

# / NINE MONTHS 2020

Results Presentation

December 2020



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# / 9M 2020 HIGHLIGHTS



## 100%\* OF STORES OPEN

Successful ramp-up of stores and robust recovery supported by 100% of stores open



## “ZUKUNFTSKONZEPT“ MOSTLY IMPLEMENTED

“Zukunftskonzept” mostly implemented and cost-optimization program continuing



## MAJOR ONLINE INITIATIVES

Accelerated shift to online purchases backed by major initiatives for top line growth



## POSITIVE EBITDA

Positive EBITDA of EUR 15.6 mn in the first 9 months of 2020



## LIQUIDITY & SALES EXPECTATIONS ON TRACK

GERRY WEBER’s 2020 liquidity and sales expectations will be met



## ROBUST LIQUIDITY POSITION

Liquidity with EUR 74.3 mn better than expected and business continuity secured

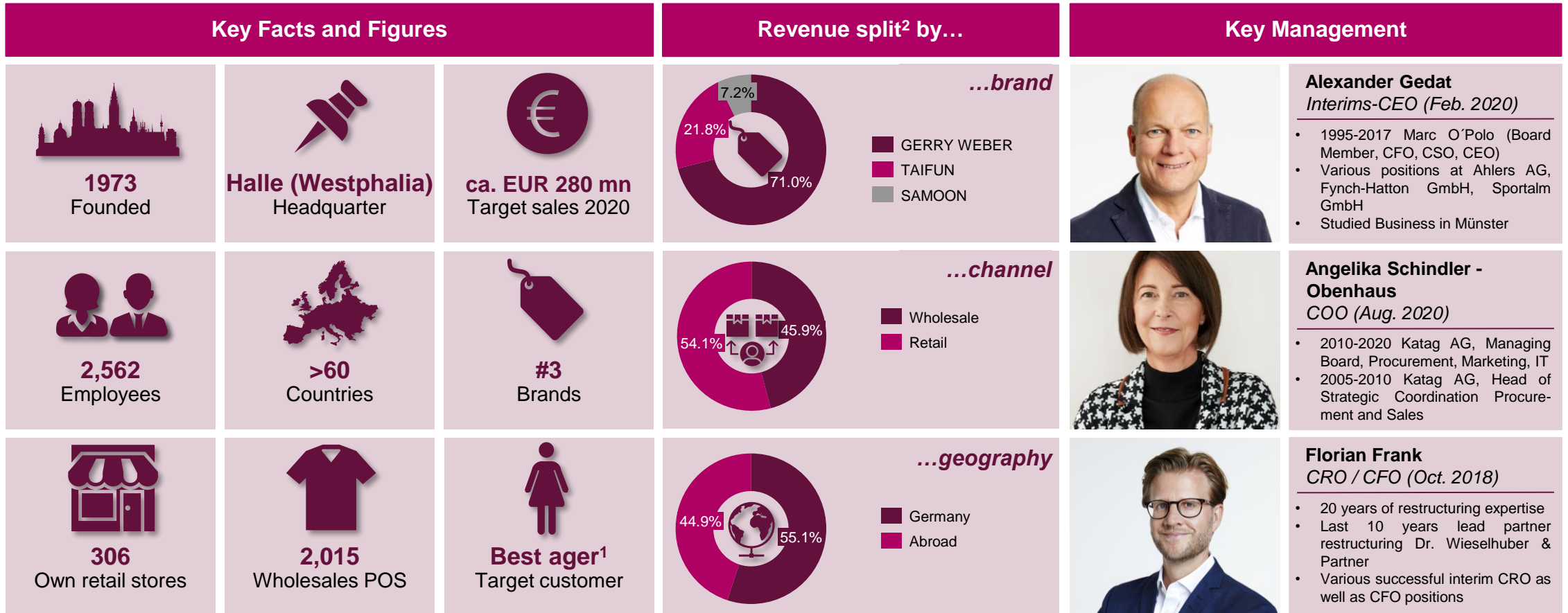
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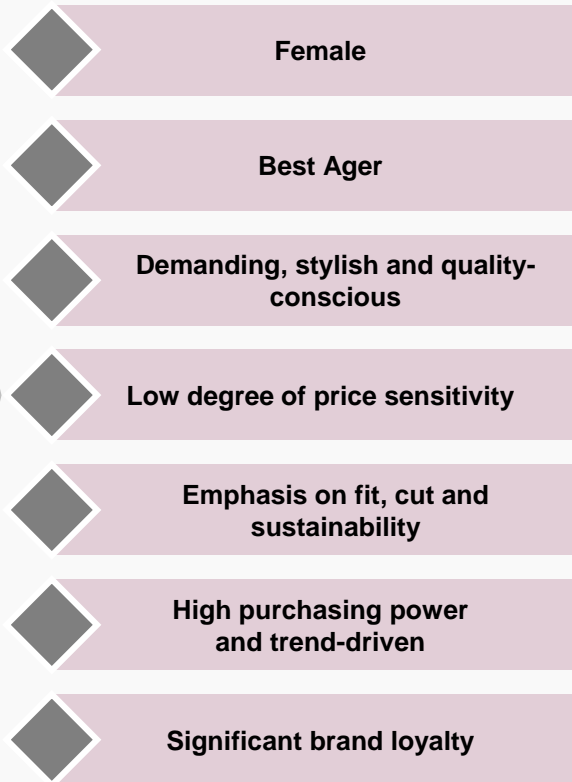


# / GERRY WEBER GROUP OVERVIEW

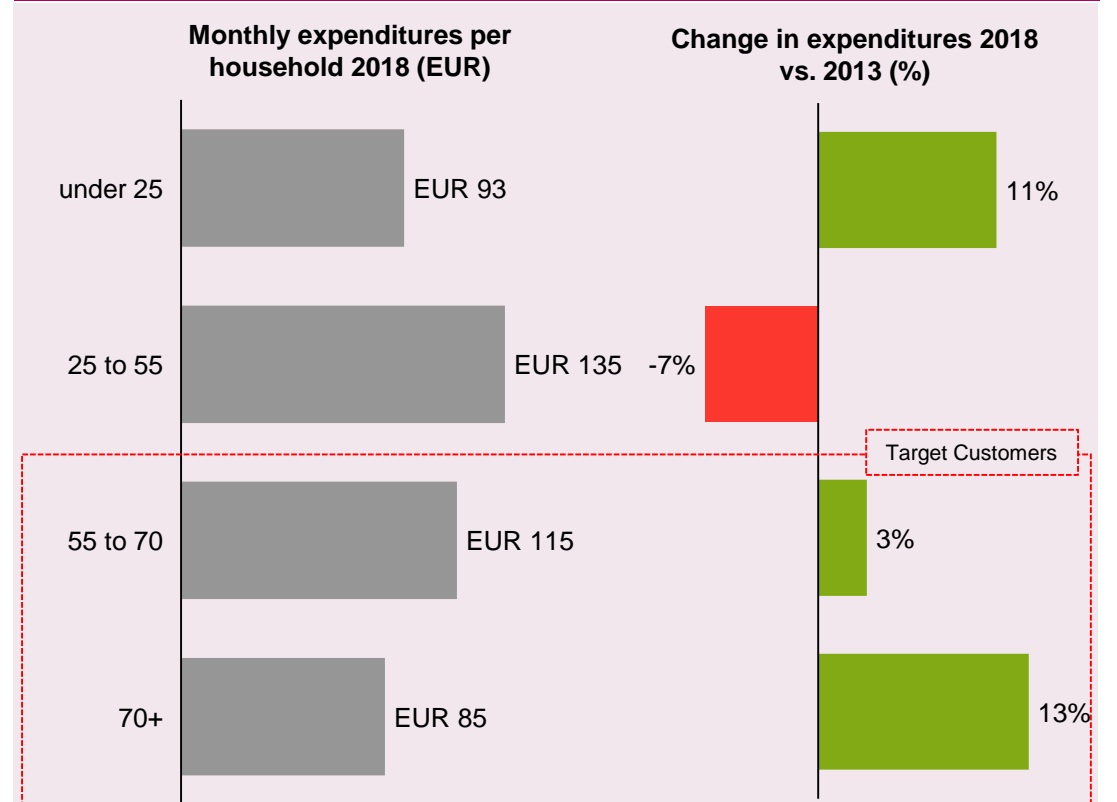


# / MARKET OVERVIEW






## GERRY WEBER customer



## Fashion expenditures by age group



# / STRONG BRAND NAME WITH 3 DIVERSIFIED BRANDS

	<b>GERRY WEBER</b>	<b>TAIFUN</b>	<b>SAMOON</b>
 <b>CUSTOMER</b>	<b>50+ years</b> Best Ager	<b>40 + years</b> Modern women	Self-confident plus size women
 <b>FOCUS</b>	<b>Feminine Fashion and Lifestyle</b>	<b>Feminine smart casual look</b>	<b>Modern plus size fashion</b>
 <b>POSITIONING</b>	<b>Category leader</b> Modern classic mainstream	<b>Relevant</b> Modern Casual	<b>Category Leader</b> Modern Mainstream
 <b>FASHION STYLE</b>	<b>Feminine fashion for real women</b>	<b>Modern women's fashion</b>	<b>Plus size collection</b>
 <b>STANDS FOR</b>	<b>Self-confident, Natural beauty, Feminine</b>	<b>Casual dressed, Modern, Courageous</b>	<b>Self-confident, Joy of life, Female</b>

## STRONG AND EXPERIENCED MANAGEMENT TEAM

Company's management is fully aligned with shareholders through an ESOP and MIP

**CEO – Chief Executive Officer**  
Alexander Gedat  
1.85%

- EVP Sales Wholesale (nat. & int.)**  
Michael Dotterweich  
0.21%
- EVP Sales Retail (nat. & int.)**  
Peter Krosta (ad interim)
- Head of E-Commerce**  
Aljoscha Kollmeyer  
0.41%

**COO – Chief Operating Officer**  
Angelika Schindler-Obenhaus  
1.85%

- Director Product TAI/TAIFUN/SAMOON**  
Elena Weege  
0.21%
- Director Group Purchasing & Offices**  
Stephan Wilkes
- Director Supply Chain Management**  
Alicia Cano
- Director Product Planning**  
Xavier Casares
- Head of Marketing & Brand Communication**  
Simon Hoecker  
0.21%
- TL Corporate Communications**  
Kristina Schütze

**CFO – Chief Financial Officer**  
**CRO – Chief Restructuring Officer**  
Florian Frank  
1.85%

- Director Finance & Controlling**  
Daniel Langemeier (ad interim)
- EVP Shared Services - HR**  
Dirk Wefing  
0.74%
- Director Group IT**  
Stefan Beyler
- Head of Shared Services & PMO**  
Gökay Bostanci  
0.37%
- Managing Director Distribution Center**  
Martin Samanek
- Capital Markets & IR**  
External

**%** Percentage of share capital acquired through the Management incentive Program (MIP)

**✓** Participated in the Employee Stock Ownership Plan (ESOP)







# / MEASURES TAKEN TO MITIGATE COVID-19 IMPACT

## Immediate Actions Taken for Short-Term and Long-Term Viability

1 Continued operations ensured	2 Liquidity safeguarded
<p>The management was well prepared for the lockdowns as it has an excellent restructuring expertise</p> <p>Successful implementation of COVID-19 health and safety measures for customers and employees</p> <p>POS are mostly open and operational, however there is reduced customer frequency</p> <p>E-Commerce efforts are intensified by further enhancing traffic on the webshop, as well as shifting inventory to E-Commerce</p> <p>New future concept with focus on streamlining processes and strategy</p>	<p>Successful renegotiation of the debt structure and deferral of 35% of outstanding claims</p> <p>Utilization of state-supported short-time labor programs, including the headquarters</p> <p>Negotiations with landlords to waive and save rental costs</p> <p>Strict cost discipline especially regarding investments</p> <p>Ongoing strict cost discipline</p>
3 Long-term vision	
<p>Clear brand differentiation, positioning and management</p> <p>Ambitious E-Commerce strategy with 20% growth yoy</p>	<p>High degree of product competence</p> <p>All brands are a must for wholesalers</p>

# / E-COMMERCE GROWTH STRATEGY

7 Major initiatives for top line growth of 20% from 2021 onwards

-  **1** Increase online marketing budget for all brands to broaden customer base
-  **2** Significant increase of inventory in the E-Commerce distribution center
-  **3** Using predictive technology (CRM Database) to increase the conversion rate
-  **4** Offer more personalized content with a higher conversion probability
-  **5** Connecting at least three more marketplaces in 2021 to use their traffic strength in foreign markets
-  **6** Transformation from the current “Rest of Europe” shop to a “Rest of World” shop and offer GERRY WEBER, SAMOON and TAIFUN in over 200 destinations worldwide
-  **7** Strengthen brand appearance with new shops for TAIFUN and SAMOON

# / STRATEGIC TARGET MAP GERRY WEBER (2021 - 2023)

"GERRY WEBER is the leading womenswear lifestyle brand in the Modern Classic mainstream market"				
Brand & Communication		Increase of brand desirability (b2b / b2c)		Consistent brand management
Product		Increase product competence Edition	Consistent brand management	Supply chain optimization
Distribution	WHS	GERRY WEBER is a brand the specialized trade must have		National & international franchise growth
	Retail	Profitable growth		Own Retail as a model channel
	E-Commerce	Growth		Expansion CRM
Processes / Digitalisation / IT		Modernization of IT incl. BI	Digitalization of the company	Business model-adequate logistics
Change-Mgmt / Culture / People		Performance and fun culture		Increasing employer attractiveness
Finances		Re-financing until the end of 2023 (incl. equity story)		Business transparency
Sustainability		Profitability		Sustainability as an integral part of the company

# / STRATEGIC TARGET MAP SAMOON & TAIFUN (2021 - 2023)

		"SAMOON is the leading Curvy Womanswear brand in the modern mainstream segment"	"TAIFUN is the relevant brand in the modern casual mainstream market for every moment of the day of the modern active woman"
Brand & Communication		<div>Increase brand desirability (b2b / b2c)</div> <div>Consistent brand management</div>	<div> <div>Increase brand desirability (b2b / b2c)</div> <div>TAIFUN 2.0 Repositioning</div> <div>Consistent brand management</div> </div>
Product		<div>Product competence in joy of life &amp; femininity</div> <div>Optimize online capability of the collection</div>	<div>Product focus TAIFUN 2.0</div>
Distribution	WHS	SAMOON is a brand the specialized trade must have	Increase brand relevance for specialized trade
	E-Commerce	Strong E-Commerce Growth / high E-Commerce Share	Significant growth

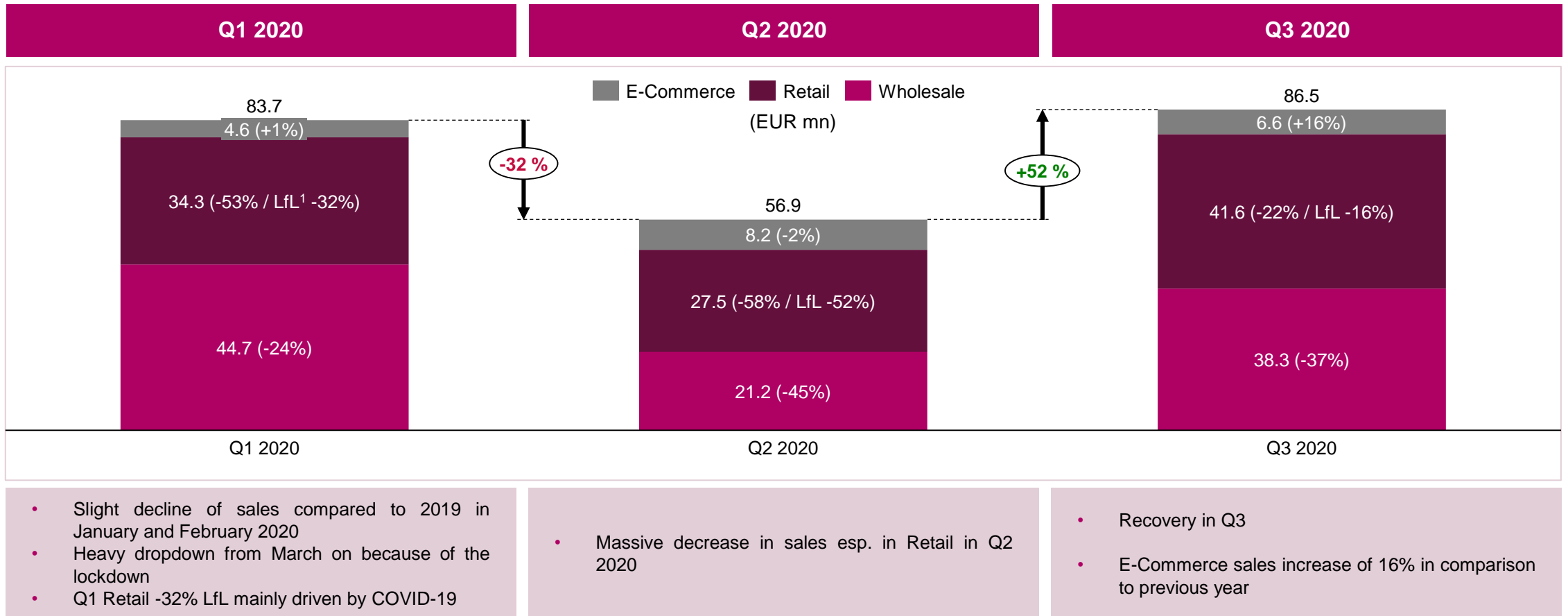
# / Q3/9M FINANCIALS



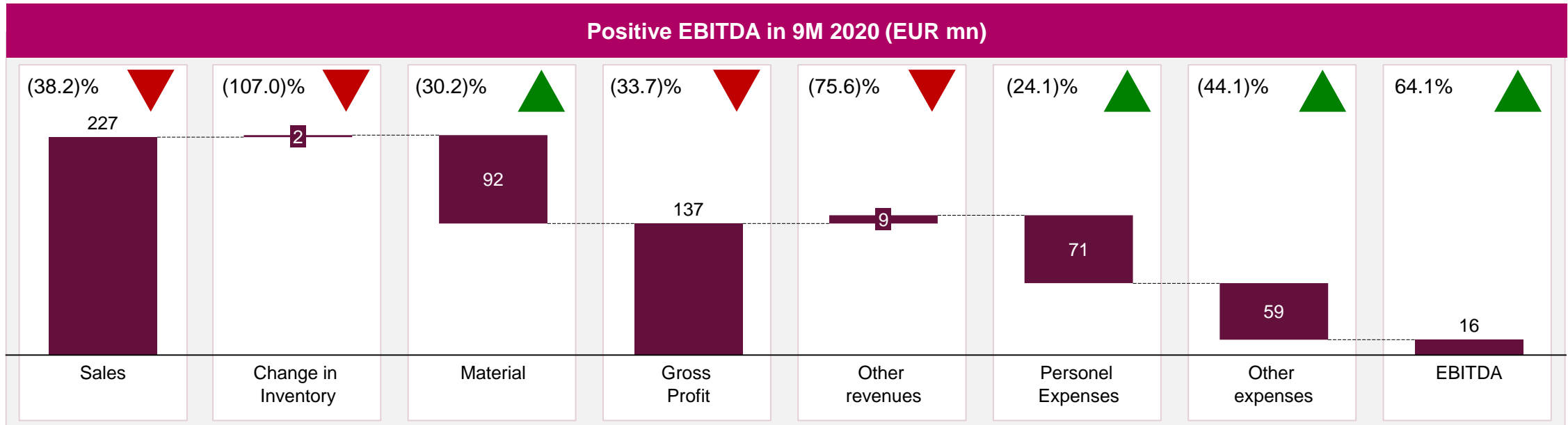


# / GRADUAL SALES RECOVERY IN Q3

Sales 2020 (compared with 2019 in %)



# / LOSS IN GROSS PROFIT PARTIALLY MITIGATED BY COST REDUCTION MEASUREMENTS

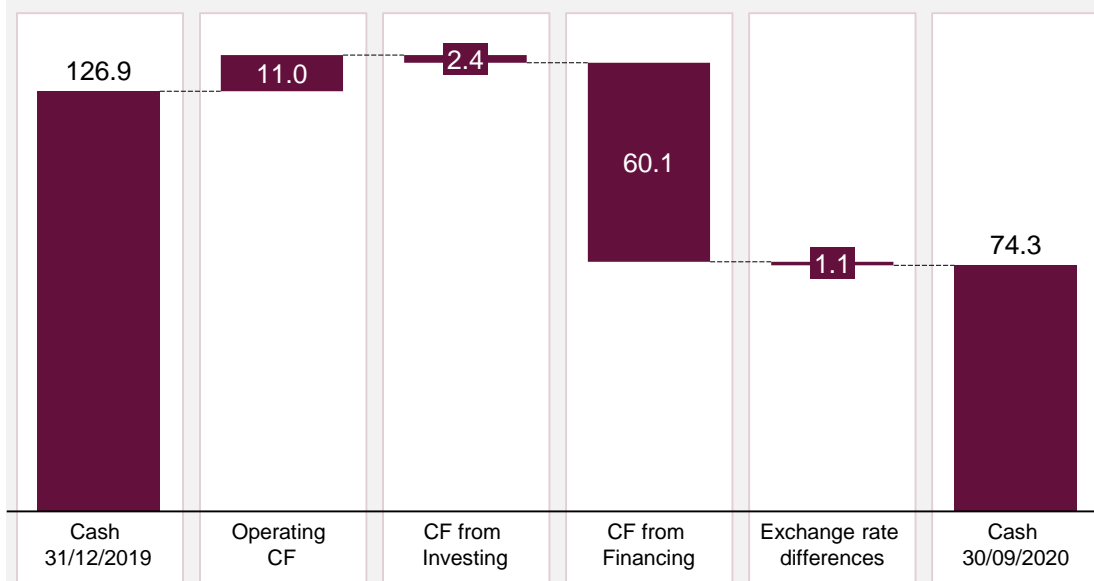


## High cost efficiency and flexibility enables GERRY WEBER to post positive EBITDA in Q3

- Sales down by 38.2% compared to LY due to COVID-19 and multiple store closures
- Gross margin ratio improved by 4.0%-Points due to better inventory management
- Personal costs -24.1% to EUR 70.9 mn based on headcount reduction and usage of short time work
- Other expenses down by 44.1% due to COVID-19 related spending freeze

# / SOLID CASH POSITION EXCEEDING FORECAST

Cash Flow Chart 2020 (EUR mn)



Cash Flow statement (EUR mn)

	9M 2019	9M 2020
CF from Operating activities	61.1	11.0
CF from Investing activities	-4.3	-2.4
Free Cash Flow	56.7	8.6
CF from Financing activities	-31.7	-60.1
Changes in cash and cash equivalents	25.0	-51.5
Cash & Cash Equivalents at the beginning	56.0	126.9
<b>Cash &amp; Cash Equivalents at the end</b>	<b>81.3</b>	<b>74.3</b>

## Positive FCF of EUR 8.6 mn maintained in spite of COVID-19

- Positive Operating CF due to successful restructuring
- Investments kept low due to uncertainty of COVID-19

## CF from financing activities use of FCF

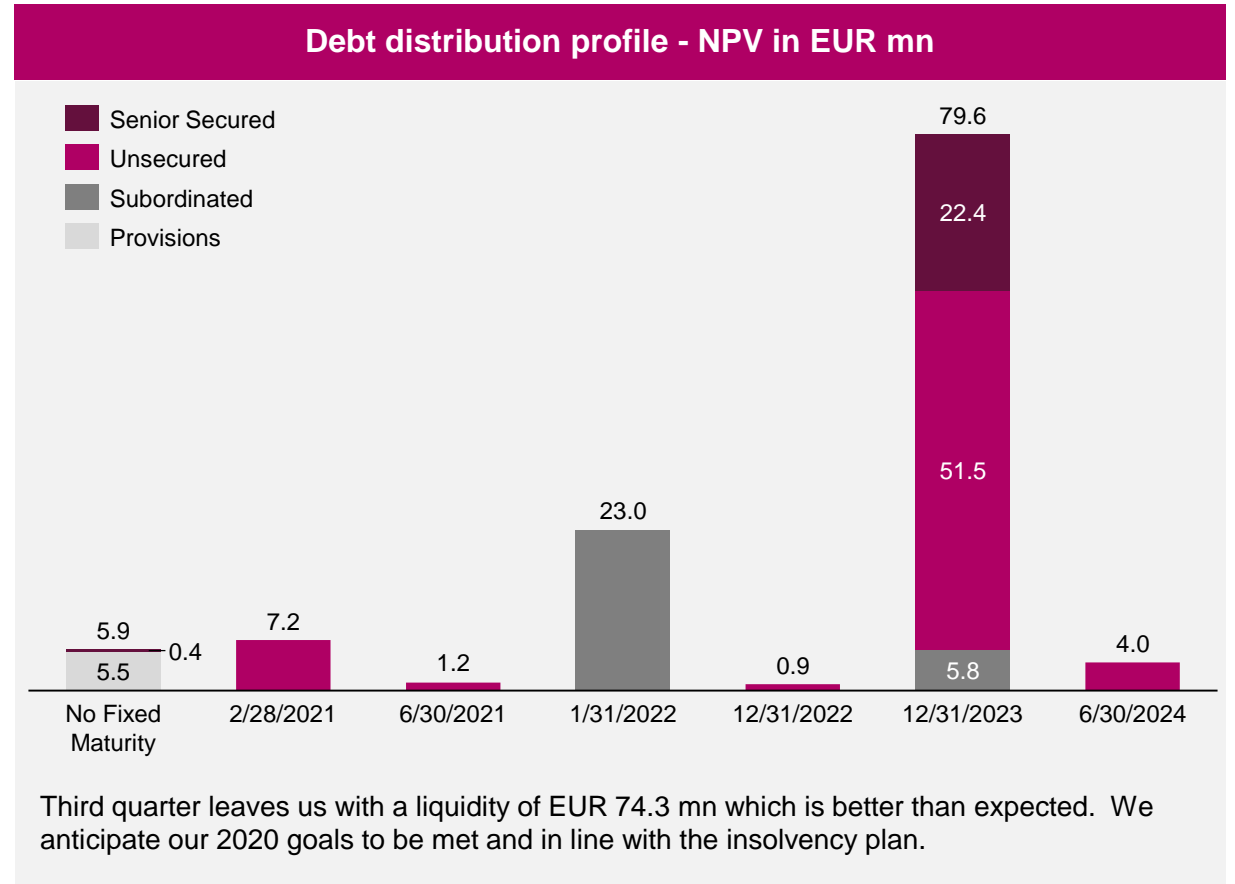
- Insolvency Quota & ELQ EUR 18.8 mn
- Adaption of SSL / escrow accounts EUR 11.4 mn
- Repayment of liabilities relating to the rights of use (IFRS 16) EUR 30.0 mn

# / CAPITAL STRUCTURE IN DETAIL

Stable Net Debt emphasizes long-term viability

Debt Waterfall			
EUR mn	1H 2020	3Q 2020	Seniority
Cash*	-90.8	-74.3	-
Revolving Credit Facility <sup>1,2</sup>	8.5	0.0	Senior Secured
Accrued Int. Term Loans <sup>3</sup>	0.1	0.4	Senior Secured
Principal Term Loans <sup>3</sup>	22.4	22.4	Senior Secured
Net Senior Debt	-59.8	-51.5	-
Straight Bonds	38.5	38.5	Unsecured
Convertible Bonds	1.8	1.8	Unsecured
Insolvency Cash Quota <sup>4</sup>	12.4	7.9	Unsecured
GWR Quota <sup>4</sup>	7.1	7.2	Unsecured
Excess Liquidity Quota <sup>4</sup>	11.5	9.4	Unsecured
Net Unsecured Debt	11.5	13.3	-
Additional quota**	28.5	28.8	Subordinated
Provisions and Adjustments	6.6	5.5	Provisions
<b>Net Debt</b>	<b>46.6</b>	<b>47.6</b>	-

<sup>1</sup> Full amount available EUR 17,500,000  
<sup>2</sup> 4% p.a. commitment fee. 8% p.a. cash interest on drawn amounts  
<sup>3</sup> 12% p.a. of which up to 8% p.a. may be capitalized (PIK)  
<sup>4</sup> All cash quota given as PV, discounted at a rate of 4.5% annually compounding on an Act/365 Basis



# / OUTLOOK

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# / OUTLOOK

**Sales and EBITA targets for FY 2020 on track**

**Various scenarios for 2021 are being calculated**

**COVID-19 measurements might get extended**

**Strengthening of E-Commerce**

**Focus on brand differentiation and product competences**

**Moving step by step back into the original pre-pandemic business plan**

**Based on the current  
development GERRY WEBER  
should be able to refinance its  
outstanding debt in 2023**