

Analyst / Investor Call

Results 9M 2021

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**WE ARE  
GERRY**

November 22, 2021

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# / EXECUTIVE SUMMARY 9M 2021

Business repositioning on track

**Product performance and ongoing operational initiatives are key for successful repositioning of the Group**

**Ongoing strong E-commerce growth in 9M 2021 with +30% despite retail reopening**

**Retail fully reopened with encouraging growth since reopening in June (+8% in Q3 2021)**

**New collections well perceived by wholesale customers; yoy plus in last order**

**Net sales in 9M of 2021 impacted by lockdown; net sales dropped to EUR 191.5 mn (EUR 83.9 mn in Q3)**

**Strict cost management led to significant improvement in normalized EBITDA to EUR -4.0 mn in 9M 2021**

**Strong cash flow from current operating activities of EUR 21.3 mn in 9M 2021**

**Robust cash position of EUR 90.4 mn at end of September 2021 (EUR 85.3 mn at year end 2020)**



**Well on track despite ongoing headwind in 9M 2021; outlook for FY 2021 confirmed**

TAIFUN

BUSINESS UPDATE  
9M 2021

WE LOVE  
TO MOVE



# / BUSINESS REPOSITIONING STRATEGY

How to know if our strategy is working to increase the desirability of our brands



# /UPDATE ON MAJOR INITIATIVES TO GROW RETAIL BUSINESS

## Store Experience

Increase emotionalization of brand presentation, new visual merchandise concept, storytelling; new store concept details now tested in Münster

## Marketing

Monthly marketing and event activities to increase stationary shopping attractiveness such as Beauty Day and seasonal events

## CRM & Cross-Channel

Expand cross-channel processes: In store ordering, click & reserve (already installed in Germany; 2<sup>nd</sup> half of 2021 click & collect, return anywhere)

## Merchandise / Inventories

Focus on full-price phases with end-of-season sale and discount phases to increase profitable share of sales

Expansion of factory outlet business by opening additional locations (five new locations in Q3 2021) with the aim of quickly reducing the high proportion of old goods and generating cash

## Cost optimization

Continuous optimization of our store portfolio including renegotiation of rental contracts

# / NEW STORE CONCEPT CURRENTLY IN TEST-PHASE

Successful store opening in Muenster in Q3 2021

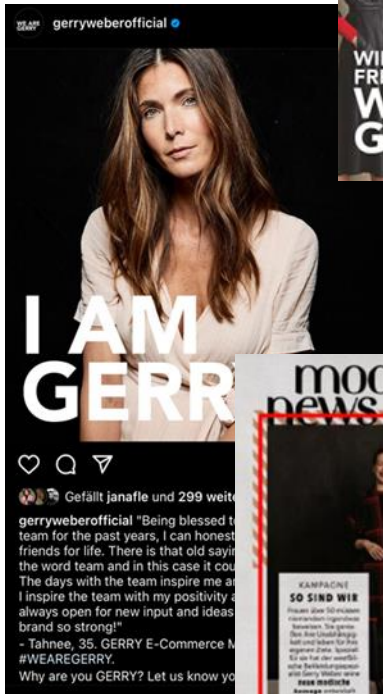


# / WE ARE GERRY CAMPAIGN

## Ads



## #IAMGERRY on social media



## Blog



## Movie



## STYLE

## FASHION

## POS material



## Events



## Editorial mention



**WE ARE WOMEN.  
WE ARE POWER.**  
#WEAREGERRY X Brigitte

**Provision of influencers and VIPS with GW products**



# / CREATING MORE SHOPPING EXPERIENCE FOR CUSTOMERS

„UND GRETEL“ AND „TRIUMPH“ NOW AVAILABLE IN SELECTED GERRY WEBER STORES



*UND GRETEL*  
UND  
GRETEL  
BERLIN



# / RETAIL REOPENING UPDATE GERMANY

Germany has been in lockdown II since December 16, 2020. There have been opening steps since March 8, 2021

We have been offering (where permitted) Click & Meet, in addition to the existing services (personal shopping (video / telephone), click & reserve (window shopping). Click & Meet in particular was very well received in **March 2021**

**April 2021** was marked by increasing incidences, causing increased restrictions again. Many stores had to close again or Click & Meet was only possible with a negative test result. Frequencies and sales in stores fell sharply

**May 2021** showed a clear improvement. Many federal states and municipalities were easing restrictions

Since End of **June 2021** 100 % of our stores were opened with less restrictions, opening of five outlets in Q3 2021



**Encouraging ramp-up of stores in Q3 2021: customer footfall improving, conversion rate and sales per customer rose**

As incidence rates are currently picking up sharply, opening rules may be adjusted at short notice in Q4 2021 again

# / NEW INITIATIVE: MONTHLY LIVE-SHOPPING EVENTS

Live-Shopping for GERRY WEBER, Taifun and Samoon



GERRY WEBER  
INTERNATIONAL AG

# / E-COMMERCE: OWN TAIFUN SHOP LAUNCHED IN AUGUST

**TAIFUN**

NEU <sup>71</sup>

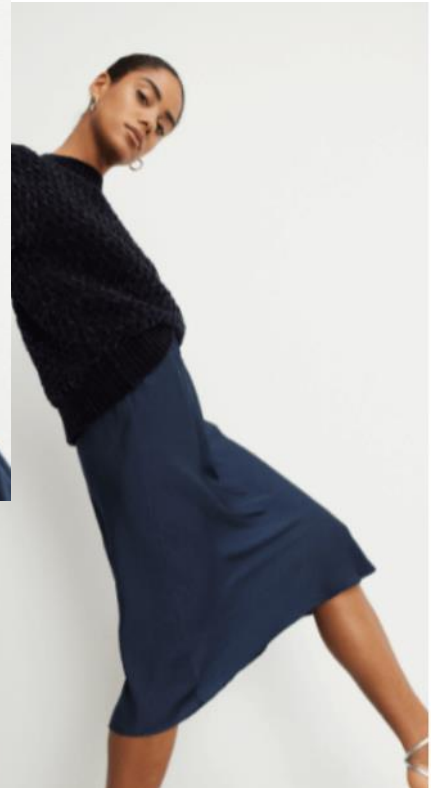
KLEIDUNG

TRENDS

SHOP THE LOOK

NACHHALTIGKEIT

ABOUT US



# / HIGHLIGHTS OF SUSTAINABILITY STRATEGY

## Our five action fields



- Targets of sustainability strategy are divided into the five action fields
- All ESG criteria and the requirements of legal, non-financial reportings are covered
- Progress is documented and reported through a continuous PDCA cycle

### Product

- Increase the share of certified/sustainable cotton to 100% by 2025
- Increase the share of certified/recycled cashmere to 100% by 2024

### Partners

- Readymade garment supplier with a direct business relationship with GW are 100% audited by Amfori BSCI Audit until 2021
- Sourcing of all goods from finished goods suppliers who achieved a “satisfying” or better result in the last social audit

### Employees

- Employer branding "Join and Stay" developed until 2022
- Increase in personnel development and training by 2022

### Environment

- CO2 neutrality of the company headquarters by 2023
- Use of 100% green electricity by 2025

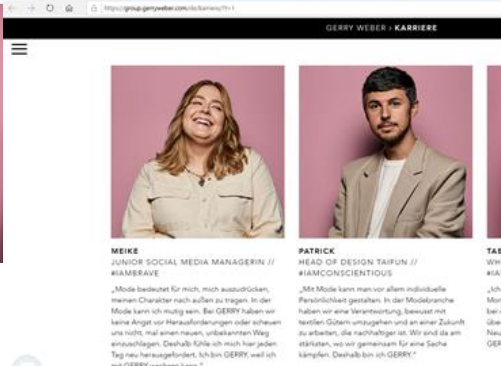
### Society

- Preparation of a detailed cooperation plan until 2022
- Continuous enhancement of biodiversity at our headquarters until 2023

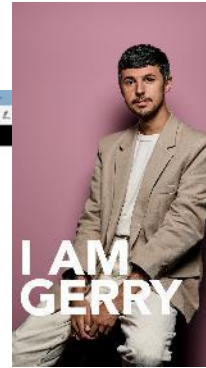
# / WE ARE GERRY - EMPLOYER BRANDING

Rising star 2021 in Textilwirtschaft's employee satisfaction survey

## Magazine ads



# WE ARE GERRY



## Videos used for linkedin and instagram

# / DISRUPTION WITHIN PRODUCT SUPPLY CHAIN

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

Corona has led to the closure of production facilities and thus to a shortage of production capacities in our sourcing countries (f.e. Turkey, Bangladesh, Vietnam and China)

Shipping of goods increased in reliability, duration and cost around the world across all transport vehicles

Current delivery rates within redelivery deadlines between 60 to 90%

Task force in place that screens the current situation daily; we counteract with revised schedules (longer deadlines) and close cooperation with our production partners to secure merchandise delivery on time



**Outlook 2022: ongoing close screening of the situation in all sourcing countries and derivation of corresponding countermeasures**

SAMOON

FINANCIALS 9M 2021

*Because I'm happy*





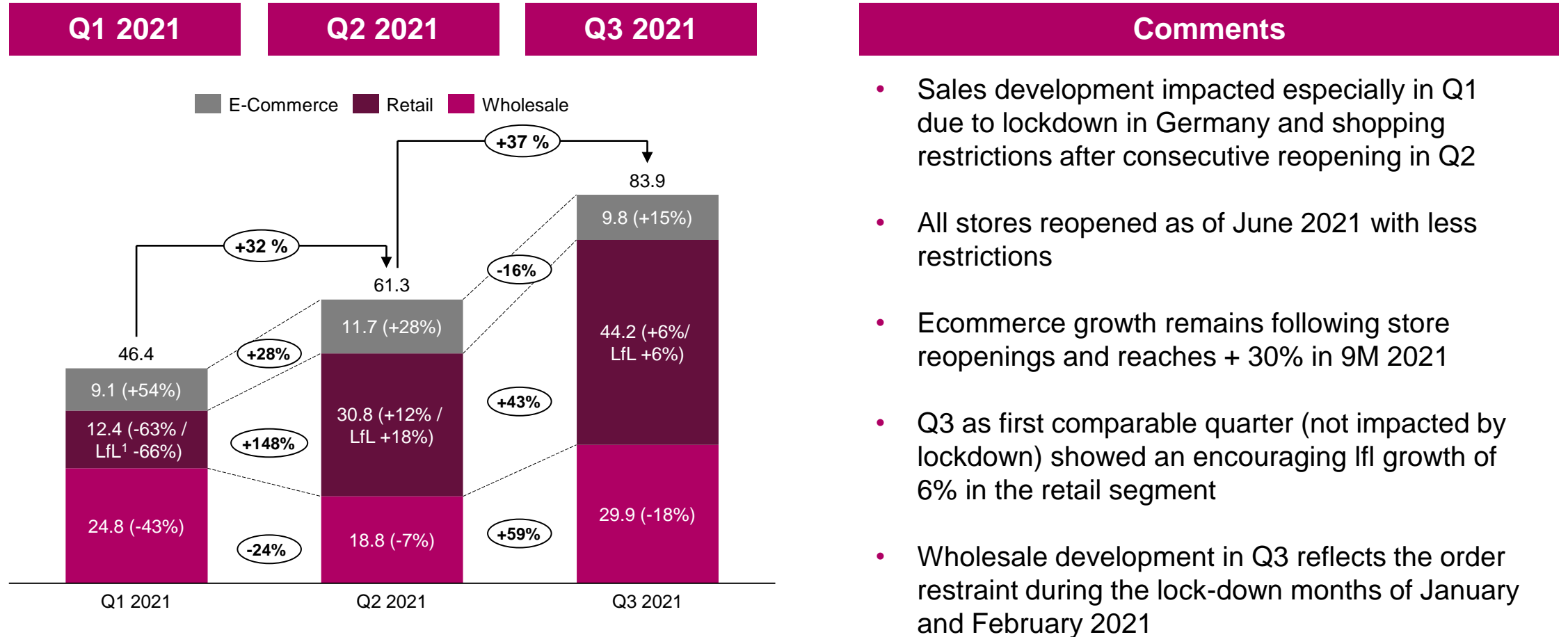
# / FINANCIAL HIGHLIGHTS – 9M 2021

In line with expectations – Revolving credit facility fully paid down

<b>Total Sales</b>	<b>Sales Split</b>	<b>Pro Forma Adj. EBITDA<sup>1</sup></b>
EUR 191.5 mn	Retail: EUR 87.5 mn Wholesale: EUR 73.5 mn Ecom: EUR 30.5 mn	EUR 4.6 mn
<b>Normalized EBITDA</b>	<b>Cash Flow from current operating activities</b>	<b>Cash &amp; Cash Equivalents</b>
EUR -4.0 mn	EUR 21.3 mn	EUR 90.4 mn

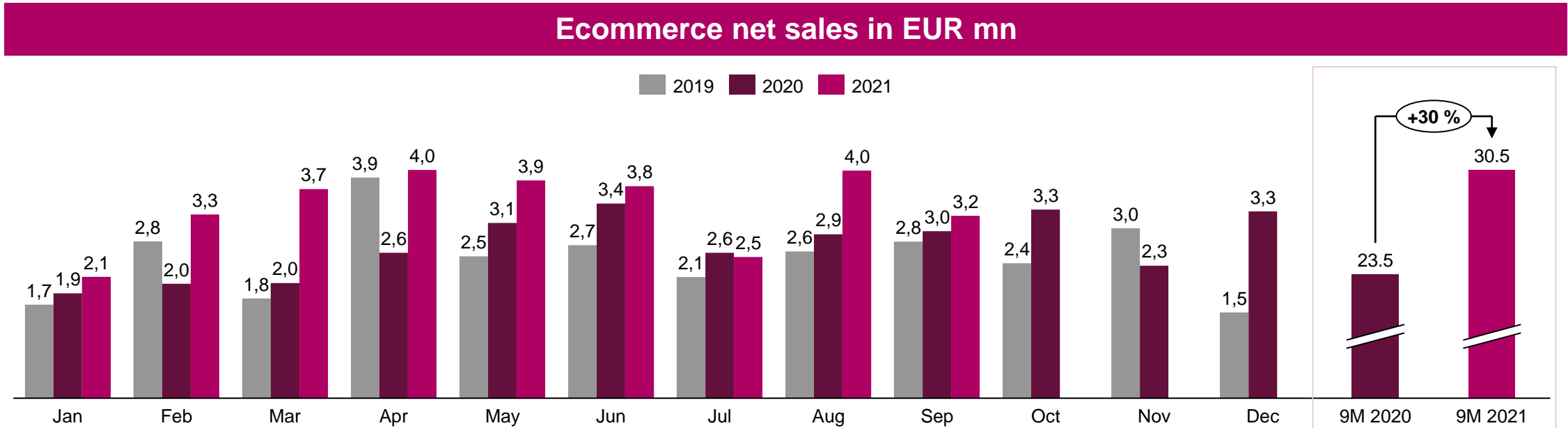
# / SALES DEVELOPMENT IMPACTED BY PANDEMIC IN Q1 + Q2

Quarterly sales development in 2021 in EUR mn (compared with 2020 in %)



# / SALES DEVELOPMENT IN ECOMMERCE PLUS 30% IN 9M 2021

Growth path ongoing despite reopening of Retail stores

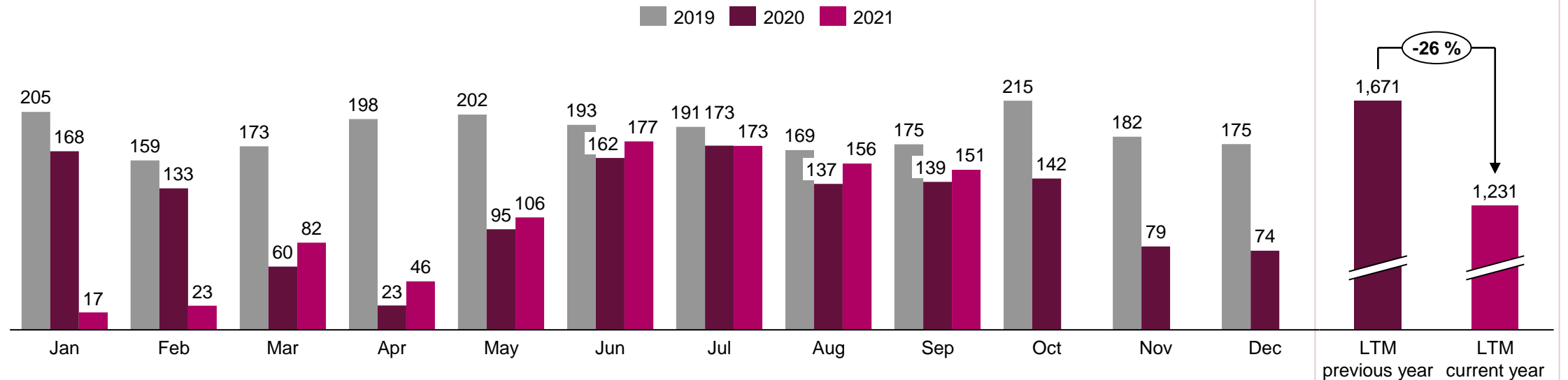


- Growth path ongoing despite reopening of Retail stores with + 30% yoy
- Months of July and August 2021 characterized by sales shifts (July) and extraordinary orders coming from wholesale customers (Aug)
- Additional initiatives like monthly live-shopping events launched to secure growth path going forward
- Target is to grow Ecommerce sales by 20% and more yearly over the medium term

# / SALES DEVELOPMENT RETAIL

Net sales per sqm in Q3 2021 above last year's quarter

## Retail net sales per square meter



- Limited comparability of net sales figures due to corona (stores were open/closed in different months in 2020 and 2021)
- Focus on full-price phases / markdown strategy with focus on development of gross margin
- Promising store opening in Münster shows square meter performance above 2019 square meter level
- Target is to improve sales per square meter and like-for-like sales growth to 2019 level and beyond in 2022

# / PRE-ORDER SYSTEM IN WHS LEADS TO REVENUE VISIBILITY

86% of total wholesale sales for FY 2021 are secured by August 2021

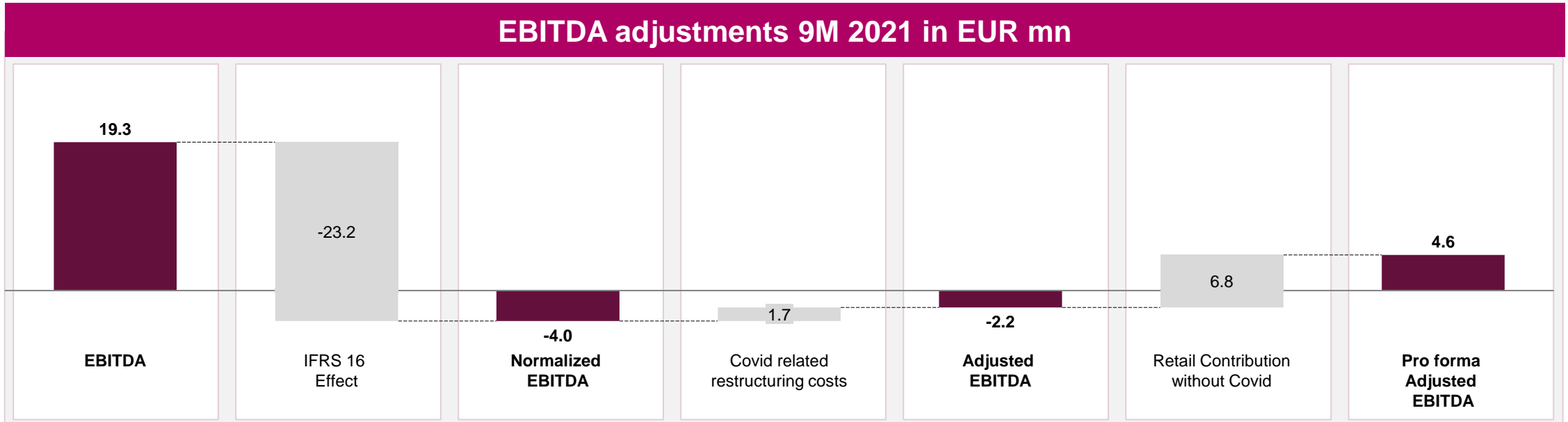
Order	Deadline for Preorder	Delivered and invoiced to our wholesale customers	In % of total wholesale 2021 (cum)
Spring Summer O2	Aug 18, 2020	Jan 2021	27%
Summer O3	Oct 29, 2020	Apr - May 2021	42%
Autumn Winter O4	Feb 23, 2021	Jul - Sep 2021	71%
Winter O5	May 11, 2021	Oct - Nov 2021	84%
Spring O1	Aug 17, 2021	Dec 2021- Mar 2022	86%

## Comments

Preorder leads to high visibility in our wholesale business:

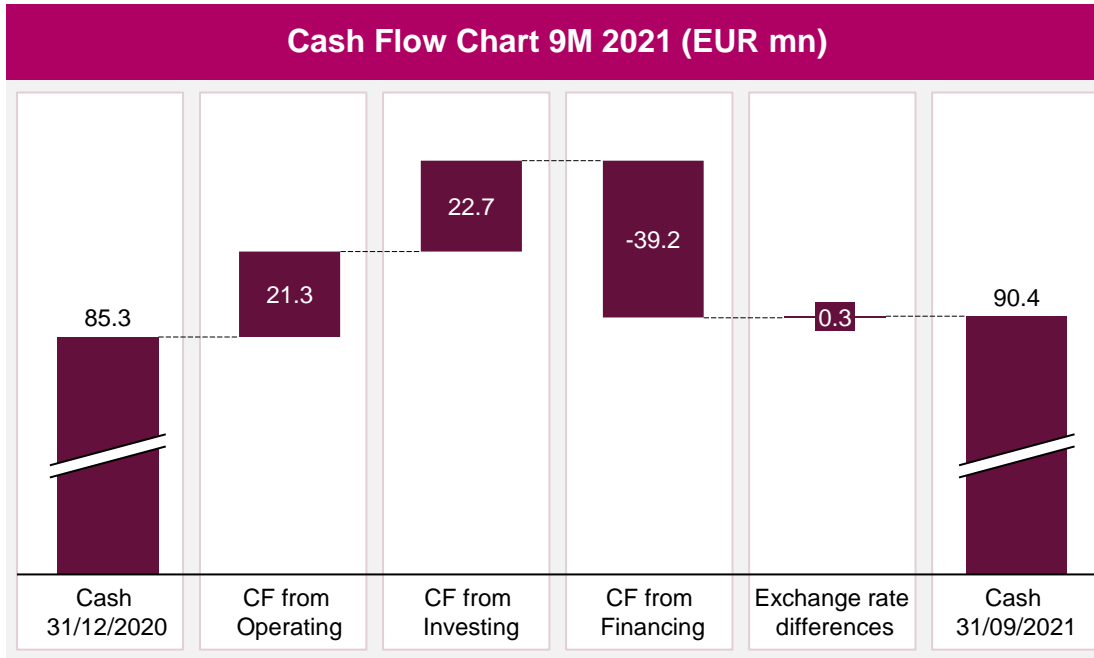
- 86% of wholesale sales for FY 2021 secured in Aug 2021
- Reorders of in store collections and depot business lead to additional sales
- Improved product performance led to gaining back first “lighthouse” retail partners

# / EBITDA BRIDGE FOR 9M 2021



- Strict cost discipline across the Group led to positive reported EBITDA of EUR 19.3 mn (compared to EUR 15.6 mn in 9M 2020).
- Adjusted EBITDA almost break even in 9M 2021; pro forma adjusted EBITDA positive at EUR 4.6 mn

# / OPERATING CASH FLOW POSITIVE / RCF FULLY REPAID



**Cash Flow statement (EUR mn)**

	9M 2021	9M 2020
CF from current operating activities	21,3	11,0
CF from investing activities	22,7	-2,4
Free Cash Flow	44,0	8,6
CF from financing activities	-39,2	-60,1
Exchange rate differences	0,3	-1,1
Cash & cash equivalents at the beginning	85,3	126,9
<b>Cash &amp; cash equivalents at the end<sup>1</sup></b>	<b>90,4</b>	<b>74,3</b>

## Free Cashflow improved despite COVID-19

- Positive Cashflow from current operating activities of EUR 26.9 mn despite of Corona lockdowns
- Increase in Working Capital mainly financed by state support of EUR 12 mn
- Cashflow from investing includes payment for Ravenna Park of EUR 25 mn

## CF from financing activities

- Proceeds from additional loan of EUR 5.0 mn (exchange offer)
- Repayment of RCF EUR of 17.5 mn in Q3
- Payment of liabilities relating to the rights of use (IFRS 16) of EUR 19.4 mn
- Repayment of insolvency liabilities of EUR 7.4 mn

<sup>1</sup> excl. RCF m EUR 17.5

# / CAPITAL STRUCTURE IN DETAIL

Stable Net Debt emphasizes long-term viability

Debt waterfall					
Net Debt in EUR mn	Sep 2021	Secured by escrow accounts/ liquidation of Ravenna Park	Founded by liquidity of the company		
			Total	Thereof non-contingent	Thereof contingent
Cash <sup>1</sup>	-90,4	-41,1	-49,2	-49,2	-
Revolving Credit Facility <sup>2</sup>	0,7	-	0,7	0,7	-
Principal Term Loans <sup>3</sup>	36,7	-	36,7	35,7	1,0
<b>Net Senior Debt</b>	<b>-53,0</b>	<b>-41,1</b>	<b>-11,8</b>	<b>-12,8</b>	<b>1,0</b>
Straight Bonds	34,5	-	34,5	25,4	9,1
Convertible Bonds	1,9	-	1,9	1,2	0,7
Insolvency Cash Quota <sup>4</sup>	7,0	7,0	-	-	-
GWR Quota <sup>4</sup>	1,7	0,2	1,5	1,5	-
Excess Liquidity Quota <sup>4</sup>	9,7	-	9,7	-	9,7
<b>Net Unsecured Debt</b>	<b>1,8</b>	<b>-33,9</b>	<b>35,8</b>	<b>15,4</b>	<b>20,4</b>
Additional quota	30,1	30,1	-	-	-
Provisions and Adjustments	4,7	4,6	0,1	0,1	-
<b>Net Debt</b>	<b>36,7</b>	<b>0,8</b>	<b>35,9</b>	<b>15,5</b>	<b>20,4</b>
Allocation of EUSt Risk to PLUTA		-4,1			
<b>Net Debt corrected</b>		<b>-3,3</b>			

As of September 30, 2021

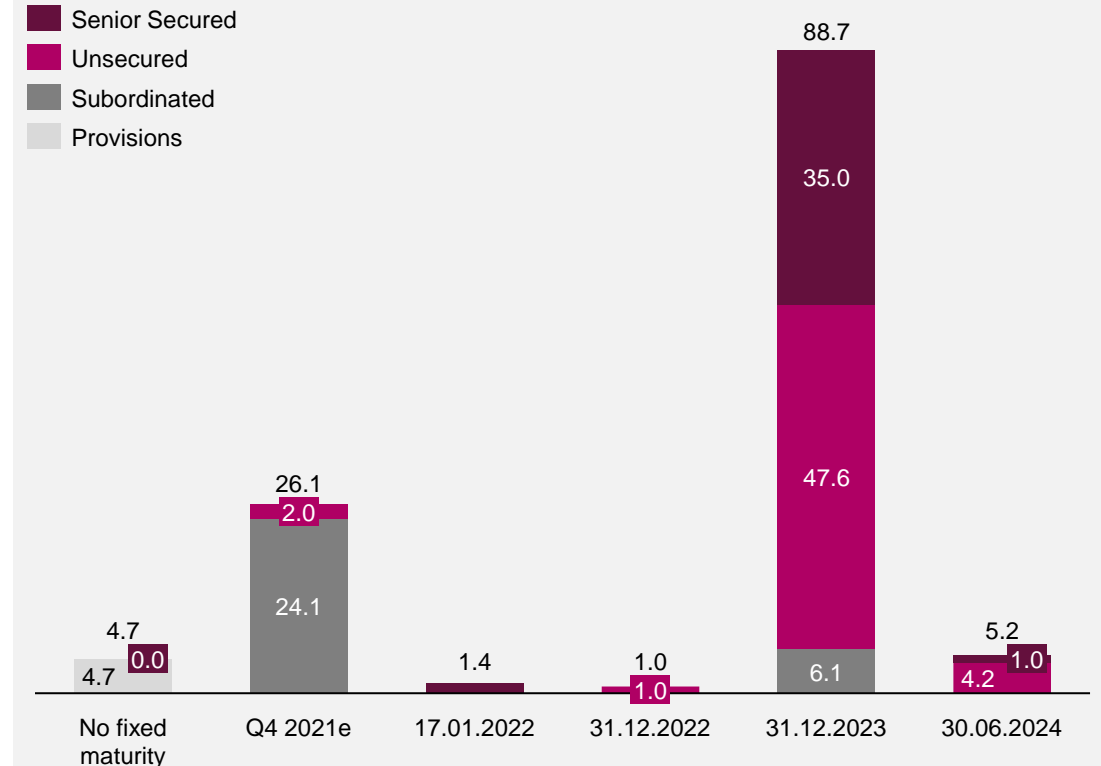
<sup>1</sup> Thereof EUR 41.1 mn deposited in insolvency plan escrow account and EUR 0.7 mn due to settlement with PWC

<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), given as PV (incl. upfront Fee and PIK)

<sup>4</sup> All cash quota given as PV, discounted at a rate of 4.5% annually compounding on an Act/365 Basis

## Debt distribution profile - NPV in EUR mn





OUTLOOK

**WE ARE  
GERRY**



# / ONGOING MEASURES IN PLACE TO MITIGATE COVID-19 IMPACT

.... and to secure short-term and long-term viability

## Operational goal: secure business operations

Successful implementation of COVID-19 health and safety measures for customers, employees, and business partners

### Measures currently adjusted due to COVID-19 development

Opening of GW Corona test center on premises in Halle as of April and vaccination offer to employees from June 2021 onwards

Introduction of permanent mobile working concept at our headquarters in Halle.

### Measures currently accelerated due to COVID-19 development

## Financial goal: securing liquidity

Successful renegotiation of debt structure and deferral of 35% of outstanding claims up to December 2023

Ongoing refinancing negotiations with shareholders, banks and factoring providers

Utilization/check of state-supported short-time labor programs in Germany and European markets, including headquarters

Credit facility ("exchange offer", EUR 5 mn) and state support („Überbrückungshilfe III", EUR 12mn) secured

Ongoing negotiations with landlords to waive and save rental costs; subleasing of retail space to partners

### Additional "Überbrückungshilfe III" claimed in October 2021

Ongoing general strict cost discipline across the Group

# / OUTLOOK FY 2021 AND FY 2022

Strict execution of strategic roadmap 2023 despite Covid-19

## FY 2021 Outlook confirmed

**Net sales**

Between EUR 260 mn and EUR 280 mn

**Normalized EBITDA<sup>1</sup>**

**Negative low** double-digit million amount

## FY 2022 Outlook<sup>2</sup>

**Net sales**

Between EUR 360 mn and EUR 390 mn

**Normalized EBITDA<sup>1</sup>**

**Positive low** double-digit million amount

# / OUTLOOK FY 2023 AND BEYOND

Outlook	
<b>2023</b>	Successful refinancing
<b>Beyond 2023</b>	Initiate dividend payout / buybacks <sup>1</sup>

# / CAPITAL MARKETS ACTIVITIES FOR H2 2021

## Rebuild Research Coverage

Pareto Securies covers the GERRY WEBER share since June 2021

## Upcoming Capital Markets Events

November 22-24, 2021

German Equity Forum, Frankfurt

February 09-10, 2022

HIT, Hamburg Investment Conference, Hamburg

May 23-25, 2022

Spring Equity Forum, Frankfurt

TAIFUN

QUESTIONS & ANSWERS

WE LOVE  
TO MOVE



# / FINANCIAL CALENDAR / CONTACT DETAILS

## Financial Calendar 2022

March 29, 2022	Publication of annual report 2021
May 12, 2022	Publication Q1 interim statement 2022
July 7, 2022	Annual General Meeting
August 11, 2022	Publication H1 interim report 2022
November 10, 2022	Publication 9M interim statement 2022

### **GERRY WEBER International AG**

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