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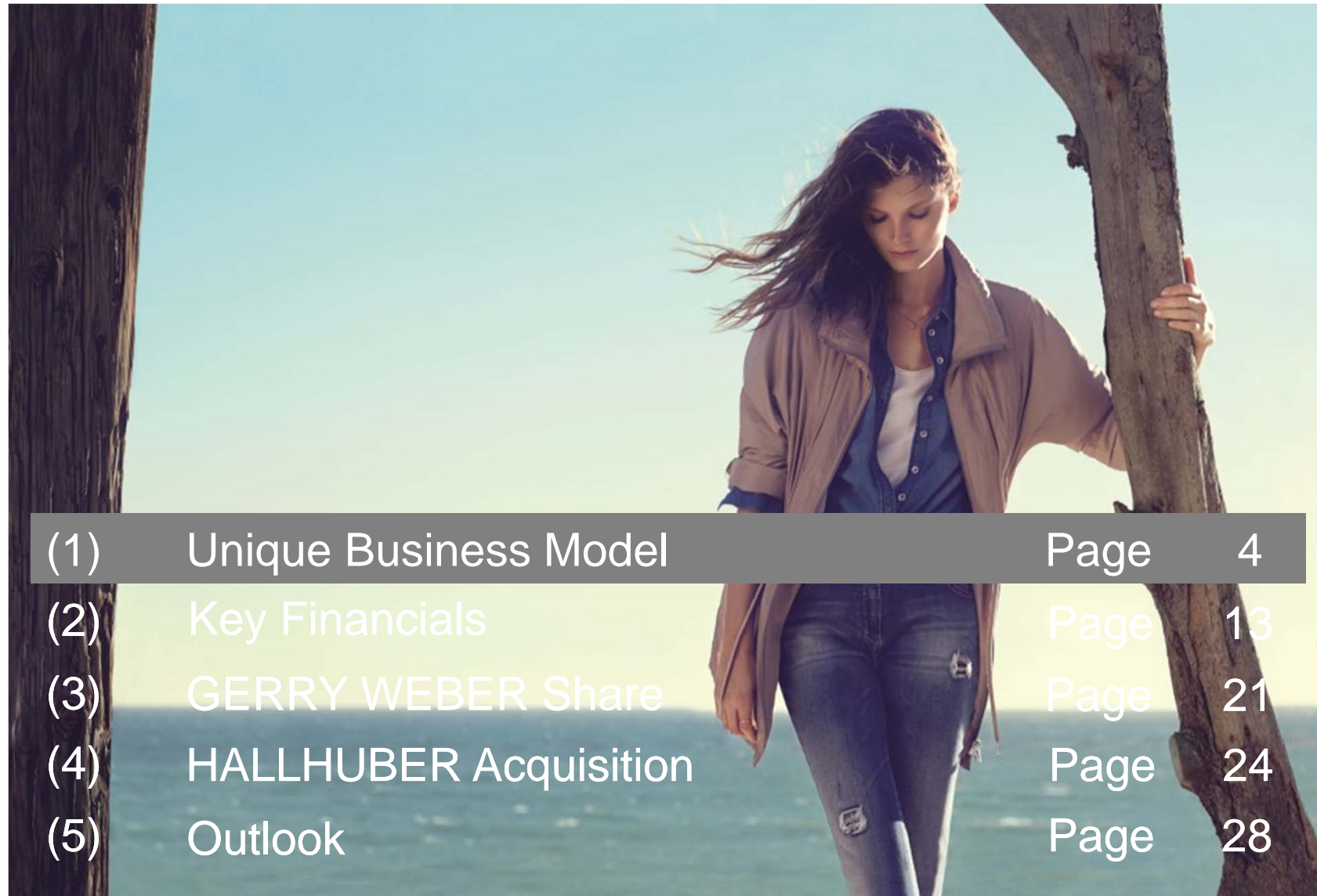
# GERRY WEBER

## Strategy and Financials

June 2015



	H1 2014/15	Q2 2014/15 ONLY
	GERRY WEBER Core (GERRY WEBER, TAIFUN, SAMOON)	HALLHUBER
	Sales decrease to <b>EUR 398.9 Mio. (-3.4 %)</b>	Sales increase to <b>EUR 33.8 mn (+11.7%)</b>
	Increase in gross margin to 57.6% (previous year: 55.0%) .	Q2 2014/15: increase in gross margin to 65.4 % (Q2 prev. year: 64.2%)
	EBIT of <b>EUR 36.6 Mio. (-26.1%)</b>	EBIT of <b>€ -0,4 Mio.</b> impacted by higher depreciation
	<b>800</b> company-managed Retail sales floor spaces (+ 22 stores in H1)	<b>237</b> own Retail sales floor spaces (+18 stores since Dec. 2014)
	like-for-like Retail sales: -4,6 % (market development Germany: approx. -5%)	like-for-like Retail sales: 1.0 % (market development Germany: approx. -5%)




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## COMPANY PROFILE

<b>Business</b>	<p>Global German fashion and lifestyle company with four strong brand 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> <li>▪ <b>HALLHUBER</b> (HALLHUBER and HALLHUBER DONNA)</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>▪ 800 company-managed sales spaces. Thereof 330 outside Germany.</li> <li>▪ 6 online stores ensure availability in 9 countries (April 2015)</li> </ul>
<b>HALL-HUBER Retail</b>	<ul style="list-style-type: none"> <li>▪ 237 fully-controlled Retail POS</li> <li>▪ 5 own online shops</li> <li>▪ 14 third-party e-commerce platforms (April 2015)</li> </ul>
<b>Wholesale</b>	<ul style="list-style-type: none"> <li>▪ More than 270 franchised Houses of GERRY WEBER and round about 2,820 Shop-in-Shops all over the world (April 2015)</li> </ul>
<b>Financials</b>	<p><b>2013/14</b></p> <ul style="list-style-type: none"> <li>▪ Revenues: EUR 852.1 Mio.</li> <li>▪ EBIT: EUR 108.9 Mio.</li> <li>▪ Net income: EUR 71.4 Mio.</li> <li>▪ EPS: EUR 1.56</li> <li>▪ Dividend: EUR 0.75 per share</li> </ul>

## HISTORY

1973	Company established by Gerhard Weber and Udo Hardieck
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
2011	New Design Centre in Halle, Listing in M-Dax
2011	Acquisition of 20 former DON GIL stores in Austria
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 25 HoGWs that were formerly owned by our franchise partner in Norway
2015	Acquisition of Munich-based fashion company HALLHUBER

<b>Board</b>	<p>Ralf Weber (CEO) Dr. David Frink Arnd Bucharadt</p> 
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# Brand Universe and Sales Contribution

## GERRY WEBER



- COLLECTION**
  - **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
- EDITION**
  - **Fresh and more casual**
  - Coordinated single items
  - EDITION fashion statement is more casual.
- G.W.**
  - **Most trend-oriented collection**
  - Shortest development and production cycle
  - Fully vertically integrated (no sample collections)
  - 12-month programs
- ACCESSORIES**
  - **Accessories collection**
  - Scarves, hats, shawls, gloves and lifestyle jewelry
  - 12 collections per year each comprising 20-25 items

Sales contribution of brand families\*: **GERRY WEBER: 70.1%**

## TAIFUN SAMOON

by GERRY WEBER



- **Young Modern Woman Fashion**
- Trendy and stylish silhouettes, slim cuts – casual and business
- Targeting the younger „modern woman“ starting at her mid thirties

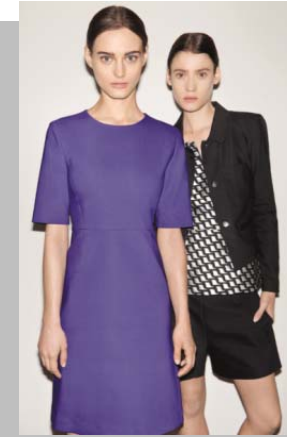
**TAIFUN: 16.9%**

### 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: 5.0%**

## HALLHUBER



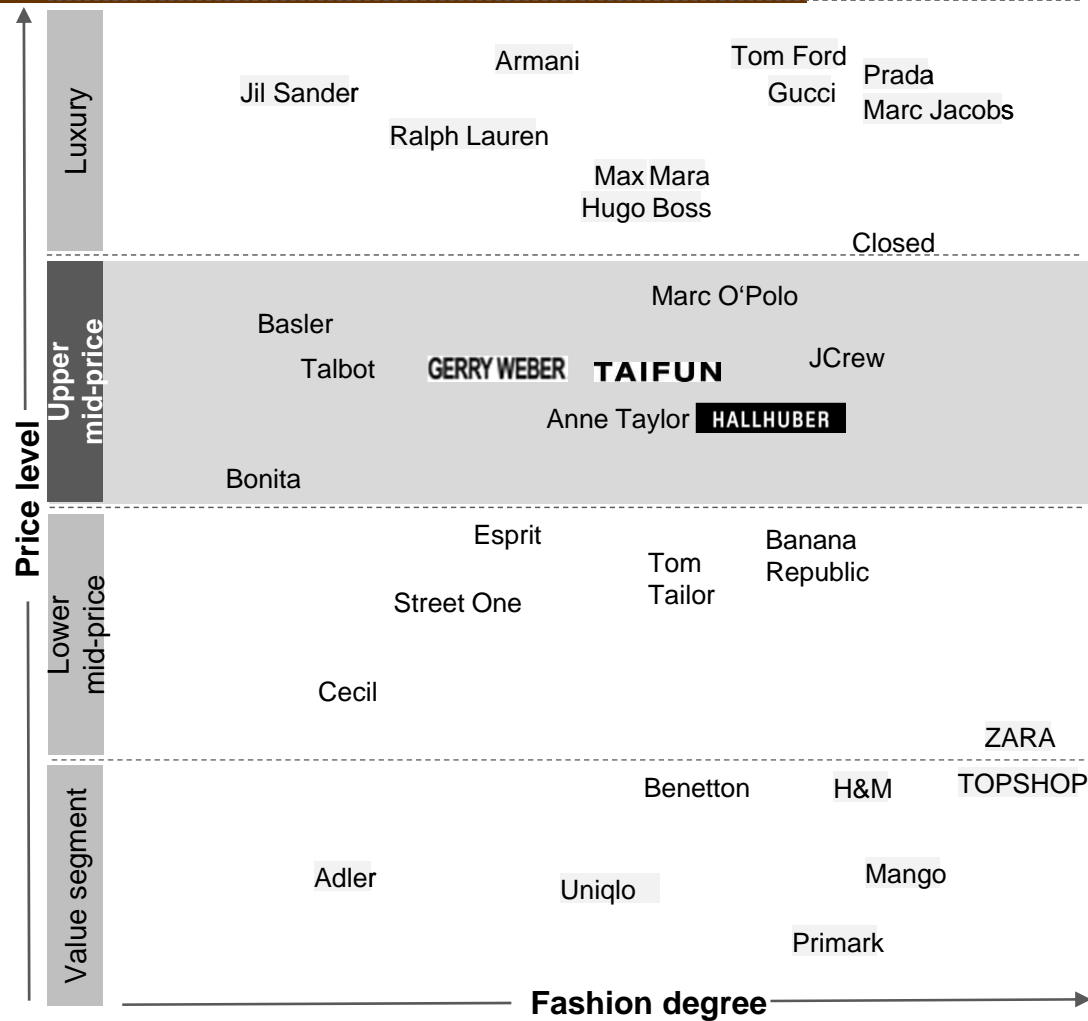
### Young, Sophisticated and Urbane Fashion

- Urbane, timeless style with a fashion twist
- Feminine, stylish and nevertheless elegant
- Target group: fashion conscious woman between 25 and 45
- Product Line HALLHUBER DONNA: more elegant and exclusive

**HALLHUBER: 8.1%**

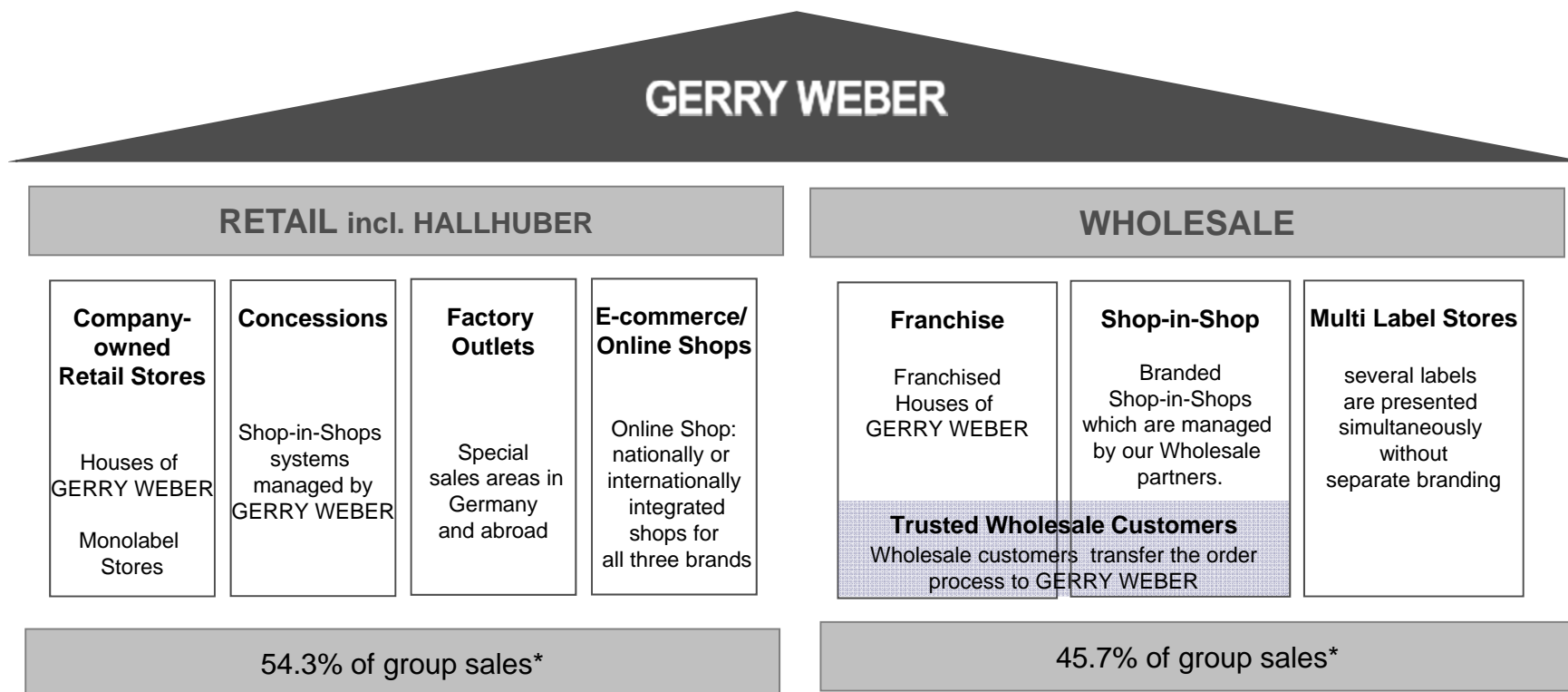
\* in H1 2014/15 (first consolidation of HALLHUBER: Q2 2014/15)

## SEGMENT AND PRICE-POSITIONING



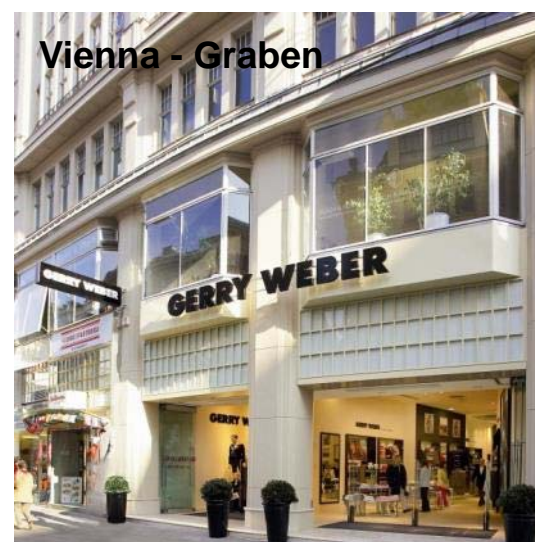
- ➔ Bridge segment between the middle price segment and the premium segment
- ➔ Unique market positioning
- ➔ Loyal customer base with higher income level
- ➔ Less-crowded than other segments
- ➔ A market segment where significant price markups can be achieved

## DISTRIBUTION CHANNELS



\* in H1 2014/15 (first consolidation of HALLHUBER: Q2 2014/15)

# Houses of GERRY WEBER





# Retail Expansion

**Q2 2014/15:** First consolidation of HALLHUBER into GERRY WEBER Group

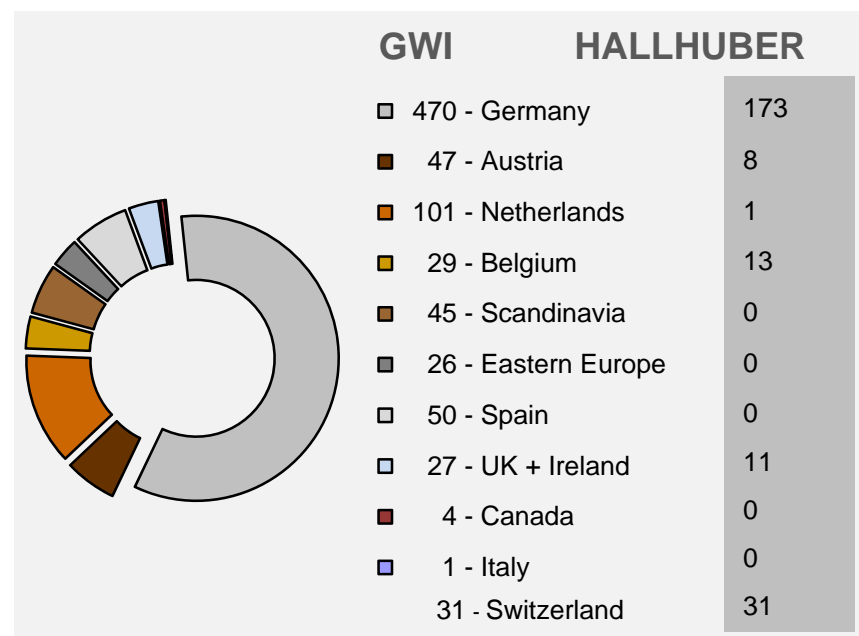
**H1 2014/15:** 22 new Retail sales floors (thereof 4 new sales floors in **Canada**, 5 new stores in **Norway** as well as 2 new Retail HoGWs in **Finland**)

**GERRY WEBER sticks to the implemented Retail expansion and verticalization strategy**

## RETAIL BUSINESS

	H1 2014/15	2013/14	2012/13	2011/12
Houses of GERRY WEBER	510	485	424	347
Monolabel Stores	140	144	144	146
Concessions	117	119	111	64
Factory Outlets	33	30	22	17
<b>TOTAL GWI</b>	<b>800</b>	<b>778</b>	<b>701</b>	<b>574</b>
<b>HALLHUBER*</b>	<b>237</b>	-	-	-

## COMPANY-OWNED STORES BY REGION

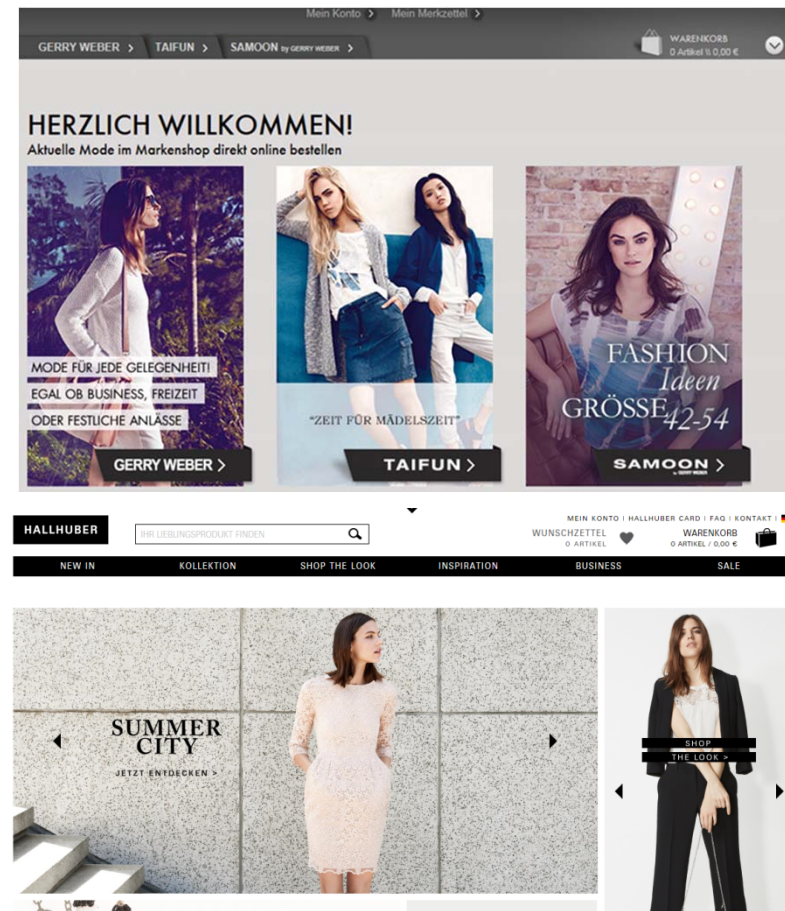
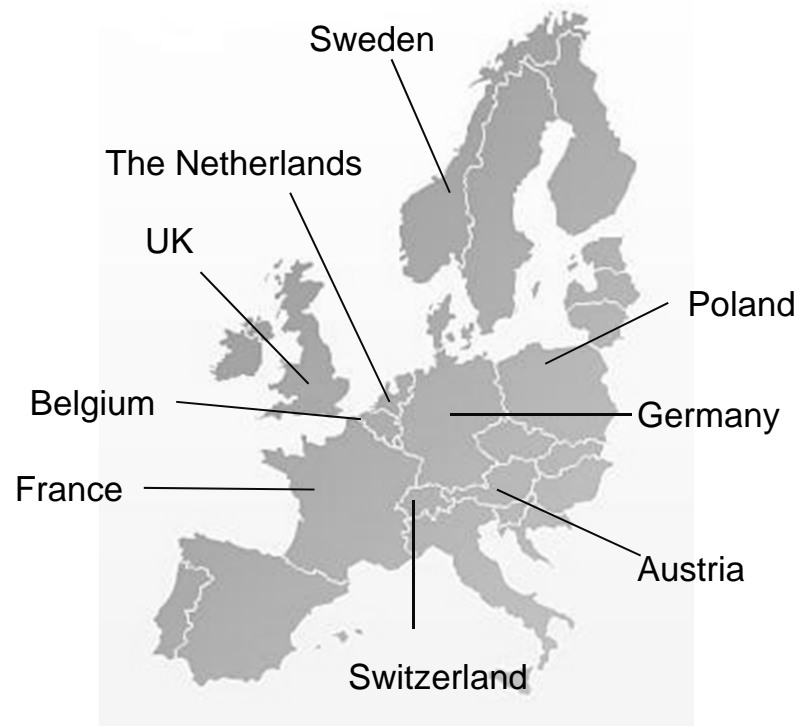


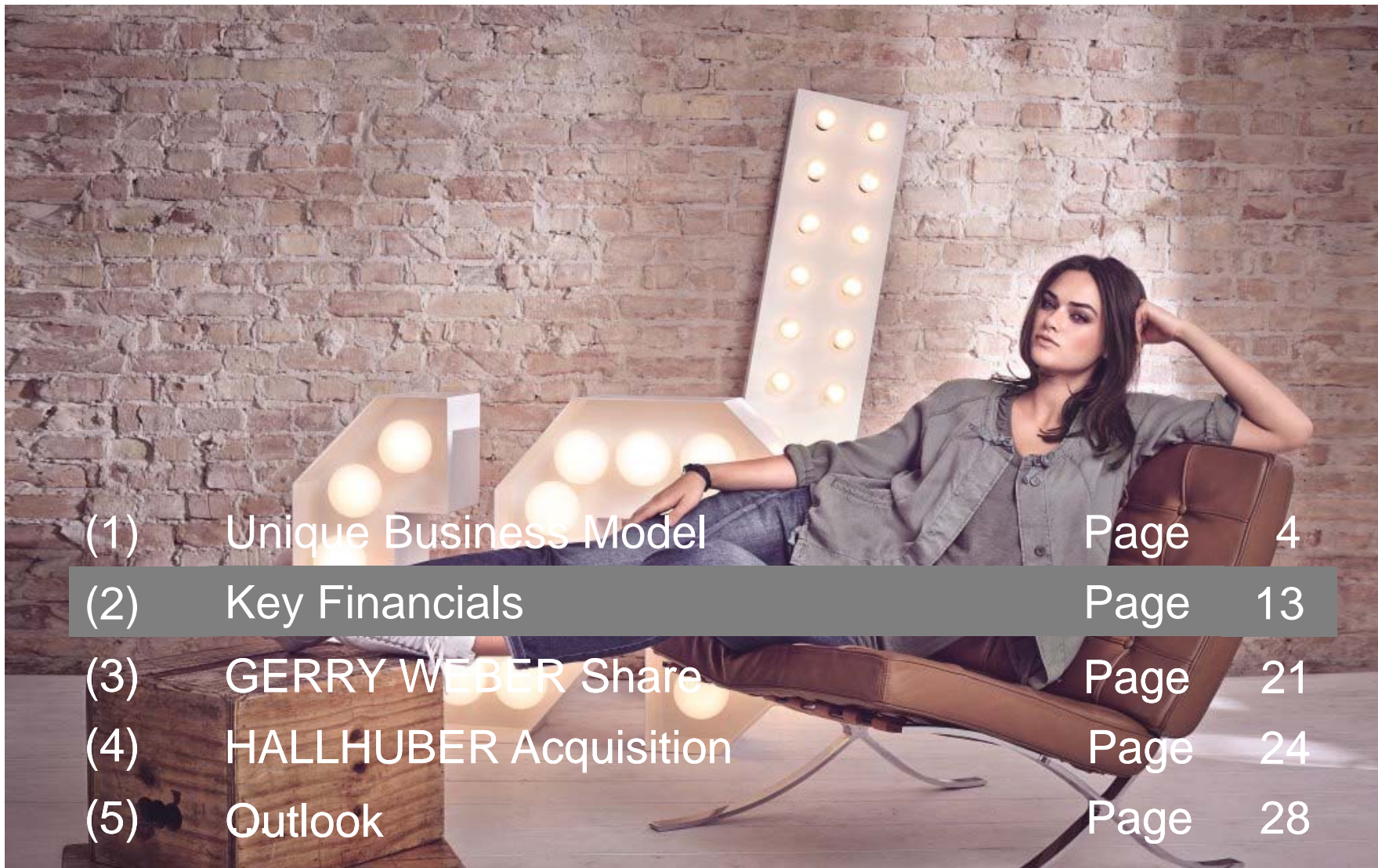
\* First consolidation of HALLHUBER as of February 2015

# E-Commerce

- ➔ 2013/14: Online business generated **sales of EUR 21.7 million**; an **increase of 10.7%**
- ➔ H1 2014/15: Online sales amounted to EUR 11.1 million

## COMPANY-OWNED ONLINE SHOPS (March 2015)

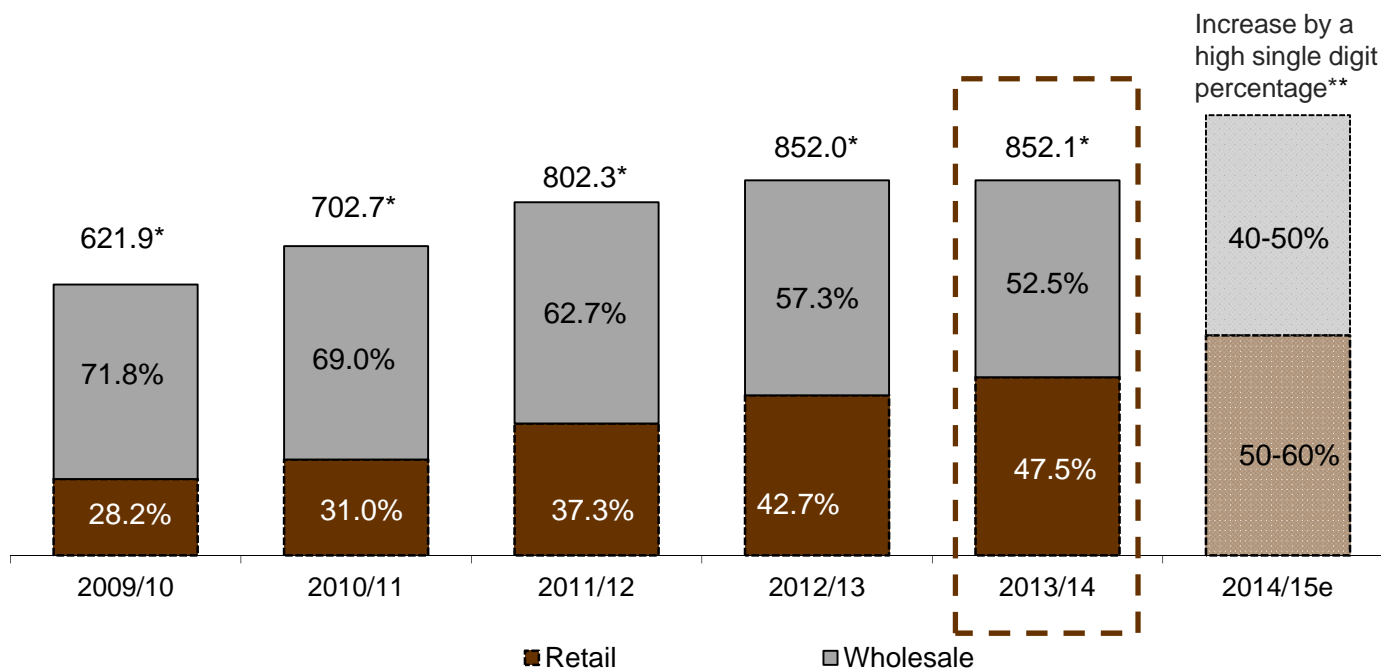




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# Key Financials: Group Sales

- ➔ 2013/14: Group sales of **EUR 852.1 Mio.**
- ➔ H1: 2013/14: **Retail share** in total group sales has increased to **54.3%** (including HALLHUBER). Target for 2014/15 is to reach 50% to 60%
- ➔ H1 2014/15: **GERRY WEBER Core Retail** sales increased by **6.7%** to EUR 201.3 million plus EUR 33.8 million coming from the HALLHUBER consolidation in Q2 2014/15



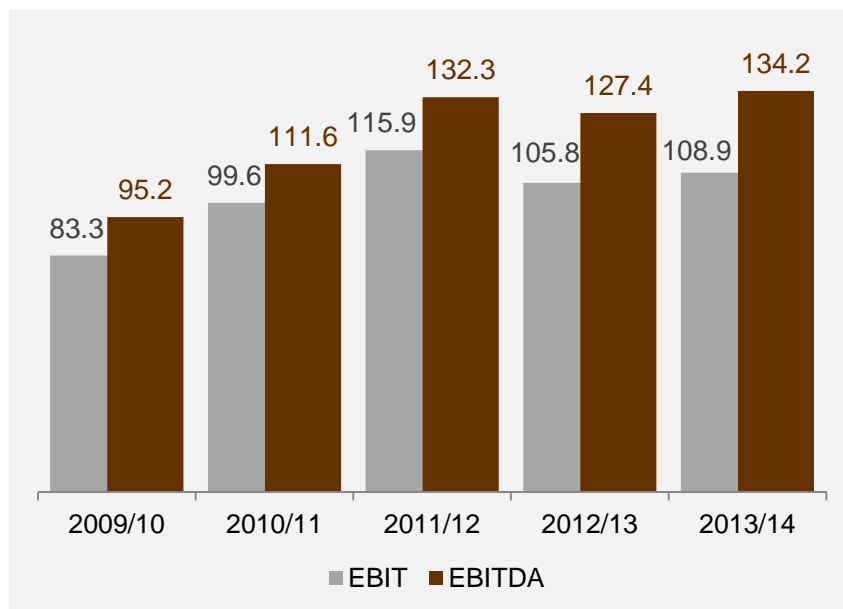
\*Excluding HALLHUBER

\*\*Including HALLHUBER

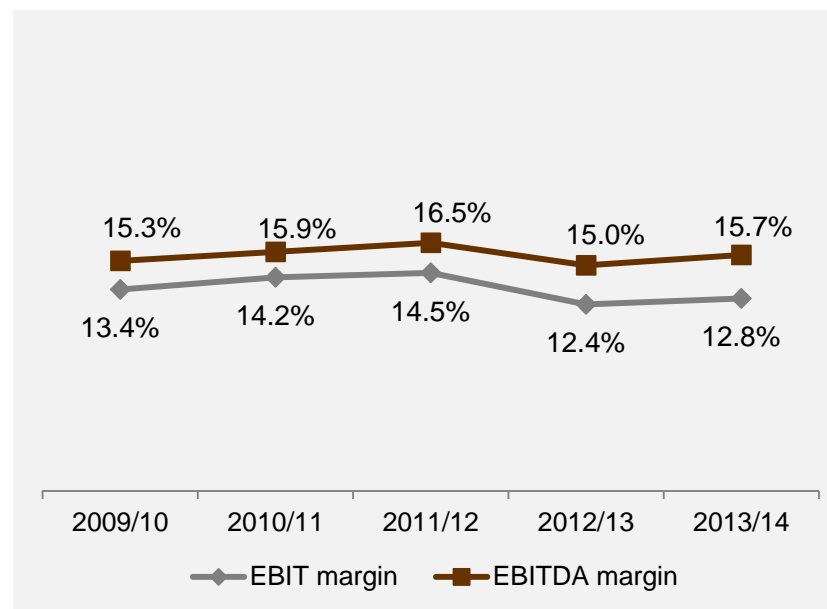
# Key Financials: Group EBIT and EBITDA

- ➔ Highly profitable business model with a solid development over the past years
- ➔ Expansion costs and higher depreciation due to the dynamic Retail roll-out and the acquisitions in the past two years lead to temporarily lower margins

### EBIT and EBITDA in EUR million



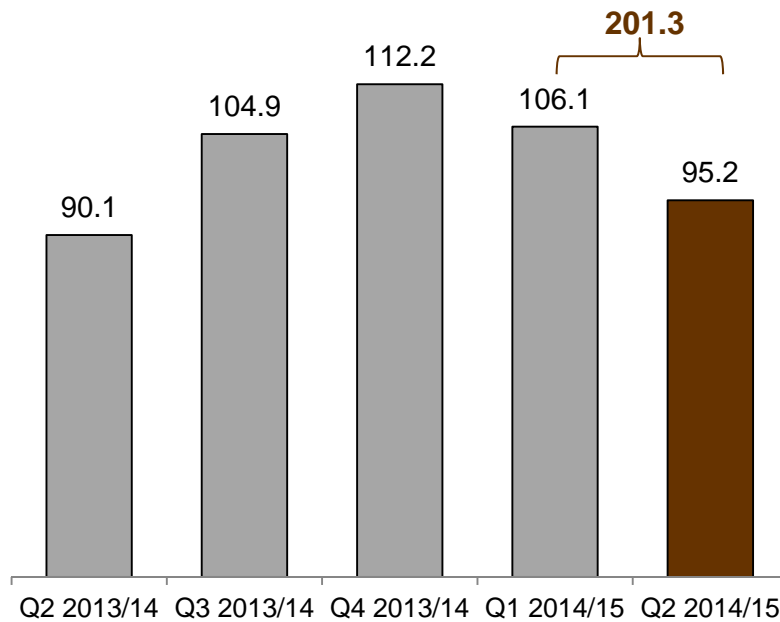
### EBITDA and EBIT MARGIN in %



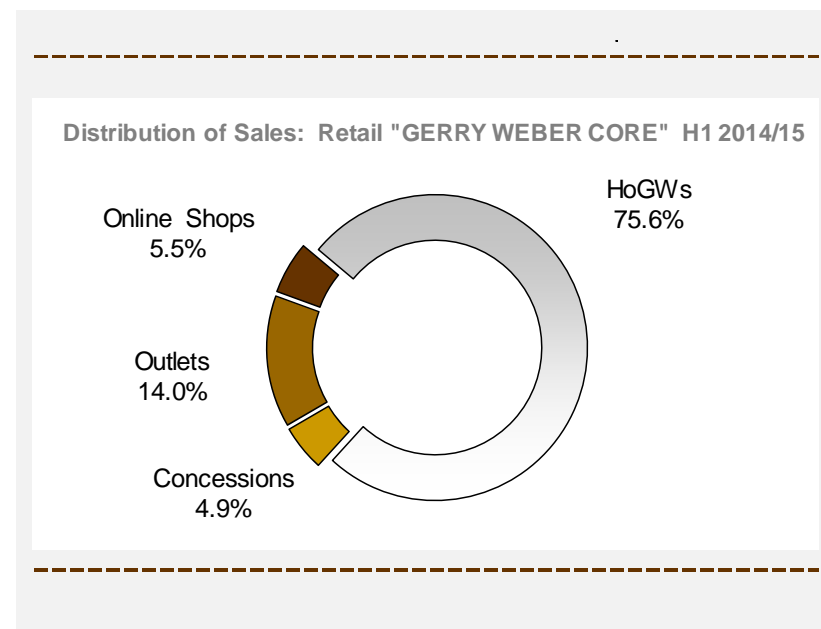
# Key Financials: GERRY WEBER Retail Sales

- ➔ H1 2014/15: Retail sales revenues increased by **6.7%** and amounted to **EUR 201.3 million**
- ➔ Sales increase based on the GERRY WEBER Retail expansion (openings of the last 24 months)
- ➔ H1 2014/15: Compared to the previous year period like-for-like sales were down 4.6% as compared to the performance of the total German market with -5% (according to "Textilwirtschaft")

## RETAIL SALES PER QUARTER \* (in EUR million)



## RETAIL SPLIT BY DISTRIBUTION CHANNEL \*

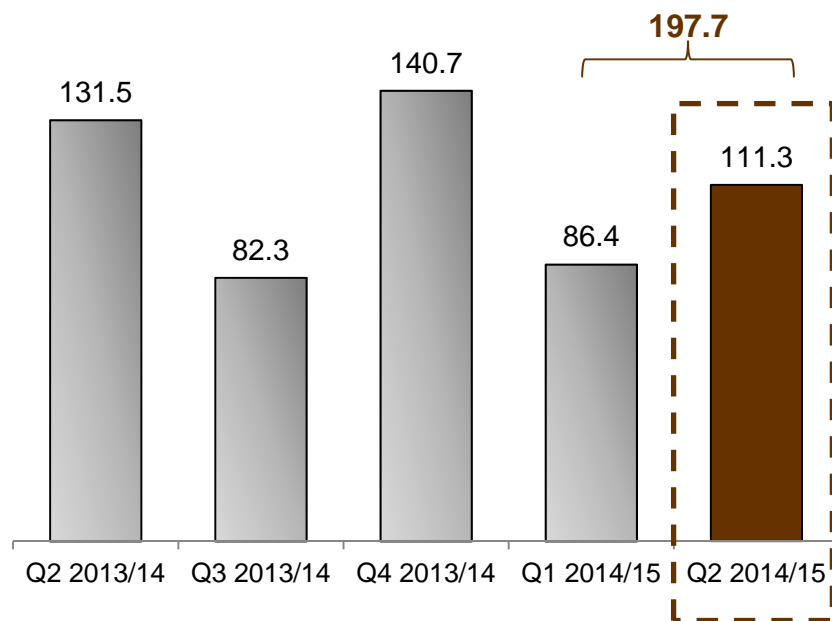


\* Excluding HALLHUBER

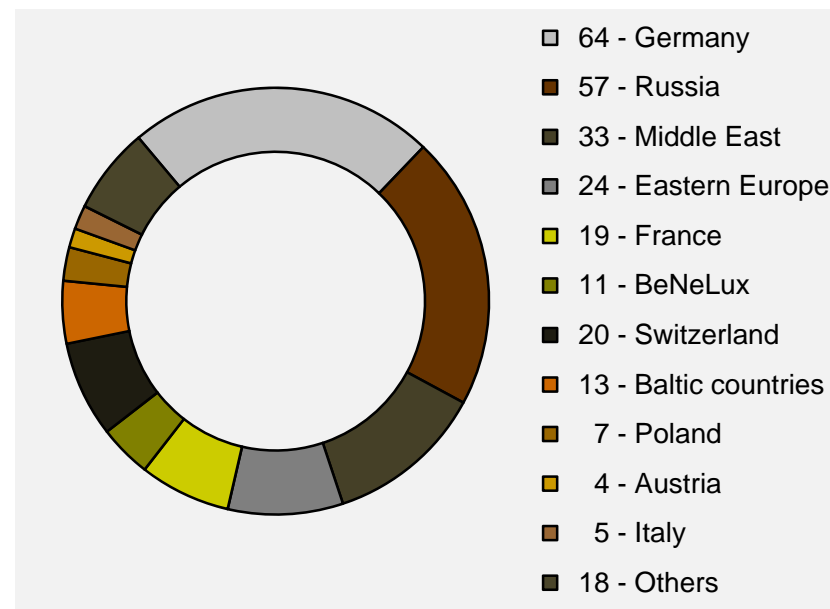
# Key Financials: GERRY WEBER Wholesale Sales

- ➔ H1 2014/15: **Decrease** in Wholesale sales of **11.8%** to EUR 197.7 million. Wholesale partners were affected by higher inventories in the last seasons. As a result, order volumes decreased. In addition we saw lower sales from the Russian and Eastern European markets.
- ➔ H1 2014/15: We expect ongoing cautious order volumes of our wholesale partners in the second half of the fiscal year. Market environment remains challenging.

WHOLESALE SALES PER QUARTER \* (in EUR million)



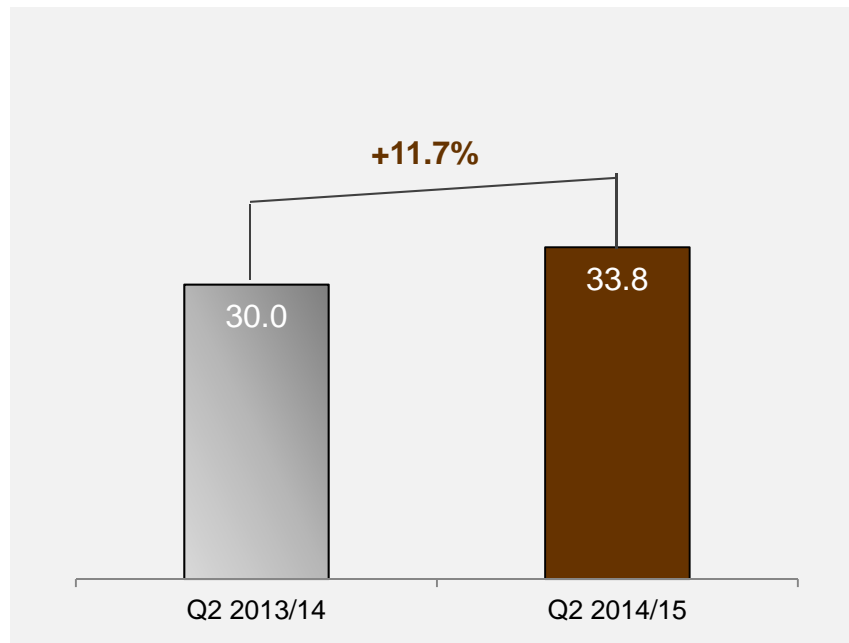
FRANCHISE HoGWs BY REGION



## Key Financials: HALLHUBER Sales

- Q2 2014/15: HALLHUBER sales in Q2 2014/15 amounted to EUR 33.9 million. An increase of 11.7% on the previous years quarter.
- With a 1% like-for-like sales increase HALLHUBER outperformed the German fashion market (-5%).
- EBITDA of HALLHUBER increased by 31.8% to EUR 2.1 million

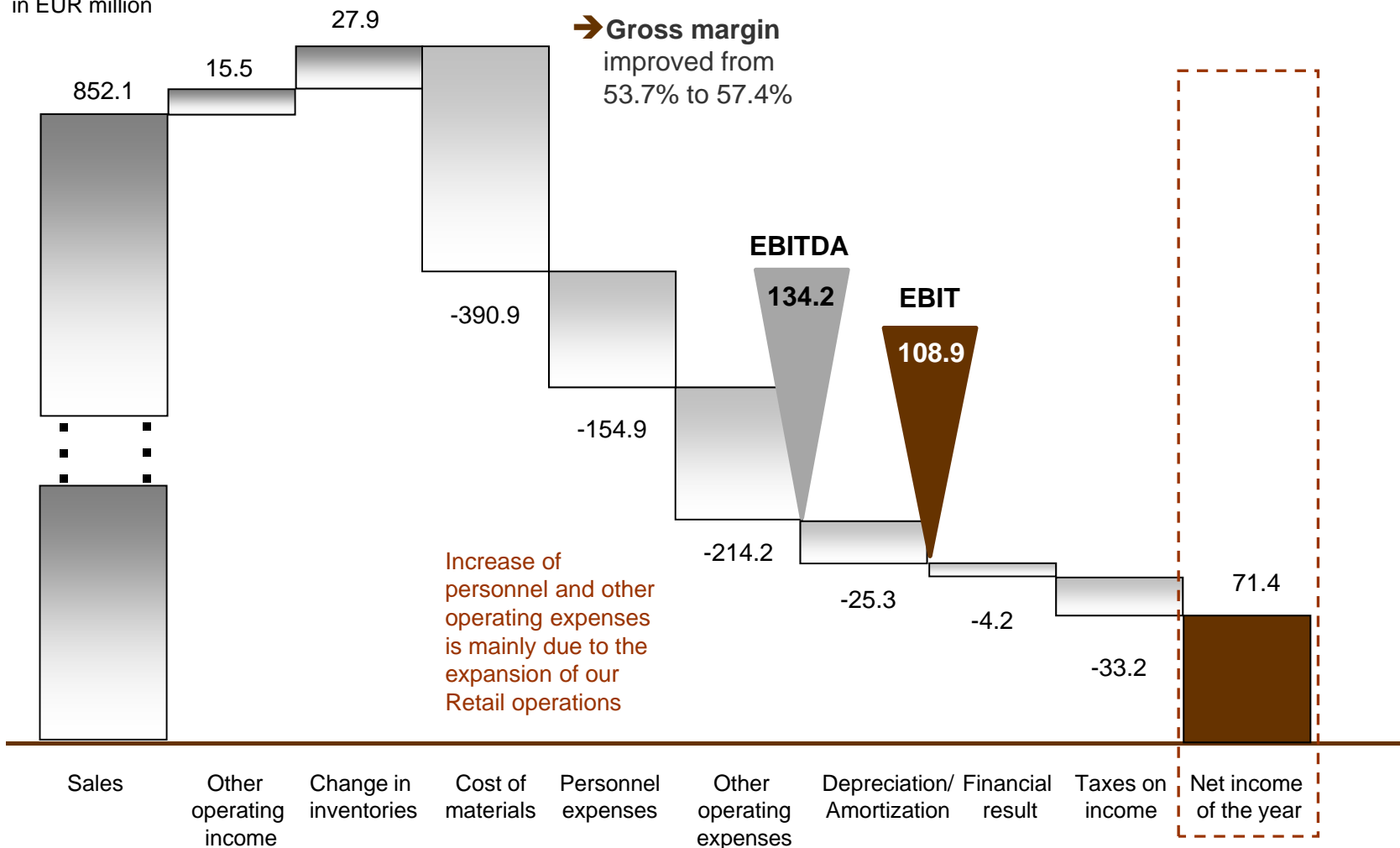
Q2 14/15 vs. Q2 13/14 (in EUR million)





# Development of Group Earnings 2013/14

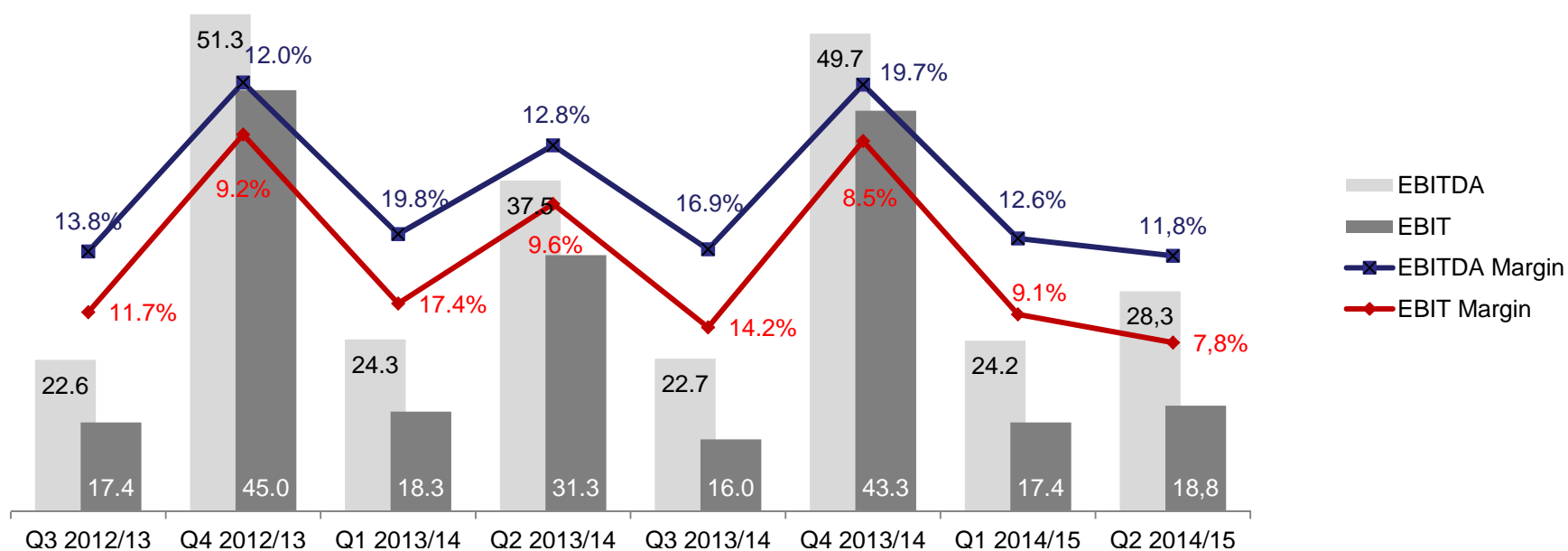
in EUR million



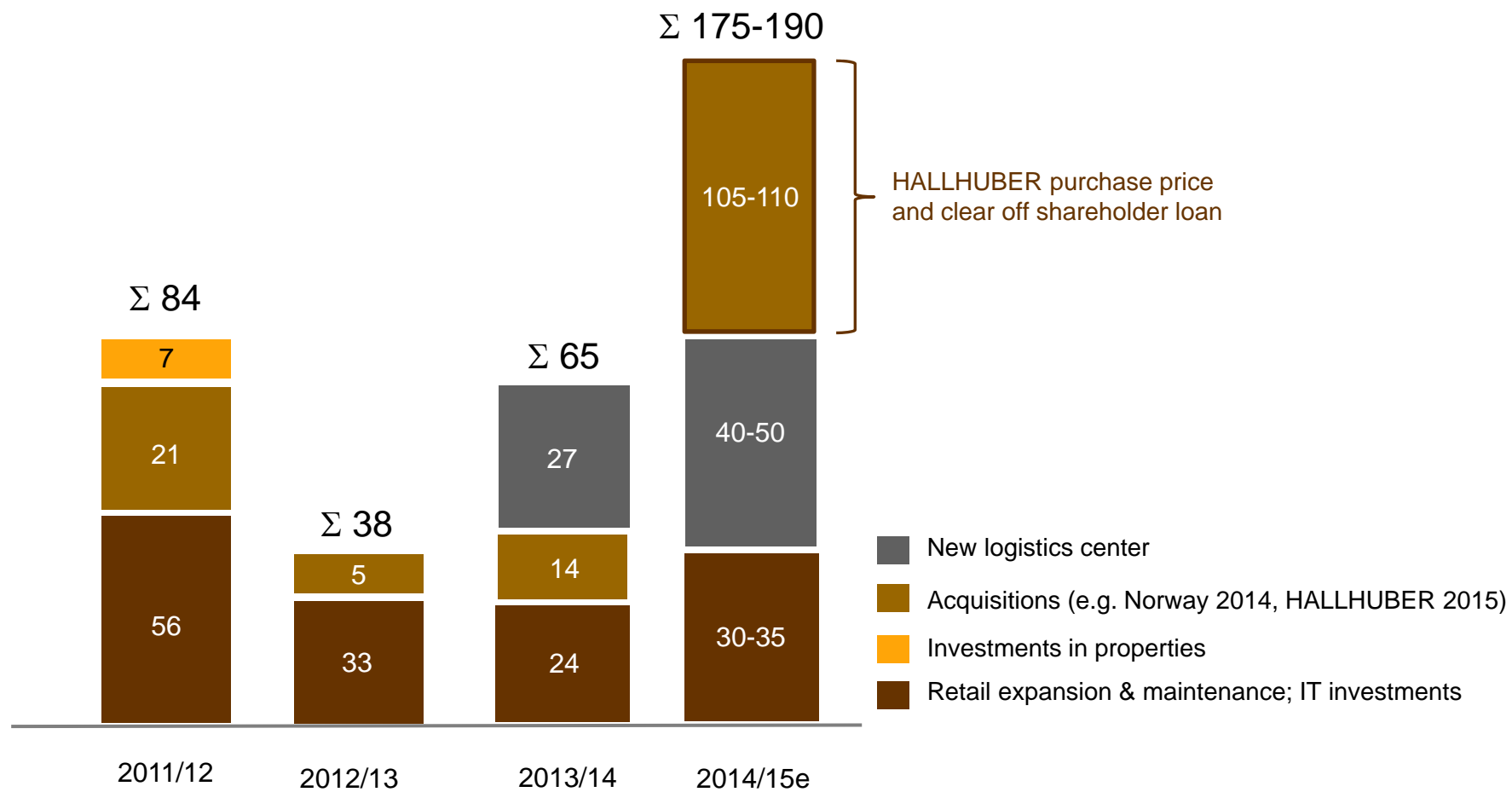
# Key Financials: Profitability per Quarter

**H1  
2014/15  
affected  
by:**

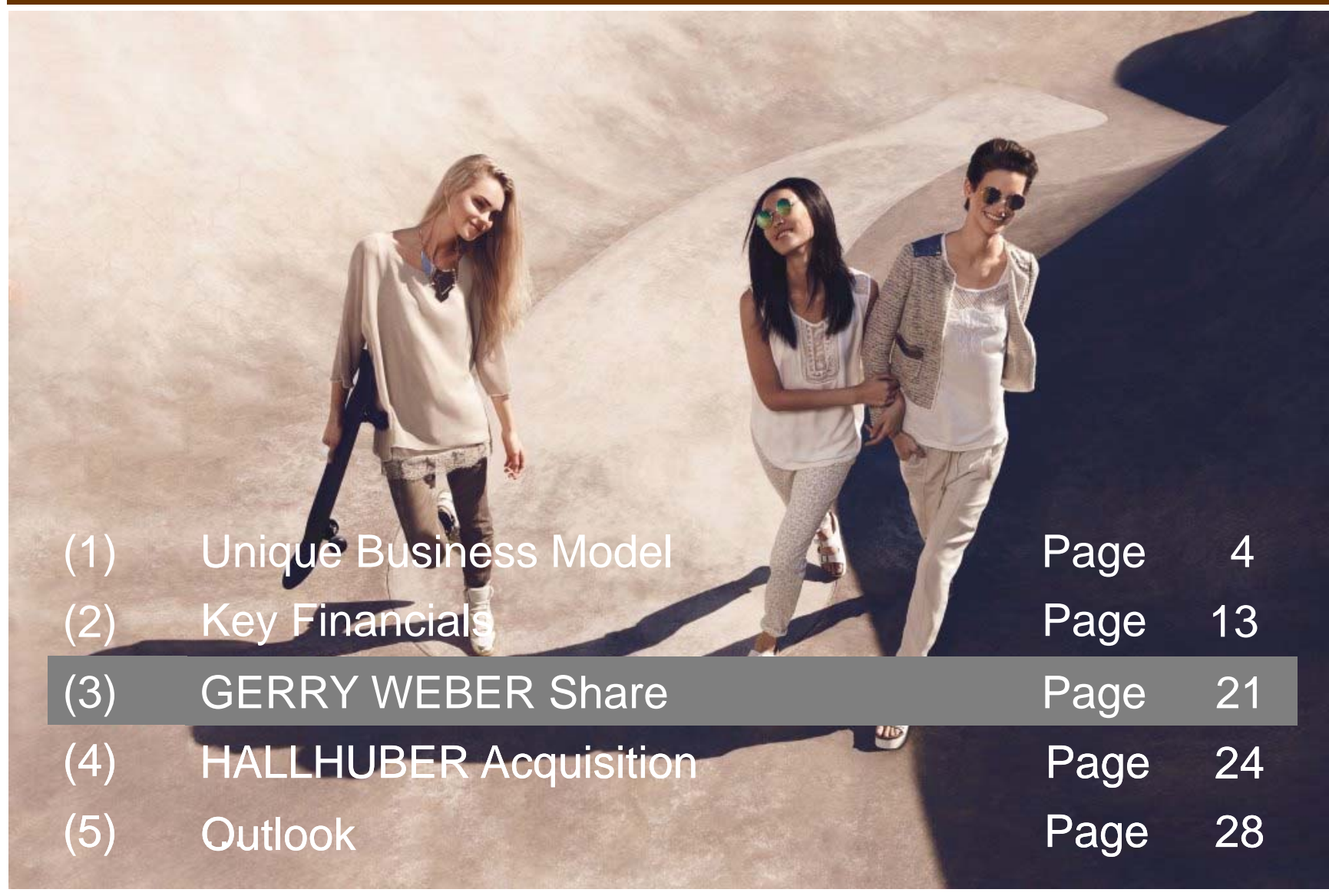
- Overall a difficult market environment with lower footfall in the cities and stores as well as adverse weather conditions since September 2014
- A higher inventory level at our existing customers led to lower order volumes than expected, as did reduced liquidity by some smaller wholesalers
- Above-average markdowns on seasonal items in the last months and expansion-related fixed costs had a negative impact on the earnings situation



## INVESTMENTS / CAPEX (in EUR million)



# Agenda



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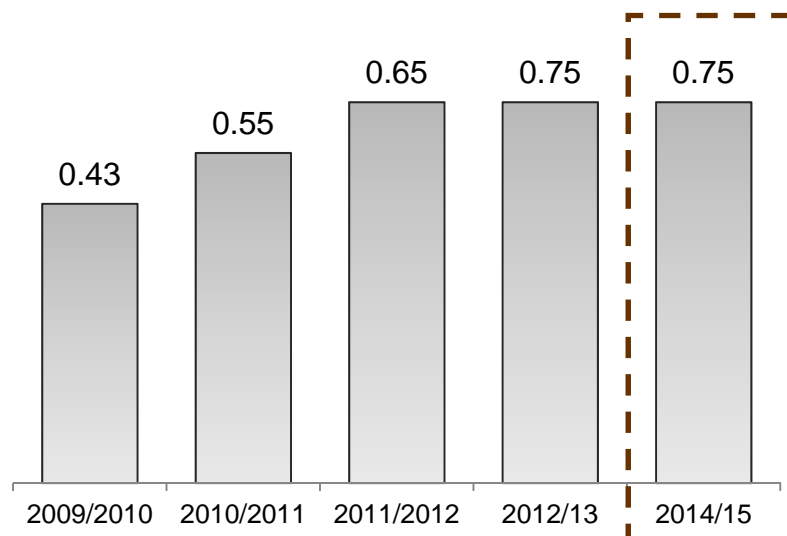
# GERRY WEBER Share I

## SHARE PERFORMANCE (since May 2014)

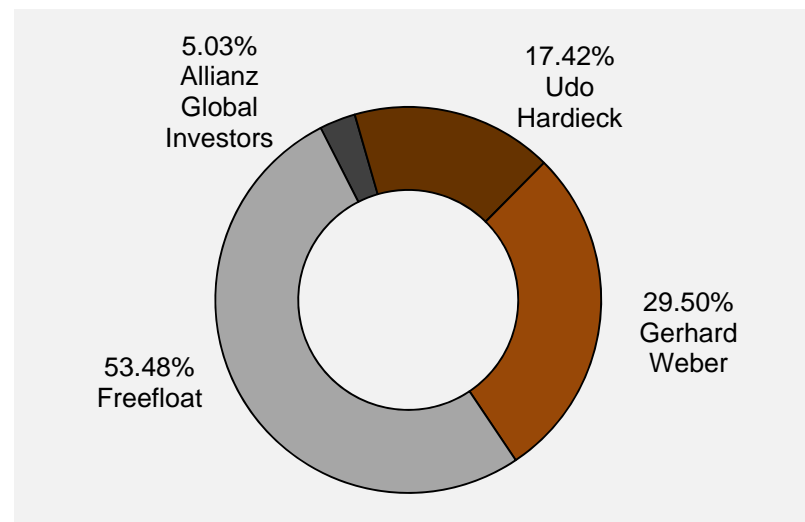


- ➔ Payout ratio between 40% and 50% every year
- ➔ Dividend yield 2014 of round about 2.3%

## DIVIDEND PAYMENTS



## SHAREHOLDER STRUCTURE

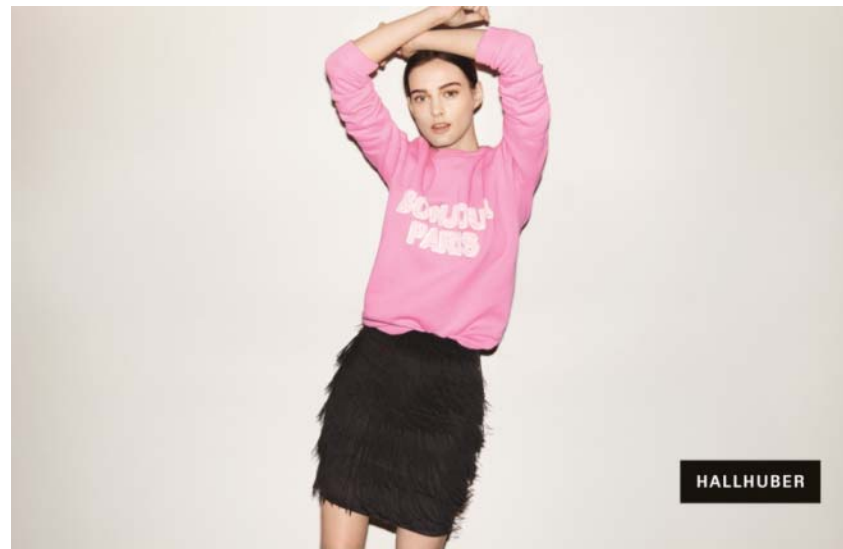
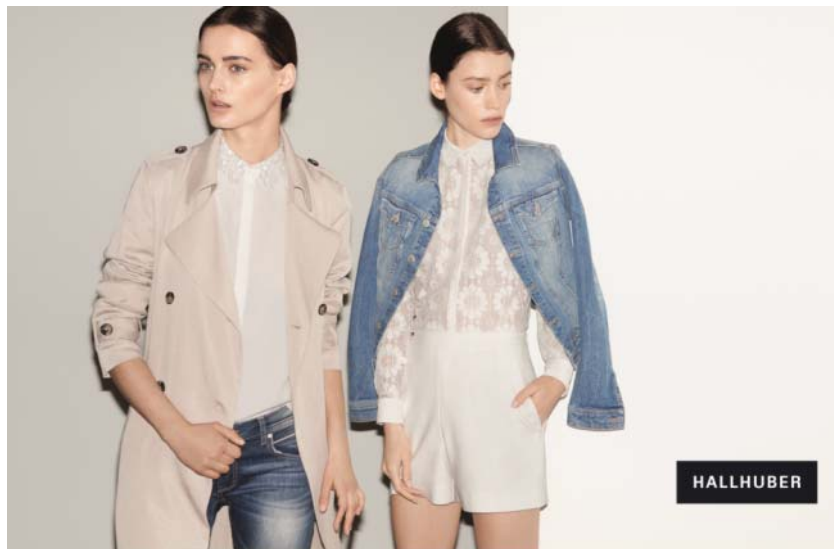


## ANALYSTS' RECOMMENDATIONS

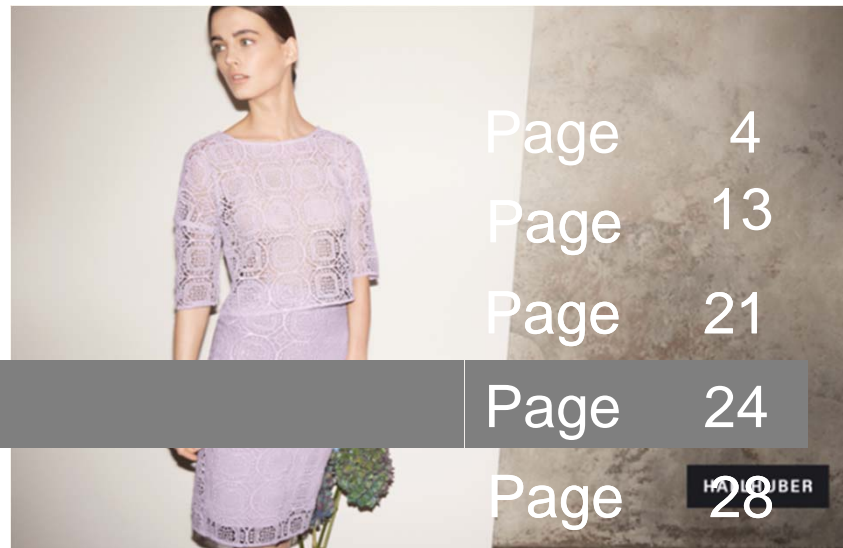
Bank/Broker	Analyst	Rating	Price target	Date
Baader Bank	Volker Bosse	buy	25.00	12 June 2015
Bank of America Merrill Lynch	Tushar Jain	neutral	25.00	10 June 2015
Berenberg Bank	Anna Patrice	buy	25.50	12 June 2015
BNP Paribas	N.N.	outperform	39.00	29 Dec. 2014
Oddo Sydler	Martin Decot	buy	30.00	10 June 2015
Commerzbank	Yasmin Moschitz Andreas Riemann	sell	25.00	10 June 2015
Chevreurx	Jürgen Kolb	reduce	30.50	27 Feb. 2015
Deutsche Bank	Adrian Rott	hold	19.50	14 June 2015
DZ Bank	Herbert Sturm	hold	23.00	10 June 2015
Quirin Bank	Mark Josefson	hold	37.00	21 Nov. 2014

Bank/Broker	Analyst	Rating	Price target	Date
Equinet Bank	Ingbert Faust	accumulate	34.00	16 March 2014
Hauck & Aufhäuser	Christian Schwenkenbecher	hold	24.00	10 June 2015
HSBC Global Research	Thomas Teetz	neutral	35.00	4 March 2015
Lampe Research	Christoph Schlienkamp	hold	26.00	11 June 2015
LBBW	N.N.	buy	37.00	6 Nov. 2014
Main First Bank AG	Gael Colcombet	neutral	28.00	10 June 2015
Metzler Equity Research	N.N.	buy	42.00	7 Oct. 2014
Montega Research	Tim Kruse	buy	43.00	10 June 2015
MM Warburg	Philipp Frey	buy	29.00	11 June 2015

# Agenda



- (1) Unique Business Model
- (2) Key Financials
- (3) GERRY WEBER Share
- (4) Hallhuber Acquisition
- (5) Outlook



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# HALLHUBER at a Glance



## Fashion statement

Urban, timeless style with a fashion twist, feminine, stylish and nevertheless elegant  
*A touch of exclusivity*

## Target Group

Fashion conscious modern woman between 25 and 45.  
Urban, well educated and more affluent

## Product

High quality products with excellent fit, material, finishing and great attention to product details

## HALLHUBER IS...



## Product development

Vertically integrated business model. Fully-controlled from product development to the POS



## Price Positioning

Upper mid-price positioning

## Stores

Retail-only distribution model  
237 fully-controlled retail POS  
16 own online shops  
(April 2015)

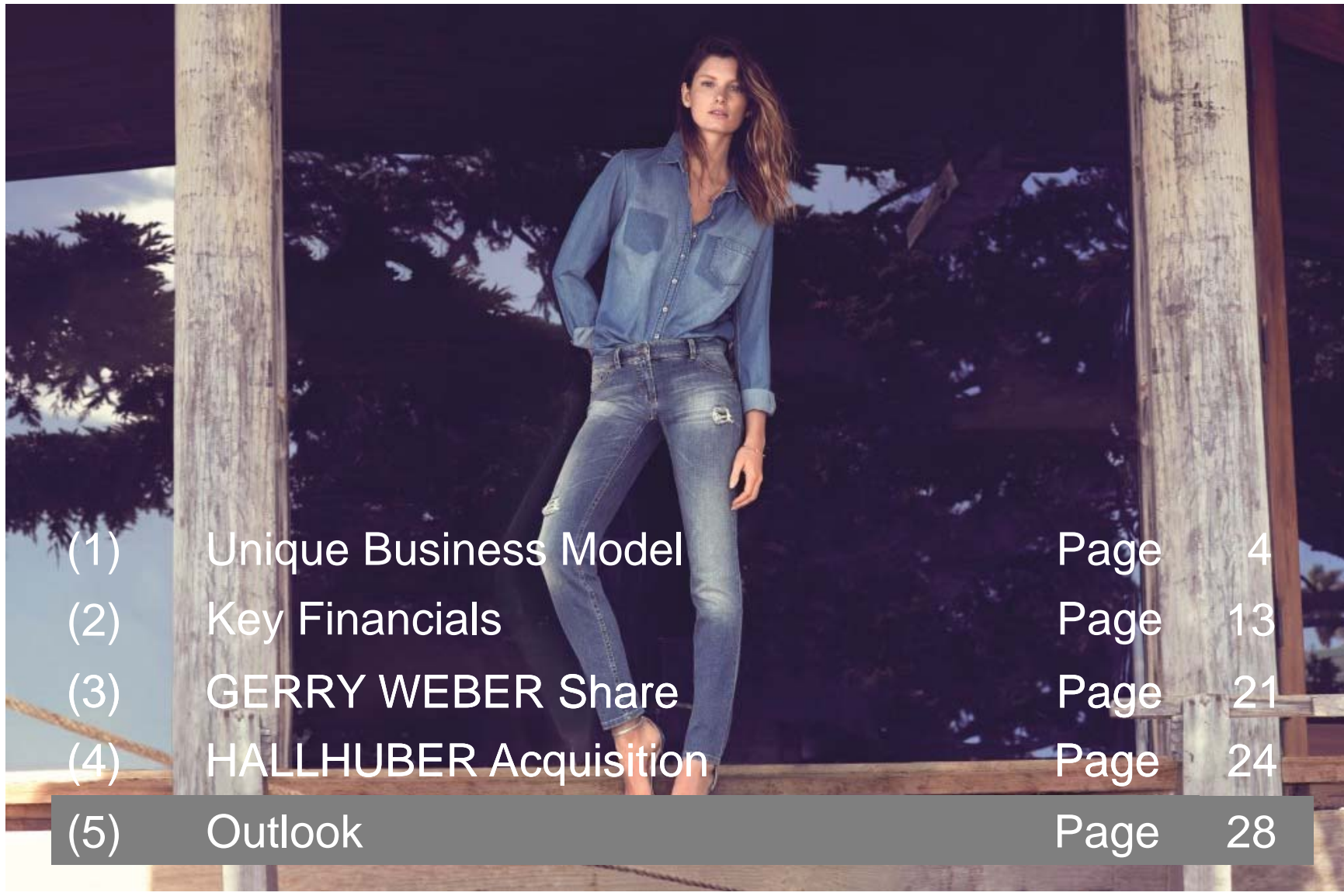


# HALLHUBER Acquisition Executive Summary

<b>HALLHUBER at a GLANCE</b>	<ul style="list-style-type: none"><li>→ Established fashion company with a strong brand in German speaking countries</li><li>→ Target group between 25 and 45</li><li>→ Urbane, stylish and exceptional fashion statement</li><li>→ Fully-vertical business and distribution model</li><li>→ 2014: EUR 136.1 mn sales; an increase of 24.6 % in comparison to the previous year (EUR 109.2 mn)</li></ul>
<b>STRATEGIC RATIONALE</b>	<ul style="list-style-type: none"><li>→ Investment in a well-known brand with an attractive positioning and customer group</li><li>→ Combination of two established fashion companies GERRY WEBER – already with an established footprint in Europe and a strong operational excellence and HALLHUBER – a strong growing player targeting a younger, more urban style oriented customer on its way to enter European markets</li></ul>
<b>VALUE CREATION</b>	<ul style="list-style-type: none"><li>→ Positive contribution to earnings per share from the first year of consolidation</li><li>→ Risk diversification due to extension of the customer base to a younger target group</li><li>→ Considerable growth potential in the upcoming years</li><li>→ Increasing potential to improve margins</li></ul>

	<b>2014</b>	<b>H1 2014/15</b>	<b>2015exp.</b>
<b>SALES REVENUES</b>	<ul style="list-style-type: none"> <li>▪ Sales of EUR 136.1 mn and an increase of 24.6% to the previous year</li> </ul>	<ul style="list-style-type: none"> <li>▪ +15% from November 2014 to April 2015</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase by 16 % to 20% based on originally planned expansion</li> </ul>
<b>LIKE-FOR-LIKE</b>	<ul style="list-style-type: none"> <li>▪ Like-for-like growth +8% (market trend Germany: approx. -3 %)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Like-for-like growth +1% (market trend Germany: approx. -5 %)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Planned like-for-like growth between 1% and 2%</li> </ul>
<b>EXPANSION</b>	<ul style="list-style-type: none"> <li>▪ 37 new sales spaces</li> </ul>	<ul style="list-style-type: none"> <li>▪ 18 new sales spaces</li> </ul>	<ul style="list-style-type: none"> <li>▪ Originally planned 30 new sales spaces to be increased to 50 to 60</li> </ul>

# Agenda



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## Strategic Measure to improve profitability

<b>In-Season Management</b>	<p><b>Acceleration of roll-out and implementation of in-season management system</b></p> <p>Quickly deliverable and flexible procurement programs are to account for round about 20% of the GERRY WEBER collections. The aim is to get current trends and products tailored to current requirements to the stores as quickly as possible.</p>
<b>Open to buy limits</b>	<p><b>Introduction of “open to buy” limits</b></p> <ul style="list-style-type: none"><li>- Leads to greater seasonal flexibility in steering merchandise to the stores and shops. Moreover, these</li><li>- limits help to avoid excess inventories at the end of a season.</li></ul>
<b>Cost Management</b>	<p><b>Implementation of a strict cost management</b> to reduce general administration expenses as well as material and personal costs</p>
<b>HALLHUBER</b>	<p><b>Integration of HALLHUBER</b></p> <ul style="list-style-type: none"><li>- Realization of the targeted synergies to improve HALLHUBER profitability</li><li>- Accelerated expansion of HALLHUBER. Doubling of store openings in the current fiscal year from 30 to 60 new stores.</li></ul>

# Adjusted Forecast

in EUR million	GERRY WEBER without HH	Adjusted Forecast with HALLHUBER
	2013/14	2014/15
Sales	852.1	<b>Increase</b> by a high single digit percentage compared to 2013/14
EBIT	108.9	<b>Decrease</b> between 20% and 25% compared to 2013/14
Retail Expansion	plus 14,000 sqm	GERRY WEBER Core: <b>+10%</b> sales floor space plus additional <b>60 HALLHUBER</b> stores

- ➔ Management of GERRY WEBER Group keeps its strategic focus on the international expansion of the Retail segment (including HALLHUBER) and the vertical integration of the distribution channels.
- ➔ Implementation of strategic measures in order to return to the originally planned profitability

<b>Retail Expansion</b>	<ul style="list-style-type: none"><li>- Consistent continuation of the Retail expansion by enlarging the company-managed sales floor space by at least 10% per year</li><li>- Regional focus: Central and Eastern Europe, Scandinavia, Canada</li><li>- Preparation of the market entry on the US East Coast with own Retail</li><li>- Launch of the new shop fitting concept</li></ul>
<b>Vertical Integration</b>	<ul style="list-style-type: none"><li>- Increased vertical integration for a better control of the flow of goods and the sales spaces</li><li>- Optimized inventory management through intensified in-season management, e.g. through “speed programs” to get the products to the stores even more quickly and in line with actual requirements</li></ul>
<b>Marketing/ Logistic</b>	<ul style="list-style-type: none"><li>- Implementation of the new logistics center as planned</li><li>- Use of modern media such as social media channels or a new TV commercial to support the brand statements</li></ul>
<b>HALLHUBER</b>	<ul style="list-style-type: none"><li>- Integration of HALLHUBER and realization of the targeted synergies</li><li>- Accelerated expansion of HALLHUBER e.g. in Germany, Spain, the UK and Scandinavia</li><li>- Realization of “quick wins“ e.g. by exploiting GERRY WEBER economies of scale</li></ul>

Thank you for your attention!

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Publication of the Half-Year Report	12 June 2015
Deutsche Bank German, Swiss & Austrian Conference	17 June 2015
Roadshow London	25 June 2015
Publication of the 9-Month Report	11 September 2015
Baader Investment Conference, Munich	23/24 Sept. 2015
End of the Financial Year 2014/15	31 October 2015

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**To be always updated, please have a look on our website  
[www.gerryweber.com](http://www.gerryweber.com)**

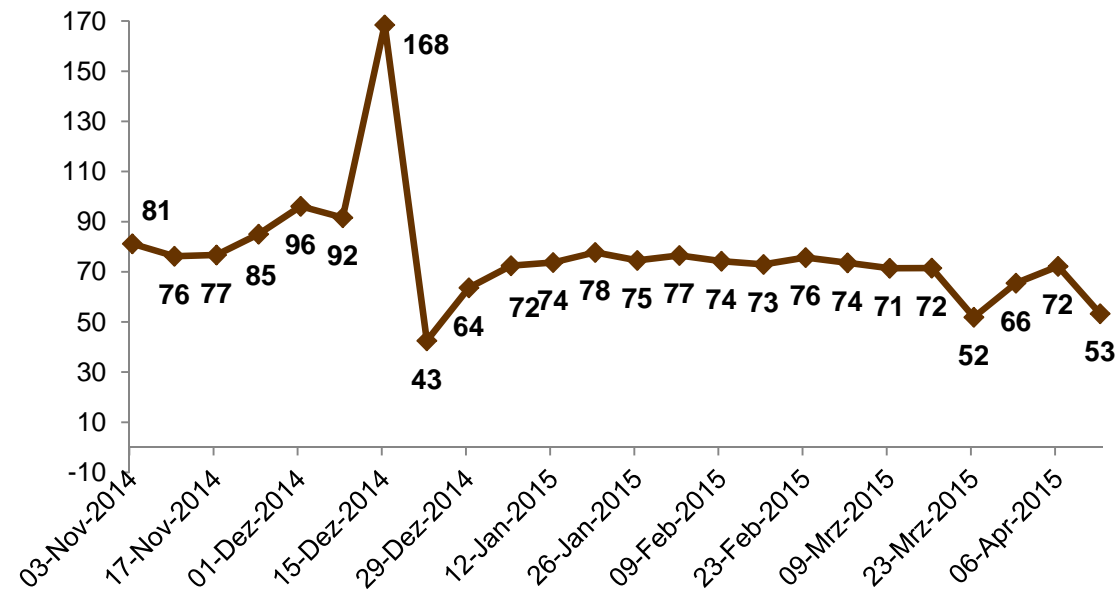
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# Appendix I: General Footfall Development in Germany since November 2014

➔ German footfall index has been negative in most of the weeks since November 2014 compared to the previous year



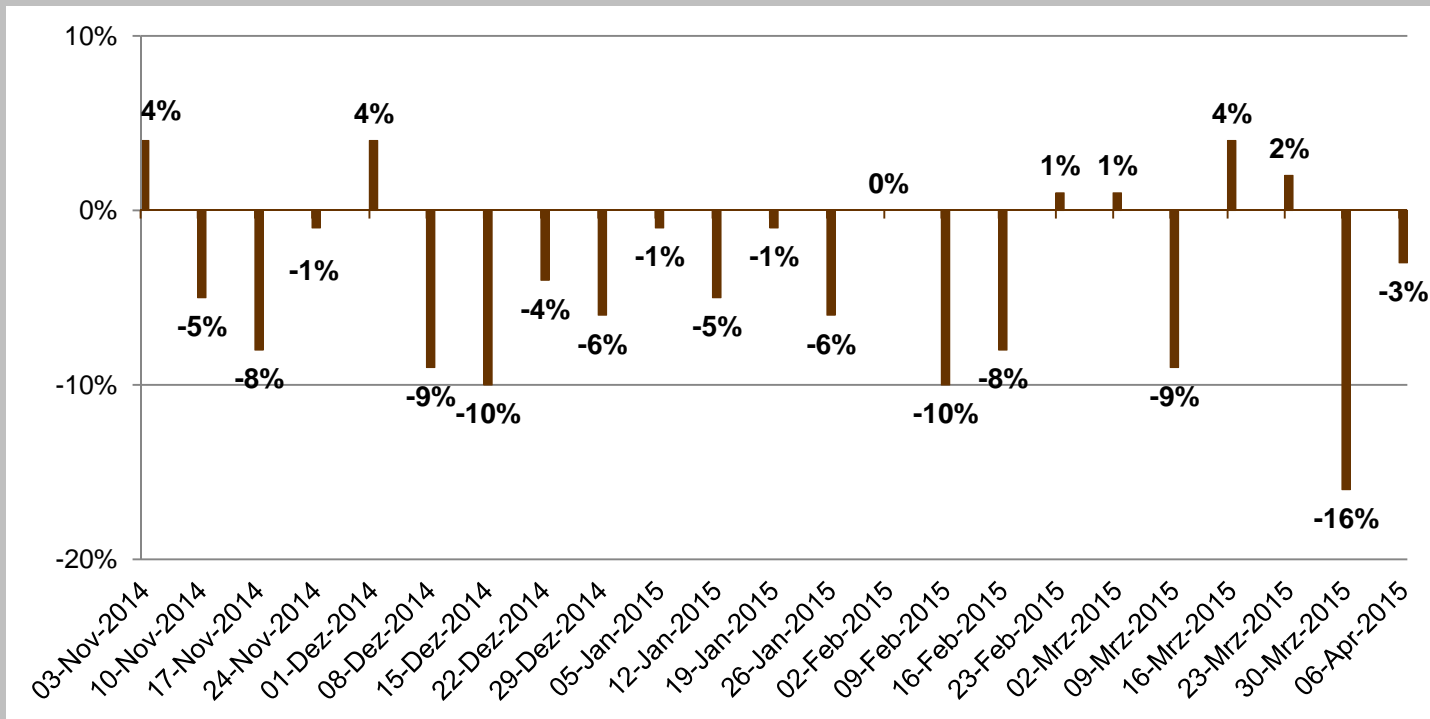
Source: Experian Footfall Index Germany

Date	FootFall Index	Change YoY
03-Nov-2014	81	2,94 %
10-Nov-2014	76	-0,76%
17-Nov-2014	77	1,11%
24-Nov-2014	85	-0,53%
01-Dez-2014	96	2,61 %
08-Dez-2014	92	-6,71%
15-Dez-2014	168	-7,91%
22-Dez-2014	43	-31,63%
29-Dez-2014	64	-14,62
05-Jan-2015	72	-6,66%
12-Jan-2015	74	-3,67%
19-Jan-2015	78	-2,41%
26-Jan-2015	75	-3,16%
02-Feb-2015	77	1,17%
09-Feb-2015	74	2,92 %
16-Feb-2015	73	-1,59%
23-Feb-2015	76	-4,03%
02-Mrz-2015	74	-1,75%
09-Mrz-2015	71	0,93%
16-Mrz-2015	72	4,61%
23-Mrz-2015	52	3,21%
30-Mrz-2015	66	-5,58%
06-Apr-2015	72	-6,02%
13-Apr-2015	53	-21,47%



## Appendix II: General Sales Development in Germany since November 2014

➔ Warm temperatures in November and December 2014 as well as low footfall in the cities led to much lower sales compared to the previous year period for German textile market. (according to Textilwirtschaft)



### **DISCLAIMER**

This document contains forward-looking statements that reflect GERRY WEBER International AG management's current views with respect to future events. The words "anticipate ", "assume ", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", and similar expressions identify forward-looking statements. Such statements are not be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the actually achieved results by GERRY WEBER Group depend on a number of risks and uncertainties. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.