

LUDWIG BECK

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Corporate News

LUDWIG BECK Group concludes fiscal year 2016 with a satisfactory result

Munich, March 28, 2017 – In the fiscal year 2016, the Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) had to face some challenges, but was able to master them by the end of the year with a satisfactory result in overall terms. Once again, anticyclical weather patterns proved to have a major impeding impact. However, appropriate seasonal weather for the Christmas business provided a boost in sales. The WORMLAND segment, newly acquired in 2015, concluded its first full fiscal year under the umbrella of the LUDWIG BECK Group and developed in line with expectations during that period. With the launch of the new WORMLAND flagship store in Nuremberg in October 2016 a promising milestone in the history of this long-established company has been set.

Development of sales

The Group generated gross sales in the amount of € 177.1m (previous year: € 158.6m). This significant increase is exclusively due to the WORMLAND segment which contributed gross sales in the considerable amount of € 76.0m (previous year: € 54.7m) to the Group's sales. In the previous year, only sales achieved after the date of acquisition (May 2015) had been taken into account. The LUDWIG BECK segment, including the online trade at www.ludwigbeck.de, generated sales in the amount € 101.1m (previous year: € 104.0m) in the same period. The decline in sales experienced by the Munich Fashion Group was paralleled by a similar development in the German textiles retail, which concluded the fiscal year 2016 down 2% (source: TextilWirtschaft).

Earnings situation

Earnings before interest and taxes (EBIT) reached € 6.3m (previous year: € 18.3m) and, due to an encouraging fourth quarter, exceeded the adjusted forecast of October 1, 2016, in which the management had anticipated a value between € 4m and 5m.

Accordingly, earnings before taxes (EBT) amounted to € 5.2m (previous year: € 17.3m). Thus, the EBT margin came to 3.5% (previous year: 12.9%). Taxes on income of € 2.3m (previous year: € 2.1m) were incurred in 2016. The previous year's result had included a non-recurring tax-exempt Group income from initial consolidation of the WORMLAND Group in the amount of € 9.8m.

Consolidated net income amounted to € 2.9m (previous year: € 15.2m).

As per the reporting date of December 31 2016, the Group's equity totaled € 79.0m (previous year: € 79.4m). The equity ratio was 58.9% (previous year: 60.2%).

Dividend payout

At the Annual General Meeting on May 23, 2017, the Executive Board and the Supervisory Board will propose to distribute a dividend in the amount of € 0.65 per participating no-par share (previous year: € 0.75 per share). The dividend amount is generally proposed in line with the corporation's financial goals, with sound financial stability for the Group's strategic projects taking center stage.

Outlook

Leading economic researchers take a cautiously optimistic view of Germany's economic prospects, yet expect promising opportunities to arise in 2017.

The management of LUDWIG BECK shares these expectations. At the same time, the Executive Board is engaged in the analysis of the ongoing structural changes unfolding in German textiles retail in order to come up with strategic conclusions. Against this background, the Fashion Group remains committed to its high target of a sound, sustained development also in 2017.

In 2017, we will focus all our efforts on our customers. In these challenging times we have made this our central key topic, member of the Executive Board, Dieter Münch, said.

Based on this assumption, the Executive Board expects sales on Group level to reach between € 170m and 180m and earnings before interest and taxes (EBIT) to settle between € 4m and 6m in 2017.

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

Key figures of the Group

in €m	2016	2015
Gross sales	177.1	158.6
Net sales	148.9	133.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	10.3	22.3
Earnings before interest and taxes (EBIT)	6.3	18.3
Earnings before taxes (EBT)	5.2	17.3
Consolidated net income	2.9	15.2
Equity	79.0	79.4
Equity ratio in %	58.9	60.2
Investments	5.4	2.2
Employees (average) ¹⁾	892	816
Earnings per share (in €)	0.78	4.11
Dividend (in €)	0.65	0.75

¹⁾ without apprentices

About LUDWIG BECK

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2016, with 467 employees it generated gross sales in the amount of € 101.1m (as per December 31, 2016) on an area of about 12,400 sqm as well as through its online shop.

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 exceptional brand portfolio of the beauty department is also available for online shopping at 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, Hanover, generated sales in the amount of € 76.0m (as per December 31, 2016) with 425 employees on a total area of about 16,200 sqm in 2016. 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 branches.

Investor Relations contact:

esVedra consulting GmbH
Metis Tarta
t: +49 89 206021 – 210
f: +49 89 206021 – 610
mt@esvedragroup.com

Group Accounting contact:

LUDWIG BECK AG
Jens Schott
t: +49 89 23691 – 798
f: +49 89 23691 – 600
jens.schott@ludwigbeck.de