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# GERRY WEBER

9M Financial Figures  
14 September 2016



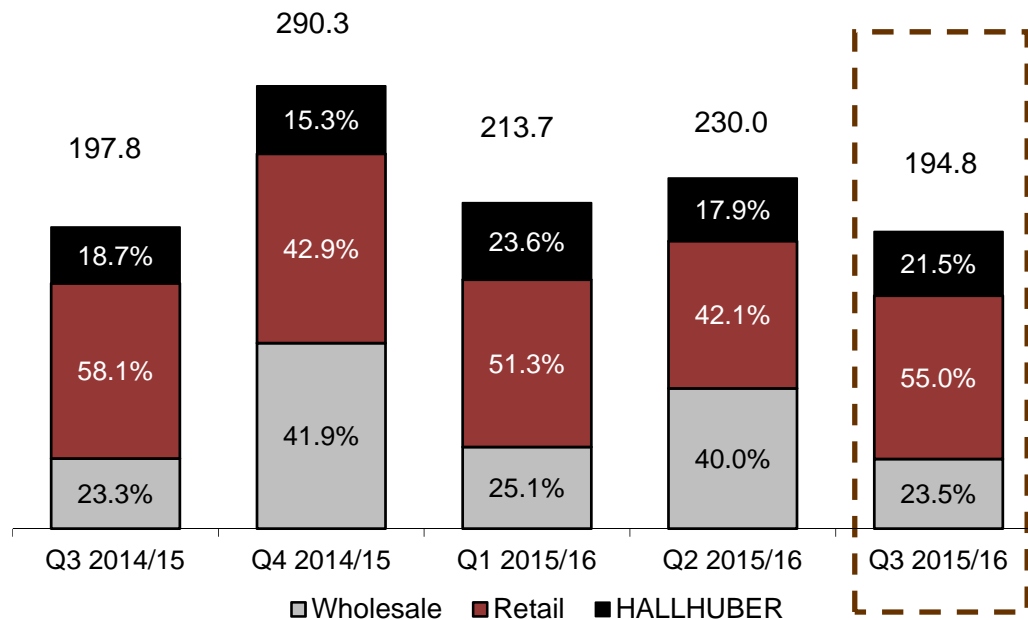
	9M 2015/16	9M 2015/16
	<b>GERRY WEBER Core</b> (GERRY WEBER, TAIFUN, SAMOON)	<b>HALLHUBER</b>
	Decrease in revenues to EUR 504.8 million (-9.8%)	Sales increase to EUR 133.6 million (+20.7% compared to the first nine months of the previous year*)
	Increase in gross margin to 62.0% (9M 2014/15: 58.9 %)	Gross margin of 61.3% (9M 2014/15: 62.8% from a 9M perspective)
	EBITDA = EUR 33.0 million (9M prev. year: EUR 58.4 million)	EBITDA = EUR 7.7 million EBITDA margin: 5.7%
	955 company-managed sales spaces	312 company-managed sales spaces
	Like-for-like Retail sales: -7.5%	Like-for-like Retail sales: +4.7%
	(Market Development in Germany (Nov. 2015 until July 2016: -5 % / -1 % / -4 % / +3 % / -6 % / +2 % / -1 % / -2 % / -3 %	

\*initial consolidation of HALLHUBER in Q2 2014/15

# Group Sales 9M 2015/16

- ➔ **9M 2015/16: Group sales** totalled **EUR 638.5 million** (+1.3 % compared to 9M 2014/15)
  - Increase is based on the contribution of HALLHUBER (first consolidation in Q2 2014/15). HALLHUBER stake in sales in 9M 2015/16: EUR 133.6 million (equals 20.9% of total Group sales)
  - GERRY WEBER Core sales (excluding HALLHUBER) decreased in 9M by 9.8% mainly due to a sharp drop in wholesale sales (-21.5%) and decreased like-for-like Core-Retail sales (-7.5%).

## SALES DEVELOPMENT (in EUR million)



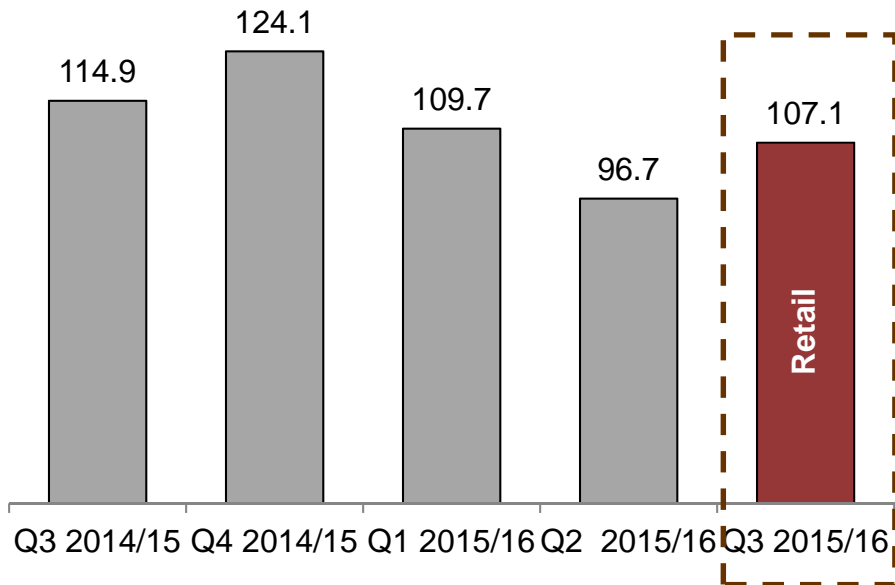
### 9M Group sales affected by:

- Continuing adverse weather conditions and lower footfalls in cities and stores
- Lower orders of our Wholesale partners due to continuing difficult market environment
- Continuing difficult market environment for the whole fashion industry in Germany related to changing consumer behaviour

# GERRY WEBER Core Retail Sales

- ➔ **9M 2015/16:** Retail revenues were **down by 0.9%** on 9M 2014/15 and amounted to **EUR 313.5 million**
- Compared to the previous year period **like-for-like sales were down 7.5%** whereas sales of the German textile market as a whole were down only by approx. 2-3%
  - 40 out of the 103 store closings from the FIT4GROWTH programme were completed
  - The 40 stores already closed plus additional 26 scheduled closings resulted in depreciation in the amount of EUR 7.5 million

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



## Store Portfolio

	9M 2015/16	2014/15	2013/14
Houses of GERRY WEBER	503	520	485
Monolabel Stores	121	142	144
Concessions	296	291	119
Factory Outlets	35	34	30
<b>TOTAL GWI</b>	<b>955</b>	<b>987</b>	<b>778</b>

\* Excluding HALLHUBER

# Key Financials: GERRY WEBER Core Wholesale Sales

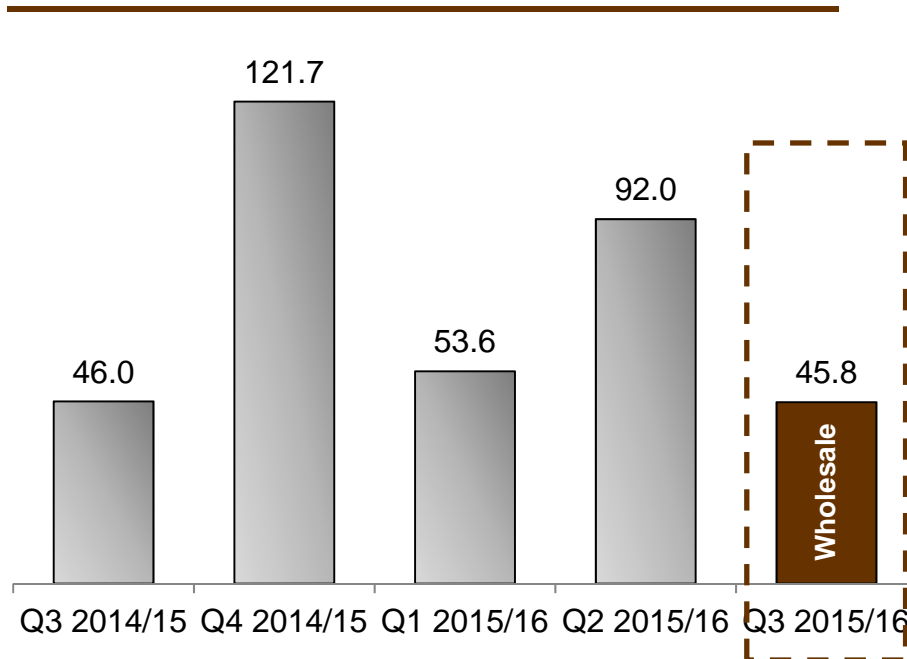
→ 9M 2015/16: Decrease in **Wholesale sales** of 21.5% to EUR 191.4 million

Decline in wholesale sales slowed down from -38% in Q1 to -17.3% in Q2 and began to stabilise at -0.6% in Q3

→ **Reasons:**

- Continuing crisis of the German fashion market: Wholesalers had high inventory levels in the last seasons. As a result, order volumes have decreased.

WHOLESALE SALES PER QUARTER (in EUR million)



Country/Region	GWI Core
Germany	55
Russia	59
Middle East	30
Eastern Europe	21
France	20
BeNeLux	11
Switzerland	25
Baltic States	13
Poland	7
Austria	4
Italy	4
Others	22
<b>Total</b>	<b>271</b>

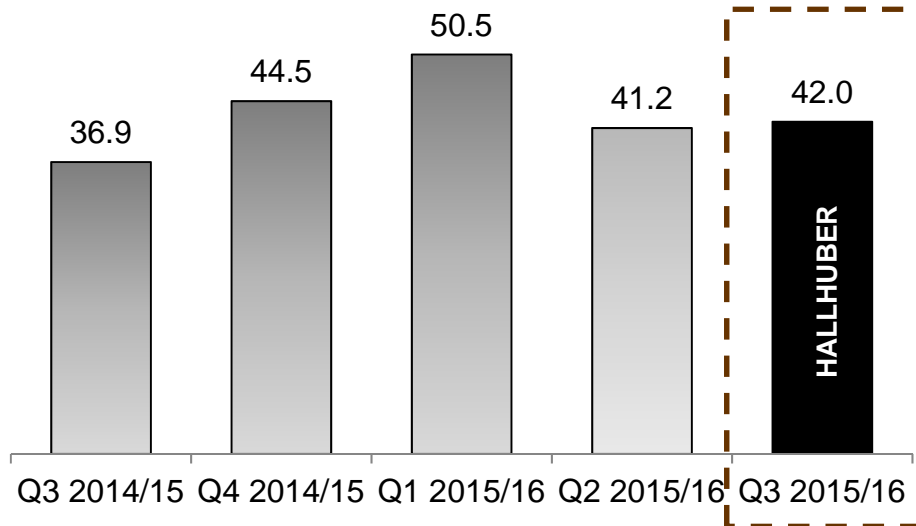
# HALLHUBER Sales

→ 9M 2015/16: HALLHUBER sales in 9M 2015/16 amounted to EUR 133.6 million. An increase of 20.7 % on the first nine months of 2014/15\*

Sales plus is not only due to newly opened stores (**37 new stores in 9M**) but also to strong development in **like-for-like sales development (+ 4.7%)**: HALLHUBER pulled ahead of the German fashion market

HALLHUBER share in Group Sales was **20.9%**; Online sales amounted to EUR 12.0 million, which represent 8.9% of total HALLHUBER sales and a sales growth of 50.6%

HALLHUBER SALES PER QUARTER (in EUR million)



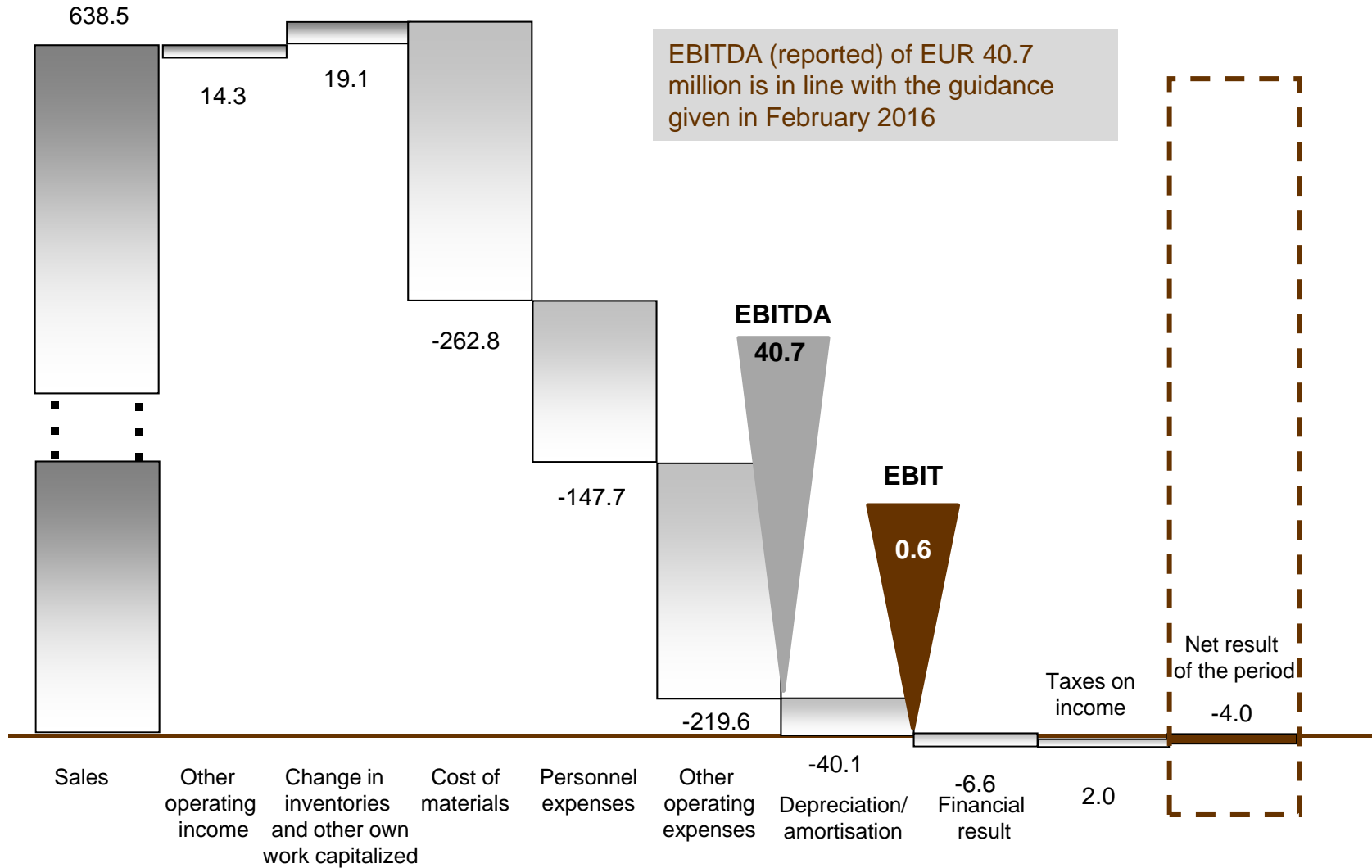
HALLHUBER STORES BY STORE FORMAT

	9M 2015/16	2014/15
HALLHUBER Monolabel Stores	132	117
HALLHUBER Concession Stores	165	145
HALLHUBER Outlets	15	13
<b>Total HALLHUBER</b>	<b>312</b>	<b>275</b>

\*initial consolidation of HALLHUBER in Q2 2014/15

# Development of Group Earnings 9M 2015/16

in EUR million

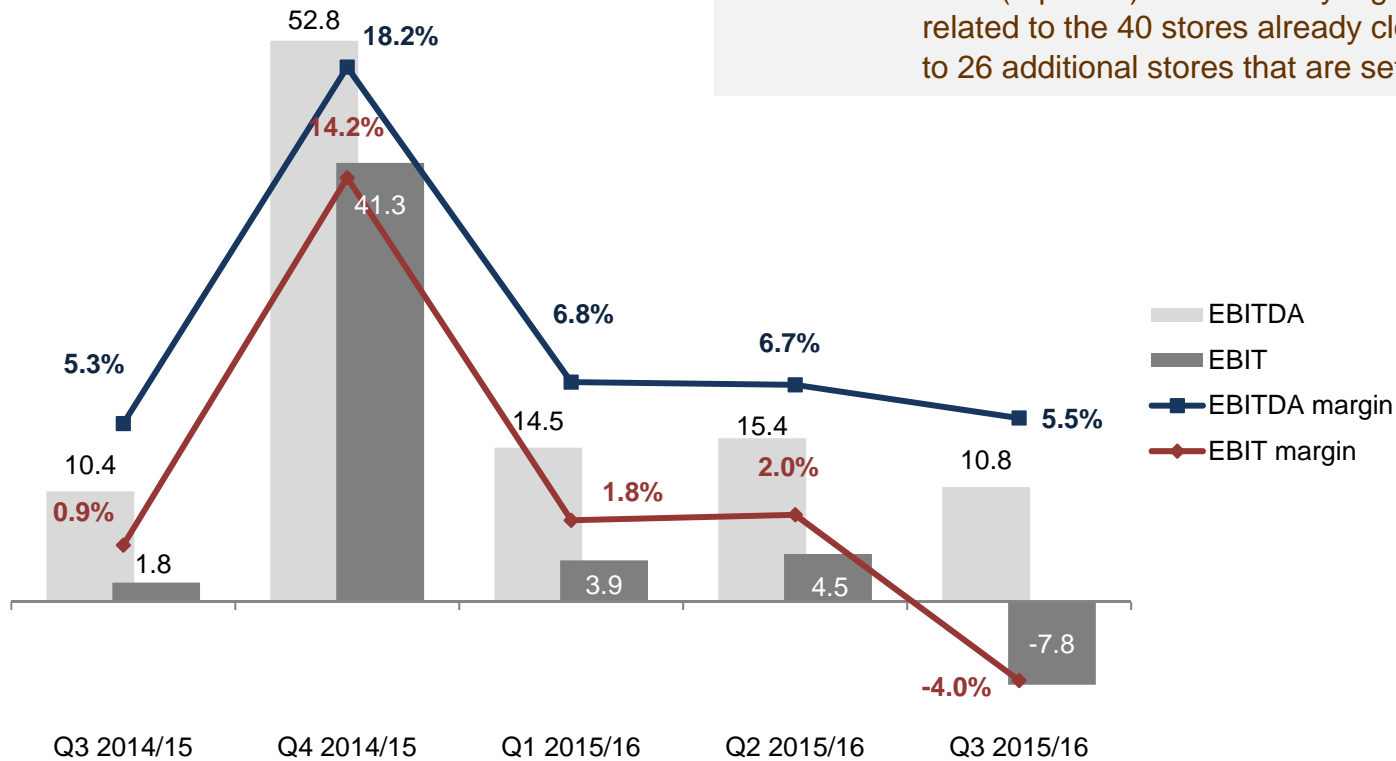


# EBITDA, EBIT and margins

→ 9M 2015/16: **Group EBITDA** declined to EUR 40.7 million. HALLHUBER contribution: EUR 7.7 million

- In particular the decline in high-margin Wholesale revenues (-21.5%) as well as Core-Retail I-f-I of -7.5% resulted in decreased earnings compared to the previous year period. In addition, costs related to the realignment programme "FIT4GROWTH" had a negative impact on the earnings situation.

9M 2015/16: EBIT (reported) is affected by high depreciation related to the 40 stores already closed as well as to 26 additional stores that are set to be closed.





<b>1</b>	<b>RETAIL</b> - Optimisation of the store network - Improved customer approach - Digitalisation - Optimisation of merchandise/inventory management
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<b>2</b>	<b>STRUCTURE AND PROCESSES</b>
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<b>3</b>	<b>WHOLESALE</b>
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<b>4</b>	<b>BRANDS</b>
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→ **Optimisation of the store network**

- 40 stores closed by 31 July 2016. Another approx. 35 to 40 closures planned up to the end of FY 2015/16.
- We are thus well on track to closing at least 103 stores in Germany and abroad this financial year and next

in EUR millions	PLANNED BUDGET	ACTUAL 9M 2015/16
Cash closure costs	14.0	0.9
Non-scheduled depreciation related to the closures	11.0	7.5

The stores already closed plus additional 26 scheduled closings resulted in non-scheduled depreciation in the amount of EUR 7.5 million

- Start of the refurbishment of the TOP 17 stores.  
Hamburg Jungfernstieg opened after refurbishment already in early September; Munich Viktualienmarkt will follow on 15 September 2016

→ **Digitalisation**

- Start of the revision of the digitalisation strategy – definition of a roadmap
- Introduction of Click & Collect in all HALLHUBER mono-label stores

# “FIT4GROWTH” – Adjust structures and processes

1	RETAIL	<p><b>→ <u>Reduce personnel expenses</u></b></p> <ul style="list-style-type: none"> <li>▪ Negotiations on social compensation plans for Retail and the administrative functions at the headquarters in Halle/Westphalia have been concluded. Approx. 112 jobs (full time equivalents) cut so far.</li> <li>▪ Negotiations about the job cuts in product development and technical product management to be concluded by the end of FY 2015/16.</li> </ul> <p><b>→ <u>Extraordinary effects resulting from staff adjustments</u></b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4b3621; color: white;"> <th style="text-align: left; padding: 5px;">in EUR millions</th> <th style="text-align: center; padding: 5px;">PLANNED BUDGET</th> <th style="text-align: center; padding: 5px;">ACTUAL 9M 2015/16</th> </tr> </thead> <tbody> <tr style="background-color: #f2f2f2;"> <td style="padding: 5px;">Costs resulting from staff adjustments related to the FIT4GROWTH programme</td> <td style="text-align: center; padding: 5px;">6.0</td> <td style="text-align: center; padding: 5px;">1.8</td> </tr> </tbody> </table>	in EUR millions	PLANNED BUDGET	ACTUAL 9M 2015/16	Costs resulting from staff adjustments related to the FIT4GROWTH programme	6.0	1.8
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2	<p><b>STRUCTURES &amp; PROCESSES</b></p> <ul style="list-style-type: none"> <li>– Reduce non-staff and personnel expenses</li> <li>– Efficiency potential of logistic centre</li> </ul>							
3	WHOLESALE							
4	BRANDS							

1	RETAIL	
2	PROCESSES AND STRUKTUREN	
3	<b>WHOLESALE</b> <ul style="list-style-type: none"><li>– Improved service</li><li>– More up-to-date brand presentation</li><li>– Win new Wholesale customers</li></ul>	<p>→ <b><u>Improved service for Wholesale partners</u></b></p> <ul style="list-style-type: none"><li>▪ Ongoing roll-out of the partnership programmes with various stages of vertical integration (bronze, silver, gold, platinum)</li><li>▪ So far, the vertical concepts have been adopted by some 40% of our Wholesale partners in Germany, Austria and Switzerland</li><li>▪ Depending on the partnership status, the collections are exchanged and replaced regularly and a given percentage of the unsold merchandise may be returned</li></ul> <p>→ <b><u>More up-to-date brand presentation</u></b></p> <ul style="list-style-type: none"><li>▪ Initial implementation of the new TAIFUN store concept at selected Wholesale partners has shown high level of acceptance</li><li>▪ Position TAIFUN as an innovator, e.g. introduction of the interactive fitting room (European premiere in Hamburg on 7 September 2016)</li></ul>
4	MARKEN	

# “FIT4GROWTH” – Modernise the brands

1	RETAIL	<ul style="list-style-type: none"><li>→ <b>Modernise the GERRY WEBER core brand</b><ul style="list-style-type: none"><li>▪ Hire new product managers for GERRY WEBER Outdoor and Collection</li><li>▪ Revise the shop window design</li><li>▪ Use new and more modern images in future corporate catalogues</li></ul></li></ul>
2	PROZESSE UND STRUKTUREN	
3	WHOLESALE	<ul style="list-style-type: none"><li>→ <b>Strengthen the TAIFUN brand identity</b><ul style="list-style-type: none"><li>▪ Successful launch of the new TAIFUN store concept 2.0</li><li>▪ Medium term: separate the online shops of the GERRY WEBER brand families</li><li>▪ Use social media campaigns to increase brand awareness</li><li>▪ 3rd place in Textilwirtschaft's “DOB OUTFIT-ELITE 2016” study</li></ul></li></ul>
4	<b>BRANDS</b> <ul style="list-style-type: none"><li>– Modernise GERRY WEBER</li><li>– Strengthen TAIFUN brand identity</li><li>– Launch new brand</li></ul>	<ul style="list-style-type: none"><li>→ <b>Launch of the new “talkabout” brand</b><ul style="list-style-type: none"><li>▪ Presentation of the new brand at Panorama in Berlin</li><li>▪ “talkabout” is a purely vertical brand exclusively for our Wholesale partners</li><li>▪ Sold at approx. 30 test shops of the TOP Wholesale partners. To be expanded to approx. 150 shop-in-shops in 2016/17</li><li>▪ Deliveries started in August 2016</li></ul></li></ul>

## Extraordinary costs affect profitability

➔ Cost effects coming from the realignment programme „FIT4GROWTH“ amounted to EUR 10.2 million in the first nine months of 2015/16

in EUR million	9M 2015/16
<b>EBITDA reported</b>	<b>40.7</b>
Costs relating to the realignment programme FIT4GROWTH	2.7
<b>EBITDA adjusted</b>	<b>43.4</b>

<b>EBIT reported</b>	<b>0.6</b>
<b>Depreciation/amortization</b>	<b>40.1</b>
- Thereof from closings	7.5

The 40 stores already closed plus additional 26 scheduled closings resulted in non-scheduled depreciation in the amount of EUR 7.5 million.

<b>EBIT adjusted</b>	<b>10.8</b>
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## Guidance 2015/16

➔ Although the general conditions remain challenging and the operating performance in the last months was not entirely satisfactory but, however, due to the strong Q4 in our business, we confirm the guidance provided on 26 February 2016 for the current financial year.

	<b>GERRY WEBER GROUP</b>	<b>GERRY WEBER Core</b>	<b>HALLHUBER</b>	<b>GERRY WEBER GROUP TOTAL</b>
in EUR million	<b>2014/15</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2015/16</b>
<b>Sales</b>	<b>920.8</b>	<b>710 - 730</b>	<b>180 - 190</b>	<b>890 - 920</b>
<b>EBITDA (reported)</b>	<b>115.8</b>	<b>45 - 50</b>	<b>15 - 20</b>	<b>60 - 70</b>
<b>EBIT (reported)</b>	<b>79.3</b>			<b>10-20</b>

**Thank you for your attention!**



## **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.