

## Press release

### **GERRY WEBER publishes Quarterly Statement for the first nine months of the fiscal year 2020**

- **Positive net income for the Group in the third quarter of 2020**
- **Gross margin for the first nine months continues to improve**
- **Business performance strongly influenced by COVID-19**
- **Group sales down at EUR 227.1 million (previous year: EUR 367.5 million)**
- **Revenues outlook for 2020 unchanged at EUR 260 million - EUR 280 million**

**Halle/Westphalia, 30 November 2020** – GERRY WEBER International AG today published its Quarterly Statement for the first nine months of the fiscal 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 nine months of 2020 was still 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. All stores were successively reopened as of mid-May 2020. As expected, customer footfall was lower than before the start of COVID-19, but the conversion rate and sales per customer as well as revenues in the online segment rose – each starting from low levels.

Furthermore, a comparison of the first nine months of 2020 with the first nine months of 2019 is possible only to a limited extent, as, during the better part of 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 205 company-managed points of sale in Germany and abroad. Consequently, the total number of POS was reduced to 593 as of 30 September 2020 (31 March 2019: 798). Compared with 30 June 2020, five company-managed points of sale were opened on balance. Moreover, the number of franchised wholesale spaces declined by 422 to 2,015 during the period from 31 March 2019 to 30 September 2020. 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 227.1 million (previous year: EUR 367.5 million). Gross profit was down at EUR 137.0 million (EUR 206.7 million). However, gross profit margin improved significantly to 60.3% (56.2%) 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 73 million compared to the initial budget. The effects of COVID-19 alone on gross profit are estimated at around EUR 44 million.

## **Good operating performance in the third quarter**

Thanks to the good operating performance in the third quarter of 2020, earnings before interest, taxes, depreciation and amortization (EBITDA) turned into positive terrain and amounted to EUR 15.6 million (EUR 43.3 million) after the first nine months of 2020. EBITDA experienced a significant relief because of the successful restructuring in personnel expenses (EUR 70.9 million compared to EUR 93.4 million in previous year). Earnings before interest and taxes (EBIT) improved to EUR -22.2 million (EUR -130.2 million) also because of lower depreciations that were mostly insolvency-related in previous year. EBIT for the first half 2020 was still at EUR -27.3 million. Consolidated net income for the period improved to EUR -32.2 million (EUR -256.0 million) due to the good operating performance in the third quarter of 2020. In that quarter alone, the company performed a consolidated net profit of EUR 2.0 million.

## **Adverse influences of COVID-19 to continue at least until into 2021**

The latest developments until the end of November 2020 suggest that the adverse influences of COVID-19 on the overall economic environment will continue at least until into 2021, which will also affect GERRY WEBER's business. 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.

The effects of the second lockdown ordered by the authorities from November 2020 on in Germany, which will not result in immediate store closures, but will reduce customer footfall in our points of sale, did not affect our forecast. Not even the closures ordered by the authorities in Europe, especially in Belgium and Austria, have prompted us to adjust our forecast. 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.

### **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](http://www.gerryweber.com)

# GERRY WEBER

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