



WESC

® WeAretheSuperlativeConspiracy



Restarting the WeSC Business

A young man with dark, spiky hair is shown in profile, looking back over his right shoulder. He is wearing a black jacket that has 'SUPERLAV' printed in red and 'CONSPIR' in yellow on the back. The background is a blurred cityscape with a large suspension bridge and a body of water under a cloudy sky.

BACKGROUND

The lower end of the skate/street market has experienced a number of years of weakness, large bankruptcies in key players such as Quiksilver, PacSun and American Apparel among others. WeSC decided in 2014 to refocus the brand and move away from the traditional skate/sport stores distribution where the core of our business had been.

A New focus on more premium streetwear designs and better quality merchandise and efforts to replace sales in the lower end market with a transition to department stores, strong retail chains, premium specialty stores and e-com.

In the past 3 years the change in direction has worked well in the **U.S. market** however has been slower to work in the European market due to an outdated distribution model and numerous bankruptcies among WeSC distributors.

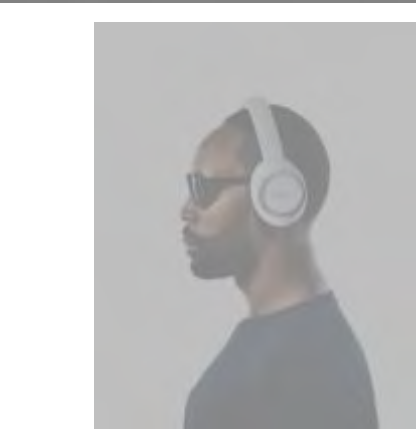
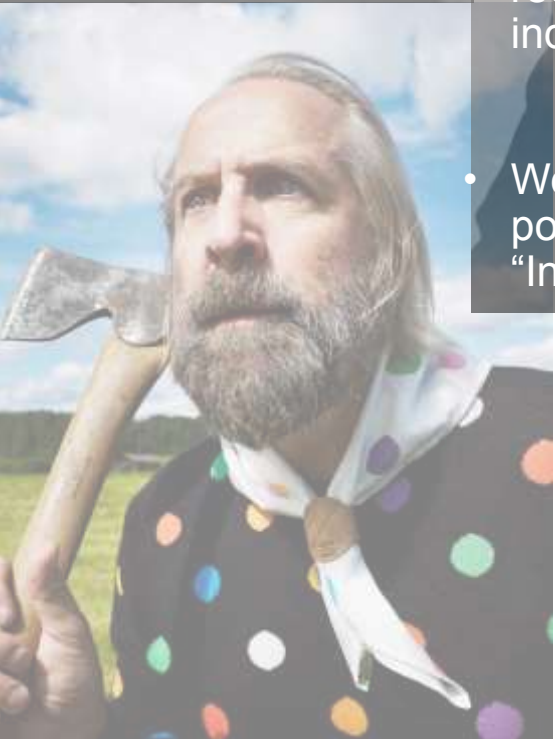
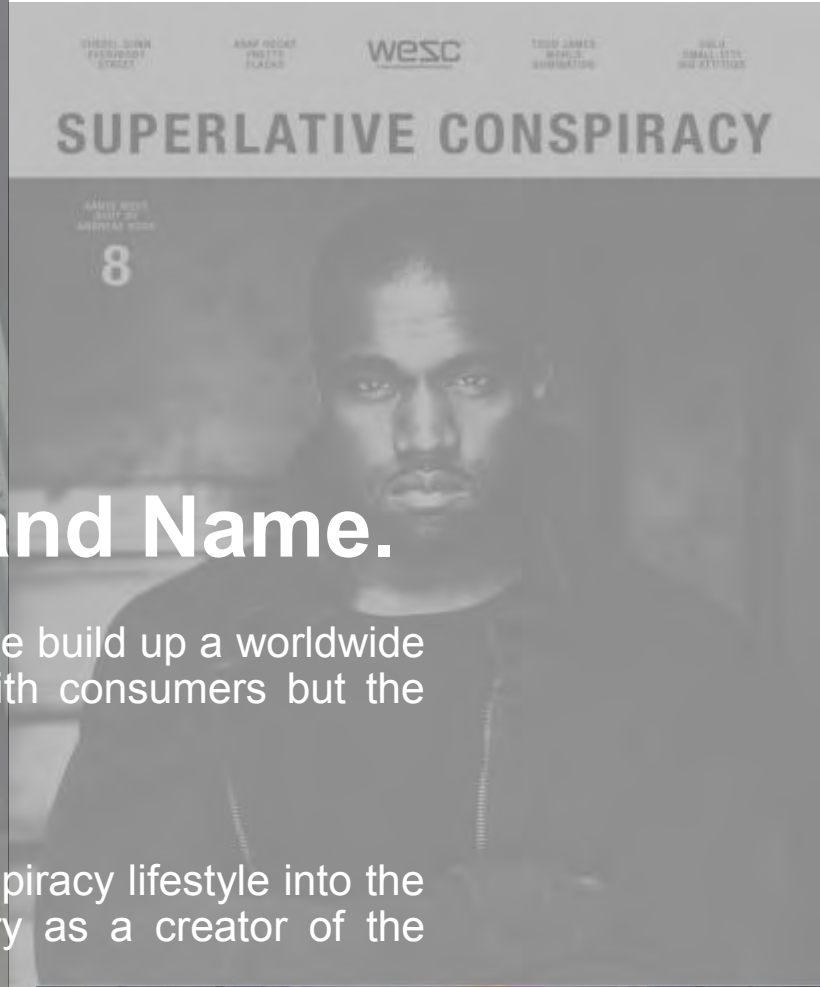
WeSC has suffered over the past few years from the following:

Over the past few years our distribution business has declined throughout Europe. Most of those distributors were no longer a good fit for the new brand positioning and pricing, many of them experienced business problems and would not pay their invoices on time which caused a great liquidity problem within the company.

Low margins due to too large of a SKU assortment, not enough focus on best selling items too much new development that did not translate with Customers and continuous production problems and late deliveries causing margin erosion and cancellation on pre-ordered goods.

Too much distribution in the low price **skate segment** where many large brands have entered in market and are now competition. In addition WeSC had an Inherited Excessive overhead costs based on unrealistic sales and margin assumptions. Furthermore the company had years of accumulated **old debt** that the company has had to suffer through.

Sourcing and Supply Chain was based of off fleece and jersey volume business and as our business changed our supply chain did not fit our current distribution also liquidity shortages effected our deliveries. Both of these issues effected our margins.



The Strength in the WeSC Brand Name.

- There is strength in WeSC name. Over the past 19 years we have build up a worldwide recognizable name and logo that is well respected not only with consumers but the industry as a whole.
- WeSC has brought the Intellectual Slacker and Superlative Conspiracy lifestyle into the popular culture. WeSC is even referred in the urban dictionary as a creator of the “Intellectual Slacker”

WeSC BRAND POSITIONING

We have strategically positioned **WeSC** as a **Premium Streetwear Brand**. Ailing ourselves with the fastest growing segment in the Men's market which is a **Streetwear Category**. This brand positing has already worked well in the U.S. market. The core values of the brand are.

Contemporary Design's

Premium Quality

Worldwide recognized Name Brand and Logo

WeSC heritage resonates with millennial shoppers which is the most sort after consumer these days and the hardest to get.



Streetwear is the fastest growing Category in Men's right now and WeSC is positioned as a Premium Streetwear Brand.

Streetwear is dominating the Men's market currently. **high end luxury brands** like **Balenciaga** and **Louis Vuitton** are trying to appeal to the streetwear consumer.

Traditional streetwear staples such as **Supreme** have been valued over a **billion dollars** by **Carlyle Group**.

Louis Vuitton the most prestigious luxury brand has just hired Streetwear Designer **Virgil Abloh** to run its Men's division. This is the first time they have reached to streetwear to change there Collection Direction..

Retailers such as **Saks Fifth Avenue**, **Barney's** and **Selfridges** have converted there Men's floors to focus on more streetwear brands.



BALENCIAGA REPLACES GUCCI AS WORLD'S HOTTEST FASHION BRAND

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STYLE

Abstracts with notes

It's Official: Streetwear and Luxury Fashion Are Now the Same Thing

B



Virgil Abloh will be the next artistic director of menswear at Louis Vuitton, one of the oldest and most powerful European houses in the luxury business.



PARIS, France—**Virgil Abloh**, the founder of the street-wear label Off-White and a longtime creative director for **Kanye West**, will be the next artistic director of menswear at **Louis Vuitton**, one of the oldest (and most powerful) European houses in the luxury business.

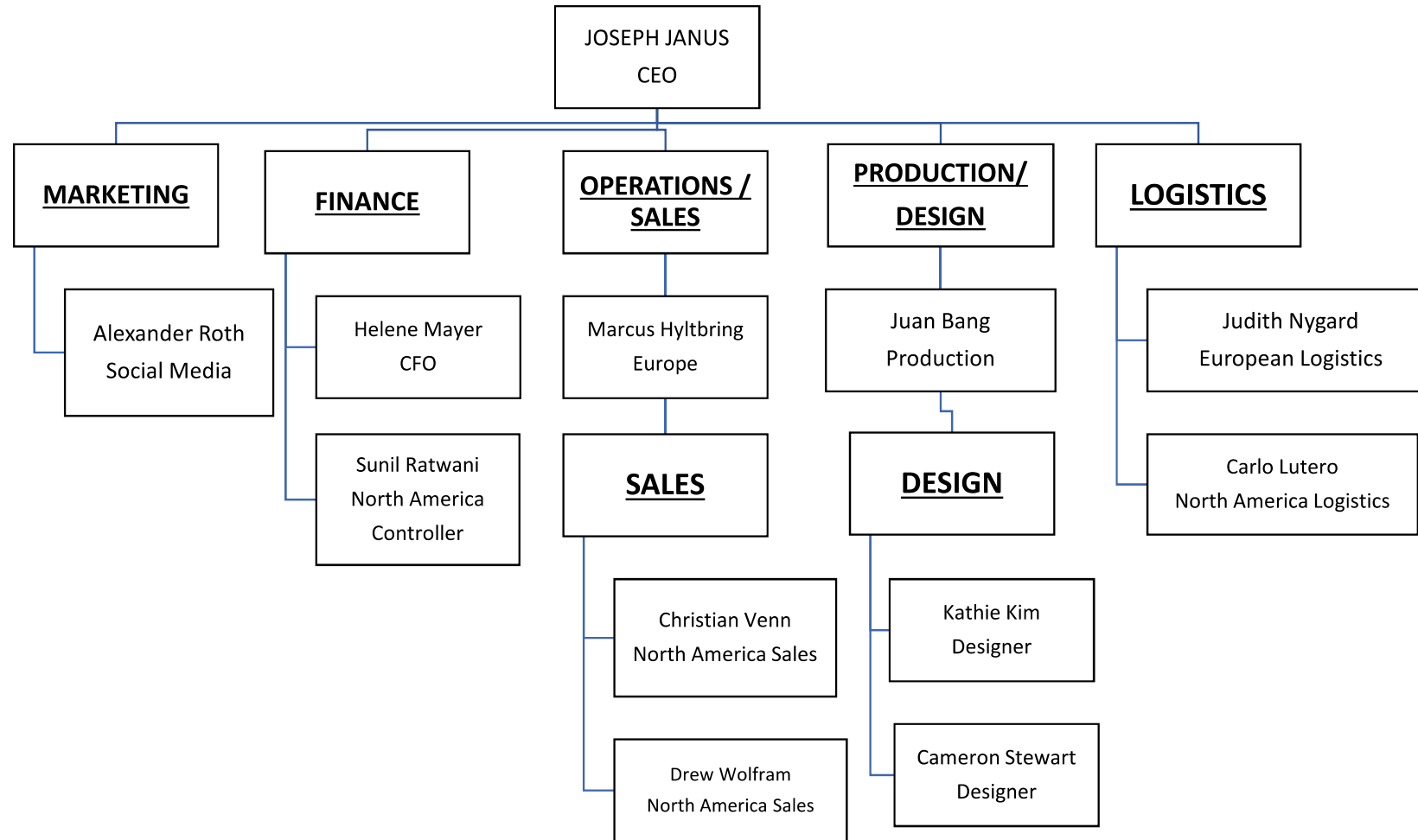


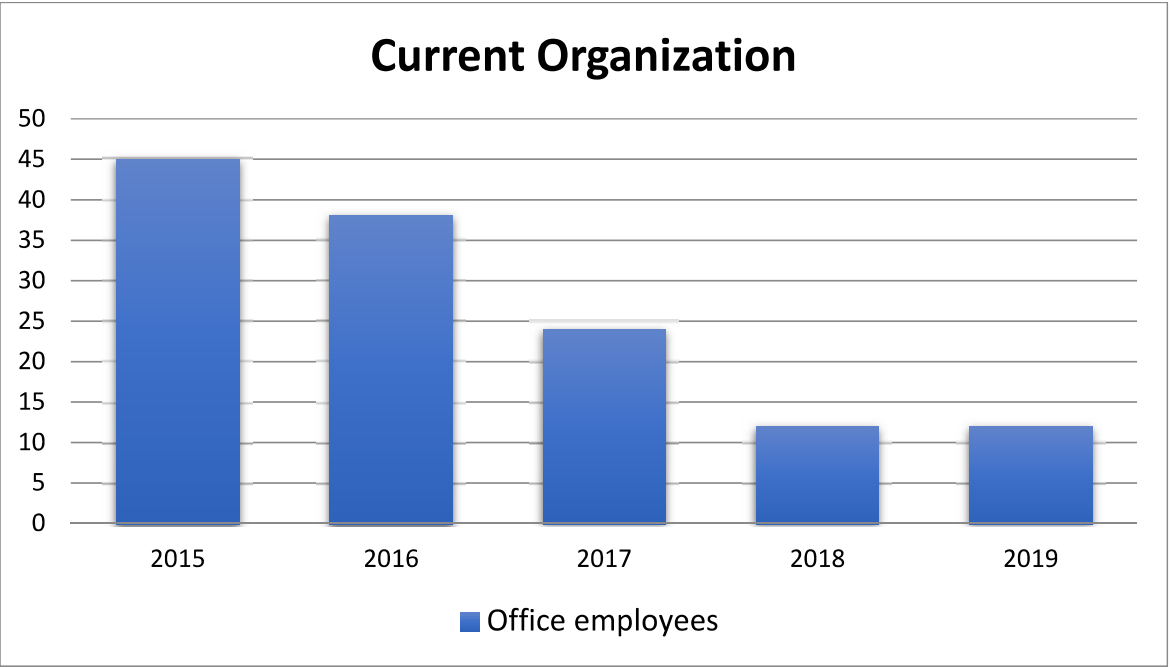
“Key points in rebuilding the organization as a Start-Up”

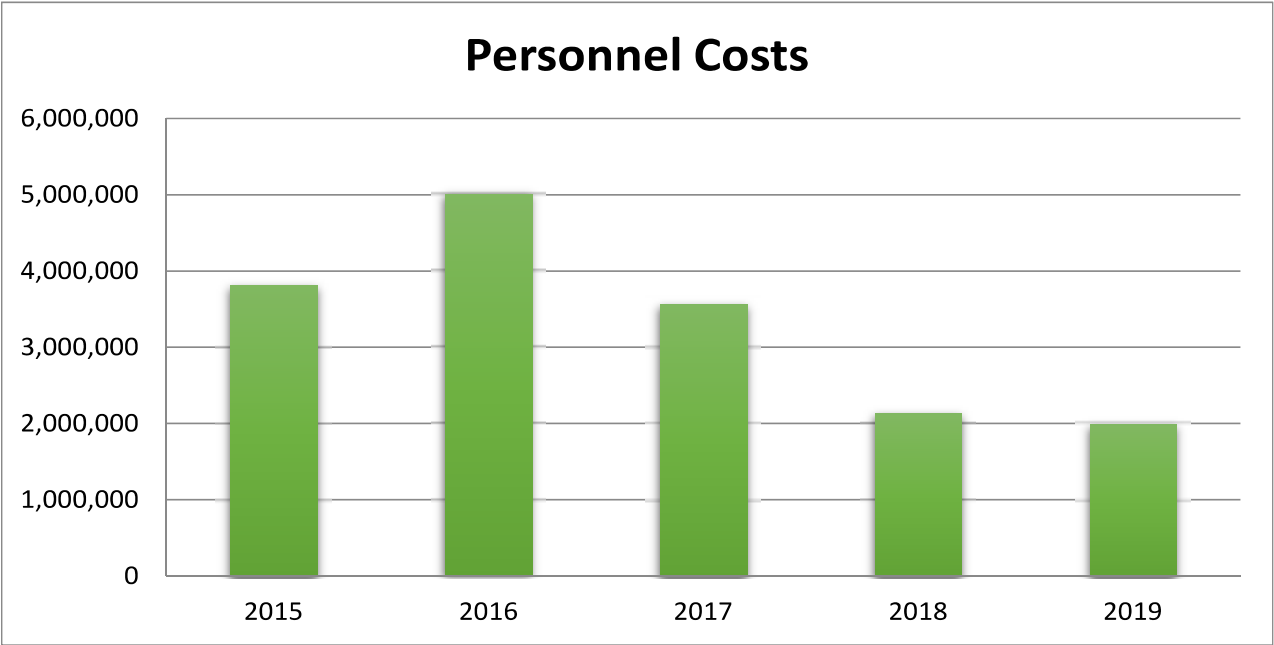
Streamlined Organization

- We have streamlined our organization to be the most cost effective and for WeSC to be profitable with the current business forecast.
- We have moved our Design and Production department to the North America Office.
- We have cut down the staff in the Sweden Office to 4 positions moving forward.
- We have moved out of the Swedish office to a shared office place.
- We now have 11 people globally to operate the current business.

WeSC Group Streamlined Organization.









WeSC America has secured Production Financing with our current Factor Rosenthal & Rosenthal for North America's Production our Biggest Market and therefore our biggest liquidity need each Season for Production.

Increased Margin and Simplified Collection

- We have simplified the collection with less of SKU count and more repeat Silhouettes which will allow us to source more efficiency and to increase our margins while cutting down our development costs.
- We have made the line unisex (Genderless) so we no longer need to create both men and women line.
- Starting with Spring/Summer 2019 we have sourced new suppliers who can work with our current volume therefore increasing volume and relieving us from upcharges.
- We have universally priced the line same for Europe as USA.
- Beginning 2019 we will not accept landed margin below 65% this margin will include a built in 60% IMU for our customers.

WeSC Expansion through Licensing.

WeSC has added the following Licensing partners to help grow the brand name, build the sales channels and bring in guaranteed revenue stream without extra cost associated with it.

- Avantgroup AB – Footwear (Europe & USA)
- Versa Textiles – Underwear, Socks & Lounge (USA)
- Triple 5 - Kids (USA)
- OPO Scandinavia – Eyewear (Europe)



North America Licensing for WeSC.com starting Fall 2018

We have signed a agreement with our Canadian Distributor No Excess Inc. to license the WeSC.com North America business where they will put a significant investment into promoting, advertising and growing our E.com business for the North America market.

Exploring future license opportunities for 2020

- Bags (Currently handled in house)
- Belts & Small Leather Goods
- Watches
- Eyewear license for North America (Existing Eyewear License for Europe.)



Benefits of working with a Licensee.

- Licensee are well connected in their specific product area and sales channels.
- No Capital is tied up in production and no costs for transports and landing costs.
- No Capital is tied up in inventory and no inventory risk as all inventory is owned by the licensee.
- Guaranteed revenue stream and marketing support for a larger product line limits the overall risks.

Negative of working with a Licensee.

- Less revenue (Gross Margin) than if products are produced and sold by WeSC.
- More time and attention needs to be spent by WeSC Management team so that we have control on the Brand Message and work with our Licensing partner on sales and marketing strategies for all WeSC Products.

Current License Product



WeSC North America

WeSC continues to grow in the North America Market

WeSC North America.

WeSC Continuous to grow in North America

with addition of **Footwear, Underwear and Kids licensing** along with the Canadian Distribution we will have a **\$ 6,000,000** worth of product at retail value in the Market Place in **Fall 2018.**

North America.

FALL 2018 - Wholesale Sales Volume Including Licensees.

\$ 3,050,000 USD

With the addition of the North America Licensees and the continuous growth in our wholesale business we have had an 195% increase in the North America Sales Volume from Fall 2018 vs Spring 2018

North America

Fall 2018 - Licensed Pre-Booked Orders

\$ 550,000	Kids License
\$ 500,000	Underwear License
\$ 165,000	Footwear License
\$ 135,000	Canadian Distribution Sales
<u>\$ 1,350,000</u>	<u>Total Licensed/ Distributor Fall 2018 Pre Booked Sales.</u>

Although we have **successfully changed our distribution in the U.S.** Market, there is still plenty of room to grow within our current distribution.

As an example, we are currently in 800 doors which is less than 50% of the doors that our current distribution channels has to offer.

We also have a very small foot print and a SKU count in our current doors, SKU count and product mix will continue to grow in each season.

We will continue to add doors with each of our partners by continuing to have good sell thru and delivering on time.

We are currently growing each season at the rate of **20% to 30%** this should make us profitable in 2019.

The logo for Bloomingdale's, featuring the brand name in a lowercase, rounded, sans-serif typeface.

> We are currently in all doors

The logo for Saks Fifth Avenue, written in a classic, elegant cursive script.

> We are only in 10% of the doors at this moment

The logo for Nordstrom, with the brand name in a clean, uppercase, sans-serif font.

> We are currently in 50% of the doors

A stylized, handwritten-style logo for Nordstrom, possibly representing a specific brand or collection.

> We are currently in 50% of the doors

The logo for Macy's, featuring a five-pointed star followed by the brand name in a lowercase, rounded, sans-serif font.

> We are currently in 10% of the doors

bloomingdale's

DESIGNERS WHAT'S NEW WOMEN SHOES HANDBAGS JEWELRY & ACCESSORIES BEAUTY MEN KIDS HOME GIFT

PICK UP IN STORE EXTENDED HOURS  Online orders can now be picked up at our 59th Street store daily from

Coat Style ▾ Size ▾ Color ▾ Price ▾ Pick Up In Store ▾

Sort by:

Our Top Picks ▾

5 items

WeSC
Rush Nylon Bomber Jacket

★★★★☆

\$168.00

FRIENDS & FAMILY OFFER: USE CODE
FRIENDS

NEW ARRIVAL

WeSC
Rio Pilot Jacket

\$298.00

FRIENDS & FAMILY OFFER: USE CODE
FRIENDSWeSC
Reece Bomber Coat

\$198.00

FRIENDS & FAMILY OFFER: USE CODE
FRIENDS

Love. NORDSTROM

Designer Collections Women Men Shoes Handbags Accessories Beauty Trend

All Items (5)

 In Your Store

Sort by featured ▾

Bag Style ▾

Material ▾

Color ▾

Price ▾



New!

WeSC Larinon Duffel Bag
\$64.00WeSC Leon Premium Backpack
\$138.00WeSC Chaz Backpack
\$78.00



Welcome, Sign In ▾

Ship To: 

1.877.551.7257

Saks Bag (0)

DESIGNERS

WOMEN'S APPAREL

SHOES

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BEAUTY

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Topcoats

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Bombers & Varsity

Lightweight Jackets

Cold-Weather Gear

Suits, Sportcoats & Vests

Sweaters & Sweatshirts

Casual Button-Down Shirts

Dress Shirts

T-Shirts & Polos

Jeans

Dante & Shorts

[Men](#) > [Apparel](#) > [Coats & Jackets](#) > Lightweight Jackets

LIGHTWEIGHT JACKETS



Filter By

Designer

Price

Color

Size

Style

Material

Sort By

Featured



244 Items

View

60

180

1 of 5

1

2

3

4

5



WeSC at Retail



North America – Largest Customers Fall 2018 Pre-Booked Sales Wholesale

- \$ 357,000 Nordstrom** (30% Increase from Fall 18 to Spring 18)
- \$ 278,000 Bloomingdales** (20% increase from Fall 18 to Spring 18)
- \$ 225,000 Macy's** (30% increase from Fall 18 to Spring 18)
- \$ 185,000 Saks** (22% increase from Fall 18 to Spring 18)

WeSC Europe

The implementation of WeSC's new distribution strategy is moving slower than expected through out Europe. Late deliveries and the reconstruction news has not helped and left buyers wary of carrying the brand in the Swedish Market.

Focused approach for Building back the European Distribution.

2018 – 2019 we will focus on the following Countries:

- Nordics
- Germany
- Italy
- U.K.
- Greece

2020 – 2021 we will focus on the following Countries:

- Benelux
- France
- Spain

We will focus on more full price E.com and brick and mortar stores than off price accounts which have brought down distribution and brand in the past.

Focusing on Agents versus Distributors where we receive more margin as a group.

Europe

FALL 2018 - Wholesale Sales Volume Including Licensees.

\$ 1,252,000 USD

With the addition of the Footwear License in the European wholesale business we have had an 20% increase in the European Sales Volume from Fall 2018 vs Spring 2018

Europe

Fall 2018 - Licensed Pre-Booked Orders

\$ 200,000 Footwear License

\$ 152,000 Eye Wear License

\$ 352,000 Total Licensed Fall 2018 Pre Booked Sales.

China and the Pacific Rim

From the New York office we are currently in conversation and doing our due diligence to find the right license partner in China as well as distribution partners throughout Pacific Rim. We plan on having partners in place to begin distribution by Fall/ Winter 2019.



THANK YOU!