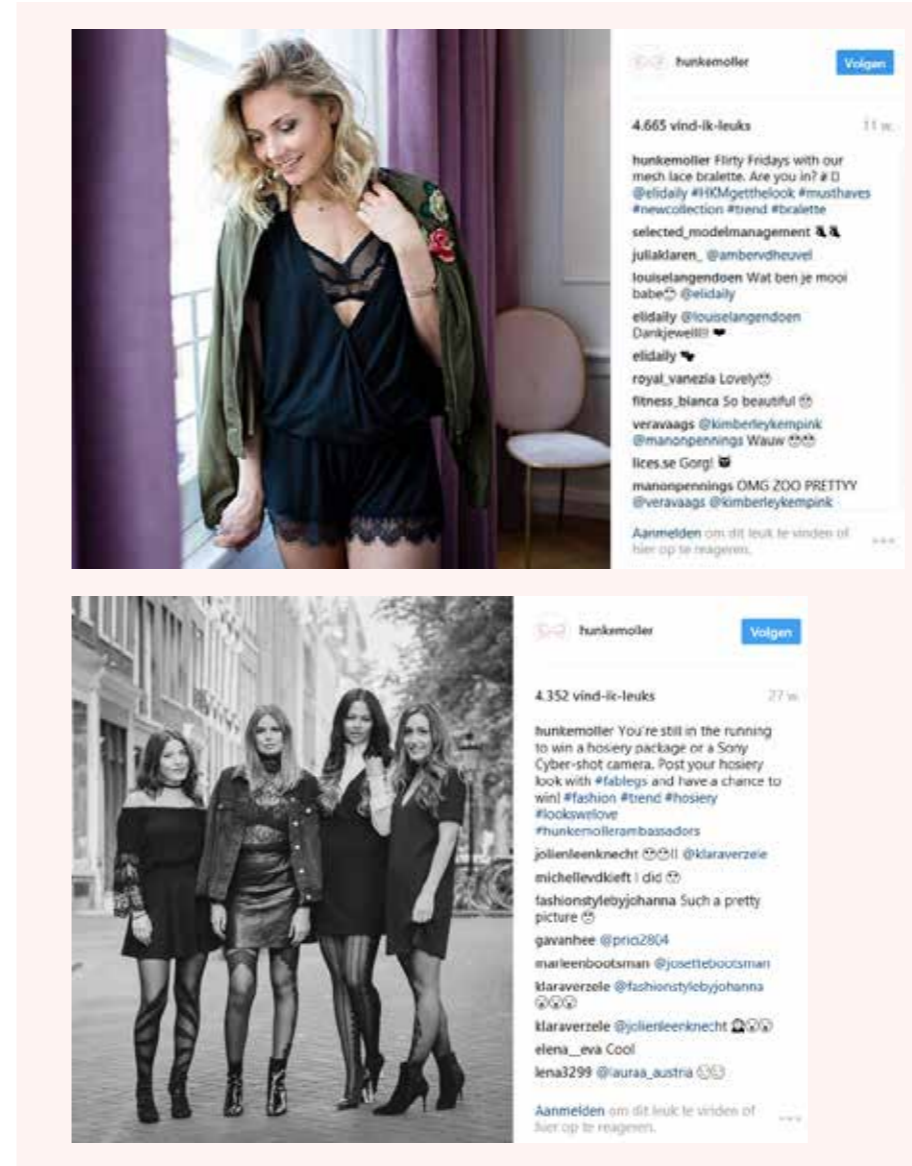
*We aim to be the fashion brand with the most engaged and loyal members.*



with our Shero on a regular basis and here social media plays a key role. We do this in a personal, fun, inspiring, and relevant way building relationships with our customers and influencing their buying decisions real time. To truly be a global business, we know that we need to understand our local markets and the needs of the customer in that location. Only then can we really engage with her in a personal way. To help us achieve this, we'll establish local social support for our HQ social team. The aim here is to listen to and engage with our

customer using inspiring content. We'll make sure we use the right channel for the right content and are focused on building a relationship with her on a daily basis using our brand values. We aim to be the fashion brand with the most engaged and loyal members. To build loyalty we'll use our customer relationship marketing (CRM) tool 'My Hunkemöller'. We already have over 4 million members and we use the information we gain from this programme to

really understand our customer and create personal and relevant communications. We're focused on developing new technology in our app, e-mail platform and data management. This will help us to enhance the overall customer experience, improve interaction, be able to predict what our Shero may want to buy and give her better recommendations. Ultimately, this will drive sales, encourage her to shop more frequently and share her positive experiences with friends, family and her social networks.

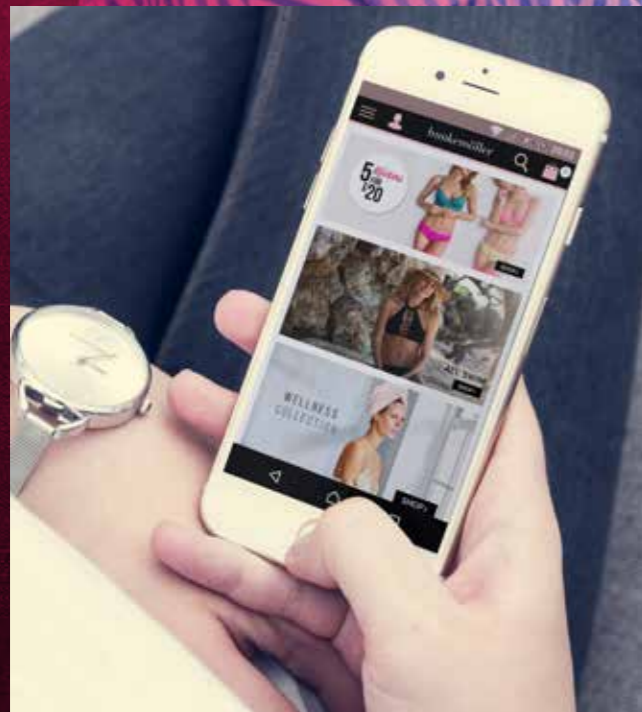


*Social posts from our Ambassadors*



# AN EVER-CHANGING OMNI-CHANNEL BUSINESS

We really want our Shero to be able to shop everything, everywhere and every way. We want to create a seamless Omni-channel experience so she can shop in-store or online and have access to our entire collection. We've activated key services such as Order in Store, Click and Collect, Click and Reserve and Return to Store to make it as easy as possible for our Shero to shop easily across all of our channels.



To take our Omni-channel business to the next level, we're investing in new technology. The aims here are simple; to optimise our mobile platform, to ensure we offer the same customer experience across channels and to reach more customers.

We know that mobile shopping now accounts for 80% of our traffic so we want our customers to be able to experience the full brand offer on these devices. Our plan is to enable our mobile platform to be available in all regions whilst enhancing elements such as personalisation and recommendations.

We're also planning to introduce next day delivery to our biggest markets of the Netherlands and Germany and will generally speed up our delivery times in our other markets. We'll also give our store staff the ability to place orders via their tablets on behalf of the customer, so that our Shero can get what she wants, when she wants it.

*We'll give our store staff the ability to place orders via their tablets on behalf of the customer, so that our Shero can get what she wants, when she wants it*



We plan to grow our Omni-channel business from the current €59 million to nearly €160 million in 2021. Alongside our plans for improvements in our current markets, we'll also extend our online offer to more locations. We'll set up 'own websites' in Norway, Luxembourg and Italy but will also use concessions and wholesale to extend our online reach. In addition to our current partners, we'll also work with ASOS, Amazon and Zalora. To enter the Chinese market, we'll also set up a partnership with Alibaba. Finally, we know that we have a huge opportunity to extend our online brand globally with our existing International Franchise partners and will work with them to set up platforms in these countries, where we already have an existing presence.



# THE FUTURE FOR OUR PEOPLE

We want to be a much loved global and social brand by 2021. What will it look like? A place where people love to work, are proud of the brand and where we create true brand ambassadors. Working in a passionate, energetic, design led and performance driven environment where our Shero sits at the heart of everything we do regardless of the role in the organisation.

The success of our strategy is very much tied to our people. We want to attract the best people, train them to offer the ultimate in World Class Service, empower and grow teams, make our staff proud to work for Hunkemöller and recommend us as a great place to work. We also need to be able get a clear overview of all our staffing requirements, procedures and be efficient in how we manage our processes and compliance.

In order to grow our business in line with our strategy, we'll need to attract the right people. People that have the right profile for our brand and who already know and love us. As a social brand, we're also looking for people who are comfortable with social media and as such video recruitment, will continue to be a key part of our selection process. With the volume of applicants, we're likely to receive, we also need to be as efficient as possible in dealing, at the same time remembering that potential candidates are often also customers.



*We want to attract the best people, train them to offer the ultimate in World Class Service, empower and grow teams, and make our staff proud to work for Hunkemöller*



We're passionate about delivering service to our customers that truly exceeds their expectations. At the heart of this is World Class Service and delivering this consistently.

To realise this on a practical level, it's vital that our training is therefore also consistent and online access is essential. Alongside this, our network of global trainers will support our teams in-store with training processes and certification.

To become a much-loved brand and great place to work, we need to foster an empowering leadership style focused on growing and rewarding individuals and teams. We'll generate a talent pipeline to cater for the expansion plans and retain our talent. Retail talent programs and mentoring high potentials to grow capabilities will nurture high potentials and grow our leaders of the future.

We want to be recognised as a great place to work and our measure of success here is that 65% of our employees recommend us. It's important that our employees 'walk the walk' and 'talk the talk' and we want them to feel fit, happy and have fun at work.

We'll establish a central HR intelligence system so that we can access our data on a global scale. This will help us to make informed decisions and also to streamline processes such as payroll, performance management and the identification of new talent.



# WHAT'S IN PLACE TO SUPPORT OUR GROWTH



Alongside our vision to have inspiring stores, passionate people, a seamless customer journey and sexy fashionable products and to further support our strategy to have a business designed for our Shero, we also have plans in place in other areas to enable our growth in other areas.

## TRANSFORMING MERCHANDISING, SUPPLY AND DISTRIBUTION

For 2021, we've set ourselves a target of growing our net margin by €8 million. We're transforming our merchandising and supply chain to focus on our customer and support our growing Omni-channel and international business.

We'll be looking to continually make improvements in our assortment, as well as our space, option and size planning to ensure our customer can get what she wants, when she wants it. We'll also focus on controlling our stock inventory, improving our store grading and clustering and using the data we have at our fingertips to target our stock to the right places. Alongside this we'll develop a best in class allocation system to deliver higher price sell-through and a reduction in mark downs.

As our business grows, our distribution and logistics needs will grow too, so to support this, by 2019, we'll have a new distribution facility in place that can accommodate the additional storage and handling requirements. The aim here is to have one central pool of stock that can service the needs of all our channels and operate with a greater level of automation and efficiency.

## DESIGNING I.T. FOR GROWTH

To support our growing business, we have some clear goals for our I.T. operations. We're investing here to optimise the technical operations of our stores and Head Offices. New technology will be key to improving the service we can offer our customer, so we're looking at our order management systems to give customers and stores an accurate and complete view of the availability and whereabouts of our stock. We're also investing in mobile payment systems so that our store teams can offer our customer a much faster checkout and cut down on waiting times.

As the digital world evolves, it brings new challenges so as part of our restructure of the I.T. operations, we'll recruit new talent with expertise in cyber security, data and sourcing.





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