

LUDWIG BECK



SEIT 1861

Corporate News

LUDWIG BECK closes fiscal year 2020 with significant sales losses due to the impact of the COVID-19 pandemic

Munich, March 24, 2021 - Munich-based fashion group LUDWIG BECK (ISIN DE 0005199905) suffered a drastic decline in sales in the fiscal year 2020 due to the COVID-19 pandemic lockdown in spring 2020, the "lockdown light" in November 2020 and the renewed lockdown in mid-December 2020, which significantly affected the 4th quarter and the Christmas business, the most important quarter for the retail trade.

Sales development

LUDWIG BECK closed the fiscal year 2020 with gross sales in the amount of € 60.4m (previous year: € 95.3m).

In the "textile" segment, the Group generated gross sales of € 39.2m (previous year: € 68.0m). The "non-textile" segment, which also includes the Beauty & Fashion online shop www.ludwigbeck.de, generated sales of € 21.1m (previous year: € 27.3m).

In 2020, the entire German textile retail sector as well as LUDWIG BECK were impacted by the COVID-19 pandemic and its drastic effects on the economy and consumer behaviour. A total of approximately 10 weeks of lockdown caused an enormous loss of sales, which could not be recovered. In addition, the busiest time of the year in terms of sales, the Christmas season, was strongly impacted by the tightening measures and a complete lockdown. The only encouraging development was in online sales, which, however, by far could not compensate for the drop in sales in stationary retail.

Earnings situation

In line with the development of sales, net gross profit amounted to € 20.5m (previous year: € 38.6m).

The financial result amounted to € -2.4m (previous year: € -2.3m). Earnings before taxes (EBT) thus amounted to € -4.3m (previous year: € 4.6m).

Earnings after taxes (EAT) were € -1.7m (previous year: € -13.9m). In the previous year, the result of the LUDWIG BECK subgroup amounted to € 3.4m, while the result of the WORMLAND subgroup was € -17.0m.

The negative Group result for 2020 was not eased by the temporary aid scheme within the German governments coronavirus stimulus programme, as LUDWIG BECK was not among the eligible companies until the end of the fiscal year. Only personnel expenses were partially reduced by KUG ("short-time allowance") payments.

To cushion the negative consequences on the company's liquidity, LUDWIG BECK raised a medium-term LfA loan in the amount of € 10.0m in the fiscal year 2020.

As the retained earnings of LUDWIG BECK AG for the fiscal year 2020 amount to € 0, no dividend can be distributed for the fiscal year 2020.

Outlook

Due to the COVID-19 pandemic with further imponderable infection events and the resulting consequences for the global economy, the German economy, the retail sector, and LUDWIG BECK, in particular, it is not possible to forecast to what extent the economy will continue to be negatively affected. Given the renewed lockdown in mid-December 2020 and the uncertainty about further development, the management currently does not see any possibility to provide a serious forecast on sales and earnings for the fiscal year 2021. It cannot be estimated how strongly the sales and earnings situation of LUDWIG BECK will be affected by the ongoing pandemic situation. The closure of brick-and-mortar stores, the absence of customers, in particular tourists, supplier bottlenecks, or possible additional administrative measures may continue to adversely impact the fiscal year 2021.

To mitigate the damage for the Group, LUDWIG BECK has applied for Federal Government aid in form of fixed cost reimbursements within the "Bridging Aid III" package. The extent to which the requested funds will actually flow in full cannot currently be predicted.

Further information on the Company and its shares can be found on the Company's website at <http://kaufhaus.ludwigbeck.de>.

Key Performance Indicators

in €mn	2020	2019
Revenues (gross)	60.4	95.3
Revenues (net)	51.5	80.1
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	4.3	12.9
Earnings before interest and taxes (EBIT)	-1.9	7.0
Earnings before taxes (EBT)	-4.3	4.6
Earnings from continued operations	-1.7	3.4
Earnings from discontinued operations	0.0	-17.0
Net Profit	-1.7	-13.9
Equity	59.6	61.6
Equity Ratio in %	32.4	34.8
Investments in long-term assets	-4.9	-1.7
Number of employees (average) without trainees*)	397	442
Earnings per share (in €)	-0.47	-3.68

*) The decline in personnel numbers is mainly related to temporary staff, who were only partially deployed due to the severely restricted Christmas business.

Contact Investor Relations:

Andre Deubel
t: +49 89 206021 – 745
f: +49 89 206021 – 600
andre.deubel@ludwigbeck.de