INVESTOR DAY PRESENTATIONS

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Esprit Holdings Limited (the “Company”) will be hosting an Investor Day in Hong Kong on Monday, 26 November 2018 to present its strategic plan going forward. Presentations will be made by senior management scheduled to commence on Monday, 26 November 2018 at 10:30 am Hong Kong time and will provide details of initiatives defined under the strategy plan, including:

- Sharpen our brand identity and put the customer at the center of everything we do;
- Improve product offering and how it relates to our consumer and brand positioning;
- Reduce complexity and improve accountability in the organization by becoming a leaner organization; and
- Eliminate loss-making parts of the business to build a stronger foundation for the future

Financial Outlook

The Company is maintaining its financial outlook for financial year ending 30 June 2019 (“FY18/19”) that was disclosed in the annual results announcement on 18 September 2018, and management will be discussing the Company’s medium-term financial outlook. Details of the outlook are summarized in the slides below. Figures are expressed in local currency terms (“LCY”) and exclude one-off restructuring costs unless otherwise specified.
TWO PHASED APPROACH: REDUCE LOSSES AND BUILD STRONG BASE, THEN GROW TOP LINE

Set the base and secure bottom line

2-3 years

Benefit from profitable top-line growth

3-5 years

Restructuring

- Stores
- HQ
- Tools

• Eliminate loss making stores
• Reduce complexity and right size the organization
• Facilitate investment in future growth as well as simple, fast and digitalized operating processes
• Break even expected in 2-3 years

Future Business model

- Product
- Brand
- Store experience
- Digital experience

• Benefit from re-positioned brand and target customer focus
• Benefit from leverage effect driven by a lean / simple organization
• Target EBIT margin of 5%-7% starting year 5

Reduce losses and build a strong base

Benefit from top-line driven turnaround

FY18/19 OUTLOOK (INCLUDING EXCEPTIONAL ITEMS)

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td>REVENUE</td>
<td>Low double-digit % yoy decline due to a combination of i) continue rationalization of distribution footprint; and ii) decline in customers' traffic although at a slightly lower rate than last year</td>
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<tr>
<td>GP MARGIN</td>
<td>Stable level as pressure from lower proportion of retail revenue is expected to be offset by benefits arising from measures to reduce markdowns and promotions</td>
</tr>
<tr>
<td>REGULAR OPEX</td>
<td>Mid single-digit % yoy reduction mainly driven by ongoing rightsizing of retail footprint, including closure of heavily loss making retail stores and the divestment of Australia and New Zealand</td>
</tr>
<tr>
<td>EXCEPTIONAL ITEMS</td>
<td>HK$1.5-1.7 billion one-off costs to restructure the organization and accelerate the closure of loss making stores, in order to significantly reduce our cost base. The benefits are expected to be fully realized over the next 2-3 years.</td>
</tr>
<tr>
<td>CAPEX</td>
<td>Slightly lower than previous year</td>
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Slightly lower than previous year
Overall, the first two fiscal years are characterized by the transformation effort to build a leaner organization and resizing the retail store footprint, which will result in decline in revenue. After these initial two years of transformation, as full impact from product and brand initiatives are in place, the Company expects revenue to grow at a compounded annual growth rate of mid to high single digit % in LCY from FY19/20 to FY23/24.

In terms of underlying operating profit (EBIT), the Company expects to achieve breakeven in 2 to 3 years’ time. Thereafter, operating EBIT margin over sales is expected to expand gradually to mid-single digit % by FY22/23 in LCY.

In addition, capital expenditure is expected to remain at a stable level with an average of approximately HK$200 million per annum over the next five financial years.

### One-off Restructuring Costs

The Company’s Board of Directors approved a restructuring plan associated with the Company’s strategic objective i) to reduce complexity and improve accountability in the organization by becoming a leaner organization, and ii) eliminate loss-making parts of the business to build a stronger foundation for the future. The Company expects to incur one-off restructuring costs of approximately HK$1.5 billion to HK$1.7 billion in connection with the restructuring plan, associated with activities primarily related to the rightsizing and consolidation of its global distribution network, including corporate offices. These charges are

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<tr>
<th><strong>MEDIUM TERM OUTLOOK FY23/24</strong></th>
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<tr>
<td><strong>REVENUE</strong></td>
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<tr>
<td>• Aim to return to revenue growth in FY20/21</td>
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<td>• Achieve compounded annual growth rate of mid-to-high single digit % from FY19/20 to FY23/24, mainly driven by productivity uplift</td>
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<tr>
<td><strong>GP MARGIN</strong></td>
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<td>• Stable level as pressure from investment in quality and lower proportion of retail revenue are expected to be offset by benefits arising from closure of underperforming retail stores as well as better sell through of new products</td>
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<tr>
<td><strong>REGULAR OPEX</strong></td>
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<td>• Target annualized expense savings of HK$2 billion effective FY19/20 mainly from restructuring of organization and targeted closure of loss making stores</td>
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<td>• Reduction of OPEX-to-sales ratio to be approximately 45% by FY23/24</td>
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<td><strong>EBIT</strong></td>
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<td>• Breakeven in 2-3 years time</td>
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<td>• Gradual improvement to 5%-7% by FY22/23</td>
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<tr>
<td><strong>CAPEX</strong></td>
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<td>• Average of approximately HK$200 million per annum</td>
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expected to be substantially recognized by the end of FY18/19. The Company expects this restructuring plan to result in approximately HK$2 billion of gross annualized expense savings.

**Live webcast**

The Investor Day will be webcast live on the Company’s investor relations website at www.espritholdings.com from 10:30 am to 1:00 pm Hong Kong time, and will be archived on the website for approximately one year. All presentation materials will be accessible at the same location following the event.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Florence Ng Wai Yin
Company Secretary

Hong Kong, 23 November 2018

As at the date of this announcement, the Board comprises (i) Dr Raymond Or Ching Fai (Executive Chairman), Mr Anders Christian Kristiansen (Group Chief Executive Officer), and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Mr Paul Cheng Ming Fun (Deputy Chairman), Dr José Maria Castellano Rios, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.

**Forward-looking statements**

All statements in this announcement other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “aim”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “projection”, “outlook” or similar expressions and the negative thereof. Forward-looking statements in this announcement include, without limitation, statements in respect of the Group’s business strategies, product offerings, brand position, distribution footprint, competition, financial prospect, performance, liquidity, capital resources and the Strategy Plan, as well as statements regarding its ability to restructure and reduce costs.

The forward-looking statements in this announcement are prepared based on management’s present expectations, plans and estimates about future events, which are difficult to predict, and undue reliance should not be placed on them. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied by forward-looking statements. Although the Company believes that their expectations reflected in, or suggested by, the forward-looking statements are reasonable, there can be no assurance that these expectations could be realized. The Company assumes no obligation, and expressly disclaims any duty to revise or update any forward-looking statements, even though the Esprit Group’s situation may change in the future. All forward-looking statements contained in this announcement are expressly qualified by these cautionary statements.