

ANALYST / INVESTOR CALL 9M 2022

10 November 2022

**WE ARE
SO GERRY**

/ TODAY'S SPEAKER



Angelika Schindler-Obenhaus
CEO



Florian Frank
CFO

/ EXECUTIVE SUMMARY 9M 2022

Environment increasingly challenging, but on track to meet guidance for FY 2022

- Positive normalized EBITDA¹ at EUR 11.1 mn in 9M 2022 compared to EUR -2.2 mn in 9M 2021
- Net sales at EUR 247.4 mn (+30.2%) in line with management expectations
- E-Commerce grew 35.7% in 9M 2022 in line with mid term targeted growth
- Retail performance in Germany improving, but impacted by decreasing consumer sentiment
- First time participation at PREMIUM fashion trade fair in Berlin with very positive feedback
- Group equity ratio decreased to 17.6% - robust cash position of EUR 57.2 mn at end of Sept 2022
- Supply chain challenges well managed in 9M 2022, situation remains challenging in Q4 2022

On track despite challenging environment; outlook for FY 2022 confirmed

OPERATIVE HIGHLIGHTS

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/ E-COMMERCE DEVELOPMENT 9M 2022

KEY HIGHLIGHTS

- Sales increased by 35.7% to EUR 41.5 mn/ share of 16.8 % of total Group sales
- Relaunch of Samoon.com in March 2022
- Promising new marketplaces added in each quarter
- Integration of About You`s fulfillment model
- Ongoing targeted growth of 20% yoy



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NEWSLETTER ABONNIEREN



/ KEY FIGURES E-COMMERCE SEGMENT 9M 2022

On track to grow at targeted rate of 20%+ mid term

KEY FIGURES E-COMMERCE 9M 2022 (vs. previous year)¹



EUR 41.5 mn² +35.7%
E-Commerce net sales



+ 2.1%
Users



3.8% -10.9pp
Conversion rate



16.8 %² +0.7 pp
E-Commerce net sales
share



EUR 157 +5.7 %
Average order value
(incl. VAT)



-1.9%
New customers

¹ Key figures include own web-shops and online outlets, no marketplaces unless otherwise indicated

² Total E-Commerce including marketplaces

/ RETAIL DEVELOPMENT 9M 2022

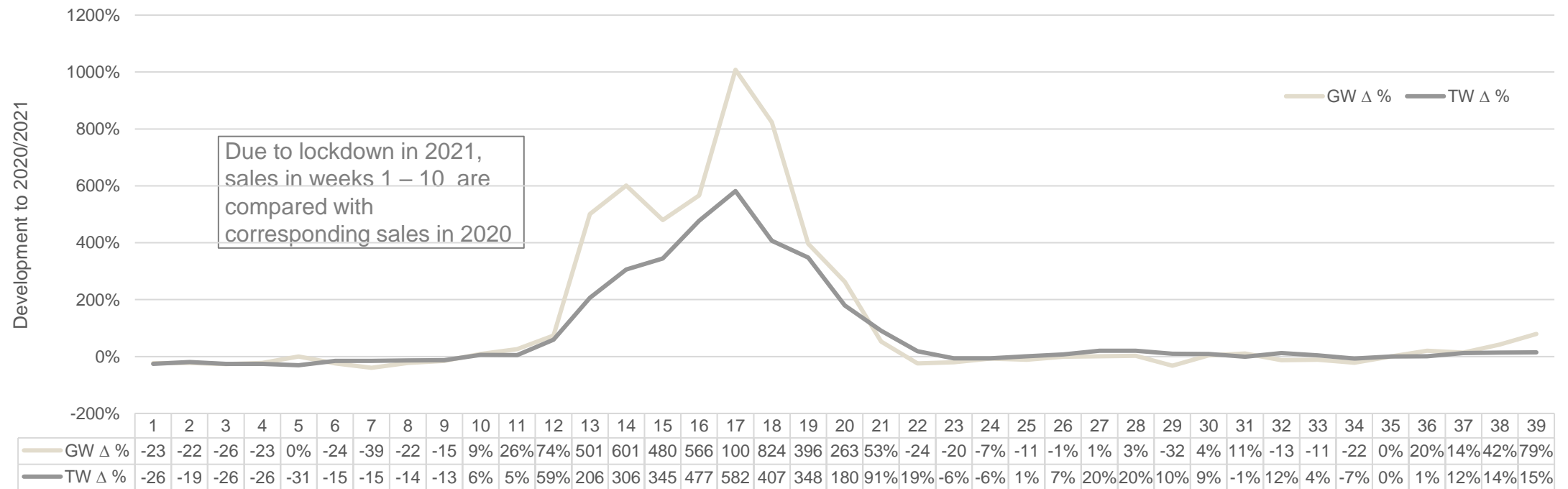
KEY HIGHLIGHTS

- Sales increased by 34.4% to EUR 116.0 mn/ share of 46.9% of total Group sales
- Like-for-like sales increased by 40.6% in 9M 2022
- LTM net sales per sqm improved by 41% to 1,800 € but still below our expectations
- Limited comparability of figures due to loss of around 55 sales days in Q1 2021
- Frequencies remain low due to ongoing weak customer sentiment
- New store concept implemented in Munich and Warsaw
- Development remains challenging due to unforeseeable development of Russia Ukraine conflict, pandemic heading into winter and overall economic development esp. inflation
- Target remains to steer sqm sales and like-for-like sales to 2019 level and beyond



/ RETAIL PERFORMANCE IN GERMANY IN FY 2022

Retail performance in Q3 2022 in line with overall market development



- Retail development above market development in some weeks in 9M 2022 - but overall suffering from overall weak consumer sentiment
- Development from week 20 onwards reflects the early and aggressive sell-off of summer merchandise in Q2 and Q3 2022

/ ROLLOUT NEW STORE CONCEPT IN MUNICH VIKTUALIENMARKT



/ ROLLOUT NEW STORE CONCEPT IN WARSAW



/ WHOLESALE DEVELOPMENT 9M 2022

KEY HIGHLIGHTS

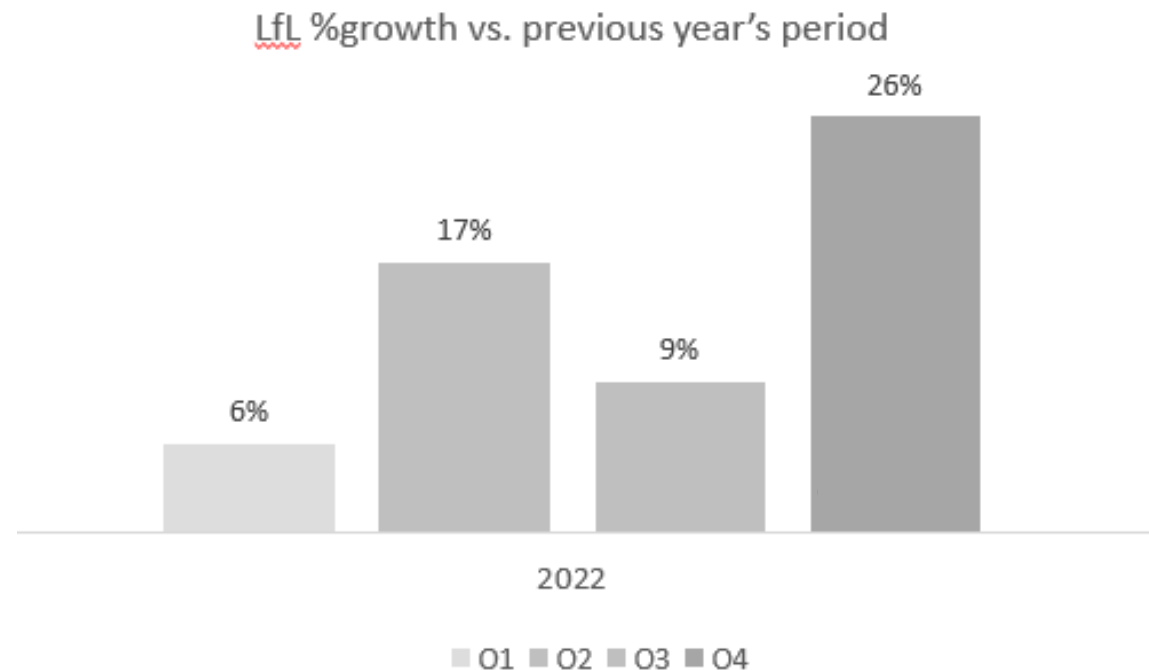
- Sales rose by 23.0% to EUR 89.8 mn/ share of 36.3 % of total Group sales
- Increased sales support for partners (on-site training measures, franchise days and monthly newsletter for each brand)
- First time participation at PREMIUM fashion trade fair in Berlin with very positive feedback
- First Pop-Up Store opened near Heidelberg



/ PREORDER SYSTEM IN WHOLESALE LEADS TO MORE VISIBILITY

80% of total wholesale sales for FY 2022 are secured by April 2022

Order	Deadline for preorder	Delivered & invoiced to customers
Spring O1	Aug 15, 2021	Jan - Mar 2022
Summer O2	Oct 31, 2021	Apr - May 2022
Autumn O3	Feb 06, 2022	Jul - Sep 2022
Winter O4	Apr 18, 2022	Oct - Dec 2022



- LfL preorder development for O1 to O4 2022 underpins we are succeeding in improving our performance at our wholesale partners
- Preorder development in 2022 also shows that confidence among partners rises again

/ SUSTAINABILITY IMPLEMENTATION UPDATE 9M 2022

Organization of a sustainability week for employees to raise awareness of CSR

Implementation of new IT tool to ensure adequate tracking of German „Lieferkettengesetz“¹

Climate neutral headquarter in Halle (as of March 2022)

ESG targets are part of long term incentive plan (LTI) for the management

**transparent
demanding
measurable**

¹ „Supply Chain Due Diligence Act“

/ SUPPLY CHAIN AND RAW MATERIAL INFLATION UPDATE 9M 2022

Close cooperation with suppliers and partners to manage and mitigate disruption effects

01

Closure of production facilities led to shortage of production capacities in sourcing countries (e.g. Turkey / Bangladesh)

Partial shutdowns may occur due to energy bottlenecks

02

Shipping of goods stabilized in reliability and duration around the world across all transport vehicles

Costs are easing

03

Task force screens situation daily; counteraction with revised schedules (longer deadlines) and close cooperation with production partners to secure merchandise delivery on time

Delivery rates in 9M within redelivery deadline between 90 to 95%

04

Cost increases of materials, energy and inflation has led in some cases to significant price increases executed in 2022

Price increases apparently accepted by customers and help compensate declining frequencies

OUTLOOK Q4 2022

- **Ongoing close screening in all sourcing countries and derivation of corresponding countermeasures**

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FINANCIAL HIGHLIGHTS

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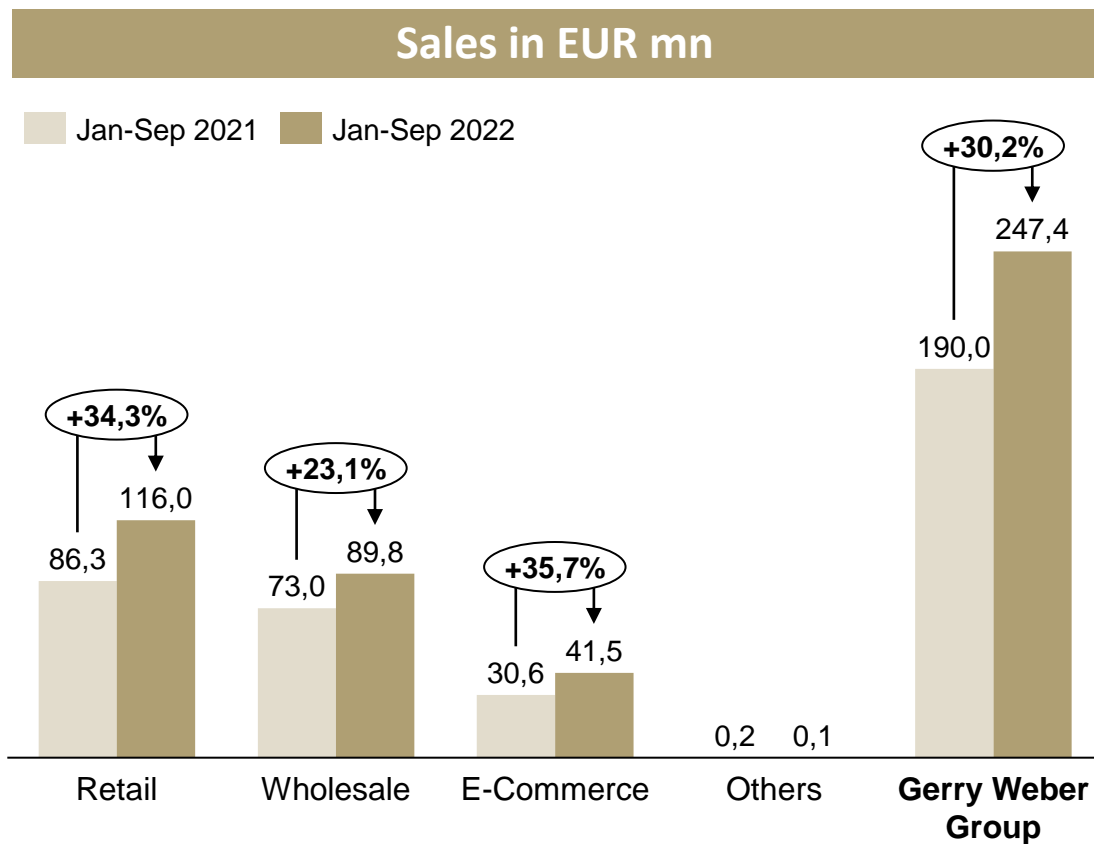
/ FINANCIAL HIGHLIGHTS 9M 2022

Positive normalized EBITDA at 11.1 mn in 9M 2022 despite challenging environment

Total Sales	Sales Split ¹	Normalized EBITDA	Net Income
EUR 247.4 mn (+ 30.2 %)	Retail: EUR 116.0 mn (+34.3 %) Wholesale: EUR 89.8 mn (+23.1 %) E-commerce: EUR 41.5 mn (+35.7 %)	EUR 11.1 mn (+EUR 13.3 mn)	EUR -10.2 mn (+EUR 14.1 mn)
Cash Flow from current operating activities	Cash & Cash Equivalents ²	Net Debt ²	Equity ratio ²
EUR 14.3 mn (-27.6 %)	EUR 57.2 mn (+14.3 %)	EUR 28.2 mn (+48.0 %)	EUR 17.6 % (-2.3 pp)

/ SALES DEVELOPMENT IN 9M 2022 – IN LINE WITH EXPECTATIONS

Limited comparability due to COVID-19



Comments

- Net sales at EUR 247.4 mn (+30.2%) in line with management expectations
- Growth in E-Commerce of 35.7% driven by additional marketplaces and performance enhancement of own e-shops
- Sales growth Retail and Wholesale mainly due to the fact that stores were permanently open again in 2022 (restrictive 2G rules in Q1 but no lockdown like in Q1 2021)
- Retail like-for-like sales were at +40.6% compared to 9M 2021

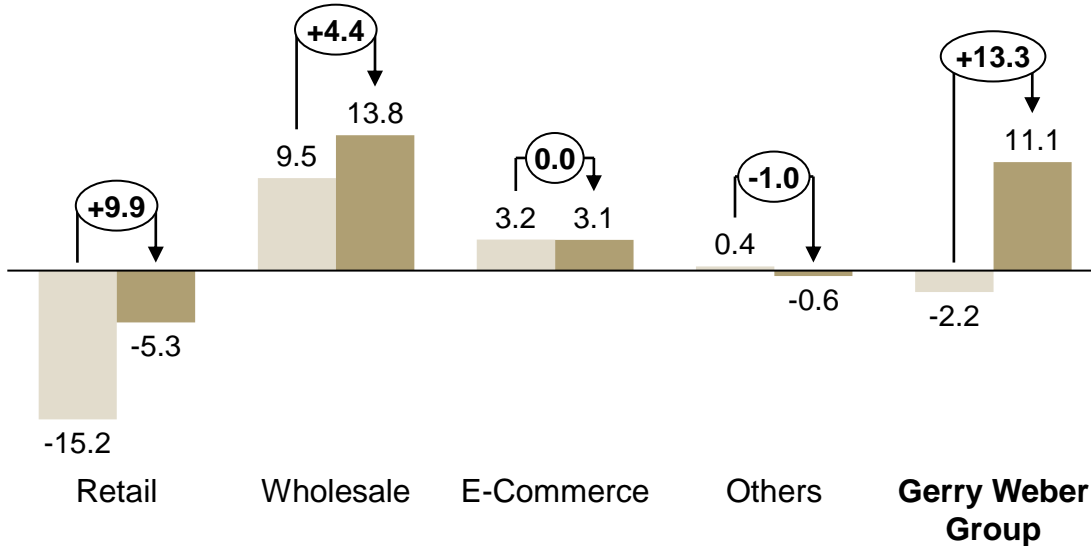
/ POSITIVE NORMALIZED EBITDA¹ IN 9M 2022

Retail development points in the right direction

Normalized EBITDA in EUR mn

Comments

Jan-Sep 2021 Jan-Sep 2022



- Positive normalized EBITDA at EUR 11.1mn in 9M 2022 compared to EUR -2.2mn in 9M 2021
- Retail EBITDA still negative, but figures in 9M 2022 show that segment performance is improving
- Wholesale segment shows solid and improved normalized EBITDA
- E-Commerce on last year's level due to higher costs incurred in 9M 2022

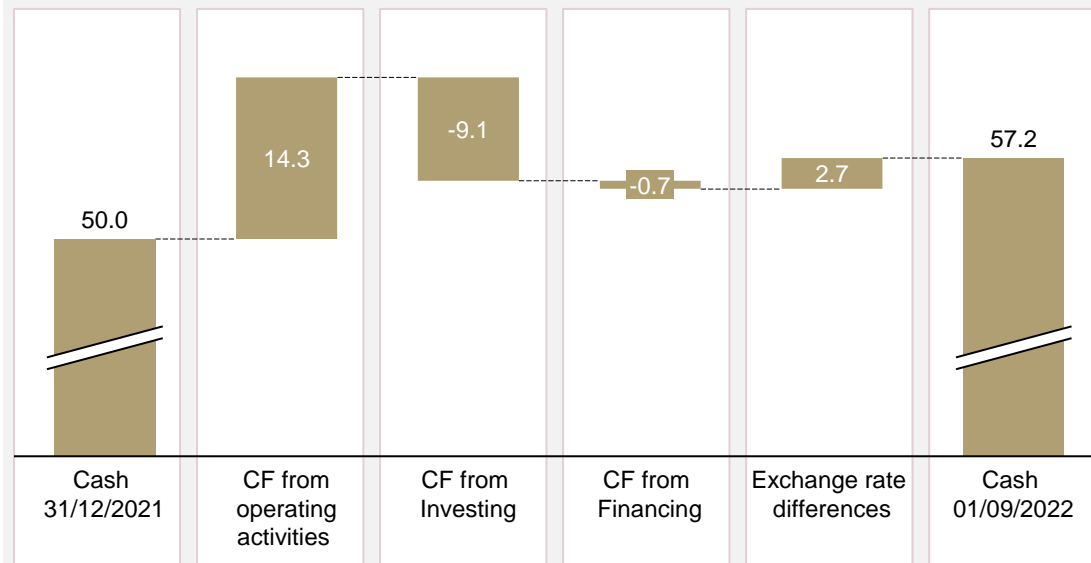
Normalized EBITDA margin

2021	-17,6%	12,6%	10,3%	-1,2%
2022	-4,6%	15,1%	7,6%	4,5%

/ POSITIVE OPERATING CASH FLOW / RCF FULLY REPAID

Cash position can be kept at a constant level

Cash Flow Chart 9M 2022 (EUR mn)



Positive Free Cash flow despite challenging environment

- Positive Cash flow from current operating activities of EUR 14.3 mn including payment from state support (EUR 2.5 mn)
- Financing of Inventories requires EUR 7,5 mn

Cash Flow statement (EUR mn)

	9M 2022
CF from current operating activities	14.3
CF from investing/desinvesting activities	-9.1
Free Cash flow	5.2
CF from financing activities	-0.7
Exchange rate differences	2.7
Cash & cash equivalents at the beginning ¹	50.0
Cash & cash equivalents at the end ¹	57.2

Cash flow from financing activities

- Proceeds from additional loan of EUR 10.0 mn (refinancing of RCF) and full utilization of the remaining RCF (7.5 mn)
- Payment of liabilities relating to the rights of use (IFRS 16) of EUR 16.5 mn
- Repayment of insolvency liabilities of EUR 1.9 mn

¹ According to balance sheet

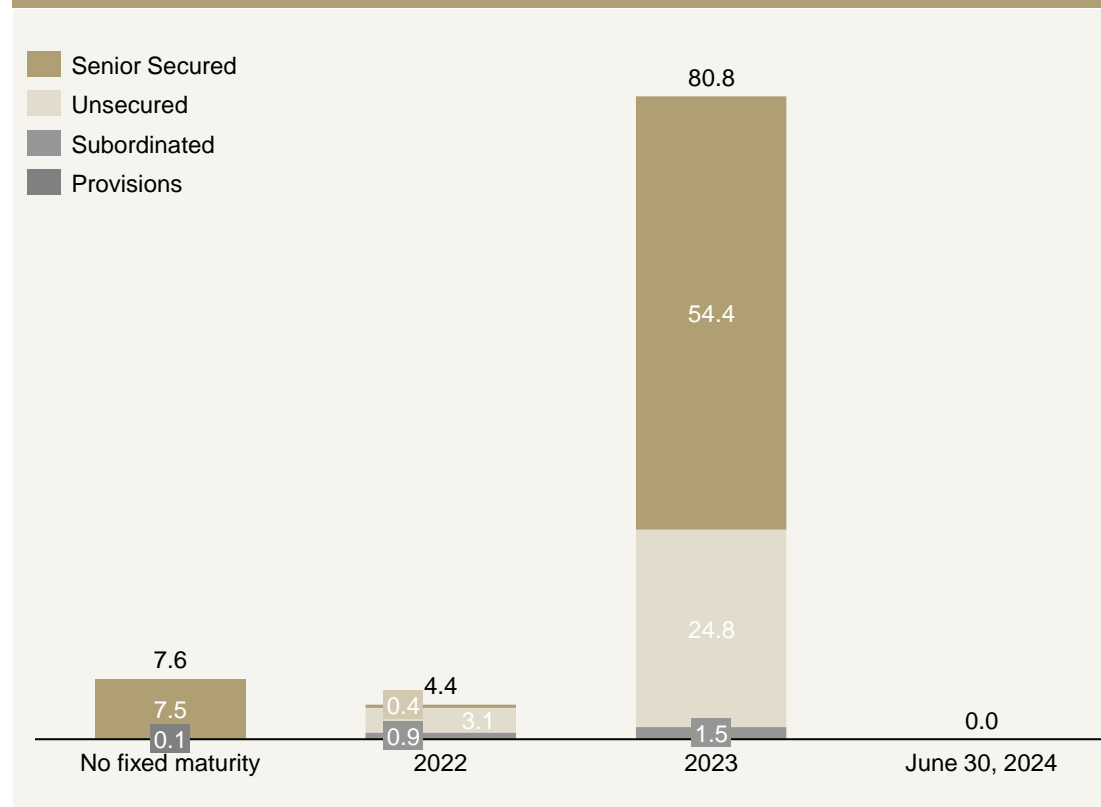
/ CAPITAL STRUCTURE IN DETAIL

Robust cash position combined with devaluation of contingent liabilities leads to massively reduced net debt of EUR 28.2 mn

Debt waterfall as of September 30, 2022

Net Debt in EUR mn	Book values	Un-discounted cash outflows	Secured by escrow accouts	Founded by liquidity of the company		
				Total	Thereof non-contingent	Thereof contingent
Cash ¹	-57.2					
Revolving Credit Facility ²	7.5	7.5	-	7.5	7.5	-
Nationalbank Credit Facility ³	10.0	10.0	-	10.0	10.0	-
Principal Term Loans ⁴	38.9	44.8	-	44.8	44.8	-
Net Senior Debt	-0.7					
Straight Bonds	22.7	24.0	-	24.0	24.0	-
Convertible Bonds	1.2	1.2	-	1.2	1.2	-
Insolvency Cash Quota	0.8	1.0	-	1.0	1.0	-
GWR Quota	1.6	1.6	1.6	-	-	-
Excess Liquidity Quota	-	-	-	-	-	-
Net Unsecured Debt	25.6					
Additional quota	2.4	2.4	2.4	-	-	-
Provisions and Adjustments	0.1	0.1	-	0.1	0.1	-
Net Debt	28.2					

Debt distribution profile – undiscounted cash flows in EUR mn



¹ Thereof EUR 9.7 mn deposited in insolvency plan escrow account

² 4% p.a. commitment fee. 8% p.a. cash interest on drawn amounts

³ 2% p.a. interest rate + 1,5% interest on drawn amounts

⁴ 12% p.a. of which up to 8% p.a. may be capitalized (PIK)



SUMMARY 9M 2022

Despite deteriorating macroeconomic environment in the reporting period

- GERRY WEBER GROUP reported solid net sales increase driven by continuous opening of stores
- Strict cost management led to significant improvement in normalized EBITDA compared to 9M 2021
- E-Commerce grows in line with mid term target of 20%+
- Retail development improved
- Solid Wholesale performance in 9M 2022
- Ongoing robust liquidity position

SAMOON

OUTLOOK FY 2022

Because I'm happy



/ ASSESSMENT OF BUSINESS SITUATION – NOVEMBER 2022

Expected successful implementation of further optimization measures

OPTIMIZATION OF INVENTORY AND MERCHANDISE MANAGEMENT

Strong focus on clearance of old goods and overhang

Introduction of new software to support inventory optimization in Q4 2022

SUPPORTING EBITDA THROUGH COST SAVINGS IN PERSONNEL EXPENSES

Restrictive hiring of new employees ongoing

Potential re-introduction of short-time work across the Group

OPTIMIZATION OF RETAIL PORTFOLIO

Pandemic accelerated changes in shopping behavior of customers => additional cities are losing shopping appeal which will lead to additional soft store closures

/ ASSUMPTIONS – GUIDANCE FY 2022 (1)

Overall goal is to secure successful refinancing in FY 2023

TAKEN INTO ACCOUNT IN GUIDANCE

RETAIL STORES

remain open throughout 2022
fewer restrictions compared to Q1 2022

CONSUMER SENTIMENT

in Germany, Benelux, Austria and Switzerland
will not deteriorate further in the coming months
(compared to sentiment in May 2022)

WAR BETWEEN RUSSIA AND UKRAINE

potential effects such as sales shortfalls and margin
pressure considered to the extent that they can be
estimated; maintain business relations

UNCERTAINTY IN GUIDANCE

RETAIL STORES

increasing restrictions up to lockdown towards winter
in case covid-19 pandemic flares up again

CONSUMER SENTIMENT

deteriorates further due to overall economic and
macroeconomic situation
**according to the latest news and statistics, the
situation remains challenging in Q4 2022**

WAR BETWEEN RUSSIA AND UKRAINE

additional negative effect on consumer sentiment
in e. g. neighboring countries

/ ASSUMPTIONS – GUIDANCE FY 2022 (2)

Overall goal is to secure successful refinancing in FY 2023

TAKEN INTO ACCOUNT IN GUIDANCE

COST INCREASES

assumed to be covered fully through price increases already proved in orders

COST SAVINGS

personnel measures (restrictive recruitment policy, implementation of short-time work), restrictive expenses and investments

DEVELOPMENT OF THE SEGMENTS

Retail and Wholesale expected to grow noticeably due to catch-up effect following lockdown in 2021
E-Commerce expected to continue growing at 20% plus per year

UNCERTAINTY IN GUIDANCE

COST INCREASES

inflation and price increases higher than considered in guidance with no full handover to customers possible

COST SAVINGS

savings cannot be realized or not be realized to the planned extent

implementation of further optimization measures to support guidance for FY 2022

DEVELOPMENT OF THE SEGMENTS

negatively affected by overall economic and macroeconomic situation that could lead to growth rates below our expectations

segment development remains to be seen in Q4 depending on various risks such as insolvencies of wholesale partners

/ OUTLOOK FY 2022 AND BEYOND

Updated due to expected successful implementation of further optimization measures

GUIDANCE FOR FY 2022	SPECIFIED
Net Sales	Between EUR 315 mn and EUR 340 mn
Normalized EBITDA ¹	Negative single-digit million EUR range to positive single-digit million EUR range

OUTLOOK FY 2023

2023

Successful refinancing

¹ Excluding effects from lease accounting pursuant to IFRS 16

/ COVENANTS FY 2022 AND FY 2023

COVENANT DETAILS*								
in k EUR	March 22	June 22	Sep 22	Dec 22	March 23	June 23	Sep 23	Dec 23
Minimum liquidity	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Normalized EBITDA ¹			> 0	> 0				
Net debt/normalized EBITDA ¹				5.94	4.33	3.32	3.20	3.10
Capital expenditure				12.000				7.000
Normalized EBITDA ¹ /interest				1.31	1.91	2.27	2.62	2.84

*Negotiated with main financing partners / possibility for renegotiation in case of ongoing disruptions

¹ Excluding effects from lease accounting pursuant to IFRS 16

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APPENDIX

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/ CAPITAL MARKETS EVENTS 2022

Nov 29, 2022

German Equity Forum Frankfurt

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