

# LUDWIG BECK



SEIT 1861

## **LUDWIG BECK with positive development despite difficult general conditions**

**Munich, July 21, 2022** - The stationary fashion trade was struggling with the effects of the COVID-19 pandemic in the first months of the year. Due to the start of the war in Ukraine, the easing of the Coronavirus measures did little to help the stationary fashion trade recover during the first months of 2022. A study by the GfK Consumer Panel Fashion shows that spending on fashion has slowed significantly due to the tense economic and political situation. In addition, the fashion industry is struggling with supply bottlenecks and material shortages, especially in the procurement of primary products and raw materials. It is assumed that these general conditions in the industry will continue for a long time.

### **Sales development**

The LUDWIG BECK Group generated gross sales of € 34.0m in the first six months of the fiscal year 2022 (previous year: € 20.2m). Despite the difficult start to the year, LUDWIG BECK noticed a positive trend with the start of the Easter holidays and tourists gradually returning to Munich city centre. Furthermore, it almost achieved sales of a normal year like 2019. However, tourists from China due to the COVID-19 pandemic and Russia due to the war in Ukraine will probably continue to be reluctant to travel to Europe and Munich.

### **Earnings situation**

Net gross profit rose sharply in the reporting year from € 7.6 million in the previous year to € 14.1 million.

Other operating income was € 2.2 million (previous year: € 5.4 million). The significantly higher operating income in the previous year reflects an initial payment of € 4.2 million from bridging aid III. In the current year, around € 0.6 million from the bridging aid IV is reflected in the other operating income.

In line with the development of turnover and frequency, personnel costs also increased from € 5.9 million to € 7.7 million. Due to the hard lockdown, short-time work relieved personnel costs in the previous year.

Earnings before interest and taxes (EBIT) improved from € -1.0 million to € -0.4 million. The financial result improved by € 0.2 million and amounted to € -1.0 million (the previous year: € -1.2 million).

The result after taxes amounted to € -0.8 million in the first half of 2022 (previous year: € -1.5 million).

### **Outlook**

If business continues to develop positively throughout the Oktoberfest season and markets are unrestricted throughout the Christmas season (as 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.

A prerequisite for this forecast is that there are no further restrictions in the city centres, such as lockdowns, 2G regulations, curfews or access restrictions. In case of renewed restrictions due to the COVID-19 pandemic or negative developments in Ukraine, the continuing rise in inflation or further increases in energy costs, it would be difficult to assess the extent to which LUDWIG BECK's sales and earnings situation would be affected.

The detailed semi-annual report for the 2022 financial year is available on the company's website at <http://kaufhaus.ludwigbeck.de> in the section "Investor Relations", and "Financial Publications" under the heading "Interim Reports".

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