

# LUDWIG BECK

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## Corporate News

### LUDWIG BECK's result in the first six months falls within the forecast range

**Munich, July 25, 2018** – The Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) concluded the first half of the year 2018 with a decline in sales reflecting the current sector development. Cold weather at the beginning of spring and midsummer temperatures in April were the main factors putting pressure on sales volumes nationwide. In addition, the stationary fashion trade lost further market shares to online stores. However, through moderate price reductions and an efficient cost structure, the result could nevertheless be maintained at a high level.

#### Development of sales

The LUDWIG BECK Group generated gross sales in the amount of € 73.2m (June 30, 2017: € 77.1m). The LUDWIG BECK segment accounted for sales in the amount of € 41.3m in aggregate (June 30, 2017: € 43.2m). Also in the first half of 2018, the online trade at [www.ludwigbeck.de](http://www.ludwigbeck.de) continued to perform according to the management's positive expectations. The WORMLAND segment contributed to Group sales with a sales volume of € 32.0m (June 30, 2017: € 33.9m).

#### Earnings situation

Gross profit amounted to € 29.4m in the first half of 2018 (June 30, 2017: € 30.7m). The gross profit margin was slightly improved from 47.4% to 47.7% as compared to the previous year.

Personnel expenses sank from € 14.7m in the previous year to € 14.6m in the period under report. Other operating income came to € 1.9m (June 30, 2017: € 1.7m).

On account of the decline in sales, earnings before interest and taxes (EBIT) amounted to € -2.2m (June 30, 2017: € -1.6m). The LUDWIG BECK segment contributed positively to this result with earnings in the amount of € 0.8m (June 30, 2017: € 1.4m), while the WORMLAND segment recorded a negative amount of € -3.0m (June 30, 2017: € -3.1m).

Accordingly, the consolidated earnings before taxes (EBT) was € -2.6m (June 30, 2017: € -2.1m).

#### Outlook

LUDWIG BECK is unabatedly rising to the occasion of having to come to terms with the continuing structural changes besetting the German fashion trade. To that effect, the management relies on the company's sound foundations and its talent to methodically implement success strategies in times of change. These include further enhancing the experiential value of the shopping ambience, focusing on core target groups and services which online traders cannot provide, and integrating stationary and online trade across all channels – areas, in which the Group has traditionally excelled and established a solid market position.

Dieter Münch, member of the Executive Board of LUDWIG BECK AG: *This year is by no means a self-runner. Yet, we will play to the strengths of LUDWIG BECK also in 2018 in order to achieve our set goal.*

Consequently, the Executive Board reaffirms its projections for the future business development in 2018 and expects gross sales at Group level to range between € 170m and € 180m and the EBIT margin to settle between 3.5% and 5% of net sales.

The comprehensive Half-Year Report for the fiscal year 2018 is published online at the company's website <https://kaufhaus.ludwigbeck.de/en/home> under *Investor Relations* in the *Financial Publications* sector under the heading *Quarterly Reports*.

### Key figures of the Group

in €m	1/1/2018 – 6/30/2018	1/1/2017 – 6/30/2017
<b>Gross sales</b>	73.2	77.1
<b>Net sales</b>	61.6	64.8
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	-0.1	0.6
<b>Earnings before interest and taxes (EBIT)</b>	-2.2	-1.6
<b>Earnings before taxes (EBT)</b>	-2.6	-2.1
<b>Earnings after taxes</b>	-2.6	-2.3
<b>Equity (as per reporting date 6/30)</b>	74.2	74.0
<b>Equity ratio in % (as per reporting date 6/30)</b>	57.0	55.7
<b>Earnings per share (in €)</b>	-0.69	-0.62
<b>Investments</b>	0.9	1.3
<b>Employees (average number without apprentices)</b>	880	849
<b>Apprentices (average number)</b>	38	36

#### About LUDWIG BECK

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2017 with 451 employees it generated gross sales of € 99.0m (as per December 31, 2017) on an area of about 12,400 sqm.

LUDWIG BECK is located in the heart of Munich, directly at Marienplatz. On seven floors the Munich fashion company showcases international fashion, leather goods and accessories, exclusive cosmetics and with over 120,000 titles Europe's largest onsite collection of classical, jazz and world music and audiobooks.

#### About ludwigbeck.de

Since the end of 2012, the singular brand portfolio of the beauty department is also available for online shopping at [www.ludwigbeck.de](http://www.ludwigbeck.de). Customers can expect a unique selection of almost 10.000 products of more than 100 luxury and niche cosmetics brands.

#### About WORMLAND:

THEO WORMLAND GmbH & Co. KG, based in Hanover, generated sales in the amount of € 74.2m (as per December 31, 2017) with 417 employees on a total area of about 16,200 sqm in 2017. The Group is based on two differing store concepts: WORMLAND and THEO. Today, THEO WORMLAND GmbH & Co. KG ranges among Germany's top men's fashion retailers with a total of 15 stores.

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