

# Naked Brand Group Limited

Recommendation [as of February 01, 2021]:

**Risk Evaluation:** HIGH **Price:** 1.420 (Feb 01, 2021 close) **Trading Currency:** USD **Country:** New Zealand

**GICS Sector:** Consumer Discretionary

**Sector Ranking:** overweight

**SPGMI's Quality Ranking:** NR

**GICS Industry:** Apparel, Accessories & Luxury Goods

**Business Summary:** Naked Brand Group Limited designs, distributes, wholesales, and retails women's and men's intimate apparel, and women's swimwear. The company offers its products under the Pleasure State, Davenport, Lovable, Bendon, Fayreform, Naked, VaVoom, Evollove, and Hickory brands, as well as through licenced brands, contd...

**Quantitative Model Drivers** [as of February 01, 2021]

Recommendation:

**Valuation** NA

**Quality** NA

**Growth** NA

**Financial Health** NA

**Street Sentiment** NA

**Price Momentum** Negative
**Price Performance**

NO CHART CREATED

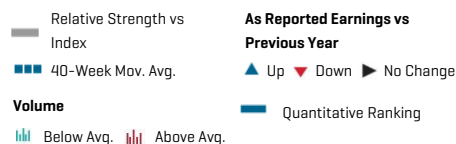
**Risk Evaluation :** HIGH

Asset/Market Size Risk High

Financial Leverage Risk High

Price Volatility Risk High

Liquidity Risk High



Total Return[%CAGR]	YTD	1Yr	3Yr	5Yr
NasdaqCM:NAKD	408812492178.6	78.6	.0	.0
Peer Average	401300.7	18.0	-13.4	-8.7
S&P 500		-10.9	17.2	11.7

 Quantitative Rankings: SB = Strong Buy, H = Hold, SS = Strong Sell  
 Past performance is not an indication of future performance and should not be relied upon as such.  
 Source: CFRA, S&P Global Market Intelligence [SPGMI]

**Model Ranking Commentary**

- NasdaqCM: NAKD's NA recommendation is based on its score from CFRA's quantitative model for the United States.
- NasdaqCM: NAKD's overall score ranked in the 0th percentile of all stocks in the model universe [1 = best and 100 = worst].

**Key Statistics**

Market Cap [Mln of USD]	59.11
52-Wk Range [USD]	0.0661 - 3.4000
Value of - 10K Invested 5 Yrs ago	NA
Beta vs S&P 500	NA
Common Shares Outstanding[Mln]	41.6
Average Daily Volume [Mln]	213.638
Insider Ownership[%]	NA

**Compound Annual Growth Rates**

Revenue - %CAGR	1Yr	3Yr	5Yr
Company	-15.1	-19.3	-8.3
Peer Average	-19.6	-4.4	-0.5
S&P 500	-4.2	3.0	3.5

**Operating EPS - %CAGR**

Company	-95.4	-67.0	
Peer Average	91.9	-16.6	15.2
S&P 500	-29.5	-3.9	2.3

**Dividend Data**

Currency: USD

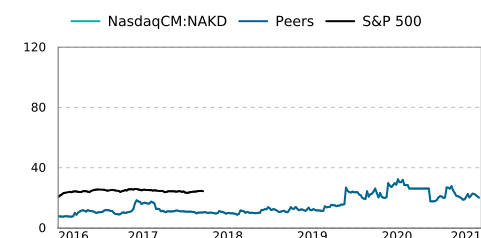
	5Yr Low	5Yr Hi
Indicated Rate/Share		
Yield [%]	Nil	
Payout Ratio [%]	NM	NM

**Payment Details**

-No Dividend Data Available

**5 year P/E Ratio Comparisons** [trailing 12-month Diluted EPS values]

Current	
NasdaqCM:NAKD	-0.3
Peer Average	16.8
S&P 500	38.9
5-Year Average	
NasdaqCM:NAKD	NA
Peer Average	16.7
S&P 500	24.5





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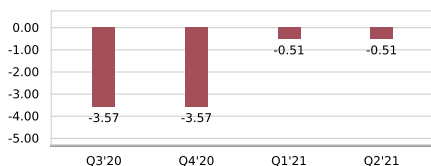
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## EPS Per Share and Revenues [Millions USD, except per share]

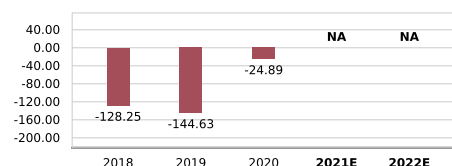
Fiscal year ends Jan 31

### EPS Quarterly - Actual & Estimated



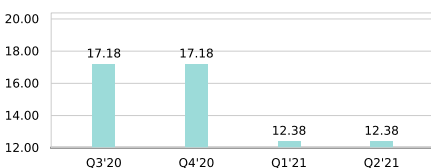
	Q3'20	Q3'20	Q4'20	Q1'21	Q2'21
%Yr.-Yr. Chg.	87.9	87.9	87.9	97.3	97.3

### EPS Annual - Actual & Estimated



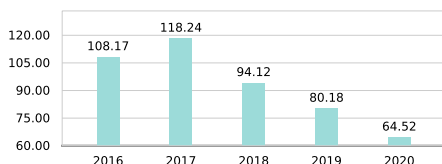
	2018	2019	2020	2021E	2022E
%Yr.-Yr. Chg.	-26.8	-12.8	82.8	NA2	NA2
No. of Analysts	NA	NA	NA	NA	NA

### Revenues Quarterly - Actual & Estimated



	Q3'20	Q3'20	Q4'20	Q1'21	Q2'21
%Yr.-Yr. Chg.	-13	-13	-13	-17.9	-17.9

### Revenues Annual - Actual & Estimated



	2016	2017	2018	2019	2020
%Yr.-Yr. Chg.	8.8	9.3	-20.4	-14.8	-19.5

## Key Profitability Ratios

	2016	2017	2018	2019	2020	LTM
% Operating Margin	1.3	-3.5	-20.3	-26.3	-29.3	-25.8
Peer Average	4.8	-740.1	1.9	0.9	1.1	-741.7
% Net Margin	-13.7	-16.6	-28.6	-44.0	-60.3	-53.3
Peer Average	2.6	-742.3	0.1	-4.2	-3.9	-744.1
% Return on Capital	2.1	NA	-31.0	-44.3	-35.2	-21.8
Peer Average	9.4	4.8	3.0	1.6	3.3	-0.4
% Cash Flow to Sales	-3.3	-14.0	-3.1	-8.4	-22.1	NA
Peer Average	5.0	-637.3	0.9	3.6	1.6	NA

## Key Valuation Ratios

Source: S&P Global Market Intelligence

Note: EPS & Revenues in graphs above may represent analyst-adjusted actuals and estimates and therefore may not match numbers in the financial data presentation below.

## Income Statement, Cash Flow and Balance Sheet Data [Millions NZD, except per share]

Fiscal Year Ending: Jan. 31 .

	2014	2015	2016	2017*	2018	2019	2020
Revenue	NA	139	151	165	131	112	90
Operating Income	NA	-1.0	2.0	-5.8	-26.7	-29.4	-26.3
Net Income	NA	-13.1	-20.7	-27.4	-37.6	-49.2	-54.3
Operating Cash Flow	NA	-17.2	-5.0	-23.2	-4.1	-9.4	-19.9
Capital Expenditures	NA	4.70	2.70	1.24	2.19	2.58	1.29
Earnings Per Share	NA	Nil	-113.09	-141.16	-179.03	-201.90	-34.74
Dividends Per Share	NA	NA	NA	NA	NA	NA	NA
Dividend Payout Ratio	NA	Nil	Nil	Nil	Nil	Nil	Nil
Free Cash Flow Per Share	NA	NA	-44.80	-128.91	-30.61	-49.92	-12.98
Cash and Short Term Investments	NA	1.25	4.19	2.64	10.74	1.96	3.79
Long Term Debt	NA	NA	16.0	NA	NA	NA	19.7
Total Debt	NA	56.3	77.6	69.0	53.5	24.7	64.7
Common Equity	NA	2.84	-17.88	-9.04	-5.71	10.52	-6.28

\* Prior to 2017, fiscal year ended Jun.30.

Note: Data may be restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends as of ex-dividend date.

NA = Not Available. NM = Not Meaningful.

Source: S&P Global Market Intelligence (SPGMI)



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### Peer Group Comparison

Peer Group	Stock Symbol	Stk.Mkt.Cap [Mln USD]	Beta	Recent Stock		52 Week Low/High[USD]	Dividend Yield[%]	Fwrdr P/E	P/B Ratio	Ranking <sup>1</sup>	Return On Revenue[%]	Return On Equity[%]	LTD to Cap[%]
				Price[USD]									
Naked Brand Group Limited	NasdaqCM:NAKD	59.11	NA	1.42		0.07/1.65	Nil	NA	NM	NA	-38.2	NM	46.2
Castle Peak Holdings Public Company Limited	SET:CPH	4.27	NA	0.11		0.06/0.13	Nil	NA	0.0	NA	-10.6	-19.7	1.1
China Partytime Culture Holdings Limited	SEHK:1532	17.02	0.74	0.02		0.01/0.03	Nil	0.2	0.1	Strong Sell	-29.8	-18.6	-
Far East Knitting & Dyeing Industries Limited	DSE:FEKDIL	24.23	NA	0.11		0.09/0.16	Nil	NA	0.0	NA	1.9	1.8	7.4
Greatime International Holdings Limited	SEHK:844	24.55	0.48	0.05		0.04/0.08	Nil	NA	0.1	Strong Sell	-2.8	-3.6	0.2
HYUNGJI INNOVATION & CREATIVE Co.,Ltd	KOSDAQ:A011080	61.64	0.12	1.58		0.28/1.87	Nil	0.0	0.0	Buy	-2.2	-	6.8
Monnari Trade S.A.	WSE:MON	13.53	NA	0.52		0.37/0.75	Nil	1.2	0.1	NA	-2.9	-4.0	7.9
Speed Apparel Holding Limited	SEHK:3860	32.25	NA	0.06		0.06/0.08	Nil	NA	0.3	Sell	1.4	4.8	0.4
Sterling Group Holdings Limited	SEHK:1825	16.41	NA	0.02		0.01/0.02	Nil	NA	0.4	Sell	-9.0	-48.9	7.9
Tungtex (Holdings) Company Limited	SEHK:518	23.56	-0.43	0.05		0.05/0.09	Nil	0.6	0.1	Hold	24.7	36.9	1.5

<sup>1</sup> Quantitative Rankings : Strong Buy , Buy , Hold , Sell , Strong Sell ; Qualitative Rankings(STARS) : 5 = Strong Buy , 4 = Buy , 3 = Hold , 2 = Sell , 1 = Strong Sell

Rankings are not predictive of future performance. For full definitions of Rankings, see the glossary section of this report.

Note: Peer Group selection is performed using CFRA's proprietary peer ranking system. Peers are selected based on factors such as similarity of analyst coverage, industry, size, and region. The subject company is ranked against a universe of companies [ the "Universe" ] which has been compiled by CFRA and consists of a list of companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business. The subject company and some of the companies in the Peer Group may be ranked by two different ranking systems. For the purpose of the overall ranking/recommendation, the subject company is ranked against all the companies in the Universe and not necessarily against the companies listed in the Peer Group.



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### Business Summary

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### Key Developments

Jan-27-2021	<b>Follow-on Equity Offerings</b>	Naked Brand Group Limited has filed a Follow-on Equity Offering in the amount of \$50.0055 million.
Jan-21-2021	<b>Executive Changes - CEO</b>	Naked Brand Group Limited Announces Executive Changes
Jan-21-2021	<b>M&amp;A Transaction Announcements</b>	A group of entities controlled by Justin Davis-Rice and Anna Johnson entered into a non-binding letter of intent to acquire Bendon Limited from Naked Brand Group Limited [NasdaqCM:NAKD].
Nov-27-2020	<b>Delistings</b>	Naked Brand Group Limited Receives 180-Day Extension by Nasdaq to Regain Compliance with Minimum Bid Price Rule
Nov-04-2020	<b>Announcements of Earnings</b>	Naked Brand Group Limited Reports Consolidated Earnings Results for the Six Months Ended July 31, 2020
Oct-26-2020	<b>Follow-on Equity Offerings</b>	Naked Brand Group Limited has filed a Follow-on Equity Offering in the amount of \$50 million.
Oct-06-2020	<b>Delistings</b>	Naked Brand Group Limited Regains Compliance with Nasdaq Minimum Stockholder's Equity
Aug-28-2020	<b>Annual General Meeting</b>	Naked Brand Group Limited, Annual General Meeting, Aug 28, 2020
Aug-20-2020	<b>Follow-on Equity Offerings</b>	Naked Brand Group Limited has filed a Follow-on Equity Offering in the amount of \$5 million.
Jul-24-2020	<b>Private Placements</b>	Naked Brand Group Limited announced that it has received \$8 million in funding from Iliad Management, LLC
May-08-2020	<b>Announcements of Earnings</b>	Naked Brand Group Limited Reports Consolidated Earnings Results for the Year Ended January 31, 2020
Apr-16-2020	<b>Private Placements</b>	Naked Brand Group Limited announced that it has received \$0.75 million in funding from St. George Investments, LLC
Apr-15-2020	<b>Private Placements</b>	Naked Brand Group Limited announced that it expects to receive \$0.75 million in funding from St. George Investments, LLC
Mar-11-2020	<b>Delistings</b>	Naked Brand Group Receives Nasdaq Non-Compliance Notice
Feb-12-2020	<b>Private Placements</b>	Naked Brand Group Limited announced that it has received \$3.02 million in funding from St. George Investments, LLC
Feb-11-2020	<b>Private Placements</b>	Naked Brand Group Limited announced that it expects to receive \$3.02 million in funding from St. George Investments, LLC

### Corporate Information

#### Office

8 Airpark Drive  
Airport Oaks  
Auckland  
2022  
New Zealand

#### Telephone

64 9 275 0000

#### Web Site

www.nakedbrands.com

#### Key Officers

Vice President of Operations & Strategy  
D. Anderson  
Chief Financial Officer  
C. Durose  
General Manager of Technology & Transformation  
C. Edirisuriya  
Chairman of the Board & CEO  
J. A. Davis-Rice  
Chief Executive Officer of Bendon Limited  
A. Johnson

#### Board Members

A. Shape, J. A. Davis-Rice, K. Fitzalan, S. Tripp

#### Country of Incorporation

Australia

#### Employees

375

## Glossary

### Quantitative Model Overall Recommendation and drivers of the recommendation

CFRA's global quantitative stock reports provide a 5-tier recommendation assigning a Strong Buy, Buy, Hold, Sell, or Strong Sell recommendation based on a series of quantitative inputs from four separate regional models:

- United States
- Canada
- Developed Europe
- Developed Asia excluding Japan

Each of these regional models is based on between 25 and 40 different investment factors (financial ratios), selected from S&P Global Market Intelligence's Alpha Factor Library.

To provide its recommendation, CFRA ranks a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed.

Within these categories, factors are chosen based on their historical predictive strength [alpha] within the region and their correlation with other factors. Each regional model contains two separate sub-models; one that uses factors specific to financial companies and one that focuses on non-financial companies. Due to the large number of banks in the U.S., the U.S. model also has a third sub-model specifically for banks.

Each company within a region is grouped with a universe of stocks and receives a score on each of the five (or six in the U.S.) model categories. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five [six] model category scores are then weighted and rolled up into a single percentile ranking for that company. Rankings are then assigned investment labels, as follows:

**Strong Buy:** top 10% by model score

**Buy:** next 20%

**Hold:** next 40%

**Sell:** next 20%

**Strong Sell:** bottom 10%

### Risk Evaluation

Risk Evaluation is a relative ranking, which represents an assessment of the risk of investing in a company's stock relative to the risk of investing in other companies' stocks in the same universe. To perform this assessment the following risk categories are evaluated:

Asset/Market Size Risk  
Financial Leverage Risk  
Price Volatility Risk  
Liquidity Risk

Each company's stock is percentile ranked from 1 to 100 against the other companies within the universe on each of the four risk categories mentioned above, with 1 being low risk and 100 being

high risk. The overall risk evaluation represents the combined scores on these Risk categories, calculated as an equal-weighted average of percentile ranks of the 4 risk categories. The highest 40% of companies in each universe receive a high risk ranking, the next 35% receive a moderate risk ranking and, the lowest 25% receive a low risk ranking.

All investments carry some sort of risk and a low risk ranking represents a relative ranking of CFRA's assessment of the risk of investing in a company's stock versus the risk of investing in other companies that are part of that company's universe. Therefore, a low risk ranking should not be interpreted as an absolute risk evaluation, but as a relative measurement of the risk of investing in a company's stock.

### Sector Ranking

CFRA's Investment Policy Committee (IPC) consists of a team of five seasoned investment professionals. It meets weekly to discuss market trends and projections, maintain an S&P 500 12-month forward price target, and make asset allocation/sector recommendations. The IPC establishes over, market, and underweight recommendations on the 10 sectors within the S&P 500. Overweight and underweight recommendations imply that the group expects these sectors to outperform or underperform the S&P 500 during the coming six-to-12 month period, respectively. A "marketweight" recommendation indicates that the sector is expected to be a market performer during this same timeframe. The IPC analyses economic projections, fundamental forecasts, technical considerations, and historical precedent when making such recommendations. Changes in recommendations can be made more frequently than every six-12 months as market conditions evolve. Sector rankings will only be made available for sectors in the S&P 500. If a ranking is not available, the value will be N/A.

### Qualitative STARS Ranking system and definition:

#### ★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

#### ★★★★ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

#### ★★★ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

#### ★★ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

#### ★ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

### S&P Global Market Intelligence's Quality Ranking

[also known as S&P Global Market Intelligence's Earnings & Dividend Rankings]- Growth and stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Capital IQ Consensus Estimates

S&P Capital IQ Consensus Estimates represent the aggregation of individual estimates provided by analysts that are covering a public company. A consensus number can be provided as either the mean or the median. The size of the company and the amount of analyst coverage will determine the size of the group from which the Consensus is derived. All of the available analysts' estimates may not necessarily be included in the Consensus. The Consensus will only include analysts' estimates that are based on the same methodology. Consensus Mean: The mathematical average of the detailed estimates after the appropriate exclusions have been applied. Consensus Median: This represents the midpoint of the range of estimates that are ranked from highest to lowest after the appropriate exclusions have been applied. If the number of estimates is even, then the average of the middle two figures is the median.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard and Poor's in collaboration with Morgan Stanley Capital International (MSCI). Under the GICS structure, companies are classified in one of 154 sub-industries, which are grouped into 68 industries, 24 industry groups, and 10 economic sectors [consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecom services, and utilities]. This four-tier structure accommodates companies across the world and facilitates sector analysis and investing.

## Glossary

### Peer Group

A subset of a universe that groups companies by specific criteria, such as industry/across industry, lines of business, geography (local, regional, national, and international), size of business (e. g. in terms of revenue), performance criteria, etc.

### Universe

A set of companies that shares a common feature such as the same market capitalization, industry or index.

### Beta

Beta is a measurement of the sensitivity of a company's stock price to the overall fluctuation of a given benchmark index. The beta values used in this report are levered, unadjusted and derived from a least squares regression analysis using stock and benchmark index returns based on a monthly frequency. Beta is calculated using 60 monthly returns (each as of month end) but if the company's trading history is too short to provide such a sample, fewer than 60 but not fewer than 24 monthly returns are used to run the regression. Beta in this report uses five different benchmark indices to better estimate a stock's volatility against a respective market: the S&P 500 for all US stocks, the S&P/TSX index for all Canadian stocks, the S&P Europe 350 for all European stocks, the S&P/ASX 200 index for all Australian stocks, and the S&P Global 1200 for all other international stocks.

### Free Cash Flow (FCF)

Operating Cash Flow minus Capital Expenditures over the past 12 months

### Funds from Operations (FFO)

Funds from Operations (FFO) represents a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

### Not Meaningful (NM)

Value is available but it is not meaningful. Examples are certain negative ratios such as P/E, as well as certain ratios that are over +/- 100%

### Not Available (NA)

Value is not available for this data item

### Return on Capital

$EBIT / [(Total\ Equity + Total\ Debt + Deferred\ Tax\ Liability\ Non\ Current + Deferred\ Tax\ Liability\ Current)]$  Notes:

[1] If the denominator is less than or equal to zero then the ratio will be shown as NM

[2] If the return is less than (300%) then the value will be shown as NM

### Return on Equity

$Earnings\ From\ Continuing\ Operations / [(Total\ Equity[t] + Total\ Equity[t-1]) / 2]$  Notes:

[1] If both periods of data (t and t-1) are not available then the ratio will be shown as NM

[2] If the denominator is less than or equal to zero then the ratio will be shown as NM

### Relative Strength vs Index

Relative Strength vs Index measures the stock performance of the company versus all other stocks in the benchmark index each week. Weekly readings are accumulated to form the cumulative Relative Strength line.

### Relevant benchmarks:

Region	Country	Index
US	US	S&P 500 Index
Canada	Canada	S&P/TSX Composite Index
Europe	All	S&P Europe 350 Index
Asia ex Japan	Australia	S&P/ASX 200 Index
Asia ex Japan	All except Australia	S&P Global 1200

### Abbreviations used in CFRA Equity Research Reports

CAGR	Compound Annual Growth Rate
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest Taxes Depreciation and Amortization
EPS	Earnings Per Share
EV	Enterprise Value
FCF	Free Cash Flow
FFO	Funds from Operations
LTD	Long Term Debt
NM	Not Meaningful [see definition above]
P/E	Price/Earnings

**Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).**



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Stocks are ranked in accordance with the following ranking methodologies:

### STARS Stock Reports:

Qualitative STARS recommendations are determined and assigned by equity analysts. For reports containing STARS recommendations refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

### Quantitative Stock Reports:

Quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five [six] model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

### STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in STARS Stock Reports and Quantitative Stock Reports [collectively, the "Research Reports"] reflect different criteria, assumptions and analytical methods and may have differing recommendations. The methodologies and data used to generate the different types of Research Reports are believed by the author and distributor reasonable and appropriate. Generally, CFRA does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. CFRA reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

## Analyst Certification

STARS Stock Reports are prepared by the equity research analysts of CFRA its affiliates and subsidiaries. Quantitative Stock Reports are prepared by CFRA. All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers; all of the views expressed in the Quantitative Stock Reports accurately reflect the output of CFRA's algorithms and programs. Analysts generally update STARS Stock Reports at least four times each year. Quantitative Stock Reports are generally updated weekly. No part of analyst, CFRA, CFRA affiliate, or CFRA subsidiary compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in any Stock Report.

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