

# Billabong International Limited BBG

Formerly: No name changes.

<b>Mkt Cap \$Mil</b>	<b>Style Box™</b>	<b>Close Price \$</b>	<b>Shares Issued Mil</b>	<b>Morningstar Sector</b>	<b>Morningstar Industry</b>	<b>GICS Industry Group</b>
\$207		1.05 (26-Apr-2018)	198.08	Consumer Cyclical	Apparel Manufacturing	Consumer Durables & Apparel

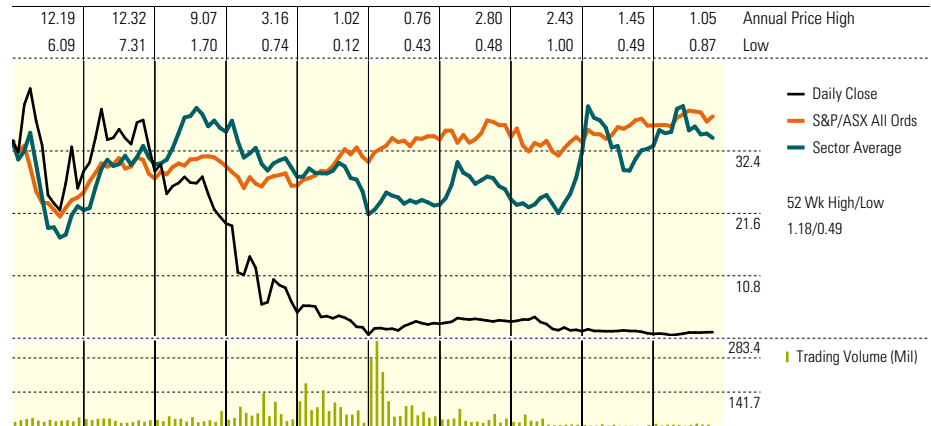
## Business Summary as at 22 Jan 2018

Billabong International Limited (BBG) is involved in the marketing, distribution, wholesaling and retailing of apparel, accessories, eyewear, wetsuits and hardgoods in the boardsports sector. BBG's products are licensed and distributed in more than 100 countries and are available in approximately 10,000 doors worldwide. The Group operates 407 retail stores as at 30 June 2016 in regions/countries around the world including but not limited to: North America (55 stores), Europe (104 stores), Australia (127 stores), New Zealand (29 stores), Japan (47 stores) and South Africa (28 stores).

**Brands:** BBG's operates under the following brands The Group's brands at year-end included Billabong, Element, RVCA, Kustom, Palmers, Honolulu, Xcel, Tigerlily, and Von Zipper.

**Operation:** BBG comprises of both wholesale and retail operations. The retail business comprises a mix of multi branded stores selling product from many of the boardsport sector's leading brands, along with singlebranded stores operating under banners, outlet stores to support the self-liquidation of end-of-season stock and various shop-in-shop concepts in areas where there is an underdeveloped specialty store distribution channel.

On February 2017, the Group announced it was selling the Tigerlily Business to simply its brand portfolio used to retire its debt



	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	06-17	04-18*	Performance
	-10.63	3.00	-28.20	-76.39	-86.06	301.66	14.98	-57.92	-38.87	-6.30	Total Return %
	11.51	-10.77	-40.36	-69.37	-106.73	284.02	9.31	-59.92	-53.16	—	+/- Market
	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	06-17	Current	Valuation
	12.21	15.12	12.79	9.25	-3.82	-4.67	26.26	-14.05	-0.59	—	Price/Earnings
	12.51	14.46	14.43	13.42	15.35	16.26	15.46	17.01	16.53	17.10	Market P/E
	0.35	0.45	0.27	0.05	0.01	0.07	0.11	0.22	0.15	0.21	Price/Sales
	1.86	1.80	1.26	0.43	0.27	1.90	2.02	0.92	0.84	1.18	Price/Book
	10.20	11.33	9.71	6.43	1.07	6.28	9.93	4.69	-1.25	-1.76	Price/Cash Flow
	2189	2193	1512	439	71	493	568	239	147	207	Market Cap \$Mil
	5.14	4.12	4.83	2.79	0.00	0.00	0.00	0.00	0.00	—	Dividend Yield%
	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	06-17		Financials
	1670	1483	1684	1440	1341	1121	1052	1100	978	—	Operating Revenue \$Mil
	17.37	17.62	12.15	5.45	5.76	8.65	6.58	5.52	-18.24	—	EBITDA Margin %
	252	226	163	34	35	62	40	32	-202	—	EBIT \$Mil
	15.09	15.22	9.66	2.35	2.64	5.50	3.82	2.94	-20.69	—	EBIT Margin %
	159	146	119	35	-20	-88	22	-17	-249	—	NPAT Before Abs \$Mil
	153	146	119	-276	-860	-234	4	-24	-77	—	Reported Net Profit \$Mil
	236.84	190.98	155.29	48.26	-16.34	-53.57	10.93	-8.61	-126.15	—	Earnings Per Share ¢
	221	250	251	303	497	818	988	198	198	—	Shares Mil
	15.55	16.02	15.67	10.46	2.38	1.37	1.43	1.31	0.88	—	Book Value Per Share \$
	176	187	24	79	12	-77	-15	-22	9	—	Oper Cash Flow \$Mil
	-72	-56	-52	-56	-40	-25	-28	-38	-21	—	Cap Spending \$Mil
	88	190	49	203	15	132	24	-34	-133	—	Free Cash Flow \$Mil
	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	06-17		Profitability
	8.40	7.40	6.02	3.07	-0.09	-3.93	5.67	1.70	-38.54	—	Return on Assets %
	13.55	12.00	9.98	3.43	-7.19	-32.47	7.67	-6.57	-142.31	—	Return on Equity %
	9.55	9.84	7.08	2.45	-1.46	-7.82	2.05	-1.55	-25.51	—	Net Margin %
	75.22	67.10	69.58	69.24	132.46	149.12	130.83	147.86	169.12	—	Asset Turnover %
	188.67	181.53	202.20	202.47	379.20	290.26	285.52	287.03	329.90	—	Financial Leverage %
	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	06-17		Financial Health
	389	336	390	199	211	132	138	186	180	—	Working Capital \$Mil
	548	405	598	249	6	212	260	266	216	—	Long-Term Debt \$Mil
	1177	1218	1197	1027	267	259	282	259	175	—	Total Equity \$Mil
	19.11	17.80	39.13	15.66	77.37	28.69	40.32	71.43	84.79	—	Net Debt/Equity %

### Key Dates

Fiscal Year End	30/06/18	Listing Date	11/08/2000
AGM	21/11/2017	DRIP	Active

### Dividend History

	Interim	Final
Dividend Ex Date	2012-03-13	2011-09-19
Dividend Pay Date	2012-04-19	2011-10-21
DPS ¢	3.00	13.00
Franking %	0	25

\*Represents financial year to date - the day after last financial year to a day before publication date.

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## Corporate Details

Address	1 Billabong Pl Burleigh Heads QLD 4220
Telephone	+61 7 5589 9899
Website	www.billabongbiz.com
Auditor	PricewaterhouseCoopers
Sign-off Partner	Kristin Stubbins
Investor Relations	—
Register Name	Computershare Investor Services
Registry Website	www.computershare.com.au
Registry Telephone	+61 7 3237 2100
Overseas Exchange	—

## Directors

Chairman	Mr Ian Alfred Pollard
MD/CEO	Mr Neil Fiske
Executive Directors	—
Non-Exec Directors	Ms Kim Anderson Mr Gordon Stanley Merchant Mr Howard Leonard Mowlem Mr Elliott Weinstein

## Management

Jean-Louis Rodrigues (General Manager)
Jim Howell (Chief Financial Officer (CFO))
Joanna Brand (Company Secretary, General Counsel)
Kevin Meehan (Global General Manager RVCA)
Michael Yerkes (Senior Vice President, Global Operations)
Paul Burdekin (General Manager (GM))
Peter Myers (Chief Financial Officer (CFO))
Tracey Wood (International General Counsel, Company Secretary)

## Substantial Shareholders

OCM Clean Wave Holdings B.V.	19.2 %
CCP II Dutch Acquisition E B.V.	19.2 %
Gordon Stanley Merchant & Gordon Merchant No. 2 Pty Ltd	12.8 %
Ryder Investment Management Pty Ltd	10.3 %
Adam Smith Asset Management	5.1 %

## Operational History

**10 April 2018** - Billabong Intl reported net loss of \$18.4m for the half-year ended 31 December 2017. Revenue from ordinary activities were \$479.57m, down 6.98% from last year. Basic and Diluted EPS were (9.3) cents compared to (8.1) cents last year. Net operating cash flow was \$33m compared to \$27.31m last year. No dividend was declared.

**09 April 2018** - The securities of Billabong International will be suspended from quotation at the close of trading on 9 April 2018 in accordance with Listing Rule 17.2, following lodgement of the Federal Court of Australia orders with the Australian Securities and Investments Commission approving the scheme of arrangement by which Boardriders, will acquire all of the issued shares in the Company.

**09 April 2018** - Billabong International confirmed that an office copy of the orders made by the Federal Court of Australia (Court) on 6 April 2018 approving the scheme of arrangement (Scheme) under which a subsidiary of Boardriders will acquire all of its issued shares, other than those owned by Boardriders related entities, was lodged with the Australia Securities and Investments Commission (ASIC). It will be applying for its shares to be suspended from trading on the Australian Securities Exchange at the close of trade. As the Scheme is legally effective, the Company's shareholders who hold shares at the Scheme Record Date, expected to be on 16 April 2018, will receive a cash payment of A\$1.05 per Company's share on the Implementation Date, which is expected to be on 24 April 2018.

**06 April 2018** - Billabong International announced that the Federal Court of Australia has made orders approving the scheme of arrangement between the Company and its shareholders (Scheme). The Scheme, if implemented, will result in a subsidiary of Boardriders, Inc. (Boardriders) acquiring all of the Company's issued shares, other than those owned by Boardriders' related entities. The Company updated that if the Scheme becomes effective then the Company's shareholders will receive a cash payment of A\$1.05 per share on the Implementation Date, which is expected to be 24 April 2018. The Record Date of the Scheme is expected to be 16 April 2018.

**28 March 2018** - Billabong International announced that the Scheme Meeting held on 28 March 2018, the shareholders approved by the requisite majorities the scheme of arrangement under which a subsidiary of Boardriders, will acquire all of the shares of the Company. The Company also advised that shortly prior to the Scheme Meeting, the Company and Boardriders entered into a deed which amends the terms of the Scheme Implementation Deed between the parties, the

effect of which is to increase the Scheme Consideration payable by Boardriders from \$1.00 to \$1.05 per share. Accordingly, when the Company returns to the Court to seek approval of the Scheme, it will also seek approval from the Court to amend the terms of the Scheme to reflect the increased consideration from \$1.00 to \$1.05 per share.

**28 March 2018** - Billabong International provided Chairman's address stating that the Company announced that it had entered a Scheme Implementation Deed with Boardriders under which Boardriders agreed to acquire all the shares at a price of \$1.00 per share. Boardriders is controlled by funds managed by Oaktree Capital Management. Oaktree already holds 19.3% of the Company's Shares and is one of the Company's two senior lenders. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Shareholders, in the absence of a Superior Proposal. The Independent Expert has assessed the full underlying value of the Company at between \$0.96 and \$1.20 per share. The cash consideration under the Scheme of \$1.00 per Share is within that value range.

**28 March 2018** - The securities of Billabong International will be placed in trading halt session state at the request of the Company, until the earlier of the commencement of normal trading on 3 April 2018 or when the announcement is released to the market.

**23 February 2018** - Billabong International provided half year results. EBITDA for the half was \$19.3m, compared with \$23.9m the pcp, down 19.1% as reported and 15.9% in constant currency. Gross margins were up 100 basis points to 52% and were up in every region, marking continued progress in global sourcing and concept-to-customer initiatives. The Company reported a Net Loss After Tax of \$18.4m. The Company confirms the guidance provided in early January 2018 that it expects the Group's FY 2018 EBITDA to exceed the prior year, to be in a range between \$51.1m and \$54m, subject to reasonable trading conditions and currency markets remaining relatively stable.