

# / FY 2020 RESULTS

## Analyst and Investor Conference Call

Alexander Gedat (CEO)

Angelika Schindler-Obenhaus (COO)

Florian Frank (CFO)

May 4, 2021



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# / EXECUTIVE SUMMARY

Business repositioning on track but headwind due to pandemic

**Net sales at EUR 287.2 mn, normalized EBITDA reaches EUR -40.8 mn → outlook for 2020 achieved**

**Solid cash position of EUR 85.3 mn at end of 2020; liquidity secured with exchange offer and state bridging aid III in 2021**

**Retail-business ready to deliver**

**Ecommerce improved significantly yoy (share of total sales 10% in 2020) and continues to grow in 2021**

**New collections well perceived by wholesale customers**

**Company`s management team complete with Angelika Schindler-Obenhaus becoming CEO shortly**

**Pre-contract for sale of the Ravenna Park logistics center signed, allowing us to still use the logistics center after 2021**







**With the ongoing coronavirus pandemic, continued outlook uncertainty**



**Business repositioning on track but headwind due to pandemic**

# / GERRY WEBER INTERNATIONAL

Strong brand name with 3 diversified brands

	GERRY WEBER	TAIFUN	SAMOON
 CUSTOMER	50+ years Best Ager	45 + years Modern women	Self-confident plus size women
 FOCUS	Inspiration in fashion & lifestyle	Smart casual look	Modern plus size fashion
 POSITIONING	Category leader Modern classic mainstream	Relevant Modern Casual	Category leader Modern Mainstream
 FASHION STYLE	Uncomplicated fashion for real women	Modern women's fashion	Plus size collection
 STANDS FOR	Femininity, self-confidence, inspiration, desirability	Dynamics, passion, courage, independence,	Self-confidence, happiness, femininity, coolness
 PURPOSE	WE ARE GERRY	WE LOVE TO MOVE	BECAUSE I AM HAPPY



# GERRY WEBER



# / EVOLUTION OF OUR COLLECTIONS OVER TIME





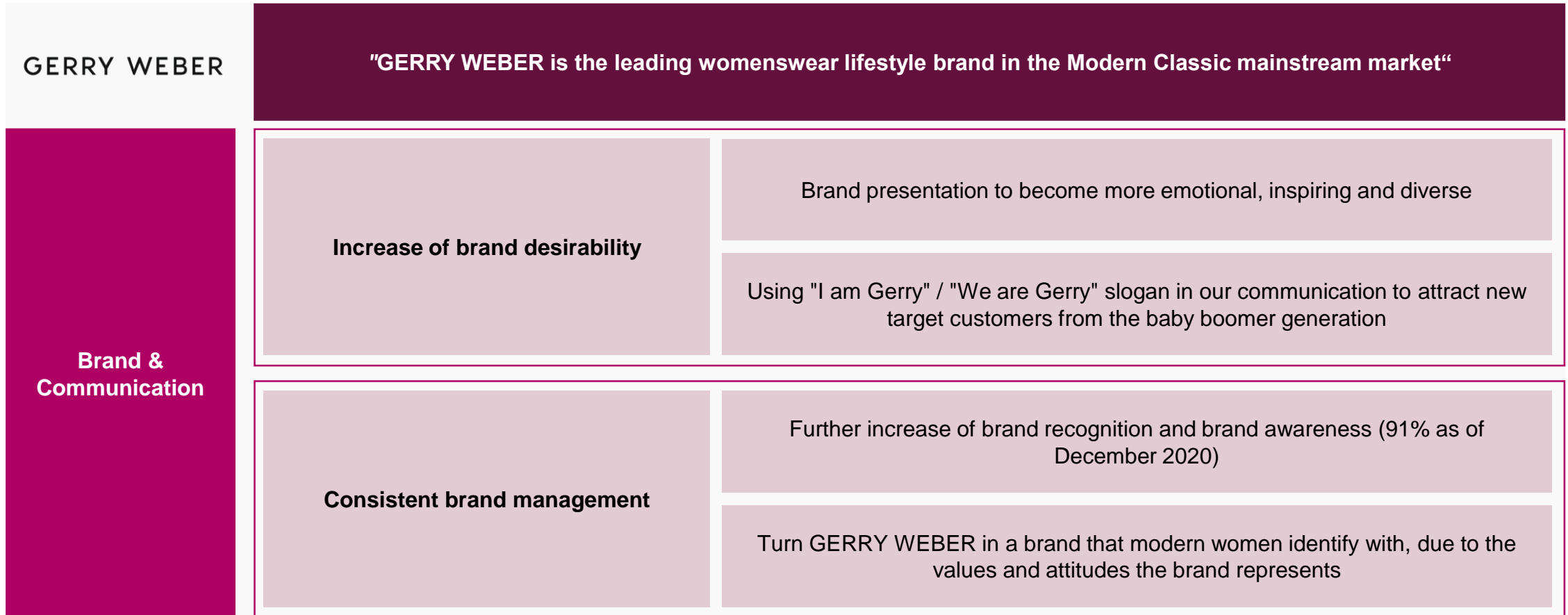


**GERRY WEBER**



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

Brand and communication





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

## Product

GERRY WEBER	"GERRY WEBER is the leading womenswear lifestyle brand in the Modern Classic mainstream market"	
Product	Increase product competence	<p>Increase quality, style, price structure, variety to be among the TOP 5 in the Edition product categories</p> <p>Differentiation between GERRY WEBER Collection as a total look and GERRY WEBER Edition as a competence product</p>
	Quality	<p>Quality must be brought more clearly into focus</p> <p>Optimize fit</p> <p>Edition is back - focus on product performance</p>
	Supply chain optimization	<ul style="list-style-type: none"> <li>• Increase full package service (FPS) within procurement</li> <li>• Timely ship to market strategy</li> <li>• Further reduce lead times</li> <li>• Digitalize supply chain</li> <li>• Introduce special collections</li> <li>• Adjust payment terms</li> <li>• Risk assessment of country distribution after each order</li> </ul>

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

Distribution retail, ecommerce, wholesale

GERRY WEBER	"GERRY WEBER is the leading womenswear lifestyle brand in the Modern Classic mainstream market"	
Distribution Retail	Profitable growth	<ul style="list-style-type: none"> <li>• Improve merchandise management</li> <li>• Definition and tracking of relevant KPIs for steering the business</li> <li>• Leverage on factory outlets as future growth driver</li> </ul>
	Own retail as role model	Role model with regard to brand experience and product competence
Distribution Ecommerce	Growth	Expansion business on own e-shop and platforms both nationally and internationally
		Improve merchandise availability
	Expansion CRM	Better use/evaluation of existing data
Distribution Wholesale	GERRY WEBER - a must have brand for our wholesale partners	<ul style="list-style-type: none"> <li>• Separate sales force for Gerry Weber</li> <li>• Improve performance with existing wholesale customers</li> <li>• Edition is back - focus on product performance</li> <li>• Gain lighthouse wholesale customers</li> <li>• Introduction of digital showroom</li> </ul>



# TAIFUN



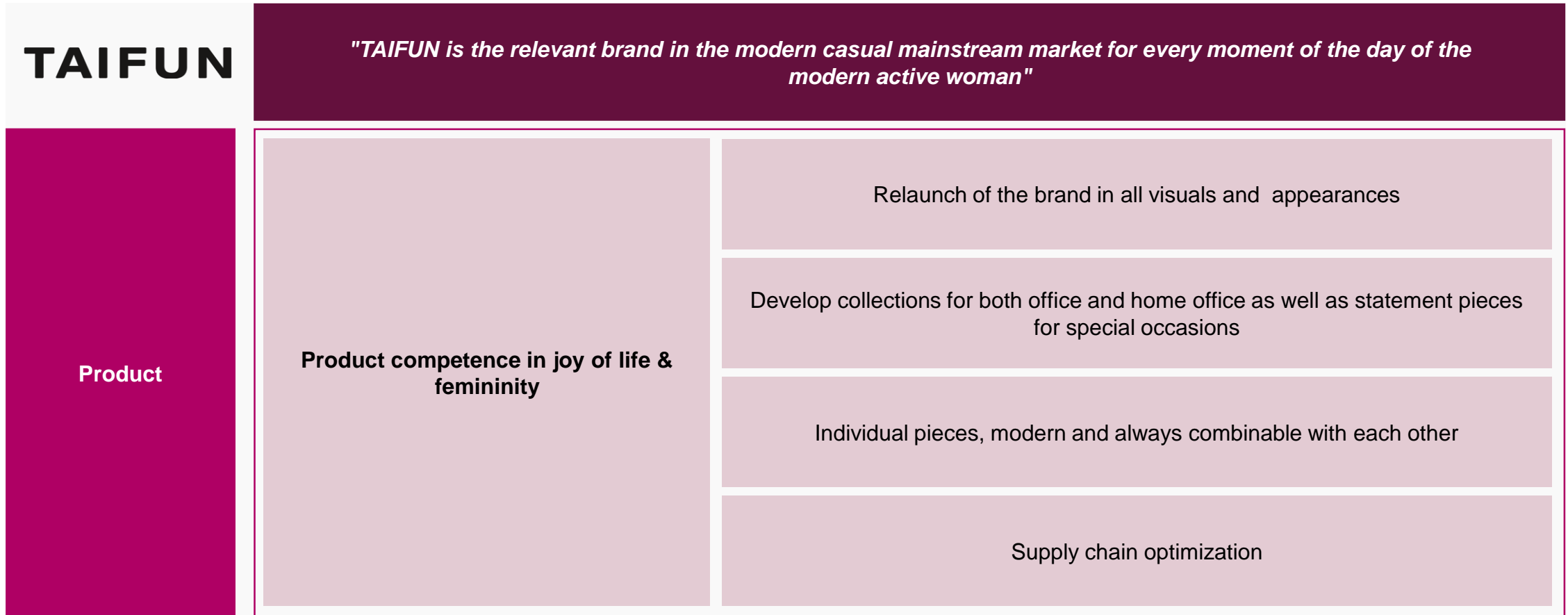


**TAIFUN**



# / STRATEGIC TARGET MAP TAIFUN (2021 - 2023)

Product



# / STRATEGIC TARGET MAP TAIFUN (2021 - 2023)

Distribution ecommerce, wholesale

TAIFUN	<i>"TAIFUN is the relevant brand in the modern casual mainstream market for every moment of the day of the modern active woman"</i>	
Distribution Ecommerce	Significant growth	<ul style="list-style-type: none"><li>• Introduce Taifun online shop</li><li>• Push and professionalize platform business including improvement of merchandise availability</li></ul>
	Expansion CRM	Better use/evaluation of existing data
Distribution Wholesale	Increase brand relevance for our wholesale customers	<ul style="list-style-type: none"><li>• Separate sales force for Taifun</li><li>• Improve performance with existing wholesale customers</li><li>• Gain lighthouse wholesale customers</li><li>• Introduction of digital showroom</li></ul>



# SAMOON



SAMOON



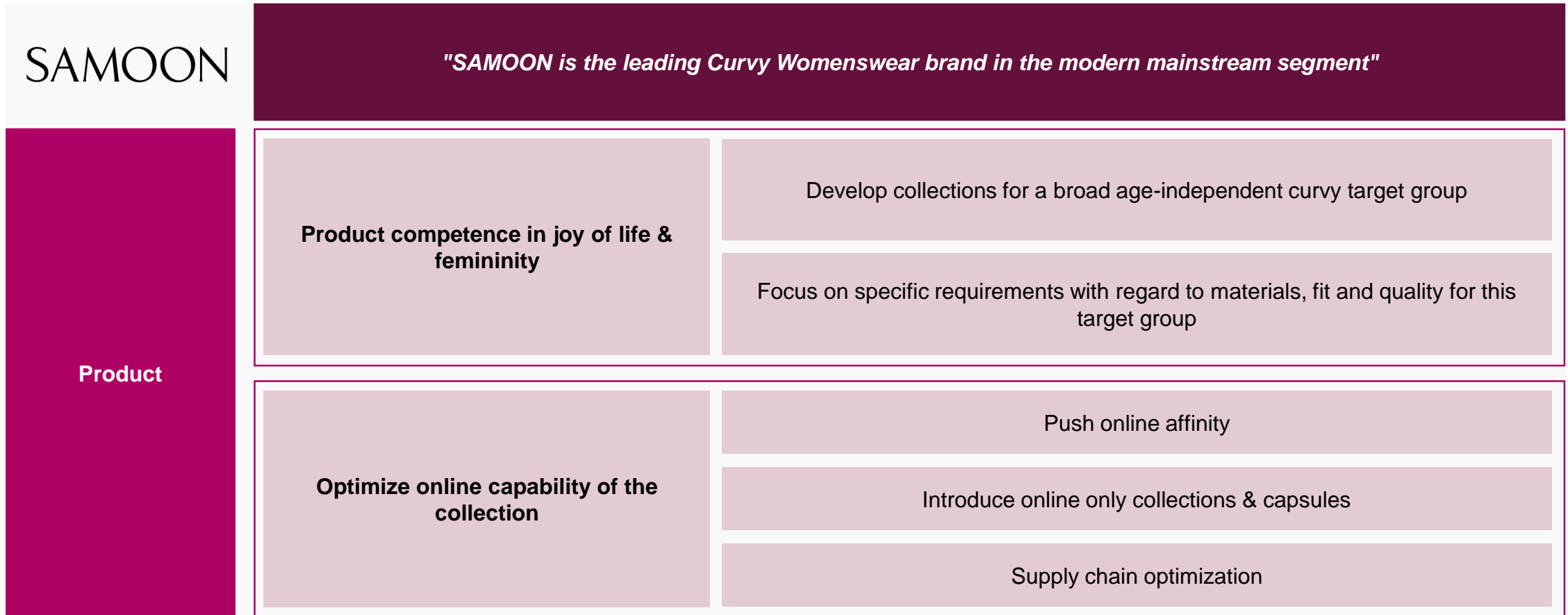
# / STRATEGIC TARGET MAP SAMOON (2021 - 2023)

Brand and communication



# / STRATEGIC TARGET MAP SAMOON (2021 - 2023)

Product



# / STRATEGIC TARGET MAP SAMOON (2021 - 2023)

Distribution ecommerce, wholesale

SAMOON	<i>"SAMOON is the leading Curvy Womenswear brand in the modern mainstream segment"</i>	
Distribution Ecommerce	Strong ecommerce growth/high ecommerce share	Gain attention and growth through online only collections & capsules Professionalize marketplace business
	Expansion CRM	Better use/evaluation of existing data
Distribution Wholesale	Samoon - a must have brand for our wholesale partners	Separate sales force for Samoon
		Improve performance with existing wholesale customers
		Gain lighthouse wholesale customers
		Introduction of digital showroom
		Check new wholesale partnerships

# / OUR ESG AGENDA

Sustainability is part of our identity and our corporate responsibility

## Compliance with and improvement of the social and labour standards along the supply chain by engagement in the Partnership for Sustainable Textiles



Improvement of working conditions for the employees of all our suppliers with a comprehensive social compliance Code of Conduct



Mobility concept for our staff



Increase in green power usage  
Increased use of biologically farmed cotton and other sustainable materials

## Audit management of all our suppliers by membership of the amfori Business Social Compliance Initiative



Active animal and species protection by brand-wide refusal to use real fur and Angora wool



Anchoring of a health management system for the protection and wellbeing of our staff











Decrease in CO2 production and reach CO2 neutrality for headquarter in Halle



# ECOMMERCE UPDATE

# / ECOMMERCE MANAGED TO CONVERT „STATIONARY“ INTO „ONLINE“ CLIENTS FOLLOWING DEC. LOCKDOWN



8 major initiatives to achieve top line growth of 20% going forward

-  **1** Increase online marketing budget for all brands to broaden customer base
-  **2** Significant increase of inventory in the ecommerce 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 online brand presence for TAIFUN and SAMOON
-  **8** Special online promotions and discounts

# 2020 FINANCIALS

# / 2020 FINANCIAL HIGHLIGHTS

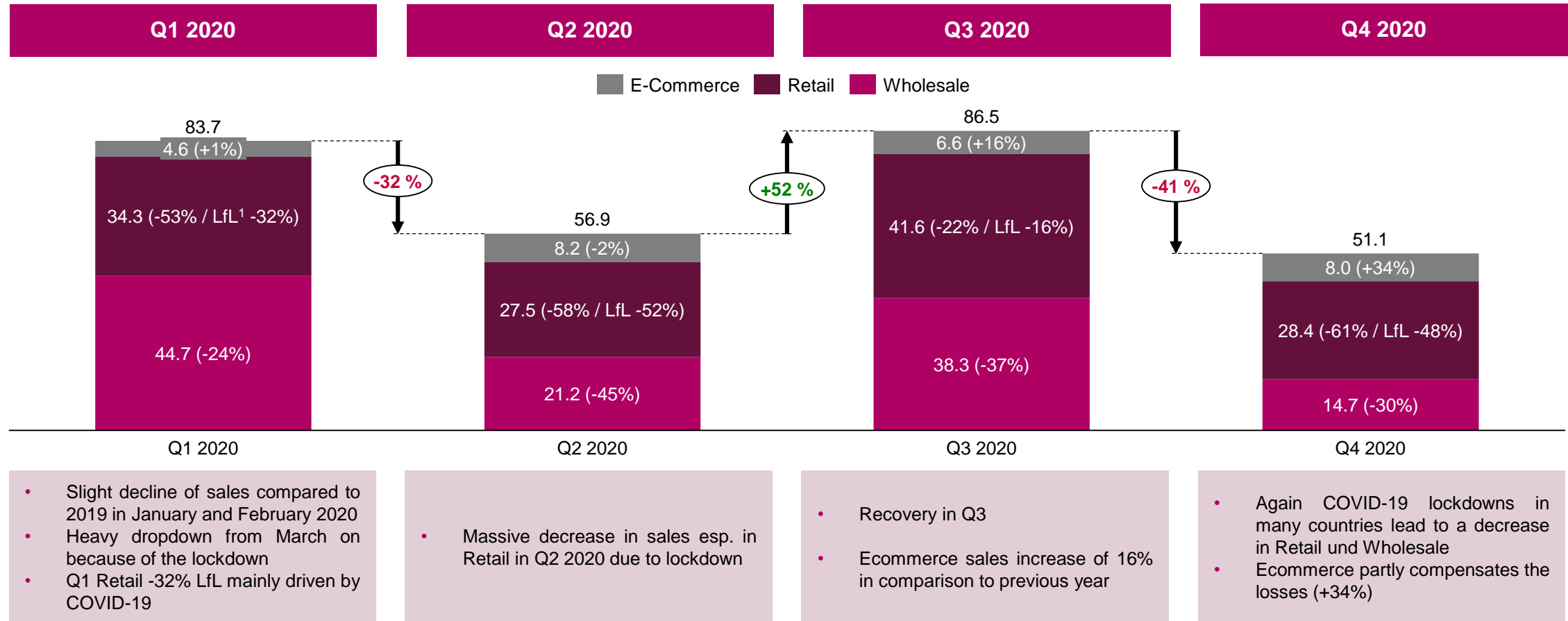
In line with expectations

Total Sales	Sales Split	Pro Forma Adj. EBITDA
<div>  <p><i>Outlook 2020: EUR 260 – 280 mn</i></p> <p><b>EUR 278.2 mn</b></p> </div>	<p><b>Retail: EUR 159.2 mn</b></p> <p><b>Wholesale: EUR 119.0 mn</b></p>	<p><b>EUR 7.8 mn<sup>1</sup></b></p>
Normalized EBITDA	Free Cash Flow	Cash & Cash Equivalents
<div>  <p><i>Outlook 2020: Negative mid-double-digit million amount</i></p> <p><b>EUR -40.8 mn</b></p> </div>	<p><b>EUR 4.5 mn</b></p>	<p><b>EUR 85.3 mn</b></p>



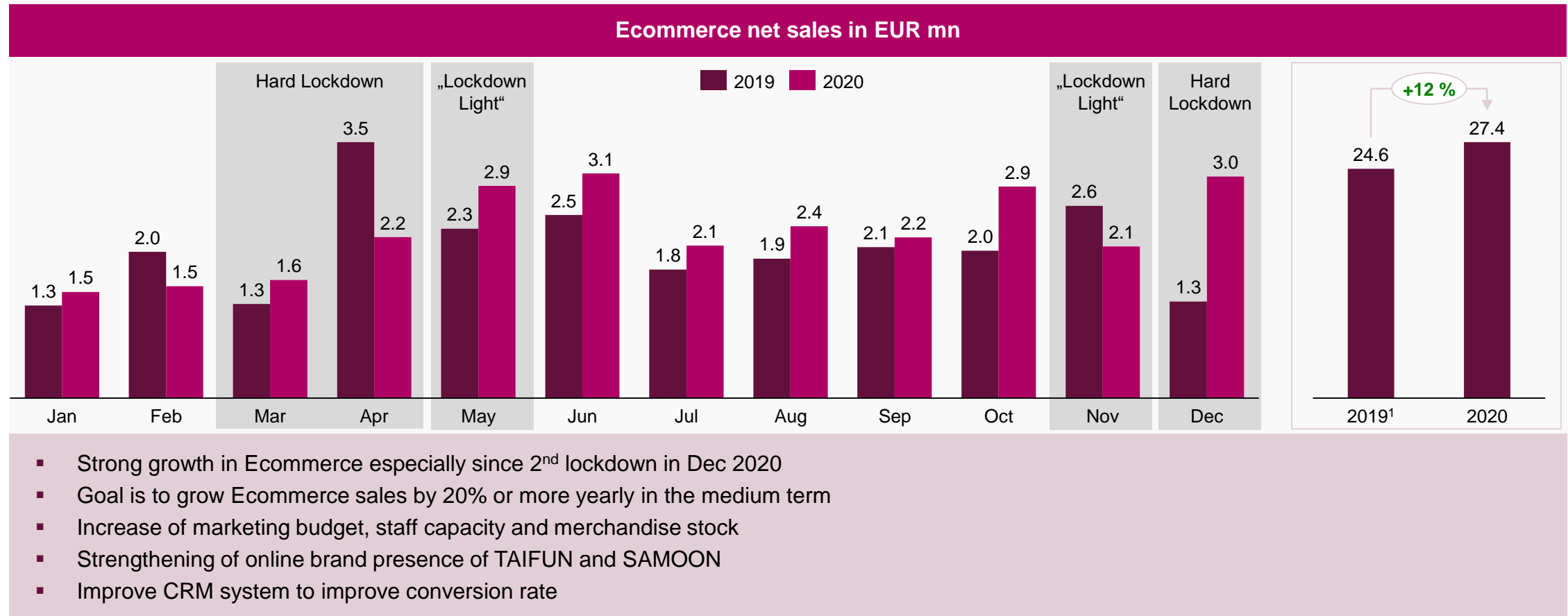
# / COVID19-LOCKDOWNS LEAD TO DROP IN SALES IN Q4

Sales 2020 in EUR mn (compared with 2019 in %)



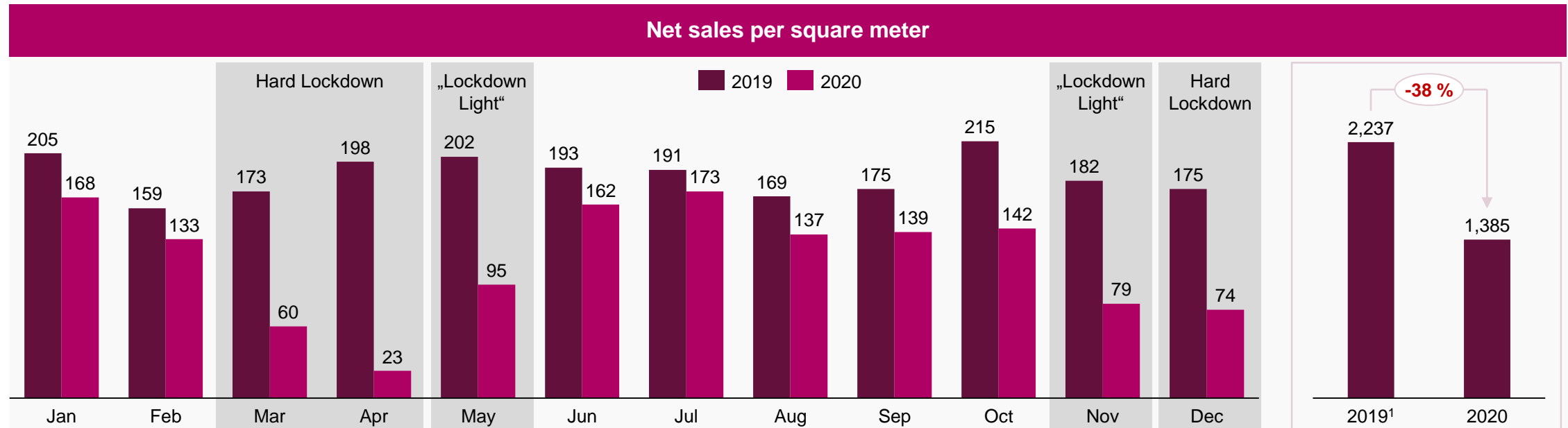
# / SALES DEVELOPMENT IN ECOMMERCE 2020...

... growing by 12% compared to the 2019 calendar year



# / SALES DEVELOPMENT RETAIL

Net sales development per sqm dropped significantly in 2020 due to lockdown



- In 2019 net sales per square meter were on average EUR 2,237 vs 2020 average EUR 1,385 (-38%)
- 2020 was severely affected by lockdowns in March, April, May, November and December
- Sales quickly recovered once lockdowns were lifted, regionally varying restrictions ongoing up to complete store closures
- Target is to improve sales per square meter and like-for-like revenue growth to 2019 level and beyond

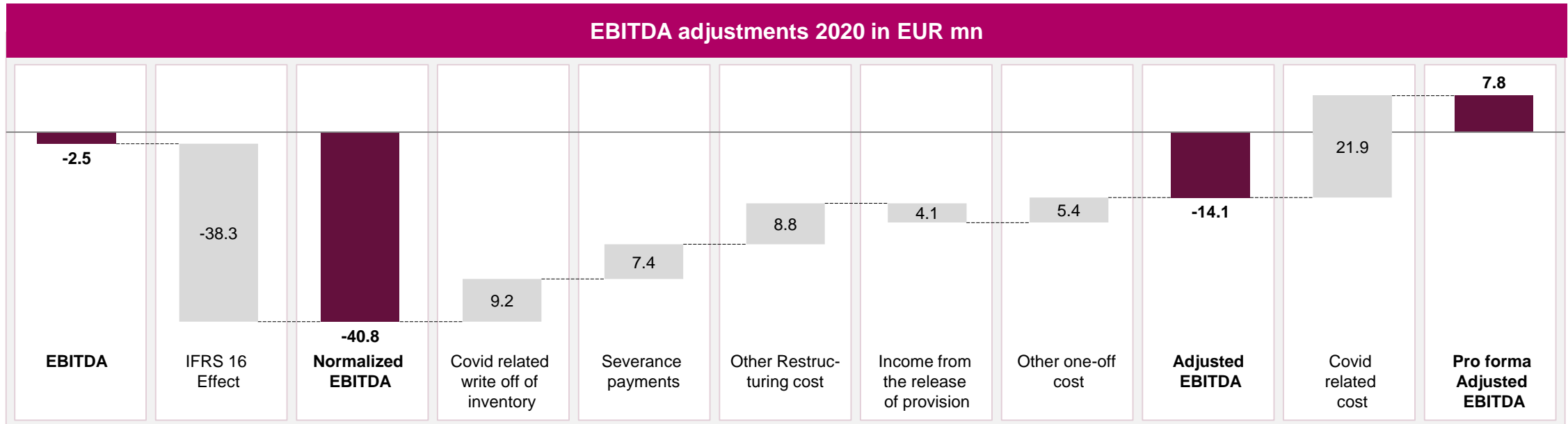
# / PRE-ORDER SYSTEM IN WHOLESALE LEADS TO VISIBILITY

71% of total wholesale sales for FY 2021 are already secured in April 2021

Order	Deadline for Preorder	Delivered and invoiced to our wholesale customers	In % of total wholesale 2021 (cum)	Comments
Spring Summer O2	Aug 18, 2020	Jan 2021	27%	<p>Preorder leads to high visibility in our wholesale business:</p> <ul style="list-style-type: none"> <li>27% of wholesale sales for FY 2021 secured in Aug 2020</li> <li>42% of wholesale sales for FY 2021 secured in Oct 2020</li> <li>71% of wholesale sales for FY 2021 secured in Feb 2021</li> <li>....</li> </ul> <p>Reorders of in store collections and depot business lead to additional sales</p>
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%e	
Spring O1	Aug 17, 2021	Dec 2021	86%e	

# / NORMALIZATION OF...

... restructuring costs and covid related EBITDA effects<sup>1</sup> lead to positive EBITDA



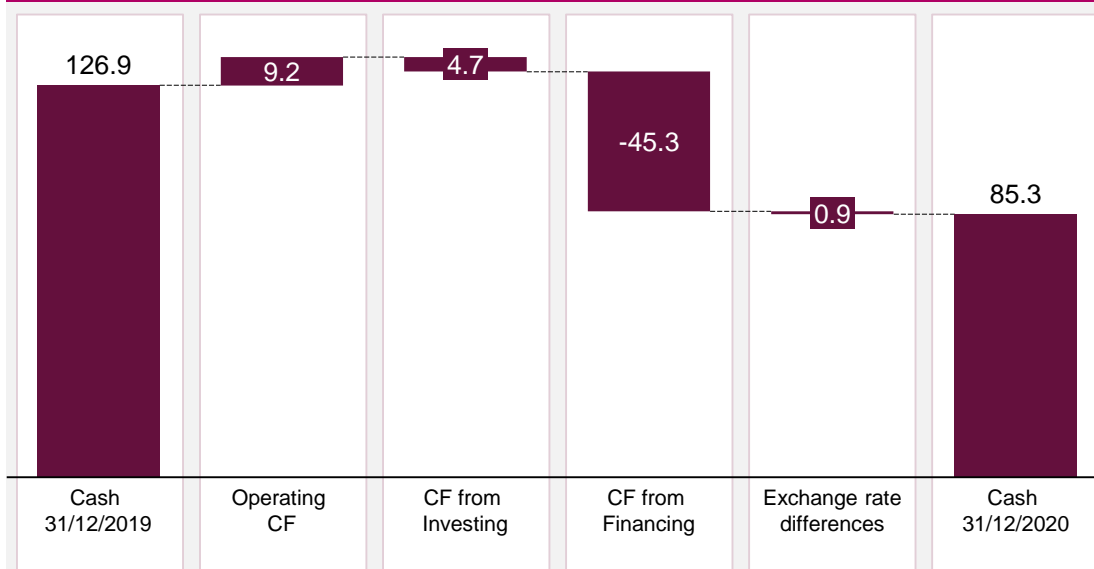
In spite of losses in turnover initial EBITDA was stabilized around EUR -2.5 mn. Main drivers have been:

- Improved gross profit margin due to strategic shift in markdown-policy as well as positive currency effects and consolidation in our supplier portfolio
- Reduced personnel expenses due to streamlining of processes as well as restructuring procedures
- Reduced rent costs due to rent negotiation und portfolio optimization



# / SOLID CASH POSITION EXCEEDING FORECAST

Cash Flow Chart 2020 (EUR mn)



Cash Flow statement (EUR mn)

	2020	2019
CF from Operating activities	9.2	55.5
CF from Investing activities	-4.7	-7.7
Free Cash Flow	4.5	47.8
CF from Financing activities	-45.3	6.2
Exchange rate differences	-0.9	-1.7
Cash & Cash Equivalents at the beginning	126.9	74.6
<b>Cash &amp; Cash Equivalents at the end<sup>1</sup></b>	<b>85.3</b>	<b>126.9</b>

## Positive FCF of EUR 4.5 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

- Insolvency Quota & ELQ EUR 18.7 mn
- Adaption of SSL / escrow accounts EUR 12.3 mn
- Repayment of liabilities relating to the rights of use (IFRS 16) EUR 32.3 mn
- Drawing RCF EUR 17.5 mn

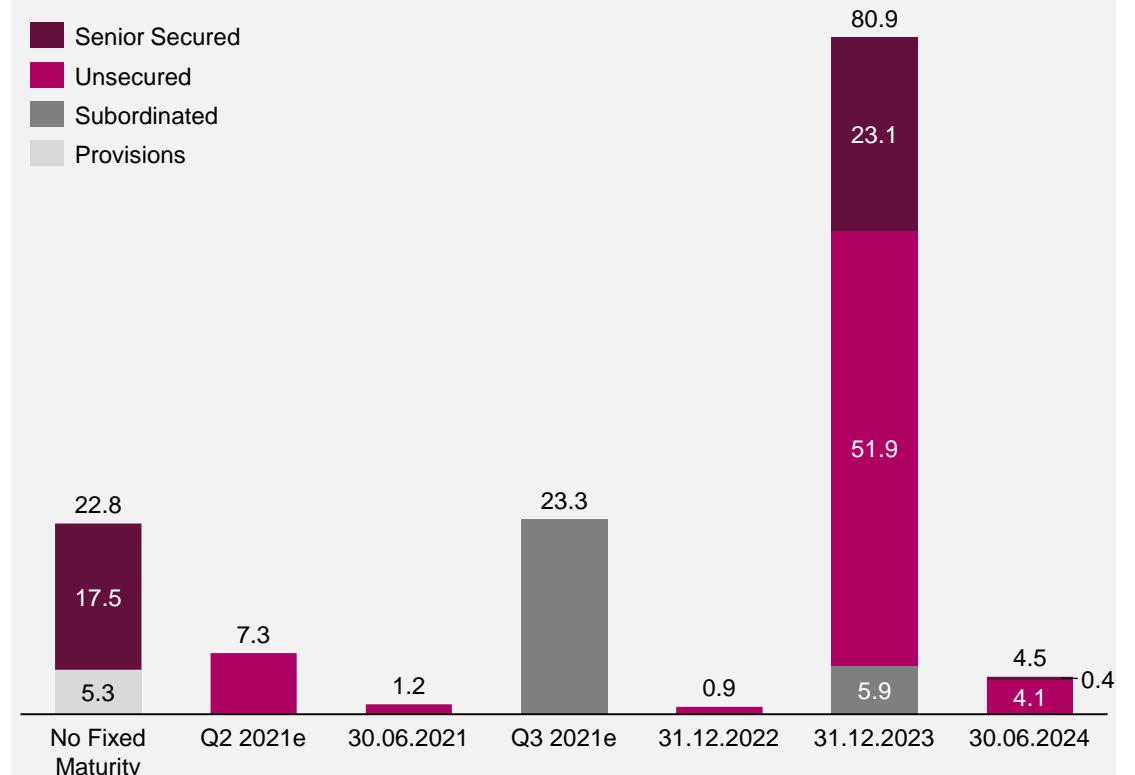
# / CAPITAL STRUCTURE IN DETAIL

Stable Net Debt emphasizes long-term viability

## Debt Waterfall

Net Debt in EUR mn	2020	Secured by escrow accounts/ liquidation of Ravenna Park	Funded by liquidity of the company		
			Total	Thereof non-contingent	Thereof contingent
Cash <sup>1</sup>	-85.3	-21.1	-64.1	-64.1	-
Revolving Credit Facility <sup>2</sup>	17.5	-	17.5	17.5	-
Principal Term Loans <sup>3</sup>	23.5	-	23.5	23.1	0.4
Net Senior Debt	-44.2	-21.1	-23.1	-23.5	0.4
Straight Bonds	38.8	-	38.8	30.1	8.7
Convertible Bonds	1.8	-	1.8	1.2	0.7
Insolvency Cash Quota <sup>4</sup>	8.0	8.0	-	-	-
GWR Quota <sup>4</sup>	7.3	5.8	1.5	1.5	-
Excess Liquidity Quota <sup>4</sup>	9.4	-	9.4	-	9.4
Net Unsecured Debt	21.2	-7.3	28.5	9.3	19.2
Additional quota	29.1	29.1	-	-	-
Provisions and Adjustments	5.3	5.2	0.1	0.1	-
<b>Net Debt</b>	<b>55.6</b>	<b>27.0<sup>5</sup></b>	<b>28.6</b>	<b>9.5</b>	<b>19.2</b>
Expected cash from Ravenna Park		-23.3			
Allocation of EUSt Risk to PLUTA		-4.6			
<b>Net Debt corrected</b>		<b>-0.9</b>			

## Debt distribution profile - NPV in EUR mn



As of 31.12.2020

<sup>1</sup> Thereof EUR 21.10 mn deposited in insolvency plan escrow account

<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), in Dec 2020 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

<sup>5</sup> Fully funded by liquidation of Ravenna Park and Allocation of EUSt Risk to PLUTA

# OUTLOOK

# / ONGOING MEASURES IN PLACE TO MITIGATE COVID 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

Opening of own Corona test center on premises in Halle as of April 2021

Introduction of a permanent mobile working concept at our headquarters

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

New credit facility ("exchange offer") of EUR 5 mn in Feb and state support („Überbrückungshilfe III“) of EUR 12mn in March 2021

Ongoing negotiations with landlords to waive and save rental costs

Subleasing of retail space to partners

Ongoing general strict cost discipline

# / OUTLOOK FY 2021

Strict execution of strategic roadmap 2023 despite Covid-19

## FY 2021 Outlook

Net sales	Between EUR 260 mn and EUR 280 mn
Normalized EBITDA <sup>1</sup>	Negative <b>low</b> double-digit million amount

## FY 2023 and beyond Outlook

Financial situation	Successful refinancing
	Initiate dividend payout / buybacks <sup>2</sup>



/ Q&A

GERRY WEBER  
INTERNATIONAL AG



## / FINANCIAL CALENDAR / CONTACT DETAILS

### Upcoming Events

May 27, 2021

Publication Q1 interim statement 2021

Aug 12, 2021

Publication H1 interim report 2021

### **GERRY WEBER International AG**

Investor Relations

Dr. Andrea Rolvering

E-Mail [andrea.rolvering@gerryweber.com](mailto:andrea.rolvering@gerryweber.com)

Tel. +49 157 57103411