

# LUDWIG BECK



SEIT 1861

## **CORPORATE QUARTERLY STATEMENT**

For the first quarter of the fiscal year 2023

For the period from January 1 to March 31, 2023

### **LUDWIG BECK - Sales in the first quarter are clearly above the previous year's level**

**Munich, April 20, 2023** – The Munich-based fashion group LUDWIG BECK (ISIN DE 0005199905) ended the first quarter of 2023 with a significant increase in sales of around 20% compared to the same period of the previous year. The first quarter of the last year was still clearly driven by the high level of COVID-19 infections. The start of the war in Ukraine at the beginning of February 2022 also unsettled consumers.

#### **Economic environment and development in the retail industry**

After three years marked by COVID-19, things are looking up again for the hard-hit stationary retail sector. Despite the war in Ukraine and the predicted consumer restraint, the industry increased its sales in the first three months of the year by around 20% compared to the previous year.

In contrast to the brick-and-mortar business, online retail, which had benefited from the COVID-19 pandemic in the previous year, seems to have suffered heavy losses. According to the E-Commerce Association, online shoe retailers had to report a decline in sales of about 25% in the first quarter compared to the previous year. Online fashion sales fell by almost 20% in the same period. However, the industry is not talking about a slump but rather a normalization of business after the strong years during the COVID-19 pandemic.

#### **GENERAL PRESENTATION OF FIGURES IN THE INTERIM STATEMENT**

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

### **CONSOLIDATED EARNINGS SITUATION**

#### **Development of sales**

In the first three months of the fiscal year 2023, the LUDWIG BECK Group generated gross sales of € 17.7m (previous year: € 14.7m). Sales in the "textile" segment amounted to € 12.7m (previous year: € 10.2m) and in the "non-textile" segment to € 4.9m (previous year: € 4.5m). In the online segment, LUDWIG BECK increased its sales in fashion compared with the year earlier. However, revenues declined slightly in beauty.

#### **Profitability of the Group**

Gross profit improved with sales development from € 5.6m in absolute terms to € 6.8m. The gross profit margin remained unchanged at 45.6%.

Operating expenses were € 7.9m in the first quarter of 2023 (previous year: € 6.9m). Apart from the significant increase in personnel expenses, the main driver here was inflation, which affected all expense areas equally.

The operating result (EBIT) improved slightly from € -1.3m to € -1.2m.

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Due to the massive increases in interest rates on the financial markets, the financial result was at -0.6m and thus slightly worse than the previous year's figure of € -0.5m. As a result, earnings before taxes (EBT) amounted to € -1.7m (previous year: € -1.8m).

Earnings after taxes (EAT) were € -1.1m, as in the previous year.

## **CAPITAL STRUCTURE**

### **Balance sheet structure**

Total assets of the LUDWIG BECK Group as of March 31, 2023, amounted to € 170.3m (December 31, 2022: € 168.6m).

As in the previous year, the main components of long-term assets were the rights of use for rental agreements (€ 58.7m) and the property at Munich's Marienplatz (€ 69.8m). Long-term assets totalled € 150.4m as of March 31, 2023 (December 31, 2022: € 149.9m).

Short-term assets amounted to € 19.9m (December 31, 2022: € 18.7m). Inventories included in this figure increased from € 11.8m to € 13.6m due to seasonal factors.

Cash and cash equivalents amounted to € 0.4m (December 31, 2022: € 0.5m).

## **FINANCIAL POSITION**

### **Balance sheet structure**

As of March 31, 2023, the LUDWIG BECK Group had equity capital of € 64.2m (December 31, 2022: € 65.3m). The equity ratio was 37.7% (December 31, 2022: 38.8%).

Long-term liabilities decreased by € 1.7m, mainly due to scheduled repayments of financial liabilities, and amounted to € 80.3m (December 31, 2022: € 82.0m).

Short-term liabilities increased from € 21.2m as of December 31, 2022, to € 25.8m at the end of March 2023 due to seasonal factors such as the development of short-term assets, the repayment of long-term financial liabilities, and the growth of earnings.

In total, the Group's liabilities amounted to € 106.1m as of the reporting date of March 31, 2023 (December 31, 2022: € 103.2m).

### **Cash flow**

The cash flow from operating activities after the first three months of 2023 was € -2.2m (previous year: € -2.8m). The cash flow from investing activities in the same period was € -1.3m (previous year: € -0.8m). The investments mainly concern the newly opened stationery department on the 4th floor and the redesign of the departments on the 2nd floor in the flagship store at Munich's Marienplatz. Cash flow from financing activities was € 3.4m (previous year: € 3.7m).

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## **EMPLOYEES**

Due to the normalisation of business operations, the number of employees (according to Section 267 (5) HGB) increased from 366 (without apprentices) to 393 in the first three months of the fiscal year 2023. As of the reporting date of March 31, 2023, the LUDWIG BECK Group employed 37 apprentices (previous year: 42).

## **FORECAST REPORT**

### **General economic conditions, development in retail, and at LUDWIG BECK**

The ifo Institute assumes that the peak of the inflation wave has now been reached and that there will be no further increase in energy prices in the coming months. In addition, government price breaks have been in place since the beginning of the year. Although this only relieves the burden on companies whose energy costs are strongly linked to market prices, no further price increases for goods will likely be planned. Private households will not feel the falling energy prices until the end of the year at the earliest, as energy suppliers will only gradually pass on the lower procurement costs to their customers, according to the ifo Institute.

LUDWIG BECK is satisfied with the course of the first quarter and remains cautiously optimistic about the current fiscal year. The sensible combination of stationery business and online trade forms the basis for this and will be pursued further. LUDWIG BECK will continue to invest in the Marienplatz store and create exciting new shopping worlds through renovation measures. Despite the continuing complicated economic conditions, the management is sticking to the forecasts in the consolidated management report. It expects gross sales between € 88m and € 92m and an operating result (EBIT) at the group level of between € 4m and € 5m for the fiscal year 2023.

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## GROUP KEY FIGURES

in €m	01/01/2023	01/01/2022
	03/31/2023	03/31/2022
	-	-
<b>PROFIT AND LOSS ACCOUNT</b>		
Sales (gross)	17.7	14.7
Value Added Tax	-2.8	-2.3
Sales (net)	14.9	12.4
Gross profit	6.8	5.6
Earnings before interest, taxes, depreciation, and amortisation (EBITDA)	0.5	0.3
Earnings before interest and taxes (EBIT)	-1.2	-1.3
Earnings before taxes (EBT)	-1.7	-1.8
Earnings after taxes (EAT)	-1.1	-1.1
<b>CASH FLOW</b>		
Cash flow from operating activities	-2.2	-2.8
Cash flow from investing activities	-1.3	-0.8
Cash flow from financing activities	3.4	3.7
<b>EMPLOYEES</b>		
Number of employees (average, excluding apprentices)	393	366
Number of apprentices (average)	37	42
Personnel expenses (in €m)	4.0	3.6
<b>SHARE</b>		
Number of shares (in m)	3.70	3.70
Earnings per share, undiluted and diluted (in €)	-0.29	-0.30

## BALANCE SHEET

in €m	03/31/2023	12/31/2022
<b>BALANCE SHEET</b>		
Long-term assets	150.4	149.9
Short-term assets	19.9	18.7
Equity	64.2	65.3
Long-term liabilities	80.3	82.0
Short-term liabilities	25.8	21.2
Balance sheet total	170.3	168.6
Investments	-1.3	-2.4
Equity ratio (in %)	37.7	38.8

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## SEGMENT REPORTING

	Textile		Non-textile		Group	
	m €	%	m €	%	m €	%
<b>Gross sales</b>	<b>12.7</b>	<b>119.0</b>	<b>4.9</b>	<b>119.0</b>	<b>17.7</b>	<b>119.0</b>
<i>Previous year</i>	10.2	119.0	4.5	119.0	14.7	119.0
VAT	-2.0	19.0	-0.7	19.0	-2.8	19.0
<i>Previous year</i>	-1.6	19.0	-0.7	19.0	-2.3	19.0
<b>Net sales</b>	<b>10.7</b>	<b>100.0</b>	<b>4.2</b>	<b>100.0</b>	<b>14.9</b>	<b>100.0</b>
<i>Previous year</i>	8.6	100.0	3.8	100.0	12.4	100.0
Cost of sales*	-6.0	56.2	-2.4	56.7	-8.4	56.4
<i>Previous year</i>	-4.9	57.7	-2.1	56.4	-7.1	57.3
<b>Gross profit</b>	<b>4.7</b>	<b>43.8</b>	<b>1.8</b>	<b>43.3</b>	<b>6.5</b>	<b>43.6</b>
<i>Previous year</i>	3.6	42.4	1.6	43.5	5.3	42.7
Personnel expenses of sales	-1.1	10.2	-0.7	17.6	-1.8	12.2
<i>Previous year</i>	-1.0	8.6	-0.5	13.2	-1.4	11.3
Calculatory occupancy costs	-2.4	22.2	-0.5	12.9	-2.9	19.6
<i>Previous year</i>	-2.3	27.1	-0.5	13.7	-2.8	23.0
Calculatory interests	-0.2	1.7	-0.1	2.5	-0.3	1.9
<i>Previous year</i>	-0.2	2.1	-0.1	2.5	-0.3	2.2
<b>Segment result</b>	<b>1.0</b>	<b>9.6</b>	<b>0.4</b>	<b>10.4</b>	<b>1.5</b>	<b>9.9</b>
<i>Previous year</i>	0.1	1.2	0.5	13.2	0.8	6.5

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

### Investor Relations

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