

Press release

GERRY WEBER publishes Interim Report for the first half of the financial year 2020

- **Business performance strongly influenced by COVID-19**
- **Group sales down at EUR 140.5 million (previous year: EUR 247.7 million)**
- **Consolidated net loss improves to EUR 34.2 million (EUR 144.1 million), mostly due to lower depreciations and successfully executed restructuring**
- **Revenues outlook for 2020 unchanged at EUR 260 million - EUR 280 million**

Halle/Westphalia, 21 August 2020 – GERRY WEBER International AG today published its Interim Financial Report for the first half of the financial year 2020. The Interim Financial Report is available online at:

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

The business performance of GERRY WEBER International AG (GERRY WEBER, GWI) in the first half of 2020 was strongly influenced by the global spread of the coronavirus pandemic (COVID-19). To contain the pandemic, almost all points of sale were closed from mid-March 2020 on official instructions. In the meantime, all stores have successively been reopened as of mid-May 2020. As expected, customer footfall is lower than before the start of COVID-19, but the conversion rate and sales per customer as well as revenues in the online segment have been rising continuously in recent weeks – each starting from low levels.

Furthermore, a comparison of the first half of 2020 with the first half of 2019 is possible only to a limited extent, as, during the better part of H1 2019, GWI was in insolvency proceedings under self-administration, first provisionally and then regularly as of 1 April 2019. The proceedings were successfully concluded on 31 December 2019. During and after the proceedings, GWI significantly restructured its business, which led to the closure of 210 company-managed points of sale in Germany and abroad. Consequently, the total number of POS was reduced to 588 as of 30 June 2020 (31 March 2019: 798). Moreover, the number of franchised wholesale spaces declined by 207 to 2,230 during the same period (31 March 2019: 2,437). Naturally, the store closures and space losses had a massive impact on revenues in the reporting period.

Against this background, GERRY WEBER has generated revenues of EUR 140.5 million (previous year: EUR 247.7 million). Gross profit was down at EUR 81.6 million (EUR 141.3 million). However, gross profit margin improved to 58.1% (57.0%) due to lowered cost of materials and less changes in inventories. The Managing Board estimates the COVID-19 impact on revenues during the reporting period at around EUR 57 million

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compared to the initial budget. The effects of COVID-19 alone on gross profit are estimated at around EUR 33 million.

Significant relief due to successful restructuring

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -0.9 million (EUR 34.5 million) as a consequence of the lowered business volume. EBITDA experienced a significant relief because of the successful restructuring in personnel expenses (EUR 50.5 million compared to EUR 68.8 million in previous year). Earnings before interest and taxes (EBIT) improved to EUR -27.3 million (EUR -122.9 million) also because of lower depreciations that were mostly insolvency-related in previous year. Consolidated net income for the period improved to EUR -34.2 million (EUR -144.1 million).

GERRY WEBER expects the adverse influences of COVID-19 on the overall economic environment to continue in the second half of 2020. The outlook has not materially changed since the publication of the Annual Report for the year ended 31 December 2019, as the expected impact of COVID-19 on GERRY WEBER's revenues and earnings had already been taken into account at that time. Against this background, the range of revenues expected for 2020 of between EUR 260 million and EUR 280 million remains unchanged. Also, the company's expectation regarding the Group's normalized EBITDA (excl. the effects resulting from the amended lease accounting to IFRS 16 applicable as of April 2019) to come in at a negative medium double-digit million amount remains unchanged.

Thanks to the rapid response to the COVID-19 crisis and the consistent implementation of the future concept, GERRY WEBER has so far performed relatively well financially throughout the pandemic. Even though the concept has already been quickly implemented or initiated in large parts, it provides for further concessions to be made by the landlords of properties of the GERRY WEBER Retail segment.

About GERRY WEBER Group

GERRY WEBER International AG, headquartered in Halle / Westphalia represents with roughly 2,600 employees one of the largest Fashion- and Lifestyle companies in Europe. The organization distributes modern-classic mainstream womenswear in over 60 countries. GERRY WEBER Group consists of the eponymous brand GERRY WEBER, the young brand TAIFUN and the plus-size brand SAMOON. For further Information, visit our website: www.gerryweber.com

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