

LUDWIG BECK



SEIT 1861

Due to the corona pandemic and the officially ordered lockdown, LUDWIG BECK had to accept significant sales losses in the first half of 2020

München, July 23, 2020 – The coronavirus pandemic and the nationwide ordered lockdowns in the first half of the year cost stationary fashion retailers more than a third of their sales compared to the same period last year. According to a survey by the TW Testclub, stationary fashion retailing closed the first half of 2020 with a decline of 35 percent on average. Ninety percent of the participating retailers reported sales declined by 20 percent and more. The coronavirus pandemic has made an additional serious blow to the highly competitive textile retail trade, which had already been struggling with a general decline in customer frequency, unfavourable weather, and a weakening buying mood in recent years.

Development of revenues

The LUDWIG BECK Group generated gross sales of € 24.8 million in the first half of the fiscal year 2020 (previous year: € 41.0 million). With the officially ordered lockdown, all stores in Bavaria were closed from March 18, 2020, except for shops selling consumer goods. The LUDWIG BECK online shop was not affected by the stationary restrictions. Here, customers could do their shopping as usual. Only our branch in the Fünf Höfe, where we sell care products, could be reopened on April 6, 2020. It was only from May 11, 2020, onwards that the flagship store at Marienplatz was able to reopen its doors to customers under strict hygiene conditions. These massive restrictions had a substantial impact on LUDWIG BECK's stationary sales in the first half of 2020.

Development of profitability

Due to the negative sales development, LUDWIG BECK only generated gross profits of € 9.1 million (previous year: € 16.4 million) in the first half-year.

Personnel expenses amounted to € 6.7 million and were thus clearly below the previous year's level of € 8.6 million. Due to the lockdown, LUDWIG BECK registered for short-time work, which had a relieving effect on the earnings situation.

Depreciation and amortization remained at the previous year's level of € 3.1 million. As in the previous year, € 1.7 million of this amount was attributable to depreciation on rental usage rights, in accordance with IFRS 16.

Despite considerable cost-cutting measures implemented by management in response to the lockdown, earnings before interest and taxes (EBIT) came in at € -4.0 million (previous year: € 0.7 million).

The financial result was stagnant at the previous year's level of € -1.2 million. As in the previous year, this figure includes interest costs of € -0.8 million from the recognition of rental agreements, in accordance with IFRS 16.

Earnings before taxes (EBT) amounted to € -5.2 million (previous year: € -0.5 million).

Due to deferred tax income of € 1.8 million (previous year: € 0.3 million), earnings after taxes from continuing operations amounted to € -3.3 million in the first half of 2020 (previous year: € -0.2 million).

Outlook

Now that the situation in the retail sector is slowly returning to normal, the management expects gross sales from the sale of goods of between € 63.0 million and € 70.0 million (fiscal year 2019: € 95.3 million) and earnings before taxes (EBT) to range between € -5.0 million and € -3.0 million (fiscal year 2019: € 4.6 million) for the LUDWIG BECK Group in the fiscal year 2020. These figures are based on the assumption that there will be no further tightening of official orders in connection with the "coronavirus". In addition, the cancellation of the Oktoberfest and the associated loss of sales will pose a major challenge not only for the Munich economy but also for LUDWIG BECK as a traditional costume retailer.

The detailed half-year report for the fiscal year 2020 is published on the company's website at <http://kaufhaus.ludwigbeck.de> in the "Investor Relations" section, "Financial Publications" under the heading "Interim Reports".

About LUDWIG BECK

Being one of the top German textile retail companies, LUDWIG BECK generated gross sales of € 95.3 million in the fiscal year 2019 (as per December 31, 2019) with 442 employees on a total of 12,400 sqm of sales space and through its online shop. The singular brand portfolio of the company's beauty department has already been available in the online shop for eight years. Here, consumers can expect a unique selection of almost 10,000 products from over 100 luxury and niche cosmetics brands. Since May 2020, customers can also now find a fashionable selection of textile ranges as well as traditional costumes in the online shop of the traditional Munich company.

LUDWIG BECK is located in the heart of Munich, right on Marienplatz. Over seven floors, the Munich-based fashion company offers international fashion, leather goods, and accessories, exclusive cosmetics and—with more than 120,000 titles—Europe's largest stationary selection of classical music, jazz, world music, and audiobooks.

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