

LUDWIG BECK



SEIT 1861

CORPORATE QUARTERLY STATEMENT

for the first quarter of the fiscal year 2022
for the period from January 1 to March 31, 2022

LUDWIG BECK – Sales in the first quarter are well above the previous year but not yet at the pre-pandemic level

Munich, April 21, 2022 – The Munich-based fashion group LUDWIG BECK (ISIN DE 0005199905) ended the first quarter of 2022 with a significant plus compared to the same period of the previous year. The reason for this is the restricted business activities at the beginning of 2021 as a result of the officially ordered lockdown until March 7, 2021, and the subsequent "Click & Meet" due to the COVID-19 pandemic.

Economic environment and development in retail

Although stationary fashion retail could start the first quarter of 2022 without a lockdown, the high infection level, driven by the omicron variant, kept consumer sentiment far from what would have been a normal year. The start of the war in Ukraine in February and the subsequent price increases, especially in energy, had an additional negative impact on sales development in the stationary fashion trade. The latest GfK consumer panel shows that the war in Ukraine has left its mark on consumers. Worries about sanctions effects, the surge in inflation, and fears about an escalating conflict considerably dampen consumer sentiment. According to a survey by Allianz Trade (formerly Euler Hermes), fashion retailers in Germany could face a billion euros sales loss due to the war in Ukraine. With the COVID-19 pandemic now slowly easing, consumer sentiment in the weeks and months ahead will largely depend on the development of the war in Ukraine.

GENERAL PRESENTATION OF FIGURES IN THE INTERIM STATEMENT

All sums and figures in the text and tables were calculated exactly and then rounded to € million. The percentages in the text and tables were calculated using the exact (not rounded) values.

The comparability of the Group's earnings situation with the previous year is very limited, as the Marienplatz flagship store was closed due to a complete lockdown from December 16, 2020, to March 7, 2021.

CONSOLIDATED EARNINGS SITUATION

Development of sales

The LUDWIG BECK Group generated gross sales of € 14.7m in the first quarter of 2022 (previous year: € 6.7m). Both the textile segment with € 10.2m (previous year: € 3.8m) and the non-textile segment with € 4.5m (previous year: € 2.9m) increased sales significantly given the restrictions in the first quarter of 2021.

However, LUDWIG BECK is still far from normalising sales due to the overall environment.

Profitability of the Group

Net gross profit improved from € 2.3m to € 5.6m. The net gross profit margin increased significantly from 41.7% to 45.6% because of lower price discounts in the first quarter of 2022.

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Operating expenses were € 6.9m in the first quarter of 2022 (previous year: € 5.9m). Accordingly, the operating result (EBIT) was € -1.3m (previous year: € -3.5m).

With a financial result of € -0.5m (previous year: € -0.6m), earnings before taxes (EBT) were € -1.8m (previous year: € -4.2m). Earnings after taxes (EAT) amounted to € -1.1m (previous year: € -2.7m).

CAPITAL STRUCTURE

Balance sheet structure

The total assets of the LUDWIG BECK Group as of March 31, 2022, amounted to € 170.8m (December 31, 2021: € 168.2m).

As in the previous year, the main components of long-term assets were the rights of use for rental agreements (€ 59.7m) and the property at Munich's Marienplatz (€ 69.9m). As of March 31, 2022, the total amount of long-term assets remained unchanged from December 31, 2021, at € 151.6m.

Short-term assets increased from € 16.6m (December 31, 2021) to € 19.2m. Inventories increased seasonally from € 10.3m to € 11.6m as planned.

Cash and cash equivalents amounted to € 0.4m (December 31, 2021: € 0.3m).

FINANCIAL POSITION

Balance sheet structure

As of March 31, 2022, the LUDWIG BECK Group had equity in the amount of € 61.8m (December 31, 2021: € 63.0m). The equity ratio was 36.2% (December 31, 2021: 37.4%).

Long-term liabilities decreased by € 1.0m mainly due to scheduled repayments of financial liabilities and amounted to € 86.0m (December 31, 2021: € 87.0m).

Short-term liabilities increased seasonally from € 18.3m (December 31, 2021) to € 23.0m due to the development of short-term assets, the repayment of long-term financial liabilities, and the development of earnings.

In total, the Group's liabilities amounted to € 109.0m as of March 31, 2022 (December 31, 2021: € 105.3m).

Cash flow

The cash flow from operating activities after the first three months of 2022 was € -2.8m (previous year: € -5.7m). The cash flow from investing activities amounted to € -0.8m (previous year: € -1.3m). The investments were mainly for the new traditional costume department at the Marienplatz flagship store, which opened in March. The cash flow from financing activities was € 3.7m (previous year: € -3.9m).

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EMPLOYEES

In the first three months of the 2022 fiscal year, the number of employees (under Section 267 (5) of the German Commercial Code, HGB) without apprentices was largely at the previous year's level at 366 (previous year: 358). As of March 31, 2022, the LUDWIG BECK Group employed 42 apprentices (previous year: 47).

FORECAST REPORT

General economic condition, development in retail, and at LUDWIG BECK

An assessment of further economic development is difficult due to the ongoing COVID-19 pandemic with continuing imponderable infection patterns and its consequences for the global economy. In addition, the conflict between the Western states, Russia, and Ukraine must be monitored, and the resulting consequences for the global economy and the German economy will develop.

Assuming a more normal course of business, Oktoberfest taking place, and non-restricted Christmas business with Christmas markets like before the pandemic, LUDWIG BECK expects gross sales of between € 85m and € 88m and slightly positive earnings before taxes (EBT) in the fiscal year 2022, as already presented in the forecast report of the consolidated financial statements of December 31, 2021.

However, a prerequisite for this forecast is that there are no further restrictions in the city centres, such as lockdowns, 2G regulations, curfews hours, or access restrictions. In case of renewed restrictions due to the COVID-19 pandemic or additional negative developments in the Ukraine conflict, it would be difficult to estimate the extent to which the sales and earnings situation of LUDWIG BECK would be negatively affected.

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GROUP KEY FIGURES

in €m	01/01/2022	01/01/2021
	-	-
	03/31/2022	03/31/2021
PROFIT AND LOSS ACCOUNT		
Sales (gross)	14.7	6.7
Value Added Tax	-2.3	-1.1
Sales (net)	12.4	5.6
Gross profit	5.6	2.3
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	0.3	-1.9
Earnings before interest and taxes (EBIT)	-1.3	-3.5
Earnings before taxes (EBT)	-1.8	-4.2
Earnings after taxes (EAT)	-1.1	-2.7
CASH FLOW		
Cash flow from operating activities	-2.8	-5.7
Cash flow from investing activities	-0.8	-1.3
Cash flow from financing activities	3.7	-3.9
EMPLOYEES		
Number of employees (average, excluding apprentices)	366	358
Number of apprentices (average)	42	47
Personnel expenses (in €m)	3.6	2.7
SHARE		
Number of shares (in m)	3.70	3.70
Earnings per share, undiluted and diluted (in €)	-0.30	-0.73

BALANCE SHEET

	03/31/2022	12/31/2021
BALANCE SHEET		
Long-term assets	151.6	151.6
Short-term assets	19.2	16.6
Equity	61.8	63.0
Long-term liabilities	86.0	87.0
Short-term liabilities	23.0	18.3
Balance sheet total	170.8	168.2
Investments	-0.8	-1.0
Equity ratio (in %)	36.2	37.4

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SEGMENT REPORTING

	Textile		Non-textile		Group	
	€m	%	€m	%	€m	%
Gross sales	10.2	119.0	4.5	119.0	14.7	119.0
<i>Previous year</i>	3.8	119.0	2.9	119.0	6.7	119.0
VAT	-1.6	19.0	-0.7	19.0	-2.3	19.0
<i>Previous year</i>	-0.6	19.0	-0.5	19.0	-1.1	19.0
Net sales	8.6	100.0	3.8	100.0	12.4	100.0
<i>Previous year</i>	3.2	100.0	2.4	100.0	5.6	100.0
Cost of sales*	-4.9	57.7	-2.1	56.4	-7.1	57.3
<i>Previous year</i>	-2.1	65.6	-1.4	58.2	-3.5	62.5
Gross profit	3.6	42.4	1.6	43.5	5.3	42.7
<i>Previous year</i>	1.1	34.4	1.0	41.8	2.1	37.5
Personnel expenses of sales	-0.7	8.0	-0.4	9.6	-1.0	8.5
<i>Previous year</i>	-0.6	17.5	-0.4	15.4	-0.9	16.6
Calculatory occupancy costs	-2.3	27.1	-0.5	13.7	-2.8	23.0
<i>Previous year</i>	-2.2	70.3	-0.5	21.9	-2.8	56.1
Calculatory interests	-0.2	2.1	-0.1	2.5	-0.3	2.2
<i>Previous year</i>	-0.3	8.0	-0.1	4.6	-0.4	6.5
Segment result	0.5	5.3	0.7	17.7	1.1	9.1
<i>Previous year</i>	-2.0	-62.5	0.0	-0.1	-2.0	-35.7

* excluding discounts, rebates, etc. on cost of sales

Investor Relations

LUDWIG BECK AG

A. Deubel

t: +49 89 23691 – 745

f: +49 89 23691 – 600

ir@ludwigbeck.de