HOLLISTER

Post Peak Review

February 2017

Radial

Agenda

1 **Meeting Kick Off**
- Introductions
- Industry Insights
- Executive Overview

2 **Fulfillment**
- 2016 Peak Review
- Lessons Learned
- Challenges and Opportunities

3 **2017 Looking Forward**

4 **A&F Business Update**

Executive summary

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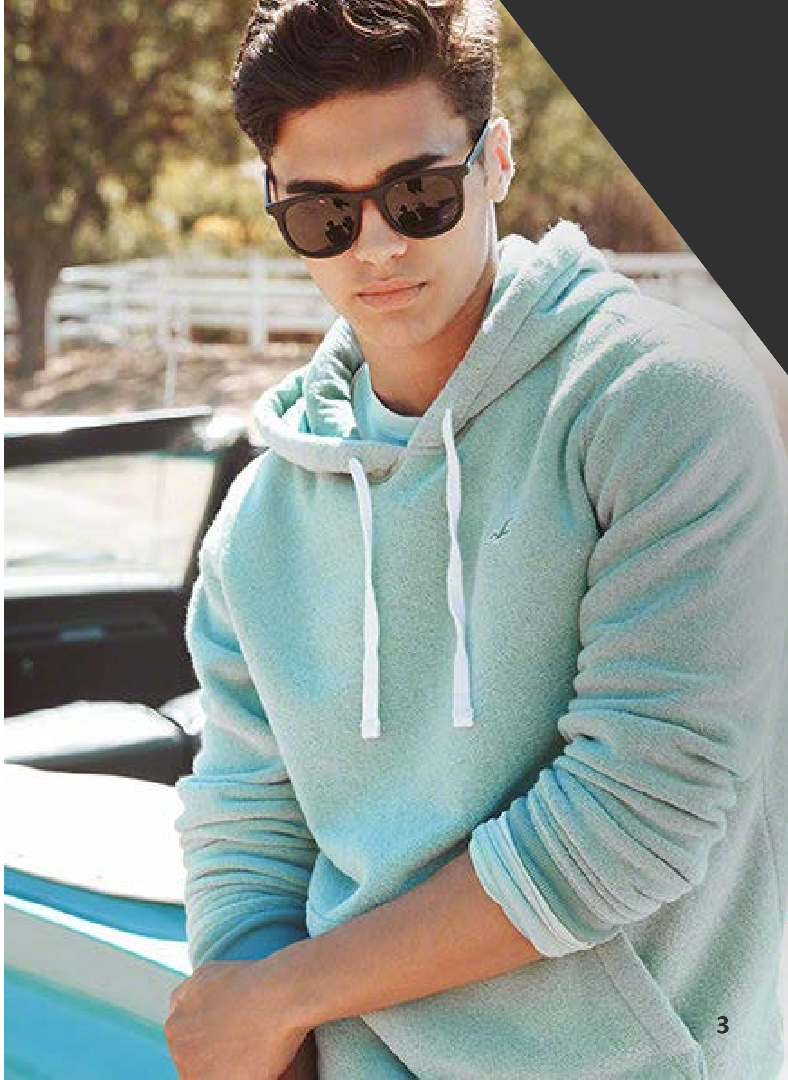

Strong relationship growth driven by performance and collaboration

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Key Metrics 2016

	Forecast (Sept – Dec)	Actuals (Sept –Dec)	% to Forecast
Inbound Units			
Demand Orders			
Demand Units			
UPO			
Inventory (Peak Week)			

2016 Peak Industry Trends

- Total Sales this holiday sales are expected to exceed $X - an X% to X% increase over 2015 - with equal spend between online & offline
  – *Deloitte Holiday Survey quoted in Forbes*

- For 2016, online sales increased X% this holiday season (Nov – Dec), to $X up from $X in 2015
  – *Internet Retailer via Adobe*
  - This was primarily due to the Consumer Confidence Index hitting a 13-year high and optimism about the economy, jobs and income – *USA Today*

- U.S. consumers spent more than $X online in 57 of the 61 peak days in Nov & Dec compared to only 1 day over $X in online sales in 2010.
  - Internet Retailer

Fulfillment

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2016 Inbound Performance – Q4

INBOUND	OCT	NOV	DEC	Q4 '16
Actual Units				
Forecasted Units				
% to Forecast				

- Total units received through January 2017 is , based upon forecast of , at % to forecast
- Forecast for quarter accurate, monthly had forecast variance, partially due to weather
- Trouble SKU's showed significant reduction each month, Nov at X% and Dec X%

2016 Outbound Performance – Q4

OUTBOUND	OCT	NOV	DEC	Q4 '16
Actual Orders				
Forecasted Orders				
% to Order Forecast				
Actual Units				
Forecasted Units				
% to Unit Forecast				
Units Per Order (UPO)				
Forecasted Units Per Order (UPO)				
% to UPO Forecast				

– Peak tail kept to minimum, even with lower than expected UPO

– Orders/units forecasting has improved each month, and continues to huddle around X%.

2016 Peak SLA Performance

Week	80% GRND Same Day	99% GRND 2nd Day	99% Expedited Same Day	Peak Week	Forecast %
48					
49					
50					
51					

Key Highlights:

- All 4 weeks were peak weeks and qualified for volume exceptions and Ops able to meet same day SLA each week.
- Week 51 also qualifies for a forecast variance with forecast of X%, even so Ops team was able to meet all 3 SLA’s

2016 Transportation Summary

Days in Transit	Day 1	Day 2	Day 3	Day 4	Day 5	6+ Days
September						
October						
November						
December						
Total						

- Boost had modifications to only include those that came over with Boost Route
- Most orders were in transit less than 3 days
- Increase of speed of delivery to West Coast

2016 Transportation Summary
Percentage shipped by carrier by month

Carrier	September	October	November	December
UPS				
FedEx				
Ontrac				
USPS				
Total				

- UPS was main carrier, with the expection of December when FedEx serviced the most packages
- Increase in USPS continues to rise

2016 Transportation Summary

Average cost and weight per package

	September	October	November	December
Average Cost				
Average Weight				

- September was most expensive month per package for shipping
- December was heaviest month for shipping

2017 Looking Forward

Key Milestones – Phase 2

Item No	Category	Est Go-Live Date
FY17-01		
FY17-02		
FY17-03		
FY17-04		
FY17-05		
FY17-06		
FY17-07		
FY17-08		
FY17-09		
FY17-10		

Working Together in 2017

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Thank you!

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