GERRY WEBER
INTERNATIONAL AG

Corporate News

GERRY WEBER International AG clearly increases normalised EBITDA in first half of 2021

- **Group sales decline by 23.4 % to EUR 107.7 million in the first half of 2021 due to corona Online sales again pick up noticeably by approx. 37.8% to EUR 20.8 million**
- **At EUR -10.2 million, normalised EBITDA clearly above prior year level in H1 2021**
- **All stores open again since June 2021**
- **Six-month cash flow at EUR 15.3 million**
- **Outlook for FY 2021 confirmed**

Halle/Westphalia, 12 August 2021 – GERRY WEBER International AG today presented its interim financial report for the first six months of the fiscal year 2021. The report is available online at:

https://ir.gerryweber.com/websites/gerryweber/English/4200/interim-reports.html

In the first six months of 2021, the business performance of GERRY WEBER International AG continued to be strongly influenced by the global coronavirus pandemic. While the GERRY WEBER stores in some European countries remained open or were allowed to reopen gradually, the German stores were closed almost without interruption in the first quarter. Since 8 March 2021, there have been changing opening situations depending on regional infections (incidence rate), which also led to a decline in sales, particularly in April and also in May. In June 2021, all stores were successively reopened. While customer footfall was at a low level, the conversion rate and sales per customer have increased.

The company's total net sales in the first half of 2021 amounted to EUR 107.7 million (EUR 140.5 million in H1 2020), which was approx. 23.4% below the level of the prior year period. By contrast, the online business showed a very positive trend during the lockdown, with online net sales growing by 37.8% to EUR 20.8 million (previous year: EUR 15.1 million). Net sales of the Retail segment (incl. e-commerce share) declined sharply to EUR 60.9 million (previous year: EUR 74.5 million) due to the lockdown. With its wholesale partners (incl. e-commerce share), the GERRY WEBER Group generated net sales of EUR 46.8 million (previous year: EUR 66.0 million).

In spite of the -23.4% decline in net sales, gross profit deteriorated by only -18.0% in the first six months of 2021 compared to the first half of 2020 and amounts to EUR 67.3 million (previous year: EUR 81.6 million). Consequently, the gross profit margin improved by 4.4 percentage points to 62.5%, up from 58.1% in the previous year. Due to lower costs (use of short-time work and strict cost discipline), earnings before interest, taxes, depreciation and amortisation (EBITDA) increased to EUR 5.3 million (previous year: EUR -1.1 million); at 4.9%, the EBITDA margin clearly exceeded the prior year level (-0.7%). Adjusted for the effects of lease accounting pursuant to IFRS 16, normalised EBITDA also improved noticeably and stood at EUR -10,2 million (previous year: EUR -22.9 million); the normalised EBITDA margin reached -9.5% (previous year: -16.3%). Accordingly, the result for the period stood at EUR -24.2 million (previous year: EUR -34.2 million).

At EUR 21 million, operating cash flow clearly exceeded the previous year's EUR 3 million, which is mainly attributable to an improved operating result and payments under the stopgap aid ("Überbrückungshilfe III"). Free cash flow stood at EUR 15.3 million in the first half of the year (previous year: EUR 0.0 million). Cash and cash equivalents amount to EUR 86.7 million as of 30 June 2021, up from EUR 85.3 million as of 31 December 2020.

"While the first quarter was made difficult by the pandemic, our stores gradually reopened in full in the course of the second quarter. The revenue trend in June was very positive and shows that our strategic initiatives are being accepted by the market," said Florian Frank, Chief Financial Officer (CFO) of GERRY WEBER International AG. "Our earnings are also pointing in the right direction; in the first half of 2021, we were able to clearly increase our normalised EBITDA and our free cash flow."

The GERRY WEBER Group's response to the crisis in the first half of the year included financing measures, the use of government aid as well as operational measures. To secure its liquidity, the company raised an additional credit facility of EUR 5 million in February and applied for and was granted government aid ("Überbrückungshilfe III") in the amount of EUR 12 million in March. The government support services used include short-time work for employees based in Germany. Within the framework of the possibilities under applicable local law, similar solutions were sought and implemented for employees at foreign locations affected by closures.

The operational measures include the expansion of the online business in conjunction with a stronger connection between the physical points of sale and the digital platforms. To reduce rental expenses, the company remains in talks with its landlords and continues to take advantage of statutory regulations. In addition, talks are underway to sublet sales space to partners offering complementary product ranges. Investments continue to be reviewed critically and will be postponed where appropriate. Since the beginning of the pandemic, the operational measures have also included comprehensive concepts to maintain the health of the GERRY WEBER Group's employees (e.g. in-house testing and vaccination centre), customers and business partners.

Even though all stores have been open again since June 2021, the company expects opening rules to be tightened again if incidence rates pick up, which is generally expected to happen in autumn/winter. This is why a forecast remains subject to considerable uncertainty. "Although we are currently seeing a recovery in online and physical sales that makes us confident, we do not expect to be able to offset the shortfall in sales incurred at the beginning of the current financial year 2021 in the further course of the year," predicts Florian Frank. In the first quarter of 2021, the GERRY WEBER Group lost some 55 sales days throughout Germany, about ten of which were Saturdays.

The Managing Board is convinced that the above-mentioned measures will secure sufficient liquidity to make the GERRY WEBER Group future-proof and to successfully complete the refinancing due in 2023. For the fiscal year 2021, the Managing Board continues to project consolidated net sales of between EUR 260 million and EUR 280 million, and at the same time intends to further improve the company's profitability. Normalised consolidated EBITDA (excluding the effects of lease accounting under IFRS 16) is to be improved to a negative low double-digit million figure.

At the end of May, the final contracts for the sale of the Ravenna Park logistics centre to WB Logistik GmbH, a company of Christian Busch, majority shareholder of Walbusch Walter Busch GmbH & Co. KG based in Solingen, were signed. The transfer of the logistics centre staff is scheduled for 1 September 2021. Christian Busch and the GERRY WEBER Group will jointly use Ravenna Park in future. The proceeds from the sale of the logistics centre will be distributed to the insolvency creditors of GERRY WEBER International AG.

About the GERRY WEBER Group
Headquartered in Halle/Westphalia and employing some 2,300 people, GERRY WEBER International AG is one of the largest fashion and lifestyle companies in Europe. The company sells trend-oriented modern classic mainstream fashion in 59 countries. In addition to the GERRY WEBER brand, the GERRY WEBER Group also owns the younger TAIFUN brand and the plus-size brand SAMOON. For more information, visit www.gerryweber.com

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IN FIGURES

EUR million. / %	**H1 2021**	H1 2020	**Q2 2021**	Q2 2020
Sales by region	**107.7**	**140.5**	**61.3**	**56.8**
Germany	53.7	78.7	31.6	34.5
Abroad	54.0	61.8	29.7	22.3
Sales by segments	**107.7**	**140.5**	**61.3**	**56.8**
GERRY WEBER Retail	60.9	74.5	40.8	35.6
thereof e-commerce in the Retail segment	17.6	12.8	10.1	8.2
Like-for-like growth in %	–29.5%	–43.3%	18.0%	–52.8%
GERRY WEBER Wholesale	46.8	66.0	20.5	21.2
thereof e-commerc in the Wholesale segment	3.2	2.3	1.6	1.0
Sales split by brands				
GERRY WEBER	70.9%	70.6%	72.0%	68.8%
TAIFUN	21.5%	22.1%	20.6%	22.5%
SAMOON	7.6%	7.3%	7.4%	8.7%
Earnings position				
EBITDA	5.3	–1.1	0.5	–8.7
EBITDA margin	4.9%	–0.7%	0.9%	–15.2%
Normalised EBITDA [1]	–10.2	–22.9	–7.2	–19.4
Normalised EBITDA margin [1]	–9.5%	–16.3%	–11.8%	–34.2%
EBIT	–16.3	–27.3	–9.8	–20.4
EBIT margin	–15.2%	–19.5%	–16.1%	–36.0%
Net profit / loss for the year	–24.2	–34.2	–14.1	–24.7
Earnings per share in EUR	–19.8	–28.0	–11.5	–20.2
Financial position				
Cash flow from operating activities	21.0	3.0	23.0	17.3
Investments	1.6	2.0	0.8	0.9
Net worth position				
Equity	32.1	56.1 [2]		
Equity ratio	7.7%	13.0% [2]		
Cash and cash equivalents	86.7	85.3 [2]		
Financial liabilities	143.4	140.9 [2]		
Net debt	56.7	55.6 [2]		
Other success factors				
Average staff number	2,265	2,627		

1 Excluding effects from lease accounting in accordance with IFRS 16
2 as of December 31, 2020