

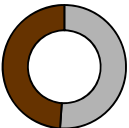
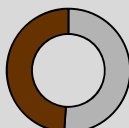






# GERRY WEBER

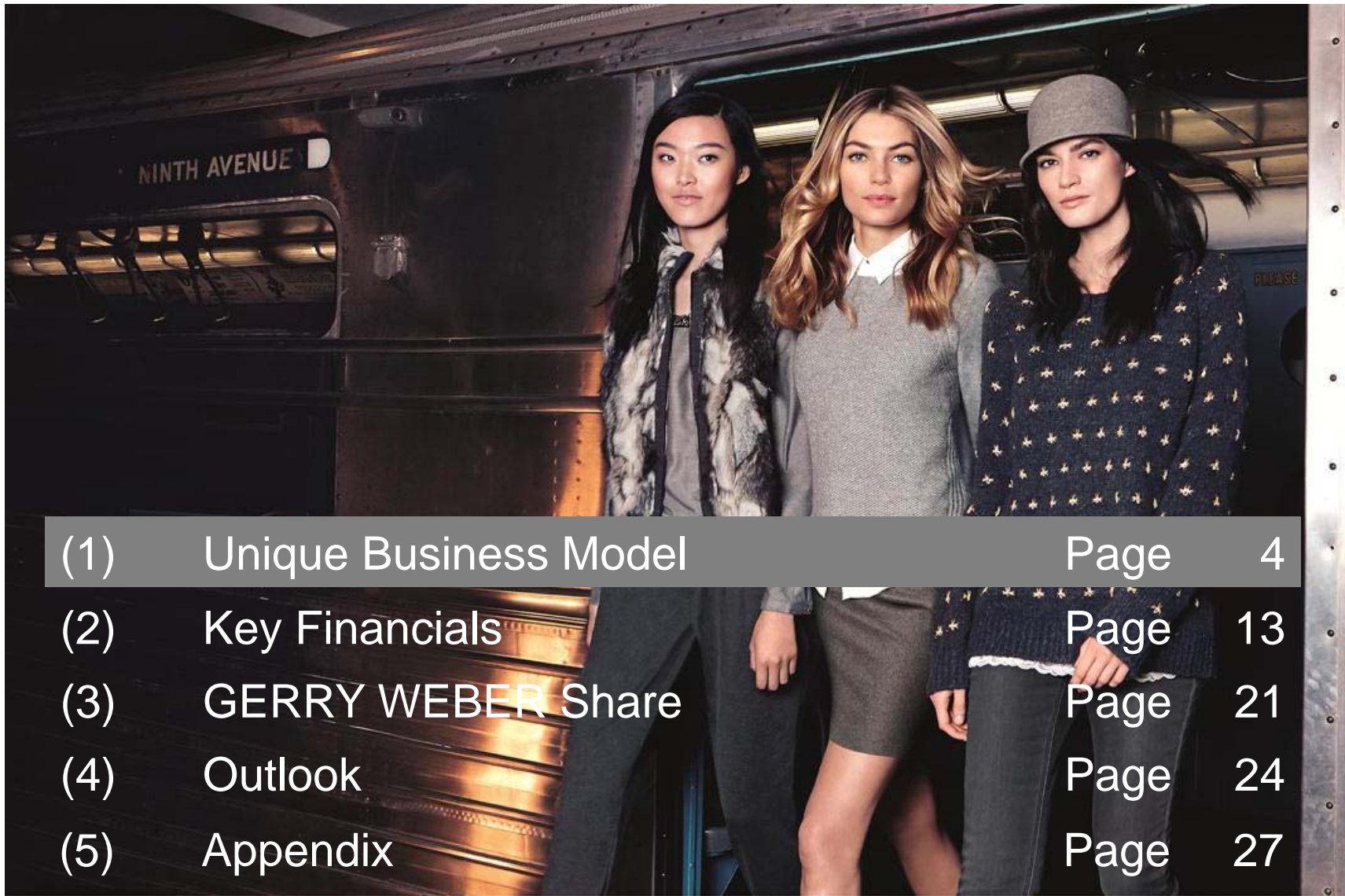
**Strategy and Financials**  
September 2014



# Nine Months at a Glance

	Q3	9M
	Sales of <b>€187.2 mn</b> (↓ 0.9%)	Sales of <b>€600.0 mn</b> (↑ 1.2%)
	Retail: 56.0%  Wholesale: 44.0%	Retail: 48.9%  Wholesale: 51.1%
	Gross margin of <b>59.4%</b> (↑ 260 bps)	Gross margin <b>56.4%</b> (↑ 260 bps)
	EBIT of <b>€16.0 mn</b> (↓ 8.0% )	EBIT of <b>€65.5 mn</b> (↑ 7.9%)
	<b>40</b> new own Retail stores	<b>50</b> new own Retail stores
	<b>like-for-like</b> Retail sales: <b>flat</b> (outperformance of the market (market: -4.5%))	<b>like-for-like</b> Retail sales: <b>+3.4%</b> (outperformance of the market (market: -1%))

# Agenda



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# What we stand for



# GERRY WEBER: an Overview

## COMPANY PROFILE

<b>Business</b>	<p>Global German fashion and lifestyle company with three strong brands families and their sublabels:</p> <ul style="list-style-type: none"> <li>▪ <b>GERRY WEBER</b> (including GERRY WEBER COLLECTION, GERRY WEBER EDITION, G.W. and GERRY WEBER ACCESSORIES)</li> <li>▪ <b>TAIFUN</b></li> <li>▪ <b>SAMOON</b></li> </ul>
<b>Retail</b>	<p>751 company-owned Houses of GERRY WEBER and Monolabel Stores, including 115 concessions stores. In addition: nine online shops in Europe (July2014).</p>
<b>Wholesale</b>	<p>More than 270 franchised Houses of GERRY WEBER and round about 2,770 Shop-in-Shops. (July2014)</p>
<b>Financials</b>	<p><b>2012/13</b></p> <p>Revenues: EUR 852.0 mn                  EBITDA: EUR 127.4 mn                  EBIT: EUR 105.8 mn                  Net income: EUR 71.0 mn</p>
<b>Share</b>	<p>Stable share price development in the last two years.                  Dividend payment 2013: EUR 0.75 per share</p>

## HISTORY

1973	Company established by Gerhard Weber and Udo Hardieck
1986	Brand name GERRY WEBER introduced
1989	Foundation of TAIFUN
1989	Going Public as GERRY WEBER International AG
1994	Foundation of SAMOON
1999	Opening of the first HOUSE OF GERRY WEBER
2001	Sublabel GERRY WEBER EDITION established
2011	New Design Centre in Halle, Listing in M-Dax
2012	Acquisition of 200 former WISSMACH stores and conversion into GERRY WEBER brand stores
2012	Acquisition of majority stake in 25 existing Dutch HoGWs
2013	Acquisition of majority stake in 19 existing Belgian HoGWs
2014	Acquisition of 8 HoGWs and 17 multilabel stores that were formerly owned by our franchise partner in Norway

## Board

Gerhard Weber  
 Dr. David Frink  
 Ralf Weber  
 Arnd Buchardt



# Brand Universe and Sales Contribution

## GERRY WEBER



### Modern Women Fashion

- Modern, high quality, feminine
- Most of the items can be combined with each other.
- Customer target group starting at their mid-thirties

Sales contribution of brand families\*:

## GERRY WEBER EDITION



### Fresh and more casual

- Coordinated single items
- EDITION fashion statement is more casual.
- Trousers, knitwear, blouses, skirts, and outdoor jackets
- Individually combinable

## G.W.



### Most trend-oriented collection

- Shortest development and production cycle
- Fully vertically integrated (no sample collections)
- 12-month programmes

## TAIFUN



### Young Modern Woman Fashion

- Trendy and stylish silhouettes, slim cuts – casual and business
- Targeting the younger „modern woman“ starting at the beginning of her thirties

TAIFUN: 17.7 %

## SAMOON by GERRY WEBER



### Plus size collection

- Femininity underlined by trendy cuts, high-quality materials, excellent fits
- Perfect interpretations of current trends put curves in a favourable light.

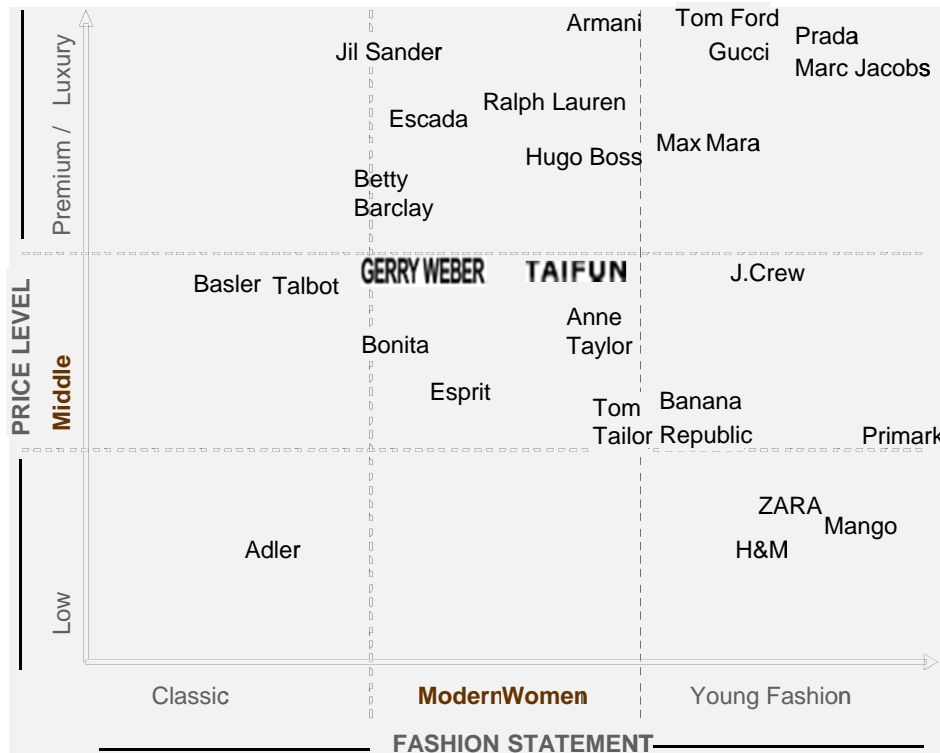
SAMOON: 5.6 %

\* in the first nine months of the financial year 2013/14

# Market Positioning

## SEGMENT AND PRICE POSITIONING

- Bridge segment between the middle price segment and the premium segment
- Loyal customer base with higher income level

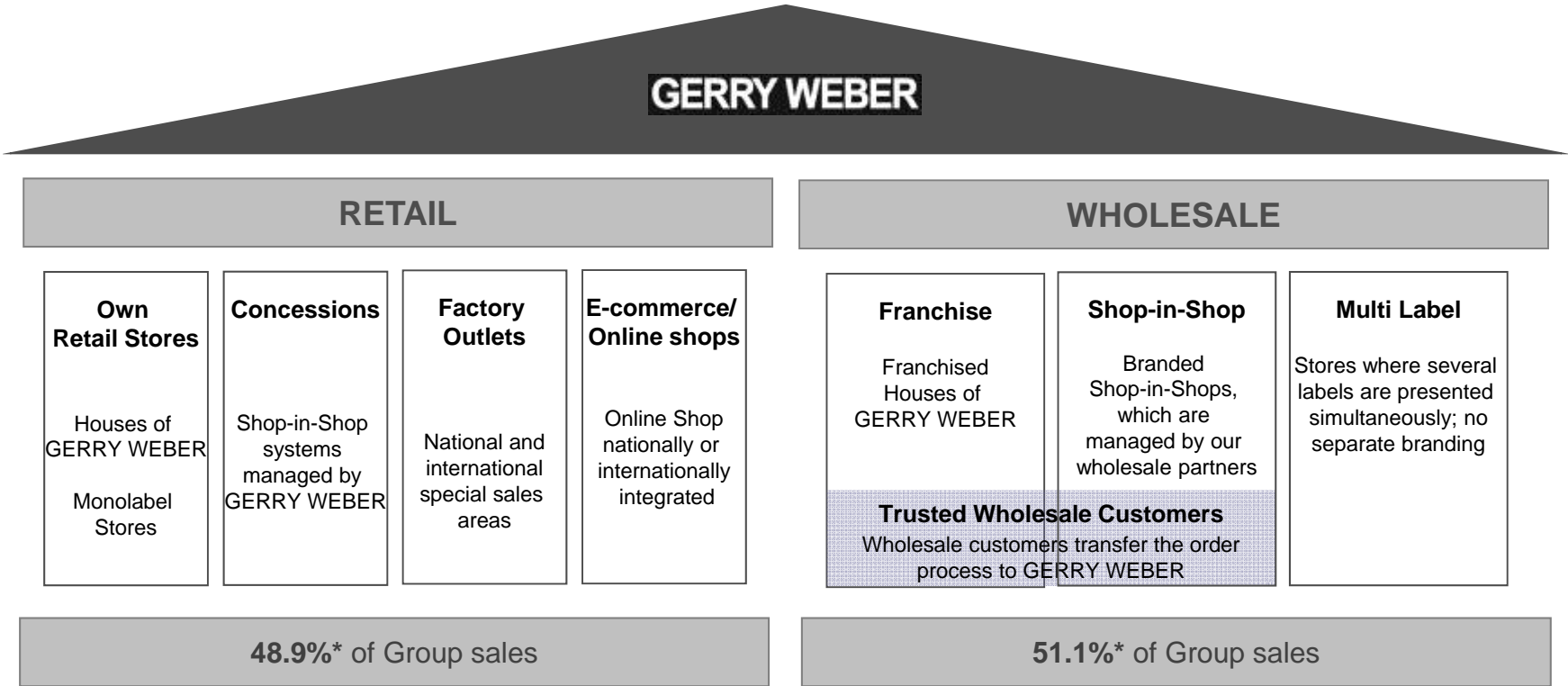


## COLLECTIONS

- **Six collections** per year and brand (except G.W.); three spring/summer and three autumn/winter collections
- **18 themes p.a.** - all collections comprise three themes, each consisting of about 30 – 35 single items
- **New items are delivered to the shops and stores almost every two to three weeks**



**DISTRIBUTION CHANNELS**



\* 9M fiscal year 2013/14



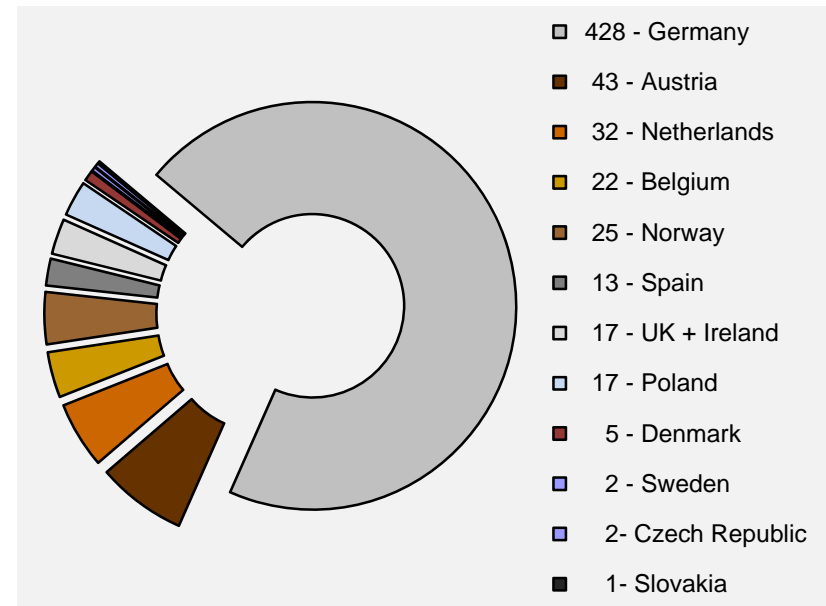
# Retail Expansion well on track

- ➔ 9M 2013/14: Number of company-managed **sales floors increased from 701 to 751**
- ➔ 2013/14: **Continued expansion abroad:** A focus will be on established markets (e.g. Netherlands and Belgium) and on new markets as in Eastern Europe and Scandinavia
- ✓ June 2013/14: Expansion plan was confirmed by acquisition of Norwegian franchise partner early in June, including 8 HoGWs and 17 multi label stores

## RETAIL BUSINESS

	9M 2013/14	2012/13	2011/12	2010/11
Houses of GERRY WEBER	469	424	347	210
Monolabel Stores*	138	144	146	25
Concessions	115	111	64	45
Factory Outlets	29	22	17	13
<b>TOTAL</b>	<b>751</b>	<b>701</b>	<b>574</b>	<b>293</b>

## COMPANY-MANAGED STORES BY REGION

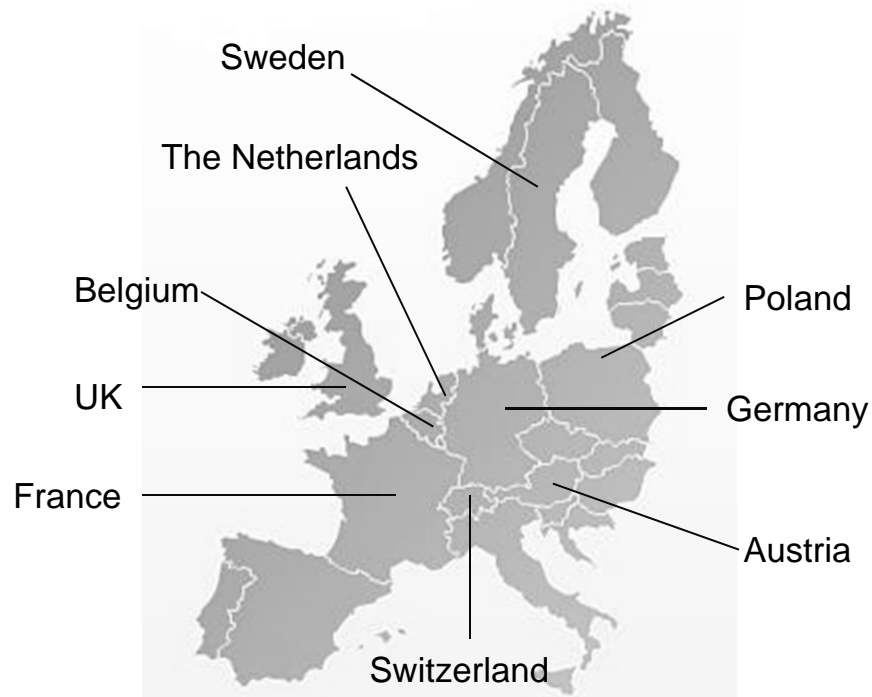


\* Monolabel Stores TAIFUN, SAMOON and EDITION

# E-Commerce is gaining importance

- ➔ 9M 2013/14: Online business generated **sales of EUR 16.1 million**; an **increase of 11.0%**
- ➔ **June 2014:** Opening of EU-online shop for Sweden, Belgium, France and the UK in June 2014
- ➔ **August 2014:** Start online store at ebay which mirror our own e-shop

## COMPANY-OWNED ONLINE SHOPS (currently)



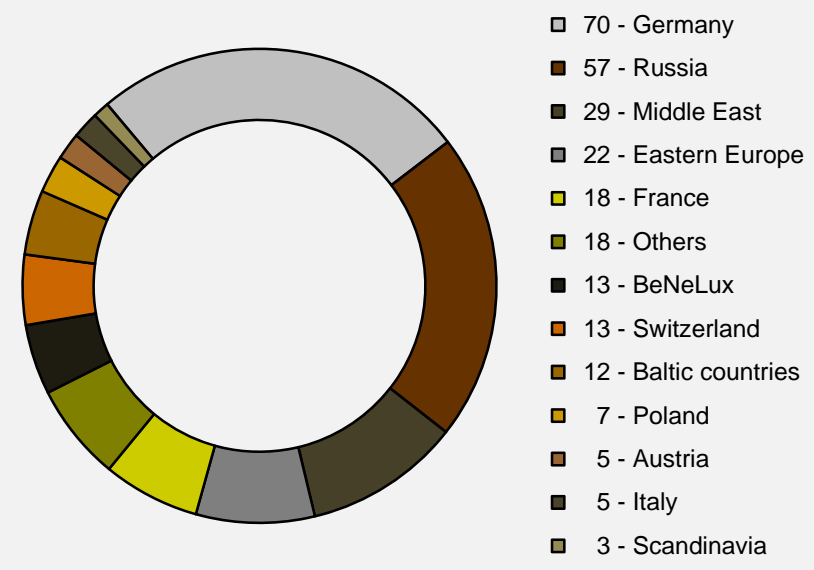
## Wholesale – vertical integration ongoing

- **9M 2013/14: 20 Houses of GERRY WEBER** that are managed by our franchise partners were **opened**; most of them outside of Germany
- **Acquisition of majority stake in 19** former franchise Houses of GERRY WEBER in **Belgium**; they are part of the Retail segment since August 2013
- **June 2013/14: Acquisition of 8** well established Houses of GERRY WEBER and **17 multi label stores** in **Norway**; they will be part of the Retail segment as of June 2014

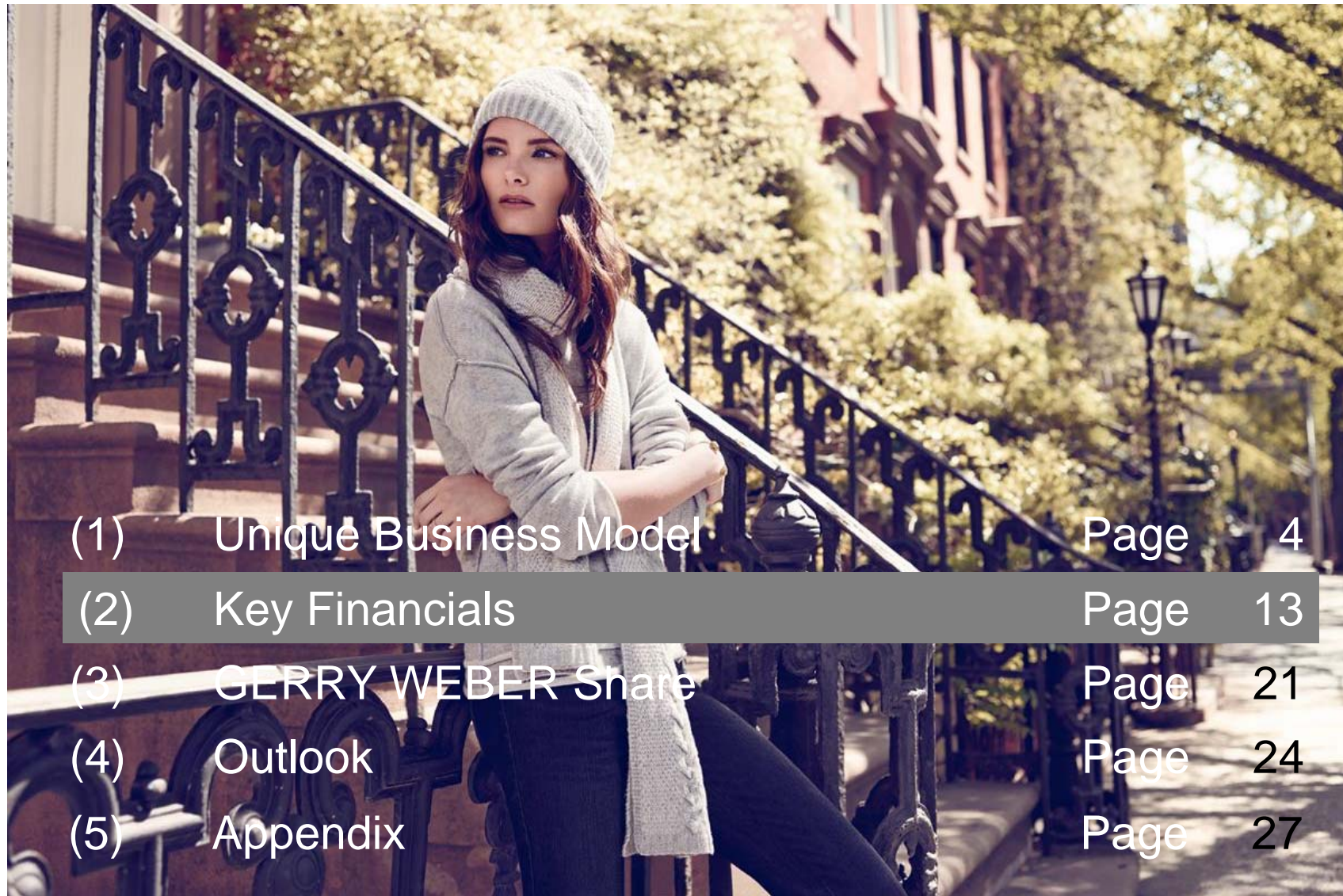
### WHOLESALE BUSINESS

	9M 2013/14	2012/13	2011/12	2010/11
Houses of GERRY WEBER	272	271	277	260
Shop-in-Shops	2,770	2,816	2,767	2,292

### FRANCHISE HoGWs BY REGION



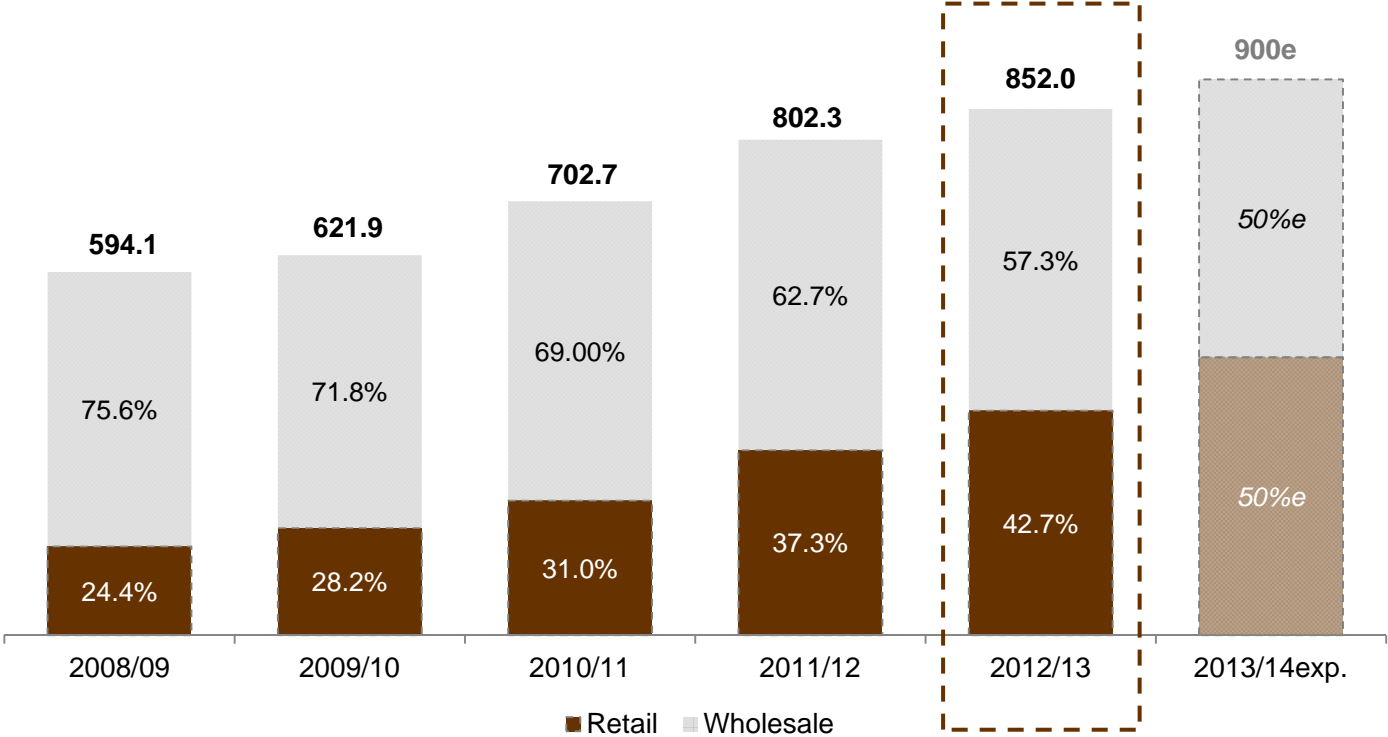
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# Key Financials: Group Sales

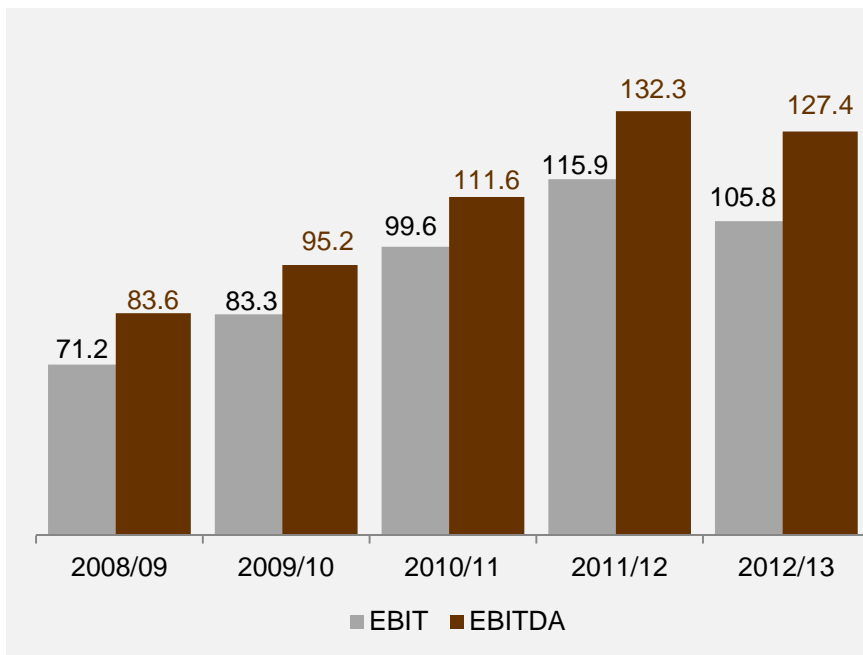
- ➔ In 2012/13 record sales of **EUR 852 million** (previous year: EUR 802.3 mn)
- ➔ **Increase** in sales of **6.2 %** on previous year
- ➔ **9M 2013/14: Retail share** in total group sales has increased to **48.9%** (9M prev. year: 43.8 %)
- ➔ **2013/14: Forecasted split** between Retail and Wholesale segment: 50:50



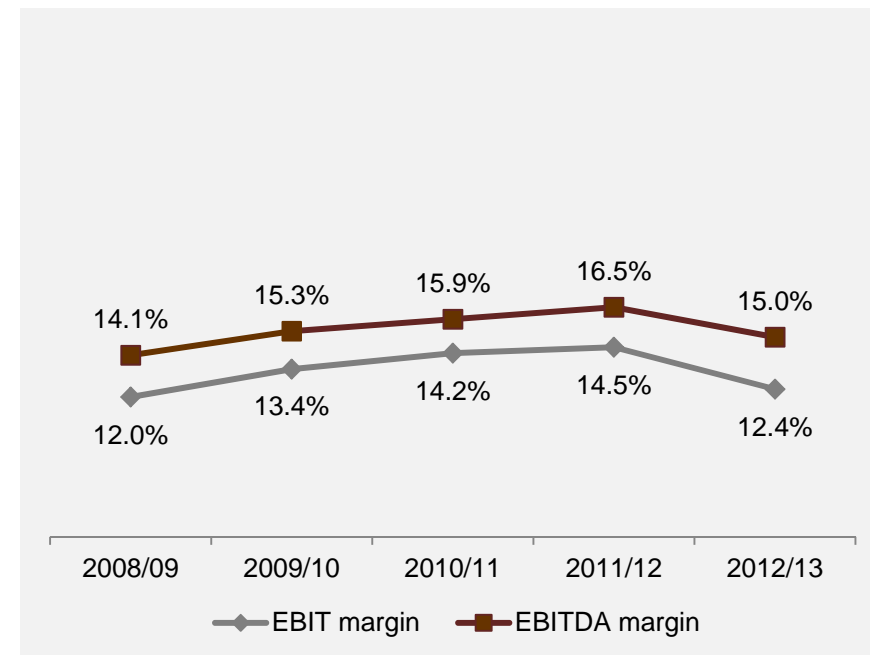
## Key Financials: Group EBIT and EBITDA

- ➔ EBIT and EBITDA have shown a strong and steady development over the past five years
- ➔ Expansion costs and higher depreciation due to the dynamic Retail roll-out in the last two years lead to temporarily lower margins in 2012/13
- ➔ 2013/14: Increase in margins expected – **EBIT guidance EUR 120 mn**

EBITDA AND EBIT in Euro million



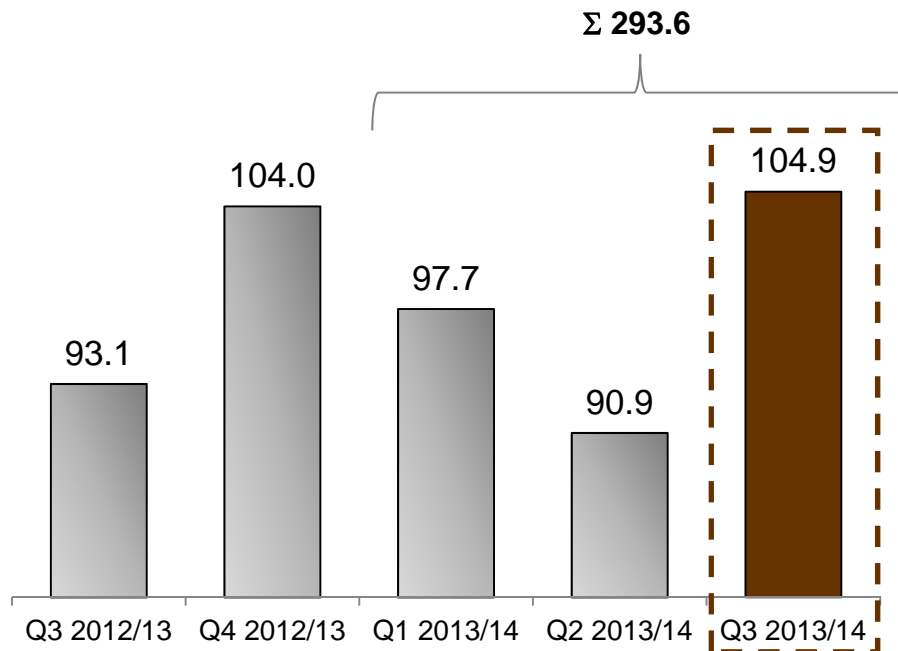
EBITDA AND EBIT MARGIN in %



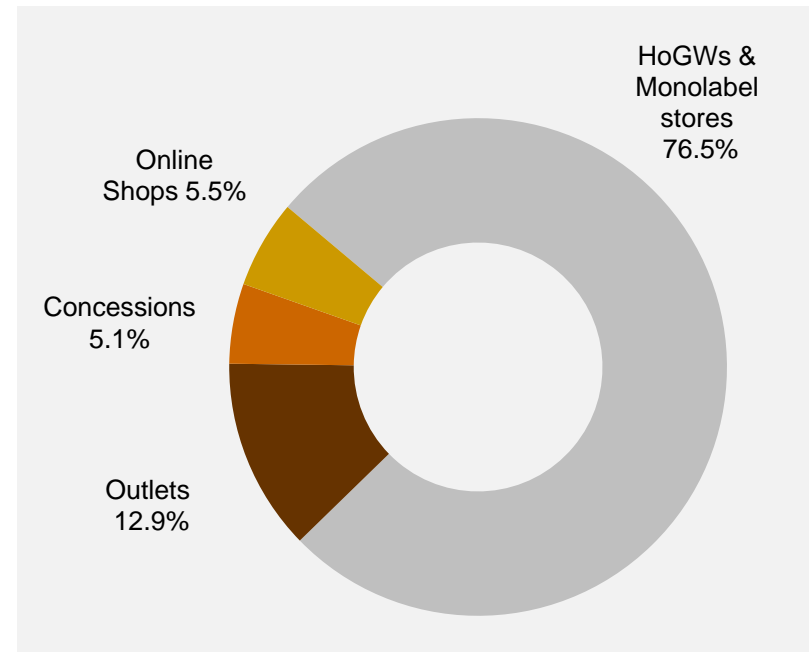
# Key Financials: Retail Sales

- ➔ 2012/13: Retail sales increased by 21.4% to EUR 363.7 mn
- ➔ 9M 2013/14: Retail sales were up 13.0 % on the previous year period and amounted to EUR 293.6 mn (9M prev. year: EUR 259.7 mn)
- ➔ 9M 2013/14: Compared to the first nine months of the fiscal year 2012/13 **like-for-like sales were up 3.4%**

RETAIL SALES PER QUARTER (in EUR million)



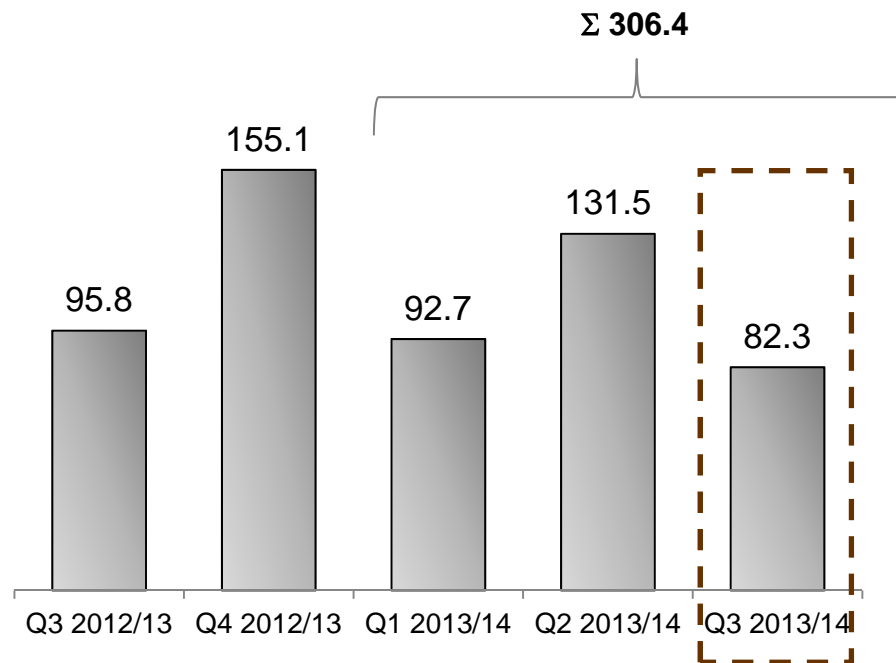
RETAIL SPLIT BY DISTRIBUTION CHANNEL



# Key Financials: Wholesale Sales

- ➔ **9M 2013/14: Wholesale sales** amounted to **EUR 306.4 million** (9M prev. year: EUR 333.1 m)
- ➔ **This is a decrease of 8.0%** on 9M 2012/13
- ➔ Decrease is partly due to 19 Belgian and eight Norwegian HoGWs that are now part of the Retail segment
- ➔ Consequently delisting of customers who failed to meet our strict credit assessments

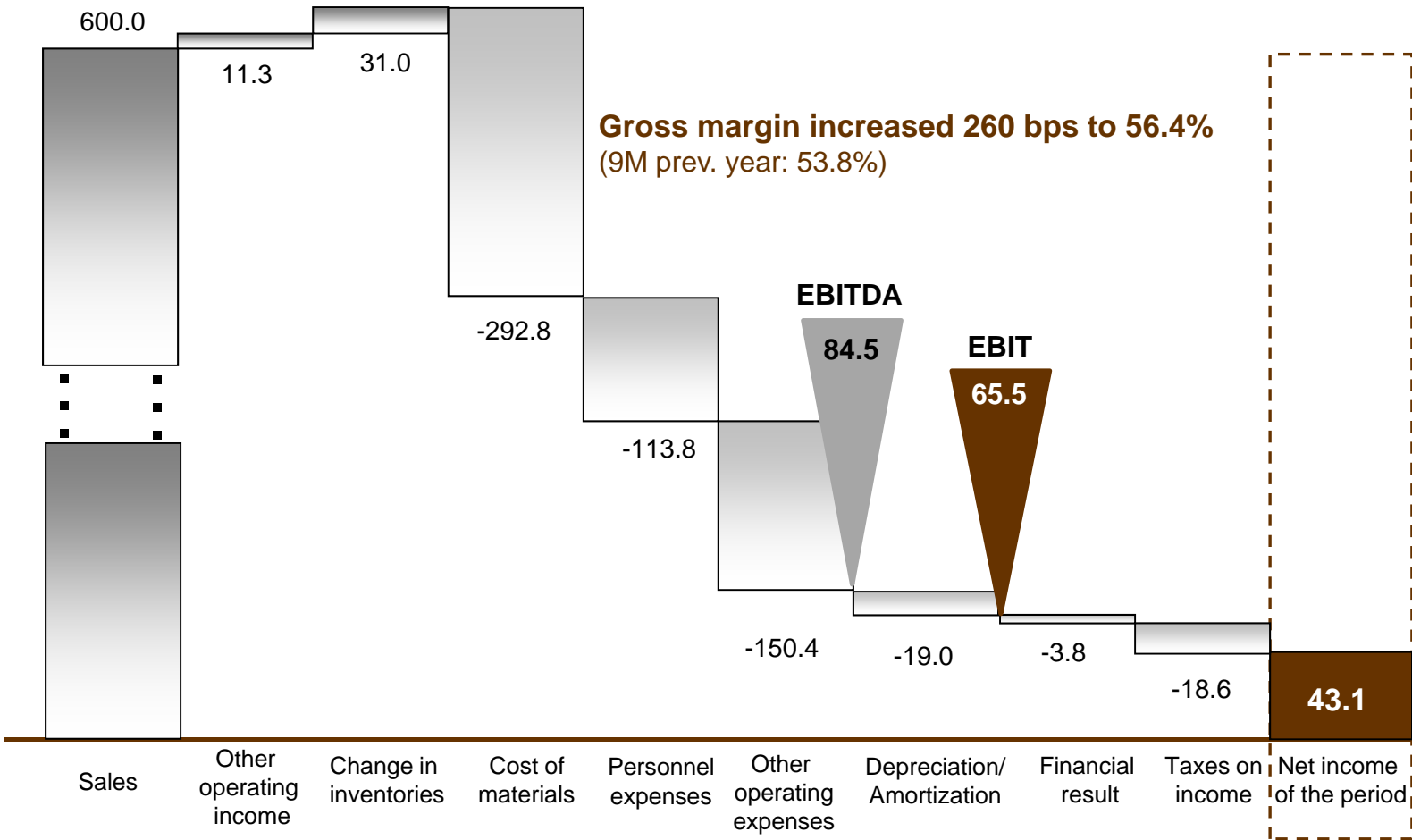
## WHOLESALE SALES PER QUARTER





# Profitability – EBITDA and EBIT in 9M 2013/14

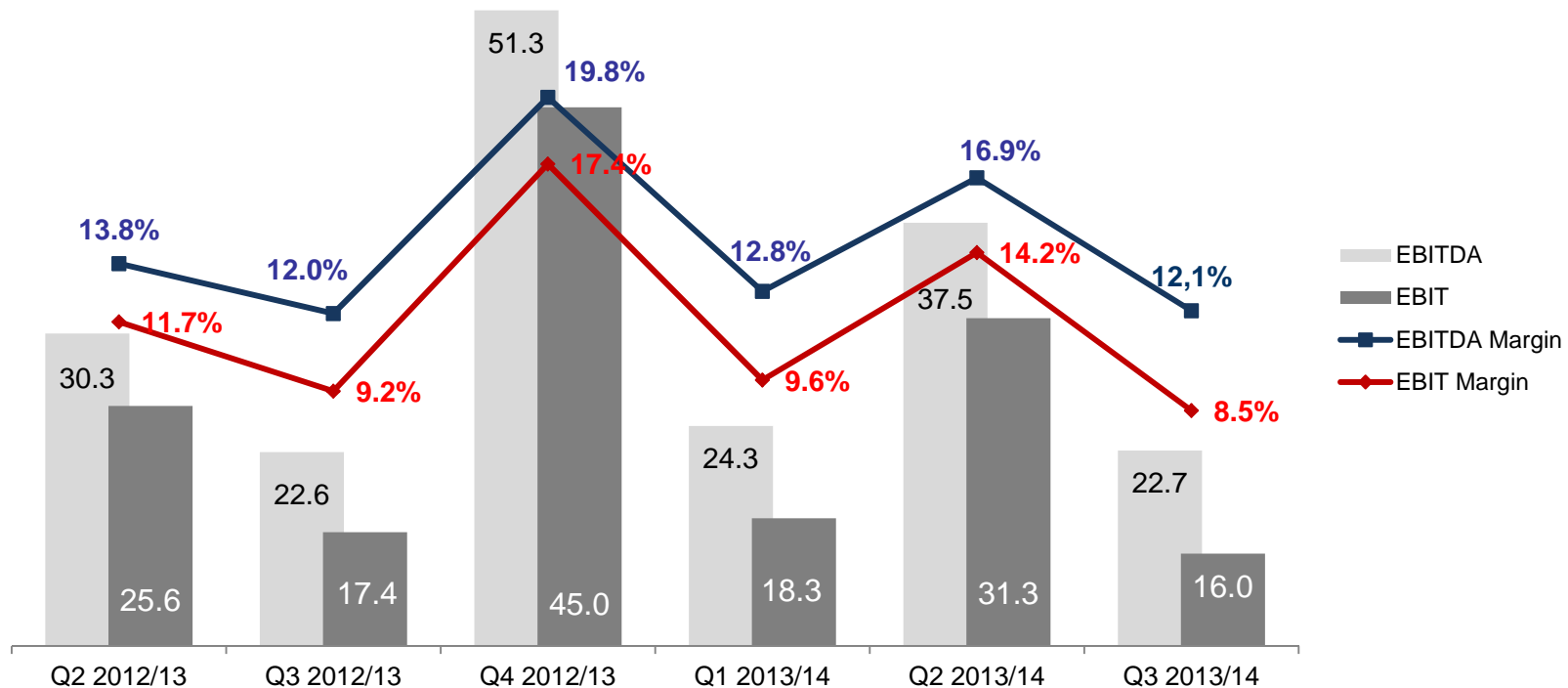
in EUR million



## Key Financials: Profitability per Quarter

9M  
affected  
by:

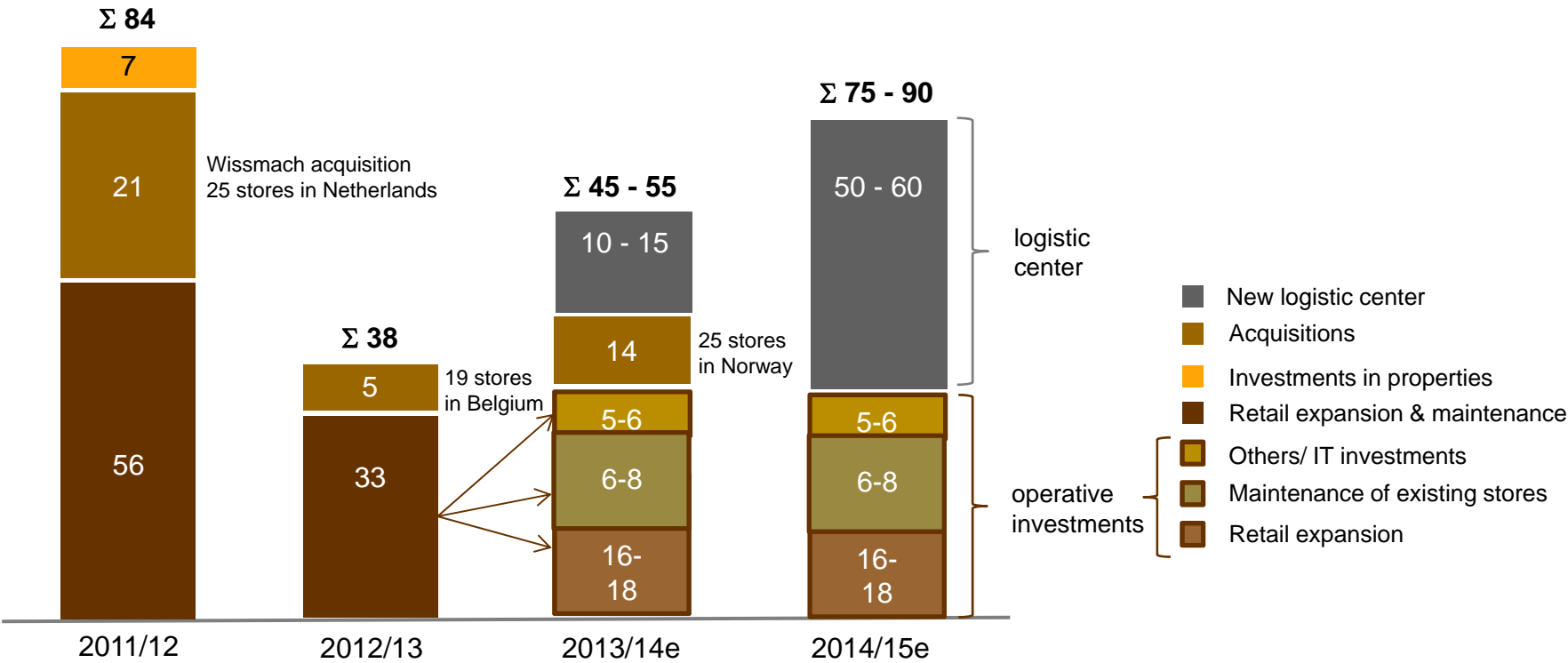
- Q1 and Q3 were effected by seasonal sales periods in January and July.
- Additionally in June and July lower footfall has a negative impact on our business.
- Delisting of customers who failed to meet our strict credit assessments
- Lower re-order volume of our wholesale customers than expected
- + Q2 showed the performance of the Group under “normal” conditions. In Q2 we were able to increase gross margin by 530 basis points and EBIT margin by 240 basis points.



# Key Financials: Cash In- and Outflows (current and expected)

- ➔ Capex for the operational business per year including Retail expansion and maintenance - between EUR 26 to 32 million
- ➔ Investment volume new logistic center round about EUR 90 million
- ➔ Cash inflow from current operating activities amounted to EUR 90.7 mn in 2012/13

## INVESTMENTS / CAPEX (in EUR million)



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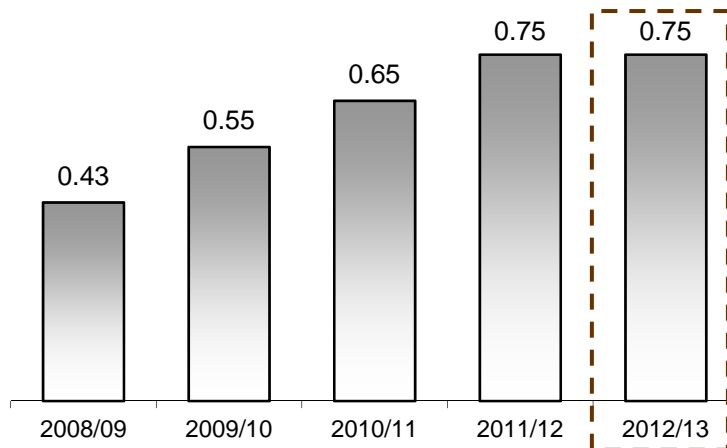


## SHARE PERFORMANCE (since September 2013)

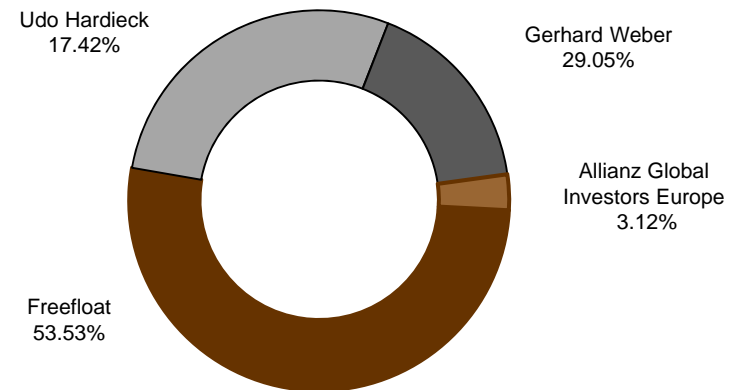


- ➔ Strong share performance in the last month
- ➔ Payout ratio between 40% and 50% every year
- ➔ Dividend yield of round about 2.3%

## DIVIDEND PAYMENTS



## SHAREHOLDER STRUCTURE



## ANALYSTS' RECOMMENDATIONS

Bank/Broker	Analyst	Rating	Price target	Date
Baader Bank	Volker Bosse	buy	42.00	12 Sept 2014
Bank of America Merrill Lynch	Tushar Jain	buy	38.00	14 March 2014
Berenberg Bank	Anna Patrice	buy	45.50	12 Sept 2013
<i>BHF Bank</i>		<i>over-weight</i>	<i>38.00</i>	<i>18. June 2013</i>
BNP Paribas	Andreas Inderst	outperform	40.00	13 June 2014
Close Brothers Sydler	Martin Decot	buy	38.00	12 Sept 2014
Commerzbank	Yasmin Moschitz Andreas Riemann	hold	32.00	12 Sept 2014
Cheuvreux	Jürgen Kolb	underperform	30.50	12 Sept 2014
Deutsche Bank	Michael Kuhn	buy	40.00	20 Aug. 2014
DZ Bank	Herbert Sturm	buy	37.00	15 Sept 2014

Bank/Broker	Analyst	Rating	Price target	Date
Equinet Bank	Ingbert Faust	accumulate	34.00	12 Sept 2014
Hauck & Aufhäuser	Christian Schwenkenbecher	buy	42.00	12 Sept 2014
HSBC Global Research	Thomas Teetz	neutral	36.00	3 March 2014
Lampe Research	Christoph Schlienkamp	buy	38.50	5. Aug. 2014
LBBW	Fabian Süßengut	buy	40.00	16 Sept 2014
Main First Bank AG	Gael Colcombet	outperform	40.00	15 Sept 2014
Metzler Equity Research	Peter Steiner	buy	40.00	14 Jan 2014
Montega Research	Tim Kruse	hold	37.00	13 June 2014
MM Warburg	Philipp Frey	buy	43.00	12 Sept 2014
Quirin Bank	Mark Josefson	sell	32.50	3 June 2014

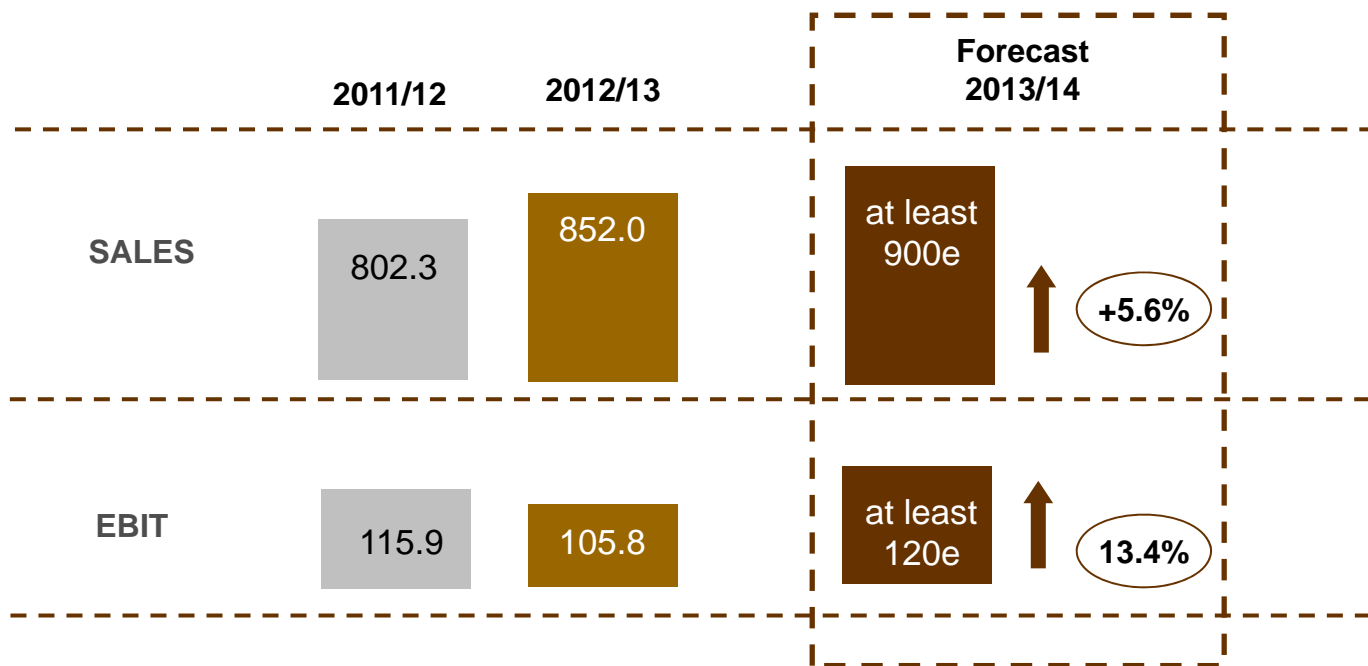
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# Expectations for Q4 2013/14

<b>Triggers for Q4</b>	<ul style="list-style-type: none"> <li>+ Additional collection with 29 items (NY-Collection)</li> <li>+ Launch of marketing measures (first TV commercial)</li> <li>+ Modern autumn/winter collections which meet the needs of our customers</li> <li>+ No special discount period in Q4 – full price sales</li> </ul>
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## STRATEGIC FOCUS

### RETAIL

- ➔ Expansion of the Retail segment
  - with Houses of GERRY WEBER out of Germany, e.g. Poland, Netherlands, Eastern European Countries, Scandinavia
  - with Monolabel Stores in our core markets Germany, Austria and Netherlands
  - Start with own Retail in Canada
- ➔ Strengthen our e-commerce business and the GERRY WEBER Accessories

### WHOLESALE

- ➔ Internationalisation of distribution structures and expansion of the global market presence
  - development of existing customer relations
  - cautious and considered expansion strategy in USA
  - step into new markets
- ➔ Deepening the international market penetration of TAIFUN and SAMOON
- ➔ Enlarge number of trusted wholesale partners in Germany and abroad

### OPERATIONAL TOPICS

- ➔ Further optimisation of sourcing, transport and logistic

# Thank you for your Attention

## FINANCIAL CALENDAR

<b>Publication of the Nine Month Report 2013/14</b>	<b>12 September 2014</b>
Merrill Lynch Conference, London	18 September 2014
Baader Conference, Munich	24 September 2014
MM Warburg Conference, London	19 November 2014
End of the fiscal year 2013/14	31 October 2014

**To be always updated, please have a look on our website**

**[www.gerryweber.com](http://www.gerryweber.com)**

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## 9M BALANCE SHEET STRUCTURE

in EUR million

	ASSETS	EQUITY & LIABILITIES	
Cash	77.8	410.2	Equity
Current assets	227.0		
Non-current assets	300.5	66.5	Current liabilities
		128.6	Non-Current liabilities

- ➔ Strong balance sheet structure with an equity ration of 67.8% (as of 31 July 2014)
- ➔ Short and long-term financial liabilities amounted to EUR 91.5 million with a cash volume of EUR 77.8 mn
- ➔ Financial liabilities increased in 2013/14 due to the issuance of an EUR 75 mn note loan, which will be used to finance the new logistic center



## CONSOLIDATED INCOME STATEMENT 9M 2013/14

in KEUR	Q3 2013/14	Q3 2012/13	9M 2013/14	9M 2012/13
	01.05.14 - 31.07.14	01.05.13 - 31.07.13	01.11.13 - 31.07.14	01.11.12 - 31.07.13
Sales	187,230.1	188,959.2	600,007.1	592,843.1
Other operating income	4,107.0	4,033.6	11,271.5	11,177.1
Changes in inventories	26,337.5	15,791.5	30,994.5	7,738.6
Cost of materials	-102,423.8	-97,397.2	-292,763.5	-281,870.1
Personnel expenses	-40,764.5	-37,076.4	-113,767.5	-106,344.8
Depreciation/Amortisation	-6,707.2	-5,293.2	-18,969.4	-15,363.0
Other operating expenses	-51,501.0	-51,388.4	-150,417.7	-146,673.0
Other taxes	-301.7	-273.4	-862.0	-786.1
<b>OPERATING RESULT</b>	<b>15,976.4</b>	<b>17,355.7</b>	<b>65,493.0</b>	<b>60,721.8</b>
Financial result	-1,104.3	-628.6	-3,805.8	-2,208.3
<b>RESULTS FROM ORDINARY ACTIVITIES</b>	<b>14,872.1</b>	<b>16,727.1</b>	<b>-61,687.2</b>	<b>58,513.5</b>
Taxes on income	-4,487.5	-5,250.3	-18,593.9	-17,714.1
<b>NET INCOME OF THE REPORTING PERIOD</b>	<b>10,384.6</b>	<b>11,476.8</b>	<b>43,093.3</b>	<b>40,799.4</b>