



## Corporate News

### **LUDWIG BECK Group: Adverse weather conditions caused sales so far to fall below expectations in the first nine months**

**Munich, October 25, 2016** – The Munich fashion Group LUDWIG BECK (ISIN DE 0005199905) recorded a clear sales growth in the first nine months of the fiscal year 2016, yet could not evade the negative conditions impacting on the German fashion trade as a whole. Consequently, the development of sales did not meet expectations.

#### **Development of sales**

At Group level, LUDWIG BECK generated gross sales in the amount of € 118.2m (previous year: € 100.9m). All additional sales were generated by the WORMLAND segment acquired in May 2015; this segment had been included in the previous year's reporting only on a pro rata temporis basis. It contributed € 51.1m to Group sales (previous year pro rata temporis: € 30.3m). Sales of the LUDWIG BECK segment of € 67.2m were below last year's level (previous year: € 70.6m). At the beginning of the third quarter, cold and damp weather gave the fashion trade a hard time and adversely affected the sell-off of summer goods.

Subsequently, the heat setting in in the middle of August spoiled the business with incoming fall collections. Within the very same time frame, customer frequencies in the large German cities dropped as a result of an increasing risk of terrorism in Germany and Europe and, not least, a decline in tourist figures. This was clearly felt at the flagship store at Marienplatz in Munich as well.

#### **Earnings situation**

Gross profit came to € 46.0m (previous year: € 39.0m). The gross profit margin of 46.3% (previous year: 46.0%) slightly exceeded last year's level.

Personnel expenses went up to € 22.9m (previous year: € 18.4m). Other expenses climbed to € 25.3m (previous year: € 20.1m).

Earnings before interest and taxes (EBIT) amounted to € -2.4m (previous year: € 9.9m). It is noteworthy that the LUDWIG BECK segment achieved a positive contribution of € 2.8m against all the negative framework conditions, thus topping last year's result of € 2.7m. The WORMLAND segment recorded EBIT in the amount of € -5.2m (previous year: € 7.3m). The previous year had been favored by a non-recurring item in the amount of € 9.8m linked to the acquisition of WORMLAND.

Earnings before taxes (EBT) came to € -3.1m (previous year: € 9.1m).

Earnings after taxes totaled € -3.6m (previous year: € 8.6m).

## Outlook

A bundling of adverse framework conditions, especially in the third quarter of the year under report, posed a major challenge to the Group.

This led the Executive Board to adjust its annual forecast to the development so far. As communicated in the Ad Hoc announcement of October 1, 2016, the management expects sales of goods at Group level to reach approximately € 174m and earnings before interest and taxes (EBIT) to range between € 4m to € 5m in 2016.

Traditionally, the closing quarter makes for outstanding Christmas sales and is by far the strongest revenue contributor for the LUDWIG BECK Group. It definitely holds the potential for a positive surprise in every sense.

On October 26, 2016, a new WORMLAND branch will be opened in Nuremberg. The management places confident expectations on this step.

In conclusion, Dieter Münch, member of the Executive Board of LUDWIG BECK AG, stated: *The development in the first nine months was not in any way satisfying for us. Nevertheless, we did our homework in order to regain some ground in the closing quarter.*

The comprehensive nine-month report for the fiscal year 2016 is published online at <http://kaufhaus.ludwigbeck.de/english> under *Investor Relations*, in the *Financial Publications* section under the heading *Interim Reports*.

## Key figures of the Group

in €m	1/1/2016 – 9/30/2016	1/1/2015 – 9/30/2015
Gross sales	118.2	100.9
Net sales	99.4	84.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	0.8	12.7
Earnings before interest and taxes (EBIT)	-2.4	9.9
Earnings before taxes (EBT)	-3.1	9.1
Earnings after taxes	-3.6	8.6
Equity (as per reporting date 9/30)	72.7	72.8
Equity ratio in % (as per reporting date 9/30)	52.9	49.1
Earnings per share (in €)	-0.98	2.34
Investments	4.0	1.3
Number of employees without apprentices (as per reporting date 9/30)	905	925
Number of apprentices (as per reporting date 9/30)	58	66

## Segment information

in €m	LUDWIG BECK	WORMLAND	GROUP
Gross sales	67.2	51.1	118.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	5.1	-4.3	0.8
Earnings before interest and taxes (EBIT)	2.8	-5.2	-2.4

**LUDWIG BECK:**

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2015, with approximately 500 employees it generated gross sales of € 104m (as per December 31, 2015) 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. 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.

**WORMLAND:**

THEO WORMLAND GmbH & Co. KG, based in Hanover, generated sales in the amount of approximately € 80m (as per December 31, 2015) with 470 employees on a total area of about 14,800 sqm in 2015. The Group of companies is based on two differing store concepts: WORMLAND and THEO. Today, THEO WORMLAND GmbH & Co. KG, with the opening of the new branch in Nuremberg as of October 26, 2016, ranges among Germany's top men's fashion retailers with a total of 15 outlets.

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