

LUDWIG BECK



SEIT 1861

In the first half of 2021, LUDWIG BECK suffered significant sales losses again due to the COVID-19 pandemic and officially imposed restrictions

Munich, July 22, 2021 – After the “pandemic-year” 2020 also the first half of 2021 was heavily impacted by the COVID-19 pandemic again. Coupled with the nationwide lockdowns imposed, bricks-and-mortar fashion retailers had to contend with losses of more than half of their sales versus a “normal year”. Losses of almost 60% were recorded compared to 2019. According to a survey by TW Testclub, brick-and-mortar fashion retailers ended the first half of 2021 down an average of 40% on the 2020 fiscal year. The coronavirus pandemic has represented an additional severe blow to the highly competitive textile retail sector, which has already been struggling in recent years with declining customer frequencies, unfavourable weather conditions, and a weakening shopping mood.

Sales development

The LUDWIG BECK Group generated gross sales of €20.2 million in the first half of the 2021 fiscal year (previous year: €24.8 million). The renewed severe restrictions in the first half of the year due to the COVID-19 pandemic had a significant impact on the sales development of the flagship store at Munich Marienplatz. In the first quarter, the department store was closed on 54 selling days due to official requirements.

Earnings situation

Due to the negative sales development, LUDWIG BECK generated a net gross profit of €7.6 million (previous year: €9.1 million).

Other operating income amounted to €5.4 million (previous year: €1.5 million). The significantly higher operating income is attributable to a first payment of the Bridging Assistance III of €4.2 million.

Personnel expenses decreased from €6.7 million in the previous year to €5.9 million. Due to the hard lockdown and the subsequent massive restrictions for the retail industry, LUDWIG BECK applied for short-time work, which relieved the earnings situation.

Earnings before interest and taxes (EBIT) improved from €-4.0 million to €-1.0 million due to the Bridging Assistance III. At €-1.2 million, the financial result was at the previous year’s level. Earnings before taxes (EBT) thus amounted to €-2.3 million (previous year: €-5.2 million).

Due to deferred tax income of €0.8 million (previous year: €1.8 million), earnings after taxes amounted to €-1.5 million (previous year: €3.3 million) in the first half of 2021.

Outlook

Even though the COVID-19 pandemic has recently eased significantly and consumer spending is on the rise, we still have to be prepared for an uncertain infection situation and its negative consequences. As the epidemiological risks persist, especially from new virus mutants, and both peoples and the economy adjust their behaviour accordingly, it will still take some time before one can speak of a sustained economic recovery. The extent to which the economy could continue to be negatively affected cannot be determined at present.

Additionally in 2021 one of the biggest challenges for Munich, but also for LUDWIG BECK as a traditional costumes retailer, will be the renewed cancellation of the Oktoberfest and the resulting loss of sales.

The Executive Board assumes that the pandemic situation will only ease significantly after a nationwide vaccination. The Executive Board's top priority remains the safeguarding the company and the preservation of jobs.

The detailed half-year report for fiscal 2021 is published on the Company's website at <http://kaufhaus.ludwigbeck.de> in the "Investor Relations" section, "Financial Publications" under the heading "Interim Reports".

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