

# LUDWIG BECK



## Corporate News

### **LUDWIG BECK closes a challenging 2019 financial year with sales at the previous year's level**

**Munich, March 26, 2020** – In the 2019 financial year, Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) generated sales at the previous year's level with its remaining business divisions. After the sale of the WORMLAND group division, LUDWIG BECK focused on the core business in the parent company at Marienplatz in Munich.

#### **Development of sales**

In the Fiscal Year 2019, LUDWIG BECK generated gross sales of € 95.3m (previous year: € 95.5m). Sales were in line with the management's expectations of between € 94m and € 98m, which management had published for the continued operations after the sale of WORMLAND.

In the "Textile" segment, the Group generated gross sales of € 68.0m (previous year: € 68.2m). In the "Nontextile" segment, which also includes the Beauty online shop at [www.ludwigbeck.de](http://www.ludwigbeck.de), sales of € 27.3m (previous year: € 27.4m) were realized.

In 2019, the entire German textile retail trade was struggling with climatic uncertainties, which, to say the least, caused sales in the fourth quarter with the Christmas business to fall short of expectations due to the mild temperatures. In addition, pressure from textile e-commerce companies on stationary retail has increased further.

#### **Development of earnings**

In line with the development of sales at group level, net gross profits of € 38.6m were at the previous year's level (€ 38.7m).

Earnings before interest and taxes (EBIT) amounted to € 7.0m (previous year: € 7.6m).

Due to the first-time impact on earnings from the application of IFRS 16 (Finance Lease) with a total amount of € -0.7m as well as the one-time special charges in connection with the sale of the WORMLAND shares and further restructuring expenses in the amount of € -1.5m, earnings before taxes (EBT) amounted to € 4.6m (previous year: € 6.9m). The result was in line with the management's forecast, which had expected earnings of between € 4m and € 5m from the continuing operations.

Earnings after taxes from discontinued operations amounted to € -17.0m (previous year: € -5.8m). Accordingly, the overall group result was € -13.9m (previous year: € -0.8m).

As of December 31, 2019, the Group's equity totaled € 61.6m (previous year: € 75.8m). The equity ratio was 34.8% (previous year: 59.9%). The equity ratio as of December 31, 2019 was significantly impacted by the first-time application of IFRS 16 in the 2019 financial year. Had the company applied the previous accounting guidelines, the equity ratio would have been 55.3%.

With a balance sheet profit of €0 for the financial year 2019, no dividend will be paid for the fiscal year 2019.

## Outlook

In view of the latest developments regarding the spread of the corona virus worldwide and its consequences for the global economy, the German economy, the German retail and LUDWIG BECK in particular, it is not yet possible to estimate the extent to which this will have a negative impact on the economy.

The management of the LUDWIG BECK Group originally expected gross sales of between € 95m and € 97m and earnings before taxes (EBT) of between € 3.5m and € 4.5m for the current fiscal year 2020. Due to the negative effects of the "Corona virus crisis", management is currently unable to provide a reliable forecast for sales and earnings for the 2020 financial year. The extent to which LUDWIG BECK's sales and earnings could be negatively affected by the absence of customers, supplier bottlenecks or possible official orders cannot be estimated as of today.

For further information regarding the company and the shares please refer to the corporate site at <http://kaufhaus.ludwigbeck.de>.

## Key Figures of the Group

in €m	2019	2018
Gross sales	95.3	95.5
Net sales	80.1	80.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	12.9	10.3
Earnings before interest and taxes (EBIT)	7.0	7.6
Earnings before taxes (EBT)	4.6	6.9
Consolidated net profit/loss from continued activities	3.4	5.0
Consolidated net profit/loss from discontinued activities	-17.0	-5.8
Consolidated net profit/loss	-13.9	-0.8
Equity	61.6	75.8
Equity ratio in %	34.8	59.9
Capex	-1.7	-2.5
Average number of employees without apprentices	442	455
Earnings per share (in €)	-3.68	-0.22

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