



LUDWIG BECK's achieved results were in the range of expectations in the first six months of 2019

Munich, July 25, 2019 – After the sale of the WORMLAND business segment on April 30, 2019, the Munich Fashion Group LUDWIG BECK focuses once again on the core business at Marienplatz in Munich and on the online trade. Therefore, reporting according to IFRS 5 will generally relate to continued operations starting with this 2019 half-year report.

Development of sales

In the first six months of the 2019 fiscal year, LUDWIG BECK AG generated gross sales relating to continued operations in the amount of € 41.0m (previous year: € 41.3m). This 0.7% decline reflects the general trend in the sector which recorded an average 1% drop in the first half year according to TextilWirtschaft (TW).

Earnings situation

Gross profit amounted to € 16.4m (June 30, 2018: € 16.6m). The gross profit margin was 47.6% (previous year: 47.9%).

On account of the first-time application of the IFRS 16 standards amortization went up from € 1.4m to € 3.1m as usage rights had to be recognized. Other operating expenses, however, dropped considerably from € 7.2m to € 5.7m as rental expenses lapsed.

As a result, earnings before interest and taxes (EBIT) amounted to € 0.7m (previous year: € 0.8m).

Consolidated earnings before taxes on income (EBT) were burdened by a € 0.4m IFRS 16 effect as well as non-recurring consultation fees relating to the WORMLAND business segment of € 0.5m and came to € -0.5m (previous year: € 0.4m). Earnings after taxes relating to continued operations amounted to € -0.2m (previous year: € 0.5m) in the first half of the year 2019.

Earnings after taxes relating to discontinued operations (WORMLAND segment) amounted to € -17.0m (previous year: € -3.0m). This result is composed of a seller contribution in the total amount of € 11.5m as well as disposed equity of the WORMLAND subgroup in the amount of € 5.5m (as of December 31, 2018).

Earnings after taxes stood at € -17.2m in aggregate (previous year: € -2.6m).

Outlook

According to the Executive Board, the sale of the WORMLAND subgroup in April 2019 created the desired conditions for henceforth directing the focus of LUDWIG BECK's activities on the core businesses. This measure opened up an expanded scope of action in the competitive fashion market. In parallel, the further expansion of the online trade under ludwigbeck.de as an alternative sales channel will be intensely pursued.

Dieter Münch, member of the Executive Board of LUDWIG BECK AG, stated: "The decisions realized in 2019 will form the basis for more profitable business activities in the future. Last

but not least, these endeavors will rest on the foundation of our proprietary possession of the real estate at Marienplatz in Munich“.

The Executive Board confirmed its adjusted forecast from the quarterly report I/19. In line with the reporting requirements of IFRS 5 and the related adjustment of the consolidated statement of comprehensive income the Executive Board expects consolidated sales relating to continued operations to range between € 94m and 98m and earnings before taxes on income (EBT) to reach € 4m to 5m. The result from discontinued operations will amount to € -17m.

The detailed Half-Year Report for the 2019 fiscal year will be published on the company's website under <https://kaufhaus.ludwigbeck.de/en/home> in the "Investor Relations" section under "Financial Publications", subsection "Quarterly Reports".

About LUDWIG BECK

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2018 with 458 employees it generated gross sales of € 95.5m (as per December 31, 2018) on an area of about 12,400 sqm and through its online store. 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. Since the end of 2012, the singular brand portfolio of the beauty department is also available for online shopping. Customers can expect a unique selection of almost 10.000 products of more than 100 luxury and niche cosmetics brands.

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