

# H1 2022 RESULTS

August 11, 2022

# WE ARE GERRY

# / TODAY'S SPEAKER



**Angelika Schindler-Obenhaus**  
CEO



**Florian Frank**  
CFO

# / EXECUTIVE SUMMARY H1 2022

Environment remains challenging and may become increasingly challenging in H2 2022

Positive normalized EBITDA<sup>1</sup> at EUR 2.2 mn in H1 2022 compared to EUR -9.2 mn in H1 2021

Net sales at EUR 157.0 mn (+48.4%) in line with management expectations

E-Commerce grew by 27.4% in H1 2022 in line with mid term targeted growth

Retail performance in Germany improving and above overall market development (TW)

First time participation at PREMIUM fashion trade fair in Berlin with very positive feedback

Group equity ratio decreased to 16.2 % and robust cash position of EUR 63.8 mn at end of June 2022

Supply chain challenges well managed in H1 2022, situation will remain challenging in H2 2022



**Guidance for FY 2022 specified due to the expected successful implementation of further optimization measures in the current business**

SAMOON

# OPERATIVE HIGHLIGHTS

*Because I'm happy*

duce  
use.  
cycle  
peat.  
**RE**

# / E-COMMERCE DEVELOPMENT H1 2022

## Key Highlights:

- Sales increased by 27% to EUR 26.5 mn/  
share of 16.9% of total Group sales
- Relaunch of Samoon.com in March 2022
- Promising new market places added
- Turkish web-shop went live in H1 2022
- Ongoing targeted growth of 20% yoy



Wir stellen auf Frühling um

Es wird Zeit für ein Garderoben-Update,  
der Frühling zieht endlich wieder ein!

NEUHEITEN ENTDECKEN



Wieder im Fokus: Kleider

Unsere Must-haves im März:  
Wickel- und Hemdblusenkleider.

KLEIDER SHOPPEN



# / KEY FIGURES E-COMMERCE SEGMENT

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

## Key Figures E-Commerce H1 2022 (vs. previous year)<sup>1</sup>



**EUR 26.5 mn**<sup>2</sup> +27.4%  
E-Commerce net sales



**+12.5%**  
Users



**4.0%** -9.4%  
Conversion rate



**16.9%**<sup>2</sup> -2.8 pp  
E-Commerce net sales  
share



**EUR 166** +6.1 %  
Average order value  
(incl. VAT)



**-2.5%**<sup>3</sup>  
New customers

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

2 Total E-Commerce sales including market places

3 Number of new customers gained in reporting period compared to the previous year's period

# / RETAIL DEVELOPMENT H1 2022

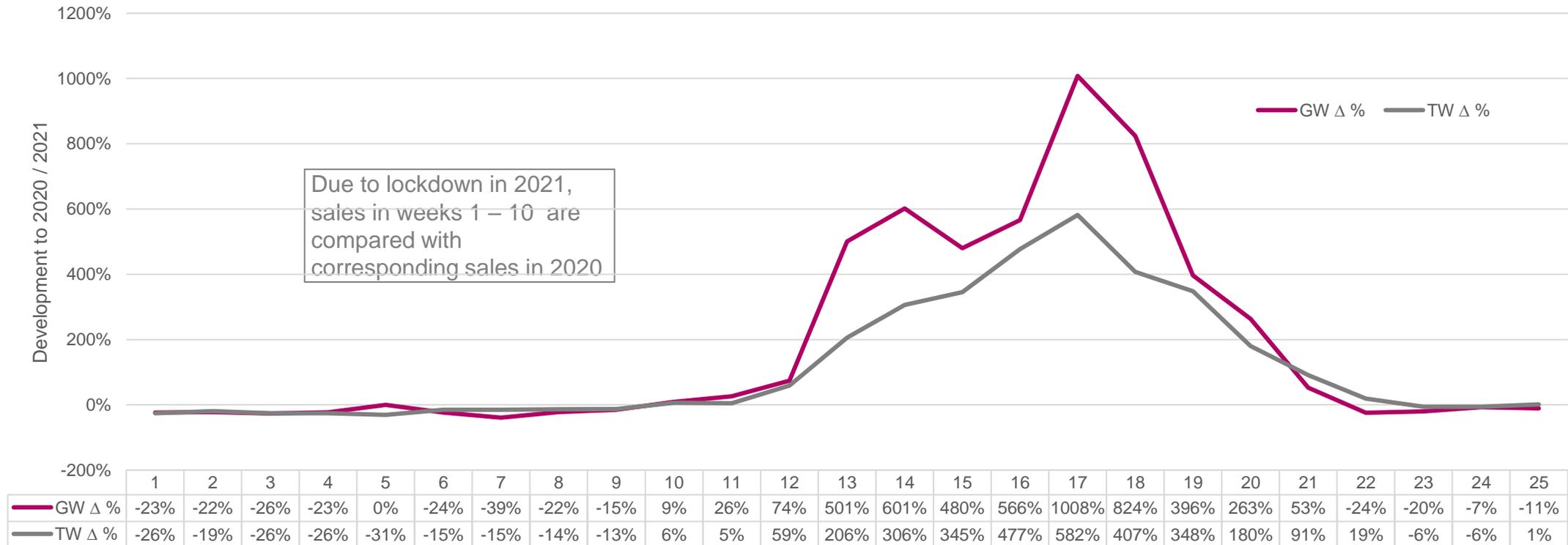
## Key Highlights:

- Sales increased by 78.8% to EUR 75.8 mn/ share of 48.3% of total Group sales
- LfL sales increased by 88.9% in H1 2022
- LTM net sales per sqm improved by 46.6% 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 decreasing customer sentiment
- 2022 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



# / CURRENT RETAIL PERFORMANCE GERMANY

Retail performance in H1 2022 in Germany further improving and above market development (TW)



- Customers increasingly appreciate ageless collections - quality, price and performance
- Increased service orientation and new visual merchandise concept start to pay off
- Development from week 20 onwards reflects the early sell-off of summer merchandise by other market players
- Retail development improving but suffering from overall weak consumer sentiment

# / WHOLESALE DEVELOPMENT H1 2022

## Key Highlights:

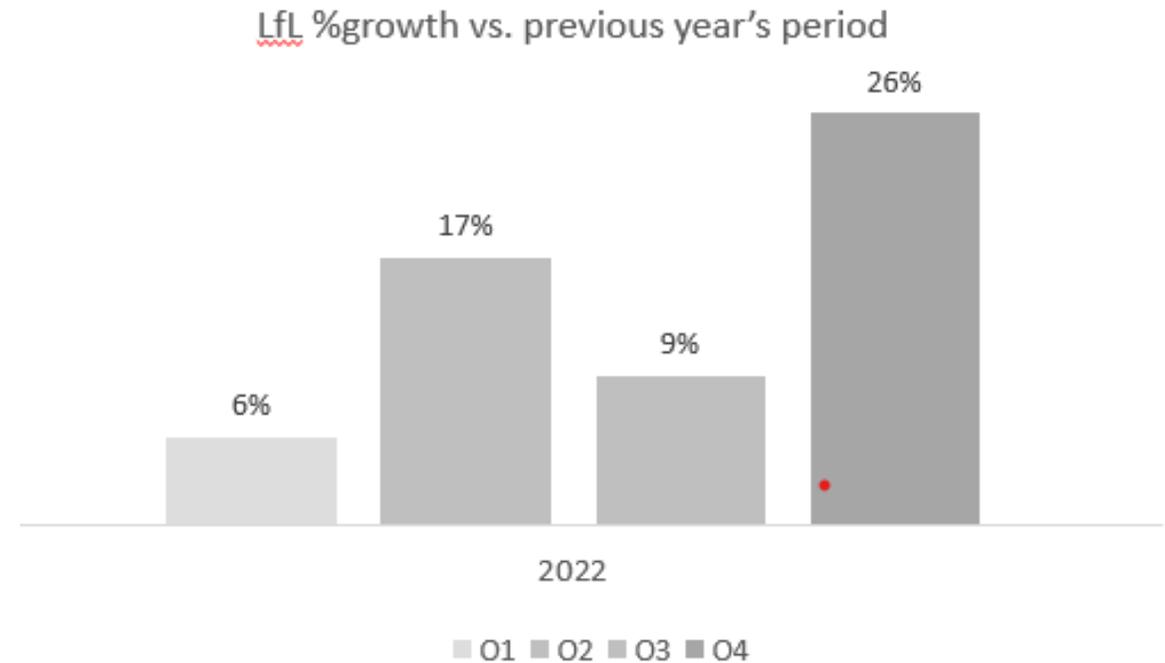
- Sales rose by 26.2% to EUR 54.5 mn/ share of 37.2% of total Group sales
- High visibility due to preorder – promising order O1 2023 secured already
- Increased sales support for partners (on-site training measures and monthly newsletter for each brand)
- First time participation at PREMIUM fashion trade fair in Berlin with very positive feedback
- Current overall macroeconomic development also affects our wholesale partners



# / 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 and 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 H1 2022

Successful certification of OCS cotton as well as successful re-certification of GOTS cotton

Climate-neutral international shipping B2B expanded

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**

# / SUPPLY CHAIN AND RAW MATERIAL INFLATION UPDATE H1 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, China, Bangladesh and Vietnam)

Capacity reductions due to energy shortage expected



## 02

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

Further lead time increase expected in H2



## 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 H1 within redelivery deadline between 85 to 95%

## 04

Pandemic-related shortages in logistics as well as increases in the cost of materials, freight and energy has led in some cases to significant price increases already executed in wholesale orders 2022

## OUTLOOK H2 2022

ongoing close screening in all sourcing countries and derivation of corresponding countermeasures

TAIFUN

FINANCIAL HIGHLIGHTS H1 2022

WE LOVE  
TO MOVE



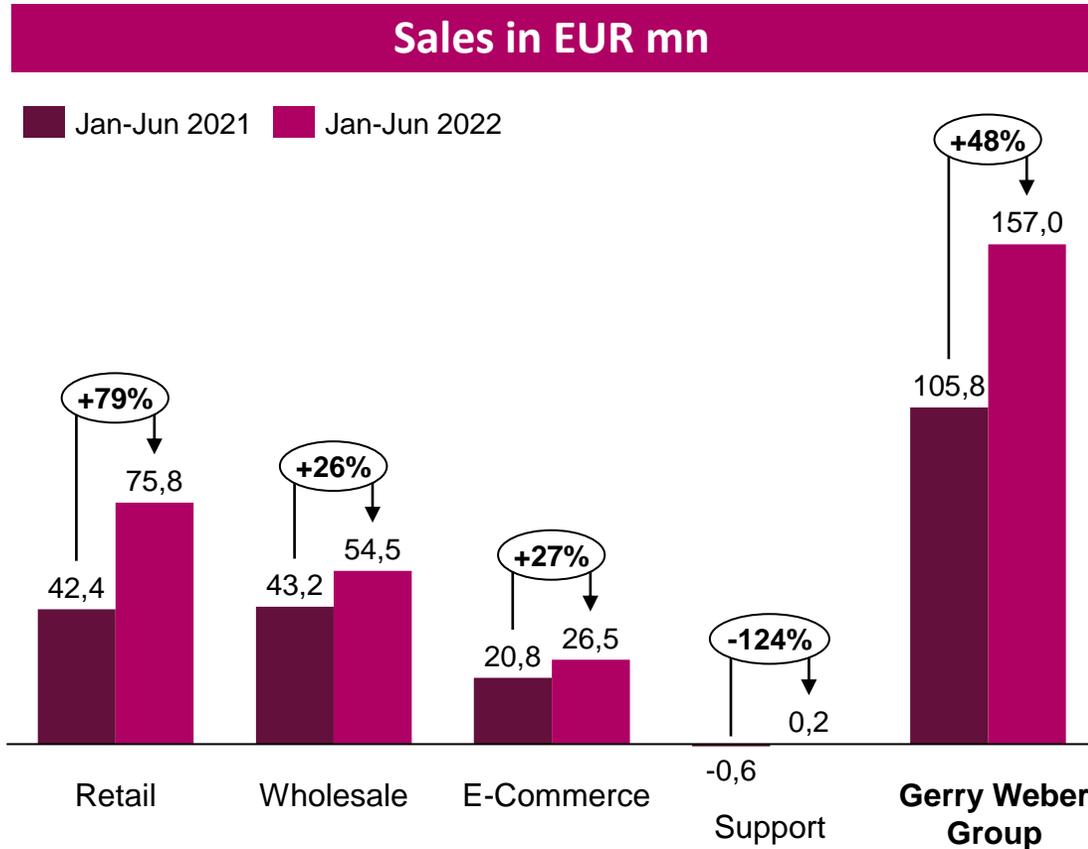
# / FINANCIAL HIGHLIGHTS H1 2022

Positive normalized EBITDA at 2.2 mn in H1 2022 despite challenging environment

<b>Total Sales</b> EUR 157.0 mn (+ 48.5 %)	<b>Sales Split<sup>1</sup></b> Retail: EUR 75.8 mn (+78.7 %) Wholesale: EUR 54.5 mn (+26.3 %) E-commerce: EUR 26.5 mn (+27.4 %)	<b>Normalized EBITDA</b> EUR 2.2 mn (+EUR 11.4 mn)	<b>Net Income</b> EUR -12.4 mn (+EUR 12.3 mn)
<b>Cash Flow from current operating activities</b> EUR 11.7 mn (-30.3 %)	<b>Cash &amp; Cash Equivalents<sup>2</sup></b> EUR 63.8 mn (+27.5 %)	<b>Net Debt<sup>2</sup></b> EUR 20.6 mn (+7.9 %)	<b>Equity ratio<sup>2</sup></b> EUR 16.2 % (-3.7 pp)

# / SALES DEVELOPMENT IN H1 2022 – IN LINE WITH MANAGEMENT EXPECTATIONS

Limited comparability due to COVID-19



## Comments

- Net sales at EUR 157.0 mn (+48.4%) in line with management expectations
- Growth in E-Commerce of 27.4% in line with mid term targeted growth in this segment
- E-Commerce growth driven by additional marketplaces and performance enhancement of own e-shops
- Sales growth Retail and Wholesale mainly due to continuous store opening in 2022 (restrictive 2G rules but no lockdown like in Q1 2021)
- Retail like-for-like sales were at +88% compared to H1 2021

# / POSITIVE NORMALIZED EBITDA<sup>1</sup> IN H1 2022

Retail development points in the right direction - segment on its way to reach break even

## Normalized EBITDA in EUR mn



## Comments

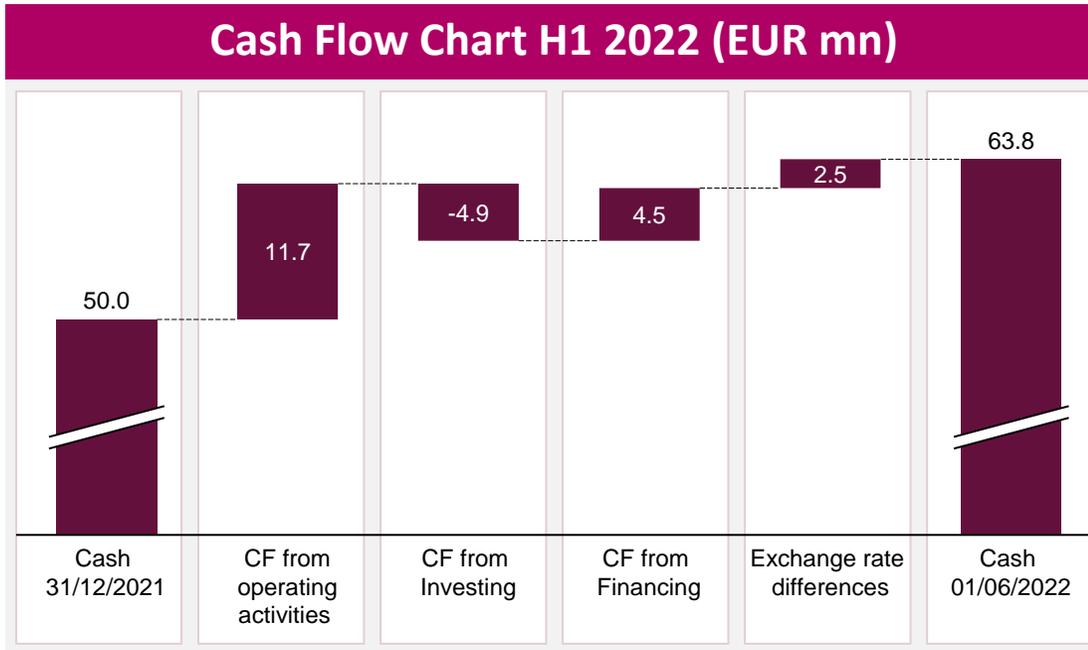
- Positive normalized EBITDA at EUR 2.2mn in H1 2022 compared to EUR -9.2mn in H1 2021
- Retail EBITDA still negative, but figures in H1 2022 show we are on track to reach break-even
- Wholesale segment shows solid normalized EBITDA
- E-Commerce below last year's level due to higher costs incurred in H1 2022
- Segment Support shows negative normalized EBITDA due the fact that sales with the subsidiaries do not cover segment costs

### Normalized EBITDA margin

	2021	2022	2021	2022	2021	2022	2021	2022
	-26,6%	-4,8%	11,6%	14,8%	14,6%	7,0%	-8,7%	1,4%

# / POSITIVE OPERATING CASH FLOW / RCF FULLY REPAID

Reduction of cash as expected driven by financing of inventories and repayment insolvency liabilities



**Cash Flow statement (EUR mn)**

	H1 2022
CF from current operating activities	11.7
CF from investing/desinvesting activities	-4.9
Free Cash flow	6.8
CF from financing activities	4.5
Exchange rate differences	2.5
Cash & cash equivalents at the beginning <sup>1</sup>	50.0
<b>Cash &amp; cash equivalents at the end<sup>1</sup></b>	<b>63.8</b>

## Positive Free Cash flow despite challenging environment

- Positive Cash flow from current operating activities of EUR 11.7 mn including payment from state support (EUR 17.2 mn)
- Financing of Inventories requires EUR 14,0 mn

## 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 11.1 mn
- Repayment of insolvency liabilities of EUR 1.9 mn

<sup>1</sup> According to balance sheet

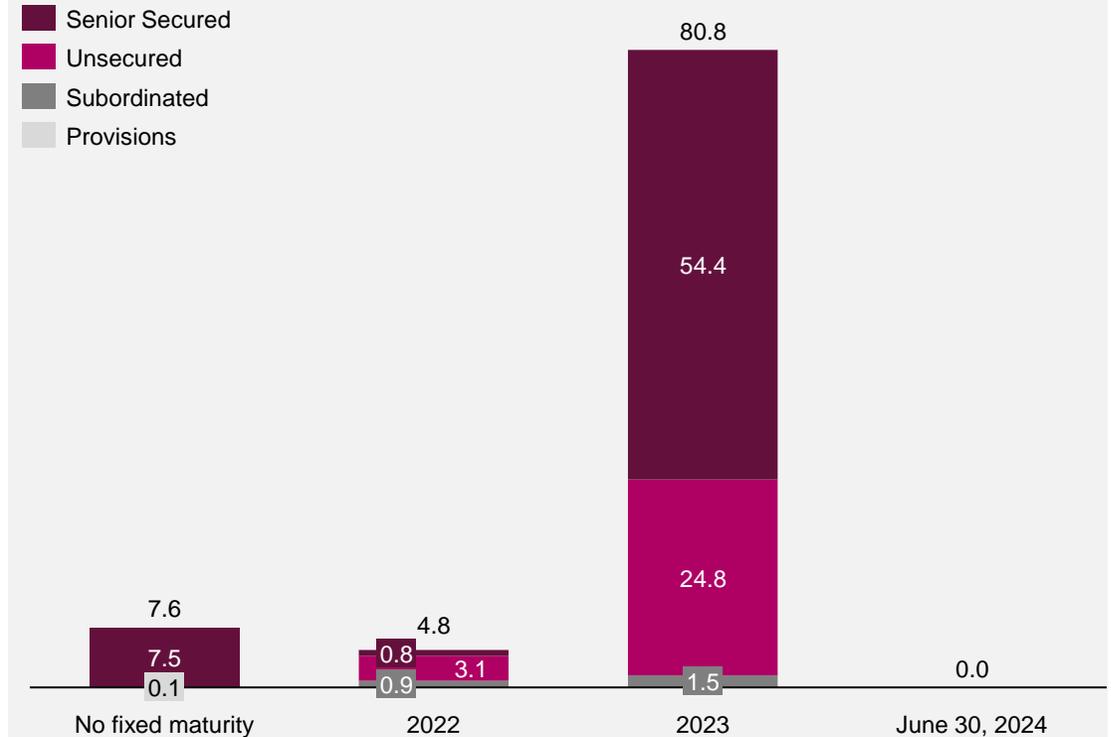
# / CAPITAL STRUCTURE IN DETAIL

Robust cash position combined with devaluation of contingent liabilities leads to massively reduced net debt of EUR 20.6 mn

## Debt waterfall as of June 30, 2022

Net Debt in EUR mn	Book values	Un-discounted cash outflows	Secured by escrow accounts	Founded by liquidity of the company		
				Total	Thereof non-contingent	Thereof contingent
Cash <sup>1</sup>	-63,8					
Revolving Credit Facility <sup>2</sup>	7,5	7,5	-	7,5	7,5	-
Other Credit Facility <sup>3</sup>	10,0	10,0	-	10,0	10,0	-
Principal Term Loans <sup>4</sup>	38,2	45,2	-	45,2	45,2	-
<b>Net Senior Debt</b>	<b>-8,1</b>					
Straight Bonds	22,5	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	-	-	-	-	-	-
<b>Net Unsecured Debt</b>	<b>18,1</b>					
Additional quota	2,4	2,4	2,4	-	-	-
Provisions and Adjustments	0,1	0,1	-	0,1	0,1	-
<b>Net Debt</b>	<b>20,6</b>					

## Debt distribution profile – undiscounted cash flows in EUR mn



<sup>1</sup> Thereof EUR 9.7 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> 100% cash backed

<sup>4</sup> 12% p.a. of which up to 8% p.a. may be capitalized (PIK), given as PV (incl. upfront Fee and PIK)



## SUMMARY H1 2022

---

Despite deteriorating macroeconomic environment in the reporting period

- GERRY WEBER GROUP reported strong net sales increase driven by continuous opening of stores
- Significant improvement in normalized EBITDA compared to H1 2021
- Normalized EBITDA slightly positive
- E-Commerce grows in line with mid term target of 20%+
- Retail development on track - segment on its way to reach break even
- Solid Wholesale performance in H1 2022
- Ongoing robust liquidity position

# Outlook FY 2022

*Because I'm happy*



duce  
use.  
cycle  
peat.  
RE

# / ASSESSMENT OF BUSINESS SITUATION – AUGUST 2022

Expected successful implementation of further optimization measures

## **Optimization of inventory and merchandise management**

Clearance of old goods and overhang via clearance outlets (offline and online) und 3<sup>rd</sup> party merchandise buyers

Introduction of new software to support inventory optimization in Q4 2022

## **Supporting EBITDA through further 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 in H2 2022

# / 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  
**H1 shows consumers reduce purchasing budgets  
despite rising prices -> impact on textile industry in  
H2 2022 remains to be seen**

### 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 which led to an updated 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

# / OUTLOOK FY 2022 AND BEYOND

Updated due to expected successful implementation of further optimization measures

<b>GUIDANCE for FY 2022</b>	<b>Specified</b>
<b>Net Sales</b>	Between EUR 315 mn and EUR 340 mn
<b>Normalized EBITDA<sup>1</sup></b>	Negative single-digit million Euro range to positive single-digit million Euro range
<b>OUTLOOK FY 2023 and BEYOND</b>	
<b>2023</b>	Successful refinancing
<b>Beyond 2023</b>	Initiate dividend payout <sup>2</sup>

<sup>1</sup> Excluding effects from lease accounting pursuant to IFRS 16

<sup>2</sup> Subject to supervisory board approval and successful refinancing

## / 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
<b>Minimum liquidity</b>	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
<b>Normalized EBITDA<sup>1</sup></b>			> 0	> 0				
<b>Net debt/normalized EBITDA<sup>1</sup></b>				5.94	4.33	3.32	3.20	3.10
<b>Capital expenditure</b>				12.000				7.000
<b>Normalized EBITDA<sup>1</sup>/interest</b>				1.31	1.91	2.27	2.62	2.84

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

<sup>1</sup> Excluding effects from lease accounting pursuant to IFRS 16

## / CAPITAL MARKETS EVENTS 2022

### HAMBURG INVESTMENT DAYS

AUG 24,  
2022  
HAMBURG

### AUTUMN EQUITY FORUM

SEPT 6, 2022  
FRANKFURT

### BAADER INVESTMENT CONFERENCE

SEPT 13-16,  
2022  
MUNICH

### MKK MUNICH CONFERENCE

NOV 15, 2022  
MUNICH

### GERMAN EQUITY FORUM

NOV 28, 2022  
FRANKFURT

**Appendix**

**WE ARE  
GERRY**

# / FINANCIAL CALENDAR 2022

**/ Nov 10, 2022**

Publication 9M interim statement 2022

# / INVESTOR RELATIONS CONTACT

## **GERRY WEBER International AG**

Investor Relations  
Dr Andrea Rolvering

E-Mail [andrea.rolvering@gerryweber.com](mailto:andrea.rolvering@gerryweber.com)  
Mobile +49 157 57103411

**#WE ARE GERRY**



# / DISCLAIMER

This presentation does not constitute an offer of securities or otherwise constitute an invitation or inducement to any person to subscribe for or otherwise acquire or dispose of securities of GERRY WEBER International AG (the “Company”) or any of its affiliates.

This presentation contains “forward-looking statements” with respect to the Company’s financial condition, results of operations and business plans and objectives. These forward-looking statements reflect the current views of the Company’s management with respect to future events. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Such factors may have a materially adverse effect on the costs and revenue development of the Company. For example, economic downturns in the Company’s markets and changes in currency exchange rates may have negative effects on the Company’s business development and financial condition. The factors that could affect the Company’s future financial results are discussed more fully in the Company’s most recent annual and interim reports, which can be found on its investor relations website at [ir.gerryweber.com](http://ir.gerryweber.com). All written or oral forward-looking statements attributable to the Company or any of its affiliates or any persons acting on its behalf or contained in or made in connection with this presentation are expressly qualified in their entirety by factors of the kind referred to above. No assurances can be given that the forward-looking statements in this presentation will be realized. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, the Company does not intend to update these forward-looking statements and does not undertake any obligation to do so.

This presentation has been prepared by the Company’s management solely for information purposes. This presentation is in summary form and does not purport to be a full or complete description of the Company and its subsidiaries. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, completeness or correctness of such information, nor as to the achievement or reasonableness of any projections, targets, estimates, or forecasts. Nothing in this presentation should be relied upon as a promise or representation as to the future.